# VOLUME I

# CODE OF IOWA

# 2014

CONTAINING

## ALL STATUTES OF A GENERAL AND PERMANENT NATURE

Including the Acts of a permanent nature
of the Eighty-fifth General Assembly, 2013

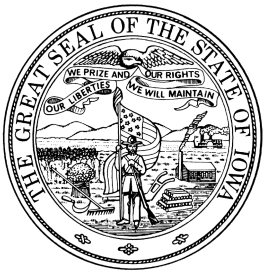


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by the
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GENERAL ASSEMBLY OF IOWA
Des Moines
—
2013

# PREFACE TO 2014 IOWA CODE

2014 IOWA CODE — PRINT CODE SUPPLEMENT DISCONTINUED — ANNUAL CD-ROM. This 2014 Iowa Code is published pursuant to Iowa Code chapters 2A and 2B by the Legislative Services Agency only on CD-ROM and on the Iowa General Assembly's Internet site. The printed softbound Code Supplement has been discontinued. The CD-ROM contains a copy of the official text of the 2014 Iowa Code in PDF format, divided into six parts to correspond to the six-volume format of the biennial printed version of the Iowa Code. Printed hardbound volumes of the Iowa Code will continue to be published following the second regular session of a General Assembly. A CD-ROM containing the Iowa Code will be published annually.

CODE CONTENTS AND EFFECTIVE DATES. This 2014 Iowa Code contains the permanent enactments of the 2013 session of the Eighty-fifth General Assembly and of earlier sessions if the effective dates of the enactments were delayed. Except as otherwise indicated in the text or in a footnote, new sections, amendments, and repeals were effective on or before July 1, 2013. Refer to the specific enactments to determine effective dates not shown. The Table of Contents enumerates the titles and subtitles in this Iowa Code, and each volume contains an analysis by title, subtitle, and chapter. Codified and original versions of the Constitution of the State of Iowa are included at the beginning of Volume I.

EDITORIAL DECISIONS. All duplicative or nonconflicting amendments to a Code section or part of a Code section were harmonized as required under Iowa Code sections 2B.13 and 4.11. A strike or repeal prevailed over an amendment to the same material. If amendments were irreconcilable, the last amendment in the Act, or latest in date of enactment, was codified as provided in Iowa Code sections 2B.13 and 4.8. Code Editor's Notes at the end of Volume VI explain editorial decisions. Iowa Code section 2B.13 governs editorial changes and their effective dates.

HISTORIES AND NOTES. Bracketed material at the end of Code sections traces the sections' history up through 1982. Beginning with the 1983 Legislative Session, history is traced by citing all Iowa Acts amending or enacting the Code sections. The history of a transferred section will include the publication year and the Code section from which the transfer took place. An explanatory note describing the most recent changes in each new or amended Code section follows the history. Internal reference citations follow Code titles, subtitles, chapters, chapter subdivisions, or sections.

INDEX AND TABLES. A Skeleton Index appears at the end of each volume. Conversion tables of Senate and House files to Iowa Acts chapters, tables of disposition of Iowa Acts, and a table of corresponding sections can be accessed on the General Assembly's Internet site.

COMMENTS. The editorial staff of the Iowa Code welcomes comments and suggestions for improvements.

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# DESIGNATION OF GENERAL ASSEMBLY — OFFICIAL LEGAL PUBLICATIONS — CITATIONS

**2.2 Designation of general assembly.**

Each regular session of the general assembly shall be designated by the year in which it convenes and by a number with a new consecutive number assigned with the session beginning in each odd-numbered year.

A special session of the general assembly shall be designated as an extraordinary session in the particular year of a numbered general assembly.

**2B.17 Official legal publications — citations.**

1. An official legal publication designated as such by the legislative services agency as provided in sections 2.42 and 2A.1, is the official and authoritative version of the statutes, administrative rules, or court rules of the state of Iowa.

2. *a.* The codified version of the state's constitution shall be known as the Constitution of the State of Iowa.

*b.* For statutes, the official versions of publications shall be known as the Iowa Acts, the Iowa Code, and the Code Supplement.

*c.* For administrative rules, the official versions of the publications shall be known as the Iowa Administrative Bulletin and the Iowa Administrative Code.

*d.* For court rules, the official version of the publication shall be known as the Iowa Court Rules.

3. The legislative services agency may adopt a style manual providing a uniform system of citing the codified Constitution of the State of Iowa and the official versions of publications listed in subsection 2, including by reference to commonly accepted legal sources. The legislative services agency style manual may provide for a different form of citation for electronic and printed versions of the same publication. Nothing in this section affects rules for style and format adopted pursuant to section 2.42.

4. The codified Constitution of the State of Iowa, and statutes enacted and joint resolutions enacted or passed by the general assembly shall be cited as follows:

*a.* The codified Constitution of the State of Iowa shall be cited as the Constitution of the State of Iowa, with a reference identifying the preamble or boundaries, or article, section, and subunit of a section. Subject to the legislative services agency style manual, the Constitution of the State of Iowa may be cited as the Iowa Constitution.

*b.* The Iowa Acts shall be cited as the Iowa Acts with a reference identifying the year of the publication in conformance with section 2.2, and the chapter of a bill enacted or joint resolution enacted or passed during a regular session, or in the alternative the bill or joint resolution chamber designation, and the section of the chapter or bill or subunit of a section. A bill or joint resolution enacted or passed during a special session shall be cited by the extraordinary session designation in conformance with section 2.2. If the Iowa Acts have not been published, a bill or joint resolution may be cited by its bill or joint resolution chamber designation.

*c.* The Iowa Code shall be cited as the Iowa Code. The Code Supplement shall be cited as the Code Supplement. Subject to the legislative services agency style manual, the Iowa Code may be cited as the Code of Iowa or Code and the Code Supplement may be cited as the Iowa Code Supplement, with references identifying parts of the publication, including but not limited to title or chapter, section, or subunit of a section. If the citation refers to a past edition of the Iowa Code or Code Supplement, the citation shall identify the year of publication.

5. Administrative rules shall be cited as follows:

*a.* The Iowa Administrative Bulletin shall be cited as the IAB, with references identifying the volume number which may be based on a fiscal year cycle, the issue number, and the ARC number assigned to the rulemaking document by the administrative rules coordinator pursuant to section 17A.4. Subject to the legislative services agency style manual, the citation may also include the publication's page number.

*b.* The Iowa Administrative Code shall be cited as the IAC, with references to an agency's identification number placed at the beginning of the citation and with references to parts of the publication, including but not limited to chapter, rule, or subunit of a rule.

6. The Iowa Court Rules shall be cited as the Iowa Court Rules, with references to the rule number and to subunits of the publication, which may include but are not limited to the Iowa Rules of Civil Procedure, the Iowa Rules of Criminal Procedure, the Iowa Rules of Evidence, the Iowa Rules of Appellate Procedure, the Iowa Rules of Professional Conduct, and the Iowa Code of Judicial Conduct. Subject to the legislative services agency style manual, the names of the rules may be abbreviated.

Chapters of the Code are cited as whole numerals; as chapter 124 or chapter 124A.

Sections are cited as decimal numerals; as section 124.401 or section 124A.3. Sections are often divided into subunits. The following is an example of the hierarchical structure of a Code section:

Section: 35D.15
Subsection: 2
Paragraph: *a*
Subparagraph: (1)
Subparagraph division: (a)
Subparagraph subdivision: (ii)
Subparagraph part: (B)
Subparagraph subpart: (I) *This subunit does not exist in present Code*

The above Code section example may be abbreviated as 35D.15(2)(a)(1)(a)(ii)(B)(I) or 35D.15 [2a(1)(a)(ii)(B)(I)].

# ABBREVIATIONS

C51 ..... Code of 1851
R60 ..... Revision of 1860
C73 ..... Code of 1873
C97 ..... Code of 1897
S'02 ..... Supplement of 1902
S'07 ..... Supplement of 1907
S13 ..... Supplement of 1913
SS15 ..... Supplemental Supplement 1915
C24 ..... Code of 1924
C27 ..... Code of 1927
C31 ..... Code of 1931
C35 ..... Code of 1935
C39 ..... Code of 1939
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S79 ..... Supplement of 1979
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CS85 ..... Code Supplement of 1985
C87 ..... Code of 1987
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CS95 ..... Code Supplement of 1995
C97 ..... Code of 1997
CS97 ..... Code Supplement of 1997
C99 ..... Code of 1999
CS99 ..... Code Supplement of 1999
C2001 ..... Code of 2001
CS2001 ..... Code Supplement of 2001
C2003 ..... Code of 2003
CS2003 ..... Code Supplement of 2003
C2005 ..... Code of 2005
CS2005 ..... Code Supplement of 2005
C2007 ..... Code of 2007
CS2007 ..... Code Supplement of 2007
C2009 ..... Code of 2009
CS2009 ..... Code Supplement of 2009
C2011 ..... Code of 2011
CS2011 ..... Code Supplement of 2011
C2013 ..... Code of 2013
C2014 ..... Code of 2014
GA ..... General Assembly
§ or Sec. ..... Section
Art. ..... Article
Ch ..... Chapter
1st Ex ..... First Extra Session
2nd Ex ..... Second Extra Session
R (in tables) ..... Repealed
Vol ..... Volume
Ct.R. ..... Court Rule
R.C.P. ..... Rules of Civil Procedure
R.Cr.P. ..... Rules of Criminal Procedure
R.App.P. .... Rules of Appellate Procedure
R.Prob.P. ..... Rules of Probate Procedure
Stat. ..... Statutes at Large (U. S.)
U.S.C. ..... United States Code
U.S.C. App. United States Code Appendix
Pub. L. No. ... Public Law Number (U. S.)
C.F.R. Code of Federal Regulations (U. S.)
Tit. ..... Title in federal Acts
Subtit. ..... Subtitle in federal Acts
Pt. ..... Part in federal Acts
Subpt. ..... Subpart in federal Acts

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# THE DECLARATION OF INDEPENDENCE

IN CONGRESS, JULY 4, 1776
[*Literal reprint of the Declaration of Independence as it appears in the Revised Statutes of the United States, 1878*]

*The unanimous Declaration of the thirteen united States of America.*

When in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the Powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them under absolute Despotism it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security. — Such has been the patient sufferance of these Colonies; and such is now the necessity which constrains them to alter their former Systems of Government. The history of the present King of Great Britian is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these States. To prove this, let Facts be submitted to a candid world.

He has refused his Assent to Laws, the most wholesome and necessary for the public good.

He has forbidden his Governors to pass Laws of immediate and pressing importance, unless suspended in their operation till his Assent should be obtained; and when so suspended, he has utterly neglected to attend to them.

He has refused to pass other Laws for the accommodation of large districts of people, unless those people would relinquish the right of Representation in the Legislature, a right inestimable to them and formidable to tyrants only.

He has called together legislative bodies at places unusual, uncomfortable, and distant from the depository of their Public Records, for the sole purpose of fatiguing them into compliance with his measures.

He has dissolved Representative Houses repeatedly, for opposing with manly firmness his invasions on the rights of the people.

He has refused for a long time, after such dissolutions, to cause others to be elected; whereby the Legislative Powers, incapable of Annihilation, have returned to the People at large for their exercise; the State remaining in the mean time exposed to all the dangers of invasion from without, and convulsions within.

He has endeavoured to prevent the population of these States; for that purpose obstructing the Laws for Naturalization of Foreigners; refusing to pass others to encourage their migration hither, and raising the conditions of new Appropriations of Lands.

He has obstructed the Administration of Justice, by refusing his Assent to Laws for establishing Judiciary Powers.

He has made Judges dependent on his Will alone, for the tenure of their offices, and the amount and payment of their salaries.

He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our People, and eat out their substance.

He has kept among us, in times of peace, Standing Armies without the Consent of our legislature.

He has affected to render the Military independent of and superior to the Civil Power.

He has combined with others to subject us to a jurisdiction foreign to our constitution, and unacknowledged by our laws; giving his Assent to their acts of pretended Legislation:

For quartering large bodies of armed troops among us:

For protecting them, by a mock Trial, from Punishment for any Murders which they should commit on the Inhabitants of these States:

For cutting off our Trade with all parts of the world:

For imposing taxes on us without our Consent:

For depriving us in many cases, of the benefits of Trial by Jury:

For transporting us beyond Seas to be tried for pretended offenses:

For abolishing the free System of English Laws in a neighbouring Province, establishing therein an Arbitrary government, and enlarging its Boundaries so as to render it at once an example and fit instrument for introducing the same absolute rule into these Colonies:

For taking away our Charters, abolishing our most valuable Laws, and altering fundamentally the Forms of our Government:

For suspending our own Legislature, and declaring themselves invested with Power to legislate for us in all cases whatsoever.

He has abdicated Government here, by declaring us out of his Protection and waging War against us.

He has plundered our seas, ravaged our Coasts, burnt our towns, and destroyed the lives of our people.

He is at this time transporting large armies of foreign mercenaries to compleat the works of death, desolation and tyranny, already begun with circumstances of Cruelty & perfidy scarcely paralleled in the most barbarous ages, and totally unworthy the Head of a civilized nation.

He has constrained our fellow Citizens taken captive on the high Seas to bear Arms against their Country, to become the executioners of their friends and Brethren, or to fall themselves by their Hands.

He has excited domestic insurrections amongst us, and has endeavoured to bring on the inhabitants of our frontiers, the merciless Indian Savages, whose known rule of warfare, is an undistinguished destruction of all ages, sexes and conditions.

In every stage of these Oppressions We have Petitioned for Redress in the most humble terms: Our repeated Petitions have been answered only by repeated injury. A Prince, whose character is thus marked by every act which may define a Tyrant is unfit to be the ruler of a free People.

Nor have We been wanting in attention to our Brittish brethren. We have warned them from time to time of attempts by their legislature to extend an unwarrantable jurisdiction over us. We have reminded them of the circumstances of our emigration and settlement here. We have appealed to their native justice and magnanimity, and we have conjured them by the ties of our common kindred to disavow these usurpations, which, would inevitably interrupt our connections and correspondence. They too have been deaf to the voice of justice and of consanguinity. We must, therefore, acquiesce in the necessity, which denounces our Separation, and hold them, as we hold the rest of mankind, Enemies in War, in Peace Friends.

We, therefore, the Representatives of the united States of America, in General Congress, Assembled, appealing to the Supreme Judge of the world for the rectitude of our intentions, do, in the Name, and by Authority of the good People of these Colonies, solemnly publish and declare, That these United Colonies are, and of Right ought to be Free and Independent States; that they are Absolved from all Allegiance to the British Crown, and that all political connection between them and the State of Great Britian is and ought to be totally dissolved; and that as Free and Independent States, they have full Power to levy War, conclude Peace, contract Alliances, establish Commerce, and to do all other Acts and Things which Independent States may of right do. And for the support of this Declaration, with a firm

reliance on the Protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor.

JOHN HANCOCK.

*New Hampshire*. — JOSIAH BARTLETT, WM. WHIPPLE, MATTHEW THORNTON.

*Massachusetts Bay*. — SAML. ADAMS, JOHN ADAMS, ROBT. TREAT PAINE, ELBRIDGE GERRY.

*Rhode Island*. — STEP. HOPKINS, WILLIAM ELLERY.

*Connecticut*. — ROGER SHERMAN, SAMEL. HUNTINGTON, WM. WILLIAMS, OLIVER WOLCOTT.

*New York*. — WM. FLOYD, PHIL. LIVINGSTON, FRANS. LEWIS, LEWIS MORRIS.

*New Jersey*. — RICHD. STOCKTON, JNO. WITHERSPOON, FRANS. HOPKINSON, JOHN HART, ABRA. CLARK.

*Pennsylvania*. — ROBT. MORRIS, BENJAMIN RUSH, BENJA. FRANKLIN, JOHN MORTON, GEO. CLYMER, JAS. SMITH, GEO. TAYLOR, JAMES WILSON, GEO. ROSS.

*Delaware*. — CEASAR RODNEY, GEO. READ, THO. M'KEAN.

*Maryland*. — SAMUEL CHASE, WM. PACA, THOS. STONE, CHARLES CARROLL OF CARROLLTON.

*Virginia*. — GEORGE WYTHE, RICHARD HENRY LEE, TH. JEFFERSON, BENJA. HARRISON, THOS. NELSON, JR., FRANCIS LIGHTFOOT LEE, CARTER BRAXTON.

*North Carolina*. — WM. HOOPER, JOSEPH HEWES, JOHN PENN.

*South Carolina*. — EDWARD RUTLEDGE, THOS. HEYWARD, JUNR., THOMAS LYNCH, JUNR., ARTHUR MIDDLETON.

*Georgia*. — BUTTON GWINNETT, LYMAN HALL, GEO. WALTON.

# ARTICLES OF CONFEDERATION

[*Adopted by the Congress of the United States November 15, 1777, and submitted for ratification to the several states. Ratification consummated and proclaimed March 1, 1781.*]


PREAMBLE.

ARTICLE I. Style of confederacy.

ARTICLE II. Each state retains all powers not expressly delegated to congress.

ARTICLE III. Obligations and purposes of the league of the states.

ARTICLE IV. Freedom of intercourse between the states — surrender of fugitives from justice — records, acts and judicial proceedings of courts to be received with full faith and credit by other states.

ARTICLE V. Congress — how organized and maintained — each state to have one vote — privileges of delegates.

ARTICLE VI. No state may send embassies or make treaties — persons holding office not to accept presents, emoluments or titles from foreign states — nor shall titles of nobility be granted — no two or more states to make treaties without consent of congress — no state duties to interfere with foreign treaties — restriction upon naval armaments and military forces — militia — arms and munitions — war powers limited and defined.

ARTICLE VII. Military appointments.

ARTICLE VIII. Equalization of war charges and expenses for the common defence — based upon the value of land and improvements thereon — taxes to be levied by states.

ARTICLE IX. Powers of congress — declaring peace and war — entering into treaties — captures and prizes — letters of marque and reprisal — courts for trial of piracies and felonies on high seas — appeals in case of captures — differences between states — mode of choosing commissioners or judges — private right of soil claimed under two or more states — coining money — weights and measures — Indian affairs — post routes — army — navy — committee of the states — other committees — civil officers — president — public expenses — borrowing money — bills of credit — land and naval forces — quotas based on a census — states to raise and equip men at expense of United States — enumeration of measures requiring the assent of a majority of the states — adjournments of congress — journals — copies of proceedings to be furnished to states if desired.

ARTICLE X. Powers of the committee of the states.

ARTICLE XI. Canada allowed to join the Union — other colonies to require the assent of nine states.

ARTICLE XII. United States pledged for payment of bills of credit and borrowed moneys.

ARTICLE XIII. States bound by decisions of congress — union to be perpetual — changes in articles to be agreed to by every state — ratification and pledge.


[*Literal reprint of the articles of confederation as they appear in the Revised Statutes of the United States, 1878.*]

*To all to whom these Presents shall come, we the undersigned Delegates of the States affixed to our Names send greeting.*

Whereas the Delegates of the United States of America in Congress assembled did on the fifteenth day of November in the Year of our Lord One Thousand Seven Hundred and Seventy seven, and in the Second Year of the Independence of America agree to certain articles of Confederation and perpetual Union between the States of Newhampshire, Massachusetts-bay, Rhodeisland and Providence Plantations, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North-Carolina, South-Carolina and Georgia in the Words following, viz.

*"Articles of Confederation and perpetual Union between the States of Newhampshire, Massachusetts-bay, Rhodeisland, and Providence Plantations, Connecticut, New-York, New-Jersey, Pennsylvania, Delaware, Maryland, Virginia, North-Carolina, South-Carolina and Georgia.*

Article I. The stile of this confederacy shall be "The United States of America."

Article II. Each State retains its sovereignty, freedom and independence, and every power, jurisdiction and right, which is not by this confederation expressly delegated to the United States, in Congress assembled.

Article III. The said States hereby severally enter into a firm league of friendship with each other, for their common defence, the security of their liberties, and their mutual and general welfare, binding themselves to assist each other, against all force offered to, or attacks made upon them, or any of them, on account of religion, sovereignty, trade, or any other pretence whatever.

Article IV. The better to secure and perpetuate mutual friendship and intercourse among the people of the different States in this Union, the free inhabitants of each of these States, paupers, vagabonds and fugitives from justice excepted, shall be entitled to all privileges and immunities of free citizens in the several States; and the people of each State shall have free ingress and regress to and from any other State, and shall enjoy therein all the privileges of trade and commerce, subject to the same duties, impositions and restrictions as the inhabitants thereof respectively, provided that such restrictions shall not extend so far as to prevent the removal of property imported into any State, to any other State of which the owner is an inhabitant; provided also that no imposition, duties or restriction shall be laid by any State, on the property of the United States, or either of them.

If any person guilty of, or charged with treason, felony, or other high misdemeanor in any State, shall flee from justice, and be found in any of the United States, he shall upon demand of the Governor or Executive power, of the State from which he fled, be delivered up and removed to the State having jurisdiction of his offence.

Full faith and credit shall be given in each of these States to the records, acts and judicial proceedings of the courts and magistrates of every other State.

Article V. For the more convenient management of the general interests of the United States, delegates shall be annually appointed in such manner as the legislature of each State shall direct, to meet in Congress on the first Monday in November, in every year, with a power reserved to each State, to recall its delegates, or any of them, at any time within the year, and to send others in their stead, for the remainder of the year.

No State shall be represented in Congress by less than two, nor by more than seven members; and no person shall be capable of being a delegate for more than three years in any term of six years; nor shall any person, being a delegate, be capable of holding any office under the United States, for which he, or another for his benefit receives any salary, fees or emolument of any kind.

Each State shall maintain its own delegates in a meeting of the States, and while they act as members of the committee of the States.

In determining questions in the United States, in Congress assembled, each State shall have one vote.

Freedom of speech and debate in Congress shall not be impeached or questioned in any court, or place out of Congress, and the members of Congress shall be protected in their persons from arrests and imprisonments, during the time of their going to and from, and attendance on Congress, except for treason, felony, or breach of the peace.

Article VI. No State without the consent of the United States in Congress assembled, shall send any embassy to, or receive any embassy from, or enter into any conference, agreement, alliance or treaty with any king, prince or state; nor shall any person holding any office of profit or trust under the United States, or any of them, accept of any present, emolument, office or title of any kind whatever from any king, prince or foreign state; nor shall the United States in Congress assembled, or any of them, grant any title of nobility.

No two or more States shall enter into any treaty, confederation or alliance whatever between them, without the consent of the United States in Congress assembled, specifying accurately the purposes for which the same is to be entered into, and how long it shall continue.

No State shall lay any imposts or duties, which may interfere with any stipulations in treaties, entered into by the United States in Congress assembled, with any king, prince or state, in pursuance of any treaties already proposed by Congress, to the courts of France and Spain.

No vessels of war shall be kept up in time of peace by any State, except such number only, as shall be deemed necessary by the United States in Congress assembled, for the defence of such State, or its trade; nor shall any body of forces be kept up by any State, in time of peace, except such number only, as in the judgment of the United States, in Congress assembled, shall be deemed requisite to garrison the forts necessary for the defence of such State; but every State shall always keep up a well regulated and disciplined militia, sufficiently armed and accoutered, and shall provide and constantly have ready for use, in public stores, a due number of field pieces and tents, and a proper quantity of arms, ammunition and camp equipage.

No State shall engage in any war without the consent of the United States in Congress assembled, unless such State be actually invaded by enemies, or shall have received certain advice of a resolution being formed by some nation of Indians to invade such State, and the danger is so imminent as not to admit of a delay, till the United States in Congress assembled can be consulted: nor shall any State grant commissions to any ships or vessels of war, nor letters of marque or reprisal, except it be after a declaration of war by the United States in Congress assembled, and then only against the kingdom or state and the subjects thereof, against which war has been so declared, and under such regulations as shall be established by the United States in Congress assembled, unless such State be infested by pirates, in which case vessels of war may be fitted out for that occasion, and kept so long as the danger shall continue, or until the United States in Congress assembled shall determine otherwise.

Article VII. When land-forces are raised by any State for the common defence, all officers of or under the rank of colonel, shall be appointed by the Legislature of each State respectively by whom such forces shall be raised, or in such manner as such State shall direct, and all vacancies shall be filled up by the State which first made the appointment.

Article VIII. All charges of war, and all other expenses that shall be incurred for the common defence or general welfare, and allowed by the United States in Congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several States, in proportion to the value of all land within each State, granted to or surveyed for any person, as such land and the buildings and improvements thereon shall be estimated

according to such mode as the United States in Congress assembled, shall from time to time direct and appoint.

The taxes for paying that proportion shall be laid and levied by the authority and direction of the Legislatures of the several States within the time agreed upon by the United States in Congress assembled.

Article IX. The United States in Congress assembled, shall have the sole and exclusive right and power of determining on peace and war, except in the cases mentioned in the sixth article — of sending and receiving ambassadors — entering into treaties and alliances, provided that no treaty of commerce shall be made whereby the legislative power of the respective States shall be restrained from imposing such imposts and duties on foreigners, as their own people are subjected to, or from prohibiting the exportation or importation of any species of goods or commodities whatsoever — of establishing rules for deciding in all cases, what captures on land or water shall be legal, and in what manner prizes taken by land or naval forces in the service of the United States shall be divided or appropriated — of granting letters of marque and reprisal in times of peace — appointing courts for the trial of piracies and felonies committed on the high seas and establishing courts for receiving and determining finally appeals in all cases of captures, provided that no member of Congress shall be appointed a judge of any of said courts.

The United States in Congress assembled, shall also be the last resort on appeal in all disputes and differences now subsisting or that hereafter may arise between two or more States concerning boundary, jurisdiction or any other cause whatever; which authority shall always be exercised in the manner following. Whenever the legislative or executive authority or lawful agent of any State in controversy with another shall present a petition to Congress, stating the matter in question and praying for a hearing, notice thereof shall be given by order of Congress to the legislative or executive authority of the other State in controversy, and a day assigned for the appearance of the parties by their lawful agents, who shall then be directed to appoint by joint consent, commissioners or judges to constitute a court for hearing and determining the matter in question: but if they cannot agree, Congress shall name three persons out of each of the United States, and from the list of such persons each party shall alternately strike out one, the petitioners beginning, until the number shall be reduced to thirteen; and from that number not less than seven, nor more than nine names as Congress shall direct, shall in the presence of Congress be drawn out by lot, and the persons whose names shall be so drawn or any five of them, shall be commissioners or judges, to hear and finally determine the controversy, so always as a major part of the judges who shall hear the cause shall agree in the determination: and if either party shall neglect to attend at the day appointed, without showing reasons, which Congress shall judge sufficient, or being present shall refuse to strike, the Congress shall proceed to nominate three persons out of each State, and the Secretary of Congress shall strike in behalf of such party absent or refusing; and the judgment and sentence of the court to be appointed, in the manner before prescribed, shall be final and conclusive; and if any of the parties shall refuse to submit to the authority of such court, or to appear or defend their claim or cause, the court shall nevertheless proceed to pronounce sentence, or judgment, which shall in like manner be final and decisive, the judgment or sentence and other proceedings being in either case transmitted to Congress, and lodged among the acts of Congress for the security of the parties concerned: provided that every commissioner, before he sits in judgment, shall take an oath to be administered by one of the judges of the supreme or superior court of the State where the cause shall be tried, "well and truly to hear and determine the matter in question, according to the best of his judgment, without favour, affection or hope of reward:" provided also that no State shall be deprived of territory for the benefit of the United States.

All controversies concerning the private right of soil claimed under different grants of two or more States, whose jurisdiction as they may respect such lands, and the States which passed such grants are adjusted, the said grants or either of them being at the same time claimed to have originated antecedent to such settlement of jurisdiction, shall on the petition of either party to the Congress of the United States, be finally determined as near as may

be in the same manner as is before prescribed for deciding disputes respecting territorial jurisdiction between different States.

The United States in Congress assembled shall also have the sole and exclusive right and power of regulating the alloy and value of coin struck by their own authority, or by that of the respective States. — fixing the standard of weights and measures throughout the United States. — regulating the trade and managing all affairs with the Indians, not members of any of the States, provided that the legislative right of any State within its own limits be not infringed or violated — establishing and regulating post-offices from one State to another, throughout all the United States, and exacting such postage on the papers passing thro' the same as may be requisite to defray the expenses of the said office — appointing all officers of the land forces, in the service of the United States, excepting regimental officers — appointing all the officers of the naval forces, and commissioning all officers whatever in the service of the United States — making rules for the government and regulation of the said land and naval forces, and directing their operations.

The United States in Congress assembled shall have authority to appoint a committee, to sit in the recess of Congress, to be denominated "a Committee of the States," and to consist of one delegate from each State; and to appoint such other committees and civil officers as may be necessary for managing the general affairs of the United States under their direction — to appoint one of their number to preside, provided that no person be allowed to serve in the office of president more than one year in any term of three years; to ascertain the necessary sums of money to be raised for the service of the United States, and to appropriate and apply the same for defraying the public expenses — to borrow money, or emit bills on the credit of the United States, transmitting every half year to the respective States an account of the sums of money so borrowed or emitted, — to build and equip a navy — to agree upon the number of land forces, and to make requisitions from each State for its quota, in proportion to the number of white inhabitants in such State; which requisition shall be binding, and thereupon the Legislature of each State shall appoint the regimental officers, raise the men and cloath, arm and equip them in a soldier like manner, at the expense of the United States; and the officers and men so cloathed, armed and equipped shall march to the place appointed, and within the time agreed on by the United States in Congress assembled: but if the United States in Congress assembled shall, on consideration of circumstances judge proper that any State should not raise men, or should raise a smaller number than its quota, and that any other State should raise a greater number of men than the quota thereof, such extra number shall be raised, officered, cloathed, armed and equipped in the same manner as the quota of such State, unless the legislature of such State shall judge that such extra number cannot be safely spared out of the same, in which case they shall raise officer, cloath, arm and equip as many of such extra number as they judge can be safely spared. And the officers and men so cloathed, armed and equipped, shall march to the place appointed, and within the time agreed on by the United States in Congress assembled.

The United States in Congress assembled shall never engage in a war, nor grant letters of marque and reprisal in time of peace, nor enter into any treaties or alliances, nor coin money, nor regulate the value thereof, nor ascertain the sums and expenses necessary for the defence and welfare of the United States, or any of them, nor emit bills, nor borrow money on the credit of the United States, nor appropriate money, nor agree upon the number of vessels of war, to be built or purchased, or the number of land or sea forces to be raised, nor appoint a commander in chief of the army or navy, unless nine States assent to the same: nor shall a question on any other point, except for adjournment from day to day be determined, unless by the votes of a majority of the United States in Congress assembled.

The Congress of the United States shall have power to adjourn to any time within the year, and to any place within the United States, so that no period of adjournment be for a longer duration than the space of six months, and shall publish the journal of their proceedings monthly, except such parts thereof relating to treaties, alliances or military operations, as in their judgment require secresy; and the yeas and nays of the delegates of each State on any question shall be entered on the journal, when it is desired by any delegate; and the delegates of a State, or any of them, at his or their request shall be furnished with a transcript of the

said journal, except such parts as are above excepted, to lay before the Legislatures of the several States.

Article X. The committee of the States, or any nine of them, shall be authorized to execute, in the recess of Congress, such of the powers of Congress as the United States in Congress assembled, by the consent of nine States, shall from time to time think expedient to vest them with; provided that no power be delegated to the said committee, for the exercise of which, by the articles of confederation, the voice of nine States in the Congress of the United States assembled is requisite.

Article XI. Canada acceding to this confederation, and joining in the measures of the United States, shall be admitted into, and entitled to all the advantages of this Union: but no other colony shall be admitted into the same, unless such admission be agreed to by nine States.

Article XII. All bills of credit emitted, monies borrowed and debts contracted by, or under the authority of Congress, before the assembling of the United States, in pursuance of the present confederation, shall be deemed and considered as a charge against the United States, for payment and satisfaction whereof the said United States, and the public faith are hereby solemnly pledged.

Article XIII. Every State shall abide by the determinations of the United States in Congress assembled, on all questions which by this confederation are submitted to them. And the articles of this confederation shall be inviolably observed by every State, and the Union shall be perpetual; nor shall any alteration at any time hereafter be made in any of them; unless such alteration be agreed to in a Congress of the United States, and be afterwards confirmed by the Legislatures of every State.

And whereas it has pleased the Great Governor of the world to incline the hearts of the Legislatures we respectively represent in Congress, to approve of, and to authorize us to ratify the said articles of confederation and perpetual union. Know ye that we the undersigned delegates, by virtue of the power and authority to us given for that purpose, do by these presents, in the name and in behalf of our respective constituents, fully and entirely ratify and confirm each and every of the said articles of confederation and perpetual union, and all and singular the matters and things therein contained: and we do further solemnly plight and engage the faith of our respective constituents, that they shall abide by the determinations of the United States in Congress assembled, on all questions, which by the said confederation are submitted to them. And that the articles thereof shall be inviolably observed by the States we re[s]pectively represent, and that the Union shall be perpetual.

In witness whereof we have hereunto set our hands in Congress. Done at Philadelphia in the State of Pennsylvania the ninth day of July in the year of our Lord one thousand seven hundred and seventy-eight, and in the third year of the independence of America.

*On the part & behalf of the State of New Hampshire.*

JOSIAH BARTLETT, JOHN WENTWORTH, JUNR.,
August 8th, 1778.

*On the part and behalf of the State of Massachusetts Bay.*

JOHN HANCOCK, FRANCIS DANA,
SAMUEL ADAMS, JAMES LOVELL,
ELBRIDGE GERRY, SAMUEL HOLTEN.

*On the part and behalf of the State of Rhode Island and Providence Plantations.*

WILLIAM ELLERY, JOHN COLLINS.
HENRY MARCHANT,

*On the part and behalf of the State of Connecticut.*

ROGER SHERMAN,
SAMUEL HUNTINGTON,
OLIVER WOLCOTT,
TITUS HOSMER,
ANDREW ADAMS.

*On the part and behalf of the State of New York.*

JAS. DUANE,
FRA. LEWIS,
WM. DUER,
GOUV. MORRIS.

*On the part and in behalf of the State of New Jersey, Novr. 26, 1778.*

JNO. WITHERSPOON,
NATHL. SCUDDER.

*On the part and behalf of the State of Pennsylvania.*

ROBT. MORRIS,
DANIEL ROBERDEAU,
JONA. BAYARD SMITH,
WILLIAM CLINGAN,
JOSEPH REED, 22d July, 1778.

*On the part & behalf of the State of Delaware.*

THO. M'KEAN, Feby. 12, 1779,
JOHN DICKINSON, May 5th, 1779,
NICHOLAS VAN DYKE.

*On the part and behalf of the State of Maryland.*

JOHN HANSON, March 1, 1781,
DANIEL CARROLL, Mar. 1, 1781.

*On the part and behalf of the State of Virginia.*

RICHARD HENRY LEE,
JOHN BANISTER,
THOMAS ADAMS,
JNO. HARVIE,
FRANCIS LIGHTFOOT LEE.

*On the part and behalf of the State of No. Carolina.*

JOHN PENN, July 21st, 1778,
CORNS. HARTNETT,
JNO. WILLIAMS.

*On the part & behalf of the State of South Carolina.*

HENRY LAURENS,
WILLIAM HENRY DRAYTON,
JNO. MATHEWS,
RICHD. HUTSON,
THOS. HEYWARD, JUNR.

*On the part & behalf of the State of Georgia.*

JNO. WALTON, 24th July, 1778,
EDWD. TELFAIR,
EDWD. LANGWORTHY.

# AUTHENTICATION OF RECORDS

Section 2B.12, subsection 6, paragraph "e", requires that each official publication of the Code shall contain the laws of the United States relating to the authentication of records.

Pursuant to that requirement the following laws of the United States are published.

AUTHENTICATION OF RECORDS
[28 U.S.C. § 1738, 1739]

**§ 1738. State and Territorial statutes and judicial proceedings; full faith and credit**

The Acts of the legislature of any State, Territory, or Possession of the United States, or copies thereof, shall be authenticated by affixing the seal of such State, Territory or Possession thereto.

The records and judicial proceedings of any court of any such State, Territory or Possession, or copies thereof, shall be proved or admitted in other courts within the United States and its Territories and Possessions by the attestation of the clerk and seal of the court annexed, if a seal exists, together with a certificate of a judge of the court that the said attestation is in proper form.

Such Acts, records and judicial proceedings or copies thereof, so authenticated, shall have the same full faith and credit in every court within the United States and its Territories and Possessions as they have by law or usage in the courts of such State, Territory or Possession from which they are taken.

**§ 1739. State and Territorial nonjudicial records; full faith and credit**

All nonjudicial records or books kept in any public office of any State, Territory, or Possession of the United States, or copies thereof, shall be proved or admitted in any court or office in any other State, Territory, or Possession by the attestation of the custodian of such records or books, and the seal of his office annexed, if there be a seal, together with a certificate of a judge of a court of record of the county, parish, or district in which such office may be kept, or of the Governor, or secretary of state, the chancellor or keeper of the great seal, of the State, Territory, or Possession that the said attestation is in due form and by the proper officers.

If the certificate is given by a judge, it shall be further authenticated by the clerk or prothonotary of the court, who shall certify, under his hand and the seal of his office, that such judge is duly commissioned and qualified; or, if given by such Governor, secretary, chancellor, or keeper of the great seal, it shall be under the great seal of the State, Territory, or Possession in which it is made.

Such records or books, or copies thereof, so authenticated, shall have the same full faith and credit in every court and office within the United States and its Territories and Possessions as they have by law or usage in the courts or offices of the State, Territory, or Possession from which they are taken.

See also Federal Rule of Civil Procedure 44, 28 U.S.C. App., and Federal Rule of Criminal Procedure 27, 18 U.S.C. App.

# CONSTITUTION OF THE UNITED STATES OF AMERICA

[*Recommended by the convention of the states to congress on September 17, 1787, and by it submitted on September 28, 1787, to the states for ratification, which, by the concurrence of nine states, was consummated and proclaimed, and, on March 4, 1789, the government commenced operations under the new constitution.*]


PREAMBLE.

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[*Literal reprint of the constitution of the United States as it appears in Senate Document No. 96, Sixty-Seventh Congress, Second Session.*]

We the people of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

## ARTICLE I.

SECTION. 1. All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

SECTION. 2. The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors in each State shall have the Qualifications requisite for Electors of the most numerous Branch of the State Legislature.

No Person shall be a Representative who shall not have attained to the Age of twenty five Years, and been seven Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State in which he shall be chosen.

Representatives and direct Taxes shall be apportioned among the several States which may be included within this Union, according to their respective Numbers, which shall be determined by adding to the whole Number of free Persons, including those bound to Service for a Term of Years, and excluding Indians not taxed, three fifths of all other Persons. The actual Enumeration shall be made within three Years after the first Meeting of the Congress of the United States, and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. The Number of Representatives shall not exceed one for every thirty Thousand, but each State shall have at Least one Representative; and until such enumeration shall be made, the State of New Hampshire shall be entitled to chuse three Massachusetts eight, Rhode-Island and Providence Plantations one, Connecticut five, New-York six, New Jersey four, Pennsylvania eight, Delaware one, Maryland six, Virginia ten, North Carolina five, South Carolina five, and Georgia three.

When vacancies happen in the Representation from any State, the Executive Authority thereof shall issue Writs of Election to fill such Vacancies.

The House of Representatives shall chuse their Speaker and other Officers; and shall have the sole Power of Impeachment.

SECTION. 3. The Senate of the United States shall be composed of two Senators from each State, chosen by the Legislature thereof, for six Years; and each Senator shall have one Vote.

Immediately after they shall be assembled in Consequence of the first Election, they shall be divided as equally as may be into three Classes. The Seats of the Senators of the first Class shall be vacated at the Expiration of the second Year, of the second Class at the Expiration of the fourth Year, and of the third Class at the Expiration of the sixth Year, so that one third may be chosen every second Year; and if Vacancies happen by Resignation, or otherwise, during the Recess of the Legislature of any State, the Executive thereof may make temporary Appointments until the next Meeting of the Legislature, which shall then fill such Vacancies.

No Person shall be a Senator who shall not have attained to the Age of thirty Years, and been nine Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State for which he shall be chosen.

The Vice President of the United States shall be President of the Senate, but shall have no Vote, unless they be equally divided.

The Senate shall chuse their other Officers, and also a President pro tempore, in the Absence of the Vice President, or when he shall exercise the Office of President of the United States.

The Senate shall have the sole Power to try all Impeachments. When sitting for that Purpose, they shall be on Oath or Affirmation. When the President of the United States is tried the Chief Justice shall preside: And no Person shall be convicted without the Concurrence of two thirds of the Members present.

Judgment in Cases of Impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, Trust or Profit under the United States: but the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law.

SECTION. 4. The Times, Places and Manner of holding Elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof: but the Congress may at any time by Law make or alter such Regulations, except as to the Places of chusing Senators.

The Congress shall assemble at least once in every Year, and such Meeting shall be on the first Monday in December, unless they shall by Law appoint a different Day.

SECTION. 5. Each House shall be the Judge of the Elections, Returns and Qualifications of its own Members, and a Majority of each shall constitute a Quorum to do Business; but a smaller Number may adjourn from day to day, and may be authorized to compel the Attendance of absent Members, in such Manner, and under such Penalties as each House may provide.

Each House may determine the Rules of its Proceedings, punish its Members for disorderly Behaviour, and, with the Concurrence of two thirds, expel a Member.

Each House shall keep a Journal of its Proceedings, and from time to time publish the same, excepting such Parts as may in their Judgment require Secrecy; and the Yeas and Nays of the Members of either House on any question shall, at the Desire of one fifth of those Present, be entered on the Journal.

Neither House, during the Session of Congress, shall, without the Consent of the other, adjourn for more than three days, nor to any other Place than that in which the two Houses shall be sitting.

SECTION. 6. The Senators and Representatives shall receive a Compensation for their Services, to be ascertained by Law, and paid out of the Treasury of the United States. They shall in all Cases, except Treason, Felony and Breach of the Peace, be privileged from Arrest during their Attendance at the Session of their respective Houses, and in going to and returning from the same; and for any Speech or Debate in either House, they shall not be questioned in any other Place.

No Senator or Representative shall, during the Time for which he was elected, be appointed to any civil Office under the Authority of the United States, which shall have been created, or the Emoluments whereof shall have been encreased during such time; and no Person holding any Office under the United States, shall be a Member of either House during his Continuance in Office.

SECTION. 7. All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

Every Bill which shall have passed the House of Representatives and the Senate, shall, before it become a Law, be presented to the President of the United States; if he approve he shall sign it, but if not he shall return it, with his Objections to that House in which it shall have originated, who shall enter the Objections at large on their Journal, and proceed to reconsider it. If after such Reconsideration two thirds of that House shall agree to pass the Bill, it shall be sent, together with the Objections, to the other House, by which it shall

likewise be reconsidered, and if approved by two thirds of that House, it shall become a Law. But in all such Cases the Votes of both Houses shall be determined by yeas and Nays, and the Names of the Persons voting for and against the Bill shall be entered on the Journal of each House respectively. If any Bill shall not be returned by the President within ten Days (Sundays excepted) after it shall have been presented to him, the Same shall be a Law, in like Manner as if he had signed it, unless the Congress by their Adjournment prevent its Return, in which Case it shall not be a Law.

Every Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except on a question of Adjournment) shall be presented to the President of the United States; and before the Same shall take Effect, shall be approved by him, or being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the Rules and Limitations prescribed in the Case of a Bill.

SECTION. 8. The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;

To borrow Money on the credit of the United States;

To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;

To establish an uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies throughout the United States;

To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

To provide for the Punishment of counterfeiting the Securities and current Coin of the United States;

To establish Post Offices and post Roads;

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;

To constitute Tribunals inferior to the supreme Court;

To define and punish Piracies and Felonies committed on the high Seas, and Offences against the Law of Nations;

To declare War, grant Letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water;

To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years;

To provide and maintain a Navy;

To make Rules for the Government and Regulation of the land and naval Forces;

To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions;

To provide for organizing, arming, and disciplining the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress;

To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be, for the Erection of Forts, Magazines, Arsenals, dock-Yards, and other needful Buildings; — And

To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

SECTION. 9. The Migration or Importation of such Persons as any of the States now existing shall think proper to admit, shall not be prohibited by the Congress prior to the

Year one thousand eight hundred and eight, but a Tax or duty may be imposed on such Importation, not exceeding ten dollars for each Person.

The Privilege of the Writ of Habeas Corpus shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it.

No Bill of Attainder or expost facto Law shall be passed.

No Capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken.

No Tax or Duty shall be laid on Articles exported from any State.

No Preference shall be given by any Regulation of Commerce or Revenue to the Ports of one State over those of another: nor shall Vessels bound to, or from, one State, be obliged to enter, clear, or pay Duties in another.

No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

No Title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.

SECTION. 10. No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, expost facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility.

No State shall, without the Consent of the Congress, lay any Imposts or Duties on Imports or Exports, except what may be absolutely necessary for executing its inspection Laws: and the net Produce of all Duties and Imposts, laid by any State on Imports or Exports, shall be for the Use of the Treasury of the United States; and all such Laws shall be subject to the Revision and Controul of the Congress.

No State shall, without the Consent of Congress, lay any Duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay.

## ARTICLE. II.

SECTION. 1. The executive Power shall be vested in a President of the United States of America. He shall hold his Office during the Term of four Years, and, together with the Vice President, chosen for the same Term, be elected, as follows

Each State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors, equal to the whole Number of Senators and Representatives to which the State may be entitled in the Congress: but no Senator or Representative, or Person holding an Office of Trust or Profit under the United States, shall be appointed an Elector.

The Electors shall meet in their respective States, and vote by Ballot for two Persons, of whom one at least shall not be an Inhabitant of the same State with themselves. And they shall make a List of all the Persons voted for, and of the Number of Votes for each; which List they shall sign and certify, and transmit sealed to the Seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall, in the Presence of the Senate and House of Representatives, open all the Certificates, and the Votes shall then be counted. The Person having the greatest Number of Votes shall be the President, if such Number be a Majority of the whole Number of Electors appointed; and if there be more than one who have such Majority, and have an equal Number of Votes, then the House of Representatives shall immediately chuse by Ballot one of them for President; and if no Person have a Majority, then from the five highest on the List the said House shall in like Manner chuse the President. But in chusing the President, the Votes shall be taken by States, the Representation from each State having one Vote; A quorum for this Purpose

shall consist of a Member or Members from two thirds of the States, and a Majority of all the States shall be necessary to a Choice. In every Case, after the Choice of the President, the Person having the greatest Number of Votes of the Electors shall be the Vice President. But if there should remain two or more who have equal Votes, the Senate shall chuse from them by Ballot the Vice President.

The Congress may determine the Time of chusing the Electors, and the Day on which they shall give their Votes; which Day shall be the same throughout the United States.

No Person except a natural born Citizen, or a Citizen of the United States, at the time of the Adoption of this Constitution, shall be eligible to the Office of President; neither shall any Person be eligible to that Office who shall not have attained the Age of thirty five Years, and been fourteen Years a Resident within the United States.

In Case of the Removal of the President from Office, or of his Death, Resignation, or Inability to discharge the Powers and Duties of the said Office, the Same shall devolve on the Vice President, and the Congress may by Law provide for the Case of Removal, Death, Resignation or Inability, both of the President and Vice President, declaring what Officer shall then act as President, and such Officer shall act accordingly, until the Disability be removed, or a President shall be elected.

The President shall, at stated Times, receive for his Services, a Compensation, which shall neither be encreased nor diminished during the Period for which he shall have been elected, and he shall not receive within that Period any other Emolument from the United States, or any of them.

Before he enter on the Execution of his Office, he shall take the following Oath or Affirmation: — "I do solemnly swear (or affirm) that I will faithfully execute the Office of President of the United States, and will to the best of my Ability, preserve, protect and defend the Constitution of the United States."

SECTION. 2. The President shall be Commander in Chief of the Army and Navy of the United States, and of the Militia of the several States, when called into the actual Service of the United States; he may require the Opinion, in writing, of the principal Officer in each of the executive Departments, upon any Subject relating to the Duties of their respective Offices, and he shall have Power to grant Reprieves and Pardons for Offenses against the United States, except in Cases of Impeachment.

He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur; and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law: but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

The President shall have Power to fill up all Vacancies that may happen during the Recess of the Senate, by granting Commissions which shall expire at the End of their next Session.

SECTION. 3. He shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient; he may, on extraordinary Occasions, convene both Houses, or either of them, and in Case of Disagreement between them, with Respect to the Time of Adjournment, he may adjourn them to such Time as he shall think proper; he shall receive Ambassadors and other public Ministers; he shall take Care that the Laws be faithfully executed, and shall Commission all the Officers of the United States.

SECTION. 4. The President, Vice President and all civil Officers of the United States, shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors.

## ARTICLE. III.

SECTION. 1. The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behaviour, and shall, at stated Times, receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office.

SECTION. 2. The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority; — to all Cases affecting Ambassadors, other public Ministers and Consuls; — to all Cases of admiralty and maritime Jurisdiction; — to Controversies to which the United States shall be a Party; — to Controversies between two or more States; — between a State and Citizens of another State; — between Citizens of different States, — between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the supreme Court shall have appellate Jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

The Trial of all Crimes, except in Cases of Impeachment, shall be by Jury; and such Trial shall be held in the State where the said Crimes shall have been committed; but when not committed within any State, the trial shall be at such Place or Places as the Congress may by Law have directed.

SECTION. 3. Treason against the United States, shall consist only in levying War against them, or in adhering to their Enemies, giving them Aid and Comfort. No Person shall be convicted of Treason unless on the Testimony of two Witnesses to the same overt Act, or on Confession in open Court.

The Congress shall have Power to declare the Punishment of Treason, but no Attainder of Treason shall work Corruption of Blood, or Forfeiture except during the Life of the Person attainted.

## ARTICLE. IV.

SECTION. 1. Full Faith and Credit shall be given in each State to the public Acts, Records, and judicial Proceedings of every other State. And the Congress may by general Laws prescribe the Manner in which such Acts, Records and Proceedings shall be proved, and the Effect thereof.

SECTION. 2. The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.

A Person charged in any State with Treason, Felony, or other Crime, who shall flee from Justice, and be found in another State, shall on Demand of the executive Authority of the State from which he fled, be delivered up, to be removed to the State having Jurisdiction of the Crime.

No Person held to Service or Labour in one State, under the Laws thereof, escaping into another, shall, in Consequence of any Law or Regulation therein, be discharged from such Service or Labour, but shall be delivered up on Claim of the Party to whom such Service or Labour may be due.

SECTION. 3. New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within the Jurisdiction of any other State; nor any State be formed by the Junction of two or more States, or Parts of States, without the Consent of the Legislatures of the States concerned as well as of the Congress.

The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; and nothing in this Constitution shall be so construed as to Prejudice any Claims of the United States, or of any particular State.

SECTION. 4. The United States shall guarantee to every State in this Union a Republican Form of Government, and shall protect each of them against Invasion; and on Application of the Legislature, or of the Executive (when the Legislature cannot be convened) against domestic Violence.

## ARTICLE. V.

The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress: Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate.

## ARTICLE. VI.

All Debts contracted and Engagements entered into, before the Adoption of this Constitution, shall be as valid against the United States under this Constitution, as under the Confederation.

This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

The Senators and Representatives before mentioned, and the Members of the several State Legislatures, and all executive and judicial Officers, both of the United States and of the several States, shall be bound by Oath or Affirmation, to support this Constitution; but no religious Test shall ever be required as a Qualification to any Office or public Trust under the United States.

## ARTICLE. VII.

The Ratification of the Conventions of nine States, shall be sufficient for the Establishment of this Constitution between the States so ratifying the Same.

Done in Convention by the Unanimous Consent of the States present the Seventeenth Day of September in the Year of our Lord one thousand seven hundred and Eighty seven and of the Independence of the United States of America the Twelfth. In Witness whereof We have hereunto subscribed our Names,

Attest — WILLIAM JACKSON, Secretary — GOWASHINGTON – Presid^T and deputy from Virginia

| | |
|---|---|
| *New Hampshire* | ( JOHN LANGDON<br>( NICHOLAS GILMAN |
| *Massachusetts* | ( NATHANIEL GORHAM<br>( RUFUS KING |
| *Connecticut* | ( W^M SAM^L JOHNSON<br>( ROGER SHERMAN |
| *New York* | ( ALEXANDER HAMILTON |
| *New Jersey* | ( WIL: LIVINGSTON<br>( DAVID BREARLEY.<br>( W^M PATERSON.<br>( JONA: DAYTON. |
| *Pennsylvania* | ( B FRANKLIN<br>( THOMAS MIFFLIN<br>( ROB^T MORRIS<br>( GEO. CLYMER<br>( THO^S FITZSIMONS<br>( JARED INGERSOLL<br>( JAMES WILSON<br>( GOUV MORRIS |
| *Delaware* | ( GEO: READ<br>( GUNNING BEDFORD jun<br>( JOHN DICKINSON<br>( RICHARD BASSETT<br>( JACO: BROOM |
| *Maryland* | ( JAMES MCHENRY<br>( DAN OF S^T THO^S JENIFER<br>( DAN^L CAROLL |
| *Virginia* | ( JOHN BLAIR –<br>( JAMES MADISON JR. |
| *North Carolina* | ( W^M BLOUNT<br>( RICH^D DOBBS SPAIGHT.<br>( HU WILLIAMSON |
| *South Carolina* | ( J. RUTLEDGE<br>( CHARLES COTESWORTH PINCKNEY<br>( CHARLES PINCKNEY<br>( PIERCE BUTLER. |
| *Georgia* | ( WILLIAM FEW<br>( ABR BALDWIN |

In Convention Monday, September 17th 1787.

**Present**

The States of
New Hampshire, Massachusetts, Connecticut, Mr Hamilton from New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina and Georgia, Resolved,

That the preceeding Constitution be laid before the United States in Congress assembled, and that it is the Opinion of this Convention, that it should afterwards be submitted to a Convention of Delegates, chosen in each State by the People thereof, under the Recommendation of its Legislature, for their Assent and Ratification; and that each Convention assenting to, and ratifying the Same, should give Notice thereof to the United States in Congress assembled.

Resolved, That it is the Opinion of this Convention, that as soon as the Conventions of nine States shall have ratified this Constitution, the United States in Congress assembled should fix a Day on which Electors should be appointed by the States which shall have ratified the same, and a day on which the Electors should assemble to vote for the President, and the Time and Place for commencing Proceedings under this Constitution. That after such Publication the Electors should be appointed and the Senators and Representatives elected: That the Electors should meet on the Day fixed for the Election of the President, and should transmit their Votes certified, signed, sealed and directed, as the Constitution requires, to the Secretary of the United States in Congress assembled, that the Senators and Representatives should convene at the Time and Place assigned; that the Senators should appoint a President of the Senate, for the sole Purpose of receiving, opening and counting the Votes for President; and, that after he shall be chosen, the Congress, together with the President, should, without Delay, proceed to execute this Constitution.

By the Unanimous Order of the Convention.

Go Washington Presidt.

W. Jackson Secretary.

## Amendments to the Constitution.

### Amendment 1.

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

### Amendment 2.

A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed.

### Amendment 3.

No Soldier shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.

### Amendment 4.

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

AMENDMENT 5.

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

AMENDMENT 6.

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defence.

AMENDMENT 7.

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.

AMENDMENT 8.

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

AMENDMENT 9.

The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

AMENDMENT 10.

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

The first ten amendments were proposed by Congress to the legislatures of the several states on September 25, 1789, and were ratified by all of the states, except Connecticut, Georgia and Massachusetts, before the end of the year 1791, thereby becoming a part of the organic law, pursuant to the fifth article of the original constitution.

AMENDMENT 11.

The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

The above amendment was submitted by Congress to the legislatures of the several states on March 4, 1794, and was, in a message of the president to Congress January 8, 1798, declared to have been duly ratified by the legislatures of three-fourths of the states.

AMENDMENT 12.

The Electors shall meet in their respective states and vote by ballot for President and Vice-President, one of whom, at least, shall not be an inhabitant of the same state with themselves; they shall name in their ballots the person voted for as President, and in distinct ballots the person voted for as Vice-President, and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice-President, and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of the

government of the United States, directed to the President of the Senate; — The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted; — The person having the greatest number of votes for President, shall be the President, if such number be a majority of the whole number of Electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President, the votes shall be taken by states, the representation from each state having one vote; a quorum for this purpose shall consist of a member or members from two-thirds of the states, and a majority of all the states shall be necessary to a choice. And if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them, before the fourth day of March next following, then the Vice-President shall act as President, as in the case of the death or other constitutional disability of the President. — The person having the greatest number of votes as Vice-President, shall be the Vice-President, if such number be a majority of the whole number of Electors appointed, and if no person have a majority, then from the two highest numbers on the list, the Senate shall choose the Vice-President; a quorum for the purpose shall consist of two-thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a choice. But no person constitutionally ineligible to the office of President shall be eligible to that of Vice-President of the United States.

The above amendment was submitted by Congress to the legislatures of the several states on December 12, 1803, in lieu of the original third paragraph of the first section of the second article, and was proclaimed by the secretary of state on September 25, 1804, to have been duly ratified.

## AMENDMENT 13.

SECTION 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

SECTION 2. Congress shall have power to enforce this article by appropriate legislation.

The above amendment was submitted by Congress to the legislatures of the several states on February 1, 1865, and was proclaimed by the secretary of state on December 18, 1865, to have been duly ratified.

## AMENDMENT 14.

SECTION 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

SECTION 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

SECTION 3. No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have

engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

SECTION 4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

SECTION 5. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

The above amendment was submitted by Congress to the legislatures of the several states on June 16, 1866, and was proclaimed by the secretary of state on July 28, 1868, to have been duly ratified.

AMENDMENT 15.

SECTION 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

SECTION 2. The Congress shall have power to enforce this article by appropriate legislation.

The above amendment was submitted by Congress to the legislatures of the several states on February 27, 1869, and was proclaimed by the secretary of state on March 30, 1870, to have been duly ratified.

AMENDMENT 16.

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

The above amendment was submitted by Congress to the legislatures of the several states on July 12, 1909, and was proclaimed by the secretary of state on February 25, 1913, to have been duly ratified.

AMENDMENT 17.

The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for six years; and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

When vacancies happen in the representation of any State in the Senate, the executive authority of such State shall issue writs of election to fill such vacancies: *Provided*, That the legislature of any State may empower the executive thereof to make temporary appointments until the people fill the vacancies by election as the legislature may direct.

This amendment shall not be so construed as to affect the election or term of any Senator chosen before it becomes valid as part of the Constitution.

The above amendment was submitted by Congress to the legislatures of the several states on May 16, 1912, and was proclaimed by the secretary of state on May 31, 1913, to have been duly ratified.

AMENDMENT 18.

SECTION 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

SEC. 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

The above amendment was submitted by Congress to the legislatures of the several states on December 17, 1917, and was proclaimed by the acting secretary of state on January 29, 1919, to have been duly ratified.

Repealed by amendment 21, December 5, 1933.

AMENDMENT 19.

The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

Congress shall have power to enforce this article by appropriate legislation.

The above amendment was submitted by Congress to the legislatures of the several states on June 5, 1919, and was proclaimed by the secretary of state on August 26, 1920, to have been duly ratified.

AMENDMENT 20.

SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.

The above amendment was submitted by Congress to the legislatures of the several states on March 8, 1932, and was proclaimed by the secretary of state on February 6, 1933, to have been duly ratified.

AMENDMENT 21.

SECTION 1. The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

SEC. 2. The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

The above amendment was submitted by Congress to the several states on February 21, 1933, for ratification by convention, and was proclaimed by the acting secretary of state on December 5, 1933, to have been duly ratified.

AMENDMENT 22.

SECTION 1. No person shall be elected to the office of the President more than twice, and no person who has held the office of President, or acted as President, for more than two years of a term to which some other person was elected President shall be elected to the office of the President more than once. But this Article shall not apply to any person holding the office of President when this Article was proposed by the Congress, and shall not prevent any person who may be holding the office of President, or acting as President, during the term within which this Article becomes operative from holding the office of President or acting as President during the remainder of such term.

SECTION 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress.

The above amendment was submitted by Congress to the legislatures of the several states on March 24, 1947, and was proclaimed by the administrator of general services on March 1, 1951, to have been duly ratified.

AMENDMENT 23.

SECTION 1. The District constituting the seat of the Government of the United States shall appoint in such manner as the Congress may direct:

A number of electors of President and Vice-President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice-President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the twelfth article of amendment.

SEC. 2. The Congress shall have the power to enforce this article by appropriate legislation.

The above amendment was submitted by Congress to the legislatures of the several states on June 16, 1960, and was proclaimed by the administrator of general services on March 29, 1961, to have been duly ratified.

AMENDMENT 24.

SECTION 1. The right of citizens of the United States to vote in any primary or other election for President or Vice President, for electors for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the United States or any State by reason of failure to pay any poll tax or other tax.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

The above amendment was submitted by Congress to the legislatures of the several states on August 27, 1962, and was proclaimed by the administrator of general services on February 4, 1964, to have been duly ratified.

AMENDMENT 25.

SECTION 1. In case of the removal of the President from office or of his death or resignation, the Vice President shall become President.

SEC. 2. Whenever there is a vacancy in the office of the Vice President, the President shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress.

SEC. 3. Whenever the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that he is unable to discharge the powers and duties of his office, and until he transmits to them a written declaration to the contrary, such powers and duties shall be discharged by the Vice President as Acting President.

SEC. 4. Whenever the Vice President and a majority of either the principal officers of the executive departments or of such other body as Congress may by law provide, transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office, the Vice President shall immediately assume the powers and duties of the office as Acting President.

Thereafter, when the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that no inability exists, he shall resume the powers and duties of his office unless the Vice President and a majority of either the principal officers of the executive department or of such other body as Congress may by law provide, transmit within four days to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office. Thereupon Congress shall decide the issue, assembling within forty-eight hours for that purpose if not in session. If the Congress, within twenty-one days after receipt of the latter written declaration, or, if Congress is not in session, within twenty-one days after Congress is required to assemble, determines by two-thirds vote of both Houses that the President is unable to discharge the powers and duties of his office, the Vice President shall continue to discharge the same as Acting President; otherwise, the President shall resume the powers and duties of his office.

The above amendment was submitted by Congress to the legislatures of the several states on July 6, 1965, and was proclaimed by the administrator of general services on February 23, 1967, to have been duly ratified.

## AMENDMENT 26.

SECTION 1. The right of citizens of the United States, who are eighteen years of age or older, to vote shall not be denied or abridged by the United States or by any State on account of age.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

The above amendment was submitted by Congress to the legislatures of the several states on January 21, 1971, and proclaimed by the administrator of general services on July 5, 1971, to have been duly ratified.

## AMENDMENT 27.

No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.

The above amendment was submitted to the several states pursuant to a resolution passed by the first Congress of the United States, at its first session, on September 25, 1789, and was certified by the Archivist of the United States on May 19, 1992, 57 Federal Register 21187.

# 1857 CONSTITUTION OF THE STATE OF IOWA — CODIFIED

[*This version of the Iowa Constitution incorporates into the original document all amendments adopted through the 2010 general election and omits certain provisions apparently superseded or obsolete.*
*The footnote following an amended section is the latest action only.*
*See the original Constitution for the original text and amendments in chronological order.*
*This codified version generally adopts the rules for capitalization and punctuation used in drafting legislation.*]


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7. Rules and regulations. [Omitted]
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9. Governor ex officio a member. [Omitted]
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**Preamble.** WE THE PEOPLE OF THE STATE OF IOWA, grateful to the Supreme Being for the blessings hitherto enjoyed, and feeling our dependence on Him for a continuation of those blessings, do ordain and establish a free and independent government, by the name of the State of Iowa, the boundaries whereof shall be as follows:

**Boundaries.** Beginning in the middle of the main channel of the Mississippi River, at a point due East of the middle of the mouth of the main channel of the Des Moines River, thence up the middle of the main channel of the said Des Moines River, to a point on said river where the Northern boundary line of the State of Missouri — as established by the constitution of that State — adopted June 12th, 1820 — crosses the said middle of the main channel of the said Des Moines River; thence Westwardly along the said Northern boundary line of the State of Missouri, as established at the time aforesaid, until an extension of said line intersects the middle of the main channel of the Missouri River; thence up the middle of the main channel of the said Missouri River to a point opposite the middle of the main channel of the Big Sioux River, according to Nicollett's Map; thence up the main channel of the said Big Sioux River, according to the said map, until it is intersected by the parallel of forty three degrees and thirty minutes North latitude; thence East along said parallel of forty three degrees and thirty minutes until said parallel intersects the middle of the main channel of the Mississippi River; thence down the middle of the main channel of said Mississippi River to the place of beginning.

See boundary compromise agreements at the end of Volume VI of the Code
Referred to in §1.1 of the Code

## ARTICLE I.

## BILL OF RIGHTS.

**Rights of persons.** SECTION 1. All men and women are, by nature, free and equal, and have certain inalienable rights — among which are those of enjoying and defending life and liberty, acquiring, possessing and protecting property, and pursuing and obtaining safety and happiness.

Amended 1998, Amendment [45]

**Political power.** SEC. 2. All political power is inherent in the people. Government is instituted for the protection, security, and benefit of the people, and they have the right, at all times, to alter or reform the same, whenever the public good may require it.

**Religion.** SEC. 3. The general assembly shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; nor shall any person be compelled to attend any place of worship, pay tithes, taxes, or other rates for building or repairing places of worship, or the maintenance of any minister, or ministry.

**Religious test — witnesses.** SEC. 4. No religious test shall be required as a qualification for any office, or public trust, and no person shall be deprived of any of his rights, privileges, or capacities, or disqualified from the performance of any of his public or private duties, or rendered incompetent to give evidence in any court of law or equity, in consequence of his opinions on the subject of religion; and any party to any judicial proceeding shall have the

right to use as a witness, or take the testimony of, any other person not disqualified on account of interest, who may be cognizant of any fact material to the case; and parties to suits may be witnesses, as provided by law.

Referred to in §729.1 of the Code

**Dueling.** SEC. 5.

Repealed in 1992, Amendment [43]

**Laws uniform.** SEC. 6. All laws of a general nature shall have a uniform operation; the general assembly shall not grant to any citizen, or class of citizens, privileges or immunities, which, upon the same terms shall not equally belong to all citizens.

**Liberty of speech and press.** SEC. 7. Every person may speak, write, and publish his sentiments on all subjects, being responsible for the abuse of that right. No law shall be passed to restrain or abridge the liberty of speech, or of the press. In all prosecutions or indictments for libel, the truth may be given in evidence to the jury, and if it appears to the jury that the matter charged as libellous was true, and was published with good motives and for justifiable ends, the party shall be acquitted.

**Personal security — searches and seizures.** SEC. 8. The right of the people to be secure in their persons, houses, papers and effects, against unreasonable seizures and searches shall not be violated; and no warrant shall issue but on probable cause, supported by oath or affirmation, particularly describing the place to be searched, and the persons and things to be seized.

Referred to in §190C.22, 717.2A, 717B.5 of the Code

**Right of trial by jury — due process of law.** SEC. 9. The right of trial by jury shall remain inviolate; but the general assembly may authorize trial by a jury of a less number than twelve men in inferior courts; but no person shall be deprived of life, liberty, or property, without due process of law.

See also R.Cr.P. 2.17, 2.21(2), 2.67; R.C.P. 1.902, 1.903, 1.1108

**Rights of persons accused.** SEC. 10. In all criminal prosecutions, and in cases involving the life, or liberty of an individual the accused shall have a right to a speedy and public trial by an impartial jury; to be informed of the accusation against him, to have a copy of the same when demanded; to be confronted with the witnesses against him; to have compulsory process for his witnesses; and, to have the assistance of counsel.

See §602.1601 of the Code

**When indictment necessary — grand jury.** SEC. 11. All offenses less than felony and in which the maximum permissible imprisonment does not exceed thirty days shall be tried summarily before an officer authorized by law, on information under oath, without indictment, or the intervention of a grand jury, saving to the defendant the right of appeal; and no person shall be held to answer for any higher criminal offense, unless on presentment or indictment by a grand jury, except in cases arising in the army, or navy, or in the militia, when in actual service, in time of war or public danger.

The grand jury may consist of any number of members not less than five, nor more than fifteen, as the general assembly may by law provide, or the general assembly may provide for holding persons to answer for any criminal offense without the intervention of a grand jury.

Paragraph 2 added 1884, Amendment [9]
Paragraph 1 amended 1998, Amendment [46]
As to indictment and the number of grand jurors, see R.Cr.P. 2.3, 2.4
Magistrate jurisdiction, see §602.6405 of the Code

**Twice tried — bail.** SEC. 12. No person shall after acquittal, be tried for the same offence. All persons shall, before conviction, be bailable, by sufficient sureties, except for capital offences where the proof is evident, or the presumption great.

**Habeas corpus.** SEC. 13. The writ of habeas corpus shall not be suspended, or refused when application is made as required by law, unless in case of rebellion, or invasion the public safety may require it.

**Military.** SEC. 14. The military shall be subordinate to the civil power. No standing army shall be kept up by the state in time of peace; and in time of war, no appropriation for a standing army shall be for a longer time than two years.

**Quartering soldiers.** SEC. 15. No soldier shall, in time of peace, be quartered in any house without the consent of the owner, nor in time of war except in the manner prescribed by law.

**Treason.** SEC. 16. Treason against the state shall consist only in levying war against it, adhering to its enemies, or giving them aid and comfort. No person shall be convicted of treason, unless on the evidence of two witnesses to the same overt act, or confession in open court.

**Bail — punishments.** SEC. 17. Excessive bail shall not be required; excessive fines shall not be imposed, and cruel and unusual punishment shall not be inflicted.

**Eminent domain — drainage ditches and levees.** SEC. 18. Private property shall not be taken for public use without just compensation first being made, or secured to be made to the owner thereof, as soon as the damages shall be assessed by a jury, who shall not take into consideration any advantages that may result to said owner on account of the improvement for which it is taken.

The general assembly, however, may pass laws permitting the owners of lands to construct drains, ditches, and levees for agricultural, sanitary or mining purposes across the lands of others, and provide for the organization of drainage districts, vest the proper authorities with power to construct and maintain levees, drains and ditches and to keep in repair all drains, ditches, and levees heretofore constructed under the laws of the state, by special assessments upon the property benefited thereby. The general assembly may provide by law for the condemnation of such real estate as shall be necessary for the construction and maintenance of such drains, ditches and levees, and prescribe the method of making such condemnation.

Paragraph 2 added 1908, Amendment [13]

**Imprisonment for debt.** SEC. 19. No person shall be imprisoned for debt in any civil action, on mesne or final process, unless in case of fraud; and no person shall be imprisoned for a militia fine in time of peace.

**Right of assemblage — petition.** SEC. 20. The people have the right freely to assemble together to counsel for the common good; to make known their opinions to their representatives and to petition for a redress of grievances.

**Attainder — ex post facto law — obligation of contract.** SEC. 21. No bill of attainder, ex post facto law, or law impairing the obligation of contracts, shall ever be passed.

Referred to in §12A.10, 12E.11, 15.105, 16.2 of the Code

**Resident aliens.** SEC. 22. Foreigners who are, or may hereafter become residents of this state, shall enjoy the same rights in respect to the possession, enjoyment and descent of property, as native born citizens.

**Slavery — penal servitude.** SEC. 23. There shall be no slavery in this state; nor shall there be involuntary servitude, unless for the punishment of crime.

**Agricultural leases.** SEC. 24. No lease or grant of agricultural lands, reserving any rent, or service of any kind, shall be valid for a longer period than twenty years.
Referred to in §461A.25 of the Code

**Rights reserved.** SEC. 25. This enumeration of rights shall not be construed to impair or deny others, retained by the people.

## ARTICLE II.

## RIGHT OF SUFFRAGE.

**Electors.** SECTION 1. Every citizen of the United States of the age of twenty-one years, who shall have been a resident of this state for such period of time as shall be provided by law and of the county in which he claims his vote for such period of time as shall be provided by law, shall be entitled to vote at all elections which are now or hereafter may be authorized by law. The general assembly may provide by law for different periods of residence in order to vote for various officers or in order to vote in various elections. The required periods of residence shall not exceed six months in this state and sixty days in the county.
Repealed and rewritten 1970, Amendment [30]
See United States Constitution, Amendments 19 and 26

**Privileged from arrest.** SEC. 2. Electors shall, in all cases except treason, felony, or breach of the peace, be privileged from arrest on the days of election, during their attendance at such election, going to and returning therefrom.

**From military duty.** SEC. 3. No elector shall be obliged to perform military duty on the day of election, except in time of war, or public danger.

**Persons in military service.** SEC. 4. No person in the military, naval, or marine service of the United States shall be considered a resident of this state by being stationed in any garrison, barrack, or military or naval place, or station within this state.

**Disqualified persons.** SEC. 5. A person adjudged mentally incompetent to vote or a person convicted of any infamous crime shall not be entitled to the privilege of an elector.
Repealed and rewritten 2008, Amendment [47]

**Ballot.** SEC. 6. All elections by the people shall be by ballot.

**General election.** SEC. 7. The general election for state, district, county and township officers in the year 1916 shall be held in the same month and on the same day as that fixed by the laws of the United States for the election of presidential electors, or of president and vice-president of the United States; and thereafter such election shall be held at such time as the general assembly may by law provide.
Repealed and rewritten 1916, Amendment [14]
For statutory provisions, see §39.1 of the Code

## ARTICLE III.

## OF THE DISTRIBUTION OF POWERS.

**Departments of government.** SECTION 1. The powers of the government of Iowa shall be divided into three separate departments — the legislative, the executive, and the judicial: and no person charged with the exercise of powers properly belonging to one of these departments shall exercise any function appertaining to either of the others, except in cases hereinafter expressly directed or permitted.

## LEGISLATIVE DEPARTMENT.

**General assembly.** SECTION 1. The legislative authority of this state shall be vested in a general assembly, which shall consist of a senate and house of representatives: and the style of every law shall be. "Be it enacted by the General Assembly of the State of Iowa."

**Annual sessions of general assembly — special sessions.** SEC. 2. The general assembly shall meet in session on the second Monday of January of each year. Upon written request to the presiding officer of each house of the general assembly by two-thirds of the members of each house, the general assembly shall convene in special session. The governor of the state may convene the general assembly by proclamation in the interim.

Repealed and rewritten 1974, Amendment [36]
Special sessions, see also codified Iowa Constitution, Art. IV, §11
Referred to in §2B.13 of the Code

**Representatives.** SEC. 3. The members of the house of representatives shall be chosen every second year, by the qualified electors of their respective districts, [* * *]* and their term of office shall commence on the first day of January next after their election, and continue two years, and until their successors are elected and qualified.

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.
For provisions relative to the time of holding the general election, see codified Iowa Constitution, Art. II, §7; see also §39.1 of the Code

**Qualifications.** SEC. 4. No person shall be a member of the house of representatives who shall not have attained the age of twenty-one years, be a citizen of the United States, and shall have been an inhabitant of this state one year next preceding his election, and at the time of his election shall have had an actual residence of sixty days in the county, or district he may have been chosen to represent.

Amended 1880, Amendment [6] and 1926, Amendment [15]

**Senators — qualifications.** SEC. 5. Senators shall be chosen for the term of four years, at the same time and place as representatives; they shall be twenty-five years of age, and possess the qualifications of representatives as to residence and citizenship.

**Senators — number and classification.** SEC. 6. The number of senators shall total not more than one-half the membership of the house of representatives. Senators shall be classified so that as nearly as possible one-half of the members of the senate shall be elected every two years.

Repealed and rewritten 1968, Amendment [26]
See also codified Iowa Constitution, Art. III, §34
Referred to in §42.4 of the Code

**Officers — elections determined.** SEC. 7. Each house shall choose its own officers, and judge of the qualification, election, and return of its own members. A contested election shall be determined in such manner as shall be directed by law.

**Quorum.** SEC. 8. A majority of each house shall constitute a quorum to transact business; but a smaller number may adjourn from day to day, and may compel the attendance of absent members in such manner and under such penalties as each house may provide.

**Authority of the houses.** SEC. 9. Each house shall sit upon its own adjournments, keep a journal of its proceedings, and publish the same; determine its rules of proceedings, punish members for disorderly behavior, and, with the consent of two thirds, expel a member, but not a second time for the same offense; and shall have all other powers necessary for a branch of the general assembly of a free and independent state.

**Protest — record of vote.** SEC. 10. Every member of the general assembly shall have the liberty to dissent from, or protest against any act or resolution which he may think injurious to the public, or an individual, and have the reasons for his dissent entered on the journals;

and the yeas and nays of the members of either house, on any question, shall, at the desire of any two members present, be entered on the journals.

**Privileged from arrest.** SEC. 11. Senators and representatives, in all cases, except treason, felony, or breach of the peace, shall be privileged from arrest during the session of the general assembly, and in going to and returning from the same.

**Vacancies.** SEC. 12. When vacancies occur in either house, the governor or the person exercising the functions of governor, shall issue writs of election to fill such vacancies.

**Doors open.** SEC. 13. The doors of each house shall be open, except on such occasions, as, in the opinion of the house, may require secrecy.

**Adjournments.** SEC. 14. Neither house shall, without the consent of the other, adjourn for more than three days, nor to any other place than that in which they may be sitting.

Referred to in §2.1 of the Code

**Bills.** SEC. 15. Bills may originate in either house, and may be amended, altered, or rejected by the other; and every bill having passed both houses, shall be signed by the speaker and president of their respective houses.

**Executive approval — veto — item veto by governor.** SEC. 16. Every bill which shall have passed the general assembly, shall, before it becomes a law, be presented to the governor. If he approve, he shall sign it; but if not, he shall return it with his objections, to the house in which it originated, which shall enter the same upon their journal, and proceed to reconsider it; if, after such reconsideration, it again pass both houses, by yeas and nays, by a majority of two thirds of the members of each house, it shall become a law, notwithstanding the governor's objections. If any bill shall not be returned within three days after it shall have been presented to him, Sunday excepted, the same shall be a law in like manner as if he had signed it, unless the general assembly, by adjournment, prevent such return. Any bill submitted to the governor for his approval during the last three days of a session of the general assembly, shall be deposited by him in the office of the secretary of state, within thirty days after the adjournment, with his approval, if approved by him, and with his objections, if he disapproves thereof.

The governor may approve appropriation bills in whole or in part, and may disapprove any item of an appropriation bill; and the part approved shall become a law. Any item of an appropriation bill disapproved by the governor shall be returned, with his objections, to the house in which it originated, or shall be deposited by him in the office of the secretary of state in the case of an appropriation bill submitted to the governor for his approval during the last three days of a session of the general assembly, and the procedure in each case shall be the same as provided for other bills. Any such item of an appropriation bill may be enacted into law notwithstanding the governor's objections, in the same manner as provided for other bills.

Paragraph 2 added 1968, Amendment [27]
Statutory provisions, §3.4, 3.5 of the Code
Referred to in §3.7 of the Code

**Passage of bills.** SEC. 17. No bill shall be passed unless by the assent of a majority of all the members elected to each branch of the general assembly, and the question upon the final passage shall be taken immediately upon its last reading, and the yeas and nays entered on the journal.

Referred to in §3.7 of the Code

**Receipts and expenditures.** SEC. 18. An accurate statement of the receipts and expenditures of the public money shall be attached to and published with the laws, at every regular session of the general assembly.

Statutory provisions, §2B.10 of the Code

**Impeachment.** SEC. 19. The house of representatives shall have the sole power of impeachment, and all impeachments shall be tried by the senate. When sitting for that purpose, the senators shall be upon oath or affirmation; and no person shall be convicted without the concurrence of two thirds of the members present.

Referred to in codified Iowa Constitution, Art. V, §19

**Officers subject to impeachment — judgment.** SEC. 20. The governor, judges of the supreme and district courts, and other state officers, shall be liable to impeachment for any misdemeanor or malfeasance in office; but judgment in such cases shall extend only to removal from office, and disqualification to hold any office of honor, trust, or profit, under this state; but the party convicted or acquitted shall nevertheless be liable to indictment, trial, and punishment, according to law. All other civil officers shall be tried for misdemeanors and malfeasance in office, in such manner as the general assembly may provide.

Referred to in codified Iowa Constitution, Art. V, §19

**Members not appointed to office.** SEC. 21. No senator or representative shall, during the time for which he shall have been elected, be appointed to any civil office of profit under this state, which shall have been created, or the emoluments of which shall have been increased during such term, except such offices as may be filled by elections by the people.

**Disqualification.** SEC. 22. No person holding any lucrative office under the United States, or this state, or any other power, shall be eligible to hold a seat in the general assembly; but offices in the militia, to which there is attached no annual salary, or the office of justice of the peace, or postmaster whose compensation does not exceed one hundred dollars per annum, or notary public, shall not be deemed lucrative.

**Failure to account.** SEC. 23. No person who may hereafter be a collector or holder of public monies, shall have a seat in either house of the general assembly, or be eligible to hold any office of trust or profit in this state, until he shall have accounted for and paid into the treasury all sums for which he may be liable.

**Appropriations.** SEC. 24. No money shall be drawn from the treasury but in consequence of appropriations made by law.

**Compensation and expenses of general assembly.** SEC. 25. Each member of the general assembly shall receive such compensation and allowances for expenses as shall be fixed by law but no general assembly shall have the power to increase compensation and allowances effective prior to the convening of the next general assembly following the session in which any increase is adopted.

Repealed and rewritten 1968, Amendment [28]
Statutory provisions, §2.10 through 2.14 of the Code

**Time laws to take effect.** SEC. 26. An act of the general assembly passed at a regular session of a general assembly shall take effect on July 1 following its passage unless a different effective date is stated in an act of the general assembly. An act passed at a special session of a general assembly shall take effect ninety days after adjournment of the special session unless a different effective date is stated in an act of the general assembly. The general assembly may establish by law a procedure for giving notice of the contents of acts of immediate importance which become law.

Amended 1966, Amendment [23], and repealed and rewritten 1986, Amendment [40]
Supplementary provisions, §3.7 et seq. of the Code

**Divorce.** SEC. 27. No divorce shall be granted by the general assembly.

**Lotteries.** SEC. 28.

Repealed 1972, Amendment [34]

**Acts — one subject — expressed in title.** SEC. 29. Every act shall embrace but one subject, and matters properly connected therewith; which subject shall be expressed in the title. But if any subject shall be embraced in an act which shall not be expressed in the title, such act shall be void only as to so much thereof as shall not be expressed in the title.

**Local or special laws — general and uniform — boundaries of counties.** SEC. 30. The general assembly shall not pass local or special laws in the following cases:

For the assessment and collection of taxes for state, county, or road purposes;

For laying out, opening, and working roads or highways;

For changing the names of persons;

For the incorporation of cities and towns;

For vacating roads, town plats, streets, alleys, or public squares;

For locating or changing county seats.

In all the cases above enumerated, and in all other cases where a general law can be made applicable, all laws shall be general, and of uniform operation throughout the state; and no law changing the boundary lines of any county shall have effect until upon being submitted to the people of the counties affected by the change, at a general election, it shall be approved by a majority of the votes in each county, cast for and against it.

Laws uniform, see codified Iowa Constitution, Art. I, §6

**Extra compensation — payment of claims — appropriations for local or private purposes.** SEC. 31. No extra compensation shall be made to any officer, public agent, or contractor, after the service shall have been rendered, or the contract entered into; nor, shall any money be paid on any claim, the subject matter of which shall not have been provided for by preexisting laws, and no public money or property shall be appropriated for local, or private purposes, unless such appropriation, compensation, or claim, be allowed by two thirds of the members elected to each branch of the general assembly.

See §3.14 of the Code

**Oath of members.** SEC. 32. Members of the general assembly shall, before they enter upon the duties of their respective offices, take and subscribe the following oath or affirmation: "I do solemnly swear, or affirm, (as the case may be,) that I will support the Constitution of the United States, and the Constitution of the State of Iowa, and that I will faithfully discharge the duties of senator, (or representative, as the case may be,) according to the best of my ability." And members of the general assembly are hereby empowered to administer to each other the said oath or affirmation.

**Census.** SEC. 33.

Repealed 1936, Amendment [17]

**Senate and house of representatives — limitation.** SEC. 34. The senate shall be composed of not more than fifty and the house of representatives of not more than one hundred members. Senators and representatives shall be elected from districts established by law. Each district so established shall be of compact and contiguous territory. The state shall be apportioned into senatorial and representative districts on the basis of population. The general assembly may provide by law for factors in addition to population, not in conflict with the Constitution of the United States, which may be considered in the apportioning of senatorial districts. No law so adopted shall permit the establishment of senatorial districts whereby a majority of the members of the senate shall represent less than forty percent of the population of the state as shown by the most recent United States decennial census.

Repealed and rewritten 1968, Amendment [26]
See also codified Iowa Constitution, Art. III, §6, 39

**Senators and representatives — number and districts.** SEC. 35. The general assembly shall in 1971 and in each year immediately following the United States decennial census determine the number of senators and representatives to be elected to the general assembly and establish senatorial and representative districts. The general assembly shall complete

the apportionment prior to September 1 of the year so required. If the apportionment fails to become law prior to September 15 of such year, the supreme court shall cause the state to be apportioned into senatorial and representative districts to comply with the requirements of the constitution prior to December 31 of such year. The reapportioning authority shall, where necessary in establishing senatorial districts, shorten the term of any senator prior to completion of the term. Any senator whose term is so terminated shall not be compensated for the uncompleted part of the term.

Repealed and rewritten 1968, Amendment [26]
Referred to in §49.3 of the Code

**Review by supreme court.** SEC. 36. Upon verified application by any qualified elector, the supreme court shall review an apportionment plan adopted by the general assembly which has been enacted into law. Should the supreme court determine such plan does not comply with the requirements of the constitution, the court shall within ninety days adopt or cause to be adopted an apportionment plan which shall so comply. The supreme court shall have original jurisdiction of all litigation questioning the apportionment of the general assembly or any apportionment plan adopted by the general assembly.

Repealed and rewritten 1968, Amendment [26]

**Congressional districts.** SEC. 37. When a congressional district is composed of two or more counties it shall not be entirely separated by a county belonging to another district and no county shall be divided in forming a congressional district.

Repealed and rewritten 1968, Amendment [26]
Referred to in §42.4 of the Code

**Elections by general assembly.** SEC. 38. In all elections by the general assembly, the members thereof shall vote viva voce and the votes shall be entered on the journal.

**Municipal home rule.** SEC. 38A. Municipal corporations are granted home rule power and authority, not inconsistent with the laws of the general assembly, to determine their local affairs and government, except that they shall not have power to levy any tax unless expressly authorized by the general assembly.

The rule or proposition of law that a municipal corporation possesses and can exercise only those powers granted in express words is not a part of the law of this state.

Added 1968, Amendment [25]

**Legislative districts.** SEC. 39. In establishing senatorial and representative districts, the state shall be divided into as many senatorial districts as there are members of the senate and into as many representative districts as there are members of the house of representatives. One senator shall be elected from each senatorial district and one representative shall be elected from each representative district.

Added 1970, Amendment [29]
See also codified Iowa Constitution, Art. III, §34

**Counties home rule.** SEC. 39A. Counties or joint county-municipal corporation governments are granted home rule power and authority, not inconsistent with the laws of the general assembly, to determine their local affairs and government, except that they shall not have power to levy any tax unless expressly authorized by the general assembly. The general assembly may provide for the creation and dissolution of joint county-municipal corporation governments. The general assembly may provide for the establishment of charters in county or joint county-municipal corporation governments.

If the power or authority of a county conflicts with the power and authority of a municipal corporation, the power and authority exercised by a municipal corporation shall prevail within its jurisdiction.

The proposition or rule of law that a county or joint county-municipal corporation government possesses and can exercise only those powers granted in express words is not a part of the law of this state.

Added 1978, Amendment [37]

**Nullification of administrative rules.** SEC. 40. The general assembly may nullify an adopted administrative rule of a state agency by the passage of a resolution by a majority of all of the members of each house of the general assembly.

Added 1984, Amendment [38]
Referred to in §2B.5A, 3.6 of the Code

## ARTICLE IV.

## EXECUTIVE DEPARTMENT.

**Governor.** SECTION 1. The supreme executive power of this state shall be vested in a chief magistrate, who shall be styled the governor of the state of Iowa.

**Election and term.** SEC. 2. The governor and the lieutenant governor shall be elected by the qualified electors at the time and place of voting for members of the general assembly. Each of them shall hold office for four years from the time of installation in office and until a successor is elected and qualifies.

Repealed and rewritten 1988, Amendment [41]

**Governor and lieutenant governor elected jointly — returns of elections.** SEC. 3. The electors shall designate their selections for governor and lieutenant governor as if these two offices were one and the same. The names of nominees for the governor and the lieutenant governor shall be grouped together in a set on the ballot according to which nominee for governor is seeking office with which nominee for lieutenant governor, as prescribed by law. An elector shall cast only one vote for both a nominee for governor and a nominee for lieutenant governor. The returns of every election for governor and lieutenant governor shall be sealed and transmitted to the seat of government of the state, and directed to the speaker of the house of representatives who shall open and publish them in the presence of both houses of the general assembly.

Repealed and rewritten 1988, Amendment [41]
For statutory provisions, see §50.35 of the Code

**Election by general assembly in case of tie — succession by lieutenant governor.** SEC. 4. The nominees for governor and lieutenant governor jointly having the highest number of votes cast for them shall be declared duly elected. If two or more sets of nominees for governor and lieutenant governor have an equal and the highest number of votes for the offices jointly, the general assembly shall by joint vote proceed, as soon as is possible, to elect one set of nominees for governor and lieutenant governor. If, upon the completion by the general assembly of the canvass of votes for governor and lieutenant governor, it appears that the nominee for governor in the set of nominees for governor and lieutenant governor receiving the highest number of votes has since died or resigned, is unable to qualify, fails to qualify, or is for any other reason unable to assume the duties of the office of governor for the ensuing term, the powers and duties shall devolve to the nominee for lieutenant governor of the same set of nominees for governor and lieutenant governor, who shall assume the powers and duties of governor upon inauguration and until the disability is removed. If both nominees for governor and lieutenant governor are unable to assume the duties of the office of governor, the person next in succession shall act as governor.

Repealed and rewritten 1988, Amendment [41]

**Contested elections.** SEC. 5. Contested elections for the offices of governor and lieutenant governor shall be determined by the general assembly as prescribed by law.

Repealed and rewritten 1988, Amendment [41]
For statutory provisions, see chapter 58 of the Code

**Eligibility.** SEC. 6. No person shall be eligible to the office of governor, or lieutenant governor, who shall not have been a citizen of the United States, and a resident of the state,

two years next preceding the election, and attained the age of thirty years at the time of said election.

**Commander in chief.** SEC. 7. The governor shall be commander in chief of the militia, the army, and navy of this state.

**Duties of governor.** SEC. 8. He shall transact all executive business with the officers of government, civil and military, and may require information in writing from the officers of the executive department upon any subject relating to the duties of their respective offices.
Duty as to state accounts, §70A.8 of the Code

**Execution of laws.** SEC. 9. He shall take care that the laws are faithfully executed.

**Vacancies.** SEC. 10. When any office shall, from any cause, become vacant, and no mode is provided by the constitution and laws for filling such vacancy, the governor shall have power to fill such vacancy, by granting a commission, which shall expire at the end of the next session of the general assembly, or at the next election by the people.

**Convening general assembly.** SEC. 11. He may, on extraordinary occasions, convene the general assembly by proclamation, and shall state to both houses, when assembled, the purpose for which they shall have been convened.
See also codified Iowa Constitution, Art. III, §2

**Message.** SEC. 12. He shall communicate, by message, to the general assembly, at every regular session, the condition of the state, and recommend such matters as he shall deem expedient.

**Adjournment.** SEC. 13. In case of disagreement between the two houses with respect to the time of adjournment, the governor shall have power to adjourn the general assembly to such time as he may think proper; but no such adjournment shall be beyond the time fixed for the regular meeting of the next general assembly.

**Disqualification.** SEC. 14. No persons shall, while holding any office under the authority of the United States, or this state, execute the office of governor, or lieutenant governor, except as hereinafter expressly provided.

**Terms — compensation.** SEC. 15. The official terms of the governor and lieutenant governor shall commence on the Tuesday after the second Monday of January next after their election and shall continue until their successors are elected and qualify. The governor and lieutenant governor shall be paid compensation and expenses as provided by law. The lieutenant governor, while acting as governor, shall be paid the compensation and expenses prescribed for the governor.
Repealed and rewritten 1988, Amendment [42]

**Pardons — reprieves — commutations.** SEC. 16. The governor shall have power to grant reprieves, commutations and pardons, after conviction, for all offences except treason and cases of impeachment, subject to such regulations as may be provided by law. Upon conviction for treason, he shall have power to suspend the execution of the sentence until the case shall be reported to the general assembly at its next meeting, when the general assembly shall either grant a pardon, commute the sentence, direct the execution of the sentence, or grant a further reprieve. He shall have power to remit fines and forfeitures, under such regulations as may be prescribed by law; and shall report to the general assembly, at its next meeting, each case of reprieve, commutation, or pardon granted, and the reasons therefor; and also all persons in whose favor remission of fines and forfeitures shall have been made, and the several amounts remitted.

**Lieutenant governor to act as governor.** SEC. 17. In case of the death, impeachment, resignation, removal from office, or other disability of the governor, the powers and duties of the office for the residue of the term, or until he shall be acquitted, or the disability removed, shall devolve upon the lieutenant governor.

Referred to in §7.14 of the Code

**Duties of lieutenant governor.** SEC. 18. The lieutenant governor shall have the duties provided by law and those duties of the governor assigned to the lieutenant governor by the governor.

Repealed and rewritten 1988, Amendment [42]

**Succession to office of governor and lieutenant governor.** SEC. 19. If there be a vacancy in the office of the governor and the lieutenant governor shall by reason of death, impeachment, resignation, removal from office, or other disability become incapable of performing the duties pertaining to the office of governor, the president of the senate shall act as governor until the vacancy is filled or the disability removed; and if the president of the senate, for any of the above causes, shall be incapable of performing the duties pertaining to the office of governor the same shall devolve upon the speaker of the house of representatives; and if the speaker of the house of representatives, for any of the above causes, shall be incapable of performing the duties of the office of governor, the justices of the supreme court shall convene the general assembly by proclamation and the general assembly shall organize by the election of a president by the senate and a speaker by the house of representatives. The general assembly shall thereupon immediately proceed to the election of a governor and lieutenant governor in joint convention.

Repealed and rewritten 1988, Amendment [42]
Referred to in §7.14 of the Code

**Seal of state.** SEC. 20. There shall be a seal of this state, which shall be kept by the governor, and used by him officially, and shall be called the Great Seal of the State of Iowa.

See chapter 1A of the Code for a description of the great seal of Iowa

**Grants and commissions.** SEC. 21. All grants and commissions shall be in the name and by the authority of the people of the state of Iowa, sealed with the great seal of the state, signed by the governor, and countersigned by the secretary of state.

**Secretary — auditor — treasurer.** SEC. 22. A secretary of state, an auditor of state and a treasurer of state shall be elected by the qualified electors at the same time that the governor is elected and for a four-year term commencing on the first day of January next after their election, and they shall perform such duties as may be provided by law.

Repealed and rewritten 1972, Amendment [32]

## ARTICLE V.

## JUDICIAL DEPARTMENT.

**Courts.** SECTION 1. The judicial power shall be vested in a supreme court, district courts, and such other courts, inferior to the supreme court, as the general assembly may, from time to time, establish.

Court of appeals, see §602.5101 of the Code

**Supreme court.** SEC. 2. The supreme court shall consist of three judges, two of whom shall constitute a quorum to hold court.

But see codified Iowa Constitution, this Art., Art. V, §10; see also §602.4101 of the Code

**Election of judges — term.** SEC. 3.

Repealed 1962, Amendment [21]

**Jurisdiction of supreme court.** SEC. 4. The supreme court shall have appellate jurisdiction only in cases in chancery, and shall constitute a court for the correction of errors at law, under such restrictions as the general assembly may, by law, prescribe; and shall have power to issue all writs and process necessary to secure justice to parties, and shall exercise a supervisory and administrative control over all inferior judicial tribunals throughout the state.

Amended 1962, Amendment [21]
See §602.4102, 602.4201, 602.4202, 624.2 of the Code

**District court and judge.** SEC. 5.
Repealed 1962, Amendment [21]

**Jurisdiction of district court.** SEC. 6. The district court shall be a court of law and equity, which shall be distinct and separate jurisdictions, and have jurisdiction in civil and criminal matters arising in their respective districts, in such manner as shall be prescribed by law.

Statutory provision, §602.6101 of the Code

**Conservators of the peace.** SEC. 7. The judges of the supreme and district courts shall be conservators of the peace throughout the state.

**Style of process.** SEC. 8. The style of all process shall be, "The State of Iowa", and all prosecutions shall be conducted in the name and by the authority of the same.

**Salaries.** SEC. 9.
Repealed 1962, Amendment [21]

**Judicial districts.** SEC. 10. [* * *]* The general assembly may reorganize the judicial districts and increase or diminish the number of districts, or the number of judges of the said court, and may increase the number of judges of the supreme court; but such increase or diminution shall not be more than one district, or one judge of either court, at any one session; and no reorganization of the districts, or diminution of the number of judges, shall have the effect of removing a judge from office. Such reorganization of the districts, or any change in the boundaries thereof, or increase or diminution of the number of judges, shall take place every four years thereafter, if necessary, and at no other time.

At any regular session of the general assembly the state may be divided into the necessary judicial districts for district court purposes, or the said districts may be reorganized and the number of the districts and the judges of said courts increased or diminished; but no reorganization of the districts or diminution of the judges shall have the effect of removing a judge from office.

Paragraph 2 added 1884, Amendment [8]. Much of paragraph 1 apparently superseded by paragraph 2
*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Judges — when chosen.** SEC. 11.
Repealed 1962, Amendment [21]

**Attorney general.** SEC. 12. The general assembly shall provide, by law, for the election of an attorney general by the people, whose term of office shall be four years, and until his successor is elected and qualifies.

Repealed and rewritten 1972, Amendment [32]

**District attorney.** SEC. 13.
Repealed 1970, Amendment [31]

**System of court practice.** SEC. 14. It shall be the duty of the general assembly to provide for the carrying into effect of this article, and to provide for a general system of practice in all the courts of this state.

For provisions relative to the grand jury, see codified Iowa Constitution, Art. I, §11

**Vacancies in courts.** SEC. 15. Vacancies in the supreme court and district court shall be filled by appointment by the governor from lists of nominees submitted by the appropriate judicial nominating commission. Three nominees shall be submitted for each supreme court vacancy, and two nominees shall be submitted for each district court vacancy. If the governor fails for thirty days to make the appointment, it shall be made from such nominees by the chief justice of the supreme court.

Added 1962, Amendment [21]
For statutory provisions, see §46.14 and 46.15 of the Code

**State and district nominating commissions.** SEC. 16. There shall be a state judicial nominating commission. Such commission shall make nominations to fill vacancies in the supreme court. Until July 4, 1973, and thereafter unless otherwise provided by law, the state judicial nominating commission shall be composed and selected as follows: There shall be not less than three nor more than eight appointive members, as provided by law, and an equal number of elective members on such commission, all of whom shall be electors of the state. The appointive members shall be appointed by the governor subject to confirmation by the senate. The elective members shall be elected by the resident members of the bar of the state. The judge of the supreme court who is senior in length of service on said court, other than the chief justice, shall also be a member of such commission and shall be its chairman.

There shall be a district judicial nominating commission in each judicial district of the state. Such commissions shall make nominations to fill vacancies in the district court within their respective districts. Until July 4, 1973, and thereafter unless otherwise provided by law, district judicial nominating commissions shall be composed and selected as follows: There shall be not less than three nor more than six appointive members, as provided by law, and an equal number of elective members on each such commission, all of whom shall be electors of the district. The appointive members shall be appointed by the governor. The elective members shall be elected by the resident members of the bar of the district. The district judge of such district who is senior in length of service shall also be a member of such commission and shall be its chairman.

Due consideration shall be given to area representation in the appointment and election of judicial nominating commission members. Appointive and elective members of judicial nominating commissions shall serve for six-year terms, shall be ineligible for a second six-year term on the same commission, shall hold no office of profit of the United States or of the state during their terms, shall be chosen without reference to political affiliation, and shall have such other qualifications as may be prescribed by law. As near as may be, the terms of one-third of such members shall expire every two years.

Added 1962, Amendment [21]

**Terms — judicial elections.** SEC. 17. Members of all courts shall have such tenure in office as may be fixed by law, but terms of supreme court judges shall be not less than eight years and terms of district court judges shall be not less than six years. Judges shall serve for one year after appointment and until the first day of January following the next judicial election after the expiration of such year. They shall at such judicial election stand for retention in office on a separate ballot which shall submit the question of whether such judge shall be retained in office for the tenure prescribed for such office and when such tenure is a term of years, on their request, they shall, at the judicial election next before the end of each term, stand again for retention on such ballot. Present supreme court and district court judges, at the expiration of their respective terms, may be retained in office in like manner for the tenure prescribed for such office. The general assembly shall prescribe the time for holding judicial elections.

Added 1962, Amendment [21]

**Salaries — qualifications — retirement.** SEC. 18. Judges of the supreme court and district court shall receive salaries from the state, shall be members of the bar of the state and shall have such other qualifications as may be prescribed by law. Judges of the supreme court and district court shall be ineligible to any other office of the state while serving on said court and for two years thereafter, except that district judges shall be eligible to the

office of supreme court judge. Other judicial officers shall be selected in such manner and shall have such tenure, compensation and other qualification as may be fixed by law. The general assembly shall prescribe mandatory retirement for judges of the supreme court and district court at a specified age and shall provide for adequate retirement compensation. Retired judges may be subject to special assignment to temporary judicial duties by the supreme court, as provided by law.
Added 1962, Amendment [21]

**Retirement and discipline of judges.** SEC. 19. In addition to the legislative power of impeachment of judges as set forth in article three (III), sections nineteen (19) and twenty (20) of the constitution, the supreme court shall have power to retire judges for disability and to discipline or remove them for good cause, upon application by a commission on judicial qualifications. The general assembly shall provide by law for the implementation of this section.
Added 1972, Amendment [33]

## ARTICLE VI.

## MILITIA.

**Composition — training.** SECTION 1. The militia of this state shall be composed of all able-bodied male citizens, between the ages of eighteen and forty-five years, except such as are or may hereafter be exempt by the laws of the United States, or of this state, and shall be armed, equipped, and trained, as the general assembly may provide by law.
Amended 1868, Amendment [5]

**Exemption.** SEC. 2. No person or persons conscientiously scrupulous of bearing arms shall be compelled to do military duty in time of peace: Provided, that such person or persons shall pay an equivalent for such exemption in the same manner as other citizens.

**Officers.** SEC. 3. All commissioned officers of the militia, (staff officers excepted,) shall be elected by the persons liable to perform military duty, and shall be commissioned by the governor.

## ARTICLE VII.

## STATE DEBTS.

**Credit not to be loaned.** SECTION 1. The credit of the state shall not, in any manner, be given or loaned to, or in aid of, any individual, association, or corporation; and the state shall never assume, or become responsible for, the debts or liabilities of any individual, association, or corporation, unless incurred in time of war for the benefit of the state.

**Limitation.** SEC. 2. The state may contract debts to supply casual deficits or failures in revenues, or to meet expenses not otherwise provided for; but the aggregate amount of such debts, direct and contingent, whether contracted by virtue of one or more acts of the general assembly, or at different periods of time, shall never exceed the sum of two hundred and fifty thousand dollars; and the money arising from the creation of such debts, shall be applied to the purpose for which it was obtained, or to repay the debts so contracted, and to no other purpose whatever.

**Losses to school funds.** SEC. 3. All losses to the permanent, school, or university fund of this state, which shall have been occasioned by the defalcation, mismanagement or fraud of the agents or officers controlling and managing the same, shall be audited by the proper

authorities of the state. The amount so audited shall be a permanent funded debt against the state, in favor of the respective fund, sustaining the loss, upon which not less than six per cent. annual interest shall be paid. The amount of liability so created shall not be counted as a part of the indebtedness authorized by the second section of this article.

**War debts.** SEC. 4. In addition to the above limited power to contract debts, the state may contract debts to repel invasion, suppress insurrection, or defend the state in war; but the money arising from the debts so contracted shall be applied to the purpose for which it was raised, or to repay such debts, and to no other purpose whatever.

**Contracting debt — submission to the people.** SEC. 5. Except the debts herein before specified in this article, no debt shall be hereafter contracted by, or on behalf of this state, unless such debt shall be authorized by some law for some single work or object, to be distinctly specified therein; and such law shall impose and provide for the collection of a direct annual tax, sufficient to pay the interest on such debt, as it falls due, and also to pay and discharge the principal of such debt, within twenty years from the time of the contracting thereof; but no such law shall take effect until at a general election it shall have been submitted to the people, and have received a majority of all the votes cast for and against it at such election; and all money raised by authority of such law, shall be applied only to the specific object therein stated, or to the payment of the debt created thereby; and such law shall be published in at least one newspaper in each county, if one is published therein, throughout the state, for three months preceding the election at which it is submitted to the people.

For statutory provisions, see §49A.1 to 49A.9 of the Code

**Legislature may repeal.** SEC. 6. The legislature may, at any time, after the approval of such law by the people, if no debt shall have been contracted in pursuance thereof, repeal the same; and may, at any time, forbid the contracting of any further debt, or liability, under such law; but the tax imposed by such law, in proportion to the debt or liability, which may have been contracted in pursuance thereof, shall remain in force and be irrepealable, and be annually collected, until the principal and interest are fully paid.

**Tax imposed distinctly stated.** SEC. 7. Every law which imposes, continues, or revives a tax, shall distinctly state the tax, and the object to which it is to be applied; and it shall not be sufficient to refer to any other law to fix such tax or object.

**Motor vehicle fees and fuel taxes.** SEC. 8. All motor vehicle registration fees and all licenses and excise taxes on motor vehicle fuel, except cost of administration, shall be used exclusively for the construction, maintenance and supervision of the public highways exclusively within the state or for the payment of bonds issued or to be issued for the construction of such public highways and the payment of interest on such bonds.

Added 1942, Amendment [18]

**Fish and wildlife protection funds.** SEC. 9. All revenue derived from state license fees for hunting, fishing, and trapping, and all state funds appropriated for, and federal or private funds received by the state for, the regulation or advancement of hunting, fishing, or trapping, or the protection, propagation, restoration, management, or harvest of fish or wildlife, shall be used exclusively for the performance and administration of activities related to those purposes.

Added 1996, Amendment [44]

**Natural resources.** SEC. 10. A natural resources and outdoor recreation trust fund is created within the treasury for the purposes of protecting and enhancing water quality and natural areas in this state including parks, trails, and fish and wildlife habitat, and conserving agricultural soils in this state. Moneys in the fund shall be exclusively appropriated by law for these purposes.

The general assembly shall provide by law for the implementation of this section, including by providing for the administration of the fund and at least annual audits of the fund.

Except as otherwise provided in this section, the fund shall be annually credited with an amount equal to the amount generated by a sales tax rate of three-eighths of one percent as may be imposed upon the retail sales price of tangible personal property and the furnishing of enumerated services sold in this state.

No revenue shall be credited to the fund until the tax rate for the sales tax imposed upon the retail sales price of tangible personal property and the furnishing of enumerated services sold in this state in effect on the effective date of this section is increased. After such an increased tax rate becomes effective, an amount equal to the amount generated by the increase in the tax rate shall be annually credited to the fund, not to exceed an amount equal to the amount generated by a tax rate of three-eighths of one percent imposed upon the retail sales price of tangible personal property and the furnishing of enumerated services sold in this state.

Added 2010, Amendment [48]
Referred to in §423.2, 461.3 of the Code

## ARTICLE VIII.

## CORPORATIONS.

Referred to in §12C.13 of the Code

**How created.** SECTION 1. No corporation shall be created by special laws; but the general assembly shall provide, by general laws, for the organization of all corporations hereafter to be created, except as hereinafter provided.

**Taxation of corporations.** SEC. 2. The property of all corporations for pecuniary profit, shall be subject to taxation, the same as that of individuals.

**State not to be a stockholder.** SEC. 3. The state shall not become a stockholder in any corporation, nor shall it assume or pay the debt or liability of any corporation, unless incurred in time of war for the benefit of the state.

Referred to in §509A.12 of the Code

**Municipal corporations.** SEC. 4. No political or municipal corporation shall become a stockholder in any banking corporation, directly or indirectly.

**Banking associations.** SEC. 5. No act of the general assembly, authorizing or creating corporations or associations with banking powers, nor amendments thereto shall take effect, or in any manner be in force, until the same shall have been submitted, separately, to the people, at a general or special election, as provided by law, to be held not less than three months after the passage of the act, and shall have been approved by a majority of all the electors voting for and against it at such election.

**State bank.** SEC. 6. Subject to the provisions of the foregoing section, the general assembly may also provide for the establishment of a state bank with branches.*

*Codified Iowa Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**Specie basis.** SEC. 7. If a state bank be established, it shall be founded on an actual specie basis, and the branches shall be mutually responsible for each other's liabilities upon all notes, bills, and other issues intended for circulation as money.*

*Codified Iowa Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**General banking law.** SEC. 8. If a general banking law shall be enacted, it shall provide for the registry and countersigning, by an officer of state, of all bills, or paper credit designed to circulate as money, and require security to the full amount thereof, to be deposited with the

state treasurer, in United States stocks, or in interest paying stocks of states in good credit and standing, to be rated at ten per cent. below their average value in the city of New York, for the thirty days next preceding their deposit; and in case of a depreciation of any portion of said stocks, to the amount of ten per cent. on the dollar, the bank or banks owning such stock shall be required to make up said deficiency by depositing additional stocks: and said law shall also provide for the recording of the names of all stockholders in such corporations, the amount of stock held by each, the time of any transfer, and to whom.*

*Codified Iowa Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**Stockholders' responsibility.** SEC. 9. Every stockholder in a banking corporation or institution shall be individually responsible and liable to its creditors, over and above the amount of stock by him or her held, to an amount equal to his or her respective shares so held for all of its liabilities, accruing while he or she remains such stockholder.*

*Codified Iowa Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**Billholders preferred.** SEC. 10. In case of the insolvency of any banking institution, the billholders shall have a preference over its other creditors.*

*Codified Iowa Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**Specie payments — suspension.** SEC. 11. The suspension of specie payments by banking institutions shall never be permitted or sanctioned.*

*Codified Iowa Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**Amendment or repeal of laws — exclusive privileges.** SEC. 12. Subject to the provisions of this article, the general assembly shall have power to amend or repeal all laws for the organization or creation of corporations, or granting of special or exclusive privileges or immunities, by a vote of two thirds of each branch of the general assembly; and no exclusive privileges, except as in this article provided, shall ever be granted.

Analogous provision, §491.39 of the Code

## ARTICLE IX.

## EDUCATION AND SCHOOL LANDS.

### 1ST. EDUCATION.**

**The board of education was abolished in 1864 by 1864 Acts, ch 52, §1.

For statutory provisions, see chapters 256 and 262 of the Code.

**Board of education.** SECTION 1. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Eligibility.** SEC. 2. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Election of members.** SEC. 3. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**First session.** SEC. 4. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Limitation of sessions.** SEC. 5. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Secretary.** SEC. 6. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Rules and regulations.** SEC. 7. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Power to legislate.** SEC. 8. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Governor ex officio a member.** SEC. 9. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Expenses.** SEC. 10. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**State university.** SEC. 11. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

See Laws of the Board of Education, Act 10, December 25, 1858, which provides for the management of the state university by a board of trustees appointed by the board of education. See also codified Iowa Constitution, Art. IX, 2nd. division, §2.

**Common schools.** SEC. 12. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Compensation.** SEC. 13. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Quorum — style of acts.** SEC. 14. [* * *]*

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Board may be abolished.** SEC. 15. [* * *]* The general assembly shall have power to abolish or reorganize said board of education, and provide for the educational interest of the state in any other manner that to them shall seem best and proper.**

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**The board of education was abolished in 1864 by 1864 Acts, ch 52, §1. For statutory provisions, see chapters 256 and 262 of the Code.

## 2ND. SCHOOL FUNDS AND SCHOOL LANDS.

**Control — management.** SECTION 1. The educational and school funds and lands shall be under the control and management of the general assembly of this state.

**Permanent fund.** SEC. 2. The university lands, and the proceeds thereof, and all monies belonging to said fund shall be a permanent fund for the sole use of the state university. The interest arising from the same shall be annually appropriated for the support and benefit of said university.

**Perpetual support fund.** SEC. 3. The general assembly shall encourage, by all suitable means, the promotion of intellectual, scientific, moral, and agricultural improvement. The proceeds of all lands that have been, or hereafter may be, granted by the United States to this state, for the support of schools, which may have been or shall hereafter be sold, or disposed of, and the five hundred thousand acres of land granted to the new states, under an act of congress, distributing the proceeds of the public lands among the several states of the union, approved in the year of our Lord one thousand eight hundred and forty-one, and all estates of

deceased persons who may have died without leaving a will or heir, and also such percent as has been or may hereafter be granted by congress, on the sale of lands in this state, shall be, and remain a perpetual fund, the interest of which, together with all rents of the unsold lands, and such other means as the general assembly may provide, shall be inviolably appropriated to the support of common schools throughout the state.

Referred to in §175.4 of the Code

**Fines — how appropriated.** SEC. 4.

Repealed 1974, Amendment [35]

**Proceeds of lands.** SEC. 5. The general assembly shall take measures for the protection, improvement, or other disposition of such lands as have been, or may hereafter be reserved, or granted by the United States, or any person or persons, to this state, for the use of the university, and the funds accruing from the rents or sale of such lands, or from any other source for the purpose aforesaid, shall be, and remain, a permanent fund, the interest of which shall be applied to the support of said university, for the promotion of literature, the arts and sciences, as may be authorized by the terms of such grant. And it shall be the duty of the general assembly as soon as may be, to provide effectual means for the improvement and permanent security of the funds of said university.

**Agents of school funds.** SEC. 6. The financial agents of the school funds shall be the same, that by law, receive and control the state and county revenue for other civil purposes, under such regulations as may be provided by law.

**Distribution.** SEC. 7.

Repealed 1984, Amendment [39]

## ARTICLE X.

## AMENDMENTS TO THE CONSTITUTION.

**How proposed — submission.** SECTION 1. Any amendment or amendments to this constitution may be proposed in either house of the general assembly; and if the same shall be agreed to by a majority of the members elected to each of the two houses, such proposed amendment shall be entered on their journals, with the yeas and nays taken thereon, and referred to the legislature to be chosen at the next general election, and shall be published, as provided by law, for three months previous to the time of making such choice; and if, in the general assembly so next chosen as aforesaid, such proposed amendment or amendments shall be agreed to, by a majority of all the members elected to each house, then it shall be the duty of the general assembly to submit such proposed amendment or amendments to the people, in such manner, and at such time as the general assembly shall provide; and if the people shall approve and ratify such amendment or amendments, by a majority of the electors qualified to vote for members of the general assembly, voting thereon, such amendment or amendments shall become a part of the constitution of this state.

For statutory provisions, see §49.43 through 49.50 and 49A.1 through 49A.11 of the Code

**More than one amendment.** SEC. 2. If two or more amendments shall be submitted at the same time, they shall be submitted in such manner that the electors shall vote for or against each of such amendments separately.

**Constitutional convention.** SEC. 3. At the general election to be held in the year one thousand nine hundred and seventy, and in each tenth year thereafter, and also at such times as the general assembly may, by law, provide, the question, "Shall there be a convention to revise the constitution, and propose amendment or amendments to same?" shall be decided by the electors qualified to vote for members of the general assembly; and in case a majority of the electors so qualified, voting at such election, for and against such proposition, shall decide

in favor of a convention for such purpose, the general assembly, at its next session, shall provide by law for the election of delegates to such convention, and for submitting the results of said convention to the people, in such manner and at such time as the general assembly shall provide; and if the people shall approve and ratify such amendment or amendments, by a majority of the electors qualified to vote for members of the general assembly, voting thereon, such amendment or amendments shall become a part of the constitution of this state. If two or more amendments shall be submitted at the same time, they shall be submitted in such a manner that electors may vote for or against each such amendment separately.

Repealed and rewritten 1964, Amendment [22]
Statutory provision, §39.4 of the Code

## ARTICLE XI.

## MISCELLANEOUS.

**Justice of peace — jurisdiction.** SECTION 1. The jurisdiction of justices of the peace shall extend to all civil cases, (except cases in chancery, and cases where the question of title to real estate may arise,) where the amount in controversy does not exceed one hundred dollars, and by the consent of parties may be extended to any amount not exceeding three hundred dollars.

Nonindictable misdemeanors, jurisdiction, codified Iowa Constitution, Art. I, §11
[The office of justice of peace has been abolished by 1972 Acts, ch 1124.]

**Counties.** SEC. 2. No new county shall be hereafter created containing less than four hundred and thirty two square miles; nor shall the territory of any organized county be reduced below that area; except the county of Worth, and the counties west of it, along the northern boundary of this state, may be organized without additional territory.

**Indebtedness of political or municipal corporations.** SEC. 3. No county, or other political or municipal corporation shall be allowed to become indebted in any manner, or for any purpose, to an amount, in the aggregate, exceeding five per centum on the value of the taxable property within such county or corporation — to be ascertained by the last state and county tax lists, previous to the incurring of such indebtedness.

Statutory limitation, §346.24 of the Code
See 1972 Acts, ch 1088

**Boundaries of state.** SEC. 4. The boundaries of the state may be enlarged, with the consent of congress and the general assembly.

See boundary compromise agreements at the end of Volume VI of the Code

**Oath of office.** SEC. 5. Every person elected or appointed to any office, shall, before entering upon the duties thereof, take an oath or affirmation to support the constitution of the United States, and of this state, and also an oath of office.

See §63.10 of the Code

**How vacancies filled.** SEC. 6. In all cases of elections to fill vacancies in office occurring before the expiration of a full term, the person so elected shall hold for the residue of the unexpired term; and all persons appointed to fill vacancies in office, shall hold until the next general election, and until their successors are elected and qualified.

**Land grants located.** SEC. 7. The general assembly shall not locate any of the public lands, which have been, or may be granted by congress to this state, and the location of which may be given to the general assembly, upon lands actually settled, without the consent of the occupant. The extent of the claim of such occupant, so exempted, shall not exceed three hundred and twenty acres.

**Seat of government established — state university.** SEC. 8. The seat of government is hereby permanently established, as now fixed by law, at the city of Des Moines, in the county of Polk; and the state university, at Iowa City, in the county of Johnson.

See 1855 Acts, ch 72

## ARTICLE XII.

## SCHEDULE.

**Supreme law — constitutionality of acts.** SECTION 1. This constitution shall be the supreme law of the state, and any law inconsistent therewith, shall be void. The general assembly shall pass all laws necessary to carry this constitution into effect.

**Laws in force.** SEC. 2. All laws now in force and not inconsistent with this constitution, shall remain in force until they shall expire or be repealed.

**Proceedings not affected.** SEC. 3. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Fines inure to the state.** SEC. 4.

Repealed 1974, Amendment [35]

**Bonds in force.** SEC. 5. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**First election for governor and lieutenant governor.** SEC. 6. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**First election of officers.** SEC. 7. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**For judges of supreme court.** SEC. 8. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**General assembly — first session.** SEC. 9. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Senators.** SEC. 10. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Offices not vacated.** SEC. 11. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Judicial districts.** SEC. 12. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Submission of constitution.** SEC. 13. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Proposition to strike out the word "white".** SEC. 14. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**Mills county.** SEC. 15. [* * *]*

*Certain transitional provisions of codified Iowa Constitution, Art. XII have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

**General election.** SEC. 16. [* * *]*

Added 1904, Amendment [11]. Apparently superseded by codified Iowa Constitution, Art. II, §7.

*Certain provisions, apparently superseded or obsolete, have been omitted from this codified Iowa Constitution. See original Constitution for omitted language.

# 1857 CONSTITUTION OF THE STATE OF IOWA — ORIGINAL

[*With the exception of the summary which appears at the beginning of the Constitution and the catchwords which precede each section, the Constitution as it appears here is a literal print of the original Constitution on file in the office of the secretary of state.*]

[*The amendments appear at the end, following the original text, in this version of the Constitution. In the codified Constitution (preceding), the amendments appear at the appropriate place in the text.*]

[*Repealed or superseded parts of the Constitution have been printed in italics.*]

[*Footnotes to relevant provisions of the Code of Iowa and Iowa Court Rules are not included in this original Constitution but rather are included in the codified Constitution (printed preceding this original Constitution).*]


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**Preamble.** WE THE PEOPLE OF THE STATE OF IOWA, grateful to the Supreme Being for the blessings hitherto enjoyed, and feeling our dependence on Him for a continuation of those blessings, do ordain and establish a free and independent government, by the name of the State of Iowa, the boundaries whereof shall be as follows:

**Boundaries.** Beginning in the middle of the main channel of the Mississippi River, at a point due East of the middle of the mouth of the main channel of the Des Moines River, thence up the middle of the main channel of the said Des Moines River, to a point on said river where the Northern boundary line of the State of Missouri — as established by the constitution of that State — adopted June 12th. 1820 — crosses the said middle of the main channel of the said Des Moines River; thence Westwardly along the said Northern boundary line of the State of Missouri, as established at the time aforesaid, until an extension of said line intersects the middle of the main channel of the Missouri River; thence up the middle of the main channel of the said Missouri River to a point opposite the middle of the main channel of the Big Sioux River, according to Nicollett's Map; thence up the main channel of the said Big Sioux River, according to the said map, until it is intersected by the parallel of forty three degrees and thirty minutes North latitude; thence East along said parallel of forty three degrees and thirty minutes until said parallel intersects the middle of the main channel of the Mississippi River; thence down the middle of the main channel of said Mississippi River to the place of beginning.

See boundary compromise agreements at the end of Volume VI of the Code

## ARTICLE I.

## BILL OF RIGHTS.

**Rights of persons.** SECTION 1. All men are, by nature, free and equal, and have certain inalienable rights — among which are those of enjoying and defending life and liberty, acquiring, possessing and protecting property, and pursuing and obtaining safety and happiness.

In 1998, this section was amended by adding the words "and women": See Amendment **[45]**

**Political power.** SEC. 2. All political power is inherent in the people. Government is instituted for the protection, security, and benefit of the people, and they have the right, at all times, to alter or reform the same, whenever the public good may require it.

**Religion.** SEC. 3. The General Assembly shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; nor shall any person be compelled to attend any place of worship, pay tithes, taxes, or other rates for building or repairing places of worship, or the maintenance of any minister, or ministry.

**Religious test — witnesses.** SEC. 4. No religious test shall be required as a qualification for any office, or public trust, and no person shall be deprived of any of his rights, privileges, or capacities, or disqualified from the performance of any of his public or private duties, or rendered incompetent to give evidence in any court of law or equity, in consequence of his opinions on the subject of religion; and any party to any judicial proceeding shall have the right to use as a witness, or take the testimony of, any other person not disqualified on account of interest, who may be cognizant of any fact material to the case; and parties to suits may be witnesses, as provided by law.

**Dueling.** SEC. 5. [*Any citizen of this State who may hereafter be engaged, either directly, or indirectly, in a duel, either as principal, or accessory before the fact, shall forever be disqualified from holding any office under the Constitution and laws of this State.*]*

*This section repealed by Amendment **[43]**

**Laws uniform.** SEC. 6. All laws of a general nature shall have a uniform operation; the General Assembly shall not grant to any citizen, or class of citizens, privileges or immunities, which, upon the same terms shall not equally belong to all citizens.

**Liberty of speech and press.** SEC. 7. Every person may speak, write, and publish his sentiments on all subjects, being responsible for the abuse of that right. No law shall be passed to restrain or abridge the liberty of speech, or of the press. In all prosecutions or indictments for libel, the truth may be given in evidence to the jury, and if it appears to the jury that the matter charged as libellous was true, and was published with good motives and for justifiable ends, the party shall be acquitted.

**Personal security — searches and seizures.** SEC. 8. The right of the people to be secure in their persons, houses, papers and effects, against unreasonable seizures and searches shall not be violated; and no warrant shall issue but on probable cause, supported by oath or affirmation, particularly describing the place to be searched, and the persons and things to be seized.

**Right of trial by jury — due process of law.** SEC. 9. The right of trial by jury shall remain inviolate; but the General Assembly may authorize trial by a jury of a less number than twelve men in inferior courts; but no person shall be deprived of life, liberty, or property, without due process of law.

**Rights of persons accused.** SEC. 10. In all criminal prosecutions, and in cases involving the life, or liberty of an individual the accused shall have a right to a speedy and public trial by an impartial jury; to be informed of the accusation against him, to have a copy of the same when demanded; to be confronted with the witnesses against him; to have compulsory process for his witnesses; and, to have the assistance of counsel.

**When indictment necessary.** SEC. 11. All offences less than felony and in which the punishment does not exceed a fine of One hundred dollars, or imprisonment for thirty days, shall be tried summarily before a Justice of the Peace, or other officer authorized by law, on information under oath, without indictment, or the intervention of a grand jury, saving to the defendant the right of appeal; and no person shall be held to answer for any higher criminal offence, unless on presentment or indictment by a grand jury,* except in cases arising in the army, or navy, or in the militia, when in actual service, in time of war or public danger.

*As to indictment and the number of grand jurors, see Amendment **[9]**
In 1998, unnumbered paragraph 1 of this section was amended: See Amendment **[46]**

**Twice tried — bail.** SEC. 12. No person shall after acquittal, be tried for the same offence. All persons shall, before conviction, be bailable, by sufficient sureties, except for capital offences where the proof is evident, or the presumption great.

**Habeas corpus.** SEC. 13. The writ of habeas corpus shall not be suspended, or refused when application is made as required by law, unless in case of rebellion, or invasion the public safety may require it.

**Military.** SEC. 14. The military shall be subordinate to the civil power. No standing army shall be kept up by the State in time of peace; and in time of war, no appropriation for a standing army shall be for a longer time than two years.

**Quartering soldiers.** SEC. 15. No soldier shall, in time of peace, be quartered in any house without the consent of the owner, nor in time of war except in the manner prescribed by law.

**Treason.** SEC. 16. Treason against the State shall consist only in levying war against it, adhering to its enemies, or giving them aid and comfort. No person shall be convicted of treason, unless on the evidence of two witnesses to the same overt act, or confession in open Court.

**Bail — punishments.** SEC. 17. Excessive bail shall not be required; excessive fines shall not be imposed, and cruel and unusual punishment shall not be inflicted.

**Eminent domain.** SEC. 18. Private property shall not be taken for public use without just compensation first being made, or secured to be made to the owner thereof, as soon as the damages shall be assessed by a jury, who shall not take into consideration any advantages that may result to said owner on account of the improvement for which it is taken.*

*See Amendment **[13]**

**Imprisonment for debt.** SEC. 19. No person shall be imprisoned for debt in any civil action, on mesne or final process, unless in case of fraud; and no person shall be imprisoned for a militia fine in time of peace.

**Right of assemblage — petition.** SEC. 20. The people have the right freely to assemble together to counsel for the common good; to make known their opinions to their representatives and to petition for a redress of grievances.

**Attainder — ex post facto law — obligation of contract.** SEC. 21. No bill of attainder, ex post facto law, or law impairing the obligation of contracts, shall ever be passed.

**Resident aliens.** SEC. 22. Foreigners who are, or may hereafter become residents of this State, shall enjoy the same rights in respect to the possession, enjoyment and descent of property, as native born citizens.

**Slavery — penal servitude.** SEC. 23. There shall be no slavery in this State; nor shall there be involuntary servitude, unless for the punishment of crime.

**Agricultural leases.** SEC. 24. No lease or grant of agricultural lands, reserving any rent, or service of any kind, shall be valid for a longer period than twenty years.

**Rights reserved.** SEC. 25. This enumeration of rights shall not be construed to impair or deny others, retained by the people.

An additional section (section 26) was added to original Constitution, Art. I by the amendment of 1882. The supreme court, however, in the case of *Koehler v. Hill*, 60 Iowa 543, on April 21, 1883, held that, owing to certain irregularities, the amendment did not become a part of the Constitution. [Prohibition of intoxicating liquors]

## ARTICLE II.

## RIGHT OF SUFFRAGE.

**Electors.** SECTION 1. [*Every (white)* male citizen of the United States, of the age of twenty one years, who shall have been a resident of this State six months next preceding the election, and of the County in which he claims his vote sixty days, shall be entitled to vote at all elections which are now or hereafter may be authorised by law.*]**

*The above section was amended in 1868 by striking the word "white" from the first line thereof: See Amendment **[1]**
For qualifications of electors, see also United States Constitution, Amendments 19 and 26
A proposal to strike the word "male" was defeated in 1916
**In 1970, this section was repealed and a substitute adopted in lieu thereof: See Amendment **[30]**

**Privileged from arrest.** SEC. 2. Electors shall, in all cases except treason, felony, or breach of the peace, be privileged from arrest on the days of election, during their attendance at such election, going to and returning therefrom.

**From military duty.** SEC. 3. No elector shall be obliged to perform military duty on the day of election, except in time of war, or public danger.

**Persons in military service.** SEC. 4. No person in the military, naval, or marine service of the United States shall be considered a resident of this State by being stationed in any garrison, barrack, or military or naval place, or station within this State.

**Disqualified persons.** SEC. 5. [*No idiot, or insane person, or person convicted of any infamous crime, shall be entitled to the privilege of an elector.*]*

*In 2008, this section was repealed and a substitute adopted in lieu thereof: See Amendment **[47]**

**Ballot.** SEC. 6. All elections by the people shall be by ballot.

**General election.** SEC. 7. See Amendments **[7], [11]** and **[14]**

## ARTICLE III.

## OF THE DISTRIBUTION OF POWERS.

**Departments of government.** SECTION 1. The powers of the government of Iowa shall be divided into three separate departments — the Legislative, the Executive, and the Judicial: and no person charged with the exercise of powers properly belonging to one of these departments shall exercise any function appertaining to either of the others, except in cases hereinafter expressly directed or permitted.

## LEGISLATIVE DEPARTMENT.

**General assembly.** SECTION 1. The Legislative authority of this State shall be vested in a General Assembly, which shall consist of a Senate and House of Representatives: and the style of every law shall be. "Be it enacted by the General Assembly of the State of Iowa."

**Sessions.** SEC. 2. [*The sessions of the General Assembly shall be biennial, and shall commence on the second Monday in January next ensuing the election of its members; unless the Governor of the State shall, in the meantime, convene the General Assembly by proclamation.*]*

*In 1968 this section was repealed and a substitute adopted in lieu thereof: See Amendments **[24]** and **[36]**
Special sessions, original Constitution, Art. IV, §11 and Amendment **[36]**

**Representatives.** SEC. 3. The members of the House of Representatives shall be chosen every second year, by the qualified electors of their respective districts, [*on the second Tuesday in October,* except the years of the Presidential election, when the election shall be on the Tuesday next after the first Monday in November;*]* and their term of office shall commence on the first day of January next after their election, and continue two years, and until their successors are elected and qualified.

*For provisions relative to the time of holding the general election, see Amendment **[14]**

**Qualifications.** SEC. 4. No person shall be a member of the House of Representatives who shall not have attained the age of twenty-one years, be a [*free white*] [*male*]* citizen of the United States, and shall have been an inhabitant of this State one year next preceding his election, and at the time of his election shall have had an actual residence of sixty days in the County, or District he may have been chosen to represent.

*For amendments striking "free white" and "male", see Amendments **[6]** and **[15]**

**Senators — qualifications.** SEC. 5. Senators shall be chosen for the term of four years, at the same time and place as Representatives; they shall be twenty-five years of age, and possess the qualifications of Representatives as to residence and citizenship.

**Number and classification.** SEC. 6. [*The number of Senators shall not be less than one third, nor more than one half the representative body; and shall be so classified by lot, that one class, being as nearly one half as possible, shall be elected every two years. When the number of Senators is increased, they shall be annexed by lot to one or the other of the two classes, so as to keep them as nearly equal in numbers as practicable.*]*

*In 1968 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[26]**

**Officers — elections determined.** SEC. 7. Each house shall choose its own officers, and judge of the qualification, election, and return of its own members. A contested election shall be determined in such manner as shall be directed by law.

**Quorum.** SEC. 8. A majority of each house shall constitute a quorum to transact business; but a smaller number may adjourn from day to day, and may compel the attendance of absent members in such manner and under such penalties as each house may provide.

**Authority of the houses.** SEC. 9. Each house shall sit upon its own adjournments, keep a journal of its proceedings, and publish the same; determine its rules of proceedings, punish members for disorderly behavior, and, with the consent of two thirds, expel a member, but not a second time for the same offense; and shall have all other powers necessary for a branch of the General Assembly of a free and independent State.

**Protest — record of vote.** SEC. 10. Every member of the General Assembly shall have the liberty to dissent from, or protest against any Act or resolution which he may think injurious to the public, or an individual, and have the reasons for his dissent entered on the journals; and the yeas and nays of the members of either house, on any question, shall, at the desire of any two members present, be entered on the journals.

**Privileged from arrest.** SEC. 11. Senators and Representatives, in all cases, except treason, felony, or breach of the peace, shall be privileged from arrest during the session of the General Assembly, and in going to and returning from the same.

**Vacancies.** SEC. 12. When vacancies occur in either house, the Governor or the person exercising the functions of Governor, shall issue writs of election to fill such vacancies.

**Doors open.** SEC. 13. The doors of each house shall be open, except on such occasions, as, in the opinion of the house, may require secrecy.

**Adjournments.** SEC. 14. Neither house shall, without the consent of the other, adjourn for more than three days, nor to any other place than that in which they may be sitting.

**Bills.** SEC. 15. Bills may originate in either house, and may be amended, altered, or rejected by the other; and every bill having passed both houses, shall be signed by the Speaker and President of their respective houses.

**Executive approval — veto.** SEC. 16. Every bill which shall have passed the General Assembly, shall, before it becomes a law, be presented to the Governor. If he approve, he shall sign it; but if not, he shall return it with his objections, to the house in which it originated, which shall enter the same upon their journal, and proceed to re-consider it; if, after such re-consideration, it again pass both houses, by yeas and nays, by a majority of two thirds of the members of each house, it shall become a law, notwithstanding the Governor's objections. If any bill shall not be returned within three days after it shall have been presented to him, Sunday excepted, the same shall be a law in like manner as if he had signed it, unless the General Assembly, by adjournment, prevent such return. Any bill submitted to the Governor for his approval during the last three days of a session of the General Assembly, shall be deposited by him in the office of the Secretary of State, within thirty days after the adjournment, with his approval, if approved by him, and with his objections, if he disapproves thereof.*

*In 1968 an additional paragraph was added to this section: See Amendment **[27]**

**Passage of bills.** SEC. 17. No bill shall be passed unless by the assent of a majority of all the members elected to each branch of the General Assembly, and the question upon the final passage shall be taken immediately upon its last reading, and the yeas and nays entered on the journal.

**Receipts and expenditures.** SEC. 18. An accurate statement of the receipts and expenditures of the public money shall be attached to and published with the laws, at every regular session of the General Assembly.

**Impeachment.** SEC. 19. The House of Representatives shall have the sole power of impeachment, and all impeachments shall be tried by the Senate. When sitting for that purpose, the senators shall be upon oath or affirmation; and no person shall be convicted without the concurrence of two thirds of the members present.

Referred to in Amendment **[33]**

**Officers subject to impeachment — judgment.** SEC. 20. The Governor, Judges of the Supreme and District Courts, and other State officers, shall be liable to impeachment for any misdemeanor or malfeasance in office; but judgment in such cases shall extend only to removal from office, and disqualification to hold any office of honor, trust, or profit, under this State; but the party convicted or acquitted shall nevertheless be liable to indictment, trial, and punishment, according to law. All other civil officers shall be tried for misdemeanors and malfeasance in office, in such manner as the General Assembly may provide.

Referred to in Amendment **[33]**

**Members not appointed to office.** SEC. 21. No senator or representative shall, during the time for which he shall have been elected, be appointed to any civil office of profit under this State, which shall have been created, or the emoluments of which shall have been increased during such term, except such offices as may be filled by elections by the people.

**Disqualification.** SEC. 22. No person holding any lucrative office under the United States, or this State, or any other power, shall be eligible to hold a seat in the General Assembly; but offices in the militia, to which there is attached no annual salary, or the office of justice of the peace, or postmaster whose compensation does not exceed one hundred dollars per annum, or notary public, shall not be deemed lucrative.

**Failure to account.** SEC. 23. No person who may hereafter be a collector or holder of public monies, shall have a seat in either House of the General Assembly, or be eligible to hold any office of trust or profit in this State, until he shall have accounted for and paid into the treasury all sums for which he may be liable.

**Appropriations.** SEC. 24. No money shall be drawn from the treasury but in consequence of appropriations made by law.

**Compensation of members.** SEC. 25. [*Each member of the first General Assembly under this Constitution, shall receive three dollars per diem while in session; and the further sum of three dollars for every twenty miles traveled, in going to and returning from the place where such session is held, by the nearest traveled route; after which they shall receive such compensation as shall be fixed by law; but no General Assembly shall have power to increase the compensation of its own members. And when convened in extra session they shall receive the same mileage and per diem compensation, as fixed by law for the regular session, and none other.*]*

*In 1968 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[28]**

**Time laws to take effect.** SEC. 26. No law of the General Assembly, passed at a regular session, of a public nature, shall take effect until the *fourth** day of July next after the passage thereof. Laws passed at a special session, shall take effect ninety days after the adjournment of the General Assembly by which they were passed. If the General Assembly shall deem any law of immediate importance, they may provide that the same shall take effect by publication in newspapers in the State.**

*For provision changing effective date, see Amendment **[23]**
**In 1986 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[40]**

**Divorce.** SEC. 27. No divorce shall be granted by the General Assembly.

**Lotteries.** SEC. 28. [*No lottery shall be authorized by this State; nor shall the sale of lottery tickets be allowed.*]*

*This section repealed by Amendment **[34]**

**Acts — one subject — expressed in title.** SEC. 29. Every act shall embrace but one subject, and matters properly connected therewith; which subject shall be expressed in the title. But if any subject shall be embraced in an act which shall not be expressed in the title, such act shall be void only as to so much thereof as shall not be expressed in the title.

**Local or special laws — general and uniform — boundaries of counties.** SEC. 30. The General Assembly shall not pass local or special laws in the following cases:

For the assessment and collection of taxes for State, County, or road purposes;
For laying out, opening, and working roads or highways;
For changing the names of persons;
For the incorporation of cities and towns;
For vacating roads, town plats, streets, alleys, or public squares;
For locating or changing county seats.

In all the cases above enumerated, and in all other cases where a general law can be made applicable, all laws shall be general, and of uniform operation throughout the State; and no law changing the boundary lines of any county shall have effect until upon being submitted to the people of the counties affected by the change, at a general election, it shall be approved by a majority of the votes in each county, cast for and against it.

Laws uniform, see original Constitution, Art. I, §6

**Extra compensation — payment of claims — appropriations for local or private purposes.** SEC. 31. No extra compensation shall be made to any officer, public agent, or contractor, after the service shall have been rendered, or the contract entered into; nor, shall any money be paid on any claim, the subject matter of which shall not have been

provided for by pre-existing laws, and no public money or property shall be appropriated for local, or private purposes, unless such appropriation, compensation, or claim, be allowed by two-thirds of the members elected to each branch of the General Assembly.

**Oath of members.** SEC. 32. Members of the General Assembly shall, before they enter upon the duties of their respective offices, take and subscribe the following oath or affirmation: "I do solemnly swear, or affirm, (as the case may be,) that I will support the Constitution of the United States, and the Constitution of the State of Iowa, and that I will faithfully discharge the duties of Senator, (or Representative, as the case may be,) according to the best of my ability." And members of the General Assembly are hereby empowered to administer to each other the said oath or affirmation.

**Census.** SEC. 33. [*The General Assembly shall, in the years One thousand eight hundred and fifty nine, One thousand eight hundred and sixty three, One thousand eight hundred and sixty five, One thousand eight hundred and sixty seven, One thousand eight hundred and sixty nine, and One thousand eight hundred and seventy five, and every ten years thereafter, cause an enumeration to be made of all the [white]* inhabitants of the State.*]**

*The above section was amended in 1868 by striking the word "white" therefrom: See Amendment **[2]**
**This section repealed by Amendment **[17]**

**Senators — number — method of apportionment.** SEC. 34. [*The number of senators shall, at the next session following each period of making such enumeration, and the next session following each United States census, be fixed by law, and apportioned among the several counties, according to the number of [white]* inhabitants in each.*]**

*The above section has been amended three times: In 1868 it was amended by striking the word "white" therefrom: See Amendment **[3]**
**In 1904 this section was repealed and a substitute adopted in lieu thereof. See Amendment **[12]**: Also **[16]**: See also Amendment **[26]**

**Senators — representatives — number — apportionment — districts.** SEC. 35. [*The Senate shall not consist of more than fifty members, nor the House of Representatives of more than one hundred; and they shall be apportioned among the several counties and representative districts of the State, according to the number of [white]* inhabitants in each, upon ratios to be fixed by law; but no representative district shall contain more than four organized counties, and each district shall be entitled to at least one representative. Every county and district which shall have a number of inhabitants equal to one-half of the ratio fixed by law, shall be entitled to one representative; and any one county containing in addition to the ratio fixed by law, one half of that number, or more, shall be entitled to one additional representative. No floating district shall hereafter be formed.*]**

*The above section has been amended twice. In 1868 it was amended by striking the word "white" therefrom: See Amendment **[4]**
**In 1904 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[12]**: See also Amendment **[26]**

**Ratio of representation.** SEC. 36. [*At its first session under this Constitution, and at every subsequent regular session, the General Assembly shall fix the ratio of representation, and also form into representative districts those counties which will not be entitled singly to a representative.*]*

*In 1904 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[12]**: See also Amendment **[26]**

**Districts.** SEC. 37. [*When a congressional, senatorial, or representative district shall be composed of two or more counties, it shall not be entirely separated by any county belonging to another district; and no county shall be divided in forming a congressional, senatorial, or representative district.*]*

See Amendment **[12]**
*In 1968 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[26]**

**Elections by general assembly.** SEC. 38. In all elections by the General Assembly, the members thereof shall vote viva voce and the votes shall be entered on the journal.

**Municipal home rule.** SEC. 38A. Amendment **[25]**

**Legislative districts.** SEC. 39. Amendment **[29]**

**Counties home rule.** SEC. 39A. Amendment **[37]**

**Nullification of administrative rules.** SEC. 40. Amendment **[38]**

## ARTICLE IV.

## EXECUTIVE DEPARTMENT.

**Governor.** SECTION 1. The Supreme Executive power of this State shall be vested in a Chief Magistrate, who shall be styled the Governor of the State of Iowa.

**Election and term.** SEC. 2. [*The Governor shall be elected by the qualified electors at the time and place of voting for members of the General Assembly, and shall hold his office two years from the time of his installation, and until his successor is elected and qualified.*]*

*In 1972 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[32]**; also Amendment **[41]**

**Lieutenant governor — returns of elections.** SEC. 3. [*There shall be a Lieutenant Governor, who shall hold his office two years, and be elected at the same time as the Governor. In voting for Governor and Lieutenant Governor, the electors shall designate for whom they vote as Governor, and for whom as Lieutenant Governor. The returns of every election for Governor, and Lieutenant Governor, shall be sealed up and transmitted to the seat of government of the State, directed to the Speaker of the House of Representatives, who shall open and publish them in the presence of both Houses of the General Assembly.*]*

*In 1972 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[32]**; also Amendment **[41]**

**Election by general assembly.** SEC. 4. [*The persons respectively having the highest number of votes for Governor and Lieutenant Governor, shall be declared duly elected; but in case two or more persons shall have an equal and the highest number of votes for either office, the General Assembly shall, by joint vote, forthwith proceed to elect one of said persons Governor, or Lieutenant Governor, as the case may be.*]*

*In 1988 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[41]**
See Amendment **[19]** relating to death or failure to qualify

**Contested elections.** SEC. 5. [*Contested elections for Governor, or Lieutenant Governor, shall be determined by the General Assembly in such manner as may be prescribed by law.*]*

*In 1988 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[41]**

**Eligibility.** SEC. 6. No person shall be eligible to the office of Governor, or Lieutenant Governor, who shall not have been a citizen of the United States, and a resident of the State, two years next preceding the election, and attained the age of thirty years at the time of said election.

**Commander in chief.** SEC. 7. The Governor shall be commander in chief of the militia, the army, and navy of this State.

**Duties of governor.** SEC. 8. He shall transact all executive business with the officers of government, civil and military, and may require information in writing from the officers of the executive department upon any subject relating to the duties of their respective offices.

**Execution of laws.** SEC. 9. He shall take care that the laws are faithfully executed.

**Vacancies.** SEC. 10. When any office shall, from any cause, become vacant, and no mode is provided by the Constitution and laws for filling such vacancy, the Governor shall have

power to fill such vacancy, by granting a commission, which shall expire at the end of the next session of the General Assembly, or at the next election by the people.

**Convening general assembly.** SEC. 11. He may, on extraordinary occasions, convene the General Assembly by proclamation, and shall state to both Houses, when assembled, the purpose for which they shall have been convened.

See Amendment of 1974 No. 2 **[36]**

**Message.** SEC. 12. He shall communicate, by message, to the General Assembly, at every regular session, the condition of the State, and recommend such matters as he shall deem expedient.

**Adjournment.** SEC. 13. In case of disagreement between the two Houses with respect to the time of adjournment, the Governor shall have power to adjourn the General Assembly to such time as he may think proper; but no such adjournment shall be beyond the time fixed for the regular meeting of the next General Assembly.

**Disqualification.** SEC. 14. No persons shall, while holding any office under the authority of the United States, or this State, execute the office of Governor, or Lieutenant Governor, except as hereinafter expressly provided.

**Terms — compensation of lieutenant governor.** SEC. 15. [*The official term of the Governor, and Lieutenant Governor, shall commence on the second Monday of January next after their election, and continue for two years, and until their successors are elected and qualified. The Lieutenant Governor, while acting as Governor, shall receive the same pay as provided for Governor; and while presiding in the Senate, shall receive as compensation therefor, the same mileage and double the per diem pay provided for a Senator, and none other.*]*

*In 1972 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[32]**; also Amendment **[42]**

**Pardons — reprieves — commutations.** SEC. 16. The Governor shall have power to grant reprieves, commutations and pardons, after conviction, for all offences except treason and cases of impeachment, subject to such regulations as may be provided by law. Upon conviction for treason, he shall have power to suspend the execution of the sentence until the case shall be reported to the General Assembly at its next meeting, when the General Assembly shall either grant a pardon, commute the sentence, direct the execution of the sentence, or grant a further reprieve. He shall have power to remit fines and forfeitures, under such regulations as may be prescribed by law; and shall report to the General Assembly, at its next meeting, each case of reprieve, commutation, or pardon granted, and the reasons therefor; and also all persons in whose favor remission of fines and forfeitures shall have been made, and the several amounts remitted.

**Lieutenant governor to act as governor.** SEC. 17. In case of the death, impeachment, resignation, removal from office, or other disability of the Governor, the powers and duties of the office for the residue of the term, or until he shall be acquitted, or the disability removed, shall devolve upon the Lieutenant Governor.

**President of senate.** SEC. 18. [*The Lieutenant Governor shall be President of the Senate, but shall only vote when the Senate is equally divided;* and in case of his absence, or impeachment, or when he shall exercise the office of Governor, the Senate shall choose a President pro tempore.*]**

*Majority vote required on passage of a bill in General Assembly, see original Constitution, Art. III, §17

**In 1988 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[42]**

**Vacancies.** SEC. 19. [*If the Lieutenant Governor, while acting as Governor, shall be impeached, displaced, resign, or die, or otherwise become incapable of performing the duties of the office, the President pro tempore of the Senate shall act as Governor until the*

*vacancy is filled, or the disability removed; and if the President of the Senate, for any of the above causes, shall be rendered incapable of performing the duties pertaining to the office of Governor, the same shall devolve upon the Speaker of the House of Representatives.*]*

*In 1952 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[20];** also Amendment **[42]**

**Seal of state.** SEC. 20. There shall be a seal of this State, which shall be kept by the Governor, and used by him officially, and shall be called the Great Seal of the State of Iowa.

**Grants and commissions.** SEC. 21. All grants and commissions shall be in the name and by the authority of the people of the State of Iowa, sealed with the Great Seal of the State, signed by the Governor, and countersigned by the Secretary of State.

**Secretary — auditor — treasurer.** SEC. 22. [*A Secretary of State, Auditor of State and Treasurer of State, shall be elected by the qualified electors, who shall continue in office two years, and until their successors are elected and qualified; and perform such duties as may be required by law.*]*

*In 1972 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[32]**

## ARTICLE V.

## JUDICIAL DEPARTMENT.

**Courts.** SECTION 1. The Judicial power shall be vested in a Supreme Court, District Courts, and such other Courts, inferior to the Supreme Court, as the General Assembly may, from time to time, establish.

**Supreme court.** SEC. 2. The Supreme Court shall consist of three Judges, two of whom shall constitute a quorum to hold Court.

But see original Constitution, this Art., Art. V, §10

**Election of judges — term.** SEC. 3. [*The Judges of the Supreme Court shall be elected by the qualified electors of the State, and shall hold their Court at such time and place as the General Assembly may prescribe. The Judges of the Supreme Court so elected, shall be classified so that one Judge shall go out of office every two years; and the Judge holding the shortest term of office under such classification, shall be Chief Justice of the Court, during his term, and so on in rotation. After the expiration of their terms of office, under such classification, the term of each Judge of the Supreme Court shall be six years, and until his successor shall have been elected and qualified. The Judges of the Supreme Court shall be ineligible to any other office in the State, during the term for which they shall have been elected.*]*

*In 1962 this section was repealed: See Amendment **[21]**

**Jurisdiction of supreme court.** SEC. 4. The Supreme Court shall have appellate jurisdiction only in cases in chancery, and shall constitute a Court for the correction of errors at law, under such restrictions as the General Assembly may, by law, prescribe; and shall have power to issue all writs and process necessary to secure justice to parties, and exercise a supervisory control over all inferior Judicial tribunals throughout the State.*

*This section was amended in 1962: See Amendment **[21]**

**District court and judge.** SEC. 5. [*The District Court shall consist of a single Judge, who shall be elected by the qualified electors of the District in which he resides. The Judge of the District Court shall hold his office for the term of four years, and until his successor shall have been elected and qualified; and shall be ineligible to any other office, except that of Judge of the Supreme Court, during the term for which he was elected.*]*

*In 1962 this section was repealed: See Amendment **[21(2)]**

**Jurisdiction of district court.** SEC. 6. The District Court shall be a court of law and equity, which shall be distinct and separate jurisdictions, and have jurisdiction in civil and criminal matters arising in their respective districts, in such manner as shall be prescribed by law.

**Conservators of the peace.** SEC. 7. The Judges of the Supreme and District Courts shall be conservators of the peace throughout the State.

**Style of process.** SEC. 8. The style of all process shall be, "The State of Iowa", and all prosecutions shall be conducted in the name and by the authority of the same.

**Salaries.** SEC. 9. [*The salary of each Judge of the Supreme Court shall be two thousand dollars per annum; and that of each District Judge, one thousand six hundred dollars per annum, until the year Eighteen hundred and Sixty; after which time, they shall severally receive such compensation as the General Assembly may, by law, prescribe; which compensation shall not be increased or diminished during the term for which they shall have been elected.*]*

*In 1962 this section was repealed: See Amendment **[21]**

**Judicial districts — supreme court.** SEC. 10. *The state shall be divided into eleven judicial districts; and after the year eighteen hundred and sixty*, the general assembly may re-organize the judicial districts and increase or diminish the number of districts, or the number of judges of the said court, and may increase the number of judges of the supreme court; but such increase or diminution shall not be more than one district, or one judge of either court, at any one session; and no re-organization of the districts, or diminution of the number of judges, shall have the effect of removing a judge from office. Such re-organization of the districts, or any change in the boundaries thereof, or increase or diminution of the number of judges, shall take place every four years thereafter, if necessary, and at no other time.*

*Much of this section apparently superseded by Amendment **[8]**

**Judges — when chosen.** SEC. 11. [*The Judges of the Supreme and District Courts shall be chosen at the general election; and the term of office of each Judge shall commence on the first day of January next, after his election.*]*

*In 1962 this section was repealed: See Amendment **[21]**

**Attorney general.** SEC. 12. [*The General Assembly shall provide, by law, for the election of an Attorney General by the people, whose term of office shall be two years, and until his successor shall have been elected and qualified.*]*

*In 1972 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[32]**

**District attorney.** SEC. 13. [*The qualified electors of each judicial district shall, at the time of the election of District Judge, elect a District Attorney, who shall be a resident of the district for which he is elected, and who shall hold his office for the term of four years, and until his successor shall have been elected and qualified.*]*

*In 1884 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[10]**. In 1970 this substitute was repealed: See Amendment **[31]**

**System of court practice.** SEC. 14. It shall be the duty of the General Assembly to provide for the carrying into effect of this article, and to provide for a general system of practice in all the Courts of this State.

For provisions relative to the grand jury, see Amendment **[9]**

**Vacancies in courts.** SEC. 15. Amendment **[21]**

**State and district nominating commissions.** SEC. 16. Amendment **[21]**

**Terms — judicial elections.** SEC. 17. Amendment **[21]**

**Salaries — qualifications — retirements.** SEC. 18. Amendment **[21]**

**Retirement and discipline of judges.** SEC. 19. Amendment **[33]**

## ARTICLE VI.

## MILITIA.

**Composition — training.** SECTION 1. The militia of this State shall be composed of all able-bodied [white]* male citizens, between the ages of eighteen and forty five years, except such as are or may hereafter be exempt by the laws of the United States, or of this State, and shall be armed, equipped, and trained, as the General Assembly may provide by law.

*The above section was amended in 1868 by striking the word "white" therefrom: See Amendment **[5]**

**Exemption.** SEC. 2. No person or persons conscientiously scrupulous of bearing arms shall be compelled to do military duty in time of peace: Provided, that such person or persons shall pay an equivalent for such exemption in the same manner as other citizens.

**Officers.** SEC. 3. All commissioned officers of the militia, (staff officers excepted,) shall be elected by the persons liable to perform military duty, and shall be commissioned by the Governor.

## ARTICLE VII.

## STATE DEBTS.

**Credit not to be loaned.** SECTION 1. The credit of the State shall not, in any manner, be given or loaned to, or in aid of, any individual, association, or corporation; and the State shall never assume, or become responsible for, the debts or liabilities of any individual, association, or corporation, unless incurred in time of war for the benefit of the State.

**Limitation.** SEC. 2. The State may contract debts to supply casual deficits or failures in revenues, or to meet expenses not otherwise provided for; but the aggregate amount of such debts, direct and contingent, whether contracted by virtue of one or more acts of the General Assembly, or at different periods of time, shall never exceed the sum of two hundred and fifty thousand dollars; and the money arising from the creation of such debts, shall be applied to the purpose for which it was obtained, or to repay the debts so contracted, and to no other purpose whatever.

**Losses to school funds.** SEC. 3. All losses to the permanent, School, or University fund of this State, which shall have been occasioned by the defalcation, mismanagement or fraud of the agents or officers controlling and managing the same, shall be audited by the proper authorities of the State. The amount so audited shall be a permanent funded debt against the State, in favor of the respective fund, sustaining the loss, upon which not less than six per cent. annual interest shall be paid. The amount of liability so created shall not be counted as a part of the indebtedness authorized by the second section of this article.

**War debts.** SEC. 4. In addition to the above limited power to contract debts, the State may contract debts to repel invasion, suppress insurrection, or defend the State in war; but the money arising from the debts so contracted shall be applied to the purpose for which it was raised, or to repay such debts, and to no other purpose whatever.

**Contracting debt — submission to the people.** SEC. 5. Except the debts herein before specified in this article, no debt shall be hereafter contracted by, or on behalf of this State,

unless such debt shall be authorized by some law for some single work or object, to be distinctly specified therein; and such law shall impose and provide for the collection of a direct annual tax, sufficient to pay the interest on such debt, as it falls due, and also to pay and discharge the principal of such debt, within twenty years from the time of the contracting thereof; but no such law shall take effect until at a general election it shall have been submitted to the people, and have received a majority of all the votes cast for and against it at such election; and all money raised by authority of such law, shall be applied only to the specific object therein stated, or to the payment of the debt created thereby; and such law shall be published in at least one news paper in each County, if one is published therein, throughout the State, for three months preceding the election at which it is submitted to the people.

**Legislature may repeal.** SEC. 6. The Legislature may, at any time, after the approval of such law by the people, if no debt shall have been contracted in pursuance thereof, repeal the same; and may, at any time, forbid the contracting of any further debt, or liability, under such law; but the tax imposed by such law, in proportion to the debt or liability, which may have been contracted in pursuance thereof, shall remain in force and be irrepealable, and be annually collected, until the principal and interest are fully paid.

**Tax imposed distinctly stated.** SEC. 7. Every law which imposes, continues, or revives a tax, shall distinctly state the tax, and the object to which it is to be applied; and it shall not be sufficient to refer to any other law to fix such tax or object.

**Motor vehicle fees and fuel taxes.** SEC. 8. Amendment **[18]**

**Fish and wildlife protection funds.** SEC. 9. Amendment **[44]**

**Natural resources.** SEC. 10. Amendment **[48]**

## ARTICLE VIII.

## CORPORATIONS.

**How created.** SECTION 1. No corporation shall be created by special laws; but the General Assembly shall provide, by general laws, for the organization of all corporations hereafter to be created, except as hereinafter provided.

**Taxation of corporations.** SEC. 2. The property of all corporations for pecuniary profit, shall be subject to taxation, the same as that of individuals.

**State not to be a stockholder.** SEC. 3. The State shall not become a stockholder in any corporation, nor shall it assume or pay the debt or liability of any corporation, unless incurred in time of war for the benefit of the State.

**Municipal corporations.** SEC. 4. No political or municipal corporation shall become a stockholder in any banking corporation, directly or indirectly.

**Banking associations.** SEC. 5. No Act of the General Assembly, authorizing or creating corporations or associations with banking powers, nor amendments thereto shall take effect, or in any manner be in force, until the same shall have been submitted, separately, to the people, at a general or special election, as provided by law, to be held not less than three months after the passage of the Act, and shall have been approved by a majority of all the electors voting for and against it at such election.

**State bank.** SEC. 6. Subject to the provisions of the foregoing section, the General Assembly may also provide for the establishment of a State Bank with branches.*

*Original Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**Specie basis.** SEC. 7. If a State Bank be established, it shall be founded on an actual specie basis, and the branches shall be mutually responsible for each others liabilities upon all notes, bills, and other issues intended for circulation as money.*

*Original Constitution, ART. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**General banking law.** SEC. 8. If a general Banking law shall be enacted, it shall provide for the registry and countersigning, by an officer of State, of all bills, or paper credit designed to circulate as money, and require security to the full amount thereof, to be deposited with the State Treasurer, in United States stocks, or in interest paying stocks of States in good credit and standing, to be rated at ten per cent. below their average value in the City of New York, for the thirty days next preceding their deposit; and in case of a depreciation of any portion of said stocks, to the amount of ten per cent. on the dollar, the bank or banks owning such stock shall be required to make up said deficiency by depositing additional stocks: and said law shall also provide for the recording of the names of all stockholders in such corporations, the amount of stock held by each, the time of any transfer, and to whom.*

*Original Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**Stockholders' responsibility.** SEC. 9. Every stockholder in a banking corporation or institution shall be individually responsible and liable to its creditors, over and above the amount of stock by him or her held, to an amount equal to his or her respective shares so held for all of its liabilities, accruing while he or she remains such stockholder.*

*Original Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**Bill-holders preferred.** SEC. 10. In case of the insolvency of any banking institution, the bill-holders shall have a preference over its other creditors.*

*Original Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**Specie payments — suspension.** SEC. 11. The suspension of specie payments by banking institutions shall never be permitted or sanctioned.*

*Original Constitution, Art. VIII, §6 – 11 apply to banks of issue only. See 63 Iowa 11; also 220 Iowa 794 and 221 Iowa 102

**Amendment or repeal of laws — exclusive privileges.** SEC. 12. Subject to the provisions of this article, the General Assembly shall have power to amend or repeal all laws for the organization or creation of corporations, or granting of special or exclusive privileges or immunities, by a vote of two thirds of each branch of the General Assembly; and no exclusive privileges, except as in this article provided, shall ever be granted.

## ARTICLE IX.

## EDUCATION AND SCHOOL LANDS.

### 1ST. EDUCATION.*

*The board of education was abolished in 1864 by 1864 Acts, ch 52, §1.

**Board of education.** SECTION 1. *The educational interest of the State, including Common Schools and other educational institutions, shall be under the management of a Board of Education, which shall consist of the Lieutenant Governor, who shall be the presiding officer of the Board, and have the casting vote in case of a tie, and one member to be elected from each judicial district in the State.*

**Eligibility.** SEC. 2. *No person shall be eligible as a member of said Board who shall not have attained the age of twenty five years, and shall have been one year a citizen of the State.*

**Election of members.** SEC. 3. *One member of said Board shall be chosen by the qualified electors of each district, and shall hold the office for the term of four years, and until his successor is elected and qualified. After the first election under this Constitution, the Board shall be divided, as nearly as practicable, into two equal classes, and the seats of the first class shall be vacated after the expiration of two years; and one half of the Board shall be chosen every two years thereafter.*

**First session.** SEC. 4. *The first session of the Board of Education shall be held at the Seat of Government, on the first Monday of December, after their election; after which the General Assembly may fix the time and place of meeting.*

**Limitation of sessions.** SEC. 5. *The session of the Board shall be limited to twenty days, and but one session shall be held in any one year, except upon extraordinary occasions, when, upon the recommendation of two thirds of the Board, the Governor may order a special session.*

**Secretary.** SEC. 6. *The Board of Education shall appoint a Secretary, who shall be the executive officer of the Board, and perform such duties as may be imposed upon him by the Board, and the laws of the State. They shall keep a journal of their proceedings, which shall be published and distributed in the same manner as the journals of the General Assembly.*

**Rules and regulations.** SEC. 7. *All rules and regulations made by the Board shall be published and distributed to the several Counties, Townships, and School Districts, as may be provided for by the Board, and when so made, published and distributed, they shall have the force and effect of law.*

**Power to legislate.** SEC. 8. *The Board of Education shall have full power and authority to legislate and make all needful rules and regulations in relation to Common Schools, and other educational institutions, that are instituted, to receive aid from the School or University fund of this State; but all acts, rules, and regulations of said Board may be altered, amended or repealed by the General Assembly; and when so altered, amended, or repealed they shall not be re-enacted by the Board of Education.*

**Governor ex officio a member.** SEC. 9. *The Governor of the State shall be, ex officio, a member of said Board.*

**Expenses.** SEC. 10. *The board shall have no power to levy taxes, or make appropriations of money. Their contingent expenses shall be provided for by the General Assembly.*

**State university.** SEC. 11. *The State University shall be established at one place without branches at any other place, and the University fund shall be applied to that Institution and no other.*

See Laws of the Board of Education, Act 10, December 25, 1858, which provides for the management of the state University by a Board of Trustees appointed by the Board of Education. See also original Constitution, Art. IX, 2nd. division, §2.

**Common schools.** SEC. 12. *The Board of Education shall provide for the education of all the youths of the State, through a system of Common Schools and such school shall be organized and kept in each school district at least three months in each year. Any district failing, for two consecutive years, to organize and keep up a school as aforesaid may be deprived of their portion of the school fund.*

**Compensation.** SEC. 13. *The members of the Board of Education shall each receive the same per diem during the time of their session, and mileage going to and returning therefrom, as members of the General Assembly.*

**Quorum — style of acts.** SEC. 14. *A majority of the Board shall constitute a quorum for the transaction of business; but no rule, regulation, or law, for the government of Common Schools or other educational institutions, shall pass without the concurrence of a majority of all the members of the Board, which shall be expressed by the yeas and nays on the final passage. The style of all acts of the Board shall be, "Be it enacted by the Board of Education of the State of Iowa."*

**Board may be abolished.*** SEC. 15. *At any time after the year One thousand eight hundred and sixty three, the General Assembly shall have power to abolish or re-organize said Board of Education, and provide for the educational interest of the State in any other manner that to them shall seem best and proper.*

*The board of education was abolished in 1864 by 1864 Acts, ch 52, §1.

2ND. SCHOOL FUND AND SCHOOL LANDS.

**Control — management.** SECTION 1. The educational and school funds and lands, shall be under the control and management of the General Assembly of this State.

**Permanent fund.** SEC. 2. The University lands, and the proceeds thereof, and all monies belonging to said fund shall be a permanent fund for the sole use of the State University. The interest arising from the same shall be annually appropriated for the support and benefit of said University.

**Perpetual support fund.** SEC. 3. The General Assembly shall encourage, by all suitable means, the promotion of intellectual, scientific, moral, and agricultural improvement. The proceeds of all lands that have been, or hereafter may be, granted by the United States to this State, for the support of schools, which may have been or shall hereafter be sold, or disposed of, and the five hundred thousand acres of land granted to the new States, under an act of Congress, distributing the proceeds of the public lands among the several States of the Union, approved in the year of our Lord one thousand eight hundred and forty-one, and all estates of deceased persons who may have died without leaving a will or heir, and also such percent as has been or may hereafter be granted by Congress, on the sale of lands in this State, shall be, and remain a perpetual fund, the interest of which, together with all rents of the unsold lands, and such other means as the General Assembly may provide, shall be inviolably appropriated to the support of Common schools throughout the State.

**Fines — how appropriated.** SEC. 4. [*The money which may have been or shall be paid by persons as an equivalent for exemption from military duty, and the clear proceeds of all fines collected in the several Counties for any breach of the penal laws, shall be exclusively applied, in the several Counties in which such money is paid, or fine collected, among the several school districts of said Counties, in proportion to the number of youths subject to enumeration in such districts, to the support of Common Schools, or the establishment of libraries, as the Board of Education shall, from time to time provide.*]*

*This section repealed by Amendment **[35]**

**Proceeds of lands.** SEC. 5. The General Assembly shall take measures for the protection, improvement, or other disposition of such lands as have been, or may hereafter be reserved, or granted by the United States, or any person or persons, to this State, for the use of the University, and the funds accruing from the rents or sale of such lands, or from any other source for the purpose aforesaid, shall be, and remain, a permanent fund, the interest of which shall be applied to the support of said University, for the promotion of literature, the arts and sciences, as may be authorized by the terms of such grant. And it shall be the duty of the General Assembly as soon as may be, to provide effectual means for the improvement and permanent security of the funds of said University.

**Agents of school funds.** SEC. 6. The financial agents of the school funds shall be the same, that by law, receive and control the State and county revenue for other civil purposes, under such regulations as may be provided by law.

**Distribution.** SEC. 7. [*The money subject to the support and maintenance of common schools shall be distributed to the districts in proportion to the number of youths, between the ages of five and twenty-one years, in such manner as may be provided by the General Assembly.*]*

*In 1984 this section was repealed: See Amendment **[39]**

## ARTICLE X.

## AMENDMENTS TO THE CONSTITUTION.

**How proposed — submission.** SECTION 1. Any amendment or amendments to this Constitution may be proposed in either House of the General Assembly; and if the same shall be agreed to by a majority of the members elected to each of the two Houses, such proposed amendment shall be entered on their journals, with the yeas and nays taken thereon, and referred to the Legislature to be chosen at the next general election, and shall be published, as provided by law, for three months previous to the time of making such choice; and if, in the General Assembly so next chosen as aforesaid, such proposed amendment or amendments shall be agreed to, by a majority of all the members elected to each House, then it shall be the duty of the General Assembly to submit such proposed amendment or amendments to the people, in such manner, and at such time as the General Assembly shall provide; and if the people shall approve and ratify such amendment or amendments, by a majority of the electors qualified to vote for members of the General Assembly, voting thereon, such amendment or amendments shall become a part of the Constitution of this State.

**More than one amendment.** SEC. 2. If two or more amendments shall be submitted at the same time, they shall be submitted in such manner that the electors shall vote for or against each of such amendments separately.

**Convention.** SEC. 3. [*At the general election to be held in the year one thousand eight hundred and seventy, and in each tenth year thereafter, and also at such times as the General Assembly may, by law, provide, the question, "Shall there be a Convention to revise the Constitution, and amend the same?" shall be decided by the electors qualified to vote for members of the General Assembly; and in case a majority of the electors so qualified, voting at such election, for and against such proposition, shall decide in favor of a Convention for such purpose, the General Assembly, at its next session, shall provide by law for the election of delegates to such Convention.*]*

*In 1964 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[22]**

## ARTICLE XI.

## MISCELLANEOUS.

**Justice of peace — jurisdiction.** SECTION 1. *The jurisdiction of Justices of the Peace shall extend to all civil cases, (except cases in chancery, and cases where the question of title to real estate may arise,) where the amount in controversy does not exceed one hundred dollars, and by the consent of parties may be extended to any amount not exceeding three hundred dollars.*

Nonindictable misdemeanors, jurisdiction, original Constitution, ART. I, §11

[The office of Justice of Peace has been abolished by 1972 Acts, ch 1124.]

**Counties.** SEC. 2. No new County shall be hereafter created containing less than four hundred and thirty two square miles; nor shall the territory of any organized county be reduced below that area; except the County of Worth, and the counties west of it, along the Northern boundary of this State, may be organized without additional territory.

**Indebtedness of political or municipal corporations.** SEC. 3. No county, or other political or municipal corporation shall be allowed to become indebted in any manner, or for any purpose, to an amount, in the aggregate, exceeding five percentum on the value of the taxable property within such county or corporation — to be ascertained by the last State and county tax lists, previous to the incurring of such indebtedness.

See 1972 Acts, ch 1088

**Boundaries of state.** SEC. 4. The boundaries of the State may be enlarged, with the consent of Congress and the General Assembly.

See boundary compromise agreements at the end of Volume VI of the Code

**Oath of office.** SEC. 5. Every person elected or appointed to any office, shall, before entering upon the duties thereof, take an oath or affirmation to support the Constitution of the United States, and of this State, and also an oath of office.

**How vacancies filled.** SEC. 6. In all cases of elections to fill vacancies in office occurring before the expiration of a full term, the person so elected shall hold for the residue of the unexpired term; and all persons appointed to fill vacancies in office, shall hold until the next general election, and until their successors are elected and qualified.

**Land grants located.** SEC. 7. The General Assembly shall not locate any of the public lands, which have been, or may be granted by Congress to this State, and the location of which may be given to the General Assembly, upon lands actually settled, without the consent of the occupant. The extent of the claim of such occupant, so exempted, shall not exceed three hundred and twenty acres.

**Seat of government established — state university.** SEC. 8. The seat of Government is hereby permanently established, as now fixed by law, at the City of Des Moines, in the County of Polk; and the State University, at Iowa City, in the County of Johnson.

See 1855 Acts, ch 72

## ARTICLE XII.

## SCHEDULE.

**Supreme law — constitutionality of acts.** SECTION 1. This Constitution shall be the supreme law of the State, and any law inconsistent therewith, shall be void. The General Assembly shall pass all laws necessary to carry this Constitution into effect.

**Laws in force.** SEC. 2. All laws now in force and not inconsistent with this Constitution, shall remain in force until they shall expire or be repealed.

**Proceedings not affected.** SEC. 3. All indictments, prosecutions, suits, pleas, plaints, process, and other proceedings pending in any of the courts, shall be prosecuted to final judgment and execution; and all appeals, writs of error, certiorari, and injunctions, shall be carried on in the several courts, in the same manner as now provided by law; and all offences, misdemeanors, and crimes that may have been committed before the taking effect of this Constitution, shall be subject to indictment, trial and punishment, in the same manner as they would have been, had not this Constitution been made.

**Fines inure to the state.** SEC. 4. [*All fines, penalties, or forfeitures due, or to become due, or accruing to the State, or to any County therein, or to the school fund, shall inure to the State, county, or school fund, in the manner prescribed by law.*]*

*This section repealed by Amendment **[35]**

**Bonds in force.** SEC. 5. All bonds executed to the State, or to any officer in his official capacity, shall remain in force and inure to the use of those concerned.

**First election for governor and lieutenant governor.** SEC. 6. The first election under this Constitution shall be held on the second Tuesday in October, in the year one thousand eight hundred and fifty seven, at which time the electors of the State shall elect the Governor and Lieutenant Governor. There shall also be elected at such election, the successors of such State Senators as were elected at the August election, in the year one thousand eight hundred and fifty-four, and members of the House of Representatives, who shall be elected in accordance with the act of apportionment, enacted at the session of the General Assembly which commenced on the first Monday of December One thousand eight hundred and fifty six.

**First election of officers.** SEC. 7. The first election for Secretary, Auditor, and Treasurer of State, Attorney General, District Judges, Members of the Board of Education, District Attorneys, members of Congress and such State officers as shall be elected at the April election in the year One thousand eight hundred and fifty seven, (except the Superintendent of Public Instruction,) and such county officers as were elected at the August election, in the year One thousand eight hundred and fifty-six, except Prosecuting Attorneys, shall be held on the second Tuesday of October, one thousand eight hundred and fifty-eight: *Provided,* That the time for which any District Judge or other State or County officer elected at the April election in the year One thousand eight hundred and fifty eight, shall not extend beyond the time fixed for filling like offices at the October election in the year one thousand eight hundred and fifty eight.

**For judges of supreme court.** SEC. 8. The first election for Judges of the Supreme Court, and such County officers as shall be elected at the August election, in the year one thousand eight hundred and fifty-seven, shall be held on the second Tuesday of October, in the year One thousand eight hundred and fifty-nine.

**General assembly — first session.** SEC. 9. The first regular session of the General Assembly shall be held in the year One thousand eight hundred and fifty-eight, commencing on the second Monday of January of said year.

**Senators.** SEC. 10. Senators elected at the August election, in the year one thousand eight hundred and fifty-six, shall continue in office until the second Tuesday of October, in the year one thousand eight hundred and fifty nine, at which time their successors shall be elected as may be prescribed by law.

**Offices not vacated.** SEC. 11. Every person elected by popular vote, by vote of the General Assembly, or who may hold office by executive appointment, which office is continued by this Constitution, and every person who shall be so elected or appointed, to any such office, before the taking effect of this constitution, (except as in this Constitution otherwise provided,) shall continue in office until the term for which such person has been or may be elected or appointed shall expire: but no such person shall continue in office after the taking effect of this Constitution, for a longer period than the term of such office, in this Constitution prescribed.

**Judicial districts.** SEC. 12. The General Assembly, at the first session under this Constitution, shall district the State into eleven Judicial Districts, for District Court purposes; and shall also provide for the apportionment of the members of the General Assembly, in accordance with the provisions of this Constitution.

**Submission of constitution.** SEC. 13. This Constitution shall be submitted to the electors of the State at the August election, in the year one thousand eight hundred and fifty-seven, in the several election districts in this State. The ballots at such election shall be written or printed as follows: Those in favor of the Constitution, "New Constitution — Yes." Those against the Constitution, "New Constitution — No." The election shall be conducted in the same manner as the general elections of the State, and the poll-books shall be returned and canvassed as provided in the twenty-fifth chapter of the code, and abstracts shall be forwarded to the Secretary of State, which abstracts shall be canvassed in the manner provided for the canvass of State officers. And if it shall appear that a majority of all the votes cast at such election for and against this Constitution are in favor of the same, the Governor shall immediately issue his proclamation stating that fact, and such Constitution shall be the Constitution of the State of Iowa, and shall take effect from and after the publication of said proclamation.

**Proposition to strike out the word "white".** SEC. 14. At the same election that this Constitution is submitted to the people for its adoption or rejection, a proposition to amend the same by striking out the word "White" from the article on the Right of Suffrage, shall be separately submitted to the electors of this State for adoption or rejection in manner following — Namely:

A separate ballot may be given by every person having a right to vote at said election, to be deposited in a separate box; and those given for the adoption of such proposition shall have the words, "Shall the word 'White' be stricken out of the Article on the Right of Suffrage? Yes." And those given against the proposition shall have the words, "Shall the word 'White' be stricken out of the Article on the Right of Suffrage? No." And if at said election the number of ballots cast in favor of said proposition shall be equal to a majority of those cast for and against this Constitution, then said word "White" shall be stricken from said Article and be no part thereof.

This proposition failed to be adopted but see Amendment **[1]**

**Mills county.** SEC. 15. Until otherwise directed by law, the County of Mills shall be in and a part of the sixth Judicial District of this State.

Sec. 16. For provisions relative to biennial election, see Amendment **[11]**: See also Amendment **[14]**

Done in Convention at Iowa City, this fifth day of March in the year of our Lord One thousand eight hundred and fifty seven, and of the Independence of the United States of America, the eighty first.

In testimony whereof we have hereunto subscribed our names.

| | | |
|---|---|---|
| TIMOTHY DAY | A. H. MARVIN | S. AYERS |
| S. G. WINCHESTER | J. H. EMERSON | HARVEY J. SKIFF |
| DAVID BUNKER | R. L. B. CLARKE | J. A. PARVIN |
| D. P. PALMER | JAMES A. YOUNG | W. PENN. CLARKE |
| GEO. W. ELLS | D. H. SOLOMON | JEREMIAH HOLLINGSWORTH |
| J. C. HALL | M. W. ROBINSON | WM. PATTERSON |
| JOHN. H. PETERS | LEWIS TODHUNTER | D. W. PRICE. |
| WM. A. WARREN | JOHN EDWARDS | ALPHIEUS SCOTT |
| H. W. GRAY | J. C. TRAER | GEORGE GILLASPY |
| ROBT. GOWER | JAMES F. WILSON | EDWARD JOHNSTONE |
| H. D. GIBSON | AMOS HARRIS | AYLETT R COTTON. |
| THOMAS SEELY | JNO T. CLARK | |

Attest: FRANCIS SPRINGER *President*

TH: J. SAUNDERS, *Secretary*.

E. N. BATES *Asst. Secretary*.

PROCLAMATION.

Whereas an instrument known as the "New Constitution of the State of Iowa" adopted by the constitutional convention of said State on the fifth day of March A.D. 1857 was submitted to the qualified electors of said State at the annual election held on Monday the third day of August 1857 for their approval or rejection.

And whereas an official canvass of the votes cast at said election shows that there were Forty thousand three hundred and eleven votes cast for the adoption of said Constitution and Thirty eight thousand six hundred and eighty-one votes were cast against its adoption, leaving a majority of sixteen hundred and thirty votes in favor of its adoption.

Now therefore I, JAMES W. GRIMES, Governor of said State, by virtue of the authority conferred upon me, hereby declare the said New Constitution to be adopted, and declare it to be the supreme law of the State of Iowa.

In testimony whereof I have hereunto set my hand and affixed the Great Seal of the State of Iowa.

L.S. Done at Iowa City this Third day of September A.D. 1857 of the Independence of the United States the eighty second and of the State of Iowa the eleventh.

JAMES W. GRIMES

By the Governor.

ELIJAH SELLS,

*Secretary of State.*

## AMENDMENTS TO THE CONSTITUTION

### AMENDMENTS OF 1868

**[1]** 1st Strike the word "white," from Section 1 of Article II thereof; [Electors]

**[2]** 2d Strike the word "white," from Section 33 of Article III thereof; [Census]

**[3]** 3d Strike the word "white," from Section 34 of Article III thereof; [Senators]

**[4]** 4th Strike the word "white," from Section 35 of Article III thereof; [Apportionment]

**[5]** 5th Strike the word "white," from Section 1 of Article VI thereof; [Militia]

The first of these amendments was submitted to the electorate with the Constitution in 1857 but was defeated.

## AMENDMENT OF 1880

**[6]** Strike out the words "free white" from the third line of Section four (4) of Article three (III) of said Constitution, relating to the legislative department.

## AMENDMENTS OF 1884

**[7] General election.** Amendment 1. [*The general election for State, District County and Township officers shall be held on the Tuesday next after the first Monday in November.*]*

*The above amendment, published as section 7 of original Constitution, Art. II was repealed by Amendment **[14]**

**[8] Judicial districts.** Amendment 2. At any regular session of the General Assembly the State may be divided into the necessary Judicial Districts for District Court purposes, or the said Districts may be reorganized and the number of the Districts and the Judges of said Courts increased or diminished; but no re-organization of the Districts or diminution of the Judges shall have the effect of removing a Judge from office.

See section 10 of original Constitution, Art. V

**[9] Grand jury.** Amendment 3. The Grand Jury may consist of any number of members not less than five, nor more than fifteen, as the General Assembly may by law provide, or the General Assembly may provide for holding persons to answer for any criminal offense without the intervention of a Grand Jury.

See section 11 of original Constitution, Art. I

**[10]** Amendment 4. That Section 13 of Article V of the Constitution be stricken therefrom, and the following adopted as such Section.

**County attorney.** SEC. 13. [*The qualified electors of each county shall, at the general election in the year 1886, and every two years thereafter elect a County Attorney, who shall be a resident of the county for which he is elected, and shall hold his office for two years, and until his successor shall have been elected and qualified.*]*

*In 1970 this section was repealed: See Amendment **[31]**

## AMENDMENTS OF 1904

**[11]** Amendment 1. Add as Section 16, to Article XII of the Constitution, the following:

**General election.** SEC. 16. [*The first general election after the adoption of this amendment shall be held on the Tuesday next after the first Monday in November in the year one thousand nine hundred and six, and general elections shall be held biennially thereafter. In the year one thousand nine hundred and six there shall be elected a governor, lieutenant-governor, secretary of state, auditor of state, treasurer of state, attorney general, two judges of the supreme court, the successors of the judges of the district court whose terms of office expire on December 31st, one thousand nine hundred and six, state senators who would otherwise be chosen in the year one thousand nine hundred and five, and members of the house of representatives. The terms of office of the judges of the supreme court which would otherwise expire on December 31st, in odd numbered years, and all other elective*

*state, county and township officers whose terms of office would otherwise expire in January in the year one thousand nine hundred and six, and members of the general assembly whose successors would otherwise be chosen at the general election in the year one thousand nine hundred and five, are hereby extended one year and until their successors are elected and qualified. The terms of offices of senators whose successors would otherwise be chosen in the year one thousand nine hundred and seven are hereby extended one year and until their successors are elected and qualified. The general assembly shall make such changes in the law governing the time of election and term of office of all other elective officers as shall be necessary to make the time of their election and terms of office conform to this amendment, and shall provide which of the judges of the supreme court shall serve as chief justice. The general assembly shall meet in regular session on the second Monday in January, in the year one thousand nine hundred and six, and also on the second Monday in January in the year one thousand nine hundred and seven, and biennially thereafter.*]*

Practically the same amendment as the above was ratified in 1900, but the supreme court, in the case of *State ex rel. Bailey v. Brookhart*, 113 Iowa 250, held that said amendment was not proposed and adopted as required by the constitution, and did not become a part thereof

*The above amendment of 1904 has apparently been superseded by Amendment **[14]**

**[12]** Amendment 2. That Sections thirty-four (34) thirty-five (35) and thirty-six (36) of Article three (III) of the Constitution of the State of Iowa, be repealed and the following be adopted in lieu thereof.

**Senators — number — method of apportionment.** SEC. 34. [*The Senate shall be composed of fifty members to be elected from the several senatorial districts, established by law and at the next session of the general assembly held following the taking of the state and national census, they shall be apportioned among the several counties or districts of the state, according to population as shown by the last preceding census.*]* **

*In 1968 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[26]**

**See Amendment **[16]**; also original Constitution, Art. III, sec. 6

**Representatives — number — apportionment.** SEC. 35. [*The House of Representatives shall consist of not more than one hundred and eight members. The Ratio of representation shall be determined by dividing the whole number of the population of the state as shown by the last preceding state or national census, by the whole number of counties then existing or organized, but each county shall constitute one representative district and be entitled to one representative, but each county having a population in excess of the ratio number, as herein provided of three fifths or more of such ratio number shall be entitled to one additional representative, but said addition shall extend only to the nine counties having the greatest population.*]*

*In 1968 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[26]**

**Ratio of representation.** SEC. 36. [*The General Assembly shall, at the first regular session held following the adoption of this amendment, and at each succeeding regular session held next after the taking of such census, fix the ratio of representation, and apportion the additional representatives, as herein before required.*]*

*In 1968 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[26]**

## AMENDMENT OF 1908

**[13]** That there be added to Section eighteen (18) of Article one (I) of the Constitution of the State of Iowa, the following:

**Drainage ditches and levees.** The general assembly, however, may pass laws permitting the owners of lands to construct drains, ditches, and levees for agricultural, sanitary or mining purposes across the lands of others, and provide for the organization of drainage districts, vest the proper authorities with power to construct and maintain levees, drains and ditches and to keep in repair all drains, ditches, and levees heretofore constructed under the laws of the state, by special assessments upon the property benefited thereby. The General Assembly

may provide by law for the condemnation of such real estate as shall be necessary for the construction and maintenance of such drains, ditches and levees, and prescribe the method of making such condemnation.

## AMENDMENT OF 1916

**[14]** To repeal Section seven (7) of Article two (II) of the Constitution of Iowa and to adopt in lieu thereof the following, to-wit:

**General election.** [SEC. 7.] The general election for state, district, county and township officers in the year 1916 shall be held in the same month and on the same day as that fixed by the laws of the United States for the election of presidential electors, or of president and vice-president of the United States; and thereafter such election shall be held at such time as the general assembly may by law provide.

The above amendment repealed Amendment **[7]**, which was published as section 7 of Article II: See also Amendment **[11]**
In 1916 a proposed amendment to extend the election franchise to women was defeated by the people
In 1917 a second proposed prohibition amendment was defeated by the people
In 1919 a second proposed amendment to enfranchise women was nullified by a procedural defect in failure to publish

## AMENDMENT OF 1926

**[15]** Strike out the word "male" from Section four (4) of Article three (III) of said constitution, relating to the legislative department.

## AMENDMENT OF 1928

**[16]** [*That the period (.) at the end of said section thirty-four (34) of Article three (III) of the Constitution of the state of Iowa be stricken and the following inserted:*

*", but no county shall be entitled to more than one (1) senator."*]* **

See original Constitution, Art. III, §6
*The above amendment was repealed by Amendment **[26]**
**Applicable to Amendment **[12]**

## AMENDMENT OF 1936

**[17]** Amend Article three (III) by repealing Section thirty-three (33) relating to the state census.

## AMENDMENT OF 1942

**[18]** That Article Seven (VII) of the Constitution of the State of Iowa be amended by adding thereto, as Section eight (8) thereof, the following:

**Motor vehicle fees and fuel taxes.** [SEC. 8.] All motor vehicle registration fees and all licenses and excise taxes on motor vehicle fuel, except cost of administration, shall be used exclusively for the construction, maintenance and supervision of the public highways exclusively within the state or for the payment of bonds issued or to be issued for the construction of such public highways and the payment of interest on such bonds.

## AMENDMENTS OF 1952

**[19]** Amendment 1. Section four (4) of Article IV of the Constitution of Iowa is amended by adding thereto the following:

**Death of governor-elect or failure to qualify.** [*If, upon the completion of the canvass of votes for Governor and Lieutenant Governor by the General Assembly, it shall appear that the person who received the highest number of votes for Governor has since died, resigned, is unable to qualify, fails to qualify, or for any other reason is unable to assume the duties of the office of Governor for the ensuing term, the powers and duties of the office shall devolve upon the person who received the highest number of votes for Lieutenant Governor until the disability is removed and, upon inauguration, he shall assume the powers and duties of Governor.*]*

*In 1988 the above amendment was repealed by Amendment **[41]**

**[20]** Amendment 2. Section nineteen (19) of Article IV of the Constitution of the State of Iowa is repealed and the following adopted in lieu thereof:

**Gubernatorial succession.** SEC. 19. [*If there be a vacancy in the office of Governor and the Lieutenant Governor shall by reason of death, impeachment, resignation, removal from office, or other disability become incapable of performing the duties pertaining to the office of Governor, the President pro tempore of the Senate shall act as Governor until the vacancy is filled or the disability removed; and if the President pro tempore of the Senate, for any of the above causes, shall be incapable of performing the duties pertaining to the office of Governor the same shall devolve upon the Speaker of the House of Representatives; and if the Speaker of the House of Representatives, for any of the above causes, shall be incapable of performing the duties of the office of Governor, the Justices of the Supreme Court shall convene the General Assembly by proclamation and the General Assembly shall organize by the election of a President pro tempore by the Senate and a Speaker by the House of Representatives. The General Assembly shall thereupon immediately proceed to the election of a Governor and Lieutenant Governor in joint convention.*]*

Practically the same amendments were proposed in 1947 but nullified by a procedural defect in 1949 by failure to publish before the election

*In 1988 this section was repealed and a substitute was adopted in lieu thereof: See Amendment **[42]**

## AMENDMENT OF 1962

**[21]** Article Five (V) is amended in the following manner:

1. Section four (4) is amended by striking from lines eight (8) and nine (9) of such section the words, "exercise a supervisory" and inserting in lieu thereof the words, "shall exercise a supervisory and administrative".
2. Sections three (3), five (5), nine (9) and eleven (11) are repealed.
3. The following sections are added thereto:

**Vacancies in courts.** SEC. 15. Vacancies in the Supreme Court and District Court shall be filled by appointment by the Governor from lists of nominees submitted by the appropriate judicial nominating commission. Three nominees shall be submitted for each Supreme Court vacancy, and two nominees shall be submitted for each District Court vacancy. If the Governor fails for thirty days to make the appointment, it shall be made from such nominees by the Chief Justice of the Supreme Court.

**State and district nominating commissions.** SEC. 16. There shall be a State Judicial Nominating Commission. Such commission shall make nominations to fill vacancies in the Supreme Court. Until July 4, 1973, and thereafter unless otherwise provided by law, the State Judicial Nominating Commission shall be composed and selected as follows: There shall be not less than three nor more than eight appointive members, as provided by law, and an equal number of elective members on such Commission, all of whom shall be electors of the state. The appointive members shall be appointed by the Governor subject to confirmation by the Senate. The elective members shall be elected by the resident members of the bar of the state. The judge of the Supreme Court who is senior in length of service on said Court, other than the Chief Justice, shall also be a member of such Commission and shall be its chairman.

There shall be a District Judicial Nominating Commission in each judicial district of the state. Such commissions shall make nominations to fill vacancies in the District Court within their respective districts. Until July 4, 1973, and thereafter unless otherwise provided by law, District Judicial Nominating Commissions shall be composed and selected as follows: There shall be not less than three nor more than six appointive members, as provided by law, and an equal number of elective members on each such commission, all of whom shall be electors of the district. The appointive members shall be appointed by the Governor. The elective members shall be elected by the resident members of the bar of the district. The district judge of such district who is senior in length of service shall also be a member of such commission and shall be its chairman.

Due consideration shall be given to area representation in the appointment and election of Judicial Nominating Commission members. Appointive and elective members of Judicial Nominating Commissions shall serve for six year terms, shall be ineligible for a second six year term on the same commission, shall hold no office of profit of the United States or of the state during their terms, shall be chosen without reference to political affiliation, and shall have such other qualifications as may be prescribed by law. As near as may be, the terms of one-third of such members shall expire every two years.

**Terms — judicial elections.** SEC. 17. Members of all courts shall have such tenure in office as may be fixed by law, but terms of Supreme Court Judges shall be not less than eight years and terms of District Court Judges shall be not less than six years. Judges shall serve for one year after appointment and until the first day of January following the next judicial election after the expiration of such year. They shall at such judicial election stand for retention in office on a separate ballot which shall submit the question of whether such judge shall be retained in office for the tenure prescribed for such office and when such tenure is a term of years, on their request, they shall, at the judicial election next before the end of each term, stand again for retention on such ballot. Present Supreme Court and District Court Judges, at the expiration of their respective terms, may be retained in office in like manner for the tenure prescribed for such office. The General Assembly shall prescribe the time for holding judicial elections.

**Salaries — qualifications — retirement.** SEC. 18. Judges of the Supreme Court and District Court shall receive salaries from the state, shall be members of the bar of the state and shall have such other qualifications as may be prescribed by law. Judges of the Supreme Court and District Court shall be ineligible to any other office of the state while serving on said court and for two years thereafter, except that District Judges shall be eligible to the office of Supreme Court Judge. Other judicial officers shall be selected in such manner and shall have such tenure, compensation and other qualification as may be fixed by law. The General Assembly shall prescribe mandatory retirement for Judges of the Supreme Court and District Court at a specified age and shall provide for adequate retirement compensation. Retired judges may be subject to special assignment to temporary judicial duties by the Supreme Court, as provided by law.

## AMENDMENT OF 1964

**[22]** Section three (3) of Article ten (X) of the Constitution of the State of Iowa is repealed and the following adopted in lieu thereof:

**Constitutional convention.** SEC. 3. At the general election to be held in the year one thousand nine hundred and seventy, and in each tenth year thereafter, and also at such times as the General Assembly may, by law, provide, the question, "Shall there be a Convention to revise the Constitution, and propose amendment or amendments to same?" shall be decided by the electors qualified to vote for members of the General Assembly; and in case a majority of the electors so qualified, voting at such election, for and against such proposition, shall decide in favor of a Convention for such purpose, the General Assembly, at its next session, shall provide by law for the election of delegates to such Convention, and for submitting the results of said Convention to the people, in such manner and at such time as the General Assembly shall provide; and if the people shall approve and ratify such amendment or amendments, by a majority of the electors qualified to vote for members of the General Assembly, voting thereon, such amendment or amendments shall become a part of the constitution of this state. If two or more amendments shall be submitted at the same time, they shall be submitted in such a manner that electors may vote for or against each such amendment separately.

## AMENDMENT OF 1966

**[23]** Section twenty-six (26) of Article III is amended by striking from line four (4) the word "fourth" and inserting in lieu thereof the word "first".

## AMENDMENTS OF 1968

**[24]** Amendment 1. Section two (2) of Article three (III) of the Constitution of the State of Iowa is hereby repealed and the following adopted in lieu thereof:

**Annual sessions of General Assembly.** SEC. 2. [*The General Assembly shall meet in session on the second Monday of January of each year. The Governor of the state may convene the General Assembly by proclamation in the interim.*]*

*In 1974 this section was repealed and a substitute adopted: See Amendment **[36]**

**[25]** Amendment 2. Article three (III), legislative department, Constitution of the State of Iowa is hereby amended by adding the following new section:

**Municipal home rule.** [SEC. 38A.] Municipal corporations are granted home rule power and authority, not inconsistent with the laws of the General Assembly, to determine their local affairs and government, except that they shall not have power to levy any tax unless expressly authorized by the General Assembly.

The rule or proposition of law that a municipal corporation possesses and can exercise only those powers granted in express words is not a part of the law of this state.

**[26]** Amendment 3. Section six (6) of Article three (III) section thirty-four (34) of Article three (III) and the 1904 and 1928 amendments thereto, sections thirty-five (35) and thirty-six (36) of Article three (III) and the 1904 amendment to each such section, and section thirty-seven (37) of Article three (III) are hereby repealed and the following adopted in lieu thereof:

**Senators — number and classification.** SEC. 6. The number of senators shall total not more than one-half the membership of the house of representatives. Senators shall be

classified so that as nearly as possible one-half of the members of the senate shall be elected every two years.

**Senate and House of Representatives — limitation.** SEC. 34. The senate shall be composed of not more than fifty and the house of representatives of not more than one hundred members. Senators and representatives shall be elected from districts established by law. Each district so established shall be of compact and contiguous territory. The state shall be apportioned into senatorial and representative districts on the basis of population. The General Assembly may provide by law for factors in addition to population, not in conflict with the Constitution of the United States, which may be considered in the apportioning of senatorial districts. No law so adopted shall permit the establishment of senatorial districts whereby a majority of the members of the senate shall represent less than forty percent of the population of the state as shown by the most recent United States decennial census.

**Senators and representatives — number and districts.** SEC. 35. The General Assembly shall in 1971 and in each year immediately following the United States decennial census determine the number of senators and representatives to be elected to the General Assembly and establish senatorial and representative districts. The General Assembly shall complete the apportionment prior to September 1 of the year so required. If the apportionment fails to become law prior to September 15 of such year, the Supreme Court shall cause the state to be apportioned into senatorial and representative districts to comply with the requirements of the Constitution prior to December 31 of such year. The reapportioning authority shall, where necessary in establishing senatorial districts, shorten the term of any senator prior to completion of the term. Any senator whose term is so terminated shall not be compensated for the uncompleted part of the term.

**Review by Supreme Court.** SEC. 36. Upon verified application by any qualified elector, the Supreme Court shall review an apportionment plan adopted by the General Assembly which has been enacted into law. Should the Supreme Court determine such plan does not comply with the requirements of the Constitution, the court shall within ninety days adopt or cause to be adopted an apportionment plan which shall so comply. The Supreme Court shall have original jurisdiction of all litigation questioning the apportionment of the General Assembly or any apportionment plan adopted by the General Assembly.

**Congressional districts.** SEC. 37. When a congressional district is composed of two or more counties it shall not be entirely separated by a county belonging to another district and no county shall be divided in forming a congressional district.

**[27]** Amendment 4. Section sixteen (16) of article three (III) of the Constitution of the State of Iowa is hereby amended by adding the following new paragraph at the end thereof:

**Item veto by Governor.** The Governor may approve appropriation bills in whole or in part, and may disapprove any item of an appropriation bill; and the part approved shall become a law. Any item of an appropriation bill disapproved by the Governor shall be returned, with his objections, to the house in which it originated, or shall be deposited by him in the office of the Secretary of State in the case of an appropriation bill submitted to the Governor for his approval during the last three days of a session of the General Assembly, and the procedure in each case shall be the same as provided for other bills. Any such item of an appropriation bill may be enacted into law notwithstanding the Governor's objections, in the same manner as provided for other bills.

**[28]** Amendment 5. Section twenty-five (25) of Article three (III) of the Constitution of the State of Iowa is hereby repealed and the following adopted in lieu thereof:

**Compensation and expenses of General Assembly.** SEC. 25. Each member of the General Assembly shall receive such compensation and allowances for expenses as shall

be fixed by law but no General Assembly shall have the power to increase compensation and allowances effective prior to the convening of the next General Assembly following the session in which any increase is adopted.

## AMENDMENTS OF 1970

**[29]** Amendment 1. Article three (III) of the Constitution of the State of Iowa is hereby amended by adding thereto the following new section:

**Legislative districts.** SEC. 39. In establishing senatorial and representative districts, the state shall be divided into as many senatorial districts as there are members of the senate and into as many representative districts as there are members of the house of representatives. One senator shall be elected from each senatorial district and one representative shall be elected from each representative district.

**[30]** Amendment 2. Section one (1) of Article two (II) of the Constitution, as amended in 1868, is hereby repealed and the following is hereby adopted in lieu thereof:

**Electors.** SEC. 1. Every citizen of the United States of the age of twenty-one years, who shall have been a resident of this state for such period of time as shall be provided by law and of the county in which he claims his vote for such period of time as shall be provided by law, shall be entitled to vote at all elections which are now or hereafter may be authorized by law. The General Assembly may provide by law for different periods of residence in order to vote for various officers or in order to vote in various elections. The required periods of residence shall not exceed six months in this state and sixty days in the county.

See United States Constitution, Amendments 19 and 26

**[31]** Amendment 3. Section thirteen (13) of Article five (V) of the Constitution of the State of Iowa as amended by Amendment 4 of the Amendments of 1884 is hereby repealed. [County Attorney]

## AMENDMENTS OF 1972

**[32]** Amendment 1. Section two (2) of Article four (IV) of the Constitution of the State of Iowa is repealed and the following adopted in lieu thereof:

**Election and term [governor].** SEC. 2. [*The Governor shall be elected by the qualified electors at the time and place of voting for members of the General Assembly, and shall hold his office for four years from the time of his installation, and until his successor is elected and qualifies.*]*

*In 1988 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[41]**

Section three (3) of Article four (IV) of the Constitution of the State of Iowa is hereby repealed and the following adopted in lieu thereof:

**Lieutenant governor — returns of elections.** SEC. 3. [*There shall be a Lieutenant Governor who shall hold his office for the same term, and be elected at the same time as the Governor. In voting for Governor and Lieutenant Governor, the electors shall designate for whom they vote as Governor, and for whom as Lieutenant Governor. The returns of every election for Governor, and Lieutenant Governor, shall be sealed up and transmitted to the seat of government of the State, directed to the Speaker of the House of Representatives, who shall open and publish them in the presence of both Houses of the General Assembly.*]*

*In 1988 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[41]**

Section fifteen (15) of Article four (IV) of the Constitution of the State of Iowa is hereby repealed and the following adopted in lieu thereof:

**Terms — compensation of lieutenant governor.** SEC. 15. [*The official term of the Governor, and Lieutenant Governor, shall commence on the second Monday of January next after their election, and continue until their successors are elected and qualify. The Lieutenant Governor, while acting as Governor, shall receive the same compensation as provided for Governor; and while presiding in the Senate, and between sessions such compensation and expenses as provided by law.*]*

*In 1988 this section was repealed and a substitute adopted in lieu thereof: See Amendment **[42]**

Section twenty-two (22) of Article four (IV) of the Constitution of the State of Iowa is repealed and the following adopted in lieu thereof:

**Secretary — auditor — treasurer.** SEC. 22. A Secretary of State, an Auditor of State and a Treasurer of State shall be elected by the qualified electors at the same time that the governor is elected and for a four-year term commencing on the first day of January next after their election, and they shall perform such duties as may be provided by law.

Section twelve (12) of Article five (V) of the Constitution of the State of Iowa is repealed and the following adopted in lieu thereof:

**Attorney general.** SEC. 12. The General Assembly shall provide, by law, for the election of an Attorney General by the people, whose term of office shall be four years, and until his successor is elected and qualifies.

**[33]** Amendment 2. Article five (V), Constitution of the State of Iowa, is hereby amended by adding thereto the following new section:

**Retirement and discipline of judges.** [SEC. 19.] In addition to the legislative power of impeachment of judges as set forth in Article three (III), sections nineteen (19) and twenty (20) of the Constitution, the Supreme Court shall have power to retire judges for disability and to discipline or remove them for good cause, upon application by a commission on judicial qualifications. The General Assembly shall provide by law for the implementation of this section.

**[34]** Amendment 3. Section twenty-eight (28) of Article three (III) of the Constitution of the State of Iowa is hereby repealed. [Lottery prohibition]

## AMENDMENTS OF 1974

**[35]** Amendment 1. **Apportionment of fines.**

Section four (4), subdivision two (2) entitled "School Funds and School Lands", of Article nine (IX) of the Constitution of the State of Iowa is hereby repealed.

Section four (4) of Article twelve (XII) of the Constitution of the State of Iowa is hereby repealed.

**[36]** Amendment 2. Section two (2) of Article three (III) of the Constitution of the State of Iowa, as amended by amendment number one (1) of the Amendments of 1968 to the Constitution of the State of Iowa, is repealed and the following adopted in lieu thereof:

**Annual sessions of General Assembly — special sessions.** The General Assembly shall meet in session on the second Monday of January of each year. Upon written request to the

presiding officer of each House of the General Assembly by two-thirds of the members of each House, the General Assembly shall convene in special session. The Governor of the state may convene the General Assembly by proclamation in the interim.

## AMENDMENT OF 1978

**[37]** Article three (III), legislative department, Constitution of the State of Iowa is hereby amended by adding the following new section:

**Counties home rule.** [SEC. 39A.] Counties or joint county-municipal corporation governments are granted home rule power and authority, not inconsistent with the laws of the general assembly, to determine their local affairs and government, except that they shall not have power to levy any tax unless expressly authorized by the general assembly. The general assembly may provide for the creation and dissolution of joint county-municipal corporation governments. The general assembly may provide for the establishment of charters in county or joint county-municipal corporation governments.

If the power or authority of a county conflicts with the power and authority of a municipal corporation, the power and authority exercised by a municipal corporation shall prevail within its jurisdiction.

The proposition or rule of law that a county or joint county-municipal corporation government possesses and can exercise only those powers granted in express words is not a part of the law of this state.

In 1980 a proposed amendment to Article I, section 1, relating to equal rights of men and women was defeated by the people

## AMENDMENTS OF 1984

**[38]** Amendment 1. Article III, Legislative Department, Constitution of the State of Iowa, is amended by adding the following new section:

**Nullification of administrative rules.** [SEC. 40.] The general assembly may nullify an adopted administrative rule of a state agency by the passage of a resolution by a majority of all of the members of each house of the general assembly.

**[39]** Amendment 2. **Distribution.** Section 7, subdivision 2 entitled "School Funds and School Lands", of Article IX of the Constitution of the State of Iowa is repealed.

## AMENDMENT OF 1986

**[40]** Section 26 of Article III of the Constitution of the State of Iowa, as amended by the Amendment of 1966, is repealed and the following adopted in lieu thereof:

**Time laws to take effect.** SEC. 26. An act of the general assembly passed at a regular session of a general assembly shall take effect on July 1 following its passage unless a different effective date is stated in an act of the general assembly. An act passed at a special session of a general assembly shall take effect ninety days after adjournment of the special session unless a different effective date is stated in an act of the general assembly. The general assembly may establish by law a procedure for giving notice of the contents of acts of immediate importance which become law.

## AMENDMENTS OF 1988

**[41]** Amendment 1. Section 2 of Article IV of the Constitution of the State of Iowa, as amended by amendment number 1 of the Amendments of 1972, is repealed beginning with the general election in the year 1990 and the following adopted in lieu thereof:

**Election and term.** SEC. 2. The governor and the lieutenant governor shall be elected by the qualified electors at the time and place of voting for members of the general assembly. Each of them shall hold office for four years from the time of installation in office and until a successor is elected and qualifies.

Section 3 of Article IV of the Constitution of the State of Iowa, as amended by amendment number 1 of the Amendments of 1972, is repealed beginning with the general election in the year 1990 and the following adopted in lieu thereof:

**Governor and lieutenant governor elected jointly — returns of elections.** SEC. 3. The electors shall designate their selections for governor and lieutenant governor as if these two offices were one and the same. The names of nominees for the governor and the lieutenant governor shall be grouped together in a set on the ballot according to which nominee for governor is seeking office with which nominee for lieutenant governor, as prescribed by law. An elector shall cast only one vote for both a nominee for governor and a nominee for lieutenant governor. The returns of every election for governor and lieutenant governor shall be sealed and transmitted to the seat of government of the state, and directed to the speaker of the house of representatives who shall open and publish them in the presence of both houses of the general assembly.

Section 4 of Article IV of the Constitution of the State of Iowa, as amended by amendment number 1 of the Amendments of 1952, is repealed beginning with the general election in the year 1990 and the following adopted in lieu thereof:

**Election by general assembly in case of tie — succession by lieutenant governor.** SEC. 4. The nominees for governor and lieutenant governor jointly having the highest number of votes cast for them shall be declared duly elected. If two or more sets of nominees for governor and lieutenant governor have an equal and the highest number of votes for the offices jointly, the general assembly shall by joint vote proceed, as soon as is possible, to elect one set of nominees for governor and lieutenant governor. If, upon the completion by the general assembly of the canvass of votes for governor and lieutenant governor, it appears that the nominee for governor in the set of nominees for governor and lieutenant governor receiving the highest number of votes has since died or resigned, is unable to qualify, fails to qualify, or is for any other reason unable to assume the duties of the office of governor for the ensuing term, the powers and duties shall devolve to the nominee for lieutenant governor of the same set of nominees for governor and lieutenant governor, who shall assume the powers and duties of governor upon inauguration and until the disability is removed. If both nominees for governor and lieutenant governor are unable to assume the duties of the office of governor, the person next in succession shall act as governor.

Section 5 of Article IV of the Constitution of the State of Iowa is repealed beginning with the general election in the year 1990 and the following adopted in lieu thereof:

**Contested elections.** SEC. 5. Contested elections for the offices of governor and lieutenant governor shall be determined by the general assembly as prescribed by law.

**[42]** Amendment 2. Section 15 of Article IV of the Constitution of the State of Iowa, as amended by amendment number 1 of the Amendments of 1972, is repealed beginning with the second Monday in January 1991, and the following adopted in lieu thereof:

**Terms — compensation.** SEC. 15. The official terms of the governor and lieutenant governor shall commence on the Tuesday after the second Monday of January next after their election and shall continue until their successors are elected and qualify. The governor and lieutenant governor shall be paid compensation and expenses as provided by law. The lieutenant governor, while acting as governor, shall be paid the compensation and expenses prescribed for the governor.

Section 18 of Article IV of the Constitution of the State of Iowa is repealed beginning with the second Monday in January 1991, and the following adopted in lieu thereof:

**Duties of lieutenant governor.** SEC. 18. The lieutenant governor shall have the duties provided by law and those duties of the governor assigned to the lieutenant governor by the governor.

Section 19 of Article IV of the Constitution of the State of Iowa as amended by amendment number 2 of the Amendments of 1952 is repealed beginning with the second Monday in January 1991, and the following adopted in lieu thereof:

**Succession to office of governor and lieutenant governor.** SEC. 19. If there be a vacancy in the office of the governor and the lieutenant governor shall by reason of death, impeachment, resignation, removal from office, or other disability become incapable of performing the duties pertaining to the office of governor, the president of the senate shall act as governor until the vacancy is filled or the disability removed; and if the president of the senate, for any of the above causes, shall be incapable of performing the duties pertaining to the office of governor the same shall devolve upon the speaker of the house of representatives; and if the speaker of the house of representatives, for any of the above causes, shall be incapable of performing the duties of the office of governor, the justices of the supreme court shall convene the general assembly by proclamation and the general assembly shall organize by the election of a president by the senate and a speaker by the house of representatives. The general assembly shall thereupon immediately proceed to the election of a governor and lieutenant governor in joint convention.

## AMENDMENT OF 1992

**[43]** Section 5 of Article I of the Constitution of the State of Iowa is repealed. [Dueling]

A proposed amendment relating to the equality of rights of men and women under the law was defeated by the electors at the 1992 general election

## AMENDMENT OF 1996

**[44]** Article VII of the Constitution of the State of Iowa is amended by adding the following new section:

**Fish and wildlife protection funds.** SEC. 9. All revenue derived from state license fees for hunting, fishing, and trapping, and all state funds appropriated for, and federal or private funds received by the state for, the regulation or advancement of hunting, fishing, or trapping, or the protection, propagation, restoration, management, or harvest of fish

or wildlife, shall be used exclusively for the performance and administration of activities related to those purposes.

## AMENDMENTS OF 1998

**[45]** Amendment 1. Section 1 of Article I of the Constitution of the State of Iowa is amended to read as follows:

**Rights of persons.** SECTION 1. All men and women are, by nature, free and equal, and have certain inalienable rights — among which are those of enjoying and defending life and liberty, acquiring, possessing and protecting property, and pursuing and obtaining safety and happiness.

**[46]** Amendment 2. Section 11, unnumbered paragraph 1, Article I of the Constitution of the State of Iowa is amended to read as follows:

**When indictment necessary — grand jury.** SEC. 11. All ~~offences~~ offenses less than felony and in which the ~~punishment does not exceed a fine of one-hundred dollars, or~~ maximum permissible imprisonment ~~for~~ does not exceed thirty days~~,~~ shall be tried summarily before ~~a justice of the peace, or other~~ an officer authorized by law, on information under oath, without indictment, or the intervention of a grand jury, saving to the defendant the right of appeal; and no person shall be held to answer for any higher criminal ~~offence~~ offense, unless on presentment or indictment by a grand jury, except in cases arising in the army, or navy, or in the militia, when in actual service, in time of war or public danger.

Proposed amendments relating to the state budget by limiting state general fund expenditures and restricting certain state tax revenue changes were defeated by the people at a special election held on June 29, 1999

## AMENDMENT OF 2008

**[47]** Section 5 of Article II of the Constitution of the State of Iowa is repealed and the following adopted in lieu thereof:

**Disqualified persons.** SEC. 5. A person adjudged mentally incompetent to vote or a person convicted of any infamous crime shall not be entitled to the privilege of an elector.

## AMENDMENT OF 2010

**[48]** Article VII of the Constitution of the State of Iowa is amended by adding the following new section:

**Natural resources.** SEC. 10. A natural resources and outdoor recreation trust fund is created within the treasury for the purposes of protecting and enhancing water quality and natural areas in this State including parks, trails, and fish and wildlife habitat, and conserving agricultural soils in this State. Moneys in the fund shall be exclusively appropriated by law for these purposes.

The general assembly shall provide by law for the implementation of this section, including by providing for the administration of the fund and at least annual audits of the fund.

Except as otherwise provided in this section, the fund shall be annually credited with an amount equal to the amount generated by a sales tax rate of three-eighths of one percent as may be imposed upon the retail sales price of tangible personal property and the furnishing of enumerated services sold in this State.

No revenue shall be credited to the fund until the tax rate for the sales tax imposed upon the retail sales price of tangible personal property and the furnishing of enumerated services sold in this State in effect on the effective date of this section is increased. After

such an increased tax rate becomes effective, an amount equal to the amount generated by the increase in the tax rate shall be annually credited to the fund, not to exceed an amount equal to the amount generated by a tax rate of three-eighths of one percent imposed upon the retail sales price of tangible personal property and the furnishing of enumerated services sold in this State.

# THE CODE OF IOWA

## 2014

AS AUTHORIZED BY CHAPTER 2B



# TITLE I

**STATE SOVEREIGNTY AND MANAGEMENT**

## SUBTITLE 1

**SOVEREIGNTY**

## CHAPTER 1

SOVEREIGNTY AND JURISDICTION OF THE STATE


1.1 State boundaries.
1.2 Sovereignty.
1.3 Concurrent jurisdiction.
1.4 Acquisition of lands by United States.
1.5 Federal fish and game refuge.
1.6 Approval required.
1.7 Legislative grant.
1.8 Applicability of statute.
1.9 National forests.
1.10 Offenses.
1.11 Keokuk cemetery and Knoxville hospital — assumption of jurisdiction.
1.12 Jurisdiction of Indian settlement.
1.13 Existing trusts not affected.
1.14 Tribal ordinances or customs enforced.
1.15 Attorney appointed by state in civil actions.
1.16 Concurrent jurisdiction over lands and waters dedicated to national park purposes.
1.17 Cession or retrocession of federal jurisdiction.
1.18 Iowa English language reaffirmation.


**1.1 State boundaries.**

The boundaries of the state are as defined in the preamble of the Constitution of the State of Iowa.

[C51, §1; R60, §1; C73, §1; C97, §1; C24, 27, 31, 35, 39, §**1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §1.1]

2009 Acts, ch 41, §1

Referred to in §1.2

**1.2 Sovereignty.**

The state possesses sovereignty coextensive with the boundaries referred to in section 1.1, subject to such rights as may at any time exist in the United States in relation to public lands, or to any establishment of the national government.

[C51, §2; R60, §2; C73, §2; C97, §2; C24, 27, 31, 35, 39, §**2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §1.2]

**1.3 Concurrent jurisdiction.**

The state has concurrent jurisdiction on the waters of any river or lake which forms a common boundary between this and any other state.

[C51, §3; R60, §3; C73, §3; C97, §3; C24, 27, 31, 35, 39, §**3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §1.3]

See Act of Congress, Aug. 4, 1846, 9 Stat. L. p. 52

**1.4 Acquisition of lands by United States.**

The United States of America may acquire by condemnation or otherwise for any of its uses or purposes any real estate in this state, and may exercise jurisdiction thereover but not to the extent of limiting the provisions of the laws of this state.

This state reserves, when not in conflict with the Constitution of the United States or any law enacted in pursuance thereof, the right of service on real estate held by the United States of any notice or process authorized by its laws; and reserves jurisdiction, except when used for naval or military purposes, over all offenses committed thereon against its laws and regulations and ordinances adopted in pursuance thereof.

Such real estate shall be exempt from all taxation, including special assessments, while held by the United States except when taxation of such property is authorized by the United States.

[R60, §2197, 2198; C73, §4; C97, §4; S13, §4-a – 4-d, 2024-c; C24, 27, 31, 35, 39, §**4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §1.4]

Referred to in §1.8, 1.11

**1.5 Federal fish and game refuge.**

The state of Iowa hereby consents that the government of the United States may in any manner acquire in this state such areas of land or water or of land and water as said government may deem necessary for the establishment of the "Upper Mississippi River Wild Life and Fish Refuge" in accordance with the Act of Congress, approved June 7, 1924, [16 U.S.C. ch 8] provided the states of Illinois, Wisconsin, and Minnesota grant a like consent.

[C27, 31, 35, §4-a1; C39, §**4.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §1.5]

Referred to in §1.6, 1.8

**1.6 Approval required.**

Any acquisition by the government of the United States of land and water, or of land or water, under section 1.5 shall be first approved by the natural resource commission and the director of the department of natural resources of this state.

[C27, 31, 35, §4-a2; C39, §**4.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §1.6]

86 Acts, ch 1245, §1971

Referred to in §1.8

**1.7 Legislative grant.**

There is hereby granted to the government of the United States, so long as it shall use the same as a part and for the purposes of the said "Upper Mississippi River Wild Life and Fish Refuge", all areas of land subject to overflow and not used for agricultural purposes or state fish hatcheries or salvaging stations, owned by this state within the boundaries of the said refuge, as the same may be established from time to time under authority of the said Act of Congress.

[C27, 31, 35, §4-a3; C39, §**4.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §1.7]

Referred to in §1.8

**1.8 Applicability of statute.**
Section 1.4 shall apply to all lands acquired under sections 1.5 to 1.7.
[C27, 31, 35, §4-a4; C39, §**4.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §1.8]

**1.9 National forests.**
The consent of the state of Iowa is hereby given to the acquisition by the United States, by purchase, gift, or condemnation with adequate compensation, of such lands in Iowa as in the opinion of the federal government may be needed for the establishment, consolidation and extension of national forests or for the establishment and extension of wild life, fish and game refuges and for other conservation uses in the state, and may exercise jurisdiction thereover but not to the extent of limiting the provisions of the laws of this state. This section shall not, in any manner or to any extent, modify, limit or affect the title and ownership of the state to all wild life as provided in section 481A.2; provided, that the state of Iowa shall retain a concurrent jurisdiction with the United States in and over lands so acquired so far that civil process in all cases, and such criminal process as may issue under the authority of the state of Iowa against any persons charged with the commission of any crime without or within said jurisdiction, may be executed thereon in like manner as if this law had not been passed.
[C35, §4-f1; C39, §**4.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §1.9]

**1.10 Offenses.**
Power is hereby conferred upon the Congress of the United States to pass such laws and to make or provide for the making of such rules, of both a civil and criminal nature, and provide punishment therefor, as in its judgment may be necessary for the administration, control and protection of such lands as may be from time to time acquired by the United States under the provisions of this law.
[C35, §4-f2; C39, §**4.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §1.10]

**1.11 Keokuk cemetery and Knoxville hospital — assumption of jurisdiction.**
At the time of the return of jurisdiction over lands occupied by the veterans administration hospital located in Knoxville, Marion county, Iowa, and the Keokuk National Cemetery at Keokuk located in Lee county, Iowa, by the administrator of veterans affairs to the state of Iowa, the state of Iowa assumes criminal and civil jurisdiction on both grounds in the same manner as provided in section 1.4.
[C77, 79, 81, §1.11]

**1.12 Jurisdiction of Indian settlement.**
The state of Iowa hereby assumes jurisdiction over civil causes of actions between Indians or other persons or to which Indians or other persons are parties arising within the Sac and Fox Indian settlement in Tama county. The civil laws of this state shall obtain on the settlement and shall be enforced in the same manner as elsewhere throughout the state.
[C71, 73, 75, 77, 79, 81, §1.12]
Referred to in §1.13, 1.14

**1.13 Existing trusts not affected.**
Nothing in sections 1.12 to 1.15 shall authorize the alienation, encumbrance, or taxation of any real or personal property, including water rights, belonging to any Indian or Indian tribe, band, or community that is held in trust by the United States or is subject to a restriction against alienation imposed by the United States; or shall authorize regulation of the use of such property in a manner inconsistent with any federal treaty, agreement, or statute or with any regulation made pursuant thereto; or shall confer jurisdiction upon the state to adjudicate, in probate proceedings or otherwise, the ownership or right to possession of such property or any interest therein.
[C71, 73, 75, 77, 79, 81, §1.13]
Referred to in §1.14

**1.14 Tribal ordinances or customs enforced.**

Any tribal ordinance or custom heretofore or hereafter adopted by the governing council of the Sac and Fox Indian settlement in Tama county in the exercise of any authority which it may possess shall, if not inconsistent with any applicable civil law of the state, be given full force and effect in the determination of civil causes of action pursuant to sections 1.12 to 1.15.

[C71, 73, 75, 77, 79, 81, §1.14]

Referred to in §1.13

**1.15 Attorney appointed by state in civil actions.**

In all civil causes of action where the state of Iowa or any of its subdivisions or departments is a party, and a member of the Sac and Fox Indian settlement is a party, the district court of Iowa shall appoint competent legal counsel at all stages of hearing, appeal, and final determination for any Indian not otherwise represented by legal counsel, in any domestic relations matter, including, but not limited to, matters pertaining to dependency, neglect, delinquency, care, or custody of minors. The court shall fix and allow reasonable compensation for the services of the attorney, costs of transcripts and depositions, and investigative expense, which shall be paid as a claim out of any funds in the state treasury not otherwise appropriated, upon filing the claim with the director of the department of administrative services.

[C71, 73, 75, 77, 79, 81, §1.15]

83 Acts, ch 123, §27, 209; 94 Acts, ch 1173, §1; 2003 Acts, ch 145, §286

Referred to in §1.13, 1.14

**1.16 Concurrent jurisdiction over lands and waters dedicated to national park purposes.**

1. Concurrent legislative jurisdiction over crimes and offenses under the laws of the state of Iowa is ceded to the United States over and within all lands and waters within the state dedicated to national park purposes.

2. The concurrent jurisdiction ceded by subsection 1 is vested upon acceptance by the United States by and through its appropriate officials and shall continue so long as the lands and waters within the designated areas are dedicated to national park purposes.

3. The governor of the state of Iowa is authorized and empowered to execute all proper conveyances in the cession granted by this section, upon request of the United States by and through its appropriate officials.

4. The state of Iowa retains concurrent jurisdiction, both civil and criminal, with the United States over all lands and waters affected by this section.

84 Acts, ch 1024, §1

**1.17 Cession or retrocession of federal jurisdiction.**

By appropriate executive order, the governor may accept on behalf of the state full or partial cession or retrocession of federal jurisdiction, criminal or civil, over any lands, except Indian lands, in federal enclaves within the state where such cession or retrocession has been offered by appropriate federal authority. An executive order accepting a cession or retrocession of jurisdiction shall be filed in the office of the secretary of state and in the office of the recorder of the county in which the affected real estate is located.

90 Acts, ch 1146, §1

**1.18 Iowa English language reaffirmation.**

1. The general assembly of the state of Iowa finds and declares the following:

*a.* The state of Iowa is comprised of individuals from different ethnic, cultural, and linguistic backgrounds. The state of Iowa encourages the assimilation of Iowans into Iowa's rich culture.

*b.* Throughout the history of Iowa and of the United States, the common thread binding individuals of differing backgrounds together has been the English language.

*c.* Among the powers reserved to each state is the power to establish the English language as the official language of the state, and otherwise to promote the English language within the state, subject to the prohibitions enumerated in the Constitution of the United States and in laws of the state.

2. In order to encourage every citizen of this state to become more proficient in the English language, thereby facilitating participation in the economic, political, and cultural activities of this state and of the United States, the English language is hereby declared to be the official language of the state of Iowa.

3. Except as otherwise provided for in subsections 5 and 6, the English language shall be the language of government in Iowa. All official documents, regulations, orders, transactions, proceedings, programs, meetings, publications, or actions taken or issued, which are conducted or regulated by, or on behalf of, or representing the state and all of its political subdivisions shall be in the English language.

4. For the purposes of this section, *"official action"* means any action taken by the government in Iowa or by an authorized officer or agent of the government in Iowa that does any of the following:

*a.* Binds the government.

*b.* Is required by law.

*c.* Is otherwise subject to scrutiny by either the press or the public.

5. This section shall not apply to:

*a.* The teaching of languages.

*b.* Requirements under the federal Individuals with Disabilities Education Act.

*c.* Actions, documents, or policies necessary for trade, tourism, or commerce.

*d.* Actions or documents that protect the public health and safety.

*e.* Actions or documents that facilitate activities pertaining to compiling any census of populations.

*f.* Actions or documents that protect the rights of victims of crimes or criminal defendants.

*g.* Use of proper names, terms of art, or phrases from languages other than English.

*h.* Any language usage required by or necessary to secure the rights guaranteed by the Constitution and laws of the United States of America or the Constitution of the State of Iowa.

*i.* Any oral or written communications, examinations, or publications produced or utilized by a driver's license station, provided public safety is not jeopardized.

6. Nothing in this section shall be construed to do any of the following:

*a.* Prohibit an individual member of the general assembly or officer of state government, while performing official business, from communicating through any medium with another person in a language other than English, if that member or officer deems it necessary or desirable to do so.

*b.* Limit the preservation or use of Native American languages, as defined in the federal Native American Languages Act of 1992.

*c.* Disparage any language other than English or discourage any person from learning or using a language other than English.

2002 Acts, ch 1007, §1; 2008 Acts, ch 1032, §109

# CHAPTER 1A

## GREAT SEAL OF IOWA

1A.1 Seal — device — motto.

**1A.1 Seal — device — motto.**

The secretary of state be, and is, hereby authorized to procure a seal which shall be the great seal of the state of Iowa, two inches in diameter, upon which shall be engraved the following device, surrounded by the words, *"The Great Seal of the State of Iowa"* — a sheaf and field of standing wheat, with a sickle and other farming utensils, on the left side near the bottom; a lead furnace and pile of pig lead on the right side; the citizen soldier, with a plow in his rear, supporting the American flag and liberty cap with his right hand, and his gun with his left, in the center and near the bottom; the Mississippi river in the rear of the whole, with

the steamer *Iowa* under way; an eagle near the upper edge, holding in his beak a scroll, with the following inscription upon it: Our liberties we prize, and our rights we will maintain.

[1GA, ch 112; C75, 77, 79, 81, §1A.1]

Referred to in §2A.1

Editor's Note: The Act of the First General Assembly of the State of Iowa creating the Great Seal, approved February 25, 1847, is hereby reproduced in the descriptive part.

There seem to be no further enactments, repeals, or amendments and no codification of this law appears in the various Codes. See *Annals of Iowa*, Volume XI, pages 561, 576. Constitutional provision for a great seal is contained in Iowa Constitution, Art. IV, §20, but no description is provided.

# CHAPTER 1B

## STATE FLAG

1B.1 Specifications of state flag.
1B.2 Use of state flag.
1B.3 Flags on public buildings.

### 1B.1 Specifications of state flag.

The banner designed by the Iowa society of the Daughters of the American Revolution and presented to the state is hereby adopted as the state flag for use on all occasions where a state flag may be fittingly displayed. The design consists of three vertical stripes of blue, white, and red, the blue stripe being nearest the staff and the white stripe* being in the center. On the central white stripe is depicted a spreading eagle bearing in its beak blue streamers on which is inscribed the state motto, *"Our liberties we prize and our rights we will maintain"* in white letters, with the word *"Iowa"* in red letters below the streamers.

[C24, 27, 31, 35, 39, §**468;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §31.1]

C93, §1B.1

95 Acts, ch 1, §1

*Editor's Note: On the original design, the white stripe was about equal to the sum of the others

### 1B.2 Use of state flag.

The design shall be used as the state flag and may be displayed on all proper occasions where the state is officially represented, either at home or abroad, or wherever it may be proper to distinguish the citizens of Iowa from the citizens of other states. When displayed with the national emblem, the state flag shall in all cases be subservient to and placed beneath the stars and stripes.

[C24, 27, 31, 35, 39, §**469;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §31.2]

C93, §1B.2

95 Acts, ch 1, §2

### 1B.3 Flags on public buildings.

It shall be the duty of any board of public officers charged with providing supplies for a public building in the state to provide a suitable state flag and it shall be the duty of the custodian of that public building to raise the flags of the United States of America and the state of Iowa, upon each secular day when weather conditions are favorable.

[S13, §2804-c; C24, 27, 31, 35, 39, §**470;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §31.3]

C93, §1B.3

95 Acts, ch 1, §3

Display of flags on school sites, see §280.5

# CHAPTER 1C

## PUBLIC HOLIDAYS AND RECOGNITION DAYS

This chapter not enacted as a part of this title;
sections 1C.1 and 1C.2 transferred from sections 33.1 and 33.2;
sections 1C.3 – 1C.9 from sections 31.4 – 31.10;
and section 1C.10 from section 186A.1 in Code 1993


1C.1 Legal public holidays.
1C.2 Paid holidays.
1C.3 Mother's Day — Father's Day.
1C.4 Independence Sunday.
1C.5 Columbus Day.
1C.6 Veterans Day.
1C.7 Youth Honor Day.
1C.8 Herbert Hoover Day.
1C.9 Dr. Martin Luther King, Jr. Day.
1C.10 Arbor Day and Week.
1C.11 Iowa State Flag Day.
1C.12 Dr. Norman E. Borlaug World Food Prize Day.
1C.13 Bill of Rights Day.
1C.14 Juneteenth National Freedom Day.
1C.15 Gift to Iowa's Future Recognition Day.
1C.16 Purple Heart Day.


**1C.1 Legal public holidays.**

The following are legal public holidays:

1. New Year's Day, January 1.
2. Dr. Martin Luther King, Jr.'s Birthday, the third Monday in January.
3. Lincoln's Birthday, February 12.
4. Washington's Birthday, the third Monday in February.
5. Memorial Day, the last Monday in May.
6. Independence Day, July 4.
7. Labor Day, the first Monday in September.
8. Veterans Day, November 11.
9. Thanksgiving Day, the fourth Thursday in November.
10. Christmas Day, December 25.

[C71, 73, 75, 77, 79, 81, §33.1]
86 Acts, ch 1164, §1
C93, §1C.1
Referred to in §63.1, 235B.2

**1C.2 Paid holidays.**

1. State employees are granted, except as provided in subsection 3, the following holidays off from employment with pay:

*a.* New Year's Day, January 1.
*b.* Martin Luther King, Jr.'s Birthday, the third Monday in January.
*c.* Memorial Day, the last Monday in May.
*d.* Independence Day, July 4.
*e.* Labor Day, the first Monday in September.
*f.* Veterans Day, November 11.
*g.* Thanksgiving Day, the fourth Thursday in November.
*h.* Friday after Thanksgiving, the Friday following Thanksgiving Day.
*i.* Christmas Day, December 25.

2. *a.* State employees are granted two days of paid leave each year to be added to the vacation allowance and accrued under the provisions of section 70A.1. In addition, an appointing authority shall grant not more than four additional days of paid leave each year as required to implement contract provisions negotiated pursuant to chapter 20.

*b.* The executive council may designate days off from employment with pay in addition to those enumerated in this section for state employees at its discretion.

3. If a holiday enumerated in this section falls on Saturday, the preceding Friday shall be granted and if a holiday enumerated in this section falls on Sunday, the following Monday shall be granted. In those cases, where by nature of the employment a state employee must be required to work on a holiday the provisions of subsection 1 shall not apply, however, compensation shall be made on the basis of the employee's straight time hourly rate for a

forty-hour workweek and shall be made in either compensatory time off or cash payment, at the discretion of the appointing authority unless otherwise provided for in a collective bargaining agreement. Notwithstanding any other provision of this section, an employee of the state who does not accrue sick leave or vacation, and who works on a holiday, shall receive regular pay for the hours worked on that holiday and shall not otherwise earn holiday compensatory pay.

4. A holiday or paid leave granted to a state employee under this section shall be in addition to vacation time to which a state employee is entitled under section 70A.1.

[C75, 77, 79, 81, §33.2]
84 Acts, ch 1180, §7; 86 Acts, ch 1163, §1 – 3
C93, §1C.2
2008 Acts, ch 1031, §1
Referred to in §200A.8, 252I.1, 421.17A

**1C.3 Mother's Day — Father's Day.**

The governor of this state is authorized and requested to issue annually a proclamation calling upon our state officials to display the American flag on all state and school buildings, and the people of the state to display the flag at their homes, lodges, churches, and places of business, on the second Sunday in May, known as Mother's Day, and on the third Sunday in June, known as Father's Day, as a public expression of reverence for the homes of our state, and to urge the celebration of Mother's Day and Father's Day in the proclamation in such a way as will deepen home ties, and inspire better homes and closer union between the commonwealth, its homes, and their children.

[C24, 27, 31, 35, 39, §**471;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §31.4]
85 Acts, ch 99, §1
C93, §1C.3

**1C.4 Independence Sunday.**

The governor is hereby authorized and requested to issue annually a proclamation, calling upon the citizens of Iowa to assemble themselves in their respective communities for the purpose of holding suitable religious-patriotic services and the display of the American colors, in commemoration of the signing of the Declaration of Independence, on Independence Sunday, which is hereby established as the Sunday preceding the Fourth of July of each year, or on the Fourth when that date falls on Sunday.

[C27, 31, 35, §471-b1; C39, §**471.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §31.5]
C93, §1C.4

**1C.5 Columbus Day.**

The governor of this state is hereby authorized and requested to issue annually a proclamation, calling upon our state officials to display the American flag on all state and school buildings and the people of the state to display the flag at their homes, lodges, churches, and places of business on the twelfth day of October, known as Columbus Day; to commemorate the life and history of Christopher Columbus and to urge that services and exercises be had in churches, halls and other suitable places expressive of the public sentiment befitting the anniversary of the discovery of America.

[C35, §471-g1; C39, §**471.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §31.6]
C93, §1C.5

**1C.6 Veterans Day.**

The governor is hereby authorized and requested to issue annually a proclamation designating the eleventh day of November as Veterans Day and calling upon the people of Iowa to observe it as a legal holiday in honor of those who have been members of the armed forces of the United States, and urging state officials to display the American flag on all state and school buildings and the people of the state to display the flag at their homes, lodges, churches and places of business; that business activities be held to the necessary minimum;

and that appropriate services and exercises be had expressive of the public sentiments befitting the occasion.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §31.7]
C93, §1C.6

**1C.7 Youth Honor Day.**

The governor of this state is hereby requested and authorized to issue annually a proclamation designating the thirty-first day of October of each year as *"Youth Honor Day."*

[C62, 66, 71, 73, 75, 77, 79, 81, §31.8]
C93, §1C.7

**1C.8 Herbert Hoover Day.**

The Sunday which falls on or nearest the tenth day of August of each year is hereby designated as Herbert Hoover Day, which shall be a recognition day in honor of the late President Herbert Hoover. The governor is hereby authorized and requested to issue annually a proclamation designating such Sunday as Herbert Hoover Day and calling on the people and officials of the state of Iowa to commemorate the life and principles of Herbert Hoover, to display the American flag, and to hold appropriate services and ceremonies.

[C71, 73, 75, 77, 79, 81, §31.9]
C93, §1C.8

**1C.9 Dr. Martin Luther King, Jr. Day.**

The third Monday of January of each year is designated as Dr. Martin Luther King, Jr. Day, which shall be a recognition day in honor of the late civil rights leader and Nobel Peace Prize recipient, Dr. Martin Luther King, Jr.

The governor is authorized and requested to issue annually a proclamation designating such Monday as Dr. Martin Luther King, Jr. Day and calling on the people and officials of the state of Iowa to commemorate the life and principles of Dr. King, to display the American flag, and to hold appropriate private services and ceremonies.

[C79, 81, §31.10]
86 Acts, ch 1164, §2
C93, §1C.9

**1C.10 Arbor Day and Week.**

The last Friday in April in each year shall be observed in Iowa as Arbor Day and the week in which this Friday falls shall be observed as Arbor Week. This day and week shall be designated annually by the governor with suitable proclamation urging that schools, civic organizations, governmental departments and all citizens and groups give serious thought to and appreciation of the contribution of trees to the beauty and economic welfare of Iowa.

[C62, 66, 71, 73, 75, 77, 79, 81, §186A.1]
C93, §1C.10

**1C.11 Iowa State Flag Day.**

The governor of this state is hereby requested and authorized to issue annually a proclamation designating the twenty-ninth day of March as "Iowa State Flag Day" and to urge that schools, civic organizations, governmental departments, and all citizens and groups display the Iowa state flag on that day and to reflect on and consider the heritage of the state flag.

98 Acts, ch 1023, §1

**1C.12 Dr. Norman E. Borlaug World Food Prize Day.**

The governor of this state is hereby authorized and requested to issue annually a proclamation designating the sixteenth day of October as Dr. Norman E. Borlaug World Food Prize Day and to encourage all governmental entities, civic organizations, schools, and institutions of higher education in the state to observe the day in a manner that emphasizes the meaning and importance of the work, accomplishments, and heroic contributions to

humanity of Nobel peace prize laureate Dr. Norman E. Borlaug and to give attention and support to the programs and activities of the world food prize which was inspired and created by Dr. Norman E. Borlaug to alleviate poverty, hunger, and malnutrition throughout the world.

2002 Acts, ch 1160, §1

**1C.13 Bill of Rights Day.**

The governor of this state is hereby authorized and requested to issue annually a proclamation designating the fifteenth day of December as Bill of Rights Day and to encourage all governmental bodies in the state to observe the day in a manner that emphasizes the meaning and importance of the first ten amendments to the Constitution of the United States, and encourage a formal recitation of the Bill of Rights in its entirety in all schools, government meetings, and courtrooms on or about that date.

2002 Acts, ch 1053, §1

**1C.14 Juneteenth National Freedom Day.**

The governor of this state is hereby authorized and requested to issue annually a proclamation designating the third Saturday in June as Juneteenth National Freedom Day and to encourage all governmental entities, civic organizations, schools, and institutions of higher education in the state to observe the day in a manner that emphasizes the meaning and importance of the emancipation proclamation that ended slavery in the United States and to recognize and celebrate the importance of this day to every person who cherishes liberty and equality for all people.

2002 Acts, ch 1105, §1

**1C.15 Gift to Iowa's Future Recognition Day.**

The governor of this state is hereby authorized and requested to issue annually a proclamation designating the first Monday in April as Gift to Iowa's Future Recognition Day to recognize, celebrate, and honor those public-spirited individuals and corporations who have donated land or a conservation easement to benefit Iowa's parks, trails, fish and wildlife habitat, natural areas, open spaces, and public recreation areas and for other public uses and benefits. The department of natural resources shall maintain a registry to record the names of and suitably honor all persons who have donated land or a conservation easement for public use as described in this section.

2008 Acts, ch 1054, §1

Conservation easements, chapter 457A

**1C.16 Purple Heart Day.**

The governor of this state is hereby requested and authorized to issue annually a proclamation designating the seventh day of August as Purple Heart Day and to encourage all governmental bodies in the state to observe the day in a manner that honors the sacrifice of those men and women who shed their blood and gave their lives in service to the United States of America.

2011 Acts, ch 54, §1

# CHAPTER 1D

## IOWA STANDARD TIME

1D.1 Standard time and daylight saving time.
1D.2 Effect of time change.

**1D.1 Standard time and daylight saving time.**

The standard time in this state is the solar time of the ninetieth meridian of longitude west of Greenwich,* commonly known as central standard time, except that from two o'clock ante

meridiem of the first Sunday of April in every year until two o'clock ante meridiem of the last Sunday of October in the same year, standard time shall be advanced one hour. The period of time so advanced shall be known as *"daylight saving time."*

[C66, 71, 73, 75, 77, 79, 81, §122A.1]

89 Acts, ch 83, §25

C93, §1D.1

Referred to in §1D.2

*England

**1D.2 Effect of time change.**

In all laws, statutes, orders, decrees, rules, and regulations relating to the time of performance of any act by any officer or department of this state, including the legislative, executive, and judicial branches of the state government, or any county, city or district thereof, relating to the time in which any rights shall accrue or determine, or within which any act shall or shall not be performed by any person subject to the jurisdiction of this state and in all the public schools and institutions of this state, or of any county, city or district thereof, and in all contracts and choses in action made or to be performed in this state, the time shall be the time established in section 1D.1.

[C66, 71, 73, 75, 77, 79, 81, §122A.2]

C93, §1D.2

# SUBTITLE 2

## LEGISLATIVE BRANCH

# CHAPTER 2

## GENERAL ASSEMBLY

Referred to in §68.10


GENERAL PROVISIONS

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2.2 Designation of general assembly.
2.3 Temporary organization.
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## GENERAL PROVISIONS

**2.1 Sessions — place.**

The sessions of the general assembly shall be held annually at the seat of government, unless the governor shall convene them at some other place in times of pestilence or public danger. Each annual session of the general assembly shall commence on the second Monday in January of each year. The general assembly may recess from time to time during each year in such manner as it may provide, subject to Article III, section 14 of the Constitution of the State of Iowa.

[C51, §4; R60, §13; C73, §5; C97, §5; C24, 27, 31, 35, 39, §**5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §2.1]

2006 Acts, ch 1010, §1

**2.2 Designation of general assembly.**

Each regular session of the general assembly shall be designated by the year in which it convenes and by a number with a new consecutive number assigned with the session beginning in each odd-numbered year.

A special session of the general assembly shall be designated as an extraordinary session in the particular year of a numbered general assembly.

[C71, 73, 75, 77, 79, 81, §2.2]

Referred to in §2B.17

Section not amended; footnote deleted

**2.3 Temporary organization.**

At 10:00 a.m. on the second Monday in January of each odd-numbered year, the general assembly shall convene. The president of the senate, or in the president's absence some person claiming to be a member, shall call the senate to order. If necessary, a temporary president shall be chosen from the persons claiming to be elected senators. Some person claiming to be elected a member of the house of representatives shall call the house to order. The persons present claiming to be elected to the senate shall choose a secretary, and those of the house of representatives, a clerk on a temporary basis.

[C51, §5; R60, §14; C73, §6; C97, §6; C24, 27, 31, 35, 39, §**6;** C46, 50, 54, 58, 62, 66, §2.2; C71, 73, 75, 77, 79, 81, §2.3]

**2.4 Certificates of election.**

The selected secretary and clerk shall receive and file the certificates of election presented for their respective houses, and make a list therefrom of the persons who appear to have been elected members of the respective houses.

[C51, §6; R60, §15; C73, §7; C97, §7; C24, 27, 31, 35, 39, §**7;** C46, 50, 54, 58, 62, 66, §2.3; C71, 73, 75, 77, 79, 81, §2.4]

**2.5 Temporary officers — committee on credentials.**

The persons appearing to be members shall proceed to elect such other officers as may be requisite and when so temporarily organized shall choose a committee of five, who shall examine and report upon the credentials of the persons claiming to be members.

[C51, §7; R60, §4; C73, §8; C97, §8; C24, 27, 31, 35, 39, §**8;** C46, 50, 54, 58, 62, 66, §2.4; C71, 73, 75, 77, 79, 81, §2.5]

**2.6 Permanent organization.**

The members reported by the committee as holding certificates of election from the proper authority shall proceed to the permanent organization of their respective houses

by the election of officers and shall not be challenged as to their qualifications during the remainder of the term for which they were elected.

[C51, §8; R60, §5; C73, §9; C97, §9; C24, 27, 31, 35, 39, §**9;** C46, 50, 54, 58, 62, 66, §2.5; C71, 73, 75, 77, 79, 81, §2.6]

**2.7 Officers — tenure.**

The president of the senate and the speaker of the house of representatives shall hold their offices until the first day of the meeting of the next general assembly. All other officers elected by either house shall hold their offices for the same terms, unless sooner removed, except as may be otherwise provided by resolution or rules of the general assembly.

[R60, §16; C73, §13; C97, §17; C24, 27, 31, 35, 39, §**10;** C46, 50, 54, 58, 62, 66, §2.6; C71, 73, 75, 77, 79, 81, §2.7]

90 Acts, ch 1223, §1

**2.8 Oaths.**

Any member may administer oaths necessary in the course of business of the house of which that person is a member, and, while acting on a committee, in the course of business of such committee.

[C51, §10; R60, §7; C73, §10; C97, §10; C24, 27, 31, 35, 39, §**11;** C46, 50, 54, 58, 62, 66, §2.7; C71, 73, 75, 77, 79, 81, §2.8]

**2.9 Journals — bills and amendments.**

1. *a.* The senate and house of representatives shall each publish a daily journal of the transactions of their respective bodies. The secretary of the senate and the chief clerk of the house shall each determine the format and manner of the journal's publication, the procurement procedures for the journal's publication, and the journal's distribution for their respective bodies.

*b.* The secretary of the senate and the clerk of the house of representatives shall each preserve copies of the printed daily journals of their respective bodies, as corrected, certify to their correctness, and file them with the secretary of state at the adjournment of each session of the general assembly. The secretary of state shall preserve the original journals of the senate and the house in the manner specified by the majority leader of the senate and speaker of the house.

2. *a.* The senate and house of representatives shall each publish bills and amendments of their respective bodies. The secretary of the senate and the chief clerk of the house shall each determine the procurement procedures for the publication of the bills and amendments and the distribution of the bills and amendments for their respective bodies.

*b.* A bill that seeks to legalize the acts of any official or board or other official body, in regard to any matter of public nature or for any person or persons, company, or corporation, shall not be considered by the senate or house of representatives until the bill is published and distributed to members of the general assembly, and the publication shall be without expense to the state. The senate and house shall not order any such bill published until the secretary of the senate or chief clerk of the house has received a deposit to cover the cost of the publication. The newspaper publication of such bill shall be without expense to the state, and the bill shall not be published in a newspaper until the costs of the newspaper publication have been paid to the secretary of state.

[C97, §132; C24, 27, 31, 35, 39, §**13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §2.9]

86 Acts, ch 1245, §2001; 2003 Acts, ch 35, §9, 49; 2003 Acts, ch 145, §102

**2.10 Salaries and expenses — members of general assembly.**

Members of the general assembly shall receive salaries and expenses as provided by this section.

1. Every member of the general assembly except the presiding officer of the senate, the speaker of the house, the majority and minority floor leader of each house, and the president pro tempore of the senate and speaker pro tempore of the house shall receive an annual salary of twenty-five thousand dollars for the year 2007 and subsequent years while serving as a

member of the general assembly. In addition, each such member shall receive a per diem, as defined in subsection 5, for expenses of office, except travel, for each day the general assembly is in session commencing with the first day of a legislative session and ending with the day of final adjournment of each legislative session as indicated by the journals of the house and senate, except that if the length of the first regular session of the general assembly exceeds one hundred ten calendar days and the second regular session exceeds one hundred calendar days, the payments shall be made only for one hundred ten calendar days for the first session and one hundred calendar days for the second session. Members from Polk county shall receive an amount per day equal to three-fourths of the per diem of the non-Polk county members. Each member shall receive a three hundred dollar per month allowance for legislative district constituency postage, travel, telephone costs, and other expenses. Travel expenses shall be paid at the rate established by section 8A.363 for actual travel in going to and returning from the seat of government by the nearest traveled route for not more than one time per week during a legislative session unless the general assembly otherwise provides.

2. The speaker of the house, presiding officer of the senate, and the majority and minority floor leader of each house shall each receive an annual salary of thirty-seven thousand five hundred dollars for the year 2007 and subsequent years while serving in that capacity. The president pro tempore of the senate and the speaker pro tempore of the house shall receive an annual salary of twenty-seven thousand dollars for the year 2007 and subsequent years while serving in that capacity. Expense and travel allowances shall be the same for the speaker of the house and the presiding officer of the senate, the president pro tempore of the senate and the speaker pro tempore of the house, and the majority and minority leader of each house as provided for other members of the general assembly.

3. When a vacancy occurs and the term of any member of the general assembly is not completed, the member shall receive a salary or compensation proportional to the length of the member's service computed to the nearest whole month. A successor elected to fill such vacancy shall receive a salary or compensation proportional to the successor's length of service computed to the nearest whole month commencing with such time as the successor is officially determined to have succeeded to such office.

4. *a.* The director of the department of administrative services shall pay the travel and expenses of the members of the general assembly commencing with the first pay period after the names of such persons are officially certified. The salaries of the members of the general assembly shall be paid pursuant to any of the following alternative methods:

(1) During each month of the year at the same time state employees are paid.

(2) During each pay period during the first six months of each calendar year.

(3) During the first six months of each calendar year by allocating two-thirds of the annual salary to the pay periods during those six months and one-third of the annual salary to the pay periods during the second six months of a calendar year.

*b.* Each member of the general assembly shall file with the director of the department of administrative services a statement as to the method the member selects for receiving payment of salary. The presiding officers of the two houses of the general assembly shall jointly certify to the director of the department of administrative services the names of the members, officers, and employees of their respective houses and the salaries and mileage to which each is entitled. Travel and expense allowances shall be paid upon the submission of vouchers to the director of the department of administrative services indicating a claim for the same.

5. In addition to the salaries and expenses authorized by this section, a member of the general assembly shall be paid a per diem, and necessary travel and actual expenses incurred in attending meetings for which per diem or expenses are authorized by law for members of the general assembly who serve on statutory boards, commissions, or councils, and for standing or interim committee or subcommittee meetings subject to the provisions of section 2.14, or when on authorized legislative business when the general assembly is not in session. However, if a member of the general assembly is engaged in authorized legislative business at a location other than at the seat of government during the time the general assembly is in session, payment may be made for the actual transportation and lodging costs incurred

because of the business. Such per diem or expenses shall be paid promptly from funds appropriated pursuant to section 2.12.

For purposes of this section, *"per diem"* means the maximum amount generally allowable to employees of the executive branch of the federal government for per diem while away from home at the seat of government.

6. If a special session of the general assembly is convened, members of the general assembly shall receive, in addition to their annual salaries, a per diem for each day the general assembly is actually in special session, and the same travel allowances and expenses as authorized by this section. A member of the general assembly shall receive the additional per diem, travel allowances, and expenses only for the days of attendance during a special session.

7. A member of the general assembly may return to the state treasury all or a part of the salary, per diem, or expenses paid to the member pursuant to this section. The member may specify the public use for the returned money. A member has no income tax liability for that portion of the member's salary or per diem which is returned to the state treasury pursuant to this subsection. The administrative officer of each house shall provide a form at the convening of each legislative session to allow legislators to return any portion of their salaries or expenses according to this section.

8. Commencing upon the convening of the Seventy-eighth General Assembly in January 1999, the annual salaries of members and officers of the general assembly, as the annual salaries existed during the preceding calendar year, shall be adjusted by an amount equal to the average of the annual cost-of-living pay adjustments negotiated for the members of the collective bargaining units represented by the state police officers council labor union, the American federation of state, county, and municipal employees, and the Iowa united professionals for the fiscal year beginning July 1, 1997. For the calendar year 2000, during the month of January, the annual salaries of members and officers of the general assembly shall be adjusted by an amount equal to the average of the annual cost-of-living pay adjustments received by the members of those collective bargaining units for the fiscal year beginning July 1, 1998. The annual salaries determined for the members and officers as provided in this section for the calendar year 2000 shall remain in effect for subsequent calendar years until otherwise provided by the general assembly.

[C51, §11; R60, §18; C73, §12; C97, §12, 14; S13, §12; C24, 27, 31, 35, §14-a1, 14-a2, 14-a3; C39, §**14, 14.1, 14.2, 14.3, 15, 16, 17;** C46, 50, 54, 58, 62, 66, §2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.17; C71, 73, 75, 77, 79, 81, §2.10]

83 Acts, ch 205, §20; 87 Acts, ch 227, §14; 88 Acts, ch 1267, §12, 13; 88 Acts, ch 1275, §29; 89 Acts, ch 302, §10; 89 Acts, ch 303, §13; 90 Acts, ch 1223, §2; 90 Acts, ch 1256, §19; 91 Acts, ch 258, §1; 93 Acts, ch 177, §16 – 18; 95 Acts, ch 211, §14, 17; 97 Acts, ch 204, §16; 2003 Acts, ch 145, §103, 286; 2005 Acts, ch 177, §14, 16; 2008 Acts, ch 1032, §110

Referred to in §2.14, 2.32A, 2.40, 2.44, 2.51, 2.69, 8A.375, 17A.8, 28B.4, 80.28, 80B.8, 97B.8A, 97D.4, 135.156, 142A.3, 216A.139, 225C.5, 256.29, 256I.3, 261.4, 261D.3, 272B.2, 418.5, 466A.3

See Iowa Constitution, Art. III, §25

**2.11 Officers and employees — compensation — prohibitions.**

Each house of the general assembly may employ such officers and employees as it shall deem necessary for the conduct of its business. The compensation of the chaplains, officers, and employees of the general assembly shall be fixed by joint action of the house and senate by resolution at the opening of each session, or as soon thereafter as conveniently can be done. Such persons shall be furnished by the state such supplies as may be necessary for the proper discharge of their duties.

Each house of the general assembly shall implement the sexual harassment prohibitions and grievance, violation, and disposition procedures of section 19B.12 for its respective full-time, part-time, and temporary employees, including, but not limited to, interns, clerks, and pages. Each house shall develop and cause to be distributed, at the time of hiring or orientation, a guide that describes for its employees the applicable sexual harassment

prohibitions and grievance, violation, and disposition procedures. This section does not supersede the remedies provided under chapter 216.

[C73, §12; C97, §13, 152; C24, 27, 31, 35, 39, §**18, 19;** C46, 50, 54, 58, 62, 66, §2.18, 2.19; C71, 73, 75, 77, 79, 81, §2.11]

92 Acts, ch 1086, §1

**2.12 Expenses of general assembly and legislative agencies — budgets.**

1. There is appropriated out of any funds in the state treasury not otherwise appropriated a sum sufficient to pay for legislative printing and all current and miscellaneous expenses of the general assembly, authorized by either the senate or the house, and the director of the department of administrative services shall issue warrants for such items of expense upon requisition of the president, majority leader, and secretary of the senate or the speaker and chief clerk of the house.

2. There is appropriated out of any funds in the state treasury not otherwise appropriated, such sums as are necessary, for each house of the general assembly for the payment of any unpaid expense of the general assembly incurred during or in the interim between sessions of the general assembly, including but not limited to salaries and necessary travel and actual expenses of members, expenses of standing and interim committees or subcommittees, and per diem or expenses for members of the general assembly who serve on statutory boards, commissions, or councils for which per diem or expenses are authorized by law. The director of the department of administrative services shall issue warrants for such items of expense upon requisition of the president, majority leader, and secretary of the senate for senate expense or the speaker and chief clerk of the house for house expense.

3. There is appropriated out of any funds in the state treasury not otherwise appropriated, such sums as are necessary for the renovation, remodeling, or preparation of the legislative chambers, legislative offices, or other areas or facilities used or to be used by the legislative branch of government, and for the purchase of legislative equipment and supplies deemed necessary to properly carry out the functions of the general assembly. The director of the department of administrative services shall issue warrants for such items of expense, whether incurred during or between sessions of the general assembly, upon requisition of the president, majority leader, and secretary of the senate for senate expense or the speaker and chief clerk of the house for house expense.

4. There is appropriated out of any funds in the state treasury not otherwise appropriated such sums as may be necessary for the fiscal year budgets of the legislative services agency and the office of ombudsman for salaries, support, maintenance, and miscellaneous purposes to carry out their statutory responsibilities. The legislative services agency and the office of ombudsman shall submit their proposed budgets to the legislative council not later than September 1 of each year. The legislative council shall review and approve the proposed budgets not later than December 1 of each year. The budget approved by the legislative council for each of its statutory legislative agencies shall be transmitted by the legislative council to the department of management on or before December 1 of each year for the fiscal year beginning July 1 of the following year. The department of management shall submit the approved budgets received from the legislative council to the governor for inclusion in the governor's proposed budget for the succeeding fiscal year. The approved budgets shall also be submitted to the chairpersons of the committees on appropriations. The committees on appropriations may allocate from the funds appropriated by this section the funds contained in the approved budgets, or such other amounts as specified, pursuant to a concurrent resolution to be approved by both houses of the general assembly. The director of the department of administrative services shall issue warrants for salaries, support, maintenance, and miscellaneous purposes upon requisition by the administrative head of each statutory legislative agency. If the legislative council elects to change the approved budget for a legislative agency prior to July 1, the legislative council shall transmit the amount of the budget revision to the department of management prior to July 1 of the

fiscal year, however, if the general assembly approved the budget it cannot be changed except pursuant to a concurrent resolution approved by the general assembly.

[C46, 50, 54, 58, 62, 66, §2.10, 2.20; C71, 73, 75, 77, 79, 81, §2.12]

85 Acts, ch 65, §1; 86 Acts, ch 1244, §1; 90 Acts, ch 1223, §3; 2003 Acts, ch 35, §46, 49; 2003 Acts, ch 145, §286; 2013 Acts, ch 10, §1; 2013 Acts, ch 140, §45

Referred to in §2.10, 2.12A, 2.16, 2.43, 2.44, 2.47A, 2.69, 8A.375, 28B.4, 28N.2, 42.5, 68B.31, 80B.8, 97B.8A, 97D.4, 216A.139, 261.4, 261D.3, 272B.2, 411.36, 514I.5

State employee retirement incentive program; reports to general assembly; 2010 Acts, ch 1005, §1, 2

Unnumbered paragraphs 1 – 4 editorially designated as subsections 1 – 4

Subsection 4 amended

**2.12A Legal expenses reviewed by the court.**

If a member or members of the general assembly are involved in court proceedings on behalf of the general assembly, and are represented by an attorney who is not an employee of the state, and the legislative council determines that the reasonable expense of the court proceedings, including reasonable attorney fees, shall be paid from funds in the state treasury appropriated pursuant to section 2.12, at the conclusion of the court proceedings, the court shall review the fees charged to the state to determine if the fees are fair and reasonable. The legislative council shall not reimburse attorney fees in excess of those determined by the court to be fair and reasonable.

92 Acts, ch 1240, §11

**2.13 Issuance of warrants.**

The director of the department of administrative services shall also issue to each officer and employee of the general assembly, during legislative sessions or interim periods, upon vouchers signed by the president, majority leader, and secretary of the senate or the speaker and chief clerk of the house, warrants for the amount due for services rendered. The warrants shall be paid out of any moneys in the treasury not otherwise appropriated.

[C97, §15, 16; C24, 27, 31, 35, 39, §**20;** C46, 50, 54, 58, 62, 66, §2.21, 2.22; C71, 73, 75, 77, 79, 81, §2.13]

86 Acts, ch 1244, §2; 90 Acts, ch 1223, §4; 2003 Acts, ch 145, §286

**2.14 Meetings of legislative committees.**

1. *a.* A standing committee of either house or a subcommittee when authorized by the chairperson of the standing committee, may meet when the general assembly is not in session in the manner provided in this section and upon call pursuant to the rules of the house or senate. In case of vacancy in the chair or in the chairperson's absence, the ranking member shall act as chairperson.

*b.* A standing committee or subcommittee may act on bills and resolutions in the interim between the first and second regular sessions of a general assembly. A standing committee may also study and draft proposed committee bills. However, unless the subject matter of a study or proposed committee bill has been assigned to a standing committee for study by the general assembly or legislative council, the services of the legislative services agency cannot be utilized.

*c.* The date, time, and place of any meeting of a standing committee shall, by the person or persons calling the meeting, be reported to and be available to the public in the office of the director of the legislative services agency at least five days prior to the meeting.

*d.* A standing committee may hold public hearings and receive testimony upon any subject matter within its jurisdiction.

2. The legislative services agency shall provide staff assistance for standing committees when authorized by the legislative council. The chairperson of the committee or subcommittee shall notify the legislative services agency in advance of each meeting.

3. Interim studies utilizing the services of the legislative services agency must be authorized by the general assembly or the legislative council.

*a.* Nonlegislative members shall not serve upon any study committee, unless approved by the legislative council.

*b.* Nonlegislative members of study committees shall be paid their necessary travel and

actual expenses incurred in attending committee or subcommittee meetings for the purposes of the study.

4. Standing committees and subcommittees of standing committees may meet when the general assembly is not in session under the following conditions:

*a.* A standing committee may meet one time at the discretion of the chairperson.

*b.* Additional meetings of standing committees or their subcommittees shall be authorized by the legislative council; however, such authorization may be given at any one time for as many meetings as deemed necessary by the legislative council.

*c.* Any study committee, other than an interim committee provided for in subsection 3 of this section, which utilizes staff of the legislative services agency may meet at such times as authorized by the legislative council.

5. When the general assembly is not in session, a member of the general assembly shall be paid the per diem and necessary travel and actual expenses, as specified in section 2.10, subsection 5, incurred in attending meetings of a standing committee or subcommittee of which the legislator is a member in addition to regular compensation. However, the per diem and expenses shall be allowed only if the member attends a meeting of the committee or subcommittee for at least four hours.

[C71, 73, 75, 77, 79, 81, §2.14]

91 Acts, ch 258, §2; 2003 Acts, ch 35, §44, 49; 2008 Acts, ch 1031, §72

Referred to in §2.10, 2.15

**2.15 Powers and duties of standing committees.**

1. The powers and duties of standing committees shall include, but shall not be limited to, the following:

*a.* Introducing legislative bills and resolutions.

*b.* Conducting investigations with the approval of either or both houses during the session, or the legislative council during the interim, with authority to call witnesses, administer oaths, issue subpoenas, and cite for contempt.

*c.* Requiring reports and information from state agencies as well as the full cooperation of their personnel.

*d.* Selecting nonlegislative members when conducting studies as provided in section 2.14.

*e.* Undertaking in-depth studies of governmental matters within their assigned jurisdiction, not only for the purpose of evaluating proposed legislation, but also for studying existing laws and governmental operations and functions to determine their usefulness and effectiveness, as provided in section 2.14.

*f.* Reviewing the operations of state agencies and departments.

*g.* Giving thorough consideration to, establishing priorities for, and making recommendations on all bills assigned to committees.

*h.* Preparing reports to be made available to members of the general assembly containing the committee's findings, recommendations, and proposed legislation.

2. A standing committee may call upon any department, agency or office of the state, or any political subdivision of the state, for information and assistance as needed in the performance of its duties and the information and assistance shall be furnished to the extent that they are within the resources and authority of the department, agency, office or political subdivision. This subsection does not require the production or opening of any records which are required by law to be kept private or confidential.

[C71, 73, 75, 77, 79, 81, §2.15]

84 Acts, ch 1171, §1; 85 Acts, ch 67, §1; 2008 Acts, ch 1032, §111

**2.16 Prefiling legislative bills.**

Any member of the general assembly or any person elected to serve in the general assembly, or any standing committee, may sponsor and submit legislative bills and joint resolutions for consideration by the general assembly, before the convening of any session of the general assembly. Each house may approve rules for placing prefiled standing committee bills or joint resolutions on its calendar. Such bills and resolutions shall be numbered, printed, and distributed in a manner to be determined by joint rule of the general assembly or, in the

absence of such rule, by the legislative council. All such bills and resolutions, except those sponsored by standing committees, shall be assigned to regular standing committees by the presiding officers of the houses when the general assembly convenes.

Departments and agencies of state government shall, at least forty-five days prior to the convening of each session of the general assembly, submit copies to the legislative services agency of proposed legislative bills and joint resolutions which such departments desire to be considered by the general assembly. The proposed legislative bills and joint resolutions of the governor must be submitted by the Friday prior to the convening of the session of the general assembly, except in the year of the governor's initial inauguration. The legislative services agency shall review such proposals and submit them in proper form to the presiding officer in each house of the general assembly for referral to the proper standing committee. Before submitting any proposal prepared under this section to the presiding officers, the legislative services agency shall return it for review to, as appropriate, the relevant department or agency or the governor's office and such department or agency or the governor's office shall review and return it within seven days of such delivery.

The costs of carrying out the provisions of this section shall be paid pursuant to section 2.12.

[C71, 73, 75, 77, 79, 81, §2.16]

86 Acts, ch 1245, §2002; 2003 Acts, ch 35, §44, 49

Referred to in §2A.4

**2.17 Freedom of speech.**

A member of the general assembly shall not be held for slander or libel in any court for words used in any speech or debate in either house or at any session of a standing committee.

[C51, §9; R60, §6; C73, §11; C97, §11; C24, 27, 31, 35, 39, §**22;** C46, 50, 54, 58, 62, 66, §2.23; C71, 73, 75, 77, 79, 81, §2.17]

**2.18 Contempt.**

Each house has authority to punish for contempt, by fine or imprisonment or both, any person who commits any of the following offenses against its authority:

1. Arresting a member, knowing the member to be such, in violation of the member's privilege, or assaulting, or threatening to assault, or threatening any harm to the person or property of, a member, knowing the member to be such, for anything said or done by the member in such house as a member thereof.
2. Attempting by menace, or by force, or by any corrupt means to control or influence a member in giving a vote, or to prevent giving it.
3. Disorderly or contemptuous conduct, tending to disturb its proceedings.
4. Refusal to attend, or to be sworn, or to affirm, or to be examined, as a witness before it, or before a committee thereof, when duly subpoenaed.
5. Assaulting or preventing any person going before it, or before any of its committees, by its order, the offender knowing such fact.
6. Rescuing or attempting to rescue any person arrested by its order, the offender knowing of such arrest.
7. Impeding any officer of such house in the discharge of the officer's duties as such, the offender knowing the officer's official character.

[C51, §12; R60, §8; C73, §14; C97, §18; C24, 27, 31, 35, 39, §**23;** C46, 50, 54, 58, 62, 66, §2.24; C71, 73, 75, 77, 79, 81, §2.18]

**2.19 Punishment for contempt.**

Fines and imprisonment for contempt shall be only by virtue of an order of the proper house, entered on its journals, stating the grounds thereof.

[C51, §14; R60, §10; C73, §15; C97, §19; C24, 27, 31, 35, 39, §**24;** C46, 50, 54, 58, 62, 66, §2.25; C71, 73, 75, 77, 79, 81, §2.19]

**2.20 Warrant — execution.**

Imprisonment for contempt shall be effected by a warrant, under the hand of the presiding officer, for the time being, of the house ordering it, countersigned by the acting secretary or clerk, in the name of the state, and directed to the sheriff or jailer of the proper county. Under such warrant, the proper officer will be authorized to commit and detain the person.

[C51, §14; R60, §10; C73, §15; C97, §19; C24, 27, 31, 35, 39, §**25;** C46, 50, 54, 58, 62, 66, §2.26; C71, 73, 75, 77, 79, 81, §2.20]

**2.21 Fines — collection.**

Fines for contempt shall be collected by a warrant, directed to any proper officer of any county in which the offender has property, and executed in the same manner as executions for fines issued from courts of record, and the proceeds paid into the state treasury.

[C51, §14; R60, §10; C73, §15; C97, §19; C24, 27, 31, 35, 39, §**26;** C46, 50, 54, 58, 62, 66, §2.27; C71, 73, 75, 77, 79, 81, §2.21]

**2.22 Punishment — effect.**

Imprisonment for contempt shall not extend beyond the session at which it is ordered, and shall be in a facility designated by the presiding officer.

Punishment for contempt shall not constitute a bar to any other proceeding, civil or criminal, for the same act.

[C51, §13, 15; R60, §9, 11; C73, §16; C97, §20; C24, 27, 31, 35, 39, §**27;** C46, 50, 54, 58, 62, 66, §2.28; C71, 73, 75, 77, 79, 81, §2.22]

**2.23 Witness — attendance compulsory.**

Whenever a committee of either house, or a joint committee of both, is conducting an investigation requiring the personal attendance of witnesses, any person may be compelled to appear before such committee as a witness by serving an order upon the person, which service shall be made in the manner required in case of a subpoena in a civil action in the district court. Such order shall state the time and place a person is required to appear, be signed by the presiding officer of the body by which the committee was appointed, and attested by its acting secretary or clerk; or, in case of a joint committee, signed and attested by such officers of that body.

[C73, §17; C97, §21; C24, 27, 31, 35, 39, §**28;** C46, 50, 54, 58, 62, 66, §2.29; C71, 73, 75, 77, 79, 81, §2.23]

Referred to in §2.24

**2.24 Witnesses — compensation.**

Witnesses called by a standing or joint committee shall be entitled to the same compensation for attendance under section 2.23 as before the district court but shall not have the right to demand payment of their fees in advance.

[C73, §18; C97, §22; C24, 27, 31, 35, 39, §**29;** C46, 50, 54, 58, 62, 66, §2.30; C71, 73, 75, 77, 79, 81, §2.24]

See §622.69 – 622.72

**2.25 Joint conventions.**

Joint conventions of the general assembly shall meet in the house of representatives for such purposes as are provided by law. The president of the senate, or, in the president's absence, the president pro tempore of the senate shall preside at such joint conventions.

The speaker of the house of representatives may, for purposes of canvass of votes for governor and lieutenant governor and for the inauguration of such officers, designate any suitable hall at the seat of government as the hall of the house of representatives.

[R60, §674, 675; C73, §19; C97, §23; C24, 27, 31, 35, 39, §**30;** C46, 50, 54, 58, 62, 66, §2.31; C71, 73, 75, 77, 79, 81, §2.25]

Referred to in §2.28

**2.26 Secretary — record.**

The clerk of the house of representatives shall act as secretary of the convention, and the clerk and the secretary of the senate shall keep a fair and correct record of the proceedings of the convention, which shall be entered on the journal of each house.

[R60, §677; C73, §21; C97, §25; C24, 27, 31, 35, 39, §**31;** C46, 50, 54, 58, 62, 66, §2.32; C71, 73, 75, 77, 79, 81, §2.26]

Referred to in §2.28

**2.27 Canvass of votes for governor.**

The general assembly shall meet in joint session on the same day the assembly first convenes in January of 1979 and every four years thereafter as soon as both houses have been organized, and canvass the votes cast for governor and lieutenant governor and determine the election. When the canvass is completed, the oath of office shall be administered to the persons so declared elected. Upon being inaugurated the governor shall deliver to the joint assembly any message the governor may deem expedient.

[S13, §30-a; C24, 27, 31, 35, 39, §**32;** C46, 50, 54, 58, 62, 66, §2.33; C71, 73, 75, 77, 79, 81, §2.27]

2007 Acts, ch 59, §1, 19; 2009 Acts, ch 57, §1

Referred to in §2.28

**2.28 Tellers.**

1. After the time for the meeting of the joint convention has been designated each house shall appoint three tellers, and the six shall act as judges of the election.

2. Canvassing the votes for governor and lieutenant governor shall be conducted substantially according to the provisions of sections 2.25 through 2.27 and this section.

[R60, §676; C73, §20, 26; C97, §24, 30; C24, 27, 31, 35, 39, §**33, 34;** C46, 50, 54, 58, 62, 66, §2.34, 2.35; C71, 73, 75, 77, 79, 81, §2.28]

2008 Acts, ch 1032, §1

**2.29 Election — vote — how taken — second poll.**

When any officer is to be elected by joint convention, the names of the members shall be arranged in alphabetical order by the secretaries, and each member shall vote in the order in which the member's name stands when so arranged. The name of the person voted for, and the names of the members voting, shall be entered in writing by the tellers, who, after the secretary shall have called the names of the members a second time, and the name of the person for whom each member has voted, shall report to the president of the convention the number of votes given for each candidate.

If no person shall receive the votes of a majority of the members present, a second poll may be taken, or as many polls as may be required until some person receives a majority.

[R60, §678, 679, 680; C73, §22, 23; C97, §26, 27; C24, 27, 31, 35, 39, §**35, 36;** C46, 50, 54, 58, 62, 66, §2.36, 2.37; C71, 73, 75, 77, 79, 81, §2.29]

**2.30 Certificates of election.**

When any person shall have received a majority of the votes, the president shall declare the person to be elected, and shall, in the presence of the convention, sign two certificates of such election, attested by the tellers, one of which the president shall transmit to the governor, and the other shall be preserved among the records of the convention and entered at length on the journal of each house. The governor shall issue a commission to the person so elected.

[R60, §682; C73, §25; C97, §29; C24, 27, 31, 35, 39, §**37;** C46, 50, 54, 58, 62, 66, §2.38; C71, 73, 75, 77, 79, 81, §2.30]

**2.31 Adjournment.**

If the purpose for which the joint convention is assembled is not concluded, the president shall adjourn or recess the same from time to time as the members present may determine.

[R60, §681; C73, §24; C97, §28; C24, 27, 31, 35, 39, §**38;** C46, 50, 54, 58, 62, 66, §2.39; C71, 73, 75, 77, 79, 81, §2.31]

**2.32 Confirmation of appointments — procedures.**

1. The governor shall either make an appointment or file a notice of deferred appointment by March 1 for the following appointments which are subject to confirmation by the senate:

*a.* An appointment to fill a term beginning on May 1 of that year.

*b.* An appointment to fill a vacancy, other than as provided for in paragraph *"d"*, existing prior to the convening of the general assembly in regular session in that year.

*c.* An appointment to fill a vacancy, other than as provided for in paragraph *"d"*, which is known, prior to the convening of the general assembly in regular session, will occur before May 1 of that year.

*d.* An appointment to fill a vacancy existing in a full-time compensated position on December 15 prior to the convening of the general assembly.

2. The governor shall file by February 1 with the secretary of the senate a list of all the appointment positions requiring gubernatorial action pursuant to subsection 1. The secretary of the senate shall provide the governor a written acknowledgment of the list within five days of its receipt. The senate shall approve the list or request corrections by resolution by February 15.

3. The governor shall submit all appointments requiring confirmation by the senate and notices of deferred appointment to the secretary of the senate who shall provide the governor's office with receipts of submission. Each notice of appointment shall be accompanied by a statement of the appointee's political affiliation. The notice of a deferred appointment shall be filed by the governor with the secretary of the senate and accompanied by a statement of reasons for the deferral. For appointments requiring confirmation by the senate made during the legislative interim, the notice of appointment shall be submitted to the secretary of the senate within three days of the appointment date.

4. A gubernatorial appointee, whose appointment is subject to confirmation by the senate and who serves at the pleasure of the governor, is subject to reconfirmation by the senate during the regular session of the general assembly convening in January if the appointee will complete the appointee's fourth year in office on or before the following April 30. For the purposes of this section, the submission of an appointee for reconfirmation is deemed the same as the submission of an appointee for confirmation and the procedures of this section regarding confirmation and the consequences of refusal to confirm are the same for reconfirmation.

5. If an appointment subject to senate confirmation is required by statute to be made by an appointing authority other than the governor, the duties assigned under this section to the governor shall be performed by the appointing authority.

6. If a vacancy in a position requiring confirmation by the senate, other than a full-time compensated position, occurs after the convening of the general assembly in regular session, the governor shall, within sixty calendar days after the vacancy occurs, either make an appointment or file a notice of deferred appointment unless the general assembly has adjourned its regular session before the sixty-day period expires. If a vacancy in a full-time compensated position requiring senate confirmation occurs after December 15, the governor shall, within ninety calendar days after the vacancy occurs, make an appointment or file a notice of deferred appointment unless the general assembly has adjourned its regular session before the ninety-day period expires.

7. If an appointment is submitted pursuant to subsection 1, the senate shall by April 15 of that year either approve, disapprove, or by resolution defer consideration of confirmation of the appointment. If an appointment is submitted pursuant to subsection 6, the senate shall either approve, disapprove, or by resolution defer consideration of confirmation of the appointment within thirty days after receiving the appointment from the governor. The senate may defer consideration of an appointment until a later time during that session, but the senate shall not adjourn that session until all appointments submitted pursuant to this section before the last thirty days of the session are approved or disapproved. If a nomination is submitted during the last thirty days of the session, the senate may by resolution defer consideration of the appointment until the next regular session of the general assembly and the nomination shall be considered as though made during the legislative interim.

8. The confirmation of every appointment submitted to the senate requires the approval

of two-thirds of the members of the senate. The senate shall adopt rules governing the referral of appointments to committees, the reports of committees on appointments, and the confirmation of appointments by the senate.

9. A person whose appointment is subject to senate confirmation shall make available to the senate committee to which the appointment is referred, upon the committee's request, a notarized statement that the person has filed federal and state income tax returns for the three years immediately preceding the appointment, or a notarized statement of the legal reason for failure to file. If the appointment is to a board, commission, council, or other body empowered to take disciplinary action, all complaints and statements of charges, settlement agreements, findings of fact, and orders pertaining to any disciplinary action taken by that board, commission, council, or body in a contested case against the person whose appointment is being reviewed by the senate shall be made available to the senate committee to which the appointment is referred upon its request.

10. All tax records, complaint files, investigation files, other investigation reports, and other investigative information in the possession of the committee which relate to appointee tax filings or complaints and statements of charges, settlement agreements, findings of fact, and orders from any past disciplinary action in a contested case against the appointee are privileged and confidential and they are not subject to discovery, subpoena, or other means of legal compulsion for their release to a person other than the appointee unless otherwise provided by law.

11. Sixty days after a person's appointment has been disapproved by the senate, that person shall not serve in that position as an interim appointment or by holding over in office and the governor shall submit another appointment or file a notice of deferred appointment before the sixty-day period expires.

[C27, 31, 35, §38-b1; C39, §**38.1;** C46, 50, 54, 58, 62, 66, §2.40; C71, 73, 75, 77, 79, 81, §2.32]

85 Acts, ch 145, §1; 86 Acts, ch 1245, §2003; 88 Acts, ch 1128, §1; 94 Acts, ch 1184, §1; 2008 Acts, ch 1031, §73; 2009 Acts, ch 106, §1, 2, 14

Referred to in §15E.63, 84A.1, 99D.5, 142A.3, 159A.13, 161A.4, 169.5, 216A.2, 216A.12, 216A.53, 216A.74, 216A.113, 225C.5, 231.22, 257.30, 307.5, 475A.1

2009 amendments to subsections 1 and 3 apply to legislative appointees named before, on, or after May 18, 2009, and to appointments subject to senate confirmation on or after May 18, 2009; 2009 Acts, ch 106, §14

**2.32A Appointments by members of the general assembly to statutory boards, commissions, councils, and committees — per diem and expenses.**

1. A member of the general assembly who is charged with making an appointment to a statutory board, commission, council, or committee shall make the appointment prior to the fourth Monday in January of the first regular session of each general assembly and in accordance with section 69.16B. If multiple appointing members are charged with making appointments of public members to the same board, commission, council, or committee, including as provided in section 333A.2, the appointing members shall consult with one another in making the appointments. If the senate appointing member for a legislative appointment is the president, majority leader, or the minority leader, the appointing member shall consult with the other two leaders in making the appointment. If the house of representatives appointing member is the speaker, majority leader, or minority leader, the appointing member shall consult with the other two leaders in making the appointment.

2. Each appointing member shall inform the director of the legislative services agency of the appointment and of the term of the appointment. The legislative services agency shall maintain an up-to-date listing of all appointments made or to be made by members of the general assembly.

3. The legislative services agency shall inform each appointee and each affected board, commission, council, or committee of the appointment and of the term of the appointment.

4. Unless otherwise specifically provided by law, a member of the general assembly shall be paid, in accordance with section 2.10, per diem and necessary travel and actual expenses incurred in attending meetings of a statutory board, commission, council, or committee to which the member is appointed by a member of the general assembly.

2008 Acts, ch 1156, §1, 58; 2009 Acts, ch 41, §2

Referred to in §2A.4, 69.16B, 256H.2

**2.33 Differential treatment.**

The general assembly shall not pass a bill that uses gender as the basis for differential treatment unless there is a compelling reason for the differential treatment and no reasonable alternatives exist by which the treatment could be mitigated or avoided.

84 Acts, ch 1042, §1

**2.34** Reserved.

**2.35 and 2.36** Repealed by 2008 Acts, ch 1156, § 53, 58.

**2.37 through 2.39** Reserved.

**2.40 Membership in state insurance plans.**

1. *a.* A member of the general assembly may elect to become a member of a state group insurance plan for employees of the state established under chapter 509A subject to the following conditions:

(1) The member shall be eligible for all state group insurance plans on the basis of enrollment rules established for full-time state employees excluded from collective bargaining as provided in chapter 20.

(2) The member shall pay the premium for the plan selected on the same basis as a full-time state employee excluded from collective bargaining as provided in chapter 20.

(3) The member shall authorize a payroll deduction of the premium due according to the member's pay plan selected pursuant to section 2.10, subsection 4.

(4) The premium rate shall be the same as the premium rate paid by a state employee for the plan selected.

*b.* A member of the general assembly may continue membership in a state group insurance plan without reapplication during the member's tenure as a member of consecutive general assemblies. For the purpose of electing to become a member of the state health or medical service group insurance plan, a member of the general assembly has the status of a "new hire", full-time state employee following each election of that member in a general or special election, or during the first subsequent annual open enrollment.

*c.* In lieu of membership in a state health or medical group insurance plan, a member of the general assembly may elect to receive reimbursement for the costs paid by the member for a continuation of a group coverage (COBRA) health or medical insurance plan. The member shall apply for reimbursement by submitting evidence of payment for a COBRA health or medical insurance plan. The maximum reimbursement shall be no greater than the state's contribution for health or medical insurance family plan II.

*d.* A member of the general assembly who elects to become a member of a state health or medical group insurance plan shall be exempted from preexisting medical condition waiting periods. A member of the general assembly may change programs or coverage under the state health or medical service group insurance plan during the month of January of odd-numbered years, but program and coverage change selections shall be subject to the enrollment rules established for full-time state employees excluded from collective bargaining as provided in chapter 20.

*e.* A person who has been a member of the general assembly for two years and who has elected to be a member of a state health or medical group insurance plan may continue to be a member of such state health or medical group insurance plan by requesting continuation in writing to the finance officer within thirty-one days after leaving office. The continuing former member of the general assembly shall pay the total premium for the state plan and shall have the same rights to change programs or coverage as state employees. This paragraph shall not be construed to permit a former member to become a member of a state health or medical group insurance plan providing programs or coverage of a type that the former member did not elect to continue pursuant to this paragraph.

*f.* In the event of the death of a former member of the general assembly who has elected to continue to be a member of a state health or medical group insurance plan, the surviving spouse of the former member whose insurance would otherwise terminate because of the

death of the former member may elect to continue to be a member of such state health or medical group insurance plan by requesting continuation in writing to the finance officer within thirty-one days after the death of the former member. The surviving spouse of the former member shall pay the total premium for the state plan and shall have the same rights to change programs or coverage as state employees. For purposes of this paragraph, health or medical programs or coverage and dental programs or coverage are to be treated separately and the rights to change programs or coverage apply only to the type of programs or coverage that the continuing former member has elected to continue.

2. A part-time employee of the general assembly may elect to become a member of a state group insurance plan for employees of the state established under chapter 509A subject to the following conditions:

*a.* The part-time employee shall be eligible for all state group insurance plans on the basis of enrollment rules established for full-time state employees excluded from collective bargaining as provided in chapter 20 and shall have the same rights to change programs or coverage as are afforded such state employees.

*b.* The part-time employee shall pay the total premium.

*c.* A part-time employee may continue membership in a state group insurance plan without reapplication during the employee's employment during consecutive sessions of the general assembly. For the purpose of electing to become a member of the state group insurance plan, a part-time employee of the general assembly has the status of a "new hire", full-time state employee when the employee is initially eligible or during the first subsequent enrollment change period.

*d.* (1) A part-time employee of the general assembly who elects membership in a state group insurance plan shall state each year whether the membership is to extend through the interim period between consecutive sessions of the general assembly.

(2) If the membership is to extend through the interim period the part-time employee shall authorize payment of the total annual premium through direct payment of the monthly premium for the plan selected to the state group insurance plan provider.

(3) The part-time employee shall notify the finance officer within thirty-one days after the conclusion of the general assembly whether the person's decision to extend the membership through the interim period is confirmed.

*e.* A member of a state group insurance plan pursuant to this subsection shall have the same rights upon final termination of employment as a part-time employee as are afforded full-time state employees excluded from collective bargaining as provided in chapter 20.

*f.* A part-time employee of the general assembly who elects membership in a state life insurance plan shall authorize payment of the premium through a total of two payments during each annual period made to the department of administrative services on dates prescribed by the department.

83 Acts, ch 205, §21; 88 Acts, ch 1267, §14; 89 Acts, ch 303, §14; 90 Acts, ch 1122, §1, 2; 95 Acts, ch 211, §15; 2003 Acts, ch 145, §286; 2005 Acts, ch 52, §1; 2008 Acts, ch 1031, §2

## LEGISLATIVE COUNCIL

**2.41 Legislative council created.**

1. A continuing legislative council of twenty-four members is created. The council is composed of the president and president pro tempore of the senate, the speaker and speaker pro tempore of the house of representatives, the majority and minority floor leaders of the senate, the chairperson of the senate committee on appropriations, the minority party ranking member of the senate committee on appropriations, three members of the senate appointed by the majority leader of the senate, three members of the senate appointed by the minority leader of the senate, the majority and minority floor leaders of the house of representatives, the chairperson of the house committee on appropriations, the minority party ranking member of the house committee on appropriations, three members of the house of representatives appointed by the speaker of the house of representatives, and three

members of the house of representatives appointed by the minority leader of the house of representatives.

2. Members shall be appointed prior to the fourth Monday in January of the first regular session of each general assembly and shall serve for two-year terms ending upon the convening of the following general assembly or when their successors are appointed. Vacancies on the council, including vacancies which occur when a member of the council ceases to be a member of the general assembly, shall be filled by the appointing authority who made the original appointment. Insofar as possible at least two members of the council from each house shall be reappointed.

3. The council shall hold regular meetings at a time and place fixed by the chairperson of the council and shall meet at any other time and place as the council deems necessary.

[C58, §2.46; C62, 66, 71, 73, §2.49; C75, 77, 79, 81, §2.41]

86 Acts, ch 1245, §2005; 90 Acts, ch 1223, §6; 2008 Acts, ch 1156, §2, 58

**2.42 Powers and duties of council.**

The legislative council shall select its officers and prescribe its rules and procedure. The powers and duties of the council shall include, but not be limited to, the following:

1. To establish policies for the operation of the legislative services agency.

2. To appoint the director of the legislative services agency for such term of office as may be set by the council.

3. To prepare reports to be submitted to the general assembly at its regular sessions.

4. To appoint interim study committees consisting of members of the legislative council and members of the general assembly of such number as the council shall determine. Nonlegislative members may be included on such committees when the council deems the participation of such members advantageous to the conduct of the study.

5. To conduct studies and evaluate reports of studies assigned to study committees and make recommendations for legislative or administrative action thereon. Recommendations shall include such bills as the legislative council may deem advisable.

6. To cooperate with other states to discuss mutual legislative and governmental problems.

7. To recommend staff for the legislative council and the standing committees in cooperation with the chairperson of such standing committees.

8. To recommend changes or revisions in the senate and house rules and the joint rules for more efficient operation of the general assembly and draft proposed rule amendments, resolutions, and bills as may be required to carry out such recommendations, for consideration by the general assembly.

9. To recommend to the general assembly the names and numbers of standing committees of both houses.

10. To establish rules for the style and format for drafting and preparing of legislative bills and resolutions.

11. To approve the appointment of the Iowa Code editor and the administrative code editor.

12. To establish policies for the distribution of information which is stored by the general assembly in an electronic format, including the contents of statutes or rules, other than value-added electronic publications as provided in section 2A.5. The legislative council shall establish payment rates that encourage the distribution of such information to the public, including private vendors reselling that information. The legislative council shall not establish a price that attempts to recover more than is attributable to costs related to reproducing and delivering the information.

13. To establish policies with regard to publishing printed and electronic versions of legal publications as provided in chapters 2A and 2B, including the Iowa Acts, Iowa Code, Code Supplement, Iowa administrative bulletin, Iowa administrative code, and Iowa court rules, or any part of those publications. The publishing policies may include, but are not limited to: the style and format to be used; the frequency of publication; the contents of the publications; the numbering systems to be used; the preparation of editorial comments or notations; the correction of errors; the type of print or electronic media and data processing

software to be used; the number of volumes to be published; recommended revisions; the letting of contracts for publication; the pricing of the publications to which section 22.3 does not apply; access to, and the use, reproduction, legal protection, sale or distribution, and pricing of related data processing software consistent with chapter 22; and any other matters deemed necessary to the publication of uniform and understandable publications.

14. To hear and act upon appeals of aggrieved employees of the legislative services agency and the office of ombudsman pursuant to rules of procedure established by the council.

15. Authority to review and delay the effective dates of rules and forms submitted by the supreme court pursuant to section 602.4202.

16. To implement the sexual harassment prohibitions and grievance, violation, and disposition procedures of section 19B.12 with respect to full-time, part-time, and temporary central legislative staff agency employees and to develop and distribute, at the time of hiring or orientation, a guide that describes for its employees the applicable sexual harassment prohibitions and grievance, violation, and disposition procedures. This subsection does not supersede the remedies provided under chapter 216.

[C58, §2.47; C62, 66, 71, 73, §2.50; C75, 77, 79, 81, §2.42]

83 Acts, ch 186, §10001, 10201; 84 Acts, ch 1067, §1; 85 Acts, ch 65, §2, 3; 85 Acts, ch 197, §1; 87 Acts, ch 115, §2; 91 Acts, ch 258, §4; 92 Acts, ch 1086, §2; 96 Acts, ch 1099, §1; 2003 Acts, ch 35, §10, 49; 2010 Acts, ch 1031, §26; 2013 Acts, ch 10, §2; 2013 Acts, ch 140, §46

Referred to in §2A.2, 2A.5, 2B.1, 2B.5A, 2B.5B, 2B.10, 2B.17

Subsection 14 amended

**2.43 General supervision over legislative facilities, equipment, and arrangements.**

The legislative council in cooperation with the officers of the senate and house shall have the duty and responsibility for preparing for each session of the general assembly. Pursuant to such duty and responsibility, the legislative council shall assign the use of areas in the state capitol except for the areas used by the governor as of January 1, 1986, and by the courts as of July 1, 2003, and, in consultation with the director of the department of administrative services and the capitol planning commission, may assign areas in other state office buildings for use of the general assembly or legislative agencies. The legislative council may authorize the renovation, remodeling and preparation of the physical facilities used or to be used by the general assembly or legislative agencies subject to the jurisdiction of the legislative council and award contracts pursuant to such authority to carry out such preparation. The legislative council may purchase supplies and equipment deemed necessary for the proper functioning of the legislative branch of government.

In carrying out its duties under this section, the legislative council shall consult with the director of the department of administrative services and the capitol planning commission, but shall not be bound by any decision of the director in respect to the responsibilities and duties provided for in this section. The legislative council may direct the director of the department of administrative services or other state employees to carry out its directives in regard to the physical facilities of the general assembly, or may employ other personnel to carry out such functions.

The costs of carrying out the provisions of this section shall be paid pursuant to section 2.12.

[C71, 73, §2.51; C75, 77, 79, 81, §2.43]

86 Acts, ch 1245, §301; 2002 Acts, ch 1173, §23; 2003 Acts, ch 145, §104, 286

Referred to in §8A.322

Capitol space allocation, see also §8A.322

**2.44 Expenses of council and special interim committees.**

Members of the legislative council shall be reimbursed for actual and necessary expenses incurred in the performance of their duties, and shall be paid the per diem specified in section 2.10, subsection 5, for each day in which engaged in the performance of their duties. However, the per diem and expenses shall not be paid when the general assembly is actually in session at the seat of government. The expenses and per diem shall be paid in the manner provided for in section 2.12.

Members of special interim study committees which may from time to time be created and

members of the legislative fiscal committee who are not members of the legislative council shall be entitled to receive the same expenses and compensation provided for the members of the legislative council.

[C97, §181; S13, §181; C24, 27, 31, 35, 39, §**44;** C46, 50, §2.46; C54, §2.45; C58, §2.45, 2.48; C62, 66, §2.45, 2.51; C71, 73, §2.45, 2.52; C75, 77, 79, 81, §2.44]

91 Acts, ch 258, §5

**2.45 Committees of the legislative council.**

The legislative council shall be divided into committees, which shall include but not be limited to:

1. The legislative service committee which shall be composed of six members of the legislative council, consisting of three members from each house, to be appointed by the legislative council. The legislative service committee shall select a chairperson from its membership, and shall determine policies relating to the operation of the legislative services agency, subject to the approval of the legislative council.

2. The legislative fiscal committee, composed of the chairpersons or their designated committee member and the ranking minority party members or their designated committee member of the committees of the house and senate responsible for developing a state budget and appropriating funds, the chairpersons or their designated committee member and the ranking minority party members or their designated committee member of the committees on ways and means, and two members, one appointed from the majority party of the senate by the majority leader of the senate and one appointed from the majority party of the house by the speaker of the house of representatives. In each house, unless one of the members who represent the committee on ways and means is also a member of the legislative council, the person appointed from the membership of the majority party in that house shall also be appointed from the membership of the legislative council.

3. The legislative administration committee which shall be composed of six members of the legislative council, consisting of three members from each house, to be appointed by the legislative council. The legislative administration committee shall perform such duties as are assigned it by the legislative council.

4. *a.* The legislative capital projects committee which shall be composed of ten members appointed as follows:

(1) Two senate members of the legislative fiscal committee or the senate committee on appropriations, one to be appointed by the majority leader of the senate and one to be appointed by the minority leader of the senate.

(2) Two house members of the legislative fiscal committee or the house committee on appropriations, one to be appointed by the speaker of the house and one to be appointed by the minority leader of the house.

(3) The chairpersons of the senate and house committees on appropriations.

(4) Four members of the legislative council, one appointed by the speaker of the house, one by the majority leader of the senate, one by the minority leader of the house, and one by the minority leader of the senate.

*b.* The chairperson of the legislative council shall designate the chairperson or chairpersons of the legislative capital projects committee.

5. *a.* The legislative tax expenditure committee which shall be composed of ten members of the general assembly, consisting of five members from each house, to be appointed by the legislative council. In appointing the five members of each house to the committee, the council shall appoint three members from the majority party and two members from the minority party.

*b.* The legislative tax expenditure committee shall have the powers and duties described in section 2.48.

[C97, §181; S13, §181; C24, 27, 31, 35, 39, §**39, 40;** C46, 50, §2.41, 2.42; C54, 58, 62, 66, 71, 73, §2.41; C75, 77, 79, 81, §2.45]

86 Acts, ch 1245, §2006; 89 Acts, ch 298, §1; 2002 Acts, ch 1162, §74; 2003 Acts, ch 35, §11, 44, 49; 2006 Acts, ch 1153, §16; 2008 Acts, ch 1032, §201; 2009 Acts, ch 86, §1; 2010 Acts, ch 1138, §2

**2.46 Powers of legislative fiscal committee.**

The legislative fiscal committee may, subject to the approval of the legislative council:

1. *Budget.* Gather information relative to budget matters for the purpose of aiding the legislature to properly appropriate money for the functions of government, and to report their findings to the legislature.

2. *Examination.* Examine the reports and official acts of the executive council and of each officer, board, commission, and department of the state, in respect to the conduct and expenditures thereof and the receipts and disbursements of public funds thereby. All state departments and agencies are required to immediately notify the legislative fiscal committee of the legislative council and the director of the legislative services agency if any state facilities within their jurisdiction have been cited for violations of any federal, state, or local laws or regulations or have been decertified or notified of the threat of decertification from compliance with any state, federal, or other nationally recognized certification or accreditation agency or organization.

3. *Reorganization.* Make a continuous study of all offices, departments, agencies, boards, bureaus, and commissions of the state government and shall determine and recommend to each session of the legislature what changes therein are necessary to accomplish the following purposes:

*a.* To reduce expenditures and promote economy to the fullest extent consistent with the efficient operation of state government.

*b.* To increase the efficiency of the operations of the state government to the fullest extent practicable within the available revenues.

*c.* To group, coordinate, and consolidate judicial districts, agencies and functions of the government, as nearly as may be according to major purposes.

*d.* To reduce the number of offices, agencies, boards, commissions, and departments by consolidating those having similar functions, and to abolish such offices, agencies, boards, commissions, and departments, or functions thereof, as may not be necessary for the efficient and economical conduct of state government.

*e.* To eliminate overlapping and duplication of effort on the part of such offices, agencies, boards, commissions, and departments of the state government.

4. *Administration of legislative database.* Determine the policy for the content and administration of a legislative database.

5. *Information needs determination.* Determine the information needs of the general assembly and report them to the director of the department of administrative services who shall consider such needs in establishing the operating policies for a database management system.

[C97, §181, 182; S13, §181; C24, 27, 31, 35, 39, §**42, 45;** C46, 50, §2.44, 2.47; C54, 58, 62, 66, 71, 73, §2.43; C75, 77, §2.46; C79, §2.46, 2.54; C81, §2.46]

86 Acts, ch 1245, §302; 89 Acts, ch 298, §2; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 145, §286

**2.47 Procedure.**

The chairpersons of the committees on budget shall serve as co-chairpersons of the legislative fiscal committee. The legislative fiscal committee shall determine its own method of procedure and shall meet as often as deemed necessary, subject to the approval of the legislative council. It shall keep a record of its proceedings which shall be open to public inspection, and it shall inform the legislative council in advance concerning the dates of meetings of the committee.

[C75, 77, 79, 81, §2.47]

**2.47A Powers and duties of legislative capital projects committee.**

1. The legislative capital projects committee shall do all of the following:

*a.* Receive the recommendations of the governor regarding the funding and priorities of proposed capital projects pursuant to section 8.3A, subsection 2, paragraph *"b"*.

*b.* Receive the reports of all capital project budgeting requests of all state agencies, with individual state agency priorities noted, pursuant to section 8.6, subsection 14.

*c.* Receive annual status reports for all ongoing capital projects of state agencies.

*d.* Examine and evaluate, on a continuing basis, the state's system of contracting and subcontracting in regard to capital projects.

2. The legislative capital projects committee, subject to the approval of the legislative council, may do all of the following:

*a.* Gather information relative to capital projects, for the purpose of aiding the general assembly to properly appropriate moneys for capital projects.

*b.* Examine the reports and official acts of the state agencies, as defined in section 8.3A, with regard to capital project planning and budgeting and the receipt and disbursement of capital project funding.

*c.* Establish advisory bodies to the committee in areas where technical expertise is not otherwise readily available to the committee. Advisory body members may be reimbursed for actual and necessary expenses from funds appropriated pursuant to section 2.12, but only if the reimbursement is approved by the legislative council.

*d.* Compensate experts from outside state government for the provision of services to the committee from funds appropriated pursuant to section 2.12, but only if the compensation is approved by the legislative council.

*e.* Make recommendations to the legislative fiscal committee, legislative council, and the general assembly regarding issues relating to the planning, budgeting, and expenditure of capital project funding.

3. The capital projects committee shall determine its own method of procedure and shall keep a record of its proceedings which shall be open to public inspection. The committee shall meet as often as deemed necessary, subject to the approval of the legislative council, and the committee shall inform the legislative council in advance of its meeting dates.

89 Acts, ch 298, §3; 90 Acts, ch 1168, §1; 91 Acts, ch 268, §601; 95 Acts, ch 214, §1; 2001 Acts, 2nd Ex, ch 2, §1, 13; 2003 Acts, ch 145, §105; 2007 Acts, ch 115, §1

**2.48 Legislative tax expenditure committee — review of tax incentive programs.**

1. *Duties of committee.* The legislative tax expenditure committee shall do all of the following:

*a.* Evaluate any tax expenditure available under Iowa law and assess its equity, simplicity, competitiveness, public purpose, adequacy, and extent of conformance with the original purposes of the legislation that enacted the tax expenditure, as those issues pertain to taxation in Iowa. For purposes of this section, "*tax expenditure*" means an exclusion from the operation or collection of a tax imposed in this state. Tax expenditures include tax credits, exemptions, deductions, and rebates. Tax expenditures also include sales tax refunds issued pursuant to section 423.3 or section 423.4.

*b.* Establish and maintain a system for making available to the public information about the amount and effectiveness of tax expenditures, and the extent to which tax expenditures comply with the original intent of the legislation that enacted the tax expenditure.

2. *Review of tax expenditures — budget estimates.* The legislative tax expenditure committee shall do all of the following:

*a.* Engage in the regular review of the state's tax expenditures.

(1) In reviewing tax expenditures, the committee may review any tax expenditure at any time, but shall at a minimum perform the reviews described in subsection 3.

(2) For each tax expenditure reviewed, the committee shall submit a report to the legislative council containing the results of the review. The report shall contain a statement of the policy goals of the tax expenditure and a return on investment calculation for the tax expenditure. For purposes of this subparagraph, "*return on investment calculation*" means analyzing the cost to the state of providing the tax expenditure, analyzing the benefits realized by the state from providing the tax expenditure, and reaching a conclusion as to whether the benefits of the tax expenditure are worth the cost to the state of providing the tax expenditure.

(3) The report described in subparagraph (2) may include recommendations for better aligning tax expenditures with the original intent of the legislation that enacted the tax expenditure.

*b.* (1) Estimate for each fiscal year, in conjunction with the legislative services agency and

the department of revenue, the cost of each individual tax expenditure and the total cost of all tax expenditures, and by December 15 provide those estimates to the governor for use in the preparation of the budget message under section 8.22 and to the general assembly to be used in the budget process.

(2) The estimates provided pursuant to subparagraph (1) may include the committee's recommendations for the imposition of a limitation on a specified tax expenditure, a limitation on the total amount of tax expenditures, or any other recommendation for a specific tax expenditure or the program under which the tax expenditure is provided.

3. *Schedule of review of all tax expenditures.* The committee shall review the following tax expenditures and incentives according to the following schedule:

*a.* In 2011:

(1) The high quality jobs program under chapter 15, subchapter II, part 13.

(2) The tax credits for increasing research activities available under sections 15.335, 422.10, and 422.33.

(3) The franchise tax credits available under sections 422.11 and 422.33.

(4) The earned income tax credit available under section 422.12B.

*b.* In 2012:

(1) The Iowa fund of funds program in chapter 15E, division VII.

(2) The targeted jobs withholding credits available under section 403.19A.

(3) Funding of urban renewal projects with increased local sales and services tax revenues under section 423B.10.

(4) School tuition organization tax credits under sections 422.11S and 422.33.

(5) Tuition and textbook tax credits under section 422.12.

*c.* In 2013:

(1) The child and dependent care and early childhood development tax credits under section 422.12C.

(2) The endow Iowa tax credits authorized under section 15E.305.

(3) The redevelopment tax credits available under section 15.293A.

(4) The disaster recovery housing tax credits available under sections 16.211 and 16.212.

(5) Property tax revenue divisions for urban renewal areas under section 403.19.

*d.* In 2014:

(1) Tax credits for investments in qualifying businesses and community-based seed capital funds under chapter 15E, division V.

(2) Historic preservation and cultural and entertainment district tax credits under chapter 404A.

(3) Wind energy production tax credits under chapter 476B.

(4) Renewable energy tax credits under chapter 476C.

(5) The ethanol promotion tax credits available under section 422.11N.

(6) The E-85 gasoline promotion tax credits available under section 422.11O.

(7) The biodiesel blended fuel tax credits available under section 422.11P.

*e.* In 2015:

(1) The agricultural assets transfer tax credit under section 175.37 and the custom farming contract tax credit as provided in section 175.38.

(2) The claim of right tax credit under section 422.5.

(3) The reduction in allocating income to Iowa by S corporation shareholders under section 422.8.

(4) The minimum tax credit under sections 422.11B, 422.33, and 422.60.

(5) The assistive device corporate tax credit under section 422.33.

(6) The charitable conservation contribution tax credit under sections 422.11W and 422.33.

(7) The motor vehicle fuel tax credit under section 422.110.

(8) The new jobs tax credits available under section 422.11A.

(9) The financial assistance available under the enterprise zones program in chapter 15E, division XVIII.

*f.* In 2017, the innovation fund investment tax credit available under section 15E.52.

4. A tax expenditure or incentive reviewed pursuant to subsection 3 shall be reviewed

again not more than five years after the tax expenditure or incentive was most recently reviewed.

2010 Acts, ch 1138, §3; 2012 Acts, ch 1110, §1; 2012 Acts, ch 1124, §1, 2; 2012 Acts, ch 1136, §29, 39 – 41; 2013 Acts, ch 117, §1, 7; 2013 Acts, ch 125, §1, 23, 24

Referred to in §2.45

Legislative intent regarding the review and reauthorization of tax credits, withholding credits, and revenue division programs; 2010 Acts, ch 1138, §1

For future repeal of 2013 amendment to subsection 3, paragraph e, subparagraph (1), effective December 31, 2017, see 2013 Acts, ch 125, § 25, 28

2012 strike of former subsection 3, paragraph c, subparagraph (5) applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39, 40

2013 amendment to subsection 3, paragraph e, subparagraph (1) takes effect June 17, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, § 23, 24

Subsection 3, paragraph e, subparagraph (1) amended

Subsection 3, NEW paragraph f

**2.49 and 2.50** Repealed by 2003 Acts, ch 35, § 47, 49. See chapter 2A.

**2.51 Visitations.**

The legislative fiscal committee, with the approval of the legislative council, may direct a subcommittee, which shall be composed of the chairpersons and minority party ranking members of the appropriate subcommittees of the committees on budget of the senate and the house of representatives and the chairpersons of the appropriate standing committees of the general assembly, to visit the offices and facilities of any state office, department, agency, board, bureau, or commission to review programs authorized by the general assembly and the administration of the programs. When the legislative fiscal committee visits the offices and facilities of any state office, department, agency, board, bureau, or commission to review programs authorized by the general assembly and the administration of the programs, there shall be included the chairpersons and minority party ranking members of the appropriate subcommittees of the committees on budget of the senate and the house of representatives. The legislative council may appoint a member of the subcommittee or standing committee to serve in place of that subcommittee's or standing committee's chairperson or minority party ranking member on the legislative fiscal visitation committee or subcommittee if that person will be absent. The subcommittee and the legislative fiscal committee shall be provided with information by the legislative services agency concerning budgets, programs, and legislation authorizing programs prior to any visitation. Members of a committee shall be compensated pursuant to section 2.10, subsection 5. The subcommittee shall make reports and recommendations as required by the legislative fiscal committee.

[C75, 77, 79, 81, §2.51]

84 Acts, ch 1026, §1; 2003 Acts, ch 35, §45, 49

**2.52** Repealed by 2003 Acts, ch 35, § 47, 49. See § 2A.3.

**2.53** Repealed by 83 Acts, ch 200, § 14.

**2.54** Repealed by 80 Acts, ch 1011, § 4.

**2.55 and 2.55A** Repealed by 2003 Acts, ch 35, § 47, 49.

CORRECTIONAL IMPACT STATEMENTS

**2.56 Correctional impact statements.**

1. Prior to debate on the floor of a chamber of the general assembly, a correctional impact statement shall be attached to any bill, joint resolution, or amendment which proposes a change in the law which creates a public offense, significantly changes an existing public offense or the penalty for an existing offense, or changes existing sentencing, parole, or probation procedures. The statement shall include information concerning the estimated number of criminal cases per year that the legislation will impact, the fiscal impact of

confining persons pursuant to the legislation, the impact of the legislation on minorities, the impact of the legislation upon existing correctional institutions, community-based correctional facilities and services, and jails, the likelihood that the legislation may create a need for additional prison capacity, and other relevant matters. The statement shall be factual and shall, if possible, provide a reasonable estimate of both the immediate effect and the long-range impact upon prison capacity.

2. *a.* When a committee of the general assembly reports a bill, joint resolution, or amendment to the floor, the committee shall state in the report whether a correctional impact statement is or is not required.

*b.* The legislative services agency shall review all bills and joint resolutions placed on the calendar of either chamber of the general assembly, as well as amendments filed to bills or joint resolutions on the calendar, to determine whether a correctional impact statement is required.

*c.* A member of the general assembly may request the preparation of a correctional impact statement by submitting a request to the legislative services agency.

3. The legislative services agency shall cause to be prepared a correctional impact statement within a reasonable time after receiving a request or determining that a proposal is subject to this section. All correctional impact statements approved by the legislative services agency shall be transmitted immediately to either the chief clerk of the house or the secretary of the senate, after notifying the sponsor of the legislation that the statement has been prepared for publication. The chief clerk of the house or the secretary of the senate shall attach the statement to the bill, joint resolution, or amendment affected as soon as it is available.

4. The legislative services agency may request the cooperation of any state department or agency or political subdivision in preparing a correctional impact statement.

5. The legislative services agency, in cooperation with the division of criminal and juvenile justice planning of the department of human rights, shall develop a protocol for analyzing the impact of the legislation on minorities.

6. A revised correctional impact statement shall be prepared if the correctional impact has been changed by the adoption of an amendment, and may be requested by a member of the general assembly or be prepared upon a determination made by the legislative services agency. However, a request for a revised correctional impact statement shall not delay action on the bill, joint resolution, or amendment unless so ordered by the presiding officer of the chamber.

93 Acts, ch 171, §14; 2003 Acts, ch 35, §12, 49; 2008 Acts, ch 1095, §1, 2, 4
Referred to in §2A.4

**2.57** Reserved.

**2.58 through 2.60** Repealed by 2003 Acts, ch 35, § 47, 49. See chapter 2A.

RESEARCH REQUESTS — INTERIM
STUDY COMMITTEES

**2.61 Requests for research.**

Requests for research on governmental matters may be made to the legislative services agency by either house of the general assembly, committees of either house of the general assembly, special interim committees of the general assembly, the legislative council, or upon petition by twenty or more members of the general assembly. Any legislative committee may request the legislative services agency to do research on any matter under consideration by such committee. For each such request the legislative council may, if deemed advisable, authorize a special interim study committee to conduct the research study or may request a standing committee to conduct such study. Members on a study committee shall be appointed by the council and shall consist of at least one member of the council and such other members of the majority and minority parties of the senate and the house of representatives as the

council may designate. As far as practicable, a study committee shall include members of standing committees concerned with the subject matter of the study. No legislator shall serve on more than two study committees. Nonlegislative members having special knowledge of the subject under study may be appointed by the council to a study committee but such members shall be nonvoting members of such committee. The legislative services agency shall assist study committees on research studies when authorized by the legislative council.

[C58, §2.52; C62, 66, §2.55; C71, 73, 75, 77, 79, 81, §2.61]

2003 Acts, ch 35, §44, 46, 49

**2.62 Powers.**

Special interim study committees shall have the following powers and duties:

1. Elect officers and adopt necessary rules for the conduct of business.
2. Conduct research on any matter connected with the study assigned by the legislative council.
3. Hold hearings.
4. Make regular progress reports to the legislative council.
5. Make a report, which may include recommendations, to the legislative council. Copies of study committee reports shall be made available to members of the general assembly and may be made available to other interested individuals upon request. The reports shall not be final until approved by the legislative council.

[C62, 66, §2.57; C71, 73, 75, 77, 79, 81, §2.62]

**2.63 Meetings.**

Special interim study committees shall first meet at the call of the ranking legislative council member assigned to the study committee, and shall thereafter meet at such time as study committee members shall so designate. Any legislator may attend any study committee meeting or any hearing held by a study committee. All study committee meetings shall be open to the public.

[C62, 66, §2.58; C71, 73, 75, 77, 79, 81, §2.63]

**2.64 through 2.67** Repealed by 2003 Acts, ch 35, § 47, 49. See chapter 2A.

**2.68** Repealed by 94 Acts, ch 1023, § 125.

STATE GOVERNMENT EFFICIENCY REVIEW COMMITTEE

**2.69 State government efficiency review committee established.**

1. A state government efficiency review committee is established which shall meet at least every two years to review the operations of state government. The committee shall meet as directed by the legislative council.

2. *a.* The committee shall consist of three members of the senate appointed by the majority leader of the senate, two members of the senate appointed by the minority leader of the senate, three members of the house of representatives appointed by the speaker of the house of representatives, and two members of the house of representatives appointed by the minority leader of the house of representatives.

*b.* Members shall be appointed prior to January 31 of the first regular session of each general assembly and shall serve for terms ending upon the convening of the following general assembly or when their successors are appointed, whichever is later. A vacancy shall be filled in the same manner as the original appointment and shall be for the remainder of the unexpired term of the vacancy.

*c.* The committee shall elect a chairperson and vice chairperson.

3. The members of the committee shall be reimbursed for actual and necessary expenses incurred in the performance of their duties and shall be paid a per diem as specified in section 2.10 for each day in which they engaged in the performance of their duties. However, per diem

compensation and expenses shall not be paid when the general assembly is actually in session at the seat of government. Expenses and per diem shall be paid from funds appropriated pursuant to section 2.12.

4. The committee shall do the following:

*a.* Review and consider options for reorganizing state government to improve efficiency, modernize processes, eliminate duplication and outdated processes, reduce costs, and increase accountability. The review shall address the expanded use of the internet and other technology, and the incorporation of productivity improvement measures.

*b.* Review recommendations received through a process to receive state government efficiency suggestions offered by the public and public employees.

*c.* Comprehensively review on a regular basis the programs and projects administered by state government to determine whether each program and project reviewed is effectively and efficiently meeting the needs for which created, and whether the needs remain applicable. The review shall consider whether modifications to the program or project reviewed could better meet the needs identified in a more effective manner.

*d.* Issue a report, including its findings and recommendations, to the general assembly.

5. The first report required by this section shall be submitted to the general assembly no later than January 1, 2013, with subsequent reports developed and submitted by January 1 at least every second year thereafter.

6. Administrative assistance shall be provided by the legislative services agency.

2010 Acts, ch 1031, §420; 2010 Acts, ch 1193, §36; 2013 Acts, ch 129, §61
Subsection 4, NEW paragraph c and former paragraph c redesignated as d

**2.70 through 2.99** Reserved.

**2.100 through 2.104** Repealed by 2003 Acts, ch 35, § 47, 49. See chapter 2A.

# CHAPTER 2A

## LEGISLATIVE SERVICES AGENCY

Referred to in §2.42


2A.1 Legislative services agency created — services — legislative privileges — nonpartisanship and nonadvocacy.
2A.2 Director — duties.
2A.3 Information access — confidentiality — subpoenas.
2A.4 Specific services — public policy recommendations restricted.
2A.5 Official legal and other publications — procurements.
2A.6 Special distribution of legal publications.
2A.7 State government oversight and program evaluation.
2A.8 Sales — tax exemption. Repealed by 2004 Acts, ch 1073, §51.


**2A.1 Legislative services agency created — services — legislative privileges — nonpartisanship and nonadvocacy.**

1. A legislative services agency is created as a nonpartisan, central legislative staff agency under the direction and control of the legislative council. The agency shall cooperate with and serve all members of the general assembly, the legislative council, and committees of the general assembly.

2. The legislative services agency shall provide the following services:

*a.* Legal and fiscal analysis, including legal drafting services, fiscal analysis of legislation, and state expenditure, revenue, and budget review.

*b.* State government oversight and performance evaluation.

*c.* Staffing of standing committees, revenue and budget committees, statutory

committees, and interim study committees, and any subcommittees of such committees, including the provision of legal and fiscal analysis to committees and subcommittees.

*d.* Publication of the official legal publications of the state, including but not limited to the Iowa Acts, Iowa Code, Code Supplement, Iowa administrative bulletin, Iowa administrative code, and Iowa court rules as provided in chapter 2B. The legislative services agency shall do all of the following:

(1) Designate a legal publication described in chapter 2B as an official legal publication. The legislative services agency may also designate a legal publication as an unofficial legal publication. The legislative services agency may use the great seal of the state of Iowa as provided in section 1A.1 or other symbol to identify an official or unofficial legal publication.

(2) Provide for citing official legal publications as provided in chapter 2B.

*e.* Operation and maintenance of the legislative computer systems used by the senate, house of representatives, and the central legislative staff agencies.

*f.* Provision of legislative information to the public, provision of library information, management of legislative visitor protocol services, and provision of capitol tour guide services.

*g.* Other functions as assigned to the legislative services agency by the legislative council or the general assembly.

3. The legislative services agency shall provide services to the general assembly in such a manner as to preserve the authority of the senate and the house of representatives to determine their own rules of proceedings and to exercise all other powers necessary for a separate branch of the general assembly of a free and independent state, and to protect the legislative privileges of the members and employees of the general assembly. In providing services to the general assembly, the legislative services agency shall adhere to all applicable policies of the general assembly and its constituent bodies relating to public access to legislative information and related confidentiality restrictions.

4. The director and all other employees of the legislative services agency shall not participate in partisan political activities and shall not be identified as advocates or opponents of issues subject to legislative debate except as otherwise provided by law or by the legislative council.

2003 Acts, ch 35, §1, 49; 2010 Acts, ch 1031, §27

Referred to in §2B.5B, 2B.17

**2A.2 Director — duties.**

1. The administrative head of the legislative services agency shall be the director appointed by the legislative council as provided in section 2.42. The salary of the director shall be set by the legislative council.

2. The director shall do all of the following:

*a.* Employ persons with expertise to perform the legal, fiscal, technical, and other functions which are required to be performed by the legislative services agency by this chapter or are assigned to the legislative services agency by the legislative council or the general assembly.

*b.* Supervise all employees of the legislative services agency, including the legal counsel designated to provide legal assistance to the administrative rules review committee, and supervise any outside service providers retained by the legislative services agency.

*c.* Supervise all expenditures of the agency.

*d.* Supervise the legal and fiscal analysis and legal publication functions of the agency.

*e.* Supervise the government oversight and program evaluation functions of the agency.

*f.* Supervise the committee staffing functions of the agency.

*g.* Supervise the computer systems services functions of the agency.

*h.* Supervise the legislative and library information, legislative visitor protocol, and capitol tour guide functions of the agency.

*i.* Perform other functions as assigned to the director by the legislative council or the general assembly.

2003 Acts, ch 35, §2, 49

**2A.3 Information access — confidentiality — subpoenas.**

1. *a.* The director and agents and employees of the legislative services agency, with respect to the agency's provision of services relating to fiscal analysis of legislation, state expenditure, revenue, and budget review, state government oversight and performance evaluation, and staffing of revenue and budget committees, shall at all times have access to all agencies, offices, boards, and commissions of the state and its political subdivisions and private organizations providing services to individuals under contracts with state agencies, offices, boards, or commissions and to the information, records, instrumentalities, and properties used in the performance of such entities' statutory duties or contractual arrangements. All such entities and the described private organizations shall cooperate with the director, and shall make available to the director such information, records, instrumentalities, and properties upon request.

*b.* If the information sought by the legislative services agency, with respect to the agency's provision of services described in paragraph *"a"*, is required by law to be kept confidential, the agency shall have access to the information, but shall maintain the confidentiality of the information and is subject to the same penalties as the lawful custodian of the information for dissemination of the information. However, the legislative services agency shall not have access to tax return information except for individual income tax sample data as provided in section 422.72, subsection 1.

*c.* The director may issue subpoenas for production of any information, records, instrumentalities, or properties to which the director is authorized to have access under paragraph *"a"*. If any person subpoenaed refuses to produce the information, records, instrumentalities, or properties, the director may apply to the district court having jurisdiction over that person for the enforcement of the subpoena.

2. The director and agents and employees of the legislative services agency, with respect to the agency's provision of services relating to legal analysis, drafting, and publications, staffing of subject matter standing and statutory committees, and provision of legislative information to the public, may call upon any agency, office, board, or commission of the state or any of its political subdivisions or private organizations providing services to individuals under contracts with a state agency, office, board, or commission for such information and assistance as may be needed in the provision of services described in this subsection. Such information and assistance shall be furnished within the resources and authority of such agency, office, board, or commission. This requirement of furnishing such information and assistance shall not be construed to require the production or opening of any public records which are required by law to be kept private or confidential.

3. The director, an agent or former agent, and an employee or former employee of the legislative services agency shall not be compelled to give testimony or to appear and produce documentary evidence in a judicial or quasi-judicial proceeding if the testimony or documentary evidence sought relates to a legislative duty or act concerning the consideration or passage or rejection of proposed legislation performed by the director, agent, or employee. An order or subpoena purporting to compel testimony or the production of documentary evidence protected under this subsection is unenforceable.

2003 Acts, ch 35, §3, 49

**2A.4 Specific services — public policy recommendations restricted.**

The legislative services agency shall provide the following specific services:

1. Preparation of legal and legislative analysis of any governmental matter upon the proper request of members and committees of the general assembly. Such analysis shall not contain any public policy recommendations. Such legal analysis shall be provided through the exercise of an attorney-employee's independent, professional judgment.

2. Drafting and preparation of legislation, including bills, resolutions, and amendments, for committees and individual members of the general assembly; proposed bills and joint resolutions for state agencies and the governor in accordance with section 2.16; and bills embodying a plan of legislative and congressional redistricting prepared in accordance with chapter 42.

3. Fiscal analysis of legislation, and state expenditure, revenue, and budget review. The

director of the agency or the director's designee may make recommendations to the general assembly concerning the state's expenditures and revenues.

4. Attendance at the budget hearings required by section 8.26. The director of the agency may offer explanations or suggestions and make inquiries with respect to such budget hearings.

5. Assistance to standing committees and members of the general assembly in attaching fiscal notes to bills and resolutions as provided by the rules of the general assembly.

6. Performance of the duties pertaining to the preparation of correctional impact statements as provided in section 2.56.

7. Furnishing information, acting in an advisory capacity, providing staffing services, and reporting to standing, statutory, and interim committees of the general assembly.

8. Provision of staffing services including but not limited to preparation of legal and legislative analysis for the administrative rules review committee.

9. Preparation of legal and legislative analysis for the legislative council with respect to rules and forms submitted by the supreme court to the legislative council pursuant to section 602.4202.

10. Review and oversight of state program operations and program evaluation of state agencies, including compliance, efficiency, and effectiveness determinations, as required by section 2A.7.

11. Provision of legislative computer systems services to the senate, house of representatives, and central legislative staff agencies, and provision of advice regarding legislative computer systems services, needs, capabilities, and uses to the legislative council and the general assembly.

12. Maintenance of an up-to-date listing of all appointments made or to be made by members of the general assembly as required by section 2.32A and in accordance with section 69.16B. The legislative services agency may post on the general assembly's internet site information regarding the organization and activities of boards, commissions, councils, and committees to which members of the general assembly make appointments.

2003 Acts, ch 35, §4, 49; 2008 Acts, ch 1156, §3, 58

**2A.5 Official legal and other publications — procurements.**

1. The legislative services agency shall publish the official legal publications of the state as provided in chapter 2B. The legislative services agency shall have legal custody of the publications and shall provide for the warehousing, sale, and distribution of the publications. The legislative services agency shall retain or cause to be retained a number of old editions of the publications but may otherwise distribute or cause to be distributed old editions of the publications to any person upon payment by the person of any distribution costs. This section and chapter 2B do not require the legislative services agency to publish a publication in both a printed and electronic version.

2. The printed versions of the publications listed in this subsection shall be sold at a price to be established by the legislative services agency. In determining the prices, the legislative services agency shall consider the costs of printing, binding, distribution, and paper stock, compilation and editing labor costs, and any other associated costs. The legislative services agency shall also consider the number of volumes or units to be printed, sold, and distributed in the determination of the prices.

*a.* The Iowa Code.

*b.* The Code Supplement.

*c.* The Iowa Acts.

*d.* The Iowa court rules.

*e.* The Iowa administrative code.

*f.* The Iowa administrative bulletin.

3. The legislative services agency shall in each odd-numbered year compile for publication a printed or electronic version of the Iowa official register for distribution as soon as practicable. The register shall contain historical, political, and other information and statistics of general value but shall not contain information or statistics of a partisan character. The printed and electronic versions of the register need not contain the same

information and statistics but shall be published to provide the greatest access to such information and statistics at the most reasonable cost as determined by the legislative services agency. The different versions of the register may be distributed free of charge, may be distributed free of charge except for postage and handling charges, or may be sold at a price to be established by the legislative services agency.

4. The legislative services agency may establish policies for the production, editing, distribution, and pricing of electronic publications containing information stored by the legislative branch in an electronic format, including information contained in the printed publications listed in this section. Such electronic publications may include programming not originally part of the stored information, including but not limited to search and retrieval functions. The policies shall provide for the widest possible distribution of these value-added electronic publications at the lowest price practicable, which shall not be more than the costs attributable to producing, editing, and distributing the electronic publications.

5. Subject to section 2.42, the legislative services agency shall determine its procurement procedures, which may include procurement determinations based on service provider competence, meeting of service or product specifications, and reasonableness of price; the posting of security to accompany a service provider proposal; the preference of Iowa-based businesses if comparable in price; the disclosure of service provider assignments; the inclusion of renewal options; the imposition of liquidated damages and other penalties for breach of any service provider requirement; and the rejection of all service provider proposals and institution of a new procurement process.

2003 Acts, ch 35, §5, 48, 49; 2010 Acts, ch 1031, §28 – 30

Referred to in §2.42, 2A.6, 7A.27, 7D.6, 9F.4, 22.3A

**2A.6 Special distribution of legal publications.**

1. The legislative services agency shall make available electronic or printed versions of the official legal publications listed in section 2A.5, to the three branches of state government, to elected county officers, to county and city assessors, to Iowa's congressional delegation, to federal courts in Iowa and federal judges and magistrates for Iowa, and to state and university depository libraries, the library of Congress, and the library of the United States supreme court.

2. The legislative services agency may review the publication costs and offsetting sales revenues relating to legal publications in electronic and printed formats. If a legal publication is available in an electronic version, the legislative services agency may provide the version free of charge or may charge a fee for any mailing or handling costs in the distribution of the electronic version or may charge a fee for an electronic version which includes programming not originally part of the stored information, including but not limited to search and retrieval functions. The legislative services agency shall establish policies requiring payment for any printed versions of the official legal publications from persons to whom the legislative services agency is obligated to make the legal publications available pursuant to subsection 1.

2003 Acts, ch 35, §6, 49; 2010 Acts, ch 1031, §31

See also §256.53

**2A.7 State government oversight and program evaluation.**

1. The general assembly shall independently and intensively review and oversee the performance of state agencies in the operation of state programs to evaluate the efficiency and effectiveness of the state programs and to consider alternatives which may improve the benefits of such programs or may reduce their costs to the citizens of the state. The legislative services agency shall provide technical and professional support for the general assembly's oversight responsibility.

2. The general assembly by concurrent resolution or the legislative council may direct the legislative services agency to conduct a program evaluation of any state agency. Upon the passage of the concurrent resolution or receiving the direction of the legislative council, the director of the legislative services agency shall inform the chairpersons of the committees responsible for appropriations of the anticipated cost of the program evaluation and the number and nature of any additional personnel needed to conduct the program evaluation

and shall notify the official responsible for the program to be evaluated. The director, after consulting with the responsible official and the entity requesting the program evaluation, shall determine the goals and objectives of the state agency or state program for the purpose of the program evaluation.

3. In conducting the program evaluation, the legislative services agency may make certain determinations including but not limited to the following:

*a.* The organizational framework of the state agency, its adequacy and relationship to the overall structure of state government, and whether the program under the agency's jurisdiction could be more effective if consolidated with another program, transferred to another program, or modified, or whether the program should be abolished.

*b.* Whether the state agency is conducting programs and activities and expending funds appropriated to the state agency in compliance with state and federal law and any executive order of the governor, and whether statutory or administrative rule changes are advisable.

*c.* Whether the state agency is conducting authorized activities and programs pursuant to goals and objectives established by statute or rule, specific legislative intent, the budget, the governor, or a strategic or other long-range plan, and whether alternatives which might produce the desired results at a lower cost have been considered.

*d.* Whether the state agency is conducting programs and activities and expending funds appropriated to the state agency in an efficient and effective manner, has complied with all applicable laws, and, if not, determine the causes for such inefficiency, ineffectiveness, or noncompliance.

*e.* Relationships within and among other governmental agencies and programs including financial exchanges, coordination, inconsistent programs, and areas of duplication or overlapping programs.

*f.* The productivity of the state agency's operations measured in terms of cost-benefit relationships or other accepted measures of effectiveness.

*g.* Other criteria determined by the director.

4. Upon the completion of the program evaluation and preparation of a report on the evaluation, the legislative services agency shall provide a copy of the report to the governing official or board of the state agency and afford the state agency a reasonable opportunity to respond to the findings and recommendations of the report. The response shall be included in the final version of the report released to the general assembly or the legislative council. Until its release the report shall be regarded as confidential by all persons properly having custody of the report.

2003 Acts, ch 35, §7, 49
Referred to in §2A.4

**2A.8 Sales — tax exemption.** Repealed by 2004 Acts, ch 1073, § 51. See § 423.3(33).

# CHAPTER 2B

## LEGAL PUBLICATIONS

Referred to in §2.42, 2A.1, 2A.5, 25B.5


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2B.17 Official legal publications — citations.
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2B.19 and 2B.20 Reserved.
2B.21 Availability of parts of the Iowa Code and administrative code.
2B.22 Appropriation.

**2B.1 Iowa Code and administrative code editors.**

1. The director of the legislative services agency shall appoint the Iowa Code editor and the administrative code editor, subject to the approval of the legislative council, as provided in section 2.42. The Iowa Code editor and the administrative code editor shall serve at the pleasure of the director of the legislative services agency.

2. The Iowa Code and administrative code editors are responsible for the editing, compiling, and proofreading of the publications they prepare, as provided in this chapter. The Iowa Code editor is entitled to the temporary possession of the original enrolled Acts and resolutions as necessary to prepare them for publication.

[C51, §46; R60, §62, 113, 115, 144; C73, §35, 155, 156; C97, p. 5, §38, 216; S13, p. 3; SS15, §224-c, -h; C24, 27, 31, 35, 39, §**156;** C46, 50, 54, 58, 62, 66, §14.3; C71, §14.5; C73, 75, 77, 79, 81, §14.1]

91 Acts, ch 258, §8

C93, §2B.1

98 Acts, ch 1119, §13; 98 Acts, ch 1164, §1; 2003 Acts, ch 35, §13, 49

**2B.2 through 2B.4** Reserved.

**2B.5 Duties of administrative code editor.**

The administrative code editor shall:

1. Publish the Iowa administrative bulletin and the Iowa administrative code as provided in section 2B.5A.

2. Publish the Iowa court rules as provided in section 2B.5B.

3. Publish annually an electronic or printed edition of the roster of state officials. The roster of state officials shall include a correct list of state officers and deputies; members of boards and commissions; justices of the supreme court, judges of the court of appeals, and judges of the district courts including district associate judges and judicial magistrates; and members of the general assembly. The office of the governor shall cooperate in the preparation of the list.

4. Notify the administrative rules coordinator if a rule is not in proper style or form.

5. Perform other duties as directed by the director of the legislative services agency, the legislative council, or the administrative rules review committee and as provided by law.

91 Acts, ch 258, §9

CS91, §14.5

C93, §2B.5

98 Acts, ch 1115, §1, 21; 2003 Acts, ch 35, §14, 49; 2005 Acts, ch 19, §1; 2010 Acts, ch 1031, §32, 33

Referred to in §602.1206, 602.4201

**2B.5A Iowa administrative bulletin and Iowa administrative code.**

1. The legislative services agency shall control and maintain in a secure electronic repository custodial information used to produce the Iowa administrative bulletin and the Iowa administrative code.

2. In consultation with the administrative rules coordinator, the administrative code editor shall prescribe a uniform style and form required for a person filing a document for publication in the Iowa administrative bulletin or the Iowa administrative code, including but not limited to a rulemaking document. A rulemaking document includes a notice of intended action as provided in section 17A.4 or an adopted rule for filing as provided in section 17A.5. The rulemaking document shall correlate each rule to the uniform numbering system established by the administrative code editor. The administrative code editor shall provide for electronic publication of the Iowa administrative bulletin and the Iowa administrative code. The administrative code editor shall review all submitted documents for style and form and notify the administrative rules coordinator if a rulemaking document is not in proper style or form, and may return or revise a document which is not in proper style and form. The style and form prescribed shall require that a rulemaking document include a reference to the statute which the rules are intended to implement.

3. *a.* The administrative code editor may omit from the Iowa administrative bulletin or the Iowa administrative code any document for publication in the Iowa administrative bulletin or the Iowa administrative code, if the administrative code editor determines that its publication would be unduly cumbersome, expensive, or otherwise inexpedient. The person filing the document for publication shall provide the administrative code editor with an electronic version of the document. The administrative code editor shall publish the document on the general assembly's internet site and publish a notice in the Iowa administrative bulletin or the Iowa administrative code stating the specific subject matter of the omitted document and how the omitted document may be accessed.

*b.* The administrative code editor shall omit or cause to be omitted from the Iowa administrative code any rule or portion of a rule nullified by the general assembly pursuant to Article III, section 40, of the Constitution of the State of Iowa.

4. The administrative code editor who receives a publication from an agency because the publication is referenced in the Iowa administrative bulletin or Iowa administrative code shall make the publication available to the public pursuant to section 17A.6.

5. The administrative code editor shall publish the Iowa administrative bulletin in accordance with section 2.42 at least every other week, unless the administrative code editor and the administrative rules review committee determine that an alternative publication schedule is preferable. The administrative code editor shall provide for the arrangement of the contents of the Iowa administrative bulletin.

*a.* The Iowa administrative bulletin shall contain all of the following:

(1) Rulemaking documents, including notices of intended action as provided in section 17A.4, and rules adopted and effective immediately upon filing and rules adopted and filed as provided in section 17A.5.

(2) Resolutions nullifying administrative rules passed by the general assembly pursuant to Article III, section 40 of the Constitution of the State of Iowa.

(3) All proclamations and executive orders of the governor which are general and permanent in nature.

(4) Other materials deemed fitting and proper by the administrative rules review committee.

(5) Items required to be published by statute.

(6) A comprehensive method to search and identify its contents. An electronic version may include search and retrieval programming and index.

*b.* The Iowa administrative bulletin may contain all of the following:

(1) A preface.

(2) A rulemaking schedule.

(3) The agenda for the next meeting of the administrative rules review committee as provided in section 17A.8, if available.

(4) A schedule of known public hearings.

(5) A list of agencies referenced by agency identification number.

6. The administrative code editor shall publish the Iowa administrative code in accordance with section 2.42 at least every other week, unless the administrative code editor and the administrative rules review committee determine that an alternative publication schedule is preferable. However, the legislative services agency may publish supplements in lieu of the Iowa administrative code. The administrative code editor shall provide for the arrangement of the Iowa administrative code.

*a.* The Iowa administrative code shall include all of the following:

(1) Rules of general application adopted and filed with the administrative code editor by state agencies. However, the administrative code editor may delete a rule from the Iowa administrative code if the agency that adopted the rule has ceased to exist, no successor agency has jurisdiction over the rule, and no statutory authority exists supporting the rule.

(2) A comprehensive method to search and identify its contents, including rules.

(a) An electronic version may include search and retrieval programming and index.

(b) A print edition may include an index.

*b.* The Iowa administrative code may include all of the following:

(1) A preface.

(2) Uniform rules on agency procedure.
2010 Acts, ch 1031, §34
Referred to in §2B.5, 2B.13, 17A.4, 17A.6, 267.6

**2B.5B Iowa court rules.**

1. The legislative services agency shall control and maintain in a secure electronic repository custodial information used to produce the Iowa court rules.

2. The administrative code editor, upon direction by the Iowa supreme court and in accordance with the policies of the legislative council pursuant to section 2.42 and the legislative services agency pursuant to section 2A.1, shall prescribe a uniform style and form required for filing a document for publication in the Iowa court rules. The document shall correlate each rule to the uniform numbering system. The administrative code editor shall provide for electronic publication of the Iowa court rules. The administrative code editor shall review all submitted documents for style and form and notify the Iowa supreme court if a rulemaking document is not in proper style or form, and may return or revise a document which is not in proper style and form.

3. *a.* The administrative code editor shall publish the Iowa court rules in accordance with section 2.42. However, the legislative services agency may publish supplements in lieu of the Iowa court rules. The administrative code editor shall provide for arrangement of the Iowa court rules in consultation with the Iowa supreme court.

*b.* The Iowa court rules shall include all of the following:

(1) Rules prescribed by the supreme court, which may include the Iowa rules of civil procedure, the Iowa rules of criminal procedure, the Iowa rules of evidence, the Iowa rules of appellate procedure, the Iowa rules of professional conduct, and the Iowa code of judicial conduct.

(2) A comprehensive method to search and identify its contents, including court rules.

(a) An electronic version may include search and retrieval programming and index.

(b) A print version shall include an index.

*c.* The Iowa court rules may include all of the following:

(1) A preface.

(2) Tables, including tables of corresponding rule numbers.

2010 Acts, ch 1031, §35
Referred to in §2B.5

**2B.6 Duties of Iowa Code editor.**

The Iowa Code editor shall:

1. Submit recommendations as the Iowa Code editor deems proper to each general assembly for the purpose of amending, revising, codifying, and repealing portions of the statutes which are inaccurate, inconsistent, outdated, conflicting, redundant, or ambiguous, and present the recommendations in bill form to the appropriate committees of the general assembly.

2. Provide for the publication of all of the following:

*a.* The Iowa Acts as provided in section 2B.10.

*b.* The Iowa Code or Code Supplement, as provided in section 2B.12.

3. Perform other duties as directed by the director of the legislative services agency or the legislative council and as provided by law.

[C51, §46; R60, §62, 113, 115, 144; C73, §35, 155, 156; C97, p. 5, §38, 216; S13, p. 3; SS15, §224-c, -h; C24, 27, 31, 35, 39, §**156;** C46, 50, 54, §14.3; C54, 58, 62, 66, §14.3, 17A.9; C71, 73, 75, 77, 79, 81, §14.6; 82 Acts, ch 1061, §1]
91 Acts, ch 258, §10
C93, §2B.6
2003 Acts, ch 35, §15, 49; 2010 Acts, ch 1031, §36

**2B.7 through 2B.9** Reserved.

**2B.10 Iowa Acts.**

1. The legislative services agency shall control and maintain in a secure electronic repository custodial information used to produce the Iowa Acts.

2. The legislative services agency shall publish the annual edition of the Iowa Acts as soon as possible after the final adjournment of a regular session of the general assembly. The legislative services agency may also publish an updated edition of the Iowa Acts or a supplement to the Iowa Acts after a special session of the general assembly.

3. *a.* The arrangement, appearance, and contents of the Iowa Acts shall be determined by the Iowa Code editor in accordance with the policies of the legislative council and legislative services agency as provided in section 2.42.

*b.* The bills and joint resolutions of the Iowa Acts may be arranged by chapter, numbered from one for the first regular session and numbered from one thousand one for the second regular session.

4. The Iowa Acts shall include all of the following:

*a.* A preface.

*b.* A table of contents.

*c.* A list of elective state officers and deputies, supreme court justices, judges of the court of appeals, members of the general assembly, and members of Iowa's congressional delegation.

*d.* A statement of the condition of the state treasury as provided by Article III, section 18, of the Constitution of the State of Iowa. The statement shall be furnished to the legislative services agency by the director of the department of administrative services.

*e.* An analysis of its chapters.

*f.* The text of bills that have been enacted and joint resolutions that have been enacted or passed by the general assembly, including text indicating items disapproved in appropriation bills.

*g.* Messages transmitted by the governor disapproving items in appropriation bills.

*h.* A notation of the filing of an estimate of a state mandate prepared by the legislative services agency pursuant to section 25B.5.

*i.* Tables, including any analysis of tables.

*j.* A comprehensive method to search and identify its contents, including the text of bills that have been enacted and joint resolutions that have been enacted or passed by the general assembly.

(1) An electronic version may include search and retrieval programming and an index and a summary index.

(2) A print version may include an index and a summary index.

*k.* Other reference material as determined by the Iowa Code editor in accordance with any policies of the legislative council.

5. The enrolling clerks of the house and senate shall arrange for the Iowa Code editor to receive suitable copies of all Acts and resolutions as soon as they are enrolled.

[C73, §36; C97, §39; SS15, §224-i; C24, 27, 31, 35, §162, 162-d1, 163, 164, 165, 167; C39, §**221.1 – 221.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §14.10]

83 Acts, ch 186, §10004, 10201; 91 Acts, ch 258, §11; 92 Acts, ch 1123, §3

C93, §2B.10

98 Acts, ch 1115, §2, 21; 2003 Acts, ch 35, §16, 45, 49; 2003 Acts, ch 145, §286; 2004 Acts, ch 1086, §1; 2010 Acts, ch 1031, §37

Referred to in §2B.6

**2B.11** Reserved.

**2B.12 Iowa Code and Code Supplement.**

1. The legislative services agency shall control and maintain in a secure electronic repository custodial information used to publish the Iowa Code.

2. The legislative services agency shall publish an annual edition of the Iowa Code as soon as possible after the final adjournment of a regular session of a general assembly. However, the legislative services agency may publish a new Code Supplement in lieu of the Iowa Code as soon as possible after the final adjournment of a regular session of a general assembly. The

legislative services agency may publish a new edition of the Iowa Code or Code Supplement as soon as possible after the final adjournment of a special session of the general assembly .

3. An edition of the Iowa Code or Code Supplement shall contain each Code section in its new or amended form. However, a new section or amendment which does not take effect until after the probable publication date of a succeeding Iowa Code or Code Supplement may be deferred for publication in that succeeding Iowa Code or Code Supplement. The sections shall be inserted in each edition in a logical order as determined by the Iowa Code editor in accordance with the policies of the legislative council.

4. Each section of an Iowa Code or Code Supplement shall be indicated by a number printed in boldface type and shall have an appropriate headnote printed in boldface type.

5. The Iowa Code shall include all of the following:

*a.* The Declaration of Independence.

*b.* The Articles of Confederation.

*c.* The Constitution of the United States.

*d.* The laws of the United States relating to the authentication of records.

*e.* The Constitution of the State of Iowa, original and codified versions.

*f.* The Act admitting Iowa into the union as a state.

*g.* The arrangement of the Code into distinct units, as established by the legislative services agency, which may include titles, subunits of titles, chapters, subunits of chapters, and sections, and subunits of sections. The distinct units shall be numbered and may include names.

*h.* All of the statutes of Iowa of a general and permanent nature, except as provided in subsection 3.

*i.* A comprehensive method to search and identify its contents, including the text of the Constitution and statutes of the State of Iowa.

(1) An electronic version may include search and retrieval programming, analysis of titles and chapters, and an index and a summary index.

(2) A print version shall include an analysis of titles and chapters, and an index and a summary index.

6. The Iowa Code may include all of the following:

*a.* A preface.

*b.* A description of citations to statutes.

*c.* Abbreviations to other publications which may be referred to in the Iowa Code.

*d.* Appropriate historical references or source notes.

*e.* An analysis of the Code by titles and chapters.

*f.* Other reference materials as determined by the Iowa Code editor in accordance with any policies of the legislative council.

7. A Code Supplement shall include all of the following:

*a.* The text of statutes of Iowa of a general and permanent nature that were enacted during the preceding regular or special session, except as provided in subsection 3; an indication of all sections repealed during that session; and any amendments to the Constitution of the State of Iowa approved by the voters since the adjournment of the previous regular session of the general assembly.

*b.* A chapter title and number for each chapter or part of a chapter included.

*c.* A comprehensive method to search and identify its contents, including the text of statutes and the Constitution of the State of Iowa.

(1) An electronic version may include search and retrieval programming and an index and a summary index.

(2) A print version may include an index and a summary index.

8. The Iowa Code or Code Supplement may include appropriate tables showing the disposition of Acts of the general assembly, the corresponding sections from edition to edition of an Iowa Code or Code Supplement, and other reference material as determined by the Iowa Code editor in accordance with policies of the legislative council.

[C97, p. 5; S13, p. 3; C24, 27, 31, 35, 39, §**168;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §14.12; 82 Acts, ch 1061, §2 – 4]

91 Acts, ch 258, §12

C93, §2B.12
94 Acts, ch 1107, §19; 2003 Acts, ch 35, §17, 49; 2005 Acts, ch 19, §2; 2010 Acts, ch 1031, §38 – 45
Referred to in §2B.6
See also §2.42

**2B.13 Editorial powers and duties.**

1. The Iowa Code editor in preparing the copy for an edition of the Iowa Code or Code Supplement shall not alter the sense, meaning, or effect of any Act of the general assembly, but may:

*a.* Correct manifestly misspelled words and grammatical and clerical errors, including punctuation, and change capitalization, spelling, and punctuation for purposes of uniformity and consistency in Code language.

*b.* Correct internal references to sections which are cited erroneously or have been repealed, amended, or renumbered.

*c.* Substitute the proper chapter, section, subsection, or other statutory reference for the term *"this Act"* or references to another Act of the general assembly when there appears to be no doubt as to the proper method of making the substitution.

*d.* Substitute the proper date for references to the effective or applicability dates of an Act when there appears to be no doubt as to the proper method of making the substitution.

*e.* Correct names of agencies, officers, or other entities when there appears to be no doubt as to the proper method of making the correction.

*f.* Transfer, divide, or combine sections or parts of sections and add or amend headnotes to sections and subsections. Pursuant to section 3.3, the headnotes are not part of the law.

*g.* Change words that designate one gender to reflect both genders when the provisions apply to both genders.

*h.* If any Code section or part of a Code section, or any Act of the general assembly which is intended to be codified, is amended by more than one Act or more than one provision in an Act of the general assembly, and the amendments do not expressly refer to or amend one of the other Acts or Act provisions in question, harmonize the amendments, if possible, so that effect may be given to each and incorporate the amendments as harmonized in the Code section. If amendments made by several Acts are irreconcilable, unless one of the amendments repeals or strikes the language in question, the Iowa Code editor shall codify the amendment that is latest in date of enactment by the general assembly. If amendments made by provisions within an Act are irreconcilable, unless one of the amendments repeals or strikes the language in question, the Iowa Code editor shall codify the provision listed last in the Act. If one of the amendments repeals or strikes the language in question, the Iowa Code editor shall codify the amendment that repeals or strikes the language.

2. The administrative code editor in preparing the copy for an edition of the Iowa administrative code or bulletin shall not alter the sense, meaning, or effect of any rule, but may:

*a.* Correct misspelled words and grammatical and clerical errors, including punctuation, and change capitalization, spelling, and punctuation for purposes of uniformity and consistency.

*b.* Correct references to rules or sections which are cited erroneously or have been repealed, amended, or renumbered.

*c.* Correct names of agencies, officers, or other entities when there appears to be no doubt as to the proper method of making the correction.

*d.* Transfer, divide, or combine rules or parts of rules and add or amend catchwords to rules and subrules.

*e.* Change words that designate one gender to reflect both genders when the provisions apply to both genders.

*f.* Perform any other editorial tasks required or authorized by section 2B.5A.

3. *a.* The Iowa Code editor may, in preparing the copy for an edition of the Iowa Code or Code Supplement, establish standards for and change capitalization, spelling, and punctuation in any provision for purposes of uniformity and consistency in language.

*b.* The administrative code editor may establish standards for capitalization, spelling, and punctuation for purposes of uniformity and consistency in the Iowa administrative code.

4. *a.* The Iowa Code editor shall seek direction from the senate committee on judiciary and the house committee on judiciary when making Iowa Code or Code Supplement changes.

*b.* The administrative code editor shall seek direction from the administrative rules review committee and the administrative rules coordinator when making Iowa administrative code changes, which appear to require substantial editing and which might otherwise be interpreted to exceed the scope of the authority granted in this section.

5. The Iowa Code editor may prepare and publish comments deemed necessary for a proper explanation of the manner of printing a section or chapter of the Iowa Code or Code Supplement. The Iowa Code editor shall maintain a record of all of the corrections made under subsection 1. The Iowa Code editor shall also maintain a separate record of the changes made under subsection 1, paragraphs *"b"* through *"h"*. The records shall be available to the public.

6. The Iowa Code editor and the administrative code editor shall not make editorial changes which go beyond the authority granted in this section or other law.

7. *a.* The effective date of an edition of the Iowa Code or Code Supplement or an edition of the Iowa administrative code is its publication date. A publication date is the date the publication is conclusively presumed to be complete, incorporating all revisions or editorial changes.

*b.* The publication dates for the publications are as follows:

(1) For the Iowa Code or Code Supplement, the publication date is the first day of the next regular session of the general assembly convened pursuant to Article III, section 2, of the Constitution of the State of Iowa. However, the legislative services agency may establish an alternative publication date, which may be the date that the publication is first available to the public accessing the general assembly's internet site. The legislative services agency shall provide notice of such an alternative publication date on the general assembly's internet site.

(2) The publication date for the Iowa administrative code is the date that it is first available to the public accessing the general assembly's internet site according to a publication schedule provided in section 2B.5A.

*c.* A publication designated by the legislative services agency as unofficial shall not be used to establish a publication date.

[C24, 27, 31, 35, 39, §**169;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §14.13]

84 Acts, ch 1117, §1; 85 Acts, ch 195, §1; 86 Acts, ch 1242, §5, 6; 91 Acts, ch 258, §13

C93, §2B.13

95 Acts, ch 67, §1; 96 Acts, ch 1099, §2; 2003 Acts, ch 35, §18, 49; 2010 Acts, ch 1031, §46 – 48

**2B.14 through 2B.16** Reserved.

**2B.17 Official legal publications — citations.**

1. An official legal publication designated as such by the legislative services agency as provided in sections 2.42 and 2A.1, is the official and authoritative version of the statutes, administrative rules, or court rules of the state of Iowa.

2. *a.* The codified version of the state's constitution shall be known as the Constitution of the State of Iowa.

*b.* For statutes, the official versions of publications shall be known as the Iowa Acts, the Iowa Code, and the Code Supplement.

*c.* For administrative rules, the official versions of the publications shall be known as the Iowa Administrative Bulletin and the Iowa Administrative Code.

*d.* For court rules, the official version of the publication shall be known as the Iowa Court Rules.

3. The legislative services agency may adopt a style manual providing a uniform system of citing the codified Constitution of the State of Iowa and the official versions of publications listed in subsection 2, including by reference to commonly accepted legal sources. The

legislative services agency style manual may provide for a different form of citation for electronic and printed versions of the same publication. Nothing in this section affects rules for style and format adopted pursuant to section 2.42.

4. The codified Constitution of the State of Iowa, and statutes enacted and joint resolutions enacted or passed by the general assembly shall be cited as follows:

*a.* The codified Constitution of the State of Iowa shall be cited as the Constitution of the State of Iowa, with a reference identifying the preamble or boundaries, or article, section, and subunit of a section. Subject to the legislative services agency style manual, the Constitution of the State of Iowa may be cited as the Iowa Constitution.

*b.* The Iowa Acts shall be cited as the Iowa Acts with a reference identifying the year of the publication in conformance with section 2.2, and the chapter of a bill enacted or joint resolution enacted or passed during a regular session, or in the alternative the bill or joint resolution chamber designation, and the section of the chapter or bill or subunit of a section. A bill or joint resolution enacted or passed during a special session shall be cited by the extraordinary session designation in conformance with section 2.2. If the Iowa Acts have not been published, a bill or joint resolution may be cited by its bill or joint resolution chamber designation.

*c.* The Iowa Code shall be cited as the Iowa Code. The Code Supplement shall be cited as the Code Supplement. Subject to the legislative services agency style manual, the Iowa Code may be cited as the Code of Iowa or Code and the Code Supplement may be cited as the Iowa Code Supplement, with references identifying parts of the publication, including but not limited to title or chapter, section, or subunit of a section. If the citation refers to a past edition of the Iowa Code or Code Supplement, the citation shall identify the year of publication.

5. Administrative rules shall be cited as follows:

*a.* The Iowa Administrative Bulletin shall be cited as the IAB, with references identifying the volume number which may be based on a fiscal year cycle, the issue number, and the ARC number assigned to the rulemaking document by the administrative rules coordinator pursuant to section 17A.4. Subject to the legislative services agency style manual, the citation may also include the publication's page number.

*b.* The Iowa Administrative Code shall be cited as the IAC, with references to an agency's identification number placed at the beginning of the citation and with references to parts of the publication, including but not limited to chapter, rule, or subunit of a rule.

6. The Iowa Court Rules shall be cited as the Iowa Court Rules, with references to the rule number and to subunits of the publication, which may include but are not limited to the Iowa Rules of Civil Procedure, the Iowa Rules of Criminal Procedure, the Iowa Rules of Evidence, the Iowa Rules of Appellate Procedure, the Iowa Rules of Professional Conduct, and the Iowa Code of Judicial Conduct. Subject to the legislative services agency style manual, the names of the rules may be abbreviated.

[C24, 27, 31, 35, 39, §**172;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §14.17; 82 Acts, ch 1061, §5]

91 Acts, ch 258, §14

C93, §2B.17

96 Acts, ch 1099, §3, 4; 2003 Acts, ch 35, §19, 49; 2004 Acts, ch 1086, §2; 2005 Acts, ch 19, §3; 2010 Acts, ch 1031, §49

**2B.18 Iowa Code editor and administrative code editor — custody and authentication.**

1. The Iowa Code editor is the custodian of the official legal publications known as the Iowa Acts, Iowa Code, and Code Supplement. The Iowa Code editor may attest to and authenticate any portion of such official legal publication for purposes of admitting a portion of the official legal publication in any court or office of any state, territory, or possession of the United States or in a foreign jurisdiction.

2. The administrative code editor is the custodian of the official legal publications known as the Iowa administrative bulletin, the Iowa administrative code, and the Iowa court rules. The administrative code editor may attest to and authenticate any portion of such official legal

publication for purposes of admitting a portion of the official legal publication in any court or office of any state, territory, or possession of the United States or in a foreign jurisdiction.
2010 Acts, ch 1031, §50

**2B.19 and 2B.20** Reserved.

**2B.21 Availability of parts of the Iowa Code and administrative code.**
The Iowa Code editor and the administrative code editor, in accordance with policies established by the legislative council, may cause parts of the Iowa Code or administrative code to be made available for the use of public officers and other persons. This authority shall be exercised in a manner planned to avoid delay in the other publications of the editors.
[C97, p. 5; S13, p. 3; C24, 27, 31, 35, 39, §**176;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §14.21]
83 Acts, ch 181, §1; 85 Acts, ch 197, §2; 86 Acts, ch 1238, §1; 91 Acts, ch 258, §15
C93, §2B.21
2003 Acts, ch 35, §20, 49
See also §7A.27

**2B.22 Appropriation.**
There is hereby appropriated out of any money in the treasury not otherwise appropriated an amount sufficient to defray all expenses incurred in the carrying out of the provisions of this chapter.
[C24, 27, 31, 35, 39, §**177;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §14.22]
C93, §2B.22

# CHAPTER 2C

## OMBUDSMAN

Referred to in §23A.4

This chapter not enacted as a part of this
title; transferred from chapter 601G in Code 1993


2C.1 Definitions.
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2C.11A Subjects for investigations — disclosures of information.
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2C.21 Witnesses.
2C.22 Penalties.
2C.23 Citation.


**2C.1 Definitions.**
As used in this chapter:
1. *"Administrative action"* means any policy or action taken by an agency or failure to act pursuant to law.
2. *"Agency"* means all governmental entities, departments, boards, commissions, councils or institutions, and any officer, employee or member thereof acting or purporting to act in the exercise of official duties, but it does not include:
*a.* Any court or judge or appurtenant judicial staff.

*b.* The members, committees, or permanent or temporary staffs of the Iowa general assembly.

*c.* The governor of Iowa or the governor's personal staff.

*d.* Any instrumentality formed pursuant to an interstate compact and answerable to more than one state.

3. *"Employee"* means any employee of an agency.

4. *"Officer"* means any officer of an agency.

5. *"Person"* means an individual, aggregate of individuals, corporation, partnership, or unincorporated association.

[C73, 75, 77, 79, 81, §601G.1]
C93, §2C.1

**2C.2 Office established.**

The office of ombudsman is established.

[C73, 75, 77, 79, 81, §601G.2]
C93, §2C.2
2013 Acts, ch 10, §3
Section amended

**2C.3 Appointment — vacancy.**

1. The ombudsman shall be appointed by the legislative council with the approval and confirmation of a constitutional majority of the senate and with the approval and confirmation of a constitutional majority of the house of representatives. The legislative council shall fill a vacancy in this office in the same manner as the original appointment. If the appointment or vacancy occurs while the general assembly is not in session, such appointment shall be reported to the senate and the house of representatives within thirty days of their convening at their next regular session for approval and confirmation.

2. The ombudsman shall employ and supervise all employees under the ombudsman's direction in such positions and at such salaries as shall be authorized by the legislative council. The legislative council shall hear and act upon appeals of aggrieved employees of the office of ombudsman.

[C73, 75, 77, 79, 81, §601G.3]
C93, §2C.3
2013 Acts, ch 10, §4; 2013 Acts, ch 140, §47
Section amended

**2C.4 Citizen of United States and resident of Iowa.**

The ombudsman shall be a citizen of the United States and a resident of the state of Iowa, and shall be qualified to analyze problems of law, administration, and public policy.

[C73, 75, 77, 79, 81, §601G.4]
C93, §2C.4
2013 Acts, ch 10, §5
Section amended

**2C.5 Term — removal.**

The ombudsman shall hold office for four years from the first day in July of the year of approval by the senate and the house of representatives, and until a successor is appointed by the legislative council, unless the ombudsman can no longer perform the official duties, or is removed from office. The ombudsman may at any time be removed from office by constitutional majority vote of the two houses of the general assembly or as provided by chapter 66. If a vacancy occurs in the office of ombudsman, the deputy ombudsman shall act as ombudsman until the vacancy is filled by the legislative council.

[C73, 75, 77, 79, 81, §601G.5]
C93, §2C.5
2013 Acts, ch 10, §6
Section amended

**2C.6 Deputy — assistant for penal agencies.**

1. The ombudsman shall designate one of the members of the staff as the deputy ombudsman, with authority to act as ombudsman when the ombudsman is absent from the state or becomes disabled. The ombudsman may delegate to members of the staff any of the authority or duties of the office except the duty of formally making recommendations to agencies or reports to the governor or the general assembly.

2. The ombudsman shall appoint an assistant who shall be primarily responsible for investigating complaints relating to penal or correctional agencies.

[C73, 75, 77, 79, 81, §601G.6]
84 Acts, ch 1046, §1
C93, §2C.6
2013 Acts, ch 10, §7
Section amended

**2C.7 Prohibited activities.**

Neither the ombudsman nor any member of the staff shall:

1. Hold another public office of trust or profit under the laws of this state other than notary public as provided in chapter 9B.

2. Engage in other employment for remuneration with an agency against which a complaint may be filed under this chapter or that could create a conflict of interest or interfere in the performance of the person's duties under this chapter.

3. Knowingly engage in or maintain any business transactions with persons employed by agencies against whom complaints may be made under the provisions of this chapter.

4. Be actively involved in partisan affairs.

[C73, 75, 77, 79, 81, §601G.7]
84 Acts, ch 1046, §2
C93, §2C.7
2012 Acts, ch 1050, §31, 60; 2013 Acts, ch 10, §8
Unnumbered paragraph 1 amended

**2C.8 Closed files.**

The ombudsman may maintain secrecy in respect to all matters including the identities of the complainants or witnesses coming before the ombudsman, except that the general assembly, any standing committee of the general assembly or the governor may require disclosure of any matter and shall have complete access to the records and files of the ombudsman. The ombudsman may conduct private hearings.

[C73, 75, 77, 79, 81, §601G.8]
C93, §2C.8
2013 Acts, ch 10, §9
Section amended

**2C.9 Powers.**

The ombudsman may:

1. Investigate, on complaint or on the ombudsman's own motion, any administrative action of any agency, without regard to the finality of the administrative action, except that the ombudsman shall not investigate the complaint of an employee of an agency in regard to that employee's employment relationship with the agency except as otherwise provided by this chapter. A communication or receipt of information made pursuant to the powers prescribed in this chapter shall not be considered an ex parte communication as described in the provisions of section 17A.17.

2. Investigate, on complaint or on the ombudsman's own motion, any administrative action of any person providing child welfare or juvenile justice services under contract with an agency that is subject to investigation by the ombudsman. The person shall be considered to be an agency for purposes of the ombudsman's investigation.

3. Prescribe the methods by which complaints are to be made, received, and acted upon; determine the scope and manner of investigations to be made; and, subject to

the requirements of this chapter, determine the form, frequency, and distribution of the conclusions and recommendations of the ombudsman.

4. Request and receive from each agency assistance and information as necessary in the performance of the duties of the office. Notwithstanding section 22.7, pursuant to an investigation the ombudsman may examine any and all records and documents of any agency unless its custodian demonstrates that the examination would violate federal law or result in the denial of federal funds to the agency. Confidential documents provided to the ombudsman by other agencies shall continue to maintain their confidential status. The ombudsman is subject to the same policies and penalties regarding the confidentiality of the document as an employee of the agency. The ombudsman may enter and inspect premises within any agency's control and may observe proceedings and attend hearings, with the consent of the interested party, including those held under a provision of confidentiality, conducted by any agency unless the agency demonstrates that the attendance or observation would violate federal law or result in the denial of federal funds to that agency. This subsection does not permit the examination of records or access to hearings and proceedings which are the work product of an attorney under section 22.7, subsection 4, or which are privileged communications under section 622.10.

5. Issue a subpoena to compel any person to appear, give sworn testimony, or produce documentary or other evidence relevant to a matter under inquiry. The ombudsman, deputies, and assistants of the ombudsman may administer oaths to persons giving testimony before them. If a witness either fails or refuses to obey a subpoena issued by the ombudsman, the ombudsman may petition the district court having jurisdiction for an order directing obedience to the subpoena. If the court finds that the subpoena should be obeyed, it shall enter an order requiring obedience to the subpoena, and refusal to obey the court order is subject to punishment for contempt.

6. Establish rules relating to the operation, organization, and procedure of the office of ombudsman. The rules are exempt from chapter 17A and shall be published in the Iowa administrative code.

[C73, 75, 77, 79, 81, §601G.9; 82 Acts, ch 1026, §1]

88 Acts, ch 1247, §1; 89 Acts, ch 296, §78

C93, §2C.9

2003 Acts, ch 178, §46; 2006 Acts, ch 1153, §12; 2013 Acts, ch 10, §10; 2013 Acts, ch 140, §48

Section amended

**2C.10 No charge for services.**

A monetary charge or other charge shall not be levied upon any person as a prerequisite to presentation of a complaint to the ombudsman.

[C73, 75, 77, 79, 81, §601G.10]

C93, §2C.10

2013 Acts, ch 10, §11

Section amended

**2C.11 Subjects for investigations.**

1. An appropriate subject for investigation by the office of ombudsman is an administrative action that might be:

*a.* Contrary to law or regulation.

*b.* Unreasonable, unfair, oppressive, or inconsistent with the general course of an agency's functioning, even though in accordance with law.

*c.* Based on a mistake of law or arbitrary in ascertainments of fact.

*d.* Based on improper motivation or irrelevant consideration.

*e.* Unaccompanied by an adequate statement of reasons.

2. The ombudsman may also be concerned with strengthening procedures and practices which lessen the risk that objectionable administrative actions will occur.

[C73, 75, 77, 79, 81, §601G.11]

C93, §2C.11
2007 Acts, ch 126, §1; 2013 Acts, ch 10, §12; 2013 Acts, ch 140, §49
Section amended

**2C.11A Subjects for investigations — disclosures of information.**

The office of ombudsman shall investigate a complaint filed by an employee who is not a merit system employee or an employee covered by a collective bargaining agreement and who alleges that adverse employment action has been taken against the employee in violation of section 70A.28, subsection 2. A complaint filed pursuant to this section shall be made within thirty calendar days following the effective date of the adverse employment action. The ombudsman shall investigate the matter and shall issue findings relative to the complaint in an expeditious manner.

2006 Acts, ch 1153, §13; 2013 Acts, ch 10, §13
Referred to in §70A.28
Section amended

**2C.12 Complaints investigated.**

1. The ombudsman may receive a complaint from any source concerning an administrative action. The ombudsman shall conduct a suitable investigation into the administrative actions complained of unless the ombudsman finds substantiating facts that:

*a.* The complainant has available another remedy or channel of complaint which the complainant could reasonably be expected to use.

*b.* The grievance pertains to a matter outside the ombudsman's power.

*c.* The complainant has no substantive or procedural interest which is directly affected by the matter complained about.

*d.* The complaint is trivial, frivolous, vexatious, or not made in good faith.

*e.* Other complaints are more worthy of attention.

*f.* The ombudsman's resources are insufficient for adequate investigation.

*g.* The complaint has been delayed too long to justify present examination of its merit.

2. The ombudsman may decline to investigate a complaint, but shall not be prohibited from inquiring into the matter complained about or into related problems at some future time.

[C73, 75, 77, 79, 81, §601G.12]
C93, §2C.12
2008 Acts, ch 1032, §201; 2013 Acts, ch 10, §14
Section amended

**2C.13 No investigation — notice to complainant.**

If the ombudsman decides not to investigate, the complainant shall be informed of the reasons for the decision. If the ombudsman decides to investigate, the complainant and the agency shall be notified of the decision. After completing consideration of a complaint, whether or not it has been investigated, the ombudsman shall without delay inform the complainant of the fact, and if appropriate, shall inform the agency involved. The ombudsman shall on request of the complainant, and as appropriate, report the status of the investigation to the complainant.

[C73, 75, 77, 79, 81, §601G.13; 82 Acts, ch 1026, §2]
C93, §2C.13
2005 Acts, ch 19, §4; 2013 Acts, ch 10, §15
Section amended

**2C.14 Institutionalized complainants.**

A letter to the ombudsman from a person in a correctional institution, a hospital, or other institution under the control of an agency shall be immediately forwarded, unopened, to the ombudsman by the institution where the writer of the letter is a resident. A letter from the ombudsman to such a person shall be immediately delivered, unopened, to the person.

[C73, 75, 77, 79, 81, §601G.14]
C93, §2C.14
2005 Acts, ch 19, §5; 2013 Acts, ch 10, §16
Section amended

**2C.15 Reports critical of agency or officer.**

Before announcing a conclusion or recommendation that criticizes an agency or any officer or employee, the ombudsman shall consult with that agency, officer, or employee and shall attach to every report sent or made under the provisions of this chapter a copy of any unedited comments made by or on behalf of the officer, employee, or agency.

[C73, 75, 77, 79, 81, §601G.15]
C93, §2C.15
2013 Acts, ch 10, §17
Section amended

**2C.16 Recommendations to agency.**

1. The ombudsman shall state recommendations to an agency, if, after having considered a complaint and whatever material the ombudsman deems pertinent, the ombudsman finds substantiating facts for any of the following:

*a.* A matter should be further considered by the agency.

*b.* An administrative action should be modified or canceled.

*c.* A rule on which an administrative action is based should be altered.

*d.* Reasons should be given for an administrative action.

*e.* Any other action should be taken by the agency.

2. If the ombudsman requests, the agency shall, within twenty working days notify the ombudsman of any action taken on the recommendations or the reasons for not complying with them.

3. If the ombudsman believes that an administrative action has occurred because of laws of which results are unfair or otherwise objectionable, the ombudsman shall notify the general assembly concerning desirable statutory change.

[C73, 75, 77, 79, 81, §601G.16]
C93, §2C.16
2008 Acts, ch 1031, §3; 2013 Acts, ch 10, §18
Section amended

**2C.17 Publication of conclusions.**

1. The ombudsman may publish the conclusions, recommendations, and suggestions and transmit them to the governor or the general assembly or any of its committees. When publishing an opinion adverse to an agency or official the ombudsman shall, unless excused by the agency or official affected, include with the opinion any unedited reply made by the agency.

2. Any conclusions, recommendations, and suggestions so published may at the same time be made available to the news media or others who may be concerned.

[C73, 75, 77, 79, 81, §601G.17]
C93, §2C.17
2005 Acts, ch 19, §6; 2013 Acts, ch 10, §19
Section amended

**2C.18 Report to general assembly.**

The ombudsman shall by April 1 of each year submit an economically designed and reproduced report to the general assembly and to the governor concerning the exercise of the ombudsman's functions during the preceding calendar year. In discussing matters with which the ombudsman has been concerned, the ombudsman shall not identify specific persons if to do so would cause needless hardship. If the annual report criticizes a named agency or official, it shall also include unedited replies made by the agency or official to the criticism, unless excused by the agency or official affected.

[C73, 75, 77, 79, 81, §601G.18; 82 Acts, ch 1026, §3]
C93, §2C.18
2013 Acts, ch 10, §20; 2013 Acts, ch 140, §50
Section amended

**2C.19 Disciplinary action recommended.**

If the ombudsman believes that any public official, employee or other person has acted in a manner warranting criminal or disciplinary proceedings, the ombudsman shall refer the matter to the appropriate authorities.

[C73, 75, 77, 79, 81, §601G.19]
C93, §2C.19
2013 Acts, ch 10, §21
Section amended

**2C.20 Immunities.**

No civil action, except removal from office as provided in chapter 66, or proceeding shall be commenced against the ombudsman or any member of the staff for any act or omission performed pursuant to the provisions of this chapter unless the act or omission is actuated by malice or is grossly negligent, nor shall the ombudsman or any member of the staff be compelled to testify in any court with respect to any matter involving the exercise of the ombudsman's official duties except as may be necessary to enforce the provisions of this chapter.

[C73, 75, 77, 79, 81, §601G.20]
C93, §2C.20
2013 Acts, ch 10, §22
Section amended

**2C.21 Witnesses.**

A person required by the ombudsman to provide information shall be paid the same fees and travel allowances as are extended to witnesses whose attendance has been required in the district courts of this state. Officers and employees of an agency shall not be entitled to such fees and allowances. A person who, with or without service of compulsory process, provides oral or documentary information requested by the ombudsman shall be accorded the same privileges and immunities as are extended to witnesses in the courts of this state, and shall also be entitled to be accompanied and advised by counsel while being questioned.

[C73, 75, 77, 79, 81, §601G.21]
C93, §2C.21
2013 Acts, ch 10, §23
Section amended

**2C.22 Penalties.**

A person who willfully obstructs or hinders the lawful actions of the ombudsman or the ombudsman's staff, or who willfully misleads or attempts to mislead the ombudsman in the ombudsman's inquiries, shall be guilty of a simple misdemeanor.

[C73, 75, 77, 79, 81, §601G.22]
C93, §2C.22
2013 Acts, ch 10, §24
Section amended

**2C.23 Citation.**

This chapter shall be known and may be cited as the "*Iowa Ombudsman Act*".

[C73, 75, 77, 79, 81, §601G.23]
C93, §2C.23
2013 Acts, ch 10, §25
Section amended

# CHAPTER 2D

## INTERNATIONAL RELATIONS

2D.1 International relations advisory council. Repealed by 2008 Acts, ch 1156, §53, 58.
2D.2 International relations committee — protocol.
2D.3 Legislative branch protocol officer.
2D.4 Executive branch protocol officer.

**2D.1 International relations advisory council.** Repealed by 2008 Acts, ch 1156, § 53, 58.

**2D.2 International relations committee — protocol.**

1. The international relations committee of the legislative council shall establish and utilize protocol for visitors to the capitol, who may include state, national, or international visitors. The protocol established shall include provisions relating to transportation of visitors to and from the capitol, the designation of an official point of entry and a receiving area for visitors, security provisions, official introduction of visitors to the general assembly while the general assembly is in session, the provision of gifts to visitors, and other provisions appropriate to the visitor's position.

2. The international relations committee shall work with the executive branch protocol officer and with the legislative branch protocol officer in developing the protocol and in coordinating the visits of state, national, and international visitors to the capitol.

2000 Acts, ch 1102, §2

**2D.3 Legislative branch protocol officer.**

The legislative services agency shall employ a legislative branch protocol officer to coordinate activities related to state, national, and international visitors to the state capitol or with an interest in the general assembly, and related to travel of members of the general assembly abroad. The protocol officer shall work with the executive branch protocol officer to coordinate state, national, and international relations activities. The legislative branch protocol officer shall submit periodic reports to the international relations committee of the legislative council regarding the visits of state, national, and international visitors and regarding international activities.

2000 Acts, ch 1102, §3; 2000 Acts, ch 1232, §41; 2003 Acts, ch 35, §44, 49; 2008 Acts, ch 1156, §4, 58

**2D.4 Executive branch protocol officer.**

The lieutenant governor, or the lieutenant governor's designee, shall be the executive branch protocol officer. The protocol officer shall work with the international relations committee of the legislative council and the legislative branch protocol officer in developing and implementing protocol for state, national, and international visitors to the state capitol and in improving coordination between the legislative and executive branches in international relations activities.

2000 Acts, ch 1102, §4; 2008 Acts, ch 1156, §5, 58

# CHAPTER 3

## STATUTES AND RELATED MATTERS


3.1 Form of bills.
3.2 Bill drafting instructions.
3.3 Headnotes and historical references.
3.4 Bills — approval — passage over veto.
3.5 Failure of governor to return bill.
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3.8 through 3.10 Repealed by 87 Acts, ch 1, §2.
3.11 Private Acts — when effective.
3.12 Appropriations — effective for fiscal year.
3.13 Pro rata disbursement of appropriations.
3.14 Certain appropriations prohibited.
3.15 and 3.16 Repealed by 87 Acts, ch 1, §2.
3.17 through 3.19 Reserved.
3.20 Directions to future general assemblies.


**3.1 Form of bills.**

1. Bills designed to amend, revise, enact, codify, or repeal a law:

*a.* Shall refer to the numbers of the sections or chapters of the Code or Code Supplement to be amended or repealed, but it is not necessary to refer to the sections or chapters in the title.

*b.* Shall refer to the session of the general assembly and the sections and chapters of the Acts to be amended if the bill relates to a section or sections of an Act not appearing in the Code or codified in a supplement to the Code.

*c.* Shall express all references to statutes in numerals.

2. The title to a bill shall contain a brief statement of the purpose of the bill, however all detail matters properly connected with the subject so expressed may be omitted from the title.

[C73, §38; C97, §41; S13, §41-a, -b; C24, 27, 31, 35, 39, §**47;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §3.1]

84 Acts, ch 1067, §2; 90 Acts, ch 1168, §2; 2004 Acts, ch 1101, §2; 2008 Acts, ch 1031, §4

Publication of bills, §2.9

**3.2 Bill drafting instructions.**

The legislative council shall, in consultation with the director of the legislative services agency and the Code editor, promulgate rules and instructions for the drafting of legislative bills and resolutions not otherwise in conflict with the provisions of law and the rules of the senate and the house.

[C71, 73, 75, 77, 79, 81, §3.2]

2003 Acts, ch 35, §44, 49

**3.3 Headnotes and historical references.**

Proper headnotes may be placed at the beginning of a section of a bill or a Code section, and at the end of a Code section there may be placed a reference to the section number of the Code, or any Iowa Act from which the matter of the Code section was taken. However, except as provided for the uniform commercial code pursuant to section 554.1107, headnotes shall not be considered as part of the law as enacted. Historical references shall not be considered as a part of the law as enacted.

[C24, 27, 31, 35, 39, §**49;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §3.3]

2004 Acts, ch 1086, §3; 2005 Acts, ch 19, §7; 2007 Acts, ch 41, §40; 2008 Acts, ch 1031, §5

Referred to in §2B.13

**3.4 Bills — approval — passage over veto.**

1. If the governor approves a bill, the governor shall sign and date it; if the governor returns the bill with objections and it afterwards passes as provided in the Constitution, a certificate, signed by the presiding officer of each house in the following form, shall be endorsed on or attached to the bill:

This bill (or this item of an appropriation bill, as the case may be), having been returned by the governor, with objections, to the house in which it originated, and, after reconsideration, having again passed both houses by yeas and nays by a vote of two-thirds of the members of each house, has become a law this ..... day of .....

2. An *"appropriation bill"* means a bill which has as its primary purpose the making of appropriations of money from the public treasury.

[C51, §16, 17; R60, §19, 20; C73, §28, 29; C97, §32; C24, 27, 31, 35, 39, §**50;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §3.4]

86 Acts, ch 1245, §2011; 2013 Acts, ch 90, §1

Iowa Constitution, Art. III, §16

Section amended

**3.5 Failure of governor to return bill.**

When a bill has passed the general assembly, and is not returned by the governor within three days as provided in the Constitution, it shall be authenticated by the secretary of state endorsing thereon:

This bill, having remained with the governor three days (Sunday excepted), the general assembly being in session, has become a law this ..... day of ....., .....
.....,
Secretary of State.

[C51, §18; R60, §21; C73, §30; C97, §33; C24, 27, 31, 35, 39, §**51;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §3.5]

Iowa Constitution, Art. III, §16

**3.6 Acts — where deposited — nullification resolutions.**

The original Acts of the general assembly shall be deposited with and kept by the secretary of state.

The secretary of state shall submit to the administrative code editor a copy of any resolution nullifying an administrative rule which is passed by the general assembly pursuant to Article III, section 40 of the Constitution of the State of Iowa.

[C51, §19; R60, §22; C73, §31; C97, §34; C24, 27, 31, 35, 39, §**52;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §3.6]

91 Acts, ch 42, §1

**3.7 Effective dates of Acts and resolutions.**

1. All Acts and resolutions of a public nature passed at regular sessions of the general assembly shall take effect on the first day of July following their passage, unless some other specified time is provided in an Act or resolution.

2. All Acts and resolutions of a public nature which are passed prior to July 1 at a regular session of the general assembly and which are approved by the governor on or after July 1, shall take effect forty-five days after approval. However, this subsection shall not apply to Acts provided for in section 3.12 or Acts and resolutions which specify when they take effect.

3. All Acts and resolutions passed at a special session of the general assembly shall take effect ninety days after adjournment of the special session unless a different effective day is stated in an Act or resolution.

4. An Act which is effective upon enactment is effective upon the date of signature by the governor; or if the governor fails to sign it and returns it with objections, upon the date of passage by the general assembly after reconsideration as provided in Article III, section 16 of the Constitution of the State of Iowa; or if the governor fails to sign or return an Act submitted during session, but prior to the last three days of a session, on the fourth day after it is presented to the governor for the governor's approval. An Act which has an effective date which is dependent upon the time of enactment shall have the time of enactment determined by the standards of this subsection.

5. A concurrent or joint resolution which is effective upon enactment is effective upon the date of final passage by both chambers of the general assembly, except that such a concurrent or joint resolution requiring the approval of the governor under section 262A.4 or otherwise requiring the approval of the governor is effective upon the date of such approval. A resolution which is effective upon enactment is effective upon the date of passage. A concurrent or joint resolution or resolution which has an effective date which is dependent upon the time of enactment shall have the time of enactment determined by the standards of this subsection.

6. Unless retroactive effectiveness is specifically provided for in an Act or resolution, an Act or resolution which is enacted after an effective date provided in the Act or resolution shall take effect upon the date of enactment.

7. Proposed legalizing Acts shall be published prior to passage as provided in chapter 585.

8. An Act or resolution under this section is also subject to the applicable provisions of Article III, sections 16 and 17 of the Constitution of the State of Iowa.

[C51, §22; R60, §25; C73, §34; C97, §37; C24, 27, 31, 35, 39, §**53;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §3.7]

87 Acts, ch 1, §1; 2006 Acts, ch 1010, §2

Iowa Constitution, Art. III, §26

For the effective dates of Acts and resolutions prior to the enactment of 87 Acts, ch 1, §1, effective February 19, 1987, see Code 1987, Code 1966, and prior Codes

Acts of private nature, §3.11

**3.8 through 3.10** Repealed by 87 Acts, ch 1, § 2.

**3.11 Private Acts — when effective.**

Acts of a private nature which do not prescribe the time when they take effect, shall do so on the thirtieth day next after they have been approved by the governor, or endorsed as provided in this chapter.

[C51, §20; R60, §23; C73, §32; C97, §35; C24, 27, 31, 35, 39, §**57;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §3.11]

**3.12 Appropriations — effective for fiscal year.**

All annual appropriations shall be for the fiscal year beginning with July 1 and ending with June 30 of the succeeding year and when such appropriations are made payable quarterly, the quarters shall end with September 30, December 31, March 31, and June 30; but nothing in this section shall be construed as increasing the amount of any annual appropriation.

[S13, §116-a; C24, 27, 31, 35, 39, §**58;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §3.12]

Referred to in §3.7, 3.13, 162.2, 461.2

**3.13 Pro rata disbursement of appropriations.**

Annual appropriations shall be disbursed in accordance with the provisions of the Acts granting the same pro rata from the time such Acts shall take effect up to the first day of the succeeding quarter as provided in section 3.12.

[S13, §116-b; C24, 27, 31, 35, 39, §**59;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §3.13]

**3.14 Certain appropriations prohibited.**

An appropriation shall not be made to any institution not wholly under the control of the state of Iowa.

[S13, §116-c1; C24, 27, 31, 35, 39, §**60;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §3.14]

2006 Acts, ch 1010, §3

Iowa Constitution, Art. III, §31

**3.15 and 3.16** Repealed by 87 Acts, ch 1, § 2.

**3.17 through 3.19** Reserved.

**3.20 Directions to future general assemblies.**

The following principles shall be used by the general assembly in determining whether a procedure should be established and the type of procedure which should be established, for the state licensure of an occupation or profession:

1. The state shall engage in licensing procedures for those professions and occupations where it believes it can assure an objective and measurable level of competence concerning the public health, safety, and well-being which other sources cannot effectively provide.

2. The licensing board shall pursue a meaningful examination and enforcement procedure which upholds the level of competency of the licensee to insure that the public interest is protected.

[C75, 77, 79, 81, §3.20]

2007 Acts, ch 10, §1

# CHAPTER 4

## CONSTRUCTION OF STATUTES

Referred to in §91A.2, 91E.1, 162.2, 514B.1


4.1 Rules.
4.2 Common law rule of construction.
4.3 References to other statutes.
4.4 Presumption of enactment.
4.5 Prospective statutes.
4.6 Ambiguous statutes — interpretation.
4.7 Conflicts between general and special statutes.
4.8 Irreconcilable statutes.
4.9 Official copy prevails.
4.10 Reenactment of statutes — continuation.
4.11 Conflicting amendments to same statutes — interpretation.
4.12 Acts or statutes are severable.
4.13 General savings provision.
4.14 General rules of construction for English language laws.


**4.1 Rules.**

In the construction of the statutes, the following rules shall be observed, unless such construction would be inconsistent with the manifest intent of the general assembly, or repugnant to the context of the statute:

1. *Appellate court.* The term *"appellate court"* means and includes both the supreme court and the court of appeals. Where an act, omission, right, or liability is by statute conditioned upon the filing of a decision by an appellate court, the term means any final decision of either the supreme court or the court of appeals.

2. *"Child"* includes child by adoption.

3. *Clerk — clerk's office.* The word *"clerk"* means clerk of the court in which the action or proceeding is brought or is pending; and the words *"clerk's office"* mean the office of that clerk.

4. *Consanguinity and affinity.* Degrees of consanguinity and affinity shall be computed according to the civil law.

5. *"Court employee"* and *"employee of the judicial branch"* include every officer or employee of the judicial branch except a judicial officer.

6. *Deed — bond — indenture — undertaking.* The word *"deed"* is applied to an instrument conveying lands, but does not imply a sealed instrument; and the words *"bond"* and *"indenture"* do not necessarily imply a seal, and the word *"undertaking"* means a promise or security in any form.

7. *Executor — administrator.* The term *"executor"* includes administrator, and the term *"administrator"* includes executor, where the subject matter justifies such use.

8. *Figures and words.* If there is a conflict between figures and words in expressing a number, the words govern.

9. *Highway — road.* The words *"highway"* and *"road"* include public bridges, and may be held equivalent to the words *"county way"*, *"county road"*, *"common road"*, and *"state road"*.

9A. *"Intellectual disability"* means a disability of children and adults who as a result of inadequately developed intelligence have a significant impairment in ability to learn or to adapt to the demands of society, and, if a diagnosis is required, *"intellectual disability"* means a diagnosis of mental retardation as defined in the diagnostic and statistical manual of mental disorders, fourth edition, text revised, published by the American psychiatric association.

9B. *"Internet"* means the federated international system that is composed of allied electronic communication networks linked by telecommunication channels, that uses standardized protocols, and that facilitates electronic communication services, including but not limited to use of the world wide web; the transmission of electronic mail or messages; the transfer of files and data or other electronic information; and the transmission of voice, image, and video.

9C. *"Internet site"* means a specific location on the internet that is determined by internet protocol numbers, by a domain name, or by both, including but not limited to domain names that use the designations ".com", ".edu", ".gov", ".org", and ".net".

10. *Issue.* The word *"issue"* as applied to descent of estates includes all lawful lineal descendants.

11. *Joint authority.* Words giving a joint authority to three or more public officers or other persons shall be construed as giving such authority to a majority of them, unless it be otherwise expressed in the Act giving the authority.

12. *"Judicial officer"* means a supreme court justice, a judge of the court of appeals, a district judge, a district associate judge, an associate juvenile judge, an associate probate judge, or a magistrate. The term also includes a person who is temporarily serving as a justice, judge, or magistrate as permitted by section 602.1612 or 602.9206.

13. *Land — real estate.* The word *"land"* and the phrases *"real estate"* and *"real property"* include lands, tenements, hereditaments, and all rights thereto and interests therein, equitable as well as legal.

13A. *"Livestock"* includes but is not limited to an animal classified as an ostrich, rhea, or emu.

14. *"Magistrate"* means a judicial officer appointed under chapter 602, article 6, part 4.

15. Reserved.

16. *Month — year — A.D.* The word *"month"* means a calendar month, and the word *"year"* and the abbreviation *"A.D."* are equivalent to the expression *"year of our Lord"*.

17. *Number and gender.* Unless otherwise specifically provided by law the singular includes the plural, and the plural includes the singular. Words of one gender include the other genders.

18. *Numerals — figures.* The Roman numerals and the Arabic figures are to be taken as parts of the English language.

19. *Oath — affirmation.* The word *"oath"* includes affirmation in all cases where an affirmation may be substituted for an oath, and in like cases the word *"swear"* includes *"affirm"*.

20. *Person.* Unless otherwise provided by law, *"person"* means individual, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.

21. *Personal property.* The words *"personal property"* include money, goods, chattels, evidences of debt, and things in action.

21A. *Persons with mental illness.* The words *"persons with mental illness"* include persons with psychosis, persons who are severely depressed, and persons with any type of mental disease or mental disorder, except that mental illness does not refer to intellectual disability, or to insanity, diminished responsibility, or mental incompetency as defined and used in the Iowa criminal code or in the rules of criminal procedure, Iowa court rules. A person who is hospitalized or detained for treatment of mental illness shall not be deemed or presumed to be incompetent in the absence of a finding of incompetence made pursuant to section 229.27.

22. *Population.* The word *"population"* where used in this Code or any statute means the population shown by the latest preceding certified federal census, unless otherwise specifically provided.

23. *"Preceding"* and *"following"* when used by way of reference to a chapter or other part of a statute mean the next preceding or next following chapter or other part.

24. *Property.* The word *"property"* includes personal and real property.

25. *Quorum.* A quorum of a public body is a majority of the number of members fixed by statute.

26. *Repeal — effect of.* The repeal of a statute, after it becomes effective, does not revive a statute previously repealed, nor affect any right which has accrued, any duty imposed, any penalty incurred, or any proceeding commenced, under or by virtue of the statute repealed.

27. *"Rule"* includes *"regulation"*.

28. *Seal.* Where the seal of a court, public office, public officer, or public or private corporation may be required to be affixed to any paper, the word *"seal"* shall include an impression upon the paper alone, or upon wax, a wafer affixed to the paper, or an official stamp of a notarial officer as provided in chapter 9B. If the seal of a court is required, the word *"seal"* may also include a visible electronic image of the seal on an electronic document.

29. *Series.* If a statute refers to a series of numbers or letters, the first and the last numbers or letters are included.

30. *Shall, must, and may.* Unless otherwise specifically provided by the general assembly, whenever the following words are used in a statute enacted after July 1, 1971, their meaning and application shall be:

*a.* The word *"shall"* imposes a duty.

*b.* The word *"must"* states a requirement.

*c.* The word *"may"* confers a power.

31. *Sheriff.* The term *"sheriff"* may be extended to any person performing the duties of the sheriff, either generally or in special cases.

32. *State.* The word *"state"*, when applied to the different parts of the United States, includes the District of Columbia and the territories, and the words *"United States"* may include the said district and territories.

33. *Tense.* Words in the present tense include the future.

34. *Time — legal holidays.* In computing time, the first day shall be excluded and the last included, unless the last falls on Sunday, in which case the time prescribed shall be extended so as to include the whole of the following Monday. However, when by the provisions of a statute or rule prescribed under authority of a statute, the last day for the commencement of an action or proceedings, the filing of a pleading or motion in a pending action or proceedings, or the perfecting or filing of an appeal from the decision or award of a court, board, commission, or official falls on a Saturday, a Sunday, a day on which the office of the clerk of the district court is closed in whole or in part pursuant to the authority of the supreme court, the first day of January, the third Monday in January, the twelfth day of February, the third Monday in February, the last Monday in May, the fourth day of July, the first Monday in September, the eleventh day of November, the fourth Thursday in November, the twenty-fifth day of December, and the following Monday when any of the foregoing named legal holidays fall on a Sunday, and any day appointed or recommended by the governor of Iowa or the president of the United States as a day of fasting or thanksgiving, the time shall be extended to include the next day which the office of the clerk of the court or the office of the board, commission, or official is open to receive the filing of a commencement of an action, pleading or a motion in a pending action or proceeding, or the perfecting or filing of an appeal.

35. *"United States"* includes all the states.

36. The word *"week"* means seven consecutive days.

37. *Will.* The word *"will"* includes codicils.

38. *Words and phrases.* Words and phrases shall be construed according to the context and the approved usage of the language; but technical words and phrases, and such others as may have acquired a peculiar and appropriate meaning in law, shall be construed according to such meaning.

39. *Written — in writing — signature.* The words *"written"* and *"in writing"* may include any mode of representing words or letters in general use, and include an electronic record as defined in section 554D.103. A signature, when required by law, must be made by the writing

or markings of the person whose signature is required. *"Signature"* includes an electronic signature as defined in section 554D.103. If a person is unable due to a physical disability to make a written signature or mark, that person may substitute either of the following in lieu of a signature required by law:

*a.* The name of the person with a disability written by another upon the request and in the presence of the person with a disability.

*b.* A rubber stamp reproduction of the name or facsimile of the actual signature when adopted by the person with a disability for all purposes requiring a signature and then only when affixed by that person or another upon request and in the presence of the person with a disability.

40. The word *"year"* means twelve consecutive months.

[C51, §26, 2513; R60, §29, 4121, 4123, 4124; C73, §45; C97, §48; C24, 27, 31, 35, 39, §**63;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §4.1]

83 Acts, ch 186, §10002, 10201; 87 Acts, ch 115, §3; 92 Acts, ch 1151, §1; 93 Acts, ch 9, §1; 95 Acts, ch 43, §1; 96 Acts, ch 1129, §1; 96 Acts, ch 1153, §1; 98 Acts, ch 1047, §1; 99 Acts, ch 146, §42; 2000 Acts, ch 1189, §24; 2002 Acts, ch 1119, §106; 2002 Acts, ch 1137, §1, 71; 2005 Acts, ch 3, §1; 2007 Acts, ch 33, §1; 2009 Acts, ch 69, §1; 2012 Acts, ch 1019, §1, 2; 2012 Acts, ch 1050, §32, 60

Referred to in §28J.1, 43.49, 50.24, 50.46, 142C.2, 163.35, 203.1, 203C.1, 222.2, 222.60, 226.8, 229.1, 235B.2, 235E.1, 237.1, 256H.1, 347.9A, 362.2, 386.1, 446.16, 455B.482, 480.1, 481B.1, 486A.101, 490.140, 502A.1, 505.32, 508B.5, 514.1, 514E.1, 515G.5, 523H.1, 524.103, 527.5, 533.405, 537A.10, 551A.1, 562A.8A, 562B.9A, 633.556, 714.15, 714E.1, 715.3, 716A.1, 904.108

Similar provision on population, §9F.6

Definition of "special state agents", §80.23

Transition provisions for court reorganization in chapter 602, article 11

**4.2 Common law rule of construction.**

The rule of the common law, that statutes in derogation thereof are to be strictly construed, has no application to this Code. Its provisions and all proceedings under it shall be liberally construed with a view to promote its objects and assist the parties in obtaining justice.

[C51, §2503; R60, §2622; C73, §2528; C97, §3446; C24, 27, 31, 35, 39, §**64;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §4.2]

**4.3 References to other statutes.**

Any statute which adopts by reference the whole or a portion of another statute of this state shall be construed to include subsequent amendments of the statute or the portion thereof so adopted by reference unless a contrary intent is expressed.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §4.3]

**4.4 Presumption of enactment.**

In enacting a statute, it is presumed that:

1. Compliance with the Constitutions of the state and of the United States is intended.
2. The entire statute is intended to be effective.
3. A just and reasonable result is intended.
4. A result feasible of execution is intended.
5. Public interest is favored over any private interest.

[C73, 75, 77, 79, 81, §4.4]

**4.5 Prospective statutes.**

A statute is presumed to be prospective in its operation unless expressly made retrospective.

[C73, 75, 77, 79, 81, §4.5]

**4.6 Ambiguous statutes — interpretation.**

If a statute is ambiguous, the court, in determining the intention of the legislature, may consider among other matters:

1. The object sought to be attained.
2. The circumstances under which the statute was enacted.
3. The legislative history.

4. The common law or former statutory provisions, including laws upon the same or similar subjects.
5. The consequences of a particular construction.
6. The administrative construction of the statute.
7. The preamble or statement of policy.
[C73, 75, 77, 79, 81, §4.6]

**4.7 Conflicts between general and special statutes.**
If a general provision conflicts with a special or local provision, they shall be construed, if possible, so that effect is given to both. If the conflict between the provisions is irreconcilable, the special or local provision prevails as an exception to the general provision.
[C73, 75, 77, 79, 81, §4.7]
Referred to in §7E.6
Intent of general assembly that §7E.6 govern compensation of members of boards, committees, commissions, or councils except for certain provisions enacted subsequent to July 1, 1986; see §7E.6(1) and (7)

**4.8 Irreconcilable statutes.**
If statutes enacted at the same or different sessions of the legislature are irreconcilable, the statute latest in date of enactment by the general assembly prevails. If provisions of the same Act are irreconcilable, the provision listed last in the Act prevails.
[C73, 75, 77, 79, 81, §4.8]
See also §2B.13(1)(h)
Intent of general assembly that §7E.6 govern compensation of members of boards, committees, commissions, or councils except for certain provisions enacted subsequent to July 1, 1986; see §7E.6(1) and (7)

**4.9 Official copy prevails.**
If the language of the official copy of a statute conflicts with the language of any subsequent printing or reprinting of the statute, the language of the official copy prevails.
[C73, 75, 77, 79, 81, §4.9]

**4.10 Reenactment of statutes — continuation.**
A statute which is reenacted, revised or amended is intended to be a continuation of the prior statute and not a new enactment, so far as it is the same as the prior statute.
[C73, 75, 77, 79, 81, §4.10]

**4.11 Conflicting amendments to same statutes — interpretation.**
If amendments to the same statute are enacted at the same or different sessions of the general assembly, one amendment without reference to another, the amendments are to be harmonized, if possible, so that effect may be given to each. If the amendments are irreconcilable, the latest in date of enactment by the general assembly prevails.
[C73, 75, 77, 79, 81, §4.11]

**4.12 Acts or statutes are severable.**
If any provision of an Act or statute or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act or statute which can be given effect without the invalid provision or application, and to this end the provisions of the Act or statute are severable.
[C73, 75, 77, 79, 81, §4.12]
Referred to in §533C.903

**4.13 General savings provision.**
1. The reenactment, revision, amendment, or repeal of a statute does not affect any of the following:
*a.* The prior operation of the statute or any prior action taken under the statute.
*b.* Any validation, cure, right, privilege, obligation, or liability previously acquired, accrued, accorded, or incurred under the statute.
*c.* Any violation of the statute or penalty, forfeiture, or punishment incurred in respect to the statute, prior to the amendment or repeal.
*d.* Any investigation, proceeding, or remedy in respect of any privilege, obligation,

liability, penalty, forfeiture, or punishment; and the investigation, proceeding, or remedy may be instituted, continued, or enforced, and the penalty, forfeiture, or punishment imposed, as if the statute had not been repealed or amended.

2. If the penalty, forfeiture, or punishment for any offense is reduced by a reenactment, revision, or amendment of a statute, the penalty, forfeiture, or punishment if not already imposed shall be imposed according to the statute as amended.

[C73, 75, 77, 79, 81, §4.13]

2008 Acts, ch 1031, §6

**4.14 General rules of construction for English language laws.**

It is presumed that English language requirements in the public sector are consistent with the laws of Iowa and any ambiguity in the English language text of the laws of Iowa shall be resolved, in accordance with the ninth and tenth amendments of the Constitution of the United States, not to deny or disparage rights retained by the people, and to reserve powers to the states or to the people.

2002 Acts, ch 1007, §2

# CHAPTER 5

## UNIFORM STATE LAWS


5.1 Commission on uniform laws — vacancies.
5.2 Tenure — compensation — expenses.
5.3 Organization.
5.4 Duties — reports.


**5.1 Commission on uniform laws — vacancies.**

The governor shall appoint three commissioners, each of whom shall be a member of the bar of this state, in good standing, who shall constitute and be known as the commission on uniform state laws, and upon the death, resignation, or refusal to serve of any of the commissioners so appointed, the governor shall make an appointment to fill the vacancy so caused, such new appointment to be for the unexpired balance of the term of the original appointee.

[C24, 27, 31, 35, 39, §**65;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §5.1]

**5.2 Tenure — compensation — expenses.**

Said commissioners shall hold office for a term of four years, and until their successors are duly appointed, but nothing herein contained shall be construed to render a commissioner who has faithfully performed the duties of commissioner ineligible for reappointment. No member of said commission shall receive any compensation for services as a commissioner, but each commissioner shall be entitled to receive actual disbursements for expenses in performing the duties of the office.

[C24, 27, 31, 35, 39, §**66;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §5.2]

**5.3 Organization.**

The commissioners shall meet at the state capitol at least once in two years and shall organize by the election of one of their number as chairperson and another as secretary, who shall hold their respective offices for a term of two years and until their successors are elected and qualified.

[C24, 27, 31, 35, 39, §**67;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §5.3]

**5.4 Duties — reports.**

The commissioners shall attend the meeting of the national conference of commissioners on uniform state laws, or arrange for the attendance of at least one of their number at the

national conference, and both in and out of the national conference they shall do all in their power to promote uniformity in state laws, upon all subjects where uniformity is deemed desirable and practicable. The commission shall report to the legislative council of the general assembly, an account of its transactions, and its advice and recommendations for legislation. This report shall be printed for presentation to the council. The council shall submit the report to the speaker of the house and president of the senate who shall forward it to the appropriate committees of the general assembly for further study. The commission shall bring about as far as practicable the uniform judicial interpretation of all uniform laws and generally devise and recommend additional legislation or other or further course of action as shall tend to accomplish the purposes of this chapter.

[C24, 27, 31, 35, 39, §**68;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §5.4]

89 Acts, ch 296, §1

# SUBTITLE 3

## EMINENT DOMAIN

## CHAPTER 6

RESERVED

## CHAPTER 6A

EMINENT DOMAIN LAW
(CONDEMNATION)

Referred to in §18B.1, 28F.11, 28J.9, 173.14, 306.19, 306B.4, 306C.17, 313A.10, 327G.17, 331.304, 346.27, 364.4, 389.3, 390.11, 403.5, 403.7, 403A.20, 455B.487

This chapter not enacted as a part of this
title; transferred from chapter 471 in Code 1993


6A.1 Exercise of power by state.
6A.2 On behalf of federal government.
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6A.23 Exception for certain urban renewal areas. Repealed by own terms; 2006 Acts, 1st Ex, ch 1001, §4, 49.
6A.24 Judicial review of eminent domain authority.


**6A.1 Exercise of power by state.**

Proceedings may be instituted and maintained by the state of Iowa, or for the use and benefit thereof, for the condemnation of such private property as may be necessary for any public improvement which the general assembly has authorized to be undertaken by the state, and for which an available appropriation has been made. The executive council shall institute and maintain such proceedings in case authority to so do be not otherwise delegated.

[C73, §1271; C97, §2024; S13, §2024-d; C24, 27, 31, 35, 39, §**7803;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.1]

C93, §6A.1

State parks and highways connecting therewith, §461A.7, 461A.8

**6A.2 On behalf of federal government.**

The executive council may institute and maintain such proceedings when private property is necessary for any use of the government of the United States.

[S13, §2024-a; C24, 27, 31, 35, 39, §**7804;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.2]

C93, §6A.2

Condemnation by federal government, §1.4

**6A.3 Conveyance by state to federal government.**

When land or any easement therein is condemned by the state for the use and benefit of the United States, the governor, after the land has been finally acquired, shall have power to convey, to the United States, the easement or lands so acquired and all rights of the state therein.

[S13, §2024-b; C24, 27, 31, 35, 39, §**7805;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.3]

C93, §6A.3

**6A.4 Right conferred.**

The right to take private property for public use is hereby conferred:

1. *Counties.* Upon all counties for public purposes which are reasonable and necessary as an incident to the powers and duties conferred upon counties.

2. *Owners of land without a way to the land.* Upon the owner or lessee of lands, which have no public or private way to the lands, for the purpose of providing a public way which will connect with an existing public road.

*a.* The condemned public way shall not exceed forty feet in width when such lands are agricultural or have a single residence located on them. For all other uses, the condemned public way shall not exceed sixty-six feet.

*b.* The condemned public way shall be located on a division, subdivision or "forty" line, or immediately adjacent thereto, and along the line which is the nearest feasible route to an existing public road, or along a route established for a period of ten years or more by an easement of record or by use and travel to and from the property by the owner and the general public. The public way shall not interfere with buildings, orchards, or cemeteries.

*c.* When passing through enclosed lands, the public way shall be fenced on both sides by the condemner upon request of the owner of the condemned land. The condemner or the condemner's assignee shall provide easement for access to the owner of property severed by the condemnation. The public way shall be maintained by the condemner or the condemner's assignee, and shall not be considered any part of the primary or secondary road systems.

*d.* A public way condemned under this subsection shall not be considered an existing public road in subsequent condemnations to provide a public way for access to an existing public road.

3. *Owners of mineral lands.* Upon all owners, lessees, or possessors of land, for a railway right-of-way thereto not exceeding one hundred feet in width and located wherever necessary or practical, when such lands have no railway thereto and contain coal, stone, gravel, lead, or other minerals and such railway is necessary in order to reach and operate any mine, quarry, or gravel bed on said land and transport the products thereof to market. Such right-of-way shall not interfere with buildings, orchards, or cemeteries, and when passing through enclosed lands, fences shall be built and maintained on both sides thereof by the party condemning the land and by that party's assignees. The jury, in the assessment of damages, shall consider the fact that a railway is to be constructed thereon.

4. *Cemetery associations.* Upon any private cemetery or cemetery association which is incorporated under the laws of this state relating to corporations not for pecuniary profit, and having its cemetery located outside the limits of a city, for the purpose of acquiring necessary grounds for cemetery use or reasonable additions thereto. The right granted in this subsection shall not be exercised until the board of supervisors, of the county in which the land sought to be condemned is located, has, on written application and hearing, on such reasonable notice to all interested parties as it may fix, found that the land, describing it, sought to be condemned, is necessary for cemetery purposes. The association shall pay all costs attending such hearing.

5. *Subdistricts of soil and water conservation districts.* Upon a subdistrict of a soil and water conservation district for land or rights or interests in the land as reasonable and necessary to carry out the purposes of the subdistrict.

6. *Cities.* Upon all cities for public purposes which are reasonable and necessary as an incident to the powers and duties conferred upon cities.

**1.** [S13, §2024-f; C24, 27, 31, 35, 39, §**7806;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §471.4; 81 Acts, ch 117, §1084]

**2.** [C97, §2028; S13, §2028; C24, 27, 31, 35, 39, §**7806;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §471.4]

**3.** [C97, §2028, 2031; S13, §2028; C24, 27, 31, 35, 39, §**7806;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §471.4]

**4.** [S13, §1644-a – e; C24, 27, 31, 35, 39, §**7806;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §471.4]

**5.** [C62, 66, 71, 73, 75, 77, 79, 81, S81, §471.4]

**6.** [R60, §1064; C73, §464, 470, 474; C97, §722, 880, 881; S13, §722, 729-b, 741-s; SS15, §741-d, 879-t, 880, 881; C24, 27, 31, 35, 39, §**6134, 6195 – 6197, 6740;** C46, §397.8, 403.1 – 403.3; C50, §391A.3, 397.8, 403.1 – 403.3, 420.51; C54, 62, 66, 71, 73, §368.37, 397.8; C75, 77, 79, 81, S81, §471.4]

83 Acts, ch 67, §1; 87 Acts, ch 23, §55

C93, §6A.4

2006 Acts, 1st Ex, ch 1001, §1, 49; 2008 Acts, ch 1032, §201

Referred to in §364.12A

**6A.5 Right to purchase.**

Whenever the power to condemn private property for a public use is granted to any officer, board, commission, or other official, or to any county, township, or municipality, such grant shall, unless otherwise declared, be construed as granting authority to the officer, board, or official body having jurisdiction over the matter, to acquire, at its fair market value, and from the parties having legal authority to convey, such right as would be acquired by condemnation.

[R60, §1317; C73, §1244, 1247; C97, §1999, 2002, 2014, 2029; S13, §1644-a; C24, 27, 31, 35, 39, §**7807;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.5]

C93, §6A.5

**6A.6 Railways.**

A railway corporation may acquire by condemnation property as necessary for the location, construction, and convenient use of a railway. The acquisition shall carry the right to use for the construction and repair of the railway and its appurtenances any earth, gravel, stone, timber, or other material, on or from the land taken.

[R60, §1314; C73, §1241; C97, §1995; S13, §1995; C24, 27, 31, 35, 39, §**7808;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.6]

83 Acts, ch 121, §9

C93, §6A.6

2009 Acts, ch 97, §1

**6A.7 Cemetery lands.**

No lands actually platted, used, and devoted to cemetery purposes shall be taken for any railway purpose without the consent of the proper officers or owners thereof.

[S13, §1995; C24, 27, 31, 35, 39, §**7809;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.7]

C93, §6A.7

**6A.8 Limitation on right-of-way.**

Land taken for railway right-of-way, otherwise than by consent of the owner, shall not exceed one hundred feet in width unless greater width is necessary for excavation, embankment, or depositing waste earth.

[R60, §1314; C73, §1241; C97, §1995; S13, §1995; C24, 27, 31, 35, 39, §**7810;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.8]

C93, §6A.8

**6A.9 Additional purposes.**

The department of transportation or a railway corporation may, by condemnation or otherwise, acquire lands for the following additional purposes:

1. For necessary additional depot grounds or yards.
2. For constructing a track or tracks to any mine, quarry, gravel pit, manufacturing plant, warehouse, or mercantile establishment.
3. For additional or new right-of-way for constructing double track, reducing or straightening curves, changing grades, shortening or relocating portions of the line, and for excavations, embankments, or places for depositing waste earth.
4. For the preservation of abandoned railroad right-of-way for future railroad use.

[R60, §1314; C73, §1241, 1242; C97, §1995, 1996, 1998; S13, §1995, 1998; C24, 27, 31, 35, 39, §**7811;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.9]

83 Acts, ch 121, §10

C93, §6A.9

2009 Acts, ch 97, §2

**6A.10 Initiating railroad condemnation by railway corporation.**

A railway corporation shall apply to the department of transportation for permission to condemn. The railway corporation shall serve notice of the application and hearing and provide a copy of the legal description of the property to be condemned to the owner and any recordholders of liens and encumbrances on any land described in the application. The department may, after hearing, report to the clerk of the district court of the county in which the land is situated the description of the land sought to be condemned. The corporation may begin condemnation procedures in district court for the land described by the department.

[C97, §1998; S13, §1998; C24, 27, 31, 35, 39, §**7812;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.10; 81 Acts, ch 22, §22]

83 Acts, ch 121, §11

C93, §6A.10

93 Acts, ch 47, §17; 93 Acts, ch 87, §1; 2009 Acts, ch 97, §3

**6A.11 Lands for water stations — how set aside.**

Lands which are sought to be condemned for water stations, dams, or reservoirs, including all the overflowed lands, if any, shall, if requested by the owner, be set aside in a square or rectangular shape by the department of transportation or district court.

[C73, §1242; C97, §1996; C24, 27, 31, 35, 39, §**7813;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.11; 81 Acts, ch 22, §22]

83 Acts, ch 121, §12

C93, §6A.11

**6A.12 Access to water — overflow limited.**

An owner of land, which has in part been condemned for water stations, dams, or reservoirs, shall not be deprived, without the owner's consent, of access to the water, or the use thereof, in common with the company, on the owner's own land, nor, without the owner's consent, shall the owner's dwelling, outhouses, or orchards be overflowed, or otherwise injuriously affected by such condemnation.

[C73, §1242; C97, §1996; C24, 27, 31, 35, 39, §**7814;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.12]

C93, §6A.12

**6A.13 Change in streams.**

When a railway company would have the right to excavate a channel or ditch and thereby change and straighten the course of a stream or watercourse, which is too frequently crossed by such railway, and thereby protect the right-of-way and roadbed, or promote safety and

convenience in the operation of the railway, it may, by condemnation or otherwise, acquire sufficient land on which to excavate such ditch or channel.

[C97, §2014; C24, 27, 31, 35, 39, §**7815;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.13]

C93, §6A.13

Referred to in §6A.14

**6A.14 Unlawful diversion prohibited.**

Nothing in section 6A.13 shall give such corporation the right to change the course of any stream or watercourse where such right does not otherwise exist, nor, without the owner's consent, to divert such stream or watercourse from any cultivated meadow or pasture land, when it only touches such lands at one point.

[C97, §2014; C24, 27, 31, 35, 39, §**7816;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.14]

C93, §6A.14

**6A.15** Reserved.

**6A.16 Right to condemn abandoned right-of-way.**

Railroad right-of-way which has been abandoned by order of the proper authority may be condemned by a railway corporation or the department of transportation before or after the track materials have been removed. The procedure to condemn abandoned right-of-way shall be the same as for an original condemnation.

[C73, §1260; C97, §2015; C24, 27, 31, 35, 39, §**7818;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.16]

83 Acts, ch 121, §13

C93, §6A.16

2009 Acts, ch 97, §4

Referred to in §327G.78

**6A.17** Reserved.

**6A.18 No double damages.**

Owners of abandoned right-of-way which was originally condemned for rail purposes shall not receive additional compensation unless the track materials were removed prior to the second condemnation.

[C73, §1261; C97, §2016; C24, 27, 31, 35, 39, §**7820;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.18]

83 Acts, ch 121, §14

C93, §6A.18

**6A.19 Interpretative clause.**

A grant in this chapter of right to take private property for a public use shall not be construed as limiting a like grant elsewhere in the Code for another and different use.

[C24, 27, 31, 35, 39, §**7821;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.19]

C93, §6A.19

**6A.20 Description of land furnished.**

Whenever any person, state department, or political subdivision takes title to land in fee simple for a public use by condemnation or by purchase in lieu of condemnation, the purchaser shall furnish to the owner of the land a legal description of the part taken and a legal description of the remainder which is compatible with the existing abstract description of the entire tract of land. For the purposes of this section a center line description is compatible only when it contains reference points which are a part of and tied to the abstract description.

[C71, 73, 75, 77, 79, 81, §471.20]

C93, §6A.20

Referred to in §306.42

**6A.21 Condemnation of agricultural land — definitions.**

1. Except as otherwise provided, for purposes of this chapter and chapter 6B:

*a.* *"Agricultural land"* means real property owned by a person in tracts of ten acres or more and not laid off into lots of less than ten acres or divided by streets and alleys into parcels of less than ten acres, and that has been used for the production of agricultural commodities during three out of the past five years. Such use of property includes, but is not limited to, the raising, harvesting, handling, drying, or storage of crops used for feed, food, seed, or fiber; the care or feeding of livestock; the handling or transportation of crops or livestock; the storage, treatment, or disposal of livestock manure; and the application of fertilizers, soil conditioners, pesticides, and herbicides on crops. Agricultural land includes land on which is located farm residences or outbuildings used for agricultural purposes and land on which is located facilities, structures, or equipment for agricultural purposes. Agricultural land includes land taken out of agricultural production for purposes of environmental protection or preservation.

*b.* *"Private development purposes"* means the construction of, or improvement related to, recreational trails, recreational development paid for primarily with private funds, housing and residential development, or commercial or industrial enterprise development.

*c.* *"Public use"* or *"public purpose"* or *"public improvement"* does not include the authority to condemn agricultural land for private development purposes unless the owner of the agricultural land consents to the condemnation.

2. The limitation on the definition of public use, public purpose, or public improvement does not apply to the establishment, relocation, or improvement of a road pursuant to chapter 306, or to the establishment of a railway under the supervision of the department of transportation as provided in section 327C.2, or to an airport as defined in section 328.1, or to land acquired in order to replace or mitigate land used in a road project when federal law requires replacement or mitigation. This limitation also does not apply to utilities, persons, companies, or corporations under the jurisdiction of the Iowa utilities board in the department of commerce or to any other utility conferred the right by statute to condemn private property or to otherwise exercise the power of eminent domain.

99 Acts, ch 171, §1, 41, 42; 2006 Acts, 1st Ex, ch 1001, §2, 49

Referred to in §6A.22

**6A.22 Additional limitations on exercise of power — definitions.**

1. In addition to the limitations in section 6A.21, the authority of an acquiring agency to condemn any private property through eminent domain may only be exercised for a public purpose, public use, or public improvement. However, if the owner of the property consents to the condemnation, the property may be condemned for any purpose.

2. *a.* *"Public use"*, *"public purpose"*, or *"public improvement"* means one or more of the following:

(1) The possession, occupation, and enjoyment of property by the general public or governmental entities.

(2) The acquisition of any interest in property necessary to the function of a public or private utility, common carrier, or airport or airport system.

(3) Private use that is incidental to the public use of the property, provided that no property shall be condemned solely for the purpose of facilitating such incidental private use.

(4) The acquisition of property pursuant to chapter 455H.

(5) (a) The acquisition of property for redevelopment purposes and to eliminate slum or blighted conditions in that portion of an urban renewal area designated as a slum or blighted area if each parcel, or any improvements thereon, for which condemnation is sought is determined by the governing body of the municipality to be in a slum or blighted condition. However, for a project or acquisition plan adopted by the governing body of a municipality after due deliberation and public input, if seventy-five percent or more of the area included in the plan consists of property in a slum or blighted condition at the time the plan was established, the entire project or acquisition plan area is subject to condemnation by the municipality. The project or acquisition plan area shall only include the adjacent and contiguous parcels necessary for the completion of planned activities for a specific business

or housing project. Before a municipality exercises its eminent domain authority to acquire properties in a project or acquisition plan area that are not in a slum or blighted condition, the municipality shall be required to adopt a resolution by a two-thirds majority to authorize the acquisition of such property by eminent domain. The resolution shall make a finding that includes at a minimum all of the following:

(i) The taking of such property is necessary to achieve the project or acquisition plan objectives.

(ii) The taking of property for the project or acquisition plan will eliminate or rehabilitate the slum and blighted conditions in the area.

(iii) If the specific project is for a business, the proposed project or acquisition plan will confer economic benefits upon the municipality.

(b) For purposes of this subparagraph (5):

(i) "*Blighted condition*" means the presence of a substantial number of slum or deteriorated structures; insanitary or unsafe conditions; excessive and uncorrected deterioration of site or other improvements; tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; or the existence of conditions which endanger life or property by fire and other causes; or the existence of conditions which retard the provision of housing accommodations for low or moderate income families, or is a menace to the public health and safety in its present condition and use.

(ii) "*Slum condition*" means a condition conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, or detrimental to the public health and safety due to a predominance of buildings or improvements, whether residential or nonresidential, by reason of the following: by reason of dilapidation, deterioration that is excessive and uncorrected, age or obsolescence; by reason of inadequate provision for sanitation; by reason of high density of population and overcrowding; by reason of the existence of conditions which endanger life or property by fire and other causes; or by reason of any combination of such factors.

(iii) In no case shall land that is agricultural land be determined to be in a slum condition or blighted condition.

(iv) "*Project or acquisition plan*" means the planned activities of a municipality to rehabilitate or redevelop specific property in that portion of an urban renewal area designated as a slum or blighted area pursuant to chapter 403. The planned activities may include the sale and acquisition of property; demolition and removal of buildings and improvements; construction, repair, and rehabilitation of buildings or other improvements; and installation, construction, or reconstruction of streets and utilities.

(v) "*Economic benefits*" means the creation of new employment opportunities or the retention of employment opportunities.

*b.* Except as specifically included in the definition in paragraph "*a*", "*public use*" or "*public purpose*" or "*public improvement*" does not mean economic development activities resulting in increased tax revenues, increased employment opportunities, privately owned or privately funded housing and residential development, privately owned or privately funded commercial or industrial development, or the lease of publicly owned property to a private party.

*c.* Notwithstanding paragraph "*a*":

(1) (a) If private property is to be condemned for development or creation of a lake, only that number of acres justified as necessary for a surface drinking water source, and not otherwise acquired, may be condemned. In addition, the acquiring agency shall conduct a review of prudent and feasible alternatives to provision of a drinking water source prior to making a determination that such lake development or creation is reasonable and necessary. Development or creation of a lake as a surface drinking water source includes all of the following:

(i) Construction of the dam, including sites for suitable borrow material and the auxiliary spillway.

(ii) The water supply pool.

(iii) The sediment pool.

(iv) The flood control pool.

(v) The floodwater retarding pool.

(vi) The surrounding area upstream of the dam no higher in elevation than the top of the dam's elevation.

(vii) The appropriate setback distance required by state or federal laws and regulations to protect drinking water supply.

(b) For purposes of this subparagraph (1), *"number of acres justified as necessary for a surface drinking water source"* means according to guidelines of the United States natural resource conservation service and according to analyses of surface drinking water capacity needs conducted by one or more registered professional engineers.

(2) The use of eminent domain authority to acquire private property in the unincorporated area of a county for use as an airport, airport system, or aviation facilities is prohibited, notwithstanding any provision of the law to the contrary, if the property to be condemned is located outside the geographic boundaries of the city or county operating the airport, airport system, or aviation facilities or outside the geographic boundaries of the member municipalities of the commission or authority. However, an acquiring agency may proceed with condemnation of property under these circumstances if the board of supervisors of the county where the property for which condemnation is sought is located holds a public hearing on the matter and subsequent to the hearing approves, by resolution, the condemnation action. This subparagraph does not apply if any of the following conditions is met:

(a) The property to be condemned is for an improvement to an existing airport, airport system, or aviation facilities if such improvement is required by federal law, regulation, or order or if such improvement is included in an airport layout plan approved by the federal aviation administration for the existing site of the airport, airport system, or aviation facilities.

(b) The property to be condemned has been zoned by a city or county for use as an airport, airport system, or aviation facilities.

(c) The property to be condemned is for a proposed airport, airport system, or aviation facilities that as of July 1, 2006, were designated in the federal aviation administration national plan for integrated airport services, and the property to be condemned is located within the county where at least one of the cities that will participate in operation of the proposed airport, airport system, or aviation facilities is located.

2006 Acts, 1st Ex, ch 1001, §3, 49; 2008 Acts, ch 1032, §201

**6A.23 Exception for certain urban renewal areas.** Repealed by own terms; 2006 Acts, 1st Ex, ch 1001, § 4, 49.

**6A.24 Judicial review of eminent domain authority.**

1. An owner of property described in an application for condemnation may bring an action challenging the exercise of eminent domain authority or the condemnation proceedings. Such action shall be commenced within thirty days after service of notice of assessment pursuant to section 6B.8 by the filing of a petition in district court. Service of the original notice upon the acquiring agency shall be as required in the rules of civil procedure. In addition to the owner of the property, a contract purchaser of record of the property or a tenant occupying the property under a recorded lease shall also have standing to bring such action.

2. An acquiring agency that proposes to acquire property by eminent domain may file a petition in district court seeking a determination and declaration that its finding of public use, public purpose, or public improvement necessary to support the taking meets the definition of those terms. The action shall be commenced by the filing of a petition identifying all property owners whose property is proposed to be acquired, any contract purchaser of record of the property, and any tenant known to be occupying the property, and including a description of the properties proposed to be acquired and a statement of the public use, public purpose, or public improvement supporting the acquisition of the property by eminent domain. The original notice shall be served as required by the rules of civil procedure on each property owner named in the petition and on any contract purchaser of record of the property and on any tenant occupying the property under a recorded lease. Such action may be commenced

by an acquiring agency at any time prior to the filing of an application for condemnation pursuant to section 6B.3.

3. For any action brought under this section, the burden of proof shall be on the acquiring agency to prove by a preponderance of the evidence that the finding of public use, public purpose, or public improvement meets the definition of those terms. If a property owner or a contract purchaser of record or a tenant occupying the property under a recorded lease prevails in an action brought under this section, the acquiring agency shall be required to pay the costs, including reasonable attorney fees, of the adverse party.

2006 Acts, 1st Ex, ch 1001, §5, 49

Referred to in §6B.3A

Manner of service, R.C.P. 1.302 – 1.315

# CHAPTER 6B

## PROCEDURE UNDER EMINENT DOMAIN

Referred to in §6A.21, 18B.1, 28F.11, 28J.9, 173.14, 297.6, 306.17, 306.19, 306.27, 306B.4, 306C.9, 306C.17, 313A.10, 327G.17, 327G.77, 331.303, 331.304, 331.321, 331.653, 346.27, 358C.12, 364.4, 364.8, 389.3, 390.11, 403.5, 403.7, 403A.20, 461A.75, 468.126, 468.128, 468.146, 468.366, 468.526, 476.23, 476A.7, 479.46, 479B.30, 543D.3, 589.27, 602.8102(66)

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**6B.1 Definitions.**

1. As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. For purposes of this chapter, an *"acquiring agency"* means the state of Iowa or any person or entity conferred the right by statute to condemn private property or to otherwise exercise the power of eminent domain. In the exercise of eminent domain power, the words *"applicant"* and *"condemner"* mean acquiring agency as defined in this subsection, unless the context clearly requires otherwise.

2000 Acts, ch 1148, §1; 2006 Acts, 1st Ex, ch 1001, §25, 47, 49

2006 amendment, transfer, and designation of former §6B.58 as subsection 2 in Code 2007, take effect July 14, 2006; 2006 Acts, 1st Ex, ch 1001, §47, 49

**6B.1A Procedure provided.**

The procedure for the condemnation of private property for works of internal improvement, and for other public projects, uses, or purposes, unless and except as otherwise provided by law, shall be in accordance with the provisions of this chapter. This chapter shall not apply to the dedication of property to an acquiring agency or to the voluntary negotiation and purchase of property by an acquiring agency.

[C24, 27, 31, 35, 39, §**7822;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.1]

C93, §6B.1

2000 Acts, ch 1179, §1, 30

C2001, §6B.1A

**6B.2 By whom conducted.**

1. Such proceedings shall be conducted:

*a.* By the attorney general when the damages are payable from the state treasury.

*b.* By the county attorney, when the damages are payable from funds disbursed by the county or by any township.

*c.* By the city attorney, when the damages are payable from funds disbursed by the city.

2. This section shall not be construed as prohibiting any other authorized representative from conducting such proceedings.

[C73, §1271; C97, §2024; S13, §2024-a, -d, -f; C24, 27, 31, 35, 39, §**7823;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.2]

C93, §6B.2
2008 Acts, ch 1032, §201; 2013 Acts, ch 57, §1
Referred to in §331.756(68)
Subsection 1, paragraph b amended

**6B.2A Notice of proposed public improvement.**

1. An acquiring agency shall provide written notice of a public hearing to each owner and any contract purchaser of record of agricultural land that may be the subject of condemnation. The authority under this chapter is not conferred and condemnation proceedings shall not begin unless a good faith effort is made to mail and publish the notice as provided in this section on the owner and any contract purchaser of record of the property subject to condemnation. The notice shall be mailed by ordinary mail, not less than thirty days before the date the hearing is held, to the owner and any contract purchaser of record of each property or property interest at the owner's and contract purchaser's last known address as shown in the records of the county auditor not less than seven days nor more than fourteen days prior to the date of mailing. A change in ownership of any such property which is not reflected in the records of the county auditor during the period those records are searched as above provided shall not affect the validity of the notice or any condemnation proceeding commenced on the basis of such notice. The notice shall be given and the public hearing held before adoption of the ordinance, resolution, motion, or other declaration of intent to fund the final site-specific design for the public improvement, to make the final selection of the route or site location for the public improvement, or to acquire or condemn, if necessary, all or a portion of the property or an interest in the property for the public improvement. If the location of the public improvement is changed or expanded after the decision has been made to proceed with the public improvement, a notice shall be mailed by ordinary mail no less than thirty days before the adoption of the ordinance, resolution, motion, or other declaration of intent to proceed with a change in the location of the public improvement to the owner and any contract purchaser of record of the land to be acquired or condemned, if necessary, in the new location of the public improvement affected by the change. The mailed notice shall, at a minimum, include the following information:

*a.* The general nature of the public improvement.

*b.* A statement of the possibility that the acquiring agency may acquire part or all of the property or interest in the property by condemnation for the public improvement.

*c.* The process to be followed by the acquiring agency in making the decision to fund the final site-specific design for the public improvement, to make the final selection of the route or site location, or to acquire or condemn, if necessary, all or a portion of the property or an interest in the property for the public improvement.

*d.* The time and place of a public hearing at which an opportunity is provided for public input into the decision to fund the final site-specific design for the public improvement, to make the final selection of the route or site location, or to acquire or condemn, if necessary, all or a portion of the property or an interest in the property for the public improvement.

*e.* The name, address, and telephone number of the person designated by the acquiring agency as the person to contact regarding the public improvement.

*f.* A statement of rights of individual property owners with respect to the acquisition of their property and the availability of relocation benefits. The attorney general shall adopt by rule pursuant to chapter 17A a statement of rights which may be used in substantial form by any person required to provide the statement of rights as provided in this section.

2. The acquiring agency shall cause a notice to be published once in a newspaper of general circulation in the county or city where the agricultural land is located. The notice shall be published at least four but no more than twenty days before the public hearing is held as referred to in subsection 1. The published notice shall, at a minimum, include the following information:

*a.* The general nature of the public improvement.

*b.* A statement of the possibility that the acquiring agency may acquire part or all of the property or an interest in the property by condemnation for the public improvement.

*c.* The process to be followed by the acquiring agency in making the decision to fund the

final site-specific design for the public improvement, to make the final selection of the route or site location, or to acquire or condemn, if necessary, all or a portion of the property or an interest in the property for the public improvement.

*d.* The time and place of a public hearing at which an opportunity is provided for public input into the decision to fund the final site-specific design for the public improvement, to make the final selection of the route or site location, or to acquire or condemn, if necessary, all or a portion of the property or an interest in the property for the public improvement.

*e.* The name, address, and telephone number of the contact person regarding the public improvement.

3. If the acquiring agency is a person required to obtain a franchise under chapter 478, compliance with section 478.2 shall satisfy the requirements of this section. If the acquiring agency is a person required to obtain a permit under chapter 479, compliance with section 479.5 shall satisfy the requirements of this section.

4. This section shall not apply to a condemnation of property by the state department of transportation or a county for right-of-way that is contiguous to an existing road right-of-way and necessary for the maintenance, safety improvement, repair, or upgrade of the existing road. Notwithstanding section 6B.2C, a condemnation of property by the state department of transportation pursuant to this subsection shall be approved by the director of the department of transportation. For purposes of this subsection, *"upgrade"* means to bring a road or bridge up to currently acceptable standards, including improved geometrics, passing lanes, turning lanes, climbing lanes, and improved shoulders. *"Upgrade"* does not include expanding a highway from two lanes to four lanes.

5. The time deadlines in this section do not apply during the existence of an emergency requiring the construction or repair of public improvements in situations where failure to immediately construct or repair would result in immediate danger to public health, safety, or welfare. The notices required in this section shall be provided to the owner as soon as practicable.

99 Acts, ch 171, §2, 42; 2000 Acts, ch 1178, §1; 2000 Acts, ch 1179, §2 – 4, 30; 2002 Acts, ch 1063, §1

Referred to in §6B.2D, 478.2, 478.6, 479.5, 479.7

**6B.2B Acquisition negotiation.**

The acquiring agency shall make a good faith effort to negotiate with the owner to purchase the private property or property interest before filing an application for condemnation or otherwise proceeding with the condemnation process. An acquiring agency shall not make an offer to purchase the property or property interest that is less than the fair market value the acquiring agency has established for the property or property interest pursuant to the appraisal required in section 6B.45 or less than the value determined under the acquiring agency's waiver procedure established pursuant to section 6B.54, subsection 2, for acquisition of property with a low fair market value. A purchase offer made by an acquiring agency shall include provisions for payment to the owner of expenses, including relocation expenses, expenses listed in section 6B.54, subsection 10, and other expenses required by law to be paid by an acquiring agency to a condemnee. However, in the alternative, the acquiring agency may make, and the owner may accept, a purchase offer from the acquiring agency that is an amount equal to one hundred thirty percent of the appraisal amount plus payment to the owner of expenses listed in section 6B.54, subsection 10, once those expenses have been determined. If the owner accepts such a purchase offer, the owner is barred from claiming payment from the acquiring agency for any other expenses allowed by law. An acquiring agency need not make an offer in excess of the amounts described in this section in order to satisfy the requirement to negotiate in good faith. The option to make an alternative purchase offer does not apply when property is being acquired for street and highway projects undertaken by the state, a county, or a city.

99 Acts, ch 171, §3, 42; 2000 Acts, ch 1179, §5, 6, 30; 2006 Acts, 1st Ex, ch 1001, §6, 49

Referred to in §6B.54

**6B.2C Approval of the public improvement.**

The authority to condemn is not conferred, and the condemnation proceedings shall not commence, unless the governing body for the acquiring agency approves the use of condemnation and there is a reasonable expectation the applicant will be able to achieve its public purpose, comply with all applicable standards, and obtain the necessary permits.

2000 Acts, ch 1179, §7, 30

Referred to in §6B.2A

**6B.2D Notice of intent to approve acquisition of property by eminent domain.**

1. The acquiring agency shall send notice of a proposed resolution, motion, or other document authorizing acquisition of property by eminent domain to each property owner whose property is proposed to be acquired by eminent domain, to any contract purchaser of record of the property, and to any tenant known to be occupying the property at least fourteen days prior to the date of the meeting at which such proposed authorization will be considered for adoption by the acquiring agency. The notice shall include the date, time, and place of the meeting and a statement that the persons receiving the notice have a right to attend the meeting and to voice objection to the proposed acquisition of the property. The notice shall include a copy of the proposed resolution, motion, or other document authorizing acquisition by eminent domain. The notice shall also include the same statement of individual rights that is required by section 6B.2A.

2. This section shall not apply to the following:

*a.* Street and highway projects undertaken by the state, a county, or a city.

*b.* Projects undertaken by a municipal utility.

*c.* Projects undertaken by a city enterprise providing services of sewer systems, storm water drainage systems, sewage treatment, solid waste collection, or solid waste disposal.

*d.* Projects undertaken by a county enterprise providing services described in section 331.461, subsection 2, paragraphs *"b"* and *"f"*.

2006 Acts, 1st Ex, ch 1001, §7, 49

**6B.3 Application — recording — notice — time for appraisement — new proceedings.**

1. The proceedings shall be instituted by a written application filed with the chief judge of the judicial district of the county in which the land sought to be condemned is located. The application shall set forth:

*a.* A description of all the property in the county affected or sought to be condemned, by its congressional numbers, in tracts not exceeding one-sixteenth of a section, or, if the land consists of lots, by the numbers of the lot and block, and plat designation.

*b.* A plat showing the location of the right-of-way or other property sought to be condemned with reference to such description.

*c.* The names of all record owners of the different tracts of land sought to be condemned, or otherwise affected by such proceedings, and of all record holders of liens and encumbrances on such lands; also the place of residence of all such persons so far as known to the applicant.

*d.* The purpose for which condemnation is sought.

*e.* A request for the appointment of a commission to appraise the damages.

*f.* If the damages are to be paid by the state and the land to be condemned is within an agricultural area as provided in chapter 352, a statement disclosing whether any of that land is classified as class I or class II land under the United States department of agriculture natural resources conservation service land capability classification system contained in the agriculture handbook number 210, 1961 edition and, if so classified, stating that the class I or class II land is reasonably necessary for the work of internal improvement for which condemnation is sought.

*g.* A showing of the minimum amount of land necessary to achieve the public purpose and the amount of land to be acquired by condemnation for the public improvement. Any land to be acquired by condemnation beyond the necessary minimum to complete the project shall be presumed not to be necessary for a public use or public purpose unless the applicant can show that a substantial need exists for the additional property to achieve the public use or

public purpose, or that the land in question constitutes an uneconomical remnant that has little or no value or utility to the owner, or that the owner consents to the condemnation.

*h.* A statement indicating the efforts made by the applicant to negotiate in good faith with the owner to acquire the private property sought to be condemned.

2. *a.* The applicant shall mail a copy of the application by certified mail to the owner at the owner's last known address, to any contract purchaser of record of the property, to any tenant known to be occupying the property, and to any record lienholder or encumbrancer of the property at the lienholder's or encumbrancer's last known address. The applicant shall also cause the application to be published once in a newspaper of general circulation in the county, not less than four nor more than twenty days before the meeting of the compensation commission to assess the damages. Service of the application by publication shall be deemed complete on the day of publication.

*b.* In lieu of mailing and publishing the application, the applicant may cause the application to be served upon the owner, contract purchaser of record, tenant known to be occupying the property, record lienholders, and record encumbrancers of the property in the manner provided by the Iowa rules of civil procedure for the personal service of original notice. The application shall be mailed and published or served, as above provided, prior to or contemporaneously with the mailing and publication or service of the list of compensation commissioners as provided in section 6B.4.

3. *a.* The applicant shall promptly certify that its application for condemnation has been approved by the chief judge and shall file the original approved application with the county recorder in the manner required under section 6B.37.

*b.* The county recorder shall file and index the application in the record of deeds and preserve the application as required by sections 6B.38 and 558.55. The filing and indexing constitute constructive notice to all parties that a proceeding to condemn the property is pending and that the applicant has the right to acquire the property from all owners, lienholders, and encumbrancers whose interests are of record at the time of the filing. After filing and indexing, the county recorder shall file a copy of the application with the office of secretary of state.

*c.* When indexed, the proceeding is considered pending so as to charge all persons not having an interest in the property with notice of its pendency, and while pending no interest can be acquired by the third parties in the property against the rights of the applicant.

*d.* If the appraisement of damages by the commission pursuant to section 6B.14 is not made within one hundred twenty days of indexing, the proceedings instituted under this section are terminated and all rights and interests of the applicant arising out of the application for condemnation terminate. The applicant may reinstitute a new condemnation proceeding at any time. The reinstituted proceedings are entirely new proceedings and not a revival of the terminated proceeding.

[R60, §1230; C73, §1247; C97, §2002; C24, 27, 31, 35, 39, §**7824;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.3; 82 Acts, ch 1245, §19]

84 Acts, ch 1065, §1, 2

C93, §6B.3

95 Acts, ch 216, §25; 99 Acts, ch 171, §4, 42; 2000 Acts, ch 1179, §8, 9, 30; 2006 Acts, 1st Ex, ch 1001, §8 – 10, 49; 2008 Acts, ch 1032, §201

Referred to in §6A.24, 6B.56, 6B.56A, 335.27

Manner of service, R.C.P. 1.302 – 1.315

**6B.3A Challenge by owner.**

An owner of property described in an application for condemnation may bring an action to challenge the exercise of eminent domain authority or the condemnation proceedings in the district court of the county in which the private property is situated as provided in section 6A.24.

2006 Acts, 1st Ex, ch 1001, §11, 49

**6B.4 Commission to assess damages.**

Annually the board of supervisors of a county shall appoint not less than twenty-eight residents of the county and the names of such persons shall be placed on a list and they shall be eligible to serve as members of a compensation commission. One-fourth of the persons appointed shall be owner-operators of agricultural property, one-fourth of the persons appointed shall be owners of city property, one-fourth shall be licensed real estate salespersons or real estate brokers, and one-fourth shall be persons having knowledge of property values in the county by reason of their occupation, such as bankers, auctioneers, property managers, property appraisers, and persons responsible for making loans on property.

The chief judge of the judicial district or the chief judge's designee shall select by lot six persons from the list, two persons who are owner-operators of agricultural property when the property to be condemned is agricultural property; two persons who are owners of city property when the property to be condemned is other than agricultural property; and two persons from each of the remaining two representative groups, who shall constitute a compensation commission to assess the damages to all property to be taken by the applicant and located in the county, and shall name a chairperson from the persons selected. The chief judge or the judge's designee may appoint such alternate members and chairpersons to the commission as are deemed necessary and appropriate under the circumstances. A person shall not be selected as a member or alternate member of the compensation commission if the person possesses any interest in the proceeding which would cause the person to render a biased decision. The applicant shall mail a copy of the list of commissioners and alternates appointed by the chief judge by certified mail to the property owner at the owner's last known address. The applicant shall also cause the list of commissioners and alternates to be published once in a newspaper of general circulation in the county, not less than four nor more than twenty days before the meeting of the compensation commission to assess the damages. Service of the list of commissioners and alternates by publication shall be deemed complete on the day of publication. In lieu of mailing and publishing the list of commissioners and alternates, the applicant may cause the list to be served upon the owner of the property in the manner provided by the Iowa rules of civil procedure for the personal service of original notice. The list of commissioners and alternates shall be mailed and published or served, as above provided, prior to or contemporaneously with service of the notice of assessment as provided in section 6B.8.

Written instructions for members of compensation commissions shall be prepared under the direction of the chief justice of the supreme court and distributed to the sheriff in each county. The sheriff shall transmit copies of the instructions to each member of a compensation commission, and such instructions shall be read aloud to each commission before it commences its duties.

[R60, §1317, 1318; C73, §1244, 1245; C97, §1999, 2029; C24, 27, 31, 35, 39, §**7825;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.4]

C93, §6B.4

99 Acts, ch 171, §5, 6, 42; 2000 Acts, ch 1032, §1; 2000 Acts, ch 1179, §10, 11, 30; 2006 Acts, 1st Ex, ch 1001, §47, 49

Referred to in §6B.3, 306.28, 331.321, 479.46, 479B.30

**6B.4A Review of applications by compensation commission.** Repealed by 2006 Acts, 1st Ex, ch 1001, § 48, 49.

**6B.5 Challenges to commissioners — filling vacancies on commission.**

1. Persons appointed by the chief judge to serve on the compensation commission are excused from the commission if they are removed for cause, stricken by a challenge pursuant to this section, unavailable to serve on the commission, or fail to act in their capacity as commissioners.

2. The applicant may challenge one commissioner without stating cause and the person or persons representing the fee ownership interest in the property may challenge one commissioner without stating cause. A challenge to the appointment of a commissioner

shall be filed, in writing, with the sheriff not less than seven days prior to the meeting of the compensation commission, and shall be mailed to the other party by ordinary mail on the day of filing. An alternate commissioner may not be challenged without cause. A challenge filed less than seven days prior to the meeting of the commission shall have no effect.

3. If a person is excused from the commission, the sheriff shall select and notify, not less than twenty-four hours prior to the meeting, the alternate commissioners appointed for that condemnation proceeding, to complete the membership of the commission. Alternate commissioners selected and notified shall have the same qualifications as the person who is being replaced. If no alternates have been appointed, the chief judge of the judicial district shall appoint another person from the list, possessing the same qualifications as the person who is being replaced to complete the membership of the commission.

4. The sheriff shall notify alternate commissioners in the order directed by the chief judge, and the alternate commissioner first notified who is available to serve as a compensation commissioner shall serve in the place of the commissioner who was unable to serve or who was stricken from the panel.

5. If a person is excused from the commission, the applicant and the property owner may stipulate in writing to the selection and notification of a particular alternate having the same qualifications as the person who is being replaced, to complete the membership of the commission. Such stipulation shall be filed with the sheriff not less than seventy-two hours prior to the meeting of the commission.

[R60, §1319; C73, §1251; C97, §2006; C24, 27, 31, 35, 39, §**7826;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.5]

C93, §6B.5

2000 Acts, ch 1179, §12, 30

**6B.6 Sheriff to coordinate meeting of commissioners and provide meeting place.**

The sheriff of the county in which the property to be condemned is located shall coordinate the meeting of commissioners, shall arrange an appropriate meeting place for commissioners, shall assure that appointed commissioners receive the order of the court appointing them and directing their attendance at the meeting of commissioners, and shall report the unavailability or absence of appointed commissioners to the chief judge, to the applicant, and to the landowner.

2000 Acts, ch 1179, §13, 30

**6B.7 Commissioners to qualify.**

Before meeting to assess the damages for the taking, all commissioners shall qualify by filing with the sheriff a written oath that they will to the best of their ability faithfully and impartially assess damages and make a written report assessing the damages to the sheriff.

[C24, 27, 31, 35, 39, §**7828;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.7]

C93, §6B.7

99 Acts, ch 171, §8, 42; 2000 Acts, ch 1179, §14, 30

**6B.8 Notice of assessment.**

The applicant, or the owner or any lienholder or encumbrancer of any land described in the application, may, at any time after the appointment of the commissioners, have the damages to the lands of any such owner assessed by giving the other party, if a resident of this state, thirty days' notice, in writing. The notice shall specify the day and the hour when the compensation commission will meet, view the premises, and assess the damages. The notice shall be personally served upon all necessary parties in the same manner provided by the Iowa rules of civil procedure for the personal service of original notice.

[R60, §1318; C73, §1245; C97, §2000; C24, 27, 31, 35, 39, §**7829;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.8]

C93, §6B.8

99 Acts, ch 171, §9, 42; 2000 Acts, ch 1179, §15, 30; 2006 Acts, 1st Ex, ch 1001, §12, 49

Referred to in §6A.24, 6B.4, 6B.14

Manner of service, R.C.P. 1.302 – 1.315

**6B.9 Form of notice — signature.**

1. Said notice shall be in substantially the following form, with such changes therein as will render it applicable to the party giving and receiving the notice, and to the particular case pending, to wit:

To ..... (here name each person whose land is to be taken or affected and each record lienholder or encumbrancer thereof) and all other persons, companies, or corporations having any interest in or owning any of the following described real estate:

(Here describe the land as in the application.)

You are hereby notified that ..... (here enter the name of the applicant) desires the condemnation of the following described land: (Here describe the particular land or portion thereof sought to be condemned, in such manner that it will be clearly identified.)

That such condemnation is sought for the following purpose: (Here clearly specify the purpose.)

That a commission has been appointed as provided by law for the purpose of appraising the damages which will be caused by said condemnation.

That said commissioners will, on the ..... day of ..... (month), ..... (year), at ..... o'clock .....m., view said premises and proceed to appraise said damages, at which time you may appear before the commissioners if you care to do so.

.....
Applicant.

2. The notice may be signed by the applicant, by the applicant's attorney, or by any other authorized representative.

[R60, §1320; C73, §1247; C97, §2002; C24, 27, 31, 35, 39, §**7830;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.9]

C93, §6B.9

2000 Acts, ch 1058, §56; 2006 Acts, 1st Ex, ch 1001, §47, 49

**6B.10 Signing of notice.** Transferred to § 6B.9; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.11 Filing of notices and return of service.**

Notices, immediately after the service thereof, shall, with proper return of service endorsed thereon or attached thereto, be filed with the sheriff. The sheriff shall at once cause the commissioners to be notified of the day and hour when they will be required to proceed with the appraisement. The notice to the commissioners shall also be published by the sheriff pursuant to section 331.305.

[C24, 27, 31, 35, 39, §**7832;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.11]

C93, §6B.11

99 Acts, ch 171, §10, 42

**6B.12 Notice when residence unknown.** Repealed by 2000 Acts, ch 1179, § 29, 30.

**6B.13 Service outside state.** Repealed by 2000 Acts, ch 1179, § 29, 30.

**6B.14 Appraisement — report.**

1. The commissioners shall, at the time fixed in the notices required under section 6B.8, view the land sought to be condemned and assess the damages which the owner will sustain by reason of the appropriation. The commission shall file its written report, signed by all commissioners, with the sheriff. At the request of the condemner or the condemnee, the commission shall divide the damages into parts to indicate the value of any dwelling, the

value of the land and improvements other than a dwelling, and the value of any additional damages. The appraisement and return may be in parcels larger than forty acres belonging to one person and lying in one tract, unless the agent or attorney of the applicant, or the commissioners, have actual knowledge that the tract does not belong wholly to the person in whose name it appears of record; and in case of such knowledge, the appraisement shall be made of the different portions as they are known to be owned.

2. Prior to the meeting of the commission, the commission or a commissioner shall not communicate with the applicant, property owner, or tenant, or their agents, regarding the condemnation proceedings. The commissioners shall meet in open session to view the property and to receive evidence, but may deliberate in closed session. When deliberating in closed session, the meeting is closed to all persons who are not commissioners except for personnel from the sheriff's office if such personnel are requested by the commission. After deliberations commence, the commission and each commissioner are prohibited from communicating with any party to the proceeding. However, if the commission is deliberating in closed session, and after deliberations commence the commission requires further information from a party or a witness, the commission shall notify the property owner and the acquiring agency that they are allowed to attend the meeting at which such additional information shall be provided but only for that period of time during which the additional information is being provided. The property owner and the acquiring agency shall be given a reasonable opportunity to attend the meeting. The commission shall keep minutes of all its meetings showing the date, time, and place, the members present, and the action taken at each meeting. The minutes shall show the results of each vote taken and information sufficient to indicate the vote of each member present. The vote of each member present shall be made public at the open session. The minutes shall be public records open to public inspection.

3. In determining fair market value of property, the commissioners shall not consider only the assessed value assigned to such property for purposes of property taxation.

4. In assessing the damages the owner or tenant will sustain, the commissioners shall consider and make allowance for personal property which is damaged or destroyed or reduced in value.

5. An owner or tenant occupying land which is proposed to be acquired by condemnation shall be awarded a sum sufficient to remove such owner's or tenant's personal property from the land to be acquired, which sum shall represent reasonable costs of moving the personal property from the land to be acquired to a point no greater than fifty miles; but in any event, damages awarded under this section for moving shall not exceed five thousand dollars for each owner or tenant occupying land proposed to be condemned. An owner or tenant may apply for an award pursuant to this section only if all other damages provided by law have been awarded and such amount awarded is insufficient to pay the owner's or tenant's reasonable costs of moving.

[C73, §1249; C97, §2004, 2029; C24, 27, 31, 35, 39, §**7835;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.14]

C93, §6B.14

99 Acts, ch 171, §12, 42; 2000 Acts, ch 1179, §16, 17, 30; 2006 Acts, 1st Ex, ch 1001, §13, 14, 49; 2007 Acts, ch 22, §1; 2009 Acts, ch 133, §1; 2012 Acts, ch 1023, §1

Referred to in §6B.3, 316.2

**6B.15 Guardianship.**

In all cases where any interest in lands sought to be condemned is owned by a person who is under legal disability and has no guardian of the person's property, the applicant shall, prior to the filing of the application with the sheriff, apply to the district court for the appointment of a guardian of the property of such person.

[C24, 27, 31, 35, 39, §**7836;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.15]

C93, §6B.15

Referred to in §229.27

**6B.16 Power of guardian.**

If the owner of any lands is under guardianship, such guardian may, under the direction of the district court, or judge thereof, agree and settle with the applicant for all damages resulting from the taking of such lands, and give valid conveyances thereof.

[R60, §1316; C73, §1246; C97, §2001; C24, 27, 31, 35, 39, §**7837;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.16]

C93, §6B.16

**6B.17 When appraisement final.**

The appraisement of damages returned by the commissioners shall be final unless appealed from.

[C24, 27, 31, 35, 39, §**7838;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.17]

C93, §6B.17

**6B.18 Notice of appraisement — appeal of award — notice of appeal.**

1. After the appraisement of damages has been delivered to the sheriff by the compensation commission, the sheriff shall give written notice, by ordinary mail, to the condemner and the condemnee of the date on which the appraisement of damages was made, the amount of the appraisement, and that any interested party may, within thirty days from the date of mailing the notice of the appraisement of damages, appeal to the district court by filing notice of appeal with the district court of the county in which the real estate is located and by giving written notice to the sheriff that the appeal has been taken. The sheriff shall endorse the date of mailing of notice upon the original appraisement of damages.

2. An appeal of appraisement of damages is deemed to be perfected upon filing of a notice of appeal with the district court within thirty days from the date of mailing the notice of appraisement of damages. The notice of appeal shall be served on the adverse party, or the adverse party's agent or attorney, and any lienholder and encumbrancer of the property in the same manner as an original notice within thirty days from the date of filing the notice of appeal unless, for good cause shown, the court grants more than thirty days. If after reasonable diligence, the notice cannot be personally served, the court may prescribe an alternative method of service consistent with due process of law.

3. In case of condemnation proceedings instituted by the state department of transportation, when the owner appeals from the assessment made, such notice of appeal shall be served upon the attorney general, or the department general counsel to the state department of transportation, or the chief highway engineer for the department.

4. When an appeal is taken, the sheriff shall at once file with the clerk of the district court a certified copy of as much of the assessment as applies to the part for which the appeal is taken.

[R60, §1317; C73, §1254; C97, §2009; S13, §2009; C24, 27, 31, 35, 39, §**7839;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.18]

C93, §6B.18

2002 Acts, ch 1063, §2; 2003 Acts, ch 44, §1; 2006 Acts, 1st Ex, ch 1001, §47, 49

Referred to in §6B.34, 476.27, 589.27

**6B.19 Service of notice — highway matters.** Repealed by 2002 Acts, ch 1063, §15.

**6B.20 Sheriff to file certified copy.** Transferred to § 6B.18; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.21 Appeals — how docketed and tried.**

The appeal shall be docketed in the name of the person appealing and all other interested parties to the action shall be defendants. In the event the condemner and the condemnee appeal, the appeal shall be docketed in the name of the appellant which filed the application

for condemnation and all other parties to the action shall be defendants. The appeal shall be tried as in an action by ordinary proceedings.

[R60, §1317; C73, §1254; C97, §2009; S13, §2009, 2024-h; C24, 27, 31, 35, 39, §**7841;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.21]

84 Acts, ch 1119, §1

C93, §6B.21

99 Acts, ch 171, §13, 42

Referred to in §476.27

**6B.22 Pleadings on appeal.**

A written petition shall be filed by the plaintiff within thirty days after perfection of the appeal, stating specifically the items of damage and the amount thereof. The court may for good cause shown grant additional time for the filing of the petition. The defendant shall file a written answer to plaintiff's petition, or such other pleadings as may be proper.

[C31, 35, §7841-c1; C39, §**7841.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.22]

C93, §6B.22

2002 Acts, ch 1063, §3

Referred to in §476.27

**6B.23 Question determined.**

On the trial of the appeal, no judgment shall be rendered except for costs and allocation of interest earned pursuant to section 6B.25, but the amount of damages shall be ascertained and entered of record.

[C73, §1257; C97, §2011; C24, 27, 31, 35, 39, §**7842;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.23]

C93, §6B.23

2004 Acts, ch 1121, §1

Referred to in §6B.25, 476.27

**6B.24 Reduction of damages — interest on increased award.**

If the amount of damages awarded by the commissioners is decreased on appeal, the reduced amount shall be paid to the landowner. If the amount of damages awarded by the commissioners is increased on appeal, interest shall be paid from the date of the condemnation. Interest shall not be paid on any amount which was previously paid. Interest shall be calculated at an annual rate equal to the treasury constant maturity index published by the federal reserve in the H15 Report settled immediately before the date of the award.

[C73, §1259; C97, §2013; C24, 27, 31, 35, 39, §**7843;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.24]

C93, §6B.24

95 Acts, ch 135, §1; 2002 Acts, ch 1063, §4

**6B.25 Right to take possession of lands — title — damages award.**

Upon the filing of the commissioners' report with the sheriff, the applicant may deposit with the sheriff the amount assessed in favor of a claimant, and the applicant, except as otherwise provided, may take possession of the land condemned and proceed with the improvement. An appeal from the assessment does not affect the right, except as otherwise provided. Prior to expiration of the time provided for appeal, the property owner may apply to the district court for release of that part of the damages deposited which the court finds proper. If there is not an appeal by any party, the property owner shall be entitled to the whole of the damages awarded. Upon appeal from the commissioners' award of damages, the district court may direct that the part of the amount of damages deposited with the sheriff, as it finds just and proper, be paid to the claimant. If upon trial of the appeal a lesser amount is awarded, the difference between the amount so awarded and the amount paid shall be repaid by the person to whom it was paid and upon failure to make the repayment the party shall have judgment entered against the person who received the excess payment. Title to the property or the interests in property passes to the applicant when damages have been finally determined and paid.

If an award of damages is appealed to district court, the amount deposited with the sheriff, if any, less the amount paid by the sheriff to the claimant, shall be transferred to the clerk of district court where the appeal was filed and the clerk shall deposit the money in an interest-bearing account. The district court in its judgment rendered pursuant to section 6B.23 shall award the interest earned on the account in proportion to the amount of damages ascertained and entered of record.

[R60, §1317; C73, §1244, 1255, 1256, 1272; C97, §1999, 2010, 2025, 2029; S13, §2024-e, -g, -h; C24, 27, 31, 35, 39, §**7844, 7847, 7848;** C46, 50, 54, 58, §472.25, 472.28, 472.29; C62, 66, 71, 73, 75, 77, 79, 81, §472.25]

84 Acts, ch 1065, §4

C93, §6B.25

2000 Acts, ch 1179, §18, 30; 2004 Acts, ch 1121, §2

Referred to in §6B.23, 6B.60, 306B.4, 306C.17

**6B.26 Dispossession of landowner or injury to property — limitation.**

1. A landowner shall not be dispossessed under condemnation proceedings of the landowner's residence, dwelling house, outbuildings if the residence or dwelling house is also acquired, orchard, or garden, until the damages thereto have been finally determined and paid. However, if the property described in this subsection is condemned for highway purposes by the state department of transportation, the condemning authority may take possession of the property either after the damages have been finally determined and paid or one hundred eighty days after the compensation commission has determined and filed its award, in which event all of the appraisement of damages shall be paid to the property owner before the dispossession can take place. This subsection shall not apply to condemnation proceedings for drainage or levee improvements, or for public school purposes. For the purposes of this subsection, *"outbuildings"* means structures and improvements located in proximity to the landowner's residence.

2. If it appears from the finding of the commissioners that the dwelling house, outhouse, orchard, or garden of the owner of any land taken will be overflowed or otherwise injuriously affected by any dam or reservoir to be constructed as authorized by this chapter, such dam shall not be erected until the question of such overflowing or other injury has been determined in favor of the corporation upon appeal.

[C24, 27, 31, 35, 39, §**7845;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.26]

C93, §6B.26

99 Acts, ch 171, §14, 42; 2006 Acts, 1st Ex, ch 1001, §47, 49

**6B.27 Erection of dam — limitation.** Transferred to § 6B.26; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.28 and 6B.29** Reserved.

**6B.30 Additional deposit.**

If, on the trial of the appeal, the damages awarded by the commissioners are increased, the condemner shall, if the condemner is already in possession of the property, make such additional deposit with the sheriff, as will, with the deposit already made, equal the entire damages allowed. If the condemner be not already in possession, the condemner shall deposit with the sheriff the entire damages awarded, before entering on, using, or controlling the premises.

[C73, §1258; C97, §2012; C24, 27, 31, 35, 39, §**7849;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.30]

C93, §6B.30

**6B.31 Payment by public authorities.**

When damages, by reason of condemnation, are payable from public funds, the sheriff, or clerk of the district court, as the case may be, shall certify to the officer, board, or commission having power to audit claims for the purchase price of said lands, the amount

legally payable to each claimant, and, separately, a detailed statement of the cost legally payable from such public funds. Said officer, board, or commission shall audit said claims, and the warrant-issuing officer shall issue warrants therefor on any funds appropriated therefor, or otherwise legally available for the payment of the same. Warrants shall be drawn in favor of each claimant to whom damages are payable. The warrant in payment of costs shall be issued in favor of the officer certifying thereto.

[C73, §1272; C97, §2025; S13, §2024-b, -e, -g; C24, 27, 31, 35, 39, §**7850;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.31]

C93, §6B.31

**6B.32 Removal of condemner.**

The sheriff, upon being furnished with a copy of the assessment as determined on appeal, certified to by the clerk of the district court, may remove from said premises the condemner and all persons acting for or under the condemner, unless the amount of the assessment is forthwith paid or deposited as hereinbefore provided.

[C73, §1258; C97, §2012; C24, 27, 31, 35, 39, §**7851;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.32]

C93, §6B.32

**6B.33 Costs and attorney fees.**

The acquiring agency shall pay all costs of the assessment made by the commissioners and reasonable attorney fees and costs, including the reasonable cost of one appraisal, incurred by the condemnee as determined by the commissioners if the award of the commissioners exceeds one hundred ten percent of the final offer of the applicant prior to condemnation. The condemnee shall submit an application for fees and costs prior to adjournment of the final meeting of the compensation commission held on the matter. The acquiring agency shall file with the sheriff an affidavit setting forth the most recent offer made to the person whose property is sought to be condemned. Members of such commissions shall receive a per diem of two hundred dollars and actual and necessary expenses incurred in the performance of their official duties. The acquiring agency shall reimburse the county sheriff for the per diem and expense amounts paid by the sheriff to the members. The acquiring agency shall reimburse the owner for the expenses the owner incurred for recording fees, penalty costs for full or partial prepayment of any preexisting recorded mortgage entered into in good faith encumbering the property, and for similar expenses incidental to conveying the property to the acquiring agency. The acquiring agency shall also pay all costs occasioned by the appeal, including reasonable attorney fees and the reasonable cost incurred by the property owner for one appraisal to be taxed by the court, unless on the trial thereof the same or a lesser amount of damages is awarded than was allowed by the tribunal from which the appeal was taken.

[R60, §1317; C73, §1252; C97, §2007; C24, 27, 31, 35, 39, §**7852;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.33]

C93, §6B.33

99 Acts, ch 171, §15, 42; 2000 Acts, ch 1179, §19, 30; 2002 Acts, ch 1063, §5; 2006 Acts, 1st Ex, ch 1001, §15, 49

Referred to in §461A.75

**6B.34 Refusal to pay final award.**

Should the applicant decline, at any time after an appeal is taken as provided in section 6B.18, to take the property and pay the damages awarded, the applicant shall pay, in addition to the costs and damages actually suffered by the landowner, reasonable attorney fees to be taxed by the court.

[C97, §2011; C24, 27, 31, 35, 39, §**7853;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.34]

C93, §6B.34

**6B.35 Sheriff to file record.**

Thirty days after the date of mailing the notice of appraisement of damages, the sheriff shall file with the county recorder of the county in which the condemned land is situated, the following papers:

1. A certified copy of the application for condemnation.
2. All notices, together with all returns of service endorsed on the returns or attached to the returns.
3. The report of the commissioners.
4. All other papers filed with the sheriff in the proceedings.
5. A written statement by the sheriff of all money received in payment of damages, from whom received, to whom paid, and the amount paid to each claimant and reference to the application for condemnation by document reference or instrument number and the date the application was filed with the county recorder.

[C73, §1253; C97, §2008; C24, 27, 31, 35, 39, §**7854;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.35]

84 Acts, ch 1065, §5

C93, §6B.35

2001 Acts, ch 44, §1

Referred to in §6B.38

**6B.36 Clerk to file record.**

The clerk of the district court, in case an appeal is taken in condemnation proceedings, shall file with the county recorder:

1. A copy of the final judgment entry of the court showing the amount of damages determined on appeal.
2. A written statement by the clerk of all money received by the clerk in payment of damages, from whom received, to whom paid, and the amount paid to each claimant.
3. A copy of the description of the property condemned and the interest acquired in the property.

[C24, 27, 31, 35, 39, §**7855;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.36]

84 Acts, ch 1065, §6

C93, §6B.36

**6B.37 Form of record — certificate.**

Said papers shall be securely fastened together, arranged in the order named above, and be accompanied by a certificate of the officer filing the papers that the papers are true and correct copies of the original files in the proceedings and that the statements accompanying the papers are true.

[C24, 27, 31, 35, 39, §**7856;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.37]

91 Acts, ch 116, §3

C93, §6B.37

Referred to in §6B.3

**6B.38 Record of proceedings — fee — effect.**

1. The county recorder shall record the papers, statements, and certificate in the record of deeds and properly index them. The recorder may return the recorded instrument to the sender or dispose of that instrument if the sender does not wish to have the instrument returned. A document filed in the recorder's office before July 1, 1990, may be returned to the sender or disposed of if the sender does not wish to have the document returned and if there is an official copy of that document in the recorder's office.
2. The county recorder shall file a copy of the sheriff's statement required by section 6B.35, subsection 5, with the office of the secretary of state.
3. The sheriff or clerk, as the case may be, shall collect from the condemner such fee as the county recorder would have legal right to demand for making such record, and pay such fee to the recorder upon presenting the papers for record.
4. The said original papers, statements, and certificate, or the record thereof shall be

presumptive evidence of title in the condemner, and shall constitute constructive notice of the right of such condemner to the lands condemned.

[C73, §1253; C97, §2008; C24, 27, 31, 35, 39, §**7857;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.38]

90 Acts, ch 1021, §3; 91 Acts, ch 116, §4

C93, §6B.38

99 Acts, ch 171, §16, 42; 2006 Acts, 1st Ex, ch 1001, §47, 49

Referred to in §6B.3, 331.602

Recorder fee, see §331.604

**6B.39 Fee for recording.** Transferred to § 6B.38; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.40 Failure to record — liability.**

Any sheriff, or clerk of the district court, as the case may be, who fails to present said papers, statements, and certificate for record, and any recorder who fails to record the same as above provided shall be liable for all damages caused by such failure.

[C24, 27, 31, 35, 39, §**7859;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §472.40]

C93, §6B.40

**6B.41 Presumption.** Transferred to § 6B.38; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.42 Eminent domain — payment to displaced persons.**

1. *a.* The acquiring agency shall provide to the person, in addition to any other sums of money in payment of just compensation, the payments and assistance required by law, in accordance with chapter 316, as if the acquiring agency were a displacing agency under that chapter.

*b.* A person aggrieved by a determination made as to eligibility for relocation assistance, a payment, or the amount of the payment, upon application, may have the matter reviewed by the appropriate acquiring agency.

*c.* An acquiring agency subject to this section that proposes to displace a person shall inform the person of the person's right to receive relocation assistance and payments, and of an aggrieved person's right to appeal a determination as to assistance and payments.

2. *a.* A utility or railroad subject to section 327C.2, or chapters 476, 478, 479, 479A, and 479B, authorized by law to acquire property by condemnation, which acquires the property of a person or displaces a person for a program or project which has received or will receive federal financial assistance as defined in section 316.1, shall provide to the person, in addition to any other sums of money in payment of just compensation, the payments and assistance required by law, in accordance with chapter 316.

*b.* A person aggrieved by a determination made by a utility as to eligibility for relocation assistance, a payment, or the amount of the payment, upon application, may have the matter reviewed by the utilities division of the department of commerce.

*c.* A person aggrieved by a determination made by a railroad as to eligibility for relocation assistance, a payment, or the amount of the payment, upon application, may have the matter reviewed by the state department of transportation.

*d.* A utility or railroad subject to this section that proposes to displace a person shall inform the person of the person's right to receive relocation assistance and payments, and of an aggrieved person's right to appeal to the utilities division of the department of commerce or the state department of transportation.

[C71, 73, 75, 77, 79, 81, §472.42; 81 Acts, ch 22, §21, 22]

89 Acts, ch 20, §18

C93, §6B.42

95 Acts, ch 192, §1; 99 Acts, ch 171, §17, 42; 2006 Acts, 1st Ex, ch 1001, §16, 49

**6B.43 Chief justice to prepare instructions.** Transferred to § 6B.4; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.44 Taking property for highway — buildings and fences moved.**

When real property or an interest therein is purchased or condemned for highway purposes and a fence or building is located on such property, the governmental agency shall be responsible for all costs incurred by the property owner in replacing or moving the fence or moving the building onto property owned by the landowner and abutting the property purchased or condemned for highway purposes, or the governmental agency may replace or move the fence or move the building. Such costs shall not constitute an additional element of damages which would permit unjust enrichment or a duplication of payments to any condemnee.

[C71, 73, 75, 77, 79, 81, §472.44]

C93, §6B.44

**6B.45 Mailing copy of appraisal.**

When any real property or interest in real property is to be purchased, or in lieu thereof to be condemned, the acquiring agency or its agent shall submit to the person, corporation, or entity whose property or interest in the property is to be taken, by ordinary mail, at least ten days prior to the date upon which the acquiring agency or its agent contacts the property owner to commence negotiations, a copy of the appraisal in its entirety upon such real property or interest in such real property prepared for the acquiring agency or its agent, which shall include, at a minimum, an itemization of the appraised value of the real property or interest in the property, any buildings on the property, all other improvements including fences, severance damages, and loss of access. In determining fair market value of property, the acquiring agency shall not consider only the assessed value assigned to such property for purposes of property taxation. The appraisal sent to the condemnee shall be that appraisal upon which the condemnor will rely to establish an amount which the condemnor believes to be just compensation for the real property. All other appraisals made on the property as a result of the condemnation proceeding shall be made available to the condemnee upon request. In lieu of an appraisal, a utility or person under the jurisdiction of the utilities board of the department of commerce, or any other utility conferred the right by statute to condemn private property, shall provide in writing by certified mail to the owner of record thirty days prior to negotiations, the methods and factors used in arriving at an offered price for voluntary easements including the range of cash amount of each component. An acquiring agency may obtain a signed written waiver from the landowner to allow negotiations to commence prior to the expiration of the applicable waiting period for the commencement of negotiations.

Only the appraisal prepared under this section shall be forwarded to the compensation commission by the acquiring agency.

[C71, 73, 75, 77, 79, 81, §472.45]

C93, §6B.45

99 Acts, ch 171, §18, 42; 2000 Acts, ch 1179, §20, 30; 2006 Acts, 1st Ex, ch 1001, §17, 49

Referred to in §6B.2B, 6B.54, 22.7, 427.2

**6B.46 Special proceedings to condemn existing utility.**

1. When any city has voted at an election to purchase, establish, erect, maintain and operate heating plants, waterworks, gasworks or electric light or power plants, or when it has voted to contract an indebtedness and issue bonds for such purposes, and in such city there exists any such utility, or incomplete parts thereof or more than one, not publicly owned, and the contract or franchise of the owner of the utility has expired or been surrendered, and the owner and the city cannot agree upon terms of purchase, it may, by resolution, proceed to acquire by condemnation any one or more of the utilities or incomplete parts thereof. When so acquired it may apply the proceeds of the bonds in payment therefor and in making extensions and improvements to such works or plants so acquired, but not more than one utility may be so acquired when the municipality is indebted in excess of the statutory limitation of indebtedness for such purposes for any such acquired property.

2. Upon the passage of the resolution as provided in subsection 1 and the presentation of a certified copy thereof to the supreme court while in session, or to the chief justice of

the supreme court, the court or chief justice shall within five days appoint as a court of condemnation three district court judges from three judicial districts, one of whom shall be from the district in which the city is located, if not a resident of the city, and shall enter an order requiring the judges to attend as such court of condemnation at the county seat of the county in which the city is located within ten days. The district court judges shall attend and constitute a court of condemnation.

3. Said court when it meets to organize or at any time during the proceedings, which may be adjourned from time to time for any purpose, may fix the time for the appearance of any person that any party desires to have joined in the proceedings, and whom the court deems necessary. The time for appearance shall be sufficiently remote to serve notice upon the parties, but if the time for appearance occurs after the proceedings are begun, the proceedings may be reviewed by the court to give all parties a full opportunity to be heard.

4. Persons not voluntarily appearing, but having any right, title, or interest in or to the property which is the subject of condemnation, or any part thereof, including all leaseholders, mortgagees and trustees of bondholders, who are to be made parties to the proceedings shall be served with notice of the proceedings and the time and place of meeting of the court in the same manner and for the same length of time as for the service of original notice, either by personal service, or by service by publication, the time so set being the time at which the parties so served are required to appear, and actual personal service of the notice within or without the state shall supersede the necessity for publication.

5. The court of condemnation shall have power to summon and swear witnesses, take evidence, order the taking of depositions, require the production of any books or papers, and may appoint a shorthand reporter. It shall perform all the duties of commissioners in the condemnation of property. The duties and the method of procedure and condemnation, including provisions for appeal shall be except as otherwise specifically provided, as provided for the taking of private property for works of internal improvement. The clerk of the district court of the county where the city is located shall perform all of the duties required of the sheriff in the condemnation; and in case of a vacancy in the court, the vacancy shall be filled in the manner in which the original appointment was made. When necessary by reason of a vacancy, the court may review any evidence in its record.

6. The costs of the proceedings shall be the same and paid in the same manner as in proceedings in the district court, and the district court judges of the court of condemnation shall receive, while engaged in such service, their actual expenses, which expenses shall be taxed as costs in the case.

[C73, §474; C97, §722; S13, §722; C24, 27, 31, 35, 39, §**6135;** C46, 50, 54, 58, 62, 66, 71, §397.20; C73, 75, 77, 79, 81, §472.46]

C93, §6B.46

2006 Acts, 1st Ex, ch 1001, §47, 49

Time and manner of service, R.C.P. 1.302 – 1.315

Costs generally, chapter 625

**6B.47 Court of condemnation.** Transferred to § 6B.46; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.48 Procedure.** Transferred to § 6B.46; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.49 Notice — service.** Transferred to § 6B.46; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.50 Powers of court — duty of clerk — vacancy.** Transferred to § 6B.46; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.51 Costs — expenses.** Transferred to § 6B.46; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.52 Renegotiation of damages.**

Whenever property or an interest therein has been taken by condemnation or has been purchased for a public use and a settlement for construction or maintenance damages has been thereafter entered into pursuant to said condemnation or purchase, the owner shall

have five years from the date of said settlement to renegotiate construction or maintenance damages not apparent at the time of said settlement. The condemner or purchaser shall give written notice to the owner of such right of renegotiation at the time said settlement is entered into.

[C73, 75, 77, 79, 81, §472.52]
C93, §6B.52
Referred to in §479.45, 479B.29

**6B.53 Procedure for homesteading projects.** Repealed by 2007 Acts, ch 54, § 45.

**6B.54 Acquisition policies for acquiring agencies.**

For any public use, public purpose, or public improvement for which condemnation is sought, an acquiring agency shall, at a minimum, satisfy the following policies:

1. Every reasonable and good faith effort shall be made to acquire expeditiously real property by negotiation as provided in section 6B.2B.

2. Real property shall be appraised as required by section 6B.45 before the initiation of negotiations, and the owner or the owner's designated representative shall be given an opportunity to accompany at least one appraiser of the acquiring agency during an inspection of the property, except that an acquiring agency may prescribe a procedure to waive the appraisal in cases involving the acquisition of property with a low fair market value. In lieu of an appraisal, a utility or person under the jurisdiction of the utilities board of the department of commerce, or any other utility conferred the right by statute to condemn private property, shall provide in writing by certified mail to the owner of record thirty days before negotiations, the methods and factors used in arriving at an offered price for voluntary easements including the range of cash amount of each component.

3. Before the initiation of negotiations for real property, the acquiring agency shall establish an amount which it believes to be just compensation for the real property, and shall make a prompt offer to acquire the property for the full amount established by the agency. In no event shall the amount be less than the fair market value the acquiring agency has established for the property or property interest pursuant to the appraisal required in section 6B.45 or less than the value determined under the acquiring agency's waiver procedure established pursuant to subsection 2. A purchase offer made by an acquiring agency shall include provisions for payment to the owner of expenses, including relocation expenses, expenses listed in subsection 10, and other expenses required by law to be paid by an acquiring agency to a condemnee. However, in the alternative, the acquiring agency may make, and the owner may accept, a purchase offer from the acquiring agency that is an amount equal to one hundred thirty percent of the appraisal amount plus payment to the owner of expenses listed in subsection 10, once those expenses have been determined. If the owner accepts such a purchase offer, the owner is barred from claiming payment from the acquiring agency for any other expenses allowed by law. In the case of a utility or person under the jurisdiction of the utilities board of the department of commerce, or any other utility conferred the right by statute to condemn private property, the amount shall not be less than the amount indicated by the methods and factors used in arriving at an offered price for a voluntary easement. The option to make an alternative purchase offer does not apply when property is being acquired for street and highway projects undertaken by the state, a county, or a city.

4. The construction or development of a public improvement shall be so scheduled that, to the greatest extent practicable, no person lawfully occupying real property shall be required to move from a dwelling or to move the person's business or farm operation without at least ninety days' written notice of the date by which the move is required.

5. If after damages have been finally determined and paid, an owner or tenant is permitted to occupy the real property acquired on a rental basis for a short term or for a period subject to termination on short notice, the amount of rent required shall not exceed the fair rental value of the property to a short-term occupier.

6. In no event shall the time of condemnation be advanced, or negotiations or condemnation and the deposit of funds in court for the use of the owner be deferred, or

any other coercive action be taken to compel an agreement on the price to be paid for the property.

7. If an interest in real property is to be acquired by exercise of the power of eminent domain, formal condemnation proceedings shall be instituted. The acquiring agency shall not intentionally make it necessary for an owner to institute legal proceedings to prove the fact of the taking of the owner's real property.

8. If the acquisition of only a portion of property would leave the owner with an uneconomical remnant, the acquiring agency shall offer to acquire that remnant. For the purposes of this chapter, an *"uneconomical remnant"* is a parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property, where the acquiring agency determines that the parcel has little or no value or utility to the owner.

9. A person whose real property is being acquired in accordance with this chapter, after the person has been fully informed of the person's right to receive just compensation for the property, may donate the property, any part of the property, any interest in the property, or any compensation paid for it as the person may determine.

10. *a.* As soon as practicable after the date of payment of the purchase price or the date of deposit in court of funds to satisfy the award of compensation in a condemnation proceeding to acquire real property, whichever is earlier, the acquiring agency shall reimburse the owner, to the extent the acquiring agency deems fair and reasonable, for expenses the owner necessarily incurred for all of the following:

(1) Recording fees, transfer taxes, and similar expenses incidental to conveying the real property to the acquiring agency.

(2) Penalty costs for full or partial prepayment of any preexisting recorded mortgage entered into in good faith encumbering the real property.

*b.* Payments and expenditures under this subsection are incident to and arise out of the program or project for which the acquisition activity takes place. Such payments and expenditures may be made from the funds made available for the program or project.

*c.* A person aggrieved by a determination as to the eligibility for or amount of a reimbursement may apply to have the matter reviewed by the acquiring agency or in accordance with section 316.9 if applicable.

11. An owner shall not be required to surrender possession of real property before the acquiring agency concerned pays the agreed purchase price.

12. After damages have been finally determined and paid, the acquiring agency may offer, and the owner may accept, an amount equal to thirty percent of the amount of damages plus payment to the owner of expenses listed in subsection 10, once those expenses have been determined. If the owner accepts such an offer, the owner is barred from claiming payment from the acquiring agency for any other expenses allowed by law. This subsection does not apply when property is being acquired for street and highway projects undertaken by the state, a county, or a city.

89 Acts, ch 20, §19
CS89, §472.54
C93, §6B.54
99 Acts, ch 171, §19, 20, 42; 2006 Acts, 1st Ex, ch 1001, §18, 49; 2008 Acts, ch 1032, §201
Referred to in §6B.2B

**6B.55 Buildings, structures, and improvements — policies for acquiring agencies.**

For any public use, public purpose, or public improvement for which condemnation is sought, an acquiring agency shall at a minimum satisfy the following policies:

1. If an interest in real property is acquired, the acquiring agency shall acquire an equal interest in all buildings, structures, or other improvements located upon the real property which are required to be removed from the real property or which are determined to be adversely affected by the use to which the real property will be put.

2. For the purpose of determining the just compensation to be paid for any building, structure, or other improvement required to be acquired under this section, the building, structure, or other improvement shall be deemed to be a part of the real property to be acquired, notwithstanding the right or obligation of a tenant of the lands, as against the

owner of any other interest in the real property, to remove the building, structure, or improvement at the expiration of the tenant's term. The fair market value which the building, structure, or improvement contributes to the fair market value of the real property to be acquired, or the fair market value of the building, structure, or improvement for removal from the real property, whichever is the greater, shall be paid to the owner of the building, structure, or improvement.

3. Payment for the building, structure, or improvement under this section shall not result in duplication of any payments otherwise authorized by state law. The payment shall not be made unless the owner of the land involved disclaims all interest in the improvements of the tenant. In consideration for any such payment, the tenant shall assign, transfer, and release all the tenant's right, title, and interest in and to the improvements. Nothing with regard to the above-mentioned acquisition of buildings, structures, or other improvements shall be construed to deprive the tenant of any rights to reject payment and to obtain payment for the property interests in accordance with other laws of this state.

89 Acts, ch 20, §20
CS89, §472.55
C93, §6B.55
99 Acts, ch 171, §21, 42; 2006 Acts, 1st Ex, ch 1001, §19, 49

**6B.56 Disposition of condemned property.**

1. If real property condemned pursuant to this chapter is not used for the purpose stated in the application filed pursuant to section 6B.3 and the acquiring agency seeks to dispose of the real property, the acquiring agency shall first offer the property for sale to the prior owner of the condemned property as provided in this section. If real property condemned pursuant to this chapter is used for the purpose stated in the application filed pursuant to section 6B.3 and the acquiring agency seeks to dispose of the real property by sale to a private person or entity within five years after acquisition of the property, the acquiring agency shall first offer the property for sale to the prior owner of the condemned property as provided in this section. For purposes of this section, the prior owner of the real property includes the successor in interest of the real property.

2. *a.* Before the real property may be offered for sale to the general public, the acquiring agency shall notify the prior owner of the real property condemned in writing of the acquiring agency's intent to dispose of the real property, of the current appraised value of the real property, and of the prior owner's right to purchase the real property within sixty days from the date the notice is served at a price equal to the current appraised value of the real property or the fair market value of the property at the time it was acquired by the acquiring agency from the prior owner plus cleanup costs incurred by the acquiring agency, whichever is less. However, the current appraised value of the real property shall be the purchase price to be paid by the previous owner if any other amount would result in a loss of federal funding for projects funded in whole or in part with federal funds. The notice sent by the acquiring agency as provided in this subsection shall be filed with the office of the recorder in the county in which the real property is located.

*b.* For purposes of this subsection, *"cleanup costs"* means costs incurred to abate a nuisance or a public nuisance as those terms are defined in chapters 657 and 657A and costs incurred to recycle and remediate land pursuant to chapter 455H.

3. If the prior owner elects to purchase the real property at the price established in subsection 2, before the expiration of the sixty-day period, the prior owner shall notify the acquiring agency in writing of this intention and file a copy of this notice with the office of the recorder in the county in which the real property is located.

4. The provisions of this section do not apply to the sale of unused right-of-way property as provided in chapter 306.

97 Acts, ch 149, §1; 2006 Acts, 1st Ex, ch 1001, §20 – 22, 49; 2008 Acts, ch 1032, §201
Referred to in §6B.56A

**6B.56A Disposition of condemned property — five-year time period.**

1. When five years have elapsed since property was condemned and the property has not

been used for the purpose stated in the application filed pursuant to section 6B.3, and the acquiring agency has not taken action to dispose of the property pursuant to section 6B.56, the acquiring agency shall, within sixty days, adopt a resolution reaffirming the purpose for which the property will be used or offering the property for sale to the prior owner at a price as provided in section 6B.56. If the resolution adopted approves an offer of sale to the prior owner, the offer shall be made in writing and mailed by certified mail to the prior owner. The prior owner has one hundred eighty days after the offer is mailed to purchase the property from the acquiring agency.

2. If the acquiring agency has not adopted a resolution described in subsection 1 within the sixty-day time period, the prior owner may, in writing, petition the acquiring agency to offer the property for sale to the prior owner at a price as provided in section 6B.56. Within sixty days after receipt of such a petition, the acquiring agency shall adopt a resolution described in subsection 1. If the acquiring agency does not adopt such a resolution within sixty days after receipt of the petition, the acquiring agency is deemed to have offered the property for sale to the prior owner.

3. The acquiring agency shall give written notice to the owner of the right to purchase the property under this section at the time damages are paid to the owner.

4. This section does not apply to property acquired for street and highway projects undertaken by the state, a county, or a city.

2006 Acts, 1st Ex, ch 1001, §23, 49

**6B.57 Procedural compliance.**

If an acquiring agency makes a good faith effort to serve, send, or provide the notices or documents required under this chapter to the owner and any contract purchaser of private property that is or may be the subject of condemnation, or to any tenant known to be occupying such property if notices or documents are required to be served, sent, or provided to such a person, but fails to provide the notice or documents to the owner and any contract purchaser, or to any tenant known to be occupying the property if applicable, such failure shall not constitute grounds for invalidation of the condemnation proceeding if the chief judge of the judicial district determines that such failure can be corrected by delaying the condemnation proceedings to allow compliance with the requirement or such failure does not unreasonably prejudice the owner or any contract purchaser.

99 Acts, ch 171, §22, 42; 2000 Acts, ch 1179, §21, 30; 2006 Acts, 1st Ex, ch 1001, §24, 49

**6B.58 Acquiring agency — definition.** Transferred to § 6B.1; 2006 Acts, 1st Ex, ch 1001, § 47, 49.

**6B.59 Sale of acquired property — reimbursement to landowner.**

If an acquiring agency acquires property by condemnation, or by otherwise exercising the power of eminent domain, and that property is later sold by the acquiring agency for more than the acquisition price paid to the landowner, the acquiring agency shall pay to the landowner from whom the property was acquired the difference between the price at which it was acquired and the price at which it was sold by the acquiring agency less the cost of any improvements made to or benefiting the land by the acquiring agency. This section does not apply to property acquired by the state department of transportation.

99 Acts, ch 171, §24, 42; 2000 Acts, ch 1058, §1

**6B.60 Rental charges prohibited.**

Rent shall not be charged to a person in possession of the property and shall not accrue against the property owner until all or a portion of the compensation commission award has been paid to the condemnee pursuant to section 6B.25.

2006 Acts, 1st Ex, ch 1001, §26, 49

**6B.61 Approval of local elected officials required.**

Notwithstanding any provision of law to the contrary, any entity created by or on behalf of one or more political subdivisions and granted, by statute, eminent domain authority to

acquire property shall not exercise such authority outside the jurisdictional limits of the political subdivisions participating in the entity at the time of such exercise of authority without first presenting the proposal to acquire such property by eminent domain to the board of supervisors of each county where the property is located and such proposal receives the approval, by resolution, of each applicable board of supervisors. However, this section does not apply to an entity created by or on behalf of one or more political subdivisions if the entity is authorized by statute to act as a political subdivision and if this section would limit the ability of the entity to comply with requirements or limitations imposed by the Internal Revenue Code to preserve the tax exemption of interest payable on bonds or obligations of the entity acting as a political subdivision.

This section does not apply to a person issued a certificate of public convenience, use, and necessity under chapter 476A. This section does not apply to property condemned by or on behalf of a multistate entity created to provide drinking water that has received or is receiving federal funds, but only if such property is to be acquired for water transmission and service lines, pump stations, water storage tanks, meter houses and vaults, related appurtenances, or supporting utilities.

2006 Acts, 1st Ex, ch 1001, §27, 49

# SUBTITLE 4

## EXECUTIVE BRANCH

## CHAPTER 7

### GOVERNOR AND LIEUTENANT GOVERNOR


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**7.1 Office — secretary.**

The governor shall keep the governor's office at the seat of government, in which shall be transacted the business of the executive department of the state. The governor shall keep a secretary at the office during the governor's absence.

[C73, §55; C97, §60; C24, 27, 31, 35, 39, §**78;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §7.1]

**7.2 Journal.**

The governor shall cause a journal to be kept in the executive office, in which a record shall be made of each official act as done, except if in cases of emergency an act is done away from the office, such entry shall be made as soon thereafter as may be. The governor shall cause a like military record to be kept of the acts done as commander in chief.

[C73, §56, 57; C97, §61; C24, 27, 31, 35, 39, §**79;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §7.2]

**7.3 Counsel.**

Whenever the governor is satisfied that an action or proceeding has been commenced which may affect the rights or interests of the state, the governor may employ counsel to protect such rights or interests; and when any civil action or proceeding has been or is about to be commenced by the proper officer in behalf of the state, the governor may employ additional counsel to assist in the cause.

[C51, §40; R60, §44; C73, §59; C97, §63; C24, 27, 31, 35, 39, §**80;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §7.3]

Employment by executive council, §13.7

**7.4 Expenses.**

The expenses thus incurred, and those caused in executing the laws, may be allowed by the governor and paid from the contingent fund.

[C51, §41; R60, §45; C73, §60; C97, §64; C24, 27, 31, 35, 39, §**81;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §7.4]

**7.5 Highway construction patents.**

The governor, whenever the governor deems such action to be in the interest of the public, shall have power to direct the attorney general to appear for and on behalf of any county, city

or other municipality of this state or for and on behalf of any officer thereof or contractor therewith, whenever any such county, city or other municipality or officer or contractor is a party to any action or proceeding in any court wherein is involved the validity of any alleged patent on any matter or thing entering into highway, bridge, or culvert construction, or on any parts thereof, and may employ such legal assistance in addition to the attorney general as the governor may deem necessary and may pay for the same out of any fund in the state treasury not otherwise appropriated. Whenever the attorney general is so directed by the governor it shall be the attorney general's duty to comply therewith.

[S13, §64-a; C24, 27, 31, 35, 39, §**82;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §7.5]

Employment by executive council, §13.7

**7.6 Reward for arrest.**

Whenever the governor is satisfied that a crime has been committed within the state, punishable by imprisonment in the penitentiary for a term of ten years or more, and the person committing the same has not been arrested or has escaped from arrest or custody or the person's whereabouts is unknown, the governor may in the governor's discretion, offer a reward not exceeding five hundred dollars for the arrest and delivery to the proper authorities of such persons, which reward, upon the certificate of the governor that the same has been earned, shall be audited and paid by the state.

The reward shall be paid only upon the conviction of the person, and if appealed, only after a final decision of an appellate court has been rendered which affirms that conviction.

[R60, §57; C73, §58; C97, §62; C24, 27, 31, 35, 39, §**83;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §7.6]

**7.7 Accounting.**

All fees paid to the governor shall be turned over to the treasurer of state.

[SS15, §4-e; C24, 27, 31, 35, 39, §**84;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §7.7]

**7.8 Salary — governor, lieutenant governor.**

The salary of the governor shall be as fixed by the general assembly.

The salary, payment of expenses, and any per diem of the lieutenant governor shall be as fixed by the general assembly.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §7.8]

90 Acts, ch 1223, §8

**7.9 Federal funds accepted.**

The governor is authorized to accept for the state, the funds provided by any Act of Congress for the benefit of the state of Iowa, or its political subdivisions, provided there is no agency to accept and administer such funds, and the governor is authorized to administer or designate an agency to administer the funds until such time as an agency of the state is established for that purpose.

[C66, 71, 73, 75, 77, 79, 81, §7.9]

**7.10 Emergency highway peace officers.**

Whenever the governor is satisfied that a state of emergency exists, or is likely to exist, on the public streets or highways of this state, because of violations of chapter 321, the governor shall designate any employee or employees of this state as peace officers pursuant to section 801.4, subsection 11, paragraph *"j"*, until such time as the governor is satisfied the state of emergency is ended.

[C66, 71, 73, 75, 77, 79, 81, §7.10]

Referred to in §7.12

**7.11 Purpose.**

Individuals so designated shall have the full duties and rights of peace officers under the Code, for the purpose of enforcing the motor vehicle laws and ordinances of this state, and shall be provided with an identifying badge and card.

[C66, 71, 73, 75, 77, 79, 81, §7.11]

Referred to in §7.12

**7.12 Supervisor designated.**

The governor, in exercising the power conferred by sections 7.10 and 7.11, may designate one employee or officer of the state to supervise all persons designated as peace officers hereunder, and they shall be fully responsible to that employee or officer for all acts performed pursuant to these sections.

[C66, 71, 73, 75, 77, 79, 81, §7.12]

**7.13 Governor-elect expense fund.**

There is hereby created as a permanent fund in the office of the treasurer of state a fund to be known as the *"governor-elect expense fund"*. For the purpose of establishing and maintaining said fund, for each biennium, there is hereby appropriated thereto from funds in the general fund not otherwise appropriated the sum of ten thousand dollars, or so much thereof as may be necessary, to pay for office space, supplies, postage, and secretarial and clerical salaries after the day of the election and before the day of the inauguration for a first term governor-elect. Any balance in said fund at the end of each biennium shall revert to the general fund. Said fund shall be subject at all times to the warrant of the director of the department of administrative services drawn upon written requisition of the governor-elect. In event of a contested election, no distribution of the fund will be made until such time as the general assembly certifies the results of the election.

[C66, 71, 73, 75, 77, 79, 81, §7.13]

2003 Acts, ch 145, §286

**7.14 Disability of governor to act.**

1. Whenever it appears that the governor is unable to discharge the duties of office for reason of disability pursuant to Article IV, section 17, Constitution of Iowa, the person next in line of succession to the office of the governor, or the chief justice, may call a conference consisting of the person who is chief justice, the person who is director of mental health, and the person who is the dean of medicine at the state university of Iowa. Provided, if either the director or dean is not a physician duly licensed to practice medicine by this state the director or dean may assign a member of the director's or dean's staff so licensed to assist and advise on the conference. The three members of the conference shall within ten days after the conference is called examine the governor. Within seven days after the examination, or if upon attempting to examine the governor the members of the conference are unable to examine the governor because of circumstances beyond their control, they shall conduct a secret ballot and by unanimous vote may find that the governor is temporarily unable to discharge the duties of the office.

2. The finding of or failure to find a disability shall be immediately made public, and if the governor is found to be unable to discharge the duties of the office, the person next in line of succession to the office of governor shall be immediately notified. After receiving the notification that person may, under Article IV, sections 17 and 19, Constitution of the State of Iowa, become governor until the disability is removed.

3. Whenever a governor who is unable to discharge the duties of the office believes the disability to be removed, the governor may call a conference consisting of the three persons referred to as members of such a conference in subsection 1. The three members of the conference shall within ten days examine the governor. Within seven days after the examination they shall conduct a secret ballot and by unanimous vote may find the disability removed.

4. The finding of or failure to find the disability removed shall be immediately made public.
[C66, 71, 73, 75, 77, 79, 81, §7.14]
91 Acts, ch 97, §2; 96 Acts, ch 1129, §2

**7.15 Federal funds for highway safety.**
The governor, in addition to other duties and responsibilities conferred by the Constitution and laws of this state, is hereby empowered to contract for the benefits available to this state under any Act of Congress for highway safety, law enforcement, or other related programs, and in so doing, to cooperate with federal and state agencies, private and public organizations, and with individuals, to effectuate the purposes of these enactments. The governor shall be responsible for and is hereby empowered to administer, either through the governor's office or through one or more state departments or agencies designated by the governor or any combination of the foregoing the highway safety, law enforcement and related programs of this state and those of its political subdivisions, all in accordance with said Acts and the Constitution of the State of Iowa, in implementation thereof.
[C71, 73, 75, 77, 79, 81, §7.15]
2006 Acts, ch 1010, §4
Department of public safety designated as state highway safety agency to receive federal funds; Executive Order No. 23, June 9, 1986

**7.16 Vacancies filled at less than statutory salary.**
The governor or other appointing authority may, when appointing or employing any person for which a salary is specifically provided by the appropriation bill, appoint a person to fill the vacancy at a lesser salary than that provided by the appropriation bill.
[C71, 73, 75, 77, 79, 81, §7.16]

**7.17 Office of administrative rules coordinator.**
The governor shall establish the office of the administrative rules coordinator, and appoint its staff, which shall be a part of the governor's office. The administrative rules coordinator shall receive all notices and rules adopted pursuant to chapter 17A and provide the governor with an opportunity to review and object to any rule as provided in chapter 17A.
[C79, 81, §7.17]
90 Acts, ch 1266, §28; 91 Acts, ch 258, §7; 2006 Acts, ch 1011, §1; 2010 Acts, ch 1031, §51

**7.18 Model community projects.**
1. As used in this section, unless the context otherwise suggests, "*community*" means a city, county, or any combination of cities and counties.
2. During any project, pilot project, or similar initiative undertaken by the governor or the executive branch which includes the designation of a model community in the state, the approval of all of the following entities must be obtained by a simple majority vote prior to the granting of an official model community designation and prior to any state financial support being disbursed to any person under the project, pilot project, or similar initiative:
*a.* The city council of any city included in a proposed model community.
*b.* The county board of supervisors of a county included in a proposed model community.
*c.* Each school board of a school district serving students in a proposed model community.
2001 Acts, ch 40, §1

**7.19** Reserved.

**7.20 Executive order — use of vacant school property.**
The governor shall issue an executive order requiring all state agencies to consider the leasing of a vacant facility or building which is appropriately located and which is owned by a public school corporation before a state agency leases, purchases, or constructs a facility or building. The state agency may lease a facility or building owned by a public school corporation with an option to purchase the facility or building in compliance with section 297.22. The lease shall provide that the public school corporation may terminate the lease if the corporation needs to use the facility or building for school purposes. The public school

corporation shall notify the state agency at least thirty days before the termination of the lease.

[82 Acts, ch 1148, §1]

97 Acts, ch 184, §1

**7.21** Reserved.

**7.22 Exchange of offenders under treaty — consent by governor.**

If a treaty in effect between the United States and a foreign country provides for the transfer or exchange of convicted offenders to the country of which the offenders are citizens or nationals, the governor or the governor's designee, on behalf of the state and subject to the terms of the treaty, may authorize the transfer or exchange of offenders.

83 Acts, ch 203, §13

# CHAPTER 7A

## OFFICIAL REPORTS AND MISCELLANEOUS PUBLICATIONS

Referred to in §8A.301, 8A.342, 86.9, 455A.4, 524.216, 533.114


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**7A.1 Official reports — preparation.**

State officials, boards, commissions, and heads of departments shall prepare and file written official reports, in simple language and in the most concise form consistent with clearness and comprehensiveness of matter, required by law or by the governor.

Before filing any report its author shall carefully edit the same and strike therefrom all minutes of proceedings, and all correspondence, petitions, orders, and other matter which can be briefly stated, or which is not important information concerning public affairs, and consolidate so far as practicable all statistical tables.

Any report failing to comply substantially with this section shall be returned to its author for correction, and until made so to comply shall not be printed.

This section shall not be construed as depriving the director of the department of administrative services of the right to edit and revise said report.

[C24, 27, 31, 35, 39, §**244;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.1]

C93, §7A.1

98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 145, §106

Referred to in §476.16

**7A.2 Made to governor.**

All official reports shall be made to the governor unless otherwise provided.

Reports after being filed with the governor and considered by the governor shall be delivered to the director of the department of administrative services.

[C24, 27, 31, 35, 39, §**245;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.2]

C93, §7A.2

98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 145, §107

Departmental annual reports to governor and legislature, §7E.3(4)

**7A.2A Annual reports — financial information.**

An annual report issued by a state official, board, commission, department, or independent agency that is required by law to be submitted to the general assembly shall include a financial information section pertaining to the topic of the report. The financial information shall include but is not limited to budget and actual revenue and expenditure information for the fiscal year covered by the annual report and for the previous fiscal year and may include budget information for future fiscal years. In addition to any narrative, the financial information shall be provided in graphic form utilizing a columnar format.

2003 Acts, ch 57, §1

**7A.3 Biennial reports — time covered and date of filing.**

1. Reports of the following officials and departments shall cover the biennial period ending June 30 in each even-numbered year, and shall be filed as soon as practicable after the end of the reporting period:

*a.* Treasurer of state as to the condition of the treasury.

*b.* Director of the department of education.

*c.* Director of the department of human services.

*d.* Board of regents.

*e.* State historical society board of trustees.

*f.* State librarian.

*g.* Commission of libraries.

*h.* Department of administrative services.

*i.* Director of department of natural resources.

*j.* Adjutant general.

2. The officials and departments required by this section to file biennial reports shall, in addition thereto, in each odd-numbered year, file summary reports relating to their operations for the preceding fiscal year. Such reports shall be filed as soon as practicable after June 30 of each odd-numbered year and shall be as detailed as may be required by the governor, or in case the reports are to be filed with the general assembly, the presiding officers of the two houses of the general assembly.

3. The officials and departments required by this section to file reports shall submit the reports on standardized forms furnished by the director of the department of management. All officials and agencies submitting reports shall consult with the director of the department of management and shall devise standardized report forms for submission to the governor and members of the general assembly.

[C73, §125; C97, §122; S13, §122; C24, 27, 31, 35, 39, §**246;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.3]

83 Acts, ch 96, §157, 159; 85 Acts, ch 212, §21; 86 Acts, ch 1245, §904; 91 Acts, ch 258, §16

C93, §7A.3

93 Acts, ch 48, §1; 94 Acts, ch 1107, §1; 98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2001 Acts, ch 129, §1; 2003 Acts, ch 145, §108 – 110; 2007 Acts, ch 115, §2

Referred to in §455B.105, 455E.11

**7A.4 Annual reports — time covered and date of filing.**

Reports of the following officials and departments shall cover the year ending December 31 of each year, and shall be filed as soon as practicable after said date:

1. Commissioner of insurance.
2. State geologist.
3. Fire marshal.

4. College student aid commission.
[C24, 27, 31, 35, 39, §**247;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.4]
88 Acts, ch 1134, §13; 90 Acts, ch 1253, §122
C93, §7A.4
98 Acts, ch 1119, §7; 2004 Acts, ch 1082, §1

**7A.5 Governor.**
The biennial report of the governor to the general assembly on reprieves, commutations, pardons, and remission of fines and forfeitures shall cover the two years ending with December 31 immediately preceding the convening of the general assembly in regular session, in odd-numbered years, and shall be filed as soon as practicable after said date.
[C24, 27, 31, 35, 39, §**248;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.5]
C93, §7A.5

**7A.6 Attorney general.**
The biennial report of the attorney general shall cover the two-year period ending with December 31 in even-numbered years and shall be filed as soon as practicable after the expiration of said period but not later than March 1.
[C24, 27, 31, 35, 39, §**249;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.6]
C93, §7A.6

**7A.7** Reserved.

**7A.8 Superintendent of banking.**
The annual report of the superintendent of banking shall cover the year ending June 30 of each year, and shall be filed as soon as practicable after said date and not later than December 31.
[C24, 27, 31, 35, 39, §**251;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.8]
91 Acts, ch 220, §1
C93, §7A.8
Annual report, §524.216

**7A.9 State department of transportation.**
The annual report of the state department of transportation shall cover the year ending June 30 and shall be filed not later than September 1 of each year.
[C24, 27, 31, 35, 39, §**252;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.9]
84 Acts, ch 1102, §1
C93, §7A.9

**7A.10 Utilities board.**
The annual report of the utilities board shall, as to all statistical data, cover the year ending December 31 preceding the filing of the report, and the proceedings of the board to date of filing the report each year. The report shall be filed on or before December 1. The board shall determine the manner in which the annual report shall be published.
[C24, 27, 31, 35, 39, §**253;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.10]
88 Acts, ch 1134, §14
C93, §7A.10
Referred to in §476.16

**7A.11 Documents filed with the general assembly.**
1. It is the intent of the general assembly that a department or official may notify the chief clerk of the house of representatives and the secretary of the senate of the availability of documents and materials other than those covered by subsection 2.
2. A department or official required to file a document with the general assembly shall only be required to send one copy of the document to each of the following:
*a.* The chief clerk of the house of representatives.
*b.* The secretary of the senate.

*c.* Each caucus or research staff director of the general assembly.

3. The chief clerk of the house of representatives and the secretary of the senate shall transmit a list of the documents received, and a list of the documents and materials available to the general assembly to the legislative services agency, which shall maintain the lists, as well as a list of addresses where copies of the documents may be ordered. The legislative services agency shall periodically distribute copies of these lists to members of the general assembly. The chief clerk of the house of representatives and the secretary of the senate may transmit the actual documents received to the legislative services agency for temporary storage.

91 Acts, ch 47, §1
CS91, §17.11
C93, §7A.11
96 Acts, ch 1099, §5; 2003 Acts, ch 35, §44, 49

**7A.11A Reports to the general assembly.**

All reports required to be filed with the general assembly by a state department or agency shall be filed by delivering one copy in electronic format as prescribed by the secretary of the senate and the chief clerk of the house.

93 Acts, ch 178, §27; 2010 Acts, ch 1031, §24
Referred to in §266.39F

**7A.12 Delay.**

Should the governor deem the delay in filing a report to be unreasonable the governor shall take such steps as will correct the delinquency.

[C24, 27, 31, 35, 39, §**255;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.12]
C93, §7A.12

**7A.13 Governor may grant extension.**

The governor shall have authority to grant an extension of time for the completion of any report or any portion thereof, but in the case of any delay deemed by the governor to be unnecessary or unreasonable the governor shall take whatever steps may be necessary to have the delayed report prepared for filing.

[C24, 27, 31, 35, 39, §**256;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.13]
C93, §7A.13

**7A.14 Number of copies — style.**

The annual and biennial reports shall be published, printed, and bound in such number as the director of the department of administrative services may order. The officials and heads of departments shall furnish the director with information necessary to determine the number of copies to be printed.

They shall be printed on good paper, in legible type with pages substantially six inches by nine inches in size. They may be divided for binding where one portion should receive larger distribution than another, or be issued in parts or sections for greater convenience.

[C73, §130; C97, §125; S13, §125; C24, 27, 31, 35, 39, §**257;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.14]
C93, §7A.14
98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 145, §111

**7A.15 through 7A.22** Reserved.

**7A.23 Price of departmental reports.**

The director of the department of administrative services shall establish and fix a selling price for all state departmental reports and any other state publications the director may designate, which price per volume shall be the amount charged any person, other than public officials, who purchases the publication. The price shall cover the cost of printing and

distribution. The director may distribute gratis to state or local public officials or offices, as the director deems necessary, copies of departmental annual reports.

[C35, §265-e1; C39, §**265.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.23]
84 Acts, ch 1067, §5
C93, §7A.23
98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 145, §112

**7A.24 through 7A.26** Reserved.

**7A.27 Other necessary publications — when necessary to sell.**

Other miscellaneous documents, reports, bulletins, books, and booklets may be published that are needed for the use of the various officials and departments of state, or are of value for the information of the general assembly or the public, in form and number most useful and convenient, to be determined by the director of the department of administrative services.

When such publications, paid for by public funds furnished by the state, contain reprints of statutes or rules, or both, they shall be sold and distributed at cost by the department ordering the publication if the cost per publication is one dollar or more, unless a central library or depository is established. Such publications shall be obtained from the director of the department of administrative services on requisition by the department ordering the publication, and the selling price, if any, shall be determined by the director of the department of administrative services by dividing the total cost of printing, paper, distribution, and binding by the number printed. The price shall be set at the nearest multiple of ten to the quotient thus obtained. Distribution of such publications shall be made by the director gratis to public officers, purchasers of licenses from state departments required by statute, and departments. Funds from the sale of such publications shall be deposited monthly in the general fund of the state, except the cost of distribution shall be deposited in the printing revolving fund established in section 8A.345. This section does not apply to the printed versions of the official legal publications listed in section 2A.5.

[C24, 27, 31, 35, 39, §**269;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.27]
C93, §7A.27
98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 145, §113; 2005 Acts, ch 19, §8
Publication of parts of Code or administrative code, §2B.21
Publication of director of institutions bulletins, §218.46
Additional geological reports, §456.9

**7A.28 Governor may fix filing date.**

The governor shall have the right to fix a date for the completion of or filing of any copy or manuscript for any miscellaneous document or other publication, or for any portion of the manuscript, and to compel compliance with such orders the same as in the case of the official reports. The director of the department of administrative services shall report to the governor any failure to furnish manuscript or other delay affecting any publication.

[C24, 27, 31, 35, 39, §**270;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.28]
C93, §7A.28
98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 145, §114

**7A.29 Title pages — complimentary insertions.**

The director of the department of administrative services shall provide the necessary printer's copy for a suitable title page for each publication requiring such title which shall contain the name of the author, but such title shall not have written or printed thereon or attached thereto the words "Compliments of" followed by the name of the author, nor any other words of similar import.

[C24, 27, 31, 35, 39, §**271;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §17.29]
C93, §7A.29
98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 145, §115

**7A.30 Inventory of state property.**

Each state board, commission, department, and division of state government and each institution under the control of the department of human services, the Iowa department of corrections and the state board of regents and each division of the state department of transportation are responsible for keeping a written, detailed, up-to-date inventory of all real and personal property belonging to the state and under their charge, control, and management. The inventories shall be in the form prescribed by the director of the department of administrative services.

Inventories maintained in the files of each such agency of state government shall be open to public inspection and available for the information of the executive council and director of the department of administrative services.

[C46, 50, 54, 58, §17.30 – 17.32; C62, 66, 71, 73, 75, 77, 79, 81, §17.30]
83 Acts, ch 96, §157, 159; 85 Acts, ch 195, §4
C93, §7A.30
2003 Acts, ch 145, §286

# CHAPTER 7B

## JOB TRAINING PARTNERSHIP PROGRAM

Repealed by 2001 Acts, ch 61, §18

# CHAPTER 7C

## PRIVATE ACTIVITY BOND ALLOCATION ACT


7C.1 Short title.
7C.2 Declaration of intent.
7C.3 Definitions.
7C.4 Maximum amount of bonds.
7C.4A Allocation of state ceiling.
7C.5 Formula for allocation.
7C.6 Application for allocation.
7C.7 Certification of allocation.
7C.8 State ceiling carryforwards.
7C.9 Nonbusiness days.
7C.10 Resubmission of expired allocations.
7C.11 Priority allocations.
7C.12 Authority and duties of the governor and governor's designee.
7C.13 Qualified student loan bond issuer — open records and meetings — oversight.


**7C.1 Short title.**

This chapter shall be known and may be cited as the "*Private Activity Bond Allocation Act*".

85 Acts, ch 225, §3
Referred to in §7C.12

**7C.2 Declaration of intent.**

It is the intention of the general assembly in enacting this chapter to:

1. Implement section 146 of the Internal Revenue Code by providing a different formula for allocating the state ceiling among the various governmental units which are authorized to issue private activity bonds under the laws of this state.

2. Maximize the availability of the state ceiling to the issuers of private activity bonds within the state and thereby maximize the economic benefit to the citizens of the state from the issuance of private activity bonds.

85 Acts, ch 225, §4; 87 Acts, ch 171, §1
Referred to in §7C.12

**7C.3 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Allocation"* means that portion of the state ceiling which is allocated and certified to a political subdivision hereby or by the governor's designee pursuant to section 7C.8 with respect to an issue of bonds for a specific project or purpose.

2. *"Bond"* or *"private activity bond"* means a private activity bond as defined in section 141 of the Internal Revenue Code.

3. *"Carryforward project"* means a carryforward project or carryforward purpose as defined in section 146(f) of the Internal Revenue Code.

4. *"First-time farmer"* means a first-time farmer as defined in section 147(c) of the Internal Revenue Code.

5. *"Governor's designee"* means the person, department, or authority designated by the governor to administer this chapter.

6. *"Internal Revenue Code"* means the Internal Revenue Code as defined in section 422.3.

7. *"Political subdivision"* means a political subdivision, authority, or department of the state which is authorized under the laws of the state to issue private activity bonds.

8. *"Qualified mortgage bond"* means a qualified mortgage bond as defined in section 143(a) of the Internal Revenue Code.

9. *"Qualified residential rental project bond"* means a qualified residential rental project bond as defined in section 142(d) of the Internal Revenue Code.

10. *"Qualified small issue bond"* means a qualified small issue bond as defined in section 144(a) of the Internal Revenue Code.

11. *"Qualified student loan bond"* means a qualified student loan bond as defined in section 144(b) of the Internal Revenue Code.

12. *"State ceiling"* means the same as defined in section 146(d) of the Internal Revenue Code.

85 Acts, ch 225, §5; 87 Acts, ch 171, §2; 2005 Acts, ch 30, §1
Referred to in §7C.12

**7C.4 Maximum amount of bonds.**

The aggregate principal amount of bonds which are subject to section 146 of the Internal Revenue Code which may be issued by all political subdivisions during a calendar year shall not exceed the state ceiling for that calendar year, except as provided in section 7C.8.

85 Acts, ch 225, §6; 87 Acts, ch 171, §3
Referred to in §7C.12

**7C.4A Allocation of state ceiling.**

For each calendar year, the state ceiling shall be allocated among bonds issued for various purposes as follows:

1. *a.* Thirty percent of the state ceiling shall be allocated solely to the Iowa finance authority for any of the following purposes:

(1) Issuing qualified mortgage bonds.

(2) Reallocating the amount, or any portion thereof, to another qualified political subdivision for the purpose of issuing qualified mortgage bonds.

(3) Exchanging the allocation, or any portion thereof, for the authority to issue mortgage credit certificates by election under section 25(c) of the Internal Revenue Code.

(4) Issuing qualified residential rental project bonds.

*b.* However, at any time during the calendar year the executive director of the Iowa finance authority may determine that a lesser amount need be allocated to the Iowa finance authority and on that date this lesser amount shall be the amount allocated to the authority and the excess shall be allocated under subsection 7.

2. Twelve percent of the state ceiling shall be allocated to bonds issued to carry out programs established under chapters 260C, 260E, and 260F. However, at any time during the calendar year the director of the economic development authority may determine that a lesser amount need be allocated and on that date this lesser amount shall be the amount allocated for those programs and the excess shall be allocated under subsection 7.

3. Sixteen percent of the state ceiling shall be allocated to qualified student loan bonds. However, at any time during the calendar year the governor's designee, with the approval

of the Iowa student loan liquidity corporation, may determine that a lesser amount need be allocated to qualified student loan bonds and on that date the lesser amount shall be the amount allocated for those bonds and the excess shall be allocated under subsection 7.

4. Twenty-one percent of the state ceiling shall be allocated to qualified small issue bonds issued for first-time farmers under chapter 175. However, at any time during the calendar year the governor's designee, with the approval of the Iowa finance authority, may determine that a lesser amount need be allocated to qualified small issue bonds for first-time farmers and on that date this lesser amount shall be the amount allocated for those bonds and the excess shall be allocated under subsection 7.

5. Eighteen percent of the state ceiling shall be allocated to bonds issued by political subdivisions to finance a qualified industry or industries for the manufacturing, processing, or assembly of agricultural or manufactured products even though the processed products may require further treatment before delivery to the ultimate consumer. A single project allocated a portion of the state ceiling pursuant to this subsection shall not receive an allocation in excess of ten million dollars in any calendar year.

6. During the period of January 1 through June 30, three percent of the state ceiling shall be reserved for private activity bonds issued by political subdivisions, the proceeds of which are used by the issuing political subdivisions.

7. *a.* The amount of the state ceiling which is not otherwise allocated under subsections 1 through 5, and after June 30, the amount of the state ceiling reserved under subsection 6 and not allocated, shall be allocated to all bonds requiring an allocation under section 146 of the Internal Revenue Code without priority for any type of bond over another, except as otherwise provided in sections 7C.5 and 7C.11. A single project allocated a portion of the state ceiling pursuant to this subsection shall not receive an allocation in excess of ten million dollars in any calendar year.

*b.* The population of the state shall be determined in accordance with the Internal Revenue Code.

87 Acts, ch 171, §4; 90 Acts, ch 1011, §1; 91 Acts, ch 25, §1; 98 Acts, ch 1165, §1; 2005 Acts, ch 30, §2; 2008 Acts, ch 1024, §1, 2; 2008 Acts, ch 1032, §201; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 100, §18, 27

Referred to in §7C.5, 7C.6, 7C.12, 7C.13

Subsection 4 amended

**7C.5 Formula for allocation.**

Except as provided in section 7C.4A, subsections 1 through 5, the state ceiling shall be allocated among all political subdivisions on a statewide basis on the basis of the chronological orders of receipt by the governor's designee of the applications described in section 7C.6 with respect to a definitive issue of bonds, as determined by the day, hour, and minute time-stamped on the application immediately upon receipt by the governor's designee. However, for the period January 1 through June 30 of each year, allocations to bonds for which an amount of the state ceiling has been reserved pursuant to section 7C.4A, subsection 6, shall be made to the political subdivisions submitting the applications first from the reserved amount until the reserved amount has been fully allocated and then from the amount specified in section 7C.4A, subsection 7.

85 Acts, ch 225, §7; 87 Acts, ch 171, §5; 98 Acts, ch 1165, §2

Referred to in §7C.4A, 7C.12

**7C.6 Application for allocation.**

A political subdivision which proposes to issue bonds for a particular project or purpose for which an allocation of the state ceiling is required and has not already been made under section 7C.4A, subsections 1 through 5, must make an application for allocation before issuance of the bonds. The application may be made by the political subdivision or its representative, the beneficiary of the project or purpose, or by a person acting on behalf of the beneficiary. The application shall be submitted to the governor's designee, in the form prescribed by the governor's designee. The application shall contain, where appropriate, the following information:

1. Name and mailing address of the political subdivision.

2. Name of the chief elected or appointed executive officer of the political subdivision.

3. If the project to be financed by the bonds is not to be owned by the political subdivision, the name or description and location by mailing address or other definitive description of the project for which the allocation is requested.

4. Name and mailing address of both the initial owner, beneficiary, or operator of the project and an appropriate person from whom information regarding the project or purpose can be obtained.

5. Date of adoption by the governing body of the political subdivision of any initial governmental act with respect to the bonds.

6. Amount of the state ceiling which the political subdivision is requesting be allocated to the bonds.

7. Other information which the governor's designee deems reasonably required to carry out the purposes of this chapter.

85 Acts, ch 225, §8; 87 Acts, ch 171, §6; 98 Acts, ch 1165, §3
Referred to in §7C.5, 7C.7, 7C.12

**7C.7 Certification of allocation.**

Upon the receipt of a completed application pursuant to section 7C.6, the governor's designee shall promptly certify to the political subdivision the amount of the state ceiling allocated to the bonds for the purpose or project with respect to which the application was submitted. The allocation shall remain valid for one hundred twenty days from the date the allocation was certified, subject to the following conditions:

1. If the bonds are issued and delivered for the purpose or project within the one-hundred-twenty-day period or the thirty-day extension period provided in subsection 2, the political subdivision or its representative shall within ten days following the issuance and delivery of the bonds or not later than June 30 of that year, if the bonds were issued and delivered on or before that date, file with the governor's designee, in the form or manner the governor's designee may prescribe, a notification of the date of issuance and the delivery of the bonds, and the actual principal amount of bonds issued and delivered. The filing of the notification shall be done by actual delivery or by posting in a United States post office depository with correct first class postage paid. If the actual principal amount of bonds issued and delivered is less than the amount of the allocation, the amount of the allocation is automatically reduced to the actual principal amount of the bonds issued and delivered.

2. If the political subdivision does not reasonably expect to issue and deliver the bonds within the one-hundred-twenty-day period and evidence of an executed, valid and binding agreement to purchase the bonds is obtained from an entity with the legal ability to purchase and this agreement is filed with the governor's designee, the one-hundred-twenty-day allocation period is automatically extended for an additional thirty days. The allocation period shall not be extended beyond that additional thirty days.

3. The allocation is no longer valid unless the bonds are issued and delivered prior to December 24 or in the case of bonds described in section 7C.11 are issued and delivered prior to December 31 of the calendar year in which the allocation is certified, except as provided in section 7C.8.

85 Acts, ch 225, §9; 87 Acts, ch 171, §7; 88 Acts, ch 1134, §2; 98 Acts, ch 1165, §4; 2008 Acts, ch 1024, §3
Referred to in §7C.9, 7C.10, 7C.12

**7C.8 State ceiling carryforwards.**

It is the intention of the general assembly that the maximum use be made of all carryforward provisions in the Internal Revenue Code. Therefore, if the aggregate principal amount of bonds, subject to section 146 of the Internal Revenue Code, issued by all political subdivisions in a calendar year is less than the state ceiling for that calendar year, a political subdivision may apply to the governor's designee for an allocation of a specified portion of the excess state ceiling to be applied to a specified carryforward project. The governor's designee shall determine the time and manner in which applications for an allocation of excess state ceiling shall be made for this purpose and may, in the designee's discretion,

refuse any requests. However, the procedures for applications, the method of identifying, and the types permitted of carryforward projects shall comply with the carryforward provisions of the Internal Revenue Code and regulations promulgated under those provisions.

85 Acts, ch 225, §10; 87 Acts, ch 171, §8
Referred to in §7C.3, 7C.4, 7C.7, 7C.12

**7C.9 Nonbusiness days.**

If the expiration date of either the one-hundred-twenty-day period or the thirty-day extension period described in subsection 1 or 2 of section 7C.7 is a Saturday, Sunday, or any day on which the offices of the state or banking institutions in the state are authorized or required to close, the expiration date is extended to the first day thereafter which is not a Saturday, Sunday, or other previously described day.

85 Acts, ch 225, §11; 87 Acts, ch 171, §9; 2008 Acts, ch 1024, §4; 2012 Acts, ch 1017, §29
Referred to in §7C.12

**7C.10 Resubmission of expired allocations.**

If an allocation becomes no longer valid as provided in section 7C.7, the political subdivision may resubmit its application for the same project or purpose. The resubmitted application shall be treated as a new application and preference, priority, or prejudice shall not be given to the application or the political subdivision as a result of the prior application.

85 Acts, ch 225, §12; 87 Acts, ch 171, §10
Referred to in §7C.12

**7C.11 Priority allocations.**

Notwithstanding any other provision of this chapter, the governor's designee shall give priority in allocation of the state ceiling not yet allocated to bonds which must be issued and delivered on or prior to December 31 of the calendar year in order for the interest on the bonds to be exempt from federal income taxation. Applications for an allocation with respect to these bonds shall be accompanied by an opinion of a nationally recognized bond counsel to the effect that the bonds must be issued and delivered on or prior to December 31 in that calendar year in order for the interest on the bonds to be exempt from federal income taxation.

85 Acts, ch 225, §13; 87 Acts, ch 171, §11
Referred to in §7C.4A, 7C.7, 7C.12

**7C.12 Authority and duties of the governor and governor's designee.**

1. The governor shall designate a person, department, or authority to administer this chapter. The person, department, or authority so designated shall serve at the pleasure of the governor and shall be selected primarily for administrative ability and knowledge in the area of public finance.

2. In addition to the powers and duties specified in sections 7C.1 to 7C.11, the governor's designee:

*a.* Shall promulgate rules which are necessary or expedient to carry out the intent and purposes of the private activity bond allocation Act.

*b.* Shall maintain records of all applications filed by political subdivisions pursuant to section 7C.6 and all bonds issued pursuant to these applications including, but not limited to, a daily accounting of the amount of the state ceiling available for allocation, the amount of the state ceiling which has been allocated but not used, and the names, addresses, and telephone numbers of those political subdivisions for whom an allocation has been approved or disapproved and the amount of the allocation approved or disapproved for the political subdivisions.

*c.* Shall report quarterly any reallocation of the amount of the state ceiling by the governor's designee in accordance with this chapter to the general assembly's standing committees on government oversight and the auditor of state. The report shall contain, at a minimum, the amount of each reallocation, the date of each reallocation, the name of the political subdivision and a description of all bonds issued pursuant to a reallocation, a

brief explanation of the reason for the reallocation, and such other information as may be required by a standing committee on government oversight.

85 Acts, ch 225, §14; 87 Acts, ch 171, §12; 2008 Acts, ch 1132, §1; 2009 Acts, ch 86, §2

**7C.13 Qualified student loan bond issuer — open records and meetings — oversight.**

1. *Condition of allocation.* As a condition of receiving the allocation of the state ceiling as provided in section 7C.4A, subsection 3, the qualified student loan bond issuer shall comply with the provisions of this section.

2. *Annual report and audit.* The qualified student loan bond issuer shall submit an annual report to the governor, general assembly, and the auditor of state by January 15 setting forth its operations and activities conducted and newly implemented in the previous fiscal year related to use of the allocation of the state ceiling in accordance with this chapter and the outlook for the future. The report shall describe how the operations and activities serve students and parents. The annual audit of the qualified student loan bond issuer shall be filed with the office of auditor of state.

3. *Open meetings for consideration of tax-exempt issuance.* The deliberations or meetings of the board of directors of the qualified student loan bond issuer that relate to the issuance of bonds in accordance with this chapter shall be conducted in accordance with chapter 21.

4. *Public hearing prior to issuance of tax-exempt bonds.* Prior to the issuance of tax-exempt bonds in accordance with this chapter, the board of directors of the qualified student loan bond issuer shall hold a public meeting after reasonable notice. The board shall give notice of the time, date, and place of the meeting, and its tentative agenda, in a manner reasonably calculated to apprise the public of that information and provide interested parties with an opportunity to submit or present data, views, or arguments related to the issuance of the bonds.

5. *Open records for consideration of tax-exempt bonds.* All of the following shall be subject to chapter 22:

*a.* Minutes of the meetings conducted in accordance with subsection 3.

*b.* The data and written views or arguments submitted in accordance with subsection 4.

*c.* Letters seeking approval from the governor for issuance of tax-exempt bonds in accordance with this chapter.

*d.* The published official statement of each tax-exempt bond issue authorized in accordance with this chapter.

6. *State superintendent of banking — review.*

*a.* The state superintendent of banking shall not serve on the board of directors of the qualified student loan bond issuer.

*b.* The superintendent of banking shall annually review the qualified student loan bond issuer's total assets, loan volume, and reserves. Additionally, the superintendent shall review the qualified student loan bond issuer's procedures to inform students, prior to the submission of an application to the qualified student loan bond issuer for a loan made by the qualified student loan bond issuer, about the advantages of loans available under Tit. IV of the federal Higher Education Act of 1965, as amended, for which the students may be eligible. The review shall verify that the qualified student loan bond issuer issued bonds in accordance with this chapter in conformance to the letter requesting approval of the governor as set forth in subsection 5. The superintendent shall submit the review to the general assembly by January 15.

7. *No state obligation for bonds.* The obligations of the qualified student loan bond issuer are not the obligations of the state or any political subdivision of the state within the meaning of any constitutional or statutory debt limitations, but are obligations of the qualified student loan bond issuer payable solely and only from the qualified student loan bond issuer's funds. The qualified student loan bond issuer shall not and cannot pledge the credit or taxing power of this state or any political subdivision of this state or make its debts payable out of any moneys except those of the qualified student loan bond issuer.

2008 Acts, ch 1132, §2; 2009 Acts, ch 41, §3

# CHAPTER 7D

## EXECUTIVE COUNCIL


7D.1 Membership.
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7D.33 State employee suggestion system. Repealed by 2003 Acts, ch 145, §291.
7D.34 Energy conservation lease-purchase.
7D.35 Dispute resolution.


**7D.1 Membership.**

1. The executive council shall consist of the:

*a.* Governor.

*b.* Secretary of state.

*c.* Auditor of state.

*d.* Treasurer of state.

*e.* Secretary of agriculture.

2. A majority shall constitute a quorum. No deputy shall act on the council for the deputy's principal.

[R60, §993; C73, §111; C97, §155; C24, 27, 31, 35, 39, §**276;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.1]

C93, §7D.1

2008 Acts, ch 1032, §201

**7D.2 Secretary.**

The executive council shall choose a secretary who shall hold office during its pleasure, and perform such duties as may be required by law or by the executive council.

[R60, §999; C73, §119, 120; C97, §156, 157; S13, §156, 157; C24, 27, 31, 35, 39, §**277;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.2]

C93, §7D.2

**7D.3 Records kept.**

The secretary shall keep a complete record of the proceedings of the executive council.

[C73, §119; C97, §156, 157; S13, §157; C24, 27, 31, 35, 39, §**278;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.3]

C93, §7D.3

**7D.4 and 7D.5** Reserved.

**7D.6 Report — official register.**

1. The secretary shall, as soon as practicable after January 1 of each odd-numbered year, prepare a report of the proceedings of the executive council for the two preceding calendar years. The report shall include a statement of:

*a.* The official canvass of the votes cast at the last general election.

*b.* Other acts of the council that are of general interest.

2. The report may be published in the Iowa official register as provided in section 2A.5.

[C73, §120; C97, §157; S13, §157; C24, 27, 31, 35, 39, §**284;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.6]

C93, §7D.6

2003 Acts, ch 35, §21, 48, 49; 2008 Acts, ch 1032, §201

**7D.7** Reserved.

**7D.8 Anticipation of revenues.**

The executive council may anticipate the revenues for any year, when the current revenues for that year are insufficient to pay all warrants issued in that year, by causing state warrants, in an amount not exceeding the estimated state revenues for that year, and bearing interest at a rate not exceeding that permitted by chapter 74A, to be issued, advertised, and sold on sealed bids, and to the bidder offering the lowest interest rate. All bids and all records pertaining thereto shall be kept on file. The treasurer of state shall comply with the provisions of chapter 74.

[S13, §170-a; C24, 27, 31, 35, 39, §**287;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.8]

C93, §7D.8

Referred to in §74.1

**7D.9 Compromise of claims.**

The executive council, on a written report to it by the attorney general together with the attorney general's opinion as to the legal effect of the facts, may determine by resolution to be duly entered in its official records, the terms on which claims of doubtful equity or collectibility, and in favor of the state, may be compromised and settled with all or any of the parties thereto. Such terms may be withdrawn prior to acceptance, or in case the debtor fails to comply therewith within a reasonable time. The attorney general shall have full authority to execute all papers necessary to effect any such settlement.

[S13, §170-h; C24, 27, 31, 35, 39, §**288;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.9]

C93, §7D.9

Referred to in §123.37, 421.5

**7D.10 Court costs.**

If sufficient funds for court costs have not been appropriated to a state department, or if sufficient funds are not otherwise available for such purposes within the budget of a state department, upon authorization by the executive council there is appropriated from moneys in the general fund of the state not otherwise appropriated, an amount sufficient to pay expenses incurred, or costs taxed to the state, in any proceeding brought by or against any of the state departments or in which the state is a party or is interested. This section shall not be construed to authorize the payment of travel or other personal expenses of state officers or employees.

[S13, §170-i; C24, 27, 31, 35, 39, §**289;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.10]

C93, §7D.10

2011 Acts, ch 131, §10, 158

**7D.10A Payment to livestock remediation fund.**

If moneys are not sufficient to support the livestock remediation fund as provided in chapter 459, subchapter V, the executive council may authorize as an expense paid from the appropriations addressed in section 7D.29 the payment of an amount to the livestock remediation fund as provided under section 459.501, subsection 5. However, not more than a total of one million dollars shall be paid pursuant to this section to the livestock remediation fund at any time.

98 Acts, ch 1209, §1; 2011 Acts, ch 81, §11; 2011 Acts, ch 131, §11, 158

Referred to in §459.501

**7D.11 Report of unexpended balances.**

All commissions, boards, officers, or persons placed in charge, by statute, of special work for which a specific appropriation of state funds has been made, shall, biennially, report to the executive council the progress of such special work, the balance on hand in such fund, a list of all unpaid bills, and the amount of each, then outstanding, with such other information as the council shall from time to time require.

[SS15, §170-q; C24, 27, 31, 35, 39, §**290;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.11]
C93, §7D.11
Referred to in §8.33

**7D.12 Notice to transfer balance.**

When said council is satisfied that the work for which such special fund was created has been completed or abandoned, it shall fix a day for hearing on the question whether the unexpended balance then on hand should be transferred to the general revenue fund of the state, and shall cause a ten days' notice of such hearing to be given such commission, board, officer, or person, at which hearing showing may be made why such unexpended balance should not be so transferred.

[SS15, §170-q; C24, 27, 31, 35, 39, §**291;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.12]
C93, §7D.12
Referred to in §8.33

**7D.13 Order of transfer.**

If after such hearing the council shall find that said special work has been completed or abandoned, and that there is no good reason why such transfer should not then be made, such findings shall be made a matter of record in the minutes of its proceedings, and the secretary of the council shall at once file a copy of such proceedings with the director of the department of administrative services.

[SS15, §170-q; C24, 27, 31, 35, 39, §**292;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.13]
C93, §7D.13
2003 Acts, ch 145, §286
Referred to in §8.33

**7D.14 Duty to transfer.**

The director of the department of administrative services shall, on receipt from the secretary of the council of a copy of such record, make such transfer.

[SS15, §170-q; C24, 27, 31, 35, 39, §**293;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.14]
C93, §7D.14
2003 Acts, ch 145, §286
Referred to in §8.33

**7D.15 Public policy research foundation.**

1. The public policy research foundation is created for the purpose of conducting studies and making recommendations on critical and long-term issues needing the attention of state government. The foundation is authorized to establish an endowment fund to assist in the financing of its activities. The foundation may exercise any power authorized by chapter 504 and this section.

2. The executive council shall cause a public policy research foundation to be created under chapter 504 and this section. The foundation shall be created so that donations and bequests to it qualify as tax deductible under the federal and state income tax laws. The foundation is not a state agency and shall not exercise any sovereign power of the state. The state is not liable for any debts of the foundation.

3. The public policy research foundation shall have a board of directors of ten members. One member shall be appointed by the state board of regents and one member shall be appointed by the Iowa association of independent colleges and universities. Four members shall be appointed by the governor and four members shall be appointed by the legislative council, one by each appointing authority representing the interests of each of the following four categories:

*a.* Business.
*b.* Labor.
*c.* Community-based organizations.
*d.* Farming.

4. The terms of the members of the board of directors shall be two years beginning on July 1 and ending on June 30. A vacancy on the board shall be filled in the same manner as the original appointment for the remainder of the term. Not more than two of the governor's appointees and two of the legislative council's appointees, respectively, shall be of the same gender or of the same political party.

5. The governor, the legislative council by motion, and the general assembly by concurrent resolution may request that studies be conducted by the public policy research foundation. The board of directors of the foundation shall establish the priorities of the research requests based upon available financial resources.

6. For the purposes of this section *"community-based organizations"* means private nonprofit organizations which are representative of communities or significant segments of communities. Examples include United Way of America, neighborhood groups and organizations, community action agencies, community development corporations, vocational rehabilitation organizations, rehabilitation facilities as defined in section 7, subsection 10, of the federal Rehabilitation Act of 1973, tribal governments, and agencies serving youth, persons with disabilities, displaced homemakers, or on-reservation Indians.

86 Acts, ch 1154, §1
C87, §19.15
C93, §7D.15
96 Acts, ch 1129, §113; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393

**7D.16 Alcoholic beverages in state capitol or on complex grounds.**

Notwithstanding any contrary provision of law prohibiting the use and consumption of alcoholic beverages in a public place, the executive council may authorize, by resolution, the temporary use and consumption of alcoholic beverages, as defined in section 123.3, in the state capitol or on the state capitol complex grounds, as if the state capitol or state capitol complex grounds were a private place. The authorization by resolution shall be limited to the use and consumption of alcoholic beverages as an accompaniment to food at a single award ceremony, social event, or other occasion deemed appropriate by the executive council. The authorization shall require that the person providing the food and alcoholic beverages possess an appropriate liquor control license in accordance with section 123.95. The secretary of the executive council shall inform the secretary of the legislative council and the director of the department of administrative services of the approval of any such resolution.

2009 Acts, ch 179, §101

**7D.17 through 7D.28** Reserved.

**7D.29 Performance of duty — expense.**

1. The executive council shall not employ others, or authorize any expense, for the purpose of performing any duty imposed upon the council when the duty may, without neglect of their usual duties, be performed by the members, or by their regular employees, but, subject to this limitation, the council may authorize the necessary expense to perform or cause to be performed any legal duty imposed on the council. The expenses authorized by the executive council in accordance with this section and the expenses authorized by the executive council in accordance with other statutory provisions referencing the appropriations addressed in this section shall be paid as follows:

*a.* From the appropriation made from the Iowa economic emergency fund in section 8.55 for purposes of paying such expenses.

*b.* To the extent the appropriation from the Iowa economic emergency fund described in paragraph *"a"* is insufficient to pay such expenses, there is appropriated from moneys in the general fund of the state not otherwise appropriated the amount necessary to fund that deficiency.

2. At least two weeks prior to the executive council's approval of a payment authorization under this section, the secretary of the executive council shall notify the legislative services agency that the authorization request will be considered by the executive council and shall provide background information justifying the request.

3. The executive council shall receive requests from the Iowa department of public health relative to the purchase, storing, and distribution of vaccines and medication for prevention, prophylaxis, or treatment. Upon review and after compliance with subsection 2, the executive council may approve the request and may authorize payment of the necessary expense. The expense authorized by the executive council under this subsection shall be paid from the appropriations referred to in subsection 1.

[S13, §170-l, -n, -p; C24, 27, 31, 35, 39, §**306;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.29]

88 Acts, ch 1275, §30; 89 Acts, ch 315, §25

C93, §7D.29

2006 Acts, ch 1171, §7, 9; 2006 Acts, ch 1185, §54, 89; 2011 Acts, ch 131, §12, 158

Referred to in §7D.10A, 7D.30, 8.55, 8A.321, 11.32, 15E.71, 29C.8, 29C.20, 96.13, 97C.13A, 135.143, 135.144, 163.3A, 163.15, 459.501, 468.43, 602.10133

**7D.30 Necessary record.**

Before authorizing any expense in accordance with section 7D.29, the executive council shall, in each case, by resolution, entered upon its records, set forth the necessity for authorizing such expense, the special fitness of the one employed to perform such work, the definite rate of compensation or salary allowed, and the total amount of money that may be expended. Compensation or salary for personal services in such cases must be determined by unanimous vote of all members of the council.

[S13, §170-m, -n; C24, 27, 31, 35, 39, §**307;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.30]

C93, §7D.30

2011 Acts, ch 131, §13, 158

**7D.31 Additional compensation and expenses.**

Members of the executive council and its regular employees shall be paid no additional salary or compensation for special service, but shall receive their necessary traveling expenses, including subsistence, when absent from the seat of government on official business.

[S13, §170-o; C24, 27, 31, 35, 39, §**308;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §19.31]

C93, §7D.31

**7D.32** Reserved.

**7D.33 State employee suggestion system.** Repealed by 2003 Acts, ch 145, § 291. See § 8A.110.

**7D.34 Energy conservation lease-purchase.**

1. As used in this section:

*a.* "*Energy conservation measure*" means installation or modification of an installation in a building which is primarily intended to reduce energy consumption or allow the use of an alternative energy source, which may contain integral control and measurement devices.

*b.* "*State agency*" means a board, department, commission or authority of or acting on behalf of the state having the power to enter into contracts with or without the approval of the executive council to acquire property in its own name or in the name of the state. "*State agency*" does not mean the general assembly, the courts, the governor or a political subdivision of the state.

2. *a.* A state agency may, with the approval of the executive council, lease as lessee real and personal properties and facilities for use as or in connection with any energy conservation measure for which it may so acquire real and personal properties and facilities, upon the terms, conditions and considerations the official or officials having the authority

with or without the approval of the executive council to commit the state agency to acquire real and personal property and facilities deem in the best interests of the state agency. A lease may include provisions for ultimate ownership by the state or by the state agency and may obligate the state agency to pay costs of maintenance, operation, insurance and taxes. The state agency shall pay the rentals and the additional costs from the annual appropriations for the state agency by the general assembly or from other funds legally available. The lessor of the properties or facilities may retain a security interest in them until title passes to the state or state agency. The security interest may be assigned or pledged by the lessor. In connection with the lease, the state agency may contract for a letter of credit, insurance or other security enhancement obligation with respect to its rental and other obligations and pay the cost from annual appropriations for such state agency by the general assembly or from other funds legally available. The security enhancement arrangement may contain customary terms and provisions, including reimbursement and acceleration if appropriate. This section is a complete and independent authorization and procedure for a state agency, with the approval of the executive council, to enter into a lease and related security enhancement arrangements and this section is not a qualification of any other powers which a state agency may possess, including those under chapter 262, and the authorization and powers granted under this section are not subject to the terms or requirements of any other provision of the Code.

*b.* Before a state agency seeks approval of the executive council for leasing real or personal properties or facilities for use as or in connection with any energy conservation measure, the state agency shall have a comprehensive engineering analysis done on a building in which it seeks to improve the energy efficiency by an engineering firm approved by the economic development authority through a competitive selection process and the engineering firm is subject to approval of the executive council. Provisions of this section shall only apply to energy conservation measures identified in the comprehensive engineering analysis.

*c.* Before the executive council gives its approval for a state agency to lease real and personal properties or facilities for use as or in connection with any energy conservation measure, the executive council shall in conjunction with the economic development authority and after review of the engineering analysis submitted by the state agency make a determination that the properties or facilities will result in energy cost savings to the state in an amount that results in the state recovering the cost of the properties or facilities within six years after the initial acquisition of the properties or facilities.

85 Acts, ch 55, §1
CS85, §19.34
C93, §7D.34
2009 Acts, ch 108, §1, 41; 2011 Acts, ch 118, §50, 89
Referred to in §12.28, 28J.9, 470.3, 470.7

**7D.35 Dispute resolution.**

The executive council shall resolve any disputes transmitted to it by the economic development authority, the state building code commissioner, or both, arising under section 470.7.

89 Acts, ch 315, §26
CS89, §19.35
C93, §7D.35
2009 Acts, ch 108, §2, 41; 2011 Acts, ch 118, §50, 89

# CHAPTER 7E

## EXECUTIVE BRANCH ORGANIZATION AND RESPONSIBILITIES

Referred to in §8E.103


| | | | |
|---|---|---|---|
| 7E.1 | Policy — purposes. | 7E.5 | Principal departments and primary responsibilities. |
| 7E.2 | Offices, departments and independent agencies. | 7E.5A | Buildings and infrastructure — funding. |
| 7E.3 | Heads of departments and independent agencies — powers and duties. | 7E.6 | Compensation of members of boards, committees, commissions, and councils. |
| 7E.4 | Definitions and terminology for executive branch organization. | 7E.7 | Organizational structure. |


**7E.1 Policy — purposes.**

1. *Declaration of policy: three branches of government.* The separation of powers within state government among the legislative, the executive, and the judicial branches of the government is a traditional American concept. The legislative branch has the broad objective of determining policies and programs and review of program performance for programs previously authorized, the executive branch carries out the programs and policies, and the judicial branch has the responsibility for adjudicating any conflicts which might arise from the interpretation or application of the laws.

2. *Goals of executive branch organization.*

*a.* The governor, as the chief executive officer of the state, should be provided with the facilities and the authority to carry out the functions of the governor's office efficiently and effectively within the policy limits established by the legislature.

*b.* The administrative agencies which comprise the executive branch should be consolidated into a reasonable number of departments, consistent with executive capacity to administer effectively at all levels.

*c.* The executive branch shall be organized on a functional basis, so that programs can be coordinated.

*d.* Each agency in the executive branch should be assigned a name commensurate with the scope of its responsibilities, and should be integrated into one of the departments of the executive branch as closely as the goals of administrative integration and responsiveness to the legislature and citizenry permit.

3. *Goals of continuing reorganization.* Structural reorganization should be a continuing process through careful executive and legislative appraisal of the placement of proposed new programs and the coordination of existing programs in response to changing emphasis or public needs, and should be consistent with the following goals:

*a.* The organization of state government should assure its responsiveness to popular control. It is the goal of reorganization to improve legislative policymaking capability and to improve the administrative capability of the executive to carry out the policies.

*b.* The organization of state government should facilitate communication between citizens and government. It is the goal of reorganization, through coordination of related programs in function-oriented departments, to improve public understanding of government programs and policies and to improve the relationships between citizens and administrative agencies.

*c.* The organization of state government should assure efficient and effective administration of the policies established by the legislature. It is the goal of reorganization to promote efficiency by improving the management and coordination of state services and by eliminating overlapping activities.

86 Acts, ch 1245, §1

**7E.2 Offices, departments and independent agencies.**

The constitutional and statutory offices, administrative departments, and independent agencies which comprise the executive branch of state government are structured as follows:

1. *Separate constitutional offices.* The elective constitutional and statutory officers who

do not head operating departments each head a staff to be termed the *"office"* of the respective elective officer, but the office of the governor shall be known as the *"executive office"*.

2. *Principal administrative units.* The principal administrative unit of the executive branch is a *"department"* and there may be one or more *"independent agencies"*.

3. *Internal structure.*

*a.* The director of each department, subject to applicable statute, approval by the governor, and the provisions of subsection 4 of this section, may establish the internal structure within the office of the director so as to best suit the purposes of the department.

*b.* For field operations, departments may establish district or area offices which may cut across divisional lines of responsibility.

*c.* For their internal structure, all departments shall adhere to the following standard terms unless otherwise specified by law, and independent agencies are encouraged to review their internal structure and to adhere as much as possible to the following standard terms:

(1) The principal subunit of the department is the *"division"*. Each division shall be headed by an *"administrator"*.

(2) The principal subunit of the division is the *"bureau"*. Each bureau shall be headed by a *"chief"*.

(3) If further subdivision is necessary, bureaus may be divided into subunits which shall be known as *"sections"* and which shall be headed by *"supervisors"* and sections may be divided into subunits which shall be known as *"units"* and which shall be headed by *"unit managers"*.

4. *Internal organization and allocation of functions.* Subject to applicable law, the head of each department or independent agency shall, subject to the approval of the governor, establish the internal organization of the department or independent agency and allocate and reallocate duties and functions not assigned by law to an officer or any subunit of the department or independent agency to promote economic and efficient administration and operation of the department or independent agency.

5. *Attachment for limited purposes.* Any commission, board, or other unit attached under this section to a department or independent agency, or a specified division of one, shall be a distinct unit of that department, independent agency, or specified division. Any commission, board, or other unit so attached shall exercise its powers, duties, and functions as may be prescribed by law, including rulemaking, licensing and regulation, and operational planning within the area of program responsibility of the commission, board, or other unit independently of the head of the department or independent agency, but budgeting, program coordination, and related management functions shall be performed under the direction and supervision of the head of the department or independent agency, unless otherwise provided by law.

86 Acts, ch 1245, §2
Referred to in §8A.512A

**7E.3 Heads of departments and independent agencies — powers and duties.**

Each head of a department or independent agency shall, except as otherwise provided by law:

1. *Supervision.* Plan, direct, coordinate, and execute the functions vested in the department or independent agency.

2. *Budget.* Annually compile a comprehensive program budget which reflects all fiscal matters related to the operation of the department or independent agency and each program, subprogram, and activity in the department or agency.

3. *Advisory bodies.* In addition to any councils specifically created by law, create by rule and appoint such councils or committees as the operation of the department or independent agency requires. Members of councils and committees created under this general authority shall serve without compensation, but may be reimbursed for their expenses.

4. *Annual report.* Unless otherwise provided by law, submit a report in November of each year to the governor and the legislature on the operation of the department or independent agency during the fiscal year concluded on the preceding June 30, and projecting the goals and objectives of the department or independent agency as developed in the program budget

report for the fiscal year under way. Any department or independent agency may issue such additional reports on its findings and recommendations as its operations require.

5. *Adults not lawfully present.* Unless expressly authorized by federal or state law, ensure that the public benefits administered by the department or independent agency are not provided to persons who are not lawfully present in the United States.

86 Acts, ch 1245, §3; 2011 Acts, ch 122, §3, 5
Referred to in §8A.111, 135.11
See also §7A.3 – 7A.11A

**7E.4 Definitions and terminology for executive branch organization.**

In statutory references and administrative usage, the following terminology and definitions shall be used as guidelines for the terminology applicable to state governmental structure and organization to the extent practicable:

1. *"Authority"* means a body with independent power to issue and sell bonds.

2. *a.* *"Board"* means a policymaking or rulemaking body that has the power to hear contested cases.

*b.* *"Board"* includes a professional licensing board which sets standards of professional competence and conduct for the profession or occupation under its supervision, which may prepare and grade the examinations of prospective new practitioners when authorized by law, which may issue licenses when authorized by law, which investigates complaints of alleged unprofessional conduct, and which performs other functions assigned to it by law.

3. "*Commission*" means a policymaking body that has rulemaking powers.

4. "*Committee*" means a part-time body appointed to study a specific problem and to recommend a solution or policy alternative with respect to that problem, and intended to terminate on the completion of its assignment.

5. *"Council"* means an advisory body appointed to function on a continuing basis for the study, and recommendation of solutions and policy alternatives, of the problems arising in a specified functional area of state government.

6. *"Department"* means a principal administrative agency within the executive branch of state government, but does not include independent agencies.

7. "*Division*", "*bureau*", "*section*", and "*unit*" mean the subunits of a department, whether specifically created by law or created by the head of the department for the more economic and efficient administration and operation of the programs assigned to the department.

8. *"Head of the department"* means the elective officer, director, commissioner, or other official in charge of a department.

9. *"Independent agency"* is an administrative unit which, because of its unique operations, does not fit into the general pattern of operating departments.

86 Acts, ch 1245, §4; 88 Acts, ch 1278, §21; 2007 Acts, ch 10, §2, 3
Referred to in §8A.101, 8F.2, 68B.2, 68B.6, 68B.35

**7E.5 Principal departments and primary responsibilities.**

1. The principal central departments of the executive branch as established by law are listed in this section for central reference purposes as follows:

*a.* The department of management, created in section 8.4, which has primary responsibility for coordination of state policy planning, management of interagency programs, economic reports, and program development.

*b.* The department of administrative services, created in section 8A.102, which has primary responsibility for the management and coordination of the major resources of state government.

*c.* The department of revenue, created in section 421.2, which has primary responsibility for revenue collection and revenue law compliance.

*d.* The department of inspections and appeals, created in section 10A.102, which has primary responsibility for coordinating the conducting of various inspections, investigations, appeals, hearings, and audits.

*e.* The department of agriculture and land stewardship, created in section 159.2, which has primary responsibility for encouraging, promoting, and advancing the interests

of agriculture and allied industries. The secretary of agriculture is the director of the department of agriculture and land stewardship.

*f.* The department of commerce, created in section 546.2, which has primary responsibility for business and professional regulatory, service, and licensing functions.

*g.* The economic development authority, created in section 15.105, which has responsibility for ensuring that the economic development policies of the state are effectively and efficiently carried out.

*h.* The department of workforce development, created in section 84A.1, which has primary responsibility for administering the laws relating to unemployment compensation insurance, job placement and training, employment safety, labor standards, workers' compensation, and related matters.

*i.* The department of human services, created in section 217.1, which has primary responsibility for services to individuals to promote the well-being and the social and economic development of the people of the state.

*j.* The Iowa department of public health, created in chapter 135, which has primary responsibility for supervision of public health programs, promotion of public hygiene and sanitation, treatment and prevention of substance abuse, and enforcement of related laws.

*k.* The department on aging, created in section 231.21, which has primary responsibility for leadership and program management for programs which serve the older individuals of the state.

*l.* The department of cultural affairs, created in section 303.1, which has primary responsibility for managing the state's interests in the areas of the arts, history, the state archives and records program, and other cultural matters.

*m.* The department of education, created in section 256.1, which has primary responsibility for supervising public education at the elementary and secondary levels and for supervising the community colleges.

*n.* The department of corrections, created in section 904.102, which has primary responsibility for corrections administration, corrections institutions, prison industries, and the development, funding, and monitoring of community-based corrections programs.

*o.* The department of public safety, created in section 80.1, which has primary responsibility for statewide law enforcement and public safety programs that complement and supplement local law enforcement agencies and local inspection services.

*p.* The department of public defense, created in section 29.1, which has primary responsibility for state military forces.

*q.* The department of natural resources, created in section 455A.2, which has primary responsibility for state parks and forests, protecting the environment, and managing fish, wildlife, and land and water resources.

*r.* The state department of transportation, created in section 307.2, which has primary responsibility for development and regulation of highway, railway, and air transportation throughout the state, including public transit.

*s.* The department of human rights, created in section 216A.1, which has primary responsibility for services relating to Latino persons, women, persons with disabilities, community action agencies, criminal and juvenile justice planning, African Americans, deaf and hard-of-hearing persons, persons of Asian and Pacific Islander heritage, and Native Americans.

*t.* In the area of higher education, an agency headed by the state board of regents and including all the institutions administered by the state board of regents, which has primary responsibility for state involvement in higher education.

*u.* The department for the blind, created in chapter 216B, which has primary responsibility for services relating to blind persons.

*v.* The department of veterans affairs. However, the commission of veterans affairs created in section 35A.2 shall have primary responsibility for state veterans affairs.

*w.* The department of homeland security and emergency management, created in section 29C.5, which has primary responsibility for the administration of emergency planning matters, including emergency resource planning in this state, homeland security activities,

and coordination of available services and resources in the event of a disaster to include those services and resources of the federal government and private entities.

2. *a.* There is a civil rights commission, a public employment relations board, an interstate cooperation commission, an ethics and campaign disclosure board, and an Iowa law enforcement academy.

*b.* The listing of additional state agencies in this subsection is for reference purposes only and is not exhaustive.

3. The responsibilities listed for each department and agency in this section are generally descriptive of the department's or agency's duties, are not all-inclusive, and do not exclude duties and powers specifically prescribed for by statute, or delegated to, each department or agency.

86 Acts, ch 1245, §5; 88 Acts, ch 1277, §20, 21; 89 Acts, ch 83, §1; 90 Acts, ch 1180, §1; 92 Acts, ch 1139, §19; 92 Acts, ch 1140, §1, 2; 92 Acts, ch 1163, §1; 93 Acts, ch 48, §2; 93 Acts, ch 75, §1; 93 Acts, ch 163, §38; 96 Acts, ch 1186, §23; 98 Acts, ch 1017, §1; 2000 Acts, ch 1058, §2; 2000 Acts, ch 1141, §11, 19; 2002 Acts, ch 1050, §1; 2003 Acts, ch 145, §116 – 119; 2003 Acts, ch 178, §96, 121; 2003 Acts, ch 179, §142; 2005 Acts, ch 115, §1, 40; 2008 Acts, ch 1031, §7; 2008 Acts, ch 1184, §37; 2009 Acts, ch 23, §1; 2009 Acts, ch 41, §4; 2009 Acts, ch 108, §3, 41; 2011 Acts, ch 118, §54, 85, 89; 2013 Acts, ch 29, §1, 2

Referred to in §8A.101, 8E.103, 8F.2, 199.1, 200.22, 206.34
Subsection 1, paragraph p amended
Subsection 1, NEW paragraph w

**7E.5A Buildings and infrastructure — funding.**

1. For each new vertical infrastructure project, the department in control of the vertical infrastructure shall identify and recommend to the general assembly funding sufficient to meet the projected maintenance, repair, and replacement needs of the vertical infrastructure.

2. A department shall, within its five-year capital budget request, identify specific instances where the failure to address deferred maintenance has had a negative impact on the department's ability to implement its mission and the proposed costs for annual routine and preventive maintenance based on an industry standard of one percent of the estimated replacement cost of the department's facilities. This subsection shall not apply to the state department of transportation.

3. A department requesting state moneys for a vertical infrastructure project shall actively pursue any federal funds for which the proposed project may be eligible and shall demonstrate such pursuit prior to receiving state moneys for the project. The department shall report the receipt of any such federal funds to the department of management and the legislative services agency in the manner described in section 8.23.

4. As used in this section, *"vertical infrastructure"* means the same as defined in section 8.57, subsection 5, paragraph *"c"*.

97 Acts, ch 215, §28; 2001 Acts, ch 185, §32; 2003 Acts, ch 35, §45, 49; 2012 Acts, ch 1021, §124

**7E.6 Compensation of members of boards, committees, commissions, and councils.**

1. *a.* Any position of membership on any board, committee, commission, or council in the executive branch of state government which is compensated by the payment of a per diem to the holder of that position under statutory law shall be compensated at the rate of fifty dollars per diem, notwithstanding any other law to the contrary.

*b.* Reimbursement of expenses to the holder of any position governed by this subsection shall be as provided in the applicable law.

*c.* In regard to any board, committee, commission, or council which has its name or organizational location altered after January 1, 1986, the statutory provision on the subject of per diem compensation which was applicable to it on January 1, 1986, shall continue to govern such agency and its successor agency, notwithstanding the change in name or organizational location.

2. Any position of membership on any board, committee, commission, or council in the state government which has a compensation level limited to expenses only is eligible to receive, in addition to such actual expense reimbursement, an additional expense allowance

of fifty dollars per day if the holder of any such position applies for such additional expense allowance and the holder of the position has an income level of one hundred fifty percent or less of the United States poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

3. Any position of membership on the board of the Iowa lottery authority shall receive compensation of fifty dollars per day and expenses.

4. Any position of membership on the transportation commission shall be compensated at an annual rate of ten thousand dollars.

5. Any position of membership on the board of parole, the public employment relations board, the utilities board, the employment appeal board, and the property assessment appeal board shall be compensated as otherwise provided in law.

6. All of the compensation provisions of this section are subject to the proper appropriations being made in the state budget legislation.

7. It is the intent of the general assembly that this section shall be the governing provision on the subject of the compensation of any position of membership on any board, committee, commission, or council in the state government and that the provisions of this section shall govern over any conflicting provision of law except provisions enacted subsequent to July 1, 1986, notwithstanding the provisions of section 4.7.

86 Acts, ch 1245, §2055; 88 Acts, ch 1277, §22; 89 Acts, ch 296, §2, 3; 89 Acts, ch 303, §15, 16; 2003 Acts, ch 35, §22, 49; 2003 Acts, ch 178, §97, 121; 2003 Acts, ch 179, §142; 2005 Acts, ch 150, §119

Referred to in §8A.375, 8B.8, 15.105, 15F.105, 16.2, 16.2A, 20.5, 29A.57, 35A.2, 42.5, 67.12, 68B.32, 80B.8, 80E.2, 84A.1A, 97B.8A, 97B.8B, 99G.8, 100B.1, 103.3, 103A.14, 105.3, 123.6, 124.555, 135.11, 135.22A, 135.62, 135B.11, 136.9, 142A.3, 147.24, 159A.13, 161A.4, 169.5, 170.2, 173.8, 175.3, 177.5, 179.2, 183A.10, 185.14, 185C.14, 190C.2, 203.11B, 203D.4, 206.23A, 216.4, 216A.12, 216A.53, 216A.74, 216A.92A, 216A.113, 216A.132, 216A.133A, 216A.139, 216A.142, 216A.152, 216A.162, 216B.2, 217.4, 217.19, 225C.5, 231.13, 237.16, 249A.4B, 256.5, 256.5A, 256.15, 256.29, 256.35A, 256.52, 256A.2, 256I.3, 257.30, 257C.5, 261.4, 262.9, 266.39, 267A.3, 272.5, 272C.3, 272C.7, 303.3C, 303.6, 303.86, 307.6, 333A.3, 368.9, 384.14, 411.36, 418.6, 421.1, 455A.5, 455A.6, 455A.17, 455B.150, 455G.4, 455J.6, 461A.80, 463B.2, 465C.4, 466A.3, 466B.48, 514I.5, 524.205, 533.107, 542.4, 542B.8, 543B.12, 543D.4, 544A.12, 544B.7, 544C.4, 602.1513, 602.10106, 679B.7, 904.106, 904.803

For future repeal, effective July 1, 2018, of 2005 amendments to subsection 5 and subsequent amendments relating to the property assessment appeal board, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

Section not amended; footnote revised

**7E.7 Organizational structure.**

For organizational purposes only, the following apply:

1. The Iowa higher education loan authority shall be attached to the college student aid commission.

2. The Iowa advance funding authority shall be considered part of the department of education. The department of education may provide staff assistance and administrative support to the authority.

86 Acts, ch 1245, §850; 90 Acts, ch 1253, §122; 2003 Acts, ch 137, §1; 2007 Acts, ch 215, §77, 78; 2008 Acts, ch 1156, §6, 58; 2009 Acts, ch 97, §5

Iowa higher education loan authority, see chapter 261A

Iowa advance funding authority, see chapter 257C

# CHAPTER 7F

## OFFICE FOR STATE-FEDERAL RELATIONS

7F.1 Office for state-federal relations.

**7F.1 Office for state-federal relations.**

1. *Purpose.* The purpose of this section is to establish, as an independent agency, an office for state-federal relations which will develop a nonpartisan state-federal relations program accessible to all three branches of state government.

2. *Definition.* As used in this section, unless the context otherwise requires, *"office"* means the office for state-federal relations established pursuant to this section.

3. *Office established.* A state-federal relations office is established as an independent

agency. The office shall be located in Washington, D.C., and shall be administered by the director of the office who is appointed by the governor, subject to confirmation by the senate, and who serves at the pleasure of the governor. The office and its personnel are exempt from the merit system provisions of chapter 8A, subchapter IV.

4. *Office duties.* The office shall:

*a.* Coordinate the development of Iowa's state-federal relations efforts which shall include an annual state-federal program to be presented to Iowa's congressional delegation, the sponsorship of training sessions for state government officials, and the maintenance of a management information system.

*b.* Provide state government officials with greater access to current information on federal legislative and executive actions affecting state government.

*c.* Advocate federal policies and positions which benefit the state or are important to state government.

*d.* Monitor federal budget policies and assistance programs and assess their impact on the state.

*e.* Strengthen the working relationships between state government officials and Iowa's congressional delegation.

*f.* Improve the state's ability to establish key contacts with federal officials, officials from other states, organizations, business groups, and professional associations in order to share information and form cooperative agreements.

87 Acts, ch 233, §126; 2003 Acts, ch 145, §120

Confirmation; see §2.32

# CHAPTERS 7G to 7I

RESERVED

# CHAPTER 7J

## CHARTER AGENCIES

Repealed pursuant to terms of former §7J.3;
2003 Acts, ch 178, §34, 36

# CHAPTER 7K

## INSTITUTE FOR TOMORROW'S WORKFORCE

Repealed by 2009 Acts, ch 177, §46

# CHAPTER 8

## DEPARTMENT OF MANAGEMENT — BUDGET AND FINANCIAL CONTROL ACT

Referred to in §20.5, 80B.14, 84A.1A, 84A.4, 99D.17, 99G.10, 123.11, 173.22A, 215A.9, 216A.2, 216A.3, 307.8, 313.4, 313.5, 324A.6, 476.10, 905.5

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## GENERAL PROVISIONS

**8.1 Title.**

This chapter shall be known and may be cited as the *"Budget and Financial Control Act"*.

[C35, §84-e1; C39, §**84.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.1]

**8.2 Definitions.**

When used in this chapter:

1. *"Block grant"* means funds from the federal government awarded in broad program areas within which the state is given considerable latitude in determining how funds are used and for which the state develops its own plan for spending according to general federal guidelines. *"Block grant"* does not include education research grants.

2. *"Budget"* means the budget document required by this chapter to be transmitted to the legislature.

3. *"Categorical grant"* means federal funds applied for and received by the state which are in the form of entitlements, formula grants, discretionary grants, open-ended entitlements or another form that may be used only for specific narrowly defined activities except funds for student aid and assistance; grants, contracts and cooperative agreements for research and training for which no appropriated matching funds are required; and reimbursements for services rendered.

4. *"Code"* or *"the Code"* means the Code of Iowa.

5. The terms *"department and establishment"* and *"department"* or *"establishment"*, mean any executive department, commission, board, institution, bureau, office, or other agency of the state government, including the state department of transportation, except for funds which are required to match federal aid allotted to the state by the federal government for highway special purposes, and except the courts, by whatever name called, other than the legislature, that uses, expends or receives any state funds.

6. *"Government"* means the government of the state of Iowa.

7. *"Private trust funds"* means any and all endowment funds and any and all moneys received by a department or establishment from private persons to be held in trust and expended as directed by the donor.

8. *"Repayment receipts"* means those moneys collected by a department or establishment that supplement an appropriation made by the legislature.

9. *"Special fund"* means any and all government fees and other revenue receipts earmarked to finance a governmental agency to which no general fund appropriation is made by the state.

10. *"State funds"* means any and all moneys appropriated by the legislature, or money collected by or for the state, or an agency thereof, pursuant to authority granted by any of its laws.

11. *"Unencumbered balance"* means the unobligated balance of an appropriation after charging thereto all unpaid liabilities for goods and services and all contracts or agreements payable from an appropriation or a special fund.

[C35, §84-e2; C39, §**84.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.2; 81 Acts, ch 17, §1]

Referred to in §8.9, 8A.125, 8A.502, 8B.15, 10A.107, 10A.801, 22.3A, 29C.8, 35D.7, 35D.18, 84A.5, 99D.22, 103.7, 105.9, 124.553, 135.11A, 135.105A, 135C.7, 136C.10, 147.82, 155A.40, 162.2B, 203.9, 203C.2, 222.92, 226.9B, 252B.4, 252B.5, 252B.23, 262.9, 272C.6, 321.491, 325A.5, 421.17, 475A.6, 477C.7, 505.7, 523A.501, 523A.502, 524.207, 533.111, 543D.22, 546.10

**8.3 Governor.**

The governor of the state shall have:

1. Direct and effective financial supervision over all departments and establishments, and

every state agency by whatever name now or hereafter called, including the same power and supervision over such private corporations, persons and organizations that may receive, pursuant to statute, any funds, either appropriated by, or collected for, the state, or any of its departments, boards, commissions, institutions, divisions and agencies.

2. The efficient and economical administration of all departments and establishments of the government.

3. The initiation and preparation of a balanced budget of any and all revenues and expenditures for each regular session of the legislature.

[C35, §84-e3; C39, §**84.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.3]

**8.3A Capital project planning and budgeting — governor's duties.**

1. *Definitions.* For the purposes of this section:

*a.* *"Capital project"* does not include highway and right-of-way projects or airport capital projects undertaken by the state department of transportation and financed from dedicated funds or capital projects funded by nonstate grants, gifts, or contracts obtained at or through state universities, if the projects do not require a commitment of additional state resources for maintenance, operations, or staffing.

*b.* *"Facility"* means a distinct parcel of land or a building used by the state or a state agency for a specific purpose.

*c.* *"State agency"* means any executive, judicial, or legislative department, commission, board, institution, division, bureau, office, agency, or other entity of state government.

2. *Duties.* The governor shall:

*a.* Develop criteria for the evaluation of proposed capital projects which shall include but not be limited to the following:

(1) Fiscal impacts on costs and revenues.
(2) Health and safety effects.
(3) Community economic effects.
(4) Environmental, aesthetic, and social effects.
(5) Amount of disruption and inconvenience caused by the capital project.
(6) Distributional effects.
(7) Feasibility, including public support and project readiness.
(8) Implications of deferring the project.
(9) Amount of uncertainty and risk.
(10) Effects on interjurisdictional relationships.
(11) Advantages accruing from relationships to other capital project proposals.
(12) Private sector contracting for construction, operation, or maintenance.

*b.* Make recommendations to the general assembly and the legislative capital projects committee regarding the funding and priorities of proposed capital projects.

*c.* Develop maintenance standards and guidelines for capital projects.

*d.* Review financing alternatives available to fund capital projects, including the evaluation of the advantages and disadvantages of bonding for all types of capital projects undertaken by all state agencies.

*e.* Monitor the debt of the state or a state agency.

3. *Division of project restricted.* A capital project shall not be divided into smaller projects in such a manner as to thwart the intent of this section to provide for the evaluation of a capital project whose cost cumulatively equals or exceeds two hundred fifty thousand dollars.

89 Acts, ch 298, §4; 2008 Acts, ch 1031, §74
Referred to in §2.47A, 8.6

## DEPARTMENT OF MANAGEMENT

**8.4 Department of management.**

The department of management is created, which is directly attached to the office of the governor and under the general direction, supervision, and control of the governor. The office is in immediate charge of an officer to be known as "the director", who shall be

appointed by the governor, subject to confirmation by the senate, and shall hold office at the governor's pleasure and shall receive a salary as set by the governor. Before entering upon the discharge of duties, the director shall take the constitutional oath of office and give a surety bond in the penalty fixed by the governor, payable to the state, which shall not be less than twenty-five thousand dollars, conditioned upon the faithful discharge of the director's duties. The premium on the bond shall be paid out of the state treasury.

[C24, §309, 311 – 316; C27, §309, 311, 313 – 316; C31, §309, 311, 314 – 316, 1063; C35, §84-e4; C39, §**84.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.4]

86 Acts, ch 1245, §103

Referred to in §7E.5

Confirmation, §2.32

**8.5 General powers and duties.**

The director of the department of management shall have the power and authority to:

1. *Assistants.* Employ, with the approval of the governor, two assistants and such clerical assistants as the director may find necessary.

2. *Compensation of employees.* Fix the compensation, with the approval of the governor, of any person employed by the director, provided that the total amount paid in salaries shall not exceed the appropriation made for that purpose.

3. *Discharge of employees.* Discharge any employee of the department of management.

4. *Miscellaneous duties.* Exercise and perform such other powers and duties as may be prescribed by law.

[C51, §50 – 58; R60, §71 – 79, 1967; C73, §66 – 74; C97, §89 – 97, 162; S13, §89, 162, 163-a, 170-e, -f; SS15, §170-r, -s, -t, -u; C24, §102 – 109, 391 – 407; C27, §102 – 109, 130-a1, 391 – 407; C31, §102 – 109, 130-a1, 391 – 397, 397-d1, 398 – 407; C35, §84-e5; C39, §**84.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.5]

Merit system, chapter 8A, subchapter IV

**8.6 Specific powers and duties.**

The specific duties of the director of the department of management shall be:

1. *Forms.* To consult with all state officers and agencies which receive reports and forms from county officers, in order to devise standardized reports and forms which will permit computer processing of the information submitted by county officers, and to prescribe forms on which each municipality, at the time of preparing estimates required under section 24.3, shall be required to compile in parallel columns the following data and estimates for immediate availability to any taxpayer upon request:

*a.* For the immediate prior fiscal year, revenue from all sources, other than revenue received from property taxation, allocated to each of the several funds and separately stated as to each such source, and for each fund the unencumbered cash balance thereof at the beginning and end of the year, the amount received by property taxation allocated to each fund, and the amount of actual expenditure for each fund.

*b.* For the current fiscal year, actual and estimated revenue, from all sources, other than revenue received from property taxation, and separately stated as to each such source, allocated to each of the several funds, and for each fund the actual unencumbered cash balance available at the beginning of the year, the amount to be received from property taxation allocated to each fund, and the amount of actual and estimated expenditures, whichever is applicable.

*c.* For the proposed budget year, an estimate of revenue from all sources, other than revenue to be received from property taxation, separately stated as to each such source, to be allocated to each of the several funds, and for each fund the actual or estimated unencumbered cash balance, whichever is applicable, to be available at the beginning of the year, the amount proposed to be received from property taxation allocated to each fund, and the amount proposed to be expended during the year plus the amount of cash reserve, based on actual experience of prior years, which shall be the necessary cash reserve of the budget adopted exclusive of capital outlay items. The estimated expenditures plus the required cash reserve for the ensuing fiscal year less all estimated or actual unencumbered balances at the beginning of the year and less the estimated income from all sources other than property

taxation shall equal the amount to be received from property taxes, and such amount shall be shown on the proposed budget estimate.

*d.* To insure uniformity, accuracy, and efficiency in the preparation of budget estimates by municipalities subject to chapter 24, the director shall prescribe the procedures to be used and instruct the appropriate officials of the various municipalities on implementation of the procedures.

2. *Report of standing appropriations.* To annually prepare a separate report containing a complete list of all standing appropriations showing the amount of each appropriation and the purpose for which the appropriation is made and furnish a copy of the report to each member of the general assembly on or before the first day of each regular session.

3. *Budget document.* To prepare the budget document and draft the legislation to make it effective.

4. *Allotments.* To perform the necessary work involved in reviewing requests for allotments as are submitted to the governor for approval.

5. Reserved.

6. *Investigations.* To make such investigations of the organization, activities and methods of procedure of the several departments and establishments as the director of management may be called upon to make by the governor or the governor and executive council, or the legislature.

7. *Legislative aid.* To furnish to any committee of either house of the legislature having jurisdiction over revenues or appropriations such aid and information regarding the financial affairs of the government as it may request.

8. *Rules.* To make such rules, subject to the approval of the governor, as may be necessary for effectively carrying on the work of the department of management. The director may, with the approval of the executive council, require any state official, agency, department, or commission, to require any applicant, registrant, filer, permit holder, or license holder, whether individual, partnership, trust, or corporation, to submit to said official, agency, department, or commission, the social security number or the tax number or both so assigned to said individual, partnership, trust, or corporation.

9. *Budget report.* To prepare and file in the department of management, on or before the first day of December of each year, a state budget report, which shall show in detail the following:

*a.* Classified estimates in detail of the expenditures necessary, in the director's judgment, for the support of each department and each institution and department thereof for the ensuing fiscal year.

*b.* A schedule showing a comparison of such estimates with the askings of the several departments for the current fiscal year and with the expenditures of like character for the last two preceding fiscal years.

*c.* A statement setting forth in detail the reasons for any recommended increases or decreases in the estimated requirements of the various departments, institutions, and departments thereof.

*d.* Estimates of all receipts of the state other than from direct taxation and the sources thereof for the ensuing fiscal year.

*e.* A comparison of such estimates and askings with receipts of a like character for the last two preceding fiscal years.

*f.* The expenditures and receipts of the state for the last completed fiscal year, and estimates of the expenditures and receipts of the state for the current fiscal year.

*g.* A detailed statement of all appropriations made during the two preceding fiscal years, also of unexpended balances of appropriations at the end of the last fiscal year and estimated balances at the end of the current fiscal year.

*h.* Estimates in detail of the appropriations necessary to meet the requirements of the several departments and institutions for the next fiscal year.

*i.* Statements showing:

(1) The condition of the treasury at the end of the last fiscal year.

(2) The estimated condition of the treasury at the end of the current fiscal year.

(3) The estimated condition of the treasury at the end of the next fiscal year, if the director's recommendations are adopted.

(4) An estimate of the taxable value of all the property within the state.

(5) The estimated aggregate amount necessary to be raised by a state levy.

(6) The amount per thousand dollars of taxable value necessary to produce such amount.

(7) Other data or information as the director deems advisable.

10. *Budget and tax rate databases.* To develop and make available to the public a searchable budget database and internet site as required under chapter 8G, subchapter I, and to develop and make available to the public a searchable tax rate database and internet site as required under chapter 8G, subchapter II.

11. *General control.* To perform such other duties as may be required to effectively control the financial operations of the government as limited by this chapter.

12. *Targeted small businesses.* To assist the director of the economic development authority as requested in the establishment and implementation of the Iowa targeted small business procurement Act.

13. *State programs for equal opportunity.* To perform specific powers and duties as provided in chapter 19B and other provisions of law with respect to oversight and the imposition of sanctions in connection with state programs emphasizing equal opportunity through affirmative action, contract compliance policies, and procurement set-aside requirements.

14. *Capital project budgeting requests.* To compile annually all capital project budgeting requests of all state agencies, as defined in section 8.3A, and to consolidate the requests, with individual state agency priorities noted, into a report for submission with the budget documents by the governor pursuant to section 8.22. Any additional information regarding the capital project budgeting requests or priorities shall be compiled and submitted in the same report.

15. *Capital project planning and budgeting authority.* To call upon any state agency, as defined in section 8.3A, for assistance the director may require in performing the director's duties under subsection 14. All state agencies, upon the request of the director, shall assist the director and are authorized to make available to the director any existing studies, surveys, plans, data, and other materials in the possession of the state agencies which are relevant to the director's duties.

16. *State tort claims — risk management coordinator.* To designate a position within the department to serve as the executive branch's risk management coordinator.

*a.* The risk management coordinator shall have all of the following responsibilities:

(1) Coordinating and monitoring risk control policies and programs in the executive branch, including but not limited to coordination with the employees of departments who are responsible for the workers' compensation for state employees and management of state property.

(2) Consulting with the attorney general with respect to the risk control policies and programs and trends in claims and liability of the state under chapter 669.

(3) Coordinating the state's central data repository for claims and risk information.

*b.* The costs of salary, benefits, and support for the risk management coordinator shall be authorized by the state appeal board established in chapter 73A and shall be paid as claims for services furnished to the state under section 25.2.

17. *Designation of services — funding — customer council.*

*a.* To establish a process by which the department, in consultation with the department of administrative services, shall determine which services provided by the department of administrative services shall be funded by an appropriation and which services shall be funded by the governmental entity receiving the service.

*b.* To establish a process for determining whether the department of administrative services shall be the sole provider of a service for purposes of those services which the department determines under paragraph "*a*" are to be funded by the governmental entities receiving the service.

*c.* To establish, by rule, a customer council responsible for overseeing the services

provided solely by the department of administrative services. The rules adopted shall provide for all of the following:

(1) The method of appointment of members to the council by the governmental entities required to receive the services.

(2) The duties of the customer council which shall be as follows:

(a) Annual review and approval of the department of administrative services' business plan regarding services provided solely by the department of administrative services.

(b) Annual review and approval of the procedure for resolving complaints concerning services provided by the department of administrative services.

(c) Annual review and approval of the procedure for setting rates for the services provided solely by the department of administrative services.

(3) A process for receiving input from affected governmental entities as well as for a biennial review by the customer council of the determinations made by the department of which services are funded by an appropriation to the department of administrative services and which services are funded by the governmental entities receiving the service, including any recommendations as to whether the department of administrative services shall be the sole provider of a service funded by the governmental entities receiving the service. The department, in consultation with the department of administrative services, may change the determination of a service if it is determined that the change is in the best interests of those governmental entities receiving the service.

*d.* If a service to be provided may also be provided to the judicial branch and legislative branch, then the rules shall provide that the chief justice of the supreme court may appoint a member to the customer council, and the legislative council may appoint a member from the senate and a member from the house of representatives to the customer council, in their discretion.

[C51, §50; R60, §71, 1967; C73, §66; C97, §89; S13, §89, 161-a; C24, 27, 31, §102, 130, 329; C35, §84-e6; C39, §**84.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.6]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1067, §3; 85 Acts, ch 212, §21; 86 Acts, ch 1244, §3; 86 Acts, ch 1245, §104, 105, 2014; 86 Acts, ch 1246, §121; 86 Acts, ch 1016, §1; 89 Acts, ch 284, §1; 89 Acts, ch 298, §5; 90 Acts, ch 1168, §3, 4; 90 Acts, ch 1266, §29; 91 Acts, ch 268, §602, 603; 99 Acts, ch 204, §21, 22; 2001 Acts, 2nd Ex, ch 2, §2, 3, 13; 2006 Acts, ch 1185, §90; 2007 Acts, ch 22, §2; 2008 Acts, ch 1184, §29; 2009 Acts, ch 41, §5; 2011 Acts, ch 118, §85, 89; 2011 Acts, ch 122, §39; 2011 Acts, ch 131, §49, 158; 2013 Acts, ch 13, §1; 2013 Acts, ch 30, §1

Referred to in §2.47A

Subsections 8 and 12 amended

**8.7 Reporting of gifts and bequests received.**

All gifts and bequests received by a department or accepted by the governor on behalf of the state shall be reported to the Iowa ethics and campaign disclosure board and the general assembly's standing committees on government oversight. The ethics and campaign disclosure board shall, by January 31 of each year, submit to the fiscal services division of the legislative services agency a written report listing all gifts and bequests received during the previous calendar year with a value over one thousand dollars and the purpose for each such gift or bequest. The submission shall also include a listing of all gifts and bequests received by a department from a person if the cumulative value of all gifts and bequests received by the department from the person during the previous calendar year exceeds one thousand dollars, and the ethics and campaign disclosure board shall include, if available, the purpose for each such gift or bequest. However, the reports on gifts or bequests filed by the state board of regents and the Iowa state fair board pursuant to section 8.44 shall be deemed sufficient to comply with the requirements of this section.

2005 Acts, ch 173, §27; 2008 Acts, ch 1191, §25; 2010 Acts, ch 1069, §1; 2011 Acts, ch 79, §1

Referred to in §22.7, 68B.22, 68B.32, 68B.32A, 68B.32B, 68B.32C, 68B.32D

**8.8 Special olympics fund — appropriation.**

A special olympics fund is created in the office of the treasurer of state under the control of the department of management. There is appropriated annually from the general fund of the state to the special olympics fund one hundred thousand dollars for distribution to one

or more organizations which administer special olympics programs benefiting the citizens of Iowa with disabilities.

94 Acts, ch 1199, §1; 99 Acts, ch 208, §15; 2005 Acts, ch 179, §5; 2013 Acts, ch 140, §7
Section amended

**8.9 Grants enterprise management office.**

1. The office of grants enterprise management is established in the department of management. The function of the office is to develop and administer a system to track, identify, advocate for, and coordinate nonstate grants as defined in section 8.2, subsections 1 and 3. Staffing for the office of grants enterprise management shall be provided by a facilitator appointed by the director of the department of management. Additional staff may be hired, subject to the availability of funding.

2. *a.* All grant applications submitted and grant moneys received by a department on behalf of the state shall be reported to the office of grants enterprise management. The office shall by January 31 of each year submit to the fiscal services division of the legislative services agency a written report listing all grants received during the previous calendar year with a value over one thousand dollars and the funding entity and purpose for each grant. However, the reports on grants filed by the state board of regents pursuant to section 8.44 shall be deemed sufficient to comply with the requirements of this subsection.

*b.* The office of grants enterprise management shall submit by July 1 and January 1 of each year to the general assembly's standing committees on government oversight a written report summarizing departmental compliance with the requirements of this subsection.

2003 Acts, ch 99, §1; 2008 Acts, ch 1191, §26; 2010 Acts, ch 1069, §2; 2011 Acts, ch 34, §1

**8.10 Facilitator's duties.**

The specific duties of the facilitator of the office of grants enterprise management may include the following:

1. Establish a grants network representing all state agencies to assist the grants enterprise management office in an advisory capacity. Each state agency shall designate an employee on the management or senior staff level to serve as the agency's federal funds coordinator and represent the agency on the grants network. An agency may not create a staff position for a federal funds coordinator. The coordinator's duties shall be in addition to the duties of the employee of the agency.

2. Develop a plan for increased state access to funding sources other than the general fund of the state.

3. Develop procedures to formally notify appropriate state and local agencies of the availability of discretionary federal funds and, when necessary, coordinate the application process.

4. Establish an automated information system database for grants applied for and received and to track congressional activity.

5. Provide information and counseling to state agencies and political subdivisions of the state concerning the availability and means of obtaining state, federal, and private grants.

6. Provide grant application writing assistance and training to state agencies and political subdivisions of the state, directly or through interagency contracts, cooperative agreements, or contracts with third-party providers.

7. Monitor the federal register and other federal or state publications to identify funding opportunities, with special emphasis on discretionary grants or other funding opportunities available to the state.

8. Periodically review the funding strategies and methods of those states that rank significantly above the national average in the per capita receipt of federal funds to determine whether those strategies and methods could be successfully employed by this state.

2003 Acts, ch 99, §2

**8.11 Grant applications — minority impact statements.**

1. Each application for a grant from a state agency shall include a minority impact statement that contains the following information:

*a.* Any disproportionate or unique impact of proposed policies or programs on minority persons in this state.

*b.* A rationale for the existence of programs or policies having an impact on minority persons in this state.

*c.* Evidence of consultation of representatives of minority persons in cases where a policy or program has an identifiable impact on minority persons in this state.

2. For the purposes of this section, the following definitions shall apply:

*a.* *"Disability"* means the same as provided in section 15.102, subsection 10, paragraph *"b"*, subparagraph (1).

*b.* *"Minority persons"* includes individuals who are women, persons with a disability, African Americans, Latinos, Asians or Pacific Islanders, American Indians, and Alaskan Native Americans.

*c.* *"State agency"* means a department, board, bureau, commission, or other agency or authority of the state of Iowa.

3. The office of grants enterprise management shall create and distribute a minority impact statement form for state agencies and ensure its inclusion with applications for grants.

4. The directives of this section shall be carried out to the extent consistent with federal law.

5. The minority impact statement shall be used for informational purposes.

2008 Acts, ch 1095, §3, 4; 2009 Acts, ch 41, §6

Section not amended; internal reference change applied

**8.12 through 8.20** Reserved.

## THE BUDGET

See §8.6(9)

**8.21 Budget transmitted.**

Not later than February 1 of each legislative session, the governor shall transmit to the legislature a document to be known as a budget, setting forth the governor's financial program for the ensuing fiscal year and having the character and scope set forth in sections 8.22 through 8.29.

If the governor is required to use a lesser amount in the budget process because of a later meeting of the state revenue estimating conference under section 8.22A, subsection 3, the governor shall transmit recommendations for a budget in conformance with that requirement within fourteen days of the later meeting of the state revenue estimating conference.

[SS15, §191-b; C24, 27, 31, §334; C35, §84-e14; C39, §**84.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.21]

86 Acts, ch 1245, §2015; 92 Acts, ch 1227, §1; 2001 Acts, 2nd Ex, ch 2, §4, 13

Referred to in §8.27, 8.54, 257.8

**8.22 Nature and contents of budget.**

The budget shall consist of four parts, the nature and contents of which shall be as follows:

1. *Part I — Governor's budget message.*

*a.* Part I shall consist of the governor's budget message, in which the governor shall set forth:

(1) (a) The governor's program for meeting all the expenditure needs of the government for the fiscal year, indicating the classes of funds, general or special, from which appropriations are to be made and the means through which the expenditures shall be financed.

(b) The governor's program shall include a single budget request for all capital projects proposed by the governor. The request shall include but is not limited to the following:

(i) The purpose and need for each capital project.

(ii) A priority listing of capital projects.

(iii) The costs of acquisition, lease, construction, renovation, or demolition of each capital project.

(iv) The identification of the means and source of funding each capital project.

(v) The estimated operating costs of each capital project after completion.

(vi) The estimated maintenance costs of each capital project after completion.

(vii) The consequences of delaying or abandoning each capital project.

(viii) Alternative approaches to meeting the purpose or need for each capital project.

(ix) Alternative financing mechanisms.

(x) A cost-benefit analysis or economic impact of each capital project.

*b.* (1) Financial statements giving in summary form:

(a) The condition of the treasury at the end of the last completed fiscal year, the estimated condition of the treasury at the end of the year in progress, and the estimated condition of the treasury at the end of the following fiscal year if the governor's budget proposals are put into effect.

(b) Statements showing the bonded indebtedness of the government, debt authorized and unissued, debt redemption and interest requirements, and condition of the sinking funds, if any.

(c) A summary of appropriations recommended for the following fiscal year for each department and establishment and for the government as a whole, in comparison with the actual expenditures for the last completed fiscal year and the estimated expenditures for the year in progress.

(d) A summary of the revenue, estimated to be received by the government during the following fiscal year, classified according to sources, in comparison with the actual revenue received by the government during the last completed fiscal year and estimated income during the year in progress.

(e) A statement of federal funds received in the form of block or categorical grants which were not included in the governor's budget for the previous fiscal year and a statement of anticipated block grants and categorical grants. The budget shall indicate how the federal funds will be used and the programs to which they will be allocated. The amount of state funds required to implement the programs to which the federal funds will apply shall also be indicated. The departments shall provide information to the director on the anticipated federal block grants and categorical grants to be received on or before November 1 of each year. The director shall use this information to develop an annual update of the statement of federal funds received which shall be provided to the general assembly.

(f) Other financial statements, data, and comments as in the governor's opinion are necessary or desirable in order to make known in all practicable detail the financial condition and operation of the government and the effect that the budget as proposed by the governor will have on the financial condition and operation.

(2) If the estimated revenues of the government for the ensuing fiscal year as set forth in the budget on the basis of existing laws, plus the estimated amounts in the treasury at the close of the year in progress, available for expenditure in the ensuing fiscal year are less than the aggregate recommended for the ensuing fiscal year as contained in the budget, the governor shall make recommendations to the legislature in respect to the manner in which the deficit shall be met, whether by an increase in the state tax or the imposition of new taxes, increased rates on existing taxes, or otherwise, and if the aggregate of the estimated revenues, plus estimated balances in the treasury, is greater than the recommended appropriations for the ensuing fiscal year, the governor shall make recommendations in reference to the application of the surplus to the reduction of debt or otherwise, to the reduction in taxation, or to such other action as in the governor's opinion is in the interest of the public welfare.

2. *Part II — Recommended appropriations.*

*a.* Part II shall present in detail for the ensuing fiscal year the governor's recommendations for appropriations to meet the expenditure needs of the government from each general class of funds, in comparison with actual expenditures for each of the purposes during the last completed fiscal year and estimated expenditures for the year in progress, classified by departments and establishments and indicating for each the appropriations recommended for:

(1) Meeting the cost of administration, operation, and maintenance of the departments and establishments.

(2) Appropriations for meeting the cost of land, public improvements, and other capital outlays in connection with the departments and establishments.

*b.* Each item of expenditure, actual or estimated, and appropriations recommended for administration, operation, and maintenance of each department or establishment shall be supported by detailed statements showing the actual and estimated expenditures and appropriations classified by objects according to a standard scheme of classification to be prescribed by the director.

3. *Part III — Appropriation bills.* Part III shall include a draft or drafts of appropriation bills having for their purpose to give legal sanction to the appropriations recommended to be made in parts I and II. The appropriation bills shall indicate the funds, general or special, from which the appropriations shall be paid, but the appropriations need not be in greater detail than to indicate the total appropriation to be made for:

*a.* Administration, operation, and maintenance of each department and establishment for the fiscal year.

*b.* The cost of land, public improvements, and other capital outlays for each department and establishment, itemized by specific projects or classes of projects of the same general character.

4. *Part IV — Strategic plan.* Part IV shall include an explanation that correlates the budget with the enterprise strategic plan adopted pursuant to section 8E.204. The budget shall provide an explanation of appropriations recommended for the administration and maintenance of an agency as defined in section 8E.103 with the general evaluation of the agency in meeting enterprise strategic goals, including identifying goals that require legislation.

[SS15, §191-b; C24, 27, 31, §332, 333, 335; C35, §84-e15; C39, §**84.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.22; 81 Acts, ch 17, §2]

84 Acts, ch 1231, §2; 86 Acts, ch 1245, §2016; 89 Acts, ch 298, §6; 90 Acts, ch 1168, §5; 2001 Acts, ch 169, §1, 2; 2008 Acts, ch 1032, §201

Referred to in §2.48, 8.6, 8.21, 8.22A, 8.25, 8.27, 8.41, 8.54

**8.22A Revenue estimating conference.**

1. The state revenue estimating conference is created consisting of the governor or the governor's designee, the director of the legislative services agency or the director's designee, and a third member agreed to by the other two.

2. The conference shall meet as often as deemed necessary, but shall meet at least three times per year. The conference may use sources of information deemed appropriate. At each meeting, the conference shall agree to estimates for the current fiscal year and the following fiscal year for the general fund of the state, lottery revenues to be available for disbursement, and from gambling revenues and from interest earned on the cash reserve fund and the economic emergency fund to be deposited in the rebuild Iowa infrastructure fund. Only an estimate for the following fiscal year agreed to by the conference pursuant to subsection 3, 4, or 5, shall be used for purposes of calculating the state general fund expenditure limitation under section 8.54, and any other estimate agreed to shall be considered a preliminary estimate that shall not be used for purposes of calculating the state general fund expenditure limitation.

3. By December 15 of each fiscal year the conference shall agree to a revenue estimate for the fiscal year beginning the following July 1. That estimate shall be used by the governor in the preparation of the budget message under section 8.22 and by the general assembly in the budget process. If the conference agrees to a different estimate at a later meeting which projects a greater amount of revenue than the initial estimate amount agreed to by December 15, the governor and the general assembly shall continue to use the initial estimate amount in the budget process for that fiscal year. However, if the conference agrees to a different estimate at a later meeting which projects a lesser amount of revenue than the initial estimate amount, the governor and the general assembly shall use the lesser amount in the budget process for that fiscal year. As used in this subsection, "*later meeting*" means only those later

meetings which are held prior to the conclusion of the regular session of the general assembly and, if the general assembly holds an extraordinary session prior to the commencement of the fiscal year to which the estimate applies, those later meetings which are held before or during the extraordinary session.

4. At the meeting in which the conference agrees to the revenue estimate for the following fiscal year in accordance with the provisions of subsection 3, the conference shall agree to an estimate for tax refunds payable from that estimated revenue. The estimates required by this subsection shall be used in determining the adjusted revenue estimate under section 8.54.

5. At the meeting in which the conference agrees to the revenue estimate for the succeeding fiscal year in accordance with the provisions of subsection 3, the conference shall also agree to the following estimates which shall be used by the governor in preparation of the budget message under section 8.22 and the general assembly in the budget process for the succeeding fiscal year:

*a.* The amount of lottery revenues for the following fiscal year to be available for disbursement following the deductions made pursuant to section 99G.39, subsection 1.

*b.* The amount of revenue for the following fiscal year from gambling revenues and from interest earned on the cash reserve fund and the economic emergency fund to be deposited in the rebuild Iowa infrastructure fund under section 8.57, subsection 5, paragraph *"e"*.

*c.* The amount of accruals of those revenues collected by or due from entities other than the state on or before June 30 of the fiscal year but not remitted to the state until after June 30.

*d.* The amount of accrued lottery revenues collected on or before June 30 of the fiscal year but not transferred to the general fund of the state until after June 30.

86 Acts, ch 1245, §2045; 92 Acts, ch 1227, §2; 94 Acts, ch 1181, §4; 95 Acts, ch 214, §5; 96 Acts, ch 1218, §24; 2001 Acts, 2nd Ex, ch 2, §5, 13; 2003 Acts, ch 35, §23, 49; 2003 Acts, ch 178, §98, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1175, §214, 287; 2011 Acts, ch 117, §1, 4; 2012 Acts, ch 1021, §125

Referred to in §8.21, 8.54, 602.1304

**8.23 Annual departmental estimates.**

1. On or before October 1, prior to each legislative session, all departments and establishments of the government shall transmit to the director, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, classified so as to distinguish between expenditures estimated for administration, operation, and maintenance, and the cost of each project involving the purchase of land or the making of a public improvement or capital outlay of a permanent character, together with supporting data and explanations as called for by the director.

*a.* The estimates of expenditure requirements shall be based upon seventy-five percent of the funding provided for the current fiscal year accounted for by program reduced by the historical employee vacancy factor in form specified by the director and the remainder of the estimate of expenditure requirements prioritized by program. The estimates shall be accompanied with performance measures for evaluating the effectiveness of the program.

*b.* The budget estimates for an agency as defined in section 8E.103 shall be based on achieving goals contained in the enterprise strategic plan and the agency's strategic plan as provided for in chapter 8E. The estimates shall be accompanied by a description of the measurable and other results to be achieved by the agency. Performance measures shall be based on the goals developed pursuant to sections 8E.205, 8E.206, and 8E.208. The estimates shall be accompanied by an explanation of the manner in which appropriations requested for the administration and maintenance of the agency meet goals contained in the enterprise strategic plan and the agency's strategic plan, including identifying goals that require legislation.

*c.* If a department or establishment fails to submit estimates within the time specified, the legislative services agency shall use the amounts of the appropriations to the department or establishment for the fiscal year in process at the time the estimates are required to be submitted as the amounts for the department's or establishment's request in the documents

submitted to the general assembly for the ensuing fiscal year and the governor shall cause estimates to be prepared for that department or establishment as in the governor's opinion are reasonable and proper.

*d.* The director shall furnish standard budget request forms to each department or agency of state government.

2. On or before November 15 all departments and establishments of government and the judicial branch shall transmit to the department of management and the legislative services agency estimates of their receipts and expenditure requirements from federal or other nonstate grants, receipts, and funds for the ensuing fiscal year. The transmittal shall include the names of the grantor and the grant or the source of the funds, the estimated amount of the funds, and the planned expenditures and use of the funds. The format of the transmittal shall be specified by the legislative services agency.

[S13, §163-a; SS15, §191-a; C24, 27, 31, §327, 328; C35, §84-e16; C39, §**84.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.23]

86 Acts, ch 1245, §2017; 90 Acts, ch 1252, §1; 90 Acts, ch 1263, §53; 91 Acts, ch 263, §31; 95 Acts, ch 214, § 20; 98 Acts, ch 1047, §2; 2001 Acts, ch 169, §3; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 179, §88, 159

Referred to in §7E.5A, 8.21, 8.25, 35A.10, 97B.4, 218.58, 225C.7, 225C.7A, 237.14, 421.17, 455A.4, 602.1301

**8.24** Repealed by 2001 Acts, 2nd Ex, ch 2, § 12, 13.

**8.25 Tentative budget.**

Upon the receipt of the estimates of expenditure requirements called for by section 8.23 and not later than the following December 1, the director of the department of management shall cause to be prepared a tentative budget conforming as to scope, contents, and character to the requirements of section 8.22 and containing the estimates of expenditures as called for by section 8.23, which tentative budget shall be transmitted to the governor.

[C24, 27, 31, §332; C35, §84-e18; C39, §**84.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.25]

2001 Acts, 2nd Ex, ch 2, §6, 13

Referred to in §8.21, 8.26

**8.26 Hearings.**

Immediately upon the receipt of the tentative budget provided for by section 8.25 the governor shall make provision for public hearings thereon, at which the governor may require the attendance of the heads and other officers of all departments, establishments and other persons receiving or requesting the grant of state funds and the giving by them of such explanations and suggestions as they may be called upon to give or as they may desire to offer in respect to items of requested appropriations in which they are interested. The governor shall also extend invitations to the governor-elect and the director of the department of management to be present at such hearings and to participate in the hearings through the asking of questions or the expression of opinion in regard to the items of the tentative budget.

[C24, 27, 31, §331; C35, §84-e19; C39, §**84.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.26]

Referred to in §2A.4, 8.21

**8.27 Preparation of budget.**

Following the inauguration, the governor shall proceed to the formulation of the budget provided for by sections 8.21 and 8.22.

[C35, §84-e20; C39, §**84.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.27]

Referred to in §8.21

**8.28 Supplemental estimates.**

The governor shall transmit to the legislature supplemental estimates for such appropriations as in the governor's judgment may be necessary on account of laws enacted after transmission of the budget, or as the governor deems otherwise in the public interest.

The governor shall accompany such estimates with a statement of the reasons therefor, including the reasons for their omission from the budget. Whenever such supplemental estimates amount to an aggregate which, if they had been contained in the budget, would have required the governor to make a recommendation for the raising of additional revenue, the governor shall make such recommendation.

[C35, §84-e21; C39, §**84.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.28]

Referred to in §8.21

**8.29 Regents universities — uniform accounting system.**

The state board of regents, with the approval of the director of the department of management, shall establish a uniform budgeting and accounting system for the institutions of higher education under its control, and shall require each of the institutions of higher education to begin operating under the uniform system not later than June 30, 1994.

[C71, 73, 75, 77, 79, 81, §8.29]

92 Acts, ch 1246, §23; 2001 Acts, 2nd Ex, ch 2, §7, 13

Referred to in §8.21

## EXECUTION OF THE BUDGET

**8.30 Availability of appropriations.**

The appropriations made are not available for expenditure until allotted as provided for in section 8.31. All appropriations are declared to be maximum and proportionate appropriations, the purpose being to make the appropriations payable in full in the amounts named if the estimated budget resources during the fiscal year for which the appropriations are made, are sufficient to pay all of the appropriations in full. The governor shall restrict allotments only to prevent an overdraft or deficit in any fiscal year for which appropriations are made.

[C35, §84-e23; C39, §**84.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.30]

86 Acts, ch 1245, §2019

**8.31 Allotments of appropriations — exceptions — modifications.**

1. *a.* Before an appropriation of any department or establishment becomes available, the department or establishment shall submit to the director of the department of management a requisition for allotment of the appropriation according to dates identified in the requisition during the fiscal year by which portions of the appropriation will be needed. The department or establishment shall submit the requisition by June 1, prior to the start of a fiscal year or by another date identified by the director. The requisition shall contain details of proposed expenditures as may be required by the director subject to review by the governor.

*b.* The director of the department of management shall approve the allotments subject to review by the governor, unless it is found that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, in which event such allotments may be modified to the extent the governor may deem necessary in order that there shall be no overdraft or deficit in the several funds of the state at the end of the fiscal year, and the director shall submit copies of the allotments thus approved or modified to the head of the department or establishment concerned, who shall set up such allotments on the books and be governed accordingly in the control of expenditures.

2. Allotments made in accordance with subsection 1 may be subsequently modified by the director of the department of management at the direction of the governor either upon the written request of the head of the department or establishment concerned, or in the event the governor finds that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, upon the governor's own initiative to the extent the governor may deem necessary in order that there shall be no overdraft or deficit in the several funds of the state at the end of the fiscal year; and the head of the department or establishment shall be given notice of a modification in the same way as in the case of original allotments.

3. The allotment requests of all departments and establishments collecting governmental

fees and other revenue which supplement a state appropriation shall attach to the summary of requests a statement showing how much of the proposed allotments are to be financed from state appropriations, stores, and repayment receipts.

4. The procedure to be employed in controlling the expenditures and receipts of the state fair board and the institutions under the state board of regents, whose collections are not deposited in the state treasury, is that outlined in section 8A.502, subsection 9.

5. If the governor determines that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, the reductions shall be uniform and prorated between all departments, agencies, and establishments upon the basis of their respective appropriations.

6. Allotments from appropriations for the foreign trade offices of the economic development authority, if the appropriations are described by line item in the authority's appropriation Act or another Act, may be made as is necessary to take advantage of the most favorable foreign currency exchange rates.

[C35, §84-e24; C39, §**84.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.31; 81 Acts, ch 18, §1]

86 Acts, ch 1245, §1972; 87 Acts, ch 115, §4; 89 Acts, ch 309, §6; 94 Acts, ch 1063, §1; 2003 Acts, ch 145, §121; 2003 Acts, ch 179, §89, 159; 2011 Acts, ch 118, §85, 89

Referred to in §8.30, 8.32, 8.55, 8.57, 97B.7, 257.16, 260C.18D, 284.3A, 284.15, 441.21A

**8.32 Conditional availability of appropriations.**

1. All appropriations made to any department or establishment of the government as receive or collect moneys available for expenditure by them under present laws, are declared to be in addition to such repayment receipts, and such appropriations are to be available as and to the extent that such receipts are insufficient to meet the costs of administration, operation, and maintenance, or public improvements of such departments:

*a.* Provided, that such receipts or collections shall be deposited in the state treasury as part of the general fund or special funds in all cases, except those collections made by the state fair board, the institutions under the state board of regents, and the natural resource commission.

*b.* Provided further, that no repayment receipts shall be available for expenditures until allotted as provided in section 8.31; and

*c.* Provided further, that the collection of repayment receipts by the state fair board and the institutions under the state board of regents shall be deposited in a bank or banks duly designated and qualified as state depositories, in the name of the state of Iowa, for the use of such boards and institutions, and such funds shall be available only on the check of such boards or institutions depositing them, which are hereby authorized to withdraw such funds, but only after allotment by the governor as provided in section 8.31; and

*d.* Provided further, that this chapter shall not apply to endowment or private trust funds or to gifts to institutions owned or controlled by the state or to the income from such endowment or private trust funds, or to private funds belonging to students or inmates of state institutions.

2. The provisions of this chapter shall not be construed to prohibit the state fair board from creating an emergency or sinking fund out of the receipts of the state fair and state appropriation for the purpose of taking care of any emergency that might arise beyond the control of the board of not to exceed three hundred thousand dollars. Neither shall this chapter be construed to prohibit the state fair board from retaining an additional sum of not to exceed three hundred fifty thousand dollars to be used in carrying out the provisions of chapter 173.

[C35, §84-e25; C39, §**84.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.32]

86 Acts, ch 1244, §4; 2013 Acts, ch 30, §2

Referred to in §8.57

Section amended

**8.33 Time limit on obligations — reversion.**

No obligation of any kind shall be incurred or created subsequent to the last day of the fiscal year for which an appropriation is made, except when specific provision otherwise is

made in the Act making the appropriation. On August 31, or as otherwise provided in an appropriation Act, following the close of each fiscal year, all unencumbered or unobligated balances of appropriations made for that fiscal term revert to the state treasury and to the credit of the funds from which the appropriations were made, except that capital expenditures for the purchase of land or the erection of buildings or new construction continue in force until the attainment of the object or the completion of the work for which the appropriations were made unless the Act making an appropriation for the capital expenditure contains a specific provision relating to a time limit for incurring an obligation or reversion of funds. This section does not repeal sections 7D.11 through 7D.14.

No payment of an obligation for goods and services shall be charged to an appropriation subsequent to the last day of the fiscal year for which the appropriation is made unless the goods or services are received on or before the last day of the fiscal year, except that repair projects, purchase of specialized equipment and furnishings, and other contracts for services and capital expenditures for the purchase of land or the erection of buildings or new construction or remodeling, which were committed and in progress prior to the end of the fiscal year are excluded from this provision.

[C35, §84-e26; C39, §**84.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.33]

83 Acts, ch 172, §1; 84 Acts, ch 1091, §1; 84 Acts, ch 1305, §17; 86 Acts, ch 1245, §2020; 86 Acts, ch 1246, §770; 89 Acts, ch 284, §2

Referred to in §8.41A, 8.55, 8.56, 8.57, 8.57E, 8.57F, 8.62, 8.75, 8A.123, 8A.321, 8A.328, 8A.431, 8A.432, 8A.434, 8A.435, 8A.436, 8A.437, 8A.438, 8A.457, 8A.502, 8B.13, 8B.33, 8D.14, 11.6, 12.72, 12.79, 12.82, 12.88, 12.88A, 12.89, 12.91, 12A.6, 15.106A, 15.293, 15.313, 15.335B, 15.343, 15.412, 15E.311, 15E.363, 15F.204, 15F.205, 16.5, 16.40, 16.41, 16.100, 16.134, 16.141, 16.181, 16.182, 16.183, 16.184, 16.185, 25.2, 34A.7A, 35A.5, 35A.16, 35D.18, 80.42, 80.43, 80.44, 80A.14, 80B.16, 89.8, 89A.19, 90A.10, 91C.9, 96.7A, 99B.10D, 99D.13, 99F.20, 100B.4, 100B.12, 100B.13, 100C.9, 100D.7, 103.7, 105.9, 123.183, 124.557, 135.25, 135.39A, 135.175, 135A.8, 136C.10, 142C.15, 144.13A, 144.46A, 147.82, 159.21, 159A.7, 159A.16, 161A.80, 161D.2, 161D.12, 161G.2, 162.2C, 165B.2, 169.5, 169A.13A, 170.3C, 173.22, 216B.3, 222.92, 225C.41, 226.9C, 231.23, 231E.4, 232.188, 234.45, 235A.2, 249A.33, 249A.50, 249L.4, 249M.4, 256.36, 256.39, 256.40, 256.42, 256.44, 256.52, 256.87, 256I.11, 257.16A, 260C.18A, 260H.2, 260I.2, 261.17A, 261.19, 261.22, 261.23, 261.38, 261.72, 261.73, 261.86, 261.87, 261.110, 261.111, 261.112, 261.113, 261.114, 261E.13, 272.10, 284.13, 284.14, 303.3, 303.3D, 303.9, 303A.4, 303A.7, 307.20, 307.46, 312.2, 312A.2, 314.28, 321.34, 321G.7, 321I.8, 324A.6A, 327G.29, 327H.20A, 327J.2, 331.604, 418.10, 421.46, 426B.1, 426C.2, 452A.79A, 453A.2, 453A.35A, 455A.18, 455A.19, 455B.112A, 455B.133B, 455B.183A, 455B.196, 455B.265A, 455C.17, 455D.11C, 455D.15, 455E.11, 455G.3, 455G.21, 455H.401, 456A.17, 456A.21, 459.401, 459.501, 460.303, 461.31, 463B.3, 466.9, 466A.2, 466B.45, 473.19A, 476.10A, 476.46, 483A.3B, 502.601, 514I.11, 533C.902, 537.6203, 541A.7, 546.12, 553.19, 602.1302, 602.1304, 691.6, 692.2A, 692A.119, 714.16A, 714.16C, 717F.9, 724.11, 904.117, 904.118A, 904.303A, 904.311, 904.311A, 904.703, 904.706, 915.94

**8.34 Charging off unexpended appropriations.**

Except as otherwise provided by law, the director of the department of administrative services shall transfer to the fund from which an appropriation was made, any unexpended or unencumbered balance of that appropriation remaining at the expiration of two months after the close of the fiscal term for which the appropriation was made. At the time the transfer is made on the books of the department of administrative services, the director shall certify that fact to the treasurer of state, who shall make corresponding entries on the books of the treasurer's office.

[C27, 31, §130-a1; C35, §84-a1; C39, §**84.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.34]

88 Acts, ch 1134, §3; 89 Acts, ch 284, §3; 2003 Acts, ch 145, §286

**8.35 General supervisory control.**

The governor and the director of the department of management and any officer of the department of management, hereinabove provided for, when authorized by the governor, are hereby authorized to make such inquiries regarding the receipts, custody and application of state funds, existing organization, activities and methods of business of the departments and establishments, assignments of particular activities to particular services and regrouping of such services, as in the opinion of the governor, will enable the governor to make recommendations to the legislature, and, within the scope of the powers possessed by the governor, to order action to be taken, having for their purpose to bring about increased economy and efficiency in the conduct of the affairs of government.

[C35, §84-e27; C39, §**84.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.35]

**8.35A Information to be given to legislative services agency.**

1. By July 1, the director of the department of management, in conjunction with the director of the department of administrative services, shall provide a projected expenditure

breakdown of each appropriation for the beginning fiscal year to the legislative services agency in the form and level of detail requested by the legislative services agency. By the fifteenth of each month, the director, in conjunction with the director of the department of administrative services, shall transmit to the legislative services agency a record for each appropriation of actual expenditures for the prior month of the fiscal year and the fiscal year to date in the form and level of detail as requested by the legislative services agency. By October 1, the director, in conjunction with the director of the department of administrative services, shall transmit the total record of an appropriation, including reversions and transfers for the prior fiscal year ending June 30, to the legislative services agency.

2. Commencing October 1, the director shall provide weekly budget tapes in the form and level of detail requested by the legislative services agency reflecting finalized agency budget requests for the following fiscal year as submitted to the governor. The director shall transmit all agency requests in final form to the legislative services agency by November 15. Final budget records containing the governor's recommendation and final agency requests shall be transmitted to the legislative services agency by January 1 or no later than the date the governor's budget document is delivered to the printer. The governor's recommendation included on this record shall be considered confidential by the legislative services agency until it is made public by the governor. The legislative services agency shall use this data in the preparation of information for the legislative appropriation process.

3. The director shall communicate any changes or anticipated changes to the budgeting system or the accounting system in writing to the legislative services agency prior to implementation.

4. A government agency which receives state funds directly from the state or indirectly through a political subdivision as directed by statute and which is not a city, county, or school district is subject to this subsection. A government agency which is subject to this subsection shall submit a copy of its budget to the legislative services agency, identifying it as being submitted under this subsection, when the budget of that government agency has received approval from the governing head or body of that agency. The copy of the budget submitted to the legislative services agency shall be on the budget forms provided by the department of management to state agencies under this chapter. The government agency shall also submit a statement identifying any funds available to the agency which are not included in the budget.

5. The department shall transmit the enterprise strategic plan and related information and an agency shall transmit its agency strategic plan, performance report, and related information as required by chapter 8E to the legislative services agency.

86 Acts, ch 1245, §2013; 89 Acts, ch 284, §4; 95 Acts, ch 214, §21; 2001 Acts, ch 169, §4; 2001 Acts, 2nd Ex, ch 2, §8, 13; 2003 Acts, ch 35, §45, 46, 49; 2003 Acts, ch 145, §286

Referred to in §602.1301

**8.36 Fiscal year.**

The fiscal year of the government shall commence on the first day of July and end on the thirtieth day of June. This fiscal year shall be used for purposes of making appropriations and of financial reporting and shall be uniformly adopted by all departments and establishments of the government.

However, the department of workforce development may use the federal fiscal year instead of the fiscal year commencing on July 1.

[C35, §84-e28; C39, §**84.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.36; 81 Acts, ch 19, §1]

96 Acts, ch 1186, §23

Referred to in §455A.19, 904.706

**8.36A Full-time equivalent positions.**

1. For purposes of making appropriations and financial reports and as used in appropriations statutes, "*full-time equivalent position*" means a budgeting and monitoring unit that equates the aggregate of full-time positions, part-time positions, a vacancy and turnover factor, and other adjustments. One full-time equivalent position represents two thousand eighty working hours, which is the regular number of hours one full-time person

works in one fiscal year. The number of full-time equivalent positions shall be calculated by totaling the regular number of hours that could be annually worked by persons in all authorized positions, reducing those hours by a vacancy and turnover factor and dividing that amount by two thousand eighty hours. In order to achieve the full-time equivalent position level, the number of filled positions may exceed the number of full-time equivalent positions during parts of the fiscal year to compensate for time periods when the number of filled positions is below the authorized number of full-time equivalent positions.

2. *a.* If a department or establishment has reached or anticipates reaching the full-time equivalent position level authorized for the department but determines that conversion of a contract position to a full-time equivalent position would result in cost savings while providing comparable or better services, the department or establishment may request the director of the department of management to approve the conversion and addition of the full-time equivalent position. The request shall be accompanied by evidence demonstrating how the cost savings and service quality will be achieved through the conversion. If approved by the director of the department of management, the department's or establishment's authorized full-time equivalent position level shall be increased accordingly and the revised level shall be reported to the fiscal committee of the legislative council and the legislative services agency.

*b.* A department or establishment shall not convert a full-time equivalent position authorized for the department or establishment to a contract position and shall not use appropriated moneys for such a contract position unless the department or establishment receives approval from the director of the department of management to convert the full-time equivalent position to a contract position. The director of the department of management shall not approve the conversion unless the department or establishment submits sufficient evidence that the conversion would result in cost savings while providing comparable or better services.

90 Acts, ch 1247, §1; 2003 Acts, ch 35, §46, 49; 2003 Acts, ch 145, §122; 2010 Acts, ch 1031, §59

Referred to in §16.221, 455B.183C

**8.37** Repealed by 2001 Acts, 2nd Ex, ch 2, §12, 13.

**8.38 Misuse of appropriations.**

No state department, institution, or agency, or any board member, commissioner, director, manager, or other person connected with any such department, institution, or agency, shall expend funds or approve claims in excess of the appropriations made thereto, nor expend funds for any purpose other than that for which the money was appropriated, except as otherwise provided by law. A violation of the foregoing provision shall make any person violating same, or consenting to the violation of same liable to the state for such sum so expended together with interest and costs, which shall be recoverable in an action to be instituted by the attorney general for the use of the state, which action may be brought in any county of the state.

[C35, §84-e29; C39, §**84.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.38]

**8.39 Use of appropriations — transfer.**

1. Except as otherwise provided by law, an appropriation or any part of it shall not be used for any other purpose than that for which it was made. However, with the prior written consent and approval of the governor and the director of the department of management, the governing board or head of any state department, institution, or agency may, at any time during the fiscal year, make a whole or partial intradepartmental transfer of its unexpended appropriations for purposes within the scope of such department, institution, or agency. Such transfer shall be to an appropriation made from the same funding source and within the same fiscal year. The amount of a transfer made from an appropriation under this subsection shall be limited to not more than one-tenth of one percent of the total of all appropriations made from the funding source of the transferred appropriation for the fiscal year in which the transfer is made.

2. If the appropriation of a department, institution, or agency is insufficient to properly

meet the legitimate expenses of the department, institution, or agency, the director, with the approval of the governor, may make an interdepartmental transfer from any other department, institution, or agency of the state having an appropriation in excess of its needs, of sufficient funds to meet that deficiency. Such transfer shall be to an appropriation made from the same funding source and within the same fiscal year. The amount of a transfer made from an appropriation under this subsection shall be limited to not more than one-tenth of one percent of the total of all appropriations made from the funding source of the transferred appropriation for the fiscal year in which the transfer is made. An interdepartmental transfer to an appropriation which is not an entitlement appropriation is not authorized when the general assembly is in regular session and, in addition, the sum of interdepartmental transfers in a fiscal year to an appropriation which is not an entitlement appropriation shall not exceed fifty percent of the amount of the appropriation as enacted by the general assembly. For the purposes of this subsection, an entitlement appropriation is a line item appropriation to the state public defender for indigent defense or to the department of human services for foster care, state supplementary assistance, or medical assistance, or for the family investment program.

3. The aggregate amount of intradepartmental and interdepartmental transfers made from all appropriations for a fiscal year pursuant to this section is limited to not more than five-tenths of one percent of the total amount of the appropriations made from the general fund of the state for the fiscal year. The aggregate amount of the intradepartmental and interdepartmental transfers made from an appropriation for a fiscal year is limited to fifty percent of the appropriation.

4. Prior to any transfer of funds pursuant to subsection 1 or 2 of this section or a transfer of an allocation from a subunit of a department which statutorily has independent budgeting authority, the director shall notify the chairpersons of the standing committees on budget of the senate and the house of representatives and the chairpersons of subcommittees of such committees of the proposed transfer. The notice from the director shall include information concerning the amount of the proposed transfer, the departments, institutions or agencies affected by the proposed transfer and the reasons for the proposed transfer. Chairpersons notified shall be given at least two weeks to review and comment on the proposed transfer before the transfer of funds is made.

5. Any transfer made under the provisions of this section shall be reported to the legislative fiscal committee on a monthly basis. The report shall cover each calendar month and shall be due the tenth day of the following month. The report shall contain the following: The amount of each transfer; the date of each transfer; the departments and funds affected; a brief explanation of the reason for the transfer; and such other information as may be required by the committee. A summary of all transfers made under the provisions of this section shall be included in the annual report of the legislative fiscal committee.

[C97, §187; SS15, §170-q; C24, 27, 31, §345; C35, §84-a3; C39, §**84.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.39]

86 Acts, ch 1245, §2022; 87 Acts, ch 115, §5; 94 Acts, ch 1181, §6; 94 Acts, ch 1199, §44; 2011 Acts, ch 117, §2 – 4

Referred to in §8.62, 24.24, 80.42, 125.44, 218.6, 249A.26, 261E.13, 284.13, 307.46, 313.5

**8.39A** Repealed by 2001 Acts, 2nd Ex, ch 2, §12, 13.

**8.40 Penalty — removal — impeachment.**

A refusal to perform any of the requirements of this chapter, or a refusal to perform a rule or requirement or request of the governor or the director of the department of management made pursuant to this chapter, by a board member, commissioner, director, manager, building committee, other officer or person connected with any institution, or other state department or establishment, subjects the offender to a penalty of two hundred fifty dollars, to be recovered in an action instituted in the district court of Polk county by the attorney general for the use of the state. If the offender is not an officer elected by vote of the people, the offense is sufficient cause for removal from office or dismissal from employment by the governor upon thirty days' notice in writing to the offender; and if the offender is an

officer elected by vote of the people, the offense is sufficient cause to subject the offender to impeachment.

[S13, §163-a; C24, 27, 31, §330; C35, §84-e30; C39, §**84.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.40]

88 Acts, ch 1134, §4

**8.41 Federal funds — deposit — block grant plans — affected political subdivisions.**

1. Commencing with the fiscal year beginning July 1, 1981, federal funds received in the form of block grants shall be deposited in a special fund in the state treasury and are subject to appropriation by the general assembly upon a recommendation by the governor. In determining a general fund balance, the federal funds deposited in the special fund shall not be included, but shall remain segregated in the special fund until appropriated by the general assembly.

2. Federal funds deposited in the state treasury as provided in subsection 1 shall either be included as part of the governor's budget required by section 8.22 or shall be included in a separate recommendation made by the governor to the general assembly. If federal funds received in the form of block grants or categorical grants have not been included in the governor's budget for the current fiscal year because of time constraints or because a budget is not being submitted for the next fiscal year, the governor shall submit a supplemental statement to the general assembly listing the federal funds received and including the same information for the federal funds required by section 8.22, subsection 1, paragraph "*b*", subparagraph (1), subparagraph division (e), for the statement of federal funds in the governor's budget.

3. *a.* If, in any federal fiscal year, the federal government provides for a block grant which requires a new or revised program than was required in the prior fiscal year, each state agency required to administer the block grant program shall develop a block grant plan detailing program changes.

*b.* To the extent allowed by federal law, the block grant plan shall be developed in accordance with the following:

(1) The primary goal of the plan shall be to attain savings for taxpayers and to avoid shifting costs from the federal government to state and local governments.

(2) State agency planning meetings shall be held jointly with officials of the affected political subdivision and affected members of the public.

(3) The plan shall address proposed expenditures and accountability measures and shall be published so as to provide reasonable opportunity for public review and comment.

(4) (a) Preference shall be given to any existing service delivery system capable of delivering the required service. If an existing service delivery system is not used, the plan shall identify those existing delivery systems which were considered and the reasons those systems were rejected. This subparagraph division applies to any service delivered pursuant to a federal block grant, including but not limited to any of the following block grant areas: health, human services, education, employment, community and economic development, and criminal justice.

(b) If a service delivered pursuant to a federal block grant and implemented by a political subdivision was previously provided for by a categorical grant, the state agency shall allow the political subdivision adequate transition time to accommodate related changes in federal and state policy. Transition activities may include, but are not limited to, revision of the political subdivision's laws, budgets, and administrative procedures.

(c) The state agency shall allow the political subdivision the flexibility to implement a service in a manner so as to address identifiable needs within the context of meeting broad national objectives.

(5) State administrative costs shall not exceed the limits allowed for under the federal law enacting the block grant.

(6) A federal mandate that is eliminated or waived for the state shall be eliminated or waived for a political subdivision.

(7) Federal block grants shall not be used to supplant existing funding efforts by the state.

*c.* The state agency shall send copies of the proposed block grant plan to the legislative

fiscal committee and to the appropriate appropriations subcommittee chairpersons and ranking members of the general assembly. The plan and any program changes contained within the plan shall be adopted as rules in accordance with chapter 17A.

[81 Acts, ch 17, §3]

84 Acts, ch 1067, §4; 86 Acts, ch 1245, §2023; 96 Acts, ch 1105, §1; 2008 Acts, ch 1032, §201; 2009 Acts, ch 41, §263

Referred to in §15.108, 256.10A, 256I.11

**8.41A Federal recovery and reinvestment fund.**

1. A federal recovery and reinvestment fund is created in the state treasury under the control of the department of management consisting of moneys received from the federal government for state and local government fiscal relief under the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, and other moneys received for state and local government fiscal relief under any other federal legislation. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys credited to the fund that remain unexpended or unobligated at the end of a fiscal year shall not revert to any other fund.

2. Moneys appropriated from the fund shall be expended as provided in the federal law making the moneys available and in conformance with chapter 17A.

3. The recipient of an appropriation made from the fund shall account for the appropriation in a manner agreed to by the department of management and the legislative services agency.

4. The governor shall create an Iowa accountability and transparency board to monitor the state's use of federal American Recovery and Reinvestment Act of 2009 funding in order to prevent fraud, waste, and abuse, and to make recommendations to the governor and general assembly to assure best practices are implemented for the use of the funding.

2009 Acts, ch 183, §68, 74

**8.42** Repealed by 2001 Acts, 2nd Ex, ch 2, §12, 13.

**8.43 Salary adjustment fund.**

A "salary adjustment fund" is created, to be used to segregate funds appropriated by the general assembly for distribution to various state departments to fund salary increases for designated state employees. Moneys distributed from the salary adjustment fund are subject to the approval of the governor and director of the department of management.

[C77, 79, 81, §8.43]

88 Acts, ch 1134, §6

Referred to in §35D.18, 222.92

**8.44 Reporting additional funds received.**

Upon receiving federal funds or any other funds from any public or private sources except gifts or donations made to institutions for the personal use or for the benefit of members, patients, or inmates and receipts from the gift shop of merchandise manufactured by members, patients, or inmates, the state departments, agencies, boards, and institutions receiving such funds shall submit a written report within thirty days after receipt of the funds to the director of the department of management. The report shall state the source of the funds that supplement or replace state appropriations for institutional operations, the amount received, and the terms under which the funds are received.

All departments and establishments of government and the judicial branch shall notify the department of management and the legislative services agency of any change in the receipt of federal or other nonstate grants, receipts, and funds from the funding levels on which appropriations for the current or ensuing fiscal year were or are based. Changes which must be reported include, but are not limited to, any request, approval, award, or loss changes affecting federal or other nonstate grants, receipts, or funds. The notifications shall be made

on a quarterly basis. The format of the notifications shall be specified by the legislative services agency.

[C71, 73, 75, 77, 79, 81, §8.44]

88 Acts, ch 1134, §7; 90 Acts, ch 1263, §54; 98 Acts, ch 1047, §3; 2003 Acts, ch 35, §45, 49

Referred to in §8.7, 8.9

**8.45 Purchase of real estate by state departments.**

Purchases of real estate as provided by law may be made by a state department on written contracts providing for payment over a period of years but the obligations thereon shall not constitute a debt or charge against the state of Iowa nor against the funds of the department for which said purchases are made. Purchase payments shall be made from only capital funds appropriated for that purpose. All state-appropriated capital funds used for any one purchase contract shall be taken entirely from a single capital appropriation and shall be set aside for that purpose. In event of default, the only remedy of the seller shall be against the property itself in rem, pursuant to chapter 654. In no event shall a deficiency judgment be entered or enforced against the state or the department making the purchase. The provisions of chapter 656 prescribing how a real estate contract may be forfeited shall, in no event, be applicable. In a foreclosure proceeding pursuant to this section and chapter 654, the department making the purchase and the attorney general shall be the only defendants who need be named and such department and the attorney general may be served personally or by restricted certified mail. The department and the attorney general shall have thirty days from the date of completed service in which to appear.

[C71, 73, 75, 77, 79, 81, §8.45]

**8.46 Lease-purchase — reporting.**

1. For the purposes of this section, unless the context otherwise requires:

*a.* *"Installment acquisition"* includes, but is not limited to, an arrangement in which title of ownership passes when the first installment payment is made.

*b.* *"Lease-purchase arrangement"* includes, but is not limited to, an arrangement in which title of ownership passes when the final installment payment is made.

*c.* *"State agency"* means any executive, judicial, or legislative department, commission, board, institution, division, bureau, office, agency, or other entity of state government.

2. At least thirty days prior to entering into a contract involving a lease-purchase or installment acquisition arrangement in which any part or the total amount of the contract is at least fifty thousand dollars, a state agency shall notify the legislative services agency concerning the contract. The legislative services agency shall compile the notifications for submission to the legislative fiscal committee of the legislative council. The notification is required regardless of the source of payment for the lease-purchase or installment acquisition arrangement. The notification shall include all of the following information:

*a.* A description of the object of the lease-purchase or installment acquisition arrangement.

*b.* The proposed terms of the contract.

*c.* The cost of the contract, including principal and interest costs. If the actual cost of a contract is not known at least thirty days prior to entering into the contract, the state agency shall estimate the principal and interest costs for the contract.

*d.* An identification of the means and source of payment of the contract.

*e.* An analysis of consequences of delaying or abandoning the commencement of the contract.

3. The legislative fiscal committee shall report to the legislative council concerning the notifications it receives pursuant to this section.

91 Acts, ch 268, §606; 95 Acts, ch 214, §2; 2003 Acts, ch 35, §45, 49

Referred to in §12.28

**8.47 Service contracts.**

1. The department of administrative services, in cooperation with the office of attorney general and the department of management, shall adopt uniform terms and conditions

for service contracts executed by a department or establishment benefiting from service contracts. The terms and conditions shall include but are not limited to all of the following:

*a.* The amount or basis for paying consideration to the party based on the party's performance under the service contract.

*b.* Methods to effectively oversee the party's compliance with the service contract by the department or establishment receiving the services during performance, including the delivery of invoices itemizing work performed under the service contract prior to payment.

*c.* Methods to effectively review performance of a service contract, including but not limited to performance measurements developed pursuant to chapter 8E.

2. Departments or establishments, with the approval of the department of management acting in cooperation with the office of attorney general and the department of administrative services, may adopt special terms and conditions for use by the departments or establishments in their service contracts.

3. The state board of regents shall establish terms and conditions for service contracts executed by institutions governed by the state board of regents.

4. This section does not apply to service contracts or other agreements for services by the department of public defense that are funded with at least seventy-five percent federal moneys. The department of public defense shall establish terms and conditions for service contracts and other agreements for services that comply with this section to the greatest extent possible.

2001 Acts, ch 169, §5; 2002 Acts, ch 1117, §1, 23; 2003 Acts, ch 145, §123, 124

Government accountability and service contracts, see chapter 8F

**8.48 through 8.50** Reserved.

**8.51 Political subdivisions — fiscal year — unexpended funds.**

1. The fiscal year of cities, counties, and other political subdivisions of the state shall begin July 1 and end the following June 30. For the purpose of this section, the term "*political subdivision*" includes school districts.

2. Each department that provides state funding to a political subdivision of the state shall annually review the statutory and regulatory requirements applicable to the political subdivision's receipt of the funding. The purpose of the review is to identify any barrier in statute or departmental rule or policy that would prevent recovery of any such state funding provided to a political subdivision that remains unencumbered or unobligated and the political subdivision no longer complies with requirements to receive the state funding. If an identified barrier exists in state law, the department shall propose legislation to the governor and general assembly to remove the barrier. If an identified barrier is in departmental rule or policy, the department shall amend the rule or policy to remove the barrier.

[C75, 77, 79, 81, §8.51]

2011 Acts, ch 122, §37, 38

**8.52 Planning responsibility.**

The department of management shall:

1. Provide coordination of state planning, performance measurement, and management of interagency programs of the state, and recommend policies to the governor and the general assembly.

2. Maintain and make available demographic and other information useful for state and local planning.

3. Prepare and submit economic reports appraising the economic condition, growth, and development of the state.

4. Analyze the quality and quantity of services required for the orderly growth of the state, taking into consideration the relationship of activities, capabilities, and future plans of private enterprise, the local, state, and federal governments, and regional units established under state or federal legislation, and shall make recommendations to the governor and the general assembly for the establishment and improvement of such services.

5. Inquire into methods of planning, performance measurement, and program

development and the conduct of affairs of state government; prescribe adequate systems of records for planning, performance measurement, and programming; establish standards for effective planning, performance measurement, and programming in consultation with affected state agencies; and exercise all other powers necessary in discharging the powers and duties of this chapter.

6. Administer the accountable government Act as provided in chapter 8E.

86 Acts, ch 1245, §106; 2001 Acts, ch 169, §6, 7

**8.53 GAAP deficit — GAAP implementation.**

For the fiscal year beginning July 1, 1996, and each succeeding fiscal year, the governor shall recommend in the governor's budget and the general assembly shall provide funds to eliminate the GAAP deficit of the general fund of the state, as reported in the state's comprehensive annual financial report issued during the prior fiscal year, either through the appropriation of specific funds to correct a GAAP adjustment or by setting funds aside in a special account in an amount equal to the GAAP deficit.

92 Acts, ch 1227, §3; 94 Acts, ch 1181, §7; 2001 Acts, 2nd Ex, ch 2, §9, 13

Referred to in §8.55, 8.56, 8.57, 8.57A, 8.57B, 8.57C, 8.57E, 8.57F, 8.75, 16.188, 426B.1, 453A.35A

**8.54 General fund expenditure limitation.**

1. For the purposes of section 8.22A, this section, and sections 8.55 through 8.57:

*a.* *"Adjusted revenue estimate"* means the appropriate revenue estimate for the general fund for the following fiscal year as determined by the revenue estimating conference under section 8.22A, subsection 3, adjusted by subtracting estimated tax refunds payable from that estimated revenue and as determined by the conference, adding any new revenues which may be considered to be eligible for deposit in the general fund.

*b.* *"New revenues"* means moneys which are received by the state due to increased tax rates and fees or newly created taxes and fees over and above those moneys which are received due to state taxes and fees which are in effect as of January 1 following the December state revenue estimating conference. *"New revenues"* also includes moneys received by the general fund of the state due to new transfers over and above those moneys received by the general fund of the state due to transfers which are in effect as of January 1 following the December state revenue estimating conference. The department of management shall obtain concurrence from the revenue estimating conference on the eligibility of transfers to the general fund of the state which are to be considered as new revenue in determining the state general fund expenditure limitation.

2. There is created a state general fund expenditure limitation for each fiscal year calculated as provided in this section. An expenditure limitation shall be used for the portion of the budget process commencing on the date the revenue estimating conference agrees to a revenue estimate for the following fiscal year in accordance with section 8.22A, subsection 3, and ending with the governor's final approval or disapproval of the appropriations bills applicable to that fiscal year that were passed prior to July 1 of that fiscal year in a regular or extraordinary legislative session.

3. Except as otherwise provided in this section, the state general fund expenditure limitation for a fiscal year shall be ninety-nine percent of the adjusted revenue estimate.

4. The state general fund expenditure limitation amount provided for in this section shall be used by the governor in the preparation of the budget under section 8.22 and approval of the budget and by the general assembly in the budget process. If a source for new revenues is proposed, the budget revenue projection used for that new revenue source for the period beginning on the effective date of the new revenue source and ending in the fiscal year in which the source is included in the revenue base shall be an amount determined by subtracting estimated tax refunds payable from the projected revenue from that new revenue source, multiplied by ninety-five percent. If a new revenue source is established and implemented, the original state general fund expenditure limitation amount provided for in subsection 3 shall be readjusted to include ninety-five percent of the estimated revenue from the new revenue source.

5. For fiscal years in which it is anticipated that the distribution of moneys from the Iowa

economic emergency fund in accordance with section 8.55, subsection 2, will result in moneys being transferred to the general fund, the original state general fund expenditure limitation amount provided for in subsection 3 shall be readjusted to include the amount of moneys anticipated to be so transferred.

6. The scope of the expenditure limitation under subsection 3 shall not encompass federal funds, donations, constitutionally dedicated moneys, and moneys in expenditures from state retirement system moneys.

7. The governor shall transmit to the general assembly, in accordance with section 8.21, a budget which does not exceed the state general fund expenditure limitation. The general assembly shall pass a budget which does not exceed the state general fund expenditure limitation. The governor shall not transmit a budget with recommended appropriations in excess of the state general fund expenditure limitation and the general assembly shall not pass a budget with appropriations in excess of the state general fund expenditure limitation. The governor shall not approve or disapprove appropriation bills or items of appropriation bills passed by the general assembly in a manner that would cause the final budget approved by the governor to exceed the state general fund expenditure limitation. In complying with the requirements of this subsection, the governor and the general assembly shall not rely on any anticipated reversion of appropriations in order to meet the state general fund expenditure limitation.

92 Acts, ch 1227, §4; 92 Acts, 2nd Ex, ch 1001, §228; 94 Acts, ch 1181, §1, 5; 2001 Acts, 2nd Ex, ch 2, §10, 11, 13; 2004 Acts, ch 1175, §215, 287; 2011 Acts, ch 123, §28, 32

Referred to in §8.22A, 80.43, 99F.20, 422.11E, 546.12

2011 amendment to subsection 5 applies to moneys attributed to fiscal years beginning on or after July 1, 2011; 2011 Acts, ch 123, §32

## ECONOMIC EMERGENCY FUND, CASH RESERVE FUND, REBUILD IOWA INFRASTRUCTURE FUND, ENVIRONMENT FIRST FUND, VERTICAL INFRASTRUCTURE FUND, TECHNOLOGY REINVESTMENT FUND, TAXPAYERS TRUST FUND, AND STATE BOND REPAYMENT FUND

**8.55 Iowa economic emergency fund.**

1. The Iowa economic emergency fund is created. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. The moneys credited to the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section.

2. The maximum balance of the fund is the amount equal to two and one-half percent of the adjusted revenue estimate for the fiscal year. If the amount of moneys in the Iowa economic emergency fund is equal to the maximum balance, moneys in excess of this amount shall be distributed as follows:

*a.* The first sixty million dollars of the difference between the actual net revenue for the general fund of the state for the fiscal year and the adjusted revenue estimate for the fiscal year shall be transferred to the taxpayers trust fund.

*b.* The remainder of the excess, if any, shall be transferred to the general fund of the state.

3. *a.* Except as provided in paragraphs *"b"*, *"c"*, and *"d"*, the moneys in the Iowa economic emergency fund shall only be used pursuant to an appropriation made by the general assembly. An appropriation shall only be made for the fiscal year in which the appropriation is made. The moneys shall only be appropriated by the general assembly for emergency expenditures.

*b.* Moneys in the fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the fund by the end of that fiscal year.

*c.* There is appropriated from the Iowa economic emergency fund to the general fund of

the state for the fiscal year in which moneys in the fund were used for cash flow purposes, for the purposes of reducing or preventing any overdraft on or deficit in the general fund of the state, the amount from the Iowa economic emergency fund that was used for cash flow purposes pursuant to paragraph *"b"* and that was not returned to the Iowa economic emergency fund by June 30 of the fiscal year. The appropriation in this paragraph shall not exceed fifty million dollars and is contingent upon all of the following having occurred:

(1) The revenue estimating conference estimate of general fund receipts made during the last quarter of the fiscal year was or the actual fiscal year receipts and accruals were at least one-half of one percent less than the comparable estimate made during the third quarter of the fiscal year.

(2) The governor has implemented the uniform reductions in appropriations required in section 8.31 as a result of subparagraph (1) and such reduction was insufficient to prevent an overdraft on or deficit in the general fund of the state or the governor did not implement uniform reductions in appropriations because of the lateness of the estimated or actual receipts and accruals under subparagraph (1).

(3) The balance of the general fund of the state at the end of the fiscal year prior to the appropriation made in this paragraph was negative.

(4) The governor has issued an official proclamation and has notified the co-chairpersons of the fiscal committee of the legislative council and the legislative services agency that the contingencies in subparagraphs (1) through (3) have occurred and the reasons why the uniform reductions specified in subparagraph (2) were insufficient or were not implemented to prevent an overdraft on or deficit in the general fund of the state.

*d.* There is appropriated from the Iowa economic emergency fund to the executive council an amount sufficient to pay the expenses authorized by the executive council, as addressed in section 7D.29.

*e.* If an appropriation is made pursuant to paragraph *"c"* for a fiscal year, there is appropriated from the general fund of the state to the Iowa economic emergency fund for the following fiscal year, the amount of the appropriation made pursuant to paragraph *"c"*.

*f.* Except as provided in section 8.58, the Iowa economic emergency fund shall be considered a special account for the purposes of section 8.53 in determining the cash position of the general fund of the state for the payment of state obligations.

4. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the Iowa economic emergency fund shall be credited to the rebuild Iowa infrastructure fund.

84 Acts, ch 1305, §21; 92 Acts, ch 1227, §5; 94 Acts, ch 1181, §8; 95 Acts, ch 214, §13; 2001 Acts, 2nd Ex, ch 6, §27, 28, 37; 2002 Acts, ch 1169, §1; 2002 Acts, ch 1175, §73; 2002 Acts, 2nd Ex, ch 1001, §25, 26, 33, 52; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 179, §29, 30, 40; 2004 Acts, ch 1175, §216; 2005 Acts, ch 179, §24, 25; 2006 Acts, ch 1173, §1, 3; 2011 Acts, ch 123, §29, 32; 2011 Acts, ch 131, §14, 15, 158; 2012 Acts, ch 1021, §1

Referred to in §7D.29, 8.54, 8.58

2011 amendment to subsection 2 applies to moneys attributed to fiscal years beginning on or after July 1, 2011; 2011 Acts, ch 123, §32

**8.56 Cash reserve fund.**

1. A cash reserve fund is created in the state treasury. The cash reserve fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state except in determining the cash position of the state as provided in subsection 3. The moneys in the cash reserve fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the cash reserve fund shall be credited to the rebuild Iowa infrastructure fund created in section 8.57. Moneys in the cash reserve fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the cash reserve fund by the end of that fiscal year.

2. The maximum balance of the cash reserve fund is the amount equal to the cash reserve goal percentage, as defined in section 8.57, multiplied by the adjusted revenue estimate for the general fund of the state for the current fiscal year.

3. The moneys in the cash reserve fund shall only be used pursuant to an appropriation made by the general assembly. An appropriation shall be made in accordance with subsection 4 only for the fiscal year in which the appropriation is made. The moneys shall only be appropriated by the general assembly for nonrecurring emergency expenditures and shall not be appropriated for payment of any collective bargaining agreement or arbitrator's decision negotiated or awarded under chapter 20. Except as provided in section 8.58, the cash reserve fund shall be considered a special account for the purposes of section 8.53 in determining the cash position of the general fund of the state for the payment of state obligations.

4. *a.* Except as provided in subsection 1, an appropriation shall not be made from the cash reserve fund unless the appropriation is in accordance with all of the following:

(1) The appropriation is contained in a bill or joint resolution in which the appropriation is the only subject matter of the bill or joint resolution.

(2) The bill or joint resolution states the reasons the appropriation is necessary.

*b.* In addition to the requirements of paragraph *"a"*, an appropriation shall not be made from the cash reserve fund which would cause the fund's balance to be less than three and three-fourths percent of the adjusted revenue estimate for the year for which the appropriation is made unless the bill or joint resolution is approved by vote of at least three-fifths of the members of both chambers of the general assembly and is signed by the governor.

92 Acts, ch 1227, §6; 94 Acts, ch 1181, §9; 95 Acts, ch 214, §14; 2001 Acts, 2nd Ex, ch 6, §29 – 31; 2002 Acts, 2nd Ex, ch 1001, §27, 33; 2003 Acts, ch 179, §40

Referred to in §8.54, 8.62

**8.57 Annual appropriations — reduction of GAAP deficit — rebuild Iowa infrastructure fund.**

1. *a.* The *"cash reserve goal percentage"* for fiscal years beginning on or after July 1, 2004, is seven and one-half percent of the adjusted revenue estimate. For each fiscal year in which the appropriation of the surplus existing in the general fund of the state at the conclusion of the prior fiscal year pursuant to paragraph *"b"* was not sufficient for the cash reserve fund to reach the cash reserve goal percentage for the current fiscal year, there is appropriated from the general fund of the state an amount to be determined as follows:

(1) If the balance of the cash reserve fund in the current fiscal year is not more than six and one-half percent of the adjusted revenue estimate for the current fiscal year, the amount of the appropriation under this lettered paragraph is one percent of the adjusted revenue estimate for the current fiscal year.

(2) If the balance of the cash reserve fund in the current fiscal year is more than six and one-half percent but less than seven and one-half percent of the adjusted revenue estimate for that fiscal year, the amount of the appropriation under this lettered paragraph is the amount necessary for the cash reserve fund to reach seven and one-half percent of the adjusted revenue estimate for the current fiscal year.

(3) The moneys appropriated under this lettered paragraph shall be credited in equal and proportionate amounts in each quarter of the current fiscal year.

*b.* The surplus existing in the general fund of the state at the conclusion of the fiscal year is appropriated for distribution in the succeeding fiscal year as provided in subsections 2 and 3. Moneys credited to the cash reserve fund from the appropriation made in this paragraph shall not exceed the amount necessary for the cash reserve fund to reach the cash reserve goal percentage for the succeeding fiscal year. As used in this paragraph, *"surplus"* means the excess of revenues and other financing sources over expenditures and other financing uses for the general fund of the state in a fiscal year.

*c.* The amount appropriated in this section is not subject to the provisions of section 8.31, relating to requisitions and allotment, or to section 8.32, relating to conditional availability of appropriations.

2. Moneys appropriated under subsection 1 shall be first credited to the cash reserve fund. To the extent that moneys appropriated under subsection 1 would make the moneys in the cash reserve fund exceed the cash reserve goal percentage of the adjusted revenue estimate for the fiscal year, the moneys are appropriated to the department of management

to be spent for the purpose of eliminating Iowa's GAAP deficit, including the payment of items budgeted in a subsequent fiscal year which under generally accepted accounting principles should be budgeted in the current fiscal year. These moneys shall be deposited into a GAAP deficit reduction account established within the department of management. The department of management shall annually file with both houses of the general assembly at the time of the submission of the governor's budget, a schedule of the items for which moneys appropriated under this subsection for the purpose of eliminating Iowa's GAAP deficit, including the payment of items budgeted in a subsequent fiscal year which under generally accepted accounting principles should be budgeted in the current fiscal year, shall be spent. The schedule shall indicate the fiscal year in which the spending for an item is to take place and shall incorporate the items detailed in 1994 Iowa Acts, chapter 1181, section 17. The schedule shall list each item of expenditure and the estimated dollar amount of moneys to be spent on that item for the fiscal year. The department of management may submit during a regular legislative session an amended schedule for legislative consideration. If moneys appropriated under this subsection are not enough to pay for all listed expenditures, the department of management shall distribute the payments among the listed expenditure items. Moneys appropriated to the department of management under this subsection shall not be spent on items other than those included in the filed schedule. On September 1 following the close of a fiscal year, moneys in the GAAP deficit reduction account which remain unexpended for items on the filed schedule for the previous fiscal year shall be credited to the Iowa economic emergency fund.

3. To the extent that moneys appropriated under subsection 1 exceed the amounts necessary for the cash reserve fund to reach its maximum balance and the amounts necessary to eliminate Iowa's GAAP deficit, including elimination of the making of any appropriation in an incorrect fiscal year, the moneys shall be appropriated to the Iowa economic emergency fund.

4. As used in this section, *"GAAP"* means generally accepted accounting principles as established by the governmental accounting standards board.

5. *a.* A rebuild Iowa infrastructure fund is created under the authority of the department of management. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. The rebuild Iowa infrastructure fund shall be separate from the general fund of the state and the balance in the rebuild Iowa infrastructure fund shall not be considered part of the balance of the general fund of the state. However, the rebuild Iowa infrastructure fund shall be considered a special account for the purposes of section 8.53, relating to generally accepted accounting principles.

*b.* Moneys in the rebuild Iowa infrastructure fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the rebuild Iowa infrastructure fund shall be credited to the fund. Moneys in the rebuild Iowa infrastructure fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the fund by the end of that fiscal year.

*c.* Moneys in the rebuild Iowa infrastructure fund in a fiscal year shall be used as directed by the general assembly for public vertical infrastructure projects. For the purposes of this subsection, *"vertical infrastructure"* includes only land acquisition and construction; major renovation and major repair of buildings; all appurtenant structures; utilities; site development; recreational trails; and debt service payments on academic revenue bonds issued in accordance with chapter 262A for capital projects at board of regents institutions. *"Vertical infrastructure"* does not include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

*d.* The general assembly may provide that all or part of the moneys deposited in the GAAP deficit reduction account created in this section shall be transferred to the infrastructure fund in lieu of appropriation of the moneys to the Iowa economic emergency fund.

*e.* (1) (a) (i) For the fiscal year beginning July 1, 2000, and for each fiscal year thereafter through the fiscal year beginning July 1, 2012, not more than a total of sixty-six million dollars shall be deposited in the general fund of the state in any fiscal year pursuant to sections 99D.17 and 99F.11.

(ii) However, in lieu of the deposit in subparagraph subdivision (i), for the fiscal year beginning July 1, 2010, and for each fiscal year thereafter through the fiscal year beginning July 1, 2012, as determined by the treasurer of state, the first fifty-five million dollars of the moneys directed to be deposited in the general fund of the state under subparagraph subdivision (i) shall be deposited in the revenue bonds debt service fund created in section 12.89, and the next three million seven hundred fifty thousand dollars of the moneys directed to be deposited in the general fund of the state under subparagraph subdivision (i) shall be deposited in the revenue bonds federal subsidy holdback fund created in section 12.89A, and the next one million two hundred fifty thousand dollars of the moneys directed to be deposited in the general fund of the state under subparagraph subdivision (i) shall be deposited in the general fund of the state.

(b) The next fifteen million dollars of the moneys directed to be deposited in the general fund of the state in a fiscal year pursuant to sections 99D.17 and 99F.11 shall be deposited in the vision Iowa fund created in section 12.72 for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter through the fiscal year beginning July 1, 2012.

(c) The next five million dollars of the moneys directed to be deposited in the general fund of the state in a fiscal year pursuant to sections 99D.17 and 99F.11 shall be deposited in the school infrastructure fund created in section 12.82 for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter through the fiscal year beginning July 1, 2012.

(d) (i) The total moneys in excess of the moneys deposited under this paragraph "*e*" in the revenue bonds debt service fund, the revenue bonds federal subsidy holdback fund, the vision Iowa fund, the school infrastructure fund, and the general fund of the state in a fiscal year shall be deposited in the rebuild Iowa infrastructure fund and shall be used as provided in this section, notwithstanding section 8.60.

(ii) (A) Except as otherwise provided in subparagraph part (B), in lieu of the deposit in subparagraph subdivision (i), for the fiscal years beginning July 1, 2010, and July 1, 2011, sixty-four million seven hundred fifty thousand dollars of the excess moneys directed to be deposited in the rebuild Iowa infrastructure fund under subparagraph subdivision (i) shall be deposited in the general fund of the state.

(B) For the fiscal year beginning July 1, 2012, and ending June 30, 2013, thirty-eight million seven hundred fifty thousand dollars shall be deposited in the general fund of the state and the next twenty million dollars shall be deposited in the technology reinvestment fund.

(2) If the total amount of moneys directed to be deposited in the general fund of the state under sections 99D.17 and 99F.11 in any fiscal year through the fiscal year beginning July 1, 2012, is less than the total amount of moneys directed to be deposited in the revenue bonds debt service fund and the revenue bonds federal subsidy holdback fund in the fiscal year pursuant to this paragraph "*e*", the difference shall be paid from moneys deposited in the beer and liquor control fund created in section 123.53 in the manner provided in section 123.53, subsection 3.

(3) After the deposit of moneys directed to be deposited in the general fund of the state, the revenue bonds debt service fund, and the revenue bonds federal subsidy holdback fund, as provided in subparagraph (1), subparagraph division (a), if the total amount of moneys directed to be deposited in the general fund of the state under sections 99D.17 and 99F.11 in any fiscal year through the fiscal year beginning July 1, 2012, is less than the total amount of moneys directed to be deposited in the vision Iowa fund and the school infrastructure fund in the fiscal year pursuant to this paragraph "*e*", the difference shall be paid from lottery revenues in the manner provided in section 99G.39, subsection 3.

*f.* (1) (a) For the fiscal year beginning July 1, 2013, and for each fiscal year thereafter until the principal and interest on all bonds issued by the treasurer of state pursuant to section 12.87 are paid, as determined by the treasurer of state, of the wagering tax receipts received pursuant to sections 99D.17 and 99F.11, the first fifty-five million dollars shall be deposited in the revenue bonds debt service fund created in section 12.89, and the next three million seven hundred fifty thousand dollars shall be deposited in the revenue bonds federal subsidy holdback fund created in section 12.89A.

(b) For the fiscal year beginning July 1, 2013, and for each fiscal year through the fiscal

year beginning July 1, 2019, of the wagering tax receipts received pursuant to sections 99D.17 and 99F.11, the next fifteen million dollars shall be deposited in the vision Iowa fund created in section 12.72.

(c) For the fiscal year beginning July 1, 2013, and for each fiscal year thereafter until the principal and interest on all bonds issued by the treasurer of state pursuant to section 12.81 are paid, as determined by the treasurer of state, of the wagering tax receipts received pursuant to sections 99D.17 and 99F.11, the next five million dollars shall be deposited in the school infrastructure fund created in section 12.82.

(d) For the fiscal year beginning July 1, 2013, and for each fiscal year thereafter, of the wagering tax receipts received pursuant to sections 99D.17 and 99F.11, the next sixty-six million dollars shall be deposited in the Iowa skilled worker and job creation fund created in section 8.75.

(e) For the fiscal year beginning July 1, 2013, and for each fiscal year thereafter, the total moneys in excess of the moneys deposited under this paragraph *"f"* in the revenue bonds debt service fund, the revenue bonds federal subsidy holdback fund, the vision Iowa fund, the school infrastructure fund, and the Iowa skilled worker and job creation fund shall be deposited in the rebuild Iowa infrastructure fund and shall be used as provided in this section, notwithstanding section 8.60.

(2) For the fiscal year beginning July 1, 2013, and for each fiscal year thereafter, if the total amount of the wagering tax receipts received pursuant to sections 99D.17 and 99F.11, and to be deposited pursuant to subparagraph (1), subparagraph division (a), is less than the total amount of moneys directed to be deposited in the revenue bonds debt service fund and the revenue bonds federal subsidy holdback fund in the fiscal year pursuant to subparagraph (1), subparagraph division (a), the difference shall be paid from moneys deposited in the beer and liquor control fund created in section 123.53 in the manner provided in section 123.53, subsection 3.

(3) For the fiscal year beginning July 1, 2013, and for each fiscal year thereafter, after the deposit of moneys directed to be deposited in the revenue bonds debt service fund and the revenue bonds federal subsidy holdback fund, as provided in subparagraph (1), subparagraph division (a), if the total amount of the wagering tax receipts received pursuant to sections 99D.17 and 99F.11, and to be deposited pursuant to subparagraph (1), subparagraph divisions (b) and (c), is less than the total amount of moneys directed to be deposited in the vision Iowa fund and the school infrastructure fund in the fiscal year pursuant to subparagraph (1), subparagraph divisions (b) and (c), the difference shall be paid from lottery revenues in the manner provided in section 99G.39, subsection 3.

*g.* There is appropriated from the rebuild Iowa infrastructure fund to the secure an advanced vision for education fund created in section 423F.2, for each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, 2010, the amount of the moneys in excess of the first forty-seven million dollars credited to the rebuild Iowa infrastructure fund during the fiscal year, not to exceed ten million dollars.

*h.* Notwithstanding any other provision to the contrary, and prior to the appropriation of moneys from the rebuild Iowa infrastructure fund pursuant to paragraph *"c"*, and section 8.57A, subsection 4, moneys shall first be appropriated from the rebuild Iowa infrastructure fund to the vertical infrastructure fund as provided in section 8.57B, subsection 4.

*i.* Annually, on or before January 15 of each year, a state agency that received an appropriation from the rebuild Iowa infrastructure fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

*j.* Annually, on or before December 31 of each year, a recipient of moneys from the rebuild Iowa infrastructure fund for any purpose shall report to the state agency to which the moneys are appropriated the status of all projects completed or in progress. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds

expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

92 Acts, ch 1227, §7; 92 Acts, 2nd Ex, ch 1001, §229, 230; 94 Acts, ch 1181, §10, 11; 95 Acts, ch 209, §11, 12; 95 Acts, ch 214, §15, 16; 96 Acts, ch 1218, §25, 26, 71; 2000 Acts, ch 1225, §30, 38, 39; 2001 Acts, ch 185, §33, 49; 2002 Acts, 2nd Ex, ch 1001, §28, 29, 33, 52; 2003 Acts, ch 178, §99, 121; 2003 Acts, ch 179, §31, 40, 90, 142, 159; 2003 Acts, 1st Ex, ch 2, §91, 209; 2004 Acts, ch 1101, §100, 102; 2004 Acts, ch 1170, §3; 2004 Acts, ch 1175, §321; 2006 Acts, ch 1173, §2, 3; 2006 Acts, ch 1179, §33; 2007 Acts, ch 22, §114, 116; 2007 Acts, ch 219, §27; 2008 Acts, ch 1134, §37; 2008 Acts, ch 1179, §37; 2009 Acts, ch 173, §26, 36; 2009 Acts, ch 179, §29; 2009 Acts, ch 182, §100; 2009 Acts, ch 184, §29; 2010 Acts, ch 1184, §75, 76; 2011 Acts, ch 25, §1; 2011 Acts, ch 133, §18, 19, 50; 2012 Acts, ch 1021, §2; 2012 Acts, ch 1140, §21; 2013 Acts, ch 142, §29, 30

Referred to in §7E.5A, 8.22A, 8.54, 8.56, 8.57A, 8.57C, 8.58, 8A.123, 8B.13, 12.87, 12.89, 12.89A, 12E.12, 16.193, 99D.17, 99F.4A, 99F.10, 99F.11, 99G.39, 123.53, 260G.6, 324A.6A, 473.19A

For temporary exceptions to appropriations contained in this section, see appropriations and other noncodified enactments in annual Acts of the general assembly

Subsection 5, paragraph e amended

Subsection 5, NEW paragraph f and former paragraphs f – i redesignated as g – j

**8.57A Environment first fund.**

1. An environment first fund is created under the authority of the department of management. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of section 8.53, relating to generally accepted accounting principles.

2. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the environment first fund shall be credited to the rebuild Iowa infrastructure fund.

3. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for the protection, conservation, enhancement, or improvement of natural resources or the environment.

4. *a.* There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2013, and for each fiscal year thereafter, the sum of forty-two million dollars to the environment first fund, notwithstanding section 8.57, subsection 5, paragraph "*c*".

*b.* There is appropriated from the rebuild Iowa infrastructure fund each fiscal year for the period beginning July 1, 2010, and ending June 30, 2012, the sum of thirty-three million dollars to the environment first fund, notwithstanding section 8.57, subsection 5, paragraph "*c*".

*c.* There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the sum of thirty-five million dollars to the environment first fund, notwithstanding section 8.57, subsection 5, paragraph "*c*".

5. Annually, on or before January 15 of each year, a state agency that received an appropriation from the environment first fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

2000 Acts, ch 1225, §22; 2006 Acts, ch 1179, §34; 2007 Acts, ch 215, §8; 2007 Acts, ch 219, §28; 2008 Acts, ch 1179, §38; 2010 Acts, ch 1184, §77; 2011 Acts, ch 133, §20, 50; 2012 Acts, ch 1021, §126

Referred to in §8.57

**8.57B Vertical infrastructure fund.**

1. A vertical infrastructure fund is created under the authority of the department of management. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. The fund shall

be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of section 8.53, relating to generally accepted accounting principles.

2. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the vertical infrastructure fund shall be credited to the rebuild Iowa infrastructure fund.

3. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for public vertical infrastructure projects. For the purposes of this section, *"vertical infrastructure"* includes only land acquisition and construction, major renovation, and major repair of buildings, all appurtenant structures, utilities, and site development. *"Vertical infrastructure"* does not include routine, recurring maintenance, debt service, or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

4. There is appropriated from the rebuild Iowa infrastructure fund to the vertical infrastructure fund, the following:

*a.* For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the sum of fifteen million dollars.

*b.* For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the sum of fifteen million dollars.

*c.* For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the sum of fifty million dollars.

5. Annually, on or before January 15 of each year, a state agency that received an appropriation from the vertical infrastructure fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

2004 Acts, ch 1175, §322; 2005 Acts, ch 178, §10; 2006 Acts, ch 1179, §35; 2007 Acts, ch 219, §29; 2008 Acts, ch 1179, §39

Referred to in §8.57

**8.57C Technology reinvestment fund.**

1. A technology reinvestment fund is created under the authority of the department of management. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of section 8.53, relating to generally accepted accounting principles.

2. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for the acquisition of computer hardware and software, software development, telecommunications equipment, and maintenance and lease agreements associated with technology components and for the purchase of equipment intended to provide an uninterruptible power supply.

3. *a.* There is appropriated from the general fund of the state for the fiscal year beginning July 1, 2014, and for each subsequent fiscal year thereafter, the sum of seventeen million five hundred thousand dollars to the technology reinvestment fund.

*b.* There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2008, and ending June 30, 2009, the sum of seventeen million five hundred thousand dollars, and for the fiscal year beginning July 1, 2009, and ending June 30, 2010, the sum of fourteen million five hundred twenty-five thousand dollars to the technology reinvestment fund, notwithstanding section 8.57, subsection 5, paragraph *"c"*.

*c.* There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the sum of ten million dollars to the technology reinvestment fund, notwithstanding section 8.57, subsection 5, paragraph *"c"*.

*d.* There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the sum of fifteen million five hundred forty-one thousand dollars to the technology reinvestment fund, notwithstanding section 8.57, subsection 5, paragraph "*c*".

*e.* There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the sum of fourteen million three hundred ten thousand dollars to the technology reinvestment fund, notwithstanding section 8.57, subsection 5, paragraph "*c*".

4. Annually, on or before January 15 of each year, a state agency that received an appropriation from this fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

2006 Acts, ch 1179, §23; 2007 Acts, ch 219, §30; 2008 Acts, ch 1179, §40; 2009 Acts, ch 184, §30; 2010 Acts, ch 1184, §78; 2011 Acts, ch 133, §21, 22, 50; 2012 Acts, ch 1021, §127; 2012 Acts, ch 1140, §22; 2013 Acts, ch 142, §31

Subsection 3 amended

**8.57D Vertical infrastructure restricted capitals fund.** Repealed by 2010 Acts, ch 1184, § 95.

**8.57E Taxpayers trust fund.**

1. A taxpayers trust fund is created. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. The moneys credited to the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section.

2. Moneys in the taxpayers trust fund shall only be used pursuant to appropriations or transfers made by the general assembly for tax relief. During each fiscal year beginning on or after July 1, 2014, in which the balance of the taxpayers trust fund equals or exceeds thirty million dollars, there is transferred from the taxpayers trust fund to the Iowa taxpayers trust fund tax credit fund created in section 422.11E, the entire balance of the taxpayers trust fund to be used for the Iowa taxpayers trust fund tax credit in accordance with section 422.11E, subsection 5.

3. *a.* Moneys in the taxpayers trust fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the fund by the end of that fiscal year.

*b.* Except as provided in section 8.58, the taxpayers trust fund shall be considered a special account for the purposes of section 8.53 in determining the cash position of the general fund of the state for the payment of state obligations.

4. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the taxpayers trust fund shall be credited to the fund.

2011 Acts, ch 123, §30; 2011 Acts, ch 131, §50, 158; 2013 Acts, ch 123, §41, 45, 46

Referred to in §422.11E

2013 amendment to subsection 2 takes effect June 12, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 123, §45, 46

Transfer from taxpayers trust fund to Iowa taxpayers trust fund tax credit fund for fiscal year beginning July 1, 2013; 2013 Acts, ch 123, §40, 45, 46

Subsection 2 amended

**8.57F State bond repayment fund.**

1. *a.* The state bond repayment fund is created. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. The moneys credited to the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section.

*b.* Moneys in the fund shall only be used for the defeasance or redemption of outstanding obligations issued by the state or an authority of the state that have debt service paid by a dedicated revenue source and for payment of costs relating to the defeasance or redemption.

*c.* Moneys in the fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the fund by the end of that fiscal year.

*d.* Except as provided in section 8.58, the fund shall be considered a special account for the purposes of section 8.53 in determining the cash position of the general fund of the state for the payment of state obligations.

2. The moneys credited to the fund for the fiscal year beginning July 1, 2013, are appropriated to the treasurer of state to defease or redeem the following bonds and to pay the costs relating to the defeasance or redemption, to the extent the bonds can be defeased or redeemed and costs paid within the amount appropriated. The bonds shall be defeased or redeemed in the following order of priority:

*a.* In conjunction with the honey creek premier destination park authority, the premier destination park bonds issued pursuant to section 463C.12.

*b.* In conjunction with the Iowa finance authority, the prison infrastructure revenue bonds issued pursuant to section 16.177.

*c.* The Iowa jobs program bonds issued pursuant to section 12.87, subsection 1, paragraph "*b*", subparagraph (3), on which the interest is subject to federal income tax.

*d.* The school infrastructure program bonds issued pursuant to sections 12.81 through 12.86.

3. Any bonds listed in subsection 2 that are not defeased or redeemed in accordance with this section shall continue to be payable from their original payment source.

2013 Acts, ch 143, §2, 4
NEW section

**8.58 Exemption from automatic application.**

1. To the extent that moneys appropriated under section 8.57 do not result in moneys being credited to the general fund under section 8.55, subsection 2, moneys appropriated under section 8.57 and moneys contained in the cash reserve fund, rebuild Iowa infrastructure fund, environment first fund, Iowa economic emergency fund, taxpayers trust fund, and state bond repayment fund shall not be considered in the application of any formula, index, or other statutory triggering mechanism which would affect appropriations, payments, or taxation rates, contrary provisions of the Code notwithstanding.

2. To the extent that moneys appropriated under section 8.57 do not result in moneys being credited to the general fund under section 8.55, subsection 2, moneys appropriated under section 8.57 and moneys contained in the cash reserve fund, rebuild Iowa infrastructure fund, environment first fund, Iowa economic emergency fund, taxpayers trust fund, and state bond repayment fund shall not be considered by an arbitrator or in negotiations under chapter 20.

92 Acts, ch 1227, §8; 95 Acts, ch 214, §17; 2000 Acts, ch 1225, §23; 2011 Acts, ch 123, §31; 2013 Acts, ch 143, §3, 4
Referred to in §8.55, 8.56, 8.57E, 8.57F
Section amended

## APPROPRIATIONS FREEZE — USE OF DESIGNATED MONEYS

**8.59 Appropriations freeze.**

Notwithstanding contrary provisions of the Code, the amounts appropriated under the applicable sections of the Code for fiscal years commencing on or after July 1, 1993, are limited to those amounts expended under those sections for the fiscal year commencing July 1, 1992. If an applicable section appropriates moneys to be distributed to different recipients and the operation of this section reduces the total amount to be distributed under

the applicable section, the moneys shall be prorated among the recipients. As used in this section, *"applicable sections"* means sections 53.50, 229.35, 230.8, 230.11, and 663.44.

92 Acts, ch 1227, §9; 93 Acts, ch 180, §1; 97 Acts, ch 206, §5; 99 Acts, ch 135, §1; 2004 Acts, ch 1086, §5; 2010 Acts, ch 1167, §42

**8.60 Use of designated moneys.**

Moneys credited to or deposited in the general fund of the state on or after July 1, 1993, which under law were previously collected to be used for specific purposes, or to be credited to, or be deposited to a particular account or fund shall only be used for the purposes for which the moneys were collected, including but not limited to moneys collected in accordance with any of the following provisions:

1. Pari-mutuel regulation fund created in section 99D.17, Code Supplement 1993.
2. Excursion boat gambling special account pursuant to section 99F.4, subsection 2, Code Supplement 1993.
3. Milk fund created in section 192.111, Code Supplement 1993.
4. Commercial feed fund created in section 198.9, Code Supplement 1993.
5. Fertilizer fund created in section 200.9, Code Supplement 1993, and moneys collected for the administration of chapter 201A relating to the regulation of limestone products which were deposited in the fertilizer fund pursuant to section 201.13, Code 1993 and Code 1995.
6. Pesticide fund created in section 206.12, Code Supplement 1993.
7. Motor vehicle fraud account pursuant to section 312.2, subsection 13, Code Supplement 1993.
8. Public transit assistance fund pursuant to section 312.2, subsection 15, Code Supplement 1993, and section 324A.6, Code Supplement 1993.
9. Salvage vehicle fee paid to the Iowa law enforcement academy pursuant to section 321.52, Code Supplement 1993.
10. Railroad assistance fund created in section 327H.18, Code Supplement 1993.
11. Special railroad facility fund created in section 327I.23, Code Supplement 1993.
12. State aviation fund created in section 328.36, Code Supplement 1993.
13. Marine fuel tax fund created in section 452A.79, Code Supplement 1993.
14. Public outdoor recreation and resources fund pursuant to section 461A.79, Code Supplement 1993.
15. Utilities trust fund created in section 476.10, Code Supplement 1993.
16. Banking revolving fund created in section 524.207, Code Supplement 1993.
17. Credit union revolving fund created in section 533.67, Code Supplement 1993.
18. Professional licensing revolving fund created in section 546.10, Code Supplement 1993.

93 Acts, ch 131, §1; 94 Acts, ch 1107, §32; 94 Acts, ch 1199, §64; 96 Acts, ch 1096, §1, 15; 96 Acts, ch 1219, §34; 2000 Acts, ch 1224, §22, 32; 2008 Acts, ch 1126, §1, 33

Referred to in §8.57, 8.61, 99D.14, 99D.17, 99F.4, 99F.10, 192.111, 198.9, 200.9, 201A.11, 206.12, 321.52, 461A.79, 546.10, 556.18

**8.61 Trust fund information.**

The department of administrative services in cooperation with each appropriate agency shall track receipts to the general fund of the state which under law were previously collected to be used for specific purposes, or to be credited to, or be deposited to a particular account or fund, as provided in section 8.60.

The department of administrative services and each appropriate agency shall prepare reports detailing revenue from receipts previously deposited into each of the funds. A report shall be submitted to the legislative services agency at least once for each three-month period as designated by the legislative services agency.

96 Acts, ch 1214, §29; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 145, §286

## USE OF REVERSIONS — INNOVATIONS FUND

**8.62 Use of reversions.**

1. For the purposes of this section, "*operational appropriation*" means an appropriation from the general fund of the state providing for salary, support, administrative expenses, or other personnel-related costs.

2. Notwithstanding the provisions of section 8.33 or any other provision of law to the contrary, if on June 30 of a fiscal year, a balance of an operational appropriation remains unexpended or unencumbered, not more than fifty percent of the balance may be encumbered by the agency to which the appropriation was made and used as provided in this section and the remaining balance shall be deposited in the cash reserve fund created in section 8.56. Moneys encumbered under this section shall only be used by the agency during the succeeding fiscal year for internet-based employee training, technology enhancement, or purchases of goods and services from Iowa prison industries. Unused moneys encumbered under this section shall be deposited in the cash reserve fund on June 30 of the succeeding fiscal year.

3. On or before June 30 of the fiscal year following the fiscal year in which funds were encumbered under this section, an agency encumbering funds under this section shall report to the joint appropriations subcommittee which recommends funding for the agency, the legislative services agency, the department of management, and the legislative fiscal committee of the legislative council detailing how the moneys were expended. Moneys shall not be encumbered under this section from an appropriation which received a transfer from another appropriation pursuant to section 8.39.

94 Acts, ch 1181, §2; 96 Acts, ch 1219, §1; 99 Acts, ch 182, §1, 2; 2003 Acts, ch 35, §45, 49; 2010 Acts, ch 1031, §60

Use of FY 2009 and 2010 balances; reversion to general fund under §8.62; 2009 Acts, ch 170, §52, 53, 55

**8.63 Innovations fund.** Repealed by 2009 Acts, ch 170, § 48, 50.

Transfer of unencumbered and unobligated balances in innovations fund at the end of the fiscal year beginning July 1, 2009, as well as moneys to be credited in succeeding fiscal years, to the general fund of the state; 2009 Acts, ch 170, §49

## LOCAL GOVERNMENT INNOVATION COMMISSION AND FUND AND CENTER FOR GOVERNING EXCELLENCE

**8.64 through 8.68** Repealed by 2009 Acts, ch 170, § 46, 50.

Transfer of unencumbered and unobligated balances in local government innovation fund, created by former §8.67, at the end of the fiscal year beginning July 1, 2009, as well as moneys to be credited in succeeding fiscal years, to the general fund of the state; 2009 Acts, ch 170, §49

**8.69 Tim Shields center for governing excellence in Iowa.** Repealed by 2009 Acts, ch 170, § 48, 50.

## LEAN ENTERPRISE OFFICE

**8.70 Lean enterprise office.**

1. For purposes of this section, "*lean*" means a business-oriented system for organizing and managing product development, operations, suppliers, and customer relations to create precise customer value, expressed as providing goods and services with higher quality and fewer defects and errors, with less human effort, less space, less capital, and less time than more traditional systems.

2. The office of lean enterprise is established in the department of management. The function of the office is to ensure implementation of lean tools and enterprises as a component of a performance management system for all executive branch agencies. Staffing for the

office of lean enterprise shall be provided by an administrator appointed by the director of the department of management.

3. The duties of the office of lean enterprise may include the following:

*a.* Create strategic and tactical approaches for lean implementation, including integration into state governance and operational systems.

*b.* Lead and develop state government's capacity to implement lean tools and enterprises, including design and development of instructional materials as needed with the goal of integrating continuous improvement into the organizational culture.

*c.* (1) Create demand for lean tools and enterprises in departments.

(2) Communicate with agency directors, boards, commissions, and senior management to create interest and organizational will to implement lean tools and enterprises to improve agency results.

(3) Provide direction and advice to department heads and senior management to plan and implement departmental lean programs.

(4) Direct and review plans for leadership and assist with the selection of process improvement projects of key importance to agency goals, programs, and missions.

*d.* (1) Identify and assist departments in identifying potential lean projects.

(2) Continuously evaluate organizational performance in meeting objectives, identify and structure the direction the lean implementation should take to provide greatest effectiveness, and justify critical and far-reaching changes.

*e.* (1) Lead the collection and reporting of data and learning related to lean accomplishments.

(2) Widely disseminate lean results and learning with Iowans, stakeholders, and other members of the public to demonstrate the benefits and return on investment.

*f.* (1) Evaluate the effect of unforeseen developments on plans and programs and present to agency directors, boards, commissions, and senior management suggested changes in overall direction.

(2) Provide input related to proposals regarding new or revised legislation, regulations, and related changes which have a direct impact over the implementation.

*g.* Lead the development of alliances and partnerships with the business community, associations, consultants, and other stakeholders to enhance external support and advance the implementation of lean tools and enterprises in state government.

*h.* Lead relations with the general assembly and staff to build support for and understanding of lean work in state government.

2009 Acts, ch 13, §1

## IOWA SKILLED WORKER AND JOB CREATION FUND

**8.75 Iowa skilled worker and job creation fund.**

1. An Iowa skilled worker and job creation fund is created in the state treasury. The fund shall consist of appropriations made to the fund, moneys transferred to the fund, and moneys deposited in the fund as provided by law.

2. The Iowa skilled worker and job creation fund shall be separate from the general fund of the state and the balance in the Iowa skilled worker and job creation fund shall not be considered part of the balance of the general fund of the state. However, the Iowa skilled worker and job creation fund shall be considered a special account for the purposes of section 8.53, relating to generally accepted accounting principles. Moneys in the fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the fund by the end of that fiscal year. Notwithstanding section 8.33, moneys in the fund at the end of each fiscal year shall not revert to any other fund but shall remain in the fund for expenditure in subsequent fiscal years.

2013 Acts, ch 141, §31

Referred to in §8.57

NEW section

# CHAPTER 8A

## DEPARTMENT OF ADMINISTRATIVE SERVICES

Referred to in §476.10B


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## SUBCHAPTER I

## ADMINISTRATION

### PART 1

### GENERAL PROVISIONS

**8A.101 Definitions.**

As used in this chapter and chapter 8B, unless the context otherwise requires:

1. *"Agency"* or *"state agency"* means a unit of state government, which is an authority, board, commission, committee, council, department, or independent agency as defined in section 7E.4, including but not limited to each principal central department enumerated in section 7E.5. However, *"agency"* or *"state agency"* does not mean any of the following:

*a.* The office of the governor or the office of an elective constitutional or statutory officer.

*b.* The general assembly, or any office or unit under its administrative authority.

*c.* The judicial branch, as provided in section 602.1102.

*d.* A political subdivision of the state or its offices or units, including but not limited to a county, city, or community college.

2. *"Department"* means the department of administrative services.

3. *"Director"* means the director of the department of administrative services or the director's designee.

4. *"Governmental entity"* means any unit of government in the executive, legislative, or judicial branch of government; an agency or political subdivision; any unit of another state government, including its political subdivisions; any unit of the United States government; or any association or other organization whose membership consists primarily of one or more of any of the foregoing.

5. *"Governmental subdivision"* means a county, city, school district, or combination thereof.

6. *"Public records"* means the same as defined in section 22.1.

2003 Acts, ch 145, §1; 2007 Acts, ch 10, §4; 2008 Acts, ch 1031, §8; 2013 Acts, ch 129, §1
Referred to in §185.34, 262.9B
Unnumbered paragraph 1 amended

**8A.102 Department created — director appointed.**

1. The department of administrative services is created. The director of the department shall be appointed by the governor to serve at the pleasure of the governor and is subject to confirmation by the senate. If the office becomes vacant, the vacancy shall be filled in the same manner as provided for the original appointment.

2. The person appointed as director shall be professionally qualified by education and have no less than five years' experience in the field of management, public or private sector personnel administration including the application of merit principles in employment, financial management, and policy development and implementation. The appointment shall

be made without regard for political affiliation. The director shall not be a member of any local, state, or national committee of a political party, an officer or member of a committee in any partisan political club or organization, or hold or be a candidate for a paid elective public office. The director is subject to the restrictions on political activity provided in section 8A.416. The governor shall set the salary of the director within pay grade nine.

2003 Acts, ch 145, §2
Referred to in §7E.5
Confirmation, see §2.32

**8A.103 Department — purpose — mission.**

The department is created for the purpose of managing and coordinating the major resources of state government including the human, financial, and physical resources of state government.

The mission of the department is to implement a world-class, customer-focused organization that provides a complement of valued products and services to the internal customers of state government.

2003 Acts, ch 145, §3; 2013 Acts, ch 129, §2
Unnumbered paragraph 1 amended

**8A.104 Powers and duties of the director.**

The director shall do all of the following:

1. Coordinate the internal operations of the department and develop and implement policies and procedures designed to ensure the efficient administration of the department.

2. Appoint all personnel deemed necessary for the administration of the department's functions as provided in this chapter.

3. Prepare an annual budget for the department.

4. Develop and recommend legislative proposals deemed necessary for the continued efficiency of the department's functions, and review legislative proposals generated outside the department which are related to matters within the department's purview.

5. Adopt rules deemed necessary for the administration of this chapter in accordance with chapter 17A.

6. Develop and maintain support systems within the department to provide appropriate administrative support and sufficient data for the effective and efficient operation of state government.

7. Provide accounting and fiscal services and such additional assistance and administrative support services to the office of the chief information officer, created in section 8B.2, as the department and the office determines maximizes the efficiency and effectiveness of both the department and office.

8. Enter into contracts for the receipt and provision of services as deemed necessary. The director and the governor may obtain and accept grants and receipts to or for the state to be used for the administration of the department's functions as provided in this chapter.

9. Establish the internal organization of the department and allocate and reallocate duties and functions not assigned by law to an officer or any subunit of the department to promote economic and efficient administration and operation of the department.

10. Install a records system for the keeping of records which are necessary for a proper audit and effective operation of the department.

11. Determine which risk exposures shall be self-insured or assumed by the state with respect to loss and loss exposures of state government.

12. Keep in the director's office a complete record containing an itemized account of all state property, including furniture and equipment, under the director's care and control, and plans and surveys of the public grounds, buildings, and underground constructions at the seat of government and of the state laboratories facility in Ankeny.

13. Examine and develop best practices for the efficient operation of government and encourage state agencies to adopt and implement these practices.

14. Exercise and perform such other powers and duties as may be prescribed by law.

2003 Acts, ch 145, §4; 2005 Acts, ch 52, §2; 2010 Acts, ch 1031, §1, 77; 2013 Acts, ch 129, §3
NEW subsection 7 and former subsections 7 – 13 renumbered as 8 – 14

**8A.105 Prohibited interests — penalty.**

The director shall not have any pecuniary interest, directly or indirectly, in any contract for supplies furnished to the state, or in any business enterprise involving any expenditure by the state. A violation of the provisions of this section shall be a serious misdemeanor, and upon conviction, the director shall be removed from office in addition to any other penalty.

2003 Acts, ch 145, §5

**8A.106 Public records.**

1. The records of the department, except personal information in an employee's file if the publication of such information would serve no proper public purpose, shall be public records and shall be open to public inspection, subject to reasonable rules as to the time and manner of inspection which may be prescribed by the director. However, the department shall not be required to release financial information, business, or product plans which if released would give advantage to competitors and serve no public purpose, relating to commercial operations conducted or intended to be conducted by the department.

2. The state agency that is the lawful custodian of a public record shall be responsible for determining whether a record is required by federal or state statute to be confidential. The transmission of a record by a state agency by use of electronic means established, maintained, or managed by the department shall not constitute a transfer of the legal custody of the record from the individual state agency to the department or to any other person or entity.

3. The department shall not have authority to determine whether an individual state agency should automate records of which the individual state agency is the lawful custodian. However, the department may encourage state agencies to implement electronic access to public records.

4. A state agency shall not limit access to a record by requiring a citizen to receive the record electronically as the only means of providing the record. A person shall have the right to examine and copy a printed form of a public record as provided in section 22.2, unless the public record is confidential.

2003 Acts, ch 145, §6

Referred to in §159.34

**8A.107 Oaths and subpoenas.**

The director may administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to any investigation or hearing authorized by this chapter. A person who fails to appear in response to a subpoena or produce books or papers pertinent to the investigation or hearing or who knowingly gives false testimony is guilty of a simple misdemeanor.

2003 Acts, ch 145, §7

**8A.108 Acceptance of funds — solicitations for capitol complex projects.**

1. The department may receive and accept donations, grants, gifts, and contributions in the form of moneys, services, materials, or otherwise, from the United States or any of its agencies, from this state or any of its agencies, or from any other person, and may use or expend such moneys, services, materials, or other contributions, or issue grants, in carrying out the operations of the department. All federal grants to and the federal receipts of the department are hereby appropriated for the purpose set forth in such federal grants or receipts. The department shall report annually to the general assembly on or before September 1 the donations, grants, gifts, and contributions with a monetary value of one thousand dollars or more that were received during the most recently concluded fiscal year.

2. *a.* The department may solicit donations, grants, gifts, and contributions in the form of moneys, services, materials, real property, or otherwise from any person for specific projects and improvements on or near the capitol complex. However, no less than twenty days prior to commencing any such solicitation, the department shall notify the executive council, the department of management, and the legislative council of the project for which the solicitation is proposed. The department is only required to provide one notification for each project for which a solicitation is proposed.

*b.* The department shall not accept any donation, grant, gift, or contribution in any form that includes any condition other than a condition to use the donation, grant, gift, or contribution for the project for which it was solicited. The department shall not confer any benefit upon or establish any permanent acknowledgement of the donor of the donation, grant, gift, or contribution unless specifically authorized by a constitutional majority of each house of the general assembly and approved by the governor or unless otherwise specifically authorized by law.

2003 Acts, ch 145, §8; 2006 Acts, ch 1182, §55

**8A.109 Federal funds.**

1. Neither the provisions of this chapter nor rules adopted pursuant to this chapter shall apply in any situation where such provision or rule is in conflict with a governing federal regulation or where the provision or rule would jeopardize the receipt of federal funds.

2. If it is determined by the attorney general that any provision of this chapter would cause denial of funds or services from the United States government which would otherwise be available to an agency of this state, such provision shall be suspended as to such agency, but only to the extent necessary to prevent denial of such funds or services.

2003 Acts, ch 145, §9

**8A.110 State employee suggestion system.**

1. There is created a state employee suggestion system for the purpose of encouraging state employees to develop and submit ideas which will reduce costs and increase efficiency in state government and which will make monetary and other awards to state employees whose cost reduction ideas are adopted under the system.

2. The department shall provide necessary personnel for the efficient operation of the system. The department shall adopt rules as necessary for the administration of the system and to establish the award policy under which the system will operate. The rules shall include:

*a.* Eligibility standards and restrictions for both the state employee submitting the suggestion and the suggestion being submitted. The rules shall provide that suggestions relating to academic affairs, including teaching, research, and patient care programs at a university teaching hospital, are ineligible.

*b.* Procedures for submitting and evaluating suggestions, including the responsibilities of each person involved in the system and providing that the final decision to implement shall be made by the director of the applicable state agency.

*c.* The method of presentation of awards to employees.

*d.* The method of promoting the suggestion program in the broadest possible manner to state employees.

*e.* Any other policies necessary to properly administer the system.

3. *a.* When a suggestion is implemented and results in a direct cost reduction within state government, the suggester shall be awarded ten percent of the first year's net savings, not exceeding ten thousand dollars, and a certificate. A cash award shall not be awarded for a suggestion which saves less than one hundred dollars during the first year of implementation. The state agency head shall approve all awards and determine the amount to be awarded. Appeals of award amounts shall be submitted to the director whose decision is final.

*b.* Certificates shall be awarded to suggesters of implemented suggestions that result in a direct cost reduction of less than one hundred dollars. The state agency head shall make the determination as to who will receive certificates. That decision is final.

4. An award made pursuant to this section shall be paid for out of the appropriated funds of the state agency realizing the cost savings, but the payment for awards shall not violate any state or federal contract, law, or regulation, or impair any agency contractual obligation.

5. *a.* A state agency shall keep records of each suggestion implemented and the cost savings resulting from the suggestion for a period of one year from the date of implementation of the suggestion.

*b.* The director shall file a report with the governor and the general assembly for each fiscal year, relating to the administration and implementation of the suggestion system and the benefits for the state, the state departments, and state employees.

6. The ability of employees to patent ideas submitted under this section is subject to all other agency rules and Code requirements pertaining to patents.

2003 Acts, ch 145, §10

Referred to in §15.108

**8A.111 Reports required.**

The department shall provide all of the following reports:

1. An annual report of the department as required under section 7E.3, subsection 4.

2. Internal service fund service business plans and financial reports as required under section 8A.123, subsection 5, paragraph "*a*", and an annual internal service fund expenditure report as required under section 8A.123, subsection 5, paragraph "*b*".

3. An annual report on the status of capital projects as required under section 8A.321, subsection 11.

4. An annual salary report as required under section 8A.341, subsection 2.

5. An annual average fuel economy standards compliance report as required under section 8A.362, subsection 4, paragraph "*c*".

6. An annual report of the capitol planning commission as required under section 8A.373.

7. A comprehensive annual financial report as required under section 8A.502, subsection 8.

8. An annual report regarding the Iowa targeted small business procurement Act activities of the department as required under section 15.108, subsection 7, paragraph "*c*", and quarterly reports regarding the total dollar amount of certified purchases for certified targeted small businesses during the previous quarter as required in section 73.16, subsection 2. The department shall keep any vendor identification information received from the department of inspections and appeals as provided in section 10A.104, subsection 8, and necessary for the quarterly reports, confidential to the same extent as the department of inspection and appeals is required to keep such information. Confidential information received by the department from the department of inspections and appeals shall not be disclosed except pursuant to court order or with the approval of the department of inspections and appeals.

9. An annual report on the condition of affirmative action, diversity, and multicultural programs as provided under section 19B.5, subsection 2.

10. An unpaid warrants report as required under section 25.2, subsection 3, paragraph "*b*".

11. A report on educational leave as provided under section 70A.25.

12. A monthly report regarding the revitalize Iowa's sound economy fund as required under section 315.7.

2008 Acts, ch 1184, §30; 2010 Acts, ch 1031, §2, 3; 2011 Acts, ch 127, §32, 89; 2013 Acts, ch 129, §4

Referred to in §10A.104

See also §7A.3

Subsection 3 stricken and subsections 4 – 13 renumbered as 3 – 12

**8A.112 through 8A.120** Reserved.

PART 2

SERVICES — PROVISION
AND FUNDING

**8A.121 Financing department services — customer councils.** Repealed by 2008 Acts, ch 1184, § 36. See § 8.6(17).

**8A.122 Services to governmental entities and nonprofit organizations.**

1. The director shall enter into agreements with state agencies, and may enter into agreements with any other governmental entity or a nonprofit organization, to furnish

services and facilities of the department to the applicable governmental entity or nonprofit organization. The agreement shall provide for the reimbursement to the department of the reasonable cost of the services and facilities furnished. All governmental entities of this state may enter into such agreements. For purposes of this subsection, "*nonprofit organization*" means a nonprofit entity which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code and which is funded in whole or in part by public funds.

2. This chapter does not affect any city civil service programs established under chapter 400.

3. The state board of regents shall not be required to obtain any service for the state board of regents or any institution under the control of the state board of regents that is provided by the department pursuant to this chapter without the consent of the state board of regents.

2003 Acts, ch 145, §12; 2007 Acts, ch 115, §3

**8A.123 Department internal service funds.**

1. Activities of the department shall be accounted for within the general fund of the state, except that the director may establish and maintain internal service funds in accordance with generally accepted accounting principles, as defined in section 8.57, subsection 4, for activities of the department which are primarily funded from billings to governmental entities for services rendered by the department. The establishment of an internal service fund is subject to the approval of the director of the department of management and the concurrence of the auditor of state. At least ninety days prior to the establishment of an internal service fund pursuant to this section, the director shall notify in writing the general assembly, including the legislative council, legislative fiscal committee, and the legislative services agency.

2. Internal service funds shall be administered by the department and shall consist of moneys collected by the department from billings issued in accordance with section 8A.125 and any other moneys obtained or accepted by the department, including but not limited to gifts, loans, donations, grants, and contributions, which are designated to support the activities of the individual internal service funds.

3. The proceeds of an internal service fund established pursuant to this section shall be used by the department for the operations of the department consistent with this chapter. The director may appoint the personnel necessary to ensure the efficient provision of services funded pursuant to an internal service fund established under this section. However, this usage requirement shall not limit or restrict the department from using proceeds from gifts, loans, donations, grants, and contributions in conformance with any conditions, directions, limitations, or instructions attached or related thereto.

4. Section 8.33 does not apply to any moneys in internal service funds established pursuant to this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in these funds shall be credited to these funds.

5. *a.* The director shall annually provide internal service fund service business plans and financial reports to the department of management and the general assembly. The business plans may include the recommendation that a portion of unexpended net income be periodically returned to the appropriate funding source.

*b.* The department shall submit an annual report not later than October 1 to the members of the general assembly and the legislative services agency of the activities funded by and expenditures made from an internal service fund established pursuant to this section during the preceding fiscal year.

2003 Acts, ch 35, §46, 49; 2003 Acts, ch 145, §13; 2009 Acts, ch 170, §47, 50; 2012 Acts, ch 1021, §128

Referred to in §8A.111, 8A.126

**8A.124 Additional personnel.**

The department may employ, upon the approval of the department of management, additional personnel in excess of the number of full-time equivalent positions authorized by the general assembly if such additional personnel are reasonable and necessary to perform

such duties as required to meet the needs of the department to provide services to other governmental entities and as authorized by this chapter. The director shall notify in writing the department of management, the legislative fiscal committee, and the legislative services agency of any additional personnel employed pursuant to this section.

2003 Acts, ch 35, §46, 49; 2003 Acts, ch 145, §14; 2004 Acts, ch 1086, §6

**8A.125 Billing — credit card payments.**

1. The director may bill a governmental entity for services rendered by the department in accordance with the duties of the department as provided in this chapter. Bills may include direct, indirect, and developmental costs which have not been funded by an appropriation to the department. The department shall periodically render a billing statement to a governmental entity outlining the cost of services provided to the governmental entity. The amount indicated on the statement shall be paid by the governmental entity and amounts received by the department shall be considered repayment receipts as defined in section 8.2, and deposited into the accounts of the department.

2. In addition to other forms of payment, a person may pay by credit card for services provided by the department, according to rules adopted by the treasurer of state. The credit card fees to be charged shall not exceed those permitted by statute. A governmental entity may adjust its payment to reflect the costs of processing as determined by the treasurer of state. The discount charged by the credit card issuer may be included in determining the fees to be paid for completing a financial transaction under this section by using a credit card. All credit card payments shall be credited to the fund used to account for the services provided.

2003 Acts, ch 145, §15

Referred to in §8A.123

**8A.126 Department debts and liabilities — appropriation request.**

If a service provided by the department and funded from an internal service fund established under section 8A.123 ceases to be provided and insufficient funds remain in the internal service fund to pay any outstanding debts and liabilities relating to that service, the director shall notify the general assembly and request that moneys be appropriated from the general fund of the state to pay such debts and liabilities.

2003 Acts, ch 145, §16

**8A.127 through 8A.200** Reserved.

## SUBCHAPTER II

## INFORMATION TECHNOLOGY

### PART 1

### GENERAL PROVISIONS

**8A.201 through 8A.207** Repealed by 2013 Acts, ch 129, §30. See chapter 8B.

With respect to proposed amendment to former §8A.202, subsection 5, paragraph e, by 2013 Acts, ch 29, §3, see Code editor's note on simple harmonization

**8A.208 through 8A.220** Reserved.

### PART 2

### IOWACCESS

**8A.221 and 8A.222** Repealed by 2013 Acts, ch 129, §30. See chapter 8B.

**8A.223 Audits required.** Repealed by 2010 Acts, ch 1031, §20.

**8A.224 IowAccess revolving fund.** Repealed by 2013 Acts, ch 129, §30. See §8B.33.

**8A.225 through 8A.300** Reserved.

## SUBCHAPTER III

## PHYSICAL RESOURCES

Referred to in §8B.24, 12E.8, 35A.10, 142A.6, 218.58, 257C.6, 321.35, 463C.8, 904.315, 904.706

## PART 1

## GENERAL PROVISIONS

**8A.301 Definitions.**

When used in this subchapter, unless the context otherwise requires:

1. *"Bid specification"* means the standards or qualities which must be met before a contract to purchase will be awarded and any terms which the director has set as a condition precedent to the awarding of a contract.

2. *"Competitive bidding procedure"* means the advertisement for, solicitation of, or the procurement of bids; the manner and condition in which bids are received; and the procedure by which bids are opened, accessed, accepted, rejected, or awarded. A *"competitive bidding procedure"* may include a transaction accomplished in an electronic format.

3. *"Life cycle cost"* means the expected total cost of ownership during the life of a product.

4. *"Printing"* means, as used in chapter 7A and this subchapter, the reproduction of an image from a printing surface made generally by a contact impression that causes a transfer of ink, the reproduction of an impression by a photographic process, or the reproduction of an image by electronic means and shall include binding and may include material, processes, or operations necessary to produce a finished printed product, but shall not include binding, rebinding or repairs of books, journals, pamphlets, magazines and literary articles by any library of the state or any of its offices, departments, boards, and commissions held as a part of their library collection.

5. *"State buildings and grounds"* excludes any building under the custody and control of the Iowa public employees' retirement system.

2003 Acts, ch 145, §28

**8A.302 Departmental duties — physical resources.**

The duties of the department as it relates to the physical resources of state government shall include but not necessarily be limited to the following:

1. Providing a system of uniform standards and specifications for purchasing. When the system is developed, all items of general use shall be purchased by state agencies through the department, except items provided for under section 904.808 or items used by the state board of regents and institutions under the control of the state board of regents. However, the department may authorize the department of transportation, the department for the blind, and any other agencies otherwise exempted by law from centralized purchasing, to directly purchase items used by those agencies without going through the department, if the department of administrative services determines such purchasing is in the best interests of the state. However, items of general use may be purchased through the department by any governmental entity.

2. Providing for the proper maintenance of the state laboratories facility in Ankeny and of the state capitol, grounds, and equipment, and all other state buildings, grounds, and equipment at the seat of government, except those referred to in section 216B.3, subsection 6.

3. Providing for mail services for all state officials, agencies, and departments located at

the seat of government. However, postage shall not be furnished to the general assembly, its members, officers, employees, or committees.

4. Providing architectural services, contracting for construction and construction oversight for state agencies except for the state board of regents, state department of transportation, national guard, natural resource commission, and the Iowa public employees' retirement system. Capital funding appropriated to state agencies, except to the state board of regents, state department of transportation, national guard, natural resource commission, and the Iowa public employees' retirement system, for property management shall be transferred for administration to the director of the department of administrative services.

5. Developing and implementing procedures to conduct transactions, including purchasing, authorized by this subchapter in an electronic format to the extent determined appropriate by the department. The director shall adopt rules establishing criteria for competitive bidding procedures involving transactions in an electronic format, including criteria for accepting or rejecting bids which are electronically transmitted to the department, and for establishing with reasonable assurance the authenticity of the bid and the bidder's identity.

6. Providing insurance for motor vehicles owned by the state.

2003 Acts, ch 145, §29; 2004 Acts, ch 1101, §4; 2010 Acts, ch 1031, §71; 2010 Acts, ch 1190, §22

Requirements for state government purchasing efforts to be administered by the department of administrative services; 2010 Acts, ch 1031, §76; 2011 Acts, ch 131, §109

**8A.303 through 8A.310** Reserved.

## PART 2

## PURCHASING

**8A.311 Competitive bidding — preferences — reciprocal application — direct purchasing.**

The director shall adopt rules establishing competitive bidding procedures.

1. *a.* All equipment, supplies, or services procured by the department shall be purchased by a competitive bidding procedure as established by rule. However, the director may exempt by rule purchases of noncompetitive items and purchases in lots or quantities too small to be effectively purchased by competitive bidding. Preference shall be given to purchasing Iowa products and purchases from Iowa-based businesses if the Iowa-based business bids submitted are comparable in price to bids submitted by out-of-state businesses and otherwise meet the required specifications. If the laws of another state mandate a percentage preference for businesses or products from that state and the effect of the preference is that bids of Iowa businesses or products that are otherwise low and responsive are not selected in the other state, the same percentage preference shall be applied to Iowa businesses and products when businesses or products from that other state are bid to supply Iowa requirements.

*b.* The department and each state agency shall provide notice in an electronic format available to the public of every competitive bidding opportunity offered by the department or the state agency as provided in section 73.2, subsection 2. The department may establish by rule requirements relating to such notice. A competitive bidding opportunity that is not preceded by a notice that satisfies the requirements of this paragraph is void and shall be rebid. A request for proposals for architectural or engineering services may be posted electronically by a department or state agency.

2. Notwithstanding section 72.3, if the competitive bidding procedure used by the department involves the use of a reverse auction or similar competitive bidding procedure requiring the disclosure of bid information submitted by vendors, the department shall disclose the bid information as necessary and appropriate.

3. The director may also exempt the purchase of an item or service from a competitive

bidding procedure when the director determines that the best interests of the state will be served by the exemption which shall be based on one of the following:

*a.* An immediate or emergency need existing for the item or service.

*b.* A need to protect the health, safety, or welfare of persons occupying or visiting a public improvement or property located adjacent to the public improvement.

4. *a.* The director may contract for the purchase of items or services by the department. Contracts for the purchase of items or services shall be awarded on the basis of the lowest competent bid. Contracts not based on competitive bidding shall be awarded on the basis of bidder competence and reasonable price.

*b.* Architectural and engineering services shall be procured in a reasonable manner, as the director by rule may determine, on the basis of competence and qualification for the type of services required and for a fair and reasonable price.

5. The director may enter into a cooperative procurement agreement with another governmental entity relating to the procurement of goods or services, whether the goods or services are for the use of the department or other governmental entities. The cooperative procurement agreement shall clearly specify the purpose of the agreement and the method by which that purpose will be accomplished. Any power exercised under the agreement shall not exceed the power granted to any party to the agreement.

6. The director may refuse all bids on any item or service and request new bids.

7. The director shall establish by rule the amount of security, if any, to accompany a bid or as a condition precedent to the awarding of any contract and the circumstances under which a security will be returned to the bidder or forfeited to the state.

8. The director shall adopt rules providing a method for the various state agencies to file with the department a list of those supplies, equipment, machines, and all items needed to properly perform their governmental duties and functions.

9. The director shall furnish a list of specifications, prices, and discounts of contract items to any governmental subdivision which shall be responsible for payment to the vendor under the terms and conditions outlined in the state contract.

10. *a.* The director shall adopt rules providing that any state agency may, upon request and approval by the department, purchase directly from a vendor if the direct purchasing is more economical than purchasing through the department, if the agency shows that direct purchasing by the state agency would be in the best interests of the state due to an immediate or emergency need, or if the purchase will not exceed ten thousand dollars and the purchase would contribute to the agency complying with the targeted small business procurement goals under sections 73.15 through 73.21.

*b.* Any member of the executive council may bring before the executive council for review a decision of the director granting a state agency request for direct purchasing. The executive council shall hear and review the director's decision in the same manner as an appeal filed by an aggrieved bidder, except that the three-day period for filing for review shall not apply.

11. *a.* When the estimated total cost of construction, erection, demolition, alteration, or repair of a public improvement exceeds the competitive bid threshold in section 26.3, or as established in section 314.1B, the department shall comply with chapter 26.

*b.* In awarding a contract under this subsection, the department shall let the work to the lowest responsible bidder submitting a sealed proposal. However, if the department considers the bids received not to be acceptable, all bids may be rejected and new bids requested. A bid shall be accompanied by a certified or cashier's check or bid bond in an amount designated in the advertisement for bids as security that the bidder will enter into a contract for the work requested. The department shall establish the bid security in an amount equal to at least five percent, but not more than ten percent of the estimated total cost of the work. The certified or cashier's checks or bid bonds of unsuccessful bidders shall be returned as soon as the successful bidder is determined. The certified or cashier's check or bid bond of the successful bidder shall be returned upon execution of the contract. This subsection does not apply to the construction, erection, demolition, alteration, or repair of a public improvement when the contracting procedure for the work requested is otherwise provided for in law.

12. The state and its political subdivisions shall give preference to purchasing Iowa

products and purchasing from Iowa-based businesses if the bids submitted are comparable in price to those submitted by other bidders and meet the required specifications.

13. The director shall adopt rules which require that each bid received for the purchase of items purchased by the department includes a product content statement which provides the percentage of the content of the item which is reclaimed material.

14. The director shall review and, where necessary, revise specifications used by state agencies to procure products in order to ensure all of the following:

*a.* The procurement of products containing recovered materials, including but not limited to lubricating oils, retread tires, building insulation materials, and recovered materials from waste tires. The specifications shall be revised if they restrict the use of alternative materials, exclude recovered materials, or require performance standards which exclude products containing recovered materials unless the agency seeking the product can document that the use of recovered materials will hamper the intended use of the product.

*b.* The procurement by state agencies of biobased hydraulic fluids, greases, and other industrial lubricants manufactured from soybeans in accordance with the requirements of section 8A.316.

*c.* The procurement of designated biobased products in accordance with the requirements of section 8A.317.

15. *a.* A bidder, to be considered for an award of a state construction contract, shall disclose to the state agency awarding the contract the names of all subcontractors and suppliers who will work on the project being bid within forty-eight hours after the published date and time by which bids must be submitted.

*b.* A bidder shall not replace a subcontractor or supplier disclosed under paragraph *"a"* without the approval of the state agency awarding the contract.

*c.* A bidder, prior to an award or who is awarded a state construction contract, shall disclose all of the following, as applicable:

(1) If a subcontractor or supplier disclosed under paragraph *"a"* by a bidder is replaced, the reason for replacement and the name of the new subcontractor or supplier.

(2) If the cost of work to be done by a subcontractor or supplier is changed or if the replacement of a subcontractor or supplier results in a change in the cost, the amount of the change in cost.

16. A state agency shall make every effort to purchase those products produced for sale by sheltered workshops, work activity centers, and other special programs funded in whole or in part by public moneys that employ persons with an intellectual disability or other developmental disabilities or mental illness if the products meet the required specifications.

17. A state agency shall make every effort to purchase products produced for sale by employers of persons in supported employment.

18. The department shall not award a contract to a bidder for a construction, reconstruction, demolition, or repair project or improvement with an estimated cost that exceeds twenty-five thousand dollars in which the bid requires the use of inmate labor supplied by the department of corrections, but not employed by private industry pursuant to section 904.809, to perform the project or improvement.

19. Life cycle cost and energy efficiency shall be included in the criteria used by the department, institutions under the control of the state board of regents, the state department of transportation, the department for the blind, and other state agencies in developing standards and specifications for purchasing energy-consuming products. For purposes of this subsection, the life cycle costs of American motor vehicles shall be reduced by five percent in order to determine if the motor vehicle is comparable to foreign-made motor vehicles. *"American motor vehicles"* includes those vehicles manufactured in this state and those vehicles in which at least seventy percent of the value of the motor vehicle was manufactured in the United States or Canada and at least fifty percent of the motor vehicle sales of the manufacturer are in the United States or Canada. In determining the life cycle costs of a motor vehicle, the costs shall be determined on the basis of the bid price, the resale value, and the operating costs based upon a useable life of five years or seventy-five thousand miles, whichever occurs first.

20. Preference shall be given to purchasing American-made products and purchases from

American-based businesses if the life cycle costs are comparable to those products of foreign businesses and which most adequately fulfill the department's need.

21. *a.* The director may authorize the procurement of goods and services in which a contractual limitation of vendor liability is provided for and set forth in the documents initiating the procurement. The director, in consultation with the department of management, shall adopt rules setting forth the circumstances in which such procurement will be permitted and what types of contractual limitations of liability are permitted. Rules adopted by the director shall establish criteria to be considered in making a determination of whether to permit a contractual limitation of vendor liability with regard to any procurement of goods and services. The criteria, at a minimum, shall include all of the following:

(1) Whether authorizing a contractual limitation of vendor liability is necessary to prevent harm to the state from a failure to obtain the goods or services sought, or from obtaining the goods or services at a higher price if the state refuses to allow a contractual limitation of vendor liability.

(2) Whether the contractual limitation of vendor liability is commercially reasonable when taking into account any risk to the state created by the goods or services to be procured and the purpose for which they will be used.

*b.* Notwithstanding paragraph "*a*", a contractual limitation of vendor liability shall not include any limitation on the liability of any vendor for intentional torts, criminal acts, or fraudulent conduct.

*c.* The rules shall provide for the negotiation of a contractual limitation of vendor liability consistent with the requirements of this section and any other requirements of the department as provided in any related documents associated with a procurement of goods and services.

22. *a.* The state, through the department, shall give a preference to purchasing equipment, supplies, or services from or awarding public improvement contracts pursuant to subsection 11 to an Iowa-based business as provided under paragraph "*b*", as appropriate, if the bid submitted is comparable in price to those submitted by other bidders and meets the required specifications. However, before giving the preference, the department shall confirm with the Iowa employer support of the guard and reserve committee that the requirements of paragraph "*b*" have been met by the Iowa-based business.

*b.* To receive a preference as provided by this subsection, the Iowa-based business employer shall have adopted policies beyond those otherwise required by law to support employees who are officers or enlisted persons in the national guard and organized reserves of the armed forces of the United States consistent with standards adopted by the Iowa employer support of the guard and reserve committee. To be eligible for such preference, an employer shall submit to the committee a copy of the applicable policies adopted by the employer and shall sign and submit to the committee a statement of support of persons in the employ of the employer who serve in the national guard and the reserves, recognizing the vital role of the national guard and the reserves, and pledging all of the following:

(1) To neither deny employment nor limit or reduce job opportunities because of an employee's service in the national guard or organized reserves of the armed forces of the United States.

(2) To grant leaves of absence during a period of military duty or training.

(3) To ensure that all employees are aware of the employer's policies and the requirements of section 29A.43.

2003 Acts, ch 145, §30; 2004 Acts, ch 1101, §5; 2005 Acts, ch 52, §3; 2005 Acts, ch 100, §1; 2006 Acts, ch 1017, §16, 42; 2006 Acts, ch 1072, §3; 2007 Acts, ch 115, §6, 18; 2007 Acts, ch 207, §1, 18; 2007 Acts, ch 215, §79; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1104, §1; 2010 Acts, ch 1031, §72; 2011 Acts, ch 25, §2; 2011 Acts, ch 127, §33, 89; 2012 Acts, ch 1019, §3

Referred to in §8A.311A, 8A.317, 8A.321, 15.106B, 216B.3, 262.9, 303.9, 307.21, 459.505

Preferences; see also chapter 73, §73A.21

Requirements for state government purchasing efforts to be administered by the department of administrative services; 2010 Acts, ch 1031, §76; 2011 Acts, ch 131, §109

**8A.311A Centralized purchasing.**

1. The department may designate goods and services of general use that agencies shall, and governmental subdivisions may, purchase pursuant to a master contract established by

the department for that good or service. The department shall establish a master contract subject to the requirements of this section if the department determines that a high-quality good or service can be acquired by agencies and governmental subdivisions at lower cost through the establishment of a master contract.

2. The department shall establish a master contract pursuant to this section on a competitive basis, and the purchase of a good or service pursuant to the contract shall be deemed to satisfy any otherwise applicable competitive bidding requirements.

3. Upon the establishment of a master contract for a good or service pursuant to this section, an agency shall purchase the good or service pursuant to the contract, and shall not expend money to purchase the good or service directly from a vendor and not through the contract, unless any of the following applies:

*a.* The department determines, upon a request by the agency, that the agency can satisfy the requirements for purchase of the good or service directly from a vendor as provided in section 8A.311, subsection 10, paragraph "*a*".

*b.* The agency is purchasing the good or service pursuant to another contract in effect on the effective date of the master contract. However, the agency shall terminate the other contract if the contract permits the termination of the contract without penalty and the agency shall not renew the other contract beyond the current term of the other contract.

2010 Acts, ch 1031, §73

Requirements for state government purchasing efforts to be administered by the department of administrative services; 2010 Acts, ch 1031, §76; 2011 Acts, ch 131, §109

**8A.312 Cooperative purchasing.**

The director may purchase items through any agency specifically exempted by law from centralized purchasing as well as from other interstate and intergovernmental entities. The department shall collaborate and cooperate with the state board of regents and institutions under the control of the state board of regents, as provided in section 262.9B, and any other state agency exempt from centralized purchasing to explore joint purchases of general use items that present opportunities to obtain quality goods and services at the lowest reasonable cost.

2003 Acts, ch 145, §31; 2010 Acts, ch 1031, §74

Requirements for state government purchasing efforts to be administered by the department of administrative services; 2010 Acts, ch 1031, §76; 2011 Acts, ch 131, §109

**8A.313 Disputes involving purchasing from Iowa state industries.**

Disputes arising between the department of corrections and a purchasing department or agency over the procurement of products from Iowa state industries as described in section 904.808 shall be referred to the director. The decision of the director is final unless a written appeal is filed with the executive council within five days of receipt of the decision of the director, excluding Saturdays, Sundays, and legal holidays. If an appeal is filed, the executive council shall hear and determine the appeal within thirty days. The decision of the executive council is final.

2003 Acts, ch 145, §32

Referred to in §904.808

**8A.314 Purchasing revolving fund.**

1. A purchasing revolving fund is established within the department. The director shall keep an accurate itemized account for each state agency purchasing through the department, using services provided for by the department, and using postage supplied by the department.

2. At the end of each month the director shall render a statement to each state agency for the actual cost of items purchased through the department, and the actual cost of services and postage used by the agency. The monthly statement shall also include a fair proportion of the administrative costs of the department during the month. The portion of administrative costs shall be determined by the director subject to review by the executive council upon complaint from any state agency adversely affected.

3. Statements rendered to the various state agencies shall be paid by the state agencies in the manner determined by the department. When the statements are paid the sums shall be credited to the purchasing revolving fund. If any funds accrue to the revolving fund in excess

of two hundred twenty-five thousand dollars and there is no anticipated need or use for such funds, the governor shall order the excess funds credited to the general fund of the state.

2003 Acts, ch 145, §33

**8A.315 State purchases — recycled products — soybean-based inks.**

1. When purchasing paper products other than printing and writing paper, the department shall, when the price is reasonably competitive and the quality as intended, purchase the recycled product. The department shall also purchase, when the price is reasonably competitive and the quality as intended, and in keeping with the schedule established in this subsection, soybean-based inks and plastic products with recycled content including but not limited to plastic garbage can liners.

*a.* One hundred percent of the purchases of inks which are used for newsprint printing services performed internally or contracted for by the department shall be soybean-based.

*b.* One hundred percent of the purchases of inks, other than inks which are used for newsprint printing services, and which are used internally or contracted for by the department, shall be soybean-based to the extent formulations for such inks are available.

*c.* A minimum of fifty percent of the purchases of garbage can liners made by the department shall be plastic garbage can liners with recycled content.

*d.* For purposes of this subsection, *"recycled content"* means that the content of the product contains a minimum of thirty percent postconsumer material.

2. *a.* Except as otherwise provided in this section, the department shall purchase and use recycled printing and writing paper so that ninety percent of the volume of printing and writing paper purchased is recycled paper. The recycled printing and writing paper shall meet the requirements for procuring recycled printing and writing paper set forth in 40 C.F.R. pt. 247, and in related recovered materials advisory notices issued by the United States environmental protection agency.

*b.* The department shall establish a prioritization procedure for the purchase of recycled paper which provides for a five percent differential in the cost of the purchase of paper which has been recycled through the use of a nonchlorinated process.

*c.* If a provision under this subsection results in the limitation of sources for the purchase of printing and writing paper to three or fewer sources, the department may waive the requirement in order to purchase necessary amounts of printing and writing paper.

*d.* Notwithstanding the requirements of this subsection regarding the purchase of recycled printing and writing paper, the department shall purchase acid-free permanent paper in the amount necessary for the production or reproduction of documents, papers, or similar materials produced or reproduced for permanent preservation pursuant to law.

3. The department, in conjunction with the department of natural resources, shall review the procurement specifications currently used by the state to eliminate, wherever possible, discrimination against the procurement of products manufactured with recovered materials and soybean-based inks.

4. The department of natural resources shall assist the department in locating suppliers of recycled products and soybean-based inks and collecting data on recycled content and soybean-based ink purchases.

5. Information on recycled content shall be requested on all bids for paper products other than printing and writing paper issued by the state and on other bids for products which could have recycled content such as oil, plastic products, including but not limited to compost materials, aggregate, solvents, soybean-based inks, and rubber products. Except for purchases of printing and writing paper made pursuant to subsection 2, paragraphs "*c*" and "*d*", the department shall require persons submitting bids for printing and writing paper to certify that the printing and writing paper proposed complies with the requirements referred to in subsection 2, paragraph "*a*".

6. The department, in conjunction with the department of natural resources, shall adopt rules to administer this section.

7. All state agencies shall fully cooperate with the department and with the department of natural resources in all phases of implementing this section.

8. The department, whenever technically feasible, shall purchase and use degradable

loose foam packing material manufactured from grain starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources. For the purposes of this subsection, *"packing material"* means material, other than an exterior packing shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

2003 Acts, ch 145, §34; 2004 Acts, ch 1101, §6; 2011 Acts, ch 127, §34, 89
Referred to in §8A.315A, 8A.317, 216B.3, 262.9, 307.21

**8A.315A Purchase of chain-of-custody paper.**

1. Notwithstanding any requirements under section 8A.315 related to the purchase of recycled paper to the contrary, the department may use certified chain-of-custody paper as provided in this section in lieu of recycled paper. The department shall adopt rules related to the use of chain-of-custody paper.

2. As used in this section, unless the context otherwise requires, *"certified chain-of-custody paper"* means paper that has been certified pursuant to a process that tracks and records the possession and transfer of wood and fiber used to make paper through the different states of production to the end user of the paper. The department shall adopt rules defining *"certified chain-of-custody paper"* consistent with the certification requirements established by independent entities such as the forest stewardship council, sustainable forest initiative, or other similar entity.

2010 Acts, ch 1189, §37

**8A.316 Lubricants and oils — preferences.**

The department shall do all of the following:

1. Develop its procedures and specifications for the purchase of lubricating oil and industrial oil to eliminate exclusion of recycled oils and any requirement that oils be manufactured from virgin materials.

2. Require that purchases of lubricating oil and industrial oil be made from the seller whose oil product contains the greatest percentage of recycled oil, unless one of the following circumstances regarding a specific oil product containing recycled oil exists:

*a.* The product is not available within a reasonable period of time or in quantities necessary or in container sizes appropriate to meet a state agency's needs.

*b.* The product does not meet the performance requirements or standards recommended by the equipment or vehicle manufacturer, including any warranty requirements.

*c.* The product is available only at a cost greater than one hundred five percent of the cost of comparable virgin oil products.

3. Establish and maintain a preference program for procuring oils containing the maximum content of recycled oil. The preference program shall include but is not limited to all of the following:

*a.* The inclusion of the preferences for recycled oil products in publications used to solicit bids from suppliers.

*b.* The provision of a description of the recycled oil procurement program at bidders' conferences.

*c.* Discussion of the preference program in lubricating oil and industrial oil procurement solicitations or invitations to bid.

*d.* Efforts to inform industry trade associations about the preference program.

4. *a.* Provide that when purchasing hydraulic fluids, greases, and other industrial lubricants, the department or a state agency authorized by the department to directly purchase hydraulic fluids, greases, and other industrial lubricants shall give preference to purchasing biobased hydraulic fluids, greases, and other industrial lubricants manufactured from soybeans.

*b.* Provide for the implementation of requirements necessary in order to carry out this subsection by the department or state agency making the purchase, which shall include all of the following:

(1) Including the preference requirements in publications used to solicit bids for hydraulic fluids, greases, and other industrial lubricants.

(2) Describing the preference requirements at bidders' conferences in which bids for the sale of hydraulic fluids, greases, and other industrial lubricants are sought by the department or authorized state agency.

(3) Discussing the preference requirements in procurement solicitations or invitations to bid for hydraulic fluids, greases, and other industrial lubricants.

(4) Informing industry trade associations about the preference requirements.

*c.* As used in this subsection, unless the context otherwise requires:

(1) *"Biobased hydraulic fluids, greases, and other industrial lubricants"* means the same as defined by the United States department of agriculture, if the department has adopted such a definition. If the United States department of agriculture has not adopted a definition, *"biobased hydraulic fluids, greases, and other industrial lubricants"* means hydraulic fluids, greases, and other lubricants containing a minimum of fifty-one percent soybean oil.

(2) *"Other industrial lubricants"* means lubricants used or applied to machinery.

2003 Acts, ch 145, §35; 2005 Acts, ch 19, §10; 2011 Acts, ch 25, §3, 4
Referred to in §8A.311, 8A.317, 216B.3, 260C.19B, 262.9, 262.25B, 307.21, 904.312B

**8A.317 State purchases — designated biobased products.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Biobased material"* means a material in which carbon is derived in whole or in part from a renewable resource.

*b.* *"Biobased product"* means a product generated by blending or assembling of one or more biobased materials, either exclusively or in combination with nonbiobased materials, in which the biobased material is present as a quantifiable portion of the total mass of the product.

*c.* *"Designated biobased product"* means a biobased product and includes a product determined by the United States department of agriculture to be a commercial or industrial product, other than food or feed, that is composed, in whole or in significant part, of biological products, including renewable domestic agricultural materials including plant, animal, and marine materials, or forestry materials as provided in 7 U.S.C. § 8102.

2. The department shall do all of the following:

*a.* Develop procedures and specifications for the purchase of designated biobased products. The department may develop specifications after consulting guidelines or regulations promulgated by the United States department of agriculture pursuant to section 7 U.S.C. § 8102.

*b.* Require that a purchase of a designated biobased product be made from the seller whose designated biobased product contains the greatest percentage of biobased materials, unless any of the following applies:

(1) The designated biobased product is not available within a reasonable period of time or in quantities necessary or in container sizes appropriate to meet a state agency's needs.

(2) The designated biobased product does not meet performance requirements or standards recommended by a manufacturer, including any warranty requirements.

(3) The designated biobased product does not meet the functional requirements and evaluation criteria identified in bid documents. Functional requirements to be considered may include but are not limited to the designated biobased product's conformance with ASTM (American society for testing and materials) international standards.

(4) The purchase of the designated biobased product conflicts with section 8A.311, subsection 1, paragraph *"a"*.

(5) The designated biobased product is available only at a cost greater than one hundred five percent of the cost of comparable products which are not biobased.

*c.* Establish and maintain a preference program for procuring the maximum content of biobased materials in biobased products. The preference program shall include but is not limited to all of the following:

(1) The inclusion of preferences for designated biobased products in publications used to solicit bids from suppliers.

(2) The provision of a description of the preference program at bidders' conferences.

(3) Discussion of the preference program in requests for proposals or invitations to bid.

(4) Efforts to inform industry trade associations about the preference program.

3. This section does not apply to a biobased product which is subject to requirements for procurement in another provision of this chapter including but not limited to any of the following:

*a.* Soybean-based ink as provided in section 8A.315.

*b.* Degradable loose foam packing material manufactured from grain starches or other renewable resources as provided in section 8A.315.

*c.* A biobased hydraulic fluid, grease, or other industrial lubricant as provided in section 8A.316.

4. When evaluating a bid for the purchase of designated biobased products, the department may take into consideration warranty provisions and life cycle cost estimates.

2008 Acts, ch 1104, §2; 2012 Acts, ch 1021, §3

Referred to in §8A.311, 216B.3, 260C.19C, 262.25C, 307.21, 904.312C

**8A.318 Building cleaning and maintenance — environmentally preferable cleaning products.**

1. *Findings and intent.* The general assembly finds that human beings are vulnerable to and may be severely affected by exposure to chemicals, hazardous waste, and other environmental hazards. The federal environmental protection agency estimates that human exposure to indoor air pollutants can be two to five times, and up to one hundred times, higher than outdoor levels. Children, teachers, janitors, and other staff members spend a significant amount of time inside school buildings. Likewise, state employees and citizens of this state spend a significant amount of time inside state buildings. These individuals are continuously exposed to chemicals from cleaners, waxes, deodorizers, and other maintenance products.

2. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Environmentally preferable cleaning and maintenance products"* includes but is not limited to cleaning and maintenance products identified by the department and posted on the department's internet site.

*b.* *"State building"* means a public facility or building owned by or leased by the state, or an agency or department of the state.

3. *Use of environmentally preferable cleaning and maintenance products.*

*a.* All school districts in this state, community colleges, institutions under the control of the state board of regents, and state agencies utilizing state buildings, are encouraged to conform to an environmentally preferable cleaning policy designed to facilitate the purchase and use of environmentally preferable cleaning and maintenance products for purposes of public school, community college, regents institution, and state building cleaning and maintenance.

*b.* Each school district, community college, institution under the control of the state board of regents, or state agency utilizing public buildings shall conduct an evaluation and assessment regarding implementation of an environmentally preferable cleaning policy pursuant to this section. On or after July 1, 2012, all state agencies, and all school districts, community colleges, and institutions under the control of the state board of regents which have not opted out of compliance pursuant to paragraph "*c*", shall purchase only cleaning and maintenance products identified by the department or that meet nationally recognized standards. School districts, community colleges, institutions under the control of the state board of regents, and state agencies procuring supplies for schools and state buildings may deplete their existing cleaning and maintenance supply stocks and implement the new requirements in the procurement cycle for the following year. This section shall not be interpreted in a manner that prohibits the use of disinfectants, disinfecting cleaners, sanitizers, or any other antimicrobial product regulated by the federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq., when necessary to protect public health and provided that the use of these products is in accordance with responsible cleaning procedure requirements.

*c.* A school district, community college, or institution under the control of the state board of regents may, based upon the evaluation and assessment conducted pursuant to paragraph

*"b"*, opt out of compliance with the requirements of this section upon the affirmative vote of a majority of the members of the board of directors of the school district or a determination by the president of the community college or by the president or administrative officer of the regents institution. A school district, community college, or regents institution opting out of compliance pursuant to this paragraph shall notify the department of education, the state board of education, or the state board of regents, as appropriate, of this decision.

4. *Information requirements — department internet site.* The department shall provide information on the department's internet site regarding environmentally preferable cleaning and maintenance products used by the department. The department may also provide information regarding other cleaning and maintenance products that the department is aware of that meet nationally recognized standards. Information shall also be provided, at the discretion of the department, regarding the nationally recognized standards and the entity establishing the standards.

2010 Acts, ch 1162, §1; 2011 Acts, ch 20, §1

**8A.319 and 8A.320** Reserved.

## PART 3

## PHYSICAL RESOURCES AND FACILITY MANAGEMENT

**8A.321 Physical resources and facility management — director duties — appropriation.**

In managing the physical resources of government, the director shall perform all of the following duties:

1. Provide for supervision over the custodians and other employees of the department in and about the state laboratories facility in Ankeny and in and about the capitol and other state buildings at the seat of government, except the buildings and grounds referred to in section 216B.3, subsection 6.

2. Institute, in the name of the state, and with the advice and consent of the attorney general, civil and criminal proceedings against any person for injury or threatened injury to any public property, including but not limited to intangible and intellectual property, under the person's control.

3. Under the direction of the governor, provide, furnish, and pay for public utilities service, heat, maintenance, minor repairs, and equipment in operating and maintaining the official residence of the governor of Iowa.

4. Contract, with the approval of the executive council, for the repair, remodeling, or, if the condition warrants, demolition of all buildings and grounds of the state at the seat of government, at the state laboratories facility in Ankeny, and the institutions of the department of human services and the department of corrections for which no specific appropriation has been made, if the cost of repair, remodeling, or demolition will not exceed one hundred thousand dollars when completed. The cost of repair projects for which no specific appropriation has been made shall be paid as an expense authorized by the executive council as provided in section 7D.29.

5. Dispose of all personal property of the state under the director's control as provided by section 8A.324 when it becomes unnecessary or unfit for further use by the state. If the director concludes that the personal property is contaminated, contains hazardous waste, or is hazardous waste, the director may charge the state agency responsible for the property for removal and disposal of the personal property. The director shall adopt rules establishing the procedures for inspecting, selecting, and removing personal property from state agencies or from state storage.

6. *a.* Lease all buildings and office space necessary to carry out the provisions of this subchapter or necessary for the proper functioning of any state agency wherever located throughout the state. For state agencies at the seat of government, the director may lease buildings and office space in Polk county or in a county contiguous to Polk county. If

no specific appropriation has been made, the proposed lease shall be submitted to the executive council for authorization and if authorized lease expense shall be paid from the appropriations addressed in section 7D.29. An office space lease shall not be terminated at a time when either contract damages or early termination penalties may be applicable for doing so. Additionally, the director shall also develop cooperative relationships with the state board of regents in order to promote colocation of state agencies.

*b.* When the general assembly is not in session, the director may request an expense authorization from the executive council for moving state agencies from one location to another. The request may include moving costs, telecommunications costs, repair costs, or any other costs relating to the move. The executive council may authorize the expenses and may authorize the expenses to be paid from the appropriations addressed in section 7D.29 if it determines the agency or department does not have funds available for these expenses.

*c.* (1) The department shall annually issue a request for proposals for leasing privately owned office space for state employees in the downtown area of the city of Des Moines. Prior to replacing or renovating publicly owned buildings or relocating any state agencies to any space in publicly owned buildings, the department shall use such proposals to compare the costs of privately owned space to publicly owned space. The department shall locate state employees in office space in the most cost-efficient manner possible. In determining cost efficiency, the department shall consider all costs of the publicly owned space, the costs of the original acquisition of the publicly owned space, the costs of tenant improvements to the publicly owned space, and the anticipated economic and useful life of the publicly owned building space.

(2) Subparagraph (1) shall not apply when emergency circumstances exist. Actions taken during an emergency which would otherwise violate subparagraph (1) shall be limited in scope and duration to meet the emergency. An emergency includes but is not limited to a condition that does any of the following:

(a) Threatens public health, welfare, or safety.

(b) In which there is a need to protect the health, welfare, or safety of persons occupying or visiting a public improvement or property located adjacent to the public improvement.

(c) In which the department or agency must act to preserve critical services or programs.

(d) In which the need is a result of events or circumstances not reasonably foreseeable.

*d.* This subsection shall not apply to the department of public defense or the armory board.

7. Unless otherwise provided by law, coordinate the location, design, plans and specifications, construction, and ultimate use of the real or personal property to be purchased by a state agency for whose benefit and use the property is being obtained.

*a.* If the purchase of real or personal property is to be financed pursuant to section 12.28, the department shall cooperate with the treasurer of state in providing the information necessary to complete the financing of the property.

*b.* A contract for acquisition, construction, erection, demolition, alteration, or repair by a private person of real or personal property to be lease-purchased by the treasurer of state pursuant to section 12.28 is exempt from section 8A.311, subsections 1 and 11, unless the lease-purchase contract is funded in advance by a deposit of the lessor's moneys to be administered by the treasurer of state under a lease-purchase contract which requires rent payments to commence upon delivery of the lessor's moneys to the lessee.

8. With the authorization of a constitutional majority of each house of the general assembly and approval by the governor, dispose of real property belonging to the state and its state agencies upon terms, conditions, and consideration as the director may recommend. If real property subject to sale under this subsection has been purchased or acquired from appropriated funds, the proceeds of the sale shall be deposited with the treasurer of state and credited to the general fund of the state or other fund from which appropriated. There is appropriated from that same fund, with the prior approval of the executive council and in cooperation with the director, a sum equal to the proceeds so deposited and credited to the state agency to which the disposed real property belonged or by which it was used, for purposes of the state agency.

9. *a.* With the approval of the executive council pursuant to section 7D.29 or pursuant

to other authority granted by law, acquire real property to be held by the department in the name of the state as follows:

(1) By purchase, lease, option, gift, grant, bequest, devise, or otherwise.

(2) By exchange of real property belonging to the state for property belonging to another person.

*b.* If real property acquired by the department in the name of the state is subject to a lease in effect at the time of acquisition, the director may honor and maintain the existing lease subject to the following requirements:

(1) The lease shall not be renewed beyond the term of the existing lease including any renewal periods under the lease that are solely at the discretion of the lessee.

(2) The lease shall not be renewed by the department as the lessor if the lessor has discretion to not renew under the existing lease.

(3) The lease shall not be maintained for a period in excess of ten years from the date of acquisition of the real property, including any renewal periods, without the approval of the executive council.

(4) The lease shall not be maintained if the lessee at the time of the acquisition ceases to occupy the leased property.

10. Subject to the selection procedures of section 12.30, employ financial consultants, banks, insurers, underwriters, accountants, attorneys, and other advisors or consultants necessary to implement the provisions of subsection 7.

11. Prepare annual status reports for all capital projects in progress of the department, and submit the status reports to the legislative services agency and the department of management on or before January 15 of each year.

12. In carrying out the requirements of section 64.6, purchase an individual or a blanket surety bond insuring the fidelity of state officers. The department may self-assume or self-insure fidelity exposures for state officials and employees. A state official is deemed to have furnished surety if the official has been covered by a program of insurance or self-insurance established by the department. To the extent possible, all bonded state employees shall be covered under one or more blanket bonds or position schedule bonds.

13. Review the management of state property loss exposures and state liability risk exposures for the capitol complex. Insurance coverage may include self-insurance or any type of insurance protection sold by insurers, including, but not limited to, full coverage, partial coverage, coinsurance, reinsurance, and deductible insurance coverage.

14. Establish a monument maintenance account in the state treasury under the control of the department. Funds for the maintenance of a state monument, whether received by gift, devise, bequest, or otherwise, shall be deposited in the account. Funds in the account shall be deposited in an interest-bearing account. Notwithstanding section 12C.7, interest earned on the account shall be deposited in the account and shall be used to maintain the designated monument. Any maintenance funds for a state monument held by the state and interest earned on the funds shall be used to maintain the designated monument. Notwithstanding section 8.33, funds in the monument maintenance account at the end of a fiscal year shall not revert to the general fund of the state.

2003 Acts, ch 145, §36; 2004 Acts, ch 1101, §7; 2006 Acts, ch 1179, §36; 2006 Acts, ch 1182, §56; 2007 Acts, ch 115, §7; 2007 Acts, ch 219, §31; 2008 Acts, ch 1032, §201; 2009 Acts, ch 28, §1; 2011 Acts, ch 122, §9, 10; 2011 Acts, ch 127, §35, 89; 2011 Acts, ch 131, §16, 17, 158; 2011 Acts, ch 133, §23, 50; 2012 Acts, ch 1072, §1

Referred to in §8A.111, 8A.327, 99D.5, 99D.6, 303.2, 303.9

**8A.322 Buildings and grounds — services — public use.**

1. The director shall provide necessary lighting, fuel, and water services for the state laboratories facility in Ankeny and for the state buildings and grounds located at the seat of government, except the buildings and grounds referred to in section 216B.3, subsection 6.

2. Except for buildings and grounds described in section 216B.3, subsection 6; section 2.43, unnumbered paragraph 1; and any buildings under the custody and control of the Iowa public employees' retirement system, the director shall assign office space at the capitol, other state buildings, and elsewhere in the city of Des Moines, and the state laboratories facility in

Ankeny, for all executive and judicial state agencies. Assignments may be changed at any time. The various officers to whom rooms have been so assigned may control the same while the assignment to them is in force. Official apartments shall be used only for the purpose of conducting the business of the state. The term *"capitol"* or *"capitol building"* as used in the Code shall be descriptive of all buildings upon the capitol grounds. The capitol building itself is reserved for the operations of the general assembly, the governor, and the courts and the assignment and use of physical facilities for the general assembly shall be pursuant to section 2.43.

3. The director shall establish, publish, and enforce rules regulating and restricting the use by the public of the capitol buildings and grounds and of the state laboratories facility in Ankeny. The rules when established shall be posted in conspicuous places about the capitol buildings and grounds and the state laboratories facility, as applicable. Any person violating any rule, except a parking regulation, shall be guilty of a simple misdemeanor.

2003 Acts, ch 145, §37; 2004 Acts, ch 1101, §8

**8A.323 Parking regulations.**

1. The director shall establish, publish, and enforce rules regulating, restricting, or prohibiting the use by state officials, state employees, and the public, of motor vehicle parking facilities at the state capitol complex and at the state laboratories facility in Ankeny. The assignment of legislative parking spaces shall be under the control of the legislative council. The rules established by the director may establish fines for violations and a procedure for payment of the fines. The director may order payment of a fine and enforce the order in the district court.

2. Motor vehicles parked in violation of the rules may be removed without the owner's or operator's consent and at the owner's or operator's expense. Motor vehicles removed and not claimed within thirty days of their removal or vehicles abandoned within the capitol grounds may be disposed of in accordance with the provisions of sections 321.85 through 321.91.

3. The parking rules established shall be posted in conspicuous places at the capitol complex and at the state laboratories facility in Ankeny, as applicable. Copies of the rules shall be made available to all state officials and employees and any other person who requests a copy of the rules.

4. Except as provided in subsection 5, all fines collected by the department shall be forwarded to the treasurer of state and deposited in the general fund of the state.

5. Any fine that remains unpaid upon becoming delinquent may be collected by the department pursuant to the setoff procedures provided for in section 8A.504. For purposes of this subsection, a fine becomes delinquent if it has not been paid within thirty days of the date of the issuance of the parking citation, unless a written request for a hearing is filed as provided pursuant to the rules of the department. If an appeal is filed and the citation is upheld, the fine becomes delinquent ten days after the issuance of the final decision on the appeal or thirty-one days after the date of the issuance of the parking citation, whichever is later.

2003 Acts, ch 145, §38; 2005 Acts, ch 52, §4, 5

**8A.324 Disposal of personal property.**

1. The director may dispose of personal property of the state under the director's control by any of the following means:

*a.* The director may dispose of unfit or unnecessary personal property by sale. Proceeds from the sale of personal property shall be deposited in the general fund of the state.

*b.* If the director concludes that the personal property has little or no value, the director may enter into an agreement with a not-for-profit organization or governmental agency to dispose of the personal property.

*c.* The director may dispose of presses, printing equipment, printing supplies, and other machinery or equipment used in the printing operation.

2. A not-for-profit organization or governmental agency that enters into an agreement with the director pursuant to subsection 1 may charge the state agency in control of the property with the cost of removing and transporting the property. Title to the personal

property shall transfer when the personal property is in the possession of the not-for-profit organization or governmental agency. If a governmental agency adds value to the property transferred to it and sells it, the proceeds from the sale shall be deposited with the governmental agency and not in the general fund of the state. The not-for-profit organization or governmental agency may sell or otherwise transfer the personal property received from the department to any person that the department would be able to sell or otherwise transfer such property to under this chapter, including but not limited to the general public. The authority granted to sell or otherwise transfer personal property pursuant to this subsection supersedes any other restrictions applicable to the not-for-profit organization or governmental agency, but only for purposes of the personal property received from the department.

2003 Acts, ch 145, §39; 2005 Acts, ch 52, §6; 2006 Acts, ch 1030, §2; 2008 Acts, ch 1031, §76
Referred to in §8A.321, 303.2

**8A.325 Services and commodities accepted.**

The director may accept services, commodities, and surplus property and make provision for warehousing and distribution to various departments and governmental subdivisions of the state, and such other agencies, institutions, and authorized recipients within the state as may be from time to time designated in federal statutes and rules.

2003 Acts, ch 145, §40
Referred to in §809A.17

**8A.326 Terrace Hill commission.**

1. The Terrace Hill commission is created consisting of nine persons, appointed by the governor, who are knowledgeable in business management and historic preservation and renovation. The governor shall appoint the chairperson. The terms of the commission members are for three years beginning on July 1 and ending on June 30.

2. The governor may appoint an administrator of the Terrace Hill facility who may perform any acts which are necessary or desirable to coordinate the administration of the Terrace Hill facility.

3. The purpose of the Terrace Hill commission is to provide for the preservation, maintenance, renovation, landscaping, and administration of the Terrace Hill facility. The Terrace Hill facility includes the Terrace Hill mansion, carriage house, grounds, historical collections, and all other related property.

4. The Terrace Hill commission may enter into contracts, subject to this chapter, to execute its purposes, including, without limitation, contracts authorizing nonprofit organizations acting solely for the benefit and support of the Terrace Hill facility to do any of the following:

*a.* Solicit funds and accept donations, gifts, and bequests approved by the commission and in accordance with priorities established by the commission.

*b.* Administer a Terrace Hill membership program.

*c.* Maintain the Terrace Hill historical collections.

5. The commission may adopt rules to administer the programs of the commission. The decision of the commission is final agency action under chapter 17A.

2003 Acts, ch 145, §41; 2013 Acts, ch 135, §63 – 65
NEW subsection 2 and former subsection 2 stricken, rewritten, and renumbered as 3
Former subsection 3 amended and renumbered as 4
Former subsection 4 renumbered as 5

**8A.327 Rent revolving fund created — purpose.**

1. A rent revolving fund is created in the state treasury under the control of the department to be used by the department to pay the lease or rental costs of all buildings and office space necessary for the proper functioning of any state agency, except the department of public defense or the armory board, wherever located throughout the state as provided in section 8A.321, subsection 6, except that this fund shall not be used to pay the rental or lease costs of a state agency which has not received funds budgeted for rental or lease purposes.

2. The director shall pay the lease or rental fees to the renter or lessor and submit a monthly statement to each state agency for which building and office space is rented or

leased. If the director pays the lease or rental fees on behalf of a state agency, the state agency's payment to the department shall be credited to the rent revolving fund established by this section. With the approval of the director, a state agency may pay the lease or rental cost directly to the person who is due the payment under the lease or rental agreement.

2003 Acts, ch 145, §42; 2011 Acts, ch 127, §36, 89; 2012 Acts, ch 1072, §2
Referred to in §303.9

**8A.328 Recycling revolving fund.**

A recycling revolving fund is created within the state treasury under the control of the department. The fund shall consist of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the department from the federal government or private sources for placement in the fund. The assets of the fund shall be used by the department only for supporting recycling operations. Moneys in the fund shall be drawn upon the written requisition of the director or an authorized representative of the director. The fund is subject to an annual audit by the auditor of state. Section 8.33 does not apply to any moneys in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2003 Acts, ch 145, §43

**8A.329 Wastepaper recycling program.**

1. The department in accordance with recommendations made by the department of natural resources shall require all state agencies to establish an agency wastepaper recycling program. The director shall adopt rules which require a state agency to develop a program to ensure the recycling of the wastepaper generated by the agency. All state employees shall practice conservation of paper materials.

2. For the purposes of this section, *"agency wastepaper"* means wastepaper or wastepaper products generated by the agency.

3. The rules adopted by the director shall provide for the continuation of existing state agency contracts which provide for alternative waste management not including incineration or land burial of agency wastepaper.

2003 Acts, ch 145, §44
Referred to in §216B.3, 262.9, 307.21

**8A.330 New construction — return on investment.** Repealed by 2007 Acts, ch 219, § 42.

**8A.331 through 8A.340** Reserved.

## PART 4

## PRINTING

**8A.341 State printing — duties.**

The director shall do all of the following as it relates to printing:

1. Provide general supervision of all matters pertaining to public printing, including the enforcement of contracts for printing, except as otherwise provided by law. The supervision shall include providing guidelines for the letting of contracts for printing, the manner, form, style, and quantity of public printing, and the specifications and advertisements for public printing. In addition, the director shall have charge of office equipment and supplies and of the stock, if any, required in connection with printing contracts.

2. If money is appropriated for this purpose, by November 1 of each year supply a report which contains the name, gender, county, or city of residence when possible, official title, salary received during the previous fiscal year, base salary as computed on July 1 of the current fiscal year, and traveling and subsistence expense of the personnel of each of the departments, boards, and commissions of the state government except personnel who receive an annual salary of less than one thousand dollars. The number of the personnel and the total amount received by them shall be shown for each department in the report. All employees

who have drawn salaries, fees, or expense allowances from more than one department or subdivision shall be listed separately under the proper departmental heading. On the request of the director, the head of each department, board, or commission shall furnish the data covering that agency. The report shall be distributed upon request without charge in an electronic medium to each caucus of the general assembly, the legislative services agency, the chief clerk of the house of representatives, and the secretary of the senate. Copies of the report shall be made available to other persons in an electronic medium upon payment of a fee, which shall not exceed the cost of providing the copy of the report. Sections 22.2 through 22.5 apply to the report. All funds from the sale of the report shall be deposited in the printing revolving fund established in section 8A.345.

3. Deposit receipts from the sale of presses, printing equipment, printing supplies, and other machinery or equipment used in the printing operation in the printing revolving fund established in section 8A.345.

2003 Acts, ch 35, §46, 49; 2003 Acts, ch 145, §45; 2005 Acts, ch 52, §7; 2011 Acts, ch 106, §1, 17

Referred to in §8A.111

Style, publication, and distribution of Iowa Code and Code Supplement, Iowa Acts, Iowa administrative code, Iowa administrative bulletin, and Iowa court rules; §2.42, 2A.5, 2A.6

**8A.342 Contracts with state institutions.**

The director may, without advertising for bids, enter into contracts or make provision for doing any of the work coming under the provisions of chapter 7A and this subchapter at any school or institution under the ownership or control of the state. The work shall be done under conditions substantially the same as those provided for in the case of contracts with individuals and the same standard of quality or product shall be required.

2003 Acts, ch 145, §46

**8A.343 Specifications and requirements.**

The director shall, from time to time, adopt and print specifications and requirements covering all matters relating to printing that are the subject of contracts.

2003 Acts, ch 145, §47

**8A.344 Public printing — bidding procedures.**

1. The director shall advertise for bids for public printing. Advertisements shall state where and how specifications and other necessary information may be obtained, the time during which the director will receive bids, and the day, hour, and place when bids will be publicly opened or accessed, and the manner by which the contracts will be awarded.

2. The director shall supply prospective bidders and others on request with the specifications and requirements, blank forms for bids, samples of printing so far as possible, and all other information pertaining to the subject.

3. The specifications shall be kept on file in the office of the director, open to public inspection, together with samples so far as possible, of the work to be done or the material to be furnished.

4. Bids submitted must be:

*a.* Secured in writing, by telephone, by facsimile, or in a format prescribed by the director as indicated in the bid specifications.

*b.* Signed by the bidder, or if a telephone or electronic bid, confirmed by the bidder in a manner prescribed by the director.

*c.* Submitted in a format prescribed by the director which reasonably assures the authenticity of the bid and the bidder's identity.

*d.* Submitted to the department as specified by the date and time established in the advertisements for bids.

5. When a bidder submits a bid to the department, the director may require the bidder to file a bid bond or a certified or cashier's check payable to the treasurer of state in an amount to be fixed in the bid specifications, either covering all classes or items or services, or separate certified or cashier's checks for each bid in case the bidder makes more than one bid. In lieu of a certified or cashier's check, the bidder may furnish a yearly bond in an amount to be

established by the director. Certified or cashier's checks deposited by unsuccessful bidders, and by successful bidders when they have entered into the contract, shall be returned to them.

6. All bids shall be publicly opened or accessed and read and the contracts awarded in the manner designated in the bid specifications. In the award of a contract, due consideration shall be given to the price bid, mechanical and other equipment proposed to be used by the bidder, the financial responsibility of the bidder, the bidder's ability and experience in the performance of similar contracts, and any other factors that the department determines are relevant and that are included in the bid specifications.

7. The director shall have the right to reject any or all bids, and in case of rejection or because of failure of a bidder to enter into a contract, the director may advertise for and secure new bids.

8. When the director is satisfied that bidders have presented bids pursuant to an agreement, understanding, or combination to prevent free competition, the director shall reject all of them and readvertise for bids as in the first instance.

2003 Acts, ch 145, §48

**8A.345 Printing revolving fund.**

A revolving fund is created in the state treasury under the control of the department and may be used in making payments for supplying paper stock, offset printing, copy preparation, binding, distribution costs, and original payment of printing and binding claims for any of the state departments, bureaus, commissions, or institutions. All salaries and expenses properly chargeable to the fund shall be paid from the fund. The director may also use the fund for the purchase of replacement or additional equipment if a sufficient balance will remain in the fund to enable the continued operation of the printing operations of the department.

2003 Acts, ch 145, §49

Referred to in §7A.27, 8A.341

**8A.346 through 8A.350** Reserved.

## PART 5

## DOCUMENT MANAGEMENT

**8A.351 Distribution of documents — general provisions.**

If money is appropriated for this purpose, the director shall do all of the following:

1. The director shall require from officials or heads of departments mailing lists, or addressed labels or envelopes, for use in distribution of reports and documents. The director shall revise such lists, eliminating duplications and adding to the lists libraries, institutions, public officials, and persons having actual use for the material. The director shall arrange the lists so as to reduce to the minimum the postage or other cost for delivery. Requests for publications shall be handled only upon receipt of postage by the director from the requesting agency or department.

2. The director shall furnish the various officials and departments with copies of their reports needed for office use or to be distributed to persons requesting the reports. Requests for publications shall be handled only upon receipt of postage by the director.

3. The director may send additional copies of publications to other state officials, individuals, institutions, libraries, or societies that may request them. Requests for publications shall be handled only upon receipt of postage by the director.

2003 Acts, ch 145, §50

**8A.352 through 8A.360** Reserved.

## PART 6

## FLEET MANAGEMENT

**8A.361 Vehicle assignment — authority in department.**

The department shall provide for the assignment of all motor vehicles utilized by all state officers and employees, and by all state offices, departments, bureaus, and commissions, except the state department of transportation, institutions under the control of the state board of regents, the department for the blind, and any other agencies exempted by law.

2003 Acts, ch 145, §51; 2011 Acts, ch 127, §37, 89

Referred to in §8A.366

**8A.362 Fleet management — powers and duties — fuel economy requirements.**

1. The director may provide for the assignment to a state officer or employee or to a state agency, of one or more motor vehicles which may be required by the state officer or employee or state agency, after the state officer or employee or state agency has shown the necessity for such transportation. The director may assign a motor vehicle either for part-time or full-time use. The director may revoke the assignment at any time.

2. The director may cause all state-assigned motor vehicles to be inspected periodically. Whenever the inspection reveals that repairs have been improperly made on the motor vehicle or that the operator is not giving the motor vehicle the proper care, the director shall report this fact to the head of the state agency to which the motor vehicle has been assigned, together with recommendation for improvement.

3. *a.* The director shall provide for a record system for the keeping of records of the total number of miles state-assigned motor vehicles are driven and the per-mile cost of operation of each motor vehicle. Every state officer or employee shall keep a record book to be furnished by the director in which the officer or employee shall enter all purchases of gasoline, lubricating oil, grease, and other incidental expense in the operation of the motor vehicle assigned to the officer or employee, giving the quantity and price of each purchase, including the cost and nature of all repairs on the motor vehicle. Each operator of a state-assigned motor vehicle shall promptly prepare a report at the end of each month on forms furnished by the director and forwarded to the director, giving the information the director may request in the report. Each month, the director shall compile the costs and mileage of state-assigned motor vehicles from the reports and keep a cost history for each motor vehicle and the costs shall be reduced to a cost-per-mile basis for each motor vehicle. The director shall call to the attention of an elected official or the head of any state agency to which a motor vehicle has been assigned any evidence of the mishandling or misuse of a state-assigned motor vehicle which is called to the director's attention.

*b.* A gasoline-powered motor vehicle operated under this subsection shall not operate on gasoline other than ethanol blended gasoline as defined in section 214A.1, unless under emergency circumstances. A diesel-powered motor vehicle operated under this subsection shall not operate on diesel fuel other than biodiesel fuel as defined in section 214A.1, if commercially available. A state-issued credit card shall not be valid to purchase gasoline other than ethanol blended gasoline, if commercially available, or to purchase diesel fuel other than biodiesel fuel, if commercially available. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline or biodiesel fuel, as applicable. However, the sticker is not required to be affixed to an unmarked vehicle used for purposes of providing law enforcement or security.

4. *a.* The director shall provide for the purchase of motor vehicles for all branches of the state government, except the state department of transportation, institutions under the control of the state board of regents, the department for the blind, and any other state agency exempted by law, which are not rented or leased pursuant to section 8A.367. The director shall purchase new vehicles in accordance with competitive bidding procedures for items or services as provided in this subchapter. The director may purchase used or preowned

vehicles at governmental or dealer auctions if the purchase is determined to be in the best interests of the state.

*b.* The director, and any other state agency, which for purposes of this subsection includes but is not limited to community colleges and institutions under the control of the state board of regents, or local governmental subdivisions purchasing new motor vehicles, shall purchase motor vehicles and light trucks, which are not rented or leased pursuant to section 8A.367, so that the average fuel efficiency for the fleet of new passenger vehicles and light trucks purchased in that year equals or exceeds the average fuel economy standard for the vehicles' model year as established by the United States secretary of transportation under 15 U.S.C. § 2002. This paragraph does not apply to vehicles purchased for law enforcement purposes or used for off-road maintenance work, or work vehicles used to pull loaded trailers.

*c.* Not later than June 15 of each year, the director shall report compliance with the corporate average fuel economy standards published by the United States secretary of transportation for assigned motor vehicles, other than motor vehicles purchased by the state department of transportation, institutions under the control of the state board of regents, the department for the blind, and any other state agency exempted from the requirements of this subsection. The report of compliance shall classify the vehicles assigned for the current vehicle model year using the following categories: passenger automobiles, enforcement automobiles, vans, and light trucks. The director shall deliver a copy of the report to the economic development authority. As used in this paragraph, *"corporate average fuel economy"* means the corporate average fuel economy as defined in 49 C.F.R. § 533.5.

*d.* The director shall assign motor vehicles available for use to maximize the average passenger miles per gallon of motor fuel consumed. In assigning motor vehicles, the director shall consider standards established by the director, which may include but are not limited to the number of passengers traveling to a destination, the fuel economy of and passenger capacity of vehicles available for assignment, and any other relevant information, to assure assignment of the most energy-efficient vehicle or combination of vehicles for a trip from those vehicles available for assignment. The standards shall not apply to special work vehicles and law enforcement vehicles. The standards shall apply to the following agencies:

(1) State department of transportation.

(2) Institutions under the control of the state board of regents.

(3) Department for the blind.

(4) Any other state agency exempted from obtaining vehicles for use through the department.

*e.* As used in paragraph *"d"*, *"fuel economy"* means the average number of miles traveled by an automobile per gallon of gasoline consumed as determined by the United States environmental protection agency administrator in accordance with 26 U.S.C. § 4064(c).

5. All used motor vehicles turned in to the director shall be disposed of by public auction, and the sales shall be advertised in a newspaper of general circulation one week in advance of sale, and the receipts from the sale shall be deposited in the depreciation fund to the credit of the state agency turning in the vehicle; except that, in the case of a used motor vehicle of special design, the director may, instead of selling it at public auction, authorize the motor vehicle to be traded for another vehicle of similar design. If a vehicle sustains damage and the cost to repair exceeds the wholesale value of the vehicle, the director may dispose of the motor vehicle by obtaining two or more written salvage bids and the vehicle shall be sold to the highest responsible bidder.

6. The director may authorize the establishment of motor pools consisting of a number of state-assigned motor vehicles under the director's supervision. The director may store the motor vehicles in a public or private garage. If the director establishes a motor pool, any state officer or employee desiring the use of a state-assigned motor vehicle on state business shall notify the director of the need for a vehicle within a reasonable time prior to actual use of the motor vehicle. The director may assign a motor vehicle from the motor pool to the state officer or employee, or from the vendor awarded a contract pursuant to section 8A.367. If two or more state officers or employees desire the use of a state-assigned motor vehicle for a trip to the same destination for the same length of time, the director may assign one vehicle to make the trip.

7. The director shall require that a sign be placed on each state-owned motor vehicle in a conspicuous place which indicates its ownership by the state. This requirement shall not apply to motor vehicles requested to be exempt by the director or by the commissioner of public safety. All state-owned motor vehicles shall display registration plates bearing the word "official" except motor vehicles requested to be furnished with ordinary plates by the director or by the commissioner of public safety pursuant to section 321.19. The director shall keep an accurate record of the registration plates used on all state-owned motor vehicles. This subsection shall not apply to an assigned vehicle rented or leased pursuant to section 8A.367.

8. All fuel used in state-assigned automobiles shall be purchased at cost from the various installations or garages of the state department of transportation, state board of regents, department of human services, or state motor pools throughout the state, unless the state-owned sources for the purchase of fuel are not reasonably accessible. If the director determines that state-owned sources for the purchase of fuel are not reasonably accessible, the director shall authorize the purchase of fuel from other sources. The director may prescribe a manner, other than the use of the revolving fund, in which the purchase of fuel from state-owned sources is charged to the state agency responsible for the use of the motor vehicle. The director shall prescribe the manner in which oil and other normal motor vehicle maintenance for state-owned motor vehicles may be purchased from private sources, if they cannot be reasonably obtained from a state motor pool. The director may advertise for bids and award contracts in accordance with competitive bidding procedures for items and services as provided in this subchapter for furnishing fuel, oil, grease, and vehicle replacement parts for all state-owned motor vehicles. The director and other state agencies, when advertising for bids for gasoline, shall also seek bids for ethanol blended gasoline.

2003 Acts, ch 145, §52; 2006 Acts, ch 1142, §57, 58, 83; 2007 Acts, ch 115, §8; 2008 Acts, ch 1169, §36, 42; 2009 Acts, ch 108, §4, 41; 2011 Acts, ch 118, §50, 89; 2011 Acts, ch 127, §38 – 40, 58, 89

Referred to in §8A.111, 8A.366, 262.25A
Marking vehicles generally, §721.8
"Official" plates, §321.19, 321.170

**8A.363 Private use prohibited — rate for state business.**

1. A state officer or employee shall not use a state-assigned motor vehicle for personal private use. A state officer or employee shall not be compensated for driving a privately owned motor vehicle unless it is done on state business with the approval of the director. In that case the state officer or employee shall receive an amount to be determined by the director. The amount shall not exceed the maximum allowable under the federal internal revenue service rules per mile, notwithstanding established mileage requirements or depreciation allowances. However, the director may authorize private motor vehicle rates in excess of the rate allowed under the federal internal revenue service rules for state business use of substantially modified or specially equipped privately owned vehicles required by persons with disabilities. A statutory provision establishing reimbursement for necessary mileage, travel, or actual expenses to a state officer falls under the private motor vehicle mileage rate limitation provided in this section unless specifically provided otherwise. Any peace officer employed by the state as defined in section 801.4 who is required to use a private motor vehicle in the performance of official duties shall receive the private vehicle mileage rate at the rate provided in this section. However, the director may delegate authority to officials of the state, and department heads, for the use of private vehicles on state business up to a yearly mileage figure established by the director. If a motor vehicle has been assigned to a state officer or employee, the officer or employee shall not collect mileage for the use of a privately owned motor vehicle unless the motor vehicle assigned is not usable.

2. This section does not apply to any of the following:

*a.* Officials and employees of the state whose mileage is paid other than by a state agency.

*b.* Elected officers of the state.

*c.* Judicial officers or court employees.

*d.* Members and employees of the general assembly who shall be governed by policies

relating to motor vehicle travel, including but not limited to reimbursement for expenses, if such policies are otherwise established by the general assembly.

2003 Acts, ch 145, §53; 2011 Acts, ch 127, §41, 58, 89

Referred to in §2.10, 8A.366, 13B.5, 307.12

See also §2.10, 70A.9, 602.1509

**8A.364 Fleet management revolving fund — replenishment.**

1. A fleet management revolving fund is created in the state treasury under the control of the department. There is appropriated from moneys in the state treasury not otherwise appropriated the sum of twenty-five thousand dollars to the revolving fund. All purchases of gasoline, oil, tires, repairs, and all other general expenses incurred in the operation of state-assigned motor vehicles, and all salaries and expenses of employees providing fleet management services shall be paid from this fund.

2. At the end of each month the director shall render a statement to each state department or agency for the actual cost of operation of all motor vehicles assigned to such department or agency, together with a fair proportion of the administrative costs for providing fleet management services during such month, as determined by the director, all subject to review by the executive council upon complaint of any state department or agency adversely affected. Such expenses shall be paid by the state departments or agencies in the same manner as other expenses of such department are paid, and when such expenses are paid, such sums shall be credited to the fleet management revolving fund. If any surplus accrues to the revolving fund in excess of twenty-five thousand dollars for which there is no anticipated need or use, the governor may order such surplus transferred to the general fund of the state.

2003 Acts, ch 145, §54; 2011 Acts, ch 127, §58, 89

Referred to in §8A.366, 8A.367

**8A.365 Vehicle replacement — depreciation fund.**

1. The director shall maintain a depreciation fund for the purchase of replacement motor vehicles and additions to the fleet. The director's records shall show the total funds deposited by and credited to each department or agency. At the end of each month, the director shall render a statement to each state department or agency for additions to the fleet and total depreciation credited to that department or agency. Such depreciation expense shall be paid by the state departments or agencies in the same manner as other expenses are paid, and shall be deposited in the depreciation fund to the credit of the department or agency. The funds credited to each department or agency shall remain the property of the department or agency. However, at the end of each biennium, the director shall cause to revert to the fund from which it accumulated any unassigned depreciation.

2. The department of corrections is not obligated to pay the depreciation expense otherwise required by this section.

2003 Acts, ch 145, §55

Referred to in §8A.366

**8A.366 Violations — withdrawing use of vehicle.**

If any state officer or employee violates any of the provisions of sections 8A.361 through 8A.365, the director may withdraw the assignment of any state-assigned motor vehicle to any such state officer or employee.

2003 Acts, ch 145, §56; 2011 Acts, ch 127, §58, 89

**8A.367 State-owned passenger vehicles — disposition and sale — fleet privatization.**

1. For purposes of this section, "*passenger vehicles*" means United States environmental protection agency designated compact sedans, compact wagons, midsize sedans, midsize wagons, full-size sedans, and passenger minivans, and additional vehicle classes determined by the department to be able to be reasonably supported by a private entity for rental or leasing. "*Passenger vehicles*" does not mean utility vehicles, vans other than passenger minivans, fire trucks, ambulances, motor homes, buses, medium-duty and heavy-duty trucks, heavy construction equipment and other highway maintenance vehicles, vehicles assigned

for law enforcement purposes, and any other classes of vehicles of limited application approved by the director of the department of administrative services.

2. On or before September 30, 2011, the department shall implement a request for proposal process to enter into a contract for the purpose of state passenger vehicle rental or leasing from a private entity. Prior to awarding a contract, a private entity shall demonstrate the following:

*a.* Existence of sufficient inventory of passenger vehicles within this state to accommodate the needs of the state in assigning passenger vehicles.

*b.* Existence of adequate personnel in any county within the state where rental and leasing activity can be supported to satisfy the terms of the contract in renting or leasing state-assigned vehicles.

*c.* Existence of adequate personnel to facilitate the sale and disposition of the existing state-owned passenger vehicles returned to the department pursuant to subsection 3 or otherwise under the control of the department. Notwithstanding the provisions of section 8A.364 to the contrary, proceeds from the sale of motor vehicles as provided by this subsection shall be credited to the fund from which the motor vehicles were purchased.

3. By March 1, 2012, the department shall award a vehicle rental or leasing contract to a private entity, and shall assign passenger vehicles for rental or lease pursuant to that contract, to the extent the department determines doing so would be economically feasible and financially advantageous. By March 1, 2012, all state-assigned passenger vehicles designated for use by multiple drivers, and located in any county of this state which can support the operation of a private entity for rental and leasing purposes, which the department determines would be suitable for rental or leasing shall be returned to the department for use and disposition as provided in this section.

4. Notwithstanding any other provision of state law to the contrary, a private entity awarded a contract pursuant to this section shall not be required to indemnify or hold harmless the state for any liability the state might have to any third party due to the negligence of the state or any of its employees.

5. The department shall conduct an ongoing evaluation regarding the economic advantages of renting or leasing state-assigned vehicles versus state ownership of such vehicles, and shall accordingly adjust the number of vehicles subject to the rental and leasing contract pursuant to this section at intervals specified in the contract.

2011 Acts, ch 127, §42, 89

Referred to in §8A.362

**8A.368 through 8A.370** Reserved.

## PART 7

## CAPITOL PLANNING

**8A.371 Commission created.**

The capitol planning commission is created, composed of eleven members as follows:

1. Four members of the general assembly serving as ex officio, nonvoting members, one representative to be appointed by the speaker of the house of representatives, one representative to be appointed by the minority leader of the house of representatives, one senator to be appointed by the president of the senate after consultation with the majority leader of the senate, and one senator to be appointed by the minority leader of the senate.

2. Six residents of the state of Iowa to be appointed by the governor.

3. The director of the department of administrative services or the director's designee.

[C62, 66, 71, 73, 75, 77, 79, 81, §18A.1]

86 Acts, ch 1245, §2025; 90 Acts, ch 1223, §10; 2003 Acts, ch 145, §286; 2007 Acts, ch 115, §10

CS2007, §8A.371

2008 Acts, ch 1156, §11, 58

**8A.372 Terms of office.**

1. The members of the commission who are appointed by the governor shall be appointed to four-year terms of office and until their successors are appointed, three terms of which shall expire every two years. Vacancies shall be filled by appointment of the governor for the unexpired term of the original appointee.

2. The legislative members of the commission shall be appointed to terms of office as provided in section 69.16B, unless sooner terminated by a commission member ceasing to be a member of the general assembly. Vacancies shall be filled by appointment of the original appointing authority for the unexpired term of their predecessors.

3. The term of office of each appointive voting member of the commission shall begin on the first of May of the odd-numbered year in which the member is appointed.

[C62, 66, 71, 73, 75, 77, 79, 81, §18A.2]
86 Acts, ch 1245, §2026; 90 Acts, ch 1223, §11; 2007 Acts, ch 115, §11
CS2007, §8A.372
2008 Acts, ch 1156, §12, 58

**8A.373 Duties — report to legislature.**

It shall be the duty of the commission to advise upon the location of statues, fountains and monuments and the placing of any additional buildings on the capitol grounds, the type of architecture and the type of construction of any new buildings to be erected on the state capitol grounds as now encompassed or as subsequently enlarged, and repairs and restoration thereof, and it shall be the duty of the officers, commissions, and councils charged by law with the duty of determining such questions to call upon the commission for such advice.

The commission shall, in cooperation with the director of the department of administrative services, develop and implement within the limits of its appropriation, a five-year modernization program for the capitol complex.

The commission shall annually report to the general assembly its recommendations relating to its duties under this section. The report shall be submitted to the chief clerk of the house and the secretary of the senate during the month of January.

[C62, 66, 71, 73, 75, 77, 79, 81, §18A.3]
2003 Acts, ch 145, §286; 2007 Acts, ch 115, §12
CS2007, §8A.373
Referred to in §8A.111

**8A.374 Organization.**

The commission shall organize biennially by election of a chairperson from its membership. The director of the department of administrative services or the designee of the director shall serve as secretary to the commission.

[C62, 66, 71, 73, 75, 77, 79, 81, §18A.4]
2003 Acts, ch 145, §286; 2007 Acts, ch 115, §13
CS2007, §8A.374

**8A.375 Compensation and expenses.**

The members of the commission shall be reimbursed for their actual and necessary expenses while in attendance at any meeting of the commission held at the seat of government and shall be reimbursed for their expenses for going to and from the seat of government to attend a meeting. Members may also be eligible for compensation as provided in section 7E.6. All expense moneys paid to the nonlegislative commissioners shall be paid from funds appropriated to the commission. Service of the director of the department of administrative services upon this commission is an additional duty conferred by statute. Legislative members of the commission shall receive payment pursuant to section 2.10 and section 2.12.

[C62, 66, 71, 73, 75, 77, 79, 81, §18A.5]
86 Acts, ch 1244, §8; 2003 Acts, ch 145, §286; 2007 Acts, ch 115, §14
CS2007, §8A.375

**8A.376 Capitol complex projects.**

1. All capital projects on the capitol complex shall be planned, approved, and funded only after considering the guiding principles enunciated in any capitol complex master plan adopted by the commission on or after January 1, 2000. At a minimum, the extent to which the proposed capital project does all of the following shall be considered:

*a.* Preserves and enhances the dignity, beauty, and architectural integrity of the capitol building, other state office buildings, and the capitol grounds.

*b.* Protects and enhances the public open spaces on the capitol complex when deemed necessary for public use and enjoyment.

*c.* Protects the most scenic public views to and from the capitol building.

*d.* Recognizes the diversity of adjacent neighborhoods and reinforces the connection of the capitol complex to its neighbors and the city of Des Moines.

*e.* Accommodates pedestrian and motorized traffic that achieves appropriate public accessibility.

2. This section applies only to projects for which a construction site was not determined prior to May 11, 2000.

2000 Acts, ch 1225, §34, 39
C2001, §18A.6
2007 Acts, ch 115, §15
CS2007, §8A.376
2008 Acts, ch 1032, §201

**8A.377 Capitol — preservation of architectural and historic integrity.**

1. A state agency, branch of government, or any other entity responsible for a construction, remodeling, restoration, maintenance, or other project in, on, or on the grounds surrounding the capitol shall ensure that the project preserves and enhances the dignity, beauty, and architectural and historic integrity of the capitol.

2. A project described in subsection 1 may vary from the architectural or historic integrity of the capitol if such variance is necessary to comply with state or federal laws relating to building accessibility or occupational safety or health, to address life safety issues, or for other compelling reasons. However, the state agency, branch of government, or other entity responsible for a project involving a variance from the architectural or historic integrity shall submit the plans for such project to the capitol planning commission and the capital projects committee of the legislative council for review.

2002 Acts, ch 1030, §1
C2003, §18A.6A
CS2007, §8A.377

**8A.378 State capitol view preservation.**

The department of administrative services shall develop a state capitol view preservation plan. The purpose of the plan shall be to ensure that the most scenic views of the state capitol remain unobstructed by the erection of structures, including but not limited to buildings, towers, and monuments.

The plan shall include proposals for height and setback limitations of structures erected within the state capitol view, and shall include appropriate drawings, schematics, and aerial photographs necessary to establish the plan with sufficient clarity and definition.

The department shall negotiate implementation of the plan with the city of Des Moines with the goal of entering into a memorandum of understanding in relation to the plan. The department shall provide the governor and the capitol planning commission with quarterly reports regarding progress made on the capitol view preservation plan and execution of the memorandum of understanding.

96 Acts, ch 1218, §28
C97, §18A.7
2003 Acts, ch 145, §286; 2007 Acts, ch 115, §16
CS2007, §8A.378

**8A.379 through 8A.400** Reserved.

## SUBCHAPTER IV

## STATE HUMAN RESOURCE MANAGEMENT — OPERATIONS

Referred to in §7F.1, 8B.4, 10A.104, 10A.601, 10A.801, 13.13, 13.22, 13.34, 15.106C, 15H.5, 16.2A, 16.6, 20.5, 20.18, 35A.8, 35D.14, 47.8, 55.1, 55.4, 68B.32, 73A.21, 84A.7, 86.2, 88.2, 88A.6, 89.1, 89A.4, 91A.9, 97B.4, 97B.49B, 99D.6, 99G.10, 103A.6, 123.20, 135.2, 135C.16, 135C.18, 137.104, 142A.5, 148.14, 148C.13, 152.3, 152.11, 153.33, 157.7, 158.6, 216A.2, 217.23, 218.10, 231.22, 252B.27, 256.9, 256.52, 256.54, 261A.6, 272C.7, 303.1A, 307.12, 421.1, 421.1A, 455A.4, 474.10, 502.601, 505.4, 507.4, 507.5, 625.29, 691.1, 904.108, 904.303, 904A.4A

## PART 1

## GENERAL PROVISIONS

**8A.401 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Appointing authority"* means the chairperson or person in charge of any state agency including, but not limited to, boards, bureaus, commissions, and departments, or an employee designated to act for an appointing authority.

2. *"Merit system"* means the merit system established under this subchapter.

2003 Acts, ch 145, §57

**8A.402 State human resource management — responsibilities.**

1. The department is the central agency responsible for state human resource management, including the following:

*a.* Policy and program development, workforce planning, and research.

*b.* Employment activities and transactions, including recruitment, examination, and certification of personnel seeking employment or promotion.

*c.* Compensation and benefits, including position classification, wages and salaries, and employee benefits. Employee benefits include, but are not limited to, group medical, dental, life, and long-term disability insurance, workers' compensation, unemployment benefits, sick leave, deferred compensation, holidays and vacations, tuition reimbursement, and educational leaves.

*d.* Equal employment opportunity, affirmative action, and workforce diversity programs.

*e.* Education, training, and workforce development programs.

*f.* Personnel records and administration, including the audit of all personnel-related documents.

*g.* Employment relations, including the negotiation and administration of collective bargaining agreements on behalf of the executive branch of the state and its departments and agencies as provided in chapter 20. However, the state board of regents, for the purposes of implementing and administering collective bargaining pursuant to chapter 20, shall act as the exclusive representative of the state with respect to its faculty, scientific, and other professional staff.

*h.* The coordination and management of the state's human resource information system, except as otherwise required for those employees governed by chapter 262.

*i.* The development and implementation of a plan to centralize the human resource management functions for state executive branch agencies within the department, except for institutions under the control of the state board of regents.

2. The department, as it relates to the human resources of state government, shall do the following:

*a.* Establish and maintain a list of all employees in the executive branch of state government and set forth, as to each employee, the class title, pay, status, and other pertinent data. For employees governed by chapter 262, the director shall work collaboratively with the state board of regents to collect such information.

*b.* Foster and develop, in cooperation with appointing authorities and others, programs for the improvement of employee effectiveness, including training, safety, health, counseling, and welfare.

*c.* Encourage and exercise leadership in the development of effective personnel administration within the several state agencies, and make available the facilities of the department to this end.

*d.* The director may delegate any or all aspects of the recruitment, examination, and selection processes to an agency in the executive branch upon request by that agency. The director shall oversee all activities delegated to that agency.

*e.* Utilize appropriate persons, including officers and employees in the executive branch, to assist in the recruitment and examination of applicants for employment. These officers and employees are not entitled to extra pay for their services, but shall be paid their necessary traveling and other expenses.

*f.* (1) Develop, in consultation with the department of veterans affairs, programs to inform state employees who are members of the national guard or organized reserves of the armed forces of the United States, and their families, of their rights and benefits while the member is deployed in federal active duty.

(2) Develop, in consultation with the department of veterans affairs and the department of workforce development, programs to inform members of the national guard or organized reserves of the armed forces of the United States returning to Iowa following federal active duty about job opportunities in state government.

(3) Develop, in consultation with the department of veterans affairs, the department of education, the department of workforce development, the United States department of veterans affairs, and the United States department of labor, the following:

(a) Programs to inform disabled veterans returning to the state after federal active duty about federally funded job training opportunities in state government, pursuant to 38 U.S.C. ch. 31.

(b) State government job training programs for disabled veterans that qualify for federal funding from the United States department of veterans affairs.

(c) A noncompetitive hiring program for disabled veterans who satisfactorily complete a federally funded job training program approved by the United States department of veterans affairs. The disabled veteran shall have trained in the class of positions for which the disabled veteran is to be noncompetitively appointed.

*g.* (1) (a) Consult with the department of management and discuss and collaborate with executive branch agencies to implement and maintain a policy for incrementally increasing the aggregate ratio in the number of employees per supervisory employee in executive branch agencies. For purposes of determining the effects of the policy on the state employee workforce, the base date of July 1, 2008, shall be used and the target date for full implementation shall be July 1, 2011. The target aggregate ratio of supervisory employees to other employees shall be as follows:

(i) For the fiscal year beginning July 1, 2010, one to fourteen.

(ii) For the fiscal year beginning July 1, 2011, one to fifteen.

(b) For the purposes of this paragraph *"g"*, *"supervisory employee"* means a public employee who is not a member of a collective bargaining unit and who has authority, in the interest of a public employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other public employees, to direct such public employees, or to adjust the grievances of such public employees, or to effectively recommend any such action.

(c) In this paragraph *"g"*, executive branch agencies, except the department of public safety, shall not grant a supervisory employee the right to replace or bump a junior employee not being laid off for a position for which the supervisory employee is qualified.

(d) The policy shall allow appropriation units with twenty-eight or fewer full-time equivalent employee positions to apply for an exception to the policy through the executive council. The policy shall allow for exceptions when the supervisory employee ratio is mandated by a federal requirement.

(e) (i) Beginning July 1, 2011, the policy shall allow a director of an executive branch agency who believes that the agency will not be able to reach the applicable target aggregate

ratio to apply for a waiver of that requirement through a five-person review board. In applying for a waiver, the director shall provide detailed documentation to the board describing the efforts that the executive branch agency has made in attempting to meet the applicable target aggregate ratio provided in this paragraph *"g"*. The review board shall consist of the director of the department of management or a designee of the director, three agency directors or the designees of those directors as designated by the governor, and one public member selected by the employee organization representing the greatest number of executive branch employees. However, if a department represented on the review board seeks a waiver, the member representing the department shall not participate in the decision on whether to grant a waiver for that department.

(ii) Prior to determining whether to grant a waiver, the review board shall make an initial determination of whether the executive branch agency has provided sufficient information to conduct a review. If not, the review board shall deny the request and notify the executive branch agency of the information needed to consider the request for waiver. If a waiver is granted, the review board shall limit the waiver to only those operations within an executive branch agency in which adequate justification for granting a waiver has been established.

(f) The policy shall provide that if layoffs are implemented, the number of middle management position layoffs shall correspond to the relative number of direct service position layoffs.

(g) The policy shall improve on the system in effect as of the base date by specifically defining and accounting for supervisory employee span of control.

(h) The policy shall provide that in calculating the span of control ratio for an executive branch agency, unfunded full-time equivalent positions shall not be utilized.

(i) The department shall present an interim report to the governor and general assembly on or before April 1, 2010, annual updates on or before April 1 subsequently, and a final report on or before April 1, 2012, detailing the effects of the policy on the composition of the workforce, cost savings, government efficiency, and outcomes.

(j) The policy developed pursuant to this paragraph *"g"* shall not encompass employees under the state board of regents.

(2) Evaluate the state's systems for job classification of executive branch employees in order to ensure the existence of technical skill-based career paths for such employees which do not depend upon an employee gaining supervisory responsibility for advancement, and which provide incentives for such employees to broaden their knowledge and skill base. The evaluation shall include but is not limited to a review of the classifications for all positions and providing options for eliminating obsolete, duplicative, or unnecessary job classifications. The department shall present interim reports to the general assembly on or before January 15, 2010, and January 14, 2011, concerning the department's progress in completing the evaluation and associated outcomes.

3. The human resource management powers and duties of the department do not extend to the legislative branch or the judicial branch of state government, except for functions related to administering compensation and benefit programs.

2003 Acts, ch 145, §58; 2004 Acts, ch 1086, §7; 2008 Acts, ch 1184, §33; 2009 Acts, ch 179, §27; 2010 Acts, ch 1031, §67, 69; 2010 Acts, ch 1171, §1; 2010 Acts, ch 1174, §1; 2012 Acts, ch 1072, §3, 4; 2013 Acts, ch 90, §2; 2013 Acts, ch 129, §38

Referred to in §432.13

Administration of state employee retirement incentive program; reporting requirements; 2010 Acts, ch 1005, §1, 2

Subsection 1, NEW paragraph i

Subsection 2, paragraph g, subparagraph (1), subparagraph division (c) amended

**8A.403 through 8A.410** Reserved.

## PART 2

## MERIT SYSTEM

**8A.411 Merit system established — collective bargaining — applicability.**

1. The general purpose of this subchapter is to establish for the state of Iowa a system of human resource administration based on merit principles and scientific methods to govern the appointment, compensation, promotion, welfare, development, transfer, layoff, removal, and discipline of its civil employees, and other incidents of state employment.

2. It is also the purpose of this subchapter to promote the coordination of personnel rules and policies with collective bargaining agreements negotiated under chapter 20.

3. All appointments and promotions to positions covered by the state merit system shall be made solely on the basis of merit and fitness, to be ascertained by examinations or other appropriate screening methods, except as otherwise specified in this subchapter.

4. Provisions of this subchapter pertaining to qualifications, examination, certification, probation, and just cause apply only to employees covered by the merit system.

2003 Acts, ch 145, §59

**8A.412 Merit system — applicability — exceptions.**

The merit system shall apply to all employees of the state and to all positions in state government now existing or hereafter established. In addition, the director shall negotiate an agreement with the director of the department for the blind concerning the applicability of the merit system to the professional employees of the department for the blind. However, the merit system shall not apply to the following:

1. The general assembly, employees of the general assembly, other officers elected by popular vote, and persons appointed to fill vacancies in elective offices.

2. All judicial officers and court employees.

3. The staff of the governor.

4. All board members and commissioners whose appointments are provided for by the Code.

5. All presidents, deans, directors, teachers, professional and scientific personnel, and student employees under the jurisdiction of the state board of regents. The state board of regents shall adopt rules not inconsistent with the objectives of this subchapter for all of its employees not cited specifically in this subsection. The rules are subject to approval by the director. If at any time the director determines that the state board of regents merit system rules do not comply with the intent of this subchapter, the director may direct the board to correct the rules. The rules of the board are not in compliance until the corrections are made.

6. All appointments which are by law made by the governor.

7. All personnel of the armed services under state jurisdiction.

8. Persons who are paid a fee on a contract-for-services basis.

9. Seasonal employees appointed during a state agency's designated six-month seasonal employment period during the same annual twelve-month period, as approved by the director.

10. Residents, patients, or inmates working in state institutions, or persons on parole working in work experience programs.

11. Professional employees under the supervision of the attorney general, the state public defender, the secretary of state, the auditor of state, the treasurer of state, and the public employment relations board. However, employees of the consumer advocate division of the department of justice, other than the consumer advocate, are subject to the merit system.

12. Production and engineering personnel under the jurisdiction of the Iowa public broadcasting board.

13. Members of the state patrol and other peace officers employed by the department of public safety. The commissioner of public safety shall adopt rules not inconsistent with the objectives of this subchapter for the persons described in this subsection.

14. Professional employees of the arts division of the department of cultural affairs.

15. The chief deputy administrative officer and each division administrator of each

state agency not otherwise specifically provided for in this section, and physicians not otherwise specifically provided for in this section. As used in this subsection, *"division administrator"* means a principal administrative or policymaking position designated by a chief administrative officer and approved by the director or as specified by law.

16. All confidential employees.

17. Other employees specifically exempted by law.

18. The administrator and the deputy administrator of the credit union division of the department of commerce, all members of the credit union review board, and all employees of the credit union division.

19. The superintendent of the banking division of the department of commerce, all members of the state banking council, and all employees of the banking division except for employees of the professional licensing and regulation bureau of the division.

20. Chief deputy industrial commissioners.

21. The appointee serving as the coordinator of the office of renewable fuels and coproducts, as provided in section 159A.3.

22. All employees of the Iowa state fair authority.

23. Up to six nonprofessional employees designated at the discretion of each statewide elected official.

24. The position classifications of employees of statewide elected officials that were exempt from the merit system as of June 30, 1994, shall remain exempt and any employees subsequently hired to fill any exempt position vacancies shall be classified as exempt employees.

2003 Acts, ch 145, §60; 2004 Acts, ch 1101, §9; 2004 Acts, ch 1141, §1; 2005 Acts, ch 35, §31; 2006 Acts, ch 1177, §31; 2009 Acts, ch 57, §2

Referred to in §42.1, 68B.32, 123.20, 475A.3, 505.4, 507.4, 507.5

Equal opportunity and special appointments; §19B.2

**8A.413 State human resource management — rules.**

The department shall adopt rules for the administration of this subchapter pursuant to chapter 17A. Rulemaking shall be carried out with due regard to the terms of collective bargaining agreements. A rule shall not supersede a provision of a collective bargaining agreement negotiated under chapter 20. Notwithstanding any provisions to the contrary, a rule or regulation shall not be adopted by the department which would deprive the state of Iowa, or any of its agencies or institutions, of federal grants or other forms of financial assistance. The rules shall provide:

1. For the preparation, maintenance, and revision of a job classification plan that encompasses each job in the executive branch, excluding job classifications under the state board of regents, based upon assigned duties and responsibilities, so that the same general qualifications may reasonably be required for and the same pay plan may be equitably applied to all jobs in the same job classification. The director shall classify the position of every employee in the executive branch, excluding employees of the state board of regents, into one of the classes in the plan. An appointing authority or employee adversely affected by a classification or reclassification decision may file an appeal with the director. Appeals of a classification or reclassification decision shall be exempt from the provisions of section 17A.11 and shall be heard by a committee appointed by the director. The classification or reclassification of a position that would cause the expenditure of additional salary funds shall not become effective if the expenditure of funds would be in excess of the total amount budgeted for the department of the appointing authority until budgetary approval has been obtained from the director of the department of management.

2. For notification of the governor when the public interest requires a decrease or increase of employees in any position or type of employment not otherwise provided by law, or the creation or abolishment of any position or type of employment, as determined by the director, acting in good faith. Thereafter, the position or type of employment shall stand abolished or created and the number of employees therein reduced or increased.

3. For pay plans covering all employees in the executive branch, excluding employees of the state board of regents, after consultation with the governor and appointing authorities,

and consistent with the terms of collective bargaining agreements negotiated under chapter 20.

4. For examinations to determine the relative fitness of applicants for employment.

*a.* Such examinations shall be practical in character and shall relate to such matters as will fairly assess the ability of the applicant to discharge the duties of the position to which appointment is sought.

*b.* Where the Code of Iowa establishes certification, registration, or licensing provisions, such documents shall be considered prima facie evidence of basic skills accomplishment and such persons shall be exempt from further basic skills examination.

5. For the public announcement of vacancies at least ten days in advance of the date fixed for the filing of applications for the vacancies, and the advertisement of the vacancies through the communications media. The director may, however, in the director's discretion, continue to receive applications and examine candidates for a period adequate to assure a sufficient number of eligibles to meet the needs of the system, and may add the names of successful candidates to existing eligible lists.

6. For promotions which shall give appropriate consideration to the applicant's qualifications, record of performance, and conduct. A promotion means a change in the status of an employee from a position in one class to a position in another class having a higher pay grade.

7. For the establishment of lists for appointment and promotion, upon which lists shall be placed the names of successful candidates.

8. For the rejection of applicants who fail to meet reasonable requirements.

9. For the appointment by the appointing authority of a person on the appropriate list to fill a vacancy.

10. For a probation period of six months, excluding educational or training leave, before appointment may be made complete, and during which period a probationer may be discharged or reduced in class or pay. If the employee's services are unsatisfactory, the employee shall be dropped from the payroll on or before the expiration of the probation period. If satisfactory, the appointment shall be deemed permanent. The determination of the appointing authority shall be final and conclusive.

11. For temporary employment for not more than seven hundred eighty hours in a fiscal year.

12. For provisional employment when there is no appropriate list available. Such provisional employment shall not continue longer than one hundred eighty calendar days.

13. For transfer from a position in one state agency to a similar position in the same state agency or another state agency involving similar qualifications, duties, responsibilities, and salary ranges. Whenever an employee transfers or is transferred from one state agency to another state agency, the employee's seniority rights, any accumulated sick leave, and accumulated vacation time, as provided in the law, shall be transferred to the new place of employment and credited to the employee. Employees who are subject to contracts negotiated under chapter 20 which include transfer provisions shall be governed by the contract provisions.

14. For reinstatement of persons who have attained permanent status and who resign in good standing or who are laid off from their positions without fault or delinquency on their part.

15. For establishing in cooperation with the appointing authorities a performance management system for all employees in the executive branch, excluding employees of the state board of regents, which shall be considered in determining salary increases; as a factor in promotions; as a factor in determining the order of layoffs and in reinstatement; as a factor in demotions, discharges, and transfers; and for the regular evaluation, at least annually, of the qualifications and performance of those employees.

16. For layoffs by reason of lack of funds or work, or reorganization, and for the recall of employees so laid off, giving consideration in layoffs to the employee's performance record and length of service. An employee who has been laid off may be on a recall list for one year, which list shall be exhausted by the organizational unit enforcing the layoff before selection of an employee may be made from the promotional or nonpromotional list in the employee's

classification. Employees who are subject to contracts negotiated under chapter 20 which include layoff and recall provisions shall be governed by the contract provisions.

17. For imposition, as a disciplinary measure, of a suspension from service without pay.

18. *a.* For discharge, suspension, or reduction in job classification or pay grade for any of the following causes:

(1) Failure to perform assigned duties.

(2) Inadequacy in performing assigned duties.

(3) Negligence.

(4) Inefficiency.

(5) Incompetence.

(6) Insubordination.

(7) Unrehabilitated alcoholism or narcotics addiction.

(8) Dishonesty.

(9) Unlawful discrimination.

(10) Failure to maintain a license, certificate, or qualification necessary for a job classification or position.

(11) Any act or conduct which adversely affects the employee's performance or the employing agency.

(12) Any other good cause for discharge, suspension, or reduction.

*b.* The person discharged, suspended, or reduced shall be given a written statement of the reasons for the discharge, suspension, or reduction within twenty-four hours after the discharge, suspension, or reduction.

*c.* All persons concerned with the administration of this subchapter shall use their best efforts to ensure that this subchapter and the rules adopted pursuant to this subchapter shall not be a means of protecting or retaining unqualified or unsatisfactory employees, and shall discharge, suspend, or reduce in job classification or pay grade all employees who should be discharged, suspended, or reduced for any of the causes stated in this subsection.

19. For establishment of a uniform plan for resolving employee grievances and complaints. Employees who are subject to contracts negotiated under chapter 20 which include grievance and complaint provisions shall be governed by the contract provisions.

20. For attendance regulations, and special leaves of absence, with or without pay, or reduced pay, in the various classes of positions in the executive branch, excluding positions under the state board of regents.

*a.* Employees who are subject to contracts negotiated under chapter 20 which include leave of absence provisions shall be governed by the contract provisions.

*b.* Annual sick leave and vacation time shall be granted in accordance with section 70A.1.

21. For the development and operation of programs to improve the work effectiveness and morale of employees in the executive branch, excluding employees of the state board of regents, including training, safety, health, welfare, counseling, recreation, and employee relations.

22. For veterans preference through a provision that veterans, as defined in section 35.1, shall have five points added to the grade or score attained in qualifying examinations for appointment to jobs.

*a.* Veterans who have a service-connected disability or are receiving compensation, disability benefits, or pension under laws administered by the United States department of veterans affairs shall have ten points added to the grades attained in qualifying examinations.

*b.* A veteran who has been awarded the purple heart for disabilities incurred in action shall be considered to have a service-connected disability.

23. For acceptance of the qualifications, requirements, regulations, and general provisions established under other sections of the Code pertaining to professional registration, certification, and licensing.

24. For the development and operation of programs to promote job sharing, telecommuting, and flex-time opportunities for employment within the executive branch.

2003 Acts, ch 145, §61; 2008 Acts, ch 1031, §77; 2009 Acts, ch 26, §1; 2010 Acts, ch 1031, §61

Referred to in §8A.414, 19B.12, 148.2B, 152.2, 313.4, 474.1

**8A.414 Experimental research projects.**

The director may conduct experimental or research personnel-related projects of limited duration designed to improve the quality of the employment system. The provisions of section 8A.413 or administrative rules adopted pursuant to that section are waived for the purposes of such projects. Projects adopted under this authority shall not violate existing collective bargaining agreements. Any projects that relate to issues covered by such agreements or issues that are mandatory subjects of collective bargaining are subject to negotiations as applicable. The director shall notify the chairpersons of the standing committees on appropriations of the senate and the house of representatives and the chairpersons of the appropriate subcommittees of those committees of the proposed projects. The notice from the director shall include the purpose of the project, a description of the project, and how the project will be evaluated. Chairpersons notified shall be given at least two weeks to review and comment on the proposal before the project is implemented. The director shall report the results of the experimental research projects conducted in the preceding fiscal year to the legislative council by September 30 of each year.

2003 Acts, ch 145, §62

**8A.415 Grievances and discipline resolution.**

1. *Grievances.*

*a.* An employee, except an employee covered by a collective bargaining agreement which provides otherwise, who has exhausted the available agency steps in the uniform grievance procedure provided for in the department rules may, within seven calendar days following the date a decision was received or should have been received at the second step of the grievance procedure, file the grievance at the third step with the director. The director shall respond within thirty calendar days following receipt of the third step grievance.

*b.* If not satisfied, the employee may, within thirty calendar days following the director's response, file an appeal with the public employment relations board. The hearing shall be conducted in accordance with the rules of the public employment relations board and the Iowa administrative procedure Act, chapter 17A. Decisions rendered shall be based upon a standard of substantial compliance with this subchapter and the rules of the department. Decisions by the public employment relations board constitute final agency action.

*c.* For purposes of this subsection, *"uniform grievance procedure"* does not include procedures for discipline and discharge.

2. *Discipline resolution.*

*a.* A merit system employee, except an employee covered by a collective bargaining agreement, who is discharged, suspended, demoted, or otherwise receives a reduction in pay, except during the employee's probationary period, may bypass steps one and two of the grievance procedure and appeal the disciplinary action to the director within seven calendar days following the effective date of the action. The director shall respond within thirty calendar days following receipt of the appeal.

*b.* If not satisfied, the employee may, within thirty calendar days following the director's response, file an appeal with the public employment relations board. The employee has the right to a hearing closed to the public, unless a public hearing is requested by the employee. The hearing shall otherwise be conducted in accordance with the rules of the public employment relations board and the Iowa administrative procedure Act, chapter 17A. If the public employment relations board finds that the action taken by the appointing authority was for political, religious, racial, national origin, sex, age, or other reasons not constituting just cause, the employee may be reinstated without loss of pay or benefits for the elapsed period, or the public employment relations board may provide other appropriate remedies. Decisions by the public employment relations board constitute final agency action.

2003 Acts, ch 145, §63; 2007 Acts, ch 22, §3; 2008 Acts, ch 1032, §201

Referred to in §235A.15

**8A.416 Discrimination, political activity, use of official influence prohibited.**

1. A person shall not be appointed or promoted to, or demoted or discharged from, any position in the merit system, or in any way favored or discriminated against with respect

to employment in the merit system because of the person's political or religious opinions or affiliations or race or national origin or sex, or age.

2. A person holding a position in the classified service shall not, during the person's working hours or when performing the person's duties or when using state equipment or at any time on state property, take part in any way in soliciting any contribution for any political party or any person seeking political office, and such employee shall not engage in any political activity that will impair the employee's efficiency during working hours or cause the employee to be tardy or absent from work. This section does not preclude any employee from holding any office for which no pay is received or any office for which only token pay is received.

3. A person shall not seek or attempt to use any political endorsement in connection with any appointment to a position in the merit system.

4. A person shall not use or promise to use, directly or indirectly, any official authority or influence, whether possessed or anticipated, to secure or attempt to secure for any person an appointment or advantage in appointment to a position in the merit system, or an increase in pay or other advantage in employment in any such position, for the purpose of influencing the vote or political action of any person or for any consideration.

5. An employee shall not use the employee's official authority or influence for the purpose of interfering with an election or affecting the results thereof.

6. Any officer or employee who violates this section shall be subject to suspension, dismissal, or demotion subject to the right of appeal provided in this subchapter.

7. The director shall adopt any rules necessary for further restricting political activities of employees in the executive branch, but only to the extent necessary to comply with federal standards. Employees retain the right to vote as they please and to express their opinions on all subjects.

2003 Acts, ch 145, §64

Referred to in §8A.102, 8A.418, 8B.2, 55.1

See also chapters 39A and 721

**8A.417 Prohibited actions.**

1. A person shall not make any false statement, certificate, mark, rating, or report with regard to any examination or appointment made under this subchapter or in any manner commit or attempt to commit any fraud preventing the impartial execution of this subchapter and the rules adopted pursuant to this subchapter.

2. A person shall not, directly or indirectly, give, render, pay, offer, solicit, or accept any money, service, or other valuable consideration for or on account of any appointment, proposed appointment, promotion, or proposed promotion to, or any advantage in, a position in the merit system.

3. An employee of the department or any other person shall not defeat, deceive, or obstruct any person in the person's right to examination or appointment under this subchapter, or furnish to any person any special or secret information for the purpose of affecting the rights or prospects of any person with respect to employment in the merit system.

4. A person shall not discharge an employee from or take or fail to take action regarding an employee's appointment or proposed appointment to, promotion or proposed promotion to, or any advantage in, a position in a merit system administered by, or subject to approval of, the director as a reprisal for a failure by that employee to inform the person that the employee made a disclosure of information permitted by this section, or for a disclosure of any information by that employee to a member or employee of the general assembly, or for a disclosure of information to any other public official or law enforcement agency if the employee reasonably believes the information evidences a violation of law or rule, mismanagement, a gross abuse of funds, an abuse of authority, or a substantial and specific danger to public health or safety. However, an employee may be required to inform the person that the employee made a disclosure of information permitted by this section if the employee represented that the disclosure was the official position of the employee's

immediate supervisor or employer. This subsection does not apply if the disclosure of the information is prohibited by statute.

2003 Acts, ch 145, §65

Referred to in §8A.418

See also §70A.28

**8A.418 Federal programs exemption exceptions — penalty.**

1. Notwithstanding the provisions of this subchapter to the contrary, a person employed under a temporary, emergency employment utilization program funded by the federal government which program does not exceed one year and which program is not subject to merit system standards by federal law, shall be exempt from this subchapter except as provided in this section.

2. A person employed as provided in this section shall be subject to the provisions of section 8A.416 relating to political activity and the civil penalties contained in such section and, consistent with subsection 1, the provisions of section 8A.417 relating to prohibited actions.

3. A person violating this section shall be subject to the penalty provided for in section 8A.458.

2003 Acts, ch 145, §66

**8A.419 through 8A.430** Reserved.

## PART 3

## EMPLOYEE BENEFITS

**8A.431 Iowa management training system — training revolving fund.**

1. The department shall establish and administer an Iowa management training system for the state.

2. A training revolving fund is created in the state treasury under the control of the department. The moneys credited to the fund shall be used for the purpose of paying actual and necessary expenses incurred by the department in administering the training system. All fees, grants, or specific appropriations for this purpose shall be credited to the fund. The fees for the training system courses shall be set by the director to cover the costs of course development, training materials, facilities and equipment, professional instructors, and administration. The fees shall be paid to the department by the state agency sending the employees for training and the payment shall be credited to the training revolving fund. Notwithstanding section 8.33, moneys in the revolving fund shall not revert. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2003 Acts, ch 145, §67

**8A.432 Combined charitable campaign program, fees, revolving fund.**

1. The department shall establish and administer a combined charitable campaign program for state employees.

2. A combined charitable campaign revolving fund is created in the state treasury under the control of the department. The moneys credited to the fund shall be used for the purpose of paying actual and necessary expenses incurred by the department in administering the program. Administrative expenses shall not exceed five percent of the contributions pledged the previous year. All fees, grants, or specific appropriations for this purpose shall be credited to the fund. The fees for the program shall be set by the director to cover only the cost of administration and materials and shall not cover salaries of state employees involved in the administration of the program. The fees shall be paid to the department from the voluntary employee contributions and the payment shall be credited to the revolving fund. Notwithstanding section 8.33, any moneys in the fund shall not revert. Notwithstanding

section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2003 Acts, ch 145, §68

**8A.433 Deferred compensation plan.**

The department shall make available to eligible state employees the option of utilizing mutual funds as an investment alternative to the state's deferred compensation plan established under section 509A.12. Participating employees shall, to the extent permitted by law, be allowed to transfer moneys deferred under the plan to a mutual fund offered pursuant to section 509A.12. The department may make the deferred compensation plan established pursuant to this section available to governmental employees of a public entity authorized to establish a deferred compensation program pursuant to section 509A.12.

2003 Acts, ch 145, §69

**8A.434 Iowa state employee deferred compensation trust fund.**

1. A separate, special Iowa state employee deferred compensation trust fund is created in the state treasury under the control of the department. The fund shall consist of all moneys deposited in the fund pursuant to this section, any other assets that must be held in trust for the exclusive benefit of participants in the state's deferred compensation program as required by section 457 of the federal Internal Revenue Code, and interest and earnings thereon, and shall be used for the exclusive benefit of participants in a deferred compensation program established by the state under section 509A.12.

2. The director is the trustee of the fund and shall administer the fund. Any loss to the fund shall be charged against the fund and the director shall not be personally liable for such loss. In addition, the director is the trustee of any trusts referenced in section 457(g) of the federal Internal Revenue Code. Any loss to the trusts shall be charged against the trusts and the director shall not be personally liable for such loss.

3. Any compensation or portion of compensation reduced by a participant in conjunction with a deferred compensation program established by the state under section 509A.12 and any earnings or income thereon shall be held in trust and used for the exclusive benefit of the participant or the participant's beneficiary as provided by section 457 of the federal Internal Revenue Code.

4. For purposes of this section, custodial accounts, annuity contracts, and any other contracts referenced in section 457(g) of the federal Internal Revenue Code shall be treated as trusts for purposes of section 457 of the federal Internal Revenue Code.

5. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

2003 Acts, ch 145, §70

**8A.435 State employee deferred compensation match trust fund.**

1. A separate, special Iowa state employee deferred compensation match trust fund is created in the state treasury under the control of the department. The trust fund shall consist of all moneys deposited in the fund, and other assets that must be held in trust for the exclusive benefit of participants in the state's deferred compensation match program as required by section 401(a) of the federal Internal Revenue Code, and interest and earnings thereon, and shall be used for the exclusive benefit of participants and their beneficiaries in a deferred compensation match program established by the state under section 509A.12.

2. The director is the trustee of the fund and shall administer the fund. Any loss to the fund shall be charged against the trust and the director shall not be personally liable for such loss.

3. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

2003 Acts, ch 145, §71

**8A.436 State employee dependent care spending account trust fund.**

1. A separate, special Iowa state employee dependent care spending account trust fund is

created in the state treasury under the control of the department. The trust fund consists of all moneys, including monthly administrative charges paid by a state department or agency as authorized by section 8A.451, held in trust for the exclusive benefit of participants in the state's dependent care spending account plan. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest and earnings from moneys in the trust fund shall be credited to the trust fund and shall be used exclusively for the benefit of plan participants.

2. The director shall serve as trustee of the trust fund and shall administer the fund as required by sections 125 and 129 of the federal Internal Revenue Code. Any loss to the fund shall be charged against the fund and the director shall not be personally liable for such loss. The director has the authority to direct expenditures as deemed appropriate to the exclusive benefit of the plan participants.

2003 Acts, ch 145, §72

**8A.437 State employee health flexible spending account trust fund.**

1. The director shall establish for state employees a health flexible spending account plan which offers multiple benefits to state employees. The state's health flexible spending account plan shall be established to meet the conditions of section 125 of the Internal Revenue Code of 1986.

2. A separate, special Iowa state employee health flexible spending account trust fund is created in the state treasury under the control of the department. The trust fund consists of all moneys appropriated to the fund, all monthly administrative charges paid by a state department or agency as authorized by section 8A.451, and any other assets directed to be held in trust for the exclusive benefit of participants in the state's health flexible spending account plan. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest and earnings from moneys in the trust fund shall be credited to the trust fund and shall be used exclusively for the benefit of plan participants.

3. The director shall serve as trustee of the trust fund and has the authority to direct expenditures as deemed appropriate to the exclusive benefit of the plan participants.

2003 Acts, ch 145, §73

Authority of governing body, §509A.1

**8A.438 Tax-sheltered investment contracts.**

1. The director may establish a tax-sheltered investment program for eligible employees. The director may arrange for the provision of investment vehicles authorized under section 403(b) of the Internal Revenue Code, as defined in section 422.3. The department may offer the tax-sheltered investment program to eligible public employers in the state of Iowa.

2. *a.* A special, separate tax-sheltered investment revolving trust fund is created in the state treasury under the control of the department. The fund shall consist of all moneys deposited in the fund pursuant to this section, any funds received from other entities in the state of Iowa, and interest and earnings thereon. The director is the trustee of the fund and shall administer the fund. Any loss to the fund shall be charged against the fund and the director shall not be personally liable for such loss.

*b.* Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

2003 Acts, ch 145, §74; 2008 Acts, ch 1171, §57

Referred to in §260C.14, 273.3, 294.16

**8A.439 Longevity pay prohibited — exception.**

A state employee subject to the provisions of this subchapter shall not be entitled to longevity pay except for those employees granted longevity pay pursuant to section 307.48.

2003 Acts, ch 145, §75

**8A.440 through 8A.450** Reserved.

## PART 4

## MISCELLANEOUS PROVISIONS

**8A.451 Human resources administrative costs.**

1. The department may quarterly render a statement to each department or agency which operates in whole or in part from other than general fund appropriations for a pro rata share of the cost of administration of the department, or a portion thereof, as it relates to the state human resources management duties of the department pursuant to this subchapter. The expense shall be paid by the state department or agency in the same manner as other expenses of that department or agency are paid and all moneys received shall be deposited in the general fund of the state.

2. The department shall render monthly a statement to each state department or agency for a pro rata share of the cost of administration of the state employee flexible spending accounts. The expense shall be paid by the state department or agency in the same manner as other expenses of that state department or agency are paid and all moneys received for administration costs shall be deposited in the appropriate fund.

2003 Acts, ch 145, §76

Referred to in §8A.436, 8A.437

**8A.452 Use of public buildings.**

All officers and employees of the state and of political subdivisions of the state shall allow the department the reasonable use of public buildings under their control, and furnish heat, light, and furniture for any examination, hearing, or investigation authorized by this subchapter. The department shall pay to a political subdivision the reasonable cost of any such facilities furnished.

2003 Acts, ch 145, §77

**8A.453 Aid by state employees — records and information.**

1. All officers and employees of the state shall comply with and aid in all proper ways in carrying out the provisions of this subchapter and the rules and orders under this subchapter. All officers and employees shall furnish any records or information which the director requires for any purpose of this subchapter. The director may institute and maintain any action or proceeding at law or in equity that the director considers necessary or appropriate to secure compliance with this subchapter and the rules and orders under this subchapter.

2. The director may delegate to a person in any department, agency, board, commission, or office, located away from the seat of government, any of the duties imposed by this subchapter upon the director.

2003 Acts, ch 145, §78

**8A.454 Health insurance administration fund.**

1. A separate, special Iowa state health insurance administration fund is created in the state treasury under the control of the department. The fund shall consist of all moneys deposited in the fund from proceeds of a monthly per contract administrative charge assessed and collected by the department. Moneys deposited in the fund shall be expended by the department for health insurance program administration costs. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2. A monthly per contract administrative charge shall be assessed by the department on all health insurance plans administered by the department in which the contract holder has a state employer to pay the charge. The amount of the administrative charge shall be established by the general assembly. The department shall collect the administrative charge from each department utilizing the centralized payroll system and shall deposit the proceeds in the fund. In addition, the state board of regents, the state fair board, the state department of transportation, and each judicial district department of correctional services shall remit the administrative charge on a monthly basis to the department and shall submit a report to

the department containing the number and type of health insurance contracts held by each of its employees whose health insurance is administered by the department.

3. The expenditure of moneys from the fund in any fiscal year shall not exceed the amount of the monthly charge established by the general assembly multiplied by the number of health insurance contracts in effect at the beginning of the same fiscal year in which the expenditures shall be made. Any unencumbered or unobligated moneys in the fund at the end of the fiscal year shall not revert but shall be transferred to the health insurance premium reserve fund established pursuant to section 509A.5.

2003 Acts, ch 145, §79; 2007 Acts, ch 115, §9, 18; 2009 Acts, ch 181, §34, 36; 2010 Acts, ch 1189, §38, 40; 2011 Acts, ch 132, §35, 106

**8A.455 Certification of payrolls — actions.**

1. A state disbursing or auditing officer shall not make or approve or take part in making or approving a payment for personnel services to any person unless the payroll voucher or account of the pay bears the certification of the director, or of the director's authorized agent, that the persons named have been appointed and employed in accordance with this subchapter and the rules and orders under this subchapter, and that funds are available for the payment of the persons.

2. The director may, for proper cause, withhold certification from an entire payroll or from any specific item or items on a payroll. The director may, however, provide that certification of payrolls may be made once every year, and such certification shall remain in effect except in the case of any officer or employee whose status has changed after the last certification of the officer's or employee's payroll. In the latter case a voucher for payment of salary to such employee shall not be issued or payment of salary shall not be made without further certification by the director.

3. Any citizen may maintain an action in accordance with chapter 17A to restrain a disbursing officer from making any payment in contravention of this subchapter, or rule or order under this subchapter. Any sum paid contrary to this subchapter or any rule or order under this subchapter may be recovered in an action in accordance with chapter 17A maintained by any citizen, from any officer who made, approved, or authorized such payment or who signed or countersigned a voucher, payroll, check, or warrant for such payment, or from the sureties on the official bond of any such officer. All moneys recovered in any such action shall be paid into the state treasury.

4. Any person appointed or employed in contravention of this subchapter or of any rule or order under this subchapter who performs service for which the person is not paid may maintain an action in accordance with chapter 17A against the officer or officers who purported so to appoint or employ the person to recover the agreed pay for such services or the reasonable value of the services if no pay was agreed upon. An officer shall not be reimbursed by the state at any time for any sum paid to such person on account of such services.

5. If the director wrongfully withholds certification of the payroll voucher or account of any employee, such employee may maintain a proceeding in accordance with chapter 17A in the courts to compel the director to certify such a payroll voucher or account.

2003 Acts, ch 145, §80

**8A.456 Access to records.**

1. An employee subject to the provisions of this subchapter shall have access to the employee's personal file.

2. An applicant for a position subject to the provisions of this subchapter shall be permitted to review, in accordance with such rules as the director may prescribe, any evaluation resulting from the application for employment.

2003 Acts, ch 145, §81

See also §91B.1

**8A.457 Workers' compensation claims.**

The director shall employ appropriate staff to handle and adjust claims of state employees for workers' compensation benefits pursuant to chapters 85, 85A, 85B, and 86, or with the approval of the executive council contract for the services or purchase workers' compensation insurance coverage for state employees or selected groups of state employees. A state employee workers' compensation fund is created in the state treasury under the control of the department to pay state employee workers' compensation claims and administrative costs. The department shall establish a rating formula and assess premiums to all agencies, departments, and divisions of the state including those which have not received an appropriation for the payment of workers' compensation insurance and which operate from moneys other than from the general fund of the state. The department shall collect the premiums and deposit them into the state employee workers' compensation fund. Notwithstanding section 8.33, moneys deposited in the state employee workers' compensation fund shall not revert to the general fund of the state at the end of any fiscal year, but shall remain in the state employee workers' compensation fund and be continuously available to pay state employee workers' compensation claims. The director may, to the extent practicable, contract with a private organization to handle the processing and payment of claims and services rendered under the provisions of this section.

2003 Acts, ch 145, §82

**8A.458 Penalty.**

A person who willfully violates this subchapter or any rules adopted pursuant to this subchapter, where no other penalty is prescribed, is guilty of a simple misdemeanor.

2003 Acts, ch 145, §83

Referred to in §8A.418

**8A.459 State employee pay and allowances — electronic funds transfer.**

Effective July 1, 2011, notwithstanding any provision of law to the contrary, all pay and allowances to state employees shall be paid via electronic funds transfer, unless otherwise provided pursuant to a collective bargaining agreement. A state employee may elect to receive pay and allowances as paper warrants in lieu of electronic funds transfers, but the department shall charge an administrative fee for processing such paper warrants. However, the department may, for good cause shown, waive the administrative fee. The fee may be automatically deducted from the state employee's pay and allowances before the warrant is issued to the state employee.

2010 Acts, ch 1031, §78

See also §91A.3

Electronic funds transfers, see chapter 527

**8A.460 through 8A.501** Reserved.

## SUBCHAPTER V

## FINANCIAL ADMINISTRATION

Referred to in §25.2

**8A.502 Financial administration duties.**

The department shall provide for the efficient management and administration of the financial resources of state government and shall have and assume the following powers and duties:

1. *Centralized accounting and payroll system.* To assume the responsibilities related to a centralized accounting system for state government and to establish a centralized payroll system for all state agencies. However, the state board of regents and institutions under the control of the state board of regents shall not be required to utilize the centralized payroll system.

2. *Setoff procedures.* To establish and maintain a setoff procedure as provided in section 8A.504.

3. *Cost allocation system.* To establish a cost allocation system as provided in section 8A.505.

4. *Collection and payment of funds — monthly payments.* To control the payment of all moneys into the state treasury, and all payments from the state treasury by the preparation of appropriate warrants, or warrant checks, directing such collections and payment, and to advise the treasurer of state monthly in writing of the amount of public funds not currently needed for operating expenses. Whenever the state treasury includes state funds that require distribution to counties, cities, or other political subdivisions of this state, and the counties, cities, and other political subdivisions certify to the director that warrants will be stamped for lack of funds within the thirty-day period following certification, the director may partially distribute the funds on a monthly basis. Whenever the law requires that any funds be paid by a specific date, the director shall prepare a final accounting and shall make a final distribution of any remaining funds prior to that date.

5. *Preaudit system.* To establish and fix a reasonable imprest cash fund for each state department and institution for disbursement purposes where needed. These revolving funds shall be reimbursed only upon vouchers approved by the director. It is the purpose of this subsection to establish a preaudit system of settling all claims against the state, but the preaudit system is not applicable to any of the following:

*a.* Institutions under the control of the state board of regents.

*b.* The state fair board as established in chapter 173.

*c.* The Iowa dairy industry commission as established in chapter 179, the Iowa beef cattle producers association as established in chapter 181, the Iowa pork producers council as established in chapter 183A, the Iowa egg council as established in chapter 184, the Iowa turkey marketing council as established in chapter 184A, the Iowa soybean association as provided in chapter 185, and the Iowa corn promotion board as established in chapter 185C.

6. *Audit of claims.* To set rules and procedures for the preaudit of claims by individual agencies or organizations. The director reserves the right to refuse to accept incomplete or incorrect claims and to review, preaudit, or audit claims as determined by the director.

7. *Contracts.* To certify, record, and encumber all formal contracts to prevent overcommitment of appropriations and allotments.

8. *Accounts.* To keep the central budget and proprietary control accounts of the general fund of the state and special funds, as defined in section 8.2, of the state government. Upon elimination of the state deficit under generally accepted accounting principles, including the payment of items budgeted in a subsequent fiscal year which under generally accepted accounting principles should be budgeted in the current fiscal year, the recognition of revenues received and expenditures paid and transfers received and paid within the time period required pursuant to section 8.33 shall be in accordance with generally accepted accounting principles. Budget accounts are those accounts maintained to control the receipt and disposition of all funds, appropriations, and allotments. Proprietary accounts are those accounts relating to assets, liabilities, income, and expense. For each fiscal year, the financial position and results of operations of the state shall be reported in a comprehensive annual financial report prepared in accordance with generally accepted accounting principles, as established by the governmental accounting standards board.

9. *Fair board and board of regents.* To control the financial operations of the state fair board and the institutions under the state board of regents:

*a.* By charging all warrants issued to the respective educational institutions and the state fair board to an advance account to be further accounted for and not as an expense which requires no further accounting.

*b.* By charging all collections made by the educational institutions and state fair board to the respective advance accounts of the institutions and state fair board, and by crediting all such repayment collections to the respective appropriations and special funds.

*c.* By charging all disbursements made to the respective allotment accounts of each educational institution or state fair board and by crediting all such disbursements to the respective advance and inventory accounts.

*d.* By requiring a monthly abstract of all receipts and of all disbursements, both money and stores, and a complete account current each month from each educational institution and the state fair board.

10. *Entities representing agricultural producers.* To control the financial operations of the Iowa dairy industry commission as provided in chapter 179, the Iowa beef cattle producers association as provided in chapter 181, the Iowa pork producers council as provided in chapter 183A, the Iowa egg council as provided in chapter 184, the Iowa turkey marketing council as provided in chapter 184A, the Iowa soybean association as provided in chapter 185, and the Iowa corn promotion board as provided in chapter 185C.

11. *Custody of records.* To have the custody of all books, papers, records, documents, vouchers, conveyances, leases, mortgages, bonds, and other securities appertaining to the fiscal affairs and property of the state, which are not required to be kept in some other office.

12. *Interest of the permanent school fund.* To transfer the interest of the permanent school fund to the credit of the interest for Iowa schools fund.

13. *Forms.* To prescribe all accounting and business forms and the system of accounts and reports of financial transactions by all departments and agencies of the state government other than those of the legislative branch.

14. *Federal Cash Management and Improvement Act administrator.*

*a.* To serve as administrator for state actions relating to the federal Cash Management and Improvement Act of 1990, Pub. L. No. 101-453, as codified in 31 U.S.C. § 6503. The director shall perform the following duties relating to the federal law:

(1) Act as the designated representative of the state in the negotiation and administration of contracts between the state and federal government relating to the federal law.

(2) Modify the centralized statewide accounting system and develop, or require to be developed by the appropriate departments of state government, the reports and procedures necessary to complete the managerial and financial reports required to comply with the federal law.

*b.* There is annually appropriated from the general fund of the state to the department an amount sufficient to pay interest costs that may be due the federal government as a result of implementation of the federal law. This paragraph does not authorize the payment of interest from the general fund of the state for any departmental revolving, trust, or special fund where monthly interest earnings accrue to the credit of the departmental revolving, trust, or special fund. For any departmental revolving, trust, or special fund where monthly interest is accrued to the credit of the fund, the director may authorize a supplemental expenditure to pay interest costs from the individual fund which are due the federal government as a result of implementation of the federal law.

2003 Acts, ch 145, §84; 2004 Acts, ch 1086, §8; 2005 Acts, ch 179, §104, 105; 2008 Acts, ch 1032, §114, 201; 2010 Acts, ch 1193, §30, 31; 2011 Acts, ch 122, §40

Referred to in §8.31, 8A.111, 218.85

**8A.503 Rules — deposit of departmental moneys.**

The director shall prescribe by rule the manner and methods by which all departments and agencies of the state who collect money for and on behalf of the state shall cause the money to be deposited with the treasurer of state or in a depository designated by the treasurer of state. All such moneys collected shall be deposited at such times and in such depositories to permit the state of Iowa to deposit the funds in a manner consistent with the state's investment policies. All such moneys shall be promptly deposited, as directed, even though the individual amount remitted may not be correct. If any individual amount remitted is in excess of the amount required, the department or agency receiving the same shall refund the excess amount. If the individual amount remitted is insufficient, the person, firm, or corporation concerned shall be immediately billed for the amount of the deficiency.

2003 Acts, ch 145, §85

**8A.504 Setoff procedures.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Collection entity"* means the department of administrative services and any other state

agency that maintains a separate accounting system and elects to establish a debt collection setoff procedure for collection of debts owed to the state or its agencies.

*b.* "*Person*" does not include a state agency.

*c.* "*Qualifying debt*" includes, but is not limited to, the following:

(1) Any debt, which is assigned to the department of human services, or which is owed to the department of human services for unpaid premiums under section 249A.3, subsection 2, paragraph "*a*", subparagraph (1), or which the child support recovery unit is otherwise attempting to collect, or which the foster care recovery unit of the department of human services is attempting to collect on behalf of a child receiving foster care provided by the department of human services.

(2) An amount that is due because of a default on a guaranteed student or parental loan under chapter 261.

(3) Any debt which is in the form of a liquidated sum due, owing, and payable to the clerk of the district court.

*d.* "*State agency*" means a board, commission, department, including the department of administrative services, or other administrative office or unit of the state of Iowa or any other state entity reported in the Iowa comprehensive annual financial report, or a political subdivision of the state, or an office or unit of a political subdivision. "*State agency*" does include the clerk of the district court as it relates to the collection of a qualifying debt. "*State agency*" does not include the general assembly or the governor.

2. *Setoff procedure.* The collection entity shall establish and maintain a procedure to set off against any claim owed to a person by a state agency any liability of that person owed to a state agency, a support debt being enforced by the child support recovery unit pursuant to chapter 252B, or such other qualifying debt. The procedure shall only apply when at the discretion of the director it is feasible. The procedure shall meet the following conditions:

*a.* Before setoff, a person's liability to a state agency and the person's claim on a state agency shall be in the form of a liquidated sum due, owing, and payable.

*b.* Before setoff, the state agency shall obtain and forward to the collection entity the full name and social security number of the person liable to it or to whom a claim is owing who is a natural person. If the person is not a natural person, before setoff, the state agency shall forward to the collection entity the information concerning the person as the collection entity shall, by rule, require. The collection entity shall cooperate with other state agencies in the exchange of information relevant to the identification of persons liable to or claimants of state agencies. However, the collection entity shall provide only relevant information required by a state agency. The information shall be held in confidence and used for the purpose of setoff only. Section 422.72, subsection 1, does not apply to this paragraph.

*c.* Before setoff, a state agency shall, at least annually, submit to the collection entity the information required by paragraph "*b*" along with the amount of each person's liability to and the amount of each claim on the state agency. The collection entity may, by rule, require more frequent submissions.

*d.* Before setoff, the amount of a person's claim on a state agency and the amount of a person's liability to a state agency shall constitute a minimum amount set by rule of the collection entity.

*e.* Upon submission of an allegation of liability by a state agency, the collection entity shall notify the state agency whether the person allegedly liable is entitled to payment from a state agency, and, if so entitled, shall notify the state agency of the amount of the person's entitlement and of the person's last address known to the collection entity. Section 422.72, subsection 1, does not apply to this paragraph.

*f.* (1) Upon notice of entitlement to a payment, the state agency shall send written notification to that person of the state agency's assertion of its rights to all or a portion of the payment and of the state agency's entitlement to recover the liability through the setoff procedure, the basis of the assertion, the opportunity to request that a jointly or commonly owned right to payment be divided among owners, and the person's opportunity to give written notice of intent to contest the amount of the allegation. The state agency shall send a copy of the notice to the collection entity. A state agency subject to chapter 17A shall give notice, conduct hearings, and allow appeals in conformity with chapter 17A.

(2) However, upon submission of an allegation of the liability of a person which is owing and payable to the clerk of the district court and upon the determination by the collection entity that the person allegedly liable is entitled to payment from a state agency, the collection entity shall send written notification to the person which states the assertion by the clerk of the district court of rights to all or a portion of the payment, the clerk's entitlement to recover the liability through the setoff procedure, the basis of the assertions, the person's opportunity to request within fifteen days of the mailing of the notice that the collection entity divide a jointly or commonly owned right to payment between owners, the opportunity to contest the liability to the clerk by written application to the clerk within fifteen days of the mailing of the notice, and the person's opportunity to contest the collection entity's setoff procedure.

*g.* Upon the timely request of a person liable to a state agency or of the spouse of that person and upon receipt of the full name and social security number of the person's spouse, a state agency shall notify the collection entity of the request to divide a jointly or commonly owned right to payment. Any jointly or commonly owned right to payment is rebuttably presumed to be owned in equal portions by its joint or common owners.

*h.* The collection entity shall, after the state agency has sent notice to the person liable or, if the liability is owing and payable to the clerk of the district court, the collection entity has sent notice to the person liable, set off the amount owed to the agency against any amount which a state agency owes that person. The collection entity shall refund any balance of the amount to the person. The collection entity shall periodically transfer amounts set off to the state agencies entitled to them. If a person liable to a state agency gives written notice of intent to contest an allegation, a state agency shall hold a refund or rebate until final disposition of the allegation. Upon completion of the setoff, a state agency shall notify in writing the person who was liable or, if the liability is owing and payable to the clerk of the district court, shall comply with the procedures as provided in paragraph *"j"*.

*i.* The department of revenue's existing right to credit against tax due or to become due under section 422.73 is not to be impaired by a right granted to or a duty imposed upon the collection entity or other state agency by this section. This section is not intended to impose upon the collection entity or the department of revenue any additional requirement of notice, hearing, or appeal concerning the right to credit against tax due under section 422.73.

*j.* If the alleged liability is owing and payable to the clerk of the district court and setoff as provided in this section is sought, all of the following shall apply:

(1) The judicial branch shall prescribe procedures to permit a person to contest the amount of the person's liability to the clerk of the district court.

(2) The collection entity shall, except for the procedures described in subparagraph (1), prescribe any other applicable procedures concerning setoff as provided in this subsection.

(3) Upon completion of the setoff, the collection entity shall file, at least monthly, with the clerk of the district court a notice of satisfaction of each obligation to the full extent of all moneys collected in satisfaction of the obligation. The clerk shall record the notice and enter a satisfaction for the amounts collected and a separate written notice is not required.

*k.* If the alleged liability is owing and payable to a community college and setoff pursuant to this section is sought, both of the following shall apply:

(1) In addition to satisfying other applicable setoff procedures established under this subsection, the community college shall prescribe procedures to permit a person to contest the amount of the person's liability to the community college. Such procedures shall be consistent with and ensure the protection of the person's right of due process under Iowa law.

(2) The collection entity shall, except for the procedures prescribed pursuant to subparagraph (1), prescribe any other applicable procedures concerning setoff as provided in this subsection.

3. In the case of multiple claims to payments filed under this section, priority shall be given to claims filed by the child support recovery unit or the foster care recovery unit, next priority shall be given to claims filed by the clerk of the district court, next priority shall be given to claims filed by the college student aid commission, next priority shall be given to claims filed by the investigations division of the department of inspections and appeals, and last priority shall be given to claims filed by other state agencies. In the case of multiple

claims in which the priority is not otherwise provided by this subsection, priority shall be determined in accordance with rules to be established by the director.

4. The director shall have the authority to enter into reciprocal agreements with the departments of revenue of other states that have enacted legislation that is substantially equivalent to the setoff procedure provided in this section for the recovery of an amount due because of a default on a guaranteed student or parental loan under chapter 261. A reciprocal agreement shall also be approved by the college student aid commission. The agreement shall authorize the department to provide by rule for the setoff of state income tax refunds or rebates of defaulters from states with which Iowa has a reciprocal agreement and to provide for sending lists of names of Iowa defaulters to the states with which Iowa has a reciprocal agreement for setoff of that state's income tax refunds.

5. Under substantive rules established by the director, the department shall seek reimbursement from other state agencies to recover its costs for setting off liabilities.

2003 Acts, ch 145, §86, 286; 2006 Acts, ch 1072, §4; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1146, §1; 2010 Acts, ch 1182, §2, 36; 2011 Acts, ch 120, §1; 2013 Acts, ch 138, §113, 127

Referred to in §8A.323, 8A.502, 96.11, 99D.2, 99D.28, 99F.1, 99F.19, 99G.38, 217.34, 234.8, 252B.5, 261.37, 321.11A, 321.31, 321.40, 422.12D, 422.12K, 422.12L, 422.20, 422.72, 456A.16, 602.8102(58A), 602.8107, 642.2

2013 amendment to subsection 1, paragraph c, subparagraph (1) takes effect January 1, 2014; 2013 Acts, ch 138, §127

Subsection 1, paragraph c, subparagraph (1) amended

**8A.505 Cost allocation system — appropriation.**

The department shall develop and administer an indirect cost allocation system for state agencies. The system shall be based upon standard cost accounting methodologies and shall be used to allocate both direct and indirect costs of state agencies or state agency functions in providing centralized services to other state agencies. A cost that is allocated to a state agency pursuant to this system shall be billed to the state agency and the cost is payable to the general fund of the state. The source of payment for the billed cost shall be any revenue source except for the general fund of the state. If a state agency is authorized by law to bill and recover direct expenses, the state agency shall recover indirect costs in the same manner.

2003 Acts, ch 145, §87; 2003 Acts, 1st Ex, ch 2, §34, 209; 2006 Acts, ch 1172, §1; 2008 Acts, ch 1183, §1, 2; 2009 Acts, ch 181, §38

Referred to in §8A.502

Office of grants enterprise management, see §8.9

**8A.506 Accounting.**

The director may at any time require any person receiving money, securities, or property belonging to the state, or having the management, disbursement, or other disposition of them, an account of which is kept in the department, to render statements of them and information in reference to them.

2003 Acts, ch 145, §88

Referred to in §331.552

**8A.507 Stating account.**

If an officer who is accountable to the state treasury for any money or property neglects to render an account to the director within the time prescribed by law, or if no time is so prescribed, within twenty days after being required to do so by the director, the director shall state an account against the officer from the books of the officer's office, charging ten percent damages on the whole sum appearing due, and interest at the rate of six percent per annum on the aggregate from the time when the account should have been rendered; all of which may be recovered by action brought on the account, or on the official bond of the officer.

2003 Acts, ch 145, §89

Referred to in §8A.509, 331.552

**8A.508 Compelling payment.**

If an officer fails to pay into the state treasury the amount received by the officer within the time prescribed by law, or having settled with the director, fails to pay the amount found due, the director shall charge the officer with twenty percent damages on the amount due, with interest on the aggregate from the time the amount became due at the rate of six percent

per annum, and the whole may be recovered by an action brought on the account, or on the official bond of the officer, and the officer shall forfeit the officer's commission.

2003 Acts, ch 145, §90

Referred to in §8A.509, 331.552

**8A.509 Defense to claim.**

The penal provisions in sections 8A.507 and 8A.508 are subject to any legal defense which the officer may have against the account as stated by the director, but judgment for costs shall be rendered against the officer in the action, whatever its result, unless the officer rendered an account within the time named in those sections.

2003 Acts, ch 145, §91

**8A.510 Requested credits — oath required.**

When a county treasurer or other receiver of public money seeks to obtain credit on the books of the department for payment made to the county treasurer, before giving such credit the director shall require that person to take and subscribe an oath that the person has not used, loaned, or appropriated any of the public money for the person's private benefit, nor for the benefit of any other person.

2003 Acts, ch 145, §92

**8A.511 Requisition for information.**

In those cases where the director is authorized to call upon persons or officers for information, or statements, or accounts, the director may issue a requisition therefor in writing to the person or officer called upon, allowing reasonable time, which, having been served and return made to the director, as a notice in a civil action, is evidence of the making of the requisition.

2003 Acts, ch 145, §93

**8A.512 Limits on claims.**

The director is limited in authorizing the payment of claims, as follows:

1. *Funding limit.*

*a.* A claim shall not be allowed by the department if the appropriation or fund of certification available for paying the claim has been exhausted or proves insufficient.

*b.* The authority of the director is subject to the following exceptions:

(1) Claims by state employees for benefits pursuant to chapters 85, 85A, 85B, and 86 are subject to limitations provided in those chapters.

(2) Claims for medical assistance payments authorized under chapter 249A are subject to the time limits imposed by rule adopted by the department of human services.

(3) Claims approved by an agency according to the provisions of section 25.2.

2. *Payment from fees.* Claims for per diem and expenses payable from fees shall not be approved for payment in excess of those fees if the law provides that such expenditures are limited to the special funds collected and deposited in the state treasury.

2003 Acts, ch 145, §94; 2006 Acts, ch 1185, §91; 2011 Acts, ch 127, §43, 89

Referred to in §97B.7A

**8A.512A Executive branch employee travel — information and database.**

1. The department shall develop and maintain the following:

*a.* An electronic travel authorization form to be used for any executive branch employee's out-of-state travel, conference, or related expenditures associated with the employee's official duties. The electronic travel authorization form shall include all of the following:

(1) The identification of the employee, the employee's title, and the employee's department or agency.

(2) The travel departure point and destination point.

(3) The reason for the travel.

(4) The estimated reimbursable expenses.

(5) The date or dates upon which the travel is to occur.

*b.* A searchable database available on the department's internet site containing information related to all executive branch employee travel that includes all of the following:

(1) The identification of the employee who engaged in the travel, the employee's department or agency, and the employee's title.

(2) The travel departure point and destination point.

(3) The reason for the travel.

(4) The actual amount of expenses reimbursed.

(5) The date or dates upon which the travel occurred.

*c.* Notwithstanding paragraph *"b"* of this subsection, the searchable database shall not include information regarding travel by officers and employees of the department of public safety occurring in relation to or during the course of criminal investigations, including but not limited to undercover operations.

2. A claim for reimbursement for any out-of-state travel, conference, or related expenditures shall only be allowed after the occurrence of both of the following:

*a.* The electronic travel authorization form is approved by the head of the employee's department.

*b.* The request for reimbursement is submitted by the employee on the appropriate form with required approvals.

3. *a.* For purposes of this section, *"executive branch employee"* means an employee of the executive branch as defined in section 7E.2, other than a member or employee of the state board of regents and institutions under the control of the state board of regents.

*b.* For purposes of this section, *"out-of-state travel"* does not include out-of-state travel incidental to travel between a travel departure point in this state and a travel destination point in the city of Carter Lake.

2011 Acts, ch 127, §44, 89; 2012 Acts, ch 1133, §91

**8A.513 Claims — approval.**

The director before approving a claim on behalf of the department shall determine:

1. That the creation of the claim is clearly authorized by law. Statutes authorizing the expenditure may be referenced through account coding authorized by the director.

2. That the claim has been authorized by an officer or official body having legal authority to so authorize and that the fact of authorization has been certified to the director by such officer or official body.

3. That all legal requirements have been observed, including notice and opportunity for competition, if required by law.

4. That the claim is in proper form as the director may provide.

5. That the charges are reasonable, proper, and correct and no part of the claim has been paid.

2003 Acts, ch 145, §95

**8A.514 Vouchers — interest — payment of claims.**

1. Before a warrant or its equivalent is issued for a claim payable from the state treasury, the department shall file an itemized voucher showing in detail the items of service, expense, item furnished, or contract for which payment is sought. However, the director may authorize the prepayment of claims when the best interests of the state are served under rules adopted by the director. The claimant's original invoice shall be attached to a department's approved voucher. The director shall adopt rules specifying the form and contents for invoices submitted by a vendor to a department. The requirements apply to acceptance of an invoice by a department. A department shall not impose additional or different requirements on submission of invoices than those contained in rules of the director unless the director exempts the department from the invoice requirements or a part of the requirements upon a finding that compliance would result in poor accounting or management practices.

2. Vouchers for postage, stamped envelopes, and postal cards may be audited as soon as an order for them is entered.

3. The departments, the general assembly, and the courts shall pay their claims in a

timely manner. If a claim for services, supplies, materials, or a contract which is payable from the state treasury remains unpaid after sixty days following the receipt of the claim or the satisfactory delivery, furnishing, or performance of the services, supplies, materials, or contract, whichever date is later, the state shall pay interest at the rate of one percent per month on the unpaid amount of the claim. This subsection does not apply to claims against the state under chapters 25 and 669 or to claims paid by federal funds. The interest shall be charged to the appropriation or fund to which the claim is certified. Departments may enter into contracts for goods or services on payment terms of less than sixty days if the state may obtain a financial benefit or incentive which would not otherwise be available from the vendor. The department, in consultation with other affected departments, shall develop policies to promote consistency and fiscal responsibility relating to payment terms authorized under this subsection. The director shall adopt rules under chapter 17A relating to the administration of this subsection.

2003 Acts, ch 145, §96

Referred to in §218.58

**8A.515 Warrants — form.**

A warrant shall bear on its face the signature of the director or its facsimile, or the signature of an assistant or its facsimile in case of a vacancy in the office of the director; a proper number, date, amount, and name of payee; a reference to the law under which it is drawn; whether for salaries or wages, services, or supplies, and what kind of supplies; and from what office or department, or for what other general or special purposes; or in lieu thereof, a coding system may be used, which particulars shall be entered in a warrant register kept for that purpose in the order of issuance; and as soon as practicable after issuing a warrant register, the director shall certify a duplicate of it to the treasurer of state.

2003 Acts, ch 145, §97

**8A.516 Required payee.**

All warrants shall be drawn to the order of the person entitled to payment or compensation, except that when goods or materials are purchased in foreign countries, warrants may be drawn upon the treasurer of state, payable to the bearer for the net amount of invoice and current exchange, and the treasurer of state shall furnish a foreign draft payable to the order of the person from whom purchase is made.

2003 Acts, ch 145, §98

**8A.517 Prohibited payee.**

In no case shall warrants be drawn in the name of the certifying office, department, board, or institution, or in the name of an employee, except for personal service rendered or expense incurred by the employee, unless express statutory authority exists therefor.

2003 Acts, ch 145, §99

**8A.518 Claims exceeding appropriations.**

A claim shall not be allowed when the claim will exceed the amount specifically appropriated for the claim.

2003 Acts, ch 145, §100

**8A.519 Cancellation of state warrants.**

On the last business day of each month, the director shall cancel and request the treasurer of state to stop payment on all state warrants which have been outstanding and unredeemed by the treasurer of state for six months or longer.

2003 Acts, ch 145, §101

Referred to in §25.2, 556.2C

# CHAPTER 8B

## INFORMATION TECHNOLOGY

Referred to in §97B.4

Continuation of effectiveness of rules, regulations, forms, orders, and directives promulgated by the department of administrative services under prior law; 2013 Acts, ch 129, §31
For transition provisions relating to the transfer of merit system personnel, the transfer of preexisting funds, and the applicability of causes of action and statutes of limitation to the office of chief information officer, see 2013 Acts, ch 129, §32
For provisions requiring the chief technology officer to inventory state information technology devices and report to the general assembly and requiring development of an implementation schedule with periodic updates to the general assembly, see 2013 Acts, ch 129, §33, 34

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## GENERAL PROVISIONS

**8B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Information technology"* means computing and electronics applications used to process and distribute information in digital and other forms and includes information technology devices, information technology services, infrastructure services, and value-added services.

2. *"Information technology device"* means equipment or associated software, including programs, languages, procedures, or associated documentation, used in operating the equipment which is designed for utilizing information stored in an electronic format. *"Information technology device"* includes but is not limited to computer systems, computer networks, and equipment used for input, output, processing, storage, display, scanning, and printing.

3. *"Information technology services"* means services designed to do any of the following:

*a.* Provide functions, maintenance, and support of information technology devices.

*b.* Provide services including but not limited to any of the following:

(1) Computer systems application development and maintenance.
(2) Systems integration and interoperability.
(3) Operating systems maintenance and design.
(4) Computer systems programming.
(5) Computer systems software support.
(6) Planning and security relating to information technology devices.
(7) Data management consultation.

(8) Information technology education and consulting.

(9) Information technology planning and standards.

(10) Establishment of local area network and workstation management standards.

4. *"Information technology staff"* includes any employees performing information technology services, including but not limited to agency employees in information technology classifications, contractors, temporary workers, and any other employees providing information technology services.

5. *"Infrastructure services"* includes all of the following:

*a.* Data centers used to support mainframe and other computers and their associated components including servers, information networks, storage systems, redundant or backup power systems, redundant data communications connections, environmental controls, and security devices.

*b.* Servers, mainframes, or other centralized processing systems.

*c.* Storage systems, including but not limited to disk, tape, optical, and other structured repositories for storing digital information.

*d.* Computer networks commonly referred to as local area networks.

*e.* Network services, including equipment and software which support local area networks, campus area networks, wide area networks, and metro area networks. Network services also include data network services such as routers, switches, firewalls, virtual private networks, intrusion detection systems, access control, internet protocol load balancers, event logging and correlation, and content caching. Network services do not include services provided by the public broadcasting division of the department of education.

*f.* Groupware applications used to facilitate collaboration, communication, and workflow, including electronic mail, directory services, calendaring and scheduling, and imaging systems.

*g.* Information technology help desk services.

*h.* Cyber security functions and equipment.

*i.* Digital printing and printing procurement services.

*j.* Data warehouses, including services that assist in managing and locating digital information.

*k.* Disaster recovery technology and services.

*l.* Other similar or related services as determined by the chief information officer.

6. *"Office"* means the office of the chief information officer created in section 8B.2.

7. *"Participating agency"* means any state agency, except the state board of regents and institutions operated under the authority of the state board of regents.

8. *"Technology advisory council"* means the council established in section 8B.8.

9. *"Value-added services"* means services that offer or provide unique, special, or enhanced value, benefits, or features to the customer or user including but not limited to services in which information technology is specially designed, modified, or adapted to meet the special or requested needs of the user or customer; services involving the delivery, provision, or transmission of information or data that require or involve additional processing, formatting, enhancement, compilation, or security; services that provide the customer or user with enhanced accessibility, security, or convenience; research and development services; and services that are provided to support technological or statutory requirements imposed on participating agencies and other governmental entities, businesses, and the public.

2013 Acts, ch 129, §5

For additional definitions, see §8A.101

NEW section

**8B.2 Office created — chief information officer appointed.**

1. The office of the chief information officer is created as an independent agency and is attached to the department of administrative services for accounting and fiscal services. The department of administrative services shall provide such additional assistance and administrative support services to the office as the department of administrative services

and the office determines maximizes the efficiency and effectiveness of both the department and office.

2. The chief information officer, who shall be the head of the office, shall be appointed by the governor to serve at the pleasure of the governor and is subject to confirmation by the senate. If the office becomes vacant, the vacancy shall be filled in the same manner as provided for the original appointment.

3. The person appointed as the chief information officer for the state shall be professionally qualified by education and have no less than five years' experience in the field of information technology, and a working knowledge of financial management. The chief information officer shall not be a member of any local, state, or national committee of a political party, an officer or member of a committee in any partisan political club or organization, or hold or be a candidate for a paid elective public office. The chief information officer is subject to the restrictions on political activity provided in section 8A.416.

2013 Acts, ch 129, §6
Referred to in §8A.104, 8B.1
Confirmation; see §2.32
NEW section

**8B.3 Office — purpose — mission.**

1. The office is created for the purpose of leading, directing, managing, coordinating, and providing accountability for the information technology resources of state government.

2. The mission of the office is to provide high-quality, customer-focused information technology services and business solutions to government and to citizens.

2013 Acts, ch 129, §7
NEW section

**8B.4 Powers and duties of the chief information officer.**

The chief information officer shall do all of the following:

1. Direct the internal operations of the office and develop and implement policies, procedures, and internal organization measures designed to ensure the efficient administration of the office.

2. Appoint all information technology staff deemed necessary for the administration of the office's functions as provided in this chapter. For employees of the office, employment shall be consistent with chapter 8A, subchapter IV.

3. Manage, in consultation with the applicable participating agency, the information technology staff of participating agencies, to include directing the work of information technology staff, assigning information technology staff as required to support information technology requirements and initiatives of the office, and to review and recommend approval of information technology staff employment decisions in coordination with the department of management.

4. Prepare an annual budget for the office. Adopt rules for the approval of information technology budgets for participating agencies in conjunction with the department of management.

5. Adopt rules deemed necessary for the administration of this chapter in accordance with chapter 17A.

6. Prescribe and adopt information technology standards and rules.

7. Develop and recommend legislative proposals deemed necessary for the continued efficiency of the office in performing information technology functions, and review legislative proposals generated outside of the office which are related to matters within the office's purview.

8. Provide advice to the governor on issues related to information technology.

9. Consult with agencies and other governmental entities on issues relating to information technology.

10. Work with all governmental entities in an effort to achieve the information technology goals established by the office.

11. Develop systems and methodologies to review, evaluate, and prioritize information technology projects.

12. Administer all accounting, billing, and collection functions required by the department of administrative services pursuant to policies adopted by the chief information officer after consultation and in cooperation with the director of the department of administrative services.

13. Utilize, in a manner determined by the chief information officer, such assistance and administrative support services as provided by the department of administrative services as the office determines to maximize the efficiency and effectiveness of the office.

14. Enter into contracts for the receipt and provision of services as deemed necessary. The chief information officer and the governor may obtain and accept grants and receipts to or for the state to be used for the administration of the office's functions as provided in this chapter.

15. Exercise and perform such other powers and duties as may be prescribed by law.

2013 Acts, ch 129, §8
NEW section

**8B.5 Prohibited interests — penalty.**

The chief information officer shall not have any pecuniary interest, directly or indirectly, in any contract for supplies furnished to the state, or in any business enterprise involving any expenditure by the state. A violation of the provisions of this section is a serious misdemeanor, and upon conviction, the chief information officer shall be removed from office in addition to any other penalty.

2013 Acts, ch 129, §9
NEW section

**8B.6 Acceptance of funds.**

The office may receive and accept donations, grants, gifts, and contributions in the form of moneys, services, materials, or otherwise, from the United States or any of its agencies, from this state or any of its agencies, or from any other person, and expend such moneys, services, materials, or other contributions, or issue grants, in carrying out the operations of the office. All federal grants to and the federal receipts of the office are appropriated for the purpose set forth in such federal grants or receipts. The office shall report annually to the general assembly on or before September 1 the donations, grants, gifts, and contributions with a monetary value of one thousand dollars or more that were received during the most recently concluded fiscal year.

2013 Acts, ch 129, §10
NEW section

**8B.7 Federal funds.**

1. Neither the provisions of this chapter nor rules adopted pursuant to this chapter shall apply in any situation where such provision or rule is in conflict with a governing federal regulation or where the provision or rule would jeopardize the receipt of federal funds.

2. If it is determined by the attorney general that any provision of this chapter would cause denial of funds or services from the United States government which would otherwise be available to an agency of this state, such provision shall be suspended as to such agency, but only to the extent necessary to prevent denial of such funds or services.

2013 Acts, ch 129, §11
NEW section

**8B.8 Technology advisory council.**

1. *Definitions.* For purposes of this section, unless the context otherwise requires:

*a.* "*Large agency*" means a participating agency with more than seven hundred full-time, year-round employees.

*b.* "*Medium-sized agency*" means a participating agency with at least seventy or more full-time, year-round employees, but not more than seven hundred permanent employees.

*c.* "*Small agency*" means a participating agency with less than seventy full-time, year-round employees.

2. *Membership.*

*a.* The technology advisory council is composed of ten members as follows:

(1) The chief information officer.
(2) The director of the department of management, or the director's designee.
(3) Eight members appointed by the governor as follows:
(a) Three representatives from large agencies.
(b) Two representatives from medium-sized agencies.
(c) One representative from a small agency.
(d) Two public members who are knowledgeable and have experience in information technology matters.

*b.* (1) Members appointed pursuant to paragraph "*a*", subparagraph (3), shall serve two-year staggered terms. The office shall provide, by rule, for the commencement of the term of membership for the nonpublic members. The terms of the public members shall be staggered at the discretion of the governor.
(2) Sections 69.16, 69.16A, and 69.19 shall apply to the public members of the council.
(3) Public members appointed by the governor are subject to senate confirmation.
(4) Public members appointed by the governor may be eligible to receive compensation as provided in section 7E.6.
(5) Members shall be reimbursed for actual and necessary expenses incurred in performance of the members' duties.
(6) A director, deputy director, or employee of an agency who has information technology expertise is preferred as an appointed representative for each of the agency categories of membership pursuant to paragraph "*a*", subparagraph (3).

*c.* The technology advisory council annually shall elect a chair and a vice chair from among the members of the council, by majority vote, to serve one-year terms.

*d.* A majority of the members of the council shall constitute a quorum.

*e.* Meetings of the council shall be held at the call of the chairperson or at the request of three members.

3. *Powers and duties of the council.* The powers and duties of the technology advisory council as they relate to information technology services shall include but are not limited to all of the following:

*a.* Make recommendations to the chief information officer regarding all of the following:
(1) Information technology standards to be applicable to all participating agencies.
(2) Technology utility services to be implemented by the office.
(3) Improvements to information technology service levels and modifications to the business continuity plan for information technology operations developed by the office for agencies, and to maximize the value of information technology investments by the state.
(4) Technology initiatives for the executive branch.

*b.* Advise the office regarding rates to be charged for access to and for value-added services performed through IowAccess.

2013 Acts, ch 129, §12
Referred to in §8B.1, 8B.33
Confirmation, see §2.32
NEW section

**8B.9 Reports required.**

The office shall provide all of the following reports:

1. An annual report of the office.

2. Internal service fund service business plans and financial reports as required under section 8B.13, subsection 5, paragraph "*a*", and an annual internal service fund expenditure report as required under section 8B.13, subsection 5, paragraph "*b*".

3. An annual report regarding total spending on technology as required under section 8B.21, subsection 6.

4. An annual report of expenditures from the IowAccess revolving fund as provided in section 8B.33.

2013 Acts, ch 129, §13
NEW section

**8B.10 and 8B.11** Reserved.

**8B.12 Services to governmental entities and nonprofit organizations.**

1. The chief information officer shall enter into agreements with state agencies, and may enter into agreements with any other governmental entity or a nonprofit organization, to furnish services and facilities of the office to the applicable governmental entity or nonprofit organization. The agreement shall provide for the reimbursement to the office of the reasonable cost of the services and facilities furnished. All governmental entities of this state may enter into such agreements. For purposes of this subsection, "*nonprofit organization*" means a nonprofit entity which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code and which is funded in whole or in part by public funds.

2. This chapter does not affect any city civil service programs established under chapter 400.

3. The state board of regents shall not be required to obtain any service for the state board of regents or any institution under the control of the state board of regents that is provided by the office pursuant to this chapter without the consent of the state board of regents.

2013 Acts, ch 129, §14
NEW section

**8B.13 Office internal service funds.**

1. Activities of the office shall be accounted for within the general fund of the state, except that the chief information officer may establish and maintain internal service funds in accordance with generally accepted accounting principles, as defined in section 8.57, subsection 4, for activities of the office which are primarily funded from billings to governmental entities for services rendered by the office. The establishment of an internal service fund is subject to the approval of the director of the department of management and the concurrence of the auditor of state. At least ninety days prior to the establishment of an internal service fund pursuant to this section, the chief information officer shall notify in writing the general assembly, including the legislative council, legislative fiscal committee, and the legislative services agency.

2. Internal service funds shall be administered by the office and shall consist of moneys collected by the office from billings issued in accordance with section 8B.15 and any other moneys obtained or accepted by the office, including but not limited to gifts, loans, donations, grants, and contributions, which are designated to support the activities of the individual internal service funds.

3. The proceeds of an internal service fund established pursuant to this section shall be used by the office for the operations of the office consistent with this chapter. The chief information officer may appoint the personnel necessary to ensure the efficient provision of services funded pursuant to an internal service fund established under this section. However, this usage requirement shall not limit or restrict the office from using proceeds from gifts, loans, donations, grants, and contributions in conformance with any conditions, directions, limitations, or instructions attached or related thereto.

4. Section 8.33 does not apply to any moneys in internal service funds established pursuant to this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in these funds shall be credited to these funds.

5. *a.* The chief information officer shall annually provide internal service fund service business plans and financial reports to the department of management and the general assembly. The business plans may include the recommendation that a portion of unexpended net income be periodically returned to the appropriate funding source.

*b.* The office shall submit an annual report not later than October 1 to the members of the general assembly and the legislative services agency of the activities funded by and expenditures made from an internal service fund established pursuant to this section during the preceding fiscal year.

2013 Acts, ch 129, §15
Referred to in §8B.9, 8B.16
NEW section

**8B.14** Reserved.

**8B.15 Billing — credit card payments.**

1. The chief information officer may bill a governmental entity for services rendered by the office in accordance with the duties of the office as provided in this chapter. Bills may include direct, indirect, and developmental costs which have not been funded by an appropriation to the office. The office shall periodically render a billing statement to a governmental entity outlining the cost of services provided to the governmental entity. The amount indicated on the statement shall be paid by the governmental entity and amounts received by the office shall be considered repayment receipts as defined in section 8.2, and deposited into the accounts of the office.

2. In addition to other forms of payment, a person may pay by credit card for services provided by the office, according to rules adopted by the treasurer of state. The credit card fees to be charged shall not exceed those permitted by statute. A governmental entity may adjust its payment to reflect the costs of processing as determined by the treasurer of state. The discount charged by the credit card issuer may be included in determining the fees to be paid for completing a financial transaction under this section by using a credit card. All credit card payments shall be credited to the fund used to account for the services provided.

2013 Acts, ch 129, §16
Referred to in §8B.13, 8B.32
NEW section

**8B.16 Office debts and liabilities — appropriation request.**

If a service provided by the office and funded from an internal service fund established under section 8B.13 ceases to be provided and insufficient funds remain in the internal service fund to pay any outstanding debts and liabilities relating to that service, the chief information officer shall notify the department of management and the general assembly and request that moneys be appropriated from the general fund of the state to pay such debts and liabilities.

2013 Acts, ch 129, §17
NEW section

**8B.17 through 8B.20** Reserved.

**8B.21 Information technology services — office powers and duties — responsibilities.**

1. *Powers and duties of office.* The powers and duties of the office as it relates to information technology services shall include but are not limited to all of the following:

*a.* Approving information technology for use by agencies and other governmental entities.

*b.* Implementing the strategic information technology plan.

*c.* Developing and implementing a business continuity plan, as the chief information officer determines is appropriate, to be used if a disruption occurs in the provision of information technology to participating agencies and other governmental entities.

*d.* Prescribing standards and adopting rules relating to cyber security, geospatial systems, application development, and information technology and procurement, including but not limited to system design and systems integration, and interoperability, which shall apply to all participating agencies except as otherwise provided in this chapter. The office shall implement information technology standards as established pursuant to this chapter which are applicable to information technology procurements for participating agencies.

*e.* Establishing an enterprise strategic and project management function for oversight of all information technology-related projects and resources of participating agencies.

*f.* (1) Developing and maintaining security policies and systems to ensure the integrity of the state's information resources and to prevent the disclosure of confidential records. The office shall ensure that the security policies and systems be consistent with the state's data transparency efforts by developing and implementing policies and systems for the sharing of data and information by participating agencies.

(2) Establishing statewide standards, to include periodic review and compliance measures, for information technology security to maximize the functionality, security, and interoperability of the state's distributed information technology assets, including but not limited to communications and encryption technologies.

(3) Requiring all information technology security services, solutions, hardware, and

software purchased or used by a participating agency to be subject to approval by the office in accordance with security standards.

*g.* Developing and implementing effective and efficient strategies for the use and provision of information technology and information technology staff for participating agencies and other governmental entities.

*h.* Coordinating and managing the acquisition of information technology services by participating agencies in furtherance of the purposes of this chapter. The office shall institute procedures to ensure effective and efficient compliance with the applicable standards established pursuant to this chapter.

*i.* Entering into contracts, leases, licensing agreements, royalty agreements, marketing agreements, memorandums of understanding, or other agreements as necessary and appropriate to administer this chapter.

*j.* Determining and implementing statewide efforts to standardize data elements, determine data ownership assignments, and implement the sharing of data.

*k.* Requiring that a participating agency provide such information as is necessary to establish and maintain an inventory of information technology used by participating agencies, and such participating agency shall provide such information to the office in a timely manner. The form and content of the information to be provided shall be determined by the office.

*l.* Requiring participating agencies to provide the full details of the agency's information technology and operational requirements upon request, report information technology security incidents to the office in a timely manner, provide comprehensive information concerning the information technology security employed by the agency to protect the agency's information technology, and forecast the parameters of the agency's projected future information technology security needs and capabilities.

*m.* Charging reasonable fees, costs, expenses, charges, or other amounts to an agency, governmental entity, public official, or person or entity related to the provision, sale, use, or utilization of, or cost sharing with respect to, information technology and any intellectual property interests related thereto; research and development; proprietary hardware, software, and applications; and information technology architecture and design. The office may enter into nondisclosure agreements and take any other legal action reasonably necessary to secure a right to an interest in information technology development by or on behalf of the state of Iowa and to protect the state of Iowa's proprietary information technology and intellectual property interests. The provisions of chapter 23A relating to noncompetition by state agencies and political subdivisions with private enterprise shall not apply to office activities authorized under this paragraph.

*n.* Charging reasonable fees, costs, expenses, charges, or other amounts to an agency, governmental entity, public official, or other person or entity to or for whom information technology or other services have been provided by or on behalf of, or otherwise made available through, the office.

*o.* Providing, selling, leasing, licensing, transferring, or otherwise conveying or disposing of information technology, or any intellectual property or other rights with respect thereto, to agencies, governmental entities, public officials, or other persons or entities.

*p.* Entering into partnerships, contracts, leases, or other agreements with public and private entities for the evaluation and development of information technology pilot projects.

*q.* Initiating and supporting the development of electronic commerce, electronic government, and internet applications across participating agencies and in cooperation with other governmental entities. The office shall foster joint development of electronic commerce and electronic government involving the public and private sectors, develop customer surveys and citizen outreach and education programs and material, and provide for citizen input regarding the state's electronic commerce and electronic government applications.

2. *Responsibilities.* The responsibilities of the office as it relates to information technology services include the following:

*a.* Coordinate the activities of the office in promoting, integrating, and supporting information technology in all business aspects of state government.

*b.* Provide for server systems, including mainframe and other server operations, desktop support, and applications integration.

*c.* Provide applications development, support, and training, and advice and assistance in developing and supporting business applications throughout state government.

3. *Information technology charges.* The office shall render a statement to an agency, governmental entity, public official, or other person or entity to or for whom information technology, value-added services, or other items or services have been provided by or on behalf of, or otherwise made available through, the office. Such an agency, governmental entity, public official, or other person or entity shall pay an amount indicated on such statement in a manner determined by the office.

4. *Dispute resolution.* If a dispute arises between the office and an agency for which the office provides or refuses to provide information technology, the dispute shall be resolved as provided in section 679A.19.

5. *Waivers.*

*a.* The office shall adopt rules allowing for participating agencies to seek a temporary or permanent waiver from any of the requirements of this chapter concerning the acquisition, utilization, or provision of information technology. The rules shall provide that a waiver may be granted upon a written request by a participating agency and approval of the chief information officer. A waiver shall only be approved if the participating agency shows that a waiver would be in the best interests of the state.

*b.* Prior to approving or denying a request for a waiver, the chief information officer shall consider all of the following:

(1) Whether the failure to grant a waiver would violate any state or federal law or any published policy, standard, or requirement established by a governing body other than the office.

(2) Whether the failure to grant a waiver would result in the duplication of existing services, resources, or support.

(3) Whether the waiver would obstruct the state's information technology strategic plan, enterprise architecture, security plans, or any other information technology policy, standard, or requirement.

(4) Whether the waiver would result in excessive expenditures or expenditures above market rates.

(5) The life cycle of the system or application for which the waiver is requested.

(6) Whether the participating agency can show that it can obtain or provide the information technology more economically than the information technology can be provided by the office. For purposes of determining if the participating agency can obtain or provide the information technology more economically, the chief information officer shall consider the impact on other participating agencies if the waiver is granted or denied.

(7) Whether the failure to grant a waiver would jeopardize federal funding.

*c.* Rules adopted pursuant to this subsection relating to a request for a waiver, at a minimum, shall provide for all of the following:

(1) The request shall be in writing and signed by the head of the participating agency seeking the waiver.

(2) The request shall include a reference to the specific policy, standard, or requirement for which the waiver is submitted.

(3) The request shall include a statement of facts including a description of the problem or issue prompting the request; the participating agency's preferred solution; an alternative approach to be implemented by the participating agency intended to satisfy the waived policy, standard, or requirement; the business case for the alternative approach; a third party audit or report that compares the participating agency's preferred solution to the information technology solution that can be provided by the office; the economic justification for the waiver or a statement as to why the waiver is in the best interests of the state; the time period for which the waiver is requested; and any other information deemed appropriate.

*d.* A participating agency may appeal the decision of the chief information officer to the director of the department of management within seven calendar days following the decision

of the chief information officer. The director of the department of management shall respond within fourteen days following the receipt of the appeal.

*e.* The department of public defense shall not be required to obtain any information technology services pursuant to this chapter for the department of public defense that are provided by the office pursuant to this chapter without the consent of the adjutant general.

6. *Annual report.* On an annual basis, prepare a report to the governor, the department of management, and the general assembly regarding the total spending on technology for the previous fiscal year, the total amount appropriated for the current fiscal year, and an estimate of the amount to be requested for the succeeding fiscal year for all agencies. The report shall include a five-year projection of technology cost savings, an accounting of the level of technology cost savings for the current fiscal year, and a comparison of the level of technology cost savings for the current fiscal year with that of the previous fiscal year. The report shall be filed as soon as possible after the close of a fiscal year, and by no later than the second Monday of January of each year.

2013 Acts, ch 129, §18; 2013 Acts, ch 140, §51
Referred to in §8B.9, 23A.2
NEW section

**8B.22 Digital government.**

1. The office is responsible for initiating and supporting the development of electronic commerce, electronic government, mobile applications, and internet applications across participating agencies and in cooperation with other governmental entities.

2. In developing the concept of digital government, the office shall do all of the following:

*a.* Establish standards, consistent with other state law, for the implementation of electronic commerce, including standards for electronic signatures, electronic currency, and other items associated with electronic commerce.

*b.* Establish guidelines for the appearance and functioning of applications.

*c.* Establish standards for the integration of electronic data across state agencies.

*d.* Foster joint development of electronic commerce and electronic government involving the public and private sectors.

*e.* Develop customer surveys and citizen outreach and education programs and material, and provide for citizen input regarding the state's electronic commerce and electronic government applications.

*f.* Assist participating agencies in converting printed government materials to electronic materials which can be accessed through an internet searchable database.

*g.* Encourage participating agencies to utilize duplex printing and a print on demand strategy to reduce printing costs, publication overruns, excessive inventory, and obsolete printed materials.

2013 Acts, ch 129, §19
NEW section

**8B.23 Information technology standards.**

1. The office shall develop and adopt information technology standards applicable to the procurement of information technology by all participating agencies. Such standards, unless waived by the office, shall apply to all information technology procurements for participating agencies.

2. The office of the governor or the office of an elective constitutional or statutory officer shall consult with the office prior to procuring information technology and consider the information technology standards adopted by the office, and provide a written report to the office relating to the other office's decision regarding such acquisitions.

2013 Acts, ch 129, §20
NEW section

**8B.24 Procurement of information technology.**

1. Standards established by the office, unless waived by the office, shall apply to all information technology procurements for participating agencies.

2. The office shall institute procedures to ensure effective and efficient compliance with standards established by the office.

3. The office shall develop policies and procedures that apply to all information technology goods and services acquisitions, and shall ensure the compliance of all participating agencies. The office shall also be the sole provider of infrastructure services for participating agencies.

4. The office, by rule, may implement a prequalification procedure for contractors with which the office has entered or intends to enter into agreements regarding the procurement of information technology.

5. Notwithstanding the provisions governing purchasing as provided in chapter 8A, subchapter III, the office may procure information technology as provided in this section. The office may cooperate with other governmental entities in the procurement of information technology in an effort to make such procurements in a cost-effective, efficient manner as provided in this section. The office, as deemed appropriate and cost effective, may procure information technology using any of the following methods:

*a. Cooperative procurement agreement.* The office may enter into a cooperative procurement agreement with another governmental entity relating to the procurement of information technology, whether such information technology is for the use of the office or other governmental entities. The cooperative procurement agreement shall clearly specify the purpose of the agreement and the method by which such purpose will be accomplished. Any power exercised under such agreement shall not exceed the power granted to any party to the agreement.

*b. Negotiated contract.* The office may enter into an agreement for the purchase of information technology if any of the following applies:

(1) The contract price, terms, and conditions are pursuant to the current federal supply contract, and the purchase order adequately identifies the federal supply contract under which the procurement is to be made.

(2) The contract price, terms, and conditions are no less favorable than the contractor's current federal supply contract price, terms, and conditions; the contractor has indicated in writing a willingness to extend such price, terms, and conditions to the office; and the purchase order adequately identifies the contract relied upon.

(3) The contract is with a vendor who has a current exclusive or nonexclusive price agreement with the state for the information technology to be procured, and such information technology meets the same standards and specifications as the items to be procured and both of the following apply:

(a) The quantity purchased does not exceed the quantity which may be purchased under the applicable price agreement.

(b) The purchase order adequately identifies the price agreement relied upon.

*c. Contracts let by another governmental entity.* The office, on its own behalf or on the behalf of another participating agency or governmental entity, may procure information technology under a contract let by another agency or other governmental entity, or approve such procurement in the same manner by a participating agency or governmental entity. The office, on its own behalf or on the behalf of another participating agency or governmental entity, may also procure information technology by leveraging an existing competitively procured contract, other than a contract associated with the state board of regents or an institution under the control of the state board of regents.

*d. Reverse auction.*

(1) The office may enter into an agreement for the purchase of information technology utilizing a reverse auction process. Such process shall result in the purchase of information technology from the vendor submitting the lowest responsible bid amount for the information technology to be acquired. The office, in establishing a reverse auction process, shall do all of the following:

(a) Determine the specifications and requirements of the information technology to be acquired.

(b) Identify and provide notice to potential vendors concerning the proposed acquisition.

(c) Establish prequalification requirements to be met by a vendor to be eligible to participate in the reverse auction.

(d) Conduct the reverse auction in a manner as deemed appropriate by the office and consistent with rules adopted by the office.

(2) Prior to conducting a reverse auction, the office shall establish a threshold amount which shall be the maximum amount that the office is willing to pay for the information technology to be acquired.

(3) The office shall enter into an agreement with a vendor who is the lowest responsible bidder which meets the specifications or description of the information technology to be procured, or the office may reject all bids and begin the process again. In determining the lowest responsible bidder, the office may consider various factors including but not limited to the past performance of the vendor relative to quality of product or service, the past experience of the office in relation to the product or service, the relative quality of products or services, the proposed terms of delivery, and the best interest of the state.

*e. Competitive bidding.* The office may enter into an agreement for the procurement or acquisition of information technology in the same manner as provided under chapter 8A, subchapter III, for the purchasing of service.

*f. Other agreement.* In addition to the competitive bidding procedure provided for under paragraph "*e*", the office may enter into an agreement for the purchase, disposal, or other disposition of information technology in the same manner and subject to the same limitations as otherwise provided in this chapter. The office, by rule, shall provide for such procedures.

6. The office shall adopt rules pursuant to chapter 17A to implement the procurement methods and procedures provided for in subsections 2 through 5.

2013 Acts, ch 129, §21
NEW section

**8B.25 through 8B.30** Reserved.

IOWACCESS

**8B.31 IowAccess — office duties and responsibilities.**

1. *IowAccess.* The office shall establish IowAccess as a service to the citizens of this state that is the gateway for one-stop electronic access to government information and transactions, whether federal, state, or local. Except as provided in this section, IowAccess shall be a state-funded service providing access to government information and transactions. The office, in establishing the fees for value-added services, shall consider the reasonable cost of creating and organizing such government information through IowAccess.

2. *Duties.* The office shall do all of the following:

*a.* Establish rates to be charged for access to and for value-added services performed through IowAccess.

*b.* Approve and establish the priority of projects associated with IowAccess. The determination may also include requirements concerning funding for a project proposed by a political subdivision of the state or an association, the membership of which is comprised solely of political subdivisions of the state. Prior to approving a project proposed by a political subdivision, the office shall verify that all of the following conditions are met:

(1) The proposed project provides a benefit to the state.

(2) The proposed project, once completed, can be shared with and used by other political subdivisions of the state, as appropriate.

(3) The state retains ownership of any final product or is granted a permanent license to the use of the product.

*c.* Establish expected outcomes and effects of the use of IowAccess and determine the manner in which such outcomes are to be measured and evaluated.

*d.* Establish the IowAccess total budget request and ensure that such request reflects the priorities and goals of IowAccess as established by the office.

*e.* Advocate for access to government information and services through IowAccess and for data privacy protection, information ethics, accuracy, and security in IowAccess programs and services.

*f.* Receive status and operations reports associated with IowAccess.

3. *Data purchasing.* This section shall not be construed to impair the right of a person to contract to purchase information or data from the Iowa court information system or any other governmental entity. This section shall not be construed to affect a data purchase agreement or contract in existence on April 25, 2000.

2013 Acts, ch 129, §22
NEW section

**8B.32 Financial transactions.**

1. Moneys paid to a participating agency from persons who complete an electronic financial transaction with the agency by accessing IowAccess shall be transferred to the treasurer of state for deposit in the general fund of the state, unless the disposition of the moneys is specifically provided for under other law. The moneys may include all of the following:

*a.* Fees required to obtain an electronic public record as provided in section 22.3A.

*b.* Fees required to process an application or file a document, including but not limited to fees required to obtain a license issued by a licensing authority.

*c.* Moneys owed to a governmental entity by a person accessing IowAccess in order to satisfy a liability arising from the operation of law, including the payment of assessments, taxes, fines, and civil penalties.

2. Moneys transferred using IowAccess may include amounts owed by a governmental entity to a person accessing IowAccess in order to satisfy a liability of the governmental entity. The moneys may include the payment of tax refunds, and the disbursement of support payments as defined in section 252D.16 or 598.1 as required for orders issued pursuant to section 252B.14.

3. In addition to other forms of payment, credit cards shall be accepted in payment for moneys owed to or fees imposed by a governmental entity in the same manner as provided in section 8B.15.

2013 Acts, ch 129, §23
Referred to in §12C.1, 12C.4
NEW section

**8B.33 IowAccess revolving fund.**

1. An IowAccess revolving fund is created in the state treasury. The revolving fund shall be administered by the office and shall consist of moneys collected by the office as fees, moneys appropriated by the general assembly, and any other moneys obtained or accepted by the office for deposit in the revolving fund. The proceeds of the revolving fund are appropriated to and shall be used by the office to maintain, develop, operate, and expand IowAccess consistent with this chapter, and for the support of activities of the technology advisory council pursuant to section 8B.8.

2. The office shall submit an annual report not later than January 31 to the members of the general assembly and the legislative services agency of the activities funded by and expenditures made from the revolving fund during the preceding fiscal year. Section 8.33 does not apply to any moneys in the revolving fund, and, notwithstanding section 12C.7, subsection 2, earnings or interest on moneys deposited in the revolving fund shall be credited to the revolving fund.

2013 Acts, ch 129, §24
Referred to in §8B.9
For the fiscal years beginning July 1, 2013, and July 1, 2014, a portion of the fees collected for furnishing a certified abstract of a vehicle operating record to be transferred to the IowAccess revolving fund; 2013 Acts, ch 135, §3, 32
NEW section

# CHAPTER 8C

## RESERVED

# CHAPTER 8D

## IOWA COMMUNICATIONS NETWORK


8D.1 Purpose.
8D.2 Definitions.
8D.3 Iowa telecommunications and technology commission — members — duties.
8D.4 Executive director appointed.
8D.5 Education telecommunications council established — regional councils established.
8D.6 Advisory committees.
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**8D.1 Purpose.**

It is the intent of the general assembly that communications of state government be coordinated to effect maximum practical consolidation and joint use of communications services.

[C71, 73, §8A.1; C75, 77, 79, 81, §18.132]
83 Acts, ch 126, §3; 94 Acts, ch 1184, §29
C95, §8D.1

**8D.2 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Commission"* means the Iowa telecommunications and technology commission established in section 8D.3.

2. *"Director"* means the executive director appointed pursuant to section 8D.4.

3. *"Network"* means the Iowa or state communications network.

4. *"Private agency"* means an accredited nonpublic school, a nonprofit institution of higher education eligible for tuition grants, or a hospital licensed pursuant to chapter 135B or a physician clinic to the extent provided in section 8D.13, subsection 15.

5. *a.* *"Public agency"* means a state agency, an institution under the control of the board of regents, the judicial branch as provided in section 8D.13, subsection 16, a school corporation, a city library, a county library as provided in chapter 336, or a judicial district department of correctional services established in section 905.2, to the extent provided in section 8D.13, subsection 14, an agency of the federal government, or a United States post office which receives a federal grant for pilot and demonstration projects.

*b.* For the purposes of this chapter, *"public agency"* also includes any homeland security or defense facility or disaster response agency established by the director of the department of homeland security and emergency management or the governor or any facility connected with a security or defense system or disaster response as required by the director of the department of homeland security and emergency management or the governor.

6. *"State communications"* refers to the transmission of voice, data, video, the written word or other visual signals by electronic means but does not include radio and television facilities and other educational telecommunications systems and services including narrowcast and broadcast systems under the public broadcasting division of the department of education, department of transportation distributed data processing and mobile radio network, or law enforcement communications systems.

[C71, 73, §8A.2; C75, 77, 79, 81, §18.133]
83 Acts, ch 126, §4, 5; 86 Acts, ch 1245, §308, 2049; 87 Acts, ch 211, §1; 89 Acts, ch 319, §31; 93 Acts, ch 48, §8; 94 Acts, ch 1184, §3, 4, 29

C95, §8D.2

98 Acts, ch 1047, §4; 2001 Acts, ch 158, §1; 2002 Acts, ch 1065, §1; 2003 Acts, ch 44, §2; 2003 Acts, ch 179, §157; 2005 Acts, ch 179, §51; 2011 Acts, ch 132, §36, 106; 2013 Acts, ch 29, §4

Referred to in §8D.9, 8D.13

Subsection 5, paragraph b amended

**8D.3 Iowa telecommunications and technology commission — members — duties.**

1. *Commission established.* A telecommunications and technology commission is established with the sole authority to supervise the management, development, and operation of the network and ensure that all components of the network are technically compatible. The management, development, and operation of the network shall not be subject to the jurisdiction or control of any other state agency. However, the commission is subject to the general operations practices and procedures which are generally applicable to other state agencies.

*a.* The commission shall ensure that the network operates in an efficient and responsible manner consistent with the provisions of this chapter for the purpose of providing the best economic service attainable to the network users consistent with the state's financial capacity.

*b.* The commission shall ensure that educational users and the use, design, and implementation for educational applications be given the highest priority concerning use of the network.

*c.* The commission shall provide for the centralized, coordinated use and control of the network.

2. *Members — meetings.*

*a.* The commission is composed of five members appointed by the governor and subject to confirmation by the senate. Members of the commission shall not serve in any manner or be employed by an authorized user of the network or by an entity seeking to do or doing business with the network.

(1) The governor shall appoint a member as the chairperson of the commission from the five members appointed by the governor, subject to confirmation by the senate.

(2) Members of the commission shall serve six-year staggered terms as designated by the governor and appointments to the commission are subject to the requirements of sections 69.16, 69.16A, and 69.19. Vacancies shall be filled by the governor for the duration of the unexpired term.

(3) The salary of the members of the commission shall be twelve thousand dollars per year, except that the salary of the chairperson shall be seventeen thousand dollars per year. Members of the commission shall also be reimbursed for all actual and necessary expenses incurred in the performance of duties as members. The benefits and salary paid to the members of the commission shall be adjusted annually equal to the average of the annual pay adjustments, expense reimbursements, and related benefits provided under collective bargaining agreements negotiated pursuant to chapter 20.

*b.* In addition to the members appointed by the governor, the auditor of state or the auditor's designee shall serve as a nonvoting, ex officio member of the commission.

*c.* Meetings of the commission shall be held at the call of the chairperson of the commission.

3. *Duties.* The commission shall do all of the following:

*a.* Enter into agreements pursuant to chapter 28E as necessary and appropriate for the purposes of the commission. However, the commission shall not enter into an agreement with an unauthorized user or any other person pursuant to chapter 28E for the purpose of providing such user or person access to the network.

*b.* Adopt rules pursuant to chapter 17A as deemed appropriate and necessary, and directly related to the implementation and administration of the duties of the commission. The commission, in consultation with the department of administrative services, shall also adopt and provide for standard communications procedures and policies relating to the use of the network which recognize, at a minimum, the need for reliable communications services.

*c.* Establish an appeal process for review by the commission of a scheduling conflict decision, including a scheduling conflict involving an educational user, or the establishment of a fee associated with the network upon the request of a person affected by such decision or fee. A determination made by the commission pursuant to this paragraph shall be final.

*d.* Review and approve for adoption, rules as proposed and submitted by an authorized user group necessary for the authorized user group's access and use of the network. The commission may refuse to approve and adopt a proposed rule, and upon such refusal, shall return the proposed rule to the respective authorized user group proposing the rule with a statement indicating the commission's reason for refusing to approve and adopt the rule.

*e.* (1) Develop and issue for response all requests for proposals for any construction, installation, repair, maintenance, or equipment and parts necessary for the network. In preparing the request for proposals, the commission shall do all of the following:

(a) Review existing requests for proposals related to the network.

(b) Consider and evaluate all competing technologies which could be used in any construction, installation, repair, or maintenance project.

(c) Allow flexibility for proposals to be submitted in response to a request for proposals issued by the commission such that any qualified provider may submit a bid on a site-by-site basis, or on a merged area or defined geographic area basis, or both, and by permitting proposals to be submitted for use of competing or alternative technologies in each defined area.

(d) Ensure that rural communities have access to comparable services to the services provided in urban areas resulting from any plans to construct, install, repair, or maintain any part of the network.

(2) In determining which proposal to recommend to the general assembly to accept, consider what is in the long-term best interests of the citizens of the state and the network, and utilize, if possible, the provision of services with existing service providers consistent with those best interests. In determining what is in the long-term best interests of the citizens of the state and the network, the commission, at a minimum, shall consider the cost to taxpayers of the state.

(3) Deliver a written report and all proposals submitted in response to the request for proposals for Part III to the general assembly no later than January 1, 1995. The commission shall not enter into any agreement related to such proposals without prior authorization by a constitutional majority of each house of the general assembly and approval by the governor.

*f.* Include in the commission's annual report related to the network the actual income and expenses for the network for the preceding fiscal year and estimates for income and expenses for the network for the two-year fiscal period that includes the fiscal year during which the report is submitted. The report shall include the amount of any general fund appropriations to be requested, any recommendations of the commission related to changes in the system, and other items as deemed appropriate by the commission. The report shall also include a list of contracts in excess of one million dollars entered into by the commission during the preceding fiscal year, including any contract entered into pursuant to section 8D.11 or 8D.13 or any other authority of the commission.

*g.* Review existing maintenance contracts and past contracts to determine vendor capability to perform the obligations under such contracts. The commission shall report to the general assembly prior to January 1 of each year as to the performance of all vendors under each contract and shall make recommendations concerning continued funding for the contracts.

*h.* Pursue available opportunities to cooperate and coordinate with the federal government for the use and potential expansion of the network and for the financing of any such expansion.

*i.* Evaluate existing and projected rates for use of the system and ensure that rates are sufficient to pay for the operation of the system excluding the cost of construction and lease costs for Parts I, II, and III. The commission shall establish all hourly rates to be charged to all authorized users for the use of the network and shall consider all costs of the network in establishing the rates. A fee established by the commission to be charged to a hospital licensed pursuant to chapter 135B, a physician clinic, or the federal government shall be at

an appropriate rate so that, at a minimum, there is no state subsidy related to the costs of the connection or use of the network related to such user.

*j.* Make recommendations to the general assembly, as deemed appropriate by the commission, concerning the operation of the network.

*k.* Provide necessary telecommunications cabling to provide state communications.

94 Acts, ch 1184, §5; 95 Acts, ch 210, §1; 96 Acts, ch 1200, §1; 99 Acts, ch 207, §8; 2000 Acts, ch 1141, §12, 19; 2003 Acts, ch 145, §286; 2005 Acts, ch 178, §39; 2006 Acts, ch 1126, §1; 2007 Acts, ch 116, §1; 2008 Acts, ch 1031, §78; 2011 Acts, ch 25, §5

Referred to in §8D.2, 8D.8
Confirmation, see §2.32

**8D.4 Executive director appointed.**

The commission, in consultation with the director of the department of administrative services and the chief information officer, shall appoint an executive director of the commission, subject to confirmation by the senate. Such individual shall not serve as a member of the commission. The executive director shall serve at the pleasure of the commission. The executive director shall be selected primarily for administrative ability and knowledge in the field, without regard to political affiliation. The governor shall establish the salary of the executive director within range nine as established by the general assembly. The salary and support of the executive director shall be paid from funds deposited in the Iowa communications network fund.

94 Acts, ch 1184, §6; 2003 Acts, ch 145, §126; 2013 Acts, ch 129, §25

Referred to in §8D.2
Confirmation, see §2.32
Section amended

**8D.5 Education telecommunications council established — regional councils established.**

1. *a.* An education telecommunications council is established. The council consists of eighteen members and shall include the following:

(1) Two persons appointed by the state board of regents.

(2) Two persons appointed by the Iowa association of community college trustees.

(3) Two persons appointed by the area education agency boards.

(4) Two persons appointed by the Iowa association of school boards.

(5) Two persons appointed by the school administrators of Iowa.

(6) Two persons appointed by the Iowa association of independent colleges and universities.

(7) Two persons appointed by the Iowa state education association.

(8) Three persons appointed by the director of the department of education including one person representing libraries and one person representing the Iowa association of nonpublic school administrators.

(9) One person appointed by the administrator of the public broadcasting division of the department of education.

*b.* The council shall establish scheduling and site usage policies for educational users of the network, coordinate the activities of the regional telecommunications councils, and develop proposed rules and changes to rules for recommendation to the commission. The council shall also recommend long-range plans for enhancements needed for educational applications.

*c.* Administrative support and staffing for the council shall be provided by the department of education.

2. A regional telecommunications council is established in each of the merged areas established pursuant to chapter 260C consisting of nine members, including one member each to be appointed by each of the appointing authorities under subsection 1. Additional ex officio, nonvoting members may also be appointed to the regional telecommunications councils. The regional telecommunications councils shall advise the education telecommunications council on the assessment of local educational needs, and the coordination of program activities including scheduling. The community college located

in the merged area of a regional telecommunications council shall staff and facilitate the activities of the council. The community college and the council may enter into a chapter 28E agreement for such arrangement.

3. The community college in each of the merged areas shall be responsible for switching of Parts II and III of the network and for facilitating the organization and meetings of the regional telecommunications council.

94 Acts, ch 1184, §7; 2013 Acts, ch 30, §3
Referred to in §8D.8
Subsection 1 amended

**8D.6 Advisory committees.**

The commission may establish and abolish advisory committees as necessary representing authorized users of the network and providing other expertise needed to assist the commission in performing its duties.

94 Acts, ch 1184, §8; 2006 Acts, ch 1126, §2, 3

**8D.7 Telecommunications advisory committee.** Repealed by 2006 Acts, ch 1126, § 5.

**8D.8 Scheduling for authorized users.**

Except as provided in section 8D.5, an authorized user is responsible for all scheduling of the use of the authorized user's facility. A person who disputes a scheduling decision of such user may petition the commission for a review of such decision pursuant to section 8D.3, subsection 3, paragraph "*c*".

94 Acts, ch 1184, §10

**8D.9 Certification of use — network use by certain authorized users.**

1. A private or public agency, other than a state agency, local school district or nonpublic school, city library, county library, judicial branch, judicial district department of correctional services, agency of the federal government, a hospital or physician clinic, or a post office authorized to be offered access pursuant to this chapter as of May 18, 1994, shall certify to the commission no later than July 1, 1994, that the agency is a part of or intends to become a part of the network. Upon receiving such certification from an agency not a part of the network on May 18, 1994, the commission shall provide for the connection of such agency as soon as practical. An agency which does not certify to the commission that the agency is a part of or intends to become a part of the network as required by this subsection shall be prohibited from using the network.

2. *a.* A private or public agency, other than a private college or university or a nonpublic school, which certifies to the commission pursuant to subsection 1 that the agency is a part of or intends to become a part of the network shall use the network for all video, data, and voice requirements of the agency unless the private or public agency petitions the commission for a waiver and one of the following applies:

(1) The costs to the authorized user for services provided on the network are not competitive with the same services provided by another provider.

(2) The authorized user is under contract with another provider for such services, provided the contract was entered into prior to April 1, 1994. The agency shall use the network for video, data, and voice requirements which are not provided pursuant to such contract.

(3) The authorized user has entered into an agreement with the commission to become part of the network prior to June 1, 1994, which does not provide for use of the network for all video, data, and voice requirements of the agency. The commission may enter into an agreement described in this subparagraph upon a determination that the use of the network for all video, data, and voice requirements of the agency would not be in the best interests of the agency.

*b.* A private or public agency, other than a private college or university or a nonpublic school, shall petition the commission for a waiver of the requirement to use the network as provided in paragraph "*a*", if the agency determines that paragraph "*a*", subparagraph (1) or (2) applies. The commission shall establish by rule a review process for determining, upon

application of an authorized user, whether paragraph *"a"*, subparagraph (1) or (2) applies. An authorized user found by the commission to be under contract for such services as provided in paragraph *"a"*, subparagraph (2), shall not enter into another contract upon the expiration of such contract, but shall utilize the network for such services as provided in this section unless paragraph *"a"*, subparagraph (1), applies. A waiver approved by the commission may be for a period as requested by the private or public agency of up to three years.

*c.* A private college or university or a nonpublic school which certifies to the commission pursuant to subsection 1 that the private college, university, or nonpublic school is a part of or intends to become a part of the network may use the network for its video, data, or voice requirements as determined by the private college or university or nonpublic school.

3. A facility that is considered a public agency pursuant to section 8D.2, subsection 5, paragraph *"b"*, shall be authorized to access the Iowa communications network strictly for homeland security communication purposes and disaster communication purposes. Any utilization of the network that is not related to communications concerning homeland security or a disaster, as defined in section 29C.2, is expressly prohibited. Access under this subsection shall be available only if a state of disaster emergency is proclaimed by the governor pursuant to section 29C.6 or a homeland security or disaster event occurs requiring connection of disparate communications systems between public agencies to provide for a multiagency or multijurisdictional response. Access shall continue only for the period of time the homeland security or disaster event exists. For purposes of this subsection, disaster communication purposes includes training and exercising for a disaster if public notice of the training and exercising session is posted on the internet site of the department of homeland security and emergency management. A scheduled and noticed training and exercising session shall not exceed five days. Interpretation and application of the provisions of this subsection shall be strictly construed.

4. A community college receiving federal funding to conduct first responder training and testing regarding homeland security first responder communication and technology-related research and development projects shall be authorized to utilize the network for testing purposes.

94 Acts, ch 1184, §11; 98 Acts, ch 1047, §5; 2001 Acts, ch 158, §2; 2003 Acts, ch 44, §3; 2004 Acts, ch 1175, §194; 2005 Acts, ch 179, §52; 2011 Acts, ch 93, §1; 2011 Acts, ch 132, §37, 106; 2013 Acts, ch 29, §5; 2013 Acts, ch 90, §257

See Code editor's note on simple harmonization
Code editor directive applied
Subsection 3 amended

**8D.10 Report of savings by state agencies.**

A state agency which is a part of the network shall annually provide a written report to the general assembly certifying the identified savings associated with the state agency's use of the network. The report shall be delivered on or before January 15 for the previous fiscal year of the state agency. This section does not apply to the state board of regents or to any institution under control of the state board of regents.

94 Acts, ch 1184, §12; 2012 Acts, ch 1138, §117

**8D.11 Powers — facilities — leases.**

1. *a.* The commission may purchase, lease, and improve property, equipment, and services for telecommunications for public and private agencies and may dispose of property and equipment when not necessary for its purposes. The commission may enter into a contract for the purchase, lease, or improvement of property, equipment, or services for telecommunications pursuant to this subsection in an amount not greater than the contract limitation amount without prior authorization by a constitutional majority of each house of the general assembly, approval by the legislative council if the general assembly is not in session, or the approval of the executive council as provided pursuant to paragraph *"b"*. A contract entered into under this subsection for an amount exceeding the contract limitation amount shall require prior authorization or approval by the general assembly, the legislative council, or the executive council as provided in this subsection. The commission shall not issue any bonding or other long-term financing arrangements as defined in section 12.30,

subsection 1, paragraph *"b"*. Real or personal property to be purchased by the commission through the use of a financing agreement shall be done in accordance with the provisions of section 12.28, provided, however, that the commission may purchase property, equipment, or services for telecommunications pursuant to a financing agreement in an amount not greater than the contract limitation amount without prior authorization by a constitutional majority of each house of the general assembly, approval by the legislative council if the general assembly is not in session, or the approval of the executive council as provided pursuant to paragraph *"b"*. A contract entered into under this subsection for an amount exceeding the contract limitation amount shall require prior authorization or approval by the general assembly, the legislative council, or the executive council as provided in this subsection.

*b*. Approval by the executive council as provided under paragraph *"a"* shall only be permitted if the contract for which the commission is seeking approval is necessary as the result of circumstances constituting a natural disaster or a threat to homeland security.

*c*. For purposes of this subsection, *"contract limitation amount"* means two million dollars. However, beginning July 1, 2008, and on each succeeding July 1, the director shall adjust the contract limitation amount to be applicable for the twelve-month period commencing on September 1 of the year in which the adjustment is made. The new contract limitation amount shall be published annually as a notice in the Iowa administrative bulletin prior to September 1. The adjusted contract limitation amount shall be calculated by applying the percentage change in the consumer price index for all urban consumers for the most recent available twelve-month period published in the federal register by the United States department of labor, bureau of labor statistics, to the existing contract limitation amount as an increase or decrease, rounded to the nearest dollar. The calculation and publication of the contract limitation amount by the director are exempt from the provisions of chapter 17A.

2. The commission also shall not provide or resell communications services to entities other than public and private agencies. The public or private agency shall not provide communication services of the network to another entity unless otherwise authorized pursuant to this chapter. The commission may arrange for joint use of available services and facilities, and may enter into leases and agreements with private and public agencies with respect to the Iowa communications network, and public agencies are authorized to enter into leases and agreements with respect to the network for their use and operation. Rentals and other amounts due under the agreements or leases entered into pursuant to this section by a state agency are payable from funds annually appropriated by the general assembly or from other funds legally available. Other public agencies may pay the rental costs and other amounts due under an agreement or lease from their annual budgeted funds or other funds legally available or to become available.

3. This section comprises a complete and independent authorization and procedure for a public agency, with the approval of the commission, to enter into a lease or agreement and this section is not a qualification of any other powers which a public agency may possess and the authorizations and powers granted under this section are not subject to the terms, requirements, or limitations of any other provisions of law, except that the commission must comply with the provisions of section 12.28 when entering into financing agreements for the purchase of real or personal property. All moneys received by the commission from agreements and leases entered into pursuant to this section with private and public agencies shall be deposited in the Iowa communications network fund.

4. A political subdivision receiving communications services from the state as of April 1, 1986, may continue to do so but communications services shall not be provided or resold to additional political subdivisions other than a school corporation, a city library, and a county library as provided in chapter 336. The rates charged to the political subdivision shall be the same as the rates charged to state agencies.

86 Acts, ch 1245, §309

C87, §18.134

87 Acts, ch 233, §131; 89 Acts, ch 319, §32; 93 Acts, ch 48, §9; 94 Acts, ch 1184, §13, 29

C95, §8D.11
96 Acts, ch 1177, §1; 2001 Acts, ch 158, §3; 2007 Acts, ch 116, §2; 2011 Acts, ch 132, §38, 106
Referred to in §8D.3, 8D.14
Commission authorized to enter into contracts in excess of contract limitation amount for purposes of grant project associated with federal broadband technology opportunities program grant; 2011 Acts, ch 123, §19, 20
Commission authorized to enter into contracts in excess of contract limitation amount for purposes of commission's project associated with implementing a managed services solution to provide unified communications services on or related to the capitol complex; 2013 Acts, ch 142, §10, 11
Section not amended; footnote added

**8D.11A Proprietary interests.**

The commission may charge a negotiated fee, to recover a share of the costs related to the research and development, initial production, and derivative products of its proprietary software and hardware, telecommunications architecture design, and proprietary technology applications developed to support authorized users, to private vendors and to other political entities and subdivisions, including but not limited to states, territories, protectorates, and foreign countries. The commission may enter into nondisclosure agreements to protect the state of Iowa's proprietary interests. The provisions of chapter 23A relating to noncompetition by state agencies and political subdivisions with private enterprise shall not apply to commission activities authorized under this section.
2001 Acts, ch 22, §1
Referred to in §23A.2

**8D.12 Disposition of network — approval of general assembly and governor.**

Notwithstanding any provision to the contrary, the commission or the department of administrative services shall not sell, lease, or otherwise dispose of the network without prior authorization by a constitutional majority of each house of the general assembly and approval by the governor.
94 Acts, ch 1184, §14; 2003 Acts, ch 145, §286

**8D.13 Iowa communications network.**

1. Moneys in the Iowa communications network fund are appropriated to the Iowa telecommunications and technology commission for purposes of providing financing for the procurement, operation, and maintenance of the Iowa communications network with sufficient capacity to serve the video, data, and voice requirements of the educational telecommunications system consisting of Part I, Part II, and Part III, and other public and private agencies.

2. For purposes of this section, unless the context otherwise requires:

*a.* *"Part I"* means the communications connections between central switching and institutions under the control of the board of regents, nonprofit institutions of higher education eligible for tuition grants, and the regional switching centers for the remainder of the network.

*b.* *"Part II"* means the communications connections between the regional switching centers and the secondary switching centers.

*c.* *"Part III"* means the communications connection between the secondary switching centers and the agencies defined in section 8D.2, subsections 4 and 5, excluding state agencies, institutions under the control of the board of regents, nonprofit institutions of higher education eligible for tuition grants, and the judicial branch, judicial district departments of correctional services, hospitals and physician clinics, agencies of the federal government, and post offices.

3. The financing for the procurement costs for the entirety of Part I except for the communications connections between central switching and institutions under the control of the board of regents, and nonprofit institutions of higher education eligible for tuition grants, and for the video, data, and voice capacity for state agencies and for Part II and Part III, shall be provided by the state. The financing for the procurement and maintenance costs for Part III shall be provided by the state. A local school board, governing authority of a nonpublic school, or an area education agency board may elect to provide one hundred percent of the financing for the procurement and maintenance costs for Part III to become

part of the network. The basis for the amount of state financing is one hundred percent of a single interactive audio and interactive video connection for Part III, and such data and voice capacity as is necessary. If a school board, governing authority of a nonpublic school, or area education agency board elects to provide one hundred percent of the financing for the leasing costs for Part III, the school district or area education agency may become part of the network as soon as the network can reasonably connect the district or agency. A local school board, governing authority of a nonpublic school, or an area education agency board may also elect not to become part of the network. Construction of Part III, related to a school board, governing authority of a nonpublic school, or area education agency board which provides one hundred percent of the financing for the leasing costs for Part III, may proceed as determined by the commission and consistent with the purpose of this chapter.

4. The commission shall develop the requests for proposals that are needed for the Iowa communications network with sufficient capacity to serve the video, data, and voice requirements of state agencies and for educational telecommunications applications. The commission shall develop a request for proposals for each of the systems that will make up the network. The commission may develop a request for proposals for each definitive component of the network or the commission may provide in the request for proposals for each such system that separate contracts may be entered into for each definitive component covered by the request for proposals. The requests for proposals may be for the purchase, lease-purchase, or lease of the component parts of the network consistent with the provisions of this chapter, may require maintenance costs to be identified, and the resulting contract may provide for maintenance for parts of the network. The master contract may provide for electronic classrooms, satellite equipment, receiving equipment, studio and production equipment, and other associated equipment as required.

5. *a.* The state shall lease all fiberoptic cable facilities or facilities with sufficient capacity as determined by the commission for Part III connections, for the judicial branch, judicial district departments of correctional services, and state agency connections for which state funding is provided. In determining the capacity to be provided, the commission shall consult with the authorized users associated with the Part III connections, the judicial branch, the judicial district departments of correctional services, and state agencies associated with connections for which state funding is provided. Such facilities shall be leased from qualified providers. The state shall not own such facilities, except for those facilities owned by the state as of January 1, 1994.

*b.* The lease provisions of this subsection do not apply to a school district which elects to provide one hundred percent of the financing for the district's connection.

6. It is the intent of the general assembly that during the implementation of Parts I and II of the system, the department of administrative services shall employ a consultant to report to it on the impact of changing technology on the potential cost and capabilities of the system. It is also the intent of the general assembly that the department of education shall study new techniques in distant teaching. These reports shall be made available to the general assembly.

7. The commission shall be responsible for the network design and shall be responsible for the implementation of each component of the network as it is incorporated into the network. The final design selected shall optimize the routing for all users in order to assure maximum utilization by all agencies of the state. Efficiencies achieved in the implementation of the network shall be used to fund further implementation and enhancement of the network, and shall be considered part of the operational cost of the network. The commission shall be responsible for all management, operations, control switching, diagnostics, and maintenance functions of network operations as provided in this chapter. The performance of these duties is intended to provide optimal utilization of the facilities, and the assurance that future growth requirements will be provided for, and that sufficient network capacity will be available to meet the needs of all users.

8. The education telecommunications council shall review all requests for grants for educational telecommunications applications, if they are a part of the Iowa communications network, to ensure that the educational telecommunications application is consistent with the telecommunications plan. All other grant requests shall be reviewed as determined by

the commission. If the education telecommunications council finds that a grant request is inconsistent with the telecommunications plan, the grant request shall not be allowed.

9. The procurement and maintenance of electronic equipment including, but not limited to, master receiver antenna systems, studio and production equipment, and broadcast system components shall be provided for under the commission's contracts. The Iowa public broadcasting board and other educational entities within the state have the option to use their existing or replacement resources and agreements in the operation and maintenance of these systems.

10. In addition to the other evaluation criteria specified in the request for proposals issued pursuant to this section, the commission, in evaluating proposals, shall base up to two percent of the total possible points on the public benefit that can be derived from a given proposal due to the increased private telecommunications capacity available to Iowa citizens located in rural Iowa. For purposes of this subsection, an area of the state is considered rural if it is not part of a federally designated standard metropolitan statistical area.

11. The fees charged for use of the network and state communications shall be based on the ongoing expenses of the network and of providing state communications. For the services rendered to state agencies by the commission, the commission shall prepare a statement of services rendered and the agencies shall pay in a manner consistent with procedures established by the department of administrative services.

12. The commission, on its own or as recommended by an advisory committee of the commission and approved by the commission, shall permit a fee to be charged by a receiving site to the originator of the communication provided on the network. The fee charged shall be for the purpose of recovering the operating costs of a receiving site. The fee charged shall be reduced by an amount received by the receiving site pursuant to a state appropriation for such costs, or federal assistance received for such costs. Fees established under this subsection shall be paid by the originator of the communication directly to the receiving site. In the event that an entity requests a receiving site location in a video classroom facility which is authorized by, but not funded by, the originator of the communication, the requesting entity shall be directly billed by the video classroom facility for operating costs relating to the communication. For purposes of this section, *"operating costs"* include the costs associated with the management or coordination, operations, utilities, classroom, equipment, maintenance, and other costs directly related to providing the receiving site.

13. Access to the network shall be offered on an equal basis to public and private agencies under subsection 8 if the private agency contributes an amount toward the match requirement comparable to its share of use for the part of the system in which it participates.

14. Access to the network shall be offered to the judicial district departments of correctional services established in section 905.2, provided that such departments contribute an amount consistent with their share of use for the part of the system in which the departments participate, as determined by the commission.

15. Access shall be offered to hospitals licensed pursuant to chapter 135B and physician clinics for diagnostic, clinical, consultative, data, and educational services for the purpose of developing a comprehensive, statewide telemedicine network, to an agency of the federal government, and to a post office defined as a public agency pursuant to section 8D.2, subsection 5. A hospital, physician clinic, an agency of the federal government, or a post office defined as a public agency pursuant to section 8D.2, subsection 5, shall be responsible for all costs associated with becoming a part of the network.

16. Access shall be offered to the judicial branch provided that the judicial branch contributes an amount consistent with the judicial branch's share of use for the part of the network in which the judicial branch participates, as determined by the commission.

17. Notwithstanding chapter 476, the provisions of chapter 476 shall not apply to a public utility in furnishing a telecommunications service or facility to the commission for the Iowa communications network or to any authorized user of the Iowa communications network for such authorized user's connection to the network.

18. Access to the network shall be offered to the department of public safety and the department of public defense for the purpose of establishing and operating a shared data-only network providing law enforcement, emergency management, disaster service,

emergency warning, and other emergency information dissemination services to federal, state, and local law enforcement agencies as provided in sections 80.9 and 80.9B, and local emergency management offices established under the authority of sections 29C.9 and 29C.10.

19. Access shall be offered to the Iowa hospital association only for the purposes of collection, maintenance, and dissemination of health and financial data for hospitals and for hospital education services. The Iowa hospital association shall be responsible for all costs associated with becoming part of the network, as determined by the commission.

89 Acts, ch 319, §33

CS89, §18.136

90 Acts, ch 1266, §35; 90 Acts, ch 1272, §34; 92 Acts, ch 1246, §24; 93 Acts, ch 179, §16; 94 Acts, ch 1184, §15 – 20, 29

C95, §8D.13

95 Acts, ch 20, §1; 96 Acts, ch 1034, §1; 96 Acts, ch 1218, §27; 97 Acts, ch 210, §17; 98 Acts, ch 1047, §6 – 8; 2003 Acts, ch 145, §286; 2004 Acts, ch 1175, §323; 2005 Acts, ch 178, §40; 2008 Acts, ch 1031, §96; 2008 Acts, ch 1188, §26; 2010 Acts, ch 1189, §29; 2010 Acts, ch 1193, §102

Referred to in §8D.2, 8D.3, 8D.14

See Iowa Acts for provisions relating to appropriations for network costs in a given year

**8D.14 Iowa communications network fund.**

1. There is created in the office of the treasurer of state a fund to be known as the Iowa communications network fund under the control of the Iowa telecommunications and technology commission. There shall be deposited into the Iowa communications network fund proceeds from bonds issued for purposes of projects authorized pursuant to section 8D.13, funds received from leases pursuant to section 8D.11, and other moneys by law credited to or designated by a person for deposit into the fund. Amounts deposited into the fund are appropriated to and for the use of the commission. Notwithstanding section 12C.7, interest earned on amounts deposited in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys deposited into and appropriated from the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

2. The commission shall be required to repay one million dollars of start-up funding from the Iowa communications network fund to the general fund of the state. For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the commission shall repay two hundred fifty thousand dollars of start-up funding at the end of that fiscal year, and for the fiscal year beginning July 1, 2008, and ending June 30, 2009, the commission shall repay two hundred fifty thousand dollars of start-up funding at the end of that fiscal year. The remaining five hundred thousand dollars shall be repaid in a reasonable period of time thereafter as provided in this subsection. The commission shall conduct a review of the operation of the fund and the extent to which a continued need for funding for cash flow support exists, and shall provide a report summarizing the results of the review to the general assembly by January 1, 2010. The report shall also include a plan regarding repayment of the remaining five hundred thousand dollars in start-up funding in a manner which will not adversely affect network operations, and any other recommendations relating to the fund and the operation of the network deemed appropriate by the commission.

89 Acts, ch 319, §34

CS89, §18.137

90 Acts, ch 1266, §36; 91 Acts, ch 264, §610; 94 Acts, ch 1184, §21, 29

C95, §8D.14

95 Acts, ch 210, §7; 2006 Acts, ch 1126, §4

# CHAPTER 8E

## STATE GOVERNMENT ACCOUNTABILITY (ACCOUNTABLE GOVERNMENT ACT)

Referred to in §8.23, 8.35A, 8.47, 8.52

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## SUBCHAPTER I

## GENERAL PROVISIONS

**8E.101 Title.**

This chapter shall be known and may be cited as the *"Accountable Government Act"*.

2001 Acts, ch 169, §8

**8E.102 Purposes.**

This chapter is intended to create mechanisms to most effectively and efficiently respond to the needs of Iowans and continuously improve state government performance, including by doing all of the following:

1. Allocating human and material resources available to state government to maximize measurable results for Iowans.
2. Improving decision making at all levels of state government.
3. Enhancing state government's relationship with citizens and taxpayers by providing for the greatest possible accountability of the government to the public.

2001 Acts, ch 169, §9

Referred to in §8E.105

**8E.103 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agency"* means a principal central department enumerated in section 7E.5. However, for purposes of this chapter, all of the following apply:

*a.* The department of agriculture and land stewardship is not considered an agency.

*b.* Each division within the department of commerce is considered an agency, and each bureau within a division of the department of commerce is considered a division, as otherwise provided in chapter 7E.

2. *"Agency performance plan"* means an action plan based on an agency strategic plan which utilizes performance measures, data sources, and performance targets to achieve the agency's goals adopted pursuant to section 8E.208.

3. *"Agency strategic plan"* means the strategic plan for the agency adopted pursuant to section 8E.206.

4. *"Department"* means the department of management.

5. *"Enterprise strategic plan"* means the strategic plan for the executive branch of state government adopted pursuant to section 8E.204.

6. *"Performance target"* means a desired level of performance, demonstrating specific progress toward the attainment of a goal which is part of a strategic plan as provided in section 8E.208.

7. *"Strategic plan"* means an enterprise strategic plan or an agency strategic plan.

2001 Acts, ch 169, §10; 2004 Acts, ch 1082, §11

Referred to in §8.22, 8.23

**8E.104 Administration.**

The department shall oversee the administration of this chapter in cooperation with agencies as provided in this chapter. The department shall adopt rules as necessary in order to administer this chapter. However, the state board of regents shall oversee and implement the provisions of this chapter for institutions governed under chapter 262.

2001 Acts, ch 169, §11

**8E.105 Chapter evaluation.**

The department shall conduct an evaluation of the effectiveness of this chapter in carrying out the purposes of this chapter as provided in section 8E.102. The department shall submit a report of its findings and recommendations to the governor and general assembly not later than January 10, 2006.

2001 Acts, ch 169, §12

## SUBCHAPTER II

## STRATEGIC PLANNING AND PERFORMANCE MEASUREMENT

**8E.201 Agency duties and powers.**

Each agency shall administer the application of this chapter to the agency in cooperation with the department. Each agency shall measure and monitor progress toward achieving goals which relate to programs administered by the agency pursuant to the enterprise strategic plan, the agency strategic plan, and the agency performance plan.

2001 Acts, ch 169, §13

**8E.202 Reports and records — access and purpose.**

1. The department and each agency shall provide for the widest possible dissemination of information between agencies and the public relating to the enterprise strategic plan and agency strategic plans, including but not limited to internet access. This section does not require the department or an agency to release information which is classified as a confidential record under law.

*a.* In administering this subsection, the department shall provide for the dissemination of all of the following:

(1) The enterprise strategic plan, performance measures, performance targets based on performance data, performance data, and data sources used to evaluate agency performance, and explanations of the plan's provisions.

(2) Methods for the public and state employees to provide input including written and oral comments for the enterprise strategic plan, including a schedule of any public hearings relating to the plan or revisions.

*b.* In administering this subsection, each agency shall provide for the dissemination of all of the following:

(1) The agency strategic plan, performance measures, performance targets based on performance data, performance data, and data sources used by the agency to evaluate its performance, and explanations of the plan's provisions.

(2) Methods for the public and agency employees to provide input including written and

oral comments for the agency strategic plan, including a schedule of any public hearings relating to the plan or revisions.

2. The department may review any records of an agency that relate to an agency strategic plan, an agency performance plan, or a performance audit conducted pursuant to section 8E.209.

3. A record which is confidential under law shall not be released to the public under this section.

2001 Acts, ch 169, §14; 2011 Acts, ch 106, §2, 3, 17

**8E.203 Strategic plan — purposes.**

The purposes of strategic plans are to promote long-term and broad thinking, focus on results for Iowans, and guide the allocation of human and material resources and day-to-day activities.

2001 Acts, ch 169, §15

**8E.204 Adoption and revision of an enterprise strategic plan and agency strategic plans.**

1. The department, in consultation with agencies, shall adopt an enterprise strategic plan. Each agency shall adopt an agency strategic plan aligned with the enterprise strategic plan.

2. The department or an agency shall adopt and revise a strategic plan which includes input from customers and stakeholders following an opportunity for broad public participation in strategic planning. The department or an agency developing or revising a strategic plan shall include input from state employees, including written and oral comments. Upon adoption of the enterprise strategic plan by the department, the plan shall be disseminated to each agency and made available to all state employees. Upon adoption of the agency's strategic plan, the agency shall provide the department with a copy of the agency strategic plan and make the strategic plan available to all agency employees. The enterprise strategic plan and all agency strategic plans shall be available to the public.

3. The department and agencies shall annually review the enterprise strategic plan. An agency shall conduct an annual review of its agency strategic plan. Revisions in the strategic plan may be prompted by a reexamination of priorities or the need to redirect state resources based on new circumstances, including events or trends.

2001 Acts, ch 169, §16

Referred to in §8.22, 8E.103

**8E.205 Enterprise strategic plan.**

The enterprise strategic plan shall identify major policy goals of the state. The enterprise strategic plan shall also describe multiagency strategies to achieve major policy goals, and establish the means to gauge progress toward achieving the major policy goals.

2001 Acts, ch 169, §17

Referred to in §8.23

**8E.206 Agency strategic plans.**

1. An agency shall adopt an agency strategic plan which shall follow a format and include elements as determined by the department in consultation with agencies.

2. An agency shall align its agency strategic plan with the enterprise strategic plan and show the alignment.

2001 Acts, ch 169, §18

Referred to in §8.23, 8E.103

**8E.207 Agency performance plans.**

Each agency shall develop an annual performance plan to achieve the goals provided in the agency strategic plan, including the development of performance targets using its performance measures. The agency shall use its performance plan to guide its day-to-day operations and track its progress in achieving the goals specified in its agency strategic plan.

1. An agency shall align its agency performance plan with the agency strategic plan and show the alignment in the agency performance plan.

2. An agency shall align individual performance instruments with its agency performance plan.

2001 Acts, ch 169, §19

**8E.208 Performance measures, performance targets, and performance data.**

The department, in consultation with agencies, shall establish guidelines that will be used to create performance measures, performance targets, and data sources for each agency and each agency's functions.

Performance measurement is essential to ensuring adequate accountability over public resources and the exchange of public resources for desirable and acceptable public benefits. Performance measurement must include an assessment of whether agencies have adequate control procedures in place, and whether those control procedures are operating effectively, to determine that agencies are receiving or providing services of adequate quality, public resources are being used effectively and efficiently, and public resources are being used for appropriate and meaningful activities.

2001 Acts, ch 169, §20; 2006 Acts, ch 1153, §6, 9

Referred to in §8.23, 8E.103

**8E.209 Periodic performance audits and performance data validation.**

1. The department, in consultation with the legislative services agency, the auditor of state, and agencies, shall establish and implement a system of periodic performance audits. The purpose of a performance audit is to assess the performance of an agency in carrying out its programs in light of the agency strategic plan, including the effectiveness of its programs, based on performance measures, performance targets, and performance data. The department may make recommendations to improve agency performance which may include modifying, streamlining, consolidating, expanding, redesigning, or eliminating programs.

2. The department, in cooperation with the legislative services agency and the auditor of state, shall provide for the analysis of the integrity and validity of performance data.

2001 Acts, ch 169, §21; 2003 Acts, ch 35, §45, 49

Referred to in §8E.202

**8E.210 Reporting requirements.**

1. Each agency shall prepare an annual performance report stating the agency's progress in meeting performance targets and achieving its goals consistent with the enterprise strategic plan, its agency strategic plan, and its performance plan. An annual performance report shall include a description of how the agency has reallocated human and material resources in the previous fiscal year. The department, in conjunction with agencies, shall develop guidelines for annual performance reports, including but not limited to a reporting schedule. An agency may incorporate its annual performance report into another report that the agency is required to submit to the department.

2. The annual performance reporting required under this section shall be used to improve performance, improve strategic planning and policy decision making, better allocate human and material resources, recognize superior performance, and inform Iowans about their return from investment in state government.

2001 Acts, ch 169, §22

## SUBCHAPTER III

## INVESTMENT DECISIONS

**8E.301 Scope.**

The department, in cooperation with agencies, shall establish methodologies for use in making major investment decisions, including methodologies based on return on investment and cost-benefit analysis. The department and agencies may also utilize these methodologies to review current investment decisions. The department shall establish procedures for

implementing the methodologies, requiring independent verification and validation of investment results, and providing reports to the governor and the legislative services agency regarding the implementation.

2001 Acts, ch 169, §23; 2003 Acts, ch 35, §45, 49

See also §12B.10

# CHAPTER 8F

## GOVERNMENT ACCOUNTABILITY — SERVICE CONTRACTS

Uniform terms and conditions for service contracts; see §8.47


| | | | |
|---|---|---|---|
| 8F.1 | Purpose. | 8F.4 | Reporting requirements. |
| 8F.2 | Definitions. | 8F.5 | Enforcement. |
| 8F.3 | Contractual requirements. | | |


**8F.1 Purpose.**

This chapter is intended to create mechanisms to most effectively and efficiently monitor the utilization of public moneys by providing the greatest possible accountability for the expenditure of public moneys.

2006 Acts, ch 1153, §1, 9

**8F.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agency"* means a unit of state government, which is an authority, board, commission, committee, council, department, or independent agency as defined in section 7E.4, including but not limited to each principal central department enumerated in section 7E.5. However, *"agency"* does not mean the Iowa public employees' retirement system created under chapter 97B, the public broadcasting division of the department of education created under section 256.81, the statewide fire and police retirement system created under chapter 411, or an agricultural commodity promotion board subject to a producer referendum.

2. *"Compensation"* means payment of, or agreement to pay, any money, thing of value, or financial benefit conferred in return for labor or services rendered by an officer, employee, or other person plus the value of benefits including but not limited to casualty, disability, life, or health insurance, other health or wellness benefits, vacations, holidays, and sick leave, severance payments, retirement benefits, and deferred compensation.

3. *"Intergovernmental entity"* means any separate organization established in accordance with chapter 28E or established by any other agreement between an agency and any other governmental entity, whether federal, state, or local, and any department, division, unit, or subdivision thereof. *"Intergovernmental entity"* does not include an organization established or agreement made in accordance with chapter 28E between state agencies.

4. *"Oversight agency"* means an agency that contracts with and disburses state or federal moneys to a recipient entity.

5. *"Private agency"* means an individual or any form of business organization, including a nonprofit organization, authorized under the laws of this state or any other state or under the laws of any foreign jurisdiction.

6. *"Recipient entity"* means an intergovernmental entity or a private agency that enters into a service contract with an oversight agency to provide services which will be paid for with local governmental, state, or federal moneys.

7. *"Service"* or *"services"* means work performed for an oversight agency or for its client.

8. *a.* *"Service contract"* means a contract for a service or services when the predominant factor, thrust, and purpose of the contract as reasonably stated is for the provision of services. When there is a contract for goods and services and the predominant factor, thrust, and purpose of the contract as reasonably stated is for the provision or rendering of services with goods incidentally involved, a service contract exists. *"Service contract"* includes grants

when the predominant factor, thrust, and purpose of the contract formalizing the grant is for the provision of services. For purposes of this chapter, a service contract only exists when an individual service contract or a series of service contracts entered into between an oversight agency and a recipient entity exceeds five hundred thousand dollars or when the grant or contract together with other grants or contracts awarded to the recipient entity by the oversight agency during the oversight agency's fiscal year exceeds five hundred thousand dollars in the aggregate.

*b.* *"Service contract"* does not mean any of the following:

(1) A contract that involves services related to transportation or the construction, reconstruction, improvement, repair, or maintenance of the transportation system.

(2) A contract that is subject to competitive bidding for the construction, reconstruction, improvement, or repair of a public building or public improvement.

(3) A contract concerning an entity that has contracted with the state and is licensed and regulated by the insurance division of the department of commerce.

(4) A contract with a federally insured financial institution that is subject to mandatory periodic examinations by a state or federal regulator.

(5) Any allocation of state or federal moneys by the department of education to subrecipients on a formula or noncompetitive basis.

(6) A contract for vendor services.

(7) A contract for a court-appointed attorney.

(8) A contract for services provided from resources made available under Tit. XVIII, XIX, or XXI of the federal Social Security Act.

(9) A contract with outside counsel or special counsel executed by the executive council pursuant to section 13.3 or 13.7.

(10) A contract concerning the public safety peace officers' retirement system created under chapter 97A, the judicial retirement system governed by chapter 602, article 9, or the deferred compensation plan established by the executive council pursuant to section 509A.12.

(11) A contract for services provided for the operation, construction, or maintenance of a public or city utility, combined public or city utility, or a city enterprise as defined by section 384.24.

(12) A contract for dual party relay service required by section 477C.3 or for the equipment distribution program established under the authority of section 477C.4.

(13) A contract for services provided by a person subject to regulation under Title XIII of the Code.

9. *"Vendor services"* means services or goods provided by a vendor that are required for the conduct of a state or federal program for an organization's own use or for the use of beneficiaries of the state or federal program and which are ancillary to the operation of the state or federal program under a service contract and not otherwise subject to compliance requirements of the state or federal program. For purposes of this subsection, *"vendor"* means a dealer, distributor, merchant, or other seller which provides goods and services within normal business operations, provides similar goods or services to many different purchasers, and operates in a competitive environment.

2006 Acts, ch 1153, §2, 9; 2006 Acts, ch 1182, §68; 2007 Acts, ch 10, §5; 2008 Acts, ch 1031, §9; 2012 Acts, ch 1023, §2

**8F.3 Contractual requirements.**

1. As a condition of entering into a service contract with an oversight agency, a recipient entity shall certify that the recipient has the following information available for inspection by the oversight agency and the legislative services agency:

*a.* Information documenting the legal status of the recipient entity, such as agreements establishing the entity pursuant to chapter 28E or other intergovernmental agreements, articles of incorporation, bylaws, or any other information related to the establishment or status of the entity. In addition, the information shall indicate whether the recipient entity is exempt from federal income taxes under section 501(c), of the Internal Revenue Code.

*b.* Information regarding the training and education received by the members of the

governing body of the recipient entity relating to the duties and legal responsibilities of the governing body.

*c.* Information regarding the procedures used by the governing body of the recipient entity to do all of the following:

(1) Review the performance of management employees and establish the compensation of those employees.

(2) Review the recipient entity's internal controls relating to accounting processes and procedures.

(3) Review the recipient entity's compliance with the laws, rules, regulations, and contractual agreements applicable to its operations.

(4) Information regarding adopted ethical and professional standards of operation for the governing body and employees of the recipient entity and information concerning the implementation of these standards and the training of employees and members of the governing body on the standards. The standards shall include but not be limited to a nepotism policy which shall provide, at a minimum, for disclosure of familial relationships among employees and between employees and members of the governing body, and policies regarding conflicts of interest, standards of responsibility and obedience to law, fairness, and honesty.

*d.* Information regarding any policies adopted by the governing body of the recipient entity that prohibit taking adverse employment action against employees of the recipient entity who disclose information about a service contract to the oversight agency, the auditor of state, the office of the attorney general, or the office of ombudsman and that state whether those policies are substantially similar to the protection provided to state employees under section 70A.28. The information provided shall state whether employees of the recipient entity are informed on a regular basis of their rights to disclose information to the oversight agency, the office of ombudsman, the auditor of state, or the office of the attorney general and the telephone numbers of those organizations.

2. The certification required by this section shall be signed by an officer and director of the recipient entity, two directors of the recipient entity, or the sole proprietor of the recipient entity, whichever is applicable, and shall state that the recipient entity is in full compliance with all laws, rules, regulations, and contractual agreements applicable to the recipient entity and the requirements of this chapter.

3. Prior to entering into a service contract with a recipient entity, the oversight agency shall determine whether the recipient entity can reasonably be expected to comply with the requirements of the service contract. If the oversight entity is unable to determine whether the recipient entity can reasonably be expected to comply with the requirements of the service contract, the oversight entity shall request such information from the recipient entity as described in subsection 1 to make a determination. If the oversight agency determines from the information provided that the recipient entity cannot reasonably be expected to comply with the requirements of the service contract, the oversight agency shall not enter into the service contract.

2006 Acts, ch 1153, §3, 9; 2007 Acts, ch 22, §113, 116; 2007 Acts, ch 126, §2; 2013 Acts, ch 10, §26

Referred to in §8F.4

Subsection 1, paragraph d amended

**8F.4 Reporting requirements.**

1. *a.* As a condition of continuing to receive state or federal moneys through an oversight agency for a service contract, a recipient entity shall file an annual report with the oversight agency and with the legislative services agency within ten months following the end of the recipient entity's fiscal year.

*b.* However, the annual report shall not be required to be filed under any of the following circumstances:

(1) The recipient entity reports information otherwise required to be included in an annual report described in subsection 2 to the oversight agency pursuant to federal or state statutes

or rules. The information otherwise required to be reported to the oversight agency shall be filed with the legislative services agency.

(2) The recipient entity is recognized by the Internal Revenue Code as a nonprofit organization or entity and provides a copy of the internal revenue service form 990 for all fiscal years in which service contract revenues are reported.

2. The annual report required to be filed pursuant to this section shall contain the following:

*a.* Financial information relative to the expenditure of state and federal moneys for the prior year pursuant to the service contract. The financial information shall include but is not limited to budget and actual revenue and expenditure information for the year covered.

*b.* Financial information relating to service contracts with the oversight agency during the preceding year, including the costs by category to provide the contracted services.

*c.* Reportable conditions in internal control or material noncompliance with provisions of laws, rules, regulations, or contractual agreements included in external audit reports of the recipient entity covering the preceding year.

*d.* Corrective action taken or planned by the recipient entity in response to reportable conditions in internal control or material noncompliance with laws, rules, regulations, or contractual agreements included in external audit reports covering the preceding year.

*e.* Any changes in the information submitted in accordance with section 8F.3.

*f.* A certification signed by an officer and director of the recipient entity, two directors of the recipient entity, or the sole proprietor of the recipient entity, whichever is applicable, stating the annual report is accurate and the recipient entity is in full compliance with all laws, rules, regulations, and contractual agreements applicable to the recipient entity and the requirements of this chapter.

3. A recipient entity shall be required to submit such information as requested by the oversight agency or the legislative services agency relating to the entity's expenditure of state and federal moneys.

2006 Acts, ch 1153, §4, 9

**8F.5 Enforcement.**

Any service contract awarded to a recipient entity shall provide that the oversight agency may terminate the service contract if the recipient entity, during the duration of the contract, fails to comply with the requirements of this chapter. In addition, the service contract shall provide a mechanism for the forfeiture and recovery of state or federal funds expended by a recipient entity in violation of the laws applicable to the expenditure of the money or the requirements of the service contract and this chapter.

2006 Acts, ch 1153, §5, 9

# CHAPTER 8G

## TAXATION TRANSPARENCY AND DISCLOSURE

SUBCHAPTER I

TAXPAYER TRANSPARENCY ACT

8G.1 Intent — findings.
8G.2 Short title.
8G.3 Definitions.
8G.4 Searchable budget database internet site created.
8G.5 Internet site updates.
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SUBCHAPTER II

TAXATION DISCLOSURE ACT

8G.10 Intent — findings.
8G.11 Short title.
8G.12 Tax rate database.
8G.13 Updating database.

## SUBCHAPTER I

## TAXPAYER TRANSPARENCY ACT

Referred to in §8.6

**8G.1 Intent — findings.**

The general assembly finds that taxpayers should be able to easily access the details on how the state is spending their tax dollars and the performance results achieved for those expenditures. Therefore, it is the intent of the general assembly to direct the department of management to create and maintain a searchable budget database and internet site detailing where tax dollars are expended, the purposes for which tax dollars are expended, and the results achieved for all taxpayer investments in state government.

2011 Acts, ch 122, §41

**8G.2 Short title.**

This subchapter shall be known as and may be cited as the *"Taxpayer Transparency Act"*.

2011 Acts, ch 122, §42

**8G.3 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Agency"* means a state department, office, board, commission, bureau, division, institution, or public institution of higher education. *"Agency"* includes individual state agencies and programs, as well as those programs and activities that are administered by or involve more than one agency. *"Agency"* includes all elective offices in the executive branch of government and the general assembly. *"Agency"* includes the judicial branch of state government.

2. *"Director"* means the director of the department of management.

3. *a.* *"Entity"* or *"recipients"* means any of the following:

(1) A corporation.

(2) An association.

(3) An employee union.

(4) A limited liability company.

(5) A limited liability partnership.

(6) Any other legal business entity, including nonprofit entities.

(7) A grant recipient.

(8) Contractors.

(9) A county, city, school district, or other local government entity.

*b.* *"Entity"* or *"recipients"* does not include an individual recipient of state assistance, an employee, or a student. The department of management shall define by rule adopted pursuant to chapter 17A the meaning of the term *"individual recipient of state assistance"*.

4. *"Funding action or expenditure"* includes details on the type of spending that is provided including but not limited to grants, contracts, and appropriations. *"Funding action or expenditure"* includes tax exemptions or credits. Where possible, an electronic link to the actual grants or contracts shall be provided. An electronic link shall be in a format that is a searchable document.

5. *"Funding source"* means the state account or fund from which the expenditure is appropriated. *"Funding source"* does not include federal moneys or grants received by an agency.

6. *"Searchable internet site"* means an internet site that allows the public at no cost to search and compile the information identified in section 8G.4 and that provides such information in a format capable of being downloaded from the site to personal computers.

7. *"State audit or report"* shall include any audit or report issued by the auditor of state, department of management, legislative services agency, legislative committee, or executive body relating to the entity or recipient of state funds, the budget program or activity, or agency.

8. *"Tax exemption or credit"* means an exclusion from the operation or collection of a tax imposed in this state. Tax exemption or credit includes tax credits, exemptions, deductions,

and rebates. *"Tax exemption or credit"* also includes sales tax refunds if such refunds are applied for and granted as a form of financial assistance, including but not limited to the refunds allowed in sections 15.331A and 423.4.

9. *"Taxing jurisdiction"* means a political subdivision of the state with the authority to levy taxes. Taxing jurisdiction includes but is not limited to a city, a county, a school district, and a township.

2011 Acts, ch 122, §43

**8G.4 Searchable budget database internet site created.**

1. By January 1, 2013, the director shall develop and make publicly available a database internet site for searching, accessing, and processing data, including the data required in this section, for the most recent state budget. The internet site shall be developed in such a way that the information can be provided to other software applications, including internet software applications, in a manner and format that allows such software applications to access and interpret the data using the internal programming of the software applications. In gathering or receiving information from agencies, the director shall make a good-faith effort to minimize the costs and disruptions to other agencies and their computer systems of providing such information.

2. The searchable internet site developed pursuant to this section shall allow the public at no cost to search and compile the information provided pursuant to this subsection. Each state agency, except the institutions under the state board of regents, shall provide the following:

*a.* Name of the entity or recipient of state funds.

*b.* Amount of state funds expended.

*c.* Funding or expending agency.

*d.* Funding source.

*e.* Budget program or activity of the expenditure.

*f.* Descriptive purpose for the funding action or expenditure.

*g.* Expected performance outcome for the funding action or expenditure, to the extent that such information is available and can be provided.

*h.* Past performance outcomes achieved for the funding action or expenditure, to the extent that such information is available and can be provided.

*i.* State audit or report relating to the entity or recipient of state funds or the budget program or activity or agency.

*j.* Any other relevant information specified by the director.

3. For purposes of complying with this section, the institutions under the state board of regents, for each budgeted department, program, or activity, shall provide the following:

*a.* The funding source and the amount of state funds received by the institutions.

*b.* The amount of state funds expended by the institutions.

*c.* The names of the entities or recipients receiving state funds from the institutions.

*d.* The amounts paid to the entities or recipients named in paragraph "*c*".

*e.* A description of the department, program, or activity involved, including, to the extent practicable, the descriptive purpose and expected performance outcome of each budget program or activity.

*f.* Past performance outcomes of the budget program or activity.

*g.* State audit or report relating to the budget program or activity.

*h.* Other information as the institutions may deem appropriate for a budget program or activity.

4. *a.* In providing information pursuant to this section on tax exemptions or credits, the department of revenue shall do the following:

(1) Provide aggregate information for those tax exemptions or credits that are claimed by individual taxpayers.

(2) Provide the information described in subsection 2 for those tax exemptions or credits that are awarded by an agency.

(3) Adhere to all applicable confidentiality provisions to the extent possible while complying with the requirements of this section.

*b.* An agency awarding tax exemptions or credits shall provide to the department of revenue any information the department may request regarding such exemptions or credits.

5. In addition to the information to be provided pursuant to subsection 2, there shall be provided on the searchable internet site all of the following:

*a.* A listing and description of awarded tax credits claimed for the individual income tax, corporate income tax, franchise tax, and insurance premiums tax. An awarded tax credit is a tax credit allowed and claimed through a state-authorized program. For each category of tax the internet site shall list each of the awarded tax credits applicable to it, the total amount of that tax credit claimed, and the number of taxpayers claiming the tax credit.

*b.* The estimated cost to the state of each of the twenty sales tax exemptions that account for the largest dollar amount share of sales tax exemptions under section 423.3. The estimated cost to the state shall include the amount of exempt sales by business type for each county. This paragraph does not apply to the tax exemptions pursuant to section 423.3, subsections 2, 31, 39, 58, 73, and 85.

*c.* The information to be provided pursuant to subsection 2 shall also be provided for entities or recipients of the awarded tax credits or exemptions described in this subsection.

6. This section does not apply to local governments.

2011 Acts, ch 122, §44

Referred to in §8G.3, 422.20, 422.72

**8G.5 Internet site updates.**

1. Effective July 1, 2013, the internet site shall be updated regularly as new data and information become available, but shall be updated no less frequently than annually within sixty days following the close of the state fiscal year. In addition, the director may update the internet site as new data becomes available. All agencies shall provide to the director data that is required to be included on the internet site not later than sixty days following the close of the state fiscal year. The director shall provide guidance to agency heads or the governing body of an agency to ensure compliance with this section.

2. By January 1, 2014, the director shall add data for the previous budgets to the internet site. Data for previous fiscal years may be added as it becomes available and as time permits. The director shall ensure that all data added to the internet site remain accessible to the public for a minimum of ten years.

2011 Acts, ch 122, §45

**8G.6 Noncompliance.**

The director shall not be considered in compliance with this subchapter if the data required for the internet site is not available in a searchable manner and capable of being compiled or if the public is redirected to other government internet sites unless each of those sites displays information from all agencies and each category of information required can be searched electronically by field in a single search.

2011 Acts, ch 122, §46

**8G.7 through 8G.9** Reserved.

## SUBCHAPTER II

## TAXATION DISCLOSURE ACT

Referred to in §8.6

**8G.10 Intent — findings.**

The general assembly finds that increasing the ease of public access to state and local tax rates, particularly where the rates are currently available from disparate government sources and are difficult for the public to collect and efficiently aggregate, significantly contributes to governmental accountability, public participation, and the understanding of the cost of government services. Therefore, it is the intent of the general assembly to direct the department of management, in consultation with the department of revenue, to create and

maintain a searchable database and internet site of each tax rate for all taxing jurisdictions in the state to make citizen access to state and local tax rates as open, transparent, and publicly accessible as is feasible.

2011 Acts, ch 122, §47

**8G.11 Short title.**

This subchapter shall be known and cited as the *"Taxation Disclosure Act"*.

2011 Acts, ch 122, §48

**8G.12 Tax rate database.**

1. *Searchable tax rate database.* By January 1, 2012, the department of management, in consultation with the department of revenue, shall make publicly available on an internet site a searchable database of all tax rates in the state for each taxing jurisdiction. The information shall include all applicable tax types imposed in the taxing jurisdiction and shall be organized, presented, and accessible, to the extent possible, by county, city, and physical address for each residency or business. Individual tax levies shall be further specified within each tax rate.

2. *Geographical tax rate map.* In addition to searching for tax rates in the manner described in subsection 1, searches shall be accommodated by a geographical tax rate map of the state that is capable of being displayed with a level of specificity corresponding to each taxing jurisdiction.

2011 Acts, ch 122, §49

Referred to in §8G.13

**8G.13 Updating database.**

To facilitate the department of management's efforts in creating and maintaining a searchable database of the taxes identified in section 8G.12, subsection 1, for all taxing jurisdictions in the state, each taxing jurisdiction may annually be required to report its tax rates to the department of management or the department of revenue and shall report any changes to its tax rates within thirty days of the change.

2011 Acts, ch 122, §50; 2011 Acts, ch 131, §51, 158

# CHAPTER 9

## SECRETARY OF STATE


| | | | |
|---|---|---|---|
| 9.1 | Duties — records. | 9.4 | Fees. |
| 9.2 | Records relating to cities. | 9.5 | Salary. |
| 9.2A | Records relating to condemnation. | 9.6 | Iowa official register. Repealed by 2003 Acts, ch 35, §47 – 49. |
| 9.3 | Commissions. | 9.7 | Access to corporation records. |


**9.1 Duties — records.**

The secretary of state shall keep the secretary of state's office at the seat of government, and perform all duties required by law; the secretary shall have charge of and keep all the Acts and resolutions of the territorial legislature and of the general assembly of the state, the enrolled copies of the Constitutions of the state, and all bonds, books, records, maps, registers, and papers which are now or may hereafter be deposited to be kept in the secretary of state's office, including all books, records, papers, and property pertaining to the state land office.

[C51, §43; R60, §59; C73, §61; C97, §66; C24, 27, 31, 35, 39, §**85;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §9.1]

Designated as state commissioner of elections, §47.1

Duties relating to filing of federal liens; see §331.609

**9.2 Records relating to cities.**

The secretary of state shall receive and preserve in the secretary's office all papers transmitted to the secretary in relation to city development, including incorporation, discontinuance, or boundary adjustment; and shall keep an alphabetical list of cities in a book provided for that purpose, in which shall be entered the name of the city, the county in which situated, and the date of incorporation, discontinuance, or boundary adjustment.

[R60, §1046; C73, §65; C97, §67; C24, 27, 31, 35, 39, §**86;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §9.2]

**9.2A Records relating to condemnation.**

The secretary of state shall receive and preserve in the secretary's office all papers transmitted to the secretary in relation to condemnation and shall keep an alphabetical list of acquiring agencies in a book provided for that purpose, in which shall be entered the name of the acquiring agency, the county in which the real property is located, and the date the condemnation application was filed.

99 Acts, ch 171, §25, 42

**9.3 Commissions.**

All commissions issued by the governor shall be countersigned by the secretary, who shall register each commission in a book to be kept for that purpose, specifying the office, name of officer, date of commission, and tenure of office, and forthwith forward to the directors of the departments of management and of administrative services copies of the registration.

[C51, §44; R60, §60; C73, §62; C97, §68; S13, §68; C24, 27, 31, 35, 39, §**87;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §9.3]

88 Acts, ch 1134, §8; 2003 Acts, ch 145, §127

**9.4 Fees.**

The secretary of state shall collect all fees directed by law to be collected by the secretary of state, including the following:

1. For certificate, with seal attached, three dollars.
2. For a copy of any law or record, upon the request of any person, a fee to be determined by the secretary of state by rule adopted pursuant to chapter 17A.

[C51, §2524; R60, §4133; C73, §3756; C97, §85; C24, 27, 31, 35, 39, §**88;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §9.4; 81 Acts, ch 21, §1]

93 Acts, ch 143, §1

**9.5 Salary.**

The salary of the secretary of state shall be as fixed by the general assembly.

[C31, 35, §88-c1; C39, §**88.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §9.5]

**9.6 Iowa official register.** Repealed by 2003 Acts, ch 35, § 47 – 49. See § 2A.5.

**9.7 Access to corporation records.**

The secretary of state shall offer to county recorders electronic access to corporation records. The secretary of state shall adopt rules providing for the electronic access and for the dissemination of the information by the county recorders.

91 Acts, ch 211, §1

# CHAPTER 9A

## UNIFORM ATHLETE AGENTS ACT


9A.1 through 9A.12 Repealed by 2009 Acts, ch 33, §20.
9A.101 Title.
9A.102 Definitions.
9A.103 Service of process — subpoenas.
9A.104 Athlete agents — registration required — void contracts.
9A.105 Registration as athlete agent — form — requirements.
9A.106 Certificate of registration — issuance or denial — renewal.
9A.107 Suspension, revocation, or refusal to renew registration.
9A.108 Temporary registration.
9A.109 Registration and renewal fees.
9A.110 Required form of contract.
9A.111 Notice to educational institution.
9A.112 Student athlete's right to cancel.
9A.113 Required records.
9A.114 Prohibited conduct.
9A.115 Criminal penalties.
9A.116 Civil remedies.
9A.117 Administrative penalty.
9A.118 Uniformity of application and construction.
9A.119 Electronic Signatures in Global and National Commerce Act.


**9A.1 through 9A.12** Repealed by 2009 Acts, ch 33, § 20.

**9A.101 Title.**
This chapter shall be known as the *"Uniform Athlete Agents Act"*.
2009 Acts, ch 33, §1

**9A.102 Definitions.**
As used in this chapter, unless the context otherwise requires:

1. *"Agency contract"* means an agreement pursuant to which a student athlete authorizes a person to negotiate or solicit on behalf of the student athlete a professional sports services contract or an endorsement contract.

2. *"Athlete agent"* means an individual who enters into an agency contract with a student athlete or, directly or indirectly, recruits or solicits a student athlete to enter into an agency contract. *"Athlete agent"* includes an individual who represents to the public that the individual is an athlete agent. *"Athlete agent"* does not include a spouse, parent, sibling, grandparent, or guardian of the student athlete or an individual acting solely on behalf of a professional sports team or professional sports organization. *"Athlete agent"* does not include an individual licensed to practice as an attorney in this state when the individual is acting as a representative for a student athlete, unless the attorney also represents the student athlete in negotiations for an agency contract.

3. *"Athletic director"* means an individual responsible for administering the overall athletic program of an educational institution or, if an educational institution has separately administered athletic programs for male students and female students, the athletic program for males or the athletic program for females, as appropriate.

4. *"Contact"* means a direct or indirect communication between an athlete agent and a student athlete, to recruit or solicit the student athlete to enter into an agency contract.

5. *"Endorsement contract"* means an agreement under which a student athlete is employed or receives consideration to use on behalf of the other party any value that the student athlete may have because of publicity, reputation, following, or fame obtained because of athletic ability or performance.

6. *"Intercollegiate sport"* means a sport played at the collegiate level for which eligibility requirements for participation by a student athlete are established by a national association for the promotion or regulation of collegiate athletics.

7. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, public corporation, or any other legal or commercial entity.

8. *"Professional sports services contract"* means an agreement under which an individual is employed, or agrees to render services, as a player on a professional sports team, with a professional sports organization, or as a professional athlete.

9. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

10. *"Registration"* means registration as an athlete agent pursuant to this chapter.

11. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

12. *"Student athlete"* means an individual who engages in, is eligible to engage in, or may be eligible in the future to engage in, any intercollegiate sport. If an individual is permanently ineligible to participate in a particular intercollegiate sport, the individual is not a student athlete for purposes of that sport.

2009 Acts, ch 33, §2; 2010 Acts, ch 1061, §1

**9A.103 Service of process — subpoenas.**

1. By acting as an athlete agent in this state, a nonresident individual appoints the secretary of state as the individual's agent for service of process in any civil action in this state related to the individual's acting as an athlete agent in this state.

2. The secretary of state may issue subpoenas for any material that is relevant to the administration of this chapter.

2009 Acts, ch 33, §3

**9A.104 Athlete agents — registration required — void contracts.**

1. Except as otherwise provided in subsection 2, an individual shall not act as an athlete agent in this state without holding a certificate of registration under section 9A.106 or 9A.108.

2. Before being issued a certificate of registration, an individual may act as an athlete agent in this state for all purposes except signing an agency contract, if all of the following occur:

*a.* A student athlete or another person acting on behalf of the student athlete initiates communication with the individual.

*b.* Within seven days after an initial act as an athlete agent, the individual submits an application for registration as an athlete agent in this state.

3. An agency contract resulting from conduct in violation of this section is void and the athlete agent shall return any consideration received under the contract.

2009 Acts, ch 33, §4

Referred to in §9A.114

**9A.105 Registration as athlete agent — form — requirements.**

1. An applicant for registration shall submit an application for registration to the secretary of state in a form prescribed by the secretary of state. An application filed under this section is a public record. The application shall be in the name of an individual and, except as otherwise provided in subsection 2, signed or otherwise authenticated by the applicant under penalty of perjury, and contain the following information:

*a.* The name of the applicant and the address of the applicant's principal place of business.

*b.* The name of the applicant's business or employer, if applicable.

*c.* Any business or occupation engaged in by the applicant for the five years immediately preceding the date of submission of the application.

*d.* A description of the applicant's qualifications, including:

(1) Formal training as an athlete agent.

(2) Practical experience as an athlete agent.

(3) Educational background relating to the applicant's activities as an athlete agent.

*e.* The names and addresses of three individuals not related to the applicant who are willing to serve as references.

*f.* The name, sport, and last known team of each individual for whom the applicant acted as an athlete agent during the five years immediately preceding the date of submission of the application.

*g.* The names and addresses of all persons who have or claim an ownership interest in the applicant's business, including:

(1) The partners, members, officers, managers, associates, or profit-sharers of the business if it is not a corporation.

(2) The officers, directors, and any shareholder of the corporation having an interest of five percent or greater in a corporation employing the athlete agent.

*h.* Whether the applicant or any person named pursuant to paragraph "*g*" has been convicted of a crime that, if committed in this state, would be a crime involving moral turpitude or which is a felony, and identify the crime.

*i.* Whether there has been any administrative or judicial determination that the applicant or any person named pursuant to paragraph "*g*" has made a materially false, misleading, deceptive, or fraudulent representation.

*j.* Any instance in which the conduct of the applicant or any person named pursuant to paragraph "*g*" resulted in the imposition of a sanction, suspension, or declaration of ineligibility to participate in an interscholastic or intercollegiate athletic event on, of, or by a student athlete or educational institution.

*k.* Any sanction, suspension, or disciplinary action taken against the applicant or any person named pursuant to paragraph "*g*" arising out of occupational or professional conduct.

*l.* Whether there has been any denial of an application for, suspension or revocation of, or refusal to renew, the registration or licensure of the applicant or of any person named pursuant to paragraph "*g*" as an athlete agent in any state.

2. An individual who has submitted an application for, and holds a certificate of, registration or licensure as an athlete agent in another state may submit a copy of the application and certificate in lieu of submitting an application in the form prescribed pursuant to subsection 1. The secretary of state shall accept the application and the certificate from the other state as an application for registration in this state if the application to the other state complies with all of the following:

*a.* Was submitted in the other state within the six-month period immediately preceding the submission of the application in this state and the applicant certifies that the information contained in the application in the other state is current.

*b.* Contains information substantially similar to or more comprehensive than that required in an application submitted in this state.

*c.* Was signed by the applicant under penalty of perjury.

2009 Acts, ch 33, §5

Referred to in §9A.106

**9A.106 Certificate of registration — issuance or denial — renewal.**

1. Except as otherwise provided in subsection 2, the secretary of state shall issue a certificate of registration to an individual who complies with section 9A.105, subsection 1, or whose application has been accepted under section 9A.105, subsection 2.

2. The secretary of state may refuse to issue a certificate of registration if the secretary of state determines that the applicant has engaged in conduct that has a significant adverse effect on the applicant's fitness to act as an athlete agent. In making the determination, the secretary of state may consider whether the applicant has done the following:

*a.* Been convicted of a crime that, if committed in this state, would be a crime involving moral turpitude or a felony.

*b.* Made a materially false, misleading, deceptive, or fraudulent representation in the application or as an athlete agent.

*c.* Engaged in conduct that would disqualify the applicant from serving in a fiduciary capacity.

*d.* Engaged in conduct prohibited by section 9A.114.

*e.* Had a certificate of registration or licensure as an athlete agent suspended, revoked, or denied or been refused renewal of a certificate of registration or licensure as an athlete agent in any state.

*f.* Engaged in conduct which resulted in the imposition of a sanction, suspension, or declaration of ineligibility to participate in an interscholastic or intercollegiate athletic event on, of, or by a student athlete or educational institution.

*g.* Engaged in conduct that significantly adversely reflects on the applicant's credibility, honesty, or integrity.

3. In making a determination under subsection 2, the secretary of state shall consider the following:

*a.* How recently the conduct occurred.

*b.* The nature of the conduct and the context in which it occurred.

*c.* Any other relevant conduct of the applicant.

4. An athlete agent may apply to renew a certificate of registration by submitting an application for renewal in a form prescribed by the secretary of state. An application filed under this section is a public record. The application for renewal must be signed by the applicant under penalty of perjury and must contain current information on all matters required in an original application for registration.

5. An individual who has submitted an application for renewal of a certificate of registration or licensure in another state, in lieu of submitting an application for renewal in the form prescribed pursuant to subsection 4, may file a copy of the application for renewal and a valid certificate of registration or licensure from the other state. The secretary of state shall accept the application for renewal from the other state as an application for renewal in this state if the application to the other state complies with all of the following:

*a.* Was submitted in the other state within the six-month period immediately preceding the filing in this state and the applicant certifies the information contained in the application for renewal in the other state is current.

*b.* Contains information substantially similar to or more comprehensive than that required in an application for renewal submitted in this state.

*c.* Was signed by the applicant under penalty of perjury.

6. An original certificate of registration or a renewal of a certificate of registration is valid for two years.

2009 Acts, ch 33, §6

Referred to in §9A.104, 9A.107

**9A.107 Suspension, revocation, or refusal to renew registration.**

1. The secretary of state may suspend, revoke, or refuse to renew a certificate of registration for conduct that would have justified denial of a certificate of registration under section 9A.106, subsection 2.

2. The secretary of state may deny, suspend, revoke, or refuse to renew a certificate of registration or licensure only after proper notice and an opportunity for a hearing held in accordance with chapter 17A.

2009 Acts, ch 33, §7

**9A.108 Temporary registration.**

The secretary of state may issue a temporary certificate of registration while an application for registration or renewal of registration is pending.

2009 Acts, ch 33, §8

Referred to in §9A.104

**9A.109 Registration and renewal fees.**

An application for registration or renewal of registration shall be accompanied by a reasonable registration or renewal of registration fee sufficient to offset expenses incurred in the administration of this chapter as established by the secretary of state.

2009 Acts, ch 33, §9

**9A.110 Required form of contract.**

1. An agency contract shall be in a record, signed, or otherwise authenticated by the parties.

2. An agency contract shall contain the following information:

*a.* The amount and method of calculating the consideration to be paid by the student athlete for services to be provided by the athlete agent under the contract and any other

consideration the athlete agent has received or will receive from any other source for entering into the contract or for providing the services.

*b.* The name of any person not listed in the application for registration or renewal of registration who will be compensated because the student athlete signed the agency contract.

*c.* The description of any expenses that the student athlete agrees to reimburse.

*d.* The description of the services to be provided to the student athlete.

*e.* The duration of the contract.

*f.* The date of execution of the contract.

3. An agency contract must contain, in close proximity to the signature of the student athlete, a conspicuous notice in boldface type in capital letters stating:

WARNING TO STUDENT ATHLETE

IF YOU SIGN THIS CONTRACT:

(1) YOU MAY LOSE YOUR ELIGIBILITY TO COMPETE AS A STUDENT ATHLETE IN YOUR SPORT;

(2) IF YOU HAVE AN ATHLETIC DIRECTOR, WITHIN 72 HOURS AFTER ENTERING INTO THIS CONTRACT, BOTH YOU AND YOUR ATHLETE AGENT MUST NOTIFY YOUR ATHLETIC DIRECTOR; AND

(3) YOU MAY CANCEL THIS CONTRACT WITHIN 14 DAYS AFTER SIGNING IT. CANCELLATION OF THIS CONTRACT MAY NOT REINSTATE YOUR ELIGIBILITY.

4. An agency contract that does not conform to this section is voidable by the student athlete. If a student athlete voids an agency contract, the student athlete is not required to pay any consideration under the contract or to return any consideration received from the athlete agent to induce the student athlete to enter into the contract.

5. The athlete agent shall give a record of the signed or otherwise authenticated agency contract to the student athlete at the time of execution of the contract.

2009 Acts, ch 33, §10

**9A.111 Notice to educational institution.**

1. Within seventy-two hours after entering into an agency contract or before the next scheduled athletic event in which the student athlete may participate, whichever occurs first, the athlete agent shall give notice in a record of the existence of the contract to the athletic director of the educational institution at which the student athlete is enrolled or at which the athlete agent has reasonable grounds to believe the student athlete intends to enroll.

2. Within seventy-two hours after entering into an agency contract or before the next athletic event in which the student athlete may participate, whichever occurs first, the student athlete shall inform the athletic director of the educational institution at which the student athlete is enrolled or intends to enroll that the student athlete has entered into an agency contract.

2009 Acts, ch 33, §11

**9A.112 Student athlete's right to cancel.**

1. A student athlete may cancel an agency contract by giving notice of the cancellation to the athlete agent in a record within fourteen days after the contract is signed.

2. A student athlete shall not waive the right to cancel an agency contract.

3. If a student athlete cancels an agency contract, the student athlete is not required to pay any consideration under the contract or to return any consideration received from the athlete agent to induce the student athlete to enter into the contract.

2009 Acts, ch 33, §12

**9A.113 Required records.**

1. An athlete agent shall retain the following records for a period of five years:

*a.* The name and address of each individual represented by the athlete agent.

*b.* Any agency contract entered into by the athlete agent.

*c.* Any direct costs incurred by the athlete agent in the recruitment or solicitation of a student athlete to enter into an agency contract.

2. Records required to be retained pursuant to subsection 1 are open to inspection by the secretary of state during normal business hours.

2009 Acts, ch 33, §13
Referred to in §9A.114

**9A.114 Prohibited conduct.**

1. An athlete agent, with the intent to induce a student athlete to enter into an agency contract, shall not do any of the following:

*a.* Give any materially false, misleading, deceptive, or fraudulent information or make a materially false promise or a materially false, misleading, deceptive, or fraudulent representation.

*b.* Furnish anything of value to a student athlete before the student athlete enters into the agency contract.

*c.* Furnish anything of value to any individual other than the student athlete or another registered athlete agent.

2. An athlete agent shall not intentionally:

*a.* Initiate contact with a student athlete unless registered under this chapter.

*b.* Refuse or fail to retain or permit inspection of the records required to be retained by section 9A.113.

*c.* Fail to register when required by section 9A.104.

*d.* Provide materially false or misleading information in an application for registration or renewal of registration.

*e.* Predate or postdate an agency contract.

*f.* Fail to notify a student athlete before the student athlete signs or otherwise authenticates an agency contract for a particular sport that the signing or authentication may make the student athlete ineligible to participate as a student athlete in that sport.

2009 Acts, ch 33, §14
Referred to in §9A.106, 9A.115

**9A.115 Criminal penalties.**

An athlete agent who violates section 9A.114 is guilty of a serious misdemeanor.

2009 Acts, ch 33, §15

**9A.116 Civil remedies.**

1. An educational institution has a right of action against an athlete agent or a former student athlete for damages caused by a violation of this chapter. In an action under this section, the court may award costs and reasonable attorney fees to the prevailing party.

2. Damages to an educational institution under subsection 1 include losses and expenses incurred because, as a result of the conduct of an athlete agent or former student athlete, the educational institution was injured by a violation of this chapter or was sanctioned, declared ineligible, or suspended from participation in athletics by a national association for the promotion and regulation of athletics, by an athletic conference, or by reasonable self-imposed disciplinary action taken to mitigate sanctions likely to be imposed by such an association.

3. A right of action under this section does not accrue until the educational institution discovers or by the exercise of reasonable diligence should have discovered the violation by the athlete agent or former student athlete.

4. Any liability of the athlete agent or the former student athlete under this section is several and not joint.

5. This chapter does not restrict rights, remedies, or defenses of any person under law or equity.

2009 Acts, ch 33, §16

**9A.117 Administrative penalty.**

The secretary of state may assess a civil penalty against an athlete agent not to exceed twenty-five thousand dollars for a violation of this chapter.

2009 Acts, ch 33, §17

**9A.118 Uniformity of application and construction.**

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to the subject matter of this chapter among states that enact the uniform athlete agents Act.

2009 Acts, ch 33, §18

**9A.119 Electronic Signatures in Global and National Commerce Act.**

The provisions of this chapter governing the legal effect, validity, or enforceability of electronic records or signatures, and of contracts formed or performed with the use of such records or signatures, shall be construed as conforming to the requirements of section 102 of the federal Electronic Signatures in Global and National Commerce Act, Pub. L. No. 106-229, 114 Stat. 464 (2000), codified at 15 U.S.C. § 7001 et seq., as amended.

2009 Acts, ch 33, §19

# CHAPTER 9B

## NOTARIAL ACTS

Referred to in §2C.7, 4.1, 29B.129, 43.14, 45.5, 144.12A, 144A.3, 144B.3, 144C.6, 252A.3A, 321.251, 462A.77, 535B.1, 554.3505, 558.15, 558.20, 558.40, 558.42, 589.4, 589.5, 600.7, 622.86, 624.37, 633A.4604


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**9B.1 Short title.**

This chapter may be cited as the *"Revised Uniform Law on Notarial Acts"*.

2012 Acts, ch 1050, §1, 60

**9B.2 Definitions.**

In this chapter:

1. *"Acknowledgment"* means a declaration by an individual before a notarial officer that

the individual has signed a record for the purpose stated in the record and, if the record is signed in a representative capacity, that the individual signed the record with proper authority and signed it as the act of the individual or entity identified in the record.

2. *"Electronic"* means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

3. *"Electronic signature"* means an electronic symbol, sound, or process attached to or logically associated with a record and executed or adopted by an individual with the intent to sign the record.

4. *"In a representative capacity"* means acting as any of the following:

*a.* An authorized officer, agent, partner, trustee, or other representative for a person other than an individual.

*b.* A public officer, personal representative, guardian, or other representative, in the capacity stated in a record.

*c.* An agent or attorney-in-fact for a principal.

*d.* An authorized representative of another in any other capacity.

5. *"Notarial act"* means an act, whether performed with respect to a tangible or electronic record, that a notarial officer may perform under the law of this state. The term includes taking an acknowledgment, administering an oath or affirmation, taking a verification on oath or affirmation, witnessing or attesting a signature, certifying or attesting a copy, and noting a protest of a negotiable instrument.

6. *"Notarial officer"* means a notary public or other individual authorized to perform a notarial act.

7. *"Notary public"* means an individual commissioned to perform a notarial act by the secretary of state.

8. *"Official stamp"* means a physical image affixed to or embossed on a tangible record or an electronic image attached to or logically associated with an electronic record.

9. *"Person"* means an individual, corporation, business trust, statutory trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

10. *a.* *"Personal appearance"* means an act of a party to physically appear within the presence of a notarial officer at the time the notarial act is performed.

*b.* *"Personal appearance"* does not include appearances which require video, optical, or technology with similar capabilities.

11. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

12. *"Sign"* means, with present intent to authenticate or adopt a record, to do any of the following:

*a.* Execute or adopt a tangible symbol.

*b.* Attach to or logically associate with the record an electronic symbol, sound, or process.

13. *"Signature"* means a tangible symbol or an electronic signature that evidences the signing of a record.

14. *"Stamping device"* means any of the following:

*a.* A physical device capable of affixing to or embossing on a tangible record an official stamp.

*b.* An electronic device or process capable of attaching to or logically associating with an electronic record an official stamp.

15. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

16. *"Verification on oath or affirmation"* means a declaration, made by an individual on oath or affirmation before a notarial officer, that a statement in a record is true.

2012 Acts, ch 1050, §2, 60; 2012 Acts, ch 1138, §46, 77

**9B.3 Reserved.**

**9B.4 Authority to perform notarial act.**

1. A notarial officer may perform a notarial act authorized by this chapter or by law of this state other than this chapter.

2. A notarial officer shall not perform a notarial act with respect to a record to which the notarial officer or the notarial officer's spouse is a party, or in which either of them has a direct beneficial interest. A notarial act performed in violation of this subsection is voidable.

2012 Acts, ch 1050, §3, 60

Referred to in §9B.15, 9B.26

**9B.5 Requirements for certain notarial acts.**

1. A notarial officer who takes an acknowledgment of a record shall determine, from personal knowledge or satisfactory evidence of the identity of the individual, that the individual appearing before the notarial officer and making the acknowledgment has the identity claimed and that the signature on the record is the signature of the individual.

2. A notarial officer who takes a verification of a statement on oath or affirmation shall determine, from personal knowledge or satisfactory evidence of the identity of the individual, that the individual appearing before the notarial officer and making the verification has the identity claimed and that the signature on the statement verified is the signature of the individual.

3. A notarial officer who witnesses or attests to a signature shall determine, from personal knowledge or satisfactory evidence of the identity of the individual, that the individual appearing before the notarial officer and signing the record has the identity claimed.

4. A notarial officer who certifies or attests a copy of a record or an item that was copied shall determine that the copy is a full, true, and accurate transcription or reproduction of the record or item.

5. A notarial officer who makes or notes a protest of a negotiable instrument shall determine the matters set forth in section 554.3505, subsection 2.

2012 Acts, ch 1050, §4, 60

Referred to in §9B.15

**9B.6 Personal appearance required.**

If a notarial act relates to a statement made in or a signature executed on a record, the individual making the statement or executing the signature shall appear personally before the notarial officer.

2012 Acts, ch 1050, §5, 60

Referred to in §9B.11, 9B.15

**9B.7 Identification of individual.**

1. A notarial officer has personal knowledge of the identity of an individual appearing before the notarial officer if the individual is personally known to the officer through dealings sufficient to provide reasonable certainty that the individual has the identity claimed.

2. A notarial officer has satisfactory evidence of the identity of an individual appearing before the notarial officer if the notarial officer can identify the individual pursuant to any of the following:

*a.* By means of any of the following:

(1) A passport, driver's license, or government-issued nondriver identification card, which is current or expired not more than three years before performance of the notarial act.

(2) Another form of government identification issued to an individual, which is current or expired not more than three years before performance of the notarial act, contains the signature or a photograph of the individual, and is satisfactory to the notarial officer.

*b.* By a verification on oath or affirmation of a credible witness personally appearing before the officer and known to the notarial officer or whom the notarial officer can identify on the basis of a passport, driver's license, or government-issued nondriver identification card, which is current or expired not more than three years before performance of the notarial act.

3. A notarial officer may require an individual to provide additional information or identification credentials necessary to assure the officer of the identity of the individual.

2012 Acts, ch 1050, §6, 60

Referred to in §9B.15

**9B.8 Authority to refuse to perform notarial act.**

1. A notarial officer may refuse to perform a notarial act if the notarial officer is not satisfied that any of the following apply:

*a.* The individual executing the record is competent or has the capacity to execute the record.

*b.* The individual's signature is knowingly and voluntarily made.

2. A notarial officer may refuse to perform a notarial act unless refusal is prohibited by law other than this chapter.

3. A notarial officer shall not condition the performing of notarial services upon the requirement that the person served be a customer or client of the establishment by which the notarial officer is employed. The employer of a notary public shall not condition the performing of a notarial service upon the requirement that the person served be a customer or client of the establishment by which the notary public is employed.

2012 Acts, ch 1050, §7, 60

**9B.9 Signature if individual unable to sign.**

If an individual is physically unable to sign a record, the individual may direct an individual other than the notarial officer to sign the individual's name on the record. The notarial officer shall insert "Signature affixed by (name of other individual) at the direction of (name of individual)" or words of similar import.

2012 Acts, ch 1050, §8, 60

**9B.10 Notarial act in this state.**

1. A notarial act may be performed in this state by any of the following:

*a.* A notary public of this state.

*b.* A judge, clerk, or deputy clerk of a court of this state.

*c.* A person authorized by the law of this state to administer oaths.

*d.* Any other individual authorized to perform the specific act by the law of this state.

*e.* A registrar of vital statistics or a designee of a registrar of vital statistics.

2. The signature and title of an individual performing a notarial act in this state are prima facie evidence that the signature is genuine and that the individual holds the designated title.

3. The signature and title of a notarial officer described in subsection 1, paragraph "*a*", "*b*", or "*c*", conclusively establish the authority of the notarial officer to perform a notarial act.

2012 Acts, ch 1050, §9, 60

Referred to in §602.8102(78)

**9B.11 Notarial act in another state.**

1. A notarial act performed in another state has the same effect under the law of this state as if performed by a notarial officer of this state, if the act performed in that state is performed by any of the following:

*a.* A notary public of that state.

*b.* A judge, clerk, or deputy clerk of a court of that state.

*c.* Any other individual authorized by the law of that state to perform the notarial act.

2. The signature and title of an individual performing a notarial act in another state are prima facie evidence that the signature is genuine and that the individual holds the designated title.

3. The signature and title of a notarial officer described in subsection 1, paragraph "*a*" or "*b*", conclusively establish the authority of the notarial officer to perform the notarial act.

4. The notarial act performed in another state must be performed in accordance with section 9B.6.

2012 Acts, ch 1050, §10, 60

**9B.12 Notarial act under authority of federally recognized Indian tribe.**

1. A notarial act performed under the authority and in the jurisdiction of a federally recognized Indian tribe has the same effect as if performed by a notarial officer of this state, if the act performed in the jurisdiction of the tribe is performed by any of the following:

*a.* A notary public of the tribe.

*b.* A judge, clerk, or deputy clerk of a court of the tribe.

*c.* Any other individual authorized by the law of the tribe to perform the notarial act.

2. The signature and title of an individual performing a notarial act under the authority of and in the jurisdiction of a federally recognized Indian tribe are prima facie evidence that the signature is genuine and that the individual holds the designated title.

3. The signature and title of a notarial officer described in subsection 1, paragraph "*a*" or "*b*", conclusively establish the authority of the notarial officer to perform the notarial act.

2012 Acts, ch 1050, §11, 60

**9B.13 Notarial act under federal authority.**

1. A notarial act performed under federal law has the same effect under the law of this state as if performed by a notarial officer of this state, if the act performed under federal law is performed by any of the following:

*a.* A judge, clerk, or deputy clerk of a court.

*b.* An individual in military service or performing duties under the authority of military service who is authorized to perform notarial acts under federal law.

*c.* An individual designated a notarial officer by the United States department of state for performing notarial acts overseas.

*d.* Any other individual authorized by federal law to perform the notarial act.

2. The signature and title of an individual acting under federal authority and performing a notarial act are prima facie evidence that the signature is genuine and that the individual holds the designated title.

3. The signature and title of a notarial officer described in subsection 1, paragraph "*a*", "*b*", or "*c*", conclusively establish the authority of the notarial officer to perform the notarial act.

2012 Acts, ch 1050, §12, 60

**9B.14 Foreign notarial act.**

1. As used in this section, "*foreign state*" means a government other than the United States, a state, or a federally recognized Indian tribe.

2. If a notarial act is performed under authority and in the jurisdiction of a foreign state or constituent unit of the foreign state or is performed under the authority of a multinational or international governmental organization, the act has the same effect under the law of this state as if performed by a notarial officer of this state.

3. If the title of office and indication of authority to perform notarial acts in a foreign state appears in a digest of foreign law or in a list customarily used as a source for that information, the authority of an officer with that title to perform notarial acts is conclusively established.

4. The signature and official stamp of an individual holding an office described in subsection 3 are prima facie evidence that the signature is genuine and the individual holds the designated title.

5. An apostille in the form prescribed by the Hague convention of October 5, 1961, and issued by a foreign state party to the convention conclusively establishes that the signature of the notarial officer is genuine and that the notarial officer holds the indicated office.

6. A consular authentication issued by an individual designated by the United States department of state as a notarial officer for performing notarial acts overseas and attached to the record with respect to which the notarial act is performed conclusively establishes that the signature of the notarial officer is genuine and that the notarial officer holds the indicated office.

2012 Acts, ch 1050, §13, 60

**9B.15 Certificate of notarial act.**

1. A notarial act must be evidenced by a certificate. The certificate must meet all of the following requirements:

*a.* Be executed contemporaneously with the performance of the notarial act.

*b.* Be signed and dated by the notarial officer and, if the notarial officer is a notary public, be signed in the same manner as on file with the secretary of state.

*c.* Identify the jurisdiction in which the notarial act is performed.

*d.* Contain the title of office of the notarial officer.

*e.* If the notarial officer is a notary public, indicate the date of expiration, if any, of the notarial officer's commission.

2. If a notarial act regarding a tangible record is performed by a notary public, an official stamp must be affixed to or embossed on the certificate. If a notarial act is performed regarding a tangible record by a notarial officer other than a notary public and the certificate contains the information specified in subsection 1, paragraphs "*b*", "*c*", and "*d*", an official stamp may be affixed to or embossed on the certificate. If a notarial act regarding an electronic record is performed by a notarial officer and the certificate contains the information specified in subsection 1, paragraphs "*b*", "*c*", and "*d*", an official stamp may be attached to or logically associated with the certificate.

3. A certificate of a notarial act is sufficient if it meets the requirements of subsections 1 and 2 and any of the following apply:

*a.* It is in a short form set forth in section 9B.16.

*b.* It is in a form otherwise permitted by the law of this state.

*c.* It is in a form permitted by the law applicable in the jurisdiction in which the notarial act is performed.

*d.* It sets forth the actions of the notarial officer and the actions are sufficient to meet the requirements of the notarial act as provided in sections 9B.5, 9B.6, and 9B.7, or a law of this state other than this chapter.

4. By executing a certificate of a notarial act, a notarial officer certifies that the notarial officer has complied with the requirements and made the determinations specified in sections 9B.4, 9B.5, and 9B.6.

5. A notarial officer shall not affix the notarial officer's signature to, or logically associate it with, a certificate until the notarial act has been performed.

6. If a notarial act is performed regarding a tangible record, a certificate must be part of, or securely attached to, the record. If a notarial act is performed regarding an electronic record, the certificate must be affixed to, or logically associated with, the electronic record. If the secretary of state has established standards pursuant to section 9B.27 for attaching, affixing, or logically associating the certificate, the process must conform to the standards.

2012 Acts, ch 1050, §14, 60; 2013 Acts, ch 140, §95

Referred to in §9B.16, 9B.17

Subsection 3, unnumbered paragraph 1 amended

**9B.16 Short form certificates.**

The following short form certificates of notarial acts are sufficient for the purposes indicated, if completed with the information required by section 9B.15, subsections 1 and 2:

1. For an acknowledgment in an individual capacity:

State of.....
[County] of.....
This record was acknowledged before me on.....(Date)
by.....Name(s) of individual(s)
.....
Signature of notarial officer
Stamp
[.....]
Title of office
[My commission expires:.....]

2. For an acknowledgment in a representative capacity:

State of.....
[County] of.....
This record was acknowledged before me on.....(Date)
by.....Name(s) of individual(s)
as (type of authority, such as officer or trustee) of (name of party on behalf of whom record was executed).
.....
Signature of notarial officer
Stamp
[.....]
Title of office
[My commission expires:.....]

3. For a verification on oath or affirmation:

State of.....
[County] of.....
Signed and sworn to (or affirmed) before me on.....(Date)
by.....Name(s) of individual(s)
making statement
.....
Signature of notarial officer
Stamp
[.....]
Title of office
[My commission expires:.....]

4. For witnessing or attesting a signature:

State of.....
[County] of.....
Signed [or attested] before me on.....(Date)
by.....Name(s) of individual(s)
.....
Signature of notarial officer
Stamp
[.....]
Title of office
[My commission expires.....]

5. For certifying a copy of a record:

State of.....
[County] of.....
I certify that this is a true and correct copy of a record in the possession of.....

Dated.....
.....
Signature of notarial officer
Stamp
[.....]
Title of office
[My commission expires:.....]

2012 Acts, ch 1050, §15, 60
Referred to in §9B.15

**9B.17 Official stamp.**

1. The official stamp of a notary public must comply with all of the following:

*a.* Include the notary public's name, the words "Notarial Seal" and "Iowa", the words "Commission Number" followed by a number assigned to the notary public by the secretary of state, the words "My Commission Expires" followed either by the date that the notary public's term would ordinarily expire as provided in section 9B.21 or a blank line on which the notary public shall indicate the date of expiration, if any, of the notary public's commission, as required by and in satisfaction of section 9B.15, subsection 1, paragraph "*e*", and other information required by the secretary of state.

*b.* Be capable of being copied together with the record to which it is affixed or attached or with which it is logically associated. If the official stamp contains a blank line, the person must print the date that the notary public's term would ordinarily expire on the blank line imprinted on each record subject to a notarial act.

2. This section does not apply to a judicial officer as defined in section 602.1101 performing a notarial act in accordance with state or federal authority. This section does not apply to a chief officer or a chief officer's designee certifying a peace officer's verification of a uniform citation and complaint pursuant to section 805.6, subsection 3. A judicial officer, chief officer, or chief officer's designee is not required to acquire or use an official stamp in performing these acts.

2012 Acts, ch 1050, §16, 60; 2013 Acts, ch 140, §96
Subsection 1, paragraph a amended

**9B.18 Stamping device.**

1. A notary public is responsible for the security of the notary public's stamping device and shall not allow another individual to use the device to perform a notarial act.

2. If a notary public's stamping device is lost or stolen, the notary public or the notary public's personal representative or guardian shall notify promptly the commissioning officer or agency on discovering that the device is lost or stolen.

2012 Acts, ch 1050, §17, 60

**9B.19 Reserved.**

**9B.20 Notification regarding performance of notarial act on electronic record — selection of technology.**

1. A notary public may select one or more tamper-evident technologies to perform notarial acts with respect to electronic records. A person shall not require a notary public to perform a notarial act with respect to an electronic record with a technology that the notary public has not selected.

2. Before a notary public performs the notary public's initial notarial act with respect to an electronic record, a notary public shall notify the secretary of state that the notary public will be performing notarial acts with respect to electronic records and identify the technology the notary public intends to use. If the secretary of state has established standards for approval of technology pursuant to section 9B.27, the technology must conform to the standards. If the technology conforms to the standards, the secretary of state shall approve the use of the technology.

2012 Acts, ch 1050, §18, 60

**9B.21 Commission as notary public — qualifications — no immunity or benefit.**

1. An individual qualified under subsection 2 may apply to the secretary of state for a commission as a notary public. The applicant shall comply with and provide the information required by rules established by the secretary of state and pay an application fee of thirty dollars to the secretary of state. A person appointed as a notary public under subsection 4 is not subject to the fee imposed by this subsection.

2. An applicant for a commission as a notary public shall meet all of the following qualifications:

*a.* Be at least eighteen years of age.

*b.* Be a citizen or permanent legal resident of the United States.

*c.* Be a resident of or have a place of employment or practice in this state.

*d.* Be able to read and write English.

*e.* Not be disqualified to receive a commission under section 9B.23.

3. Before issuance of a commission as a notary public, an applicant for the commission shall execute an oath of office and submit it to the secretary of state.

4. *a.* The secretary of state shall appoint members of the general assembly as notaries public, upon request, and may revoke an appointment for cause.

*b.* The secretary of state may appoint one or more employees of a state agency as a notary public to perform notarial acts associated with their positions, pursuant to conditions established by the secretary of state. As used in this paragraph, *"state agency"* means any executive, judicial, or legislative department, commission, board, institution, division, bureau, office, agency, or other entity of state government.

5. The secretary of state may appoint as a notary public a resident of a state bordering Iowa if that person's place of work or business is within the state of Iowa. If a notary public who is a resident of a state bordering Iowa ceases to work or maintain a place of business in Iowa, the notary commission expires.

6. On compliance with this section, the secretary of state shall issue a commission as a notary public to an applicant for a term of three years. The term of a notarial officer who is a resident of a state bordering Iowa and whose place of work or business is in Iowa is one year. The term of a notary public who is a member of the general assembly is the member's term of office. The term of a notary public who is an employee of a state agency designated to receive an appointment as provided in subsection 4 shall terminate at the end of employment.

7. A commission to act as a notary public authorizes the notary public to perform notarial acts. The commission does not provide the notary public any immunity or benefit conferred by law of this state on public officials or employees.

2012 Acts, ch 1050, §19, 60

Referred to in §9B.17

**9B.21A Notice of expiration of term.**

The secretary of state, two months preceding the expiration of a commission, shall notify the notary public of the expiration date and furnish a blank application for reappointment.

2012 Acts, ch 1050, §20, 60

**9B.21B Fees — certification.**

The secretary of state shall collect the following fees, for use in offsetting the cost of administering this chapter:

1. For furnishing a certified copy of any document, instrument, or paper relating to a notary public, one dollar per page and five dollars for the certificate.

2. For furnishing an uncertified copy of any document, instrument, or paper relating to a notary public, one dollar per page.

3. For certifying, under seal of the secretary of state, a statement as to the status of a notary commission which would not appear from a certified copy of documents on file in the secretary of state's office, five dollars.

2012 Acts, ch 1050, §21, 60

**9B.22 Reserved.**

**9B.23 Grounds to deny, refuse to renew, revoke, suspend, or condition commission of notary public.**

1. The secretary of state may deny, refuse to renew, revoke, suspend, or impose a condition on a commission as notary public for any act or omission that demonstrates the individual lacks the honesty, integrity, competence, or reliability to act as a notary public, including any of the following acts or omissions:

*a.* A failure to comply with this chapter.

*b.* A fraudulent, dishonest, or deceitful misstatement or omission in the application for a commission as a notary public submitted to the secretary of state.

*c.* A conviction of the applicant or notary public of any felony or a crime involving fraud, dishonesty, or deceit.

*d.* A finding against, or admission of liability by, the applicant or notary public in any legal proceeding or disciplinary action based on the applicant's or notary public's fraud, dishonesty, or deceit.

*e.* A failure by the notary public to discharge any duty required of a notary public, whether by this chapter, rules adopted by the secretary of state, or any federal or state law.

*f.* The use of false or misleading advertising or representation by the notary public representing that the notary public has a duty, right, or privilege that the notary public does not have.

*g.* A violation by the notary public of a rule adopted by the secretary of state regarding a notary public.

*h.* A denial, refusal to renew, revocation, suspension, or conditioning of a notary public commission in another state.

2. If the secretary of state denies, refuses to renew, revokes, suspends, or imposes conditions on a commission as a notary public, the applicant or notary public is entitled to timely notice and hearing in accordance with rules adopted by the secretary of state.

3. The authority of the secretary of state to deny, refuse to renew, suspend, revoke, or impose conditions on a commission as a notary public does not prevent either the secretary of state or a person aggrieved by a notary public from seeking and obtaining other criminal or civil remedies provided by law.

2012 Acts, ch 1050, §22, 60

Referred to in §9B.21

**9B.24 Database of notaries public.**

The secretary of state shall maintain an electronic database of notaries public which complies with all of the following:

1. Through which a person may verify the authority of a notary public to perform notarial acts.

2. Which indicates whether a notary public has notified the secretary of state that the notary public will be performing notarial acts on electronic records.

2012 Acts, ch 1050, §23, 60

**9B.25 Prohibited acts.**

1. A commission as a notary public does not authorize an individual to do any of the following:

*a.* Assist persons in drafting legal records, give legal advice, or otherwise practice law.

*b.* Act as an immigration consultant or an expert on immigration matters.

*c.* Represent a person in a judicial or administrative proceeding relating to immigration to the United States, United States citizenship, or related matters.

*d.* Receive compensation for performing any of the activities listed in this subsection.

2. A notary public shall not engage in false or deceptive advertising.

3. A notary public, other than an attorney licensed to practice law in this state, shall not use the term "notario" or "notario publico".

4. *a.* A notary public, other than an attorney licensed to practice law in this state, shall not advertise or represent that the notary public may assist persons in drafting legal records, give legal advice, or otherwise practice law. If a notary public who is not an attorney licensed to

practice law in this state in any manner advertises or represents that the notary public offers notarial services, whether orally or in a record, including broadcast media, print media, or the internet, the notary public shall include the following statement, or an alternate statement authorized or required by the secretary of state in the advertisement or representation, prominently and in each language used in the advertisement or representation:

I am not an attorney licensed to practice law in this state. I am not allowed to draft legal records, give advice on legal matters, including immigration, or charge a fee for those activities.

*b*. If the form of advertisement or representation is not broadcast media, print media, or the internet and does not permit inclusion of the statement required by this subsection because of size, it must be displayed prominently or provided at the place of performance of the notarial act before the notarial act is performed.

5. Except as otherwise allowed by law, a notary public shall not withhold access to or possession of an original record provided by a person that seeks performance of a notarial act by the notary public.

2012 Acts, ch 1050, §24, 60

**9B.26 Validity of notarial acts.**

1. Except as otherwise provided in section 9B.4, subsection 2, the failure of a notarial officer to perform a duty or meet a requirement specified in this chapter does not invalidate a notarial act performed by the notarial officer. The validity of a notarial act under this chapter does not prevent an aggrieved person from seeking to invalidate the record or transaction that is the subject of the notarial act or from seeking other remedies based on law of this state other than this chapter or law of the United States. This section does not validate a purported notarial act performed by an individual who does not have the authority to perform notarial acts.

2. The validity of a notarial act shall not be affected or impaired by the fact that the notarial officer performing the notarial act is an officer, director, or shareholder of a corporation that may have a beneficial interest or other interest in the subject matter of the notarial act.

2012 Acts, ch 1050, §25, 60

**9B.27 Rules.**

The secretary of state may adopt rules to administer this chapter. Any rules adopted with respect to the performance of notarial acts on electronic records shall not require or favor one technology or technical specification over another.

2012 Acts, ch 1050, §26, 60

Referred to in §9B.15, 9B.20

**9B.28 Notary public commission in effect.**

A commission as a notary public in effect on January 1, 2013, continues until its date of expiration. A notary public who applies to renew a commission as a notary public on or after January 1, 2013, is subject to and shall comply with this chapter. A notary public, in performing notarial acts on or after January 1, 2013, shall comply with this chapter.

2012 Acts, ch 1050, §27, 60

**9B.29 Reserved.**

**9B.30 Uniformity of application and construction.**

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact the revised uniform law on notarial acts.

2012 Acts, ch 1050, §28, 60

**9B.31 Relation to Electronic Signatures in Global and National Commerce Act.**

This chapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but does not modify, limit, or supersede section 101(c) of that Act, 15 U.S.C. § 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that Act, 15 U.S.C. § 7003(b).

2012 Acts, ch 1050, §29, 60

# CHAPTER 9C

## TRANSIENT MERCHANTS

This chapter not enacted as a part of this title; transferred from chapter 81A in Code 1993


| | | | |
|---|---|---|---|
| 9C.1 | Definitions. | 9C.6 | License fee. |
| 9C.2 | License required. | 9C.7 | Misrepresentation. |
| 9C.3 | Application for license. | 9C.8 | Revocation. |
| 9C.4 | Bond required — applicability — forfeiture. | 9C.9 | Penalty. |
| 9C.5 | Issuance of license. | 9C.10 | Enforcement. |


**9C.1 Definitions.**

The term *"transient merchant"* as used herein shall mean and include every merchant, whether an individual person, a firm, corporation, partnership or association, and whether owner, agent, bailee, consignee or employee, who shall bring or cause to be brought within the state of Iowa any goods, wares or merchandise of any kind, nature or description, with the intention of temporarily or intermittently selling or offering to sell at retail such goods, wares or merchandise within the state of Iowa. The term *"transient merchant"* shall also mean and include every merchant, whether an individual person, a firm, corporation, partnership or an association, who shall by itself, or by agent, consignee or employee temporarily or intermittently engage in or conduct at one or more locations a business within the state of Iowa for the sale at retail of any goods, wares or merchandise of any nature or description. A merchant engaging in business shall be presumed to be temporarily or intermittently in business unless it is the intention of such merchant to remain continuously in business at each location where the merchant is engaged in business within the state of Iowa as a merchant for a period of more than sixty days. The provisions of this chapter shall not be construed to apply to persons selling at wholesale to merchants, nor to transient vendors of drugs, nor to persons running a huckster wagon, or selling or distributing livestock feeds, fresh meats, fish, fruit, or vegetables, nor to persons selling their own work or production either by themselves or employees.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §81A.1]

C93, §9C.1

**9C.2 License required.**

It shall be unlawful for any transient merchant as herein defined, to sell, dispose of, or offer for sale any goods, wares or merchandise of any kind, nature or description, at any time or place within the state of Iowa, outside the limits of any city in the state of Iowa, or within the limits of any city in the state of Iowa that has not by ordinance provided for the licensing of transient merchants, unless such transient merchant, as herein defined, shall have a valid license as herein provided and shall have complied with the regulations herein set forth.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §81A.2]

C93, §9C.2

**9C.3 Application for license.**

Any transient merchant as defined herein, desiring a transient merchant's license shall at least ten days prior to the first day any sale is made, file with the secretary of state of the state

of Iowa an application in writing duly verified by the person, firm, corporation, partnership or association proposing to sell or offer to sell at retail any goods, wares or merchandise, or to engage in or conduct a temporary or intermittent business for the sale at retail of any goods, wares or merchandise, which application shall state the following facts:

1. The name, residence and post office address of the person, firm, corporation, partnership or association making the application, and if a corporation, the names and addresses of the officers thereof, and if a firm, partnership or association and not a corporation, the names and addresses of all members thereof.

2. If the application be made by an agent, bailee, consignee or employee, the application shall so state and set out the name and address of such agent, bailee, consignee or employee and shall also set out the name and address of the owner of the goods, wares and merchandise to be sold or offered for sale.

3. The application shall state whether or not the applicant has an Iowa retailers sales tax permit and if the applicant has such permit, shall state the number of such permit.

4. If the applicant be a corporation, the application shall state whether or not the applicant is an Iowa corporation or a foreign corporation, and if a foreign corporation, shall state whether or not such corporation is authorized to do business in Iowa.

5. The value of the goods to be sold or offered for sale or the average inventory to be carried by any such transient merchant engaging in or conducting an intermittent or temporary business as the case may be.

6. The date or dates upon which said goods, wares or merchandise shall be sold or offered for sale, or the date or dates upon which it is the intention of the applicant to engage in or conduct a temporary or intermittent business.

7. The location and address where such goods, wares or merchandise shall be sold or offered for sale, or such business engaged in or conducted.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §81A.3]
C93, §9C.3

**9C.4 Bond required — applicability — forfeiture.**

At the time of filing said application and as a part thereof, the applicant shall file with the secretary of state a bond, with sureties to be approved by the secretary of state, in a penal sum two times the value of the goods, wares or merchandise to be sold or offered for sale or the average inventory to be carried by such transient merchant engaged in or conducting an intermittent or temporary business as the case may be as shown by the application, running to the state of Iowa, for the use and benefit of any purchaser of any merchandise from such transient merchant who might have a cause of action of any nature arising from or out of such sale against the applicant or the owner of such merchandise if other than the applicant; the bond to be further conditioned on the payment by the applicant of all taxes that may be payable by, or due from, the applicant to the state of Iowa or any subdivision thereof, the bond to be further conditioned for the payment of any fines that may be assessed by any court against the applicant for violation of the provision of this chapter, and further conditioned for the payment and satisfaction of any and all causes of action against the applicant commenced within one year from the date of sale thereof, and arising from such sale, provided, however, that the aggregate liability of the surety for all such taxes, fines and causes of action shall in no event exceed the principal sum of such bond.

In such bond the applicant and surety shall appoint the secretary of state, the agent of the applicant and surety for the service of process. In the event of such service, the agent upon whom such service is made shall within five days after the date of service, mail by ordinary mail a true copy of the process served upon the agent to each party for whom the agent is served, addressed to the last known address of such party. Failure to so mail said copy shall not, however, affect the jurisdiction of the court.

Such bond shall contain the consent of the applicant and surety that the district court of the county in which the plaintiff may reside or Polk county, Iowa, shall have jurisdiction of all actions against the applicant or surety, or both, arising out of the sale. The state of Iowa, or any subdivision thereof, or any person having a cause of action against the applicant or

surety arising out of said sale may join the applicant and surety on such bond in the same action, or may in such action sue either the applicant or the surety alone.

The requirements of this section also apply to transient merchants who are licensed in accordance with an ordinance of a city in the state of Iowa.

Notwithstanding the above provisions, the bond provided for in this section shall be forfeited to the state of Iowa upon the applicant's failure to pay the total of all taxes payable by or due from the applicant to the state which taxes are administered by the department of revenue. The department shall adopt administrative rules for the collection of the forfeiture. Notice shall be provided to the surety and to the applicant. Notice to the applicant shall be mailed to the applicant's last known address. The applicant or the surety shall have the opportunity to apply to the director of revenue for a hearing within thirty days after the giving of such notice. Upon the failure to timely request a hearing, the bond shall be forfeited. If, after the hearing upon timely request, the director finds that the applicant has failed to pay the total of all taxes payable and the bond is forfeited, the director shall order the bond forfeited. The amount of the forfeiture shall be the amount of taxes payable or the amount of the bond. The surety shall not have standing to contest the amount of any taxes payable. For purposes of this section *"taxes payable"* means all tax, penalties, interest, and fees that the department has previously determined to be due by assessment or in an appeal of an assessment.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §81A.4]
87 Acts, ch 60, §1
C93, §9C.4
2003 Acts, ch 145, §286

**9C.5 Issuance of license.**

Upon receiving an application for a transient merchant's license, the secretary of state shall investigate or cause to be investigated, the reputation and character of the applicant. If, upon making such investigation, the secretary of state is satisfied that the statements and representations contained in the application are true, and that the applicant is of good reputation and character, and the holder of an Iowa retailer's sales tax permit, and if a foreign corporation, has authority to do business in the state of Iowa, the secretary shall issue to the applicant a license as a transient merchant upon payment of the fee as herein prescribed for the period of time requested in said application and for use at the location and place where it is stated in said application the sale will be held or the business conducted, both of which shall be set out in said license. Such license shall be valid only for the period of time and at the location and place described therein.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §81A.5]
C93, §9C.5

**9C.6 License fee.**

Prior to issuing the said transient merchant's license, the secretary of state shall collect for the state of Iowa a license fee in the sum of twenty-five dollars for each day the applicant, as shown by the application, shall propose to sell or offer for sale any goods, wares or merchandise, or for each day the applicant, as shown by the application, proposes to engage in and conduct a business as a transient merchant as the case may be.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §81A.6]
C93, §9C.6

**9C.7 Misrepresentation.**

It shall be unlawful for any transient merchant making sales or engaging in or conducting a business under a transient merchant's license to make any false or misleading statements or representation regarding any article sold or offered for sale by such transient merchant as to condition, quality, original cost, or cost to such transient merchant of any article sold or offered for sale or to sell or offer for sale goods, wares or merchandise of a value in excess of the value thereof as shown by said application, or to sell or offer for sale at retail any goods,

wares or merchandise, or to engage in or conduct an intermittent or temporary business on any days or at any place other than those shown by such license.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §81A.7]
C93, §9C.7

**9C.8 Revocation.**

1. The secretary of state may revoke any license issued under the provisions of this chapter after proper hearing before the secretary, by the sending of due notice of said hearing by registered letter to the transient merchant at the merchant's last known address, return receipt requested, not less than twenty days before the date of said hearing, for any of the following causes:

*a.* For any violations of the provisions of this chapter.

*b.* For failure to pay the sales tax as provided by law or misrepresentation of the source, condition, quality, weight, or measure of the product sold by the transient merchant.

*c.* If any judgment recovered against any transient merchant with reference to the operation of that business remains unpaid for a period of six months provided such judgment be not stayed under a supersedeas bond upon appeal from such judgment.

2. The secretary of state shall give immediate notice of the revocation of any license issued under the provisions of this chapter to the surety or sureties furnishing the bond provided for herein.

3. In the event of such revocation, no other transient merchant license shall be issued to such applicant for a period of two years thereafter.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §81A.8]
C93, §9C.8
2008 Acts, ch 1032, §201

**9C.9 Penalty.**

Any merchant, whether an individual person, a firm, corporation, partnership or association violating any of the provisions of this chapter shall be guilty of a simple misdemeanor. Each sale made in violation of the provisions hereof shall be and constitute a separate offense.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §81A.9]
C93, §9C.9

**9C.10 Enforcement.**

The attorney general, or designees of the attorney general, may seek an injunction from a court of competent jurisdiction in order to prohibit sales by a transient merchant who is in violation of this chapter.

87 Acts, ch 60, §2
CS87, §81A.10
C93, §9C.10

# CHAPTER 9D

## TRAVEL AGENCIES AND AGENTS

This chapter not enacted as a part of this
title; transferred from chapter 120 in Code 1993


| | | | |
|---|---|---|---|
| 9D.1 | Definitions. | 9D.4 | Penalties. |
| 9D.2 | Registration required. | 9D.5 | Exemptions. |
| 9D.3 | Evidence of financial security. | | |


**9D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Applicant"* means a person applying for registration under this chapter.
2. *"Customer"* means a person who is offered or who purchases travel services.
3. *"Doing business"* in this state means any of the following:
*a.* Offering to sell or selling travel services, if the offer is made or received within the state.
*b.* Offering to arrange or arranging travel services for a fee or commission, direct or indirect, if the offer is made or received in this state.
*c.* Offering to award or awarding travel services as a prize or award, if the offer or award is made in or received in this state.
4. *"Registrant"* means a person registered pursuant to this chapter.
5. *"Secretary"* means the secretary of state.
6. *"Solicitation"* means contact by a travel agency or travel agent of a customer for the purpose of selling or offering to sell travel services.
7. *"Travel agency"* means a person who represents, directly or indirectly, that the person is offering or undertaking by any means or method, to provide travel services for a fee, commission, or other valuable consideration, direct or indirect.
8. *"Travel agent"* means a person employed by a travel agency whose principal duties include consulting with and advising persons concerning travel arrangements or accommodations.
9. *"Travel services"* means arranging or booking vacation or travel packages, travel reservations or accommodations, tickets for domestic or foreign travel by air, rail, ship, bus, or other medium of transportation, or hotel or other lodging accommodations. Travel services include travel-related prizes or awards for which the customer must pay a fee or, in connection with the prize or award, expend moneys for the direct or indirect monetary benefit of the person making the award, in order for the customer to collect or enjoy the benefits of the prize or award.
89 Acts, ch 274, §1
CS89, §120.1
C93, §9D.1
2009 Acts, ch 133, §2

**9D.2 Registration required.**
1. *a.* A travel agency doing business in this state shall register with the secretary of state as a travel agency if it or its travel agent conducts the solicitation of an Iowa resident.
*b.* A travel agency required to register under paragraph *"a"* shall not permit a travel agent employed by the travel agency to do business in this state unless the agency is registered with the secretary of state.
2. A travel agent shall not knowingly do business in this state unless and until the travel agency employing the travel agent is registered with the secretary of state as a travel agency if the travel agency or any of the agency's travel agents conduct the solicitation of an Iowa resident.
3. This section does not require registration for, or prohibit, solicitation by mail or telecommunications of a person with whom the travel agency has a previous travel services provider-customer relationship, having previously arranged travel-related services for that customer on at least one prior occasion.
4. An applicant shall complete an application for registration form provided by the secretary. The application form must be accompanied by the required bond or evidence of financial responsibility and the registration fee. The application form shall include all of the following information:
*a.* The name and signature of an officer or partner of a business entity or the names and signatures of the principal owner and operator if the agency is a sole proprietorship.
*b.* The name, address, and telephone number of the applicant and the name of all travel agents employed by the applicant travel agency.
*c.* The name, address, and telephone number of any person who owns or controls, directly or indirectly, ten percent or more of the applicant.
*d.* If the applicant is a foreign corporation or business, the name and address of the corporation's agent in this state for service of process.

*e.* Any additional information required by rule adopted by the secretary pursuant to chapter 17A.

5. The application form shall be accompanied by a written irrevocable consent to service of process. The consent must provide that actions in connection with doing business in this state may be commenced against the registrant in the proper jurisdiction in this state in which the cause of action may arise, or in which the plaintiff may reside, by service of process on the secretary as the registrant's agent and stipulating and agreeing that such service of process shall be taken and held in all courts to be as valid and binding as if service of process had been made upon the person according to the laws of this or any other state. The consent to service of process shall be in such form and supported by such additional information as the secretary may by rule require.

6. An annual registration fee as established by the secretary by rule is required at the time the application for registration form is filed with the secretary, and on or before the anniversary date of the effective date of registration for each subsequent year. The registration fee shall be established at a rate deemed reasonably necessary by the secretary to support the administration of this chapter, but not to exceed fifteen dollars per year per agency. If an applicant or a registrant fails to pay the annual registration fee, the application for registration or registration lapses and becomes ineffective.

7. A registrant shall submit to the secretary corrections to the information supplied in the registration form within a reasonable time after a change in circumstances, which circumstances would be required to be reported in an application for registration form, except travel agents' names as required in subsection 4, paragraph *"b"*. The names of travel agents shall be updated at the time of annual registration.

8. The secretary may revoke or suspend a registration for cause subject to the contested case provisions of chapter 17A.

89 Acts, ch 274, §2
CS89, §120.2
C93, §9D.2
2008 Acts, ch 1031, §10; 2009 Acts, ch 133, §3
Referred to in §9D.4

**9D.3 Evidence of financial security.**

1. An application for registration of a travel agency must be accompanied by a surety or cash performance bond in conformity with rules adopted by the secretary in the principal amount of ten thousand dollars, with an aggregate limit of ten thousand dollars. The bond shall be executed by a surety company authorized to do business in this state, and the bond shall be continuous in nature until canceled by the surety with not less than sixty days' written notice to both the travel agency and to the secretary. The notice shall indicate the surety's intent to cancel the bond on a date at least sixty days after the date of the notice.

2. *a.* The bond shall be payable to the state for the use and benefit of either:

(1) A person who is injured by the fraud, misrepresentation, or financial failure of the travel agency or a travel agent employed by the travel agency.

(2) The state on behalf of a person or persons under subparagraph (1).

*b.* The bond shall be conditioned such that the registrant will pay any judgment recovered by a person in a court of this state in a suit for actual damages, including reasonable attorney's fees, or for rescission, resulting from a cause of action involving the sale or offer of sale of travel services. The bond shall be open to successive claims, but the aggregate amount of the claims paid shall not exceed the principal amount of the bond.

3. If an applicant or registrant has contracted with the airlines reporting corporation or the passenger network services corporation, or similar organizations approved by the secretary of state with equivalent bonding requirements for participation, in lieu of the bond required by subsection 1, the applicant or registrant may file with the secretary a certified copy of the official approval and appointment of the applicant or registrant from the airlines reporting corporation or the passenger network services corporation.

4. In lieu of any bond or guarantee required to be provided by this section, an applicant or registrant may do any of the following:

*a.* File with the secretary proof of professional liability and errors and omissions insurance in an amount of at least one million dollars annually.

*b.* Deposit with the secretary cash, securities, or a statement from a federally insured financial institution guaranteeing the performance of the applicant or registrant up to a maximum of ten thousand dollars to be held or applied to the purposes to which the proceeds of the bond would otherwise be applied.

89 Acts, ch 274, §3
CS89, §120.3
C93, §9D.3
2008 Acts, ch 1031, §11; 2008 Acts, ch 1032, §115; 2009 Acts, ch 41, §7

**9D.4 Penalties.**

1. A person required to register as a travel agency, or an owner of ten percent or more of a travel agency, required to register by this chapter, which fails to register, fails to make required corrections to its registration statement, or fails to pay the required fee on or before thirty days after the fee becomes due, commits a serious misdemeanor.

2. If a person required to be registered or listed upon a registration statement by this chapter receives money, as a fee, commission, compensation, or profit in connection with doing business in this state in violation of section 9D.2, the person, in addition to the criminal penalty in subsection 1, shall be liable for a civil penalty of not less than three times the sum so received, as may be determined by the court, which penalty may be recovered in a court of competent jurisdiction by an aggrieved person, or by the attorney general for the benefit of an aggrieved person or class of persons.

3. A violation of this chapter is also a violation of section 714.16.

89 Acts, ch 274, §4
CS89, §120.4
C93, §9D.4

**9D.5 Exemptions.**

1. This chapter does not apply to:

*a.* A bona fide employee of a travel agency who is engaged solely in the business of the agency, and whose principal duties do not include consulting with and advising persons concerning travel arrangements or accommodations.

*b.* A direct common carrier of passengers or property regulated by an agency of the federal government or employees of a common carrier when engaged solely in the transportation business of the carrier as identified in the carrier's certificate.

2. A travel agency is subject to this chapter, notwithstanding that the customer's name was obtained from the customer as part of a promotion where the customer signed up to receive a sales presentation or to enter a drawing for a prize prior to the solicitation. These activities do not constitute a previous travel services provider-customer relationship.

89 Acts, ch 274, §5
CS89, §120.5
C93, §9D.5

# CHAPTER 9E

## NOTARIAL ACTS

Repealed by 2012 Acts, ch 1050, §30, 60

# CHAPTER 9F

## CENSUS


| | | | |
|---|---|---|---|
| 9F.1 | Federal and state cooperation. | 9F.4 | Publication — official register. |
| 9F.2 | Federal census. | 9F.5 | Evidence. |
| 9F.3 | Certification — copies. | 9F.6 | Population of counties, townships and cities. |


**9F.1 Federal and state cooperation.**

The secretary of state is authorized, so far as practicable, to cooperate with the census bureau of the United States in the gathering, compilation, and publication of census statistics.

[S13, §177-a; C24, 27, 31, 35, 39, §**424;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §26.1]
86 Acts, ch 1245, §1978
C93, §9F.1

**9F.2 Federal census.**

The secretary of state shall, whenever a general census is taken by the federal government, procure from the supervisor of such census, or other proper federal official, a copy of such part of said census as gives the population of the state of Iowa by counties, by townships, and by cities, and file the same in the secretary of state's office and attach thereto, dated and signed by the secretary, a certificate that the same is the census report furnished by said federal official.

[S13, §177-c; C24, 27, 31, 35, 39, §**425;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §26.2]
C93, §9F.2

**9F.3 Certification — copies.**

When certified by the secretary of state the census shall be in full force and effect throughout the state. On payment of a fee of two dollars by a requesting party, the secretary of state shall furnish a certified copy of the whole or any part of such census report.

[S13, §177-c; C24, 27, 31, 35, 39, §**426;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §26.3; 81 Acts, ch 29, §1]
C93, §9F.3

**9F.4 Publication — official register.**

The legislative services agency may publish the federal census report in each copy of the Iowa official register as provided in section 2A.5.

[S13, §177-c; C24, 27, 31, 35, 39, §**427;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §26.4]
C93, §9F.4
98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 35, §24, 48, 49

**9F.5 Evidence.**

The certified census records in the office of the secretary of state shall be competent evidence of all matters therein contained.

[S13, §177-c; C24, 27, 31, 35, 39, §**428;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §26.5]
C93, §9F.5
2003 Acts, ch 35, §25, 49

**9F.6 Population of counties, townships and cities.**

Whenever the population of any county, township or city is referred to in any law of this state, it shall be determined by the last preceding certified federal census unless otherwise provided. Whenever a special federal census is taken by any city, the mayor and council shall certify the census as soon as possible to the secretary of state and to the treasurer of state as otherwise herein provided, and upon the failure to do so, the treasurer of state shall, after six months from the date of the special census, withhold allocation from the state to the city of any moneys the amount of which is based on the population of the city, and shall continue to do so until such time as certification by the mayor and council is made, or until the next

decennial federal census. If there be a difference between the original certified record in the office of the secretary of state and the published census the former shall prevail.

[C97, §177; S13, §177-c; C24, 27, 31, 35, 39, §**429;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §26.6]

C93, §9F.6

Similar provision, §4.1(22)

# CHAPTER 9G

## LAND OFFICE


| | |
|---|---|
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**9G.1 Records.**

The books and records of the land office shall be so kept as to show and preserve an accurate chain of title from the general government to the purchaser of each smallest subdivision of land; to preserve a permanent record, in books suitably indexed, of all correspondence with any of the departments of the general government in relation to state lands; to preserve, by proper records, copies of the original lists furnished by the selecting agents of the state, and of all other papers in relation to such lands which are of permanent interest.

[R60, §92, 95; C73, §83; C97, §72; C24, 27, 31, 35, 39, §**89;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.1]

C93, §9G.1

**9G.2 Separate grants.**

Separate tract books shall be kept for the university lands, the saline lands, the half-million acre grant, the sixteenth sections, the swamplands, and such other lands as the state now owns or may hereafter own, so that each description of state lands shall be kept separate from all others, and each set of tract books shall be a complete record of all the lands to which they relate.

[R60, §94; C73, §84; C97, §73; C24, 27, 31, 35, 39, §**90;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.2]

C93, §9G.2

**9G.3 Tract books.**

Said tract books shall be ruled in a manner similar to those used in the United States land offices, so as to record each tract by its smallest legal subdivisions, its section, township, and range, to whom sold, and when, the price per acre, to whom patented, and when.

[R60, §93; C73, §85; C97, §74; C24, 27, 31, 35, 39, §**91;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.3]

C93, §9G.3

**9G.4 Land office — how kept — certified copies.**

The land office shall be kept open during business hours. The documents and records therein shall be subject to inspection by parties having an interest therein, and certified copies thereof, signed by the secretary, with the seal of office attached, shall be deemed presumptive

evidence of the facts to which they relate, and on request they shall be furnished by the secretary for a reasonable compensation.

[R60, §101; C73, §86; C97, §75; C24, 27, 31, 35, 39, §**92;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.4]

C93, §9G.4

**9G.5 Patents.**

Patents for lands shall issue from the land office, shall be signed by the governor and recorded by the secretary; and each patent shall contain therein a marginal certificate of the book and page on which it is recorded, which certificate shall be signed by the secretary, and all patents shall be delivered free of charge.

[R60, §97; C73, §87; C97, §76; C24, 27, 31, 35, 39, §**93;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.5]

C93, §9G.5

**9G.6 When patents issued.**

No patents shall be issued for any lands belonging to the state, except upon the certificate of the person or officer specially charged with the custody of the same, setting forth the appraised value per acre, name of person to whom sold, date of sale, price per acre, amount paid, name of person making final payment, and of person who is entitled to the patent, and, if thus entitled by assignment from the original purchaser, setting forth fully such assignment, which certificate shall be filed and preserved in the land office.

Whenever the governor is satisfied that the purchase price has been paid by the person to whom the sale has been made and that a patent has not been issued to the purchaser, a patent shall be issued, signed by the governor and secretary of state and recorded by the secretary of state. The passage of seventy-five years from the date of sale without issuance of a patent shall be conclusive proof that the purchase price has been paid.

[R60, §98, 99; C73, §88; C97, §77; C24, 27, 31, 35, 39, §**94;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.6]

C93, §9G.6

**9G.7 Corrections.**

The secretary of state is authorized and required to correct all clerical errors of the secretary's office in name of grantee and description of tract of land conveyed by the state, found upon the records of such office. The secretary shall attach an official certificate to each conveyance so corrected, giving the reasons therefor; record the same with the record of the original conveyance, and make the necessary corrections in the tract and plat books of the secretary's office. Such corrections, when made in accordance with this section, shall have the force and effect of a deed originally correct, subject to prior rights accrued without notice.

[C73, §89; C97, §78; C24, 27, 31, 35, 39, §**95;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.7]

C93, §9G.7

2009 Acts, ch 41, §8

**9G.8 Maps — field notes — records — papers.**

The secretary of state shall receive and safely keep in the secretary's office, as public records, any field notes, maps, records, or other papers relating to the public survey of this state, whenever turned over to the state in pursuance of law; the United States at all times to have free access thereto for the purpose of taking extracts therefrom or making copies thereof.

[C73, §90; C97, §79; C24, 27, 31, 35, 39, §**96;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.8]

C93, §9G.8

**9G.9 Color of title relinquished.**

Whenever the governor is satisfied by the commissioner of the general land office that the title to any lands which may have been certified to the state under any of the several grants is inferior to the rights of any valid interfering pre-emptor or claimant, the governor is authorized and required to release by deed of relinquishment such color of title to the United States, to the end that the requirements of the interior department may be complied with, and that such tract or tracts of land may be patented by the general government to the legal claimants.

[C73, §91; C97, §80; C24, 27, 31, 35, 39, §**97;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.9]

C93, §9G.9

**9G.10 Quitclaim deeds.**

Whenever the governor is satisfied by proper record evidence that any tract of land which may have been deeded by virtue of any donation or sale to the state is not the land intended to have been described, and that an error has been committed in making out the transfers, in order that such error may be corrected, the governor is authorized to quitclaim the same to the proper owner thereof, and to receive a deed or deeds for the lands intended to have been deeded to the state originally.

[C73, §92; C97, §81; C24, 27, 31, 35, 39, §**98;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.10]

C93, §9G.10

**9G.11 Lists of federal granted lands.**

In cases where lands have been granted to the state of Iowa by Act of Congress, and certified lists of lands inuring under the grant have been made to the state by the commissioner of the general land office, as required by Act of Congress, and such lands have been granted, by Act of the general assembly, to any person or company, and such person or company shall have complied with and fulfilled the conditions of the grant, the secretary of state is hereby authorized to prepare, on the application of such person or company, or on the application of a party claiming title to any land through such person or company, a list or lists of lands situated in each county inuring to such applicant, from the lists certified by the commissioner of the general land office, as aforesaid, which shall be signed by the governor of the state, and attested by the secretary of state, with the state seal, and then be certified to by the secretary to be true and correct copies of the lists made to this state, and deliver them to such applicant, who is hereby authorized to have them recorded in the proper county, and when so recorded they shall be notice to all persons the same as deeds now are, and shall be evidence of title in such grantee, or the grantee's assigns, to the lands therein described, under the grant of Congress by which the lands were certified to the state, so far as the certified lists made by the commissioner aforesaid conferred title to the state; but where lands embraced in such lists are not of the character embraced by such Acts of Congress or the Acts of the general assembly of the state, and are not intended to be granted thereby, the lists, so far as these lands are concerned, shall be void; but lands in litigation shall not be included in such lists until the actions are determined and such lands adjudged to be the property of the company; nor shall the secretary include, in any of the lists so certified to the state, lands which have been adjudicated by the proper courts to belong to any other grant, or adjudicated to belong to any county or individual under the swampland grant, or any homestead or pre-emption settlement; nor shall said certificate so issued confer any right or title as against any person or company having any vested right, either legal or equitable, to any of the lands so certified.

[C73, §93; C97, §82; C24, 27, 31, 35, 39, §**99;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.11]

C93, §9G.11

**9G.12 Dubuque and Pacific Railroad lands.**

The secretary of state is hereby authorized upon the application of any person claiming title under the trust deeds executed by the Dubuque and Pacific Railroad Company, to secure

its construction bonds, to any lands included in the list of lands certified to the state of Iowa, by the commissioner of the general land office and approved by the secretary of the interior, as selected to satisfy the grant made to the state of Iowa, by Act of Congress approved May 15, 1856, 11 Stat. 9, in aid of the construction of a railroad from Dubuque to Sioux City; to certify said land as inuring to the grantees of the said Dubuque and Pacific Railroad Company, which certificate shall be signed by the governor, and attested by the secretary of state, with the seal of the state, and deliver the same to such applicant who is hereby authorized to have said certificate recorded in the county in which the land so certified is situated, and when so recorded, shall be notice to all persons the same as deeds now are, and shall be evidence of the title from the state of Iowa to any person deriving title to said land under the Dubuque and Pacific Railroad Company, to the land therein described under the grant of Congress by which the land was certified to the state so far as the certified lists made by the commissioner aforesaid, conferred title to the state, but where lands embraced in such lists are not of the character embraced by such Acts of Congress or the Acts of the general assembly of the state, and are not intended to be granted thereby, the lists so far as these lands are concerned, shall be void; nor shall the secretary include, in any of the lists so certified to the state, lands which have been adjudicated by the proper courts to belong to any other grant, or adjudicated to belong to any county or individual under the swampland grant, or any homestead or preemption settlement; nor shall said certificate so issued confer any right or title as against any person or company having any vested right, either legal or equitable, to any of the lands so certified.

[C39, §**99.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.12]
C93, §9G.12
2006 Acts, ch 1010, §5

**9G.13 University lands.**

The secretary of state is hereby authorized to issue patents for lands, the legal title to which is vested in the state university of Iowa, in cases wherein it is shown to the satisfaction of the governor and attorney general that such lands have been in fact sold by the authority of the state and paid for, and that the certificates of purchase have been lost or destroyed.

[C97, §83; C24, 27, 31, 35, 39, §**100;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.13]
C93, §9G.13

**9G.14 Effect of patents.**

The patents thus issued shall inure to the benefit of the original purchaser and the original purchaser's grantees only, and a clause to this effect shall be inserted in the patent.

[C97, §84; C24, 27, 31, 35, 39, §**101;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §10.14]
C93, §9G.14

# CHAPTER 9H

## CORPORATE OR PARTNERSHIP FARMING

Referred to in §10B.5, 142D.2, 175.37, 266.39A, 331.756(33), 476C.1, 511.8A

Life insurance company or association is a corporation for purposes of this chapter; §511.8A
This chapter not enacted as a part of this title; transferred from chapter 172C in Code 1993


9H.1 Definitions.
9H.2 through 9H.3 Transferred to §202B.101, 202B.201, 202B.202, and 202B.401; 2003 Acts, ch 115, §16, 19.
9H.3A Penalties — injunctive relief.
9H.4 Restriction on increase of holdings — exceptions — penalty.
9H.5 Restrictions on authorized farm corporations, authorized limited liability companies, authorized trusts, limited partnerships, and authorized unincorporated nonprofit associations — penalty.
9H.5A Repealed by 2003 Acts, ch 115, §17, 19.
9H.5B and 9H.6 Transferred to §202B.301 and 10B.7 respectively; 2003 Acts, ch 115, §16, 19.
9H.7 and 9H.8 Reserved.
9H.9 through 9H.11 Transferred to §202B.302, 202B.303, and 202B.402; 2003 Acts, ch 115, §16, 19.
9H.12 and 9H.13 Reserved.
9H.14 and 9H.15 Transferred to §202B.304 and 202B.305; 2003 Acts, ch 115, §16, 19.


**9H.1 Definitions.**

For the purposes of this chapter:

1. *"Actively engaged in farming"* means that a natural person who is a shareholder and an officer, director or employee of the corporation or who is a member or manager of the limited liability company either:

*a.* Inspects the production activities periodically and furnishes at least half of the value of the tools and pays at least half the direct cost of production; or

*b.* Regularly and frequently makes or takes an important part in making management decisions substantially contributing to or affecting the success of the farm operation; or

*c.* Performs physical work which significantly contributes to crop or livestock production.

2. *"Agricultural land"* means land suitable for use in farming.

3. *"Authorized farm corporation"* means a corporation other than a family farm corporation founded for the purpose of farming and the ownership of agricultural land in which:

*a.* The stockholders do not exceed twenty-five in number; and

*b.* The stockholders are all natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or nonprofit corporations.

4. *"Authorized limited liability company"* means a limited liability company other than a family farm limited liability company founded for the purpose of farming and the ownership of agricultural land in which all of the following apply:

*a.* The members do not exceed twenty-five in number.

*b.* The members are all natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or nonprofit corporations.

5. *"Authorized trust"* means a trust other than a family trust in which:

*a.* The beneficiaries do not exceed twenty-five in number; and

*b.* The beneficiaries are all natural persons, who are not acting as a trustee or in a similar capacity for a trust as defined in subsection 24 of this section, or persons acting in a fiduciary capacity, or nonprofit corporations; and

*c.* Its income is not exempt from taxation under the laws of either the United States or the state of Iowa.

6. *"Authorized unincorporated nonprofit association"* means an unincorporated nonprofit association to which all of the following apply:

*a.* The members do not exceed twenty-five in number.

*b.* The members are all natural persons or persons acting in a fiduciary capacity for the benefit of a natural person or unincorporated nonprofit association.

7. *"Beneficial ownership"* includes interests held by a nonresident alien individual directly or indirectly holding or acquiring a ten percent or greater share in the partnership, limited partnership, corporation, limited liability company, or trust, or directly or indirectly through two or more such entities. In addition, the term beneficial ownership shall include interests held by all nonresident alien individuals if the nonresident alien individuals in the aggregate directly or indirectly hold or acquire twenty-five percent or more of the partnership, limited partnership, corporation, limited liability company, or trust.

8. *"Corporation"* means a domestic or foreign corporation subject to chapter 490, a nonprofit corporation, or a cooperative.

9. *"Family farm corporation"* means a corporation:

*a.* Founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related;

*b.* All of its stockholders are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or family trusts as defined in subsection 13 of this section; and

*c.* Sixty percent of the gross revenues of the corporation over the last consecutive three-year period comes from farming.

10. *"Family farm limited liability company"* means a limited liability company which meets all of the following conditions:

*a.* The limited liability company is founded for the purpose of farming and the ownership of agricultural land in which the majority of the members are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related.

*b.* All of the members of the limited liability company are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or family trusts.

*c.* Sixty percent of the gross revenues of the limited liability company over the last consecutive three-year period comes from farming.

11. *"Family farm limited partnership"* means a limited partnership which meets all of the following conditions:

*a.* The limited partnership is formed for the purpose of farming and the ownership of agricultural land in which the general partner and a majority of the partnership interest is held by and the majority of limited partners are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related.

*b.* The general partner manages and supervises the day-to-day farming operations on the agricultural land.

*c.* All of the limited partners are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or family trusts.

*d.* Sixty percent of the gross revenues of the partnership over the last consecutive three-year period comes from farming.

12. *"Family farm unincorporated nonprofit association"* means an unincorporated nonprofit association to which all of the following apply:

*a.* The association is founded for the purpose of farming and the ownership of agricultural land and the majority of the members are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related.

*b.* All of its members are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons or family trusts.

*c.* Sixty percent of the gross revenues of the unincorporated nonprofit association over the last consecutive three-year period comes from farming.

13. *"Family trust"* means a trust:

*a.* In which a majority interest in the trust is held by and the majority of the beneficiaries are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related; and

*b.* In which all the beneficiaries are natural persons, who are not acting as a trustee or in a similar capacity for a trust, as defined in subsection 24 of this section, or persons acting in a fiduciary capacity, or nonprofit corporations; and

*c.* If the trust is established on or after July 1, 1988, the trust must be established for the purpose of farming and sixty percent of the gross revenues of the trust over the last consecutive three-year period must come from farming.

14. *"Farming"* means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing or the production of livestock. Farming shall not include the production of timber, forest products, nursery products, or sod and farming shall not include a contract where a processor or distributor of farm products or supplies provides spraying, harvesting or other farm services.

15. *"Fiduciary capacity"* means an undertaking to act as executor, administrator, personal representative, guardian, conservator or receiver.

16. *"Grantor"* means a natural person, other than a nonresident alien as defined under this section, who is the creator of a revocable trust or a trust.

17. *"Indirect"* means to act or attempt to accomplish an act through an interest in a business association, through one or more affiliates or intermediaries, or by any method other than a direct approach, including by any circuitous or oblique method.

18. *"Limited liability company"* means a limited liability company as defined in section 489.102.

19. *"Limited partnership"* means a limited partnership as defined in section 488.102, or a limited liability limited partnership under chapter 488, which owns or leases agricultural land or is engaged in farming.

20. *"Nonprofit corporation"* means:

*a.* Corporations organized under the provisions of chapter 504, Code 1989, or current chapter 504; or

*b.* Corporations which qualify under 26 U.S.C. § 501(c)(3).

21. *"Nonresident alien"* means:

*a.* An individual who is not a citizen of the United States and who is not domiciled in the United States.

*b.* A corporation incorporated under the law of any foreign country.

*c.* A corporation organized in the United States, beneficial ownership of which is held, directly or indirectly, by nonresident alien individuals.

*d.* A trust organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.

*e.* A partnership or limited partnership organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.

*f.* A limited liability company organized in the United States or elsewhere, beneficial ownership of which is held, directly or indirectly, by nonresident alien individuals.

22. *"Revocable trust"* means a trust which provides that the grantor retains the power to amend, modify, or revoke the trust at any time prior to the death of the grantor, regardless of whether, subsequent to the execution of the revocable trust and at any time prior to death, the grantor is legally competent to exercise the power to amend, modify, or revoke the trust and regardless of when the trust is created.

23. *"Testamentary trust"* means a trust created by devising or bequeathing property in trust in a will as such terms are used in the Iowa probate code as provided in chapter 633A. Testamentary trust includes a revocable trust that has not been revoked prior to the grantor's death.

24. *"Trust"* means a fiduciary relationship with respect to property, subjecting the person by whom the property is held to equitable duties to deal with the property for the benefit of another person, which arises as a result of a manifestation of an intention to create it. Trust does not include a person acting in a fiduciary capacity, as defined in subsection 15, or a revocable trust. A trust includes a legal entity holding property as trustee, agent, escrow agent, attorney in fact, and in any similar capacity.

25. *"Unincorporated nonprofit association"* means the same as defined in section 501B.2.

[C77, 79, 81, §172C.1; 82 Acts, ch 1103, §1108]

84 Acts, ch 1219, §6; 88 Acts, ch 1191, §1, 2; 91 Acts, ch 172, §2; 92 Acts, ch 1151, §2 – 4

C93, §9H.1

93 Acts, ch 39, §1 – 4; 94 Acts, ch 1153, §1 – 3; 99 Acts, ch 169, §1; 2000 Acts, ch 1024, §1; 2000 Acts, ch 1048, §1, 3; 2002 Acts, ch 1095, §1 – 3, 10 – 12; 2003 Acts, ch 108, §1, 2; 2003 Acts, ch 115, §11, 16, 19; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §350, 351, 394, 400; 2005 Acts, ch 38, §55; 2008 Acts, ch 1162, §123, 154, 155; 2010 Acts, ch 1061, §2; 2010 Acts, ch 1112, §34

Referred to in §9H.5, 10.1, 10B.1, 10D.1, 15E.202, 68A.406, 161A.42, 175.2, 175.36, 175.38, 202.1, 425A.2, 428A.1, 468.327, 468.506, 476C.1, 501.101, 511.8A, 558.43, 561.22, 579B.1, 654.2A, 654.14, 654.19, 654A.1, 654A.4, 654B.1, 717A.1

**9H.2 through 9H.3** Transferred to § 202B.101, 202B.201, 202B.202, and 202B.401; 2003 Acts, ch 115, § 16, 19.

**9H.3A Penalties — injunctive relief.**

The courts of this state may prevent and restrain violations of this chapter through the issuance of an injunction. The attorney general or a county attorney shall institute suits on behalf of the state to prevent and restrain violations of this chapter.

2003 Acts, ch 115, §12, 19

**9H.4 Restriction on increase of holdings — exceptions — penalty.**

1. A corporation, limited liability company, trust, or unincorporated nonprofit association, other than a family farm corporation, authorized farm corporation, family farm limited liability company, authorized limited liability company, family trust, authorized trust, revocable trust, testamentary trust, family farm unincorporated nonprofit association, or authorized unincorporated nonprofit association shall not, either directly or indirectly, acquire or otherwise obtain or lease any agricultural land in this state. However, the restrictions provided in this section shall not apply to the following:

*a.* A bona fide encumbrance taken for purposes of security.

*b.* Agricultural land acquired for research or experimental purposes. Agricultural land is used for research or experimental purposes if any of the following apply:

(1) Research and experimental activities are undertaken on the agricultural land and commercial sales of products produced from farming the agricultural land do not occur or are incidental to the research or experimental purposes of the corporation or limited liability company. Commercial sales are incidental to the research or experimental purposes of the corporation or limited liability company when such sales are less than twenty-five percent of the gross sales of the primary product of the research.

(2) The agricultural land is used for the primary purpose of testing, developing, or producing seeds or plants for sale or resale to farmers as seed stock. Grain which is not sold as seed stock is an incidental sale and must be less than twenty-five percent of the gross sales of the primary product of the research and experimental activities.

(3) (a) The agricultural land is used by a corporation or limited liability company, including any trade or business which is under common control, as provided in 26 U.S.C. § 414 for the primary purpose of testing, developing, or producing animals for sale or resale to farmers as breeding stock. However, after July 1, 1989, to qualify under this subparagraph division, the following conditions must be satisfied:

(i) The corporation or limited liability company must not hold the agricultural land other than as a lessee. The term of the lease must be for not more than twelve years. The corporation or limited liability company shall not renew a lease. The corporation or

limited liability company shall not enter into a lease under this subparagraph subdivision, if the corporation or limited liability company has ever entered into another lease under this subparagraph (3), whether or not the lease is in effect. However, this subparagraph subdivision does not apply to a domestic corporation organized under chapter 504, Code 1989, or current chapter 504.

(ii) A term or condition of sale, including resale, of breeding stock must not relate to the direct or indirect control by the corporation or limited liability company of the breeding stock or breeding stock progeny subsequent to the sale.

(iii) The number of acres of agricultural land held by the corporation or limited liability company must not exceed six hundred forty acres.

(iv) The corporation or limited liability company must deliver a copy of the lease to the secretary of state. The secretary of state shall notify the lessee of receipt of the copy of the lease. However, this subparagraph division does not apply to a domestic corporation organized under chapter 504, Code 1989, or current chapter 504.

(b) Culls and test animals may be sold under this subparagraph (3). For a three-year period beginning on the date that the corporation or limited liability company acquires an interest in the agricultural land, the gross sales for any year shall not be greater than five hundred thousand dollars. After the three-year period ends, the gross sales for any year shall not be greater than twenty-five percent of the gross sales for that year of the breeding stock, or five hundred thousand dollars, whichever is less.

*c.* Agricultural land, including leasehold interests, acquired by a nonprofit corporation organized under the provisions of chapter 504, Code 1989, and current chapter 504 including land acquired and operated by or for a state university for research, experimental, demonstration, foundation seed increase or test purposes and land acquired and operated by or for nonprofit corporations organized specifically for research, experimental, demonstration, foundation seed increase or test purposes in support of or in conjunction with a state university.

*d.* Agricultural land acquired by a corporation or limited liability company for immediate or potential use in nonfarming purposes.

*e.* Agricultural land acquired by a corporation or limited liability company by process of law in the collection of debts, or pursuant to a contract for deed executed prior to August 15, 1975, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise.

*f.* A municipal corporation.

*g.* Agricultural land which is acquired by a trust company or bank in a fiduciary capacity or as trustee for a family trust, authorized trust or testamentary trust or for nonprofit corporations.

*h.* A corporation or its subsidiary organized under chapter 490 or a limited liability company organized under chapter 489 and to which section 312.8 is applicable.

*i.* Agricultural land held or leased by a corporation on July 1, 1975, as long as the corporation holding or leasing the land on this date continues to hold or lease such agricultural land.

*j.* Agricultural land held or leased by a trust on July 1, 1977, as long as the trust holding or leasing such land on this date continues to hold or lease such agricultural land.

*k.* Agricultural land acquired by a trust for immediate use in nonfarming purposes.

*l.* Agricultural land that is owned, leased, or otherwise held by an unincorporated nonprofit association on July 1, 2010, as long as the unincorporated nonprofit association continues to hold or lease such agricultural land.

2. A corporation, limited liability company, trust, or unincorporated nonprofit association, other than a family farm corporation, authorized farm corporation, family farm limited liability company, authorized limited liability company, family trust, authorized trust, revocable trust, testamentary trust, family farm unincorporated nonprofit association, or authorized unincorporated nonprofit association, violating this section shall be assessed a civil penalty of not more than twenty-five thousand dollars and shall divest itself of any land held in violation of this section within one year after judgment. The courts of this state may prevent and restrain violations of this section through the issuance of an injunction. The

attorney general or a county attorney shall institute suits on behalf of the state to prevent and restrain violations of this section.

[C77, 79, 81, §172C.4]

89 Acts, ch 311, §23; 91 Acts, ch 172, §4

C93, §9H.4

93 Acts, ch 39, §7 – 13; 94 Acts, ch 1153, §4, 5; 2003 Acts, ch 108, §3 – 5; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394; 2008 Acts, ch 1032, §116; 2008 Acts, ch 1162, §124, 154, 155; 2009 Acts, ch 41, §9; 2010 Acts, ch 1069, §3; 2010 Acts, ch 1112, §35 – 37

Referred to in §9I.3, 10.3, 10.5, 10.7, 10.10, 10B.7, 15E.207, 501.103

Exception to restrictions for cooperative corporations organized under chapter 501; requirements; see §501.103

**9H.5 Restrictions on authorized farm corporations, authorized limited liability companies, authorized trusts, limited partnerships, and authorized unincorporated nonprofit associations — penalty.**

1. An authorized farm corporation, authorized limited liability company, or authorized trust shall not, on or after July 1, 1987, a limited partnership other than a family farm limited partnership shall not, on or after July 1, 1988, and an authorized unincorporated nonprofit association shall not, on or after July 1, 2010, either directly or indirectly, acquire or otherwise obtain or lease agricultural land, if the total agricultural land either directly or indirectly owned or leased by the authorized farm corporation, authorized limited liability company, limited partnership, authorized trust, or authorized unincorporated nonprofit association would then exceed one thousand five hundred acres.

*a.* However, the restrictions provided in this subsection do not apply to agricultural land that is leased by an authorized farm corporation, authorized trust, limited partnership, or authorized unincorporated nonprofit association to the immediate prior owner of the land for the purpose of farming, as defined in section 9H.1. Upon cessation of the lease to the immediate prior owner, the authorized farm corporation, authorized trust, limited partnership, or authorized unincorporated nonprofit association shall, within three years following the date of the cessation, sell or otherwise dispose of the agricultural land leased to the immediate prior owner.

*b.* This subsection also does not apply to land that is held or acquired and maintained by an authorized farm corporation, authorized trust, limited partnership, or authorized unincorporated nonprofit association to protect significant elements of the state's natural open space heritage, including but not limited to significant river, lake, wetland, prairie, forest areas, other biologically significant areas, land containing significant archaeological, historical, or cultural value, or fish or wildlife habitats, as defined in rules adopted by the department of natural resources.

2. *a.* A person shall not, after July 1, 1988, become a stockholder of an authorized farm corporation, a beneficiary of an authorized trust, a member of an authorized limited liability company, or a limited partner in a limited partnership which owns or leases agricultural land if the person is also any of the following:

(1) A stockholder of an authorized farm corporation.

(2) A beneficiary of an authorized trust.

(3) A limited partner in a limited partnership which owns or leases agricultural land.

(4) A member of an authorized limited liability company.

*b.* However, this subsection shall not apply to limited partners in a family farm limited partnership.

3. *a.* A person shall not, after July 1, 2010, become a member of an authorized unincorporated nonprofit association that owns or leases agricultural land if the person is also any of the following:

(1) A stockholder of an authorized farm corporation.

(2) A beneficiary of an authorized trust.

(3) A limited partner in a limited partnership which owns or leases agricultural land.

(4) A member of an authorized limited liability company.

(5) A member of another authorized unincorporated nonprofit association.

*b.* A person shall not, after July 1, 2010, become a stockholder of an authorized farm

corporation, a beneficiary of an authorized trust, a limited partner in a limited partnership, or a member of an authorized limited liability company that owns or leases agricultural land, if the person is a member of an authorized unincorporated nonprofit association.

*c.* This subsection shall not apply to limited partners in a family farm limited partnership.

4. *a.* An authorized farm corporation, authorized trust, authorized limited liability company, limited partnership, or authorized unincorporated nonprofit association violating this section shall be assessed a civil penalty of not more than twenty-five thousand dollars and shall divest itself of any land held in violation of this section within one year after judgment. A civil penalty of not more than one thousand dollars may be imposed on a person who becomes a stockholder of an authorized farm corporation, beneficiary of an authorized trust, member of an authorized limited liability company, limited partner in a limited partnership, or member in an authorized unincorporated nonprofit association in violation of this section. The person shall divest the interest held by the person in the corporation, trust, limited liability company, limited partnership, or authorized unincorporated nonprofit association to comply with this section. The court may determine the method of divesting an interest held by a person found to be in violation of this chapter. A financial gain realized by a person who disposes of an interest held in violation of this chapter shall be forfeited to the state's general fund. All court costs and fees shall be paid by the person holding the interest in violation of this chapter.

*b.* The courts of this state may prevent and restrain violations of this section through the issuance of an injunction. The attorney general or a county attorney shall institute suits on behalf of the state to prevent and restrain violations of this section.

5. As used in this section, "*authorized trust*" does not include a revocable trust.

87 Acts, ch 146, §1

CS87, §172C.5

88 Acts, ch 1191, §4; 91 Acts, ch 172, §5

C93, §9H.5

93 Acts, ch 39, §14 – 16; 94 Acts, ch 1153, §6; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1112, §38 – 40

Referred to in §10.3, 10.5, 10.7, 10.10

**9H.5A** Repealed by 2003 Acts, ch 115, § 17, 19.

**9H.5B and 9H.6** Transferred to § 202B.301 and 10B.7 respectively; 2003 Acts, ch 115, § 16, 19.

**9H.7 and 9H.8** Reserved.

**9H.9 through 9H.11** Transferred to § 202B.302, 202B.303, and 202B.402; 2003 Acts, ch 115, § 16, 19.

**9H.12 and 9H.13** Reserved.

**9H.14 and 9H.15** Transferred to § 202B.304 and 202B.305; 2003 Acts, ch 115, § 16, 19.

# CHAPTER 9I

## NONRESIDENT ALIENS — LAND OWNERSHIP

Referred to in §10B.1, 10B.5, 175.37

Transferred from ch 567 in Code 2003 pursuant to Code editor directive; 2002 Acts, ch 1095, §10


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|---|---|---|---|
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**9I.1 Definitions.**

For the purpose of this chapter:

1. *"Agricultural land"* means land suitable for use in farming.

2. *"Farming"* means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing or the production of livestock. Farming includes the production of timber, forest products, nursery products, or sod. Farming does not include a contract where a processor or distributor of farm products or supplies provides spraying, harvesting or other farm services.

3. *"Foreign business"* means a corporation incorporated under the laws of a foreign country, or a business entity whether or not incorporated, in which a majority interest is owned directly or indirectly by nonresident aliens. Legal entities, including but not limited to trusts, holding companies, multiple corporations and other business arrangements, do not affect the determination of ownership or control of a foreign business.

4. *"Foreign government"* means a government other than the government of the United States, its states, territories or possessions.

5. *"Nonresident alien"* means an individual who is not any of the following:

*a.* A citizen of the United States.

*b.* A person lawfully admitted into the United States for permanent residence by the United States immigration and naturalization service. An individual is lawfully admitted for permanent residence regardless of whether the individual's lawful permanent resident status is conditional.

[C79, §567.10; C81, §567.1]

2002 Acts, ch 1066, §1; 2002 Acts, ch 1095, §10

C2003, §9I.1

Referred to in §10B.1, 10D.1

**9I.2 Alien rights.**

A nonresident alien, foreign business or foreign government may acquire, by grant, purchase, devise or descent, real property, except agricultural land or any interest in agricultural land in this state, and may own, hold, devise or alienate the real property, and shall incur the same duties and liabilities in relation thereto as a citizen and resident of the United States.

[C97, §1641; S13, §1641; C24, 27, 31, 35, 39, §**8403;** C46, 50, §491.67; C54, 58, 62, 66, 71, 73, 75, 77, 79, §491.67, 567.8; C81, §567.2]

2002 Acts, ch 1095, §10

C2003, §9I.2

**9I.3 Restriction on agricultural land holdings.**

1. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, shall not purchase or otherwise acquire agricultural land in this state. A

nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, which owns or holds agricultural land in this state on January 1, 1980, may continue to own or hold the land, but shall not purchase or otherwise acquire additional agricultural land in this state.

2. A person who acquires agricultural land in violation of this chapter or who fails to convert the land to the purpose other than farming within five years, as provided for in this chapter, remains in violation of this chapter for as long as the person holds an interest in the land.

3. The restriction set forth in subsection 1 of this section does not apply to the following:

*a.* Agricultural land acquired by devise or descent.

*b.* A bona fide encumbrance on agricultural land taken for purposes of security.

*c.* Agricultural land acquired by a process of law in the collection of debts, by a deed in lieu of foreclosure, pursuant to a forfeiture of a contract for deed, or by any procedure for the enforcement of a lien or claim on the land, whether created by mortgage or otherwise. However, agricultural land so acquired shall be sold or otherwise disposed of within two years after title is transferred. Pending the sale or disposition, the land shall not be used for any purpose other than farming, and the land shall not be used for farming except under lease to an individual, trust, corporation, partnership or other business entity not subject to the restriction on the increase in agricultural land holdings imposed by section 9H.4. Agricultural land which has been acquired pursuant to this paragraph shall not be acquired or utilized by the nonresident alien, foreign business, or foreign government, or an agent, trustee, or fiduciary thereof, under either paragraph *"d"* or paragraph *"e"*.

*d.* Agricultural land acquired for research or experimental purposes. Agricultural land is used for research or experimental purposes if any of the following apply:

(1) Research and experimental activities are undertaken on the agricultural land and commercial sales of products produced from farming the agricultural land do not occur or are incidental to the research or experimental purposes of the corporation. Commercial sales are incidental to the research or experimental purposes of the corporation when such sales are less than twenty-five percent of the gross sales of the primary product of the research.

(2) The agricultural land is used for the primary purpose of testing, developing, or producing seeds or plants for sale or resale to farmers as seed stock. Grain which is not sold as seed stock is an incidental sale and must be less than twenty-five percent of the gross sales of the primary product of the research and experimental activities.

(3) Until July 1, 2001, the agricultural land is used for the primary purpose of testing, developing, or producing animals for sale or resale to farmers as breeding stock. However, after July 1, 1989, to qualify under this paragraph, the following conditions must be satisfied:

(a) The nonresident alien, foreign business, or foreign government or an agent, trustee, or fiduciary of the alien, business, or government must not hold the agricultural land other than as a lessee. The term of the lease must be for not more than twelve years. A lessee shall not renew a lease entered into under this subparagraph (3). The lessee shall not enter into a lease under this paragraph, if another lease under this paragraph has been entered into by the lessee.

(b) A term or condition of sale, including resale, of seed stock or breeding stock must not relate to the direct or indirect control by the lessee of the breeding stock or breeding stock progeny subsequent to the sale.

(c) The number of acres of agricultural land held by the lessee must not exceed six hundred forty acres.

(d) The lessee must deliver a copy of the lease to the secretary of state. The secretary of state shall notify the lessee of receipt of the copy of the lease.

(4) Culls and test animals may be sold under subparagraph (3). For a three-year period beginning on the date that the lease takes effect, the gross sales for any year shall not be greater than five hundred thousand dollars. After the three-year period ends, the gross sales for any year shall not be greater than twenty-five percent of the gross sales for that year of the breeding stock, or five hundred thousand dollars, whichever is less. As used in subparagraph (3), *"lessee"* means a nonresident alien, foreign business, or foreign government, or an agent, trustee, or fiduciary acting on behalf of the nonresident alien, foreign business, or foreign

government, or any other trade or business which is under the lessee's common control as provided in 26 U.S.C. § 414.

(5) Reserved.

(6) Effective July 1, 2001, a nonresident alien, foreign business, or foreign government or an agent, trustee, or fiduciary of the alien, business, or government shall not, except as provided in subparagraph (5),* acquire or hold agricultural land used for the primary purpose of testing, developing, or producing animals.

*e.* An interest in agricultural land, not to exceed three hundred twenty acres, acquired for an immediate or pending use other than farming. However, a nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, who lawfully owns over three hundred twenty acres on January 1, 1980, may continue to own or hold the land, but shall not purchase or otherwise acquire additional agricultural land in this state except by devise or descent from a nonresident alien. Pending the development of the agricultural land for purpose other than farming, the land shall not be used for farming except under lease to an individual, trust, corporation, partnership or other business entity not subject to the restriction on the increase in agricultural land holdings imposed by section 9H.4.

4. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof shall not transfer title to or interest in agricultural land to a nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof except by devise or descent.

[C73, §1908; C97, §2889; C24, 27, 31, 35, 39, §**10214;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §567.1; C81, §567.3]

86 Acts, ch 1214, §9; 89 Acts, ch 311, §31, 33; 2002 Acts, ch 1095, §10

C2003, §9I.3

Referred to in §9I.4, 9I.8, 9I.9, 10.3, 10.5, 10.7, 10.10

*Former subparagraph (5) is stricken; corrective legislation is pending

1989 strike of subsection 3, paragraph d, subparagraph (5) takes effect July 1, 2013; 89 Acts, ch 311, §33

Subsection 3, paragraph d, subparagraph (5) stricken

**9I.4 Development of land acquired for nonfarming purposes.**

Development of the agricultural land which is not subject to the restrictions of section 9I.3, subsections 1 and 2, because the land or interest in the land was acquired for an immediate or pending use other than farming, shall convert the land to the purpose other than farming, within five years after the acquisition of the agricultural land or the acquisition of the interest in the agricultural land.

[C81, §567.4]

2002 Acts, ch 1095, §10

C2003, §9I.4

**9I.5 Land acquired by devise or descent.**

A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, which acquires agricultural land or an interest in agricultural land, by devise or descent after January 1, 1980, shall divest itself of all right, title and interest in the land within two years from the date of acquiring the land or interest. This section shall not require divestment of agricultural land or an interest in agricultural land, acquired by devise or descent from a nonresident alien, if such land or an interest in such land was acquired by any nonresident alien prior to July 1, 1979.

[C73, §1909; C97, §2889; C24, 27, 31, 35, 39, §**10214;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §567.1; C81, §567.5]

2002 Acts, ch 1095, §10

C2003, §9I.5

**9I.6 Change of status — divestment.**

A person or business which purchases or otherwise acquires agricultural land in this state except by devise or descent, after January 1, 1980, and whose status changes so that it

becomes a foreign business or nonresident alien subject to this chapter, shall divest itself of all right, title and interest in the land within two years from the date that its status changed.

[C81, §567.6]
2002 Acts, ch 1095, §10
C2003, §9I.6

**9I.7 Registration.**

A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, which owns an interest in agricultural land within this state on or after January 1, 1980, shall register the agricultural land with the secretary of state. The registration shall be made within sixty days after January 1, 1980, or within sixty days after acquiring the land or the interest in land, whichever time is the later. The registration shall be in the form and manner prescribed by the secretary and shall contain the name of the owner and the location and number of acres of the agricultural land by township and county. If the owner of the agricultural land or owner of the interest in agricultural land is an agent, trustee or fiduciary of a nonresident alien, foreign business or foreign government, the registration shall also include the name of any principal for whom that land, or interest in that land was purchased as agent.

[C81, §567.7]
2002 Acts, ch 1095, §10
C2003, §9I.7
Referred to in §9I.10, 9I.12, 10B.4A
Exception for persons required to file a report under chapter 10B, see §10B.4A

**9I.8 Reports.**

A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, who acquires agricultural land not subject to the restrictions of section 9I.3 because the land was acquired for an immediate or pending use other than farming, shall file a report with the secretary of state before March 31 of each year. The report shall be in the form and manner prescribed by the secretary and shall contain the following:

1. The name of the owner of the agricultural land or owner of the interest in the agricultural land.
2. If the owner of the agricultural land or interest in agricultural land is an agent, trustee or fiduciary of a nonresident alien, foreign business or foreign government, the name of any principal for whom that land or interest in that land was acquired as agent.
3. The location and number of acres of the agricultural land by township and county.
4. The date the agricultural land or interest in agricultural land was acquired.
5. The immediate or pending use other than farming, for which the agricultural land or interest in agricultural land was acquired and the status of the land's development for the purpose other than farming.
6. The present use of the agricultural land.

[C77, 79, §567.9; C81, §567.8]
2002 Acts, ch 1095, §10
C2003, §9I.8
Referred to in §9I.10, 9I.12, 10B.4A
Suspension of filing requirement, §10B.4A

**9I.9 Lessees conducting research or experiments.**

Lessees of agricultural land under section 9I.3, subsection 3, paragraph *"d"*, subparagraph (3), for research or experimental purposes, shall file a report with the secretary of state on or before March 31 of each year on forms adopted pursuant to chapter 17A and supplied by the secretary of state. The report shall contain the following information for the last year:

1. The name and principal place of business of the lessee.
2. The location of the agricultural land used for research or experimental purposes.
3. The date that the lease became effective.
4. The name and address of each person purchasing breeding stock produced on the agricultural land.

5. The number or volume of breeding stock purchased by each person purchasing breeding stock produced on the agricultural land.

89 Acts, ch 311, §32
CS89, §567.8A
2002 Acts, ch 1095, §10
C2003, §9I.9

**9I.10 Enforcement.**

1. If the secretary of state finds that a nonresident alien, foreign business, foreign government, or an agent, trustee, or other fiduciary thereof, has acquired or holds title to or interest in agricultural land in this state in violation of this chapter or has failed to timely register as required under section 9I.7 or has failed to timely report as required under section 9I.8, the secretary shall report the violation to the attorney general.

2. Upon receipt of the report from the secretary of state, the attorney general shall initiate an action in the district court of any county in which the land is located.

3. The attorney general shall file a notice of the pendency of the action with the recorder of deeds of each county in which any of the land is located. If the court finds that the land in question has been acquired or held in violation of this chapter or the required registration has not been timely filed, it shall enter an order so declaring and shall file a copy of the order with the recorder of deeds of each county in which any portion of the land is located.

[C97, §2891; C24, 27, 31, 35, 39, §**10218;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §567.5; C81, §567.9]

2002 Acts, ch 1095, §10
C2003, §9I.10

**9I.11 Escheat.**

If the court finds that the land in question has been acquired in violation of this chapter or that the land has not been converted to the purpose other than farming within five years as provided for in this chapter, the court shall declare the land escheated to the state. When escheat is decreed by the court, the clerk of court shall notify the governor that the title to the real estate is vested in the state by decree of the court. Any real estate, the title to which is acquired by the state under this chapter, shall be sold in the manner provided by law for the foreclosure of a mortgage on real estate for default of payment, the proceeds of the sale shall be used to pay court costs, and the remaining funds, if any, shall be paid to the person divested of the property but only in an amount not exceeding the actual cost paid by the person for that property. Proceeds remaining after the payment of court costs and the payment to the person divested of the property shall become a part of the funds of the county or counties in which the land is located, in proportion to the part of the land in each county.

[C97, §2891; C24, 27, 31, 35, 39, §**10218;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §567.5; C81, §567.10]

83 Acts, ch 123, §192, 209; 2002 Acts, ch 1095, §10
C2003, §9I.11
Referred to in §331.427

**9I.12 Penalty — failure to timely file.**

A civil penalty of not more than two thousand dollars shall be imposed, for each offense, upon a nonresident alien, foreign business or foreign government, or an agent, trustee or other fiduciary thereof, who fails to timely file the registration as required by section 9I.7, or who fails to timely file a report required by section 9I.8.

[C81, §567.11]

2002 Acts, ch 1095, §10
C2003, §9I.12
2013 Acts, ch 90, §3
Section amended

# CHAPTER 10

## AGRICULTURAL LANDHOLDING RESTRICTIONS

Referred to in §10B.4, 175.37

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## SUBCHAPTER I

## GENERAL PROVISIONS

**10.1 Definitions.**

As used in this chapter and in chapter 10B, unless the context otherwise requires:

1. *"Actively engaged in farming"* means that a natural person, including a shareholder or an officer, director, or employee of a corporation, or a member or manager of a limited liability company, does any of the following:

*a.* Inspects the production activities periodically and furnishes at least half of the value of the tools used for crop or livestock production and pays at least half the direct cost of crop or livestock production.

*b.* Regularly and frequently makes or takes an important part in making management decisions substantially contributing to or affecting the success of the farm operation.

*c.* Performs physical work which significantly contributes to crop or livestock production.

2. *"Agricultural land"* means the same as defined in section 9H.1.

3. *"Authorized entity"* means an authorized farm corporation; authorized limited liability company; limited partnership, other than a family farm limited partnership; or an authorized trust as defined in section 9H.1.

4. *"Commodity share landlord"* means a natural person or a general partnership as provided in chapter 486A in which all partners are natural persons, who owns at least one hundred fifty acres of agricultural land, if the owner receives rent on a commodity share basis, which may be either a share of the crops or livestock produced on the land.

5. *"Cooperative association"* means an entity which is structured and operated on a cooperative basis pursuant to 26 U.S.C. § 1381(a) and which meets the definitional requirements of an association as provided in 12 U.S.C. § 1141(j)(a) or 7 U.S.C. § 291.

6. *"Family farm entity"* means a family farm corporation, family farm limited liability company, family farm limited partnership, or family trust, as defined in section 9H.1.

7. *"Farm estate"* means the real and personal property of a decedent, a ward, or a trust

as provided in chapters 633 and 633A, if at least sixty percent of the gross receipts from the estate comes from farming.

8. *"Farmers cooperative association"* means a cooperative association organized under chapter 490 or 499, if all of the following conditions are satisfied:

*a.* All of the following apply:

(1) Qualified farmers must hold at least a fifty-one percent equity interest in the cooperative association, including fifty-one percent of each class of members' equity.

(2) The following persons must hold at least a seventy percent equity interest in the cooperative association, including seventy percent of each class of members' equity:

(a) A qualified farmer.

(b) A family farm entity.

(c) A commodity share landlord.

*b.* As used in this subsection, *"members' equity"* includes but is not limited to issued shares, including common stock or preferred stock, regardless of a right to receive dividends or earning distributions. However, *"members' equity"* does not include nonvoting common stock or nonvoting membership interests. A security such as a warrant or option that may be converted to voting stock shall be considered as issued shares.

*c.* For purposes of this subsection, a person who was a qualified person within the last ten years shall be treated as a qualified person.

9. *"Farmers cooperative limited liability company"* means a limited liability company organized under chapter 489, if cooperative associations hold one hundred percent of all membership interests in the limited liability company. Farmers cooperative associations must hold at least seventy percent of all membership interests in the limited liability company. If more than one type of membership interest is established, including any series as provided in section 489.1201 or any class or group as provided in section 489.1201, farmers cooperative associations must hold at least seventy percent of all membership interests of each type.

10. *"Farmers entity"* means a networking farmers entity, farmers cooperative limited liability company, or farmers cooperative association.

11. *"Farming"* means the same as defined in section 9H.1.

12. *"Grain"* means the same as defined in section 203.1.

13. *"Intra-company loan agreement"* means an agreement involving a loan, if the parties to the agreement are members of the same farmers cooperative limited liability company, and according to the terms of the loan a member which is a regional cooperative association directly or indirectly loans money to a member which is a farmers cooperative association, on condition that the money, including any interest, must be repaid by the member which is a farmers cooperative association to the regional cooperative association or another person. A loan agreement does not include an operating loan agreement, in which all of the following apply:

*a.* The money is required to be repaid within ninety days from the date that the farmers cooperative association receives the money, and the money is actually repaid by that date.

*b.* The money is used to pay for reasonable and ordinary expenses of the farmers cooperative association in conducting its affairs.

14. *"Livestock"* means an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, farm deer as defined in section 170.1, or poultry.

15. *"Networking farmers corporation"* means a corporation, other than a family farm corporation as defined in section 9H.1, organized under chapter 490 if all of the following conditions are satisfied:

*a.* All of the following apply:

(1) Qualified farmers must hold at least fifty-one percent of all issued shares of the corporation. If more than one class of shares is authorized, qualified farmers must hold at least fifty-one percent of all issued shares in each class.

(2) Qualified persons must hold at least seventy percent of all issued shares of the corporation. If more than one class of shares is authorized, qualified persons must hold at least seventy percent of all issued shares in each class.

*b.* As used in paragraph *"a"*, *"issued shares"* includes but is not limited to common stock

or preferred stock, or each class of common stock or preferred stock, regardless of voting rights or a right to receive dividends or earning distributions. A security such as a warrant or option that may be converted to stock shall be considered as issued shares.

16. *"Networking farmers entity"* means a networking farmers corporation or networking farmers limited liability company.

17. *"Networking farmers limited liability company"* means a limited liability company, other than a family farm limited liability company as defined in section 9H.1, organized under chapter 489 if all of the following conditions are satisfied:

*a.* Qualified farmers must hold at least fifty-one percent of all membership interests in the limited liability company. If more than one type of membership interest is established, including any series as provided in section 489.1201 or any class or group as provided in section 489.1201, qualified farmers must hold at least fifty-one percent of all membership interests of each type.

*b.* Qualified persons must hold at least seventy percent of all membership interests in the limited liability company. If more than one type of membership interest is established, including any series as provided in section 489.1201 or any class or group as provided in section 489.1201, qualified persons must hold at least seventy percent of all membership interests of each type.

18. *"Operation of law"* means a transfer by inheritance, devise, or bequest, court order, dissolution decree, order in bankruptcy, insolvency, replevin, foreclosure, execution sale, the execution of a judgment, the foreclosure of a real estate mortgage, the forfeiture of a real estate contract, or a transfer resulting from a decree for specific performance.

19. *"Qualified farmer"* means any of the following:

*a.* A natural person actively engaged in farming.

*b.* A general partnership as provided in chapter 486A in which all partners are natural persons actively engaged in farming.

*c.* A farm estate.

20. *"Qualified commodity share landlord"* means a commodity share landlord, if the owner of the agricultural land was actively engaged in farming the land or a family member of the owner is or was actively engaged in farming the land, if the family member is related to the owner as a spouse, parent, grandparent, lineal ascendant of a grandparent or spouse, or other lineal descendant of a grandparent or spouse.

21. *"Qualified person"* means a person who is any of the following:

*a.* A qualified farmer.

*b.* A family farm entity.

*c.* A qualified commodity share landlord.

22. *"Regional cooperative association"* means a cooperative association other than a farmers cooperative association.

98 Acts, ch 1110, §101, 301; 2002 Acts, ch 1119, §114, 115; 2003 Acts, ch 149, §1, 23; 2005 Acts, ch 38, §55; 2008 Acts, ch 1162, §125, 126, 154, 155; 2009 Acts, ch 133, §4

Referred to in §10B.1, 10D.1, 15E.202, 202B.102, 502.102

**10.2 Interests described.**

As used in this chapter, the following apply:

1. A person holds an interest in agricultural land if the person either directly or indirectly owns or leases the agricultural land in this state.

2. A person holds an interest in a farmers entity if the person holds an interest as any of the following:

*a.* A shareholder of a networking farmers corporation.

*b.* A member of a networking farmers limited liability company.

*c.* A member of a farmers cooperative association.

*d.* A member of a farmers cooperative limited liability company.

98 Acts, ch 1110, §102, 301

## SUBCHAPTER II

## RESTRICTIONS

## PART 1

## NETWORKING FARMERS CORPORATIONS

**10.3 Landholdings restricted.**

1. Notwithstanding section 9H.4, a networking farmers corporation may hold agricultural land in this state if it meets all of the following conditions:

*a.* The networking farmers corporation does not hold an interest in agricultural land of more than six hundred forty acres.

*b.* At least seventy-five percent of the networking farmers corporation's gross receipts are from the sale of livestock or livestock products.

2. *a.* An interest in agricultural land held by a networking farmers corporation shall be attributable as an interest in agricultural land held by a shareholder having an interest in the networking farmers corporation. The shareholder shall be deemed to hold an interest in agricultural land held by the networking farmers corporation in proportion to the interest that the shareholder holds in the networking farmers corporation.

*b.* Except to the extent provided in this paragraph, a shareholder holding agricultural land by attribution shall be subject to landholding restrictions imposed pursuant to the Code, including sections 9H.4, 9H.5, 9I.3, and 501.103. However, notwithstanding section 9H.4, a cooperative association may hold an interest in any number of farmers entities, if the total number of acres held by the farmers entities and attributable to the cooperative association is six hundred forty acres or less.

*c.* The shareholder's proportionate interest shall be calculated by multiplying the number of acres of agricultural land held by the networking farmers corporation by the percentage interest in the networking farmers corporation held by the shareholder.

3. In the event of a transfer of an interest in the networking farmers corporation by operation of law, the corporation may disregard the transfer for purposes of determining compliance with subsection 1 for a period of two years after the transfer.

98 Acts, ch 1110, §103, 301

Referred to in §10.4, 10.11

**10.4 Multiple interests restricted.**

1. A person who holds an interest in a networking farmers corporation holding an interest in agricultural land pursuant to section 10.3 shall not hold an interest in another farmers entity if any of the following applies:

*a.* The person holds a twenty-five percent or greater interest in a networking farmers corporation having six or fewer stockholders.

*b.* The person holds a fifteen percent or greater interest in a networking farmers corporation having seven or more stockholders.

2. A person who holds a majority interest in an authorized entity shall not hold a majority interest in a networking farmers corporation.

3. A qualified commodity share landlord who owns an interest in a networking farmers corporation holding agricultural land under section 10.3 must rent an additional one hundred fifty acres of agricultural land on a commodity share basis for each farmers entity holding agricultural land under this chapter in which the commodity share landlord acquires an interest.

98 Acts, ch 1110, §104, 301

Referred to in §10.12

## PART 2

## NETWORKING FARMERS LIMITED LIABILITY COMPANIES

**10.5 Landholdings restricted.**

1. Notwithstanding section 9H.4, a networking farmers limited liability company may hold agricultural land in this state if it meets all of the following conditions:

*a.* The networking farmers limited liability company does not hold an interest in agricultural land of more than six hundred forty acres.

*b.* At least seventy-five percent of the networking farmers limited liability company's gross receipts from farming are from the sale of livestock or livestock products.

2. *a.* An interest in agricultural land held by a networking farmers limited liability company shall be attributable as an interest in agricultural land held by a member having an interest in the networking farmers limited liability company. The member shall be deemed to hold an interest in agricultural land held by the networking farmers limited liability company in proportion to the interest that the member holds in the networking farmers limited liability company.

*b.* Except to the extent provided in this paragraph, a member holding agricultural land by attribution shall be subject to landholding restrictions imposed pursuant to the Code, including sections 9H.4, 9H.5, 9I.3, and 501.103. However, notwithstanding section 9H.4, a cooperative association may hold an interest in any number of farmers entities, if the total number of acres held by the farmers entities and attributable to the cooperative association is six hundred forty acres or less.

*c.* The member's proportionate interest shall be calculated by multiplying the number of acres of agricultural land held by the networking farmers limited liability company by the percentage interest in the networking farmers limited liability company held by the member.

3. In the event of a transfer of an interest in the networking farmers limited liability company by operation of law, the networking farmers limited liability company may disregard the transfer for purposes of determining compliance with subsection 1 for a period of two years after the transfer.

98 Acts, ch 1110, §105, 301
Referred to in §10.6, 10.11

**10.6 Multiple interests restricted.**

1. A person who holds an interest in a networking farmers limited liability company holding an interest in agricultural land pursuant to section 10.5 shall not hold an interest in another farmers entity, if any of the following applies:

*a.* The person holds a twenty-five percent or greater interest in a networking farmers limited liability company having six or fewer members.

*b.* The person holds a fifteen percent or greater interest in a networking farmers limited liability company having seven or more members.

2. A person who holds a majority interest in an authorized entity shall not hold a majority interest in a networking farmers limited liability company.

3. A qualified commodity share landlord who owns an interest in a networking farmers limited liability company holding agricultural land under section 10.5 must rent an additional one hundred fifty acres of agricultural land on a commodity share basis for each farmers entity holding agricultural land under this chapter in which the commodity share landlord acquires an interest.

98 Acts, ch 1110, §106, 301
Referred to in §10.12

## PART 3

## FARMERS COOPERATIVE ASSOCIATIONS

**10.7 Landholdings restricted.**

1. Notwithstanding section 9H.4, a farmers cooperative association may hold agricultural land in this state if it meets all of the following conditions:

*a.* The farmers cooperative association does not hold an interest in agricultural land of more than six hundred forty acres.

*b.* The farmers cooperative association does not produce, including by planting or harvesting, forage or grain on agricultural land in which the farmers cooperative association holds an interest. However, the farmers cooperative association may enter into an agreement under a lease or production contract with a person to produce the forage or grain, if the farmers cooperative association does not receive forage or grain in payment under the agreement. The lease or contract may specify the type of forage or grain that must be produced and provide that the farmers cooperative association has a right to purchase the forage or grain on the same terms and conditions as the highest bona fide offer received by the person for the forage or grain, within a period agreed to by the parties to the lease or production contract.

2. *a.* Except as provided in this section, an interest in agricultural land held by a farmers cooperative association shall be attributable as an interest in agricultural land held by a member having an interest in the farmers cooperative association. The member shall be deemed to hold an interest in agricultural land held by the farmers cooperative association in proportion to the interest that the member holds in the farmers cooperative association.

*b.* Except to the extent provided in this paragraph, a member holding agricultural land by attribution shall be subject to landholding restrictions imposed pursuant to the Code, including sections 9H.4, 9H.5, 9I.3, and 501.103. However, notwithstanding section 9H.4, all of the following shall apply:

(1) A cooperative association may hold an interest in any number of farmers entities, if the total number of acres held by the farmers entities and attributable to the cooperative association is six hundred forty acres or less.

(2) An interest in agricultural land held by a farmers cooperative association shall not be attributable to a member who is an entity organized under state law, if the entity holds a five percent or less interest in the farmers cooperative association.

*c.* The member's proportionate interest shall be calculated by multiplying the number of acres of agricultural land held by the farmers cooperative association by the percentage interest in the farmers cooperative association held by the member.

3. In the event of a transfer of an interest in a farmers cooperative association by operation of law, the association may disregard the transfer for purposes of determining compliance with subsection 1 for a period of two years after the transfer.

98 Acts, ch 1110, §107, 301

Referred to in §10.8, 10.11

**10.8 Multiple interests restricted.**

1. A person who holds an interest in a farmers cooperative association holding an interest in agricultural land pursuant to section 10.7 shall not hold an interest in another farmers entity if any of the following applies:

*a.* The person holds a twenty-five percent or greater interest in a farmers cooperative association having six or fewer members.

*b.* The person holds a fifteen percent or greater interest in a farmers cooperative association having seven or more members.

2. A person who holds a majority interest in an authorized entity shall not hold a majority interest in a farmers cooperative association.

98 Acts, ch 1110, §108, 301

Referred to in §10.12

**10.9 Procedure for acquisition — reverse referendum — dissent.**

A farmers cooperative association shall not acquire an interest in agricultural land or in a farmers entity, unless all of the following apply:

1. The board of directors of the farmers cooperative association adopts a resolution authorizing the acquisition. Except as provided in this section, the resolution shall become effective thirty-one days from the date that the resolution was adopted. The farmers cooperative association is not required to comply with the procedures of this section for as long as the resolution remains in effect. The resolution shall contain all of the following:

*a.* A declaration stating that the farmers cooperative association reserves the right to acquire agricultural land or an interest in a farmers entity under this chapter.

*b.* A description of a planned acquisition, if any, including the location of agricultural land planned to be acquired, the identity of any farmers entity in which the farmers cooperative association plans to acquire an interest, and the nature of any farming operation which is planned to occur on land acquired by the farmers cooperative association or conducted by the farmers entity.

*c.* The date that the resolution was adopted and the date that it will take effect.

2. Within five days following the date that the resolution authorizing the farmers cooperative association to acquire an interest in agricultural land or acquire an interest in a farmers entity is adopted, the farmers cooperative association must provide notice of the resolution as provided in this section. The notice shall be in the following form:

NOTICE
MEMBERS OF THE (INSERT NAME OF
THE FARMERS COOPERATIVE ASSOCIATION)

THE (INSERT NAME OF THE FARMERS COOPERATIVE ASSOCIATION) IS PLANNING ON ACQUIRING AN INTEREST IN AGRICULTURAL LAND WHICH MAY BE USED FOR FARMING OR ACQUIRING AN INTEREST IN A BUSINESS THAT OWNS AGRICULTURAL LAND THAT MAY BE USED FOR FARMING. UNDER IOWA CODE CHAPTER 10, THE (INSERT NAME OF THE FARMERS COOPERATIVE ASSOCIATION) IS A FARMERS COOPERATIVE ASSOCIATION. WITHIN A LIMITED TIME PERIOD: (1) VOTING MEMBERS MAY PETITION A FARMERS COOPERATIVE ASSOCIATION TO REQUIRE A MEMBERSHIP VOTE TO APPROVE THE ACQUISITION; AND (2) ALL HOLDERS OF MEMBERS' EQUITY MAY DEMAND PAYMENT OF THE FAIR VALUE OF THEIR INTERESTS.

*a.* The notice must be published in a newspaper having a general circulation in the county where the farmers cooperative association is located as provided in section 618.3. The notice shall be printed as provided in section 618.17.

*b.* The notice shall be delivered to all holders of members' equity in the farmers cooperative association, including members and shareholders, by mailing the notice to the holder's last known address as shown on the books of the farmers cooperative association. The notice shall be accompanied by a copy of the resolution adopted by the board pursuant to this section, and a copy of this section.

3. Within thirty days following the date that the resolution authorizing the farmers cooperative association to acquire an interest in agricultural land or acquire an interest in a farmers entity is adopted, at least twenty percent of the voting members of the farmers cooperative association may file a petition with the board of directors demanding a referendum under this subsection.

*a.* If a valid petition is filed, the board of directors shall call a special referendum of voting members at a regular or special meeting, as provided in section 499.27. The filing of the petition suspends the effectiveness of the resolution until a referendum is conducted as provided in this subsection.

*b.* The resolution shall not become effective as otherwise provided in this section, until the resolution is approved by a majority vote of the voting members of the farmers cooperative association casting ballots at the meeting to conduct the referendum.

4. *a.* Within thirty days following the date that the resolution authorizing the farmers cooperative association to acquire an interest in agricultural land or acquire an interest in a farmers entity is adopted, a holder of members' equity, including a member or shareholder, may dissent to an acquisition as expressed in the resolution adopted by the board of directors under this section.

*b.* The holder of members' equity shall dissent by filing a demand with the board of directors. The farmers cooperative association shall pay the holder the fair value of that holder's interest as if the holder were a member dissenting to a merger or consolidation, as provided in section 499.66, upon surrender of the holder's evidence of equity in the farmers cooperative association, including a certificate of membership or shares.

*c.* The farmers cooperative association is not required to pay the holder of members' equity the fair value of that holder's interest as provided in this subsection, if the resolution provided for in this section does not become effective.

98 Acts, ch 1110, §109, 301

## PART 4

## FARMERS COOPERATIVE LIMITED LIABILITY COMPANIES

**10.10 Landholdings restricted.**

1. Notwithstanding section 9H.4, a farmers cooperative limited liability company may hold agricultural land in this state if it meets all of the following conditions:

*a.* The farmers cooperative limited liability company does not hold an interest in agricultural land of more than six hundred forty acres.

*b.* The farmers cooperative limited liability company does not produce, including by planting or harvesting, forage or grain on agricultural land in which the farmers cooperative limited liability company holds an interest. However, the farmers cooperative limited liability company may enter into an agreement under a lease or production contract with a person to produce the forage or grain, if the farmers limited liability company does not receive forage or grain in payment under the agreement. The lease or contract may specify the type of forage or grain that must be produced and provide that the farmers cooperative limited liability company has a right to purchase the forage or grain on the same terms and conditions as the highest bona fide offer received by the person for the forage or grain, within a period agreed to by the parties to the lease or production contract.

*c.* Less than fifty percent of the interest in the farmers cooperative limited liability company is held by members which are parties to intra-company loan agreements. If more than one type of membership interest is established, including any series as provided in section 489.1201 or any class or group as provided in section 489.1201, less than fifty percent of the interest in each type of membership shall be held by members which are parties to intra-company loan agreements.

*d.* The farmers cooperative limited liability company does not own swine or contract for the care and feeding of swine, if a member of the farmers cooperative limited liability company is a regional cooperative association.

2. *a.* An interest in agricultural land held by a farmers cooperative limited liability company shall be attributable as an interest in agricultural land held by a member cooperative association of the farmers cooperative limited liability company. The member cooperative association shall be deemed to hold an interest in agricultural land held by the farmers cooperative limited liability company in proportion to the interest that the member cooperative association holds in the limited liability company.

*b.* Except to the extent provided in this paragraph, a member holding agricultural land by attribution shall be subject to landholding restrictions imposed pursuant to the Code, including sections 9H.4, 9H.5, 9I.3, and 501.103. However, notwithstanding section 9H.4, a cooperative association may hold an interest in any number of farmers entities, if the total

number of acres held by the farmers entities and attributable to the cooperative association is six hundred forty acres or less.

*c.* The member cooperative association's proportionate interest shall be calculated by multiplying the number of acres of agricultural land held by the farmers cooperative limited liability company by the percentage interest in the limited liability company held by the cooperative association as a member.

3. In the event of a transfer of an interest in the farmers cooperative limited liability company by operation of law, the farmers cooperative limited liability company may disregard the transfer for purposes of determining compliance with subsection 1 for a period of two years after the transfer.

98 Acts, ch 1110, §110, 301; 2008 Acts, ch 1162, §127, 154, 155
Referred to in §10.11

## SUBCHAPTER III

## PENALTIES

**10.11 Landholding restrictions — penalties.**

A person violating the landholding restrictions in section 10.3, 10.5, 10.7, or 10.10 shall be assessed a civil penalty of not more than ten thousand dollars and shall divest itself of any land held in violation of the section within one year after judgment is entered ordering the farmers entity to comply with that section, as provided in section 10.13.

98 Acts, ch 1110, §111, 301

**10.12 Multiple interests restricted — penalties.**

1. A civil penalty of not more than one thousand dollars may be imposed on a person who becomes one of the following:

*a.* A stockholder of a networking farmers corporation as prohibited in section 10.4.

*b.* A member of a networking farmers limited liability company as prohibited in section 10.6.

*c.* A member of a farmers cooperative association as prohibited in section 10.8.

2. The person violating the section shall divest the interest held by the person in a farmers entity or authorized entity as is necessary to comply with this chapter, as provided in section 10.13.

98 Acts, ch 1110, §112, 301

**10.13 Divestiture proceedings.**

The court may determine the method of divesting an interest held by a person found to be in violation of this chapter. A financial gain realized by a person who disposes of an interest held in violation of this chapter shall be forfeited to the state's general fund. All court costs and fees shall be paid by the person holding the interest in violation of the section.

98 Acts, ch 1110, §113, 301
Referred to in §10.11, 10.12

**10.14 Injunctive relief.**

The courts of this state may prevent and restrain violations of this chapter through the issuance of an injunction. The attorney general or a county attorney shall institute suits on behalf of the state to prevent and restrain violations of this chapter.

98 Acts, ch 1110, §114, 301

# CHAPTER 10A

## DEPARTMENT OF INSPECTIONS AND APPEALS

Referred to in §235.5, 322C.6, 324A.5

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RESERVED

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RESERVED

10A.301 and 10A.302 Repealed by 2002 Acts, ch 1162, §14.

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## ARTICLE I

## ORGANIZATION

**10A.101 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means a person coordinating the administration of a division of the department.
2. *"Department"* means the department of inspections and appeals.
3. *"Director"* means the director of inspections and appeals.

86 Acts, ch 1245, §501; 88 Acts, ch 1109, §1; 89 Acts, ch 231, §1; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201; 2002 Acts, ch 1162, §1; 2003 Acts, ch 44, §4

**10A.102 Department established.**

The department of inspections and appeals is established. The director of the department shall be appointed by the governor to serve at the pleasure of the governor subject to confirmation by the senate no less frequently than every four years, whether or not there has been a new director appointed during that time. If the office becomes vacant, the vacancy shall be filled in the same manner as provided for the original appointment.

86 Acts, ch 1245, §502

Referred to in §7E.5

Confirmation, see §2.32

**10A.103 Purpose of the department.**

The department is created for the purpose of coordinating and conducting various audits, appeals, hearings, inspections, and investigations related to the operations of the executive branch of state government.

86 Acts, ch 1245, §503

**10A.104 Powers and duties of the director.**

The director or designees of the director shall:

1. Coordinate the internal operations of the department and develop and implement policies and procedures designed to ensure the efficient administration of the department.

2. Appoint the administrators of the divisions within the department and all other personnel deemed necessary for the administration of this chapter, except the state public defender, assistant state public defenders, administrator of the racing and gaming commission, members of the employment appeal board, and administrator of the child advocacy board created in section 237.16. All persons appointed and employed in the department are covered by the provisions of chapter 8A, subchapter IV, but persons not appointed by the director are exempt from the merit system provisions of chapter 8A, subchapter IV.

3. Prepare an annual budget for the department.

4. Develop and recommend legislative proposals deemed necessary for the continued efficiency of department functions, and review legislative proposals generated outside of the department which are related to matters within the department's purview.

5. Adopt rules deemed necessary for the implementation and administration of this chapter in accordance with chapter 17A.

6. Issue subpoenas and distress warrants, administer oaths, and take depositions in connection with audits, appeals, investigations, inspections, and hearings conducted by the department. If a person refuses to obey a subpoena or distress warrant issued by the department or otherwise fails to cooperate in proceedings of the department, the director may enlist the assistance of a court of competent jurisdiction in requiring the person's compliance. Failure to obey orders of the court renders the person in contempt of the court and subject to penalties provided for that offense.

7. Enter into contracts for the receipt and provision of services as deemed necessary. The director and the governor may obtain and accept federal grants and receipts to or for the state to be used for the administration of this chapter.

8. Establish by rule standards and procedures for certifying that targeted small businesses are eligible to participate in the procurement program established in sections 73.15 through 73.21. The procedure for determination of eligibility shall not include self-certification by a business. The director shall maintain a current directory of targeted small businesses that have been certified pursuant to this subsection. The director shall also provide information to the department of administrative services necessary for the identification of targeted small businesses as provided under section 8A.111, subsection 8.

9. Administer and enforce this chapter, and chapters 99B, 135B, 135C, 135H, 135J, 135O, 137C, 137D, and 137F.

10. Enter into and implement agreements or compacts between the state of Iowa and Indian tribes located in the state which are entered into under the authority of the Indian Gaming Regulatory Act (25 U.S.C. § 2701 et seq.). The agreements or compacts shall contain provisions intended to implement the policies and objectives of the Indian Gaming Regulatory Act.

11. Administer inspection and licensing of social and charitable gambling pursuant to chapter 99B.

12. Administer inspections and licensing of hotels and home food establishments.

13. Administer inspections and licensing of food establishments, including but not limited to restaurants, vending machines, food processing plants, grocery stores, convenience stores, temporary food establishments, and mobile food units.

14. Administer inspections for sanitation in any locality of the state upon the written petition of five or more residents of the locality.

15. Administer inspections of cosmetology salons under section 157.7 and barbershops under section 158.6.

86 Acts, ch 1245, §504; 88 Acts, ch 1273, §3; 89 Acts, ch 231, §2 – 4; 92 Acts, ch 1141, §1; 93 Acts, ch 53, §1; 94 Acts, ch 1076, §1; 95 Acts, ch 67, §2; 96 Acts, ch 1052, §1; 96 Acts, ch 1079, §1; 98 Acts, ch 1162, §1, 30; 98 Acts, ch 1202, §1, 46; 2000 Acts, ch 1155, §1; 2002 Acts, ch 1162, §2, 3, 15, 75; 2003 Acts, ch 145, §128; 2004 Acts, ch 1026, §1; 2008 Acts, ch 1184, §34; 2009 Acts, ch 136, §1; 2011 Acts, ch 16, §1, 5

Referred to in §8A.111, 15.108, 73.16, 216A.167

For provisions concerning the transfer of powers and duties relating to the regulation of egg handlers from the department of inspections and appeals to the department of agriculture and land stewardship, see 2011 Acts, ch 16, §3 – 5

Section not amended; internal reference change applied

**10A.105 Confidentiality.**

1. For the purposes of this section, "*governmental entity*" includes an administrative division within the department.

2. The confidentiality of all information in the department produced or collected during or as a result of a hearing, appeal, investigation, inspection, audit, or other function performed by the department on behalf of another governmental entity is governed by the law applicable to the records of that governmental entity. The department may provide information to a governmental entity for which it is conducting a hearing, appeal, inspection, audit, investigation, or other function.

3. The state shall maintain records and materials related to an agreement or compact entered into pursuant to the Indian Gaming Regulatory Act (25 U.S.C. § 2701 et seq.), as confidential records if confidentiality is required by the terms of the agreement or compact.

4. The lawful custodian of all records produced or collected during or as a result of any function performed by the department on behalf of another governmental entity is that governmental entity for the purpose of examination and copying pursuant to chapter 22.

5. If information in the possession of the department indicates that a criminal offense may have been committed, the information may be reported to the appropriate criminal justice or regulatory agency.

6. However, this section does not prohibit the department from releasing the minimal amount of information necessary in its judgment to conduct audits, inspections, investigations, appeals, and hearings, and does not prohibit the introduction of the information as evidence at any hearing conducted by the department.

7. The director, administrators, and their designees shall have access to all records deemed by the department to be pertinent to a hearing, appeal, audit, investigation, inspection, or other related function assigned under this chapter.

86 Acts, ch 1245, §505; 89 Acts, ch 231, §5

**10A.106 Divisions of the department.**

1. The department is comprised of the following divisions:

*a.* Administrative hearings division.

*b.* Investigations division.

*c.* Health facilities division.

2. The allocation of departmental duties to the divisions of the department in sections 10A.402, 10A.702, and 10A.801 does not prohibit the director from reallocating departmental duties within the department.

86 Acts, ch 1245, §506; 87 Acts, ch 234, §420; 88 Acts, ch 1134, §9; 89 Acts, ch 231, §6, 7; 98 Acts, ch 1202, §2, 46; 2000 Acts, ch 1155, §2; 2002 Acts, ch 1162, §4, 5; 2004 Acts, ch 1026, §2; 2008 Acts, ch 1032, §201

**10A.107 Repayment receipts.**

The department may charge state departments, agencies, and commissions for services rendered and the payment received shall be considered repayment receipts as defined in section 8.2.

90 Acts, ch 1247, §2

**10A.108 Improper human services entitlement benefits or provider payments — debt, lien, collection.**

1. *a.* If a person refuses or neglects to repay benefits or provider payments inappropriately obtained from the department of human services, the amount inappropriately obtained, including any interest, penalty, or costs attached to the amount, constitutes a debt and is a lien in favor of the state upon all property and any rights or title to or interest in property, whether real or personal, belonging to the person for the period established in subsection 2, with the exception of property which is exempt from execution pursuant to chapter 627.

*b.* A lien under this section shall not attach to any amount of inappropriately obtained benefits or provider payments, or portions of the benefits or provider payments, attributable to errors by the department of human services. Liens shall only attach to the amounts of inappropriately obtained benefits or provider payments or portions of the benefits or provider payments which were obtained due to false, misleading, incomplete, or inaccurate information submitted by a person in connection with the application for or receipt of benefits or provider payments.

2. *a.* The lien attaches at the time the notice of the lien is filed under subsection 3, and continues for ten years from that date, unless released or otherwise discharged at an earlier time.

*b.* The lien may be extended, within ten years from the date of attachment, if a person files a notice with the county recorder or other appropriate county official of the county in which the property is located at the time of filing the extension. From the time of the filing of the notice, the lien period shall be extended for ten years to apply to the property in the county in which the notice is filed, unless released or otherwise discharged at an earlier time. The number of extensions is not limited.

*c.* The director shall discharge any lien which is allowed to lapse and may charge off any account and release the corresponding lien before the lien has lapsed if the director determines, under uniform rules prescribed by the director, that the account is uncollectible or collection costs involved would not warrant collection of the amount due.

3. To preserve the lien against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, on any property located in a county, the director shall file a notice of the lien with the recorder of the county in which the property is located at the time of filing of the notice.

4. The county recorder of each county shall prepare and maintain in the recorder's office an index of liens of debts established based upon benefits or provider payments inappropriately obtained from and owed the department of human services, containing the applicable entries specified in sections 558.49 and 558.52, and providing appropriate columns for all of the following data, under the names of debtors, arranged alphabetically:

*a.* The name of the debtor.

*b.* "State of Iowa, Department of Human Services" as claimant.

*c.* The time that the notice of the lien was filed for recording.

*d.* The date of notice.

*e.* The amount of the lien currently due.

*f.* The date of the assessment.

*g.* The date of satisfaction of the debt.

*h.* Any extension of the time period for application of the lien and the date that the notice for extension was filed.

5. The recorder shall endorse on each notice of lien the day and time filed for recording and the document reference number, and shall preserve the notice. The recorder shall index the notice and shall record the lien in the manner provided for recording real estate mortgages. The lien is effective from the time of the indexing.

6. The department shall pay, from moneys appropriated to the department for this purpose, recording fees as provided in section 331.604, for the recording of the lien.

7. Upon payment of a debt for which the director has filed notice with a county recorder, the director shall provide to the debtor a satisfaction of the debt. The debtor shall be

responsible for filing the satisfaction of the debt with the recorder and the recorder shall enter the satisfaction on the notice on file in the recorder's office.

8. The department of inspections and appeals, as provided in this chapter and chapter 626, shall proceed to collect all debts owed the department of human services as soon as practicable after the debt becomes delinquent. If service has not been made on a distress warrant by the officer to whom addressed within five days from the date the distress warrant was received by the officer, the authorized investigators of the department of inspections and appeals may serve and make return of the warrant to the clerk of the district court of the county named in the distress warrant, and all subsequent procedures shall be in compliance with chapter 626.

9. The distress warrant shall be in a form as prescribed by the director, shall be directed to the sheriff of the appropriate county, and shall identify the debtor, the type of debt, and the delinquent amount. The distress warrant shall direct the sheriff to distrain, seize, garnish, or levy upon, and sell, as provided by law, any real or personal property belonging to the debtor to satisfy the amount of the delinquency plus costs. The distress warrant shall also direct the sheriff to make due and prompt return to the department or to the district court under chapter 626 of all amounts collected.

10. The attorney general, upon the request of the director of inspections and appeals, shall bring an action, as the facts may justify, without bond, to enforce payment of any debts under this section, and in the action the attorney general shall have the assistance of the county attorney of the county in which the action is pending.

11. The remedies of the state shall be cumulative and no action taken by the director of inspections and appeals or attorney general shall be construed to be an election on the part of the state or any of its officers to pursue any remedy to the exclusion of any other remedy provided by law.

94 Acts, ch 1112, §1; 96 Acts, ch 1052, §2; 97 Acts, ch 23, §2, 3; 2002 Acts, ch 1113, §1; 2009 Acts, ch 27, §1; 2010 Acts, ch 1061, §180; 2013 Acts, ch 24, §1

Subsections 6 and 7 amended

## ARTICLE II

## RESERVED

**10A.201 and 10A.202** Repealed by 98 Acts, ch 1202, §45, 46.

## ARTICLE III

## RESERVED

**10A.301 and 10A.302** Repealed by 2002 Acts, ch 1162, §14.

## ARTICLE IV

## INVESTIGATIONS DIVISION

**10A.401 Definitions.**

As used in this article, unless the context otherwise requires:

1. *"Administrator"* means the person coordinating the administration of this division.

2. *"Division"* means the investigations division of the department of inspections and appeals.

86 Acts, ch 1245, §511; 2002 Acts, ch 1162, §6

**10A.402 Responsibilities.**

The administrator shall coordinate the division's conduct of various audits and investigations as provided by law including but not limited to the following:

1. Investigations relative to the practice of regulated professions and occupations, except those within the jurisdiction of the board of medicine, the board of pharmacy, the dental board, and the board of nursing.

2. Audits relative to the administration of hospitals and health care facilities.

3. Audits relative to administration and disbursement of funding under the state supplementary assistance program and the medical assistance program.

4. Investigations and collections relative to the liquidation of overpayment debts owed to the department of human services. Collection methods include but are not limited to small claims filings, debt setoff, distress warrants, and repayment agreements, and are subject to approval by the department of human services.

5. Investigations relative to the administration of the state supplementary assistance program, the state medical assistance program, the food stamp program, the family investment program, and any other state or federal benefit assistance program.

6. Investigations relative to the internal affairs and operations of agencies and departments within the executive branch of state government, except for institutions governed by the state board of regents.

86 Acts, ch 1245, §512; 90 Acts, ch 1204, §1; 91 Acts, ch 107, §1; 93 Acts, ch 53, §2; 93 Acts, ch 97, §23; 2000 Acts, ch 1155, §3; 2002 Acts, ch 1162, §7; 2007 Acts, ch 10, §6; 2007 Acts, ch 218, §191; 2009 Acts, ch 23, §2; 2013 Acts, ch 18, §1

Referred to in §10A.106, 10A.403

Subsection 5 stricken and former subsections 6 and 7 renumbered as 5 and 6

**10A.403 Investigators — peace officer status.**

Investigators of the division shall have the powers and authority of peace officers when acting within the scope of their responsibilities to conduct investigations as specified in section 10A.402, subsection 5. An investigator shall not carry a weapon to perform responsibilities as described in this section.

99 Acts, ch 80, §1

Section not amended; internal reference change applied

## ARTICLE V

## RESERVED

**10A.501 and 10A.502** Repealed by 2004 Acts, ch 1026, § 4.

## ARTICLE VI

## EMPLOYMENT APPEAL BOARD

**10A.601 Employment appeal board — created — duties.**

1. A full-time employment appeal board is created within the department of inspections and appeals to hear and decide contested cases under chapter 8A, subchapter IV, and chapters 80, 88, 91C, 96, and 97B.

2. The employment appeal board is composed of three members appointed by the governor, subject to confirmation by the senate, to six-year staggered terms beginning and ending as provided in section 69.19. One member shall be qualified by experience and affiliation to represent employers, one member shall be qualified by experience and affiliation to represent employees, and one member shall represent the general public. No more than two members shall be members of the same political party. A vacancy in membership shall be filled in the same manner as the original appointment. A member of the appeal board may be removed by the governor for inefficiency, neglect of duty, or malfeasance in office. The members of the employment appeal board shall receive an annual salary as set by the governor.

3. The members of the appeal board shall select a chairperson and vice chairperson from their membership. The appeal board shall meet at least once per month but may meet as

often as necessary. Meetings shall be set by a majority of the appeal board or upon the call of the chairperson, or in the chairperson's absence, upon the call of the vice chairperson. The employment appeal board, subject to the approval of the director, may appoint personnel necessary for carrying out its functions and duties.

4. The appeal board may on its own motion affirm, modify, or set aside a decision of an administrative law judge on the basis of the evidence previously submitted in the contested case, or direct the taking of additional evidence, or may permit any of the parties to the decision to initiate further appeals before the appeal board. The appeal board shall permit further appeal by any of the parties interested in a decision of an administrative law judge and by the representative whose decision has been overruled or modified by the administrative law judge. The appeal board shall review the case pursuant to rules adopted by the appeal board. The appeal board shall promptly notify the interested parties of its findings and decision.

5. The appeal board may order testimony to be taken by deposition, and may compel persons to appear and testify and to produce books, papers, and documents in the same manner as witnesses may be deposed and compelled to appear and testify and produce documentary evidence before the district court. In the discharge of the duties imposed by this chapter, the chairperson of the appeal board and any duly authorized representative designated by the appeal board, may administer oaths and affirmations, take depositions, certify official acts, and issue subpoenas. Persons deposed or compelled to testify or produce documentary evidence shall be allowed the same fees and traveling expenses as allowed witnesses in the district court.

6. The appeal board shall adopt rules pursuant to chapter 17A to establish the manner in which contested cases are to be presented, reports are to be required from the parties, and hearings and appeals are to be conducted. The appeal board shall keep a full and complete record of all proceedings in connection with a contested case. All testimony at a hearing shall be recorded, but need not be transcribed unless the contested case is further appealed. The appeal board shall retain the record for at least sixty days following the final date for appeal of a contested case. A decision of the appeal board is final agency action and an appeal of the decision shall be made directly to the district court. Any party to a contested case may appeal the decision to the district court.

7. An application for rehearing before the appeal board shall be filed pursuant to section 17A.16, unless otherwise provided in chapter 8A, subchapter IV, or chapter 80, 88, 91C, 96, or 97B. A petition for judicial review of a decision of the appeal board shall be filed pursuant to section 17A.19. The appeal board may be represented in any such judicial review by an attorney who is a regular salaried employee of the appeal board or who has been designated by the appeal board for that purpose, or at the appeal board's request, by the attorney general. Notwithstanding the petitioner's residency requirement in section 17A.19, subsection 2, a petition for judicial review may be filed in the district court of the county in which the petitioner was last employed or resides, provided that if the petitioner does not reside in this state, the action shall be brought in the district court of Polk county, Iowa, and any other party to the proceeding before the appeal board shall be named in the petition. Notwithstanding the thirty-day requirement in section 17A.19, subsection 6, the appeal board shall, within sixty days after filing of the petition for judicial review or within a longer period of time allowed by the court, transmit to the reviewing court the original or a certified copy of the entire records of a contested case. The appeal board may also certify to the court, questions of law involved in any decision by the appeal board. Petitions for judicial review and the questions so certified shall be given precedence over all other civil cases except cases arising under the workers' compensation law of this state. No bond shall be required for entering an appeal from any final order, judgment, or decree of the district court to the supreme court.

86 Acts, ch 1245, §515; 88 Acts, ch 1025, §1; 88 Acts, ch 1162, §10; 88 Acts, ch 1109, §3; 2003 Acts, ch 145, §129; 2004 Acts, ch 1107, §1, 30

Referred to in §80.15, 88.3, 88.9, 91C.8, 96.6, 96.19, 97B.27

Confirmation, see §2.32

## ARTICLE VII

## HEALTH FACILITIES DIVISION

**10A.701 Definitions.**

As used in this article, unless the context otherwise requires:

1. *"Administrator"* means the person coordinating the administration of this division.

2. *"Division"* means the health facilities division of the department of inspections and appeals.

2000 Acts, ch 1155, §5; 2002 Acts, ch 1162, §10

**10A.702 Responsibilities.**

The administrator shall coordinate the division's conduct of various inspections and investigations as otherwise provided by law including, but not limited to, all of the following:

1. Investigations relative to the standards and practices of hospitals, hospices, and health care facilities.

2. Inspections and other licensing procedures relative to the hospice program, hospitals, and health care facilities. The division is designated as the sole licensing authority for these programs and facilities.

3. Inspections relative to hospital and health care facility construction projects.

4. Inspections of child foster care facilities and private institutions for the care of dependent, neglected, and delinquent children.

2000 Acts, ch 1155, §6; 2002 Acts, ch 1162, §76

Referred to in §10A.106

## ARTICLE VIII

## ADMINISTRATIVE HEARINGS DIVISION

**10A.801 Division of administrative hearings — creation, powers, duties.**

1. *Definitions.* For purposes of this section, unless the context otherwise requires:

*a.* *"Administrator"* means the person coordinating the administration of the division.

*b.* *"Division"* means the administrative hearings division of the department of inspections and appeals.

2. The administrator shall coordinate the division's conduct of appeals and administrative hearings as provided by law.

3. *a.* The department shall employ a sufficient number of administrative law judges to conduct proceedings for which agencies are required, by section 17A.11 or any other provision of law, to use an administrative law judge employed by the division. An administrative law judge employed by the division shall not perform duties inconsistent with the judge's duties and responsibilities as an administrative law judge and shall be located in an office that is separated from the offices of the agencies for which that person acts as a presiding officer. Administrative law judges shall be covered by the merit system provisions of chapter 8A, subchapter IV.

*b.* The division shall facilitate, insofar as practicable, specialization by its administrative law judges so that particular judges may become expert in presiding over cases in particular agencies. An agency may, by rule, identify particular classes of its contested cases for which the administrative law judge who acts as presiding officer shall have specified technical expertness. After the adoption of such a rule, the division may assign administrative law judges to preside over those identified particular classes of contested cases only if the administrative law judge possesses the technical expertness specified by agency rule. The division may charge the applicable agency for the costs of any training required by the division's administrative law judges to acquire or maintain the technical expertise specified by agency rule.

4. If the division cannot furnish one of its administrative law judges in response to an

agency request, the administrator shall designate in writing a full-time employee of an agency other than the requesting agency to serve as administrative law judge for the proceeding, but only with the consent of the employing agency. The designee must possess the same qualifications required of administrative law judges employed by the division.

5. The division may furnish administrative law judges on a contract basis to any governmental entity to conduct any proceeding.

6. After July 1, 1999, a person shall not be newly employed by the division as an administrative law judge to preside over contested case proceedings unless that person has a license to practice law in this state.

7. The division shall adopt rules pursuant to this chapter and chapter 17A to do all of the following:

*a.* To establish procedures for agencies to request and for the administrator to assign administrative law judges employed by the division.

*b.* To establish procedures and adopt forms, consistent with chapter 17A and other provisions of law, to govern administrative law judges employed by the division, but any rules adopted under this paragraph shall be applicable to a particular contested case proceeding only to the extent that they are not inconsistent with the rules of the agency under whose authority that proceeding is conducted. Nothing in this paragraph precludes an agency from establishing procedural requirements otherwise within its authority to govern its contested case proceedings, including requirements with respect to the timeliness of decisions rendered for it by administrative law judges.

*c.* To establish standards and procedures for the evaluation, training, promotion, and discipline for the administrative law judges employed by the division. The procedures shall include provisions for each agency for whom a particular administrative law judge presides to submit to the division on a periodic basis the agency's views with respect to the performance of that administrative law judge or the need for specified additional training for that administrative law judge. However, the evaluation, training, promotion, and discipline of all administrative law judges employed by the division shall remain solely within the authority of the department.

*d.* To establish, consistent with the provisions of this section and chapter 17A, a code of administrative judicial conduct that is similar in function and substantially equivalent to the Iowa code of judicial conduct, to govern the conduct, in relation to their quasi-judicial functions in contested cases, of all persons who act as presiding officers under the authority of section 17A.11, subsection 1. The code of administrative judicial conduct shall separately specify which provisions are applicable to agency heads or members of multimembered agency heads when they act as presiding officers, taking into account the objectives of the code and the fact that agency heads, unlike administrative law judges, have other duties imposed upon them by law. The code of administrative judicial conduct may also contain separate provisions, that are appropriate and consistent with the objectives of such a code, to govern the conduct of agency heads or the members of multimember agency heads when they act as presiding officers. However, a provision of the code of administrative judicial conduct shall not be made applicable to agency heads or members of multimember agency heads unless the application of that provision to agency heads and members of multimember agency heads has previously been approved by the administrative rules coordinator.

*e.* To facilitate the performance of the responsibilities conferred upon the division by this section, chapter 17A, and any other provision of law.

8. The division may do all of the following:

*a.* Provide administrative law judges, upon request, to any agency that is required to or wishes to utilize the services of an administrative law judge employed by the division.

*b.* Maintain a staff of reporters and other personnel.

*c.* Administer the provisions of this section and rules adopted under its authority.

9. The division may charge agencies for services rendered and the payment received shall be considered repayment receipts as defined in section 8.2.

10. Except to the extent specified otherwise by statute, decisions of administrative law

judges employed by the division are subject to review by the agencies for which they act as presiding officers as provided by section 17A.15 or any other provision of law.

98 Acts, ch 1202, §3, 46; 2002 Acts, ch 1162, §11 – 13; 2003 Acts, ch 145, §130

Referred to in §10A.106, 17A.11, 20.6, 216.15, 331.394, 453A.2, 455B.174, 505.29, 903A.1

# CHAPTER 10B

## AGRICULTURAL LANDHOLDING REPORTING

Referred to in §10.1, 10D.2, 22.7


10B.1 Definitions.
10B.2 Interests described.
10B.3 Persons required to file reports.
10B.4 Reporting requirements.
10B.4A Suspension of other filing requirements.
10B.5 Use of reports.
10B.6 Penalties.
10B.7 Lessees conducting research or experiments — reports.


**10B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural land"* means the same as defined in section 9H.1.

2. *"Cooperative association"* means any entity organized on a cooperative basis, including an association of persons organized under chapter 497, 498, or 499; an entity composed of entities organized under those chapters; or a cooperative organized under chapter 501 or 501A.

3. *"Corporation"* means a domestic or foreign corporation, including an entity organized pursuant to chapter 490, or a nonprofit corporation.

4. *"Farming"* means the same as defined in section 9H.1.

5. *"Foreign business"* means the same as defined in section 9I.1.

6. *"Foreign government"* means the same as defined in section 9I.1.

7. *"Limited liability company"* means a foreign or domestic limited liability company, including a limited liability company as defined in section 489.102.

8. *"Limited partnership"* means a foreign or domestic limited partnership, including a limited partnership as defined in section 488.102, and a domestic or foreign limited liability limited partnership under chapter 488.

9. *"Nonprofit corporation"* means any of the following:

*a.* A corporation organized under the provisions of chapter 504, Code 1989, or current chapter 504.

*b.* A corporation which qualifies under 26 U.S.C. § 501.

10. *"Nonresident alien"* means the same as defined in section 9I.1.

11. *"Reporting entity"* means any of the following:

*a.* A corporation, other than a family farm corporation as defined in section 9H.1, including an authorized farm corporation as defined in section 9H.1 or networking farmers corporation as defined in section 10.1, holding an interest in agricultural land in this state.

*b.* A cooperative association holding an interest in agricultural land in this state.

*c.* A limited partnership, other than a family farm limited partnership as defined in section 9H.1, holding an interest in agricultural land in this state.

*d.* A person acting in a fiduciary capacity or as a trustee on behalf of a person, including a corporation, cooperative association, limited liability company, or limited partnership, which holds in a trust, other than through a family trust as defined in section 9H.1, including through an authorized trust, an interest in agricultural land in this state.

*e.* A limited liability company, other than a family farm limited liability company as defined in section 9H.1, including an authorized limited liability company as defined in section 9H.1, or a networking farmers limited liability company or farmers cooperative limited liability company as defined in section 10.1, holding an interest in agricultural land in this state.

*f.* A foreign business holding an interest in agricultural land in this state as provided in chapter 9I.

*g.* A foreign government holding an interest in agricultural land in this state as provided in chapter 9I.

*h.* A nonresident alien holding an interest in agricultural land in this state as provided in chapter 9I.

98 Acts, ch 1110, §201, 301; 2000 Acts, ch 1024, §2; 2002 Acts, ch 1050, §2; 2003 Acts, ch 108, §6; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §352, 353, 394, 400; 2005 Acts, ch 135, §101; 2008 Acts, ch 1162, §128, 154, 155; 2010 Acts, ch 1061, §3

**10B.2 Interests described.**

A reporting entity holds an interest in agricultural land if the reporting entity directly or indirectly owns or leases agricultural land in this state.

98 Acts, ch 1110, §202, 301

**10B.3 Persons required to file reports.**

The reports required under section 10B.4 shall be signed and filed by the following individuals required to submit reports pursuant to that section for their respective reporting entities:

1. A person serving as the president or other officer or authorized representative of a corporation.
2. A person serving as the president or other officer or authorized representative of a cooperative association.
3. A person acting as the general partner of a limited partnership.
4. A person acting in a fiduciary capacity or as a trustee on behalf of a person.
5. A person who is a member, manager, or authorized representative of a limited liability company.
6. A person serving as the president or other officer or authorized representative of a foreign business.
7. A person authorized to make the report by a foreign government.
8. A nonresident alien or an agent, trustee, or fiduciary of the nonresident alien.

98 Acts, ch 1110, §203, 301

**10B.4 Reporting requirements.**

1. A biennial report shall be filed by a reporting entity with the secretary of state on or before March 31 of each odd-numbered year as required by rules adopted by the secretary of state pursuant to chapter 17A. However, a reporting entity required to file a biennial report pursuant to chapter 489, 490, 496C, 497, 498, 499, 501, 501A, or 504 shall file the report required by this section in the same year as required by that chapter. The reporting entity may file the report required by this section together with the biennial report required to be filed by one of the other chapters referred to in this subsection. The reports shall be filed on forms prepared and supplied by the secretary of state. The secretary of state may provide for combining its reporting forms with other biennial reporting forms required to be used by the reporting entities.

2. A report required pursuant to this section shall contain information for the reporting period regarding the reporting entity as required by the secretary of state which shall at least include all of the following:

*a.* The name and address of the reporting entity.

*b.* The name and address of the person supervising the daily operations on the agricultural land in which the reporting entity holds an interest.

*c.* The following information regarding each person who holds an interest in the reporting entity:

(1) The name and address of the person.

(2) The person's citizenship, if other than the United States.

(3) The percentage interest held by the person in the reporting entity, unless the person is a natural person who holds less than a ten percent interest in a reporting entity.

*d.* The percentage interest that a reporting entity holds in another reporting entity, and the number of acres of agricultural land that is attributable to the reporting entity which holds an interest in another reporting entity as provided in chapter 10.

*e.* A certification that the reporting entity meets all of the requirements to lawfully hold agricultural land in this state.

*f.* The number of acres of agricultural land held by the reporting entity, including the following:

(1) The total number of acres in the state.

(2) The number of acres in each county identified by county name.

(3) The number of acres owned.

(4) The number of acres leased.

(5) The number of acres held other than by ownership or lease.

(6) The number of acres used for the production of row crops.

*g.* If the reporting entity is a life science enterprise, as provided in chapter 10C, Code 2005, the total amount of commercial sale of life science products and products other than life science products which are produced from the agricultural land held by the life science enterprise.

3. A reporting entity other than a foreign business, foreign government, or nonresident alien shall be excused from filing a report with the secretary of state during any reporting period in which the reporting entity holds an interest in less than twenty acres of agricultural land in this state and the gross revenue produced from all farming on the land equals less than ten thousand dollars.

98 Acts, ch 1110, §204, 301; 2000 Acts, ch 1197, §1, 10; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1147, §1 – 3; 2005 Acts, ch 3, §2; 2005 Acts, ch 16, §1, 7; 2005 Acts, ch 135, §102; 2005 Acts, ch 179, §135; 2008 Acts, ch 1162, §129, 154, 155; 2012 Acts, ch 1023, §3; 2013 Acts, ch 90, §4

Referred to in §10B.3, 10B.6

Subsection 2, paragraph g amended

**10B.4A Suspension of other filing requirements.**

The secretary of state shall not prepare or distribute forms for reports or file reports otherwise required pursuant to section 9I.8 or 501.103. A person required to file a report pursuant to this chapter is not required to file a report under those sections. A person required to file a report pursuant to this chapter is not required to register with the secretary of state as otherwise required in section 9I.7.

2000 Acts, ch 1022, §2; 2002 Acts, ch 1028, §2, 6; 2003 Acts, ch 44, §5; 2003 Acts, ch 115, §14, 19

**10B.5 Use of reports.**

1. The secretary of state shall notify the attorney general when the secretary of state has reason to believe a violation of this chapter has occurred.

2. Information provided in reports required in this chapter is a confidential record as provided in section 22.7. The attorney general may have access to the reports, and may use information in the reports in any action to enforce state law, including but not limited to chapters 9H and 9I. The reports shall be made available to members of the general assembly and appropriate committees of the general assembly in order to determine the extent that agricultural land is held in this state by corporations and other business and foreign entities and the effect of such land ownership upon the economy of this state. The secretary of state shall assist any committee of the general assembly studying these issues.

98 Acts, ch 1110, §205, 301; 2004 Acts, ch 1147, §4; 2011 Acts, ch 118, §22, 89

**10B.6 Penalties.**

1. The failure to timely file a report or the filing of false information in a report as provided in section 10B.4 is punishable by a civil penalty not to exceed one thousand dollars.

2. The secretary of state shall notify a reporting entity which the secretary of state has reason to believe is required to file a report and who has not filed a timely report, that the person may be in violation of section 10B.4. The secretary of state shall include in the notice a statement of the penalty which may be assessed if the required report is not filed within thirty

days. The secretary of state shall refer to the attorney general any reporting entity which the secretary of state has reason to believe is required to report if, after thirty days from receipt of the notice, the reporting entity has not filed the required report. The attorney general may, upon referral from the secretary of state, file an action in district court to seek the assessment of a civil penalty of one hundred dollars for each day the report is not filed.

98 Acts, ch 1110, §206, 301

**10B.7 Lessees conducting research or experiments — reports.**

Lessees of agricultural land under section 9H.4, subsection 1, paragraph *"b"*, subparagraph (3), for research or experimental purposes, shall file a biennial report with the secretary of state on or before March 31 of each odd-numbered year on forms adopted pursuant to chapter 17A and supplied by the secretary of state. However, a lessee required to file a biennial report pursuant to chapter 489, 490, 496C, 497, 498, 499, 501, 501A, or 504 shall file the report required by this section in the same year as required by that chapter. The lessee may file the report required by this section together with the biennial report required to be filed by one of the other chapters referred to in this paragraph. The report shall contain the following information for the reporting period:

1. The name and principal place of business of the lessee.
2. The location of the agricultural land used for research or experimental purposes.
3. The date that the lease became effective.
4. The name and address of each person purchasing breeding stock produced on the agricultural land.
5. The number or volume of breeding stock purchased by each person purchasing breeding stock produced on the agricultural land.

89 Acts, ch 311, §24
CS89, §172C.6
C93, §9H.6
2003 Acts, ch 115, §16, 19
CS2003, §10B.7
2004 Acts, ch 1049, §191; 2004 Acts, ch 1147, §5; 2005 Acts, ch 3, §3; 2007 Acts, ch 126, §3; 2008 Acts, ch 1032, §192; 2008 Acts, ch 1162, §130, 154, 155

# CHAPTER 10C

## LIFE SCIENCE PRODUCTS

Repealed by 2011 Acts, ch 118, §35, 89

# CHAPTER 10D

## AGRICULTURAL LAND INTERESTS OF QUALIFIED ENTERPRISES

Referred to in §175.37

Legislative purpose; 2002 Acts, ch 1028, §1

10D.1 Definitions.
10D.2 Qualified enterprises — agricultural land interests.
10D.3 Enforcement — penalties.

**10D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural land"* means land suitable for use in farming as defined in section 9H.1.
2. *"Baby chicks"* means the same as defined in section 168.1.

3. *"Qualified enterprise"* or *"enterprise"* means a limited liability company as defined in section 489.102, a domestic or foreign corporation subject to chapter 490, a nonprofit corporation organized under chapter 504, a cooperative association as defined in section 10.1, or a foreign business as defined in section 9I.1.

2002 Acts, ch 1028, §3, 6; 2002 Acts, ch 1175, §74; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2008 Acts, ch 1162, §132, 154, 155

**10D.2 Qualified enterprises — agricultural land interests.**

Notwithstanding any other provision of law, a qualified enterprise may acquire or hold an ownership or leasehold interest in agricultural land as long as the qualified enterprise complies with all of the following requirements:

1. The enterprise files a notice with the secretary of state not later than June 30, 2002. The notice shall be a simple statement providing the name of the enterprise and the address of the enterprise's registered office or registered agent. The notice shall indicate that the enterprise intends to acquire or hold an interest in agricultural land under this chapter. The secretary of state shall file the notice together with reports required for the enterprise as required in chapter 10B.

2. The enterprise holds a total of not more than one thousand two hundred eighty acres of agricultural land. The enterprise must hold not more than eight hundred acres of agricultural land in any one county.

3. The enterprise only holds the agricultural land for a designated or incidental use.

*a.* A designated use must relate to producing baby chicks or fertile chicken eggs for any of the following purposes:

(1) Sale or resale as breeding stock or breeding stock progeny.

(2) Research, testing, or experimentation related to the genetic characteristics of chickens.

(3) The production and sale of products using biotechnological systems or techniques for purposes of manufacturing animal vaccine, pharmaceutical, or nutriceutical products.

*b.* An incidental use must be for a purpose related to the sale of a surplus commodity or cull animal that is produced or kept on the agricultural land, or to the sale of any by-product that is produced as part of a designated use.

2002 Acts, ch 1028, §4, 6

**10D.3 Enforcement — penalties.**

1. The office of attorney general or a county attorney shall enforce the provisions of this chapter.

2. A person who violates a provision of this chapter shall be subject to all of the following:

*a.* The person shall be assessed a civil penalty of not more than twenty-five thousand dollars. Each day that a violation exists constitutes a separate offense.

*b.* The person shall be divested of any land held in violation of this chapter within one year after judgment. The court may determine the method of divesting an interest held by a person found to be in violation of this chapter. A financial gain realized by the person that disposes of an interest held in violation of this chapter shall be forfeited.

*c.* The person shall pay all court costs and fees associated with any enforcement action which shall be taxed as court costs.

3. If the attorney general is the prevailing party, the moneys required to be paid or forfeited by a person who violates a provision of this chapter shall be deposited in the general fund of the state. If the county attorney is the prevailing party, the moneys shall be deposited in the general fund of the county.

4. The courts of this state may prevent and restrain violations of this chapter through the issuance of an injunction. The attorney general or a county attorney shall institute suits on behalf of the state to prevent and restrain violations of this chapter.

5. A person who is in violation of this chapter shall not be subject to an enforcement action other than as provided in this section.

2002 Acts, ch 1028, §5, 6

# CHAPTER 11

## AUDITOR OF STATE

Referred to in §99D.17, 185.34, 261E.9, 331.303

AUDIT OF STATE DEPARTMENTS

11.1 Definitions.
11.2 Annual settlements.
11.3 Repealed by 75 Acts, ch 70, §1.
11.4 Report of audits.
11.5 Method of keeping accounts.
11.5A Audit or examination — costs.
11.5B Repayment of audit expenses by state departments and agencies.

AUDIT OF GOVERNMENTAL SUBDIVISIONS AND RELATED ORGANIZATIONS

11.6 Audits of governmental subdivisions and related organizations — consultative services.
11.7 through 11.10 Repealed by 2011 Acts, ch 75, §41.
11.11 Scope of audits.
11.12 and 11.13 Repealed by 2011 Acts, ch 75, §41.
11.14 Reports — public inspection.
11.15 through 11.17 Repealed by 2011 Acts, ch 75, §41.
11.18 Repealed by 89 Acts, ch 264, §10.
11.19 Auditor's powers and duties.
11.20 Bills — audit and payment.
11.21 Repayment — objections.
11.22 Repealed by 83 Acts, ch 123, §206, 209.
11.23 Duty to install. Repealed by 2011 Acts, ch 75, §41.

REVIEW OF PUBLICLY FUNDED ENTITIES

11.24 Review of entities receiving public moneys.
11.25 Reports required. Repealed by 2011 Acts, ch 75, §41.

REVIEW OF TARGETED SMALL BUSINESS PROCUREMENT ACTIVITIES

11.26 Targeted small business.
11.27 Biennial report. Repealed by 2011 Acts, ch 75, §41.

REPORTS

11.28 Individual audit or examination reports.
11.29 Repealed by 87 Acts, ch 115, §83.

APPOINTMENT AND COMPENSATION

11.30 Salary.
11.31 State auditors.

OUTSIDE ACCOUNTANTS

11.32 Certified accountants employed.
11.33 through 11.35 Reserved.
11.36 Review of entities receiving public moneys. Transferred to §11.24.
11.37 through 11.40 Reserved.

ACCESS TO INFORMATION

11.41 Access to information — confidentiality.
11.42 Disclosures prohibited.
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11.46 Targeted small business. Transferred to §11.26.
11.47 through 11.50 Reserved.

ENFORCEMENT

11.51 Subpoenas.
11.52 Refusal to testify.
11.53 Report filed with county attorney.
11.54 Duty of attorney general.

## AUDIT OF STATE DEPARTMENTS

**11.1 Definitions.**

1. For purposes of this chapter, unless the context otherwise requires:

*a.* "*Department*" means any authority charged by law with official responsibility for the expenditure of public money of the state and any agency receiving money from the general revenues of the state.

*b.* "*Examination*" means procedures that are less in scope than an audit but which are directed toward reviewing financial activities and compliance with legal requirements.

*c.* "*Governmental subdivision*" means cities and administrative agencies established by

cities, hospitals or health care facilities established by a city, counties, county hospitals organized under chapters 347 and 347A, memorial hospitals organized under chapter 37, entities organized under chapter 28E, community colleges, area education agencies, and school districts.

*d.* *"Regents institutions"* means the institutions governed by the board of regents under section 262.7.

2. As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

[C24, 27, 31, §339; C35, §101-a1; C39, §**101.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.1]

2000 Acts, ch 1148, §1; 2011 Acts, ch 75, §1

Referred to in §24.24

**11.2 Annual settlements.**

1. The auditor of state shall annually, and more often if deemed necessary, audit the state and all state officers and departments receiving or expending state funds, except that the accounts, records, and documents of the treasurer of state shall be audited daily.

2. Departments shall immediately notify the auditor of state regarding any suspected embezzlement, theft, or other significant financial irregularities.

3. In conjunction with the audit of the state board of regents required under this section, the auditor of state, in accordance with generally accepted auditing standards, shall perform audit testing on the state board of regents' investments. The auditor shall report to the state board of regents concerning compliance with state law and state board of regents' investment policies. The state board of regents is responsible for remedying any reported noncompliance with its own policy or practices.

*a.* The state board of regents shall make available to the auditor of state and treasurer of state the most recent annual report of any investment entity or investment professional employed by a regents institution.

*b.* All contracts or agreements with an investment entity or investment professional employed by a regents institution shall require the investment entity or investment professional employed by a regents institution to notify in writing the state board of regents within thirty days of receipt of all communication from an independent auditor or the auditor of state or any regulatory authority of the existence of a material weakness in internal control, or regulatory orders or sanctions against the investment entity or investment professional, with regard to the type of services being performed under the contracts or agreements. This provision shall not be limited or avoided by another contractual provision.

*c.* The audit under this section shall not be certified until the most recent annual reports of any investment entity or investment professional employed by a regents institution are reviewed by the auditor of state.

*d.* The review of the most recent annual report to shareholders of an open-end management investment company or an unincorporated investment company or investment trust registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, pursuant to 17 C.F.R. § 270.30d-1 or the review, by the person performing the audit, of the most recent annual report to shareholders, call reports, or the findings pursuant to a regular examination under state or federal law, to the extent the findings are not confidential, of a bank, savings and loan association, or credit union shall satisfy the review requirements of this subsection.

*e.* As used in this subsection, *"investment entity"* and *"investment professional"* exclude a bank, savings and loan association, or credit union when acting as an approved depository pursuant to chapter 12C.

[C97, §161; S13, §161-a; C24, 27, 31, §340; C35, §101-a2; C39, §**101.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.2]

92 Acts, ch 1156, §1; 2003 Acts, ch 145, §131; 2007 Acts, ch 126, §4; 2008 Acts, ch 1032, §201; 2011 Acts, ch 75, §2 – 4; 2012 Acts, ch 1021, §4

Referred to in §24.24, 262.14, 422.72

**11.3** Repealed by 75 Acts, ch 70, § 1.

**11.4 Report of audits.**

1. The auditor of state shall make or cause to be made and filed and kept in the auditor's office written reports of all audits and examinations, which reports shall include, if applicable, the following:

*a.* The financial condition of the state or department.

*b.* Whether, in the auditor's opinion,

(1) Funds have been expended for the purpose for which appropriated.

(2) The department so audited or examined is efficiently conducted, and if the maximum results for the money expended are obtained.

(3) The work of the departments so audited or examined needlessly conflicts with or duplicates the work done by any other department.

*c.* All illegal or unbusinesslike practices.

*d.* Any recommendations for greater simplicity, accuracy, efficiency, or economy in the operation of the business of the several departments and institutions.

*e.* Any other information which, in the auditor's judgment, may be of value.

2. The state auditor is hereby authorized to obtain, maintain, and operate, under the auditor's exclusive control such machinery as may be necessary to print confidential reports and documents originating in the auditor's office.

[S13, §161-a; C24, 27, 31, §342; C35, §101-a4; C39, §**101.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.4]

92 Acts, ch 1242, §14; 2008 Acts, ch 1032, §117; 2011 Acts, ch 75, §5, 6

Referred to in §24.24

**11.5 Method of keeping accounts.**

Each department and institution of the state shall keep its records and accounts in such form and by such methods as to be able to exhibit in its reports the matters required by the auditor of state, unless otherwise specifically prescribed by law. Each department and institution of the state shall keep its records and accounts in a current condition. The failure of the head of any department of the state to comply with this provision shall be ground for the department head's suspension from office.

[S13, §161-a; C24, 27, 31, §343; C35, §101-a5; C39, §**101.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.5]

Referred to in §24.24

Suspension of state officers, chapter 67

**11.5A Audit or examination — costs.**

When requested by the auditor of state, the department of management shall transfer from any unappropriated funds in the state treasury an amount not exceeding the expenses and prorated salary costs already paid to perform audits or examinations of state departments and agencies, the offices of the judicial branch, and federal financial assistance as defined in the federal Single Audit Act, 31 U.S.C. § 7501, et seq., received by all other departments, as listed in section 11.5B, for which payments by agencies have not been made. Upon payment by the departments, the auditor of state shall credit the payments to the state treasury.

87 Acts, ch 234, §422; 98 Acts, ch 1047, §9; 2011 Acts, ch 75, §7; 2012 Acts, ch 1021, §5

**11.5B Repayment of audit expenses by state departments and agencies.**

The auditor of state shall be reimbursed by a department or agency for performing audits or examinations of the following state departments or agencies, or funds received by a department or agency:

1. Department of commerce.
2. Department of human services.
3. State department of transportation.
4. Iowa department of public health.
5. State board of regents.
6. Department of agriculture and land stewardship.

7. Iowa veterans home.
8. Department of education.
9. Department of workforce development.
10. Department of natural resources.
11. Offices of the clerks of the district court of the judicial branch.
12. The Iowa public employees' retirement system.
13. Federal financial assistance, as defined in the federal Single Audit Act, 31 U.S.C. § 7501, et seq., received by all other departments.
14. Department of administrative services.

90 Acts, ch 1247, §3; 90 Acts, ch 1261, §24; 94 Acts, ch 1187, §16; 96 Acts, ch 1186, §23; 98 Acts, ch 1047, §10; 2000 Acts, ch 1141, §13, 19; 2003 Acts, ch 145, §286; 2008 Acts, ch 1144, §1, 13; 2011 Acts, ch 75, §8, 9; 2011 Acts, ch 118, §37, 89
Referred to in §11.5A

## AUDIT OF GOVERNMENTAL SUBDIVISIONS AND RELATED ORGANIZATIONS

**11.6 Audits of governmental subdivisions and related organizations — consultative services.**

1. *a.* (1) Except for entities organized under chapter 28E having gross receipts of one hundred thousand dollars or less in a fiscal year, the financial condition and transactions of all government subdivisions shall be audited annually, except that cities having a population of less than two thousand and budgeted gross expenditures of one million dollars or more in a fiscal year shall be subject to a required fiscal year examination for that fiscal year according to procedures established by the office of auditor of state, and cities having a population of less than two thousand and budgeted gross expenditures of less than one million dollars in a fiscal year shall be subject to periodic examination by the auditor of state according to procedures established by the auditor of state, and may be examined as otherwise provided in this section. However, a city having a population of less than two thousand and budgeted gross expenditures of one million dollars or more in a fiscal year shall not be subject to a required fiscal year examination until the city has two consecutive years of budgeted gross expenditures of one million dollars or more in both fiscal years, and such examination shall be conducted during the second of such fiscal years. A city meeting the requirements for a periodic examination shall be subject to an examination under this section at least once during an eight-year period at a time determined by the auditor of state. The audit of school districts shall include an audit of all school funds including categorical funding provided by the state, the certified annual financial report, the certified enrollment as provided in section 257.6, supplementary weighting as provided in section 257.11, the revenues and expenditures of any nonprofit school organization established pursuant to section 279.62, and entrepreneurial education funds established pursuant to section 298A.15. Differences in certified enrollment shall be reported to the department of management. The audit of school districts shall include at a minimum a determination that the laws of the state are being followed, that categorical funding is not used to supplant other funding except as otherwise provided, that supplementary weighting is pursuant to an eligible sharing condition, and that postsecondary courses provided in accordance with section 257.11 and chapter 261E supplement, rather than supplant, school district courses. The audit of a city that owns or operates a municipal utility providing local exchange services pursuant to chapter 476 shall include performing tests of the city's compliance with section 388.10. The audit of a city that owns or operates a municipal utility providing telecommunications services pursuant to section 388.10 shall include performing tests of the city's compliance with section 388.10.

(2) Subject to the exceptions and requirements of subsections 2 and 3, and subsection 4, paragraph "*a*", subparagraph (3), audits or required fiscal year examinations shall be made as determined by the governmental subdivision either by the auditor of state or by certified

public accountants, certified in the state of Iowa, and they shall be paid from the proper public funds of the governmental subdivision. However, a periodic examination of a city shall be conducted by the auditor of state or by a certified public accountant employed by the auditor of state pursuant to section 11.32, and shall be paid from examination fees collected pursuant to subsection 11.

*b.* The financial condition and transactions of community mental health centers organized under chapter 230A, substance abuse programs organized under chapter 125, and community action agencies organized under chapter 216A, shall be audited at least once each year.

*c.* (1) In conjunction with the audit of the governmental subdivision required under this section, the auditor shall also perform tests for compliance with the investment policy of the governmental subdivision. The results of the compliance testing shall be reported in accordance with generally accepted auditing standards. The auditor may also make recommendations for changes to investment policy or practices. The governmental subdivision is responsible for the remedy of reported noncompliance with its policy or practices.

(2) (a) As part of its audit, the governmental subdivision is responsible for obtaining and providing to the auditor the audited financial statements and related report on internal control of outside persons, performing any of the following during the period under audit for the governmental subdivision:

(i) Investing public funds.

(ii) Advising on the investment of public funds.

(iii) Directing the deposit or investment of public funds.

(iv) Acting in a fiduciary capacity for the governmental subdivision.

(b) The audit under this section shall not be certified until all material information required by this subparagraph is reviewed by the auditor.

(3) The review by the auditor of the most recent annual report to shareholders of an open-end management investment company or an unincorporated investment company or investment trust registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, pursuant to 17 C.F.R. § 270.30d-1 or the review, by the auditor, of the most recent annual report to shareholders, call reports, or the findings pursuant to a regular examination under state or federal law, to the extent the findings are not confidential, of a bank, savings and loan association, or credit union shall satisfy the review requirements of this paragraph.

(4) All contracts or agreements with outside persons performing any of the functions listed in subparagraph (2) shall require the outside person to notify in writing the governmental subdivision within thirty days of receipt of all communication from the auditor or any regulatory authority of the existence of a material weakness in internal control, or regulatory orders or sanctions against the outside person, with regard to the type of services being performed under the contracts or agreements. This provision shall not be limited or avoided by another contractual provision.

(5) As used in this subsection, "*outside person*" excludes a bank, savings and loan association, or credit union when acting as an approved depository pursuant to chapter 12C.

(6) A joint investment trust organized pursuant to chapter 28E shall file the audit reports required by this chapter with the administrator of the securities and regulated industries bureau of the insurance division of the department of commerce within ten days of receipt from the auditor. The auditor of a joint investment trust shall provide written notice to the administrator of the time of delivery of the reports to the joint investment trust.

(7) If during the course of an audit of a joint investment trust organized pursuant to chapter 28E, the auditor determines the existence of a material weakness in the internal control or a material violation of the internal control, the auditor shall report the determination to the joint investment trust which shall notify the administrator in writing within twenty-four hours, and provide a copy of the notification to the auditor. The auditor shall provide, within twenty-four hours of the receipt of the copy of the notice, written acknowledgment of the receipt to the administrator. If the joint investment trust does not make the notification within twenty-four hours, or the auditor does not receive a copy of the notification within twenty-four hours, the auditor shall immediately notify the administrator

in writing of the material weakness in the internal control or the material violation of the internal control.

2. A governmental subdivision contracting with certified public accountants shall do so in a reasonable manner on the basis of competence and qualification for the services required and for a fair and reasonable price utilizing procedures which include a written request for proposals.

3. A township or city for which audits are not required under subsection 1 may contract with or employ the auditor of state or certified public accountants for an audit or examination of its financial transactions and condition of its funds. An audit is mandatory on application by one hundred or more taxpayers, or if there are fewer than six hundred sixty-seven taxpayers in the township or city, then by fifteen percent of the taxpayers. Payment for the audit or examination shall be made from the proper public funds of the township or city.

4. *a.* In addition to the powers and duties under other provisions of the Code, the auditor of state may at any time cause to be made a complete or partial reaudit of the financial condition and transactions of any governmental subdivision, or an office of any governmental subdivision, if any of the following conditions exists:

(1) The auditor of state has probable cause to believe such action is necessary in the public interest because of a material deficiency in an audit of the governmental subdivision filed with the auditor of state or because of a substantial failure of the audit to comply with the standards and procedures established and published by the auditor of state.

(2) The auditor of state receives from an elected official or employee of the governmental subdivision a written request for a complete or partial reaudit of the governmental subdivision.

(3) The auditor of state receives a petition signed by at least one hundred eligible electors of the governmental subdivision requesting a complete or partial reaudit of the governmental subdivision. If the governmental subdivision has not contracted with or employed a certified public accountant to perform an audit of the fiscal year in which the petition is received by the auditor of state, the auditor of state may perform an audit required by subsection 1 or 3.

*b.* The reaudit shall be paid from the proper public funds available in the office of the auditor of state. In the event the audited governmental subdivision recovers damages from a person performing a previous audit due to negligent performance of that audit or breach of the audit contract, the auditor of state shall be entitled to reimbursement on an equitable basis for funds expended from any recovery made by the governmental subdivision.

5. The auditor of state may, within three years of filing, during normal business hours upon reasonable notice of at least twenty-four hours, review the audit work papers prepared in the performance of an audit or examination conducted pursuant to this section.

6. An audit required by this section shall be completed within nine months following the end of the fiscal year that is subject to the audit. At the request of the governmental subdivision, the auditor of state may extend the nine-month time limitation upon a finding that the extension is necessary and not contrary to the public interest and that the failure to meet the deadline was not intentional.

7. The auditor of state shall make guidelines available to the public setting forth accounting and auditing standards and procedures and audit and legal compliance programs to be applied in the audit of the governmental subdivisions of the state, which shall require a review of internal control and specify testing for compliance. The guidelines shall include a requirement that the certified public accountant and governmental subdivision immediately notify the auditor of state regarding any suspected embezzlement, theft, or other significant financial irregularities. The auditor of state shall also provide standard reporting formats for use in reporting the results of an audit of a governmental subdivision.

8. The auditor of state shall provide advice and counsel to public entities and certified public accountants concerning audit and examination matters. The auditor of state shall adopt rules in accordance with chapter 17A to establish a fee schedule based upon the prevailing rate for the service rendered. The auditor of state shall obtain payment from a public entity or certified public accountant for advisory and consultation services rendered pursuant to this subsection. The auditor of state may waive any charge provided in this subsection and may determine to provide certain services without cost.

9. Accounts of the Iowa state association of counties, the Iowa league of cities, and the Iowa association of school boards shall be audited annually by either the auditor of state or a certified public accountant certified in the state of Iowa. The audit shall state all moneys expended for expenses incurred by and salaries paid to legislative representatives and lobbyists of the association audited.

10. The auditor of state shall adopt rules in accordance with chapter 17A to establish and collect a filing fee for the filing of each report of audit or examination conducted pursuant to subsection 1, paragraphs "*a*" and "*c*", subsection 2, and subsection 3. The funds collected shall be maintained in a segregated account for use by the office of the auditor of state in performing audits conducted pursuant to subsection 4 and for work paper reviews conducted pursuant to subsection 5. Any funds collected by the auditor pursuant to subsection 4 shall be deposited in this account. Notwithstanding section 8.33, the funds in this account shall not revert at the end of any fiscal year.

11. *a.* The auditor of state shall adopt rules in accordance with chapter 17A to establish and collect a periodic examination fee from cities that are not required to have an audit or required fiscal year examination conducted pursuant to subsection 1 during a fiscal year. Such fees are due on March 31 each year. The auditor of state shall base the fees on a sliding scale, based on the city's budgeted gross expenditures, to produce total revenue of not more than three hundred seventy-five thousand dollars for each fiscal year. However, cities that pay a filing fee for an audit or examination pursuant to subsection 10 during the fiscal year are not required to pay the examination fee. The funds collected shall be maintained in a segregated account for use by the office of the auditor of state in performing periodic examinations conducted pursuant to subsection 1. However, if the fees collected in one fiscal year exceed three hundred seventy-five thousand dollars, the auditor of state shall apply the excess funds to provide training to city officials on municipal financial management or shall contract with a qualified organization to provide such training. Notwithstanding section 8.33, any fees collected by the auditor of state for these purposes that remain unexpended at the end of the fiscal year shall not revert to the general fund of the state or any other fund but shall remain available for use for the following fiscal year for the purposes authorized in this subsection.

*b.* The auditor of state shall provide an annual report by January 15 of each year to the general assembly's standing committees on government oversight, advising the general assembly on the status of the account created in this subsection and on the status of the required fiscal year examinations and periodic examinations of cities.

12. Each governmental subdivision shall keep its records and accounts in such form and by such methods as to be able to exhibit in its reports the matters required by the auditor of state, unless a form or method is otherwise specifically prescribed by law. Each governmental subdivision shall keep its records and accounts in current condition.

[S13, §100-d, 1056-a11, -a13; C24, 27, 31, 35, 39, §**113;** C46, 50, 54, 58, 62, 66, 71, §11.6; C73, 75, 77, 79, 81, §11.6, 332.3(27); S81, §11.6; 81 Acts, ch 117, §1000]

84 Acts, ch 1123, §1; 84 Acts, ch 1128, §1; 89 Acts, ch 264, §1; 90 Acts, ch 1013, §1; 91 Acts, ch 267, §222; 92 Acts, ch 1156, §2 – 4; 92 Acts, ch 1187, §1; 92 Acts, ch 1232, §301; 92 Acts, ch 1242, §16, 17; 96 Acts, ch 1215, §20; 2004 Acts, ch 1022, §1; 2004 Acts, ch 1048, §1; 2005 Acts, ch 179, §90; 2006 Acts, ch 1117, §1; 2008 Acts, ch 1032, §118 – 120; 2008 Acts, ch 1181, §42; 2011 Acts, ch 75, §10 – 19; 2012 Acts, ch 1107, §1, 2, 4; 2013 Acts, ch 71, §1, 4; 2013 Acts, ch 129, §45, 46

Referred to in §11.19, 11.24, 15J.7, 123.58, 125.55, 216A.98, 230A.110, 256F.4, 257.6, 279.38, 331.402, 331.902, 358C.12, 364.5, 388.10, 403.23, 411.5

2012 amendments to subsection 1, paragraph a, and adding subsection 11 take effect July 1, 2013; 2012 Acts, ch 1107, §4

See Code editor's note on simple harmonization

Subsection 1, paragraph a amended

Subsection 10 amended

NEW subsection 11 and former subsection 11 renumbered as 12

**11.7 through 11.10** Repealed by 2011 Acts, ch 75, § 41. See § 11.31 and 11.41(2).

**11.11 Scope of audits.**

The written report of the audit of a governmental subdivision shall include the auditor's opinion as to whether a governmental subdivision's financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles or with an other comprehensive basis of accounting. As a part of conducting an audit of a governmental subdivision, an evaluation of internal control and tests for compliance with laws and regulations shall be performed. As part of conducting an audit of a governmental subdivision, an examination of the governmental subdivision's compliance with the reporting requirements of section 331.403, subsection 3, or section 384.22, subsection 2, if applicable, shall be performed.

[S13, §100-d, 1056-a11; C24, 27, 31, 35, 39, §**117;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.11]

2011 Acts, ch 75, §20; 2012 Acts, ch 1124, §3

Referred to in §123.58

Section not amended; editorial change applied

**11.12 and 11.13** Repealed by 2011 Acts, ch 75, § 41. See § 11.51 and 11.52.

**11.14 Reports — public inspection.**

1. A written report of an audit or examination shall be provided to the governmental subdivision and filed with the auditor of state. All reports shall be open to public inspection, including copies on file in the office of the state auditor, and refusal on the part of any public official to permit such inspection when such reports have been filed with the state auditor shall constitute a simple misdemeanor.

2. In addition to subsection 1, notice that the report has been filed shall be forwarded immediately to each newspaper, radio station, or television station located in the governmental subdivision that was audited or examined. However, if there is no newspaper, radio station, or television station located in the governmental subdivision, such notice shall be sent to the official newspapers of the county.

[S13, §100-d, 1056-a11; C24, 27, 31, 35, 39, §**120;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.14]

2011 Acts, ch 75, §21

Referred to in §123.58, 125.55, 216A.98, 256F.4

**11.15 through 11.17** Repealed by 2011 Acts, ch 75, § 41. See § 11.42, 11.53, and 11.54.

**11.18** Repealed by 89 Acts, ch 264, § 10.

**11.19 Auditor's powers and duties.**

1. Where an audit or examination is made under contract with, or employment of, certified public accountants, the auditor shall, in all matters pertaining to an authorized audit or examination, have all of the powers and be vested with all the authority of state auditors employed by the auditor of state, and the cost of the audit or examination shall be paid by the governmental subdivision procuring the audit or examination. A detailed statement of the cost of the audit or examination shall be filed with the governmental subdivision. Upon completion of such audit or examination, a copy of the report and a detailed, itemized statement of cost, including hours spent performing the audit or examination, shall be filed with the auditor of state in a manner specified by the auditor of state.

2. Failure to file the report and the statement of cost with the auditor of state within thirty days after receiving notification of not receiving the report and the statement of cost shall bar the accountant from making any governmental subdivision audits or examinations under section 11.6 for the following fiscal year.

[C39, §**124.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.19]

89 Acts, ch 264, §3; 2011 Acts, ch 75, §22

Referred to in §125.55, 216A.98, 230A.110, 256F.4

**11.20 Bills — audit and payment.**

If the audit or examination is made by the auditor of state under this chapter, each auditor shall file with the auditor of state an itemized, certified and sworn voucher of time and expense that the auditor is actually engaged in the audit or examination. The salaries shall be included in a two-week payroll period. Upon approval of the auditor of state the director of the department of administrative services may issue warrants for the payment of the vouchers and salary payments from any unappropriated funds in the state treasury. Repayment to the state shall be made as provided by section 11.21.

[S13, §100-a, -e, 1056-a11; C24, 27, 31, 35, 39, §**125;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.20]

84 Acts, ch 1118, §1; 85 Acts, ch 67, §4; 2003 Acts, ch 145, §286; 2011 Acts, ch 75, §23

Referred to in §11.21

**11.21 Repayment — objections.**

1. Upon payment by the state of the salary and expenses, the auditor of state shall file with the warrant-issuing officer of the governmental subdivision whose offices were audited or examined a sworn statement consisting of the itemized expenses paid and prorated salary costs paid under section 11.20. Upon approval by the governing body of the governmental subdivision, payment shall be made from the proper public funds of the governmental subdivision. In the event of the disapproval by the governing body of the governmental subdivision of any items included on the statement, written objections shall be filed with the auditor of state within thirty days from the filing of the sworn statement with the warrant-issuing officer of the governmental subdivision. Disapproved items of the statement shall be paid the auditor of state upon receiving final decisions emanating from public hearing established by the auditor of state.

2. Whenever the governing body of the governmental subdivision files written objections on the question of compensation and expenses with the auditor of state, the auditor or the auditor's representative shall hold a public hearing in the governmental subdivision where the audit or examination was made and shall give the complaining board notice of the time and place of hearing. After such hearing the auditor shall have the power to reduce the compensation and expenses of the auditor whose bills have been questioned.

[S13, §100-a, -e, 1056-a11; C24, 27, 31, 35, 39, §**126;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.21]

83 Acts, ch 123, §28, 209; 2011 Acts, ch 75, §24

Referred to in §11.20, 123.58, 331.401

**11.22** Repealed by 83 Acts, ch 123, § 206, 209.

**11.23 Duty to install.** Repealed by 2011 Acts, ch 75, § 41.

REVIEW OF
PUBLICLY FUNDED ENTITIES

**11.24 Review of entities receiving public moneys.**

1. The auditor of state may, at the request of a department, review, during normal business hours upon reasonable notice of at least twenty-four hours, the audit working papers prepared by a certified public accountant covering the receipt and expenditure of state or federal funds provided by the department to any other entity to determine if the receipt and expenditure of those funds by the entity is consistent with the laws, rules, regulations, and contractual agreements governing those funds. Upon completion of the review, the auditor of state shall report whether, in the auditor of state's judgment, the auditor of state believes the certified public accountant's working papers adequately demonstrate that the laws, rules, regulations, and contractual agreements governing the funds have been substantially complied with. If the auditor of state does not believe the certified public accountant's working papers adequately demonstrate that the laws, rules,

regulations, and contractual agreements have been substantially complied with or believes a complete or partial reaudit is necessary based on the provisions of section 11.6, subsection 4, paragraph *"a"*, subparagraph (1) or (2), the auditor of state shall notify the certified public accountant and the department of the actions the auditor of state believes are necessary to determine whether the entity is in substantial compliance with those laws, rules, regulations, and contractual agreements. The auditor of state may assist departments with actions to determine whether the entity is in substantial compliance. Departments requesting the review shall reimburse the auditor of state for the cost of the review and any subsequent assistance provided by the auditor of state.

2. The auditor of state may, at the request of a department, review the records covering the receipt and expenditure of state or federal funds provided by the department to any other entity which has not been audited by a certified public accountant to determine if the receipt and expenditure of those funds by the entity is consistent with the laws, rules, regulations, and contractual agreements governing those funds. Upon completion of the review, the auditor of state shall report whether, in the auditor of state's judgment, the auditor of state believes the entity adequately demonstrated that the laws, rules, regulations, and contractual agreements governing the funds have been substantially complied with. If the auditor of state does not believe the entity adequately demonstrated that the laws, rules, regulations, and contractual agreements have been substantially complied with, the auditor of state shall notify the department of the actions the auditor of state believes are necessary to determine whether the entity is in substantial compliance with those laws, rules, regulations, and contractual agreements. The auditor of state may assist a department with actions to determine whether the entity is in substantial compliance. Departments requesting the review shall reimburse the auditor of state for the cost of the review and any subsequent assistance provided by the auditor of state.

3. When, in the auditor of state's judgment, the auditor of state finds that sufficient information is available to demonstrate that an entity receiving state or federal funds from a department may not have substantially complied with the laws, rules, regulations, and contractual agreements governing those funds, the auditor of state shall notify the department providing those funds to the entity of the auditor of state's finding. The department shall cooperate with the auditor of state to establish actions to be taken to determine whether substantial compliance with those laws, rules, regulations, and contractual agreements has been achieved by the entity receiving the state or federal funds from the department. Departments providing the state or federal funds shall reimburse the auditor of state for any actions taken by the auditor of state to determine whether the entity has substantially complied with the laws, rules, regulations, and contractual agreements governing the funds provided by the department for costs expended after the date the auditor of state notifies the department of an issue involving substantial compliance pursuant to the requirements of this subsection.

[C81, §7A.8]
C87, §11.36
2006 Acts, ch 1153, §10; 2007 Acts, ch 22, §4; 2008 Acts, ch 1032, §193
CS2011, §11.24
Audits of community action agencies, §216A.98

**11.25 Reports required.** Repealed by 2011 Acts, ch 75, § 41.

## REVIEW OF TARGETED SMALL BUSINESS PROCUREMENT ACTIVITIES

**11.26 Targeted small business.**

After the conclusion of each fiscal year, the auditor of state shall annually conduct a review of whether state agencies are meeting their goal for procurement activities conducted pursuant to sections 73.15 through 73.21, and compliance with the forty-eight hour notice provision in section 73.16, subsection 2. By December 31 of each year, the auditor of state

shall file a written report with the governor and the general assembly which shall include the findings of the review. The auditor of state may charge a fee to cover the costs of conducting activities under this section. The first report filed pursuant to this section shall be for the fiscal year beginning July 1, 2007. However, the auditor of state shall file a report pursuant to this section by March 1, 2008, for the time period beginning July 1, 2007, and ending September 30, 2007.

2007 Acts, ch 207, §2, 18
CS2007, §11.46
CS2011, §11.26

**11.27 Biennial report.** Repealed by 2011 Acts, ch 75, § 41.

REPORTS

**11.28 Individual audit or examination reports.**

Audit or examination reports shall include applicable exhibits, schedules, findings, and recommendations. The format of the reports shall comply with applicable professional accounting and auditing standards or procedures established by the auditor of state. Where applicable, the reports shall also set forth the average cost per year for the inmates, members, clients, patients, and students served. The reports shall make recommendations as may be deemed of advantage and to the best interests of the taxpayers of the state.

[C35, §130-e5; C39, §**130.7;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.28]

86 Acts, ch 1245, §1973; 2003 Acts, ch 145, §286; 2005 Acts, ch 121, §1; 2011 Acts, ch 75, §25

Referred to in §11.42

**11.29** Repealed by 87 Acts, ch 115, § 83.

APPOINTMENT AND COMPENSATION

**11.30 Salary.**

The salary of the auditor of state shall be as fixed by the general assembly.

[C31, 35, §130-c1; C39, §**130.9;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §11.30]

**11.31 State auditors.**

1. The auditor of state shall appoint such number of state auditors as may be necessary to make audits and examinations as required in this chapter. The auditors shall be of recognized skill and integrity and familiar with the system of accounting used in departments or governmental subdivisions and with the laws relating to the affairs of departments or governmental subdivisions. Such auditors shall be subject at all times to the direction of the auditor of state.

2. The auditor of state shall appoint such additional assistants to the auditors as may be necessary, who shall be subject to discharge at any time by the auditor of state.

3. Any auditor or assistant who is found guilty of falsifying a time and expense voucher or engagement report shall be immediately discharged by the auditor of state and shall not be eligible for reemployment. Such auditor or assistant must thereupon reimburse the auditor of state for all such compensation and expenses so found to have been overpaid and in the event of failure to do so, the auditor of state may collect the same amount from the auditor's surety by suit, if necessary.

2011 Acts, ch 75, §33

Referred to in §123.58

## OUTSIDE ACCOUNTANTS

**11.32 Certified accountants employed.**

Nothing in this chapter shall prohibit the auditor of state, with the prior written permission of the state executive council, from employing certified public accountants for specific assignments. The auditor of state may employ such accountants for any assignment expressly reserved to the auditor of state. Payments, after approval by the executive council, shall be made to the accountants so employed from funds from which the auditor of state would have been paid had the auditor of state performed the assignment, or if such specific funds are not available, then authorization of the expense by the executive council shall be requested, and if authorized shall be paid from the appropriations addressed in section 7D.29.

[C66, 71, 73, 75, 77, 79, 81, §11.32]

2011 Acts, ch 75, §26; 2011 Acts, ch 131, §18, 158

Referred to in §11.6

**11.33 through 11.35** Reserved.

**11.36 Review of entities receiving public moneys.** Transferred to § 11.24.

**11.37 through 11.40** Reserved.

## ACCESS TO INFORMATION

**11.41 Access to information — confidentiality.**

1. The auditor of state, when conducting any audit or examination required or permitted by this chapter, shall at all times have access to all information, records, instrumentalities, and properties used in the performance of the audited or examined entities' statutory duties or contractual responsibilities. All audited or examined entities shall cooperate with the auditor of state in the performance of the audit or examination and make available the information, records, instrumentalities, and properties upon the request of the auditor of state.

2. Auditors shall have the right while conducting audits or examinations to have full access to all papers, books, records, and documents of any officers or employees and shall have the right, in the presence of the custodian or the custodian's designee, to have full access to the cash drawers and cash in the official custody of the officer or employee and, during business hours, to examine the public accounts of the department or governmental subdivision in any depository which has public funds in its custody pursuant to the law.

3. If the information, records, instrumentalities, and properties sought by the auditor of state are required by law to be kept confidential, the auditor of state shall have access to the information, records, instrumentalities, and properties, but shall maintain the confidentiality of all such information and is subject to the same penalties as the lawful custodian of the information for dissemination of the information. However, the auditor of state shall not have access to the income tax returns of individuals.

2006 Acts, ch 1153, §11; 2011 Acts, ch 75, §27; 2013 Acts, ch 90, §5

Referred to in §123.58, 422.20, 422.72

Subsection 1 amended

**11.42 Disclosures prohibited.**

1. Notwithstanding chapter 22, information received during the course of any audit or examination, including allegations of misconduct or noncompliance, and all audit or examination work papers shall be maintained as confidential.

2. Information maintained as confidential as provided by this section may be disclosed for any of the following reasons:

*a.* As necessary to complete the audit or examination.

*b.* To the extent the auditor is required by law to report the same or to testify in court.

3. Upon completion of an audit or examination, a report shall be prepared as required by section 11.28 and all information included in the report shall be public information.

4. Any violation of this section shall be grounds for termination of employment with the auditor of state.

2011 Acts, ch 75, §28

**11.43 through 11.45** Reserved.

**11.46 Targeted small business.** Transferred to § 11.26.

**11.47 through 11.50** Reserved.

ENFORCEMENT

**11.51 Subpoenas.**

The auditor of state shall, in all matters pertaining to an authorized audit or examination, have power to issue subpoenas of all kinds, administer oaths and examine witnesses, either orally or in writing, and the expense attending the same, including the expense of taking oral examinations, shall be paid as other expenses of the auditor.

2011 Acts, ch 75, §29

Expenses, §11.21

**11.52 Refusal to testify.**

In case any witness duly subpoenaed refuses to attend, or refuses to produce documents, books, and papers, or attends and refuses to make oath or affirmation, or, being sworn or affirmed, refuses to testify, the auditor of state or the auditor's designee may apply to the district court, or any judge of said district having jurisdiction thereof, for the enforcement of attendance and answers to questions as provided by law in the matter of taking depositions.

2011 Acts, ch 75, §30

Procedure for contempt, §622.76, 622.77, 622.84, 622.102, chapter 665

**11.53 Report filed with county attorney.**

If an audit or examination discloses any irregularity in the collection or disbursement of public funds, in the abatement of taxes, or other findings the auditor believes represent significant noncompliance, a copy of the report shall be filed with the county attorney, and it shall be the county attorney's duty to cooperate with the state auditor, and, in proper cases, with the attorney general, to secure the correction of the irregularity.

2011 Acts, ch 75, §31

Referred to in §331.756(11)

**11.54 Duty of attorney general.**

In the event an audit or examination discloses any grounds which would be grounds for removal from office, a copy of the report shall be provided and filed by the auditor of state in the office of the attorney general of the state, who shall thereupon take such action as, in the attorney general's judgment, the facts and circumstances warrant.

2011 Acts, ch 75, §32

# CHAPTER 12

## TREASURER OF STATE

Referred to in §159.35


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## GENERAL PROVISIONS

**12.1 Office — accounts — reports.**

The treasurer shall keep the treasurer's office at the seat of government, and shall keep an accurate account of the receipts and disbursements at the treasury in books kept for that purpose, in which the treasurer shall specify the names of the persons from whom money is received, and on what account, and the time thereof.

The treasurer is responsible for reporting on the bonding activities of all political subdivisions, instrumentalities, and agencies of the state and shall make recommendations to the general assembly and the governor on modification in the bonding authority. The treasurer shall notify each political subdivision, instrumentality, and agency of the state to report to the treasurer the amount of bonds outstanding and each new bond issue. The treasurer shall adopt rules and establish forms for carrying out this provision. Each political subdivision, instrumentality, and agency of the state shall provide all the information required by the treasurer under this provision.

[C51, §62; R60, §83; C73, §75; C97, §101; C24, 27, 31, 35, 39, §**131;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.1]

86 Acts, ch 1245, §823

**12.2 Daily balance sheet.**

The treasurer of state shall so keep the books of the treasurer's office that at the close of each day's business the account of each fund will show the balance or deficit therein, and show also the total amount of the money in the state treasury, and should the books not be in balance, the daily statement shall show the amount of the surplus or deficit by which the books fail to balance.

[C24, 27, 31, 35, 39, §**132;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.2]

**12.3 Record and payment of warrants.**

The treasurer of state shall keep a record of warrants issued as certified by the director of the department of administrative services, and receive in payment of public dues the warrants so issued in conformity with law, and redeem the same, if there be money in the treasury not otherwise appropriated, and on receiving any such warrant shall cause the person presenting it to endorse it, and shall indicate on its face in a suitable manner that it has been redeemed, and keep a record of warrants redeemed showing the name of the person to whom paid, date of payment, and amount of interest paid.

[C51, §63; R60, §84; C73, §76; C97, §102; C24, 27, 31, 35, 39, §**133;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.3]

2003 Acts, ch 145, §286

**12.4 Receipts.**

When money is paid to the treasurer, the treasurer shall execute receipts in duplicate therefor, stating the fund to which it belongs, one of which must be delivered to the director of the department of administrative services in order to obtain the proper credit, and the treasurer must be charged therewith.

[C51, §64; R60, §85; C73, §77; C97, §103; C24, 27, 31, 35, 39, §**134;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.4]

2003 Acts, ch 145, §286

**12.5 Payment.**

The treasurer shall pay no money from the treasury but upon the warrants of the director of the department of administrative services, and only in the order of their presentation.

[C51, §65; R60, §86; C73, §78; C97, §104; S13, §104; C24, 27, 31, 35, 39, §**135;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.5]

2003 Acts, ch 145, §286

Warrants not paid for want of funds, chapter 74

**12.6 Report to and account with director of the department of administrative services.**

Once in each week the treasurer shall certify to the director of the department of administrative services the number, date, amount, and payee of each warrant taken up by the treasurer, with the date when taken up, and the amount of interest allowed; and on the first Monday of January, and the first day of April, July, and October, annually, the treasurer is directed to account with the director of the department of administrative services and deposit with the department of administrative services all such warrants received at the treasury, and take the director's receipt therefor.

[C51, §67; R60, §88; C73, §80; C97, §106; S13, §106; C24, 27, 31, 35, 39, §**137;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.6]

2003 Acts, ch 145, §286

**12.7 Interest on bonds.**

When interest on any bonds of the state becomes due, the treasurer shall provide funds for the payment thereof on the day and at the place where payable; and persons holding such bonds are required to present the same at such place within ten days from such day, at the expiration of which time the funds remaining unexpended and vouchers for interest paid shall be returned to the treasury.

[C73, §82; C97, §108; C24, 27, 31, 35, 39, §**138;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.7]

Deposits in general, §12C.1

**12.8 Investment or deposit of surplus — appropriation — investment income — lending securities.**

1. The treasurer of state shall invest or deposit, subject to chapters 12F and 12H and as provided by law, any of the public funds not currently needed for operating expenses and shall do so upon receipt of monthly notice from the director of the department of administrative services of the amount not so needed. In the event of loss on redemption or sale of securities

invested as prescribed by law, and if the transaction is reported to the executive council, neither the treasurer nor director of the department of administrative services is personally liable but the loss shall be charged against the funds which would have received the profits or interest of the investment and there is appropriated from the funds the amount so required.

2. Investment income may be used to maintain compensating balances, pay transaction costs for investments made by the treasurer of state, and pay administrative and related overhead costs incurred by the treasurer of state in the management of money. The treasurer of state shall coordinate with the affected departments to determine how compensating balances, transaction costs, or money management and related costs will be established. All charges against a retirement system must be documented and notification of the charges shall be made to the appropriate administration of the retirement system affected.

3. The treasurer of state, with the approval of the investment board of the Iowa public employees' retirement system, may conduct a program of lending securities in the Iowa public employees' retirement system portfolio. When securities are loaned as provided by this paragraph, the treasurer shall act in the manner provided for investment of moneys in the Iowa public employees' retirement fund under section 97B.7A. The treasurer of state shall report at least annually to the investment board of the Iowa public employees' retirement system on the program and shall provide additional information on the program upon the request of the investment board or the employees of the Iowa public employees' retirement system.

[C24, 27, 31, 35, 39, §**141;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.8]

84 Acts, ch 1180, §6; 85 Acts, ch 227, §6; 88 Acts, ch 1242, §1; 91 Acts, ch 268, §123; 94 Acts, ch 1001, §1; 2001 Acts, ch 68, §1, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §98, 102; 2007 Acts, ch 39, §8; 2011 Acts, ch 82, §8

Referred to in §12C.7

Investment or deposit, §12B.10

**12.9 Employee classifications.**

In addition to public employees listed in section 20.4, public employees of the treasurer of state who hold positions that are classified in the administrative assistant series and executive officer series are excluded from chapter 20.

2009 Acts, ch 181, §39

**12.10 Deposits by state officers.**

Except as otherwise provided, all elective and appointive state officers, boards, commissions, and departments shall, within ten days succeeding the collection, deposit with the treasurer of state, or to the credit of the treasurer of state in any depository designated by the treasurer of state, ninety percent of all fees, commissions, and moneys collected or received. The balance actually collected in cash, remaining in the hands of any officer, board, or department shall not exceed the sum of five thousand dollars and money collected shall not be held more than thirty days. This section does not apply to the state fair board, the state board of regents, the utilities board of the department of commerce, the director of the department of human services, the Iowa finance authority or to the funds received by the state racing and gaming commission under sections 99D.7 and 99D.14.

[C73, §3778; C97, §191; S13, §170-d; C24, 27, 31, 35, 39, §**143;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.10]

83 Acts, ch 96, §157, 159; 83 Acts, ch 187, §29; 84 Acts, ch 1266, §2

Referred to in §524.207, 533.111

**12.11** Repealed by 90 Acts, ch 1090, § 1.

**12.12 and 12.13** Repealed by 95 Acts, ch 219, § 46.

**12.14 Statement itemized.**

Each deposit shall be accompanied by an itemized statement of the sources from which the money has been collected, and the funds to be credited, a duplicate of which shall, at the time, be filed with the department of administrative services.

[S13, §170-d; C24, 27, 31, 35, 39, §**144;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.14]
2003 Acts, ch 145, §286

**12.15 Director and treasurer to keep account.**

The treasurer and director of the department of administrative services shall each keep an accurate account of the moneys so deposited.

[S13, §170-f; C24, 27, 31, 35, 39, §**145;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.15]
2003 Acts, ch 145, §286

**12.16 Swampland indemnity.**

All swampland indemnity money paid by the federal government to this state under any Act of Congress relating thereto shall be paid by the treasurer of state to the county treasurer of the county where the land, on account of which such payment is made, is located. The county treasurer shall be liable on a bond for the safe custody of said funds and shall promptly notify the board of supervisors of the receipt thereof. Said funds shall be applied by the said supervisors as required by law.

[S13, §116-d, -e, -f; C24, 27, 31, 35, 39, §**146;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.16]
Referred to in §331.552

**12.17 Biennial report.**

The treasurer of state shall, biennially, at the time provided by law, report to the governor the state of the treasury and exhibit therein the amount received and paid out by the treasurer since the last report, and the balance remaining in the treasury.

[C51, §68; R60, §89; C73, §81; C97, §107; C24, 27, 31, 35, 39, §**147;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.17]
Biennial reports, see §7A.3
Section not amended; footnote deleted

**12.18 Salary.**

The salary of the treasurer of state shall be as fixed by the general assembly.

[C31, 35, §147-c1; C39, §**147.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.18]

**12.19 Six-months' limit on checks.**

On the first day of each quarter of each fiscal year of the state, the state treasurer shall stop payment on and make void all treasury checks dated six months or more prior to that date, and the state treasurer shall not redeem any such check thereafter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.19]

**12.20 Issuance of new check.**

Upon presentation of any check voided as above provided by the holder thereof after said six months' period, the state treasurer is hereby authorized to issue to said holder, a new check for the amount of the original check.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §12.20]

**12.21 Accepting credit card payments.**

The treasurer of state may enter into an agreement with a financial institution to provide credit card receipt processing for state departments which are authorized by the treasurer of state to accept payment by credit card. A department which accepts credit card payments may adjust its fees to reflect the cost of processing as determined by the treasurer of state. A fee may be charged by a department for using the credit card payment method notwithstanding

any other provision of the Code setting specific fees. The treasurer of state shall adopt rules to implement this section.

89 Acts, ch 120, §1; 92 Acts, ch 1126, §1; 95 Acts, ch 219, §36

**12.22 through 12.24** Reserved.

**12.25 Legislative findings.**

The general assembly finds and declares that because of differences in the timing of the receipt of tax and other revenues and the expenditure of funds by the state, the state has been unable to remain timely on its obligations, including its payments of school aid; the untimely payment of state aid has created a hardship for schools by increasing their costs and hindering their ability to remain timely on their obligations; it would be advantageous to the state to be able to issue notes in anticipation of its tax and other revenues in order to coordinate its cash flow; and pending their use, the proceeds of notes issued in anticipation of tax and other revenues should be invested in order to pay the cost of issuing the notes and as a benefit to the state. It is the purpose of this section and section 12.26 to enable the state to make timely payments of its obligations, including its school aid payments, by securing funds through the issuance of notes in anticipation of the state's tax and other revenues.

85 Acts, ch 34, §18

**12.26 Issuance of revenue anticipation notes.**

1. In anticipation of the collection of revenues in and for a fiscal year, the treasurer of state may borrow money, and issue notes for the money, in an amount not exceeding the estimated state revenues for that year. The sums so anticipated are appropriated for the payment of the notes with interest at maturity. The notes may be issued prior to the beginning of a fiscal year, but the notes shall be payable not later than the end of the fiscal year for which they are issued. More than one series of notes may be issued in a fiscal year and the proceeds of notes may be used to retire a prior issue of notes provided that the total outstanding at any one time shall not exceed the limit prescribed in this section. The proceeds from the issuance of notes shall be invested in the same manner as other public funds and shall be used only for the purposes for which the anticipated tax revenues were levied, collected, and appropriated.

2. The principal of and the interest on notes are payable solely out of the taxes and revenues of the state for the fiscal year for which the notes are issued. The notes of each issue shall be dated, shall bear interest at a rate or rates which may be variable according to a method approved by the treasurer of state, without regard to any limit contained in chapter 74A or any other law of this state, and shall mature at a time or times not later than the end of the fiscal year, all as determined by the treasurer of state. The notes may be made redeemable before maturity, at the option of the treasurer of state, at the price and under the terms and conditions provided by the treasurer of state. The treasurer of state shall determine the form of the notes and shall fix the denomination of the notes and the place of payment of principal and interest which may be at any bank within or without the state. The notes shall be executed by the manual or facsimile signatures of the treasurer of state, the director of management, and the director of the department of administrative services. If an official whose signature or a facsimile of whose signature appears on any notes ceases to hold office before the delivery of the notes, the signature or the facsimile is valid and sufficient for all purposes the same as if the official had remained in office until the delivery. All notes issued under this section have the qualities and incidents of negotiable instruments under the laws of this state and without regard to any other law. The notes shall be issued in registered form. The notes may be sold in a manner, at public or private sale, as the treasurer of state may determine without regard to chapter 75.

3. Notes may be issued under this section without obtaining the consent of any officer or agency of this state, and without any other proceedings or conditions other than those proceedings and conditions which are specifically required by this section. The treasurer of state, the director of management, and the director of the department of administrative services are not liable personally on the notes or subject to any personal liability or accountability by reason of the issuance of the notes.

4. As used in this section, *"notes"* means notes and other obligations, including short term obligations backed by a commercial letter of credit, issued by the treasurer of state pursuant to this section.

85 Acts, ch 34, §19; 88 Acts, ch 1134, §11; 2003 Acts, ch 145, §286
Referred to in §12.25

**12.27** Repealed by 99 Acts, ch 73, § 1.

**12.28 Centralized financing for state agency purchase of real and personal property.**

1. As used in this section, unless the context otherwise requires:

*a. "Financing agreement"* means any lease, lease-purchase agreement, or installment acquisition contract in which the lessee may purchase the leased property at a price which is less than the fair market value of the property at the end of the lease term, or any lease, agreement, or transaction which would be considered under criteria established by the internal revenue service to be a conditional sale agreement for tax purposes.

*b. "State agency"* means a board, commission, bureau, division, office, department, or branch of state government. However, state agency does not mean the state board of regents, institutions governed by the board of regents, or authorities created under chapter 16, 257C, or 261A.

2. The treasurer of state shall have sole authority to enter into financing agreements on behalf of state agencies. The treasurer of state may enter into financing agreements, including master lease-purchase agreements, for the purpose of funding state agency requests for the financing of real or personal property, wherever located within the state, including equipment, buildings, facilities, and structures, or additions or improvements to existing buildings, facilities, and structures. Subject to the selection procedures of section 12.30, the treasurer may employ financial consultants, banks, trustees, insurers, underwriters, accountants, attorneys, and other advisors or consultants as necessary to implement the provisions of this section. The costs of professional services and any other costs of entering into the financing agreements may be included in the financing agreement as a cost of the property being financed.

3. The financing agreement may provide for ultimate ownership of the property by the state. Title to all property acquired in this manner shall be taken and held in the name of the state. The state shall be the lessee or contracting party under all financing agreements entered into pursuant to this section. The financing agreements may contain provisions pertaining, but not limited to, interest, term, prepayment, and the state's obligation to make payments on the financing agreement beyond the current budget year subject to availability of appropriations. All projects financed under this section shall be deemed to be for an essential governmental purpose.

4. The treasurer of state may contract for additional security or liquidity for a financing agreement and may enter into agreements for letters of credit, lines of credit, insurance, or other forms of security with respect to rental and other payments due under a financing agreement. Fees for the costs of additional security or liquidity are a cost of entering into the financing agreement and may be paid from funds annually appropriated by the general assembly to the state agency for which the property is being obtained, from other funds legally available, or from proceeds of the financing agreement. The provision of a financing agreement which provides that a portion of the periodic rental or lease payment be applied as interest is subject to chapter 74A. Other laws relating to interest rates do not apply. Chapter 75 does not apply to financing agreements entered into pursuant to this section.

5. Payments and other costs due under financing agreements entered into pursuant to this section shall be payable from funds annually appropriated by the general assembly to the state agency for which the property is being obtained or from other funds legally available. The treasurer of state, in cooperation with the department of administrative services, shall implement procedures to ensure that state agencies are timely in making payments due under the financing agreements.

6. The maximum principal amount of financing agreements which the treasurer of state can enter into shall be one million dollars per state agency in a fiscal year, subject to the

requirements of section 8.46. For the fiscal year, the treasurer of state shall not enter into more than one million dollars of financing agreements per state agency, not considering interest expense. However, the treasurer of state may enter into financing agreements in excess of the one million dollar per agency per fiscal year limit if a constitutional majority of each house of the general assembly, or the legislative council if the general assembly is not in session, and the governor, authorize the treasurer of state to enter into additional financing agreements above the one million dollar authorization contained in this section. The treasurer of state shall not enter into a financing agreement for real or personal property which is to be constructed for use as a prison or prison-related facility without prior authorization by a constitutional majority of each house of the general assembly and approval by the governor of the use, location, and maximum cost, not including interest expense, of the real or personal property to be financed. However, financing agreements for an energy conservation measure, as defined in section 7D.34, for an energy management improvement, as defined in section 473.19, or for costs associated with projects under section 473.13A, are exempt from the provisions of this subsection, but are subject to the requirements of section 7D.34. In addition, financing agreements funded through the materials and equipment revolving fund established in section 307.47 are exempt from the provisions of this subsection.

7. The treasurer of state shall decide upon the most economical method of financing a state agency's request for funds. The treasurer of state may utilize master lease-purchase agreements, issue certificates of participation in lease-purchase agreements, or use any other financing method or method of sale which the treasurer believes will provide savings to the state in issuance or interest costs.

8. A financing agreement to which the state is a party is an obligation of the state for purposes of chapters 502 and 636, and is a lawful investment for banks, trust companies, building and loan associations, savings and loan associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and other fiduciaries responsible for the investment of funds.

9. Publication of any notice, whether under section 73A.12 or otherwise, and other or further proceedings with respect to the financing agreements referred to in this section are not required except as set forth in this section, notwithstanding any provisions of other statutes of the state to the contrary.

96 Acts, ch 1177, §2; 2003 Acts, ch 145, §286; 2008 Acts, ch 1126, §2, 33; 2008 Acts, ch 1156, §13, 58; 2009 Acts, ch 97, §6; 2013 Acts, ch 100, §19, 27

Referred to in §8A.321, 8D.11, 473.19, 473.20A, 476.10B

Subsection 1, paragraph b amended

**12.29** Reserved.

**12.30 Coordination of bonding activities.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Authority"* means a department, or public or quasi-public instrumentality of the state including but not limited to the authority created under chapter 12E, 16, 257C, 261A, or 463C, which has the power to issue obligations, except that *"authority"* does not include the state board of regents or the Iowa finance authority to the extent it acts pursuant to chapter 260C. *"Authority"* also includes a port authority created under chapter 28J.

*b.* *"Obligations"* means notes, bonds, including refunding bonds, and other evidences of indebtedness of an authority.

2. Notwithstanding any other provision of the Code the treasurer shall coordinate the issuance of obligations by authorities. The treasurer, or the treasurer's designee, shall serve as ex officio nonvoting member of each authority. Prior to the issuance of obligations, an authority shall notify the treasurer of its intention to do so. The treasurer shall:

*a.* Select and fix the compensation for, in consultation with the respective authority, through a competitive selection procedure, attorneys, accountants, financial advisors, banks, underwriters, insurers, and other employees and agents which in the treasurer's judgment are necessary to carry out the authority's intention. Prior to the initial selection,

the treasurer shall, after consultation with the authorities, establish a procedure which provides for a fair and open selection process including, but not limited to, the opportunity to present written proposals and personal interviews. The treasurer shall maintain a list of firms which have requested to be notified of requests for proposal. The selection criteria shall take into consideration, but are not limited to, compensation, expenses, experience with similar issues, scheduling, ability to provide the services of individuals with specific knowledge in the relevant subject matter and length of the engagement. The treasurer may waive the requirements for a competitive selection procedure for any specific employment upon written notice to the executive council stating why the waiver is in the public interest. Upon selection by the treasurer, the authority shall promptly employ the individual or firm and be responsible for payment of costs.

*b.* Submit an account to the respective authority for all costs incurred in each transaction. The treasurer will charge an authority for costs of administration. The authority shall disburse to the treasurer the amounts set forth in the account.

*c.* Direct the investment or deposit of the proceeds of the sale of the obligations, in accordance with the language of the documents drafted to effectuate issuance of the obligations, except for the proceeds necessary to fund the ongoing operations of the authority. This paragraph does not apply to proceeds of obligations issued before July 1, 1986.

*d.* Collect from an authority and other sources, any statistical and financial information necessary to draft an offering document or prepare a presentation necessary for the issuance or marketing of the obligations.

3. Each respective authority shall consult with the treasurer on the following:

*a.* Amount, terms, and conditions of the obligations to be issued by the authority including other provisions deemed necessary by the treasurer or the authority.

*b.* The documents or instruments necessary to effectuate issuance of the obligation.

*c.* Presentations to rating agencies and marketing activities. The treasurer may choose to participate in these presentations.

4. Professional services, including but not limited to attorneys, accountants, financial advisors, banks, underwriters, insurers, and other employees employed by a project sponsor may be selected by the project sponsor, if the obligation is issued in behalf of the project sponsor and the purchaser of the obligation does not have recourse to the authority or state.

5. The treasurer may delay implementation of this section for up to six months following July 1, 1986, for an authority to facilitate an orderly transition.

86 Acts, ch 1245, §824; 90 Acts, ch 1254, §29; 2000 Acts, ch 1208, §19, 25; 2005 Acts, ch 150, §88; 2005 Acts, ch 178, §42, 64; 2008 Acts, ch 1156, §14, 58; 2009 Acts, ch 97, §7; 2013 Acts, ch 100, §20, 27

Referred to in §8A.321, 8D.11, 12.28, 12A.13, 12E.5, 12E.14, 76.15, 463C.5, 463C.17

Subsection 1, paragraph a amended

## LINKED INVESTMENTS

### 12.31 Short title.

This section and sections 12.32 through 12.43 shall be known as the *"Linked Investments for Tomorrow Act"*.

86 Acts, ch 1096, §1; 89 Acts, ch 234, §1; 2000 Acts, ch 1058, §3; 2006 Acts, ch 1165, §1

Referred to in §12.32

### 12.32 Definitions.

As used in section 12.31, this section, and sections 12.34 through 12.43, unless the context otherwise requires:

1. *"Eligible borrower"* means any person who is qualified to participate in one of the programs in this section and sections 12.34 through 12.43. *"Eligible borrower"* does not include a person who has been determined to be delinquent in making child support payments or any other payments due the state.

2. *"Eligible lending institution"* means a financial institution that is empowered to make commercial loans and is eligible pursuant to chapter 12C to be a depository of state funds.

3. *"Linked investment"* means a certificate of deposit issued pursuant to this section and sections 12.34 through 12.43 to the treasurer of state by an eligible lending institution, at an interest rate not more than three percent below current market rate on the condition that the institution agrees to lend the value of the deposit, according to the investment agreement provided in section 12.35, to an eligible borrower at a rate not to exceed four percent above the rate paid on the certificate of deposit. The treasurer of state shall determine and make available the current market rate which shall be used each month.

86 Acts, ch 1096, §2; 89 Acts, ch 234, §2; 96 Acts, ch 1058, §1; 97 Acts, ch 195, §1, 2, 10; 99 Acts, ch 177, §1, 9; 2000 Acts, ch 1058, §4, 5; 2001 Acts, ch 24, §1; 2006 Acts, ch 1165, §2

Referred to in §12.31, 12.34, 12.35, 12.36, 466.8

**12.33 Public policy.** Repealed by 2006 Acts, ch 1165, § 8.

**12.34 Linked investments — limitations — rules — maturity and renewal of certificates.**

1. The treasurer of state may invest up to the lesser of one hundred eight million dollars or twenty-five percent of the balance of the state pooled money fund in certificates of deposit in eligible lending institutions as provided in section 12.32, this section, and sections 12.35 through 12.43. One-half of the moneys invested pursuant to this section shall be made available under the program implemented pursuant to section 12.43 to increase the availability of lower cost moneys for purposes of injecting needed capital into small businesses which are fifty-one percent or more owned, operated, and actively managed by one or more women, minority persons, or persons with disabilities. *"Disability"* means the same as defined in section 15.102, subsection 10. A *"minority person"* means the same as defined in section 15.102, subsection 10. The treasurer shall invest the remaining one-half of the moneys invested pursuant to this section to support any other eligible applicant as provided in section 12.43.

2. The treasurer of state shall adopt rules pursuant to chapter 17A to administer section 12.32, this section, and sections 12.35 through 12.43.

3. A certificate of deposit that is issued to the treasurer of state by an eligible lending institution on or after July 1, 2006, may be renewed at the option of the treasurer on an annual basis for a total term not to exceed five years. All participants with certificates of deposit issued prior to July 1, 2006, are subject, for renewal certificates of deposit, to the requirements and terms applicable to the certificates of deposit issued prior to July 1, 2006.

86 Acts, ch 1096, §4; 89 Acts, ch 234, §4; 96 Acts, ch 1058, §2, 3, 9, 10, 12; 97 Acts, ch 195, §4, 10; 99 Acts, ch 177, § 2, 7, 9; 2001 Acts, ch 24, §2; 2006 Acts, ch 1165, §3

Referred to in §12.31, 12.32, 12.35, 12.36

Section not amended; internal reference change applied

**12.35 Agreement — loan applications.**

1. An eligible lending institution that desires to receive a linked investment shall enter into an agreement with the treasurer of state, which shall include requirements necessary for the eligible lending institution to comply with sections 12.32 and 12.34, this section, and sections 12.36 through 12.43.

2. An eligible lending institution that desires to receive a linked investment shall accept and review applications for loans from eligible borrowers.

3. The eligible lending institution shall forward to the treasurer of state a linked investment loan package in the form and manner as prescribed by the treasurer of state. The package shall include information required by the treasurer of state, including but not limited to the amount of the loan requested and the purpose of the loan. The institution shall certify that the applicant is an eligible borrower.

86 Acts, ch 1096, §5; 89 Acts, ch 234, §5; 96 Acts, ch 1058, §4; 2001 Acts, ch 24, §3; 2006 Acts, ch 1165, §4

Referred to in §12.31, 12.32, 12.34, 12.36, 12.43

**12.36 Actions by treasurer.**

1. The treasurer of state shall accept or reject a linked investment loan package or any portion of the package based on the type or terms of the loan involved, the availability of state funds, or the compliance of the eligible borrower or eligible lending institution.

2. Upon acceptance of the linked investment loan package or any portion of the package, the treasurer of state shall deposit funds with the eligible lending institution and the eligible lending institution shall issue to the treasurer of state one or more certificates of deposit with interest at a rate determined pursuant to section 12.32, subsection 3. The treasurer of state shall not deposit funds with an eligible lending institution pursuant to sections 12.32, 12.34, 12.35, this section, and sections 12.37 through 12.43, unless the certificate of deposit earns a rate of interest of at least one percent. Interest earned on the certificate of deposit and principal not renewed shall be remitted to the treasurer of state at the time the certificate of deposit matures. Interest from the linked investments for tomorrow program shall be considered earnings of the general fund of the state. Certificates of deposit issued pursuant to sections 12.32, 12.34, 12.35, this section, and sections 12.37 through 12.43 are not subject to a penalty for early withdrawal.

86 Acts, ch 1096, §6; 89 Acts, ch 234, §6; 92 Acts, ch 1105, §1; 96 Acts, ch 1058, §5; 2001 Acts, ch 24, §4; 2006 Acts, ch 1165, §5

Referred to in §12.31, 12.32, 12.34, 12.35

**12.37 Loans.**

1. Upon the placement of a linked investment with an eligible lending institution, the institution is required to lend the funds to the eligible borrower listed in the linked investment loan package and in accordance with the investment agreement. The loan shall be at a rate not more than four percent above the rate paid the treasurer by the financial institution. The eligible lending institution shall be required to submit a certification of compliance with this section in the form and manner as prescribed by the treasurer of state.

2. The treasurer of state shall take all steps necessary to implement the linked investments for tomorrow program and monitor compliance of eligible lending institutions and eligible borrowers.

86 Acts, ch 1096, §7; 89 Acts, ch 234, §7

Referred to in §12.31, 12.32, 12.34, 12.35, 12.36

**12.38 Reports.**

By February 1 of each year, the treasurer of state shall report on the linked investments for tomorrow programs for the preceding calendar year to the governor, the economic development authority, the speaker of the house of representatives, and the president of the senate. The speaker of the house shall transmit copies of this report to the house co-chairperson of the joint economic development appropriations subcommittee and the chairpersons of the standing committees in the house which customarily consider legislation regarding agriculture, commerce, and economic growth, and the president of the senate shall transmit copies of this report to the senate co-chairperson of the joint economic development appropriations subcommittee and the chairpersons of the standing committees in the senate which customarily consider legislation regarding agriculture, commerce, and economic growth. The report shall set forth the linked investments made by the treasurer of state under the program during the year, the total amount deposited, the number of deposits, and an estimate of foregone interest, and shall include information regarding the nature, terms, and amounts of the loans upon which the linked investments were based and a listing of eligible borrowers to which the loans were made.

86 Acts, ch 1096, §8; 89 Acts, ch 234, §8; 94 Acts, ch 1188, §31; 96 Acts, ch 1058, §6; 2006 Acts, ch 1165, §6; 2011 Acts, ch 118, §85, 89

Referred to in §12.31, 12.32, 12.34, 12.35, 12.36

**12.39 Liability.**

The state and the treasurer of state are not liable to an eligible lending institution in any manner for payment of the principal or interest on the loan to an eligible borrower. Any delay

in payments or default on the part of an eligible borrower does not in any manner affect the investment agreement between the eligible lending institution and the treasurer of state.

86 Acts, ch 1096, §9; 90 Acts, ch 1168, §6

Referred to in §12.31, 12.32, 12.34, 12.35, 12.36

**12.40 Rural small business transfer linked investment loan program.** Repealed by 2006 Acts, ch 1165, § 8.

**12.41 Horticultural and nontraditional crops linked investment loan program.** Repealed by 2006 Acts, ch 1165, § 8.

**12.42** Reserved.

**12.43 Small business linked investments program created — definitions.**

The treasurer of state shall adopt rules to implement a small business linked investments program to increase the availability of lower cost funds to inject needed capital into small businesses owned and operated in this state by residents of this state, which is the public policy of the state. The rules shall be in accordance with the following:

1. As used in this section, *"small business"* means one of the following:

*a.* A new or existing small business that meets all the requirements of subsection 5.

*b.* For applications to transfer an existing small business to a new owner, the small business must also meet the requirements of subsection 5 when local competition does not exist in the principal area of business activity of the existing small business, and the loss of the existing small business would result in a hardship on the community.

2. Loan applications for a new or existing small business shall be for the purchase of land, improvements, fixtures, machinery, inventory, supplies, equipment, information technology, or licenses, or patent, trademark, or copyright fees and expenses. Loan applications for the transfer of an existing small business shall be to assist in the transfer of ownership of a retail, wholesale, manufacturing, service, or agricultural business that may close in the absence of sufficient financial assistance.

3. During the lifetime of this loan program, the maximum amount of assistance that an eligible borrower or business may borrow or receive through this loan program shall be two hundred thousand dollars. An eligible borrower or business under this program shall be limited to one loan from one financial institution.

4. A preference shall be given to those persons who are less able than other persons to secure funds for a small business without participation in the small business linked investment program.

5. In order to qualify under this program, all owners of the business or borrowers must not have a combined net worth exceeding nine hundred seventy-five thousand dollars as defined in rules adopted by the treasurer of state pursuant to chapter 17A and the small business must meet all of the following criteria:

*a.* Be a for-profit business.

*b.* If an application involves an existing business or the transfer of an existing business to a new owner, the business must have annual gross sales of two million dollars or less at the time the application is submitted under section 12.35.

*c.* Not be operated out of the home of any person, unless the person is eligible for a deduction on federal income taxes pursuant to 26 U.S.C. § 280A.

*d.* Not involve real estate investments, rental of real estate, leasing of real estate, or real estate speculation.

*e.* Liquor, beer, and wine sales must not exceed twenty percent of annual sales for establishments holding a class "C" liquor license issued pursuant to section 123.30.

*f.* If an application involves the transfer of an existing small business, the transfer must be by purchase, lease-purchase, or contract of sale. The purchase must be for all or a portion of the business which is essential to its continued viability, including land where the business is located, fixtures attached to the land, machinery, inventory, supplies, equipment, information

technology, or licenses, patents, trademarks, copyrights, or other intellectual property relied upon by the business, and inventory for sale by the business.

6. Loan proceeds shall not be used to refinance existing debt, including credit card debt. However, proceeds may be used to refinance a short-term bridge loan made in anticipation of the treasurer of state's approval of the linked investment loan package.

7. Eligible lending institutions shall verify the borrower is eligible to participate under the provisions of this section pursuant to rules adopted by the treasurer of state pursuant to chapter 17A.

87 Acts, ch 233, §128; 88 Acts, ch 1273, §4; 89 Acts, ch 234, §9; 94 Acts, ch 1201, §13; 97 Acts, ch 195, §9, 10; 2006 Acts, ch 1165, §7; 2010 Acts, ch 1184, §35

Referred to in §12.31, 12.32, 12.34, 12.35, 12.36

**12.43A Traditional livestock producer's linked investment loan program.** Repealed by 2006 Acts, ch 1165, § 8.

**12.43B Value-added agricultural linked investment loan program.** Repealed by 2006 Acts, ch 1165, § 8.

TARGETED SMALL BUSINESSES —
WAIVER OF BOND REQUIREMENT

**12.44 Iowa satisfaction and performance bond program.**

Agencies of state government shall be required to waive the requirement of satisfaction, performance, surety, or bid bonds for targeted small businesses which are able to demonstrate the inability of securing such a bond because of a lack of experience, lack of net worth, or lack of capital. This waiver shall not apply to businesses with a record of repeated failure of substantial performance or material breach of contract in prior circumstances. The waiver shall be applied only to a project or individual transaction amounting to fifty thousand dollars or less, notwithstanding section 573.2. In order to qualify, the targeted small business shall provide written evidence to the department of inspections and appeals that the bond would otherwise be denied the business. The granting of the waiver shall in no way relieve the business from its contractual obligations and shall not preclude the state agency from pursuing any remedies under law upon default or breach of contract.

The department of inspections and appeals shall certify targeted small businesses for eligibility and participation in this program and shall make this information available to other state agencies.

Subdivisions of state government may also grant such a waiver under similar circumstances.

87 Acts, ch 233, §129; 88 Acts, ch 1273, §5; 90 Acts, ch 1156, §1; 92 Acts, ch 1244, §10

Referred to in §573.2

**12.45 through 12.50** Reserved.

MAIN STREET LINKED INVESTMENTS
LOAN PROGRAM

**12.51 and 12.52** Repealed by 96 Acts, ch 1058, § 10 – 12.

**12.53 through 12.60** Reserved.

## STATE-SPONSORED CREDIT CARD

**12.61 State-sponsored credit card.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Financial institution"* means a state bank as defined in section 524.103, subsection 41, a federally chartered state bank having its principal office within this state, a federally chartered credit union having its principal office within this state, a federally chartered savings and loan association having its principal office within the state, a credit union organized under chapter 533, or a trust company organized or incorporated under the laws of this state.

*b.* *"Financial institution credit card"* means a credit card that entitles the holder to make open-account purchases up to an approved amount and is issued through the agency of a financial institution.

*c.* *"Sponsoring entity"* means an entity that allows its name or logo to be used on a particular financial institution credit card in exchange for a fee from the credit card issuer.

2. The treasurer is authorized to participate in a financial institution credit card program for the benefit of the state. Within six months of May 27, 1989, the treasurer shall contact each financial institution to determine if:

*a.* The financial institution or its Iowa holding company or Iowa affiliate currently administers a credit card program.

*b.* The credit card program provides a fee or commission on retail sales to the sponsoring entity for the issuance and use of the credit card.

*c.* The credit card program would accept the state as a sponsoring entity.

3. If the treasurer determines that the state may be a sponsoring entity for a financial institution credit card, the treasurer shall negotiate the most favorable rate for the state's fee by a credit card issuer.

*a.* The state shall not offer a more favorable rate to any other credit card issuer.

*b.* The rate must be expressed as a percentage of the gross sales from the use of the credit card.

*c.* The proceeds of the fee shall be deposited in the Iowa resources enhancement and protection fund created under section 455A.18.

*d.* The treasurer shall recommend a logo or design for the state-sponsored credit card indicating the use for which the revenues will be used.

4. In selecting a credit card issuer, the treasurer shall consider the issuer's record of investments in the state, shall take into consideration credit card features which will enhance the promotion of the state-sponsored credit card including, but not limited to, favorable interest rates, annual fees, and other fees for using the card, and shall require that the card be available to any person who qualifies for a credit card.

5. Upon entering into an agreement with the financial institution, the treasurer shall notify all state agencies then possessing a credit card to obtain the new state-sponsored credit card.

89 Acts, ch 236, §8; 90 Acts, ch 1255, §1; 2012 Acts, ch 1017, §30

## TECHNICAL INFORMATION AND ASSISTANCE

**12.62 Investments by agencies and political subdivisions — technical information and assistance.**

The treasurer of state shall adopt rules pursuant to chapter 17A for providing technical information and assistance to political subdivisions, the state board of regents, instrumentalities, and agencies of the state authorized to invest funds which are seeking to invest public funds. The treasurer or the treasurer's designee shall provide technical information and assistance to a political subdivision, the state board of regents, or an instrumentality, or agency of the state authorized to invest funds at the request of the political subdivision, the state board of regents, or an instrumentality, or agency of the state

authorized to invest funds, including but not limited to technical information regarding the statutory requirements for investments by the political subdivision, the state board of regents, or an instrumentality, or agency and technical assistance to enable the political subdivision, the state board of regents, or an instrumentality, or agency to invest funds in accordance with state law. However, the fact that information and assistance are provided under this section to a political subdivision, the state board of regents, or an instrumentality, or agency authorized to invest funds shall not make the state, the treasurer of state, or the treasurer's designee liable to a political subdivision, the state board of regents, or an instrumentality, or agency of the state in any manner for any loss, damage, or expense incurred by the political subdivision, the state board of regents, or an instrumentality, or agency as a result of an investment.

92 Acts, ch 1156, §5

**12.63 and 12.64** Reserved.

## HEALTHY IOWANS TOBACCO TRUST

**12.65 Healthy Iowans tobacco trust.** Repealed by 2008 Acts, ch 1186, § 18, 19. See § 12E.3A.

Moneys credited or transferred to general fund of the state instead of healthy Iowans tobacco trust; 2008 Acts, ch 1186, §20; 2009 Acts, ch 184, §26, 28

**12.66 through 12.70** Reserved.

## VISION IOWA PROGRAM

**12.71 General and specific bonding powers — vision Iowa program.**

1. The treasurer of state may issue bonds upon the request of the vision Iowa board created in section 15F.102 and do all things necessary with respect to the purposes of the vision Iowa fund. The treasurer of state shall have all of the powers which are necessary to issue and secure bonds and carry out the purposes of the fund. The treasurer of state may issue bonds in principal amounts which, in the opinion of the board, are necessary to provide sufficient funds for the vision Iowa fund created in section 12.72, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds, other expenditures of the treasurer of state incident to and necessary or convenient to carry out the bond issue for the fund, and all other expenditures of the board necessary or convenient to administer the fund; provided, however, excluding the issuance of refunding bonds, bonds issued pursuant to this section shall not be issued in an aggregate principal amount which exceeds three hundred million dollars. The bonds are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code, chapter 554.

2. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the vision Iowa fund and any bond reserve funds established pursuant to section 12.72, all of which may be deposited with trustees or depositories in accordance with bond or security documents and pledged by the board to the payment thereof. Bonds issued under this section shall contain on their face a statement that the bonds do not constitute an indebtedness of the state. The treasurer of state shall not pledge the credit or taxing power of this state or any political subdivision of this state or make bonds issued pursuant to this section payable out of any moneys except those in the vision Iowa fund.

3. The proceeds of bonds issued by the treasurer of state and not required for immediate disbursement may be deposited with a trustee or depository as provided in the bond documents and invested or reinvested in any investment as directed by the board and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.

4. The bonds shall be:

*a.* In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and be subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

*b.* Negotiable instruments under the laws of the state and may be sold at prices, at public or private sale, and in a manner, as prescribed by the treasurer of state. Chapters 73A, 74, 74A, and 75 do not apply to the sale or issuance of the bonds.

*c.* Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this section and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

6. Bonds must be authorized by a trust indenture, resolution, or other instrument of the treasurer of state approved by the board. However, a trust indenture, resolution, or other instrument authorizing the issuance of bonds may delegate to an officer of the board the power to negotiate and fix the details of an issue of bonds.

7. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective.

8. Bonds issued under the provisions of this section are declared to be issued for a general public and governmental purpose and all bonds issued under this section shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance and estate tax.

9. Subject to the terms of any bond documents, moneys in the vision Iowa fund may be expended for administration expenses.

10. The treasurer of state may issue bonds for the purpose of refunding any bonds or notes issued pursuant to this section then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this section. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the board for deposit in the vision Iowa fund established in section 12.72. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this section.

2000 Acts, ch 1174, §15; 2005 Acts, ch 3, §8; 2008 Acts, ch 1119, §1; 2010 Acts, ch 1138, §44; 2012 Acts, ch 1017, §31

Referred to in §12.72, 12.75, 12.76, 12.77, 422.7

**12.72 Vision Iowa fund and reserve funds.**

1. A vision Iowa fund is created and established as a separate and distinct fund in the state treasury. The moneys in the fund are appropriated to the vision Iowa board for purposes of the vision Iowa program established in section 15F.302. Moneys in the fund shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes of the vision Iowa fund. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund as directed by the vision Iowa board, including automatic disbursements of funds received pursuant to the terms of bond indentures and

documents and security provisions to trustees. The fund shall be administered by the vision Iowa board which shall make expenditures from the fund consistent with the purposes of the vision Iowa program without further appropriation. An applicant under the vision Iowa program shall not receive more than seventy-five million dollars in financial assistance from the fund.

2. Revenue for the vision Iowa fund shall include, but is not limited to, the following, which shall be deposited with the treasurer of state or the treasurer's designee as provided by any bond or security documents and credited to the fund:

*a.* The proceeds of bonds issued to capitalize and pay the costs of the fund and investment earnings on the proceeds.

*b.* Interest attributable to investment of money in the fund or an account of the fund.

*c.* Moneys in the form of a devise, gift, bequest, donation, federal or other grant, reimbursement, repayment, judgment, transfer, payment, or appropriation from any source intended to be used for the purposes of the fund.

3. Moneys in the vision Iowa fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

4. *a.* The treasurer of state may create and establish one or more special funds, to be known as *"bond reserve funds"*, to secure one or more issues of bonds or notes issued pursuant to section 12.71. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available by the state or the treasurer for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions authorizing their issuance, and any other moneys which may be available to the treasurer for the purpose of the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

*b.* Moneys in a bond reserve fund shall not be withdrawn from it at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the fund, payment when due of principal, interest, redemption premiums, and the sinking fund payments with respect to the bonds for the payment of which other moneys of the treasurer are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the treasurer to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.

*c.* The treasurer of state shall not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the treasurer at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund, will not be less than the bond reserve fund requirement for the fund. For the purposes of this subsection, the term *"bond reserve fund requirement"* means, as of any particular date of computation, an amount of money, as provided in the resolutions authorizing the bonds with respect to which the fund is established.

*d.* To assure the continued solvency of any bonds secured by the bond reserve fund, provision is made in paragraph "*c*" for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the treasurer shall, on or before January 1 of each calendar year, make and deliver to the governor the treasurer's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general

assembly and paid to the treasurer pursuant to this subsection shall be deposited by the treasurer in the applicable bond reserve fund.

2000 Acts, ch 1174, §16; 2001 Acts, ch 24, §7, 8; 2001 Acts, 1st Ex, ch 5, §3, 7; 2002 Acts, ch 1119, §3; 2006 Acts, ch 1030, §3

Referred to in §8.57, 12.71, 12.75, 12.76, 12.77, 15F.301

**12.73 Vision Iowa fund moneys — administrative costs.**

During the term of the vision Iowa program established in section 15F.302, two hundred thousand dollars of the moneys deposited each fiscal year in the vision Iowa fund and appropriated for the vision Iowa program shall be allocated each fiscal year to the economic development authority for administrative costs incurred by the authority for purposes of administering the vision Iowa program.

2000 Acts, ch 1225, §31, 38, 39; 2001 Acts, ch 185, §34; 2011 Acts, ch 118, §85, 89

Referred to in §12.77

**12.74 Pledges.**

It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the treasurer of state shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the treasurer of state whether or not the parties have notice of the lien.

2000 Acts, ch 1174, §17; 2000 Acts, ch 1232, §42; 2001 Acts, ch 24, §9; 2001 Acts, ch 185, §35, 49

Referred to in §12.75, 12.77

**12.75 Projects.**

1. The vision Iowa board may undertake a project for two or more applicants jointly or for any combination of applicants, and may combine for financing purposes, with the consent of all of the applicants which are involved, the project and some or all future projects of any applicant, and sections 12.71, 12.72, and 12.74, this section, and sections 12.76 and 12.77 apply to and for the benefit of the vision Iowa board and the joint applicants. However, the money set aside in a fund or funds pledged for any series or issue of bonds or notes shall be held for the sole benefit of the series or issue separate and apart from money pledged for another series or issue of bonds or notes of the treasurer of state. To facilitate the combining of projects, bonds or notes may be issued in series under one or more resolutions or trust agreements and may be fully open-ended, thus providing for the unlimited issuance of additional series, or partially open-ended, limited as to additional series.

2. For purposes of this section, *"applicant"* means a city or county or public organization applying for financial assistance under the vision Iowa program established in section 15F.302.

2000 Acts, ch 1174, §18

Referred to in §12.77

**12.76 Limitations.**

Bonds or notes issued pursuant to section 12.71 are not debts of the state, nor of any political subdivision of the state, and do not constitute a pledge of the faith and credit of the state or a charge against the general credit or general fund of the state. The issuance of any bonds or notes pursuant to section 12.71 by the treasurer of state does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply moneys from, or to levy or pledge any form of taxation whatever to, the payment of the bonds or notes. Bonds and notes issued under section 12.71 are payable solely and only from the sources and special fund provided in section 12.72.

2000 Acts, ch 1174, §19; 2007 Acts, ch 22, §5

Referred to in §12.75, 12.77

**12.77 Construction.**

Sections 12.71 through 12.76, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

2000 Acts, ch 1174, §20

Referred to in §12.75

**12.78** Reserved.

PRISON INFRASTRUCTURE

**12.79 FY 2009 prison bonding fund.**

1. An FY 2009 prison bonding fund is created as a separate fund in the state treasury. Moneys in the fund shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes of the FY 2009 prison bonding fund.

2. Revenue for the fund shall consist of the net proceeds from the bonds issued pursuant to section 12.80.

3. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for prison improvement and prison construction projects.

4. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

5. Annually, on or before January 15 of each year, the department of corrections shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

2008 Acts, ch 1179, §41

**12.80 General and specific bonding powers — prison infrastructure.**

1. The treasurer of state is authorized to issue bonds to provide prison infrastructure financing as provided in this section. Bonds shall be issued in accordance with the provisions of chapter 12A.

2. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the prison infrastructure fund established in section 602.8108A, and other moneys available as provided in this section, all of which may be deposited with trustees or depositories in accordance with bond or security documents, and are not an indebtedness of this state, or a charge against the general credit or general fund of the state, and the state shall not be liable for the bonds except from amounts on deposit in the prison infrastructure fund and other moneys available as provided in this section. Bonds issued under this section shall contain a statement that the bonds do not constitute an indebtedness of the state.

3. Bonds issued under this section are declared to be issued for an essential public and governmental purpose and all bonds issued under this section shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance and estate tax.

4. The net proceeds from the bonds issued under this section shall be deposited into the FY 2009 prison bonding fund.

5. The treasurer of state shall cooperate with the department of corrections in the implementation of this section.

6. In order to assure maintenance of bond reserve funds, an issuer shall, on or before January 1 of each calendar year, make and deliver to the governor the issuer's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses printed copies of a budget including the sum, if any, required to restore each bond

reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the issuer pursuant to this subsection shall be deposited by the issuer in the applicable bond reserve fund.

2008 Acts, ch 1179, §42; 2010 Acts, ch 1138, §45

Referred to in §12.79, 422.7, 602.8108A

## SCHOOL INFRASTRUCTURE PROGRAM

**12.81 General and specific bonding powers — school infrastructure program.**

1. The treasurer of state may issue bonds for purposes of the school infrastructure program established in section 292.2. Excluding the issuance of refunding bonds, the treasurer of state shall not issue bonds which result in the deposit of bond proceeds of more than fifty million dollars into the school infrastructure fund. The treasurer of state shall have all of the powers which are necessary to issue and secure bonds and carry out the purposes of the fund. The treasurer of state may issue bonds in principal amounts which are necessary to provide funds for the fund as provided by this section, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds, other expenditures of the treasurer of state incident to and necessary or convenient to carry out the bond issue for the fund, and all other expenditures of the treasurer of state necessary or convenient to administer the fund. The bonds are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code, chapter 554.

2. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the school infrastructure fund and any bond reserve funds, all of which may be deposited with trustees or depositories in accordance with bond or security documents and pledged by the treasurer of state to the payment thereof. Bonds issued under this section shall contain on their face a statement that the bonds do not constitute an indebtedness of the state. The treasurer of state shall not pledge the credit or taxing power of this state or any political subdivision of this state or make bonds issued pursuant to this section payable out of any moneys except those in the school infrastructure fund.

3. The proceeds of bonds issued by the treasurer of state and not required for immediate disbursement may be deposited with a trustee or depository as provided in the bond documents and invested or reinvested in any investment approved by the treasurer of state and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.

4. The bonds shall be:

*a.* In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and be subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

*b.* Negotiable instruments under the laws of the state and may be sold at prices, at public or private sale, and in a manner, as prescribed by the treasurer of state. Chapters 73A, 74, 74A, and 75 do not apply to the sale or issuance of the bonds.

*c.* Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this section and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

6. Bonds must be authorized by a trust indenture, resolution, or other instrument of the treasurer of state. However, a trust indenture, resolution, or other instrument authorizing the

issuance of bonds may delegate to an officer of the issuer the power to negotiate and fix the details of an issue of bonds.

7. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective.

8. Bonds issued under the provisions of this section are declared to be issued for a general public and governmental purpose and all bonds issued under this section shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance and estate tax.

9. Subject to the terms of any bond documents, moneys in the school infrastructure fund may be expended for administration expenses.

10. The treasurer of state may issue bonds for the purpose of refunding any bonds or notes issued pursuant to this section then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this section. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned and deposited in the school infrastructure fund. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this section.

2000 Acts, ch 1174, §21; 2005 Acts, ch 3, §9; 2008 Acts, ch 1119, §2; 2010 Acts, ch 1138, §46; 2012 Acts, ch 1017, §32

Referred to in §8.57, 8.57F, 12.82, 12.85, 12.86, 422.7

**12.82 School infrastructure fund and reserve funds.**

1. A school infrastructure fund is created and established as a separate and distinct fund in the state treasury under the control of the department of education. Notwithstanding any other provision of this chapter, the fund shall be used for purposes of the school infrastructure program established in section 292.2.

2. Revenue for the school infrastructure fund shall include, but is not limited to, the following, which shall be deposited with the treasurer of state or its designee as provided by any bond or security documents and credited to the fund:

*a.* The proceeds of bonds issued to capitalize and pay the costs of the fund and investment earnings on the proceeds.

*b.* Interest attributable to investment of money in the fund or an account of the fund.

*c.* Moneys in the form of a devise, gift, bequest, donation, federal or other grant, reimbursement, repayment, judgment, transfer, payment, or appropriation from any source intended to be used for the purposes of the fund.

3. Moneys in the school infrastructure fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

4. Any amounts remaining in the school infrastructure fund at the end of the fiscal year beginning July 1, 2010, and for each fiscal year thereafter, which are determined by the treasurer of state to be unencumbered and unobligated and otherwise unnecessary to make the payments for such fiscal year, shall be transferred to the rebuild Iowa infrastructure fund.

5. *a.* The treasurer of state may create and establish one or more special funds, to be known as "*bond reserve funds*", to secure one or more issues of bonds or notes issued pursuant to section 12.81. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available by the state or the treasurer for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions authorizing their issuance, and any other moneys which may be available to the treasurer for the purpose of

the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

*b.* Moneys in a bond reserve fund shall not be withdrawn from it at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the fund, payment when due of principal, interest, redemption premiums, and the sinking fund payments with respect to the bonds for the payment of which other moneys of the treasurer are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the treasurer to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.

*c.* The treasurer of state shall not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the treasurer at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund, will not be less than the bond reserve fund requirement for the fund. For the purposes of this subsection, the term *"bond reserve fund requirement"* means, as of any particular date of computation, an amount of money, as provided in the resolutions authorizing the bonds with respect to which the fund is established.

*d.* To assure the continued solvency of any bonds secured by the bond reserve fund, provision is made in paragraph "*c*" for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the treasurer shall, on or before January 1 of each calendar year, make and deliver to the governor the treasurer's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the treasurer pursuant to this subsection shall be deposited by the treasurer in the applicable bond reserve fund.

2000 Acts, ch 1174, §22; 2001 Acts, 1st Ex, ch 5, §4, 7; 2002 Acts, ch 1119, §4; 2005 Acts, ch 19, §12; 2011 Acts, ch 133, §24, 25, 29

Referred to in §8.57, 8.57F, 12.85, 12.86, 292.1

2011 amendment to subsection 1 and new subsection 4 take effect July 27, 2011, and apply retroactively to June 30, 2011; 2011 Acts, ch 133, §29

**12.83 School infrastructure fund moneys — state fire marshal.**

During the term of the school infrastructure program established in section 292.2, up to fifty thousand dollars of the moneys deposited each fiscal year in the school infrastructure fund shall be allocated each fiscal year to the department of public safety for the use of the state fire marshal. The funds shall be used by the state fire marshal solely for the purpose of retaining an architect or architectural firm to evaluate structures for which school infrastructure program grant applications are made, to consult with school district representatives, to review construction drawings and blueprints, and to perform related duties at the direction of the state fire marshal to ensure the best possible use of moneys received by a school district under the school infrastructure program. The state fire marshal shall provide for the review of plans, drawings, and blueprints in a timely manner.

2000 Acts, ch 1225, §32, 38, 39

Referred to in §8.57F, 12.85, 12.86

**12.84 Pledges.**

It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the treasurer of state shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the treasurer of state whether or not the parties have notice of the lien.

2000 Acts, ch 1174, §23; 2000 Acts, ch 1232, §43; 2001 Acts, ch 185, §36, 49
Referred to in §8.57F, 12.85, 12.86

**12.85 Limitations.**

Bonds or notes issued pursuant to section 12.81 are not debts of the state, or of any political subdivision of the state, and do not constitute a pledge of the faith and credit of the state or a charge against the general credit or general fund of the state. The issuance of any bonds or notes pursuant to section 12.81 by the treasurer of state does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply moneys from, or to levy or pledge any form of taxation whatever to, the payment of the bonds or notes. Bonds and notes issued under section 12.81 are payable solely and only from the sources and special fund provided in section 12.82. Expenses incurred in carrying out sections 12.81 through 12.84, this section, and section 12.86 are payable solely from funds available under those sections.

2000 Acts, ch 1174, §24
Referred to in §8.57F, 12.86

**12.86 Construction.**

Sections 12.81 through 12.85, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

2000 Acts, ch 1174, §25
Referred to in §8.57F, 12.85

## INFRASTRUCTURE PROJECTS AND IOWA JOBS PROGRAM — REVENUE BONDS

**12.87 General and specific bonding powers — revenue bonds — Iowa jobs program.**

1. *a.* The treasurer of state is authorized to issue and sell bonds on behalf of the state to provide funds for certain infrastructure projects and for purposes of the Iowa jobs program established in section 16.194. The treasurer of state shall have all of the powers which are necessary or convenient to issue, sell, and secure bonds and carry out the treasurer of state's duties, and exercise the treasurer of state's authority under this section and sections 12.88 through 12.90. The treasurer of state may issue and sell bonds in such amounts as the treasurer of state determines to be necessary to provide sufficient funds for certain infrastructure projects and the revenue bonds capitals fund, the revenue bonds capitals II fund, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the payment of costs of issuance of the bonds, the payment of other expenditures of the treasurer of state incident to and necessary or convenient to carry out the issuance and sale of the bonds, and the payment of all other expenditures of the treasurer of state necessary or convenient to administer the funds and to carry out the purposes for which the bonds are issued and sold. The treasurer of state may issue and sell bonds as provided in paragraph *"b"* in one or more series on the terms and conditions the treasurer of state determines to be in the best interest of the state, in accordance with this section in such amounts as the treasurer of state determines to be necessary to fund the purposes for which such bonds are issued and sold.

*b.* The treasurer of state may issue and sell bonds in amounts which provide aggregate

net proceeds of not more than six hundred ninety-five million dollars, excluding any bonds issued and sold to refund outstanding bonds issued under this section, as follows:

(1) On or after July 1, 2009, the treasurer of state may issue and sell bonds in amounts which provide aggregate net proceeds of not more than one hundred eighty-five million dollars for capital projects which qualify as vertical infrastructure projects as defined in section 8.57, subsection 5, paragraph "*c*", to the extent practicable in any fiscal year and without limiting other qualifying capital expenditures.

(2) On or after July 1, 2009, the treasurer of state may issue and sell bonds in amounts which provide aggregate net proceeds of not more than three hundred sixty million dollars for purposes of the Iowa jobs program established in section 16.194 and for watershed flood rebuilding and prevention projects, soil conservation projects, sewer infrastructure projects, for certain housing and public service shelter projects and public broadband and alternative energy projects, and for projects relating to bridge safety and the rehabilitation of deficient bridges.

(3) On or after April 1, 2010, the treasurer of state may issue and sell bonds in amounts which provide aggregate net proceeds of not more than one hundred fifty million dollars for purposes of the Iowa jobs II program established in section 16.194A and for qualified projects in the departments of agriculture and land stewardship, education, natural resources, and transportation, and the economic development authority, Iowa finance authority, state board of regents, and treasurer of state.

2. Bonds issued and sold under this section are payable solely and only out of the moneys in the revenue bonds debt service fund, the revenue bonds federal subsidy holdback fund, and any bond reserve funds established pursuant to section 12.89, and only to the extent provided in the trust indenture, resolution, or other instrument authorizing their issuance. All moneys in the revenue bonds debt service fund, the revenue bonds federal subsidy holdback fund, and any bond reserve funds established pursuant to section 12.89 may be deposited with trustees or depositories in accordance with the terms of the trust indentures, resolutions, or other instruments authorizing the issuance of bonds and pledged by the treasurer of state to the payment thereof. Bonds issued and sold under this section shall contain a statement that the bonds are limited special obligations of the state and do not constitute a debt or indebtedness of the state or a pledge of the faith or credit of the state or a charge against the general credit or general fund of the state. The treasurer of state shall not pledge the credit or taxing power of this state or any political subdivision of this state or make bonds issued and sold pursuant to this section payable out of any moneys except those in the revenue bonds debt service fund, the revenue bonds federal subsidy holdback fund, and any bond reserve funds established pursuant to section 12.89.

3. The proceeds of bonds issued and sold by the treasurer of state and not required for immediate disbursement may be deposited with a trustee or depository as provided in the bond documents and invested or reinvested in any investment as directed by the treasurer of state and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued and sold without regard to any limitation otherwise provided by law.

4. The bonds, if issued and sold, shall be:

*a.* In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and be subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

*b.* Negotiable instruments and investment securities under the laws of the state and sold at prices, at public or private sale, and in a manner, as prescribed by the treasurer of state. Chapters 73A, 74, 74A, and 75 do not apply to the sale or issuance of the bonds.

*c.* Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this section and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other

persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

6. Bonds must be authorized by a trust indenture, resolution, or other instrument of the treasurer of state.

7. The resolution, trust indenture, or any other instrument by which a pledge is created shall not be required to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective.

8. Any bonds issued and sold under the provisions of this section are declared to be issued and sold for an essential public and governmental purpose, and all bonds issued and sold under this section except as otherwise provided in any trust indentures, resolutions, or other instruments authorizing their issuance shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance and estate tax.

9. The treasurer of state may issue and sell bonds for the purpose of refunding any bonds issued and sold pursuant to this section then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds are applied to the purchase or retirement of outstanding bonds or the redemption of outstanding bonds, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this section. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments shall be returned to the treasurer of state for deposit in the revenue bonds debt service fund established in section 12.89. All refunding bonds shall be issued, sold and secured and subject to the provisions of this section in the same manner and to the same extent as other bonds issued and sold pursuant to this section.

10. Bonds issued and sold pursuant to this section are limited special obligations of the state and are not a debt or indebtedness of the state, nor of any political subdivision of the state, and do not constitute a pledge of the faith and credit of the state or a charge against the general credit or general fund of the state. The issuance and sale of any bonds pursuant to this section by the treasurer of state do not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply moneys from or to levy or pledge any form of taxation whatever to, or to continue the appropriation of the funds for, the payment of the bonds. Bonds issued and sold under this section are payable solely and only from moneys in the revenue bonds debt service fund and any reserve fund created in section 12.89 and only to the extent provided in the trust indenture, resolution, or other instrument authorizing their issuance.

11. The treasurer of state may enter into or obtain authorizing documents and other agreements and ancillary arrangements with respect to the bonds as the treasurer of state determines to be in the best interests of the state, including but not limited to trust indentures, resolutions, other instruments authorizing the issuance of the bonds, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest rate exchange agreements.

12. Neither the treasurer of state, the Iowa finance authority, nor any person acting on behalf of the treasurer of state or the Iowa finance authority while acting within the scope of their employment or agency, is subject to personal liability resulting from carrying out the powers and duties conferred by this section and sections 12.88 through 12.90.

13. As used in this section and sections 12.88 through 12.90, the term *"bonds"* means bonds, notes, or other evidence of obligations.

2009 Acts, ch 173, §1, 36; 2010 Acts, ch 1138, §47; 2010 Acts, ch 1184, §79, 96; 2011 Acts, ch 25, §6; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1017, §33; 2012 Acts, ch 1021, §129; 2012 Acts, ch 1023, §4; 2013 Acts, ch 142, §12

Referred to in §8.57, 8.57F, 12.88, 12.88A, 12.89, 12.89A, 12.90, 16.188, 422.7

Subsection 12 amended

**12.88 Revenue bonds capitals fund.**

1. A revenue bonds capitals fund is created and established as a separate and distinct fund in the state treasury. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund.

2. Revenue for the revenue bonds capitals fund shall include but is not limited to the following, which shall be deposited with the treasurer of state or the treasurer of state's designee as provided by any bond or security documents and credited to the fund:

*a.* The net proceeds of bonds issued pursuant to section 12.87 other than bonds issued for the purpose of refunding such bonds, and investment earnings on the net proceeds.

*b.* Interest attributable to investment of moneys in the fund or an account of the fund.

*c.* Moneys in the form of a devise, gift, bequest, donation, federal or other grant, reimbursement, repayment, judgment, transfer, payment, or appropriation from any source intended to be used for the purposes of the fund.

3. Moneys in the revenue bonds capitals fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

4. Annually, on or before January 15 of each year, a state agency that received an appropriation from the revenue bonds capitals fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

2009 Acts, ch 173, §2, 36
Referred to in §12.87, 12.90, 16.196

**12.88A Revenue bonds capitals II fund.**

1. A revenue bonds capitals II fund is created and established as a separate and distinct fund in the state treasury. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund.

2. Revenue for the revenue bonds capitals II fund shall include but is not limited to the following, which shall be deposited with the treasurer of state or the treasurer of state's designee as provided by any bond or security documents and credited to the fund:

*a.* The net proceeds of bonds issued after April 1, 2010, pursuant to section 12.87 other than bonds issued for the purpose of refunding such bonds, and investment earnings on the net proceeds.

*b.* Interest attributable to investment of moneys in the fund or an account of the fund.

*c.* Moneys in the form of a devise, gift, bequest, donation, federal or other grant, reimbursement, repayment, judgment, transfer, payment, or appropriation from any source intended to be used for the purposes of the fund.

3. Moneys in the revenue bonds capitals II fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

4. Annually, on or before January 15 of each year, a state agency that received an appropriation from the revenue bonds capitals II fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

2010 Acts, ch 1184, §9, 13
Referred to in §12.87, 12.90

**12.89 Revenue bonds debt service fund and bond reserve funds.**

1. A revenue bonds debt service fund is created and established as a separate and distinct fund in the state treasury. The treasurer of state shall act as custodian of the fund and disburse

moneys contained in the fund. The moneys in such fund are appropriated and shall be used for the purpose of making all payments with respect to bonds issued and sold pursuant to section 12.87, including but not limited to the following:

*a.* Principal payments, interest payments, sinking fund payments, purchase price, redemption price, redemption premiums, and interest rate exchange payments.

*b.* Fees and expenses of trustees, paying agents, remarketing agents, financial advisors, underwriters, depositories, guarantors, bond insurers, liquidity or credit facility providers, interest rate indexing agents, and other professional services providers.

*c.* Costs and expenses of the treasurer of state incident to and necessary and convenient to carry out the issuance and sale of the bonds and the administration of the revenue bonds.

2. Moneys in the revenue bonds debt service fund shall include but are not limited to the following, which shall be deposited with the treasurer of state or the treasurer of state's designee as provided in any bond or security documents and credited to the fund:

*a.* The proceeds of bonds to the extent provided in the trust indenture, resolution, or other instrument authorizing their issuance and investment earnings on the proceeds.

*b.* The revenues required to be deposited into the fund pursuant to section 8.57, subsection 5, paragraph "*e*", subparagraphs (1) and (2).

*c.* Transfers from any bond reserve fund created pursuant to this section.

*d.* Federal subsidies and any transfers from the revenue bonds federal subsidy holdback fund created pursuant to section 12.89A.

*e.* Interest attributable to investment of moneys in the fund or an account of the fund.

*f.* Any other moneys from any other sources which may be legally available to the treasurer of state for the purpose of the fund.

3. *a.* The treasurer of state may create and establish one or more special funds, to be known as bond reserve funds, to secure one or more issues of bonds issued and sold pursuant to section 12.87. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available for the purpose of the fund, any proceeds of sale of bonds to the extent provided in the trust indenture, resolution, or other instrument authorizing their issuance, and any other moneys which may be legally available to the treasurer of state for the purpose of the fund from any other sources. All moneys held in a bond reserve fund shall be used or transferred to the revenue bonds debt service fund to be used as required solely to make the payments authorized to be made from such fund pursuant to subsection 1.

*b.* Moneys in a bond reserve fund shall not be transferred or withdrawn from the fund at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the fund, the payments authorized to be made from such fund pursuant to subsection 1 for the payment of which sufficient moneys in the revenue bonds debt service fund are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of moneys in the bond reserve fund may be transferred by the treasurer of state to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the established bond reserve fund requirement.

*c.* The treasurer of state shall not at any time issue and sell bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the treasurer of state at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other legally available sources an amount which, together with the amount then in the fund, will not be less than the bond reserve fund requirement for the fund. For the purposes of this subsection, the term "*bond reserve fund requirement*" means, as of any particular date of computation, an amount of moneys, as provided in the trust indenture, resolution, or other instrument authorizing the bonds with respect to which the fund is established.

*d.* To assure the continued solvency of any bonds secured by a bond reserve fund, provision is made in paragraph "*c*" for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the treasurer of state shall, on or before January 1

of each calendar year, make and deliver to the governor and to both houses of the general assembly the treasurer of state's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund and requesting that the budget and appropriation bills approved for such fiscal year include amounts sufficient to restore each bond reserve fund to the bond reserve fund requirement for such fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor may submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the treasurer of state pursuant to this subsection shall be deposited by the treasurer of state in the applicable bond reserve fund.

4. Except as otherwise provided in this section, the moneys on deposit in the revenue bonds debt service fund or any bond reserve fund relating to bonds issued pursuant to section 12.87 shall be held for the sole benefit of the bonds and shall not be pledged or used for the benefit of any bonds issued by the treasurer of state pursuant to any other section of the Code.

5. Moneys in the revenue bonds debt service fund and any bond reserve fund created pursuant to this section are not subject to section 8.33; provided however, that on August 31 following the close of each fiscal year, any moneys on deposit in the revenue bonds debt service fund at the end of such fiscal year, which is determined by the treasurer of state to not be encumbered or obligated or otherwise necessary to make the payments for such fiscal year authorized to be made from such fund pursuant to subsection 1, shall be credited to the rebuild Iowa infrastructure fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the revenue bonds debt service fund and any bond reserve fund shall be credited to such funds.

2009 Acts, ch 173, §3, 36; 2010 Acts, ch 1184, §80; 2012 Acts, ch 1021, §130
Referred to in §8.57, 12.87, 12.89A, 12.90

**12.89A Revenue bonds federal subsidy holdback fund.**

1. A revenue bonds federal subsidy holdback fund is created and established as a separate and distinct fund in the state treasury. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund.

2. The moneys in such fund shall include all of the following:

*a.* The revenues required to be deposited in the fund pursuant to section 8.57, subsection 5, paragraph "*e*", subparagraphs (1) and (2).

*b.* Interest attributable to investment moneys in the fund.

*c.* Any other moneys from any other sources which may be legally available to the treasurer of state for the purpose of the fund.

3. The moneys in the revenue bonds federal subsidy holdback fund are appropriated and shall be used or transferred to the revenue bonds debt service fund created in section 12.89, subsection 1, solely for the purpose of making payments of principal and interest on federal subsidy bonds when due, if the treasurer of state or the treasurer's designee has not received a federal subsidy scheduled to be received for such payment by the due date.

4. The moneys on deposit in the revenue bonds federal subsidy holdback fund shall be used or transferred to the revenue bonds debt service fund created in section 12.89, subsection 1, solely for the purpose of making payments of principal and interest on federal subsidy bonds prior to any use or transfer of moneys on deposit in any bond reserve fund created for such federal subsidy bonds by the treasurer of state pursuant to section 12.89, subsection 3, paragraph "*a*".

5. At any time during each fiscal year that there are moneys on deposit in the revenue bonds federal subsidy holdback fund that are not needed to pay principal and interest on federal subsidy bonds during such fiscal year as determined by the treasurer of state or the treasurer's designee, such moneys on deposit in the revenue bonds federal subsidy holdback fund shall be credited to the rebuild Iowa infrastructure fund of the state.

6. For purposes of this section:

*a.* "*Federal subsidy*" means any payment from the federal government with respect to federal subsidy bonds.

*b.* *"Federal subsidy bonds"* means any bonds issued and sold pursuant to section 12.87 for which a federal subsidy is expected to be paid on or before any date on which interest on such bonds is due and payable.

2010 Acts, ch 1184, §81; 2011 Acts, ch 25, §7; 2012 Acts, ch 1021, §131
Referred to in §8.57, 12.87, 12.89

**12.90 Pledges — construction.**

1. It is the intention of the general assembly that a pledge made in respect of bonds shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the treasurer of state shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the treasurer of state whether or not the parties have notice of the lien.

2. Sections 12.87 through 12.89, and this section, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

2009 Acts, ch 173, §4, 36
Referred to in §12.87

ANNUAL APPROPRIATION BONDS

**12.90A through 12.90C** Repealed by 2010 Acts, ch 1184, § 95.

ENERGY-EFFICIENT BUILDING PROJECT

**12.91 Utilities board and consumer advocate building project — bond issue.**

1. For purposes of this section:

*a.* *"Bonds"* means bonds, notes, or other evidences of indebtedness issued under this section.

*b.* *"Chargeable expenses"* means expenses charged by the utilities board and the consumer advocate division of the department of justice under section 476.10.

*c.* *"Chargeable expenses fund"* means the fund created in the state treasury under this section.

*d.* *"Project"* means a building and related improvements and furnishings authorized under section 476.10B.

2. The treasurer of state may issue bonds and do all things necessary in order to finance the costs of the project. The treasurer of state shall have all of the powers which are necessary to issue and secure bonds to provide the financing for the project. The treasurer of state may issue bonds in principal amounts which, in the opinion of the treasurer, are necessary to provide sufficient funds for the costs of the project, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds, other expenditures of the treasurer of state incident to and necessary or convenient to carry out the bond issue, and all other expenditures of the utilities board and the department of administrative services in connection with the construction of the project. The bonds are investment securities and negotiable instruments within the meaning of and for purposes of the Iowa uniform commercial code, chapter 554.

3. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the chargeable expenses fund and any bond reserve funds established pursuant to this section, all of which may be held by the treasurer of state or deposited with trustees or depositories in accordance with bond or security documents and pledged by the treasurer of state to the payment thereof. Bonds issued under this section shall contain a statement that the bonds do not constitute an indebtedness of the state. The treasurer of state shall not pledge the credit or taxing power of this state or any political subdivision of this state or

make bonds issued pursuant to this section payable out of any moneys except those in the chargeable expenses fund and any bond reserve funds established pursuant to this section.

4. The proceeds of bonds issued by the treasurer of state and not required for immediate disbursement may be deposited with a trustee or depository as provided in the bond documents and invested or reinvested in any investment as directed by the treasurer of state and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.

5. The bonds shall be:

*a.* In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and be subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

*b.* Negotiable instruments under the laws of the state and may be sold at prices, at public or private sale, and in a manner, as prescribed by the treasurer of state. Chapters 73A, 74, 74A, and 75 do not apply to the sale or issuance of the bonds.

*c.* Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this section and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.

6. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state may properly and legally invest funds, including capital, in their control or belonging to them.

7. Bonds must be authorized by a trust indenture, resolution, or other instrument of the treasurer of state.

8. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective.

9. Bonds issued under the provisions of this section are declared to be issued for a general public and governmental purpose and all bonds issued under this section shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance and estate tax.

10. Subject to the terms of any bond documents, moneys in the chargeable expenses fund may be expended for administration expenses of the treasurer of state in connection with the bonds.

11. The treasurer of state may issue bonds for the purpose of refunding any bonds issued pursuant to this section then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds are applied to the purchase or retirement of outstanding bonds or the redemption of outstanding bonds, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this section. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the treasurer of state for deposit in the chargeable expenses fund unless all bonds issued under the provisions of this section have been retired, in which case the proceeds shall be deposited in the general fund of the state. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this section.

12. A chargeable expenses fund is created and established as a separate and distinct fund in the state treasury. The moneys in the fund are appropriated for payment of the principal of, premium, and interest on any bonds issued under this section. Moneys in the fund shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes of the chargeable expenses fund. The treasurer of state shall

act as custodian of the fund and disburse moneys contained in the fund for payment of the principal of, premium, and interest on any bonds issued under this section. Notwithstanding section 476.10, there shall in each fiscal year be deposited in the chargeable expenses fund from amounts collected by the utilities board as chargeable expenses an amount equal to the principal of, premium, if any, and interest on any bonds issued under this section to become due, whether at maturity, by call for optional redemption or by sinking fund redemption, in such fiscal year. The treasurer of state is authorized to pledge any amounts in the chargeable expenses fund as security for the payment of the principal of, premium, and interest on any bonds issued under this section. The treasurer of state may provide in the trust indenture, resolution, or other instrument authorizing the issuance of bonds for the transfer to the general fund of the state of any amounts on deposit in the chargeable expenses fund that are not necessary for the payment of the principal of, premium, and interest on any bonds issued under this section.

13. Moneys in the chargeable expenses fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

14. *a.* The treasurer of state may create and establish one or more special funds, to be known as *"bond reserve funds"*, to secure one or more issues of bonds issued pursuant to this section. The treasurer of state shall pay into each bond reserve fund any moneys appropriated and made available by the state or the treasurer of state for the purpose of the fund, any proceeds of sale of bonds to the extent provided in the resolutions authorizing their issuance, and any other moneys which may be available to the treasurer of state for the purpose of the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

*b.* Moneys in a bond reserve fund shall not be withdrawn from it at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this subsection, except for the purpose of making, with respect to bonds secured in whole or in part by the fund, payment when due of principal, interest, redemption premiums, and the sinking fund payments with respect to the bonds for the payment of which other moneys of the treasurer of state are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the treasurer of state to other funds or accounts to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for that bond reserve fund. For the purposes of this subsection, the term *"bond reserve fund requirement"* means, as of any particular date of computation, an amount of money, as provided in the resolutions authorizing the bonds with respect to which the fund is established.

*c.* The treasurer of state shall comply with the provisions of section 476.10B in order to assure the maintenance of any bond reserve funds established under this section.

15. It is the intent of the general assembly that a pledge made in respect of bonds issued under this section shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the treasurer of state shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the treasurer of state whether or not the parties have notice of the lien.

16. Bonds issued pursuant to this section are not debts of the state, nor of any political subdivision of the state, and do not constitute a pledge of the faith and credit of the state or a charge against the general credit or general fund of the state. The issuance of any bonds pursuant to this section by the treasurer of state does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply moneys from, or to levy or

pledge any form of taxation whatever to, the payment of the bonds. Bonds issued under this section are payable solely and only from the sources and special fund provided in this section.

17. This section, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

2006 Acts, ch 1179, §70; 2007 Acts, ch 22, §6; 2008 Acts, ch 1119, §3; 2010 Acts, ch 1138, §49; 2012 Acts, ch 1017, §34

Referred to in §422.7, 476.10B

**12.92 through 12.100** Reserved.

FAIRGROUNDS INFRASTRUCTURE

**12.101 and 12.102** Repealed by 2009 Acts, ch 184, § 40.

# CHAPTER 12A

## UNIFORM FINANCE PROCEDURES FOR STATE-ISSUED BONDS

Referred to in §12.80


12A.1 Definitions.
12A.2 Provisions applicable.
12A.3 Special obligations.
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12A.12 Construction.
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**12A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Authorizing documents"* means a resolution of the issuer, an indenture of trust, or any other instrument setting forth the terms and conditions of bonds issued in accordance with the provisions of this chapter.

2. *"Bonds"* means bonds, including refunding bonds, notes, and other obligations issued by an issuer.

3. *"Enabling legislation"* means legislation enabling the issuance by an issuer of bonds in accordance with the provisions of this chapter.

4. *"Issuer"* means the state, a department or public or quasi-public agency or instrumentality of the state, or an authority of the state, authorized and enabled to issue bonds in accordance with the provisions of this chapter.

2007 Acts, ch 133, §1; 2008 Acts, ch 1065, §1

**12A.2 Provisions applicable.**

An issuer may issue bonds in accordance with the provisions of this chapter if enabling legislation enacted on or after July 1, 2007, provides that the bonds shall or may be issued in accordance with the provisions of this chapter. This chapter establishes the terms, conditions, and procedures applicable to the issuance of bonds by an issuer enabled to issue bonds under this chapter.

2007 Acts, ch 133, §2; 2008 Acts, ch 1065, §2

**12A.3 Special obligations.**

Bonds issued under this chapter are payable solely out of the moneys, assets, or revenues pledged to the payment of the bonds pursuant to the enabling legislation and any bond

reserve funds established in accordance with this chapter, and are not an obligation, indebtedness, or debt of the state or any political subdivision of the state within the meaning of any constitutional or statutory debt limitations. Bonds issued under this chapter shall contain a statement that the bonds are issued pursuant to this chapter or the enabling legislation; are payable solely from the moneys, assets, and revenues pledged for their payment and any bond reserve funds established; do not constitute an obligation, indebtedness, or debt of the state or any political subdivision of the state within the meaning of any constitutional or statutory debt limitations; and that the issuer and the state have no obligation to satisfy any deficiency or default of any payment of the bonds using any moneys, assets, or revenues other than those specifically pledged in the enabling legislation for payment of the bonds, and any bond reserve funds established by the issuer. The issuer shall not pledge the credit or taxing power of the state or any political subdivision of the state; create an obligation, indebtedness, or debt of the state or any political subdivision of the state within the meaning of any constitutional or statutory debt limitations; or make its bonds payable out of any moneys except those pledged in the enabling legislation and any bond reserve funds established by the issuer.

2007 Acts, ch 133, §3; 2008 Acts, ch 1065, §3

**12A.4 General powers.**

1. An issuer may issue bonds under this chapter and do all things necessary with respect to the issuance of the bonds. An issuer shall have all of the powers necessary to issue and secure bonds and carry out the purposes for which the bonds are to be issued, including the power to secure credit enhancement or support and to enter into agreements providing interest rate protection, as deemed appropriate by the issuer. The issuer may issue bonds in principal amounts consistent with the enabling legislation and which the issuer determines are necessary to provide sufficient funds for the purposes for which the bonds are issued, and to provide for the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, the payment of the costs of issuance of the bonds, the payment of other expenditures of the issuer incident to and necessary or convenient to carry out the issue, and the payment of all other expenditures necessary or convenient to carry out the purposes for which the bonds are issued.

2. The proceeds of bonds issued by the issuer and not required for immediate disbursement may be deposited with a trustee or depository or the treasurer of state as provided in the authorizing documents. Proceeds shall be invested or reinvested as directed by the treasurer of state and specified in the authorizing documents without regard to any limitation otherwise provided by law.

3. Bonds shall be issued as follows:

*a.* In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and subject to such other terms and conditions as prescribed in the authorizing documents.

*b.* Sold at prices, at public or private sale, and in a manner, as prescribed by the issuer. Chapters 73A, 74, 74A, 75, and 76 do not apply to the sale, issuance, or retirement of the bonds if this chapter is utilized.

*c.* Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter and as determined by the authorizing documents.

4. Bonds issued under this chapter are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code, chapter 554. Bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

5. Bonds must be authorized by the authorizing documents. The authorizing documents

may, however, delegate to an officer of a board or of a governing body of an issuer the power to negotiate and fix the details of an issue of bonds.

6. A resolution, trust agreement, or any other instrument by which a pledge is created shall not be required to be recorded or filed under the uniform commercial code, chapter 554, to be valid, binding, or effective.

7. Subject to the terms of the authorizing documents, the proceeds of bonds may be expended for administrative expenses.

8. An issuer may issue bonds for the purpose of refunding any bonds then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds are applied to the purchase or retirement of outstanding bonds or the redemption of outstanding bonds, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this chapter, the authorizing documents, and any applicable escrow agreement. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments shall be returned to the issuer. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this chapter.

2007 Acts, ch 133, §4; 2008 Acts, ch 1065, §4; 2012 Acts, ch 1017, §35

**12A.5 Reserve funds.**

1. An issuer may create and establish one or more special funds, to be known as bond reserve funds, to secure one or more issues of bonds. The issuer shall pay into each bond reserve fund any moneys appropriated and made available by the state for the purpose of that reserve fund, any proceeds of the sale of bonds to the extent provided in the authorizing documents, and any other moneys which may be legally available from any other sources and which the issuer determines to deposit in the reserve fund. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used solely for the payment of the principal of bonds secured in whole or in part by the fund or other payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity, all in accordance with the authorizing documents.

2. Except as otherwise specified in the authorizing documents, moneys in a bond reserve fund shall not be withdrawn at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, except for the purpose of making payment as described in subsection 1. For the purposes of this chapter, "*bond reserve fund requirement*" means, as of any particular date of computation, the amount of moneys, provided in the authorizing documents with respect to which the fund is established. Any income or interest earned by, or incremental to, a bond reserve fund due to its investment may be transferred to other funds or accounts as provided in the authorizing documents to the extent the transfer does not reduce the amount of that bond reserve fund below its bond reserve fund requirement.

3. The issuer shall not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund for the bonds will be less than the bond reserve fund requirement for the fund, unless the issuer at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other legally available sources an amount which, together with the amount then in the fund, will not be less than the bond reserve fund requirement for the fund.

2007 Acts, ch 133, §5; 2008 Acts, ch 1065, §5

**12A.6 Pledge of funds.**

1. Any amounts authorized to be pledged as security for bonds may be held in separate and distinct funds in the state treasury, unless otherwise specified in the authorizing documents. Moneys so held shall not be subject to appropriation for any other purpose by the general

assembly, but shall be used only for debt service on the bonds and other amounts as set forth in the authorizing documents. The treasurer of state may act as custodian of the funds and disburse moneys contained in the funds as directed by the authorizing documents.

2. Moneys in any fund pledged as security for bonds are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the funds shall be credited to the applicable fund.

2007 Acts, ch 133, §6; 2008 Acts, ch 1065, §6

**12A.7 Authorizing documents provisions.**

The authorizing documents may contain the following provisions:

1. Pledges or assignments of the revenue of a project with respect to which the bonds are to be issued or the revenue of other property or facilities.

2. The setting aside of reserves or sinking funds, and their regulation, investment, and disposition.

3. Limitations on the use of a project, property, or facilities.

4. Limitations on the purpose to which or the investments in which the proceeds of sale of an issue of bonds then or thereafter to be issued may be applied and pledging the proceeds to secure the payment of the bonds.

5. Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.

6. The procedure, if any, by which the terms of any contract with the holder of a bond may be amended or abrogated, the amount of bonds may be specified for which the holders must consent to amendment or abrogation, and the manner in which the consent may be given.

7. Definitions of the acts or omissions to act which constitute a default in the duties of the issuer to holders of bonds, specifying any rights and remedies of the holders in the event of a default, and restricting the individual right of action by holders.

8. Other matters relating to the bonds as may be provided by the issuer.

2007 Acts, ch 133, §7; 2008 Acts, ch 1065, §7; 2009 Acts, ch 41, §10

**12A.8 Bonds secured by authorizing documents.**

The authorizing documents may pledge or assign the revenue to be received for payment of the bonds or the proceeds of any contract pledged. A pledge or assignment made by the issuer pursuant to this chapter is valid and binding from the time that the pledge or assignment is made, and the revenue pledged and thereafter received by the issuer is immediately subject to the lien of the pledge or assignment without physical delivery or any further act. The lien of the pledge or assignment is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the issuer irrespective of whether the parties have notice of the lien. The authorizing documents may contain other provisions the issuer deems reasonable and proper for the security of the bond holders.

2007 Acts, ch 133, §8; 2008 Acts, ch 1065, §8

**12A.9 State tax.** Repealed by 2008 Acts, ch 1065, § 12.

**12A.10 State law.**

The state reserves the right at any time to alter, amend, repeal, or otherwise change the structure, organization, programs, or activities of any issuer, including the power to terminate the issuer, except that a law shall not be enacted that impairs any obligation made pursuant to any contract entered into by the issuer with or on behalf of the holders of the bonds to the extent that any such law would contravene Article I, section 21, of the Constitution of the State of Iowa or Article I, section 10, of the Constitution of the United States.

2007 Acts, ch 133, §10; 2008 Acts, ch 1065, §9

**12A.11 Provisions controlling.**

The powers granted issuers under this chapter are in addition to the powers of each issuer contained elsewhere in the Code. Nothing in this chapter limits the powers of an issuer to

issue bonds under any other applicable provisions of the Code or to otherwise carry out its responsibilities as otherwise set forth in the Code.

2007 Acts, ch 133, §11; 2008 Acts, ch 1065, §10

**12A.12 Construction.**

This chapter, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purpose.

2007 Acts, ch 133, §12

**12A.13 Coordination.**

Issuers of bonds issued under this chapter shall be subject to the provisions of section 12.30.

2008 Acts, ch 1065, §11

# CHAPTER 12B

## SECURITY OF THE REVENUE

Referred to in §12E.8, 16.5, 28J.9, 175.6, 257C.6, 331.401, 331.902, 463C.8

This chapter not enacted as a part of this title; transferred from chapter 452 in Code 1993


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12B.18 Delivery to treasurer.


**12B.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**12B.1A County responsible to state.**

Each county is responsible to the state for the full amount of tax levied for state purposes, excepting such amounts as are certified to be unavailable, double, or erroneous assessments.

[R60, §793; C73, §908; C97, §1453; C24, 27, 31, 35, 39, §**7398;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.1]

C93, §12B.1

C2001, §12B.1A

**12B.2 Interest on warrants.**

When interest is due and allowed by the treasurer of state on the redemption of state warrants, or by the county treasurer on the redemption of county warrants, the same shall be receipted on the warrants by the holder, with the date of the payment, and no interest

shall be allowed by the department of administrative services or board of supervisors except such as is thus receipted.

[R60, §795; C73, §910; C97, §1455; C24, 27, 31, 35, 39, §**7400;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.2]

C93, §12B.2

2003 Acts, ch 145, §286

Analogous section, §74.7

**12B.3 Discounting warrants.**

If the treasurer of state or any county treasurer, personally or through another, discounts the director of the department of administrative services' or auditor's warrants, either directly or indirectly, the treasurer shall be guilty of a serious misdemeanor.

[R60, §796; C73, §911; C97, §1456; C24, 27, 31, 35, 39, §**7401;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.3]

C93, §12B.3

2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §11

**12B.4 Loans by county treasurer.**

A county treasurer shall be guilty of a serious misdemeanor for loaning out, or in any manner using for private purposes, state, county, or other funds in the treasurer's hands.

[R60, §797; C73, §912; C97, §1457; S13, §1457; C24, 27, 31, 35, 39, §**7402;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.4]

C93, §12B.4

**12B.5 Loans by treasurer of state.**

The treasurer of state shall be guilty of a serious misdemeanor for loaning out, or in any manner using for private purposes, state, county, or other funds in the treasurer's hands.

[R60, §797; C73, §912; C97, §1457; S13, §1457; C24, 27, 31, 35, 39, §**7403;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.5]

C93, §12B.5

**12B.6 Certain public funds of political subdivisions.**

All funds received, expended, or held by an association of elected county officers before, on, or after June 16, 2005, to implement a state-authorized program, are subject to audit by the auditor of state at the request of the general assembly's standing committees on government oversight or the legislative council. All such funds received or held on and after July 1, 2005, shall be deposited in a fund in the office of the treasurer of state.

2005 Acts, ch 179, §98, 103; 2006 Acts, ch 1010, §175, 177; 2010 Acts, ch 1069, §4

**12B.7 Settlement by retiring treasurer.**

When a county treasurer goes out of office, the treasurer shall make a full and complete settlement with the board of supervisors, and deliver up all books, papers, moneys, and all other property pertaining to the office, to the treasurer's successor, taking a receipt therefor.

[R60, §802; C73, §917; C97, §1461; C24, 27, 31, 35, 39, §**7409;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.7]

C93, §12B.7

Referred to in §331.555

**12B.8 Supervisors to report to state auditor.**

The board of supervisors shall make a statement of state dues to the auditor of state, showing all charges against the treasurer during the treasurer's term of office, and all credits made, the delinquent taxes and other unfinished business charged over to the treasurer's successor, and the amount of money paid over to the treasurer's successor, showing to what year and to what account the amount so paid over belongs.

[R60, §802; C73, §917; C97, §1461; C24, 27, 31, 35, 39, §**7410;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.8]

C93, §12B.8

**12B.9 Correct balances.**

The board of supervisors shall also see that the books of the treasurer are correctly balanced before passing into the possession and control of the treasurer-elect.

[R60, §802; C73, §917; C97, §1461; C24, 27, 31, 35, 39, §**7411;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.9]

C93, §12B.9

**12B.10 Public funds investment standards.**

1. *a.* In addition to investment standards and requirements otherwise provided by law, the investment of public funds by the treasurer of state, state agencies authorized to invest funds, and political subdivisions of this state, shall comply with this section, except where otherwise provided by another statute specifically referring to this section.

*b.* The treasurer of state and the treasurer of each political subdivision shall at all times keep funds coming into their possession as public money in a vault or safe to be provided for that purpose or in one or more depositories approved pursuant to chapter 12C. However, the treasurer of state, state agencies authorized to invest public funds, and political subdivisions shall invest, unless otherwise provided, any public funds not currently needed in investments authorized by this section.

2. The treasurer of state, state agencies authorized to invest funds, and political subdivisions of this state, when investing or depositing public funds, shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to attain the goals of this subsection. This standard requires that when making investment decisions, a public entity shall consider the role that the investment or deposit plays within the portfolio of assets of the public entity and the goals of this subsection. The primary goals of investment prudence shall be based in the following order of priority:

*a.* Safety of principal is the first priority.

*b.* Maintaining the necessary liquidity to match expected liabilities is the second priority.

*c.* Obtaining a reasonable return is the third priority.

3. *a.* Investments of public funds shall be made in accordance with written policies. A written investment policy shall address the goals set out in subsection 2 and shall also address, but is not limited to, compliance with state law, diversification, maturity, quality, and capability of investment management.

*b.* The trading of securities in which any public funds are invested for the purpose of speculation and the realization of short-term trading profits is prohibited.

*c.* Investments by a political subdivision must have maturities that are consistent with the needs and use of that political subdivision or agency.

4. *a.* The treasurer of state and all other state agencies authorized to invest funds shall only purchase and invest in the following:

(1) Obligations of the United States government, its agencies, and instrumentalities.

(2) Certificates of deposit and other evidences of deposit at federally insured depository institutions approved pursuant to chapter 12C.

(3) Prime bankers' acceptances that mature within two hundred seventy days and that are eligible for purchase by a federal reserve bank, provided that at the time of purchase no more than thirty percent of the investment portfolio of the treasurer of state or any other state agency shall be in investments authorized by this subparagraph and that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

(4) Commercial paper or other short-term corporate debt that matures within two hundred seventy days and that is rated within the two highest classifications, as established by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to chapter 17A, provided that at the time of purchase no more than five percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification, and provided further that at the time of purchase no more than thirty percent of the investment portfolio of the treasurer of state or any other state agency shall be in investments authorized by this

subparagraph and that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

(5) Repurchase agreements whose underlying collateral consists of the investments set out in subparagraphs (1) through (4) if the treasurer of state or state agency takes delivery of the collateral either directly or through an authorized custodian. Repurchase agreements do not include reverse repurchase agreements.

(6) Investments authorized for the Iowa public employees' retirement system in section 97B.7A, except that investment in common stocks is not permitted.

(7) An open-end management investment company organized in trust form registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, and operated in accordance with 17 C.F.R. § 270.2a-7.

(8) Investments authorized under subsection 7.

(9) Obligations of the Iowa finance authority issued pursuant to chapter 16, bearing interest at market rates, provided that at the time of purchase the Iowa finance authority has an issuer credit rating within the two highest classifications or the obligations to be purchased are rated within the two highest classifications, as established by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to chapter 17A.

*b.* Futures and options contracts are not permissible investments.

5. *a.* Political subdivisions of this state, including entities organized pursuant to chapter 28E whose primary function is other than to jointly invest public funds, shall purchase and invest only in the following:

(1) Obligations of the United States government, its agencies, and instrumentalities.

(2) Certificates of deposit and other evidences of deposit at federally insured depository institutions approved pursuant to chapter 12C.

(3) Prime bankers' acceptances that mature within two hundred seventy days and that are eligible for purchase by a federal reserve bank, provided that at the time of purchase no more than ten percent of the investment portfolio shall be in investments authorized by this subparagraph and that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

(4) Commercial paper or other short-term corporate debt that matures within two hundred seventy days and that is rated within the two highest classifications, as established by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to chapter 17A, provided that at the time of purchase no more than five percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification, and provided further that at the time of purchase no more than ten percent of the investment portfolio shall be in investments authorized by this subparagraph and that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

(5) Repurchase agreements whose underlying collateral consists of the investments set out in subparagraph (1) if the political subdivision takes delivery of the collateral either directly or through an authorized custodian. Repurchase agreements do not include reverse repurchase agreements.

(6) An open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, and operated in accordance with 17 C.F.R. § 270.2a-7.

(7) A joint investment trust organized pursuant to chapter 28E prior to and existing in good standing on the effective date of this Act or a joint investment trust organized pursuant to chapter 28E after April 28, 1992, provided that the joint investment trust shall either be rated within the two highest classifications by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to chapter 17A and operated in accordance with 17 C.F.R. § 270.2a-7, or be registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, and operated in accordance with 17 C.F.R. § 270.2a-7. The manager or investment

advisor of the joint investment trust shall be registered with the federal securities and exchange commission under the Investment Advisor Act of 1940, 15 U.S.C. § 80b.

(8) Warrants or improvement certificates of a levee or drainage district.

(9) Investments authorized under subsection 7.

*b.* Futures and options contracts are not permissible investments.

6. The following investments are not subject to this section:

*a.* Investments by the public safety peace officers' retirement system governed by chapter 97A.

*b.* Investments by the Iowa public employees' retirement system governed by chapter 97B.

*c.* Investments by the Iowa finance authority governed by chapter 16.

*d.* Investments by the state board of regents. However, investments by the state board of regents or institutions governed by the state board of regents are limited to the following:

(1) Those investments set out in subsection 4.

(2) The common fund for nonprofit organizations.

(3) Common stocks.

(4) For investments of short-term operating funds, the funds shall not be invested in investments having effective maturities exceeding sixty-three months.

*e.* A pension and annuity retirement system governed by chapter 294.

*f.* Investments by the statewide fire and police retirement system governed by chapter 411.

*g.* Investments by the judicial retirement system governed by chapter 602, article 9.

*h.* Investments under the deferred compensation plan established by the executive council pursuant to section 509A.12.

*i.* Investments made by city hospitals as provided in section 392.6. However, investments by city hospitals are limited to the following:

(1) The same types of investments as the treasurer of state and other state agencies may make under this section.

(2) Investment in common stocks.

*j.* Investments by the tobacco settlement authority governed by chapter 12E.

*k.* Investments by municipal utility retirement systems governed under chapter 412.

*l.* Investments in a qualified trust established pursuant to governmental accounting standards board statement number forty-three that is governed by a board of trustees of a joint investment trust organized pursuant to chapter 28E and that is registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a.

*m.* Investments by a student organization or club of moneys from an entrepreneurial education fund governed by section 298A.15.

7. Notwithstanding sections 12C.2, 12C.4, 12C.6, 12C.6A, and any other provision of law relating to the deposits of public funds, if public funds are deposited in a depository, as defined in section 12C.1, any uninsured portion of the public funds invested through the depository may be invested in insured deposits or certificates of deposit arranged by the depository that are placed in or issued by one or more federally insured banks or savings associations regardless of location for the account of the public funds depositor if all of the following requirements are satisfied:

*a.* The full amount of the principal and any accrued interest on such public funds or each such certificate of deposit issued shall be covered by federal deposit insurance.

*b.* The depository, either directly or through an agent or subcustodian, shall act as custodian of the insured deposits or certificates of deposit.

*c.* On the same day that the public funds deposits are placed or the certificates of deposit are issued, the depository shall have received deposits in an amount eligible for federal deposit insurance from, and, with regard to certificates of deposit, shall have issued certificates of deposit to, customers of other financial institutions wherever located that are equal to or greater than the amount of public funds invested under this subsection by the public funds depositor through the depository.

8. As used in this section, *"public funds"* means the same as defined in section 12C.1, subsection 2.

[R60, §804; C73, §918; C97, §1462; S13, §1462; C24, 27, 31, 35, 39, §**7412;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.10]

84 Acts, ch 1194, §1; 84 Acts, ch 1230, §4; 85 Acts, ch 194, §1; 87 Acts, ch 105, §3; 88 Acts, ch 1027, §1; 88 Acts, ch 1187, §1; 90 Acts, ch 1233, §30; 91 Acts, ch 249, §1; 92 Acts, ch 1156, §16

C93, §12B.10

94 Acts, ch 1012, §1; 96 Acts, ch 1187, §75; 97 Acts, ch 185, §1; 2000 Acts, ch 1156, §1; 2000 Acts, ch 1208, §20, 25; 2001 Acts, ch 68, §2, 24; 2001 Acts, ch 102, §1; 2003 Acts, ch 179, §91; 2006 Acts, ch 1023, § 1 – 4; 2008 Acts, ch 1075, §1; 2011 Acts, ch 55, §1; 2012 Acts, ch 1051, §1; 2013 Acts, ch 71, §2, 4

Referred to in §12B.10A, 12B.10B, 12B.14, 12C.1, 12C.7, 12C.9, 12C.10, 12C.22, 12C.23A, 28E.5, 161A.80, 279.29, 331.555, 347.13, 357A.11, 384.21, 412.4, 523I.507, 905.6

Subsection 6, NEW paragraph m

**12B.10A Public investment maturity and procedural limitations.**

1. The investment of public funds which are operating funds by a political subdivision shall be subject to the following:

*a.* As used in this section, *"operating funds"* means those funds which are reasonably expected to be expended during a current budget year or within fifteen months of receipt.

*b.* Operating funds must be identified and distinguished from all other funds available for investment.

*c.* Operating funds may only be invested in investments which mature within three hundred ninety-seven days or less and which are authorized by law for the investing public entity.

2. All investments of public funds by political subdivisions shall be subject to the following:

*a.* Each investment must be authorized by applicable law and the written investment policy of the political subdivision.

*b.* Each political subdivision whose investments involve the use of a public funds custodial agreement, as defined in section 12B.10C, shall comply with rules adopted pursuant to section 12B.10C relating to those investments. All contracts providing for the investment of public funds shall be in writing and shall contain a provision requiring that all investments shall be made in accordance with the laws of this state.

*c.* A contract for the investment or deposit of public funds shall not provide for compensation of an agent or fiduciary based upon investment performance.

3. A treasurer of a political subdivision may invest funds of the political subdivision or agency that are not operating funds in investments having maturities longer than three hundred and ninety-seven days.

4. As used in this section, *"public funds"* means all funds that are public funds within the meaning of section 12C.1, subsection 2, paragraph *"e"*, except state funds invested by the treasurer of state.

5. This section shall not be construed to supersede any provision of this chapter or of chapter 12C.

6. The following entities are not subject to this section:

*a.* The public safety peace officers' retirement system governed by chapter 97A.

*b.* The Iowa public employees' retirement system governed by chapter 97B.

*c.* The Iowa finance authority governed by chapter 16.

*d.* The state board of regents. However, investments by the state board of regents or institutions governed by the state board of regents are limited to the following:

(1) Those investments set out in section 12B.10, subsection 4.

(2) The common fund for nonprofit organizations.

(3) Common stocks.

(4) For investments of short-term operating funds, the funds shall not be invested in investments having effective maturities exceeding sixty-three months.

*e.* A pension and annuity retirement system governed by chapter 294.

*f.* The statewide fire and police retirement system governed by chapter 411.

*g.* The judicial retirement system governed by chapter 602, article 9.

*h.* The deferred compensation plan established by the executive council pursuant to section 509A.12.

*i.* The tobacco settlement authority governed by chapter 12E.

7. A joint investment trust organized pursuant to chapter 28E whose primary function is to invest public funds shall report to the general assembly not later than January 1 of each year the amount of any trust royalty, residual payment, administrative or service fee, or other fee paid by the trust, the services performed for the fee, and the person receiving the fee.

92 Acts, ch 1156, §17; 96 Acts, ch 1187, §76; 97 Acts, ch 185, §2; 2000 Acts, ch 1208, §21, 25; 2003 Acts, ch 179, §92

Referred to in §12B.10B, 12B.14, 28E.5, 279.29, 331.555, 357A.11, 384.21, 905.6

**12B.10B Written investment policies.**

1. Political subdivisions shall approve written investment policies which incorporate the guidelines specified in sections 12B.10, 12B.10A, this section, and section 12B.10C, and any other provisions deemed necessary to adequately safeguard invested public funds.

2. The written investment policy required by section 12B.10 shall be delivered to all of the following:

*a.* The governing body or officer of the public entity to which the policy applies.

*b.* All depository institutions or fiduciaries for public funds of the public entity.

*c.* The auditor of the public entity.

3. The following entities are not subject to this section:

*a.* The public safety peace officers' retirement system governed by chapter 97A.

*b.* The Iowa public employees' retirement system governed by chapter 97B.

*c.* The Iowa finance authority governed by chapter 16.

*d.* The state board of regents governed by chapter 262.

*e.* A pension and annuity retirement system governed by chapter 294.

*f.* The statewide fire and police retirement system governed by chapter 411.

*g.* The judicial retirement system governed by chapter 602, article 9.

*h.* The deferred compensation plan established by the executive council pursuant to section 509A.12.

*i.* The tobacco settlement authority governed by chapter 12E.

*j.* Municipal utility retirement systems governed under chapter 412.

92 Acts, ch 1156, §18; 96 Acts, ch 1187, §77; 97 Acts, ch 185, §3; 2000 Acts, ch 1208, §22, 25; 2001 Acts, ch 102, §2; 2010 Acts, ch 1061, §4

Referred to in §12B.14, 28E.5, 331.303

**12B.10C Regulation of public funds custodial agreements.**

1. The treasurer of state, in consultation with the attorney general, shall adopt rules under chapter 17A requiring the inclusion in public funds custodial agreements of any provisions necessary to prevent loss of public funds.

2. As used in this section, *"public funds custodial agreement"* means any contractual arrangement pursuant to which one or more persons, including but not limited to investment advisors, investment companies, trustees, agents and custodians, are authorized to act as a custodian of or to designate another person to act as a custodian of public funds or any security or document of ownership or title evidencing public funds investments other than custodial agreements between an open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a and a custodian bank.

3. As used in this section *"public funds"* means public funds as defined in section 12C.1. However, this section does not apply to public funds that are invested under the provisions of a resolution or indenture for the issuance of bonds, notes, certificates, warrants, or other evidences of indebtedness. To the extent that a provision of this section conflicts with federal law, it shall be construed to avoid the conflict.

4. The following entities are not subject to this section:

*a.* The public safety peace officers' retirement system governed by chapter 97A.
*b.* The Iowa public employees' retirement system governed by chapter 97B.
*c.* Investments by the Iowa finance authority governed by chapter 16.
*d.* A pension and annuity retirement system governed by chapter 294.
*e.* The statewide fire and police retirement system governed by chapter 411.
*f.* The judicial retirement system governed by chapter 602, article 9.
*g.* The deferred compensation plan established by the executive council pursuant to section 509A.12.
*h.* The tobacco settlement authority governed by chapter 12E.
*i.* Municipal utility retirement systems governed under chapter 412.
*j.* The state board of regents governed by chapter 262.

92 Acts, ch 1156, §19; 96 Acts, ch 1187, §78; 97 Acts, ch 185, §4; 2000 Acts, ch 1208, §23, 25; 2001 Acts, ch 102, §3; 2005 Acts, ch 179, §147; 2008 Acts, ch 1032, §201
Referred to in §12B.10A, 12B.10B, 12B.14, 28E.5

**12B.11 Manner and details of settlement.**

At the time of any examination of any such office, or at the time of any settlement with the treasurer in charge of any such public funds, the treasurer is not required to produce and count in the presence of the officer or officers making such examination or settlement, unless otherwise requested by the board of supervisors, all moneys or funds then on deposit in the safe or vault in the treasurer's office. The treasurer shall produce a statement of all money or funds on deposit with any depository wherein the treasurer is authorized to deposit such funds, and shall correctly show the balance remaining on deposit in such depository at the close of business on the day preceding the day of such settlement. The treasurer shall also file a statement setting forth the numbers, dates, and amounts of all outstanding checks, or other items of difference, reconciling the balance as shown by the treasurer's books with those of the depositories. The state treasurer shall also file a statement showing the numbers, dates, and amounts of all United States government bonds held as part of said public fund.

[R60, §804; C73, §918; C97, §1462; S13, §1462; C24, 27, 31, 35, 39, §**7413;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.11]
C93, §12B.11
2003 Acts, ch 24, §1; 2006 Acts, ch 1070, §1, 31
Referred to in §12B.14

**12B.12 Duty of examining officer.**

It shall be the duty of the officer or officers making such settlement to see that the amount of securities and money produced and counted, together with the amounts so certified by the legally designated depositories, agrees with the balance with which such treasurer should be charged, and the officer shall make a report in writing of any such settlement or examination, and attach thereto the certified statement of all such depositories.

[S13, §1462; C24, 27, 31, 35, 39, §**7414;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.12]
C93, §12B.12
Referred to in §12B.14

**12B.13 Report of settlement filed.**

The report of any such settlement with the treasurer of state shall be filed in the office of the director of the department of management, and the report of a settlement with a county treasurer with the auditor of the county.

[S13, §1462; C24, 27, 31, 35, 39, §**7415;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.13]
C93, §12B.13
Referred to in §12B.14

**12B.14 False statements or reports.**

Any officer or other person making a false statement or report or in any manner violating any of the provisions of sections 12B.10 to 12B.13 shall be guilty of a fraudulent practice.

[S13, §1462-a; C24, 27, 31, 35, 39, §**7416;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.14]

C93, §12B.14

Fraudulent practices; see §714.8

**12B.15 Official delinquency.**

If any auditor or treasurer or other officer shall neglect or refuse to perform any act or duty specifically required of the officer, such officer shall be guilty of a simple misdemeanor, and the officer and the officer's surety shall be liable on the official bond for any fine imposed, and for the damages sustained by any person through such neglect or refusal.

[R60, §744, 749, 805; C73, §919; C97, §1463; C24, 27, 31, 35, 39, §**7417;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.15]

C93, §12B.15

**12B.16 Refund to counties.**

The director of the department of administrative services shall draw the warrant on the state treasury in favor of any county in the state for the amount of any excess in any fund or tax due the state from said county, excepting the state taxes.

[C97, §1464; C24, 27, 31, 35, 39, §**7418;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.16]

C93, §12B.16

2003 Acts, ch 145, §286

**12B.17 Warrant for excess.**

When it shall appear from the books in the department of administrative services that there is a balance due any county in excess of any revenue due the state, except state taxes, the director of the department of administrative services shall draw a warrant for such excess in favor of the county entitled thereto, and forward the same by mail, or otherwise, to the county auditor of the county to which it belongs, and charge the amount so sent to such county.

[C97, §1465; C24, 27, 31, 35, 39, §**7419;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.17]

C93, §12B.17

2003 Acts, ch 145, §286

**12B.18 Delivery to treasurer.**

The auditor to whom said warrant is sent shall immediately, upon receipt thereof, deliver it to the treasurer of the county, and charge the amount thereof to the treasurer, and shall acknowledge the receipt of the amount to the director of the department of administrative services.

[C97, §1466; C24, 27, 31, 35, 39, §**7420;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §452.18]

C93, §12B.18

2003 Acts, ch 145, §286

Referred to in §331.502

# CHAPTER 12C

## DEPOSIT OF PUBLIC FUNDS

Referred to in §11.2, 11.6, 12.32, 12B.10, 12B.10A, 12E.8, 16.5, 28J.18, 28J.25, 28J.26, 175.6, 185.34, 257C.6, 331.401, 331.502, 331.555, 331.655, 463C.8, 468.54, 524.213, 524.223, 524.1312, 533.301, 533.404, 602.8103

This chapter not enacted as a part of this title; transferred from chapter 453 in Code 1993


12C.1 Deposits in general — definitions.
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12C.28 Electronic reporting.
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**12C.1 Deposits in general — definitions.**

1. All funds held by the following officers or institutions shall be deposited in one or more depositories first approved by the appropriate governing body as indicated: for the treasurer of state, by the executive council; for judicial officers and court employees, by the supreme court; for the county treasurer, recorder, auditor, and sheriff, by the board of supervisors; for the city treasurer or other designated financial officer of a city, by the city council; for the county public hospital or merged area hospital, by the board of hospital trustees; for a memorial hospital, by the memorial hospital commission; for a school corporation, by the board of school directors; for a city utility or combined utility system established under chapter 388, by the utility board; and for an electric power agency as defined in section 28F.2 or 390.9, by the governing body of the electric power agency. However, the treasurer of state and the treasurer of each political subdivision or the designated financial officer of a city shall invest all funds not needed for current operating expenses in time certificates of deposit in approved depositories pursuant to this chapter or in investments permitted by section 12B.10. The list of public depositories and the amounts severally deposited in the depositories are matters of public record. This subsection does not limit the definition of "public funds" contained in subsection 2. Notwithstanding provisions of this section to the contrary, public funds of a state government deferred compensation plan established by the executive council may also be invested in the investment products authorized under section 509A.12.

2. As used in this chapter unless the context otherwise requires:

*a.* *"Bank"* means a corporation or limited liability company engaged in the business of banking and organized under the laws of this state, another state, or the United States. *"Bank"* also means a savings and loan, savings association, or savings bank organized under the laws of another state or the United States.

*b.* *"Credit union"* means a cooperative, nonprofit association incorporated under chapter 533 or the federal Credit Union Act, 12 U.S.C. § 1751 et seq., and that is insured by the national credit union administration and includes an office of a credit union.

*c.* *"Depository"* means a bank or a credit union in which public funds are deposited under this chapter.

*d.* *"Financial institution"* means a bank or a credit union.

*e.* *"Public funds"* and *"public deposits"* mean any of the following:

(1) The moneys of the state or a political subdivision or instrumentality of the state including a county, school corporation, special district, drainage district, unincorporated town or township, municipality, or municipal corporation or any agency, board, or commission of the state or a political subdivision. Moneys of the state include moneys which are transmitted to a depositary for purposes of completing an electronic financial transaction pursuant to section 159.35.

(2) The moneys of any court or public body noted in subsection 1.

(3) The moneys of a legal or administrative entity created pursuant to chapter 28E.

(4) The moneys of an electric power agency as defined in section 28F.2 or 390.9.

(5) Federal and state grant moneys of a quasi-public state entity that are placed in a depository pursuant to this chapter.

(6) Moneys placed in a depository for the purpose of completing an electronic financial transaction pursuant to section 8B.32 or 331.427.

*f.* *"Public officer"* means the person authorized by and acting for a public body to deposit public funds of the public body.

*g.* *"Superintendent"* means the superintendent of banking of this state when the depository is a bank, and the superintendent of credit unions of this state when the depository is a credit union.

*h.* *"Uninsured public funds"* means any amount of public funds of a public funds depositor on deposit in an account at a financial institution that exceeds the amount of public funds in that account that are insured by the federal deposit insurance corporation or the national credit union administration.

3. A deposit of public funds in a depository pursuant to this chapter shall be secured as follows:

*a.* If a depository is a credit union, then public deposits in the credit union shall be secured pursuant to sections 12C.16 through 12C.19 and sections 12C.23 and 12C.24.

*b.* If a depository is a bank, public deposits in the bank shall be secured pursuant to sections 12C.23A and 12C.24.

4. Ambiguities in the application of this section shall be resolved in favor of preventing the loss of public funds on deposit in a depository.

[C24, 27, §139, 4319, 5548, 5651, 7404; C31, 35, §7420-d1; C39, §**7420.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §453.1; 81 Acts, ch 148, §1; 82 Acts, ch 1202, §1]

83 Acts, ch 97, §1, 3; 83 Acts, ch 186, §1014, 10201; 84 Acts, ch 1230, §5; 85 Acts, ch 194, §2; 89 Acts, ch 39, §12; 92 Acts, ch 1156, §20 – 22

C93, §12C.1

93 Acts, ch 48, §3; 97 Acts, ch 185, §5; 99 Acts, ch 117, §1 – 4, 15; 99 Acts, ch 208, §42, 74; 2001 Acts, ch 158, §4; 2001 Acts, 1st Ex, ch 4, §1, 2, 36; 2002 Acts, ch 1096, §1, 2, 17; 2003 Acts, ch 18, §1; 2003 Acts, ch 48, §1; 2003 Acts, ch 179, §58, 84; 2010 Acts, ch 1018, §1, 2; 2010 Acts, ch 1028, §1, 2, 14; 2011 Acts, ch 132, §39, 106; 2012 Acts, ch 1017, §36; 2013 Acts, ch 129, §26

Referred to in §12B.10, 12B.10A, 12B.10C, 12C.7, 12C.8, 12E.2, 176A.8, 179.1, 181.1, 183A.1, 184.1, 184A.1, 185.1, 185C.1, 350.6, 468.528, 602.8102(64), 633D.2, 654.17C

Subsection 2, paragraph e, subparagraph (6) amended

**12C.2 Approval — requirements.**

The approval of a financial institution as a depository of public funds for a public body shall be by written resolution or order that shall be entered of record in the minutes of the approving board, and that shall distinctly name each depository approved, and specify the maximum amount that may be kept on deposit in each depository.

[C24, 27, §139; C31, 35, §7420-d2; C39, §**7420.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §453.2]

84 Acts, ch 1230, §6

C93, §12C.2
2002 Acts, ch 1096, §3, 17
Referred to in §12B.10

**12C.3** Reserved.

**12C.4 Location of depositories.**

Deposits by the treasurer of state shall be in depositories located in this state; by a county officer or county public hospital officer or merged area hospital officer, in depositories located in the county or in an adjoining county within this state; by a memorial hospital treasurer, in a depository located within this state which shall be selected by the memorial hospital treasurer and approved by the memorial hospital commission; by a city treasurer or other city financial officer, in depositories located in the county in which the city is located or in an adjoining county, but if there is no depository in the county in which the city is located or in an adjoining county then in any other depository located in this state which shall be selected as a depository by the city council; by a school treasurer or by a school secretary in a depository within this state which shall be selected by the board of directors or the trustees of the school district; by a township clerk in a depository located within this state which shall be selected by the township clerk and approved by the trustees of the township. However, deposits may be made in depositories outside of Iowa for the purpose of paying principal and interest on bonded indebtedness of any municipality when the deposit is made not more than ten days before the date the principal or interest becomes due. Further, the treasurer of state may maintain an account or accounts outside the state of Iowa for the purpose of providing custodial services for the state and state retirement fund accounts. Deposits made for the purpose of completing an electronic financial transaction pursuant to section 8B.32 or 331.427 may be made in any depository located in this state.

[C24, 27, §139, 4319, 5548, 5651, 7404; C31, 35, §7420-d4; C39, §**7420.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §453.4; 82 Acts, ch 1202, §2]
84 Acts, ch 1230, §8; 86 Acts, ch 1243, §31
C93, §12C.4
2003 Acts, ch 18, §2; 2003 Acts, 1st Ex, ch 2, §35, 209; 2013 Acts, ch 129, §27
Referred to in §12B.10
Section amended

**12C.5 Refusal of deposits — procedure.**

If the approved depositories will not accept the deposits under the conditions prescribed or authorized in this chapter, the funds may be deposited, on the same or better terms as were offered to the depositories, in one or more approved depositories conveniently located within the state.

The treasurer of state may invest in any of the investments authorized for the Iowa public employees' retirement system in section 97B.7A except that investment in common stocks shall not be permitted.

[C24, 27, §5653; C31, 35, §7420-d5; C39, §**7420.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §453.5; 81 Acts, ch 149, §1]
84 Acts, ch 1230, §9
C93, §12C.5
2001 Acts, ch 68, §3, 24

**12C.6 Interest rate — committee — notice.**

1. Public deposits shall be deposited with reasonable promptness in a depository legally designated as depository for the funds.

2. *a.* A committee composed of the superintendent of banking, the superintendent of credit unions, the auditor of state or a designee, and the treasurer of state shall meet on or about the first of each month or at other times as the committee may prescribe and by majority action shall establish a minimum rate to be earned on state funds placed in time deposits.

*b.* State funds invested in depository time certificates of deposit shall draw interest at not less than the rate established, effective on the date of investment.

*c.* An interest rate established by the committee under this section shall be in effect commencing on the eighth calendar day following the day the rate is established and until a different rate is established and takes effect.

*d.* The committee shall give advisory notice of an interest rate established under this section. This notice may be given by publication in one or more newspapers, by publication in the Iowa administrative bulletin, by ordinary mail to persons directly affected, by any other method determined by the committee, or by a combination of these. In all cases, the notice shall be published in the Iowa administrative bulletin.

*e.* The notice shall contain the following words:

The rate of interest has been determined by a committee of the state of Iowa to be the minimum interest rate that shall be paid on public funds deposited in approved financial institutions. To be eligible to accept deposits of public funds of the state of Iowa, a financial institution shall demonstrate a commitment to serve the needs of the local community in which it is chartered to do business. These needs include credit services as well as deposit services. All such financial institutions are required to provide the committee with a written description of their commitment to provide credit services in the community. This statement is available for examination by citizens.

*f.* The notice shall also provide the name and address of a state official to whom inquiries can be sent. Actions of the committee under this section and section 12C.6A are exempt from chapter 17A.

3. Public funds invested in depositories' time certificates of deposit by a public body or officer other than the treasurer of state shall draw interest at rates to be determined by the public body or officer and the depository, which rates shall not be less than the minimum rate set under this section for state funds.

[C24, 27, §140, 4319, 5548, 5651, 7404; C31, 35, §7420-d6; C39, §**7420.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §453.6; 81 Acts, ch 39, §2, ch 149, §2]

84 Acts, ch 1230, §10

C93, §12C.6

96 Acts, ch 1021, §1; 2008 Acts, ch 1032, §201

Referred to in §12B.10, 12C.6A, 12C.7, 384.58, 524.223, 573.12, 573.14, 602.8109

See §74A.6 for interest rates on public obligations

**12C.6A Eligibility for state public funds — procedures.**

1. Public funds of the state shall not be deposited in a financial institution which does not demonstrate a commitment to serve the needs of the local community in which it is chartered to do business, including the needs of neighborhoods, rural areas, and small businesses in communities served by the financial institution. These needs include credit services as well as deposit services.

2. In addition to establishing a minimum interest rate for public funds pursuant to section 12C.6, the committee composed of the superintendent of banking, the superintendent of credit unions, the auditor of state or a designee, and the treasurer of state shall develop a list of financial institutions eligible to accept state public funds. The committee shall require that a financial institution seeking to qualify for the list shall annually provide the committee a written statement that the financial institution has complied with the requirements of this chapter and has a commitment to community reinvestment consistent with the safe and sound operation of a financial institution, unless the financial institution has received a rating of satisfactory or higher pursuant to the federal Community Reinvestment Act, 12 U.S.C. § 2901 et seq., and such rating is certified to the committee by the superintendent of banking. To qualify for the list, a financial institution must demonstrate a continuing commitment to meet the credit needs of the local community in which it is chartered.

3. The committee may require a financial institution to provide public notice inviting the public to submit comments to the financial institution regarding its community lending

activities. Each financial institution shall maintain a file open to public inspection which contains public comments received on its community investment activities, and the financial institution's response to those comments. The committee shall adopt procedures for both of the following:

*a.* To receive information relating to a financial institution's commitment to community reinvestment.

*b.* To receive challenges from any person to a financial institution's continued eligibility to receive public funds.

4. At least once a year the committee shall review any challenges that have been filed pursuant to subsection 3. The committee may hold a public hearing to consider the challenge. In considering a challenge, the committee shall review documents filed with federal regulatory authorities pursuant to the Community Reinvestment Act, 12 U.S.C. § 2901 et seq., and regulations adopted pursuant to the Act, as amended to January 1, 1990. In addition, consistent with the confidentiality of financial institution records the committee shall consider other factors including, but not limited to, the following:

*a.* Activities conducted to determine the credit needs of the community.

*b.* Marketing and special credit-related programs to make citizens in the community aware of the credit services offered.

*c.* A description of how services actually provided satisfied the needs described under paragraph "*a*".

*d.* Practices intended to discourage application for home mortgages, small business loans, small farm loans, community development loans, and, if consumer lending constitutes a substantial majority of a financial institution's business, consumer loans.

*e.* Geographic distribution of credit extensions, credit applications and credit denials.

*f.* Evidence of prohibited discriminatory or other illegal credit practices.

*g.* Participation in local community and rural development and redevelopment projects, and in state and federal business and economic development programs, including investment in an Iowa agricultural industry finance corporation formed under the Iowa agricultural industry finance Act pursuant to chapter 15E.

*h.* Origination or purchase of residential mortgage loans, housing rehabilitation loans, home improvement loans and business or farm loans within the community.

*i.* Ability to meet various community credit needs based on financial condition, size, legal impediments, and local economic conditions.

5. *a.* A person who believes a bank has failed to meet its community reinvestment responsibility may file a complaint with the committee detailing the basis for that belief.

*b.* If any committee member, in the member's discretion, finds that the complaint has merit, the member may order the bank alleged to have failed to meet its community reinvestment responsibility to attend and participate in a meeting with the complainant. The committee member may specify who, at minimum, shall represent the bank at the meeting. At the meeting, or at any other time, the bank may, but is not required to, enter into an agreement with a complainant to correct alleged failings.

*c.* A majority of the committee may order a bank against which a complaint has been filed pursuant to this subsection, to disclose such additional information relating to community reinvestment as required by the order of the majority of the committee.

*d.* This subsection does not preempt any other remedies available under statutory or common law available to the committee, the superintendent of banking, or aggrieved persons to cure violations of this section or chapter 524, or rules adopted pursuant to this section or chapter 524. The committee may conduct a public hearing as provided in subsection 4 based upon the same complaint. An order finding merit in a complaint and ordering a meeting is not an election of remedies.

84 Acts, ch 1230, §11
C85, §453.6A
90 Acts, ch 1002, §1

C93, §12C.6A
96 Acts, ch 1021, §2, 3; 99 Acts, ch 53, §1; 99 Acts, ch 117, §5, 15; 2000 Acts, ch 1154, §1; 2002 Acts, ch 1096, §4, 5, 17
Referred to in §12B.10, 12C.6, 524.223

**12C.7 Interest — where credited.**

1. A depository may pay interest to a public officer on deposits of public funds, and a public officer may take or receive interest on deposits of public funds.

2. Interest or earnings on investments and time deposits made in accordance with the provisions of sections 12.8, 12B.10, 12C.1, and 12C.6 shall be credited to the general fund of the governmental body making the investment or deposit, with the exception of specific funds for which investments are otherwise provided by law, constitutional funds, or when legally diverted to the state sinking fund for public deposits. Funds so excepted shall receive credit for interest or earnings derived from such investments or time deposits made from such funds.

[C31, 35, §7420-d7; C39, §**7420.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §453.7]
84 Acts, ch 1230, §12
C93, §12C.7
95 Acts, ch 25, §1; 2013 Acts, ch 5, §1
Referred to in §8.41A, 8.55, 8.56, 8.57, 8.57A, 8.57B, 8.57E, 8A.123, 8A.321, 8A.328, 8A.431, 8A.432, 8A.434, 8A.435, 8A.436, 8A.437, 8A.438, 8A.454, 8B.13, 8B.33, 8D.14, 12.72, 12.79, 12.82, 12.88, 12.88A, 12.89, 12.91, 12A.6, 12C.10, 15.106A, 15.293, 15.335B, 15.412, 15E.311, 15E.363, 15F.204, 15F.205, 16.5, 16.100, 16.134, 16.141, 16.181, 16.182, 16.183, 16.184, 16.185, 16.188, 35A.5, 35A.11, 35A.13, 35A.14, 35A.16, 80.42, 80.43, 80.44, 89.8, 89A.19, 91C.9, 99B.10D, 100B.13, 103.7, 135.156C, 135.175, 159.21, 159A.16, 161A.80, 161G.2, 162.2C, 169A.13A, 170.3C, 207.10, 216B.3, 237A.4A, 249A.33, 249L.4, 249M.4, 256.40, 256.87, 256I.11, 260H.2, 261.19, 261.23, 261.24, 261.38, 261.73, 261.110, 261.111, 261.112, 303.3D, 303A.4, 303A.7, 307.20, 312.1, 312A.2, 321G.7, 321I.8, 331.604, 357B.3, 359.43, 418.10, 426C.2, 452A.79A, 453A.35A, 455A.18, 455A.19, 455B.112A, 455B.133B, 455B.196, 455B.265A, 455D.11C, 455D.15, 455E.11, 455G.21, 456A.17, 456A.21, 459.401, 460.303, 461.31, 466.9, 466A.2, 466B.45, 473.19A, 476.10A, 483A.3B, 502.601, 514I.11, 535D.14, 541A.7, 553.19, 602.1304, 692.2A, 714.16C, 717F.9, 904.117, 904.118A, 904.303A, 904.311A, 904.703
Subsection 1 amended

**12C.8 Liability of public officers.**

An officer who is referred to in section 12C.1 is not liable for loss of funds by reason of the insolvency of the depository institution when the funds have been deposited or invested as provided in this chapter.

[C27, §1090-a20; C31, 35, §7420-d8; C39, §**7420.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §453.8]
84 Acts, ch 1230, §13
C93, §12C.8

**12C.9 Investment of sinking funds — bond proceeds.**

1. The treasurer of state and all other state agencies authorized to invest funds and the treasurer or other designated financial officer of each political subdivision including each school corporation shall invest the proceeds of notes, bonds, refunding bonds, and other evidences of indebtedness, and funds being accumulated for the payment of principal and interest or reserves in investments set out in section 12B.10, subsection 4, paragraph *"a"*, subparagraphs (1) through (9), section 12B.10, subsection 5, paragraph *"a"*, subparagraphs (1) through (7), an investment contract, or tax-exempt bonds. The investment shall be as defined and permitted by section 148 of the Internal Revenue Code and applicable regulations under that section. An investment contract or tax-exempt bonds shall be rated within the two highest classifications as established by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to chapter 17A.

2. Earnings and interest from investments pursuant to subsection 1 shall be used to pay the principal or interest as the principal or interest comes due on the indebtedness or to fund the construction of the project for which the indebtedness was issued, or shall be credited to the capital project fund for which the indebtedness was issued.

[C27, 31, 35, §12775-b1; C39, §**7420.43;** C46, 50, 54, §454.35; C58, 62, 66, 71, 73, 75, 77, 79, 81, §453.9]
84 Acts, ch 1230, §14; 91 Acts, ch 249, §2; 92 Acts, ch 1156, §23
C93, §12C.9
95 Acts, ch 25, §2; 2008 Acts, ch 1075, §2

**12C.10 Investment of funds created by election.**

The governing council or board, who by law have control of any fund created by direct vote of the people, may invest any portion of the fund not currently needed, in investments authorized in section 12B.10. The treasurer of state may invest in any of the investments authorized for the Iowa public employees' retirement system in section 97B.7A except that investment in common stocks shall not be permitted. Interest or earnings on such funds shall be credited as provided in section 12C.7, subsection 2.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §453.10]
84 Acts, ch 1230, §15
C93, §12C.10
2001 Acts, ch 68, §4, 24

**12C.11 Investment officer.**

A county, city, county public hospital, merged area hospital, memorial hospital or school corporation governing body may delegate its investment authority, under the provisions of this chapter, to the treasurer or other financial officer of the governmental unit, who shall thereafter be responsible for handling investment transactions until such delegation of authority is revoked.

[C66, 71, 73, 75, 77, 79, 81, §453.11]
C93, §12C.11

**12C.12 Service charge by depository.**

A depository may make reasonable service charges with respect to the handling of public funds, but the service charges shall not be greater than the depository customarily requires from other depositors for similar services.

[C66, 71, 73, 75, 77, 79, 81, §453.12]
84 Acts, ch 1230, §16
C93, §12C.12

**12C.13 Deposit not membership.**

Notwithstanding chapter 524, the deposit of public funds in a credit union as defined in section 533.102 or a mutual corporation as defined in section 524.103 does not constitute being a shareholder, stockholder, or owner of a corporation in violation of Article VIII of the Constitution of the State of Iowa or any other provision of law.

84 Acts, ch 1230, §17
C85, §453.13
C93, §12C.13
2007 Acts, ch 174, §77; 2012 Acts, ch 1017, §37

**12C.14** Repealed by 95 Acts, ch 25, § 3.

**12C.15 Restriction on requiring collateral.**

A local government shall not require a pledge of collateral for that portion of the local government's deposits in a credit union that is covered by insurance of a federal agency or instrumentality.

84 Acts, ch 1230, §19
C85, §453.15
92 Acts, ch 1156, §24
C93, §12C.15
99 Acts, ch 117, §6, 15

**12C.16 Security for deposit of public funds.**

1. Before a deposit of public funds is made by a public officer with a credit union in excess of the amount federally insured, the public officer shall obtain security for the deposit by one or more of the following:

*a.* The credit union may give to the public officer a corporate surety bond of a surety

corporation approved by the treasury department of the United States and authorized to do business in this state, which bond shall be in an amount equal to the public funds on deposit at any time. The bond shall be conditioned that the deposit shall be paid promptly on the order of the public officer making the deposit and shall be approved by the officer making the deposit.

*b*. (1) The credit union may deposit, maintain, pledge and assign for the benefit of the public officer in the manner provided in this chapter, securities approved by the public officer, the market value of which is not less than one hundred ten percent of the total deposits of public funds placed by that public officer in the credit union. The securities shall consist of any of the following:

(a) Direct obligations of, or obligations that are insured or fully guaranteed as to principal and interest by, the United States of America or an agency or instrumentality of the United States of America.

(b) Public bonds or obligations of this state or a political subdivision of this state.

(c) Public bonds or obligations of another state or a political subdivision of another state whose bonds are rated within the two highest classifications of prime as established by at least one of the standard rating services approved by the superintendent of banking pursuant to chapter 17A.

(d) To the extent of the guarantee, loans, obligations, or nontransferable letters of credit upon which the payment of principal and interest is fully secured or guaranteed by the United States of America or an agency or instrumentality of the United States of America or the United States central credit union, a corporate central credit union organized under section 533.213, or a corporate credit union whose activities are subject to regulation by the national credit union administration, and the rating of any one of such credit unions remains within the two highest classifications of prime established by at least one of the standard rating services approved by the superintendent of banking by rule pursuant to chapter 17A. The treasurer of state shall adopt rules pursuant to chapter 17A to implement this section.

(e) First lien mortgages which are valued according to practices acceptable to the treasurer of state.

(f) Investments in an open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, which is operated in accordance with 17 C.F.R. § 270.2a-7.

(2) Direct obligations of, or obligations that are insured or fully guaranteed as to principal and interest by, the United States of America, which may be used to secure the deposit of public funds under subparagraph (1), subparagraph division (a), include investments in an investment company or investment trust registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, the portfolio of which is limited to the United States government obligations described in subparagraph (1), subparagraph division (a), and to repurchase agreements fully collateralized by the United States government obligations described in subparagraph (1), subparagraph division (a), if the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian.

2. If public funds are secured by both the assets of a credit union and a bond of a surety company, the assets and bond shall be held as security for a rateable proportion of the deposit on the basis of the market value of the assets and of the total amount of the surety bonds.

84 Acts, ch 1230, §20

C85, §453.16

85 Acts, ch 194, §3; 88 Acts, ch 1090, §1; 92 Acts, ch 1156, §25 – 30

C93, §12C.16

99 Acts, ch 117, §7, 15; 2006 Acts, ch 1040, §1; 2007 Acts, ch 174, §78; 2008 Acts, ch 1032, §3; 2008 Acts, ch 1191, §27; 2009 Acts, ch 41, §263

Referred to in §12C.1

**12C.17 Deposit of securities.**

1. A credit union which receives public funds shall pledge securities owned by it as required by this chapter in one of the following methods:

*a.* The securities shall be deposited with the county, city, or other public officers at the option of the officers.

*b.* The securities shall be deposited pursuant to a bailment agreement with a financial institution having facilities for the safekeeping of securities and doing business in the state. A financial institution which receives securities for safekeeping is liable to the public officer to whom the securities are pledged for any loss suffered by the public officer if the financial institution relinquishes custody of the securities contrary to the provisions of this chapter or the instrument governing the pledge of the securities.

*c.* The securities shall be deposited with the federal reserve bank, the federal home loan bank of Des Moines, Iowa, or the United States central credit union, a corporate central credit union organized under section 533.213, or a corporate credit union whose activities are subject to regulation by the national credit union administration pursuant to a bailment agreement or a pledge custody agreement.

*d.* The securities may be deposited by any combination of methods specified in paragraphs "*a*", "*b*", and "*c*".

2. A deposit of securities shall not be made in a facility owned or controlled directly or indirectly by the financial institution which deposits the securities.

3. All deposits of securities, other than deposits of securities with the appropriate public officer, shall have a joint custody receipt taken for the securities with one copy delivered to the public officer and one copy delivered to the credit union. A credit union pledging securities with a public officer may cause the securities to be examined in the officer's office to show the securities are placed with the officer as collateral security and are not transferable except upon the conditions provided in this chapter.

4. Upon written request from the appropriate public officer but not less than monthly, the federal reserve bank, the federal home loan bank of Des Moines, Iowa, the United States central credit union, a corporate central credit union organized under section 533.213, or a corporate credit union whose activities are subject to regulation by the national credit union administration shall report a description, the par value, and the market value of any pledged collateral by a credit union.

84 Acts, ch 1230, §21
C85, §453.17
85 Acts, ch 194, §4; 92 Acts, ch 1156, §31 – 33
C93, §12C.17
99 Acts, ch 117, §8, 15; 2006 Acts, ch 1040, §2, 3; 2007 Acts, ch 174, §79, 80; 2008 Acts, ch 1191, §28, 29
Referred to in §12C.1

**12C.18 Condition of security.**

The condition of the surety bond or the deposit of securities, instruments, or a joint custody receipt, must be that the credit union will promptly pay to the parties entitled public funds, including any interest on the funds, in its custody upon lawful demand and, when required by law, pay the funds to the public officer who made the deposit.

84 Acts, ch 1230, §22
C85, §453.18
92 Acts, ch 1156, §34
C93, §12C.18
99 Acts, ch 117, §9, 15
Referred to in §12C.1

**12C.19 Withdrawals, exchanges of security.**

1. Securities pledged pursuant to this chapter may be withdrawn on application of the pledging depository institution, and as to securities pledged by a credit union upon approval of the public officer to whom the securities are pledged, if the deposit of securities is no longer necessary to comply with this chapter, or withdrawal is required for collection by virtue of maturity or exchange. The depository institution shall replace securities so withdrawn for collection or exchange.

2. In an exchange of deposited securities for new securities, the amount of security on deposit at any time shall not be decreased below that otherwise required by this chapter.

3. In the event of substitution, addition, or exchange of securities, the holder or custodian of the securities shall, on the same day, forward by regular mail to the public officer and the credit union, a receipt specifically describing and identifying both the substituted or additional securities.

4. The public officer which deposits public funds with a credit union shall require, if the market value of the securities deposited with or for the benefit of the officer falls below one hundred ten percent of the deposit liability to the public officer, the deposit of additional security to bring the total market value of the security to one hundred ten percent of the amount of public funds held by the credit union.

84 Acts, ch 1230, §23
C85, §453.19
92 Acts, ch 1156, §35
C93, §12C.19
99 Acts, ch 117, §10, 15; 2002 Acts, ch 1096, §6, 17; 2003 Acts, ch 44, §6
Referred to in §12C.1

**12C.20 Public funds reports.**

1. On or before the tenth day of February, May, August, and November of each year, each out-of-state bank that has one or more branches in the state shall calculate and certify to the superintendent of banking in the form prescribed by the superintendent the amount of public funds on deposit at each such branch of the out-of-state bank as of the end of the previous calendar quarter.

2. A bank shall, upon request of the superintendent, certify to the superintendent the amount of public funds on deposit at the bank and at each branch of an out-of-state bank on any day specified by the superintendent in such request.

3. The superintendent may at any time make such investigation as the superintendent deems necessary and appropriate to verify the information provided to the superintendent pursuant to subsections 1 and 2.

4. On or before the twentieth day of February, May, August, and November of each year, the superintendent shall notify the treasurer of state of the amount of collateral required to be pledged as of the end of the previous calendar quarter based upon the certification provided to the superintendent under subsection 1 or 2 and a review by the superintendent of the quarterly call report filed by each bank that is not an out-of-state bank.

2002 Acts, ch 1096, §7, 17; 2012 Acts, ch 1017, §38

**12C.21 Required collateral — banks.** Repealed by 99 Acts, ch 117, §14, 15.

**12C.22 Required collateral — banks.**

1. A bank shall pledge to the treasurer of state the amount of collateral required under subsection 2 by depositing the collateral in restricted accounts at a financial institution that has been designated by the treasurer of state and that is not owned or controlled directly or indirectly by the bank pledging the collateral or any affiliate of the bank as defined in section 524.1101. Each bank shall execute as debtor and deliver to the treasurer of state a security agreement and such other documents, instruments, and agreements in form approved by the treasurer of state as are required to grant to the treasurer of state, as secured party in its capacity as agent for the depositors of all public funds from time to time deposited in the bank, a perfected security interest in the collateral described in the security agreement. The security agreement shall among other provisions contain all of the following provisions:

*a.* A security interest in the collateral is granted as collateral for the obligation of the bank to repay all uninsured public funds deposited in the bank.

*b.* In the event an assessment is paid by a bank to the treasurer of state pursuant to section 12C.23A, the bank is subrogated to the claim of a public funds depositor to the extent the claim is paid from funds paid by the bank.

*c.* The treasurer of state is appointed as agent of the bank to assert the claim on behalf of

the bank as subrogee. Any amount recovered by the treasurer by reason of the claim shall be deposited in the state sinking fund for public deposits in banks.

2. The amount of the collateral required to be pledged by a bank shall at all times equal or exceed the total of the amount by which the public funds deposits in the bank exceeds the total capital of the bank. For purposes of this section, deposits that comply with section 12B.10, subsection 7, that are evidenced either by one or more certificates of deposit or one or more orders for the next business day settlement and issuance of certificates of deposit, by a federally insured bank or savings association other than the depository, or that are public funds placed in accordance with section 12B.10, subsection 7, shall not be deemed public funds deposits in the bank or savings association. For purposes of this chapter, unless the context otherwise requires, *"total capital of the bank"* means its tier one capital plus both of the following components of tier two capital:

*a.* Qualifying subordinated debt and redeemable preferred stock.

*b.* Cumulative perpetual preferred stock.

3. The amount of collateral pledged by an out-of-state bank that operates a branch in Iowa shall be calculated in accordance with the following formula:

*a.* Total deposits of the bank.

*b.* Total deposits in Iowa branches of the bank.

*c.* The total of paragraph *"b"* divided by the total of paragraph *"a"*, in order to establish the deposits of Iowa branches as a percentage of total deposits.

*d.* Total capital of the bank as defined in subsection 2.

*e.* The total of paragraph *"d"* multiplied by the total of paragraph *"c"*, in order to establish Iowa branch capital.

*f.* Total public funds deposits in the bank.

*g.* The excess of the total of paragraph *"f"* over the total of paragraph *"e"*, if any.

4. The value of the collateral shall be its market value.

5. The treasurer of state shall adopt rules pursuant to chapter 17A to administer this section, including rules to do the following:

*a.* Designate not less than four financial institutions that may be custodians of collateral pledged under this chapter and establish regulations for qualification and compliance by the custodians and remedies and sanctions for noncompliance by the custodians.

*b.* Establish requirements for reporting to the treasurer of state by a financial institution of the amount and value of collateral held by the financial institution as custodian of collateral for the uninsured public funds on deposit in a bank.

*c.* Establish procedures for the valuation of collateral that does not have a readily ascertainable market value.

*d.* Establish procedures for adding collateral, releasing collateral, and substituting different collateral for collateral pledged under this section.

*e.* Establish procedures to determine the amount of the uninsured public funds of each bank or branch of an out-of-state bank as of the date of closing of a closed bank and the amount of the assessment to be made upon each bank.

*f.* Establish additional procedures necessary to administer this chapter and other rules as may be necessary to accomplish the purposes of this chapter.

*g.* Provide forms and procedures for compliance with this chapter, including electronic compliance.

*h.* Establish amounts and procedures for payment of fees to cover the costs of administration of this chapter.

6. The collateral used to secure public deposits shall be in one or more of the following forms acceptable to the treasurer of state:

*a.* Investment securities and shares in which a bank is permitted to invest under section 524.901, subsections 1, 2, 3, and 4.

*b.* Investment securities, as defined in section 524.901, subsection 1, paragraph *"a"*, representing general obligations of a state or a political subdivision of a state that is geographically contiguous with the state, provided that such investment securities are rated within the four highest grades according to a reputable rating service or represent unrated issues of equivalent value.

*c.* Investment securities, as defined in section 524.901, subsection 1, paragraph "*a*", representing general obligations of a state or a political subdivision of a state that is not contiguous with the state, provided that such investment securities are rated within the two highest grades according to a reputable rating service.

*d.* Nontransferable letters of credit upon which the payment of principal and interest is fully secured or guaranteed by the United States of America or an agency or instrumentality, including government-sponsored enterprises of the United States of America.

*e.* Private insurance policies or bonds written by companies approved by the superintendent.

*f.* Certificates of deposit issued by a federal deposit insurance corporation insured bank, the payment of which is fully insured by the federal deposit insurance corporation both as to principal and accrued interest, and that have been assigned a committee on uniform security identification procedures number and deposited for the account of the public funds depository bank at the depository trust company.

7. A bank may borrow collateral to be pledged under subsection 2 if the collateral is free of any liens, security interests, claims, or encumbrances.

2002 Acts, ch 1096, §8, 17; 2004 Acts, ch 1080, §1 – 3, 7; 2006 Acts, ch 1015, §1; 2006 Acts, ch 1023, §5; 2012 Acts, ch 1051, §2, 3

Referred to in §12C.23A, 12C.27

**12C.23 Payment of losses in a credit union.**

1. *a.* The pledging of securities by a credit union pursuant to this chapter constitutes consent by the credit union to the disposition of the securities in accordance with this section.

*b.* The acceptance of public funds by a credit union pursuant to this chapter constitutes consent by the credit union to assessments by the treasurer of state in accordance with this chapter.

2. The credit union and the security given for the public funds in its hands are liable for payment if the credit union fails to pay a check, draft, or warrant drawn by the public officer or to account for a check, draft, warrant, order, or certificates of deposit, or any public funds entrusted to it if, in failing to pay, the credit union acts contrary to the terms of an agreement between the credit union and the public body treasurer. The credit union and the security given for the public funds in its hands are also liable for payment if the credit union fails to pay an assessment by the treasurer of state when the assessment is due.

3. If a credit union is closed by its primary regulatory officials, the public body with deposits in the credit union may sell the collateral to pay for any loss of principal and accrued interest.

*a.* In cooperation with the responsible regulatory officials for the credit union, the public body shall validate the amount of public funds on deposit at the defaulting credit union and the amount of deposit insurance applicable to the deposits.

*b.* The loss to public depositors shall be satisfied, first through any applicable deposit insurance and then through the sale of securities pledged by the defaulting credit union, and then the assets of the defaulting credit union. The priority of claims are those established pursuant to section 533.404, subsection 1, paragraph "*b*". To the extent permitted by federal law, in the distribution of an insolvent federally chartered credit union's assets, the order of payment of liabilities if its assets are insufficient to pay in full all its liabilities for which claims are made shall be in the same order as for the equivalent type of state chartered credit union as provided in section 533.404, subsection 1, paragraph "*b*".

*c.* The claim of a public depositor for purposes of this section shall be the amount of the depositor's deposits plus interest to the date the funds are distributed to the public depositor at the rate the credit union agreed to pay on the funds reduced by the portion of the funds which is insured by federal deposit insurance.

*d.* If the loss to public funds is not covered by insurance and the proceeds of the failed credit union's assets which are liquidated within thirty days of the closing of the credit union and pledged collateral, the treasurer shall provide coverage of the remaining loss from the state sinking fund for public deposits in credit unions. If the funds are inadequate to cover the entire loss, then the treasurer shall make an assessment against other credit unions who

hold public funds. The assessment shall be determined by multiplying the total amount of the remaining loss to public depositors by a percentage that represents the average of public funds deposits held by all credit unions during the preceding twelve-month period ending on the last day of the month immediately preceding the month the credit union was closed. Each credit union shall pay its assessment to the treasurer within three business days after it receives notice of assessment. If a credit union fails to pay its assessment when due, the treasurer of state shall initiate a lawsuit to collect the assessment. If a credit union is found to have failed to pay the assessment as required by this paragraph, the court shall order it to pay the assessment, court costs, reasonable attorney's fees based upon the amount of time the attorney general's office spent preparing and bringing the action, and reasonable expenses incurred by the treasurer of state's office. Idle balances in the fund are to be invested by the treasurer with earnings credited to the fund. Fees paid by credit unions for administration of this chapter will be credited to the fund and the treasurer may deduct actual costs of administration from the fund.

*e.* Any amount realized from the sale of collateral pursuant to paragraph "*d*", in excess of the amount of a credit union's assessment, shall continue to be held by the treasurer, in the same interest-bearing investments available for public funds, as collateral until that credit union provides substitute collateral or is otherwise entitled to its release.

85 Acts, ch 194, §6
CS85, §453.23
92 Acts, ch 1156, §37 – 40
C93, §12C.23
94 Acts, ch 1023, §3; 99 Acts, ch 117, §11, 15; 99 Acts, ch 208, §43, 74; 2007 Acts, ch 174, §81; 2008 Acts, ch 1032, §201
Referred to in §12C.1, 12C.25

**12C.23A Payment of losses in a bank.**

1. The acceptance of public funds by a bank pursuant to this chapter constitutes all of the following:

*a.* Agreement by the bank to pledge collateral as required by section 12C.22.

*b.* Consent by the bank to the disposition of the collateral in accordance with this section.

*c.* Consent by the bank to assessments by the treasurer of state in accordance with this chapter.

*d.* Agreement by the bank to provide accurate information and to otherwise comply with the requirements of this chapter.

*e.* Consent to the jurisdiction and authority of the superintendent as provided under section 12C.29.

2. A bank is liable for payment if the bank fails to pay a check, draft, or warrant drawn by a public funds depositor or to account for a check, draft, warrant, order, or certificate of deposit, or any public funds entrusted to the bank if, in failing to pay, the bank acts contrary to the terms of an agreement between the bank and the public funds depositor. The bank is also liable to the treasurer of state for payment if the bank fails to pay an assessment by the treasurer of state under subsection 3 when the assessment is due.

3. If a bank is closed by its primary state or federal regulator, including a bank that has accepted public funds deposits under section 12B.10, subsection 7, each public funds depositor with deposits in the bank shall notify the treasurer of state of the amount of any claim within thirty days of the closing. The treasurer of state shall implement the following procedures:

*a.* In cooperation with the responsible regulatory officials for the closed bank, the treasurer shall validate the amount of public funds on deposit at the closed bank and the amount of deposit insurance applicable to the deposits.

*b.* Any loss to a public funds depositor shall be satisfied first by any federal deposit insurance, then by the sale or other disposition of collateral pledged by the closed bank, then from the assets of the closed bank. To the extent permitted by federal law, the priority of claims are those established pursuant to section 524.1312, subsection 2. To the extent permitted by federal law, in the distribution of an insolvent federally chartered bank's assets,

the order of payment of liabilities, if its assets are insufficient to pay in full all its liabilities for which claims are made, shall be in the same order as for a state bank as provided in section 524.1312, subsection 2.

*c.* The claim of a public funds depositor for purposes of this section shall be the amount of the depositor's public funds deposits plus interest to the date the funds are distributed to the public funds depositor at the rate the bank agreed to pay on the public funds reduced by the portion of the public funds that is insured by federal deposit insurance.

*d.* If the loss of public funds is not covered by federal deposit insurance and the proceeds of the closed bank's assets that are liquidated within thirty days of the closing of the bank are not sufficient to cover the loss, then any further payments to cover the loss will come from the state sinking fund for public deposits in banks. If the balance in that sinking fund is inadequate to pay the entire loss, then the treasurer shall obtain the additional amount needed by making an assessment against other banks whose public funds deposits exceed federal deposit insurance coverage. A bank's assessment shall be determined by multiplying the total amount of the remaining loss to all public depositors in the closed bank by a percentage that represents the assessed bank's proportional share of the total of uninsured public funds deposits held by all banks and all branches of out-of-state banks, based upon the average of the uninsured public funds of the assessed bank or branch of an out-of-state bank as of the end of the four calendar quarters prior to the date of closing of the closed bank and the average of the uninsured public funds in all banks and branches of out-of-state banks as of the end of the four calendar quarters prior to the date of closing of the closed bank, excluding the amount of uninsured public funds held by the closed bank at the end of the four calendar quarters. Each bank shall pay its assessment to the treasurer of state within three business days after it receives notice of assessment. For purposes of this section, when calculating uninsured public funds, a bank shall include all deposits of customers of other financial institutions as permitted by section 12B.10, subsection 7.

*e.* If a bank fails to pay its assessment when due, the treasurer of state shall make additional assessments as may be necessary against other banks that hold uninsured public funds to satisfy any unpaid assessment. Any additional assessments shall be determined, collected, and satisfied in the same manner as the first assessment except that in calculating the amount of each such additional assessment, the amount of uninsured public funds held by the bank that fails to pay the assessment shall not be counted.

*f.* If a bank fails to pay its assessment when due, the treasurer of state shall notify the superintendent or the comptroller of the currency, as applicable, of the failure to pay the assessment. If the bank that has failed to pay the assessment is a nationally chartered financial institution, the superintendent shall immediately notify the bank's primary federal regulator. If the assessment is not paid within thirty days after the bank received the notice of assessment, the treasurer of state shall initiate a lawsuit to collect the amount of the assessment. If a bank is found to have failed to pay the assessment as required by this subsection and is ordered to pay the assessment, the court shall also order that the bank pay court costs and reasonable attorney fees based on the amount of time the attorney general's office spent preparing and bringing the action, and reasonable expenses incurred by the treasurer of state.

*g.* Following collection of the assessments, the treasurer of state shall distribute funds to the public depositors of the closed bank according to their validated claims unless a public depositor requests in writing that the claims of other public depositors be paid prior to payment to the public depositor making the request. By receiving payment under this section, a public depositor shall be deemed to have assigned to the treasurer of state any claim the public depositor may have against the closed bank by reason of the deposit of its public funds and all rights the public depositor may have in funds that subsequently become available to depositors of the closed bank.

99 Acts, ch 117, §12, 15; 99 Acts, ch 208, §44, 45, 74; 2002 Acts, ch 1096, §9, 17; 2003 Acts, ch 44, §7; 2004 Acts, ch 1080, §4 – 7; 2006 Acts, ch 1023, §6; 2010 Acts, ch 1028, §3, 14; 2012 Acts, ch 1051, §4

Referred to in §12C.1, 12C.22, 12C.25

**12C.24 Liability.**

When public deposits are made in accordance with this chapter in a financial institution that is eligible to accept public funds deposits at the time a deposit of public funds is made, a public body depositing public funds, and any person that is an agent, employee, officer, or board member of the public funds depositor, is exempt from liability for any loss resulting from the loss of public funds in the absence of negligence, malfeasance, misfeasance, or nonfeasance on the part of the public body or such person.

85 Acts, ch 194, §7
CS85, §453.24
C93, §12C.24
2002 Acts, ch 1096, §10, 17
Referred to in §12C.1

**12C.25 State sinking funds created.**

1. There are created in the treasurer of state's office the following funds:

*a.* A state sinking fund for public deposits in banks.

*b.* A state sinking fund for public deposits in credit unions.

2. Idle balances in the state sinking fund for public deposits in banks shall be invested by the treasurer of state with earnings credited to that fund. Fees paid by banks for administration of this chapter shall be credited to the state sinking fund for public deposits in banks and the treasurer of state may deduct actual costs of administration from that fund.

3. The funds shall be used to receive and disburse moneys pursuant to section 12C.23, subsection 3, paragraph *"d"* and section 12C.23A, subsection 3, paragraph *"d"*.

85 Acts, ch 194, §8
CS85, §453.25
86 Acts, ch 1237, §28
C93, §12C.25
99 Acts, ch 117, §13, 15; 2000 Acts, ch 1154, §2; 2002 Acts, ch 1096, §11, 17

**12C.26 Refund from sinking funds.**

1. If at the end of any calendar year the amount in the sinking fund exceeds three million one hundred thousand dollars, then to the extent the amount in the sinking fund exceeds three million dollars, the treasurer shall, on or before January 31 of the following year, refund to each bank that paid an assessment after the year 1999 to the sinking fund resulting from the closing of a bank, its pro rata share of the unreimbursed portion of the total assessment paid by all banks. If assessments remain unreimbursed by reason of the closing of more than one bank, the reimbursements shall be made to the banks that paid assessments by reason of the bank which closed first until those banks are reimbursed in full, and then to the banks that paid assessments by reason of the bank which closed next. Such a refund shall not be made to a bank if the refund would exceed the amount of previous assessments paid by the bank.

2. Upon recovery of a loss of public funds due to a closed credit union, the treasurer of state may refund all or a portion of the recovered amount to the credit unions that paid an assessment under this chapter as a result of the closing of that credit union.

2000 Acts, ch 1232, §22, 40; 2002 Acts, ch 1096, §12, 17

**12C.27 Failure to maintain required collateral.**

If the treasurer of state determines that a bank fails to comply with section 12C.22, subsections 2 and 3, the treasurer of state may restrict that bank from accepting uninsured public funds and shall notify the office of thrift supervision, the office of the comptroller of the currency, or the superintendent as applicable, who may take such action against the bank, its board of directors and officers as permitted by law.

2002 Acts, ch 1096, §13, 17; 2003 Acts, ch 179, §93

**12C.28 Electronic reporting.**

Any notice, information, report, or other communication required by this chapter shall be deemed effective and in compliance with this chapter if sent or given electronically as provided in rules adopted pursuant to chapter 17A by the appropriate superintendent or the treasurer of state.

2002 Acts, ch 1096, §14, 17; 2010 Acts, ch 1028, §4, 14

**12C.29 Authority of superintendent to issue orders.**

1. If it appears to the superintendent that a bank is violating or has violated, or the superintendent has reasonable cause to believe that a bank is about to violate, any provision of this chapter or any rules adopted pursuant thereto, or if a bank is less than well capitalized as defined in 12 U.S.C. § 1831o(b)(1)(A), or if a bank is subject to a final order or written agreement subject to the public disclosure requirements of 12 U.S.C. § 1818(u), the superintendent may issue an order requiring the bank to do one or more of the following:

*a.* Not accept uninsured public funds deposits.

*b.* Reduce the amount of uninsured public funds accepted.

*c.* Return to the depositors some or all uninsured public funds held in demand deposits and, when deposit instruments or agreements mature, return to the depositors some or all uninsured deposits representing proceeds of such instruments or agreements.

*d.* Pledge collateral to the treasurer of state, with such collateral having a value at all times up to one hundred ten percent of the public funds held by the bank.

*e.* Comply with such other requirements as the superintendent may impose.

2. An order issued pursuant to this section shall become effective upon service of the order on the bank and shall remain effective except to such extent modified, terminated, or set aside by action of the superintendent or of the district court of Polk county as provided in subsection 3.

3. An order issued pursuant to this section shall contain a concise statement of the facts forming the basis for issuing the order and shall provide the bank an opportunity to appeal the order by requesting a hearing. If the bank requests a hearing, the hearing shall be fixed for a date not later than thirty days after the service of the order unless a later date is set at the request of the bank. If upon the record made at the hearing, the superintendent finds that the grounds for the order have been established, the superintendent may issue and serve upon the bank an order upholding the original order. If the superintendent finds the grounds for the order have not been established, the superintendent shall set aside the original order or modify the order, as the superintendent deems appropriate. An administrative law judge may assist the superintendent at the hearing or, at the superintendent's request, preside over the hearing. The hearing shall not be open to the public. The superintendent's decision shall be subject to judicial review in Polk county district court in accordance with the provisions of chapter 17A.

4. An order issued pursuant to this section shall be confidential, and the Polk county district court shall review the record in camera and shall maintain filings of any judicial review filed pursuant to subsection 3 under seal.

5. This section is intended to provide the superintendent additional authority and regulatory flexibility in regulating a bank that accepts public funds deposits and whose financial condition, level of public funds, or level of collateral may pose a greater than normal risk of loss coverage from the state sinking fund applicable for uninsured and unsecured public funds.

6. An act or omission by the superintendent pursuant to this section shall not subject the state to liability.

2010 Acts, ch 1028, §5, 14

Referred to in §12C.23A

# CHAPTER 12D

## IOWA EDUCATIONAL SAVINGS PLAN TRUST

Referred to in §12G.2, 422.7


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**12D.1 Purpose and definitions.**

1. The general assembly finds that the general welfare and well-being of the state are directly related to educational levels and skills of the citizens of the state, and that a vital and valid public purpose is served by the creation and implementation of programs which encourage and make possible the attainment of higher education by the greatest number of citizens of the state. The state has limited resources to provide additional programs for higher education funding and the continued operation and maintenance of the state's public institutions of higher education and the general welfare of the citizens of the state will be enhanced by establishing a program which allows citizens of the state to invest money in a public trust for future application to the payment of higher education costs. The creation of the means of encouragement for citizens to invest in such a program represents the carrying out of a vital and valid public purpose. In order to make available to the citizens of the state an opportunity to fund future higher education needs, it is necessary that a public trust be established in which moneys may be invested for future educational use.

2. As used in this chapter, unless the context otherwise requires:

*a.* *"Account balance limit"* means the maximum allowable aggregate balance of accounts established for the same beneficiary. Account earnings, if any, are included in the account balance limit.

*b.* *"Administrative fund"* means the administrative fund established under section 12D.4.

*c.* *"Beneficiary"* means the individual designated by a participation agreement to benefit from advance payments of higher education costs on behalf of the beneficiary.

*d.* *"Benefits"* means the payment of higher education costs on behalf of a beneficiary by the trust during the beneficiary's attendance at an institution of higher education.

*e.* *"Higher education costs"* means the certified costs of tuition, fees, books, supplies, and equipment required for enrollment or attendance at an institution of higher education. Reasonable room and board expenses, based on the minimum amount applicable for the institution of higher education during the period of enrollment, shall be included as a higher education cost for those students enrolled on at least a half-time basis. In the case of a special needs beneficiary, expenses for special needs services incurred in connection with enrollment or attendance at an institution of higher education shall be included as a higher education cost.

*f.* *"Institution of higher education"* means an institution described in section 481 of the federal Higher Education Act of 1965, 20 U.S.C. § 1088, which is eligible to participate in the United States department of education's student aid programs.

*g.* *"Internal Revenue Code"* means the same as defined in section 422.3.

*h.* *"Iowa educational savings plan trust"* or *"trust"* means the trust created under section 12D.2.

*i.* *"Participant"* means an individual, individual's legal representative, trust, or estate that

has entered into a participation agreement under this chapter for the advance payment of higher education costs on behalf of a beneficiary.

*j. "Participation agreement"* means an agreement between a participant and the trust entered into under this chapter.

*k. "Program fund"* means the program fund established under section 12D.4.

*l. "Tuition and fees"* means the quarter or semester charges imposed to attend an institution of higher education and required as a condition of enrollment.

98 Acts, ch 1172, §1; 2000 Acts, ch 1163, §1, 6; 2004 Acts, ch 1079, §1, 17; 2008 Acts, ch 1032, §201

**12D.2 Creation of Iowa educational savings plan trust.**

An Iowa educational savings plan trust is created. The treasurer of state is the trustee of the trust, and has all powers necessary to carry out and effectuate the purposes, objectives, and provisions of this chapter pertaining to the trust, including the power to do all of the following:

1. Make and enter into contracts necessary for the administration of the trust created under this chapter.
2. Enter into agreements with any institution of higher education, the state, or any federal or other state agency, or other entity as required to implement this chapter.
3. Carry out the duties and obligations of the trust pursuant to this chapter.
4. Accept any grants, gifts, legislative appropriations, and other moneys from the state, any unit of federal, state, or local government, or any other person, firm, partnership, or corporation which the treasurer of state shall deposit into the administrative fund or the program fund.
5. Carry out studies and projections so the treasurer of state may advise participants regarding present and estimated future higher education costs and levels of financial participation in the trust required in order to enable participants to achieve their educational funding objectives.
6. Participate in any federal, state, or local governmental program for the benefit of the trust.
7. Procure insurance against any loss in connection with the property, assets, or activities of the trust.
8. Enter into participation agreements with participants.
9. Make payments to institutions of higher education, participants, or beneficiaries, pursuant to participation agreements on behalf of beneficiaries.
10. Make refunds to participants upon the termination of participation agreements, and partial nonqualified distributions to participants, pursuant to the provisions, limitations, and restrictions set forth in this chapter.
11. Invest moneys from the program fund in any investments which are determined by the treasurer of state to be appropriate.
12. Engage investment advisors, if necessary, to assist in the investment of trust assets.
13. Contract for goods and services and engage personnel as necessary, including consultants, actuaries, managers, legal counsel, and auditors for the purpose of rendering professional, managerial, and technical assistance and advice to the treasurer of state regarding trust administration and operation.
14. Establish, impose, and collect administrative fees and charges in connection with transactions of the trust, and provide for reasonable service charges, including penalties for cancellations and late payments with respect to participation agreements.
15. Administer the funds of the trust.
16. Adopt rules pursuant to chapter 17A for the administration of the trust.

98 Acts, ch 1172, §2; 99 Acts, ch 114, §1; 99 Acts, ch 122, §1, 10; 2004 Acts, ch 1079, §2 – 6, 17

Referred to in §12D.1

**12D.3 Participation agreements for trust.**

The trust may enter into participation agreements with participants on behalf of beneficiaries pursuant to the following terms and agreements:

1. *a.* Each participation agreement may require a participant to agree to invest a specific amount of money in the trust for a specific period of time for the benefit of a specific beneficiary. A participant shall not be required to make an annual contribution on behalf of a beneficiary. The maximum contribution that may be deducted for Iowa income tax purposes shall not exceed two thousand dollars per beneficiary per year adjusted annually to reflect increases in the consumer price index. The treasurer of state shall set an account balance limit to maintain compliance with section 529 of the Internal Revenue Code. A contribution shall not be permitted to the extent it causes the aggregate balance of all accounts established for the same beneficiary to exceed the applicable account balance limit.

*b.* Participation agreements may be amended to provide for adjusted levels of payments based upon changed circumstances or changes in educational plans.

2. The execution of a participation agreement by the trust shall not guarantee in any way that higher education costs will be equal to projections and estimates provided by the trust or that the beneficiary named in any participation agreement will attain any of the following:

*a.* Be admitted to an institution of higher education.

*b.* If admitted, be determined a resident for tuition purposes by the institution of higher education.

*c.* Be allowed to continue attendance at the institution of higher education following admission.

*d.* Graduate from the institution of higher education.

3. *a.* A beneficiary under a participation agreement may be changed as permitted under rules adopted by the treasurer of state upon written request of the participant as long as the substitute beneficiary is eligible for participation.

*b.* Participation agreements may otherwise be freely amended throughout their terms in order to enable participants to increase or decrease the level of participation, change the designation of beneficiaries, and carry out similar matters as authorized by rule.

4. Each participation agreement shall provide that the participation agreement may be canceled upon the terms and conditions, and upon payment of applicable fees and costs set forth and contained in the rules adopted by the treasurer of state.

98 Acts, ch 1172, §3; 99 Acts, ch 122, §2 – 4, 10; 2000 Acts, ch 1163, §2 – 4, 6; 2004 Acts, ch 1079, §7, 8, 17

Referred to in §12D.9, 422.7

**12D.4 Program and administrative funds — investment and payments.**

1. *a.* The treasurer of state shall segregate moneys received by the trust into two funds: the program fund and the administrative fund.

*b.* All moneys paid by participants in connection with participation agreements shall be deposited as received into separate accounts within the program fund.

*c.* Contributions to the trust made by participants may only be made in the form of cash.

*d.* A participant or beneficiary shall not provide investment direction regarding program contributions or earnings held by the trust.

2. Moneys accrued by participants in the program fund of the trust may be used for payments to any institution of higher education. Payments can be made to the institution, the participant, or the beneficiary.

98 Acts, ch 1172, §4; 2004 Acts, ch 1079, §9, 17

Referred to in §12D.1, 12D.9

**12D.4A Administrative fund — appropriation.** Repealed by 2000 Acts, ch 1231, § 39; 2001 Acts, ch 24, §72, 74.

**12D.5 Cancellation of agreements.**

A participant may cancel a participation agreement at will. Upon cancellation of a participation agreement, a participant shall be entitled to the return of the participant's account balance.

98 Acts, ch 1172, §5; 99 Acts, ch 96, §1; 99 Acts, ch 122, §6, 7, 10; 2003 Acts, ch 142, §1, 11; 2004 Acts, ch 1079, §10, 17

**12D.6 Repayment and ownership of payments and investment income — transfer of ownership rights.**

1. *a.* A participant retains ownership of all payments made under a participation agreement up to the date of utilization for payment of higher education costs for the beneficiary.

*b.* All income derived from the investment of the payments made by the participant shall be considered to be held in trust for the benefit of the beneficiary.

2. In the event the program is terminated prior to payment of higher education costs for the beneficiary, the participant is entitled to a refund of the participant's account balance.

3. The institution of higher education shall obtain ownership of the payments made for the higher education costs paid to the institution at the time each payment is made to the institution.

4. Any amounts which may be paid to any person or persons pursuant to the Iowa educational savings plan trust but which are not listed in this section are owned by the trust.

5. A participant may transfer ownership rights to another eligible individual, including a gift of the ownership rights to a minor beneficiary. The transfer shall be made and the property distributed in accordance with rules adopted by the treasurer of state or with the terms of the participation agreement.

6. A participant shall not be entitled to utilize any interest in the trust as security for a loan.

98 Acts, ch 1172, §6; 99 Acts, ch 96, §2; 99 Acts, ch 114, §2; 99 Acts, ch 122, §8, 10; 2004 Acts, ch 1079, §11, 12, 17

Referred to in §12D.9

**12D.7 Effect of payments on determination of need and eligibility for student financial aid.**

A student loan program, student grant program, or other program administered by any agency of the state, except as may be otherwise provided by federal law or the provisions of any specific grant applicable to that law, shall not take into account and shall not consider amounts available for the payment of higher education costs pursuant to the Iowa educational savings plan trust in determining need and eligibility for student aid.

98 Acts, ch 1172, §7

**12D.8 Annual audited financial report to governor and general assembly.**

1. *a.* The treasurer of state shall submit an annual audited financial report, prepared in accordance with generally accepted accounting principles, on the operations of the trust by November 1 to the governor and the general assembly.

*b.* The annual audit shall be made either by the auditor of state or by an independent certified public accountant designated by the auditor of state and shall include direct and indirect costs attributable to the use of outside consultants, independent contractors, and any other persons who are not state employees.

2. The annual audit shall be supplemented by all of the following information prepared by the treasurer of state:

*a.* Any related studies or evaluations prepared in the preceding year.

*b.* A summary of the benefits provided by the trust including the number of participants and beneficiaries in the trust.

*c.* Any other information which is relevant in order to make a full, fair, and effective disclosure of the operations of the trust.

98 Acts, ch 1172, §8; 2008 Acts, ch 1032, §201

**12D.9 Tax considerations.**

1. For federal income tax purposes, the Iowa educational savings plan trust shall be considered a qualified state tuition program exempt from taxation pursuant to section 529 of the Internal Revenue Code. The Iowa educational savings plan trust meets the requirements of section 529(b), of the Internal Revenue Code, as follows:

*a.* Pursuant to section 12D.3, subsection 1, paragraph "*a*", a participant may make contributions to an account which is established for the purpose of meeting the qualified higher education expenses of the designated beneficiary of the account.

*b.* Pursuant to section 12D.3, subsection 1, a maximum contribution level is established.

*c.* Pursuant to section 12D.4, subsection 1, paragraph "*b*", a separate account is established for each beneficiary.

*d.* Pursuant to section 12D.4, subsection 1, paragraph "*c*", contributions may only be made in the form of cash.

*e.* Pursuant to section 12D.4, subsection 1, paragraph "*d*", a participant or beneficiary shall not provide investment direction regarding program contributions or earnings held by the trust.

*f.* Pursuant to section 12D.6, subsection 6, a participant shall not pledge any interest in the trust as security for a loan.

2. State income tax treatment of the Iowa educational savings plan trust shall be as provided in section 422.7, subsections 32 and 33.

3. State inheritance tax treatment of interests in Iowa educational savings plans shall be as provided in section 450.4, subsection 8. This subsection shall apply to all Iowa educational savings plans existing on or after July 1, 1998.

98 Acts, ch 1172, §9; 99 Acts, ch 122, §9, 10; 2003 Acts, ch 142, §2, 11; 2004 Acts, ch 1079, §13, 14, 17; 2005 Acts, ch 179, §107; 2008 Acts, ch 1164, §1

**12D.10 Property rights to assets in trust.**

1. The assets of the trust shall at all times be preserved, invested, and expended solely and only for the purposes of the trust and shall be held in trust for the participants and beneficiaries.

2. No property rights in the trust shall exist in favor of the state.

3. The assets of the trust shall not be transferred or used by the state for any purposes other than the purposes of the trust.

98 Acts, ch 1172, §10; 2004 Acts, ch 1079, §15, 17

**12D.11 Construction.**

This chapter shall be construed liberally in order to effectuate its purpose.

98 Acts, ch 1172, §11

# CHAPTER 12E

## TOBACCO SETTLEMENT AUTHORITY

Referred to in §12.30, 12B.10, 12B.10A, 12B.10B, 12B.10C


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**12E.1 Title.**

This chapter shall be known and may be cited as the *"Tobacco Settlement Authority Act"*.

2000 Acts, ch 1208, §1, 25

**12E.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Authority"* means the tobacco settlement authority created in this chapter.
2. *"Board"* means the governing board of the authority.
3. *"Bonds"* means bonds, notes, and other obligations and financing arrangements issued or entered into by the authority pursuant to this chapter.
4. *"Financial institution"* means a bank or credit union as defined in section 12C.1.
5. *"Interest rate agreement"* means an interest rate swap or exchange agreement, an agreement establishing an interest rate floor or ceiling or both, or any similar agreement. Any such agreement may include the option to enter into or cancel the agreement or to reverse or extend the agreement.
6. *"Master settlement agreement"* means the master settlement agreement as defined in section 453C.1.
7. *"Net proceeds"* means the amount of proceeds remaining following each sale of bonds which are not required by the authority to establish and fund reserve funds and to pay the costs of issuance and other expenses and fees directly related to the authorization and issuance of bonds.
8. *"Notes"* means notes, warrants, loan agreements, and all other forms of evidence of indebtedness authorized under this chapter.
9. *"Program plan"* means the tobacco settlement program plan dated February 14, 2001, including exhibits to the program plan, submitted by the authority to the legislative council and the executive council, to provide the state with a secure and stable source of funding for the purposes designated by section 12E.3A and other provisions of this chapter.
10. *"Qualified investments"* means investments of the authority authorized pursuant to this chapter.
11. *"Sales agreement"* means any agreement authorized pursuant to this chapter in which the state provides for the sale of all or a portion of the state's share to the authority.
12. *"State's share"* means all of the following:

*a.* All payments required to be made by tobacco product manufacturers to the state, and the state's rights to receive such payments, under the master settlement agreement.

*b.* To the extent that such amounts have been assigned to the state, all payments of

attorney fees required to be made by tobacco product manufacturers under the master settlement agreement, and all rights to receive such attorney fees.

13. *"Tax-exempt bonds"* means bonds issued by the authority that are accompanied by a written opinion of legal counsel to the authority that the bonds are excluded from the gross income of the recipients for federal income tax purposes.

14. *"Taxable bonds"* means bonds issued by the authority that are not accompanied by a written opinion of legal counsel to the authority that the bonds are excluded from the gross income of the recipients for federal income tax purposes.

15. *"Tobacco settlement trust fund"* means the tobacco settlement trust fund created in this chapter.

2000 Acts, ch 1208, §2, 25; 2000 Acts, ch 1232, §13, 15; 2001 Acts, ch 164, §2 – 5, 21; 2008 Acts, ch 1186, §9, 10, 19

**12E.3 Tobacco settlement authority — created — purposes — powers — restrictions.**

1. A tobacco settlement authority is created and constitutes a public instrumentality and agency of the state, separate and distinct from the state, exercising public and essential governmental functions.

2. The purposes of the authority include all of the following:

*a.* To implement and administer the program plan and to establish a stable source of revenue to be used for the purposes designated in section 12E.3A and other provisions of this chapter.

*b.* To enter into sales agreements.

*c.* To issue bonds and enter into funding options, consistent with this chapter, including refunding and refinancing its debt and obligations.

*d.* To sell, pledge, or assign, as security or consideration, all or a portion of the state's share sold to the authority pursuant to a sales agreement, to provide for and secure the issuance and repayment of its bonds.

*e.* To invest funds available under this chapter to provide for a source of revenue in accordance with the program plan.

*f.* To enter into agreements with the state for the periodic distribution of amounts due the state under any sales agreement.

*g.* To refund and refinance the authority's debts and obligations, and to manage its funds, obligations, and investments as necessary and if consistent with its purpose.

*h.* To sell, pledge, or assign, as security or consideration, all or a portion of the state's share to implement alternative funding options.

*i.* To implement the purposes of this chapter.

3. The authority shall invest its funds and accounts in accordance with this chapter and shall not take action or invest in any manner that would cause the state to become a stockholder in any corporation or that would cause the state to assume or agree to pay the debt or liability of any corporation in violation of the United States Constitution or the Constitution of the State of Iowa.

4. The authority shall not create any obligation of this state or any political subdivision of this state within the meaning of any constitutional or statutory debt limitation.

5. The authority shall not pledge the credit or taxing power of this state or any political subdivision of this state, or make its debts payable out of any moneys except those of the authority specifically pledged for their payment.

6. The authority shall not pledge or make its debts payable out of the moneys deposited in the tobacco settlement trust fund.

2000 Acts, ch 1208, §3, 25; 2000 Acts, ch 1232, §14, 15; 2001 Acts, ch 164, §6, 21; 2008 Acts, ch 1186, §11, 19

**12E.3A Endowment for Iowa's health account — purposes.**

1. The general assembly reaffirms and reenacts the purposes stated for the use of moneys deposited in the healthy Iowans tobacco trust, as the purposes were enacted in 2000 Iowa Acts, ch. 1232, section 12, and codified in section 12.65, Code 2007, as the purposes for the endowment for Iowa's health account. The purposes include those purposes related to health

care, substance abuse treatment and enforcement, tobacco use prevention and control, and other purposes related to the needs of children, adults, and families in the state.

2. Any net proceeds from the sale of taxable bonds or tax-exempt bonds issued to provide funds for the purposes stated in section 12.65, Code 2007, and as reaffirmed and reenacted in subsection 1 shall continue to be used for such purposes, including but not limited to any such proceeds deposited in the endowment for Iowa's health account or transferred or otherwise credited to the general fund of the state.

2008 Acts, ch 1186, §12, 19

Referred to in §12E.2, 12E.3, 12E.9, 12E.10, 12E.11, 12E.12

**12E.4 Powers not restricted — law complete in itself.**

This chapter shall not restrict or limit the powers which the authority has under any other law of this state, but is cumulative as to any such powers. A proceeding, notice, or approval is not required for the creation of the authority or the issuance of obligations or an instrument as security, except as provided in this chapter.

2000 Acts, ch 1208, §4, 25

**12E.5 Governing board.**

1. The powers of the authority are vested in and shall be exercised by a board consisting of the treasurer of state, the auditor of state, and the director of the department of management. Notwithstanding the provisions of section 12.30, subsection 2, regarding ex officio nonvoting status, the treasurer of state shall act as a voting member of the authority.

2. Two members of the board constitute a quorum.

3. The members shall elect a chairperson, vice chairperson, and secretary, annually, and other officers as the members determine necessary. The treasurer of state shall serve as treasurer of the authority.

4. Meetings of the board shall be held at the call of the chairperson or when a majority of the members so requests.

5. The members of the board shall not receive compensation by reason of their membership on the board.

2000 Acts, ch 1208, §5, 25

**12E.6 Staff — assistance by state officers, agencies, and departments.**

1. The staff of the office of the treasurer of state shall also serve as staff of the authority under the supervision of the treasurer.

2. State officers, agencies, and departments may render services to the authority within their respective functions, as requested by the authority.

2000 Acts, ch 1208, §6, 25

**12E.7 Limitation of liability.**

Members of the board and persons acting on the authority's behalf, while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out the powers and duties conferred on them under this chapter.

2000 Acts, ch 1208, §7, 25

**12E.8 General powers.**

1. The authority has all the general powers necessary to carry out its purposes and duties and to exercise its specific powers, including but not limited to all of the following powers:

*a.* The power to issue its bonds and to enter into other funding options as provided in this chapter.

*b.* The power to have perpetual succession as a public instrumentality and agency of the state, until dissolved in accordance with this chapter.

*c.* The power to sue and be sued in its own name.

*d.* The power to make and execute agreements, contracts, and other instruments, with any public or private person, in accordance with this chapter.

*e.* The power to hire and compensate legal counsel, notwithstanding chapter 13.

*f.* The power to hire investment advisors and other persons as necessary to fulfill its purpose.

*g.* The power to invest or deposit moneys of or held by the authority in any manner determined by the authority, notwithstanding chapter 12B or 12C.

*h.* The power to procure insurance, other credit enhancements, and other financing arrangements, and to execute instruments and contracts and to enter into agreements convenient or necessary to facilitate financing arrangements of the authority and to fulfill the purposes of the authority under this chapter, including but not limited to such arrangements, instruments, contracts, and agreements as municipal bond insurance, liquidity facilities, interest rate agreements, and letters of credit.

*i.* The power to accept appropriations, gifts, grants, loans, or other aid from public or private entities.

*j.* The power to adopt rules, consistent with this chapter and in accordance with chapter 17A, as the board determines necessary.

*k.* The power to acquire, own, hold, administer, and dispose of property.

*l.* The power to determine, in connection with the issuance of bonds, and subject to the sales agreement, the terms and other details of financing, and the method of implementation of the program plan.

*m.* The power to perform any act not inconsistent with federal or state law necessary to carry out the purposes of the authority.

2. The authority is exempt from the requirements of chapter 8A, subchapter III.

2000 Acts, ch 1208, §8, 25; 2001 Acts, ch 164, §7, 8, 21; 2003 Acts, ch 145, §132

**12E.9 Authorization of the sale of rights in the master settlement agreement.**

1. *a.* The governor or the governor's designee shall sell and assign all or a portion of the state's share to the authority pursuant to one or more sales agreements for the purpose of securitization as described in the program plan and as specified in section 12E.10. The attorney general shall assist the governor in the preparation and review of all necessary documentation to effect such a sale as soon as reasonably practicable.

*b.* Any sales agreement shall be consistent with the program plan and this chapter. The terms and conditions of the sale established in such sales agreement may include but are not limited to any of the following:

(1) A requirement that the state enforce, at the sole expense of the authority, the provisions of the master settlement agreement that require payment of the state's share that has been sold to the authority under a sales agreement.

(2) A requirement that the state not agree to any amendment of the master settlement agreement that materially and adversely affects the authority's ability to receive the state's share that has been sold to the authority.

(3) An agreement that the anticipated use by the state of bond proceeds received pursuant to the sales agreement shall be for capital projects, certain debt service on outstanding obligations that funded capital projects, payment of attorney fees related to the master settlement agreement, and to provide a secure and stable source of funding to the state for purposes designated by section 12E.3A and other provisions of this chapter.

(4) A statement that the net proceeds from the sale of bonds shall be deposited in the tobacco settlement trust fund established under section 12E.12 and that in no event shall the amounts in the trust fund be available or be applied for payment of bonds or any claim against the authority or any debt or obligation of the authority.

(5) A requirement that the net proceeds received by the authority from the sale of any tax-exempt bonds issued to provide funds for capital projects, certain debt service, and attorney fees related to the master settlement agreement be paid by the authority to the state as consideration for the sale of that portion of the state's share, that such net proceeds be deposited by the state upon receipt in the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund, and that such proceeds are to be held by the authority solely for the benefit of the state, subject to annual appropriation by the state in accordance with section 12E.10, subsection 1, paragraph *"b"*.

(6) A requirement that the net proceeds received by the authority from the sale of taxable

bonds or tax-exempt bonds issued to provide funds for the purposes specified in section 12E.3A be deposited in the endowment for Iowa's health account of the tobacco settlement trust fund as moneys of the authority until transferred to the state pursuant to section 12E.12, subsection 1, paragraph *"b"*, subparagraph (3). Each amount transferred shall be the consideration received by the state for that portion of the state's share.

(7) An agreement that the effective date of the sale is the date of receipt of the bond proceeds by the authority and the deposits of the net proceeds of the tax-exempt bonds and any taxable bonds in the respective accounts of the tobacco settlement trust fund.

2. The sale made under this section shall be irrevocable during the time when bonds are outstanding under this chapter, and shall be a part of the contractual obligation owed to the bondholders. The sale shall constitute and be treated as a true sale and absolute transfer of the property so transferred and not as a pledge or other security interest for any borrowing. The characterization of such a sale as an absolute transfer shall not be negated or adversely affected by the fact that only a portion of the state's share is being sold, or by the state's acquisition or retention of an ownership interest in the residual assets.

3. On or after the effective date of such sale, the state shall not have any right, title, or interest in the portion of the master settlement agreement sold and such portion shall be the property of the authority and not the state, and shall be owned, received, held, and disbursed by the authority or its trustee or assignee, and not the state.

4. On or before the effective date of the sale, the state shall notify the escrow agent under the master settlement agreement of the sale and shall instruct the escrow agent that subsequent to that date, all payments constituting the portion sold shall be made directly to the authority.

5. The authority, the treasurer of state, and the attorney general shall report to the legislative council and the executive council on or before the date of the sale, advising them of the status of the sale, its terms, and conditions.

2000 Acts, ch 1208, §9, 25; 2001 Acts, ch 164, §9, 10, 21; 2008 Acts, ch 1186, §13, 19
Deposit of state's share in healthy Iowans tobacco trust under §12.65 until effective date of sale; 2001 Acts, ch 164, §20

**12E.10 Tobacco settlement program plan.**

1. *a.* (1) The authority shall implement the program plan and shall proceed with a securitization to maximize the transference of risks associated with the master settlement agreement.

(2) The authority shall issue tax-exempt bonds as necessary in amounts determined by the authority sufficient to provide net proceeds for deposit in the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund, to be used for capital projects, certain debt service on outstanding obligations which funded capital projects, and attorney fees related to the master settlement agreement.

(3) The authority may also issue taxable bonds or tax-exempt bonds to provide additional amounts to be used for the purposes specified in section 12E.3A.

(4) Notwithstanding subparagraphs (1) and (2), the authority is not required to issue tax-exempt bonds if the authority determines that the issuance would not be in the best interest of the state due to market conditions.

*b.* It is the expectation of the state that not less than eighty-five percent of the proceeds of any issue of tax-exempt bonds will be expended within five years from the effective date of the sale, consistent with the requirements of federal law, and that the specific capital projects, debt service, and attorney fees payments shall be determined annually through appropriations authorized by a constitutional majority of each house of the general assembly and approved by the governor.

*c.* The authority may issue tax-exempt bonds if the securitization of any remaining tobacco settlement payments will result in the deposit of net proceeds of not less than one hundred eighty-three million dollars for tax-exempt bonds issued after July 1, 2008.

2. The authority shall periodically report to the legislative council and the governor regarding implementation of the program plan and shall, prior to any public offering of bonds, submit a report to the legislative council and the governor describing the terms of the proposed bond issue.

3. Any amendment to the program plan shall be authorized by a constitutional majority of each house of the general assembly and approved by the governor.

4. To the extent that any provision of the program plan is inconsistent with this chapter, the provisions of this chapter shall govern.

2000 Acts, ch 1208, §10, 25; 2001 Acts, ch 164, §11, 21; 2008 Acts, ch 1179, §45 – 47; 2008 Acts, ch 1186, §14, 19

Referred to in §12E.9

**12E.11 Authority — bonds.**

1. The authority may issue bonds and, if bonds are issued, shall make the proceeds from the bonds available to the state pursuant to the sales agreement to fund capital projects, certain debt service on outstanding obligations that funded capital projects, and attorney fees related to the master settlement agreement, and to provide a secure and stable source of funding to the state, consistent with the purposes of section 12E.3A and other provisions of this chapter. In connection with the issuance of bonds and subject to the terms of the sales agreement, the authority shall determine the terms and other details of the financing and the method of implementation of the program plan. Bonds issued pursuant to this section may be secured by a pledge of all or a portion of the state's share and any moneys derived from the state's share, and any other sources available to the authority with the exception of moneys in the tobacco settlement trust fund. The authority may also issue refunding bonds, including advance refunding bonds, for the purpose of refunding previously issued bonds, and may issue other types of bonds, debt obligations, and financing arrangements necessary to fulfill its purposes or the purposes of this chapter.

2. The authority may issue its bonds in principal amounts which, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its purposes, the payment of interest on its bonds, the establishment of reserves to secure the bonds, the costs of issuance of its bonds, and all other expenditures of the authority incident to and necessary to carry out its purposes or powers. The bonds are investment securities and negotiable instruments within the meaning of and for the purposes of the uniform commercial code, chapter 554.

3. Bonds issued by the authority are payable solely and only out of the moneys, assets, or revenues pledged by the authority and are not a general obligation or indebtedness of the authority or an obligation or indebtedness of the state or any subdivision of the state. The authority shall not pledge the credit or taxing power of the state or any political subdivision of the state, or create a debt or obligation of the state, or make its debts payable out of any moneys except those of the authority, excluding those moneys deposited in the tobacco settlement trust fund.

4. Bonds shall state on their face that they are payable both as to principal and interest solely out of the assets of the authority pledged for their purpose and do not constitute an indebtedness of the state or any political subdivision of the state; are secured solely by and payable solely from assets of the authority pledged for such purpose; constitute neither a general, legal, or moral obligation of the state or any of its political subdivisions; and that the state has no obligation or intention to satisfy any deficiency or default of any payment of the bonds.

5. Any amount pledged by the authority to be received under the master settlement agreement shall be valid and binding at the time the pledge is made. Amounts so pledged and then or thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind against the authority, whether such parties have notice of the lien. Notwithstanding any other provision to the contrary, the resolution of the authority or any other instrument by which a pledge is created need not be recorded or filed to perfect such pledge.

6. The proceeds of bonds issued by the authority and not required for deposit in the tobacco settlement trust fund may be invested in any manner approved by the board and specified in the trust indenture or resolution pursuant to which the bonds must be issued, notwithstanding any other provision to the contrary.

7. The bonds shall comply with all of the following:

*a.* The bonds shall be in a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, as the board prescribes in the resolution authorizing their issuance.

*b.* The bonds shall be fully negotiable instruments under the laws of this state and may be sold at prices, at public or private sale, and in a manner as prescribed by the board. Chapters 73A, 74, 74A, and 75 shall not apply to the sale or issuance of bonds under this chapter.

*c.* The bonds shall be subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest which may be fixed or variable during any period the bonds are outstanding, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter and as determined by resolution of the board authorizing their issuance.

8. The bonds issued under this chapter are securities in which insurance companies and associations and other persons engaged in the business of insurance; banks, trust companies, savings associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state may properly and legally invest funds, including capital, in their control or belonging to them.

9. Bonds must be authorized by a resolution of the board. However, a resolution authorizing the issuance of bonds may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds by an appropriate certificate of the authorized officer.

10. To comply with federal law with respect to the issuance of bonds, the interest of which is tax-exempt pursuant to the Internal Revenue Code, the authority may issue a certain series of bonds, or periodically issue several series of bonds, so that interest on the bonds remains exempt from federal taxation or to comply with the purposes specified in this chapter.

11. The state reserves the right at any time to alter, amend, repeal, or otherwise change the structure, organization, programs, or activities of the authority, including the power to terminate the authority, except that a law shall not be enacted that impairs any obligation made pursuant to a sales agreement or any contract entered into by the authority with or on behalf of the holders of the bonds to the extent that any such law would contravene Article I, section 21, of the Constitution of the State of Iowa or Article I, section 10, of the Constitution of the United States.

2000 Acts, ch 1208, §11, 25; 2001 Acts, ch 164, §12 – 14, 21; 2005 Acts, ch 3, §10; 2008 Acts, ch 1186, §15, 19; 2012 Acts, ch 1017, §39

**12E.12 Tobacco settlement trust fund — established — investment — liability.**

1. *a.* A tobacco settlement trust fund is established, separate and apart from all other public moneys or funds of the state, under the control of the authority. The fund shall consist of moneys paid to the authority and not pledged to the payment of bonds or otherwise obligated. Such moneys shall include but are not limited to payments received from the master settlement agreement which are not pledged to the payment of bonds or which are subsequently released from a pledge to the payment of any bonds; payments which, in accordance with any sales agreement with the state, are to be paid to the state and not pledged to the bonds, including that portion of the proceeds of any bonds designated for purchase of all or a portion of the state's share, which are designated for deposit in the fund, together with all interest, dividends, and rents on the bonds; and all securities or investment income and other assets acquired by and through the use of the moneys belonging to the fund and any other moneys deposited in the fund. Moneys in the fund are to be used solely and only for the payment of all amounts due and to become due to the state, and shall not be used for any other purpose. Such moneys shall not be available for the payment of any claim against the authority or any debt or obligation of the authority.

*b.* The fund shall consist of the following accounts:

(1) The tax-exempt bond proceeds restricted capital funds account. The net proceeds of tax-exempt bonds issued to provide funds for capital projects, certain debt service, and attorney fees related to the master settlement agreement which the state treasurer is

authorized and directed to deposit on behalf of the state shall be deposited in the account and shall be used to fund capital projects, certain debt service, and the payment of attorney fees related to the master settlement agreement. With respect to capital projects, it is the intent of the general assembly to fund capital projects that qualify as vertical infrastructure projects as defined in section 8.57, subsection 5, paragraph "*c*", to the extent practicable in any fiscal year and without limiting other qualifying capital expenditures considered and approved by a constitutional majority of each house of the general assembly and the governor.

(2) The FY 2009 tax-exempt bond proceeds restricted capital funds account. The net proceeds of tax-exempt bonds issued after July 1, 2008, as a result of the securitization of any remaining tobacco settlement payments to provide funds for capital projects which the treasurer of state is authorized and directed to deposit on behalf of the state shall be deposited in the account and shall be used to fund capital projects. With respect to capital projects, it is the intent of the general assembly to fund capital projects that qualify as vertical infrastructure projects as defined in section 8.57, subsection 5, paragraph "*c*", to the extent practicable in any fiscal year and without limiting other qualifying capital expenditures considered and approved by a constitutional majority of each house of the general assembly and the governor.

(3) The endowment for Iowa's health account.

(a) The net proceeds of any taxable bonds or tax-exempt bonds issued to provide funds for the purposes specified in section 12E.3A, which the authority is directed to deposit in the account, any portion of the state's share which is not sold to the authority, and any other moneys appropriated by the state for deposit in the account shall be deposited in the account and shall be used for the purposes specified in section 12E.3A.

(b) For each fiscal year beginning July 1, 2009, the moneys deposited in the endowment for Iowa's health account of the tobacco settlement trust fund are transferred to the rebuild Iowa infrastructure fund.

2. The treasurer of the authority shall act as custodian and trustee of the fund and shall administer the fund as directed by the authority. The treasurer of the authority shall do all of the following:

*a.* Hold the funds.

*b.* Invest the portion of the funds which, as deemed by the authority, is not necessary for current payment of sums to the state under this chapter or the program plan.

*c.* Disburse funds, if directed by the authority.

*d.* Sell any securities or other property held by the fund and reinvest the proceeds as directed by the authority, when deemed advisable by the authority for the protection of the fund or the preservation of the value of the investment. Such sale of securities or other property held by the fund shall only be made with the advice of the board in the manner and to the extent provided in this chapter with regard to the purchase of investments.

*e.* Subscribe, at the direction of the authority, for the purchase of securities for future delivery in anticipation of future income. Such securities shall be paid for by such anticipated income or from funds from the sale of securities or other property held by the fund.

*f.* Pay for securities, as directed by the authority, on the receipt of the purchasing entity's paid statement or paid confirmation of purchase.

3. The authority shall execute the disposition and investment of moneys in the fund in accordance with the investment policy and goal statement established by the board.

*a.* In establishing the investment policy and goal statement of the fund, the standard utilized by the board shall be the exercise of judgment and care, under the prevailing circumstances, which persons of prudence, discretion, and intelligence exercise in the management of their own financial affairs, not for the purpose of speculation, but with regard to the permanent disposition of the funds, considering the probable income, as well as the probable safety, of their capital.

*b.* Within the limitations of the standard prescribed in this subsection and the program plan, the treasurer of the authority, the authority, and the board may acquire and retain any type of property or investment which persons of prudence, discretion, and intelligence would acquire or retain for their own financial interests.

*c.* The authority and the board shall give appropriate consideration to those facts and

circumstances that the authority and board know or should know are relevant to the particular investment or investment policy involved, including the role the investment plays in the total value of the fund. For the purposes of this paragraph, "*appropriate consideration*" includes, but is not limited to, a determination by the authority and the board that the particular investment or investment policy is reasonably designed to further the purposes of the tobacco settlement program plan, taking into consideration the risk of loss and the opportunity for gain or other return associated with the investment or investment policy and consideration of all of the following as they relate to the tobacco settlement trust fund:

(1) The composition of the fund with regard to diversification.

(2) The liquidity and current return of the investments in the fund relative to the anticipated cash flow requirements of the program plan.

(3) The projected return of the investments relative to the funding objectives of the program plan.

*d.* Investments of moneys in the funds are not subject to sections 73.15 through 73.21.

*e.* If consistent with the investment policy established by the board, the authority may invest moneys of or held by the authority in structured notes and investment agreements, the repayment of the principal amount of which is protected or guaranteed.

4. The authority, its staff, members of the board, and the treasurer of the authority are not personally liable for actions or omissions under this chapter that do not involve malicious or wanton misconduct even if those actions or omissions violate the standards established in this section.

5. Except as provided in this section, if there is loss to the fund, the treasurer, the authority, the board, and the staff are not personally liable, and the loss shall be charged against the fund. The amount required to cover a loss may be paid from the fund.

6. *a.* Expenses incurred in the sale and purchase of securities belonging to the fund shall be charged to the fund, and the amount required for the investment management expenses may be paid from the fund, subject to the limitations stated in this subsection. The amount paid for investment management expenses for a fiscal year under this section shall not exceed the reasonable and customary charge to similar funds for similar purposes. The authority shall report the investment management expenses for a fiscal year as a percent of the market value of the fund in the annual report to the governor submitted pursuant to section 12E.15.

*b.* A person who has entered into a contract with the authority for investment management purposes shall meet the requirements for doing business in Iowa sufficient to be subject to taxation under the rules of the department of revenue.

7. All moneys paid to or deposited in the fund are available to the authority to be used for the exclusive purpose of the program plan in accordance with this chapter, including but not limited to all of the following:

*a.* For payment of amounts due to the state pursuant to the terms of the sales agreements entered into between the state and the authority.

*b.* For payment of other amounts provided for in the program plan.

*c.* For payment of the costs of administering the program plan and the costs of the authority.

8. With respect to the payment of certain debt service, the debt service to be paid shall be those installments of debt service on bonds selected by the treasurer of state and identified in the authority's tax certificate delivered at the time of the issuance of the bonds issued pursuant to this chapter, or as otherwise selected by the treasurer of state. Once the bonds and the installments of debt service thereon are so selected, that debt service and bonds shall not be paid, or provided to be paid, from any other source including the state or any of its departments or agencies. Provided, however, that if funds are not appropriated to pay debt service on such bonds when due, the issuing agency shall pay the debt service from any available source as provided in the bond covenants. To the extent that this section does not allow proceeds of previously issued refunding bonds to be applied for the purpose of the refunding, the issuing agency may expend such proceeds to improve, remodel, or repair buildings or other infrastructure upon authorization of the issuing agency's authority.

9. Annually, on or before January 15 of each year, a state agency that received an appropriation from the tobacco settlement trust fund shall report to the legislative services

agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

2000 Acts, ch 1208, §12, 25; 2001 Acts, ch 164, §15, 16, 21; 2002 Acts, 2nd Ex, ch 1001, §35, 46; 2002 Acts, 2nd Ex, ch 1003, §229, 233; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §94, 159; 2006 Acts, ch 1179, §38; 2008 Acts, ch 1179, §48, 49; 2008 Acts, ch 1186, §16, 19; 2009 Acts, ch 184, §31, 41; 2012 Acts, ch 1021, §132

Referred to in §12E.9

See annual Iowa Acts for temporary exceptions, changes, or other noncodified enactments modifying these statutory provisions

Creation of endowment for Iowa's health restricted capitals fund for the receipt of tax exempt bond proceeds from the November 30, 2005, bond issuance authorized by the tobacco settlement authority; 2006 Acts, ch 1179, §16

For provisions requiring transfer of unencumbered or unobligated balance of endowment for Iowa's health account and the healthy Iowans tobacco trust at the close of fiscal year beginning July 1, 2007, and ending June 30, 2008, see 2008 Acts, ch 1186, §7, 8; 2009 Acts, ch 184, §26, 28

**12E.13 Moneys of the authority.**

1. Moneys of the authority, except as otherwise provided in this chapter or specified in a trust indenture or resolution pursuant to which the bonds are issued, shall be paid to the authority and shall be deposited in a financial institution designated by the authority. The moneys shall be withdrawn on the order of the authority or its designee. Deposits shall be secured in the manner determined by the authority.

2. The auditor of state or the auditor's designee, which may include a person hired by the auditor with the approval of the board, may periodically examine the accounts and books, including its receipts, disbursements, contracts, leases, sinking funds, investments, and any other records and papers relating to its financial standing. The authority shall pay the costs of any such examination.

3. The authority may contract with the holders of its bonds relating to the custody, collection, security, investment, and payment of moneys of the authority, and relating to the moneys held in trust or otherwise for payment of bonds, with the exception of moneys in the tobacco settlement trust fund. Moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of the moneys may be secured in the same manner as moneys of the authority, and financial institutions and trust companies may provide security for the deposits.

4. The authority shall submit to the governor, the attorney general, the auditor of state, the department of management, and the legislative services agency, within thirty days of its receipt, a copy of the report of every external examination of the books and accounts of the authority, other than copies of the reports of examinations of the auditor of state.

5. All moneys of the authority or moneys held by the authority shall be invested and held in the name of the authority, whether they are held for the benefit, security, or future payment to holders of bonds or to the state. All such moneys and investments shall be considered moneys and investments of the authority with the exception of moneys in the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund which are moneys of the state.

2000 Acts, ch 1208, §13, 25; 2001 Acts, ch 164, §17, 21; 2003 Acts, ch 35, §45, 49

**12E.14 Exemption from competitive bid laws.**

The authority and contracts entered into by the authority in carrying out its public and essential governmental functions are exempt from the laws of the state which provide for competitive bids and hearings in connection with contracts, except as provided in section 12.30.

2000 Acts, ch 1208, §14, 25

**12E.15 Annual report.**

1. The authority shall submit to the governor, the general assembly, and the attorney general, on or before December 31, annually, a report including information regarding all of the following:

*a.* Its operations and accomplishments.

*b.* Its receipts and expenditures during the previous fiscal year, in accordance with classifications it establishes for its operating and capital accounts.

*c.* Its assets and liabilities at the end of the previous fiscal year and the status of reserve, special, and other funds.

*d.* A schedule of its bonds outstanding at the end of the previous fiscal year, and a statement of the amounts redeemed and issued during the previous fiscal year.

*e.* A statement of its proposed and projected activities.

*f.* Recommendations to the governor and the general assembly, as deemed necessary.

*g.* Any other information deemed necessary.

2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress, during the reporting period, in attaining these goals.

2000 Acts, ch 1208, §15, 25

Referred to in §12E.12

**12E.16 Bankruptcy.**

Prior to the date which is three hundred sixty-six days after which the authority no longer has any bonds outstanding, the authority is prohibited from filing a voluntary petition under chapter nine of the federal bankruptcy code, 11 U.S.C. § 901 et seq., or such corresponding chapter or section as may, from time to time, be in effect, and a public official or organization, entity, or other person shall not authorize the authority to be or become a debtor under chapter nine or any successor or corresponding chapter or sections during such periods. The provisions of this section shall be part of any contractual obligation owed to the holders of bonds issued under this chapter. Any such contractual obligation shall not subsequently be modified by state law, during the period of the contractual obligation.

2000 Acts, ch 1208, §16, 25; 2005 Acts, ch 3, §11

**12E.17 Dissolution of the authority.**

The authority shall dissolve no later than two years from the date of final payment of all outstanding bonds and the satisfaction of all outstanding obligations of the authority, except to the extent necessary to remain in existence to fulfill any outstanding covenants or provisions with bondholders or third parties made in accordance with this chapter. Upon dissolution of the authority, all assets of the authority shall be returned to the state and shall be deposited in the general fund of the state, unless otherwise directed by the general assembly, and the authority shall execute any necessary assignments or instruments, including any assignment of any right, title, or ownership to the state for receipt of payments under the master settlement agreement.

2000 Acts, ch 1208, §17, 25; 2001 Acts, ch 164, §18, 21; 2008 Acts, ch 1186, §17, 19

**12E.18 Liberal interpretation.**

This chapter, being deemed necessary for the welfare of the state and its people, shall be liberally construed to effect its purpose.

2000 Acts, ch 1208, §18, 25

# CHAPTER 12F

## RESTRICTIONS ON SUDAN-RELATED INVESTMENTS

Referred to in §12.8, 97A.7, 97B.4, 262.14, 411.7, 602.9111


12F.1 Legislative findings and intent.
12F.2 Definitions.
12F.3 Identification of companies — notice.
12F.4 Prohibited investments — divestment.
12F.5 Reports.
12F.6 Legal obligations.
12F.7 Applicability.

**12F.1 Legislative findings and intent.**

The general assembly is deeply concerned over the human rights situation in Sudan which calls for stepped-up international efforts to end the crisis in Sudan's Darfur region, and concurs with United States policy which has officially declared that genocide is ongoing in the Sudan, and demands that the government of Sudan bring an end to these atrocities. Therefore, the general assembly intends that state funds and funds administered by the state, including public employee retirement funds, should not be invested in companies that provide power production-related services, mineral extraction activities, oil-related activities, or military equipment to the government of Sudan, or are complicit in the genocide in Darfur, given the ongoing genocide in that country, the previous atrocities perpetrated by the government of Sudan, and the abysmal human rights situation in that country.

2007 Acts, ch 39, §1

**12F.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Active business operations"* means all business operations that are not inactive business operations.

2. *"Business operations"* means engaging in commerce in any form in Sudan, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

3. *"Company"* means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for profit-making purposes.

4. *"Complicit"* means taking actions during any preceding twenty-month period which have directly supported or promoted the genocidal campaign in Darfur, including but not limited to preventing Darfur's victimized population from communicating with each other; encouraging Sudanese citizens to speak out against an internationally approved security force for Darfur; actively working to deny, cover up, or alter the record on human rights abuses in Darfur; or other similar actions.

5. *"Direct holdings"* in a company means all securities of that company held directly by the public fund or in an account or fund in which the public fund owns all shares or interests.

6. *"Government of Sudan"* means the government in Khartoum, Sudan, which is led by the National Congress Party or any successor government formed on or after October 13, 2006, including the coalition National Unity Government agreed upon in the Comprehensive Peace Agreement for Sudan and does not include the regional government of southern Sudan.

7. *"Inactive business operations"* means the mere continued holding or renewal of rights to property previously operated for the purpose of generating revenues but not presently deployed for such purpose.

8. *"Indirect holdings"* in a company means all securities of that company held in an account or fund managed by one or more persons not employed by the public fund, in which the public fund owns shares or interests together with other investors not subject to the provisions of this chapter. Indirect holdings include but are not limited to mutual funds, fund of funds, private equity funds, hedge funds, and real estate funds.

9. *"Marginalized populations of Sudan"* include but are not limited to the portion of the population in the Darfur region that has been genocidally victimized; the portion of the population of southern Sudan victimized by Sudan's north-south civil war; the Beja, Rashidiya, and other similarly underserved groups of eastern Sudan; the Nubian and other similarly underserved groups in Sudan's Abyei, Southern Blue Nile, and Nuba Mountain regions; and the Amri, Hamadab, Manasir, and other similarly underserved groups of northern Sudan.

10. *"Military equipment"* means weapons, arms, military supplies, and equipment that readily may be used for military purposes including but not limited to radar systems

or military-grade transport vehicles, or supplies or services sold or provided directly or indirectly to any force actively participating in armed conflict in Sudan.

11. *"Mineral extraction activities"* include exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides, including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc, as well as facilitating such activities, including by providing supplies or services in support of such activities.

12. *"Oil-related activities"* include but are not limited to owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil field infrastructure; and facilitating such activities, including by providing supplies or services in support of such activities, provided that the mere retail sale of gasoline and related consumer products shall not be considered oil-related activities.

13. *"Power production activities"* means any business operation that involves a project commissioned by the National Electricity Corporation of Sudan or other similar government of Sudan entity whose purpose is to facilitate power generation and delivery including but not limited to establishing power generating plants or hydroelectric dams, selling or installing components for the project, providing service contracts related to the installation or maintenance of the project, as well as facilitating such activities, including by providing supplies or services in support of such activities.

14. *"Public fund"* means the treasurer of state, the state board of regents, the public safety peace officers' retirement system created in chapter 97A, the Iowa public employees' retirement system created in chapter 97B, the statewide fire and police retirement system created in chapter 411, or the judicial retirement system created in chapter 602.

15. *"Scrutinized company"* means any company that is not a social development company that meets any of the following criteria:

*a.* The company has business operations that involve contracts with or provision of supplies or services to the government of Sudan, companies in which the government of Sudan has any direct or indirect equity share, government of Sudan-commissioned consortiums or projects, or companies involved in government of Sudan-commissioned consortiums or projects; and meets any of the additional following criteria:

(1) More than ten percent of the company's revenues or assets linked to Sudan involve oil-related activities or mineral extraction activities, less than seventy-five percent of the company's revenues or assets linked to Sudan involve contracts with or provision of oil-related or mineral extracting products or services to the regional government of southern Sudan or a project or consortium created exclusively by that regional government, and the company has failed to take substantial action.

(2) More than ten percent of the company's revenues or assets linked to Sudan involve power production activities, less than seventy-five percent of the company's power production activities include projects whose intent is to provide power or electricity to the marginalized populations of Sudan, and the company has failed to take substantial action.

*b.* The company is complicit in the Darfur genocide.

*c.* The company supplies military equipment within Sudan, unless it clearly shows that the military equipment cannot be used to facilitate offensive military actions in Sudan or the company implements rigorous and verifiable safeguards to prevent use of that equipment by forces actively participating in armed conflict, for example, through post-sale tracking of such equipment by the company, certification from a reputable and objective third party that such equipment is not being used by a party participating in armed conflict in Sudan, or sale of such equipment solely to the regional government of southern Sudan or any internationally recognized peacekeeping force or humanitarian organization.

16. *"Social development company"* means a company that is not complicit in the Darfur genocide whose primary purpose in Sudan is to provide humanitarian goods or services, including medicine or medical equipment, agricultural supplies or infrastructure, educational opportunities, journalism-related activities, information or information materials, spiritual-related activities, services of a purely clerical or reporting nature, food,

clothing, or general consumer goods that are unrelated to oil-related activities, mineral extraction activities, or power production activities.

17. "*Substantial action*" means adopting, publicizing, and implementing a formal plan to cease scrutinized business operations within one year and to refrain from any such new business operations; undertaking significant humanitarian efforts on behalf of one or more marginalized populations of Sudan; or, through engagement with the government of Sudan, materially improving conditions for the genocidally victimized population in Darfur.

2007 Acts, ch 39, §2

**12F.3 Identification of companies — notice.**

1. *a.* By July 1, 2007, the public fund shall make its best efforts to identify all scrutinized companies in which the public fund has direct or indirect holdings or could possibly have such holdings in the future and shall create and make available to the public a scrutinized companies list for that public fund. The list shall further identify whether the company has inactive business operations or active business operations. The public fund shall review and update, if necessary, the scrutinized companies list and the determination of whether a company has inactive or active business operations on a quarterly basis thereafter.

*b.* In making its best efforts to identify scrutinized companies and companies with inactive business operations or active business operations, the public fund may review and rely, in the best judgment of the public fund, on publicly available information regarding companies with business operations in Sudan, such as information provided by the Sudan divestment task force, and including other information that may be provided by nonprofit organizations, research firms, international organizations, and government entities. The public fund may also contact asset managers and institutional investors for the public fund to identify scrutinized companies based upon industry-recognized lists of such companies that the public fund may have indirect holdings in.

2. *a.* For each company on the scrutinized companies list with only inactive business operations in which the public fund has direct or indirect holdings, the public fund shall send a written notice informing the company of the requirements of this chapter and encouraging it to continue to refrain from initiating active business operations in Sudan until it is able to avoid scrutinized business operations. The public fund shall continue to provide such written notice on an annual basis if the company remains a scrutinized company with inactive business operations.

*b.* For each company on the scrutinized companies list with active business operations in which the public fund has direct or indirect holdings, the public fund shall send a written notice informing the company of its status as a scrutinized company with active business operations and that it may become subject to divestment and restrictions on investing in the company by the public fund. The notice shall offer the company the opportunity to clarify its Sudan-related activities and shall encourage the company to either cease its scrutinized business operations or convert such operations to inactive business operations in order to avoid becoming subject to divestment and restrictions on investment in the company by the public fund. The public fund shall continue to provide such written notice on an annual basis if the company remains a scrutinized company with active business operations.

2007 Acts, ch 39, §3

Referred to in §12F.4, 12F.5, 12F.7

**12F.4 Prohibited investments — divestment.**

1. The public fund shall not acquire publicly traded securities of a company on the public fund's most recent scrutinized companies list with active business operations so long as such company remains on the public fund's scrutinized companies list as a company with active business operations as provided in this section.

2. *a.* The public fund shall sell, redeem, divest, or withdraw all publicly traded securities of a company on the public fund's list of scrutinized companies with active business operations, so long as the company remains on that list, no sooner than ninety days, but no later than eighteen months, following the first written notice sent to the scrutinized company with active business operations as required by section 12F.3.

*b.* This subsection shall not be construed to require the premature or otherwise imprudent sale, redemption, divestment, or withdrawal of an investment, but such sale, redemption, divestment, or withdrawal shall be completed as provided by this subsection.

3. The requirements of this section shall not apply to the following:

*a.* A company which the United States government affirmatively declares to be excluded from its present or any future federal sanctions regime relating to Sudan.

*b.* Indirect holdings of a scrutinized company with active business operations. The public fund shall, however, submit letters to the managers of such investment funds containing companies with scrutinized active business operations requesting that they consider removing such companies from the fund or create a similar fund with indirect holdings devoid of such companies. If the manager creates a similar fund, the public fund is encouraged to replace all applicable investments with investments in the similar fund consistent with prudent investing standards.

2007 Acts, ch 39, §4
Referred to in §12F.5, 12F.7

**12F.5 Reports.**

1. *Scrutinized companies list.* Each public fund shall, within thirty days after the scrutinized companies list is created or updated as required by section 12F.3, make the list available to the public.

2. *Annual report.* On October 1, 2008, and each October 1 thereafter, each public fund shall make available to the public, and file with the general assembly, an annual report covering the prior fiscal year that includes the following:

*a.* The scrutinized companies list as of the end of the fiscal year.

*b.* A summary of all written notices sent as required by section 12F.3 during the fiscal year.

*c.* All investments sold, redeemed, divested, or withdrawn as provided in section 12F.4 during the fiscal year.

2007 Acts, ch 39, §5
Referred to in §12F.7

**12F.6 Legal obligations.**

With respect to actions taken in compliance with this chapter, including all good faith determinations regarding companies as required by this chapter, the public fund shall be exempt from any conflicting statutory or common law obligations, including any such obligations in respect to choice of asset managers, investment funds, or investments for the public fund's securities portfolios.

2007 Acts, ch 39, §6

**12F.7 Applicability.**

The requirements of sections 12F.3, 12F.4, and 12F.5 of this chapter shall not apply upon the occurrence of any of the following:

1. The Congress or president of the United States declares that the Darfur genocide has been halted for at least twelve months.

2. The United States revokes all sanctions imposed against the government of Sudan.

3. The Congress or president of the United States, through legislation or executive order, declares that mandatory divestment of the type provided for in this chapter interferes with the conduct of United States foreign policy.

4. A controlling circuit or district court of the United States issues an opinion that declares the mandatory divestment of the type provided for in this chapter or similar statutes of other states is preempted by the federal law of the United States.

2007 Acts, ch 39, §7

# CHAPTER 12G

## FINANCIAL LITERACY PROGRAM

12G.1 Iowa financial literacy program — legislative intent.
12G.2 Program created.

**12G.1 Iowa financial literacy program — legislative intent.**

The general assembly finds that the general welfare of this state and well-being of its citizens is directly related to the financial education of those citizens. While the state has limited resources to promote financial literacy, a vital and valid public purpose shall be served by the creation and implementation of programs which encourage and make possible the attainment of financial literacy by the largest possible number of citizens in this state, and particularly by low-income to moderate-income families.

2010 Acts, ch 1189, §46

**12G.2 Program created.**

An Iowa financial literacy program is created within the office of the treasurer of state. The treasurer of state shall have all powers necessary to carry out and effectuate the purposes, objectives, and provisions pertaining to the program, including the authority to do all of the following:

1. Promote the advantages of personal savings and responsible borrowing and the viability and desirability of implementing a personal savings program and responsible borrowing practices regardless of an individual's or family's financial status.
2. Create an incentive program and awards ceremony whereby individuals and families who have made significant progress toward achieving personal savings goals and engaging in responsible borrowing practices shall be officially recognized.
3. Create strategies for coordination of the program with the Iowa educational savings plan trust established in chapter 12D.
4. Make presentations to groups including but not limited to schools, hospitals, civic organizations, and privately organized clubs and groups regarding the existence of the program.
5. Coordinate conferences, meetings, and events which promote financial literacy and education.

2010 Acts, ch 1189, §47

# CHAPTER 12H

## RESTRICTIONS ON IRAN-RELATED INVESTMENTS

Referred to in §12.8, 97A.7, 97B.4, 262.14, 411.7, 602.9111

12H.1 Legislative findings and intent.
12H.2 Definitions.
12H.3 Identification of companies — notice.
12H.4 Prohibited investments — divestment.
12H.5 Reports.
12H.6 Legal obligations.
12H.7 Applicability.

**12H.1 Legislative findings and intent.**

The general assembly is deeply concerned over the support the country of Iran has provided for acts of international terrorism. Therefore, the general assembly intends that state funds and funds administered by the state, including public employee retirement funds, should not be invested in companies that provide power production-related services, mineral extraction activities, oil-related activities, or military equipment to the government of Iran.

2011 Acts, ch 82, §1

**12H.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Active business operations"* means all business operations that are not inactive business operations.

2. *"Business operations"* means engaging in commerce in any form in Iran, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

3. *"Company"* means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for profit-making purposes.

4. *"Direct holdings"* in a company means all securities of that company held directly by the public fund or in an account or fund in which the public fund owns all shares or interests.

5. *"Inactive business operations"* means the mere continued holding or renewal of rights to property previously operated for the purpose of generating revenues but not presently deployed for such purpose.

6. *"Indirect holdings"* in a company means all securities of that company held in an account or fund managed by one or more persons not employed by the public fund, in which the public fund owns shares or interests together with other investors not subject to the provisions of this chapter. Indirect holdings include but are not limited to mutual funds, fund of funds, private equity funds, hedge funds, and real estate funds.

7. *"Military equipment"* means weapons, arms, military supplies, and equipment that readily may be used for military purposes including but not limited to radar systems or military-grade transport vehicles, or supplies or services sold or provided directly or indirectly to any terrorist organization.

8. *"Mineral extraction activities"* include exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides, including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc, as well as facilitating such activities, including by providing supplies or services in support of such activities.

9. *"Oil-related activities"* include but are not limited to owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil field infrastructure; and facilitating such activities, including by providing supplies or services in support of such activities, provided that the mere retail sale of gasoline and related consumer products shall not be considered oil-related activities.

10. *"Power production activities"* means any business operation that involves a project commissioned by any Iranian government entity whose purpose is to facilitate power-generation and delivery including but not limited to establishing power generating plants or hydroelectric dams, selling or installing components for the project, providing service contracts related to the installation or maintenance of the project, as well as facilitating such activities, including by providing supplies or services in support of such activities.

11. *"Public fund"* means the treasurer of state, the state board of regents, the public safety peace officers' retirement system created in chapter 97A, the Iowa public employees' retirement system created in chapter 97B, the statewide fire and police retirement system created in chapter 411, or the judicial retirement system created in chapter 602.

12. *"Scrutinized company"* means any company that is not a social development company that meets any of the following criteria:

*a.* The company has business operations that involve contracts with or provision of supplies or services to the government of Iran, companies in which the government of Iran has any direct or indirect equity share, Iranian government-commissioned consortiums or projects, or companies involved in Iranian government-commissioned consortiums or projects; and meets any of the additional following criteria:

(1) More than ten percent of the company's revenues or assets linked to Iran involve oil-related activities or mineral extraction activities and the company has failed to take substantial action.

(2) More than ten percent of the company's revenues or assets linked to Iran involve power production activities and the company has failed to take substantial action.

*b.* The company supplies military equipment to Iran, unless it clearly shows that the military equipment cannot be used to facilitate international acts of terrorism.

13. "*Social development company*" means a company whose primary purpose in Iran is to provide humanitarian goods or services, including medicine or medical equipment, agricultural supplies or infrastructure, educational opportunities, journalism-related activities, information or information materials, spiritual-related activities, services of a purely clerical or reporting nature, food, clothing, or general consumer goods that are unrelated to oil-related activities, mineral extraction activities, or power production activities.

14. "*Substantial action*" means adopting, publicizing, and implementing a formal plan to cease scrutinized business operations within one year and to refrain from any such new business operations.

2011 Acts, ch 82, §2

**12H.3 Identification of companies — notice.**

1. *a.* By March 1, 2012, the public fund shall make its best efforts to identify or have identified all scrutinized companies in which the public fund has direct or indirect holdings or could possibly have such holdings in the future and shall create and make available to the public a scrutinized companies list for that public fund. The list shall further identify whether the company has inactive business operations or active business operations. The public fund shall review and update, if necessary, the scrutinized companies list and the determination of whether a company has inactive or active business operations on a quarterly basis thereafter.

*b.* In making its best efforts to identify or have identified scrutinized companies and companies with inactive business operations or active business operations, the public fund may review and rely, in the best judgment of the public fund, on publicly available information regarding companies with business operations in Iran, and including other information that may be provided by nonprofit organizations, research firms, international organizations, and government entities. The public fund may also contact asset managers and institutional investors for the public fund to identify scrutinized companies based upon industry-recognized lists of such companies that the public fund may have indirect holdings in.

*c.* The Iowa public employees' retirement system, acting on behalf of the system and other public funds subject to this section, may develop and issue a request for proposals for third-party services to complete the identification of scrutinized companies and the compilation of a scrutinized companies list. The request for proposals may request bids for optional services related to this purpose, including but not limited to provision of notice of such scrutinized companies as required in subsection 2. The Iowa public employees' retirement system shall consult with all other public funds on the development of the request for proposals, however selection of a successful proposal and the final scope of services to be provided shall be determined only by those public funds that have agreed to utilize the third-party services. If more than one public fund decides to utilize the third-party services, the participating public funds shall equally share the costs of such services.

2. *a.* For each company on the scrutinized companies list with only inactive business operations in which the public fund has direct or indirect holdings, the public fund shall send or have sent a written notice informing the company of the requirements of this chapter and encouraging it to continue to refrain from initiating active business operations in Iran until it is able to avoid scrutinized business operations. The public fund or its representative shall continue to provide such written notice on an annual basis if the company remains a scrutinized company with inactive business operations.

*b.* For each company on the scrutinized companies list with active business operations in which the public fund has direct or indirect holdings, the public fund shall send or have

sent a written notice informing the company of its status as a scrutinized company with active business operations and that it may become subject to divestment and restrictions on investing in the company by the public fund. The notice shall offer the company the opportunity to clarify its Iran-related activities and shall encourage the company to either cease its scrutinized business operations or convert such operations to inactive business operations in order to avoid becoming subject to divestment and restrictions on investment in the company by the public fund. The public fund or its representative shall continue to provide such written notice on an annual basis if the company remains a scrutinized company with active business operations.

2011 Acts, ch 82, §3

Referred to in §12H.4, 12H.5, 12H.7

**12H.4 Prohibited investments — divestment.**

1. The public fund shall not acquire publicly traded securities of a company on the public fund's most recent scrutinized companies list with active business operations so long as such company remains on the public fund's scrutinized companies list as a company with active business operations as provided in this section.

2. *a.* The public fund shall sell, redeem, divest, or withdraw all publicly traded securities of a company on the public fund's list of scrutinized companies with active business operations, so long as the company remains on that list, no sooner than ninety days, but no later than eighteen months, following the first written notice sent to the scrutinized company with active business operations as required by section 12H.3.

*b.* This subsection shall not be construed to require the premature or otherwise imprudent sale, redemption, divestment, or withdrawal of an investment, but such sale, redemption, divestment, or withdrawal shall be completed as provided by this subsection.

3. The requirements of this section shall not apply to the following:

*a.* A company which the United States government affirmatively declares to be excluded from its present or any future federal sanctions regime relating to Iran.

*b.* Indirect holdings of a scrutinized company with active business operations. The public fund shall, however, submit letters to the managers of such investment funds containing companies with scrutinized active business operations requesting that they consider removing such companies from the fund or create a similar fund with indirect holdings devoid of such companies. If the manager creates a similar fund, the public fund is encouraged to replace all applicable investments with investments in the similar fund consistent with prudent investing standards.

2011 Acts, ch 82, §4

Referred to in §12H.5, 12H.7

**12H.5 Reports.**

1. *Scrutinized companies list.* Each public fund shall, within thirty days after the scrutinized companies list is created or updated as required by section 12H.3, make the list available to the public.

2. *Annual report.* On October 1, 2012, and each October 1 thereafter, each public fund shall make available to the public, and file with the general assembly, an annual report covering the prior fiscal year that includes the following:

*a.* The scrutinized companies list as of the end of the fiscal year.

*b.* A summary of all written notices sent as required by section 12H.3 during the fiscal year.

*c.* All investments sold, redeemed, divested, or withdrawn as provided in section 12H.4 during the fiscal year.

2011 Acts, ch 82, §5

Referred to in §12H.7

**12H.6 Legal obligations.**

With respect to actions taken in compliance with this chapter, including all good faith determinations regarding companies as required by this chapter, the public fund shall be exempt from any conflicting statutory or common law obligations, including any such

obligations in respect to choice of asset managers, investment funds, or investments for the public fund's securities portfolios.

2011 Acts, ch 82, §6

**12H.7 Applicability.**

1. The requirements of sections 12H.3, 12H.4, and 12H.5 shall not apply upon the occurrence of any of the following:

*a.* The Congress or president of the United States, through legislation or executive order, declares that mandatory divestment of the type provided for in this chapter interferes with the conduct of United States foreign policy.

*b.* A controlling circuit or district court of the United States issues an opinion that declares the mandatory divestment of the type provided for in this chapter or similar statutes of other states is preempted by the federal law of the United States.

2. The requirements of sections 12H.3, 12H.4, and 12H.5 shall not apply to Iran if the United States revokes all sanctions imposed against the government of Iran.

2011 Acts, ch 82, §7

# CHAPTER 13

## ATTORNEY GENERAL

Referred to in §12E.8, 257C.6, 463C.8, 654A.7


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13.34 Legal services for persons in poverty grant program.

## SUBCHAPTER I

## GENERAL PROVISIONS

**13.1 Department of justice.**

The department of justice, with the attorney general as head thereof, shall be located at the seat of government.

[R60, §124; C73, §150, 3770; C97, §208, 211; S13, §208, 211; C24, 27, 31, 35, 39, §**148;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §13.1]

**13.2 Duties.**

1. It shall be the duty of the attorney general, except as otherwise provided by law to:

*a.* Prosecute and defend all causes in the appellate courts in which the state is a party or interested.

*b.* Prosecute and defend in any other court or tribunal, all actions and proceedings, civil or criminal, in which the state may be a party or interested, when, in the attorney general's judgment, the interest of the state requires such action, or when requested to do so by the governor, executive council, or general assembly.

*c.* Prosecute and defend all actions and proceedings brought by or against any state officer in the officer's official capacity.

*d.* Prosecute and defend all actions and proceedings brought by or against any employee of a judicial district department of correctional services in the performance of an assessment of risk.

*e.* Give an opinion in writing, when requested, upon all questions of law submitted by the general assembly or by either house thereof, or by any state officer, elective or appointive. Questions submitted by state officers must be of a public nature and relate to the duties of such officer.

*f.* Prepare drafts for contracts, forms, and other writings which may be required for the use of the state.

*g.* Report to the governor, at the time provided by law, the condition of the attorney general's office, opinions rendered, and business transacted of public interest.

*h.* Supervise county attorneys in all matters pertaining to the duties of their offices, and from time to time to require of them reports as to the condition of public business entrusted to their charge.

*i.* Promptly account, to the treasurer of state, for all state funds received by the attorney general.

*j.* Keep in proper books a record of all official opinions, and a register of all actions, prosecuted and defended by the attorney general, and of all proceedings had in relation thereto, which books shall be delivered to the attorney general's successor.

*k.* Perform all other duties required by law.

*l.* Inform prosecuting attorneys and assistant prosecuting attorneys to the state of all changes in law and matters pertaining to their office and establish programs for the continuing education of prosecuting attorneys and assistant prosecuting attorneys. The attorney general may accept funds, grants and gifts from any public or private source which shall be used to defray the expenses incident to implementing duties under this paragraph.

*m.* Establish and administer, in cooperation with the law schools of Drake university and the state university of Iowa, a prosecutor intern program incorporating the essential elements of the pilot program denominated "law student intern program in prosecutors' office" funded by the Iowa crime commission and participating counties. The attorney general shall consult with an advisory committee including representatives of each participating law school and the Iowa county attorneys association, inc. concerning development, administration, and critique of this program. The attorney general shall report on the program's operation annually to the general assembly and the supreme court.

*n.* Develop written procedures and policies to be followed by prosecuting attorneys in the prosecution of domestic abuse cases under chapters 236 and 708.

2. Executing the duties of this section shall not be deemed a violation of section 68B.6.

[R60, §124 – 127, 130, 131; C73, §150 – 153; C97, §208 – 210; S13, §208-a; C24, 27, 31, 35, 39, §**149;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §13.2]

95 Acts, ch 180, §1; 99 Acts, ch 112, §1; 2004 Acts, ch 1091, §1; 2008 Acts, ch 1032, §121; 2009 Acts, ch 119, §32

Referred to in §331.756(12)

**13.3 Disqualification — substitute.**

1. If, for any reason, the attorney general is disqualified from appearing in any action or proceeding, the executive council shall authorize the appointment of a suitable person for that purpose. There is appropriated from moneys in the general fund not otherwise appropriated an amount necessary to pay the reasonable expense for the person appointed. The department involved in the action or proceeding shall be requested to recommend a suitable person to represent the department and when the executive council concurs in the recommendation, the person recommended shall be appointed.

2. If the governor or a department is represented by an attorney other than the attorney general in a court proceeding as provided in this section, at the conclusion of the court proceedings, the court shall review the fees charged to the state to determine if the fees are fair and reasonable. The executive council shall not authorize reimbursement of attorney fees in excess of those determined by the court to be fair and reasonable.

[C24, 27, 31, 35, 39, §**150;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §13.3]

92 Acts, ch 1240, §12; 2011 Acts, ch 131, §19, 158

Referred to in §8F.2

**13.4 Assistant attorneys general.**

The attorney general may appoint a first assistant attorney general and such other assistant attorneys general as may be authorized by law, who shall devote their entire time to the duties of their positions. The assistant attorneys general shall, subject to the direction of the attorney general, have the same power and authority as the attorney general.

[C97, §212; S13, §212; C24, 27, 31, 35, 39, §**151;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §13.4]

**13.5 Assistant for department of revenue.**

The attorney general may appoint one assistant attorney general to perform and supervise the legal work of the department of revenue, and in such event the salary and necessary traveling expenses of such assistant attorney general shall be paid from the appropriation to said department of revenue, and upon request of the attorney general the department of revenue shall provide and equip a suitable office and the necessary secretarial assistance for such assistant attorney general.

[C39, §**151.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §13.5]

2003 Acts, ch 145, §286

**13.6 Assistant for human services department.**

The attorney general may appoint one assistant attorney general to perform and supervise the legal work of the division of child and family services of the department of human services, and in such event the salary and necessary traveling expenses of such assistant attorney general shall be paid from the appropriation to said division, and upon request of the attorney general the director of the department of human services shall provide and equip a suitable office and the necessary secretarial assistance for such assistant attorney general.

[C39, §**151.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §13.6]

83 Acts, ch 96, §157, 159

**13.7 Special counsel.**

1. Compensation shall not be allowed to any person for services as an attorney or counselor to an executive department of the state government, or the head of an executive department of state government, or to a state board or commission. However, the executive council may authorize employment of legal assistance, at a reasonable compensation, in a

pending action or proceeding to protect the interests of the state, but only upon a sufficient showing, in writing, made by the attorney general, that the department of justice cannot for reasons stated by the attorney general perform the service. The reasons and action of the council shall be entered upon its records. If the attorney general determines that the department of justice cannot perform legal service in an action or proceeding, the executive council shall request the department involved in the action or proceeding to recommend legal counsel to represent the department. If the attorney general concurs with the department that the person recommended is qualified and suitable to represent the department, the person recommended shall be employed. If the attorney general does not concur in the recommendation, the department shall submit a new recommendation. This subsection does not affect the general counsel for the utilities board of the department of commerce, the legal counsel of the department of workforce development, or the general counsel for the property assessment appeal board.

2. The executive branch and the attorney general shall also comply with chapter 23B when retaining legal counsel on a contingency fee basis under this section, as appropriate.

[S13, §208-b; C24, 27, 31, 35, 39, §**152;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §13.7; 81 Acts, ch 22, §1]

83 Acts, ch 127, §1; 96 Acts, ch 1186, §23; 2005 Acts, ch 150, §120; 2011 Acts, ch 131, §20, 158; 2012 Acts, ch 1112, §1

Referred to in §8F.2, 68B.32, 252B.7, 262.9

For future repeal, effective July 1, 2018, of 2005 amendments to this section and subsequent amendments relating to the property assessment appeal board, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

Section not amended; footnote revised

**13.8 Expenses.**

The attorney general and the attorney general's assistants shall be repaid their actual and necessary expenses incurred in transacting their official duties at places other than the seat of government.

[C73, §3770; C97, §211; S13, §211; C24, 27, 31, 35, 39, §**153;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §13.8]

**13.9 Salary.**

The salary of the attorney general shall be as fixed by the general assembly, and the salaries of the first assistant attorney general and other assistant attorneys general shall be such as may be fixed by law.

[C31, 35, §153-c1; C39, §**153.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §13.9]

**13.10 Physical criminal evidence — DNA profiling.** Repealed by 2005 Acts, ch 158, § 17, 19. See chapter 81.

**13.11 and 13.12** Reserved.

## SUBCHAPTER II

## FARM ASSISTANCE PROGRAM

Legislative findings; 90 Acts, ch 1143, §1

**13.13 Farm assistance program coordinator — contract for mediation services.**

1. The attorney general or the attorney general's designee shall serve as the farm assistance program coordinator. The coordinator has the powers and duties specified in this subchapter.

2. The farm assistance program coordinator shall contract with a nonprofit organization chartered in this state to provide mediation services as provided in chapters 654A, 654B, and 654C. The contract may be terminated by the coordinator upon written notice and for good cause. The organization awarded the contract is designated as the farm mediation service for the duration of the contract. The organization may, upon approval by the coordinator,

provide mediation services other than as provided by law. The farm mediation service is not a state agency for the purposes of chapter 8A, subchapter IV, and chapters 20 and 669.

90 Acts, ch 1143, §3; 95 Acts, ch 195, §1; 2003 Acts, ch 145, §133

Referred to in §654A.1, 654B.1, 654C.1

**13.14 Farm mediation service — confidentiality.**

1. Meetings of the farm mediation service are closed meetings and are not subject to chapter 21.

2. Confidentiality is also protected as provided in section 679C.108.

90 Acts, ch 1143, §4; 98 Acts, ch 1062, §6; 2005 Acts, ch 68, §1

**13.15 Rules and forms — fees.**

The farm mediation service shall recommend rules to the farm assistance program coordinator. The coordinator shall adopt rules pursuant to chapter 17A to set the compensation of mediators and to implement this subchapter and chapters 654A, 654B, and 654C.

The rules shall provide for an hourly mediation fee not to exceed fifty dollars for the borrower and one hundred dollars for the creditor. The hourly mediation fee may be waived for any party demonstrating financial hardship upon application to the farm mediation service.

The compensation of a mediator shall be no more than twenty-five dollars per hour, and all parties shall contribute an equal amount of the cost.

The coordinator shall adopt voluntary mediation application and mediation request forms.

90 Acts, ch 1143, §5; 91 Acts, ch 267, §410; 95 Acts, ch 195, §2

**13.16 Limitation on liability — immunity from special actions.**

1. A member of the farm mediation staff, including a mediator, employee, or agent of the service, or member of a board for the service, is not liable for civil damages for a statement or decision made in the process of mediation, unless the member acts in bad faith, with malicious purpose, or in a manner exhibiting willful and wanton disregard of human rights, safety, or property.

2. A judicial action which seeks an injunction, mandamus, or similar equitable relief shall not be brought against the farm mediation service, including a mediator, employee, or agent of the service, or a member of a board for the service until completion of the mediation process.

90 Acts, ch 1143, §6

**13.17 through 13.19** Reserved.

**13.20 Authority to contract for legal assistance program.**

The farm assistance program coordinator, provided in this subchapter, shall contract with an eligible nonprofit organization to provide legal assistance to financially distressed farmers. The contract shall be awarded within thirty days after May 30, 1986. The contract may be terminated by the coordinator upon written notice and for good cause.

86 Acts, ch 1214, §2; 90 Acts, ch 1143, §7

Referred to in §13.21, 13.22, 13.24

**13.21 Eligible organization.**

To be eligible for a contract under section 13.20, an organization must:

1. Be a nonprofit organization chartered in the state.

2. Have attorneys admitted to practice in the Iowa supreme court and the United States district courts.

3. Have offices throughout the state of Iowa.

4. Have attorneys and staff qualified to address agricultural legal problems and agricultural credit problems affecting financially distressed farmers.

86 Acts, ch 1214, §3

**13.22 Program requirements.**

A legal services provider which enters into a contract with the coordinator under authority of section 13.20 shall:

1. Offer direct representation of individual farmers in litigation and administrative cases.
2. Offer technical support to individual farmers.
3. Cooperate to the fullest extent feasible with the Iowa state university agricultural extension service so that its economic and farm management counseling services are utilized by eligible persons.
4. Utilize, to the fullest extent feasible, existing resources of accredited law schools within the state of Iowa to provide consulting assistance to attorneys in the agricultural law field.
5. Assist, to the fullest extent feasible, accredited law schools within the state of Iowa in enhancing their expertise in the area of agricultural law so that all attorneys within the state will have a resource available to provide training and experience in the agricultural law field.
6. Cooperate to the fullest extent feasible with the existing informational and referral networks among farmers, farmer advocates, and others concerned with the economic crisis in agricultural areas. The legal services provider is not a state agency for the purposes of chapter 8A, subchapter IV, and chapters 20 and 669.

86 Acts, ch 1214, §4; 2003 Acts, ch 145, §134

**13.23 Persons eligible for legal assistance.**

A person may obtain legal representation and legal assistance from the contracting legal services provider if the person meets all of the following criteria:

1. Is a resident of the state of Iowa.
2. Is a farmer, or a family shareholder of a family farm corporation, and has an occupation of farming.
3. Is engaged in a farm business that has a debt-to-asset ratio greater than fifty percent.
4. Has received less than twenty thousand dollars of taxable income in the last taxable year.
5. Is financially unable to acquire legal assistance.

86 Acts, ch 1214, §5

**13.24 Report.**

1. The legal services provider which enters into a contract with the coordinator under authority of 1986 Iowa Acts, ch. 1214 shall submit to the coordinator a working plan for the accomplishment of the objectives of 1986 Iowa Acts, ch. 1214 within thirty days after the contract is awarded. The plan must establish priorities and procedures, and set forth its annual operating budget for the fiscal year including projected salaries and all anticipated expenses. This budget shall set forth the maximum obligation of financial aid proposed for payment by the state and the availability of any additional funds or resources from the federal government and other sources to meet such expenses of operation.
2. At the end of each fiscal year the contracting legal services provider shall provide to the coordinator an audited statement of actual expenses incurred. The report shall also summarize the legal services provided and make recommendations for improved services for financially distressed farmers.
3. The contract entered into pursuant to section 13.20 shall provide that any contractual payments to the legal services provider are to be made monthly.

86 Acts, ch 1214, §6; 2006 Acts, ch 1010, §6

**13.25** Repealed by 94 Acts, ch 1106, §1.

**13.26 through 13.30** Reserved.

## SUBCHAPTER III

## VICTIM ASSISTANCE PROGRAM

**13.31 Victim assistance program.**

A victim assistance program is established in the department of justice, which shall do all of the following:

1. Administer grants received under the federal Victims of Crime Act pursuant to Pub. L. No. 98-473, Tit. 2, ch. 14, 42 U.S.C. § 10601, as amended by the federal Children's Justice and Assistance Act, Pub. L. No. 99-401, 100 Stat. 903 (1986).
2. Administer the state crime victim compensation program as provided in chapter 915.
3. Administer the domestic abuse program provided in chapter 236.
4. Administer the family violence prevention and services grants pursuant to the federal Child Abuse Amendments of 1984, Pub. L. No. 98-457, 42 U.S.C. § 10401.
5. Administer payment for sexual abuse medical examinations pursuant to section 915.41.
6. Administer the violence against women program and grants received pursuant to the federal Violence Against Women Act, Tit. IV of the Violent Crime Control and Law Enforcement Act of 1994, Pub. L. No. 103-322, 42 U.S.C. § 13701.
7. Administer an automated victim notification system as authorized pursuant to section 915.10A.

89 Acts, ch 279, §1; 90 Acts, ch 1251, §1; 91 Acts, ch 181, §16; 98 Acts, ch 1090, §58, 84; 2002 Acts, ch 1016, §1; 2007 Acts, ch 27, §1; 2010 Acts, ch 1061, §180

**13.32 and 13.33** Reserved.

## SUBCHAPTER IV

## LEGAL ASSISTANCE FOR PERSONS IN POVERTY

**13.34 Legal services for persons in poverty grant program.**

1. For the purposes of this section, *"eligible individual"* means an individual or household with an annual income which is less than one hundred twenty-five percent of the poverty guidelines established by the United States office of management and budget. The attorney general shall contract with an eligible nonprofit organization to provide legal assistance to eligible individuals in poverty. The contract shall be awarded within thirty days after May 30, 1996. The contract may be terminated by the attorney general after a hearing upon written notice and for good cause.
2. A nonprofit organization must comply with all of the following to be eligible for a contract under this section:

*a.* Be a nonprofit organization incorporated in this state.

*b.* Has lost or will lose funding due to a reduction in federal funding for the legal services corporation for federal fiscal year 1995-1996.

*c.* Employ attorneys admitted to practice before the Iowa supreme court and the United States district courts.

*d.* Employ attorneys and staff qualified to address legal problems experienced by eligible individuals.

3. The contracting nonprofit organization shall do all of the following:

*a.* Offer direct representation of eligible individuals in litigation and administrative cases, in accordance with priorities established by the organization's board.

*b.* Offer technical support to eligible individuals.

*c.* Involve private attorneys through volunteer lawyer projects to represent eligible individuals.

*d.* Utilize, to the fullest extent feasible, existing resources of accredited law schools

within this state to provide consulting assistance to attorneys in the practice of law in their representation of persons in poverty.

*e.* Assist, to the fullest extent feasible, accredited law schools within this state in enhancing the schools' expertise in the practice of law representing persons in poverty so that all attorneys within the state will have a resource available to provide training and experience in the practice of law representing persons in poverty.

*f.* Cooperate, to the fullest extent feasible, with existing informational and referral networks among persons in poverty, providers of assistance to persons in poverty, and others concerned with assistance to persons in poverty.

4. The contracting nonprofit organization is not a state agency for the purposes of chapter 8A, subchapter IV, and chapters 20 and 669.

5. An individual is eligible to obtain legal representation and legal assistance from the contracting nonprofit organization if the eligible individual meets all of the following criteria:

*a.* The eligible individual is a resident of this state.

*b.* The eligible individual is financially unable to acquire legal assistance, in accordance with criteria established by the organization's board.

96 Acts, ch 1216, §27; 2003 Acts, ch 145, §135

# CHAPTER 13A

## PROSECUTING ATTORNEYS TRAINING COORDINATOR


| | | | |
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| 13A.1 | Definitions. | 13A.6 | Report required. |
| 13A.2 | Establishment of office and council — coordinator. | 13A.7 | Expenses paid. |
| 13A.3 | Membership and terms. | 13A.8 | Duties. |
| 13A.4 | Organization. | 13A.9 | Authority. |
| 13A.5 | Meetings. | 13A.10 | Receipt of funds. |
| | | 13A.11 | Citation. |


**13A.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Coordinator"* means the prosecuting attorneys training coordinator.

2. *"Council"* means the prosecuting attorneys training coordination council.

3. *"Office"* means the office of prosecuting attorneys training coordinator established in this chapter.

4. *"Prosecuting attorneys"* means county attorney, district attorney, or any attorney charged with responsibility of prosecution of violation of state laws.

[C77, 79, 81, §13A.1]

**13A.2 Establishment of office and council — coordinator.**

1. The office of the prosecuting attorneys training coordinator is established as an entity in the department of justice.

2. The prosecuting attorneys training coordination council is established to consult with and advise the attorney general and the coordinator on the operation of the office.

3. The attorney general shall, with the advice and consent of the council, appoint an attorney with knowledge and experience in prosecution to the office of prosecuting attorneys training coordinator. The prosecuting attorneys training coordinator shall be the administrator of the office of the prosecuting attorneys training coordinator. The coordinator's term of office is four years, beginning on July 1 of the year of appointment and ending on June 30 of the year of expiration.

4. If a vacancy occurs in the office of prosecuting attorneys training coordinator, the vacancy shall be filled for the unexpired portion of the term in the same manner as the original appointment was made.

5. The attorney general may, with the advice of the council, remove the prosecuting attorneys training coordinator for malfeasance or nonfeasance in office, for any cause which

renders the coordinator ineligible for appointment, or for any cause which renders the coordinator incapable or unfit to discharge the duties of office. The prosecuting attorneys training coordinator may also be removed upon the unanimous vote of the council. The removal of a prosecuting attorneys training coordinator under this section is final.

[C77, 79, 81, §13A.2]

86 Acts, ch 1245, §2056; 93 Acts, ch 171, §16, 17

**13A.3 Membership and terms.**

1. The council shall consist of five members as follows:

*a.* The attorney general or the attorney general's designated representative.

*b.* The president of the Iowa county attorneys association or its successor.

*c.* Three members elected by the Iowa county attorneys association or its successor.

2. A member shall vacate an appointment upon termination of the member's official position as a prosecuting attorney or an attorney general. A vacancy shall be filled in the same manner as the original appointment. A member appointed to fill a vacancy created other than by expiration of a term on the council shall be appointed for the unexpired term of the member whom the new member is to succeed in the same manner as the original appointment. Any member may be reappointed for an additional term.

3. The terms of the elected members shall be three years and shall be staggered so that one member is elected each year.

[C77, 79, 81, §13A.3]

2008 Acts, ch 1031, §12

**13A.4 Organization.**

The council shall designate from among its members a chairperson and vice chairperson who shall serve for one-year terms and who may be reelected. Membership on the council shall not constitute holding a public office, and members of the council shall not be required to take and file oaths of office before serving on the council. A member of the council shall not be disqualified from holding any public office or employment by reason of membership on the council, nor shall one member forfeit the office or employment, by reason of appointment under this chapter, notwithstanding the provisions of any law, ordinance or city charter.

[C77, 79, 81, §13A.4]

**13A.5 Meetings.**

The council shall meet at least four times each year and shall hold meetings when called by the chairperson, or in the absence of the chairperson, by the vice chairperson or when called by the chairperson upon the written request of three members of the council. The council shall establish its own procedures and requirements with respect to quorum, place and conduct of its meetings and other matters.

[C77, 79, 81, §13A.5]

**13A.6 Report required.**

The prosecuting attorneys training coordinator shall make an annual report to the attorney general, the governor, and to the Iowa county attorneys association or its successor regarding the efforts of the office to implement the purposes of this chapter.

[C77, 79, 81, §13A.6]

86 Acts, ch 1245, §2057

**13A.7 Expenses paid.**

The members of the council shall serve without compensation but shall be entitled to their actual expenses in attending meetings and in the performance of their duties.

[C77, 79, 81, §13A.7]

**13A.8 Duties.**

The office shall keep the prosecuting attorneys and assistant prosecuting attorneys of the state informed of all changes in law and matters pertaining to their office to the end that a uniform system of conduct, duty and procedure is established in each county of the state.

[C77, 79, 81, §13A.8]

86 Acts, ch 1245, §2058

**13A.9 Authority.**

The prosecuting attorneys training coordinator may:

1. Enter into agreements with other public or private agencies or organizations to implement this chapter.

2. Cooperate with and assist other public or private agencies or organizations to implement this chapter.

3. Make recommendations to the general assembly on matters pertaining to the responsibilities of the office under this chapter.

[C77, 79, 81, §13A.9]

86 Acts, ch 1245, §2059; 2012 Acts, ch 1023, §157

**13A.10 Receipt of funds.**

The office of the prosecuting attorneys training coordinator may accept funds, grants and gifts from any public or private source which shall be used to defray the expenses incident to implementing the responsibilities of the office under this chapter.

[C77, 79, 81, §13A.10]

86 Acts, ch 1245, §2060

**13A.11 Citation.**

This chapter shall be known and may be cited as the *"Prosecuting Attorneys Training Coordinator Act of 1975"*.

[C77, 79, 81, §13A.11]

# CHAPTER 13B

## PUBLIC DEFENDERS

Referred to in §23B.5, 600A.6B, 815.9


| | |
|---|---|
| 13B.1 | Definitions. |
| 13B.2 | Position established. |
| 13B.2A | Indigent defense — report — court-appointed counsel fees. |
| 13B.2B | Repealed by 91 Acts, ch 268, §439. |
| 13B.3 | Qualifications of state public defender. |
| 13B.4 | Duties and powers of state public defender. |
| 13B.4A | Reserved. |
| 13B.4B | Confidentiality of indigent defense claim records. |
| 13B.5 | Staff. |
| 13B.6 | Account established. |
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| 13B.8 | Office of local public defender. |
| 13B.8A | Public defender property. Repealed by 2007 Acts, ch 126, §113. |
| 13B.9 | Powers and duties of local public defenders — referrals to outside counsel. |
| 13B.10 | Determination of indigence. |
| 13B.11 | State appellate defender. |


**13B.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Appointed attorney"* means an attorney appointed by the court and compensated by the state to represent an indigent defendant.

2. *"Claimant"* means an attorney or other person seeking reimbursement of costs or fees payable from the appropriations under section 815.11.

3. *"Department"* means the department of inspections and appeals.

4. *"Financial statement"* means a full written disclosure of all assets, liabilities, current income, dependents, and other information required to determine if a client qualifies for legal assistance by an appointed attorney.

5. *"State public defender"* means the state public defender appointed pursuant to this chapter.

[81 Acts, ch 23, §1, 8]

88 Acts, ch 1161, §1; 91 Acts, ch 268, §408, 439; 96 Acts, ch 1040, §1; 96 Acts, ch 1193, §1; 2006 Acts, ch 1041, §1

**13B.2 Position established.**

The position of state public defender is established within the department of inspections and appeals. The governor shall appoint the state public defender, who shall serve at the pleasure of the governor, subject to confirmation by the senate, no less frequently than once every four years, whether or not there has been a new state public defender appointed during that time, and shall establish the state public defender's salary.

[81 Acts, ch 23, §2, 8]

86 Acts, ch 1245, §516; 88 Acts, ch 1161, §2

Confirmation, see §2.32

**13B.2A Indigent defense — report — court-appointed counsel fees.**

1. The state public defender shall file a written report every three years with the governor and the general assembly by January 1 of a year in which a report is due relating to the recommendations and activities of the state public defender relating to the state indigent defense system. The first such report shall be due on January 1, 2012.

2. The report shall contain recommendations to the general assembly regarding the hourly rates paid to court-appointed counsel and per case fee limitations. These recommendations shall be consistent with the constitutional requirement to provide effective assistance of counsel to those indigent persons for whom the state is required to provide counsel.

99 Acts, ch 135, §2; 2008 Acts, ch 1156, §15, 58; 2010 Acts, ch 1031, §414

**13B.2B** Repealed by 91 Acts, ch 268, § 439.

**13B.3 Qualifications of state public defender.**

Only persons admitted to practice law in this state shall be appointed state public defender or assistant state public defender.

[81 Acts, ch 23, §3, 8]

88 Acts, ch 1161, §3

**13B.4 Duties and powers of state public defender.**

1. The state public defender shall coordinate the provision of legal representation of all indigents under arrest or charged with a crime, seeking postconviction relief, against whom a contempt action is pending, in proceedings under section 811.1A or chapter 229A or 812, in juvenile proceedings, on appeal in criminal cases, and on appeal in proceedings to obtain postconviction relief when ordered to do so by the district court in which the judgment or order was issued, and may provide for the representation of indigents in proceedings instituted pursuant to chapter 908. The state public defender shall not engage in the private practice of law.

2. The state public defender shall file a notice with the clerk of the district court in each county served by a public defender designating which public defender office shall receive notice of appointment of cases. The state public defender may also designate a person admitted to practice law in this state or a nonprofit organization employing persons admitted to practice law in this state to be appointed by the court as a designee of the state public defender. In each county in which the state public defender files a designation, the state public defender's designee shall be appointed by the court to represent all eligible persons or to serve as guardian ad litem for eligible children in juvenile court in all cases

and proceedings specified in the designation. The appointment shall not be made if the state public defender or the state public defender's designee notifies the court that the state public defender's designee will not provide services in certain cases as identified in the designation by the state public defender.

3. The state public defender may contract with persons admitted to practice law in this state and nonprofit organizations employing persons admitted to practice law in this state for the provision of legal services to indigent persons. The contract may incorporate administrative rules into the terms of the contract or expressly provide that payments may be paid that are other than on an hourly rate basis for legal services provided, including but not limited to a fixed rate per case or per month.

4. *a.* The state public defender shall establish fee limitations for particular categories of cases. The fee limitations shall be reviewed at least every three years. In establishing and reviewing the fee limitations, the state public defender shall consider public input during the establishment and review process, and any available information regarding ordinary and customary charges for like services; the number of cases in which legal services to indigents are anticipated; the seriousness of the charge; an appropriate allocation of resources among the types of cases; experience with existing hourly rates, claims, and fee limitations; and any other factors determined to be relevant.

*b.* The state public defender shall establish a procedure for the submission of all claims for payment of indigent defense costs, including the submission of interim claims in appropriate cases.

*c.* The state public defender may review any claim for payment of indigent defense costs and may take any of the following actions:

(1) If the charges are appropriate and reasonable, approve the claim for payment.

(2) Deny the claim under any of the following circumstances:

(a) If it is not timely.

(b) If it is not payable as an indigent defense claim under chapter 815.

(c) If it is not payable under the contract between the claimant and the state public defender.

(d) If the claimant was appointed contrary to section 814.11 or 815.10, or the claimant failed to comply with section 814.11, subsection 7, or section 815.10, subsection 5.

(3) Request additional information or return the claim to the claimant, if the claim is incomplete.

(4) If any portion of the claim is excessive, notify the claimant that the claim is excessive and will be reduced to an amount which is not excessive, and reduce and approve the balance of the claim.

(5) If any portion of the claim is not payable within the scope of appointment of the claimant, notify the claimant that a portion of the claim is not within the scope of appointment and is not payable, deny those portions of the claim that are not payable, and approve the balance of the claim.

*d.* Notwithstanding chapter 17A, the claimant may seek review of any action or intended action denying or reducing any claim by filing a motion with the court with jurisdiction over the original appointment for review.

(1) The motion must be filed within twenty days of any action taken by the state public defender.

(2) The motion shall be set for hearing by the court and the state public defender shall be provided with at least ten days' notice of the hearing. The state public defender shall not be required to file a resistance to the motion filed under this paragraph "*d*".

(3) The state public defender or the claimant may participate by telephone. If the state public defender participates by telephone, the state public defender shall be responsible for initiating and paying for all telephone charges.

(4) The filing of a motion shall not delay the payment of the amount approved by the state public defender.

(5) If a claim or portion of the claim is denied, the action of the state public defender shall be affirmed unless the action conflicts with a statute or an administrative rule.

(6) If the claim is reduced for being excessive, the claimant shall have the burden to

establish by a preponderance of the evidence that the amount of compensation and expenses is reasonable and necessary.

(7) The decision of the court following a hearing on the motion is a final judgment appealable by the state public defender or the claimant.

(8) If the state public defender is not first notified and given an opportunity to be heard, any court order entered after the state public defender has taken action on a claim, which affects that claim, is void.

5. In reviewing a claim for compensation submitted by an attorney who had been retained or agreed to represent an indigent person prior to appointment, the state public defender may consider any moneys earned or paid to the attorney prior to the appointment in determining whether the claim is reasonable and necessary or excessive. The attorney shall provide the state public defender with a copy of any representation agreement, and information on any moneys earned or paid to the attorney prior to the appointment.

6. The state public defender is authorized to contract with county attorneys to provide collection services related to court-ordered indigent defense restitution.

7. The state public defender shall not revise the allocations to the office of the state public defender and the allocations for indigent defense of adults and juveniles, unless prior notice of the revisions is given to the legislative services agency, the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system, and the co-chairpersons and ranking members of the house and senate committees on appropriations.

8. The state public defender shall adopt rules, as necessary, pursuant to chapter 17A to administer this chapter and chapter 815.

9. Executing the duties of this section shall not be deemed a violation of section 68B.6.

[81 Acts, ch 23, §4, 8]

85 Acts, ch 36, §1; 88 Acts, ch 1161, §4; 89 Acts, ch 51, §1; 91 Acts, ch 268, §411, 439; 92 Acts, ch 1242, §18; 93 Acts, ch 175, §15; 94 Acts, ch 1107, §20; 94 Acts, ch 1187, §17; 96 Acts, ch 1040, §2; 99 Acts, ch 12, §1; 99 Acts, ch 135, §3 – 6; 99 Acts, ch 208, §46; 2000 Acts, ch 1154, §3; 2002 Acts, ch 1067, §1 – 5; 2002 Acts, ch 1119, §116; 2003 Acts, ch 35, §46, 49; 2003 Acts, ch 51, §1 – 3; 2004 Acts, ch 1040, §1 – 3; 2004 Acts, ch 1084, §1; 2004 Acts, ch 1091, §2; 2004 Acts, ch 1175, §195; 2005 Acts, ch 107, §1, 14; 2006 Acts, ch 1041, §2 – 4; 2007 Acts, ch 22, §7; 2008 Acts, ch 1061, §1; 2009 Acts, ch 178, §23, 24; 2012 Acts, ch 1063, §1

Referred to in §13B.4B, 13B.9, 22.7, 814.11, 815.7, 815.10, 815.10A, 815.14, 908.2A

Authority of state public defender in termination of parental rights proceedings under chapter 600A, see §600A.6B

**13B.4A Reserved.**

**13B.4B Confidentiality of indigent defense claim records.**

1. A claim for compensation and reimbursement for legal assistance and supporting documents submitted to the state public defender for payment of costs incurred in the legal representation of an indigent person from the indigent defense fund established in section 815.11 shall be kept confidential by the state public defender except as otherwise provided in subsection 2.

2. *a.* The claim and supporting documents shall be released to the client on whose behalf the costs were incurred, or the client's designee, upon written request by the client.

*b.* Summary claims data may be released if the data contains no information that is required to be kept confidential pursuant to an attorney's obligations under the Iowa rules of professional conduct. Such summary data may include:

(1) The name of the attorney or vendor who provided the legal services.

(2) The name of the county in which legal services were provided.

(3) The case number and name of the client unless the information is a confidential juvenile record under section 232.147.

(4) The type of claim and the type of cases for which legal services were provided.

(5) The number of hours and expenses claimed, and the total amount paid.

*c.* The state public defender may in the state public defender's sole discretion release claims and supporting documents to the auditor of state, the Iowa supreme court attorney

disciplinary board, the grievance commission of the supreme court of Iowa, or to other state or local agencies to the extent necessary to investigate fraud or other criminal activity against the attorney or vendor submitting the claim.

*d.* The state public defender may release the claim and supporting documents to the court with respect to a hearing held under section 13B.4, subsection 4, paragraph *"d"*.

2013 Acts, ch 116, §1
Referred to in §22.7
NEW section

**13B.5 Staff.**

The state public defender may appoint assistant state public defenders who, subject to the direction of the state public defender, shall have the same duties as the state public defender and shall not engage in the private practice of law. The salaries of the staff shall be fixed by the state public defender. The state public defender and the state public defender's staff shall receive actual and necessary expenses, including travel at the state rate set forth in section 8A.363.

[81 Acts, ch 23, §5, 8]
88 Acts, ch 1161, §5; 2003 Acts, ch 145, §136

**13B.6 Account established.**

1. There is established in the state general fund an account to be known as the state public defender operating account. The state public defender may bill a county for services rendered to the county by the office of the state public defender. Receipts shall be deposited in the operating account established under this section. There is appropriated from the state general fund all amounts deposited in the state public defender operating account for use in maintaining the operations of the office of state public defender.

2. The department of inspections and appeals shall provide internal accounting and related fiscal services for the state public defender.

[81 Acts, ch 23, §6, 8]
83 Acts, ch 200, §10; 86 Acts, ch 1245, §517; 88 Acts, ch 1161, §6

**13B.7 Legal services to inmates.**

The state public defender may supervise the provision of legal services, funded by an appropriation to the Iowa department of corrections, to inmates of adult correctional institutions in civil cases involving prison litigation.

83 Acts, ch 96, §160; 83 Acts, ch 203, §12; 88 Acts, ch 1161, §7

**13B.8 Office of local public defender.**

1. The state public defender may establish or abolish local public defender offices. In determining whether to establish or abolish a local public defender office, the state public defender shall consider the following:

*a.* The number of cases or potential cases where a local public defender is or would be involved.

*b.* The population of the area served or to be served.

*c.* The willingness of the local private bar to participate in cases where a public defender is or would be involved.

*d.* Other factors which the state public defender deems to be important.

2. The state public defender may appoint and may, for cause, remove the local public defender, assistant local public defenders, clerks, investigators, secretaries, or other employees. Each local public defender, and any assistant local public defender, must be an attorney admitted to the practice of law before the Iowa supreme court.

3. The compensation of the local public defender and staff of the local public defender offices shall be fixed by the state public defender.

4. The state public defender shall provide separate and suitable office space, furniture, equipment, computers, computer networks, support staff, and supplies for each office of the local public defender out of funds appropriated to the state public defender for this purpose.

5. An employee of a local public defender office shall not have access to any confidential

client information in any other local public defender office, and the state public defender shall not have access to such confidential information.

88 Acts, ch 1161, §8; 91 Acts, ch 268, §412, 439; 95 Acts, ch 67, §3; 99 Acts, ch 135, §7; 2000 Acts, ch 1115, §1; 2000 Acts, ch 1154, §4; 2002 Acts, ch 1067, §6 – 8; 2002 Acts, ch 1119, §117

**13B.8A Public defender property.** Repealed by 2007 Acts, ch 126, § 113.

**13B.9 Powers and duties of local public defenders — referrals to outside counsel.**

1. The local public defender shall do all of the following:

*a.* Represent an indigent person who is under arrest or charged with a crime if the indigent person requests representation or the court orders representation when the type of case, the county, and the court have been designated for such representation by the state public defender. The local public defender shall counsel and defend an indigent defendant at every stage of the criminal proceedings and prosecute before or after conviction any appeals or other remedies which the local public defender considers to be in the interest of justice unless other counsel is appointed to the case.

*b.* Represent an indigent party, upon order of the court, in child in need of assistance, family in need of assistance, delinquency, and termination of parental rights proceedings pursuant to chapter 232 when designated by the state public defender to represent the indigent party in the type of case for that county. The local public defender shall counsel and represent an indigent party in all proceedings pursuant to chapter 232 to which the local public defender is appointed and prosecute before or after judgment any appeals or other remedies which the local public defender considers to be in the interest of justice unless other counsel is appointed to the case.

*c.* Serve as guardian ad litem for each child in all cases in which the local public defender office is the state public defender's designee. The local public defender shall be responsible for determining who shall perform the duties of the guardian ad litem as defined in section 232.2 and shall be responsible for assuring the court that the duties of the guardian ad litem have been fulfilled.

2. An attorney appointed under this section is not liable to a person represented by the attorney for damages as a result of a conviction in a criminal case unless the court determines in a postconviction proceeding or on direct appeal that the person's conviction resulted from ineffective assistance of counsel, and the ineffective assistance of counsel is the proximate cause of the damage. In juvenile or civil proceedings, an attorney appointed under this section is not liable to a person represented by the attorney for damages unless it has been determined that the attorney has provided ineffective assistance of counsel and the ineffective assistance of counsel is the proximate cause of the damage.

3. The local public defender shall handle every case to which the local public defender is appointed if the local public defender can reasonably handle the case. The local public defender shall be responsible for assigning cases to individual attorneys within the local public defender office and for making decisions concerning cases in which the local public defender has been appointed.

4. *a.* If a conflict of interest arises or if the local public defender is unable to handle a case because of a temporary overload of cases, the local public defender shall return the case to the court. If the case is returned and the state public defender has filed a successor designation, the court shall appoint the successor designee. If there is no successor designee on file, the court shall make the appointment pursuant to section 815.10. As used in this subsection, *"successor designee"* may include another local public defender office, or a nonprofit organization or a person admitted to practice law in this state that has contracted with the state public defender under section 13B.4, subsection 3.

*b.* If a conflict of interest arises in any case, subsection 1 does not affect the local public defender's obligation to withdraw as counsel or as guardian ad litem.

88 Acts, ch 1161, §9; 89 Acts, ch 83, §4; 91 Acts, ch 268, §413, 439; 94 Acts, ch 1187, §18, 19; 96 Acts, ch 1040, § 3, 4; 99 Acts, ch 135, §8 – 10; 2002 Acts, ch 1067, §9 – 12; 2003 Acts, ch 51, §4; 2004 Acts, ch 1017, §1; 2004 Acts, ch 1040, §4; 2005 Acts, ch 19, §13; 2008 Acts, ch 1061, §2, 3; 2012 Acts, ch 1063, §2, 3

**13B.10 Determination of indigence.**

For purposes of this chapter, a determination of indigence shall be made pursuant to section 815.9.

88 Acts, ch 1161, §10; 89 Acts, ch 83, §5; 93 Acts, ch 175, §16; 96 Acts, ch 1193, §2; 99 Acts, ch 135, §11

**13B.11 State appellate defender.**

The state public defender shall appoint a state appellate defender who shall represent indigents on appeal in criminal cases and on appeal in proceedings to obtain postconviction relief when appointed to do so by the district court in which the judgment or order was issued, and may represent indigents in proceedings instituted pursuant to chapter 908 when required to do so by the state public defender, and shall not engage in the private practice of law.

89 Acts, ch 51, §2

# CHAPTER 13C

## ORGANIZATIONS SOLICITING PUBLIC DONATIONS

This chapter not enacted as a part of this title; transferred from chapter 122 in Code 1993


13C.1 Definitions.
13C.2 Registration permit required — disclosure.
13C.3 Use of another organization's name in solicitation.
13C.4 through 13C.7 Reserved.
13C.8 Enforcement — penalty.


**13C.1 Definitions.**

1. *"Charitable organization"* means a person who solicits or purports to solicit contributions for a charitable purpose and which receives contributions. *"Charitable organization"* does not include a political organization, a religious organization, or a state, regionally, or nationally accredited college or university.

2. *"Charitable purpose"* means a benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental, conservation, civic, or other charitable objective. In the case of law enforcement, emergency medical technician, paramedic, and fire fighter organizations, *"charitable purpose"* does not include funds raised through the sale of advertisements, products, or tickets for an event unless the organization represents that part of proceeds will be used to assist individuals other than the organization, its members, or their families.

3. *"Political organization"* means a political party, a candidate for office, or a political action committee required to file financial information with federal or state election or campaign commissions.

4. *"Professional commercial fund-raiser"* means any person who for compensation solicits contributions in Iowa for a charitable organization other than the person. A person whose sole responsibility is to mail fund-raising literature is not a professional commercial fund-raiser. A lawyer, investment counselor, or banker who advises a person to make a charitable contribution is not, as a result of such advice, a professional commercial fund-raiser. A bona fide salaried officer, employee, or volunteer of a charitable organization is not a professional commercial fund-raiser.

5. *"Religious organization"* means a religious corporation, trust, foundation, association, or organization incorporated or established for religious purposes.

6. *"Solicit"* or *"solicitation"* means the request, directly or indirectly, for a contribution on the pleas or representation that the contribution will be used for a charitable purpose. A solicitation is deemed to have taken place whether or not the person making the solicitation

receives a contribution. *"Solicitation"* does not include an application for a grant from any governmental entity or private nonprofit foundation.

[S13, §5077-c; C24, §1916; C27, 31, 35, §1921-b1; C39, §**1915.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §122.1]

89 Acts, ch 93, §1; 90 Acts, ch 1202, §1

C93, §13C.1

Referred to in §714H.3

**13C.2 Registration permit required — disclosure.**

1. *a.* A professional commercial fund-raiser shall not solicit contributions for charitable purposes in this state unless the professional commercial fund-raiser has registered with the attorney general, has provided the attorney general with a listing of the professional commercial fund-raiser's clients, and has obtained a registration permit from the attorney general. The attorney general may require that registration information be updated on a quarterly basis.

*b.* The attorney general shall prescribe and furnish the registration permit application form which shall include provisions for financial disclosure information concerning contributions received and disbursements made during the previous year by the professional commercial fund-raiser applying for registration. Financial disclosure information shall not include an applicant's donor lists.

*c.* In lieu of filing the financial disclosure information at the time of registration, the professional commercial fund-raiser may file a statement with its permit application where it agrees to provide, without cost, the financial disclosure information required to be disclosed pursuant to this subsection to a person or government entity requesting the information within one day of the request. The statement shall include the telephone number, mailing address, and names of persons to be contacted to obtain the financial disclosure information of the fund-raiser. Failure to provide this information upon request shall be a violation of this chapter.

2. A charitable organization shall provide, upon request and without cost to the requesting party, financial disclosure information concerning contributions received and disbursements for the organization's last complete fiscal year, or, if the organization has not completed a full fiscal year, for its current fiscal year, to the attorney general or a person requesting the information within five days of the request.

3. *a.* If a professional commercial fund-raiser or charitable organization fails to provide financial information as required or requested, the fund-raiser or organization shall file the financial disclosure information with the attorney general within seven days of its failure to have provided the disclosure information and, thereafter, file, if required by the attorney general, annual financial disclosure information with the attorney general.

*b.* The attorney general may seek an injunction pursuant to section 714.16 prohibiting the professional commercial fund-raiser or charitable organization from soliciting contributions until the required financial information has been disclosed to the attorney general, person, or government entity making the request.

4. The client lists of a professional commercial fund-raiser, if required to be filed as part of the application for registration, shall be confidential and may be used only for law enforcement purposes.

5. The attorney general shall collect a fee of ten dollars for each registration permit issued. A permit shall expire twelve months following the date of issuance.

6. The attorney general may make reasonable rules to enforce the provisions of this chapter.

[S13, §5077-c; C24, §1917; C27, 31, 35, §1921-b2; C39, §**1915.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §122.2]

89 Acts, ch 93, §2; 90 Acts, ch 1202, §2

C93, §13C.2

**13C.3 Use of another organization's name in solicitation.**

A charitable organization shall not solicit contributions for a charitable purpose in this state, where the charitable organization claims that a portion or all of the contributions received will be given to another charitable organization in this state, without permission from the other charitable organization that its name may be referred to as part of the solicitation.

90 Acts, ch 1202, §3
C93, §13C.3

**13C.4 through 13C.7** Reserved.

**13C.8 Enforcement — penalty.**

The attorney general shall enforce the provisions of this chapter.

A violation of this chapter is a violation of section 714.16, subsection 2, paragraph "*a*". The provisions of section 714.16, including but not limited to provisions relating to investigation, injunctive relief, and penalties, shall apply to this chapter.

[C24, §1918; C27, 31, 35, §1921-b3; C39, §**1915.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §122.3]
89 Acts, ch 93, §3; 90 Acts, ch 1202, §4
C91, §122.8
C93, §13C.8

# CHAPTER 14

RESERVED

# CHAPTER 14A

DEPUTIES OF STATE OFFICERS

14A.1 Deputies.
14A.2 Deputy to qualify.

**14A.1 Deputies.**

The secretary, auditor, treasurer of state, and secretary of agriculture may each appoint, in writing, any person, except one holding a state office, as deputy, for whose acts the appointing officer shall be responsible, and from whom the appointing officer shall require bond, which appointment and bond must be approved by the officer having the approval of the principal's bond, and such appointment may be revoked in the same manner. The appointment and revocation shall be filed with and kept by the secretary of state. The state shall pay the reasonable cost of the bonds required by this section.

[C51, §411 – 413, 416; R60, §642 – 644, 647; C73, §766 – 768, 770, 3756 – 3758; C97, §87, 99, 116; S13, §87, 99, 116; C24, 27, 31, 35, 39, §**430;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §27.1]
C93, §14A.1

**14A.2 Deputy to qualify.**

The deputy shall qualify by taking the oath of the principal, to be endorsed upon and filed with the certificate of appointment, and when so qualified shall, in the absence or disability

of the appointing officer, unless otherwise provided, perform all the duties pertaining to the office of the appointing officer.

[C51, §411, 412, 416; R60, §642, 643, 647; C73, §766, 767, 770; C97, §87, 99, 116; S13, §87, 99, 116; C24, 27, 31, 35, 39, §**431;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §27.2]

C93, §14A.2

Deputy may not act on executive council, §7D.1
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# CHAPTER 14B

## INFORMATION TECHNOLOGY DEPARTMENT

Repealed by 2003 Acts, ch 145, §291; see chapter 8B

# SUBTITLE 5

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Referred to in §476A.6

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For provisions regarding continuation of financial assistance
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financial assistance awards under the grow Iowa values financial
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## SUBCHAPTER I

## AUTHORITY — ORGANIZATION

**15.101 Findings and purpose — collaboration described.**

1. The general assembly finds that economic development is an important public purpose and that both the public and private sectors have a shared interest in fostering the economic vitality of the state. Therefore, it is the purpose of this subchapter to implement economic

development policy in the state by means of a collaboration between government and the private sector.

2. The collaboration shall involve the economic development authority and the Iowa innovation corporation, both of which shall work together to further economic development policy according to the provisions of this subchapter.

86 Acts, ch 1245, §801; 2011 Acts, ch 118, §1, 89

**15.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Authority"* means the economic development authority created in section 15.105.

2. *"Board"* means the members of the authority appointed by the governor and in whom the powers of the authority are vested pursuant to section 15.105.

3. *"Business enterprise"* means a work or improvement located within the state, including but not limited to real property, buildings, equipment, furnishings, and any other real and personal property or any interest therein, financed, refinanced, acquired, owned, constructed, reconstructed, extended, rehabilitated, improved, or equipped, directly or indirectly, in whole or in part, by the authority or through loans made by it and which is designed and intended for the purpose of providing facilities for manufacturing, industrial, processing, warehousing, wholesale or retail commercial, recreational, hotel, office, research, business, or other related purposes, including but not limited to machinery and equipment deemed necessary or desirable for the operation thereof.

4. *"Chief executive officer"* means the chief executive officer of the corporation.

5. *"Corporation"* means the Iowa innovation corporation created pursuant to section 15.107.

6. *"Director"* means the director of the authority, appointed pursuant to section 15.106C, or the director's designee.

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

8. *"Small business"* means any enterprise which is located in this state, which is operated for profit and under a single management, and which has either fewer than twenty employees or an annual gross income of less than four million dollars computed as the average of the three preceding fiscal years. This definition does not apply to any program or activity for which a definition for small business is provided for the program or activity by federal law or regulation or other state law.

9. *"Targeted industries"* means the industries of advanced manufacturing, biosciences, and information technology.

10. *a.* *"Targeted small business"* means a small business which is fifty-one percent or more owned, operated, and actively managed by one or more women, minority persons, or persons with a disability provided the business meets all of the following requirements:

(1) Is located in this state.

(2) Is operated for profit.

(3) Has an annual gross income of less than four million dollars computed as an average of the three preceding fiscal years.

*b.* As used in this subsection:

(1) *"Disability"* means, with respect to an individual, a physical or mental impairment that substantially limits one or more of the major life activities of the individual, a record of physical or mental impairment that substantially limits one or more of the major life activities of the individual, or being regarded as an individual with a physical or mental impairment that substantially limits one or more of the major life activities of the individual. *"Disability"* does not include any of the following:

(a) Homosexuality or bisexuality.

(b) Transvestism, transsexualism, pedophilia, exhibitionism, voyeurism, gender identity disorders not resulting from physical impairments, or other sexual behavior disorders.

(c) Compulsive gambling, kleptomania, or pyromania.

(d) Psychoactive substance abuse disorders resulting from current illegal use of drugs.

(2) *"Major life activity"* includes functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, or working.

(3) *"Minority person"* means an individual who is an African American, Latino, Asian or Pacific Islander, American Indian, or Alaskan Native American.

86 Acts, ch 1245, §802; 90 Acts, ch 1156, §2; 91 Acts, ch 103, §1; 94 Acts, ch 1076, §2; 2007 Acts, ch 207, §3 – 5, 18; 2008 Acts, ch 1178, §1; 2009 Acts, ch 41, §11; 2010 Acts, ch 1070, §1; 2011 Acts, ch 118, §2 – 4, 89; 2012 Acts, ch 1126, §28; 2013 Acts, ch 34, §5

Referred to in §8.11, 12.34, 15E.52, 15J.2, 69.16C, 73.15, 256.40, 314.13A, 422.33, 476C.1

Subsection 5 stricken and former subsections 6 – 8 renumbered as 5 – 7

Subsection 9 stricken and former subsections 10 – 12 renumbered as 8 – 10

**15.103 Economic development board.** Repealed by 2012 Acts, ch 1021, § 119; 2012 Acts, ch 1126, § 38.

**15.104 Duties of the board.** Repealed by 2012 Acts, ch 1126, § 38.

**15.105 Economic development authority.**

1. The economic development authority is created, and constituted a public instrumentality and agency of the state exercising public and essential governmental functions, to undertake programs which implement economic development policy in the state, and to undertake certain finance programs.

*a.* (1) The powers of the authority are vested in and shall be exercised by a board of eleven voting members appointed by the governor subject to confirmation by the senate. The voting members shall be comprised of the following:

(a) Two members from each United States congressional district in the state.

(b) Three members selected at large.

(2) Of the voting members appointed pursuant to subparagraph (1), the governor shall appoint the following:

(a) One person who is a member of the Iowa innovation council established in section 15.117A.

(b) One person who has professional experience in finance, insurance, or investment banking.

(c) One person who has professional experience in advanced manufacturing.

(d) One person with professional experience in small business development.

(e) One person with professional experience representing the interests of organized labor.

(f) Six persons who are actively employed in the private, for-profit sector of the economy or who otherwise have substantial expertise in economic development.

(3) The governor shall not appoint to the authority board any person who is either the spouse or a relative within the first degree of consanguinity of a serving member of the authority board or the board of directors of the corporation.

*b.* There shall be four ex officio, nonvoting legislative members consisting of the following:

(1) Two state senators, one appointed by the president of the senate after consultation with the majority leader of the senate and one appointed by the minority leader of the senate from their respective parties.

(2) Two state representatives, one appointed by the speaker and one appointed by the minority leader of the house of representatives from their respective parties.

*c.* (1) There shall be three ex officio, nonvoting members consisting of the following:

(a) The president of the state board of regents, or the president's designee.

(b) One person, selected by the Iowa association of independent colleges and universities, who is the president of a private college or university in the state, or that person's designee.

(c) One person, selected by the Iowa association of community college presidents, who is the president of a community college, or that person's designee.

(2) A person serving as a designee pursuant to subparagraph (1) shall serve a one-year term as an ex officio member of the authority board.

2. Members of the authority shall be appointed for staggered terms of four years beginning and ending as provided in section 69.19. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. A member is eligible for reappointment. A member

of the authority may be removed from office by the governor for misfeasance, malfeasance, or willful neglect of duty or other just cause, after notice and hearing, unless the notice and hearing is expressly waived in writing. Members of the authority board shall not serve as directors of the corporation.

3. *a.* Seven voting members of the authority constitute a quorum.

*b.* The affirmative vote of a majority of the quorum described in paragraph "*a*" is necessary for any action taken by the authority. The majority shall not include any member who has a conflict of interest and a statement by a member of a conflict of interest shall be conclusive for this purpose.

*c.* A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the authority.

4. Members of the authority are entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

5. Members of the authority and the director shall give bond as required for public officers in chapter 64.

6. Meetings of the authority shall be held at the call of the chairperson or when two members so request.

7. Members shall elect a chairperson and vice chairperson annually, and other officers as they determine, but the director shall serve as secretary to the authority.

8. *a.* The members of the authority shall develop a strategic plan for economic development in the state.

*b.* (1) The strategic plan shall identify the authority's goals for the next calendar year and shall include a set of metrics that will be used to gauge and assess the extent to which the authority achieves those goals. Such metrics shall include, but are not limited to:

(a) The number of net new jobs created in the state.

(b) The average wage and benefit levels for such jobs.

(c) The impact to average household income for Iowa families as a result of the jobs created.

(d) Such other information as the authority or the director deems relevant.

(2) The strategic plan shall be submitted to the general assembly and the governor's office on or before January 31 of each year.

9. The net earnings of the authority, beyond that necessary to implement the public purposes and programs herein authorized, shall not inure to the benefit of any person other than the state. Upon termination of the existence of the authority, title to all property owned by the authority, including any such net earnings of the authority, shall vest in the state. The state reserves the right at any time to alter, amend, repeal, or otherwise change the structure, organization, programs, or activities of the authority, including the power to terminate the authority, except that no law shall impair the obligation of any contract or contracts entered into by the authority to the extent that any such law would contravene Article I, section 21, of the Constitution of the State of Iowa, or Article I, section 10, of the Constitution of the United States.

10. Members of the authority, or persons acting on behalf of the authority while acting within the scope of their agency or employment, are not subject to personal liability resulting from carrying out the powers and duties in this chapter.

11. The authority shall be the successor entity to the economic development board and the department of economic development which are hereby eliminated. The authority shall assume all duties and responsibilities previously assigned to the economic development board and the department of economic development to the extent that such duties and responsibilities are not otherwise assigned by the provisions of this subchapter.

86 Acts, ch 1245, §805; 2011 Acts, ch 118, §5, 89

Referred to in §7E.5, 15.102, 15.106, 15.107, 15.107B, 15.327, 15E.1, 15E.42, 15E.202, 15F.101, 15H.1A, 260F.2, 470.1, 473.1, 496B.2

Confirmation, see §2.32

**15.106 Conflicts of interest.**

1. *a.* If a member or employee of the authority has an interest, either direct or indirect, in

a contract to which the authority is, or is to be, a party, the interest shall be disclosed to the authority in writing and shall be set forth in the minutes of the authority.

*b.* The member or employee having the interest shall not participate in any action of the authority with respect to that contract. A violation of a provision of this subsection is misconduct in office under section 721.2. However, a resolution of the authority is not invalid because of a vote cast by a member in violation of this subsection or of section 15.105, subsection 3, unless the vote was decisive in the passage of the resolution.

*c.* For the purposes of this subsection, *"action of the authority with respect to that contract"* means only an action directly affecting a separate contract, and does not include an action which benefits the general public or which affects all or a substantial portion of the contracts included in a program of the authority.

2. The director shall not have an interest in a bank or other financial institution in which the funds of the authority are, or are to be, deposited or which is, or is to be, acting as trustee or paying agent under a trust indenture to which the authority is a party. The director shall not receive, in addition to fixed salary or compensation, any money or valuable thing, either directly or indirectly, or through any substantial interest in any other corporation or business unit, for negotiating, procuring, recommending, or aiding in any purchase or sale of property, or loan, made by the authority, nor shall the director be pecuniarily interested, either as principal, coprincipal, agent, or beneficiary, either directly or indirectly, or through any substantial interest in any other corporation or business unit, in any such purchase, sale, or loan.

3. Not more than one principal executive, employee, or other representative from a business or its affiliates may serve concurrently on the authority board, the board of directors of the corporation, or any combination thereof. For purposes of this subsection, *"affiliate"* means the same as defined in section 423.1.

86 Acts, ch 1245, §806; 88 Acts, ch 1158, §1; 2001 Acts, ch 11, §2; 2001 Acts, ch 61, §1; 2003 Acts, ch 145, §137; 2009 Acts, ch 82, §12; 2011 Acts, ch 118, §6, 89

**15.106A General powers of the authority.**

1. The authority has any and all powers necessary and convenient to carry out its purposes and duties and exercise its specific powers, including but not limited to the power to:

*a.* Sue and be sued in its own name.

*b.* Have and alter a corporate seal.

*c.* Make and alter bylaws for its management consistent with the provisions of this chapter.

*d.* Make and execute agreements, contracts, and other instruments of any and all types on such terms and conditions as the authority may find necessary or convenient to the purposes of the authority, with any public or private entity, including but not limited to contracts for goods and services. All political subdivisions, other public agencies, and state departments and agencies may enter into contracts and otherwise cooperate with the authority.

*e.* Adopt by rule pursuant to chapter 17A procedures relating to competitive bidding, including the identification of those circumstances under which competitive bidding by the authority, either formally or informally, shall be required. In any bidding process, the authority may administer its own bidding and procurement or may utilize the services of the department of administrative services or any other agency. Except when such rules apply, the authority and all contracts made by it in carrying out its public and essential governmental functions with respect to any of its programs shall be exempt from the provisions and requirements of all laws or rules of the state which require competitive bids in connection with the letting of such contracts.

*f.* Acquire, hold, improve, mortgage, lease, and dispose of real and personal property, including but not limited to the power to sell at public or private sale, with or without public bidding, any such property, or other obligation held by it.

*g.* Procure insurance against any loss in connection with its operations and property interests.

*h.* Accept appropriations, gifts, grants, loans, or other aid from public or private entities.

A record of all gifts or grants, stating the type, amount, and donor, shall be clearly set out in the authority's annual report along with the record of other receipts.

*i.* Provide to public and private entities technical assistance and counseling related to the authority's purposes.

*j.* In cooperation with other local, state, or federal governmental agencies, conduct research studies, develop estimates of unmet economic development needs, gather and compile data useful to facilitating decision making, and enter into agreements to carry out programs within or without the state which the authority finds to be consistent with the goals of the authority.

*k.* Enter into agreements with the federal government, tribes, and other states to undertake economic development activities in the state of Iowa.

*l.* Own or acquire intellectual property rights including but not limited to copyrights, trademarks, service marks, and patents, and enforce the rights of the authority with respect to such intellectual property rights.

*m.* Make, alter, interpret, and repeal rules consistent with the provisions of this chapter, and subject to chapter 17A.

*n.* Form committees or panels as necessary to facilitate the authority's duties. Committees or panels formed pursuant to this paragraph shall be subject to the provisions of chapters 21 and 22.

*o.* Establish one or more funds within the state treasury under the control of the authority. Moneys deposited in or accruing to such a fund are appropriated to the authority for purposes of administering the economic development programs in this chapter, chapter 15E, or such other programs as directed by law. Notwithstanding section 8.33 or 12C.7, or any other provision to the contrary, moneys invested by the treasurer of state pursuant to this subsection shall not revert to the general fund of the state and interest accrued on the moneys shall be moneys of the authority and shall not be credited to the general fund. The nonreversion of moneys allowed under this paragraph does not apply to moneys appropriated to the authority by the general assembly.

*p.* Select projects to receive assistance by the exercise of diligence and care.

*q.* Exercise generally all powers typically exercised by private enterprises engaged in business pursuits unless the exercise of such a power would violate the terms of this chapter or the Constitution of the State of Iowa.

*r.* Issue negotiable bonds and notes as provided in section 15.106D.

2. Notwithstanding any other provision of law, any purchase or lease of real property, other than on a temporary basis, when necessary in order to implement the programs of the authority or protect the investments of the authority, shall require written notice from the authority to the government oversight standing committees of the general assembly and the prior approval of the executive council.

3. The powers enumerated in this section are cumulative of and in addition to those powers enumerated elsewhere in this chapter and such powers do not limit or restrict any other powers of the authority.

2011 Acts, ch 118, §7, 89; 2012 Acts, ch 1126, §34

Referred to in §15.106B, 15.335B

**15.106B Specific program powers — fees.**

1. In addition to the general powers described in section 15.106A, the authority shall have all powers convenient and necessary to carry out its programs.

2. For purposes of this section, "*powers convenient and necessary*" includes but is not limited to the power to:

*a.* Undertake more extensive research and discussion of the strategic plan developed by the members of the authority in order to better formulate and implement state economic development policy.

*b.* Establish a nonprofit corporation pursuant to section 15.107, for the purpose of receiving and disbursing funds from public or private sources to be used to further the overall development and economic well-being of the state.

*c.* Provide export documentation to Iowa businesses that are exporting goods and services

if no other government entity is providing export documentation in a form deemed necessary for international commerce.

*d.* (1) Pursuant to a contract executed between the authority and the corporation, the authority may delegate to the corporation the performance of the following functions on behalf of the authority:

(a) Marketing and promotional activities.

(b) Policy research.

(c) Economic analysis.

(d) Expansion of international markets for Iowa-produced or Iowa-based products.

(e) Consulting services.

(f) Services related to statewide commercialization development as provided for in section 15.411, subsection 1.

(g) Services related to outreach and assistance to businesses for small business innovation research and technology transfer pursuant to section 15.411, subsection 4, or services related to accelerating the generation and development of innovative ideas and businesses pursuant to section 15.411, subsection 5.

(h) Services related to the administration of an entrepreneur investment awards program pursuant to section 15E.362.

(2) A contract executed pursuant to this paragraph *"d"* shall not delegate an essential government function, including the budgetary or personnel management responsibilities of the authority, and shall not delegate any sovereign power of the state.

(3) The terms of a contract executed pursuant to this paragraph *"d"* may provide for compensation at the fair market value of the services to be provided under the contract.

(4) Notwithstanding section 8A.311 and any rules promulgated thereunder by the department of administrative services, the authority may enter into contracts with the corporation for the sole source procurement of services. In entering into such sole source contracts, the authority shall negotiate a fair and reasonable price for the services and shall thoroughly document the circumstances of such sole source procurements.

(5) A contract executed pursuant to this paragraph *"d"* shall be drafted and executed with the assistance and advice of the attorney general.

3. The authority may enter into contracts on behalf of the Iowa innovation council established in section 15.117A. Such contracts may delegate the performance of functions to the corporation only if the contracts meet the requirements of subsection 2, paragraph *"d"*.

4. *a.* If the authority enters into a contract, including but not limited to a contract executed pursuant to subsection 2, paragraph *"d"*, with a nonprofit corporation organized under chapter 504 or under the similar laws of another jurisdiction, the authority shall ensure that the terms of the contract shall provide for the disclosure of all gifts, grants, bequests, donations, or other conveyances of financial assistance to the corporation from all private and public sources. Such disclosure shall include information from the corporation's current fiscal year and its most recent three fiscal years and shall include the name and address of the person or entity making the conveyance and the amount.

*b.* If the authority enters into a contract for the provision of financial assistance to a business, the authority shall ensure that the terms of the contract provide for the disclosure of all donations the business has ever made to the corporation. The authority shall not consider the amount or frequency of such donations when evaluating the merits of the business's application or when determining the amount of financial assistance to be awarded to the business.

*c.* The authority shall not enter into a contract for services, including a contract executed pursuant to subsection 2, paragraph *"d"*, that exceeds three years in duration.

5. *a.* The authority may charge fees to businesses or individuals who receive financial assistance under this chapter or chapter 15E. The amount of such fees shall be determined based on the costs of the authority associated with its performance of contract administration and compliance duties relating to economic development programs.

*b.* The authority may charge businesses and individuals a fee for the use of the authority's federal EB-5 immigrant investor regional center.

*c.* Fees collected by the authority pursuant to this subsection shall be deposited in a fund

within the state treasury created pursuant to section 15.106A, subsection 1, paragraph "*o*", and are appropriated to the authority for the purposes set out in section 15.106A, subsection 1, paragraph "*o*". However, fees collected by the authority pursuant to section 15.330, subsection 12, and section 15E.198, shall be used exclusively for costs associated with the administration of due diligence and compliance.

2011 Acts, ch 118, §8, 89; 2012 Acts, ch 1126, §29; 2013 Acts, ch 34, §1; 2013 Acts, ch 126, §1, 4, 5

Referred to in §15.107, 15.107A, 15.107C, 15.411, 15E.362

Subsection 5 takes effect June 17, 2013, and applies to agreements entered into on or after that date; 2013 Acts, ch 126, §4, 5

Subsection 4, paragraph c amended

NEW subsection 5

**15.106C Director — responsibilities.**

1. The operations of the authority shall be administered by a director who shall be appointed by the governor, subject to confirmation by the senate, and who shall serve for a four-year term beginning and ending as provided in section 69.19. An appointment by the governor to fill a vacancy in the office of the director shall be for the balance of the unexpired four-year term.

2. The director shall not, directly or indirectly, exert influence to induce any other officers or employees of the state to adopt a political view or to favor a political candidate for office. The director shall ensure that the authority is operated free from political influence.

3. The director shall advise the authority on matters relating to economic development and act on the authority's behalf to carry out all directives from the authority board in regard to the operation of the authority.

4. The director shall employ personnel as necessary to carry out the duties and responsibilities of the authority. For nonprofessional employees, employment shall be consistent with chapter 8A, subchapter IV. The employment of professional employees shall be exempt from the provisions of chapter 8A, subchapter IV, and chapter 20.

5. A person shall not be employed concurrently by both the authority and the corporation.

6. A person leaving employment with the authority shall not be employed by the corporation until a period of two years has passed. A person leaving employment with the corporation shall not be employed by the authority until a period of two years has passed.

7. *a.* The director may create organizational divisions within the authority in the manner the director deems most efficient to carry out the duties and responsibilities of the authority.

*b.* In structuring the authority, the director shall create a small business development division and ensure that the division focuses administrative efforts, program resources, and financial assistance awards on small businesses.

2011 Acts, ch 118, §9, 87, 89

Referred to in §15.102

Confirmation, see §2.32

**15.106D Private activity bonds and notes.**

1. The authority may issue its negotiable bonds and notes in principal amounts as, in the opinion of the authority, are necessary to finance the cost of business enterprises, to finance the working capital needs of businesses, to refinance existing indebtedness incurred for any of the foregoing purposes or any combination of the foregoing, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes, and all other expenditures of the authority incident to and necessary or convenient to carry out the purposes of this section. The bonds and notes shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code, chapter 554.

2. All bonds issued by the authority shall be limited obligations of the authority. The principal of and interest on such bonds shall be payable solely out of the revenues derived from the business enterprise to be financed by the bonds so issued under the provisions of this section. Bonds and interest coupons issued under authority of this section shall not constitute an indebtedness of the authority within the meaning of any state constitutional provision or statutory limitation, and shall not constitute nor give rise to a pecuniary liability of the authority or a charge against its general credit. Bonds or notes are not an obligation of this

state or any political subdivision of this state, other than the authority, within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely and only from the sources provided in this section, and the authority may not pledge the credit or taxing power of this state or any political subdivision of this state, other than the authority, or make its debts payable out of any moneys except as provided in this section.

3. Bonds and notes must be authorized by a resolution of the authority. However, a resolution authorizing the issuance of bonds or notes may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds or notes by an appropriate certificate of such authorized officer.

4. Bonds shall:

*a.* State the date and series of the issue, be consecutively numbered, and state on their face that they are payable both as to principal and interest solely out of the revenues derived from the business enterprise to be financed by the bonds so issued under the provisions of this section, constitute special obligations of the authority, and do not constitute an indebtedness of the authority, this state, or any political subdivision of this state within the meaning of any constitutional or statutory debt limit.

*b.* Be either registered, registered as to principal only, or in coupon form, issued in denominations as the authority prescribes, fully negotiable instruments under the laws of this state, signed on behalf of the authority with the manual or facsimile signature of the chairperson or vice chairperson, attested by the manual or facsimile signature of the secretary, have impressed or imprinted thereon the seal of the authority or a facsimile of the seal of the authority, and the coupons attached shall be signed with the facsimile signature of the chairperson or vice chairperson, be payable as to interest at rates and at times as the authority determines, be payable as to principal at times over a period not to exceed fifty years from the date of issuance.

5. The authority may issue its bonds for the purpose of refunding any bonds or notes of the authority then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this chapter. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the authority for use by it in any lawful manner. All refunding bonds shall be issued and secured and subject to the provisions of this section in the same manner and to the same extent as other bonds issued pursuant to this section.

6. The authority may issue negotiable bond anticipation notes and may renew them from time to time, but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. Notes are payable solely out of the revenues derived from the business enterprise to be financed by the notes so issued under the provisions of this section, or from the proceeds of the sale of bonds of the authority in anticipation of which the notes were issued. Notes shall be issued in the same manner and for the same purposes as bonds. Notes and the resolutions authorizing them may contain any provisions, conditions, or limitations, not inconsistent with the provisions of this subsection, which the bonds or a bond resolution of the authority may contain. Notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders shall have all the remedies provided in the resolution authorizing their issuance. Notes shall be as fully negotiable as bonds of the authority.

7. It is the intent of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the authority shall immediately be subject to the

lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective against the parties.

8. Neither the members of the authority nor any person executing its bonds, notes, or other obligations shall be liable personally on the bonds, notes, or other obligations or be subject to any personal liability or accountability by reason of the issuance of the authority's bonds or notes.

2011 Acts, ch 118, §10, 89
Referred to in §15.106A

**15.106E Review of authority operations.**

Commencing July 1, 2014, the general assembly shall conduct a review of the authority and its activities and shall issue a report with findings and recommendations by January 1, 2015.

2011 Acts, ch 118, §11, 89

**15.107 Iowa innovation corporation.**

1. The authority shall establish the Iowa innovation corporation as a nonprofit corporation organized under chapter 504 and qualifying under section 501(c)(3) of the Internal Revenue Code as an organization exempt from taxation. Unless otherwise provided in this subchapter, the corporation is subject to the provisions of chapter 504. The corporation shall be established for the purpose of receiving and disbursing funds from public or private sources to further the overall development and economic well-being of the state.

2. The corporation shall collaborate with the authority as described in this subchapter, but the corporation shall not be considered, in whole or in part, an agency, department, or administrative unit of the state.

*a.* The corporation shall not receive appropriations from the general assembly.

*b.* The corporation shall not be required to comply with any requirements that apply to a state agency, department, or administrative unit and shall not exercise any sovereign power of the state.

*c.* The corporation does not have authority to pledge the credit of the state, and the state shall not be liable for the debts or obligations of the corporation. All debts and obligations of the corporation shall be payable solely from the corporation's funds.

3. *a.* The corporation shall be established so that donations and bequests to it qualify as tax deductible under state income tax laws and under section 501(c)(3) of the Internal Revenue Code.

*b.* The corporation shall be established for the purpose of expanding economic development opportunities in the state of Iowa and for Iowa businesses operating in foreign markets in connection with the public purpose of economic development in Iowa. The corporation may effectuate this purpose by performing certain functions delegated to it by the authority pursuant to section 15.106B.

4. The articles of the corporation shall provide for its governance and its efficient management. In providing for its governance, the articles of the corporation shall address the following:

*a.* A board of directors to govern the corporation.

(1) The board of directors shall initially be comprised of seven members appointed by the governor to concurrent terms of four years. Two of such members shall be subject to confirmation by the senate.

(2) For appointments subsequent to the initial appointments pursuant to subparagraph (1), two of the members shall be appointed by the governor, subject to confirmation by the senate, to staggered terms of four years each, and the remaining five members shall be selected by a majority vote of the board of directors of the corporation for terms the length of which shall be provided in the articles of the corporation.

(3) The governor and the board of directors of the corporation shall not appoint or select

any person who is either the spouse or a relative within the first degree of consanguinity of a serving member of the board of directors or of the authority board.

*b.* The appointment of a chief executive officer by the board to manage the corporation's daily operations.

*c.* The delegation of such powers and responsibilities to the chief executive officer as may be necessary for the corporation's efficient operation.

*d.* The employment of personnel necessary for the efficient performance of the duties assigned to the corporation. All such personnel shall be considered employees of a private, nonprofit corporation and shall be exempt from the personnel requirements imposed on state agencies, departments, and administrative units.

*e.* The financial operations of the corporation including the authority to receive and expend funds from public and private sources and to use its property, money, or other resources for the purpose of the corporation.

5. The board of directors of the corporation and the chief executive officer shall act to ensure all of the following:

*a.* That the corporation reviews and, at the board's direction, implements the applicable portions of the strategic plan developed by members of the authority pursuant to section 15.105.

*b.* That the corporation prepares an annual budget that includes funding levels for the corporation's activities and that shows sufficient moneys are available to support those activities.

*c.* That the corporation annually completes and files an information return as described in section 422.15 and that the information return is submitted to the general assembly.

86 Acts, ch 1245, §807; 2011 Acts, ch 118, §12, 89; 2012 Acts, ch 1021, §6; 2013 Acts, ch 30, §4

Referred to in §15.102, 15.106B, 15.117A
Confirmation, see §2.32
Subsection 5, paragraph a amended

**15.107A Duties and responsibilities of the corporation.**

1. The corporation's board of directors and the chief executive officer shall determine the activities and priorities of the corporation within the general parameters of the duties and responsibilities described in this section and in this subchapter.

2. The corporation shall, to the extent its articles so provide and within its public purpose, do all of the following with the purpose of increasing innovation in Iowa's economy and bringing more innovative businesses to the state:

*a.* Consult with the Iowa innovation council in the creation of a comprehensive strategic plan as described in section 15.117A, subsection 6, paragraph *"a"*.

*b.* Act as an innovation intermediary by aligning local technologies, assets, and resources to work together on advancing innovation.

*c.* Perform any functions delegated by the authority pursuant to section 15.106B, subsection 2, paragraph *"d"*.

(1) In performing such functions, the corporation shall not subcontract the performance of a delegated function except as provided in subparagraph (2).

(2) The corporation may subcontract services under the following conditions:

(a) The services are necessary to accomplish the functions delegated to the corporation.

(b) The contract delegating the function contains a list of the services that may be subcontracted pursuant to this subparagraph (2).

(c) The contract delegating the function requires that any agreement to subcontract a service must be approved by the authority prior to the execution of such an agreement by the corporation.

*d.* Encourage, stimulate, and support the development and expansion of the state's economy.

*e.* Develop and implement effective marketing and promotional programs.

*f.* Provide pertinent information to prospective new businesses.

*g.* Formulate and pursue programs for encouraging the location of new businesses in the state and for retaining and fostering the growth of existing businesses.

*h.* Solicit the involvement of the private sector, including support and funding, for economic development initiatives in the state.

*i.* Coordinate the economic development efforts of other state and local entities in an effort to achieve policy consistency.

*j.* Collect and maintain any economic data and research that is relevant to the formulation and implementation of effective policies.

*k.* Cooperate with and provide information to state agencies, local governments, community colleges, and the board of regents on economic development matters, including the areas of workforce development and job training.

2011 Acts, ch 118, §13, 89
Referred to in §15.107C

**15.107B Annual reporting requirements.**

1. On or before January 31 of each year, the director shall submit to the authority board and the general assembly a report that describes the activities of the authority during the preceding fiscal year. The report shall include detailed information about jobs created, capital invested, wages paid, and awards made under the programs the authority administers. The report may include such other information as the director deems necessary or as otherwise required by law. Subsequent to submitting the report and within the same session of the general assembly, the director shall discuss and review the report with the general assembly's standing committees on economic growth and rebuild Iowa.

2. The report submitted pursuant to subsection 1 shall at a minimum include the following:

*a.* A summary of the report filed by December 1 of each year by the department of administrative services with the authority regarding targeted small business procurement activities conducted during the previous fiscal year.

*b.* A summary of the report filed by December 1 of each year by the department of inspections and appeals with the authority regarding certifications of targeted small businesses. At a minimum, the summary shall include the number of certified targeted small businesses for the previous year, the increase or decrease in that number during the previous fiscal year compared to the prior fiscal year, and the number of targeted small businesses that have been decertified in the previous fiscal year.

*c.* A list of the procurement goals established pursuant to section 73.16, subsection 2, and compiled by the authority's targeted small business marketing and compliance manager and the performance of each agency in meeting the goals. The performance of each agency shall be determined based upon the reports required pursuant to section 73.16, subsection 2.

*d.* An assessment of economic development efforts in the state as measured by the goals and metrics contained in the strategic plan developed by the members of the authority pursuant to section 15.105.

2011 Acts, ch 118, §14, 89; 2012 Acts, ch 1126, §35; 2013 Acts, ch 13, §2
Referred to in §260G.4C
Subsection 2, paragraph c stricken and former paragraphs d and e redesignated as c and d

**15.107C Oversight of corporation.**

1. In performing delegated functions pursuant to section 15.107A or when engaged in activities that utilize public funding, the corporation shall comply with the provisions of this section.

2. *a.* The corporation shall submit an annual report to the governor, general assembly, and the auditor of state by January 15. The report shall include the corporation's operations and activities during the prior fiscal year to the extent that such operations and activities pertain to the functions delegated to the corporation by the authority, as provided in sections 15.106B and 15.107A.

*b.* The report shall describe how the operations and activities serve the interests of the state and further economic development.

*c.* An annual audit of the corporation performed by a certified public accountant in accordance with generally accepted accounting principles shall be filed with the office of auditor of state and made available to the public.

3. The deliberations or meetings of the board of directors of the corporation that pertain

to the performance of delegated functions or activities that utilize public funding shall be conducted in accordance with chapter 21.

4. All of the following shall be subject to chapter 22:

*a.* Minutes of the meetings conducted in accordance with subsection 3.

*b.* All records pertaining to the performance by the corporation of delegated functions or activities that utilize public funding.

5. Notwithstanding other provisions of this section to the contrary, if the corporation receives confidential information from the authority under the process described in section 15.118, the corporation shall comply with the provisions of section 15.118 in the same manner as the authority.

2011 Acts, ch 118, §15, 89

**15.108 Primary responsibilities.**

The authority has the following areas of primary responsibility:

1. *Finance.* To provide for financial assistance to businesses, local governments, and educational institutions through loans and grants of state and federal funds to enable them to promote and achieve economic development within the state. To carry out this responsibility, the authority shall:

*a.* Expend federal funds received as community development block grants as provided in section 8.41.

*b.* Provide staff assistance to the corporation formed under authority of sections 15E.11 to 15E.16 to receive and disburse funds to further the overall development and well-being of the state.

2. *Marketing.* To coordinate, develop, and make available technical services on the state and local levels in order to aid businesses in their start-up or expansion in the state. To carry out this responsibility, the authority shall:

*a.* Establish within the authority a federal procurement office staffed with individuals experienced in marketing to federal agencies.

*b.* Aid in the marketing and promotion of Iowa products and services. The authority may adopt, subject to the approval of the board, a label or trademark identifying Iowa products and services together with any other appropriate design or inscription and this label or trademark shall be registered in the office of the secretary of state. In authorizing the use of a marketing label or trademark to an applicant, the state, and any state agency, official, or employee involved in the authorization, is immune from a civil suit for damages, including but not limited to a suit based on contract, breach of warranty, negligence, strict liability, or tort. Authorization of the use of a marketing label or trademark by the state, or any state agency, official, or employee, is not an express or implied guarantee or warranty concerning the safety, fitness, merchantability, or use of the applicant's product or service. This paragraph does not create a duty of care to the applicant or any other person.

(1) The authority may register or file the label or trademark under the laws of the United States or any foreign country which permits registration, making the registration as an association or through an individual for the use and benefit of the authority.

(2) The authority shall establish guidelines for granting authority to use the label or trademark to persons or firms who make a satisfactory showing to the authority that the product or service meets the guidelines as manufactured, processed, or originating in Iowa. The trademark or label use shall be registered with the authority.

(3) A person shall not use the label or trademark or advertise it, or attach it on any promotional literature, manufactured article or agricultural product without the approval of the authority.

(4) The authority may deny permission to use the label or trademark if the authority believes that the planned use would adversely affect the use of the label or trademark as a marketing tool for Iowa products or its use would be inconsistent with the marketing objectives of the authority. Notwithstanding chapter 17A, the Iowa administrative procedure Act, the authority may suspend permission to use the label or trademark prior to an evidentiary hearing which shall be held within a reasonable period of time following the denial.

*c.* Promote an import substitution program to encourage the purchase of domestically produced Iowa goods by identifying and inventorying potential purchasers and the firms that can supply them, contacting the suppliers to determine their interest and ability in meeting the potential demand, and making the buyers aware of the potential suppliers.

*d.* Aid in the promotion and development of the agricultural processing industry in the state.

3. *Local government and service coordination.* To coordinate the development of state and local government economic development-related programs in order to promote efficient and economic use of federal, state, local, and private resources.

*a.* To carry out this responsibility, the authority shall:

(1) Provide the mechanisms to promote and facilitate the coordination of management and technical assistance services to Iowa businesses and industries and to communities by the authority, by the community colleges, and by the state board of regents institutions, including the small business development centers, the center for industrial research and service, and extension activities. In order to achieve this goal, the authority may establish periodic meetings with representatives from the community colleges and the state board of regents institutions to develop this coordination. The community colleges and the state board of regents institutions shall cooperate with the authority in seeking to avoid duplication of economic development services through greater coordinating efforts in the utilization of space, personnel, and materials and in the development of referral and outreach networks. The authority shall also establish a registry of applications for federal funds related to management and technical assistance programs.

(2) Provide office space and staff assistance to the city development board as provided in section 368.9.

(3) Provide technical and financial assistance to local and regional government organizations in Iowa, analyze intergovernmental relations in Iowa, and recommend policies to state agencies, local governments, the governor, and the general assembly as these pertain to economic development.

(4) Train field experts in local development and through them provide continuing support to small local organizations.

(5) Encourage cities, counties, local and regional government organizations, and local and regional economic development organizations to develop and implement comprehensive community and economic development plans. In evaluating financial assistance applications, the authority shall award supplementary credit to applications submitted by cities, counties, local and regional government organizations, and local and regional economic development organizations that have developed a comprehensive community and economic development plan.

*b.* In addition to the duties specified in paragraph "*a*", the authority may:

(1) Perform state and interstate comprehensive planning and related activities.

(2) Perform planning for metropolitan or regional areas or areas of rapid urbanization including interstate areas.

(3) Provide planning assistance to cities, counties, local and regional government organizations, and local and regional economic development organizations. Subject to the availability of funds for this purpose, the authority may provide financial assistance to cities, counties, local and regional government organizations, and local and regional economic development organizations for the purpose of developing community and economic development plans.

(4) Assist public or private universities and colleges and urban centers to:

(a) Organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development.

(b) Support state and local research that is needed in connection with community development.

4. *Exporting.* To promote and aid in the marketing and sale of Iowa industrial and agricultural products and services outside of the state. To carry out this responsibility, the authority shall:

*a.* Perform the duties and activities specified for the agricultural marketing program under sections 15.201 and 15.202.

*b.* To the extent deemed feasible and in coordination with the board of regents and the area community colleges, work to establish a conversational foreign language training program.

*c.* To the extent deemed feasible, promote and assist in the creation of one or more international currency and barter exchanges.

*d.* Seek assistance and advice from the export advisory board appointed by the governor and the Iowa district export council which advises the United States department of commerce. The governor is authorized to appoint an export advisory board.

*e.* To the extent deemed feasible, develop a program in which graduates of Iowa institutions of higher education or former residents of the state who are residing in foreign countries and who are familiar with the language and customs of those countries are utilized as cultural advisors for the authority and for Iowa businesses participating in trade missions and other foreign trade activities, and in which foreign students studying at Iowa institutions of higher education are provided means to establish contact with Iowa businesses engaged in export activities, and in which foreign students returning to their home countries are used as contacts for trading purposes.

5. *Tourism.* To promote Iowa's public and private recreation and tourism opportunities to Iowans and out-of-state visitors and aid promotional and development efforts by local governments and the private sector. To carry out this responsibility, the authority shall:

*a.* Build general public consensus and support for Iowa's public and private recreation, tourism, and leisure opportunities and needs.

*b.* Recommend high quality site management and maintenance standards for all public and private recreation and tourism opportunities.

*c.* Coordinate and develop with the department of transportation, the department of natural resources, the department of cultural affairs, the vision Iowa board, other state agencies, and local and regional entities public interpretation, marketing, and education programs that encourage Iowans and out-of-state visitors to participate in the recreational and leisure opportunities available in Iowa. The authority shall establish and administer a program that helps connect both Iowa residents and residents of other states to new and existing Iowa experiences as a means to enhance the economic, social, and cultural well-being of the state. The program shall include a broad range of new opportunities, both rural and urban, including main street destinations, green space initiatives, and artistic and cultural attractions.

*d.* Coordinate with other divisions of the authority to add Iowa's recreation, tourism, and leisure resources to the agricultural and other images which characterize the state on a national level.

*e.* Consolidate and coordinate the many existing sources of information about local, regional, statewide, and national opportunities into a comprehensive, state-of-the-art information delivery system for Iowans and out-of-state visitors.

*f.* Formulate and direct marketing and promotion programs to specific out-of-state market populations exhibiting the highest potential for consuming Iowa's public and private tourism products.

*g.* Provide ongoing long-range planning on a statewide basis for improvements in Iowa's public and private tourism opportunities.

*h.* Provide the private sector and local communities with advisory services including analysis of existing resources and deficiencies, general development and financial planning, marketing guidance, hospitality training, and others.

*i.* Measure the change in public opinion of Iowans regarding the importance of recreation, tourism, and leisure.

*j.* Provide annual monitoring of tourism visitation by Iowans and out-of-state visitors to Iowa attractions, public and private employment levels, and other economic indicators of the recreation and tourism industry and report predictable trends.

*k.* Identify new business investment opportunities for private enterprise in the recreation and tourism industry.

*l.* Cooperate with and seek assistance from the state department of cultural affairs.

*m.* Seek coordination with and assistance from the state department of natural resources in regard to the Mississippi river parkway under chapter 308 for the purposes of furthering tourism efforts.

*n.* Collect, assemble, and publish a list of farmers who have agreed to host overnight guests, for purposes of promoting agriculture in the state and farm tourism, to the extent that funds are available.

*o.* Establish a revolving fund to receive contributions to be used for cooperative advertising efforts. Fees and royalties obtained as a result of licensing the use of logos and other creative materials for sale by private vendors on selected products may be deposited in the fund. The authority shall adopt by rule a schedule for fees and royalties to be charged.

*p.* Establish, if the authority deems necessary, a revolving fund to receive contributions and funds from the product sales center to be used for start-up or expansion of tourism special events, fairs, and festivals as established by authority rule.

6. *Employee training and retraining.* To develop employee training and retraining strategies in coordination with the department of education and department of workforce development as tools for business development, business expansion, and enhanced competitiveness of Iowa industry, which will promote economic growth and the creation of new job opportunities and to administer related programs. To carry out this responsibility, the authority shall:

*a.* Coordinate and perform the duties specified under the Iowa industrial new jobs training Act in chapter 260E, the Iowa jobs training Act in chapter 260F, and the workforce development fund in section 15.341.

*b.* In performing the duties set out in paragraph "*a*", the authority shall:

(1) Work closely with representatives of business and industry, labor organizations, the department of education, the department of workforce development, and educational institutions to determine the employee training needs of Iowa employers, and where possible, provide for the development of industry-specific training programs.

(2) Promote Iowa employee training programs to potential and existing Iowa employers and to employer associations.

(3) Stimulate the creation of innovative employee training and skills development activities, including business consortium and supplier network training programs, and new employee development training models.

(4) Coordinate employee training activities with other economic development finance programs to stimulate job growth.

(5) Review workforce development initiatives as they relate to the state's economic development agenda, recommending action as necessary to meet the needs of Iowa's communities and businesses.

(6) Incorporate workforce development as a component of community-based economic development activities.

7. *Small business.* To provide assistance to small business, targeted small business, microenterprises, and entrepreneurs creating small businesses to ensure continued viability and growth. To carry out this responsibility, the authority shall:

*a.* Receive and review complaints from individual small businesses that relate to rules or decisions of state agencies, and refer questions and complaints to a governmental agency where appropriate.

*b.* Establish and administer the regulatory information service provided for in section 15E.17.

*c.* Aid for the development and implementation of the Iowa targeted small business procurement Act established in sections 73.15 through 73.21.

(1) (a) By December 1 of each year, the department of administrative services shall file a written report with the economic development authority regarding the Iowa targeted small business procurement Act activities during the previous fiscal year. At a minimum, the report shall include a summary of all activities undertaken by the department of administrative services in an effort to maximize the utilization of the targeted small business procurement Act.

(b) By December 1 of each year, the department of inspections and appeals shall file a written report with the economic development authority regarding certifications of targeted small businesses. At a minimum, the report shall include the number of certified targeted small businesses for the previous year and the increase or decrease in that number during the previous fiscal year compared to the prior fiscal year, the number of targeted small businesses that have been decertified over the previous fiscal year, and a summary of all activities undertaken by the department of inspections and appeals regarding targeted small business certification.

(c) By December 1 of each year, the targeted small business marketing and compliance manager of the economic development authority shall compile a list of the procurement goals established pursuant to section 73.16, subsection 2, and the performance of each agency in meeting the goals. The compilation of the performance of each agency shall be based upon the reports required to be filed under section 73.16, subsection 2.

(d) By January 15 of each year, the economic development authority shall submit to the governor and the general assembly a compilation of reports required under this subparagraph.

(2) The director, with cooperation from the other state agencies, shall publicize the procurement goal program established in sections 73.15 through 73.21 to targeted small businesses and to agencies of state government, attempt to locate targeted small businesses able to perform contracts, and encourage program participation. The director may request the cooperation of the department of administrative services, the state department of transportation, the state board of regents, or any other agency of state government in publicizing this program.

(3) When the director determines, or is notified by the head of another agency of state government, that a targeted small business is unable to perform a procurement contract, the director shall assist the small business in attempting to remedy the causes of the inability to perform. In assisting the small business, the director may use any management or financial assistance programs available through state or governmental agencies or private sources.

*d.* If determined necessary by the board, provide training for bank loan officers to increase their level of expertise in regard to business loans.

*e.* To the extent feasible, cooperate with the department of workforce development to establish a program to educate existing employers and new or potential employers on the rates and workings of the state unemployment compensation program and the state workers' compensation program.

*f.* Study the feasibility of reducing the total number of state licenses, permits, and certificates required to conduct small businesses.

*g.* Encourage and assist small businesses, including small businesses owned and operated by disabled veterans, to obtain state contracts and subcontracts by cooperating with the directors of purchasing in the department of administrative services, the state board of regents, and the state department of transportation in performing the following functions:

(1) Developing a uniform small business vendor application form which can be adopted by all agencies and departments of state government to identify small businesses and targeted small businesses which desire to sell goods and services to the state. This form shall also contain information which can be used to determine certification as a targeted small business pursuant to section 10A.104, subsection 8.

(2) Compiling and maintaining a comprehensive source list of small businesses.

(3) Assuring that responsible small businesses are solicited on each suitable purchase.

(4) Assisting small businesses in complying with the procedures for bidding and negotiating for contracts.

(5) Simplifying procurement specifications and terms in order to increase the opportunities for small business participation.

(6) When economically feasible, dividing total purchases into tasks or quantities to permit maximum small business participation.

(7) Preparing timely forecasts of repetitive contracting requirements by dollar volume and types of contracts to enhance the participation of responsible small businesses in the public purchasing process.

(8) Developing a mechanism to measure and monitor the amount of participation by small businesses in state procurement.

8. *Case management.* To provide case management assistance to low-income persons for the purpose of establishing or expanding small business ventures as provided in section 15.246.

9. *Miscellaneous.* To provide other necessary services, the authority shall:

*a.* Collect and assemble, or cause to have collected and assembled, all pertinent information available regarding the industrial, agricultural, and public and private recreation and tourism opportunities and possibilities of the state of Iowa, including raw materials and products that may be produced from them; power and water resources; transportation facilities; available markets; the banking and financing facilities; the availability of industrial sites; the advantages of the state as a whole, and the particular sections of the state, as industrial locations; the development of a grain alcohol motor fuel industry and its related products; and other fields of research and study as the board deems necessary. This information, as far as possible, shall consider both the encouragement of new industrial enterprises in the state and the expansion of industries now existing within the state, and allied fields to those industries. The information shall also consider the changing composition of the Iowa family and the level of poverty among different age groups and different family structures in Iowa society and their impact on Iowa families.

*b.* Apply for, receive, contract for, and expend federal funds and grants and funds and grants from other sources.

*c.* Except as otherwise provided in sections 8A.110, 260C.14, and 262.9, provide that an inventor whose research is funded in whole or in part by the state shall assign to the state a proportionate part of the inventor's rights to a letter patent resulting from that research. Royalties or earnings derived from a letter patent shall be paid to the treasurer of state and credited by the treasurer to the general fund of the state. However, the authority in conjunction with other state agencies, including the board of regents, shall provide incentives to inventors whose research is funded in whole or in part by the state for having their products produced in the state. These incentives may include taking a smaller portion of the inventor's royalties or earnings than would otherwise occur under this paragraph or other provisions of the law.

*d.* Administer or oversee federal rural economic development programs in the state.

*e.* At the director's discretion, accept payment by credit card of any fees, interest, penalties, subscriptions, registrations, purchases, or other payments, or any portion of such payments, which are due or collected by the authority. The authority may adjust the amount of the payment to reflect the costs of processing the payment as determined by the treasurer of state and the payment by credit card shall include, in addition to all other charges, any discount charged by the credit card issuer.

*f.* Provide technical assistance to individuals who are pursuing the purchase and operation of employee-owned businesses.

10. *Economic development planning and research activities.* To provide leadership and support for economic and community development activities statewide. To carry out this responsibility, the authority may establish a research center for economic development programs and services whose duties may include but are not limited to the following:

*a.* Implementation of a comprehensive statewide economic development planning process and provision of leadership, coordination, and support to regional and local economic and community planning efforts.

*b.* Coordination of the delivery of economic and community development programs with other local, regional, state, federal, and private sector programs and activities.

*c.* Collection and analysis of data and information, development of databases and performing research to keep abreast of Iowa's present economic base, changing market demands, and emerging trends, including identification of targeted markets and development of marketing strategies.

*d.* Provision of access to databases to facilitate sales and exports by Iowa businesses.

*e.* Establishment of a database of community and economic information to aid local, regional, and statewide economic development and service delivery efforts.

11. *Housing development.*

*a.* To provide assistance to local governments, housing organizations, economic development groups, and other local entities to increase the development of housing in the state and to improve the quality of existing housing in order to maximize the effects of other economic development efforts.

*b.* To carry out this responsibility, the authority shall:

(1) Provide housing needs assessments.

(2) Provide a one-stop source, in coordination with other agencies of the state, for housing development assistance.

(3) Establish programs which assist communities or local entities in developing housing to meet a range of community needs, including programs to assist homeless shelter operations and programs to assist in the development of housing to enhance economic development opportunities in the community.

86 Acts, ch 1142, §1; 86 Acts, ch 1238, §44; 86 Acts, ch 1245, §808; 87 Acts, ch 101, §2; 87 Acts, ch 106, §1; 88 Acts, ch 1098, §1; 88 Acts, ch 1273, §6 – 8; 89 Acts, ch 196, §1; 89 Acts, ch 209, §1; 89 Acts, ch 258, §12; 90 Acts, ch 1047, §1; 90 Acts, ch 1140, §1; 90 Acts, ch 1156, §3; 90 Acts, ch 1255, §2; 91 Acts, ch 28, §1; 91 Acts, ch 109, §1; 92 Acts, ch 1089, §1; 92 Acts, ch 1244, §11; 93 Acts, ch 167, §9; 93 Acts, ch 180, §34, 35; 94 Acts, ch 1023, §4; 94 Acts, ch 1199, §16; 96 Acts, ch 1186, §1 – 4, 23; 97 Acts, ch 15, §1, 2; 97 Acts, ch 214, §1; 98 Acts, ch 1175, §1, 2; 99 Acts, ch 197, §20, 23; 2001 Acts, ch 61, §2 – 5; 2003 Acts, ch 44, §9; 2003 Acts, ch 71, §1; 2003 Acts, ch 145, §138, 286; 2003 Acts, 1st Ex, ch 1, §76, 133

[2003 Acts, 1st Ex, ch 1, §76, 133, amendment adding new paragraph g to subsection 9, stricken pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2006 Acts, ch 1100, §1; 2007 Acts, ch 126, §5; 2007 Acts, ch 207, §6, 18; 2008 Acts, ch 1122, §4, 7 – 9; 2008 Acts, ch 1178, §2; 2010 Acts, ch 1031, §261; 2010 Acts, ch 1049, §1; 2011 Acts, ch 118, §85, 89; 2011 Acts, ch 122, §11, 14; 2013 Acts, ch 13, §3 – 5

Referred to in §8A.111, 19B.7, 455B.199B

Subsection 7, paragraph c, unnumbered paragraph 1 amended

Subsection 7, paragraph c, subparagraph (1), subparagraph division (c) stricken and former subparagraph divisions (d) and (e) redesignated as (c) and (d)

Subsection 7, paragraph c, subparagraphs (3) and (5) stricken and former subparagraph (4) renumbered as (3)

**15.109 Additional duties.**

The economic development authority shall coordinate the development of state and local government programs in order to promote efficient and economic use of federal, state, local, and private resources. The authority shall:

1. Provide technical and financial assistance to local and regional government organizations in Iowa, analyze intergovernmental relations in Iowa, and recommend policies to state agencies, local governments, the governor, and the general assembly.

2. Apply for, receive, administer, and use federal or other funds available for achieving the purposes of this chapter. For purposes of this subsection, the term *"federal funds"* includes federal tax credits, grants, or other economic benefits allocated or provided by the United States government to encourage investment in low-income or other specified areas or to otherwise promote economic development. The authority may enter into an agreement pursuant to chapter 28E, or any other agreement, with a person, including for-profit and nonprofit legal entities, in order to directly or indirectly apply for, receive, administer, and use federal funds. As part of such agreements and in furtherance of this public purpose and in addition to powers and duties conferred under other provisions of law, the authority may, including for or on behalf of for-profit or nonprofit legal entities, appoint, remove, and replace board members and advisors; provide oversight; make its personnel and resources available to perform administrative, management, and compliance functions; coordinate investments; and engage in other acts as reasonable and necessary to encourage investment in low-income or other areas or to promote economic development. The authority, including authority officials and employees in their official and personal capacities, are immune from liability for all acts or omissions under this subsection.

3. At the time the authority approves assistance for an applicant, provide the person with information regarding the nature and source of other technical assistance available in the

state to assist the applicant on design and management matters concerning energy efficiency and waste reduction. The authority shall review the extent to which recommendations made to grantees are in fact implemented by the grantees.

4. Establish a sustainable community development initiative. The purpose of the initiative is to improve the sustainability of Iowa communities by ensuring long-term economic growth and fostering environmentally conscious growth and development. In establishing the initiative, the authority shall:

*a.* Create a plan to ensure that all of the authority's current community growth and development programs, efforts, and initiatives incorporate an environmentally conscious approach and policies that promote sustainability.

*b.* Cooperate with local governments by providing information, technical assistance, and financial incentives to communities pursuing sustainable growth.

[C71, 73, 75, 77, 79, 81, §7A.3, 7A.7; 82 Acts, ch 1210, §5]
C83, §7A.3
86 Acts, ch 1245, §101, 102
C87, §15.109
90 Acts, ch 1252, §2; 2004 Acts, ch 1175, §318; 2008 Acts, ch 1190, §31; 2011 Acts, ch 118, §85, 89

**15.110 Restrictions relating to councils of governments.**

The authority shall not require a city or county to be a dues paying member of a council of governments.

90 Acts, ch 1262, §23; 2011 Acts, ch 118, §87, 89
Councils of governments; see chapter 28H

**15.111** Repealed by 2001 Acts, ch 61, § 19.

**15.112 Farmworks matching funds.** Repealed by 2013 Acts, ch 129, § 66.

**15.113 Tax lien and delinquency search requirement.**

Before authorizing tax incentives or disbursing moneys to a person or business applying for assistance under any of the authority's programs, the authority shall conduct a search for outstanding state or local tax liability, tax liens, or other related delinquencies. The authority shall not authorize tax incentives or disburse moneys if the result of the search shows that the applicant is currently delinquent in the payment of state or local taxes or is otherwise in substantial noncompliance with Iowa tax law.

2012 Acts, ch 1126, §36

**15.114 Microenterprise development advisory committee.** Repealed by 2010 Acts, ch 1031, § 263.

**15.115 Technology commercialization specialist.**

The authority shall ensure that businesses in the state are well informed about the technology patents, licenses, and options available to them from colleges and universities in the state and to ensure the authority's business development and marketing efforts are conducted in a way that maximizes the advantage to the state of research and technology commercialization efforts at colleges and universities in the state. The authority shall establish a technology commercialization specialist position which shall be responsible for the obligations imposed by this section and for performance of all of the following activities:

1. Establishing and maintaining communication with personnel in charge of intellectual property management and technology at colleges and universities in the state.

2. Meeting at least quarterly with personnel in charge of intellectual property management and technology commercialization regarding new technology disclosures and technology patents, licenses, or options available to Iowa businesses at colleges and universities in the state.

3. Being knowledgeable regarding intellectual property, patent, license, and option policies of colleges and universities in the state as well as applicable federal law.

4. Establishing and maintaining an internet site to link other internet sites which provide electronic access to information regarding available patents, licenses, or options for technology at colleges and universities in the state.

5. Establishing and maintaining communications with business and development organizations in the state regarding available technology patents, licenses, and options.

6. Cooperating with colleges and universities in the state in establishing technology fairs or other public events designed to make businesses in the state aware of available technology patents, licenses, or options available to businesses in the state.

2005 Acts, ch 150, §27; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 90, §257
Code editor directive applied

**15.116 Technology commercialization committee.**

To evaluate and make recommendations to the authority on appropriate funding for the projects and programs applying for financial assistance from the innovation and commercialization development fund created in section 15.412, the economic development authority shall create a technology commercialization committee composed of members with expertise in the areas of biosciences, engineering, manufacturing, pharmaceuticals, materials, information solutions, software, and energy. At least one member of the technology commercialization committee shall be a member of the economic development authority. An organization designated by the authority, composed of members from both the public and private sectors and composed of subunits or subcommittees in the areas of already identified bioscience platforms, education and workforce development, commercialization, communication, policy and governance, and finance, shall provide funding recommendations to the technology commercialization committee.

2005 Acts, ch 150, §28; 2009 Acts, ch 123, §22, 33; 2011 Acts, ch 118, §84, 87, 89
Referred to in §15.117A

**15.117 Chief technology officer.**

The governor shall appoint a chief technology officer for the state. The chief technology officer shall serve a two-year term and shall have national or international stature as a senior executive at a technology business in one of the targeted industries.

2005 Acts, ch 150, §29; 2010 Acts, ch 1070, §3
Referred to in §15.117A

**15.117A Iowa innovation council.**

1. An Iowa innovation council is established within the authority. The authority shall provide the council with staff and administrative support. The authority may expend moneys allocated to the innovation and commercialization division in order to provide such support. The authority may adopt rules for the implementation of this section.

2. The council shall consist of the following members:

*a.* Twenty-nine voting members as follows:

(1) Twenty members selected by the board to serve staggered, two-year terms beginning and ending as provided in section 69.19. Of the members selected by the board, seven shall be representatives from businesses in the targeted industries and thirteen shall be individuals who serve on the technology commercialization committee created in section 15.116, or other committees of the board, and who have expertise with the targeted industries. At least ten of the members selected pursuant to this subparagraph shall be executives actively engaged in the management of a business in a targeted industry. The members selected pursuant to this paragraph shall reflect the size and diversity of businesses in the targeted industries and of the various geographic areas of the state.

(2) One member, selected by the governor, who also serves on the Iowa capital investment board created in section 15E.63.

(3) The director of the authority, or the director's designee.

(4) The chief technology officer appointed pursuant to section 15.117.

(5) The director of the department of workforce development, or the director's designee.

(6) The president of the state university of Iowa, or the president's designee.

(7) The president of Iowa state university of science and technology, or the president's designee.

(8) The president of the university of northern Iowa, or the president's designee.

(9) Two community college presidents from geographically diverse areas of the state, selected by the Iowa association of community college trustees.

*b.* Four members of the general assembly serving two-year terms in a nonvoting, ex officio capacity, with two from the senate and two from the house of representatives and not more than one member from each chamber being from the same political party. The two senators shall be designated one member each by the president of the senate after consultation with the majority leader of the senate, and by the minority leader of the senate. The two representatives shall be designated one member each by the speaker of the house of representatives after consultation with the majority leader of the house of representatives, and by the minority leader of the house of representatives.

*c.* A vacancy on the council shall be filled in the same manner as the original selection and shall be for the remainder of the term.

3. To be eligible to serve as a designee pursuant to subsection 2, a person must have sufficient authority to make decisions on behalf of the organization being represented. A person named as a designee pursuant to subsection 2 shall not name a designee nor permit a substitute to attend council meetings.

4. The chief technology officer appointed pursuant to section 15.117 shall be the chairperson of the council and shall be responsible for convening meetings of the council and coordinating its activities and shall convene the council at least annually. The council shall annually elect one of the voting members to serve as vice chairperson. A majority of the members of the council constitutes a quorum. However, the chief technology officer shall not convene a meeting of the council unless the director of the authority, or the director's designee, is present at the meeting.

5. The purpose of the council is to advise the authority on the development and implementation of public policies that enhance innovation and entrepreneurship in the targeted industries, with a particular focus on the information, technology, and skills that increasingly dominate the twenty-first century economy. Such advice may include evaluating Iowa's competitive position in the global economy, reviewing the technology typically utilized in the state's manufacturing sector, assessing the state's overall scientific research capacity, keeping abreast of the latest scientific research and technological breakthroughs and offering guidance as to their impact on public policy, recommending strategies that foster innovation, increase new business formation, and otherwise promote economic growth in the targeted industries, and offering guidance about future developments in the targeted industries.

6. The council shall do all of the following:

*a.* Create a comprehensive strategic plan for implementing specific policies that further the purpose of the council as described in subsection 5. In creating the plan and implementing such policies, the council may consult with the corporation established pursuant to section 15.107.

*b.* Review annually all of the economic development programs administered by the authority and the board that relate to the targeted industries and make recommendations for adjustments that enhance efficiency and effectiveness. In reviewing the programs, the council shall, to the greatest extent possible, utilize economic development data and research in order to make objective, fact-based recommendations.

*c.* Act as a forum where issues affecting the research community, the targeted industries, and policymakers can be discussed and addressed and where collaborative relationships can be formed.

*d.* Coordinate state government applications for federal funds relating to research and economic development affecting the targeted industries.

*e.* Conduct industry research and draft documents that provide background information

for use in decision making by the general assembly, the governor, the authority, and other policymaking bodies within state government.

2010 Acts, ch 1070, §4; 2011 Acts, ch 34, §4; 2011 Acts, ch 118, §16, 85, 89; 2012 Acts, ch 1018, §3; 2012 Acts, ch 1023, §6; 2012 Acts, ch 1126, §30

Referred to in §15.105, 15.106B, 15.107A

**15.118 Confidentiality of information in financial assistance applications.**

1. The board and the authority shall give due regard to the confidentiality of certain information disclosed by applicants for financial assistance during the application process, the contract administration process, and the period following closeout of a contract in the manner described in this section.

2. All information contained in an application for financial assistance submitted to the authority shall remain confidential while the authority is reviewing the application, processing requests for confidentiality, negotiating with the applicant, and preparing the application for consideration by the director or the board. The authority may release certain information in an application for financial assistance to a third party for technical review. If the authority releases such information to a third party, the authority shall ensure that the third party protects such information from public disclosure. After the authority has considered a request for confidentiality pursuant to subsection 3, any information not deemed confidential shall be made publicly available. Any information deemed confidential by the authority shall also be kept confidential during and following administration of a contract executed pursuant to a successful application. Information deemed confidential may be treated as such for as long as the authority deems necessary to protect an applicant's competitive position, and the confidential treatment of the information shall apply whether the authority is in possession of the information or whether the information has been sent to off-site storage or to the state archivist.

3. The authority shall consider the written request of an applicant or award recipient to keep confidential certain details of an application, a contract, or the materials submitted in support of an application or a contract. If the request includes a sufficient explanation as to why the public disclosure of such details would give an unfair advantage to competitors, the authority shall keep certain details confidential. If the authority elects to keep certain details confidential, the authority shall release only the nonconfidential details in response to a request for records pursuant to chapter 22. If confidential details are withheld from a request for records pursuant to chapter 22, the authority shall release an explanation of why the information was deemed confidential and a summary of the nature of the information withheld and the reasons for withholding it. In considering requests for confidential treatment, the authority shall narrowly construe the provisions of this section in order to appropriately balance an applicant's need for confidentiality against the public's right to information about the authority's activities.

4. If a request for confidentiality is denied by the authority, an applicant may withdraw the application and any supporting materials, and the authority shall not retain any copies of the application or supporting materials. Upon notice that an application has been withdrawn, the authority shall not release a copy in response to a request for records pursuant to chapter 22.

5. The authority shall adopt by rule a process for considering requests to keep information confidential pursuant to this section. The authority may adopt emergency rules pursuant to chapter 17A to implement this section. The rules shall include criteria for guiding the authority's decisions about the confidential treatment of applicant information. The criteria may include but are not limited to the following:

*a.* The nature and extent of competition in the applicant's industry sector.

*b.* The likelihood of adverse financial impact to the applicant if the information were to be released.

*c.* The risk that the applicant will locate in another state if the request is denied.

*d.* Any other factor the authority reasonably considers relevant.

2008 Acts, ch 1149, §1; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1018, §9

Referred to in §15.107C, 260E.7

**15.119 Aggregate tax credit limit for certain economic development programs.**

1. *a.* Notwithstanding any provision to the contrary in any of the programs listed in subsection 2, the authority, except as provided in paragraph *"b"*, shall not authorize for any one fiscal year an amount of tax credits for the programs specified in subsection 2 that is in excess of one hundred seventy million dollars.

*b.* (1) The authority may authorize an amount of tax credits during a fiscal year that is in excess of the amount specified in paragraph *"a"*, but the amount of such excess shall not exceed twenty percent of the amount specified in paragraph *"a"*, and shall be counted against the total amount of tax credits that may be authorized for the next fiscal year.

(2) Any amount of tax credits authorized and awarded during a fiscal year for a program specified in subsection 2 which are irrevocably declined by the awarded business on or before June 30 of the next fiscal year may be reallocated, authorized, and awarded during the fiscal year in which the declination occurs. Tax credits authorized pursuant to this subparagraph shall not be considered for purposes of subparagraph (1).

2. The authority, with the approval of the board, shall adopt by rule a procedure for allocating the aggregate tax credit limit established in this section among the following programs:

*a.* The high quality job creation program administered pursuant to sections 15.326 through 15.336.

*b.* The enterprise zones program administered pursuant to sections 15E.191 through 15E.197.

*c.* The assistive device tax credit program administered pursuant to section 422.33, subsection 9.

*d.* The tax credits for investments in qualifying businesses and community-based seed capital funds issued pursuant to section 15E.43. In allocating tax credits pursuant to this subsection, the authority shall allocate two million dollars for purposes of this paragraph, unless the authority determines that the tax credits awarded will be less than that amount.

*e.* The tax credits for investments in an innovation fund pursuant to section 15E.52. In allocating tax credits pursuant to this subsection, the authority shall allocate eight million dollars for purposes of this paragraph, unless the authority determines that the tax credits awarded will be less than that amount.

*f.* The redevelopment tax credit program for brownfields and grayfields administered pursuant to sections 15.293A and 15.293B.

3. In allocating the amount of tax credits authorized pursuant to subsection 1 among the programs specified in subsection 2, the authority shall not allocate more than ten million dollars for purposes of subsection 2, paragraph *"f"*.

4. The authority shall submit to the department of revenue on or before August 15 of each year a report on the tax credits allocated pursuant to this section and the tax credits awarded under each of the programs described in subsection 2.

2009 Acts, ch 135, §1, 3; 2010 Acts, ch 1138, §4; 2011 Acts, ch 34, §5; 2011 Acts, ch 116, §1, 2; 2011 Acts, ch 118, §87, 89; 2011 Acts, ch 130, §36, 47, 71; 2012 Acts, ch 1110, §2; 2012 Acts, ch 1136, §30, 39 – 41; 2013 Acts, ch 126, §6 – 10

Referred to in §15.293A, 15E.43, 15E.52

2011 amendment to subsection 2, by 2011 Acts, ch 130, §36, applies retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 130, §47

2012 strike of former paragraph b of subsection 2, applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39, 40

2013 amendments take effect June 17, 2013, and apply retroactively to July 1, 2012; 2013 Acts, ch 126, §9, 10

Subsection 1 amended

Subsection 2, paragraphs d and e amended

Subsection 3 amended

**15.120 through 15.200** Reserved.

## SUBCHAPTER II

## ACTIVITIES

### PART 1

**15.201 Agricultural marketing program.**

The authority shall operate an agricultural marketing program designed to lead to more advantageous marketing of Iowa agricultural products. The authority may develop and carry out activities to implement this program, and shall:

1. Investigate the subject of marketing agricultural products and recommend efficient and economical methods of marketing.
2. Promote the sales, distribution, and merchandising of agricultural products.
3. Furnish information and assistance to the public concerning the marketing of agricultural products.
4. Cooperate with the division of agriculture of the Iowa state university of science and technology in farm marketing education and research and avoid unnecessary duplications.
5. Gather and diffuse useful information concerning all phases of the marketing of Iowa farm products in cooperation with other public or private agencies.
6. Ascertain sources of supply of Iowa agricultural products, and prepare and publish from time to time lists of names and addresses of producers and consignors and furnish the lists to persons applying for them.
7. Aid in the promotion and development of the agricultural processing industry in the state.

86 Acts, ch 1245, §809; 2011 Acts, ch 118, §87, 89
Referred to in §15.108

**15.202 Grants and gifts.**

The authority may accept grants and allotments of funds from the federal government and enter into cooperative agreements with the secretary of agriculture of the United States for projects to effectuate any of the purposes of the agricultural marketing program; and may accept grants, gifts, or allotments of funds from any person for the purpose of carrying out the agricultural marketing program. The authority shall make an itemized accounting of such funds to the director at the end of each fiscal year.

86 Acts, ch 1245, §810; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1021, §7
Referred to in §15.108

**15.203 Agricultural products advisory council — duties.** Repealed by 2010 Acts, ch 1031, § 264.

**15.204 Value-added agricultural linked investment loan program — eligibility requirements.** Repealed by 2006 Acts, ch 1165, § 8.

**15.205 through 15.220** Reserved.

### PART 2

**15.221 through 15.225** Repealed by 2008 Acts, ch 1031, § 70.

**15.226 through 15.230** Repealed by 96 Acts, ch 1186, § 26. See § 84A.7.

PART 3

**15.231 Industrial and business export trade plan.** Repealed by 2006 Acts, ch 1100, § 7.

**15.232** Repealed by 91 Acts, ch 267, § 319.

**15.233 through 15.239** Reserved.

PART 4

**15.240 Community microenterprise development organization grant program.** Repealed by 2013 Acts, ch 34, § 6.
With respect to proposed amendment to former §15.240 by 2013 Acts, ch 13, §6, see Code editor's note on simple harmonization

**15.241 Iowa "self-employment loan program".** Repealed by 2003 Acts, ch 71, § 6.

**15.242 through 15.245** Reserved.

**15.246 Case management program.**
1. The authority shall establish and administer a case management program, contingent upon the availability of funds authorized for the program, and conducted in coordination with other state or federal programs providing financial or technical assistance administered by the authority. The case management program shall assist in furnishing information about available assistance to clients seeking to establish or expand small business ventures, furnishing information about available financial or technical assistance, evaluating small business venture proposals, completing viable business start-up or expansion plans, and completing applications for financial or technical assistance under the programs administered by the authority.
2. In administering the program, the authority may contract with service providers to deliver case management assistance under this section. A service provider may be any entity which the authority determines is qualified to deliver case management assistance, including a state agency, a private for-profit or not-for-profit corporation, or other association or organization. The authority shall establish rules necessary to carry out this section, including schedules for providing contract payments to service providers, based on the number of hours of case management assistance provided to a client.
88 Acts, ch 1098, §2; 2001 Acts, ch 61, §6; 2003 Acts, ch 71, §2; 2011 Acts, ch 118, §87, 89
Referred to in §15.108

**15.247 Targeted small business financial assistance program.** Repealed by 2013 Acts, ch 13, § 9.
For transition provisions related to the repeal of the targeted small business financial assistance program, see 2013 Acts, ch 13, § 10

**15.248 through 15.250** Reserved.

PART 5

**15.251 Industrial new job training program certificates — fee.**
The authority may charge, within thirty days following the sale of certificates under chapter 260E, the board of directors of the merged area a fee of up to one percent of the gross sale amount of the certificates issued. The amount of this fee shall be deposited and allowed to accumulate in a job training fund created in the authority. Moneys in the fund are appropriated to the authority for purposes of workforce development program

coordination and activities including salaries, support, maintenance, legal and compliance, and miscellaneous purposes.

86 Acts, ch 1245, §816; 89 Acts, ch 270, §1; 90 Acts, ch 1255, §3; 93 Acts, ch 180, §40; 94 Acts, ch 1199, §17; 99 Acts, ch 183, §1; 2001 Acts, ch 61, §7; 2011 Acts, ch 118, §87, 89; 2013 Acts, ch 137, §31

See annual Iowa Acts for temporary exceptions, changes, or other noncodified enactments modifying the funding provided for in this section

Section amended

**15.252 Rules.**

The authority shall adopt rules pursuant to chapter 17A to implement this part.

86 Acts, ch 1238, §45; 86 Acts, ch 1245, §817; 89 Acts, ch 270, §2; 2011 Acts, ch 118, §87, 89

**15.253 through 15.260** Reserved.

PART 6

**15.261 through 15.268** Repealed by 2001 Acts, ch 61, §19.

**15.269 Cogeneration pilot program.** Repealed by its own terms; 2003 Acts, ch 159, § 1.

**15.270** Reserved.

PART 7

**15.271 Statement of purpose — intent.**

1. The general assembly finds that:

*a.* Highway travelers have special needs for information and travel services.

*b.* Highway travelers have a significant positive influence on the state's economy.

*c.* A principal goal of economic development in this state is to increase the influence which travel and hospitality services, tourism, and recreation opportunities have on the state's economic expansion.

*d.* Facilities and programs are needed where travelers can obtain information about travel and hospitality services, tourism attractions, parks and recreation opportunities, cultural and natural resources, and the state in general.

*e.* A program shall be established to plan, acquire, develop, promote, operate, and maintain a variety of welcome centers at strategic locations to meet the needs of travelers in the state. The program is intended to be accomplished by 1992.

2. The primary goals of a statewide program for welcome centers are to provide to travelers the following:

*a.* High quality, accurate, and interesting information about travel in the state; national, statewide, and local attractions of all types; lodging, medical service, food service, vehicle service, and other kinds of necessities; and general information about the state.

*b.* Needed and convenient services, including but not limited to, restrooms; lodging information and event reservation services; vehicle services; and others. Services shall also include the distribution and sale of souvenirs, crafts, arts, and food products originating in the state; food and beverages; fishing, hunting, and other permits and licenses needed for recreation activities; and other products normally desired by travelers.

*c.* Settings that will convey a sense of being welcomed to the state through hospitable attitudes of personnel; high quality of site landscape architecture, architectural theme, and interior design of the buildings; special events that occur at the centers; and high levels of maintenance.

87 Acts, ch 178, §1

**15.272 Statewide welcome center program — objectives and agency responsibilities — pilot projects.**

The state agencies, as indicated in this section, shall undertake certain specific functions to implement the goals of a statewide program, including the pilot projects, for welcome centers.

1. *a.* The department of economic development and the state department of transportation shall jointly establish a statewide long-range plan for developing and operating welcome centers throughout the state. The plan shall be submitted to the general assembly by January 15, 1988. The plan shall address, but not be limited to, the following:

(1) Integrating state, regional, and local tourism and recreation marketing and promotion plans.

(2) Recommending a wide range of centers, including state-developed and state-operated to privately managed facilities.

(3) Establishing design, service, and maintenance quality standards which all welcome centers will maintain. Included in the standards shall be a provision requiring that space or facilities be available for purposes of displaying and offering for sale Iowa-made products, crafts, and arts. The space or facilities may be operated by the department of economic development or leased to and operated by other persons.

(4) Making projections of increased tourist spending, indirect economic benefits, and direct revenue production which are estimated to occur as a result of implementing a statewide welcome center program.

(5) Projecting estimated acquisition, construction, exhibit, staffing, and maintenance costs.

(6) Integrating electronic data telecommunications systems.

(7) Identifying sites for maintaining existing centers as well as locations for new centers.

*b.* The departments may enter into contracts for the preparation of the long-range plan. The departments shall involve the department of natural resources and the department of cultural affairs in the preparation of the plan. The recommendations and comments of organizations representing hospitality and tourism services, including but not limited to, the regional tourism councils, convention and visitors bureaus, and the Iowa travel council, and others with interests in this program will be considered for incorporation in the plan. Prior to submission of the plan to the general assembly, the plan shall be submitted to the regional tourism councils, the convention and visitors bureaus, and the Iowa travel council for their comments and criticisms which shall be submitted by the department of economic development along with the plan to the general assembly.

2. The responsibilities of the authority include the following:

*a.* Seeing to the acquisition of property and the construction of all new welcome centers including the pilot projects selected by the department of economic development pursuant to paragraph "*e*". In carrying out this responsibility the authority may but is not limited to the following:

(1) Arrange for the state department of transportation to acquire title to land and buildings for use as and undertake construction of state-owned welcome centers. In acquiring property and constructing the welcome centers, including any pilot projects, the state department of transportation may use any funds available to it, including but not limited to, the RISE fund, matching funds from local units of government or organizations, the primary road fund, federal grants, and moneys specifically appropriated for these purposes.

(2) Contract with other state agencies, local units of government, or private groups, organizations, or entities for the use of land, buildings, or facilities as state welcome centers or in connection with state welcome centers, whether or not the property is actually owned by the state. If the local match required for pilot projects or which may be required for other welcome centers is met by providing land, buildings, or facilities, the entity providing the local match shall enter into an agreement with the authority to either transfer title of the property to the state or to dedicate the use of the property under the conditions and period of time set by the authority.

*b.* Providing for the operations, management, and maintenance of the state-owned and state-operated welcome centers, including the collection and distribution of tourism

literature, telecommunication services, and other travel-related services, and the display and offering for sale of Iowa-made products, crafts, and arts.

*c.* Providing, at the discretion of the authority, financial assistance in the form of loans and grants to privately operated information centers to the extent the centers are consistent with the long-range plan.

*d.* Developing a common theme or graphic logo which will be identified with all welcome centers which meet the standards of operations established for those centers.

*e.* Selecting the sites for the pilot projects. In selecting the pilot project sites, the following apply:

(1) Up to three sites may be located in proximity to the interstates and up to three sites may be located in proximity to the other primary roads. The department of economic development shall select at least one site which is in proximity to a primary road which is not an interstate.

(2) Proposals for the sites must be submitted prior to September 1, 1987, and shall contain a commitment of at least a one-dollar-per-dollar match of state financial assistance. The local match may be in terms of land, buildings, or other noncash items which are acceptable by the department of economic development.

(3) Priority shall be given to proposals that have the best local match, that are to be located where there is a very high number of travelers passing, and for which the department of economic development, after consultation with the departments of transportation, natural resources, and cultural affairs, considers the chances of success to be nearly perfect.

(4) The department of economic development shall select the sites by September 15, 1987.

87 Acts, ch 178, §2; 2008 Acts, ch 1032, §201; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1021, §8

RISE fund, see chapter 315

Duties of former department of economic development were assumed by economic development authority beginning July 1, 2011, pursuant to 2011 Acts, ch 118

**15.273 Cooperative tourism program.**

The authority shall assist the department of natural resources in promoting the state parks, state recreation areas, lakes, rivers, and streams under the jurisdiction of the natural resource commission for tourism purposes. The department of natural resources shall provide the authority with brochures and other printed information concerning hunting and fishing opportunities, recreational opportunities in state parks and recreation areas, and other natural and historic information of interest to tourists.

The authority shall disseminate the brochures and other information provided by the department of natural resources through the welcome centers, sports and vacation shows, direct information requests, and other programs implemented by the authority to promote tourism and related forms of economic development in this state.

89 Acts, ch 236, §9; 2011 Acts, ch 118, §85, 89

**15.274 Promotional program for national historic landmarks and cultural and entertainment districts.**

The economic development authority, in cooperation with the state department of transportation and the department of cultural affairs, shall establish and administer a program designed to promote knowledge of and access to buildings, sites, districts, structures, and objects located in this state that have been designated by the secretary of the interior of the United States as a national historic landmark, unless the national historic landmark is protected under section 22.7, subsection 20, and certified cultural and entertainment districts, as established pursuant to section 303.3B. The program shall be designed to maximize the visibility and visitation of national historic landmarks in this state and buildings, sites, structures, and objects located in certified cultural and entertainment districts, as established pursuant to section 303.3B. Methods used to maximize the visibility and visitation of such locations may include the use of tourism literature, signage on

highways, maps of the state and cities, and internet sites. For purposes of this section, *"highway"* means the same as defined in section 325A.1.

2005 Acts, ch 109, §1; 2006 Acts, ch 1010, §7; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 90, §257

Code editor directive applied

**15.275 through 15.280** Reserved.

PART 8

**15.281 through 15.288** Repealed by 2001 Acts, ch 61, § 19.

**15.289 and 15.290** Reserved.

PART 9

Referred to in §422.11V, 422.33, 422.60, 432.12L, 533.329

**15.291 Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Brownfield site"* means an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination. A brownfield site includes property contiguous with the property on which the individual or commercial facility is located. A brownfield site does not include property which has been placed, or is proposed for placement, on the national priorities list established pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

2. *"Council"* means the brownfield redevelopment advisory council established in section 15.294.

3. *"Grayfield site"* means an industrial or commercial property meeting all of the following requirements:

*a.* The property has been developed and has infrastructure in place but the property's current use is outdated or prevents a better or more efficient use of the property. Such property includes vacant, blighted, obsolete, or otherwise underutilized property.

*b.* The property's improvements and infrastructure are at least twenty-five years old and one or more of the following conditions exists:

(1) Thirty percent or more of a building located on the property that is available for occupancy has been vacant or unoccupied for a period of twelve months or more.

(2) The assessed value of the improvements on the property has decreased by twenty-five percent or more.

(3) The property is currently being used as a parking lot.

(4) The improvements on the property no longer exist.

4. *"Green development"* means development which meets or exceeds the sustainable design standards established by the state building code commissioner pursuant to section 103A.8B.

5. *"Qualifying investment"* means costs that are directly related to a qualifying redevelopment project and that are incurred after the project has been registered and approved by the board. *"Qualifying investment"* only includes the purchase price, the cleanup costs, and the redevelopment costs.

6. *"Qualifying redevelopment project"* means a brownfield or a grayfield site being redeveloped or improved by the property owner. *"Qualifying redevelopment project"* does not include a previously remediated or redeveloped brownfield site.

7. *"Sponsorship"* means an agreement between a city or county and an applicant for

assistance under the brownfield redevelopment program where the city or county agrees to offer assistance or guidance to the applicant.

2000 Acts, ch 1101, §1; 2008 Acts, ch 1173, §1; 2011 Acts, ch 116, §3, 12

Referred to in §15A.1, 15E.193B

2011 amendment to subsection 5 applies retroactively to January 1, 2011, for tax years beginning on or after that date; 2011 Acts, ch 116, §12

**15.292 Brownfield redevelopment program.**

1. The authority shall establish and administer a brownfield redevelopment program for purposes of providing financial and technical assistance for the acquisition, remediation, or redevelopment of brownfield sites. Financial assistance under the program shall be provided from the brownfield redevelopment fund created in section 15.293. The authority may provide information on alternative forms of assistance.

2. A person owning a site may apply for assistance under the program if the site for which assistance is sought meets the definition of a brownfield site and the applicant has secured sponsorship prior to applying. Sponsorship is not required if the applicant is a city or county.

3. *a.* A person who is not an owner of a site may apply for financial assistance under the program if the site for which financial assistance is sought meets the definition of a brownfield site and the applicant has secured sponsorship prior to applying. Sponsorship is not required if the applicant is a city or county.

*b.* Prior to applying for financial assistance under this subsection, an applicant shall enter into an agreement with the owner of the brownfield site for which financial assistance is sought. The agreement shall be submitted with an application for financial assistance and shall include, at a minimum, the following:

(1) An agreement regarding the estimated total cost for remediating the brownfield site.

(2) An agreement that the owner shall transfer title of the property to the applicant upon completion of the remediation of the property.

(3) An agreement that, upon the subsequent sale of the property by the applicant to a person other than the original owner, the original owner shall receive not more than seventy-five percent of the estimated total cost of remediation.

*c.* An applicant shall not receive financial assistance of more than twenty-five percent of the agreed-upon estimated total cost of remediation.

*d.* Upon the subsequent sale of the property by the applicant to a person other than the original owner, the applicant shall repay the authority for financial assistance received by the applicant. The repayment shall be in an amount equal to the sales price less the amount paid to the original owner pursuant to the agreement between the applicant and the original owner. The repayment amount shall not exceed the amount of financial assistance received by the applicant.

4. An application for assistance under the program shall include any information required by the authority, including the following:

*a.* A business plan which includes a remediation plan.

*b.* A budget for remediating or redeveloping the site.

*c.* A statement of purpose describing the intended use of and proposed repayment schedule for any financial assistance received by the applicant.

*d.* Evidence of sponsorship.

*e.* Other information the authority deems necessary in order to process and review the application.

5. In reviewing an application for financial assistance, the authority and the brownfield redevelopment advisory council established in section 15.294 shall consider all of the following:

*a.* Whether the brownfield site meets the definition of a brownfield site.

*b.* Whether other alternative forms of assistance exist for which the applicant may be eligible.

6. The authority may approve, deny, or defer each application for financial assistance from the brownfield redevelopment fund created in section 15.293.

2000 Acts, ch 1101, §2; 2011 Acts, ch 116, §4; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1021, §9

Referred to in §15.293

**15.293 Brownfield redevelopment fund.**

1. A brownfield redevelopment fund is created in the state treasury under the control of the authority and consisting of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the authority for placement in the fund.

2. Payments of interest, repayments of moneys loaned pursuant to this part, and recaptures of loans shall be deposited in the fund.

3. The fund shall be used to provide grants, loans, forgivable loans, loan guarantees, and other forms of assistance under the brownfield redevelopment program established in section 15.292.

4. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

2000 Acts, ch 1101, §3; 2011 Acts, ch 118, §87, 89

Referred to in §15.292, 15.294

**15.293A Redevelopment tax credits.**

1. *a.* A redevelopment tax credit shall be allowed against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, for a portion of a taxpayer's equity investment, as provided in subsection 3, in a qualifying redevelopment project.

*b.* An individual may claim a tax credit under this subsection of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

*c.* Any tax credit in excess of the taxpayer's liability for the tax year is not refundable but may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer first receives the tax credit.

2. *a.* (1) The authority shall accept and, in conjunction with the council, review applications for tax credits pursuant to this section.

(2) Upon review of an application, the authority may register the project under the program. If the authority registers the project, the authority shall, in conjunction with the council, make a preliminary determination as to the amount of tax credit for which the investor qualifies.

(3) After registering the project, the authority shall issue a letter notifying the investor of successful registration under the program. The letter shall include the amount of tax credit for which the investor has received preliminary approval. The letter shall state that the amount is a preliminary determination only. The amount of tax credit included on a certificate issued pursuant to this section shall be contingent upon completion of the requirements of subparagraphs (4) and (5).

(4) Upon completion of a registered project, an audit of the project, completed by an independent certified public accountant licensed in this state, shall be submitted to the authority.

(5) Upon review of the audit and verification of the amount of the investment, the authority may issue a certificate to the investor stating the amount of tax credit the investor may claim.

*b.* (1) To claim a redevelopment tax credit under this section, a taxpayer must attach one or more tax credit certificates to the taxpayer's tax return. A tax credit certificate shall not be used or attached to a return filed for a taxable year beginning prior to July 1, 2009.

(2) The tax credit certificate shall contain the taxpayer's name, address, tax identification

number, the amount of the credit, the name of the qualifying investor, any other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred.

(3) The tax credit certificate, unless rescinded by the authority, shall be accepted by the department of revenue as payment for taxes imposed pursuant to chapter 422, divisions II, III, and V, and in chapter 432, and for the moneys and credits tax imposed in section 533.329, subject to any conditions or restrictions placed by the authority upon the face of the tax credit certificate and subject to the limitations of this section.

(4) Tax credit certificates issued under this section may be transferred to any person or entity. Within ninety days of transfer, the transferee shall submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address, the denomination that each replacement tax credit certificate is to carry, and any other information required by the department of revenue.

(5) Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate must contain the information required for the original tax credit certificate and must have the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule of the economic development authority shall not be transferable.

(6) A tax credit shall not be claimed by a transferee under this section until a replacement tax credit certificate identifying the transferee as the proper holder has been issued. The transferee may use the amount of the tax credit transferred against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 422, divisions II, III, and V. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 422, divisions II, III, and V.

3. The amount of the tax credit shall equal one of the following:

*a.* Twelve percent of the taxpayer's qualifying investment in a grayfield site.

*b.* Fifteen percent of the taxpayer's qualifying investment in a grayfield site if the qualifying redevelopment project meets the requirements of a green development.

*c.* Twenty-four percent of the taxpayer's qualifying investment in a brownfield site.

*d.* Thirty percent of the taxpayer's qualifying investment in a brownfield site if the qualifying redevelopment project meets the requirements of a green development.

4. For purposes of individual and corporate income taxes and the franchise tax, the increase in the basis of the redeveloped property that would otherwise result from the qualified redevelopment costs shall be reduced by the amount of the credit computed under this part.

5. The maximum amount of a tax credit for a qualifying investment in any one qualifying redevelopment project shall not exceed ten percent of the maximum amount of tax credits available in any one fiscal year pursuant to subsection 6.

6. For the fiscal year beginning July 1, 2009, the maximum amount of tax credits issued by the authority shall not exceed one million dollars. For each subsequent fiscal year, the amount of tax credits that may be issued by the authority shall be subject to the limitation in section 15.119.

7. An investment shall be deemed to have been made on the date the qualifying redevelopment project is completed.

8. A registered project shall be completed within thirty months of the project's approval unless the authority provides additional time to complete the project. A project shall not be provided more than twelve months of additional time. If the registered project is not completed within the time required, the project is not eligible to claim a tax credit pursuant to this section.

9. The authority shall develop a system for registration and authorization of projects receiving tax credits pursuant to this part and shall control distribution of all tax credits distributed to investors pursuant to this part. In developing the system, the authority shall

provide for a list of applicants for the tax credit and maintain it from year to year so that if the maximum aggregate amount of tax credits available under the program is reached in one year, an applicant can be given priority consideration for the credit in an ensuing year.

10. The authority shall develop rules for the qualification of qualifying redevelopment projects and qualifying investments. The department of revenue shall adopt these criteria as administrative rules and shall adopt any other rules pursuant to chapter 17A necessary for the administration of this part.

11. The authority may cooperate with the department of natural resources and local governments in an effort to disseminate information regarding the availability of tax credits for investments in qualifying redevelopment projects under this part.

12. If the recipient of a tax credit issued pursuant to this section has also applied to the authority, the board, or any other agency of state government for additional financial assistance, the authority, the board, or agency of state government shall not consider the receipt of a tax credit issued pursuant to this section when considering the application for additional financial assistance.

13. This section is repealed on June 30, 2021.

2008 Acts, ch 1173, §2; 2011 Acts, ch 116, §5 – 7, 12; 2011 Acts, ch 118, §84, 85, 89; 2012 Acts, ch 1021, §10, 11; 2012 Acts, ch 1110, §3

Referred to in §2.48, 15.119, 15.293B, 15.294

2011 amendments by 2011 Acts, ch 116, §5 – 7, apply retroactively to January 1, 2011, for tax years beginning on or after that date; 2011 Acts, ch 116, §12

**15.293B Approval — requirements — repayment.**

1. The authority shall accept and review applications for tax credits pursuant to section 15.293A and, with the approval of the council, make recommendations regarding the applications to the board.

2. An investor applying for a tax credit shall provide the authority with all of the following:

*a.* Information showing the total costs of the qualifying redevelopment project, including the costs of land acquisition, cleanup, and redevelopment.

*b.* Information about the financing sources of the investment which are directly related to the qualifying redevelopment project for which the taxpayer is seeking approval for a tax credit, as provided in section 15.293A.

3. If a taxpayer receives a tax credit pursuant to section 15.293A, but fails to comply with any of the requirements, the taxpayer loses any right to the tax credit, and the department of revenue shall seek recovery of the value of the credit received.

4. This section is repealed on June 30, 2021.

2008 Acts, ch 1173, §3; 2011 Acts, ch 116, §8 – 10; 2011 Acts, ch 118, §87, 89

Referred to in §15.119, 15.294

**15.294 Brownfield redevelopment advisory council.**

1. The authority shall establish a brownfield redevelopment advisory council consisting of five members. The advisory council shall be composed of all of the following:

*a.* The director of the economic development authority, or the director's designee.

*b.* The director of the department of natural resources, or the director's designee.

*c.* The director of transportation, or the director's designee.

*d.* One person selected by the board of directors of the Iowa league of cities.

*e.* One member of the economic development authority selected by the authority.

2. The director of the economic development authority, or the director's designee, shall serve as the chairperson of the advisory council.

3. The advisory council shall review each application received by the economic development authority for assistance under the brownfield redevelopment program and make recommendations to the authority regarding all of the following:

*a.* The completeness of the application.

*b.* Suggestions for alternative forms of assistance for which the applicant may be eligible. The alternative forms of assistance may include assistance programs available through other departments.

*c.* Whether the applicant should receive financial assistance from the brownfield redevelopment fund created in section 15.293.

4. The council, in conjunction with the authority, shall consider applications for redevelopment tax credits as described in sections 15.293A and 15.293B, and may recommend to the authority which applications to approve and the amount of such tax credits that each project is eligible to receive.

2000 Acts, ch 1101, §4; 2008 Acts, ch 1173, §4; 2011 Acts, ch 116, §11; 2011 Acts, ch 118, §84, 85, 89; 2012 Acts, ch 1021, §12

Referred to in §15.291, 15.292

**15.295 Rules.**

The authority, in consultation with the department of natural resources, shall adopt rules pursuant to chapter 17A as necessary to administer this part.

2000 Acts, ch 1101, §5; 2011 Acts, ch 118, §85, 89

**15.296 through 15.298** Repealed by 92 Acts, ch 1042, § 11. See chapter 260F.

**15.299** Reserved.

PART 10

**15.300 Findings and intent.**

1. The general assembly finds all of the following:

*a.* That entrepreneurs and small businesses often have difficulty obtaining conventional loan financing, limiting their ability to expand, retain, and create additional jobs.

*b.* That a source of capital provided by the state could greatly assist entrepreneurs and small businesses in their efforts to upgrade or modernize equipment, realize additional efficiencies in their supply chains, improve their distribution and transportation margins, reduce facility costs through increased energy efficiency, and leverage other sources of business financing.

2. The purpose of the save our small businesses fund created in section 15.301 is to promote the creation and retention of jobs in the state's economy and to assist businesses to be more competitive by addressing the needs identified in subsection 1.

2010 Acts, ch 1184, §41, 44

**15.301 Save our small businesses fund and program.**

1. *a.* A save our small businesses fund is created in the state treasury under the control of the authority and consisting of any moneys appropriated to the fund by the general assembly and any other moneys available and obtained or accepted by the authority for placement in the fund.

*b.* Payments of interest, repayments of moneys loaned pursuant to this section, and recaptures of loans shall be deposited in the fund. The fund shall be used to provide financial assistance in the form of low-interest loans as provided under the program created in this section.

*c.* (1) If, on March 31, 2011, there are unobligated moneys in the fund, such unobligated moneys shall revert to the general fund of the state.

(2) For each quarter, beginning with the first quarter after the reversion of moneys pursuant to subparagraph (1) and ending with the last quarter prior to the reversion of moneys pursuant to subparagraph (3), the authority shall, on the last day of the quarter, transfer to the general fund of the state the balance of unencumbered moneys in the fund.

(3) On March 31, 2016, all moneys in the fund shall revert to the general fund of the state.

2. *a.* The authority shall establish and administer a program for purposes of providing financial assistance to eligible small businesses. For purposes of this section, "*financial assistance*" means loans at an interest rate not to exceed three and nine-tenths percent per

annum and *"eligible small business"* means a small business meeting the requirements of subsection 3.

*b.* (1) The department of economic development or the authority may designate an organization to administer the provisions of this section on the authority's behalf.

(2) In order to be designated, an organization must be a nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code and must be designated by the United States small business administration as a statewide microloan program provider.

(3) If the authority elects to designate an organization pursuant to subparagraph (1), the authority shall enter into an agreement with the organization for purposes of ensuring that the program is administered pursuant to the requirements of this section.

(4) An organization designated pursuant to subparagraph (1) may accept, evaluate, and approve applications for financial assistance from eligible small businesses pursuant to the requirements of this section and may monitor the compliance of eligible businesses with the terms of an agreement entered into with the department or authority.

(5) All disbursements of moneys to recipients of financial assistance approved by an organization designated pursuant to subparagraph (1) shall be made by the authority.

(6) All repayments of principal and interest on financial assistance provided under the program shall be remitted to the authority and deposited in the fund.

(7) The authority, with the assistance of an organization designated pursuant to subparagraph (1), may seek the recapture of financial assistance provided pursuant to this section as provided in subsection 4.

*c.* Financial assistance under the program shall be provided from the fund created in subsection 1.

*d.* Financial assistance to a small business shall be at least two thousand five hundred dollars, but shall not exceed fifty thousand dollars.

*e.* The department of economic development, under the terms of an agreement with the organization designated pursuant to paragraph *"b"*, shall begin to provide financial assistance from the fund not later than August 1, 2010, and shall to the extent practicable obligate all available moneys in the fund prior to March 31, 2011.

*f.* A loan made to a small business under the program may be for any period of time, but the terms of such loan shall provide for the repayment of principal and interest prior to the date the moneys in the fund revert pursuant to subsection 1, paragraph *"c"*, subparagraph (3).

3. A business is eligible to apply for financial assistance under the program if the business meets all of the following criteria at the time of application:

*a.* The business has thirty-five or fewer full-time equivalent employees.

*b.* The business is located in Iowa.

*c.* The business is owned, operated, and actively managed by a resident of Iowa.

*d.* The business has a business plan and has received assistance in the development stage or the expansion stage from a small business development center or from a qualified public or nonprofit small business consultant as defined by the authority.

*e.* If a business has been a going concern for two years or more, the business has not been found to be in violation of any environmental or worker safety laws, rules, or regulations.

*f.* The business only employs individuals legally authorized to work in this state.

*g.* The business does not engage in the production, depiction, or distribution of obscene material. For purposes of this paragraph, *"obscene material"* means the same as defined in section 728.1.

*h.* The business is not in bankruptcy and is not imminently contemplating filing for bankruptcy.

4. Upon approval of the application for financial assistance by the department of economic development, the authority, or an organization designated pursuant to subsection 2, paragraph *"b"*, the eligible business shall enter into an agreement with the department or authority which shall include but not be limited to all of the following provisions:

*a.* If an eligible business, after receiving financial assistance, does not continue to meet one or more of the criteria for eligibility under subsection 3, except for subsection 3,

paragraph "*a*", all or a portion of the financial assistance received is subject to disallowance, recapture, or immediate repayment.

*b.* If, after receiving financial assistance, an eligible business ceases operations within the state or removes a significant portion of its operations to a location outside of the state, all or a portion of the financial assistance received is subject to disallowance, recapture, or immediate repayment.

5. *a.* An eligible business shall not receive more than one award of financial assistance under this section.

*b.* An eligible business that receives financial assistance under this section may subsequently apply for financial assistance under other programs administered by the authority.

*c.* An eligible business that receives financial assistance under this section shall not use such financial assistance for purposes of meeting payroll obligations to employees.

6. *a.* The small business development centers shall track the number of referrals for assistance made to the authority for assistance under this section and shall include that number in the small business development center's annual report to the general assembly.

*b.* The authority in conjunction with an organization designated pursuant to subsection 2, paragraph "*b*", shall by January 15 of each year submit a report on the program administered pursuant to this section to the general assembly. The report shall include information on the number of businesses that receive loans under the program and any other information the authority deems relevant to assessing the success of the program.

7. The authority shall adopt rules pursuant to chapter 17A as necessary to administer the program. The authority may adopt emergency rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "*b*", as necessary for the administration of this section.

2010 Acts, ch 1184, §42, 44; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1021, §13 – 15

Referred to in §15.300

Duties of former department of economic development were assumed by economic development authority beginning July 1, 2011, pursuant to 2011 Acts, ch 118

**15.302 through 15.310** Reserved.

PART 11

**15.311 Title.**

This part shall be known as the *"Iowa Strategic Investment Fund"* program.

92 Acts, ch 1244, §16

**15.312 Purpose.**

The purpose of this part shall be to provide a mechanism for the funding of programs which meet the descriptions provided in section 15.313, subsection 2.

92 Acts, ch 1244, §17; 2002 Acts, ch 1041, §1

**15.313 Strategic investment fund.**

1. *a.* An Iowa strategic investment fund is created as a revolving fund consisting of any money appropriated by the general assembly for that purpose and any other moneys available to and obtained or accepted by the authority from the federal government or private sources for placement in the fund.

*b.* Notwithstanding section 8.33, moneys in the strategic investment fund at the end of each fiscal year shall not revert to any other fund but shall remain in the strategic investment fund for expenditure for subsequent fiscal years.

2. The assets of the fund shall be used by the authority to assist in relocation or expansion projects for existing businesses as well as entrepreneurial start-up and expansion projects. Moneys in the fund shall be used for projects designed to meet any of the following purposes:

*a.* To assist communities in the state by providing financial assistance for small

business gap financing, new business opportunities, and new product and entrepreneurial development.

*b.* To provide financial and technical assistance to early-stage industry companies and entrepreneurs.

*c.* To provide comprehensive management assistance for applicants or recipients of assistance from the fund.

*d.* To access federal funds available under any federal microloan demonstration program.

*e.* To provide technical and financial assistance to help persons with disabilities become self-sufficient by establishing or expanding business ventures.

*f.* To assist businesses in retooling or upgrading production equipment to meet contemporary technology standards.

3. At the beginning of each fiscal year, the board shall establish goals for the strategic investment fund relating to the intended strategic focus for the fiscal year. The director shall report on a monthly basis to the board on the status of the fund. Unobligated and unencumbered moneys remaining in the strategic investment fund or any of its accounts on June 30 of each year shall be considered part of the fund for purposes of the next year's allocation.

92 Acts, ch 1244, §18; 94 Acts, ch 1119, §2, 3; 96 Acts, ch 1219, §95; 99 Acts, ch 197, §21; 2000 Acts, ch 1230, §14; 2002 Acts, ch 1041, §2; 2003 Acts, ch 71, §4; 2004 Acts, ch 1101, §12; 2008 Acts, ch 1032, §122; 2009 Acts, ch 123, §24; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 13, §7

Referred to in §15.312, 15E.120

Subsection 2, paragraph c stricken and former paragraphs d – g redesignated as c – f

**15.314** Reserved.

PART 12

**15.315 through 15.320** Repealed by 2009 Acts, ch 123, § 8.

**15.321 through 15.324** Reserved.

**15.325 Negotiations — state and local officials — restrictions.** Repealed by 2009 Acts, ch 123, § 8.

PART 13

Referred to in §2.48

**15.326 Short title.**

This part shall be known and may be cited as the *"High Quality Jobs Program"*.

94 Acts, ch 1008, §4; 2005 Acts, ch 150, §42, 68, 69; 2009 Acts, ch 123, §10

Referred to in §15.119

**15.327 Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Authority"* means the economic development authority created in section 15.105.

2. *"Base employment level"* means the number of full-time equivalent positions at a business, as established by the authority and a business using the business's payroll records, as of the date a business applies for incentives or project completion assistance under the program.

3. *"Benefit"* means nonwage compensation provided to an employee. Benefits typically include medical and dental insurance plans, pension, retirement, and profit-sharing plans, child care services, life insurance coverage, vision insurance coverage, disability insurance coverage, and any other nonwage compensation as determined by the board.

4. *"Business engaged in disaster recovery"* means a business located in an area declared

a disaster area by a federal official, that has sustained substantial physical damage, that has closed as the result of a natural disaster, and that has a plan for reopening that includes employing a substantial number of the employees the business employed before the natural disaster occurred.

5. *"Community"* means a city, county, or entity established pursuant to chapter 28E.

6. *"Contractor or subcontractor"* means a person who contracts with the eligible business or subcontracts with a contractor for the provision of property, materials, or services for the construction or equipping of a facility of the eligible business.

7. *"Created job"* means a new, permanent, full-time equivalent position added to a business's payroll in excess of the business's base employment level.

8. *"Eligible business"* means a business meeting the conditions of section 15.329.

9. *"Financial assistance"* means assistance provided only from the funds, rights, and assets legally available to the authority pursuant to this chapter and includes but is not limited to assistance in the form of grants, loans, forgivable loans, and royalty payments.

10. *"Fiscal impact ratio"* means a ratio calculated by estimating the amount of taxes to be received from a business by the state and dividing the estimate by the estimated cost to the state of providing certain project completion assistance and tax incentives to the business, reflecting a ten-year period and expressed in terms of current dollars. For purposes of the program, *"fiscal impact ratio"* does not include taxes received by political subdivisions.

11. *"Full-time equivalent position"* means a non-part-time position for the number of hours or days per week considered to be full-time work for the kind of service or work performed for an employer. Typically, a full-time equivalent position requires two thousand eighty hours of work in a calendar year, including all paid holidays, vacations, sick time, and other paid leave.

12. *"Fund"* means a fund created pursuant to section 15.335B.

13. *"Laborshed wage"* means the wage level represented by those wages within two standard deviations from the mean wage within the laborshed area in which the eligible business is located, as calculated by the authority, by rule, using the most current covered wage and employment data available from the department of workforce development for the laborshed area.

14. *"Maintenance period"* means the period of time between the project completion date and the maintenance period completion date.

15. *"Maintenance period completion date"* means the date on which the maintenance period ends.

16. *"Program"* means the high quality jobs program.

17. *"Program support"* means the services necessary for the efficient administration of this part, including the delivery of program services to eligible businesses. *"Program support"* may include the administrative costs of providing project assistance, conducting a statewide laborshed study in coordination with the department of workforce development, outreach to business and marketing of programs, the procurement of technical assistance, and the implementation of information technology.

18. *"Project completion assistance"* means financial assistance or technical assistance provided to an eligible business in order to facilitate the start-up, location, or expansion of the business in this state and provided in an expedient manner to ensure the successful completion of the start-up, location, or expansion project.

19. *"Project completion date"* means the date by which a recipient of project completion assistance has agreed to meet all the terms and obligations contained in an agreement with the authority.

20. *"Project completion period"* means the period of time between the date financial assistance is awarded and the project completion date.

21. *"Qualifying investment"* means a capital investment in real property including the purchase price of land and existing buildings and structures, site preparation, improvements to the real property, building construction, and long-term lease costs. *"Qualifying investment"* also means a capital investment in depreciable assets.

22. *"Qualifying wage threshold"* means the laborshed wage for an eligible business.

23. *"Retained job"* means a full-time equivalent position, in existence at the time an

employer applies for financial assistance which remains continuously filled and which is at risk of elimination if the project for which the employer is seeking assistance does not proceed.

94 Acts, ch 1008, §5; 96 Acts, ch 1185, §1; 96 Acts, ch 1199, §1; 98 Acts, ch 1175, §5; 2003 Acts, ch 145, §286; 2005 Acts, ch 150, §43, 68, 69; 2009 Acts, ch 123, §11; 2011 Acts, ch 118, §55, 56, 89; 2012 Acts, ch 1126, §1, 2

Referred to in §15.119, 15A.7, 15E.193

**15.328** Reserved.

**15.329 Eligible business.**

1. To be eligible to receive incentives or assistance under this part, a business shall meet all of the following requirements:

*a.* If the qualifying investment is ten million dollars or more, the community has approved by ordinance or resolution the start-up, location, or expansion of the business for the purpose of receiving the benefits of this part.

*b.* (1) The business shall not be solely relocating operations from one area of the state while seeking state or local incentives. A project that does not create new jobs or involve a substantial amount of new capital investment shall be presumed to be a relocation. In determining whether a business is solely relocating operations for purposes of this subparagraph, the authority shall consider a letter of support for the move from the affected local community.

(2) The business shall not be in the process of reducing operations in one community while simultaneously applying for assistance under the program. For purposes of this subparagraph, a reduction in operations within twelve months before or after an application for assistance is submitted to the authority shall be presumed to be a reduction in operations while simultaneously applying for assistance under the program.

(3) This paragraph shall not be construed to prohibit a business from expanding its operation in a community if existing operations of a similar nature in this state are not closed or substantially reduced.

*c.* The business shall create or retain jobs as part of a project, and the jobs created or retained shall meet one of the following qualifying wage thresholds:

(1) If the business is creating jobs, the business shall demonstrate that the jobs will pay at least one hundred percent of the qualifying wage threshold at the start of the project completion period, at least one hundred twenty percent of the qualifying wage threshold by the project completion date, and at least one hundred twenty percent of the qualifying wage threshold until the maintenance period completion date.

(2) If the business is retaining jobs, the business shall demonstrate that the jobs retained will pay at least one hundred twenty percent of the qualifying wage threshold throughout both the project completion period and the maintenance period.

*d.* The business shall provide a sufficient package of benefits to each employee holding a created or retained job. The board, at the recommendation of the authority, shall adopt rules determining what constitutes a sufficient package of benefits.

*e.* The business shall demonstrate that the jobs created or retained will have a sufficient impact on state and local government revenues as determined by the authority after calculating the fiscal impact ratio of the project.

*f.* The business shall not be a retail business or a business where entrance is limited by a cover charge or membership requirement.

*g.* Notwithstanding the qualifying wage threshold requirements in paragraph "*c*", if a business is also the recipient of financial assistance under another program administered by the authority, and the other program requires the payment of higher wages than the wages required under this subsection, the business shall be required to pay the higher wages.

2. *a.* If the authority finds that a business has a record of violations of the law, including but not limited to antitrust, environmental, and worker safety statutes, rules, and regulations, that over a period of time tends to show a consistent pattern or that establishes intentional,

criminal, or reckless conduct in violation of such laws, the business shall not qualify for economic development assistance under this part, except as provided in paragraph *"b"*.

*b.* If the authority finds that the violations described in paragraph *"a"* did not seriously affect public health, public safety, or the environment, or if the authority finds that there were mitigating circumstances involved, the business may qualify for economic development assistance under this part, notwithstanding paragraph *"a"*.

*c.* In making the findings and determinations regarding violations, mitigating circumstances, and whether the business is disqualified for economic development assistance under this part, the authority shall be exempt from chapter 17A.

3. The authority shall also consider a variety of factors including but not limited to the following in determining the eligibility of a business to participate in the program:

*a.* The quality of the jobs to be created or retained. In rating the quality of the jobs, the authority shall place greater emphasis on those jobs that have a higher wage scale, have a lower turnover rate, are full-time or career-type positions, provide comprehensive health benefits, or have other related factors which could be considered to be higher in quality, than to other jobs. Businesses that have wage scales substantially below that of existing Iowa businesses in that area should be rated as providing the lowest quality of jobs and should therefore be given the lowest ranking for providing such assistance.

*b.* The impact of the proposed project on other businesses in competition with the business being considered for assistance. The authority shall make a good-faith effort to identify existing Iowa businesses within an industry in competition with the business being considered for assistance. The authority shall make a good-faith effort to determine the probability that the proposed financial assistance will displace employees of the existing businesses. In determining the impact on businesses in competition with the business being considered for assistance, jobs created or retained as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created or retained.

*c.* The economic impact to this state of the proposed project. In measuring the economic impact, the authority shall place greater emphasis on projects which can demonstrate the existence of one or more of the following conditions:

(1) A business with a greater percentage of sales out-of-state or of import substitution.
(2) A business with a higher proportion of in-state suppliers.
(3) A project which would provide greater diversification of the state economy.
(4) A business with fewer in-state competitors.
(5) A potential for future job growth.
(6) A project which is not a retail operation.

4. The authority may waive any of the requirements of this section for good cause shown.

94 Acts, ch 1008, §6; 99 Acts, ch 192, §33; 2005 Acts, ch 150, §44, 68, 69; 2008 Acts, ch 1032, §201; 2009 Acts, ch 82, §14; 2009 Acts, ch 123, §12; 2009 Acts, ch 184, §32; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1110, §4; 2012 Acts, ch 1126, §3 – 6; 2013 Acts, ch 34, §2

Referred to in §15.119, 15.327, 15.330, 15.335B, 15.335C
For aggregate limitations on amount of tax credits, see §15.119
Subsection 2 amended

**15.330 Agreement.**

A business shall enter into an agreement with the authority specifying the requirements that must be met to confirm eligibility pursuant to this part and the requirements that must be maintained throughout the period of the agreement in order to retain the incentives or financial assistance received. The authority shall consult with the community during negotiations relating to the agreement. The agreement shall contain, at a minimum, the following provisions:

1. A business that is approved to receive incentives or assistance under this part shall, for the length of the agreement, certify annually to the authority the compliance of the business with the requirements of the agreement. If the business receives a local property tax exemption, the business shall also certify annually to the community the compliance of the business with the requirements of the agreement.

2. The repayment of incentives or financial assistance by the business if the business does not meet any of the requirements of this part or the resulting agreement. The repayment of

incentives pursuant to this subsection shall be considered a tax payment due and payable to the department of revenue by any taxpayer who has claimed such incentives, and the failure to make such a repayment may be treated by the department of revenue in the same manner as a failure to pay the tax shown due or required to be shown due with the filing of a return or deposit form. In addition, the county shall have the authority to take action to recover the value of property taxes not collected as a result of the exemption provided to the business under this part.

3. If a business that is approved to receive incentives or assistance under this part experiences a layoff within the state or closes any of its facilities within the state, the authority shall have the discretion to reduce or eliminate some or all of the incentives or assistance. If a business has received incentives or assistance under this part and experiences a layoff within the state or closes any of its facilities within the state, the business may be subject to repayment of all or a portion of the incentives or financial assistance that it has received.

4. A project completion date, a maintenance period completion date, the number of jobs to be created or retained, or certain other terms and obligations as the authority deems necessary in order to make the requirements in project agreements uniform. The authority, with the approval of the board, may adopt rules as necessary for making such requirements uniform. Such rules shall be in compliance with the provisions of this part.

5. The amount and type of project completion assistance to be provided under section 15.335B.

6. The amount of matching funds to be received by a business from a city or county. The authority shall adopt by rule a formula for determining the amount of matching funds required under the program.

7. The business shall not be relocating or reducing operations as described in section 15.329, subsection 1, paragraph *"b"*.

8. The proposed project shall not negatively impact other businesses in competition with the business being considered for assistance. The authority shall make a good-faith effort to identify existing Iowa businesses within an industry in competition with the business being considered for incentives or assistance. The authority shall make a good-faith effort to determine the probability that the proposed incentives or assistance will displace employees of the existing businesses. In determining the impact on businesses in competition with the business being considered for incentives or assistance, jobs created or retained as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created or retained.

9. A report submitted to the authority by a business together with its application describing all violations of environmental law or worker safety law within the last five years. If, upon review of the application, the authority finds that the business has a record of violations of the law, statutes, rules, or regulations that tends to show a consistent pattern, the authority shall not provide incentives or assistance to the business unless the authority finds either that the violations did not seriously affect public health, public safety, or the environment, or, if such violations did seriously affect public health, public safety, or the environment, that mitigating circumstances were present.

10. That the business shall only employ individuals legally authorized to work in this state. In addition to any and all other applicable penalties provided by current law, all or a portion of the incentives or assistance received under this part by a business that is found to knowingly employ individuals not legally authorized to work in this state is subject to recapture by the authority or by the department of revenue.

11. Any terms deemed necessary by the authority to effect compliance with the eligibility requirements of section 15.329.

12. *a.* The imposition of a one-time compliance cost fee of five hundred dollars to be collected by the authority prior to the issuance of a tax incentive certificate or the disbursement of financial assistance.

*b.* The imposition of a compliance cost fee equal to one-half of one percent of the value of tax incentives claimed pursuant to an agreement that has an aggregate tax incentive value of

one hundred thousand dollars or greater. The authority shall collect the fee from the business after the tax incentive is claimed by the business from the department of revenue.

94 Acts, ch 1008, §7; 2004 Acts, ch 1003, §1, 12; 2005 Acts, ch 150, §45, 68, 69; 2009 Acts, ch 123, §13; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1126, §7; 2013 Acts, ch 34, §3, 4; 2013 Acts, ch 90, §6; 2013 Acts, ch 126, §2, 4, 5

Referred to in §15.106B, 15.119, 15.330A, 15.335B, 15E.198
For aggregate limitations on amount of tax credits, see §15.119
Subsection 12 takes effect June 17, 2013, and applies to agreements entered into on or after that date; 2013 Acts, ch 126, §4, 5
Unnumbered paragraph 1 amended
Subsections 2 and 9 amended
NEW subsection 12

**15.330A Maintenance of agreements.**

1. An eligible business receiving incentives or assistance under this part shall meet all terms and obligations in an agreement by the project completion date, but the board may for good cause extend the project completion date or otherwise amend an agreement.

2. During the maintenance period an eligible business receiving incentives or assistance under this part shall continue to comply with the terms and obligations of an agreement entered into pursuant to section 15.330.

3. The authority may enforce the terms of an agreement as necessary and appropriate.

2012 Acts, ch 1126, §8

Referred to in §15.119, 15.335B

**15.331 New jobs credit from withholding.** Repealed by 2005 Acts, ch 150, § 67 – 69. See § 15E.197.

**15.331A Sales and use tax refund.**

1. The eligible business shall be entitled to a refund of the sales and use taxes paid under chapter 423 for gas, electricity, water, or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility of the eligible business. Taxes attributable to intangible property and furniture and furnishings shall not be refunded. However, an eligible business shall be entitled to a refund for taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center subject to section 15.331C.

2. To receive the refund, a claim shall be filed by the eligible business with the department of revenue as follows:

*a.* The contractor or subcontractor shall state under oath, on forms provided by the department of revenue, the amount of the sales of goods, wares, or merchandise or services rendered, furnished, or performed including water, sewer, gas, and electric utility services upon which sales or use tax has been paid prior to the project completion, and shall file the forms with the eligible business before final settlement is made.

*b.* The eligible business shall, not more than one year after project completion, make application to the department of revenue for any refund of the amount of the sales and use taxes paid pursuant to chapter 423 upon any goods, wares, or merchandise, or services rendered, furnished, or performed, including water, sewer, gas, and electric utility services. The application shall be made in the manner and upon forms to be provided by the department of revenue, and the department of revenue shall audit the claim and, if approved, issue a warrant to the eligible business in the amount of the sales or use tax which has been paid to the state of Iowa under a contract. A claim filed by the eligible business in accordance with this section shall not be denied by reason of a limitation provision set forth in chapter 421 or 423.

*c.* The eligible business shall inform the department of revenue in writing within two weeks of project completion. For purposes of this section, "*project completion*" means the first date upon which the average annualized production of finished product for the preceding ninety-day period at the manufacturing facility operated by the eligible business is at least fifty percent of the initial design capacity of the facility.

3. A contractor or subcontractor who willfully makes a false report of tax paid under the

provisions of this section is guilty of a simple misdemeanor and in addition is liable for the payment of the tax and any applicable penalty and interest.

96 Acts, ch 1199, §2; 2001 Acts, ch 116, §1; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §152, 205; 2004 Acts, ch 1003, §2, 12; 2005 Acts, ch 150, §46, 68, 69; 2008 Acts, ch 1031, §79; 2008 Acts, ch 1032, §123; 2009 Acts, ch 123, §14; 2012 Acts, ch 1021, §16

Referred to in §8G.3, 15.119, 15.331C, 15.335A, 15E.193B, 15E.196

For aggregate limitations on amount of tax credits, see §15.119

**15.331B Exemption from land ownership restrictions for nonresident aliens.** Repealed by 2005 Acts, ch 150, § 67 – 69.

**15.331C Corporate tax credit for certain sales taxes paid by third-party developer.**

1. An eligible business may claim a corporate tax credit in an amount equal to the sales and use taxes paid by a third-party developer under chapter 423 for gas, electricity, water, or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility of the eligible business. Taxes attributable to intangible property and furniture and furnishings shall not be included, but taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center shall be included. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs earlier. An eligible business may elect to receive a refund of all or a portion of an unused tax credit.

2. A third-party developer shall state under oath, on forms provided by the department of revenue, the amount of taxes paid as described in subsection 1 and shall submit such forms to the department of revenue. The taxes paid shall be itemized to allow identification of the taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center. After receiving the form from the third-party developer, the department of revenue shall issue a tax credit certificate to the eligible business equal to the sales and use taxes paid by a third-party developer under chapter 423 for gas, electricity, water, or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility. The department of revenue shall also issue a tax credit certificate to the eligible business equal to the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center. The aggregate combined total amount of tax refunds under section 15.331A for taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center and of tax credit certificates issued by the department of revenue for the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center shall not exceed five hundred thousand dollars in a fiscal year. If an applicant for a tax credit certificate does not receive a certificate for the taxes paid and attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center, the application shall be considered in succeeding fiscal years. The eligible business shall not claim a tax credit under this section unless a tax credit certificate issued by the department of revenue is attached to the taxpayer's tax return for the tax year for which the tax credit is claimed. A tax credit certificate shall contain the eligible business's name, address, tax identification number, the amount of the tax credit, and other information deemed necessary by the department of revenue.

2004 Acts, ch 1003, §3, 12; 2005 Acts, ch 19, §14; 2005 Acts, ch 150, §47, 68, 69; 2009 Acts, ch 82, §4

Referred to in §15.119, 15.331A, 15.335A, 422.33, 422.60, 432.12H, 533.329

For aggregate limitations on amount of tax credits, see §15.119

**15.332 Value-added property tax exemption.**

1. The community may exempt from taxation all or a portion of the actual value added by improvements to real property directly related to new jobs created by the location or expansion of an eligible business under the program and used in the operations of the eligible

business. The exemption may be allowed for a period not to exceed twenty years beginning the year the improvements are first assessed for taxation.

2. For purposes of this section, *"improvements"* includes new construction and rehabilitation of and additions to existing structures. The exemption shall apply to all taxing districts in which the real property is located.

94 Acts, ch 1008, §9; 94 Acts, ch 1165, §43
Referred to in §15.119, 15.335A, 427B.17

**15.333 Investment tax credit.**

1. An eligible business may claim a tax credit equal to a percentage of the new investment directly related to new jobs created or retained by the location or expansion of an eligible business under the program. The tax credit shall be amortized equally over five calendar years. The tax credit shall be allowed against taxes imposed under chapter 422, division II, III, or V, and against the moneys and credits tax imposed in section 533.329. If the business is a partnership, S corporation, limited liability company, cooperative organized under chapter 501 and filing as a partnership for federal tax purposes, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S corporation, limited liability company, cooperative organized under chapter 501 and filing as a partnership for federal tax purposes, or estate or trust. The percentage shall be determined as provided in section 15.335A. Any tax credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first.

2. For purposes of this subsection, *"new investment directly related to new jobs created by the location or expansion of an eligible business under the program"* means the cost of machinery and equipment, as defined in section 427A.1, subsection 1, paragraphs *"e"* and *"j"*, purchased for use in the operation of the eligible business, the purchase price of which has been depreciated in accordance with generally accepted accounting principles, the purchase price of real property and any buildings and structures located on the real property, and the cost of improvements made to real property which is used in the operation of the eligible business. *"New investment directly related to new jobs created by the location or expansion of an eligible business under the program"* also means the annual base rent paid to a third-party developer by an eligible business for a period not to exceed ten years, provided the cumulative cost of the base rent payments for that period does not exceed the cost of the land and the third-party developer's costs to build or renovate the building for the eligible business. The eligible business shall enter into a lease agreement with the third-party developer for a minimum of five years. If, however, within five years of purchase, the eligible business sells, disposes of, razes, or otherwise renders unusable all or a part of the land, buildings, or other existing structures for which tax credit was claimed under this section, the tax liability of the eligible business for the year in which all or part of the property is sold, disposed of, razed, or otherwise rendered unusable shall be increased by one of the following amounts:

*a.* One hundred percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within one full year after being placed in service.

*b.* Eighty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within two full years after being placed in service.

*c.* Sixty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within three full years after being placed in service.

*d.* Forty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within four full years after being placed in service.

*e.* Twenty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within five full years after being placed in service.

94 Acts, ch 1008, §10; 99 Acts, ch 172, §1; 2000 Acts, ch 1213, §1, 10; 2001 Acts, ch 123, §1; 2001 Acts, ch 141, §1, 8; 2002 Acts, ch 1119, §5; 2002 Acts, 2nd Ex, ch 1001, §47, 49, 52; 2003 Acts, ch 125, §8; 2003 Acts, ch 145, §286; 2003 Acts, ch 150, §1 – 3; 2004 Acts, ch 1003, §4, 12;

2005 Acts, ch 135, §103; 2005 Acts, ch 150, §48, 68, 69; 2007 Acts, ch 174, §82; 2009 Acts, ch 123, §15; 2010 Acts, ch 1138, §27, 28; 2011 Acts, ch 34, §6; 2011 Acts, ch 118, §85, 89
Referred to in §15.119, 15.335A, 15E.196, 422.11F, 422.33, 422.60, 533.329
For aggregate limitations on amount of tax credits, see §15.119

**15.333A Insurance premium tax credits.**

1. An eligible business may claim an insurance premium tax credit equal to a percentage of the new investment directly related to new jobs created by the location or expansion of an eligible business under the program. The tax credit shall be amortized equally over a five-year period. The tax credit shall be allowed against taxes imposed in chapter 432. A tax credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first. The percentage shall be determined as provided in section 15.335A.

2. For purposes of this section, *"new investment directly related to new jobs created by the location or expansion of an eligible business under the program"* means the cost of machinery and equipment, as defined in section 427A.1, subsection 1, paragraphs *"e"* and *"j"*, purchased for use in the operation of the eligible business, the purchase price of which has been depreciated in accordance with generally accepted accounting principles, the purchase price of real property and any buildings and structures located on the real property, and the cost of improvements made to real property which is used in the operation of the eligible business. *"New investment directly related to new jobs created by the location or expansion of an eligible business under the program"* also means the annual base rent paid to a third-party developer by an eligible business for a period not to exceed ten years, provided the cumulative cost of the base rent payments for that period does not exceed the cost of the land and the third-party developer's costs to build or renovate the building for the eligible business. The eligible business shall enter into a lease agreement with the third-party developer for a minimum of five years. If, however, within five years of purchase, the eligible business sells, disposes of, razes, or otherwise renders unusable all or a part of the land, buildings, or other existing structures for which tax credit was claimed under this section, the tax liability of the eligible business for the year in which all or part of the property is sold, disposed of, razed, or otherwise rendered unusable shall be increased by one of the following amounts:

*a.* One hundred percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within one full year after being placed in service.

*b.* Eighty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within two full years after being placed in service.

*c.* Sixty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within three full years after being placed in service.

*d.* Forty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within four full years after being placed in service.

*e.* Twenty percent of the tax credit claimed under this section if the property ceases to be eligible for the tax credit within five full years after being placed in service.

98 Acts, ch 1084, §1; 2000 Acts, ch 1213, §2, 10; 2004 Acts, ch 1003, §5, 12; 2005 Acts, ch 150, §49, 68, 69
Referred to in §15.119, 15.335A, 15E.196, 432.12C
For aggregate limitations on amount of tax credits, see §15.119

**15.334 Exemption from taxation for machinery, equipment, and computers.** Repealed by 2005 Acts, ch 150, § 67 – 69.

**15.334A Sales and use tax exemption.** Repealed by 2005 Acts, ch 150, § 67 – 69.

**15.335 Research activities credit.**

1. *a.* An eligible business may claim a corporate tax credit for increasing research activities in this state during the period the eligible business is participating in the program.

*b.* For purposes of this section, *"research activities"* includes the development and deployment of innovative renewable energy generation components manufactured or

assembled in this state. For purposes of this section, *"innovative renewable energy generation components"* does not include a component with more than two hundred megawatts of installed effective nameplate capacity.

*c.* The tax credits for innovative renewable energy generation components shall not exceed two million dollars.

2. *a.* In the case of an eligible business whose gross revenues do not exceed twenty million dollars per year, the credit equals the sum of the following:

(1) Ten percent of the excess of qualified research expenses during the tax year over the base amount for the tax year based upon the state's apportioned share of the qualifying expenditures for increasing research activities.

(2) Ten percent of the basic research payments determined under section 41(e)(1)(A) of the Internal Revenue Code during the tax year based upon the state's apportioned share of the qualifying expenditures for increasing research activities.

*b.* In the case of an eligible business whose gross revenues exceed twenty million dollars per year, the credit equals the sum of the following:

(1) Three percent of the excess of qualified research expenses during the tax year over the base amount for the tax year based upon the state's apportioned share of the qualifying expenditures for increasing research activities.

(2) Three percent of the basic research payments determined under section 41(e)(1)(A) of the Internal Revenue Code during the tax year based upon the state's apportioned share of the qualifying expenditures for increasing research activities.

3. For purposes of subsection 2, the state's apportioned share of the qualifying expenditures for increasing research activities is a percent equal to the ratio of qualified research expenditures in this state to total qualified research expenditures.

4. *a.* In lieu of the credit amount computed in subsection 2, an eligible business may elect to compute the credit amount for qualified research expenses incurred in this state in a manner consistent with the alternative simplified credit described in section 41(c)(5) of the Internal Revenue Code. The taxpayer may make this election regardless of the method used for the taxpayer's federal income tax. The election made under this paragraph is for the tax year and the taxpayer may use another or the same method for any subsequent year.

*b.* For purposes of the alternate credit computation method in paragraph *"a"*, the credit percentages applicable to qualified research expenses described in section 41(c)(5)(A) and clause (ii) of section 41(c)(5)(B) of the Internal Revenue Code are as follows:

(1) In the case of an eligible business whose gross revenues do not exceed twenty million dollars per year, the credit percentages are seven percent and three percent, respectively.

(2) In the case of an eligible business whose gross revenues exceed twenty million dollars per year, the credit percentages are two and one-tenth percent and nine-tenths percent, respectively.

5. The credit allowed in this section is in addition to the credit authorized in section 422.10 and section 422.33, subsection 5. However, if the alternative credit computation method is used in section 422.10 or section 422.33, subsection 5, the credit allowed in this section shall also be computed using that method.

6. If the eligible business is a partnership, S corporation, limited liability company, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S corporation, limited liability company, or estate or trust.

7. *a.* For purposes of this section, *"base amount"*, *"basic research payment"*, and *"qualified research expense"* mean the same as defined for the federal credit for increasing research activities under section 41 of the Internal Revenue Code, except that for the alternative simplified credit such amounts are for research conducted within this state.

*b.* For purposes of this section, *"Internal Revenue Code"* means the Internal Revenue Code in effect on January 1, 2013, and as amended by the American Taxpayer Relief Act of 2012, Pub. L. No. 112-240.

8. Any credit in excess of the tax liability for the taxable year shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to

have the overpayment shown on its final, completed return credited to the tax liability for the following year.

9. The department of revenue shall by February 15 of each year issue an annual report to the general assembly containing the total amount of all claims made by employers under this section, and the portion of the claims issued as refunds, for all claims processed during the previous calendar year. The report shall contain the name of each claimant for whom a tax credit in excess of five hundred thousand dollars was issued and the amount of the credit received.

94 Acts, ch 1008, §12; 94 Acts, ch 1165, §44; 96 Acts, ch 1199, §4; 97 Acts, ch 135, §1, 9; 98 Acts, ch 1078, §1, 10, 14; 99 Acts, ch 95, §1, 12, 13; 2000 Acts, ch 1146, §1, 9, 11; 2000 Acts, ch 1194, §1, 21; 2001 Acts, ch 127, §1, 9, 10; 2002 Acts, ch 1069, §1, 10, 14; 2003 Acts, ch 139, §1, 11, 12; 2004 Acts, ch 1073, §1; 2005 Acts, ch 24, §1, 10, 11; 2005 Acts, ch 150, §70; 2006 Acts, ch 1140, §1, 10, 11; 2007 Acts, ch 12, §1, 7, 8; 2008 Acts, ch 1011, §1, 9; 2008 Acts, ch 1032, §201; 2009 Acts, ch 171, §1; 2009 Acts, ch 179, §102, 153, 232; 2010 Acts, ch 1138, §7, 8; 2011 Acts, ch 41, §8, 9, 14 – 16; 2012 Acts, ch 1007, §1, 7, 8; 2013 Acts, ch 1, §1, 7, 8

Referred to in §2.48, 15.119, 15.335A, 15E.196, 422.10, 422.33

Internal Revenue Code definition is updated regularly; for applicable definition in a prior tax year, refer to Iowa Acts and Code for that year

For aggregate limitations on amount of tax credits, see §15.119

2010 amendment applies to tax credits awarded on or after July 1, 2010; 2010 Acts, ch 1138, §8

2011 amendment to subsection 4 takes effect April 12, 2011, and applies retroactively to July 1, 2010, for tax credits awarded on or after that date; 2011 Acts, ch 41, §14, 15

2013 amendment to subsection 7, paragraph b, takes effect February 14, 2013, and applies retroactively to January 1, 2012, for tax years beginning on or after that date; 2013 Acts, ch 1, §7, 8

Subsection 7, paragraph b amended

**15.335A Tax incentives.**

1. Tax incentives are available to eligible businesses as provided in this section. The incentives are based upon the number of jobs created or retained that pay at least one hundred twenty percent of the qualifying wage threshold and the amount of the qualifying investment made according to the following schedule:

*a.* The number of jobs is zero and economic activity is furthered by the qualifying investment and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to one percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to one percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to one percent, the sales tax refund, and the additional research and development tax credit.

*b.* The number of jobs is one but not more than five and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to two percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to two percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to two percent, the sales tax refund, and the additional research and development tax credit.

*c.* The number of jobs is six but not more than ten and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to three percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to three percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment

tax credit of up to three percent, the sales tax refund, and the additional research and development tax credit.

*d.* The number of jobs is eleven but not more than fifteen and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to four percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to four percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to four percent, the sales tax refund, and the additional research and development tax credit.

*e.* The number of jobs is sixteen or more and the amount of the qualifying investment is one of the following:

(1) Less than one hundred thousand dollars, then the tax incentive is the investment tax credit of up to five percent.

(2) At least one hundred thousand dollars but less than five hundred thousand dollars, then the tax incentives are the investment tax credit of up to five percent and the sales tax refund.

(3) At least five hundred thousand dollars, then the tax incentives are the investment tax credit of up to five percent, the sales tax refund, and the additional research and development tax credit.

*f.* The number of jobs is thirty-one but not more than forty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to six percent, the sales tax refund, and the additional research and development tax credit.

*g.* The number of jobs is forty-one but not more than sixty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to seven percent, the sales tax refund, and the additional research and development tax credit.

*h.* The number of jobs is sixty-one but not more than eighty and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to eight percent, the sales tax refund, and the additional research and development tax credit.

*i.* The number of jobs is eighty-one but not more than one hundred and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to nine percent, the sales tax refund, and the additional research and development tax credit.

*j.* The number of jobs is at least one hundred one and the amount of the qualifying investment is at least ten million dollars, then the tax incentives are the local property tax exemption, the investment tax credit of up to ten percent, the sales tax refund, and the additional research and development tax credit.

2. For purposes of this section:

*a.* *"Additional research and development tax credit"* means the research activities credit as provided under section 15.335.

*b.* *"Investment tax credit"* means the investment tax credit or the insurance premium tax credit as provided under section 15.333 or 15.333A, respectively.

*c.* *"Local property tax exemption"* means the property tax exemption as provided under section 15.332.

*d.* *"Sales tax refund"* means the sales and use tax refund as provided under section 15.331A or the corporate tax credit for certain sales taxes paid by third-party developers as provided under section 15.331C.

3. The authority shall negotiate the amount of tax incentives provided to an applicant under the program in accordance with this section.

2005 Acts, ch 150, §50, 69; 2008 Acts, ch 1191, §160; 2009 Acts, ch 123, §16; 2010 Acts, ch 1009, §1, 4; 2011 Acts, ch 118, §84, 85, 89; 2012 Acts, ch 1126, §9 – 12

Referred to in §15.119, 15.333, 15.333A, 15.335B

For aggregate limitations on amount of tax credits, see §15.119

**15.335B Assistance for certain programs and projects.**

1. *a.* Under the authority provided in section 15.106A, there shall be established one or more funds within the state treasury, under the control of the authority, to be used for purposes of this section.

*b.* A fund established for purposes of this section shall consist of any moneys appropriated to the authority for purposes of this section, or moneys otherwise accruing to the authority and deposited in the fund for purposes of this section.

*c.* Interest or earnings on moneys in a fund used for the purposes of this section, and all repayments or recaptures of the assistance provided under this section, shall accrue to the authority and shall be used for purposes of this section, notwithstanding section 12C.7. Moneys in a fund are not subject to section 8.33.

2. *a.* The moneys in a fund established for purposes of this section, as described in subsection 1, shall be allocated by the authority in appropriate amounts to be used for the following purposes:

(1) For providing project completion assistance to eligible businesses under this part and for program support of such assistance.

(2) For providing economic development region financial assistance under section 15E.232, subsections 1, 3, 4, 5, and 6.

(3) For providing financial assistance for business accelerators pursuant to section 15E.351.

(4) For deposit in the innovation and commercialization fund created pursuant to section 15.412.

(5) For providing financial assistance to businesses engaged in disaster recovery.

(6) For deposit in the entrepreneur investment awards program fund pursuant to section 15E.363.

*b.* Each fiscal year, the authority shall estimate the amount of revenues available for purposes of this section and shall develop a budget appropriate for the expenditure of the revenues available.

3. In providing assistance under this section, the authority shall make a determination as to the amount and type of assistance that is most appropriate for facilitating the successful completion of an eligible business's project. Before making such a determination, the authority shall do all of the following:

*a.* Consider a business's eligibility for the tax incentives available under section 15.335A and ensure that the amount of assistance to be provided appropriately complements the amount and type of tax incentives to be provided.

*b.* Consider the amount of private sector investment to be leveraged by the project, including the eligible business's equity investment, debt financing, and any venture capital or foreign investment available, and make a good-faith effort to provide only the amount of incentives and assistance necessary to facilitate the project's successful completion.

*c.* Consider the amount and type of the local community match. The authority may provide assistance to an early-stage business in a high-growth industry regardless of the amount of local match involved.

*d.* Calculate the fiscal impact ratio of the project and use it to guide the provision of incentives and assistance under this part.

*e.* Evaluate the quality of the project based on the factors described in section 15.329, subsection 3, and any other relevant factors.

*f.* Ensure that the combined amount of incentives and assistance are appropriate to the size of the project, to the value of the project, to the fiscal impact ratio of the project, and to any other relevant factors.

4. Each eligible business receiving assistance under this section shall enter into an agreement with the authority and the agreement shall meet the requirements of sections 15.330 and 15.330A.

2012 Acts, ch 1126, §13
Referred to in §15.119, 15.327, 15.330, 15E.231, 15E.232, 15E.233, 15E.351, 159A.6B, 266.19, 455B.104

**15.335C Economically distressed areas.**

1. *a.* Notwithstanding section 15.329, subsection 1, paragraph "*c*", the authority may provide tax incentives or project completion assistance under this part to an eligible business paying less than one hundred twenty percent of the qualifying wage threshold if that business is located in an economically distressed area.

*b.* A business in an economically distressed area receiving incentives or assistance pursuant to this section shall be required to pay at least one hundred percent of the qualifying wage threshold.

2. For purposes of this section, "*economically distressed area*" means a county that ranks among the bottom twenty-five of all Iowa counties, as measured by one of the following:

*a.* Average monthly unemployment level for the most recent twelve-month period.

*b.* Average annualized unemployment level for the most recent five-year period.

2012 Acts, ch 1126, §14
Referred to in §15.119

**15.336 Other incentives.**

An eligible business may receive other applicable federal, state, and local incentives and credits in addition to those provided in this part.

94 Acts, ch 1008, §13; 2005 Acts, ch 150, §51, 68, 69; 2008 Acts, ch 1191, §161
Referred to in §15.119

**15.337 Waiver of program qualification requirements.** Repealed by 2005 Acts, ch 150, § 67 – 69.

PART 14

**15.338 and 15.339** Repealed by 2009 Acts, ch 123, § 8.

**15.340** Reserved.

PART 15

**15.341 Workforce development fund program.**

This part shall be known as the "*Workforce Development Fund*" program.

95 Acts, ch 184, §1
Referred to in §15.108

**15.342 Purpose.**

The purpose of this part shall be to provide a mechanism for funding workforce development programs listed in section 15.343, subsection 2, in order to more efficiently meet the needs identified within those individual programs.

95 Acts, ch 184, §2

**15.342A Workforce development fund account.**

A workforce development fund account is established in the office of the treasurer of state under the control of the authority. The account shall receive funds pursuant to section 422.16A up to a maximum of four million dollars per year.

96 Acts, ch 1180, §1; 99 Acts, ch 183, §2; 2000 Acts, ch 1196, §1, 10; 2000 Acts, ch 1230, §15, 35; 2001 Acts, ch 188, §21; 2011 Acts, ch 118, §87, 89; 2013 Acts, ch 137, §32

Referred to in §15.343, 422.16A

Section amended

**15.343 Workforce development fund.**

1. *a.* A workforce development fund is created as a revolving fund in the state treasury under the control of the authority consisting of any moneys appropriated by the general assembly for that purpose and any other moneys available to and obtained or accepted by the authority from the federal government or private sources for placement in the fund. The fund shall also include moneys appropriated to the fund from the workforce development fund account established in section 15.342A.

*b.* Notwithstanding section 8.33, moneys in the workforce development fund at the end of each fiscal year shall not revert to any other fund but shall remain in the workforce development fund for expenditure for subsequent fiscal years.

2. The assets of the fund shall be used by the authority for the following programs and purposes:

*a.* Projects under chapter 260F. The authority shall require a match from all businesses participating in a training project under chapter 260F.

*b.* Apprenticeship programs under section 260C.44, including new or statewide building trades apprenticeship programs.

*c.* To cover the costs of the administration of workforce development programs and services available through the authority. A portion of these funds may be used to support efforts by the community colleges to provide workforce services to Iowa employers.

3. Moneys in the workforce development fund shall be allocated as follows:

*a.* Three million dollars shall be used for purposes provided in section 260F.6.

*b.* One million dollars shall be used for purposes provided in section 260F.6B.

95 Acts, ch 184, §3; 96 Acts, ch 1180, §2, 4 – 6; 96 Acts, ch 1186, §5 – 7; 99 Acts, ch 183, §3; 2000 Acts, ch 1230, §16; 2001 Acts, ch 188, §22; 2003 Acts, ch 35, §45, 49; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1122, §10, 11; 2011 Acts, ch 118, §87, 89; 2013 Acts, ch 141, §32

Referred to in §15.342

Subsection 2, paragraphs a and d stricken and former paragraphs b, c, and e redesignated as a, b, and c respectively

**15.344 Common system — assessment and tracking.**

The authority shall use information from the customer tracking system administered by the department of workforce development under section 84A.5 to determine the economic impact of the programs. To the extent possible, the authority shall track individuals and businesses who have received assistance or services through the fund to determine whether the assistance or services have resulted in increased wages paid to the individuals or paid by the businesses.

96 Acts, ch 1180, §7; 2011 Acts, ch 118, §87, 89

**15.345 and 15.346** Repealed by 96 Acts, ch 1180, § 20.

**15.347 and 15.348** Repealed by 96 Acts, ch 1186, § 26. See § 84A.8.

PART 16

**15.349 Shelter assistance fund.** Repealed by 2010 Acts, ch 1031, § 267. See § 16.41.

**15.350** Reserved.

PART 17

**15.351 through 15.354** Repealed by 2008 Acts, ch 1097, § 4.

**15.355 through 15.360** Reserved.

PART 18

**15.361 through 15.367** Repealed by 98 Acts, ch 1225, § 21, 40.

**15.368 World food prize award and support.**

1. Commencing with the fiscal year beginning July 1, 2009, there is annually appropriated from the general fund of the state to the authority one million dollars for the support of the world food prize award.

2. The Iowa state capitol is designated as the primary location for the annual ceremony to award the world food prize.

2008 Acts, ch 1191, §30; 2011 Acts, ch 118, §87, 89

Appropriation of $750,000 for fiscal year beginning July 1, 2012; 2011 Acts, ch 130, §50, 71; 2012 Acts, ch 1136, §3

Appropriation of $800,000 for fiscal year beginning July 1, 2013; 2013 Acts, ch 137, §3

Appropriation of $400,000 for fiscal year beginning July 1, 2014; 2013 Acts, ch 137, §18

Section not amended; footnotes revised

**15.369 and 15.370** Reserved.

PART 19

**15.371 through 15.373** Repealed by 2000 Acts, ch 1174, § 30. See chapter 15F.

**15.374 through 15.380** Reserved.

PART 20

**15.381 through 15.387** Repealed by 2005 Acts, ch 150, § 67 – 69. See § 15.326 through 15.336.

**15.388 through 15.390** Reserved.

PART 21

**15.391 Short title.** Repealed by 2012 Acts, ch 1136, § 38 – 41.

Section repeal applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39, 40

**15.392 Purpose.** Repealed by 2012 Acts, ch 1136, § 38 – 41.

Section repeal applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39, 40

**15.393 Film, television, and video project promotion program — tax credits and income exclusion.** Repealed by 2012 Acts, ch 1136, § 38 – 41.

Section repeal applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39, 40

**15.394 through 15.400** Reserved.

PART 22

**15.401 Renewable fuels.** Repealed by 2008 Acts, ch 1169, § 26, 30. See § 159A.14.

**15.402 through 15.409** Reserved.

PART 23

**15.410 Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Innovative business"* means the same as defined in section 15E.52.

2. *"Internship"* means temporary employment of a student that focuses on providing the student with work experience in the student's field of study.

2013 Acts, ch 90, §7, 257
NEW section

**15.411 Innovative business development — internships — technical and financial assistance.**

1. The authority may contract with service providers on a case-by-case basis for services related to statewide commercialization development of innovative businesses. Services provided shall include all of the following:

*a.* Assistance provided directly to businesses by experienced serial entrepreneurs for all of the following activities:

(1) Business plan development.

(2) Due diligence.

(3) Market assessments.

(4) Technology assessments.

(5) Other planning activities.

*b.* Operation and coordination of various available competitive seed and prototype development funds.

*c.* Connecting businesses to private angel investors and the venture capital community.

*d.* Assistance in obtaining access to an experienced pool of managers and operations talent that can staff, mentor, or advise start-up enterprises.

*e.* Support and advice for accessing sources of early stage financing.

2. The authority shall establish and administer a program to provide financial and technical assistance to encourage prototype and concept development activities by innovative businesses that have a clear potential to lead to commercially viable products or services within a reasonable period of time. Financial assistance shall be awarded on a per project basis upon board approval. In order to receive financial assistance, an applicant must demonstrate the ability to secure one dollar of nonstate moneys for every two dollars received from the authority. For purposes of this section, *"financial assistance"* means assistance provided only from the funds, rights, and assets legally available to the authority pursuant to this chapter and includes but is not limited to assistance in the form of grants, loans, forgivable loans, and royalty payments.

3. The authority shall establish and administer an innovative businesses internship program for Iowa students. For purposes of this subsection, *"Iowa student"* means a student of an Iowa community college, private college, or institution of higher learning under the control of the state board of regents, or a student who graduated from high school in Iowa but now attends an institution of higher learning outside the state of Iowa. The purpose of the program is to link Iowa students to small and medium sized Iowa firms through internship opportunities. An Iowa employer may receive financial assistance in an amount of one dollar for every two dollars paid by the employer to an intern. The amount of financial assistance shall not exceed three thousand one hundred dollars for any single internship, or nine thousand three hundred dollars for any single employer. In order to be eligible to

receive financial assistance under this subsection, the employer must have five hundred or fewer employees and must be an innovative business. The authority shall encourage youth who reside in economically distressed areas, youth adjudicated to have committed a delinquent act, and youth transitioning out of foster care to participate in the internship program.

4. *a.* (1) The authority shall establish and administer an outreach program for purposes of assisting businesses with applications to the federal small business innovation research and small business technology transfer programs.

(2) The goals of this assistance are to increase the number of successful phase II small business innovation research grant proposals in the state, increase the amount of such grant funds awarded in the state, stimulate subsequent investment by industry, venture capital, and other sources, and encourage businesses to commercialize promising technologies.

*b.* (1) In administering the program, the authority may provide technical and financial assistance to businesses. Financial assistance provided pursuant to this subsection shall not exceed twenty-five thousand dollars to any single business.

(2) The authority may require successful applicants to repay the amount of financial assistance received, but shall not require unsuccessful applicants to repay such assistance. Any moneys repaid pursuant to this subsection may be used to provide financial assistance to other applicants.

*c.* The authority may also provide financial assistance for purposes of helping businesses meet the matching funds requirements of the federal small business innovation research and small business technology transfer programs.

*d.* The authority may contract with outside service providers for assistance with the programs described in this subsection or may delegate the functions to be performed under this subsection to the corporation pursuant to section 15.106B.

5. *a.* The authority shall establish and administer a program to accelerate the generation and development of innovative ideas and businesses. The program shall include assistance for the expansion of the proof of commercial relevance concept, the expansion of investment in applied research, and support for a manufacturing extension partnership program.

*b.* The authority may contract with outside service providers for assistance with the program described in this subsection or may delegate the functions to be performed under this subsection to the corporation pursuant to section 15.106B.

6. The board shall adopt rules pursuant to chapter 17A necessary for the administration of this section.

2007 Acts, ch 122, §1; 2008 Acts, ch 1122, §17 – 19; 2009 Acts, ch 82, §1; 2010 Acts, ch 1009, §2, 4; 2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1021, §17; 2012 Acts, ch 1126, §31; 2013 Acts, ch 90, §8

Referred to in §15.106B, 15.412

Subsection 1 stricken and former subsections 2 – 7 renumbered as 1 – 6

**15.412 Innovation and commercialization development fund.**

1. *a.* An innovation and commercialization development fund is created in the state treasury under the control of the authority. The fund shall consist of moneys appropriated to the authority and any other moneys available to, obtained, or accepted by the authority for placement in the fund.

*b.* Payments of interest, repayments of moneys loaned pursuant to this section, and recaptures of financial assistance shall be credited to the fund. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

2. Moneys in the fund are appropriated to the authority and, with the approval of the board, shall be used to facilitate agreements, enhance commercialization, and increase the availability of skilled workers in innovative businesses. Such moneys shall not be used for the support of retail businesses, health care businesses, or other businesses requiring a professional license.

3. Moneys in the fund may also be used for the following purposes:

*a.* For assistance to entities providing student internship opportunities.

*b.* For assistance to entities engaged in prototype and concept development activities.
*c.* For developing a statewide commercialization network.
*d.* For establishing and administering the programs described in section 15.411.
2009 Acts, ch 82, §2; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1126, §32
Referred to in §15.116, 15.335B

**15.413 through 15.420** Reserved.

PART 24

**15.421 Generation Iowa commission.** Repealed by 2011 Acts, ch 122, § 13, 14.

# CHAPTER 15A

## USE OF PUBLIC FUNDS TO AID ECONOMIC DEVELOPMENT

Legislative findings; 87 Acts, ch 183, §1; 94 Acts, ch 1008, §1
For provisions regarding transition of department of economic development employees to the economic development authority and limitations on the Iowa innovation corporation's employment of former department employees, see 2011 Acts, ch 118, §19
For provisions regarding continuation of financial assistance by the economic development authority, transfer of funds under the control of the department of economic development to the economic development authority, continuation of licenses, permits, or contracts by the economic development authority, continuation of financial assistance awards under the grow Iowa values financial assistance program, and availability of federal funds to employ certain personnel, see 2011 Acts, ch 118, §20, 89

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15A.7 Supplemental new jobs credit from withholding.
15A.8 Loans payable from new jobs credit from withholding.

QUALITY JOBS ENTERPRISE ZONE

15A.9 Quality jobs enterprise zone — state assistance. Repealed by 2012 Acts, ch 1110, §16.

## GENERAL PROVISIONS

**15A.1 Economic development — public purpose — environmental protection and waste disposal requirements.**

1. *a.* Economic development is a public purpose for which the state, a city, or a county may provide grants, loans, guarantees, tax incentives, and other financial assistance to or for the benefit of private persons.

*b.* For purposes of this chapter, *"economic development"* means private or joint public and private investment involving the creation of new jobs and income or the retention of existing jobs and income that would otherwise be lost.

2. Before public funds are used for grants, loans, tax incentives, or other financial

assistance to private persons or on behalf of private persons for economic development, the governing body of the state, city, county, or other public body dispensing those funds or the governing body's designee, shall determine that a public purpose will reasonably be accomplished by the dispensing or use of those funds. In determining whether the funds should be dispensed, the governing body or designee of the governing body shall consider any or all of the following factors:

*a.* Businesses that add diversity to or generate new opportunities for the Iowa economy should be favored over those that do not.

*b.* Development policies in the dispensing of the funds should attract, retain, or expand businesses that produce exports or import substitutes or which generate tourism-related activities.

*c.* Development policies in the dispensing or use of the funds should be targeted toward businesses that generate public gains and benefits, which gains and benefits are warranted in comparison to the amount of the funds dispensed.

*d.* Development policies in dispensing the funds should not be used to attract a business presently located within the state to relocate to another portion of the state unless the business is considering in good faith to relocate outside the state or unless the relocation is related to an expansion which will generate significant new job creation. Jobs created as a result of other jobs in similar Iowa businesses being displaced shall not be considered direct jobs for the purpose of dispensing funds.

3. In addition to the requirements of subsection 2, a state agency shall not provide a grant, loan, or other financial assistance to a private person or on behalf of a private person unless the business for whose benefit the financial assistance is to be provided meets, to the satisfaction of the state agency, all of the following:

*a.* The business makes a report detailing the circumstances of its violations, if any, of a federal or state environmental protection statute, regulation, or rule within the previous five years. The state agency shall take into consideration before allowing financial assistance this report of the business.

*b.* If the business generates solid or hazardous waste, that the business conducts in-house audits and management plans to reduce the amount of the waste and to safely dispose of the waste. For purposes of this paragraph, a business may, in lieu of conducting in-house audits, authorize the department of natural resources or the Iowa waste reduction center established under section 268.4 to provide the audits.

4. A state agency shall disburse public moneys used for grants, loans, tax incentives, or other financial assistance for economic development without discrimination or without the use of terms or conditions which are more onerous than those regularly extended to persons of similar economic backgrounds and based on an applicant's age, color, creed, national origin, race, religion, marital status, sex, physical disability, or familial status.

5. In addition to the other requirements of this section, a state agency may give additional consideration or additional points in the application of rating or evaluation criteria in providing a grant, loan, or other financial assistance for economic development-related purposes to a person or business for whose benefit the financial assistance is to be provided if the person or business is located in an area that meets one of the following criteria:

*a.* The area is a brownfield site as defined in section 15.291.

*b.* The area is a blighted area as defined in section 403.17.

*c.* The area is located in a city or county that meets the distress criteria provided under the enterprise zone program in section 15E.194, subsection 1 or 2.

87 Acts, ch 183, §2; 90 Acts, ch 1125, §1; 92 Acts, ch 1239, §21; 94 Acts, ch 1008, §14, 15; 99 Acts, ch 197, §22; 2001 Acts, ch 7, §1; 2001 Acts, ch 156, §1; 2002 Acts, ch 1162, §27; 2008 Acts, ch 1032, §124

**15A.2 Conflicts of interest.**

1. *a.* If a member of the governing body of a city or county or an employee of a state, city, or county board, agency, commission, or other governmental entity of the state, city, or county has an interest, either direct or indirect, in a private person for which grants, loans, guarantees, tax incentives, or other financial assistance may be provided by the

governing board or governmental entity, the interest shall be disclosed to that governing body or governmental entity in writing. The member or employee having the interest shall not participate in the decision-making process with regard to the providing of such financial assistance to the private person.

*b.* Employment by a public body, its agencies, or institutions or by any other person having such an interest shall not be deemed an indicia of an interest by the employee or of any ownership or control by the employee of interests of the employee's employer.

*c.* The word "*participate*" or "*participation*" shall be deemed not to include discussion or debate preliminary to a vote of a local governing body or agency upon proposed ordinances or resolutions relating to such a project or any abstention from such a vote.

*d.* The designation of a bank or trust company as depository, paying agent, or agent for investment of funds shall not be deemed a matter of interest or personal interest.

*e.* Stock ownership in a corporation having such an interest shall not be deemed an indicia of an interest or of ownership or control by the person owning the stocks when less than five percent of the outstanding stock of the corporation is owned or controlled directly or indirectly by that person.

*f.* The phrase "*decision-making process*" shall not be deemed to include resolutions advisory to the local governing body or agency by any citizens group, board, body, or commission designated to serve a purely advisory approving or recommending function for economic development.

2. A violation of a provision of this section is misconduct in office under section 721.2. However, a decision of the governing board or governmental entity is not invalid because of the participation of the member or employee in the decision-making process or because of a vote cast by a member or employee in violation of this section unless the participation or vote was decisive in the awarding of the financial assistance.

87 Acts, ch 183, §3; 88 Acts, ch 1134, §12; 94 Acts, ch 1008, §16; 2008 Acts, ch 1032, §125

**15A.3 Public economic development assistance — violations — criminal penalties.**

A person who engages in deception and knowingly makes or causes to be made, directly or indirectly, a false statement in writing, for the purpose of procuring economic development assistance from a state agency or political subdivision, for the benefit of the person or for whom the person is acting, is guilty of a fraudulent practice in the first degree as defined in section 714.9. For purposes of this section, "*deception*" means deception as defined in section 702.9.

90 Acts, ch 1135, §1

**15A.4 Competitive programs — good neighbor agreement — additional consideration.**

For any program providing financial assistance for economic development in which the assistance is provided on a competitive basis, a business which enters into a good neighbor agreement shall receive extra consideration of at least ten points or the equivalent. A good neighbor agreement is an enforceable contract between the business and a community group or coalition of community groups which requires the business to adhere to negotiated environmental, economic, labor, or other social and community standards.

A business which fails to abide by the good neighbor agreement shall repay all financial assistance received under the program.

96 Acts, ch 1219, §96

**15A.5** Reserved.

**15A.6 State assistance for federal project.** Repealed effective January 1, 1996, by its own terms; 92 Acts, ch 1223, §1.

**15A.7 Supplemental new jobs credit from withholding.**

In order to promote the creation of additional high-quality new jobs within the state, an agreement under section 260E.3 may include a provision for a supplemental new jobs credit

from withholding from jobs created under the agreement. A provision in an agreement for which a supplemental credit from withholding is included shall provide for the following:

1. That the project shall be administered in the same manner as a project under chapter 260E and that a supplemental new jobs credit from withholding in an amount equal to one and one-half percent of the gross wages paid by the employer pursuant to section 422.16 is authorized to fund the program services for the additional project.

2. That the supplemental new jobs credit from withholding shall be collected, accounted for, and may be pledged by the community college in the same manner as described in section 260E.5.

3. That the employer shall agree to pay wages for the jobs for which the credit is taken of at least the laborshed wage, as calculated by the authority pursuant to section 15.327, subsection 13. Eligibility for the supplemental credit shall be based on a one-time determination of starting wages by the community college.

4. To provide funds for the payment of the costs of the additional project, a community college may borrow money, issue and sell certificates, and secure the payment of the certificates in the same manner as described in section 260E.6, including, but not limited to, providing the assessment of an annual levy as described in section 260E.6, subsection 4. The program and credit authorized by this section are in addition to, and not in lieu of, the program and credit authorized in chapter 260E.

96 Acts, ch 1180, §8; 97 Acts, ch 23, §6; 2002 Acts, ch 1050, §3; 2009 Acts, ch 123, §25; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1126, §15

Referred to in §15A.8, 422.16A

**15A.8 Loans payable from new jobs credit from withholding.**

1. As an additional means to provide moneys for the payment of the costs of a new jobs training project or multiple projects under chapter 260E and this chapter, a community college may make an advance or loan, including an interfund transfer or a loan from moneys on hand and legally available, to be paid from the same sources and secured in the same manner as certificates described in sections 15A.7 and 260E.6.

2. Revenues from a job training agreement received prior to the completion by a business of its repayment obligation for a project and not pledged to certificates, loans, or advances, and not necessary for the payment of principal and interest maturing on such certificates, loans, or advances, may be applied by the community college to the reduction of any other outstanding certificates, loans, or advances.

98 Acts, ch 1225, §22

Referred to in §422.16A

QUALITY JOBS ENTERPRISE ZONE

**15A.9 Quality jobs enterprise zone — state assistance.** Repealed by 2012 Acts, ch 1110, § 16.

# CHAPTER 15B

RESERVED

# CHAPTER 15C

WORLD TRADE CENTER

Repealed by 2013 Acts, ch 129, §67

# CHAPTER 15D

## MIDWEST NUCLEAR COMPACT

Repealed by 2013 Acts, ch 129, §67

# CHAPTER 15E

## DEVELOPMENT ACTIVITIES

Referred to in §12C.6A, 15.106A, 15.106B

For provisions regarding transition of department of economic development employees to the economic development authority and limitations on the Iowa innovation corporation's employment of former department employees, see 2011 Acts, ch 118, §19
For provisions regarding continuation of financial assistance by the economic development authority, transfer of funds under the control of the department of economic development to the economic development authority, continuation of licenses, permits, or contracts by the economic development authority, continuation of financial assistance awards under the grow Iowa values financial assistance program, and availability of federal funds to employ certain personnel, see 2011 Acts, ch 118, §20, 89

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15E.95 through 15E.105 Reserved.

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## DIVISION I

## GENERAL PROVISIONS

**15E.1 Definition.**

As used in this chapter, unless the context otherwise requires, "*authority*" means the economic development authority created in section 15.105.

2002 Acts, ch 1119, §6; 2011 Acts, ch 118, §57, 89

**15E.2 through 15E.10** Reserved.

## DIVISION II

## CORPORATION FOR RECEIVING AND DISBURSING FUNDS

**15E.11 Corporation for receiving and disbursing funds.**

The Iowa development commission is hereby authorized to form a corporation under the provisions of chapter 504, Code 1989, for the purpose of receiving and disbursing funds from public or private sources to be used to further the overall development and well-being of the state.

[C66, 71, 73, 75, 77, 79, 81, §28.11]
C93, §15E.11
2003 Acts, ch 108, §7
Referred to in §15.108, 15E.14, 15E.15, 15E.16

**15E.12 and 15E.13** Reserved.

**15E.14 Incorporators.**

The incorporators of the corporation formed under sections 15E.11, 15E.15 and 15E.16, shall be:

1. The chairperson of the Iowa development commission.
2. The director of the Iowa development commission.
3. A member of the Iowa development commission selected by the chairperson.

[C66, 71, 73, 75, 77, 79, 81, §28.14]
C93, §15E.14
Referred to in §15.108, 15E.15, 15E.16

**15E.15 Board of directors.**

The board of directors of the corporation formed under sections 15E.11, 15E.14 and 15E.16 shall be the members of the Iowa development commission or their successors in office.

[C66, 71, 73, 75, 77, 79, 81, §28.15]
C93, §15E.15
Referred to in §15.108, 15E.14, 15E.16

**15E.16 Accepting grants in aid.**

The corporation formed under sections 15E.11, 15E.14 and 15E.15 is hereby authorized to accept grants of money or property from the federal government or any other source and may upon its own order use its money, property or other resources for any of the purposes herein.

[C66, 71, 73, 75, 77, 79, 81, §28.16]
C93, §15E.16
Referred to in §15.108, 15E.14, 15E.15

## DIVISION III

## REGULATORY INFORMATION AND ASSISTANCE

**15E.17 Regulatory information service.**

1. The economic development authority shall provide a regulatory information service. The purpose of the service shall be to provide a center of information where a person interested in establishing a commercial facility or engaging in a commercial activity may be informed of any registration, license, or other approval of a state regulatory agency that is required for that facility or activity or of the existence of standards, criteria, or requirements which the laws of this state require that facility or activity to meet.

2. Each state agency which requires a permit, license, or other regulatory approval or maintains standards or criteria with which an activity or facility must comply shall inform the economic development authority of the following:

*a.* The activity or facility that is subject to regulation.

*b.* The existence of any threshold levels which would exempt the activity or facility from regulation.

*c.* The nature of the regulatory program.

*d.* The amount of any fees.

*e.* How to apply for any permits or regulatory approvals.

*f.* A brief statement of the purpose of requiring the permit or regulatory approval or requiring compliance with the standards or criteria.

3. Each state agency shall promptly inform the economic development authority of any changes in the information provided under subsection 2 or the establishment of a new regulatory program. The information provided to or disseminated by the authority shall not be binding upon the regulatory program of a state agency; however, a person shall not be subject to the imposition of a penalty for failure to comply with a regulatory program if the person demonstrates that the person relied upon information provided by the authority

indicating compliance was not required and either ceases the activity upon notification by the regulatory agency or brings the activity or facility into compliance.

4. Subsections 2 and 3 do not apply to the following:

*a.* The utilities division of the department of commerce insofar as the information relates to public utilities.

*b.* The banking division of the department of commerce.

*c.* The credit union division of the department of commerce.

[82 Acts, ch 1099, §1]

C83, §28.17

C93, §15E.17

2008 Acts, ch 1031, §14; 2011 Acts, ch 118, §85, 89

Referred to in §15.108

**15E.18 Site development consultations — certificates of readiness.**

1. *a.* The authority shall consult with local governments and local economic development officials in regard to site development techniques. For purposes of this section, *"site development techniques"* include environmental evaluations, property and wetland delineation, and historical evaluations.

*b.* The authority may charge a fee for providing site development consultations. The fee shall not exceed the reasonable cost to the authority of providing the consultations. The amount of any fees collected by the authority shall be deposited in the general fund of the state.

2. *a.* A local government or local economic development official involved with the development of a site may apply to the authority for a certificate of readiness verifying that the site is ready for development.

*b.* The authority shall develop criteria for evaluating various types of sites in order to determine whether a particular site is ready for development based on the site's individual circumstances and the economic development goals of the applicant.

*c.* The authority shall review applications for certificates of readiness and may issue a certificate of readiness to any site that meets the criteria developed under paragraph *"b"*.

3. The authority shall adopt rules pursuant to chapter 17A for the implementation of this section.

2003 Acts, ch 158, §1; 2003 Acts, 1st Ex, ch 1, §130, 133

[2003 Acts, 1st Ex, ch 1, §130, 133 amendments to section rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2010 Acts, ch 1184, §36; 2011 Acts, ch 118, §87, 89

**15E.19 Regulatory assistance.**

1. The economic development authority shall coordinate all regulatory assistance for the state of Iowa. Each state agency administering regulatory programs for business shall maintain a coordinator within the office of the director or the administrative division of the state agency. Each coordinator shall do all of the following:

*a.* Serve as the state agency's primary contact for regulatory affairs with the economic development authority.

*b.* Provide information regarding regulatory requirements to businesses and represent the state agency to the private sector.

*c.* Monitor permit applications and provide timely permit status information to the economic development authority.

*d.* Require regulatory staff participation in negotiations and discussions with businesses.

*e.* Notify the economic development authority regarding proposed rulemaking activities that impact a regulatory program and any subsequent changes to a regulatory program.

2. The economic development authority shall, in consultation with the coordinators described in this section, examine, and to the extent permissible, assist in the implementation of methods, including the possible establishment of an electronic database, to streamline the process for issuing permits to business.

2005 Acts, ch 150, §7; 2008 Acts, ch 1122, §12; 2011 Acts, ch 118, §85, 89

**15E.20** Reserved.

**15E.21 Iowa business resource centers.**

The authority shall establish an Iowa business resource center program for purposes of locating Iowa business resource centers in the state. The authority shall partner with another entity wanting to assist with economic growth and establish an Iowa business resource center. Operational duties of a center shall focus on providing information and referrals to entrepreneurs and businesses. Operational duties of a center shall be determined pursuant to a memorandum of agreement between the authority and the other entity.

2005 Acts, ch 150, §8; 2011 Acts, ch 118, §87, 89

**15E.22 through 15E.24** Reserved.

## DIVISION IV

## LOCAL DEVELOPMENT CORPORATIONS

**15E.25 through 15E.29** Repealed by 2001 Acts, ch 61, §19.

**15E.30 through 15E.40** Reserved.

## DIVISION V

## INVESTMENTS IN QUALIFYING BUSINESSES AND COMMUNITY-BASED SEED CAPITAL FUNDS — TAX CREDIT

Referred to in §2.48

**15E.41 Purpose.**

The purpose of this division is to enhance the quality of life for citizens of this state through the increased availability of and accessibility to venture capital, particularly at the seed capital investment stage, which encourages the creation of wealth through high-paid, new jobs that increase the wage base and promote industrial development and innovative products that use new technology. The purpose of this division is also to encourage individuals to invest seed capital in Iowa businesses and in community-based seed capital funds.

2002 Acts, ch 1006, §1, 13

**15E.42 Definitions.**

For purposes of this division, unless the context otherwise requires:

1. *"Affiliate"* means a spouse, child, or sibling of an investor or a corporation, partnership, or trust in which an investor has a controlling equity interest or in which an investor exercises management control.
2. *"Authority"* means the economic development authority created in section 15.105.
3. *"Investor"* means a person making a cash investment in a qualifying business or in a community-based seed capital fund. *"Investor"* does not include a person that holds at least a seventy percent ownership interest as an owner, member, or shareholder in a qualifying business.
4. *"Near equity"* means debt that may be converted to equity at the option of the debt holder, and royalty agreements.
5. *"Qualifying business"* means a business meeting the criteria defined in section 15E.44.

2002 Acts, ch 1006, §2, 13; 2002 Acts, ch 1175, §75; 2003 Acts, ch 108, §8; 2003 Acts, ch 179, §95, 159; 2004 Acts, ch 1148, §1, 7; 2011 Acts, ch 130, §37, 46, 47, 71

2011 amendment to subsection 2 applies retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 130, §47

**15E.43 Investment tax credits.**

1. *a.* For tax years beginning on or after January 1, 2002, a tax credit shall be allowed against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, for a portion of a taxpayer's equity investment, as provided in subsection 2, in a qualifying business or a community-based seed capital fund. An individual may claim a tax credit under this paragraph of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

*b.* A tax credit shall be allowed only for an investment made in the form of cash to purchase equity in a qualifying business or in a community-based seed capital fund. A taxpayer shall not claim the tax credit prior to the third tax year following the tax year in which the investment is made. Any tax credit in excess of the taxpayer's liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer redeems the tax credit.

*c.* In the case of a tax credit allowed against the taxes imposed in chapter 422, division II, where the taxpayer died prior to redeeming the entire tax credit, the remaining credit can be redeemed on the decedent's final income tax return.

2. A tax credit shall equal twenty percent of the taxpayer's equity investment. The maximum amount of a tax credit for an investment by an investor in any one qualifying business shall be fifty thousand dollars. Each year, an investor and all affiliates of the investor shall not claim tax credits under this section for more than five different investments in five different qualifying businesses.

3. An investment shall be deemed to have been made on the same date as the date of acquisition of the equity interest as determined by the Internal Revenue Code. An investment made prior to January 1, 2002, shall not qualify for a tax credit under this division.

4. The authority shall not issue tax credits under this section in excess of the amount approved by the authority for any one fiscal year pursuant to section 15.119.

5. A tax credit shall not be redeemed during any tax year beginning prior to January 1, 2005. A tax credit shall not be transferable to any other taxpayer.

6. The authority shall develop a system for registration and authorization of tax credits authorized pursuant to this division and shall control distribution of all tax credits distributed to investors pursuant to this division. The authority shall develop rules for the qualification and administration of qualifying businesses and community-based seed capital funds. The department of revenue shall adopt these criteria as administrative rules and any other rules pursuant to chapter 17A necessary for the administration of this division.

7. The authority may cooperate with the small business development centers in an effort to disseminate information regarding the availability of tax credits for investments in qualifying businesses under this division. The authority may also cooperate with the small business development centers to develop a standard seed capital application form that the small business development centers may submit to the authority on behalf of clients seeking seed capital. The authority shall distribute copies of the application forms to all community-based seed capital funds and potential individual investors.

2002 Acts, ch 1006, §3, 13; 2002 Acts, ch 1175, §76; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §96, 97, 159; 2004 Acts, ch 1148, §2, 7; 2005 Acts, ch 157, §1; 2007 Acts, ch 174, §83; 2011 Acts, ch 118, §87, 89; 2011 Acts, ch 130, §38, 46, 47, 71

Referred to in §15.119, 15E.44, 15E.45, 422.11F, 422.33, 422.60, 432.12C, 533.329

2011 amendment to subsection 4 applies retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 130, §47

**15E.44 Qualifying businesses.**

1. In order for an equity investment to qualify for a tax credit, the business in which the equity investment is made shall, within one hundred twenty days of the date of the first investment, notify the authority of the names, addresses, shares issued, consideration paid for the shares, and the amount of any tax credits, of all shareholders who may initially qualify

for the tax credits, and the earliest year in which the tax credits may be redeemed. The list of shareholders who may qualify for the tax credits shall be amended as new equity investments are sold or as any information on the list shall change.

2. In order to be a qualifying business, a business must meet all of the following criteria:

*a.* The principal business operations of the business are located in this state.

*b.* The business has been in operation for six years or less.

*c.* The business has an owner who has successfully completed one of the following:

(1) An entrepreneurial venture development curriculum.

(2) Three years of relevant business experience.

(3) A four-year college degree in business management, business administration, or a related field.

(4) Other training or experience as the authority may specify by rule or order as sufficient to increase the probability of success of the qualifying business.

*d.* The business is not a business engaged primarily in retail sales, real estate, or the provision of health care or other services that require a professional license.

*e.* The business shall not have a net worth that exceeds five million dollars.

*f.* The business shall have secured, within twenty-four months following the first date on which the equity investments qualifying for tax credits have been made, total equity or near equity financing equal to at least two hundred fifty thousand dollars.

3. A qualifying business shall have the burden of proof to demonstrate to the authority its qualifications under this section, and shall have the obligation to notify the authority in a timely manner of any changes in the qualifications of the business or in the eligibility of investors to redeem the investment tax credits in any tax year.

4. After verifying the eligibility of a qualifying business, the authority shall issue a tax credit certificate to be attached to the equity investor's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of credit, the name of the qualifying business, and other information required by the department of revenue. The tax credit certificate, unless rescinded by the authority, shall be accepted by the department of revenue as payment for taxes imposed pursuant to chapter 422, divisions II, III, and V, and in chapter 432, and for the moneys and credits tax imposed in section 533.329, subject to any conditions or restrictions placed by the authority upon the face of the tax credit certificate and subject to the limitations of section 15E.43.

2002 Acts, ch 1006, §4, 13; 2003 Acts, ch 145, §286; 2004 Acts, ch 1148, §3, 7; 2005 Acts, ch 157, §2; 2007 Acts, ch 174, §84; 2007 Acts, ch 186, §1; 2011 Acts, ch 130, §39, 46, 47, 71

Referred to in §15E.42, 15E.45, 15E.52

2011 amendments to subsection 2, paragraphs d and e apply retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 130, §47

**15E.45 Community-based seed capital funds.**

1. An investment in a community-based seed capital fund shall qualify for a tax credit under section 15E.43 provided that all requirements of sections 15E.43, 15E.44, and this section are met.

2. In order to be a community-based seed capital fund qualifying under this section, a community-based seed capital fund must meet all of the following criteria:

*a.* The fund is a limited partnership or limited liability company.

*b.* The fund has, on or after January 1, 2002, a total of both capital commitments from investors and investments in qualifying businesses of at least one hundred twenty-five thousand dollars, but not more than three million dollars. However, if a fund is either a rural business investment company under the rural business investment program of the federal Farm Security and Rural Investment Act of 2002, Pub. L. No. 107-171, or an Iowa-based seed capital fund with at least forty percent of its committed capital subscribed by community-based seed capital funds, the fund may qualify notwithstanding having capital in excess of the limits set forth in this paragraph as long as the fund otherwise meets the requirements of this subsection.

*c.* The fund has no fewer than five investors who are not affiliates, with no single investor and affiliates of that investor together owning a total of more than twenty-five percent of the ownership interests outstanding in the fund.

3. *a.* In order for an investment in a community-based seed capital fund to qualify for a tax credit, the community-based seed capital fund in which the investment is made shall, within one hundred twenty days of the date of the first investment, notify the authority of all of the following:

(1) The names, addresses, equity interests issued, consideration paid for the interests, and the amount of any tax credits.

(2) All limited partners or members who may initially qualify for the tax credits.

(3) The earliest year in which the tax credits may be redeemed.

*b.* The list of limited partners or members who may qualify for the tax credits shall be amended as new equity interests are sold or as any information on the list shall change.

4. After verifying the eligibility of the community-based seed capital fund, the authority shall issue a tax credit certificate to be attached to the taxpayer's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of the tax credit, the name of the community-based seed capital fund, and other information required by the department of revenue. The tax credit certificate, unless rescinded by the authority, shall be accepted by the department of revenue or a local taxing district, as applicable, as payment for taxes imposed pursuant to chapter 422, divisions II, III, and V, and chapter 432, and as payment for the moneys and credits tax imposed pursuant to section 533.329, subject to any conditions or restrictions placed by the authority on the face of the tax credit certificate and subject to the limitations of section 15E.43.

5. The manager of the community-based seed capital fund shall have the burden of proof to demonstrate to the authority the community-based seed capital fund's qualifications under this section, and shall have the obligation to notify the authority in a timely manner of any changes in the qualifications of the community-based seed capital fund, in the qualifications of any qualifying business in which the fund has invested, or in the eligibility of limited partners or members to redeem the investment tax credits in any year.

6. In the event that a community-based seed capital fund fails to meet or maintain any requirement set forth in this section, or in the event that at least thirty-three percent of the invested capital of the community-based seed capital fund has not been invested in one or more separate qualifying businesses, measured at the end of the forty-eighth month after commencing the fund's investing activities, the authority shall rescind any tax credit certificates issued to limited partners or members and shall notify the department of revenue that it has done so, and the tax credit certificates shall be null and void. However, a community-based seed capital fund may apply to the authority for a one-year waiver of the requirements of this subsection.

7. An investor in a community-based seed capital fund shall receive a tax credit pursuant to this division only for the investor's investment in the community-based seed capital fund and shall not receive any additional tax credit for the investor's share of investments made by the community-based seed capital fund in a qualifying business or in an Iowa-based seed capital fund with at least forty percent of its committed capital subscribed by community-based seed capital funds. However, an investor in a community-based seed capital fund may receive a tax credit under this division with respect to a separate direct investment made by the investor in the same qualifying business in which the community-based seed capital fund invests.

8. A community-based seed capital fund shall not invest in the Iowa fund of funds, if organized pursuant to section 15E.65, but may invest up to sixty percent of its committed capital in an Iowa-based seed capital fund with at least forty percent of its committed capital subscribed by community-based seed capital funds.

2002 Acts, ch 1006, §5, 13; 2003 Acts, ch 44, §10; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §98, 159; 2004 Acts, ch 1148, §5 – 7; 2005 Acts, ch 157, §3, 4; 2007 Acts, ch 174, §85; 2007 Acts, ch 186, §2; 2011 Acts, ch 118, §87, 89

Referred to in §15E.52

**15E.46 Reports.**

The authority shall publish an annual report of the activities conducted pursuant to this division and shall submit the report to the governor and the general assembly. The report

shall include a listing of eligible qualifying businesses and the number of tax credit certificates and the amount of tax credits issued by the authority.

2002 Acts, ch 1006, §6, 13; 2011 Acts, ch 118, §87, 89

**15E.47 through 15E.50** Reserved.

## DIVISION VI

## VENTURE CAPITAL FUND INVESTMENT TAX CREDIT — INNOVATION FUND INVESTMENT TAX CREDIT

**15E.51 Venture capital fund investment tax credits.** Repealed by 2010 Acts, ch 1138, § 25, 26.

Tax credit certificates issued for future tax years for investments made on or before July 1, 2010, under former section 15E.51 are valid and may be claimed by a taxpayer after July 1, 2010, in the tax year stated on the certificate; 2010 Acts, ch 1138, §26

**15E.52 Innovation fund investment tax credits.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Board"* means the same as defined in section 15.102.

*b.* *"Innovation fund"* means one or more early-stage capital funds certified by the board.

*c.* *"Innovative business"* means a business applying novel or original methods to the manufacture of a product or the delivery of a service. *"Innovative business"* includes but is not limited to a business engaged in the industries of advanced manufacturing, biosciences, and information technology.

2. *a.* A tax credit shall be allowed against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, for a portion of a taxpayer's equity investment in the form of cash in an innovation fund.

*b.* An individual may claim a tax credit under this section of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

3. The amount of a tax credit allowed under this section shall equal twenty-five percent of the taxpayer's equity investment in an innovation fund.

4. A taxpayer shall not claim a tax credit under this section if the taxpayer is a venture capital investment fund allocation manager for the Iowa fund of funds created in section 15E.65 or an investor that receives a tax credit for the same investment in a qualifying business as described in section 15E.44 or in a community-based seed capital fund as described in section 15E.45.

5. *a.* To receive a tax credit, a taxpayer must submit an application to the board. The board shall issue certificates under this section on a first-come, first-served basis, which certificates may be redeemed for tax credits. The board shall issue such certificates so that not more than the amount allocated for such tax credits under section 15.119, subsection 2, may be claimed. The board shall not issue a certificate before September 1, 2014.

*b.* If in a fiscal year the aggregate amount of tax credits applied for exceeds the amount allocated for that fiscal year under section 15.119, subsection 2, the board shall establish a wait list for certificates. Applications that were approved but for which certificates were not issued shall be placed on the wait list in the order the applications were received by the board and shall be given priority for receiving certificates in succeeding fiscal years.

*c.* The board shall not issue a certificate to a taxpayer for an equity investment in an innovation fund until such fund has been certified as an innovation fund pursuant to subsection 7.

*d.* The board shall, in cooperation with the department of revenue, establish criteria and procedures for the allocation and issuance of tax credits by means of certificates issued by

the board. The criteria shall include the contingencies that must be met for a certificate to be redeemable in order to receive a tax credit. The procedures established by the board, in cooperation with the department of revenue, shall relate to the procedures for the issuance and transfer of the certificates and for the redemption of a certificate and related tax credit.

*e.* A certificate and related tax credit issued pursuant to this section shall be deemed a vested right of the original holder or any transferee thereof, and the state shall not cause either to be redeemed in such a way that amends or rescinds the certificate or that curtails, limits, or withdraws the related tax credit, except as otherwise provided in this section or upon consent of the proper holder. A certificate issued pursuant to this section cannot pledge the credit of the state and any such certificate so pledged to secure the debt of the original holder or a transferee shall not constitute a contract binding the state.

6. Any tax credit in excess of the taxpayer's liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit.

7. An innovation fund shall submit an application for certification to the board. The board shall approve the application and certify the innovation fund if all of the following criteria are met:

*a.* The fund is organized for the purposes of making investments in promising early-stage companies which have a principal place of business in the state.

*b.* The fund proposes to make investments in innovative businesses.

*c.* The fund seeks to secure private funding sources for investment in such businesses.

*d.* The fund proposes to provide multiple rounds of funding and early-stage private sector funding to innovative businesses with a high growth potential, and proposes to focus such funding on innovative businesses that show a potential to produce commercially viable products or services within a reasonable period of time.

*e.* The fund proposes to evaluate all prospective innovative businesses using a rigorous approach and proposes to collaborate and coordinate with the authority and other state and local entities in an effort to achieve policy consistency.

*f.* The fund proposes to collaborate with the regents institutions of this state and to leverage relationships with such institutions in order to potentially commercialize research developed at those institutions.

*g.* The fund proposes to obtain at least fifteen million dollars in binding investment commitments and to invest a minimum of fifteen million dollars in companies that have a principal place of business in the state.

8. The board shall not certify an innovation fund after June 30, 2018.

9. An innovation fund shall collect and provide to the board the information required in subsection 10, paragraphs "*e*" and "*f*", in the manner and form prescribed by the board. An innovation fund failing to comply with this subsection may have its certification revoked by the board.

10. On or before January 31 of each year, the board, in cooperation with the department of revenue, shall submit to the general assembly and the governor a report describing the activities of the innovation funds during the preceding fiscal year. The report shall at a minimum include the following information:

*a.* The amount of tax credit certificates issued to equity investors in each innovation fund.

*b.* The amount of approved tax credit applications that were placed on the wait list for certificates.

*c.* The amount of tax credits claimed.

*d.* The amount of tax credits transferred to other persons.

*e.* The amount of investments in each innovation fund.

*f.* For each investment by an innovation fund in a business:

(1) The amount of the investment.

(2) The name and industry of the business.

(3) The location or locations from which the business operates.

(4) The number of employees of the business located in Iowa and the number of

employees of the business located outside Iowa on the date of the initial investment by the innovation fund in the business.

(5) The number of employees of the business located in Iowa and the number of employees of the business located outside Iowa at the close of the fiscal year which is the subject of the report.

11. Tax credit certificates issued pursuant to this section may be transferred, in whole or in part, to any person. A tax credit certificate shall only be transferred once. Within ninety days of transfer, the transferee shall submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address, the denomination that each replacement tax credit certificate is to carry, and any other information required by the department of revenue.

12. Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate must contain the information required for the original tax credit certificate. A replacement tax credit certificate may designate a different tax than the tax designated on the original tax credit certificate. A tax credit shall not be claimed by a transferee under this section until a replacement tax credit certificate identifying the transferee as the proper holder has been issued.

13. The transferee may use the amount of the tax credit transferred against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329, for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 422, divisions II, III, and V. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 422, divisions II, III, and V.

2011 Acts, ch 118, §23, 36, 89; 2011 Acts, ch 130, §40, 47, 71; 2012 Acts, ch 1126, §33; 2013 Acts, ch 117, §2 – 8

Referred to in §2.48, 15.119, 15.410, 422.11Z, 422.33, 422.60, 432.12M, 533.329

Section applies retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 118, §36; 2011 Acts, ch 130, §47

2013 amendments take effect May 24, 2013, and apply retroactively to January 1, 2013, for tax years beginning and equity investments in an innovation fund made on or after that date; 2013 Acts, ch 117, § 7, 8

Subsections 3, 5, and 6 amended

Subsection 7, NEW paragraphs d – g

NEW subsections 8 – 13

**15E.53 through 15E.60** Reserved.

## DIVISION VII

## CAPITAL INVESTMENT — IOWA FUND OF FUNDS

Referred to in §2.48, 502.102

**15E.61 Findings — purpose.**

1. The general assembly finds the following: Fundamental changes have occurred in national and international financial markets and in the financial markets of this state. A critical shortage of seed and venture capital resources exists in the state, and such shortage is impairing the growth of commerce in the state. A need exists to increase the availability of venture equity capital for emerging, expanding, and restructuring enterprises in Iowa, including, without limitation, enterprises in the life sciences, advanced manufacturing, information technology, alternative and renewable energy including the alternative and renewable energy sectors listed in section 476.42, subsection 1, paragraph "*a*", subparagraph (1), and value-added agriculture areas. Such investments will create jobs for Iowans and will help to diversify the state's economic base.

2. This division is enacted to fulfill the following purposes:

*a.* To mobilize private investment in a broad variety of venture capital partnerships in diversified industries and locales.

*b.* To retain the private-sector culture of focusing on rate of return in the investing process.

*c.* To secure the services of the best managers in the venture capital industry, regardless of location.

*d.* To facilitate the organization of the Iowa fund of funds in which to seek such private investment and to create interest in such investments by offering state incentives for private persons to make investments in the Iowa fund of funds.

*e.* To enhance the venture capital culture and infrastructure in the state of Iowa so as to increase venture capital investment within the state and to promote venture capital investing within Iowa.

*f.* To accomplish these purposes in such a manner as to minimize any appropriations by the state of Iowa.

*g.* To effectuate specific, measurable results, including all of the following:

(1) The creation of three new venture capital fund offices in Iowa within three years of February 28, 2002.

(2) The investment of resources from the Iowa fund of funds in Iowa businesses within three years of February 28, 2002.

(3) A cumulative rate of return on venture investments of the Iowa fund of funds equal to a minimum of one and one-half percentage points above the ten-year treasury bill rate in effect at the end of five years following February 28, 2002.

2002 Acts, ch 1005, §1; 2002 Acts, ch 1006, §13, 14; 2006 Acts, ch 1142, §16; 2008 Acts, ch 1032, §201; 2011 Acts, ch 25, §127

Referred to in §15E.63

**15E.62 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Board"* means the Iowa capital investment board created in section 15E.63.

2. *"Certificate"* means a contract between the board and a designated investor pursuant to which a tax credit is available and issued to the designated investor.

3. *"Creditor"* means a person, including an assignee of or successor to such person, who extends credit or makes a loan to the Iowa fund of funds or to a designated investor, and includes any person who refinances such credit or loan.

4. *"Designated investor"* means a person, other than the Iowa capital investment corporation, who purchases an equity interest in the Iowa fund of funds or a transferee of a certificate or tax credit.

5. *"Fund documents"* means all agreements relating to matters under the purview of this division VII entered into prior to June 20, 2013, between or among the state, the Iowa fund of funds, a fund allocation manager or similar manager, the Iowa capital investment corporation, the board, a creditor, a designated investor, and a private seed or venture capital partnership, and includes other documents having the same force and effect between or among such parties, as any of the foregoing may be amended, modified, restated, or replaced from time to time.

6. *"Iowa capital investment corporation"* means a private, nonprofit corporation created pursuant to section 15E.64.

7. *"Iowa fund of funds"* means a private, for-profit limited partnership or limited liability company established by the Iowa capital investment corporation pursuant to section 15E.65 in which a designated investor purchases an equity interest.

8. *"Tax credit"* means a contingent tax credit issued pursuant to section 15E.66 that is available against tax liabilities imposed by chapter 422, divisions II, III, and V, and by chapter 432 and against the moneys and credits tax imposed by section 533.329.

2002 Acts, ch 1005, §2; 2002 Acts, ch 1006, §13, 14; 2007 Acts, ch 174, §87; 2013 Acts, ch 140, §129, 132

Referred to in §511.8(20b), 515.35

NEW subsection 3 and former subsection 3 renumbered as 4

NEW subsection 5 and former subsections 4 – 6 renumbered as 6 – 8

**15E.63 Iowa capital investment board.**

1. The Iowa capital investment board is created as a state governmental board and the exercise by the board of powers conferred by this division shall be deemed and held to be the performance of essential public purposes. The purpose of the board shall be to mobilize venture equity capital for investment in such a manner that will result in a significant potential to create jobs and to diversify and stabilize the economy of the state.

2. The board shall consist of five voting members and four nonvoting advisory members who are members of the general assembly. Members shall be selected based upon demonstrated expertise and competence in the supervision of investment managers, in the fiduciary management of investment funds, or in the management and administration of tax credit allocation programs. Members shall not have an interest in any person to whom a tax credit is allocated and issued by the board.

*a.* The five voting members shall be appointed by the governor and confirmed by the senate pursuant to section 2.32. One nonvoting member shall be appointed by the majority leader of the senate after consultation with the president of the senate and one nonvoting member shall be appointed by the minority leader of the senate. One nonvoting member shall be appointed by the speaker of the house of representatives after consultation with the majority leader of the house of representatives and one nonvoting member shall be appointed by the minority leader of the house of representatives.

*b.* The five voting members shall be appointed to five-year staggered terms that shall be structured to allow the term of one member to expire each year. The nonvoting members shall serve terms as provided in section 69.16B. Vacancies shall be filled in the same manner as the appointment of the original members.

*c.* Members shall be compensated by the board for direct expenses and mileage but members shall not receive a director's fee, per diem, or salary for service on the board.

3. The board shall have the power to engage consultants, expend funds, invest funds, contract, bond or insure against loss, or perform any other act necessary to carry out its purpose, provided, however, that the board shall not hire employees.

4. Members of the board shall be indemnified against loss to the broadest extent permissible under chapter 669.

5. Meetings of the board shall, except to the extent necessary to protect confidential information with respect to investments in the Iowa fund of funds, be subject to chapter 21.

6. The board shall, in cooperation with the department of revenue, establish criteria and procedures for the allocation and issuance of tax credits to designated investors by means of certificates issued by the board. The criteria shall include the contingencies that must be met for a certificate to be redeemable by a designated investor or transferee in order to receive a tax credit. The contingencies to redemption shall be tied to the scheduled rates of return of equity interests purchased by designated investors in the Iowa fund of funds. The procedures established by the board, in cooperation with the department of revenue, shall relate to the procedures for the issuance of the certificates and the related tax credits, for the transfer of a certificate and related tax credit by a designated investor, and for the redemption of a certificate and related tax credit by a designated investor or transferee. The board shall also establish criteria and procedures for assessing the likelihood of future certificate redemptions by designated investors and transferees, including, without limitation, criteria and procedures for evaluating the value of investments made by the Iowa fund of funds and the returns from the Iowa fund of funds.

7. Pursuant to section 15E.66, the board shall issue certificates which may be redeemable for tax credits to provide incentives to designated investors to make equity investments in the Iowa fund of funds. The board shall issue the certificates so that not more than twenty million dollars of tax credits may be initially redeemable in any fiscal year. The board shall indicate on the tax certificate the principal amount of the tax credit and the date or dates on which the credit may be first claimed.

8. The board may charge a placement fee to the Iowa fund of funds with respect to the issuance of a certificate and related tax credit to a designated investor, but the fee shall be charged only to pay for reasonable and necessary costs of the board and shall not exceed one-half of one percent of the equity investment of the designated investor.

9. The board shall, in consultation with the Iowa capital investment corporation, publish an annual report of the activities conducted by the Iowa fund of funds, and present the report to the governor and the general assembly. The annual report shall include a copy of the audit of the Iowa fund of funds and a valuation of the assets of the Iowa fund of funds, review the progress of the investment fund allocation manager in implementing its investment plan, and describe any redemption or transfer of a certificate issued pursuant to this division, provided, however, that the annual report shall not identify any specific designated investor who has redeemed or transferred a certificate. Every five years, the board shall publish a progress report which shall evaluate the progress of the state of Iowa in accomplishing the purposes stated in section 15E.61.

10. The board shall redeem a certificate submitted to the board by a designated investor and shall calculate the amount of the allowable tax credit based upon the investment returns received by the designated investor and its predecessors in interest and the provisions of the certificate. Upon submission of a certificate for redemption, the board shall issue a verification to the department of revenue setting forth the maximum tax credit which may be claimed by the designated investor with respect to the redemption of the certificate.

11. The board shall adopt rules pursuant to chapter 17A necessary to administer the duties of the board.

2002 Acts, ch 1005, §3; 2002 Acts, ch 1006, §13, 14; 2003 Acts, ch 145, §286; 2005 Acts, ch 7, §1, 4; 2008 Acts, ch 1156, §18, 58; 2009 Acts, ch 41, §16

Referred to in §15.117A, 15E.62

**15E.64 Iowa capital investment corporation.**

1. An Iowa capital investment corporation may be organized as a private, not-for-profit corporation under chapter 504. The Iowa capital investment corporation is not a public corporation or instrumentality of the state and shall not enjoy any of the privileges and shall not be required to comply with the requirements of a state agency. Except as otherwise provided in this division, this division does not exempt the corporation from the requirements under state law which apply to other corporations organized under chapter 504. The purposes of an Iowa capital investment corporation shall be to organize the Iowa fund of funds, to select a venture capital investment fund allocation manager to select venture capital fund investments by the Iowa fund of funds, to negotiate the terms of a contract with the venture capital investment fund allocation manager, to execute the contract with the selected venture capital investment fund allocation manager on behalf of the Iowa fund of funds, to receive investment returns from the Iowa fund of funds, and to reinvest the investment returns in additional venture capital investments designed to result in a significant potential to create jobs and to diversify and stabilize the economy of the state. The corporation shall not exercise governmental functions and shall not have members. The obligations of the corporation are not obligations of this state or any political subdivision of this state within the meaning of any constitutional or statutory debt limitations, but are obligations of the corporation payable solely and only from the corporation's funds. The corporation shall not and cannot pledge the credit or taxing power of this state or any political subdivision of this state or make its debts payable out of any moneys except those of the corporation.

2. To facilitate the organization of an Iowa capital investment corporation, both of the following persons shall serve as incorporators as provided in section 504.201:

*a.* The chairperson of the economic development authority board or a designee of the chairperson.

*b.* The director of the economic development authority or a designee of the director.

3. After incorporation, the initial board of directors shall be elected by the members of an appointment committee. The members of the appointment committee shall be appointed by the economic development authority. The initial board of directors shall consist of five members. The persons elected to the initial board of directors by the appointment committee shall include persons who have an expertise in the areas of the selection and supervision of investment managers or in the fiduciary management of investment funds, and other areas of expertise as deemed appropriate by the appointment committee. After the election of the initial board of directors, vacancies in the board of directors of the corporation shall be elected

by the remaining directors of the corporation. Members of the board of directors shall be subject to any restrictions on conflicts of interest specified in the organizational documents and shall have no interest in any venture capital investment fund allocation manager selected by the corporation pursuant to the provisions of this division or in any investments made by the Iowa fund of funds.

4. The members of the appointment committee shall exercise due care to assure that persons elected to the initial board of directors have the requisite financial experience necessary in order to carry out the duties of the corporation as established in this division, including in areas related to venture capital investment, investment management, and supervision of investment managers and investment funds.

5. Upon the election of the initial board of directors, the terms of the members of the appointment committee shall expire.

6. The economic development authority shall assist the incorporators and the appointment committee in any manner determined necessary and appropriate by the incorporators and appointment committee in order to administer this section.

7. After incorporation, the Iowa capital investment corporation shall conduct a national solicitation for investment plan proposals from qualified venture capital investment fund allocation managers for the raising and investing of capital by the Iowa fund of funds in accordance with the requirements of this division. Any proposed investment plan shall address the applicant's level of experience, quality of management, investment philosophy and process, probability of success in fund-raising, prior investment fund results, and plan for achieving the purposes of this division. The selected venture capital investment fund allocation manager shall be a person with substantial, successful experience in the design, implementation, and management of seed and venture capital investment programs and in capital formation. The corporation shall only select a venture capital investment fund allocation manager with demonstrated expertise in the management and fund allocation of investments in venture capital funds. The corporation shall select the venture capital investment fund allocation manager deemed best qualified to generate the amount of capital required by this division and to invest the capital of the Iowa fund of funds.

8. The Iowa capital investment corporation may charge a management fee on assets under management in the Iowa fund of funds. The fee shall be in addition to any fee charged to the Iowa fund of funds by the venture capital investment fund allocation manager selected by the corporation, but the fee shall be charged only to pay for reasonable and necessary costs of the Iowa capital investment corporation and shall not exceed one-half of one percent per year of the value of assets under management.

9. Directors of the Iowa capital investment corporation shall be compensated for direct expenses and mileage but shall not receive a director's fee or salary for service as directors.

10. The Iowa capital investment corporation shall have the power to engage consultants, expend funds, invest funds, contract, bond or insure against loss, or perform any other act necessary to carry out its purpose. However, the corporation shall not hire staff as employees except to administer the rural and small business loan guarantee program of the Iowa fund of funds.

11. Upon the dissolution of the Iowa fund of funds, the Iowa capital investment corporation shall be liquidated and dissolved, and any assets owned by the corporation shall be distributed to the state of Iowa and deposited in the general fund.

2002 Acts, ch 1005, §4; 2002 Acts, ch 1006, §13, 14; 2002 Acts, ch 1175, §77; 2004 Acts, ch 1049, §181, 191, 192; 2004 Acts, ch 1175, §393; 2011 Acts, ch 118, §58, 59, 84, 85, 89; 2012 Acts, ch 1021, §18

Referred to in §15E.62, 15E.65, 15E.72

**15E.65 Iowa fund of funds.**

1. The Iowa capital investment corporation shall organize the Iowa fund of funds. The Iowa fund of funds shall be authorized to make investments in private seed and venture capital partnerships or entities in a manner which will encourage the availability of a wide variety of venture capital in the state, strengthen the economy of the state, help business in Iowa gain access to sources of capital, help build a significant, permanent source of capital

available to serve the needs of Iowa businesses, and accomplish all these benefits in a way that minimizes the use of tax credits.

2. The Iowa capital investment corporation shall organize the Iowa fund of funds in the following manner:

*a.* The Iowa fund of funds shall be organized as a private, for-profit, limited partnership or limited liability company under Iowa law pursuant to which the Iowa capital investment corporation shall be the general partner or manager. The entity shall be organized so as to provide for equity interests for designated investors which provide for a designated scheduled rate of return. The interest of the Iowa capital investment corporation in the Iowa fund of funds shall be to serve as general partner or manager and to be paid a management fee for the service as provided in section 15E.64, subsection 8, and to receive investment returns of the Iowa fund of funds in excess of those payable to designated investors. Any returns in excess of those payable to designated investors shall be reinvested by the Iowa capital investment corporation by being held in the Iowa fund of funds as a revolving fund for reinvestment in venture capital funds or investments until the termination of the Iowa fund of funds. Any returns received from these reinvestments shall be deposited in the revolving fund.

*b.* The Iowa fund of funds shall principally make investments in high-quality venture capital funds managed by investment managers who have made a commitment to consider equity investments in businesses located within the state of Iowa and which have committed to maintain a physical presence within the state of Iowa. The investments by the Iowa fund of funds shall be focused principally on partnership interests in private venture capital funds and not in direct investments in individual businesses. The Iowa fund of funds shall invest in venture capital funds with experienced managers or management teams with demonstrated expertise and a successful history in the investment of venture capital funds. The Iowa fund of funds may invest in newly created venture capital funds as long as the managers or management teams of the funds have the experience, expertise, and a successful history in the investment of venture capital funds described in this paragraph.

*c.* The Iowa fund of funds shall establish and administer a program to provide loan guarantees and other related credit enhancements on loans to rural and small business borrowers within the state of Iowa. The Iowa fund of funds shall invest five percent of its assets in investments for this program.

*d.* The Iowa fund of funds shall have the power to engage consultants, expend funds, invest funds, contract, bond or insure against loss, or perform any other act necessary to carry out its purpose, including, without limitation, engaging and agreeing to compensate a venture capital investment fund allocation manager. Such compensation shall be in addition to the management fee paid to the Iowa capital investment corporation. However, the Iowa fund of funds shall not hire employees except to administer its rural and small business loan guarantee and credit enhancement program.

*e.* The Iowa fund of funds may issue debt and borrow such funds as may be needed to accomplish its goals. However, such debt shall not be secured by tax credits issued by the board. The Iowa fund of funds may open and manage bank and short-term investment accounts as deemed necessary by the venture capital investment fund allocation manager.

*f.* The Iowa fund of funds may expend moneys to secure investment ratings for investments by designated investors in the Iowa fund of funds.

*g.* Each calendar year, the auditor of state shall conduct an annual audit of the activities of the Iowa fund of funds or shall engage an independent auditor to conduct the audit, provided that the independent auditor has no business, contractual, or other connection to the Iowa capital investment corporation or the Iowa fund of funds. The corporation shall reimburse the auditor of state for costs associated with the annual audit. The audit shall be delivered to the Iowa capital investment corporation and the board each year and shall include a valuation of the assets owned by the Iowa fund of funds as of the end of each year.

*h.* As soon as practicable after June 20, 2013, the Iowa capital investment corporation, in conjunction with the department of revenue, the board, and the attorney general, shall wind up the Iowa fund of funds pursuant to section 15E.72 and shall cause the Iowa fund of funds to be liquidated with all of its assets distributed to its owners in accordance with the provisions of its organizational documents and in accordance with the fund documents. In liquidating

such assets, the capital investment corporation, the department of revenue, the board, and the attorney general shall act with prudence and caution in order to minimize costs and fees and to preserve investment assets to the extent reasonably possible.

*i.* Upon the liquidation of the Iowa fund of funds, the Iowa capital investment corporation shall file a report with the general assembly stating how many jobs in this state were created through investments made by the Iowa fund of funds.

2002 Acts, ch 1005, §5; 2002 Acts, ch 1006, §13, 14; 2005 Acts, ch 7, §2, 4; 2013 Acts, ch 140, §130, 132

Referred to in §15E.45, 15E.52, 15E.62, 15E.72

Subsection 2, paragraph h amended

**15E.66 Certificates and tax credits.**

1. The board may issue certificates and related tax credits to designated investors which, if redeemed for the maximum possible amount, shall not exceed a total aggregate of sixty million dollars of tax credits. The certificates shall be issued contemporaneously with a commitment to invest in the Iowa fund of funds by a designated investor. A certificate issued by the board shall have a specific maturity date or dates designated by the board and shall be redeemable only in accordance with the contingencies reflected on the certificate or incorporated therein by reference. A certificate and the related tax credit shall be transferable by the designated investor. A tax credit shall not be claimed or redeemed except by a designated investor or transferee in accordance with the terms of a certificate from the board. A tax credit shall not be claimed for a tax year that begins earlier than the maturity date or dates stated on the certificate. An individual may claim the credit of a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust. Any tax credit in excess of the taxpayer's tax liability for the tax year may be credited to the tax liability for the following seven years, or until depleted, whichever is earlier.

2. The board shall certify the maximum amount of a tax credit which could be issued to a designated investor and identify the specific earliest date or dates the certificate may be redeemed pursuant to this division. The amount of the tax credit shall be limited to an amount equivalent to any difference between the scheduled aggregate return to the designated investor at rates of return authorized by the board and aggregate actual return received by the designated investor and any predecessor in interest of capital and interest on the capital. The rates, whether fixed rates or variable rates, shall be determined pursuant to a formula stipulated in the certificate or incorporated therein by reference. The board shall clearly indicate on the certificate, or incorporate therein by reference, the schedule, the amount of equity investment, the calculation formula for determining the scheduled aggregate return on invested capital, and the calculation formula for determining the amount of the tax credit that may be claimed. Once issued to a designated investor, a certificate shall be binding on the board and the department of revenue and shall not be modified, terminated, or rescinded.

3. If a designated investor or transferee elects to redeem a certificate, the certificate shall not be redeemed prior to the maturity date or dates stated on the certificate. At the time of redemption, the board shall determine the amount of the tax credit that may be claimed by the designated investor based upon the returns received by the designated investor and its predecessors in interest and the provisions of the certificate. The board shall issue a verification to the department of revenue setting forth the maximum tax credit which can be claimed by the designated investor with respect to the redemption of the certificate.

4. The board shall, in conjunction with the department of revenue, develop a system for registration of any certificate and related tax credit issued or transferred pursuant to this section and a system that permits verification that any tax credit claimed upon a tax return is valid and that any transfers of the certificate and related tax credit are made in accordance with the requirements of this division.

5. The board shall issue the tax credits in such a manner that not more than twenty million

dollars of tax credits may be initially redeemable in any fiscal year. The board shall indicate on the tax certificate the principal amount of the tax credit and the maturity date or dates on which the credit may be first claimed.

6. A certificate or tax credit issued or transferred pursuant to this division shall not be considered a security pursuant to chapter 502.

7. In determining the maximum aggregate limit in subsection 1 and the fiscal year limitation in subsection 5, the board shall use the cumulative amount of scheduled aggregate returns on certificates issued by the board to designated investors. However, certificates and related tax credits which have expired shall not be included and certificates and related tax credits which have been redeemed shall be included only to the extent of tax credits actually allowed.

2002 Acts, ch 1005, §6; 2002 Acts, ch 1006, §13, 14; 2003 Acts, ch 145, §286; 2005 Acts, ch 7, §3, 4; 2010 Acts, ch 1138, §20, 21

Referred to in §15E.62, 15E.63, 422.11Q, 422.33, 422.60, 432.12I, 533.329

**15E.67 Powers and effectiveness.**

This division shall not be construed as a restriction or limitation upon any power which the board might otherwise have under any other law of this state and the provisions of this division are cumulative to such powers. This division shall be construed to provide a complete, additional, and alternative method for performing the duties authorized and shall be regarded as supplemental and additional to the powers conferred by any other law. The level, timing, or degree of success of the Iowa fund of funds or the investment funds in which the Iowa fund of funds invests in, or the extent to which the investment funds are invested in Iowa venture capital projects, or are successful in accomplishing any economic development objectives, shall not compromise, diminish, invalidate, or affect the provisions of any contract entered into by the board or the Iowa fund of funds.

2002 Acts, ch 1005, §7; 2002 Acts, ch 1006, §13, 14; 2003 Acts, ch 44, §12

**15E.68 Permissible investments.**

Investments by designated investors in the Iowa fund of funds shall be deemed permissible investments for state-chartered banks, for credit unions, and for domestic insurance companies under applicable state laws.

2002 Acts, ch 1005, §8; 2002 Acts, ch 1006, §13, 14

Insurance companies; §511.8, 515.35
Banks; §524.901
Credit unions; §533.304

**15E.69 Enforcement.**

The attorney general may enforce the provisions of this division and conduct any investigations necessary for such enforcement.

2002 Acts, ch 1005, §9; 2002 Acts, ch 1006, §13, 14

**15E.70 Financial statements — auditor of state.**

By July 1 of each year, the Iowa fund of funds, the Iowa capital investment corporation, and designated investors shall submit a financial statement for the previous calendar year to the auditor of state.

2009 Acts, ch 179, §193

**15E.71 Executive council action.**

Notwithstanding section 7D.29, subsection 1, the executive council in full consultation with the attorney general, and with the agreement of the attorney general, shall take any action deemed necessary to protect the interests of the state with respect to any certificates, tax credits, entities created, or action taken in relation to this division. Such actions may include but are not limited to initiation of legal action, commencement of special investigations, institution of special audits of any involved entity, or establishment of receiverships. If such action is taken, the council may incur the necessary expense to perform such a duty or cause

such a duty to be performed, and pay the same out of any money in the state treasury not otherwise appropriated.

2012 Acts, ch 1138, §15

**15E.72 Program wind-up and future repeal.**

1. *Organization of additional funds prohibited.* Notwithstanding section 15E.65, an Iowa fund of funds shall not be organized on or after June 20, 2013.

2. *New investments by the fund of funds prohibited.* Notwithstanding section 15E.65, the Iowa fund of funds shall not make new investments in private seed and venture capital partnerships or entities on or after June 20, 2013, except as required by the fund documents.

3. *New investments by designated investors prohibited.*

*a.* Except as provided in paragraph *"b"*, and notwithstanding any other provision in this division VII, a designated investor shall not invest in the Iowa fund of funds on or after June 20, 2013.

*b.* Notwithstanding the prohibition in paragraph *"a"*, a designated investor may invest in the Iowa fund of funds on or after June 20, 2013, to the extent such investment is required by the fund documents. In addition, the director of revenue, with the approval of the attorney general, may authorize additional investment in the Iowa fund of funds but only if such an investment is necessary to preserve fund assets, repay creditors, pay taxes, or otherwise effectuate an orderly wind-up of the program pursuant to this section.

4. *Issuance, verification, and redemption of new certificates prohibited.*

*a.* Except as provided in paragraph *"b"*, and notwithstanding any other provision in this division VII, the board shall not issue, verify, or redeem a certificate or a related tax credit on or after June 20, 2013.

*b.* Notwithstanding the prohibition in paragraph *"a"*, the board may issue, redeem, or verify a certificate or a related tax credit under any of the following conditions:

(1) The board is required to do so under the terms of the fund documents.

(2) The issuance, redemption, or verification is deemed necessary by the director of revenue and the attorney general in order to arrange new financing terms with a creditor.

(3) The issuance, redemption, or verification is deemed necessary by the director of revenue and the attorney general to preserve fund assets, repay creditors, or otherwise effectuate an orderly wind-up of the program pursuant to this section.

5. *New fund allocation managers prohibited.*

*a.* Notwithstanding any other provision in this division VII, the Iowa capital investment corporation shall not have authority to solicit, select, terminate, or change a fund allocation manager or similar manager on or after June 20, 2013.

*b.* On or after June 20, 2013, all decisions pertaining to relationships with a fund allocation manager or similar manager selected prior to June 20, 2013, shall be made by the director of revenue with the approval of the attorney general. This subsection shall not be construed to impair the terms of the fund documents.

6. *Pledging of certificates prohibited.*

*a.* Except as provided in paragraph *"b"*, and notwithstanding any other provision of law to the contrary, a certificate and a related tax credit or verified tax credit issued by the board shall not be pledged by a designated investor as security for a loan or an extension of credit on or after June 20, 2013.

*b.* Notwithstanding the prohibition in paragraph *"a"*, a certificate and related tax credit or verified tax credit issued by the board may be pledged by a designated investor as security for a loan or an extension of credit to the extent such pledge is required by the fund documents. In addition, the board, with the approval of the director of revenue and the attorney general, may authorize a certificate and related tax credit to be pledged as security for a loan or an extension of credit, but only if such a pledge is necessary to arrange new financing terms with a creditor or to repay creditors for moneys loaned or credit extended to a designated investor.

7. *Rural and small business loan guarantees prohibited.* Notwithstanding any other provision in this division VII to the contrary, the Iowa capital investment corporation shall not make rural and small business loan guarantees or otherwise administer a program to

provide loan guarantees and other related credit enhancements on loans to rural and small business borrowers within the state of Iowa on or after June 20, 2013.

8. *Iowa capital investment corporation purposes amended.* Notwithstanding section 15E.64, on or after June 20, 2013, the purposes of the Iowa capital investment corporation shall be to comply with its obligations under the fund documents and to assist the board, the director of revenue, and the attorney general in effectuating the orderly wind-up of the Iowa fund of funds. In effectuating such a wind-up, the Iowa capital investment corporation shall comply with all reasonable requests by the board, the director of revenue, the attorney general, or the auditor of state.

9. *Use of revolving fund prohibited.*

*a.* Notwithstanding section 15E.65, subsection 2, paragraph "*a*", on or after June 20, 2013, all investment returns received by the Iowa capital investment corporation that are in excess of those payable to designated investors shall be deposited in the general fund of the state.

*b.* This subsection shall not be construed to impair the terms of the fund documents. It is the intent of the general assembly that this subsection only applies in the event that there are investment returns in excess of those necessary to repay creditors and designated investors under the terms of the fund documents.

10. *Preservation of existing rights.* This section is not intended to and shall not limit, modify, or otherwise adversely affect the fund documents, including any certificate, verified tax credit, or related tax credit issued before June 20, 2013, or limit, modify, or otherwise adversely affect the redemption of any tax credit, verified tax credit, or certificate.

11. *Future repeal.* This division VII is repealed upon the occurrence of one of the following, whichever is earlier:

*a.* The expiration or termination of all fund documents. The director of revenue shall notify the Iowa Code editor upon the occurrence of this condition.

*b.* December 31, 2027.

2013 Acts, ch 140, §131, 132
Referred to in §15E.65
NEW section

**15E.73 through 15E.80** Reserved.

DIVISION VIII

IOWA SEED CAPITAL CORPORATION

**15E.81 through 15E.85** Repealed by 2001 Acts, ch 61, § 19.

**15E.86** Repealed by 98 Acts, ch 1225, § 39.

**15E.87 through 15E.94** Repealed by 2001 Acts, ch 61, § 19.

**15E.95 through 15E.105** Reserved.

DIVISION IX

IOWA EXPORT TRADING COMPANY

**15E.106 through 15E.108** Repealed by 2001 Acts, ch 61, § 19.

**15E.109 and 15E.110** Reserved.

## DIVISION X

## VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES — ASSISTANCE

**15E.111 and 15E.112** Repealed by 2009 Acts, ch 123, § 8.

**15E.113 through 15E.115** Reserved.

## DIVISION XI

## IOWA WINE AND BEER PROMOTION

**15E.116 Iowa wine and beer promotion board.**

An Iowa wine and beer promotion board is created. The board consists of three members appointed by the director of the economic development authority. Each member shall serve a term of two years on the board. One member shall represent the authority, one member shall represent the Iowa wine makers, and one member shall represent the Iowa beer makers. The board shall advise the authority on the best means to promote wine and beer made in Iowa.

86 Acts, ch 1246, §719
C87, §28.116
C93, §15E.116
2011 Acts, ch 118, §85, 89

**15E.117 Promotion of Iowa wine and beer.**

1. The economic development authority shall consult with the Iowa wine and beer promotion board on the best means to promote wine and beer made in Iowa.

2. The authority has the authority to contract with private persons for the promotion of beer and wine made in Iowa.

3. Moneys appropriated to the authority pursuant to sections 123.143 and 123.183 may be used by the authority for the purposes of this section, including administrative expenses incurred under this section.

86 Acts, ch 1246, §720
C87, §28.117
C93, §15E.117
2002 Acts, ch 1050, §6; 2003 Acts, ch 145, §286; 2010 Acts, ch 1188, §23; 2011 Acts, ch 118, §85, 89; 2011 Acts, ch 130, §27, 71
Referred to in §123.143, 123.183

**15E.118 and 15E.119** Reserved.

## DIVISION XII

## LOAN REPAYMENTS

**15E.120 Loan repayments.**

1. Cities which have received loans under the former Iowa community development loan program, sections 7A.41 through 7A.49, Code 1985, are still obligated to repay borrowed funds to the state and to comply with terms and conditions of existing promissory notes.

2. After July 1, 1986, loan repayments made by recipient cities are payable to the Iowa department of economic development in an amount and at the time required by existing promissory notes.

3. Loan agreements with cities receiving loans under the former Iowa community development loan program for projects which have not been completed as of July 1, 1986, shall be amended by substituting “Iowa department of economic development” for “office for

planning and programming". The Iowa department of economic development shall assume the state's administrative responsibilities for these uncompleted projects.

4. All loan agreements and promissory notes with cities with completed projects shall, on July 1, 1986, be amended by substituting "Iowa department of economic development" for "office for planning and programming".

5. Loan repayments received by the Iowa department of economic development shall be deposited into a special account to be used at its discretion as matching funds to attract financial assistance from and to participate in programs with national rural development and finance corporations. Funds in this special account shall not revert to the state general fund at the end of any fiscal year. If the programs for which the funds in the special account are to be used are terminated or expire, the funds in the special account and funds that would be repaid, if any, to the special account shall be transferred or repaid to the strategic investment fund established in section 15.313.

6. On July 1, 2011, the economic development authority shall assume responsibility for the administration of this section.

86 Acts, ch 1185, §1

C87, §28.120

90 Acts, ch 1262, §28; 91 Acts, ch 23, §12; 91 Acts, ch 264, §512; 91 Acts, ch 267, §313

C93, §15E.120

95 Acts, ch 67, §5; 2001 Acts, ch 61, §8; 2003 Acts, ch 71, §5; 2009 Acts, ch 123, §26; 2011 Acts, ch 118, §60, 89; 2012 Acts, ch 1021, §19, 141, 144

Referred to in §384.4

Temporary appropriation of all moneys available from deposits made pursuant to subsection 5; 2011 Acts, ch 130, §6, 53, 71

**15E.121 through 15E.130** Reserved.

## DIVISION XIII

## BUSINESS DEVELOPMENT FINANCE

**15E.131 through 15E.149** Repealed by 2007 Acts, ch 126, § 114.

**15E.150 and 15E.151** Reserved.

## DIVISION XIV

## RESERVED

**15E.152 through 15E.166** Reserved.

## DIVISION XV

## IOWA BUSINESS INVESTMENT CORPORATION

**15E.167 and 15E.168** Reserved.

**15E.169 through 15E.171** Repealed by 2001 Acts, ch 61, § 19.

**15E.172 through 15E.174** Reserved.

## DIVISION XVI

## PHYSICAL INFRASTRUCTURE ASSISTANCE

**15E.175 Physical infrastructure assistance program.** Repealed by 2009 Acts, ch 123, § 8.

**15E.176 through 15E.180** Reserved.

## DIVISION XVII

## IOWA CAPITAL INVESTMENT BOARD

**15E.181 through 15E.184** Repealed by 2001 Acts, ch 61, § 19.

**15E.185 through 15E.190** Reserved.

## DIVISION XVIII

## ENTERPRISE ZONES

Referred to in §2.48, 15J.4

**15E.191 Intent.**

It is the intent of the general assembly that this division be administered in a manner to promote new economic development in economically distressed areas by encouraging communities to target resources in ways that attract productive private investment.

97 Acts, ch 144, §1

Referred to in §15.119

**15E.192 Enterprise zones.**

1. A county may create an economic development enterprise zone as authorized in this division, subject to certification by the economic development authority, by designating up to one percent of the county area for that purpose. An eligible county containing a city whose boundaries extend into an adjacent county may establish an enterprise zone in an area of the city located in the adjacent county if the adjacent county's board of supervisors adopts a resolution approving the establishment of the enterprise zone in the city and the two counties enter into an agreement pursuant to chapter 28E regarding the establishment of the enterprise zone. A county may establish more than one enterprise zone.

2. A city which includes at least three census tracts with at least fifty percent of the population in each census tract located in the city, as shown by the 2000 certified federal census, may create an economic development enterprise zone as authorized in this division, subject to certification by the economic development authority, by designating one or more contiguous census tracts, as determined in the most recent federal census, or designating other geographic units approved by the economic development authority for that purpose. If there is an area in the city which meets the requirements for eligibility for an urban or rural enterprise community under Tit. XIII of the federal Omnibus Budget Reconciliation Act of 1993, such area shall be designated by the state as an economic development enterprise zone. The area meeting the requirements for eligibility for an urban or rural enterprise community shall not be included for the purpose of determining the area limitation pursuant to subsection 4. In creating an enterprise zone, a city which includes at least three census tracts with at least fifty percent of the population in each census tract located in the city, as shown by the 2000 certified federal census, may designate as part of the area tracts or approved geographic units located in a contiguous city if such tracts or approved geographic units meet the criteria and the city agrees to being included. The city may establish more than one enterprise zone. Reference in this division to "*city*" means a city which includes

at least three census tracts with at least fifty percent of the population in each census tract located in the city, as shown by the 2000 certified federal census.

3. A city may create an economic development enterprise zone as authorized in this division, subject to certification by the economic development authority, by designating up to four square miles of the city for that purpose. In order for an enterprise zone to be certified pursuant to this subsection, an enterprise zone shall meet the distress criteria provided in section 15E.194, subsection 3. Section 15E.194, subsection 2, shall not apply to an enterprise zone certified pursuant to this subsection. For purposes of this subsection and section 15E.194, subsection 3, *"city"* means a city that includes at least three census tracts, as determined in the most recent federal census.

4. *a.* An enterprise zone certified by the authority pursuant to subsection 2 shall only be amended if the amendment consists of an area being added to the enterprise zone and the added area meets the criteria of section 15E.194, subsection 2. An enterprise zone certified by the authority pursuant to subsection 1 or 2 may be decertified; however, if a subsequent enterprise zone is designated, the expiration date of the subsequent enterprise zone shall be the same as the expiration date of the decertified enterprise zone. A portion of a certified enterprise zone may be decertified, provided that the remaining portion of the certified enterprise zone meets the distress criteria provided in section 15E.194.

*b.* A county or city may apply to the authority for an area to be certified as an enterprise zone at any time prior to July 1, 2014. However, the total amount of land designated as enterprise zones under subsection 1, and any other enterprise zones certified by the authority, excluding those approved pursuant to subsection 2 and section 15E.194, subsections 3 and 5, shall not exceed in the aggregate one percent of the total county area.

5. An enterprise zone designation shall remain in effect for ten years following the date of certification. Prior to the expiration of an enterprise zone designation, a city or county meeting the distress criteria in section 15E.194 may apply for a one-time ten-year extension of the designation. In applying for a one-time ten-year extension of an enterprise zone designation, a city or county may redefine the boundaries of the enterprise zone provided that the redefined enterprise zone meets the applicable distress criteria provided in section 15E.194. Prior to the expiration of an enterprise zone designation, a city or county that is not eligible to designate an enterprise zone but previously designated the enterprise zone pursuant to section 15E.194, Code Supplement 1997, may apply for a one-time extension of the enterprise zone designation to one year following the complete publication of the 2010 federal census. In applying for a one-time extension of the enterprise zone designation, the city or county may redefine the boundaries of the enterprise zone provided that the redefined enterprise zone meets the distress criteria provided in section 15E.194, Code Supplement 1997. The authority shall designate by rule the specific date of one year following the complete publication of the 2010 federal census. Any state or local incentives or assistance that may be conferred must be conferred before the designation expires. However, the benefits of the incentive or assistance may continue beyond the expiration.

97 Acts, ch 144, §2; 98 Acts, ch 1175, §6; 2000 Acts, ch 1213, §3, 4, 10; 2002 Acts, ch 1145, §1, 7, 10; 2003 Acts, ch 129, §1, 5 – 7; 2005 Acts, ch 57, §1; 2006 Acts, ch 1133, §1 – 4, 10; 2007 Acts, ch 126, §6; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1136, §1, 2; 2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1018, §4

Referred to in §15.119, 15E.194

**15E.193 Eligible business.**

1. A business which is or will be located, in whole or in part, in an enterprise zone is eligible to receive incentives and assistance under this division if the business has not closed or reduced its operation in one area of the state and relocated substantially the same operation into the enterprise zone and if the business meets all of the following requirements:

*a.* Is not a retail business or a business where entrance is limited by a cover charge or membership requirement.

*b.* (1) The business shall provide a sufficient package of benefits to each employee holding a created or retained job. For purposes of this paragraph, *"created job"* and *"retained job"* have the same meaning as defined in section 15.327.

(2) The authority shall adopt rules determining what constitutes a sufficient package of benefits.

*c.* The business shall pay a wage that is at least ninety percent of the qualifying wage threshold. For purposes of this paragraph, "*qualifying wage threshold*" has the same meaning as defined in section 15.327.

*d.* Creates or retains at least ten full-time equivalent positions and maintains them until the maintenance period completion date. For purposes of this paragraph, "*maintenance period completion date*" and "*full-time equivalent position*" have the same meanings as defined in section 15.327.

*e.* Makes a capital investment of at least five hundred thousand dollars.

*f.* If the business is only partially located in an enterprise zone, the business must be located on contiguous parcels of land.

2. In addition to meeting the requirements under subsection 1, an eligible business shall provide the enterprise zone commission with all of the following:

*a.* The long-term strategic plan for the business which shall include labor and infrastructure needs.

*b.* Information dealing with the benefits the business will bring to the area.

*c.* Examples of why the business should be considered or would be considered a good business enterprise.

*d.* The impact the business will have on other businesses in competition with it. The enterprise zone commission shall make a good-faith effort to identify existing Iowa businesses within an industry in competition with the business being considered for assistance. The enterprise zone commission shall make a good-faith effort to determine the probability that the proposed financial assistance will displace employees of the existing businesses. In determining the impact on businesses in competition with the business being considered for assistance, jobs created or retained as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created or retained.

*e.* A report describing all violations of environmental law or worker safety law within the last five years. If, upon review of the application, the enterprise zone commission finds that a business has a record of violations of the law, statutes, rules, or regulations that tends to show a consistent pattern, the enterprise zone commission shall not make an award of financial assistance to the business unless the authority finds either that the violations did not seriously affect public health, public safety, or the environment, or, if such violations did seriously affect public health, public safety, or the environment, that mitigating circumstances were present.

3. If a business has received incentives or assistance under section 15E.196 and fails to maintain the requirements of subsection 1 to be an eligible business, the business is subject to repayment of all or a portion of the incentives and assistance that it has received. The city or county, as applicable, shall have the authority to take action to recover the value of taxes not collected as a result of the exemption provided by the community to the business. The department of revenue shall have the authority to recover the value of state taxes or incentives provided under section 15E.196. The value of state incentives provided under section 15E.196 includes applicable interest and penalties. The economic development authority and the city and county, as applicable, shall enter into agreement with the business specifying the method for determining the amount of incentives or assistance paid which will be repaid in the event of failure to maintain the requirements of subsection 1. In addition, a business that fails to maintain the requirements of subsection 1 shall not receive incentives or assistance for each year during which the business is not in compliance.

4. If a business that is approved to receive incentives or assistance provided under section 15E.196 experiences a layoff within the state or closes any of its facilities within the state prior to receiving the incentives and assistance, the authority may reduce or eliminate all or a portion of the incentives and assistance. If a business has received incentives or assistance under section 15E.196 and experiences a layoff within the state or closes any of its facilities

within the state after receiving the incentives and assistance, the business may be subject to repayment of all or a portion of the incentives and assistance that it has received.

97 Acts, ch 144, §3; 98 Acts, ch 1175, §7 – 9; 2003 Acts, ch 129, §2; 2003 Acts, ch 145, §286; 2006 Acts, ch 1009, §1 – 3; 2007 Acts, ch 126, §7; 2009 Acts, ch 123, §17; 2011 Acts, ch 118, §85, 87, 89; 2012 Acts, ch 1021, §20; 2012 Acts, ch 1126, §16, 17

Referred to in §15.119, 15E.193B, 15E.194, 15E.195

For aggregate limitations on amount of tax credits, see §15.119

**15E.193A Alternative eligible business criteria.** Repealed by 2002 Acts, ch 1145, § 9.

**15E.193B Eligible housing business.**

1. A housing business qualifying under this section is eligible to receive incentives and assistance only as provided in this section. An eligible housing business shall not receive incentives or assistance for a home or multiple dwelling unit built or rehabilitated in an enterprise zone designated pursuant to section 15E.194, subsection 3 or 5. Sections 15E.193 and 15E.196 do not apply to an eligible housing business qualifying under this section.

2. An eligible housing business under this section includes a housing developer, housing contractor, or nonprofit organization that builds or rehabilitates a minimum of four single-family homes located in that part of a city or county in which there is a designated enterprise zone or one multiple dwelling unit building containing three or more individual dwelling units located in that part of a city or county in which there is a designated enterprise zone.

3. The single-family homes and dwelling units which are rehabilitated or constructed by the eligible housing business shall include the necessary amenities. When completed and made available for occupancy, the single-family homes and dwelling units shall meet the United States department of housing and urban development's housing quality standards and local safety standards.

4. The eligible housing business shall complete its building or rehabilitation within two years from the time the business begins construction on the single-family homes and dwelling units. The failure to complete construction or rehabilitation within two years shall result in the eligible housing business becoming ineligible and subject to the repayment requirements and penalties enumerated in subsection 7. The authority may extend the prescribed two-year completion period for any current or future project which has not been completed if the authority determines that completion within the two-year period is impossible or impractical as a result of a substantial loss caused by flood, fire, earthquake, storm, or other catastrophe. For purposes of this subsection, *"substantial loss"* means damage or destruction in an amount in excess of thirty percent of the project's expected eligible basis as set forth in the eligible housing business's application.

5. An eligible housing business shall provide the enterprise zone commission with all of the following information:

*a.* The long-term strategic plan for the housing business which shall include labor and infrastructure needs.

*b.* Information dealing with the benefits the housing business will bring to the area.

*c.* Examples of why the housing business should be considered or would be considered a good business enterprise.

*d.* An affidavit that it has not, within the last five years, violated state or federal environmental and worker safety statutes, rules, and regulations or if such violation has occurred that there were mitigating circumstances or such violations did not seriously affect public health or safety or the environment.

*e.* Information showing the total costs and sources of project financing that will be utilized for the new investment directly related to housing for which the business is seeking approval for a tax credit provided in subsection 6, paragraph *"a"*.

*f.* If the eligible housing business is a partnership, S corporation, or limited liability company using low-income housing tax credits authorized under section 42 of the Internal Revenue Code to assist in the financing of the housing development, the name of any partner if the business is a partnership, a shareholder if the business is an S corporation, or a

member if the business is a limited liability company and the amount designated as allowed under subsection 8.

6. An eligible housing business which has been approved to receive incentives and assistance by the economic development authority pursuant to application as provided in section 15E.195 shall receive all of the following incentives and assistance for a period not to exceed ten years:

*a.* An eligible housing business may claim a tax credit up to a maximum of ten percent of the new investment which is directly related to the building or rehabilitating of a minimum of four single-family homes located in that part of a city or county in which there is a designated enterprise zone or one multiple dwelling unit building containing three or more individual dwelling units located in that part of a city or county in which there is a designated enterprise zone. The new investment that may be used to compute the tax credit shall not exceed the new investment used for the first one hundred forty thousand dollars of value for each single-family home or for each unit of a multiple dwelling unit building containing three or more units. The tax credit may be used to reduce the tax liability imposed under chapter 422, division II, III, or V, or chapter 432. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs earlier. If the business is a partnership, S corporation, limited liability company, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S corporation, limited liability company, or estate or trust except as allowed for under subsection 8 when low-income housing tax credits authorized under section 42 of the Internal Revenue Code are used to assist in the financing of the housing development.

*b.* Sales, services, and use tax refund for taxes paid by an eligible business including an eligible business acting as a contractor or subcontractor, as provided in section 15.331A.

7. If a business has received incentives or assistance under this section and fails to maintain the requirements of this section to be an eligible housing business, the business is subject to repayment of all or a portion of the incentives and assistance that it has received. The department of revenue shall have the authority to recover the value of state taxes or incentives provided under this section. The value of state incentives provided under this section includes applicable interest and penalties. The economic development authority and the city and county, as applicable, shall enter into agreement with the business specifying the method for determining the amount of incentives or assistance paid which will be repaid in the event of failure to maintain the requirements of this section. In addition, a business that fails to maintain the requirements of this section shall not receive incentives or assistance for each year during which the business is not in compliance.

8. The amount of the tax credits determined pursuant to subsection 6, paragraph "*a*", for each project shall be approved by the economic development authority. The authority shall utilize the financial information required to be provided under subsection 5, paragraph "*e*", to determine the tax credits allowed for each project. In determining the amount of tax credits to be allowed for a project, the authority shall not include the portion of the project cost financed through federal, state, and local government tax credits, grants, and forgivable loans. Upon approving the amount of the tax credit, the economic development authority shall issue a tax credit certificate to the eligible housing business except when low-income housing tax credits authorized under section 42 of the Internal Revenue Code are used to assist in the financing of the housing development in which case the tax credit certificate may be issued to a partner if the business is a partnership, a shareholder if the business is an S corporation, or a member if the business is a limited liability company in the amounts designated by the eligible partnership, S corporation, or limited liability company. An eligible housing business or the designated partner if the business is a partnership, designated shareholder if the business is an S corporation, or designated member if the business is a limited liability company, or transferee shall not claim the tax credit unless a tax credit certificate is attached to the taxpayer's return for the tax year for which the tax credit is claimed. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of the tax credit, and other information required by

the department of revenue. The tax credit certificate shall be transferable if the housing development is located in a brownfield site as defined in section 15.291, if the housing development is located in a blighted area as defined in section 403.17, or if low-income housing tax credits authorized under section 42 of the Internal Revenue Code are used to assist in the financing of the housing development. Not more than three million dollars worth of tax credits for housing developments that are located in a brownfield site as defined in section 15.291 or housing developments located in a blighted area as defined in section 403.17 shall be transferred in one calendar year. The three million dollar annual limit does not apply to tax credits awarded to an eligible housing business having low-income housing tax credits authorized under section 42 of the Internal Revenue Code to assist in the financing of the housing development. The authority may approve an application for tax credit certificates for transfer from an eligible housing business located in a brownfield site as defined in section 15.291 or in a blighted area as defined in section 403.17 that would result in the issuance of more than three million dollars of tax credit certificates for transfer, provided the authority, through negotiation with the eligible business, allocates those tax credit certificates for transfer over more than one calendar year. The authority shall not approve more than one million five hundred thousand dollars in tax credit certificates for transfer to any one eligible housing business located in a brownfield site as defined in section 15.291 or in a blighted area as defined in section 403.17 in a calendar year. If three million dollars in tax credit certificates for transfer have not been issued at the end of a calendar year, the remaining tax credit certificates for transfer may be issued in advance to an eligible housing business scheduled to receive a tax credit certificate for transfer in a later calendar year. Any time the authority approves a tax credit certificate for transfer which has not been allocated at the end of a calendar year, the authority may prorate the remaining certificates to more than one eligible applicant. If the entire three million dollars of tax credit certificates for transfer is not issued in a given calendar year, the remaining amount may be carried over to a succeeding calendar year. Tax credit certificates issued under this chapter may be transferred to any person or entity. The economic development authority shall notify the department of revenue of the tax credit certificates which have been approved for transfer. Within ninety days of transfer, the transferee must submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address, and the denomination that each replacement tax credit certificate is to carry and any other information required by the department of revenue. Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement certificate must contain the information required to receive the original certificate and must have the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule of the economic development authority shall not be transferable. A tax credit shall not be claimed by a transferee under subsection 6, paragraph "*a*", until a replacement tax credit certificate identifying the transferee as the proper holder has been issued.

The transferee may use the amount of the tax credit transferred against the taxes imposed under chapter 422, divisions II, III, and V, and chapter 432 for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 422, divisions II, III, and V. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 422, divisions II, III, and V.

9. The economic development authority and the department of revenue shall each adopt rules to jointly administer this section.

98 Acts, ch 1179, §1; 2000 Acts, ch 1213, §5 – 8, 10; 2001 Acts, ch 141, §2 – 4, 8; 2002 Acts, ch 1145, §2, 3; 2003 Acts, ch 129, §3; 2003 Acts, ch 133, §1, 4; 2003 Acts, ch 145, §286; 2003

Acts, ch 179, §100, 159; 2003 Acts, 1st Ex, ch 2, §15, 209; 2005 Acts, ch 130, §1, 2; 2005 Acts, ch 179, §53 – 55; 2006 Acts, ch 1133, §5, 10; 2006 Acts, ch 1158, §1; 2011 Acts, ch 118, §85, 89

Referred to in §15.119, 15E.194, 15E.195, 422.11F, 422.33, 422.60, 432.12C

For aggregate limitations on amount of tax credits, see §15.119

Exception to two-year completion deadline under subsection 4 for certain failures to file appropriate extension paperwork; 2012 Acts, ch 1126, §39; 2012 Acts, ch 1138, §39

**15E.193C Eligible development business.** Repealed by 2004 Acts, ch 1003, § 11, 12.

**15E.194 Distress criteria.**

1. An enterprise zone may be designated by a county which meets at least two of the following criteria:

*a.* The county has an average weekly wage that ranks among the bottom twenty-five counties in the state based on the 2000 annual average weekly wage for employees in private business.

*b.* The county has a family poverty rate that ranks among the top twenty-five counties in the state based on the 2000 census.

*c.* The county has experienced a percentage population loss that ranks among the top twenty-five counties in the state between 1995 and 2000.

(1) For purposes of this paragraph "*c*", prison population shall be excluded in the population loss calculations.

(2) If a county not otherwise qualified to participate in the enterprise zone program qualifies as a result of excluding the county's prison population, a business engaged in the production of ethanol or biodiesel in the county, notwithstanding its status as an eligible business under section 15E.193, shall not be eligible for assistance under section 15E.196.

*d.* The county has a percentage of persons sixty-five years of age or older that ranks among the top twenty-five counties in the state based on the 2000 census.

2. An enterprise zone may be designated by a city which meets at least two of the following criteria:

*a.* The area has a per capita income of twelve thousand six hundred forty-eight dollars or less based on the 2000 census.

*b.* The area has a family poverty rate of twelve percent or higher based on the 2000 census.

*c.* Ten percent or more of the housing units are vacant in the area.

*d.* The valuations of each class of property in the designated area is seventy-five percent or less of the citywide average for that classification based upon the most recent valuations for property tax purposes.

*e.* The area is a blighted area, as defined in section 403.17.

3. *a.* A city may designate an area of up to four square miles to be an enterprise zone if the area is a blighted area as defined in section 403.17 and the area includes or is located within four miles of at least three of the following:

(1) A commercial service airport.

(2) A barge terminal or a navigable waterway.

(3) Entry to a rail line.

(4) Entry to an interstate highway.

(5) Entry to a commercial and industrial highway network as identified pursuant to section 313.2A.

*b.* An eligible housing business under section 15E.193B shall not receive incentives or assistance for a home or multiple dwelling unit built or rehabilitated in an enterprise zone designated pursuant to this subsection.

4. The economic development authority shall certify eligible enterprise zones that meet the requirements of subsection 1 upon request by the county, subsection 2 upon request by the city, or subsection 3 upon request by the city, as applicable.

5. *a.* A city of any size or any county may designate an enterprise zone at any time prior to July 1, 2012, when a business closure or permanent layoff occurs. The business closure or permanent layoff must involve the loss of full-time employees, not including retail employees, at one place of business totaling at least one thousand employees or four percent or more of the county's resident labor force based on the most recent annual

resident labor force statistics from the department of workforce development, whichever is lower. A permanent layoff does not include a layoff of seasonal employees or a layoff that is seasonal in nature. For purposes of this paragraph, *"permanent layoff"* means the loss of jobs to an out-of-state location, the cessation of one or more production lines, the removal of manufacturing machinery and equipment, or similar actions determined to be equivalent in nature by the authority. A permanent layoff must occur on or after February 1, 2007. The enterprise zone may be established on the property of the place of business that has closed or imposed a permanent layoff and the enterprise zone may include an area up to an additional three miles adjacent to the property. The area meeting the requirements for enterprise zone eligibility under this subsection shall not be included for the purpose of determining the area limitation pursuant to section 15E.192, subsection 4. The closing business or business creating a permanent layoff shall not be eligible to receive incentives or assistance under this division. An eligible housing business under section 15E.193B shall not receive incentives or assistance for a home or multiple dwelling unit built or rehabilitated in an enterprise zone designated pursuant to this subsection.

*b.* The area included in an enterprise zone designated under this subsection on or after June 1, 2000, may be amended to change the boundaries of the enterprise zone. Such an amendment must be approved by the authority within three years of the date the enterprise zone was certified.

97 Acts, ch 144, §4; 2000 Acts, ch 1213, §9, 10; 2002 Acts, ch 1145, §6; 2006 Acts, ch 1133, §6, 7, 10; 2007 Acts, ch 183, §1; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1039, §1; 2010 Acts, ch 1136, §3; 2011 Acts, ch 118, §85, 89

Referred to in §15.119, 15A.1, 15E.192, 15E.193B, 15E.195, 15H.5

**15E.195 Enterprise zone commission.**

1. A county which designates an enterprise zone pursuant to section 15E.194, subsection 1, and in which an eligible enterprise zone is certified shall establish an enterprise zone commission to review applications from qualified businesses located within or requesting to locate within an enterprise zone designated pursuant to section 15E.194, subsection 1, to receive incentives or assistance as provided in section 15E.196. The enterprise zone commission shall also review applications from qualified housing businesses requesting to receive incentives or assistance as provided in section 15E.193B. The commission shall consist of nine members. Five of these members shall consist of one representative of the board of supervisors, one member with economic development expertise chosen by the economic development authority, one representative of the county zoning board, one member of the local community college board of directors, and one representative of the local workforce development center. These five members shall select the remaining four members. If the enterprise zone consists of an area meeting the requirements for eligibility for an urban or rural enterprise community under Tit. XIII of the federal Omnibus Budget Reconciliation Act of 1993, one of the remaining four members shall be a representative of that community. A county shall have only one enterprise zone commission to review applications for incentives and assistance for businesses located within or requesting to locate within a certified enterprise zone designated pursuant to section 15E.194, subsection 1.

2. A city which includes at least three census tracts with at least fifty percent of the population in each census tract located in the city and which designates an enterprise zone pursuant to section 15E.194, subsection 2 or 3, and in which an eligible enterprise zone is certified shall establish an enterprise zone commission to review applications from qualified businesses located within or requesting to locate within an enterprise zone to receive incentives or assistance as provided in section 15E.196. The enterprise zone commission shall review applications from qualified housing businesses requesting to receive incentives or assistance as provided in section 15E.193B. The commission shall consist of nine members. Six of these members shall consist of one representative of an international labor organization, one member with economic development expertise chosen by the economic development authority, one representative of the city council, one member of the local community college board of directors, one member of the city planning and zoning

commission, and one representative of the local workforce development center. These six members shall select the remaining three members. If the enterprise zone consists of an area meeting the requirements for eligibility for an urban enterprise community under Tit. XIII of the federal Omnibus Budget Reconciliation Act of 1993, one of the remaining three members shall be a representative of that community. If a city contiguous to the city designating the enterprise zone is included in an enterprise zone, a representative of the contiguous city, chosen by the city council, shall be a member of the commission. A city in which an eligible enterprise zone is certified shall have only one enterprise zone commission. If a city has established an enterprise zone commission prior to July 1, 1998, the city may petition to the economic development authority to change the structure of the existing commission.

3. The commission may adopt more stringent requirements, including requirements related to compensation and benefits, for a business to be eligible for incentives or assistance than provided in sections 15E.193 and 15E.193B. The commission may develop as an additional requirement that preference in hiring be given to individuals who live within the enterprise zone. The commission shall work with the local workforce development center to determine the labor availability in the area. The commission shall examine and evaluate building codes and zoning in the enterprise zone and make recommendations to the appropriate governing body in an effort to promote more affordable housing development.

4. If the enterprise zone commission determines that a business qualifies and is eligible to receive incentives or assistance as provided in section 15E.193B or 15E.196, the commission shall submit an application for incentives or assistance to the economic development authority. The authority may approve, defer, or deny the application.

5. *a.* In making its decision, the commission or authority shall consider the impact of the eligible business on other businesses in competition with it and compare the compensation package of businesses in competition with the business being considered for incentives or assistance. The commission or authority shall make a good-faith effort to identify existing Iowa businesses within an industry in competition with the business being considered for incentives or assistance. The commission or authority shall also make a good-faith effort to determine the probability that the proposed incentives or assistance will displace employees of existing businesses. In determining the impact on businesses in competition with the business seeking incentives or assistance, jobs created as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created.

*b.* However, if the commission or authority finds that an eligible business has a record of violations of the law, including but not limited to environmental and worker safety statutes, rules, and regulations, over a period of time that tends to show a consistent pattern, the eligible business shall not qualify for incentives or assistance under section 15E.193B or 15E.196, unless the commission or authority finds that the violations did not seriously affect public health or safety or the environment, or if it did that there were mitigating circumstances. In making the findings and determinations regarding violations, mitigating circumstances, and whether an eligible business is eligible for incentives or assistance under section 15E.193B or 15E.196, the commission or authority shall be exempt from chapter 17A. If requested by the commission or authority, the business shall provide copies of materials documenting the type of violation, any fees or penalties assessed, court filings, final disposition of any findings, and any other information which would assist the commission or authority in assessing the nature of any violation.

6. A business that is approved to receive incentives or assistance shall, for the length of its designation as an enterprise zone business, certify annually to the county or city, as applicable, and the economic development authority its compliance with the requirements of section 15E.193 or 15E.193B.

97 Acts, ch 144, §5; 98 Acts, ch 1175, §12; 98 Acts, ch 1223, §17; 2001 Acts, ch 141, §6, 8; 2002 Acts, ch 1119, §120; 2004 Acts, ch 1003, §9, 12; 2006 Acts, ch 1133, §8, 10; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1061, §180; 2011 Acts, ch 118, §85, 89

Referred to in §15.119, 15E.193B, 15E.196, 15E.197

**15E.196 Incentives — assistance.**

For purposes of determining the incentives or assistance provided in this section, *"eligible business"* means a business which has been approved to receive incentives and assistance by the economic development authority pursuant to application as provided in section 15E.195. The incentives and assistance provided under this division for businesses located in enterprise zones shall be for a period not to exceed ten years and shall include all of the following:

1. New jobs credit from withholding, as provided in section 15E.197.
2. Sales, services, and use tax refund, as provided in section 15.331A.
3. Investment tax credit of up to ten percent, as provided in section 15.333.
4. Research activities credit, as provided in section 15.335.
5. The county or city for which an eligible enterprise zone is certified may exempt from all property taxation all or a portion of the value added to the property upon which an eligible business locates or expands in an enterprise zone and which is used in the operation of the eligible business. The amount of value added for purposes of this subsection shall be the amount of the increase in assessed valuation of the property following the location or expansion of the business in the enterprise zone. If an exemption provided pursuant to this subsection is made applicable to only a portion of the property within an enterprise zone, the definition of that subset of eligible property must be by uniform criteria which further some planning objective established by the city or county enterprise zone commission and approved by the eligible city or county. The exemption may be allowed for a period not to exceed ten years beginning the year the eligible business enters into an agreement with the county or city to locate or expand operations in an enterprise zone.
6. Insurance premium tax credit of up to ten percent, as provided in section 15.333A.

97 Acts, ch 144, §6; 98 Acts, ch 1175, §13; 98 Acts, ch 1179, §3; 99 Acts, ch 172, §2; 2001 Acts, ch 141, §7, 8; 2003 Acts, ch 145, §286; 2004 Acts, ch 1003, §10, 12; 2005 Acts, ch 150, §52, 53, 68, 69; 2009 Acts, ch 179, §104; 2011 Acts, ch 118, §85, 89

Referred to in §15.119, 15E.193, 15E.193B, 15E.194, 15E.195

For aggregate limitations on amount of tax credits, see §15.119

**15E.197 New jobs credit from withholding.**

An eligible business may enter into an agreement with the department of revenue and a community college for a supplemental new jobs credit from withholding from jobs created under the program. The agreement shall be for program services for an additional job training project, as defined in chapter 260E.

1. The agreement shall provide for the following:

*a.* That the project shall be administered in the same manner as a project under chapter 260E and that a supplemental new jobs credit from withholding in an amount equal to one and one-half percent of the gross wages paid by the eligible business pursuant to section 422.16 is authorized to fund the program services for the additional project.

*b.* That the supplemental new jobs credit from withholding shall be collected, accounted for, and may be pledged by the community college in the same manner as described in section 260E.5.

2. The auditor of state shall perform an annual audit regarding how the training funds are being used.
3. To provide funds for the payment of the costs of the additional project, a community college may borrow money, issue and sell certificates, and secure the payment of the certificates in the same manner as described in section 260E.6, including but not limited to providing the assessment of an annual levy as described in section 260E.6, subsection 4. The program and credit authorized by this section is in addition to, and not in lieu of, the program and credit authorized in chapter 260E.
4. For purposes of this section, *"eligible business"* means a business which has been approved to receive incentives and assistance by the economic development authority pursuant to application as provided in section 15E.195.

2005 Acts, ch 150, §54, 69; 2007 Acts, ch 126, §8; 2011 Acts, ch 118, §85, 89

Referred to in §15.119, 15E.196, 403.19A, 422.16A

For aggregate limitations on amount of tax credits, see §15.119

**15E.198 Compliance cost fees.**

The compliance cost fees imposed in 15.330, subsection 12, shall apply to all agreements entered into under this division and shall be collected by the authority in the same manner and to the same extent as described in that subsection.

2013 Acts, ch 126, §3 – 5

Referred to in §15.106B

Section takes effect June 17, 2013, and applies to agreements entered into on or after that date; 2013 Acts, ch 126, §4, 5

NEW section

**15E.199 and 15E.200** Reserved.

DIVISION XIX

IOWA AGRICULTURAL INDUSTRY
FINANCE ACT

**15E.201 Short title.**

This division shall be known and may be cited as the *"Iowa Agricultural Industry Finance Act"*.

98 Acts, ch 1207, §2

**15E.202 Definitions.**

Except as otherwise provided in this division, or unless the context otherwise requires, the words and phrases used in this division shall have the same meaning as the words and phrases used in chapter 490, including but not limited to the words and phrases used in section 490.140. In addition, all of the following shall apply:

1. *"Actively engaged in agriculture"* means to do any of the following:

*a.* Inspect agricultural operations periodically and furnish at least half the direct cost of the operations.

*b.* Regularly and frequently make or take an important part in making management decisions substantially contributing to or affecting the success of the agricultural operation.

*c.* Perform physical work which significantly contributes to agricultural operation.

2. *"Agricultural commodity"* means any unprocessed agricultural product, including livestock as defined in section 717.1, agricultural crops, and forestry products grown, raised, produced, or fed in this state for sale in commercial channels.

3. *"Agricultural operation"* means an operation concerned with the production of agricultural commodities for processing into agricultural processed products.

4. *"Agricultural processed product"* means an agricultural commodity that has been processed for sale in commercial markets.

5. *"Agricultural producer"* means a person who is any of the following:

*a.* An individual actively engaged in agricultural production.

*b.* A person other than an individual, if the person is any of the following:

(1) A general partnership in which all the partners are natural persons, and one of the partners is actively engaged in agricultural production.

(2) A family farm entity if any of the following individuals is actively engaged in agricultural production:

(a) A shareholder and an officer, director, or employee of a family farm corporation.

(b) A member or manager of a family farm limited liability company.

(c) A general partner of a family farm limited partnership.

(d) A beneficiary of a family trust.

(3) A networking farmers entity.

6. *"Agricultural product"* means an agricultural commodity or an agricultural processed product.

7. *"Biotechnology enterprise"* means an enterprise organized under the laws of this state using biological techniques for the development of specialized plant or animal characteristics for beneficial nutritional, commercial, or industrial purposes.

8. *"Certified facility"* means a facility used to process agricultural products as certified by a corporation pursuant to section 15E.209.

9. *"Economic development authority"* or *"authority"* means the economic development authority created pursuant to section 15.105.

10. *"Family farm entity"* means a family farm corporation, family farm limited liability company, family farm limited partnership, or family trust as defined in section 9H.1.

11. *"Iowa agricultural industry finance corporation"* or *"corporation"* means a corporation formed under this division.

12. *"Iowa agricultural industry finance loan"* means a loan made to a qualified Iowa agricultural industry finance corporation pursuant to section 15E.208.

13. *"Iowa agricultural industry venture"* means an enterprise involving any of the following:

*a.* Agricultural producers investing in a new facility or acquiring or expanding an existing facility in this state which is used to process agricultural commodities produced in this state, if the purpose of the enterprise is to accomplish all of the following:

(1) The creation and retention of wealth in this state derived from processing and marketing agricultural commodities produced in this state.

(2) Increasing production, processing, and marketing of value-added agricultural products in this state.

(3) Providing for a substantial equitable ownership interest in the enterprise by Iowa agricultural producers.

(4) Providing an alternative in this state to corporate vertical integration in the production, processing, and marketing of agricultural products.

*b.* An agricultural biotechnology enterprise located in this state, if the purpose of research and application of biological techniques conducted by the enterprise is to accomplish all of the following:

(1) The creation and retention of wealth in this state.

(2) Increasing the value of agricultural commodities.

14. *"Loan"* means providing financing to a person under an agreement requiring that the amount in financing be repaid at a maturity date, with an interest rate, and other conditions as specified in the agreement.

15. *"Networking farmers entity"* means the same as defined in section 10.1.

16. *"Qualified investor"* means any of the following:

*a.* An agricultural producer.

*b.* A cooperative organized under chapter 501 or 501A.

*c.* A networking farmers entity.

17. *"Qualified Iowa agricultural industry finance corporation"* or *"qualified corporation"* means an Iowa agricultural industry financing corporation which meets the eligibility requirements of and is approved by the authority pursuant to section 15E.208.

98 Acts, ch 1207, §3; 2002 Acts, ch 1050, §7; 2005 Acts, ch 135, §105; 2011 Acts, ch 118, §61, 62, 87, 89

**15E.203 Findings — intent and purposes.**

1. The general assembly finds that this state is in a period when the economic structure of agriculture and the production, processing, and marketing of agricultural products is undergoing a period of rapid transformation.

2. It is the intent of the general assembly and purpose of this division that this state capture the greatest benefit from opportunities created during this period, by encouraging local agricultural producer-led ventures to expand production and processing of high value agricultural products, including agricultural processed products, to organize new business structures within the state to carry out these ventures, and to market and deliver increasingly high value agricultural products to consumers around the world. In carrying out this purpose, state resources provided by this division shall be used to assure all of the following:

*a.* That the majority of the wealth created by Iowa agricultural productivity is retained in this state.

*b.* That employment in the production, processing, and marketing of agricultural products, and especially agricultural processed products, is increased in this state.

*c.* That agricultural producers in this state are provided with an opportunity to acquire a majority ownership interest in Iowa agricultural industry ventures promoted under this division.

*d.* That this state becomes a world model for agricultural producer-based vertical cooperation which depends upon broadly shared access to information, capital, and cooperative action.

*e.* That the use of private resources with state incentives establish Iowa as the world leader in responsibly produced agricultural products that meet the needs of consumers throughout the world.

3. It is the intent of the general assembly and the purpose of this division that the state encourage Iowa agricultural industry ventures which promote the research and application of biological techniques for the development of specialized plant or animal characteristics for beneficial nutritional, commercial, or industrial purposes.

98 Acts, ch 1207, §4

Referred to in §15E.209

Additional legislative findings; 98 Acts, ch 1207, §1

**15E.204 Iowa agricultural industry finance corporations — scope of powers and duties.**

1. An Iowa agricultural industry finance corporation formed under this division shall be subject to and have the powers and privileges conferred by provisions of chapter 490, unless otherwise limited by or inconsistent with the provisions of this division.

2. Nothing in this division requires any of the following:

*a.* That a limited number of Iowa agricultural industry finance corporations are authorized to be formed. However, the authority may strictly interpret and apply the requirements of this division in determining whether a corporation is a qualified corporation under section 15E.208.

*b.* That a corporation be organized on a cooperative basis, including structured, organized, or operated pursuant to 26 U.S.C. § 1381(a).

*c.* That a corporation is restricted from holding, acquiring, or transferring financial or security instruments, including but not limited to a security regulated under chapter 502, money, accounts, and chattel paper under chapter 554, security interests under chapter 554, or a mortgage or deed of trust under chapter 654.

3. An Iowa agricultural industry finance corporation is a private business corporation and not a public corporation or instrumentality of the state. Except as provided in this division, nothing in this division exempts an Iowa agricultural industry finance corporation from the same requirements under state law which apply to other corporations organized under chapter 490, including taxation provisions under chapter 422 or Title X, subtitle 2 of this Code, or security regulations under chapter 502.

98 Acts, ch 1207, §5; 2011 Acts, ch 118, §87, 89

**15E.205 Iowa agricultural industry finance corporations — requirements.**

1. A corporation incorporated under chapter 490 is an Iowa agricultural industry finance corporation if the corporation complies with the requirements of this section and section 15E.206. In addition to the other requirements for a corporation organized under chapter 490, all of the following shall apply:

*a.* Agricultural producers must hold at least fifty-one percent of the corporation's common stock and at least fifty-one percent of the corporation's voting stock. The status of an agricultural producer shall be determined at the time of the transfer of stock from the corporation to the shareholder in a manner and as provided in the corporation's articles of incorporation or bylaws.

*b.* A director of the corporation's board of directors shall not serve for more than seven consecutive years as a board director.

*c.* The purpose of the corporation must be limited to providing financing to eligible persons under section 15E.209 who are engaging in Iowa agricultural industry ventures

limited to establishing a business structure in which agricultural producers produce agricultural commodities for processing and marketing as agricultural processed products.

2. The requirements of this section shall be memorialized in the corporation's articles of incorporation.

98 Acts, ch 1207, §6; 99 Acts, ch 66, §1
Referred to in §15E.208

**15E.206 Formation of an Iowa agricultural industry finance corporation.**

1. This section authorizes the formation of Iowa agricultural industry finance corporations in order to perfect the manner in which such corporations are formed and operate. Such a corporation is a private business corporation and not a public corporation or instrumentality of the state. The corporation shall not enjoy any of the privileges nor be required to comply with any of the requirements of a state agency.

2. In facilitating the formation of an Iowa agricultural industry finance corporation, the following persons shall serve as incorporators as provided in section 490.201:

*a.* A member of the economic development authority chosen by the members of the authority or a designee of the member.

*b.* The director of the economic development authority, or a designee of the director.

*c.* The secretary of agriculture or a designee of the secretary.

3. *a.* After incorporation, such a corporation shall be organized by an initial board of directors as provided in chapter 490, division II. The initial board of directors shall be elected by the members of an appointment committee. The members of the appointment committee shall be appointed by the economic development authority. The initial board of directors shall consist of seven members. The members of the appointment committee shall include persons who have an expertise in areas of banking, agricultural lending, business development, agricultural production and processing, seed and venture capital investment, and other areas of expertise as deemed appropriate by the interim board of directors.

*b.* The members of the appointment committee shall exercise due care to assure that persons appointed to the initial board of directors have the requisite financial experience necessary in order to carry out the duties of the corporation as established in this division, including in areas related to agricultural lending, commercial banking, and investment management.

*c.* Upon the election of the initial board of directors, the terms of the members of the appointment committee shall expire.

*d.* The authority shall assist the incorporators and the appointment committee in any manner determined necessary and appropriate by the economic development authority and the director of the authority in order to administer this section.

98 Acts, ch 1207, §7; 2011 Acts, ch 118, §63, 64, 84, 85, 89
Referred to in §15E.205

**15E.207 Iowa agricultural industry finance corporations — guiding principles.**

In carrying out its duties and exercising its powers under this division, an Iowa agricultural industry finance corporation shall be guided by the following principles:

1. *a.* The corporation must exercise diligence and care in the selection of persons and projects to receive financing as provided in section 15E.209. The corporation must apply customary and acceptable business and lending standards and practices in selecting persons and projects designated for financing and managing agreements under which financing is provided.

*b.* In selecting projects to receive financing, it is the intent of the general assembly that the corporation seek projects with wage, benefit, and work safety plans which improve the quality of employment in the state and which would not displace employees of existing Iowa agricultural industry ventures.

2. Except as otherwise provided in this section, the corporation shall not become an owner of real or depreciable property, including agricultural land, as provided in section 9H.4. However, this subsection shall not preclude the corporation from holding an interest in real or depreciable property if any of the following apply:

*a.* The corporation holds nonagricultural property for purposes of carrying out the management of its corporate affairs, including office space, furniture, and supplies.

*b.* The corporation holds an interest in real or depreciable property on a temporary basis, and any of the following apply:

(1) The interest is a bona fide encumbrance taken for purposes of security in connection with providing financing under section 15E.209.

(2) The interest is acquired by operation of law, including by any of the following:

(a) Devise or bequest.

(b) Court order.

(c) Dissolution under chapter 490, division XIV.

(d) Order in bankruptcy.

(e) Pursuant to a proceeding to enforce a debt against real property under chapter 654, to forfeit a contract to purchase real property under chapter 656, to enforce a secured interest in real or depreciable property under chapter 554, or to otherwise garnish, levy on, execute on, seize, or attach real or depreciable property in the collection of debts, or by any procedure for the enforcement of a lien or claim.

(3) The interest is acquired in order to facilitate a transfer between persons pursuant to a transaction authorized under this division.

98 Acts, ch 1207, §8; 2008 Acts, ch 1032, §201

Referred to in §15E.208, 175.37

**15E.208 Qualified corporations — Iowa agricultural industry finance loans.**

1. The authority may award an Iowa agricultural industry finance loan to an Iowa agricultural industry finance corporation if the authority in its discretion determines that the corporation is qualified under this section.

2. The corporation must apply for an Iowa agricultural industry finance loan on forms and according to procedures required by the authority.

3. The authority shall loan all of the amounts available to the authority pursuant to this division to a qualified corporation with provisions and restrictions as determined by the authority and contained in a loan agreement executed between the authority and the qualified corporation.

*a.* The authority may attach conditions to the granting of the loan as it deems desirable, including any restrictions on the subordination of the moneys loaned. The attorney general shall assist the authority in drafting loan agreements and in collecting on the loan agreement.

*b.* The Iowa agricultural industry finance loan shall be repayable upon terms and conditions negotiated by the parties.

(1) The repayment period shall begin six years following the date when the Iowa agricultural industry finance loan is awarded and end twenty-five years after the date that the repayment period begins.

(2) At least four percent of the amount of the Iowa agricultural industry finance loan due shall be paid each year to the authority. However, the authority may accept an assignment of a loan made by the corporation providing financing to an eligible person pursuant to section 15E.209. The assigned loan shall grant to the authority the corporation's right to payment under the loan. Any such assignment shall be made by an agreement executed by the authority and the corporation. The assignment agreement shall be subject to all of the following:

(a) The period of assignment may be for any number of years. The authority shall apply to the amounts due under the Iowa agricultural industry finance loan the principal, interest, and fees which the eligible person is obligated to pay under the assigned loan. The total amount of the principal, interest, and fees that the eligible person is obligated to pay to the authority during the period of assignment plus any other repayment of the Iowa agricultural industry finance loan made by the corporation to the authority must equal the amount of the Iowa agricultural industry finance loan that the corporation would otherwise be obligated to repay the authority during that same period. However, the agreement may provide that during any year of the assignment period the eligible person may pay more or less than four

percent of the amount of the Iowa agricultural industry finance loan that the corporation would otherwise be obligated to repay during that year.

(b) The assignment agreement shall contain conditions relating to the right of payment assigned to the authority which may include securing the payment obligation in any manner that allows the authority to enforce a debt against the property of the eligible person. The authority shall not have a right of recourse against the corporation for any amount required to be applied from the assigned loan to the Iowa agricultural industry finance loan.

(c) Notwithstanding any provision of this division to the contrary, payments on the principal balance of the loan granted by the corporation to an eligible person and assigned to the department of economic development pursuant to this subparagraph during calendar year 2003 shall be deferred until October 1, 2007. The eligible person shall make principal payments to the department of economic development in the amount of one million dollars for each year on October 1, 2007, October 1, 2008, and October 1, 2009. The eligible person shall pay the department of economic development four hundred eighty-two thousand seven hundred sixty-one dollars in interest, which shall be deemed to be the total amount of interest accruing on the principal amount of the loan. The eligible person shall pay the interest amount on October 1, 2010. Upon the payment of the principal balance of the loan and the accrued interest, the debt shall be retired.

(d) Notwithstanding any provision of this division to the contrary, the corporation shall repay the department of economic development, or its successor entity, the principal balance of the Iowa agricultural industry finance loan beginning on October 1, 2007. The principal balance of the loan equals twenty-one million five hundred seventeen thousand two hundred thirty-nine dollars. The corporation shall repay the department of economic development, or its successor entity, five hundred seventeen thousand two hundred thirty-nine dollars by October 1, 2007, and for each subsequent year the corporation shall repay the department, or its successor entity, at least one million dollars by October 1 until the total principal balance of the loan is repaid. This subparagraph shall not be construed to limit the authority of the department of economic development, or its successor entity, to negotiate the payment of interest accruing on the principal balance which shall be paid as provided by an agreement executed by the department of economic development, or its successor entity, and the corporation.

(e) Notwithstanding any provision of this division to the contrary, payments of principal and interest of the loan granted by the corporation to an eligible person and assigned to the department of economic development pursuant to this subparagraph during calendar year 2003 which were deferred pursuant to subparagraph division (c) shall be forgiven and the total debt, including interest, shall be retired.

(3) The corporation shall not be subject to a prepayment penalty.

*c.* The corporation shall not expend moneys originating from the state, including moneys loaned under this section, on political activity or on any attempt to influence legislation.

4. A corporation shall not provide financing to support a person who is any of the following:

*a.* An agricultural producer, if any of the following applies:

(1) The agricultural producer is a party to a pending action for a violation of chapter 455B or 459, subchapters II and III, concerning a confinement feeding operation in which the person has a controlling interest and the action is commenced in district court by the attorney general.

(2) The agricultural producer or a confinement feeding operation in which the agricultural producer holds a controlling interest is classified as a habitual violator under section 459.604.

*b.* An agricultural products processor, if the processor or a person owning a controlling interest in the processor has demonstrated, within the most recent consecutive three-year period prior to the application for financing, a continuous and flagrant disregard for the health and safety of its employees or the quality of the environment. Violations of environmental protection statutes, rules, or regulations shall be reported for the most recent five-year period prior to application. Evidence of such disregard shall include a history of serious or uncorrected violations of state or federal law protecting occupational health and safety or the environment, including but not limited to serious or uncorrected violations of

occupational safety and health standards enforced by the division of labor services of the department of workforce development pursuant to chapter 84A, or rules enforced by the department of natural resources pursuant to chapter 455B or 459, subchapters II and III.

*c.* A member of the economic development authority, an employee of the economic development authority, an elected state official, or any director or other officer or an employee of the corporation.

5. In order to be eligible as a qualified Iowa agricultural industry finance corporation, all of the following conditions must be satisfied:

*a.* The corporation must only provide financing to persons and ventures eligible under section 15E.209.

*b.* The corporation must demonstrate that it complies with guiding principles for the corporation as provided in section 15E.207.

*c.* The corporation must adopt policies and procedures which maximize public oversight into the affairs of the corporation, by providing a forum for public comment, an opportunity for public review of the corporation's actions, and methods to ensure accountability for the expenditure of public moneys loaned to the corporation.

*d.* The corporation's articles of incorporation must comply with requirements established by the authority relating to the capacity and integrity of the corporation to carry out the purposes of this division, including but not limited to all of the following:

(1) The capitalization of the corporation.

(2) The manner in which financing is provided by the corporation, including the manner in which an Iowa agricultural industry finance loan can be used by the corporation.

(3) The composition of the corporation's board of directors. The board must be composed of persons knowledgeable in Iowa agricultural industries including a representative number of individuals experienced and knowledgeable in financing new agricultural industries.

(4) The manner of oversight required by the authority or the auditor of state. The articles must provide that the corporation shall submit a report to the governor, the general assembly, and the authority. The report shall provide a description of the corporation's activities and a summary of its finances, including financial awards. The report shall be submitted not later than January 10 of each year. The articles shall provide that an audit of the corporation must be conducted each year for the preceding year by a certified public accountant licensed pursuant to chapter 542. The auditor of state may audit the books and accounts of the corporation at any time. The results of the annual audit and any audit for the current year conducted by the auditor of state shall be included as part of the report.

(5) The execution of an agreement between the corporation and an eligible recipient as required by the authority as a condition of providing financing, in which the eligible recipient agrees to become a shareholder in the corporation. If the eligible recipient is an agricultural producer as provided in section 15E.209, the agreement shall provide that the agricultural producer becomes a shareholder of voting common stock in the corporation equal to at least five percent of the financing provided to the agricultural producer pursuant to the agreement. The agreement shall be for a period of not less than ten years. An agreement shall at least provide all of the following:

(a) The establishment of a common stock pricing system. The stock shall be frozen against price appreciation for the first five years of the life of the corporation. The articles shall contain waivers for death and disability.

(b) The maintenance of stock ownership by an eligible recipient until a financial assistance obligation due the corporation is satisfied.

(c) A requirement that the par value of participating common stock be established prior to providing financial assistance to an eligible recipient.

*e.* To the extent feasible and fiscally prudent, the corporation must maintain a portfolio which is diversified among the various types of agricultural commodities and agribusiness.

*f.* Not more than seventy-five percent of moneys originating from the state, including moneys loaned to the corporation pursuant to this section, may be used to finance any one Iowa agricultural industry venture.

*g.* The corporation may only be terminated by the following methods, unless approved by the authority:

(1) Merger or share exchange under chapter 490, division XI.

(2) Dissolution as provided in chapter 490, division XIV, part A.

(3) A sale, lease, exchange, mortgage, pledge, transfer, or other disposition, in one or more transactions of assets of the corporation which has an aggregate market value equal to fifty percent or more of either the aggregate market value of all of the assets of the corporation determined on a consolidated basis, or the aggregate market value of all the outstanding stock of the corporation.

6. The authority shall provide for the default of the loan if the qualified corporation does any of the following:

*a.* Violates a provision of the articles of incorporation or an amendment to the articles of incorporation that is required by this division which violation is not approved by the authority.

*b.* Violates the terms of the loan agreement executed between the authority and the corporation, which violation is not approved by the authority.

*c.* Fails to comply with the requirements of section 15E.205.

*d.* Completes a transaction, if all of the following apply:

(1) The transaction involves any of the following:

(a) A merger or share exchange under chapter 490, division XI.

(b) The sale, lease, exchange, mortgage, pledge, transfer, or other disposition, in one or more transactions of assets of the corporation which has an aggregate market value equal to fifty percent or more of either the aggregate market value of all of the assets of the corporation determined on a consolidated basis, or the aggregate market value of all the outstanding stock of the corporation.

(2) The surviving entity of a merger or share exchange, or the entity acquiring the assets of the corporation fails to meet the requirements of section 15E.205.

7. In an action to enforce a judgment against a qualified corporation, the interest of the state shall be subrogated to the interests of holders of bonds issued by the corporation.

8. Moneys repaid or collected by the authority under this section shall be deposited into the road use tax fund created pursuant to section 312.1.

98 Acts, ch 1207, §9; 99 Acts, ch 66, §2; 2000 Acts, ch 1058, §6; 2001 Acts, ch 55, §20, 38; 2002 Acts, ch 1162, §29; 2003 Acts, ch 122, §1, 2; 2004 Acts, ch 1175, §324; 2006 Acts, ch 1185, §55; 2009 Acts, ch 41, §263; 2011 Acts, ch 118, §65, 66, 85, 89; 2012 Acts, ch 1021, §21

Referred to in §15E.202, 15E.204

Duties of former department of economic development were assumed by economic development authority beginning July 1, 2011, pursuant to 2011 Acts, ch 118

**15E.209 Financing provided by an Iowa agricultural industry finance corporation.**

1. An Iowa agricultural industry finance corporation may only provide financing to a person determined eligible by the corporation according to requirements of the corporation and this section. At a minimum, an eligible person must be one of the following:

*a.* An agricultural producer participating in an Iowa agricultural industry venture as provided according to the terms of an agreement executed by the agricultural producer and the corporation. The agreement may require that the agricultural producer acquire an interest in an agricultural products processor certified by the corporation, or enter into a marketing agreement under which the agricultural producer agrees to market an amount of the agricultural producer's agricultural commodities to the agricultural products processor.

*b.* An agricultural products processor which participates as part of an Iowa agricultural industry venture as provided according to the terms of an agreement executed by the agricultural products processor and the corporation. The corporation shall only provide financing if the venture involves the construction, expansion, or acquisition of an agricultural products processing facility as certified by the corporation and if all of the following apply:

(1) The certified facility must be located in this state.

(2) Either of the following apply:

(a) More than fifty percent of the ownership interest in the certified facility must be held by qualified investors. If the certified facility is owned by an entity rather than by individuals, more than fifty percent of the interest in the entity and more than fifty percent of the voting interest in the entity must be held by qualified investors.

(b) More than fifty percent of the commodities processed by the certified facility during

any twelve-month period is produced in this state. However, the corporation may provide financing, if its board of directors determines that adequate supplies of the commodity are not available for processing as otherwise required in this subparagraph division.

*c.* An agricultural biotechnology enterprise which qualifies as an Iowa agricultural industry venture as provided according to the terms of an agreement executed by the agricultural biotechnology enterprise and the corporation, if the board of directors for the corporation determines that the enterprise would advance the intent and purposes set out in section 15E.203.

2. Financing may be in the form of a loan, loan guarantee, sale and purchase of mortgage instruments for eligible recipients, or other similar forms of financing. The financing shall be awarded pursuant to an agreement between the corporation and the eligible person.

3. A corporation shall not provide financing to support an outstanding debt or other obligation, regardless of whether the original financing was provided by a corporation.

98 Acts, ch 1207, §10; 2009 Acts, ch 41, §263
Referred to in §15E.202, 15E.205, 15E.207, 15E.208

**15E.210 Obligations.**

The obligations of the corporation are not obligations of this state or any political subdivision of this state within the meaning of any constitutional or statutory debt limitations, but are obligations of the corporation payable solely and only from the corporation's funds. The corporation shall not pledge the credit or taxing power of this state or any political subdivision of this state or make its debts payable out of any moneys except for those of the corporation.

98 Acts, ch 1207, §11

**15E.211 Rules.**

The authority may adopt rules pursuant to chapter 17A necessary to administer this division.

98 Acts, ch 1207, §12; 2011 Acts, ch 118, §87, 89

**15E.212 through 15E.220** Reserved.

## DIVISION XX

## IOWA ECONOMIC DEVELOPMENT LOAN AND CREDIT GUARANTEE FUND

**15E.221 through 15E.225** Repealed by 2009 Acts, ch 123, § 8.

**15E.226** Reserved.

**15E.227 Loan and credit guarantee fund.** Repealed by 2009 Acts, ch 123, § 8.

**15E.228 through 15E.230** Reserved.

## DIVISION XXI

## ECONOMIC DEVELOPMENT REGIONS AND ENTERPRISE AREAS

**15E.231 Economic development regions.**

In order for an economic development region to receive assistance pursuant to section 15.335B, an economic development region's regional development plan must be approved by the authority. An economic development region shall consist of not less than three counties, unless two contiguous counties have a combined population of at least three hundred

thousand based on the most recent federal decennial census. An economic development region shall establish a focused economic development effort that shall include a regional development plan relating to one or more of the following areas:

1. Regional marketing strategies.
2. Development of the information solutions sector.
3. Development of the advanced manufacturing sector.
4. Development of the life sciences and biotechnology sector.
5. Development of the insurance or financial services sector.
6. Physical infrastructure including, but not limited to, horizontal infrastructure, water and sewer infrastructure, and telecommunications infrastructure.
7. Entrepreneurship.
8. Development of the alternative and renewable energy sector.

2005 Acts, ch 150, §9; 2006 Acts, ch 1142, §18; 2009 Acts, ch 123, §27; 2010 Acts, ch 1138, §10, 16; 2011 Acts, ch 118, §86, 87, 89; 2012 Acts, ch 1126, §18

Allocation of funds for regional financial assistance, see §15.335B(2)(a)(2)

2010 amendment applies retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1138, §16

**15E.232 Regional economic development — financial assistance.**

1. An economic development region may apply for financial assistance from a fund established pursuant to section 15.335B to assist with the installation of physical infrastructure needs including, but not limited to, horizontal infrastructure, water and sewer infrastructure, and telecommunications infrastructure, related to the development of fully served business and industrial sites by one or more of the region's economic development partners or for the installation of infrastructure related to a new business location or expansion. In order to receive financial assistance pursuant to this subsection, the economic development region must demonstrate all of the following:

*a.* The ability to provide matching moneys on a basis of a one dollar contribution of local matching moneys for every two dollars received from a fund established pursuant to section 15.335B.

*b.* The commitment of the specific business partner including, but not limited to, a letter of intent defining a capital commitment or a percentage of equity.

*c.* That all other funding alternatives have been exhausted.

2. The authority may establish and administer a regional economic development revenue sharing pilot project for one or more regions. The authority shall take into consideration the geographical dispersion of the pilot projects. The authority shall provide technical assistance to the regions participating in a pilot project.

3. An economic development region may apply for financial assistance from a fund established pursuant to section 15.335B to assist an existing business threatened with closure due to a potential consolidation to an out-of-state location. The economic development region may apply for financial assistance from a fund established pursuant to section 15.335B for the purchase, rehabilitation, or marketing of a building that has become available due to the closing of an existing business due to a consolidation to an out-of-state location. In order to receive financial assistance under this subsection, an economic development region must demonstrate the ability to provide local matching moneys on a basis of a one dollar contribution of local moneys for every three dollars received from a fund established pursuant to section 15.335B.

4. An economic development region may apply for financial assistance from a fund established pursuant to section 15.335B to establish and operate an entrepreneurial initiative. In order to receive financial assistance under this subsection, an economic development region must demonstrate the ability to provide local matching moneys on a basis of a one dollar contribution of local moneys for every two dollars received from a fund established pursuant to section 15.335B.

5. *a.* An economic development region may apply for financial assistance from a fund established pursuant to section 15.335B to establish and operate a business succession assistance program for the region.

*b.* In order to receive financial assistance under this subsection, an economic development

region must demonstrate the ability to provide local matching moneys on a basis of a one dollar contribution of local moneys for every two dollars received from a fund established pursuant to section 15.335B.

6. An economic development region may apply for financial assistance from a fund established pursuant to section 15.335B to implement economic development initiatives that are either unique to the region or innovative in design and implementation. In order to receive financial assistance under this subsection, an economic development region must demonstrate the ability to provide local matching moneys on a one-to-one basis.

7. Financial assistance under subsections 1, 3, 4, 5, and 6, and section 15E.233 shall be limited to a total of one million dollars each fiscal year for the fiscal period beginning July 1, 2005, and ending June 30, 2015, and shall not be provided to assist in the establishment, operation, or installation of a project, initiative, or activity that may result in the provision, lease, or sale of goods or services by a government body that competes with private enterprise.

2005 Acts, ch 150, §10; 2007 Acts, ch 174, §88; 2010 Acts, ch 1138, §11, 16; 2011 Acts, ch 118, §86, 87, 89; 2012 Acts, ch 1126, §19; 2013 Acts, ch 90, §9 – 11

Referred to in §15.335B

2010 amendments apply retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1138, §16

Subsection 1, paragraph a amended

Subsections 3 and 4 amended

Subsection 5, paragraph b amended

**15E.233 Economic enterprise areas.**

1. An economic development region may apply to the authority for approval to be designated as an economic enterprise area based on criteria provided in subsection 3. The authority shall approve no more than ten regions as economic enterprise areas.

2. *a.* An approved economic enterprise area may apply to the authority for financial assistance from a fund established pursuant to section 15.335B for up to seventy-five thousand dollars each fiscal year during the fiscal period beginning July 1, 2005, and ending June 30, 2015, for any of the following purposes:

(1) Economic development-related strategic planning and marketing for the region as a whole.

(2) Economic development of fully-served business sites.

(3) The construction of speculative buildings on a fully served lot.

(4) The rehabilitation of an existing building to marketable standards.

*b.* In order to receive financial assistance under this subsection, an economic enterprise area must demonstrate the ability to provide local matching moneys on a basis of a one dollar contribution of local moneys for every three dollars received from a fund established pursuant to section 15.335B.

3. An economic enterprise area shall consist of at least one county containing no city with a population of more than twenty-three thousand five hundred and shall meet at least three of the following criteria:

*a.* A per capita income of eighty percent or less than the national average.

*b.* A household median income of eighty percent or less than the national average.

*c.* Twenty-five percent or more of the population of the economic enterprise area with an income level of one hundred fifty percent or less of the United States poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

*d.* A population density in the economic enterprise area of less than ten people per square mile.

*e.* A loss of population as shown by the 2000 certified federal census when compared with the 1990 certified federal census.

*f.* An unemployment rate greater than the national rate of unemployment.

*g.* More than twenty percent of the population of the economic enterprise area consisting of people over the age of sixty-five.

2005 Acts, ch 150, §11; 2011 Acts, ch 118, §86, 87, 89; 2013 Acts, ch 90, §12, 13

Referred to in §15E.232

Subsection 2, paragraph a, unnumbered paragraph 1 amended

Subsection 2, paragraph b amended

**15E.234 through 15E.300** Reserved.

DIVISION XXII

ENDOW IOWA PROGRAM

**15E.301 Short title.**

This division shall be known as and may be cited as the *"Endow Iowa Program Act"*.

2003 Acts, 1st Ex, ch 1, §88, 93

[2003 enactment of section rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, 1st Ex, ch 1001, §3, 4

**15E.302 Purpose.**

The purpose of this division is to enhance the quality of life for citizens of this state through increased philanthropic activity by providing capital to new and existing citizen groups of this state organized to establish endowment funds that will address community needs. The purpose of this division is also to encourage individuals, businesses, and organizations to invest in community foundations.

2003 Acts, 1st Ex, ch 1, §89, 93

[2003 enactment of section rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, 1st Ex, ch 1001, §3, 4

**15E.303 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Board"* means the governing board of the lead philanthropic entity identified by the authority pursuant to section 15E.304.

2. *"Business"* means a business operating within the state and includes individuals operating a sole proprietorship or having rental, royalty, or farm income in this state and includes a consortium of businesses.

3. *"Community affiliate organization"* means a group of five or more community leaders or advocates organized for the purpose of increasing philanthropic activity in an identified community or geographic area in this state with the intention of establishing a community affiliate endowment fund.

4. *"Endow Iowa qualified community foundation"* means a community foundation organized or operating in this state that substantially complies with the national standards established by the national council on foundations as determined by the authority in collaboration with the Iowa council of foundations.

5. *"Endowment gift"* means an irrevocable contribution to a permanent endowment held by an endow Iowa qualified community foundation.

6. *"Lead philanthropic entity"* means the entity identified by the authority pursuant to section 15E.304.

2003 Acts, 1st Ex, ch 1, §90, 93

[2003 enactment of section rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, 1st Ex, ch 1001, §3, 4; 2005 Acts, ch 150, §71, 81; 2011 Acts, ch 118, §87, 89

Referred to in §15E.311, 22.7

**15E.304 Endow Iowa grants.**

1. The authority shall identify a lead philanthropic entity for purposes of encouraging the development of qualified community foundations in this state. A lead philanthropic entity shall meet all of the following qualifications:

*a.* The entity shall be a nonprofit entity which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code.

*b.* The entity shall be a statewide organization with membership consisting of organizations, such as community, corporate, and private foundations, whose principal function is the making of grants within the state of Iowa.

*c.* The entity shall have a minimum of forty members and that membership shall include qualified community foundations.

2. A lead philanthropic entity may receive a grant from the authority. The board shall use the grant moneys to award endow Iowa grants to new and existing qualified community foundations and to community affiliate organizations that do all of the following:

*a.* Provide the board with all information required by the board.

*b.* Demonstrate a dollar-for-dollar funding match in a form approved by the board.

*c.* Identify an endow Iowa qualified community foundation to hold all funds. An endow Iowa qualified community foundation shall not be required to meet this requirement.

*d.* Provide a plan to the board demonstrating the method for distributing grant moneys received from the board to organizations within the community or geographic area as defined by the endow Iowa qualified community foundation or the community affiliate organization.

3. Endow Iowa grants awarded to new and existing endow Iowa qualified community foundations and to community affiliate organizations shall not exceed twenty-five thousand dollars per foundation or organization unless a foundation or organization demonstrates a multiple county or regional approach. Endow Iowa grants may be awarded on an annual basis with not more than three grants going to one county in a fiscal year.

4. In ranking applications for grants, the board shall consider a variety of factors including the following:

*a.* The demonstrated need for financial assistance.

*b.* The potential for future philanthropic activity in the area represented by or being considered for assistance.

*c.* The proportion of the funding match being provided.

*d.* For community affiliate organizations, the demonstrated need for the creation of a community affiliate endowment fund in the applicant's geographic area.

*e.* The identification of community needs and the manner in which additional funding will address those needs.

*f.* The geographic diversity of awards.

5. Of any moneys received by a lead philanthropic entity from the state, not more than five percent of such moneys shall be used by the entity for administrative purposes.

2003 Acts, 1st Ex, ch 1, §91, 93

[2003 enactment of section rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, 1st Ex, ch 1001, §3, 4; 2005 Acts, ch 150, §72, 73, 81; 2011 Acts, ch 118, §87, 89

Referred to in §15E.303, 15E.311

**15E.305 Endow Iowa tax credit.**

1. For tax years beginning on or after January 1, 2003, a tax credit shall be allowed against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, and against the moneys and credits tax imposed in section 533.329 equal to twenty-five percent of a taxpayer's endowment gift to an endow Iowa qualified community foundation. An individual may claim a tax credit under this section of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust. A tax credit shall be allowed only for an endowment gift made to an endow Iowa qualified community foundation for a permanent endowment fund established to benefit a charitable cause in this state. The amount of the endowment gift for which the tax credit is claimed shall not be deductible in determining taxable income for state income tax purposes. Any tax credit in excess of the taxpayer's tax liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever occurs first. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit.

2. The aggregate amount of tax credits authorized pursuant to this section shall not exceed a total of six million dollars annually.

*a.* The maximum amount of tax credits granted to a taxpayer shall not exceed five percent of the aggregate amount of tax credits authorized.

*b.* Ten percent of the aggregate amount of tax credits authorized in a calendar year shall

be reserved for those endowment gifts in amounts of thirty thousand dollars or less. If by September 1 of a calendar year the entire ten percent of the reserved tax credits is not distributed, the remaining tax credits shall be available to any other eligible applicants.

3. A tax credit shall not be transferable to any other taxpayer.

4. The authority shall develop a system for registration and authorization of tax credits under this section and shall control the distribution of all tax credits to taxpayers providing an endowment gift subject to this section. The authority shall adopt administrative rules pursuant to chapter 17A for the qualification and administration of endowment gifts.

2003 Acts, 1st Ex, ch 2, §83, 89; 2005 Acts, ch 150, §74 – 77, 81; 2006 Acts, ch 1151, §1 – 3, 7, 8; 2007 Acts, ch 174, §89; 2008 Acts, ch 1032, §201; 2009 Acts, ch 179, §105, 106, 153; 2010 Acts, ch 1138, §17 – 19; 2011 Acts, ch 107, §1, 2; 2011 Acts, ch 118, §87, 89; 2013 Acts, ch 126, §11, 13, 14

Referred to in §2.48, 422.11H, 422.33, 422.60, 432.12D, 533.329

2009 amendments to subsections 1 and 2 take effect January 1, 2010, and apply to tax years beginning on or after that date; 2009 Acts, ch 179, §153

2010 amendment to subsection 2, unnumbered paragraph 1 applies retroactively for endow Iowa tax credits authorized on or after January 1, 2010; 2010 Acts, ch 1138, §19

2011 amendment to subsection 2, unnumbered paragraph 1 takes effect May 12, 2011, and applies retroactively to January 1, 2011, for endow Iowa tax credits authorized on or after that date; 2011 Acts, ch 107, §2

2013 amendment to subsection 2 takes effect June 17, 2013, and applies retroactively to January 1, 2012, for endow Iowa tax credits authorized on or after that date and for endow Iowa tax credit applications received on or after that date; 2013 Acts, ch 126, §13, 14

Subsection 2 amended

**15E.306 Reports.** Repealed by 2008 Acts, ch 1122, § 16.

**15E.307 through 15E.310** Reserved.

## DIVISION XXIII

## COUNTY ENDOWMENT FUND

**15E.311 County endowment fund.**

1. The purpose of this section is to enhance the quality of life for citizens of Iowa by providing moneys to new or existing citizen groups of this state organized to establish county affiliate funds or community foundations that will address countywide needs.

2. A county endowment fund is created in the state treasury under the control of the department of revenue. The fund consists of all moneys appropriated to the fund. Moneys in the fund shall be distributed by the department as provided in this section.

3. *a.* At the end of each fiscal year, moneys in the fund shall be transferred into separate accounts within the fund and designated for use by each county in which no licensee authorized to conduct gambling games under chapter 99F was located during that fiscal year. Moneys transferred to county accounts shall be divided equally among the counties. Moneys transferred into an account for a county shall be transferred by the department to an eligible county recipient for that county. Of the moneys transferred, an eligible county recipient shall distribute seventy-five percent of the moneys as grants to charitable organizations for charitable purposes in that county and shall retain twenty-five percent of the moneys for use in establishing a permanent endowment fund for the benefit of charitable organizations for charitable purposes. Of the amounts distributed, eligible county recipients shall give special consideration to grants for projects that include significant vertical infrastructure components designed to enhance quality of life aspects within local communities. In addition, as a condition of receiving a grant, the governing body of a charitable organization receiving a grant shall approve all expenditures of grant moneys and shall allow a state audit of expenditures of all grant moneys.

*b.* If a county does not have an eligible county recipient, moneys in the account for that county shall remain in that account until an eligible county recipient for that county is established.

4. As used in this section, unless the context otherwise requires:

*a.* "*Charitable organization*" means an organization that is described in section 501(c)(3)

of the Internal Revenue Code that is exempt from taxation under section 501(a) of the Internal Revenue Code or an organization that is established for a charitable purpose.

*b.* *"Charitable purpose"* means a purpose described in section 501(c)(3) of the Internal Revenue Code, or a benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental conservation, civic, or other eleemosynary objective.

*c.* *"Eligible county recipient"* means an endow Iowa qualified community foundation or community affiliate organization, as defined in section 15E.303, that is selected, in accordance with the procedures described in section 15E.304, to receive moneys from an account created in this section for a particular county. To be selected as an eligible county recipient, a community affiliate organization shall establish a county affiliate fund to receive moneys as provided by this section.

5. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the county endowment fund shall be credited to the county endowment fund. Notwithstanding section 8.33, moneys credited to the county endowment fund shall not revert at the close of a fiscal year.

6. Three percent of the moneys deposited in the county endowment fund shall be used by the lead philanthropic organization identified by the authority pursuant to section 15E.304 for purposes of administering and marketing the county endowment fund. Of the amounts available to be used by the lead philanthropic organization pursuant to this subsection, seventy thousand dollars is appropriated to the economic development authority each fiscal year for administrative costs related to the endow Iowa program.

2004 Acts, ch 1136, §1; 2005 Acts, ch 150, §78, 79, 81; 2006 Acts, ch 1151, §4, 5, 8; 2011 Acts, ch 118, §85, 89

Referred to in §99F.11, 421.17

**15E.312 through 15E.320** Reserved.

## DIVISION XXIV

## REGIONAL SPORTS AUTHORITY DISTRICTS

**15E.321 Regional sports authority districts.**

1. As used in this section, *"district"* means a regional sports authority district certified under this section.

2. *a.* A convention and visitors bureau may apply to the authority for certification of a regional sports authority district which may include more than one city and more than one convention and visitors bureau within the district. The authority shall not certify more than ten such districts.

*b.* If more than ten applications are received in any certification year, the authority shall certify the districts on a competitive basis. In evaluating the applications for certification, the authority shall consider the economic impact to the state of the activities proposed in the application, the geographic diversity of the districts applying, and any other factors the authority deems relevant.

3. Each district shall actively promote youth sports, high school athletic activities, the special olympics, and other nonprofessional sporting events in the local area.

4. Each district shall be governed by a seven-member board consisting of seven members appointed by the convention and visitors bureau filing the application pursuant to subsection 2. At least three members of the board shall consist of city council members of any cities located in the district. Each board shall be responsible for administering programs designed to promote the activities enumerated in subsection 3.

2007 Acts, ch 219, §32; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1018, §8

**15E.322 through 15E.350** Reserved.

## DIVISION XXV

## BUSINESS ACCELERATORS

**15E.351 Business accelerators.**

1. The authority shall establish and administer a business accelerator program to provide financial assistance for the establishment and operation of a business accelerator for technology-based, value-added agricultural, information solutions, alternative and renewable energy including the alternative and renewable energy sectors listed in section 476.42, subsection 1, paragraph "*a*", subparagraph (1), or advanced manufacturing start-up businesses or for a satellite of an existing business accelerator. The program shall be designed to foster the accelerated growth of new and existing businesses through the provision of technical assistance. The authority may provide financial assistance under this section from moneys allocated for financial assistance for business accelerators pursuant to section 15.335B, subsection 2.

2. In determining whether a business accelerator qualifies for financial assistance, the authority must find that a business accelerator meets all of the following criteria:

*a.* The business accelerator must be a not-for-profit organization affiliated with an area chamber of commerce, a community or county organization, or economic development region.

*b.* The geographic area served by a business accelerator must include more than one county.

*c.* The business accelerator must possess the ability to provide service to a specific type of business as well as to meet the broad-based needs of other types of start-up entrepreneurs.

*d.* The business accelerator must possess the ability to market business accelerator services in the region and the state.

*e.* The business accelerator must possess the ability to communicate with and cooperate with other business accelerators and similar service providers in the state.

*f.* The business accelerator must possess the ability to engage various funding sources for start-up entrepreneurs.

*g.* The business accelerator must possess the ability to communicate with and cooperate with various entities for purposes of locating suitable facilities for clients of the business accelerator.

*h.* The business accelerator must possess the willingness to accept referrals from the authority.

3. In determining whether a business accelerator qualifies for financial assistance, the authority may consider any of the following:

*a.* The business experience of the business accelerator's professional staff.

*b.* The business plan review capacity of the business accelerator's professional staff.

*c.* The business accelerator's professional staff with demonstrated experience in all aspects of business disciplines.

*d.* The business accelerator's professional staff with access to external service providers including legal, accounting, marketing, and financial services.

4. In order to receive financial assistance under this section, the financial assistance recipient must demonstrate the ability to provide matching moneys on a basis of a two dollar contribution of recipient moneys for every one dollar received in financial assistance.

2005 Acts, ch 150, §12; 2006 Acts, ch 1030, §4; 2006 Acts, ch 1142, §19; 2009 Acts, ch 123, §28; 2011 Acts, ch 25, §128; 2011 Acts, ch 118, §67, 84, 85, 89; 2012 Acts, ch 1021, §22, 23; 2012 Acts, ch 1126, §20

Referred to in §15.335B

**15E.352 through 15E.360** Reserved.

## DIVISION XXVI

## SMALL BUSINESS DISASTER ASSISTANCE PROGRAM

**15E.361 Small business disaster recovery financial assistance program.**

1. The authority shall establish and administer a small business disaster recovery financial assistance program. Under the program, the authority shall provide grants to administrative entities for purposes of providing financial assistance to eligible businesses that sustained physical damage or economic loss due to a natural disaster occurring after May 24, 2008, and before August 14, 2008. Moneys shall be allocated to administrative entities on the basis of the percentage of disaster loans awarded by the United States small business administration to businesses located within a city's jurisdiction or a disaster recovery area as defined by the authority.

2. An eligible business is a business that sustained physical damage or economic loss due to a natural disaster occurring after May 24, 2008, and before August 14, 2008, and has executed loan documents for a disaster loan from an eligible lender as defined by the authority. Financial assistance shall be in the form of forgivable loans and reimbursement for acquisition of energy-efficient equipment. The maximum amount of a forgivable loan is twenty-five percent of the loan amount from the eligible lender up to a maximum of fifty thousand dollars. Up to an additional five thousand dollars of assistance shall be available for the reimbursement of energy-efficient purchases and installation.

3. As determined by the authority, unused or unobligated moneys may be reclaimed and reallocated by the authority to other administrative agencies.

4. For purposes of this section, "*administrative entity*" means cities identified by the authority that administer local disaster recovery programs and councils of government.

2009 Acts, ch 170, §1, 11; 2011 Acts, ch 118, §87, 89

Section is effective March 16, 2009, and applies retroactively to July 1, 2008, for the fiscal year beginning on that date; funding; 2009 Acts, ch 170, §11

## DIVISION XXVII

## ENTREPRENEUR INVESTMENT AWARDS PROGRAM

**15E.362 Entrepreneur investment awards program.**

1. The authority shall establish and administer an entrepreneur investment awards program for purposes of providing grants to programs that provide technical and financial assistance to entrepreneurs seeking to create, locate, or expand a business in the state if the business derives or intends to derive more than ten percent of its gross sales from markets outside of the state. Financial assistance under the program shall be provided from the entrepreneur investment awards program fund created in section 15E.363.

2. In determining whether an entrepreneur assistance program qualifies for a grant under the entrepreneur investment awards program, the authority shall find that the entrepreneur assistance program demonstrates all of the following:

*a.* The entrepreneur assistance program expended at least five hundred thousand dollars in the program's previous fiscal year to provide technical and financial assistance to entrepreneurs seeking to create, locate, or expand a business in the state if the business derives or intends to derive more than ten percent of its gross sales from markets outside of the state. The five hundred thousand dollars in expenditures in the program's previous fiscal year shall not include grants awarded pursuant to this section or any funds invested in clients' businesses.

*b.* The entrepreneur assistance program provides services to meet the broad-based needs of entrepreneurs seeking to create, locate, or expand a business in the state if the business derives or intends to derive more than ten percent of its gross sales from markets outside of the state.

*c.* The entrepreneur assistance program communicates with and cooperates with other entrepreneur assistance programs and similar service providers in the state.

*d.* The entrepreneur assistance program engages various funding sources for entrepreneurs seeking to create, locate, or expand a business in the state if the business derives or intends to derive more than ten percent of its gross sales from markets outside of the state.

*e.* The entrepreneur assistance program communicates with and cooperates with various entities for purposes of locating suitable facilities for clients of the entrepreneur assistance program.

*f.* The entrepreneur assistance program is an Iowa-based business.

3. In determining whether an entrepreneur assistance program qualifies for a grant under the entrepreneur investment awards program, the authority may consider any of the following:

*a.* The business experience of the professional staff employed or retained by the entrepreneur assistance program.

*b.* The business plan review capacity of the entrepreneur assistance program's professional staff.

*c.* The expertise of the entrepreneur assistance program's professional staff in all aspects of business disciplines.

*d.* The entrepreneur assistance program's professional staff's access to external service providers including legal, accounting, marketing, and financial services.

4. Upon being awarded a grant under this section, the entrepreneur assistance program shall accept client referrals from the economic development authority.

5. The amount of a grant awarded to a qualifying entrepreneur assistance program shall not exceed the lesser of the following for any fiscal year:

*a.* An amount equal to twenty-five percent of the funds expended by the qualifying program in the program's previous fiscal year to provide technical and financial assistance to entrepreneurs seeking to create, locate, or expand a business in the state if the business derives or intends to derive more than ten percent of its gross sales from markets outside of the state. For purposes of this paragraph, "*funds expended*" shall not include grants awarded pursuant to this section or any funds invested in clients' businesses.

*b.* An amount equal to one hundred percent of funds raised by the entrepreneur assistance program in the previous fiscal year from private foundations, federal or local government funds, financial institutions, or individuals.

*c.* Two hundred thousand dollars.

6. The grant awarded to a qualifying entrepreneur assistance program shall only be used for the purpose of the operating costs incurred by the program.

7. The economic development authority board may approve, deny, or defer each application for a grant from the entrepreneur investment awards program fund created in section 15E.363.

8. The maximum amount of the total grants awarded by the authority for the entrepreneur investment awards program shall not exceed one million dollars in a fiscal year. The authority shall award the grants on a first-come, first-served basis.

9. The authority may contract with outside service providers for assistance with the grant program described in this section or may delegate the administration of the program to the Iowa innovation corporation pursuant to section 15.106B.

10. The authority shall not award a grant to an entrepreneur assistance program from the entrepreneur investment awards program fund after June 30, 2014. It is the intent of the general assembly to review and assess the success of the entrepreneur investment awards program based on the report provided by the economic development authority.

11. The economic development authority shall conduct a comprehensive review of the entrepreneur investment awards program and shall, by December 31, 2013, submit a report of the findings of the review, as well as any recommendations and cost projections of its recommendations, to the governor and the general assembly. The report shall consist of the following information:

*a.* The number of grants awarded, the total amount of the grants awarded, the total

amount expended on the entrepreneur investment awards program, and the number of entrepreneur investment awards to entrepreneur assistance programs that were the subject of repayment or collection activity.

*b.* The number of applications received by the authority for the program and the status of the applications.

*c.* For each entrepreneur assistance program receiving moneys from the entrepreneur investment awards program fund, the following information:

(1) The amount the entrepreneur assistance program received from the entrepreneur investment awards program fund.

(2) The number of entrepreneurs creating a business in the state that were assisted by the entrepreneur assistance program and the number of new jobs associated with the business.

(3) The number of entrepreneurs locating or expanding a business in the state that were assisted by the entrepreneur assistance program and the number of new or retained jobs associated with the business.

(4) The entrepreneur assistance program's location.

(5) The amount, if any, of private and local matching funds received by the entrepreneur assistance program.

*d.* The number of clients referred by the authority to an entrepreneur assistance program receiving moneys from the entrepreneur investment awards program fund.

*e.* An evaluation of the investment made by the state of Iowa in the entrepreneur investment awards program.

*f.* Any other information the authority deems relevant to assessing the success of the entrepreneur investment awards program.

2012 Acts, ch 1126, §21
Referred to in §15.106B, 15E.363

**15E.363 Entrepreneur investment awards program fund.**

1. An entrepreneur investment awards program fund is created in the state treasury under the control of the authority and consisting of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the authority for placement in the fund.

2. Payments of interest, repayments of moneys provided, and recaptures of moneys provided shall be deposited in the fund.

3. The fund shall be used to provide grants under the entrepreneur investment awards program established in section 15E.362.

4. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

2012 Acts, ch 1126, §22
Referred to in §15.335B, 15E.362

# CHAPTER 15F

## COMMUNITY ATTRACTION AND TOURISM DEVELOPMENT

For provisions regarding transition of department of economic development employees to the economic development authority and limitations on the Iowa innovation corporation's employment of former department employees, see 2011 Acts, ch 118, §19
For provisions regarding continuation of financial assistance by the economic development authority, transfer of funds under the control of the department of economic development to the economic development authority, continuation of licenses, permits, or contracts by the economic development authority, continuation of financial assistance awards under the grow Iowa values financial assistance program, and availability of federal funds to employ certain personnel, see 2011 Acts, ch 118, §20, 89

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## SUBCHAPTER I

## VISION IOWA BOARD

**15F.101 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Authority"* means the economic development authority created in section 15.105.
2. *"Board"* means the vision Iowa board as created in section 15F.102.

2000 Acts, ch 1174, §1; 2011 Acts, ch 118, §68, 69, 89

**15F.102 Vision Iowa board.**

1. The vision Iowa board is established consisting of thirteen members and is located for administrative purposes within the authority. The director of the authority shall provide office space, staff assistance, and necessary supplies and equipment for the board. The director shall budget funds to pay the compensation and expenses of the board. In performing its functions the board is performing a public function on behalf of the state and is a public instrumentality of the state.

2. The membership of the board shall be appointed as follows:

*a.* Three members of the general public, one member from each of the three tourism regions.

*b.* One mayor of a city with a population of less than twenty thousand.

*c.* One county supervisor from a county that has a population ranking in the bottom thirty-three counties according to the 1990 census.

*d.* Four members of the general public.

*e.* One mayor of a city with a population of twenty thousand or more.

*f.* The director of the economic development authority or the director's designee.

*g.* The treasurer of state or the treasurer of state's designee.

*h.* The auditor of state or the auditor of state's designee.

3. All appointments, except the director of the economic development authority, the treasurer of state, and the auditor of state, shall be made by the governor, shall comply with sections 69.16 and 69.16A, and shall be subject to confirmation by the senate. All appointed members of the board shall have demonstrable experience or expertise in the field of tourism development and promotion, public financing, architecture, engineering, or major facility development or construction.

4. All members of the board, except the director of the economic development authority, the treasurer of state, and the auditor of state, shall be residents of different counties.

5. The chairperson and vice chairperson of the board shall be designated by the governor from the board members listed in subsection 2, paragraphs *"a"* through *"e"*. In case of the absence or disability of the chairperson and vice chairperson, the members of the board shall elect a temporary chairperson by a majority vote of those members who are present and voting.

6. The members, except the director of the economic development authority, the treasurer of state, and the auditor of state, shall be appointed to three-year staggered terms and the terms shall commence and end as provided by section 69.19. If a vacancy occurs, a successor shall be appointed to serve the unexpired term. A successor shall be appointed in the same manner and subject to the same qualifications as the original appointment to serve the unexpired term.

7. A majority of the board constitutes a quorum.

2000 Acts, ch 1174, §2; 2008 Acts, ch 1122, §1; 2011 Acts, ch 118, §85, 89

Referred to in §12.71, 15F.101, 15F.203, 15F.304

Confirmation, see §2.32

**15F.103 Board duties.**

The board shall do all of the following:

1. Organize.

2. Establish the vision Iowa program and the community attraction and tourism program.

3. Oversee and provide approval of the administration of the vision Iowa program and the community attraction and tourism program by the authority.

4. Request the treasurer of state to issue bonds on behalf of the board for purposes of the vision Iowa program.

2000 Acts, ch 1174, §3; 2011 Acts, ch 118, §87, 89

**15F.104 Authority duties.**

The authority, subject to approval by the board, shall adopt administrative rules pursuant to chapter 17A necessary to administer the community attraction and tourism program and the vision Iowa program. The authority shall provide the board with assistance in implementing administrative functions, marketing the programs, providing technical assistance and application assistance to applicants under the programs, negotiating contracts, and providing project follow-up. The authority, in cooperation with the treasurer of state, may conduct negotiations on behalf of the board with applicants regarding terms and conditions applicable to awards under the programs.

2000 Acts, ch 1174, §4; 2011 Acts, ch 118, §87, 89

**15F.105 Compensation and expenses.**

The members of the board are entitled to receive reimbursement for actual expenses incurred while engaged in the performance of official duties. A member of the board may also be eligible to receive compensation as provided in section 7E.6.

2000 Acts, ch 1174, §5

**15F.106 Benefits.**

Any applicant awarded financial assistance by the board under both the vision Iowa program established in section 15F.302 and the community attraction and tourism program established in section 15F.202 shall provide and pay at least fifty percent of the cost of a standard medical insurance plan for all full-time employees working at the project after the completion of the project for which financial assistance was received.

2000 Acts, ch 1174, §6

**15F.107 through 15F.200** Reserved.

## SUBCHAPTER II

## COMMUNITY ATTRACTION AND TOURISM PROGRAM AND FUNDS

Referred to in §423.4

**15F.201 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Fund"* means the community attraction and tourism fund created in section 15F.204.

2. *"Program"* means the community attraction and tourism program established in section 15F.202.

3. *"River enhancement community attraction and tourism project"* means a project that creates or enhances recreational opportunities and community attractions on and near lakes or rivers or river corridors within cities across the state under the purview of the program.

2000 Acts, ch 1174, §7; 2009 Acts, ch 184, §33

**15F.202 Community attraction and tourism program.**

1. The board shall establish and the authority, subject to direction and approval by the board, shall administer a community attraction and tourism program to assist communities in the development, creation, and regional marketing of multiple-purpose attraction or tourism facilities. Any moneys appropriated to the river enhancement community attraction and tourism fund created pursuant to section 15F.205 shall be used exclusively for the creation and enhancement of community attractions and tourism opportunities along lakes, rivers, and river corridors in cities across the state, but a recipient of moneys from the river enhancement community attraction and tourism fund shall not be precluded from receiving funds from the community attraction and tourism fund created pursuant to section 15F.204.

2. A city or county in the state or public organization may submit an application to the board for financial assistance for a project under the program. The assistance shall be provided only from funds, rights, and assets legally available to the board and shall be in the form of grants, loans, forgivable loans, and credit enhancement and financing instruments. The application shall include, but not be limited to, the following information:

*a.* The total capital investment of the project, including but not limited to costs for construction, site acquisition, and infrastructure improvement.

*b.* The amount or percentage of local and private matching moneys which will be or have been provided for the project.

*c.* The total number of jobs to be created or retained by the project.

*d.* The need of the community for the project and for the financial assistance.

*e.* The long-term tax-generating impact of the project.

3. A school district, in cooperation with a city or county, may submit a joint application for financial assistance for a project under the program. The assistance shall be provided only from funds, rights, and assets legally available to the board and shall be in the form of grants, loans, forgivable loans, and credit enhancement and financing instruments. In addition to

the information required in subsection 2, the application shall include a demonstration that the intended future use of the project shall be by both joint applicants.

2000 Acts, ch 1174, §8; 2001 Acts, ch 185, §37, 38, 49; 2003 Acts, ch 160, §1; 2008 Acts, ch 1178, §5; 2011 Acts, ch 118, §87, 89

Referred to in §15F.106, 15F.201, 15F.204, 15F.205

**15F.203 Community attraction and tourism program application review.**

1. Applications for assistance under the program shall be submitted to the authority. For those applications that meet the eligibility criteria, the authority shall provide a staff review analysis and evaluation to the community attraction and tourism program review committee referred to in subsection 2 and the board.

2. A review committee composed of five members of the board shall review community attraction and tourism program applications submitted to the board and make recommendations regarding the applications to the board. The review committee shall consist of members of the board listed in section 15F.102, subsection 2, paragraphs "*a*" through "*c*".

3. When reviewing the applications, the review committee and the authority shall consider, at a minimum, all of the following:

*a.* Whether the wages, benefits, including health benefits, safety, and other attributes of the project would improve the quality of life or the quality of attraction or tourism employment in the community.

*b.* The extent to which such a project would generate additional recreational and cultural attractions or tourism opportunities.

*c.* The ability of the project to produce a long-term, tax-generating economic impact.

*d.* The location of the projects and geographic diversity of the applications.

*e.* The project is primarily a vertical infrastructure project with demonstrated substantial regional or statewide economic impact. For purposes of the program, "*vertical infrastructure*" means land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails and water trails. "*Vertical infrastructure*" does not include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

*f.* Whether the applicant has received financial assistance under the program for the same project.

*g.* The extent to which the project has taken the following planning principles into consideration:

(1) Efficient and effective use of land resources and existing infrastructure by encouraging development in areas with existing infrastructure or capacity to avoid costly duplication of services and costly use of land.

(2) Provision for a variety of transportation choices, including pedestrian traffic.

(3) Maintenance of a unique sense of place by respecting local cultural and natural environmental features.

(4) Conservation of open space and farmland and preservation of critical environmental areas.

(5) Promotion of the safety, livability, and revitalization of existing urban and rural communities.

4. Upon review of the recommendations of the review committee, the board shall approve, defer, or deny the applications.

5. Upon approval of an application for financial assistance under the program, the board shall notify the treasurer of state regarding the amount of moneys needed to satisfy the award of financial assistance and the terms of the award. The treasurer of state shall notify the authority any time moneys are disbursed to a recipient of financial assistance under the program.

2000 Acts, ch 1174, §9; 2007 Acts, ch 215, §58; 2011 Acts, ch 118, §87, 89

**15F.204 Community attraction and tourism fund.**

1. A community attraction and tourism fund is created as a separate fund in the state treasury under the control of the board, consisting of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the board for placement in the fund.

2. Payments of interest, repayments of moneys loaned pursuant to this subchapter, and recaptures of grants or loans shall be deposited in the fund.

3. The fund shall be used to provide assistance only from funds, rights, and assets legally available to the board in the form of grants, loans, forgivable loans, and credit enhancements and financing instruments under the community attraction and tourism program established in section 15F.202. A project with a total cost exceeding twenty million dollars may receive financial assistance under the program. An applicant under the community attraction and tourism program shall not receive financial assistance from the fund in an amount exceeding fifty percent of the total cost of the project.

4. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

5. At the beginning of each fiscal year, the board shall allocate one hundred thousand dollars for purposes of marketing those projects that are receiving moneys from the fund. After the marketing allocation, the board shall allocate all remaining moneys in the fund in the following manner:

*a.* One-third of the moneys shall be allocated to provide assistance to cities and counties which meet the following criteria:

(1) A city which has a population of ten thousand or less according to the most recently published census.

(2) A county which has a population that ranks in the bottom thirty-three counties according to the most recently published census.

*b.* Two-thirds of the moneys shall be allocated to provide assistance to any city and county in the state, which may include a city or county included under paragraph "*a*".

6. If two or more cities or counties submit a joint project application for financial assistance under the program, all joint applicants must meet the criteria of subsection 5, paragraph "*a*", in order to receive any moneys allocated under that paragraph.

7. If any portion of the allocated moneys under subsection 5, paragraph "*a*", has not been awarded by April 1 of the fiscal year for which the allocation is made, the portion which has not been awarded may be utilized by the board to provide financial assistance under the program to any city or county in the state.

8. There is appropriated from the rebuild Iowa infrastructure fund to the community attraction and tourism fund, the following amounts:

*a.* For the fiscal year beginning July 1, 2004, and ending June 30, 2005, the sum of twelve million dollars.

*b.* For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the sum of five million dollars.

*c.* For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the sum of five million dollars.

*d.* For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the sum of five million dollars.

*e.* For the fiscal year beginning July 1, 2008, and ending June 30, 2009, the sum of twelve million dollars. Notwithstanding any provision to the contrary, of the amount appropriated in this subparagraph, one million nine hundred thousand dollars is transferred to the housing assistance fund to be used for the jumpstart housing assistance program established pursuant to section 16.201.

*f.* For the fiscal year beginning July 1, 2011, and ending June 30, 2012, the sum of three million three hundred thousand dollars.

*g.* For each fiscal year for the fiscal period beginning July 1, 2012, and ending June 30, 2013, the sum of five million dollars.

*h.* For the fiscal year beginning July 1, 2013, and ending June 30, 2014, the sum of seven million dollars.

*i.* For the fiscal year beginning July 1, 2014, and ending June 30, 2015, the sum of five million dollars.

9. Notwithstanding the allocation requirements in subsection 5, the board may make a multiyear commitment to an applicant of up to four million dollars in any one fiscal year.

2000 Acts, ch 1174, §10; 2001 Acts, ch 185, §39, 49; 2004 Acts, ch 1175, §401, 402; 2008 Acts, ch 1032, §127; 2008 Acts, ch 1178, §6; 2008 Acts, ch 1179, §50, 51; 2008 Acts, ch 1191, §31; 2009 Acts, ch 170, §2, 11; 2009 Acts, ch 173, §27, 36; 2010 Acts, ch 1184, §82, 83; 2011 Acts, ch 133, §26, 27, 50; 2012 Acts, ch 1140, §23; 2013 Acts, ch 142, §32, 33

Referred to in §15F.201, 15F.202

Subsection 8, paragraph g amended

Subsection 8, NEW paragraphs h and i

**15F.205 River enhancement community attraction and tourism fund.**

1. For purposes of this section, *"lake"* means a lake of which the state or a political subdivision owns the lake bed up to the ordinary high water line and which is open to the use of the general public.

2. A river enhancement community attraction and tourism fund is created as a separate fund in the state treasury under the control of the board, consisting of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the board for placement in the fund.

3. Payments of interest, repayments of moneys loaned pursuant to this subchapter, and recaptures of grants or loans shall be deposited in the fund.

4. The fund shall be used to provide assistance only from funds, rights, and assets legally available to the board, and the assistance shall be in the form of grants, loans, forgivable loans, and credit enhancements and financing instruments as described in the community attraction and tourism program established in section 15F.202.

5. An applicant for financial assistance from moneys in the river enhancement community attraction and tourism fund for a river or lake enhancement project under the community attraction and tourism program shall receive financial assistance from the fund in an amount not to exceed one third of the total cost of the project.

6. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

7. At the beginning of each fiscal year, the board shall allocate moneys in the fund for financial assistance to projects that promote and enhance recreational opportunities and community attractions on and near rivers or lakes within cities across the state. Such recreational opportunities and community attractions shall be closely connected to a river or lake and may include but is not limited to pedestrian trails and walkways, amphitheaters, bike trails, water trails or whitewater courses for watercraft, and any modifications necessary for the safe mitigation of dams.

8. The board may make a multiyear commitment to an applicant or may award assistance for multiple projects to the same applicant provided the fund contains sufficient moneys. Any moneys remaining in the fund at the end of a fiscal year may be carried over to a subsequent fiscal year, or may be obligated in advance for a subsequent fiscal year.

9. The board is not required to award financial assistance pursuant to this section unless moneys are appropriated to and available from the fund.

2008 Acts, ch 1178, §7

Referred to in §15F.202

**15F.206 River enhancement community attraction and tourism projects — application review.**

1. Applications for assistance for river enhancement community attraction and tourism projects shall be submitted to the authority. For those applications that meet the eligibility criteria, the authority shall provide a staff review analysis and evaluation to the vision Iowa program review committee referred to in section 15F.304, subsection 2, and the board.

2. When reviewing the applications, the vision Iowa program review committee and the authority shall consider, at a minimum, all of the following:

*a.* Whether the wages, benefits, including health benefits, safety, and other attributes of

the project would improve the quality of life or the quality of attraction or tourism employment in the community.

*b.* The extent to which such a project would generate additional recreational and cultural attractions or tourism opportunities.

*c.* The ability of the project to produce a long-term, tax-generating economic impact.

*d.* The location of the projects and geographic diversity of the applications.

*e.* The project is primarily a vertical infrastructure project with demonstrated substantial regional or statewide economic impact. For purposes of the program, "*vertical infrastructure*" means land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails and water trails. "*Vertical infrastructure*" does not include routine, recurring maintenance, or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

*f.* Whether the applicant has received financial assistance under the program for the same project.

*g.* The extent to which the project has taken the following planning principles into consideration:

(1) Efficient and effective use of land resources and existing infrastructure by encouraging development in areas with existing infrastructure or capacity to avoid costly duplication of services and costly use of land.

(2) Provision for a variety of transportation choices, including pedestrian traffic.

(3) Maintenance of a unique sense of place by respecting local cultural and natural environmental features.

(4) Conservation of open space and farmland and preservation of critical environmental areas.

(5) Promotion of the safety, livability, and revitalization of existing urban and rural communities.

3. Upon review of the recommendations of the review committee, the board shall approve, defer, or deny the applications.

4. Upon approval of an application for financial assistance under the program, the board shall notify the treasurer of state regarding the amount of moneys needed to satisfy the award of financial assistance and the terms of the award. The treasurer of state shall notify the authority anytime moneys are disbursed to a recipient of financial assistance under the program.

2009 Acts, ch 184, §34; 2011 Acts, ch 118, §87, 89

Referred to in §15F.304

**15F.207 through 15F.300** Reserved.

## SUBCHAPTER III

## VISION IOWA PROGRAM

Referred to in §423.4

**15F.301 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. "*Fund*" means the vision Iowa fund created in section 12.72.

2. "*Program*" means the vision Iowa program established in section 15F.302.

2000 Acts, ch 1174, §11

**15F.302 Vision Iowa program.**

1. The board shall establish and the authority, subject to direction and approval by the board, shall administer a vision Iowa program to assist communities in the development of major tourism facilities.

2. A city or county or a public organization in the state may submit an application to the board for financial assistance for a project under the program. For purposes of this

subsection, *"public organization"* means a nonprofit economic development organization or other nonprofit organization that sponsors or supports community or tourism attractions and activities. The financial assistance from the fund shall be provided only from funds, rights, and assets legally available to the board and shall be in the form of grants, loans, forgivable loans, pledges, and credit enhancements and financing instruments. The application shall include, but not be limited to, the following information:

*a.* The total capital investment of the project, including but not limited to costs for construction, site acquisition, and infrastructure improvement.

*b.* A description of the proposed financing including the amount or percentage of local and private matching moneys to be provided for the project.

*c.* The total number of jobs to be created or retained by the project.

*d.* The need of the community for the project and for financial assistance.

*e.* The long-term, tax-generating impact of the project.

*f.* A discussion of how the project meets other criteria established in this subchapter.

*g.* The projected long-term economic viability of the project, including projected revenues and expenses.

3. A school district, in cooperation with a city or county, may submit a joint application for financial assistance for a project under the program. The financial assistance shall be provided only from funds, rights, and assets legally available to the board and shall be in the form of grants, loans, forgivable loans, and credit enhancements and financing instruments. In addition to the information required in subsection 2, the application shall include a demonstration that the intended future use of the project shall be by both joint applicants.

2000 Acts, ch 1174, §12; 2001 Acts, ch 185, §40, 41, 49; 2011 Acts, ch 118, §87, 89
Referred to in §12.72, 12.73, 12.75, 15F.106, 15F.301, 15F.304, 292.2

**15F.303 Eligibility.**

1. The total cost for a project must be at least twenty million dollars in order for an applicant to receive financial assistance under the program. An applicant or the board may divide a proposed project into component parts. The board may choose to provide financial assistance under the program to one or more component parts instead of providing financial assistance under the program for the entire project.

2. An applicant must demonstrate financial and nonfinancial support for the project which may be from a public or private source. Nonfinancial support may include, but is not limited to, the value of labor and services, real and personal property donated for purposes of the project, and the use of real and personal property for purposes of the project. The financial and nonfinancial support for the project described under this subsection shall equal at least fifty percent of the total cost of the project.

3. In order for a project to be eligible to receive financial assistance, the project must satisfy all of the following criteria:

*a.* The project is primarily a vertical infrastructure project with demonstrated substantial regional or statewide economic impact. For purposes of the program, *"vertical infrastructure"* means land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails. *"Vertical infrastructure"* does not include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

*b.* The project supports or is strategically aligned with other existing regional or statewide cultural, recreational, entertainment, or educational activities or with communities adjacent to cultural and entertainment districts whose existing or planned amenity base will augment or complement the cultural and entertainment venues of such districts.

*c.* The project provides benefits to persons living outside the county in which the project is located or to persons living outside the state.

*d.* The project will increase the diversity of activities available to citizens, workers, families, and tourists, and enhance recruitment and retention of young people as residents.

*e.* The project has economic or other obstacles impeding local financing of the project.

4. The board shall not approve an application for assistance for any of the following purposes:

*a.* To refinance a loan existing prior to the initial application date.

*b.* For a project that has previously received assistance under the program, unless the applicant demonstrates that the assistance would be used for a significant expansion of a project.

2000 Acts, ch 1174, §13; 2007 Acts, ch 215, §81

**15F.304 Vision Iowa program application review.**

1. Applications for assistance under the program shall be submitted to the authority. For those applications that meet the eligibility criteria, the authority shall provide a staff review and evaluation to the vision Iowa program review committee referred to in subsection 2 and the board.

2. A review committee composed of eight members of the board shall review vision Iowa program applications and river enhancement community attraction and tourism project applications submitted to the board and make recommendations regarding the applications to the board. The review committee shall consist of members of the board listed in section 15F.102, subsection 2, paragraphs *"d"* through *"h"*.

3. When reviewing the applications, the review committee and the authority shall consider, in addition to other criteria established in this subchapter, all of the following:

*a.* Whether wages, benefits, including health benefits, safety, and other attributes of the project would improve the quality of other existing regional or statewide cultural, recreational, entertainment, and educational activities or employment in the community.

*b.* The extent to which the project would generate additional attraction and tourism opportunities.

*c.* The ability of the project to produce a long-term, tax-generating economic impact in excess of the proposed financial assistance from the vision Iowa fund.

*d.* The geographic diversity of the project in combination with other proposed projects.

*e.* The investment of the city, county, or region in the overall project.

*f.* Other funding mechanisms.

*g.* The long-term economic viability of the project.

*h.* The extent to which the project has taken the following planning principles into consideration:

(1) Efficient and effective use of land resources and existing infrastructure by encouraging development in areas with existing infrastructure or capacity to avoid costly duplication of services and costly use of land.

(2) Provision for a variety of transportation choices, including pedestrian traffic.

(3) Maintenance of a unique sense of place by respecting local cultural and natural environmental features.

(4) Conservation of open space and farmland and preservation of critical environmental areas.

(5) Promotion of the safety, livability, and revitalization of existing urban and rural communities.

4. Upon review of the recommendations of the review committee, the board shall approve, defer, or deny the applications. If an application is approved, the board may enter into an agreement with the applicant to provide financial assistance authorized under section 15F.302.

5. The review committee shall consider, review, and make recommendations regarding applications for assistance for river enhancement community attractions and tourism projects as provided in section 15F.206.

2000 Acts, ch 1174, §14; 2000 Acts, ch 1232, §44; 2001 Acts, ch 185, §43, 49; 2009 Acts, ch 184, §35, 36; 2011 Acts, ch 118, §87, 89

Referred to in §15F.206

# CHAPTER 15G

## ECONOMIC GROWTH AND EXPANSION ACTIVITIES

Repealed pursuant to terms of former §15G.107; 2011 Acts, ch 133, §14, 50
For provisions regarding transition of
department of economic development employees to the
economic development authority and limitations on the
Iowa innovation corporation's employment of former
department employees, see 2011 Acts, ch 118, §19
For provisions regarding continuation of financial assistance
by the economic development authority, transfer of funds under
the control of the department of economic development to the
economic development authority, continuation of licenses, permits,
or contracts by the economic development authority, continuation of
financial assistance awards under the grow Iowa values financial
assistance program, and availability of federal funds to
employ certain personnel, see 2011 Acts, ch 118, §20, 89
Former §15G.201 – 15G.205 transferred to chapter 159A, subchapter III; 2011 Acts,
ch 113, §55, 56

# CHAPTER 15H

## IOWA COMMISSION ON VOLUNTEER SERVICE


15H.1 Findings.
15H.1A Definitions.
15H.2 Iowa commission on volunteer service established.
15H.3 Volunteer service commission membership.
15H.4 Administration — funding.
15H.5 Iowa summer youth corps.
15H.6 Iowa green corps program.


**15H.1 Findings.**

The general assembly finds:

1. There is a compelling need for more civic participation to solve community and state problems, and to address many of the country's unmet social, environmental, educational, and public safety needs.

2. Promoting the capability of Iowa's people, communities, and enterprises to work collaboratively is vital to the long-term prosperity of this state.

3. Building and encouraging community services and volunteerism is an integral part of the state's future well-being, and requires cooperative efforts by the public and private sectors.

4. The development of a volunteer service program in Iowa requires an administrative vehicle which conforms with federal guidelines detailed in the federal National and Community Service Trust Act of 1993.

2005 Acts, ch 42, §1

**15H.1A Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Authority"* means the economic development authority created in section 15.105.

2. *"Director"* means the director of the authority.

2011 Acts, ch 118, §27, 89

**15H.2 Iowa commission on volunteer service established.**

1. The Iowa commission on volunteer service is created within the authority. The governor shall appoint the commission's members. The director may employ personnel as necessary to carry out the duties and responsibilities of the commission.

2. The mission of the commission is to advise and assist in the development and implementation of a comprehensive, statewide plan for promoting volunteer involvement and citizen participation in Iowa, as well as to serve as the state's liaison to national and state organizations which support the commission's mission. The commission shall also

carry out any duties and responsibilities described in the National Community Service Trust Act of 1993 or any related state or federal legislation.

3. The commission shall do all of the following:

*a.* Prepare a three-year national service plan as called for under the federal National and Community Service Trust Act of 1993.

*b.* Fulfill federal program administration requirements, including provision of health care and child care for program participants.

*c.* Submit annual state applications for federal funding of commission-selected AmeriCorps programs.

*d.* Integrate AmeriCorps programs, the corporation for national and community service program, and the older American volunteer program into the state strategic service plan.

*e.* Conduct local outreach to develop a comprehensive and inclusive state service plan and coordinate with existing programs in order to prevent unnecessary competition for private sources of funding.

*f.* Provide technical assistance to service programs, including the development of training methods and curriculum materials.

*g.* Develop a statewide recruitment and placement system for individuals interested in community service opportunities.

*h.* Prepare quarterly reports on progress for submission to the governor and the general assembly.

*i.* Administer the retired senior volunteer program.

2005 Acts, ch 42, §2; 2006 Acts, ch 1010, §11; 2011 Acts, ch 118, §28, 89
Referred to in §15H.5

**15H.3 Volunteer service commission membership.**

1. The Iowa commission on volunteer service shall consist of the following members:

*a.* An individual with expertise in the educational training and developmental needs of youth.

*b.* An individual with experience in promoting the involvement of older adults in service and volunteerism.

*c.* A representative of community-based agencies within the state.

*d.* The director of the department of education, or the director's designee.

*e.* The executive director of the state board of regents, or the executive director's designee.

*f.* A representative of local government.

*g.* A representative of a local labor organization.

*h.* A representative of a for-profit business.

*i.* An individual between the ages of sixteen and twenty-five who is or has been a participant or supervisor in a volunteer or service program.

*j.* A representative of the corporation for national and community service who shall serve as a nonvoting, ex officio member.

*k.* Additional ex officio, nonvoting members selected by the commission to the extent that they are not in conflict with the provisions of the National Community Service Trust Act of 1993 or any related state or federal legislation.

2. No more than twenty-five percent of the commission members shall be employees of the state, though additional state agency representatives may sit on the commission as nonvoting, ex officio members.

3. A commission member shall not vote on issues affecting organizations for which the member has served as a staff person or as a volunteer at any time during the preceding twelve-month period.

4. The membership of the commission shall comply with sections 69.16 and 69.16A. The membership of the commission shall also reflect the diversity of the state's population.

5. Members shall serve staggered terms of three years beginning July 1. Members of the commission shall serve no more than two three-year terms. Any vacancy shall be filled in the same manner as the original appointment.

6. The chairperson of the commission shall be selected by the members of the commission.

2005 Acts, ch 42, §3; 2005 Acts, ch 175, §54, 129; 2006 Acts, ch 1051, §1; 2011 Acts, ch 118, §29, 30, 89; 2012 Acts, ch 1021, §33

**15H.4 Administration — funding.**

1. The authority shall serve as the lead agency for administration of the commission. The authority may consult with the department of education, the state board of regents, and the department of workforce development for any additional administrative support as necessary to fulfill the duties of the commission. All other state agencies, at the request of the authority, shall provide assistance to the commission to ensure a fully coordinated state effort for promoting national and community service.

2. The commission may accept funds and in-kind services from other state, federal, and private entities.

2005 Acts, ch 42, §4; 2011 Acts, ch 118, §31, 89

**15H.5 Iowa summer youth corps.**

1. For the purposes of this section, *"service-learning"* means a teaching and learning strategy that integrates meaningful community service with instruction and reflection to enrich the learning experience, teach civic responsibility, and strengthen communities.

2. The Iowa summer youth corps program is established to provide meaningful summer enrichment programming to Iowa youth. The program shall be administered by the Iowa commission on volunteer service using a competitive grant process to implement projects in accordance with program requirements. The commission shall adopt administrative rules for the program, including but not limited to incentives, grant criteria, and grantee selection processes. A percentage of the grants shall be designated by the commission to address the needs of city enterprise zones that meet the distress criteria outlined in section 15E.194.

3. The program shall provide grants for projects that utilize a service-learning approach during the summer months to enhance student achievement and summer learning retention, teach meaningful job skills to Iowa youth, engage Iowa youth in their communities, provide positive youth development experiences, and address the needs of youth from families with low income. The service-learning approach shall be integrated into the program using science, technology, engineering, mathematics, social studies, civic literacy, or other appropriate curricula identified by the department of education.

4. The program shall involve the youth participating in the program in service-learning activities with one or more of the following focuses:

*a.* Energy conservation in the youth's community, including conducting educational outreach on energy conservation and working to improve energy efficiency in low-income housing and public spaces.

*b.* Emergency and disaster preparedness.

*c.* Improving access to and obtaining the benefits from providing computers and other emerging technologies in underserved and other appropriate areas of counties and cities, including but not limited to low-income communities, senior centers and communities, schools, libraries, and other public settings.

*d.* Mentoring of middle school youth while involving all participants in service-learning to address unmet human, educational, environmental, public safety, or emergency disaster preparedness needs in the participants' community.

*e.* Establishing or implementing summer of service projects during the summer months. Budgeting for a summer of service project shall include the cost of recruitment, training, and placement of service-learning coordinators. A summer of service project shall comply with all of the following requirements:

(1) Youth participating in a project will be enrolled in grades six through twelve in the school year which begins immediately following the end of a project.

(2) The focus of each project shall be community-based, service-learning activities that address unmet human, educational, environmental, emergency and disaster preparedness, and public service needs. Environmental needs addressed may include energy conservation, water quality, and land stewardship.

(3) The activities for each project shall be intensive, structured, supervised, and designed to produce identifiable improvements to the community. The activities may include the extension of school year service-learning programs into the summer months.

*f.* Performing community improvement projects, which may include but are not limited to a green corps program activity under section 15H.6 or other youth training program.

5. *a.* Funding for the Iowa summer youth corps program and the Iowa green corps program established pursuant to section 15H.6 shall be obtained from private sector, and local, state, and federal government sources, or from other available funds credited to the community programs account, which shall be created within the economic development authority under the authority of the commission. Moneys available in the account for a fiscal year are appropriated to the commission to be used for the programs.

*b.* The commission shall manage the program in a manner to maximize the leveraging of federal, local, and private funding opportunities that increase or amplify program impact and service-learning opportunities. The commission shall also encourage collaboration with, and utilization of, other national, local, and nonprofit programs engaged in community service or addressing the needs of youth from families with low income.

*c.* The commission shall give priority consideration to approving those projects that target communities that have disproportionately high rates of juvenile crime or low rates of high school graduation or that have been designated as city enterprise zones that meet the distress criteria outlined in section 15E.194.

*d.* The commission shall include progress information concerning implementation of the program in the quarterly reports made to the governor and the general assembly in accordance with section 15H.2.

6. *a.* Notwithstanding any contrary provision of chapter 8A, subchapter IV, or chapter 96, a person participating in the Iowa summer youth corps program shall be exempt from merit system requirements and shall not be eligible to receive unemployment compensation benefits.

*b.* If a stipend is provided to a youth participating in the program, the youth shall be age fourteen through eighteen.

*c.* A youth participating in a summer of service project that either has an education award or no compensation shall comply with the grade level requirements specified for summer of service project participation.

*d.* A project that uses funding for an AmeriCorps young adult component within the project design shall limit participation in the component to young persons who are age sixteen through twenty-four at the time of enrollment in the project.

2009 Acts, ch 161, §1, 4; 2011 Acts, ch 118, §85, 89
Referred to in §15H.6

**15H.6 Iowa green corps program.**

1. The Iowa commission on volunteer service, in collaboration with the department of natural resources, the department of workforce development, and the utilities board of the department of commerce, shall establish an Iowa green corps program. The commission shall work with the collaborating agencies and nonprofit agencies in developing a strategy for attracting additional financial resources for the program from other sources which may include but are not limited to utilities, private sector, and local, state, and federal government funding sources. The financial resources received shall be credited to the community programs account created pursuant to section 15H.5.

2. The program shall utilize AmeriCorps or Iowa summer youth corps program volunteers to provide capacity building activities, training, and implementation of major transformative projects in communities. The project selection shall emphasize energy efficiency, historic preservation, neighborhood development, and storm water reduction and management.

3. The capacity building activities shall be targeted in communities that are already working with existing community improvement programs, including but not limited to the Iowa great places program established under section 303.3C, the green streets and main street Iowa programs administered by the economic development authority, and disaster

remediation activities by communities located within an area declared to be a disaster area in a declaration issued by the president of the United States or the governor.

2009 Acts, ch 161, §2, 4; 2011 Acts, ch 118, §38, 85, 89
Referred to in §15H.5

# CHAPTER 15I

## WAGE-BENEFITS TAX CREDIT

Repealed by 2008 Acts, ch 1191, §166, 167

# CHAPTER 15J

## IOWA REINVESTMENT ACT

Referred to in §423.2, 423A.6


15J.1 Short title.
15J.2 Definitions.
15J.3 Preapplication process.
15J.4 District establishment — approval.
15J.5 New state tax revenue calculations.
15J.6 State reinvestment district fund.
15J.7 Reinvestment project fund.
15J.8 End of deposits — district dissolution.


**15J.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Reinvestment Act"*.

2013 Acts, ch 119, §1
NEW section

**15J.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the same as defined in section 15.102.

2. *"Commencement date"* means the date established for each district by the board under section 15J.4, subsection 3, upon which the calculation of new state sales tax and new state hotel and motel tax revenue shall begin under section 15J.5 for deposit in the fund.

3. *"Department"* means the department of revenue.

4. *"District"* means the area within a municipality that is designated a reinvestment district pursuant to section 15J.4.

5. *"Fund"* means the state reinvestment district fund created in section 15J.6.

6. *"Governing body"* means the county board of supervisors, city council, or other body in which the legislative powers of the municipality are vested.

7. *"Municipality"* means a county or an incorporated city.

8. *"New lessor"* means a lessor, as defined in section 423A.2, operating a business in the district that was not in operation in the area of the district before the effective date of the ordinance establishing the district, regardless of ownership. *"New lessor"* also includes any lessor, defined in section 423A.2, operating a business in the district if the place of business for that business is the subject of a project that was approved by the board.

9. *"New retail establishment"* means a business operated in the district by a retailer, as defined in section 423.1, that was not in operation in the area of the district before the effective date of the ordinance establishing the district, regardless of ownership. *"New retail establishment"* also includes any business operated in the district by a retailer, as defined in section 423.1, if the place of business for that retail establishment is the subject of a project that was approved by the board.

10. *"Project"* means a vertical improvement constructed or substantially improved within

a district using sales tax revenues and hotel and motel tax revenues received by a municipality pursuant to this chapter. *"Project"* does not include any of the following:

*a.* A building, structure, or other facility that is in whole or in part used or intended to be used to conduct gambling games under chapter 99F.

*b.* A building, structure, or other facility that is in whole or in part used or intended to be used as a hotel or motel if such hotel or motel is connected to or operated in conjunction with a building, structure, or other facility described in paragraph *"a"*.

11. *"State hotel and motel tax"* means the state-imposed tax under section 423A.3.

12. *"State sales tax"* means the sales and services tax imposed pursuant to section 423.2.

13. *"Substantially improved"* means that the cost of the improvements are equal to or exceed fifty percent of the assessed value of the property, excluding the land, prior to such improvements.

14. *"Vertical improvement"* means a building that is wholly or partially above grade and all appurtenant structures to the building.

2013 Acts, ch 119, §2
NEW section

**15J.3 Preapplication process.**

The board may establish by rule a preapplication process to provide information related to the requirements of this chapter, to determine the interest of municipalities in establishing districts under this chapter, and to assist municipalities in preparing a proposed district plan.

2013 Acts, ch 119, §3
NEW section

**15J.4 District establishment — approval.**

1. A municipality that has an area suitable for development within the boundaries of the municipality is eligible to seek approval from the board to establish a reinvestment district under this section consisting of the area suitable for development. To be designated a reinvestment district, an area shall meet the following requirements:

*a.* The area consists only of parcels of real property that the governing body of the municipality determines will be directly and substantially benefited by development in the proposed district.

*b.* The area is in whole or in part either an economic development enterprise zone designated under chapter 15E, division XVIII, or an urban renewal area established pursuant to chapter 403.

*c.* The area consists of contiguous parcels and does not exceed twenty-five acres in total.

*d.* For a municipality that is a city, the area does not include the entire incorporated area of the city.

*e.* The area is not located in whole or in part within another district established under this chapter.

2. Prior to submission to the board for approval under subsection 3, a proposed district plan shall be developed and approved by resolution of the governing body of the municipality. The proposed district plan shall state the governing body's intent to establish a district. The proposed district plan shall also include all of the following:

*a.* A finding by the governing body that the area in the proposed district is an area suitable for development.

*b.* A legal description of the real estate forming the boundaries of the area to be included in the proposed district along with a map depicting the existing parcels of real estate located in the proposed district.

*c.* A list of the names and addresses of the owners of record of the parcels to be included in the proposed district.

*d.* A list of all projects proposed to be undertaken within the district, a detailed description of those projects, and a project plan for each proposed project. Each project plan shall clearly state the estimated cost of the proposed project, the anticipated funding sources for the proposed project, the amount of anticipated funding from each such source, and the amount and type of debt, if any, to be incurred by the municipality to fund the

proposed project, and shall include a proposed project feasibility study conducted by an independent professional with expertise in economic development and public finance. The project plan for the project that proposes the largest amount of capital investment among all proposed projects within the district shall include an estimate of the date that construction of the project will be completed and of the date that operations will begin at the project. The feasibility study shall include projections and analysis of all of the following:

(1) The amount of gross revenues expected to be collected in the district as a result of the proposed project for each year that the district is in existence.

(2) A detailed explanation of the manner and extent to which the proposed project will contribute to the economic development of the state and the municipality, including an analysis of the proposed project's economic impact. The analysis shall include the same components and be conducted in the same manner as the economic impact study required under paragraph *"e"*.

(3) An estimate of the number of visitors or customers the proposed project will generate during each year that the district exists.

(4) A description of the unique characteristics of the proposed project.

*e.* An economic impact study for the proposed district conducted by an independent economist retained by the municipality. The economic impact study shall, at a minimum, do all of the following:

(1) Contain a detailed analysis of the financial benefit of the proposed district to the economy of the state and the municipality.

(2) Identify one or more projected market areas in which the district can reasonably be expected to have a substantial economic impact.

(3) Assess the fiscal and financial impact of the proposed district on businesses or on other economic development projects within the projected market area.

3. *a.* The municipality shall submit a copy of the resolution, the proposed district plan, and all accompanying materials adopted pursuant to this section to the board for evaluation. The board shall not approve a proposed district plan or an amendment to an existing district's plan on or after July 1, 2018.

*b.* The board shall evaluate each municipality's proposed district plan and accompanying materials and shall approve the district plan and establishment of the district if the board determines that, in addition to other criteria established by the board by rule, all of the following conditions are met:

(1) The area of the municipality proposed to be included in the district meets the requirements of subsection 1.

(2) The projects proposed to be undertaken in the district are of a unique nature and will have a substantial beneficial impact on the economy of the state and the economy of the municipality.

(3) The proposed funding sources for each proposed project are feasible.

(4) At least one of the projects proposed to be undertaken in the district includes a capital investment of at least ten million dollars.

(5) The total amount of proposed funding from state sales tax revenues and state hotel and motel tax revenue to be remitted to the municipality from the state reinvestment district fund under section 15J.6 for all proposed projects in the proposed district plan does not exceed thirty-five percent of the total cost of all proposed projects in the proposed district plan.

(6) The amount of proposed capital investment within the proposed district related to retail businesses in the proposed district does not exceed fifty percent of the total capital investment for all proposed projects in the proposed district plan. For the purposes of this subparagraph, *"retail business"* means any business engaged in the business of selling tangible personal property or taxable services at retail in this state that is obligated to collect state sales or use tax under chapter 423. However, for the purposes of this subparagraph, *"retail business"* does not include a new lessor.

*c.* If the board denies a proposed district plan, the board shall state the reasons for the denial and the municipality may resubmit the application.

*d.* As part of its approval of a proposed district plan, the board shall establish a commencement date for the district. The commencement date established by the board

shall be the first day of the first calendar quarter beginning after the later of the two dates identified for the project that proposed the largest amount of capital investment among all proposed projects in the district pursuant to subsection 2, paragraph "*d*".

*e.* As part of its approval of a proposed district plan, the board shall, subject to the authorized amounts under section 15J.5, establish maximum amounts of state sales tax revenues or state hotel and motel tax revenues, or both, that may be remitted to a municipality's reinvestment project fund. Such maximum amounts shall be determined based on the financing needs of the proposed project, the economic impact to the state, and the remittance limitations under paragraph "*f*".

*f.* The total aggregate amount of state sales tax revenues and state hotel and motel tax revenues that may be approved by the board for remittance to all municipalities and that may be transferred to the state reinvestment district fund under section 423.2, subsection 11, or section 423A.6, and remitted to all municipalities having a reinvestment district under this chapter shall not exceed one hundred million dollars.

*g.* If a district plan is approved by the board, the district plan, along with the municipality's resolution and all accompanying materials, shall be posted on the economic development authority's internet site for public viewing within ten days of approval by the board.

4. Upon receiving the approval of the board, the municipality may adopt an ordinance establishing the district and shall notify the director of revenue of the district's commencement date established by the board no later than thirty days after adoption of the ordinance. The ordinance adopted by the municipality shall include the district's commencement date and a detailed statement of the manner in which the approved projects to be undertaken in the district will be financed, including but not limited to the financial information included in the project plan under subsection 2, paragraph "*d*". Following establishment of the district, a municipality may use the moneys deposited in the municipality's reinvestment project fund created pursuant to section 15J.7 to fund the development of those projects included within the district plan.

5. A municipality may amend the district plan to add or modify projects. However, a proposed modification to a project and each project proposed to be added shall first be approved by the board in the same manner as provided for the original plan. In no case, however, shall an amendment to the district plan result in the extension of the commencement date established by the board. If a district plan is amended to add or modify a project, the municipality shall amend the ordinance, if necessary, to reflect any changes to the financial information required to be included under subsection 4.

6. Following establishment of a district, the municipality shall on or before October 1 of each year submit a report to the board detailing all of the following:

*a.* The status of each project undertaken within the district in the previous twelve months.

*b.* An itemized list of expenditures from the municipality's reinvestment project fund in the previous twelve months that have been made related to each project being undertaken within the district.

*c.* The amount of the total project cost remaining for each project being undertaken within the district as of the date the report is submitted.

*d.* The amounts, types, and sources of funding used for each project described in paragraph "*a*".

*e.* The amount of bonds issued or other indebtedness incurred for each project described in paragraph "*a*", including information related to the rate of interest, length of term, costs of issuance, and net proceeds. The report shall also include the amounts and types of moneys to be used for payment of such bonds or indebtedness.

7. All reports received by the board under subsection 6 shall be posted on the economic development authority's internet site as soon as practicable following receipt of the report. The board shall submit a written report to the governor and the general assembly on or before January 15 of each year. The report shall summarize and analyze the information submitted by municipalities under subsection 6.

2013 Acts, ch 119, §4
Referred to in §15J.2, 15J.5, 423.2, 423A.6
NEW section

**15J.5 New state tax revenue calculations.**

1. *a.* The department shall calculate quarterly the amount of new state sales tax revenues for each district established in the state to be deposited in the state reinvestment district fund created in section 15J.6, pursuant to section 423.2, subsection 11, paragraph *"b"*, subject to remittance limitations established by the board pursuant to section 15J.4, subsection 3.

*b.* The amount of new state sales tax revenue for purposes of paragraph *"a"* shall be the product of the amount of sales subject to the state sales tax in the district during the quarter from new retail establishments times four percent.

2. *a.* The department shall calculate quarterly the amount of new state hotel and motel tax revenues for each district established in the state to be deposited in the state reinvestment district fund created in section 15J.6, pursuant to section 423A.6, subject to remittance limitations established by the board pursuant to section 15J.4, subsection 3.

*b.* The amount of new state hotel and motel tax revenue for purposes of paragraph *"a"* shall be the product of the amount of sales subject to the state hotel and motel tax in the district during the quarter from new lessors times the state hotel and motel tax rate imposed under section 423A.3.

3. Each municipality that has established a district under this chapter shall assist the department in identifying new retail establishments in the district that are collecting state sales tax and new lessors in the district that are collecting state hotel and motel tax. This process shall be ongoing until the municipality ceases to utilize state sales tax revenue or state hotel and motel tax revenue under this chapter or the district is dissolved.

2013 Acts, ch 119, §5
Referred to in §15J.2, 15J.4, 423.2, 423A.6
NEW section

**15J.6 State reinvestment district fund.**

1. A state reinvestment district fund is established in the state treasury under the control of the department consisting of the new state sales tax revenues collected within each district and deposited in the fund pursuant to section 423.2, subsection 11, paragraph *"b"*, and the new state hotel and motel tax revenues collected within each district and deposited in the fund pursuant to section 423A.6. Moneys deposited in the fund are appropriated to the department for the purposes of this section. Moneys in the fund shall only be used for the purposes of this section.

2. A district account is created within the fund for each district created by a municipality under this chapter.

3. The department shall deposit the moneys described in subsection 1 that were collected in a quarter beginning on or after the district's commencement date into the appropriate district account in the fund.

4. All moneys in each district account within the fund shall be remitted quarterly by the department to the municipality that established the district for deposit in the municipality's reinvestment project fund established pursuant to section 15J.7.

5. The department shall adopt rules for the administration of the department's duties under this chapter, including the remittance of moneys to municipalities.

2013 Acts, ch 119, §6
Referred to in §15J.2, 15J.4, 15J.5, 15J.7
NEW section

**15J.7 Reinvestment project fund.**

1. State sales tax revenue and state hotel and motel tax revenue remitted by the department to a municipality pursuant to section 15J.6 shall be deposited in a reinvestment project fund of the municipality and shall be used to fund projects within the district from which the revenues were collected. If the municipality determines that the revenue accruing to the reinvestment project fund exceeds the amount necessary for these purposes, the excess moneys that are remittances received under section 15J.6 and all interest in the fund attributable to such excess amounts shall be remitted by the municipality to the department for deposit in the general fund of the state.

2. In addition to the moneys received pursuant to section 15J.6, a municipality may deposit

in the reinvestment project fund any other moneys lawfully at the municipality's disposal, including but not limited to local sales and services tax receipts collected under chapter 423B if such use is a purpose authorized for the municipality under chapter 423B.

3. The records of the municipality related to the district and the reinvestment project fund are subject to audit pursuant to section 11.6.

4. *a.* Moneys from any source deposited into the reinvestment project fund shall not be expended for or otherwise used in connection with a project that includes the relocation of a commercial or industrial enterprise not presently located within the municipality.

*b.* For the purposes of this subsection, "*relocation*" means the closure or substantial reduction of an enterprise's existing operations in one area of the state and the initiation of substantially the same operation in the same county or a contiguous county in the state. "*Relocation*" does not include an enterprise expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced.

5. Upon dissolution of a district pursuant to section 15J.8, if moneys remitted to the municipality pursuant to section 15J.6 remain in the municipality's reinvestment project fund and those moneys are not necessary to support completion of a project in the dissolved district, such amounts and all interest remaining in the fund that was earned on such amounts shall be remitted by the municipality to the department for deposit in the general fund of the state.

6. Upon dissolution of a district pursuant to section 15J.8, moneys remaining in the reinvestment project fund that were deposited pursuant to subsection 2 and all interest remaining in the fund that was earned on such amounts shall be deposited in the general fund of the municipality.

2013 Acts, ch 119, §7
Referred to in §15J.4, 15J.6
NEW section

**15J.8 End of deposits — district dissolution.**

1. As of the date twenty years after the district's commencement date, the department shall cease to deposit state sales tax revenues and state hotel and motel tax revenues into the district's account within the fund, unless the municipality dissolves the district by ordinance prior to that date. Following the expiration of the twenty-year period, the district shall be dissolved by ordinance of the municipality adopted within twelve months of the conclusion of the twenty-year period.

2. If the municipality dissolves the district by ordinance prior to the expiration of the twenty-year period specified in subsection 1, the municipality shall notify the director of revenue of the dissolution as soon as practicable after adoption of the ordinance, and the department shall, as of the effective date of dissolution, cease to deposit state sales tax revenues and state hotel and motel tax revenues into the district's account within the fund.

2013 Acts, ch 119, §8
Referred to in §15J.7, 423.2, 423A.6
NEW section

# CHAPTER 16

## IOWA FINANCE AUTHORITY

Referred to in §12.28, 12.30, 12B.10, 12B.10A, 12B.10B, 12B.10C, 34A.20, 175.11, 218.95, 257C.7, 260C.71, 403A.3, 533.315, 535.8, 535A.9, 714.8

Duties with respect to Iowa advance funding authority, see §257C.7
This chapter not enacted as a part of this title; transferred from chapter 220 in Code 1993
See §218.95 for provisions pertaining to construction of synonymous terms
For transition provisions relating to contracts or agreements entered into by former Iowa jobs board and in effect on July 1, 2013, and personal liability of members or persons acting on behalf of the former Iowa jobs board, see 2013 Acts, ch 142, §26

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## GENERAL PROVISIONS

**16.1 Definitions.**

1. As used in this chapter, unless the context otherwise requires:

*a.* When used in the context of an assumption of a loan, *"assume"* or *"assumed"* means any type of transaction involving the sale or transfer of an ownership interest in real estate financed by the authority, whether the conveyance involves a transfer by deed or real estate contract or some other device.

*b.* *"Authority"* means the Iowa finance authority created in section 16.1A.

*c.* *"Board"* means the Iowa finance authority board of directors created pursuant to section 16.2.

*d.* *"Bond"* means a bond issued by the authority pursuant to sections 16.26 to 16.30, and includes a note or other instrument evidencing a debt authorized or referred to in this chapter.

*e.* *"Child foster care facilities"* means the same as defined in section 237.1.

*f.* *"Cost"* as applied to economic development loan program projects means the cost of acquisition, construction, or both including the cost of acquisition of all land, rights-of-way, property rights, easements, franchise rights, and interests required for acquisition, construction, or both. It also means the cost of demolishing or removing structures on acquired land, the cost of access roads to private property, including the cost of land or easements, and the cost of all machinery, furnishings, and equipment, financing charges, and interest prior to and during construction and for no more than the greater of eighteen months or the period authorized to be capitalized under applicable provisions of the Internal Revenue Code after completion of construction. Cost also means the cost of engineering, legal expenses, plans, specifications, surveys, estimates of cost and revenues, as well as other expenses incidental to determining the feasibility or practicability of acquiring or constructing a project. It also means other expenses incidental to the acquisition or construction of the project, the financing of the acquisition or construction, including the amount to be paid into any special funds from the proceeds of bonds issued for the project, and the financing of the placing of a project in operation. It also means all grants, payments,

and amounts necessary to pay or refund outstanding bonds and all costs for which federally tax-exempt bonds may be issued under the Internal Revenue Code.

*g.* *"Dilapidated"* means decayed, deteriorated, or fallen into partial disuse through neglect or misuse.

*h.* *"Displaced"* means displaced by governmental action, or by having one's dwelling extensively damaged or destroyed as a result of a disaster.

*i.* *"Division"* means the title guaranty division.

*j.* *"Elderly families"* means families of low or moderate income where the head of the household or the head's spouse is at least sixty-two years of age or older, or the surviving member of any such tenant family.

*k.* *"Executive director"* means the executive director of the Iowa finance authority as appointed pursuant to section 16.6.

*l.* (1) *"Families"* includes but is not limited to families consisting of a single adult person who is primarily responsible for the person's own support, is at least sixty-two years of age, is a person with a disability, is displaced, or is the remaining member of a tenant family.

(2) *"Families"* includes but is not limited to two or more persons living together who are at least sixty-two years of age, are persons with disabilities, or one or more such individuals living with another person who is essential to such individual's care or well-being.

*m.* *"Goals"* means legislative goals and policies as articulated in this chapter.

*n.* *"Guiding principles"* means the principles provided in section 16.4 which shall be considered for amplification and interpretation of the goals of the authority.

*o.* *"Health care facilities"* means those facilities referred to in section 135C.1, subsection 7, which contain fifteen beds or less.

*p.* (1) *"Housing"* means single family and multifamily dwellings, and facilities incidental or appurtenant to the dwellings, and includes group homes of fifteen beds or less licensed as health care facilities or child foster care facilities and modular or mobile homes which are permanently affixed to a foundation and are assessed as realty.

(2) *"Adequate housing"* means housing which meets minimum structural, heating, lighting, ventilation, sanitary, occupancy, and maintenance standards compatible with applicable building and housing codes, as determined under rules of the authority.

*q.* *"Housing program"* means any work or undertaking of new construction or rehabilitation of one or more housing units, or the acquisition of existing residential structures, for the provision of housing, which is financed pursuant to the provisions of this chapter for the primary purpose of providing housing for low or moderate income families. A housing program may include housing for other economic groups as part of an overall plan to develop new or rehabilitated communities or neighborhoods, where housing low or moderate income families is a primary goal. A housing program may include any buildings, land, equipment, facilities, or other real or personal property which is necessary or convenient in connection with the provision of housing, including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities, such as administrative, community, health, recreational, educational, and commercial facilities, as the authority determines to be necessary or convenient in relation to the purposes of this chapter.

*r.* *"Housing sponsor"* means any individual, joint venture, partnership, limited partnership, trust, corporation, housing cooperative, local public entity, governmental unit, or other legal entity, or any combination thereof, approved by the authority or pursuant to standards adopted by the authority as qualified to either own, construct, acquire, rehabilitate, operate, manage, or maintain a housing program, whether for profit, nonprofit or limited profit, subject to the regulatory powers of the authority and other terms and conditions set forth in this chapter.

*s.* *"Income"* means income from all sources of each member of the household, with appropriate exceptions and exemptions reasonably related to an equitable determination of the family's available income, as established by rule of the authority.

*t.* *"Internal Revenue Code"* means the Internal Revenue Code of the United States as it may exist at the time of its applicability to the provisions of this chapter.

*u.* *"Legislative findings"* or *"findings"* means the findings established by the general assembly with respect to the authority as provided in this chapter.

*v.* *"Lower income families"* means families whose incomes do not exceed eighty percent of the median income for the area with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area, and includes, but is not limited to, very low income families.

*w.* *"Low income housing credit"* means the low income housing credit as defined in Internal Revenue Code § 42(a).

*x.* *"Low or moderate income families"* means families who cannot afford to pay enough to cause private enterprise in their locality to build an adequate supply of decent, safe, and sanitary dwellings for their use, and also includes, but is not limited to, (1) elderly families, families in which one or more persons are persons with disabilities, lower income families and very low income families, and (2) families purchasing or renting qualified residential housing.

*y.* *"Mortgage"* means a mortgage, mortgage deed, deed of trust, or other instrument creating a first lien, subject only to title exceptions acceptable to the authority, on a fee interest in real property which includes completed housing located within this state, or on a leasehold on such a fee interest which has a remaining term at the time of computation that exceeds by not less than ten years the maturity date of the mortgage loan.

*z.* *"Mortgage-backed security"* means a security issued by the authority which is secured by residential mortgage loans owned by the authority.

*aa.* *"Mortgage lender"* means any bank, trust company, mortgage company, national banking association, federal savings association, life insurance company, any governmental agency, or any other financial institution authorized to make mortgage loans in this state and includes a financial institution as defined in section 496B.2, subsection 4, which lends moneys for industrial or business purposes.

*ab.* *"Mortgage loan"* means a financial obligation secured by a mortgage.

*ac.* *"Note"* means a bond anticipation note or a housing development fund note issued by the authority pursuant to this chapter. *"Note"* also includes bonds.

*ad.* *"Person with a disability"* means a person who is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment, or a person having a physical or mental impairment which is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of a nature that the ability to live independently could be improved by more suitable housing conditions.

*ae.* *"Powers"* means all of the general and specific powers of the authority as provided in this chapter which shall be broadly and liberally interpreted to authorize the authority to act in accordance with the goals of the authority and in a manner consistent with the legislative findings and guiding principles.

*af.* *"Programs"* means any program administered by the authority or any program in which the authority is directed or authorized to participate pursuant to any statute, executive order, or interagency agreement, or any other program participation or administration of which the authority finds useful and convenient to further the goals and purposes of the authority. *"Program"* shall include but not be limited to all of the following:

(1) The housing assistance payments program.
(2) The rent supplements program.
(3) The emergency housing fund program.
(4) The special housing assistance program.
(5) The single-family housing program.
(6) The multifamily housing program.
(7) The title guaranty program.
(8) The housing improvement fund program.
(9) The economic development loan program.
(10) The Iowa economic development bond bank program.
(11) The sewage treatment and drinking facilities financing program.
(12) The Iowa tank assistance bond program.
(13) The residential treatment facilities program.

(14) The E-911 program.

(15) The community college dormitory program.

(16) The prison infrastructure program.

(17) The wastewater treatment financial assistance program.

(18) Any other program established by the authority which the authority finds useful and convenient to further goals of the authority and which is consistent with the legislative findings. Such additional programs shall be administered in accordance with the guiding principles of the authority after such notice and hearing as is determined to be reasonable by the authority under the circumstances. Such additional programs shall be administered in accordance with rules, if any, which the authority determines useful and convenient to adopt pursuant to chapter 17A.

*ag.* *"Project"* means any of the following:

(1) Real or personal property connected with a facility to be acquired, constructed, financed, refinanced, improved, or equipped pursuant to one or more of the programs.

(2) Refunds, loans, refinancings, grants, or other assistance or programs which the authority finds useful and convenient to carry out and further the goals of the authority and the Iowa economic development bond program. In furtherance thereof and not in limitation, *"project"* shall include projects for which bonds or notes may be issued by a city or a county pursuant to any power so long as the authority finds it is consistent with the goals and legislative findings of the authority and the Iowa economic development bond program.

(3) Any project for which tax exempt financing is authorized by the Internal Revenue Code, together with any taxable financing necessary or desirable in connection with such project, which the authority finds furthers the goals of the authority and is consistent with the legislative findings.

*ah.* *"Property improvement loan"* means a financial obligation secured by collateral acceptable to the authority, the proceeds of which shall be used for improvement or rehabilitation of housing which is deemed by the authority to be substandard in its protective coatings or its structural, plumbing, heating, cooling, or electrical systems; and regardless of the condition of the property the term *"property improvement loan"* may include loans to increase the energy efficiency of housing or to finance solar or other renewable energy systems for use in that housing.

*ai.* *"Qualified residential housing"* means any of the following:

(1) Owner-occupied residences purchased in a manner which satisfies the requirements contained in section 103A of the Internal Revenue Code in order to be financed with tax exempt mortgage subsidy bonds.

(2) Residential property qualifying pursuant to section 103(b)(4) of the Internal Revenue Code to be financed with tax exempt residential rental property bonds.

(3) Housing for low or moderate income families, elderly families, and families which include one or more persons with disabilities.

*aj.* *"State agency"* means any board, commission, department, public officer, or other agency of the state of Iowa.

*ak.* *"State housing credit ceiling"* means the state housing credit ceiling as defined in Internal Revenue Code § 42(h)(3)(C).

*al.* *"Title guaranty"* means a guaranty against loss or damage caused by defective title to real property.

*am.* *"Very low income families"* means families whose incomes do not exceed fifty percent of the median income for the area, with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area.

2. The authority may establish by rule further definitions applicable to this chapter, and clarification of the definitions in this section, as it deems convenient and necessary including any rules necessary to assure eligibility for funds available under federal housing laws, or to assure compliance with federal tax laws relating to the issuance of tax exempt bonds pursuant to the Internal Revenue Code or relating to the allowance of low income credits under Internal Revenue Code § 42.

[C77, 79, 81, §220.1; 81 Acts, ch 76, §1; 82 Acts, ch 1173, §1, 2, ch 1187, §1 – 3]

83 Acts, ch 124, §1, 2; 84 Acts, ch 1281, §1 – 5; 85 Acts, ch 225, §1; 85 Acts, ch 252, §24, 25; 86 Acts, ch 1212, §1; 86 Acts, ch 1245, §840; 87 Acts, ch 125, §1, 2; 87 Acts, ch 141, §1
C93, §16.1
96 Acts, ch 1129, §5 – 8; 2007 Acts, ch 54, §2 – 10; 2009 Acts, ch 43, §1; 2009 Acts, ch 133, §8; 2012 Acts, ch 1017, §40; 2013 Acts, ch 100, §1, 17, 21, 27
Referred to in §499A.101
Subsection 1, paragraph b amended
Subsection 1, NEW paragraph c and former paragraphs c – i redesignated as d – j
Subsection 1, NEW paragraph k and former paragraphs j – ak redesignated as l – am

**16.1A Creation — administration of programs.**

1. The Iowa finance authority is created, and constitutes a public instrumentality and agency of the state exercising public and essential governmental functions.

2. The authority shall undertake and administer the following:

*a.* Programs established under this chapter to assist in attainment of adequate housing for low- or moderate-income families, elderly families, and families which include one or more persons with disabilities, and to undertake the various finance programs under this chapter.

*b.* Programs which assist qualified farmers or agricultural producers, including beginning farmers, as provided in chapter 175.

3. The Iowa finance authority board of directors shall have general control, supervision, and regulation of all authority programs established under this chapter and chapter 175. The authority is charged with the broad administrative authority to make, administer, interpret, construe, repeal, and execute the rules, and to administer, interpret, construe, and execute the laws of this state relating to such programs. The board may, by resolution, delegate to the agricultural development board, executive director, or other authority employee such of its powers, under such terms and conditions, as it deems appropriate.

2013 Acts, ch 100, §2, 17
Referred to in §16.1, 175.2, 455B.291
NEW section

**16.2 Authority board of directors.**

1. An Iowa finance authority board of directors is created. The powers of the authority are vested in and shall be exercised by the board. The board includes nine members appointed by the governor subject to confirmation by the senate.

*a.* Not more than five members shall belong to the same political party.

*b.* As far as possible, the governor shall include within the membership persons who represent community and housing development industries, housing finance industries, the real estate sales industry, elderly families, minorities, lower income families, very low income families, families which include persons with disabilities, average taxpayers, local government, business interests, and any other person specially interested in community housing, finance, or small business.

2. Members of the authority shall be appointed by the governor for staggered terms of six years beginning and ending as provided in section 69.19. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. A member is eligible for reappointment. A member of the authority may be removed from office by the governor for misfeasance, malfeasance, or willful neglect of duty or other just cause, after notice and hearing, unless the notice and hearing is expressly waived in writing.

3. Five members of the authority constitute a quorum and the affirmative vote of a majority of the appointed members is necessary for any substantive action taken by the authority. The majority shall not include any member who has a conflict of interest and a statement by a member of a conflict of interest shall be conclusive for this purpose. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the authority.

4. Members of the authority are entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

5. Members of the authority and the executive director shall give bond as required for public officers in chapter 64.

6. Meetings of the authority shall be held at the call of the chairperson or whenever two members so request.

7. Members shall elect a chairperson and vice chairperson annually, and other officers as they determine, but the executive director shall serve as secretary to the authority.

8. The net earnings of the authority, beyond that necessary for retirement of its notes, bonds or other obligations, or to implement the public purposes and programs herein authorized, shall not inure to the benefit of any person other than the state. Upon termination of the existence of the authority, title to all property owned by the authority, including any such net earnings of the authority, shall vest in the state. The state reserves the right at any time to alter, amend, repeal, or otherwise change the structure, organization, programs, or activities of the authority, including the power to terminate the authority, except that no law shall ever be passed impairing the obligation of any contract or contracts entered into by the authority to the extent that any such law would contravene Article I, section 21, of the Constitution of the State of Iowa or Article I, section 10, of the Constitution of the United States.

9. Neither members of the authority, nor persons acting on behalf of the authority while acting within the scope of their agency or employment, are subject to personal liability resulting from carrying out the powers and duties in this chapter.

[C77, 79, 81, §220.2; 81 Acts, ch 76, §2]

84 Acts, ch 1281, §6; 85 Acts, ch 252, §26; 87 Acts, ch 141, §2; 88 Acts, ch 1158, §49; 90 Acts, ch 1256, §37, 38

C93, §16.2

96 Acts, ch 1129, §9; 2003 Acts, ch 145, §139; 2006 Acts, ch 1010, §12; 2007 Acts, ch 22, §10; 2007 Acts, ch 54, §11; 2009 Acts, ch 43, §2; 2013 Acts, ch 100, §3, 17

Referred to in §16.1, 16.2A

Confirmation, see §2.32

Subsection 1 amended

**16.2A Title guaranty division.**

1. A title guaranty division is created within the authority. The powers of the division relating to the issuance of title guaranties are vested in and shall be exercised by a division board of five members appointed by the governor subject to confirmation by the senate. The membership of the board shall include an attorney, an abstractor, a real estate broker, a representative of a mortgage lender, and a representative of the housing development industry. The executive director of the authority shall appoint an attorney as director of the title guaranty division, who shall serve as an ex officio member of the board. The appointment of and compensation for the division director are exempt from the merit system provisions of chapter 8A, subchapter IV.

2. Members of the division board shall be appointed by the governor for staggered terms of six years beginning and ending as provided in section 69.19. A person shall not serve on the division board while serving on the authority board. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. A member is eligible for reappointment. A member of the division board may be removed from office by the governor for misfeasance, malfeasance, or willful neglect of duty or for other just cause, after notice and hearing, unless notice and hearing is expressly waived in writing.

3. Three members of the board shall constitute a quorum. An affirmative vote of a majority of the appointed members is necessary for any substantive action taken by the division.

4. Members of the board are entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

5. Members of the board and the executive director shall give bond as required for public officers in chapter 64.

6. Meetings of the board shall be held at the call of the chair of the board or on written request of two members.

7. Members shall elect a chair and vice chair annually and other officers as they determine. The executive director shall serve as secretary to the board.

8. The net earnings of the division, beyond that necessary for reserves, backing,

guaranties issued, or to otherwise implement the public purposes and programs authorized, shall not inure to the benefit of any person other than the state and are subject to section 16.2, subsection 8.

2007 Acts, ch 54, §12; 2013 Acts, ch 100, §4, 17
Subsections 5 and 7 amended

**16.3 Legislative findings.**

The general assembly finds and declares as follows:

1. The establishment of the authority is in all respects for the benefit of the people of the state of Iowa, for the improvement of their health and welfare, and for the promotion of the economy, which are public purposes.

2. The authority will be performing an essential governmental function in the exercise of the powers and duties conferred upon it by this chapter.

3. There exists a serious shortage of safe and sanitary residential housing available to low or moderate income families.

4. This shortage is conducive to disease, crime, environmental decline and poverty and impairs the economic value of large areas, which are characterized by depreciated values, impaired investments, and reduced capacity to pay taxes and are a menace to the health, safety, morals and welfare of the citizens of the state.

5. These conditions result in a loss in population and further deterioration, accompanied by added costs to communities for creation of new public facilities and services elsewhere.

6. One major cause of this condition has been recurrent shortages of funds in private channels.

7. These shortages have contributed to reductions in construction of new residential units, and have made the sale and purchase of existing residential units a virtual impossibility in many parts of the state.

8. The ordinary operations of private enterprise have not in the past corrected these conditions.

9. A stable supply of adequate funds for residential financing is required to encourage new housing and the rehabilitation of existing housing in an orderly and sustained manner and to reduce the problems described in this section.

10. It is necessary to create a state finance authority to encourage the investment of private capital and stimulate the construction and rehabilitation of adequate housing through the use of public financing.

11. The interest costs paid by group homes of fifteen beds or less licensed as health care facilities or child foster care facilities for facility acquisition and indirectly reimbursed by the department of human services through payments for patients at those facilities who are recipients of medical assistance or state supplementary assistance are severe drains on the state's budget. A reduction in these costs obtained through financing with tax-exempt revenue bonds would clearly be in the public interest.

12. There is a need in areas of the state for new construction of certain group homes of fifteen beds or less licensed as health care facilities or child foster care facilities to provide adequate housing and care for elderly Iowans and Iowans with disabilities, and to provide adequate housing and foster care for children.

13. There is a need to provide for early intensive intervention on behalf of juveniles which is designed to meet the juveniles' needs and prevent future antisocial and criminal behavior and there is a need in areas of the state to establish facilities providing residential housing or treatment facilities for juveniles requiring a more enhanced level of services than those services currently available in the state's existing foster care system.

14. The abstract attorney's title opinion system promotes land title stability for determining the marketability of land titles and is a public purpose. A public purpose will be served by providing, as an adjunct to the abstract attorney's title opinion system, a low cost mechanism to provide for additional guaranties of real property titles in Iowa. The title guaranties will facilitate mortgage lenders' participation in the secondary market and add to the integrity of the land-title transfer system in the state.

15. Economic development and expansion of business, industry, and farming in the state is

dependent upon the availability of financing of the development and expansion at affordable interest rates.

16. The pooling of private financing enhances the marketability of the obligations involved and increases access to other state, regional, and national credit markets.

17. The creation of an Iowa economic development bond bank program as provided in section 16.102 will make the pooling of private financing available to small businesses, farmers, agricultural landowners and operators, and commercial, industrial, and other business enterprises at favorable interest rates with reduced marketing costs.

18. All of the purposes stated in this section are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned, or granted.

[C77, 79, 81, §220.3; 82 Acts, ch 1187, §4]
83 Acts, ch 96, §157, 159; 85 Acts, ch 252, §27; 90 Acts, ch 1239, §5
C93, §16.3
96 Acts, ch 1129, §10; 2007 Acts, ch 54, §13; 2008 Acts, ch 1031, §16

**16.3A Conflicts of interest.**

1. *a.* If a member or employee of the authority other than the executive director of the authority has an interest, either direct or indirect, in a contract to which the authority is, or is to be, a party, or in a mortgage lender requesting a loan from, or offering to sell mortgage loans to, the authority, the interest shall be disclosed to the authority in writing and shall be set forth in the minutes of the authority. The member or employee having the interest shall not participate in any action of the authority with respect to that contract or mortgage lender.

*b.* A violation of a provision of this subsection is misconduct in office under section 721.2. However, a resolution of the authority is not invalid because of a vote cast by a member in violation of this subsection unless the vote was decisive in the passage of the resolution.

*c.* For the purposes of this subsection, *"action of the authority with respect to that contract or mortgage lender"* means only an action directly affecting a separate contract or mortgage lender, and does not include an action which benefits the general public or which affects all or a substantial portion of the contracts or mortgage lenders included in a program of the authority.

2. Nothing in this section shall be deemed to limit the right of a member, officer, or employee of the authority to acquire an interest in bonds or notes of the authority or to limit the right of a member or employee other than the executive director to have an interest in a bank or other financial institution in which the funds of the authority are, or are to be, deposited or which is, or is to be, acting as trustee or paying agent under a trust indenture to which the authority is a party.

3. The executive director shall not have an interest in a bank or other financial institution in which the funds of the authority are, or are to be, deposited or which is, or is to be, acting as trustee or paying agent under a trust indenture to which the authority is a party. The executive director shall not receive, in addition to fixed salary or compensation, any money or valuable thing, either directly or indirectly, or through any substantial interest in any other corporation or business unit, for negotiating, procuring, recommending, or aiding in any purchase or sale of property, or loan, made by the authority, nor shall the executive director be pecuniarily interested, either as principal, coprincipal, agent, or beneficiary, either directly or indirectly, or through any substantial interest in any other corporation or business unit, in any such purchase, sale, or loan.

2007 Acts, ch 54, §14
Referred to in §175.26

**16.4 Guiding principles.**

In the performance of its duties and implementation of its powers, and in the selection of specific programs and projects to receive its assistance, the authority shall be guided by the following precatory principles:

1. The authority shall not become an owner of real property constituting a project under any program, except on a temporary basis where necessary in order to implement its

programs, protect its investments by means of foreclosure or other means, or to facilitate transfer of real property for the use of low or moderate income families.

2. The authority shall strive to function in cooperation with local governmental units and local or regional housing agencies, and in fulfillment of local or regional housing plans, and to that end shall provide technical assistance to local governmental units and local or regional agencies in need of that assistance.

3. When feasible, a local contributing effort may be required of each project assisted by the authority. The local contribution may be provided by local governmental units or by local or regional agencies, public or private. The percentage and type of local contribution shall be determined by the authority, and may include but should not be limited to cash match, land contribution, tax abatement, or ancillary facilities. The authority shall seek to encourage ingenuity and creativity in local effort.

4. The authority shall encourage units of local government and local and regional housing agencies to use federal revenue-sharing funds for programs which increase or improve the supply of adequate housing for low or moderate income families.

5. The authority shall seek to encourage cooperative housing efforts at the local level, both with respect to the cooperation of public bodies with private enterprise and civic groups, and with respect to the formation of regional or multicity units engaged in housing.

6. With respect to programs relating to housing, wherever practicable, the authority shall give preference to the following types of programs:

*a.* Those which treat housing problems in the context of the total needs of individuals and communities, recognizing that individuals may have other problems and needs closely related to their need for adequate housing, and that the development of isolated housing units without regard for neighborhood and community development tends to create undesirable consequences.

*b.* Those which promote home ownership by families of low or moderate income, recognizing the need for educational counseling programs in family financial management and home maintenance in order to achieve this goal.

*c.* Those which involve the rehabilitation and conservation of existing housing units, and the preservation of existing neighborhoods and communities.

*d.* Those designed to serve elderly families, families which include one or more persons with disabilities, lower income families, or very low income families.

7. The authority shall encourage the protection, restoration and rehabilitation of historic properties, and the preservation of other properties of special value for architectural or esthetic reasons. As used in this subsection, *"historic properties"* means landmarks, landmark sites, or districts which are significant in the history, architecture, archaeology, or culture of this state, its communities, or the nation.

[C77, 79, 81, §220.4]
C93, §16.4
96 Acts, ch 1129, §113; 2007 Acts, ch 54, §15 – 18
Referred to in §16.1

**16.5 General powers.**

1. The authority has any and all powers necessary and convenient to carry out its purposes and duties, and exercise its specific powers, including but not limited to the power to:

*a.* Issue its negotiable bonds and notes as provided in this chapter in order to finance its programs.

*b.* Sue and be sued in its own name.

*c.* Have and alter a corporate seal.

*d.* Make and alter bylaws for its management consistent with the provisions of this chapter.

*e.* Make and execute agreements, contracts, and other instruments of any and all types on such terms and conditions as the authority may find necessary or convenient to the purposes of the authority, with any public or private entity, including but not limited to contracts for goods and services. All political subdivisions, public housing agencies, other public agencies

and state departments and agencies may enter into contracts and otherwise cooperate with the authority.

*f.* By rule, adopt procedures relating to competitive bidding, including the identification of those circumstances under which competitive bidding by the authority, either formally or informally, shall be required. In any bidding process, the authority may administer its own bidding and procurement or may utilize the services of the department of administrative services or any other agency. Except when such rules apply, the authority and all contracts made by it in carrying out its public and essential governmental functions with respect to any of its programs shall be exempt from the provisions and requirements of all laws or rules of the state which require competitive bids in connection with the letting of such contracts.

*g.* Acquire, hold, improve, mortgage, lease, and dispose of real and personal property, including but not limited to the power to sell at public or private sale, with or without public bidding, any such property, mortgage loan, or other obligation held by it.

*h.* Procure insurance against any loss in connection with its operations and property interests.

*i.* Fix and collect fees and charges for its services.

*j.* Subject to an agreement with bondholders or noteholders, invest or deposit moneys of the authority in a manner determined by the authority, notwithstanding chapter 12B or 12C.

*k.* Accept appropriations, gifts, grants, loans, or other aid from public or private entities. A record of all gifts or grants, stating the type, amount and donor, shall be clearly set out in the authority's annual report along with the record of other receipts.

*l.* Provide technical assistance and counseling related to the authority's purposes, to public and private entities.

*m.* In cooperation with other local, state, or federal governmental agencies, conduct research studies, develop estimates of unmet housing needs, gather and compile data useful to facilitating decision making, and enter into agreements to carry out programs within or without the state which the authority finds to be consistent with the goals of the authority.

*n.* Cooperate in the development of and initiate housing demonstration projects.

*o.* Contract with architects, engineers, attorneys, accountants, housing construction and finance experts, and other advisors. However, the authority may enter into contracts or agreements for such services with local, state, or federal governmental agencies.

*p.* Through the title guaranty division, make and issue title guaranties on Iowa real property in a form acceptable to the secondary market, to fix and collect the charges for the guaranties and to procure reinsurance against any loss in connection with the guaranties.

*q.* Own or acquire intellectual property rights including but not limited to copyrights, trademarks, service marks, and patents, and enforce the rights of the authority with respect to such intellectual property rights.

*r.* Make, alter, and repeal rules consistent with the provisions of this chapter, and subject to chapter 17A.

*s.* Establish one or more funds within the state treasury under the control of the authority and invest moneys of the authority therein. Notwithstanding section 8.33 or 12C.7, or any other provision to the contrary, moneys invested by the treasurer of state pursuant to this subsection shall not revert to the general fund of the state and interest accrued on the moneys shall be moneys of the authority and shall not be credited to the general fund. For purposes of this paragraph, the treasurer of state shall enter into an agreement with the authority to carry out the provisions of this paragraph.

*t.* Select projects to receive assistance by the exercise of diligence and care and apply customary and acceptable business and lending standards in the selection and subsequent implementation of such projects.

*u.* Exercise generally all powers typically exercised by private enterprises engaged in business pursuits unless the exercise of such a power would violate the terms of this chapter or the Constitution of the State of Iowa.

2. Notwithstanding any other provision of law, any purchase or lease of real property, other than on a temporary basis, when necessary in order to implement the programs of the authority, protect the investments of the authority by means of foreclosure or other means, or to facilitate the transfer of real property for the use of low or moderate income families, shall

require written notice from the authority to the government oversight standing committees of the general assembly and the prior approval of the executive council.

3. The powers enumerated in this section are cumulative of and in addition to those powers enumerated elsewhere in this chapter and no such powers limit or restrict any other powers of the authority.

4. Notwithstanding any other provision of law, the authority may elect whether to utilize any or all of the goods or services available from other state agencies in the conduct of its affairs. Departments, boards, commissions, or other agencies of the state shall provide reasonable assistance and services to the authority upon the request of the executive director.

[C77, 79, 81, §220.5]

84 Acts, ch 1230, §2; 85 Acts, ch 252, §28

C93, §16.5

97 Acts, ch 201, §17; 2004 Acts, ch 1134, §1; 2007 Acts, ch 54, §19; 2008 Acts, ch 1031, §17; 2009 Acts, ch 41, §19

**16.5A and 16.5B** Repealed by 2007 Acts, ch 54, § 45.

**16.5C Specific program powers.**

In addition to the general powers of the authority, the authority shall have all powers convenient and necessary to carry out its programs, including but not limited to the power to:

1. Make property improvement loans and mortgage loans, including but not limited to mortgage loans insured, guaranteed, or otherwise secured by the federal government or by private mortgage insurers, to housing sponsors to provide financing of adequate housing for low or moderate income families, elderly families, families which include one or more persons with disabilities, child foster care facilities, and health care facilities.

2. Provide down payment grants on behalf of low and moderate income families to nonprofit sponsors to defray all or part of the down payment on real property that is transferred by such sponsors to such families under the terms of the lease-purchase program.

3. Make grants and temporary loans, at interest rates and on terms as determined convenient and necessary by the authority, to defray the local contribution requirement for housing sponsors who apply for rent supplement assistance, to defray temporary housing costs that result from displacement by natural or other disaster, and to defray a portion of the expenses required to develop and initiate housing which deals creatively with housing problems of low or moderate income families, elderly families, and families which include one or more persons with disabilities.

4. Make temporary loans, at interest rates and on terms as determined convenient and necessary by the authority, to defray development costs for housing for low or moderate income families including but not limited to payments for options on sites; deposits on contracts and payments for purchase; legal and organizational expenses including attorney fees, project manager, clerical, and other staff salaries, office rent, and other additional expenses; payment of fees for preliminary feasibility studies and advances for planning, engineering, and architectural work; expenses for tenant surveys and market analysis; and necessary application and other fees.

5. Make or participate in the making of property improvement loans or mortgage loans for rehabilitation or preservation of existing dwellings. The authority may issue housing assistance fund notes payable solely from the housing assistance fund.

6. Renegotiate a mortgage loan or loan to a mortgage lender in default; waive a default or consent to the modification of the terms of a mortgage loan or a loan to a mortgage lender; forgive or forbear all or part of a mortgage loan or a loan to a mortgage lender; and commence, prosecute, and enforce a judgment in any action, including but not limited to a foreclosure action, to protect or enforce any right conferred upon the authority by law, mortgage loan agreement, contract, or other agreement, and in connection with any such action, bid for and purchase the property or acquire or take possession of it, complete, administer, and pay the principal of and interest on any obligations incurred in connection with the property, and dispose of and otherwise deal with the property in a manner as the authority deems advisable to protect its interests.

7. Designate areas of economic distress for purposes of section 103A(k)(3)(A)(i) of the Internal Revenue Code.

8. Purchase, and make advance commitments to purchase, residential mortgage loans from mortgage lenders at prices and upon terms and conditions it determines consistent with its goals and legislative findings. However, the total purchase price for all residential mortgage loans which the authority commits to purchase from a mortgage lender at any one time shall not exceed the total of the unpaid principal balances of the residential mortgage loans purchased. Mortgage lenders are authorized to sell residential mortgage loans to the authority in accordance with this section and the rules of the authority. The authority may charge a mortgage lender a commitment fee or other fees as set by rule as a condition for the authority purchasing residential mortgage loans.

9. Sell or make advanced commitments to sell residential mortgage loans in the organized or unorganized secondary mortgage market. The authority may issue and sell securities that are secured by residential mortgage loans held by the authority. The authority may aggregate the residential mortgage loans sold in the secondary market or used as security on the mortgage-backed securities. The amount of mortgage-backed securities sold shall not exceed the principal of the mortgages retained by the authority as security.

10. File a lien on property where appropriate, convenient, and necessary in carrying out a program.

2007 Acts, ch 54, §20

**16.6 Executive director — responsibilities.**

1. The governor, subject to confirmation by the senate, shall appoint an executive director of the authority, who shall serve at the pleasure of the governor. The executive director shall be selected primarily for administrative ability and knowledge in the field, without regard to political affiliation. The executive director shall not, directly or indirectly, exert influence to induce any other officers or employees of the state to adopt a political view, or to favor a political candidate for office.

2. The executive director shall advise the authority on matters relating to housing and housing finance, carry out all directives from the authority, and hire and supervise the authority's staff pursuant to its directions. All employees of the authority are exempt from the merit system provisions of chapter 8A, subchapter IV.

3. The executive director, as secretary of the authority, shall keep a record of the proceedings of the authority and shall be custodian of all books, documents, and papers filed with the authority and of its minute book and seal. The executive director shall have authority to cause to be made copies of all minutes and other records and documents of the authority and to give certificates under the seal of the authority to the effect that such copies are true copies and all persons dealing with the authority may rely upon such certificates.

4. The executive director may establish administrative divisions within the authority in order to most efficiently and effectively carry out the authority's responsibilities, provided that any creation or modification of authority divisions be established only after consultation with the board of the authority.

[C77, 79, 81, §220.6]

86 Acts, ch 1237, §10; 88 Acts, ch 1158, §50; 89 Acts, ch 302, §11

C93, §16.6

2009 Acts, ch 43, §3; 2013 Acts, ch 30, §5

Referred to in §16.1, 175.2

Confirmation, see §2.32

Subsection 2 amended

**16.7 Annual report.**

1. The authority shall submit to the governor and to the general assembly, not later than January 15 each year, a complete report setting forth:

*a.* Its operations and accomplishments.

*b.* Its receipts and expenditures during the fiscal year, in accordance with the classifications it establishes for its operating and capital accounts.

*c.* Its assets and liabilities at the end of its fiscal year and the status of reserve, special and other funds.

*d.* A schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and issued during its fiscal year.

*e.* A statement of its proposed and projected activities.

*f.* Recommendations to the general assembly, as it deems necessary.

*g.* An analysis of current housing needs in the state.

2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress during the reporting period, in attaining the goals. Where possible, results shall be expressed in terms of housing units.

[C77, 79, 81, §220.7]
C93, §16.7
Referred to in §175.8

**16.8** Reserved.

**16.9 Nondiscrimination and affirmative action.**

1. Housing financed or otherwise assisted by the authority, directly or indirectly, shall be open to all persons regardless of race, creed, color, sex, national origin, age, physical or mental impairment, or religion except that preference may be given to elderly families, families which include one or more persons with disabilities, lower income families, or very low income families.

2. The authority shall promote marketing plans to make housing available to all persons without discrimination.

3. The authority shall require adoption and submission of an affirmative action program for employment by all contractors and subcontractors of housing financed or otherwise assisted by the authority.

4. The authority shall require all mortgage lenders who participate in programs financed or otherwise assisted by it to agree that they will not designate certain areas as unsuitable for the making of mortgage loans because of the prevailing income, racial, ethnic, or other characteristics of the inhabitants of the area. This subsection is intended to prohibit all mortgage lenders who participate in authority programs from engaging in the practice commonly known as "redlining".

5. The authority may require mortgage lenders who participate in programs financed or otherwise assisted by the authority to take affirmative action to make mortgage loans in areas with a higher than average concentration of lower income families or members of racial or ethnic minorities.

[C77, 79, 81, §220.9]
C93, §16.9
96 Acts, ch 1129, §113

**16.10 Surplus moneys — loan and grant fund.**

1. Moneys declared by the authority to be surplus moneys which are not required to service bonds and notes issued by the authority, to pay administrative expenses of the authority, or to accumulate necessary operating or loss reserves, shall be used by the authority to provide grants, subsidies, and services to lower income families and very low income families through the programs authorized in this chapter and consistent with legislative findings and guiding principles.

2. The authority may establish a loan and grant fund which may be comprised of the proceeds of appropriations, grants, contributions, surplus moneys transferred as provided in this section and repayment of authority loans made from such fund.

[C77, 79, 81, §220.10]
83 Acts, ch 124, §3; 84 Acts, ch 1236, §2; 86 Acts, ch 1245, §841
C93, §16.10
2000 Acts, ch 1071, §1, 2; 2007 Acts, ch 54, §21; 2008 Acts, ch 1097, §1

**16.11 through 16.14** Repealed by 2007 Acts, ch 54, § 45.

**16.15 Participation in federal housing assistance payments program.**

The authority shall participate in the housing assistance payments program under section 8 of the United States Housing Act of 1937, as amended by § 201 of the Housing and Community Development Act of 1974, Pub. L. No. 93-383, codified at 42 U.S.C. § 1437 et seq.

[C77, 79, 81, §220.15]
92 Acts, ch 1064, §1
C93, §16.15
2003 Acts, ch 44, §14; 2006 Acts, ch 1010, §13; 2007 Acts, ch 54, §22, 23

**16.16 through 16.19** Repealed by 2007 Acts, ch 54, § 45.

**16.20 Loans to mortgage lenders.**

1. The authority may make, and contract to make, loans to mortgage lenders on terms and conditions as it determines which are reasonably related to protecting the security of the authority's investment and to implementing the purposes of this chapter, and subject to this section, and all mortgage lenders are authorized to borrow from the authority in accordance with the provisions of this section and the rules of the authority.

2. The authority shall require as a condition of each loan to a mortgage lender that the mortgage lender, within a reasonable period after receipt of the loan proceeds as the authority prescribes by rule, shall have entered into written commitments to make, and, within a reasonable period thereafter as the authority prescribes by rule, shall have disbursed the loan proceeds in new mortgage loans to low or moderate income families in an aggregate principal amount equal to the amount of the loan. New mortgage loans shall have terms and conditions as the authority prescribes by rules which are reasonably related to implementing the purposes of this chapter.

3. The authority shall require the submission to it by each mortgage lender to which the authority has made a loan, of evidence satisfactory to the authority of the making of new mortgage loans to low or moderate income families as required by this section, and in that connection may, through its members, employees or agents, inspect the books and records of a mortgage lender.

4. Compliance by a mortgage lender with the terms of its agreement with the authority with respect to the making of new mortgage loans to low or moderate income families may be enforced by decree of any district court of this state. The authority may require as a condition of a loan to a national banking association or a federally chartered savings and loan association, the consent of the association to the jurisdiction of courts of this state over any such proceeding. The authority may also require, as a condition of a loan to a mortgage lender, agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its agreement with the authority, and the penalties shall be recoverable at the suit of the authority.

5. The authority shall require that each mortgage lender receiving a loan pursuant to this section shall issue and deliver to the authority an evidence of its indebtedness to the authority which shall constitute a general obligation of the mortgage lender and shall bear a date, mature at a time, be subject to prepayment, and contain other provisions consistent with this section and reasonably related to protecting the security of the authority's investment, as the authority determines.

6. Notwithstanding any other provision of this section to the contrary, the interest rate and other terms of loans to mortgage lenders made from the proceeds of an issue of bonds or notes of the authority shall be at least sufficient to assure the payment of the bonds or notes and the interest on them as they become due.

7. The authority shall require that loans to mortgage lenders are additionally secured as to payment of both principal and interest by a pledge of and lien upon collateral security by special escrow funds or other forms of guarantee and in such amounts and forms as the authority shall by resolution determine to be necessary to assure the payment of the

loans and the interest thereon as they become due. Collateral security shall consist of direct obligations of, or obligations guaranteed by, the United States or one of its agencies, obligations satisfactory to the authority which are issued by other federal agencies, direct obligations of or obligations guaranteed by a state or a political subdivision of a state, or investment quality obligations approved by the authority.

8. The authority may require that collateral for loans be deposited with a bank, trust company or other financial institution acceptable to the authority located in this state and designated by the authority as custodian. In the absence of such a requirement, each mortgage lender shall enter into an agreement with the authority containing provisions as the authority deems necessary to adequately identify and maintain the collateral, service the collateral, and require the mortgage lender to hold the collateral as an agent for the authority and be accountable to the authority as the trustee of an express trust for the application and disposition of the collateral and the income from it. The authority may also establish additional requirements as it deems necessary with respect to the pledging, assigning, setting aside, or holding of collateral and the making of substitutions for it or additions to it and the disposition of income and receipts from it.

9. The authority may require as a condition of loans to mortgage lenders, any representations and warranties it determines are necessary to secure the loans and carry out the purposes of this section.

10. If a provision of this section is inconsistent with a provision of law of this state governing mortgage lenders, the provision of this section controls for the purposes of this section.

[C77, 79, 81, §220.20]
C93, §16.20
Referred to in §16.37

**16.21 Purchase of mortgage loans.**

1. The authority may purchase, and make advance commitments to purchase, mortgage loans from mortgage lenders at prices and upon terms and conditions as it determines subject to this section. However, the total purchase price for all mortgage loans which the authority commits to purchase from a mortgage lender at any one time shall not exceed the total of the unpaid principal balances of the mortgage loans purchased. Mortgage lenders are authorized to sell mortgage loans to the authority in accordance with the provisions of this section and the rules of the authority.

2. The authority shall require as a condition of purchase of mortgage loans from mortgage lenders that the mortgage lenders, within a reasonable period after receipt of the purchase price as the authority prescribes by rule, shall enter into written commitments to loan and, within a reasonable period thereafter as the authority prescribes by rule, shall loan an amount equal to the entire purchase price of the mortgage loans, on new mortgage loans to low or moderate income families or certify that mortgage loans purchased are mortgage loans made to low or moderate income families. New mortgage loans to be made by mortgage lenders shall have terms and conditions as the authority prescribes by rule. The authority may make a commitment to purchase mortgage loans from mortgage lenders in advance of the time such loans are made by mortgage lenders. The authority shall require as a condition of such commitment that mortgage lenders certify in writing that all mortgage loans represented by the commitment will be made to low or moderate income families, and that other authority specifications will be complied with.

3. The authority shall require the submission to it by each mortgage lender from which the authority has purchased mortgages, of evidence satisfactory to the authority of the making of new mortgage loans to low or moderate income families as required by this section and in that connection may, through its members, employees or agents, inspect the books and records of a mortgage lender.

4. Compliance by a mortgage lender with the terms of its agreement with the authority with respect to the making of new mortgage loans to low or moderate income families may be enforced by decree of any district court of this state. The authority may require as a condition of purchase of mortgage loans from any national banking association or federally chartered

savings and loan association, the consent of the association to the jurisdiction of courts of this state over any such proceeding. The authority may also require as a condition of the authority's purchase of mortgage loans from a mortgage lender, agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its agreement with the authority, and the penalties shall be recoverable at the suit of the authority.

5. The authority may require as a condition of purchase of a mortgage loan from a mortgage lender that the mortgage lender represent and warrant to the authority that:

*a.* The unpaid principal balance of the mortgage loan and the interest rate on it have been accurately stated to the authority.

*b.* The amount of the unpaid principal balance is justly due and owing.

*c.* The mortgage lender has no notice of the existence of any counterclaim, offset or defense asserted by the mortgagor or the mortgagor's successor in interest.

*d.* The mortgage loan is evidenced by a bond or promissory note and a mortgage which has been properly recorded with the appropriate public official.

*e.* The mortgage constitutes a valid first lien on the real property described to the authority subject only to real property taxes not yet due, installments of assessments not yet due, and easements and restrictions of record which do not adversely affect, to a material degree, the use or value of the real property or improvements on it.

*f.* The mortgagor is not now in default in the payment of any installment of principal or interest, escrow funds, real property taxes or otherwise in the performance of obligations under the mortgage documents and has not to the knowledge of the mortgage lender been in default in the performance of any obligation under the mortgage for a period of longer than sixty days during the life of the mortgage.

*g.* The improvements to the mortgaged real property are covered by a valid and subsisting policy of insurance issued by a company authorized to issue such policies in this state and providing fire and extended coverage in amounts as the authority prescribes by rule.

*h.* The mortgage loan meets the prevailing investment quality standards for mortgage loans in this state.

6. A mortgage lender is liable to the authority for damages suffered by the authority by reason of the untruth of a representation or the breach of a warranty and, in the event that a representation proves to be untrue when made or in the event of a breach of warranty, the mortgage lender shall, at the option of the authority, repurchase the mortgage loan for the original purchase price adjusted for amounts subsequently paid on it, as the authority determines.

7. The authority shall require the recording of an assignment of a mortgage loan purchased by it from a mortgage lender and shall not be required to notify the mortgagor of its purchase of the mortgage loan. The authority shall not be required to inspect or take possession of the mortgage documents if the mortgage lender from which the mortgage loan is purchased by the authority enters into a contract to service the mortgage loan and account to the authority for it.

8. If a provision of this section is inconsistent with another provision of law of this state governing mortgage lenders, the provision of this section controls for the purposes of this section.

[C77, 79, 81, §220.21]
C93, §16.21
Referred to in §16.37

**16.22 through 16.25** Repealed by 2007 Acts, ch 54, § 45.

**16.26 Bonds and notes.**

1. The authority may issue its negotiable bonds and notes in principal amounts as, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes, and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. The bonds and notes

shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code, chapter 554.

2. Bonds and notes issued by the authority are payable solely and only out of the moneys, assets, or revenues of the authority, and as provided in the agreement with bondholders or noteholders pledging any particular moneys, assets, or revenues. Bonds or notes are not an obligation of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely and only from the sources provided in this chapter, and the authority may not pledge the credit or taxing power of this state or any political subdivision of this state other than the authority, or make its debts payable out of any moneys except those of the authority.

3. Bonds and notes must be authorized by a resolution of the authority. However, a resolution authorizing the issuance of bonds or notes may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds or notes by an appropriate certificate of the authorized officer.

4. Bonds shall:

*a.* State the date and series of the issue, be consecutively numbered, and state on their face that they are payable both as to principal and interest solely out of the assets of the authority and do not constitute an indebtedness of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limit.

*b.* Be either registered, registered as to principal only, or in coupon form, issued in denominations as the authority prescribes, fully negotiable instruments under the laws of this state, signed on behalf of the authority with the manual or facsimile signature of the chairperson or vice chairperson, attested by the manual or facsimile signature of the secretary, have impressed or imprinted thereon the seal of the authority or a facsimile of it, and the coupons attached shall be signed with the facsimile signature of the chairperson or vice chairperson, be payable as to interest at rates and at times as the authority determines, be payable as to principal at times over a period not to exceed fifty years from the date of issuance, at places, and with reserved rights of prior redemption, as the authority prescribes, be sold at prices, at public or private sale, and in a manner as the authority prescribes, and the authority may pay all expenses, premiums, and commissions which it deems necessary or advantageous in connection with the issuance and sale, and be issued under and subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter, as are found to be necessary by the authority for the most advantageous sale, which may include, but are not limited to, covenants with the holders of the bonds as to:

(1) Pledging or creating a lien, to the extent provided by the resolution, on moneys or property of the authority or moneys held in trust or otherwise by others to secure the payment of the bonds.

(2) Providing for the custody, collection, securing, investment, and payment of any moneys of or due to the authority.

(3) The setting aside of reserves or sinking funds and the regulation or disposition of them.

(4) Limitations on the purpose to which the proceeds of sale of an issue of bonds then or thereafter to be issued may be applied.

(5) Limitations on the issuance of additional bonds and on the refunding of outstanding or other bonds.

(6) The procedure by which the terms of a contract with the holders of bonds may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which consent may be given.

(7) The creation of special funds into which moneys of the authority may be deposited.

(8) Vesting in a trustee properties, rights, powers, and duties in trust as the authority determines, which may include the rights, powers, and duties of the trustee appointed for the holders of any issue of bonds pursuant to section 16.28, in which event the provisions of that section authorizing appointment of a trustee by the holders of bonds shall not apply, or

limiting or abrogating the right of the holders of bonds to appoint a trustee under that section, or limiting the rights, duties, and powers of the trustee.

(9) Defining the acts or omissions which constitute a default in the obligations and duties of the authority and providing for the rights and remedies of the holders of bonds in the event of a default. However, rights and remedies shall be consistent with the laws of this state and other provisions of this chapter.

(10) Any other matters which affect the security and protection of the bonds and the rights of the holders.

5. The authority may issue its bonds for the purpose of refunding any bonds or notes of the authority then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this chapter. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the authority for use by it in any lawful manner. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this chapter.

6. The authority may issue negotiable bond anticipation notes and may renew them from time to time but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. Notes are payable from any available moneys of the authority not otherwise pledged, or from the proceeds of the sale of bonds of the authority in anticipation of which the notes were issued. Notes may be issued for any corporate purpose of the authority. Notes shall be issued in the same manner as bonds, and notes and the resolution authorizing them may contain any provisions, conditions, or limitations, not inconsistent with the provisions of this subsection, which the bonds or a bond resolution of the authority may contain. Notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders shall have all the remedies provided in this chapter for bondholders. Notes shall be as fully negotiable as bonds of the authority.

7. A copy of each pledge agreement by or to the authority, including without limitation each bond resolution, indenture of trust or similar agreement, or any revisions or supplements to it shall be filed with the secretary of state and no further filing or other action under chapter 554, article 9 of the uniform commercial code, or any other law of the state shall be required to perfect the security interest in the collateral or any additions to it or substitutions for it, and the lien and trust so created shall be binding from and after the time made against all parties having claims of any kind in tort, contract, or otherwise against the pledgor.

8. Neither the members of the authority nor any person executing its bonds, notes, or other obligations shall be liable personally on the bonds, notes, or other obligations or be subject to any personal liability or accountability by reason of the issuance of the authority's bonds or notes.

9. The authority may make or participate in the making of loans to housing sponsors to provide interim construction financing for the construction or rehabilitation of adequate housing for low or moderate income persons or families, elderly persons or families, and persons or families which include one or more persons with disabilities, and of noninstitutional residential care facilities. An interim construction loan may be made under this section only if the loan is the subject of a commitment from an agency or instrumentality of the United States government or from the authority, to provide long-term financing for the mortgage loan, and interim construction advances made under the interim construction

loan will be insured or guaranteed by an agency or instrumentality of the United States government.

[C77, 79, 81, §220.26; 82 Acts, ch 1173, §3]
83 Acts, ch 124, §4; 84 Acts, ch 1281, §7; 85 Acts, ch 225, §2
C93, §16.26
96 Acts, ch 1129, §113; 2000 Acts, ch 1149, §161, 187; 2005 Acts, ch 3, §12
Referred to in §16.1, 173.14B, 175.17

**16.27 Reserve funds and appropriations.**

1. The authority may create and establish one or more special funds, to be known as "bond reserve funds", and shall pay into each bond reserve fund any moneys appropriated and made available by the state for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions of the authority authorizing their issuance, and any other moneys which may be available to the authority for the purpose of the fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

2. Moneys in a bond reserve fund shall not be withdrawn from it at any time in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this section, except for the purpose of making, with respect to bonds secured in whole or in part by the fund, payment when due of principal, interest, redemption premiums and the sinking fund payments with respect to the bonds for the payment of which other moneys of the authority are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the authority to other funds or accounts of the authority to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.

3. The authority shall not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the authority at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund will not be less than the bond reserve fund requirement for the fund. For the purposes of this section, the term *"bond reserve fund requirement"* means, as of any particular date of computation, an amount of money, as provided in the resolutions of the authority authorizing the bonds with respect to which the fund is established, equal to not more than ten percent of the outstanding principal amount of bonds of the authority secured in whole or in part by the fund.

4. The authority shall cause to be delivered to the legislative fiscal committee within ninety days of the close of its fiscal year its annual report certified by an independent certified public accountant, who may be the accountant or a member of the firm of accountants who regularly audits the books and accounts of the authority, selected by the authority.

[C77, 79, 81, §220.27]
C93, §16.27
2012 Acts, ch 1138, §16, 17; 2013 Acts, ch 30, §6
Referred to in §16.1
Subsection 4 amended

**16.28 Remedies of bondholders and noteholders.**

1. If the authority defaults in the payment of principal or interest on an issue of bonds or notes after they become due, whether at maturity or upon call for redemption, and the default continues for a period of thirty days, or if the authority fails or refuses to comply with the provisions of this chapter, or defaults in an agreement made with the holders of an issue of bonds or notes, the holders of twenty-five percent in aggregate principal amount of bonds or notes of the issue then outstanding, by instrument filed in the office of the clerk of the county in which the principal office of the authority is located, and proved or acknowledged

in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds or notes for the purposes provided in this section.

2. *a.* The authority or any trustee appointed under the indenture under which the bonds are issued may, and upon written request of the holders of twenty-five percent in aggregate principal amount of the issue of bonds or notes then outstanding shall:

(1) Enforce all rights of the bondholders or noteholders, including the right to require the authority to carry out its agreements with the holders and to perform its duties under this chapter.

(2) Bring suit upon the bonds or notes.

(3) By action require the authority to account as if it were the trustee of an express trust for the holders.

(4) By action enjoin any acts or things which are unlawful or in violation of the rights of the holders.

(5) Declare all the bonds or notes due and payable and if all defaults are made good then with the consent of the holders of twenty-five percent of the aggregate principal amount of the issue of bonds or notes then outstanding, annul the declaration and its consequences.

*b.* The bondholders or noteholders, to the extent provided in the resolution by which the bonds or notes were issued or in their agreement with the authority, may enforce any of the remedies in paragraph "*a*", subparagraphs (1) to (5) or the remedies provided in those agreements for and on their own behalf.

3. The trustee shall also have and possess all powers necessary or appropriate for the exercise of functions specifically set forth or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.

4. Before declaring the principal of bonds or notes due and payable, the trustee shall first give thirty days' notice in writing to the governor, to the authority and to the attorney general of the state.

5. The district court has jurisdiction of any action by the trustee on behalf of bondholders or noteholders. The venue of the action shall be in the county in which the principal office of the authority is located.

[C77, 79, 81, §220.28; 82 Acts, ch 1187, §6]
C93, §16.28
2008 Acts, ch 1032, §130
Referred to in §16.1, 16.26, 16.51, 16.131, 16.155, 34A.20, 260C.71

**16.29 Local urban homesteading.** Repealed by 2007 Acts, ch 54, § 45.

**16.30 Bonds and notes as legal investments.**

Bonds and notes of the authority are securities in which public officers, state departments and agencies, political subdivisions, insurance companies, and other persons carrying on an insurance business, banks, trust companies, savings associations, investment companies and other persons carrying on a banking business, administrators, executors, guardians, conservators, trustees and other fiduciaries, and other persons authorized to invest in bonds or other obligations of this state, may properly and legally invest funds including capital in their control or belonging to them. The bonds and notes are also securities which may be deposited with and may be received by public officers, state departments and agencies, and political subdivisions, for any purpose for which the deposit of bonds or other obligations of this state is authorized.

[C77, 79, 81, §220.30]
C93, §16.30
2012 Acts, ch 1017, §41
Referred to in §16.1

**16.31 Moneys of the authority.**

1. Moneys of the authority from whatever source derived, except as otherwise provided in this chapter, shall be paid to the authority and shall be deposited in a bank or other financial institution designated by the authority. The moneys shall be withdrawn on the order of the person authorized by the authority. Deposits shall, if required by the authority, be secured

in the manner determined by the authority. The auditor of state and the auditor's legally authorized representatives may periodically examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its financial standing, and the authority shall not be required to pay a fee for the examination.

2. The authority may contract with holders of its bonds or notes as to the custody, collection, security, investment, and payment of moneys of the authority, of moneys held in trust or otherwise for the payment of bonds or notes, and to carry out the contract. Moneys held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds or notes and deposits of the moneys may be secured in the same manner as moneys of the authority, and banks and trust companies may give security for the deposits.

3. Subject to the provisions of any contract with bondholders or noteholders and to the approval of the director of the department of administrative services, the authority shall prescribe a system of accounts.

4. The authority shall submit to the governor, the auditor of state, the department of management, and the department of administrative services, within thirty days of its receipt by the authority, a copy of the report of every external examination of the books and accounts of the authority other than copies of the reports of examinations made by the auditor of state.

[C77, 79, 81, §220.31]
88 Acts, ch 1158, §51
C93, §16.31
2003 Acts, ch 145, §286
Referred to in §16.133A, 455B.295

**16.32 Limitation of liability.** Repealed by 2007 Acts, ch 54, § 45.

**16.33 Assistance by state officers, agencies, and departments.**

State officers and state departments and agencies may render services to the authority within their respective functions as requested by the authority.

[C77, 79, 81, §220.33]
C93, §16.33

**16.34 Liberal interpretation.**

This chapter, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

[C77, 79, 81, §220.34]
C93, §16.34

**16.35 and 16.36** Repealed by 2007 Acts, ch 54, § 45.

**16.37 Solar and renewable energy systems loans.**

The authority may make loans to mortgage lenders under section 16.20 or purchase loans from mortgage lenders under section 16.21 to be used to finance property improvement loans for solar and other renewable energy systems. These loans shall be limited to low or moderate income families.

[C81, §220.37]
C93, §16.37

**16.38 and 16.39** Repealed by 2007 Acts, ch 54, § 45.

**16.40 Housing assistance fund.**

1. A housing assistance fund is created within the authority. The moneys in the fund shall be used by the authority to protect, preserve, create, and improve access to safe and affordable housing. The authority shall establish programs utilizing the fund by administrative rules adopted pursuant to chapter 17A and provide the requirements for the proper administration of the programs.

2. Moneys in the fund, including moneys which are annually appropriated to the authority, may be allocated for any use authorized by this chapter unless otherwise specified.

3. The authority may use moneys in the fund to provide financial assistance to a housing sponsor or an individual in the form of a loan, loan guarantee, grant, or interest subsidy, or by other means under the general powers of the authority.

4. Moneys in the fund may be used for but are not limited to the following purposes:

*a.* Home ownership programs including all of the following:

(1) Authority bond issues and loans to facilitate and ensure equal access across the state to funds for first-time homebuyers programs.

(2) Home ownership incentive programs not restricted to first-time homebuyers, including down payment and closing costs assistance.

(3) Programs for home maintenance and repair, new construction, acquisition, and rehabilitation.

(4) Support for home ownership education and counseling programs.

*b.* Rental programs, including rental subsidy, rehabilitation, preservation, new construction, and acquisition.

*c.* Programs that provide a continuum of housing services, including construction, operation, and maintenance of homeless shelters, domestic violence shelters, and transitional housing and supportive services to lower income and very low-income families.

*d.* Technical assistance programs that increase the capacity of for-profit and nonprofit housing entities.

5. Notwithstanding section 8.33, moneys in the housing assistance fund at the end of each fiscal year shall not revert to the general fund or any other fund but shall remain in the housing assistance fund for expenditure for subsequent fiscal years.

6. The authority may establish, by rule adopted pursuant to chapter 17A, an annual administration fee to be charged to the housing assistance fund. The annual fee shall not exceed four percent of the moneys, loans, or other assets held in the fund.

7. During each regular session of the general assembly, the authority shall present to the appropriate joint appropriations subcommittee a report concerning the total estimated resources to be available for expenditure under this section for the next fiscal year and the amount the authority proposes to allocate to each program created pursuant to this section.

85 Acts, ch 252, §29
CS85, §220.40
88 Acts, ch 1145, §1
C93, §16.40
97 Acts, ch 201, §18; 2007 Acts, ch 54, §24
Referred to in §16.91, 16.201

**16.41 Shelter assistance fund.**

1. A shelter assistance fund is created as a revolving fund in the state treasury under the control of the authority consisting of any moneys appropriated by the general assembly and received under section 428A.8 for purposes of the rehabilitation, expansion, or costs of operations of group home shelters for the homeless and domestic violence shelters, evaluation of services for the homeless, and match moneys for federal funds for the homeless management information system. Each fiscal year, moneys in the fund, in an amount equal to not more than two percent of the total moneys distributed as grants from the fund during the fiscal year, may be used for purposes of administering the fund.

2. Of the moneys in the fund, not less than five hundred forty-six thousand dollars shall be spent annually on homeless shelter projects.

3. Notwithstanding section 8.33, all moneys in the shelter assistance fund which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for subsequent fiscal years.

2010 Acts, ch 1031, §265; 2011 Acts, ch 130, §28, 71
Referred to in §428A.8

**16.42 Inconsistent provisions.**

This chapter takes precedence over any conflicting provisions contained in section 535.8, subsection 2, with respect to the use or enforcement of a due-on-sale or similar clause in a mortgage loan agreement, and takes precedence over any conflicting provisions contained in laws enacted after July 1, 1981, with respect to the use or enforcement of a due-on-sale or similar clause in a mortgage loan agreement unless those laws expressly provide that they take precedence over this chapter.

[81 Acts, ch 76, §6]
C83, §220.42
C93, §16.42

**16.43 Economic distress areas named.** Repealed by 2007 Acts, ch 54, § 45. See § 16.5C.

**16.44 Application of funds from sales of obligations.**

All moneys received by or on behalf of the authority, whether as proceeds from the sale of obligations or as revenues, are trust funds to be held and applied solely for the purposes specified in the appropriation, bond resolution, or other document authorizing receipt of the moneys by the authority. A person with which the moneys are deposited shall act as trustee of the moneys and shall hold and apply the moneys for the purposes specified in this chapter subject to limitations specified in this chapter and in the bond resolution authorizing the issuance of the obligations.

[82 Acts, ch 1173, §6]
C83, §220.44
C93, §16.44

**16.45 Qualified mortgage bonds — allocation of state ceiling.** Repealed by 2007 Acts, ch 54, § 45.

**16.46 through 16.50** Reserved.

**16.51 Additional loan program.**

1. The authority may enter into a loan agreement with a housing sponsor to finance in whole or in part the acquisition of housing by construction or purchase. The repayment obligation of the housing sponsor may be unsecured, secured by a mortgage or security agreement, or secured by other security as the authority deems advisable, and may be evidenced by one or more notes of the housing sponsor. The loan agreement may contain terms and conditions the authority deems advisable.

2. The authority may issue its bonds and notes for the purposes set forth in subsection 1 and may enter into a lending agreement or purchase agreement with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders may enter into an agreement to provide for any of the following:

*a.* That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the bondholders or noteholders, or by a trustee or agent designated by the authority.

*b.* That the bondholders or noteholders or a trustee or agent designated by the authority, may collect, invest, and apply the amounts payable under the loan agreement or any other security instrument securing the debt obligation of the housing sponsor.

*c.* That the bondholders or noteholders may enforce the remedies provided in the loan agreement or security instrument on their own behalf without the appointment or designation of a trustee and if there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the agreement or instrument, the payment or performance may be enforced in accordance with the provisions contained in the agreement or instrument.

*d.* That if there is a default in the payment of the principal or interest on a mortgage or security instrument or a violation of an agreement contained in the mortgage or security

instrument, the mortgage or security instrument may be foreclosed or enforced and any collateral sold under proceedings or actions permitted by law and a trustee under the mortgage or security agreement or the holder of any bonds or notes secured thereby may become a purchaser if it is the highest bidder.

*e.* Other terms and conditions.

3. The authority may provide in the resolution authorizing the issuance of the bonds or notes that the principal and interest shall be limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the housing sponsor, and that the principal and interest does not constitute an indebtedness of the authority or a charge against its general credit or general fund.

4. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 16.28, subsection 4, apply to bonds or notes issued pursuant to and powers granted to the authority under this section except to the extent that they are inconsistent with this section.

[82 Acts, ch 1187, §7]
C83, §220.51
83 Acts, ch 124, §5
C93, §16.51

**16.52 State housing credit ceiling allocation.**

1. The authority is designated the housing credit agency for the allowance of low-income housing credit under the state housing credit ceiling.

2. The authority shall adopt rules and allocation procedures which will ensure the maximum use of available tax credits in order to encourage development of low-income housing in the state. The authority shall consider the following factors in the adoption and application of the allocation rules:

*a.* Timeliness of the application.

*b.* Location of the proposed housing project.

*c.* Relative need in the proposed area for low-income housing.

*d.* Availability of low-income housing in the proposed area.

*e.* Economic feasibility of the proposed project.

*f.* Ability of the applicant to proceed to completion of the project in the calendar year for which the credit is sought.

3. *a.* The authority shall adopt rules specifying the application procedure and the allowance of low-income housing credits under the state housing credit ceiling.

*b.* The authority shall not allow more than ninety percent of the low-income housing credits under the state housing credit ceiling to projects other than qualified low-income housing projects as defined in Internal Revenue Code § 42(h)(5)(B).

87 Acts, ch 125, §3
CS87, §220.52
C93, §16.52
2008 Acts, ch 1032, §131

**16.53 Residential reverse annuity mortgage model program.**

The authority may develop a model reverse annuity mortgage conforming to the requirements of this chapter, and may offer reverse annuity mortgages to qualified participants.

89 Acts, ch 267, §10
CS89, §220.53
C93, §16.53
2007 Acts, ch 54, §25
Iowa finance authority authorized to issue bonds for the residential reverse annuity mortgage model program, to be repaid from program proceeds; 89 Acts, ch 267, §11

**16.54 Home ownership assistance program for military members.**

1. For the purposes of this section, *"eligible member of the armed forces of the United States"* means a person who is or was a member of the national guard, reserve, or regular

component of the armed forces of the United States who has served at least ninety days of active duty service beginning on or after September 11, 2001. *"Eligible member of the armed forces of the United States"* also means a former member of the national guard, reserve, or regular component of the armed forces of the United States who was honorably discharged due to injuries incurred while on federal active duty beginning on or after September 11, 2001, that precluded completion of a minimum aggregate of ninety days of federal active duty.

2. The home ownership assistance program is established to continue the program implemented pursuant to 2005 Iowa Acts, ch. 161, section 1, as amended by 2005 Iowa Acts, ch. 115, section 37, and continued in accordance with 2006 Iowa Acts, ch. 1167, sections 3 and 4, and other appropriations, to provide financial assistance to eligible members of the armed forces of the United States to be used for purchasing primary residences in the state of Iowa.

3. The program shall be administered by the authority and shall provide loans, grants, or other assistance to persons who are or were eligible members of the armed forces of the United States. In the event an eligible member is deceased, the surviving spouse of the eligible member shall be eligible for assistance under the program, subject to the surviving spouse meeting the program's eligibility requirements other than the military service requirement. In addition, a person eligible for the program under this section may participate in other loan and grant programs of the authority, provided the person meets the requirements of those programs.

4. To qualify for a loan, grant, or other assistance under the home ownership assistance program, the following requirements, if applicable, shall be met:

*a.* The person eligible for the program shall, for financed home purchases that close on or after July 1, 2008, use a lender that participates in the authority's applicable programs for homebuyers or a lender approved by the authority under subsection 5.

*b.* For financed home purchases that close on or after July 1, 2008, the eligible person shall participate, if eligible to participate, in one of the authority's other applicable programs for homebuyers. However, a person eligible for one of the authority's other applicable programs for homebuyers may use a lender that does not participate in the authority's programs for homebuyers if such lender is approved by the authority under subsection 5.

*c.* A title guaranty certificate shall be issued for the property being purchased under the program.

5. *a.* A mortgage lender maintaining an office in the state that does not participate in the authority's programs for homebuyers may submit an application to the authority for approval to provide a mortgage loan or other financing under the home ownership assistance program or another homebuyer program, if applicable pursuant to subsection 4, paragraph "*b*". The authority shall prescribe a form for such applications.

*b.* The authority shall by rule establish criteria for the review and approval of applications submitted under this subsection, including criteria for the approval of a mortgage lender that offers an eligible person a lower annual percentage rate than the annual percentage rates available from lenders that participate in the authority's applicable programs for homebuyers.

*c.* The authority may determine and collect a reasonable application fee for each application submitted under this subsection. The application fees collected under this subsection shall be used exclusively for costs associated with the review and approval of applications submitted under this subsection.

6. The authority shall adopt rules for administering the program. The rules may provide for limiting the period of time for which an award of funds under the program shall be reserved for an eligible person pending the closing of a home purchase and compliance with all program requirements. Implementation of the program shall be limited to the extent of the amount appropriated or otherwise made available for purposes of the program.

7. The department of veterans affairs shall support the program by providing eligibility determinations and other program assistance requested by the authority.

2008 Acts, ch 1120, §1; 2010 Acts, ch 1089, §1, 2; 2012 Acts, ch 1072, §5

**16.55 through 16.60** Reserved.

SMALL BUSINESS LOAN PROGRAM

**16.61 through 16.65** Repealed by 2007 Acts, ch 54, § 45.

**16.66 through 16.70** Reserved.

RESIDENTIAL MORTGAGE
MARKETING PROGRAM

**16.71 and 16.72** Repealed by 2007 Acts, ch 54, § 45. See § 16.5C.

**16.73 Rules.**

The authority may adopt rules pursuant to chapter 17A relating to the purchase and sale of residential mortgage loans and the sale of mortgage-backed securities. The rules may provide for the following:

1. Procedures for the submission by mortgage lenders to the authority of offers to sell mortgage loans.
2. Standards for allocating bond proceeds among mortgage lenders offering to sell mortgage loans to the authority.
3. Standards for determining the aggregate principal amount of mortgage loans to be purchased from each mortgage lender and the purchase price.
4. Schedules of fees and charges to be imposed by the authority.
5. Procedures for issuing mortgage-backed securities.

83 Acts, ch 124, §9
CS83, §220.73
C93, §16.73
2007 Acts, ch 54, §26

**16.74 through 16.80** Reserved.

RESIDENTIAL MORTGAGE INTEREST
REDUCTION PROGRAM

**16.81 through 16.84** Repealed by 2007 Acts, ch 54, § 45.

**16.85 through 16.90** Reserved.

TITLE GUARANTY PROGRAM

**16.91 Title guaranty program.**

1. The authority through the title guaranty division shall initiate and operate a program in which the division shall offer guaranties of real property titles in this state. The terms, conditions and form of the guaranty contract shall be forms approved by the division board. The division shall fix a charge for the guaranty in an amount sufficient to permit the program to operate on a self-sustaining basis, including payment of administrative costs and the maintenance of an adequate reserve against claims under the title guaranty program. A title guaranty fund is created in the office of the treasurer of state. Funds collected under this program shall be placed in the title guaranty fund and are available to pay all claims, necessary reserves and all administrative costs of the title guaranty program. Moneys in the fund shall not revert to the general fund and interest on the moneys in the fund shall be deposited in the housing trust fund established in section 16.181 and shall not accrue to the general fund. If the authority board in consultation with the division board determines that there are surplus funds in the title guaranty fund after providing for adequate reserves

and operating expenses of the division, the surplus funds shall be transferred to the housing assistance fund created pursuant to section 16.40.

2. A title guaranty, closing protection letter, or gap coverage issued under this program is an obligation of the division only and claims are payable solely and only out of the moneys, assets, and revenues of the title guaranty fund and are not an indebtedness or liability of the state. The state is not liable on any guaranty, closing protection letter, or gap coverage.

3. With the approval of the authority board the division and its board shall consult with the insurance division of the department of commerce in developing a guaranty contract acceptable to the secondary market and developing any other feature of the program with which the insurance division may have special expertise. The insurance division shall establish the amount for a loss reserve fund. Except as provided in this subsection, the title guaranty program is not subject to the jurisdiction of or regulation by the insurance division or the commissioner of insurance.

4. Each participating attorney and abstractor may be required to pay an annual participation fee to be eligible to participate in the title guaranty program. The fee, if any, shall be set by the division, subject to the approval of the authority.

5. The participation of abstractors and attorneys shall be in accordance with rules established by the division and adopted by the authority pursuant to chapter 17A.

*a.* (1) Each participant shall at all times maintain liability coverage in amounts approved by the division. Upon payment of a claim by the division, the division shall be subrogated to the rights of the claimant against all persons relating to the claim.

(2) Additionally, each participating abstractor is required to own or lease, and maintain and use in the preparation of abstracts, an up-to-date abstract title plant including tract indices for real estate for each county in which abstracts are prepared for real property titles guaranteed by the division. The tract indices shall contain a reference to all instruments affecting the real estate which are recorded in the office of the county recorder, and shall commence not less than forty years prior to the date the abstractor commences participation in the title guaranty program. However, a participating attorney providing abstract services continuously from November 12, 1986, to the date of application, either personally or through persons under the attorney's supervision and control is exempt from the requirements of this subparagraph.

*b.* The division may waive the requirements of this subsection pursuant to an application of an attorney or abstractor which shows that the requirements impose a hardship to the attorney or abstractor and that the waiver clearly is in the public interest or is absolutely necessary to ensure availability of title guaranties throughout the state.

6. Prior to the issuance of a title guaranty, the division shall require evidence that an abstract of title to the property in question has been brought up-to-date and certified by a participating abstractor in a form approved by division rules and a title opinion issued by a participating attorney in the form approved in the rules stating the attorney's opinion as to the title. The division shall require evidence of the abstract being brought up-to-date and the abstractor shall retain evidence of the abstract as determined by the board.

7. The attorney rendering a title opinion shall be authorized to issue a title guaranty certificate subject to the rules of the authority.

8. The authority shall adopt rules pursuant to chapter 17A that are necessary for the implementation of the title guaranty program as established by the division and that have been approved by the authority.

85 Acts, ch 252, §30
CS85, §220.91
87 Acts, ch 75, §1; 88 Acts, ch 1145, §2 – 5; 92 Acts, ch 1090, §1
C93, §16.91
97 Acts, ch 214, §6; 2000 Acts, ch 1166, §1; 2007 Acts, ch 54, §27; 2008 Acts, ch 1032, §132; 2008 Acts, ch 1097, §2
Referred to in §447.13

**16.92 Real estate transfer — mortgage release certificate.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Applicant"* means a person authorized to regularly lend moneys to be secured by a mortgage on real property in this state, a licensed real estate broker, a licensed attorney, a participating abstractor, or a licensed closing agent.

*b.* *"Closing agent"* means a closing agent subject to the licensing requirements of chapter 535B.

*c.* *"Division"* means the title guaranty division in the Iowa finance authority, the director of the division, or a designee of the director.

*d.* *"Division board"* means the board of directors of the title guaranty division of the Iowa finance authority.

*e.* *"Mortgage"* means a mortgage or mortgage lien on an interest in real property in this state given to secure a loan in an original principal amount equal to or less than the maximum principal amount as determined by the division board and adopted by the Iowa finance authority pursuant to chapter 17A.

*f.* *"Mortgage servicer"* means the mortgagee or a person other than the mortgagee to whom a mortgagor or the mortgagor's successor in interest is instructed by the mortgagee to send payments on a loan secured by the mortgage. A person transmitting a payoff statement for a mortgage is a mortgage servicer for purposes of such mortgage and this chapter.

*g.* *"Mortgagee"* means the grantee of a mortgage. If a mortgage has been assigned of record, the mortgagee is the last person to whom the mortgage is assigned of record.

*h.* *"Mortgagor"* means the grantor of a mortgage.

*i.* *"Participating abstractor"* means an abstractor participating in the title guaranty program.

*j.* *"Payoff statement"* means a written statement furnished by the mortgage servicer which sets forth all of the following:

(1) The unpaid balance of the loan secured by a mortgage, including principal, interest, and any other charges properly due under or secured by the mortgage, or the amount required to be paid in order to release or partially release the mortgage.

(2) The address where payment is to be sent or other specific instructions for making a payment.

(3) The legal description, street address, or other description sufficient to identify the property that will be released from the mortgage.

2. *Application.* The division may execute and record a certificate of release on behalf of the division in the real property records of each county in which a mortgage is recorded as provided in this section if all of the following are satisfied:

*a.* The applicant submits all of the following in writing to the division:

(1) A payoff statement or other documentation of the amount due, acceptable to the division, as evidence that the mortgage does not continue to secure an unpaid obligation due the mortgagee or an unfunded commitment by the mortgagor to the mortgagee.

(2) Evidence that payment was made, including, if available, a statement as to the date the payment was received by the mortgagee or mortgage servicer, with supporting documentation, as evidenced by one or more of the following:

(a) A bank check, certified check, escrow account check, real estate broker trust account check, attorney trust account check, or wire receipt, that was negotiated by the mortgagee or mortgage servicer.

(b) Other documentary evidence, acceptable to the division, of payment to the mortgagee or mortgage servicer.

*b.* The applicant confirms in writing to the division all of the following:

(1) More than thirty days have elapsed since the date the payment was sent.

(2) An effective satisfaction or release of the mortgage has not been executed and recorded within thirty days after the date of payment.

3. *Notice.*

*a.* Prior to the execution and filing of a certificate of release pursuant to this section, the division shall notify the mortgage servicer in writing of all of the following:

(1) The mortgage has not been released.

(2) The division's intention to execute and record a certificate of release pursuant to this section after expiration of the thirty-day period following the sending of the notice.

*b.* The notice shall include instructions to notify the division in writing within thirty days of the effective date of the notice of any reason why the certificate of release should not be executed and recorded.

*c.* For purposes of this section, notice may be served by any of the following methods:

(1) By certified mail or any commercial delivery service, properly addressed with postage or cost of delivery provided for.

(2) By facsimile transmission or electronic mail to an address provided by the mortgage servicer, but only if the mortgage servicer agrees to receive notice in that manner.

(3) By publication in a newspaper of general circulation published in each county where the mortgage is recorded once each week for three consecutive weeks after receiving an affidavit by the applicant that service in accordance with the provisions of subparagraph (1) or (2) cannot be made on the mortgage servicer.

(4) By otherwise causing the notice to be received by the mortgage servicer within the time it would have been received if notice had been served by certified mail or commercial delivery service.

*d.* For purposes of this section, notice is effective under any of the following circumstances:

(1) The day after the notice is deposited with a commercial delivery service for overnight delivery.

(2) Three days after the notice is deposited with the United States postal service, or with a commercial delivery service for delivery other than by overnight delivery.

(3) The day the notice is transmitted, if served pursuant to paragraph "*c*", subparagraph (2).

(4) On the last day of publication, if published pursuant to paragraph "*c*", subparagraph (3).

(5) The day the notice is received, if served by a method other than as provided in paragraph "*c*", subparagraph (1), (2), or (3).

*e.* If, prior to executing and recording the certificate of release, the division receives a written notification setting forth a reason that is satisfactory to the division as to why the certificate of release should not be executed, the division shall not execute and record the certificate of release.

4. *Contents.* A certificate of release executed under this section must contain substantially the information set forth as follows:

*a.* The name of the mortgagor.

*b.* The name of the original mortgagee.

*c.* The date of the mortgage.

*d.* The date of recording, including the volume and page or other applicable recording information in the real property records of each county where the mortgage is recorded.

*e.* A statement that the release was prepared in accordance with this section.

5. *Execution.* A certificate of release under this section shall be executed and acknowledged in the same manner as required by law for the execution of a deed.

6. *Recording.* The certificate of release or partial release shall be recorded in each county where the mortgage is recorded.

7. *Effect.*

*a.* For purposes of a release or partial release of a mortgage, a certificate of release executed under this section that contains the information and statements required under subsection 4 is prima facie evidence of the facts contained in such release or partial release, is entitled to be recorded with the county recorder where the mortgage is recorded, operates as a release or partial release of the mortgage described in the certificate of release, and may be relied upon by any person who owns or subsequently acquires an interest in the property released from the mortgage. The county recorder shall rely upon the certificate of release to release the mortgage.

*b.* Recording of a wrongful or erroneous certificate of release by the division shall not relieve the mortgagor, or the mortgagor's successors or assigns on the debt, from personal liability on the loan or on other obligations secured by the mortgage.

*c.* In addition to any other remedy provided by law, if the division through an act of

negligence wrongfully or erroneously records a certificate of release under this section, the division is liable to the mortgagee and mortgage servicer for actual damages sustained due to the recording of the certificate of release.

*d.* Upon payment of a claim relating to the recording of a certificate of release, the division is subrogated to the rights of the claimant against all persons relating to the claim.

8. *Fee.* The division may charge a fee for services under this section.

99 Acts, ch 54, §1; 2000 Acts, ch 1166, §2 – 5; 2001 Acts, ch 24, §15; 2005 Acts, ch 26, §1, 2; 2007 Acts, ch 52, §1 – 4; 2008 Acts, ch 1191, §32; 2013 Acts, ch 85, §1, 2

Section stricken and rewritten

**16.93 Closing protection letters.**

1. The authority through the title guaranty division may issue a closing protection letter to a person to whom a proposed title guaranty is to be issued, upon the request of the person, if the division issues a commitment for title guaranty or title guaranty certificate. The closing protection letter shall conform to the terms of coverage and form of the instrument as approved by the division board and may indemnify a person to whom a proposed title guaranty is to be issued against loss of settlement funds due to only the following acts of the division's named participating attorney, participating abstractor, or closer:

*a.* Theft of settlement funds.

*b.* Failure by the participating attorney, participating abstractor, or closer to comply with written closing instructions of the person to whom a proposed title guaranty is to be issued relating to title certificate coverage when agreed to by the participating attorney, participating abstractor, or closer.

2. A closing protection letter shall only be issued to a person to whom a proposed title guaranty is to be issued for real property transactions in which the division has committed to issue an owner or lender certificate and for which the division receives a premium and other payments or fees for a title guaranty certificate or other coverage.

3. The division board shall establish the amount of coverage to be provided and may distinguish between classes of property including, but not limited to, residential, agricultural, or commercial, provided that the total amount of coverage provided by the closing protection letter shall not exceed the amount of the commitment or title guaranty to be issued. Liability under the closing protection letter shall be coextensive with liability under the certificate to be issued in connection with a transaction such that payments under the terms of the closing protection letter shall reduce by the same amount the liability under the title guaranty certificate and payment under the title guaranty certificate shall reduce the liability under the terms of the closing protection letter.

4. The division may adopt a required fee for providing closing protection letter coverage.

5. The division shall not provide any other coverage which purports to indemnify against improper acts or omissions of a person with regard to escrow, settlement, or closing services.

6. The authority shall adopt rules pursuant to chapter 17A as necessary to administer this section.

2000 Acts, ch 1166, §6; 2008 Acts, ch 1055, §1, 2

**16.94 through 16.99** Reserved.

## HOUSING IMPROVEMENT FUND PROGRAM

**16.100 Housing improvement fund program.**

1. A housing improvement fund is created within the authority. The moneys in the housing improvement fund are annually appropriated to the authority which shall allocate the available funds among and within the programs authorized by this section. Notwithstanding section 8.33, unencumbered or unobligated moneys remaining in the fund on June 30 of any fiscal year shall not revert to any other fund but shall be available for expenditure for subsequent fiscal years. Notwithstanding section 12C.7, interest or earnings on moneys in the fund or appropriated to the fund shall be credited to the fund. The authority

may expend up to four percent of the moneys appropriated for the programs in this section for administrative costs of the authority for those programs. The authority may provide financial assistance to a housing sponsor or an individual in the form of loans, guarantees, grants, interest subsidies, or by other means for the programs authorized by this section.

2. By rule, the authority shall establish the following financial assistance programs and provide the requirements for their proper administration:

*a.* A home maintenance and repair program providing repair services to families which include persons who are elderly or persons with disabilities and which qualify as lower income or very low income families.

*b.* A rental rehabilitation program for the construction or rehabilitation of single or multifamily rental properties leased to lower income or very low income families.

*c.* (1) A home ownership incentive program to help lower income and very low income families achieve single family home ownership. Funds provided under this program shall not be restricted to first-time home buyers but shall be limited to mortgages under fifty-five thousand dollars, except in those areas of the state where the median price of homes exceeds the state average. The assistance provided shall include at least one of the following kinds of assistance:

(a) Closing costs assistance.

(b) Down payment assistance.

(c) Home maintenance and repair assistance.

(d) Loan processing assistance through a loan endorser review contractor who acts on behalf of the authority in assisting lenders in processing loans that will qualify for government insurance or guarantee or for financing under the authority's mortgage revenue bond program.

(e) Mortgage insurance program.

(2) Five percent of the moneys expended under this program shall be used to finance the purchase or acquisition, in communities with a population of less than ten thousand, of manufactured homes as defined in 42 U.S.C. § 5403. Moneys available for this purpose which are unencumbered or unobligated at the end of the fiscal year shall revert to the housing improvement fund for reallocation for the next fiscal year.

(3) Not more than fifty percent of the assistance provided under this program shall be provided under subparagraph (1), subparagraph divisions (d) and (e). So long as at least one of the kinds of assistance described in subparagraph (1), subparagraph divisions (a) through (e) is provided, additional assistance not described in subparagraph (1), subparagraph divisions (a) through (e) may also be provided.

3. The authority shall coordinate the programs authorized by this section with the other programs under the jurisdiction of the authority.

4. Each application for financial assistance shall be rated based on local, housing sponsor, and recipient financial commitment, proposals for leveraging other financial assistance, experience with the recipient group involved, consideration for the housing project in the context of overall community needs, including vacancy rate of rental property and ratio of subsidized rental housing to nonsubsidized housing, ability to provide a counseling support system to the recipients, and a demonstrated capability by the housing sponsor to provide follow-up monitoring of recipients to determine if identifiable results have been achieved.

5. For the purposes of this section, *"housing sponsor"* is a for-profit entity, nonprofit corporation, local government, or a joint venture involving a for-profit entity, nonprofit corporation or local government.

6. None of the funds provided to a housing sponsor under this section shall be used for the costs of administration.

7. During each regular session of the general assembly, the authority shall present, to the appropriate appropriations subcommittee, a report concerning the total estimated resources to be available for expenditure under this section for the next fiscal year and the amount the authority proposes to allocate to each program under this section.

8. A homelessness advisory committee is created consisting of the executive director or the executive director's designee, the directors or their designees from the departments of human services and human rights, the economic development authority, the director of

the department on aging or the director's designee, and at least three individuals from the private sector to be selected by the executive director. The advisory committee shall advise the authority in coordinating programs that provide for the homeless.

9. Notwithstanding any provision to the contrary, all assets held in the housing improvement fund shall be transferred to the housing trust fund created in section 16.181. On and after July 1, 2006, any moneys or assets received for deposit in the housing improvement fund shall be transferred to the housing trust fund.

87 Acts, ch 220, §1
CS87, §220.100
88 Acts, ch 1217, §19; 90 Acts, ch 1262, §38, 39; 91 Acts, ch 267, §316
C93, §16.100
96 Acts, ch 1129, §11; 97 Acts, ch 201, §19; 2001 Acts, ch 61, §11; 2006 Acts, ch 1185, §45; 2008 Acts, ch 1032, §133; 2009 Acts, ch 23, §3; 2009 Acts, ch 41, §263; 2011 Acts, ch 118, §87, 89
Additional housing programs funding, see §16.40

## COUNCIL ON HOMELESSNESS

**16.100A Council on homelessness.**

1. A council on homelessness is established consisting of thirty-eight voting members. At least one voting member at all times shall be a member of a minority group.

2. Members of the council shall consist of all of the following:

*a.* Twenty-six members of the general public appointed to two-year staggered terms by the governor in consultation with the nominating committee under subsection 4, paragraph "*a*".

(1) Voting members from the general public may include but are not limited to the following types of individuals and representatives of the following programs: homeless or formerly homeless individuals and their family members, youth shelters, faith-based organizations, local homeless service providers, emergency shelters, transitional housing providers, family and domestic violence shelters, private business, local government, and community-based organizations.

(2) Five of the twenty-six voting members selected from the general public shall be individuals who are homeless, formerly homeless, or family members of homeless or formerly homeless individuals.

(3) One of the twenty-six members selected from the general public shall be a representative of the Iowa state association of counties.

(4) One of the twenty-six members selected from the general public shall be a representative of the Iowa league of cities.

*b.* Twelve agency director members consisting of all of the following:

(1) The director of the department of education or the director's designee.
(2) The director of the economic development authority or the director's designee.
(3) The director of human services or the director's designee.
(4) The attorney general or the attorney general's designee.
(5) The director of the department of human rights or the director's designee.
(6) The director of public health or the director's designee.
(7) The director of the department on aging or the director's designee.
(8) The director of the department of corrections or the director's designee.
(9) The director of the department of workforce development or the director's designee.
(10) The director of the department of public safety or the director's designee.
(11) The director of the department of veterans affairs or the director's designee.
(12) The executive director of the Iowa finance authority or the executive director's designee.

3. An agency director's designee may vote on council matters in the absence of the director.

4. *a.* A nominating committee initially comprised of all twelve agency director members

shall nominate persons to the governor to fill the general public member positions. Following appointment of all twenty-six general public members, the composition of the nominating committee may be modified by rule.

*b.* The council may establish other committees and subcommittees comprised of members of the council.

5. A vacancy on the council shall be filled in the same manner as the original appointment. A member appointed to fill a vacancy created other than by expiration of a term shall be appointed for the remainder of the unexpired term.

6. *a.* A majority of the members of the council constitutes a quorum. Any action taken by the council must be adopted by the affirmative vote of a majority of its membership.

*b.* The council shall elect a chairperson and vice chairperson from the membership of the council. The chairperson and vice chairperson shall each serve two-year terms. The positions of chairperson and vice chairperson shall not be held by members who are both either general public members or agency directors. The position of chairperson shall rotate between agency director members and general public members.

*c.* The council shall meet at least six times per year. Meetings of the council may be called by the chairperson or by a majority of the members.

*d.* General public members shall be reimbursed by the Iowa finance authority for actual and necessary expenses incurred while engaged in their official duties.

7. The Iowa finance authority shall provide staff assistance and administrative support to the council.

8. The duties of the council shall include but are not limited to the following:

*a.* Develop a process for evaluating state policies, programs, statutes, and rules to determine whether any state policies, programs, statutes, or rules should be revised to help prevent and alleviate homelessness.

*b.* Evaluate whether state agency resources could be more efficiently coordinated with other state agencies to prevent and alleviate homelessness.

*c.* Work to develop a coordinated and seamless service delivery system to prevent and alleviate homelessness.

*d.* Use existing resources to identify and prioritize efforts to prevent persons from becoming homeless and to eliminate factors that keep people homeless.

*e.* Identify and use federal and other funding opportunities to address and reduce homelessness within the state.

*f.* Work to identify causes and effects of homelessness and increase awareness among policymakers and the general public.

*g.* Advise the governor's office, the Iowa finance authority, state agencies, and private organizations on strategies to prevent and eliminate homelessness.

9. *a.* The council shall make annual recommendations to the governor regarding matters which impact homelessness on or before September 15.

*b.* The council shall prepare and file with the governor and the general assembly on or before the first day of December in each odd-numbered year, a report on homelessness in Iowa.

*c.* The council shall assist in the completion of the state's continuum of care application to the United States department of housing and urban development.

10. *a.* The Iowa finance authority, in consultation with the council, shall adopt rules pursuant to chapter 17A for carrying out the duties of the council pursuant to this section.

*b.* The council shall establish internal rules of procedure consistent with the provisions of this section.

*c.* Rules adopted or internal rules of procedure established pursuant to paragraph "*a*" or "*b*" shall be consistent with the requirements of the federal McKinney-Vento Homeless Assistance Act, 42 U.S.C. § 11301 et seq.

11. The council shall comply with the requirements of chapters 21 and 22. The Iowa finance authority shall be the official repository of council records.

2008 Acts, ch 1117, §1; 2009 Acts, ch 23, §4; 2009 Acts, ch 41, §20; 2009 Acts, ch 43, §4; 2010 Acts, ch 1193, §103; 2011 Acts, ch 118, §85, 89

## IOWA ECONOMIC DEVELOPMENT BOND BANK PROGRAM

**16.101 Legislative findings.** Repealed by 2007 Acts, ch 54, § 45.

**16.102 Establishment of bond bank program — bonds and notes — projects.**
The authority may assist the development and expansion of family farming, soil conservation, housing, and business in the state through the establishment of the Iowa economic development bond bank program. The authority may issue its bonds or notes, or series of bonds or notes for the purpose of defraying the cost of one or more projects and make secured and unsecured loans for the acquisition and construction of projects on terms the authority determines.
86 Acts, ch 1212, §3
C87, §220.102
C93, §16.102
2007 Acts, ch 54, §28, 29; 2009 Acts, ch 43, §5
Referred to in §16.3, 16.104, 16.106

**16.103 Iowa economic development bond bank program — specific powers.**
In carrying out the Iowa economic development bond bank program, the authority may do any of the following:
1. Make secured and unsecured loans for both the acquisition and the construction of projects on terms the authority determines. A loan may be made to any person or entity including, but not limited to, a city or county for a project approved by the authority. The authority may take any action which is reasonable and lawful to protect its security and to avoid losses from its loans.
2. Acquire, hold, and mortgage personal property and real estate and interests in real estate to be used as a project.
3. Purchase, construct, improve, furnish, equip, lease, option, sell, exchange, or otherwise dispose of one or more projects under the terms the authority determines. However, in the lease, sale, or loan agreement relating to a project, the authority shall provide for adequate maintenance of the project.
4. Grant a mortgage, lien, pledge, assignment, or other encumbrance on one or more projects, revenues, or reserve or other funds established in connection with obligations, or with respect to a lease, sale, or loan relating to one or more projects, or a guaranty or insurance agreement relating to one or more projects, or a secured or unsecured interest of the authority in one or more projects or parts of one or more projects.
5. Provide that the interest on obligations may vary in accordance with a base or formula authorized by the authority.
6. Contract for the acquisition, construction, or both of one or more projects or parts of one or more projects and for the leasing, subleasing, sale, or other disposition of one or more projects in a manner determined by the authority.
86 Acts, ch 1212, §4
C87, §220.103
C93, §16.103
2013 Acts, ch 100, §5, 17
Referred to in §16.106
Subsection 1 amended

**16.104 Loan agreements.**
1. The authority may enter into loan agreements with one or more borrowers to finance in whole or in part the acquisition of one or more projects by construction or purchase. The repayment obligation of the borrower or borrowers may be unsecured, secured by a mortgage or security agreement, or secured by other security as the authority deems advisable. The repayment obligation may be evidenced by one or more notes of the borrower or borrowers. The loan agreements may contain terms and conditions the authority deems advisable.

2. The authority may issue its bonds and notes for the projects set forth in section 16.102 and may enter into one or more lending agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders or a trustee or agent designated by the authority may enter into agreements to provide for any of the following:

*a.* That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the bondholders or noteholders, or by a trustee or agent designated by the authority.

*b.* That the bondholders or noteholders or a trustee or agent designated by the authority may collect, invest, and apply the amounts payable under the loan agreements or any other security instruments securing the debt obligations of the borrower or borrowers.

*c.* That the bondholders or noteholders may enforce the remedies provided in the loan agreements or security instruments on their own behalf without the appointment or designation of a trustee. If there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the loan agreements or security instruments, the payment or performance may be enforced in accordance with the loan agreement or security instrument.

*d.* That if there is a default in the payment of the principal or interest on a mortgage or security instrument or if there is a violation of an agreement contained in the mortgage or security instrument, the mortgage or security instrument may be foreclosed or enforced. Collateral may be sold under proceedings or actions permitted by law. A trustee under the mortgage or security agreement or the holder of any bonds or notes secured by the mortgage or security agreement may become a purchaser if the trustee or holder is the highest bidder.

*e.* Other terms and conditions as deemed necessary or appropriate by the authority.

86 Acts, ch 1212, §5
C87, §220.104
87 Acts, ch 115, §33
C93, §16.104
Referred to in §16.106

**16.105 Security for bonds — reserve funds — validity of pledge — nonliability — irrevocable contracts.**

1. The authority may provide in the resolution authorizing the issuance of its bonds or notes for the Iowa economic development bond bank program that the principal of, premium, if any, and interest on the bonds or notes are payable exclusively from any of the following:

*a.* The income and receipts or other money derived from the projects financed with the proceeds of the bonds or notes.

*b.* The income and receipts or other money derived from designated projects whether or not the projects are financed in whole or in part with the proceeds of the bonds or notes.

*c.* The authority's income and receipts of other assets generally, or a designated part or parts of them.

2. *a.* For the purpose of securing one or more issues of its bonds or notes, the authority may establish one or more special funds, called "capital reserve funds". The authority may pay into the capital reserve funds the proceeds of the sale of its bonds or notes and other money which may be made available to the authority from other sources for the purposes of the capital reserve funds. Except as provided in this section, money in a capital reserve fund shall be used only as required for any of the following:

(1) The payment of the principal of and interest on bonds or notes or of the sinking fund payments with respect to those bonds or notes.

(2) The purchase or redemption of the bonds or notes.

(3) The payment of a redemption premium required to be paid when the bonds or notes are redeemed before maturity.

*b.* However, money in a capital reserve fund shall not be withdrawn if the withdrawal would reduce the amount in the capital reserve fund to less than the capital reserve fund requirement, except for the purpose of making payment, when due, of principal, interest,

redemption premiums on the bonds or notes, and making sinking fund payments when other money pledged to the payment of the bonds or notes is not available for the payments. Income or interest earned by, or increment to, a capital reserve fund from the investment of all or part of the fund may be transferred by the authority to other funds or accounts of the authority if the transfer does not reduce the amount of the capital reserve fund below the capital reserve fund requirement.

3. If the authority decides to issue bonds or notes secured by a capital reserve fund, the bonds or notes shall not be issued if the amount in the capital reserve fund is less than the capital reserve fund requirement, unless at the time of issuance of the bonds or notes the authority deposits in the capital reserve fund from the proceeds of the bonds or notes to be issued or from other sources, an amount which, together with the amount then in the fund, is not less than the capital reserve fund requirement.

4. In computing the amount of a capital reserve fund for the purpose of this section, securities in which all or a portion of the fund is invested shall be valued by a reasonable method established by the authority by resolution. Valuation shall include the amount of interest earned or accrued as of the date of valuation.

5. In this section, *"capital reserve fund requirement"* means the amount required to be on deposit in the capital reserve fund as of the date of computation as determined by resolution of the authority.

6. To assure maintenance of the capital reserve funds, the chairperson of the authority shall, on or before July 1 of each calendar year, make and deliver to the governor the chairperson's certificate stating the sum, if any, required to restore each capital reserve fund to the capital reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor may submit to both houses printed copies of a budget including the sum, if any, required to restore each capital reserve fund to the capital reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the authority pursuant to this section shall be deposited by the authority in the applicable capital reserve fund.

7. All amounts paid to the authority by the state pursuant to this section shall be considered advances by the state to the authority and, subject to the rights of the holders of any bonds or notes of the authority that have previously been issued or will be issued, shall be repaid to the state without interest from all available operating revenues of the authority in excess of amounts required for the payment of bonds, notes, or obligations of the authority, the capital reserve fund, and operating expenses.

8. If any amount deposited in a capital reserve fund is withdrawn for payment of principal, premium, or interest on the bonds or notes or sinking fund payments with respect to bonds or notes thus reducing the amount of that fund to less than the capital reserve fund requirement, the authority shall immediately notify the general assembly of this event and shall take steps to restore the capital reserve fund to the capital reserve fund requirement for that fund from any amounts designated as being available for such purpose.

9. The authority may establish reserve funds, other than capital reserve funds, to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under this subsection the proceeds of the sale of its bonds or notes and other money which is made available from any other source. The authority may allow a reserve fund established under this subsection to be depleted without complying with subsection 6 or subsection 8.

10. It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective against the parties.

11. Neither the members of the authority nor a person executing the bonds or notes are

liable personally on the bonds or notes or are subject to personal liability or accountability by reason of the issuance of the bonds or notes.

12. The bonds or notes issued by the authority are not an indebtedness or other liability of the state or of a political subdivision of the state, except the authority, and are payable solely from the income and receipts or other funds or property of the authority which are designated in the resolution of the authority authorizing the issuance of the bonds or notes as being available as security for bonds or notes. The authority shall not pledge the faith or credit of the state or of a political subdivision of the state, except the authority, to the payment of a bond or note. The issuance of a bond or note by the authority does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply money from, or levy or pledge any form of taxation whatever to the payment of the bond or note.

13. The state pledges to and agrees with the holders of bonds or notes issued under the Iowa economic development bond bank program, that the state will not limit or alter the rights and powers vested in the authority to fulfill the terms of a contract made by the authority with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds and notes, together with the interest on them including interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, as it refers to holders of bonds or notes of the authority, in a contract with the holders.

86 Acts, ch 1212, §6
C87, §220.105
C93, §16.105
2005 Acts, ch 3, §13; 2008 Acts, ch 1032, §201
Referred to in §16.106

**16.106 Adoption of rules.**

The board of directors of the authority shall adopt rules pursuant to chapter 17A to implement sections 16.102 through 16.105.

86 Acts, ch 1212, §7
C87, §220.106
C93, §16.106
2007 Acts, ch 54, §30

**16.107 Infrastructure loan program.** Repealed by 2001 Acts, ch 61, § 19.

**16.108 through 16.120** Reserved.

EXPORT BUSINESS FINANCE PROGRAM

**16.121 through 16.125** Repealed by 2007 Acts, ch 54, § 45.

**16.126 through 16.130** Reserved.

WATER POLLUTION CONTROL WORKS
AND DRINKING WATER
FACILITIES FINANCING

**16.131 Iowa water pollution control works and drinking water facilities financing program — funding — bonds and notes.**

1. The authority shall cooperate with the department of natural resources in the creation, administration, and financing of the Iowa water pollution control works and drinking water facilities financing program established in sections 455B.291 through 455B.299.

2. The authority may issue its bonds and notes for the purpose of funding the funds created

under section 16.133A and the state matching funds required pursuant to the Clean Water Act and the Safe Drinking Water Act.

3. The authority may issue its bonds and notes for the purposes established and may enter into one or more loan agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders or a trustee agent designated by the authority may enter into agreements to provide for any of the following:

*a.* That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the authority or by a trustee or agent designated by the authority.

*b.* That the bondholders or noteholders or a trustee or agent designated by the authority may collect, invest, and apply the amount payable under the loan agreements or any other instruments securing the debt obligations under the loan agreements.

*c.* That the bondholders or noteholders may enforce the remedies provided in the loan agreements or other instruments on their own behalf without the appointment or designation of a trustee. If there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the loan agreements or other instruments, the payment or performance may be enforced in accordance with the loan agreement or other instrument.

*d.* Other terms and conditions as deemed necessary or appropriate by the authority.

4. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 16.28, subsection 4, apply to bonds or notes issued and powers granted to the authority under this section except to the extent they are inconsistent with this section.

5. All bonds or notes issued by the authority in connection with the program are exempt from taxation by this state and the interest on the bonds or notes is exempt from state income tax.

6. The authority shall determine the interest rate and repayment terms for loans made under the program, in cooperation with the department, and the authority shall enter into loan agreements with eligible entities in compliance with and subject to the terms and conditions of the Clean Water Act, the Safe Drinking Water Act, and any other applicable federal law.

7. The authority shall process, review, and approve or deny loan applications pursuant to eligibility requirements established by rule of the authority and in accordance with the intended use plan applications approved by the department.

8. The authority may charge loan recipients fees and assess costs against such recipients necessary for the continued operation of the program. Fees and costs collected pursuant to this subsection shall be deposited in the appropriate fund or funds described in section 16.133A.

9. Notwithstanding any provision of this chapter to the contrary, moneys received under the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, and deposited in the revolving loan funds may be used in any manner permitted or required by applicable federal law.

88 Acts, ch 1217, §20

C89, §220.131

C93, §16.131

97 Acts, ch 4, §1; 2002 Acts, 2nd Ex, ch 1003, §234, 262; 2009 Acts, ch 30, §1 – 4; 2009 Acts, ch 100, §3, 21

Referred to in §16.131A, 16.132, 16.133, 16.134, 422.7

**16.131A Definitions.**

As used in section 16.131, this section, and sections 16.132 through 16.135, unless the context otherwise requires:

1. *"Clean Water Act"* means the federal Water Pollution Control Act of 1972, Pub. L. No. 92-500, as amended by the Water Quality Act of 1987, Pub. L. No. 100-4, as published in 33 U.S.C. § 1251 – 1376, as amended.

2. *"Commission"* means the environmental protection commission created under section 455A.6.

3. *"Cost"* means all costs, charges, expenses, or other indebtedness incurred by a loan recipient and determined by the department as reasonable and necessary for carrying out all works and undertakings necessary or incidental to the accomplishment of any project.

4. *"Department"* means the department of natural resources created in section 455A.2.

5. *"Eligible entity"* means a person eligible under the provisions of the Clean Water Act, the Safe Drinking Water Act, and the commission rules to receive loans for projects from any of the revolving loan funds.

6. *"Loan recipient"* means an eligible entity that has received a loan under the program.

7. *"Municipality"* means a city, county, sanitary district, state agency, or other governmental body or corporation empowered to provide sewage collection and treatment services or drinking water, or any combination of two or more of the governmental bodies or corporations acting jointly, in connection with a project.

8. *"Program"* means the Iowa water pollution control works and drinking water facilities financing program created pursuant to section 455B.294.

9. *"Project"* means one of the following:

*a.* In the context of water pollution control facilities, the acquisition, construction, reconstruction, extension, equipping, improvement, or rehabilitation of any works and facilities useful for the collection, treatment, and disposal of sewage and industrial waste in a sanitary manner including treatment works as defined in section 212 of the Clean Water Act, or the implementation and development of management programs established under sections 319 and 320 of the Clean Water Act, including construction and undertaking of nonpoint source water pollution control projects and related development activities authorized under those sections.

*b.* In the context of drinking water facilities, the acquisition, construction, reconstruction, extending, remodeling, improving, repairing, or equipping of waterworks, water mains, extensions, or treatment facilities useful for providing potable water to residents served by a water system, including the acquisition of real property needed for any of the foregoing purposes, and such other purposes and programs as may be authorized under the Safe Drinking Water Act.

10. *"Revolving loan funds"* means the funds of the program established under sections 16.133A and 455B.295.

11. *"Safe Drinking Water Act"* means Tit. XIV of the federal Public Health Service Act, commonly known as the "Safe Drinking Water Act", 42 U.S.C. § 300f et seq., as amended by the Safe Drinking Water Amendments of 1996, Pub. L. No. 104-182, as amended.

12. *"Water system"* means any community water system or nonprofit noncommunity water system, each as defined in the Safe Drinking Water Act, that is eligible under the rules of the department to receive a loan under the program for the purposes of undertaking a project.

2009 Acts, ch 30, §5; 2011 Acts, ch 34, §7

**16.132 Security — reserve funds — pledges — nonliability — irrevocable contracts.**

1. The authority may provide in the resolution, trust agreement, or other instrument authorizing the issuance of its bonds or notes pursuant to section 16.131 that the principal of, premium, and interest on the bonds or notes are payable from any of the following and may pledge the same to its bonds and notes:

*a.* The income and receipts or other money derived from the projects financed with the proceeds of the bonds or notes.

*b.* The income and receipts or other money derived from designated projects whether or not the projects are financed in whole or in part with the proceeds of the bonds or notes.

*c.* The amounts on deposit in the revolving loan funds.

*d.* The amounts payable to the authority by eligible entities pursuant to loan agreements with eligible entities.

*e.* Any other funds or accounts established by the authority in connection with the program or the sale and issuance of its bonds or notes.

2. The authority may establish reserve funds, to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under this subsection the proceeds of the sale of its bonds or notes and other money which is made available from any other source.

3. It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective against the parties.

4. Neither the members of the authority nor persons executing the bonds or notes are liable personally on the bonds or notes or are subject to personal liability or accountability by reason of the issuance of the bonds or notes.

5. The bonds or notes issued by the authority are not an indebtedness or other liability of the state or of a political subdivision of the state within the meaning of any constitutional or statutory debt limitations but are special obligations of the authority, and are payable solely from the income and receipts or other funds or property of the authority, and the amounts on deposit in the revolving loan funds, and the amounts payable to the authority under its loan agreements with eligible entities to the extent that the amounts are designated in the resolution, trust agreement, or other instrument of the authority authorizing the issuance of the bonds or notes as being available as security for such bonds or notes. The authority shall not pledge the faith or credit of the state or of a political subdivision of the state to the payment of any bonds or notes. The issuance of any bonds or notes by the authority does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply money from, or levy or pledge any form of taxation whatever to the payment of the bonds or notes.

6. The state pledges to and agrees with the holders of bonds or notes issued under the Iowa water pollution control works and drinking water facilities financing program, that the state will not limit or alter the rights and powers vested in the authority to fulfill the terms of a contract made by the authority with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds or notes, together with the interest on them including interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, as it refers to holders of bonds or notes of the authority, in a contract with the holders.

88 Acts, ch 1217, §21
C89, §220.132
C93, §16.132
97 Acts, ch 4, §2 – 4; 2002 Acts, 2nd Ex, ch 1003, §235, 262; 2003 Acts, ch 44, §15, 114; 2009 Acts, ch 30, §6, 7
Referred to in §16.131A, 16.133

**16.133 Adoption of rules.**

The authority shall adopt rules pursuant to chapter 17A to implement sections 16.131 and 16.132.

88 Acts, ch 1217, §22
C89, §220.133
C93, §16.133
Referred to in §16.131A

**16.133A Funds and accounts — program funds and accounts not part of state general fund.**

1. The authority may establish and maintain funds and accounts determined to be

necessary to carry out the purposes of the program and shall provide for the funding, administration, investment, restrictions, and disposition of the funds and accounts. The department and the authority may combine administration of the revolving loan funds and cross collateralize the same to the extent permitted by the Clean Water Act, the Safe Drinking Water Act, and other applicable federal law. Moneys appropriated to and used by the authority and department for purposes of paying the costs and expenses associated with the administration of the program shall be administered as determined by the authority and department.

2. The funds or accounts held by the authority, or a trustee acting on behalf of the authority pursuant to a trust agreement related to the program, shall not be considered part of the general fund of the state, are not subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the general fund of the state, but shall remain in the funds and accounts maintained by the authority or trustee pursuant to a trust agreement. Funds and accounts held by the authority, or a trustee acting on behalf of the authority pursuant to a trust agreement related to the program, are separate dedicated funds and accounts under the administration and control of the authority and subject to section 16.31.

2009 Acts, ch 30, §8

Referred to in §16.131, 16.131A, 455B.291

**16.134 Wastewater treatment financial assistance program.**

1. The Iowa finance authority shall establish and administer a wastewater treatment financial assistance program. The purpose of the program shall be to provide financial assistance to enhance water quality. The program shall be administered in accordance with rules adopted by the authority pursuant to chapter 17A. For purposes of this section, "*program*" means the wastewater treatment financial assistance program.

2. A wastewater treatment financial assistance fund is created and shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

3. Financial assistance under the program shall be used to install or upgrade wastewater treatment facilities and systems, and for engineering or technical assistance for facility planning and design.

4. The authority shall distribute financial assistance in the fund in accordance with the following:

*a.* The goal of the program shall be to base awards on the impact of the grant combined with other sources of financing to ensure that sewer rates do not exceed one and one-half percent of a community's median household income.

*b.* Communities shall be eligible for financial assistance by qualifying as a disadvantaged community and seeking financial assistance for the installation or upgrade of wastewater treatment facilities due to regulatory activity by the department of natural resources. For purposes of this section, the term "*disadvantaged community*" means the same as defined by the department.

*c.* Priority shall be given to projects in which the financial assistance is used to obtain financing under the Iowa water pollution control works and drinking water facilities financing program pursuant to section 16.131 or other federal or state financing.

*d.* Priority shall also be given to projects whose completion will provide significant improvement to water quality in the relevant watershed.

*e.* Priority shall also be given to communities that employ an alternative wastewater treatment technology pursuant to section 455B.199C.

*f.* Priority shall be also given to those communities where sewer rates are the highest as a percentage of that community's median household income.

*g.* Financial assistance in the form of grants shall be issued on an annual basis.

*h.* An applicant shall not receive a grant that exceeds five hundred thousand dollars.

5. The authority in cooperation with the department of natural resources shall share

information and resources when determining the qualifications of a community for financial assistance from the fund.

6. The authority may use an amount of not more than four percent of any moneys appropriated for deposit in the fund for administration purposes.

2006 Acts, ch 1179, §63; 2009 Acts, ch 30, §9, 10; 2009 Acts, ch 72, §1
Referred to in §16.131A

**16.135 Wastewater viability assessment.**

1. The authority, in cooperation with the department of natural resources and the economic development authority, shall require the use of a wastewater viability assessment for any wastewater treatment facility seeking a grant under the wastewater treatment financial assistance program. A wastewater viability assessment shall determine the long-term operational and financial capacity of the facility and its ratepayers. The authority shall develop minimum criteria for eligibility based on the viability assessment.

2. The authority, in cooperation with the department of natural resources, shall develop a wastewater viability assessment. The assessment shall include as part of the assessment all of the following factors:

*a.* The ability of the applicant to provide proper oversight and management through a certified operator.

*b.* The financial ability of the users to support the existing wastewater treatment system, improvements to the wastewater treatment system, and the long-term maintenance of the wastewater treatment system.

2009 Acts, ch 72, §2; 2011 Acts, ch 34, §8; 2011 Acts, ch 118, §85, 89
Referred to in §16.131A

**16.136 through 16.140** Reserved.

UNSEWERED COMMUNITY
REVOLVING LOAN PROGRAM

**16.141 Unsewered community revolving loan program — fund.**

1. The authority shall establish and administer an unsewered community revolving loan program. Assistance under the program shall consist of no-interest loans with a term not to exceed forty years and shall be used for purposes of installing sewage disposal systems in a city without a sewage disposal system or in an area where a cluster of homes is located.

2. An unsewered community may apply for assistance under the program. In awarding assistance, the authority shall encourage the use of innovative, cost-effective sewage disposal systems and technologies. The authority shall adopt rules that prioritize applications for disadvantaged unsewered communities.

3. For purposes of this section, *"an area where a cluster of homes is located"* means an area located in the unincorporated area of a county which includes six or more homes but less than five hundred homes.

4. An unsewered community revolving loan fund is created in the state treasury under the control of the authority and consisting of moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the authority for placement in the fund.

5. Repayments of moneys loaned and recaptures of loans shall be deposited in the fund.

6. Moneys in the fund shall be used to provide assistance under the unsewered community revolving loan program established in this section.

7. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

2009 Acts, ch 76, §1
Referred to in §455B.191

**16.142 through 16.150** Reserved.

## IOWA TANK ASSISTANCE BONDS

**16.151 Authority to issue Iowa tank assistance bonds.** Repealed by 2010 Acts, ch 1193, § 193, 195.

**16.152 through 16.154** Reserved.

## RESIDENTIAL TREATMENT FACILITIES

**16.155 Residential treatment facilities.**

1. The authority may issue its bonds and notes and loan the proceeds of the bonds or notes to a nonprofit corporation for the purpose of financing the acquisition or construction of residential housing or treatment facilities serving juveniles or persons with disabilities.

2. The authority may enter into a loan agreement with a nonprofit corporation for the purpose of financing the acquisition or construction of residential housing or treatment facilities serving juveniles or persons with disabilities and shall provide for payment of the loan and security for the loan as the authority deems advisable.

3. In the resolution authorizing the issuance of the bonds or notes pursuant to this section, the authority may provide that the related principal and interest are limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the nonprofit corporation, and the principal or interest does not constitute an indebtedness of the authority or a charge against the authority's general credit or general fund.

4. The powers granted the authority under this section are in addition to the authority's other powers under this chapter. All other provisions of this chapter, except section 16.28, subsection 4, apply to bonds or notes issued pursuant to, and powers granted to the authority under this section, except to the extent the provisions are inconsistent with this section.

90 Acts, ch 1239, §6
C91, §220.155
C93, §16.155
96 Acts, ch 1129, §113
Referred to in §237.14

**16.156 through 16.160** Reserved.

## E911 PROGRAM

**16.161 Authority to issue E911 program bonds and notes.**

The authority shall assist the program manager, appointed pursuant to section 34A.2A, as provided in chapter 34A, subchapter II, and the authority shall have all of the powers delegated to it by a joint E911 service board or the department of public defense in a chapter 28E agreement with respect to the issuance and securing of bonds or notes and the carrying out of the purposes of chapter 34A.

The authority shall provide a mechanism for the pooling of funds of two or more joint E911 service boards to be used for the joint purchasing of necessary equipment and reimbursement of land-line and wireless service providers' costs for upgrades necessary to provide E911 service. When two or more joint E911 service boards have agreed to pool funds for the purpose of purchasing necessary equipment to be used in providing E911 service, the authority shall issue bonds and notes as provided in sections 34A.20 through 34A.22.

90 Acts, ch 1144, §5
C91, §220.161
C93, §16.161
98 Acts, ch 1101, §1, 2, 16; 99 Acts, ch 96, §3; 2004 Acts, ch 1175, §461

## COMMUNITY COLLEGE DORMITORIES

**16.162 Authority to issue community college dormitory bonds and notes.**

The authority shall assist a community college or the state board of education as provided in chapter 260C, and the authority shall have all of the powers delegated to it in a chapter 28E agreement by a community college board of directors, the state board of education, or a private developer contracting with a community college to develop a housing facility, such as a dormitory, for the community college, with respect to the issuance or securing of bonds or notes as provided in sections 260C.71 and 260C.72.

90 Acts, ch 1253, §75; 90 Acts, ch 1254, §5
C91, §220.162
C93, §16.162
2011 Acts, ch 20, §2

**16.163 through 16.170** Reserved.

## MUNICIPAL INVESTMENT RECOVERY PROGRAM

**16.171 Recovery zone bonds — reporting — reallocation.**

1. As used in this section:

*a.* *"Eligible issuer"* means the state or any political subdivision of the state authorized to issue bonds, including any entity authorized to issue bonds on behalf of the state or the political subdivision, the interest from which is excludable from gross income under section 103 of the Internal Revenue Code.

*b.* *"Large municipality"* means a city having a population of more than one hundred thousand.

*c.* *"Recovery zone bonds"* means recovery zone economic development bonds and recovery zone facility bonds allocated under the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115, codified in section 1400U-1 of the Internal Revenue Code.

2. The authority shall provide written notice to each county and large municipality in the state of the amount of the recovery zone bond allocation designated for each by the internal revenue service of the United States department of the treasury.

3. Each county or large municipality that issues recovery zone bonds shall provide a written notice of each such issuance to the authority on a form prescribed by the authority. The authority shall track the amount of the recovery zone bond allocation used by each county and large municipality.

4. *a.* A county or large municipality may, at any time prior to July 1, 2010, waive all or a portion of the county or large municipality's recovery zone bond allocation, as applicable.

*b.* Any portion of a county or large municipality's recovery zone bond allocation that remains unused on July 1, 2010, is deemed waived by the applicable county or large municipality.

5. *a.* The authority shall recapture all waived recovery zone bond allocations.

*b.* On or after March 1, 2010, any eligible issuer may apply to the authority requesting an allocation from the total amount of waived recovery zone bond allocations recaptured by the authority.

*c.* On or after April 1, 2010, the authority may reallocate the amount recaptured under this subsection according to rules adopted by the authority.

6. The authority shall promulgate rules to implement the provisions of this section, including any rules necessary to assure compliance with federal laws relating to the issuance of recovery zone bonds.

2010 Acts, ch 1117, §1, 2

**16.172 through 16.176** Repealed by 92 Acts, ch 1001, §7.

PRISON INFRASTRUCTURE REVENUE BONDS

**16.177 Prison infrastructure revenue bonds.**

1. The authority is authorized to issue its bonds to provide prison infrastructure financing as provided in this section. The bonds may only be issued to finance projects which have been approved for financing by the general assembly. Bonds may be issued in order to fund the construction and equipping of a project or projects, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds and other expenditures incident to or necessary or convenient to carry out the bond issue. The bonds are investment securities and negotiable instruments within the meaning of and for the purposes of the uniform commercial code, chapter 554.

2. The department of corrections is authorized to pledge amounts in the Iowa prison infrastructure fund established under section 602.8108A as security for the payment of the principal of, premium, if any, and interest on the bonds. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the fund, all of which may be deposited with trustees or depositories in accordance with bond or security documents, and are not an indebtedness of this state or the authority, or a charge against the general credit or general fund of the state or the authority, and the state shall not be liable for the bonds except from amounts on deposit in the fund. Bonds issued under this section shall contain a statement that the bonds do not constitute an indebtedness of the state or the authority.

3. The proceeds of bonds issued by the authority and not required for immediate disbursement may be deposited with a trustee or depository as provided in the bond documents and invested in any investment approved by the authority and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.

4. The bonds shall be:

*a.* In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and be subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

*b.* Negotiable instruments under the laws of the state and may be sold at prices, at public or private sale, and in a manner, as prescribed by the authority. Chapters 73A, 74, 74A, and 75 do not apply to the sale or issuance of the bonds.

*c.* Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.

5. The bonds are securities in which public officers and bodies of this state, political subdivisions of this state, insurance companies and associations and other persons carrying on an insurance business, banks, trust companies, savings associations, and investment companies, administrators, guardians, executors, trustees, and other fiduciaries, and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

6. Bonds must be authorized by a trust indenture, resolution, or other instrument of the authority. However, a trust indenture, resolution, or other instrument authorizing the issuance of bonds may delegate to an officer of the issuer the power to negotiate and fix the details of an issue of bonds.

7. Neither the resolution or trust agreement, nor any other instrument by which a pledge is created is required to be recorded or filed under the uniform commercial code, chapter 554, to be valid, binding, or effective.

8. Bonds issued under this section are declared to be issued for an essential public and governmental purpose and all bonds issued under this section shall be exempt from taxation

by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance and estate tax.

9. The authority shall cooperate with the department of corrections in the implementation of this section.

94 Acts, ch 1196, §20; 95 Acts, ch 202, §11; 2005 Acts, ch 3, §14; 2008 Acts, ch 1119, §4; 2010 Acts, ch 1138, §50; 2012 Acts, ch 1017, §42

Referred to in §8.57F, 422.7, 602.8108A

**16.178 through 16.180** Reserved.

## HOUSING TRUST FUND

**16.181 Housing trust fund.**

1. *a.* A housing trust fund is created within the authority. The moneys in the housing trust fund are annually appropriated to the authority to be used for the development and preservation of affordable housing for low-income people in the state and for the Iowa mortgage help initiative. Payment of interest, recaptures of awards, or other repayments to the housing trust fund shall be deposited in the fund. Notwithstanding section 12C.7, interest or earnings on moneys in the housing trust fund or appropriated to the fund shall be credited to the fund. Notwithstanding section 8.33, unencumbered and unobligated moneys remaining in the fund at the close of each fiscal year shall not revert but shall remain available for expenditure for the same purposes in the succeeding fiscal year.

*b.* Assets in the housing trust fund shall consist of all of the following:

(1) Any moneys received by the authority from the national housing trust fund created pursuant to the federal Housing and Economic Recovery Act of 2008, Pub. L. No. 110-289.

(2) Any assets transferred by the authority for deposit in the housing trust fund.

(3) Any other moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the authority for placement in the housing trust fund.

*c.* The authority shall create the following programs within the housing trust fund:

(1) Local housing trust fund program. At least sixty percent of available moneys in the housing trust fund shall be allocated for the local housing trust fund program.

(2) Project-based housing program. Moneys remaining in the housing trust fund after the allocation in subparagraph (1) shall be used to make awards to project-based housing programs located in areas where a local housing trust fund does not exist or for a project-based housing program that is not eligible for funding through a local housing trust fund.

2. *a.* In order to be eligible to apply for funding from the local housing trust fund program, a local housing trust fund must be approved by the authority and have all of the following:

(1) A local governing board recognized by the city, county, council of governments, or regional officials as the board responsible for coordinating local housing programs.

(2) A housing assistance plan approved by the authority.

(3) Sufficient administrative capacity in regard to housing programs.

(4) A local match requirement approved by the authority.

*b.* An award from the local housing trust fund program shall not exceed ten percent of the balance in the program at the beginning of the fiscal year plus ten percent of any deposits made during the fiscal year.

*c.* By December 31 of each year, a local housing trust fund receiving moneys from the local housing trust fund program shall submit a report to the authority itemizing expenditures of the awarded moneys.

3. The authority shall adopt rules pursuant to chapter 17A necessary to administer this section.

2003 Acts, ch 179, §101; 2008 Acts, ch 1032, §6; 2009 Acts, ch 43, §6 – 8; 2010 Acts, ch 1193, §104

Referred to in §16.91, 16.100, 16.181A, 428A.8, 543B.46, 543D.21

**16.181A Housing trust fund — appropriations.**

1. There is appropriated from the rebuild Iowa infrastructure fund to the Iowa finance authority for deposit in the housing trust fund created in section 16.181, for the fiscal year beginning July 1, 2009, and beginning July 1, 2011, and for each succeeding fiscal year, the sum of three million dollars.

2. There is appropriated from the rebuild Iowa infrastructure fund to the Iowa finance authority for deposit in the housing trust fund created in section 16.181, for the fiscal year beginning July 1, 2010 and ending June 30, 2011, the sum of one million dollars.

2008 Acts, ch 1179, §54; 2010 Acts, ch 1184, §84; 2010 Acts, ch 1193, §37

SENIOR LIVING REVOLVING LOAN
PROGRAM FUND

**16.182 Senior living revolving loan program fund.**

1. A senior living revolving loan program fund is created within the authority. The moneys in the senior living revolving loan program fund shall be used by the authority for the development and operation of a revolving loan program to provide financing to construct affordable assisted living and service-enriched affordable housing for seniors and persons with disabilities, including through new construction or acquisition and rehabilitation.

2. Moneys transferred by the authority for deposit in the senior living revolving loan program fund, moneys appropriated to the senior living revolving loan program, and any other moneys available to and obtained or accepted by the authority for placement in the senior living revolving loan program fund shall be deposited in the fund. Additionally, payment of interest, recaptures of awards, and other repayments to the senior living revolving loan program fund shall be deposited in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the senior living revolving loan program fund shall be credited to the fund. Notwithstanding section 8.33, moneys that remain unencumbered or unobligated at the end of the fiscal year shall not revert but shall remain available for the same purpose in the succeeding fiscal year.

3. The authority shall annually allocate moneys available in the senior living revolving loan program fund for the development of affordable assisted living and service-enriched affordable housing for seniors and persons with disabilities. The authority shall develop a joint application process for the allocation of federal low-income housing tax credits and funds available under this section. Moneys allocated to such developments may be in the form of loans, grants, or a combination of loans and grants.

4. The authority shall adopt rules pursuant to chapter 17A to administer this section.

2004 Acts, ch 1175, §170; 2013 Acts, ch 18, §2
Subsections 1 and 2 amended

HOME AND COMMUNITY-BASED
SERVICES REVOLVING LOAN
PROGRAM FUND

**16.183 Home and community-based services revolving loan program fund.**

1. A home and community-based services revolving loan program fund is created within the authority to further the goals specified in section 231.3, adult day services, respite services, congregate meals, health and wellness, health screening, and nutritional assessments. The moneys in the home and community-based services revolving loan program fund shall be used by the authority for the development and operation of a revolving loan program to develop and expand facilities and infrastructure that provide adult day services, respite services, congregate meals, and programming space for health and wellness, health screening, and nutritional assessments that address the needs of persons with low incomes.

2. Moneys transferred by the authority for deposit in the home and community-based services revolving loan program fund, moneys appropriated to the home and community-based services revolving loan program, and any other moneys available to and obtained or accepted by the authority for placement in the home and community-based services revolving loan program fund shall be deposited in the fund. Additionally, payment of interest, recaptures of awards, and other repayments to the home and community-based services revolving loan program fund shall be deposited in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the home and community-based services revolving loan program fund shall be credited to the fund. Notwithstanding section 8.33, moneys that remain unencumbered or unobligated at the end of the fiscal year shall not revert but shall remain available for the same purpose in the succeeding fiscal year.

3. The authority, in cooperation with the department on aging, shall annually allocate moneys available in the home and community-based services revolving loan program fund to develop and expand facilities and infrastructure that provide adult day services, respite services, congregate meals, and programming space for health and wellness, health screening, and nutritional assessments that address the needs of persons with low incomes.

4. The authority shall adopt rules pursuant to chapter 17A to administer this section.

2004 Acts, ch 1175, §171; 2006 Acts, ch 1184, §34; 2009 Acts, ch 23, §5; 2013 Acts, ch 18, §3
Subsection 2 amended

## TRANSITIONAL HOUSING REVOLVING LOAN PROGRAM FUND

**16.184 Transitional housing revolving loan program fund.**

1. A transitional housing revolving loan program fund is created within the authority to further the availability of affordable housing for parents that are reuniting with their children while completing or participating in substance abuse treatment. The moneys in the fund are annually appropriated to the authority to be used for the development and operation of a revolving loan program to provide financing to construct affordable transitional housing, including through new construction or acquisition and rehabilitation of existing housing. The housing provided shall be geographically located in close proximity to licensed substance abuse treatment programs. Preference in funding shall be given to projects that reunite mothers with the mothers' children.

2. Moneys transferred by the authority for deposit in the transitional housing revolving loan program fund, moneys appropriated to the transitional housing revolving loan program, and any other moneys available to and obtained or accepted by the authority for placement in the fund shall be deposited in the fund. Additionally, payment of interest, recaptures of awards, and other repayments to the transitional housing revolving loan program fund shall be credited to the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the transitional housing revolving loan program fund shall be credited to the fund. Notwithstanding section 8.33, moneys that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for the same purpose in the succeeding fiscal year.

3. The authority shall annually allocate moneys available in the transitional housing revolving loan program fund for the development of affordable transitional housing for parents that are reuniting with the parents' children while completing or participating in substance abuse treatment. The authority shall develop a joint application process for the allocation of federal low-income housing tax credits and the funds available under this section. Moneys allocated to such projects may be in the form of loans, grants, or a combination of loans and grants.

4. The authority shall adopt rules pursuant to chapter 17A to administer this section.

2005 Acts, ch 175, §55

COMMUNITY HOUSING AND SERVICES FOR
PERSONS WITH DISABILITIES REVOLVING LOAN PROGRAM FUND

**16.185 Community housing and services for persons with disabilities revolving loan program fund.**

1. A community housing and services for persons with disabilities revolving loan program fund is created within the authority to further the availability of affordable housing and supportive services for Medicaid waiver-eligible individuals with behaviors that provide significant barriers to accessing traditional rental and supportive services opportunities. The moneys in the fund are annually appropriated to the authority to be used for the development and operation of a revolving loan program to provide financing to construct affordable permanent supportive housing or develop infrastructure in which to provide supportive services, including through new construction, acquisition and rehabilitation of existing housing or infrastructure, or conversion or adaptive reuse.

2. Moneys transferred by the authority for deposit in the community housing and services for persons with disabilities revolving loan program fund, moneys appropriated to the community housing and services for persons with disabilities revolving loan program, and any other moneys available to and obtained or accepted by the authority for placement in the fund shall be credited to the fund. Additionally, payment of interest, recaptures of awards, and other repayments to the community housing and services for persons with disabilities revolving loan program fund shall be credited to the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys credited to the fund from any other fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert to the other fund.

3. *a.* The authority shall annually allocate moneys available in the fund for the development of permanent supportive housing for Medicaid waiver-eligible individuals. The authority shall develop a joint application process for the allocation of United States housing and urban development HOME investment partnerships program funding and the funds available under this section. Moneys allocated to such projects may be in the form of loans, forgivable loans, or a combination of loans and forgivable loans.

*b.* The authority shall annually allocate moneys available in the fund for the development of infrastructure in which to provide supportive services for Medicaid waiver-eligible individuals who meet the psychiatric medical institution for children level of care. Moneys allocated to such projects may be in the form of loans, forgivable loans, or a combination of loans and forgivable loans.

4. *a.* A project shall demonstrate written approval of the project by the department of human services to the authority prior to application for funding under this section.

*b.* In order to be approved by the department of human services for application for funding for development of permanent supportive housing under this section, a project shall include all of the following components:

(1) Provision of services to any of the following Medicaid waiver-eligible individuals:

(a) Individuals who are currently underserved in community placements, including individuals who are physically aggressive or have behaviors that are difficult to manage or individuals who meet the psychiatric medical institution for children level of care.

(b) Individuals who are currently residing in out-of-state facilities.

(c) Individuals who are currently receiving care in a licensed health care facility.

(2) A plan to provide each individual with crisis stabilization services to ensure that the individual's behavioral issues are appropriately addressed by the provider.

(3) Policies and procedures that prohibit discharge of the individual from the waiver services provided by the project provider unless an alternative placement that is acceptable to the client or the client's guardian is identified.

*c.* In order to be approved by the department of human services for application for funding for development of infrastructure in which to provide supportive services under this section, a project shall include all of the following components:

(1) Provision of services to Medicaid waiver-eligible individuals who meet the psychiatric medical institution for children level of care.

(2) Policies and procedures that prohibit discharge of the individual from the waiver services provided by the project provider unless an alternative placement that is acceptable to the client or the client's guardian is identified.

*d.* Housing provided through a project under this section is exempt from the requirements of chapter 135O.

5. The authority, in collaboration with the department of human services, shall adopt rules pursuant to chapter 17A to administer this section.

2011 Acts, ch 129, §50, 74

**16.186 and 16.187** Repealed by 2010 Acts, ch 1184, § 95.

WORKFORCE HOUSING ASSISTANCE GRANT FUND

**16.188 Workforce housing assistance grant fund.**

1. A workforce housing assistance grant fund is created under the authority of the Iowa finance authority. The fund shall consist of appropriations made to the fund. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of section 8.53, relating to generally accepted accounting principles.

2. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

3. *a.* Moneys in the fund in a fiscal year are appropriated to the Iowa finance authority to be used for grants for projects that create workforce housing or for projects that include adaptive reuse of buildings for workforce housing. For purposes of this section, "*workforce housing*" means housing that is affordable for a household whose income does not exceed one hundred twenty percent of the median income for the area.

*b.* Priority shall be given to the following types of projects:

(1) Projects that are eligible for historic preservation and cultural and entertainment district tax credits under section 404A.1.

(2) Projects for the construction of new single-family dwellings that incorporate one or more energy-efficient measures. The authority shall by rule identify the types of energy-efficient measures that will qualify a project for priority under this subparagraph.

(3) Projects that utilize new markets tax credits, established under the federal Community Renewal Tax Relief Act of 2000, Pub. L. No. 106-554, 114 Stat. 2763A, and undertaken by a qualified community development entity, as defined in the federal Act.

(4) Projects that are located in an area where other state funding has been used to support the creation of new jobs.

*c.* In any fiscal year, an area shall not receive grants totaling more than twenty-five percent of the moneys expended from the fund in that fiscal year. For purposes of this paragraph, "*area*" means the same area used to determine the median income under paragraph "*a*".

4. Annually, on or before January 15 of each year, the authority shall report to the legislative services agency and the department of management the status of all projects that received moneys from the workforce housing assistance grant fund. The report shall include a description of each project, the progress of work completed, the total estimated cost of each project, a list of all revenue sources being used to fund each project, the amount of funds expended, the amount of funds obligated, and the date each project was completed or an estimated completion date of each project, where applicable.

5. Payment of moneys from appropriations from the fund shall be made in a manner that does not adversely affect the tax exempt status of any outstanding bonds issued by the treasurer of state pursuant to section 12.87.

6. The authority shall adopt rules pursuant to chapter 17A to administer this section.
2010 Acts, ch 1193, §105

**16.189 and 16.190** Reserved.

IOWA JOBS PROGRAM

**16.191 Iowa jobs board.** Repealed by 2013 Acts, ch 142, § 27.
For transition provisions relating to contracts or agreements entered into by former Iowa jobs board and in effect on July 1, 2013, and personal liability of members or persons acting on behalf of the former Iowa jobs board, see 2013 Acts, ch 142, §26
With respect to proposed amendment to this section by 2013 Acts, ch 29, §6, see Code editor's note on simple harmonization

**16.192 Board duties and powers.** Repealed by 2013 Acts, ch 142, § 27.

**16.193 Iowa finance authority duties — appropriation.**
1. The authority shall adopt administrative rules pursuant to chapter 17A necessary to administer the Iowa jobs program and Iowa jobs II program. The authority shall be responsible for providing technical assistance and application assistance to applicants under the programs, negotiating contracts, and providing project follow up.
2. For the period beginning July 1, 2009, and ending June 30, 2011, two hundred thousand dollars of the moneys deposited in the rebuild Iowa infrastructure fund shall be allocated each fiscal year to the Iowa finance authority for purposes of administering the Iowa jobs program and Iowa jobs II program, notwithstanding section 8.57, subsection 5, paragraph "*c*".
3. *a.* During the term of the Iowa jobs program and Iowa jobs II program, the Iowa finance authority shall collect data on all of the projects approved for the programs. The department of management and the state agencies associated with the projects shall assist the authority with the data collection and in developing the report required by this subsection. The authority shall report quarterly to the governor and the general assembly concerning the data.
*b.* The report shall include but is not limited to all of the following:
(1) The nature of each project and its purpose.
(2) The status of each project and the amount and percentage of program funds expended for the project.
(3) The outside funding that is matched or leveraged by the program funds.
(4) The number of jobs created or retained by each project.
(5) For each project, the names of the project contractors, state of residence of the project contractors, and the state of residence of the contractors' employees.
*c.* The authority shall maintain an internet site that allows citizens to track project data on a county-by-county basis.
2009 Acts, ch 173, §7, 36; 2010 Acts, ch 1184, §86, 87, 96; 2011 Acts, ch 34, §10, 11; 2011 Acts, ch 131, §52, 158; 2011 Acts, ch 133, §28, 50; 2012 Acts, ch 1021, §134; 2013 Acts, ch 142, §13
Referred to in §16.197
Subsection 3 applies to projects approved on, before, and after April 26, 2010; 2010 Acts, ch 1184, §96
Subsection 1 amended

**16.194 Iowa jobs program.**
1. An Iowa jobs program is created to assist in the development and completion of public construction projects relating to disaster relief and mitigation and to local infrastructure. "*Local infrastructure*" includes projects relating to disaster rebuilding, reconstruction and replacement of local public buildings, flood control and flood protection, and future flood prevention.
2. A city or county or a public organization in this state may submit an application to the authority for financial assistance for a local infrastructure competitive grant for an eligible project under the program, notwithstanding any limitation on the state's percentage in funding as contained in section 29C.6, subsection 17.

3. Financial assistance under the program shall be awarded in the form of grants.

4. The authority shall consider the following criteria in evaluating eligible projects to receive financial assistance under the program:

*a.* The total number and quality of jobs to be created and the benefits likely to accrue to areas distressed by high unemployment.

*b.* Financial feasibility, including the ability of projects to fund depreciation costs or replacement reserves, and the availability of other federal, state, local, and private sources of funds.

*c.* Sustainability and energy efficiency.

*d.* Benefits for disaster recovery.

*e.* The project's readiness to proceed.

5. An applicant must demonstrate local support for the project as defined by rule.

6. Any award of financial assistance to a project shall be limited as follows:

*a.* Up to seventy-five percent of the total cost of a project for replacing or rebuilding existing disaster-related damaged property.

*b.* Up to fifty percent of the total cost for all other projects.

7. In order for a project to be eligible to receive financial assistance from the authority, the project must be a public construction project pursuant to subsection 1 with a demonstrated substantial local, regional, or statewide economic impact.

8. The authority shall not approve an application for assistance for any of the following purposes:

*a.* To refinance a loan existing prior to the date of the initial financial assistance application.

*b.* For a project that has previously received financial assistance under the program, unless the applicant demonstrates that the financial assistance would be used for a significant expansion of a project.

9. *a.* The total amount of allocations for future flood prevention, reconstruction and replacement of local public buildings, disaster rebuilding, flood control and flood protection projects shall not exceed one hundred sixty-five million dollars for the fiscal year beginning July 1, 2009.

*b.* Any portion of an amount allocated for projects that remains unexpended or unencumbered one year after the allocation has been made may be reallocated to another project category, at the discretion of the authority. The authority shall ensure that all bond proceeds be expended within three years from when the allocation was initially made.

10. The authority shall ensure that funds obligated under this section are coordinated with other federal program funds received by the state, and that projects receiving funds are located in geographically diverse areas of the state.

11. For purposes of this section, "*public organization*" means a nonprofit organization that sponsors or supports the public needs of the local community.

2009 Acts, ch 173, §8, 36; 2013 Acts, ch 142, §14 – 19

Referred to in §12.87, 16.195, 16.197
Subsection 2 amended
Subsection 4, unnumbered paragraph 1 amended
Subsection 7 amended
Subsection 8, unnumbered paragraph 1 amended
Subsection 9, paragraph b amended
Subsection 10 amended

**16.194A Iowa jobs II program — disaster prevention.**

1. An Iowa jobs II program is created to assist in the development and completion of public construction projects relating to disaster prevention including but not limited to the construction of, or the replacement or reconstruction of, local public buildings in a manner that mitigates damages from future disasters, including flooding.

2. A city or county in this state that applies the smart planning principles and guidelines pursuant to sections 18B.1 and 18B.2 may submit an application to the authority for financial assistance for a local infrastructure competitive grant for an eligible project under the program, notwithstanding any limitation on the state's percentage in funding as contained in section 29C.6, subsection 17.

3. Financial assistance under the program shall be awarded in the form of grants.

4. The authority shall consider the following criteria in evaluating eligible projects to receive financial assistance under the program:

*a.* The total number and quality of jobs to be created and the benefits likely to accrue to areas distressed by high unemployment.

*b.* Financial feasibility, including the ability of projects to fund depreciation costs or replacement reserves, and the availability of other federal, state, local, and private sources of funds.

*c.* Sustainability and energy efficiency.

*d.* Benefits for disaster prevention.

*e.* The project's readiness to proceed.

5. An applicant must demonstrate local support for the project as defined by rule.

6. Any award of financial assistance to a project shall be limited to up to ninety percent of the total cost of the development and completion of a public construction project relating to disaster prevention consistent with the purposes of the program as specified in subsection 1.

7. In order for a project to be eligible to receive financial assistance from the authority, the project must be a public construction project pursuant to subsection 1 with a demonstrated substantial local, regional, or statewide economic impact.

8. The authority shall not approve an application for assistance for any of the following purposes:

*a.* To refinance a loan existing prior to the date of the initial financial assistance application.

*b.* For a project that has previously received financial assistance under the program, unless the applicant demonstrates that the financial assistance would be used for a significant expansion of a project.

9. Any portion of an amount allocated for projects that remains unexpended or unencumbered one year after the allocation has been made may be reallocated to another project category, at the discretion of the authority. The authority shall ensure that all bond proceeds be expended within three years from when the allocation was initially made.

10. The authority shall ensure that funds obligated under this section are coordinated with other federal program funds received by the state, and that projects receiving funds are located in geographically diverse areas of the state.

11. An applicant or combination of applicants for a project within the same county shall not be awarded more than forty percent of the funds available under this program.

2010 Acts, ch 1184, §88; 2013 Acts, ch 142, §20 – 22
Referred to in §12.87, 16.195, 16.197
Subsection 2 amended
Subsection 4, unnumbered paragraph 1 amended
Subsection 7 amended
Subsection 8, unnumbered paragraph 1 amended
Subsections 9 and 10 amended

**16.195 Iowa jobs and Iowa jobs II program application review.**

1. Applications for assistance under the Iowa jobs program and Iowa jobs II program shall be submitted to the authority for review and approval.

2. When reviewing the applications, the authority shall consider the project criteria specified in sections 16.194 and 16.194A. The authority shall develop the appropriate level of transparency regarding project fund allocations.

3. Upon approval of an application for financial assistance under the programs, the authority shall notify the treasurer of state regarding the amount of moneys needed to satisfy the award of financial assistance and the terms of the award. The treasurer of state shall notify the authority any time moneys are disbursed to a recipient of financial assistance under the programs.

2009 Acts, ch 173, §9, 36; 2010 Acts, ch 1184, §89; 2011 Acts, ch 34, §12; 2013 Acts, ch 90, §14; 2013 Acts, ch 142, §23
Referred to in §16.196, 16.197
See Code editor's note on simple harmonization
Section amended

**16.196 Iowa jobs program projects — appropriations.**

1. There is appropriated from the revenue bonds capitals fund created in section 12.88, to the authority, for the fiscal year beginning July 1, 2009, and ending June 30, 2010, one hundred sixty-five million dollars to be allocated as follows:

*a.* One hundred eighteen million five hundred thousand dollars for competitive grants for local infrastructure projects relating to disaster rebuilding, reconstruction and replacement of local buildings, flood control and flood protection, and future flood prevention public projects. An applicant for a local infrastructure grant shall not receive more than fifty million dollars in financial assistance from the fund.

*b.* Forty-six million five hundred thousand dollars for disaster relief and mitigation and local infrastructure grants for the following renovation and construction projects, notwithstanding any limitation on the state's percentage participation in funding as contained in section 29C.6, subsection 17:

(1) For grants to a county with a population between one hundred eighty-nine thousand and one hundred ninety-six thousand in the latest preceding certified federal census, to be distributed as follows:

(a) Ten million dollars for the construction of a new, shared facility between nonprofit human service organizations serving the public, especially the needs of low-income Iowans, including those displaced as a result of the disaster of 2008.

(b) Five million dollars for the construction or renovation of a facility for a county-funded workshop program serving the public and particularly persons with mental illness or developmental disabilities.

(2) For grants to a city with a population between one hundred ten thousand and one hundred twenty thousand in the latest preceding certified federal census, to be distributed as follows:

(a) Five million dollars for an economic redevelopment project benefiting the public by improving energy efficiency and the development of alternative and renewable energy technologies.

(b) Ten million dollars for a museum serving the public and dedicated to the preservation of an eastern European cultural heritage through the collection, exhibition, preservation, and interpretation of historical artifacts.

(c) Five million dollars for a theater serving the public and promoting culture, entertainment, and tourism.

(d) Five million dollars for a public library.

(e) Five million dollars for a public works building.

(3) One million five hundred thousand dollars, to be distributed as follows:

(a) Five hundred thousand dollars to a city with a population between six hundred and six hundred fifty in the latest preceding certified federal census, for a public fire station.

(b) Five hundred thousand dollars to a city with a population between one thousand four hundred and one thousand five hundred in the latest preceding certified federal census, for a public fire station.

(c) Five hundred thousand dollars for a city with a population between seven thousand eight hundred and seven thousand eight hundred fifty, for a public fire station.

2. Grant awards for a project under subsection 1, paragraph "*b*", are contingent upon submission of a plan for each project by the applicable county or city governing board or in the case of a project submitted pursuant to subsection 1, paragraph "*b*", subparagraph (2), subparagraph division (b), by the board of directors, to the authority, no later than September 1, 2009, detailing a description of the project, the plan to rebuild, and the amount or percentage of federal, state, local, or private matching moneys which will be or have been provided for the project. Funds not utilized in accordance with subsection 1, shall revert to the revenue bonds capitals fund. A grant recipient under subsection 1, paragraph "*b*", shall not be precluded from applying for a local infrastructure competitive grant pursuant to this section and section 16.195.

3. Annually, on or before January 15 of each year, the authority shall report to the legislative services agency and the department of management the status of all projects receiving moneys from the fund completed or in progress. The report shall include a

description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

4. Payment of moneys appropriated from the fund shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the treasurer of state.

2009 Acts, ch 173, §10, 36; 2013 Acts, ch 142, §24
Referred to in §16.197
Section amended

**16.197 Limitation of liability.**

The authority or the treasurer of state shall not be subject to personal liability resulting from carrying out the powers and duties of the authority or the treasurer, as applicable, in sections 16.193 through 16.196.

2009 Acts, ch 173, §11, 36; 2013 Acts, ch 142, §25
Section amended

**16.198 through 16.200** Reserved.

JUMPSTART HOUSING ASSISTANCE

**16.201 Jumpstart housing assistance program.**

1. The Iowa finance authority shall establish and administer a jumpstart housing assistance program. Under the program, the authority shall provide grants to local government participants for purposes of distributing the moneys to eligible residents for eligible purposes which relate to disaster-affected homes.

2. An eligible resident is a person residing in a disaster-affected home who is the owner of record of a right, title, or interest in the disaster-affected home and who has been approved by the federal emergency management agency for housing assistance. An eligible resident must have a family income equal to or less than one hundred fifty percent of the area median family income.

3. Eligible purposes include forgivable loans for down payment assistance, emergency housing repair or rehabilitation, and interim mortgage assistance. An eligible resident who receives a forgivable loan may also receive energy efficiency assistance which shall be added to the principal of the forgivable loan.

4. A local government participant may retain a portion of the grant moneys for administrative purposes as provided in a grant agreement between the authority and the local government participant.

5. Any money paid to a local government participant by an eligible resident shall be remitted to the authority for deposit in the housing assistance fund created in section 16.40.

6. As determined by the authority, unused or unobligated moneys may be reclaimed and reallocated by the authority to other local government participants.

7. As used in this section, unless the context otherwise requires:

*a.* *"Disaster-affected home"* means a primary residence that was destroyed or damaged due to a natural disaster occurring after May 24, 2008, and before August 14, 2008.

*b.* *"Local government participant"* means the cities of Ames, Cedar Falls, Cedar Rapids, Council Bluffs, Davenport, Des Moines, Dubuque, Iowa City, Waterloo, and West Des Moines; a council of governments whose territory includes at least one county that was declared a disaster area by the president of the United States after May 24, 2008, and before August 14, 2008; and any county that is not part of any council of governments and was declared a

disaster area by the president of the United States after May 24, 2008, and before August 14, 2008.

2009 Acts, ch 170, §4, 11

Referred to in §15F.204

Section takes effect March 16, 2009, and applies retroactively to July 1, 2008, for the fiscal year beginning on that day; 2009 Acts, ch 170, §11

**16.202 through 16.210** Reserved.

DISASTER RECOVERY HOUSING
PROJECT TAX CREDIT

**16.211 Disaster recovery housing project tax credit.**

1. *a.* A tax credit shall be allowed against the taxes imposed in chapter 422, divisions II and III, for a portion of a taxpayer's qualifying investment, as provided in subsection 3, in a qualifying disaster recovery housing project. To qualify as a disaster recovery housing project, a property, and the activities affecting the property, shall meet all of the following conditions:

(1) The property is owned by a taxpayer who is an individual, business, or corporation subject to taxation under chapter 422, division II or III.

(2) A qualifying investment, as defined in subsection 3, is made by the taxpayer.

(3) The project involves the construction or rehabilitation of housing on the property.

(4) The property is located in an area that the governor proclaimed a disaster emergency or the president of the United States declared a major disaster during the period of time beginning May 1, 2008, and ending August 31, 2008.

(5) An application for low-income housing tax credits pursuant to section 42 of the Internal Revenue Code has been submitted to the Iowa finance authority on behalf of the project and has been determined by the authority to meet the threshold requirements for an award of credits as set forth in the applicable qualified allocation plan.

(6) The project meets the requirements relating to the density of residential housing in the area as established by the authority.

(7) The project meets the requirements relating to the availability of and the accessibility to educational services as established by the authority. For the purposes of this section, "*educational services*" includes but is not limited to public schools, job training, and financial literacy services.

(8) The project is designed to avoid, prevent, or mitigate the effects of a future natural disaster.

*b.* An individual may claim a tax credit under this subsection of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

2. *a.* To claim a disaster recovery housing project tax credit under this section, a taxpayer must attach one or more tax credit certificates to the taxpayer's tax return. The tax credit certificate or certificates attached to the taxpayer's tax return shall be issued in the taxpayer's name, expire on or after the last day of the taxable year for which the taxpayer is claiming the tax credit, and show a tax credit amount equal to or greater than the tax credit claimed on the taxpayer's tax return.

*b.* After verifying the eligibility of a taxpayer for a tax credit pursuant to this section, the authority shall issue a disaster recovery housing project tax credit certificate to be attached to the taxpayer's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number; the amount of the credit; and any other information required by the department of revenue.

*c.* The tax credit certificate, unless otherwise void, shall be accepted by the department of revenue as payment for taxes imposed pursuant to chapter 422, division II or III, subject to

any conditions or restrictions placed by the authority upon the face of the tax credit certificate and subject to the limitations of this section.

*d.* Tax credit certificates issued under this section are not transferable to any person or entity.

3. *a.* The tax credit equals seventy-five percent of the taxpayer's qualifying investment in a disaster recovery housing project. For the purposes of this section, *"qualifying investment"* means the costs incurred by the taxpayer that are directly related to a disaster recovery housing project, as defined in subsection 1, and which are incurred on or after May 12, 2009, and prior to July 1, 2010.

*b.* The amount of the tax credit calculated under paragraph *"a"* shall be divided by five and applied equally to the taxpayer's tax liability for five consecutive tax years commencing with the tax year beginning in the 2011 calendar year. Any tax credit in excess of the taxpayer's liability for the tax year is not refundable.

4. For purposes of individual and corporate income taxes, the increase in the basis of the property that would otherwise result from the disaster recovery housing investment shall be reduced by the amount of the tax credit allowed under this section.

5. The maximum amount of tax credits issued by the authority under this section shall not exceed three million dollars in each of the five tax years. The authority shall issue the tax credit certificates on a first-come, first-served basis.

2009 Acts, ch 100, §31, 35; 2010 Acts, ch 1061, §84, 182

Referred to in §2.48, 16.212, 422.11X, 422.33

Section takes effect May 12, 2009, and applies to disaster recovery housing project costs incurred on or after May 12, 2009, and before July 1, 2010; 2009 Acts, ch 100, §35; 2010 Acts, ch 1061, §84, 182

**16.212 Approval — requirements — repayment.**

1. A taxpayer seeking to claim a tax credit pursuant to section 16.211 shall apply to the authority which shall have the power to approve the amount of tax credit available for each disaster recovery housing project.

2. A taxpayer applying for a tax credit shall provide the authority with all of the following:

*a.* Information showing the total qualified investment made in the disaster recovery housing project.

*b.* Information about the financing sources that are directly related to the disaster recovery housing project for which the taxpayer is seeking approval for the tax credit.

3. If a taxpayer receives a tax credit pursuant to section 16.211, but fails to comply with any of the requirements in this section or section 16.211, or fails to comply with local zoning or construction ordinances, the tax credit is void, and the department of revenue shall seek recovery of the value of the credit received.

2009 Acts, ch 100, §32, 35; 2010 Acts, ch 1061, §84, 182

Referred to in §2.48

Section takes effect May 12, 2009, and applies to disaster recovery housing project costs incurred on or after May 12, 2009, and before July 1, 2010; 2009 Acts, ch 100, §35; 2010 Acts, ch 1061, §84, 182

## AGRICULTURAL DEVELOPMENT DIVISION

**16.221 Agricultural development division — administration of programs.**

1. An agricultural development division is created within the authority. The agricultural development division shall administer chapter 175, by providing assistance to beginning farmers, agricultural producers, displaced farmers, or other persons qualifying for such assistance under chapter 175.

2. The agricultural development division shall be administered in accordance with the policies of the agricultural development board created in section 175.3. The executive director of the authority may organize the agricultural development division and employ necessary qualified personnel to administer this chapter and chapter 175.

3. The agricultural development division shall, to every extent practical, assist such persons to do all of the following:

*a.* Acquire agricultural land, agricultural improvements, or depreciable agricultural property, including as provided in section 175.12 or 175.33.

*b.* Implement the installation of permanent soil and water conservation practices and the acquisition of conservation farm equipment for agricultural land, including as provided in section 175.34.

*c.* Obtain affordable operating capital, including as provided by section 175.35.*

*d.* Begin or expand beef cattle operations, including as provided in section 175.36.

*e.* Obtain agricultural assets transfer tax credits, including by issuing tax credit certificates pursuant to section 175.37.

*f.* Develop programs to assist qualified agricultural producers within the state with financing other capital requirements or operating expenses.

4. A program established in chapter 175 may be combined with any other program established in this chapter, or a federal program, in order to facilitate, as far as practical, the types of assistance described in this section.

5. The net earnings of the agricultural development division, beyond that necessary for retirement of its notes, bonds, or other obligations or to implement the public purposes and programs authorized in this chapter or chapter 175, shall not inure to the benefit of any person other than the state.

6. *a.* At least two of the authority's full-time equivalent positions, as defined in section 8.36A, shall be entirely dedicated to administering programs established pursuant to chapter 175. One of those full-time equivalent positions shall be dedicated to overseeing the administration of those programs, and to the extent that the programs are affected, the full-time equivalent position shall be provided the powers and duties necessary to do all of the following:

(1) Participate in making managerial decisions.

(2) Provide for outreach and promotion.

(3) Improve delivery of services.

*b.* This subsection is repealed on July 1, 2015.

2013 Acts, ch 100, §6, 17

Referred to in §175.3

*Section 175.35 is repealed, retroactively to January 1, 2013, for tax years beginning on or after that date, by 2013 Acts, ch 125, §22 – 24; corrective legislation is pending

NEW section

# CHAPTER 16A

## ECONOMIC PROTECTIVE AND INVESTMENT AUTHORITY

Repealed by 2008 Acts, ch 1156, §53

# SUBTITLE 6

## ADMINISTRATIVE PROCEDURE

## CHAPTER 17

RESERVED

# CHAPTER 17A

## IOWA ADMINISTRATIVE PROCEDURE ACT

Referred to in §2C.9, 6B.2A, 7.17, 8.41, 8.41A, 8A.104, 8A.326, 8A.413, 8A.415, 8A.455, 8A.504, 8A.514, 8B.4, 8B.24, 8D.3, 8D.11, 8G.3, 9.4, 9A.107, 9D.2, 9I.9, 10A.104, 10A.601, 10A.801, 10B.4, 10B.7, 11.6, 12.34, 12.43, 12.62, 12B.10, 12B.10C, 12C.6, 12C.9, 12C.16, 12C.22, 12C.28, 12C.29, 12D.2, 12E.8, 13.15, 13B.4, 15.106A, 15.108, 15.118, 15.252, 15.293A, 15.295, 15.301, 15.329, 15.411, 15E.18, 15E.43, 15E.63, 15E.195, 15E.211, 15E.305, 15F.104, 16.1, 16.5, 16.40, 16.73, 16.91, 16.92, 16.93, 16.100A, 16.106, 16.133, 16.134, 16.181, 16.182, 16.183, 16.184, 16.185, 16.188, 16.193, 19B.3, 19B.7, 20.6, 20.11, 20.13, 21.5, 22.5, 22.11, 22.12, 23A.2, 23A.4, 25B.6, 29A.27, 29C.8, 29C.9, 29C.19, 29C.20B, 30.5, 34A.7A, 34A.22, 35A.5, 35A.17, 35C.4, 35C.5, 35C.6, 35D.3, 35D.12, 35D.15, 36.8, 37A.1, 39A.6, 43.31, 47.1, 47.8, 48A.25A, 49.21, 49.57A, 49.81, 49.98, 49.124, 68A.102, 68A.304, 68A.404, 68A.503, 68A.506, 68A.603, 68B.2, 68B.2A, 68B.2B, 68B.32A, 68B.32B, 68B.32C, 68B.33, 68B.35, 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**17A.1 Citation and statement of purpose.**

1. This chapter may be cited as the *"Iowa Administrative Procedure Act"*.

2. This chapter is intended to provide a minimum procedural code for the operation of all state agencies when they take action affecting the rights and duties of the public. Nothing in this chapter is meant to discourage agencies from adopting procedures providing greater protections to the public or conferring additional rights upon the public; and save for express provisions of this chapter to the contrary, nothing in this chapter is meant to abrogate in whole or in part any statute prescribing procedural duties for an agency which are greater than or in addition to those provided here. This chapter is meant to apply to all rulemaking and contested case proceedings and all suits for the judicial review of agency action that are not specifically excluded from this chapter or some portion thereof by its express terms or by the express terms of another chapter.

3. The purposes of this chapter are: To provide legislative oversight of powers and duties delegated to administrative agencies; to increase public accountability of administrative agencies; to simplify government by assuring a uniform minimum procedure to which all agencies will be held in the conduct of their most important functions; to increase public access to governmental information; to increase public participation in the formulation of administrative rules; to increase the fairness of agencies in their conduct of contested case proceedings; and to simplify the process of judicial review of agency action as well as increase its ease and availability.

4. In accomplishing its objectives, the intention of this chapter is to strike a fair balance between these purposes and the need for efficient, economical and effective government administration. The chapter is not meant to alter the substantive rights of any person or agency. Its impact is limited to procedural rights with the expectation that better substantive results will be achieved in the everyday conduct of state government by improving the process by which those results are attained.

[C75, 77, 79, 81, §17A.1]
2005 Acts, ch 3, §15; 2008 Acts, ch 1032, §135

**17A.2 Definitions.**

As used in this chapter:

1. *"Agency"* means each board, commission, department, officer or other administrative office or unit of the state. *"Agency"* does not mean the general assembly, the judicial branch or any of its components, the office of consumer advocate, the governor, or a political subdivision of the state or its offices and units. Unless provided otherwise by statute, no less than two-thirds of the members eligible to vote of a multimember agency constitute a quorum authorized to act in the name of the agency.

2. *"Agency action"* includes the whole or a part of an agency rule or other statement of law or policy, order, decision, license, proceeding, investigation, sanction, relief, or the equivalent

or a denial thereof, or a failure to act, or any other exercise of agency discretion or failure to do so, or the performance of any agency duty or the failure to do so.

3. *"Agency member"* means an individual who is the statutory or constitutional head of an agency, or an individual who is one of several individuals who constitute the statutory or constitutional head of an agency.

4. *"ARC number"* means the identification number assigned by the governor's administrative rules coordinator to each rulemaking document.

5. *"Contested case"* means a proceeding including but not restricted to ratemaking, price fixing, and licensing in which the legal rights, duties or privileges of a party are required by Constitution or statute to be determined by an agency after an opportunity for an evidentiary hearing.

6. *"License"* includes the whole or a part of any agency permit, certificate, approval, registration, charter, or similar form of permission required by statute.

7. *"Licensing"* includes the agency process respecting the grant, denial, renewal, revocation, suspension, annulment, withdrawal, or amendment of a license.

8. *"Party"* means each person or agency named or admitted as a party or properly seeking and entitled as of right to be admitted as a party.

9. *"Person"* means any individual, partnership, corporation, association, governmental subdivision, or public or private organization of any character other than an agency.

10. *"Provision of law"* means the whole or part of the Constitution of the United States of America or the Constitution of the State of Iowa, or of any federal or state statute, court rule, executive order of the governor, or agency rule.

11. *"Rule"* means each agency statement of general applicability that implements, interprets, or prescribes law or policy, or that describes the organization, procedure, or practice requirements of any agency. Notwithstanding any other statute, the term includes an executive order or directive of the governor which creates an agency or establishes a program or which transfers a program between agencies established by statute or rule. The term includes the amendment or repeal of an existing rule, but does not include:

*a.* A statement concerning only the internal management of an agency and which does not substantially affect the legal rights of, or procedures available to, the public or any segment thereof.

*b.* A declaratory order issued pursuant to section 17A.9, or an interpretation issued by an agency with respect to a specific set of facts and intended to apply only to that specific set of facts.

*c.* An intergovernmental, interagency, or intra-agency memorandum, directive, manual, or other communication which does not substantially affect the legal rights of, or procedures available to, the public or any segment thereof.

*d.* A determination, decision, or order in a contested case.

*e.* An opinion of the attorney general.

*f.* Those portions of staff manuals, instructions, or other statements issued by an agency which set forth criteria or guidelines to be used by its staff in auditing, in making inspections, in settling commercial disputes or negotiating commercial arrangements, or in the selection or handling of cases, such as operational tactics or allowable tolerances or criteria for the defense, prosecution, or settlement of cases, when the disclosure of such statements would:

(1) enable law violators to avoid detection; or

(2) facilitate disregard of requirements imposed by law; or

(3) give a clearly improper advantage to persons who are in an adverse position to the state.

*g.* A specification of the prices to be charged for goods or services sold by an agency as distinguished from a license fee, application fee, or other fees.

*h.* A statement concerning only the physical servicing, maintenance, or care of publicly owned or operated facilities or property.

*i.* A statement relating to the use of a particular publicly owned or operated facility or property, the substance of which is indicated to the public by means of signs or signals.

*j.* A decision by an agency not to exercise a discretionary power.

*k.* A statement concerning only inmates of a penal institution, students enrolled in an educational institution, or patients admitted to a hospital, when issued by such an agency.

*l.* An advisory opinion of the Iowa ethics and campaign disclosure board.

12. *"Rulemaking"* means the process for adopting, amending, or repealing a rule.

[C54, 58, 62, 66, 71, 73, §17A.1; C75, 77, 79, 81, §17A.2]

83 Acts, ch 127, §2; 83 Acts, ch 186, §10005, 10201; 86 Acts, ch 1245, §2036; 90 Acts, ch 1266, §31; 98 Acts, ch 1047, §11; 98 Acts, ch 1202, §4 – 6, 46; 2010 Acts, ch 1054, §1, 6

Referred to in §17A.3, 22.9, 172D.1, 200.3, 229.23, 262.69, 316.9, 321.253A, 422.21, 441.21, 441.49, 455A.13, 476A.1, 543D.18A, 906.3

**17A.3 Public information — adoption of rules — availability of rules and orders.**

1. In addition to other requirements imposed by Constitution or statute, each agency shall:

*a.* Adopt as a rule a description of the organization of the agency which states the general course and method of its operations, the administrative subdivisions of the agency and the programs implemented by each of them, a statement of the mission of the agency, and the methods by which and location where the public may obtain information or make submissions or requests.

*b.* Adopt rules of practice setting forth the nature and requirements of all formal and informal procedures available to the public, including a description of all forms and instructions that are to be used by the public in dealing with the agency.

*c.* As soon as feasible and to the extent practicable, adopt rules, in addition to those otherwise required by this chapter, embodying appropriate standards, principles, and procedural safeguards that the agency will apply to the law it administers.

*d.* Make available for public inspection all rules, and make available for public inspection and index by subject, all other written statements of law or policy, or interpretations formulated, adopted, or used by the agency in the discharge of its functions. Except as otherwise required by Constitution or statute, or in the use of discovery under the Iowa rules of civil procedure or in criminal cases, an agency shall not be required to make available for public inspection those portions of its staff manuals, instructions, or other statements excluded from the definition of *"rule"* by section 17A.2, subsection 11, paragraph *"f"*.

*e.* Make available for public inspection and index by name and subject all final orders, decisions, and opinions: Provided that to the extent required to prevent a clearly unwarranted invasion of personal privacy or trade secrets, an agency shall delete identifying details when it makes available for public inspection any final order, decision, or opinion; however, in each case the justification for the deletion shall be explained fully in writing.

2. No agency rule or other written statement of law or policy, or interpretation, order, decision, or opinion is valid or effective against any person or party, nor shall it be invoked by the agency for any purpose, until it has been made available for public inspection and indexed as required by subsection 1, paragraphs *"d"* and *"e"*. This provision is not applicable in favor of any person or party who has actual timely knowledge thereof and the burden of proving such knowledge shall be on the agency.

[C75, 77, 79, 81, §17A.3]

86 Acts, ch 1245, §2037; 98 Acts, ch 1202, §7, 46

Referred to in §17A.9A, 22.7, 904.602

**17A.4 Procedure for adoption of rules.**

1. Prior to the adoption, amendment, or repeal of any rule an agency shall:

*a.* Give notice of its intended action by submitting the notice to the administrative rules coordinator and the administrative code editor. The administrative rules coordinator shall assign an ARC number to each rulemaking document. The administrative code editor shall publish each notice meeting the requirements of this chapter in the Iowa administrative bulletin created pursuant to section 2B.5A. The agency shall also submit a copy of the notice to the chairpersons and ranking members of the appropriate standing committees of the general assembly for additional study. Any notice of intended action shall be published at least thirty-five days in advance of the action. The notice shall include a statement of either the terms or substance of the intended action or a description of the subjects and issues

involved, and the time when, the place where, and the manner in which interested persons may present their views.

*b.* Afford all interested persons not less than twenty days to submit data, views, or arguments in writing. If timely requested in writing by twenty-five interested persons, by a governmental subdivision, by the administrative rules review committee, by an agency, or by an association having not less than twenty-five members, the agency must give interested persons an opportunity to make oral presentation. The opportunity for oral presentation must be held at least twenty days after publication of the notice of its time and place in the Iowa administrative bulletin. The agency shall consider fully all written and oral submissions respecting the proposed rule. Within one hundred eighty days following either the notice published according to the provisions of paragraph "*a*" or within one hundred eighty days after the last date of the oral presentations on the proposed rule, whichever is later, the agency shall adopt a rule pursuant to the rulemaking proceeding or shall terminate the proceeding by publishing notice of termination in the Iowa administrative bulletin.

*c.* Mail the number of copies of the proposed rule as requested to the state office of a trade or occupational association which has registered its name and address with the agency. The trade or occupational association shall reimburse the agency for the actual cost incurred in providing the copies of the proposed rule under this paragraph. Failure to provide copies as provided in this paragraph shall not be grounds for the invalidation of a rule, unless that failure was deliberate on the part of that agency or the result of gross negligence.

2. An agency shall include in a preamble to each rule it adopts a brief explanation of the principal reasons for its action and, if applicable, a brief explanation of the principal reasons for its failure to provide in that rule for the waiver of the rule in specified situations if no such waiver provision is included in the rule. This explanatory requirement does not apply when the agency adopts a rule that only defines the meaning of a provision of law if the agency does not possess delegated authority to bind the courts to any extent with its definition. In addition, if requested to do so by an interested person, either prior to adoption or within thirty days thereafter, the agency shall issue a concise statement of the principal reasons for and against the rule adopted, incorporating therein the reasons for overruling considerations urged against the rule. This concise statement shall be issued either at the time of the adoption of the rule or within thirty-five days after the agency receives the request.

3. *a.* When the statute so provides, or with the approval of the administrative rules review committee, if the committee finds good cause that notice and public participation would be unnecessary, impracticable, or contrary to the public interest, the provisions of subsection 1 shall be inapplicable.

*b.* (1) If the administrative rules review committee by a two-thirds vote, the governor, or the attorney general files with the administrative code editor an objection to the adoption of a rule or portion of a rule pursuant to this subsection, the rule or portion of the rule shall cease to be effective one hundred eighty days after the date the objection was filed.

(2) If the administrative rules review committee files with the administrative code editor an objection to the adoption of a rule or portion of a rule pursuant to this subsection, the administrative rules review committee, by a separate two-thirds vote, may suspend the applicability of the rule or portion of the rule until the rule ceases to be effective under this paragraph "*b*". The determination to suspend the applicability of the rule or portion of the rule shall be included in the copy of the objection to be forwarded to the agency.

*c.* If an objection to a rule is filed under this subsection, a copy of the objection, properly dated, shall be forwarded to the agency at the time of filing the objection. In any action contesting a rule or portion of a rule adopted pursuant to this subsection, the burden of proof shall be on the agency to show that the procedures of subsection 1 were impracticable, unnecessary, or contrary to the public interest and that, if a category of rules was involved, the category was very narrowly tailored.

4. Any notice of intended action or rule filed without notice pursuant to subsection 3, which necessitates additional annual expenditures of at least one hundred thousand dollars or combined expenditures of at least five hundred thousand dollars within five years by all affected persons, including the agency itself, shall be accompanied by a fiscal impact statement outlining the expenditures. The agency shall promptly deliver a copy

of the statement to the legislative services agency. To the extent feasible, the legislative services agency shall analyze the statement and provide a summary of that analysis to the administrative rules review committee. If the agency has made a good-faith effort to comply with the requirements of this subsection, the rule shall not be invalidated on the ground that the contents of the statement are insufficient or inaccurate.

5. No rule adopted after July 1, 1975, is valid unless adopted in substantial compliance with the above requirements of this section. However, a rule shall be conclusively presumed to have been made in compliance with all of the above procedural requirements of this section if it has not been invalidated on the grounds of noncompliance in a proceeding commenced within two years after its effective date.

6. *a.* If the administrative rules review committee created by section 17A.8, the governor, or the attorney general finds objection to all or some portion of a proposed or adopted rule because that rule is deemed to be unreasonable, arbitrary, capricious, or otherwise beyond the authority delegated to the agency, the committee, governor, or attorney general may, in writing, notify the agency of the objection. In the case of a rule issued under subsection 3, or a rule made effective under section 17A.5, subsection 2, paragraph "*b*", the committee, governor, or attorney general may notify the agency of such an objection. The committee, governor, or attorney general shall also file a certified copy of such an objection in the office of the administrative code editor and a notice to the effect that an objection has been filed shall be published in the next issue of the Iowa administrative bulletin and in the Iowa administrative code when that rule is printed in it. The burden of proof shall then be on the agency in any proceeding for judicial review or for enforcement of the rule heard subsequent to the filing to establish that the rule or portion of the rule timely objected to according to the above procedure is not unreasonable, arbitrary, capricious, or otherwise beyond the authority delegated to it.

*b.* If the agency fails to meet the burden of proof prescribed for a rule objected to according to the provisions of paragraph "*a*", the court shall declare the rule or portion of the rule objected to invalid and judgment shall be rendered against the agency for court costs. Such court costs shall include a reasonable attorney fee and shall be payable by the director of the department of administrative services from the support appropriations of the agency which issued the rule in question.

7. *a.* Upon the vote of two-thirds of its members the administrative rules review committee may delay the effective date of a rule or portion of a rule seventy days beyond that permitted in section 17A.5, unless the rule was promulgated under section 17A.5, subsection 2, paragraph "*b*". If the rule was promulgated under section 17A.5, subsection 2, paragraph "*b*", the administrative rules review committee, within thirty-five days of the effective date of the rule and upon the vote of two-thirds of its members, may suspend the applicability of the rule or portion of the rule for seventy days.

*b.* Notice of an effective date that was delayed under this provision shall be published in the Iowa administrative code and bulletin.

8. The governor may rescind an adopted rule by executive order within seventy days of the rule becoming effective. The governor shall provide a copy of the executive order to the administrative code editor who shall include it in the next publication of the Iowa administrative bulletin.

9. Upon the vote of two-thirds of its members, the administrative rules review committee, following notice of intended action as provided in subsection 1 and prior to adoption of a rule pursuant to that notice, may suspend further action relating to that notice for seventy days. Notice of a notice of intended action that was suspended under this provision shall be published in the Iowa administrative code and bulletin.

[C66, 71, §17A.6, 17A.7; C73, §17A.6, 17A.7, 17A.17; C75, 77, 79, 81, §17A.4]

83 Acts, ch 142, §9; 86 Acts, ch 1245, §2038; 90 Acts, ch 1266, §32; 91 Acts, ch 258, §17, 18; 98 Acts, ch 1202, §8, 9, 46; 2003 Acts, ch 35, §27, 49; 2003 Acts, ch 145, §286; 2006 Acts, ch 1011, §2; 2008 Acts, ch 1031, §80; 2010 Acts, ch 1031, §52, 58; 2013 Acts, ch 114, §1 – 3

Referred to in §2B.5A, 2B.17, 15.301, 17A.4A, 17A.7, 17A.8, 35A.13, 68B.2, 100B.22, 135C.2, 163.30, 249A.3, 249A.20A, 249A.21, 267.6, 422.11N, 455B.105, 459.301, 479.29, 479B.20, 502.321B, 514B.4A, 519A.4

Rules mandating expenditures by political subdivisions; limitations; fiscal impact statements; §25B.6

Subsection 7, see also §17A.8(9)

Subsections 3 and 7 amended
NEW subsection 9

**17A.4A Regulatory analysis.**

1. An agency shall issue a regulatory analysis of a proposed rule that complies with subsection 2, paragraph *"a"*, if, within thirty-two days after the published notice of proposed rule adoption, a written request for the analysis is submitted to the agency by the administrative rules review committee or the administrative rules coordinator. An agency shall issue a regulatory analysis of a proposed rule that complies with subsection 2, paragraph *"b"*, if the rule would have a substantial impact on small business and if, within thirty-two days after the published notice of proposed rule adoption, a written request for analysis is submitted to the agency by the administrative rules review committee, the administrative rules coordinator, at least twenty-five persons signing that request who each qualify as a small business or by an organization representing at least twenty-five such persons. If a rule has been adopted without prior notice and an opportunity for public participation in reliance upon section 17A.4, subsection 3, the written request for an analysis that complies with subsection 2, paragraph *"a"* or *"b"*, may be made within seventy days of publication of the rule.

2. *a.* Except to the extent that a written request for a regulatory analysis expressly waives one or more of the following, the regulatory analysis must contain all of the following:

(1) A description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

(2) A description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons, including a description of the nature and amount of all of the different kinds of costs that would be incurred in complying with the proposed rule.

(3) The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

(4) A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

(5) A determination of whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rule.

(6) A description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule.

*b.* In the case of a rule that would have a substantial impact on small business, the regulatory analysis must contain a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rule on small business:

(1) Establish less stringent compliance or reporting requirements in the rule for small business.

(2) Establish less stringent schedules or deadlines in the rule for compliance or reporting requirements for small business.

(3) Consolidate or simplify the rule's compliance or reporting requirements for small business.

(4) Establish performance standards to replace design or operational standards in the rule for small business.

(5) Exempt small business from any or all requirements of the rule.

*c.* The agency shall reduce the impact of a proposed rule that would have a substantial impact on small business by using a method discussed in paragraph *"b"* if the agency finds that the method is legal and feasible in meeting the statutory objectives which are the basis of the proposed rule.

3. Each regulatory analysis must include quantifications of the data to the extent practicable and must take account of both short-term and long-term consequences.

4. Upon receipt by an agency of a timely request for a regulatory analysis, the agency shall extend the period specified in this chapter for each of the following until at least twenty

days after publication in the administrative bulletin of a concise summary of the regulatory analysis:

*a.* The end of the period during which persons may make written submissions on the proposed rule.

*b.* The end of the period during which an oral proceeding may be requested.

*c.* The date of any required oral proceeding on the proposed rule.

5. In the case of a rule adopted without prior notice and an opportunity for public participation in reliance upon section 17A.4, subsection 3, the summary must be published within seventy days of the request.

6. The published summary of the regulatory analysis must also indicate where persons may obtain copies of the full text of the regulatory analysis and where, when, and how persons may present their views on the proposed rule and demand an oral proceeding thereon if one is not already provided. Agencies shall make available to the public, to the maximum extent feasible, the published summary and the full text of the regulatory analysis described in this subsection in an electronic format, including, but not limited to, access to the documents through the internet.

7. If the agency has made a good-faith effort to comply with the requirements of subsections 1 through 3, the rule may not be invalidated on the ground that the contents of the regulatory analysis are insufficient or inaccurate.

8. *a.* For the purpose of this section, *"small business"* means any entity including but not limited to an individual, partnership, corporation, joint venture, association, or cooperative, to which all of the following apply:

(1) It is not an affiliate or subsidiary of an entity dominant in its field of operation.

(2) It has either twenty or fewer full-time equivalent positions or less than one million dollars in annual gross revenues in the preceding fiscal year.

*b.* For purposes of this definition, *"dominant in its field of operation"* means having more than twenty full-time equivalent positions and more than one million dollars in annual gross revenues, and *"affiliate or subsidiary of an entity dominant in its field of operation"* means an entity which is at least twenty percent owned by an entity dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of an entity dominant in that field of operation.

98 Acts, ch 1202, §10, 46; 2008 Acts, ch 1031, §81

Referred to in §17A.33

Section not amended; editorial change applied

**17A.5 Filing and taking effect of rules.**

1. Each agency shall file each rule adopted by the agency with the office of the administrative rules coordinator and provide an exact copy to the administrative code editor. The administrative rules coordinator shall assign an ARC number to each rulemaking document. The administrative rules coordinator shall keep a permanent register of the rules open to public inspection. The administrative code editor shall publish each rule adopted in accordance with this chapter in the Iowa administrative code.

2. A rule adopted after July 1, 1975, is effective thirty-five days after filing, as required in this section, and indexing and publication in the Iowa administrative bulletin except that:

*a.* If a later date is required by statute or specified in the rule, the later date is the effective date.

*b.* Subject to applicable constitutional or statutory provisions, a rule becomes effective immediately upon filing with the administrative rules coordinator, or at a subsequent stated date prior to indexing and publication, or at a stated date less than thirty-five days after filing, indexing and publication, if the agency finds:

(1) That a statute so provides;

(2) That the rule confers a benefit or removes a restriction on the public or some segment thereof; or

(3) That this effective date is necessary because of imminent peril to the public health, safety or welfare. In any subsequent action contesting the effective date of a rule promulgated under this paragraph, the burden of proof shall be on the agency to justify its finding. The

agency's finding and a brief statement of the reasons therefor shall be filed with and made a part of the rule. Prior to indexing and publication, the agency shall make reasonable efforts to make known to the persons who may be affected by it a rule made effective under the terms of this paragraph.

[C54, 58, 62, §17A.3, 17A.4; C66, 71, 73, §17A.8; C75, 77, 79, 81, §17A.5]

89 Acts, ch 83, §10; 90 Acts, ch 1266, §33; 91 Acts, ch 258, §19; 2006 Acts, ch 1011, §3

Referred to in §2B.5A, 15.301, 17A.4, 17A.8, 35A.13, 100B.22, 135C.2, 161A.4, 249A.3, 249A.20A, 249A.21, 267.6, 519A.4

**17A.6 Publications — copy of standards adopted by reference.**

1. The administrative code editor shall publish the Iowa administrative bulletin and the Iowa administrative code as provided in section 2B.5A.

2. An agency which adopts standards by reference to another publication shall deliver an electronic copy of the publication, or the relevant part of the publication, containing the standards to the administrative code editor who shall publish it on the general assembly's internet site. If an electronic copy of the publication is not available, the agency shall deliver a printed copy of the publication to the administrative code editor who shall deposit the copy in the state law library where it shall be made available for inspection and reference.

[C54, 58, 62, 66, §14.3, 17A.9; C71, 73, §14.6(5); C75, 77, 79, 81, §17A.6]

88 Acts, ch 1158, §2; 89 Acts, ch 296, §4; 90 Acts, ch 1266, §34; 91 Acts, ch 42, §2, 3; 91 Acts, ch 258, §20; 95 Acts, ch 14, §1; 96 Acts, ch 1099, §9, 10; 2003 Acts, ch 35, §28, 29, 49; 2003 Acts, ch 145, §141; 2006 Acts, ch 1011, §4; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1031, §53

Referred to in §2B.5A, 89.5, 89A.3, 546.10

See §256.53

**17A.6A Rulemaking internet site.**

1. Subject to the direction of the administrative rules coordinator, each agency shall make available to the public a uniform, searchable, and user-friendly rules database, published on an internet site.

2. An agency's rulemaking internet site shall also make available to the public all of the following:

*a.* A brief summary of the rulemaking process, including a description of any opportunity for public participation in the process.

*b.* Process forms for filing comments or complaints concerning proposed or adopted rules.

*c.* Process forms and instructions for filing a petition for rulemaking, a petition for a declaratory order, or a request for a waiver of an administrative rule.

*d.* Any other material prescribed by the administrative rules coordinator.

3. To the extent practicable, the administrative rules coordinator shall create a uniform format for rulemaking internet sites.

2012 Acts, ch 1138, §18

**17A.7 Petition for adoption, amendment, or repeal of rules — periodic comprehensive reviews.**

1. An interested person may petition an agency requesting the adoption, amendment, or repeal of a rule. Each agency shall prescribe by rule the form for petitions and the procedure for their submission, consideration, and disposition. Within sixty days after submission of a petition, the agency either shall deny the petition in writing on the merits, stating its reasons for the denial, or initiate rulemaking proceedings in accordance with section 17A.4, or issue a rule if it is not required to be issued according to the procedures of section 17A.4, subsection 1.

2. Beginning July 1, 2012, over each five-year period of time, an agency shall conduct an ongoing and comprehensive review of all of the agency's rules. The goal of the review is the identification and elimination of all rules of the agency that are outdated, redundant, or inconsistent or incompatible with statute or its own rules or those of other agencies. An agency shall commence its review by developing a plan of review in consultation with major stakeholders and constituent groups. When the agency completes the five-year review of the

agency's own rules, the agency shall provide a summary of the results to the administrative rules coordinator and the administrative rules review committee.

[C75, 77, 79, 81, §17A.7]

98 Acts, ch 1202, §11, 46; 2008 Acts, ch 1032, §136; 2012 Acts, ch 1138, §19; 2013 Acts, ch 90, §15

Subsection 2 amended

**17A.8 Administrative rules review committee.**

1. There is created the "Administrative Rules Review Committee." The committee shall be bipartisan and shall be composed of the following members:

*a.* Three senators appointed by the majority leader of the senate and two senators appointed by the minority leader of the senate.

*b.* Three representatives appointed by the speaker of the house of representatives and two representatives appointed by the minority leader of the house of representatives.

2. A committee member shall be appointed prior to the adjournment of a regular session convened in an odd-numbered year. The term of office shall be for four years beginning May 1 of the year of appointment. However, a member shall serve until a successor is appointed. A vacancy on the committee shall be filled by the original appointing authority for the remainder of the term. A vacancy shall exist whenever a committee member ceases to be a member of the house from which the member was appointed.

3. A committee member shall be paid the per diem specified in section 2.10, subsection 5, for each day in attendance and shall be reimbursed for actual and necessary expenses. There is appropriated from money in the general fund not otherwise appropriated an amount sufficient to pay costs incurred under this section.

4. *a.* The committee shall prescribe its rules of procedure. The committee may employ a secretary or may appoint the administrative code editor or a designee to act as secretary.

*b.* The chairperson of the committee shall be chosen as provided in this paragraph. For the term commencing with the convening of the first regular session of each general assembly and ending upon the convening of the second regular session of that general assembly, the chairperson shall be chosen by the committee from its members who are members of the house of representatives. For the term commencing with the convening of the second regular session of each general assembly and ending upon the convening of the first regular session of the next general assembly, the chairperson shall be chosen by the committee from its members who are members of the senate. A vacancy shall be filled in the same manner as the original appointment and shall be for the remainder of the unexpired term of the vacancy.

5. A regular committee meeting shall be held at the seat of government on the second Tuesday of each month. Unless impracticable, in advance of each such meeting the subject matter to be considered shall be published in the Iowa administrative bulletin. A special committee meeting may be called by the chairperson at any place in the state and at any time. Unless impracticable, in advance of each special meeting notice of the time and place of such meeting and the subject matter to be considered shall be published in the Iowa administrative bulletin.

6. The committee shall meet for the purpose of selectively reviewing rules, whether proposed or in effect. A regular or special committee meeting shall be open to the public and an interested person may be heard and present evidence. The committee may require a representative of an agency whose rule or proposed rule is under consideration to attend a committee meeting.

7. The committee may refer a rule to the speaker of the house and the president of the senate at the next regular session of the general assembly. The speaker and the president shall refer such a rule to the appropriate standing committee of the general assembly.

8. If the committee finds objection to a rule, it may utilize the procedure provided in section 17A.4, subsection 6. In addition or in the alternative, the committee may include in the referral, under subsection 7, a recommendation that this rule be overcome by statute. If the committee of the general assembly to which a rule is referred finds objection to the referred rule, it may recommend to the general assembly that this rule be overcome by statute. This

section shall not be construed to prevent a committee of the general assembly from reviewing a rule on its own motion.

9. *a.* Upon a vote of two-thirds of its members, the administrative rules review committee may delay the effective date of a rule or portion of a rule until the adjournment of the next regular session of the general assembly, unless the rule was promulgated under section 17A.5, subsection 2, paragraph *"b"*. If the rule was promulgated under section 17A.5, subsection 2, paragraph *"b"*, the administrative rules review committee, within thirty-five days of the effective date of the rule and upon the vote of two-thirds of its members, may suspend the applicability of the rule or portion of the rule until the adjournment of the next regular session of the general assembly.

*b.* The committee shall refer a rule or portion of a rule whose effective date has been delayed or applicability has been suspended to the speaker of the house of representatives and the president of the senate who shall refer the delayed or suspended rule or portion of the rule to the appropriate standing committees of the general assembly. A standing committee shall review the rule within twenty-one days after the rule is referred to the committee by the speaker of the house of representatives or the president of the senate and shall take formal committee action by sponsoring a joint resolution to disapprove the rule, by proposing legislation relating to the rule, or by refusing to propose a joint resolution or legislation concerning the rule. The standing committee shall inform the administrative rules review committee of the committee action taken concerning the rule. If the general assembly has not disapproved of the rule by a joint resolution, the rule shall become effective. The speaker of the house of representatives and the president of the senate shall notify the administrative code editor of the final disposition of each rule or portion of a rule whose effective date has been delayed or whose applicability has been suspended pursuant to this subsection. If the rule is disapproved, the rule shall not be effective and the agency shall rescind the rule.

[C54, 58, 62, §17A.2; C66, 71, 73, §17A.2 – 17A.4, 17A.10; C75, 77, 79, 81, §17A.8]

86 Acts, ch 1245, §2024, 2039; 91 Acts, ch 258, §21 – 23; 95 Acts, ch 49, §1; 98 Acts, ch 1202, §12, 46; 2003 Acts, ch 35, §30, 49; 2008 Acts, ch 1031, §97; 2008 Acts, ch 1156, §19, 58; 2012 Acts, ch 1138, §20; 2013 Acts, ch 114, §4

Referred to in §2B.5A, 17A.4

Delay of effective date of rules, see also §17A.4(7)

Subsection 9 amended

**17A.9 Declaratory orders.**

1. *a.* Any person may petition an agency for a declaratory order as to the applicability to specified circumstances of a statute, rule, or order within the primary jurisdiction of the agency.

*b.* (1) An agency shall issue a declaratory order in response to a petition for that order unless the agency determines that issuance of the order under the circumstances would be contrary to a rule adopted in accordance with subsection 2.

(2) However, an agency shall not issue a declaratory order that would substantially prejudice the rights of a person who would be a necessary party and who does not consent in writing to the determination of the matter by a declaratory order proceeding.

2. Each agency shall adopt rules that provide for the form, contents, and filing of petitions for declaratory orders, the procedural rights of persons in relation to the petitions, and the disposition of the petitions. The rules must describe the classes of circumstances in which the agency will not issue a declaratory order and must be consistent with the public interest and with the general policy of this chapter to facilitate and encourage agency issuance of reliable advice.

3. Within fifteen days after receipt of a petition for a declaratory order, an agency shall give notice of the petition to all persons to whom notice is required by any provision of law and may give notice to any other persons.

4. Persons who qualify under any applicable provision of law as an intervenor and who file timely petitions for intervention according to agency rules may intervene in proceedings for declaratory orders. The provisions of sections 17A.10 through 17A.18 apply to agency proceedings for declaratory orders only to the extent an agency so provides by rule or order.

5. Within thirty days after receipt of a petition for a declaratory order, an agency, in writing, shall do one of the following:

*a.* Issue an order declaring the applicability of the statute, rule, or order in question to the specified circumstances.

*b.* Set the matter for specified proceedings.

*c.* Agree to issue a declaratory order by a specified time.

*d.* Decline to issue a declaratory order, stating the reasons for its action.

6. A copy of all orders issued in response to a petition for a declaratory order must be mailed promptly to the petitioner and any other parties.

7. A declaratory order has the same status and binding effect as any final order issued in a contested case proceeding. A declaratory order must contain the names of all parties to the proceeding on which it is based, the particular facts on which it is based, and the reasons for its conclusion.

8. If an agency has not issued a declaratory order within sixty days after receipt of a petition therefor, or such later time as agreed by the parties, the petition is deemed to have been denied. Once a petition for a declaratory order is deemed denied or if the agency declines to issue a declaratory order pursuant to subsection 5, paragraph "*d*", a party to that proceeding may either seek judicial review or await further agency action with respect to its petition for a declaratory order.

[C75, 77, 79, 81, §17A.9]

98 Acts, ch 1202, §13, 46; 2008 Acts, ch 1032, §201

Referred to in §17A.2, 17A.19, 459.301

**17A.9A Waivers and variances.**

1. Any person may petition an agency for a waiver or variance from the requirements of a rule, pursuant to the requirements of this section, if the agency has established by rule an application, evaluation, and issuance procedure permitting waivers and variances. An agency shall not grant a petition for waiver or a variance of a rule unless the agency has jurisdiction over the rule and the waiver or variance is consistent with any applicable statute, constitutional provision, or other provision of law. In addition, this section does not authorize an agency to waive or vary any requirement created or duty imposed by statute.

2. Upon petition of a person, an agency may in its sole discretion issue a waiver or variance from the requirements of a rule if the agency finds, based on clear and convincing evidence, all of the following:

*a.* The application of the rule would pose an undue hardship on the person for whom the waiver or variance is requested.

*b.* The waiver or variance from the requirements of a rule in the specific case would not prejudice the substantial legal rights of any person.

*c.* The provisions of a rule subject to a petition for a waiver or variance are not specifically mandated by statute or another provision of law.

*d.* Substantially equal protection of public health, safety, and welfare will be afforded by a means other than that prescribed in the particular rule for which the waiver or variance is requested.

3. The burden of persuasion rests with the person who petitions an agency for the waiver or variance of a rule. Each petition for a waiver or variance shall be evaluated by the agency based on the unique, individual circumstances set out in the petition. A waiver or variance, if granted, shall be drafted by the agency so as to provide the narrowest exception possible to the provisions of the rule. The agency may place any condition on a waiver or a variance that the agency finds desirable to protect the public health, safety, and welfare. A waiver or variance shall not be permanent, unless the petitioner can show that a temporary waiver or variance would be impracticable. If a temporary waiver or variance is granted, there is no automatic right to renewal. At the sole discretion of the agency, a waiver or variance may be renewed if the agency finds all of the factors set out in subsection 2 remain valid.

4. A grant or denial of a waiver or variance petition shall be indexed, filed, and available for public inspection as provided in section 17A.3. The administrative code editor and the administrative rules coordinator shall devise a mechanism to identify rules for which a

petition for a waiver or variance has been granted or denied and make this information available to the public.

5. Semiannually, each agency which permits the granting of petitions for waivers or variances shall prepare a report of these actions identifying the rules for which a waiver or variance has been granted or denied, the number of times a waiver or variance was granted or denied for each rule, a citation to the statutory provisions implemented by these rules, and a general summary of the reasons justifying the agencies' actions on the waiver or variance request. To the extent practicable, this report shall detail the extent to which the granting of a waiver or variance has established a precedent for additional waivers or variances and the extent to which the granting of a waiver or variance has affected the general applicability of the rule itself. Copies of this report shall be provided semiannually to the administrative rules coordinator and the administrative rules review committee.

6. For purposes of this section, *"a waiver or variance"* means an agency action which suspends in whole or in part the requirements or provisions of a rule as applied to an identified person on the basis of the particular circumstances of that person.

2000 Acts, ch 1176, §1
Referred to in §105.18, 153.39, 261.5

**17A.10 Informal settlements — waiver.**

1. Unless precluded by statute, informal settlements of controversies that may culminate in contested case proceedings according to the provisions of this chapter are encouraged. Agencies shall prescribe by rule specific procedures for attempting such informal settlements prior to the commencement of contested case proceedings. This subsection shall not be construed to require either party to such a controversy to utilize the informal procedures or to settle the controversy pursuant to those informal procedures.

2. The parties to a contested case proceeding may, by written stipulation representing an informed mutual consent, waive any provision of this chapter relating to such proceedings. In addition to consenting to such a waiver in individual cases, an agency may, by rule, express its consent to such a waiver as to an entire class of cases.

[C75, 77, 79, 81, §17A.10]
Referred to in §17A.9, 123.37, 421.17

**17A.10A Contested cases — no factual dispute.**

Upon petition by a party in a matter that would be a contested case if there was a dispute over the existence of material facts, all of the provisions of this chapter applicable to contested cases, except those relating to presentation of evidence, shall be applicable even though there is no factual dispute in the particular case.

98 Acts, ch 1202, §14, 46
Referred to in §17A.9, 421.17

**17A.11 Presiding officer, disqualification, substitution.**

1. *a.* If the agency or an officer of the agency under whose authority the contested case is to take place is a named party to that proceeding or a real party in interest to that proceeding the presiding officer may be, in the discretion of the agency, either the agency, one or more members of a multimember agency, or one or more administrative law judges assigned by the division of administrative hearings in accordance with the provisions of section 10A.801. However, a party may, within a time period specified by rule, request that the presiding officer be an administrative law judge assigned by the division of administrative hearings. Except as otherwise provided by statute, the agency shall grant a request by a party for an administrative law judge unless the agency finds, and states reasons for the finding, that any of the following conditions exist:

(1) There is a compelling need to expedite issuance of a final decision in order to protect the public health, safety, or welfare.

(2) A qualified administrative law judge is unavailable to hear the case within a reasonable time.

(3) The case involves significant policy issues of first impression that are inextricably intertwined with the factual issues presented.

(4) The demeanor of the witnesses is likely to be dispositive in resolving the disputed factual issues.

(5) Funds are unavailable to pay the costs of an administrative law judge and an intra-agency appeal.

(6) The request was not timely filed.

(7) There is other identified good cause, as specified by rule, for denying the request.

*b.* If the agency or an officer of the agency under whose authority the contested case is to take place is not a named party to that proceeding or a real party in interest to that proceeding the presiding officer may be, in the discretion of the agency, either the agency, one or more members of a multimember agency, an administrative law judge assigned by the division of administrative hearings in accordance with the provisions of section 10A.801, or any other qualified person designated as a presiding officer by the agency. Any other person designated as a presiding officer by the agency may be employed by and officed in the agency for which that person acts as a presiding officer, but such a person shall not perform duties inconsistent with that person's duties and responsibilities as a presiding officer.

*c.* For purposes of paragraph *"a"*, the division of administrative hearings established in section 10A.801 shall be treated as a wholly separate agency from the department of inspections and appeals.

2. Any person serving or designated to serve alone or with others as a presiding officer is subject to disqualification for bias, prejudice, interest, or any other cause provided in this chapter or for which a judge is or may be disqualified.

3. Any party may timely request the disqualification of a person as a presiding officer by filing a motion supported by an affidavit asserting an appropriate ground for disqualification, after receipt of notice indicating that the person will preside or upon discovering facts establishing grounds for disqualification, whichever is later.

4. A person whose disqualification is requested shall determine whether to grant the request, stating facts and reasons for the determination.

5. If a substitute is required for a person who is disqualified or becomes unavailable for any other reason, the substitute shall be appointed by either of the following:

*a.* The governor, if the disqualified or unavailable person is an elected official.

*b.* The appointing authority, if the disqualified or unavailable person is an appointed official.

6. Any action taken by a duly-appointed substitute for a disqualified or unavailable person is as effective as if taken by the latter.

[C75, 77, 79, 81, §17A.11]

88 Acts, ch 1109, §4; 98 Acts, ch 1202, §15, 46

Referred to in §8A.413, 10A.801, 17A.9, 86.17, 148.2A, 148.7, 169.5, 169.14, 256B.6, 421.17, 455B.174, 505.29, 524.228, 533.501, 903A.1

Board of medicine alternate members for contested case hearings, see §148.2A

**17A.12 Contested cases — notice — hearing — records.**

1. In a contested case, all parties shall be afforded an opportunity for hearing after reasonable notice in writing delivered either by personal service as in civil actions or by certified mail return receipt requested. However, an agency may provide by rule for the delivery of such notice by other means. Delivery of the notice referred to in this subsection shall constitute commencement of the contested case proceeding.

2. The notice shall include:

*a.* A statement of the time, place and nature of the hearing.

*b.* A statement of the legal authority and jurisdiction under which the hearing is to be held.

*c.* A reference to the particular sections of the statutes and rules involved.

*d.* A short and plain statement of the matters asserted. If the agency or other party is unable to state the matters in detail at the time the notice is served, the initial notice may be limited to a statement of the issues involved. Thereafter upon application a more definite and detailed statement shall be furnished.

3. If a party fails to appear or participate in a contested case proceeding after proper service of notice, the presiding officer may, if no adjournment is granted, enter a default decision or proceed with the hearing and make a decision in the absence of the party. The

parties shall be duly notified of the decision, together with the presiding officer's reasons for the decision, which is the final decision of the agency, unless within fifteen days, or such period of time as otherwise specified by statute or rule, after the date of notification or mailing of the decision, further appeal is initiated. If a decision is rendered against a party who failed to appear for the hearing and the presiding officer is timely requested by that party to vacate the decision for good cause, the time for initiating a further appeal is stayed pending a determination by the presiding officer to grant or deny the request. If adequate reasons are provided showing good cause for the party's failure to appear, the presiding officer shall vacate the decision and, after proper service of notice, conduct another evidentiary hearing. If adequate reasons are not provided showing good cause for the party's failure to appear, the presiding officer shall deny the motion to vacate.

4. Opportunity shall be afforded all parties to respond and present evidence and argument on all issues involved and to be represented by counsel at their own expense.

5. Unless precluded by statute, informal disposition may be made of any contested case by stipulation, agreed settlement, consent order or default or by another method agreed upon by the parties in writing.

6. The record in a contested case shall include:

*a.* All pleadings, motions and intermediate rulings.

*b.* All evidence received or considered and all other submissions.

*c.* A statement of all matters officially noticed.

*d.* All questions and offers of proof, objections and rulings thereon.

*e.* All proposed findings and exceptions.

*f.* Any decision, opinion or report by the officer presiding at the hearing.

7. Oral proceedings shall be open to the public and shall be recorded either by mechanized means or by certified shorthand reporters. Oral proceedings or any part thereof shall be transcribed at the request of any party with the expense of the transcription charged to the requesting party. The recording or stenographic notes of oral proceedings or the transcription thereof shall be filed with and maintained by the agency for at least five years from the date of decision.

8. Findings of fact shall be based solely on the evidence in the record and on matters officially noticed in the record.

9. Unless otherwise provided by statute, a person's request or demand for a contested case proceeding shall be in writing, delivered to the agency by United States postal service or personal service and shall be considered as filed with the agency on the date of the United States postal service postmark or the date personal service is made.

[C75, 77, 79, 81, §17A.12]

87 Acts, ch 71, §1; 98 Acts, ch 1202, §16, 46

Referred to in §17A.9, 17A.13, 17A.16, 68B.31, 86.19, 96.11, 147A.5, 147A.17, 169.5, 217.30, 321.556, 421.17, 476A.4

Interpreters in legal proceedings, chapters 622A, 622B

**17A.13 Subpoenas — discovery.**

1. Agencies have all subpoena powers conferred upon them by their enabling acts or other statutes. In addition, prior to the commencement of a contested case by the notice referred to in section 17A.12, subsection 1, an agency having power to decide contested cases may subpoena books, papers, records and any other real evidence necessary for the agency to determine whether it should institute a contested case proceeding. After the commencement of a contested case, each agency having power to decide contested cases may administer oaths and issue subpoenas in those cases. Discovery procedures applicable to civil actions are available to all parties in contested cases before an agency. Evidence obtained in discovery may be used in the hearing before the agency if that evidence would otherwise be admissible in the agency hearing. Agency subpoenas shall be issued to a party on request. On contest, the court shall sustain the subpoena or similar process or demand to the extent that it is found to be in accordance with the law applicable to the issuance of subpoenas or discovery in civil actions. In proceedings for enforcement, the court shall issue an order requiring the appearance of the witness or the production of the evidence or data within a reasonable time under penalty of punishment for contempt in cases of willful failure to comply.

2. An agency that relies on a witness in a contested case, whether or not an agency employee, who has made prior statements or reports with respect to the subject matter of the witness' testimony, shall, on request, make such statements or reports available to parties for use on cross-examination, unless those statements or reports are otherwise expressly exempt from disclosure by Constitution or statute. Identifiable agency records that are relevant to disputed material facts involved in a contested case, shall, upon request, promptly be made available to a party unless the requested records are expressly exempt from disclosure by Constitution or statute.

[C75, 77, 79, 81, §17A.13]

83 Acts, ch 186, §10006, 10201

Referred to in §17A.9, 17A.17, 68B.31A, 421.17, 542.11

**17A.14 Rules of evidence — official notice.**

In contested cases:

1. Irrelevant, immaterial, or unduly repetitious evidence should be excluded. A finding shall be based upon the kind of evidence on which reasonably prudent persons are accustomed to rely for the conduct of their serious affairs, and may be based upon such evidence even if it would be inadmissible in a jury trial. Agencies shall give effect to the rules of privilege recognized by law. Objections to evidentiary offers may be made and shall be noted in the record. Subject to these requirements, when a hearing will be expedited and the interests of the parties will not be prejudiced substantially, any part of the evidence may be required to be submitted in verified written form.

2. Documentary evidence may be received in the form of copies or excerpts, if the original is not readily available. Upon request, parties shall be given an opportunity to compare the copy with the original, if available.

3. Witnesses at the hearing, or persons whose testimony has been submitted in written form if available, shall be subject to cross-examination by any party as necessary for a full and true disclosure of the facts.

4. Official notice may be taken of all facts of which judicial notice may be taken and of other facts within the specialized knowledge of the agency. Parties shall be notified at the earliest practicable time, either before or during the hearing, or by reference in preliminary reports, preliminary decisions or otherwise, of the facts proposed to be noticed and their source, including any staff memoranda or data, and the parties shall be afforded an opportunity to contest such facts before the decision is announced unless the agency determines as part of the record or decision that fairness to the parties does not require an opportunity to contest such facts.

5. The agency's experience, technical competence, and specialized knowledge may be utilized in the evaluation of the evidence.

[C75, 77, 79, 81, §17A.14]

Referred to in §17A.9, 68B.31, 421.17

**17A.15 Final decisions — proposed decisions — conclusiveness — review by the agency.**

1. When the agency presides at the reception of the evidence in a contested case, the decision of the agency is a final decision.

2. When the agency did not preside at the reception of the evidence in a contested case, the presiding officer shall make a proposed decision. Findings of fact shall be prepared by the officer presiding at the reception of the evidence in a contested case unless the officer becomes unavailable to the agency. If the officer is unavailable, the findings of fact may be prepared by another person qualified to be a presiding officer who has read the record, unless demeanor of witnesses is a substantial factor. If demeanor is a substantial factor and the presiding officer is unavailable, the portions of the hearing involving demeanor shall be heard again or the case shall be dismissed.

3. When the presiding officer makes a proposed decision, that decision then becomes the final decision of the agency without further proceedings unless there is an appeal to, or review on motion of, the agency within the time provided by rule. On appeal from or review of the proposed decision, the agency has all the power which it would have in initially making the

final decision except as it may limit the issues on notice to the parties or by rule. The agency may reverse or modify any finding of fact if a preponderance of the evidence will support a determination to reverse or modify such a finding, or may reverse or modify any conclusion of law that the agency finds to be in error. In cases where there is an appeal from a proposed decision or where a proposed decision is reviewed on motion of the agency, an opportunity shall be afforded to each party to file exceptions, present briefs and, with the consent of the agency, present oral arguments to the agency members who are to render the final decision.

4. This section shall not preclude an agency from instituting a system whereby the proposed decision of a presiding officer in a contested case may be appealed to, or reviewed on motion of, a body consisting of one or more persons that is between the presiding officer and the agency. If an agency institutes such a system of intermediate review, the proposed decision of the presiding officer becomes the final decision of the agency without further proceedings unless there is an appeal to, or review on motion of, the intermediate reviewing body within the time provided by rule. An intermediate reviewing body may be vested with all or a part of the power which it would have in initially making the decision. A decision of such an intermediate reviewing body is also a proposed decision and shall become the final decision of the agency without further proceedings unless there is an appeal to, or review on motion of, the agency within the time provided by rule. In cases where there is an appeal from a proposed decision rendered by a presiding officer to an intermediate reviewing body, or where such a proposed decision is reviewed on motion of an intermediate reviewing body, an opportunity shall be afforded to each party to file exceptions, present briefs and, with the consent of the intermediate reviewing body, present oral arguments to those who are to render the decision.

5. When an appeal from an agency decision in a contested case may be taken to another agency pursuant to statute, or a second agency may according to statute review on its own motion the decision in a contested case by the first agency, the appeal or review shall be deemed a continuous proceeding as though before one agency. A decision of the first agency in such a case is a proposed decision and shall become the final decision without further proceedings unless there is an appeal to, or review on motion of, the second agency within the time provided by statute or rule. In deciding an appeal from or review of a proposed decision of the first agency, the second agency shall have all those powers conferred upon it by statute and shall afford each party an opportunity to file exceptions, present briefs and, with its consent, present oral arguments to agency members who are to render the final decision.

[C75, 77, 79, 81, §17A.15]

98 Acts, ch 1202, §17, 46

Referred to in §10A.801, 17A.9, 86.24, 86.42, 331.394, 421.17

**17A.16 Decisions and orders — rehearing.**

1. A proposed or final decision or order in a contested case shall be in writing or stated in the record. A proposed or final decision shall include findings of fact and conclusions of law, separately stated. Findings of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of underlying facts supporting the findings. The decision shall include an explanation of why the relevant evidence in the record supports each material finding of fact. If, in accordance with agency rules, a party submitted proposed findings of fact, the decision shall include a ruling upon each proposed finding. Each conclusion of law shall be supported by cited authority or by a reasoned opinion. Parties shall be promptly notified of each proposed or final decision or order by the delivery to them of a copy of such decision or order in the manner provided by section 17A.12, subsection 1.

2. Except as expressly provided otherwise by another statute referring to this chapter by name, any party may file an application for rehearing, stating the specific grounds for the rehearing and the relief sought, within twenty days after the date of the issuance of any final decision by the agency in a contested case. A copy of the application for rehearing shall be timely mailed by the presiding agency to all parties of record not joining in the application.

An application for rehearing shall be deemed to have been denied unless the agency grants the application within twenty days after its filing.

[C75, 77, 79, 81, §17A.16]

86 Acts, ch 1245, §518; 88 Acts, ch 1100, §1; 98 Acts, ch 1202, §18, 46

Referred to in §10A.601, 17A.9, 17A.19, 421.17, 508B.14, 515G.14

**17A.17 Ex parte communications and separation of functions.**

1. *a.* Unless required for the disposition of ex parte matters specifically authorized by statute, a presiding officer in a contested case, shall not communicate, directly or indirectly, in connection with any issue of fact or law in that contested case, with any person or party, except upon notice and opportunity for all parties to participate as shall be provided for by agency rules.

*b.* However, without such notice and opportunity for all parties to participate, a presiding officer in a contested case may communicate with members of the agency, and may have the aid and advice of persons other than those with a personal interest in, or those engaged in personally investigating, prosecuting or advocating in, either the case under consideration or a pending factually related case involving the same parties so long as those persons do not directly or indirectly communicate to the presiding officer any ex parte communications they have received of a type that the presiding officer would be prohibited from receiving or that furnish, augment, diminish, or modify the evidence in the record.

2. Unless required for the disposition of ex parte matters specifically authorized by statute, parties or their representatives in a contested case and persons with a direct or indirect interest in such a case shall not communicate, directly or indirectly, in connection with any issue of fact or law in that contested case, with a presiding officer in that contested case, except upon notice and opportunity for all parties to participate as shall be provided for by agency rules.

3. If, before serving as the presiding officer in a contested case, a person receives an ex parte communication relating directly to the merits of the proceeding over which that person subsequently presides, the person, promptly after starting to serve, shall disclose to all parties any material factual information so received and not otherwise disclosed to those parties pursuant to section 17A.13, subsection 2, or through discovery.

4. A presiding officer who receives an ex parte communication in violation of this section shall place on the record of the pending matter all such written communications received, all written responses to the communications, and a memorandum stating the substance of all such oral and other communications received, all responses made, and the identity of each person from whom the presiding officer received a prohibited ex parte communication, and shall advise all parties that these matters have been placed on the record. Any party desiring to rebut the prohibited ex parte communication must be allowed to do so, upon requesting the opportunity for rebuttal within ten days after notice of the communication.

5. If the effect of an ex parte communication received in violation of this section is so prejudicial that it cannot be cured by the procedure in subsection 4, a presiding officer who receives the communication shall be disqualified and the portions of the record pertaining to the communication shall be sealed by protective order.

6. The agency and any party may report any violation of this section to appropriate authorities for any disciplinary proceedings provided by law. In addition, each agency by rule shall provide for appropriate sanctions, including default, suspending or revoking a privilege to practice before the agency, and censuring, suspending, or dismissing agency personnel, for any violations of this section.

7. A party to a contested case proceeding may file a timely and sufficient affidavit alleging a violation of any provision of this section. The agency shall determine the matter as part of the record in the case. When an agency in these circumstances makes such a determination with respect to an agency member, that determination shall be subject to de novo judicial review in any subsequent review proceeding of the case.

8. An individual who participates in the making of any proposed or final decision in a contested case shall not have personally investigated, prosecuted, or advocated in connection with that case, the specific controversy underlying that case, or another pending

factually related contested case, or pending factually related controversy that may culminate in a contested case, involving the same parties. In addition, such an individual shall not be subject to the authority, direction, or discretion of any person who has personally investigated, prosecuted, or advocated in connection with that contested case, the specific controversy underlying that contested case, or a pending factually related contested case or controversy, involving the same parties. However, this section shall not be construed to preclude a person from serving as a presiding officer solely because that person determined there was probable cause to initiate the proceeding.

[C75, 77, 79, 81, §17A.17]

98 Acts, ch 1202, §19, 46; 2008 Acts, ch 1032, §201

Referred to in §2C.9, 17A.9, 86.17, 216.15, 421.17, 542.11

**17A.18 Licenses.**

1. When the grant, denial, or renewal of a license is required by Constitution or statute to be preceded by notice and opportunity for an evidentiary hearing, the provisions of this chapter concerning contested cases apply.

2. When a licensee has made timely and sufficient application for the renewal of a license or a new license with reference to any activity of a continuing nature, the existing license does not expire until the application has been finally determined by the agency, and, in case the application is denied or the terms of the new license limited, until the last day for seeking judicial review of the agency order or a later date fixed by order of the agency or the reviewing court.

3. No revocation, suspension, annulment or withdrawal, in whole or in part, of any license is lawful unless, prior to the institution of agency proceedings, the agency gave written, timely notice by personal service as in civil actions or by restricted certified mail to the licensee of facts or conduct and the provision of law which warrants the intended action, and the licensee was given an opportunity to show, in an evidentiary hearing conducted according to the provisions of this chapter for contested cases, compliance with all lawful requirements for the retention of the license.

[C75, 77, 79, 81, §17A.18]

98 Acts, ch 1202, §20, 46

Referred to in §17A.9, 207.14, 237A.2, 252J.8, 261.126, 272D.8, 421.17, 423.36, 424.5, 455B.474, 459.315A

**17A.18A Emergency adjudicative proceedings.**

1. Notwithstanding any other provision of this chapter and to the extent consistent with the Constitution of the State of Iowa and of the United States, an agency may use emergency adjudicative proceedings in a situation involving an immediate danger to the public health, safety, or welfare requiring immediate agency action.

2. The agency may take only such action as is necessary to prevent or avoid the immediate danger to the public health, safety, or welfare that justifies use of emergency adjudication.

3. The agency shall issue an order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the decision if it is an exercise of the agency's discretion, to justify the determination of an immediate danger and the agency's decision to take the specific action.

4. The agency shall give such notice as is practicable to persons who are required to comply with the order. The order is effective when issued.

5. After issuing an order pursuant to this section, the agency shall proceed as quickly as feasible to complete any proceedings that would be required if the matter did not involve an immediate danger.

6. The agency record consists of any documents regarding the matter that were considered or prepared by the agency. The agency shall maintain these documents as its official record.

7. Unless otherwise required by a provision of law, the agency record need not constitute

the exclusive basis for agency action in emergency adjudicative proceedings or for judicial review thereof.

98 Acts, ch 1202, §21, 46; 2006 Acts, ch 1030, §5

Referred to in §165B.5, 207.14, 235E.2, 421.17, 459.314B, 502.412, 507A.10, 507B.6A, 508E.16, 515I.12, 516E.13, 523A.805, 523C.19, 523D.13, 523I.203, 533A.7, 533D.12, 535B.7, 535D.13, 536.9, 536A.18

**17A.19 Judicial review.**

Except as expressly provided otherwise by another statute referring to this chapter by name, the judicial review provisions of this chapter shall be the exclusive means by which a person or party who is aggrieved or adversely affected by agency action may seek judicial review of such agency action. However, nothing in this chapter shall abridge or deny to any person or party who is aggrieved or adversely affected by any agency action the right to seek relief from such action in the courts.

1. A person or party who has exhausted all adequate administrative remedies and who is aggrieved or adversely affected by any final agency action is entitled to judicial review thereof under this chapter. When agency action is pursuant to rate regulatory powers over public utilities or common carriers and the aggrievement or adverse effect is to the rates or charges of a public utility or common carrier, the agency action shall not be final until all agency remedies have been exhausted and a decision prescribing rates which satisfy the requirements of those provisions of the Code has been rendered. A preliminary, procedural or intermediate agency action is immediately reviewable if all adequate administrative remedies have been exhausted and review of the final agency action would not provide an adequate remedy. If a declaratory order has not been rendered within sixty days after the filing of a petition therefor under section 17A.9, or by such later time as agreed by the parties, or if the agency declines to issue such a declaratory order after receipt of a petition therefor, any administrative remedy available under section 17A.9 shall be deemed inadequate or exhausted.

2. Proceedings for judicial review shall be instituted by filing a petition either in Polk county district court or in the district court for the county in which the petitioner resides or has its principal place of business. When a proceeding for judicial review has been commenced, a court may, in the interest of justice, transfer the proceeding to another county where the venue is proper. Within ten days after the filing of a petition for judicial review the petitioner shall serve by the means provided in the Iowa rules of civil procedure for the personal service of an original notice, or shall mail copies of the petition to all parties named in the petition and, if the petition involves review of agency action in a contested case, all parties of record in that case before the agency. Such personal service or mailing shall be jurisdictional. The delivery by personal service or mailing referred to in this subsection may be made upon the party's attorney of record in the proceeding before the agency. A mailing shall be addressed to the parties or their attorney of record at their last known mailing address. Proof of mailing shall be by affidavit. Any party of record in a contested case before an agency wishing to intervene and participate in the review proceeding must file an appearance within forty-five days from the time the petition is filed.

3. If a party files an application under section 17A.16, subsection 2, for rehearing with the agency, the petition for judicial review must be filed within thirty days after that application has been denied or deemed denied. If a party does not file an application under section 17A.16, subsection 2, for rehearing, the petition must be filed within thirty days after the issuance of the agency's final decision in that contested case. If an application for rehearing is granted, the petition for review must be filed within thirty days after the issuance of the agency's final decision on rehearing. In cases involving a petition for judicial review of agency action other than the decision in a contested case, the petition may be filed at any time petitioner is aggrieved or adversely affected by that action.

4. The petition for review shall name the agency as respondent and shall contain a concise statement of:

*a.* The nature of the agency action which is the subject of the petition.

*b.* The particular agency action appealed from.

*c.* The facts on which venue is based.

*d.* The grounds on which relief is sought.

*e.* The relief sought.

5. *a.* The filing of the petition for review does not itself stay execution or enforcement of any agency action. Unless precluded by law, the agency may grant a stay on appropriate terms or other temporary remedies during the pendency of judicial review.

*b.* A party may file an interlocutory motion in the reviewing court, during the pendency of judicial review, seeking review of the agency's action on an application for stay or other temporary remedies.

*c.* If the agency refuses to grant an application for stay or other temporary remedies, or application to the agency for a stay or other temporary remedies is an inadequate remedy, the court may grant relief but only after a consideration and balancing of all of the following factors:

(1) The extent to which the applicant is likely to prevail when the court finally disposes of the matter.

(2) The extent to which the applicant will suffer irreparable injury if relief is not granted.

(3) The extent to which the grant of relief to the applicant will substantially harm other parties to the proceedings.

(4) The extent to which the public interest relied on by the agency is sufficient to justify the agency's action in the circumstances.

*d.* If the court determines that relief should be granted from the agency's action on an application for stay or other temporary remedies, the court may remand the matter to the agency with directions to deny a stay, to grant a stay on appropriate terms, or to grant other temporary remedies, or the court may issue an order denying a stay, granting a stay on appropriate terms, or granting other temporary remedies.

6. Within thirty days after filing of the petition, or within further time allowed by the court, the agency shall transmit to the reviewing court the original or a certified copy of the entire record of any contested case which may be the subject of the petition. By stipulation of all parties to the review proceedings, the record of such a case may be shortened. A party unreasonably refusing to stipulate to limit the record may be taxed by the court for the additional costs. The court may require or permit subsequent corrections or additions to the record.

7. In proceedings for judicial review of agency action a court may hear and consider such evidence as it deems appropriate. In proceedings for judicial review of agency action in a contested case, however, a court shall not itself hear any further evidence with respect to those issues of fact whose determination was entrusted by Constitution or statute to the agency in that contested case proceeding. Before the date set for hearing a petition for judicial review of agency action in a contested case, application may be made to the court for leave to present evidence in addition to that found in the record of the case. If it is shown to the satisfaction of the court that the additional evidence is material and that there were good reasons for failure to present it in the contested case proceeding before the agency, the court may order that the additional evidence be taken before the agency upon conditions determined by the court. The agency may modify its findings and decision in the case by reason of the additional evidence and shall file that evidence and any modifications, new findings, or decisions with the reviewing court and mail copies of the new findings or decisions to all parties.

8. Except to the extent that this chapter provides otherwise, in suits for judicial review of agency action all of the following apply:

*a.* The burden of demonstrating the required prejudice and the invalidity of agency action is on the party asserting invalidity.

*b.* The validity of agency action must be determined in accordance with the standards of review provided in this section, as applied to the agency action at the time that action was taken.

9. The court shall make a separate and distinct ruling on each material issue on which the court's decision is based.

10. The court may affirm the agency action or remand to the agency for further proceedings. The court shall reverse, modify, or grant other appropriate relief from agency action, equitable or legal and including declaratory relief, if it determines that substantial

rights of the person seeking judicial relief have been prejudiced because the agency action is any of the following:

*a.* Unconstitutional on its face or as applied or is based upon a provision of law that is unconstitutional on its face or as applied.

*b.* Beyond the authority delegated to the agency by any provision of law or in violation of any provision of law.

*c.* Based upon an erroneous interpretation of a provision of law whose interpretation has not clearly been vested by a provision of law in the discretion of the agency.

*d.* Based upon a procedure or decision-making process prohibited by law or was taken without following the prescribed procedure or decision-making process.

*e.* The product of decision making undertaken by persons who were improperly constituted as a decision-making body, were motivated by an improper purpose, or were subject to disqualification.

*f.* Based upon a determination of fact clearly vested by a provision of law in the discretion of the agency that is not supported by substantial evidence in the record before the court when that record is viewed as a whole. For purposes of this paragraph, the following terms have the following meanings:

(1) *"Substantial evidence"* means the quantity and quality of evidence that would be deemed sufficient by a neutral, detached, and reasonable person, to establish the fact at issue when the consequences resulting from the establishment of that fact are understood to be serious and of great importance.

(2) *"Record before the court"* means the agency record for judicial review, as defined by this chapter, supplemented by any additional evidence received by the court under the provisions of this chapter.

(3) *"When that record is viewed as a whole"* means that the adequacy of the evidence in the record before the court to support a particular finding of fact must be judged in light of all the relevant evidence in the record cited by any party that detracts from that finding as well as all of the relevant evidence in the record cited by any party that supports it, including any determinations of veracity by the presiding officer who personally observed the demeanor of the witnesses and the agency's explanation of why the relevant evidence in the record supports its material findings of fact.

*g.* Action other than a rule that is inconsistent with a rule of the agency.

*h.* Action other than a rule that is inconsistent with the agency's prior practice or precedents, unless the agency has justified that inconsistency by stating credible reasons sufficient to indicate a fair and rational basis for the inconsistency.

*i.* The product of reasoning that is so illogical as to render it wholly irrational.

*j.* The product of a decision-making process in which the agency did not consider a relevant and important matter relating to the propriety or desirability of the action in question that a rational decision maker in similar circumstances would have considered prior to taking that action.

*k.* Not required by law and its negative impact on the private rights affected is so grossly disproportionate to the benefits accruing to the public interest from that action that it must necessarily be deemed to lack any foundation in rational agency policy.

*l.* Based upon an irrational, illogical, or wholly unjustifiable interpretation of a provision of law whose interpretation has clearly been vested by a provision of law in the discretion of the agency.

*m.* Based upon an irrational, illogical, or wholly unjustifiable application of law to fact that has clearly been vested by a provision of law in the discretion of the agency.

*n.* Otherwise unreasonable, arbitrary, capricious, or an abuse of discretion.

11. In making the determinations required by subsection 10, paragraphs *"a"* through *"n"*, the court shall do all of the following:

*a.* Shall not give any deference to the view of the agency with respect to whether particular matters have been vested by a provision of law in the discretion of the agency.

*b.* Should not give any deference to the view of the agency with respect to particular matters that have not been vested by a provision of law in the discretion of the agency.

*c.* Shall give appropriate deference to the view of the agency with respect to particular matters that have been vested by a provision of law in the discretion of the agency.

12. A defendant in a suit for civil enforcement of agency action may defend on any of the grounds specified in subsection 10, paragraphs *"a"* through *"n"*, if that defendant, at the time the enforcement suit was filed, would have been entitled to rely upon any of those grounds as a basis for invalidating the agency action in a suit for judicial review of that action brought at the time the enforcement suit was filed. If a suit for civil enforcement of agency action in a contested case is filed within the time period in which the defendant could have filed a petition for judicial review of that agency action, and the agency subsequently dismisses its suit for civil enforcement of that agency action against the defendant, the defendant may, within thirty days of that dismissal, file a petition for judicial review of the original agency action at issue if the defendant relied upon any of the grounds for judicial review in subsection 10, paragraphs *"a"* through *"n"*, in a responsive pleading to the enforcement action, or if the time to file a responsive pleading had not yet expired at the time the enforcement action was dismissed.

[C75, 77, 79, 81, §17A.19; 81 Acts, ch 24, §1, 2]

98 Acts, ch 1202, §22 – 24, 46

Referred to in §10A.601, 21.6, 22.8, 22.10, 80A.17, 86.42, 90A.11, 92.22, 99A.6, 103.29, 103.31, 103.39, 105.27, 135.70, 139A.22, 152C.4, 156.16, 157.13, 169.15, 185.34, 214A.11, 216.17, 225C.29, 252.27, 261B.3, 272C.3, 272C.6, 321.52, 321.560, 331.394, 368.22, 455I.9, 476.6, 514G.110, 514J.110, 522B.11, 522D.7, 533A.16, 535B.13, 535D.13, 542.14, 542B.27, 543D.21, 544A.15

**17A.20 Appeals.**

An aggrieved or adversely affected party to the judicial review proceeding may obtain a review of any final judgment of the district court under this chapter by appeal. The appeal shall be taken as in other civil cases, although the appeal may be taken regardless of the amount involved.

[C75, 77, 79, 81, §17A.20]

83 Acts, ch 186, §10007, 10201

Referred to in §207.15, 225C.29, 252.27, 321.52

**17A.21 Inconsistency with federal law.**

If it is determined by the attorney general that any provision of this chapter would cause denial of funds or services from the United States government which would otherwise be available to an agency of this state, or would otherwise be inconsistent with requirements of federal law, such provision shall be suspended as to such agency, but only to the extent necessary to prevent denial of such funds or services or to eliminate the inconsistency with federal requirements. If the attorney general makes such a suspension determination, the attorney general shall report it to the general assembly at its next session. This report shall include any recommendations in regard to corrective legislation needed to conform this chapter with the federal law.

[C75, 77, 79, 81, §17A.21]

**17A.22 Agency authority to implement chapter.**

Agencies shall have all the authority necessary to comply with the requirements of this chapter through the issuance of rules or otherwise.

[C75, 77, 79, 81, §17A.22]

**17A.23 Construction — delegation of authority.**

1. Except as expressly provided otherwise by this chapter or by another statute referring to this chapter by name, the rights created and the requirements imposed by this chapter shall be in addition to those created or imposed by every other statute in existence on July 1, 1975, or enacted after that date. If any other statute in existence on July 1, 1975, or enacted after that date diminishes a right conferred upon a person by this chapter or diminishes a requirement imposed upon an agency by this chapter, this chapter shall take precedence unless the other statute expressly provides that it shall take precedence over all or some specified portion of this cited chapter.

2. This chapter shall be construed broadly to effectuate its purposes. This chapter shall

also be construed to apply to all agencies not expressly exempted by this chapter or by another statute specifically referring to this chapter by citation; and except as to proceedings in process on July 1, 1975, this chapter shall be construed to apply to all covered agency proceedings and all agency action not expressly exempted by this chapter or by another statute specifically referring to this chapter by citation.

3. An agency shall have only that authority or discretion delegated to or conferred upon the agency by law and shall not expand or enlarge its authority or discretion beyond the powers delegated to or conferred upon the agency. Unless otherwise specifically provided in statute, a grant of rulemaking authority shall be construed narrowly.

[C75, 77, 79, 81, §17A.23]

89 Acts, ch 83, §11; 98 Acts, ch 1202, §25, 46; 2005 Acts, ch 3, §16; 2013 Acts, ch 114, §5
Section amended

**17A.24 to 17A.30** Reserved.

**17A.31 and 17A.32** Repealed by 98 Acts, ch 1202, § 45, 46.

**17A.33 Review by administrative rules review committee.**

The administrative rules review committee shall review existing rules, as time permits, to determine if there are adverse or beneficial effects from these rules. The committee shall give a high priority to rules that are referred to it by small business as defined in section 17A.4A. The review of these rules shall be forwarded to the appropriate standing committees of the house and senate.

84 Acts, ch 1007, §3; 98 Acts, ch 1202, §26, 46

**17A.34 Competition with private enterprise — notice for proposed rules.**

When a rule is proposed, the administrative rules coordinator shall make an initial determination of whether the rule may cause a service or product to be offered for sale to the public by a state agency that competes with private enterprise. If such a service or product may be offered as a result of the proposed rule, that fact shall be included in the notice of intended action of the rule.

2001 Acts, ch 66, §1

# SUBTITLE 7

## LAND USE — PLANNING

## CHAPTER 18

### DEPARTMENT OF GENERAL SERVICES

Repealed by 2003 Acts, ch 145, §291; see chapter 8A, subchapter III

## CHAPTER 18A

### CAPITOL PLANNING

§18A.1 – 18A.7 transferred to §8A.371 – 8A.378 in Code Supplement 2007; see 2007 Acts, ch 115, §10 – 16
§18A.11 repealed by 2007 Acts, ch 115, §17

## CHAPTER 18B

### LAND USE — SMART PLANNING

Smart planning task force created; members; duties; dissolved on December 31, 2012; 2010 Acts, ch 1184, §25

18B.1 Iowa smart planning principles.
18B.2 Local comprehensive planning and development guidelines.

**18B.1 Iowa smart planning principles.**

State agencies, local governments, and other public entities shall consider and may apply the following principles during deliberation of all appropriate planning, zoning, development, and resource management decisions, except that nothing in this section shall be construed to expand the eminent domain authority of a state agency, local government, or other public entity beyond that which is authorized under chapter 6A or 6B:

1. *Collaboration.* Governmental, community, and individual stakeholders, including those outside the jurisdiction of the entity, are encouraged to be involved and provide comment during deliberation of planning, zoning, development, and resource management decisions and during implementation of such decisions. The state agency, local government, or other public entity is encouraged to develop and implement a strategy to facilitate such participation.

2. *Efficiency, transparency, and consistency.* Planning, zoning, development, and resource management should be undertaken to provide efficient, transparent, and consistent outcomes. Individuals, communities, regions, and governmental entities should share in the responsibility to promote the equitable distribution of development benefits and costs.

3. *Clean, renewable, and efficient energy.* Planning, zoning, development, and resource management should be undertaken to promote clean and renewable energy use and increased energy efficiency.

4. *Occupational diversity.* Planning, zoning, development, and resource management should promote increased diversity of employment and business opportunities, promote access to education and training, expand entrepreneurial opportunities, and promote the establishment of businesses in locations near existing housing, infrastructure, and transportation.

5. *Revitalization.* Planning, zoning, development, and resource management should

facilitate the revitalization of established town centers and neighborhoods by promoting development that conserves land, protects historic resources, promotes pedestrian accessibility, and integrates different uses of property. Remediation and reuse of existing sites, structures, and infrastructure is preferred over new construction in undeveloped areas.

6. *Housing diversity.* Planning, zoning, development, and resource management should encourage diversity in the types of available housing, support the rehabilitation of existing housing, and promote the location of housing near public transportation and employment centers.

7. *Community character.* Planning, zoning, development, and resource management should promote activities and development that are consistent with the character and architectural style of the community and should respond to local values regarding the physical character of the community.

8. *Natural resources and agricultural protection.* Planning, zoning, development, and resource management should emphasize protection, preservation, and restoration of natural resources, agricultural land, and cultural and historic landscapes, and should increase the availability of open spaces and recreational facilities.

9. *Sustainable design.* Planning, zoning, development, and resource management should promote developments, buildings, and infrastructure that utilize sustainable design and construction standards and conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, air, and materials.

10. *Transportation diversity.* Planning, zoning, development, and resource management should promote expanded transportation options for residents of the community. Consideration should be given to transportation options that maximize mobility, reduce congestion, conserve fuel, and improve air quality.

2010 Acts, ch 1184, §17

Referred to in §16.194A, 18B.2, 28I.4, 329.3, 335.5, 414.3

**18B.2 Local comprehensive planning and development guidelines.**

1. For the purposes of this chapter, unless the context otherwise requires:

*a.* (1) *"Development"* means any of the following:

(a) Construction, reconstruction, renovation, mining, extraction, dredging, filling, excavation, or drilling activity or operation.

(b) Man-made changes in the use or appearance of any structure or in the land itself.

(c) The division or subdivision of land.

(d) Any change in the intensity of use or the use of land.

(2) *"Development"* does not include any of the following:

(a) Activities on or uses of agricultural land, farm houses, or agricultural buildings or structures, unless such buildings or structures are located in the flood plain of a river or stream.

(b) Installation, operation, and maintenance of soil and water conservation practices.

(c) The choice of crops or a change in the choice of crops on agricultural land.

*b.* *"Land development regulations"* means zoning, subdivision, site plan, corridor map, floodplain, or storm water ordinances, rules, or regulations, or other governmental controls that affect the use of property.

*c.* *"Municipality"* means a city or a county.

2. A municipality shall consider the smart planning principles under section 18B.1 and may include the following information, if applicable, when developing or amending a comprehensive plan under chapter 335 or chapter 414 or when developing or amending other local land development regulations:

*a.* Information relating to public participation during the creation of the comprehensive plan or land development regulations, including documentation of the public participation process, a compilation of objectives, policies, and goals identified in the public comment received, and identification of the groups or individuals comprising any work groups or committees that were created to assist the planning and zoning commission or other appropriate decision-making body of the municipality.

*b.* Information relating to the primary characteristics of the municipality and a

description of how each of those characteristics impacts future development of the municipality. Such information may include historical information about the municipality, the municipality's geography, natural resources, natural hazards, population, demographics, types of employers and industry, labor force, political and community institutions, housing, transportation, educational resources, and cultural and recreational resources. The comprehensive plan or land development regulations may also identify characteristics and community aesthetics that are important to future development of the municipality.

*c.* Objectives, information, and programs that identify current land uses within the municipality and that guide the future development and redevelopment of property, consistent with the municipality's characteristics identified under paragraph "*b*". The comprehensive plan or land development regulations may include information on the amount, type, intensity, and density of existing land use, trends in the market price of land used for specific purposes, and plans for future land use throughout the municipality. The comprehensive plan or land development regulations may identify and include information on property that has the possibility for redevelopment, a map of existing and potential land use and land use conflicts, information and maps relating to the current and future provision of utilities within the municipality, information and maps that identify the current and future boundaries for areas reserved for soil conservation, water supply conservation, flood control, and surface water drainage and removal. Information provided under this paragraph may also include an analysis of the current and potential impacts on local watersheds and air quality.

*d.* Objectives, policies, and programs to further the vitality and character of established residential neighborhoods and new residential neighborhoods and plans to ensure an adequate housing supply that meets both the existing and forecasted housing demand. The comprehensive plan or land development regulations may include an inventory and analysis of the local housing stock and may include specific information such as age, condition, type, market value, occupancy, and historical characteristics of all the housing within the municipality. The comprehensive plan or land development regulations may identify specific policies and programs that promote the development of new housing and maintenance or rehabilitation of existing housing and that provide a range of housing choices that meet the needs of the residents of the municipality.

*e.* Objectives, policies, and programs to guide future development of sanitary sewer service, storm water management, water supply, solid waste disposal, wastewater treatment technologies, recycling facilities, and telecommunications facilities. The comprehensive plan or land development regulations may include estimates regarding future demand for such utility services.

*f.* Objectives, policies, and programs to guide the future development of a safe, convenient, efficient, and economical transportation system. Plans for such a transportation system may be coordinated with state and regional transportation plans and take into consideration the need for diverse modes of transportation, accessibility, improved air quality, and interconnectivity of the various modes of transportation.

*g.* Objectives, policies, and programs to promote the stabilization, retention, or expansion of economic development and employment opportunities. The comprehensive plan or land development regulations may include an analysis of current industries and economic activity and identify economic growth goals for the municipality. The comprehensive plan or land development regulations may also identify locations for future brownfield or grayfield development.

*h.* Objectives, policies, and programs addressing preservation and protection of agricultural and natural resources.

*i.* Objectives, policies, and programs to assist future development of educational facilities, cemeteries, health care facilities, child care facilities, law enforcement and fire protection facilities, libraries, and other governmental facilities that are necessary or desirable to meet the projected needs of the municipality.

*j.* Objectives, policies, and programs to identify characteristics and qualities that make the municipality unique and that are important to the municipality's heritage and quality of life.

*k.* Objectives, policies, and programs that identify the natural and other hazards that

have the greatest likelihood of impacting the municipality or that pose a risk of catastrophic damage as such hazards relate to land use and development decisions, as well as the steps necessary to mitigate risk after considering the local hazard mitigation plan approved by the federal emergency management agency.

*l.* Objectives, policies, and programs for joint planning and joint decision making with other municipalities or governmental entities, including school districts and drainage districts, for siting and constructing public facilities and sharing public services. The comprehensive plan or land development regulations may identify existing or potential conflicts between the municipality and other local governments related to future development of the municipality and may include recommendations for resolving such conflicts. The comprehensive plan or land development regulations may also identify opportunities to collaborate and partner with neighboring jurisdictions and other entities in the region for projects of mutual interest.

*m.* A compilation of programs and specific actions necessary to implement any provision of the comprehensive plan, including changes to any applicable land development regulations, official maps, or subdivision ordinances.

3. A municipality's comprehensive plan developed using the guidelines under this section shall address prevention and mitigation of, response to, and recovery from a catastrophic flood.

2010 Acts, ch 1184, §18

Referred to in §16.194A, 335.5, 414.3

# CHAPTER 18C

RESERVED

# SUBTITLE 8

## PERSONNEL

## CHAPTER 19

RESERVED

## CHAPTER 19A

DEPARTMENT OF PERSONNEL

Repealed by 2003 Acts, ch 145, §291; see chapter 8A, subchapter IV

## CHAPTER 19B

EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION

Referred to in §8.6


19B.1 Definitions.
19B.2 Equal opportunity in state employment — affirmative action.
19B.3 Administrative responsibilities of department of administrative services and board of regents.
19B.4 State agency affirmative action plans — programs.
19B.5 Annual reports.
19B.6 Responsibilities of department of administrative services and department of management — affirmative action.
19B.7 State contracts and services — state-assisted programs — responsibilities of department of management — regents.
19B.8 Sanctions.
19B.9 and 19B.10 Reserved.
19B.11 School districts, area education agencies, and community colleges — duties of director of department of education.
19B.12 Sexual harassment prohibited.


**19B.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Affirmative action"* means action appropriate to overcome the effects of past or present practices, policies, or other barriers to equal employment opportunity.

2. *"State agency"* means an office, bureau, division, department, board, or commission in the executive branch of state government.

86 Acts, ch 1245, §220
Referred to in §19B.6

**19B.2 Equal opportunity in state employment — affirmative action.**

It is the policy of this state to provide equal opportunity in state employment to all persons. An individual shall not be denied equal access to state employment opportunities because of race, creed, color, religion, national origin, sex, age, or physical or mental disability. It also is the policy of this state to apply affirmative action measures to correct deficiencies in the state employment system where those remedies are appropriate. This policy shall be construed broadly to effectuate its purposes.

It is the policy of this state to permit special appointments by bypassing the usual testing procedures for any applicant for whom the division of vocational rehabilitation services of the department of education or the department for the blind has certified the applicant's

disability and competence to perform the job. The department of administrative services, in cooperation with the department for the blind and the division of vocational rehabilitation services, shall develop appropriate certification procedures. This paragraph should not be interpreted to bar promotional opportunities for persons who are blind or persons with physical or mental disabilities. If this paragraph conflicts with any other provisions of this chapter, the provisions of this paragraph govern.

86 Acts, ch 1245, §221; 94 Acts, ch 1109, §1; 96 Acts, ch 1129, §12; 2003 Acts, ch 145, §286
Referred to in §19B.6

**19B.3 Administrative responsibilities of department of administrative services and board of regents.**

1. The department of administrative services is responsible for the administration and promotion of equal opportunity and affirmative action efforts in the recruitment, appointment, assignment, and advancement of personnel by all state agencies except the state board of regents and the institutions under its jurisdiction. In carrying out this responsibility the department shall do all of the following with respect to state agencies other than the state board of regents and its institutions:

*a.* Designate a position as the state affirmative action administrator.

*b.* Propose affirmative action standards applicable to each state agency based on the population of the community in which the agency functions, the population served by the agency, or the persons that can be reasonably recruited.

*c.* Gather data necessary to maintain an ongoing assessment of affirmative action efforts in state agencies.

*d.* Monitor accomplishments with respect to affirmative action remedies identified in affirmative action plans of state agencies.

*e.* Conduct studies of preemployment and postemployment processes in order to evaluate employment practices and develop improved methods of dealing with all employment issues related to equal employment opportunity and affirmative action.

*f.* Establish a state recruitment coordinating committee to assist in addressing affirmative action recruitment needs, with members appointed by the director of the department of administrative services.

*g.* Address equal opportunity and affirmative action training needs of all state agencies by:

(1) Providing appropriate training for managers and supervisors.

(2) Insuring that all state agencies make training available for all staff members whose duties relate to personnel administration.

(3) Investigating means for training in the area of career development.

*h.* Coordinate and develop equal employment opportunity reports, including the initiation of the processes necessary for the completion of the annual EEO-4 report required by the federal equal employment opportunity commission.

*i.* Address equal opportunity and affirmative action policies with respect to employee benefits and leaves of absence.

*j.* Adopt equal employment opportunity and affirmative action rules in accordance with chapter 17A.

2. The state board of regents is responsible for the administration and promotion of equal opportunity and affirmative action efforts in the recruitment, appointment, assignment, and advancement of personnel by the board and the institutions under its jurisdiction. In carrying out this responsibility the board shall do all of the following with respect to the board and its institutions:

*a.* Designate a position as the regents' affirmative action coordinator.

*b.* Propose affirmative action standards applicable to the board and each institution under its jurisdiction.

*c.* Gather data necessary to maintain an ongoing assessment of affirmative action efforts.

*d.* Monitor accomplishments with respect to affirmative action remedies identified in affirmative action plans.

*e.* Conduct studies of preemployment and postemployment processes in order to evaluate

employment practices and develop improved methods of dealing with all employment issues related to equal employment opportunity and affirmative action.

*f.* Establish an equal employment committee to assist in addressing affirmative action needs, including recruitment.

*g.* Address equal opportunity and affirmative action training needs by:

(1) Providing appropriate training for managers and supervisors.

(2) Insuring that the board and its institutions make training available for all staff members whose duties relate to personnel administration.

(3) Investigating means for training in the area of career development.

*h.* Require development of equal employment opportunity reports, including the initiation of the processes necessary for the completion of reports required by the federal equal employment opportunity commission.

*i.* Address equal opportunity and affirmative action policies with respect to employee benefits and leaves of absence.

*j.* Adopt equal employment opportunity and affirmative action rules in accordance with chapter 17A.

86 Acts, ch 1245, §222; 2000 Acts, ch 1095, §1; 2003 Acts, ch 145, §286
Referred to in §19B.6

**19B.4 State agency affirmative action plans — programs.**

1. Each state agency, including the state board of regents and its institutions, shall annually prepare an affirmative action plan. State agencies other than the state board of regents and its institutions shall submit their plans to the department of administrative services by July 31 each year. Institutions under the jurisdiction of the state board of regents shall submit their plans to that board between December 15 and December 31 each year. Each plan shall contain a clear and unambiguous written program containing goals and time specifications related to personnel administration.

2. Each state agency, including the state board of regents and its institutions, shall conduct programs of job orientation and provide organizational structure and training for upward mobility of employees. Emphasis shall be placed upon fair practices in employment.

86 Acts, ch 1245, §223; 90 Acts, ch 1075, §1; 2003 Acts, ch 145, §286
Referred to in §19B.6

**19B.5 Annual reports.**

1. The head of each state agency other than the state board of regents and its institutions is personally responsible for submitting by July 31 an annual report of the affirmative action accomplishments of that agency to the department of administrative services.

2. The department of administrative services shall submit a report on the condition of affirmative action, diversity, and multicultural programs in state agencies covered by subsection 1 by September 30 of each year to the governor and the general assembly.

3. The state board of regents shall submit an annual report of the affirmative action, diversity, and multicultural accomplishments of the board and its institutions by January 31 of each year to the general assembly. The report shall include information identifying funding sources and itemized costs, including administrative costs, for these programs.

86 Acts, ch 1245, §224; 90 Acts, ch 1075, §2; 95 Acts, ch 162, §8; 2001 Acts, ch 147, §3; 2003 Acts, ch 145, §142, 286
Referred to in §8A.111, 19B.6

**19B.6 Responsibilities of department of administrative services and department of management — affirmative action.**

The department of administrative services shall oversee the implementation of sections 19B.1 through 19B.5 and shall work with the governor to ensure compliance with those sections, including the attainment of affirmative action goals and timetables, by all state agencies, excluding the state board of regents and its institutions. The department of management shall oversee the implementation of sections 19B.1 through 19B.5 and shall

work with the governor to ensure compliance with those sections, including the attainment of affirmative action goals and timetables, by the state board of regents and its institutions.

86 Acts, ch 1245, §225; 2001 Acts, ch 147, §4; 2003 Acts, ch 145, §286

**19B.7 State contracts and services — state-assisted programs — responsibilities of department of management — regents.**

1. Except as otherwise provided in subsection 2, the department of management is responsible for the administration and promotion of equal opportunity in all state contracts and services and the prohibition of discriminatory and unfair practices within any program receiving or benefiting from state financial assistance in whole or in part. In carrying out these responsibilities the department of management shall:

*a.* Establish for all state agencies a contract compliance policy, applicable to state contracts and services and to programs receiving or benefiting from state financial assistance, to assure:

(1) The equitable provision of services within state programs.

(2) The utilization of minority, women's, and disadvantaged business enterprises as sources of supplies, equipment, construction, and services.

(3) Nondiscrimination in employment by state contractors and subcontractors.

*b.* Adopt administrative rules in accordance with chapter 17A to implement the contract compliance policy.

*c.* Monitor the actions of state agencies to ensure compliance.

*d.* Report results under the contract compliance policy to the governor and the general assembly on an annual basis. Any information reported by the department of administrative services to the economic development authority pursuant to section 15.108 shall not be required to be part of the report under this paragraph. The report shall detail specific efforts to promote equal opportunity through state contracts and services and efforts to promote, develop, and stimulate the utilization of minority, women's, and disadvantaged business enterprises in programs receiving or benefiting from state financial assistance.

*e.* Do other acts necessary to carry out the contract compliance policy described in this section.

2. The state board of regents is responsible for administering the provisions of this section for the institutions under its jurisdiction.

86 Acts, ch 1245, §226; 2007 Acts, ch 207, §9, 18; 2011 Acts, ch 118, §85, 89

**19B.8 Sanctions.**

The department of management may impose appropriate sanctions on individual state agencies, including the state board of regents and its institutions, and upon a community college, area education agency, or school district, in order to ensure compliance with state programs emphasizing equal opportunity through affirmative action, contract compliance policies, and requirements for procurement goals for targeted small businesses.

86 Acts, ch 1245, §227; 92 Acts, ch 1212, §1

**19B.9 and 19B.10** Reserved.

**19B.11 School districts, area education agencies, and community colleges — duties of director of department of education.**

1. It is the policy of this state to provide equal opportunity in school district, area education agency, and community college employment to all persons. An individual shall not be denied equal access to school district, area education agency, or community college employment opportunities because of race, creed, color, religion, national origin, sex, age, or physical or mental disability. It also is the policy of this state to apply affirmative action measures to correct deficiencies in school district, area education agency, and community college employment systems where those remedies are appropriate. This policy shall be construed broadly to effectuate its purposes.

2. The director of the department of education shall actively promote fair employment practices for all school district, area education agency, and community college employees

and the state board of education shall adopt rules requiring specific steps by school districts, area education agencies, and community colleges to accomplish the goals of equal employment opportunity and affirmative action in the recruitment, appointment, assignment, and advancement of personnel. Each school district, area education agency, and community college shall be required to develop affirmative action standards which are based on the population of the community in which it functions, the student population served, or the persons who can be reasonably recruited. The director of education shall consult with the department of administrative services in the performance of duties under this section.

3. Each school district, area education agency, and community college in the state shall submit to the director of the department of education an annual report of the accomplishments and programs of the district, agency, or community college in carrying out its duties under this section. The report shall be submitted between December 15 and December 31 each year. The director shall prescribe the form and content of the report.

4. The director of the department of education shall prepare a compilation of the reports required by subsection 3 and shall submit this compilation, together with a report of the director's accomplishments and programs pursuant to this section, to the department of management by January 31 of each year.

86 Acts, ch 1245, §228; 88 Acts, ch 1284, §42; 90 Acts, ch 1253, §121; 2003 Acts, ch 145, §286

**19B.12 Sexual harassment prohibited.**

A state employee shall not sexually harass another state employee, a person in the care or custody of the state employee or a state institution, or a person attending a state educational institution. This section applies to full-time, part-time, or temporary employees, to inpatients and outpatients, and to full-time or part-time students.

1. An employee in a supervisory position shall not threaten or insinuate, explicitly or implicitly, that another employee's refusal to submit to sexual advances will adversely affect the employee's employment, evaluation, salary advancement, job assignments, or other terms, conditions, or privileges of employment.

2. An employee shall not discriminate against another state employee, a person in the care or custody of the employee or a state institution, or a person attending a state educational institution based on sex or create an intimidating, hostile, or offensive working environment in a state work, educational, or correctional situation.

3. *a.* As used in this section, *"sexual harassment"* means persistent, repetitive, or highly egregious conduct directed at a specific individual or group of individuals that a reasonable person would interpret as intentional harassment of a sexual nature, taking into consideration the full context in which the conduct occurs, which conduct threatens to impair the ability of a person to perform the duties of employment, or otherwise function normally within an institution responsible for the person's care, rehabilitation, education, or training.

*b.* *"Sexual harassment"* may include, but is not limited to, the following:

(1) Unsolicited sexual advances by a person toward another person who has clearly communicated the other person's desire not to be the subject of those advances.

(2) Sexual advances or propositions made by a person having superior authority toward another person within the workplace or institution.

(3) Instances of offensive sexual remarks or speech or graphic sexual displays directed at a person in the workplace or institution, who has clearly communicated the person's objection to that conduct, and where the person is not free to avoid that conduct due to the requirements of the employment or the confines or operations of the institution.

(4) Dress requirements that bear no relation to the person's employment responsibilities or institutional status.

4. The department of administrative services for all state agencies, and the state board of regents for its institutions, shall adopt rules and appropriate internal, confidential grievance procedures to implement this section, and shall adopt procedures for determining violations of this section and for ordering appropriate dispositions that may include, but are not limited to, discharge, suspension, or reduction in rank or grade as defined in section 8A.413, subsection 18.

5. The department of administrative services shall develop for all state agencies, and all state agencies shall distribute at the time of hiring or orientation, a guide for employees that describes the applicable sexual harassment prohibitions and grievance, violation, and disposition procedures.

6. The state board of regents shall develop, and direct the institutions under its control to distribute at the time of hiring, registration, admission, or orientation, a guide for employees, students, and patients that describes the applicable sexual harassment prohibitions and grievance, violation, and disposition procedures.

7. This section does not supersede a provision of a collective bargaining agreement negotiated under chapter 20, or the grievance procedures provisions of chapter 20.

8. This section does not supersede the remedies provided under chapter 216.

92 Acts, ch 1086, §3; 2003 Acts, ch 145, §143, 286; 2008 Acts, ch 1031, §98

Referred to in §2.11, 2.42, 602.1401

# CHAPTER 20

## PUBLIC EMPLOYMENT RELATIONS (COLLECTIVE BARGAINING)

Referred to in §1C.2, 2.40, 8.56, 8.58, 8A.402, 8A.411, 8A.413, 8D.3, 12.9, 13.13, 13.22, 13.34, 15.106C, 19B.12, 21.9, 28J.7, 70A.19, 70A.20, 70A.23, 70A.37, 80.8, 80.15, 99G.10, 173.1, 235E.2, 256F.4, 260C.18D, 261E.9, 262.9, 273.12, 279.10, 279.13, 279.14, 284.3, 284.3A, 284.4, 284.8, 284.11, 284.13, 331.324, 400.8A, 411.39, 602.1401, 602.11108, 905.4


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**20.1 Public policy.**

1. The general assembly declares that it is the public policy of the state to promote harmonious and cooperative relationships between government and its employees by permitting public employees to organize and bargain collectively; to protect the citizens of this state by assuring effective and orderly operations of government in providing for their health, safety, and welfare; to prohibit and prevent all strikes by public employees; and to protect the rights of public employees to join or refuse to join, and to participate in or refuse to participate in, employee organizations.

2. The general assembly declares that the purposes of the public employment relations board established by this chapter are to implement the provisions of this chapter and adjudicate and conciliate employment-related cases involving the state of Iowa and other public employers and employee organizations. For these purposes the powers and duties of the board include but are not limited to the following:

*a.* Determining appropriate bargaining units and conducting representation elections.

*b.* Adjudicating prohibited practice complaints including the exercise of exclusive original

jurisdiction over all claims alleging the breach of the duty of fair representation imposed by section 20.17.

*c.* Fashioning appropriate remedial relief for violations of this chapter, including but not limited to the reinstatement of employees with or without back pay and benefits.

*d.* Adjudicating and serving as arbitrators regarding state merit system grievances and, upon joint request, grievances arising under collective bargaining agreements between public employers and certified employee organizations.

*e.* Providing mediators and arbitrators to resolve impasses in negotiations.

*f.* Collecting and disseminating information concerning the wages, hours, and other conditions of employment of public employees.

*g.* Preparing legal briefs and presenting oral arguments in the district court, the court of appeals, and the supreme court in cases affecting the board.

[C75, 77, 79, 81, §20.1]

86 Acts, ch 1238, §39, 58; 86 Acts, ch 1245, §229; 87 Acts, ch 19, §3; 90 Acts, ch 1037, §1, 2; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1165, §1, 2

State merit system, see chapter 8A, subchapter IV

**20.2 Title.**

This chapter shall be known as the *"Public Employment Relations Act"*.

[C75, 77, 79, 81, §20.2]

**20.3 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Arbitration"* means the procedure whereby the parties involved in an impasse submit their differences to a third party for a final and binding decision or as provided in this chapter.

2. *"Board"* means the public employment relations board established under section 20.5.

3. *"Confidential employee"* means any public employee who works in the personnel offices of a public employer or who has access to information subject to use by the public employer in negotiating or who works in a close continuing working relationship with public officers or representatives associated with negotiating on behalf of the public employer.

*"Confidential employee"* also includes the personal secretary of any of the following: Any elected official or person appointed to fill a vacancy in an elective office, member of any board or commission, the administrative officer, director, or chief executive officer of a public employer or major division thereof, or the deputy or first assistant of any of the foregoing.

4. *"Employee organization"* means an organization of any kind in which public employees participate and which exists for the primary purpose of representing employees in their employment relations.

5. *"Governing body"* means the board, council, or commission, whether elected or appointed, of a political subdivision of this state, including school districts and other special purpose districts, which determines the policies for the operation of the political subdivision.

6. *"Impasse"* means the failure of a public employer and the employee organization to reach agreement in the course of negotiations.

7. *"Mediation"* means assistance by an impartial third party to reconcile an impasse between the public employer and the employee organization through interpretation, suggestion, and advice.

8. *"Professional employee"* means any one of the following:

*a.* Any employee engaged in work:

(1) Predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical or physical work;

(2) Involving the consistent exercise of discretion and judgment in its performance;

(3) Of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; and

(4) Requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic

education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes.

*b.* Any employee who:

(1) Has completed the courses of specialized intellectual instruction and study described in paragraph *"a"*, subparagraph 4, of this subsection, and

(2) Is performing related work under the supervision of a professional person to qualify the employee to become a professional employee as defined in paragraph *"a"* of this subsection.

9. *"Public employee"* means any individual employed by a public employer, except individuals exempted under the provisions of section 20.4.

10. *"Public employer"* means the state of Iowa, its boards, commissions, agencies, departments, and its political subdivisions including school districts and other special purpose districts.

11. *"Strike"* means a public employee's refusal, in concerted action with others, to report to duty, or a willful absence from the employee's position, or a stoppage of work by the employee, or the employee's abstinence in whole or in part from the full, faithful, and proper performance of the duties of employment, for the purpose of inducing, influencing or coercing a change in the conditions, compensation, rights, privileges or obligations of public employment.

[C75, 77, 79, 81, §20.3]

2010 Acts, ch 1165, §3, 4

Referred to in §185.34, 235A.15, 412.2, 602.11108

**20.4 Exclusions.**

The following public employees shall be excluded from the provisions of this chapter:

1. Elected officials and persons appointed to fill vacancies in elective offices, and members of any board or commission.

2. Representatives of a public employer, including the administrative officer, director or chief executive officer of a public employer or major division thereof as well as the officer's or director's deputy, first assistant, and any supervisory employees. *"Supervisory employee"* means any individual having authority in the interest of the public employer to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward or discipline other public employees, or the responsibility to direct them, or to adjust their grievances, or effectively to recommend such action, if, in connection with the foregoing, exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment. All school superintendents, assistant superintendents, principals and assistant principals shall be deemed to be supervisory employees.

3. Confidential employees.

4. Students working as part-time public employees twenty hours per week or less, except graduate or other postgraduate students in preparation for a profession who are engaged in academically related employment as a teaching, research, or service assistant.

5. Temporary public employees employed for a period of four months or less.

6. Commissioned and enlisted personnel of the Iowa national guard.

7. Judicial officers, and confidential, professional, or supervisory employees of the judicial branch.

8. Patients and inmates employed, sentenced or committed to any state or local institution.

9. Persons employed by the state department of justice, except nonsupervisory employees of the consumer advocate division who are employed primarily for the purpose of performing technical analysis of nonlegal issues.

10. Persons employed by the credit union division of the department of commerce.

11. Persons employed by the banking division of the department of commerce.

12. The appointee serving as the coordinator of the office of renewable fuels and coproducts, as provided in section 159A.3.

[C75, 77, 79, 81, §20.4]

83 Acts, ch 186, §10012, 10201; 86 Acts, ch 1245, §230; 86 Acts, ch 1246, §612; 89 Acts, ch 158, §3; 89 Acts, ch 296, §5; 91 Acts, ch 254, §3; 94 Acts, ch 1119, §9; 98 Acts, ch 1047, §12; 2007 Acts, ch 88, §1; 2010 Acts, ch 1061, §5

Referred to in §12.9, 20.3, 279.23

See also §12.9

**20.5 Public employment relations board.**

1. There is established a board to be known as the "Public Employment Relations Board".

*a.* The board shall consist of three members appointed by the governor, subject to confirmation by the senate. In selecting the members of the board, consideration shall be given to their knowledge, ability, and experience in the field of labor-management relations. No more than two members shall be of the same political affiliation, no member shall engage in any political activity while holding office and the members shall devote full time to their duties.

*b.* The members shall be appointed for staggered terms of four years beginning and ending as provided in section 69.19.

*c.* The member first appointed for a term of four years shall serve as chairperson and each of the member's successors shall also serve as chairperson.

*d.* Any vacancy occurring shall be filled in the same manner as regular appointments are made.

2. The board may employ such persons as are necessary for the performance of its functions. Personnel of the board shall be employed pursuant to the provisions of chapter 8A, subchapter IV.

3. The chairperson and the remaining two members shall be compensated as provided in section 7E.6, subsection 5. Members of the board and employees of the board shall be allowed their actual and necessary expenses incurred in the performance of their duties. All expenses and salaries shall be paid from appropriations for such purposes and the board shall be subject to the budget requirements of chapter 8.

[C75, 77, 79, 81, §20.5]

2003 Acts, ch 145, §144; 2007 Acts, ch 215, §25; 2008 Acts, ch 1031, §82; 2010 Acts, ch 1165, §5

Referred to in §20.3

Confirmation, see §2.32

**20.6 General powers and duties of the board.**

The board shall:

1. Interpret, apply, and administer the provisions of this chapter.

2. Collect, for public employers other than the state and its boards, commissions, departments, and agencies, data and conduct studies relating to wages, hours, benefits and other terms and conditions of public employment and make the same available to any interested person or organization.

3. Establish minimum qualifications for arbitrators and mediators, establish procedures for appointing, maintaining, and removing from a list persons representative of the public to be available to serve as arbitrators and mediators, and establish compensation rates for arbitrators and mediators.

4. Hold hearings and administer oaths, examine witnesses and documents, take testimony and receive evidence, issue subpoenas to compel the attendance of witnesses and the production of records, and delegate such power to a member of the board, persons appointed or employed by the board, including administrative law judges, or administrative law judges employed by the division of administrative hearings created by section 10A.801, for the performance of its functions. The board may petition the district court at the seat of government or of the county where a hearing is held to enforce a board order compelling the attendance of witnesses and production of records.

5. Adopt rules in accordance with the provisions of chapter 17A as it may deem necessary to carry out the purposes of this chapter.

[C75, 77, 79, 81, §20.6]

88 Acts, ch 1109, §5; 91 Acts, ch 174, §1; 98 Acts, ch 1202, §28, 46; 2010 Acts, ch 1165, §6

Personnel appeals, see §8A.415

Appeals of adverse employment actions against whistleblowers, see §70A.28

**20.7 Public employer rights.**

Public employers shall have, in addition to all powers, duties, and rights established by constitutional provision, statute, ordinance, charter, or special act, the exclusive power, duty, and the right to:

1. Direct the work of its public employees.
2. Hire, promote, demote, transfer, assign and retain public employees in positions within the public agency.
3. Suspend or discharge public employees for proper cause.
4. Maintain the efficiency of governmental operations.
5. Relieve public employees from duties because of lack of work or for other legitimate reasons.
6. Determine and implement methods, means, assignments and personnel by which the public employer's operations are to be conducted.
7. Take such actions as may be necessary to carry out the mission of the public employer.
8. Initiate, prepare, certify and administer its budget.
9. Exercise all powers and duties granted to the public employer by law.

[C75, 77, 79, 81, §20.7]

**20.8 Public employee rights.**

Public employees shall have the right to:

1. Organize, or form, join, or assist any employee organization.
2. Negotiate collectively through representatives of their own choosing.
3. Engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection insofar as any such activity is not prohibited by this chapter or any other law of the state.
4. Refuse to join or participate in the activities of employee organizations, including the payment of any dues, fees or assessments or service fees of any type.

[C75, 77, 79, 81, §20.8]

Referred to in §20.10

**20.9 Scope of negotiations.**

The public employer and the employee organization shall meet at reasonable times, including meetings reasonably in advance of the public employer's budget-making process, to negotiate in good faith with respect to wages, hours, vacations, insurance, holidays, leaves of absence, shift differentials, overtime compensation, supplemental pay, seniority, transfer procedures, job classifications, health and safety matters, evaluation procedures, procedures for staff reduction, in-service training and other matters mutually agreed upon. Negotiations shall also include terms authorizing dues checkoff for members of the employee organization and grievance procedures for resolving any questions arising under the agreement, which shall be embodied in a written agreement and signed by the parties. If an agreement provides for dues checkoff, a member's dues may be checked off only upon the member's written request and the member may terminate the dues checkoff at any time by giving thirty days' written notice. Such obligation to negotiate in good faith does not compel either party to agree to a proposal or make a concession.

Nothing in this section shall diminish the authority and power of the department of administrative services, board of regents' merit system, Iowa public broadcasting board's merit system, or any civil service commission established by constitutional provision, statute, charter or special act to recruit employees, prepare, conduct and grade examinations, rate candidates in order of their relative scores for certification for appointment or promotion or

for other matters of classification, reclassification or appeal rights in the classified service of the public employer served.

All retirement systems shall be excluded from the scope of negotiations.

[C75, 77, 79, 81, §20.9]

2003 Acts, ch 145, §286

Referred to in §20.10, 20.17, 21.9, 70A.19, 70A.30, 284.3A, 412.2

Dues checkoff for state employees, see §70A.19

**20.10 Prohibited practices.**

1. It shall be a prohibited practice for any public employer, public employee, or employee organization to refuse to negotiate in good faith with respect to the scope of negotiations as defined in section 20.9.

2. It shall be a prohibited practice for a public employer or the employer's designated representative to:

*a.* Interfere with, restrain or coerce public employees in the exercise of rights granted by this chapter.

*b.* Dominate or interfere in the administration of any employee organization.

*c.* Encourage or discourage membership in any employee organization, committee or association by discrimination in hiring, tenure, or other terms or conditions of employment.

*d.* Discharge or discriminate against a public employee because the employee has filed an affidavit, petition or complaint or given any information or testimony under this chapter, or because the employee has formed, joined or chosen to be represented by any employee organization.

*e.* Refuse to negotiate collectively with representatives of certified employee organizations as required in this chapter.

*f.* Deny the rights accompanying certification granted in this chapter.

*g.* Refuse to participate in good faith in any agreed upon impasse procedures or those set forth in this chapter.

*h.* Engage in a lockout.

3. It shall be a prohibited practice for public employees or an employee organization or for any person, union or organization or their agents to:

*a.* Interfere with, restrain, coerce or harass any public employee with respect to any of the employee's rights under this chapter or in order to prevent or discourage the employee's exercise of any such right, including, without limitation, all rights under section 20.8.

*b.* Interfere, restrain, or coerce a public employer with respect to rights granted in this chapter or with respect to selecting a representative for the purposes of negotiating collectively or the adjustment of grievances.

*c.* Refuse to bargain collectively with a public employer as required in this chapter.

*d.* Refuse to participate in good faith in any agreed upon impasse procedures or those set forth in this chapter.

*e.* Violate section 20.12.

*f.* Violate the provisions of sections 732.1 to 732.3, which are hereby made applicable to public employers, public employees, and employee organizations.

*g.* Picket in a manner which interferes with ingress and egress to the facilities of the public employer.

*h.* Engage in, initiate, sponsor or support any picketing that is performed in support of a strike, work stoppage, boycott or slowdown against a public employer.

*i.* Picket for any unlawful purpose.

4. The expressing of any views, argument or opinion, or the dissemination thereof, whether orally or in written, printed, graphic, or visual form, shall not constitute or be evidence of any prohibited practice under any of the provisions of this chapter, if such expression contains no threat of reprisal or force or promise of benefit.

[C75, 77, 79, 81, §20.10]

2010 Acts, ch 1165, §7 – 13

Referred to in §20.11, 279.19

**20.11 Prohibited practice violations.**

1. Proceedings against a party alleging a violation of section 20.10 shall be commenced by filing a complaint with the board within ninety days of the alleged violation, causing a copy of the complaint to be served upon the accused party. The accused party shall have ten days within which to file a written answer to the complaint. However, the board may conduct a preliminary investigation of the alleged violation, and if the board determines that the complaint has no basis in fact, the board may dismiss the complaint. The board shall promptly thereafter set a time and place for hearing in the county where the alleged violation occurred, provided, however, that the presiding officer may conduct the hearing through the use of technology from a remote location. The parties shall be permitted to be represented by counsel, summon witnesses, and request the board to subpoena witnesses on the requester's behalf. Compliance with the technical rules of pleading and evidence shall not be required.

2. The board may designate one of its members, an administrative law judge, or any other qualified person employed by the board to serve as the presiding officer at the hearing. The presiding officer has the powers as may be exercised by the board for conducting the hearing and shall follow the procedures adopted by the board for conducting the hearing. The proposed decision of the presiding officer may be appealed to the board, or reviewed on motion of the board, in accordance with the provisions of chapter 17A.

3. The board shall appoint a certified shorthand reporter to report the proceedings and the board shall fix the reasonable amount of compensation for such service, and for any transcript requested by the board, which amounts shall be taxed as other costs.

4. The board shall file its findings of fact and conclusions of law within sixty days of the close of any hearing, receipt of the transcript, or submission of any briefs. If the board finds that the party accused has committed a prohibited practice, the board may, within thirty days of its decision, enter into a consent order with the party to discontinue the practice, or after the thirty days following the decision may petition the district court for injunctive relief pursuant to rules of civil procedure 1.1501 to 1.1511.

5. The board's review of proposed decisions and the rehearing or judicial review of final decisions is governed by the provisions of chapter 17A.

[C75, 77, 79, 81, §20.11]

88 Acts, ch 1109, §6; 89 Acts, ch 296, §6, 7; 91 Acts, ch 174, §2; 2010 Acts, ch 1165, §14

**20.12 Strikes prohibited.**

1. It shall be unlawful for any public employee or any employee organization, directly or indirectly, to induce, instigate, encourage, authorize, ratify or participate in a strike against any public employer.

2. It shall be unlawful for any public employer to authorize, consent to, or condone a strike; or to pay or agree to pay any public employee for any day in which the employee participates in a strike; or to pay or agree to pay any increase in compensation or benefits to any public employee in response to or as a result of any strike or any act which violates subsection 1. It shall be unlawful for any official, director, or representative of any public employer to authorize, ratify or participate in any violation of this subsection. Nothing in this subsection shall prevent new or renewed bargaining and agreement within the scope of negotiations as defined by this chapter, at any time after such violation of subsection 1 has ceased; but it shall be unlawful for any public employer or employee organization to bargain at any time regarding suspension or modification of any penalty provided in this section or regarding any request by the public employer to a court for such suspension or modification.

3. In the event of any violation or imminently threatened violation of subsection 1 or 2, any citizen domiciled within the jurisdictional boundaries of the public employer may petition the district court for the county in which the violation occurs or the district court for Polk county for an injunction restraining such violation or imminently threatened violation. Rules of civil procedure 1.1501 to 1.1511 regarding injunctions shall apply. However, the court shall grant a temporary injunction if it appears to the court that a violation has occurred or is imminently threatened; the plaintiff need not show that the violation or threatened violation would greatly or irreparably injure the plaintiff; and no bond shall be required of the plaintiff unless the court determines that a bond is necessary in the public interest. Failure

to comply with any temporary or permanent injunction granted pursuant to this section shall constitute a contempt punishable pursuant to chapter 665. The punishment shall not exceed five hundred dollars for an individual, or ten thousand dollars for an employee organization or public employer, for each day during which the failure to comply continues, or imprisonment in a county jail not exceeding six months, or both such fine and imprisonment. An individual or an employee organization which makes an active good faith effort to comply fully with the injunction shall not be deemed to be in contempt.

4. If a public employee is held to be in contempt of court for failure to comply with an injunction pursuant to this section, or is convicted of violating this section, the employee shall be ineligible for any employment by the same public employer for a period of twelve months. The employee's public employer shall immediately discharge the employee, but upon the employee's request the court shall stay the discharge to permit further judicial proceedings.

5. If an employee organization or any of its officers is held to be in contempt of court for failure to comply with an injunction pursuant to this section, or is convicted of violating this section, the employee organization shall be immediately decertified, shall cease to represent the bargaining unit, shall cease to receive any dues by checkoff, and may again be certified only after twelve months have elapsed from the effective date of decertification and only after a new compliance with section 20.14. The penalties provided in this section may be suspended or modified by the court, but only upon request of the public employer and only if the court determines the suspension or modification is in the public interest.

6. Each of the remedies and penalties provided by this section is separate and several, and is in addition to any other legal or equitable remedy or penalty.

[C75, 77, 79, 81, §20.12]

Referred to in §20.10

**20.13 Bargaining unit determination.**

1. Board determination of an appropriate bargaining unit shall be upon petition filed by a public employer, public employee, or employee organization.

2. Within thirty days of receipt of a petition, the board shall conduct a public hearing, receive written or oral testimony, and promptly thereafter file an order defining the appropriate bargaining unit. In defining the unit, the board shall take into consideration, along with other relevant factors, the principles of efficient administration of government, the existence of a community of interest among public employees, the history and extent of public employee organization, geographical location, and the recommendations of the parties involved.

3. Appeals from such order shall be governed by the provisions of chapter 17A.

4. Professional and nonprofessional employees shall not be included in the same bargaining unit unless a majority of both agree.

[C75, 77, 79, 81, §20.13]

2010 Acts, ch 1165, §15

Referred to in §20.14

**20.14 Bargaining representative determination.**

1. Board certification of an employee organization as the exclusive bargaining representative of a bargaining unit shall be upon a petition filed with the board by a public employer, public employee, or an employee organization and an election conducted pursuant to section 20.15.

2. The petition of an employee organization shall allege that:

*a.* The employee organization has submitted a request to a public employer to bargain collectively on behalf of a designated group of public employees.

*b.* The petition is accompanied by written evidence that thirty percent of such public employees are members of the employee organization or have authorized it to represent them for the purposes of collective bargaining.

3. The petition of a public employee shall allege that an employee organization which has been certified as the bargaining representative does not represent a majority of such public

employees and that the petitioners do not want to be represented by an employee organization or seek certification of an employee organization.

4. The petition of a public employer shall allege that it has received a request to bargain from an employee organization which has not been certified as the bargaining representative of the public employees in an appropriate bargaining unit.

5. The board shall investigate the allegations of any petition and shall give reasonable notice of the receipt of such a petition to all public employees, employee organizations and public employers named or described in such petitions or interested in the representation questioned. The board shall thereafter call an election under section 20.15, unless:

*a.* It finds that less than thirty percent of the public employees in the unit appropriate for collective bargaining support the petition for decertification or for certification.

*b.* The appropriate bargaining unit has not been determined pursuant to section 20.13.

[C75, 77, 79, 81, §20.14]

2010 Acts, ch 1165, §16, 17

Referred to in §20.12, 20.15

**20.15 Elections.**

1. Upon the filing of a petition for certification of an employee organization, the board shall submit a question to the public employees at an election in the bargaining unit found appropriate by the board. The question on the ballot shall permit the public employees to vote for no bargaining representation or for any employee organization which has petitioned for certification or which has presented proof satisfactory to the board of support of ten percent or more of the public employees in the appropriate unit.

2. If a majority of the votes cast on the question is for no bargaining representation, the public employees in the bargaining unit found appropriate by the board shall not be represented by an employee organization. If a majority of the votes cast on the question is for a listed employee organization, then that employee organization shall represent the public employees in the bargaining unit found appropriate by the board.

3. If none of the choices on the ballot receive the vote of a majority of the public employees voting, the board shall conduct a runoff election among the two choices receiving the greatest number of votes.

4. Upon written objections filed by any party to the election within ten days after notice of the results of the election, if the board finds that misconduct or other circumstances prevented the public employees eligible to vote from freely expressing their preferences, the board may invalidate the election and hold a second election for the public employees.

5. Upon completion of a valid election in which the majority choice of the employees voting is determined, the board shall certify the results of the election and shall give reasonable notice of the order to all employee organizations listed on the ballot, the public employers, and the public employees in the appropriate bargaining unit.

6. *a.* A petition for certification as exclusive bargaining representative of a bargaining unit shall not be considered by the board for a period of one year from the date of the noncertification of an employee organization as the exclusive bargaining representative of that bargaining unit following a certification election. A petition for certification as the exclusive bargaining representative of a bargaining unit shall also not be considered by the board if the bargaining unit is at that time represented by a certified exclusive bargaining representative.

*b.* A petition for the decertification of the exclusive bargaining representative of a bargaining unit shall not be considered by the board for a period of one year from the date of its certification, or within one year of its continued certification following a decertification election, or during the duration of a collective bargaining agreement which, for purposes of this section, shall be deemed not to exceed two years. However, if a petition for decertification is filed during the duration of a collective bargaining agreement, the board shall award an election under this section not more than one hundred eighty days and not less than one hundred fifty days prior to the expiration of the collective bargaining agreement. If an employee organization is decertified, the board may receive petitions under section 20.14, provided that no such petition and no election conducted pursuant to

such petition within one year from decertification shall include as a party the decertified employee organization.

*c.* A collective bargaining agreement with the state, its boards, commissions, departments, and agencies shall be for two years and the provisions of a collective bargaining agreement or arbitrator's award affecting state employees shall not provide for renegotiations which would require the refinancing of salary and fringe benefits for the second year of the term of the agreement, except as provided in section 20.17, subsection 6, and the effective date of any such agreement shall be July 1 of odd-numbered years, provided that if an exclusive bargaining representative is certified on a date which will prevent the negotiation of a collective bargaining agreement prior to July 1 of odd-numbered years for a period of two years, the certified collective bargaining representative may negotiate a one-year contract with the public employer which shall be effective from July 1 of the even-numbered year to July 1 of the succeeding odd-numbered year when new contracts shall become effective.

[C75, 77, 79, 81, §20.15]

2010 Acts, ch 1165, §18

Referred to in §20.14, 602.1401

**20.16 Duty to bargain.**

Upon the receipt by a public employer of a request from an employee organization to bargain on behalf of public employees, the duty to engage in collective bargaining shall arise if the employee organization has been certified by the board as the exclusive bargaining representative for the public employees in that bargaining unit.

[C75, 77, 79, 81, §20.16]

**20.17 Procedures.**

1. The employee organization certified as the bargaining representative shall be the exclusive representative of all public employees in the bargaining unit and shall represent all public employees fairly. However, any public employee may meet and adjust individual complaints with a public employer. To sustain a claim that a certified employee organization has committed a prohibited practice by breaching its duty of fair representation, a public employee must establish by a preponderance of the evidence action or inaction by the organization which was arbitrary, discriminatory, or in bad faith.

2. The employee organization and the public employer may designate any individual as its representative to engage in collective bargaining negotiations.

3. Negotiating sessions, strategy meetings of public employers, mediation, and the deliberative process of arbitrators shall be exempt from the provisions of chapter 21. However, the employee organization shall present its initial bargaining position to the public employer at the first bargaining session. The public employer shall present its initial bargaining position to the employee organization at the second bargaining session, which shall be held no later than two weeks following the first bargaining session. Both sessions shall be open to the public and subject to the provisions of chapter 21. Parties who by agreement are utilizing a cooperative alternative bargaining process may exchange their respective initial interest statements in lieu of initial bargaining positions at these open sessions. Hearings conducted by arbitrators shall be open to the public.

4. The terms of a proposed collective bargaining agreement shall be made available to the public by the public employer and reasonable notice shall be given to the public employees by the employee organization prior to a ratification election. The collective bargaining agreement shall become effective only if ratified by a majority of those voting by secret ballot.

5. Terms of any collective bargaining agreement may be enforced by a civil action in the district court of the county in which the agreement was made upon the initiative of either party.

6. A collective bargaining agreement or arbitrator's award shall not be valid or enforceable if its implementation would be inconsistent with any statutory limitation on the public employer's funds, spending or budget or would substantially impair or limit the performance of any statutory duty by the public employer. A collective bargaining

agreement or arbitrator's award may provide for benefits conditional upon specified funds to be obtained by the public employer, but the agreement shall provide either for automatic reduction of such conditional benefits or for additional bargaining if the funds are not obtained or if a lesser amount is obtained.

7. If agreed to by the parties nothing in this chapter shall be construed to prohibit supplementary bargaining on behalf of public employees in a part of the bargaining unit concerning matters uniquely affecting those public employees or cooperation and coordination of bargaining between two or more bargaining units.

8. The salaries of all public employees of the state under a merit system and all other fringe benefits which are granted to all public employees of the state shall be negotiated with the governor or the governor's designee on a statewide basis, except those benefits which are not subject to negotiations pursuant to the provisions of section 20.9.

9. A public employee or any employee organization shall not negotiate or attempt to negotiate directly with a member of the governing board of a public employer if the public employer has appointed or authorized a bargaining representative for the purpose of bargaining with the public employees or their representative, unless the member of the governing board is the designated bargaining representative of the public employer.

10. The negotiation of a proposed collective bargaining agreement by representatives of a state public employer and a state employee organization shall be complete not later than March 15 of the year when the agreement is to become effective. The board shall provide, by rule, a date on which any impasse item must be submitted to binding arbitration and for such other procedures as deemed necessary to provide for the completion of negotiations of proposed state collective bargaining agreements not later than March 15. The date selected for the mandatory submission of impasse items to binding arbitration shall be sufficiently in advance of March 15 to ensure that the arbitrator's award can be reasonably made before March 15.

11. *a.* In the absence of an impasse agreement negotiated pursuant to section 20.19 which provides for a different completion date, public employees represented by a certified employee organization who are teachers licensed under chapter 272 and who are employed by a public employer which is a school district or area education agency shall complete the negotiation of a proposed collective bargaining agreement not later than May 31 of the year when the agreement is to become effective. The board shall provide, by rule, a date on which impasse items in such cases must be submitted to binding arbitration and for such other procedures as deemed necessary to provide for the completion of negotiations of proposed collective bargaining agreements not later than May 31. The date selected for the mandatory submission of impasse items to binding arbitration in such cases shall be sufficiently in advance of May 31 to ensure that the arbitrator's award can be reasonably made by May 31.

*b.* In the absence of an impasse agreement negotiated pursuant to section 20.19 which provides for a different completion date, public employees represented by a certified employee organization who are employed by a public employer which is a community college shall complete the negotiation of a proposed collective bargaining agreement not later than May 31 of the year when the agreement is to become effective. The board shall provide, by rule, a date on which impasse items in such cases must be submitted to binding arbitration and for such other procedures as deemed necessary to provide for the completion of negotiations of proposed collective bargaining agreements not later than May 31. The date selected for the mandatory submission of impasse items to binding arbitration in such cases shall be sufficiently in advance of May 31 to ensure that the arbitrator's award can be reasonably made by May 31.

*c.* Notwithstanding the provisions of paragraphs *"a"* and *"b"*, the May 31 deadline may be waived by mutual agreement of the parties to the collective bargaining agreement negotiations.

[C75, 77, 79, 81, §20.17]

89 Acts, ch 296, §8; 90 Acts, ch 1037, §3; 91 Acts, ch 174, §3; 92 Acts, ch 1011, §1; 92 Acts, ch 1212, §2; 92 Acts, ch 1227, §11; 2010 Acts, ch 1165, §19 – 22

Referred to in §20.1, 20.15, 20.22, 273.22, 275.33

State merit system, see chapter 8A, subchapter IV

**20.18 Grievance procedures.**

1. An agreement with an employee organization which is the exclusive representative of public employees in an appropriate unit may provide procedures for the consideration of public employee and employee organization grievances over the interpretation and application of agreements. Negotiated procedures may provide for binding arbitration of public employee and employee organization grievances over the interpretation and application of existing agreements. An arbitrator's decision on a grievance may not change or amend the terms, conditions, or applications of the collective bargaining agreement. Such procedures shall provide for the invoking of arbitration only with the approval of the employee organization in all instances, and in the case of an employee grievance, only with the additional approval of the public employee. The costs of arbitration shall be shared equally by the parties.

2. Public employees of the state or public employees covered by civil service shall follow either the grievance procedures provided in a collective bargaining agreement, or in the event that grievance procedures are not provided, shall follow grievance procedures established pursuant to chapter 8A, subchapter IV, or chapter 400, as applicable.

[C75, 77, 79, 81, §20.18]

86 Acts, ch 1118, §1; 2003 Acts, ch 145, §145; 2010 Acts, ch 1165, §23

Referred to in §235A.15, 279.19

**20.19 Impasse procedures — agreement of parties.**

1. As the first step in the performance of their duty to bargain, the public employer and the employee organization shall endeavor to agree upon impasse procedures. Such agreement shall provide for implementation of these impasse procedures not later than one hundred twenty days prior to the certified budget submission date of the public employer. However, if public employees represented by the employee organization are teachers licensed under chapter 272, and the public employer is a school district or area education agency, the agreement shall provide for implementation of impasse procedures not later than one hundred twenty days prior to May 31 of the year when the collective bargaining agreement is to become effective. If the public employer is a community college, the agreement shall provide for implementation of impasse procedures not later than one hundred twenty days prior to May 31 of the year when the collective bargaining agreement is to become effective. If the public employer is not subject to the budget certification requirements of section 24.17 and other applicable sections, the agreement shall provide for implementation of impasse procedures not later than one hundred twenty days prior to the date the next fiscal or budget year of the public employer commences. If the parties fail to agree upon impasse procedures under the provisions of this section, the impasse procedures provided in sections 20.20 to 20.22 shall apply.

2. Parties who by agreement are utilizing a cooperative alternative bargaining process shall, at the outset of such process, agree upon a method and schedule for the completion of impasse procedures should they fail to reach a collective bargaining agreement through the use of such alternative bargaining process.

[C75, 77, 79, 81, §20.19]

91 Acts, ch 174, §4; 92 Acts, ch 1011, §2; 92 Acts, ch 1227, §12; 2010 Acts, ch 1193, §107

Referred to in §20.17, 20.20

**20.20 Mediation.**

In the absence of an impasse agreement negotiated pursuant to section 20.19 or the failure of either party to utilize its procedures, one hundred twenty days prior to the certified budget submission date, or one hundred twenty days prior to May 31 of the year when the collective bargaining agreement is to become effective if public employees represented by the employee organization are teachers licensed under chapter 272 and the public employer is a school district or area education agency, the board shall, upon the request of either party, appoint an impartial and disinterested person to act as mediator. If the public employer is a community college, and in the absence of an impasse agreement negotiated pursuant to section 20.19 or the failure of either party to utilize its procedures, one hundred twenty days prior to May 31 of

the year when the collective bargaining agreement is to become effective, the board, upon the request of either party, shall appoint an impartial and disinterested person to act as mediator. If the public employer is not subject to the budget certification requirements of section 24.17 or other applicable sections and in the absence of an impasse agreement negotiated pursuant to section 20.19, or the failure of either party to utilize its procedures, one hundred twenty days prior to the date the next fiscal or budget year of the public employer commences, the board, upon the request of either party, shall appoint an impartial and disinterested person to act as a mediator. It shall be the function of the mediator to bring the parties together to effectuate a settlement of the dispute, but the mediator may not compel the parties to agree.

[C75, 77, 79, 81, §20.20]

91 Acts, ch 174, §5; 92 Acts, ch 1011, §3; 92 Acts, ch 1227, §13; 2010 Acts, ch 1193, §108

Referred to in §20.19

**20.21 Fact-finding.** Repealed by 2010 Acts, ch 1165, § 31.

**20.22 Binding arbitration.**

1. If an impasse persists ten days after the mediator has been appointed, the board shall have the power, upon request of either party, to arrange for arbitration, which shall be binding. The request for arbitration shall be in writing and a copy of the request shall be served upon the other party.

2. Each party shall serve its final offer on each of the impasse items upon the other party within four days of the board's receipt of the request for arbitration. The parties may continue to negotiate all offers until an agreement is reached or an award is rendered by the arbitrator. The full costs of arbitration under this section shall be shared equally by the parties to the dispute.

3. The submission of the impasse items to the arbitrator shall be limited to those items upon which the parties have not reached agreement. With respect to each such item, the arbitrator's award shall be restricted to the final offers on each impasse item submitted by the parties to the arbitrator.

4. Upon the filing of the request for arbitration, a list of five arbitrators shall be served upon the parties by the board. Within five days of service of the list, the parties shall determine by lot which party shall remove the first name from the list and the parties shall then alternately remove names from the list until the name of one person remains, who shall become the arbitrator. The parties shall immediately notify the board of their selection and the board shall notify the arbitrator. After consultation with the parties, the arbitrator shall set a time and place for an arbitration hearing.

5. The arbitrator shall at no time engage in an effort to mediate or otherwise settle the dispute in any manner other than that prescribed in this section.

6. From the time the board notifies the arbitrator of the selection of the arbitrator until such time as the arbitrator's selection on each impasse item is made, there shall be no discussion concerning recommendations for settlement of the dispute by the arbitrator with parties other than those who are direct parties to the dispute.

7. The arbitrator shall consider, in addition to any other relevant factors, the following factors:

*a.* Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.

*b.* Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.

*c.* The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.

*d.* The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

8. The arbitrator may administer oaths, examine witnesses and documents, take testimony and receive evidence, and issue subpoenas to compel the attendance of witnesses and the production of records. The arbitrator may petition the district court at the seat

of government or of the county in which the hearing is held to enforce the order of the arbitrator compelling the attendance of witnesses and the production of records.

9. The arbitrator shall select within fifteen days after the hearing the most reasonable offer, in the arbitrator's judgment, of the final offers on each impasse item submitted by the parties.

10. The selections by the arbitrator and items agreed upon by the public employer and the employee organization, shall be deemed to be the collective bargaining agreement between the parties.

11. The determination of the arbitrator shall be final and binding subject to the provisions of section 20.17, subsection 6. The arbitrator shall give written explanation for the arbitrator's selections and inform the parties of the decision.

[C75, 77, 79, 81, §20.22]

2008 Acts, ch 1032, §201; 2010 Acts, ch 1165, §24 – 29

Referred to in §20.19

**20.23 Legal actions.**

Any employee organization and public employer may sue or be sued as an entity under the provisions of this chapter. Service upon the public employer shall be in accordance with law or the rules of civil procedure. Nothing in this chapter shall be construed to make any individual or the individual's assets liable for any judgment against a public employer or an employee organization.

[C75, 77, 79, 81, §20.23]

**20.24 Notice and service.**

Any notice required under the provisions of this chapter shall be in writing, but service thereof shall be sufficient if mailed by restricted certified mail, return receipt requested, addressed to the last known address of the intended recipient, unless otherwise provided in this chapter. Refusal of restricted certified mail by any party shall be considered service. Unless otherwise provided in this chapter, prescribed time periods shall commence from the date of the receipt of the notice. Any party may at any time execute and deliver an acceptance of service in lieu of mailed notice.

[C75, 77, 79, 81, §20.24]

2010 Acts, ch 1165, §30

**20.25 Internal conduct of employee organizations.**

1. Every employee organization which is certified as a representative of public employees under the provisions of this chapter shall file with the board a registration report, signed by its president or other appropriate officer. The report shall be in a form prescribed by the board and shall be accompanied by two copies of the employee organization's constitution and bylaws. A filing by a national or international employee organization of its constitution and bylaws shall be accepted in lieu of a filing of such documents by each subordinate organization. All changes or amendments to such constitutions and bylaws shall be promptly reported to the board.

2. Every employee organization shall file with the board an annual report and an amended report whenever changes are made. The reports shall be in a form prescribed by the board, and shall provide the following information:

*a.* The names and addresses of the organization, any parent organization or organizations with which it is affiliated, the principal officers, and all representatives.

*b.* The name and address of its local agent for service of process.

*c.* A general description of the public employees the organization represents or seeks to represent.

*d.* The amounts of the initiation fee and monthly dues members must pay.

*e.* A pledge, in a form prescribed by the board, that the organization will comply with the laws of the state and that it will accept members without regard to age, race, sex, religion, national origin or physical disability as provided by law.

*f.* A financial report and audit.

3. The constitution or bylaws of every employee organization shall provide that:

*a.* Accurate accounts of all income and expenses shall be kept, and annual financial report and audit shall be prepared, such accounts shall be open for inspection by any member of the organization, and loans to officers and agents shall be made only on terms and conditions available to all members.

*b.* Business or financial interests of its officers and agents, their spouses, minor children, parents or otherwise, that conflict with the fiduciary obligation of such persons to the organization shall be prohibited.

*c.* Every official or employee of an employee organization who handles funds or other property of the organization, or trust in which an organization is interested, or a subsidiary organization, shall be bonded. The amount, scope, and form of the bond shall be determined by the board.

4. The governing rules of every employee organization shall provide for periodic elections by secret ballot subject to recognized safeguards concerning the equal right of all members to nominate, seek office, and vote in such elections, the right of individual members to participate in the affairs of the organization, and fair and equitable procedures in disciplinary actions.

5. The board shall prescribe rules necessary to govern the establishment and reporting of trusteeships over employee organizations. Establishment of such trusteeships shall be permitted only if the constitution or bylaws of the organization set forth reasonable procedures.

6. An employee organization that has not registered or filed an annual report, or that has failed to comply with other provisions of this chapter, shall not be certified. Certified employee organizations failing to comply with this chapter may have such certification revoked by the board. Prohibitions may be enforced by injunction upon the petition of the board to the district court of the county in which the violation occurs. Complaints of violation of this section shall be filed with the board.

7. Upon the written request of any member of a certified employee organization, the auditor of state may audit the financial records of the certified employee organization.

[C75, 77, 79, 81, §20.25]

**20.26 Employee organizations — political contributions.**

An employee organization shall not make any direct or indirect contribution out of the funds of the employee organization to any political party or organization or in support of any candidate for elective public office.

Any employee organization which violates the provisions of this section or fails to file any required report or affidavit or files a false report or affidavit shall, upon conviction, be subject to a fine of not more than two thousand dollars.

Any person who willfully violates this section, or who makes a false statement knowing it to be false, or who knowingly fails to disclose a material fact shall, upon conviction, be subject to a fine of not more than one thousand dollars or imprisoned for not more than thirty days or shall be subject to both such fine and imprisonment. Each individual required to sign affidavits or reports under this section shall be personally responsible for filing such report or affidavit and for any statement contained therein the individual knows to be false.

Nothing in this section shall be construed to prohibit voluntary contributions by individuals to political parties or candidates.

Nothing in this section shall be construed to limit or deny any civil remedy which may exist as a result of action which may violate this section.

[C75, 77, 79, 81, §20.26]

**20.27 Conflict with federal aid.**

If any provision of this chapter jeopardizes the receipt by the state or any of its political subdivisions of any federal grant-in-aid funds or other federal allotment of money, the provisions of this chapter shall, insofar as the fund is jeopardized, be deemed to be inoperative.

[C75, 77, 79, 81, §20.27]

**20.28 Inconsistent statutes — effect.**

A provision of the Code which is inconsistent with any term or condition of a collective bargaining agreement which is made final under this chapter shall supersede the term or condition of the collective bargaining agreement unless otherwise provided by the general assembly. A provision of a proposed collective bargaining agreement negotiated according to this chapter which conflicts with the Code shall not become a provision of the final collective bargaining agreement until the general assembly has amended the Code to remove the conflict.

[C79, 81, §20.28]

**20.29 Filing agreement — public access.**

Copies of collective bargaining agreements entered into between the state and the state employees' bargaining representatives and made final under this chapter shall be filed with the secretary of state and be made available to the public at cost.

[C79, 81, §20.29]

**20.30 Supervisory member — no reduction before retirement.**

A supervisory member of any department or agency employed by the state of Iowa shall not be granted a voluntary reduction to a nonsupervisory rank or grade during the six months preceding retirement of the member. A member of any department or agency employed by the state of Iowa who retires in less than six months after voluntarily requesting and receiving a reduction in rank or grade from a supervisory to a nonsupervisory position shall be ineligible for a benefit to which the member is entitled as a nonsupervisory member but is not entitled as a supervisory member.

The provisions of this section shall be effective during the collective bargaining agreement in effect from July 1, 1979 to June 30, 1981.

[C81, §20.30]

**20.31 Mediator privilege.**

1. As used in this section, unless the context otherwise requires:

*a.* "*Mediation*" means a process in which an impartial person attempts to facilitate the resolution of a dispute by promoting voluntary agreement of the parties to the dispute. Mediation shall be deemed to commence upon the mediator's receipt of notice of assignment and shall be deemed to conclude when the dispute is resolved.

*b.* "*Mediator*" means a member or employee of the board or any other person appointed or requested by the board to assist parties in resolving disputes involving collective bargaining impasses, contested cases, other agency cases, or contract grievances.

2. A mediator shall not be required to testify in any judicial, administrative, or grievance proceeding regarding any matters occurring in the course of a mediation, including any verbal or written communication or behavior, other than facts relating exclusively to the timing or scheduling of mediation. A mediator shall not be required to produce or disclose any documents, including notes, memoranda, or other work product, relating to mediation, other than documents relating exclusively to the timing or scheduling of mediation. This subsection shall not apply in any of the following circumstances:

*a.* The testimony, production, or disclosure is required by statute.

*b.* The testimony, production, or disclosure provides evidence of an ongoing or future criminal activity.

*c.* The testimony, production, or disclosure provides evidence of child abuse as defined in section 232.68, subsection 2.

98 Acts, ch 1062, §7

# SUBTITLE 9

## RESTRAINTS ON GOVERNMENT

# CHAPTER 21

## OFFICIAL MEETINGS OPEN TO PUBLIC (OPEN MEETINGS)

Referred to in §7C.13, 13.14, 15.106A, 15.107C, 15E.63, 16.100A, 20.17, 22.7, 28A.9, 28E.6, 28F.13, 28J.28, 28N.2, 49.4, 49.5, 68B.31A, 99G.4, 99G.8, 101C.3, 137.109, 148.7, 161A.47, 183A.5, 185.34, 216A.133A, 237.21, 256F.4, 256H.2, 256I.7, 261E.9, 272C.6, 279.15, 279.24, 279.38, 279.38A, 331.210A, 331.213, 331.234, 331.235, 331.238, 331.248, 331.399, 331.909, 358C.12, 373.3, 441.37A, 455A.20, 480.3, 602.2103, 679C.108


21.1 Intent — declaration of policy.
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**21.1 Intent — declaration of policy.**

This chapter seeks to assure, through a requirement of open meetings of governmental bodies, that the basis and rationale of governmental decisions, as well as those decisions themselves, are easily accessible to the people. Ambiguity in the construction or application of this chapter should be resolved in favor of openness.

[C79, 81, §28A.1]

C85, §21.1

**21.2 Definitions.**

As used in this chapter:

1. *"Governmental body"* means:

*a.* A board, council, commission, or other governing body expressly created by the statutes of this state or by executive order.

*b.* A board, council, commission, or other governing body of a political subdivision or tax-supported district in this state.

*c.* A multimembered body formally and directly created by one or more boards, councils, commissions, or other governing bodies subject to paragraphs *"a"* and *"b"* of this subsection.

*d.* Those multimembered bodies to which the state board of regents or a president of a university has delegated the responsibility for the management and control of the intercollegiate athletic programs at the state universities.

*e.* An advisory board, advisory commission, or task force created by the governor or the general assembly to develop and make recommendations on public policy issues.

*f.* A nonprofit corporation other than a fair conducting a fair event as provided in chapter 174, whose facilities or indebtedness are supported in whole or in part with property tax revenue and which is licensed to conduct pari-mutuel wagering pursuant to chapter 99D or a nonprofit corporation which is a successor to the nonprofit corporation which built the facility.

*g.* A nonprofit corporation licensed to conduct gambling games pursuant to chapter 99F.

*h.* An advisory board, advisory commission, advisory committee, task force, or other body created by statute or executive order of this state or created by an executive order of a political subdivision of this state to develop and make recommendations on public policy issues.

*i.* The governing body of a drainage or levee district as provided in chapter 468, including a board as defined in section 468.3, regardless of how the district is organized.

*j.* An advisory board, advisory commission, advisory committee, task force, or other body created by an entity organized under chapter 28E, or by the administrator or joint board

specified in a chapter 28E agreement, to develop and make recommendations on public policy issues.

2. *"Meeting"* means a gathering in person or by electronic means, formal or informal, of a majority of the members of a governmental body where there is deliberation or action upon any matter within the scope of the governmental body's policy-making duties. Meetings shall not include a gathering of members of a governmental body for purely ministerial or social purposes when there is no discussion of policy or no intent to avoid the purposes of this chapter.

3. *"Open session"* means a meeting to which all members of the public have access.

[C71, 73, 75, 77, §28A.1; C79, 81, §28A.2]

C85, §21.2

89 Acts, ch 73, §1; 90 Acts, ch 1175, §1; 90 Acts, ch 1271, §701; 91 Acts, ch 258, §26; 93 Acts, ch 25, §1; 2004 Acts, ch 1019, §1; 2009 Acts, ch 132, §1; 2009 Acts, ch 179, §31

Referred to in §21.11, 331.909

**21.3 Meetings of governmental bodies.**

Meetings of governmental bodies shall be preceded by public notice as provided in section 21.4 and shall be held in open session unless closed sessions are expressly permitted by law. Except as provided in section 21.5, all actions and discussions at meetings of governmental bodies, whether formal or informal, shall be conducted and executed in open session.

Each governmental body shall keep minutes of all its meetings showing the date, time and place, the members present, and the action taken at each meeting. The minutes shall show the results of each vote taken and information sufficient to indicate the vote of each member present. The vote of each member present shall be made public at the open session. The minutes shall be public records open to public inspection.

[C71, 73, 75, 77, §28A.1, 28A.5; C79, 81, §28A.3]

C85, §21.3

93 Acts, ch 25, §2

Referred to in §372.13

**21.4 Public notice.**

1. Except as provided in subsection 3, a governmental body shall give notice of the time, date, and place of each meeting including a reconvened meeting of the governmental body, and the tentative agenda of the meeting, in a manner reasonably calculated to apprise the public of that information. Reasonable notice shall include advising the news media who have filed a request for notice with the governmental body and posting the notice on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for that purpose at the principal office of the body holding the meeting, or if no such office exists, at the building in which the meeting is to be held.

2. *a.* Notice conforming with all of the requirements of subsection 1 of this section shall be given at least twenty-four hours prior to the commencement of any meeting of a governmental body unless for good cause such notice is impossible or impractical, in which case as much notice as is reasonably possible shall be given. Each meeting shall be held at a place reasonably accessible to the public, and at a time reasonably convenient to the public, unless for good cause such a place or time is impossible or impractical. Special access to the meeting may be granted to persons with disabilities.

*b.* When it is necessary to hold a meeting on less than twenty-four hours' notice, or at a place that is not reasonably accessible to the public, or at a time that is not reasonably convenient to the public, the nature of the good cause justifying that departure from the normal requirements shall be stated in the minutes.

3. Subsection 1 does not apply to any of the following:

*a.* A meeting reconvened within four hours of the start of its recess, where an announcement of the time, date, and place of the reconvened meeting is made at the original meeting in open session and recorded in the minutes of the meeting and there is no change in the agenda.

*b.* A meeting held by a formally constituted subunit of a parent governmental body during

a lawful meeting of the parent governmental body or during a recess in that meeting of up to four hours, or a meeting of that subunit immediately following the meeting of the parent governmental body, if the meeting of that subunit is publicly announced in open session at the parent meeting and the subject of the meeting reasonably coincides with the subjects discussed or acted upon by the parent governmental body.

4. If another section of the Code requires a manner of giving specific notice of a meeting, hearing, or an intent to take action by a governmental body, compliance with that section shall constitute compliance with the notice requirements of this section.

[C71, 73, 75, 77, 79, 81, §28A.4]

C85, §21.4

96 Acts, ch 1129, §113; 2008 Acts, ch 1032, §201; 2011 Acts, ch 106, §4, 17

Referred to in §21.3, 21.8, 35C.1, 275.15, 282.11

**21.5 Closed session.**

1. A governmental body may hold a closed session only by affirmative public vote of either two-thirds of the members of the body or all of the members present at the meeting. A governmental body may hold a closed session only to the extent a closed session is necessary for any of the following reasons:

*a.* To review or discuss records which are required or authorized by state or federal law to be kept confidential or to be kept confidential as a condition for that governmental body's possession or continued receipt of federal funds.

*b.* To discuss application for letters patent.

*c.* To discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent where its disclosure would be likely to prejudice or disadvantage the position of the governmental body in that litigation.

*d.* To discuss the contents of a licensing examination or whether to initiate licensee disciplinary investigations or proceedings if the governmental body is a licensing or examining board.

*e.* To discuss whether to conduct a hearing or to conduct hearings to suspend or expel a student, unless an open session is requested by the student or a parent or guardian of the student if the student is a minor.

*f.* To discuss the decision to be rendered in a contested case conducted according to the provisions of chapter 17A.

*g.* To avoid disclosure of specific law enforcement matters, such as current or proposed investigations, inspection or auditing techniques or schedules, which if disclosed would enable law violators to avoid detection.

*h.* To avoid disclosure of specific law enforcement matters, such as allowable tolerances or criteria for the selection, prosecution, or settlement of cases, which if disclosed would facilitate disregard of requirements imposed by law.

*i.* To evaluate the professional competency of an individual whose appointment, hiring, performance, or discharge is being considered when necessary to prevent needless and irreparable injury to that individual's reputation and that individual requests a closed session.

*j.* To discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property. The minutes and the audio recording of a session closed under this paragraph shall be available for public examination when the transaction discussed is completed.

*k.* To discuss information contained in records in the custody of a governmental body that are confidential records pursuant to section 22.7, subsection 50.

*l.* To discuss patient care quality and process improvement initiatives in a meeting of a public hospital or to discuss marketing and pricing strategies or similar proprietary information in a meeting of a public hospital, where public disclosure of such information would harm such a hospital's competitive position when no public purpose would be served by public disclosure. The minutes and the audio recording of a closed session under this paragraph shall be available for public inspection when the public disclosure would no

longer harm the hospital's competitive position. For purposes of this paragraph, *"public hospital"* means a hospital licensed pursuant to chapter 135B and governed pursuant to chapter 145A, 226, 347, 347A, or 392. This paragraph does not apply to the information required to be disclosed pursuant to section 347.13, subsection 11, or to any discussions relating to terms or conditions of employment, including but not limited to compensation of an officer or employee or group of officers or employees.

2. The vote of each member on the question of holding the closed session and the reason for holding the closed session by reference to a specific exemption under this section shall be announced publicly at the open session and entered in the minutes. A governmental body shall not discuss any business during a closed session which does not directly relate to the specific reason announced as justification for the closed session.

3. Final action by any governmental body on any matter shall be taken in an open session unless some other provision of the Code expressly permits such actions to be taken in closed session.

4. A governmental body shall keep detailed minutes of all discussion, persons present, and action occurring at a closed session, and shall also audio record all of the closed session. The detailed minutes and audio recording of a closed session shall be sealed and shall not be public records open to public inspection. However, upon order of the court in an action to enforce this chapter, the detailed minutes and audio recording shall be unsealed and examined by the court in camera. The court shall then determine what part, if any, of the minutes should be disclosed to the party seeking enforcement of this chapter for use in that enforcement proceeding. In determining whether any portion of the minutes or recording shall be disclosed to such a party for this purpose, the court shall weigh the prejudicial effects to the public interest of the disclosure of any portion of the minutes or recording in question, against its probative value as evidence in an enforcement proceeding. After such a determination, the court may permit inspection and use of all or portions of the detailed minutes and audio recording by the party seeking enforcement of this chapter. A governmental body shall keep the detailed minutes and audio recording of any closed session for a period of at least one year from the date of that meeting, except as otherwise required by law.

5. Nothing in this section requires a governmental body to hold a closed session to discuss or act upon any matter.

[C71, 73, 75, 77, §28A.3; C79, 81, §28A.5]

C85, §21.5

2002 Acts, ch 1076, §1; 2007 Acts, ch 63, §1, 2; 2008 Acts, ch 1191, §33, 99; 2009 Acts, ch 110, §1; 2011 Acts, ch 106, §5, 6, 17; 2013 Acts, ch 138, §114, 127

Referred to in §21.3, 21.8, 22.7, 97B.8A, 203.11B, 203D.4, 279.24, 388.9, 411.5

2013 amendment to subsection 1, paragraph l, takes effect January 1, 2014; 2013 Acts, ch 138, §127

Subsection 1, paragraph l amended

**21.6 Enforcement.**

1. The remedies provided by this section against state governmental bodies shall be in addition to those provided by section 17A.19. Any aggrieved person, taxpayer to, or citizen of, the state of Iowa, or the attorney general or county attorney, may seek judicial enforcement of the requirements of this chapter. Suits to enforce this chapter shall be brought in the district court for the county in which the governmental body has its principal place of business.

2. Once a party seeking judicial enforcement of this chapter demonstrates to the court that the body in question is subject to the requirements of this chapter and has held a closed session, the burden of going forward shall be on the body and its members to demonstrate compliance with the requirements of this chapter.

3. Upon a finding by a preponderance of the evidence that a governmental body has violated any provision of this chapter, a court:

*a.* Shall assess each member of the governmental body who participated in its violation damages in the amount of not more than five hundred dollars and not less than one hundred dollars. However, if a member of a governmental body knowingly participated in such a violation, damages shall be in the amount of not more than two thousand five hundred dollars and not less than one thousand dollars. These damages shall be paid by the court imposing

it to the state of Iowa, if the body in question is a state governmental body, or to the local government involved if the body in question is a local governmental body. A member of a governmental body found to have violated this chapter shall not be assessed such damages if that member proves that the member did any of the following:

(1) Voted against the closed session.

(2) Had good reason to believe and in good faith believed facts which, if true, would have indicated compliance with all the requirements of this chapter.

(3) Reasonably relied upon a decision of a court, a formal opinion of the Iowa public information board, the attorney general, or the attorney for the governmental body, given in writing, or as memorialized in the minutes of the meeting at which a formal oral opinion was given, or an advisory opinion of the Iowa public information board, the attorney general, or the attorney for the governmental body, given in writing.

*b.* Shall order the payment of all costs and reasonable attorney fees in the trial and appellate courts to any party successfully establishing a violation of this chapter. The costs and fees shall be paid by those members of the governmental body who are assessed damages under paragraph "*a*". If no such members exist because they have a lawful defense under that paragraph to the imposition of such damages, the costs and fees shall be paid to the successful party from the budget of the offending governmental body or its parent.

*c.* Shall void any action taken in violation of this chapter, if the suit for enforcement of this chapter is brought within six months of the violation and the court finds under the facts of the particular case that the public interest in the enforcement of the policy of this chapter outweighs the public interest in sustaining the validity of the action taken in the closed session. This paragraph shall not apply to an action taken regarding the issuance of bonds or other evidence of indebtedness of a governmental body if a public hearing, election or public sale has been held regarding the bonds or evidence of indebtedness.

*d.* Shall issue an order removing a member of a governmental body from office if that member has engaged in a prior violation of this chapter for which damages were assessed against the member during the member's term.

*e.* May issue a mandatory injunction punishable by civil contempt ordering the members of the offending governmental body to refrain for one year from any future violations of this chapter.

4. Ignorance of the legal requirements of this chapter shall be no defense to an enforcement proceeding brought under this section. A governmental body which is in doubt about the legality of closing a particular meeting is authorized to bring suit at the expense of that governmental body in the district court of the county of the governmental body's principal place of business to ascertain the propriety of any such action, or seek a formal opinion of the attorney general or an attorney for the governmental body.

[C71, 73, 75, 77, §28A.7, 28A.8; C79, 81, §28A.6]

C85, §21.6

99 Acts, ch 9, §1; 2005 Acts, ch 99, §1; 2011 Acts, ch 106, §7, 17; 2012 Acts, ch 1115, §1, 17

2012 amendment to subsection 3, paragraph a, subparagraph (3) takes effect July 1, 2013; 2012 Acts, ch 1115, §17

Subsection 3, paragraph a, subparagraph (3) amended

**21.7 Rules of conduct at meetings.**

The public may use cameras or recording devices at any open session. Nothing in this chapter shall prevent a governmental body from making and enforcing reasonable rules for the conduct of its meetings to assure those meetings are orderly, and free from interference or interruption by spectators.

[C79, 81, §28A.7]

C85, §21.7

**21.8 Electronic meetings.**

1. A governmental body may conduct a meeting by electronic means only in circumstances where such a meeting in person is impossible or impractical and only if the governmental body complies with all of the following:

*a.* The governmental body provides public access to the conversation of the meeting to the extent reasonably possible.

*b.* The governmental body complies with section 21.4. For the purpose of this paragraph, the place of the meeting is the place from which the communication originates or where public access is provided to the conversation.

*c.* Minutes are kept of the meeting. The minutes shall include a statement explaining why a meeting in person was impossible or impractical.

2. A meeting conducted in compliance with this section shall not be considered in violation of this chapter.

3. A meeting by electronic means may be conducted without complying with paragraph "*a*" of subsection 1 if conducted in accordance with all of the requirements for a closed session contained in section 21.5.

[C79, 81, §28A.8]
C85, §21.8
2007 Acts, ch 22, §11

**21.9 Employment conditions discussed.**

A meeting of a governmental body to discuss strategy in matters relating to employment conditions of employees of the governmental body who are not covered by a collective bargaining agreement under chapter 20 is exempt from this chapter. For the purpose of this section, "*employment conditions*" mean areas included in the scope of negotiations listed in section 20.9.

[81 Acts, ch 30, §1]
C83, §28A.9
C85, §21.9

**21.10 Information to be provided.**

The authority which appoints members of governmental bodies shall provide the members with information about this chapter and chapter 22. The appropriate commissioner of elections shall provide that information to members of elected governmental bodies.

89 Acts, ch 73, §2

**21.11 Applicability to nonprofit corporations.**

This chapter applies to nonprofit corporations which are defined as governmental bodies subject to section 21.2, subsection 1, paragraph "*f*", only when the meetings conducted by the nonprofit corporations relate to the conduct of pari-mutuel racing and wagering pursuant to chapter 99D.

90 Acts, ch 1175, §2

# CHAPTER 22

## EXAMINATION OF PUBLIC RECORDS (OPEN RECORDS)

Referred to in §2.42, 7C.13, 10A.105, 11.42, 15.106A, 15.107C, 15.118, 16.100A, 21.10, 23B.3, 28A.9, 28E.6, 28F.13, 28J.28, 28N.2, 39A.4, 80F.1, 87.11, 88.6, 88.16, 91.12, 97A.5, 97B.17, 99F.12, 99G.4, 99G.10, 99G.34, 99G.35, 100C.3, 101A.2, 103A.17, 135.43, 135.156E, 135A.7, 137.109, 144.43, 159.34, 162.2A, 162.10C, 183A.5, 203.16, 203C.24, 231B.2, 231C.3, 235A.15, 235B.6, 235D.1, 235E.2, 237.18, 237.21, 252B.9, 252B.24, 252J.2, 256F.4, 256F.10, 256H.2, 256I.7, 261B.6, 261E.9, 266.46, 266.47, 272D.2, 279.16, 279.24, 279.38, 279.38A, 279.62, 321.491, 321A.3, 331.210A, 331.303, 331.399, 331.909, 358C.12, 388.10, 411.5, 421.17, 455B.105, 455B.117, 455B.179, 455K.4, 459.304, 459.312, 466.7, 473.7, 480.3, 502.607, 502A.15, 505.8, 505.17, 507.10, 507.14, 507A.4, 507C.11, 507E.5, 508C.12, 508C.13, 508C.18A, 508D.9, 508E.6, 508E.7, 508E.15, 513B.7, 515B.10, 516E.18, 518C.11, 521C.3, 521E.8, 521F.9, 522B.14, 523A.205, 523A.801, 523A.803, 523I.201, 523I.202, 523I.213A, 524.215, 529.2, 533.108, 533.501, 533A.10, 533C.507, 535B.10, 535D.15, 536.10, 536A.15, 543B.15, 554.9523, 602.2103, 633A.5107, 679C.106, 679C.108, 685.2, 685.6, 692.18, 714.24, 715A.9A, 904.602, 915.12


22.1 Definitions.
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**22.1 Definitions.**

1. The term *"government body"* means this state, or any county, city, township, school corporation, political subdivision, tax-supported district, nonprofit corporation other than a fair conducting a fair event as provided in chapter 174, whose facilities or indebtedness are supported in whole or in part with property tax revenue and which is licensed to conduct pari-mutuel wagering pursuant to chapter 99D; the governing body of a drainage or levee district as provided in chapter 468, including a board as defined in section 468.3, regardless of how the district is organized; or other entity of this state, or any branch, department, board, bureau, commission, council, committee, official, or officer of any of the foregoing or any employee delegated the responsibility for implementing the requirements of this chapter.

2. The term *"lawful custodian"* means the government body currently in physical possession of the public record. The custodian of a public record in the physical possession of persons outside a government body is the government body owning that record. The records relating to the investment of public funds are the property of the public body responsible for the public funds. Each government body shall delegate to particular officials or employees of that government body the responsibility for implementing the requirements of this chapter and shall publicly announce the particular officials or employees to whom responsibility for implementing the requirements of this chapter has been delegated. *"Lawful custodian"* does not mean an automated data processing unit of a public body if the data processing unit holds the records solely as the agent of another public body, nor does it mean a unit which holds the records of other public bodies solely for storage.

3. *a.* As used in this chapter, *"public records"* includes all records, documents, tape, or other information, stored or preserved in any medium, of or belonging to this state or any county, city, township, school corporation, political subdivision, nonprofit corporation other than a fair conducting a fair event as provided in chapter 174, whose facilities or indebtedness are supported in whole or in part with property tax revenue and which is licensed to conduct pari-mutuel wagering pursuant to chapter 99D, or tax-supported district in this state, or any branch, department, board, bureau, commission, council, or committee of any of the foregoing.

*b.* *"Public records"* also includes all records relating to the investment of public funds including but not limited to investment policies, instructions, trading orders, or contracts, whether in the custody of the public body responsible for the public funds or a fiduciary or other third party.

[C71, 73, 75, 77, 79, 81, §68A.1]

84 Acts, ch 1145, §1; 84 Acts, ch 1185, §1
C85, §22.1
90 Acts, ch 1271, §702; 91 Acts, ch 258, §27; 92 Acts, ch 1156, §6, 7; 2004 Acts, ch 1019, §2; 2005 Acts, ch 19, §15, 126; 2009 Acts, ch 132, §2; 2009 Acts, ch 179, §32; 2010 Acts, ch 1061, §180
Referred to in §8A.101, 455B.117, 721.1

**22.2 Right to examine public records — exceptions.**

1. Every person shall have the right to examine and copy a public record and to publish or otherwise disseminate a public record or the information contained in a public record. Unless otherwise provided for by law, the right to examine a public record shall include the right to examine a public record without charge while the public record is in the physical possession of the custodian of the public record. The right to copy a public record shall include the right to make photographs or photographic copies while the public record is in the possession of the custodian of the public record. All rights under this section are in addition to the right to obtain a certified copy of a public record under section 622.46.

2. A government body shall not prevent the examination or copying of a public record by contracting with a nongovernment body to perform any of its duties or functions.

3. However, notwithstanding subsections 1 and 2, a government body is not required to permit access to or use of the following:

*a.* A geographic computer database by any person except upon terms and conditions acceptable to the governing body. The governing body shall establish reasonable rates and procedures for the retrieval of specified records, which are not confidential records, stored in the database upon the request of any person.

*b.* Data processing software developed by the government body, as provided in section 22.3A.

[C71, 73, 75, 77, 79, 81, §68A.2]
84 Acts, ch 1185, §2
C85, §22.2
89 Acts, ch 189, §1; 96 Acts, ch 1099, §14; 98 Acts, ch 1224, §17
Referred to in §8A.106, 8A.341, 22.14, 68B.32A, 303.19, 331.608, 357A.11A, 388.9, 388.9A, 459.304, 459A.208, 904.602

**22.3 Supervision — fees.**

1. The examination and copying of public records shall be done under the supervision of the lawful custodian of the records or the custodian's authorized designee. The lawful custodian shall not require the physical presence of a person requesting or receiving a copy of a public record and shall fulfill requests for a copy of a public record received in writing, by telephone, or by electronic means. Fulfillment of a request for a copy of a public record may be contingent upon receipt of payment of expenses to be incurred in fulfilling the request and such estimated expenses shall be communicated to the requester upon receipt of the request. The lawful custodian may adopt and enforce reasonable rules regarding the examination and copying of the records and the protection of the records against damage or disorganization. The lawful custodian shall provide a suitable place for the examination and copying of the records, but if it is impracticable to do the examination and copying of the records in the office of the lawful custodian, the person desiring to examine or copy shall pay any necessary expenses of providing a place for the examination and copying.

2. All expenses of the examination and copying shall be paid by the person desiring to examine or copy. The lawful custodian may charge a reasonable fee for the services of the lawful custodian or the custodian's authorized designee in supervising the examination and copying of the records. If copy equipment is available at the office of the lawful custodian of any public records, the lawful custodian shall provide any person a reasonable number of copies of any public record in the custody of the office upon the payment of a fee. The fee for the copying service as determined by the lawful custodian shall not exceed the actual cost of providing the service. Actual costs shall include only those expenses directly attributable to supervising the examination of and making and providing copies of public records. Actual costs shall not include charges for ordinary expenses or costs such as employment benefits,

depreciation, maintenance, electricity, or insurance associated with the administration of the office of the lawful custodian.

[C71, 73, 75, 77, 79, 81, §68A.3]

C85, §22.3

2001 Acts, ch 44, §2; 2005 Acts, ch 103, §1; 2006 Acts, ch 1010, §14

Referred to in §2.42, 8A.341, 321.11, 483A.22A

**22.3A Access to data processing software.**

1. As used in this section:

*a.* *"Access"* means the instruction of, communication with, storage of data in, or retrieval of data from a computer.

*b.* *"Computer"* means an electronic device which performs logical, arithmetical, and memory functions by manipulations of electronic or magnetic impulses, and includes all input, output, processing, storage, and communication facilities which are connected or related to the computer including a computer network. As used in this paragraph, *"computer"* includes any central processing unit, front-end processing unit, miniprocessor, or microprocessor, and related peripheral equipment such as data storage devices, document scanners, data entry terminal controllers, and data terminal equipment and systems for computer networks.

*c.* *"Computer network"* means a set of related, remotely connected devices and communication facilities including two or more computers with capability to transmit data among them through communication facilities.

*d.* *"Data"* means a representation of information, knowledge, facts, concepts, or instructions that has been prepared or is being prepared in a formalized manner and has been processed, or is intended to be processed, in a computer. Data may be stored in any form, including but not limited to a printout, magnetic storage media, disk, compact disc, punched card, or as memory of a computer.

*e.* *"Data processing software"* means an ordered set of instructions or statements that, when executed by a computer, causes the computer to process data, and includes any program or set of programs, procedures, or routines used to employ and control capabilities of computer hardware. As used in this paragraph *"data processing software"* includes but is not limited to an operating system, compiler, assembler, utility, library resource, maintenance routine, application, computer networking program, or the associated documentation.

2. A government body may provide, restrict, or prohibit access to data processing software developed by the government body, regardless of whether the data processing software is separated or combined with a public record. A government body shall establish policies and procedures to provide access to public records which are combined with its data processing software. A public record shall not be withheld from the public because it is combined with data processing software. A government body shall not acquire any electronic data processing system for the storage, manipulation, or retrieval of public records that would impair the government body's ability to permit the examination of a public record and the copying of a public record in either written or electronic form. If it is necessary to separate a public record from data processing software in order to permit the examination or copying of the public record, the government body shall bear the cost of separation of the public record from the data processing software. The electronic public record shall be made available in a format useable with commonly available data processing or database management software. The cost chargeable to a person receiving a public record separated from data processing software under this subsection shall not be in excess of the charge under this chapter unless the person receiving the public record requests that the public record be specially processed. A government body may establish payment rates and procedures required to provide access to data processing software, regardless of whether the data processing software is separated from or combined with a public record. Proceeds from payments may be considered repayment receipts, as defined in section 8.2. The payment amount shall be calculated as follows:

*a.* The amount charged for access to a public record shall be not more than that required to recover direct publication costs, including but not limited to editing, compilation, and

media production costs, incurred by the government body in developing the data processing software and preparing the data processing software for transfer to the person. The amount shall be in addition to any other fee required to be paid under this chapter for the examination and copying of a public record. If a person accesses a public record stored in an electronic format that does not require formatting, editing, or compiling to access the public record, the charge for providing the accessed public record shall not exceed the reasonable cost of accessing that public record. The government body shall, if requested, provide documentation which explains and justifies the amount charged. This paragraph shall not apply to any publication for which a price has been established pursuant to another section, including section 2A.5.

*b*. If access to the data processing software is provided to a person for a purpose other than provided in paragraph "*a*", the amount may be established according to the discretion of the government body, and may be based upon competitive market considerations as determined by the government body.

3. A government body is granted and may apply for and receive any legal protection necessary to secure a right to or an interest in data processing software developed by the government body, including but not limited to federal copyright, patent, and trademark protections, and any trade secret protection available under chapter 550. The government body may enter into agreements for the sale or distribution of its data processing software, including marketing and licensing agreements. The government body may impose conditions upon the use of the data processing software that is otherwise consistent with state and federal law.

96 Acts, ch 1099, §15; 98 Acts, ch 1224, §18; 99 Acts, ch 207, §12; 2003 Acts, ch 35, §38, 49; 2011 Acts, ch 127, §45, 89

Referred to in §8A.341, 8B.32, 22.2, 22.7, 169A.1

**22.4 Hours when available.**

The rights of persons under this chapter may be exercised at any time during the customary office hours of the lawful custodian of the records. However, if the lawful custodian does not have customary office hours of at least thirty hours per week, such right may be exercised at any time from 9:00 a.m. to noon and from 1:00 p.m. to 4:00 p.m. Monday through Friday, excluding legal holidays, unless the person exercising such right and the lawful custodian agree on a different time.

[C71, 73, 75, 77, 79, 81, §68A.4]

84 Acts, ch 1185, §3

C85, §22.4

Referred to in §8A.341

**22.5 Enforcement of rights.**

The provisions of this chapter and all rights of persons under this chapter may be enforced by mandamus or injunction, whether or not any other remedy is also available. In the alternative, rights under this chapter also may be enforced by an action for judicial review according to the provisions of the Iowa administrative procedure Act, chapter 17A, if the records involved are records of an "agency" as defined in that Act.

[C71, 73, 75, 77, 79, 81, §68A.5]

84 Acts, ch 1185, §4

C85, §22.5

2003 Acts, ch 44, §114

Referred to in §8A.341

Section not amended; editorial change applied

**22.6 Penalty.** Repealed by 2011 Acts, ch 106, § 16, 17.

**22.7 Confidential records.**

The following public records shall be kept confidential, unless otherwise ordered by a court, by the lawful custodian of the records, or by another person duly authorized to release such information:

1. Personal information in records regarding a student, prospective student, or former student maintained, created, collected or assembled by or for a school corporation or educational institution maintaining such records. This subsection shall not be construed to prohibit a postsecondary education institution from disclosing to a parent or guardian information regarding a violation of a federal, state, or local law, or institutional rule or policy governing the use or possession of alcohol or a controlled substance if the child is under the age of twenty-one years and the institution determines that the student committed a disciplinary violation with respect to the use or possession of alcohol or a controlled substance regardless of whether that information is contained in the student's education records. This subsection shall not be construed to prohibit a school corporation or educational institution from transferring student records electronically to the department of education, an accredited nonpublic school, an attendance center, a school district, or an accredited postsecondary institution in accordance with section 256.9, subsection 48.

2. Hospital records, medical records, and professional counselor records of the condition, diagnosis, care, or treatment of a patient or former patient or a counselee or former counselee, including outpatient. However, confidential communications between a crime victim and the victim's counselor are not subject to disclosure except as provided in section 915.20A. However, the Iowa department of public health shall adopt rules which provide for the sharing of information among agencies and providers concerning the maternal and child health program including but not limited to the statewide child immunization information system, while maintaining an individual's confidentiality.

3. Trade secrets which are recognized and protected as such by law.

4. Records which represent and constitute the work product of an attorney, which are related to litigation or claim made by or against a public body.

5. Peace officers' investigative reports, and specific portions of electronic mail and telephone billing records of law enforcement agencies if that information is part of an ongoing investigation, except where disclosure is authorized elsewhere in this Code. However, the date, time, specific location, and immediate facts and circumstances surrounding a crime or incident shall not be kept confidential under this section, except in those unusual circumstances where disclosure would plainly and seriously jeopardize an investigation or pose a clear and present danger to the safety of an individual. Specific portions of electronic mail and telephone billing records may only be kept confidential under this subsection if the length of time prescribed for commencement of prosecution or the finding of an indictment or information under the statute of limitations applicable to the crime that is under investigation has not expired.

6. Reports to governmental agencies which, if released, would give advantage to competitors and serve no public purpose.

7. Appraisals or appraisal information concerning the sale or purchase of real or personal property for public purposes, prior to the execution of any contract for such sale or the submission of the appraisal to the property owner or other interest holders as provided in section 6B.45.

8. Economic development authority information on an industrial prospect with which the authority is currently negotiating.

9. Criminal identification files of law enforcement agencies. However, records of current and prior arrests and criminal history data shall be public records.

10. A claim for compensation and reimbursement for legal assistance and supporting documents submitted to the state public defender for payment from the indigent defense fund established in section 815.11, as provided in section 13B.4B.

11. *a.* Personal information in confidential personnel records of government bodies relating to identified or identifiable individuals who are officials, officers, or employees of the government bodies. However, the following information relating to such individuals contained in personnel records shall be public records:

(1) The name and compensation of the individual including any written agreement establishing compensation or any other terms of employment excluding any information otherwise excludable from public information pursuant to this section or any other applicable provision of law. For purposes of this paragraph, "*compensation*" means payment of, or

agreement to pay, any money, thing of value, or financial benefit conferred in return for labor or services rendered by an official, officer, or employee plus the value of benefits conferred including but not limited to casualty, disability, life, or health insurance, other health or wellness benefits, vacation, holiday, and sick leave, severance payments, retirement benefits, and deferred compensation.

(2) The dates the individual was employed by the government body.

(3) The positions the individual holds or has held with the government body.

(4) The educational institutions attended by the individual, including any diplomas and degrees earned, and the names of the individual's previous employers, positions previously held, and dates of previous employment.

(5) The fact that the individual was discharged as the result of a final disciplinary action upon the exhaustion of all applicable contractual, legal, and statutory remedies.

*b.* Personal information in confidential personnel records of government bodies relating to student employees shall only be released pursuant to 20 U.S.C. § 1232g.

12. Financial statements submitted to the department of agriculture and land stewardship pursuant to chapter 203 or chapter 203C, by or on behalf of a licensed grain dealer or warehouse operator or by an applicant for a grain dealer license or warehouse license.

13. The records of a library which, by themselves or when examined with other public records, would reveal the identity of the library patron checking out or requesting an item or information from the library. The records shall be released to a criminal or juvenile justice agency only pursuant to an investigation of a particular person or organization suspected of committing a known crime. The records shall be released only upon a judicial determination that a rational connection exists between the requested release of information and a legitimate end and that the need for the information is cogent and compelling.

14. The material of a library, museum or archive which has been contributed by a private person to the extent of any limitation that is a condition of the contribution.

15. Information concerning the procedures to be used to control disturbances at adult correctional institutions. Such information shall also be exempt from public inspection under section 17A.3. As used in this subsection disturbance means a riot or a condition that can reasonably be expected to cause a riot.

16. Information in a report to the Iowa department of public health, to a local board of health, or to a local health department, which identifies a person infected with a reportable disease.

17. Records of identity of owners of public bonds or obligations maintained as provided in section 76.10 or by the issuer of the public bonds or obligations. However, the issuer of the public bonds or obligations and a state or federal agency shall have the right of access to the records.

18. Communications not required by law, rule, procedure, or contract that are made to a government body or to any of its employees by identified persons outside of government, to the extent that the government body receiving those communications from such persons outside of government could reasonably believe that those persons would be discouraged from making them to that government body if they were available for general public examination. As used in this subsection, *"persons outside of government"* does not include persons or employees of persons who are communicating with respect to a consulting or contractual relationship with a government body or who are communicating with a government body with whom an arrangement for compensation exists. Notwithstanding this provision:

*a.* The communication is a public record to the extent that the person outside of government making that communication consents to its treatment as a public record.

*b.* Information contained in the communication is a public record to the extent that it can be disclosed without directly or indirectly indicating the identity of the person outside of government making it or enabling others to ascertain the identity of that person.

*c.* Information contained in the communication is a public record to the extent that it indicates the date, time, specific location, and immediate facts and circumstances surrounding the occurrence of a crime or other illegal act, except to the extent that its disclosure would plainly and seriously jeopardize a continuing investigation or pose a clear

and present danger to the safety of any person. In any action challenging the failure of the lawful custodian to disclose any particular information of the kind enumerated in this paragraph, the burden of proof is on the lawful custodian to demonstrate that the disclosure of that information would jeopardize such an investigation or would pose such a clear and present danger.

19. Examinations, including but not limited to cognitive and psychological examinations for law enforcement officer candidates administered by or on behalf of a governmental body, to the extent that their disclosure could reasonably be believed by the custodian to interfere with the accomplishment of the objectives for which they are administered.

20. Information concerning the nature and location of any archaeological resource or site if, in the opinion of the state archaeologist, disclosure of the information will result in unreasonable risk of damage to or loss of the resource or site where the resource is located. This subsection shall not be construed to interfere with the responsibilities of the federal government or the state historic preservation officer pertaining to access, disclosure, and use of archaeological site records.

21. Information concerning the nature and location of any ecologically sensitive resource or site if, in the opinion of the director of the department of natural resources after consultation with the state ecologist, disclosure of the information will result in unreasonable risk of damage to or loss of the resource or site where the resource is located. This subsection shall not be construed to interfere with the responsibilities of the federal government or the director of the department of natural resources and the state ecologist pertaining to access, disclosure, and use of the ecologically sensitive site records.

22. Reports or recommendations of the Iowa insurance guaranty association filed or made pursuant to section 515B.10, subsection 1, paragraph "*a*", subparagraph (2).

23. Information or reports collected or submitted pursuant to section 508C.12, subsections 3 and 5, and section 508C.13, subsection 2, except to the extent that release is permitted under those sections.

24. Reserved.

25. Financial information, which if released would give advantage to competitors and serve no public purpose, relating to commercial operations conducted or intended to be conducted by a person submitting records containing the information to the department of agriculture and land stewardship for the purpose of obtaining assistance in business planning.

26. Applications, investigation reports, and case records of persons applying for county general assistance pursuant to section 252.25.

27. Marketing and advertising budget and strategy of a nonprofit corporation which is subject to this chapter. However, this exemption does not apply to salaries or benefits of employees who are employed by the nonprofit corporation to handle the marketing and advertising responsibilities.

28. The information contained in records of the centralized employee registry created in chapter 252G, except to the extent that disclosure is authorized pursuant to chapter 252G.

29. Records and information obtained or held by independent special counsel during the course of an investigation conducted pursuant to section 68B.31A. Information that is disclosed to a legislative ethics committee subsequent to a determination of probable cause by independent special counsel and made pursuant to section 68B.31 is not a confidential record unless otherwise provided by law.

30. Information contained in a declaration of paternity completed and filed with the state registrar of vital statistics pursuant to section 144.12A, except to the extent that the information may be provided to persons in accordance with section 144.12A.

31. Memoranda, work products, and case files of a mediator and all other confidential communications in the possession of a mediator, as provided in chapters 86 and 216. Information in these confidential communications is subject to disclosure only as provided in sections 86.44 and 216.15B, notwithstanding any other contrary provision of this chapter.

32. Social security numbers of the owners of unclaimed property reported to the treasurer of state pursuant to section 556.11, subsection 2, included on claim forms filed with the treasurer of state pursuant to section 556.19, included in outdated warrant reports received

by the treasurer of state pursuant to section 556.2C, or stored in record systems maintained by the treasurer of state for purposes of administering chapter 556, or social security numbers of payees included on state warrants included in records systems maintained by the department of administrative services for the purpose of documenting and tracking outdated warrants pursuant to section 556.2C.

33. Data processing software, as defined in section 22.3A, which is developed by a government body.

34. A record required under the Iowa financial transaction reporting Act listed in section 529.2, subsection 9.

35. Records of the Iowa department of public health pertaining to participants in the gambling treatment program except as otherwise provided in this chapter.

36. Records of a law enforcement agency or the state department of transportation regarding the issuance of a driver's license under section 321.189A.

37. Mediation communications as defined in section 679C.102, except written mediation agreements that resulted from a mediation which are signed on behalf of a governing body. However, confidentiality of mediation communications resulting from mediation conducted pursuant to chapter 216 shall be governed by chapter 216.

38. *a.* Records containing information that would disclose, or might lead to the disclosure of, private keys used in an electronic signature or other similar technologies as provided in chapter 554D.

*b.* Records which if disclosed might jeopardize the security of an electronic transaction pursuant to chapter 554D.

39. Information revealing the identity of a packer or a person who sells livestock to a packer as reported to the department of agriculture and land stewardship pursuant to section 202A.2.

40. The portion of a record request that contains an internet protocol number which identifies the computer from which a person requests a record, whether the person using such computer makes the request through the IowAccess network or directly to a lawful custodian. However, such record may be released with the express written consent of the person requesting the record.

41. Medical examiner records and reports, including preliminary reports, investigative reports, and autopsy reports. However, medical examiner records and reports shall be released to a law enforcement agency that is investigating the death, upon the request of the law enforcement agency, and autopsy reports shall be released to the decedent's immediate next of kin upon the request of the decedent's immediate next of kin unless disclosure to the decedent's immediate next of kin would jeopardize an investigation or pose a clear and present danger to the public safety or the safety of an individual. Information regarding the cause and manner of death shall not be kept confidential under this subsection unless disclosure would jeopardize an investigation or pose a clear and present danger to the public safety or the safety of an individual.

42. Information obtained by the commissioner of insurance in the course of an investigation as provided in section 523C.23.

43. Information obtained by the commissioner of insurance pursuant to section 502.607.

44. Information provided to the court and state public defender pursuant to section 13B.4, subsection 5; section 814.11, subsection 7; or section 815.10, subsection 5.

45. The critical asset protection plan or any part of the plan prepared pursuant to section 29C.8 and any information held by the department of homeland security and emergency management that was supplied to the department by a public or private agency or organization and used in the development of the critical asset protection plan to include, but not be limited to, surveys, lists, maps, or photographs. However, the director shall make the list of assets available for examination by any person. A person wishing to examine the list of assets shall make a written request to the director on a form approved by the director. The list of assets may be viewed at the department's offices during normal working hours. The list of assets shall not be copied in any manner. Communications and asset information not required by law, rule, or procedure that are provided to the director by persons outside of government and for which the director has signed a nondisclosure agreement are exempt

from public disclosures. The department of homeland security and emergency management may provide all or part of the critical asset plan to federal, state, or local governmental agencies which have emergency planning or response functions if the director is satisfied that the need to know and intended use are reasonable. An agency receiving critical asset protection plan information from the department shall not redisseminate the information without prior approval of the director.

46. Military personnel records recorded by the county recorder pursuant to section 331.608.

47. A report regarding interest held in agricultural land required to be filed pursuant to chapter 10B.

48. Sex offender registry records under chapter 692A, except as provided in section 692A.121.

49. Confidential information, as defined in section 86.45, subsection 1, filed with the workers' compensation commissioner.

50. Information concerning security procedures or emergency preparedness information developed and maintained by a government body for the protection of governmental employees, visitors to the government body, persons in the care, custody, or under the control of the government body, or property under the jurisdiction of the government body, if disclosure could reasonably be expected to jeopardize such employees, visitors, persons, or property.

*a.* Such information includes but is not limited to information directly related to vulnerability assessments; information contained in records relating to security measures such as security and response plans, security codes and combinations, passwords, restricted area passes, keys, and security or response procedures; emergency response protocols; and information contained in records that if disclosed would significantly increase the vulnerability of critical physical systems or infrastructures of a government body to attack.

*b.* This subsection shall only apply to information held by a government body that has adopted a rule or policy identifying the specific records or class of records to which this subsection applies and which is contained in such a record.

51. The information contained in the information program established in section 124.551, except to the extent that disclosure is authorized pursuant to section 124.553.

52. *a.* The following records relating to a charitable donation made to a foundation acting solely for the support of an institution governed by the state board of regents, to the board of the Iowa state fair foundation when the record relates to a gift for deposit in or expenditure from the Iowa state fairgrounds trust fund as provided in section 173.22A, to a foundation acting solely for the support of an institution governed by chapter 260C, to a private foundation as defined in section 509 of the Internal Revenue Code organized for the support of a government body, or to an endow Iowa qualified community foundation, as defined in section 15E.303, organized for the support of a government body:

(1) Portions of records that disclose a donor's or prospective donor's personal, financial, estate planning, or gift planning matters.

(2) Records received from a donor or prospective donor regarding such donor's prospective gift or pledge.

(3) Records containing information about a donor or a prospective donor in regard to the appropriateness of the solicitation and dollar amount of the gift or pledge.

(4) Portions of records that identify a prospective donor and that provide information on the appropriateness of the solicitation, the form of the gift or dollar amount requested by the solicitor, and the name of the solicitor.

(5) Portions of records disclosing the identity of a donor or prospective donor, including the specific form of gift or pledge that could identify a donor or prospective donor, directly or indirectly, when such donor has requested anonymity in connection with the gift or pledge. This subparagraph does not apply to a gift or pledge from a publicly held business corporation.

*b.* The confidential records described in paragraph "*a*", subparagraphs (1) through (5), shall not be construed to make confidential those portions of records disclosing any of the following:

(1) The amount and date of the donation.

(2) Any donor-designated use or purpose of the donation.

(3) Any other donor-imposed restrictions on the use of the donation.

(4) When a pledge or donation is made expressly conditioned on receipt by the donor, or any person related to the donor by blood or marriage within the third degree of consanguinity, of any privilege, benefit, employment, program admission, or other special consideration from the government body, a description of any and all such consideration offered or given in exchange for the pledge or donation.

*c.* Except as provided in paragraphs "*a*" and "*b*", portions of records relating to the receipt, holding, and disbursement of gifts made for the benefit of regents institutions and made through foundations established for support of regents institutions, including but not limited to written fund-raising policies and documents evidencing fund-raising practices, shall be subject to this chapter.

*d.* This subsection does not apply to a report filed with the ethics and campaign disclosure board pursuant to section 8.7.

53. Information obtained and prepared by the commissioner of insurance pursuant to section 507.14.

54. Information obtained and prepared by the commissioner of insurance pursuant to section 507E.5.

55. An intelligence assessment and intelligence data under chapter 692, except as provided in section 692.8A.

56. Individually identifiable client information contained in the records of the state database created as a homeless management information system pursuant to standards developed by the United States department of housing and urban development and utilized by the economic development authority.

57. The following information contained in the records of any governmental body relating to any form of housing assistance:

*a.* An applicant's social security number.

*b.* An applicant's personal financial history.

*c.* An applicant's personal medical history or records.

*d.* An applicant's current residential address when the applicant has been granted or has made application for a civil or criminal restraining order for the personal protection of the applicant or a member of the applicant's household.

58. Information filed with the commissioner of insurance pursuant to sections 523A.204 and 523A.502A.

59. The information provided in any report, record, claim, or other document submitted to the treasurer of state pursuant to chapter 556 concerning unclaimed or abandoned property, except the name and last known address of each person appearing to be entitled to unclaimed or abandoned property paid or delivered to the treasurer of state pursuant to that chapter.

60. Information in a record that would permit a governmental body subject to chapter 21 to hold a closed session pursuant to section 21.5 in order to avoid public disclosure of that information, until such time as final action is taken on the subject matter of that information. Any portion of such a record not subject to this subsection, or not otherwise confidential, shall be made available to the public. After the governmental body has taken final action on the subject matter pertaining to the information in that record, this subsection shall no longer apply. This subsection shall not apply more than ninety days after a record is known to exist by the governmental body, unless it is not possible for the governmental body to take final action within ninety days. The burden shall be on the governmental body to prove that final action was not possible within the ninety-day period.

61. Records of the department on aging pertaining to clients served by the office of substitute decision maker.

62. Records maintained by the department on aging or office of long-term care ombudsman that disclose the identity of a complainant, resident, tenant, or individual receiving services provided by the department on aging, an area agency on aging, or the office of long-term care ombudsman, unless disclosure is otherwise allowed under section 231.42, subsection 12, paragraph "*a*".

63. Information obtained by the superintendent of credit unions in connection with a complaint response process as provided in section 533.501, subsection 3.

64. Information obtained by the commissioner of insurance in the course of an examination of a cemetery as provided in section 523I.213A, subsection 7.

65. Tentative, preliminary, draft, speculative, or research material, prior to its completion for the purpose for which it is intended and in a form prior to the form in which it is submitted for use or used in the actual formulation, recommendation, adoption, or execution of any official policy or action by a public official authorized to make such decisions for the governmental body or the government body. This subsection shall not apply to public records that are actually submitted for use or are used in the formulation, recommendation, adoption, or execution of any official policy or action of a governmental body or a government body by a public official authorized to adopt or execute official policy for the governmental body or the government body.

66. Personal information contained on electronic driver's license or nonoperator's identification card records that is provided by the licensee or card holder to the department of transportation for use by law enforcement, first responders, emergency medical service providers, and other medical personnel responding to or assisting with an emergency.

67. Electronic mail addresses of individuals collected by state departments and agencies for the sole purpose of disseminating routine information and notices through electronic communications that are not prepared for a specific recipient.

[C71, 73, 75, 77, 79, 81, §68A.7; 81 Acts, ch 36, §1, ch 37, §1, ch 38, §1, ch 62, §4]

83 Acts, ch 90, §9; 84 Acts, ch 1014, §1; 84 Acts, ch 1185, §5, 6

C85, §22.7

85 Acts, ch 134, §16; 85 Acts, ch 175, §1; 85 Acts, ch 208, §1; 86 Acts, ch 1184, §1; 86 Acts, ch 1228, §1; 87 Acts, ch 223, §20; 88 Acts, ch 1010, §1; 88 Acts, ch 1256, §1; 89 Acts, ch 194, §1; 89 Acts, ch 304, §102; 89 Acts, ch 311, §22; 90 Acts, ch 1017, §1; 90 Acts, ch 1271, §703; 92 Acts, ch 1212, §3; 93 Acts, ch 79, §2; 93 Acts, ch 163, §27; 94 Acts, ch 1023, §76; 94 Acts, ch 1064, §1; 94 Acts, ch 1092, §1; 94 Acts, ch 1174, §1; 95 Acts, ch 100, §1; 95 Acts, ch 129, §1; 95 Acts, ch 191, §1; 96 Acts, ch 1037, §1; 96 Acts, ch 1099, §16; 96 Acts, ch 1133, §38; 96 Acts, ch 1150, §1; 96 Acts, ch 1212, §10; 97 Acts, ch 92, §1; 97 Acts, ch 159, §1; 98 Acts, ch 1062, §8, 9; 98 Acts, ch 1073, §9; 98 Acts, ch 1090, §59, 84; 99 Acts, ch 88, §1, 11, 13; 99 Acts, ch 146, §43; 2000 Acts, ch 1014, §1; 2000 Acts, ch 1140, §1; 2000 Acts, ch 1147, §27; 2000 Acts, ch 1161, §1; 2000 Acts, ch 1189, §25; 2001 Acts, ch 24, §17; 2001 Acts, ch 108, §1; 2002 Acts, ch 1038, §1; 2002 Acts, ch 1067, §13; 2002 Acts, ch 1076, §2; 2002 Acts, ch 1098, §1; 2002 Acts, ch 1117, §53, 56; 2003 Acts, ch 114, §1; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §157; 2004 Acts, ch 1091, §3; 2004 Acts, ch 1104, §4; 2004 Acts, ch 1147, §6; 2004 Acts, ch 1161, §65, 68; 2004 Acts, ch 1175, §462, 468; 2005 Acts, ch 19, §16; 2005 Acts, ch 68, §2; 2005 Acts, ch 168, §8, 23; 2006 Acts, ch 1054, §1, 2; 2006 Acts, ch 1117, §2; 2006 Acts, ch 1122, §1; 2006 Acts, ch 1127, §1; 2006 Acts, ch 1147, §1, 11; 2006 Acts, ch 1148, §1; 2006 Acts, ch 1185, §57, 58, 92; 2007 Acts, ch 37, §1; 2007 Acts, ch 62, §1; 2007 Acts, ch 126, §11; 2007 Acts, ch 175, §1; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1144, §2, 12, 13; 2008 Acts, ch 1191, §34, 99; 2009 Acts, ch 23, §6; 2009 Acts, ch 48, §1; 2009 Acts, ch 119, §33; 2010 Acts, ch 1121, §1; 2011 Acts, ch 20, §3; 2011 Acts, ch 30, §1; 2011 Acts, ch 79, §2; 2011 Acts, ch 106, §8 – 10, 17; 2011 Acts, ch 118, §39, 85, 89; 2012 Acts, ch 1086, §1; 2012 Acts, ch 1115, §2, 17; 2013 Acts, ch 18, §4; 2013 Acts, ch 29, §7; 2013 Acts, ch 103, §1; 2013 Acts, ch 116, §2; 2013 Acts, ch 129, §47

Referred to in §2C.9, 10B.5, 15.274, 21.5, 34A.7A, 68B.31, 68B.32B, 76.11, 87.11, 99G.34, 100.5, 124.553, 135.43, 135A.7, 135O.4, 136A.7, 147A.26, 166D.10, 173.22A, 202A.2, 203.11B, 203D.4, 206.23A, 232.149, 252G.5, 263B.10, 266.46, 266.47, 280.19A, 299A.11, 321.189A, 452A.33, 455B.117, 462A.7, 465C.14, 466B.47, 476.4A, 476.74, 477A.7, 515.103, 523A.204, 523A.502A, 523C.23, 556.24A, 692.8A, 692.18, 708.2B, 716.6B, 901.5B, 907.4, 907.9, 915.90

Future repeal of subsection 39 if substantially similar federal legislation or regulation is implemented; finding and order by secretary of agriculture; 99 Acts, ch 88, §11

2012 amendment adding NEW subsection 65 is effective July 1, 2013; 2012 Acts, ch 1115, §17

NEW subsection 10

Subsection 45 amended

Subsection 62 amended

NEW subsections 65 – 67

**22.8 Injunction to restrain examination.**

1. The district court may grant an injunction restraining the examination, including

copying, of a specific public record or a narrowly drawn class of public records. A hearing shall be held on a request for injunction upon reasonable notice as determined by the court to persons requesting access to the record which is the subject of the request for injunction. It shall be the duty of the lawful custodian and any other person seeking an injunction to ensure compliance with the notice requirement. Such an injunction may be issued only if the petition supported by affidavit shows and if the court finds both of the following:

*a.* That the examination would clearly not be in the public interest.

*b.* That the examination would substantially and irreparably injure any person or persons.

2. An injunction shall be subject to the rules of civil procedure except that the court in its discretion may waive bond.

3. In actions brought under this section the district court shall take into account the policy of this chapter that free and open examination of public records is generally in the public interest even though such examination may cause inconvenience or embarrassment to public officials or others. A court may issue an injunction restraining examination of a public record or a narrowly drawn class of such records, only if the person seeking the injunction demonstrates by clear and convincing evidence that this section authorizes its issuance. An injunction restraining the examination of a narrowly drawn class of public records may be issued only if such an injunction would be justified under this section for every member within the class of records involved if each of those members were considered separately.

4. Good-faith, reasonable delay by a lawful custodian in permitting the examination and copying of a government record is not a violation of this chapter if the purpose of the delay is any of the following:

*a.* To seek an injunction under this section.

*b.* To determine whether the lawful custodian is entitled to seek such an injunction or should seek such an injunction.

*c.* To determine whether the government record in question is a public record, or confidential record.

*d.* To determine whether a confidential record should be available for inspection and copying to the person requesting the right to do so. A reasonable delay for this purpose shall not exceed twenty calendar days and ordinarily should not exceed ten business days.

*e.* Actions for injunctions under this section may be brought by the lawful custodian of a government record, or by another government body or person who would be aggrieved or adversely affected by the examination or copying of such a record.

*f.* The rights and remedies provided by this section are in addition to any rights and remedies provided by section 17A.19.

[C71, 73, 75, 77, 79, 81, §68A.8]
84 Acts, ch 1185, §7
C85, §22.8

**22.9 Denial of federal funds — rules.**

If it is determined that any provision of this chapter would cause the denial of funds, services or essential information from the United States government which would otherwise definitely be available to an agency of this state, such provision shall be suspended as to such agency, but only to the extent necessary to prevent denial of such funds, services, or essential information.

An agency within the meaning of section 17A.2, subsection 1, shall adopt as a rule, in each situation where this section is believed applicable, its determination identifying those particular provisions of this chapter that must be waived in the circumstances to prevent the denial of federal funds, services, or information.

[C71, 73, 75, 77, 79, 81, §68A.9]
84 Acts, ch 1185, §8
C85, §22.9

**22.10 Civil enforcement.**

1. The rights and remedies provided by this section are in addition to any rights and remedies provided by section 17A.19. Any aggrieved person, any taxpayer to or citizen of the

state of Iowa, or the attorney general or any county attorney, may seek judicial enforcement of the requirements of this chapter in an action brought against the lawful custodian and any other persons who would be appropriate defendants under the circumstances. Suits to enforce this chapter shall be brought in the district court for the county in which the lawful custodian has its principal place of business.

2. Once a party seeking judicial enforcement of this chapter demonstrates to the court that the defendant is subject to the requirements of this chapter, that the records in question are government records, and that the defendant refused to make those government records available for examination and copying by the plaintiff, the burden of going forward shall be on the defendant to demonstrate compliance with the requirements of this chapter.

3. Upon a finding by a preponderance of the evidence that a lawful custodian has violated any provision of this chapter, a court:

*a.* Shall issue an injunction punishable by civil contempt ordering the offending lawful custodian and other appropriate persons to comply with the requirements of this chapter in the case before it and, if appropriate, may order the lawful custodian and other appropriate persons to refrain for one year from any future violations of this chapter.

*b.* Shall assess the persons who participated in its violation damages in the amount of not more than five hundred dollars and not less than one hundred dollars. However, if a person knowingly participated in such a violation, damages shall be in the amount of not more than two thousand five hundred dollars and not less than one thousand dollars. These damages shall be paid by the court imposing them to the state of Iowa if the body in question is a state government body, or to the local government involved if the body in question is a local government body. A person found to have violated this chapter shall not be assessed such damages if that person proves that the person did any of the following:

(1) Voted against the action violating this chapter, refused to participate in the action violating this chapter, or engaged in reasonable efforts under the circumstances to resist or prevent the action in violation of this chapter.

(2) Had good reason to believe and in good faith believed facts which, if true, would have indicated compliance with the requirements of this chapter.

(3) Reasonably relied upon a decision of a court, a formal opinion of the Iowa public information board, the attorney general, or the attorney for the government body, given in writing, or as memorialized in the minutes of the meeting at which a formal oral opinion was given, or an advisory opinion of the Iowa public information board, the attorney general, or the attorney for the government body, given in writing.

*c.* Shall order the payment of all costs and reasonable attorney fees, including appellate attorney fees, to any plaintiff successfully establishing a violation of this chapter in the action brought under this section. The costs and fees shall be paid by the particular persons who were assessed damages under paragraph *"b"* of this subsection. If no such persons exist because they have a lawful defense under that paragraph to the imposition of such damages, the costs and fees shall be paid to the successful plaintiff from the budget of the offending government body or its parent.

*d.* Shall issue an order removing a person from office if that person has engaged in a prior violation of this chapter for which damages were assessed against the person during the person's term.

4. Ignorance of the legal requirements of this chapter is not a defense to an enforcement proceeding brought under this section. A lawful custodian or its designee in doubt about the legality of allowing the examination or copying or refusing to allow the examination or copying of a government record is authorized to bring suit at the expense of that government body in the district court of the county of the lawful custodian's principal place of business, or to seek an opinion of the attorney general or the attorney for the lawful custodian, to ascertain the legality of any such action.

84 Acts, ch 1185, §9; 2005 Acts, ch 99, §2; 2011 Acts, ch 106, §11, 12, 17; 2012 Acts, ch 1115, §3, 17

2012 amendment to subsection 3, paragraph b, subparagraph (3) takes effect July 1, 2013; 2012 Acts, ch 1115, §17

Subsection 3, paragraph b, subparagraph (3) amended

**22.11 Fair information practices.**

This section may be cited as the *"Iowa Fair Information Practices Act"*. It is the intent of this section to require that the information policies of state agencies are clearly defined and subject to public review and comment.

1. Each state agency as defined in chapter 17A shall adopt rules which provide the following:

*a.* The nature and extent of the personally identifiable information collected by the agency, the legal authority for the collection of that information, and a description of the means of storage.

*b.* A description of which of its records are public records, which are confidential records, and which are partially public and partially confidential records and the legal authority for the confidentiality of the records. The description shall indicate whether the records contain personally identifiable information.

*c.* The procedure for providing the public with access to public records.

*d.* The procedures for allowing a person to review a government record about that person and have additions, dissents, or objections entered in that record unless the review is prohibited by statute.

*e.* The procedures by which the subject of a confidential record may have a copy of that record released to a named third party.

*f.* The procedures by which the agency shall notify persons supplying information requested by the agency of the use that will be made of the information, which persons outside of the agency might routinely be provided this information, which parts of the information requested are required and which are optional and the consequences of failing to provide the information requested.

*g.* Whether a data processing system matches, collates, or permits the comparison of personally identifiable information in one record system with personally identifiable information in another record system.

2. A state agency shall not use any personally identifiable information after July 1, 1988, unless it is in a record system described by the rules required by this section.

84 Acts, ch 1185, §10

Referred to in §22.12

**22.12 Political subdivisions.**

A political subdivision or public body which is not a state agency as defined in chapter 17A is not required to adopt policies to implement section 22.11. However, if a public body chooses to adopt policies to implement section 22.11 the policies must be adopted by the elected governing body of the political subdivision of which the public body is a part. The elected governing body must give reasonable notice, make the proposed policy available for public inspection and allow full opportunity for the public to comment before adopting the policy. If the public body is established pursuant to an agreement under chapter 28E, the policy must be adopted by a majority of the public agencies party to the agreement. These policies shall be kept in the office of the county auditor if adopted by the board of supervisors, the city clerk if adopted by a city, and the chief administrative officer of the public body if adopted by some other elected governing body.

84 Acts, ch 1185, §11

**22.13 Settlements — government bodies.**

When a government body reaches a final, binding, written settlement agreement that resolves a legal dispute claiming monetary damages, equitable relief, or a violation of a rule or statute, the government body shall, upon request and to the extent allowed under applicable law, prepare a brief summary of the resolution of the dispute indicating the identity of the parties involved, the nature of the dispute, and the terms of the settlement, including any payments made by or on behalf of the government body and any actions to be taken by the government body. A government body is not required to prepare a summary if

the settlement agreement includes the information required to be included in the summary. The settlement agreement and any required summary shall be a public record.

91 Acts, ch 96, §1; 2011 Acts, ch 106, §13, 17

**22.14 Public funds investment records in custody of third parties.**

1. The records of investment transactions made by or on behalf of a public body are public records and are the property of the public body whether in the custody of the public body or in the custody of a fiduciary or other third party.

2. If such records of public investment transactions are in the custody of a fiduciary or other third party, the public body shall obtain from the fiduciary or other third party records requested pursuant to section 22.2.

3. If a fiduciary or other third party with custody of public investment transactions records fails to produce public records within a reasonable period of time as requested by the public body, the public body shall make no new investments with or through the fiduciary or other third party and shall not renew existing investments upon their maturity with or through the fiduciary or other third party. The fiduciary or other third party shall be liable for the penalties imposed under statute, common law, or contract due to the acts or omissions of the fiduciary or other third party.

92 Acts, ch 1156, §8; 2011 Acts, ch 106, §14, 17

# CHAPTER 23

## PUBLIC ACCESS TO GOVERNMENT INFORMATION (IOWA PUBLIC INFORMATION BOARD ACT)


23.1 Citation and purpose.
23.2 Definitions.
23.3 Board appointed — executive director.
23.4 Compensation and expenses.
23.5 Election of remedies.
23.6 Board powers and duties.
23.7 Filing of complaints with the board.
23.8 Initial processing of complaint.
23.9 Informal assistance.
23.10 Enforcement.
23.11 Defenses in a contested case proceeding.
23.12 Jurisdiction.


**23.1 Citation and purpose.**

This chapter may be cited as the *"Iowa Public Information Board Act"*. The purpose of this chapter is to provide an alternative means by which to secure compliance with and enforcement of the requirements of chapters 21 and 22 through the provision by the Iowa public information board to all interested parties of an efficient, informal, and cost-effective process for resolving disputes.

2012 Acts, ch 1115, §4, 17
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

**23.2 Definitions.**

1. *"Board"* means the Iowa public information board created in section 23.3.

2. *"Complainant"* means a person who files a complaint with the board.

3. *"Complaint"* means a written and signed document filed with the board alleging a violation of chapter 21 or 22.

4. *"Custodian"* means a government body, government official, or government employee designated as the lawful custodian of a government record pursuant to section 22.1.

5. *"Government body"* means the same as defined in section 22.1.

6. *"Governmental body"* means the same as defined in section 21.2.

7. *"Person"* means an individual, partnership, association, corporation, legal representative, trustee, receiver, custodian, government body, or official, employee, agency, or political subdivision of this state.

8. *"Respondent"* means any agency or other unit of state or local government, custodian, government official, or government employee who is the subject of a complaint.

2012 Acts, ch 1115, §5, 17
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

**23.3 Board appointed — executive director.**

1. An Iowa public information board is created consisting of nine members appointed by the governor, subject to confirmation by the senate. No more than three members appointed shall be representatives from the media including newspapers and no more than three members appointed shall be representatives of cities, counties, and other political subdivisions of the state.

2. Appointments to the board shall be subject to sections 69.16 and 69.16A.

3. Members appointed to the board shall serve staggered four-year terms beginning and ending as provided in section 69.19.

4. A quorum of the board shall consist of five members.

5. A vacancy on the board shall be filled by the governor, as provided in subsection 1.

6. The board shall select one of its members to serve as chairperson and shall employ a person who shall be an attorney admitted to practice law before the courts of this state to serve as the executive director of the board.

7. The board shall meet at least quarterly and at the call of the chairperson.

8. The board shall be an independent agency.

2012 Acts, ch 1115, §6, 17
Confirmation, see § 2.32
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

**23.4 Compensation and expenses.**

Board members appointed by the governor shall be paid a per diem as specified in section 7E.6 and shall be reimbursed for actual and necessary expenses incurred while on official board business. Such per diem and expenses shall be paid from funds appropriated to the board.

2012 Acts, ch 1115, §7, 17
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

**23.5 Election of remedies.**

1. An aggrieved person, any taxpayer to or citizen of this state, the attorney general, or any county attorney may seek enforcement of the requirements of chapters 21 and 22 by electing either to file an action pursuant to section 17A.19, 21.6, or 22.10, whichever is applicable, or in the alternative, to file a timely complaint with the board.

2. If more than one person seeks enforcement of chapter 21 or 22 with respect to the same incident involving an alleged violation, and one or more of such persons elects to do so by filing an action under section 17A.19, 21.6, or 22.10, and one or more of such persons elects to do so by filing a timely complaint with the board, the court in which the action was filed shall stay the action pending resolution of the complaint with the board, authorizing the complainant to file a complaint with respect to the same incident with the board without regard to the timeliness of the filing of the complaint at the time the action in court is stayed.

3. If a person files an action pursuant to section 22.8 seeking to enjoin the inspection of a public record, the respondent or person requesting access to the record which is the subject of the request for injunction may remove the proceeding to the board for its determination by filing, within thirty days of the commencement of the judicial proceeding, a complaint with the board alleging a violation of chapter 22 in regard to the same matter.

2012 Acts, ch 1115, §8, 17
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

**23.6 Board powers and duties.**

The board shall have all of the following powers and duties:

1. Employ one employee as executive director who is an attorney admitted to practice law in the courts of this state to execute its authority including prosecuting respondents in proceedings before the board and representing the board in proceedings before a court, as appropriate.

2. Adopt rules pursuant to chapter 17A calculated to implement, enforce, and interpret the requirements of chapters 21 and 22 and to implement any authority delegated to the board by this chapter.

3. Issue, consistent with the requirements of section 17A.9, declaratory orders with the force of law determining the applicability of chapter 21 or 22 to specified fact situations and issue informal advice to any person concerning the applicability of chapters 21 and 22.

4. Receive complaints alleging violations of chapter 21 or 22, seek resolution of such complaints through informal assistance, formally investigate such complaints, decide after such an investigation whether there is probable cause to believe a violation of chapter 21 or 22 has occurred, and if probable cause has been found prosecute the respondent before the board in a contested case proceeding conducted according to the provisions of chapter 17A.

5. Request and receive from a governmental body or a government body assistance and information as necessary in the performance of its duties.

6. The board may examine a record of a governmental body or a government body that is the subject matter of a complaint, including any record that is confidential by law. Confidential records provided to the board by a governmental body or a government body shall continue to maintain their confidential status. Any member or employee of the board is subject to the same policies and penalties regarding the confidentiality of the document as an employee of the governmental body or a government body.

7. Issue subpoenas enforceable in court for the purpose of investigating complaints and to facilitate the prosecution and conduct of contested cases before the board.

8. After appropriate board proceedings, issue orders with the force of law, determining whether there has been a violation of chapter 21 or 22, requiring compliance with specified provisions of those chapters, imposing civil penalties equivalent to and to the same extent as those provided for in section 21.6 or 22.10, as applicable, on a respondent who has been found in violation of chapter 21 or 22, and imposing any other appropriate remedies calculated to declare, terminate, or remediate any violation of those chapters.

9. Represent itself in judicial proceedings to enforce or defend its orders and rules through attorneys on its own staff, through the office of the attorney general, or through other attorneys retained by the board, at its option.

10. Make training opportunities available to lawful custodians, governmental bodies, government bodies, and other persons subject to the requirements of chapters 21 and 22 and require, in its discretion, appropriate persons who have responsibilities in relation to chapters 21 and 22 to receive periodic training approved by the board.

11. Disseminate information calculated to inform members of the public about the public's right to access government information in this state including procedures to facilitate this access and including information relating to the obligations of governmental bodies under chapter 21 and lawful custodians under chapter 22 and other laws dealing with this subject.

12. Prepare and transmit to the governor and to the general assembly, at least annually, reports describing complaints received, board proceedings, investigations, hearings conducted, decisions rendered, and other work performed by the board.

13. Make recommendations to the governor and the general assembly proposing legislation relating to public access to government information deemed desirable by the board in light of the policy of this state to provide as much public access as possible to government information as is consistent with the public interest.

2012 Acts, ch 1115, §9, 17; 2013 Acts, ch 135, §59
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

**23.7 Filing of complaints with the board.**

1. The board shall adopt rules pursuant to chapter 17A providing for the timing, form, content, and means by which any aggrieved person, any taxpayer to or citizen of this state,

the attorney general, or any county attorney may file a complaint with the board alleging a violation of chapter 21 or 22. The complaint must be filed within sixty days from the time the alleged violation occurred or the complainant could have become aware of the violation with reasonable diligence. All complaints filed with the board shall be public records.

2. All board proceedings in response to the filing of a complaint shall be conducted as expeditiously as possible.

2012 Acts, ch 1115, §10, 17
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

**23.8 Initial processing of complaint.**

Upon receipt of a complaint alleging a violation of chapter 21 or 22, the board shall do either of the following:

1. Determine that, on its face, the complaint is within the board's jurisdiction, appears legally sufficient, and could have merit. In such a case the board shall accept the complaint, and shall notify the parties of that fact in writing.

2. Determine that, on its face, the complaint is outside its jurisdiction, is legally insufficient, is frivolous, is without merit, involves harmless error, or relates to a specific incident that has previously been finally disposed of on its merits by the board or a court. In such a case the board shall decline to accept the complaint. If the board refuses to accept a complaint, the board shall provide the complainant with a written order explaining its reasons for the action.

2012 Acts, ch 1115, §11, 17
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

**23.9 Informal assistance.**

After accepting a complaint, the board shall promptly work with the parties, through employees on its own staff, to reach an informal, expeditious resolution of the complaint.

2013 Acts, ch 135, §60
NEW section

**23.10 Enforcement.**

1. If any party declines informal assistance or if informal assistance fails to resolve the matter to the satisfaction of all parties, the board shall initiate a formal investigation concerning the facts and circumstances set forth in the complaint. The board shall, after an appropriate investigation, make a determination as to whether the complaint is within the board's jurisdiction and whether there is probable cause to believe that the facts and circumstances alleged in the complaint constitute a violation of chapter 21 or 22.

2. If the board finds the complaint is outside the board's jurisdiction or there is no probable cause to believe there has been a violation of chapter 21 or 22, the board shall issue a written order explaining the reasons for the board's conclusions and dismissing the complaint, and shall transmit a copy to the complainant and to the party against whom the complaint was filed.

3. *a.* If the board finds the complaint is within the board's jurisdiction and there is probable cause to believe there has been a violation of chapter 21 or 22, the board shall issue a written order to that effect and shall commence a contested case proceeding under chapter 17A against the respondent. If there are no material facts in dispute, the board may order that the contested case procedures relating to the presentation of evidence shall not apply as provided in section 17A.10A. The executive director of the board or an attorney selected by the executive director shall prosecute the respondent in the contested case proceeding. At the termination of the contested case proceeding the board shall, by a majority vote of its members, render a final decision as to the merits of the complaint. If the board finds that the complaint has merit, the board may issue any appropriate order to ensure enforcement of chapter 21 or 22 including but not limited to an order requiring specified action or prohibiting specified action and any appropriate order to remedy any failure of the respondent to observe any provision of those chapters.

*b.* If the board determines, by a majority vote of its members, that the respondent has violated chapter 21 or 22, the board may also do any or all of the following:

(1) Require the respondent to pay damages as provided for in section 21.6 or 22.10, whichever is applicable, to the extent that provision would make such damages payable if the complainant had sought to enforce a violation in court instead of through the board.

(2) Void any action taken in violation of chapter 21 if a court would be authorized to do so in similar circumstances pursuant to section 21.6.

(3) Require the respondent to take any remedial action deemed appropriate by the board.

*c.* The board shall not have the authority to remove a person from public office for a violation of chapter 21 or 22. The board may file an action under chapter 21 or 22 to remove a person from office for violations that would subject a person to removal under those chapters.

*d.* A final board order resulting from such proceedings may be enforced by the board in court and is subject to judicial review pursuant to section 17A.19.

2012 Acts, ch 1115, §13, 17; 2013 Acts, ch 135, §61, 62
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

**23.11 Defenses in a contested case proceeding.**

A respondent may defend against a proceeding before the board charging a violation of chapter 21 or 22 on the ground that if such a violation occurred it was only harmless error or that clear and convincing evidence demonstrated that grounds existed to justify a court to issue an injunction against disclosure pursuant to section 22.8.

2012 Acts, ch 1115, §14, 17
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

**23.12 Jurisdiction.**

The board shall not have jurisdiction over the judicial or legislative branches of state government or any entity, officer, or employee of those branches, or over the governor or the office of the governor.

2012 Acts, ch 1115, §15, 17
Section takes effect July 1, 2013; 2012 Acts, ch 1115, §17
NEW section

# CHAPTER 23A

## NONCOMPETITION BY GOVERNMENT

Referred to in §8B.21, 8D.11A, 101.5A


23A.1 Definitions.
23A.2 State agencies and political subdivisions not to compete with private enterprise.
23A.2A Competition with private industry — notation in legislation.
23A.3 Local purchases.
23A.4 Relief for aggrieved persons.


**23A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Political subdivision"* means a city, county, or school corporation.

2. *"Private enterprise"* means an individual, firm, partnership, joint venture, corporation, association, or other legal entity engaging in the manufacturing, processing, sale, offering for sale, rental, leasing, delivery, dispensing, distributing, or advertising of goods or services for profit.

3. *"State agency"* includes a state department, board, commission, or other unit of state government regardless of whether moneys are appropriated to the agency.

88 Acts, ch 1230, §1

**23A.2 State agencies and political subdivisions not to compete with private enterprise.**

1. A state agency or political subdivision shall not, unless specifically authorized by statute, rule, ordinance, or regulation:

*a.* Engage in the manufacturing, processing, sale, offering for sale, rental, leasing, delivery, dispensing, distributing, or advertising of goods or services to the public which are also offered by private enterprise unless such goods or services are for use or consumption exclusively by the state agency or political subdivision.

*b.* Offer or provide goods or services to the public for or through another state agency or political subdivision, by intergovernmental agreement or otherwise, in violation of this chapter.

2. The state board of regents or a school corporation may, by rule, provide for exemption from the application of this chapter for any of the following:

*a.* Goods and services that are directly and reasonably related to the educational mission of an institution or school.

*b.* Goods and services offered only to students, employees, or guests of the institution or school and which cannot be provided by private enterprise at the same or lower cost.

*c.* Use of vehicles owned by the institution or school for charter trips offered to the public, or to full, part-time, or temporary students.

*d.* Durable medical equipment or devices sold or leased for use off premises of an institution, school, or university of Iowa hospitals or clinics.

*e.* Goods or services which are not otherwise available in the quantity or quality required by the institution or school.

*f.* Telecommunications other than radio or television stations.

*g.* Sponsoring or providing facilities for fitness and recreation.

*h.* Food service and sales.

*i.* Sale of books, records, tapes, software, educational equipment, and supplies.

3. After July 1, 1988, before a state agency is permitted to continue to engage in an existing practice specified in subsection 1, that state agency must prepare for public examination documentation showing that the state agency can provide the goods or services at a competitive price. The documentation required by this subsection shall be in accordance with that required by generally accepted accounting principles.

4. If a state agency is authorized by statute to compete with private enterprise, or seeks to gain authorization to compete, the state agency shall prepare for public inspection documentation of all actual costs of the project as required by generally accepted accounting principles.

5. Subsections 1 and 3 do not apply to activities of community action agencies under community action programs, as both are defined in section 216A.91.

6. The director of the department of corrections, with the advice of the state prison industries advisory board, may, by rule, provide for exemptions from this chapter.

7. However, this chapter shall not be construed to impair cooperative agreements between Iowa state industries and private enterprise.

8. The director of the department of corrections, with the advice of the board of corrections, may by rule, provide for exemption from this chapter for vocational-educational programs and farm operations of the department.

9. The state department of transportation may, in accordance with chapter 17A, provide for exemption from the application of subsection 1 for the activities related to highway maintenance, highway design and construction, publication and distribution of transportation maps, state aircraft pool operations, inventory sales to other state agencies and political subdivisions, equipment management and disposal, vehicle maintenance and repair services for other state agencies, and other similar essential operations.

10. This chapter does not apply to any of the following:

*a.* The operation of a city enterprise, as defined in section 384.24, subsection 2.

*b.* The performance of an activity that is an essential corporate purpose of a city, as defined in section 384.24, subsection 3, or which carries out the essential corporate purpose, or which is a general corporate purpose of a city as defined in section 384.24, subsection 4, or which carries out the general corporate purposes.

*c.* The operation of a city utility, as defined by section 390.1, subsection 3.

*d.* The performance of an activity by a city that is intended to assist in economic development or tourism.

*e.* The operation of a county enterprise, as defined in section 331.461, subsection 1 or 2.

*f.* The performance of an activity that is an essential county purpose, as defined in section 331.441, subsection 2, or which carries out the essential county purpose, or which is a general county purpose as defined in section 331.441, subsection 2, or which carries out the general county purpose.

*g.* The performance of an activity listed as a duty relating to a county service in section 331.381.

*h.* The performance of an activity listed in section 331.424, as a service for which a supplemental levy may be certified.

*i.* The performance of an activity by a county that is intended to assist in economic development or tourism.

*j.* The operation of a public transit system, as defined in chapter 324A, except that charter services, outside of a public transit system's normal service area, shall be conducted in Iowa intrastate commerce under the same conditions, restrictions, and obligations as those contained in 49 C.F.R. pt. 604. For purposes of this chapter, the definition and conduct of charter services shall be the same as those contained in 49 C.F.R. pt. 604.

*k.* The following on-campus activities of an institution or school under the control of the state board of regents or a school corporation:

(1) Residence halls.

(2) Student transportation, except as specifically listed in subsection 2, paragraph "*c*".

(3) Overnight accommodations for participants in programs of the institution or school, visitors to the institution or school, parents, and alumni.

(4) Sponsoring or providing facilities for cultural and athletic events.

(5) Items displaying the emblem, mascot, or logo of the institution or school, or that otherwise promote the identity of the institution or school and its programs.

(6) Souvenirs and programs relating to events sponsored by or at the institution or school.

(7) Radio and television stations.

(8) Services to patients and visitors at the university of Iowa hospitals and clinics, except as specifically listed in subsection 2, paragraph "*d*".

(9) Goods, products, or professional services which are produced, created, or sold incidental to the schools' teaching, research, and extension missions.

(10) Services to the public at the Iowa state university college of veterinary medicine.

*l.* The offering of goods and services to the public as part of a client training program operated by a state resource center under the control of the department of human services provided that all of the following conditions are met:

(1) Any off-campus vocational or employment training program developed or operated by the department of human services for clients of a state resource center is a supported vocational training program or a supported employment program offered by a community-based provider of services or other employer in the community.

(2) (a) If a resident of a state resource center is to participate in an employment or training program which pays a wage in compliance with the federal Fair Labor Standards Act, the state resource center shall develop a community placement plan for the resident. The community placement plan shall identify the services and supports the resident would need in order to be discharged from the state resource center and to live and work in the community. The state resource center shall make reasonable efforts to implement the community placement plan including referring the resident to community-based providers of services.

(b) If a community-based provider of services is unable to accept a resident who is referred by the state resource center, the state resource center shall request and the provider shall indicate in writing to the state resource center the provider's reasons for its inability to accept the resident and describe what is needed to accept the resident.

(c) A resident who cannot be placed in a community placement plan with a community-based provider of services may be placed by the state resource center in an on-campus or off-campus vocational or employment training program.

(i) However, prior to placing a resident in an on-campus vocational or employment training program, the state resource center shall seek an off-campus vocational or employment training program offered by a community-based provider who serves the county in which the state resource center is based or the counties contiguous to the county, provided that the resident will not be required to travel for more than thirty minutes one way to obtain services.

(ii) If off-campus services cannot be provided by a community-based provider, the state resource center shall offer the resident an on-campus vocational or employment training program. The on-campus program shall be operated in compliance with the federal Fair Labor Standards Act. At least semiannually, the state resource center shall seek an off-campus community-based vocational or employment training option for each resident placed in an on-campus program.

(iii) The state resource center shall not place a resident in an off-campus program in which the cost to the state resource center would be in excess of the provider's actual cost as determined by purchase of service rules or if the service would not be reimbursed under the medical assistance program.

(3) The price of any goods and services offered to anyone other than a state agency or a political subdivision shall be at a minimum sufficient to cover the cost of any materials and supplies used in the program and to cover client wages as established in accordance with the federal Fair Labor Standards Act.

(4) Nothing in this paragraph shall be construed to prohibit a state resource center from providing a service a resident needs for compliance with accreditation standards for intermediate care facilities for persons with an intellectual disability.

*m.* The repair, calibration, or maintenance of radiological detection equipment by the department of homeland security and emergency management.

*n.* The performance of an activity authorized pursuant to section 8D.11A.

*o.* The performance of an activity authorized pursuant to section 8B.21, subsection 1, paragraph "*m*".

88 Acts, ch 1230, §2; 90 Acts, ch 1129, §1; 96 Acts, ch 1129, §113; 99 Acts, ch 86, §1; 2000 Acts, ch 1112, §51; 2001 Acts, ch 22, §2; 2001 Acts, ch 70, §4; 2002 Acts, ch 1117, §58; 2003 Acts, ch 44, §16, 17; 2003 Acts, ch 145, §146; 2003 Acts, ch 179, §157; 2004 Acts, ch 1101, §13; 2008 Acts, ch 1032, §137; 2009 Acts, ch 41, §21; 2012 Acts, ch 1019, §4; 2013 Acts, ch 29, §8; 2013 Acts, ch 129, §28

Referred to in §303.19

Subsection 10, paragraphs m and o amended

**23A.2A Competition with private industry — notation in legislation.**

When a bill or joint resolution is requested, the legislative services agency shall make an initial determination of whether the bill or joint resolution may cause a service or product to be offered for sale to the public by a state agency or political subdivision that competes with private enterprise. If such a service or product may be offered as a result of the bill or resolution, that fact shall be included in the explanation of the bill or joint resolution.

2001 Acts, ch 66, §2; 2003 Acts, ch 35, §44, 49

**23A.3 Local purchases.**

A city, county, area education agency, or school district shall adopt a policy for purchasing goods or services from private enterprise which requires consideration of purchasing these goods or services from a locally owned business located within the city, county, area education agency, or school district which offers these goods or services if the cost and other considerations are relatively equal. Nothing in this section shall be construed to prevent or prohibit the giving of a preference to businesses owned or operated by minorities or females as may be provided in any other provision of law.

88 Acts, ch 1230, §3

**23A.4 Relief for aggrieved persons.**

1. Any aggrieved person may, after pursuing remedies offered by chapter 17A, seek

injunctive relief for violations of this chapter by filing an action in the district court for the county in which the aggrieved business is located.

2. A state agency or political subdivision found to be in violation of this chapter shall be assessed and shall pay to the aggrieved person fees and other expenses, as defined in section 625.28.

3. Chapter 17A and this section are the exclusive remedy for violations of this chapter. However, the office of ombudsman may review violations of this chapter and make recommendations as provided in chapter 2C.

88 Acts, ch 1230, §4; 2013 Acts, ch 10, §27; 2013 Acts, ch 140, §52
Section amended

# CHAPTER 23B

## TRANSPARENCY IN PRIVATE ATTORNEY CONTRACTS

Referred to in §13.7


| | | | |
|---|---|---|---|
| 23B.1 | Citation. | 23B.4 | No expansion of authority to contract. |
| 23B.2 | Definitions. | | |
| 23B.3 | Contracts for legal services. | 23B.5 | Chapter inapplicable. |


**23B.1 Citation.**

This chapter may be known and cited as the *"Transparency in Private Attorney Contracts Act"*.

2012 Acts, ch 1112, §2

**23B.2 Definitions.**

For the purposes of this chapter:

1. *"Government attorney"* means an attorney employed by the state as a staff attorney in the attorney general's office.

2. *"Private attorney"* means any private attorney or law firm.

3. *"State"* means the state of Iowa and includes state officers, departments, boards, commissions, divisions, bureaus, councils, and units of organization, however designated, of the executive branch of state government, and any of its agents.

2012 Acts, ch 1112, §3

**23B.3 Contracts for legal services.**

1. The state shall not enter into a contingency fee contract with a private attorney unless the attorney general makes a written determination prior to entering into such a contract that contingency fee representation is both cost-effective and in the public interest. Any written determination shall include specific findings for each of the following factors:

*a.* Whether sufficient and appropriate legal and financial resources exist within the attorney general's office to handle the matter.

*b.* The time and labor required, the novelty, complexity, and difficulty of the questions involved, and the skill required to perform the attorney services properly.

*c.* The geographic area where the attorney services are to be provided.

*d.* The amount of experience desired for the particular kind of attorney services to be provided and the nature of the private attorney's experience with similar issues or cases.

2. If the attorney general makes the determination described in subsection 1, the attorney general shall follow the procurement process used by the department of administrative services in seeking private attorneys to represent the department of justice on a contingency fee basis, unless the attorney general determines that the procurement process is not feasible under the circumstances and sets forth the basis for this determination in writing.

3. *a.* Except as provided in paragraph "*c*", the state shall not enter into a contingency fee

contract that provides for a private attorney to receive an aggregate contingency fee in excess of the sum of the following:

(1) Twenty-five percent of any recovery up to and including ten million dollars, exclusive of reasonable costs and expenses.

(2) Twenty percent of any portion of any recovery that exceeds ten million dollars up to and including fifteen million dollars, exclusive of reasonable costs and expenses.

(3) Fifteen percent of any portion of any recovery that exceeds fifteen million dollars up to and including twenty million dollars, exclusive of reasonable costs and expenses.

(4) Ten percent of any portion of any recovery that exceeds twenty million dollars up to and including twenty-five million dollars, exclusive of reasonable costs and expenses.

(5) Five percent of any portion of any recovery that exceeds twenty-five million dollars, exclusive of reasonable costs and expenses.

*b.* Except as provided in paragraph "*c*", the aggregate contingency fee of any recovery shall not exceed fifty million dollars, exclusive of reasonable costs and expenses, and regardless of the number of lawsuits filed or the number of private attorneys retained to achieve the recovery.

*c.* The attorney general may request a waiver from the executive council of the aggregate contingency fee limits in paragraphs "*a*" and "*b*" if the attorney general provides a thirty-day notice of the attorney general's intent to request a waiver. The executive council, upon unanimous consent, may grant such a waiver.

4. The attorney general shall develop a standard addendum to every contract for contingent fee attorney services that shall be used in all cases, describing in detail what is expected of both the contracted private attorney and the state, including, without limitation, all of the following requirements:

*a.* A government attorney shall retain complete control over the course and conduct of the case.

*b.* A government attorney with supervisory authority shall be personally involved in overseeing the litigation.

*c.* A government attorney shall retain veto power over any decisions made by the contracted private attorney.

*d.* A defendant that is the subject of such litigation may contact the lead government attorney directly, without having to confer with the contracted private attorney.

*e.* Decisions regarding settlement of the case shall be reserved exclusively to the discretion of the government attorney and the state.

*f.* A government attorney with supervisory authority for the case shall participate in all settlement conferences.

5. Copies of any executed contingency fee contract as well as the attorney general's written determination to enter into a contingency fee contract with a private attorney shall be posted on the attorney general's internet site for public inspection within five business days after the date the contract is executed and shall remain posted on the internet site for the duration of the contingency fee contract, including any extensions or amendments thereto. Any payment of contingency fees shall be posted on the attorney general's internet site within fifteen days after the payment of such contingency fees to the private attorney and shall remain posted on the internet site for at least one year thereafter.

6. Any private attorney under contract to provide services to the state on a contingency fee basis shall, from the inception of the contract until at least four years after the contract expires or is terminated, maintain detailed current records, including documentation of all expenses, disbursements, charges, credits, underlying receipts and invoices, and other financial transactions that concern the provision of such attorney services. The private attorney shall make all such records available for inspection and copying upon request in accordance with chapter 22.

7. The attorney general shall submit a report to the secretary of the senate and the chief clerk of the house of representatives describing the use of contingency fee contracts with private attorneys in the preceding calendar year by February 1 of each year. At a minimum, the report shall include all of the following information:

*a.* Identify all new contingency fee contracts entered into during the year and all

previously executed contingency fee contracts that remain current during any part of the year, and for each contract describe:

(1) The name of the private attorney with whom the state has contracted, including the name of the attorney's law firm.

(2) The nature and status of the legal matter.

(3) The name of the parties to the legal matter.

(4) The amount of any recovery.

(5) The amount of any contingency fee paid.

*b*. Copies of any written determinations made under subsection 1 or 2 during the year.

2012 Acts, ch 1112, §4; 2013 Acts, ch 90, §257

Code editor directive applied

**23B.4 No expansion of authority to contract.**

This chapter shall not be construed to expand the authority of a state agency or state agent to enter into contracts where no such authority previously existed.

2012 Acts, ch 1112, §5

**23B.5 Chapter inapplicable.**

This chapter shall not apply to legal services contracts under chapter 13B.

2012 Acts, ch 1112, §6

# CHAPTER 24

## LOCAL BUDGETS

Referred to in §8.6, 28M.4, 29C.9, 29C.17, 145A.14, 145A.16, 176A.8, 176A.10, 257.7, 257.14, 260C.18, 275.29, 298.1, 309.97, 331.401, 331.502, 357J.10, 384.19, 441.16


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24.34 Unliquidated obligations.
24.35 and 24.36 Repealed by 85 Acts, ch 67, §63.
24.37 and 24.38 Repealed by 81 Acts, ch 117, §1097.
24.39 through 24.47 Repealed by 84 Acts, ch 1067, §51.
24.48 Appeal to state board for suspension of limitations.


**24.1 Short title.**

This chapter shall be known as the *"Local Budget Law"*.

[C24, 27, 31, 35, 39, §**368;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.1]

Referred to in §24.20

**24.2 Definition of terms.**

As used in this chapter and unless otherwise required by the context:

1. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. The words *"certifying board"* shall mean any public body which has the power or duty to certify any tax to be levied or sum of money to be collected by taxation.

3. The words *"fiscal year"* shall mean the period of twelve months beginning on July 1 and ending on the thirtieth day of June. The fiscal year of cities, counties, and other political subdivisions of the state shall begin July 1 and end the following June 30.

4. The words *"levying board"* shall mean board of supervisors of the county and any other public body or corporation that has the power to levy a tax.

5. *"Municipality"* means a public body or corporation that has power to levy or certify a tax or sum of money to be collected by taxation, except a county, city, drainage district, township, or road district.

6. The words *"state board"* shall mean the state appeal board as created by section 24.26.

7. The word *"tax"* shall mean any general or special tax levied against persons, property, or business, for public purposes as provided by law, but shall not include any special assessment nor any tax certified or levied by township trustees.

[C24, 27, 31, 35, 39, §**369;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.2]

83 Acts, ch 123, §30, 209; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201; 2013 Acts, ch 30, §7

Referred to in §24.20, 74.1, 331.433, 384.2

Subsection 3 amended

**24.3 Requirements of local budget.**

No municipality shall certify or levy in any fiscal year any tax on property subject to taxation unless and until the following estimates have been made, filed, and considered, as hereinafter provided:

1. The amount of income thereof for the several funds from sources other than taxation.

2. The amount proposed to be raised by taxation.

3. The amount proposed to be expended in each and every fund and for each and every general purpose during the fiscal year next ensuing, which in the case of municipalities shall be the period of twelve months beginning on the first day of July of the current calendar year.

4. A comparison of such amounts so proposed to be expended with the amounts expended for like purposes for the two preceding years.

[C24, 27, 31, 35, 39, §**370;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.3]

Referred to in §8.6, 24.9, 24.20, 37.9

**24.4 Time of filing estimates.**

All such estimates and any other estimates required by law shall be made and filed a sufficient length of time in advance of any regular or special meeting of the certifying board or levying board, as the case may be, at which tax levies are authorized to be made to permit publication, discussion, and consideration thereof and action thereon as hereinafter provided.

[C24, 27, 31, 35, 39, §**371;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.4]

Referred to in §24.9, 24.20, 37.9

**24.5 Estimates itemized.**

The estimates herein required shall be fully itemized and classified so as to show each particular class of proposed expenditure, showing under separate heads the amount required in such manner and form as shall be prescribed by the state board.

[C24, 27, 31, 35, 39, §**372;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.5]

Referred to in §24.9, 24.20, 37.9

**24.6 Emergency fund — levy.**

1. A municipality may include in the estimate required, an estimate for an emergency fund. A municipality may assess and levy a tax for the emergency fund at a rate not to exceed twenty-seven cents per thousand dollars of assessed value of taxable property of the municipality. However, an emergency tax levy shall not be made until the municipality has first petitioned the state board and received its approval.

2. *a.* Transfers of moneys may be made from the emergency fund to any other fund of the municipality for the purpose of meeting deficiencies in a fund arising from any cause. However, a transfer shall not be made except upon the written approval of the state board, and then only when that approval is requested by a two-thirds vote of the governing body of the municipality.

*b.* Notwithstanding the requirements of paragraph *"a"*, if the municipality is a school corporation, the school corporation may transfer money from the emergency fund to any other fund of the school corporation for the purpose of meeting deficiencies in a fund arising within two years of a disaster as defined in section 29C.2, subsection 4. However, a transfer under this paragraph *"b"* shall not be made without the written approval of the school budget review committee.

[C24, 27, 31, 35, 39, §**373;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.6]
83 Acts, ch 123, §31, 209; 2009 Acts, ch 65, §1
Referred to in §24.9, 24.14, 24.20, 29C.20
Section not amended; internal reference change applied

**24.7 Supplemental estimates.**

Supplemental estimates for particular funds may be made for levies of taxes for future years when the same are authorized by law. Such estimates may be considered, and levies made therefor at any time by filing the same, and upon giving notice in the manner required in section 24.9. Such estimates and levies shall not be considered as within the provisions of section 24.8.

[C27, 31, 35, §373-a1; C39, §**373.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.7]
Referred to in §24.9, 24.20

**24.8 Estimated tax collections.**

The amount of the difference between the receipts estimated from all sources other than taxation and the estimated expenditures for all purposes, including the estimates for emergency expenditures, shall be the estimated amount to be raised by taxation upon the assessable property within the municipality for the next ensuing fiscal year. The estimate shall show the number of dollars of taxation for each thousand dollars of the assessed value of all property that is assessed.

[C24, 27, 31, 35, 39, §**374;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.8]
Referred to in §24.7, 24.9, 24.20

**24.9 Filing estimates — notice of hearing — amendments.**

Each municipality shall file with the secretary or clerk thereof the estimates required to be made in sections 24.3 to 24.8, at least twenty days before the date fixed by law for certifying the same to the levying board and shall forthwith fix a date for a hearing thereon, and shall publish such estimates and any annual levies previously authorized as provided in section 76.2, with a notice of the time when and the place where such hearing shall be held not less than ten nor more than twenty days before the hearing. Provided that in municipalities of less than two hundred population such estimates and the notice of hearing thereon shall be posted in three public places in the district in lieu of publication.

For any other municipality such publication shall be in a newspaper published therein, if any, if not, then in a newspaper of general circulation therein.

The department of management shall prescribe the form for public hearing notices for use by municipalities.

Budget estimates adopted and certified in accordance with this chapter may be amended and increased as the need arises to permit appropriation and expenditure during the fiscal year covered by the budget of unexpended cash balances on hand at the close of the preceding fiscal year and which cash balances had not been estimated and appropriated for expenditure during the fiscal year of the budget sought to be amended, and also to permit appropriation and expenditure during the fiscal year covered by the budget of amounts of cash anticipated to be available during the year from sources other than taxation and which had not been estimated and appropriated for expenditure during the fiscal year of the budget sought to be amended. Such amendments to budget estimates may be considered and adopted at any time

during the fiscal year covered by the budget sought to be amended, by filing the amendments and upon publishing them and giving notice of the public hearing in the manner required in this section. Within ten days of the decision or order of the certifying or levying board, the proposed amendment of the budget is subject to protest, hearing on the protest, appeal to the state appeal board and review by that body, all in accordance with sections 24.27 to 24.32, so far as applicable. A local budget shall be amended by May 31 of the current fiscal year to allow time for a protest hearing to be held and a decision rendered before June 30. An amendment of a budget after May 31 which is properly appealed but without adequate time for hearing and decision before June 30 is void. Amendments to budget estimates accepted or issued under this section are not within section 24.14.

[C24, 27, 31, 35, 39, §**375;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.9; 82 Acts, ch 1079, §1]

83 Acts, ch 123, §32, 209; 97 Acts, ch 206, §11, 12, 24

Referred to in §24.7, 24.20, 37.9, 441.16

**24.10 Levies void.**

The verified proof of the publication of such notice shall be filed in the office of the county auditor and preserved by the auditor. No levy shall be valid unless and until such notice is published and filed.

[C24, 27, 31, 35, 39, §**376;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.10]

Referred to in §24.20, 37.9

**24.11 Meeting for review.**

The certifying board or the levying board, as the case may be, shall meet at the time and place designated in said notice, at which meeting any person who would be subject to such tax levy, shall be heard in favor of or against the same or any part thereof.

[C24, 27, 31, 35, 39, §**377;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.11]

Referred to in §24.20, 37.9

**24.12 Record by certifying board.**

After the hearing has been concluded, the certifying board shall enter of record its decision in the manner and form prescribed by the state board and shall certify the same to the levying board, which board shall enter upon the current assessment and tax roll the amount of taxes which it finds shall be levied for the ensuing fiscal year in each municipality for which it makes the tax levy.

[C24, 27, 31, 35, 39, §**378;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.12]

Referred to in §24.20, 37.9

**24.13 Procedure by levying board.**

Any board which has the power to levy a tax without the same first being certified to it, shall follow the same procedure for hearings as is hereinbefore required of certifying boards.

[C24, 27, 31, 35, 39, §**379;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.13]

Referred to in §24.20

**24.14 Tax limited.**

A greater tax than that so entered upon the record shall not be levied or collected for the municipality proposing the tax for the purposes indicated and a greater expenditure of public money shall not be made for any specific purpose than the amount estimated and appropriated for that purpose, except as provided in sections 24.6 and 24.15. All budgets set up in accordance with the statutes shall take such funds, and allocations made by sections 123.53 and 452A.79, into account, and all such funds, regardless of their source, shall be considered in preparing the budget.

[C24, 27, 31, 35, 39, §**380;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §24.14; 81 Acts, ch 117, §1200]

83 Acts, ch 123, §33, 209; 89 Acts, ch 83, §12; 2003 Acts, ch 178, §1

Referred to in §24.9, 24.20

**24.15 Further tax limitation.**

No tax shall be levied by any municipality in excess of the estimates published, except such taxes as are approved by a vote of the people, but in no case shall any tax levy be in excess of any limitation imposed thereon now or hereafter by the Constitution and laws of the state.

[C24, 27, 31, 35, 39, §**381;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.15]

Referred to in §24.14, 24.20

Tax limit, Iowa Constitution, Art. XI, §3

**24.16 Expenses — how paid.**

The cost of publishing the notices and estimates required by this chapter, and the actual and necessary expenses of preparing the budget shall be paid out of the general funds of each municipality respectively.

[C24, 27, 31, 35, 39, §**382;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.16]

Referred to in §24.20, 37.9

**24.17 Budgets certified.**

The local budgets of the various political subdivisions shall be certified by the chairperson of the certifying board or levying board, as the case may be, in duplicate to the county auditor not later than March 15 of each year on forms, and pursuant to instructions, prescribed by the department of management. However, if the political subdivision is a school district, as defined in section 257.2, its budget shall be certified not later than April 15 of each year.

One copy of the budget shall be retained on file in the office by the county auditor and the other shall be certified by the county auditor to the state board. The department of management shall certify the taxes back to the county auditor by June 15.

[C24, 27, 31, 35, 39, §**383;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.17]

92 Acts, ch 1227, §14; 97 Acts, ch 206, §13, 24

Referred to in §20.19, 20.20, 24.20, 137.112, 257.7, 331.403, 331.434, 331.907, 384.22

**24.18 Summary of budget.**

Before forwarding copies of local budgets to the state board, the county auditor shall prepare a summary of each budget, showing the condition of the various funds for the fiscal year, including the budgets adopted as herein provided. Said summary shall be printed as a part of the annual financial report of the county auditor, and one copy shall be certified by the county auditor to the state board.

[C24, 27, 31, 35, 39, §**384;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.18]

Referred to in §24.20

**24.19 Levying board to spread tax.**

At the time required by law the levying board shall spread the tax rates necessary to produce the amount required for the various funds of the municipality as certified by the certifying board, for the next succeeding fiscal year, as shown in the approved budget in the manner provided by law. One copy of said rates shall be certified to the state board.

[C24, 27, 31, 35, 39, §**385;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.19]

Referred to in §24.20

**24.20 Tax rates final.**

The several tax rates and levies of a municipality that are determined and certified in the manner provided in sections 24.1 through 24.19, except such tax rates and levies as are authorized by a vote of the people, shall stand as the tax rates and levies of said municipality for the ensuing fiscal year for the purposes set out in the budget.

[C24, 27, 31, 35, 39, §**386;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.20]

2008 Acts, ch 1031, §18; 2009 Acts, ch 133, §9

**24.21 Transfer of inactive funds.**

Subject to the provisions of any law relating to municipalities, when the necessity for maintaining any fund of the municipality has ceased to exist, and a balance remains in said fund, the certifying board or levying board, as the case may be, shall so declare by resolution, and upon such declaration, such balance shall forthwith be transferred to the

fund or funds of the municipality designated by such board, unless other provisions have been made in creating such fund in which such balance remains. In the case of a special fund created by a city or a county under section 403.19, such balance remaining in the fund shall be allocated to and paid into the funds for the respective taxing districts as taxes by or for the taxing district into which all other property taxes are paid.

[C24, 27, 31, 35, 39, §**387;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.21]

2012 Acts, ch 1124, §4

Referred to in §331.432

**24.22 Transfer of funds.**

Upon the approval of the state board, it is lawful to make temporary or permanent transfers of money from one fund to another fund of the municipality. The certifying board or levying board shall provide that money temporarily transferred shall be returned to the fund from which it was transferred within the time and upon the conditions the state board determines. However, it is not necessary to return to the emergency fund, or to any other fund no longer required, any money transferred to any other fund.

[C24, 27, 31, 35, 39, §**388;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §24.22; 81 Acts, ch 117, §1002]

83 Acts, ch 123, §34, 209

**24.23 Supervisory power of state board.**

The state board shall exercise general supervision over the certifying boards and levying boards of all municipalities with respect to budgets and shall prescribe for them all necessary rules, instructions, forms, and schedules. The best methods of accountancy and statistical statements shall be used in compiling and tabulating all data required by this chapter.

[C24, 27, 31, 35, 39, §**389;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.23]

**24.24 Violations.**

Failure on the part of a public official to perform any of the duties prescribed in chapter 73A, and this chapter, and sections 8.39 and 11.1 to 11.5, constitutes a simple misdemeanor, and is sufficient ground for removal from office.

[C24, 27, 31, 35, 39, §**390;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §24.24]

**24.25** Repealed by 83 Acts, ch 123, § 206, 209.

**24.26 State appeal board.**

1. The state appeal board in the department of management consists of the following:

*a.* The director of the department of management.

*b.* The auditor of state.

*c.* The treasurer of state.

2. The annual meeting of the state board shall be held on the second Tuesday of January in each year. At each annual meeting the state board shall organize by the election from its members of a chairperson and a vice chairperson; and by appointing a secretary. Two members of the state board constitute a quorum for the transaction of any business.

3. The state board may appoint one or more competent and specially qualified persons as deputies, to appear and act for it at initial hearings. Each deputy appointed by the state board is entitled to receive the amount of the deputy's necessary expenses actually incurred while engaged in the performance of the deputy's official duties. The expenses shall be audited and approved by the state board and proper receipts filed for them.

4. The expenses of the state board shall be paid from the funds appropriated to the department of management.

[C39, §**390.1;** C46, 50, 54, §24.25; C58, 62, 66, 71, 73, 75, 77, 79, 81, §24.26]

86 Acts, ch 1245, §107; 2008 Acts, ch 1031, §83

Referred to in §24.2

**24.27 Protest to budget.**

Not later than March 25 or April 25 if the municipality is a school district, a number of persons in any municipality equal to one-fourth of one percent of those voting for the office of governor, at the last general election in the municipality, but the number shall not be less than ten, and the number need not be more than one hundred persons, who are affected by any proposed budget, expenditure or tax levy, or by any item thereof, may appeal from any decision of the certifying board or the levying board by filing with the county auditor of the county in which the municipal corporation is located, a written protest setting forth their objections to the budget, expenditure or tax levy, or to one or more items thereof, and the grounds for their objections. If a budget is certified after March 15 or April 15 in the case of a school district, all appeal time limits shall be extended to correspond to allowances for a timely filing. Upon the filing of a protest, the county auditor shall immediately prepare a true and complete copy of the written protest, together with the budget, proposed tax levy or expenditure to which objections are made, and shall transmit them forthwith to the state board, and shall also send a copy of the protest to the certifying board or to the levying board, as the case may be.

[C39, §**390.2;** C46, 50, 54, §24.26; C58, 62, 66, 71, 73, 75, 77, 79, 81, §24.27; 82 Acts, ch 1079, §2]

93 Acts, ch 1, §1

Referred to in §24.9, 137.112, 331.436

**24.28 Hearing on protest.**

The state board, within a reasonable time, shall fix a date for an initial hearing on the protest and may designate a deputy to hold the hearing, which shall be held in the county or in one of the counties in which the municipality is located. Notice of the time and place of the hearing shall be given by certified mail to the appropriate officials of the local government and to the first ten property owners whose names appear upon the protest, at least five days before the date fixed for the hearing. At all hearings, the burden shall be upon the objectors with reference to any proposed item in the budget which was included in the budget of the previous year and which the objectors propose should be reduced or excluded; but the burden shall be upon the certifying board or the levying board, as the case may be, to show that any new item in the budget, or any increase in any item in the budget, is necessary, reasonable, and in the interest of the public welfare.

[C39, §**390.3;** C46, 50, 54, §24.27; C58, 62, 66, 71, 73, 75, 77, 79, 81, §24.28; 82 Acts, ch 1079, §3]

Referred to in §24.9, 24.29, 331.436

**24.29 Appeal.**

The state board may conduct the hearing or may appoint a deputy. A deputy designated to hear an appeal shall attend in person and conduct the hearing in accordance with section 24.28, and shall promptly report the proceedings at the hearing, which report shall become a part of the permanent record of the state board.

[C39, §**390.4;** C46, 50, 54, §24.28; C58, 62, 66, 71, 73, 75, 77, 79, 81, §24.29; 82 Acts, ch 1079, §4]

Referred to in §24.9, 331.436

**24.30 Review by and powers of board.**

It shall be the duty of the state board to review and finally pass upon all proposed budget expenditures, tax levies and tax assessments from which appeal is taken and it shall have power and authority to approve, disapprove, or reduce all such proposed budgets, expenditures, and tax levies so submitted to it upon appeal, as herein provided; but in no event may it increase such budget, expenditure, tax levies or assessments or any item contained therein. Said state board shall have authority to adopt rules not inconsistent with the provisions of this chapter, to employ necessary assistants, authorize such expenditures, require such reports, make such investigations, and take such other action as it deems necessary to promptly hear and determine all such appeals; provided, however, that all

persons so employed shall be selected from persons then regularly employed in some one of the offices of the members of said state board.

[C39, §**390.5;** C46, 50, 54, §24.29; C58, 62, 66, 71, 73, 75, 77, 79, 81, §24.30]

Referred to in §24.9, 331.436

**24.31 Rules of procedure — record.**

The manner in which objections shall be presented, and the conduct of hearings and appeals, shall be simple and informal and in accordance with the rules prescribed by the state board for promptly determining the merits of all objections so filed, whether or not such rules conform to technical rules of procedure. Such record shall be kept of all proceedings, as the rules of the state board shall require.

[C39, §**390.6;** C46, 50, 54, §24.30; C58, 62, 66, 71, 73, 75, 77, 79, 81, §24.31]

Referred to in §24.9, 331.436

**24.32 Decision certified.**

After a hearing upon the appeal, the state board shall certify its decision to the county auditor and to the parties to the appeal as provided by rule, and the decision shall be final. The county auditor shall make up the records in accordance with the decision and the levying board shall make its levy in accordance with the decision. Upon receipt of the decision, the certifying board shall correct its records accordingly, if necessary. Final disposition of all appeals shall be made by the state board on or before April 30 of each year.

[C39, §**390.7;** C46, 50, 54, §24.31; C58, 62, 66, 71, 73, 75, 77, 79, 81, §24.32; 82 Acts, ch 1079, §5]

Referred to in §24.9, 331.436

**24.33** Repealed by 77 Acts, ch 44, § 1.

**24.34 Unliquidated obligations.**

A city, county, or other political subdivision may establish an encumbrance system for any obligation not liquidated at the close of the fiscal year in which the obligation has been encumbered. The encumbered obligations may be retained upon the books of the city, county, or other political subdivision until liquidated, all in accordance with generally accepted governmental accounting practices.

[C75, 77, 79, 81, §24.34]

**24.35 and 24.36** Repealed by 85 Acts, ch 67, § 63.

**24.37 and 24.38** Repealed by 81 Acts, ch 117, § 1097.

**24.39 through 24.47** Repealed by 84 Acts, ch 1067, § 51.

**24.48 Appeal to state board for suspension of limitations.**

1. If the property tax valuations effective January 1, 1979, and January 1 of any subsequent year, are reduced or there is an unusually low growth rate in the property tax base of a political subdivision, the political subdivision may appeal to the state appeal board to request suspension of the statutory property tax levy limitations to continue to fund the present services provided. A political subdivision may also appeal to the state appeal board where the property tax base of the political subdivision has been reduced or there is an unusually low growth rate for any of the following reasons:

*a.* Any unusual increase in population as determined by the preceding certified federal census.

*b.* Natural disasters or other emergencies.

*c.* Unusual problems relating to major new functions required by state law.

*d.* Unusual staffing problems.

*e.* Unusual need for additional funds to permit continuance of a program which provides substantial benefit to its residents.

*f.* Unusual need for a new program which will provide substantial benefit to residents, if the political subdivision establishes the need and the amount of the necessary increased cost.

2. The state appeal board may approve or modify the request of the political subdivision for suspension of the statutory property tax levy limitations.

3. Upon decision of the state appeal board, the department of management shall make the necessary changes in the total budget of the political subdivision and certify the total budget to the governing body of the political subdivision and the appropriate county auditors.

4. *a.* The city finance committee shall have officially notified any city of its approval, modification or rejection of the city's appeal of the decision of the director of the department of management regarding a city's request for a suspension of the statutory property tax levy limitation prior to thirty-five days before March 15.

*b.* The state appeals board shall have officially notified any county of its approval, modification or rejection of the county's request for a suspension of the statutory property tax levy limitation prior to thirty-five days before March 15.

5. *a.* For purposes of this section only, "*political subdivision*" means a city, school district, or any other special purpose district which certifies its budget to the county auditor and derives funds from a property tax levied against taxable property situated within the political subdivision.

*b.* For the purpose of this section, when the political subdivision is a city, the director of the department of management, and the city finance committee on appeal of the director's decision, shall be the state appeal board.

[C79, 81, §24.48]

83 Acts, ch 123, §35, 209; 86 Acts, ch 1245, §108; 94 Acts, ch 1023, §5; 2008 Acts, ch 1032, §138

# CHAPTER 25

## CLAIMS AGAINST THE STATE AND BY THE STATE

Referred to in §8A.514, 313.16

Tort claims, see chapter 669


25.1 Receipt, investigation, and report.
25.2 Examination of report — approval or rejection — payment.
25.3 Filing with general assembly — testimony.
25.4 Assistant attorney general — salary.
25.5 Testimony — filing with board.
25.6 Claims by state against municipalities.
25.7 Claims refused — effect.
25.8 Limitation on claims to be considered.


**25.1 Receipt, investigation, and report.**

1. Except for those claims that are addressed as provided in section 25.2, subsection 3, when a claim is filed or made against the state, on which in the judgment of the director of the department of management the state would be liable except for the fact of its sovereignty or that it has no appropriation available for its payment, the director of the department of management shall deliver that claim to the state appeal board. However, this chapter does not apply to a claim as defined in section 669.2.

2. The state appeal board shall make a record of the receipt of claims received from the director of the department of management, notify the special assistant attorney general for claims, and deliver a copy to the state official or agency against whom the claim is made, if any.

*a.* The official or agency shall report its recommendations concerning the claim to the special assistant attorney general for claims who, with a view to determining the merits and legality of the claim, shall investigate the claim and report the findings and conclusions of the investigation to the state appeal board.

*b.* To help defray the initial costs of processing a claim and the costs of investigating a claim, the department of management may assess a processing fee and a fee to reimburse the office of the attorney general for the costs of the claim investigation against the state agency which incurred the liability of the claim.

3. Notwithstanding subsections 1 and 2, and section 25.2, the state appeal board shall not consider claims for refund of the unused portion of vehicle registration fees collected under section 321.105.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §25.1]

93 Acts, ch 180, §72; 96 Acts, ch 1075, §1; 2003 Acts, ch 179, §102; 2006 Acts, ch 1185, §93 – 95

**25.2 Examination of report — approval or rejection — payment.**

1. The state appeal board with the recommendation of the special assistant attorney general for claims may approve or reject claims against the state of less than five years involving the following:

*a.* Outdated sales and use tax refunds.

*b.* License refunds.

*c.* Additional agricultural land tax credits.

*d.* Outdated invoices.

*e.* Fuel and gas tax refunds.

*f.* Outdated homestead and veterans' exemptions.

*g.* Outdated funeral service claims.

*h.* Tractor fees.

*i.* Registration permits.

*j.* Outdated bills for merchandise.

*k.* Services furnished to the state.

*l.* Claims by any county or county official relating to the personal property tax credit.

*m.* Refunds of fees collected by the state.

2. Notwithstanding the time period specified in subsection 1, the state appeal board may approve or reject a claim against the state of five years or more, provided an error was made by the state or the claim involves a dispute that commenced five years or more prior.

3. *a.* Notwithstanding subsection 1, an agency that receives a claim that is charged to a funding source other than the general fund of the state that does not revert and is based on an outdated invoice, outdated bill for merchandise, or for services furnished to the state may on its own approve or deny the claim. The agency shall provide the state appeal board with notification of receipt of the claim and action taken on the claim by the agency. The state appeal board shall adopt rules setting forth the procedures and standards for resolution of such claims by state agencies. Claims denied by an agency shall be forwarded to the state appeal board by the agency for further consideration, in accordance with this chapter.

*b.* The department of administrative services staff performing financial administration duties under chapter 8A, subchapter V, shall establish reporting requirements for dealing with claims under this subsection as necessary to conform with generally accepted accounting principles.

4. Payments authorized by the state appeal board shall be paid from the appropriation or fund of original certification of the claim. However, if that appropriation or fund has since reverted under section 8.33, then such payment authorized by the state appeal board shall be out of any money in the state treasury not otherwise appropriated.

5. Outstanding state warrants that have been canceled pursuant to section 8A.519 and were charged to the general fund of the state or another state funding source shall be addressed as provided in section 556.2C.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §25.2]

93 Acts, ch 180, §73; 95 Acts, ch 219, §37; 96 Acts, ch 1038, §1; 96 Acts, ch 1075, §2; 2003 Acts, ch 145, §286; 2006 Acts, ch 1185, §96 – 101

Referred to in §8.6, 8A.111, 8A.512, 25.1, 556.2C

**25.3 Filing with general assembly — testimony.**

On the second day after the convening of each regular session of the general assembly, the state appeal board shall file with the clerk of the house of representatives and the secretary of the senate a list of all claims rejected by the state appeal board together with a copy of the report made to it by the special assistant attorney general for claims and its recommendation thereon for each claim, which report and recommendation shall be delivered to the claims committee of the house and senate. Any testimony taken by the special assistant attorney general for claims shall be preserved by the state appeal board and made available to the claims committee of the general assembly.

[C24, 27, 31, §405; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §25.3]

**25.4 Assistant attorney general — salary.**

The attorney general shall appoint a special assistant attorney general for claims who shall, under the direction of the attorney general, investigate and report on all claims between the state and other parties, which may be referred to the state appeal board, and on any other claims or matters which the state appeal board or the attorney general may direct.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §25.4]

**25.5 Testimony — filing with board.**

The special assistant attorney general for claims shall fully investigate each claim and the facts upon which same is based and may take testimony in the form of affidavits or otherwise, and in connection therewith shall ex officio be empowered to administer oaths, to compel the attendance of witnesses and certify to any district court for contempt. All testimony, affidavits, and other papers in connection with a claim, obtained by the special assistant attorney general for claims in making an investigation shall be filed with the report to the state appeal board.

[C24, 27, 31, §403; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §25.5]

Referred to in §669.19

**25.6 Claims by state against municipalities.**

The state appeal board may investigate and collect claims which the state has against municipal or political corporations in the state including counties, cities, townships, and school corporations. The board shall refer any such claim to the special assistant attorney general for claims, when the claim has not been promptly paid, and if the special assistant attorney general for claims is not able to collect the full amount of the claim, the special assistant attorney general shall fully investigate and report to the state appeal board findings of fact and conclusions of law, together with any recommendation as to the claim. Thereafter the state appeal board may effect a compromise settlement with the debtor in an amount and under terms as the board deems just and equitable in view of the findings and conclusions reported to it. If the state appeal board is unable to collect a claim in full or effect what it has determined to be a fair compromise, it shall deliver the claim to the attorney general for action as the attorney general shall determine and the special assistant attorney general for claims is specifically charged with carrying out the directions of the attorney general with reference to the claim. When a claim is compromised by the state appeal board, the board shall file with the department of management and the department of administrative services a statement as to the settlement, together with a true copy of the agreement of settlement, and if in settlement an amount less than the face amount is accepted in full, the proper entries shall be made in the books of the department of management, the department of administrative services, and the auditor of state showing the amount of the claim, the amount of the settlement, and the amount charged off.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §25.6]

88 Acts, ch 1134, §15; 2003 Acts, ch 145, §286

**25.7 Claims refused — effect.**

When any claim against the state has been presented to the general assembly through the state appeal board, and the general assembly has failed or refused to make an appropriation therefor, such failure or refusal to appropriate shall constitute an adjudication against said

claim, which shall bar any further proceedings before the general assembly for the payment of same.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §25.7]

**25.8 Limitation on claims to be considered.**

No claim against the state shall be considered or allowed by the general assembly except it be presented before the state appeal board as provided in this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §25.8]

# CHAPTER 25A

RESERVED

# CHAPTER 25B

## STATE MANDATES — FUNDING REQUIREMENTS

Referred to in §618.11

Implementation of new or revised federal block grants affecting political subdivisions; see §8.41


25B.1 Title.
25B.2 Findings and purpose — effect of unfunded state mandate.
25B.3 Definitions.
25B.4 State mandate information.
25B.5 Cost estimates — notation in Acts.
25B.6 State rules.
25B.7 Funding property tax credits and exemptions.


**25B.1 Title.**

This chapter may be cited as the *"State Mandates Act"*.

83 Acts, ch 142, §1

**25B.2 Findings and purpose — effect of unfunded state mandate.**

1. The general assembly finds that preceding actions of state government in specifying the manner, standards, and conditions under which public services are rendered to citizens by the political subdivisions of this state in some cases have not resulted in equitable relationships between the state government and its political subdivisions. Some state actions have dealt in detail with the internal management of the political subdivisions; some have specified the establishment of new services and facilities without providing new revenue sources or financial participation by the state to meet the additional costs; and other actions have specified the adoption of higher service standards without a complete assessment of the impact on the expenditures and tax rates of the political subdivisions.

2. It is the purpose of this chapter to enunciate policies, criteria, and procedures to govern future state-initiated specification of local government services, standards, employment conditions, and retirement benefits that necessitates increased expenditures by political subdivisions or agencies and entities which contract with a political subdivision to provide services.

3. *a.* If, on or after July 1, 1994, a state mandate is enacted by the general assembly, or otherwise imposed, on a political subdivision and the state mandate requires a political subdivision to engage in any new activity, to provide any new service, or to provide any service beyond that required by any law enacted prior to July 1, 1994, and the state does not appropriate moneys to fully fund the cost of the state mandate, the political subdivision is not required to perform the activity or provide the service and the political subdivision shall not be subject to the imposition of any fines or penalties for the failure to comply with

the state mandate unless the legislation specifies the amount or proportion of the cost of the state mandate which the state shall pay annually. However, this subsection does not apply to any requirement imposed on a political subdivision relating to public employee retirement systems under chapters 97B, 410, and 411.

*b.* For the purposes of this subsection, any requirement originating from the federal government and administered, implemented, or enacted by the state, or any allocation of federal moneys conditioned upon enactment of a state law or rule, is not a state mandate.

*c.* For the purposes of this subsection, *"political subdivision"* includes community colleges and area education agencies.

83 Acts, ch 142, §2; 94 Acts, ch 1173, §2; 2008 Acts, ch 1032, §201

**25B.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Political subdivision"* means a city, county, township, or school district.

2. *"State mandate"* means a statutory requirement or appropriation which requires a political subdivision of the state to establish, expand, or modify its activities in a manner which necessitates additional combined annual expenditures of local revenue by all affected political subdivisions of at least one hundred thousand dollars, or additional combined expenditures of local revenue by all affected political subdivisions within five years of enactment of five hundred thousand dollars or more, excluding an order issued by a court of this state.

83 Acts, ch 142, §3; 92 Acts, ch 1123, §1; 94 Acts, ch 1173, §3

**25B.4 State mandate information.**

The director of the department of management shall report at least biennially to the governor and the general assembly regarding the administration of this chapter including any proposed changes.

83 Acts, ch 142, §4

**25B.5 Cost estimates — notation in Acts.**

1. When a bill or joint resolution is requested, the legislative services agency shall make an initial determination of whether the bill or joint resolution may impose a state mandate. If a state mandate may be included, that fact shall be included in the explanation of the bill or joint resolution.

2. If a bill or joint resolution may include a state mandate, the legislative services agency shall determine if the bill or joint resolution contains a state mandate. If the bill or joint resolution contains a state mandate and is still eligible for consideration during the legislative session for which the bill or joint resolution was drafted, the legislative services agency shall prepare an estimate of the amount of costs imposed.

3. If a bill or joint resolution containing a state mandate is enacted, unless the estimate already on file with the house of origin is sufficient, the legislative services agency shall prepare a final estimate of additional local revenue expenditures required by the state mandate and file the estimate with the secretary of state for inclusion with the official copy of the bill or resolution to which it applies. A notation of the filing of the estimate shall be made in the Iowa Acts published pursuant to chapter 2B.

83 Acts, ch 142, §5; 92 Acts, ch 1123, §2; 2003 Acts, ch 35, §39, 49

Referred to in §2B.10

**25B.6 State rules.**

A state agency or department shall not propose or adopt an administrative rule which exceeds its statutory authority by mandating expenditures by political subdivisions, or agencies and entities which contract with political subdivisions to provide services. A state administrative rule, proposed pursuant to chapter 17A, which necessitates additional combined annual expenditures exceeding one hundred thousand dollars by all affected political subdivisions or agencies and entities which contract with the affected political subdivisions to provide services shall be accompanied by a fiscal impact statement outlining

the costs. An affected political subdivision, or an entity representing an affected political subdivision, shall cooperate in the preparation of the fiscal impact statement. The fiscal impact statement shall be submitted to the administrative rules coordinator for publication in the Iowa administrative bulletin along with the notice of intended action.

The fiscal note shall also be submitted to the legislative fiscal committee of the legislative council. Beginning in the first full fiscal year after adoption of the state administrative rule, the fiscal committee shall annually prepare a report for each fiscal note submitted detailing the fiscal impact of the administrative rule on the affected political subdivision, or agencies and entities which contract with the political subdivision to provide services. The report shall be transmitted to the governor and the general assembly.

83 Acts, ch 142, §6; 91 Acts, ch 179, §1; 94 Acts, ch 1173, §4

**25B.7 Funding property tax credits and exemptions.**

1. Beginning with property taxes due and payable in the fiscal year beginning July 1, 1998, the cost of providing a property tax credit or property tax exemption which is enacted by the general assembly on or after January 1, 1997, shall be fully funded by the state. If a state appropriation made to fund a credit or exemption which is enacted on or after January 1, 1997, is not sufficient to fully fund the credit or exemption, the political subdivision shall be required to extend to the taxpayer only that portion of the credit or exemption estimated by the department of revenue to be funded by the state appropriation. The department of revenue shall determine by June 15 the estimated portion of the credit or exemption which will be funded by the state appropriation.

2. The requirement for fully funding and the consequences of not fully funding credits and exemptions under subsection 1 also apply to all of the following:

*a.* Homestead tax credit pursuant to sections 425.1 through 425.15.

*b.* Low-income property tax credit and elderly and disabled property tax credit pursuant to sections 425.16 through 425.40.

*c.* Military service property tax credit and exemption pursuant to chapter 426A, to the extent of six dollars and ninety-two cents per thousand dollars of assessed value of the exempt property.

97 Acts, ch 206, §4; 99 Acts, ch 180, §22, 24; 2003 Acts, ch 44, §18; 2003 Acts, ch 145, §286

# CHAPTER 26

## PUBLIC CONSTRUCTION BIDDING

Referred to in §8A.311, 35A.10, 218.58, 256F.4, 297.7, 314.1B, 330A.12, 331.341, 357.14, 357A.12, 364.4, 384.37, 384.53, 384.103, 386.6, 386.7, 390.3, 418.4

See also chapter 573


26.1 Short title.
26.2 Definitions.
26.3 Competitive bids for public improvement contracts.
26.4 Exemptions from competitive bids and quotations.
26.5 Prohibited contracts.
26.6 Donated funds.
26.7 Notice to bidders.
26.8 Bid security.
26.9 Award of contract.
26.10 Opening and considering bids.
26.11 Delegation of authority.
26.12 When hearing necessary.
26.13 Early release of retained funds.
26.14 Competitive quotations for public improvement contracts.
26.14A Alternative procedures.
26.15 Structure demolition project.


**26.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Construction Bidding Procedures Act"*.

2006 Acts, ch 1017, §1, 42, 43

**26.2 Definitions.**

As used in this chapter, unless the context clearly indicates otherwise:

1. *"Estimated total cost of a public improvement"* or *"estimated total cost"* means the estimated total cost to the governmental entity to construct a public improvement, including cost of labor, materials, equipment, and supplies, but excluding the cost of architectural, landscape architectural, or engineering design services and inspection.

2. *"Governmental entity"* means the state, political subdivisions of the state, public school corporations, and all officers, boards, or commissions empowered by law to enter into contracts for the construction of public improvements, excluding the state board of regents and the state department of transportation.

3. *"Public improvement"* means a building or construction work which is constructed under the control of a governmental entity and is paid for in whole or in part with funds of the governmental entity, including a building or improvement constructed or operated jointly with any other public or private agency, but excluding urban renewal demolition and low-rent housing projects, industrial aid projects authorized under chapter 419, emergency work or repair or maintenance work performed by employees of a governmental entity, and excluding a highway, bridge, or culvert project, and excluding construction or repair or maintenance work performed for a city utility under chapter 388 by its employees or performed for a rural water district under chapter 357A by its employees.

4. *"Repair or maintenance work"* means the preservation of a building, storm sewer, sanitary sewer, or other public facility or structure so that it remains in sound or proper condition, including minor replacements and additions as necessary to restore the public facility or structure to its original condition with the same design.

2006 Acts, ch 1017, §2, 42, 43; 2007 Acts, ch 144, §1, 2

Referred to in §297.7, 314.1A, 314.1B, 331.341, 364.4, 384.20

**26.3 Competitive bids for public improvement contracts.**

1. If the estimated total cost of a public improvement exceeds the competitive bid threshold of one hundred thousand dollars, or the adjusted competitive bid threshold established in section 314.1B, the governmental entity shall advertise for sealed bids for the proposed public improvement by publishing a notice to bidders. The notice to bidders shall be published at least once, not less than four and not more than forty-five days before the date for filing bids, in a newspaper published at least once weekly and having general circulation in the geographic area served by the governmental entity. Additionally, the governmental entity may publish a notice in a relevant contractor organization publication and a relevant contractor plan room service with statewide circulation, provided that a notice is posted on an internet site sponsored by either a governmental entity or a statewide association that represents the governmental entity.

2. A governmental entity shall have an engineer licensed under chapter 542B, a landscape architect licensed under chapter 544B, or an architect registered under chapter 544A prepare plans and specifications, and calculate the estimated total cost of a proposed public improvement. A governmental entity shall ensure that a sufficient number of paper copies of the project's contract documents, including all drawings, plans, specifications, and estimated total costs of the proposed public improvement are made available for distribution at no charge to prospective bidders, subcontractor bidders, suppliers, and contractor plan room services. If a deposit is required as part of a paper contract documents distribution policy by the public owner, the deposit shall not exceed two hundred fifty dollars per set which shall be refunded upon return of the contract documents within fourteen days after award of the project. If the contract documents are not returned in a timely manner and in a reusable condition, the deposit shall be forfeited. The governmental entity shall reimburse the landscape architect, architect, or professional engineer for the actual costs of preparation and distribution of plans and specifications.

3. Sections 26.4 through 26.13 apply to all competitive bidding pursuant to this section.

2006 Acts, ch 1017, §3, 42, 43; 2007 Acts, ch 144, §3; 2009 Acts, ch 179, §107; 2010 Acts, ch 1184, §90; 2013 Acts, ch 90, §16

Referred to in §8A.311, 26.4, 26.5, 26.12, 26.14, 26.14A, 28J.9, 35A.10, 73A.2, 73A.18, 105.11, 161C.2, 218.58, 273.14, 297.8, 314.1, 314.1B, 330A.12, 331.341, 357.14, 904.314, 904.315

Subsection 1 amended

**26.4 Exemptions from competitive bids and quotations.**

Architectural, landscape architectural, or engineering design services procured for a public improvement are not subject to sections 26.3 and 26.14.

2006 Acts, ch 1017, §4, 42, 43; 2007 Acts, ch 144, §4

Referred to in §26.3, 314.1

**26.5 Prohibited contracts.**

If the estimated total cost of a public improvement exceeds the competitive bid threshold of one hundred thousand dollars, or as established in section 314.1B, a governmental entity shall not divide the public improvement project into separate parts, regardless of intent, if a resulting part of the public improvement project is not let in accordance with section 26.3.

2006 Acts, ch 1017, §5, 42, 43

Referred to in §26.3, 314.1

**26.6 Donated funds.**

If private funds are offered to a governmental entity for a building or an improvement to be used by the public and such funds are conditioned upon private construction of the building or improvement, this chapter shall not apply to the project if the governmental entity does not contribute any funds to such construction.

2006 Acts, ch 1017, §6, 42, 43

Referred to in §26.3, 314.1

**26.7 Notice to bidders.**

1. The notice to bidders shall adequately notify a potential bidder of a proposed bid and shall include the following items:

*a.* The time and place for filing sealed proposals.

*b.* The time and place sealed proposals will be opened and considered on behalf of the governmental entity.

*c.* The general nature of the public improvement on which bids are requested.

*d.* In general terms, when the work must be commenced and completed.

*e.* That each bidder shall accompany the bid with a bid security as defined in section 26.8 and as specified by the governmental entity.

*f.* Any further information which the governmental entity deems pertinent.

2. The notice to bidders may provide that bids will be received for the furnishing of all labor and materials and furnishing or installing equipment under one contract, or for parts thereof in separate sections.

3. On public improvements to be financed wholly or partially by special assessments against benefited property, the governmental entity, in the notice to bidders, may request aggregate bids for all projects included in any resolution of necessity, notwithstanding variations in the sizes of the improvements and notwithstanding that some parts of the improvements are assessable and some nonassessable, and may award the contract to the lowest responsive, responsible bidder submitting the lowest aggregate bid.

2006 Acts, ch 1017, §7, 42, 43

Referred to in §26.3, 314.1

**26.8 Bid security.**

1. Each bidder shall accompany its bid with a bid security as security that the successful bidder will enter into a contract for the work bid upon and will furnish after the award of contract a corporate surety bond, acceptable to the governmental entity, for the faithful performance of the contract, in an amount equal to one hundred percent of the amount of the contract. The bid security shall be in an amount fixed by the governmental entity, and

shall be in the form of a cashier's check or certified check drawn on a state-chartered or federally chartered bank, or a certified share draft drawn on a state-chartered or federally chartered credit union, or the governmental entity may provide for a bidder's bond with corporate surety satisfactory to the governmental entity. The bidder's bond shall contain no conditions except as provided in this section.

2. The governmental entity shall fix the amount of bid security prior to ordering publication of the notice to bidders and such amount must equal at least five percent, but shall not exceed ten percent, of either the estimated total contract cost of the public improvement or the amount of each bid.

2006 Acts, ch 1017, §8, 42, 43; 2007 Acts, ch 144, §5
Referred to in §26.3, 26.7, 314.1

**26.9 Award of contract.**

The contract for the public improvement must be awarded to the lowest responsive, responsible bidder. However, contracts relating to public utilities or extensions or improvements thereof, as described in sections 384.80 through 384.94, may be awarded by the city as it deems to be in the best interests of the city. This section shall not be construed to prohibit a governmental entity in the award of a contract for a public improvement or a governing body of a city utility from providing, in the award of a contract for a public improvement, an enhancement of payments upon early completion of the public improvement if the availability of the enhancement payments is included in the notice to bidders, the enhancement payments are competitively neutral to potential bidders, the enhancement payments are considered as a separate item in the public hearing on the award of contract, and the total value of the enhancement payments does not exceed ten percent of the value of the contract.

2006 Acts, ch 1017, §9, 42, 43
Referred to in §26.3, 26.10, 26.14, 314.1

**26.10 Opening and considering bids.**

1. The date and time that each bid is received by the governmental entity, together with the name of the person receiving the bid, shall be recorded on the envelope containing the bid. All bids received after the deadlines for submission of bids as stated in the project specifications shall not be considered and shall be returned to the late bidder unopened. The governmental entity shall open, announce the amount of the bids, and file all proposals received, at the time and place specified in the notice to bidders. The governmental entity may, by resolution, award the contract for the public improvement to the bidder submitting the lowest responsive, responsible bid, determined as provided in section 26.9, or the governmental entity may reject all bids received, fix a new date for receiving bids, and order publication of a new notice to bidders. The governmental entity shall retain the bid security furnished by the successful bidder until the approved contract form has been executed, a bond has been filed by the bidder guaranteeing the performance of the contract, and the contract and bond have been approved by the governmental entity. The provisions of chapter 573, where applicable, apply to contracts awarded under this chapter.

2. The governmental entity shall promptly return the checks or bidder's bonds of unsuccessful bidders to the bidders as soon as the successful bidder is determined or within thirty days, whichever is sooner.

2006 Acts, ch 1017, §10, 42, 43; 2007 Acts, ch 144, §6
Referred to in §26.3, 314.1

**26.11 Delegation of authority.**

When bids are required for any public improvement, the governmental entity may delegate, by motion, resolution, or policy to the city manager, clerk, engineer, or other public officer, as applicable, the duty of receiving and opening bids and announcing the results. The officer shall report the results of the bidding with the officer's recommendations to the next regular

meeting of the governmental entity's governing body or at a special meeting called for that purpose.

2006 Acts, ch 1017, §11, 42, 43; 2007 Acts, ch 144, §7
Referred to in §26.3, 314.1

**26.12 When hearing necessary.**

If the estimated total cost of a public improvement exceeds the competitive bid threshold in section 26.3, or as adjusted in section 314.1B, the governmental entity shall not enter into a contract for the public improvement until the governmental entity has held a public hearing and has approved the proposed plans, specifications, and form of contract, and estimated total cost of the public improvement. Notice of the hearing must be published as provided in section 362.3. At the hearing, any interested person may appear and file objections to the proposed plans, specifications, contract, or estimated cost of the public improvement. After hearing objections, the governmental entity shall by resolution enter its decision on the plans, specifications, contract, and estimated cost. This section does not apply to the state.

2006 Acts, ch 1017, §12, 42, 43
Referred to in §26.3, 314.1, 364.4, 384.20

**26.13 Early release of retained funds.**

1. For purposes of this section:

*a.* *"Authorized contract representative"* means the person chosen by the governmental entity or the department to represent its interests or the person designated in the contract as the party representing the governmental entity's or the department's interest regarding administration and oversight of the project.

*b.* *"Department"* means the state department of transportation.

*c.* *"Substantially completed"* means the first date on which any of the following occurs:

(1) Completion of the public improvement project or the highway, bridge, or culvert project or when the work on the public improvement or the highway, bridge, or culvert project has been substantially completed in general accordance with the terms and provisions of the contract.

(2) The work on the public improvement or on the designated portion is substantially completed in general accordance with the terms of the contract so that the governmental entity or the department can occupy or utilize the public improvement or designated portion of the public improvement for its intended purpose. This subparagraph shall not apply to highway, bridge, or culvert projects.

(3) The public improvement project or the highway, bridge, or culvert project is certified as having been substantially completed by either of the following:

(a) The architect or engineer authorized to make such certification.

(b) The authorized contract representative.

(4) The governmental entity or the department is occupying or utilizing the public improvement for its intended purpose. This subparagraph shall not apply to highway, bridge, or culvert projects.

2. Payments made by a governmental entity or the state department of transportation for the construction of public improvements and highway, bridge, or culvert projects shall be made in accordance with the provisions of chapter 573, except as provided in this section:

*a.* At any time after all or any part of the work on the public improvement or highway, bridge, or culvert project is substantially completed, the contractor may request the release of all or part of the retained funds owed. The request shall be accompanied by a sworn statement of the contractor that, ten calendar days prior to filing the request, notice was given as required by paragraphs "*f*" and "*g*" to all known subcontractors, sub-subcontractors, and suppliers.

*b.* Except as provided under paragraph "*c*", upon receipt of the request, the governmental entity or the department shall release all or part of the retained funds. Retained funds that are approved as payable shall be paid at the time of the next monthly payment or within thirty days, whichever is sooner. If partial retained funds are released pursuant to a contractor's request, no retained funds shall be subsequently held based on that portion of the work. If

within thirty days of when payment becomes due the governmental entity or the department does not release the retained funds due, interest shall accrue on the amount of retained funds at the rate of interest that is calculated as the prime rate plus one percent per year as of the day interest begins to accrue until the amount is paid.

*c.* If labor and materials are yet to be provided at the time the request for the release of the retained funds is made, an amount equal to two hundred percent of the value of the labor or materials yet to be provided, as determined by the governmental entity's or the department's authorized contract representative, may be withheld until such labor or materials are provided.

*d.* An itemization of the labor or materials yet to be provided, or the reason that the request for release of retained funds is denied, shall be provided to the contractor in writing within thirty calendar days of the receipt of the request for release of retained funds.

*e.* The contractor shall release retained funds to the subcontractor or subcontractors in the same manner as retained funds are released to the contractor by the governmental entity or the department. Each subcontractor shall pass through to each lower tier subcontractor all retained fund payments from the contractor.

*f.* Prior to applying for release of retained funds, the contractor shall send a notice to all known subcontractors, sub-subcontractors, and suppliers that provided labor or materials for the public improvement project or the highway, bridge, or culvert project.

*g.* The notice shall be substantially similar to the following:

NOTICE OF CONTRACTOR'S REQUEST
FOR EARLY RELEASE OF RETAINED FUNDS

You are hereby notified that [name of contractor] will be requesting an early release of funds on a public improvement project or a highway, bridge, or culvert project designated as [name of project] for which you have or may have provided labor or materials. The request will be made pursuant to Iowa Code section 26.13. The request may be filed with the [name of governmental entity or department] after ten calendar days from the date of this notice. The purpose of the request is to have [name of governmental entity or department] release and pay funds for all work that has been performed and charged to [name of governmental entity or department] as of the date of this notice. This notice is provided in accordance with Iowa Code section 26.13.

2006 Acts, ch 1017, §13, 42, 43; 2007 Acts, ch 144, §8; 2008 Acts, ch 1031, §19
Referred to in §26.3, 314.1

**26.14 Competitive quotations for public improvement contracts.**

1. Competitive quotations shall be required for a public improvement having an estimated total cost that exceeds the applicable threshold amount provided in this section, but is less than the competitive bid threshold established in section 26.3.

2. Unless the threshold amounts are adjusted pursuant to section 314.1B, the following threshold amounts shall apply:

*a.* Sixty-seven thousand dollars for a county, including a county hospital.

*b.* Fifty-one thousand dollars for a city having a population of fifty thousand or more.

*c.* Fifty-one thousand dollars for a school district having a population of fifty thousand or more.

*d.* Fifty-one thousand dollars for an aviation authority created within a city having a population of fifty thousand or more.

*e.* Thirty-six thousand dollars for a city having a population of less than fifty thousand, for a school district having a population of less than fifty thousand, and for any other governmental entity.

*f.* The threshold amount applied to a city applies to a city hospital.

3. *a.* When a competitive quotation is required, the governmental entity shall make a good faith effort to obtain quotations for the work from at least two contractors regularly engaged in such work prior to letting a contract. Good faith effort shall include advising all contractors who have filed with the governmental entity a request for notice of projects.

The governmental entity shall provide such notice in a timely manner so that a requesting contractor will have a reasonable opportunity to submit a competitive quotation. Quotations may be obtained from contractors after the governmental entity provides a description of the work to be performed, including the plans and specifications prepared by an architect, landscape architect, or engineer, if required under chapter 542B, 544B, or 544A, and an opportunity to inspect the work site. The contractor shall include in the quotation the price for labor, materials, equipment, and supplies required to perform the work. If the work can be performed by an employee or employees of the governmental entity, the governmental entity may file a quotation for the work to be performed in the same manner as a contractor. If the governmental entity receives no quotations after making a good faith effort to obtain quotations from at least two contractors regularly engaged in such work, the governmental entity may negotiate a contract with a contractor regularly engaged in such work.

*b.* The governmental entity shall designate the time, place, and manner for filing quotations, which may be received by mail, facsimile, or electronic mail. The governmental entity shall award the contract to the contractor submitting the lowest responsive, responsible quotation subject to section 26.9, or the governmental entity may reject all of the quotations. The unconditional acceptance and approval of the lowest responsive, responsible quotation shall constitute the award of a contract. The governmental entity shall record the approved quotation in its meeting minutes. The contractor awarded the contract shall not commence work until the contractor's performance and payment bond has been approved by the governmental entity. A governmental entity may delegate the authority to award a contract, to execute a contract, to authorize work to proceed under a contract, or to approve the contractor's performance and payment bond to an officer or employee of the governmental entity. A quotation approved outside a meeting of the governing body of a governmental entity shall be included in the minutes of the next regular or special meeting of the governing body.

*c.* If a public improvement may be performed by an employee of the governmental entity, the amount of estimated sales and fuel tax and the premium cost for the performance and payment bond which a contractor identifies in its quotation shall be deducted from the contractor's price for determining the lowest responsive, responsible quotation. If no quotations are received to perform the work, or if the governmental entity's estimated cost to do the work with its employee is less than the lowest responsive, responsible quotation received, the governmental entity may authorize its employee or employees to perform the work.

2006 Acts, ch 1017, §14, 42, 43; 2007 Acts, ch 144, §9; 2009 Acts, ch 133, §10
Referred to in §26.4, 26.14A, 314.1A, 314.1B

**26.14A Alternative procedures.**

1. When competitive quotations are required under section 26.14 for a public improvement, the governmental entity may proceed, in lieu of competitive quotations, as if the estimated total cost of the public improvement exceeds the competitive bid threshold under section 26.3.

2. If the total estimated cost of the public improvement does not warrant either competitive quotations under section 26.14 or competitive bidding under section 26.3, the governmental entity may nevertheless proceed with competitive quotations or competitive bidding for the public improvement.

2007 Acts, ch 144, §10

**26.15 Structure demolition project.**

A governmental entity may enter into annual contracts with multiple contractors for structure demolition projects, with each project having a total estimated cost of one hundred thousand dollars or less, or each project having a total estimated cost equal to or less than the competitive bid threshold as established in section 314.1B. The governmental entity shall solicit contractors by publishing a notice as provided in section 362.3. A contractor is eligible to perform structure demolition work for the governmental entity after the contractor executes an annual demolition contract in a form satisfactory to the governmental entity,

including a bond and insurance. For the twelve-month period following execution of the contract or contracts, the governmental entity may obtain competitive proposals from each eligible contractor as necessary for the demolition of structures. The contractor submitting the lowest responsible proposal shall enter into a contract addendum to perform the work.

2006 Acts, ch 1017, §15, 42, 43

# CHAPTER 27

RESERVED

# SUBTITLE 10

## JOINT GOVERNMENTAL ACTIVITY

## CHAPTER 28

COMMUNITY EMPOWERMENT ACT

Repealed by 2010 Acts, ch 1031, §308; see chapter 256I

## CHAPTER 28A

QUAD CITIES INTERSTATE
METROPOLITAN AUTHORITY COMPACT

Referred to in §28J.15

This chapter not enacted as a part of this
title; transferred from chapter 330B in Code 1993

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INTERSTATE COMPACT

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## DIVISION I

## INTERSTATE COMPACT

**28A.1 Quad cities interstate metropolitan authority compact.**

The quad cities interstate metropolitan authority compact is entered into and enacted into law with the state of Illinois if the state of Illinois joins the compact, in the form substantially as follows:

1. *Article 1 — Short title.* This compact may be cited as the "*Quad Cities Interstate Metropolitan Authority Compact*".

2. *Article 2 — Authorization.* The states of Illinois and Iowa authorize the creation of the quad cities interstate authority to include the territories of Scott county in the state of Iowa and Rock Island county in the state of Illinois.

3. *Article 3 — Purposes.* The purposes of the authority are to provide facilities and to foster cooperative efforts, all for the development and public benefit of its territory. This compact shall be liberally interpreted to carry out these purposes.

4. *Article 4 — Creation.* The authority is created when the secretary of state of Iowa certifies to the secretary of state of Illinois that a majority of the electors of Scott county voting on the proposition voted to approve creation of the authority and the secretary of state of Illinois certifies to the secretary of state of Iowa that a majority of the electors of Rock Island county voting on the proposition voted to approve creation of the authority. A referendum approving creation of the authority must be held before January 1, 1993.

5. *Article 5 — Board members.* The authority shall be governed by a board of not more than sixteen members, one-half of whom are residents of Rock Island county, Illinois, and one-half of whom are residents of Scott county, Iowa. Iowa members shall be chosen in the manner and for the terms fixed by the law of Iowa. Illinois members shall be chosen in the manner and for the terms fixed by the law of Illinois.

6. *Article 6 — Board officers.* The board shall elect annually from its members a chairperson, a vice chairperson, a secretary, and other officers it determines necessary.

7. *Article 7 — Board operations.* The board shall adopt bylaws governing its meetings, fiscal year, election of officers, and other matters of procedure and operation.

8. *Article 8 — Board expenses and compensation.*

*a.* Members shall be reimbursed for reasonable expenses incurred while carrying out official duties.

*b.* Members shall be compensated as authorized by substantially identical laws of the states of Illinois and Iowa.

9. *Article 9 — Employees.*

*a.* The board shall hire an executive director, a treasurer, and other employees it determines necessary and shall fix their qualifications, duties, compensation, and terms of employment.

*b.* The executive director, treasurer, and other employees shall have no pension benefits or rights of collective bargaining other than those authorized by substantially identical laws of the states of Iowa and Illinois.

10. *Article 10 — General powers.* The authority has the following general powers:

*a.* To sue and be sued.

*b.* To own, operate, manage, or lease facilities within the territory of the authority. "*Facility*" means an airport, port, wharf, dock, harbor, bridge, tunnel, terminal, industrial park, waste disposal system, mass transit system, parking area, road, recreational area, conservation area, or other project beneficial to the territory of the authority as authorized by substantially identical laws of the states of Iowa and Illinois, together with related or incidental fixtures, equipment, improvements, and real or personal property.

*c.* To fix and collect reasonable fees and charges for the use of its facilities.

*d.* To own or lease interests in real or personal property.

*e.* To accept and receive money, services, property, and other things of value.

*f.* To disburse funds for its lawful activities.

*g.* To enter into agreements with political subdivisions of the state of Illinois or Iowa or with the United States.

*h.* To pledge or mortgage its property.

*i.* To perform other functions necessary or incidental to its purposes and powers.

*j.* To exercise other powers conferred by substantially identical laws of the states of Iowa and Illinois.

11. *Article 11 — Eminent domain.*

*a.* The authority has the power to acquire real property by eminent domain.

*b.* Property in the state of Iowa shall be acquired under the laws of the state of Iowa. Property in the state of Illinois shall be acquired under the laws of the state of Illinois.

12. *Article 12 — Indebtedness.*

*a.* The authority may incur indebtedness subject to debt limits imposed by substantially identical laws of the states of Illinois and Iowa.

*b.* Indebtedness of the authority shall not be secured by the full faith and credit or the tax revenues of the state of Iowa or Illinois, or a political subdivision of the state of Iowa or Illinois other than the authority or as otherwise authorized by substantially identical laws of the states of Iowa and Illinois.

*c.* Bonds shall be issued only under terms authorized by substantially identical laws of the states of Illinois and Iowa.

13. *Article 13 — Taxes.*

*a.* The authority shall have no independent power to tax.

*b.* A political subdivision of the state of Iowa or Illinois shall not impose taxes to fund the authority or any of the authority's projects except as specifically authorized by substantially identical laws of the states of Illinois and Iowa.

14. *Article 14 — Reports.* The authority shall report annually to the governors and legislatures of the states of Iowa and Illinois concerning its facilities, activities, and finances and may make recommendations for state legislation.

15. *Article 15 — Penalties.* The states of Illinois and Iowa may provide by substantially identical laws for the enforcement of the ordinances of the authority and for penalties for the violation of those ordinances.

16. *Article 16 — Substantially identical laws.* Substantially identical laws of the states of Iowa and Illinois which are in effect before the authority is created shall apply unless the laws are contrary to or inconsistent with the provisions of this compact. A question of whether the laws of the states of Iowa and Illinois are substantially identical may be determined and enforced by a federal district court.

17. *Article 17 — Dissolution.* The authority may be dissolved by independent action of a political subdivision of the state of Iowa or the state of Iowa as authorized by law of the state of Iowa or by independent action of a political subdivision of the state of Illinois or the state of Illinois as authorized by law of the state of Illinois.

18. *Article 18 — Subject to laws and constitutions.* This compact, the enabling laws of the states of Iowa and Illinois, and the authority are subject to the laws and Constitution of the United States and the Constitutions of the states of Illinois and Iowa.

19. *Article 19 — Consent of Congress.* The attorneys general of the states of Iowa and Illinois shall jointly seek the consent of the Congress of the United States to enter into or implement this compact if either of them believes the consent of the Congress of the United States is necessary.

20. *Article 20 — Binding effect.* This compact and substantially identical enabling laws are binding on the states of Illinois and Iowa to the full extent allowed without the consent of Congress. If the consent of Congress is necessary, this compact and substantially identical enabling laws are binding on the states of Iowa and Illinois to the full extent when consent is obtained.

21. *Article 21 — Signing.* This compact shall be signed in duplicate by the speakers of the houses of representatives of the states of Illinois and Iowa. One signed copy shall be filed with the secretary of state of Iowa and the other with the secretary of state of Illinois.

89 Acts, ch 213, §1
CS89, §330B.1
C93, §28A.1
2008 Acts, ch 1032, §201
Referred to in §28A.3, 28A.26

## DIVISION II

## QUAD CITIES INTERSTATE METROPOLITAN AUTHORITY

**28A.2 Citation.**

This division may be cited as the *"Quad Cities Interstate Metropolitan Authority Act"*.

91 Acts, ch 198, §1
CS91, §330B.2
C93, §28A.2

**28A.3 Purposes.**

1. This division is enabling legislation for the quad cities interstate metropolitan authority compact, a compact entered into by the states of Illinois and Iowa as provided in section 28A.1.

2. The authority shall engage in operations and services that can best be conducted on an area basis benefiting the entire greater metropolitan area, and at the same time improving the quality of life for the greater metropolitan area. The authority may include the following areas of operation and service:

*a.* Intermodal water port operations.

*b.* Waste disposal systems.

*c.* Mass transit.

*d.* Airports.

*e.* Bridges.

*f.* Parks and recreation.

*g.* Related facilities, fixtures, equipment, and property necessary, appurtenant, or incidental to the operations and services specified in paragraphs "*a*" through "*f*". The authority shall be supportive of, and refrain from unnecessary and unreasonable competition with, private sector operations when possible.

3. The establishment, maintenance, and operation of safe, adequate, and necessary metropolitan facilities, and the creation of the authority having powers necessary or desirable for the establishment, maintenance, and operation of the metropolitan facilities beneficial to the territory of the authority, and the powers and the corporate purposes and functions of the authority are public and governmental in nature and essential to the public interest in the territory of the authority.

91 Acts, ch 198, §2

CS91, §330B.3

C93, §28A.3

**28A.4 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "*Authority*" means the quad cities interstate metropolitan authority created as provided in this division.

2. "*Board*" means the board of commissioners of the authority.

3. "*Cost*" of any project for a metropolitan facility includes construction contract costs and the costs of engineering, architectural, technical, and legal services, preliminary reports, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential damages or costs, easements, rights-of-way, supervision, inspection, testing, publications, printing and sale of bonds, if any, and provisions for contingencies.

4. "*Greater metropolitan area*" means the combined area of Rock Island county, Illinois, and Scott county, Iowa.

5. "*Metropolitan area*" means Rock Island county, Illinois, as a separate and distinct area, or Scott county, Iowa, as a separate and distinct area, or each as a part of the greater metropolitan area.

6. "*Metropolitan facility*" means a structure, fixture, equipment, or property of any kind or nature related to or connected with an intermodal water port, waste disposal system, mass transit system, airport, park, recreation, or bridge, which the authority may construct, acquire, own, lease, or operate, including all related facilities necessary, appurtenant, or incidental to the facilities.

7. "*Person*" means an individual, firm, partnership, corporation, company, association, or joint stock association, and includes any trustee, receiver, assignee, or personal representative of any of the entities.

8. "*Waste disposal system*" means a facility or service for collection, transportation, processing, storage, or disposal of solid waste including a facility or service established pursuant to chapter 28G.

91 Acts, ch 198, §3

CS91, §330B.4
C93, §28A.4

**28A.5 Petition and public hearing.**

1. Upon petition of eligible electors of a metropolitan area equal in number to at least ten percent of the persons who voted in the last general election held in the metropolitan area for the office of president of the United States or governor, the governing body of the county shall adopt a resolution signifying its intention to initiate the question of participating in the creation of an authority and shall publish the resolution at least once in a newspaper of general circulation in the metropolitan area giving notice of a hearing to be held on the question of the metropolitan area's entry into the authority. The resolution shall be published at least fourteen days prior to the date of hearing, and shall contain all of the following information:

*a.* Intention to join in the creation of the authority pursuant to this division.

*b.* That the greater metropolitan area will include Rock Island county, Illinois, and Scott county, Iowa, which have expressed their interest in the creation of the authority.

*c.* Name of the authority.

*d.* Place, date, and time of hearing.

2. After the hearing, if the governing body of a metropolitan area wishes to proceed in the creation of or to join the authority, the governing body shall direct the proper election authority to submit the proposition to the electorate of the metropolitan area as provided in section 28A.6.

91 Acts, ch 198, §4
CS91, §330B.5
C93, §28A.5
Referred to in §28A.17, 28A.25

**28A.6 Election.**

1. Upon receipt of the resolution, the county commissioner of elections shall place the proposition on the ballot of a special election but not at a general election, called by the governing body of the metropolitan area. At the election, the proposition shall be submitted in substantially the following form:

Shall the Quad Cities Interstate Metropolitan Authority be established effective on the ..... day of ..... (month), ..... (year)?
YES.....
NO.....

2. Notice of the election shall be given by publication as required in section 49.53 in a newspaper of general circulation in the metropolitan area. At the election, the ballot used for submission of the proposition shall be substantially the form for submitting special questions at general elections.

3. The proposition is approved if the vote in favor of the proposition is a simple majority of the total votes cast on the proposition in the metropolitan area.

4. If the proposition is approved, the governing body of the county shall enact an ordinance authorizing the joining of the authority.

91 Acts, ch 198, §5
CS91, §330B.6
C93, §28A.6
2000 Acts, ch 1058, §56
Referred to in §28A.5, 28A.8, 28A.17, 28A.25

**28A.7 Board of commissioners — appointment.**

1. The authority established under this division shall be governed by a board of

commissioners appointed as provided in subsection 2. The appointment of the commissioners shall be made in writing and shall indicate the legal residence of the appointee.

2. The board of commissioners of an authority shall consist of sixteen members, eight members of which shall be residents of the metropolitan area of each state which is a party to the authority. At least four but not more than five members appointed from each metropolitan area shall be elected city or county officers. The mayor of each city having a population of at least eighty thousand within the metropolitan area shall appoint, with the consent of the city council, four members to the board of commissioners. The mayor of each city having a population of at least forty thousand, but less than eighty thousand, within the metropolitan area shall appoint, with the consent of the city council, two members to the board of commissioners. The mayor of each city having a population of at least nineteen thousand, but less than forty thousand, within the metropolitan area shall appoint, with the consent of the city council, one member to the board of commissioners. The remaining members appointed from each state shall be appointed by the chairperson of the governing body of the county within the metropolitan area, with consent of the governing body, from cities having less than nineteen thousand population and areas outside the corporate limits of cities.

3. If a city increases to a population that would enable an additional appointment to be made, a member appointed by the chairperson of the governing body of the county and having the least tenure shall be removed from the board of commissioners. If a city decreases to a population warranting fewer members, the appointee having the least tenure of that city shall be removed from the board of commissioners and the chairperson of the governing body of the county in which that city is located shall make a new appointment as provided in subsection 2. If more members than are required to be removed have the same tenure, the removal shall be determined by lot.

4. The membership of the board of commissioners shall be gender balanced if possible. The appointing authorities shall comply with the requirements of section 69.16A or similar laws of the state of Illinois as determined by the appointing authorities. The appointing authorities shall also provide representation for racial groups residing in the metropolitan area based on the ratio of the racial population to the population as a whole.

91 Acts, ch 198, §6
CS91, §330B.7
92 Acts, ch 1163, §81
C93, §28A.7

**28A.8 Commissioners — terms of office.**

1. All initial appointments of commissioners shall be made within thirty days after the establishment of the authority. The authority is considered established when the proposition is approved by the voters under section 28A.6. Each appointment shall be in writing and a certificate of appointment signed by the appointing officer shall be filed and made a matter of record in the office of the county recorder. A commissioner shall be appointed for a term of two years and shall qualify within ten days after appointment by acceptance and the taking of an oath or affirmation to faithfully perform the duties of office. Members initially appointed to the board of commissioners shall serve from date of appointment until June 30 of one or two years after the date of appointment and shall draw lots to determine the terms for which each shall be appointed. Lots shall be drawn so that four commissioners from the metropolitan area shall serve in each of two classes. Thereafter, commissioners shall be appointed for two-year terms beginning on July 1 of the year of appointment. However, a commissioner who is also an elected officer shall have a term of office that runs concurrent and consistent with the elective office.

2. Within forty-five days after any vacancy occurs on the board by death, resignation, change of residence to outside of the metropolitan area, or for any other cause, a successor shall be appointed in the same manner as the commissioner's predecessor was appointed for the unexpired term of office. Commissioners and board officers of the board shall serve until a successor is appointed and qualifies. A vacancy exists when a commissioner who is also an

elected officer leaves elective office and a former city or county elective officer is ineligible to serve as a commissioner for two years after leaving elective office.

91 Acts, ch 198, §7
CS91, §330B.8
C93, §28A.8

**28A.9 Organization — officers — meetings — compensation.**

1. The board of commissioners may exercise all of its legislative and executive powers granted under this division. Within thirty days after the appointment of the initial commissioners, the board shall meet and elect a chairperson from among its members for a term of one year. The chairperson's position shall alternate annually between a commissioner from one state to a commissioner from the other state. The board shall also select a secretary, treasurer, and other officers or employees as necessary for the accomplishment of its corporate objectives, none of whom need be a commissioner. The board, at its first meeting, shall define by ordinance the first and subsequent fiscal years of the authority, and shall adopt a corporate seal and bylaws, which shall determine the times for the annual election of officers and for other regular and special meetings of the board. The bylaws shall contain the rules for the transaction of other business of the authority and for amending the bylaws.

2. Each commissioner of the authority shall devote the amount of time to the duties of office as the faithful discharge of the duties may require. The board shall reimburse a commissioner for actual and necessary expenses incurred in the performance of official duties as approved by the board. A commissioner shall not receive a salary or per diem for the performance of official duties.

3. Each commissioner shall comply with restrictions relating to conflicts of interests or acceptance of gifts as provided in chapter 68B or similar laws of the state of Illinois as determined by the board.

4. The commissioners shall conduct the meetings as public meetings with appropriate notice pursuant to chapter 21 or to similar laws of the state of Illinois as determined by the board.

5. The board shall keep and maintain its records as public records pursuant to chapter 22 or to similar laws of the state of Illinois as determined by the board.

91 Acts, ch 198, §8
CS91, §330B.9
92 Acts, ch 1163, §82
C93, §28A.9

**28A.10 Rights and powers.**

1. The authority constitutes a municipal corporation and body politic separate from any other municipality, state, or other public or governmental agency. The authority has the following express powers, subject to any restrictions or limitations contained in this division, and all other powers incidental, necessary, convenient, or desirable to carry out and effectuate the express powers to:

*a.* Sue and be sued.

*b.* Locate, acquire, own, establish, operate, and maintain one or more metropolitan facilities upon any land or body of water within its corporate limits, and to construct, develop, expand, extend, and improve any metropolitan facility. A new metropolitan facility, such as a sanitary landfill or infectious waste disposal facility shall not be established without site approval of the city council or board of supervisors which governs the city or county in which the proposed site is to be located.

*c.* Acquire, within the corporate limits of the authority, and in fee simple, rights in and over land or water, and easements upon, over, or across land or water, and leasehold interests in land or water, and tangible and intangible personal property, used or useful for the location, establishment, maintenance, development, expansion, extension, or improvement of one or more metropolitan facilities. The acquisition may be by dedication, purchase, gift, agreement, lease, or by condemnation if within corporate limits of the authority. The authority may

acquire land in fee simple subject to a mortgage and as part of the purchase price may assume the payment of the indebtedness secured by the mortgage. Land may be acquired, possessed, and used for its purposes by the authority, under a written contract for a deed conveying merchantable title and providing that the deed shall be placed in escrow and be delivered upon payment of the purchase price and containing other terms as are reasonably incident to the contract. Personal property may be purchased on an installment contract basis or lease-purchase contract.

*d.* Operate, maintain, manage, lease with or without a lease-purchase option, sublease, and make and enter into contracts for the use, operation, or management of, and enact regulations for the operation, management, or use of, a metropolitan facility.

*e.* Fix, charge, and collect reasonable rentals, tolls, fees, and charges for the use of a metropolitan facility or any part of a metropolitan facility. Rentals, tolls, fees, or charges fixed and collected for the use of a metropolitan facility shall be used for the construction, reconstruction, repair, maintenance, or operation of that metropolitan facility or the construction, reconstruction, repair, maintenance, or operation of similar metropolitan facilities.

*f.* Establish and maintain streets and approaches on property of the authority.

*g.* Remove and relocate hazards or structures on property of the authority.

*h.* Restrict and reduce the height of objects or buildings on property of the authority.

*i.* Accept grants, contributions, or loans from, and enter into contracts, leases, or other transactions with, a city, county, state, or federal government.

*j.* Borrow money and issue bonds, notes, certificates, or other evidences of indebtedness for the purpose of accomplishing any of the corporate purposes, which obligations may be payable from other sources as provided in this division, and refund or advance refund any of the evidences of indebtedness with bonds, notes, certificates, or other evidences of indebtedness, which refunding or advanced refunding obligations may be payable from taxes or from any other source, subject to compliance with any condition or limitation set forth in this division.

*k.* Employ or enter into contracts for the employment of any person for professional services, necessary or desirable for the accomplishment of the corporate objectives of the authority or the proper administration, management, protection, or control of its property.

*l.* Regulate traffic, speed, movement, and mooring of vessels on property of the authority.

*m.* Regulate traffic, speed, movement, and parking of motor vehicles upon property of the authority and employ parking meters, signs, and other devices in the regulation of the motor vehicles.

*n.* Contract for police and fire protection.

*o.* Establish, by ordinance of the board, all regulations for the execution of the powers specified in this division, for the government of the authority, and for the protection of any metropolitan facility within the jurisdiction of the authority, or deemed necessary or desirable to effect its corporate objectives. An ordinance may provide for the revocation, cancellation, or suspension of an existing privilege or franchise as a penalty for a second or subsequent violation by the holder or franchisee of a regulation pertaining to the enjoyment, use, or exercise of the privilege or franchise. The use of a metropolitan facility of the authority shall be subject to the reasonable regulation and control of the authority and upon the reasonable terms and conditions as established by the board.

*p.* Establish a general operating fund and other funds as necessary.

*q.* Do all acts and things necessary or convenient for the promotion of its business and the general welfare of the authority, in order to carry out the powers granted to it by this chapter or any other laws.

2. *a.* The authority has no power to pledge the taxing power of this state or any political subdivision or agency of this state.

*b.* Bonds and notes issued by the authority are payable solely and only out of the moneys, assets, or revenues of the authority, and as provided in the agreement with bondholders or noteholders pledging any particular moneys, assets, or revenues. Bonds or notes are not an obligation of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limitations, but are special obligations

of the authority payable solely and only from the sources provided in this division, and the authority shall not pledge the credit or taxing power of this state or any political subdivision of this state other than the authority, or make its debts payable out of any moneys except those of the authority.

91 Acts, ch 198, §9
CS91, §330B.10
C93, §28A.10
2008 Acts, ch 1032, §201
Referred to in §28A.11

**28A.11 Regulations — ordinances.**

Regulations adopted pursuant to section 28A.10 shall be contained in an ordinance which shall be placed on file in the office of the authority in typewritten or printed form for public inspection not less than fifteen days before adoption. The ordinance may impose fines as the board deems appropriate of not more than one hundred dollars upon conviction or guilty plea for each violation, and may provide that, in case of continuing violation, each day during which a violation occurs or continues constitutes a separate offense.

91 Acts, ch 198, §10
CS91, §330B.11
C93, §28A.11

**28A.12 Eminent domain procedures.**

If land in fee simple, rights in land, air, or water, easements or other interests in land, air, water, property, or property rights are acquired or sought to be acquired by the authority by condemnation, the condemnation procedure shall be in accordance with the eminent domain statutes of the state in which the affected property is located.

91 Acts, ch 198, §11
CS91, §330B.12
C93, §28A.12

**28A.13 Authority procedures.**

Action of the board of a legislative character, including the adoption of regulations, shall be in the form of an ordinance, and after adoption shall be filed with the secretary and shall be made a matter of public record in the office of the authority. Other action of the board shall be by resolution, motion, or in other appropriate form. Executive or ministerial duties may be delegated to one or more commissioners or to an authorized officer, employee, agent, or other representative of the authority. Ten commissioners, five members from each state within the greater metropolitan area, constitute a quorum to conduct business and an affirmative vote of a majority of the commissioners from each metropolitan area is required to adopt or approve an action of the board. The enacting clause of any ordinance shall be substantially as follows:

*Be it ordained by the Board of Commissioners of the Quad Cities Interstate Metropolitan Authority*

91 Acts, ch 198, §12
CS91, §330B.13
C93, §28A.13

**28A.14 Official records and officer bonds.**

The board shall provide for the safekeeping of its permanent records and for the recording of the corporate action of the authority. The board shall keep a true and accurate account of its receipts and an annual audit shall be made of its books, records, and accounts by state or private auditors. All officers and employees authorized to receive or retain the custody of moneys or to sign vouchers, checks, warrants, or evidences of indebtedness binding upon the authority shall furnish surety bond for the faithful performance of their duties and the

faithful accounting for all moneys that may come into their custody in an amount to be fixed and in a form to be approved by the board.

91 Acts, ch 198, §13
CS91, §330B.14
C93, §28A.14

**28A.15 Change of name.**

The board may change the name of the authority by ordinance. A certified copy of the ordinance shall be filed with the appropriate state office and the county recorder or equivalent county officer of each county in which the authority or part of the authority is located. The name change shall be effective on the date of the filing.

91 Acts, ch 198, §14
CS91, §330B.15
C93, §28A.15

**28A.16 Budget and appropriation.**

Annually, the board shall prepare and adopt a budget and provide appropriations as follows:

1. The budget shall show the amount required for each class of proposed expenditures, a comparison of the amounts proposed to be expended with the amounts expended for like purposes for the two preceding years, if available, and the sources of revenue.

2. Not less than twenty days before the date that a budget must be certified as determined by the board and not less than ten days before the date set for the hearing under subsection 3, the board shall file the budget with the treasurer of the authority. The treasurer shall post a copy of the budget in the authority offices for public inspection and comment.

3. The board shall set a time and place for a public hearing on the budget before the final certification date and shall publish notice of the hearing not less than ten nor more than twenty days prior to the hearing in one or more newspapers serving the greater metropolitan area. Proof of publication shall be filed with and preserved by the treasurer.

4. At the hearing, any resident or taxpayer of the greater metropolitan area may present to the board objections to or arguments in favor of any part of the budget.

5. After the hearing, the board shall adopt by resolution a budget and shall direct the treasurer to properly certify and file the budget.

6. The board shall appropriate, by resolution, the amounts deemed necessary for the ensuing fiscal year. All revenue from taxes, fees, tolls, rental, charges, bonds, or any other source shall be appropriated and used for the specific metropolitan facility project for which it was collected or similar metropolitan facility projects. Increases or decreases in these appropriations do not require a budget amendment, but may be provided by resolution at a regular meeting of the board.

91 Acts, ch 198, §15
CS91, §330B.16
C93, §28A.16

**28A.17 Local sales and services tax.**

If an authority is established as provided in section 28A.6 and after approval of a referendum by a simple majority of votes cast in each metropolitan area in favor of the sales and services tax, the governing board of a county in this state within a metropolitan area which is part of the authority shall impose, at the request of the authority, a local sales and services tax at the rate of one-fourth of one percent on the sales price taxed by this state under section 423.2, within the metropolitan area located in this state. The referendum shall be called by resolution of the board and shall be held as provided in section 28A.6 to the extent applicable. The ballot proposition shall contain a statement as to the specific purpose or purposes for which the revenues shall be expended and the date of expiration of the tax. The local sales and services tax shall be imposed on the same basis, with the same exceptions, and following the same administrative procedures as provided for a county under sections 423B.5 and 423B.6. The amount of the sale, for the purposes of determining

the amount of the local sales and services tax under this section, does not include the amount of any local sales and services tax imposed under sections 423B.5 and 423B.6.

The treasurer of state shall credit the local sales and services tax receipts and interest and penalties to the authority's account. Moneys in this account shall be remitted quarterly to the authority. The proceeds of the tax imposed under this section shall be used only for the construction, reconstruction, or repair of metropolitan facilities as specified in the referendum. The local sales and services tax imposed under this section may be suspended for not less than a fiscal quarter or more than one year by action of the board. The suspension may be renewed or continued by the board, but the board shall act on the suspension at least annually. The local sales and services tax may also be repealed by a petition and favorable referendum following the procedures and requirements of sections 28A.5 and 28A.6 as applicable. The board shall give the department of revenue at least forty days' notice of the repeal, suspension, or reinstatement of the tax and the effective dates for imposition, suspension, or repeal of the tax shall be as provided in section 423B.6.

91 Acts, ch 198, §16
CS91, §330B.17
C93, §28A.17
2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §155, 205

**28A.18 Bonds and notes payable from revenue.**

1. *a.* The bonds issued by the board pursuant to this division shall be authorized by resolution of the board and shall be either term or serial bonds, shall bear the date, mature at the time, not exceeding forty years from their respective dates, bear interest at the rate, not exceeding the rate permitted under chapter 74A or the rate authorized by another state within the greater metropolitan area, whichever rate is lower, payable monthly or semiannually, be in the denominations, be in the form, either coupon or fully registered, shall carry the registration, exchangeability and interchangeability privileges, be payable in the medium of payment and at the place, within or without the state, be subject to the terms of redemption and be entitled to the priorities on the revenues, rates, fees, rentals, or other charges or receipts of the authority as the resolution may provide. The bonds shall be executed either by manual or facsimile signature by the officers as the authority shall determine, provided that the bonds shall bear at least one signature which is manually executed on the bond, and the coupons attached to the bonds shall bear the facsimile signature of the officer as designated by the authority and the bonds shall have the seal of the authority, affixed, imprinted, reproduced, or lithographed on the bond, all as may be prescribed in a resolution.

*b.* The bonds shall be sold at public sale or private sale at the price as the authority shall determine to be in the best interests of the authority provided that the bonds shall not be sold at less than ninety-eight percent of the par value of the bond, plus accrued interest and provided that the net interest cost shall not exceed that permitted by applicable state law. Pending the preparation of definitive bonds, interim certificates or temporary bonds may be issued to the purchaser of the bonds, and may contain the terms and conditions as the board may determine.

2. *a.* The board, after the issuance of bonds, may borrow moneys for the purposes for which the bonds are to be issued in anticipation of the receipt of the proceeds of the sale of the bonds and within the authorized maximum amount of the bond issue. Any loan shall be paid within three years after the date of the initial loan. Bond anticipation notes shall be issued for all moneys so borrowed under this section, and the notes may be renewed, but all the renewal notes shall mature within the time above limited for the payment of the initial loan. The notes shall be authorized by resolution of the board and shall be in the denominations, shall bear interest at the rate not exceeding the maximum rate permitted by the resolution authorizing the issuance of the bonds, shall be in the form and shall be executed in the manner, all as the authority prescribes.

*b.* The notes shall be sold at public or private sale or, if the notes are renewal notes, they may be exchanged for notes outstanding on the terms as the board determines. The board may retire any notes from the revenues derived from its metropolitan facilities or from other

moneys of the authority which are lawfully available or from a combination of revenues and other available moneys, in lieu of retiring them by means of bond proceeds. However, before the retirement of the notes by any means other than the issuance of bonds, the board shall amend or repeal the resolution authorizing the issuance of the bonds, in anticipation of the proceeds of the sale of the notes, so as to reduce the authorized amount of the bond issue by the amount of the notes so retired. The amendatory or repealing resolution shall take effect upon its passage.

3. Any resolution authorizing the issuance of any bonds may contain provisions which shall be part of the contract with the holders of the bonds, as to:

*a.* The pledging of all or any part of the revenues, rates, fees, rentals, or other charges or receipts of the authority derived by the authority from all or any of its metropolitan facilities.

*b.* The construction, improvement, operations, extensions, enlargement, maintenance, repair, or lease of metropolitan facilities and the duties of the authority with reference to the facilities.

*c.* Limitations on the purposes to which the proceeds of the bonds, or of any loan or grant by the federal government or the state government or the county or any city in the county, may be applied.

*d.* The fixing, charging, establishing, and collecting of rates, fees, rentals, or other charges for use of the services and facilities of the metropolitan facilities of an authority, or any part of the facilities.

*e.* The setting aside of reserves or sinking funds or repair and replacement funds or other funds and the regulation and disposition of the funds.

*f.* Limitations on the issuance of additional bonds.

*g.* The terms and provisions of any deed of trust, mortgage, or indenture securing the bonds or under which the bonds may be issued.

*h.* Any other or additional agreements with the holders of the bonds as are customary and proper and which in the judgment of the authority will make the bonds more marketable.

4. The board of the authority may enter into any deeds of trust, mortgages, indentures, or other agreements, with any bank or trust company or any other lender within or without the state as security for the bonds, and may assign and pledge all or any of the revenues, rates, fees, rentals, or other charges or receipts of the authority. The deeds of trust, mortgages, indentures, or other agreements may contain the provisions as may be customary in the instruments, or, as the board may authorize, including, but without limitation, provisions as to:

*a.* The construction, improvement, operation, leasing, maintenance, and repair of the metropolitan facilities and duties of the board with reference to the facilities.

*b.* The application of funds and the safeguarding and investment of funds on hand or on deposit.

*c.* The appointment of consulting engineers or architects and approval by the holders of the bonds.

*d.* The rights and remedies of the trustee and the holders of the bonds.

*e.* The terms and provisions of the bonds or the resolution authorizing the issuance of the bonds.

5. Any of the bonds issued pursuant to this section are negotiable instruments, and have all the qualities and incidents of negotiable instruments and are exempt from state taxation.

91 Acts, ch 198, §17
CS91, §330B.18
C93, §28A.18
2008 Acts, ch 1032, §139

**28A.19 Existing jurisdictions.**

Existing jurisdictions, including those involving airports, mass transit, river bridges, waste disposal systems, and intermodal water ports within their jurisdictional boundaries, are protected from incorporation by the authority and shall not be incorporated in the authority except by their respective governing bodies. However, an existing jurisdiction may negotiate

with the authority to take over its entire powers, incomes, and debts. The authority may assume the powers, income, and debts for any type of facility authorized by this division.

91 Acts, ch 198, §18
CS91, §330B.19
C93, §28A.19

**28A.20 Cooperation with other governments.**

The authority may apply for and receive a grant or loan of moneys or other financial aid from the state or federal government or from any state or federal agency, department, bureau, or board, necessary or useful for the undertaking, performance, or execution of any of its corporate objectives or purposes, and the authority may undertake the acquisition, establishment, construction, development, expansion, extension, or improvement of metropolitan facilities within its corporate limits or within or upon any body of water within the corporate limits aided by, in cooperation with, or as a joint enterprise with the state or federal governments or with the aid of, or in cooperation with, or as a joint project with the state and federal governments. The authority shall assure, in compliance with any state or federal requirements or directives, that the proceeds of a state or federal grant, loan, or other financial assistance for the provision of facilities or services are used for the express purpose of the financial assistance and to the specific benefit of service areas or persons as designated by the local, state, or federal funding provider.

91 Acts, ch 198, §19
CS91, §330B.20
C93, §28A.20

**28A.21 Transfer of existing facilities.**

1. Any county, city, commission, authority, or person may sell, lease, lend, grant, or convey to the authority, a facility or any part of a facility, or any interest in real or personal property which may be used by an authority in the construction, improvement, maintenance, leasing, or operation of any metropolitan facilities. Any county, city, commission, authority, or person may transfer and assign over to the authority a contract which may have been awarded by the county, city, commission, authority, or person for the construction of facilities not begun or, if begun, not completed.

2. A proposed action of the board, and a proposed agreement to acquire, shall be approved by the governing body of the owner of the facilities. If the governing body of a county, city, commission, or authority desires to sell, lease, lend, grant, or convey to the authority a facility or any part of a facility, the governing body shall adopt a resolution signifying its intention to do so and shall publish the resolution at least one time in a newspaper of general circulation in the county and in a newspaper or newspapers, if necessary, of general circulation in the area served by the county, city, commission, or authority giving notice of a hearing to be held on the question of the sale, lease, loan, grant, or conveyance. The resolution shall be published at least fourteen days prior to the date of hearing. After the hearing and if in the public interest, the county, city, commission, or authority shall enact an ordinance authorizing the sale, lease, loan, grant, or conveyance.

3. An owner transferring an existing facility to the authority under this section shall notify the board of and make provision in the transfer documents for, where necessary, existing rights, liens, securities, and rights of reentry belonging to the state or federal government.

4. This section, without reference to any other law, shall be deemed complete authority for the acquisition by agreement, of a facility as provided in subsection 1, and no proceedings or other action shall be required except as prescribed in this division.

91 Acts, ch 198, §20
CS91, §330B.21
C93, §28A.21

**28A.22 Funds of the authority.**

Moneys of an authority shall be paid to the treasurer of the authority who shall not commingle the moneys with any other moneys, but shall deposit them in a separate

account or accounts. Moneys in the accounts shall be paid out on check of the treasurer on requisition of the chairperson of the authority, or of another person as the authority may authorize to make the requisition. An authority may deposit any of its rates, fees, rentals, or other charges, receipts, or income with any bank or trust company that is federally insured and may deposit the proceeds of any bonds issued with any bank or trust company that is federally insured, all as may be provided in any agreement with the holders of bonds issued under this division.

91 Acts, ch 198, §21
CS91, §330B.22
C93, §28A.22

**28A.23 Award of contracts.**

All contracts entered into by an authority for the construction, reconstruction, and improvement of metropolitan facilities shall be entered into pursuant to and shall comply with applicable state laws. However, if an authority determines an emergency exists, it may enter into contracts obligating the authority for not in excess of one hundred thousand dollars per emergency without regard to the requirements of applicable state laws and the authority may proceed with the necessary action as expeditiously as possible to the extent necessary to resolve the emergency.

91 Acts, ch 198, §22
CS91, §330B.23
C93, §28A.23

**28A.24 Exemption from taxation.**

Since an authority is performing essential governmental functions, an authority is not required to pay any taxes or assessments of any kind or nature upon any property required or used by it for its purposes, or any rates, fees, rentals, receipts, or incomes at any time received by it, and the bonds issued by an authority, their transfer, and the income, including any profits made on the sale of the bonds, is deductible in determining net income for the purposes of the state individual and corporate income tax under chapter 422, divisions II and III, and shall not be taxed by any political subdivision of this state.

91 Acts, ch 198, §23
CS91, §330B.24
C93, §28A.24
2013 Acts, ch 30, §8
Referred to in §422.7
Section amended

**28A.25 Dissolution — referendum.**

1. The authority shall be dissolved only by a majority vote in a referendum undertaken in a manner similar to the referendum provided for in section 28A.6. The board shall call, upon its own motion, by petition of the eligible electors as provided in section 28A.5, or by action of the governing body of either metropolitan area, for an election to approve or disapprove the dissolution of the authority.

2. The proposition is approved if the vote in favor of the proposition is a simple majority of the total votes cast on the proposition in either one of the metropolitan areas.

3. The authority shall provide by ordinance for the disposal of any remaining property, the proceeds of which shall first be applied against any outstanding obligation of the authority. The remaining balance shall be divided between the counties included in the authority and credited to the general fund of the respective counties.

91 Acts, ch 198, §24
CS91, §330B.25
C93, §28A.25

**28A.26 Supremacy of compact.**

The provisions of this division II are subject to all of the provisions of the quad cities interstate metropolitan authority compact provided for in section 28A.1.

91 Acts, ch 198, §25
CS91, §330B.26
C93, §28A.26

# CHAPTER 28B

## INTERSTATE COOPERATION COMMISSION


| | | | |
|---|---|---|---|
| 28B.1 | Membership of commission. | 28B.3 | Committees. |
| 28B.2 | Purpose. | 28B.4 | Report. |


**28B.1 Membership of commission.**

1. In accordance with a resolution adopted for this purpose by the legislative council, an Iowa commission on interstate cooperation shall be appointed to address the charge and other responsibilities for the commission outlined in the resolution. The commission shall consist of thirteen members to be appointed as follows:

*a.* Three members of the senate to be appointed by the majority leader of the senate and two members of the senate to be appointed by the minority leader of the senate.

*b.* Three members of the house of representatives to be appointed by the speaker of the house of representatives and two members of the house of representatives to be appointed by the minority leader of the house of representatives.

*c.* Three administrative officers to be appointed by the governor.

2. Appointments shall be made prior to the fourth Monday in January of the first regular session of the general assembly. Members shall take office on February 1 following their appointment and serve for two-year terms or until their successors are appointed and take office.

3. The governor, the majority leader of the senate, and the speaker of the house of representatives are ex officio honorary nonvoting members of the commission.

4. The director of the legislative services agency shall serve as secretary of the commission.

[C62, 66, 71, 73, 75, 77, 79, 81, §28B.1]

86 Acts, ch 1245, §2027; 2003 Acts, ch 35, §44, 49; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1156, §21, 58; 2012 Acts, ch 1138, §108

**28B.2 Purpose.**

It shall be the function of this commission:

1. To carry forward the participation of this state as a member of the council of state governments.

2. To encourage and assist the legislative, executive, administrative and judicial officials and employees of this state to develop and maintain friendly contact by correspondence, by conference, and otherwise, with officials and employees of the other states, of the federal government, and of local units of government.

3. To encourage cooperation between this state and other units of government in the adoption of compacts and uniform laws and in working relationships with officials of other states.

[C62, 66, 71, 73, 75, 77, 79, 81, §28B.2]

**28B.3 Committees.**

The commission shall establish such committees as it deems advisable, in order that they may confer and formulate proposals concerning effective means to secure intergovernmental harmony, and may perform other functions for the commission in obedience to its decision.

Subject to the approval of the commission, the member or members of each such committee shall be appointed by the chairperson of the commission. State officials or employees who are not members of the commission on interstate cooperation may be appointed as members of any such committee. The commission may provide such other rules as it considers appropriate concerning the membership and the functioning of any such committee.

[C62, 66, 71, 73, 75, 77, 79, 81, §28B.3]

**28B.4 Report.**

1. The commission shall report to the governor and the general assembly in accordance with the commission's charge, and may report at other times as deemed appropriate by the commission.

2. The commission's members and the members of all committees which it establishes shall be reimbursed for their travel and other necessary expenses in carrying out their obligations under this chapter and legislative members shall be paid a per diem for each day in which engaged in the performance of their duties, the per diem and legislators' expenses to be paid from funds appropriated by sections 2.10 and 2.12. Expenses of administrative officers, state officials, or state employees who are members of the Iowa commission on interstate cooperation or a committee appointed by the commission shall be paid from funds appropriated to the agencies or departments which persons represent except as may otherwise be provided by the general assembly. Expenses of citizen members who may be appointed to committees of the commission may be paid from funds as authorized by the general assembly. Expenses of the secretary or employees of the secretary and support services in connection with the administration of the commission shall be paid from funds appropriated to the legislative services agency unless otherwise provided by the general assembly. Expenses of commission members shall be paid upon approval of the chairperson or the secretary of the commission.

[C62, 66, 71, 73, 75, 77, 79, 81, §28B.4]

90 Acts, ch 1256, §22; 2003 Acts, ch 35, §44, 49; 2012 Acts, ch 1138, §109

# CHAPTER 28C

RESERVED

# CHAPTER 28D

## INTERCHANGE OF FEDERAL, STATE, AND LOCAL GOVERNMENT EMPLOYEES

Referred to in §331.324, 476A.13, 904.706


28D.1 Declaration of policy.
28D.2 Definitions.
28D.3 Authority to interchange employees.
28D.4 Status of employees.
28D.5 Travel expenses paid by sending agency.
28D.6 Status of certain employees.
28D.7 Travel expenses paid by receiving agency.
28D.8 Administration.


**28D.1 Declaration of policy.**

The state of Iowa recognizes that intergovernmental cooperation is an essential factor in resolving problems affecting this state and that the interchange of personnel between and among governmental agencies at the same or different levels of government is a significant factor in achieving such cooperation.

[C66, 71, 73, 75, 77, 79, 81, §28D.1]

2012 Acts, ch 1023, §157

**28D.2 Definitions.**

For the purposes of this chapter:

1. *"Receiving agency"* means any department or agency of the federal government or a state or local government which receives an employee of another government under this chapter.

2. *"Sending agency"* means any department or agency of the federal government or a state or local government which sends any employee thereof to another government agency under this chapter.

[C66, 71, 73, 75, 77, 79, 81, §28D.2]

**28D.3 Authority to interchange employees.**

1. Any department, agency, or instrumentality of the state, county, city, municipality, land-grant college, or college or university operated by the state or any local government is authorized to participate in a program of interchange of employees with departments, agencies, or instrumentalities of the federal government, another state or locality, or other agencies, municipalities, or instrumentalities of this state as a sending or receiving agency.

2. The period of individual assignment or detail under an interchange program shall not exceed twenty-four months, except that an employee may be assigned for an additional twenty-four-month period upon the agreement of the employee and both the sending and receiving agencies. No employee shall be assigned or detailed without the employee's expressed consent or by using undue coercion to obtain said consent. Details relating to any matter covered in this chapter may be the subject of an agreement between the sending and receiving agencies. Elected officials shall not be assigned from a sending agency nor detailed to a receiving agency.

3. The period of individual assignment or detail may be terminated if the receiving agency offers a permanent appointment to the employee and both the sending and receiving agencies agree.

4. Persons employed by the department of natural resources, department of administrative services, and the Iowa communications network under this chapter are not subject to the twenty-four-month time limitation specified in subsection 2.

[C66, 71, 73, 75, 77, 79, 81, §28D.3]

88 Acts, ch 1134, §16; 92 Acts, ch 1096, §1; 2002 Acts, ch 1162, §30; 2007 Acts, ch 215, §83, 129

Referred to in §28D.4, 28D.6

**28D.4 Status of employees.**

1. Employees of a sending agency participating in an exchange of personnel as authorized in section 28D.3 may be considered during such participation to be:

*a.* On detail to regular work assignments of the sending agency, or

*b.* In a status of leave of absence from their positions in the sending agency.

2. Employees who are on detail shall be entitled to the same salary and benefits to which they would otherwise be entitled and shall remain employees of the sending agency for all other purposes except that the supervision of their duties during the period of detail may be governed by agreement between the sending agency and the receiving agency.

3. Employees who are in a leave of absence status as provided herein shall be carried on leave without pay; except they may be granted annual leave or other time off with pay to the extent authorized by law and may be granted authorized sick leave in circumstances considered by the sending agency to justify such leave. Except as otherwise provided in this chapter, employees who are in a leave of absence status shall have the same rights, benefits, and obligations as employees generally who are in such leave status but notwithstanding any other provision of law such employees may be entitled to credit the period of such assignment toward benefits as employees of the sending agency.

4. Any employee who participates in an exchange under the terms of this section who suffers disability or death as a result of personal injury arising out of and in the course of an exchange, or sustained in performance of duties in connection therewith, shall be treated, for the purposes of the sending agency's employee compensation program, as an employee, as

defined in such compensation program, who has sustained such injury in the performance of such duty, but shall not receive benefits under that compensation program for any period for which the employee is entitled to and elects to receive similar benefits under the receiving agency's employee compensation program.

[C66, 71, 73, 75, 77, 79, 81, §28D.4]

2013 Acts, ch 90, §17

Subsection 4 amended

**28D.5 Travel expenses paid by sending agency.**

A sending agency in this state may, in accordance with the travel regulations of such agency, pay the travel expenses of employees assigned to a receiving agency on either a detail or leave basis, but shall not pay the travel expenses of such employees incurred in connection with their work assignments at the receiving agency. If the assignment or detail will be for a period of time exceeding eight months, travel expenses may include expenses of transportation of immediate family, household goods, and personal effects to and from the location of the receiving agency. If the period of assignment is less than eight months, the sending agency may pay a per diem allowance to the employee on assignment or detail.

[C66, 71, 73, 75, 77, 79, 81, §28D.5]

**28D.6 Status of certain employees.**

1. When any unit of government of this state acts as a receiving agency, employees of the sending agency who are assigned under authority of this chapter may be given appointments in the receiving agency covering the periods of such assignments, with compensation to be paid from receiving agency funds or without compensation, or be considered to be on detail to the receiving agency.

2. Appointments of persons so assigned may be made without regard to the laws or regulations governing the selection of employees of the receiving agency. However, if a permanent appointment made by a receiving agency pursuant to section 28D.3, subsection 3, is subject to chapter 400, section 400.7 shall govern the appointment.

3. Employees who are detailed to the receiving agency shall not by virtue of such detail be considered to be employees thereof, except as provided in subsection 4. The supervision of the duties of such employees, as well as the contribution of each agency to the salary or wage of such employees during the period of detail, may be governed by agreement between the sending agency and the receiving agency. The agreement shall be subject to the approval of the executive council for state participation and the local governing body in the case of an agreement involving a political subdivision of the state.

4. Any employee of a sending agency assigned in this state who suffers disability or death as a result of personal injury arising out of and in the course of such assignment, or sustained in the performance of duties in connection therewith, shall be treated for the purpose of receiving agency's employee compensation program, as an employee, as defined in such compensation program, who has sustained such injury in the performance of such duty, but shall not receive benefits under that compensation program for any period for which the employee elects to receive similar benefits as an employee under the sending agency's employee compensation program.

[C66, 71, 73, 75, 77, 79, 81, §28D.6]

92 Acts, ch 1096, §2; 2013 Acts, ch 90, §18

Subsection 4 amended

**28D.7 Travel expenses paid by receiving agency.**

A receiving agency in this state may, in accordance with the travel regulations of such agency, pay travel expenses of persons assigned thereto under this chapter during the period of such assignments on the same basis as if they were regular employees of the receiving agency.

[C66, 71, 73, 75, 77, 79, 81, §28D.7]

**28D.8 Administration.**

The department of administrative services is hereby directed to explore means of implementing this chapter and to assist departments, agencies, and instrumentalities of the state and its political subdivisions in participating in employee interchange programs.

[C66, 71, 73, 75, 77, 79, 81, §28D.8]

2003 Acts, ch 145, §286

# CHAPTER 28E

## JOINT EXERCISE OF GOVERNMENTAL POWERS

Referred to in §8D.3, 8D.5, 8F.2, 8F.3, 11.1, 11.6, 12B.10, 12B.10A, 12C.1, 15.109, 15.327, 15E.192, 16.161, 16.162, 21.2, 22.12, 28F.1, 28F.2, 28G.3, 28G.4, 28G.6, 28H.1, 28H.5, 28K.4, 28M.1, 28M.2, 28M.4, 28M.5, 28M.6, 29C.9, 29C.17, 30.5, 34.2, 34A.3, 34A.7, 34A.11, 35A.16, 35B.6, 76.16A, 80D.1, 85.59, 87.4, 97B.1A, 99G.4, 100B.9, 100B.25, 135.107, 135.130, 136C.2, 137F.3A, 161A.64, 174.1, 207.20, 207.21, 217.42, 229A.7, 232.141, 252B.27, 252G.2, 256C.3, 261E.9, 270.10, 279.12, 279.64, 298.3, 298A.6, 300.1, 303.2, 309.19, 321.236, 321M.5, 331.304, 331.385, 331.389, 331.390, 331.392, 331.441, 331.485, 331.488, 331.553, 331.557A, 331.753, 347.31, 354.9, 356.7, 357A.11, 357B.3, 357F.10, 357G.10, 357J.12, 358.20, 359.42, 359.49, 364.2, 364.5, 368.1, 368.7A, 373.11, 384.76, 384.84, 384.84A, 390.9, 392.4, 403.21, 418.1, 418.4, 418.11, 418.14, 418.15, 422D.6, 423A.7, 423B.9, 423E.5, 455B.134, 455B.144, 455B.172, 455B.173, 455B.174, 455B.199, 455B.306, 455B.381, 455B.384, 455B.385, 455G.5, 461.36, 466B.21, 466B.22, 466B.24, 468.585, 468.588, 468.589, 468.590, 476A.13, 502.701, 515A.15, 602.8107, 669.2, 691.6A, 717F.2, 804.7B, 904.108, 904.111, 904.308, 904.703, 905.4


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## DIVISION I

## GENERAL PROVISIONS

**28E.1 Purpose.**

The purpose of this chapter is to permit state and local governments in Iowa to make efficient use of their powers by enabling them to provide joint services and facilities with other agencies and to cooperate in other ways of mutual advantage. This chapter shall be liberally construed to that end.

[C66, 71, 73, 75, 77, 79, 81, §28E.1]

**28E.2 Definitions.**

For the purposes of this chapter:

1. "*Private agency*" shall mean an individual and any form of business organization authorized under the laws of this or any other state.

2. "*Public agency*" shall mean any political subdivision of this state; any agency of the state government or of the United States; and any political subdivision of another state.

3. "*State*" shall mean a state of the United States and the District of Columbia.

[C66, 71, 73, 75, 77, 79, 81, §28E.2]

2013 Acts, ch 30, §9

Referred to in §28F.2, 28G.2, 256B.6, 256I.8, 455B.301, 717F.1, 904.308

Section amended

**28E.3 Joint exercise of powers.**

Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having such power or powers, privilege or authority, and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by this chapter upon a public agency.

[C66, 71, 73, 75, 77, 79, 81, §28E.3]

**28E.4 Agreement with other agencies.**

Any public agency of this state may enter into an agreement with one or more public or private agencies for joint or cooperative action pursuant to the provisions of this chapter, including the creation of a separate entity to carry out the purpose of the agreement. Appropriate action by ordinance, resolution or otherwise pursuant to law of the governing bodies involved shall be necessary before any such agreement may enter into force.

[C66, 71, 73, 75, 77, 79, 81, §28E.4]

**28E.5 Specifications.**

Any such agreement shall specify the following:

1. Its duration.

2. The precise organization, composition and nature of any separate legal or administrative entity created thereby together with the powers delegated thereto, provided such entity may be legally created. However, if the agreement establishes a separate legal or administrative entity, the entity shall, when investing funds, comply with the provisions of sections 12B.10 and 12B.10A through 12B.10C and other applicable law.

3. Its purpose or purposes.

4. The manner of financing the joint or cooperative undertaking and of establishing and maintaining a budget therefor.

5. The permissible method or methods to be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon such partial or complete termination.

6. Any other necessary and proper matters.
[C66, 71, 73, 75, 77, 79, 81, §28E.5]
92 Acts, ch 1156, §9
Referred to in §28E.8, 28E.41

**28E.6 Additional provisions.**

1. If the agreement does not establish a separate legal entity to conduct the joint or cooperative undertaking, the agreement shall also include:

*a.* Provision for an administrator or a joint board responsible for administering the joint or cooperative undertaking. In the case of a joint board, public agencies party to the agreement shall be represented.

*b.* The manner of acquiring, holding, and disposing of real and personal property used in the joint or cooperative undertaking.

2. The joint board specified in the agreement shall be a governmental body for purposes of chapter 21 and the entity created shall be a government body for purposes of chapter 22 unless the entity created or agreement includes public agencies from more than one state.

3. *a.* A summary of the proceedings of each regular, adjourned, or special meeting of the joint board of the entity created in the agreement, including the schedule of bills allowed, shall be published after adjournment of the meeting in one newspaper of general circulation within the geographic area served by the joint board of the entity created in the agreement. The summary of the proceedings shall include the date, time, and place the meeting was held, the members present, and the actions taken at the meeting. The joint board of the entity created in the agreement shall furnish the summary of the proceedings to be submitted for publication to the newspaper within twenty days following adjournment of the meeting. The publication of the schedule of bills allowed shall include a list of all salaries paid for services performed, showing the name of the person or firm performing the service and the amount paid. The publication of the schedule of bills allowed may consolidate amounts paid to the same claimant if the purpose of the individual bills is the same. However, the names and gross salaries of persons regularly employed by the entity created in the agreement shall only be published annually.

*b.* An entity created which had a cash balance, including investments, of less than one hundred thousand dollars at the end of the previous fiscal year and which had total expenditures of less than one hundred thousand dollars during the prior fiscal year is not required to publish as required in paragraph "*a*". However, such an entity shall file without charge, in an electronic format, the information described in paragraph "*a*" with the office of the county recorder in the most populous county served by the entity. The county recorder shall make the information submitted available to the public, which information shall also include access to a copy of the agreement creating the entity.

*c.* This subsection shall not apply to an entity created in an agreement that includes public agencies from more than one state or to a contract entered into pursuant to section 28E.12.

4. A joint board of an entity created in an agreement that is responsible for the operation of a public facility or a public improvement may undertake the emergency repair of the facility or improvement in the manner provided in section 384.103, subsection 2. If an emergency repair is undertaken by the joint board, the chairperson, chief officer, or chief official of the joint board shall perform the duties assigned to the chief officer or official of the governing body of the city under section 384.103, subsection 2.

[C66, 71, 73, 75, 77, 79, 81, §28E.6]
2006 Acts, ch 1153, §7, 9; 2007 Acts, ch 158, §1, 4; 2009 Acts, ch 100, §4, 21
Referred to in §28E.8, 28E.28, 28E.41

**28E.7 Obligations not excused.**

No agreement made pursuant to this chapter shall relieve any public agency of any obligation or responsibility imposed upon it by law except that to the extent of actual and timely performance thereof by a joint board or other legal or administrative entity created

by an agreement made hereunder, said performance may be offered in satisfaction of the obligation or responsibility.

[C66, 71, 73, 75, 77, 79, 81, §28E.7]

**28E.8 Filing with secretary of state.**

1. *a.* Before entry into force, an agreement made pursuant to this chapter shall be filed, in an electronic format, with the secretary of state in a manner specified by the secretary of state.

*b.* Any amendment, modification, or notice of termination of an agreement made pursuant to this chapter shall be filed, in an electronic format, with the secretary of state within thirty days of the effective date of the amendment, modification, or termination, in a manner specified by the secretary of state.

2. *a.* In addition to subsection 1, each entity subject to section 28E.5 shall submit, in an electronic format, an initial report to the secretary of state as prescribed by the secretary of state. The report shall include, as applicable, the name of the entity created, the board members of the joint board created, whether the entity is exempt from the publication requirements of section 28E.6, subsection 3, a valid electronic mail address, and any additional information the secretary of state deems appropriate.

*b.* Following submission of an initial report pursuant to paragraph *"a"*, each entity subject to section 28E.5 shall submit, in an electronic format, a biennial report to the secretary of state in a manner prescribed by the secretary of state by April 1 of every odd-numbered year beginning in calendar year 2009.

[C66, 71, 73, 75, 77, 79, 81, §28E.8]

95 Acts, ch 110, §1; 2007 Acts, ch 158, §2, 4

**28E.9 Status of interstate agreement.**

If an agreement entered into pursuant to this chapter is between or among one or more public agencies of this state and one or more public agencies of another state or of the United States said agreement shall have the status of an interstate compact. Such agreements shall, before entry into force, be approved by the attorney general who shall determine whether the agreement is in proper form and compatible with the laws of this state.

In any case or controversy involving performance or interpretation thereof or liability thereunder, the public agencies party thereto shall be real parties in interest, and the state may maintain an action to recoup or otherwise make itself whole for any damages or liability which it may incur by reason of being joined as a party therein. Such action shall be maintainable against any public agency or agencies whose default, failure of performance, or other conduct caused or contributed to the incurring of damage or liability by the state.

[C66, 71, 73, 75, 77, 79, 81, §28E.9]

Referred to in §275.1, 275.2, 282.7, 456A.24

**28E.10 Approval of statutory officer.**

If an agreement made pursuant to this chapter shall deal in whole or in part with the provision of services or facilities with regard to which an officer or agency of the state has constitutional or statutory powers of control, the agreement shall, as a condition precedent to its entry into force, be submitted to the state officer or agency having such power of control and shall be approved or disapproved as to all matters within the state officer's or agency's jurisdiction.

[C66, 71, 73, 75, 77, 79, 81, §28E.10]

Referred to in §321.40, 331.553

**28E.11 Agency to furnish aid.**

Any public agency entering into an agreement pursuant to this chapter may appropriate funds and may sell, lease, give, or otherwise supply the administrative joint board or other legal or administrative entity created to operate the joint or cooperative undertaking by providing such personnel or services therefor as may be within its legal power to furnish.

[C66, 71, 73, 75, 77, 79, 81, §28E.11]

**28E.12 Contract with other agencies.**

Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be authorized by the governing body of each party to the contract. Such contract shall set forth fully the purposes, powers, rights, objectives, and responsibilities of the contracting parties.

[C66, 71, 73, 75, 77, 79, 81, §28E.12]

Referred to in §28E.6

**28E.13 Powers are additional to others.**

The powers granted by this chapter shall be in addition to any specific grant for intergovernmental agreements and contracts.

[C66, 71, 73, 75, 77, 79, 81, §28E.13]

**28E.14 No limitation on contract.**

Any contract or agreement authorized by this chapter shall not be limited as to period of existence, except as may be limited by the agreement or contract itself.

[C66, 71, 73, 75, 77, 79, 81, §28E.14]

**28E.15 District agency.**

A planning commission, council of governments or similar organization formed under the provisions of this chapter shall, upon designation as such by the governor, serve as a district, regional or metropolitan agency for comprehensive planning for its area for the purpose of carrying out the functions as defined for such agency by federal, state and local laws and regulations.

[C73, 75, 77, 79, 81, §28E.15]

**28E.16 Election for bonds.**

When bonds which require a vote of the people are to be issued for financing joint facilities of a county and one or more cities within the county, pursuant to an agreement made under the authority of this chapter, or pursuant to other provisions of law, the board of supervisors and the council of each city shall arrange for a single election on the question of issuing the bonds, but if the county and the cities are proposing to make separate bond issues, the ballot shall contain separate questions, one to be voted upon by all voters of the county, and one or more to be voted upon only by the voters of the city which is to make a separate bond issue.

[C75, 77, 79, 81, §28E.16]

Referred to in §28E.41

**28E.17 Transit policy — joint agreement — city debt.**

1. It is the public policy of this state to encourage the establishment or acquisition of urban mass transit systems and the equipment, maintenance, and operation thereof by public agencies in cooperation with, and with the assistance of the urban mass transportation administration of the United States department of transportation, pursuant to the provisions of the Urban Mass Transportation Act of 1964, as amended, 49 U.S.C. § 5301 et seq., which requires unification or official coordination of local mass transportation services on an area-wide basis as a condition of such assistance.

2. An agreement between one or more cities and other public agencies for this purpose may be made and carried out without an election and the agency created thereby may jointly exercise through a board of trustees as provided by the agreement all the rights, powers, privileges and immunities of cities related to the provision of mass transportation services, except the authority to incur bonded indebtedness.

3. *a.* A city which is a party to a joint transit agency may issue general corporate purpose bonds for the support of a capital program for the joint agency in the following manner:

(1) The council shall give notice and conduct a hearing on the proposal in the manner set forth in section 384.25. However, the notice must be published at least ten days prior to the hearing, and if a petition valid under section 362.4 is filed with the clerk of the city prior to the

hearing, asking that the question of issuing the bonds be submitted to the registered voters of the city, the council shall either by resolution declare the proposal abandoned or shall direct the county commissioner of elections to call a special election to vote upon the question of issuing the bonds. Notice of the election and its conduct shall be in the manner provided in section 384.26.

(2) If no petition is filed, or if a petition is filed and the proposition of issuing bonds is approved at the election, the council may proceed with the authorization and issuance of the bonds.

*b.* An agreement may provide for full or partial payment from transit revenues to the cities for meeting debt service on such bonds.

*c.* This subsection shall be construed as granting additional power without limiting the power already existing in cities, and as providing an alternative independent method for the carrying out of any project for the issuance and sale of bonds for the financing of a city's share of a capital expenditures project of a joint transit agency, and no further proceedings with respect to the authorization of the bonds shall be required.

[C75, §28G.1 – 28G.4; C77, 79, 81, §28E.17]

95 Acts, ch 67, §53; 2008 Acts, ch 1032, §140; 2010 Acts, ch 1061, §6

**28E.18 Shared use of facilities.**

Before proceeding to construct or purchase a facility as otherwise provided by law, a public agency shall inquire of other public agencies having facilities within the same general geographic area concerning the availability of all or part of those facilities for rent or sharing by agreement with the inquiring public agency. If there are no suitable facilities available for rent or sharing, the governing body of the public agency shall record its findings in its meeting minutes.

83 Acts, ch 26, §1

**28E.19 Joint county indigent defense fund.**

Two or more counties may execute an agreement under this chapter to create a joint county indigent defense fund to be used to compensate attorneys appointed to represent indigents. In addition to other requirements of an agreement under this chapter, the agreement shall provide for the amount to be paid by each county based on its population to establish and maintain an appropriate balance in the joint fund, and for a method of repayment if a county withdraws more funds than it has contributed.

83 Acts, ch 123, §36, 209; 84 Acts, ch 1067, §10; 99 Acts, ch 135, §12

Referred to in §331.424

**28E.20** Repealed by 96 Acts, ch 1194, § 1.

## DIVISION II

## UNIFIED LAW ENFORCEMENT

**28E.21 Definition.**

For the purpose of this division, the term *"district"* means a unified law enforcement district established by an agreement under the provisions of this chapter by a county, or portions thereof, or cities to provide law enforcement within the boundaries of the member political subdivisions.

[C77, 79, 81, §28E.21]

Referred to in §331.381

**28E.22 Referendum for tax.**

1. The board of supervisors, or the city councils of a district composed only of cities, may, and upon receipt of a petition signed by eligible electors residing in the district equal in number to at least five percent of the registered voters in the district shall, submit a proposition to the electorate residing in the district at any general election or at a special

election held throughout the district. The proposition shall provide for the establishment of a public safety fund and the levy of a tax on taxable property located in the district at rates not exceeding the rates specified in this section for the purpose of providing additional moneys for the operation of the district.

2. The ballot for the election shall be prepared in substantially the form for submitting special questions at general elections and the form of the proposition shall be substantially as follows:

Shall an annual levy, the amount of which will not exceed a rate of one dollar and fifty cents per thousand dollars of assessed value of the taxable property in the unified law enforcement district be authorized for providing additional moneys needed for unified law enforcement services in the district?

Yes .....

No .....

3. If a majority of the registered voters in each city and the unincorporated area of the county voting on the proposition approve the proposition, the county board of supervisors for unincorporated area and city councils for cities are authorized to levy the tax as provided in section 28E.23.

4. Such moneys collected pursuant to the tax levy shall be expended only for providing additional moneys needed for unified law enforcement services in the district and shall be in addition to the revenues raised in the county and cities in the district from their general funds which are based upon an average of revenues raised for law enforcement purposes by the county or city for the three previous years. The amount of revenues raised for law enforcement purposes by the county for the three previous years shall be computed separately for the unincorporated portion of the district and for each city in the district.

[C77, 79, 81, §28E.22]

83 Acts, ch 79, §1; 95 Acts, ch 67, §53; 2001 Acts, ch 56, §1; 2008 Acts, ch 1032, §141

Referred to in §28E.24, 28E.28, 28E.28B, 331.381

**28E.23 Budget.**

1. The public safety commission, on or before January 10 of each year, shall make an estimate of the total amount of revenue deemed necessary for operation of the district and, in conjunction with the county board of supervisors and city councils in the district, determine the amounts which will be contributed by the county and by each city in the district from its general fund which are based upon an average of revenues raised for law enforcement purposes in the county or city for the three previous years.

2. One of the following methods shall be used by the public safety commission for computing the amount of revenue deemed necessary for the operation of the district:

*a.* The per capita cost shall be computed by dividing the amount of revenue deemed necessary for the operation of the district by the total population of the district and by computing separate amounts for the public safety fund as follows:

(1) The funds to be contributed by each city in the district shall be computed by multiplying the per capita cost by the population residing in each city of the district.

(2) The funds to be contributed by the unincorporated area of the district shall be computed by multiplying the per capita cost by the population residing in the unincorporated area of the district.

*b.* The percent of service received by the unincorporated area and by each city in the district shall be computed and the percent of service received by each shall be multiplied by the amount of revenue deemed necessary for the operation of the district.

[C77, 79, 81, §28E.23]

83 Acts, ch 123, §37, 209; 2008 Acts, ch 1032, §201

Referred to in §28E.22, 331.381

**28E.24 Revenue and tax levies.**

The county board of supervisors shall certify to the public safety commission the amount of revenue from the county general fund credited to the unincorporated area in the district based upon an average of revenues raised for law enforcement purposes in the unincorporated area for the three previous years. The public safety commission shall subtract this amount from the amount of revenue to be contributed by the unincorporated area. The difference is the amount of additional revenue needed for unified law enforcement purposes.

In addition, the county board of supervisors and the city council of each city in the district shall certify to the public safety commission the amounts of revenue from the county and from the city general fund credited to each city in the district based upon an average of revenues raised for law enforcement purposes in each city for the three previous years. The public safety commission shall subtract the total of these amounts from the amount of revenue to be contributed by each city respectively. The difference for each city is the amount of additional revenue needed for unified law enforcement purposes.

The county board of supervisors and the council of each city located within the district shall review the proposed budget and upon the approval of the budget by the board of supervisors and all city councils in the district, each governing body shall determine the source of the additional revenue needed for unified law enforcement purposes. If the tax levy is approved as the source of revenue, the governing body shall certify to the county auditor the amount of revenue to be raised from the tax levy in either the unincorporated area of the district or a city in the district.

If the tax rate in any of the cities or the unincorporated area exceeds the limitations prescribed in section 28E.22, the public safety commission shall revise the budget to conform with the tax limitations.

The county board of supervisors and the city council of each city in the district shall deposit in the public safety fund the amounts of revenue certified to the public safety commission in this section based upon an average of revenues raised for law enforcement purposes for the three previous years.

If the average of revenues raised for law enforcement purposes in the unincorporated area or a city for the previous three years exceeds the amount of revenue needed for unified law enforcement purposes, the unincorporated area or city is only required to contribute the amount of revenue needed.

Taxes collected pursuant to the tax levies and other moneys received from the county and cities in the district shall be placed in a public safety fund and used only for the operation of the district. Any unencumbered funds remaining in the fund at the end of a fiscal year shall carry over to the next fiscal year and may be used for the operation of the district.

[C77, §28E.23; C79, 81, §28E.24]

83 Acts, ch 123, §38, 39, 209

Referred to in §28E.28A, 331.381

**28E.25 Expansion of district.**

Cities and unincorporated areas may join an established district upon the affirmative vote of the city council or county board of supervisors, whichever is applicable, and a tax may be levied for providing additional moneys for unified law enforcement services only upon the affirmative vote of registered voters of the city or unincorporated area voting in the manner provided in this division. A city or unincorporated area joining a district shall contract with the district for services until the beginning of a fiscal year when the city or unincorporated area may become a member.

[C77, §28E.24; C79, 81, §28E.25]

95 Acts, ch 67, §53

Referred to in §331.381

**28E.26 City civil service and retirement.**

The inclusion of a city in a unified law enforcement district shall not affect the prior establishment of a civil service system under chapter 400 or a pension or retirement system under either chapter 410 or 411.

[C77, §28E.25; C79, 81, §28E.26]

Referred to in §331.381

**28E.27 Duration of agreements for law enforcement purposes.**

An agreement under this chapter to provide joint or cooperative services or facilities for unified law enforcement purposes shall not be executed for less than a five-year period.

[C77, §28E.26; C79, 81, §28E.27]

Referred to in §331.381

**28E.28 Public safety commission.**

If the levy of a tax has been approved under section 28E.22, a public safety commission shall be established under section 28E.6. The public safety commission shall be responsible for administering the unified law enforcement agreement. The public safety commission shall be composed of elected officials from public agencies party to the agreement. The composition of the commission shall be determined by the terms of the agreement. A vacancy shall exist when a member of the commission ceases to hold the elected office which qualifies the member for commission membership.

[C79, 81, §28E.28]

Referred to in §331.381

**28E.28A Referendum on tax levy — dissolution of district.**

1. After five years from the date that a district is established, the public safety commission, upon receipt of a petition signed by eligible electors residing within the district equal in number to at least fifteen percent of the registered voters in the district, shall submit a proposition to the electorate of the district at the next general election to discontinue the annual levy for unified law enforcement services in the district. If a majority of the registered voters in each city and the unincorporated area of the county, as applicable, approve the proposition, the tax levy shall be discontinued.

2. If the discontinuation of the tax levy necessitates the dissolution of the district, the public safety commission shall dispose of any remaining property, the proceeds of which shall be applied first against any outstanding obligations of the district and any balance shall be remitted to the county and each city in the district in the same proportion that each jurisdiction contributed to the district's budget in its final fiscal year. The board of supervisors, on behalf of the unincorporated area of the county and the city councils of the cities included in the dissolved district shall continue to levy taxes and appropriate funds to the public safety fund as provided in section 28E.24 until all outstanding obligations of the dissolved district are paid.

83 Acts, ch 79, §2; 95 Acts, ch 67, §53; 2001 Acts, ch 56, §2

Referred to in §331.381

**28E.28B Legalization of tax levies.**

Each unified law enforcement district tax levy authorized pursuant to section 28E.22 prior to July 1, 1983, which continued to be collected for a period subsequent to July 1, 1983, or continues to be collected notwithstanding the expiration of the five-year period specified by the referendum which authorized the levy, is hereby legalized and deemed valid as if the levy had been authorized subsequent to July 1, 1983.

97 Acts, ch 7, §1

**28E.29 Amana — additional law enforcement.**

If a tract of land is owned by a corporation organized under chapter 491 with assets of the value of one million dollars or more which has one or more platted villages located within the territorial limits of the tract of land, all of the territory within the plats of the villages with their additions or subdivisions, for the purposes of this section, is deemed to be one incorporated

city. The corporation may assess and collect funds from its property owners for the purpose of obtaining additional law enforcement services from the county sheriff. The corporation may contract under this chapter with the county sheriff for additional law enforcement services.

[C81, §337.22; S81, §28E.29; 81 Acts, ch 117, §1201]

**28E.30 Agreement for law enforcement administrative services.**

A county and a city within the county may enter into an agreement to provide administrative services through the county sheriff to the city for its police department. In addition to other provisions required by this chapter, the agreement shall specify the administrative services to be provided by the sheriff and the administrative or supervisory relationship between the sheriff and the mayor and city council. The agreement is subject to the approval of the county sheriff. The sheriff may accept compensation for the administrative services provided to the city, which compensation is in addition to the sheriff's compensation authorized under section 331.907. The additional compensation shall not be included in computing the total annual compensation of the sheriff pursuant to section 331.904, subsection 2.

88 Acts, ch 1057, §1

## DIVISION III

## EMERGENCY SERVICES

**28E.31 Emergency services — contracts for mutual aid.**

1. A municipality's fire department that agrees to provide for mutual aid regarding emergency services shall do so in writing. The contracts that are agreed upon may provide for compensation from the parties and other terms that are agreeable to the parties and may be for an indefinite period as long as they include a sixty-day cancellation notice by any party. The contracts agreed upon shall not be entered into for the purpose of reducing the number of employees of any party.

2. A municipal fire department may provide assistance to any other such department or district in the state at the time of a significant emergency such as a fire, earthquake, flood, tornado, hazardous material incident, or other such disaster. The chief or highest ranking fire officer of an assisting department or district may render aid to a requesting department or district as long as the chief or officer is acting in accordance with the policies and procedures set forth by the governing board of the assisting department or district.

3. The chief or highest ranking officer of the municipal fire department of the district within which the incident occurs shall maintain control of the incident in accordance with the provisions of chapter 102. The chief or highest ranking officer of the department or district giving mutual aid shall be in charge of the assisting departmental or district personnel.

4. For purposes of this section, "*municipality*" means a city, county, township, benefited fire district, or agency formed under this chapter and authorized by law to provide emergency services.

96 Acts, ch 1219, §62; 2000 Acts, ch 1117, §1

**28E.32 Emergency services agreements.**

1. A municipality that agrees to provide fire protection service or emergency medical service for another municipality shall do so in writing.

2. The written agreement shall state the purposes of the agreement and the services to be provided. The agreement shall state the duration of the agreement and provide for renewal or cancellation of the agreement.

3. An advisory board created by agreement may prepare a proposed annual budget for services provided pursuant to the agreement until the agreement is canceled or expires. For the proposed budget, the board may allocate among the parties to the agreement responsibility to provide revenue for the amount of the budget. The proposed budget shall be submitted to the municipality providing the services. However, the municipality providing the services shall have full and final authority over the proposed budget and may alter the

proposed budget without approval of the board before it is included in the budget of such municipality.

4. For purposes of this section, *"municipality"* means a city, county, township, benefited fire district, or agency formed under this chapter and authorized by law to provide emergency services.

2000 Acts, ch 1117, §2; 2007 Acts, ch 96, §1, 2

**28E.33 and 28E.34** Reserved.

## DIVISION IV

## COMMUNITY CLUSTERS — REVENUE SHARING

**28E.35 Definitions.**

As used in this division unless the context otherwise requires:

1. *"Community cluster"* means a cooperative community unit established pursuant to this chapter for the joint exercise of powers by two or more governmental units.

2. *"Governmental unit"* means a city, county, or special taxing district.

90 Acts, ch 1200, §1

**28E.36 Establishment of community cluster.**

Two or more governmental units located in the state may establish a community cluster by entering into an agreement for the joint exercise of powers pursuant to this chapter to make more efficient use of their resources by providing for joint functions, services, facilities, development of infrastructure and for revenue sharing, and to foster economic development.

90 Acts, ch 1200, §2

**28E.37 Designation of townships.**

A county entering into an agreement to establish a community cluster may limit the area of the county included in the community cluster to designated townships.

90 Acts, ch 1200, §3

**28E.38 Revenue sharing.**

The agreement establishing a community cluster may provide for the sharing of revenues by the governmental units forming the community cluster.

90 Acts, ch 1200, §4

**28E.39 Referendum for ad valorem tax sharing.**

An agreement establishing a community cluster shall require the approval of the registered voters residing within the area of the cluster if the agreement provides for the sharing of revenues from ad valorem property taxes. The proposition shall be submitted to the electorate by each governmental unit forming the community cluster to the electors residing within the area of the governmental unit at a general election or at a special election. However, if a county has designated only certain townships as being included within the community cluster, the proposition shall be submitted to the electorate of the county residing only in the townships included in the community cluster.

The ballot for the election shall be prepared in substantially the form for submitting special questions at general elections.

If a majority of the registered voters in the area of each governmental unit within the proposed community cluster voting on the proposition vote in favor of the proposition, then the agreement establishing the community cluster shall take effect and the sharing of revenues from ad valorem property taxes is authorized. If the proposition fails in the area of one or more governmental units within the proposed community cluster voting on the proposition, then the governmental units in which the proposition passed may establish

the community cluster in those areas in which the proposition passed and the sharing of revenues from ad valorem property taxes is authorized.

90 Acts, ch 1200, §5; 95 Acts, ch 67, §53

## DIVISION V

## REGIONAL METROPOLITAN SERVICE AREA

**28E.40 Regional metropolitan service area.**

Two or more contiguous counties, cities, or cities and counties may establish a regional metropolitan service area to provide for the joint delivery of services by an agreement under this chapter, subject to the limitations and requirements of sections 331.232, 331.260, 331.261, and 331.262, subsection 9.

91 Acts, ch 256, §1

## DIVISION VI

## LOCAL GOVERNMENT BOND FINANCING

**28E.41 Joint county, city, fire district, and school district buildings.**

1. A county, city, fire district, or school district, which has areas within its boundaries which overlap areas within the boundaries of another county, city, fire district, or school district, or whose boundaries are contiguous with another county, city, fire district, or school district, may execute an agreement pursuant to this section for the joint construction or acquisition, furnishing, operation, and maintenance of a public building or buildings for their common use. Noncontiguous cities located within the same county, or cities located in contiguous counties, may also execute an agreement for the joint construction or acquisition, furnishing, operation, and maintenance of a joint public building or buildings for their common use. Such an agreement regarding a joint public building may allow for, but is not limited to, any of the following:

*a.* Acquisition of a construction site and construction of a public building for common use.

*b.* Purchase of an existing building for joint public use, or conversion of a building previously owned and maintained by a county, city, fire district, or school district for joint public use.

*c.* Equipping or furnishing a new or existing building for joint public use.

*d.* Operation, maintenance, or improvement of a joint public building.

*e.* Any other aspect of joint public building construction, acquisition, furnishing, operation, or maintenance mutually agreed upon by the county, city, fire district, or school district and not otherwise prohibited by law.

2. An agreement pursuant to subsection 1 shall be approved by resolution of the governing bodies of each of the participating counties, cities, fire districts, or school districts and shall specify the purposes for which the joint public building shall be used, the estimated cost thereof, the estimated amount of the cost to be allocated to each of the participating counties, cities, fire districts, or school districts, the proportion and method of allocating the expenses of the operation and maintenance of the building or improvement, and the disposition to be made of any revenues to be derived therefrom, in addition to the provisions of sections 28E.5 and 28E.6, and any other applicable provision of this chapter.

3. *a.* A county, city, fire district, or school district may expend funds or issue general obligation bonds for the payment of its share of the cost of constructing, acquiring, furnishing, operating, or maintaining a joint public building pursuant to subsection 1. Section 28E.16 shall apply regarding a single election to be authorized by the board of supervisors, city council, governing body of a fire district, and board of directors of a school district, in the event that a single bond issue throughout the overlapping or contiguous

areas, or noncontiguous cities located in the same county or cities located in contiguous counties, is contemplated. If separate bond issues are authorized by the governing body of a county, city, fire district, or school district for its respective share of the cost of the joint public building, the applicable bonding provisions of chapters 74, 75, 296, 298, 331, 357B, 359, and 384 shall apply. With regard to any issuance of bonds pursuant to this section, a proposition to authorize an issuance of bonds by a county, city, fire district, or school district shall be deemed carried or adopted if the vote in favor of the proposition is equal to at least sixty percent of the vote cast for and against the proposition in each participating county, city, fire district, or school district.

*b.* Bonds shall not be issued by a county, city, fire district, or school district until provision has been made by each of the other participating counties, cities, fire districts, or school districts to the agreement for the payment of their shares of the cost of the joint public building. In the event that the cost of the construction or acquisition, furnishing, operation, and maintenance of the joint public building exceeds that which was originally estimated and agreed to, the governing body of a county, city, fire district, or school district shall have the authority, jointly or individually, as appropriate, to expend additional moneys or issue additional bonds to pay their respective portions of the increased costs.

*c.* The governing body of a county, city, fire district, or school district is authorized to enter into an agreement under this section to construct, acquire, furnish, operate, or maintain the public building which is the subject of the agreement for its own purposes to the same extent and in the same manner as if the public building were wholly owned by and devoted to the uses of the county, city, fire district, or school district.

*d.* The authority granted to a county, city, fire district, or school district pursuant to this section shall be in addition to, and not in derogation of, any other powers conferred by law upon a county, city, fire district, or school district to make agreements, appropriate and expend moneys, and to issue bonds for the same or similar purposes.

4. For purposes of this section, "*fire district*" means any governmental entity which provides fire protection services.

99 Acts, ch 145, §1

School district-to-community college program and facilities sharing pilot program; participating consortiums to report by January 1, 2014; 2011 Acts, ch 91, §1

**28E.42 Joint issuance of school district or fire district bonds.**

It is the intent of the general assembly to encourage school districts or fire districts to jointly issue general obligation bonds to fund separate projects proposed in each district and, by pooling their debt obligations, to realize a savings for taxpayers in each of the participating districts.

1. Two or more school districts may enter an agreement pursuant to this chapter for the purpose of financing projects for which debt obligations may be or have been incurred pursuant to chapter 296 or 298. For purposes of this section, "*school district*" means a public school district described in chapter 274.

2. Two or more fire districts may enter an agreement pursuant to this chapter for the purpose of financing projects for which debt obligations may be or have been incurred pursuant to chapter 74, 75, 331, 357B, 359, or 384. For purposes of this section, "*fire district*" means any governmental entity which provides fire protection services.

99 Acts, ch 145, §2

# CHAPTER 28F

## JOINT FINANCING OF PUBLIC WORKS AND FACILITIES

Referred to in §28G.5, 389.4, 390.9, 390.10, 390.11, 390.12, 427.1(2), 437A.3, 437A.6, 437A.7, 437A.15, 476.1B


28F.1 Scope of chapter — limitations.
28F.2 Definitions.
28F.3 Revenue bonds.
28F.4 Use of proceeds — negotiability.
28F.5 Source of payment — rates and charges, pledge of revenues.
28F.6 Bonds not debts of the public agencies.
28F.7 Construction and operation of project.
28F.8 Details of revenue bonds.
28F.9 Issuance of interim notes.
28F.10 Refunding bonds.
28F.11 Eminent domain.
28F.12 Additional powers of the entity.
28F.13 Laws applicable.
28F.14 Hydroelectric utilities — eminent domain — contracts.


**28F.1 Scope of chapter — limitations.**

1. This chapter provides a means for the joint financing by public agencies of works or facilities useful and necessary for the collection, treatment, purification, and disposal in a sanitary manner of liquid and solid waste, sewage, and industrial waste, facilities used for the conversion of solid waste to energy, and also electric power facilities constructed within the state of Iowa, except that hydroelectric power facilities may also be located in the waters and on the dams of or on land adjacent to either side of the Mississippi or Missouri river bordering the state of Iowa, water supply systems, swimming pools or golf courses. This chapter applies to the acquisition, construction, reconstruction, ownership, operation, repair, extension, or improvement of such works or facilities, by a separate administrative or legal entity created pursuant to chapter 28E or chapter 389. When the legal entity created under this chapter is comprised solely of cities, counties, and sanitary districts established under chapter 358, or any combination thereof or any combination of the foregoing with other public agencies, the entity shall be both a corporation and a political subdivision with the name under which it was organized. The legal entity may sue and be sued, contract, acquire and hold real and personal property necessary for corporate purposes, adopt a corporate seal and alter the seal at pleasure, and execute all the powers conferred in this chapter.

2. A city shall not join an entity created under this chapter for the purpose of financing electric power facilities unless that city had established a municipal electric utility as of July 1, 1984. Power supplied by a municipal power agency shall not be furnished to a municipal utility not existing as of July 1, 1984.

[C71, 73, 75, 77, 79, 81, S81, §28F.1; 81 Acts, ch 31, §1]

83 Acts, ch 127, §4; 85 Acts, ch 78, §2; 87 Acts, ch 225, §402; 91 Acts, ch 168, §1; 2010 Acts, ch 1018, §3

Referred to in §28F.2, 28F.3, 28F.13, 28F.14, 389.3, 390.11

**28F.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Electric power agency"* means an entity financing or acquiring electric power facilities pursuant to this chapter or chapter 28E.

2. *"Project"* or *"projects"* means any works or facilities referred to in section 28F.1 and shall include all property real and personal, pertinent thereto or connected with such project or projects, and the existing works or facilities, if any, to which such project or projects are an extension, addition, betterment, or improvement.

3. *"Public agency"*, *"state"*, and *"private agency"* shall have the meanings prescribed by section 28E.2.

[C71, 73, 75, 77, 79, 81, S81, §28F.2; 81 Acts, ch 31, §7]

2001 Acts, 1st Ex, ch 4, §3, 36; 2010 Acts, ch 1018, §4

Referred to in §12C.1

Electric power agencies, see also chapter 390

**28F.3 Revenue bonds.**

An entity created to carry out an agreement authorizing the joint exercise of those governmental powers enumerated in section 28F.1 shall have power to construct, acquire, own, repair, improve, expand, operate and maintain a project or projects necessary to carry out the purposes of such agreement, and to issue from time to time revenue bonds payable from the revenues derived from such project or projects, or any combination of such projects, to finance the cost or part of the cost of the acquisition, construction, reconstruction, repair, extension or improvement of such project or projects, including the acquisition for the purposes of such agreement, of any property, real or personal or mixed therefor. The power of the entity to issue revenue bonds shall not be exercised until authorized by resolution duly adopted by each of the public agencies participating in such agreement. Public agencies participating in such an agreement may not withdraw or in any way terminate, amend, or modify in any manner to the detriment of the bondholders said agreement if revenue bonds or obligations issued in anticipation of the issuance of said revenue bonds have been issued and are then outstanding and unpaid as provided for herein. Any revenue bonds for the payment and discharge of which, upon maturity or upon redemption prior to maturity, provision has been made through the setting apart in a reserve fund or special trust account created pursuant to this chapter to insure the payment thereof, of moneys sufficient for that purpose or through the irrevocable segregation for that purpose in a sinking fund or other fund or trust account of moneys sufficient therefor, shall be deemed to be no longer outstanding and unpaid within the meaning of any provision of this chapter.

[C71, 73, 75, 77, 79, 81, §28F.3]

Referred to in §28F.4

**28F.4 Use of proceeds — negotiability.**

Revenue bonds may be issued, as provided in section 28F.3, to provide all or any part of the funds required to finance the cost of the acquisition, construction, reconstruction, repair, extension or improvement of any project or projects or other purposes authorized under this chapter and such cost shall include, but shall not be limited to, administrative expenses, acquisition and construction costs, engineering, fiscal or financial and legal expenses, surveys, plans and specifications, interest during such construction, reconstruction, repair, extension or improvement or acquisition and for one year after completion of such construction, reconstruction, repair, extension or improvement or after acquisition of the project or projects, initial reserve funds, acquisition of real or personal property, including franchises, and such other costs as are necessary and incidental to the construction, reconstruction, repair, extension or improvement, or acquisition of such project or projects and the financing thereof. Such an entity shall have the power to retain and enter into agreements with engineers, fiscal agents, financial advisers, attorneys, architects or other consultants or advisers for planning, supervision and financing of such project or projects upon such terms and conditions as shall be deemed advisable and in the best interest of the entity. Bonds issued under the provisions of this chapter are declared to be investment securities under the laws of the state of Iowa.

[C71, 73, 75, 77, 79, 81, §28F.4]

**28F.5 Source of payment — rates and charges, pledge of revenues.**

Such an entity shall have the power to pledge all or part of the net revenues of a project or projects to the payment of the principal of and interest on the bonds issued pursuant to this chapter and shall provide by resolution authorizing the issuance of said bonds that such net revenues of the project or projects shall be set apart in a sinking fund for that purpose and kept separate and distinct from all other revenues of the entity. The principal of and interest on the bonds so issued shall be secured by a pledge of such net revenues of the project or projects in the manner and to the extent provided in the resolution authorizing the issuance of said bonds.

Such an entity shall have the power to fix, establish and maintain such rates, tolls, fees, rentals or other charges and collect the same from the public agencies participating in the agreement or from private agencies or persons for the payment of the services and facilities

provided by said project or projects. Such rates, tolls, fees, rentals or other charges shall be so fixed, established and maintained and revised from time to time whenever necessary as will always provide revenues sufficient to pay the cost of maintaining, repairing and operating the project or projects, to pay the principal of and interest on the bonds then outstanding which are payable therefrom as the same become due and payable, to provide adequate and sufficient reserves therefor, to provide for replacements, depreciations and necessary extensions and enlargements and to provide a margin of safety for the making of such payments and providing such reserves. Notwithstanding the foregoing such an entity shall have the further right to pledge to the payment of the bonds issued pursuant to this chapter, in addition to the net revenues of the project or projects pledged therefor, such other moneys that it may have and which are lawfully available therefor.

In order to pay the rates, tolls, fees, rentals or other charges levied against a public agency by an entity for the payment of the services and facilities provided by a project or projects authorized by this chapter, public agencies participating in such an agreement shall have the power by ordinance to fix, establish and maintain, rates or other charges for the use of and the services and facilities rendered by said project or projects. Such rates or charges may be so fixed, established and maintained and revised from time to time whenever necessary as will always provide such public agencies with sufficient revenue to pay the rates, tolls, fees, rentals or other charges levied against it by the entity for the payments of the services and facilities provided by said project or projects. All such rates or charges to be paid by the owners of real property, if not paid as by the ordinance provided, when due, shall constitute a lien upon such real property served by such project or projects, and shall be collected in the same manner as general taxes.

[C71, 73, 75, 77, 79, 81, §28F.5]

Referred to in §28F.6, 390.16

Collection of taxes, see chapter 445

**28F.6 Bonds not debts of the public agencies.**

The principal of and interest on the bonds issued by an entity under the provisions of this chapter shall be payable solely from and secured by the net revenues of the project or projects and from other funds of the entity lawfully available therefor as provided in section 28F.5 and said bonds shall not in any respect be a general obligation of any public agency participating in said entity nor shall the entity or any public agency participating in said entity be in any manner liable by reason of such net revenues or other funds being insufficient to pay said bonds. All bonds issued by the entity shall contain a recital on their face that neither the payment of the principal nor any part thereof nor any interest thereon constitutes a debt, liability or obligation of any of the public agencies participating in the agreement creating such entity or of the entity itself, except that the entity shall be liable for the payment of such bonds from the net revenues derived from the project or projects and from the other moneys lawfully available therefor and pledged thereto pursuant to the provisions of the resolution which authorized their issuance. Said bonds issued by the entity shall be authorized by resolution which may be adopted at the same meeting at which it was introduced by a majority of the members of the governing body of the entity. The terms, conditions and provisions for the authorization, issuance, sale, and security of said bonds and of the holders thereof shall be set forth in said resolution.

[C71, 73, 75, 77, 79, 81, §28F.6]

**28F.7 Construction and operation of project.**

An entity shall operate, maintain and preserve a project in good repair and working order, and shall construct and operate the project in an efficient and economical manner, provided that the entity may lease or rent a project or any part of a project, or otherwise provide for the construction and operation of a project or any part of a project in the manner and upon the terms as the governing body of the entity directs.

The electric light and power plant and system of any public agency participating in and receiving wholesale power from electric power facilities owned, operated, or financed

pursuant to this chapter shall meet the standards of the national electric safety code of 1968, as amended to and including January 1, 1981, of the national fire protection association.

[C71, 73, 75, 77, 79, 81, S81, §28F.7; 81 Acts, ch 31, §2]

**28F.8 Details of revenue bonds.**

Revenue bonds issued pursuant to this chapter shall bear interest at rates not exceeding those permitted by chapter 74A for revenue bonds issued by a city, may be in one or more series, may bear dates, may mature at times not exceeding forty years from their respective dates, may be payable in a medium of payment, at places within the state, may carry registration privileges, may be subject to terms of prior redemption, with or without premium, may be executed in the manner, may contain terms, covenants and conditions, may be sold at public or private sale in the manner and on terms provided by the entity or may be exchanged for outstanding interim notes, and may be in a form otherwise, as the resolution or subsequent resolutions provide.

[C71, 73, 75, 77, 79, 81, S81, §28F.8; 81 Acts, ch 31, §3]

**28F.9 Issuance of interim notes.**

The entity may borrow money for the purposes for which bonds may be issued, in anticipation of the receipt of the proceeds of the sale of bonds. Notes shall be issued for moneys borrowed under this section, and the notes may be renewed. The notes shall be authorized by resolution of the governing body of the entity and may be issued in denominations, bear interest at rates not exceeding the maximum rate of interest permitted by chapter 74A for pledge orders issued by a city, shall be in a form and shall be executed in a manner, all as the entity prescribes. If the notes are renewal notes, they may be exchanged for notes then outstanding on terms the governing body of the entity determines. Notes may be sold at public or private sale or may be issued to persons furnishing materials and services constituting a part of the cost of the acquisition, construction, reconstruction, repair, extension or improvement of a project. The governing body of the entity may retire any notes from the revenues derived from the project or from other moneys of the entity which are lawfully available for that purpose or from a combination of each, in lieu of retiring them by means of bond proceeds.

[C71, 73, 75, 77, 79, 81, S81, §28F.9; 81 Acts, ch 31, §4]

**28F.10 Refunding bonds.**

Refunding bonds may be issued by an entity in a principal amount sufficient to provide funds for the payment (including premium, if any) of bonds issued by said entity pursuant to the provisions of this chapter to be refunded thereby and the interest thereon and in addition for the payment of all expenses incident to the calling, retiring, or paying of such outstanding bonds to be refunded, such refunding bonds may also finance the construction of a project or projects authorized by this chapter or the improvement, addition, betterment or extension of an existing project or projects so authorized. Said refunding bonds shall not be issued to refund the principal of and interest on any bonds to be refunded unless such bonds mature or are redeemable under their terms within ten years from the date of delivery of the refunding bonds. The proceeds of said refunding bonds to be used for the payment of the principal of, interest on and redemption premiums, if any, on said bonds to be refunded which will not be due and payable immediately shall be deposited in trust for the sole purpose of making such payments in a bank or trust company within the state. Any moneys in such trust fund, prior to the date such funds will be needed for the payment of such principal of, interest on and redemption premiums, if any, of such outstanding bonds to be refunded, may be invested or reinvested as provided in the resolution authorizing said refunding bonds. Refunding bonds shall be issued in the same manner and detail as revenue bonds herein authorized.

[C71, 73, 75, 77, 79, 81, §28F.10]

**28F.11 Eminent domain.**

Any public agency participating in an agreement authorizing the joint exercise of governmental powers pursuant to this chapter may exercise its power of eminent domain

to acquire interests in property, under provisions of law then in effect and applicable to the public agency, for the use of the entity created to carry out the agreement, provided that the power of eminent domain is not used to acquire interests in property which is part of a system of facilities in existence, under construction, or planned, for the generation, transmission or sale of electric power. In the exercise of the power of eminent domain, the public agency shall proceed in the manner provided by chapter 6B. Any interests in property acquired are acquired for a public purpose, as defined in chapter 6A, of the condemning public agency, and the payment of the costs of the acquisition may be made pursuant to the agreement or to any separate agreement between the public agency and the entity or the other public agencies participating in the entity or any of them. Upon payment of costs, any property acquired is the property of the entity.

[C71, 73, 75, 77, 79, 81, S81, §28F.11; 81 Acts, ch 31, §5]
2006 Acts, 1st Ex, ch 1001, §28, 49
Referred to in §28F.14

**28F.12 Additional powers of the entity.**

If the entity is comprised solely of cities, counties, and sanitary districts established under chapter 358 or any combination thereof, the entity shall have in addition to all the powers enumerated in this chapter, the powers which a county has with respect to solid waste disposal projects.

[C77, 79, 81, S81, §28F.12; 81 Acts, ch 117, §1003]
See §331.381, 331.441, 331.461

**28F.13 Laws applicable.**

An entity created to carry out an agreement authorizing the joint exercise of the powers enumerated in section 28F.1 with regard to electric power facilities shall be subject to the provisions of chapter 21, relating to open meetings, chapter 22, relating to the examination of public records, chapter 97B, relating to the Iowa public employees' retirement system and chapter 476A, relating to electric power generators.

[S81, §28F.13; 81 Acts, ch 31, §6]

**28F.14 Hydroelectric utilities — eminent domain — contracts.**

As used in this section, "*hydroelectric utility*" means an entity comprised of any number of public agencies or entities created to carry out an agreement authorizing the joint exercise of any of the governmental powers enumerated in section 28F.1, which owns or operates or proposes to own or operate all or part of a hydroelectric power facility or the capacity or use of a hydroelectric power facility.

In addition to other powers, a hydroelectric utility having complied with chapter 469A shall have the power of eminent domain for the purposes of constructing a hydroelectric utility but before exercising the power it shall first exhaust all efforts to secure the necessary voluntary easements. The hydroelectric utility shall comply with provisions of law then in effect, including section 28F.11, and applicable to those public agencies comprising the hydroelectric utility in connection with the construction of hydroelectric power facilities.

In addition to other powers, the governing body of a hydroelectric utility may purchase all or part of any power plant and may purchase all or part of the capacity, power or energy associated with any power plant owned by, or contract to sell all or part of the hydroelectric utility's power and energy including any surplus to, a public agency or private agency or an entity created to carry out an agreement authorizing the joint exercise of any of the governmental powers enumerated in section 28F.1. Any such entity, public agency, or hydroelectric utility may enter into contracts for the purchase or supply, from any source, of all or a portion of the capacity, power and energy requirements of the entity, public agency or hydroelectric utility on terms and conditions as the governing body of the entity, public agency or hydroelectric utility deems fit, subject to section 476.43. The terms may include provisions for the payment for capacity or output of a facility whether the facility is completed or operating, and for establishing the rights and obligations of all parties to the contract in the event of default. Payments made by an entity, public agency or hydroelectric utility under contracts constitute operating expenses of the entity, public

agency or hydroelectric utility payable from the revenues derived from the electric power plant and systems of the entity, public agency or hydroelectric utility.

85 Acts, ch 78, §1

# CHAPTER 28G

## INTERGOVERNMENTAL SOLID WASTE SERVICES

Referred to in §28A.4


| | | | |
|---|---|---|---|
| 28G.1 | Purpose. | 28G.5 | Revenue bonds. |
| 28G.2 | Definitions. | 28G.6 | Annual report. |
| 28G.3 | Creation of public service monopoly. | 28G.7 | Obligations not excused. |
| | | 28G.8 | Limitation on powers. |
| 28G.4 | Powers of entity. | 28G.9 | Nonapplicability. |


**28G.1 Purpose.**

The purpose of this chapter is to allow two or more local governments to form a public service monopoly when they find that a public service monopoly is an effective means to protect the public health and welfare, and the environment through any of the following:

1. Adequate solid waste collection, transportation, storage and disposal practices which are the only effective means of allowing the construction and utilization of a resource recovery facility for the recycling of solid waste for use as an energy source.

2. The implementation of other solid waste management projects, such as source reduction and recycling, which are part of an approved comprehensive plan required under section 455B.306, and if the formation of a public service monopoly is the only effective means of accomplishing solid waste reduction and recycling. The public service monopoly shall utilize private recycling industries in the service area when possible.

84 Acts, ch 1039, §1; 92 Acts, ch 1215, §1

**28G.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Private agency"* means a private agency as defined in section 28E.2.

2. *"Recyclable materials"* means those materials separated by a person from solid waste incidental to the collection of the solid waste for utilization as raw materials to be manufactured into a new product.

3. *"Solid waste management project"* means a project which is part of the comprehensive plan, approved by the director of the department of natural resources pursuant to section 455B.306, to establish and implement the comprehensive solid waste reduction program of a city or county.

84 Acts, ch 1039, §2; 92 Acts, ch 1215, §2

Referred to in §28G.3, 28G.4

**28G.3 Creation of public service monopoly.**

If two or more local governments find that the only effective means of allowing the construction and utilization of a resource recovery facility for the recycling of solid waste for use as an energy source or to implement solid waste management projects as defined in section 28G.2 is to create a public service monopoly, a legal entity shall be created pursuant to chapter 28E by agreement of two or more local governments to displace competition with regulation and monopoly of a public service for the collection, transportation, storage, and disposal, or diversion of solid waste to the extent reasonably necessary to carry out these functions. The agreement is subject to approval of the environmental protection commission before it becomes effective.

84 Acts, ch 1039, §3; 89 Acts, ch 83, §14; 92 Acts, ch 1215, §3

**28G.4 Powers of entity.**

A legal entity created pursuant to chapter 28E and operating under this chapter has all the rights, powers, privileges, and immunities of local governments relating to the purpose for which it is created. A legal entity operating under this chapter may:

1. Engage in, manage, own, operate, and regulate the collection, transportation, storage, and disposal or diversion of solid waste including, but not limited to, the designation of a specific facility which must be used for the collection, transportation, storage, and disposal or diversion of solid waste within its jurisdiction or geographic area.

2. Grant permits, licenses, or franchises, exclusive or nonexclusive, or a combination of exclusive or nonexclusive franchises, to solid waste management services.

3. Enter into contracts for construction and may contract, license, or permit the construction of resource recovery facilities for recycling of solid waste for an energy source or of facilities necessary to implement solid waste management projects as defined in section 28G.2.

4. Require the use of the resource recovery facilities or of facilities necessary to implement solid waste management projects as defined in section 28G.2, by any person who can be effectively served by the facilities. However, this subsection does not prohibit a private agency from dumping or depositing solid waste resulting from its own residential, farming, manufacturing, mining, or commercial activities on land owned or leased by it if the action does not violate any statute of this state or rules adopted by the environmental protection commission or local boards of health or local ordinances.

84 Acts, ch 1039, §4; 92 Acts, ch 1215, §4

**28G.5 Revenue bonds.**

A legal entity operating under this chapter may issue bonds as provided under chapter 28F for the planning, design, acquisition, construction, reconstruction, improvement, equipping, and furnishing of a solid waste management project as authorized under this chapter.

84 Acts, ch 1039, §5

**28G.6 Annual report.**

A legal entity created pursuant to chapter 28E and operating under this chapter shall report annually to the department of natural resources. The report shall include information on permits, licenses or franchises granted by the legal entity, contracts entered into, and other information requested by the environmental protection commission.

84 Acts, ch 1039, §6; 88 Acts, ch 1134, §17

**28G.7 Obligations not excused.**

This chapter does not exempt a legal entity from obtaining any approval, permit or license otherwise required by ordinance or state law.

84 Acts, ch 1039, §7

**28G.8 Limitation on powers.**

A legal entity operating under this chapter shall not require the incineration of recyclable materials.

84 Acts, ch 1039, §8

**28G.9 Nonapplicability.**

Chapter 553 does not apply to a legal entity operating under this chapter.

84 Acts, ch 1039, §9

# CHAPTER 28H

## COUNCILS OF GOVERNMENTS


| | | | |
|---|---|---|---|
| 28H.1 | Councils of governments established. | 28H.4 | Membership — liability of members. |
| 28H.2 | Work program — coordination. | 28H.5 | Agreements with other agencies. |
| 28H.3 | Duties. | | |


**28H.1 Councils of governments established.**

For purposes of this chapter, a council of governments includes the following areas established by executive order number 11, 1968 or a chapter 28E agreement:

1. Upper explorerland regional planning commission serving Allamakee, Clayton, Fayette, Howard, and Winneshiek counties.
2. North Iowa area council of governments serving Cerro Gordo, Floyd, Franklin, Hancock, Kossuth, Mitchell, Winnebago, and Worth counties.
3. Northwest Iowa planning and development commission serving Buena Vista, Clay, Dickinson, Emmet, Lyon, O'Brien, Osceola, Palo Alto, and Sioux counties.
4. Siouxland interstate metropolitan planning council serving Ida, Monona, Plymouth, Woodbury, and Cherokee counties.
5. MIDAS council of governments serving Calhoun, Hamilton, Humboldt, Pocahontas, Webster, and Wright counties.
6. Region six planning commission serving Hardin, Poweshiek, Tama, and Marshall counties.
7. Iowa northland regional council of governments serving Black Hawk, Bremer, Buchanan, Butler, Chickasaw, and Grundy counties.
8. East central intergovernmental association serving Cedar, Clinton, Delaware, Dubuque, and Jackson counties.
9. Bi-state metropolitan planning commission serving Scott and Muscatine counties.
10. East central Iowa council of governments serving Benton, Iowa, Johnson, Jones, Linn, and Washington counties.
11. Region twelve council of governments serving Audubon, Carroll, Crawford, Greene, Guthrie, and Sac counties.
12. Southwest Iowa planning council serving Cass, Fremont, Harrison, Montgomery, Page, and Shelby counties.
13. Southern Iowa council of governments serving Adair, Adams, Clarke, Decatur, Madison, Ringgold, Taylor, and Union counties.
14. Area fifteen regional planning commission serving Davis, Jefferson, Keokuk, Mahaska, Van Buren, and Wapello counties.
15. Southeast Iowa regional planning commission serving Des Moines, Henry, Lee, and Louisa counties.
16. Metropolitan area planning agency serving Mills and Pottawattamie counties.
17. Chariton valley council of governments serving Appanoose, Lucas, Monroe, and Wayne counties.

90 Acts, ch 1157, §1; 90 Acts, ch 1262, §40; 2007 Acts, ch 76, §1, 2; 2011 Acts, ch 34, §13

Referred to in §28H.3

Boone, Dallas, Jasper, Marion, Polk, Story, and Warren counties, or combinations of these, may form councils of governments or associate with any existing councils of governments; 90 Acts, ch 1157, §6; 90 Acts, ch 1262, §41

**28H.2 Work program — coordination.**

1. Each council of governments shall adopt each year a work program to establish guidelines for delivery of services and activities to communities in the area. The work program shall include but is not limited to the following:

*a.* Cooperation in delivery of community development programs and services to units of local government.

*b.* Cooperation with the regional coordinating council in the development of plans and programs for community development.

2. The councils of governments shall receive information and recommendations on issues

of regional economic importance from the regional coordinating council for possible use in the regional community development plan.

90 Acts, ch 1157, §2; 2009 Acts, ch 82, §15

**28H.3 Duties.**

A council of governments shall perform, but is not limited to, the following duties:

1. Provide planning services or technical assistance to the region defined in section 28H.1.

2. Coordinate regional community development planning to assist community development and planning.

3. Coordinate delivery of community development programs and services with local, state, and federal programs and activities.

4. Prepare a regional community development plan which shall be updated annually. The plan shall include but is not limited to the following:

*a.* Inventory and needs assessment of regional infrastructure.

*b.* Labor supply.

*c.* Cultural and fine arts resources.

*d.* Housing.

*e.* Primary health care services.

*f.* Natural resources, conservation, and recreational facilities.

*g.* Region-wide development opportunities.

90 Acts, ch 1157, §3

**28H.4 Membership — liability of members.**

1. Membership, appointments, and terms of office shall be governed by bylaws adopted by each council of governments.

2. A director, officer, employee, member, trustee, or volunteer of a council of governments is not liable for the debts or obligations of the council of governments. A director, officer, employee, member, trustee, or volunteer is not personally liable for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for acts or omissions which involve intentional misconduct or knowing violation of the law, or for a transaction for which the person derives an improper personal benefit.

90 Acts, ch 1157, §4

**28H.5 Agreements with other agencies.**

A council of governments shall be considered a public agency for the purpose of chapter 28E. A council of governments may enter into an agreement under chapter 28E with another council of governments, community college, or other public agency for the purpose of community development and planning.

90 Acts, ch 1157, §5

# CHAPTER 28I

## METROPOLITAN OR REGIONAL PLANNING COMMISSIONS

Referred to in §97B.1A, 331.304


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**28I.1 Authority of governing bodies — joint commission.**

The governing bodies of two or more adjoining cities, independently or together with the governing body or bodies of the county or counties within which such cities are located, or the

governing bodies of two or more adjoining counties, or a county and its major city or cities, or the governing bodies of one or more counties together with the governing bodies of one or more cities adjoining such county or counties, or any of the above together with a school district, benefited water district, benefited fire district, sanitary district or any other similar district which may be formed under an Act of the legislature may cooperate in the creation of a joint planning commission which may be designated to be a regional or metropolitan planning commission, as agreed among the governing bodies. The governing bodies of cities, counties, school districts or other governmental units may cooperate with the governing bodies of the cities and counties or other authorized governing bodies of any adjoining state or states in the creation of such a joint planning commission where such cooperation has been authorized by law by the adjoining state or states.

The joint planning commission shall be separate and apart from the governmental units creating it, may sue and be sued, contract for the purchase and sale of real and personal property necessary for its purposes, and shall be a juristic entity as the term is used in section 97C.2, subsection 6.

[C66, 71, 73, 75, 77, 79, 81, §473A.1]
C91, §28I.1

**28I.2 Membership.**

The commission shall have not less than five members, appointed by the governing bodies of the area served by the commission. A majority of the members of the commission may be citizens who hold no other public office or position except appointive membership on a city plan commission or other planning commission, board or agency. Citizen members shall be appointed for overlapping terms of not less than three nor more than five years or thereafter until their successors are appointed. The appointing governing bodies shall determine the amount of compensation, if any, to be paid to the members of a commission. Any vacancy in the membership of a commission shall be filled for the unexpired term in the same manner as the initial appointment. The governing bodies shall have authority to remove any member for cause stated in writing and after a public hearing.

[C66, 71, 73, 75, 77, 79, 81, §473A.2]
C91, §28I.2

**28I.3 Organization.**

The joint planning commission shall elect one of its members as chairperson who shall serve for one year or until the chairperson is reelected or the chairperson's successor is elected. The commission shall appoint a secretary who may be an officer or an employee of a governing body or of the commission. The members of the commission shall meet not less than four times a year at the call of the chairperson and at such other times as the chairperson or the members of the commission shall determine, shall adopt rules for the transaction of business, and shall keep a record of their resolutions, transactions, findings and determinations, which record shall be a public record. The commission may employ such employees and staff as it may deem necessary for its work, including a director of planning and consultants. In the performance of its duties, the commission may cooperate with, contract with, and accept and expend funds from federal, state, or local agencies, public or semipublic agencies, or private individuals or corporations, and may carry out such cooperative undertakings and contract. It may enter into other contracts and make expenditures for the purchase of required equipment and supplies, and exercise all other powers necessary to carry out the purposes of this chapter. The expenditures of the commission, exclusive of gifts or grants to the commission or its contract receipts, shall be within the amounts appropriated or provided to the commission by the governing bodies of the area served by the commission, who are empowered to determine, agree upon, and appropriate funds for the payment of the expenses of the commission of their respective shares thereof. The governing bodies of the area served by the commission shall cooperate with the commission and may aid the commission by furnishing staff, services and property.

[C66, 71, 73, 75, 77, 79, 81, §473A.3]
C91, §28I.3

**28I.4 Powers and duties.**

1. The commission shall have the power and duty to make comprehensive studies and plans for the development of the area it serves which will guide the unified development of the area and which will eliminate planning duplication and promote economy and efficiency in the coordinated development of the area and the general welfare, convenience, safety, and prosperity of its people. The plan or plans collectively shall be known as the regional or metropolitan development plan. The plans for the development of the area may include but shall not be limited to recommendations with respect to existing and proposed highways, bridges, airports, streets, parks and recreational areas, schools and public institutions and public utilities, public open spaces, and sites for public buildings and structures; districts for residence, business, industry, recreation, agriculture, and forestry; water supply, sanitation, drainage, protection against floods and other disasters; areas for housing developments, slum clearance and urban renewal and redevelopment; location of private and public utilities, including but not limited to sewerage and water supply systems; and such other recommendations concerning current and impending problems as may affect the area served by the commission. Time and priority schedules and cost estimates for the accomplishment of the recommendations may also be included in the plans. The plans shall be made with consideration of the smart planning principles under section 18B.1. The plans shall be based upon and include appropriate studies of the location and extent of present and anticipated populations; social, physical, and economic resources, problems and trends; and governmental conditions and trends. The commission is also authorized to make surveys, land-use studies, and urban renewal plans, provide technical services and other planning work for the area it serves and for cities, counties, and other political subdivisions in the area. A plan or plans of the commission may be adopted, added to, and changed from time to time by a majority vote of the planning commission. The plan or plans may in whole or in part be adopted by the governing bodies of the cooperating cities and counties as the general plans of such cities and counties. The commission may also assist the governing bodies and other public authorities or agencies within the area it serves in carrying out any regional plan or plans, and assist any planning commission, board or agency of the cities and counties and political subdivisions in the preparation or effectuation of local plans and planning consistent with the program of the commission. The commission may cooperate and confer, as far as possible, with planning agencies of other states or of regional groups of states adjoining its area.

2. A planning commission formed under the provisions of this chapter shall, upon designation as such by the governor, serve as a district, regional, or metropolitan agency for comprehensive planning for its area for the purpose of carrying out the functions as defined for such an agency by federal, state, and local laws and regulations.

[C66, 71, 73, 75, 77, 79, 81, §473A.4]
C91, §28I.4
2010 Acts, ch 1184, §19

**28I.5 Plans distributed.**

Copies of the plan or plans and amendments or revisions of a plan or plans prepared by a commission may be transmitted by the commission to the chief administrative officers, the legislative bodies, the planning commissions, boards or agencies of the counties and cities, within its area, and to regional or metropolitan planning commissions established for adjoining areas. A commission may make copies of its plan or plans or parts of plans available for general distribution or sale, and may advise and supply information, as far as available, to persons and organizations who may request such advice and information and who are concerned with the area's development problems. It may also provide information to state and local agencies and to the public at large, in order to foster public awareness and understanding of the objectives of regional or metropolitan planning, and in order to stimulate public interest and participation in the orderly, integrated development of the area served by the commission.

[C66, 71, 73, 75, 77, 79, 81, §473A.5]
C91, §28I.5

**28I.6 Filing documents with commission.**

To facilitate effective and harmonious planning of the region or metropolitan area, all governing bodies in the area served by a commission, and all county and city planning commissions, boards or agencies in the area may file with the commission, for its information, all county or city plans, zoning ordinances, official maps, building codes, subdivision regulations, or amendments or revisions of them, as well as copies of their regular and special reports dealing in whole or in part with planning matters. County or city governing bodies, or county or city local planning commissions, boards or agencies may also submit proposals to a commission for such plans, ordinances, maps, codes, regulations, amendments or revisions prior to their adoption, in order to afford an opportunity to the commission to study such proposals and to render advice thereon.

[C66, 71, 73, 75, 77, 79, 81, §473A.6]

C91, §28I.6

**28I.7 Construction of provisions.**

Nothing in this chapter shall be construed to remove or limit the powers of the cooperating cities, counties, school districts, benefited water districts, benefited fire districts, sanitary districts, or similar districts as provided by state law. All legislative power with respect to zoning and other planning legislation shall remain with the governing body of the cooperative cities and counties. Each participating city or county may continue to have its own planning commission or board but may under the joint agreement and in the interest of economy and efficiency and in the interest of uniform standards and procedures, request the metropolitan or regional planning commission to assume duties and functions of local planning agencies in whole or in part. The metropolitan or regional planning commission shall have the duty and function of promoting public interest and understanding of the economic and social necessity for long-term coordinated planning for the metropolitan or regional area, but its official recommendations shall be made to the governing bodies of the cooperating cities, counties, school districts, benefited water districts, benefited fire districts, sanitary districts, or similar districts.

[C66, 71, 73, 75, 77, 79, 81, §473A.7]

C91, §28I.7

**28I.8 Contracts for planning.**

A metropolitan planning commission may contract with professional consultants, the economic development authority or the federal government, for local planning assistance.

[C62, 66, 71, 73, §373.21; C75, 77, 79, 81, §473A.8]

C91, §28I.8

2011 Acts, ch 118, §85, 89

# CHAPTER 28J

## PORT AUTHORITIES

Referred to in §12.30


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**28J.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Authorized purposes"* means an activity that enhances, fosters, aids, provides, or promotes transportation, economic development, housing, recreation, education, governmental operations, culture, or research within the jurisdiction of a port authority.

2. *"Board"* means the board of directors of a port authority established pursuant to section 28J.2.

3. *"City"* means the same as defined in section 362.2.

4. *"Construction"* means alteration, creation, development, enlargement, erection, improvement, installation, reconstruction, remodeling, and renovation.

5. *"Contracting governmental agency"* means any governmental agency or taxing district of the state that, by action of its legislative authority, enters into an agreement with a port authority pursuant to section 28J.17.

6. *"Cost"* as applied to a port authority facility means any of the following:

*a.* The cost of construction contracts, land, rights-of-way, property rights, easements, franchise rights, and interests required for acquisition or construction.

*b.* The cost of demolishing or removing any buildings or structures on land, including the cost of acquiring any lands to which those buildings or structures may be moved.

*c.* The cost of diverting a highway, interchange of a highway, and access roads to private property, including the cost of land or easements, and relocation of a facility of a utility company or common carrier.

*d.* The cost of machinery, furnishings, equipment, financing charges, interest prior to and during construction and for no more than twelve months after completion of construction, engineering, and expenses of research and development with respect to a facility.

*e.* Legal and administrative expenses, plans, specifications, surveys, studies, estimates of cost and revenues, engineering services, and other expenses necessary or incident to determining the feasibility or practicability of acquiring or constructing a facility.

*f.* The interest upon the revenue bonds and pledge orders during the period or estimated period of construction and for twelve months thereafter, or for twelve months after the acquisition date, reserve funds as the port authority deems advisable in connection with a facility and the issuance of port authority revenue bonds and pledge orders.

*g.* The costs of issuance of port authority revenue bonds and pledge orders.

*h.* The cost of diverting a rail line, rail spur track, or rail spur track switch, including the cost of land or easements, and relocation of a facility of a utility company or common carrier.

*i.* The cost of relocating an airport's runways, terminals, and related facilities including the cost of land or easements, and relocation of a facility of a utility company or common carrier.

7. *"Facility"* or *"port authority facility"* means real or personal property owned, leased, or otherwise controlled or financed by a port authority and related to or in furtherance of one or more authorized purposes.

8. *"Governmental agency"* means a department, division, or other unit of state government of this state or any other state, city, county, township, or other governmental subdivision, or any other public corporation or agency created under the laws of this state, any other state, the United States, or any department or agency thereof, or any agency, commission, or authority established pursuant to an interstate compact or agreement or combination thereof.

9. *"Person"* means the same as defined in section 4.1.

10. *"Pledge order"* means a promise to pay out of the net revenues of a port authority, which is delivered to a contractor or other person in payment of all or part of the cost of a facility.

11. *"Political subdivision"* means a city, county, city-county consolidation, or multicounty consolidation, or combination thereof.

12. *"Political subdivisions comprising the port authority"* means the political subdivisions which created or participated in the creation of the port authority under section 28J.2, or which joined an existing port authority under section 28J.4.

13. *"Port authority"* means an entity created pursuant to section 28J.2.

14. *"Port authority revenue bonds"* means revenue bonds and revenue refunding bonds issued pursuant to section 28J.21.

15. *"Public roads"* means all public highways, roads, and streets in this state, whether maintained by the state or by a county or city.

16. *"Revenues"* means rental fees and other charges received by a port authority for the use or services of a facility, a gift or grant received with respect to a facility, moneys received with respect to the lease, sublease, sale, including installment sale or conditional sale, or other disposition of a facility, moneys received in repayment of and for interest on any loans made by the port authority to a person or governmental agency, proceeds of port authority revenue bonds for payment of principal, premium, or interest on the bonds authorized by the port authority, proceeds from any insurance, condemnation, or guarantee pertaining to the financing of the facility, and income and profit from the investment of the proceeds of port authority revenue bonds or of any revenues.

2005 Acts, ch 150, §89

**28J.2 Creation and powers of port authority.**

1. Two or more political subdivisions may create a port authority under this chapter by resolution. If a proposal to create a port authority receives a favorable majority of the members of the elected legislative body of each of the political subdivisions, the port authority is created at the time provided in the resolution. The jurisdiction of a port authority includes the territory described in section 28J.8.

2. A port authority created pursuant to this section may sue and be sued, complain, and defend in its name and has the powers and jurisdiction enumerated in this chapter.

3. At the time a port authority is created pursuant to this section, the political subdivisions comprising the port authority may restrict the powers granted the port authority pursuant to this chapter by specifically adopting such restrictions in the resolution creating the port authority.

4. The political subdivisions comprising the port authority whose powers have been restricted pursuant to subsection 3 may at any time adopt a resolution to grant additional powers to the port authority, so long as the additional powers do not exceed the powers permitted under this chapter.

2005 Acts, ch 150, §90; 2006 Acts, ch 1010, §16

Referred to in §28J.1, 28J.5, 28J.11, 28J.15, 427.1(34)

**28J.3 Appropriation and expenditure of public funds — dissolution.**

1. The political subdivisions comprising a port authority may appropriate and expend public funds to finance or subsidize the operation and authorized purposes of the port authority. A port authority shall control tax revenues allocated to the facilities the port

authority administers and all revenues derived from the operation of the port authority, the sale of its property, interest on investments, or from any other source related to the port authority.

2. All revenues received by the port authority shall be held in a separate fund in a manner agreed to by the political subdivisions comprising the port authority. Revenues may be paid out only at the direction of the board of directors of the port authority.

3. A port authority shall comply with section 331.341, subsections 1, 2, 4, and 5, and section 331.342, when contracting for public improvements.

4. Subject to making due provisions for payment and performance of any outstanding obligations, the political subdivisions comprising the port authority may dissolve the port authority, and transfer the property of the port authority to the political subdivisions comprising the port authority in a manner agreed upon between the political subdivisions comprising the port authority prior to the dissolution of the port authority.

2005 Acts, ch 150, §91

**28J.4 Joining an existing port authority.**

1. A political subdivision which is contiguous to either a political subdivision which participated in the creation of the port authority or a political subdivision which proposes to join the port authority at the same time which is contiguous to a political subdivision which participated in the creation of the port authority may join the port authority by resolution.

2. If more than one such political subdivision proposes to join the port authority at the same time, the resolution of each such political subdivision shall designate the political subdivisions which are to be so joined.

3. Any territory or city not included in a port authority which is annexed to a city included within the jurisdiction of a port authority shall, on such annexation and without further proceedings, be annexed to and be included in the jurisdiction of the port authority.

4. Before a political subdivision is joined to a port authority, other than by annexation to a city, the political subdivisions comprising the port authority shall agree upon the terms and conditions pursuant to which such political subdivision is to be joined.

5. For the purpose of this chapter, such political subdivision shall be considered to have participated in the creation of the port authority, except that the initial term of any director of the port authority appointed by a joining political subdivision shall be four years.

6. After each resolution proposing a political subdivision to join a port authority has become effective and the terms and conditions of joining the port authority have been agreed to, the board of directors of the port authority shall by resolution either accept or reject the proposal. Such proposal to join a port authority shall be effective upon adoption of the resolution by the board of directors of the port authority and thereupon the jurisdiction of the port authority includes the joining political subdivision.

2005 Acts, ch 150, §92

Referred to in §28J.1

**28J.5 Membership of board of directors.**

1. A port authority created pursuant to section 28J.2 shall be governed by a board of directors. Members of a board of directors of a port authority shall be divided among the political subdivisions comprising the port authority in such proportions as the political subdivisions may agree and shall be appointed by the respective political subdivision's elected legislative body.

2. The number of directors comprising the board shall be determined by agreement between the political subdivisions comprising the port authority, and which number may be changed by resolution of the political subdivisions comprising the port authority.

3. A majority of the directors shall have been qualified electors of, or owned a business or been employed in, one or more political subdivisions within the area of the jurisdiction of the port authority for a period of at least three years preceding appointment.

4. The directors of a port authority first appointed shall serve staggered terms. Thereafter each successor director shall serve for a term of four years, except that any person appointed

to fill a vacancy shall be appointed to only the unexpired term. A director is eligible for reappointment.

5. The board may provide procedures for the removal of a director who fails to attend three consecutive regular meetings of the board. If a director is so removed, a successor shall be appointed for the remaining term of the removed director in the same manner provided for the original appointment. The appointing body may at any time remove a director appointed by it for misfeasance, nonfeasance, or malfeasance in office.

6. The board may adopt bylaws and shall elect one director as chairperson and one director as vice chairperson, designate terms of office, and appoint a secretary who need not be a director.

7. A majority of the board of directors shall constitute a quorum for the purpose of holding a meeting of the board. The affirmative vote of a majority of a quorum shall be necessary for any action taken by the port authority unless the board determines that a greater number of affirmative votes is necessary for particular actions to be taken by the port authority. A vacancy in the membership of the board shall not impair the rights of a quorum to exercise all the rights and perform all the duties of the port authority.

8. Each director shall be entitled to receive from the port authority such sum of money as the board may determine as compensation for services as a director and reimbursement for reasonable expenses in the performance of official duties.

2005 Acts, ch 150, §93

**28J.6 Civil immunity of directors.**

A director of a port authority shall not be personally liable for any monetary damages that arise from actions taken in the performance of the director's official duties, except for acts or omissions that are not in good faith or that involve intentional misconduct, a knowing violation of law, or any transaction from which the director derived an improper personal benefit.

2005 Acts, ch 150, §94

**28J.7 Employees, advisory board, peace officers.**

1. A port authority shall employ and fix the qualifications, duties, and compensation of any employees and enter into contracts for any services that may be required to conduct the business of the port authority, and may appoint an advisory board, which shall serve without compensation.

2. An employee of a port authority is a public employee for the purposes of collective bargaining under chapter 20.

3. *a.* A port authority may provide for the administration and enforcement of the laws of the state by employing peace officers who shall have all the powers conferred by law on peace officers of this state with regard to the apprehension of violators upon all property under its control within and without the port authority. The peace officers may seek the assistance of other appropriate law enforcement officers to enforce port authority rules and maintain order.

*b.* Peace officers employed by a port authority shall meet all requirements established for police officers under chapter 400 and shall be considered police officers for the purposes of chapter 411.

*c.* Peace officers employed by a port authority shall serve as a peace officer force with respect to the property, grounds, buildings, equipment, and facilities under the control of the port authority, to prevent hijacking of aircraft or watercraft, protect the property of the authority and the property of others located thereon, suppress nuisances and disturbances and breaches of the peace, and enforce laws and the rules of the port authority for the preservation of good order. Peace officers are vested with the same powers of arrest as peace officers under section 804.7.

4. If an employee of a political subdivision comprising the port authority is transferred to a comparable position with the port authority, the employee is entitled to suffer no loss in pay, pension, fringe benefits, or other benefits and shall be entitled to a comparable rank and grade as the employee's prior position. Sick leave, longevity, and vacation time accrued to

such employees shall be credited to them as employees of the port authority. All rights and accruals of such employees as members of the Iowa public employees' retirement system pursuant to chapter 97B and the retirement system for police officers pursuant to chapter 411 shall remain in force and shall be automatically transferred to the port authority.

2005 Acts, ch 150, §95; 2006 Acts, ch 1030, §8

**28J.8 Area of jurisdiction.**

1. The area of jurisdiction of a port authority shall include all of the territory of the political subdivisions comprising the port authority and, if the port authority owns or leases a railroad line or airport, the territory on which the railroad's line, terminals, and related facilities or the airport's runways, terminals, and related facilities are located, regardless of whether the territory is located in the political subdivisions comprising the port authority.

2. A political subdivision that has created a port authority or joined an existing port authority shall not be included in any other port authority.

2005 Acts, ch 150, §96

Referred to in §28J.2

**28J.9 Powers of port authority.**

A port authority may exercise all of the following powers:

1. Adopt bylaws for the regulation of the port authority's affairs and the conduct of the port authority's business.

2. Adopt an official seal.

3. Maintain a principal office and branch offices within the port authority's jurisdiction.

4. Acquire, construct, furnish, equip, maintain, repair, sell, exchange, lease, lease with an option to purchase, convey interests in real or personal property, and operate any property of the port authority in connection with transportation, recreational, governmental operations, or cultural activities in furtherance of an authorized purpose.

5. Straighten, deepen, and improve any channel, river, stream, or other watercourse or way which may be necessary or proper in the development of the facilities of the port authority.

6. Make available the use or services of any facility of the port authority to any person or governmental agency.

7. Issue bonds or pledge orders pursuant to the requirements and limitations in section 28J.21.

8. Issue port authority revenue bonds beyond the limit of bonded indebtedness provided by law, payable solely from revenues as provided in section 28J.21, for the purpose of providing funds to pay the costs of any facility or facilities of the port authority or parts thereof.

9. Apply to the proper authorities of the United States for the right to establish, operate, and maintain foreign trade zones and establish, operate, and maintain foreign trade zones and to acquire, exchange, sell, lease to or from, lease with an option to purchase, or operate facilities, land, or property in accordance with the federal Foreign Trade Zones Act, 19 U.S.C. § 81a – 81u.

10. Enjoy and possess the same legislative and executive rights, privileges, and powers granted cities under chapter 364 and counties under chapter 331, including the exercise of police power but excluding the power to levy taxes.

11. Maintain such funds as it considers necessary and adhere to the public funds investment standards of chapter 12B, as applicable.

12. Direct port authority agents or employees, after at least five days' written notice, to enter upon lands within the port authority's jurisdiction to make surveys and examinations preliminary to location and construction of works for the port authority, without liability of the port authority or its agents or employees except for actual damages.

13. Promote, advertise, and publicize the port authority and its facilities, and provide information to shippers and other commercial interests.

14. Adopt bylaws, not in conflict with state or federal law, necessary or incidental to the

performance of the duties of and the execution of the powers of the port authority under this chapter.

15. Do any of the following in regard to interests in real or personal property, including machinery, equipment, plants, factories, offices, and other structures and facilities related to or in furtherance of any authorized purpose as the board in its sole discretion may determine:

*a.* Loan money to any person or governmental agency for the acquisition, construction, furnishing, or equipping of the property.

*b.* Acquire, construct, maintain, repair, furnish, or equip the property.

*c.* Sell to, exchange with, lease, convey other interests in, or lease with an option to purchase the same or any lesser interest in the property to the same or any other person or governmental agency.

*d.* Guarantee the obligations of any person or governmental agency.

*e.* Accept and hold as consideration for the conveyance of property or any interest therein such property or interests therein as the board may determine, notwithstanding any restrictions that apply to the investment of funds by a port authority.

16. Sell, lease, or convey other interests in real and personal property, and grant easements or rights-of-way over property of the port authority. The board shall specify the consideration and terms for the sale, lease, or conveyance of other interests in real and personal property. A determination made by the board under this subsection shall be conclusive. The sale, lease, or conveyance may be made without advertising and the receipt of bids.

17. Enter into an agreement with a political subdivision comprising the port authority for the political subdivision to exercise its right of eminent domain pursuant to chapters 6A and 6B on behalf of the port authority. However, a condemnation exercised on behalf of a port authority pursuant to this subsection shall not take or disturb property or a facility belonging to a governmental agency, utility company, or common carrier, which property or facility is necessary and convenient in the operation of the governmental agency, utility company, or common carrier, unless provision is made for the restoration, relocation, or duplication of such property or facility, or upon the election of the governmental agency, utility company, or common carrier, for the payment of compensation, if any, at the sole cost of the port authority, provided that both of the following apply:

*a.* If a restoration or duplication proposed to be made under this subsection involves a relocation of the property or facility, the new facility and location shall be of at least comparable utilitarian value and effectiveness and shall not impair the ability of the utility company or common carrier to compete in its original area of operation.

*b.* If a restoration or duplication made under this subsection involves a relocation of the property or facility, the port authority shall acquire no interest or right in or to the appropriated property or facility, until the relocated property or facility is available for use and until marketable title thereto has been transferred to the utility company or common carrier.

18. *a.* Make and enter into all contracts and agreements and execute all instruments necessary or incidental to the performance of the duties of and the execution of powers of the port authority under this chapter.

*b.* Except as provided in paragraph "*c*", when the cost of a contract for the construction of a building, structure, or other improvement undertaken by a port authority involves an expenditure exceeding the competitive bid threshold in section 26.3, or as established in section 314.1B, and the port authority is the contracting entity, the port authority shall make a written contract after notice calling for bids for the award of the contract has been given by publication twice, with at least seven days between publications, in a newspaper of general circulation in the area of the port authority. Each such contract shall be let to the lowest responsive and responsible bidder. Every contract shall be accompanied by or shall refer to plans and specifications for the work to be done, prepared for and approved by the port authority, and signed by an authorized officer of the port authority and by the contractor.

*c.* The board of directors may provide criteria for the negotiation and award without competitive bidding of any contract as to which the port authority is the contracting entity

for the construction of any building or structure or other improvement under any of the following circumstances:

(1) A real and present emergency exists that threatens damage or injury to persons or property of the port authority or other persons, provided that a statement specifying the nature of the emergency that is the basis for the negotiation and award of a contract without competitive bidding shall be signed by the officer of the port authority that executes that contract at the time of the contract's execution and shall be attached to the contract.

(2) A commonly recognized industry or other standard or specification does not exist and cannot objectively be articulated for the improvement.

(3) The contract is for any energy conservation measure as defined in section 7D.34.

(4) With respect to material to be incorporated into the improvement, only a single source or supplier exists for the material.

(5) A single bid is received by the port authority after complying with the provisions of paragraph "*b*".

*d.* (1) If a contract is to be negotiated and awarded without competitive bidding for the reason set forth in paragraph "*c*", subparagraph (2), the port authority shall publish a notice calling for technical proposals at least twice, with at least seven days between publications, in a newspaper of general circulation in the area of the port authority. After receipt of the technical proposals, the port authority may negotiate with and award a contract for the improvement to the person making the proposal considered to be the most advantageous to the port authority.

(2) If a contract is to be negotiated and awarded without competitive bidding for the reason set forth in paragraph "*c*", subparagraph (4), construction activities related to the incorporation of the material into the improvement also may be provided without competitive bidding by the source or supplier of that material.

*e.* A purchase, exchange, sale, lease, lease with an option to purchase, conveyance of other interests in, or other contract with a person or governmental agency that pertains to the acquisition, construction, maintenance, repair, furnishing, equipping, or operation of any real or personal property, related to or in furtherance of economic development and the provision of adequate housing, shall be made in such manner and subject to such terms and conditions as may be determined in the board's discretion. This paragraph applies to all contracts that are subject to this section, notwithstanding any other provision of law that might otherwise apply, including a requirement of notice, competitive bidding or selection, or for the provision of security. However, this paragraph shall not apply to a contract secured exclusively by or to be paid exclusively from the general revenues of the port authority. For the purposes of this paragraph, any revenues derived by the port authority under a lease or other agreement that, by its terms, contemplates the use of amounts payable under the agreement either to pay the costs of the improvement that is the subject of the contract or to secure obligations of the port authority issued to finance costs of such improvement, are excluded from general revenues.

19. Employ managers, superintendents, and other employees and retain or contract with consulting engineers, financial consultants, accounting experts, architects, attorneys, and any other consultants and independent contractors as are necessary in the port authority's judgment to carry out this chapter, and fix the compensation thereof. All expenses thereof shall be payable from any available funds of the port authority or from funds appropriated for that purpose by the political subdivisions comprising the port authority.

20. Receive and accept from a governmental agency grants and loans for the construction of a port authority facility, for research and development with respect to a port authority facility, or any other authorized purpose, and receive and accept aid or contributions from any source of moneys, property, labor, or other things of value, to be held, used, and applied only for the purposes for which the grants, loans, aid, or contributions are made.

21. Engage in research and development with respect to a port authority facility.

22. Purchase fire and extended coverage and liability insurance for a port authority facility and for the principal office and branch offices of the port authority, insurance protecting the port authority and its officers and employees against liability for damage to property or injury to or death of persons arising from its operations, and any other insurance the port authority

may agree to provide under a resolution authorizing port authority revenue bonds, pledge orders, or in any trust agreement securing the same.

23. Charge, alter, and collect rental fees and other charges for the use or services of a port authority facility as provided in section 28J.16.

24. Perform all acts necessary or proper to carry out the powers expressly granted in this chapter.

2005 Acts, ch 150, §97; 2006 Acts, ch 1017, §17, 42, 43

**28J.10 Participation of private enterprise.**

The port authority shall foster and encourage the participation of private enterprise in the development of the port authority facilities to the fullest extent practicable in the interest of limiting the necessity of construction and operation of the facilities by the port authority.

2005 Acts, ch 150, §98

**28J.11 Provisions do not affect other laws or powers.**

This chapter shall not do any of the following:

1. Impair a provision of law directing the payment of revenues derived from public property into sinking funds or dedicating those revenues to specific purposes.

2. Impair the powers of a political subdivision to develop or improve a port and terminal facility except as restricted by section 28J.15.

3. Enlarge, alter, diminish, or affect in any way, a lease or conveyance made, or action taken prior to the creation of a port authority under section 28J.2 by a city or a county.

4. Impair or interfere with the exercise of a permit for the removal of sand or gravel, or other similar permits issued by a governmental agency.

5. Impair or contravene applicable federal regulations.

2005 Acts, ch 150, §99

**28J.12 Conveyance, lease, or exchange of public property.**

A port authority may convey or lease, lease with an option to purchase, or exchange with any governmental agency or other port authority without competitive bidding and on mutually agreeable terms, any personal or real property, or any interest therein.

2005 Acts, ch 150, §100

**28J.13 Annual budget — use of rents and charges.**

The board shall annually prepare a budget for the port authority. Revenues received by the port authority shall be used for the general expenses of the port authority and to pay interest, amortization, and retirement charges on money borrowed. Except as provided in section 28J.26, if there remains, at the end of any fiscal year, a surplus of such funds after providing for the above uses, the board shall pay such surplus into the general funds of the political subdivisions comprising the port authority as agreed to by the subdivisions.

2005 Acts, ch 150, §101

**28J.14 Secretary to furnish bond — deposit and disbursement of funds.**

Before receiving any revenues, the secretary of a port authority shall furnish a bond in such amount as shall be determined by the port authority with sureties satisfactory to the port authority, and all funds coming into the hands of the secretary shall be deposited by the secretary to the account of the port authority in one or more such depositories as shall be qualified to receive deposits of county funds, which deposits shall be secured in the same manner as county funds are required to be secured. A disbursement shall not be made from such funds except in accordance with policies and procedures adopted by the port authority.

2005 Acts, ch 150, §102

**28J.15 Limitation on certain powers of political subdivisions.**

A political subdivision creating or participating in the creation of a port authority in accordance with section 28J.2 shall not, during the time the port authority is in existence, exercise the rights and powers provided in chapters 28A, 28K, and 384 relating to the political

subdivision's authority over a port, wharf, dock, harbor or other facility substantially similar to that political subdivision's authority under a port authority granted under this chapter.

2005 Acts, ch 150, §103

Referred to in §28J.11

**28J.16 Rentals or charges for use or services of facilities — agreements with governmental agencies.**

1. *a.* A port authority may charge, alter, and collect rental fees or other charges for the use or services of any port authority facility and contract for the use or services of a facility, and fix the terms, conditions, rental fees, or other charges for the use or services.

*b.* If the services are furnished in the jurisdiction of the port authority by a utility company or a common carrier, the port authority's charges for the services shall not be less than the charges established for the same services furnished by a utility company or common carrier in the port authority jurisdiction.

*c.* The rental fees or other charges shall not be subject to supervision or regulation by any other authority, commission, board, bureau, or governmental agency of the state and the contract may provide for acquisition of all or any part of the port authority facility for such consideration payable over the period of the contract or otherwise as the port authority determines to be appropriate, but subject to the provisions of any resolution authorizing the issuance of port authority revenue bonds or any trust agreement securing the bonds.

*d.* A governmental agency that has power to construct, operate, and maintain a port authority facility may enter into a contract or lease with a port authority for the use or services of a port authority facility as may be agreed to by the port authority and the governmental agency.

2. *a.* A governmental agency may cooperate with the port authority in the acquisition or construction of a port authority facility and shall enter into such agreements with the port authority as may be appropriate, which shall provide for contributions by the parties in a proportion as may be agreed upon and other terms as may be mutually satisfactory to the parties including the authorization of the construction of the facility by one of the parties acting as agent for all of the parties and the ownership and control of the facility by the port authority to the extent necessary or appropriate.

*b.* A governmental agency may provide funds for the payment of any contribution required under such agreements by the levy of taxes or assessments if otherwise authorized by the laws governing the governmental agency in the construction of the type of port authority facility provided for in the agreements, and may pay the proceeds from the collection of the taxes or assessments; or the governmental agency may issue bonds or notes, if authorized by law, in anticipation of the collection of the taxes or assessments, and may pay the proceeds of the bonds or notes to the port authority pursuant to such agreements.

*c.* A governmental agency may provide the funds for the payment of a contribution by the appropriation of moneys or, if otherwise authorized by law, by the issuance of bonds or notes and may pay the appropriated moneys or the proceeds of the bonds or notes to the port authority pursuant to such agreements.

3. When the contribution of any governmental agency is to be made over a period of time from the proceeds of the collection of special assessments, the interest accrued and to accrue before the first installment of the assessments is collected, which is payable by the governmental agency on the contribution under the terms and provisions of the agreements, shall be treated as part of the cost of the improvement for which the assessments are levied, and that portion of the assessments that is collected in installments shall bear interest at the same rate as the governmental agency is obligated to pay on the contribution under the terms and provisions of the agreements and for the same period of time as the contribution is to be made under the agreements. If the assessment or any installment thereof is not paid when due, it shall bear interest until the payment thereof at the same rate as the contribution and the county auditor shall annually place on the tax list and duplicate the interest applicable to the assessment and the penalty thereon as otherwise authorized by law.

4. A governmental agency, pursuant to a favorable vote in an election regarding issuing bonds to provide funds to acquire, construct, or equip, or provide real estate and interests

in real estate for a port authority facility, whether or not the governmental agency at the time of the election had the authority to pay the proceeds from the bonds or notes issued in anticipation of the bonds to the port authority as provided in this section, may issue such bonds or notes in anticipation of the issuance of the bonds and pay the proceeds of the bonds or notes to the port authority in accordance with an agreement with the port authority; provided, that the legislative authority of the governmental agency finds and determines that the port authority facility to be acquired or constructed in cooperation with the governmental agency will serve the same public purpose and meet substantially the same public need as the facility otherwise proposed to be acquired or constructed by the governmental agency with the proceeds of the bonds and notes.

2005 Acts, ch 150, §104
Referred to in §28J.9

**28J.17 Contracts, arrangements, and agreements.**

1. *a.* A port authority may enter into a contract or other arrangement with a person, railroad, utility company, corporation, governmental agency including sewerage, drainage, conservation, conservancy, or other improvement districts in this or other states, or the governments or agencies of foreign countries as may be necessary or convenient for the exercise of the powers granted by this chapter. The port authority may purchase, lease, or acquire land or other property in any county of this state and in adjoining states for the accomplishment of authorized purposes of the port authority, or for the improvement of the harbor and port facilities over which the port authority may have jurisdiction including development of port facilities in adjoining states. The authority granted in this section to enter into contracts or other arrangements with the federal government includes the power to enter into any contracts, arrangements, or agreements that may be necessary to hold and save harmless the United States from damages due to the construction and maintenance by the United States of work the United States undertakes.

*b.* A political subdivision that has participated in the creation of a port authority, or is within, or adjacent to a political subdivision that is within the jurisdiction of a port authority, may enter into an agreement with the port authority to accomplish any of the authorized purposes of the port authority. The agreement may set forth the extent to which the port authority shall act as the agent of the political subdivision.

2. A port authority may enter into an agreement with a contracting governmental agency, whereby the port authority or the contracting governmental agency undertakes, and is authorized by the port authority or a contracting governmental agency, to exercise any power, perform any function, or render any service, on behalf of the port authority or a contracting governmental agency, which the port authority or the contracting governmental agency is authorized to exercise, perform, or render.

2005 Acts, ch 150, §105
Referred to in §28J.1

**28J.18 Revenue bonds are lawful investments.**

Port authority revenue bonds issued pursuant to this chapter are lawful investments of banks, credit unions, trust companies, savings associations, deposit guaranty associations, insurance companies, trustees, fiduciaries, trustees or other officers having charge of the bond retirement funds or sinking funds of port authorities and governmental agencies, taxing districts of this state, the pension and annuity retirement system, the Iowa public employees' retirement system, the police and fire retirement systems under chapters 410 and 411, or a revolving fund of a governmental agency of this state, and are acceptable as security for the deposit of public funds under chapter 12C.

2005 Acts, ch 150, §106; 2012 Acts, ch 1017, §43; 2013 Acts, ch 90, §19
Section amended

**28J.19 Property tax exemption.**

A port authority shall be exempt from and shall not be required to pay taxes on real property belonging to a port authority that is used exclusively for an authorized purpose as provided in section 427.1, subsection 34.

2005 Acts, ch 150, §107

**28J.20 Loans for acquisition or construction of facility — sale of facility — power to encumber property.**

1. With respect to the financing of a facility for an authorized purpose, under an agreement whereby the person to whom the facility is to be leased, subleased, or sold, or to whom a loan is to be made for the facility, is to make payments sufficient to pay all of the principal of, premium, and interest on the port authority revenue bonds issued for the facility, the port authority, in addition to other powers under this chapter, may do any of the following:

*a.* Make loans for the acquisition or construction of the facility to such person upon such terms as the port authority may determine or authorize including secured or unsecured loans; and enter into loan agreements and other agreements, accept notes and other forms of obligation to evidence such indebtedness and mortgages, liens, pledges, assignments, or other security interests to secure such indebtedness, which may be prior or subordinate to or on a parity with other indebtedness, obligations, mortgages, pledges, assignments, other security interests, or liens or encumbrances, and take actions considered appropriate to protect such security and safeguard against losses, including, without limitation, foreclosure and the bidding upon and purchase of property upon foreclosure or other sale.

*b.* Sell the facility under terms as the port authority may determine, including sale by conditional sale or installment sale, under which title may pass prior to or after completion of the facility or payment or provisions for payment of all principal of, premium, and interest on the revenue bonds, or at any other time provided in the agreement pertaining to the sale, and including sale under an option to purchase at a price which may be a nominal amount or less than true value at the time of purchase.

*c.* Grant a mortgage, lien, or other encumbrance on, or pledge or assignment of, or other security interest with respect to, all or any part of the facility, revenues, reserve funds, or other funds established in connection with the bonds or with respect to a lease, sublease, sale, conditional sale or installment sale agreement, loan agreement, or other agreement pertaining to the lease, sublease, sale, or other disposition of a facility or pertaining to a loan made for a facility, or a guaranty or insurance agreement made with respect thereto, or an interest of the port authority therein, or any other interest granted, assigned, or released to secure payments of the principal of, premium, or interest on the bonds or to secure any other payments to be made by the port authority, which mortgage, lien, encumbrance, pledge, assignment, or other security interest may be prior or subordinate to or on a parity with any other mortgage, assignment, or other security interest, or lien or encumbrance.

*d.* Contract for the acquisition or construction of the facility or any part thereof and for the leasing, subleasing, sale, or other disposition of the facility in a manner determined by the port authority in its sole discretion, without necessity for competitive bidding or performance bonds.

*e.* Make appropriate provision for adequate maintenance of the facility.

2. With respect to a facility referred to in this section, the authority granted by this section is cumulative and supplementary to all other authority granted in this chapter. The authority granted by this section does not alter or impair a similar authority granted elsewhere in this chapter for or with respect to other facilities.

2005 Acts, ch 150, §108; 2006 Acts, ch 1010, §17

Referred to in §28J.21

**28J.21 Issuance of revenue and refunding bonds and pledge orders.**

1. A port authority may issue revenue bonds and pledge orders payable solely from the net revenues of the port authority including the revenues generated from a facility pursuant to section 28J.20. The revenue bonds may be issued in such principal amounts as, in the

opinion of the port authority, are necessary for the purpose of paying the cost of one or more port authority facilities or parts thereof.

2. *a.* The resolution to issue the bonds must be adopted at a regular or special meeting of the board called for that purpose by a majority of the total number of members of the board. The board shall fix a date, time, and place of meeting at which it proposes to take action, and give notice by publication in the manner directed in section 331.305. The notice must include a statement of the date, time, and place of the meeting, the maximum amount of the proposed revenue bonds, the purpose for which the revenue bonds will be issued, and the net revenues to be used to pay the principal and interest on the revenue bonds.

*b.* At the meeting, the board shall receive oral or written objections from any resident or property owner within the jurisdiction of the port authority. After all objections have been received and considered, the board, at the meeting or a date to which it is adjourned, may take additional action for the issuance of the bonds or abandon the proposal to issue bonds. Any resident or property owner within the jurisdiction of the port authority may appeal a decision of the board to take additional action in district court within fifteen days after the additional action is taken, but the additional action of the board is final and conclusive unless the court finds that the board exceeded its authority.

3. The board may sell revenue bonds or pledge orders at public or private sale and may deliver revenue bonds and pledge orders to the contractors, sellers, and other persons furnishing materials and services constituting a part of the cost of the port authority facility in payment therefor. The pledge of any net revenues of a port authority is valid and effective as to all persons including but not limited to other governmental bodies when it becomes valid and effective between the port authority and the holders of the revenue bonds or pledge orders.

4. A revenue bond is valid and binding for all purposes if it bears the signatures or a facsimile of the signature of the officer designated by the port authority. Port authority revenue bonds may bear dates, bear interest at rates not exceeding those permitted by chapter 74A, bear interest at a variable rate or rates changing from time to time in accordance with a base or formula, mature in one or more installments, be in registered form, carry registration and conversion privileges, be payable as to principal and interest at times and places, be subject to terms of redemption prior to maturity with or without premium, and be in one or more denominations, all as provided by the resolution of the board authorizing their issuance. The resolution may also prescribe additional provisions, terms, conditions, and covenants which the port authority deems advisable, consistent with this chapter, including provisions for creating and maintaining reserve funds, the issuance of additional revenue bonds ranking on a parity with such revenue bonds and additional revenue bonds junior and subordinate to such revenue bonds, and that such revenue bonds shall rank on a parity with or be junior and subordinate to any revenue bonds which may be then outstanding. Port authority revenue bonds are a contract between the port authority and holders and the resolution is a part of the contract.

5. The port authority may issue revenue bonds to refund revenue bonds, pledge orders, and other obligations which are by their terms payable from the net revenues of the same port authority, at lower, the same, or higher rates of interest. A port authority may sell refunding revenue bonds at public or private sale and apply the proceeds to the payment of the obligations being refunded, and may exchange refunding revenue bonds in payment and discharge of the obligations being refunded. The principal amount of refunding revenue bonds may exceed the principal amount of the obligations being refunded to the extent necessary to pay any premium due on the call of the obligations being refunded and to fund interest accrued and to accrue on the obligations being refunded.

6. The final maturity of any original issue of port authority revenue bonds shall not exceed forty years from the date of issue, and the final maturity of port authority revenue bonds that refund outstanding port authority revenue bonds shall not be later than the later of forty years from the date of issue of the original issue of bonds or the date by which it is expected, at the time of issuance of the refunding bonds, that the useful life of all of the property refinanced with the proceeds of the bonds, other than interests in land, will have expired. Such bonds or notes shall be executed in a manner as the resolution may provide.

7. The port authority may contract to pay an amount not to exceed ninety-five percent of the engineer's estimated value of the acceptable work completed during the month to the contractor at the end of each month for work, material, or services. Payment may be made in warrants drawn on any fund from which payment for the work may be made. If such funds are depleted, anticipatory warrants may be issued bearing a rate of interest not exceeding that permitted by chapter 74A even if income from the sale of bonds which have been authorized and are applicable to the public improvement takes place after the fiscal year in which the warrants are issued. If the port authority arranges for the private sale of anticipatory warrants, the warrants may be sold and the proceeds used to pay the contractor. The warrants may also be used to pay other persons furnishing services constituting a part of the cost of the public improvement.

8. Port authority revenue bonds, pledge orders, and warrants issued under this section are negotiable instruments.

9. The board may issue pledge orders pursuant to a resolution adopted by a majority of the total number of supervisors, at a regular or special meeting, ordering their issuance and delivery in payment for all or part of the cost of a project. Pledge orders may bear interest at rates not exceeding those permitted by chapter 74A.

10. Except as provided in section 28J.20, the physical properties of the port authority shall not be pledged or mortgaged to secure the payment of revenue bonds, pledge orders, or refunding bonds, or the interest thereon.

11. The members of the board of the port authority and any person executing the bonds or pledge orders shall not be personally liable on the bonds or pledge orders or be subject to any personal liability or accountability by reason of the issuance thereof.

2005 Acts, ch 150, §109

Referred to in §28J.1, 28J.9

**28J.22 Bonds may be secured by trust agreement.**

1. In the discretion of the port authority, a port authority revenue bond issued under this chapter may be secured by a trust agreement between the port authority and a corporate trustee that may be any trust company or bank having the powers of a trust company within this or any other state.

2. The trust agreement may pledge or assign revenues of the port authority to be received for payment of the revenue bonds. The trust agreement or any resolution providing for the issuance of revenue bonds may contain provisions for protecting and enforcing the rights and remedies of the bondholders as are reasonable and proper and not in violation of law, including covenants setting forth the duties of the port authority in relation to the acquisition of property, the construction, improvement, maintenance, repair, operation, and insurance of the port authority facility in connection with which the bonds are authorized, the rentals or other charges to be imposed for the use or services of any port authority facility, the custody, safeguarding, and application of all moneys, and provisions for the employment of consulting engineers in connection with the construction or operation of any port authority facility.

3. A bank or trust company incorporated under the laws of this state, that may act as the depository of the proceeds of bonds or of revenues, shall furnish any indemnifying bonds or may pledge any securities that are required by the port authority. The trust agreement may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders as is customary in trust agreements or trust indentures securing similar bonds. The trust agreement may contain any other provisions that the port authority determines reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of the trust agreement may be treated as a part of the cost of the operation of the port authority facility.

2005 Acts, ch 150, §110

**28J.23 Remedy of holder of bond or coupon — statute of limitations.**

1. The sole remedy for a breach or default of a term of a port authority revenue bond or pledge order is a proceeding in law or in equity by suit, action, or mandamus to enforce and compel performance of the duties required by this chapter and of the terms of the resolution

authorizing the issuance of the revenue bonds or pledge orders, or to obtain the appointment of a receiver to take possession of and operate the port authority, and to perform the duties required by this chapter and the terms of the resolution authorizing the issuance of the port authority revenue bonds or pledge orders.

2. An action shall not be brought which questions the legality of port authority revenue bonds or pledge orders, the power of a port authority to issue revenue bonds or pledge orders, or the effectiveness of any proceedings relating to the authorization and issuance of revenue bonds or pledge orders, from and after fifteen days from the time the bonds or pledge orders are ordered issued by the port authority.

2005 Acts, ch 150, §111

**28J.24 Bonds are payable solely from revenues and funds pledged for payment.**

Port authority revenue bonds and pledge orders issued under this chapter do not constitute a debt, or a pledge of the faith and credit, of the state or a political subdivision of the state, and the holders or owners of the bonds or pledge orders shall not have taxes levied by the state or by a taxing authority of a governmental agency of the state for the payment of the principal of or interest on the bonds or pledge orders, but the bonds and pledge orders are payable solely from the revenues and funds pledged for their payment as authorized by this chapter, unless the notes are issued in anticipation of the issuance of bonds or pledge orders or the bonds and pledge orders are refunded by refunding bonds issued under this chapter, which bonds, pledge orders, or refunding bonds shall be payable solely from revenues and funds pledged for their payment as authorized by those sections. All of the bonds or pledge orders shall contain a statement to the effect that the bonds or pledge orders, as to both principal and interest, are not debts of the state or a political subdivision of the state, but are payable solely from revenues and funds pledged for their payment.

2005 Acts, ch 150, §112

**28J.25 Funds and property held in trust — use and deposit of funds.**

All revenues, funds, properties, and assets acquired by the port authority under this chapter, whether as proceeds from the sale of port authority revenue bonds, pledge orders, or as revenues, shall be held in trust for the purposes of carrying out the port authority's powers and duties, shall be used and reused as provided in this chapter, and shall at no time be part of other public funds. Such funds, except as otherwise provided in a resolution authorizing port authority revenue bonds or in a trust agreement securing the same, or except when invested pursuant to section 28J.26, shall be kept in depositories selected by the port authority in the manner provided in chapter 12C, and the deposits shall be secured as provided in that chapter. The resolution authorizing the issuance of revenue bonds or pledge orders, or the trust agreement securing such bonds or pledge orders, shall provide that any officer to whom, or any bank or trust company to which, such moneys are paid shall act as trustee of such moneys and hold and apply them for the purposes hereof, subject to such conditions as this chapter and such resolution or trust agreement provide.

2005 Acts, ch 150, §113

**28J.26 Investment of excess funds.**

1. If a port authority has surplus funds after making all deposits into all funds required by the terms, covenants, conditions, and provisions of outstanding revenue bonds, pledge orders, and refunding bonds which are payable from the revenues of the port authority and after complying with all of the requirements, terms, covenants, conditions, and provisions of the proceedings and resolutions pursuant to which revenue bonds, pledge orders, and refunding bonds are issued, the board may transfer the surplus funds to any other fund of the port authority in accordance with this chapter and chapter 12C, provided that a transfer shall not be made if it conflicts with any of the requirements, terms, covenants, conditions, or provisions of a resolution authorizing the issuance of revenue bonds, pledge orders, or other obligations which are payable from the revenues of the port authority which are then outstanding.

2. This section does not prohibit or prevent the board from using funds derived from any

other source which may be properly used for such purpose, to pay a part of the cost of a facility.

2005 Acts, ch 150, §114

Referred to in §28J.13, 28J.25

**28J.27 Change in location of public way, railroad, or utility facility — vacation of highway.**

1. When a port authority changes the location of any portion of any public road, railroad, or utility facility in connection with the construction of a port authority facility, the port authority shall reconstruct at such location as the governmental agency having jurisdiction over such road, railroad, or utility facility finds most favorable. The construction of such road, railroad, or utility facility shall be of substantially the same type and in as good condition as the original road, railroad, or utility facility. The cost of such reconstruction, relocation, or removal and any damage incurred in changing the location of any such road, railroad, or utility facility shall be paid by the port authority as a part of the cost of the port authority facility.

2. When the port authority finds it necessary that a public highway or portion of a public highway be vacated by reason of the acquisition or construction of a port authority facility, the port authority may request the director of the state department of transportation to vacate such highway or portion in accordance with chapter 306 if the highway or portion to be vacated is on the state highway system, or if the highway or portion to be vacated is under the jurisdiction of a county, the port authority shall petition the board of supervisors of that county, in the manner provided in chapter 306, to vacate such highway or portion. The port authority shall pay to the county, as a part of the cost of such port authority facility, any amounts required to be deposited with a court in connection with proceedings for the determination of compensation and damages and all amounts of compensation and damages finally determined to be payable as a result of such vacation.

3. The port authority may adopt bylaws for the installation, construction, maintenance, repair, renewal, relocation, and removal of railroad or utility facilities in, on, over, or under any port authority facility. Whenever the port authority determines that it is necessary that any such facility installed or constructed in, on, over, or under property of the port authority pursuant to such bylaws be relocated, the utility company owning or operating such facility shall relocate or remove them in accordance with the order of the port authority. The cost and expenses of such relocation or removal, including the cost of installing such facility in a new location, the cost of any lands, or any rights or interests in lands, and any other rights, acquired to accomplish such relocation or removal, shall be paid by the port authority as a part of the cost of the port authority facility. In case of any such relocation or removal of such facilities, the railroad or utility company owning or operating them, its successors, or assigns may maintain and operate such facilities, with the necessary appurtenances, in the new location in, on, over, or under the property of the port authority for as long a period and upon the same terms as the railroad or utility company had the right to maintain and operate such facilities in their former location.

2005 Acts, ch 150, §115

**28J.28 Final actions to be recorded — annual report — confidentiality of information.**

1. All final actions of the port authority shall be recorded and the records of the port authority shall be open to public examination and copying pursuant to chapter 22. Not later than the first day of April every year, a port authority shall submit a report to the director of the economic development authority detailing the projects and activities of the port authority during the previous calendar year. The report shall include, but not be limited to, all aspects of those projects and activities, including the progress and status of the projects and their costs, and any other information the director determines should be included in the report.

2. Financial and proprietary information, including trade secrets, submitted to a port authority or the agents of a port authority in connection with the relocation, location, expansion, improvement, or preservation of a business or nonprofit corporation is not a public record subject to chapter 22. Any other information submitted under those

circumstances is not a public record subject to chapter 22 until there is a commitment in writing to proceed with the relocation, location, expansion, improvement, or preservation.

3. Notwithstanding chapter 21, the board of directors of a port authority, when considering information that is not a public record under this section, may close a meeting during the consideration of that information pursuant to a vote of the majority of the directors present on a motion stating that such information is to be considered. Other matters shall not be considered during the closed session.

2005 Acts, ch 150, §116; 2011 Acts, ch 118, §85, 89

**28J.29 Provisions to be liberally construed.**

This chapter shall be liberally construed to effect the chapter's purposes.

2005 Acts, ch 150, §117

# CHAPTER 28K

## MID-AMERICA PORT COMMISSION

Referred to in §28J.15

SUBCHAPTER I

MID-AMERICA PORT COMMISSION AGREEMENT

28K.1 Mid-America port commission agreement.

SUBCHAPTER II

MID-AMERICA PORT COMMISSION ACT

28K.2 Citation.
28K.3 Jurisdiction.
28K.4 Authority.
28K.5 County election of port commission members.

## SUBCHAPTER I

## MID-AMERICA PORT COMMISSION AGREEMENT

**28K.1 Mid-America port commission agreement.**

The mid-America port commission agreement is entered into and enacted into law with the state of Illinois and the state of Missouri if those states legally join the agreement, in the form substantially as follows:

1. *Agreement.* This agreement shall be known as and may be cited as the "*Mid-America Port Commission Agreement*". This agreement allows for the states of Missouri and Illinois to join the effort of the state of Iowa for developing the mid-America port commission.

2. *Port commission.* There is created a mid-America port commission to be governed by a nine-member port commission. The governors of Iowa, Illinois, and Missouri shall appoint one member to the port commission in accordance with the laws of the respective state. Each state shall also be represented by two members elected through the county governance in the geographical jurisdiction of the port commission. The port commission members shall hold office for a period of six years. The port commission members shall elect a chairperson of the port commission after all the members are selected. The position of chairperson shall rotate among the Iowa, Illinois, and Missouri members for two-year periods. A member of the port commission shall not serve more than two terms.

3. *Powers of commission.* The port commission shall have the power to acquire, purchase, install, lease, construct, own, hold, maintain, equip, use, control, or operate ports, harbors, waterways, channels, wharves, piers, docks, quays, elevators, tipples, compresses, bulk loading and unloading facilities, warehouses, dry docks, marine support railways, tugboats, ships, vessels, shipyards, shipbuilding facilities, machinery and equipment, dredges, or any other facilities required or incidental to the construction, outfitting, dry docking, or repair of ships or vessels, or water, air, or rail terminals, or roadways or

approaches thereto, or other structures or facilities necessary for the convenient use of the same in the aid of commerce, including the dredging, deepening, extending, widening, or enlarging of any ports, harbors, rivers, channels, or waterways, the damming of inland waterways, the establishment of a water basin, the acquisition and development of industrial sites, or the reclaiming of submerged lands.

98 Acts, ch 1092, §1; 2008 Acts, ch 1032, §201

SUBCHAPTER II

MID-AMERICA PORT COMMISSION ACT

**28K.2 Citation.**

This subchapter shall be known and may be cited as the *"Mid-America Port Commission Act"*.

98 Acts, ch 1092, §2

**28K.3 Jurisdiction.**

The Iowa counties which shall be included in the jurisdiction of the mid-America port commission agreement are Jefferson, Van Buren, Wapello, Lee, Henry, and Des Moines counties.

98 Acts, ch 1092, §3; 99 Acts, ch 27, §1

**28K.4 Authority.**

Any power or powers, privileges, or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with the mid-America port commission according to the powers delegated to the commission under this chapter.

A public agency of this state may enter into a chapter 28E agreement with the commission to advance the purposes of the commission.

98 Acts, ch 1092, §4

**28K.5 County election of port commission members.**

The chairpersons of the Jefferson, Van Buren, Wapello, Lee, Henry, and Des Moines county boards of supervisors shall jointly elect two members to serve on the port commission.

98 Acts, ch 1092, §5; 99 Acts, ch 27, §2

# CHAPTER 28L

STATE INTERAGENCY MISSOURI RIVER AUTHORITY

28L.1 State interagency Missouri river authority created — duties.

**28L.1 State interagency Missouri river authority created — duties.**

1. A state interagency Missouri river authority is created. The members of the authority shall include the governor or the governor's designee, the secretary of agriculture or the secretary's designee, the chairperson of the utilities board or the chairperson's designee, and the directors of the department of natural resources, the state department of transportation, and the economic development authority or the directors' designees. The governor shall serve as chairperson. The director of the department of natural resources or the director's designee shall serve as the coordinator of the authority's activities and shall serve as chairperson in the absence of the governor.

2. The authority shall be responsible for representing the interests of this state with regard to its membership in the Missouri river association of states and tribes and to promote the

management of the Missouri river in a manner that does not negatively impact landowners along the river or negatively impact the state's economy, and in a manner that positively impacts this state's many interests along, in, and on the river. The Missouri river association of states and tribes is an interstate association of government representatives formed to seek consensus solutions to issues impacting the Missouri river basin.

3. The director of the department of natural resources or the director's designee shall coordinate regular meetings of the state interagency Missouri river authority to determine the state's position before any meeting of the Missouri river association of states and tribes or before a substantive proposal or action is voted upon at such meeting. The members of the state interagency Missouri river authority shall attempt to achieve consensus on the state's position regarding any substantive proposal or action being considered by the Missouri river association of states and tribes. Regardless of whether a consensus can be achieved, a vote of the members shall be taken. The state interagency Missouri river authority shall not vote to approve or disapprove a substantive proposal or action being considered by the Missouri river association of states and tribes without the approval of a majority of the members of the authority. The director of the department of natural resources or the director's designee shall cast the votes for the state interagency Missouri river authority that are reflective of the position of the authority.

4. The state interagency Missouri river authority shall seek input from stakeholder groups in this state with regard to issues impacting the Missouri river basin.

2002 Acts, ch 1009, §1; 2008 Acts, ch 1150, §1; 2011 Acts, ch 118, §85, 89

# CHAPTER 28M

## REGIONAL TRANSIT DISTRICTS


28M.1 Regional transit district defined.
28M.2 Regional transit district created.
28M.3 Regional transit district authority — county enterprise — bonding authority.
28M.4 Regional transit district commission — membership — powers.
28M.5 Regional transit district levy.
28M.6 Effect of agreement on county duty to provide transit services.


**28M.1 Regional transit district defined.**

As used in this chapter, unless the context otherwise requires:

1. "*Commission*" means a regional transit district commission appointed pursuant to section 28M.4.

2. "*Regional transit district*" means a public transit district created by agreement pursuant to chapter 28E by one or more counties and participating cities to provide support for transportation of passengers by one or more public transit systems which may be designated as a public transit system under chapter 324A.

3. "*Transportation*" means the movement of individuals in a four or more wheeled motorized vehicle designed to carry passengers, including a car, van, or bus, or the carrying of individuals upon cars operated upon stationary rails, between one geographic point and another geographic point. "*Transportation*" does not include emergency or incidental transportation or transportation conducted by the department of human services at its institutions.

2004 Acts, ch 1072, §1; 2004 Acts, ch 1175, §325

**28M.2 Regional transit district created.**

1. A county with a population in excess of one hundred seventy-five thousand and participating cities may create, by chapter 28E agreement, a regional transit district in the county pursuant to this chapter. Two or more contiguous counties and participating cities may create, by chapter 28E agreement, a regional transit district pursuant to this chapter if one of the counties has a population in excess of one hundred seventy-five thousand.

A district shall consist of the unincorporated area of any participating county and the incorporated area of any city in the county that does not have an urban transit system. However, a city without an urban transit system may decline, by resolution forwarded to the board of supervisors, to participate in a regional transit district.

2. A city with an urban transit system may participate in a regional transit district if the city council, by resolution forwarded to the board of supervisors, notifies the county that the city wishes to participate.

3. A city that is located in a nonparticipating county that is contiguous to a county with a population in excess of one hundred seventy-five thousand that is creating a regional transit district may notify that county, by resolution forwarded to the board of supervisors of that county, that the city wishes to participate.

4. The chapter 28E agreement shall include a map showing the area and boundaries of the regional transit district.

2004 Acts, ch 1072, §2; 2004 Acts, ch 1175, §326

**28M.3 Regional transit district authority — county enterprise — bonding authority.**

A regional transit district shall have all the rights, powers, and duties of a county enterprise pursuant to sections 331.462 through 331.469 as they relate to the purpose for which the regional transit district is created, including the authority to issue revenue bonds for the establishment, construction, reconstruction, repair, equipping, remodeling, extension, maintenance, and operation of works, vehicles, and facilities of a regional transit district. In addition, a regional transit district, with the approval of the board of supervisors, may issue general obligation bonds as an essential county purpose pursuant to chapter 331, division IV, part 3, for the establishment, construction, reconstruction, repair, equipping, remodeling, extension, maintenance, and operation of works, vehicles, and facilities of a regional transit district. Such general obligation bonds are payable from the property tax levy authorized in section 28M.5.

The commission appointed pursuant to section 28M.4 shall have and may exercise all powers of the board of supervisors in management and administration of the regional transit district as if it were a board of supervisors and as if the regional transit district were a county enterprise under sections 331.462 through 331.469.

2004 Acts, ch 1072, §3; 2005 Acts, ch 19, §17; 2005 Acts, ch 37, §1

**28M.4 Regional transit district commission — membership — powers.**

1. The governing bodies of counties and cities participating in a regional transit district shall appoint a commission to manage and administer the regional transit district. Unless otherwise provided in the chapter 28E agreement, commission members shall serve for staggered six-year terms. The agreement creating the regional transit district shall set the compensation of commission members.

2. The title to all property of a regional transit district shall be held in the name of the district, and the commission has all the powers and authorities of a board of supervisors with respect to the acquisition by purchase, condemnation or otherwise, lease, sale, or other disposition of the property, and the management, control, and operation of the property, subject to the requirements, terms, covenants, conditions, and provisions of any resolutions authorizing the issuance of revenue bonds, pledge orders, or other obligations which are payable from the revenues of the regional transit district, and which are then outstanding.

3. A commission shall adopt and certify an annual budget for the regional transit district. A commission in its budget shall allocate the revenue responsibilities of each county and city participating in the regional transit district. A commission shall be considered a municipality for purposes of adopting and certifying a budget pursuant to chapter 24.

4. A commission may establish a schedule of fares and collect fares for the transportation of passengers.

5. A commission shall levy for and control any tax revenues paid to the regional transit district the commission administers and all moneys derived from the operation of the regional transit district, the sale of its property, interest on investments, or from any other source related to the regional transit district.

6. Tax revenues collected from a regional transit district levy shall be held by the county treasurer. Before the fifteenth day of each month, the county treasurer shall send the amount collected for each fund through the last day of the preceding month for direct deposit into the depository and account designated by the commission. The county treasurer shall send a notice to the secretary of the commission or the secretary's designee stating the amount deposited, the date, the amount to be credited to each fund according to the budget, and the source of the revenue.

7. A commission is subject to section 331.341, subsections 1, 2, 4, and 5, and section 331.342, in contracting for public improvements.

8. Immediately following a regular or special meeting of a commission, the secretary of the commission shall prepare a condensed statement of the proceedings of the commission and cause the statement to be published not more than twenty days following the meeting in one or more newspapers which meet the requirements of section 618.14. The statement shall include a list of all claims allowed, showing the name of the person or firm making the claim, the reason for the claim, and the amount of the claim. If the reason for the claims is the same, two or more claims made by the same vendor, supplier, or claimant may be consolidated if the number of claims consolidated and the total consolidated claim amount are listed in the statement. However, the commission shall provide at its office upon request an unconsolidated list of all claims allowed. Salary claims must show the gross amount of the claim except that salaries paid to persons regularly employed by the commission, for services regularly performed by the persons, shall be published once annually showing the gross amount of the salary.

9. A commission shall submit to the governing body of each participating county and city a detailed annual report, including a complete financial statement.

2004 Acts, ch 1072, §4; 2005 Acts, ch 37, §2; 2006 Acts, ch 1018, §1; 2007 Acts, ch 143, §36
Referred to in §28M.1, 28M.3

**28M.5 Regional transit district levy.**

1. The commission, with the approval of the board of supervisors of participating counties and the city council of participating cities in the chapter 28E agreement, may levy annually a tax not to exceed ninety-five cents per thousand dollars of the assessed value of all taxable property in a regional transit district to the extent provided in this section. The chapter 28E agreement may authorize the commission to levy the tax at different rates within the participating cities and counties in amounts sufficient to meet the revenue responsibilities of such cities and counties as allocated in the budget adopted by the commission. However, for a city participating in a regional transit district, the total of all the tax levies imposed in the city pursuant to section 384.12, subsection 10, and this section shall not exceed the aggregate of ninety-five cents per thousand dollars of the assessed value of all taxable property in the participating city.

2. If a regional transit district budget allocates revenue responsibilities to the board of supervisors of a participating county, the amount of the regional transit district levy that is the responsibility of the participating county shall be deducted from the maximum rates of taxes authorized to be levied by the county pursuant to section 331.423, subsections 1 and 2, as applicable, unless the county meets its revenue responsibilities as allocated in the budget from other available revenue sources. However, for a regional transit district that includes a county with a population of less than three hundred thousand, the amount of the regional transit district levy that is the responsibility of such participating county shall be deducted from the maximum rate of taxes authorized to be levied by the county pursuant to section 331.423, subsection 1.

3. The regional transit district tax levy imposed in a participating city located in a nonparticipating contiguous county shall, when collected, be paid to the county treasurer of the participating county.

4. The proceeds of the tax levy shall be used for the operation and maintenance of a regional transit district, for payment of debt obligations of the district, and for the creation of a reserve fund. The commission may divide the territory of a regional transit district outside

the boundaries of a city into separate service areas and impose a regional transit district levy not to exceed the maximum rate authorized by this section in each service area.

2004 Acts, ch 1072, §5; 2004 Acts, ch 1175, §327; 2005 Acts, ch 37, §3

Referred to in §28M.3

**28M.6 Effect of agreement on county duty to provide transit services.**

Notwithstanding any provision of this chapter to the contrary, a county that enters into a chapter 28E agreement to create a regional transit district under this chapter does not, by virtue of such agreement, create a duty on the part of the county to provide transit services to any area of the county.

2005 Acts, ch 37, §4

# CHAPTER 28N

## MISSISSIPPI RIVER PARTNERSHIP COUNCIL

Implementation of chapter subject to availability of funding
or in-kind services for start-up and
first-year administration expenses;
2009 Acts, ch 146, §14

28N.1 Mississippi river partnership council — findings.
28N.2 Mississippi river partnership council — establishment and procedures.
28N.3 Mississippi river partnership council — powers and duties.

**28N.1 Mississippi river partnership council — findings.**

The state of Iowa finds and declares all of the following:

1. The preservation, enhancement, and intelligent use of the Mississippi river is in the ecological and economic interests of the citizens of the state of Iowa.

2. The public interest is advanced by the stimulation of sustainable economic development initiatives and watershed management projects by local, state, and federal agencies, local communities, not-for-profit conservation organizations, and private landowners and other stakeholders along the Mississippi river.

2009 Acts, ch 146, §1, 14

Implementation of chapter subject to availability of funding or in-kind services for start-up and first-year administration expenses; 2009 Acts, ch 146, §14

**28N.2 Mississippi river partnership council — establishment and procedures.**

1. A Mississippi river partnership council is established. The purpose of the council is to be a forum for city, county, state, agriculture, business, conservation, and environmental representatives and other stakeholders to discuss matters relevant to the health, management, and use of the Mississippi river. In furthering its purpose, the council may work with local communities to develop local and regional strategies, and make recommendations to appropriate state and federal agencies.

2. The Mississippi river partnership council may consist of all of the following:

*a.* One nonvoting person appointed by the governor who shall serve as the chairperson of the council.

*b.* Six voting members appointed by the governor, each of whom shall reside in one of the ten Iowa counties bordering the Mississippi river, including all of the following:

(1) One member representing soil and water conservation districts.
(2) One person representing business.
(3) One person representing recreational interests.
(4) One person representing conservation interests.
(5) One person representing environmental interests.
(6) One person representing agricultural interests who is actively engaged in farming.

*c.* Ten voting members appointed by county boards of supervisors, one by each of the ten Iowa counties bordering the Mississippi river.

*d.* Ten voting members appointed by city councils, one each by the council of the largest Iowa city adjacent to the Mississippi river in each county bordering the river.

*e.* Four voting members, each appointed by the heads of the following agencies:

(1) The department of agriculture and land stewardship.

(2) The department of natural resources.

(3) The economic development authority.

(4) The department of transportation.

*f.* Two members of the senate and two members of the house of representatives, serving as ex officio, nonvoting members. The members may be appointed, one each by the majority leader of the senate, after consultation with the president of the senate, and by the minority leader of the senate, and by the speaker of the house of representatives, after consultation with the majority leader of the house of representatives, and by the minority leader of the house of representatives. Members shall receive compensation pursuant to section 2.12.

*g.* The council may, at its discretion, appoint individuals representing federal agencies or other state agencies or commissions to serve as ex officio, nonvoting members.

3. Members of the Mississippi river partnership council, other than members of the general assembly, shall be appointed to serve for three-year terms. However, among the initial appointments, the persons making the appointments of voting members shall coordinate appointments of members to serve terms for less than three years to ensure staggered terms. The persons making the appointments of voting members shall also coordinate appointments to meet the requirements of sections 69.16 and 69.16A.

4. The Mississippi river partnership council shall meet at least quarterly in one or more Iowa counties bordering the Mississippi river during its first three years of existence and shall meet at least twice a year in one or more Iowa counties bordering the Mississippi river after that time. The council shall meet at any time on the call of the chairperson.

5. A majority of the voting members of the Mississippi river partnership council constitutes a quorum. Any action taken by the council must be adopted by the affirmative vote of a majority of its voting membership.

6. Until the Mississippi river partnership council provides for its permanent staffing and support, the east central intergovernmental association, in cooperation with councils of governments and county boards of supervisors in counties adjacent to the Mississippi river, shall be responsible for providing the council with administrative support.

7. The Mississippi river partnership council may adopt bylaws and rules of operation consistent with this section.

8. The Mississippi river partnership council, including any of its committees, is a governmental body for purposes of chapter 21 and a government body for purposes of chapter 22.

2009 Acts, ch 146, §2, 14; 2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1021, §34

Implementation of chapter subject to availability of funding or in-kind services for start-up and first-year administration expenses; 2009 Acts, ch 146, §14

**28N.3 Mississippi river partnership council — powers and duties.**

1. The Mississippi river partnership council may collaborate with the water resources coordinating council established pursuant to section 466B.3.

2. *a.* The Mississippi river partnership council's duties shall include all of the following:

(1) Reviewing activities and programs administered by state and federal agencies that directly impact the Mississippi river.

(2) Working with local communities, organizations, and other states to encourage partnerships that promote sustainable economic development opportunities in counties along the Mississippi river; enhance awareness about the river and its uses; encourage the protection, restoration, and expansion of critical habitats; and promote the adoption of soil conservation and water quality best management practices.

(3) Working with federal agencies to optimize the implementation of programs and the expenditure of moneys affecting the Mississippi river and counties in Iowa along the

Mississippi river, including the upper Mississippi river basin association and the Mississippi parkway planning commission.

(4) Advising and making recommendations to the water resources coordinating council established in section 466B.3, the governor, the general assembly, and state agencies, regarding strategic plans and priorities impacting the Mississippi river, methods to optimize the implementation of associated programs, and the expenditure of moneys affecting the river and counties bordering the Mississippi river.

(5) Encouraging communities in counties bordering the Mississippi river to develop watershed management plans for their communities to address storm water, erosion, flooding, sedimentation, and pollution problems and encouraging projects for the natural conveyance and storage of floodwaters; the enhancement of wildlife habitat and outdoor recreation opportunities; the recovery, management, and conservation of the Mississippi river; and the preservation of farmland, prairies, and forests.

(6) Identifying and promoting opportunities to enhance economic development and job creation in communities along the Mississippi river, as well as other measurable development efforts, which are compatible with the ecological health of the Mississippi river and the state.

(7) Helping identify possible sources of funding for watershed management projects and sustainable economic development opportunities.

(8) Functioning as a forum for discussion and providing advice or recommendations on matters of public interest that are reasonably related to the purpose of the council.

*b*. The Mississippi river partnership council shall only administer its duties as provided in paragraph *"a"* within the ten Iowa counties bordering the Mississippi river.

3. The department of agriculture and land stewardship, the department of natural resources, the economic development authority, and the department of transportation may apply for grant moneys or may solicit moneys from sources to support the work of the Mississippi river partnership council.

2009 Acts, ch 146, §3, 14; 2011 Acts, ch 118, §85, 89

Implementation of chapter subject to availability of funding or in-kind services for start-up and first-year administration expenses; 2009 Acts, ch 146, §14

# SUBTITLE 11

## DEFENSE

# CHAPTER 29

## DEPARTMENT OF PUBLIC DEFENSE


29.1 Department of public defense.
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29.2A Airport fire fighters — maximum age.
29.3 Homeland security and emergency management division. Repealed by 2013 Acts, ch 29, §59.
29.4 Repealed by 92 Acts, ch 1140, §38.


**29.1 Department of public defense.**

The department of public defense is composed of the office of the adjutant general and the military forces of the state of Iowa. The adjutant general is the director of the department of public defense and shall perform all functions, responsibilities, powers, and duties concerning the military forces of the state of Iowa as provided in the laws of the state.

[C66, 71, 73, 75, 77, 79, 81, §29.1]

86 Acts, ch 1245, §1701; 89 Acts, ch 204, §1; 92 Acts, ch 1139, §20; 92 Acts, ch 1140, §3; 2003 Acts, ch 179, §157; 2013 Acts, ch 29, §9; 2013 Acts, ch 140, §53

Referred to in §7E.5
Appointment, §29A.11
Section amended

**29.2 Military division.** Repealed by 2013 Acts, ch 29, § 59.

**29.2A Airport fire fighters — maximum age.**

The maximum age for a person to be employed as an airport fire fighter by the department of public defense is sixty-five years of age.

98 Acts, ch 1183, §106; 2013 Acts, ch 29, §10

Section amended

**29.3 Homeland security and emergency management division.** Repealed by 2013 Acts, ch 29, § 59. See chapter 29C.

**29.4** Repealed by 92 Acts, ch 1140, § 38.

# CHAPTER 29A

## MILITARY CODE

Referred to in §321.34, 654.17C


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## SUBCHAPTER I

## GENERAL PROVISIONS

**29A.1 Definitions.**

The following words, terms, and phrases when used in this chapter shall have the respective meanings herein set forth:

1. *"Civil air patrol"* means the civilian auxiliary of the United States air force established by the United States Congress in 36 U.S.C. § 40301 et seq., and 10 U.S.C. § 9441 et seq.

2. *"Facility"* means the land, and the buildings and other improvements on the land which are the responsibility and property of the Iowa national guard.

3. *"Federal active duty"* means full-time duty in the active military service of the United States authorized and performed under the provisions of Tit. 10 of the United States Code.

4. *"Homeland defense"* means the protection of state territory, population, and critical infrastructure and assets against attacks from within or without the state.

5. *"Law and regulations"* means and includes state and federal law and regulations.

6. *"Militia"* shall mean the forces provided for in the Constitution of Iowa.

7. *"National guard"* means the Iowa units, detachments and organizations of the army national guard of the United States, the air national guard of the United States, the army national guard, and the air national guard as those forces are defined in 10 U.S.C. § 101.

8. *"National guard duty"* means training or other duty authorized and performed under the provisions of 32 U.S.C. including but not limited to 32 U.S.C. § 316, 32 U.S.C. § 502 – 505, and 32 U.S.C. § 709 as part of the national guard and paid for with federal funds. *"National guard duty"* includes but is not limited to full-time national guard duty and inactive duty training and annual training.

9. *"Officer"* shall mean and include commissioned officers and warrant officers.

10. *"On duty"* means training, including unit training assemblies, and other training, operational duty, and other service which may be required under state or federal law, regulations, or orders, and the necessary travel of an officer or enlisted person to the place of performance and return home after performance of that duty, but does not include federal active duty. A member of the national guard shall be considered to be on duty when called to testify about an incident which the member observed or was involved in while that member was on duty.

11. *"Organization"* means a command composed of two or more subordinate units and includes the state headquarters for both the army and the air national guard, one or more divisions, wings, brigades, groups, battalions, squadrons or flights as defined by an appropriate table of organization, a table of distribution or unit personnel document.

12. *"State active duty"* means duty authorized and performed under section 29A.8 and paid for with state funds. *"State active duty"* also includes serving as the adjutant general, a deputy adjutant general, or the state quartermaster.

13. *"Unit"* means a military element of an organization whose structure is prescribed by competent authority such as a table of organization, table of distribution, or unit personnel document. For the purposes of this chapter, a unit shall include one or more companies, flights, troops, batteries or detachments and the state officer candidate school.

14. Except when otherwise expressly defined herein military words, terms and phrases shall have the meaning commonly ascribed to them in the military profession.

[C97, §2168; S13, §2215-f2; C24, 27, 31, §433; C35, §467-f2; C39, §**467.02;** C46, 50, §29.2; C54, 58, 62, §29.1; C66, 71, 73, 75, 77, 79, 81, §29A.1; 81 Acts, ch 14, §18]

2000 Acts, ch 1020, §1, 6; 2001 Acts, 2nd Ex, ch 1, §1 – 6, 28; 2002 Acts, ch 1117, §2, 3, 23; 2004 Acts, ch 1086, §12; 2005 Acts, ch 119, §1; 2012 Acts, ch 1072, §6 – 9

Referred to in §29A.43, 29A.90, 35A.13, 69.20, 96.7(2a), 97B.52A, 142D.3, 144.13B, 144C.6, 272.8, 476.20, 483A.24A, 654.1A, 669.14, 724.7

**29A.2 Army national guard and air national guard created.**

There is hereby created the Iowa national guard to consist of the Iowa army national guard and the Iowa air national guard. The Iowa army national guard shall be composed

of such organized land forces, individual officers, state headquarters, and detachments, as may be prescribed from time to time by proper authority. The Iowa air national guard shall be composed of such organized air forces, individual officers, state headquarters, and detachments, as may be prescribed from time to time by proper authority.

[C51, §621; R60, §1002; C73, §1039; C97, §2167; S13, §2215-f1; C24, 27, 31, §432; C35, §467-f1; C39, §**467.01;** C46, 50, §29.1; C54, 58, 62, §29.2; C66, 71, 73, 75, 77, 79, 81, §29A.2]

**29A.3 Units of guard.**

The Iowa units, detachments, and organizations of the army national guard of the United States and the air national guard of the United States shall consist of such units, detachments, and organizations, as may be specified by the secretary of defense with the approval of the governor, in accordance with law and regulations.

[C73, §1045; C97, §2168; SS15, §2215-f4; C24, 27, 31, §435; C35, §467-f7; C39, §**467.07;** C46, 50, §29.7; C54, 58, 62, §29.3; C66, 71, 73, 75, 77, 79, 81, §29A.3]

2006 Acts, ch 1010, §18

**29A.3A Civil air patrol.**

1. The civil air patrol may be used to support national guard missions in support of civil authorities as described in section 29C.5 or in support of noncombat national guard missions under section 29A.8 or 29A.8A.

2. Requests for activation of the civil air patrol shall be made to the commander of the Iowa wing of the civil air patrol. Missions shall be in accordance with laws and regulations applicable to the United States air force and the civil air patrol. Prior to activation of the civil air patrol, the adjutant general or the Iowa civil air patrol wing commander shall apply to the air force rescue coordination center, the air force national security emergency preparedness agency, or the civil air patrol national operations center for federal mission status and funding.

3. If an operation or mission of the civil air patrol is granted federal mission status and assigned an accompanying federal mission number, the following shall apply:

*a.* The operation or mission shall be funded by the federal government.

*b.* When training or operating pursuant to a federal mission number, members of the civil air patrol shall be considered federal employees for the purposes of tort claims arising from the performance of the mission or any actions incident to the performance of the mission.

4. If an operation or mission of the civil air patrol is not granted federal mission status and is not assigned an accompanying federal mission number, the following shall apply:

*a.* Operations and administration of the civil air patrol relating to missions not qualifying for federal mission status shall be funded by the state from moneys appropriated to the department of homeland security and emergency management for that purpose.

*b.* When performing a mission that does not qualify for federal mission status, members of the civil air patrol shall be considered state employees for purposes of the Iowa tort claims Act, as provided in chapter 669, and for purposes of workers' compensation, as provided in chapter 85.

2005 Acts, ch 119, §2; 2013 Acts, ch 29, §11

Referred to in §29A.12, 29A.28, 29A.43, 29C.5, 96.7(2a)

Subsection 4, paragraph a amended

**29A.4 Organization — armament — equipment and discipline.**

The organization, armament, equipment and discipline of the national guard, and the militia when called into state active duty, except as hereinafter specifically provided, shall be the same as that which is now or may be hereafter prescribed under the provisions of federal law and regulations as to those requirements which are mandatory therein, but as to those things which are optional therein they shall become effective when an order or regulation to that effect shall have been promulgated by the governor.

[C51, §623 – 631; R60, §1004 – 1015; C73, §1038 – 1057; C97, §2182, 2186; S13, §2215-f3, -f8, -f9; C24, 27, 31, §434, 439, 440; C35, §467-f6, -f9, -f10; C39, §**467.06, 467.09, 467.10;** C46, 50, §29.6, 29.9, 29.10; C54, 58, 62, §29.4; C66, 71, 73, 75, 77, 79, 81, §29A.4]

2001 Acts, 2nd Ex, ch 1, §7, 28

**29A.5 Government, discipline and uniforming.**

The national guard shall be subject to the provisions of federal law and regulations relating to the government, discipline and uniforming thereof; and to the provisions of this chapter and to regulations published pursuant hereto.

[C51, §631; R60, §1012; C73, §1044; C97, §2205; S13, §2215-f6, -f7; C24, 27, 31, §437, 438; C35, §467-f8; C39, §**467.08;** C46, 50, §29.8; C54, 58, 62, §29.5; C66, 71, 73, 75, 77, 79, 81, §29A.5]

**29A.6 Military forces of state.**

The military forces of the state of Iowa shall consist of the army national guard, the air national guard, and the militia.

[C51, §621; R60, §1002; C73, §1039; C97, §2167; S13, §2215-f1; C24, 27, 31, §432; C35, §467-f1; C39, §**467.01;** C46, 50, §29.1; C54, 58, 62, §29.6; C66, 71, 73, 75, 77, 79, 81, §29A.6]

2001 Acts, 2nd Ex, ch 1, §8, 28

Referred to in §29B.1

**29A.7 Commander in chief.**

1. The governor is the commander in chief of the military forces, except when they are on federal active duty. The governor may employ the military forces of the state for the defense of the state, to provide assistance to civil authorities in emergencies resulting from disasters or public disorders as defined in section 29C.2, including homeland security and defense duties, and for parades and ceremonies of a civic nature.

2. The governor shall provide for the participation of the national guard in training at the times and places as necessary to ensure readiness for public defense or federal active duty.

3. If circumstances necessitate the establishment of a military district under martial law and the general assembly is not convened, the district shall be established only after the governor has issued a proclamation convening an extraordinary session of the general assembly.

[C51, §623; R60, §1004; C73, §1051; C97, §2169, 2170; S13, §2215-f19; C24, 27, 31, §449; C35, §467-f26, -f28; C39, §**467.26, 467.28;** C46, 50, §29.26, 29.28; C54, 58, 62, §29.7; C66, 71, 73, 75, 77, 79, 81, §29A.7]

2001 Acts, 2nd Ex, ch 1, §9, 28; 2002 Acts, ch 1117, §4, 23; 2012 Acts, ch 1072, §10

See Iowa Constitution, Art. IV, §7

**29A.8 State active duty.**

1. The governor may order into state active duty the military forces of the state, including retired members of the national guard, as the governor deems proper, under one or more of the following circumstances:

*a.* In case of insurrection or invasion, or imminent danger of insurrection or invasion.

*b.* For the purpose of assisting the civil authorities of any political subdivision of the state in maintaining law and order in the subdivision in cases of breaches of the peace or imminent danger of breaches of the peace, if the law enforcement officers of the subdivision are unable to maintain law and order, and the civil authorities of the subdivision request the assistance.

*c.* For the purposes of providing support to civil authorities during emergencies resulting from disasters or public disorders and for performing homeland defense or homeland security duties.

*d.* For training, recruiting, escort duty, and duty at schools of instruction, as a student or instructor, including at the Iowa military academy.

*e.* To participate in parades and ceremonies of a civic nature.

*f.* For other purposes as the governor may deem necessary.

2. The governor may prescribe regulations and requirements for duties performed under this section.

[C51, §623; R60, §1004; C73, §1051; C97, §2169, 2170; S13, §2215-f19; C24, 27, 31, §449; C35, §467-f28, -f29; C39, §**467.28, 467.29;** C46, 50, §29.28, 29.29; C54, 58, 62, §29.7, 29.8; C66, 71, 73, 75, §29A.7, 29A.8; C77, 79, 81, §29A.8]

2001 Acts, 2nd Ex, ch 1, §10, 28; 2002 Acts, ch 1117, §5 – 8, 23

Referred to in §29A.1, 29A.3A

**29A.8A National guard duty.**

1. If federal funding and authorization exist for the purpose identified by the governor, the governor may order to national guard duty the military forces of the national guard as the governor may deem appropriate.

2. A state employee shall take either a full day's leave in accordance with section 29A.28 or eight hours of compensatory time on a day in which the state employee receives a full day's pay from federal funds for national guard duty.

3. When performing national guard duty, the adjutant general, a deputy adjutant general, or the state quartermaster shall not be considered a state employee, except for purposes of the Iowa public employees' retirement system, state health and dental plans, and other state employee benefits plans.

2001 Acts, 2nd Ex, ch 1, §11, 28; 2002 Acts, ch 1117, §9, 23; 2004 Acts, ch 1086, §13; 2008 Acts, ch 1003, §1, 5; 2010 Acts, ch 1087, §1; 2012 Acts, ch 1072, §11

Referred to in §29A.3A

**29A.9 Training.** Repealed by 2002 Acts, ch 1117, § 22, 23.

**29A.10 Inspections.**

The governor may order such inspections of the different organizations, units, and personnel of the national guard as the governor may deem proper and necessary.

The form and mode of inspection shall be prescribed by the adjutant general.

The governor may appoint an officer of the national guard to serve as special investigator for a period determined by the governor. Service as special investigator shall be state active duty. The special investigator shall report to and serve at the pleasure of the governor. The duty of special investigator shall be assigned as additional duty. The special investigator shall not be the person designated as inspector general pursuant to federal national guard bureau regulation.

[C73, §1049; C97, §2191; S13, §2215-f22; C24, 27, 31, §451; C35, §467-f52; C39, §**467.54;** C46, 50, §29.54; C54, 58, 62, §29.10; C66, 71, 73, 75, 77, 79, 81, §29A.10]

2001 Acts, 2nd Ex, ch 1, §13, 28

**29A.11 Adjutant general — appointment and term.**

There shall be an adjutant general of the state who shall be appointed and commissioned by the governor subject to confirmation by the senate and who shall serve at the pleasure of the governor. The rank of the adjutant general shall be at least that of brigadier general and the adjutant general shall hold office for a term of four years beginning and ending as provided in section 69.19. At the time of appointment the adjutant general shall be a federally recognized commissioned officer in the United States army or air force, the army or air national guard, the army or air national guard of the United States, or the United States army or air force reserve who has reached at least the grade of colonel and who is or is eligible to be federally recognized at the next higher rank.

[C73, §1054; C97, §2174; SS15, §2215-f14; C24, 27, 31, §445; C35, §467-f40; C39, §**467.42;** C46, 50, §29.42; C54, 58, 62, §29.11; C66, 71, 73, 75, 77, 79, 81, §29A.11]

2000 Acts, ch 1020, §2, 6; 2001 Acts, 2nd Ex, ch 1, §14, 28

Confirmation, see §2.32

**29A.12 Powers and duties.**

1. The adjutant general shall have command and control of the department of public defense, and perform such duties as pertain to the office of the adjutant general under law and regulations, pursuant to the authority vested in the adjutant general by the governor. The adjutant general shall superintend the preparation of all letters and reports required by the United States from the state, and perform all the duties prescribed by law. The adjutant general shall have charge of the state military reservations, and all other property of the state kept or used for military purposes. The adjutant general may accept and expend nonappropriated funds in accordance with law and regulations. The adjutant general shall cause an inventory to be taken at least once each year of all military stores, property, and funds under the adjutant general's jurisdiction. In each year preceding a regular session of

the general assembly, the adjutant general shall prepare a detailed report of the transactions of that office, its expenses, and other matters required by the governor for the period since the last preceding report, and the governor may at any time require a similar report.

2. The adjutant general may enter into an agreement with the secretary of defense to operate the water plant at Camp Dodge for the use and benefit of the United States, and the state of Iowa upon terms and conditions as approved by the governor. The adjutant general may also enter into an agreement with the national guard of another state for the use of Iowa national guard personnel and equipment.

3. The adjutant general may request activation of the civil air patrol to provide assistance to the national guard in accordance with section 29A.3A. The adjutant general is authorized to provide suitable space in national guard facilities to support the civil air patrol.

[C73, §1054, 1055; C97, §2175; SS15, §2215-f15; C24, 27, 31, §446, 446-c1, 447; C35, §467-f42; C39, §**467.44;** C46, 50, §29.44; C54, 58, 62, §29.12; C66, 71, 73, 75, 77, 79, 81, §29A.12]

2005 Acts, ch 119, §3; 2007 Acts, ch 74, §1; 2013 Acts, ch 29, §12
Subsection 1 amended

**29A.13 Appropriated funds.**

Operating expenses for the national guard including the purchase of land, maintenance of facilities, improvement of state military reservations, installations, and weapons firing ranges owned or leased by the state of Iowa or the United States shall be paid from funds appropriated for the support and maintenance of the national guard. Claims for payment of such expenses shall be subject to the approval of the adjutant general. Upon approval of the adjutant general the claim shall be submitted to the director of the department of administrative services.

Payment for personnel compensation and authorized benefits shall be approved by the adjutant general prior to submission to the director of the department of administrative services for payment.

[S13, §2215-f41; C24, 27, 31, §466; C35, §467-f43; C39, §**467.45;** C46, 50, §29.45; C54, 58, 62, §29.13; C66, 71, 73, 75, 77, 79, 81, §29A.13]

2003 Acts, ch 145, §147

**29A.14 Support and facilities improvement fund.**

1. The adjutant general may operate or lease any of the national guard facilities at Camp Dodge. Any income or revenue derived from the operation or leasing shall be deposited with the treasurer of state and credited to the national guard support and facilities improvement fund. The balance in the national guard support and facilities improvement fund is limited to a maximum of two million dollars. Any amount exceeding the limit shall be credited to the general fund of the state.

2. A national guard support and facilities improvement fund is created in the state treasury. The proceeds of the fund are appropriated, and shall be used to support national guard operations and for the construction, improvement, modification, maintenance or repair of national guard facilities. However, proceeds of the fund shall not be used for the construction of a new facility without the approval of the general assembly.

[C35, §467-f44; C39, §**467.46;** C46, 50, §29.46; C54, 58, 62, §29.14; C66, 71, 73, 75, 77, 79, 81, §29A.14; 81 Acts, ch 14, §19]

86 Acts, ch 1244, §12; 2011 Acts, ch 47, §1, 13
Referred to in §29A.57

**29A.14A Use of government facilities.**

Notwithstanding any provision of law to the contrary, the state or any political subdivision of the state, shall permit the rental of facilities under its control, for a fee not in excess of any expenses incurred by the state or political subdivision, for designated military events. For purposes of this section, *"designated military event"* means an event for military family readiness groups, departing units, or returning veterans of the national guard, reserves, or

regular components of the armed forces of the United States for a period of up to one year from the date of return from active duty.

2010 Acts, ch 1170, §1; 2011 Acts, ch 47, §2

**29A.15 State awards and decorations.**

The adjutant general, from the funds appropriated for the support and maintenance of the national guard, shall procure and issue to the members of the national guard merit or service badges or other appropriate awards for service under regulations and according to the design and pattern determined by the adjutant general. Members of the national guard who, by order of the president, serve in federal forces during a national emergency, may count the period of that federal active duty toward the procurement of a service badge.

[S13, §2215-f34; C24, 27, 31, §462; C35, §467-f53; C39, §**467.55;** C46, 50, §29.55; C54, 58, 62, §29.15; C66, 71, 73, 75, 77, 79, 81, §29A.15]

2012 Acts, ch 1072, §12; 2013 Acts, ch 30, §10

Section amended

**29A.16 Deputy adjutants general.**

1. The governor shall appoint a deputy adjutant general for the army national guard and a deputy adjutant general for the air national guard upon recommendation of the adjutant general. At the time of appointment, the deputy adjutants general shall be federally recognized officers in the national guard who have attained at least the rank of colonel and who are eligible for federal recognition at the next higher rank.

2. The deputy adjutants general shall have the rank as is consistent with federal law and regulations to and including the rank of brigadier general. The deputy adjutants general shall serve at the pleasure of the governor.

3. The deputy adjutants general shall serve in the office of the adjutant general and aid by performing such duties as the adjutant general may assign. In the absence or disability of the adjutant general, the senior deputy present for duty, based upon date of appointment under this section, shall perform the duties of that office as acting adjutant general.

4. The adjutant general may appoint a full-time staff within prescribed personnel authorization. Members of the staff who are not in state active duty status are authorized salaries with allowances as provided by law.

[C73, §1054; C97, §2174; SS15, §2215-f14; C24, 27, 31, §445; C35, §467-f41; C39, §**467.43;** C46, 50, §29.43; C54, 58, 62, §29.16; C66, 71, 73, 75, 77, 79, 81, §29A.16]

2000 Acts, ch 1020, §3, 6

**29A.17 Governor's staff.**

The military staff of the governor shall consist of the adjutant general, who shall be the chief of staff; the deputy adjutants general, who shall be the assistant chiefs of staff; and any aides, who shall be residents of the state, as the governor may appoint or detail from the armed forces of the state.

The aides appointed shall be commissioned at a rank not higher than the military rank of colonel, except that if a person holds or has held a higher rank in the armed forces of the state or nation the commission may issue for such higher rank.

[C73, §1054; C97, §2174; SS15, §2215-f14; C24, 27, 31, §445; C35, §467-f27; C39, §**467.27;** C46, 50, §29.27; C54, 58, 62, §29.17; C66, 71, 73, 75, 77, 79, 81, §29A.17]

2000 Acts, ch 1020, §4, 6; 2002 Acts, ch 1119, §121

**29A.18 United States property and fiscal officer.**

Subject to the approval of the secretary of the army and secretary of the air force, the governor shall detail through the national guard bureau a qualified commissioned officer of the national guard who is also a commissioned officer of the army or the air force of the United States to be the United States property and fiscal officer for Iowa. Subject to the approval of the governor, the adjutant general shall nominate a qualified commissioned officer for the detail to this position.

The United States property and fiscal officer for Iowa shall perform the duties provided by 32 U.S.C. § 708.

The governor may request the removal for cause of the United States property and fiscal officer for Iowa through the chief of the national guard bureau to the secretary of the army or air force.

[R60, §1013; C73, §1050; C97, §2190; S13, §2215-f12; C24, 27, 31, §443; C35, §467-f45; C39, §**467.47;** C46, 50, §29.47; C54, 58, 62, §29.18; C66, 71, 73, 75, 77, 79, 81, §29A.18]

**29A.19 Quartermaster.**

A present or retired member of the national guard who has ten years' service in the national guard shall be detailed to be the quartermaster, who shall be responsible for, under the adjutant general, all state military property and facilities.

[S13, §2215-f28; C24, 27, 31, §456; C35, §467-f18, -f46; C39, §**467.18, 467.48;** C46, 50, §29.18, 29.48; C54, 58, 62, §29.19; C66, 71, 73, 75, 77, 79, 81, §29A.19]

2002 Acts, ch 1117, §10, 23; 2011 Acts, ch 47, §3; 2012 Acts, ch 1072, §13

**29A.20 Officers.**

Officers of the national guard shall be selected from the classes of persons having the qualifications prescribed by federal law and regulations. They shall be appointed by the governor upon the recommendation of their superiors in the chain of command, provided that they shall have successfully passed such tests as to physical, moral, and professional fitness, as shall be prescribed by law and regulations. Each officer shall take an oath of office and shall hold office until the officer shall have attained the maximum age of retirement that is prescribed by federal law or regulations pertaining to officers of the armed forces of the United States, unless the officer's commission or warrant is sooner vacated by resignation, death or as hereinafter provided. In case the officer has no immediate superiors, within the state, in the chain of command, the officer shall be appointed, as above provided, upon the recommendation of the adjutant general. A commission shall designate the arm or branch of service in which the officer is commissioned. Provided, however, that no person shall be appointed a commissioned or warrant officer who has not reached the person's eighteenth birthday at or prior to the time of such appointment.

[C51, §624, 626 – 628; R60, §1005, 1007 – 1009; C73, §1047, 1048; C97, §2176 – 2180; S13, §2215-f10; C24, 27, 31, §441; C35, §467-f11; C39, §**467.11;** C46, 50, §29.11; C54, 58, 62, §29.20; C66, 71, 73, 75, 77, 79, 81, §29A.20]

**29A.21 Powers and duties.**

In addition to the powers and duties prescribed in this chapter all officers of the national guard shall have the same powers and perform like military duties as officers of similar rank and position in the armed forces of the United States insofar as may be authorized by law. Officers are authorized to administer oaths in all matters connected with the service.

[C35, §467-f16; C39, §**467.16;** C46, 50, §29.16; C54, 58, 62, §29.21; C66, 71, 73, 75, 77, 79, 81, §29A.21]

**29A.22 Fitness determined — vacation of commissions.**

The moral character, capacity and general fitness for the service of any national guard officer may be determined at any time by an efficiency board as provided by federal law and regulations. Commissions or warrants of officers of the national guard may be vacated upon resignation, absence without leave for three months, upon the recommendation of an efficiency board, or pursuant to sentence of a court-martial. Any officer permanently removing from the state shall resign the officer's commission or warrant upon request of the adjutant general or make application to be placed upon the inactive list, and upon failure to do so, the officer's commission or warrant shall be revoked by the governor. Officers rendered surplus by the disbandment of their organization shall be disposed of as provided by law and regulations. Subject to the approval of their superior commanders and the

adjutant general, officers may, upon their own application, be placed on the inactive list, as such list may be authorized by law and regulations.

[C97, §2183, 2199; S13, §2215-f11; C24, 27, 31, §442; C35, §467-f12; C39, §**467.12;** C46, 50, §29.12; C54, 58, 62, §29.22; C66, 71, 73, 75, 77, 79, 81, §29A.22]

**29A.23 Roll of retired officers and enlisted personnel.**

An officer or enlisted person who is a member of the Iowa national guard who has completed twenty years of military service under 10 U.S.C. § 1331(d), as evidenced by a letter of notification of retired pay at age sixty, shall upon retirement from the Iowa national guard and written request to the adjutant general be placed by order of the commander in chief on a roll in the office of the adjutant general to be known as the "roll of retired national guard military personnel". A member registered on the roll is entitled to wear the uniform of the rank last held on state or other occasions of ceremony, when the wearing of such uniform is not in conflict with federal law.

[C35, §467-f15; C39, §**467.15;** C46, 50, §29.15; C54, 58, 62, §29.23; C66, 71, 73, 75, 77, 79, 81, §29A.23]

2011 Acts, ch 47, §4

Referred to in §29A.78

**29A.24 Unassigned list.**

There shall be maintained in the office of the adjutant general a list to be known as the unassigned list, to which officers may be transferred, pending their resignation or removal from the service. Any officer may be transferred by the adjutant general to such unassigned list upon the recommendation of the officer's commanding officer, either immediate or remote. Before such transfer is made the adjutant general shall notify the officer, either in person or by certified mail mailed to the officer's last known address of the intended transfer. The officer shall have ten days from the date of mailing of said notice in which to apply to the adjutant general for an efficiency board. Should the officer fail to apply for an efficiency board, the transfer shall be made upon the expiration of the ten-day period. If the officer requests an efficiency board, the adjutant general will be governed by the finding of such board. All officers transferred to such unassigned list shall remain subject to military discipline and to courts-martial for military offenses to the same extent and in like manner as if upon the active list.

[C35, §467-f13; C39, §**467.13;** C46, 50, §29.13; C54, 58, 62, §29.24; C66, 71, 73, 75, 77, 79, 81, §29A.24]

**29A.25 Enlistments and discharges.**

All enlistments and discharges in the national guard shall be as prescribed by federal law and regulations.

[C97, §2173; S13, §2215-f13; C24, 27, 31, §444; C39, §**467.22;** C46, 50, §29.22; C54, 58, 62, §29.25; C66, 71, 73, 75, 77, 79, 81, §29A.25]

2002 Acts, ch 1117, §11, 23

**29A.26 State headquarters and detachment.**

The number and grade of officers and enlisted personnel in the state headquarters and headquarters detachment shall be as prescribed by federal law and regulations. However, in case of war, invasion, insurrection, emergency, or imminent danger thereof, the governor may temporarily increase the force to meet the circumstance.

[C51, §624, 626 – 628; R60, §1005, 1007 – 1009; C73, §1047, 1048; C97, §2176 – 2180; S13, §2215-f10; C24, 27, 31, §441; C35, §467-f23; C39, §**467.23;** C46, 50, §29.23; C54, 58, 62, §29.26; C66, 71, 73, 75, 77, 79, 81, §29A.26]

2002 Acts, ch 1117, §12, 13, 23

**29A.27 Pay and allowances — injury or death benefit boards — judicial review — damages.**

1. Officers and enlisted persons while in state active duty shall receive the same pay, per

diem, and allowances as are paid for the same rank or grade for federal active duty. However, a person shall not be paid at a base rate of pay of less than one hundred dollars per calendar day of state active duty.

2. *a.* In the event any officer or enlisted person shall be killed while on duty or in state active duty, in line of duty, or shall die as the result of injuries received or as a result of illness or disease contracted while on duty or in state active duty, in line of duty, dependents, as defined by the workers' compensation law of the state, shall receive the maximum compensation provided by such law.

*b.* Any officer or enlisted person who suffers injuries or contracts a disease causing disability, in line of duty, while on duty or in state active duty, shall receive hospitalization and medical treatment, and during the period that the officer or enlisted person is totally disabled from returning to military duty the officer or enlisted person shall also receive the pay and allowances of the officer's or enlisted person's grade. In the event of partial disability, the officer or enlisted person shall be allowed partial pay and allowances as determined by an evaluation board of three officers to be appointed by the adjutant general. At least one member of the board shall be a medical officer.

*c.* Any claim for death, illness, or disease contracted in line of duty while on duty or in state active duty, shall be filed with the adjutant general within six months from the date of death or contraction of the illness or disease.

3. Where the provisions of this section may be applicable or at other times as considered necessary, the adjutant general shall appoint a state review board consisting of three officers, one of whom shall be a medical officer, for the purpose of determining the continuation of benefits for individuals who have established their eligibility under this section. Once established, benefits shall be paid until terminated by the review board and shall continue for the duration of the disability even though the individual may no longer be medically qualified for military service and may have been discharged from the national guard.

4. Judicial review of any decision of the evaluation or state review board may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, petitions for judicial review must be filed within a period of thirty days from date of mailing by the adjutant general by certified mail of notice of the board's decision. Within thirty days after the filing of a petition for judicial review, the adjutant general shall make, certify, and file in the office of the clerk of the district court in which the judicial review is sought a full and complete transcript of all documents in the proceeding. The transcript shall include any depositions and a transcript or certification of the evidence, if reported. The attorney general of Iowa, upon the request of the adjutant general, shall represent the board appointed by the adjutant general against whom any such appeal has been instituted.

5. The provisions herein provided shall apply to all individuals receiving benefits under this section or who subsequently may become entitled to such benefits.

6. *a.* All payments provided for under this section shall be paid on the approval of the adjutant general from the contingent fund of the executive council created in section 29C.20.

*b.* In the event benefits for death, injuries or illness are paid in part by the federal government, the state shall pay only the balance necessary to constitute the above designated amounts.

7. No payment received by any officer or enlisted person under the provisions of this section shall bar the right of such officer or enlisted person, or their heirs or representatives, to recover damages from any partnership, corporation, firm or persons whomsoever who otherwise would be liable, nor shall any such sums received under the provisions of this section reduce the amount of damages recoverable by such officer, enlisted person, or their

heirs or representatives, against any partnership, corporation, firm or persons whomsoever who otherwise would be liable.

[C51, §625; R60, §1006; C73, §1051; C97, §2189, 2212, 2213; S13, §2215-f23; C24, 27, 31, §452; C35, §467-f21, -f31; C39, §**467.21, 467.31;** C46, 50, §29.21, 29.31; C54, 58, 62, §29.27; C66, 71, 73, 75, 77, 79, 81, §29A.27]

84 Acts, ch 1170, §1; 92 Acts, ch 1238, §15; 99 Acts, ch 99, §1; 2001 Acts, 2nd Ex, ch 1, §15, 28; 2003 Acts, ch 44, §114; 2011 Acts, ch 131, §21, 158; 2012 Acts, ch 1072, §14

Workers' compensation, see chapter 85

**29A.28 Leave of absence of civil employees.**

1. *a.* All officers and employees of the state, a subdivision thereof, or a municipality, other than employees employed temporarily for six months or less, who are members of the national guard, organized reserves or any component part of the military, naval, or air forces or nurse corps of this state or nation, or who are or may be otherwise inducted into the military service of this state or of the United States, or who are members of the civil air patrol, shall, when ordered by proper authority to state active duty, national guard duty, or federal active duty, or when performing a civil air patrol mission pursuant to section 29A.3A, be entitled to a leave of absence from such civil employment for the period of state active duty, national guard duty, federal active duty, or civil air patrol duty without loss of status or efficiency rating, and without loss of pay during the first thirty days of such leave of absence.

*b.* Where state active duty, national guard duty, federal active duty, or civil air patrol duty is for a period of less than thirty days, a leave of absence under this section shall only be required for those days that the civil employee would normally perform services for the state, subdivision of the state, or a municipality. The provisions of this section shall also apply to a leave of absence by a member of the national disaster medical system of the United States when activated for federal service with the system. If the workday for a civil employee encompasses more than one calendar day, the civil employee shall only be required to take a leave of absence for one day for that workday if a leave of absence is required under this paragraph.

2. A state agency, subdivision of the state, or municipality may hire a temporary employee to fill any vacancy created by such leave of absence. Temporary employees hired to fill a vacancy created by a leave of absence under this section shall not count against the number of full-time equivalent positions authorized for the state agency, subdivision of the state, or municipality.

3. Upon returning from a leave of absence under this section, an employee shall be entitled to return to the same position and classification held by the employee at the time of entry into state active duty, national guard duty, federal active duty, or civil air patrol duty, or to the position and classification that the employee would have been entitled to if the continuous civil service of the employee had not been interrupted by state active duty, national guard duty, federal active duty, or civil air patrol duty. Under this subsection, "*position*" includes the geographical location of the position.

[C35, §467-f25; C39, §**467.25;** C46, 50, §29.25; C54, 58, 62, §29.28; C66, 71, 73, 75, 77, 79, 81, §29A.28]

2001 Acts, 2nd Ex, ch 1, §16, 28; 2003 Acts, ch 142, §3, 11; 2003 Acts, 1st Ex, ch 2, §36, 47; 2004 Acts, ch 1086, §14; 2006 Acts, ch 1185, §59; 2007 Acts, ch 126, §12; 2007 Acts, ch 218, §133 – 135; 2008 Acts, ch 1003, §2, 5; 2012 Acts, ch 1072, §15

Referred to in §29A.8A, 279.13, 279.23

See also §29A.43

**29A.29 Payment from treasury — exception.**

When in state active duty, the compensation of officers and enlisted persons and expenses of the national guard and claims for death, injury, and illness of the members thereof, incurred in line of duty, shall be paid out of any funds in the state treasury not otherwise appropriated. However, if funds for compensation and expenses have been appropriated for compensation

and expenses of persons on full-time state active duty pursuant to a specific Act of the general assembly, such persons shall be paid from funds appropriated pursuant to such Act.

[C51, §625; R60, §1006; C73, §1051; C97, §2189, 2212, 2213; S13, §2215-f23; C24, 27, 31, §452; C35, §467-f31; C39, §**467.31;** C46, 50, §2931; C54, 58, 62, §29.29; C66, 71, 73, 75, 77, 79, 81, §29A.29]

2001 Acts, 2nd Ex, ch 1, §17, 28

**29A.30 Inactive guard.**

An inactive national guard may be organized and maintained in such manner as may be prescribed or authorized by law and regulations.

[C35, §467-f14; C39, §**467.13;** C46, 50, §29.14; C54, 58, 62, §29.30; C66, 71, 73, 75, 77, 79, 81, §29A.30]

**29A.31 Unlawful organizations.**

It shall be unlawful for any person to form a military organization within the limits of this state without the written permission of the governor, which the governor may at any time revoke, but this provision shall not prevent civic, social, or benevolent organizations from wearing uniforms and equipment not in conflict with the other provisions of this chapter.

[C97, §2200; S13, §2215-f5; C24, 27, 31, §436; C35, §467-f3; C39, §**467.03;** C46, 50, §29.3; C54, 58, 62, §29.31; C66, 71, 73, 75, 77, 79, 81, §29A.31]

2002 Acts, ch 1117, §14, 23

**29A.32** Repealed by 59 Acts, ch 85, § 6.

**29A.33 Per capita allowance to unit.**

Each unit of the national guard showing attendance and actual drill of those present for such drills as are prescribed in compliance with the National Defense Act or its amendments and such regulations as prescribed by the secretary of defense, shall receive an annual allowance for military purposes, in the sum of five dollars per capita, to be paid in semiannual installments on the basis of two dollars and fifty cents per capita. For the purpose of computing each semiannual installment the per capita strength shall be the average enlisted strength of the unit, for that semiannual period; however, if the average attendance of any unit during any semiannual period falls below fifty percent of the average enlisted strength of such unit in that period, the allowance shall not be paid for that period. The semiannual periods shall begin January 1 and July 1. The allowance shall be paid from the funds appropriated for the support and maintenance of the national guard, and the adjutant general shall prescribe regulations requiring an itemized statement of the allowance and governing its expenditure. The allowance shall be used for morale purposes and for the welfare of the troops. The allowance shall not be used to purchase an alcoholic beverage or beer.

[SS15, §2215-f27; C24, 27, 31, §455; C35, §467-f50; C39, §**467.52;** C46, 50, §29.52; C54, 58, 62, §29.33; C66, 71, 73, 75, 77, 79, 81, §29A.33]

90 Acts, ch 1267, §24; 2009 Acts, ch 41, §22

**29A.34 Clothing and equipment.**

The commanding officer of a unit or organization receiving clothing or equipment for the use of that command shall distribute it to the members of that command, taking receipts and requiring the return of each article at such time and place as that officer directs.

Upon the direction of any unit or organization commander the county attorney shall bring action in the name of the state of Iowa against any person for the recovery of any property issued by a unit or organization commander, or for its value as set forth in the price list promulgated by the federal government.

All sums so collected shall be paid to the treasurer of the United States and forwarded to the United States property and fiscal officer for Iowa.

[C51, §629; R60, §1010; C73, §1050; C97, §2190; SS15, §2215-f31; C24, 27, 31, §459; C35, §467-f55, -f56; C39, §**467.57, 467.58;** C46, 50, §29.57, 29.58; C54, 58, 62, §29.34; C66, 71, 73, 75, 77, 79, 81, §29A.34]

**29A.35 Use for military only.**

All arms, clothing, equipment, and other military property furnished or issued by the federal government or the state or for which an allowance has been made, shall be used for military purposes only, and each officer and enlisted person upon being separated from the military forces of the state, or upon demand of the commanding officer, shall forthwith surrender such military property in the officer's or enlisted person's possession to said commanding officer. Any member of the national guard who shall neglect to return to the armory of the unit, or place in charge of the commanding officer of the organization to which the member belongs, any arms, clothing, equipment, or other military property or portion thereof, belonging to the federal government or the state, upon being notified by said commanding officer to do so, shall be guilty of a serious misdemeanor.

[S13, §2215-f35; C24, 27, 31, §463; C35, §467-f4; C39, §**467.04;** C46, 50, §29.4; C54, 58, 62, §29.35; C66, 71, 73, 75, 77, 79, 81, §29A.35]

**29A.36 Injury or destruction of property.**

Every person who shall willfully or wantonly injure or destroy any articles of arms, clothing, equipment, or other military property furnished or issued by the federal government or the state, and refuses to make good such injury or loss; or who shall sell, dispose of, secrete or remove the same with intent to sell or dispose of it, shall be guilty of a simple misdemeanor.

[R60, §1014; C73, §1050; C97, §2194; S13, §2215-f32; C24, 27, 31, §460; C35, §467-f57; C39, §**467.59;** C46, 50, §29.59; C54, 58, 62, §29.36; C66, 71, 73, 75, 77, 79, 81, §29A.36]

**29A.37 Bond of officers.**

Each officer responsible or accountable for property for military use, or funds of the state or of the United States, shall execute and deliver to the adjutant general a bond, with sureties to be approved by the adjutant general, and payable to the state, in such amount as fixed by the adjutant general, conditioned for the proper care, use, and return in good order, wear, use and unavoidable loss and damage excepted, of all such state and United States property, and the proper care and faithful disbursement and accounting of all those funds coming into the hands of that officer. However, the adjutant general, with the approval of the governor, may obtain an adequate indemnity bond covering all or part of those officers accountable or responsible and the officers covered shall not be required to furnish individual bonds.

Upon the violation of any of the conditions of any bond executed and delivered under the provisions of this section, action thereon shall be brought by the adjutant general on behalf of the state. It shall be the duty of the attorney general of the state to prosecute all actions upon such bonds. No further payments shall be made under any provision of this chapter to the accountable officer of any organization or unit who does not fully and satisfactorily account to the adjutant general for all moneys theretofore paid to the officer under any provision of this chapter.

[R60, §1013; C73, §1050; C97, §2190; S13, §2215-f12; C24, 27, 31, §443; C35, §467-f17; C39, §**467.17;** C46, 50, §29.17; C54, 58, 62, §29.37; C66, 71, 73, 75, 77, 79, 81, §29A.37]

**29A.38 Serious misdemeanors.**

Any officer or enlisted person of the national guard who knowingly makes any false certificate of muster or false return of federal or state property or funds in the officer's or enlisted person's possession shall be guilty of a serious misdemeanor.

[C97, §2192; S13, §2215-f30; C24, 27, 31, §458; C35, §467-f19; C39, §**467.19;** C46, 50, §29.19; C54, 58, 62, §29.38; C66, 71, 73, 75, 77, 79, 81, §29A.38]

**29A.39 Theft.**

Any officer or enlisted person of the national guard who willfully neglects or refuses to apply all money, in the officer's or enlisted person's possession drawn from the state treasury, to the purpose for which such money was appropriated or who fails or refuses to account for or return any state or federal property or funds in the officer's or enlisted person's possession shall be guilty of the crime of theft.

[C97, §2192; S13, §2215-f30; C24, 27, 31, §458; C35, §467-f20; C39, §**467.20;** C46, 50, §29.20; C54, 58, 62, §29.39; C66, 71, 73, 75, 77, 79, 81, §29A.39]

See §714.2

**29A.40 False wearing of uniform.**

A member of the national guard shall not wear the uniform of the national guard while not on duty, except in accordance with state or federal regulations. A person, firm, or corporation, other than a civic, social, or benevolent military organization or the members of such organizations organizing for the benefit of all its members, shall not incorporate under the name of, or adopt any trade name which embodies the name or designation, officially or generally recognized as the name of a military organization now or formerly in existence, or any distinctive part of such name.

Any person who, without authority under the laws of the United States or of one of the states, wears the uniform of or a distinctive part of the uniform of the armed forces of the United States, shall be guilty of a serious misdemeanor.

[S13, §2215-f35; C24, 27, 31, §463; C35, §467-f4; C39, §**467.04;** C46, 50, §29.4; C54, 58, 62, §29.40; C66, 71, 73, 75, 77, 79, 81, §29A.40]

2002 Acts, ch 1117, §15, 23; 2006 Acts, ch 1185, §60

**29A.41 Exemptions.**

A member of the national guard shall not be arrested, or served with a summons, order, warrant or other civil process after having been ordered to any duty, or while going to, attending, or returning from, any place to which the national guard member is required to go for military duty. This section does not prevent the national guard member's arrest by order of a military officer or for a felony or breach of the peace committed while not in the actual performance of the national guard member's duty. The articles of equipment personally owned by such members are exempt from seizure or sale for debt.

[C97, §2209; S13, §2215-f33; C24, 27, 31, §461; C35, §467-f24; C39, §**467.24;** C46, 50, §29.24; C54, 58, 62, §29.41; C66, 71, 73, 75, 77, 79, 81, §29A.41]

84 Acts, ch 1181, §1; 2002 Acts, ch 1117, §16, 23

**29A.42 Trespass or interference with official acts.**

Any person who shall trespass upon any military reservation, camp, or armory, in violation of the orders of the commander thereof, or officer charged with the responsibility therefor shall be guilty of trespass and shall be punished as provided in section 716.8.

Any person who shall molest, or interfere with any member of the national guard, in the discharge of the member's duty shall be guilty of interference with official acts which is section 719.1, subsection 1. The commanding officer of such force may order the arrest of such person and cause the person to be delivered to a peace officer or magistrate.

[C97, §2188; S13, §2215-f29; C24, 27, 31, §457; C35, §467-f54; C39, §**467.56;** C46, 50, §29.56; C54, 58, 62, §29.42; C66, 71, 73, 75, 77, 79, 81, §29A.42]

2013 Acts, ch 90, §20

Unnumbered paragraph 2 amended

**29A.43 Discrimination prohibited — leave of absence — continuation of health coverage.**

1. A person shall not discriminate against any officer or enlisted person of the national guard or organized reserves of the armed forces of the United States or any member of the civil air patrol because of that membership. An employer, or agent of an employer, shall not discharge a person from employment because of being an officer or enlisted person of the military forces of the state or member of the civil air patrol, or hinder or prevent the officer

or enlisted person or member of the civil air patrol from performing any military service or civil air patrol duty the person is called upon to perform by proper authority. A member of the national guard or organized reserves of the armed forces of the United States ordered to temporary duty or service, as defined in section 29A.1, subsection 3, 8, or 12, or a member of the civil air patrol performing duty pursuant to section 29A.3A, for any purpose is entitled to a leave of absence during the period of the duty or service, from the member's private employment unless the employment is of a temporary nature. Upon completion of the duty or service, the employer shall restore the person to the position held prior to the leave of absence or employ the person in a position of like seniority, status, and pay. However, the person shall give evidence to the employer of satisfactory completion of the duty or service, and that the person is still qualified to perform the duties of the position. The period of absence shall be construed as an absence with leave, and shall in no way affect the employee's rights to vacation, sick leave, bonus, or other employment benefits relating to the employee's particular employment.

2. An officer or enlisted person of the national guard or organized reserves of the armed forces of the United States who is insured as a dependent under a group policy for accident or health insurance as a full-time student less than twenty-five years of age, whose coverage under the group policy would otherwise terminate while the officer or enlisted person was on a leave of absence during a period of temporary duty or service, as defined for members of the national guard in section 29A.1, subsection 3, 8, or 12, or as a member of the organized reserves called to active duty from a reserve component status, shall be considered to have been continuously insured under the group policy for the purpose of returning to the insured dependent status as a full-time student who is less than twenty-five years of age. This subsection does not apply to coverage of an injury suffered or a disease contracted by a member of the national guard or organized reserves of the armed forces of the United States in the line of duty.

3. A person violating a provision of this section is guilty of a simple misdemeanor. Violations of this section shall be prosecuted by the attorney general or the county attorney of the county in which the violation occurs.

[C35, §467-f5; C39, §**467.05;** C46, 50, §29.5; C54, 58, 62, §29.43; C66, 71, 73, 75, 77, 79, 81, §29A.43]

87 Acts, ch 115, §8; 2001 Acts, 2nd Ex, ch 1, §18, 28; 2002 Acts, ch 1117, §17, 23; 2003 Acts, ch 91, §1; 2006 Acts, ch 1185, §61; 2008 Acts, ch 1003, §3 – 5; 2011 Acts, ch 34, §14; 2012 Acts, ch 1072, §16

Referred to in §8A.311, 96.7(2a)
Leave for civil employees; §29A.28

**29A.44 Assault prohibited.**

Whenever the national guard is called into service under proclamation of the governor for the performance of any duties contemplated in this chapter any person who willfully assaults, or fires at, or throws any dangerous missiles at, against, or upon any member or body of the national guard so engaged, or civil officer or other persons lawfully aiding or assisting them in the discharge of their duties, shall be guilty of an aggravated misdemeanor.

[C35, §467-f30; C39, §**467.30;** C46, 50, §29.30; C54, 58, 62, §29.44; C66, 71, 73, 75, 77, 79, 81, §29A.44]

**29A.45 Martial law.**

When a military district is established under martial law, the chief justice or an associate justice of the supreme court may, upon written agreement of the parties or their attorneys, on good cause being shown, order any civil or criminal case on file in the office of the clerk of any court of record within the military district transferred to any court of record outside of the military district. The said cause shall be docketed without fee and proceed in all respects with the same force and effect as though transferred on a change of venue. When the said military district is dissolved, the cause and all proceedings in connection therewith may be

retransferred by the supreme court to the original court, where it shall be redocketed without fee.

[C39, §**467.32;** C46, 50, §29.32; C54, 58, 62, §29.45; C66, 71, 73, 75, 77, 79, 81, §29A.45]
Referred to in §602.8102(12)

**29A.46 Military court or commission.**

The governor may establish within such military district a military court or commission to take jurisdiction and cognizance of all public offenses against the peace and dignity of the state, and the violation of ordinances and military rules which are now, or may hereafter be, promulgated or enacted for the preservation of law and order and the public safety.

The military court or commission may make such orders, judgments, and decrees in civil cases as may be agreed upon by the litigants or their attorneys, or as may be necessary because of an emergency or to prevent waste, with the same force and effect as though made and entered by a judge of the district court. The said court or commission shall have full power and authority to issue all necessary process for the conduct of its proceedings, and like power to compel the attendance of witnesses therein as are exercised by civil courts of the state.

[C39, §**467.33;** C46, 50, §29.33; C54, 58, 62, §29.46; C66, 71, 73, 75, 77, 79, 81, §29A.46]

**29A.47 Arrests and subpoenas.**

Troops occupying a military district established under martial law, may, if necessary, pursue, arrest and subpoena persons wanted in said military district, anywhere within the state of Iowa.

All peace officers of the state shall serve process and execute the orders of a military court in the same way and to the same extent as corresponding instruments of civil courts.

[C35, §467-f34; C39, §**467.32, 467.36;** C46, 50, §29.32, 29.36; C54, 58, 62, §29.47; C66, 71, 73, 75, 77, 79, 81, §29A.47]

**29A.48 Commitment and fines.**

In default of payment of any fine imposed by any military court acting under martial law, the offender may be committed to any county jail designated by any court of this state for a period equal to one day for each three dollars of fine imposed and unpaid.

[C35, §467-f35; C39, §**467.37;** C46, 50, §29.37; C54, 58, 62, §29.48; C66, 71, 73, 75, 77, 79, 81, §29A.48]

**29A.49 Military jails.**

The keepers and wardens of all county jails or state institutions are required to receive and confine all military offenders or other persons when delivered to them, under a certificate of commitment of a military court or commanding officer, for and during the term of sentence or confinement as set forth in said commitment.

[C35, §467-f36; C39, §**467.38;** C46, 50, §29.38; C54, 58, 62, §29.49; C66, 71, 73, 75, 77, 79, 81, §29A.49]

**29A.50 Immunity.**

The commanding officer and members of any of the military forces engaged in the suppression of an insurrection, assistance to civil authorities in emergencies, homeland defense, or security duties, or the enforcement of the laws, shall have the same immunity as peace officers.

[C35, §467-f37; C39, §**467.39;** C46, 50, §29.39; C54, 58, 62, §29.50; C66, 71, 73, 75, 77, 79, 81, §29A.50]
2002 Acts, ch 1117, §18, 23

**29A.51 Suit or proceeding — defense.**

If a suit or proceeding is commenced in any court by any person against a member of the military forces of the state for an act done by the member in the member's official capacity in the discharge of a duty under this chapter or chapter 29B, the attorney general or staff

judge advocate, upon the request of the adjutant general, shall defend the member against whom the suit or proceeding has been instituted. The costs of the defense shall be paid out of any funds in the state treasury not otherwise appropriated. Before the suit or proceeding is filed or maintained against the member, the plaintiff must give security, to be approved by the court in a sum not less than one hundred dollars to secure the costs. If the plaintiff fails to recover judgment, the costs shall be taxed and judgment rendered against the plaintiff and the plaintiff's sureties. When members of the military forces of the state are called into state active duty by the governor under martial law or to assist civil authorities, in addition to the judge advocate's other duties, any judge advocate on duty with those troops may be appointed by the attorney general as an assistant attorney general, without pay for the judge advocate's services for acting in that capacity.

[C35, §467-f38; C39, §**467.40;** C46, 50, §29.40; C54, 58, 62, §29.51; C66, 71, 73, 75, 77, 79, 81, §29A.51]

2002 Acts, ch 1117, §19, 23

**29A.52 Malice must be proved.**

No action or proceeding shall be maintained against any officer appointing a military court or against any member of a military court or commission, officer or agent acting under its authority, or reviewing its proceedings, on account of the imposition of a fine or penalty or for the execution of a sentence of any person, unless it be shown that such officer, member or agent has acted from motives of malice.

[C35, §467-f39; C39, §**467.41;** C46, 50, §29.41; C54, 58, 62, §29.52; C66, 71, 73, 75, 77, 79, 81, §29A.52]

**29A.53 Call by president of U. S.**

1. Whenever the United States is invaded or in danger of invasion from any foreign nation, or of rebellion against the authority of the government of the United States, or the president is unable, with the regular forces at the president's command, to execute the laws of the union, it shall be lawful for the president to call forth such number of the national guard as the president may deem necessary to assist in repelling such invasion, suppressing such rebellion, or to assist in enabling the president to execute such laws, and to issue orders for that purpose, through the governor to such officers of the national guard as the president may think proper; and the president may specify, in the call, the period for which such service is required, and the guard so called forth shall continue to serve during the term so specified, either within or without the territory of the United States, unless sooner relieved by order of the president.

2. Whenever the president shall require, in any of the designated instances, more troops than can be supplied by the national guard, the governor shall, in the governor's discretion, organize forthwith such other national guard forces as the governor may deem necessary, or order into the service of the United States so many of the unorganized militia of the state as is required, designating the same by draft if a sufficient number do not volunteer, and shall commission officers therefor.

3. Officers and enlisted personnel called into federal active duty through the national guard shall upon completion of such duty continue to serve the balance of their enlistment period the same as though it had not been interrupted by such duty.

[C97, §2169; S13, §2215-f18; C24, 27, 31, §448; C35, §467-f58; C39, §**467.60;** C46, 50, §29.60; C54, 58, 62, §29.53; C66, 71, 73, 75, 77, 79, 81, §29A.53]

2012 Acts, ch 1072, §17

**29A.54 Senior commander allowances.**

A fund shall be established from an annual appropriation of funds to be used by senior commanders as an expense allowance to defer expenses incurred in conducting command functions or escorting military guests while acting in their official capacity as commander. Appropriations to the fund shall be made at the beginning of each fiscal year in the amount of seven hundred fifty dollars for each federally recognized general officer of the army national guard and the air national guard. The adjutant general of Iowa shall have custodial

and administrative responsibility for the fund and shall prescribe regulations requiring an itemized statement of expenditures from the fund. The fund shall not be used to purchase an alcoholic beverage or beer.

[C54, 58, 62, §29.54; C66, 71, 73, 75, 77, 79, 81, §29A.54]

2002 Acts, ch 1117, §20, 23

**29A.55 Insurance.**

The adjutant general is hereby authorized to procure insurance against the liability of officers and enlisted personnel of the national guard, and employees of the adjutant general by reason of claims for bodily injuries, death, or property damage, made upon such officers, enlisted personnel and employees resulting from their operation of a motor vehicle while in the performance of their duties.

[C54, 58, 62, §29.55; C66, 71, 73, 75, 77, 79, 81, §29A.55]

**29A.56 Special police.**

The adjutant general may by order entered of record commission one or more of the employees of the department of public defense as special police. Such special police shall on the premises of any state military reservation or other state military property have and exercise the powers of regular peace officers.

[C66, 71, 73, 75, 77, 79, §29A.12; C81, §29A.56]

2013 Acts, ch 29, §13

Section amended

**29A.57 Armory board.**

1. The governor shall appoint an armory board which consists of the adjutant general serving as chairperson, at least two officers from the active commissioned personnel of the national guard, and at least one other person, who is a citizen of the state of Iowa. One member of the board shall have at least five years' experience in the building construction trade. The board shall meet at times and places as ordered by the governor. The members shall serve at the pleasure of the governor. Members of the board shall receive actual expenses for each day in which they are actually employed under this chapter. Each member of the board may also be eligible to receive compensation as provided in section 7E.6.

2. The board may acquire land or real estate by purchase, contract for purchase, gift, or bequest and acquire, own, contract for the construction of, erect, purchase, maintain, alter, operate, and repair installations and facilities of the Iowa army national guard and the Iowa air national guard when funds for the installations and facilities are made available by the federal government, the state of Iowa, municipalities, corporations, or individuals. The title to the property so acquired shall be taken in the name of the state of Iowa and the real estate may be sold or exchanged by the executive council, upon recommendation of the board, when it is no longer needed for the purpose for which it was acquired. Income or revenue derived from the sale of the real estate shall be credited to the national guard support and facilities improvement fund and used for the purposes specified in section 29A.14, subsection 2.

3. In carrying out this section, the armory board may:

*a.* Borrow money.

*b.* Mortgage any real estate acquired and the improvements erected on the real estate when purchasing or improving the property, in order to secure necessary loans.

*c.* Pledge the sales, rents, profits and income received from the property for the discharge of obligations executed.

*d.* Grant a temporary or permanent easement with or without monetary consideration for utility, public highway, or other purposes if granting the easement will not adversely affect use of the real estate for military purposes.

*e.* Enter into a design-build contract with a successful bidder identified as a result of a competitive bidding process for a facility to be funded entirely with federal funds and to be used solely by the national guard or jointly by the national guard and other armed forces of the United States. A design-build contract may provide that design and construction of the project may be in sequential or concurrent phases. As used in this paragraph, "*design-build*

*contract"* means a single contract providing for both design services and construction services that may include maintenance, operations, preconstruction, and other related services.

4. An obligation created under this section shall not be a charge against the state of Iowa, but all the obligations, including principal and interest, are payable solely from any of the following:

*a.* The sales, net rents, profits and income arising from the property so pledged or mortgaged.

*b.* The sales, net rents, profits and income which have not been pledged for other purposes arising from any other installation and facility or like improvement under the control and management of said board.

*c.* The income derived from gifts and bequests for installations and facilities under the control of the armory board.

5. All property, real or personal, acquired by, and all bonds, debentures or other written evidences of indebtedness, given as security by the board, are exempt from taxation.

6. When property acquired by the armory board, under this chapter, is free and clear of all indebtedness, the title of the property shall pass to the state of Iowa.

7. There is no liability to the state of Iowa under this section. Members of the armory board and of the state executive council shall not be held to any personal or individual liability for any action taken by them under this chapter.

8. The board shall fix the amount to be paid to commanding officers of each organization and unit of the national guard for headquarters expenses and shall provide by regulation how the amount shall be disbursed by the commanding officers. The governor may disapprove the actions of the armory board.

9. The allowances made by the armory board shall be paid from the funds appropriated for the support and maintenance of the national guard.

[C24, 27, 31, §453; C35, §467-f47; C39, §**467.49;** C46, 50, §29.49; C54, 58, 62, §29.57; C66, 71, 73, 75, 77, 79, 81, §29A.57; 81 Acts, ch 14, §20]

86 Acts, ch 1245, §1703; 92 Acts, ch 1238, §16; 2006 Acts, ch 1143, §1; 2007 Acts, ch 74, §2; 2007 Acts, ch 126, §13; 2011 Acts, ch 47, §5

**29A.58 Armories leased.**

The armory board as lessee, may lease property to be used for armory purposes and other training of the national guard. Leases may be made for any term not to exceed twenty years. Rents under such leases shall be paid from funds appropriated for the support and maintenance of the national guard.

The armory board as lessor or sublessor may, for a term not to exceed twenty years, lease property under the control of the board for purposes other than armory or military use when the leasing does not interfere with the use of the property for military purposes. A military operations fund is created in the state treasury. The rental proceeds of property leased by the board shall be paid to the adjutant general for deposit with the treasurer of state and credited to a separate account of the military operations fund. The finance officer of the office of adjutant general shall credit the appropriate account with the rental revenue which each armory produces. The revenue credited to each account is appropriated for maintaining, improving and repairing the armory facility and utility payments.

Where the armory board is lessee, leases made under the provisions of this section may provide for an option to purchase the leased property and may make provision for the application upon the purchase price of rental payments made under the lease. Payments of special tax assessments arising under such leases may be paid from funds appropriated for the support and maintenance of the national guard.

[C24, 27, 31, §453; C35, §467-f47; C39, §**467.49;** C46, 50, §29.49; C54, 58, 62, §29.58; C66, 71, 73, 75, 77, 79, 81, §29A.58; 81 Acts, ch 14, §21]

**29A.59** Repealed by 86 Acts, ch 1238, § 57; 86 Acts, ch 1245, § 1992.

**29A.60 Property exempt from taxation.**

All personal and real property held and used for armory or military purposes shall be exempt from taxation; and it shall be lawful for any county or city which owns public utilities to grant to any organization or unit of the national guard, which is stationed in such place, the free use of such public utilities.

[S13, §2215-f40; C24, 27, 31, §465; C39, §**467.50;** C46, 50, §29.50; C54, 58, 62, §29.60; C66, 71, 73, 75, 77, 79, 81, §29A.60]

**29A.61 Fines.**

Fines may be paid to a court or to an officer executing its process. The amount of any fine imposed may be noted upon any state roll or account for pay of the delinquent and deducted from any pay or allowance due or thereafter to become due to the delinquent, until said fine is liquidated. Any sum so deducted from any state pay or allowance shall be turned in to the court which imposed the fine and shall be paid over by the officer receiving the same in like manner as provided for other fines and moneys collected.

The proceeds of all fines imposed by a military court or a commander administering nonjudicial punishment shall be transmitted to the adjutant general. The adjutant general shall deposit all fines and penalties received with the state treasurer for credit to the general fund of the state.

[C35, §467-f60; C39, §**467.62;** C46, 50, §29.62; C54, 58, 62, §29.78; C66, 71, 73, 75, 77, 79, 81, §29A.61]

**29A.62 Immunity from prosecution.**

No action or proceeding shall be prosecuted or maintained against a member of a military court or officer or person acting under its authority or reviewing its proceeding on account of the approval or imposition or execution of any sentence or the imposition or collection of a fine or penalty, or the execution of any warrant, writ, execution, or process, of a military court.

[C35, §467-f37; C39, §**467.39;** C46, 50, §29.39; C54, 58, 62, §29.80; C66, 71, 73, 75, 77, 79, 81, §29A.62]

**29A.63 Jurisdiction presumed.**

The jurisdiction of the courts and boards established by this chapter shall be presumed.

[C39, §**467.33;** C46, 50, §29.33; C54, 58, 62, §29.81; C66, 71, 73, 75, 77, 79, 81, §29A.63]

**29A.64 Custom and usage.**

All matters relating to the organization, discipline, and government of the military forces not otherwise provided for in this chapter, shall be decided by the custom, regulations, and usage of the armed forces of the United States.

[C35, §467-f61; C39, §**467.63;** C46, 50, §29.63; C54, 58, 62, §29.82; C66, 71, 73, 75, 77, 79, 81, §29A.64]

## SUBCHAPTER II

## IOWA STATE GUARD

**29A.65 Activation.**

Whenever any part of the national guard is on federal active duty the governor may activate such part of the unorganized militia, to be designated the "Iowa State Guard", as the governor may deem necessary, subject to provisions of federal law and regulations relating to such military organizations.

[C46, 50, §29.64; C54, 58, 62, §29.83; C66, 71, 73, 75, 77, 79, 81, §29A.65]

2012 Acts, ch 1072, §18

**29A.66 Applicable powers and duties.**

The powers and duties of the governor, the adjutant general, and the deputy adjutants general, with relation to the Iowa state guard, shall be the same as those powers and duties prescribed in this chapter for those officers with relation to the national guard.

[C46, 50, §29.65; C54, 58, 62, §29.84; C66, 71, 73, 75, 77, 79, 81, §29A.66]

2000 Acts, ch 1020, §5, 6; 2002 Acts, ch 1119, §122

**29A.67 Chief of staff.**

In the event the state headquarters of the national guard is inducted into federal active duty, the governor shall appoint a chief of staff for the Iowa state guard.

[C46, 50, §29.64; C54, 58, 62, §29.85; C66, 71, 73, 75, 77, 79, 81, §29A.67]

2012 Acts, ch 1072, §19

**29A.68 Applicable provisions.**

The provisions of this chapter pertaining to the administration and employment of the national guard shall be applicable to the Iowa state guard. The rules relating to, appointment of officers, enlistments, term and conditions of service in, and discharge from, the Iowa state guard shall be such as are directed by the governor.

[C46, 50, §29.65; C54, 58, 62, §29.86; C66, 71, 73, 75, 77, 79, 81, §29A.68]

**29A.69 Officers and duties.**

The powers and duties of officers and enlisted personnel of the Iowa state guard shall be the same as those prescribed in this chapter for officers and enlisted personnel of the national guard and the punitive and disciplinary provisions of this chapter relating to the national guard shall be applicable to the Iowa state guard.

[C46, 50, §29.16, 29.33; C54, 58, 62, §29.87; C66, 71, 73, 75, 77, 79, 81, §29A.69]

**29A.70 Immunity and exemption.**

The provisions of this chapter relating to immunity from suit and exemption from personal liability of members of the national guard shall apply to members of the Iowa state guard.

[C46, 50, §29.39; C54, 58, 62, §29.88; C66, 71, 73, 75, 77, 79, 81, §29A.70]

**29A.71 Pay and allowances.**

Officers and enlisted personnel of the Iowa state guard while in state active duty shall receive the same pay, allowances, and compensation as provided by law for members of the Iowa national guard.

[C46, 50, §29.31, 29.67; C54, 58, 62, §29.89; C66, 71, 73, 75, 77, 79, 81, §29A.71]

2001 Acts, 2nd Ex, ch 1, §19, 28

**29A.72 Expense.**

Any expense necessary for organizing, equipping, and maintaining the Iowa state guard shall be paid on approval of the governor by warrant drawn on any state funds not otherwise appropriated, or funds now or hereafter appropriated for the maintenance of the national guard.

[C46, 50, §29.68; C54, 58, 62, §29.90; C66, 71, 73, 75, 77, 79, 81, §29A.72]

**29A.73 Immunity from national service.**

The Iowa state guard shall not be called, ordered or in any manner drafted as such into the military service of the United States. However, no person shall by reason of membership in the Iowa state guard be exempt from federal military service under federal law.

[C46, 50, §29.66; C54, 58, 62, §29.91; C66, 71, 73, 75, 77, 79, 81, §29A.73]

## SUBCHAPTER III

## POWERS OF ATTORNEY EXECUTED BY SERVICE PERSONNEL

**29A.74 Death of principal — effect.**

Except as otherwise provided in this chapter, an agency created by a power of attorney in writing given by a principal who is at the time of execution, or who after executing such power of attorney becomes a member of the national guard or the armed forces of the United States, a person serving as a merchant seaman outside the limits of the United States included within the fifty states and the District of Columbia, or a person outside those limits by permission, assignment, or direction of any department, shall not be revoked or terminated by the death of the principal, as to the agent or other person who, without actual knowledge or actual notice of the death of the principal, shall have acted or shall act, in good faith, under or in reliance upon such power of attorney or agency, and any action so taken, unless otherwise invalid or unenforceable, shall be binding on the heirs, devisees, legatees, or personal representatives of the principal.

Except as otherwise provided in this chapter no report or listing either official or otherwise, of "missing" or "missing in action" shall constitute or be interpreted as constituting actual knowledge or actual notice of the death of such principal or notice of any facts indicating the same, or shall operate to revoke the agency.

[C46, 50, §29.69, 29.71; C54, 58, 62, §29.92; C66, 71, 73, 75, 77, 79, 81, §29A.74]

2002 Acts, ch 1117, §21, 23

Referred to in §29A.76

**29A.75 Affidavit.**

An affidavit, executed by an attorney in fact or agent, setting forth that the attorney or agent has not or had not, at the time of doing any act pursuant to the power of attorney, received actual knowledge or actual notice of the revocation or termination of the power of attorney, by death or otherwise, or notice of any facts indicating the same, shall, in the absence of fraud, be conclusive proof of the nonrevocation or nontermination of the power at such time. If the exercise of the power requires execution and delivery of any instrument which is recordable under the laws of this state, such affidavit (when authenticated for record in the manner prescribed by law) shall likewise be recordable.

[C46, 50, §29.70; C54, 58, 62, §29.93; C66, 71, 73, 75, 77, 79, 81, §29A.75]

Referred to in §29A.76

**29A.76 Express revocation or termination.**

Sections 29A.74 and 29A.75 of this chapter shall not operate to alter, invalidate, or in any manner affect any express provision for revocation or termination contained in any power of attorney.

[C46, 50, §29.72; C54, 58, 62, §29.94; C66, 71, 73, 75, 77, 79, 81, §29A.76]

## SUBCHAPTER IV

## NATIONAL GUARD AWARDS

**29A.77 Posthumous grants.**

A member of the Iowa national guard, who was not retired, and was otherwise qualified for any state service award or for state appointment or promotion to a higher grade or rank as provided in this chapter, and who was unable to receive such award or appointment or promotion by reason of death, is eligible for posthumous grant of the award of state appointment or promotion to a higher grade or rank. The adjutant general shall present the

award or evidence of the state appointment or promotion to the next of kin of the deceased member.

[C71, 73, 75, 77, 79, 81, §29A.77]

**29A.78 Brevet rank.**

The commander in chief, on the recommendation of the adjutant general, may commission by brevet general and field grade officers in the national guard whose names appear on the roll of retired military personnel as defined in section 29A.23 in the next higher grade than that held at retirement or resignation. Brevet rank is only honorary and does not confer any privilege, precedence or command or pay any emoluments. Brevet officers may wear the uniform of their brevet rank on occasions of ceremonies related to state functions only.

[C81, §29A.78]

2011 Acts, ch 47, §6

## SUBCHAPTER V

## AMBULANCE SERVICE

**29A.79 Emergency helicopter ambulance.**

The adjutant general shall develop a plan within the Iowa national guard for an emergency helicopter ambulance service to transport persons who require emergency medical treatment or require emergency transfer between hospitals and to transport emergency medical supplies, equipment or personnel.

The Iowa national guard shall be requested to provide the emergency helicopter ambulance service from its available staffed helicopters when the plan is implemented on order of the governor at the request of the state patrol, or the administrative heads of the hospitals located in Iowa, unless the Iowa national guard does not have a staffed helicopter available or is in active service under the armed forces of the United States.

The adjutant general shall establish policies and procedures to carry out the provisions of this section. The policies and procedures shall provide that the emergency helicopter ambulance service shall be coordinated and supplemental to, and not competitive with conventional ambulance services. In determining whether an emergency exists the policies and procedures shall give reasonable consideration to the risk of death or permanent injury due to delayed treatment resulting from remoteness of an area from any hospital, the absence or unavailability of conventional ambulance services, and the distance to be traveled in a transfer between hospitals.

[C73, 75, 77, 79, 81, §29A.79]

98 Acts, ch 1074, §2; 2005 Acts, ch 35, §31

**29A.80 through 29A.89** Reserved.

## SUBCHAPTER VI

## IOWA NATIONAL GUARD CIVIL RELIEF

Referred to in §654.17C

**29A.90 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Dependent"* means the spouse and children of a service member or any other person dependent upon the service member for support.

2. *"Interest"* includes service charges, renewal charges, fees, or any other charges in respect to any obligation or liability.

3. *"Military service"* means full-time national guard duty or state active duty, as defined in

section 29A.1, for a period of at least thirty consecutive days, commencing on or after April 12, 2012.

4. *"Service member"* means a member of the military forces of the state performing military service.

2002 Acts, ch 1117, §24, 40; 2002 Acts, ch 1175, §78, 102; 2003 Acts, ch 108, §20, 132; 2004 Acts, ch 1086, §15; 2012 Acts, ch 1072, §20, 43

Referred to in §29A.105

**29A.91 Applicability.**

1. This subchapter shall apply to all service members on military orders who are unable to perform, continue, or complete civil obligations due to military service.

2. This subchapter does not apply to military duty performed under orders issued pursuant to 10 U.S.C.

3. Proper application of this subchapter shall suspend or postpone actions upon those obligations until thirty days after discharge from military service.

2002 Acts, ch 1117, §25, 40

Referred to in §29A.105

**29A.92 Reopening default judgments.**

1. A default judgment rendered in any civil action against a service member during a period of military service or within thirty days after termination of military service may be set aside under the following circumstances:

*a.* It appears that the service member was prejudiced by reason of military service in making a defense to the action.

*b.* Application by the service member or the service member's legal representative is made to the court rendering the judgment not later than thirty days after the termination of military service.

*c.* The application provides enough facts that it appears that the service member has a meritorious or legal defense to the action or some part of the action.

2. Vacating, setting aside, or reversing a judgment because of any of the provisions of this chapter shall not impair any right or title acquired by a bona fide purchaser for value under the judgment.

2002 Acts, ch 1117, §26, 40

Referred to in §29A.105

**29A.93 Stay of proceedings.**

1. If at any point during an action or proceeding it appears that a plaintiff or defendant is a service member and may be adversely affected by military service in the conduct of the proceedings, the court may, on its own motion, stay the proceedings.

2. The court shall stay the proceedings if the service member or another person on the service member's behalf makes a request in writing to the court, unless the court determines on the record that the ability of the plaintiff to pursue the action or the defendant to conduct a defense, is not materially affected by reason of military service.

2002 Acts, ch 1117, §27, 40

Referred to in §29A.105

**29A.94 Fines and penalties on contracts.**

1. If compliance with the terms of a contract is stayed pursuant to this subchapter, a fine or penalty shall not accrue by reason of failure to comply with the terms of the contract during the period of the stay.

2. If a service member has not obtained a stay, and a fine or penalty is imposed for nonperformance of an obligation, a court may relieve enforcement if the service member was in military service when the penalty was incurred and the service member's ability to pay or perform was materially impaired.

2002 Acts, ch 1117, §28, 40

Referred to in §29A.105

**29A.95 Exercise of rights not to affect future financial transactions.**

An application by a service member in military service for, or receipt of, a stay, postponement, or suspension under the provisions of this subchapter in the payment of any fine, penalty, insurance premium, or other civil obligation or liability shall not be used as the basis for any of the following:

1. A determination by any lender or other person that the service member is unable to pay any civil obligation or liability in accordance with its terms.

2. With respect to a credit transaction between a creditor and a service member:

*a.* A denial or revocation of credit by the creditor.

*b.* A change by the creditor in the terms of an existing credit arrangement.

*c.* A refusal by the creditor to grant credit to the service member in substantially the amount or on substantially the terms requested.

*d.* An adverse report relating to the creditworthiness of the service member by or to any person or entity engaged in the practice of assembling or evaluating consumer credit information.

2002 Acts, ch 1117, §29, 40

Referred to in §29A.105

**29A.96 Stay of execution of judgment.**

Unless the court determines on the record that the ability of a service member to comply with a judgment or order entered or sought is not materially affected by reason of military service, the court shall, on its own motion, or upon application to it by the service member or another person on the service member's behalf, do the following:

1. Stay the execution of a judgment or order entered against the service member, as provided in this chapter.

2. Vacate or stay an attachment or garnishment of property, money, or debts in the hands of another, whether before or after judgment as provided in this chapter.

2002 Acts, ch 1117, §30, 40

Referred to in §29A.105

**29A.97 Duration of stays.**

1. A stay of an action, proceeding, attachment, or execution, ordered by a court under the provisions of this subchapter, may be ordered for the period of military service plus thirty days after its termination or any part of that time period.

2. Where the service member in military service is a codefendant with others, the plaintiff may, with the permission of the court, proceed against the others.

2002 Acts, ch 1117, §31, 40

Referred to in §29A.105

**29A.98 Statutes of limitations affected by military service.**

The period of military service shall not be included in computing any period limited by law, rule, or order for the bringing of any action or proceeding in any court, board, bureau, commission, department, or other agency of government by or against any service member or by or against the service member's heirs, executors, administrators, or assigns, whether the cause of action or the right or privilege to institute the action or proceeding has accrued prior to or during the period of military service.

2002 Acts, ch 1117, §32, 40

Referred to in §29A.105

Limitations of civil actions, see chapter 614

Limitations of criminal actions, see chapter 802

**29A.99 Maximum rate of interest.**

1. An obligation or liability bearing interest at a rate in excess of six percent per year that is incurred by a service member either individually or jointly with the service member's spouse before the service member enters military service shall not bear interest at a rate in excess of six percent per year during the service member's period of military service. Interest that would otherwise be incurred but for the prohibition in this section is forgiven. The amount of any periodic payment due from a service member under the terms of the instrument that

created an obligation or liability covered by this section shall be reduced by the amount of the interest forgiven under this section that is allocable to the period for which such payment is made.

2. In order for an obligation or liability of a service member to be subject to the interest rate limitation in this section, the service member shall provide to the creditor written notice and a copy of the military orders calling the service member to military service and any orders further extending military service, not later than one hundred eighty days after the date of the service member's termination or release from military service. Upon receipt of written notice and a copy of orders calling a service member to military service, the creditor shall treat the debt in accordance with this section, effective as of the date on which the service member is called to military service.

3. A court may grant a creditor relief from the limitations of this section if, in the opinion of the court, the ability of the service member to pay interest upon the obligation or liability at a rate in excess of six percent per year is not materially affected by reason of the service member's military service.

4. As used in this section, the term *"interest"* includes service charges, renewal charges, fees, or any other charges, except for bona fide insurance, with respect to an obligation or liability.

2002 Acts, ch 1117, §33, 40; 2006 Acts, ch 1143, §2
Referred to in §29A.105

**29A.100 Dependent benefits.**

Dependents of a service member are entitled to the benefits accorded to service members under the provisions of sections 29A.101 through 29A.105. Dependents may obtain the benefits upon application to a court, unless, in the opinion of the court, the ability of the dependents to comply with the terms of the obligation, contract, lease, or bailment has not been materially impaired by reason of the military service of the service member of the dependents.

2002 Acts, ch 1117, §34, 40
Referred to in §29A.105

**29A.101 Termination of lease or rental agreement — exceptions.**

1. A landlord shall not terminate the lease or rental agreement of a service member or the service member's dependents for nonpayment of rent from any premises used as a dwelling by the service member or dependents during the period of military service if the rent on the premises occupied by the service member or dependents is less than one thousand two hundred dollars per month. However, a court may allow an eviction or the recovery of property pursuant to chapter 646 or 648.

2. In any action affecting the right of possession, the court may, on its own motion, stay the proceedings for not longer than three months, or make any order the court determines to be reasonable and just under the circumstances, unless the court finds that the ability of the service member to pay the agreed rent is not materially affected by reason of military service.

3. When a stay is granted or other order is made by the court, the owner of the premises shall be entitled, upon application, to relief with respect to the premises similar to that granted service members in military service in sections 29A.102 through 29A.104 to the extent and for any period as the court determines to be just and reasonable under the circumstances.

4. A person who knowingly takes part in any eviction or distress otherwise than as provided in subsection 1, or attempts to do so, commits a simple misdemeanor.

5. The governor may order an allotment of the pay of a service member in military service in reasonable proportion to discharge the rent of premises occupied for dwelling purposes by any dependents of the service member.

2002 Acts, ch 1117, §35, 40
Referred to in §29A.100, 29A.105
Uniform residential landlord and tenant law, see chapter 562A
Mobile home parks residential landlord and tenant law, see chapter 562B

**29A.101A Termination of lease by service member — penalty.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Premises lease"* means a lease of premises occupied, or intended to be occupied, by a service member or a service member's dependents for a residential, professional, business, agricultural, or similar purpose if either of the following applies:

(1) The lease is executed by or on behalf of a person who thereafter and during the term of the lease enters military service.

(2) The service member, while in military service, executes the lease and thereafter receives military orders for a permanent change of station or to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than ninety days.

*b.* *"Vehicle lease"* means a lease of a motor vehicle used, or intended to be used, by a service member or a service member's dependents for personal or business transportation if either of the following applies:

(1) The lease is executed by or on behalf of a person who thereafter and during the term of the lease enters military service under a call or order specifying a period of service of not less than ninety days, or who enters military service under a call or order specifying a period of ninety days of service or less and who, without a break in service, receives orders extending the period of military service to a period of not less than ninety days.

(2) The service member, while in military service, executes the lease and thereafter receives military orders to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than ninety days.

2. A service member may terminate a premises lease or vehicle lease pursuant to the requirements of this section. Termination of a premises lease or vehicle lease shall be made as follows:

*a.* By delivery by the lessee of written notice of such termination, and a copy of the service member's military orders, to the lessor or the lessor's grantee, or to the lessor's agent or the agent's grantee. A lessee's termination of a lease pursuant to this subsection shall terminate any obligation a dependent of the lessee may have under the lease. For purposes of this paragraph, written notice may be accomplished by hand delivery, by private business carrier, or by placing the written notice in an envelope with sufficient postage and with return receipt requested, and addressed as designated by the lessor or the lessor's grantee or to the lessor's agent or the agent's grantee, and depositing the written notice in the United States mail.

*b.* In the case of a vehicle lease, by return of the motor vehicle by the lessee to the lessor or the lessor's grantee, or to the lessor's agent or the agent's grantee, not later than fifteen days after the date of the delivery of written notice under paragraph *"a"*. A lessee's termination of a lease pursuant to this subsection shall terminate any obligation a dependent of the lessee may have under the lease.

3. In the case of a premises lease that provides for monthly payment of rent, termination of the lease is effective thirty days after the first date on which the next rental payment is due and payable after the date on which the notice is delivered. In the case of any other premises lease, termination of the lease is effective on the last day of the month following the month in which the notice is delivered.

4. In the case of a vehicle lease, termination of the lease is effective on the day on which the vehicle is delivered to the lessor or the lessor's grantee.

5. Rents or lease amounts unpaid for the period preceding the effective date of the lease termination shall be paid on a prorated basis. In the case of a vehicle lease, the lessor shall not impose an early termination charge, but any summonses, title and registration fees, including the fee for new registration, and any other obligation and liability of the lessee in accordance with the terms of the lease, including reasonable charges to the lessee for excess wear, use, and mileage, that are due and unpaid at the time of termination of the lease shall be paid by the lessee.

6. Rents or lease amounts paid in advance for a period after the effective date of the termination of the lease shall be refunded to the lessee by the lessor or the lessor's assignee or the assignee's agent within thirty days of the effective date of the termination of the lease.

7. Upon application by the lessor to a court before the termination date provided in the written notice, relief granted by this section to a service member may be modified as justice and equity require.

8. *a.* Any person who knowingly seizes, holds, or detains the personal effects, security

deposit, or other property of a service member or a service member's dependent who lawfully terminates a lease covered by this section, or who knowingly interferes with the removal of such property from premises covered by such lease, for the purpose of subjecting or attempting to subject any of such property to a claim for rent accruing subsequent to the date of termination of such lease, or attempts to do so, commits a simple misdemeanor.

*b.* The remedy and rights provided under this section are in addition to and do not preclude any remedy for wrongful conversion otherwise available under law to the person claiming relief under this section.

2003 Acts, ch 154, §1; 2006 Acts, ch 1143, §3; 2007 Acts, ch 22, §12; 2008 Acts, ch 1113, §47
Referred to in §29A.100, 29A.105

**29A.102 Installment contracts.**

1. The creditor of a service member who, prior to entry into military service, has entered into an installment contract for the purchase or lease of real or personal property, including a motor vehicle, shall not terminate the contract or repossess the property for nonpayment or for any breach occurring during military service without an order from a court of competent jurisdiction.

2. The court, upon application to it under this section, shall, unless the court finds on the record that the ability of the service member to comply with the terms of the contract is not materially affected by reason of military service, do one or more of the following:

*a.* Order repayment of any prior installments or deposits as a condition of terminating the contract and resuming possession of the property.

*b.* Order a stay of the proceedings on its own motion, or on motion by the service member or another person on behalf of the service member.

*c.* Make any other disposition of the case it considers to be equitable to conserve the interests of all parties.

3. A person who knowingly repossesses property which is the subject of this section, other than as provided in subsection 1, commits a serious misdemeanor.

2002 Acts, ch 1117, §36, 40; 2006 Acts, ch 1143, §4; 2009 Acts, ch 166, §1
Referred to in §29A.100, 29A.101, 29A.105, 654.17C

**29A.103 Mortgage foreclosures.**

1. The creditor of a service member who, prior to entry into military service, has entered into a mortgage contract with the service member for the purchase of real or personal property shall not foreclose on the mortgage or repossess the property for nonpayment or for any breach occurring during military service without an order from a court of competent jurisdiction.

2. The court, upon application to it under this section, shall, unless the court finds on the record that the ability of the service member to comply with the terms of the mortgage is not materially affected by reason of military service, do one or more of the following:

*a.* Order repayment of any prior installments or deposits as a condition of terminating the contract and resuming possession of the property.

*b.* Order a stay of the proceedings on its own motion, or on motion by the service member or another person on behalf of the service member.

*c.* Make any other disposition of the case as it considers to be equitable to conserve the interests of all parties.

3. In order to come within the provisions of this section, the service member must establish all of the following:

*a.* That relief is sought on an obligation secured by a mortgage, trust deed, or other security in the nature of a mortgage on either real or personal property.

*b.* That the obligation originated prior to the service member's entry into military service.

*c.* That the property was owned by the service member prior to the commencement of military service.

*d.* That the property is owned by the service member at the time relief is sought.

4. A person who knowingly forecloses on property that is the subject of this section, other than as provided in subsection 1, commits a serious misdemeanor.

2002 Acts, ch 1117, §37, 40; 2009 Acts, ch 166, §2
Referred to in §29A.100, 29A.101, 29A.105, 654.17C

**29A.103A Professional liability insurance.**

An obligation or liability of a service member to pay a premium for professional liability insurance coverage shall be stayed for the service member during military service and the service member shall be allowed to continue coverage and resume payment upon completion of military service, without penalty.

2010 Acts, ch 1171, §3
Referred to in §29A.100, 29A.101, 29A.105

**29A.104 Application for relief.**

1. A service member may, at any time during military service or within thirty days after discharge or termination of military service, apply to a court for relief in respect of any obligation or liability incurred by the service member prior to military service.

2. The court, after appropriate notice and hearing, unless in its opinion the ability of the service member to comply with the terms of the obligation or liability has not been materially affected by reason of military service, shall grant the following relief:

*a.* In the case of an obligation payable under its terms in installments under a contract for the purchase of real estate, or secured by a mortgage or other instrument in the nature of a mortgage upon real estate, a stay of the enforcement of the obligation during the applicant's period of military service and, from the date of termination of the period of military service or from the date of application if made after termination of military service, for a period equal to the period of the remaining life of the installment contract or other instrument plus a period of time equal to the period of military service of the applicant, or any part of the combined period, subject to payment of the balance of principal and accumulated interest due and unpaid at the date of termination of the period of military service or from the date of application, in equal installments during the combined period at the rate of interest on the unpaid balance as is prescribed in the contract, or other instrument evidencing the obligation, for installments paid when due, and subject to any other terms as the court may consider just.

*b.* In the case of any other obligation or liability, a stay of the enforcement during the applicant's period of military service and, from the date of termination of the period of military service or from the date of application if made after termination of the period of military service, for a period of time equal to the period of military service of the applicant or any part of that period, subject to payment of the balance of principal and accumulated interest due and unpaid at the date of termination of the period of military service or from the date of application, in equal periodic installments during the extended period at the rate of interest prescribed for the obligation or liability, if paid when due, and subject to other terms the court considers to be reasonable and just.

3. When any court has granted a stay as provided in this section, a fine or penalty shall not accrue for failure to comply with the terms or conditions of the obligation or liability for which the stay was granted during the period the terms and conditions of the stay are complied with.

2002 Acts, ch 1117, §38, 40
Referred to in §29A.100, 29A.101, 29A.105

**29A.105 Applicability — contrary law.**

Sections 29A.90 through 29A.104 apply notwithstanding any contrary provision of state law, which may include but is not limited to Titles XIII, XIV, and XV.

2002 Acts, ch 1117, §39, 40
Referred to in §29A.100

# CHAPTER 29B

## MILITARY JUSTICE

Referred to in §29A.51


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## GENERAL JURISDICTION

**29B.1 Persons subject to code.**

This chapter applies to all members of the state military forces, while not on federal active duty. As used in this chapter, unless the context otherwise requires, *"state military forces"* has the same meaning as in section 29A.6, and *"code"* means this chapter, which may be cited as the *"Iowa Code of Military Justice"*.

[C66, 71, 73, 75, 77, 79, 81, §29B.1; 82 Acts, ch 1042, §1]
2002 Acts, ch 1117, §41, 52; 2012 Acts, ch 1072, §21

**29B.2 Jurisdiction to try personnel.**

Each person discharged from the state military forces who is later charged with having fraudulently obtained a discharge is, subject to section 29B.44, subject to trial by court-martial on that charge and is after apprehension subject to this code while in the custody of the military for that trial. Upon conviction of that charge the person is subject

to trial by court-martial for all offenses under this code committed before the fraudulent discharge.

No person who has deserted from the state military forces may be relieved from amenability to the jurisdiction of this code by virtue of a separation from any later period of service.

A member of the state military forces who is charged with having committed an offense against this code may be called or ordered to duty for the purpose of investigation under section 29B.33, trial by court-martial, and nonjudicial punishment under section 29B.14. A member shall be called or ordered to duty within one hundred eighty days of the discovery of the charged offense, and in no event shall a member be called or ordered to duty after the expiration of three years from the termination of a period of duty.

A member of the state military forces who is subject to this code at the time of commission of an offense made punishable by this code is not relieved from amenability to the jurisdiction of this code by virtue of the termination of a period of duty.

[C66, 71, 73, 75, 77, 79, 81, §29B.2]

89 Acts, ch 82, §1

**29B.3 Territorial applicability of code.**

This code applies throughout the state. It also applies to all persons otherwise subject to this code while they are serving outside the state, and while they are going to and returning from such service outside the state, in the same manner and to the same extent as if they were serving inside the state.

Courts-martial and courts of inquiry may be convened and held in units of the state military forces while those units are serving outside the state with the same jurisdiction and powers as to persons subject to this code as if the proceedings were held inside the state and offenses committed outside the state may be tried and punished either inside or outside the state.

[C66, 71, 73, 75, 77, 79, 81, §29B.3]

## APPREHENSION AND RESTRAINT

**29B.4 Apprehension.**

Apprehension is the taking of a person into custody. Any person authorized by this code, or by regulations issued under it, to apprehend persons subject to this code, any marshal of a court-martial appointed pursuant to the provisions of this code, and any peace officer authorized to do so by law, may do so upon reasonable belief that an offense has been committed and that the person apprehended committed it.

Commissioned officers, warrant officers, noncommissioned officers, and military police may quell quarrels, frays, and disorders among persons subject to this code and may apprehend persons subject to this code who take part therein.

[C54, 58, 62, §29.65; C66, 71, 73, 75, 77, 79, 81, §29B.4; 82 Acts, ch 1042, §2]

**29B.5 Apprehension of deserters.**

Any civil officer having authority to apprehend offenders under the laws of the United States or of a state, territory, commonwealth, or possession, or the District of Columbia may summarily apprehend a deserter from the state military forces and deliver the deserter into the custody of the state military forces. If an offender is apprehended outside the state the offender's return to the area must be in accordance with normal extradition procedures or reciprocal agreement.

[C66, 71, 73, 75, 77, 79, 81, §29B.5]

**29B.6 Imposition of restraint.**

Arrest is the restraint of a person by an order, not imposed as a punishment for an offense, directing the person to remain within certain specified limits. Confinement is the physical restraint of a person.

An enlisted member may be ordered into arrest or confinement by any commissioned

officer by an order, oral or written, delivered in person or through other persons subject to this code or through any person authorized by this code to apprehend persons.

A commanding officer may authorize warrant officers or noncommissioned officers to order enlisted members of the officer's command or subject to the officer's authority into arrest or confinement.

A commissioned officer or a warrant officer may be ordered apprehended or into arrest or confinement only by a commanding officer to whose authority the commissioned or warrant officer is subject, by an order, oral or written, delivered in person or by another commissioned officer. The authority to order such persons apprehended or into arrest or confinement may not be delegated.

This section does not limit the authority of persons authorized to apprehend offenders to secure the custody of an alleged offender until the proper authority is notified.

[C54, 58, 62, §29.66; C66, 71, 73, 75, 77, 79, 81, §29B.6, 29B.7; 82 Acts, ch 1042, §3]

**29B.7 Probable cause.**

A person shall not be ordered apprehended or into arrest or confinement except for probable cause.

[C54, 58, 62, §29.66; C66, 71, 73, 75, 77, 79, 81, §29B.7; 82 Acts, ch 1042, §4]

**29B.8 Restraint of persons charged with offenses.**

Any person subject to this code charged with an offense under this code shall be ordered into arrest or confinement, as circumstances may require; but when charged only with an offense normally tried by a summary court-martial, such person shall not ordinarily be placed in confinement. When any person subject to this code is placed in arrest or confinement prior to trial, after charges are placed against the person, immediate steps shall be taken to inform the person of the specific wrong of which the person is accused and to try the person within sixty days of informing the accused or to dismiss the charges and release the person.

[C35, §467-f35; C39, §**467.37;** C46, 50, §29.37; C54, 58, 62, §29.67; C66, 71, 73, 75, 77, 79, 81, §29B.8]

**29B.9 Posting of bond.**

The accused may post bond in the amount ordered by the convening authority but not to exceed twice the authorized fine for such offense, however, no bond is permitted for capital offenses.

[C66, 71, 73, 75, 77, 79, 81, §29B.9]

**29B.10 Confinement in jails.**

Persons confined other than in a guardhouse, whether before, during or after trial by a military court, shall be confined in civil jails, penitentiaries, or prisons.

[C66, 71, 73, 75, 77, 79, 81, §29B.10]

**29B.11 Reports and receiving of prisoners.**

Every commander of a guard, master-at-arms, warden, keeper, or officer of a city or county jail or of any other jail, penitentiary, or prison, to whose charge a prisoner is committed shall, within twenty-four hours after that commitment or as soon as relieved from guard, report to the commanding officer of the prisoner the name of the prisoner, the offense charged against the prisoner, and the name of the person who ordered or authorized the commitment.

[C54, 58, 62, §29.68; C66, 71, 73, 75, 77, 79, 81, §29B.11]

**29B.12 Punishment prohibited before trial.**

Subject to section 29B.58, no person, while being held for trial or the result of a trial, may be subjected to punishment or penalty other than arrest or confinement upon the charges pending against the person, nor shall the arrest or confinement imposed upon the person be any more rigorous than the circumstances require to insure the person's presence, but the person may be subjected to minor punishment during that period for infractions of discipline.

[C66, 71, 73, 75, 77, 79, 81, §29B.12]

**29B.13 Delivery of offenders to civil authorities.**

1. Under regulations as may be prescribed under this code a person subject to this code who is on national guard duty or state active duty who is accused of an offense against civil authority may be delivered, upon request, to the civil authority for trial.

2. When delivery under this section is made to any civil authority of a person undergoing sentence of a court-martial, the delivery, if followed by conviction in a civil tribunal, shall be held to interrupt the execution of the sentence of the court-martial, and the offender after having answered to the civil authorities for the offense shall, upon the request of competent military authority, be returned to military custody for the completion of the sentence.

[C35, §467-f61; C39, §**467.63;** C46, 50, §29.63; C54, 58, 62, §29.61; C66, 71, 73, 75, 77, 79, 81, §29B.13]

2002 Acts, ch 1117, §42, 52; 2004 Acts, ch 1086, §16; 2012 Acts, ch 1072, §22

NONJUDICIAL PUNISHMENT

**29B.14 Commanding officer's nonjudicial punishment.**

1. Under regulations as the adjutant general may prescribe limitations may be placed on the powers granted by this section with respect to the kind and amount of punishment authorized, the categories of commanding officers and warrant officers authorized to exercise those powers, the applicability of this section to an accused who demands trial by court-martial, and the kinds of courts-martial to which the case may be referred upon such a demand. However, punishment shall not be imposed upon any member of the state military forces under this section if the member demands trial by court-martial in lieu of punishment before imposition of the punishment. The adjutant general may adopt rules relating to the suspension and mitigation of punishments authorized under this code. The adjutant general, or an officer of a general rank in command may delegate powers under this section to a principal assistant who is a member of the state military forces according to rules adopted by the adjutant general.

2. Subject to rules of the adjutant general, any commanding officer may, in addition to or in lieu of admonition or reprimand, impose disciplinary punishments for minor offenses without the intervention of a court-martial as follows:

*a.* Upon officers under the officer's command any one or a combination of the following:

(1) Withholding of privileges for not more than two consecutive weeks.

(2) Restriction to certain specified limits with or without suspension from duty, for not more than two consecutive weeks.

(3) If imposed by a commanding officer of the state military forces of field grade or above, a fine of any amount up to a maximum of the equivalent of ten days' pay or the forfeiture of not more than ten days' pay.

*b.* Upon other military personnel under the officer's command any one or a combination of the following:

(1) Withholding of privileges for not more than two consecutive weeks.

(2) Restriction to certain specified limits, with or without suspension from duty, for not more than two consecutive weeks.

(3) Extra duties for not more than fourteen days, which need not be consecutive, and for not more than two hours per day, holidays included.

(4) Reduction to the next inferior pay grade if the current grade from which demoted is within the promotion authority of the officer imposing the reduction or an officer subordinate to the one imposing the reduction.

(5) A fine of any amount up to a maximum of the equivalent of four days' pay or the forfeiture of not more than four days' pay.

*c.* If the commanding officer is of field grade or above, any one or a combination of the following:

(1) Any of the punishments stated in paragraph "*b*", subparagraph (1), (2), or (3).

(2) A fine of any amount up to the maximum of the equivalent of ten days' pay or the forfeiture of not more than ten days' pay.

(3) Reduction to the lowest or any intermediate pay grade, if the current grade from which demoted is within the promotion authority of the officer imposing the reduction or an officer subordinate to the one imposing the reduction, but enlisted members in pay grades above E-4 shall not be reduced more than two pay grades.

*d.* Maximum allowable punishments of withholding of privileges, restrictions, and extra duties shall not be combined to run consecutively.

3. A person punished under this section who considers the punishment unjust or disproportionate to the offense may appeal to the next superior authority through the proper channel. The authority considering the appeal may refer a case that has been appealed to a staff judge advocate or legal officer for consideration and advice and shall do so before deciding on the appeal when the punishment is restriction, withholding of privileges, extra duties, forfeiture of pay, or reduction from the fourth or higher pay grade. The appeal shall be promptly forwarded and decided, but the person punished may in the meantime be required to undergo the punishment adjudged. The officer who imposes the punishment, the officer's successor in command, or superior authority may suspend, set aside, or remit any part or amount of the punishment and restore all rights, privileges and property affected. In addition the officer or authority may at any time place the offender on probation and suspend a reduction in grade or forfeiture whether or not executed.

4. The imposition and enforcement of disciplinary punishment under this section for any act or omission is not a bar to trial by court-martial for a serious crime or offense growing out of the same act or omission, and not properly punishable under this section, but the fact that a disciplinary punishment has been enforced may be shown by the accused upon trial, and when so shown shall be considered in determining the measure of punishment to be adjudged in the event of a finding of guilty.

5. When a punishment of forfeiture of pay and allowances is imposed under this section, the forfeiture may apply to pay or allowances accruing on or after that punishment is imposed and to pay and allowances accrued before that date.

[C54, 58, 62, §29.62; C66, 71, 73, 75, 77, 79, 81, §29B.14; 82 Acts, ch 1042, §5]

89 Acts, ch 82, §2 – 4

Referred to in §29B.2, 29B.18, 29B.44

## COURTS-MARTIAL

**29B.15 Courts-martial classified.**

1. In the state military forces there are general, special, and summary courts-martial constituted like similar courts of the armed forces of the United States. They have the jurisdiction and powers, except as to punishments, and shall follow the forms and procedures provided for those courts.

2. The three kinds of courts-martial are:

*a.* General courts-martial, consisting of either of the following:

(1) A military judge and not less than five members.

(2) Only a military judge, if before the court is assembled the accused, knowing the identity of the military judge, and after consultation with defense counsel, requests in writing a court composed only of a military judge and the military judge approves.

*b.* Special courts-martial, consisting of any of the following:

(1) Not less than three members.

(2) A military judge and not less than three members.

(3) Only a military judge, if one has been detailed to the court, and the accused requests only a military judge under the same conditions as prescribed in subsection 2, paragraph "*a*", subparagraph (2).

*c.* Summary courts-martial, consisting of one commissioned officer.

[C35, §467-f33, -f61; C39, §**467.35, 467.63;** C46, 50, §29.35, 29.63; C54, 58, 62, §29.69; C66, 71, 73, 75, 77, 79, 81, §29B.15; 82 Acts, ch 1042, §6]

2008 Acts, ch 1032, §201

**29B.16 Jurisdiction of courts-martial in general.**

Each force of the state military forces has court-martial jurisdiction over all persons subject to this code.

[C35, §467-f33, -f61; C39, §**467.35, 467.63;** C46, 50, §29.35, 29.63; C54, 58, 62, §29.69; C66, 71, 73, 75, 77, 79, 81, §29B.16]

Referred to in §29B.17, 29B.18

**29B.17 Jurisdiction of general courts-martial.**

Subject to section 29B.16, general courts-martial have jurisdiction to try persons subject to this code for any offense made punishable by this code and may, under such limitations as the adjutant general may prescribe, adjudge any one or a combination of the following punishments:

1. A fine of not more than five thousand dollars.
2. Forfeiture of not more than twenty days' pay and allowances.
3. A reprimand.
4. Dismissal or dishonorable discharge.
5. Reduction of a noncommissioned officer to the ranks.

[C39, §**467.33;** C46, 50, §29.33; C54, 58, 62, §29.71; C66, 71, 73, 75, 77, 79, 81, §29B.17]

2008 Acts, ch 1026, §1; 2009 Acts, ch 41, §23

**29B.18 Jurisdiction of special or summary courts-martial.**

1. *a.* Subject to section 29B.16, special courts-martial have jurisdiction to try persons subject to this code for any offense for which they may have been punished under this code and may, under such limitations as the adjutant general may impose by rule, adjudge any one or a combination of the following punishments:

(1) A fine not exceeding two thousand five hundred dollars.
(2) Forfeiture of not more than twenty days' pay and allowances.
(3) A reprimand.
(4) Dismissal or dishonorable discharge.
(5) Reduction of a noncommissioned officer to the ranks.

*b.* A special courts-martial shall not try a commissioned officer.

2. *a.* Subject to section 29B.16, summary courts-martial have jurisdiction to try persons subject to this code, for any offense made punishable by this code.

*b.* A person with respect to whom summary courts-martial have jurisdiction shall not be brought to trial before a summary court-martial if the person objects, unless under section 29B.14 the person has been permitted and has elected to refuse punishment under that section. If objection to trial by summary court-martial is made by an accused who has not been permitted to refuse punishment under section 29B.14, trial shall be ordered by special or general court-martial, as appropriate.

*c.* A summary court-martial may, under limitations the adjutant general imposes by rule, adjudge any of the following punishments:

(1) A fine of not more than one thousand dollars for a single offense.
(2) Forfeiture of not more than twenty days' pay and allowances.
(3) Reduction of a noncommissioned officer to the ranks.

[C54, 58, 62, §29.72, 29.73; C66, 71, 73, 75, 77, 79, 81, §29B.18, 29B.24; 82 Acts, ch 1042, §7]

89 Acts, ch 82, §5; 2007 Acts, ch 22, §13; 2008 Acts, ch 1026, §2, 3

**29B.19 Sentences of dismissal or dishonorable discharge to be approved by the governor.**

In the state military forces a sentence of dismissal or dishonorable discharge shall not be executed until it is approved by the governor.

[C54, 58, 62, §29.75; C66, 71, 73, 75, 77, 79, 81, §29B.19; 82 Acts, ch 1042, §8]

Referred to in §29B.128

**29B.20 Complete record.**

A sentence imposing a dishonorable discharge, discharge under other than honorable conditions, dismissal, or confinement shall not be adjudged unless a complete record of the proceedings and testimony has been made, counsel having the qualifications prescribed under this code was detailed to represent the accused, and a military judge was detailed to the trial, except in any case in which a military judge could not be detailed to the trial because of physical conditions or military exigencies. If a military judge was not detailed to the trial, the convening authority shall make a detailed written statement, to be appended to the record, stating the reason a military judge could not be detailed.

[C66, 71, 73, 75, 77, 79, 81, §29B.20; 82 Acts, ch 1042, §9]

2000 Acts, ch 1154, §5

Referred to in §29B.60

**29B.21 Confinement instead of fine.**

In the state military forces, not on federal active duty, a court-martial may, instead of imposing a fine, sentence to confinement for not more than one day for each three dollars of the authorized fine.

[C35, §467-f35; C39, §**467.37;** C46, 50, §29.37; C54, 58, 62, §29.74; C66, 71, 73, 75, 77, 79, 81, §29B.21]

2012 Acts, ch 1072, §23

**29B.22 Judge advocates and legal officers.**

1. A judge advocate in the state military forces shall be a commissioned officer who is a member of the bar of the state. However, a judge advocate serving in the military forces of the state on April 22, 2002, who is not a member of the bar of the state shall not be required to become a member of the bar of the state to maintain military membership as a judge advocate. A judge advocate shall be either a federally recognized judge advocate or appointed as a judge advocate in the state military forces by the adjutant general.

2. The adjutant general shall designate a staff judge advocate for the army national guard and the air national guard. The adjutant general may appoint the number of judge advocates of the state military forces as the adjutant general considers necessary to perform state active duty to supplement or replace national guard judge advocates in emergencies or when the national guard judge advocates are on federal active duty.

3. Convening authorities shall at all times communicate directly with their staff judge advocates in matters relating to the administration of military justice; and the staff judge advocate of any command may communicate directly with the staff judge advocate of any command.

4. No person who has acted as member, law officer, trial counsel, assistant trial counsel, defense counsel, assistant defense counsel, or investigating officer, or who has been a witness for either the prosecution or defense, in any case may later act as staff judge advocate or legal officer to any reviewing authority upon the same case.

[C66, 71, 73, 75, 77, 79, 81, §29B.22]

2002 Acts, ch 1117, §43, 52; 2003 Acts, ch 44, §20; 2012 Acts, ch 1072, §24

## APPOINTMENT AND COMPOSITION OF COURTS-MARTIAL

**29B.23 Who may convene general courts-martial.**

In the state military forces general courts-martial may be convened by the governor, or by the adjutant general of the state of Iowa.

[C39, §**467.33;** C46, 50, §29.33; C54, 58, 62, §29.71; C66, 71, 73, 75, 77, 79, 81, §29B.23; 82 Acts, ch 1042, §10]

Referred to in §29B.128

**29B.24 Who may convene special courts-martial.**

In the state military forces, the commanding officer of a garrison, fort, post, camp, air base, auxiliary air base, or other place where members of the state military forces are on duty, or of a division, brigade, regiment, wing, group, detached battalion, separate squadron, or other detached command, may convene special courts-martial. When any such officer is an accuser, the court shall be convened by superior competent authority.

[C54, 58, 62, §29.72; C66, 71, 73, 75, 77, 79, 81, §29B.24; 82 Acts, ch 1042, §11]

**29B.25 Summary courts-martial — who may convene.**

In the state military forces, the commanding officer of a garrison, fort, post, camp, air base, auxiliary air base, or other place where members of the state military forces are on duty, or of a division, brigade, regiment, wing, group, detached battalion, detached squadron, detached company, or other detachment, may convene a summary court-martial consisting of one commissioned officer. The proceedings shall be informal.

When only one commissioned officer is present with a command or detachment the officer shall be the summary court officer of that command or detachment and shall hear and determine all summary court-martial cases.

[C54, 58, 62, §29.73; C66, 71, 73, 75, 77, 79, 81, §29B.25; 82 Acts, ch 1042, §12]

**29B.26 Who may serve on courts-martial.**

Any commissioned officer of or on duty with the state military forces is eligible to serve on all courts-martial for the trial of any person who may lawfully be brought before the courts for trial.

Any warrant officer of or on duty with the state military forces is eligible to serve on general and special courts-martial for the trial of any person, other than a commissioned officer, who may lawfully be brought before the courts for trial.

Any enlisted member of the state military forces who is not a member of the same unit as the accused is eligible to serve on general and special courts-martial for the trial of any enlisted member who may lawfully be brought before the courts for trial, but the enlisted member shall serve as a member of a court only if, before the end of any pretrial session that is held or if none is held before the convening of the court, the accused personally has requested in writing, that enlisted members serve on it. After such a request, the accused shall not be tried by a general or special court-martial the membership of which does not include enlisted members in a number comprising at least one-third of the total membership of the court, unless eligible members cannot be obtained on account of physical conditions or military exigencies. If such members cannot be obtained, the court may be convened and the trial held without them, but the convening authority shall make a detailed written statement, to be appended to the record, stating why they could not be obtained.

In this section, the word *"unit"* means any regularly organized body of the state military forces.

When it can be avoided, a person subject to this code shall not be tried by a court-martial any member of which is junior to the person in rank or grade.

When convening a court-martial, the convening authority shall detail as members of the courts-martial persons who in the convening authority's opinion, are best qualified for the duty by reason of age, education, training, experience, length of service, and judicial temperament. A person is not eligible to serve as a member of a general or special

court-martial when the person is the accuser or a witness for the prosecution or has acted as investigating officer, staff judge advocate, or as counsel in the same case. If a military judge is not appointed for a special court-martial and if a commissioned officer who is a member of the bar of the highest court of the state and of appropriate rank and grade is present and not otherwise disqualified and within the command of the convening authority, the convening authority shall appoint the commissioned officer as president of a special court-martial. Failure to meet this requirement does not divest a military court of jurisdiction.

[C66, 71, 73, 75, 77, 79, 81, §29B.26; 82 Acts, ch 1042, §13]

**29B.27 Military judge of a general court-martial.**

The authority convening a general court-martial shall detail a military judge to the court-martial. Subject to rules of the adjutant general, the authority convening a special court-martial may detail a military judge to the court-martial. A military judge shall preside over each open session of the court-martial to which the military judge has been detailed.

A military judge must be a commissioned officer of the state armed forces or a retired officer of the reserve components of the armed forces of the United States, a member of the bar of a federal court or a member of the bar of the highest court of the state, and certified to be qualified for the duty by the appropriate staff judge advocate of the state force concerned. The judge advocate responsible for certifying the military judge may recommend to the adjutant general that the adjutant general order to active duty retired personnel of the national guard or the United States armed forces who are qualified to act as military judges.

Unless the court-martial was convened by the governor neither the convening authority nor any member of the convening authority's staff shall prepare or review any report concerning the effectiveness, fitness, or efficiency of the military judge so detailed to perform the duties of a military judge. A person is not eligible to act as a military judge in a case if the person is the accuser or a witness for the prosecution or has acted as investigating officer or as a counsel in the same case. The military judge of a court-martial shall not consult with the members of the court except in the presence of the accused, trial counsel, and defense counsel, nor shall the military judge vote with members of the court.

[C35, §467-f38; C39, §**467.40;** C46, 50, §29.40; C54, 58, 62, §29.79; C66, 71, 73, 75, 77, 79, 81, §29B.27; 82 Acts, ch 1042, §14]

2002 Acts, ch 1117, §44, 52

**29B.28 Detail of trial counsel and defense counsel.**

1. For each general and special court-martial the authority convening the court shall detail trial counsel and defense counsel and assistants the authority considers appropriate. A person who has acted as investigating officer, military judge, or court member in a case shall not act later as trial counsel, assistant trial counsel, or, unless expressly requested by the accused, as defense counsel, or assistant defense counsel in the same case. A person who has acted for the prosecution shall not act later in the same case for the defense, nor shall a person who has acted for the defense act later in the same case for the prosecution.

2. Trial counsel or defense counsel detailed for a general court-martial must be a person who is a member of the bar of the highest court of the state and certified as competent for the duty by the staff judge advocate.

3. In the case of a special court-martial:

*a.* The accused has the right to be represented at the trial by counsel having the qualifications stated in this section unless counsel having such qualifications cannot be provided because of physical conditions or military exigencies. If such counsel cannot be provided, the court may be convened and the trial held, but the convening authority shall append a detailed written statement to the record stating why such counsel was not provided.

*b.* If the trial counsel is qualified to act as counsel before a general court-martial, the defense counsel detailed by the convening authority must be a person similarly qualified.

*c.* If the trial counsel is a member of the bar of the highest court of the state, the defense

counsel detailed by the convening authority must also be a member of the bar of the highest court of the state.

[C66, 71, 73, 75, 77, 79, 81, §29B.28; 82 Acts, ch 1042, §15]

2002 Acts, ch 1117, §45, 52; 2008 Acts, ch 1032, §201

Referred to in §29B.39, 29B.67

**29B.29 Detail or employment of reporters and interpreters.**

Under such regulations as the adjutant general may prescribe, the convening authority of a general or special court-martial or court of inquiry shall detail or employ certified court reporters, who shall record the proceedings of and testimony taken before that court. Under like regulations, the convening authority of a military court may detail or employ interpreters who shall interpret for the court.

[C66, 71, 73, 75, 77, 79, 81, §29B.29]

**29B.30 Absent and additional members.**

1. A member of a general or special court-martial shall not be absent or excused after the court has been assembled for the trial of the accused except for physical disability or as the result of a challenge or by order of the convening authority for good cause.

2. If a general court-martial, except a general court-martial composed of a military judge only, is reduced below five members, the trial shall not proceed until the convening authority details new members sufficient in number to provide not less than five members. The trial may proceed with the new members present after the recorded evidence previously introduced before the members of the court has been read to the new members of the court in the presence of the military judge, the accused, and counsel for both sides.

3. If a special court-martial, except a special court-martial composed of a military judge only, is reduced below three members, the trial shall not proceed until the convening authority details new members sufficient in number to provide not less than three members. The trial shall proceed with the new members present as if no evidence had previously been introduced at the trial, unless a verbatim record of the evidence previously introduced before the members of the court is read to the new members of the court in the presence of the military judge, if any, the accused, and counsel for both sides.

4. If the military judge of a court-martial composed of a military judge only is unable to proceed with the trial because of physical disability, as a result of a challenge, or for other good cause, the trial shall proceed after the detail of a new military judge as if no evidence had previously been introduced unless a verbatim record of the evidence previously introduced or a stipulation thereof is read in court in the presence of the new military judge, the accused, and counsel for both sides.

[C66, 71, 73, 75, 77, 79, 81, §29B.30; 82 Acts, ch 1042, §16]

## PRETRIAL PROCEDURES

**29B.31 Charges and specifications.**

1. Charges and specifications shall be signed by a person subject to this code under oath before a person authorized by this code to administer oaths and shall state:

*a.* That the signer has personal knowledge of, or has investigated, the matters set forth therein; and

*b.* That they are true in fact to the best of the signer's knowledge and belief.

2. Upon the preferring of charges, the proper authority shall take immediate steps to determine what disposition should be made thereof in the interest of justice and discipline, and the person accused shall be informed of the charges against the person as soon as practicable.

[C54, 58, 62, §29.64; C66, 71, 73, 75, 77, 79, 81, §29B.31]

2008 Acts, ch 1032, §201

Referred to in §29B.50

**29B.32 Compulsory self-incrimination prohibited.**

No person subject to this code may compel any person to make a self-incriminating statement or to answer any question the answer to which may tend to incriminate the person.

No person subject to this code may interrogate, or request any statement from, an accused or a person suspected of an offense without first informing the accused or suspect of the nature of the accusation and advising the accused or suspect that the accused or suspect does not have to make any statement regarding the offense of which the person is accused or suspected and that any statement made by the accused or suspect may be used as evidence against the accused or suspect in a trial by court-martial.

No person subject to this code may compel any person to make a statement or produce evidence before any military tribunal if the statement or evidence is not material to the issue and may tend to degrade the person.

No statement obtained from any person in violation of this section, or through the use of coercion, unlawful influence, or unlawful inducement may be received in evidence against the person in a trial by court-martial.

[C66, 71, 73, 75, 77, 79, 81, §29B.32]

**29B.33 Investigation.**

A charge or specification shall not be referred to a general court-martial for trial until a thorough and impartial investigation of all the matters set forth in the charge or specification is made. This investigation shall include inquiry as to the truth of the matter set forth in the charges, consideration of the form of charges, and a recommendation as to the disposition which should be made of the case in the interest of justice and discipline.

The accused shall be advised of the charges and of the right to be represented at the investigation by counsel. Upon the accused's own request the accused shall be represented by civilian counsel at the expense of the accused, or military counsel of the accused's own selection if such counsel is reasonably available, or by counsel detailed by the convening authority. At that investigation full opportunity shall be given to the accused to cross-examine prosecution witnesses if they are available and to present anything the accused may desire in the accused's own behalf, either in defense or mitigation, and the investigating officer shall examine witnesses requested by the accused. If the charges are forwarded after the investigation, they shall be accompanied by a statement of the substance of the testimony taken on both sides and a copy thereof shall be given to the accused.

If an investigation of the subject matter of an offense has been conducted before the accused is charged with the offense, and if the accused was present at the investigation and afforded the opportunities for representation, cross-examination, and presentation prescribed above, no further investigation of that charge is necessary under this section unless it is demanded by the accused after the accused is informed of the charge. A demand for further investigation entitles the accused to recall witnesses for further cross-examination and to offer any new evidence in the accused's own behalf.

The requirements of this section are binding on all persons administering this code but failure to follow them does not divest a military court of jurisdiction.

[C66, 71, 73, 75, 77, 79, 81, §29B.33; 82 Acts, ch 1042, §17]

Referred to in §29B.2

**29B.34 Forwarding of charges.**

When a person is held for trial by general court-martial the commanding officer shall, within eight days after the accused is ordered into arrest or confinement, if practicable, forward the charges directly to the person exercising general court-martial jurisdiction, together with the investigation and allied papers. If that is not practicable, the commanding officer shall report in writing to the adjutant general the reasons for delay.

[C66, 71, 73, 75, 77, 79, 81, §29B.34; 82 Acts, ch 1042, §18]

**29B.35 Advice of staff judge advocate and reference for trial.**

Before directing the trial of any charge by general court-martial, the convening authority shall refer the charge to the appropriate staff judge advocate of the state force concerned

for consideration and advice. The convening authority may not refer a charge to a general court-martial for trial unless the authority has found that the charge alleges an offense under this code and is warranted by evidence indicated in the report of the investigation.

If the charges or specifications are not formally correct or do not conform to the substance of the evidence contained in the report of the investigating officer, formal corrections, and such changes in the charges and specifications as are needed to make them conform to the evidence may be made.

[C66, 71, 73, 75, 77, 79, 81, §29B.35]
2002 Acts, ch 1117, §46, 52

**29B.36 Service of charges.**

The trial counsel to whom court-martial charges are referred for trial shall cause to be served upon the accused a copy of the charges upon which trial is to be had. The accused shall not be brought to trial before a general court-martial or be required to participate in a session before a military judge under section 29B.40 within a period of five days after the service of the charges upon the accused, or before a special court-martial within a period of three days after the service of the charges upon the accused, unless the accused consents otherwise.

[C66, 71, 73, 75, 77, 79, 81, §29B.36; 82 Acts, ch 1042, §19]

## TRIAL PROCEDURE

**29B.37 Adjutant general may prescribe rules.**

The procedures, including modes of proof, in cases before military courts and other military tribunals shall be prescribed by the adjutant general by rule, but shall not be contrary to or inconsistent with this code. All courts and other proceedings shall be conducted under the procedural rules established under 10 U.S.C. ch. 47 unless otherwise provided in this code.

[C66, 71, 73, 75, 77, 79, 81, §29B.37; 82 Acts, ch 1042, §20]
2010 Acts, ch 1087, §2

**29B.38 Unlawfully influencing action of court.**

1. The authority convening a general, special, or summary court-martial or any other commanding officer, or officer serving on the staff of the authority, shall not censure, reprimand, or admonish the court or any member, military judge, or counsel of the court, with respect to the findings or sentence adjudged by the court, or with respect to any other exercise of its or the court or military judge or counsel's functions in the conduct of the proceeding. A person subject to this code shall not attempt to coerce or, by any unauthorized means, influence the action of the court-martial or any other military tribunal or any member thereof, in reaching the findings or sentence in any case, or the action of any convening, approving, or reviewing authority with respect to the authority's judicial acts. Any violation of this section shall be punished as a court-martial may direct.

2. In the preparation of an effectiveness, fitness, or efficiency report or any other report or document used to determine whether a member of the state military force is qualified to be advanced in grade, reassigned, transferred, or retained on active duty, a person shall not do either of the following:

*a.* Consider or evaluate the performance of duty of the member as a member of a court-martial or military judge.

*b.* Give a less favorable rating or evaluation of a member of the state military forces because of the zeal with which the member, as counsel, represented an accused before a court-martial.

[C66, 71, 73, 75, 77, 79, 81, §29B.38; 82 Acts, ch 1042, §21]

**29B.39 Duties of trial counsel and defense counsel.**

The trial counsel of a general or special court-martial shall prosecute in the name of the state, and shall, under the direction of the court, prepare the record of the proceedings.

The accused has the right to be represented in the accused's defense before a general or special court-martial by civilian counsel if provided at the expense of the accused, or by military counsel selected by the accused if reasonably available, or by the defense counsel detailed under section 29B.28. If the accused selects defense counsel, the defense counsel, and assistant defense counsel, if any, who were detailed, shall, if the accused so desires, act as associate counsel for the accused; otherwise they shall be excused by the military judge or by the president of the court-martial if there is no military judge.

In every court-martial proceeding, the defense counsel may, in the event of conviction, forward for attachment to the record of proceedings a brief of such matters the defense counsel feels should be considered in behalf of the accused on review, including any objection to the contents of the record which the defense counsel considers appropriate.

An assistant trial counsel of a general court-martial may, under the direction of the trial counsel or when the assistant is qualified to be a trial counsel as required by section 29B.28, perform any duty imposed by law, regulation, or the custom of the service upon the trial counsel of the court. An assistant trial counsel of a special court-martial may perform any duty of the trial counsel.

An assistant defense counsel of a general or special court-martial may, under the direction of the defense counsel or when the assistant is qualified to be the defense counsel as required by section 29B.28, perform any duty imposed by law, regulation, or the custom of the service upon counsel for the accused.

[C66, 71, 73, 75, 77, 79, 81, §29B.39; 82 Acts, ch 1042, §22]

**29B.40 Sessions.**

1. At any time after the service of charges referred for trial to a court-martial composed of a military judge and members, the military judge may, subject to this chapter, call the court into session without the presence of the members for the purpose of any of the following:

*a.* Hearing and determining motions raising defenses or objections which are capable of determination without trial of the issues raised by a plea of not guilty.

*b.* Hearing and ruling upon any matter which may be ruled upon by the military judge under this code, whether or not the matter is appropriate for later consideration or decision by the members of the court.

*c.* If permitted by rules of the adjutant general holding the arraignment and receiving the pleas of the accused.

*d.* Performing any other procedural function which may be performed by the military judge under this code or under rules adopted pursuant to this code and which does not require the presence of the members of the court.

2. *a.* These proceedings shall be conducted in the presence of the accused, the defense counsel, and the trial counsel and shall be made a part of the record.

*b.* When the members of a court-martial deliberate or vote, only the members may be present. All other proceedings, including any other consultation of the members of the court with counsel or the military judge, shall be made a part of the record and shall be in the presence of the accused, the defense counsel, the trial counsel, and in cases in which a military judge has been detailed to the court, the military judge.

[C66, 71, 73, 75, 77, 79, 81, §29B.40; 82 Acts, ch 1042, §23]

2008 Acts, ch 1032, §201

Referred to in §29B.36

**29B.41 Continuances.**

A military judge or court-martial without a military judge may, for reasonable cause, grant a continuance to any party for such time, and as often, as may appear to be just.

[C66, 71, 73, 75, 77, 79, 81, §29B.41; 82 Acts, ch 1042, §24]

**29B.42 Challenges.**

The military judge and members of a general or special court-martial may be challenged by the accused or the trial counsel for cause stated to the court. The military judge or the court in the absence of a military judge shall determine the relevancy and validity of challenges for

cause, and shall not receive a challenge to more than one person at a time. Challenges by the trial counsel shall ordinarily be presented and decided before those by the accused are offered.

Each accused and the trial counsel is entitled to one peremptory challenge, but the military judge shall not be challenged except for cause.

[C66, 71, 73, 75, 77, 79, 81, §29B.42; 82 Acts, ch 1042, §25]

**29B.43 Oaths.**

Before performing their official duties, military judges, members of a general and special courts-martial, trial counsel, assistant trial counsel, defense counsel, assistant defense counsel, reporters and interpreters shall take an oath to perform their duties faithfully. The adjutant general shall adopt rules prescribing the form of the oath, the time and place of the taking of the oath, the manner of recording, and whether the oath must be taken for all cases in which official duties must be performed or for a particular case. The rules may provide that an oath to perform duties faithfully as a military judge, trial counsel, assistant trial counsel, defense counsel, or assistant defense counsel may be taken at any time by any judge advocate or legal officer, or other person certified to be qualified or competent for the duty, and that once taken the oath need not be taken again each time the person is detailed to that duty.

[C66, 71, 73, 75, 77, 79, 81, §29B.43; 82 Acts, ch 1042, §26]

**29B.44 Statute of limitations.**

A person charged with desertion or absence without leave in time of war, or with aiding the enemy or with mutiny may be tried and punished at any time without limitation.

Except as otherwise provided in this section, a person charged with desertion in time of peace or with the offense punishable under section 29B.112 is not liable to be tried by court-martial if the offense was committed more than three years before the receipt of sworn charges and specifications by an officer exercising summary court-martial jurisdiction over the command.

Except as otherwise provided in this section, a person charged with any offense is not liable to be tried by court-martial or punished under section 29B.14 if the offense was committed more than two years before the receipt of sworn charges and specifications by an officer exercising summary court-martial jurisdiction over the command or before the imposition of punishment under section 29B.14.

Periods in which the accused was absent from territory in which the state has the authority to apprehend the accused, or in the custody of civil authorities, or in the hands of the enemy, shall be excluded in computing the period of limitation prescribed in this section.

[C66, 71, 73, 75, 77, 79, 81, §29B.44]

Referred to in §29B.2

**29B.45 Former jeopardy.**

No person may, without the person's consent, be tried a second time in any military court of the state for the same offense.

No proceeding in which an accused has been found guilty by a court-martial upon any charge or specification is a trial in the sense of this section until the finding of guilty has become final after review of the case has been fully completed.

A proceeding which, after the introduction of evidence but before a finding, is dismissed or terminated by the convening authority or on motion of the prosecution for failure of available evidence or witnesses without any fault of the accused is a trial in the sense of this section.

[C66, 71, 73, 75, 77, 79, 81, §29B.45]

**29B.46 Pleas of the accused.**

1. If the accused after arraignment makes an irregular pleading, or after a plea of guilty sets up defenses inconsistent with the plea, or if it appears that the accused has entered the plea of guilty improvidently or through lack of understanding of its meaning and effect, or if

the accused fails or refuses to plead, a plea of not guilty shall be entered in the record, and the court shall proceed as though the accused had pleaded not guilty.

2. With respect to any charge or specification to which a plea of guilty has been made by the accused and accepted by the military judge, or by a court-martial without a military judge, a finding of guilty of the charge or specification may, if permitted by rules of the adjutant general be entered immediately without vote. This finding shall constitute the finding of the court unless the plea of guilty is withdrawn prior to the announcement of the sentence, in which case the proceedings shall continue as though the accused had pleaded not guilty.

[C66, 71, 73, 75, 77, 79, 81, §29B.46; 82 Acts, ch 1042, §27]

**29B.47 Opportunity to obtain witnesses and other evidence.**

1. The trial counsel, the defense counsel, and the court-martial shall have equal opportunity to obtain witnesses and other evidence in accordance with such regulations as the adjutant general may prescribe.

2. The military judge or the president of a court-martial without a military judge may:

*a.* Issue a warrant for the arrest of any accused person who having been served with a warrant and a copy of the charges, disobeys a written order by the convening authority to appear before the court;

*b.* Issue subpoenas duces tecum and other subpoenas;

*c.* Enforce by attachment the attendance of witnesses and the production of books and papers; and

*d.* Sentence for refusal to be sworn or to answer, as provided in actions before civil courts of the state.

3. Process issued in court-martial cases to compel witnesses to appear and testify and to compel the production of other evidence shall run to any part of the United States and shall be executed by civil officers as prescribed by laws of the United States or the place where the witness or evidence is located.

[C35, §467-f37; C39, §**467.39;** C46, 50, §29.39; C54, 58, 62, §29.76; C66, 71, 73, 75, 77, 79, 81, §29B.47; 82 Acts, ch 1042, §28]

2008 Acts, ch 1032, §201; 2010 Acts, ch 1087, §3

**29B.48 Refusal to appear or testify.**

1. Any person not subject to this code is guilty of a simple misdemeanor if the person does all of the following:

*a.* Has been duly subpoenaed to appear as a witness or to produce books and records before a military court or before any military or civil officer and designated to take a deposition to be read in evidence before such a court.

*b.* Has been duly paid or tendered the fees and mileage of a witness at the rates allowed to witnesses attending the courts of the state.

*c.* Willfully neglects or refuses to appear, or refuses to qualify as a witness or to testify or to produce any evidence which that person has been legally subpoenaed to produce.

2. Upon certification of the facts in a case under this section by the military judge, president of courts-martial without a military judge, or summary courts-martial officer, the county attorney of the county where the offense occurred shall prosecute the offense as if it were included in the Iowa criminal code.

[C66, 71, 73, 75, 77, 79, 81, §29B.48; 82 Acts, ch 1042, §29]

2006 Acts, ch 1010, §19

**29B.49 Contempts.**

1. A military court may punish for contempt any person subject to this code who uses any menacing word, sign, or gesture in its presence, or who disturbs its proceedings by any riot or disorder. The punishment shall not exceed confinement for thirty days or a fine of one hundred dollars, or both.

2. A person who is not subject to this code who engages in conduct described in subsection 1 is guilty of a simple misdemeanor. The facts shall be certified to the county attorney of the

county in which the offense occurred who shall prosecute the case as if the offense were included in the Iowa criminal code.

[C66, 71, 73, 75, 77, 79, 81, §29B.49; 82 Acts, ch 1042, §30]

**29B.50 Depositions.**

1. At any time after charges have been signed, as provided in section 29B.31 any party may take oral or written depositions unless the military judge or court-martial without a military judge hearing the case, or if the case is not being heard, an authority competent to convene a court-martial for the trial of those charges forbids it for good cause. If a deposition is to be taken before charges are referred for trial, the authority may designate commissioned officers to represent the prosecution and the defense and may authorize those officers to take the deposition of any witness.

2. The party at whose instance a deposition is to be taken shall give to every other party reasonable written notice of the time and place for taking the deposition.

3. Depositions may be taken before and authenticated by any military or civil officer authorized to administer oaths by the laws of the United States or by the laws of the place where the deposition is taken.

4. A duly authenticated deposition taken upon reasonable notice to the other parties, so far as otherwise admissible under the rules of evidence, may be read in evidence before any court-martial or in any proceeding before a court of inquiry, if any of the following are apparent:

*a.* That the witness resides or is out of the state of Iowa and the witness' appearance cannot be obtained, unless it appears that the absence of the witness was procured by the party offering the deposition.

*b.* That the witness by reason of death, age, sickness, bodily infirmity, imprisonment, military necessity, or other reasonable cause, is unable to appear and testify in person at the place of trial or hearing.

*c.* That the party offering the deposition has been unable to procure the attendance of the witness by subpoena or other process and the present whereabouts of the witness is unknown.

[C66, 71, 73, 75, 77, 79, 81, §29B.50; 82 Acts, ch 1042, §31]

2008 Acts, ch 1032, §201

**29B.51 Admissibility of records of courts of inquiry.**

1. In any case not extending to the dismissal of a commissioned officer, the sworn testimony, contained in the duly authenticated record of proceedings of a court of inquiry, of a person whose oral testimony cannot be obtained, may, if otherwise admissible under the rules of evidence, be read in evidence by any party before a court-martial if the accused was a party before the court of inquiry, and if the same issue was involved or if the accused consents to the introduction of such evidence.

2. Such testimony may be read in evidence only by the defense in cases extending to the dismissal of a commissioned officer.

3. Such testimony may also be read in evidence before a court of inquiry or a military board.

[C66, 71, 73, 75, 77, 79, 81, §29B.51]

2008 Acts, ch 1032, §201

**29B.52 Voting and rulings.**

1. Voting by members of a general or special court-martial on the findings and on the sentence, and by members of a court-martial without a military judge upon questions of challenge shall be by secret written ballot. The junior member of the court shall count the votes. The count shall be checked by the president, who shall immediately announce the result of the ballot to the members of the court.

2. The military judge and, except for questions of challenge, the president of a court-martial without a military judge, shall rule upon all questions of law and all interlocutory questions arising during the proceedings. A ruling made by the military judge upon a question of law or an interlocutory question other than the factual issue of mental

responsibility of the accused, or by the president of a court-martial without a military judge upon a question of law other than a motion for a finding of not guilty is final and constitutes the ruling of the court. However, the military judge may change a ruling at any time during the trial. Unless the ruling is final, if a member objects to the ruling, the court shall be cleared and closed and the question decided by a voice vote as provided in this code beginning with the junior in rank.

3. Before a vote is taken on the findings, the military judge or the president of a court-martial without a military judge shall, in the presence of the accused and counsel, instruct the members of the court as to the elements of the offense and charge them as follows:

*a.* That the accused must be presumed to be innocent until guilt is established by legal and competent evidence beyond reasonable doubt.

*b.* That in the case being considered, if there is a reasonable doubt as to the guilt of the accused, the doubt must be resolved in favor of the accused and the accused must be acquitted.

*c.* That, if there is a reasonable doubt as to the degree of guilt, the finding must be in a lower degree as to which there is no reasonable doubt.

*d.* That the burden of proof for establishing the guilt of the accused beyond reasonable doubt is upon the state.

4. Subsection 3 does not apply to a court-martial composed of a military judge only. The military judge of a court-martial composed only of a military judge shall determine all questions of law and fact arising during the proceedings, and, if the accused is convicted, adjudge an appropriate sentence. The military judge shall make a general finding and shall find the facts specifically on request. If an opinion or memorandum of decision is filed, it is sufficient if the findings of fact appear in the opinion or memorandum of decision.

[C66, 71, 73, 75, 77, 79, 81, §29B.52; 82 Acts, ch 1042, §32]

**29B.53 Number of votes required.**

1. A person shall not be convicted of an offense, except as provided in this code by the concurrence of two-thirds of the members present at the time the vote is taken.

2. All sentences shall be determined by the concurrence of two-thirds of the members present at the time that the vote is taken.

3. All other questions to be decided by the members of a general or special court-martial shall be determined by a majority vote. A tie vote on a challenge disqualifies the member challenged. A tie vote on a motion for a finding of not guilty or on a motion relating to the question of the accused's sanity is a determination against the accused. A tie vote on any other question is a determination in favor of the accused but a determination to reconsider a finding of guilty or to reconsider a sentence for the purpose of possible reduction may be made by any lesser vote if the determination to reconsider is not opposed by two-thirds of the members present.

[C66, 71, 73, 75, 77, 79, 81, §29B.53; 82 Acts, ch 1042, §33]
2008 Acts, ch 1032, §201

**29B.54 Court to announce action.**

A court-martial shall announce its findings and sentence to the parties as soon as determined.

[C66, 71, 73, 75, 77, 79, 81, §29B.54]

**29B.55 Record of trial.**

1. Each general court-martial shall keep a separate record of the proceedings in each case brought before it, and the record shall be authenticated by the signature of the military judge. If the record cannot be authenticated by the military judge by reason of death, disability, or absence of the military judge, it shall be authenticated by the signature of the trial counsel or by the signature of a member if the trial counsel is unable to authenticate it by reason of death, disability, or absence. In a court-martial consisting of only a military judge the record shall be authenticated by the court reporter under the same conditions which would

impose such a duty on a member under this subsection. If the proceedings have resulted in an acquittal of all charges and specifications or, if not affecting a general officer, in a sentence not including discharge, dismissal, or confinement and not in excess of that which may otherwise be adjudged by a special court-martial, the record shall contain matters prescribed by rules of the adjutant general.

2. Each special and summary court-martial shall keep a separate record of the proceedings in each case, and the record shall contain the matter and shall be authenticated in the manner required by rules of the adjutant general.

3. A copy of the record of the proceedings of each general and special court-martial shall be given to the accused as soon as the record is authenticated. If a verbatim record of trial by general court-martial is not required, but is made, the accused may buy the record as prescribed in rules of the adjutant general.

[C66, 71, 73, 75, 77, 79, 81, §29B.55; 82 Acts, ch 1042, §34]

2008 Acts, ch 1032, §201

## SENTENCES

**29B.56 Cruel and unusual punishments prohibited.**

Punishment by cruel or unusual punishment may not be adjudged by any court-martial or inflicted upon any person subject to this code.

[C66, 71, 73, 75, 77, 79, 81, §29B.56]

**29B.57 Maximum fines.**

The punishment which a court-martial may direct for an offense may not exceed limits prescribed by this code.

[C66, 71, 73, 75, 77, 79, 81, §29B.57]

**29B.58 Effective date of sentences.**

1. When a sentence of a court-martial as lawfully adjudged and approved includes a forfeiture of pay or allowances in addition to confinement not suspended or deferred, the forfeiture shall apply only to pay or allowances becoming due on or after the date the sentence is approved by the convening authority. A forfeiture shall not extend to any pay or allowances accrued before that date.

2. A period of confinement included in a sentence of a court-martial begins to run from the date the sentence is adjudged by the court-martial but periods during which the sentence to confinement is suspended or deferred shall be excluded in computing the service of the term of confinement, provided that credit be given for confinement served prior to trial. Rules prescribed by the adjutant general may provide that sentences of confinement shall not be executed until approved by designated officers.

3. All other sentences of courts-martial are effective on the date ordered executed.

4. On application by an accused who is under sentence to confinement that has not been ordered executed, the convening authority, or if the accused is no longer under the jurisdiction of the convening authority, the person exercising general court-martial jurisdiction, may in the person's discretion defer service of the sentence to confinement. The deferral terminates when the sentence is ordered executed. The deferral may be rescinded at any time by the officer who granted it, or, if the accused is no longer under jurisdiction of that officer, by the person exercising general court-martial jurisdiction.

5. Unless otherwise provided in rules of the adjutant general, a court-martial sentence of an enlisted member in pay grade above E-1, that includes a discharge under other than honorable conditions or confinement and that is approved by the convening authority reduces the member to pay-grade E-1, effective on the date of the approval.

6. If the sentence of a member who is reduced in pay grade under subsection 5 is set aside or disapproved, or, as finally approved, does not include a punishment named in subsection 5, the rights and privileges of which the member was deprived because of the reduction shall

be restored and the member is entitled to the pay and allowances lost during the period the reduction was in effect.

[C66, 71, 73, 75, 77, 79, 81, §29B.58; 82 Acts, ch 1042, §35]

Referred to in §29B.12

**29B.59 Execution of confinement.**

A sentence of confinement adjudged by a military court, whether or not the sentence includes discharge or dismissal, and whether or not the discharge or dismissal has been executed, may be carried into execution by confinement in any place of confinement under the control of any of the forces of the state military forces or in any jail, penitentiary, or prison designated for that purpose. Persons so confined in a jail, penitentiary, or prison are subject to the same discipline and treatment as persons confined or committed to the jail, penitentiary or prison by the courts of the state or of any political subdivision thereof.

The omission of the words "hard labor" from any sentence or punishment of a court-martial adjudging confinement does not deprive the authority executing that sentence or punishment of the power to require hard labor as a part of the punishment.

The keepers, officer, and wardens of city or county jails and of other jails, penitentiaries, or prisons shall receive persons ordered into confinement before trial and persons committed to such confinement by a military court and shall confine them according to law. No such keeper, officer or warden may require payment of any fee or charge for so receiving or confining a person.

[C66, 71, 73, 75, 77, 79, 81, §29B.59]

REVIEW BY COURT-MARTIAL

**29B.60 Execution of sentence — suspension of sentence.**

Except as provided in sections 29B.20 and 29B.65, a court-martial sentence, unless suspended or deferred, may be ordered executed by the convening authority when approved by the convening authority. The convening authority shall approve the sentence or the part, amount, or commuted form of the sentence as the convening authority sees fit, and may suspend or defer the execution of the sentence.

[C66, 71, 73, 75, 77, 79, 81, §29B.60; 82 Acts, ch 1042, §36]

**29B.61 Initial action of record.**

After a trial by court-martial the record shall be forwarded to the convening authority, as reviewing authority, and action may be taken by the person who convened the court, a commissioned officer commanding for the time being, a successor in command, or by the adjutant general.

In acting on the findings and sentence of a court-martial, the convening authority may approve only such findings of guilty, and the sentence or part or amount of the sentence as the convening authority finds correct in law and fact and as in the convening authority's discretion should be approved. Unless the convening authority indicates otherwise, approval of the sentence includes approval of the findings.

[C66, 71, 73, 75, 77, 79, 81, §29B.61; 82 Acts, ch 1042, §37]

**29B.62 General court-martial records.**

The convening authority shall refer the record of each general court-martial to the appropriate staff judge advocate of the state force concerned, who shall submit a written opinion thereon to the convening authority. If the final action of the court has resulted in an acquittal of all charges and specifications, the opinion shall be limited to questions of jurisdiction.

[C66, 71, 73, 75, 77, 79, 81, §29B.62]

2002 Acts, ch 1117, §47, 52

**29B.63 Reconsideration and revision.**

1. If a specification before a court-martial has been dismissed on motion and the ruling does not amount to a finding of not guilty, the convening authority may return the record to the court for reconsideration of the ruling and any further appropriate action.

2. Where there is an apparent error or omission in the record or where the record shows improper or inconsistent action by a court-martial with respect to a finding or sentence which can be rectified without material prejudice to the substantial rights of the accused, the convening authority may return the record to the court for appropriate action. In no case, however, may the record be returned:

*a.* For reconsideration of a finding of not guilty, or a ruling which amounts to a finding of not guilty;

*b.* For reconsideration of a finding of not guilty of any charge, unless the record shows a finding of guilty under a specification laid under that charge, which sufficiently alleges a violation of some section of this code; or

*c.* For increasing the severity of the sentence unless the sentence prescribed for the offense is mandatory.

[C66, 71, 73, 75, 77, 79, 81, §29B.63]

2008 Acts, ch 1032, §201

**29B.64 Rehearings.**

If the convening authority disapproves the findings and sentence of a court-martial the convening authority may, except where there is lack of sufficient evidence in the record to support the findings, order a rehearing. In such case the convening authority shall state the reasons for disapproval. If the convening authority disapproves the findings and sentence and does not order a rehearing, the convening authority shall dismiss the charges.

Each rehearing shall take place before a court-martial composed of members not members of the court-martial which first heard the case. Upon a rehearing the accused may not be tried for any offense of which the accused was found not guilty by the first court-martial, and no sentence in excess of or more severe than the original sentence may be imposed, unless the sentence is based upon a finding of guilty of an offense not considered upon the merits in the original proceedings, or unless the sentence prescribed for the offense is mandatory.

[C66, 71, 73, 75, 77, 79, 81, §29B.64]

**29B.65 Review of records — disposition.**

1. If the convening authority is the governor or adjutant general, the convening authority's action on the review of any record of trial is final.

2. In all other cases not covered by subsection 1, if the sentence of a special court-martial as approved by the convening authority includes a bad-conduct discharge, dishonorable discharge, dismissal, or confinement, whether or not suspended, the entire record shall be sent to the appropriate staff judge advocate of the state force concerned to be reviewed in the same manner as a record of trial by general court-martial.

3. All other special and summary court-martial records shall be sent to the appropriate staff judge advocate of the state force concerned and shall be acted upon, transmitted, and disposed of as prescribed by rules of the adjutant general.

4. *a.* The staff judge advocate of the state force concerned shall review the record of trial in each case sent for review as provided under this section. If the final action of the court-martial has resulted in an acquittal of all charges and specifications, the opinion of the staff judge advocate is limited to questions of jurisdiction.

*b.* The staff judge advocate shall take final action in any case reviewable by the staff judge advocate.

5. In a case reviewable by the appropriate staff judge advocate under this section, the staff judge advocate may act only with respect to the findings and sentence as approved by the convening authority. The staff judge advocate may affirm only such findings of guilty, and the sentence or such part or amount of the sentence, as the staff judge advocate finds correct in law and fact and determines, on the basis of the entire record, should be approved. In consideration of the record, the staff judge advocate may weigh the evidence, judge the

credibility of witnesses, and determine controverted questions of fact, recognizing that the trial court saw and heard the witnesses. If the staff judge advocate sets aside the findings and sentence, the staff judge advocate may, except where the setting aside is based on lack of sufficient evidence in the record to support the findings, order a rehearing. If the staff judge advocate sets aside the findings and sentence and does not order a rehearing, the staff judge advocate shall order that the charges be dismissed.

6. In a case reviewable by the staff judge advocate under this section, the staff judge advocate shall instruct the convening authority to act in accordance with the decision on the review. If the staff judge advocate has ordered a rehearing but the convening authority finds a rehearing impracticable, the staff judge advocate may dismiss the charges.

7. The staff judge advocate may order one or more boards of review each composed of not less than three commissioned officers of the state military forces, each of whom must be a member of the bar of the highest court of the state. Each board of review shall review the record of any trial by court-martial including a sentence to a dishonorable discharge, dismissal or confinement, referred to it by the staff judge advocate. Boards of review have the same authority on review as the staff judge advocate has under this section.

[C66, 71, 73, 75, 77, 79, 81, §29B.65; 82 Acts, ch 1042, §38]
2002 Acts, ch 1117, §48, 52; 2008 Acts, ch 1032, §201
Referred to in §29B.60

**29B.66 Error of law — lesser included offenses.**

A finding or sentence of a court-martial may not be held incorrect on the ground of an error of law unless the error materially prejudices the substantial rights of the accused.

Any reviewing authority with the power to approve or affirm a finding of guilty may approve or affirm so much of the finding as includes a lesser included offense.

[C66, 71, 73, 75, 77, 79, 81, §29B.66]

**29B.67 Review counsel.**

Upon the final review of a sentence of a general court-martial or of a sentence to a dishonorable discharge, dismissal, or confinement, the accused has the right to be represented by counsel before the reviewing authority and before the appropriate staff judge advocate.

Upon the request of an accused entitled to be so represented, the appropriate staff judge advocate shall appoint a lawyer who is a member of the state military forces and who has the qualifications prescribed in section 29B.28, if available, to represent the accused before the reviewing authority and before the appropriate staff judge advocate, in the review of cases specified in this section.

If provided by the accused, an accused entitled to be so represented may be represented by civilian counsel before the reviewing authority and before the appropriate staff judge advocate.

[C66, 71, 73, 75, 77, 79, 81, §29B.67; 82 Acts, ch 1042, §39]
2002 Acts, ch 1117, §49, 52

**29B.68 Vacation of suspension.**

Before the vacation of the suspension of a special court-martial sentence which as approved includes a discharge under other than honorable conditions, a dismissal, or a confinement, or of any general court-martial sentence, the officer having special court-martial jurisdiction over the probationer shall hold a hearing on the alleged violation of probation. The probationer shall be represented at the hearing by counsel if the probationer so desires.

The record of the hearing and the recommendation of the officer having special court-martial jurisdiction shall be sent for action to the adjutant general in cases involving a general court-martial sentence and to the commanding officer of the force of state military forces of which the probationer is a member in all other cases covered by this section. If the adjutant general or commanding officer vacates the suspension, any unexecuted part of the sentence except a dismissal shall be executed.

The suspension of any other sentence may be vacated by any authority competent to

convene, for the command in which the accused is serving or assigned, a court of the kind that imposed the sentence.

[C66, 71, 73, 75, 77, 79, 81, §29B.68; 82 Acts, ch 1042, §40]

**29B.69 Petition for a new trial.**

At any time within two years after approval by the convening authority of a court-martial sentence which extends to dismissal, dishonorable or bad-conduct discharge, the accused may petition the governor for a new trial on ground of newly discovered evidence or fraud on the court-martial.

[C66, 71, 73, 75, 77, 79, 81, §29B.69; 82 Acts, ch 1042, §41]

Referred to in §29B.72

**29B.70 Remission or suspension.**

A convening authority may remit or suspend any part or amount of the unexecuted part of any sentence, including all uncollected forfeitures.

The governor may, for good cause, substitute an administrative form of discharge for a discharge or dismissal executed in accordance with the sentence of a court-martial.

[C66, 71, 73, 75, 77, 79, 81, §29B.70]

**29B.71 Restoration.**

Under such regulations as the adjutant general may prescribe, all rights, privileges, and property affected by an executed part of a court-martial sentence which has been set aside or disapproved, except an executed dismissal or discharge, shall be restored unless a new trial or rehearing is ordered and such executed part is included in a sentence imposed upon a new trial or rehearing.

If a previously executed sentence of dishonorable or bad-conduct discharge is not imposed on a new trial, the adjutant general shall substitute therefor a form of discharge authorized for administrative issuance unless the accused is to serve out the remainder of the accused's enlistment.

If a previously executed sentence of dismissal is not imposed on a new trial, the adjutant general shall substitute therefor a form of discharge authorized for administrative issue, and the commissioned officer dismissed by that sentence may be reappointed by the governor alone to such commissioned grade and with such rank as in the opinion of the governor that former officer would have attained had the former officer not been dismissed. The reappointment of such a former officer may be made if a position vacancy is available under applicable tables of organization. All times between the dismissal and reappointment shall be considered as service for all purposes.

[C66, 71, 73, 75, 77, 79, 81, §29B.71]

**29B.72 Finality of proceedings — findings and sentences.**

The proceedings, findings, and sentences of court-martial as reviewed and approved, as required by this code, and all dismissals and discharges carried into execution under sentences by courts-martial following review and approval, as required by this code, are final and conclusive. Orders publishing the proceedings are binding upon all departments, courts, agencies, and officers of the state, subject only to action upon a petition for a new trial as provided in section 29B.69.

[C66, 71, 73, 75, 77, 79, 81, §29B.72]

## PUNITIVE ARTICLES

**29B.73 Persons to be tried or punished.**

A person shall not be tried or punished for any offense provided for in this code unless it was committed while the person was in a duty status or during a time when the person was under lawful orders to be in a duty status.

[C66, 71, 73, 75, 77, 79, 81, §29B.73; 82 Acts, ch 1042, §42]

**29B.74 Principals.**

Any person subject to this code is a principal if the person does any of the following:

1. Commits an offense punishable by this code, or aids, abets, counsels, commands, or procures its commission.

2. Causes an act to be done which if directly performed by the person would be punishable by this code.

[C66, 71, 73, 75, 77, 79, 81, §29B.74]

2006 Acts, ch 1010, §20

**29B.75 Accessory after the fact.**

Any person subject to this code who, knowing that an offense punishable by this code has been committed, receives, comforts, or assists the offender in order to hinder or prevent the offender's apprehension, trial or punishment shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.75]

**29B.76 Conviction of lesser included offenses.**

An accused may be found guilty of an offense necessarily included in the offense charged or of an attempt to commit either the offense charged or an offense necessarily included therein.

[C66, 71, 73, 75, 77, 79, 81, §29B.76]

**29B.77 Attempts.**

An act, done with specific intent to commit an offense under this code, amounting to more than mere preparation and tending, even though failing, to effect its commission, is an attempt to commit that offense.

Any person subject to this code who attempts to commit any offense punishable by this code shall be punished as a court-martial may direct, unless otherwise specifically prescribed.

Any person subject to this code may be convicted of an attempt to commit an offense although it appears on the trial that the offense was consummated.

[C66, 71, 73, 75, 77, 79, 81, §29B.77]

**29B.78 Conspiracy.**

Any person subject to this code who conspires with any other person to commit an offense under this code shall, if one or more of the conspirators does an act to effect the object of the conspiracy, be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.78]

**29B.79 Solicitation.**

Any person subject to this code who solicits or advises another or others to desert in violation of section 29B.82 or mutiny in violation of section 29B.91 shall, if the offense solicited or advised is attempted or committed, be punished with the punishment provided for the commission of the offense, but, if the offense solicited or advised is not committed or attempted, the person shall be punished as a court-martial may direct.

Any person subject to this code who solicits or advises another or others to commit an act of misbehavior before the enemy in violation of section 29B.96 or sedition in violation of section 29B.91 shall, if the offense solicited or advised is committed, be punished with the punishment provided for the commission of the offense, but, if the offense solicited or advised is not committed, the person shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.79]

**29B.80 Fraudulent enlistment — appointment or separation.**

Any person shall be punished as a court-martial may direct if the person does any of the following:

1. Procures the person's own enlistment or appointment in the state military forces by knowingly false representation or deliberate concealment as to the person's qualifications for that enlistment or appointment and receives pay or allowances thereunder.

2. Procures the person's own separation from the state military forces by knowingly false representation or deliberate concealment as to the person's eligibility for that separation.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(1); C66, 71, 73, 75, 77, 79, 81, §29B.80]

2006 Acts, ch 1010, §21

**29B.81 Unlawful enlistment — appointment or separation.**

Any person subject to this code who effects an enlistment or appointment in or a separation from the state military forces of any person who is known to the person subject to this code to be ineligible for that enlistment, appointment, or separation because it is prohibited by law, regulation, or order shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.81]

**29B.82 Desertion.**

1. Any member of the state military forces who does any of the following is guilty of desertion:

*a.* Without authority goes or remains absent from the member's unit, organization, or place of duty with intent to remain away therefrom permanently.

*b.* Quits the member's unit, organization or place of duty with intent to avoid hazardous duty or to shirk important services.

*c.* Without being regularly separated from one of the state military forces enlists or accepts an appointment in the same or another one of the state military forces, or in one of the armed forces of the United States, without duly disclosing the fact that the member has not been regularly separated.

2. Any commissioned officer of the state military forces who, after tender of the officer's resignation and before notice of its acceptance, quits a post or proper duties without leave and with intent to remain away therefrom permanently is guilty of desertion.

3. Any person found guilty of desertion or attempt to desert shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.82]

2005 Acts, ch 3, §17

Referred to in §29B.79

**29B.83 Absence without leave.**

Any person subject to this code shall be punished as a court-martial may direct if the person without authority does any of the following:

1. Fails to go to the person's appointed place of duty at the time prescribed.

2. Goes from that place.

3. Leaves or remains absent from the unit, organization, or place of duty at which the person is required to be at the time prescribed.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(3); C66, 71, 73, 75, 77, 79, 81, §29B.83]

2006 Acts, ch 1010, §22

**29B.84 Missing movement.**

Any person subject to this code who through neglect or design misses the movement of a ship, aircraft, or unit with which the person is required in the course of duty to move shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.84]

**29B.85 Contempt toward officials.**

Any person subject to this code who uses contemptuous words against the president, the governor, or the governor of any other state, territory, commonwealth, or possession in which that person may be serving, shall be punished as a court-martial may direct.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(4); C66, 71, 73, 75, 77, 79, 81, §29B.85]

**29B.86 Disrespect toward superior commissioned officer.**

Any person subject to this code who behaves with disrespect toward the person's superior commissioned officer shall be punished as a court-martial may direct.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(5); C66, 71, 73, 75, 77, 79, 81, §29B.86]

**29B.87 Assaulting or willfully disobeying superior commissioned officer.**

Any person subject to this code shall be punished as a court-martial may direct if the person does any of the following:

1. Strikes the person's superior commissioned officer or draws or lifts up any weapon or offers any violence against the superior commissioned officer while the superior commissioned officer is in the execution of the officer's office.

2. Willfully disobeys a lawful command of the person's superior commissioned officer.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(6); C66, 71, 73, 75, 77, 79, 81, §29B.87]

2006 Acts, ch 1010, §23

**29B.88 Insubordinate conduct toward warrant officer, noncommissioned officer, or petty officer.**

Any warrant officer or enlisted member shall be punished as a court-martial may direct if the person does any of the following:

1. Strikes or assaults a warrant officer, noncommissioned officer, or petty officer, while that officer is in the execution of the officer's office.

2. Willfully disobeys the lawful order of a warrant officer, noncommissioned officer, or petty officer.

3. Treats with contempt or is disrespectful in language or deportment toward a warrant officer, noncommissioned officer, or petty officer, while that officer is in the execution of the officer's office.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(7); C66, 71, 73, 75, 77, 79, 81, §29B.88]

2006 Acts, ch 1010, §24

**29B.89 Failure to obey order or regulation.**

Any person subject to this code shall be punished as a court-martial may direct if the person does any of the following:

1. Violates or fails to obey any lawful general order or regulation.

2. Having knowledge of any other lawful order issued by a member of the state military forces which it is the person's duty to obey, fails to obey the order.

3. Is derelict in the performance of the person's duties.

[C66, 71, 73, 75, 77, 79, 81, §29B.89]

2006 Acts, ch 1010, §25

**29B.90 Cruelty and maltreatment.**

Any person subject to this code who is guilty of cruelty toward, or oppression or maltreatment of, any person subject to orders of the person subject to this code shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.90]

**29B.91 Mutiny or sedition.**

1. Any person subject to this code who:

*a.* With intent to usurp or override lawful military authority refuses, in concert with any other person, to obey orders or otherwise do the person's duty or creates any violence or disturbance against that authority is guilty of mutiny;

*b.* With intent to cause the overthrow or destruction of lawful civil authority, creates, in concert with any other person, revolt, violence, or other disturbance against that authority is guilty of sedition;

*c.* Fails to do the person's utmost to prevent and suppress a mutiny or sedition being committed in the person's presence, or fails to take all reasonable means to inform the person's superior commissioned officer or commanding officer of a mutiny or sedition which the person knows or has reason to believe is taking place, is guilty of a failure to suppress or report a mutiny or sedition.

2. A person who is found guilty of attempted mutiny, mutiny, sedition, or failure to suppress or report a mutiny or sedition shall be punished as a court-martial may direct.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(8); C66, 71, 73, 75, 77, 79, 81, §29B.91]

2008 Acts, ch 1032, §201

Referred to in §29B.79

**29B.92 Resistance, breach of arrest and escape.**

Any person subject to this code who resists apprehension or breaks arrest or who escapes from physical restraint lawfully imposed shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.92]

**29B.93 Releasing prisoner without proper authority.**

Any person subject to this code who, without proper authority, releases any prisoner committed to the person's charge, or who through neglect or design suffers any such prisoner to escape, shall be punished as a court-martial may direct, whether or not the prisoner was committed in strict compliance with law.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(9); C66, 71, 73, 75, 77, 79, 81, §29B.93]

**29B.94 Unlawful detention of another.**

Any person subject to this code who, except as provided by law or regulation, apprehends, arrests, or confines any person shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.94]

**29B.95 Noncompliance with procedural rules.**

Any person subject to this code shall be punished as a court-martial may direct if the person does any of the following:

1. Is responsible for unnecessary delay in the disposition of any case of a person accused of an offense under this code.

2. Knowingly and intentionally fails to enforce or comply with any provisions of this code regulating the proceedings before, during, or after trial of an accused.

[C66, 71, 73, 75, 77, 79, 81, §29B.95]

2006 Acts, ch 1010, §26

**29B.96 Misbehavior before the enemy.**

Any person subject to this code shall be punished as a court-martial may direct if the person, before or in the presence of the enemy, does any of the following:

1. Runs away.

2. Shamefully abandons, surrenders, or delivers up any command, unit, place, or military property which it is the person's duty to defend.

3. Through disobedience, neglect, or intentional misconduct endangers the safety of any such command, unit, place, or military property.

4. Casts away the person's arms or ammunition.

5. Is guilty of cowardly conduct.

6. Quits the person's place of duty to plunder or pillage.

7. Causes false alarms in any command, unit, or place under control of the armed forces of the United States or the state military forces.

8. Willfully fails to do the person's utmost to encounter, engage, capture, or destroy any enemy troops, combatants, vessels, aircraft, or any other thing, which it is the person's duty so to encounter, engage, capture or destroy.

9. Does not afford all practicable relief and assistance to any troops, combatants, vessels, or aircraft of the armed forces belonging to the United States or their allies, to the state, or to any other state, when engaged in battle.

[C66, 71, 73, 75, 77, 79, 81, §29B.96]

2006 Acts, ch 1010, §27

Referred to in §29B.79

**29B.97 Subordinate compelling surrender.**

A person subject to this code who compels or attempts to compel the commander of any place, vessel, aircraft, or other military property or any body of the state military forces, or of any other state, to surrender the place, property, or forces to an enemy or to abandon the place, property, or forces, or who strikes the colors or flag to an enemy without proper authority, shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.97; 82 Acts, ch 1042, §43]

**29B.98 Improper use of countersign.**

Any person subject to this code who in time of war discloses the parole or countersign to any person not entitled to receive it, or who gives to another who is entitled to receive and use the parole or countersign a different parole or countersign from that which, to the person's knowledge, the person was authorized and required to give, shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.98]

**29B.99 Forcing a safeguard.**

Any person subject to this code who forces a safeguard shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.99]

**29B.100 Captured or abandoned property.**

1. All persons subject to this code shall secure all public property taken from the enemy for the service of the United States, and shall give notice and turn over to the proper authority without delay all captured or abandoned property in their possession, custody, or control.

2. Any person subject to this code shall be punished as a court-martial may direct if the person does any of the following:

*a.* Fails to carry out the duties prescribed herein.

*b.* Buys, sells, trades, or in any way deals in or disposes of captured or abandoned property, whereby the person receives or expects any profit, benefit, or advantage to the person or another directly or indirectly connected with the person.

*c.* Engages in looting or pillaging.

[C66, 71, 73, 75, 77, 79, 81, §29B.100]

2006 Acts, ch 1030, §9

**29B.101 Aiding the enemy.**

Any person subject to this code shall be punished as a court-martial may direct if the person does any of the following:

1. Aids, or attempts to aid, the enemy with arms, ammunition, supplies, money, or other things.

2. Without proper authority, knowingly harbors or protects or gives intelligence to, or communicates or corresponds with or holds any intercourse with the enemy, either directly or indirectly.

[C66, 71, 73, 75, 77, 79, 81, §29B.101]

2006 Acts, ch 1010, §28

**29B.102 Misconduct of a prisoner.**

Any person subject to this code shall be punished as a court-martial may direct if the person, while in the hands of the enemy in time of war, does any of the following:

1. For the purpose of securing favorable treatment by the captors acts without proper authority in a manner contrary to law, custom, or regulation, to the detriment of others of whatever nationality held by the enemy as civilian or military prisoners.

2. While in a position of authority over such persons maltreats them without justifiable cause.

[C66, 71, 73, 75, 77, 79, 81, §29B.102]
2006 Acts, ch 1010, §29

**29B.103 False official statements — forgery.**

1. A person subject to this code who, with intent to deceive, signs any false record, return, regulation, order, or other official document, knowing it to be false, or makes any other false official statement knowing it to be false, shall be punished as a court-martial may direct.

2. A person subject to this code who with intent to defraud does either or both of the following is guilty of forgery and shall be punished as a court-martial may direct:

*a.* Falsely makes or alters a signature to, or a part of, a writing which would if genuine apparently impose a legal liability on another or change the person's legal right or prejudice the person's liability.

*b.* Utters, offers, issues, or transfers written material the person knows is falsely made or altered.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(2); C66, 71, 73, 75, 77, 79, 81, §29B.103; 82 Acts, ch 1042, §44]

**29B.104 Property crimes.**

1. A person subject to this code who, while in a duty status, willfully or recklessly wastes, spoils, or otherwise willfully and wrongfully destroys or damages property other than military property of the United States or of the state shall be punished as a court-martial may direct.

2. A person subject to this code who without proper authority sells or otherwise disposes of or who willfully or through neglect damages, destroys, or loses or who causes willfully or through neglect the damage, destruction, sale, or wrongful disposition of military property of the United States or the state shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.104; 82 Acts, ch 1042, §45]

**29B.105 Improper hazarding of vessel.**

Any person subject to this code who willfully and wrongfully hazards or suffers to be hazarded any vessel of the armed forces of the United States or of the state military forces shall be punished as a court-martial may direct.

Any person subject to this code who negligently hazards or suffers to be hazarded any vessel of the armed forces of the United States or of the state military forces shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.105]

**29B.106 Drunken or reckless driving.**

Any person subject to this code who operates any vehicle while under the influence of an alcoholic beverage, a narcotic, hypnotic or other drug, or any combination of such substances, or in a reckless or wanton manner, shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.106]
For operating while intoxicated provisions, see chapter 321J

**29B.107 Drunk on duty — sleeping on post — leaving post before relief.**

Any person subject to this code who is found drunk on duty or sleeping upon the person's post, or who leaves the person's post before the person is regularly relieved, shall be punished as a court-martial may direct.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(10); C66, 71, 73, 75, 77, 79, 81, §29B.107]

**29B.107A Wrongful use or possession of controlled substances.**

1. Any person subject to this code who wrongfully uses, possesses, manufactures, distributes, or introduces into an installation, vessel, vehicle, or aircraft used by or under the control of the armed forces of the United States or of the state military forces, a controlled substance shall be punished as a court-martial may direct.

2. For purposes of this section, "*controlled substance*" includes but is not limited to any of the following:

*a.* Opium, heroin, cocaine, amphetamine, lysergic acid diethylamide, methamphetamine, phencyclidine, barbituric acid, and marijuana and any compound or derivative of any such substance.

*b.* Any substance listed on a schedule of controlled substances prescribed by the president of the United States for the purposes of the uniform code of military justice, 10 U.S.C. ch. 47.

*c.* Any substance listed in schedules I through V of section 202 of the federal Controlled Substances Act, 21 U.S.C. § 812.

2010 Acts, ch 1087, §4

**29B.108 Dueling.**

Any person subject to this code who fights or promotes, or is concerned in or connives at fighting a duel, or who, having knowledge of a challenge sent or about to be sent, fails to report the fact promptly to the proper authority, shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.108]

**29B.109 Malingering.**

Any person subject to this code shall be punished as a court-martial may direct if the person for the purpose of avoiding work, duty, or service in the state military forces does any of the following:

1. Feigns illness, physical disablement, mental lapse, or derangement.
2. Intentionally inflicts self-injury.

[C66, 71, 73, 75, 77, 79, 81, §29B.109]

2006 Acts, ch 1010, §30

**29B.110 Riot or breach of peace.**

Any person subject to this code who causes or participates in any riot or breach of the peace shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.110]

**29B.111 Provoking speeches or gestures.**

Any person subject to this code who uses provoking or reproachful words or gestures toward any other person subject to this code shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.111]

**29B.112 Perjury.**

Any person subject to this code who in a judicial proceeding or in a court of justice conducted under this code willfully and corruptly gives, upon a lawful oath or in any form allowed by law to be substituted for an oath, any false testimony material to the issue or matter of inquiry is guilty of perjury and shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.112]

Referred to in §29B.44

**29B.113 Frauds against the government.**

Any person subject to this code shall, upon conviction of any of the following, be punished as a court-martial may direct:

1. The person, knowing it to be false or fraudulent, does any of the following:

*a.* Makes any claim against the United States, the state, or any officer thereof.

*b.* Presents to any person in the civil or military service thereof, for approval or payment any claim against the United States, the state, or any officer thereof.

2. The person, for the purpose of obtaining the approval, allowance, or payment of any claim against the United States, the state, or any officer thereof, does any of the following:

*a.* Makes or uses any writing or other paper knowing it to contain any false or fraudulent statements.

*b.* Makes any oath to any fact or to any writing or other paper knowing the oath to be false.

*c.* Forges or counterfeits any signature upon any writing or other paper, or uses any such signature knowing it to be forged or counterfeited.

3. The person, having charge, possession, custody, or control of any money, or other property of the United States or the state, furnished or intended for the armed forces of the United States or the state military forces, knowingly delivers to any person having authority to receive it, any amount thereof less than that for which the person receives a certificate or receipt.

4. The person, being authorized to make or deliver any paper certifying the receipt of any property of the United States or the state, furnished or intended for the armed forces of the United States or the state military forces, makes or delivers to any person such writing without having full knowledge of the truth of the statements therein contained and with intent to defraud the United States or the state.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(13); C66, 71, 73, 75, 77, 79, 81, §29B.113]

2006 Acts, ch 1010, §31

**29B.114 Larceny and wrongful appropriation.**

1. Any person subject to this code who wrongfully takes, obtains, or withholds, by any means, from the possession of the owner or of any other person any money, personal property, or article of value of any kind:

*a.* With intent permanently to deprive or defraud another person of the use and benefit of property or to appropriate it to the person's own use or the use of any person other than the owner, steals that property and is guilty of larceny; or

*b.* With intent temporarily to deprive or defraud another person of the use and benefit of property or to appropriate it to the person's own use or the use of any person other than the owner, is guilty of wrongful appropriation.

2. Any person found guilty of larceny or wrongful appropriation shall be punished as a court-martial may direct.

[C66, 71, 73, 75, 77, 79, 81, §29B.114]

2006 Acts, ch 1010, §32

**29B.115 Conduct unbecoming an officer.**

A commissioned officer who is convicted of conduct unbecoming an officer shall be punished as a court-martial directs.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(11); C66, 71, 73, 75, 77, 79, 81, §29B.115]

85 Acts, ch 67, §7

**29B.116 General article.**

Though not specifically mentioned in this code, all disorders and neglects to the prejudice of good order and discipline in the state military forces, of which persons subject to this code may be guilty, shall be taken cognizance of by a general, special, or summary court-martial, according to the nature and degree of the offense, and shall be punished at the discretion of that court. However, cognizance shall not be taken of, and jurisdiction shall not be extended

to, the crimes of murder, manslaughter, sexual abuse, robbery, maiming, arson, extortion, assault, burglary, or housebreaking, jurisdiction of which is reserved to civil courts.

[C97, §2196 – 2198; SS15, §2215-f63; C24, 27, 31, §464; C35, §467-f59; C39, §**467.61;** C46, 50, §29.61; C54, 58, 62, §29.63(12); C66, 71, 73, 75, 77, 79, 81, §29B.116; 82 Acts, ch 1042, §46]

2000 Acts, ch 1154, §45; 2002 Acts, ch 1117, §50, 52

## MISCELLANEOUS PROVISIONS

**29B.117 Courts of inquiry.**

1. *a.* Courts of inquiry to investigate any matter may be convened by the adjutant general, the governor, or by any other person designated by the adjutant general or authorized to convene a general court-martial for that purpose, whether or not the persons involved have requested the inquiry.

*b.* A court of inquiry consists of three or more commissioned officers. For each court of inquiry the convening authority shall also appoint counsel for the court.

2. Any person subject to this code whose conduct is subject to inquiry shall be designated as a party. Any person subject to this code who has a direct interest in the subject of inquiry has the right to be designated as a party upon request to the court. Any person designated as a party shall be given due notice and has the right to be present, to be represented by counsel, to cross-examine witnesses, and to introduce evidence.

3. *a.* Members of a court of inquiry may be challenged by a party, but only for cause stated to the court.

*b.* The members, counsel, the reporter, and interpreters of courts of inquiry shall take an oath or affirmation to faithfully perform their duties.

*c.* Witnesses may be summoned to appear and testify and be examined before courts of inquiry, as provided for courts-martial.

*d.* Courts of inquiry shall make findings of fact but may not express opinions or make recommendations unless required to do so by the convening authority.

*e.* Each court of inquiry shall keep a record of its proceedings, which shall be authenticated by the signatures of the president and counsel for the court and forwarded to the convening authority. If the record cannot be authenticated by the president, it shall be signed by a member in lieu of the president. If the record cannot be authenticated by the counsel for the court, it shall be signed by a member in lieu of the counsel.

[C97, §2196 – 2198; SS15, §2215-f36; C24, 27, 31, §464; C35, §467-f32; C39, §**467.34;** C46, 50, §29.34; C54, 58, 62, §29.70; C66, 71, 73, 75, 77, 79, 81, §29B.117; 82 Acts, ch 1042, §47]

2008 Acts, ch 1032, §142

**29B.118 Complaints or wrongs.**

Any member of the state military forces who feels wronged by the member's commanding officer, and who, upon due application to that commanding officer, is refused redress, may complain to any superior commissioned officer, who shall forward the complaint to the governor or adjutant general.

[C66, 71, 73, 75, 77, 79, 81, §29B.118]

**29B.119 Redress of injuries to property.**

Whenever complaint is made to any commanding officer that willful damage has been done to the property of any person or that the person's property has been wrongfully taken by members of the state military forces, the person may, subject to such regulations as the adjutant general may prescribe, convene a board to investigate the complaint. The board shall consist of from one to three commissioned officers and, for the purpose of that investigation, it has power to summon witnesses and examine them upon oath or affirmation, to receive depositions or other documentary evidence, and to assess the damages sustained against the responsible parties. The assessment of damages made by the board is subject to the approval of the commanding officer, and in the amount approved shall be charged against the pay of

the offenders. The order of the commanding officer directing charges herein authorized is conclusive, except as provided herein, on any disbursement officer for the payment by the officer to the injured parties of the damages so assessed and approved.

Any person subject to this code who is accused of causing willful damage to property has the right to be represented by counsel, to summon witnesses in the person's behalf, and to cross-examine those appearing against the person. The person has the right of appeal to the next higher commander.

[C66, 71, 73, 75, 77, 79, 81, §29B.119]

**29B.120 Process of military courts.**

Military courts may issue any process or mandate necessary to carry into effect their powers. Such a court may issue subpoenas and subpoenas duces tecum and enforce by attachment attendance of witnesses and production of books and records, when it is sitting within the state and the witnesses, books and records sought are also so located.

Process and mandates may be issued by summary courts-martial, provost courts, a military judge, or the president of other military courts and may be directed to and executed by the marshals of the military court or any peace officer. Process and mandates shall be in a form prescribed by rules issued under this code.

All officers to whom process or mandates may be so directed shall execute them and make return of their acts thereunder according to the requirements of those documents. Except as otherwise specifically provided in this code, no such officer may demand or require payment of any fee or charge for receiving, executing, or returning such a process or mandate or for any service in connection therewith.

[C35, §467-f34; C39, §**467.36;** C46, 50, §29.36; C54, 58, 62, §29.77; C66, 71, 73, 75, 77, 79, 81, §29B.120; 82 Acts, ch 1042, §48]

**29B.121 through 29B.124** Reserved.

**29B.125 Immunity for action of military courts.**

An accused shall not bring an action or proceeding against the convening authority or a member of a military court or board convened under this code or a person acting under its authority or reviewing its proceedings because of the approval, imposition, or execution of any sentence or the imposition or collection of a fine or penalty, or the execution of any process or mandate of a military court or board convened under this code.

[82 Acts, ch 1042, §50]

**29B.126 Payment and disposition of fines.**

Fines imposed by a military court may be paid to the court or to an officer executing its process. The amount of the fine may be noted upon any state payroll or pay account and fines may be deducted from any pay or allowance due or thereafter to become due to the offender, until the fine is collected. Any sum so deducted shall be turned into the military court that imposed the fine. An officer collecting a fine or penalty imposed by a military court upon an officer or enlisted person shall pay the fine within thirty days to the judge advocate, who shall transmit the fine to the adjutant general. The adjutant general shall monthly, deposit all fines and penalties so received with the state treasurer, to be credited to the general fund of the state. Forfeited bonds shall be processed in the same manner.

[82 Acts, ch 1042, §51]

**29B.127 Presumption of jurisdiction.**

The jurisdiction of the military courts and boards established by this code shall be presumed and the burden of proof rests on any person seeking to deny those courts or boards jurisdiction in any action or proceeding.

[82 Acts, ch 1042, §52]

**29B.128 Delegation of authority by the governor.**

The governor may delegate any authority vested in the governor under this code, and may provide for the subdelegation of any such authority, except the power given to the governor by sections 29B.19 and 29B.23.

[82 Acts, ch 1042, §53]

**29B.129 Authority to administer oaths.**

The following members of the state military forces may administer oaths for the purposes of military administration including military justice, and affidavits may be taken for those purposes before persons having the general powers of a notary public as provided in chapter 9B:

1. All summary courts-martial.
2. Adjutants, assistant adjutants, acting adjutants, and personnel adjutants.
3. Commanding officers.
4. Staff judge advocates and legal officers, and acting or assistant staff judge advocates and legal officers.
5. The president, military judge, trial counsel, and assistant trial counsel for general and special courts-martial.
6. The president and the counsel for the court of any court of inquiry.
7. Officers designated to take a deposition.
8. Persons detailed to conduct an investigation.
9. Other persons designated by state law or by rules of the governor.

[82 Acts, ch 1042, §54]

2002 Acts, ch 1117, §51, 52; 2012 Acts, ch 1050, §33, 60

**29B.130 Uniformity of interpretation.**

This code shall be construed as to effectuate the general purpose of uniformity, so far as practical, with the uniform code of military justice, 10 U.S.C. ch. 47.

2010 Acts, ch 1087, §5

# SUBTITLE 12

## EMERGENCY CONTROL

# CHAPTER 29C

## EMERGENCY MANAGEMENT AND SECURITY

Referred to in §30.9, 163.3A, 331.424, 331.427, 384.12, 455B.381, 455B.385, 456A.37

Continuation of rules, regulations, forms, orders, or directives by former division of homeland security and emergency management of the department of public defense until amended, repealed, or supplemented by the department; employees of former division to be considered employees of department; 2013 Acts, ch 29, §60


29C.1 Statement of policy.
29C.2 Definitions.
29C.3 Proclamation of state of public disorder by governor.
29C.4 Judicial protections.
29C.5 Department of homeland security and emergency management.
29C.6 Proclamation of disaster emergency by governor.
29C.7 Powers and duties of adjutant general. Repealed by 2013 Acts, ch 29, §59.
29C.8 Powers and duties of director.
29C.8A Emergency response fund created.
29C.9 Local emergency management commissions.
29C.10 Emergency management coordinator.
29C.11 Local mutual aid arrangements.
29C.12 Use of existing facilities.
29C.12A Participation in funding disaster recovery facility.
29C.13 Funds by grants or gifts.
29C.14 Director of the department of administrative services to issue warrants.
29C.15 Tax-exempt purchases.
29C.16 Political activity prohibited.
29C.17 Local emergency management fund.
29C.18 Enforcement duties.
29C.19 Rules and order exempted.
29C.20 Contingent fund — disaster aid.
29C.20A Disaster aid individual assistance grant fund.
29C.20B Disaster case management.
29C.21 Emergency management assistance compact.
29C.22 Statewide mutual aid compact.


### 29C.1 Statement of policy.

Because of existing and increasing possibility of the occurrence of disasters, and in order to insure that preparations of this state will be adequate to deal with such disasters, and to provide for the common defense and to protect the public peace, health and safety, and to preserve the lives and property of the people of the state, it is the policy of this state:

1. To establish a department of homeland security and emergency management and to authorize the establishment of local organizations for emergency management in the political subdivisions of the state.

2. To confer upon the governor and upon the executive heads or governing bodies of the political subdivisions of the state the emergency powers provided in this chapter.

3. To provide for the rendering of mutual aid among the political subdivisions of the state and with other states and to cooperate with the federal government with respect to the carrying out of emergency management functions.

[C62, §28A.3; C66, 71, 73, 75, §29C.3; C77, 79, 81, §29C.1]

92 Acts, ch 1139, §1; 2003 Acts, ch 179, §157; 2012 Acts, ch 1023, §157; 2013 Acts, ch 29, §14

Subsection 1 amended

### 29C.2 Definitions.

1. *"Commission"* means a local emergency management commission or joint emergency management commission.

2. *"Department"* means the department of homeland security and emergency management.

3. *"Director"* means the director of the department of homeland security and emergency management.

4. *"Disaster"* means man-made and natural occurrences, such as fire, flood, drought, earthquake, tornado, windstorm, hazardous substance or nuclear power plant accident or incident, which threaten the public peace, health, and safety of the people or which damage and destroy public or private property. The term includes attack, sabotage, or other hostile action from within or without the state.

5. *"Homeland security"* means the detection, prevention, preemption, deterrence of, and protection from attacks targeted at state territory, population, and infrastructure.

6. *"Local emergency management agency"* means a countywide joint county-municipal public agency organized to administer this chapter under the authority of a commission.

7. *"Public disorder"* means such substantial interference with the public peace as to constitute a significant threat to the health and safety of the people or a significant threat to public or private property. The term includes insurrection, rioting, looting, and persistent violent civil disobedience.

[C77, 79, 81, §29C.2; 81 Acts, ch 32, §1]

92 Acts, ch 1139, §2; 2001 Acts, 2nd Ex, ch 1, §20, 21, 28; 2011 Acts, ch 69, §1, 2; 2013 Acts, ch 29, §15

Referred to in §8D.9, 24.6, 29A.7, 135.140, 256.9, 257.31, 273.2, 273.3, 273.14, 298.3, 331.441, 384.3A, 384.24, 613.17

Emergency care or assistance rendered during disasters, see §613.17

NEW subsections 2 and 3 and former subsections 2 – 5 renumbered as 4 – 7

**29C.3 Proclamation of state of public disorder by governor.**

1. The governor may, after finding a state of public disorder exists, proclaim a state of public disorder emergency. This proclamation shall be in writing, indicate the area affected and the facts upon which it is based, be signed by the governor, and be filed with the secretary of state.

2. Notice of a proclamation of a state of public disorder emergency shall be given by the secretary of state by publication in a newspaper of general circulation in the area affected, by broadcast through radio and television serving the area affected, and by posting signs at conspicuous places within this area. The exercise of the special powers by the governor under this section shall not be precluded by the lack of giving notice if the giving of notice has been diligently attempted. All orders and rules promulgated under the proclamation shall be given public notice by the governor in the area affected.

3. A state of public disorder emergency shall continue for ten days, unless sooner terminated by the governor. The general assembly may, by concurrent resolution, rescind a proclamation of a state of public disorder emergency. If the general assembly is not in session, the legislative council may, by a majority vote, rescind this proclamation. Recision shall be effective upon filing of the concurrent resolution or resolution of the legislative council with the secretary of state.

4. The governor may, during the existence of a state of public disorder emergency, prohibit:

*a.* Any person being in a public place during the hours declared by the governor to be a period of curfew if this period does not exceed twelve hours in any one day and if its area of its application is specifically designated.

*b.* Public gatherings of a designated number of persons within a designated area.

*c.* The manufacture, use, possession, or transportation of any device or object designed to explode or produce uncontained combustion.

*d.* The possession of any flammable or explosive liquids or materials in a glass or uncapped container, except in connection with normal operation of motor vehicles or normal home and commercial use.

*e.* The possession of firearms or any other deadly weapon by a person other than at that person's place of residence or business, except by law enforcement officers.

*f.* The sale, purchase, or dispensing of alcoholic beverages.

*g.* The sale, purchase, or dispensing of such other commodities as are designated by the governor.

*h.* The use of certain streets or highways by the public.

*i.* Such other activities as the governor reasonably believes should be prohibited to help maintain life, health, property, or the public peace.

[C77, 79, 81, §29C.3]

**29C.4 Judicial protections.**

The supreme court shall promulgate rules for emergency proceedings to be effective upon the declaration of a state of public disorder emergency in order that the constitutional rights of all persons taken into custody shall be adequately protected.

[C77, 79, 81, §29C.4]

**29C.5 Department of homeland security and emergency management.**

The department of homeland security and emergency management is created. The department of homeland security and emergency management shall be responsible for the administration of emergency planning matters, including emergency resource planning in this state, cooperation with, support of, funding for, and tasking of the civil air patrol for missions not qualifying for federal mission status as described in section 29A.3A in accordance with operational and funding criteria developed with the adjutant general and coordinated with the civil air patrol, homeland security activities, and coordination of available services and resources in the event of a disaster to include those services and resources of the federal government and private entities. The Iowa emergency response commission established by section 30.2 is attached to the department of homeland security and emergency management for organizational purposes.

[C62, §28A.1; C66, 71, 73, 75, §29C.1; C77, 79, 81, §29C.5]

92 Acts, ch 1139, §3; 2001 Acts, 2nd Ex, ch 1, §22, 28; 2003 Acts, ch 179, §157; 2005 Acts, ch 119, §4; 2013 Acts, ch 29, §16

Referred to in §7E.5, 29A.3A

Section amended

**29C.6 Proclamation of disaster emergency by governor.**

In exercising the governor's powers and duties under this chapter and to effect the policy and purpose, the governor may:

1. After finding a disaster exists or is threatened, proclaim a state of disaster emergency. This proclamation shall be in writing, indicate the area affected and the facts upon which it is based, be signed by the governor, and be filed with the secretary of state. If the state of disaster emergency specifically constitutes a public health disaster as defined in section 135.140, the written proclamation shall include a statement to that effect. A state of disaster emergency shall continue for thirty days, unless sooner terminated or extended in writing by the governor. The general assembly may, by concurrent resolution, rescind this proclamation. If the general assembly is not in session, the legislative council may, by majority vote, rescind this proclamation. Recision shall be effective upon filing of the concurrent resolution or resolution of the legislative council with the secretary of state. A proclamation of disaster emergency shall activate the disaster response and recovery aspect of the state, local, and interjurisdictional disaster emergency plans applicable to the political subdivision or area in question and be authority for the deployment and use of any forces to which the plan applies, and for use or distribution of any supplies, equipment, and materials and facilities assembled, stockpiled, or arranged to be made available.

2. When, at the request of the governor, the president of the United States has declared a major disaster to exist in this state, enter into purchase, lease, or other arrangements with any agency of the United States for temporary housing units to be occupied by disaster victims and to make such units available to any political subdivision of the state, to assist any political subdivision of this state which is the locus of temporary housing for disaster victims, to acquire sites necessary for such temporary housing and to do all things required to prepare such sites to receive and utilize temporary housing units, by advancing or lending funds available to the governor from any appropriation made by the legislature or from any other source, allocating funds made available by any agency, public or private, or becoming a copartner with the political subdivision for the execution and performance of any temporary housing for disaster victims project. Any political subdivision of this

state is expressly authorized to acquire, temporarily or permanently, by purchase, lease, or otherwise, sites required for installation of temporary housing units for disaster victims, and to enter into whatever arrangements are necessary to prepare or equip such sites to utilize the housing units. The governor may temporarily suspend or modify, for not to exceed sixty days, any public health, safety, zoning, transportation, or other requirement of law or regulation within this state when by proclamation, the governor deems such suspension or modification essential to provide temporary housing for disaster victims.

3. When the president of the United States has declared a major disaster to exist in the state and upon the governor's determination that a local government of the state will suffer a substantial loss of tax and other revenues from a major disaster and has demonstrated a need for financial assistance to perform its governmental functions, apply to the federal government, on behalf of the local government for a loan, receive and disburse the proceeds of any approved loan to any applicant local government, determine the amount needed by any applicant local government to restore or resume its governmental functions, and certify the same to the federal government; however, no application amount shall exceed twenty-five percent of the annual operating budget of the applicant for the fiscal year in which the major disaster occurs. The governor may recommend to the federal government, based upon the governor's review, the cancellation of all or any part or repayment when, in the first three full fiscal year period following the major disaster, the revenues of the local government are insufficient to meet its operating expenses, including additional disaster-related expenses of a municipal operation character.

4. When a disaster emergency is proclaimed, notwithstanding any other provision of law, through the use of state agencies or the use of any of the political subdivisions of the state, clear or remove from publicly or privately owned land or water, debris and wreckage which may threaten public health or safety or public or private property. The governor may accept funds from the federal government and utilize such funds to make grants to any local government for the purpose of removing debris or wreckage from publicly or privately owned land or water. Authority shall not be exercised by the governor unless the affected local government, corporation, organization or individual shall first present an additional authorization for removal of such debris or wreckage from public and private property and, in the case of removal of debris or wreckage from private property, such corporation, organization or individual shall first agree to hold harmless the state or local government against any claim arising from such removal. When the governor provides for clearance of debris or wreckage, employees of the designated state agencies or individuals appointed by the state may enter upon private land or waters and perform any tasks necessary to the removal or clearance operation. Any state employee or agent complying with orders of the governor and performing duties pursuant to such orders under this chapter shall be considered to be acting within the scope of employment within the meaning specified in chapter 669.

5. When the president of the United States has declared a major disaster to exist in the state and upon the governor's determination that financial assistance is essential to meet disaster-related necessary expenses or serious needs of individuals or families adversely affected by a major disaster that cannot be otherwise adequately met from other means of assistance, accept a grant by the federal government to fund such financial assistance, subject to such terms and conditions as may be imposed upon the grant and enter into an agreement with the federal government pledging the state to participate in the funding of the financial assistance authorized in an amount not to exceed twenty-five percent thereof, and, if state funds are not otherwise available to the governor, accept an advance of the state share from the federal government to be repaid when the state is able to do so.

6. Suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business, or the orders or rules, of any state agency, if strict compliance with the provisions of any statute, order or rule would in any way prevent, hinder, or delay necessary action in coping with the emergency by stating in a proclamation such reasons. Upon the request of a local governing body, the governor may also suspend statutes limiting local governments in their ability to provide services to aid disaster victims.

7. On behalf of this state, enter into mutual aid arrangements with other states and to coordinate mutual aid plans between political subdivisions of this state.

8. Delegate any administrative authority vested in the governor under this chapter and provide for the subdelegation of any such authority.

9. Cooperate with the president of the United States and the heads of the armed forces, the emergency management agencies of the United States and other appropriate federal officers and agencies and with the officers and agencies of other states in matters pertaining to emergency management of the state and nation.

10. Utilize all available resources of the state government as reasonably necessary to cope with the disaster emergency and of each political subdivision of the state.

11. Transfer the direction, personnel, or functions of state departments and agencies or units thereof for the purpose of performing or facilitating emergency management.

12. Subject to any applicable requirements for compensation, commandeer or utilize any private property if the governor finds this necessary to cope with the disaster emergency.

13. Direct the evacuation of all or part of the population from any stricken or threatened area within the state if the governor deems this action necessary for the preservation of life or other disaster mitigation, response, or recovery.

14. Prescribe routes, modes of transportation, and destinations in connection with evacuation.

15. Control ingress and egress to and from a disaster area, the movement of persons within the area, and the occupancy of premises in such area.

16. Suspend or limit the sale, dispensing, or transportation of alcoholic beverages, firearms, explosives, and combustibles.

17. *a.* When the president of the United States has declared a major disaster to exist in the state and upon the governor's determination that financial assistance is essential to meet disaster-related necessary expenses or serious needs of local and state government adversely affected by a major disaster that cannot be otherwise adequately met from other means of assistance, accept a grant by the federal government to fund the financial assistance, subject to terms and conditions imposed upon the grant, and enter into an agreement with the federal government pledging the state to participate in the funding of the financial assistance authorized to local government and eligible private nonprofit agencies in an amount not to exceed ten percent of the total eligible expenses, with the applicant providing the balance of any participation amount. If financial assistance is granted by the federal government for state disaster-related expenses or serious needs, the state shall participate in the funding of the financial assistance authorized in an amount not to exceed twenty-five percent of the total eligible expenses. If financial assistance is granted by the federal government for hazard mitigation, the state may participate in the funding of the financial assistance authorized to a local government in an amount not to exceed ten percent of the eligible expenses, with the applicant providing the balance of any participation amount. If financial assistance is granted by the federal government for state-related hazard mitigation, the state may participate in the funding of the financial assistance authorized, not to exceed fifty percent of the total eligible expenses. If state funds are not otherwise available to the governor, an advance of the state share may be accepted from the federal government to be repaid when the state is able to do so.

*b.* State participation in funding financial assistance under paragraph *"a"* is contingent upon the local government having on file a state-approved, comprehensive emergency plan which meets the standards adopted pursuant to section 29C.9, subsection 8.

[C62, §28A.3; C66, 71, 73, 75, §29C.3; C77, 79, 81, §29C.6; 81 Acts, ch 32, §2]

85 Acts, ch 53, §1; 92 Acts, ch 1139, §4; 99 Acts, ch 86, §3, 4; 2003 Acts, ch 33, §7, 11; 2011 Acts, ch 69, §3

Referred to in §8D.9, 16.194, 16.194A, 16.196, 29C.8, 100D.13, 135.140, 135.144, 135M.1, 135M.3, 135M.4, 161A.75, 418.4, 455B.262A, 613.17

Emergency care or assistance rendered during disasters, see §613.17

**29C.7 Powers and duties of adjutant general.** Repealed by 2013 Acts, ch 29, § 59.

**29C.8 Powers and duties of director.**

1. The department of homeland security and emergency management shall be under the management of a director appointed by the governor.

2. The director shall be vested with the authority to administer emergency management and homeland security affairs in this state and shall be responsible for preparing and executing the emergency management and homeland security programs of this state subject to the direction of the governor.

3. The director, upon the direction of the governor, shall:

*a.* Prepare a comprehensive emergency plan and emergency management program for homeland security, disaster preparedness, response, recovery, mitigation, emergency operation, and emergency resource management of this state. The plan and program shall be integrated into and coordinated with the homeland security and emergency plans of the federal government and of other states to the fullest possible extent. The director shall also coordinate the preparation of plans and programs for emergency management of the political subdivisions and various state departments of this state. The plans shall be integrated into and coordinated with a comprehensive state homeland security and emergency program for this state as coordinated by the director to the fullest possible extent.

*b.* Make such studies and surveys of the industries, resources, and facilities in this state as may be necessary to ascertain the vulnerabilities of critical state infrastructure and assets to attack and the capabilities of the state for disaster recovery, disaster planning and operations, and emergency resource management, and to plan for the most efficient emergency use thereof.

*c.* Provide technical assistance to any commission requiring the assistance in the development of an emergency management or homeland security program.

*d.* Implement planning and training for emergency response teams as mandated by the federal government under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601 et seq.

*e.* Prepare a critical asset protection plan that contains an inventory of infrastructure, facilities, systems, other critical assets, and symbolic landmarks; an assessment of the criticality, vulnerability, and level of threat to the assets; and information pertaining to the mobilization, deployment, and tactical operations involved in responding to or protecting the assets.

*f.* Approve and support the development and ongoing operations of homeland security and emergency response teams to be deployed as a resource to supplement and enhance disrupted or overburdened local emergency and disaster operations and deployed as available to provide assistance to other states pursuant to the interstate emergency management assistance compact described in section 29C.21. The following shall apply to homeland security and emergency response teams:

(1) A member of a homeland security and emergency response team acting under this section upon the directive of the director or pursuant to a governor's disaster proclamation as provided in section 29C.6 shall be considered an employee of the state for purposes of section 29C.21 and chapter 669 and shall be afforded protection as an employee of the state under section 669.21. Disability, workers' compensation, and death benefits for team members working under the authority of the director or pursuant to the provisions of section 29C.6 shall be paid by the state in a manner consistent with the provisions of chapter 85, 410, or 411 as appropriate, depending on the status of the member, provided that the member is registered with the department as a member of an approved team and is participating as a team member in a response or recovery operation initiated by the director or governor pursuant to this section or in a training or exercise activity approved by the director.

(2) Each approved homeland security and emergency management response team shall establish standards for team membership, shall provide the department with a listing of all team members, and shall update the list each time a member is removed from or added to the team. Individuals so identified as team members shall be considered to be registered as team members for purposes of subparagraph (1).

(3) Upon notification of a compensable loss to a member of a homeland security and

emergency management response team, the department of administrative services shall process the claim and seek authorization from the executive council to pay as an expense paid from the appropriations addressed in section 7D.29 those costs associated with covered benefits.

*g.* Implement and support the national incident management system as established by the United States department of homeland security to be used by state agencies and local and tribal governments to facilitate efficient and effective assistance to those affected by emergencies and disasters.

*h.* Carry out duties related to the flood mitigation program and the flood mitigation board under chapter 418.

4. The director, with the approval of the governor, may employ a deputy director and such technical, clerical, stenographic, and other personnel and make such expenditures within the appropriation or from other funds made available to the department, as may be necessary to administer this chapter.

5. The department may charge fees for the repair, calibration, or maintenance of radiological detection equipment and may expend funds in addition to funds budgeted for the servicing of the radiological detection equipment. The department shall adopt rules pursuant to chapter 17A providing for the establishment and collection of fees for radiological detection equipment repair, calibration, or maintenance services and for entering into agreements with other public and private entities to provide the services. Fees collected for repair, calibration, or maintenance services shall be treated as repayment receipts as defined in section 8.2 and shall be used for the operation of the department's radiological maintenance facility or radiation incident response training.

[C62, §28A.4, 28A.5; C66, 71, 73, 75, §29C.4, 29C.5; C77, 79, 81, §29C.8]

88 Acts, ch 1190, §1; 92 Acts, ch 1139, §6 – 8; 99 Acts, ch 86, §2; 2001 Acts, 2nd Ex, ch 1, §23, 24, 28; 2002 Acts, ch 1117, §54, 56; 2003 Acts, ch 179, §104, 157; 2005 Acts, ch 119, §5; 2006 Acts, ch 1185, §62; 2011 Acts, ch 69, §4; 2011 Acts, ch 131, §22, 158; 2012 Acts, ch 1094, §1, 18; 2013 Acts, ch 29, §17

Referred to in §22.7, 29C.20, 135.141

Section amended

**29C.8A Emergency response fund created.**

1. An emergency response fund is created in the state treasury. The first one hundred thousand dollars received annually by the treasurer of state for the civil penalties and fines imposed by the court pursuant to sections 455B.146, 455B.191, 455B.386, and 455B.477 shall be deposited in the waste volume reduction and recycling fund created in section 455D.15. The next hundred thousand dollars shall be deposited in the emergency response fund and any additional moneys shall be deposited in the household hazardous waste account. All moneys received annually by the treasurer of the state for the fines imposed by sections 716B.2, 716B.3, and 716B.4 shall also be deposited in the emergency response fund.

2. The emergency response fund shall be administered by the department to carry out planning and training for the emergency response teams.

88 Acts, ch 1190, §2; 90 Acts, ch 1260, §21; 92 Acts, ch 1139, §9; 2003 Acts, ch 179, §157; 2011 Acts, ch 9, §1; 2013 Acts, ch 29, §18

Referred to in §455E.11

Subsection 2 amended

**29C.9 Local emergency management commissions.**

1. The county boards of supervisors, city councils, and the sheriff in each county shall cooperate with the department to establish a commission to carry out the provisions of this chapter.

2. The commission shall be composed of a member of the board of supervisors, the sheriff, and the mayor from each city within the county. A commission member may designate an alternate to represent the designated entity. For any activity relating to section 29C.17, subsection 2, or chapter 24, participation shall only be by a commission member or a designated alternate that is an elected official from the same designated entity.

3. The name used by the commission shall be (county name) county emergency

management commission. The name used by the office of the commission shall be (county name) county emergency management agency.

4. For the purposes of this chapter, a commission is a municipality as defined in section 670.1.

5. The commission shall model its bylaws and conduct its business according to the guidelines provided in the department's administrative rules.

6. The commission shall determine the mission of its agency and program and provide direction for the delivery of the emergency management services of planning, administration, coordination, training, and support for local governments and their departments. The commission shall coordinate its services in the event of a disaster. The commission may also provide joint emergency response communications services through an agreement entered into under chapter 28E.

7. The commission shall delegate to the emergency management coordinator the authority to fulfill the commission duties as described in the department's administrative rules. Each commission shall appoint a local emergency management coordinator who shall meet the qualifications specified in the administrative rules by the director. Additional emergency management personnel may be appointed at the discretion of the commission.

8. The commission shall develop, adopt, and submit for approval by local governments within the commission's jurisdiction, a comprehensive emergency plan which meets standards adopted by the department in accordance with chapter 17A. If an approved comprehensive emergency plan has not been prepared according to established standards and the director finds that satisfactory progress is not being made toward the completion of the plan, or if the director finds that a commission has failed to appoint a qualified emergency management coordinator as provided in this chapter, the director shall notify the governing bodies of the counties and cities affected by the failure and the governing bodies shall not appropriate any moneys to the local emergency management fund until the comprehensive emergency plan is prepared and approved or a qualified emergency management coordinator is appointed. If the director finds that a commission has appointed an unqualified emergency management coordinator, the director shall notify the commission citing the qualifications which are not met and the commission shall not approve the payment of the salary or expenses of the unqualified emergency management coordinator.

9. The commission shall encourage local officials to support and participate in exercise programs which test proposed or established jurisdictional emergency plans and capabilities. During emergencies when lives are threatened and extensive damage has occurred to property, the county and all cities involved shall fully cooperate with the emergency management agency to provide assistance in order to coordinate emergency management activities including gathering of damage assessment data required by state and federal authorities for the purposes of emergency declarations and disaster assistance.

10. Two or more commissions may, upon review by the director and with the approval of their respective boards of supervisors and cities, enter into agreements pursuant to chapter 28E for the joint coordination and administration of emergency management services throughout the multicounty area.

[C62, §28A.7; C66, 71, 73, 75, §29C.7; C77, 79, 81, §29C.9]

83 Acts, ch 123, §40, 209; 92 Acts, ch 1139, §10; 2003 Acts, ch 179, §157; 2007 Acts, ch 149, §1; 2011 Acts, ch 69, §5; 2012 Acts, ch 1071, §1; 2013 Acts, ch 29, §19

Referred to in §8D.13, 29C.6, 29C.17, 29C.22, 331.381, 331.653

Subsections 1, 5, 7, 8, and 10 amended

**29C.10 Emergency management coordinator.**

1. The commission shall appoint an emergency management coordinator who shall serve at the pleasure of the commission, shall be responsible for the development of the comprehensive emergency plan, shall coordinate emergency planning activities, and shall provide technical assistance to political subdivisions comprising the commission.

2. When an emergency or disaster occurs, the emergency management coordinator shall provide coordination and assistance to the governing officials of the political subdivisions comprising the commission.

3. The commission and its members shall cooperate with the president of the United States and the heads of the armed forces and other appropriate federal, state, and local officers and agencies and with the officers and agencies of adjoining states in matters pertaining to comprehensive emergency management for political subdivisions comprising the commission.

[C66, 71, 73, 75, §29C.7; C77, 79, 81, §29C.10]

92 Acts, ch 1139, §11; 2011 Acts, ch 69, §6

Referred to in §8D.13, 331.381

**29C.11 Local mutual aid arrangements.**

1. The local emergency management commission shall, in collaboration with other public and private agencies within this state, develop mutual aid arrangements for reciprocal disaster services and recovery aid and assistance in case of disaster too great to be dealt with unassisted. The arrangements shall be consistent with the department plan and program, and in time of emergency each local emergency management agency shall render assistance in accordance with the provisions of the mutual aid arrangements.

2. The chairperson of a commission may, subject to the approval of the governor, enter into mutual aid arrangements with emergency management agencies or organizations in other states for reciprocal emergency services and recovery aid and assistance in case of disaster too great to be dealt with unassisted.

[C77, 79, 81, §29C.11]

92 Acts, ch 1139, §12; 2003 Acts, ch 179, §157; 2011 Acts, ch 69, §7; 2013 Acts, ch 29, §20

Referred to in §331.381

Subsection 1 amended

**29C.12 Use of existing facilities.**

In carrying out the provisions of this chapter, the governor, the director, and the executive officers or governing boards of political subdivisions of the state shall utilize, to the maximum extent practicable, the services, equipment, supplies, and facilities of existing departments, officers, and agencies of the state and of political subdivisions at their respective levels of responsibility.

[C62, §28A.8; C66, 71, 73, 75, §29C.8; C77, 79, 81, §29C.12]

2013 Acts, ch 29, §21

Referred to in §331.381

Section amended

**29C.12A Participation in funding disaster recovery facility.**

All state government departments and agencies may participate in sharing the cost of the design, construction, and operation of a disaster recovery facility located in the joint forces headquarters armory at Camp Dodge. State departments and agencies may use funds from any source, including but not limited to user fees and appropriations for operational or capital purposes, to participate in the facility.

91 Acts, ch 263, §36; 2013 Acts, ch 29, §22

Referred to in §331.381

Section amended

**29C.13 Funds by grants or gifts.**

1. If the federal government or any agency or officer of the federal government offers to the state or through the state to any political subdivision of the state, services, equipment, supplies, materials, or funds by way of gift, grant, or loan, for purposes of emergency management, the governor or the political subdivision, acting with the consent of the governor and through its executive officer or governing body, may authorize any officer of the state or of the political subdivision to receive the services, equipment, supplies, materials, or funds on behalf of the state or the political subdivision, and subject to the terms of the offer and rules of the agency making the offer.

2. If any person offers to the state or to any political subdivision of the state, services, equipment, supplies, materials, or funds by way of gift, grant, or loan, for purposes of emergency management, the governor or executive officer of the political subdivision may

accept the offer and, upon acceptance, the governor of the state or executive officer or governing body of the political subdivision may authorize any officer of the state or of the political subdivision to receive such services, equipment, supplies, materials, or funds on behalf of the state or the political subdivision, and subject to the terms of the offer.

[C66, 71, 73, 75, §29C.9; C77, 79, 81, §29C.13]

92 Acts, ch 1139, §13

Referred to in §331.381

**29C.14 Director of the department of administrative services to issue warrants.**

The director of the department of administrative services shall draw warrants on the treasurer of state for the purposes specified in this chapter, upon duly itemized and verified vouchers that have been approved by the director of the department of homeland security and emergency management.

[C62, §28A.9; C66, 71, 73, 75, §29C.10; C77, 79, 81, §29C.14]

92 Acts, ch 1139, §14; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §157; 2013 Acts, ch 29, §23

Section amended

**29C.15 Tax-exempt purchases.**

All purchases under the provisions of this chapter shall be exempt from the taxes imposed by sections 423.2 and 423.5.

[C62, §28A.10; C66, 71, 73, 75, §29C.11; C77, 79, 81, §29C.15]

2003 Acts, 1st Ex, ch 2, §156, 205

**29C.16 Political activity prohibited.**

1. A person employed by any organization for emergency management established under this chapter shall not:

*a.* During working hours or when performing official duties or when using public equipment or at any time on public property, take part in any way in soliciting any contribution for any political party or any person seeking political office. The provisions of this section do not preclude any employee from holding any nonpartisan elective office for which no pay is received or any office for which only token pay is received.

*b.* Seek or attempt to use any political endorsement in connection with any appointment to a position created under this chapter.

*c.* Use any official authority or influence for the purpose of interfering with an election or affecting the results thereof.

2. Any employee of an organization for emergency management shall not become a candidate for any partisan elective office.

[C62, §28A.11; C66, 71, 73, 75, §29C.12; C77, 79, 81, §29C.16]

92 Acts, ch 1139, §15

**29C.17 Local emergency management fund.**

1. A local emergency management fund is created in the office of the county treasurer. Revenues provided and collected shall be deposited in the fund. An unencumbered balance in the fund shall not revert to county general revenues. Any reimbursement, matching funds, moneys received from sale of property, or moneys obtained from any source in connection with the local emergency management program shall be deposited in the local emergency management fund. The commission shall be the fiscal authority and the chairperson or vice chairperson of the commission is the certifying official.

2. For purposes consistent with this chapter, the local emergency management agency's approved budget shall be funded by one or any combination of the following options, as determined by the commission:

*a.* A countywide special levy pursuant to section 331.424, subsection 1.

*b.* Per capita allocation funded from city and county general funds or by a combination of city and county special levies which may be apportioned among the member jurisdictions.

*c.* An allocation computed as each jurisdiction's relative share of the total assessed valuation within the county.

*d.* A voluntary share allocation.

*e.* Other funding sources allowed by law.

3. A political subdivision may appropriate additional funds for the purpose of supporting commission expenses relating to special or unique matters extending beyond the resources of the agency.

4. Joint emergency response communications services under section 29C.9, subsection 6, shall be funded as provided for in the agreement entered into pursuant to chapter 28E.

5. Expenditures from the local emergency management fund shall be made on warrants drawn by the county auditor, supported by claims and vouchers signed by the emergency management coordinator or chairperson of the commission.

6. Subject to chapter 24, the commission shall adopt, certify, and provide a budget, on or before February 28 of each year, to the funding entities determined pursuant to subsection 2. The form of the budget shall be as prescribed by the department of management. Any portion of a tax levied by a county or city to support the local emergency management agency shall be identified separately on tax statements issued by the county treasurer.

[C62, §28A.12; C66, 71, 73, 75, §29C.13; C77, 79, 81, §29C.17]

92 Acts, ch 1139, §16; 2011 Acts, ch 69, §8, 9; 2012 Acts, ch 1071, §2, 3; 2013 Acts, ch 30, §11

Referred to in §29C.9

Subsection 2, unnumbered paragraph 1 amended

**29C.18 Enforcement duties.**

1. Every organization for homeland security and emergency management established pursuant to this chapter and its officers shall execute and enforce the orders or rules made by the governor, or under the governor's authority and the orders or rules made by subordinate organizations and not contrary or inconsistent with the orders or rules of the governor.

2. A peace officer, when in full and distinctive uniform or displaying a badge or other insignia of authority, may arrest without a warrant any person violating or attempting to violate in such officer's presence any order or rule, made pursuant to this chapter. This authority shall be limited to those rules which affect the public generally.

[C66, 71, 73, 75, §29C.15; C77, 79, 81, §29C.18]

92 Acts, ch 1139, §17; 2013 Acts, ch 29, §24

Subsection 1 amended

**29C.19 Rules and order exempted.**

Any order issued or rule promulgated by a state agency during a declared disaster emergency and pursuant to the provisions of this chapter shall be exempt from being issued or promulgated as provided in chapter 17A.

[C77, 79, 81, §29C.19]

**29C.20 Contingent fund — disaster aid.**

1. *a.* A contingent fund is created in the state treasury for the use of the executive council. Funding for the contingent fund, if authorized by the executive council, shall be paid from the appropriations addressed in section 7D.29. Moneys in the contingent fund may be expended for the following purposes:

(1) Paying the expenses of suppressing an insurrection or riot, actual or threatened, when state aid has been rendered by order of the governor.

(2) Repairing, rebuilding, or restoring state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause.

(3) Repairing, rebuilding, or restoring state property that is fiberoptic cable and that is injured or destroyed by a wild animal.

(4) Purchasing a police service dog for the department of corrections when such a dog is injured or destroyed.

(5) Paying the expenses incurred by and claims of a homeland security and emergency response team when acting under the authority of section 29C.8 and public health response teams when acting under the provisions of section 135.143.

(6) (a) Aiding any governmental subdivision in an area declared by the governor to be

a disaster area due to natural disasters or to expenditures necessitated by the governmental subdivision toward averting or lessening the impact of the potential disaster, where the effect of the disaster or action on the governmental subdivision is the immediate financial inability to meet the continuing requirements of local government.

(b) Upon application by a governmental subdivision in such an area, accompanied by a showing of obligations and expenditures necessitated by an actual or potential disaster in a form and with further information the executive council requires, the aid may be made in the discretion of the executive council and, if made, shall be in the nature of a loan up to a limit of seventy-five percent of the showing of obligations and expenditures. The loan, without interest, shall be repaid by the maximum annual emergency levy authorized by section 24.6, or by the appropriate levy authorized for a governmental subdivision not covered by section 24.6. The aggregate total of loans shall not exceed one million dollars during a fiscal year. A loan shall not be for an obligation or expenditure occurring more than two years previous to the application.

*b*. When a state department or agency requests that moneys from the contingent fund be expended to repair, rebuild, or restore state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause, or to repair, rebuild, or restore state property that is fiberoptic cable and that is injured or destroyed by a wild animal, or to purchase a police service dog for the department of corrections when such a dog is injured or destroyed, or for payment of the expenses incurred by and claims of a homeland security and emergency response team when acting under the authority of section 29C.8, the executive council shall consider the original source of the funds for acquisition of the property before authorizing the expenditure. If the original source was other than the general fund of the state, the department or agency shall be directed to utilize moneys from the original source if possible. The executive council shall not authorize the repairing, rebuilding, or restoring of the property from the disaster aid contingent fund if it determines that moneys from the original source are available to finance the project.

2. The proceeds of such loan shall be applied toward the payment of costs and obligations necessitated by such actual or potential disaster and the reimbursement of local funds from which such expenditures have been made. Any such project for repair, rebuilding or restoration of state property for which no specific appropriation has been made, shall, before work is begun, be subject to approval or rejection by the executive council.

3. If the president of the United States, at the request of the governor, has declared a major disaster to exist in this state, the executive council may make financial grants to meet disaster-related necessary expenses, serious needs, or hazard mitigation projects of local governments and eligible private nonprofit agencies adversely affected by the major disaster if those expenses or needs cannot otherwise be met from other means of assistance. The amount of the grant shall not exceed ten percent of the total eligible expenses and is conditional upon the federal government providing at least seventy-five percent for public assistance grants and at least fifty percent for hazard mitigation grants of the eligible expenses.

4. If the president, at the request of the governor, has declared a major disaster to exist in this state, the executive council may make financial grants to meet disaster-related necessary expenses or serious needs of individuals or families adversely affected by a major disaster which cannot otherwise adequately be met from other means of assistance. The amount of a financial grant shall not exceed the maximum federal authorization in the aggregate to an individual or family in any single major disaster declared by the president. All grants authorized to individuals and families will be subject to the federal government providing no less than seventy-five percent of each grant and the declaration of a major disaster in the state by the president of the United States.

5. If the president, at the request of the governor, has declared a major disaster to exist in this state, the executive council may lease or purchase sites and develop such sites to accommodate temporary housing units for disaster victims.

6. For the purposes of this section, "*governmental subdivision*" means any political subdivision of this state.

[C73, §120; C97, §170; C24, 27, 31, 35, 39, §**286;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §19.7; C77, 79, 81, §29C.20]

85 Acts, ch 53, §2; 85 Acts, ch 195, §6; 89 Acts, ch 315, § 27; 92 Acts, ch 1139, §18; 97 Acts, ch 210, §19; 2003 Acts, ch 155, §1; 2003 Acts, ch 179, §105; 2005 Acts, ch 89, §1; 2006 Acts, ch 1185, §63, 64; 2011 Acts, ch 131, §23, 158

Referred to in §29A.27

**29C.20A Disaster aid individual assistance grant fund.**

1. A disaster aid individual assistance grant fund is created in the state treasury for the use of the executive council. Moneys in the fund may be expended following the governor's proclamation of a state of disaster emergency. The executive council may make financial grants to meet disaster-related expenses or serious needs of individuals or families adversely affected by a disaster which cannot otherwise be met by other means of financial assistance. The aggregate total of grants awarded shall not be more than one million dollars during a fiscal year. However, within the same fiscal year, additional funds may be specifically authorized by the executive council to meet additional needs.

2. The grant funds shall be administered by the department of human services. The department shall adopt rules to create the Iowa disaster aid individual assistance grant program. The rules shall specify the eligibility of applicants and eligible items for grant funding. The executive council shall use grant funds to reimburse the department of human services for its actual expenses associated with the administration of the grants. The department of human services may implement an ongoing contract with a provider or providers of a statewide program with local offices throughout the state to serve as the local administrative entity for the grant program so that the program can be implemented with minimal delay when a disaster occurs in a local area. The rules adopted by the department of human services for the program shall include but are not limited to all of the following:

*a.* If a local administrative entity is under contract with the state to provide other services or is implementing a state or federal program and the contract contains a sufficient surety bond or other adequate financial responsibility provision, the department shall accept the existing surety bond or financial responsibility provision in lieu of applying a new or additional surety bond or financial responsibility requirement.

*b.* If the president of the United States has declared a major disaster to exist in this state and federal aid is made available to provide assistance grants to individuals similar to that provided by the Iowa disaster aid individual assistance grant program, the Iowa program shall be discontinued.

*c.* Authorization for the local administrative entity to draw grant funding to pay valid claims on at least a weekly basis.

3. To be eligible for a grant, an applicant shall have an annual household income that is less than two hundred percent of the federal poverty level based on the number of people in the applicant's household as defined by the most recently revised poverty income guidelines published by the United States department of health and human services. The amount of a grant for a household shall not exceed five thousand dollars. Expenses eligible for grant funding shall be limited to personal property, home repair, food assistance, and temporary housing assistance. An applicant for a grant shall sign an affidavit committing to refund any part of the grant that is duplicated by any other assistance, such as but not limited to insurance or assistance from community development groups, charities, the small business administration, and the federal emergency management agency.

4. A recipient of grant funding shall receive reimbursement for expenses upon presenting a receipt for an eligible expense or shall receive a voucher through a voucher system developed by the department of human services and administered locally within the designated disaster area. A voucher system shall ensure sufficient data collection to discourage and prevent fraud. The department shall consult with long-term disaster recovery committees and disaster recovery case management committees in developing a voucher system.

5. The department of human services shall submit an annual report, by January 1 of each year, to the legislative fiscal committee and the general assembly's standing committees on government oversight concerning the activities of the grant program in the previous fiscal year.

2007 Acts, ch 145, §1; 2008 Acts, ch 1078, §1; 2009 Acts, ch 86, §3; 2010 Acts, ch 1150, §1; 2011 Acts, ch 69, §10; 2012 Acts, ch 1078, §1; 2012 Acts, ch 1138, §14, 42, 45

2012 amendment to subsection 2 applies retroactively to April 12, 2012; 2012 Acts, ch 1138, §14, 42, 45

**29C.20B Disaster case management.**

1. The department of homeland security and emergency management shall work with the department of human services and nonprofit, voluntary, and faith-based organizations active in disaster recovery and response to establish a statewide system of disaster case management to be activated following the governor's proclamation of a disaster emergency or the declaration of a major disaster by the president of the United States for individual assistance purposes. Under the system, the department of homeland security and emergency management shall coordinate case management services locally through local committees as established in each commission's emergency plan.

2. The department of homeland security and emergency management, in conjunction with the department of human services and an Iowa representative to the national voluntary organizations active in disaster, shall adopt rules pursuant to chapter 17A to create coordination mechanisms and standards for the establishment and implementation of a statewide system of disaster case management which shall include at least all of the following:

*a.* Disaster case management standards.

*b.* Disaster case management policies.

*c.* Reporting requirements.

*d.* Eligibility criteria.

*e.* Coordination mechanisms necessary to carry out the services provided.

*f.* Development of formal working relationships with agencies and creation of interagency agreements for those considered to provide disaster case management services.

*g.* Coordination of all available services for individuals from multiple agencies.

2010 Acts, ch 1096, §1; 2011 Acts, ch 25, §8; 2011 Acts, ch 69, §11; 2011 Acts, ch 122, §29, 30; 2011 Acts, ch 129, §83, 156; 2012 Acts, ch 1021, §35; 2013 Acts, ch 29, §25

Section amended

**29C.21 Emergency management assistance compact.**

The interstate emergency management assistance compact is entered into with all other states which enter into the compact in substantially the following form:

1. *Article I — Purpose and authorities.*

*a.* This compact is made and entered into by and between the participating member states which enact this compact, hereinafter called party states. For the purposes of this agreement, the term *"states"* is taken to mean the several states, the Commonwealth of Puerto Rico, the District of Columbia, and all United States territorial possessions.

*b.* The purpose of this compact is to provide for mutual assistance between the states entering into this compact in managing any emergency or disaster that is duly declared by the governor of the affected state, whether arising from natural disaster, technological hazard, man-made disaster, civil emergency aspects of resource shortages, community disorders, insurgency, or enemy attack.

*c.* This compact shall also provide for mutual cooperation in emergency-related exercises, testing, or other training activities using equipment and personnel simulating performance of any aspect of the giving and receiving of aid by party states or subdivisions of party states during emergencies, such actions occurring outside actual declared emergency periods. Mutual assistance in this compact may include the use of the states' national guard forces, either in accordance with the national guard mutual assistance compact or by mutual agreement between states.

2. *Article II — General implementation.*

*a.* Each party state entering into this compact recognizes many emergencies transcend political jurisdictional boundaries and that intergovernmental coordination is essential in managing these and other emergencies under this compact. Each state further recognizes that there will be emergencies which require immediate access and present procedures to apply outside resources to make a prompt and effective response to such an emergency. This is because few, if any, individual states have all the resources they may need in all types of emergencies or the capability of delivering resources to areas where emergencies exist.

*b.* The prompt, full, and effective utilization of resources of the participating states, including any resources on hand or available from the federal government or any other source, that are essential to the safety, care, and welfare of the people in the event of any emergency or disaster declared by a party state, shall be the underlying principle on which all articles of this compact shall be understood.

*c.* On behalf of the governor of each state participating in the compact, the legally designated state official who is assigned responsibility for emergency management will be responsible for formulation of the appropriate interstate mutual aid plans and procedures necessary to implement this compact.

3. *Article III — Party state responsibilities.*

*a.* It shall be the responsibility of each party state to formulate procedural plans and programs for interstate cooperation in the performance of the responsibilities listed in this article. In formulating such plans, and in carrying them out, the party states, insofar as practical, shall:

(1) Review individual state hazards analyses and, to the extent reasonably possible, determine all those potential emergencies the party states might jointly suffer, whether due to natural disaster, technological hazard, man-made disaster, emergency aspects of resource shortages, civil disorders, insurgency, or enemy attack.

(2) Review party states' individual emergency plans and develop a plan which will determine the mechanism for the interstate management and provision of assistance concerning any potential emergency.

(3) Develop interstate procedures to fill any identified gaps and to resolve any identified inconsistencies or overlaps in existing or developed plans.

(4) Assist in warning communities adjacent to or crossing the state boundaries.

(5) Protect and assure uninterrupted delivery of services, medicines, water, food, energy and fuel, search and rescue, and critical lifeline equipment, services, and resources, both human and material.

(6) Inventory and set procedures for the interstate loan and delivery of human and material resources, together with procedures for reimbursement or forgiveness.

(7) Provide, to the extent authorized by law, for temporary suspension of any statutes or ordinances that restrict the implementation of the above responsibilities.

*b.* The authorized representative of a party state may request assistance of another party state by contacting the authorized representative of that state. The provisions of this agreement shall only apply to requests for assistance made by and to authorized representatives. Requests may be verbal or in writing. If verbal, the request shall be confirmed in writing within thirty days of the verbal request. Requests shall provide all of the following:

(1) A description of the emergency service function for which assistance is needed, such as but not limited to fire services, law enforcement, emergency medical, transportation, communications, public works and engineering, building inspection, planning and information assistance, mass care, resource support, health and medical services, and search and rescue.

(2) The amount and type of personnel, equipment, materials and supplies needed, and a reasonable estimate of the length of time they will be needed.

(3) The specific place and time for staging of the assisting party's response and a point of contact at that location.

*c.* There shall be frequent consultation between state officials who have assigned emergency management responsibilities and other appropriate representatives of the party

states with affected jurisdictions and the United States government, with free exchange of information, plans, and resource records relating to emergency capabilities.

4. *Article IV — Limitations.* Any party state requested to render mutual aid or conduct exercises and training for mutual aid shall take such action as is necessary to provide and make available the resources covered by this compact in accordance with the terms hereof, provided that it is understood that the state rendering aid may withhold resources to the extent necessary to provide reasonable protection for such state. Each party state shall afford to the emergency forces of any party state, while operating within its state limits under the terms and conditions of this compact, the same powers, except that of arrest unless specifically authorized by the receiving state, duties, rights, and privileges as are afforded forces of the state in which they are performing emergency services. Emergency forces will continue under the command and control of their regular leaders, but the organizational units will come under the operational control of the emergency services authorities of the state receiving assistance. These conditions may be activated, as needed, only subsequent to a declaration of a state of emergency or disaster by the governor of the party state that is to receive assistance or commencement of exercises or training for mutual aid and shall continue so long as the exercises or training for mutual aid are in progress, the state of emergency or disaster remains in effect, or loaned resources remain in the receiving state, whichever is longer.

5. *Article V — Licenses and permits.* Whenever any person holds a license, certificate, or other permit issued by any state party to the compact evidencing the meeting of qualifications for professional, mechanical, or other skills, and when such assistance is requested by the receiving party state, such person shall be deemed licensed, certified, or permitted by the state requesting assistance to render aid involving such skill to meet a declared emergency or disaster, subject to such limitations and conditions as the governor of the requesting state may prescribe by executive order or otherwise.

6. *Article VI — Liability.* Officers or employees of a party state rendering aid in another state pursuant to this compact shall be considered agents of the requesting state for tort liability and immunity purposes; and no party state or its officers or employees rendering aid in another state pursuant to this compact shall be liable on account of any act or omission in good faith on the part of such forces while so engaged or on account of the maintenance or use of any equipment or supplies in connection therewith. Good faith in this article shall not include willful misconduct, gross negligence, or recklessness.

7. *Article VII — Supplementary agreements.* Inasmuch as it is probable that the pattern and detail of the machinery for mutual aid among two or more states may differ from that among the states that are party hereto, this instrument contains elements of a broad base common to all states, and nothing herein contained shall preclude any state from entering into supplementary agreements with another state or affect any other agreements already in force between states. Supplementary agreements may comprehend, but shall not be limited to, provisions for evacuation and reception of injured and other persons and the exchange of medical, fire, police, public utility, reconnaissance, welfare, transportation and communications personnel, and equipment and supplies.

8. *Article VIII — Compensation.* Each party state shall provide for the payment of compensation and death benefits to injured members of the emergency forces of that state and representatives of deceased members of such forces in case such members sustain injuries or are killed while rendering aid pursuant to this compact, in the same manner and on the same terms as if the injury or death were sustained within their own state.

9. *Article IX — Reimbursement.* Any party state rendering aid in another state pursuant to this compact shall be reimbursed by the party state receiving such aid for any loss or damage to or expense incurred in the operation of any equipment and the provision of any service in answering a request for aid and for the costs incurred in connection with such requests; provided that any aiding party state may assume in whole or in part such loss, damage, expense, or other cost, or may loan such equipment or donate such services to the receiving party state without charge or cost; and provided further, that any two or more party states may enter into supplementary agreements establishing a different allocation of costs among those states. Article VIII expenses shall not be reimbursable under this provision.

10. *Article X — Evacuation.* Plans for the orderly evacuation and interstate reception of portions of the civilian population as the result of any emergency or disaster of sufficient proportions to so warrant, shall be worked out and maintained between the party states and the emergency management or services directors of the various jurisdictions where any type of incident requiring evacuations might occur. Such plans shall be put into effect by request of the state from which evacuees come and shall include the manner of transporting such evacuees, the number of evacuees to be received in different areas, the manner in which food, clothing, housing, and medical care will be provided, the registration of the evacuees, the providing of facilities for the notification of relatives or friends, and the forwarding of such evacuees to other areas or the bringing in of additional materials, supplies, and all other relevant factors. Such plans shall provide that the party state receiving evacuees and the party state from which the evacuees come shall mutually agree as to reimbursement of out-of-pocket expenses incurred in receiving and caring for such evacuees, for expenditures for transportation, food, clothing, medicines and medical care, and like items. Such expenditures shall be reimbursed as agreed by the party state from which the evacuees come. After the termination of the emergency or disaster, the party state from which the evacuees come shall assume the responsibility for the ultimate support of repatriation of such evacuees.

11. *Article XI — Implementation.*

*a.* This compact shall become operative immediately upon its enactment into law by any two states; thereafter, this compact shall become effective as to any other state upon its enactment by such state.

*b.* Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until thirty days after the governor of the withdrawing state has given notice in writing of such withdrawal to the governors of all other party states. Such action shall not relieve the withdrawing state from obligations assumed hereunder prior to the effective date of withdrawal.

*c.* Duly authenticated copies of this compact and of such supplementary agreements as may be entered into shall, at the time of their approval, be deposited with each of the party states and with the federal emergency management agency and other appropriate agencies of the United States government.

12. *Article XII — Validity.* This compact shall be construed to effectuate the purposes stated in article I hereof. If any provision of this compact is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the constitutionality of the remainder of this compact and the applicability thereof to other persons and circumstances shall not be affected thereby.

13. *Article XIII — Additional provisions.* Nothing in this compact shall authorize or permit the use of military force by the national guard of a state at any place outside that state in any emergency for which the president is authorized by law to call into federal active duty the militia, or for any purpose for which the use of the army or the air force would in the absence of express statutory authorization be prohibited under 18 U.S.C. § 1385.

[C62, §28A.3; C66, 71, 73, 75, §29C.3; C77, 79, 81, §29C.21]

97 Acts, ch 129, §1; 2008 Acts, ch 1032, §201; 2012 Acts, ch 1072, §25

Referred to in §29C.8, 135.143, 669.2

**29C.22 Statewide mutual aid compact.**

This statewide mutual aid compact is entered into with all other emergency management commissions established pursuant to section 29C.9, counties, cities, and other political subdivisions that enter into this compact in substantially the following form:

1. *Article I — Purpose and authorities.*

*a.* This compact is made and entered into by and between the participating emergency management commissions established pursuant to section 29C.9, counties, cities, and political subdivisions which enact this compact. For the purposes of this agreement, the term "*participating governments*" means emergency management commissions, counties, cities, townships, and other political subdivisions of the state which have not, through ordinance or resolution of the governing body, acted to withdraw from this compact. The inclusion

of emergency management commissions in the term *"participating governments"* shall not convey taxing authority or other legal authority to emergency management commissions that is not otherwise granted in this chapter.

*b.* The purpose of this compact is to provide for mutual assistance between the participating governments entering into this compact in managing any emergency or disaster that is declared in accordance with a comprehensive emergency plan or by the governor, whether arising from natural disaster, technological hazard, man-made disaster, community disorder, insurgency, terrorism, or enemy attack.

*c.* This compact shall also provide for mutual cooperation in emergency-related exercises, testing, or other training activities using equipment and personnel simulating performance of any aspect of the giving and receiving of aid by participating governments during emergencies, such actions occurring outside actual declared emergency periods.

2. *Article II — General implementation.*

*a.* Each participating government entering into this compact recognizes many emergencies transcend political jurisdictional boundaries and that intergovernmental coordination is essential in managing these and other emergencies under this compact. Each participating government further recognizes that there will be emergencies which require immediate access and present procedures to apply outside resources to make a prompt and effective response to the emergency. This is because few, if any, individual governments have all the resources they may need in all types of emergencies or the capability of delivering resources to areas where emergencies exist.

*b.* The prompt, full, and effective use of resources of the participating governments, including any resources on hand or available from any source, that are essential to the safety, care, and welfare of the people in the event of any emergency or disaster declared by the governor or any participating government, shall be the underlying principle on which all articles of this compact shall be understood.

*c.* On behalf of the participating government in the compact, the legally designated official who is assigned responsibility for emergency management will be responsible for formulation of the appropriate intrastate mutual aid plans and procedures necessary to implement this compact.

3. *Article III — Participating government responsibilities.*

*a.* It shall be the responsibility of each participating government to formulate procedural plans and programs for intrastate cooperation in the performance of the responsibilities listed in this article. In formulating the plans, and in carrying them out, the participating governments, insofar as practical, shall:

(1) Review individual hazards analyses and, to the extent reasonably possible, determine all those potential emergencies the participating governments might jointly suffer, whether due to natural disaster, technological hazard, man-made disaster, civil disorders, insurgency, terrorism, or enemy attack.

(2) Review the participating governments' individual emergency plans and develop a plan that will determine the mechanism for the intrastate management and provision of assistance concerning any potential emergency.

(3) Develop intrastate procedures to fill any identified gaps and to resolve any identified inconsistencies or overlaps in existing or developed plans.

(4) Assist in warning communities adjacent to or crossing the participating governments' boundaries.

(5) Protect and ensure uninterrupted delivery of services, medicines, water, food, energy and fuel, search and rescue, and critical lifeline equipment, services, and resources, both human and material.

(6) Inventory and set procedures for the intrastate loan and delivery of human and material resources, together with procedures for reimbursement or forgiveness.

(7) Provide, to the extent authorized by law, for temporary suspension of any ordinances that restrict the implementation of the above responsibilities.

*b.* The authorized representative of a participating government may request assistance of another participating government by contacting the authorized representative of that participating government. The provisions of this compact shall only apply to requests for

assistance made by and to authorized representatives. Requests may be verbal or in writing. If verbal, the request shall be confirmed in writing within thirty days of the verbal request. Requests shall provide all of the following:

(1) A description of the emergency service function for which assistance is needed, such as but not limited to fire services, law enforcement, emergency medical, transportation, communications, public works and engineering, building inspection, planning and information assistance, mass care, resource support, health and medical services, and search and rescue.

(2) The amount and type of personnel, equipment, materials, and supplies needed, and a reasonable estimate of the length of time that the personnel, equipment, materials, and supplies will be needed.

(3) The specific place and time for staging of the assisting participating government's response and a point of contact at that location.

*c.* The authorized representative of a participating government may initiate a request by contacting the department of homeland security and emergency management. When a request is received by the department, the department shall directly contact other participating governments to coordinate the provision of mutual aid.

*d.* Frequent consultation shall occur between officials who have been assigned emergency management responsibilities and other appropriate representatives of the participating governments with affected jurisdictions and state government, with free exchange of information, plans, and resource records relating to emergency capabilities.

*e.* For purposes of this subsection, *"authorized representative of a participating government"* means a mayor or the mayor's designee, a member of the county board of supervisors or a representative of the board, or an emergency management coordinator or the coordinator's designee.

4. *Article IV — Limitations.* Any participating government requested to render mutual aid or conduct exercises and training for mutual aid shall take the necessary action to provide and make available the resources covered by this compact in accordance with the terms of the compact. However, it is understood that the participating government rendering aid may withhold resources to the extent necessary to provide reasonable protection for the participating government. Each participating government shall afford to the emergency forces of any other participating government, while operating within its jurisdictional limits under the terms and conditions of this compact, the same powers, except that of arrest unless specifically authorized by the receiving participating government, duties, rights, and privileges as are afforded forces of the participating government in which the emergency forces are performing emergency services. Emergency forces shall continue under the command and control of their regular leaders, but the organizational units shall come under the operational control of the emergency services authorities of the participating government receiving assistance. These conditions may be activated, as needed, only subsequent to a declaration of a state of emergency or disaster by the governor or by competent authority of the participating government that is to receive assistance, or commencement of exercises or training for mutual aid, and shall continue so long as the exercises or training for mutual aid are in progress, the state of emergency or disaster remains in effect, or loaned resources remain in the receiving jurisdiction, whichever is longer.

5. *Article V — Licenses and permits.* If a person holds a license, certificate, or other permit issued by any participating government to this compact evidencing the meeting of qualifications for professional, mechanical, or other skills, and when the assistance is requested by another participating government, the person shall be deemed licensed, certified, or permitted by the participating government requesting assistance to render aid involving the skill to meet a declared emergency or disaster, subject to the limitations and conditions as the governor may prescribe by executive order or otherwise.

6. *Article VI — Liability.* Officers or employees of a participating government rendering aid in another participating government jurisdiction pursuant to this compact shall be considered agents of the requesting participating government for tort liability and immunity purposes and a participating government or its officers or employees rendering aid in another jurisdiction pursuant to this compact shall not be liable on account of any act or

omission in good faith on the part of the forces while so engaged or on account of the maintenance or use of any equipment or supplies in connection with the aid. Good faith in this article shall not include willful misconduct, gross negligence, or recklessness.

7. *Article VII — Supplementary agreements.* Because it is probable that the pattern and detail of the machinery for mutual aid among two or more participating governments may differ from that among other participating governments, this compact contains elements of a broad base common to all political subdivisions, and this compact shall not preclude any political subdivision from entering into supplementary agreements with another political subdivision or affect any other agreements already in force between political subdivisions. Supplementary agreements may include, but shall not be limited to, provisions for evacuation and reception of injured and other persons and the exchange of medical, fire, police, public utility, reconnaissance, welfare, transportation and communications personnel, and equipment and supplies.

8. *Article VIII — Workers' compensation.* Each participating government shall provide for the payment of workers' compensation and death benefits to injured members of the emergency forces of that participating government and representatives of deceased members of the emergency forces in case the members sustain injuries or are killed while rendering aid pursuant to this compact, in the same manner and on the same terms as if the injury or death were sustained within their own jurisdiction.

9. *Article IX — Reimbursement.* Any participating government rendering aid in another jurisdiction pursuant to this compact shall be reimbursed by the participating government receiving the emergency aid for any loss or damage to or expense incurred in the operation of any equipment and the provision of any service in answering a request for aid and for the costs incurred in connection with the requests. However, an aiding political subdivision may assume in whole or in part the loss, damage, expense, or other cost, or may loan the equipment or donate the services to the receiving participating government without charge or cost, and any two or more participating governments may enter into supplementary agreements establishing a different allocation of costs among the participating governments. Article VIII expenses shall not be reimbursable under this provision.

10. *Article X — Evacuation and sheltering.* Plans for the orderly evacuation and reception of portions of the civilian population as the result of any emergency or disaster shall be worked out and maintained between the participating governments and the emergency management or services directors of the various jurisdictions where any type of incident requiring evacuations might occur. The plans shall be put into effect by request of the participating government from which evacuees come and shall include the manner of transporting the evacuees, the number of evacuees to be received in different areas, the manner in which food, clothing, housing, and medical care will be provided, the registration of the evacuees, the providing of facilities for the notification of relatives or friends, and the forwarding of the evacuees to other areas or the bringing in of additional materials, supplies, and all other relevant factors. The plans shall provide that the participating government receiving evacuees and the participating government from which the evacuees come shall mutually agree as to reimbursement of out-of-pocket expenses incurred in receiving and caring for the evacuees, for expenditures for transportation, food, clothing, medicines and medical care, and like items. The expenditures shall be reimbursed as agreed by the participating government from which the evacuees come. After the termination of the emergency or disaster, the participating government from which the evacuees come shall assume the responsibility for the ultimate support of repatriation of such evacuees.

11. *Article XI — Implementation.*

*a.* This compact shall become operative July 1, 2009.

*b.* Any participating government may withdraw from this compact by adopting an ordinance or resolution repealing the same, but a withdrawal shall not take effect until thirty days after the governing body of the withdrawing participating government has given notice in writing of the withdrawal to the director of the department of homeland security and emergency management who shall notify all other participating governments. The action shall not relieve the withdrawing political subdivision from obligations assumed under this compact prior to the effective date of withdrawal.

*c.* Duly authenticated copies of this compact and any supplementary agreements as may be entered into shall be deposited, at the time of their approval, with the director of the department of homeland security and emergency management who shall notify all participating governments and other appropriate agencies of state government.

12. *Article XII — Validity.* This compact shall be construed to effectuate the purposes stated in article I. If any provision of this compact is declared unconstitutional, or the applicability of the compact to any person or circumstances is held invalid, the constitutionality of the remainder of this compact and the applicability of this compact to other persons and circumstances shall not be affected.

2002 Acts, ch 1117, §55, 56; 2003 Acts, ch 179, §157; 2008 Acts, ch 1032, §201; 2009 Acts, ch 67, §1 – 4; 2011 Acts, ch 69, §12; 2013 Acts, ch 29, §26, 27

Subsection 3, paragraph c amended

Subsection 11, paragraphs b and c amended

# CHAPTER 30

## CHEMICAL EMERGENCIES — EMERGENCY RESPONSE COMMISSION


30.1 Definitions.
30.2 Iowa emergency response commission established.
30.3 Officers and meetings.
30.4 Expenses.
30.5 Commission powers and duties.
30.6 Commission duties.
30.7 Duties to be allocated to department of natural resources — emergency and hazardous chemicals.
30.8 Duties to be allocated to department of natural resources.
30.9 Duties to be allocated to department of homeland security and emergency management.
30.10 Powers of local emergency planning committees.
30.11 Liability of committee members.
30.12 Civil action.


**30.1 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Commission"* means the Iowa emergency response commission.

2. *"Committee"* means a local emergency planning committee appointed by the commission.

3. *"Emergency Planning and Community Right-to-know Act"* means Pub. L. No. 99-499, Tit. III, 42 U.S.C. § 11001 et seq., as amended to January 1, 1989.

89 Acts, ch 204, §2; 2010 Acts, ch 1061, §180

**30.2 Iowa emergency response commission established.**

1. The Iowa emergency response commission is established. The commission is responsible directly to the governor. The commission is attached to the department of homeland security and emergency management for routine administrative and support services only.

2. *a.* The commission is composed of sixteen members appointed by the governor. One member shall be appointed to represent the department of homeland security and emergency management, one to represent the department of agriculture and land stewardship, one to represent the department of workforce development, one to represent the department of justice, one to represent the department of natural resources, one to represent the department of public defense, one to represent the Iowa department of public health, one to represent the department of public safety, one to represent the state department of transportation, one to represent the state fire service and emergency response council, one to represent a local emergency planning committee, one to represent the Iowa hazardous materials task force, and one to represent the office of the governor. Three representatives from private industry shall also be appointed by the governor, subject to confirmation by the senate.

*b.* The commission members representing the departments of homeland security and

emergency management, workforce development, natural resources, public defense, public safety, and transportation, a local emergency planning committee, and one private industry representative designated by the commission shall be voting members of the commission. The remaining members of the commission shall serve as nonvoting, advisory members.

3. The commission members shall be appointed for staggered terms of three years each, beginning and ending as provided in section 69.19. Vacancies shall be filled in the same manner as the original appointments were made.

89 Acts, ch 204, §3; 96 Acts, ch 1186, §23; 2000 Acts, ch 1020, §7; 2000 Acts, ch 1232, §45; 2011 Acts, ch 69, §13; 2013 Acts, ch 29, §28

Referred to in §29C.5
Confirmation, see §2.32
Subsections 1 and 2 amended

**30.3 Officers and meetings.**

The members of the commission shall select a chairperson and a vice chairperson from their membership. The commission shall meet at least twice per year but may meet as often as necessary. Meetings shall be set by a majority of the commission or upon the call of the chairperson, or in the chairperson's absence, upon the call of the vice chairperson.

89 Acts, ch 204, §4

**30.4 Expenses.**

The members of the commission are entitled to reimbursement for travel and other necessary expenses incurred in the performance of official duties.

89 Acts, ch 204, §5

**30.5 Commission powers and duties.**

1. The commission has the powers necessary to carry out the functions and duties specified in state law and the Emergency Planning and Community Right-to-know Act, including the powers to solicit and accept gifts and grants, and to adopt rules pursuant to chapter 17A. All federal funds, grants, and gifts shall be deposited with the treasurer of state and used only for the purposes agreed upon as conditions for receipt of the funds, grants, or gifts.

2. The commission may enter into agreements pursuant to chapter 28E to accomplish any duty imposed upon the commission by the Emergency Planning and Community Right-to-know Act, but the commission shall not compensate any governmental unit for the performance of duties pursuant to such an agreement. Funding for administering the duties of the commission under sections 30.7, 30.8, and 30.9 shall be included in the budgets of the department of natural resources and the department of homeland security and emergency management.

3. The commission may request from any state agency or official the information and assistance necessary to perform the duties of the commission. All state departments, divisions, agencies, and offices shall make available upon request information which is requested and which is not by law confidential.

89 Acts, ch 204, §6; 96 Acts, ch 1186, §23; 2007 Acts, ch 211, §31; 2013 Acts, ch 29, §29

Subsection 2 amended

**30.6 Commission duties.**

1. The commission shall designate local emergency planning districts and appoint persons to serve on local emergency planning committees. The commission may, upon request, revise its designations of districts and appointments of committee members.

2. The commission shall supervise and coordinate the activities of the committees.

3. Upon request by a state or local official or any person, the commission shall obtain from a facility owner or operator the emergency and hazardous chemical inventory information which the owner or operator is required to prepare and submit pursuant to section 312 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11022, and provide the information to the requesting party.

4. The commission shall make available to the public upon request during normal

working hours material safety data sheets, lists of hazardous chemicals, inventory forms, toxic chemical release forms, and follow-up emergency notices in its possession pursuant to section 324 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11044.

5. The commission shall perform all other functions and duties as specified in the Emergency Planning and Community Right-to-know Act.

89 Acts, ch 204, §7

**30.7 Duties to be allocated to department of natural resources — emergency and hazardous chemicals.**

Agreements negotiated by the commission and the department of natural resources shall provide for the allocation of duties to the department of natural resources as follows:

1. Material safety data sheets or a list for chemicals required to be submitted to the commission under section 311 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11021, shall be submitted to the department of natural resources. Submission to that department constitutes compliance with the requirement for notification to the commission.

2. Emergency and hazardous chemical inventory forms required to be submitted to the commission under section 312 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11022, shall be submitted to the department of natural resources. Submission to that department constitutes compliance with the requirement for notification to the commission.

3. The department of natural resources shall advise the commission of the failure of any facility owner or operator to submit information as required under sections 311 and 312 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11021 and 11022.

4. The department of natural resources shall make available to the public upon request during normal working hours the information forms in its possession pursuant to sections 312 and 324 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11022 and 11044.

5. The department of natural resources shall compile data or information from the emergency and hazardous chemical inventory forms required to be submitted to the commission under section 312 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11022.

89 Acts, ch 204, §8; 91 Acts, ch 255, §6; 96 Acts, ch 1186, §23; 97 Acts, ch 40, §1; 2007 Acts, ch 211, §32

Referred to in §30.5

**30.8 Duties to be allocated to department of natural resources.**

Agreements negotiated by the commission and the department of natural resources shall provide for the allocation of duties to the department of natural resources as follows:

1. Emergency notifications of releases required to be submitted to the commission under section 304 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11004, shall be submitted to the department of natural resources. Submission to that department constitutes compliance with the requirement for notification to the commission.

2. The department of natural resources shall advise the commission of the failure of any facility owner or operator to submit a notification as required under section 304 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11004.

3. The department of natural resources shall make available to the public upon request during normal working hours the information in its possession pursuant to section 324 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11044.

4. The department of natural resources shall compile the data collected pursuant to section 313 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11023, and shall make the compiled data available to the public upon request.

89 Acts, ch 204, §9; 91 Acts, ch 255, §7

Referred to in §30.5

**30.9 Duties to be allocated to department of homeland security and emergency management.**

Agreements negotiated by the commission and the department of homeland security and emergency management shall provide for the allocation of duties to the department of homeland security and emergency management as follows:

1. Comprehensive emergency plans required to be developed under section 303 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11003, shall be submitted to the department of homeland security and emergency management. Committee submission to that department constitutes compliance with the requirement for reporting to the commission. After initial submission, a plan need not be resubmitted unless revisions are requested by the commission. The department of homeland security and emergency management shall review the plan on behalf of the commission and shall incorporate the provisions of the plan into its responsibilities under chapter 29C.

2. The department of homeland security and emergency management shall advise the commission of the failure of any committee to submit an initial comprehensive response and recovery plan or a revised plan requested by the commission.

3. The department of homeland security and emergency management shall make available to the public upon request during normal working hours the information in its possession pursuant to section 324 of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11044.

89 Acts, ch 204, §10; 2011 Acts, ch 69, §14; 2013 Acts, ch 29, §30

Referred to in §30.5

Section amended

**30.10 Powers of local emergency planning committees.**

The local emergency planning committee appointed by the commission for each local emergency planning district has the powers necessary to carry out the functions and duties specified in state law and the Emergency Planning and Community Right-to-know Act.

89 Acts, ch 204, §11

**30.11 Liability of committee members.**

A person appointed as a member of a local emergency planning committee is not personally liable for a claim based upon an act or omission of the person performed in the discharge of the functions and duties specified in the state law and the Emergency Planning and Community Right-to-know Act, except for acts and omissions which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

89 Acts, ch 204, §12

**30.12 Civil action.**

1. The commission may commence a civil action against an owner or operator of a facility who has violated federal requirements to do any of the following:

*a.* Provide notification under section 302(c) of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11002(c).

*b.* Submit a material safety data sheet or a list under section 311(a) of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11021(a).

*c.* Make available information requested under section 311(c) of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11021(c).

*d.* Complete and submit an inventory form under section 312(a) of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11022(a), containing tier I information unless tier II information is submitted for the same period of time.

*e.* Provide information under section 303(d) of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11003(d).

*f.* Submit tier II information under section 312(e)(1) of the Emergency Planning and Community Right-to-know Act, 42 U.S.C. § 11022(e)(1).

2. The Iowa district court shall have jurisdiction over actions brought under this section and may grant any appropriate relief.
89 Acts, ch 204, §13

# CHAPTERS 31 to 33

RESERVED

# CHAPTER 34

## EMERGENCY TELEPHONE NUMBER (911)

This chapter not enacted as a part of this
title; transferred from chapter 477A in Code 1993

34.1 Definitions. 34.2 911 service.

**34.1 Definitions.**
As used in this chapter unless the context otherwise requires:
1. *"911 service"* means a service which provides the user of a public telephone system the ability to reach a public safety answering point by dialing the digits 9-1-1.
2. *"Private safety entity"* means a private entity which provides emergency fire, ambulance, or medical services whether by full or part-time employees or on a volunteer basis.
3. *"Public agency"* means the state government and any unit of local government or special purpose district located in whole or in part within the state that provides or has authority to provide fire fighting, law enforcement, ambulance, medical, or other emergency services.
4. *"Public safety agency"* means a functional unit of a public agency that provides fire fighting, law enforcement, ambulance, medical, or other emergency services.
5. *"Public safety answering point"* means a communications facility operated on a twenty-four hour basis and serving participating jurisdictions, that initially receives 911 calls and either directly dispatches emergency response services, or relays the calls to the appropriate public safety agency.
86 Acts, ch 1246, §763
C87, §477A.1
C93, §34.1
94 Acts, ch 1023, §6
Referred to in §321.234A, 321.276

**34.2 911 service.**
1. After July 1, 1986, when 911 service is established in a service area each public agency, public safety agency, and private safety entity serving territory within the service area shall participate in providing the 911 service. The 911 service shall be established according to a written plan which has the written approval of the governing bodies of each public agency, public safety agency, and private safety entity serving territory within the 911 service area.
2. This chapter does not prohibit or discourage participation in or the provision of 911 service covering the territory of more than one public agency, public safety agency, or private safety entity. A system established pursuant to this section may serve the territory of more than one public agency, public safety agency, or private safety entity or may include a part of their respective territories. Public agencies, public safety agencies, and private safety entities may enter into agreements under chapter 28E to provide 911 service.
3. The digits "911" shall be the primary emergency telephone number within the 911 service areas established under this section. A public safety agency or a private safety entity

whose services are available through a 911 system may maintain a separate secondary backup number for emergencies, and shall maintain a separate number for nonemergency telephone calls.

4. A 911 system shall be capable of transmitting requests for law enforcement, fire fighting, and emergency medical and ambulance services to a public safety agency or agencies that provide the requested service at the place where the call originates. A 911 system may also provide for transmitting requests for emergency management, poison control, suicide prevention, and other emergency services. The public safety answering point shall be capable of receiving calls from deaf and hard-of-hearing persons through a telecommunications device for the deaf. Conferencing capability with counseling, aid to persons with disabilities, and other services as deemed necessary for identifying appropriate emergency response services may be provided by the 911 service.

A public safety answering point may transmit emergency response requests to private safety entities.

86 Acts, ch 1246, §764
C87, §477A.2
92 Acts, ch 1139, §32
C93, §34.2
93 Acts, ch 75, §2; 96 Acts, ch 1129, §13

# CHAPTER 34A

## ENHANCED 911 EMERGENCY TELEPHONE SYSTEMS

Referred to in §16.161, 423.3

This chapter not enacted as a part of this
title; transferred from chapter 477B in Code 1993

SUBCHAPTER I

LOCAL OPTION E911 SERVICE SURCHARGE AND E911 SERVICE


34A.1 Purpose.
34A.2 Definitions.
34A.2A Program manager — appointment — duties.
34A.3 Joint E911 service board — 911 service plan — implementation — waivers.
34A.4 Requirements of pay telephones and other telecommunications devices to allow 911 calls without depositing coins or other charge.
34A.5 Private listing subscribers and 911 service.
34A.6 Referendum on E911 in proposed service area. Repealed by 2013 Acts, ch 120, §9.
34A.6A Alternative surcharge — temporary moratorium. Repealed by 2013 Acts, ch 120, §9.
34A.7 Funding — wire-line E911 service surcharge.
34A.7A Emergency communications service surcharge — fund established — distribution and permissible expenditures.
34A.7B Prepaid wireless E911 surcharge.
34A.8 Local exchange service information — penalty.
34A.9 Telecommunications devices for the speech and hearing-impaired.
34A.10 E911 selective router.
34A.11 Communications — single point-of-contact.
34A.12 through 34A.14 Reserved.
34A.15 E911 communications council established — duties.
34A.16 through 34A.19 Reserved.


SUBCHAPTER II

E911 PROGRAM FINANCING


34A.20 E911 financing program — definitions — funding — bonds and notes.
34A.21 Security — reserve funds — pledges — nonliability — irrevocable contracts.
34A.22 Rules.

## SUBCHAPTER I

## LOCAL OPTION E911 SERVICE SURCHARGE AND E911 SERVICE

Referred to in §34A.20

**34A.1 Purpose.**

The general assembly finds that enhanced 911 emergency telephone communication systems and other emergency 911 notification devices further the public interest and protect the health, safety, and welfare of the people of Iowa. The purpose of this chapter is to enable the orderly development, installation, and operation of enhanced 911 emergency telephone communication systems and other emergency 911 notification devices statewide. These systems are to be operated under governmental management and control for the public benefit.

88 Acts, ch 1177, §1
C89, §477B.1
C93, §34A.1
2004 Acts, ch 1175, §444

**34A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Access line"* means an exchange access line that has the ability to access dial tone and reach a public safety answering point.

2. *"Communications service"* means a service capable of accessing, connecting with, or interfacing with a 911 system by dialing, initializing, or otherwise activating the system exclusively through the digits 911 by means of a local telephone device or wireless communications device.

3. *"Communications service provider"* means a service provider, public or private, that transports information electronically via landline, wireless, internet, cable, or satellite.

4. *"Competitive local exchange service provider"* means the same as defined in section 476.96.

5. *"Director"* means the director of the department of homeland security and emergency management.

6. *"Emergency communications service surcharge"* means a charge established by the program manager in accordance with section 34A.7A.

7. *"Enhanced 911"* or *"E911"* means a service that provides the user of a communications service with the ability to reach a public safety answering point by using the digits 911, and that has the following additional features:

*a.* Routes an incoming 911 call to the appropriate public safety answering point.

*b.* Automatically provides voice, displays the name, address or location, and telephone number of an incoming 911 call and public safety agency servicing the location.

8. *"Enhanced 911 service area"* means the geographic area to be serviced, or currently serviced under an enhanced 911 service plan, provided that an enhanced 911 service area must at minimum encompass one entire county. The enhanced 911 service area may encompass more than one county, and need not be restricted to county boundaries.

9. *"Enhanced 911 service plan"* means a plan that includes the following information:

*a.* A description of the enhanced 911 service area.

*b.* A list of all public and private safety agencies within the enhanced 911 service area.

*c.* The number of public safety answering points within the enhanced 911 service area.

*d.* Identification of the agency responsible for management and supervision of the enhanced 911 emergency communication system.

*e.* (1) A statement of estimated costs to be incurred by the joint E911 service board or the department of public safety, including separate estimates of the following:

(a) Nonrecurring costs, including but not limited to public safety answering points, network equipment, software, database, addressing, training, and other capital expenditures,

including the purchase or lease of subscriber names, addresses, and telephone information from the local exchange service provider.

(b) Recurring costs, including but not limited to network access fees and other telephone charges, software, equipment, and database management, and maintenance, including the purchase or lease of subscriber names, addresses, and telephone information from the local exchange service provider. Recurring costs shall not include personnel costs for a public safety answering point.

(2) Funds deposited in an E911 service fund are appropriated and shall be used for the payment of costs that are limited to nonrecurring and recurring costs directly attributable to the receipt and disposition of the 911 call. Costs do not include expenditures for any other purpose, and specifically exclude costs attributable to other emergency services or expenditures for buildings or personnel, except for the costs of personnel for database management and personnel directly associated with addressing.

*f.* Current equipment operated by affected local exchange service providers, and central office equipment and technology upgrades necessary for the provider to implement enhanced 911 service within the enhanced 911 service area.

*g.* A schedule for implementation of the plan throughout the E911 service area. The schedule may provide for phased implementation.

*h.* The number of telephone access lines capable of access to 911 in the enhanced 911 service area.

*i.* The total property valuation in the enhanced 911 service area.

*j.* A plan to migrate to an internet protocol-enabled next generation network.

10. *"Local exchange carrier"* means the same as defined in section 476.96.

11. *"Local exchange service provider"* means a vendor engaged in providing telecommunications service between points within an exchange and includes but is not limited to a competitive local exchange service provider and a local exchange carrier.

12. *"Prepaid wireless telecommunications service"* means a wireless communications service that provides the right to utilize mobile wireless service as well as other nontelecommunications services, including the download of digital products delivered electronically, content and ancillary services, which must be paid for in advance and that is sold in predetermined units or dollars of which the amount declines with use in a known amount.

13. *"Program manager"* means the E911 program manager appointed pursuant to section 34A.2A.

14. *"Provider"* means a vendor who provides, or offers to provide, E911 equipment, installation, maintenance, or exchange access services within the enhanced 911 service area.

15. *"Public or private safety agency"* means a unit of state or local government, a special purpose district, or a private firm which provides or has the authority to provide fire fighting, police, ambulance, emergency medical services, or hazardous materials response.

16. *"Public safety answering point"* means a twenty-four-hour public safety communications facility that receives enhanced 911 service calls and directly dispatches emergency response services or relays calls to the appropriate public or private safety agency.

17. *"Wireless communications service"* means commercial mobile radio service. *"Wireless communications service"* includes any wireless two-way communications used in cellular telephone service, personal communications service, or the functional or competitive equivalent of a radio-telephone communications line used in cellular telephone service, a personal communications service, or a network access line. *"Wireless communications service"* does not include a service whose customers do not have access to 911 or 911-like service, a communications channel utilized only for data transmission, or a private telecommunications system.

18. *"Wireless communications service provider"* means a company that offers wireless communications service to users of wireless devices including but not limited to cellular, personal communications services, mobile satellite services, and enhanced specialized mobile radio.

19. *"Wireless E911 phase 1"* means a 911 call made from a wireless device in which the

wireless service provider delivers the call-back number and address of the tower that received the call to the appropriate public safety answering point.

20. *"Wireless E911 phase 2"* means a 911 call made from a wireless device in which the wireless service provider delivers the call-back number and the latitude and longitude coordinates of the wireless device to the appropriate public safety answering point.

21. *"Wire-line E911 service surcharge"* means a charge set by the E911 service area operating authority and assessed on each wire-line access line which physically terminates within the E911 service area in accordance with section 34A.7.

88 Acts, ch 1177, §2
C89, §477B.2
92 Acts, ch 1139, §34
C93, §34A.2
93 Acts, ch 125, §1; 94 Acts, ch 1199, §45; 98 Acts, ch 1101, §3, 4, 16; 2004 Acts, ch 1175, §445; 2008 Acts, ch 1032, §201; 2012 Acts, ch 1111, §1; 2013 Acts, ch 29, §31, 32
Referred to in §34A.7
Subsection 2 stricken and former subsections 3 – 5 renumbered as 2 – 4
NEW subsection 5

**34A.2A Program manager — appointment — duties.**

1. The director of the department of homeland security and emergency management shall appoint an E911 program manager to administer this chapter.

2. The E911 program manager shall act under the supervisory control of the director of the department of homeland security and emergency management, and in consultation with the E911 communications council, and shall perform the duties specifically set forth in this chapter and as assigned by the director.

98 Acts, ch 1101, §5, 16; 2004 Acts, ch 1175, §446; 2013 Acts, ch 29, §33
Referred to in §16.161, 34A.2
Section amended

**34A.3 Joint E911 service board — 911 service plan — implementation — waivers.**

1. *Joint E911 service boards — plans.*

*a.* The board of supervisors of each county shall maintain a joint E911 service board.

(1) Each political subdivision of the state having a public safety agency serving territory within the county is entitled to voting membership on the joint E911 service board. For the purposes of this section, a township that operates a volunteer fire department providing fire protection services to the township, or a city which provides fire protection services through the operation of a volunteer fire department not financed through city government, shall be considered a political subdivision of the state having a public safety agency serving territory within the county. Each private safety agency operating within the area is entitled to nonvoting membership on the board.

(2) A township that does not operate its own public safety agency, but contracts for the provision of public safety services, is not entitled to membership on the joint E911 service board, but its contractor is entitled to membership according to the contractor's status as a public or private safety agency.

*b.* The joint E911 service board shall maintain an enhanced 911 service plan encompassing at minimum the entire county, unless an exemption is granted by the program manager permitting a smaller E911 service area.

(1) The program manager may grant a discretionary exemption from the single county minimum service area requirement based upon a joint E911 service board's or other E911 service plan operating authority's presentation of evidence which supports the requested exemption if the program manager finds that local conditions make adherence to the minimum standard unreasonable or technically infeasible and that the purposes of this chapter would be furthered by granting an exemption. The minimum size requirement is intended to prevent unnecessary duplication of public safety answering points and minimize other administrative, personnel, and equipment expenses.

(2) The program manager may order the inclusion of a specific territory in an adjoining E911 service plan area to avoid the creation by exclusion of a territory smaller than a single

county not serviced by surrounding E911 service plan areas upon request of the joint E911 service board representing the territory.

*c.* The E911 service plan operating authority shall submit proposed changes to the plan to all of the following:

(1) The program manager.

(2) Public and private safety agencies in the enhanced 911 service area.

(3) Local exchange service providers affected by the enhanced 911 service plan.

2. *Compliance waivers available in limited circumstances.*

*a.* The program manager may extend the time period for plan implementation by issuing a compliance waiver.

*b.* The compliance waiver shall be based upon a joint E911 service board's presentation of evidence which supports an extension if the program manager finds that local conditions make implementation financially unreasonable or technically infeasible by the originally scheduled plan of implementation.

*c.* The compliance waiver shall be for a set period of time, and subject to review and renewal or denial of renewal upon its expiration.

*d.* The waiver may cover all or a portion of a 911 service plan's enhanced 911 service area to facilitate phased implementation when possible.

*e.* The granting of a compliance waiver does not create a presumption that the identical or similar waiver will be extended in the future.

*f.* Consideration of compliance waivers shall be on a case-by-case basis.

3. *Chapter 28E agreement — alternative to joint E911 service board.*

*a.* A legal entity created pursuant to chapter 28E by a county or counties, other political divisions, and public or private agencies to jointly plan, implement, and operate a countywide, or larger, enhanced 911 service system may be substituted for the joint E911 service board required under subsection 1. An alternative legal entity created pursuant to chapter 28E as a substitute for a joint E911 service board, as permitted by this subsection, may be created by either:

(1) Agreement of the parties entitled to voting membership on a joint E911 service board.

(2) Agreement of the members of a joint E911 service board.

*b.* An alternative chapter 28E entity has all of the powers of a joint E911 service board and any additional powers granted by the agreement. As used in this chapter, *"joint E911 service board"* includes an alternative chapter 28E entity created for that purpose, except as specifically limited by the chapter 28E agreement or unless clearly provided otherwise in this chapter. A chapter 28E agreement related to E911 service shall permit the participation of a private safety agency or other persons allowed to participate in a joint E911 service board, but the terms, scope, and conditions of participation are subject to the chapter 28E agreement.

4. *Participation in joint E911 service board required.* A political subdivision having a public safety agency within its territory or jurisdiction shall participate in a joint E911 service board and cooperate in maintaining the E911 service plan.

88 Acts, ch 1177, §3

C89, §477B.3

89 Acts, ch 168, §1, 2

C93, §34A.3

93 Acts, ch 125, §2; 98 Acts, ch 1101, §6, 16; 2004 Acts, ch 1175, §447; 2008 Acts, ch 1032, §143; 2008 Acts, ch 1070, §1; 2012 Acts, ch 1111, §2

Referred to in §34A.11

**34A.4 Requirements of pay telephones and other telecommunications devices to allow 911 calls without depositing coins or other charge.**

In an enhanced 911 service area, a person shall not install or offer for use within the enhanced 911 service area a pay station telephone or other fixed device unless the telephone or device is capable of making a 911 call without prior insertion of a coin or payment of any other charge, and unless the telephone or device displays notice of free 911 service.

88 Acts, ch 1177, §4

C89, §477B.4

C93, §34A.4
2004 Acts, ch 1175, §448

**34A.5 Private listing subscribers and 911 service.**
Private listing subscribers in an enhanced 911 service area waive the privacy afforded by nonlisted or nonpublished numbers to the extent that the name and address associated with the telephone number may be furnished to the enhanced 911 service system, for all routing, for automatic retrieval of location information, and for associated emergency services.
88 Acts, ch 1177, §5
C89, §477B.5
C93, §34A.5

**34A.6 Referendum on E911 in proposed service area.** Repealed by 2013 Acts, ch 120, § 9.
With respect to proposed amendments to former §34A.6 by 2013 Acts, ch 29, §34, and 2013 Acts, ch 30, §12, see Code editor's note on simple harmonization

**34A.6A Alternative surcharge — temporary moratorium.** Repealed by 2013 Acts, ch 120, § 9.

**34A.7 Funding — wire-line E911 service surcharge.**
When an E911 service plan is implemented, the costs of providing E911 service within an E911 service area are the responsibility of the joint E911 service board and the member political subdivisions. Costs in excess of the amount raised by imposition of the E911 service surcharge provided for under subsection 1 shall be paid by the joint E911 service board from such revenue sources allocated among the member political subdivisions as determined by the joint E911 service board. Funding is not limited to the surcharge, and surcharge revenues may be supplemented by other permissible local and state revenue sources. A joint E911 service board shall not commit a political subdivision to appropriate property tax revenues to fund an E911 service plan without the consent of the political subdivision. A joint E911 service board may approve an E911 service plan, including a funding formula requiring appropriations by participating political subdivisions, subject to the approval of the funding formula by each political subdivision. However, a political subdivision may agree in advance to appropriate property tax revenues or other moneys according to a formula or plan developed by an alternative chapter 28E entity.
1. *Local wire-line E911 service surcharge imposition.*
*a.* To encourage local implementation of E911 service, one source of funding for E911 emergency communication systems shall come from a surcharge per month, per access line on each access line subscriber, of one dollar.
*b.* The surcharge shall be imposed by order of the program manager as follows:
(1) The program manager shall notify a local exchange service provider scheduled to provide exchange access line service to an E911 service area that implementation of an E911 service plan has been approved by the joint E911 service board and that collection of the surcharge is to begin within sixty days.
(2) The program manager shall also provide notice to all affected public safety answering points.
2. *Surcharge collected by local exchange service providers.*
*a.* The surcharge shall be collected as part of the access line service provider's periodic billing to a subscriber. In compensation for the costs of billing and collection, the local exchange service provider may retain one percent of the gross surcharges collected. If the compensation is insufficient to fully recover a local exchange service provider's costs for billing and collection of the surcharge, the deficiency shall be included in the local exchange service provider's costs for ratemaking purposes to the extent it is reasonable and just under section 476.6. The surcharge shall be remitted to the E911 service operating authority for deposit into the E911 service fund quarterly by the local exchange service provider. The total amount for multiple exchanges may be combined.
*b.* A local exchange service provider is not liable for an uncollected surcharge for which

the local exchange service provider has billed a subscriber but not been paid. The surcharge shall appear as a single line item on a subscriber's periodic billing entitled, "E911 emergency communications service surcharge".

*c.* The joint E911 service board may request, not more than once each quarter, the following information from the local exchange service provider:

(1) The identity of the exchange from which the surcharge is collected.

(2) The number of lines to which the surcharge was applied for the quarter.

(3) The number of refusals to pay per exchange if applicable.

(4) Write-offs applied per exchange if applicable.

(5) The number of lines exempt per exchange.

(6) The amount retained by the local exchange service provider generated from the one percent administration fee.

*d.* Access line counts and surcharge remittances are confidential public records as provided in section 34A.8.

3. *Maximum limit per subscriber billing for surcharge.* An individual subscriber shall not be required to pay on a single periodic billing the surcharge on more than one hundred access lines, or their equivalent, in an E911 service area. A subscriber shall pay the surcharge in each E911 service area in which the subscriber receives access line service.

4. *E911 service fund.* Each joint E911 service board shall establish and maintain as a separate account an E911 service fund. Any funds remaining in the account at the end of each fiscal year shall not revert to the general funds of the member political subdivisions, except as provided in subsection 5, but shall remain in the E911 service fund. Moneys in an E911 service fund may only be used for nonrecurring and recurring costs of the E911 service plan as approved by the program manager, as those terms are defined by section 34A.2.

5. *Use of moneys in fund — priority and limitations on expenditure.*

*a.* Moneys deposited in the E911 service fund shall be used for the repayment of any bonds issued for the benefit of or loan made to the joint E911 service board pursuant to sections 34A.20 through 34A.22, and as long as any such bond or loan remains unpaid the surcharge shall not be reduced or eliminated. Moneys deposited in the fund shall be subject to such terms and conditions as may be contained in the relevant bond documents, trust indenture, resolution, loan agreement, or other instrument pursuant to which bonds are issued or a loan is made, without regard to any limitation otherwise provided by law.

*b.* Moneys deposited in the E911 service fund shall be used for the following, in order of priority if paragraph *"a"* does not apply:

(1) Money shall first be spent for actual recurring costs of operating the E911 service plan.

(2) If money remains in the fund after fully paying for recurring costs incurred in the preceding year, the remainder may be spent to pay for nonrecurring costs, not to exceed actual nonrecurring costs as approved by the program manager.

(3) If money remains in the fund after fully paying obligations under subparagraphs (1) and (2), the remainder may be accumulated in the fund as a carryover operating surplus.

6. *Limitation of actions — provider not liable on cause of action related to provision of 911 services.* A claim or cause of action does not exist based upon or arising out of an act or omission in connection with a land-line or wireless provider's participation in an E911 service plan or provision of 911 or local exchange access service, unless the act or omission is determined to be willful and wanton negligence.

88 Acts, ch 1177, §7

C89, §477B.7

89 Acts, ch 168, §4 – 6; 90 Acts, ch 1144, §2 – 4

C93, §34A.7

98 Acts, ch 1101, §8, 16; 2004 Acts, ch 1175, §450 – 452; 2005 Acts, ch 140, §1; 2012 Acts, ch 1111, §5 – 8; 2013 Acts, ch 120, §1 – 4

Referred to in §34A.2, 34A.7B

Department of homeland security and emergency management to study efficiency of E911 emergency communication systems and report to general assembly by July 1, 2014; 2013 Acts, ch 120, §10

Department of homeland security and emergency management to study administration and expenditures of enhanced E911 emergency telephone communication systems and assessment of surcharges and report to general assembly by January 1, 2016; 2013 Acts, ch 120, §10

Subsection 1, paragraph a stricken and rewritten

Subsection 1, paragraph b, subparagraph (1) amended

Subsection 5 amended
Subsection 7 stricken

**34A.7A Emergency communications service surcharge — fund established — distribution and permissible expenditures.**

1. *a.* The director shall adopt by rule a monthly surcharge of one dollar to be imposed on each communications service number provided in this state. The surcharge shall be imposed uniformly on a statewide basis and simultaneously on all communications service numbers as provided by rule of the director. The surcharge shall not be imposed on wire-line-based communications or prepaid wireless telecommunications service.

*b.* The program manager shall provide no less than sixty days' notice of the surcharge to be imposed to each communications service provider.

*c.* (1) The surcharge shall be collected as part of the communications service provider's periodic billing to a subscriber. The surcharge shall appear as a single line item on a subscriber's periodic billing indicating that the surcharge is for E911 emergency communications service.

(2) In compensation for the costs of billing and collection, the communications service provider may retain one percent of the gross surcharges collected.

(3) The surcharges shall be remitted quarterly by the communications service provider to the program manager for deposit into the fund established in subsection 2.

(4) A communications service provider is not liable for an uncollected surcharge for which the communications service provider has billed a subscriber but which has not been paid.

2. Moneys collected pursuant to subsection 1 and section 34A.7B, subsection 2, shall be deposited in a separate E911 emergency communications fund within the state treasury under the control of the program manager. Section 8.33 shall not apply to moneys in the fund. Moneys earned as income, including as interest, from the fund shall remain in the fund until expended as provided in this section. Moneys in the fund shall be expended and distributed in the following priority order:

*a.* An amount as appropriated by the general assembly to the director shall be allocated to the director and program manager for implementation, support, and maintenance of the functions of the director and program manager and to employ the auditor of state to perform an annual audit of the E911 emergency communications fund.

*b.* For the three-year period beginning July 1, 2013, and ending June 30, 2016, the program manager shall allocate thirteen percent of the total amount of surcharge generated to wireless carriers to recover their costs to deliver E911 phase 1 services. If the allocation in this paragraph is insufficient to reimburse all wireless carriers for such carrier's eligible expenses, the program manager shall allocate a prorated amount to each wireless carrier equal to the percentage of such carrier's eligible expenses as compared to the total of all eligible expenses for all wireless carriers for the calendar quarter during which such expenses were submitted. When prorated expenses are paid, the remaining unpaid expenses shall no longer be eligible for payment under this paragraph.

*c.* The program manager shall reimburse communications service providers on a calendar quarter basis for carriers' eligible expenses for transport costs between the selective router and the public safety answering points related to the delivery of wireless E911 phase 1 services.

*d.* The program manager shall reimburse wire-line carriers and third-party E911 automatic location information database providers on a calendar quarterly basis for the costs of maintaining and upgrading the E911 components and functionalities beyond the input to the E911 selective router, including the E911 selective router and the automatic location information database.

*e.* (1) The program manager shall allocate to each joint E911 service board and to the department of public safety a minimum of one thousand dollars per calendar quarter for each public safety answering point within the service area of the department of public safety or joint E911 service board that has submitted an annual written request to the program manager in a form approved by the program manager by May 15 of each year.

(2) The amount allocated under this paragraph *"e"* shall be forty-six percent of the total amount of surcharge generated per calendar quarter allocated as follows:

(a) Sixty-five percent of the total dollars available for allocation shall be allocated in proportion to the square miles of the service area to the total square miles in this state.

(b) Thirty-five percent of the total dollars available for allocation shall be allocated in proportion to the wireless E911 calls taken at the public safety answering point in the service area to the total number of wireless E911 calls originating in this state.

(c) Notwithstanding subparagraph divisions (a) and (b), the minimum amount allocated to each joint E911 service board and to the department of public safety shall be no less than one thousand dollars for each public safety answering point within the service area of the department of public safety or joint E911 service board.

(3) The funds allocated in this paragraph *"e"* shall be used for communication equipment utilized by the public safety answering points for the implementation and maintenance of E911 services.

*f.* If moneys remain in the fund after fully paying all obligations under paragraphs *"a"*, *"b"*, *"c"*, *"d"*, and *"e"*, the remainder may be accumulated in the fund as a carryover operating surplus. This surplus shall be used to fund future network and public safety answering point improvements, including hardware and software for an internet protocol-enabled next generation network, and wireless carriers' transport costs related to wireless E911 services, if those costs are not otherwise recovered by wireless carriers through customer billing or other sources and approved by the program manager in consultation with the E911 communications council. Notwithstanding section 8.33, any moneys remaining in the fund at the end of each fiscal year shall not revert to the general fund of the state but shall remain available for the purposes of the fund.

*g.* The director, in consultation with the program manager and the E911 communications council, shall adopt rules pursuant to chapter 17A governing the distribution of the surcharge collected and distributed pursuant to this subsection. The rules shall include provisions that all joint E911 service boards and the department of public safety which answer or service wireless E911 calls are eligible to receive an equitable portion of the receipts.

3. *a.* The program manager shall submit an annual report by January 15 of each year to the general assembly's standing committees on government oversight advising the general assembly of the status of E911 implementation and operations, including both wire-line and wireless services, the distribution of surcharge receipts, and an accounting of the revenues and expenses of the E911 program.

*b.* The program manager shall submit a calendar quarter report of the revenues and expenses of the E911 program to the fiscal services division of the legislative services agency.

*c.* The general assembly's standing committees on government oversight shall review the priorities of distribution of funds under this chapter at least every two years.

4. The amount collected from a communications service provider and deposited in the fund, pursuant to section 22.7, subsection 6, information provided by a communications service provider to the program manager consisting of trade secrets, pursuant to section 22.7, subsection 3, and other financial or commercial operations information provided by a communications service provider to the program manager, shall be kept confidential as provided under section 22.7. This subsection does not prohibit the inclusion of information in any report providing aggregate amounts and information which does not identify numbers of accounts or customers, revenues, or expenses attributable to an individual communications service provider.

5. *a.* The program manager, in consultation with the E911 communications council and the auditor of state, shall establish a methodology for determining and collecting comprehensive public safety answering point cost and expense data through the county joint E911 service boards. The methodology shall include the collection of data for all costs and expenses related to the operation of a public safety answering point and account for the extent to which identified costs and expenses are compensated for or addressed through E911 surcharges versus other sources of funding.

*b.* Data collection pursuant to paragraph *"a"* shall commence no later than January 1, 2014, and shall be subject to an audit by the auditor of state beginning July 1, 2014. The

program manager shall prepare a report detailing the methodology developed and the data collected after such data has been collected for a two-year period. The report and the results of the initial audit shall be submitted to the general assembly by March 1, 2016. A new report regarding data collection and the results of an ongoing audit for each successive two-year period shall be submitted by March 1 every two years thereafter. Expenses associated with the audit shall be paid to the auditor of state by the program manager from the E911 emergency communications fund established in subsection 2.

*c.* A county joint E911 service board which fails to submit expenses and costs pursuant to the methodology developed pursuant to paragraph *"a"* by March 31 of each year shall be allocated sixty-five cents out of the one dollar emergency communications service surcharge until March 31 of the following year. Remaining funds shall be held in the carryover operating surplus fund until the expenses and cost report is submitted by the county joint E911 service board. If the county joint E911 service board submits the expense and cost report before March 30 of the following year, the set aside funds shall be provided to the county joint E911 service board. If the county joint E911 service board fails to submit the expense and cost report within one year, funds shall revert to the carryover operating surplus fund and be used in accordance with subsection 2, paragraph *"f"*.

98 Acts, ch 1101, §9, 16; 99 Acts, ch 96, §5; 2004 Acts, ch 1175, §453 – 455; 2005 Acts, ch 140, §2; 2007 Acts, ch 213, §21; 2009 Acts, ch 41, §263; 2009 Acts, ch 86, §4; 2012 Acts, ch 1111, §9; 2013 Acts, ch 29, §35, 36; 2013 Acts, ch 30, §13; 2013 Acts, ch 120, §5 – 8

Referred to in §34A.2, 34A.7B

Department of homeland security and emergency management to study efficiency of E911 emergency communication systems and report to general assembly by July 1, 2014; 2013 Acts, ch 120, §10

Department of homeland security and emergency management to study administration and expenditures of enhanced E911 emergency telephone communications systems and assessment of surcharges and report to general assembly by January 1, 2016; 2013 Acts, ch 120, §10

See Code editor's note on simple harmonization

Subsection 1, paragraphs a and b amended

Subsection 2, paragraph a amended

Subsection 2, NEW paragraph b and former paragraph b amended and redesignated as c

Subsection 2, former paragraphs c and d redesignated as d and e

Subsection 2, former paragraphs e and f amended and redesignated as f and g

NEW subsection 5

**34A.7B Prepaid wireless E911 surcharge.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Consumer"* means a person who purchases prepaid wireless telecommunications service in a retail transaction.

*b.* *"Department"* means the department of revenue.

*c.* *"Prepaid wireless E911 surcharge"* means the surcharge that is required to be collected by a seller from a consumer in the amount established under this section.

*d.* *"Provider"* means a person who provides prepaid wireless telecommunications service pursuant to a license issued by the federal communications commission.

*e.* *"Retail transaction"* means the purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale.

*f.* *"Seller"* means a person who sells prepaid wireless telecommunications service to another person.

2. There is imposed a prepaid wireless E911 surcharge of thirty-three cents on each retail transaction or, on or after the determination of an adjusted rate as determined pursuant to subsection 7, the adjusted rate.

3. The prepaid wireless E911 surcharge shall be collected by the seller from the consumer with respect to each retail transaction occurring in this state. The amount of the prepaid wireless E911 surcharge shall be either separately stated on an invoice, receipt, or other similar document that is provided to the consumer by the seller, or otherwise disclosed to the consumer.

4. For purposes of subsection 3, a retail transaction that is effected in person by a consumer at a business location of the seller shall be treated as occurring in this state if that business location is in this state, and any other retail transaction shall be treated as occurring in this state if the retail transaction is treated as occurring in this state for purposes of section 423.20 as that section applies to sourcing of a prepaid wireless calling service.

5. The prepaid wireless E911 surcharge is the liability of the consumer and not of the seller or of any provider, except that the seller shall be liable to remit all prepaid wireless E911 surcharges that the seller collects from consumers as provided in subsection 3, including all such surcharges that the seller is deemed to collect where the amount of the surcharge has not been separately stated on an invoice, receipt, or other similar document provided to the consumer by the seller.

6. The amount of the prepaid wireless E911 surcharge that is collected by a seller from a consumer, if such amount is separately stated on an invoice, receipt, or other similar document provided to the consumer by the seller, shall not be included in the base for measuring any tax, fee, other surcharge, or other charge that is imposed by this state, any political subdivision of this state, or any intergovernmental agency.

7. The prepaid wireless E911 surcharge shall be increased or reduced, as applicable, in an amount proportionate to any change to the surcharge imposed under section 34A.7A, subsection 1. The proportional increase or reduction shall be effective on the first day of the calendar month after the effective date of the change to the surcharge imposed under section 34A.7A, subsection 1. The department shall provide not less than thirty days' advance notice of such increase or reduction on the department's internet site.

8. If a minimal amount of prepaid wireless telecommunications service is sold with a prepaid wireless device for a single, nonitemized price, the seller may elect not to apply the prepaid wireless E911 surcharge to the retail transaction. For purposes of this subsection, an amount of service denominated as ten minutes or less, or five dollars or less, shall be regarded as a minimal amount of service.

9. Prepaid wireless E911 surcharges collected by sellers shall be remitted to the department at the times and in the manner provided by chapter 423 with respect to the sales and use tax. The department shall establish registration and payment procedures that substantially coincide with the registration and payment procedures that apply to sellers under chapter 423.

10. A seller may deduct and retain three percent of prepaid wireless E911 surcharges that are collected by the seller from consumers.

11. The audit, appeal, collection, and enforcement procedures and other pertinent provisions applicable to the sales and use tax imposed under chapter 423 shall apply to prepaid wireless E911 surcharges.

12. The department shall establish procedures by which a seller of prepaid wireless telecommunications service may document that a sale is not a retail transaction, which procedures shall substantially coincide with the procedures for documenting sale for resale transactions under chapter 423.

13. The department shall transfer all remitted prepaid wireless E911 surcharges to the treasurer of state for deposit in the E911 emergency communications fund created under section 34A.7A, subsection 2, within thirty days of receipt after deducting an amount, not to exceed two percent of collected surcharges, that shall be retained by the department to reimburse its direct costs of administering the collection and remittance of prepaid wireless E911 surcharges.

14. The limitation of actions provisions under section 34A.7, subsection 6, shall apply to providers and sellers of prepaid wireless telecommunications service. In addition, a provider or seller of prepaid wireless telecommunications service shall not be liable for damages to any person resulting from or incurred in connection with the provision of any lawful assistance to any investigative or law enforcement officer of the United States, this or any other state, or any political subdivision of this or any other state, in connection with any lawful investigation or other law enforcement activity by such investigative or law enforcement officer.

15. The prepaid wireless E911 surcharge imposed pursuant to this section shall be the only E911 funding obligation imposed with respect to prepaid wireless telecommunications service in this state, and no tax, fee, surcharge, or other charge shall be imposed by this state, any political subdivision of this state, or any intergovernmental agency, for E911 funding

purposes, upon any provider, seller, or consumer with respect to the sale, purchase, use, or provision of prepaid wireless telecommunications service.

2012 Acts, ch 1111, §10, 13, 14; 2013 Acts, ch 70, §16, 27, 28

Referred to in §34A.7A

Section takes effect January 1, 2013, and applies to retail sales of prepaid wireless telecommunications service on or after that date; 2012 Acts, ch 1111, §13, 14

2013 amendment to subsection 11 takes effect April 24, 2013, and applies retroactively to January 1, 2013; 2013 Acts, ch 70, § 27, 28

Subsection 11 amended

**34A.8 Local exchange service information — penalty.**

1. A local exchange service provider shall furnish to the E911 service provider, designated by the joint E911 service board, all names, addresses, and telephone number information concerning its subscribers which will be served by the E911 system and shall periodically update the local exchange service information. The local exchange service provider shall receive as compensation for the provision of local exchange service information charges according to its tariffs on file with and approved by the Iowa utilities board. The tariff charges shall be the same whether or not the local exchange service provider is designated as the E911 service provider by the joint E911 service board.

2. *a.* Subscriber information remains the property of the local exchange service provider.

*b.* The program manager, joint E911 service board, the designated E911 service provider, and the public safety answering point, their agents, employees, and assigns shall use local exchange service information provided by the local exchange service provider solely for the purposes of providing E911 emergency telephone service or providing related 911 call alert services utilizing only the subscriber's information to a subscriber who consents to the provision of such services, and it shall otherwise be kept confidential. A person who violates this section is guilty of a simple misdemeanor.

*c.* This chapter does not require a local exchange service provider to sell or provide its subscriber names, addresses, or telephone number information to any person other than the E911 service provider designated by the joint E911 service board.

88 Acts, ch 1177, §8

C89, §477B.8

C93, §34A.8

2004 Acts, ch 1175, §456; 2008 Acts, ch 1032, §201; 2009 Acts, ch 32, §1

Referred to in §34A.7

**34A.9 Telecommunications devices for the speech and hearing-impaired.**

Each public safety answering point shall provide for the installation and use of telecommunications devices for the speech and hearing-impaired.

89 Acts, ch 157, §1

CS89, §477B.9

C93, §34A.9

2004 Acts, ch 1175, §457

**34A.10 E911 selective router.**

On and after July 1, 2004, only the program manager shall approve access to the E911 selective router.

2004 Acts, ch 1175, §458

**34A.11 Communications — single point-of-contact.**

1. The joint E911 service board in each enhanced 911 service area shall designate a person to serve as a single point-of-contact to facilitate the communication of needs, issues, or concerns regarding emergency communications, interoperability, and other matters applicable to emergency E911 communications and migration to an internet protocol-enabled next generation network. The person designated as the single point-of-contact shall be responsible for facilitating the communication of such needs, issues, or concerns between public or private safety agencies within the service area, the E911 program manager, the E911 communications council, the statewide interoperable communications system board established in section 80.28, and any other person, entity, or agency the person deems

necessary or appropriate. The person designated shall also be responsible for responding to surveys or requests for information applicable to the service area received from a federal, state, or local agency, entity, or board.

2. In the event a joint E911 service board fails to designate a single point-of-contact by November 1, 2013, the chairperson of the joint E911 service board shall serve in that capacity. The E911 service board shall submit the name and contact information for the person designated as the single point-of-contact to the E911 program manager by January 1 annually.

3. The provisions of this section shall be equally applicable to an alternative legal entity created pursuant to chapter 28E if such an entity is established as an alternative to a joint E911 service board as provided in section 34A.3. If such an entity is established, the governing body of that entity shall designate the single point-of-contact for the entity, and the chairperson or representative official of the governing body shall serve in the event a single point-of-contact is not designated.

2013 Acts, ch 129, §59
NEW section

**34A.12 through 34A.14** Reserved.

**34A.15 E911 communications council established — duties.**

1. An E911 communications council is established. The council consists of the following thirteen members:

*a.* One person appointed by the commissioner of public safety.

*b.* One person appointed by the Iowa state sheriffs' and deputies' association.

*c.* One person appointed by the Iowa peace officers association.

*d.* One person appointed by the Iowa emergency medical services association.

*e.* One person appointed by the Iowa professional fire fighters.

*f.* One person appointed by the Iowa firefighters association.

*g.* One person appointed by the Iowa chapter of the national emergency number association.

*h.* One person appointed by the Iowa chapter of the association of public-safety communications officials—international, inc.

*i.* One person appointed by the Iowa emergency management directors association.

*j.* Two persons appointed by the Iowa telephone association, with one person appointed to represent telephone companies having fifteen thousand or more customers and one person appointed to represent telephone companies having less than fifteen thousand customers.

*k.* Two persons appointed by the Iowa wireless industry. One appointee shall represent cellular companies and the other appointee shall represent personal communications services companies.

2. The auditor of state or the auditor of state's designee shall serve as an ex officio nonvoting member.

3. The council shall advise and make recommendations to the director and program manager regarding the implementation of this chapter. Such advice and recommendations shall be provided on issues at the request of the director or program manager or as deemed necessary by the council.

4. A member of the council shall be reimbursed for actual and necessary expenses incurred in the performance of the member's duties, if such member is not otherwise reimbursed for such expenses.

5. The authority of the council is limited to the issues specifically identified in this section and does not preempt the authority of the utilities board, created in section 474.1, to act on issues within the jurisdiction of the utilities board.

96 Acts, ch 1219, §64; 98 Acts, ch 1101, §10 – 13, 16; 2004 Acts, ch 1175, §459, 460; 2011 Acts, ch 25, §9; 2012 Acts, ch 1023, §9; 2012 Acts, ch 1111, §11; 2013 Acts, ch 29, §37
Subsection 3 amended

**34A.16 through 34A.19** Reserved.

## SUBCHAPTER II

## E911 PROGRAM FINANCING

Referred to in §16.161

**34A.20 E911 financing program — definitions — funding — bonds and notes.**

1. As used in this subchapter, unless the context otherwise requires, "*authority*" means the Iowa finance authority.

2. The authority shall cooperate with the director in the creation, administration, and funding of the E911 program established in subchapter I.

3. The authority may issue its bonds and notes for the purpose of funding E911 nonrecurring and recurring costs of one or more E911 service areas.

4. The authority may issue its bonds and notes for the purposes of this chapter and may enter into one or more lending agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders or a trustee agent designated by the authority may enter into agreements to provide for any of the following:

*a.* That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the authority or by a trustee or agent designated by the authority.

*b.* That the bondholders or noteholders or a trustee or agent designated by the authority may collect, invest, and apply the amount payable under the loan agreements or any other instruments securing the debt obligations under the loan agreements.

*c.* That the bondholders or noteholders may enforce the remedies provided in the loan agreements or other instruments on their own behalf without the appointment or designation of a trustee. If there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the loan agreements or other instruments, the payment or performance may be enforced in accordance with the loan agreement or other instrument.

*d.* Other terms and conditions as deemed necessary or appropriate by the authority.

5. The powers granted the authority under this section are in addition to other powers contained in chapter 16. All other provisions of chapter 16, except section 16.28, subsection 4, apply to bonds or notes issued and powers granted to the authority under this section, except to the extent they are inconsistent with this section.

6. All bonds or notes issued by the authority in connection with the program are exempt from taxation by this state and the interest on the bonds or notes is exempt from state income tax, both personal and corporate.

90 Acts, ch 1144, §6
C91, §477B.20
C93, §34A.20
98 Acts, ch 1101, §14, 16; 2013 Acts, ch 29, §38
Referred to in §16.161, 34A.7, 34A.21, 422.7
Subsection 2 amended

**34A.21 Security — reserve funds — pledges — nonliability — irrevocable contracts.**

1. The authority may provide in the resolution, trust agreement, or other instrument authorizing the issuance of its bonds or notes pursuant to section 34A.20 that the principal of, premium, and interest on the bonds or notes are payable from any of the following and may pledge the same to its bonds and notes:

*a.* The income and receipts or other moneys derived from the projects financed with the proceeds of the bonds or notes.

*b.* The income and receipts or other money derived from designated projects whether or not the projects are financed in whole or in part with the proceeds of the bonds or notes.

*c.* The amounts on deposit in the E911 service fund of a joint E911 service board, including, but not limited to revenues from a local option E911 service surcharge.

*d.* The amounts payable to the authority by jurisdictions within service areas pursuant to loan agreements with service areas.

*e.* Any other funds or accounts established by the authority in connection with the program or the sale and issuance of its bonds or notes.

2. The authority may establish reserve funds to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under this subsection, the proceeds of the sale of its bonds or notes and other money which is made available from any other source.

3. A pledge made in respect of bonds or notes is valid and binding from the time the pledge is made. The money or property so pledged and received after the pledge by the authority is immediately subject to the lien of the pledge without physical delivery or further act. The lien of the pledge is valid and binding as against all persons having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, or any other instrument by which a pledge is created needs to be recorded, filed, or perfected under chapter 554, to be valid, binding, or effective against all persons.

4. The members of the authority or persons executing the bonds or notes are not personally liable on the bonds or notes and are not subject to personal liability or accountability by reason of the issuance of the bonds or notes.

5. The state pledges to and agrees with the holders of bonds or notes issued under this subchapter that the state will not limit or alter the rights and powers vested in the authority to fulfill the terms of a contract made by the authority with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds or notes, together with the interest on them including interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, as it refers to holders of bonds or notes of the authority, in a contract with the holders.

90 Acts, ch 1144, §7
C91, §477B.21
C93, §34A.21
Referred to in §16.161, 34A.7

**34A.22 Rules.**

The authority shall adopt rules pursuant to chapter 17A to implement this subchapter.

90 Acts, ch 1144, §8
C91, §477B.22
C93, §34A.22
Referred to in §16.161, 34A.7

# SUBTITLE 13

## VETERANS

# CHAPTER 35

## VETERANS AFFAIRS

35.1 Definitions.
35.2 Proof of veteran status for certain veterans.
35.3 through 35.5 Repealed by 80 Acts, ch 1020, §3.
35.6 Contract with United States department of veterans affairs.
35.7 Repealed by 99 Acts, ch 180, §21.
35.8 through 35.12 Repealed by 2012 Acts, ch 1059, §13.

**35.1 Definitions.**

As used in this chapter and chapters 35A through 35D:

1. *"Department"* means the Iowa department of veterans affairs created in section 35A.4.

2. *"Veteran"* means any of the following:

*a.* A resident of this state who served in the armed forces of the United States at any time during the following dates and who was discharged under honorable conditions:

(1) World War I from April 6, 1917, through November 11, 1918.

(2) Occupation of Germany from November 12, 1918, through July 11, 1923.

(3) American expeditionary forces in Siberia from November 12, 1918, through April 30, 1920.

(4) Second Haitian suppression of insurrections from 1919 through 1920.

(5) Second Nicaragua campaign with marines or navy in Nicaragua or on combatant ships from 1926 through 1933.

(6) Yangtze service with navy and marines in Shanghai or in the Yangtze valley from 1926 through 1927 and 1930 through 1932.

(7) China service with navy and marines from 1937 through 1939.

(8) World War II from December 7, 1941, through December 31, 1946.

(9) Korean Conflict from June 25, 1950, through January 31, 1955.

(10) Vietnam Conflict from February 28, 1961, through May 7, 1975.

(11) Lebanon or Grenada service from August 24, 1982, through July 31, 1984.

(12) Panama service from December 20, 1989, through January 31, 1990.

(13) Persian Gulf Conflict from August 2, 1990, through the date the president or the Congress of the United States declares a cessation of hostilities. However, if the United States Congress enacts a date different from August 2, 1990, as the beginning of the Persian Gulf Conflict for purposes of determining whether a veteran is entitled to receive military benefits as a veteran of the Persian Gulf Conflict, that date shall be substituted for August 2, 1990.

*b.* (1) Former members of the reserve forces of the United States who served at least twenty years in the reserve forces and who were discharged under honorable conditions. However, a member of the reserve forces of the United States who completed a minimum aggregate of ninety days of federal active duty, other than training, and was discharged under honorable conditions, or was retired under Tit. 10 of the United States Code shall be included as a veteran.

(2) Former members of the Iowa national guard who served at least twenty years in the Iowa national guard and who were discharged under honorable conditions. However, a member of the Iowa national guard who was activated for federal duty, other than training, for a minimum aggregate of ninety days, and was discharged under honorable conditions or was retired under Tit. 10 of the United States Code shall be included as a veteran.

(3) Former members of the active, oceangoing merchant marines who served during World War II at any time between December 7, 1941, and December 31, 1946, both dates inclusive, who were discharged under honorable conditions.

(4) Former members of the women's air force service pilots and other persons who

have been conferred veterans status based on their civilian duties during World War II in accordance with federal Pub. L. No. 95-202, 38 U.S.C. § 106.

(5) Former members of the armed forces of the United States if any portion of their term of enlistment would have occurred during the time period of the Korean Conflict from June 25, 1950, through January 31, 1955, but who instead opted to serve five years in the reserve forces of the United States, as allowed by federal law, and who were discharged under honorable conditions.

(6) Members of the reserve forces of the United States who have served at least twenty years in the reserve forces and who continue to serve in the reserve forces.

(7) Members of the Iowa national guard who have served at least twenty years in the Iowa national guard and who continue to serve in the Iowa national guard.

*c.* A resident of this state who served on federal active duty, other than training, in the armed forces of the United States and who was discharged under honorable conditions.

99 Acts, ch 180, §2; 2003 Acts, ch 142, §4, 11; 2005 Acts, ch 115, §2 – 4, 40; 2009 Acts, ch 164, §1, 7; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1072, §26, 27

Referred to in §8A.413, 35.2, 35B.3, 35B.13, 35B.14, 35B.16, 35C.1, 37.10, 91A.5A, 175.2, 282.6, 331.608, 400.10, 426A.11, 426A.12, 426A.13, 514C.27, 523I.304, 546B.1

**35.2 Proof of veteran status for certain veterans.**

In order to fulfill any eligibility requirements under Iowa law pertaining to veteran status, a veteran described in section 35.1, subsection 2, paragraph "*b*", subparagraph (6) or (7), shall submit the veteran's retirement points accounting statement issued by the armed forces of the United States, the state adjutant general, or the adjutant general of any other state, to confirm that the person has completed twenty years of service with the reserve forces or the national guard.

2005 Acts, ch 115, §5, 40

Referred to in §426A.13

**35.3 through 35.5** Repealed by 80 Acts, ch 1020, § 3.

**35.6 Contract with United States department of veterans affairs.**

A state agency or a political subdivision of this state operating a hospital or medical facility may contract with the United States department of veterans affairs to receive and to provide medical services to patients who are the responsibility of a United States department of veterans affairs hospital or medical facility in the same jurisdiction or medical service area.

88 Acts, ch 1011, §1; 2009 Acts, ch 26, §2

**35.7** Repealed by 99 Acts, ch 180, § 21.

**35.8 through 35.12** Repealed by 2012 Acts, ch 1059, § 13. See § 35A.5(5) and 35A.13(7).

# CHAPTER 35A

## DEPARTMENT OF VETERANS AFFAIRS

Referred to in §35.1


35A.1 Definitions.
35A.2 Commission of veterans affairs.
35A.3 Duties of the commission.
35A.4 Department established.
35A.5 Duties of the department.
35A.6 and 35A.7 Repealed by 92 Acts, ch 1140, §38.
35A.8 Executive director — term — duties.
35A.8A Vietnam Conflict veterans bonus — limited residency requirement — appropriation. Repealed by its own terms; 2008 Acts, ch 1131, §1.
35A.9 Expenses and compensation. Repealed by 2012 Acts, ch 1059, §14.
35A.10 Multiyear construction program — construction, repair, and improvement projects.
35A.11 Veterans license fee fund.
35A.12 Military honor guard services.
35A.13 Veterans trust fund.
35A.14 Injured veterans grant program.
35A.15 Home ownership assistance program. Repealed by 2008 Acts, ch 1120, §2.
35A.16 County commissions of veteran affairs fund — appropriation.
35A.17 County commission of veteran affairs training program.
35A.18 Presentation of flags.
35A.19 through 35A.22 Repealed by 2013 Acts, ch 91, §4.


**35A.1 Definitions.**

1. *"Commandant"* means the commandant of the Iowa veterans home appointed in section 35D.13.

2. *"Commission"* means the commission of veterans affairs established in section 35A.2.

3. *"Commissioner"* means a member of the commission of veterans affairs.

4. *"Department"* means the Iowa department of veterans affairs established in section 35A.4.

5. *"Director"* means the executive director appointed pursuant to section 35A.8.

[C79, 81, §35A.1]

86 Acts, ch 1245, §1704; 92 Acts, ch 1140, §7; 2000 Acts, ch 1058, §7; 2005 Acts, ch 115, §9, 40

**35A.2 Commission of veterans affairs.**

1. A commission of veterans affairs is created consisting of nine persons who shall be appointed by the governor, subject to confirmation by the senate. Members shall be appointed to staggered terms of four years beginning and ending as provided in section 69.19. The governor shall fill a vacancy for the unexpired portion of the term. In addition to the members appointed by the governor, the director of the department and the commandant of the Iowa veterans home shall serve as nonvoting, ex officio members of the commission.

2. Eight commissioners shall be honorably discharged members of the armed forces of the United States. The American legion of Iowa, disabled American veterans department of Iowa, veterans of foreign wars department of Iowa, American veterans of World War II, Korea, and Vietnam, the Vietnam veterans of America, and the military order of the purple heart, through their department commanders, shall submit two names respectively from their organizations to the governor. The adjutant general and the Iowa affiliate of the reserve officers association shall submit names to the governor of persons to represent the Iowa national guard and the association. The governor shall appoint from the group of names submitted by the adjutant general and reserve officers association two representatives and from each of the other organizations one representative to serve as a member of the commission, unless the appointments would conflict with the bipartisan and gender balance provisions of sections 69.16 and 69.16A. In addition, the governor shall appoint one member of the public, knowledgeable in the general field of veterans affairs, to serve on the commission.

3. *a.* The commissioners are entitled to receive reimbursement for actual expenses

incurred while engaged in the performance of official duties. Each member of the commission may also be eligible to receive compensation as provided in section 7E.6.

*b.* The executive director, commandant, and employees of the department and the Iowa veterans home are entitled to receive, in addition to salary, reimbursement for actual expenses incurred while engaged in the performance of official duties.

*c.* All out-of-state travel by commissioners shall be approved by the chairperson of the commission.

[C31, §446-c1; C35, §467-f42; C39, §**467.44;** C46, 50, §29.44; C54, 58, 62, §29.12; C66, 71, 73, 75, 77, §29A.12; C79, 81, §35A.2; 81 Acts, ch 33, §1]

86 Acts, ch 1245, §1705, 1706; 92 Acts, ch 1140, §8; 95 Acts, ch 67, §6; 95 Acts, ch 161, §1, 2; 2004 Acts, ch 1175, §222, 287; 2007 Acts, ch 202, §2; 2012 Acts, ch 1059, §1

Referred to in §7E.5, 35A.1, 35A.12, 35D.1, 35D.14

Confirmation, see §2.32

**35A.3 Duties of the commission.**

The commission shall do all of the following:

1. Organize and annually select a chairperson.

2. Review and approve, prior to adoption, all proposed rules submitted by the department concerning the management and operation of the department and programs administered by the department.

3. *a.* Advise and make recommendations to the department, the general assembly, and the governor concerning issues involving and impacting veterans in this state.

*b.* Advise and make recommendations to the general assembly and the governor concerning the management and operation of the department.

4. Supervise the commandant's administration of commission policy for the operations and conduct of the Iowa veterans home.

5. Conduct an equal number of meetings at Camp Dodge and the Iowa veterans home. The agenda for each meeting shall include a reasonable time period for public comment.

6. Provide guidance and make recommendations to the department during an annual review of the department's proposed budget and provide guidance and make recommendations for budget changes that occur during the fiscal year.

7. Consult with the department regarding certification training for executive directors and administrators of county commissions of veteran affairs pursuant to section 35B.6.

[C39, §**482.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §35.1; C79, 81, §35A.3]

86 Acts, ch 1245, §1707; 92 Acts, ch 1140, §9; 94 Acts, ch 1107, §3; 95 Acts, ch 161, §3; 2004 Acts, ch 1175, §223; 2005 Acts, ch 115, §10, 11, 40; 2007 Acts, ch 202, §3; 2011 Acts, ch 74, §1, 2

Referred to in §35A.5

**35A.4 Department established.**

There is established an Iowa department of veterans affairs which shall consist of a commission, an executive director, and any additional personnel as employed by the executive director.

2005 Acts, ch 115, §12, 40

Referred to in §35.1, 35A.1, 36.1

**35A.5 Duties of the department.**

The department shall do all of the following:

1. Maintain and disseminate information to veterans and the public regarding facilities, benefits, and services available to veterans and their families and assist veterans and their families in obtaining such benefits and services.

2. Maintain information and data concerning the military service records of Iowa veterans.

3. Assist county veteran affairs commissions established pursuant to chapter 35B. The department shall provide to county commissions suggested uniform benefits and administrative procedures for carrying out the functions and duties of the county commissions.

4. Permanently maintain the records including certified records of bonus applications for awards paid.

5. *a.* Coordinate with United States department of veterans affairs hospitals, health care facilities, and clinics in this state and the department of public health to provide assistance to veterans and their families to reduce the incidence of alcohol and chemical dependency and suicide among veterans and to make mental health counseling available to veterans.

*b.* The assistance program shall include but not be limited to the following:

(1) Public education and awareness programs for veterans, health care professionals, and the public, relative to the needs of veterans.

(2) Referral services to identify appropriate counseling and treatment programs for veterans in need of services.

*c.* Any assistance program established pursuant to this subsection shall be implemented in a manner that does not duplicate other services readily available to veterans.

6. Conduct one service school each year for county commissioners and one service school for executive directors and administrators. The service school for executive directors and administrators shall provide at least sixteen continuing education units.

7. Assist the United States department of veterans affairs, the Iowa veterans home, funeral directors, and federally chartered veterans service organizations in providing information concerning veterans service records and veterans affairs data.

8. Maintain alphabetically a permanent registry of the graves of all persons who served in the military or naval forces of the United States in time of war and whose mortal remains rest in Iowa.

9. After consultation with the commission, provide certification training to executive directors and administrators of county commissions of veteran affairs pursuant to section 35B.6. Training provided under this subsection shall include accreditation by the national association of county veteran service officers. Training provided by the department shall be certified by the national association of county veteran service officers and, in addition, shall ensure that each executive director and administrator is proficient in the use of electronic mail, general computer use, and use of the internet to access information regarding facilities, benefits, and services available to veterans and their families. The department may adopt rules in accordance with chapter 17A to provide for training of county veteran affairs executive directors and administrators.

10. Establish and operate a state veterans cemetery and make application to the government of the United States or any subdivision, agency, or instrumentality thereof, for funds for the purpose of establishing such a cemetery.

*a.* The department may enter into agreements with any subdivision of the state for assistance in operating the cemetery.

*b.* The state shall own the land on which the cemetery is located.

*c.* The department shall have the authority to accept federal grant funds, funding from state subdivisions, donations from private sources, and federal "plot allowance" payments.

*d.* The department through the director shall have the authority to accept suitable cemetery land, in accordance with federal veterans cemetery grant guidelines, from the federal government, state government, state subdivisions, private sources, and any other source wishing to transfer land for use as a veterans cemetery.

*e.* The department may lease or use property received pursuant to this subsection for any purpose so long as such leasing or use does not interfere with the use of the property for cemetery purposes and is not contrary to federal or state guidelines.

*f.* All funds received pursuant to this subsection, including lease payments or funds generated from any activity engaged in on any property accepted pursuant to this subsection, shall be deposited into an account dedicated to the establishment, operation, and maintenance of a veterans cemetery and these funds shall be expended only for those purposes.

*g.* Notwithstanding section 8.33, any moneys in the account for a state veterans cemetery shall not revert and, notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the account.

11. Authorize the sale, trade, or transfer of veterans commemorative property pursuant to chapter 37A.

12. Adopt rules pursuant to chapter 17A and establish policy for the management and operation of the department. Prior to adopting rules, the department shall submit proposed rules to the commission for review and approval pursuant to the requirements of section 35A.3.

13. Provide information requested by the commission concerning the management and operation of the department and the programs administered by the department.

14. Annually, by August 31, prepare and submit a report to the governor and the general assembly relating to county commissions of veteran affairs. Copies of the report shall also be provided to each county board of supervisors and to each county commission of veteran affairs by electronic means. Pursuant to section 35B.11, the department may request any information necessary to prepare the report from each county commission of veteran affairs. The report shall include all of the following:

*a.* Information related to compliance with the training requirements under section 35B.6 during the previous calendar year.

*b.* The weekly operating schedule of each county commission of veteran affairs office maintained under section 35B.6.

*c.* The number of hours of veterans' services provided by each county commission of veteran affairs executive director or administrator during the previous calendar year.

*d.* Population of each county, including the number of veterans residing in each county.

*e.* The total amount of compensation, disability benefits, or pensions received by the residents of each county under laws administered by the United States department of veterans affairs.

*f.* An analysis of the information contained in paragraphs *"a"* through *"e"*, including an analysis of such information for previous years.

15. Upon receipt of certificate of release or discharge from active duty, create a roster of information that includes the name of the military member, the member's address of record, and the member's county of residence listed on the certificate. The department shall, within thirty days of receipt of the certificate of release or discharge from active duty, provide a copy of the roster to the county commission of veteran affairs in each county listed on the roster.

16. In coordination with the department of public defense, advise service members prior to, and after returning from, deployment on active duty service outside the United States of issues related to the filing of tax returns and the payment of taxes due and encourage a service member who has not filed a return or who owes taxes to contact the department of revenue prior to deployment.

17. Carry out the policies of the department.

2005 Acts, ch 115, §13, 40; 2006 Acts, ch 1107, §1; 2006 Acts, ch 1185, §65; 2007 Acts, ch 202, §4, 5; 2008 Acts, ch 1031, §20; 2008 Acts, ch 1130, §1, 10; 2009 Acts, ch 26, §4; 2009 Acts, ch 122, §1; 2010 Acts, ch 1102, §1; 2011 Acts, ch 45, §1; 2011 Acts, ch 74, §3; 2012 Acts, ch 1059, §2 – 4; 2013 Acts, ch 29, §39

Referred to in §35A.17, 35B.6

Subsection 16 amended

**35A.6 and 35A.7** Repealed by 92 Acts, ch 1140, § 38.

**35A.8 Executive director — term — duties.**

1. The governor shall appoint an executive director, subject to confirmation by the senate, who shall serve at the pleasure of the governor. The executive director is responsible for administering the duties of the department and the commission other than those related to the Iowa veterans home.

2. The executive director shall be a resident of the state of Iowa and an honorably discharged veteran who served in the armed forces of the United States during a conflict or war. As used in this section, the dates of service in a conflict or war shall coincide with the dates of service established by the Congress of the United States.

3. Except for the employment duties and responsibilities assigned to the commandant for

the Iowa veterans home, the executive director shall employ such personnel as are necessary for the performance of the duties and responsibilities assigned to the department and the commission. All employees shall be selected on a basis of fitness for the work to be performed with due regard to training and experience and shall be subject to the provisions of chapter 8A, subchapter IV.

[C79, 81, §35A.8]

86 Acts, ch 1245, §1710; 92 Acts, ch 1140, §10; 92 Acts, ch 1247, §28; 99 Acts, ch 180, §5; 2000 Acts, ch 1218, §1; 2003 Acts, ch 145, §148; 2005 Acts, ch 115, §14, 40; 2007 Acts, ch 176, §1, 3; 2007 Acts, ch 202, §6; 2008 Acts, ch 1031, §21; 2008 Acts, ch 1191, §35, 36, 106; 2012 Acts, ch 1059, §5

Referred to in §35A.1

Confirmation, see §2.32

**35A.8A Vietnam Conflict veterans bonus — limited residency requirement — appropriation.** Repealed by its own terms; 2008 Acts, ch 1131, §1.

**35A.9 Expenses and compensation.** Repealed by 2012 Acts, ch 1059, § 14. See § 35A.2(3).

**35A.10 Multiyear construction program — construction, repair, and improvement projects.**

1. The commission shall work with the department of administrative services to prepare and submit to the director of the department of management, as provided in section 8.23, a multiyear construction program including estimates of the expenditure requirements for the construction, repair, or improvement of buildings, grounds, or equipment at the commission of veterans affairs building at Camp Dodge and the Iowa veterans home in Marshalltown.

2. The commandant and the commission shall have plans and specifications prepared by the department of administrative services for authorized construction, repair, or improvement projects in excess of the competitive bid threshold in section 26.3, or as established in section 314.1B. An appropriation for a project shall not be expended until the department of administrative services has adopted plans and specifications and has completed a detailed estimate of the cost of the project, prepared under the supervision of a registered architect or licensed professional engineer.

3. The director of the department of administrative services shall, in writing, let all contracts for authorized improvements in excess of the competitive bid threshold in section 26.3, or as established in section 314.1B in accordance with chapter 8A, subchapter III, and chapter 26. The director of the department of administrative services shall not authorize payment for construction purposes until satisfactory proof has been furnished by the proper officer or supervising architect that the parties have complied with the contract.

96 Acts, ch 1218, §29; 2003 Acts, ch 145, §149; 2006 Acts, ch 1017, §18, 42, 43; 2007 Acts, ch 126, §14

**35A.11 Veterans license fee fund.**

A veterans license fee fund is created in the state treasury under the control of the commission. Notwithstanding section 12C.7, interest or earnings on moneys in the veterans license fee fund shall be credited to the veterans license fee fund. Moneys in the fund are appropriated to the commission to be used to fulfill the responsibilities of the commission. The fund shall include the fees credited by the treasurer of state from the sale of the following special motor vehicle registration plates:

1. Veteran special plates issued pursuant to section 321.34, subsection 13, paragraph "*d*".
2. National guard special plates issued pursuant to section 321.34, subsection 16.
3. Pearl Harbor special plates issued pursuant to section 321.34, subsection 17.
4. Purple heart special plates issued pursuant to section 321.34, subsection 18.
5. United States armed forces retired special plates issued pursuant to section 321.34, subsection 19.
6. Silver star and bronze star special plates issued pursuant to section 321.34, subsection 20.

7. Distinguished service cross, navy cross, and air force cross special plates issued pursuant to section 321.34, subsection 20A.

8. Soldier's medal, navy and marine corps medal, and airman's medal special plates issued pursuant to section 321.34, subsection 20B.

9. Combat infantryman badge, combat action badge, combat action ribbon, air force combat action medal, and combat medical badge plates issued pursuant to section 321.34, subsection 20C.

10. Gold star special plates issued pursuant to section 321.34, subsection 24.

99 Acts, ch 201, §8; 2007 Acts, ch 178, §1, 3; 2007 Acts, ch 184, §1, 7; 2011 Acts, ch 114, §1
Referred to in §321.34

**35A.12 Military honor guard services.**

An honor guard unit made up of members of a recognized military veterans organization as listed in section 35A.2 or 37.2, the Iowa national guard, the reserve forces of the United States, the United States coast guard auxiliary, or a reserve officers training corps shall be allowed to perform any honor guard service on public property.

2001 Acts, ch 96, §1; 2002 Acts, ch 1037, §1; 2010 Acts, ch 1173, §1

**35A.13 Veterans trust fund.**

1. A veterans trust fund is created in the state treasury under the control of the commission.

2. The trust fund shall consist of all of the following:

*a.* Moneys in the form of a devise, gift, bequest, donation, federal or other grant, reimbursement, repayment, judgment, transfer, payment, or appropriation from any source intended to be used for the purposes of the trust fund.

*b.* Moneys credited to the fund pursuant to an income tax checkoff provided in chapter 422, division II, if applicable.

*c.* Interest attributable to investment of moneys in the fund or an account of the trust fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the trust fund shall be credited to the trust fund.

3. Moneys credited to the trust fund shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except as provided in this section. Moneys in the trust fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the trust fund by the end of that fiscal year. Moneys in the trust fund may also be used for cemetery grant development purposes provided that any moneys so allocated are returned to the trust fund upon receipt of federal funds received for such purposes.

4. *a.* The minimum balance of the trust fund required prior to expenditure of moneys from the trust fund is five million dollars. Once the minimum balance is reached, the interest and earnings on the fund and the first three hundred thousand dollars transferred each fiscal year pursuant to section 99G.9A from the lottery fund to the trust fund are appropriated to the commission to be used to achieve the purposes of subsection 6 of this section. Moneys appropriated to the commission that remain unobligated or unexpended at the end of each fiscal year shall revert to the trust fund. It is the intent of the general assembly that the balance in the trust fund reach fifty million dollars.

*b.* Notwithstanding paragraph "*a*", moneys credited to the war orphans educational assistance account shall be expended as provided in subsection 7.

5. It is the intent of the general assembly that beginning with the fiscal year beginning July 1, 2008, appropriations be made annually to the veterans trust fund. Prior to any additional appropriations to this fund, the department shall provide the general assembly with information identifying immediate and long-term veteran services throughout the state and a plan for delivering those services.

6. Moneys appropriated to the commission under this section shall not be used to supplant funding provided by other sources. The moneys may be expended upon a majority vote of the commission membership for the benefit of veterans and the spouses and dependents of veterans, for any of the following purposes:

*a.* Travel expenses for wounded veterans, and their spouses, directly related to follow-up medical care.

*b.* Job training or college tuition assistance for job retraining.

*c.* Unemployment assistance during a period of unemployment due to prolonged physical or mental illness or disability resulting from military service.

*d.* Expenses related to the purchase of durable medical equipment or services to allow veterans to remain in their homes.

*e.* Expenses related to hearing care, dental care, vision care, or prescription drugs.

*f.* Individual counseling or family counseling programs.

*g.* Family support group programs or programs for children of members of the military.

*h.* Honor guard services.

*i.* Expenses related to ambulance and emergency room services for veterans who are trauma patients.

*j.* Emergency expenses related to vehicle repair, housing repair, or temporary housing assistance.

*k.* Expenses related to establishing whether a minor child is a dependent of a deceased veteran.

*l.* Matching funds to veterans organizations to provide for accredited veteran service officers. However, moneys expended for this purpose in a fiscal year shall not exceed the lesser of one hundred fifty thousand dollars or twenty percent of the moneys appropriated to the commission from interest and earnings on the fund in that fiscal year.

*m.* Expenses related to initial screening for any military service-connected traumatic brain injury sustained while on federal active duty, state active duty, or national guard duty, as defined in section 29A.1, or sustained while on federal reserve duty pursuant to orders issued under Tit. 10 of the United States Code for which payment or reimbursement is not otherwise available through any other federal or state program or, if applicable, through a veteran's private insurance or managed care organization. A veteran seeking moneys for expenses pursuant to this paragraph *"m"* shall not be subject to an income limit.

7. *a.* A war orphans educational assistance account shall be created as a separate account in the veterans trust fund and moneys in the account shall not be commingled with any other moneys within the fund. Moneys credited to the war orphans educational assistance account shall only be expended for the purposes of assisting in the education of orphaned children of veterans as provided in this subsection. Interest or earnings on moneys deposited in the account shall be credited to the account.

*b.* (1) The commission may provide educational assistance funds to any child who has lived in the state of Iowa for two years preceding application for state educational assistance, and who is the child of a person who died prior to September 11, 2001, during active federal military service while serving in the armed forces or during active federal military service in the Iowa national guard or other military component of the United States, to defray the expenses of tuition, matriculation, laboratory and similar fees, books and supplies, board, lodging, and any other reasonably necessary expense for the child or children incident to attendance in this state at an educational or training institution of college grade, or in a business or vocational training school with standards approved by the department. The commission shall not expend more than six hundred dollars per year for educational assistance for any one child under this paragraph *"b"*.

(2) A child eligible to receive funds under this subsection shall not receive more than three thousand dollars under this paragraph *"b"* during the child's lifetime.

*c.* (1) Upon application by a child who is less than thirty-one years of age, and who is the child of a person who died on or after September 11, 2001, during active federal military service while serving in the armed forces or during active federal military service in the Iowa national guard or other military component of the United States, and who at the time of entering into active military service had maintained the person's residence in the state for a period of at least six months immediately before entering into active military service, the commission shall provide state educational assistance in an amount of no more than the highest resident undergraduate tuition rate established per year for an institution of higher learning under the control of the state board of regents less the amount of any state and

federal education benefits, grants, or scholarships received by the child, or the amount of the child's established financial need, whichever is less, to defray the expenses of tuition at any postsecondary educational institution in this state.

(2) A child eligible to receive state educational assistance under this paragraph "*c*" shall begin postsecondary education prior to reaching age twenty-six, shall not receive more than an amount equal to five times the highest resident undergraduate tuition rate established per year for an institution of higher learning under the control of the state board of regents during the child's lifetime, and shall, to remain eligible for assistance, meet the academic progress standards of the postsecondary educational institution. Payments for state educational assistance for a child under this paragraph "*c*" shall be made to the applicable postsecondary educational institution. The college student aid commission may, if requested, assist the commission in administering this paragraph "*c*".

*d.* Eligibility for assistance pursuant to this subsection shall be determined upon application to the commission, whose decision is final. The eligibility of applicants shall be certified by the commission to the director of the department of administrative services in a timely manner, and all amounts that are or become due an individual or a training institution under this subsection shall be paid to the individual or institution by the director of the department of administrative services upon receipt by the director of certification by the president or governing board of the educational or training institution as to accuracy of charges made, and as to the attendance of the individual at the educational or training institution. The commission may pay over the annual sum set forth in this subsection to the educational or training institution in a lump sum, or in installments as the circumstances warrant, upon receiving from the institution such written undertaking as the department may require to assure the use of funds for the child for the authorized purposes and for no other purpose. A person is not eligible for the benefits of this subsection until the person has graduated from a high school or educational institution offering a course of training equivalent to high school training.

*e.* Any expense incurred in carrying out the provisions of this subsection shall be chargeable to the trust fund.

8. If the commission identifies other purposes for which the moneys appropriated under this section may be used for the benefit of veterans and the spouses and dependents of veterans, the commission shall submit recommendations for the addition of such purposes to the general assembly for review.

9. The commission shall submit an annual report to the general assembly by January 15 of each year concerning the veterans trust fund created by this section. The annual report shall include financial information concerning the moneys in the trust fund and shall also include information on the number, amount, and type of expenditures, if any, from the fund during the prior calendar year for the purposes described in subsection 6.

10. The department may adopt emergency rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "*b*", to implement the provisions of this section and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this subsection shall also be published as a notice of intended action as provided in section 17A.4.

11. It is the intent of the general assembly that beginning with the fiscal year beginning July 1, 2013, appropriations be made as necessary to the war orphans educational assistance account of the veterans trust fund to pay all claims made pursuant to subsection 7. Prior to any additional appropriations to this account, the department shall provide the general assembly with information identifying immediate and long-term war orphans educational needs throughout the state and a plan for meeting those needs.

2003 Acts, ch 131, §1; 2006 Acts, ch 1110, §1, 2; 2006 Acts, ch 1185, §66 – 68; 2007 Acts, ch 202, §7; 2008 Acts, ch 1012, §1; 2008 Acts, ch 1129, §1, 2, 3, 9; 2009 Acts, ch 164, §2, 7; 2012 Acts, ch 1029, §1; 2012 Acts, ch 1097, §1, 6; 2012 Acts, ch 1139, §1; 2013 Acts, ch 91, §1 – 3; 2013 Acts, ch 98, §1; 2013 Acts, ch 140, §54

Referred to in §99G.9A, 422.7, 422.12L, 546B.2

FY 2007-2008 appropriation from veterans trust fund to Vietnam Conflict veterans bonus fund; moneys remaining after repeal of limited residency requirement for Vietnam Conflict veterans bonus to be transferred to veterans trust fund; expenditure limitation; 2007 Acts, ch 176, §3; 2008 Acts, ch 1187, §68; 2009 Acts, ch 182, §82, 87; 2010 Acts, ch 1192, §55, 73; 2011 Acts, ch 129, §52, 74

Subsection 2, paragraph b, applies retroactively to tax years beginning on or after January 1, 2012; 2012 Acts, ch 1097, §6
Moneys remaining in war orphans educational assistance fund on July 1, 2013, transferred to war orphans educational assistance account of the veterans trust fund; transition provisions for administration of war orphans educational assistance by commission of veterans affairs; 2013 Acts, ch 91, §5, 6
Subsection 4 amended
Subsection 6, NEW paragraph m
NEW subsection 7 and former subsections 7 – 9 renumbered as 8 – 10
NEW subsection 11

**35A.14 Injured veterans grant program.**

1. For the purposes of this section, "*veteran*" means any of the following:

*a.* A resident of this state who is or was a member of the national guard, reserve, or regular component of the armed forces of the United States who has served on active duty at any time after September 11, 2001, and, if discharged, was discharged under honorable conditions.

*b.* A nonresident of this state who is or was a member of a national guard unit located in this state prior to alert for mobilization who has served on active duty at any time after September 11, 2001, was injured while serving in the national guard unit located in this state, is not eligible to receive a similar grant from another state for that injury, and, if discharged, was discharged under honorable conditions.

2. An injured veterans grant program is created under the control of the department for the purpose of providing grants to eligible injured veterans. Providing grants to eligible injured veterans pursuant to this section is deemed to serve a vital and valid public purpose of the state by assisting injured veterans and their families.

3. The department may receive and accept donations, grants, gifts, and contributions from any public or private source for the purpose of providing grants under this section. Moneys received by the department pursuant to this subsection shall be deposited in an injured veterans trust fund which shall be created in the state treasury under the control of the department. Moneys credited to the trust fund are appropriated to the department for the purpose of providing injured veterans grants under this section and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except as provided in this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the trust fund shall be credited to the trust fund.

4. Moneys appropriated to or received by the department for providing injured veterans grants under this section may be expended for grants of up to ten thousand dollars to a veteran who is seriously injured or very seriously injured, as defined in the most recently published United States department of defense joint publication 1-02, to provide financial assistance to the veteran so that family members of the veteran may be with the veteran during the veteran's recovery from an injury received in the line of duty in a combat zone or in a zone where the veteran was receiving hazardous duty pay after September 11, 2001.

5. The department shall adopt rules governing the distribution of grants under this section in accordance with the following:

*a.* Grants shall be paid in increments of two thousand five hundred dollars, up to a maximum of ten thousand dollars, upon proof that the veteran has been evacuated from the operational theater in which the veteran was injured to a military hospital or that the veteran has suffered an injury requiring at least thirty consecutive days of hospitalization at a military hospital, for an injury received in the line of duty and shall continue to be paid, at thirty-day intervals, up to the maximum amount, so long as the veteran is hospitalized or receiving medical care or rehabilitation services authorized by the military.

*b.* Proof of continued medical care or rehabilitation services may include any reasonably reliable documentation showing that the veteran is receiving continued medical or rehabilitative care as a result of qualifying injuries. Proof that the injury occurred in the line of duty shall be made based upon the circumstances of the injury known at the time of evacuation from the combat zone or zone in which the veteran was receiving hazardous duty pay.

*c.* Grants for veterans injured after September 11, 2001, but prior to May 8, 2006, shall be payable, upon a showing that the veteran would have been eligible for payment had the injury occurred on or after May 8, 2006.

*d.* (1) A seriously injured veteran meeting all other requirements of this section may

receive additional grants for subsequent, unrelated injuries that meet the requirements of this section. Any subsequent, unrelated injury shall be treated as if it were an initial injury for the purposes of determining eligibility or allotment.

(2) Grants for veterans suffering subsequent, unrelated injuries after September 11, 2001, but prior to March 30, 2011, shall be payable, upon a showing that the veteran would have been eligible for payment had the subsequent, unrelated injury occurred on or after March 30, 2011.

6. The department may appear before the executive council and request funds to meet the funding needs of the grant program under this section if funds are made available to the executive council for this purpose.

2006 Acts, ch 1106, §1, 4; 2006 Acts, ch 1185, §115; 2007 Acts, ch 22, §112, 116; 2007 Acts, ch 142, §1, 2; 2010 Acts, ch 1047, §1; 2011 Acts, ch 12, §1 – 3; 2012 Acts, ch 1012, §1

Referred to in §422.7

2011 amendments adding subsection 5, paragraph d, and subsection 6 take effect March 30, 2011, and apply retroactively to September 11, 2001, for veterans suffering a subsequent, unrelated injury after that date; 2011 Acts, ch 12, §3

**35A.15 Home ownership assistance program.** Repealed by 2008 Acts, ch 1120, § 2. See § 16.54.

**35A.16 County commissions of veteran affairs fund — appropriation.**

1. *a.* A county commissions of veteran affairs fund is created within the state treasury under the control of the department. The fund shall consist of appropriations made to the fund and any other moneys available to and obtained or accepted by the department from the federal government or private sources for deposit in the fund.

*b.* There is appropriated from the general fund of the state to the department, for the fiscal year beginning July 1, 2009, and for each subsequent fiscal year, the sum of one million dollars to be credited to the county commissions of veteran affairs fund.

2. Notwithstanding section 12C.7, interest or earnings on moneys in the county commissions of veteran affairs fund shall be credited to the county commissions of veteran affairs fund. Notwithstanding section 8.33, moneys remaining in the county commissions of veteran affairs fund at the end of a fiscal year shall not revert to the general fund of the state.

3. *a.* If sufficient moneys are available, the department shall annually allocate ten thousand dollars to each county commission of veteran affairs, or to each county sharing the services of an executive director or administrator pursuant to chapter 28E, to be used to provide services to veterans pursuant to section 35B.6. Each county receiving an allocation shall annually report on expenditure of the allocation in a form agreed to by the department and county representatives.

*b.* If a county fails to be in compliance with the requirements of section 35B.6 on June 30 of each fiscal year, all moneys received by the county pursuant to this subsection during that fiscal year shall be reimbursed to the county commissions of veteran affairs fund.

*c.* Moneys distributed to a county under this subsection shall be used to supplement and not supplant any existing funding provided by the county or received by the county from any other source. The department shall adopt a maintenance of effort requirement for moneys distributed under this subsection.

4. A county commission of veteran affairs training program account shall be established within the county commissions of veteran affairs fund. Any moneys remaining in the fund after the allocations under subsection 3 shall be credited to the account and used by the department to fund the county commission of veteran affairs training program under section 35A.17 and training for department personnel.

2008 Acts, ch 1130, §2, 10; 2009 Acts, ch 4, §1; 2010 Acts, ch 1031, §409; 2012 Acts, ch 1059, §6

Referred to in §35A.17

**35A.17 County commission of veteran affairs training program.**

1. A county commission of veteran affairs training program is created under the control of the department for the purpose of providing training, certification, and accreditation

opportunities for county commissions of veteran affairs executive directors, administrators, and employees.

2. The department may receive and accept donations, grants, gifts, and contributions from any public or private source for the purpose of providing training opportunities under this section. All funds received by the department shall be deposited in the county commission of veteran affairs training program account established in section 35A.16, subsection 4.

3. *a.* The department shall use funds deposited in the county commission of veteran affairs training program account to organize statewide or regional training conferences and provide training, certification, and accreditation opportunities for county commissions of veteran affairs executive directors, administrators, and employees, consistent with the requirements of section 35A.5, subsection 9.

*b.* During the fiscal year beginning July 1, 2009, the department shall use account funds to arrange for an accreditation course by the national association of county veteran service officers to take place within the state.

*c.* The department may use account funds to hire an agency, organization, or other entity to provide training or educational programming, reimburse county executive directors, administrators, and employees for transportation costs related to a conference or program, or both.

4. The department shall adopt rules, pursuant to chapter 17A, deemed necessary for the administration of the county commission of veteran affairs training program.

2008 Acts, ch 1130, §3, 10

Referred to in §35A.16

**35A.18 Presentation of flags.**

1. For the purposes of this section, unless the context otherwise requires, *"member of the armed forces of the United States"* means a person who was a resident of this state and a member of the national guard, reserve, or regular component of the armed forces of the United States at the time of the person's death.

2. If the governor issues a proclamation for the national and state flags to be flown at half-staff in recognition of the death of a member of the armed forces of the United States while serving on active duty, the office of the governor shall present the flags that were flown over the state capitol to the member's surviving spouse. If the member does not have a surviving spouse, the two flags shall be presented to another individual who is part of the member's immediate family. The cost of the flags is the responsibility of the department.

2009 Acts, ch 45, §1

**35A.19 through 35A.22** Repealed by 2013 Acts, ch 91, § 4. See § 35A.13(7).

Moneys remaining in war orphans educational assistance fund on July 1, 2013, transferred to war orphans educational assistance account of the veterans trust fund; transition provisions for administration of war orphans educational assistance by commission of veterans affairs; 2013 Acts, ch 91, §5, 6

With respect to proposed amendments to former §35A.20 by 2013 Acts, ch 90, §21, 22, see Code editor's note on simple harmonization

# CHAPTER 35B

## COUNTY COMMISSIONS OF VETERAN AFFAIRS

Referred to in §35.1, 35A.5, 218.95, 331.303, 331.427, 714.8

This chapter not enacted as a part of this title; transferred from chapter 250 in Code 1993
See §218.95 for provisions pertaining to construction of synonymous terms


35B.1 Definitions.
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35B.18 Payment — how made.
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**35B.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**35B.2** Reserved.

**35B.3 County commission of veteran affairs.**

The county commission of veteran affairs shall consist of either three or five persons, as determined by the board of supervisors, all of whom shall be veterans as defined in section 35.1. If possible, each member of the commission shall be a veteran of a different military action. However, this qualification does not preclude membership to a veteran who served in more than one of the military actions.

[C97, §431; C24, 27, 31, 35, §5387; C39, §**3828.053;** C46, 50, 54, §250.3; C58, 62, 66, 71, 73, 75, 77, 79, 81, §250.3, 250.21; S81, §250.3; 81 Acts, ch 33, §3]

85 Acts, ch 67, §26; 88 Acts, ch 1082, §1; 91 Acts, ch 199, §1

C93, §35B.3

94 Acts, ch 1007, §1; 99 Acts, ch 180, §6

Referred to in §35B.6, 331.321

**35B.4 Appointment — vacancies.**

Members of the commission of veteran affairs shall be appointed by the board of supervisors to staggered three-year terms at the regular meeting in June. However, a member shall serve until a successor has been appointed and qualifies. The board may remove an appointee at any time for neglect of duty or maladministration. A vacancy on the commission shall be filled for the unexpired portion of the regular term in the same manner as regular appointments are made.

If the board of supervisors increases the commission of veteran affairs membership to five members, the initial terms of the two new members shall be two and three years respectively. However, the new members shall serve until their successors are appointed and qualify.

[C97, §431; C24, 27, 31, 35, §5388; C39, §**3828.054;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §250.4]

C93, §35B.4

94 Acts, ch 1007, §2

Referred to in §331.321

**35B.5 Compensation.**

A member of the commission shall receive twenty-five dollars or a greater amount as established by the board of supervisors for each month during which the member attends one or more commission meetings and shall be reimbursed for mileage the same as a member of the board of supervisors. Compensation and mileage shall be paid out of the appropriation authorized in section 35B.14.

[C27, 31, 35, §5388-b1; C39, §**3828.055;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §250.5; 81 Acts, ch 33, §4, ch 117, §1034]

83 Acts, ch 123, §97, 209

C93, §35B.5

2005 Acts, ch 115, §16, 40

Mileage, §331.215

**35B.6 Qualification — training — offices.**

1. *a.* The members of the commission shall qualify by taking the usual oath of office, and give bond in the sum of five hundred dollars each, conditioned for the faithful discharge of their duties with sureties to be approved by the county auditor. The commission shall organize by the selection of one of their members as chairperson and one as secretary. The commission, subject to the approval of the board of supervisors, shall employ an executive director or administrator and shall have the power to employ other necessary employees when needed, including administrative or clerical assistants, but no member of the commission shall be so employed. The compensation of such employees shall be fixed by the board of supervisors. The executive director must possess the same qualifications as provided in section 35B.3 for commission members. However, this qualification requirement shall not apply to a person employed as an executive director prior to July 1, 1989.

*b.* The commission may employ an administrator in lieu of an executive director. Administrators shall not be required to meet all the qualifications provided in section 35B.3 for commissioners. An administrator may hold another position within the county or other government entity while serving as an administrator only if such position does not adversely affect the administrator's duties under this chapter.

*c.* Upon the employment of an executive director or administrator, the executive director or administrator shall complete a course of certification training provided by the department of veterans affairs pursuant to section 35A.5. If an executive director or administrator fails to obtain certification within one year of being employed, the executive director or administrator shall be removed from office. A commissioner or other commission employee may also complete the course of certification training. The department shall issue the executive director, administrator, commissioner, or employee a certificate of training after completion of the certification training course. To maintain certification, the executive director, administrator, commissioner, or employee shall satisfy the continuing education requirements established by the national association of county veteran service officers. Failure of an executive director or administrator to maintain certification shall be cause for removal from office. The expenses of training the executive director or administrator shall be paid from the appropriation authorized in section 35B.14.

*d.* The duties of the executive director, administrator, and employees shall include all of the following:

(1) Inform members of the armed forces, veterans, and their dependents of all federal, state, and local laws enacted for their benefit.

(2) Assist all residents of the state who served in the armed forces of the United States and their relatives, beneficiaries, and dependents in receiving from the United States and this state any and all compensation, pensions, hospitalization, insurance, education, employment pay and gratuities, loan guarantees, or any other aid or benefit to which they may be entitled under any law.

*e.* The department of veterans affairs or county veteran affairs offices shall not charge for any service provided to any individual.

2. Two or more boards of supervisors may agree, pursuant to chapter 28E, to share the services of an executive director or administrator. The agreement shall provide for the

establishment of a commission of veteran affairs office in each of the counties participating in the agreement.

3. The commission with the approval of the board of supervisors shall appoint one of the deputies of the county auditor to serve as administrative assistant to the commission, to serve without additional compensation, unless for good reasons shown, this arrangement is not feasible.

4. *a.* Each county commission of veteran affairs shall maintain an office in a building owned, operated, or leased by the county.

*b.* An executive director or administrator employed pursuant to subsection 1 shall provide veterans services for the following minimum number of hours each week:

(1) For a county with a population of thirty thousand or less, no fewer than twenty hours per week.

(2) For a county with a population of more than thirty thousand and less than sixty thousand, no fewer than thirty hours per week.

(3) For a county with a population of sixty thousand or more, no fewer than forty hours per week.

*c.* Counties sharing the services of an executive director or administrator shall provide the number of hours of service required under paragraph *"b"* for each county.

*d.* The hours that the office established under paragraph *"a"* is open shall be posted in a prominent position outside the office.

[C97, §431; C24, 27, 31, 35, §5389; C39, §**3828.056;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §250.6; 81 Acts, ch 33, §5]

89 Acts, ch 248, §1; 92 Acts, ch 1075, §2

C93, §35B.6

94 Acts, ch 1107, §4; 2005 Acts, ch 115, §17, 40; 2008 Acts, ch 1130, §4 – 6, 10; 2009 Acts, ch 4, §2; 2009 Acts, ch 133, §188

Referred to in §35A.3, 35A.5, 35A.16, 35B.14, 331.502, 546B.2

Oath, §63.10

**35B.7 Meetings — report — budget.**

The commission shall meet monthly and at other times as necessary. At the monthly meeting it shall determine who are entitled to benefits and the probable amount required to be expended. The commission shall meet annually to prepare an estimated budget for all expenditures to be made in the next fiscal year and certify the budget to the board of supervisors. The board may approve or reduce the budget for valid reasons shown and entered of record and the board's decision is final.

[C97, §432; S13, §432; C24, 27, 31, 35, §5390; C39, §**3828.057;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §250.7; 81 Acts, ch 33, §6]

C93, §35B.7

**35B.8 Accounting system.**

The state auditor shall prepare sample copies of a system of accounting and case records for the use of all county commissions of veteran affairs and this uniform system of accounting and case records shall be used by the several counties.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §250.8]

C93, §35B.8

**35B.9 Names certified — benefits changed.**

At each regular meeting the commission shall submit to the board of supervisors a certified list of those persons to whom benefits have been authorized and the amounts so awarded. The amount awarded to any person may be increased, decreased, or discontinued by the commission at any meeting. New names may be added and certified thereat.

[C97, §432; S13, §432; C24, 27, 31, 35, §5391; C39, §**3828.058;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §250.9]

C93, §35B.9

**35B.10 Disbursements — inspection of records.**

All claims certified by the commission shall be reviewed by the board of supervisors and the county auditor shall issue warrants in payment of the claims. All applications, investigation reports, and case records are privileged communications and shall be held confidential, subject to use and inspection only by persons authorized by law in connection with their official duties relating to financial audits and the administration of this chapter. However, the county commission of veteran affairs shall prepare and file in the office of the county auditor on or before the thirtieth day of each January, April, July, and October a report showing the case numbers of all recipients receiving assistance under this chapter, together with the amount paid to each during the preceding quarter. Each report so filed shall be securely fixed in a record book to be used only for such reports made under this chapter.

The record book shall be and the same is hereby declared to be a public record, open to public inspection at all times during the regular office hours of the county auditor. Each person who desires to examine said records, other than in pursuance of official duties as hereinbefore provided, shall sign a written request to examine the same, which shall contain an agreement on the part of the signer that the signer will not utilize any information gained therefrom for commercial or political purposes.

It shall be unlawful for any person, body, association, firm, corporation or any other agency to solicit, disclose, receive, make use of or to authorize, knowingly permit, participate in or acquiesce in the use of any lists, names or other information obtained from the reports above provided for, for commercial or political purposes, and a violation of this provision shall constitute a serious misdemeanor.

[C97, §432; S13, §432; C24, 27, 31, 35, §5392; C39, §**3828.059;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §250.10; 81 Acts, ch 33, §7]

83 Acts, ch 123, §98, 209

C93, §35B.10

99 Acts, ch 180, §7

Referred to in §331.502, 331.508

**35B.11 Data furnished Iowa department of veterans affairs.**

The commission of veteran affairs of each county shall provide information to the department of veterans affairs as the department may request.

[C27, 31, 35, §5392-b1; C39, §**3828.060;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §250.11; 81 Acts, ch 33, §8]

92 Acts, ch 1140, §35

C93, §35B.11

2005 Acts, ch 115, §18, 40

Referred to in §35A.5

**35B.12 Benefit information confidential.**

It shall be unlawful for any county board of supervisors or any county commission of veteran affairs to place the administration of the duties of the county commission of veteran affairs under any other agency of any county, or to publish the names of the veterans or their families who receive benefits under the provisions of this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §250.12]

C93, §35B.12

**35B.13 Burial — expenses.**

The commission is responsible for the interment in a suitable cemetery of the body of any veteran, as defined in section 35.1, or the spouse, surviving spouse, or child of the person, if the person has died without leaving sufficient means to defray the funeral expenses. The commission may pay the expenses in a sum not exceeding an amount established by the board of supervisors.

[C97, §433; S13, §433; C24, 27, 31, 35, §5393; C39, §**3828.061;** C46, 50, 54, §250.13; C58, 62, 66, 71, 73, 75, 77, 79, 81, §250.13, 250.21; S81, §250.13; 81 Acts, ch 33, §9]

85 Acts, ch 67, §27; 88 Acts, ch 1082, §2; 91 Acts, ch 199, §2

C93, §35B.13
99 Acts, ch 180, §8

**35B.14 County appropriation.**

1. The board of supervisors of each county may appropriate moneys for training an executive director or administrator as provided in section 35B.6, and for the expenses for food, clothing, shelter, utilities, medical benefits, and a funeral for indigent veterans, as defined in section 35.1, as well as for their indigent spouses, surviving spouses, and minor children not over eighteen years of age, who legally reside in the county.

2. The appropriation shall be expended by the joint action and control of the board of supervisors and the county commission of veteran affairs.

83 Acts, ch 123, §99, 209
CS83, §250.14
85 Acts, ch 67, §28; 88 Acts, ch 1082, §3; 91 Acts, ch 1, §1; 91 Acts, ch 199, §3
C93, §35B.14
99 Acts, ch 180, §9; 2008 Acts, ch 1130, §7, 10; 2009 Acts, ch 133, §189
Referred to in §35B.5, 35B.6

**35B.15 Expenses and audit.**

Burial expenses shall be paid by the county in which the person died. If the person is a resident of a different county at the time of death, the latter county shall reimburse the county where the person died for the cost of burial. In either case, the board of supervisors of the respective counties shall audit and pay the account from the funds provided for in this chapter in the manner as other claims are audited and paid.

[C97, §434; C24, 27, 31, 35, §5395; C39, §**3828.063;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §250.15; 81 Acts, ch 33, §10]
C93, §35B.15
Referred to in §331.381

**35B.16 Markers for graves.**

The county commission of veteran affairs may furnish a suitable and appropriate metal marker for the grave of each veteran, as defined in section 35.1, who is buried within the limits of the county. The marker shall be placed at the individual's grave to permanently mark and designate the grave for memorial purposes. The expenses shall be paid from any funds raised as provided in this chapter.

[SS15, §434-a; C24, 27, 31, 35, §5396; C39, §**3828.064;** C46, 50, 54, §250.16; C58, 62, 66, 71, 73, 75, 79, 81, §250.16, 250.21; S81, §250.16; 81 Acts, ch 33, §11]
85 Acts, ch 67, §29; 86 Acts, ch 1237, §13; 88 Acts, ch 1082, §4; 91 Acts, ch 199, §4
C93, §35B.16
99 Acts, ch 180, §10
Referred to in §35B.16A

**35B.16A Veterans' grave markers.**

A person commits a simple misdemeanor when the person takes possession or control of a veteran's grave marker which was provided pursuant to section 35B.16, with the intention to deprive the owner of the marker, regardless of the value of the marker. The person shall also be liable for reimbursement in an amount equal to three times the cost of the marker to be paid to the county commission of veteran affairs or other person who furnished the marker.

89 Acts, ch 47, §1
CS89, §714.7A
94 Acts, ch 1142, §4; 2006 Acts, ch 1107, §3
C2007, §35B.16A
See also §37A.1

**35B.17 Maintenance of graves.**

The county boards of supervisors shall each year appropriate and pay to the owners of, or to the public board or officers having control of cemeteries within the state in which any such

deceased service person is buried, a sum sufficient to pay for the care and maintenance of the lots on which they are buried in all cases in which provision for such care is not otherwise made, or may conclude their responsibility by paying a mutually agreed to fee for perpetual care when the cemetery authority has established a perpetual care fund for the cemetery, to be paid either as a lump sum, or in not to exceed five installments in a manner agreed to by the parties.

[C27, 31, 35, §5396-a1; C39, §**3828.065;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §250.17]
83 Acts, ch 123, §100, 209; 85 Acts, ch 67, §30; 91 Acts, ch 188, §1
C93, §35B.17

**35B.18 Payment — how made.**

Such payment shall be made at the rate charged for like care and maintenance of other lots of similar size in the same cemetery, upon the affidavit of the superintendent or other person in charge of such cemetery, that the same has not been otherwise paid or provided for.

[C27, 31, 35, §5396-a2; C39, §**3828.066;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §250.18]
C93, §35B.18

**35B.19 Burial records.**

The county commission of veteran affairs shall be charged with securing the information requested by the department of veterans affairs of every person having a military service record and buried in that county. Such information shall be secured from the undertaker in charge of the burial and shall be transmitted by the undertaker to the commission of veteran affairs of the county where burial is made. This information shall be recorded alphabetically and by description of location in the cemetery where the veteran is buried. This recording shall conform to the directives of the department of veterans affairs and shall be kept in a book by the county commission.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §250.19]
92 Acts, ch 1140, §36
C93, §35B.19
2005 Acts, ch 115, §19, 40

# CHAPTER 35C

## VETERANS PREFERENCE

Referred to in §35.1, 372.8

This chapter not enacted as a part of this title; transferred from chapter 70 in Code 1993


35C.1 Appointments and employment — applications.
35C.2 Physical disability.
35C.3 Duty to investigate and appoint.
35C.4 Mandamus — judicial review.
35C.5 Appeals.
35C.5A Arbitration.
35C.6 Removal — certiorari — judicial review.
35C.7 Burden of proof.
35C.8 Exceptions.


**35C.1 Appointments and employment — applications.**

1. In every public department and upon all public works in the state, and of the counties, cities, and school corporations of the state, veterans who are citizens and residents of the United States are entitled to preference in appointment and employment over other applicants of no greater qualifications. The preference in appointment and employment for employees of cities under a municipal civil service is the same as provided in section 400.10. For purposes of this section, "*veteran*" means as defined in section 35.1 except that the requirement that the person be a resident of this state shall not apply.

2. *a.* In all jobs of the state and its political subdivisions, an application form shall be

completed. The application form shall contain an inquiry into the applicant's military service during the wars or armed conflicts as specified in subsection 1.

*b.* The department of administrative services shall inform the agency to which the person is seeking employment of the person's military service as specified in subsection 1.

3. In all jobs of political subdivisions of the state which are to be filled by competitive examination or by appointment, public notice of the application deadline to fill a job shall be posted at least ten days before the deadline in the same manner as notices of meetings are posted under section 21.4.

4. For jobs in political subdivisions of the state that are filled through a point-rated qualifying examination, the preference afforded to veterans shall be equivalent to that provided for municipal civil service systems in section 400.10.

[S13, §1056-a15; C24, 27, 31, 35, 39, §**1159;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §70.1]

85 Acts, ch 50, §1; 92 Acts, ch 1238, §17

C93, §35C.1

94 Acts, ch 1189, §16; 2000 Acts, ch 1154, §6; 2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §201; 2009 Acts, ch 150, §1; 2009 Acts, ch 179, §108

Referred to in §35C.5

**35C.2 Physical disability.**

The persons thus preferred shall not be disqualified from holding any position hereinbefore mentioned on account of age or by reason of any physical disability, provided such age or disability does not render such person incompetent to perform properly the duties of the position applied for.

[S13, §1056-a15; C24, 27, 31, 35, 39, §**1160;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §70.2]

C93, §35C.2

**35C.3 Duty to investigate and appoint.**

When any preferred person applies for appointment or employment under this chapter, the officer, board, or person whose duty it is or may be to appoint or employ a person to fill the position or place shall, before appointing or employing a person to fill the position or place, make an investigation as to the qualifications of the applicant for the place or position, and if the applicant is of good moral character and can perform the duties of the position applied for, the officer, board, or person shall appoint the applicant to the position, place, or employment. The appointing officer, board, or person shall set forth in writing and file for public inspection the specific grounds upon which it appointed or refused to appoint the person. At the time of application or at an interview for the position, an applicant may request notification of refusal only or notification of refusal and the specific grounds for refusal. The notification shall be sent within ten days after the successful applicant is selected.

[S13, §1056-a15; C24, 27, 31, 35, 39, §**1161;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §70.3]

C93, §35C.3

99 Acts, ch 180, §11; 2000 Acts, ch 1106, §1

**35C.4 Mandamus — judicial review.**

A refusal to allow said preference, or a reduction of the salary for said position with intent to bring about the resignation or discharge of the incumbent, shall entitle the applicant or incumbent, as the case may be, to maintain an action of mandamus to right the wrong. At their election such parties may, in the alternative, maintain an action for judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A, if that is otherwise applicable to their case.

[S13, §1056-a15, -a16; C24, 27, 31, 35, 39, §**1162;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §70.4]

C93, §35C.4

2003 Acts, ch 44, §114

Referred to in §35C.5, 35C.5A

**35C.5 Appeals.**

In addition to the remedy provided in section 35C.4, an appeal may be taken by any person belonging to any of the classes of persons to whom a preference is hereby granted, from any refusal to allow said preference, as provided in this chapter, to the district court of the county in which such refusal occurs. The appeal shall be made by serving upon the appointing board within twenty days after the date of the refusal of said appointing officer, board, or persons to allow said preference, a written notice of such appeal stating the grounds of the appeal; a demand in writing for a certified transcript of the record, and all papers on file in the office affecting or relating to said appointment. Thereupon, said appointing officer, board, or person shall, within ten days, make, certify, and deliver to appellant such a transcript; and the appellant shall, within five days thereafter, file the same and a copy of the notice of appeal with the clerk of said court, and said notice of appeal shall stand as appellant's complaint and thereupon said cause shall be accorded such preference in its assignment for trial as to assure its prompt disposition. The court shall receive and consider any pertinent evidence, whether oral or documentary, concerning said appointment from which the appeal is taken, and if the court shall find that the said applicant is qualified as defined in section 35C.1, to hold the position for which the applicant has applied, said court shall, by its mandate, specifically direct the said appointing officer, board or persons as to their further action in the matter. An appeal may be taken from judgment of the said district court on any such appeal on the same terms as an appeal is taken in civil actions. At their election parties entitled to appeal under this section may, in the alternative, maintain an action for judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A, if that is otherwise applicable to their case.

[C35, §1162-g1; C39, §**1162.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §70.5]

C93, §35C.5

2003 Acts, ch 44, §114

Referred to in §35C.5A

Appeals, R.App.P. 6.101, 6.102, 6.701

**35C.5A Arbitration.**

In addition to the remedies provided in sections 35C.4 and 35C.5, a person belonging to a class of persons qualifying for a preference may submit any refusal to allow a preference, or any reduction of the person's salary as described in section 35C.4, to arbitration within sixty days after written notification of the refusal or reduction. Within ten days after any submission, an arbitrator shall be selected by a committee that includes one member chosen by the person refused preference, one member chosen by the appointing officer, board, or person, and one member who shall be a disinterested party selected by the other two members of the committee. A list of qualified arbitrators may be obtained from the American arbitration association or other recognized arbitration organization or association. The decision of the arbitrator shall be final and binding on the parties.

99 Acts, ch 180, §12

**35C.6 Removal — certiorari — judicial review.**

No person holding a public position by appointment or employment, and belonging to any of the classes of persons to whom a preference is herein granted, shall be removed from such position or employment except for incompetency or misconduct shown after a hearing, upon due notice, upon stated charges, and with the right of such employee or appointee to a review by a writ of certiorari or at such person's election, to judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A, if that is otherwise applicable to their case.

[S13, §1056-a16; C24, 27, 31, 35, 39, §**1163;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §70.6]

C93, §35C.6

2003 Acts, ch 44, §114

**35C.7 Burden of proof.**

The burden of proving incompetency or misconduct shall rest upon the party alleging the same.

[S13, §1056-a16; C24, 27, 31, 35, 39, §**1164;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §70.7]

C93, §35C.7

**35C.8 Exceptions.**

Nothing in this chapter shall be construed to apply to the position of private secretary or deputy of any official or department, or to any person holding a strictly confidential relation to the appointing officer.

[S13, §1056-a16; C24, 27, 31, 35, 39, §**1165;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §70.8]

C93, §35C.8

# CHAPTER 35D

## VETERANS HOME

Referred to in §35.1, 714.8


35D.1 Purpose of home — definitions.
35D.2 Right to admission.
35D.3 Rules — general management.
35D.4 Married couples — quarters — cottages.
35D.5 Surviving spouses of veterans.
35D.6 Certificate of eligibility.
35D.7 Contributing to own support.
35D.8 Conditional admittance. Repealed by 2013 Acts, ch 36, §14.
35D.9 County of settlement upon discharge.
35D.10 Payment to spouse.
35D.11 Handling of pension money and other funds.
35D.12 Bank account for members' deposits.
35D.13 Commandant.
35D.14 Personnel — expenses — compensation.
35D.14A Volunteer record checks.
35D.15 Rules enforced — power to suspend and discharge members.
35D.16 Dispositions of active duty members charged with offense. Repealed by 2013 Acts, ch 36, §14.
35D.17 Report by commandant.
35D.18 Net general fund appropriation — purpose.


**35D.1 Purpose of home — definitions.**

1. The Iowa veterans home, located in Marshalltown, shall be maintained as a long-term health care facility providing nursing and residential levels of care for honorably discharged veterans and their dependent spouses, surviving spouses of honorably discharged veterans, and gold star parents. Eligibility requirements for admission to the Iowa veterans home shall coincide with the eligibility requirements for care and treatment in a United States department of veterans affairs facility pursuant to 38 U.S.C. § 1710, and regulations promulgated under that section, as amended. For the purposes of this subsection, *"gold star parent"* means a parent of a deceased member of the United States armed forces who died while serving on active duty during a time of military conflict or who died as a result of such service.

2. As used in this chapter:

*a.* *"Commandant"* means the commandant of the Iowa veterans home appointed pursuant to section 35D.13.

*b.* *"Commission"* means the commission of veterans affairs established in section 35A.2.

*c.* *"Member"* means a patient or resident of the home.

[C97, §2601, 2602, 2606; S13, §2601, 2602, 2606; SS15, §2606; C24, 27, 31, 35, §3366, 3367; C39, §**3384.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.1]

84 Acts, ch 1277, §1; 92 Acts, ch 1140, §22

C93, §35D.1
2009 Acts, ch 26, §5; 2013 Acts, ch 36, §1
Referred to in §35D.2
Subsection 1 amended

**35D.2 Right to admission.**

1. Persons described in section 35D.1 who are disabled by disease, injury, or old age, and meet the qualifications for nursing or residential care, and are unable to earn a livelihood, and who are residents of the state of Iowa on the date of the application and immediately preceding the date the application is accepted, may be admitted to the home as members under rules adopted by the commission. The commission shall adopt rules to emphasize the admission of homeless honorably discharged veterans. Eligibility determinations are subject to approval by the commandant.

2. A person shall not be received or retained in the home who has been diagnosed by a qualified mental health professional as acutely mentally ill and considered dangerous to self or others, is an acute inebriate, or is addicted to the use of drugs, and whose documented behavior is continuously disruptive to the operation of the facility.

**1.** [C97, §2602; S13, §2602, 2606; SS15, §2606; C24, 27, 31, 35, §3366; C39, §**3384.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.2]

**2.** [C97, §2605; C24, 27, 31, 35, §3370; C39, §**3384.13**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.13]

84 Acts, ch 1277, §2
C85, §219.2
92 Acts, ch 1140, §23
C93, §35D.2
2013 Acts, ch 36, §2
Subsection 1 amended

**35D.3 Rules — general management.**

The commission shall adopt all the necessary rules, pursuant to chapter 17A, for the preservation of order and enforcement of discipline, the promotion of health and well-being of all the members and the management and control of the home and its grounds.

[C97, §2602; C24, 27, 31, 35, §3367; C39, §**3384.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.3]

84 Acts, ch 1277, §3; 92 Acts, ch 1140, §24
C93, §35D.3

**35D.4 Married couples — quarters — cottages.**

1. When a married person is or becomes a member of the home, the spouse, if married to the person for at least one year and otherwise eligible under this chapter, may be admitted as a member of the home subject to the rules of the home. Veteran and spouse members may be permitted to occupy, together, cottages or other quarters on the grounds of the home.

2. The cottages may be made available to persons on the staff of the home at a rental rate determined by the commandant.

[C97, §2606; S13, §2606; SS15, §2606; C24, 27, 31, 35, §3366, 3368; C39, §**3384.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.4]

84 Acts, ch 1277, §4; 92 Acts, ch 1140, §25
C93, §35D.4
2013 Acts, ch 36, §3
Subsection 2 amended

**35D.5 Surviving spouses of veterans.**

If a deceased veteran, who would be entitled to admission to the home if the deceased veteran were living, has left a surviving spouse, the spouse is entitled to admission to the home with the same rights, privileges, and benefits as if the veteran were living and a member of the home, if the spouse was married to the veteran for at least one year immediately prior to the veteran's death, is found by the commandant to be disabled, meets the qualifications

for nursing or residential level of care, and is a resident of the state of Iowa on the date of the application and immediately preceding the date the application is accepted.

[C97, §2606; S13, §2606; C24, 27, 31, 35, §3366; C39, §**3384.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.5]

84 Acts, ch 1277, §5

C93, §35D.5

2013 Acts, ch 36, §4

Section amended

**35D.6 Certificate of eligibility.**

Before admission, each applicant shall file with the commandant an affidavit signed by two members of the commission of veteran affairs of the county in which the person resides, stating that the person to the best of their knowledge and belief is a resident of that county and that the person is unable to earn a livelihood and the person's income is less than is sufficient to provide the type of health care necessary for the person's welfare. The affidavit is conclusive evidence of the residence of the person but is prima facie only in all other matters affecting the eligibility of the applicant and the liability of the county with respect to the expense of the person for which the county may be liable. All records of admission shall show the residence of the applicant.

[C97, §2602; S13, §2602; C24, 27, 31, 35, §3369; C39, §**3384.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.6]

84 Acts, ch 1277, §6

C93, §35D.6

2013 Acts, ch 36, §5

Section amended

**35D.7 Contributing to own support.**

1. Except as otherwise provided in chapter 249A and other provisions of this chapter, a member of the home who receives a pension, compensation, or gratuity from the United States government, or income from any source of more than one hundred forty dollars per month, shall contribute to the member's own maintenance or support while a member of the home. The amount of the contribution and the method of collection shall be determined by the commandant, but the amount shall in no case exceed the actual cost of keeping and maintaining the person in the home.

2. Sums paid to and received by the commandant for the support of members of the home shall be considered repayment receipts as defined in section 8.2 and credited to the Iowa veterans home account referred to in section 35D.18, subsection 3.

3. The commandant may allow any member of the home to render assistance in the care of the home and its grounds as the member's psychosocial and physical condition permit, as a phase of that member's rehabilitation program. The commandant shall compensate each member who furnishes assistance at rates approved by the commission.

**1,3.** [S13, §2602-a, 2606-a; C24, 27, 31, 35, §3377; C39, §**3384.14**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.14]

**2.** [S13, §2602-a; C24, 27, 31, 35, §3372; C39, §**3384.17**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.17]

84 Acts, ch 1277, §7

C85, §219.7

92 Acts, ch 1140, §26

C93, §35D.7

2013 Acts, ch 36, §6

Section amended

**35D.8 Conditional admittance.** Repealed by 2013 Acts, ch 36, § 14.

**35D.9 County of settlement upon discharge.**

A member of the home does not acquire legal settlement in the county in which the home is located unless the member is voluntarily or involuntarily discharged from the home,

continuously resides in the county for a period of one year subsequent to the discharge, and during that year is not readmitted to the home or does not receive any services from the home.

[C97, §2605; C24, 27, 31, 35, §3370; C39, §**3384.13**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.13]

84 Acts, ch 1277, §9

C85, §219.9

C93, §35D.9

**35D.10 Payment to spouse.**

Except as otherwise provided in chapter 249A and other provisions of this chapter, a member of the home who receives a pension or compensation and who has a spouse shall deposit with the commandant on receipt of the member's pension or compensation check one-half of its amount, which shall be sent by the eighth day of the month or at once if any such pension or compensation is received after the eighth day of the month to the spouse.

[S13, §2606-c; C24, 27, 31, 35, §3379, 3384; C39, §**3384.15**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.15]

84 Acts, ch 1277, §10

C85, §219.10

C93, §35D.10

2013 Acts, ch 36, §7

Referred to in §35D.11

Section amended

**35D.11 Handling of pension money and other funds.**

1. Pension money deposited with the commandant is not assignable for any purpose except as provided in section 35D.10, or in accordance with subsection 2 of this section.

2. The commandant, if authorized by a member of the home, and pursuant to policies adopted by the commission, may act on behalf of that member in receiving, disbursing, and accounting for personal funds of the member received from any source. The authorization may be given by the member at any time and shall not be a condition of admission to the home.

[S13, §2606-b; C24, 27, 31, 35, §3383; C39, §**3384.20**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.20]

84 Acts, ch 1277, §11

C85, §219.11

92 Acts, ch 1140, §28

C93, §35D.11

2013 Acts, ch 36, §8

Subsection 1 amended

**35D.12 Bank account for members' deposits.**

1. *a.* The Iowa veterans home, for the convenience of its members, may maintain a commercial account with a federally insured bank for the individual personal deposits of its members. The account shall be known as the Iowa veterans home membership account. The commandant shall record each member's personal deposits individually and shall deposit the funds in the membership account, where the members' deposits shall be held in the aggregate.

*b.* The Iowa veterans home may withdraw moneys from the account maintained pursuant to this subsection to establish certificates of deposit for the benefit of all members. The commission shall adopt rules pursuant to chapter 17A for the administration of this paragraph.

2. The commandant, if authorized by a member of the home, and pursuant to policies adopted by the commission, may make withdrawals against that member's personal account to pay regular bills and other expenses incurred by the member. The authorization may be given by the member at any time and shall not be a condition of admission to the home.

84 Acts, ch 1277, §12

C85, §219.12
92 Acts, ch 1140, §29
C93, §35D.12
2013 Acts, ch 36, §9
Subsection 1 amended

**35D.13 Commandant.**

1. The governor shall appoint a commandant, subject to senate confirmation, who shall serve at the pleasure of the governor as the chief executive of the home. The commandant shall report directly to the commission and shall have the immediate custody and control, subject to the orders of the commission, of all property used in connection with the home.

2. The commandant shall be a resident of the state of Iowa who served in the armed forces of the United States and was honorably discharged.

3. The salary of the commandant shall be fixed by the governor within salary guidelines or a range established by the general assembly. In addition to salary, the commission shall furnish the commandant with a dwelling house or with appropriate quarters and additional allowances, as provided in section 218.14 for executive heads of state institutions.

**1.** [C97, §2604; S13, §2604; SS15, §2604; C39, §**3384.07**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.7; 81 Acts, ch 27, §4]

**2.** [C97, §2604; S13, §2604; SS15, §2604; C24, 27, 31, 35, §3374; C39, §**3384.08**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.8]

**3.** [C97, §2604; S13, §2604; SS15, §2604; C24, 27, 31, 35, §3373; C39, §**3384.09**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.9]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1277, §13
C85, §219.13
92 Acts, ch 1140, §30
C93, §35D.13
2004 Acts, ch 1175, §224; 2013 Acts, ch 36, §10
Referred to in §35A.1, 35D.1
Confirmation, see §2.32
Similar provisions, see §218.14 and 904.305
Subsection 2 amended

**35D.14 Personnel — expenses — compensation.**

1. The commandant or the commandant's designee shall employ such personnel as are necessary for the performance of the duties and responsibilities assigned to the commandant. All employees shall be selected on a basis of fitness for the work to be performed with due regard to training and experience and shall be subject to the provisions of chapter 8A, subchapter IV.

2. The commandant and employees of the Iowa veterans home are entitled to receive, in addition to salary, reimbursement for actual expenses incurred while engaged in the performance of official duties pursuant to section 35A.2, subsection 3.

92 Acts, ch 1140, §31; 92 Acts, ch 1247, §29; 2003 Acts, ch 145, §150; 2012 Acts, ch 1059, §11

**35D.14A Volunteer record checks.**

1. Persons who are potential volunteers or volunteers in the Iowa veterans home in a position having direct individual contact with patients or residents of the home shall be subject to criminal history and child and dependent adult abuse record checks in accordance with this section. The Iowa veterans home shall request that the department of public safety perform the criminal history check and the department of human services perform child and dependent adult abuse record checks of the person in this state and may request these checks in other states.

2. *a.* If it is determined that a person has been convicted of a crime under a law of any state or has a record of founded child or dependent adult abuse, the person shall not participate as a volunteer with direct individual contact with patients or residents of the Iowa veterans home unless an evaluation has been performed by the department of human services to determine whether the crime or founded child or dependent adult abuse warrants prohibition of the

person's participation as a volunteer in the Iowa veterans home. The department of human services shall perform such evaluation upon the request of the Iowa veterans home.

*b.* In an evaluation, the department of human services shall consider the nature and seriousness of the crime or founded child or dependent adult abuse in relation to the position sought or held, the time elapsed since the commission of the crime or founded child or dependent adult abuse, the circumstances under which the crime or founded child or dependent adult abuse was committed, the degree of rehabilitation, the likelihood that the person will commit the crime or founded child or dependent adult abuse again, and the number of crimes or founded child or dependent adult abuses committed by the person involved.

*c.* If the department of human services performs an evaluation for the purposes of this section, the department of human services has final authority in determining whether prohibition of the person's participation as a volunteer is warranted. The department of human services may permit a person who is evaluated to participate as a volunteer if the person complies with the department's conditions relating to participation as a volunteer which may include completion of additional training.

2009 Acts, ch 93, §1

**35D.15 Rules enforced — power to suspend and discharge members.**

1. The commandant shall administer and enforce all rules adopted by the commission, including rules of discipline and, subject to these rules, may immediately suspend the membership of and discharge any person from the home for infraction of the rules when the commandant determines that the health, safety, or welfare of the residents of the home is in immediate danger and other reasonable alternatives have been exhausted. The suspension and discharge are temporary pending action by the commission. Judicial review of the action of the commission may be sought in accordance with chapter 17A.

2. *a.* The commandant shall, with the input and recommendation of the interdisciplinary resident care committee, involuntarily discharge a member for any of the following reasons:

(1) (a) The member has been diagnosed with a substance use disorder but continues to abuse alcohol or an illegal drug in violation of the member's conditional or provisional agreement entered into at the time of admission, and all of the following conditions are met:

(i) The member has been provided sufficient notice of any changes in the member's collaborative care plan.

(ii) The member has been notified of the member's commission of three offenses and has been given the opportunity to correct the behavior through either of the following options:

(A) Being given the opportunity to receive the appropriate level of treatment in accordance with best practices for standards of care.

(B) By having been placed on probation by the Iowa veterans home for a second offense.

(b) Notwithstanding the member's meeting the criteria for discharge under this subparagraph (1), if the member has demonstrated progress toward the goals established in the member's collaborative care plan, the interdisciplinary resident care committee and the commandant may exercise discretion regarding the discharge. Notwithstanding any provision to the contrary, the member may be immediately discharged under this subparagraph (1) if the member's actions or behavior jeopardizes the life or safety of other members or staff.

(2) (a) The member refuses to utilize the resources available to address issues identified in the member's collaborative care plan, and all of the following conditions are met:

(i) The member has been provided sufficient notice of any changes in the member's collaborative care plan.

(ii) The member has been notified of the member's commission of three offenses and the member has been placed on probation by the Iowa veterans home for a second offense.

(b) Notwithstanding the member's meeting the criteria for discharge under this subparagraph (2), if the member has demonstrated progress toward the goals established in the member's collaborative care plan, the interdisciplinary resident care committee and the commandant may exercise discretion regarding the discharge. Notwithstanding any

provision to the contrary, the member may be immediately discharged if the member's actions or behavior jeopardizes the life or safety of other members or staff.

(3) The member no longer requires a residential or nursing level of care, as determined by the interdisciplinary resident care committee.

(4) The member requires a level of licensed care not provided at the Iowa veterans home.

*b.* (1) If a member is discharged under this subsection, the discharge plan shall include placement in a suitable living situation which may include but is not limited to a transitional living program approved by the commission or a living program provided by the United States veterans administration.

(2) If a member is involuntarily discharged under this subsection, the commission shall, to the greatest extent possible, ensure against the veteran being homeless and ensure that the domicile to which the veteran is discharged is fit and habitable and offers a safe and clean environment which is free from health hazards and provides appropriate heating, ventilation, and protection from the elements.

*c.* (1) An involuntary discharge of a member under this subsection shall be preceded by a written notice to the member. The notice shall state that unless the discharge is an immediate discharge due to the member's actions or behavior which jeopardizes the life or safety of other members or staff, the effective date of the discharge is thirty calendar days from the date of receipt of the discharge notice, and that the member has the right to appeal the discharge. If a member appeals such discharge, the member shall also be provided with the information relating to the appeals process as specified in this paragraph "*c*".

(2) If the member appeals the discharge under this subsection, the following provisions shall apply:

(a) The member shall file the appeal with the commission within five calendar days of receipt of the discharge notice.

(b) The commission shall render a decision on the appeal and notify the member of the decision, in writing, within ten calendar days of the filing of the appeal.

(c) If the member is not satisfied with the decision of the commission, the member may appeal the commission's decision by filing an appeal with the department of inspections and appeals within five calendar days of being notified in writing of the commission's decision.

(d) The department of inspections and appeals shall render a decision on the appeal of the commission's decision and notify the member of the decision, in writing, within fifteen calendar days of the filing of the appeal with the department.

(e) The maximum time period that shall elapse between receipt by the member of the discharge notice and actual discharge shall not exceed fifty-five days, which includes the thirty-day discharge notice period and any time during which any appeals to the commission or the department of inspections and appeals are pending.

(3) If a member is not satisfied with the decision of the department of inspections and appeals, the member may seek judicial review in accordance with chapter 17A. A member's discharge under this subsection shall be stayed while judicial review is pending.

*d.* Annually, by the fourth Monday of each session of the general assembly, the commandant shall submit a report to the veterans affairs committees of the senate and house of representatives specifying the number, circumstances, and placement of each member involuntarily discharged from the Iowa veterans home under this subsection during the previous calendar year.

*e.* The commission shall adopt rules to enforce this subsection.

*f.* Any involuntary discharge by the commandant under this subsection shall comply with the rules adopted by the commission under this subsection and by the department of inspections and appeals pursuant to section 135C.14, subsection 8, paragraph "*f*".

*g.* For the purposes of this subsection:

(1) "*Collaborative care plan*" means the plan of care developed for a member by the interdisciplinary resident care committee.

(2) "*Interdisciplinary resident care committee*" means the member, a social worker, a registered nurse, a dietitian, a medical provider, and a recreation specialist who are involved in reviewing a member's assessment data and developing a collaborative care plan for the

individual member. For an individual member who is also a patient, the interdisciplinary resident care committee shall also include a mental health treatment staff member.

[C39, §**3384.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.18]
84 Acts, ch 1277, §14; 92 Acts, ch 1140, §32
C93, §35D.15
2009 Acts, ch 62, §1; 2013 Acts, ch 36, §11, 12
Referred to in §135C.14
Subsection 2, paragraph a, subparagraph (3) amended
Subsection 2, paragraph g, subparagraph (2) amended

**35D.16 Dispositions of active duty members charged with offense.** Repealed by 2013 Acts, ch 36, § 14.

**35D.17 Report by commandant.**

The commandant shall, biennially, make a full and detailed report to the governor, the commission, and the general assembly, showing the condition of the home, the number of members in the Iowa veterans home, the order and discipline enforced, and the needs of the home financially and otherwise, together with an itemized statement of all receipts and disbursements and any other matters of importance in the management and control of the Iowa veterans home.

[C39, §**3384.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §219.21]
84 Acts, ch 1277, §16; 92 Acts, ch 1140, §34
C93, §35D.17

**35D.18 Net general fund appropriation — purpose.**

1. The Iowa veterans home shall operate on the basis of a net appropriation from the general fund of the state. The appropriation amount shall be the net amount of state moneys projected to be needed for the Iowa veterans home for the fiscal year of the appropriation. The purpose of utilizing a net appropriation is to encourage the Iowa veterans home to operate with increased self-sufficiency, to improve quality and efficiency, and to support collaborative efforts among all providers of funding for the services available from the Iowa veterans home.

2. The net appropriation made to the Iowa veterans home may be used throughout the fiscal year in the manner necessary for purposes of cash flow management. The Iowa veterans home may temporarily draw more than the amount appropriated, provided the amount appropriated is not exceeded at the close of the fiscal year.

3. Revenues received that are attributed to the Iowa veterans home during a fiscal year shall be credited to the Iowa veterans home account and shall be considered repayment receipts as defined in section 8.2, including but not limited to all of the following:

*a.* United States department of veterans affairs payments.

*b.* Medical assistance program revenue received under chapter 249A.

*c.* Federal Medicare program payments.

*d.* Other revenues generated from current, new, or expanded services that the Iowa veterans home is authorized to provide.

4. For purposes of allocating moneys to the Iowa veterans home from the salary adjustment fund created in section 8.43, the Iowa veterans home shall be considered to be funded entirely with state moneys.

5. Notwithstanding section 8.33, any balance in the Iowa veterans home annual appropriation or revenues that remains unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for specified purposes of the Iowa veterans home until the close of the succeeding fiscal year.

2005 Acts, ch 175, §57; 2008 Acts, ch 1187, §65, 97; 2009 Acts, ch 26, §6; 2013 Acts, ch 36, §13
Referred to in §35D.7
Subsection 2 amended

# CHAPTER 36

## EXPOSURE TO CHEMICALS — VETERANS


| | | | |
|---|---|---|---|
| 36.1 | Definitions. | 36.6 | Medical cooperative program. |
| 36.2 | Chemical exposure report to department. | 36.7 | Federal program. |
| 36.3 | Duties of the department. | 36.8 | Rules. |
| 36.4 | Confidentiality and liability. | 36.9 | Appropriations. |
| 36.5 | Attorney general powers. | 36.10 | Veterans' litigation awards. |


**36.1 Definitions.**

As used in this chapter unless the context otherwise provides:

1. *"Agent Orange"* means the herbicide composed primarily of trichlorophenoxyacetic acid and dichlorophenoxyacetic acid.

2. *"Chemicals"* means chemical defoliants, herbicides, or other causative agents, including but not limited to Agent Orange.

3. *"Department"* means the department of veterans affairs established in section 35A.4.

4. *"Veteran"* means a person who was a resident of this state at the time of the person's induction into the armed forces of the United States or who is a resident of this state July 1, 1983, and served in Vietnam, Cambodia, or Laos during the Vietnam Conflict.

83 Acts, ch 141, §1
CS83, §139A.1
86 Acts, ch 1245, §1712; 92 Acts, ch 1140, §13
C93, §36.1
2005 Acts, ch 115, §20, 21, 40; 2007 Acts, ch 202, §8

**36.2 Chemical exposure report to department.**

A licensed physician, as defined in section 135.1, subsection 4, who treats a veteran the physician believes may have been exposed to chemicals while serving in the armed forces of the United States shall submit a report indicating that information to the department at the request of the veteran pursuant to section 36.3.

83 Acts, ch 141, §2
CS83, §139A.2
86 Acts, ch 1245, §1713; 92 Acts, ch 1140, §14
C93, §36.2
2005 Acts, ch 115, §22, 40
Referred to in §36.3, 36.6

**36.3 Duties of the department.**

The department shall:

1. Provide the forms for the reports required in section 36.2. The report form shall require the doctor to provide all of the following:

*a.* Symptoms of the veteran which may be related to exposure to chemicals.

*b.* Diagnosis of the veteran.

*c.* Methods of treatment prescribed.

2. Annually compile and evaluate the information submitted in the reports pursuant to subsection 1, in consultation and cooperation with a certified medical toxicologist selected by the department. The department shall submit the report to the governor, the general assembly, and the United States department of veterans affairs. The report shall include current research data on the effects of exposure to chemicals, statistical information received from individual physicians' reports, and statistical information from the epidemiological investigations pursuant to subsection 3.

3. Conduct epidemiological investigations of veterans who have cancer or other medical problems or who have children born with birth defects associated with exposure to chemicals, in consultation and cooperation with a certified medical toxicologist selected by the department. The department shall obtain consent from a veteran before conducting the

investigations. The department shall cooperate with local and state agencies during the course of an investigation.

83 Acts, ch 141, §3
CS83, §139A.3
86 Acts, ch 1245, §1714; 92 Acts, ch 1140, §15
C93, §36.3
2005 Acts, ch 115, §23, 40; 2007 Acts, ch 22, §14; 2009 Acts, ch 26, §7
Referred to in §36.2, 36.4

**36.4 Confidentiality and liability.**

The department shall not identify a veteran consenting to the epidemiological investigations pursuant to section 36.3, subsection 3, unless the veteran consents to the release of identity. The statistical information compiled by the department pursuant to section 36.3 is a public record.

A licensed physician complying with this chapter is not civilly or criminally liable for release of the required information.

83 Acts, ch 141, §4
CS83, §139A.4
86 Acts, ch 1245, §1715; 92 Acts, ch 1140, §16
C93, §36.4
2005 Acts, ch 115, §24, 40

**36.5 Attorney general powers.**

The attorney general may represent veterans who may have been injured because of contact with chemicals, in an action for release of information relating to exposure to such causative agents during military service and release of the veterans' medical records.

83 Acts, ch 141, §5
CS83, §139A.5
C93, §36.5

**36.6 Medical cooperative program.**

The department and appropriate medical facilities at the state university of Iowa under the control of the state board of regents shall institute a cooperative program to:

1. Refer veterans to appropriate state and federal agencies to file claims to remedy medical and financial problems caused by the veterans' exposure to chemicals.
2. Provide veterans with fat tissue biopsies, genetic counseling, and genetic screening upon request of the licensed physician pursuant to section 36.2, to determine if the veterans have suffered physical damage as a result of substantial exposure to chemicals.

83 Acts, ch 141, §6
CS83, §139A.6
86 Acts, ch 1245, §1716; 92 Acts, ch 1140, §17
C93, §36.6
2005 Acts, ch 115, §25, 40
Referred to in §36.7

**36.7 Federal program.**

If the department or the general assembly determines that an agency of the federal government or the state of Iowa is providing the referral and genetic services pursuant to section 36.6, the department or the general assembly by specific action may discontinue all or part of the services and requirements in this chapter.

83 Acts, ch 141, §7
CS83, §139A.7
86 Acts, ch 1245, §1717; 92 Acts, ch 1140, §18
C93, §36.7
2005 Acts, ch 115, §26, 40

**36.8 Rules.**

The department shall adopt rules pursuant to chapter 17A to implement this chapter.

83 Acts, ch 141, §8
CS83, §139A.8
86 Acts, ch 1245, §1718; 92 Acts, ch 1140, §19
C93, §36.8
2007 Acts, ch 202, §9

**36.9 Appropriations.**

This chapter shall be implemented by the department each fiscal year that appropriations are made to the department for the implementation.

83 Acts, ch 141, §9
CS83, §139A.9
86 Acts, ch 1245, §1719; 92 Acts, ch 1140, §20
C93, §36.9
2007 Acts, ch 202, §10

**36.10 Veterans' litigation awards.**

1. For purposes of this section, "*Vietnam herbicide*" means a herbicide, defoliant, or other causative agent containing dioxin, including, but not limited to, Agent Orange, used in the Vietnam Conflict at any time between December 22, 1961, and May 7, 1975, inclusive.

2. *a.* Notwithstanding any other law of this state, proceeds received pursuant to a judgment in, or settlement of, a lawsuit against the manufacturer or distributor of a Vietnam herbicide for damages resulting from exposure to the herbicide shall not be considered as income or an asset for determining the eligibility for state or local government benefit or entitlement programs. The proceeds are not subject to recoupment for the receipt of governmental benefits or entitlements and liens, except liens for child support, are not enforceable against these sums for any reason.

*b.* This exclusion of litigation proceeds from benefit or entitlement program calculations are available only to disabled veterans or their beneficiaries, whether payment is received in a lump sum or payable in installments over a period of years.

89 Acts, ch 249, §1
CS89, §139A.11
C93, §36.10

# CHAPTER 37

## MEMORIAL HALLS AND MONUMENTS

Referred to in §11.1, 331.361, 331.427, 331.441, 331.461, 347.13, 347.23A, 347.24


37.1 Memorial buildings and monuments.
37.2 Petition.
37.3 Election.
37.4 Notice.
37.5 Repealed by 81 Acts, ch 117, §1097.
37.6 Bonds.
37.7 Repealed by 81 Acts, ch 117, §1097.
37.8 Levy for maintenance.
37.9 Commissioners appointed — vacancies — request for appropriation.
37.10 Qualification — appointment.
37.11 through 37.14 Repealed by 89 Acts, ch 296, §96.
37.15 Ex officio voting member.
37.16 Disbursement of funds — purchasing regulations — reports.
37.17 Gifts and bequests.
37.18 Name — uses.
37.19 Repealed by 89 Acts, ch 296, §96.
37.20 Funds, monuments, and memorials previously initiated.
37.21 Joint memorials.
37.22 Unexpended funds.
37.23 Contract to repay.
37.24 Investment of funds.
37.25 Accumulations.
37.26 General powers.
37.27 Nursing homes with memorial hospitals.
37.28 Anticipatory warrants.
37.29 Contents of warrants.
37.30 Registration — call.


**37.1 Memorial buildings and monuments.**

Memorial buildings and monuments designed to commemorate the service rendered by soldiers, sailors, and marines of the United States may be erected and equipped at public expense in the manner provided by this chapter by:

1. Any county which has not heretofore made an appropriation for such purpose under any prior law.
2. Any city operating under any form of government.

[C97, §435, 436; C24, 27, 31, 35, 39, §**483;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.1]

**37.2 Petition.**

The petition for the erection and equipment of any such hall or monument shall request the submission of the proposition to a vote of the people and shall:

1. When it is proposed to erect the same at the expense of the county, be signed by ten percent of the registered voters thereof as shown by the election register used in the last preceding general election, or by a majority of the members of the Grand Army of the Republic, the Spanish-American War Veterans Association, Veterans of World War I, the American Legion, Disabled American Veterans of the World War, Veterans of Foreign Wars of the United States, Marine Corps League and American Veterans of World War II (AMVETS) of the county.
2. When it is proposed to erect the same at the expense of a city be subject to the provisions of section 362.4.
3. Set forth therein the purpose of the memorial proposed, as outlined in section 37.18.

[C97, §435; C24, 27, 31, 35, 39, §**484;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.2]
95 Acts, ch 67, §53
Referred to in §35A.12
Not applicable to "Veterans of World War I" in cities over 150,000 population, 63 Acts, ch 76, §3

**37.3 Election.**

Upon the filing of the requisite petition, the city council shall cause the proposition to be submitted at a regular election, or at a special election to be called if requested in the petition, in substantially the following form:

Shall the city of ..... erect and equip (or purchase and equip) a memorial building (or erect a monument)

as provided in chapter 37 of the Code for the purpose of ..... (set forth purpose of memorial as outlined in section 37.18) and issue bonds in the sum of ..... dollars to cover the expense of the building or monument (or levy a tax of ..... per thousand dollars of assessed value for a period of ..... years to defray the expense of the building or monument)?

[C24, 27, 31, 35, 39, §**485;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.3]
83 Acts, ch 123, §41, 209

**37.4 Notice.**
Notice of the election shall be given by publication in one newspaper published or having general circulation in the city as provided in section 362.3. The notice shall state the purpose of the memorial proposed as outlined in section 37.18.
[C97, §435; C24, 27, 31, 35, 39, §**486;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.4]
83 Acts, ch 123, §42, 209

**37.5** Repealed by 81 Acts, ch 117, § 1097.

**37.6 Bonds.**
Bonds issued by a county for the purposes of this chapter shall be issued under sections 331.441 to 331.449 relating to general county purpose bonds. Bonds issued by a city shall be issued in accordance with provisions of law relating to general corporate purpose bonds of a city.
[C24, 27, 31, 35, 39, §**488;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §37.6; 81 Acts, ch 117, §1004]
Referred to in §37.28
City bonds, chapter 384, div. III

**37.7** Repealed by 81 Acts, ch 117, § 1097.

**37.8 Levy for maintenance.**
For the development, operation, and maintenance of a building or monument constructed, purchased, or donated under this chapter, a city may levy a tax not to exceed eighty-one cents per thousand dollars of assessed value on all the taxable property within the city, as provided in section 384.12, subsection 2.
[C24, 27, 31, 35, 39, §**490;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §37.8; 81 Acts, ch 117, §1005]
83 Acts, ch 123, §43, 209

**37.9 Commissioners appointed — vacancies — request for appropriation.**
1. When the proposition to erect a building or monument under this chapter has been carried by a majority vote, the board of supervisors or the city council, as the case may be, shall appoint a commission consisting of not less than five and not more than eleven members, in the manner and with the qualifications provided in this chapter, which shall have charge and supervision of the erection of the building or monument, and when erected, the management and control of the building or monument.
2. On or before January 15 of each year, a commission which manages and controls a county memorial hospital shall prepare and submit to the county auditor a request for an appropriation for the next fiscal year from the general fund for the operation and maintenance of the county memorial hospital. On or before January 20, the county auditor shall submit the request to the county board of supervisors. The board of supervisors may adjust the commission's request and may make an appropriation for the county memorial hospital as provided in section 331.427, subsection 3, paragraph *"b"*. For the purposes of public notice, the commission is a certifying board and is subject to the requirements of sections 24.3 through 24.5, sections 24.9 through 24.12, and section 24.16.

3. The term of office of each member shall be three years, and any vacancies occurring in the membership shall be filled in the same manner as the original appointment.

4. Commencing with the commissioners appointed to take office after January 1, 1952, the terms of office of the commissioners shall be staggered so that all commissioners' terms will not end in the same year. Thereafter, the successors in each instance shall hold office for a term of three years or until a successor is appointed and qualified.

5. The commissioners having the management and control of a memorial hospital shall, within ten days after their appointment, qualify by taking the usual oath of office, but no bonds shall be required of them. The commissioners shall organize by electing a chairperson, secretary, and treasurer. The secretary shall immediately report to the county auditor and county treasurer the names of the chairperson, secretary, and treasurer of the commission. The commission shall meet as necessary to adequately oversee the operation of the hospital. A majority of the commission members shall constitute a quorum for the transaction of business. The secretary shall keep a complete record of its proceedings. The commissioners of a memorial hospital shall have all of the powers and duties necessary to manage, control, and govern the memorial hospital including but not limited to any applicable powers and duties granted boards of trustees under other provisions of the Code relating to hospitals, nursing homes, assisted or independent living services, and other ancillary services irrespective of the chapter of the Code under which such institutions are established, organized, operated, or maintained, unless such provisions conflict with this chapter.

6. Memorial hospital funds shall be received, disbursed, and accounted for in the same manner and by the same procedure as provided by section 347.12.

[C97, §436; C24, 27, 31, 35, 39, §**491;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.9]

86 Acts, ch 1200, §1; 89 Acts, ch 296, §9; 95 Acts, ch 114, §1; 99 Acts, ch 36, §1; 2000 Acts, ch 1154, §7; 2007 Acts, ch 21, §1; 2009 Acts, ch 110, §2

Referred to in §37.15, 37.21, 331.321

**37.10 Qualification — appointment.**

1. Each commissioner, except for a memorial hospital commissioner, shall be a veteran, as defined in section 35.1, and be a resident of the county in which the memorial hall or monument is located. Each commissioner for a memorial hospital shall be a resident of this state and reside within the memorial hospital's service area.

2. Each commission member shall be appointed by the mayor with approval of the council or by the chairperson of the county board of supervisors in the case of a county or joint memorial building or monument.

[C97, §436; C24, 27, 32, 35, 39, §**492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.10]

89 Acts, ch 296, §10; 96 Acts, ch 1216, §28; 99 Acts, ch 36, §2; 99 Acts, ch 180, §13; 99 Acts, ch 208, §47; 2012 Acts, ch 1084, §1

Referred to in §331.321

**37.11 through 37.14** Repealed by 89 Acts, ch 296, § 96.

**37.15 Ex officio voting member.**

If a memorial hall or building is a city hall, coliseum, or auditorium, the mayor of the city may be an ex officio voting member of the commission created in section 37.9.

[C24, 27, 31, 35, 39, §**497;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.15]

95 Acts, ch 114, §2

Referred to in §331.321

**37.16 Disbursement of funds — purchasing regulations — reports.**

All funds voted under the provisions of this chapter shall be disbursed by the county or city officers, only with the approval of the commission. However, the commission may adopt purchasing regulations to govern the purchase of specified goods and services without the prior approval of the commission. The purchasing regulations shall conform to generally accepted practices followed by public purchasing officers. The commission shall report to

and make settlement with the board of supervisors or the city council, as the case may be, at the time and in the manner required of county and city officers.

[C97, §436; C24, 27, 31, 35, 39, §**498;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.16]
92 Acts, ch 1024, §1

**37.17 Gifts and bequests.**

Gifts and bequests to any county or city, or to the commission, for any of the purposes provided in this chapter, may be accepted and the property shall be used in accordance with the provisions of this chapter, and as may be expressly designated by the donor.

[C24, 27, 31, 35, 39, §**499;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.17]

**37.18 Name — uses.**

1. Any such memorial hall or building shall be given an appropriate name and shall be available so far as practical for the following purposes:

*a.* The special accommodations of soldiers, sailors, marines, nurses, and other persons who have been in the military or naval service of the United States.

*b.* For military headquarters, memorial rooms, library, assembly hall, gymnasium, natatorium, club room, and rest room.

*c.* County or city hall offices for any county or municipal purpose, community house, recreation center, memorial hospital, and municipal coliseum or auditorium.

*d.* Similar and appropriate purposes in general community and neighborhood uses, under the control and regulation of the custodians thereof.

*e.* Athletic contests, sport and entertainment spectaculars, expositions, meetings, conventions and all food and beverage services incident thereto.

2. The term *"memorial hall"* or *"memorial building"* as in this chapter provided shall also mean and include such parking grounds, ramps, buildings or facilities as the commission may build, acquire by purchase or lease or gift to be used for purposes not inconsistent with the uses as set out in this section.

[C24, 27, 31, 35, 39, §**500;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.18]
2008 Acts, ch 1032, §201
Referred to in §37.2, 37.3, 37.4

**37.19** Repealed by 89 Acts, ch 296, § 96.

**37.20 Funds, monuments, and memorials previously initiated.**

In any case of funds heretofore raised or in the process of being raised, by tax levy or other provision of law heretofore existing, for any of the purposes provided by this chapter, the board of supervisors or the city council, as the case may be, shall cause such funds to be used and applied to all intents and purposes for the acquisition of necessary ground and the purchase, erection, construction or reconstruction and equipment of such monument or memorial building in the same manner and to the same extent as if such funds had been raised for said purpose by a bond issue, as provided in this chapter, and all the provisions of this chapter shall apply to said funds.

All other provisions of this chapter shall apply to any monument or memorial heretofore constructed or hereafter constructed from funds raised under any provision of law heretofore existing.

In all cases covered by this section, the taking effect of this chapter shall fix the time for the selection and appointment of the commissioners to all intents and purposes the same as an election on the proposition to erect a memorial building or monument, as provided in this chapter.

[C24, 27, 31, 35, 39, §**502;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.20]

**37.21 Joint memorials.**

Any city may join with the county or township in which such city is located in the joint erection or purchase of memorial buildings or monuments and suitable ground and equipment therefor, and the maintenance thereof, providing the council of such city and the

board of supervisors of such county or the township trustees can so agree, but in cases where commissioners have already been appointed under section 37.9, such agreement shall be between such commissioners, but if only one of such parties has appointed commissioners, then such agreement shall be between the commissioners already appointed and the council of such city or the board of supervisors of such county or the township trustees, as the case may be.

[C27, 31, 35, §502-b1; C39, §**502.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.21]

Referred to in §360.4

**37.22 Unexpended funds.**

Whenever in any county, funds have been raised by taxation for the purpose of erecting and maintaining memorial buildings or monuments, and said funds are under control of a commission as provided in this chapter, and said funds have remained unexpended for a period of five years or more, and when no unpaid obligation exists against said funds, the said commission, or a majority of the members thereof, may disburse said funds for the erection, purchase or improvement of one or more memorial buildings, monuments, parks, playgrounds, swimming pools, homes or club rooms for duly incorporated and acting posts or chapters of veterans' organizations operating under a United States congressional charter, in the county.

[C31, 35, §502-c1; C39, §**502.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.22]

Referred to in §37.24, 37.26

**37.23 Contract to repay.**

When such erection, purchase or improvement has been made, the commission shall take from the posts or chapters which are beneficiaries of such erection, purchase or improvement, the promissory obligation of such posts or chapters to repay the amount expended by the commission with or without annual interest, together with such security as the commission may require.

[C31, 35, §502-c2; C39, §**502.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.23]

Referred to in §37.26

**37.24 Investment of funds.**

Funds not disbursed as provided in section 37.22 may be invested by said commission in such securities as are authorized by section 636.23.

[C31, 35, §502-c3; C39, §**502.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.24]

Referred to in §37.26

**37.25 Accumulations.**

All interest accumulations shall become part of the principal fund and all uninvested funds shall be kept on deposit with the county treasurer.

[C31, 35, §502-c4; C39, §**502.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.25]

Referred to in §37.26

**37.26 General powers.**

For the purpose of carrying out the provisions of sections 37.22 to 37.25, the commission shall have authority to receive and to convey title to real estate, to take mortgage or other security and to release or transfer the same.

[C31, 35, §502-c5; C39, §**502.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.26]

**37.27 Nursing homes with memorial hospitals.**

If a memorial building has been constructed for the purpose of a hospital pursuant to this chapter, additions for hospital purposes, and nursing homes to be operated in conjunction with the hospital may be erected or acquired by following the procedure outlined in chapter 347 and by issuing general county purpose bonds in accordance with sections 331.441 to 331.449, with the commissioners acting in the same manner and fashion as the hospital trustees under chapter 347, and with the procedure in all other respects to be identical.

[C62, 66, 71, 73, 75, 77, 79, 81, S81, §37.27; 81 Acts, ch 117, §1006]

**37.28 Anticipatory warrants.**

If the funds raised under this chapter are insufficient for any fiscal year to pay the principal and interest due in that year on bonds issued for hospital purposes under section 37.6 and to pay the expenses of the operation and maintenance of the hospital and any other hospital expenses authorized by this chapter for the fiscal year, the commission may issue anticipatory warrants drawn on the funds to be raised. The warrants shall be in denominations of one hundred, five hundred and one thousand dollars and shall draw interest at a rate not exceeding that permitted by chapter 74A. These warrants are not a general obligation of any political subdivision which owns the hospital.

[C79, 81, S81, §37.28; 81 Acts, ch 117, §1007; 82 Acts, ch 1104, §2]
83 Acts, ch 123, §44, 209

**37.29 Contents of warrants.**

All tax anticipatory warrants shall be signed by the chairperson of the commission and attested by the auditor of a political subdivision which owns the hospital with the auditor's official seal attached thereto, and dated as of the date of sale, and shall not be sold for less than par value. The warrants may be drawn and sold from time to time as the need for funds to carry out the purpose of this chapter arises.

[C79, 81, §37.29]

**37.30 Registration — call.**

All anticipatory warrants drawn under this chapter shall be numbered consecutively, be registered in the office of the treasurer of a political subdivision which owns the hospital and be subject to call in numerical order at any time when sufficient money derived from the tax levied is in the hands of the treasurer to retire any of the warrants together with accrued interest.

[C79, 81, S81, §37.30; 81 Acts, ch 117, §1008; 82 Acts, ch 1104, §3]
83 Acts, ch 123, §45, 209
Referred to in §331.552

# CHAPTER 37A

## VETERANS COMMEMORATIVE PROPERTY

Referred to in §35A.5

37A.1 Veterans commemorative property — penalty.

**37A.1 Veterans commemorative property — penalty.**

1. For purposes of this chapter, unless the context otherwise requires:

*a.* "*Department*" means the Iowa department of veterans affairs.

*b.* "*Veteran*" means a deceased person who served in the armed forces of the United States during a war in which the United States was engaged or served full-time in active duty in a force of an organized state militia, excluding service in the national guard when in an inactive status.

*c.* "*Veterans commemorative property*" means any memorial as defined in section 523I.102, including a headstone, plaque, statue, urn, decoration, flag holder, badge, shield, item of memorabilia, or other embellishment, that identifies or commemorates any veteran or group of veterans, including any veterans organization or any military unit, company, battalion, or division.

*d.* "*Veterans organization*" means the grand army of the republic, sons of union veterans of the civil war, sons of confederate veterans, veterans of foreign wars, disabled American veterans, united Spanish war veterans, the Jewish war veterans of the United States, inc., the Catholic war veterans, inc., American legion, American veterans of World War II, Italian

American war veterans of the United States, inc., or other corporation or association of veterans.

2. A person who owns or controls property where any veterans commemorative property has been placed shall not sell, trade, or transfer any part of such veterans commemorative property unless the department authorizes the person to do so. The department may authorize the sale, trade, or transfer based upon the following criteria:

*a.* The veterans commemorative property is at reasonable risk of physically deteriorating so that it will become unrecognizable as identifying or commemorating the veteran or group of veterans originally identified or commemorated.

*b.* The veterans commemorative property is proposed to be sold, traded, or transferred to a suitable person that will preserve the current condition of the veterans commemorative property and place it in a suitable place that will commemorate the veteran or group of veterans.

*c.* The person needs to sell, trade, or transfer the veterans commemorative property to ensure that sufficient funds are available to suitably maintain the cemetery where the veterans commemorative property is placed, and the specific lot, plot, grave, burial place, niche, crypt, or other place of interment of such veteran or group of veterans.

*d.* The veterans commemorative property that is to be sold, traded, or transferred will be replaced at its original site by a fitting replacement commemorative property, monument, or marker that appropriately identifies and commemorates the veteran or group of veterans.

*e.* If the person reasonably believes that the veterans commemorative property to be sold, traded, or transferred was donated by a veterans organization, the veterans organization consents to the sale, trade, or transfer of the veterans commemorative property.

*f.* If the person is not the owner of the veterans commemorative property that is to be sold, traded, or transferred, the person is authorized by the owner of such veterans commemorative property, or by operation of law other than this section, to sell, trade, or transfer the veterans commemorative property and to retain and use the proceeds of the sale, trade, or transfer.

3. A person who engages in the sale, trade, or transfer of veterans commemorative property without the authorization of the department pursuant to this section is guilty of a simple misdemeanor.

4. The department may adopt rules in accordance with chapter 17A to administer this chapter.

2006 Acts, ch 1107, §2; 2008 Acts, ch 1067, §1

See also §35B.16A

# SUBTITLE 14

**RESERVED**

## CHAPTERS 38 to 38D

RESERVED

# TITLE II

## ELECTIONS AND OFFICIAL DUTIES

# SUBTITLE 1

## ELECTIONS

# CHAPTER 39

## ELECTIONS, ELECTORS, APPOINTMENTS, TERMS, AND OFFICERS

Referred to in §39A.1, 39A.2, 39A.4, 39A.6, 43.5, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 357J.16, 360.1, 372.2, 376.1, 400.2

Chapter applicable to primary elections, §43.5


39.1 General election.
39.2 Special elections.
39.3 Definitions.
39.4 Proclamation concerning revision of Constitution.
39.5 Elections authorized. Repealed by 98 Acts, ch 1123, §17, 18.
39.6 Notice of special election.
39.7 Time of choosing officer.
39.8 Term of office.
39.9 State officers — term.
39.10 United States senators.
39.11 More than one office prohibited.
39.12 Failure to vacate.
39.13 Repealed by 59 Acts, ch 319, §1.
39.14 Repealed by 61 Acts, ch 296, §2.
39.15 State senators.
39.16 Representatives.
39.17 County officers.
39.18 Board of supervisors.
39.19 Repealed by 69 Acts, ch 218, §11.
39.20 City officers.
39.21 Nonpartisan offices.
39.22 Township officers.
39.23 Township clerk. Repealed by 87 Acts, ch 68, §3.
39.24 School officers.
39.25 Sex no disqualification.
39.26 Candidate qualifications.
39.27 Qualifications for public office.


**39.1 General election.**

The general election shall be held throughout the state on the first Tuesday after the first Monday in November of each even-numbered year.

[C51, §239; R60, §459; C73, §573; C97, §1057; S13, §1057-a; C24, 27, 31, 35, 39, §**504;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.1]

Iowa Constitution, Art. II, §7

**39.2 Special elections.**

1. *a.* All special elections which are authorized or required by law, unless the applicable law otherwise requires, shall be held on Tuesday. A special election shall not be held on the first, second, and third Tuesdays preceding and following the primary and the general elections.

*b.* A special election shall not be held in conjunction with the primary election. A special election shall not be held in conjunction with a school election unless the special election is for a school district or community college. A special election shall not be held in conjunction with a regularly scheduled or special city primary or city runoff election.

2. Except as otherwise provided in subsection 1, a special election may be held on the same day as a regularly scheduled election if the two elections are not in conflict within the meaning of section 47.6, subsection 2. A special election may be held on the same day as a regularly scheduled election with which it does so conflict if the commissioner who is responsible for conducting the elections concludes that to do so will cause no undue difficulties.

3. *a.* When voting is to occur on the same day in any one precinct for two or more elections, they shall be considered one election for purposes of administration including but

not limited to publishing notice of the election, preparation of the precinct election register and completion of tally sheets after the polling place has closed.

*b.* If a special election to fill a vacancy is held in conjunction with a regularly scheduled election, the filing deadlines for the special election shall coincide with the filing deadlines for the regularly scheduled election. An election to fill a vacancy in a city office cannot be held in conjunction with a general election if the city election procedures provide for a primary election.

4. Unless otherwise provided by law, special elections on public measures are limited to the following dates:

*a.* For a county, on the day of the general election, on the day of the regular city election, on the date of a special election held to fill a vacancy in the same county, or on the first Tuesday in March, the first Tuesday in May, or the first Tuesday in August of each year.

*b.* For a city, on the day of the general election, on the day of the regular city election, on the date of a special election held to fill a vacancy in the same city, or on the first Tuesday in March, the first Tuesday in May, or the first Tuesday in August of each year.

*c.* For a school district or merged area, in the odd-numbered year, the first Tuesday in February, the first Tuesday in April, the last Tuesday in June, or the second Tuesday in September. For a school district or merged area, in the even-numbered year, the first Tuesday in February, the first Tuesday in April, the second Tuesday in September, or the first Tuesday in December.

[C51, §237; R60, §460; C73, §574; C97, §1058; C24, 27, 31, 35, 39, §**505;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.2]

90 Acts, ch 1238, §1; 93 Acts, ch 143, §2; 98 Acts, ch 1123, §1; 2002 Acts, ch 1134, §1, 115; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1115, §24, 71

Referred to in §47.6, 57.3, 75.1, 99F.7, 145A.7, 257.18, 257.29, 260C.28, 260C.39, 275.18, 275.23A, 275.25, 275.35, 275.36, 275.55, 277.2, 278.1, 279.39, 297.11, 298.2, 298.9, 298.18, 298.21, 300.2, 330.17, 331.309, 346.27, 347.14, 347.23, 347.23A, 362.11, 364.2, 368.19, 372.2, 372.9, 392.6, 423B.1, 423F.3

**39.3 Definitions.**

The definitions established by this section shall apply wherever the terms so defined appear in this chapter and in chapters 39A, 43, 44, 45, 47, 48A through 53, and 68A unless the context in which any such term is used clearly requires otherwise.

1. *"Absentee ballot"* means any ballot authorized by chapter 53.

2. *"City"* means a municipal corporation not including a county, township, school district, or any special purpose district or authority. When used in relation to land area, *"city"* includes only the land area within the city limits.

3. *"City election"* means any election held in a city for nomination or election of the officers thereof including a city primary or runoff election.

4. *"Commissioner"* means the county commissioner of elections as defined in section 47.2.

5. *"Election"* means a general election, primary election, city election, school election or special election.

6. *"Eligible elector"* means a person who possesses all of the qualifications necessary to entitle the person to be registered to vote, whether or not the person is in fact so registered.

7. *"General election"* means the biennial election for national or state officers, members of Congress and of the general assembly, county and township officers, and for the choice of other officers or the decision of questions as provided by law.

8. *"Infamous crime"* means a felony as defined in section 701.7, or an offense classified as a felony under federal law.

9. *"Primary election"* means that election by the members of various political parties for the purpose of placing in nomination candidates for public office held as required by chapter 43.

10. *"Public measure"* means any question authorized or required by law to be submitted to the voters at an election.

11. *"Registered voter"* means a person who is registered to vote pursuant to chapter 48A.

12. *"Registrar"* means the state registrar of voters designated by section 47.7.

13. *"Registration commission"* means the state voter registration commission established by section 47.8.

14. "*School election*" means that election held pursuant to section 277.1.

15. "*Special election*" means any other election held for any purpose authorized or required by law.

16. "*State commissioner*" means the state commissioner of elections as defined in section 47.1.

17. "*Written*" and "*in writing*" may include any mode of representing words or letters in general use. A signature, when required by law, must be made by the writing or markings of the person whose signature is required. If a person is unable due to a physical disability to make a written signature or mark, that person may substitute either of the following in lieu of a signature required by law:

*a.* The name of the person with a disability written by another upon the request and in the presence of the person with a disability.

*b.* A rubber stamp reproduction of the name or facsimile of the actual signature of the person with a disability when adopted by that person for all purposes requiring a signature and then only when affixed by that person or another upon the request and in the presence of the person with a disability.

[C97, §1089; C24, 27, 31, 35, 39, §**720;** C46, 50, 54, 58, 62, 66, 71, 73, §49.2; C75, 77, 79, 81, §39.3]

93 Acts, ch 143, §3; 94 Acts, ch 1169, §43, 65; 94 Acts, ch 1180, §1; 2002 Acts, ch 1071, §7; 2002 Acts, ch 1134, §2, 115

Referred to in §46.25, 48A.2, 48A.11, 275.1, 362.2

**39.4 Proclamation concerning revision of Constitution.**

In the years in which the Constitution requires, or at other times when the general assembly by law provides for, a vote on the question of calling a convention and revising the Constitution, the governor shall at least sixty days before the general election issue a proclamation directing that at the general election there be proposed to the people the following question:

Shall there be a convention to revise the Constitution, and propose amendment or amendments to same?

[C97, §1061; SS15, §1061; C24, 27, 31, 35, 39, §**507;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.4]

Constitutional requirement, Iowa Constitution, Art. X, §3

**39.5 Elections authorized.** Repealed by 98 Acts, ch 1123, § 17, 18.

**39.6 Notice of special election.**

A proclamation shall be issued before any election ordered by the governor, designating the office to be filled or the public question to be submitted at the election and designating the time at which such election shall be held; and the commissioner of each county in which such election is to be held shall give notice thereof, as provided in section 49.53.

[R60, §462, 464; C73, §577, 579; C97, §1061, 1063; SS15, §1061; C24, 27, 31, 35, 39, §**506, 509;** C46, 50, 54, 58, 62, 66, 71, 73, §39.3, 39.6; C75, 77, 79, 81, §39.6]

Additional provision, §49A.7

**39.7 Time of choosing officer.**

At the general election next preceding the expiration of the term of any officer, a successor shall be elected.

[R60, §461; C73, §575; C97, §1059; C24, 27, 31, 35, 39, §**510;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.7]

**39.8 Term of office.**

The term of office of all officers chosen at a general election for a full term shall commence on the first day of January following the election which is not a Sunday or legal holiday, except

when otherwise provided by the Constitution or by statute; that of an officer chosen to fill a vacancy shall commence as soon as the officer has qualified therefor.

[R60, §462; C73, §576; C97, §1060; S13, §1060; C24, 27, 31, 35, 39, §**511;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.8]

Governor and lieutenant governor, Iowa Constitution, Art. IV, §15
Judges of supreme and district courts, Iowa Constitution, Art. V, §17

**39.9 State officers — term.**

The governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, secretary of agriculture, and attorney general shall be elected for a term of four years at the general election held in the year 1974 and every four years thereafter.

[C51, §239; R60, §465, 466; C73, §580, 581; C97, §1064, 1065; S13, §1065; C24, 27, 31, 35, 39, §**512;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.9]

Referred to in §43.6, 43.78

**39.10 United States senators.**

Senators in the Congress of the United States shall be elected in the same manner in which state officers are elected.

[R60, §674; C73, §26; C97, §30; S13, §1087-c; C24, 27, 31, 35, 39, §**513;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.10]

Term of office, United States Constitution, Amendment 17
Vacancy in United States senate, see §69.13

**39.11 More than one office prohibited.**

Statewide elected officials and members of the general assembly shall not hold more than one elective office at a time. All other elected officials shall not hold more than one elective office at the same level of government at a time. This section does not apply to the following offices: county agricultural extension council or soil and water conservation district commission.

93 Acts, ch 143, §4; 2001 Acts, ch 158, §5

Referred to in §39.12
See also §441.17(1)

**39.12 Failure to vacate.**

An elected official who has been elected to another elective office to which section 39.11 applies shall choose only one office in which to serve. The official shall resign from all but one of the offices to which section 39.11 applies before the beginning of the term of the office to which the person was most recently elected. Failure to submit the required resignation will result in a vacancy in all elective offices to which the person was elected.

93 Acts, ch 143, §5

**39.13** Repealed by 59 Acts, ch 319, § 1.

**39.14** Repealed by 61 Acts, ch 296, § 2.

**39.15 State senators.**

Senators in the general assembly shall be elected at the general election in the respective senatorial districts and shall hold office for the term of four years.

[C51, §239; R60, §471; C73, §588; C97, §1071; S13, §1071; C24, 27, 31, 35, 39, §**518;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.15]

**39.16 Representatives.**

Members of the house of representatives shall be elected at the general election in the respective representative districts and hold office for the term of two years.

[C51, §239; R60, §470; C73, §587; C97, §1070; S13, §1070; C24, 27, 31, 35, 39, §**519;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.16]

**39.17 County officers.**

There shall be elected in each county at the general election to be held in the year 1976 and every four years thereafter, an auditor and a sheriff, each to hold office for a term of four years.

There shall be elected in each county at the general election to be held in 1974 and each four years thereafter, a treasurer, a recorder and a county attorney who shall hold office for a term of four years.

[C51, §96, 239; R60, §224, 472, 473; C73, §589; C97, §1072; S13, §1072; C24, 27, 31, 35, 39, §**520;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.17]

83 Acts, ch 186, §10015, 10201

Referred to in §43.6, 43.77, 49.37, 69.14A, 97B.49C, 97B.49G, 331.661, 331.752, 331.753

Combining duties of county officers; §331.323

**39.18 Board of supervisors.**

There shall be elected biennially in counties, members of the board of supervisors to succeed those whose terms of office will expire on the first day of January following the election which is not a Sunday or legal holiday. The term of office of each supervisor shall be four years, except as otherwise provided by section 331.208 or 331.209.

[C51, §239; R60, §475; C73, §295, 591; C97, §411, 1074; S13, §1074; SS15, §411; C24, 27, 31, 35, 39, §**521;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §39.18; 81 Acts, ch 117, §1202]

87 Acts, ch 68, §1

**39.19** Repealed by 69 Acts, ch 218, § 11.

**39.20 City officers.**

The times at which officers of cities shall be elected and their terms of office shall be as provided by or established pursuant to sections 376.1 and 376.2.

[C75, 77, 79, 81, §39.20]

**39.21 Nonpartisan offices.**

There shall be elected at each general election, on a nonpartisan basis, the following officers:

1. County public hospital trustees as required by section 347.25.
2. Soil and water conservation district commissioners as required by section 161A.5.
3. County agricultural extension council members as provided in section 176A.6.
4. Township officers as provided in section 39.22, subsection 2.

[C77, 79, 81, §39.21]

87 Acts, ch 23, §2; 90 Acts, ch 1149, §8; 93 Acts, ch 48, § 10; 2001 Acts, ch 158, §6; 2005 Acts, ch 152, §1

Referred to in §49.31

**39.22 Township officers.**

The offices of township trustee and township clerk shall be filled by appointment or election as follows:

1. *By appointment.*

*a.* The county board of supervisors may pass a resolution in favor of filling the offices of trustee and clerk within a township by appointment by the board, and may direct the county commissioner of elections to submit the question to the registered voters of the township at the next general election. In a township which does not include a city, the voters of the entire township are eligible to vote on the question. In a township which includes a city, only those voters who reside outside the corporate limits of a city are eligible to vote on the question. The resolution shall apply to all townships which have not approved a proposition to fill township offices by appointment. If the proposition to fill the township offices by appointment is approved by a majority of those voting on the question, the board shall fill the offices by appointment as the terms of office of the incumbent township officers expire.

*b.* The election of the trustees and clerk of a township may be restored after approval of the appointment process under this subsection by a resolution of the board of supervisors

submitting the question to the registered voters who are eligible to vote for township officers of the township at the next general election. If the proposition to restore the election process is approved by a majority of those voting on the question, the election of the township officers shall commence with the next general election. A resolution submitting the question of restoring the election of township officers at the next general election shall be adopted by the board of supervisors upon receipt of a petition signed by eligible electors residing in the township equal in number to at least ten percent of the registered voters of a township. The initial terms of the trustees shall be determined by lot, one for two years, and two for four years. However, if a proposition to change the method of selecting township officers is adopted by the electorate, a resolution to change the method shall not be submitted to the electorate for four years.

2. *By election.* If the county board of supervisors does not have the power provided under subsection 1 to fill the offices of trustee and clerk within a township by appointment, then the offices of township trustee and township clerk shall be filled by election on a nonpartisan basis. Township trustees and the township clerk, in townships which do not include a city, shall be elected by the voters of the entire township. In townships which include a city, the officers shall be elected by the voters of the township who reside outside the corporate limits of the city, but a township officer may be a resident of the city.

*a. Township officers.* The election of township officers shall take place at the general election on ballots which shall not reflect a nominee's political affiliation. A person seeking election as township officer shall file an affidavit of candidacy with the county commissioner of elections pursuant to section 45.3. A plurality is sufficient to elect the township officers.

*b. Township trustees.* Township trustees shall be elected biennially to succeed those whose terms of office expire on the first day of January following the election which is not a Sunday or legal holiday. The term of office of each elected township trustee is four years, except as provided in subsection 1 for initial terms following restoration of the election process.

*c. Township clerk.* At the general election held in the year 1990 and every four years thereafter, in each civil township one township clerk shall be elected who shall hold office for the term of four years.

[C27, 31, 35, §523-b1; C39, §**523.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.22]

85 Acts, ch 30, §1; 86 Acts, ch 1117, §1; 87 Acts, ch 68, §2; 88 Acts, ch 1119, §1; 88 Acts, ch 1134, §18, 19; 95 Acts, ch 67, §53; 2001 Acts, ch 56, §3; 2005 Acts, ch 152, §2, 3; 2007 Acts, ch 25, §1; 2008 Acts, ch 1032, §201

Referred to in §39.21

**39.23 Township clerk.** Repealed by 87 Acts, ch 68, § 3. See § 39.22.

**39.24 School officers.**

Members of boards of directors of community and independent school districts, and boards of directors of merged areas shall be elected at the school election. Their terms of office shall be four years, except as otherwise provided by section 260C.11, 260C.13, 275.23A, 275.37, or 275.37A.

[C75, 77, 79, 81, §39.24]

83 Acts, ch 77, §1; 2008 Acts, ch 1115, §1, 21

Directors, §274.7

For provisions applicable to the transition from election of directors annually for three-year terms to the staggered election of directors biennially for four-year terms, see 2008 Acts, ch 1115, §21

**39.25 Sex no disqualification.**

No person shall be disqualified on account of sex from holding any office created by the statutes of this state.

[C24, 27, 31, 35, 39, §**526;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.25]

**39.26 Candidate qualifications.**

Any person seeking election to an elective office under the laws of this state shall be an eligible elector at the time of any election at which the person's name appears on the ballot.

2002 Acts, ch 1134, §3, 115

**39.27 Qualifications for public office.**

Any person elected to an office under the laws of this state shall be an eligible elector. At the time an elected official takes office the official shall be a resident of the state, district, county, township, city, or ward by or for which the person was elected, or in which the duties of the office are to be exercised. An elected official shall continue to be a resident of the state, district, county, township, city, or ward by or for which the person was elected, or in which the duties of the office are to be exercised for the duration of the term of office. This section shall not apply to United States senators or representatives in Congress or to members of the general assembly.

2002 Acts, ch 1134, §4, 115

Referred to in §45.5

# CHAPTER 39A

## ELECTION MISCONDUCT

Referred to in §39.3, 43.5, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 357J.16, 360.1, 372.2, 376.1

See also definitions in §39.3


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**39A.1 Title and purpose — election officials defined.**

1. This chapter may be cited and referred to as the *"Election Misconduct and Penalties Act"*.

2. The purpose of this chapter is to identify actions which threaten the integrity of the election process and to impose significant sanctions upon persons who intentionally commit those acts. It is the intent of the general assembly that offenses with the greatest potential to affect the election process be vigorously prosecuted and strong punishment meted out through the imposition of felony sanctions which, as a consequence, remove the voting rights of the offenders. Other offenses are still considered serious, but based on the factual context in which they arise, they may not rise to the level of offenses to which felony penalties attach. The general assembly also recognizes that instances may arise in which technical infractions of chapters 39 through 53 may occur which do not merit any level of criminal sanction. In such instances, administrative notice from the state or county commissioner of elections is sufficient. Mandates or proscriptions in chapters 39 through 53 which are not specifically included in this chapter shall be considered to be directive only, without criminal sanction.

3. For the purposes of this chapter, *"election officials"* include the state commissioner, the county commissioner, employees of the state commissioner and county commissioner who are responsible for carrying out functions or duties under chapters 39 through 53, and precinct election officials appointed pursuant to sections 49.12, 49.14, 49.18, and 53.23.

2002 Acts, ch 1071, §1

**39A.2 Election misconduct in the first degree.**

1. A person commits the crime of election misconduct in the first degree if the person willfully commits any of the following acts:

*a. Registration fraud.*

(1) Produces, procures, submits, or accepts a voter registration application that is known by the person to be materially false, fictitious, forged, or fraudulent.

(2) Falsely swears to an oath required pursuant to section 48A.7A.

*b. Vote fraud.*

(1) Destroys, delivers, or handles an application for a ballot or an absentee ballot with the intent of interfering with the voter's right to vote.

(2) Produces, procures, submits, or accepts a ballot or an absentee ballot, or produces, procures, casts, accepts, or tabulates a ballot that is known by the person to be materially false, fictitious, forged, or fraudulent.

(3) Votes or attempts to vote more than once at the same election, or votes or attempts to vote at an election knowing oneself not to be qualified.

(4) Makes a false or untrue statement in an application for an absentee ballot or makes or signs a false certification or affidavit in connection with an absentee ballot.

(5) Otherwise deprives, defrauds, or attempts to deprive or defraud the citizens of this state of a fair and impartially conducted election process.

*c. Duress.* Intimidates, threatens, or coerces, or attempts to intimidate, threaten, or coerce, a person to do or to refrain from doing any of the following:

(1) To register to vote, to vote, or to attempt to register to vote.

(2) To urge or aid a person to register to vote, to vote, or to attempt to register to vote.

(3) To sign a petition nominating a candidate for public office or a petition requesting an election for which a petition may legally be submitted.

(4) To exercise a right under chapters 39 through 53.

*d. Bribery.*

(1) Pays, offers to pay, or causes to be paid money or any other thing of value to a person to influence the person's vote.

(2) Pays, offers to pay, or causes to be paid money or any other thing of value to an election official conditioned on some act done or omitted to be done contrary to the person's official duty in relation to an election.

(3) Receives money or any other thing of value knowing that it was given in violation of subparagraph (1) or (2).

*e. Conspiracy.* Conspires with or acts as an accessory with another to commit an act in violation of paragraphs *"a"* through *"d"*.

*f. Voting equipment tampering.* Intentionally alters or damages any computer software or any physical part of voting equipment, automatic tabulating equipment, or any other part of a voting system.

2. Election misconduct in the first degree is a class "D" felony.

2002 Acts, ch 1071, §2; 2007 Acts, ch 35, §1, 7; 2008 Acts, ch 1115, §89, 90; 2009 Acts, ch 57, §3

Referred to in §49.11

**39A.3 Election misconduct in the second degree.**

1. A person commits the crime of election misconduct in the second degree if the person willfully commits any of the following acts:

*a. Interference with validity of election.*

(1) Possesses an official ballot outside of the voting room unless the person is an election official or other person authorized by law to possess such a ballot.

(2) Makes or possesses a counterfeit of an official election ballot.

(3) Solicits or encourages a person to vote in an election knowing that person is not qualified to vote in the election.

(4) Files a challenge containing false information under section 48A.14 or 49.79.

*b. Actions by election official.* As an election official:

(1) Refuses to register a person who is entitled to register to vote under chapter 48A.

(2) Accepts a fee from an applicant applying for registration.

(3) While the polls are open, opens a ballot received from a voter, except as permitted by law.

(4) Marks a ballot by folding or otherwise so as to be able to recognize it.
(5) Attempts to learn how a voter marked a ballot.
(6) Causes a voter to cast a vote contrary to the voter's intention.
(7) Changes a ballot, or in any way causes a vote to be recorded contrary to the intention of the person casting that vote.
(8) Allows a person to do any of the acts proscribed by subparagraphs (1) through (7).
2. Election misconduct in the second degree is an aggravated misdemeanor.
2002 Acts, ch 1071, §3; 2008 Acts, ch 1115, §83

**39A.4 Election misconduct in the third degree.**
1. A person commits the crime of election misconduct in the third degree if the person willfully commits any of the following acts:
*a. Election day acts.* Any of the following on election day:
(1) Loitering, congregating, electioneering, posting signs, treating voters, or soliciting votes, during the receiving of the ballots, either on the premises of a polling place or within three hundred feet of an outside door of a building affording access to a room where the polls are held, or of an outside door of a building affording access to a hallway, corridor, stairway, or other means of reaching the room where the polls are held. This subparagraph does not apply to the posting of signs on private property not a polling place, except that the placement of a sign that is more than ninety square inches in size on a motor vehicle, trailer, or semitrailer, or its attachment to a motor vehicle, trailer, or semitrailer parked on public property within three hundred feet of a polling place is prohibited.
(2) Interrupting, hindering, or opposing a voter while in or approaching the polling place for the purpose of voting.
(3) As a voter, submitting a false statement as to the voter's ability to mark a ballot.
(4) Interfering or attempting to interfere with a voter when the voter is inside the enclosed voting space, or when the voter is marking a ballot.
(5) Endeavoring to induce a voter to show how the voter marks or has marked a ballot.
(6) Marking, or causing in any manner to be marked, on a ballot, any character for the purpose of identifying such ballot.
*b. Actions by election official.* As an election official:
(1) Serving as a member of a challenging committee or observer under section 49.104, subsection 2, 5, or 6, while serving as a precinct election official at the polls.
(2) Failing to perform duties prescribed by chapters 39 through 53, or performing those duties in such a way as to hinder the object of the law.
(3) Disclosing the manner in which a person's ballot has been voted to anyone except as ordered by a court.
(4) Failing to carry out a duty with regard to access under chapter 22 to a public record that relates to an election or voter registration.
(5) Furnishing a voter with a ballot other than the proper ballot to be used at an election.
(6) Making or consenting to a false entry on the list of voters or poll books.
(7) Placing or permitting another election official to place anything other than a ballot into a ballot box as provided in section 49.85, or permitting a person other than an election official to place anything into a ballot box.
(8) Taking or permitting to be taken out of a ballot box a ballot deposited in the ballot box, except in the manner prescribed by law.
(9) Destroying or altering a ballot that has been given to a voter.
(10) Permitting a person to vote in a manner prohibited by law.
(11) Refusing or rejecting the vote of a voter qualified to vote.
(12) Wrongfully acting or refusing to act for the purpose of avoiding an election, or of rendering invalid a ballot cast from a precinct or other voting district.
(13) Having been deputized to carry the poll books of an election to the place where they are to be canvassed, failing to deliver them to such place, safe, with seals unbroken, and within the time specified by law.
*c. Miscellaneous offenses.*
(1) As a party committee member or a primary election officer or public officer upon

whom a duty is imposed by chapter 43 or by a statute applicable to chapter 43, neglecting to perform any such duty, or performing any such duty in such a way as to hinder the object of the statute, or by disclosing to anyone, except as may be ordered by a court, the manner in which a ballot may have been voted.

(2) As a person who is designated pursuant to section 43.4 to report the results of a precinct caucus as it relates to the selection and reporting of delegates selected as part of the presidential nominating process or who is designated pursuant to section 43.4 to tabulate and report the number of persons attending the caucus favoring each presidential candidate, failing to perform those duties, falsifying the information, or omitting information required to be reported under section 43.4.

(3) Making a false answer under chapter 43 relative to a person's qualifications and party affiliations.

(4) Paying, offering to pay, or receiving compensation for voter registration assistance in violation of section 48A.25.

(5) Using voter registration information in violation of section 48A.39.

(6) As a candidate, making a promise to name or appoint another person to a position or to secure a position for another person in violation of section 49.120.

(7) Soliciting the use of influence from a candidate in violation of section 49.121.

(8) As a public official or employee, or a person acting under color of a public official or employee, knowingly requiring a public employee to act in connection with an absentee ballot in violation of section 53.7.

(9) As a person designated by the county commissioner of elections or by the voter casting an absentee ballot, failing to return an absentee ballot in violation of section 53.35A.

(10) As an incumbent officeholder of, or a candidate for, an office being voted for at the election in progress, serving as a member of a challenging committee or observer under section 49.104, subsection 2, 5, or 6, or section 53.23, subsection 4.

(11) Returning a voted absentee ballot, by mail or in person, to the commissioner's office and the person returning the ballot is not the voter, the voter's designee, or a special precinct election official designated pursuant to section 53.22, subsection 1.

(12) Making a false or untrue statement reporting that a voted absentee ballot was returned to the commissioner's office, by mail or in person, by a person other than the voter, the voter's designee, or a special precinct election official designated pursuant to section 53.22, subsection 1.

2. Election misconduct in the third degree is a serious misdemeanor.

2002 Acts, ch 1071, §4; 2004 Acts, ch 1083, §1, 37; 2007 Acts, ch 59, §20, 38; 2007 Acts, ch 215, §222

Referred to in §49.92

**39A.5 Election misconduct in the fourth degree.**

1. A person commits the crime of election misconduct in the fourth degree if the person willfully commits any of the following acts:

*a. Election day acts.*

(1) As an employer, denying an employee the privilege conferred by section 49.109, or subjecting an employee to a penalty or reduction of wages because of the exercise of that privilege.

(2) Failing or refusing to comply with an order or command of an election official made pursuant to chapter 49 for which another penalty is not provided.

(3) Circulating, communicating, or attempting to circulate or communicate information with reference to the result of the counted ballots or making a compilation of vote subtotals before the polls are closed in violation of section 53.23.

(4) Destroying, defacing, tearing down, or removing a list of candidates, card of instruction, or sample ballot posted as provided by law prior to the closing of the polls.

(5) Removing or destroying the supplies or articles furnished for the purpose of enabling voters to prepare their ballots.

(6) Violating or attempting to violate any of the provisions or requirements of chapter 49 to which another penalty does not apply.

*b. Miscellaneous offenses.*

(1) As a public employee, acting in connection with an absentee ballot in violation of section 53.7.

(2) Violating any provision of chapter 53 for which another penalty is not provided.

2. Election misconduct in the fourth degree is a simple misdemeanor.

2002 Acts, ch 1071, §5; 2007 Acts, ch 59, §21, 38; 2007 Acts, ch 190, §14; 2008 Acts, ch 1115, §84; 2010 Acts, ch 1060, §1

**39A.6 Technical infractions — notice.**

If the state commissioner or county commissioner becomes aware of an apparent technical violation of a provision of chapters 39 through 53, the state commissioner or county commissioner may administratively provide a written notice and letter of instruction to the responsible person regarding proper compliance procedures. This notice is not a final determination of facts or law in the matter, and does not entitle a person to a proceeding under chapter 17A.

2002 Acts, ch 1071, §6

# CHAPTER 40

## CONGRESSIONAL DISTRICTS

Referred to in §39A.1, 39A.2, 39A.4, 39A.6, 46.2A, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 357J.16, 360.1, 372.2, 376.1

40.1 Congressional districts.

**40.1 Congressional districts.**

The state of Iowa is hereby organized and divided into four congressional districts, which shall be composed, respectively, of the following counties:

1. The first district shall consist of the counties of Worth, Mitchell, Howard, Winneshiek, Allamakee, Bremer, Fayette, Clayton, Black Hawk, Buchanan, Delaware, Dubuque, Marshall, Tama, Benton, Linn, Jones, Jackson, Poweshiek, and Iowa.

2. The second district shall consist of the counties of Jasper, Johnson, Cedar, Clinton, Marion, Mahaska, Keokuk, Washington, Louisa, Muscatine, Scott, Clarke, Lucas, Monroe, Wapello, Jefferson, Henry, Des Moines, Decatur, Wayne, Appanoose, Davis, Van Buren, and Lee.

3. The third district shall consist of the counties of Guthrie, Dallas, Polk, Pottawattamie, Cass, Adair, Madison, Warren, Mills, Montgomery, Adams, Union, Fremont, Page, Taylor, and Ringgold.

4. The fourth district shall consist of the counties of Lyon, Osceola, Dickinson, Emmet, Kossuth, Winnebago, Sioux, O'Brien, Clay, Palo Alto, Hancock, Cerro Gordo, Floyd, Chickasaw, Plymouth, Cherokee, Buena Vista, Pocahontas, Humboldt, Wright, Franklin, Butler, Woodbury, Ida, Sac, Calhoun, Webster, Hamilton, Hardin, Grundy, Monona, Crawford, Carroll, Greene, Boone, Story, Harrison, Shelby, and Audubon.

[C27, 31, 35, §526-a1; C39, §**526.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §40.1; 81 Acts 2d Ex, ch 1, §1]

91 Acts, ch 223, §1; 2001 Acts, 1st Ex, ch 1, §1, 6; 2011 Acts, ch 76, §1, 6

Constitutional provision, Iowa Constitution, Art. III, §37

Membership beginning in 2013; vacancies prior to 2013; see 2011 Acts, ch 76, §3, 4

# CHAPTER 41

## STATE SENATORIAL AND REPRESENTATIVE DISTRICTS

Referred to in §39A.1, 39A.2, 39A.4, 39A.6, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 357J.16, 360.1, 372.2, 376.1

41.1 Representative districts. 41.2 Senate districts.

**41.1 Representative districts.**

The state of Iowa is hereby divided into one hundred representative districts as follows:

1. The first representative district shall consist of:

*a.* Lyon county.

*b.* Osceola county.

*c.* In Dickinson county:

(1) The city of West Okoboji.

(2) Silver Lake, Diamond Lake, Spirit Lake, Superior, Excelsior, Lakeville, and Richland townships, and that portion of Center Grove township not contained in the second representative district.

2. The second representative district shall consist of:

*a.* Clay county.

*b.* Palo Alto county.

*c.* In Dickinson county:

(1) Westport, Milford, and Lloyd townships, and that portion of Okoboji township lying outside the corporate limits of the city of West Okoboji.

(2) That portion of Center Grove township bounded by a line commencing at the point the west corporate limit of the city of Milford intersects the south boundary of Center Grove township, then proceeding first north, then in a clockwise manner along the corporate limits of the city of Milford until it intersects the south boundary of Center Grove township, then proceeding west along the boundary of Center Grove township to the point of origin.

3. The third representative district shall consist of:

*a.* O'Brien county.

*b.* Cherokee county.

*c.* In Sioux county, Floyd, Grant, Lynn, and Sheridan townships.

*d.* In Plymouth county, Henry township, that portion of Meadow township and Remsen township lying outside the corporate limits of the city of Remsen, and that portion of Garfield township lying outside the corporate limits of the city of Kingsley.

4. The fourth representative district in Sioux county shall consist of Buncombe, Capel, Center, Eagle, East Orange, Garfield, Holland, Lincoln, Logan, Nassau, Plato, Reading, Rock, Settlers, Sherman, Sioux, Washington, Welcome, and West Branch townships.

5. The fifth representative district shall consist of:

*a.* In Plymouth county:

(1) The cities of Remsen and Kingsley.

(2) America, Elgin, Elkhorn, Fredonia, Grant, Hancock, Hungerford, Johnson, Liberty, Lincoln, Marion, Perry, Plymouth, Portland, Preston, Sioux, Stanton, Union, Washington, and Westfield townships.

*b.* In Woodbury county:

(1) The cities of Lawton and Correctionville.

(2) Arlington, Banner, Grant, Moville, Rutland, Union, West Fork, and Wolf Creek townships, and that portion of Kedron township lying outside the corporate limits of the city of Anthon.

6. The sixth representative district in Woodbury county shall consist of:

*a.* The city of Sergeant Bluff.

*b.* Grange, Lakeport, and Liberty townships, those portions of Woodbury township lying outside the corporate limits of the city of Sioux City, and that portion of Floyd township lying outside the corporate limits of the city of Lawton.

*c.* That portion of the city of Sioux City bounded by a line commencing at the point the east corporate limit of the city of Sioux City intersects Stone avenue, then proceeding west

along Stone avenue until it intersects Morningside avenue, then proceeding southeasterly along Morningside avenue until it intersects Peters avenue, then proceeding west along Peters avenue until it intersects South Paxton street, then proceeding north along South Paxton street until it intersects Stone avenue, then proceeding west along Stone avenue until it intersects South Cecelia street, then proceeding north along South Cecelia street until it intersects Morningside avenue, then proceeding southeasterly, then northerly along Morningside avenue until it intersects South Cecelia street, then proceeding northerly along South Cecelia street, then Cecelia street south until it intersects Leech avenue, then proceeding west along Leech avenue until it intersects Alice street South, then proceeding north along Alice street South until it intersects Correctionville road, then proceeding west along Correctionville road until it intersects South Westcott street, then proceeding south along South Westcott street until it intersects Gordon drive, then proceeding west along Gordon drive until it intersects South Court street, then proceeding southerly along South Court street and its extension until it intersects the boundary of the state of Iowa and the corporate limit of the city of Sioux City, then proceeding first southerly, then in a counterclockwise manner along the corporate limits of the city of Sioux City to the point of origin.

7. The seventh representative district shall consist of:

*a.* Emmet county.

*b.* Winnebago county.

*c.* In Kossuth county:

(1) That portion of the city of Algona bounded by a line commencing at the point the east corporate limit of the city of Algona intersects the south boundary of Plum Creek township, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Algona to the point of origin.

(2) Burt, Eagle, Fenton, Grant, Harrison, Hebron, Ledyard, Lincoln, Seneca, Springfield, Swea, and Union townships, and that portion of Greenwood township lying outside the corporate limits of the city of Bancroft.

8. The eighth representative district shall consist of:

*a.* Hancock county.

*b.* Wright county.

*c.* In Kossuth county:

(1) The city of Bancroft and that portion of the city of Algona not contained in the seventh representative district.

(2) Buffalo, Cresco, Garfield, German, Irvington, Lotts Creek, Lu Verne, Plum Creek, Portland, Prairie, Ramsey, Riverdale, Sherman, Wesley, and Whittemore townships.

9. The ninth representative district in Webster county shall consist of:

*a.* The cities of Duncombe and Fort Dodge.

*b.* Badger, Colfax, Cooper, Deer Creek, Douglas, Elkhorn, Jackson, and Newark townships.

10. The tenth representative district shall consist of:

*a.* Calhoun county.

*b.* Humboldt county.

*c.* Pocahontas county.

*d.* In Webster county, Clay, Fulton, Gowrie, Johnson, Lost Grove, and Roland townships.

11. The eleventh representative district shall consist of:

*a.* Buena Vista county.

*b.* Sac county.

12. The twelfth representative district shall consist of:

*a.* Audubon county.

*b.* Carroll county.

*c.* In Crawford county, Hayes, Iowa, Jackson, Milford, Nishnabotny, Stockholm, and West Side townships, and that portion of East Boyer township lying outside the corporate limits of the city of Denison.

13. The thirteenth representative district in Woodbury county shall consist of:

*a.* Concord township.

*b*. That portion of the city of Sioux City bounded by a line commencing at the point the north boundary of Woodbury county intersects Hamilton boulevard, then proceeding east along the boundary of Woodbury county until it intersects the east corporate limit of the city of Sioux City, then proceeding southerly along the corporate limits of the city of Sioux City until it intersects Stone avenue, then proceeding west along Stone avenue until it intersects Morningside avenue, then proceeding southeasterly along Morningside avenue until it intersects Peters avenue, then proceeding west along Peters avenue until it intersects South Paxton street, then proceeding north along South Paxton street until it intersects Stone avenue, then proceeding west along Stone avenue until it intersects South Cecelia street, then proceeding north along South Cecelia street until it intersects Morningside avenue, then proceeding southeasterly, then northerly along Morningside avenue until it intersects South Cecelia street, then proceeding northerly along South Cecelia street, then Cecelia street south until it intersects Leech avenue, then proceeding west along Leech avenue until it intersects Alice street South, then proceeding north along Alice street South until it intersects Correctionville road, then proceeding west along Correctionville road until it intersects South Westcott street, then proceeding south along South Westcott street until it intersects Gordon drive, then proceeding west along Gordon drive until it intersects South Court street, then proceeding southerly along South Court street and its extension until it intersects the boundary of the state of Iowa, then proceeding westerly along the boundary of the state of Iowa until it intersects Wesley parkway, then proceeding northerly along Wesley parkway until it intersects Perry street, then proceeding northeasterly along Perry street until it intersects West Eighth street, then proceeding northwesterly along West Eighth street until it intersects Bluff street, then proceeding northerly along Bluff street until it intersects Summit street, then proceeding northerly along Summit street until it intersects Twelfth street, then proceeding east along Twelfth street until it intersects Nebraska street, then proceeding north along Nebraska street until it intersects Thirteenth street, then proceeding east along Thirteenth street until it intersects Jackson street, then proceeding south along Jackson street until it intersects Twelfth street, then proceeding east along Twelfth street until it intersects Court street, then proceeding north along Court street until it intersects Fourteenth street, then proceeding easterly along Fourteenth street until it intersects Floyd boulevard, then proceeding south along Floyd boulevard until it intersects Thirteenth street, then proceeding easterly along Thirteenth street until it intersects the Union Pacific Railroad tracks, then proceeding northerly along the Union Pacific Railroad tracks until it intersects Nineteenth street, then proceeding westerly along Nineteenth street until it intersects Iowa street, then proceeding south along Iowa street until it intersects Eighteenth street, then proceeding west along Eighteenth street until it intersects Court street, then proceeding south along Court street until it intersects Sixteenth street, then proceeding west along Sixteenth street until it intersects Virginia street, then proceeding north along Virginia street until it intersects Seventeenth street, then proceeding west along Seventeenth street until it intersects Ingleside avenue, then proceeding southerly along Ingleside avenue until it intersects Seventeenth street, then proceeding west along Seventeenth street until it intersects Pierce street, then proceeding north along Pierce street until it intersects Twenty-second street, then proceeding east along Twenty-second street until it intersects Nebraska street, then proceeding north along Nebraska street until it intersects Twenty-third street, then proceeding west along Twenty-third street until it intersects Pierce street, then proceeding north along Pierce street until it intersects Stone Park boulevard, then proceeding northwesterly along Stone Park boulevard until it intersects West Clifton avenue, then proceeding easterly along West Clifton avenue and its extension until it intersects Hamilton boulevard, then proceeding northerly along Hamilton boulevard until it intersects Perry creek, then proceeding southerly along Perry creek until it intersects Thirty-fourth street and its extension, then proceeding east along Thirty-fourth street and its extension until it intersects Jones street, then proceeding north along Jones street until it intersects Thirty-eighth street, then proceeding easterly along Thirty-eighth street until it intersects Thirty-seventh street, then proceeding south and then east along Thirty-seventh street until it intersects Cheyenne boulevard, then proceeding northerly along Cheyenne boulevard until it intersects Outer drive North, then proceeding easterly along Outer drive

North until it intersects Buckwalter drive, then proceeding northwesterly along Buckwalter drive until it intersects Hamilton boulevard, then proceeding northerly along Hamilton boulevard to the point of origin.

14. The fourteenth representative district in Woodbury county shall consist of that portion of the city of Sioux City bounded by a line commencing at the point the boundary of the state of Iowa intersects the north boundary of Woodbury county, then proceeding east along the boundary of Woodbury county until it intersects Hamilton boulevard, then proceeding southerly along Hamilton boulevard until it intersects Buckwalter drive, then proceeding southeasterly along Buckwalter drive until it intersects Outer drive North, then proceeding westerly along Outer drive North until it intersects Cheyenne boulevard, then proceeding southerly along Cheyenne boulevard until it intersects Thirty-seventh street, then proceeding west and then north along Thirty-seventh street until it intersects Thirty-eighth street, then proceeding westerly along Thirty-eighth street until it intersects Jones street, then proceeding southerly along Jones street until it intersects Thirty-fourth street, then proceeding westerly along Thirty-fourth street and its extension until it intersects Perry creek, then proceeding northerly along Perry creek until it intersects Hamilton boulevard, then proceeding southerly along Hamilton boulevard until it intersects West Clifton avenue and its extension, then proceeding westerly along West Clifton avenue and its extension until it intersects Stone Park boulevard, then proceeding southeasterly along Stone Park boulevard until it intersects Pierce street, then proceeding south along Pierce street until it intersects Twenty-third street, then proceeding east along Twenty-third street until it intersects Nebraska street, then proceeding south along Nebraska street until it intersects Twenty-second street, then proceeding west along Twenty-second street until it intersects Pierce street, then proceeding south along Pierce street until it intersects Seventeenth street, then proceeding east along Seventeenth street until it intersects Ingleside avenue, then proceeding northerly along Ingleside avenue until it intersects Seventeenth street, then proceeding east along Seventeenth street until it intersects Virginia street, then proceeding south along Virginia street until it intersects Sixteenth street, then proceeding east along Sixteenth street until it intersects Court street, then proceeding north along Court street until it intersects Eighteenth street, then proceeding east along Eighteenth street until it intersects Iowa street, then proceeding north along Iowa street until it intersects Nineteenth street, then proceeding easterly along Nineteenth street until it intersects the Union Pacific Railroad tracks, then proceeding southerly along the Union Pacific Railroad tracks until it intersects Thirteenth street, then proceeding westerly along Thirteenth street until it intersects Floyd boulevard, then proceeding north along Floyd boulevard until it intersects Fourteenth street, then proceeding westerly along Fourteenth street until it intersects Court street, then proceeding south along Court street until it intersects Twelfth street, then proceeding west along Twelfth street until it intersects Jackson street, then proceeding north along Jackson street until it intersects Thirteenth street, then proceeding west along Thirteenth street until it intersects Nebraska street, then proceeding south along Nebraska street until it intersects Twelfth street, then proceeding west along Twelfth street until it intersects Summit street, then proceeding southerly along Summit street until it intersects Bluff street, then proceeding southerly along Bluff street until it intersects West Eighth street, then proceeding southeasterly along West Eighth street until it intersects Perry street, then proceeding southwesterly along Perry street until it intersects Wesley parkway, then proceeding southerly along Wesley parkway until it intersects the boundary of the state of Iowa, then proceeding first west, then in a clockwise manner along the boundary of the state of Iowa to the point of origin.

15. The fifteenth representative district in Pottawattamie county shall consist of:

*a.* The city of Carter Lake.

*b.* That portion of the city of Council Bluffs bounded by a line commencing at the point the corporate limits of the city of Council Bluffs and the boundary of the state of Iowa intersect the Union Pacific Railroad tracks, then proceeding easterly along the Union Pacific Railroad tracks until it intersects Ninth avenue, then proceeding east along Ninth avenue until it intersects South Twelfth street, then proceeding northerly along South Twelfth street until it intersects Seventh avenue, then proceeding east along Seventh avenue until

it intersects South Ninth street, then proceeding north along South Ninth street until it intersects West Broadway, then proceeding east along West Broadway until it intersects North Eighth street, then proceeding north along North Eighth street until it intersects West Washington avenue, then proceeding easterly along West Washington avenue until it intersects North Main street, then proceeding southerly along North Main street until it intersects Kanesville boulevard, then proceeding northeasterly along Kanesville boulevard until it intersects North First street and its extension, then proceeding southerly along North First street and its extension until it intersects East Broadway, then proceeding northeasterly along East Broadway until it intersects Union street, then proceeding southeasterly along Union street until it intersects East Pierce street, then proceeding northeasterly along East Pierce street until it intersects Frank street, then proceeding northwesterly along Frank street until it intersects East Broadway, then proceeding northeasterly along East Broadway until it intersects East Kanesville boulevard, then proceeding southwesterly along East Kanesville boulevard until it intersects Harrison street, then proceeding northerly along Harrison street until it intersects Mount Vernon street, then proceeding easterly along Mount Vernon street until it intersects Trail Ridge drive, then proceeding northerly along Trail Ridge drive until it intersects Grand avenue, then proceeding northerly along Grand avenue until it intersects South Sierra drive, then proceeding easterly, then northerly, along South Sierra drive until it intersects North Sierra drive, then proceeding westerly along North Sierra drive until it intersects Grand avenue, then proceeding northerly along Grand avenue until it intersects the north corporate limit of the city of Council Bluffs, then proceeding first west, then in a counterclockwise manner along the corporate limits of the city of Council Bluffs to the point of origin.

16. The sixteenth representative district in Pottawattamie county shall consist of that portion of the city of Council Bluffs bounded by a line commencing at the point the corporate limits of the city of Council Bluffs and the boundary of the state of Iowa intersect the Union Pacific Railroad tracks, then proceeding easterly along the Union Pacific Railroad tracks until it intersects Ninth avenue, then proceeding east along Ninth avenue until it intersects South Twelfth street, then proceeding northerly along South Twelfth street until it intersects Seventh avenue, then proceeding east along Seventh avenue until it intersects South Ninth street, then proceeding north along South Ninth street until it intersects West Broadway, then proceeding east along West Broadway until it intersects North Eighth street, then proceeding north along North Eighth street until it intersects West Washington avenue, then proceeding easterly along West Washington avenue until it intersects North Main street, then proceeding southerly along North Main street until it intersects Kanesville boulevard, then proceeding easterly along Kanesville boulevard until it intersects North First street and its extension, then proceeding southerly along North First street and its extension until it intersects East Broadway, then proceeding northeasterly along East Broadway until it intersects Union street, then proceeding southeasterly along Union street until it intersects East Pierce street, then proceeding northeasterly along East Pierce street until it intersects Frank street, then proceeding northwesterly along Frank street until it intersects East Broadway, then proceeding northeasterly along East Broadway until it intersects East Kanesville boulevard, then proceeding southwesterly along East Kanesville boulevard until it intersects Harrison street, then proceeding northerly along Harrison street until it intersects Mount Vernon street, then proceeding easterly along Mount Vernon street until it intersects Trail Ridge drive, then proceeding northerly along Trail Ridge drive until it intersects Grand avenue, then proceeding northerly along Grand avenue until it intersects South Sierra drive, then proceeding easterly, then northerly, along South Sierra drive until it intersects North Sierra drive, then proceeding westerly along North Sierra drive until it intersects Grand avenue, then proceeding northerly along Grand avenue until it intersects the north corporate limit of the city of Council Bluffs, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Council Bluffs until it intersects McPherson avenue, then proceeding westerly along McPherson avenue until it intersects Gleason avenue, then proceeding westerly along Gleason avenue until it intersects Morningside avenue, then proceeding north along Morningside avenue until it intersects Park lane, then proceeding westerly along Park lane until it intersects Lincoln avenue, then proceeding southerly along

Lincoln avenue until it intersects Franklin avenue, then proceeding southeasterly along Franklin avenue until it intersects Bennett avenue, then proceeding southwesterly along Bennett avenue until it intersects Madison avenue, then proceeding southeasterly along Madison avenue until it intersects Valley View drive, then proceeding southerly along Valley View drive until it intersects the east corporate limit of the city of Council Bluffs, then proceeding first southerly, then in a clockwise manner along the corporate limits of the city of Council Bluffs to the point of origin.

17. The seventeenth representative district shall consist of:

*a.* Ida county.

*b.* Monona county.

*c.* In Harrison county, Allen, Boyer, Calhoun, Cincinnati, Clay, Jackson, Lincoln, Little Sioux, Magnolia, Morgan, Raglan, St. John, and Taylor townships.

*d.* In Woodbury county:

(1) The city of Anthon.

(2) Liston, Little Sioux, Miller, Morgan, Oto, Sloan, and Willow townships, and that portion of Rock township lying outside the corporate limits of the city of Correctionville.

18. The eighteenth representative district shall consist of:

*a.* Shelby county.

*b.* In Crawford county:

(1) The city of Denison.

(2) Boyer, Charter Oak, Denison, Goodrich, Hanover, Morgan, Otter Creek, Paradise, Soldier, Union, Washington, and Willow townships.

*c.* In Harrison county, Cass, Douglas, Harrison, Jefferson, La Grange, Union, and Washington townships.

19. The nineteenth representative district shall consist of:

*a.* The city of Granger.

*b.* In Polk county:

(1) That portion of the city of Sheldahl in Polk county.

(2) That portion of Polk county bounded by a line commencing at the point the west boundary of Polk county intersects the middle channel of the Des Moines river, then proceeding first north, then east, along the boundary of Polk county until it intersects the west boundary of Lincoln township, then proceeding south along the boundary of Lincoln township until it intersects the north corporate limit of the city of Polk City, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Polk City until it intersects the east boundary of census block 191530115002185, then proceeding south along the east boundary of census block 191530115002185 and census block 191530115002184 until it intersects the middle channel of the Des Moines river, then proceeding northwesterly along the middle channel of the Des Moines river to the point of origin.

*c.* In Dallas county, Adams, Adel, Beaver, Colfax, Des Moines, Grant, Sugar Grove, and Union townships, and those portions of Boone, Van Meter, and Walnut townships not contained in the forty-fourth representative district.

20. The twentieth representative district shall consist of:

*a.* Adair county.

*b.* Guthrie county.

*c.* In Cass county, Benton, Franklin, Grant, and Lincoln townships.

*d.* In Dallas county, Dallas, Lincoln, Linn, Spring Valley, and Washington townships.

21. The twenty-first representative district shall consist of:

*a.* Adams county.

*b.* Union county.

*c.* In Cass county, Bear Grove, Brighton, Cass, Edna, Grove, Massena, Noble, Pleasant, Pymosa, Union, Victoria, and Washington townships.

*d.* In Pottawattamie county, Grove, Layton, Lincoln, Waveland, and Wright townships, and that portion of Center township lying outside the corporate limits of the city of Oakland.

22. The twenty-second representative district in Pottawattamie county shall consist of:

*a.* The city of Oakland.

*b.* Belknap, Boomer, Carson, Crescent, Hardin, Hazel Dell, James, Keg Creek, Knox,

Macedonia, Minden, Neola, Norwalk, Pleasant, Rockford, Silver Creek, Valley, Washington, and York townships, and those portions of Garner, Lake, and Lewis townships lying outside the corporate limits of the city of Council Bluffs.

*c.* That portion of the city of Council Bluffs bounded by a line commencing at the point the east corporate limit of the city of Council Bluffs intersects McPherson avenue, then proceeding westerly along McPherson avenue until it intersects Gleason avenue, then proceeding westerly along Gleason avenue until it intersects Morningside avenue, then proceeding north along Morningside avenue until it intersects Park lane, then proceeding westerly along Park lane until it intersects Lincoln avenue, then proceeding southerly along Lincoln avenue until it intersects Franklin avenue, then proceeding southeasterly along Franklin avenue until it intersects Bennett avenue, then proceeding southwesterly along Bennett avenue until it intersects Madison avenue, then proceeding southeasterly along Madison avenue until it intersects Valley View drive, then proceeding southerly along Valley View drive until it intersects the corporate limits of the city of Council Bluffs, then proceeding first easterly, then in a counterclockwise manner along the corporate limits of the city of Council Bluffs to the point of origin.

23. The twenty-third representative district shall consist of:

*a.* Fremont county.

*b.* Mills county.

*c.* In Montgomery county, Douglas, Garfield, Lincoln, Pilot Grove, Red Oak, Sherman, and Washington townships, and that portion of Frankfort township lying outside the corporate limits of the city of Stanton.

24. The twenty-fourth representative district shall consist of:

*a.* Page county.

*b.* Ringgold county.

*c.* Taylor county.

*d.* In Montgomery county:

(1) The city of Stanton.

(2) East, Grant, Scott, and West townships.

25. The twenty-fifth representative district shall consist of:

*a.* The city of Bevington.

*b.* Madison county.

*c.* In Warren county:

(1) The cities of Milo and Norwalk.

(2) Jackson, Otter, Squaw, Virginia, and White Oak townships, and that portion of Linn township not contained in the forty-second representative district.

26. The twenty-sixth representative district in Warren county shall consist of:

*a.* The city of Indianola.

*b.* Allen, Liberty, Lincoln, Palmyra, Richland, Union, and White Breast townships, that portion of Belmont township lying outside the corporate limits of the city of Milo, that portion of Greenfield township lying outside the corporate limits of the city of Norwalk, and that portion of Jefferson township lying outside the corporate limits of the city of Bevington.

27. The twenty-seventh representative district shall consist of:

*a.* Clarke county.

*b.* Decatur county.

*c.* Wayne county.

*d.* In Lucas County:

(1) That portion of the city of Chariton and Lincoln township bounded by a line commencing at the point the north corporate limit of the city of Chariton intersects the east boundary of Whitebreast township, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Chariton to the point of origin.

(2) Jackson, Otter Creek, Union, Warren, and Whitebreast townships.

28. The twenty-eighth representative district shall consist of:

*a.* In Jasper county, Elk Creek, Fairview, and Lynn Grove townships, and that portion of Palo Alto township lying outside the corporate limits of the city of Newton.

*b.* In Lucas county, Benton, Cedar, English, Liberty, Pleasant, and Washington townships,

and that portion of Lincoln township not contained in the twenty-seventh representative district.

*c.* In Marion county, Clay, Dallas, Franklin, Indiana, Knoxville, Liberty, Pleasant Grove, Red Rock, Summit, Union, and Washington townships.

29. The twenty-ninth representative district in Jasper county shall consist of:

*a.* The city of Newton.

*b.* Buena Vista, Clear Creek, Des Moines, Hickory Grove, Independence, Kellogg, Malaka, Mariposa, Mound Prairie, Newton, Poweshiek, Richland, Rock Creek, Sherman, and Washington townships.

30. The thirtieth representative district in Polk county shall consist of:

*a.* The city of Altoona.

*b.* Beaver, Camp, Elkhart, Franklin, and Washington townships.

*c.* That portion of Douglas township not contained in the thirty-seventh representative district, that portion of Allen township not contained in the thirty-third representative district, and those portions of Clay and Four Mile townships not contained in the thirty-first representative district.

31. The thirty-first representative district shall consist of that portion of Polk county bounded by a line commencing at the point East Fifteenth street intersects the eastbound lanes of Interstate 235, then proceeding easterly along the eastbound lanes of Interstate 235 until it intersects East University avenue, then proceeding east along East University avenue until it intersects East Twenty-seventh street, then proceeding northerly along East Twenty-seventh street until it intersects Guthrie avenue, then proceeding west along Guthrie avenue until it intersects Hubbell avenue, then proceeding northeasterly along Hubbell avenue until it intersects Arthur avenue, then proceeding east along Arthur avenue until it intersects East Twenty-ninth street, then proceeding north along East Twenty-ninth street until it intersects East Euclid avenue, then proceeding easterly along East Euclid avenue until it intersects Hubbell avenue, then proceeding northeasterly along Hubbell avenue until it intersects East Douglas avenue, then proceeding easterly along East Douglas avenue until it intersects the corporate limits of the city of Des Moines, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Des Moines until it intersects East Four Mile creek, then proceeding south, then west, along the corporate limits of the city of Des Moines until it intersects the east boundary of Delaware township, then proceeding south along the boundary of Delaware township until it intersects Iowa Interstate Railroad tracks, then proceeding south along the boundary of Delaware township until it intersects the corporate limits of the city of Pleasant Hill, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Pleasant Hill until it intersects the south boundary of Clay township, then proceeding easterly along the boundary of Clay township until it intersects the east corporate limit of the city of Pleasant Hill, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Pleasant Hill until it intersects Dean avenue, then proceeding westerly along Dean avenue until it intersects East Thirtieth street, then proceeding south along East Thirtieth street until it intersects Southeast Thirtieth street, then proceeding south along Southeast Thirtieth street until it intersects Iowa Interstate Railroad tracks, then proceeding westerly along Iowa Interstate Railroad tracks until it intersects Southeast Eighteenth street, then proceeding north along Southeast Eighteenth street until it intersects East Eighteenth street, then proceeding north along East Eighteenth street until it intersects Dean avenue, then proceeding west along Dean avenue until it intersects East Seventeenth street, then proceeding northerly along East Seventeenth street until it intersects Lyon street, then proceeding westerly along Lyon street and its extension until it intersects East Fifteenth street, then proceeding northerly along East Fifteenth street to the point of origin.

32. The thirty-second representative district in Polk county shall consist of that portion of the city of Des Moines bounded by a line commencing at the point East Fifteenth street intersects the eastbound lanes of Interstate 235, then proceeding easterly along the eastbound lanes of Interstate 235 until it intersects East University avenue, then proceeding east along East University avenue until it intersects East Twenty-seventh street, then proceeding northerly along East Twenty-seventh street until it intersects Guthrie

avenue, then proceeding west along Guthrie avenue until it intersects Hubbell avenue, then proceeding northeasterly along Hubbell avenue until it intersects Arthur avenue, then proceeding east along Arthur avenue until it intersects East Twenty-ninth street, then proceeding north along East Twenty-ninth street until it intersects East Euclid avenue, then proceeding easterly along East Euclid avenue until it intersects Hubbell avenue, then proceeding northeasterly along Hubbell avenue until it intersects East Douglas avenue, then proceeding easterly along East Douglas avenue, until it intersects the corporate limits of the city of Des Moines, then proceeding first north, then in a counterclockwise manner along the corporate limits of the city of Des Moines until it intersects East Fourteenth street, then proceeding south along East Fourteenth street until it intersects East Euclid avenue, then proceeding west along East Euclid avenue until it intersects North Union street, then proceeding northerly along North Union street until it intersects East Madison avenue, then proceeding west along East Madison avenue until it intersects Cambridge street, then proceeding south along Cambridge street until it intersects East Euclid avenue, then proceeding west along East Euclid avenue until it intersects Euclid avenue, then proceeding west along Euclid avenue until it intersects Second avenue, then proceeding south along Second avenue until it intersects the middle channel of the Des Moines river, then proceeding southerly along the middle channel of the Des Moines river until it intersects Court avenue, then proceeding easterly along Court avenue until it intersects East Court avenue, then proceeding easterly along East Court avenue until it intersects East Seventh street, then proceeding southerly along East Seventh street until it intersects Iowa Interstate Railroad tracks, then proceeding easterly along Iowa Interstate Railroad tracks until it intersects Southeast Fourteenth street, then proceeding south along Southeast Fourteenth street until it intersects Union Pacific Railroad tracks, then proceeding easterly along Union Pacific Railroad tracks until it intersects Iowa Interstate Railroad tracks, then proceeding easterly along Iowa Interstate Railroad tracks until it intersects Southeast Eighteenth street, then proceeding north along Southeast Eighteenth street until it intersects East Eighteenth street, then proceeding north along East Eighteenth street until it intersects Dean avenue, then proceeding west along Dean avenue until it intersects East Seventeenth street, then proceeding northerly along East Seventeenth street until it intersects Lyon street, then proceeding westerly along Lyon street and its extension until it intersects East Fifteenth street, then proceeding northerly along East Fifteenth street to the point of origin.

33. The thirty-third representative district in Polk county shall consist of that portion of the city of Des Moines bounded by a line commencing at the point the south boundary of Polk county intersects U.S. highway 69, then proceeding northwesterly along U.S. highway 69 until it intersects Southeast Fourteenth street, then proceeding northerly along Southeast Fourteenth street until it intersects East Army Post road, then proceeding west along East Army Post road until it intersects Southeast Fifth street, then proceeding north along Southeast Fifth street until it intersects East Watrous avenue, then proceeding west along East Watrous avenue until it intersects South Union street, then proceeding north along South Union street until it intersects Olinda avenue, then proceeding west along Olinda avenue until it intersects Southwest Ninth street, then proceeding northerly along Southwest Ninth street until it intersects the middle channel of the Raccoon river, then proceeding easterly along the middle channel of the Raccoon river until it intersects the middle channel of the Des Moines river, then proceeding northerly along the middle channel of the Des Moines river until it intersects Court avenue, then proceeding easterly along Court avenue until it intersects East Court avenue, then proceeding easterly along East Court avenue until it intersects East Seventh street, then proceeding southerly along East Seventh street until it intersects Iowa Interstate Railroad tracks, then proceeding easterly along Iowa Interstate Railroad tracks until it intersects Southeast Fourteenth street, then proceeding south along Southeast Fourteenth street until it intersects Union Pacific Railroad tracks, then proceeding easterly along Union Pacific Railroad tracks until it intersects Iowa Interstate Railroad tracks, then proceeding easterly along Iowa Interstate Railroad tracks until it intersects Southeast Thirtieth street, then proceeding north along Southeast Thirtieth street until it intersects East Thirtieth street, then proceeding north along East Thirtieth street until it intersects Dean avenue, then proceeding easterly along Dean avenue until it intersects the

east corporate limit of the city of Des Moines, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Des Moines until it intersects Southeast Sixty-fourth avenue, then proceeding first west, then southerly, along the corporate limits of the city of Des Moines until it intersects the south boundary of Polk county, then proceeding easterly along the south boundary of Polk county to the point of origin.

34. The thirty-fourth representative district in Polk county shall consist of that portion of Bloomfield township and the city of Des Moines bounded by a line commencing at the point the south boundary of Polk county intersects U.S. highway 69, then proceeding northwesterly along U.S. highway 69 until it intersects Southeast Fourteenth street, then proceeding northerly along Southeast Fourteenth street until it intersects East Army Post road, then proceeding west along East Army Post road until it intersects Southeast Fifth street, then proceeding north along Southeast Fifth street until it intersects East Watrous avenue, then proceeding west along East Watrous avenue until it intersects South Union street, then proceeding north along South Union street until it intersects Olinda avenue, then proceeding west along Olinda avenue until it intersects Southwest Ninth street, then proceeding northerly along Southwest Ninth street until it intersects the middle channel of the Raccoon river, then proceeding easterly along the middle channel of the Raccoon river until it intersects the middle channel of the Des Moines river, then proceeding northerly along the middle channel of the Des Moines river until it intersects the eastbound lanes of Interstate 235, then proceeding westerly along the eastbound lanes of Interstate 235 until it intersects Martin Luther King Jr. parkway, then proceeding south along Martin Luther King Jr. parkway until it intersects School street, then proceeding easterly along School street until it intersects the entrance ramp to the eastbound lanes of Interstate 235, then proceeding easterly along the entrance ramp to the eastbound lanes of Interstate 235 until it intersects Eighteenth street and its extension, then proceeding south along Eighteenth street and its extension until it intersects Center street, then proceeding east along Center street until it intersects Seventeenth street, then proceeding southerly along Seventeenth street until it intersects Grand avenue, then proceeding westerly along Grand avenue until it intersects Eighteenth street, then proceeding southerly along Eighteenth street until it intersects Fleur drive, then proceeding southerly along Fleur drive until it intersects the south boundary of Polk county, then proceeding easterly along the boundary of Polk county to the point of origin.

35. The thirty-fifth representative district in Polk county shall consist of that portion of the city of Des Moines bounded by a line commencing at the point Lower Beaver road intersects the south boundary of Webster township, then proceeding easterly along the south boundary of Webster township until it intersects the corporate limits of the city of Des Moines, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Des Moines until it intersects East Fourteenth street, then proceeding south along East Fourteenth street until it intersects East Euclid avenue, then proceeding west along East Euclid avenue until it intersects North Union street, then proceeding northerly along North Union street until it intersects East Madison avenue, then proceeding west along East Madison avenue until it intersects Cambridge street, then proceeding south along Cambridge street until it intersects East Euclid avenue, then proceeding west along East Euclid avenue until it intersects Euclid avenue, then proceeding west along Euclid avenue until it intersects Second avenue, then proceeding south along Second avenue until it intersects the middle channel of the Des Moines river, then proceeding southerly along the middle channel of the Des Moines river until it intersects the eastbound lanes of Interstate 235, then proceeding westerly along the eastbound lanes of Interstate 235 until it intersects Twenty-eighth street, then proceeding north along Twenty-eighth street until it intersects School street, then proceeding east along School street until it intersects Twenty-fifth street, then proceeding north along Twenty-fifth street until it intersects University avenue, then proceeding west along University avenue until it intersects Thirtieth street and its extension, then proceeding north along Thirtieth street and its extension until it intersects Euclid avenue, then proceeding northwesterly along Euclid avenue until it intersects Douglas avenue, then proceeding easterly along Douglas avenue until it intersects Thirtieth street, then proceeding north along Thirtieth street until it intersects Fleming avenue, then

proceeding west along Fleming avenue until it intersects Lawnwoods drive, then proceeding north along Lawnwoods drive until it intersects Madison avenue, then proceeding west along Madison avenue until it intersects Lower Beaver road, then proceeding northerly along Lower Beaver road to the point of origin.

36. The thirty-sixth representative district shall consist of that portion of Polk county bounded by a line commencing at the point the west corporate limit of the city of Des Moines intersects University avenue, then proceeding east along University avenue until it intersects Forty-first street, then proceeding north along Forty-first street until it intersects Forest avenue, then proceeding east along Forest avenue until it intersects Thirtieth street, then proceeding northerly along Thirtieth street until it intersects Euclid avenue, then proceeding northwesterly along Euclid avenue until it intersects Douglas avenue, then proceeding easterly along Douglas avenue until it intersects Thirtieth street, then proceeding north along Thirtieth street until it intersects Fleming avenue, then proceeding west along Fleming avenue until it intersects Lawnwoods drive, then proceeding north along Lawnwoods drive until it intersects Madison avenue, then proceeding west along Madison avenue until it intersects Lower Beaver road, then proceeding northerly along Lower Beaver road until it intersects the south boundary of Webster township, then proceeding easterly along the south boundary of Webster township until it intersects the middle channel of the Des Moines river, then proceeding northerly along the middle channel of the Des Moines river until it intersects the south corporate limit of the city of Johnston, then proceeding first west, then in a clockwise manner along the corporate limits of the city of Johnston until it intersects the north corporate limit of the city of Urbandale, then proceeding south along the corporate limits of the city of Urbandale until it intersects the north corporate limit of the city of Des Moines, then proceeding first south, then in a counterclockwise manner along the corporate limits of the city of Des Moines to the point of origin.

37. The thirty-seventh representative district in Polk county shall consist of:

*a.* That portion of Lincoln township lying outside the corporate limits of the cities of Polk City and Sheldahl.

*b.* That portion of Polk county bounded by a line commencing at the point the west corporate limit of the city of Ankeny intersects the south boundary of Lincoln township, then proceeding first south, then in a counterclockwise manner along the corporate limits of the city of Ankeny until it intersects Southwest Magazine drive, then proceeding east along Southwest Magazine drive until it intersects Northwest Sixteenth street, then proceeding northerly along Northwest Sixteenth street until it intersects West First street, then proceeding east along West First street until it intersects Union Pacific Railroad tracks, then proceeding southeasterly along Union Pacific Railroad tracks until it intersects Southwest Maple street, then proceeding southerly along Southwest Maple street until it intersects Southwest Third street, then proceeding east along Southwest Third street until it intersects Southwest Cherry street, then proceeding south along Southwest Cherry street until it intersects Union Pacific Railroad tracks, then proceeding southeasterly along Union Pacific Railroad tracks until it intersects South Ankeny boulevard, then proceeding south along South Ankeny boulevard until it intersects Southeast Magazine road, then proceeding east along Southeast Magazine road until it intersects Southeast Trilein drive, then proceeding north along Southeast Trilein drive until it intersects Southeast Peterson drive, then proceeding east along Southeast Peterson drive until it intersects Northeast Twenty-second street, then proceeding north along Northeast Twenty-second street until it intersects East First street, then proceeding east along East First street until it intersects the corporate limits of the city of Ankeny, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Ankeny until it intersects the south boundary of Douglas township, then proceeding east along the boundary of Douglas township until it intersects the west corporate limit of the city of Bondurant, then proceeding first north, then in a clockwise manner along the corporate limits of the city of Bondurant until it intersects the east boundary of Douglas township, then proceeding first north, then west, along the boundary of Douglas township until it intersects the south boundary of Lincoln township, then proceeding west along the boundary of Lincoln township to the point of origin.

38. The thirty-eighth representative district shall consist of that portion of Polk county

bounded by a line commencing at the point the north corporate limit of the city of Des Moines intersects the middle channel of the Des Moines river, then proceeding northerly along the middle channel of the Des Moines river until it intersects the south boundary of census block 191530114042143 and the corporate limits of the city of Johnston, then proceeding northerly along the corporate limits of the city of Johnston until it intersects Saylorville reservoir lake and the middle channel of the Des Moines river, then proceeding northerly along the middle channel of the Des Moines river until it intersects the east boundary of census block 191530115002184, then proceeding north along the east boundary of census block 191530115002184 and census block 191530115002185 until it intersects the corporate limits of the city of Polk City, then proceeding first east, then in a counterclockwise manner along the corporate limits of the city of Polk City until it intersects the south boundary of Lincoln township, then proceeding east along the boundary of Lincoln township until it intersects the west corporate limit of the city of Ankeny, then proceeding first south, then in a counterclockwise manner along the corporate limits of the city of Ankeny until it intersects Southwest Magazine drive, then proceeding east along Southwest Magazine drive until it intersects Northwest Sixteenth street, then proceeding northerly along Northwest Sixteenth street until it intersects West First street, then proceeding east along West First street until it intersects Union Pacific Railroad tracks, then proceeding southeasterly along Union Pacific Railroad tracks until it intersects Southwest Maple street, then proceeding southerly along Southwest Maple street until it intersects Southwest Third street, then proceeding east along Southwest Third street until it intersects Southwest Cherry street, then proceeding south along Southwest Cherry street until it intersects Union Pacific Railroad tracks, then proceeding southeasterly along Union Pacific Railroad tracks until it intersects South Ankeny boulevard, then proceeding south along South Ankeny boulevard until it intersects Southeast Magazine road, then proceeding east along Southeast Magazine road until it intersects Southeast Trilein drive, then proceeding north along Southeast Trilein drive until it intersects Southeast Peterson drive, then proceeding east along Southeast Peterson drive until it intersects Northeast Twenty-second street, then proceeding north along Northeast Twenty-second street until it intersects East First street, then proceeding east along East First street until it intersects the corporate limits of the city of Ankeny, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Ankeny until it intersects the north boundary of Delaware township, then proceeding first east, then south along the boundary of Delaware township until it intersects the north corporate limit of the city of Altoona, then proceeding first west, then in a counterclockwise manner along the corporate limits of the city of Altoona until it bisects the east boundary of Delaware township, then proceeding south along the boundary of Delaware township until it intersects the north corporate limit of the city of Des Moines, then proceeding first northwest, then in a counterclockwise manner along the corporate limits of the city of Des Moines to the point of origin.

39. The thirty-ninth representative district shall consist of that portion of Polk county bounded by a line commencing at the point the west boundary of Polk county intersects the middle channel of the Des Moines river, then proceeding southeasterly along the middle channel of the Des Moines river until it intersects the corporate limit of the city of Johnston, then proceeding southerly along the corporate limits of the city of Johnston until it intersects the south boundary of census block 191530114042143 and the middle channel of the Des Moines river, then proceeding southerly along the middle channel of the Des Moines river until it intersects the south corporate limit of the city of Johnston, then proceeding westerly along the corporate limits of the city of Johnston until it intersects the north corporate limit of the city of Urbandale, then proceeding first westerly, then in a counterclockwise manner along the corporate limits of the city of Urbandale until it intersects Northwest Seventy-second street, then proceeding southerly along Northwest Seventy-second street until it intersects Seventy-second street, then proceeding southerly along Seventy-second street and its extension until it intersects Aurora avenue, then proceeding west along Aurora avenue until it intersects Seventy-fifth street, then proceeding northerly along Seventy-fifth street until it intersects Meredith drive, then proceeding west along Meredith drive until it intersects Eighty-sixth street, then proceeding north along Eighty-sixth street until it

intersects the corporate limits of the city of Urbandale, then proceeding first north, then in a counterclockwise manner along the corporate limits of the city of Urbandale until it intersects the west boundary of Polk county, then proceeding north along the boundary of Polk county until it intersects the corporate limits of the city of Granger, then proceeding first southeasterly, then in a counterclockwise manner along the corporate limits of the city of Granger until it intersects the west boundary of Polk county, then proceeding north along the boundary of Polk county to the point of origin.

40. The fortieth representative district in Polk county shall consist of that portion of the city of Urbandale bounded by a line commencing at the point the south corporate limit of the city of Urbandale intersects the west boundary of Polk county, then proceeding north along the boundary of Polk county until it intersects the corporate limit of the city of Urbandale, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Urbandale until it intersects Eighty-sixth street, then proceeding south along Eighty-sixth street until it intersects Meredith drive, then proceeding east along Meredith drive until it intersects Seventy-fifth street, then proceeding southerly along Seventy-fifth street until it intersects Aurora avenue, then proceeding east along Aurora avenue until it intersects Seventy-second street, then proceeding northerly along Seventy-second street and its extension until it intersects Northwest Seventy-second street, then proceeding northerly along Northwest Seventy-second street until it intersects the north corporate limit of the city of Urbandale, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Urbandale to the point of origin.

41. The forty-first representative district in Polk county shall consist of that portion of Polk county bounded by a line commencing at the point the south boundary of Polk county intersects the east corporate limit of the city of West Des Moines, then proceeding north along the corporate limits of the city of West Des Moines until it intersects the south corporate limit of the city of Des Moines, then proceeding first north, then in a clockwise manner along the corporate limits of the city of Des Moines until it intersects University avenue, then proceeding east along University avenue until it intersects Forty-first street, then proceeding north along Forty-first street until it intersects Forest avenue, then proceeding east along Forest avenue until it intersects Thirtieth street, then proceeding south along Thirtieth street until it intersects Thirtieth street and its extension, then proceeding south along Thirtieth street and its extension until it intersects University avenue, then proceeding east along University avenue until it intersects Twenty-fifth street, then proceeding south along Twenty-fifth street until it intersects School street, then proceeding west along School street until it intersects Twenty-eighth street, then proceeding south along Twenty-eighth street until it intersects the eastbound lanes of Interstate 235, then proceeding easterly along the eastbound lanes of Interstate 235 until it intersects Martin Luther King Jr. parkway, then proceeding south along Martin Luther King Jr. parkway until it intersects School street, then proceeding easterly along School street until it intersects the entrance ramp to the eastbound lanes of Interstate 235, then proceeding easterly along the entrance ramp to the eastbound lanes of Interstate 235 until it intersects Eighteenth street and its extension, then proceeding south along Eighteenth street and its extension until it intersects Center street, then proceeding east along Center street until it intersects Seventeenth street, then proceeding southerly along Seventeenth street until it intersects Grand avenue, then proceeding westerly along Grand avenue until it intersects Eighteenth street, then proceeding southerly along Eighteenth street until it intersects Fleur drive, then proceeding southerly along Fleur drive until it intersects the south boundary of Polk county, then proceeding westerly along the boundary of Polk county to the point of origin.

42. The forty-second representative district shall consist of:

*a.* In Polk county, that portion of Bloomfield township and the city of West Des Moines bounded by a line commencing at the point the west boundary of Polk county intersects Ashworth road, then proceeding east along Ashworth road until it intersects Interstate 35, then proceeding south along Interstate 35 until it intersects E.P. True parkway, then proceeding easterly along E.P. True parkway until it intersects Thirty-ninth street, then proceeding north along Thirty-ninth street until it intersects Ashworth road, then proceeding east along Ashworth road until it intersects Vine street, then proceeding southeasterly

along Vine street until it intersects Grand avenue, then proceeding northeasterly along Grand avenue until it intersects Sixteenth street, then proceeding northerly along Sixteenth street until it intersects Ashworth road, then proceeding west along Ashworth road until it intersects Sixteenth street, then proceeding northerly along Sixteenth street until it intersects Pleasant street, then proceeding westerly along Pleasant street until it intersects Seventeenth street, then proceeding northerly along Seventeenth street until it intersects the eastbound lanes of Interstate 235, then proceeding easterly along the eastbound lanes of Interstate 235 until it intersects the east corporate limit of the city of West Des Moines, then proceeding first south, then in a clockwise manner along the corporate limits of the city of West Des Moines until it intersects the south boundary of Polk county, then proceeding first west, then in a clockwise manner along the boundary of Polk county to the point of origin.

*b.* In Warren county, that portion of Linn township bounded by a line commencing at the point the north boundary of Warren county intersects the west corporate limit of the city of Norwalk, then proceeding south along the corporate limits of the city of Norwalk until it intersects the north corporate limit of the city of Cumming, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Cumming until it intersects the west boundary of Warren county, then proceeding first north, then in a clockwise manner along the boundary of Warren county to the point of origin.

43. The forty-third representative district shall consist of that portion of Polk county bounded by a line commencing at the point the west boundary of Polk county intersects Ashworth road, then proceeding east along Ashworth road until it intersects Interstate 35, then proceeding south along Interstate 35 until it intersects E.P. True parkway, then proceeding easterly along E.P. True parkway until it intersects Thirty-ninth street, then proceeding north along Thirty-ninth street until it intersects Ashworth road, then proceeding east along Ashworth road until it intersects Vine street, then proceeding southeasterly along Vine street until it intersects Grand avenue, then proceeding northeasterly along Grand avenue until it intersects Sixteenth street, then proceeding northerly along Sixteenth street until it intersects Ashworth road, then proceeding west along Ashworth road until it intersects Sixteenth street, then proceeding northerly along Sixteenth street until it intersects Pleasant street, then proceeding westerly along Pleasant street until it intersects Seventeenth street, then proceeding northerly along Seventeenth street until it intersects the eastbound lanes of Interstate 235, then proceeding easterly along the eastbound lanes of Interstate 235 until it intersects the west corporate limit of the city of Windsor Heights, then proceeding first south, then in a counterclockwise manner along the corporate limits of the city of Windsor Heights until it intersects Sixty-third street, then proceeding north along Sixty-third street until it intersects Hickman road, then proceeding west along Hickman road until it intersects the west corporate limit of the city of Des Moines, then proceeding north along the corporate limits of the city of Des Moines until it intersects the south corporate limit of the city of Urbandale, then proceeding west along the corporate limits of the city of Urbandale until it intersects the west boundary of Polk county, then proceeding southerly along the boundary of Polk county to the point of origin.

44. The forty-fourth representative district in Dallas county shall consist of:

*a.* The city of Waukee, that portion of the city of Clive in Dallas county, and that portion of the city of West Des Moines in Dallas county.

*b.* That portion of Boone township bounded by a line commencing at the point the west boundary of Boone township intersects the south boundary of Walnut township, then proceeding east along the south boundary of Walnut township until it intersects the corporate limits of the city of Waukee, then proceeding first east, then in a counterclockwise manner along the corporate limits of the city of Waukee until it intersects the west boundary of Boone township, then proceeding north along the boundary of Boone township to the point of origin.

45. The forty-fifth representative district in Story County shall consist of:

*a.* The city of Kelley.

*b.* That portion of Milford township lying outside the corporate limits of the city of Ames, those portions of Washington township lying outside the corporate limits of the city of Kelley

and the city of Ames, and those portions of Grant township lying outside the corporate limits of the city of Ames and not contained in the forty-ninth representative district.

*c.* That portion of the city of Ames bounded by a line commencing at the point the north corporate limit of the city of Ames intersects Grand avenue, then proceeding south along Grand avenue until it intersects Twenty-eighth street, then proceeding east along Twenty-eighth street until it intersects Luther drive, then proceeding southerly along Luther drive until it intersects Jensen avenue, then proceeding south along Jensen avenue until it intersects Twenty-fourth street, then proceeding west along Twenty-fourth street until it intersects Grand avenue, then proceeding south along Grand avenue until it intersects Lincoln way, then proceeding west along Lincoln way until it intersects Beach avenue, then proceeding south along Beach avenue until it intersects Greeley street, then proceeding westerly along Greeley street until it intersects Pearson avenue, then proceeding westerly along Pearson avenue until it intersects Sunset drive, then proceeding westerly along Sunset drive until it intersects Ash avenue, then proceeding south along Ash avenue until it intersects Knapp street, then proceeding west along Knapp street until it intersects Hayward avenue, then proceeding north along Hayward avenue until it intersects Lincoln way, then proceeding west along Lincoln way until it intersects Colorado avenue, then proceeding north along Colorado avenue until it intersects West street, then proceeding west along West street until it intersects North Franklin avenue, then proceeding north along North Franklin avenue until it intersects Oakland street, then proceeding easterly along Oakland street until it intersects Hyland avenue, then proceeding north along Hyland avenue until it intersects Clear creek, then proceeding westerly along Clear creek until it intersects North Dakota avenue, then proceeding north along North Dakota avenue until it intersects Ontario street, then proceeding west along Ontario street until it intersects Idaho avenue, then proceeding northerly along Idaho avenue until it intersects the north corporate limit of the city of Ames, then proceeding first west, then in a counterclockwise manner along the corporate limits of the city of Ames to the point of origin.

46. The forty-sixth representative district in Story county shall consist of that portion of the city of Ames bounded by a line commencing at the point the north corporate limit of the city of Ames intersects Grand avenue, then proceeding south along Grand avenue until it intersects Twenty-eighth street, then proceeding east along Twenty-eighth street until it intersects Luther drive, then proceeding southerly along Luther drive until it intersects Jensen avenue, then proceeding south along Jensen avenue until it intersects Twenty-fourth street, then proceeding west along Twenty-fourth street until it intersects Grand avenue, then proceeding south along Grand avenue until it intersects Lincoln way, then proceeding west along Lincoln way until it intersects Beach avenue, then proceeding south along Beach avenue until it intersects Greeley street, then proceeding westerly along Greeley street until it intersects Pearson avenue, then proceeding westerly along Pearson avenue until it intersects Sunset drive, then proceeding westerly along Sunset drive until it intersects Ash avenue, then proceeding south along Ash avenue until it intersects Knapp street, then proceeding west along Knapp street until it intersects Hayward avenue, then proceeding north along Hayward avenue until it intersects Lincoln way, then proceeding west along Lincoln way until it intersects Colorado avenue, then proceeding north along Colorado avenue until it intersects West street, then proceeding west along West street until it intersects North Franklin avenue, then proceeding north along North Franklin avenue until it intersects Oakland street, then proceeding easterly along Oakland street until it intersects Hyland avenue, then proceeding north along Hyland avenue until it intersects Clear creek, then proceeding westerly along Clear creek until it intersects North Dakota avenue, then proceeding north along North Dakota avenue until it intersects Ontario street, then proceeding west along Ontario street until it intersects Idaho avenue, then proceeding northerly along Idaho avenue until it intersects the north corporate limit of the city of Ames, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Ames to the point of origin.

47. The forty-seventh representative district shall consist of:

*a.* Greene county.

*b.* In Boone county:

(1) The cities of Fraser and Luther.

(2) Amaqua, Beaver, Cass, Des Moines, Grant, Marcy, Peoples, Pilot Mound, Union, Worth, and Yell townships, and that portion of Douglas township lying outside the corporate limits of the city of Madrid.

48. The forty-eighth representative district shall consist of:

*a.* Hamilton county.

*b.* In Boone county:

(1) The city of Madrid.

(2) Garden, Harrison, and Jackson townships, that portion of Colfax township lying outside the corporate limits of the city of Luther, and that portion of Dodge township lying outside the corporate limits of the city of Fraser.

*c.* In Story county:

(1) That portion of Franklin township lying outside the corporate limits of the city of Ames and that portion of Lafayette township lying outside the corporate limits of the city of Story City.

(2) That portion of Palestine township bounded by a line commencing at the point the east corporate limit of the city of Sheldahl intersects the south boundary of Story county, then proceeding north along the corporate limits of the city of Sheldahl until it intersects the south corporate limit of the city of Slater, then proceeding first east, then in a counterclockwise manner along the corporate limits of the city of Slater until it intersects the west boundary of Story county, then proceeding first south, then east, along the boundary of Story county to the point of origin.

*d.* In Webster county, Burnside, Dayton, Hardin, Otho, Pleasant Valley, Sumner, Webster, and Yell townships, and that portion of Washington township lying outside the corporate limits of the city of Duncombe.

49. The forty-ninth representative district shall consist of:

*a.* In Hardin county:

(1) The city of Eldora.

(2) Concord, Eldora, Grant, Pleasant, Providence, Sherman, Tipton, and Union townships.

*b.* In Story county:

(1) The city of Story City.

(2) Collins, Howard, Indian Creek, Lincoln, Nevada, New Albany, Richland, Sherman, Union, and Warren townships, and that portion of Palestine township lying outside the corporate limits of the city of Kelley and not contained in the forty-eighth representative district.

(3) That portion of the city of Nevada and Grant township bounded by a line commencing at the point the south corporate limit of the city of Nevada intersects the east boundary of Grant township, then proceeding first west, then in a clockwise manner along the corporate limits of the city of Nevada until it intersects the north boundary of Grant township, then proceeding east along the boundary of Grant township until it intersects the west boundary of Nevada township and the north corporate limit of the city of Nevada, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Nevada to the point of origin.

50. The fiftieth representative district shall consist of:

*a.* Grundy county.

*b.* In Butler county, Albion, Beaver, Jefferson, Monroe, Ripley, and Shell Rock townships.

*c.* In Hardin county, Alden, Buckeye, Clay, Ellis, Etna, Hardin, and Jackson townships.

51. The fifty-first representative district shall consist of:

*a.* Howard county.

*b.* Mitchell county.

*c.* Worth county.

*d.* In Winneshiek county, Bluffton, Burr Oak, Fremont, Lincoln, Madison, and Orleans townships.

52. The fifty-second representative district shall consist of:

*a.* Chickasaw county.

*b.* Floyd county.

*c.* In Cerro Gordo county, Dougherty, Falls, Owen, and Portland townships.

53. The fifty-third representative district in Cerro Gordo county shall consist of:

*a.* The city of Mason City.

*b.* Bath, Geneseo, Lime Creek, and Mason townships.

54. The fifty-fourth representative district shall consist of:

*a.* Franklin county.

*b.* In Butler county, Bennezette, Butler, Coldwater, Dayton, Fremont, Jackson, Madison, Pittsford, Washington, and West Point townships.

*c.* In Cerro Gordo county:

(1) The city of Clear Lake.

(2) Clear Lake, Grant, Grimes, Lake, Lincoln, Mount Vernon, Pleasant Valley, and Union townships.

55. The fifty-fifth representative district shall consist of:

*a.* In Clayton county, Boardman, Highland, and Marion townships.

*b.* In Fayette county:

(1) The cities of Fayette and West Union.

(2) Auburn, Bethel, Clermont, Dover, Eden, Illyria, Pleasant Valley, Union, Westfield, and Windsor townships.

*c.* In Winneshiek county, Bloomfield, Calmar, Canoe, Decorah, Frankville, Glenwood, Hesper, Highland, Jackson, Military, Pleasant, Springfield, Sumner, and Washington townships.

56. The fifty-sixth representative district shall consist of:

*a.* Allamakee county.

*b.* In Clayton county, Buena Vista, Cass, Clayton, Cox Creek, Elk, Farmersburg, Garnavillo, Giard, Grand Meadow, Jefferson, Lodomillo, Mallory, Mendon, Millville, Monona, Read, Sperry, Volga, and Wagner townships.

57. The fifty-seventh representative district in Dubuque county consists of:

*a.* The city of Asbury.

*b.* That portion of Center township bounded by a line commencing at the point the east boundary of Center township intersects the north corporate limits of the city of Asbury, then proceeding first south, then in a counterclockwise manner along the corporate limits of the city of Asbury until it intersects the corporate limits of the city of Dubuque, then proceeding first west, then in a counterclockwise manner along the corporate limits of the city of Dubuque until it intersects the east boundary of Center township, then proceeding south along the east boundary of Center township until it intersects the corporate limits of the city of Dubuque, then proceeding first south, then in a counterclockwise manner along the corporate limits of the city of Dubuque until it intersects the south boundary of Center township, then proceeding first west, then in a clockwise manner along the boundary of Center township to the point of origin.

*c.* Liberty, Concord, Jefferson, Peru, New Wine, Iowa, Dodge, Taylor, Mosalem, Prairie Creek, and Vernon townships, and that portion of Washington township lying outside the corporate limits of the city of Zwingle.

*d.* That portion of Table Mound township not contained in the ninety-ninth representative district.

58. The fifty-eighth representative district shall consist of:

*a.* The city of Zwingle.

*b.* Jackson county.

*c.* In Dubuque county, Cascade and Whitewater townships.

*d.* In Jones county, Clay, Greenfield, Hale, Madison, Oxford, Richland, Rome, Scotch Grove, Washington, and Wyoming townships, and that portion of Fairview township not contained in the ninety-sixth representative district.

59. The fifty-ninth representative district in Black Hawk county consists of that portion of the city of Cedar Falls bounded by a line commencing at the point the east corporate limits of the city of Cedar Falls intersects East Greenhill road, then proceeding westerly along East Greenhill road until it intersects Cedar Heights drive, then proceeding north along Cedar

Heights drive until it intersects Greenhill drive and its extension, then proceeding west along Greenhill drive and its extension until it intersects Hillside drive, then proceeding north along Hillside drive until it intersects Valley High drive, then proceeding west along Valley High drive until it intersects Clearview drive, then proceeding north along Clearview drive until it intersects Primrose drive, then proceeding west along Primrose drive until it intersects Rownd street, then proceeding north along Rownd street until it intersects Primrose drive, then proceeding westerly along Primrose drive until it intersects Maryhill drive, then proceeding southerly along Maryhill drive until it intersects Carlton drive, then proceeding northerly along Carlton drive until it intersects Orchard drive, then proceeding west along Orchard drive until it intersects South Main street, then proceeding north along South Main street until it intersects Oregon road, then proceeding easterly along Oregon road until it intersects Dallas drive, then proceeding north along Dallas drive until it intersects Utah road, then proceeding east along Utah road until it intersects Tucson drive, then proceeding north along Tucson drive until it intersects Idaho road, then proceeding east along Idaho road until it intersects Boulder drive, then proceeding north along Boulder drive until it intersects University avenue, then proceeding west along University avenue until it intersects Grove street, then proceeding north along Grove street until it intersects East Seerley boulevard, then proceeding westerly along East Seerley boulevard until it intersects West Seerley boulevard, then proceeding westerly along West Seerley boulevard until it intersects College street, then proceeding south along College street until it intersects University avenue, then proceeding southwesterly along University avenue until it intersects the corporate limits of the city of Cedar Falls, then proceeding first west, then in a clockwise manner along the corporate limits of the city of Cedar Falls to the point of origin.

60. The sixtieth representative district in Black Hawk county consists of:

*a.* Black Hawk, Cedar Falls, and Lincoln townships.

*b.* That portion of the city of Cedar Falls bounded by a line commencing at the point the east corporate limits of the city of Cedar Falls intersects East Greenhill road, then proceeding westerly along East Greenhill road until it intersects Cedar Heights drive, then proceeding north along Cedar Heights drive until it intersects Greenhill drive and its extension, then proceeding west along Greenhill drive and its extension until it intersects Hillside drive, then proceeding north along Hillside drive until it intersects Valley High drive, then proceeding west along Valley High drive until it intersects Clearview drive, then proceeding north along Clearview drive until it intersects Primrose drive, then proceeding west along Primrose drive until it intersects Rownd street, then proceeding north along Rownd street until it intersects Primrose drive, then proceeding westerly along Primrose drive until it intersects Maryhill drive, then proceeding southerly along Maryhill drive until it intersects Carlton drive, then proceeding northerly along Carlton drive until it intersects Orchard drive, then proceeding west along Orchard drive until it intersects South Main street, then proceeding north along South Main street until it intersects Oregon road, then proceeding easterly along Oregon road until it intersects Dallas drive, then proceeding north along Dallas drive until it intersects Utah road, then proceeding east along Utah road until it intersects Tucson drive, then proceeding north along Tucson drive until it intersects Idaho road, then proceeding east along Idaho road until it intersects Boulder drive, then proceeding north along Boulder drive until it intersects University avenue, then proceeding west along University avenue until it intersects Grove street, then proceeding north along Grove street until it intersects East Seerley boulevard, then proceeding westerly along East Seerley boulevard until it intersects West Seerley boulevard, then proceeding westerly along West Seerley boulevard until it intersects College street, then proceeding south along College street until it intersects University avenue, then proceeding southwesterly along University avenue until it intersects the corporate limits of the city of Cedar Falls, then proceeding first east, then in a counterclockwise manner along the corporate limits of the city of Cedar Falls to the point of origin.

*c.* That portion of the city of Waterloo bounded by a line commencing at the point Rainbow drive intersects the west corporate limit of the city of Waterloo, then proceeding southeasterly along Rainbow drive until it intersects Hanna boulevard, then proceeding southerly along Hanna boulevard until it intersects Maxine avenue, then proceeding west

along Maxine avenue until it intersects Auburn street, then proceeding south along Auburn street until it intersects Maynard avenue, then proceeding west along Maynard avenue until it intersects Beverly Hill street, then proceeding southerly along Beverly Hill street until it intersects Carriage Hill drive, then proceeding southeasterly along Carriage Hill drive until it intersects Stephan avenue, then proceeding southerly along Stephan avenue until it intersects Falls avenue, then proceeding southwesterly along Falls avenue until it intersects University avenue, then proceeding southeasterly along University avenue until it intersects Ansborough avenue, then proceeding south along Ansborough avenue until it intersects Black Hawk creek, then proceeding easterly along Black Hawk creek until it intersects Fletcher avenue, then proceeding south along Fletcher avenue until it intersects Campbell avenue, then proceeding east along Campbell avenue until it intersects West Fourth street, then proceeding northeasterly along West Fourth street until it intersects Bayard street, then proceeding southerly along Bayard street until it intersects Byron avenue, then proceeding west along Byron avenue until it intersects Hale street, then proceeding south along Hale street until it intersects Carolina avenue, then proceeding west along Carolina avenue until it intersects Kimball avenue, then proceeding south along Kimball avenue until it intersects East San Marnan drive, then proceeding east along East San Marnan drive until it intersects Hawkeye road, then proceeding south along Hawkeye road until it intersects the south corporate limit of the city of Waterloo, then proceeding first west, then in a clockwise manner along the corporate limits of the city of Waterloo to the point of origin.

61. The sixty-first representative district in Black Hawk county shall consist of:

*a.* Orange, Cedar, Fox, and Spring Creek townships.

*b.* That portion of Poyner township bounded by a line commencing at the point Indian Creek road intersects the east boundary of Poyner township, then proceeding first south, and then in a clockwise manner along the boundary of Poyner township until it intersects Gilbertville road, then proceeding southeasterly along Gilbertville road until it intersects Indian Creek road, then proceeding southeasterly, then east, along Indian Creek road to the point of origin.

*c.* That portion of the city of Waterloo bounded by a line commencing at the point the east corporate limit of the city of Waterloo intersects the main channel of the Cedar river, then proceeding northwesterly along the main channel of the Cedar river until it intersects Conger street, then proceeding southwesterly along Conger street until it intersects West Conger street, then proceeding southwesterly along West Conger street until it intersects Westfield avenue, then proceeding southeasterly along Westfield avenue until it intersects Black Hawk creek, then proceeding southwesterly along Black Hawk creek until it intersects Fletcher avenue, then proceeding south along Fletcher avenue until it intersects Campbell avenue, then proceeding east along Campbell avenue until it intersects West Fourth street, then proceeding northeasterly along West Fourth street until it intersects Bayard street, then proceeding southerly along Bayard street until it intersects Byron avenue, then proceeding west along Byron avenue until it intersects Hale street, then proceeding south along Hale street until it intersects Carolina avenue, then proceeding west along Carolina avenue until it intersects Kimball avenue, then proceeding south along Kimball avenue until it intersects East San Marnan drive, then proceeding east along East San Marnan drive until it intersects Hawkeye road, then proceeding south along Hawkeye road until it intersects the south corporate limit of the city of Waterloo, then proceeding first east, then in a counterclockwise manner along the corporate limits of the city of Waterloo to the point of origin.

62. The sixty-second representative district in Black Hawk county shall consist of:

*a.* The cities of Elk Run Heights, Evansdale, and Raymond.

*b.* That portion of the city of Waterloo bounded by a line commencing at the point Rainbow drive intersects the west corporate limit of the city of Waterloo, then proceeding first north, then in a clockwise manner along the corporate limits of the city of Waterloo until it intersects the main channel of the Cedar river, then proceeding northwesterly along the main channel of the Cedar river until it intersects Conger street, then proceeding southwesterly along Conger street until it intersects West Conger street, then proceeding southwesterly along West Conger street until it intersects Westfield avenue, then proceeding southeasterly along Westfield avenue until it intersects Black Hawk creek, then proceeding southwesterly

along Black Hawk creek until it intersects Ansborough avenue, then proceeding north along Ansborough avenue until it intersects University avenue, then proceeding northwesterly along University avenue until it intersects Falls avenue, then proceeding northerly along Falls avenue until it intersects Stephan avenue, then proceeding northerly along Stephan avenue until it intersects Carriage Hill drive, then proceeding westerly along Carriage Hill drive until it intersects Beverly Hill street, then proceeding northerly along Beverly Hill street until it intersects Maynard avenue, then proceeding east along Maynard avenue until it intersects Auburn street, then proceeding north along Auburn street until it intersects Maxine avenue, then proceeding east along Maxine avenue until it intersects Hanna boulevard, then proceeding northerly along Hanna boulevard until it intersects Rainbow drive, then proceeding northwesterly along Rainbow drive to the point of origin.

63. The sixty-third representative district shall consist of:

*a.* Bremer county.

*b.* In Black Hawk county, Barclay, Bennington, East Waterloo, Lester, Mount Vernon, Union, and Washington townships, and that portion of Poyner township not contained in the sixty-first and sixty-second representative districts.

64. The sixty-fourth representative district shall consist of:

*a.* In Buchanan county, Buffalo, Byron, Fairbank, Fremont, Hazleton, Jefferson, Liberty, Madison, Perry, Sumner, Washington, and Westburg townships.

*b.* In Fayette county:

(1) That portion of the city of Sumner in Fayette county.

(2) Banks, Center, Fairfield, Fremont, Harlan, Jefferson, Oran, Putnam, Scott, and Smithfield townships.

65. The sixty-fifth representative district in Linn county consists of that portion of the city of Cedar Rapids and Bertram township bounded by a line commencing at the point the east corporate limit of the city of Cedar Rapids intersects Thirty-fifth street drive Southeast, then proceeding westerly along Thirty-fifth street drive Southeast until it intersects First avenue East, then proceeding southerly along First avenue East until it intersects Nineteenth street Northeast, then proceeding northwesterly along Nineteenth street Northeast until it intersects E avenue Northeast, then proceeding northeasterly along E avenue Northeast until it intersects Twentieth street Northeast, then proceeding northerly along Twentieth street Northeast until it intersects Prairie drive Northeast, then proceeding northwesterly along Prairie drive Northeast until it intersects Robinwood lane Northeast, then proceeding westerly along Robinwood lane Northeast until it intersects Elmhurst drive Northeast, then proceeding westerly along Elmhurst drive Northeast until it intersects Oakland road Northeast, then proceeding southerly along Oakland road Northeast until it intersects F avenue Northeast, then proceeding southwesterly along F avenue Northeast until it intersects Interstate 380, then proceeding southerly along Interstate 380 until it intersects Union Pacific Railroad tracks, then proceeding southerly along Union Pacific Railroad tracks until it intersects Cedar Rapids and Iowa City Railway tracks, then proceeding first southerly, then westerly along Cedar Rapids and Iowa City Railway tracks until it intersects First street Southwest, then proceeding southerly along First street Southwest until it intersects C street Southwest, then proceeding southeasterly along C street Southwest until it intersects Sixteenth avenue Southwest, then proceeding southwesterly along Sixteenth avenue Southwest until it intersects Second street Southwest, then proceeding southerly along Second street Southwest until it intersects Seventeenth avenue Southwest, then proceeding easterly along Seventeenth avenue Southwest until it intersects Second street Southwest, then proceeding south along Second street Southwest until it intersects Wilson avenue Southwest, then proceeding west along Wilson avenue Southwest until it intersects Second street Southwest, then proceeding south along Second street Southwest until it intersects Twenty-sixth avenue Southwest, then proceeding west along Twenty-sixth avenue Southwest until it intersects J street Southwest, then proceeding southerly along J street Southwest until it intersects Union Pacific Railroad tracks, then proceeding easterly along Union Pacific Railroad tracks until it intersects the middle channel of the Cedar river, then proceeding easterly along the middle channel of the Cedar river until it intersects the corporate limits of the city of Cedar Rapids, then proceeding first north, then in a

counterclockwise manner along the corporate limits of the city of Cedar Rapids to the point of origin.

66. The sixty-sixth representative district in Linn county consists of that portion of the city of Cedar Rapids and Monroe township bounded by a line commencing at the point the corporate limit of the city of Cedar Rapids and the south corporate limit of the city of Robins intersects Council street Northeast, then proceeding south along Council street Northeast until it intersects Collins road Northeast, then proceeding easterly along Collins road Northeast until it intersects Twixt Town road Northeast, then proceeding northerly along Twixt Town road Northeast until it intersects the corporate limits of the city of Cedar Rapids, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Cedar Rapids until it intersects Thirty-fifth street drive Southeast, then proceeding westerly along Thirty-fifth street drive Southeast until it intersects First avenue East, then proceeding southerly along First avenue East until it intersects Nineteenth street Northeast, then proceeding northwesterly along Nineteenth street Northeast until it intersects E avenue Northeast, then proceeding northeasterly along E avenue Northeast until it intersects Twentieth street Northeast, then proceeding northerly along Twentieth street Northeast until it intersects Prairie drive Northeast, then proceeding northwesterly along Prairie drive Northeast until it intersects Robinwood lane Northeast, then proceeding westerly along Robinwood lane Northeast until it intersects Elmhurst drive Northeast, then proceeding westerly along Elmhurst drive Northeast until it intersects Oakland road Northeast, then proceeding southerly along Oakland road Northeast until it intersects F avenue Northeast, then proceeding southwesterly along F avenue Northeast until it intersects Interstate 380, then proceeding southerly along Interstate 380 until it intersects Union Pacific Railroad tracks, then proceeding northwesterly along Union Pacific Railroad tracks until it intersects the middle channel of the Cedar river, then proceeding westerly along the middle channel of the Cedar river until it intersects the east boundary of Clinton township and the corporate limits of the city of Cedar Rapids, then proceeding first southwesterly, then in a clockwise manner along the corporate limits of the city of Cedar Rapids to the point of origin.

67. The sixty-seventh representative district in Linn county consists of:

*a.* That portion of the city of Robins, the city of Hiawatha, and Monroe township, bounded by a line commencing at the point the south corporate limit of the city of Robins intersects the corporate limits of the city of Cedar Rapids, then proceeding southwesterly along the corporate limits of the city of Cedar Rapids until it intersects the corporate limits of the city of Hiawatha, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Hiawatha until it intersects the west corporate limit of the city of Robins, then proceeding first north, then in a clockwise manner along the corporate limits of the city of Robins to the point of origin.

*b.* That portion of the city of Marion and Marion township bounded by a line commencing at the point the corporate limits of the city of Marion and the south boundary of that portion of Marion township lying outside the corporate limits of the city of Marion intersect Winslow road, then proceeding southerly along Winslow road until it intersects Indian Creek road, then proceeding southwesterly along Indian Creek road until it intersects Twenty-ninth avenue, then proceeding east along Twenty-ninth avenue until it intersects Twenty-fourth street, then proceeding southerly along Twenty-fourth street until it intersects Seventeenth avenue, then proceeding west along Seventeenth avenue until it intersects Northview drive, then proceeding south along Northview drive until it intersects Fifteenth avenue, then proceeding westerly along Fifteenth avenue until it intersects Douglas court, then proceeding north along Douglas court until it intersects Henderson drive, then proceeding westerly along Henderson drive until it intersects English boulevard, then proceeding southerly along English boulevard until it intersects Park avenue, then proceeding west along Park avenue until it intersects Lincoln drive, then proceeding southerly along Lincoln drive until it intersects Thirteenth avenue, then proceeding west along Thirteenth avenue until it intersects Seventh street, then proceeding south along Seventh street until it intersects Central avenue, then proceeding northwesterly along Central avenue until it intersects Alburnett road, then proceeding northwesterly along Alburnett road until it intersects Indian creek, then proceeding southwesterly along Indian creek until it intersects West Eighth

avenue, then proceeding westerly along West Eighth avenue until it intersects Lindale drive, then proceeding southwesterly along Lindale drive until it intersects Chicago Central and Pacific Railroad tracks, then proceeding westerly along Chicago Central and Pacific Railroad tracks until it intersects the corporate limits of the city of Marion, then proceeding first north, then in a clockwise manner along the corporate limits of the city of Marion to the point of origin.

*c.* That portion of the city of Cedar Rapids bounded by a line commencing at the point the corporate limit of the city of Cedar Rapids and the south corporate limit of the city of Robins intersects Council street Northeast, then proceeding south along Council street Northeast until it intersects Collins road Northeast, then proceeding easterly along Collins road Northeast until it intersects Twixt Town road Northeast, then proceeding northerly along Twixt Town road Northeast until it intersects the corporate limits of the city of Cedar Rapids, then proceeding first west, then in a counterclockwise manner along the corporate limits of the city of Cedar Rapids to the point of origin.

68. The sixty-eighth representative district in Linn county consists of:

*a.* The city of Ely.

*b.* Putnam township, and that portion of Bertram township not contained in the sixty-fifth representative district.

*c.* That portion of the city of Marion and Marion township bounded by a line commencing at the point the corporate limit of the city of Marion and the south boundary of that portion of Marion township lying outside the corporate limits of the city of Marion intersect Winslow road, then proceeding southerly along Winslow road until it intersects Indian Creek road, then proceeding southwesterly along Indian Creek road until it intersects Twenty-ninth avenue, then proceeding east along Twenty-ninth avenue until it intersects Twenty-fourth street, then proceeding southerly along Twenty-fourth street until it intersects Seventeenth avenue, then proceeding west along Seventeenth avenue until it intersects Northview drive, then proceeding south along Northview drive until it intersects Fifteenth avenue, then proceeding westerly along Fifteenth avenue until it intersects Douglas court, then proceeding north along Douglas court until it intersects Henderson drive, then proceeding westerly along Henderson drive until it intersects English boulevard, then proceeding southerly along English boulevard until it intersects Park avenue, then proceeding west along Park avenue until it intersects Lincoln drive, then proceeding southerly along Lincoln drive until it intersects Thirteenth avenue, then proceeding west along Thirteenth avenue until it intersects Seventh street, then proceeding south along Seventh street until it intersects Central avenue, then proceeding northwesterly along Central avenue until it intersects Alburnett road, then proceeding northwesterly along Alburnett road until it intersects Indian creek, then proceeding southwesterly along Indian creek until it intersects West Eighth avenue, then proceeding westerly along West Eighth avenue until it intersects Lindale drive, then proceeding southwesterly along Lindale drive until it intersects Chicago Central and Pacific Railroad tracks, then proceeding westerly along Chicago Central and Pacific Railroad tracks until it intersects the east corporate limit of the city of Cedar Rapids, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Cedar Rapids until it intersects the north boundary of Bertram township, then proceeding east along the boundary of Bertram township until it intersects U.S. highway 151, then proceeding north along U.S. highway 151 until it intersects the south corporate limit of the city of Marion, then proceeding first east, then in a counterclockwise manner along the corporate limits of the city of Marion to the point of origin.

69. The sixty-ninth representative district in Linn county consists of:

*a.* Fairfax township and that portion of College township lying outside the corporate limits of the city of Ely.

*b.* That portion of the city of Cedar Rapids bounded by a line commencing at the point the west corporate limit of the city of Cedar Rapids intersects Sixteenth avenue Southwest, then proceeding easterly along Sixteenth avenue Southwest until it intersects Eighteenth street Southwest, then proceeding northerly along Eighteenth street Southwest until it intersects First avenue Northwest, then proceeding easterly along First avenue Northwest until it intersects Twelfth street Southwest, then proceeding southeasterly along Twelfth

street Southwest until it intersects Third avenue Southwest, then proceeding east along Third avenue Southwest until it intersects Union Pacific Railroad tracks, then proceeding first northeasterly, then southeasterly along Union Pacific Railroad tracks until it intersects Cedar Rapids and Iowa City Railway tracks, then proceeding first southerly, then westerly along Cedar Rapids and Iowa City Railway tracks until it intersects First street Southwest, then proceeding southerly along First street Southwest until it intersects C street Southwest, then proceeding southeasterly along C street Southwest until it intersects Sixteenth avenue Southwest, then proceeding southwesterly along Sixteenth avenue Southwest until it intersects Second street Southwest, then proceeding southerly along Second street Southwest until it intersects Seventeenth avenue Southwest, then proceeding easterly along Seventeenth avenue Southwest until it intersects Second street Southwest, then proceeding south along Second street Southwest until it intersects Wilson avenue Southwest, then proceeding west along Wilson avenue Southwest until it intersects Second street Southwest, then proceeding south along Second street Southwest until it intersects Twenty-sixth avenue Southwest, then proceeding west along Twenty-sixth avenue Southwest until it intersects J street Southwest, then proceeding southerly along J street Southwest until it intersects Union Pacific Railroad tracks, then proceeding easterly along Union Pacific Railroad tracks until it intersects the middle channel of the Cedar river, then proceeding easterly along the middle channel of the Cedar river until it intersects the corporate limit of the city of Cedar Rapids, then proceeding first north, then easterly along the corporate limits of the city of Cedar Rapids until it intersects the west boundary of Putnam township, then proceeding southerly along the boundary of Putnam township until it intersects the corporate limit of the city of Cedar Rapids, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Cedar Rapids to the point of origin.

70. The seventieth representative district in Linn county consists of:

*a.* Clinton township.

*b.* That portion of the city of Cedar Rapids bounded by a line commencing at the point the west corporate limit of the city of Cedar Rapids intersects Sixteenth avenue Southwest, then proceeding easterly along Sixteenth avenue Southwest until it intersects Eighteenth street Southwest, then proceeding northerly along Eighteenth street Southwest until it intersects First avenue Northwest, then proceeding easterly along First avenue Northwest until it intersects Twelfth street Southwest, then proceeding southeasterly along Twelfth street Southwest until it intersects Third avenue Southwest, then proceeding east along Third avenue Southwest until it intersects Union Pacific Railroad tracks, then proceeding northeasterly along Union Pacific Railroad tracks until it intersects the middle channel of the Cedar river, then proceeding westerly along the middle channel of the Cedar river until it intersects the east boundary of Clinton township and the corporate limits of the city of Cedar Rapids, then proceeding first south, then in a counterclockwise manner along the corporate limits of the city of Cedar Rapids to the point of origin.

71. The seventy-first representative district in Marshall county shall consist of:

*a.* The city of Marshalltown.

*b.* Bangor, Liscomb, Marion, Taylor, and Vienna townships.

72. The seventy-second representative district shall consist of:

*a.* Tama county.

*b.* In Black Hawk county, Big Creek and Eagle townships.

*c.* In Marshall county, Eden, Greencastle, Jefferson, Liberty, Logan, Marietta, Minerva, State Center, and Washington townships, and those portions of Le Grand and Timber Creek townships lying outside the corporate limits of the city of Marshalltown.

73. The seventy-third representative district shall consist of:

*a.* The city of Wilton.

*b.* Cedar county.

*c.* In Johnson county, Big Grove, Cedar, Graham, Newport, and Scott townships.

74. The seventy-fourth representative district in Johnson county shall consist of:

*a.* The city of Coralville.

*b.* That portion of the city of Iowa City and West Lucas township bounded by a line commencing at the point the west corporate limit of the city of Iowa City intersects state

highway 1, then proceeding northeasterly along state highway 1 until it intersects Sunset street, then proceeding northwesterly along Sunset street until it intersects Aber avenue, then proceeding westerly along Aber avenue until it intersects Teg drive, then proceeding first westerly, then northerly, along Teg drive until it intersects West Benton street, then proceeding west along West Benton street until it intersects Keswick drive, then proceeding first northerly, then easterly, along Keswick drive until it intersects Westgate street, then proceeding northerly along Westgate street until it intersects Melrose avenue, then proceeding westerly along Melrose avenue until it intersects Mormon Trek boulevard, then proceeding northerly along Mormon Trek boulevard until it intersects the south corporate limit of the city of Coralville, then proceeding westerly along the corporate limits of the city of Coralville until it intersects the west boundary of West Lucas township, then proceeding south along the boundary of West Lucas township until it intersects the corporate limits of the city of Iowa City, then proceeding first west, then in a counterclockwise manner along the corporate limits of the city of Iowa City to the point of origin.

*c.* That portion of Penn township and East Lucas township bounded by a line commencing at the point the west boundary of Penn township intersects the north corporate limit of the city of North Liberty, then proceeding first north, then in a clockwise manner along the boundary of Penn township until it intersects the north boundary of East Lucas township, then proceeding first east, then in a clockwise manner along the boundary of East Lucas township until it intersects the boundary of Penn township, then proceeding westerly along the boundary of Penn township until it intersects the corporate limits of the city of Coralville, then proceeding first west, then in a counterclockwise manner along the corporate limits of the city of Coralville until it intersects the south corporate limit of the city of North Liberty, then proceeding first northerly, then in a counterclockwise manner along the corporate limits of the city of North Liberty to the point of origin.

75. The seventy-fifth representative district shall consist of:

*a.* Benton county.

*b.* In Iowa county, Honey Creek, Marengo, and Washington townships, and that portion of Hilton township lying outside the corporate limits of the city of Williamsburg.

76. The seventy-sixth representative district shall consist of:

*a.* Poweshiek county.

*b.* In Iowa county:

(1) The city of Williamsburg.

(2) Dayton, English, Fillmore, Greene, Hartford, Iowa, Lenox, Lincoln, Pilot, Sumner, Troy, and York townships.

77. The seventy-seventh representative district in Johnson county shall consist of:

*a.* The city of North Liberty.

*b.* Fremont, Hardin, Jefferson, Lincoln, Madison, Monroe, Oxford, Pleasant Valley, Sharon, and Washington townships.

*c.* Those portions of Clear Creek and Union townships lying outside the corporate limits of the city of Coralville, that portion of Penn township not contained in the seventy-fourth representative district, that portion of Liberty township not contained in the eighty-sixth representative district, and that portion of West Lucas township not contained in the seventy-fourth or eighty-sixth representative district.

78. The seventy-eighth representative district shall consist of:

*a.* Keokuk county.

*b.* In Washington county, Cedar, Clay, Dutch Creek, English River, Franklin, Highland, Iowa, Jackson, Lime Creek, Oregon, Seventy-Six, and Washington townships.

79. The seventy-ninth representative district shall consist of:

*a.* In Mahaska county:

(1) The cities of Oskaloosa and University Park.

(2) Black Oak, Garfield, Jefferson, Lincoln, Madison, Prairie, Richland, Scott, and West Des Moines townships.

(3) That portion of East Des Moines township lying outside the corporate limits of the city of Eddyville, and that portion of Spring Creek township not contained in the eightieth representative district.

*b.* In Marion county, Lake Prairie township.

80. The eightieth representative district shall consist of:

*a.* The city of Eddyville.

*b.* Appanoose county.

*c.* Monroe county.

*d.* In Mahaska county:

(1) Adams, Cedar, Harrison, Monroe, Pleasant Grove, Union, and White Oak townships.

(2) That portion of Spring Creek township bounded by a line commencing at the point the north corporate limit of the city of University Park and the east corporate limit of the city of Oskaloosa intersects the west boundary of Spring Creek township, then proceeding first north, then in a clockwise manner along the boundary of Spring Creek township until it intersects the corporate limits of the city of University Park, then proceeding first north, then west, along the corporate limits of the city of University Park to the point of origin.

*e.* In Wapello county:

(1) Adams, Cass, Columbia, Highland, and Polk townships, and that portion of Richland township lying outside the corporate limits of the city of Ottumwa.

(2) That portion of Center township bounded by a line commencing at the point the north boundary of Center township intersects the west corporate limit of the city of Ottumwa, then proceeding first west, then in a counterclockwise manner along the boundary of Center township until it intersects the south corporate limit of the city of Ottumwa, then proceeding first west, then in a clockwise manner along the corporate limits of the city of Ottumwa to the point of origin.

81. The eighty-first representative district in Wapello county shall consist of:

*a.* The city of Ottumwa.

*b.* Agency, Competine, Dahlonega, Green, Keokuk, Pleasant, and Washington townships, and that portion of Center township not contained in the eightieth representative district.

82. The eighty-second representative district shall consist of:

*a.* Davis county.

*b.* Van Buren county.

*c.* In Jefferson county:

(1) The city of Fairfield.

(2) Black Hawk, Cedar, Center, Des Moines, Liberty, Locust Grove, Penn, and Polk townships.

83. The eighty-third representative district in Lee county shall consist of:

*a.* The city of Keokuk.

*b.* Des Moines, Green Bay, Jackson, Jefferson, Madison, Montrose, Van Buren, and Washington townships, and that portion of Charleston township lying outside the corporate limits of the city of Donnellson.

84. The eighty-fourth representative district shall consist of:

*a.* Henry county.

*b.* In Jefferson county, Buchanan, Lockridge, Round Prairie, and Walnut townships.

*c.* In Lee county:

(1) The city of Donnellson.

(2) Cedar, Denmark, Franklin, Harrison, Marion, Pleasant Ridge, and West Point townships.

*d.* In Washington county, Brighton, Crawford, and Marion townships.

85. The eighty-fifth representative district in Johnson county shall consist of that portion of the city of Iowa City bounded by a line commencing at the point the west corporate limit of the city of Iowa City intersects Second street, then proceeding southeasterly along Second street until it intersects South Riverside drive, then proceeding southerly along South Riverside drive until it intersects Newton road, then proceeding east along Newton road until it intersects the Iowa river, then proceeding southerly along the Iowa river until it intersects West Burlington street, then proceeding east along West Burlington street until it intersects East Burlington street, then proceeding east along East Burlington street until it intersects South Gilbert street, then proceeding southerly along South Gilbert street until it intersects the Iowa Interstate Railroad tracks, then proceeding southeasterly along the

Iowa Interstate Railroad tracks until it intersects South Lucas street and its extension, then proceeding northerly along South Lucas street and its extension until it intersects Bowery street, then proceeding east along Bowery street until it intersects South Governor street, then proceeding north along South Governor street until it intersects East Burlington street, then proceeding east along East Burlington street until it intersects Muscatine avenue, then proceeding first southeasterly, then east, along Muscatine avenue until it intersects American Legion road Southeast, then proceeding east along American Legion road Southeast until it intersects the east corporate limit of the city of Iowa City, then proceeding first north, then in a counterclockwise manner along the corporate limits of the city of Iowa City to the point of origin.

86. The eighty-sixth representative district in Johnson county consists of:

*a.* The cities of Hills and University Heights.

*b.* That portion of Liberty, East Lucas, and West Lucas townships, and the city of Iowa City, bounded by a line commencing at the point First avenue intersects Second street on the corporate limit of the city of Iowa City, then proceeding southeasterly along Second street until it intersects South Riverside drive, then proceeding southerly along South Riverside drive until it intersects Newton road, then proceeding east along Newton road until it intersects the Iowa river, then proceeding southerly along the Iowa river until it intersects West Burlington street, then proceeding east along West Burlington street until it intersects East Burlington street, then proceeding east along East Burlington street until it intersects South Gilbert street, then proceeding southerly along South Gilbert street until it intersects the Iowa Interstate Railroad tracks, then proceeding southeasterly along the Iowa Interstate Railroad tracks until it intersects South Lucas street and its extension, then proceeding northerly along South Lucas street and its extension until it intersects Bowery street, then proceeding east along Bowery street until it intersects South Governor street, then proceeding north along South Governor street until it intersects East Burlington street, then proceeding east along East Burlington street until it intersects Muscatine avenue, then proceeding first southeasterly, then east, along Muscatine avenue until it intersects American Legion road Southeast, then proceeding east along American Legion road Southeast until it intersects the east corporate limit of the city of Iowa City, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Iowa City until it intersects the east boundary of East Lucas township, then proceeding south along the boundary of East Lucas township until it intersects the north boundary of Pleasant Valley township, then proceeding first west, then in a counterclockwise manner along the boundary of Pleasant Valley township until it intersects the corporate limit of the city of Hills, then proceeding first west, then in a counterclockwise manner along the corporate limits of the city of Hills until it intersects the south corporate limit of the city of Iowa City, then proceeding first west, then in a clockwise manner along the corporate limits of the city of Iowa City until it intersects state highway 1, then proceeding northeasterly along state highway 1 until it intersects Sunset street, then proceeding northwesterly along Sunset street until it intersects Aber avenue, then proceeding westerly along Aber avenue until it intersects Teg drive, then proceeding first westerly, then northerly, along Teg drive until it intersects West Benton street, then proceeding west along West Benton street until it intersects Keswick drive, then proceeding first northerly, then easterly, along Keswick drive until it intersects Westgate street, then proceeding northerly along Westgate street until it intersects Melrose avenue, then proceeding westerly along Melrose avenue until it intersects Mormon Trek boulevard, then proceeding northerly along Mormon Trek boulevard until it intersects First avenue, then proceeding northeasterly along First avenue to the point of origin.

87. The eighty-seventh representative district in Des Moines county shall consist of:

*a.* The cities of Burlington and West Burlington.

*b.* Concordia and Tama townships.

88. The eighty-eighth representative district shall consist of:

*a.* Louisa county.

*b.* In Des Moines county:

(1) The cities of Danville, Mediapolis, and Middletown.

(2) Benton, Danville, Flint River, Franklin, Huron, Jackson, Pleasant Grove, Union, Washington, and Yellow Springs townships.

*c.* In Muscatine county:

(1) Cedar, Goshen, Lake, Orono, Pike, and Wapsinonoc townships, those portions of Moscow and Wilton townships lying outside the corporate limits of the city of Wilton, and that portion of Seventy-Six township lying outside the corporate limits of the city of Muscatine.

(2) That portion of Fruitland township bounded by a line commencing at the point the north boundary of Fruitland township intersects the west corporate limit of the city of Muscatine, then proceeding first west, then in a counterclockwise manner along the boundary of Fruitland township until it intersects the corporate limits of the city of Muscatine, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Muscatine to the point of origin.

89. The eighty-ninth district in Scott county consists of that portion of the city of Davenport bounded by a line commencing at the point the west corporate limit of the city of Davenport intersects the Iowa Interstate Railroad tracks, then proceeding easterly along the Iowa Interstate Railroad tracks until it intersects West Forty-sixth street, then proceeding east along West Forty-sixth street until it intersects Wisconsin avenue, then proceeding north along Wisconsin avenue until it intersects West Kimberly road, then proceeding southeasterly along West Kimberly road until it intersects Wyoming avenue, then proceeding north along Wyoming avenue until it intersects West Silver creek, then proceeding easterly along West Silver creek until it intersects North Fairmount street, then proceeding south along North Fairmount street until it intersects West Forty-ninth street, then proceeding easterly along West Forty-ninth street until it intersects North Pine street, then proceeding north along North Pine street until it intersects Northwest boulevard, then proceeding northerly along Northwest boulevard until it intersects Ridgeview drive, then proceeding northeasterly along Ridgeview drive until it intersects North Division street, then proceeding southerly along North Division street until it intersects Northwest boulevard, then proceeding southeasterly along Northwest boulevard until it intersects North Harrison street, then proceeding southerly along North Harrison street until it intersects West Thirty-fifth street, then proceeding easterly along West Thirty-fifth street until it intersects Fair avenue, then proceeding north along Fair avenue until it intersects East Thirty-seventh street, then proceeding east along East Thirty-seventh street until it intersects North Brady street, then proceeding southerly along North Brady street until it intersects Brady street, then proceeding southerly along Brady street until it intersects East Thirtieth street, then proceeding west along East Thirtieth street until it intersects Dubuque street, then proceeding south along Dubuque street until it intersects East Thirtieth street, then proceeding west along East Thirtieth street until it intersects West Thirtieth street, then proceeding west along West Thirtieth street until it intersects Sheridan street, then proceeding south along Sheridan street until it intersects West Columbia avenue, then proceeding west along West Columbia avenue until it intersects North Main street, then proceeding south along North Main street until it intersects West Central Park avenue, then proceeding west along West Central Park avenue until it intersects North Harrison street, then proceeding southerly along North Harrison street until it intersects West Rusholme street, then proceeding westerly along West Rusholme street until it intersects Warren street, then proceeding southerly along Warren street until it intersects West Fifteenth street, then proceeding west along West Fifteenth street until it intersects North Marquette street, then proceeding south along North Marquette street until it intersects West Fifteenth street, then proceeding west along West Fifteenth street until it intersects North Sturdevant street, then proceeding south along North Sturdevant street until it intersects West Fourteenth street, then proceeding west along West Fourteenth street and its extension until it intersects the Iowa Interstate Railroad tracks, then proceeding northerly along the Iowa Interstate Railroad tracks until it intersects West Pleasant street and its extension, then proceeding easterly along West Pleasant street and its extension until it intersects North Howell street, then proceeding northerly along North Howell street until it intersects Frisco drive, then proceeding northerly along Frisco drive until it intersects Hickory Grove road, then

proceeding northwesterly along Hickory Grove road until it intersects West Central Park avenue, then proceeding west along West Central Park avenue until it intersects North Michigan avenue, then proceeding south along North Michigan avenue until it intersects West Lombard street, then proceeding east along West Lombard street until it intersects North Clark street, then proceeding southerly along North Clark street until it intersects Waverly road, then proceeding southeasterly along Waverly road until it intersects Telegraph road, then proceeding westerly along Telegraph road until it intersects Wisconsin avenue, then proceeding northerly along Wisconsin avenue until it intersects West Locust street, then proceeding west along West Locust street until it intersects One Hundred Sixtieth street, then proceeding west along One Hundred Sixtieth street until it intersects the west corporate limit of the city of Davenport, then proceeding first west, then in a clockwise manner along the corporate limits of the city of Davenport to the point of origin.

90. The ninetieth district in Scott county consists of:

*a.* That portion of the city of Buffalo and Buffalo township commencing at the point the west boundary of Scott county intersects the boundary of the state of Iowa, then proceeding north along the boundary of Scott county until it intersects the south corporate limit of the city of Buffalo, then proceeding first north, then in a clockwise manner along the corporate limits of the city of Buffalo until it intersects the west corporate limit of the city of Davenport, then proceeding south along the corporate limits of the city of Davenport until it intersects the boundary of the state of Iowa, then proceeding westerly along the boundary of the state of Iowa to the point of origin.

*b.* That portion of Blue Grass township and the city of Davenport bounded by a line commencing at the point the boundary of the state of Iowa and the corporate limits of the city of Davenport intersect the extension of Mound street to the Mississippi river, then proceeding northerly along Mound street and its extension until it intersects East Thirteenth street, then proceeding easterly along East Thirteenth street until it intersects Kirkwood boulevard, then proceeding westerly along Kirkwood boulevard until it intersects Bridge avenue, then proceeding north along Bridge avenue until it intersects East Locust street, then proceeding west along East Locust street until it intersects Iowa street, then proceeding south along Iowa street until it intersects Kirkwood boulevard, then proceeding westerly along Kirkwood boulevard until it intersects Brady street, then proceeding south along Brady street until it intersects West Sixteenth street, then proceeding west along West Sixteenth street until it intersects North Harrison street, then proceeding north along North Harrison street until it intersects West Locust street, then proceeding west along West Locust street until it intersects Ripley street, then proceeding north along Ripley street until it intersects West Pleasant street, then proceeding westerly along West Pleasant street until it intersects Scott street, then proceeding north along Scott street until it intersects West Rusholme street, then proceeding westerly along West Rusholme street until it intersects Warren street, then proceeding southerly along Warren street until it intersects West Fifteenth street, then proceeding west along West Fifteenth street until it intersects North Marquette street, then proceeding south along North Marquette street until it intersects West Fifteenth street, then proceeding west along West Fifteenth street until it intersects North Sturdevant street, then proceeding south along North Sturdevant street until it intersects West Fourteenth street, then proceeding west along West Fourteenth street and its extension until it intersects the Iowa Interstate Railroad tracks, then proceeding northerly along the Iowa Interstate Railroad tracks until it intersects West Pleasant street and its extension, then proceeding easterly along West Pleasant street and its extension until it intersects North Howell street, then proceeding northerly along North Howell street until it intersects Frisco drive, then proceeding northerly along Frisco drive until it intersects Hickory Grove road, then proceeding northwesterly along Hickory Grove road until it intersects West Central Park avenue, then proceeding west along West Central Park avenue until it intersects North Michigan avenue, then proceeding south along North Michigan avenue until it intersects West Lombard street, then proceeding east along West Lombard street until it intersects North Clark street, then proceeding southerly along North Clark street until it intersects Waverly road, then proceeding southeasterly along Waverly road until it intersects Telegraph road, then proceeding westerly along Telegraph road until it intersects Wisconsin avenue,

then proceeding northerly along Wisconsin avenue until it intersects West Locust street, then proceeding west along West Locust street until it intersects One Hundred Sixtieth street, then proceeding west along One Hundred Sixtieth street until it intersects the west corporate limit of the city of Davenport, then proceeding first south, then in a counterclockwise manner along the corporate limits of the city of Davenport to the point of origin.

91. The ninety-first representative district in Muscatine county shall consist of:

*a.* The city of Muscatine.

*b.* Bloomington, Fulton, Montpelier, and Sweetland townships, and those portions of Fruitland township not contained in the eighty-eighth representative district.

92. The ninety-second representative district in Scott county consists of:

*a.* The cities of Dixon, Donahue, and Long Grove.

*b.* Liberty, Cleona, Hickory Grove, and Sheridan townships, and those portions of Blue Grass and Buffalo townships not contained in the ninetieth representative district.

*c.* That portion of the city of Davenport bounded by a line commencing at the point the west corporate limit of the city of Davenport intersects the Iowa Interstate Railroad tracks, then proceeding easterly along the Iowa Interstate Railroad tracks until it intersects West Forty-sixth street, then proceeding east along West Forty-sixth street until it intersects Wisconsin avenue, then proceeding north along Wisconsin avenue until it intersects West Kimberly road, then proceeding southeasterly along West Kimberly road until it intersects Wyoming avenue, then proceeding north along Wyoming avenue until it intersects West Silver Creek, then proceeding easterly along West Silver Creek until it intersects North Fairmount street, then proceeding south along North Fairmount street until it intersects West Forty-ninth street, then proceeding easterly along West Forty-ninth street until it intersects North Pine street, then proceeding north along North Pine street until it intersects Northwest boulevard, then proceeding northerly along Northwest boulevard until it intersects Ridgeview drive, then proceeding northeasterly along Ridgeview drive until it intersects North Division street, then proceeding southerly along North Division street until it intersects Northwest boulevard, then proceeding southeasterly along Northwest boulevard until it intersects North Harrison street, then proceeding southerly along North Harrison street until it intersects West Thirty-fifth street, then proceeding easterly along West Thirty-fifth street until it intersects Fair avenue, then proceeding north along Fair avenue until it intersects East Thirty-seventh street, then proceeding east along East Thirty-seventh street until it intersects Fair avenue, then proceeding northerly along Fair avenue until it intersects East Kimberly road, then proceeding easterly along East Kimberly road until it intersects North Brady street, then proceeding northerly along North Brady street until it intersects East Fifty-third street, then proceeding west along East Fifty-third street until it intersects Welcome way, then proceeding north along Welcome way until it intersects East Sixty-first street and its extension, then proceeding westerly along East Sixty-first street and its extension until it intersects West Sixty-first street, then proceeding westerly along West Sixty-first street until it intersects North Ripley street, then proceeding northerly along North Ripley street until it intersects West Sixty-fifth street, then proceeding easterly along West Sixty-fifth street until it intersects East Sixty-fifth street, then proceeding easterly along East Sixty-fifth street until it intersects North Brady street, then proceeding northerly along North Brady street until it intersects U.S. highway 61, then proceeding northerly along U.S. highway 61 until it intersects the corporate limits of the city of Davenport, then proceeding first northerly, then in a counterclockwise manner along the corporate limits of the city of Davenport to the point of origin.

93. The ninety-third representative district in Scott county consists of that portion of the city of Bettendorf and the city of Davenport bounded by a line commencing at the point the boundary of the state of Iowa and the corporate limits of the city of Davenport intersect the extension of Mound street to the Mississippi river, then proceeding northerly along Mound street and its extension until it intersects East Thirteenth street, then proceeding east along East Thirteenth street until it intersects Kirkwood boulevard, then proceeding westerly along Kirkwood boulevard until it intersects Bridge avenue, then proceeding north along Bridge avenue until it intersects East Locust street, then proceeding west along East Locust street until it intersects Iowa street, then proceeding south along Iowa street until it intersects

Kirkwood boulevard, then proceeding westerly along Kirkwood boulevard until it intersects Brady street, then proceeding south along Brady street until it intersects West Sixteenth street, then proceeding west along West Sixteenth street until it intersects North Harrison street, then proceeding north along North Harrison street until it intersects West Locust street, then proceeding west along West Locust street until it intersects Ripley street, then proceeding north along Ripley street until it intersects West Pleasant street, then proceeding westerly along West Pleasant street until it intersects Scott street, then proceeding north along Scott street until it intersects West Rusholme street, then proceeding east along West Rusholme street until it intersects North Harrison street, then proceeding northerly along North Harrison street until it intersects West Central Park avenue, then proceeding east along West Central Park avenue until it intersects North Main street, then proceeding north along North Main street until it intersects West Columbia avenue, then proceeding east along West Columbia avenue until it intersects Sheridan street, then proceeding north along Sheridan street until it intersects West Thirtieth street, then proceeding east along West Thirtieth street until it intersects East Thirtieth street, then proceeding east along East Thirtieth street until it intersects Dubuque street, then proceeding north along Dubuque street until it intersects East Thirtieth street, then proceeding east along East Thirtieth street until it intersects Brady street, then proceeding northerly along Brady street until it intersects North Brady street, then proceeding northerly along North Brady street until it intersects East Thirty-seventh street, then proceeding west along East Thirty-seventh street until it intersects Fair avenue, then proceeding northerly along Fair avenue until it intersects East Kimberly road, then proceeding easterly along East Kimberly road until it intersects North Brady street, then proceeding northerly along North Brady street until it intersects East Fifty-third street, then proceeding east along East Fifty-third street until it intersects Eastern avenue, then proceeding south along Eastern avenue until it intersects East Forty-sixth street, then proceeding east along East Forty-sixth street until it intersects Jersey Ridge road, then proceeding north along Jersey Ridge road until it intersects East Fifty-third street, then proceeding east along East Fifty-third street until it intersects the east corporate limit of the city of Davenport, then proceeding first south, then west, along the corporate limits of the city of Davenport until it intersects Hamilton drive, then proceeding southerly along Hamilton drive until it intersects Queens drive, then proceeding easterly along Queens drive until it intersects Greenbrier drive, then proceeding southerly along Greenbrier drive until it intersects Tanglefoot lane, then proceeding east along Tanglefoot lane until it intersects Parkdale drive, then proceeding south along Parkdale drive until it intersects Brookside drive, then proceeding east along Brookside drive until it intersects Eighteenth street, then proceeding southerly along Eighteenth street until it intersects Middle road, then proceeding westerly along Middle road until it intersects Fourteenth street, then proceeding southerly along Fourteenth street until it intersects Mississippi boulevard, then proceeding easterly along Mississippi boulevard until it intersects Twenty-second street, then proceeding south along Twenty-second street until it intersects Grant street, then proceeding easterly along Grant street until it intersects Twenty-third street, then proceeding southerly along Twenty-third street and its extension until it intersects the boundary of the state of Iowa, then proceeding westerly along the boundary of the state of Iowa to the point of origin.

94. The ninety-fourth representative district in Scott county consists of:

*a.* The cities of Riverdale and Panorama Park.

*b.* That portion of Pleasant Valley township lying outside the corporate limits of the city of Bettendorf.

*c.* That portion of the city of Bettendorf and the city of Davenport commencing at the point the boundary of the state of Iowa and the corporate limits of the city of Bettendorf intersect Twenty-third street and its extension, then proceeding northerly along Twenty-third street and its extension until it intersects Grant street, then proceeding westerly along Grant street until it intersects Twenty-second street, then proceeding north along Twenty-second street until it intersects Mississippi boulevard, then proceeding westerly along Mississippi boulevard until it intersects Fourteenth street, then proceeding northerly along Fourteenth street until it intersects Middle road, then proceeding easterly along Middle road until it intersects Eighteenth street, then proceeding northeasterly along Eighteenth street until it

intersects Brookside drive, then proceeding west along Brookside drive until it intersects Parkdale drive, then proceeding north along Parkdale drive until it intersects Tanglefoot lane, then proceeding west along Tanglefoot lane until it intersects Greenbrier drive, then proceeding northerly along Greenbrier drive until it intersects Queens drive, then proceeding westerly along Queens drive until it intersects Hamilton drive, then proceeding northerly along Hamilton drive until it intersects the corporate limits of the city of Davenport, then proceeding first east, then north, along the corporate limits of the city of Davenport until it intersects East Fifty-third street, then proceeding west along East Fifty-third street until it intersects Jersey Ridge road, then proceeding south along Jersey Ridge road until it intersects East Forty-sixth street, then proceeding west along East Forty-sixth street until it intersects Eastern avenue, then proceeding north along Eastern avenue until it intersects East Fifty-third street, then proceeding west along East Fifty-third street until it intersects Welcome way, then proceeding north along Welcome way until it intersects East Sixty-first street and its extension, then proceeding westerly along East Sixty-first street and its extension until it intersects West Sixty-first street, then proceeding westerly along West Sixty-first street until it intersects North Ripley street, then proceeding northerly along North Ripley street until it intersects West Sixty-fifth street, then proceeding easterly along West Sixty-fifth street until it intersects East Sixty-fifth street, then proceeding easterly along East Sixty-fifth street until it intersects North Brady street, then proceeding northerly along North Brady street until it intersects U.S. highway 61, then proceeding northerly along U.S. highway 61 until it intersects the corporate limits of the city of Davenport, then proceeding first southerly, then in a clockwise manner along the corporate limits of the city of Davenport until it intersects the west corporate limit of the city of Bettendorf, then proceeding first north, then in a clockwise manner along the corporate limits of the city of Bettendorf to the point of origin.

95. The ninety-fifth representative district shall consist of:

*a.* In Buchanan county, Cono, Homer, Middlefield, and Newton townships.

*b.* In Linn county, Boulder, Brown, Buffalo, Fayette, Franklin, Grant, Jackson, Linn, Maine, Otter Creek, Spring Grove, and Washington townships, that portion of Marion township not contained in the sixty-seventh or sixty-eighth representative district, and that portion of Monroe township not contained in the sixty-sixth or sixty-seventh representative district.

96. The ninety-sixth representative district shall consist of:

*a.* Delaware county.

*b.* In Jones county:

(1) Cass, Castle Grove, Jackson, Lovell, and Wayne townships.

(2) That portion of Fairview township bounded by a line commencing at the point the south corporate limit of the city of Anamosa intersects the east boundary of Fairview township, then proceeding first west, then in a clockwise manner along the corporate limits of the city of Anamosa, until it intersects the north boundary of Fairview township, then proceeding first east, then in a clockwise manner along the boundary of Fairview township to the point of origin.

97. The ninety-seventh representative district shall consist of:

*a.* In Clinton county, Bloomfield, Brookfield, De Witt, Grant, Liberty, Olive, Orange, Sharon, Spring Rock, Washington, and Welton townships, that portion of Eden township lying outside the corporate limits of the city of Low Moor, and that portion of Camanche township bounded by a line commencing at the point the boundary of the state of Iowa intersects the east corporate limit of the city of Camanche, then proceeding southwesterly along the boundary of the state of Iowa until it intersects the south boundary of Camanche township, then proceeding first westerly, then in a clockwise manner along the boundary of Camanche township until it intersects the west corporate limit of the city of Camanche, then proceeding first east, then in a clockwise manner along the corporate limits of the city of Camanche to the point of origin.

*b.* In Scott county, Butler, Le Claire, Lincoln, and Princeton townships, that portion of Allens Grove township lying outside the corporate limits of the cities of Dixon and Donahue,

and that portion of Winfield township lying outside the corporate limits of the city of Long Grove.

98. The ninety-eighth representative district in Clinton county shall consist of:

*a.* The cities of Clinton and Low Moor.

*b.* Center, Deep Creek, Elk River, Hampshire, and Waterford townships, and those portions of Camanche township not contained in the ninety-seventh representative district.

99. The ninety-ninth representative district in Dubuque county shall consist of:

*a.* Those portions of Center, Dubuque, and Table Mound townships, and the city of Dubuque, bounded by a line commencing at the point the north corporate limit of the city of Dubuque intersects John F. Kennedy road, then proceeding southerly along John F. Kennedy road until it intersects Sunset Park circle, then proceeding southwesterly along Sunset Park circle until it intersects Meggan street, then proceeding west along Meggan street until it intersects Bonson road, then proceeding south along Bonson road until it intersects Kaufmann avenue, then proceeding easterly along Kaufmann avenue until it intersects Chaney road, then proceeding southerly along Chaney road until it intersects Asbury road, then proceeding southeasterly along Asbury road until it intersects Rosedale avenue, then proceeding east along Rosedale avenue until it intersects North Grandview avenue, then proceeding first east, then southerly along North Grandview avenue until it intersects Loras boulevard, then proceeding easterly along Loras boulevard until it intersects Bluff street, then proceeding southerly along Bluff street until it intersects West Eleventh street, then proceeding easterly along West Eleventh street until it intersects Locust street, then proceeding southerly along Locust street until it intersects West Tenth street, then proceeding westerly along West Tenth street until it intersects Bluff street, then proceeding southerly along Bluff street until it intersects Jones street, then proceeding easterly along Jones street and its extension until it intersects Locust street, then proceeding easterly along Jones street and its extension until it intersects Main street, then proceeding southerly along Main street until it intersects Jones street, then proceeding easterly along Jones street until it intersects Terminal street, then proceeding southerly along Terminal street until it intersects Dodge street, then proceeding easterly along Dodge street and the Julien Dubuque bridge until it intersects the corporate limits of the city of Dubuque, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Dubuque until it intersects the east boundary of Table Mound township, then proceeding south along the boundary of Table Mound township until it intersects the corporate limits of the city of Dubuque, then proceeding first south, then in a clockwise manner along the corporate limits of the city of Dubuque until it intersects the south boundary of Dubuque township, then proceeding west along the south boundary of Dubuque township until it intersects the corporate limits of the city of Dubuque, then proceeding first west, then in a clockwise manner along the corporate limits of the city of Dubuque until it intersects the west boundary of Dubuque township, then proceeding north along the west boundary of Dubuque township until it intersects the corporate limits of the city of Dubuque, then proceeding first north, then in a clockwise manner along the corporate limits of the city of Dubuque to the point of origin.

*b.* That portion of Center township lying outside the corporate limits of the city of Asbury and the city of Dubuque and not contained in the fifty-seventh representative district.

100. The one hundredth representative district in Dubuque county shall consist of:

*a.* That portion of Dubuque township not contained in the fifty-seventh or ninety-ninth representative district.

*b.* That portion of the city of Dubuque bounded by a line commencing at the point the north corporate limit of the city of Dubuque intersects John F. Kennedy road, then proceeding southerly along John F. Kennedy road until it intersects Sunset Park circle, then proceeding southwesterly along Sunset Park circle until it intersects Meggan street, then proceeding west along Meggan street until it intersects Bonson road, then proceeding south along Bonson road until it intersects Kaufmann avenue, then proceeding easterly along Kaufmann avenue until it intersects Chaney road, then proceeding southerly along Chaney road until it intersects Asbury road, then proceeding southeasterly along Asbury road until it intersects Rosedale avenue, then proceeding east along Rosedale avenue until it intersects North Grandview avenue, then proceeding first east, then southerly along North Grandview

avenue until it intersects Loras boulevard, then proceeding easterly along Loras boulevard until it intersects Bluff street, then proceeding southerly along Bluff street until it intersects West Eleventh street, then proceeding easterly along West Eleventh street until it intersects Locust street, then proceeding southerly along Locust street until it intersects West Tenth street, then proceeding westerly along West Tenth street until it intersects Bluff street, then proceeding southerly along Bluff street until it intersects Jones street, then proceeding easterly along Jones street and its extension until it intersects Locust street, then proceeding easterly along Jones street and its extension until it intersects Main street, then proceeding southerly along Main street until it intersects Jones street, then proceeding easterly along Jones street until it intersects Terminal street, then proceeding southerly along Terminal street until it intersects Dodge street, then proceeding easterly along Dodge street and the Julien Dubuque bridge until it intersects the corporate limits of the city of Dubuque, then proceeding first north, then in a counterclockwise manner along the corporate limits of the city of Dubuque to the point of origin.

[C27, 31, 35, §526-b1, -b2; C39, §**526.3, 526.4;** C46, 50, 54, 58, 62, §42.1, 42.2; C66, §41.3; C71, §41.4; C73, 75, 77, 79, 81, §41.1; 81 Acts, 2d Ex, ch 1, §2]

86 Acts, ch 1238, §3; 91 Acts, ch 223, §2; 92 Acts, ch 1163, §10, 11; 2001 Acts, 1st Ex, ch 1, §2, 6; 2002 Acts, ch 1175, §79; 2011 Acts, ch 76, §2, 6

Referred to in §41.2

References based on January 1, 2010, boundaries and official census maps and Redistricting Census 2010 TIGER/Line files; see 2011 Acts, ch 76, §5

Membership beginning in 2013; vacancies prior to 2013; see 2011 Acts, ch 76, §3, 4

**41.2 Senate districts.**

The state of Iowa is hereby divided into fifty senatorial districts, each composed of two of the representative districts established by section 41.1, as follows:

1. The first senatorial district shall consist of the first and second representative districts.
2. The second senatorial district shall consist of the third and fourth representative districts.
3. The third senatorial district shall consist of the fifth and sixth representative districts.
4. The fourth senatorial district shall consist of the seventh and eighth representative districts.
5. The fifth senatorial district shall consist of the ninth and tenth representative districts.
6. The sixth senatorial district shall consist of the eleventh and twelfth representative districts.
7. The seventh senatorial district shall consist of the thirteenth and fourteenth representative districts.
8. The eighth senatorial district shall consist of the fifteenth and sixteenth representative districts.
9. The ninth senatorial district shall consist of the seventeenth and eighteenth representative districts.
10. The tenth senatorial district shall consist of the nineteenth and twentieth representative districts.
11. The eleventh senatorial district shall consist of the twenty-first and twenty-second representative districts.
12. The twelfth senatorial district shall consist of the twenty-third and twenty-fourth representative districts.
13. The thirteenth senatorial district shall consist of the twenty-fifth and twenty-sixth representative districts.
14. The fourteenth senatorial district shall consist of the twenty-seventh and twenty-eighth representative districts.
15. The fifteenth senatorial district shall consist of the twenty-ninth and thirtieth representative districts.
16. The sixteenth senatorial district shall consist of the thirty-first and thirty-second representative districts.
17. The seventeenth senatorial district shall consist of the thirty-third and thirty-fourth representative districts.

18. The eighteenth senatorial district shall consist of the thirty-fifth and thirty-sixth representative districts.
19. The nineteenth senatorial district shall consist of the thirty-seventh and thirty-eighth representative districts.
20. The twentieth senatorial district shall consist of the thirty-ninth and fortieth representative districts.
21. The twenty-first senatorial district shall consist of the forty-first and forty-second representative districts.
22. The twenty-second senatorial district shall consist of the forty-third and forty-fourth representative districts.
23. The twenty-third senatorial district shall consist of the forty-fifth and forty-sixth representative districts.
24. The twenty-fourth senatorial district shall consist of the forty-seventh and forty-eighth representative districts.
25. The twenty-fifth senatorial district shall consist of the forty-ninth and fiftieth representative districts.
26. The twenty-sixth senatorial district shall consist of the fifty-first and fifty-second representative districts.
27. The twenty-seventh senatorial district shall consist of the fifty-third and fifty-fourth representative districts.
28. The twenty-eighth senatorial district shall consist of the fifty-fifth and fifty-sixth representative districts.
29. The twenty-ninth senatorial district shall consist of the fifty-seventh and fifty-eighth representative districts.
30. The thirtieth senatorial district shall consist of the fifty-ninth and sixtieth representative districts.
31. The thirty-first senatorial district shall consist of the sixty-first and sixty-second representative districts.
32. The thirty-second senatorial district shall consist of the sixty-third and sixty-fourth representative districts.
33. The thirty-third senatorial district shall consist of the sixty-fifth and sixty-sixth representative districts.
34. The thirty-fourth senatorial district shall consist of the sixty-seventh and sixty-eighth representative districts.
35. The thirty-fifth senatorial district shall consist of the sixty-ninth and seventieth representative districts.
36. The thirty-sixth senatorial district shall consist of the seventy-first and seventy-second representative districts.
37. The thirty-seventh senatorial district shall consist of the seventy-third and seventy-fourth representative districts.
38. The thirty-eighth senatorial district shall consist of the seventy-fifth and seventy-sixth representative districts.
39. The thirty-ninth senatorial district shall consist of the seventy-seventh and seventy-eighth representative districts.
40. The fortieth senatorial district shall consist of the seventy-ninth and eightieth representative districts.
41. The forty-first senatorial district shall consist of the eighty-first and eighty-second representative districts.
42. The forty-second senatorial district shall consist of the eighty-third and eighty-fourth representative districts.
43. The forty-third senatorial district shall consist of the eighty-fifth and eighty-sixth representative districts.
44. The forty-fourth senatorial district shall consist of the eighty-seventh and eighty-eighth representative districts.
45. The forty-fifth senatorial district shall consist of the eighty-ninth and ninetieth representative districts.

46. The forty-sixth senatorial district shall consist of the ninety-first and ninety-second representative districts.

47. The forty-seventh senatorial district shall consist of the ninety-third and ninety-fourth representative districts.

48. The forty-eighth senatorial district shall consist of the ninety-fifth and ninety-sixth representative districts.

49. The forty-ninth senatorial district shall consist of the ninety-seventh and ninety-eighth representative districts.

50. The fiftieth senatorial district shall consist of the ninety-ninth and one hundredth representative districts.

[C27, 31, 35, §526-a2; C39, §**526.2;** C46, 50, 54, 58, 62, §41.1; C66, §41.2; C71, §41.5; C73, 75, 77, 79, 81, §41.2]

Membership beginning in 2013 and effect on incumbent senators, vacancies prior to 2013; see 2011 Acts, ch 76, §3, 4

# CHAPTER 42

## REDISTRICTING GENERAL ASSEMBLY AND CONGRESSIONAL DISTRICTS

Referred to in §2A.4, 39A.1, 39A.2, 39A.4, 39A.6, 46.2A, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 357J.16, 360.1, 372.2, 376.1


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| 42.1 | Definitions. | 42.5 | Temporary redistricting advisory commission. |
| 42.2 | Preparations for redistricting. | 42.6 | Duties of commission. |
| 42.3 | Timetable for preparation of plan. | 42.7 | Repealed by 80 Acts, ch 1021, §7. |
| 42.4 | Redistricting standards. | | |


**42.1 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Chief election officer"* means the state commissioner of elections as defined by section 47.1.

2. *"Commission"* means the temporary redistricting advisory commission established pursuant to this chapter.

3. *"Federal census"* means the decennial census required by federal law to be conducted by the United States bureau of the census in every year ending in zero.

4. *"Four selecting authorities"* means:

*a.* The majority floor leader of the state senate.

*b.* The minority floor leader of the state senate.

*c.* The majority floor leader of the state house of representatives.

*d.* The minority floor leader of the state house of representatives.

5. *"Partisan public office"* means:

*a.* An elective or appointive office in the executive or legislative branch or in an independent establishment of the federal government.

*b.* An elective office in the executive or legislative branch of the government of this state, or an office which is filled by appointment and is exempt from the merit system under section 8A.412.

*c.* An office of a county, city or other political subdivision of this state which is filled by an election process involving nomination and election of candidates on a partisan basis.

6. *"Plan"* means a plan for legislative and congressional reapportionment drawn up pursuant to the requirements of this chapter.

7. *"Political party office"* means an elective office in the national or state organization of a political party, as defined by section 43.2.

8. *"Relative"* means an individual who is related to the person in question as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, father-in-law, mother-in-law, son-in-law, daughter-in-law,

brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother or half sister.

[C81, §42.1]

2003 Acts, ch 145, §151

**42.2 Preparations for redistricting.**

1. The legislative services agency shall acquire appropriate information, review and evaluate available facilities, and develop programs and procedures in preparation for drawing congressional and legislative redistricting plans on the basis of each federal census. Funds shall be expended for the purchase or lease of equipment and materials only with prior approval of the legislative council.

2. By December 31 of each year ending in zero, the legislative services agency shall obtain from the United States bureau of the census information regarding geographic and political units in this state for which federal census population data has been gathered and will be tabulated. The legislative services agency shall use the data so obtained to:

*a.* Prepare necessary descriptions of geographic and political units for which census data will be reported, and which are suitable for use as components of legislative districts.

*b.* Prepare maps of counties, cities and other geographic units within the state, which may be used to illustrate the locations of legislative district boundaries proposed in plans drawn in accordance with section 42.4.

3. As soon as possible after January 1 of each year ending in one, the legislative services agency shall obtain from the United States bureau of the census the population data needed for legislative districting which the census bureau is required to provide this state under United States Pub. L. No. 94-171, and shall use that data to assign a population figure based upon certified federal census data to each geographic or political unit described pursuant to subsection 2, paragraph "*a*". Upon completing that task, the legislative services agency shall begin the preparation of congressional and legislative districting plans as required by section 42.3.

4. Upon each delivery by the legislative services agency to the general assembly of a bill embodying a plan, pursuant to section 42.3, the legislative services agency shall at the earliest feasible time make available to the public the following information:

*a.* Copies of the bill delivered by the legislative services agency to the general assembly.

*b.* Maps illustrating the plan.

*c.* A summary of the standards prescribed by section 42.4 for development of the plan.

*d.* A statement of the population of each district included in the plan, and the relative deviation of each district population from the ideal district population.

[C81, §42.2]

2003 Acts, ch 35, §44, 49; 2006 Acts, ch 1010, §33; 2007 Acts, ch 78, §1

**42.3 Timetable for preparation of plan.**

1. *a.* Not later than April 1 of each year ending in one, the legislative services agency shall deliver to the secretary of the senate and the chief clerk of the house of representatives identical bills embodying a plan of legislative and congressional districting prepared in accordance with section 42.4. It is the intent of this chapter that the general assembly shall bring the bill to a vote in either the senate or the house of representatives expeditiously, but not less than three days after the report of the commission required by section 42.6 is received and made available to the members of the general assembly, under a procedure or rule permitting no amendments except those of a purely corrective nature. It is further the intent of this chapter that if the bill is approved by the first house in which it is considered, it shall expeditiously be brought to a vote in the second house under a similar procedure or rule. If the bill embodying the plan submitted by the legislative services agency under this subsection fails to be approved by a constitutional majority in either the senate or the house of representatives, the secretary of the senate or the chief clerk of the house, as the case may be, shall at once, but in no event later than seven days after the date the bill failed to be approved, transmit to the legislative services agency information which the senate or house may direct by resolution regarding reasons why the plan was not approved.

*b.* However, if the population data for legislative districting which the United States census bureau is required to provide this state under Pub. L. No. 94-171 and, if used by the legislative services agency, the corresponding topologically integrated geographic encoding and referencing data file for that population data are not available to the legislative services agency on or before February 15 of the year ending in one, the dates set forth in paragraph "*a*" shall be extended by a number of days equal to the number of days after February 15 of the year ending in one that the federal census population data and the topologically integrated geographic encoding and referencing data file for legislative districting become available.

2. If the bill embodying the plan submitted by the legislative services agency under subsection 1 fails to be enacted, the legislative services agency shall prepare a bill embodying a second plan of legislative and congressional districting. The bill shall be prepared in accordance with section 42.4, and, insofar as it is possible to do so within the requirements of section 42.4, with the reasons cited by the senate or house of representatives by resolution, or the governor by veto message, for the failure to approve the plan. If a second plan is required under this subsection, the bill embodying it shall be delivered to the secretary of the senate and the chief clerk of the house of representatives not later than thirty-five days after the date of the vote by which the senate or the house of representatives fails to approve the bill submitted under subsection 1, or the date the governor vetoes or fails to approve the bill. If it is necessary to submit a bill under this subsection, the bill shall be brought to a vote not less than seven days after the bill is submitted and made available to the members of the general assembly, under a procedure or rule permitting no amendments except those of a purely corrective nature. It is further the intent of this chapter that if the bill is approved by the first house in which it is considered, it shall expeditiously be brought to a vote in the second house under a similar procedure or rule. If the bill embodying the plan submitted by the legislative services agency under this subsection fails to be approved by a constitutional majority in either the senate or the house of representatives, the secretary of the senate or the chief clerk of the house, as the case may be, shall transmit to the legislative services agency in the same manner as described in subsection 1, information which the senate or house may direct by resolution regarding reasons why the plan was not approved.

3. If the bill embodying the plan submitted by the legislative services agency under subsection 2 fails to be enacted, the same procedure as prescribed by subsection 2 shall be followed. If a third plan is required under this subsection, the bill embodying it shall be delivered to the secretary of the senate and the chief clerk of the house of representatives not later than thirty-five days after the date of the vote by which the senate or the house of representatives fails to approve the bill submitted under subsection 2, or the date the governor vetoes or fails to approve the bill. The legislative services agency shall submit a bill under this subsection sufficiently in advance of September 1 of the year ending in one to permit the general assembly to consider the plan prior to that date. If it is necessary to submit a bill under this subsection, the bill shall be brought to a vote within the same time period after its delivery to the secretary of the senate and the chief clerk of the house of representatives as is prescribed for the bill submitted under subsection 2, but shall be subject to amendment in the same manner as other bills.

[C81, §42.3]

94 Acts, ch 1179, §1, 2; 2003 Acts, ch 35, §44, 49; 2006 Acts, ch 1010, §34; 2007 Acts, ch 78, §2 – 5; 2009 Acts, ch 133, §11, 12

Referred to in §42.2, 42.6

**42.4 Redistricting standards.**

1. Legislative and congressional districts shall be established on the basis of population.

*a.* Senatorial and representative districts, respectively, shall each have a population as nearly equal as practicable to the ideal population for such districts, determined by dividing the number of districts to be established into the population of the state reported in the federal decennial census. Senatorial districts and representative districts shall not vary in population from the respective ideal district populations except as necessary to comply with one of the other standards enumerated in this section. In no case shall the quotient, obtained

by dividing the total of the absolute values of the deviations of all district populations from the applicable ideal district population by the number of districts established, exceed one percent of the applicable ideal district population. No senatorial district shall have a population which exceeds that of any other senatorial district by more than five percent, and no representative district shall have a population which exceeds that of any other representative district by more than five percent.

*b.* Congressional districts shall each have a population as nearly equal as practicable to the ideal district population, derived as prescribed in paragraph "*a*" of this subsection. No congressional district shall have a population which varies by more than one percent from the applicable ideal district population, except as necessary to comply with Article III, section 37 of the Constitution of the State of Iowa.

*c.* If a challenge is filed with the supreme court alleging excessive population variance among districts established in a plan adopted by the general assembly, the general assembly has the burden of justifying any variance in excess of one percent between the population of a district and the applicable ideal district population.

2. To the extent consistent with subsection 1, district boundaries shall coincide with the boundaries of political subdivisions of the state. The number of counties and cities divided among more than one district shall be as small as possible. When there is a choice between dividing local political subdivisions, the more populous subdivisions shall be divided before the less populous, but this statement does not apply to a legislative district boundary drawn along a county line which passes through a city that lies in more than one county.

3. Districts shall be composed of convenient contiguous territory. Areas which meet only at the points of adjoining corners are not contiguous.

4. Districts shall be reasonably compact in form, to the extent consistent with the standards established by subsections 1, 2, and 3. In general, reasonably compact districts are those which are square, rectangular, or hexagonal in shape, and not irregularly shaped, to the extent permitted by natural or political boundaries. If it is necessary to compare the relative compactness of two or more districts, or of two or more alternative districting plans, the tests prescribed by paragraphs "*a*" and "*b*" shall be used.

*a. Length-width compactness.* The compactness of a district is greatest when the length of the district and the width of the district are equal. The measure of a district's compactness is the absolute value of the difference between the length and the width of the district. In general, the length-width compactness of a district is calculated by measuring the distance from the northernmost point or portion of the boundary of a district to the southernmost point or portion of the boundary of the same district and the distance from the westernmost point or portion of the boundary of the district to the easternmost point or portion of the boundary of the same district. The absolute values computed for individual districts under this paragraph may be cumulated for all districts in a plan in order to compare the overall compactness of two or more alternative districting plans for the state, or for a portion of the state.

*b. Perimeter compactness.* The compactness of a district is greatest when the distance needed to traverse the perimeter boundary of a district is as short as possible. The total perimeter distance computed for individual districts under this paragraph may be cumulated for all districts in a plan in order to compare the overall compactness of two or more alternative districting plans for the state, or for a portion of the state.

5. No district shall be drawn for the purpose of favoring a political party, incumbent legislator or member of Congress, or other person or group, or for the purpose of augmenting or diluting the voting strength of a language or racial minority group. In establishing districts, no use shall be made of any of the following data:

*a.* Addresses of incumbent legislators or members of Congress.

*b.* Political affiliations of registered voters.

*c.* Previous election results.

*d.* Demographic information, other than population head counts, except as required by the Constitution and the laws of the United States.

6. In order to minimize electoral confusion and to facilitate communication within state legislative districts, each plan drawn under this section shall provide that each representative district is wholly included within a single senatorial district and that, so far as possible, each

representative and each senatorial district shall be included within a single congressional district. However, the standards established by subsections 1 through 5 shall take precedence where a conflict arises between these standards and the requirement, so far as possible, of including a senatorial or representative district within a single congressional district.

7. Each bill embodying a plan drawn under this section shall provide that any vacancy in the general assembly which takes office in the year ending in one, occurring at a time which makes it necessary to fill the vacancy at a special election held pursuant to section 69.14, shall be filled from the same district which elected the senator or representative whose seat is vacant.

8. Each bill embodying a plan drawn under this section shall include provisions for election of senators to the general assemblies which take office in the years ending in three and five, which shall be in conformity with Article III, section 6, of the Constitution of the State of Iowa. With respect to any plan drawn for consideration in a year ending in one, those provisions shall be substantially as follows:

*a.* Each senatorial district in the plan which is not a holdover senatorial district shall elect a senator in the year ending in two for a four-year term commencing in January of the year ending in three. If an incumbent senator who was elected to a four-year term which commenced in January of the year ending in one, or was subsequently elected to fill a vacancy in such a term, is residing in a senatorial district in the plan which is not a holdover senatorial district on the first Wednesday in February of the year ending in two, that senator's term of office shall be terminated on January 1 of the year ending in three.

*b.* Each holdover senatorial district in the plan shall elect a senator in the year ending in four for a four-year term commencing in January of the year ending in five.

(1) If one and only one incumbent state senator is residing in a holdover senatorial district in the plan on the first Wednesday in February of the year ending in two, and that senator meets all of the following requirements, the senator shall represent the district in the senate for the general assembly commencing in January of the year ending in three:

(a) The senator was elected to a four-year term which commenced in January of the year ending in one or was subsequently elected to fill a vacancy in such a term.

(b) The senatorial district in the plan which includes the place of residence of the state senator on the date of the senator's last election to the senate is the same as the holdover senatorial district in which the senator resides on the first Wednesday in February of the year ending in two, or is contiguous to such holdover senatorial district. Areas which meet only at the points of adjoining corners are not contiguous.

(2) Each holdover senatorial district to which subparagraph (1) is not applicable shall elect a senator in the year ending in two for a two-year term commencing in January of the year ending in three. However, if more than one incumbent state senator is residing in a holdover senatorial district on the first Wednesday in February of the year ending in two, and, on or before the third Wednesday in February of the year ending in two, all but one of the incumbent senators resigns from office effective no later than January of the year ending in three, the remaining incumbent senator shall represent the district in the senate for the general assembly commencing in January of the year ending in three. A copy of each resignation must be filed in the office of the secretary of state no later than 5:00 p.m. on the third Wednesday in February of the year ending in two.

*c.* For purposes of this subsection:

(1) *"Holdover senatorial district"* means a senatorial district in the plan which is numbered with an even or odd number in the same manner as senatorial districts, which were required to elect a senator in the year ending in zero, were numbered.

(2) *"Incumbent state senator"* means a state senator who holds the office of state senator on the first Wednesday in February of the year ending in two, and whose declared residence on that day is within the district from which the senator was last elected.

*d.* The secretary of state shall prescribe a form to be completed by all senators to declare their residences as of the first Wednesday in February of the year ending in two. The form

shall be filed with the secretary of state no later than 5:00 p.m. on the first Wednesday in February of the year ending in two.

[C81, §42.4]

90 Acts, ch 1244, §1; 94 Acts, ch 1042, §1; 94 Acts, ch 1179, §3; 2006 Acts, ch 1010, §35, 36; 2007 Acts, ch 78, §6, 7; 2008 Acts, ch 1032, §8; 2012 Acts, ch 1021, §36, 141, 143

Referred to in §42.2, 42.3, 42.6, 68B.32A, 331.209, 331.210A

**42.5 Temporary redistricting advisory commission.**

1. Not later than February 15 of each year ending in one, a five member temporary redistricting advisory commission shall be established as provided by this section. The commission's only functions shall be those prescribed by section 42.6.

*a.* Each of the four selecting authorities shall certify to the chief election officer the authority's appointment of a person to serve on the commission. The certifications may be made at any time after the majority and minority floor leaders have been selected for the general assembly which takes office in the year ending in one, even though that general assembly's term of office has not actually begun.

*b.* Within thirty days after the four selecting authorities have certified their respective appointments to the commission, but in no event later than February 15 of the year ending in one, the four commission members so appointed shall select, by a vote of at least three members, and certify to the chief election officer the fifth commission member, who shall serve as chairperson.

*c.* A vacancy on the commission shall be filled by the initial selecting authority within fifteen days after the vacancy occurs.

*d.* Members of the commission shall receive a per diem as specified in section 7E.6, travel expenses at the rate provided by section 70A.9, and reimbursement for other necessary expenses incurred in performing their duties under this section and section 42.6. The per diem and expenses shall be paid from funds appropriated by section 2.12.

2. No person shall be appointed to the commission who:

*a.* Is not an eligible elector of the state at the time of selection.

*b.* Holds partisan public office or political party office.

*c.* Is a relative of or is employed by a member of the general assembly or of the United States Congress, or is employed directly by the general assembly or by the United States Congress.

[C81, §42.5]

90 Acts, ch 1256, §23

**42.6 Duties of commission.**

The functions of the commission shall be as follows:

1. If, in preparation of plans as required by this chapter, the legislative services agency is confronted with the necessity to make any decision for which no clearly applicable guideline is provided by section 42.4, the legislative services agency may submit a written request for direction to the commission.

2. Prior to delivering any plan and the bill embodying that plan to the secretary of the senate and the chief clerk of the house of representatives in accordance with section 42.3, the legislative services agency shall provide to persons outside the legislative services agency staff only such information regarding the plan as may be required by policies agreed upon by the commission. This subsection does not apply to population data furnished to the legislative services agency by the United States bureau of the census.

3. Upon the delivery by the legislative services agency to the general assembly of a bill embodying an initial plan, as required by section 42.3, subsection 1, the commission shall:

*a.* As expeditiously as reasonably possible, schedule and conduct at least three public hearings, in different geographic regions of the state, on the plan embodied in the bill delivered by the legislative services agency to the general assembly.

*b.* Following the hearings, promptly prepare and submit to the secretary of the senate and the chief clerk of the house a report summarizing information and testimony received by the commission in the course of the hearings. The commission's report shall include any

comments and conclusions which its members deem appropriate on the information and testimony received at the hearings, or otherwise presented to the commission. The report shall be submitted no later than fourteen days after the date the bill embodying an initial plan of congressional and legislative redistricting is delivered to the general assembly.

[C81, §42.6]

2003 Acts, ch 35, §44, 49; 2007 Acts, ch 78, §8, 9

Referred to in §42.3, 42.5

**42.7** Repealed by 80 Acts, ch 1021, § 7.

# CHAPTER 43

## PARTISAN NOMINATIONS — PRIMARY ELECTION

Referred to in §39.3, 39A.1, 39A.2, 39A.4, 39A.6, 50.1A, 52.28, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 357J.16, 360.1, 372.2, 376.1

See also definitions in §39.3


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43.121 Nominations by petition or nonparty organizations.
43.122 Repealed by 73 Acts, ch 136, §401.
43.123 Nomination of lieutenant governor.

**43.1 Primary election construed.**

The primary election required by this chapter shall be construed to be an election by the members of various political parties for the purpose of placing in nomination candidates for public office.

[S13, §1087-a2; C24, 27, 31, 35, 39, §**527;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.1]

**43.2 Definitions.**

The term *"political party"* shall mean a party which, at the last preceding general election, cast for its candidate for president of the United States or for governor, as the case may be, at least two percent of the total vote cast for all candidates for that office at that election. It shall be the responsibility of the state commissioner to determine whether any organization claiming to be a political party qualifies as such under the foregoing definition.

A political organization which is not a "political party" within the meaning of this section may nominate candidates and have the names of such candidates placed upon the official ballot by proceeding under chapters 44 and 45.

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

[S13, §1087-a3; C24, 27, 31, 35, 39, §**528;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.2]
2000 Acts, ch 1148, §1
Referred to in §42.1, 44.18, 48A.11, 49.58, 68A.102, 68A.601, 68A.602, 99B.7, 421.1A
Nominations by petition or nonparty organizations, §43.121

**43.3 Offices affected by primary.**

Candidates of all political parties for all offices which are filled at a regular biennial election by direct vote of the people shall be nominated at a primary election at the time and in the manner hereinafter directed.

[S13, §1087-a1; C24, 27, 31, 35, 39, §**529;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.3]

Nomination and election of judges, chapter 46

**43.4 Political party precinct caucuses.**

Delegates to county conventions of political parties and party committee members shall be elected at precinct caucuses held not later than the fourth Monday in February of each even-numbered year. The date shall be at least eight days earlier than the scheduled date for any meeting, caucus, or primary which constitutes the first determining stage of the presidential nominating process in any other state, territory, or any other group which has the authority to select delegates in the presidential nomination. The state central committees of the political parties shall set the date for their caucuses. The county chairperson of each political party shall issue the call for the caucuses. The county chairperson shall file with the commissioner the meeting place of each precinct caucus at least seven days prior to the date of holding the caucus.

There shall be selected among those present at a precinct caucus a chairperson and a secretary who shall within seven days certify to the county central committee the names of those elected as party committee members and delegates to the county convention.

When the rules of a political party require the selection and reporting of delegates selected as part of the presidential nominating process, or the rules of a political party require the tabulation and reporting of the number of persons attending the caucus favoring each presidential candidate, it is the duty of a person designated as provided by the rules of that political party to report the results of the precinct caucus as directed by the state central committee of that political party. When the person designated to report the results of the precinct caucus reports the results, representatives of each candidate, if they so choose, may accompany the person as the results are being reported to assure that an accurate report of the proceedings is reported. If ballots are used at the precinct caucus, representatives of each candidate or other persons attending the precinct caucus may observe the tabulation of the results of the balloting.

Within sixty days after the date of the caucus the county central committee shall certify to the county commissioner the names of those elected as party committee members and delegates to the county convention. The commissioner shall retain precinct caucus records for twenty-two months. In addition, within fourteen days after the date of the precinct caucus, the chairperson of the county central committee shall deliver to the county commissioner all completed voter registration forms received at the caucus.

The central committee of each political party shall notify the delegates and committee members so elected and certified of their election and of the time and place of holding the county convention. Such conventions shall be held either preceding or following the primary election but no later than ten days following the primary election and shall be held on the same day throughout the state.

[S13, §1087-a1; C24, 27, 31, 35, 39, §**530;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.4]

83 Acts, ch 138, §1; 88 Acts, ch 1001, §1; 89 Acts, ch 136, §2; 2009 Acts, ch 57, §4; 2010 Acts, ch 1033, §1

Referred to in §39A.4, 43.90

Failure to report, criminal penalty, §39A.4

**43.5 Applicable statutes.**

The provisions of chapters 39, 39A, 47, 48A, 49, 50, 52, 53, 57, 58, 59, 61, 62, 68A, and 722 shall apply, so far as applicable, to all primary elections, except as hereinafter provided.

[S13, §1087-a1; C24, 27, 31, 35, 39, §**531;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.5]

94 Acts, ch 1169, §44; 2009 Acts, ch 57, §5; 2010 Acts, ch 1060, §2

**43.6 Nomination of U. S. senators, state and county officers.**

Candidates for the office of senator in the Congress of the United States, the offices listed in section 39.9, county supervisor, and the offices listed in section 39.17 shall be nominated in the year preceding the expiration of the term of office of the incumbent.

1. When a vacancy occurs in the office of senator in the Congress of the United States, secretary of state, auditor of state, treasurer of state, secretary of agriculture, or attorney general and section 69.13 requires that the vacancy be filled for the balance of the unexpired term at a general election, candidates for the office shall be nominated in the preceding primary election if the vacancy occurs eighty-nine or more days before the date of that primary election. If the vacancy occurs less than one hundred four days before the date of that primary election, the state commissioner shall accept nomination papers for that office only until 5:00 p.m. on the seventy-fourth day before the primary election, the provisions of section 43.11 notwithstanding. If the vacancy occurs later than eighty-nine days before the date of that primary election, but not less than eighty-nine days before the date of the general election, the nominations shall be made in the manner prescribed by this chapter for filling vacancies in nominations for offices to be voted for at the general election.

2. When a vacancy occurs in the office of county supervisor or any of the offices listed in section 39.17 and more than seventy days remain in the term of office following the next general election, the office shall be filled for the balance of the unexpired term at that general election unless the vacancy has been filled by a special election called more than seventy-three days before the primary election. If the vacancy occurs more than seventy-three days before the primary election, political party candidates for that office at the next general election shall be nominated at the primary election. If an appointment to fill the vacancy in office is made eighty-eight or more days before the primary election and a petition requesting a special election has not been received within fourteen days after the appointment is made, candidates for the office shall be nominated at the primary election.

[R60, §674; C73, §26; C97, §30; S13, §1087-c; C24, 27, 31, 35, 39, §**532;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.6]

89 Acts, ch 136, §3; 94 Acts, ch 1180, §2; 97 Acts, ch 170, §2; 2007 Acts, ch 59, §2, 19

Vacancies filled by governor, §69.8(1, 2)

**43.7 Time of holding.**

The primary election by all political parties shall be held at the usual voting places of the several precincts on the first Tuesday after the first Monday in June in each even-numbered year.

[S13, §1087-a4; C24, 27, 31, 35, 39, §**533;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.7]

**43.8 State commissioner to furnish blanks.**

The state commissioner shall, at state expense, furnish blank nomination papers, in the form provided in this chapter, to any eligible elector who desires to petition for the nomination of any candidate, or to any person who intends to be a candidate, for any office for which nomination papers are required to be filed in the state commissioner's office.

[S13, §1087-a11; C24, 27, 31, 35, 39, §**534;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.8; 81 Acts, ch 34, §1]

Referred to in §43.9

**43.9 Commissioner to furnish blanks.**

The commissioner shall, at county expense, perform the duty specified in section 43.8, as to all offices for which nomination papers are required to be filed in the commissioner's office.

[S13, §1087-a11; C24, 27, 31, 35, 39, §**535;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.9]

**43.10 Blanks furnished by others.**

Blank nomination papers which are in form substantially as provided by this chapter may be used even though not furnished by the state commissioner or commissioner.

[C24, 27, 31, 35, 39, §**536;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.10]

**43.11 Filing of nomination papers.**

Nomination papers in behalf of a candidate shall be filed:

1. For an elective county office, in the office of the county commissioner not earlier than ninety-two days nor later than 5:00 p.m. on the sixty-ninth day before the day fixed for holding the primary election.

2. For United States senator, for an elective state office, for representative in Congress, and for member of the general assembly, in the office of the state commissioner not earlier than ninety-nine days nor later than 5:00 p.m. on the eighty-first day before the day fixed for holding the primary election.

[S13, §1087-a10; C24, 27, 31, 35, 39, §**537;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.11]

88 Acts, ch 1119, §2; 89 Acts, ch 136, §4

Referred to in §43.6, 43.13, 43.77

**43.12 Noting time of filing.**

The officer receiving nomination papers for filing shall endorse thereon the day, and time of day, of filing.

[C24, 27, 31, 35, 39, §**538;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.12]

**43.13 Failure to file nomination papers.**

The name of a candidate for any office named in section 43.11 shall not be printed on the official primary ballot of the candidate's party unless nomination papers are filed as therein provided except as otherwise permitted by section 43.23.

[S13, §1087-a10; C24, 27, 31, 35, 39, §**539;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.13]

**43.14 Form of nomination papers.**

1. Nomination papers shall include a petition and an affidavit of candidacy. All nomination petitions shall be eight and one-half by eleven inches in size and in substantially the form prescribed by the state commissioner of elections. They shall include or provide spaces for the following information:

*a.* A statement identifying the signers of the petition as eligible electors of the appropriate county or legislative district and of the state.

*b.* The name of the candidate nominated by the petition.

*c.* For nomination petitions for candidates for the general assembly, a statement that the residence of the candidate is within the appropriate legislative district, or if that is not true, that the candidate will reside there within sixty days before the election. For other offices, a statement of the name of the county where the candidate resides.

*d.* The political party with which the candidate is a registered voter.

*e.* The office sought by the candidate, including the district number, if any.

*f.* The date of the primary election for which the candidate is nominated.

2. Signatures on a petition page shall be counted only if the information required in subsection 1 is written or printed at the top of the page. Nomination papers on behalf of candidates for seats in the general assembly need only designate the number of the senatorial or representative district, as appropriate, and not the county or counties, in which the candidate and the petitioners reside. A signature line shall not be counted if the line lacks the signature of the eligible elector and the signer's address and city. A signature line shall not be counted if the signer's address is obviously outside the boundaries of the district.

3. The person examining the petition shall mark any deficiencies on the petition and affidavit. Signed nomination petitions and the signed and notarized affidavit of candidacy shall not be altered to correct deficiencies noted during examination. If the nomination petition lacks a sufficient number of acceptable signatures, the nomination petition shall be rejected and shall be returned to the candidate.

4. The nomination papers shall be rejected if the affidavit lacks any of the following:

*a.* The candidate's name.

*b.* The name of the office sought, including the district, if any.

*c.* The political party name.

*d.* The signature of the candidate.

*e.* The signature of a notary public under chapter 9B or other officer empowered to witness oaths.

5. The candidate may replace a deficient affidavit with a corrected affidavit only if the replacement affidavit is filed before the filing deadline. The candidate may resubmit a nomination petition that has been rejected by adding a sufficient number of pages or signatures to correct the deficiency. A nomination petition and affidavit filed to replace rejected nomination papers shall be filed together before the deadline for filing.

[S13, §1087-a10; C24, 27, 31, 35, 39, §**540;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.14]

91 Acts, ch 129, §1; 94 Acts, ch 1180, §3; 2002 Acts, ch 1134, §5, 115; 2007 Acts, ch 59, §3, 19; 2012 Acts, ch 1050, §34, 60

Oaths, see chapter 63A

**43.15 Requirements in signing.**

The following requirements shall be observed in the signing and preparation of nomination blanks:

1. A signer may sign nomination papers for more than one candidate for the same office, and the signature is not invalid solely because the signer signed nomination papers for one or more other candidates for the office.

2. Each signer shall add the signer's residence, with street and number, if any, and the date of signing.

3. All signers, for all nominations, of each separate part of a nomination paper, shall reside in the same county, representative or senatorial district for members of the general assembly. In counties where the supervisors are elected from districts, signers of nomination petitions for supervisor candidates shall reside in the supervisor district the candidate seeks to represent.

4. When more than one sheet is used, the sheets shall be neatly arranged and securely fastened together before filing, and shall be considered one nomination petition.

5. Only one candidate shall be petitioned for or nominated in the same nomination paper.

[S13, §1087-a10; C24, 27, 31, 35, 39, §**541;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.15]

89 Acts, ch 136, §5, 6; 2002 Acts, ch 1134, §6, 115

**43.16 Return of papers, additions not allowed.**

After a nomination paper has been filed, it shall not be returned to the person who has filed the paper, nor shall any signature or other information be added to the nomination paper.

A person who has filed nomination petitions with the state commissioner may withdraw as a candidate not later than the seventy-sixth day before the primary election by notifying the state commissioner in writing.

A person who has filed nomination papers with the commissioner may withdraw as a candidate not later than the sixty-seventh day before the primary election by notifying the commissioner in writing.

The name of a candidate who has withdrawn or died at a time in accordance with this section shall be omitted from the certificate furnished by the state commissioner under section 43.22 and omitted from the primary election ballot.

[S13, §1087-a10; C24, 27, 31, 35, 39, §**542;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.16]

86 Acts, ch 1224, §1; 89 Acts, ch 136, §7

Withdrawal of candidacy, §43.76, 44.9

**43.17** Repealed by 86 Acts, ch 1224, § 39.

**43.18 Affidavit of candidacy.**

Each candidate shall complete and file a signed, notarized affidavit of candidacy. The affidavit shall be in the form prescribed by the secretary of state and shall include the following information:

1. The candidate's name in the form the candidate wants it to appear on the ballot.
2. The candidate's home address.
3. The name of the county in which the candidate resides.
4. The political party with which the candidate is registered to vote.
5. The office sought by the candidate, and the district the candidate seeks to represent, if any.
6. A declaration that if the candidate is nominated and elected the candidate will qualify by taking the oath of office.
7. A statement that the candidate is aware that the candidate is required to organize a candidate's committee which shall file an organization statement and disclosure reports if the committee or the candidate receives contributions, makes expenditures, or incurs indebtedness in excess of the reporting threshold in section 68A.102, subsection 5. This subsection shall not apply to candidates for federal office.
8. A statement that the candidate is aware of the prohibition in section 43.20 against being a candidate for more than one office appearing on the primary election ballot.
9. A statement that the candidate is aware that the candidate is disqualified from holding office if the candidate has been convicted of a felony or other infamous crime and the candidate's rights have not been restored by the governor or by the president of the United States.

[S13, §1087-a10; C24, 27, 31, 35, 39, §**544;** C46, 50, 54, 58, 62, 66, 71, 73, §43.18; C75, §43.18, 56.5(4); C77, 79, 81, §43.18; 81 Acts, ch 35, §16]

90 Acts, ch 1238, §2; 91 Acts, ch 129, §2, 3; 94 Acts, ch 1023, §77; 94 Acts, ch 1180, §4; 98 Acts, ch 1052, §1

Referred to in §43.19, 420.130

**43.19 Manner of filing affidavit.**

The affidavit provided in section 43.18 shall be filed with the nomination papers when such papers are required; otherwise alone.

[S13, §1087-a10; C24, 27, 31, 35, 39, §**545;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.19]

**43.20 Signatures required — more than one office prohibited.**

1. Nomination papers shall be signed by eligible electors as follows:

*a.* If for governor, or United States senator, by at least one percent of the voters of the candidate's party, in each of at least ten counties of the state, and in the aggregate not less than one-half of one percent of the total vote of the candidate's party in the state, as shown by the last general election.

*b.* If for any other state office, by at least fifty signatures in each of at least ten counties of the state, and in the aggregate not less than one thousand signatures.

*c.* If for a representative in Congress, in districts composed of more than one county, by at least two percent of the voters of the candidate's party, as shown by the last general election, in each of at least one-half of the counties of the district, and in the aggregate not less than one percent of the total vote of the candidate's party in such district, as shown by the last general election. If for a representative in the general assembly, not less than fifty voters of the representative district; and if for a senator in the general assembly, not less than one hundred voters of the senatorial district.

*d.* If for an office to be filled by the voters of the county or for the office of county supervisor elected from a district within the county, by at least two percent of the party vote in the county or supervisor district, as shown by the last general election, or by at least one hundred persons, whichever is less.

2. In each of the above cases, the vote to be taken for the purpose of computing the

percentage shall be the vote cast for president of the United States or for governor, as the case may be.

3. No candidate for public office shall cause nomination papers to remain filed in the office of the state commissioner or the commissioner on the last day for filing nomination papers, for more than one office to be filled at the primary election.

4. Any candidate for public office, to be voted for at a primary election, who has filed nomination papers for more than one office shall, not later than the final date for filing, notify the state commissioner or the commissioner by affidavit, for which office the person elects to be a candidate, which in no case shall be more than one. In the event no such election is made by such date by the candidate, the state commissioner shall not certify the person's name to be placed on the ballot for any office nor shall the commissioner place the person's name on the ballot in any county.

[S13, §1087-a10; C24, 27, 31, 35, 39, §**546;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.20]

88 Acts, ch 1119, §3, 4

Referred to in §43.18

**43.21 Township office.** Repealed by 2005 Acts, ch 152, § 10.

**43.22 Nominations certified.**

The state commissioner shall, at least sixty-nine days before a primary election, furnish to the commissioner of each county a certificate under the state commissioner's hand and seal, which certificate shall show:

1. The name and post office address of each person for whom a nomination paper has been filed in the state commissioner's office, and for whom the voters of said county have the right to vote at said election.

2. The office for which such person is a candidate.

3. The political party from which such person seeks a nomination.

[S13, §1087-a12; C24, 27, 31, 35, 39, §**548;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.22]

89 Acts, ch 136, §9

Referred to in §43.16, 43.23

**43.23 Death or withdrawal of primary candidate.**

1. If a person who has filed nomination papers with the state commissioner as a candidate in a primary election dies or withdraws up to the seventy-sixth day before the primary election, the appropriate convention or central committee of that person's political party may designate one additional primary election candidate for the nomination that person was seeking, if the designation is submitted to the state commissioner in writing by 5:00 p.m. on the seventy-first day before the date of the primary election. The name of any candidate so submitted shall be included in the appropriate certificate or certificates furnished by the state commissioner under section 43.22.

2. If a person who has filed nomination papers with the commissioner as a candidate in a primary election dies or withdraws up to the sixty-seventh day before the primary election, the appropriate convention or central committee of that person's political party may designate one additional primary election candidate for the nomination that person was seeking, if the designation is submitted to the commissioner in writing by 5:00 p.m. on the sixty-third day before the primary election. The name of any candidate so submitted shall be placed on the appropriate ballot or ballots by the commissioner.

[C66, 71, 73, 75, §43.59(1); C77, 79, 81, §43.23]

86 Acts, ch 1224, §2; 89 Acts, ch 136, §10

Referred to in §43.13

**43.24 Objections to nomination petitions or certificates of nomination.**

1. *Written objections required.* Nomination petitions or certificates of nomination filed under this chapter which are apparently in conformity with the law are valid unless objection is made in writing.

*a.* Objections to the legal sufficiency of a nomination petition or certificate of nomination filed or issued under this chapter or to the eligibility of a candidate may be filed in writing by any person who would have the right to vote for the candidate for the office in question.

*b.* Objections shall be filed with the officer with whom the nomination petition or certificate of nomination was filed, and within the following time:

(1) Those filed with the state commissioner, not less than seventy-four days before the date of the election.

(2) Those filed with the commissioner, not less than sixty-four days before the date of the election.

(3) Objections to nominations to fill vacancies at a special election held under section 69.14, under which the forty-day notice of election provision applies, shall be filed with the state commissioner not less than fifteen days prior to the date set for the special election. If the forty-day notice provision does not apply, objections to nominations to fill vacancies at a special election held under section 69.14 may be filed any time prior to the date set for the special election.

(4) Those filed with the city clerk under this chapter, at least thirty-six days before the city primary election.

2. *Notice of objections.*

*a.* When objections have been filed, notice shall be mailed within seventy-two hours by certified mail to the candidate affected, addressed to the candidate's place of residence as stated in the candidate's affidavit of candidacy or in the certificate of nomination, stating that objections have been made, the nature of the objections, and the time and place the objections will be considered.

*b.* If an objection is filed to a nomination to fill a vacancy at a special election held under section 69.14, under which the forty-day notice of election provision of section 69.14 does not apply, notice of the objection shall be made to the candidate by the state commissioner as soon as practicable. Under this paragraph, failure to notify a candidate of an objection to the candidate's nomination prior to the date set for the special election does not invalidate the hearing conducted under subsection 3. The hearing to an objection shall proceed as quickly as possible to expedite the special election.

3. *Hearing.*

*a.* Objections filed with the state commissioner shall be considered by the secretary of state, auditor of state, and attorney general. However, if the objection is to the nomination petition, certificate of nomination, or eligibility of one or more of those officers, those officers shall be replaced, respectively, by the treasurer of state, secretary of agriculture, and lieutenant governor for the hearing.

*b.* Objections filed with the commissioner shall be considered by three elected county officers whose eligibility is not in question. The chairperson of the board of supervisors shall appoint the three elected officers unless the chairperson is ineligible, in which case, the appointments shall be made by the county auditor. In either case, a majority vote shall decide the issue.

*c.* Objections filed with the city clerk shall be considered by the mayor and clerk and one member of the council chosen by the council by ballot, and a majority decision shall be final; but if the objection is to the certificate of nomination of either of those city officials, that official shall not pass upon said objection, but that official's place shall be filled by a member of the council against whom no objection exists, chosen as above.

84 Acts, ch 1291, §1; 86 Acts, ch 1155, §1; 89 Acts, ch 136, §11; 2002 Acts, ch 1134, §7, 115; 2008 Acts, ch 1032, §201

Referred to in §43.115

**43.25 Correction of errors.**

The commissioner shall correct any errors or omissions in the names of candidates and any other errors brought to the commissioner's knowledge before the printing of the ballots.

[S13, §1087-a12; C24, 27, 31, 35, 39, §**552;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.25]

**43.26 Ballot — form.** Repealed by 2009 Acts, ch 57, § 96. See § 43.31.

**43.27 Printing of ballots.**

The ballots of each political party shall be printed in black ink, on separate sheets of paper, uniform in quality, texture, and size, with the name of the political party printed at the head of said ballots, which ballots shall be prepared by the commissioner in the same manner as for the general election, except as in this chapter provided. The commissioner may print the ballots for each political party using a different color for each party. If colored paper is used, all of the ballots for each separate party shall be uniform in color.

[S13, §1087-a13; C24, 27, 31, 35, 39, §**554;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.27]

2002 Acts, ch 1134, §8, 115

Referred to in §43.31

**43.28 Names of candidates — arrangement.**

The names of all candidates for offices shall be arranged and printed upon the primary election ballots under the direction of the commissioner. If there are more candidates for nomination by a political party to an office than the number of persons to be elected to that office at the general election, the names of the candidates of that party for that nomination shall be rotated on the primary election ballot by the commissioner in the manner prescribed by section 49.31.

[S13, §1087-a13; C24, 27, 31, 35, 39, §**556, 557;** C46, 50, §43.28, 43.29; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.28]

Referred to in §43.31

**43.29 Form of name on ballot.**

The name of a candidate printed on the ballot shall not include parentheses, quotation marks, or any personal or professional title.

89 Acts, ch 136, §12

Referred to in §43.31

**43.30 Sample ballots.**

1. The commissioner shall prepare sample ballots for each political party. The sample ballots shall be clearly marked as sample ballots and shall be delivered to the precinct election officials for posting in the polling place pursuant to section 49.71, subsection 2.

2. The commissioner shall make sample ballots available to the public upon request. The sample ballots shall be clearly marked as sample ballots. A reasonable fee may be charged for printing costs if a person requests multiple copies of sample ballots.

[S13, §1087-a15; C24, 27, 31, 35, 39, §**558;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.30]

89 Acts, ch 136, §13; 2010 Acts, ch 1033, §2, 56

Referred to in §43.31

**43.31 Form of official ballot — implementation by rule.**

The state commissioner shall adopt rules in accordance with chapter 17A to implement sections 43.27 through 43.30, section 43.36, sections 49.30 through 49.33, sections 49.36 through 49.41, section 49.57, and any other provision of the law prescribing the form of the official ballot.

2009 Acts, ch 57, §6; 2010 Acts, ch 1061, §7

**43.32 through 43.35** Repealed by 73 Acts, ch 136, § 401.

**43.36 Australian ballot.**

The Australian ballot system as now used in this state, except as herein modified, shall be used at said primary election. The endorsement of the precinct election officials and

the facsimile of the commissioner's signature shall appear upon the ballots as provided for general elections.

[S13, §1087-a6; C24, 27, 31, 35, 39, §**564;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.36]

Referred to in §43.31
Australian ballot system, chapter 49
Endorsement by precinct election officials, §49.82
Signature of commissioner, §49.57

**43.37 Number of votes permitted per office.**

The elector shall be permitted to vote for no more candidates for any office than there are persons to be elected to the office. If an elector votes for more persons for any office than the number permitted, the elector's ballot shall not be counted for that office.

88 Acts, ch 1119, §6

**43.38 Voter confined to party ticket.**

The elector shall be allowed to vote for candidates for nomination on the ballot of the party with which the elector is registered as affiliated, and shall receive no other ballot. The voter shall mark and return the ballot in the manner provided in section 49.84.

[S13, §1087-a6; C24, 27, 31, 35, 39, §**566;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.38]

2010 Acts, ch 1033, §3, 56

**43.39 Ballot for another party's candidate.**

If any primary elector writes upon the elector's ticket the name of any person who is a candidate for the same office upon some other party ticket than that upon which the candidate's name shall be so written, such ballot shall be so counted for such person only as a candidate of the party upon whose ballot the candidate's name is written, and shall in no case be counted for such person as a candidate upon any other ticket.

[S13, §1087-a6; C24, 27, 31, 35, 39, §**567;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.39]

2010 Acts, ch 1033, §4, 56

**43.40** Repealed by 73 Acts, ch 136, § 401.

**43.41 Change or declaration of party affiliation before primary.**

Any registered voter who desires to change or declare a political party affiliation may, before the close of registration for the primary election, file a written declaration stating the change of party affiliation with the county commissioner of registration who shall enter a notation of such change on the registration records.

[S13, §1087-a8; C24, 27, 31, 35, 39, §**569;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.41]

94 Acts, ch 1169, §64

**43.42 Change or declaration of party affiliation at polls.**

Any registered voter may change or declare a party affiliation at the polls on election day and shall be entitled to vote at any primary election. Each voter doing so shall indicate the voter's change or declaration of party affiliation on the voter's declaration of eligibility affidavit.

Each change or declaration of a registered voter's party affiliation so received shall be reported by the precinct election officials to the county commissioner of registration who shall enter a notation of the change on the registration records.

[S13, §1087-a8, -a9; C24, 27, 31, 35, 39, §**570, 572;** C46, 50, 54, 58, 62, 66, 71, 73, §43.42; C75, §43.42, 43.44; C77, 79, 81, §43.42]

91 Acts, ch 129, §4; 92 Acts, ch 1163, §12; 94 Acts, ch 1169, §64

**43.43 Voter's declaration of eligibility.**

Each person voting at a primary election shall sign a declaration of eligibility which shall be in substantially the following form:

I do solemnly swear or affirm that I am a resident of the ..... precinct, ..... ward or township, city of ....., county of ....., Iowa.

I am a registered voter. I have not voted and will not vote in any other precinct in this election.

I am affiliated with the ..... party. If my current voter registration record indicates another party affiliation or no party affiliation, I swear or affirm that I have in good faith changed my previously declared party affiliation, or declared my party affiliation, and now desire to be a member of the party indicated above.

.....
Signature of voter
.....
Address
(.....).....
Telephone (optional)

Approved:
.....
Election board member

.....
Date

91 Acts, ch 129, §5; 94 Acts, ch 1169, §64; 2010 Acts, ch 1033, §5

**43.44** Repealed by 75 Acts, ch 81, § 154.

**43.45 Canvass of votes.**

1. Upon the closing of the polls the precinct election officials shall immediately publicly canvass the vote. The canvass shall be conducted using the procedures established in this section which are appropriate for the voting system used in the precinct.

2. In precincts where optical scan voting systems are used and ballots are counted in the precinct, precinct election officials shall do all of the following:

*a.* Close and secure the ballot reader to prevent the insertion of additional ballots.

*b.* Print the results for the precinct.

*c.* Open the ballot container. Secure all ballots counted by the vote-tabulating device. Sort the remaining ballots by party. Tally all write-in votes and any other ballots not yet counted. Record the results in the tally list.

*d.* Put all ballots in an envelope or other package and seal it. All members of the board shall sign their names across the seal of the envelope. The seal shall be placed so that the envelope or package cannot be opened without breaking the seal.

[S13, §1087-a17; C24, 27, 31, 35, 39, §**573;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.45]

87 Acts, ch 221, §2; 89 Acts, ch 136, §14; 2002 Acts, ch 1134, §9, 115; 2003 Acts, ch 44, §21, 22; 2007 Acts, ch 190, §15, 16; 2009 Acts, ch 57, §7; 2010 Acts, ch 1033, §6, 56

**43.46 Delivering returns.**

The precinct election officials shall deliver all election supplies, by noon of the day after the close of the polls, to the commissioner who shall carefully preserve them and deliver the

returns in the condition in which received except as is otherwise required by sections 50.20 to 50.22, to the county board of supervisors.

[S13, §1087-a17; C24, 27, 31, 35, 39, §**574;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.46]

2010 Acts, ch 1033, §7

Referred to in §43.47

**43.47 Messenger sent for returns.**

If the returns from any precinct are not delivered as provided in section 43.46, the commissioner shall forthwith send a messenger for the missing returns, and the messenger shall be paid as provided by section 50.47 for such services.

[S13, §1087-a17; C24, 27, 31, 35, 39, §**575;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.47]

**43.48 Precinct counts publicly available.**

The commissioner shall make available to the public the precinct counts produced by the voting equipment.

[S13, §1087-a17; C24, 27, 31, 35, 39, §**576;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.48]

89 Acts, ch 136, §15; 2002 Acts, ch 1134, §10, 115; 2007 Acts, ch 190, §17

**43.49 Canvass by county board.**

1. On the Monday or Tuesday following the primary election, the board of supervisors shall meet, open, and canvass the returns from each voting precinct in the county, and make abstracts thereof, stating the following:

*a.* The number of ballots cast in the county in each precinct by each political party, separately, for each office.

*b.* The name of each person voted for and the number of votes given to each person for each different office.

*c.* The votes of all write-in candidates who each received less than five percent of the votes cast for an office reported collectively under the heading "scattering".

2. If the day designated by this section for the canvass is a public holiday, the provisions of section 4.1, subsection 34, shall apply.

[S13, §1087-a19; C24, 27, 31, 35, 39, §**577;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.49]

90 Acts, ch 1238, §3; 95 Acts, ch 189, §1; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1033, §8, 9, 56

Referred to in §43.67, 50.48, 331.383

**43.50 Signing and filing of abstract.**

The members of the board shall sign said abstracts and certify to the correctness thereof, and file the same with the commissioner.

[S13, §1087-a19; C24, 27, 31, 35, 39, §**578;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.50]

Referred to in §331.383

**43.51 Finality of canvass.**

Such canvass and certificate shall be final as to all candidates for nomination to any elective county office or office of a subdivision of a county.

[S13, §1087-a19; C24, 27, 31, 35, 39, §**579;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.51]

Referred to in §331.383

**43.52 Nominees for county office.**

The nominee of each political party for any office to be filled by the voters of the entire county, or for the office of county supervisor elected from a district within the county, shall be the person receiving the highest number of votes cast in the primary election by the voters

of that party for the office, and that person shall appear as the party's candidate for the office on the general election ballot.

If no candidate receives thirty-five percent or more of the votes cast by voters of the candidate's party for the office sought, the primary is inconclusive and the nomination shall be made as provided by section 43.78, subsection 1, paragraphs *"d"* and *"e"*.

When two or more nominees are required, as in the case of at-large elections, the nominees shall likewise be the required number of persons who receive the greatest number of votes cast in the primary election by the voters of the nominating party, but no candidate is nominated who fails to receive thirty-five percent of the number of votes found by dividing the number of votes cast by voters of the candidate's party for the office in question by the number of persons to be elected to that office. If the primary is inconclusive under this paragraph, the necessary number of nominations shall be made as provided by section 43.78, subsection 1, paragraphs *"d"* and *"e"*.

[S13, §1087-a19; C24, 27, 31, 35, 39, §**580;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.52]

Referred to in §43.53, 43.66, 43.67, 43.77
Nomination by convention, §43.97

**43.53 Nominees for subdivision office — write-in candidates.**

The nominee of each political party for any office to be filled by the voters of any political subdivision within the county shall be the person receiving the highest number of votes cast in the primary election by the voters of that party for the office. That person shall appear as the party's candidate for the office on the general election ballot. A person whose name is not printed on the official primary ballot shall not be declared nominated as a candidate for such office in the general election unless that person receives at least five votes. Nomination of a candidate for the office of county supervisor elected from a district within the county shall be governed by section 43.52 and not by this section.

[S13, §1087-a19; C24, 27, 31, 35, 39, §**581;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.53]

95 Acts, ch 189, §2; 2005 Acts, ch 152, §5
Referred to in §43.54, 43.77, 43.116

**43.54 Right to place on ballot.**

Each candidate nominated pursuant to section 43.53 is entitled to have the candidate's name printed on the official ballot to be voted for at the general election if the candidate files an affidavit in the form required by section 43.67 not later than 5:00 p.m. on the seventh day following the completion of the canvass.

[S13, §1087-a19; C24, 27, 31, 35, 39, §**582;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.54]

89 Acts, ch 136, §16

**43.55 Nominee certified.**

The board of supervisors shall separately prepare and certify a list of the candidates of each party so nominated. It shall deliver to the chairperson of each party central committee for the county a copy of the list of candidates nominated by that party; and shall also certify and deliver to the chairperson a list of the offices to be filled by the voters of the county for which no candidate of that party was nominated, together with the names of all of the candidates for each of these offices who were voted for at the primary election and the number of votes received by each of such candidates.

[S13, §1087-a19; C24, 27, 31, 35, 39, §**583;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.55]

Referred to in §331.383

**43.56 Primary election recount provisions.**

1. Recounts of votes for primary elections shall be conducted following the procedure outlined in section 50.48. However, if a recount is requested for an office for which no

candidate has received the required thirty-five percent to be nominated, the recount board shall consist of the following persons:

*a.* One person chosen by the candidate requesting the recount, who shall be named in the request.

*b.* One person chosen by the candidate who received the highest number of votes for the nomination being recounted. However, if the candidate who requested the recount received more votes than anyone else for the nomination, the candidate who received the second highest number of votes shall designate this person to serve on the recount board.

*c.* A third person mutually agreeable to the board members designated by the candidates.

2. A bond is not necessary for a primary election recount under these circumstances if the difference between the number of votes needed to be nominated and the number of votes received by the candidate requesting the recount is less than fifty votes or one percent of the total number of votes cast for the nomination in question, whichever is greater. If a bond is required, the bond shall be in the amount specified in section 50.48, subsection 2.

89 Acts, ch 136, §17; 2008 Acts, ch 1032, §201

**43.57 and 43.58** Repealed by 81 Acts, ch 34, § 48.

**43.59 Number of voters certified.**

The commissioner shall certify to the state commissioner the total number of people who voted in the primary election in each political party.

93 Acts, ch 143, §6

**43.60 Abstracts to state commissioner.**

The county board of supervisors shall also make a separate abstract of the canvass as to the following offices and certify to the same and forthwith forward it to the state commissioner, viz.:

1. United States senator.
2. All state offices.
3. United States representative.
4. Senators and representatives in the general assembly.

[S13, §1087-a20; C24, 27, 31, 35, 39, §**588;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.60]

Referred to in §43.61, 50.48, 331.383

**43.61 Returns filed and abstracts preserved.**

When the canvass is concluded, the board shall deliver the original returns to the commissioner, who shall file the same and preserve each of the abstracts mentioned in section 43.60, pursuant to section 50.19.

[SS15, §1087-a21; C24, 27, 31, 35, 39, §**589;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.61]

2010 Acts, ch 1033, §10, 56

Referred to in §331.383

**43.62 Publication of proceedings.**

The published proceedings of the board of supervisors relative to the canvass shall be confined to a brief statement of:

1. The names of the candidates nominated by the electors of the county or subdivision thereof and the offices for which they are so nominated.

2. The offices for which no nomination was made by a political party participating in the primary, because of the failure of the candidate to receive the legally required number of votes cast by the party for such office.

[SS15, §1087-a21; C24, 27, 31, 35, 39, §**590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.62]

Referred to in §331.383

**43.63 Canvass by state board.**

Upon receipt of the abstracts of votes from the counties, the secretary of state shall immediately open the envelopes and canvass the results for all offices. The secretary of state shall invite to attend the canvass one representative from each political party which, at the last preceding general election, cast for its candidate for president of the United States or for governor, as the case may be, at least two percent of the total vote cast for all candidates for that office at that election, as determined by the secretary of state. The secretary of state shall notify the chairperson of each political party of the time of the canvass. However, the presence of a representative from a political party is not necessary for the canvass to proceed.

Not later than the twenty-seventh day after the primary election, the secretary of state shall present to the state board of canvassers abstracts showing the number of ballots cast by each political party for each office and a summary of the results for each office, showing the votes cast in each county. The state board of canvassers shall review the results compiled by the secretary of state and, if the results are accurately tabulated, the state board shall approve the canvass.

[S13, §1087-a22; C24, 27, 31, 35, 39, §**591;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.63]

95 Acts, ch 189, §3

Referred to in §43.67, 50.48

**43.64 State canvass conclusive.**

The canvass and certificates by the state board of canvassers shall be final as to all candidates named therein.

[S13, §1087-a22; C24, 27, 31, 35, 39, §**592;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.64]

**43.65 Who nominated.**

The candidate of each political party for nomination for each office to be filled by the voters of the entire state, and for each seat in the United States house of representatives, the Iowa house of representatives and each seat in the Iowa senate which is to be filled, who receives the highest number of votes cast by the voters of that party for that nomination shall be the candidate of that party for that office in the general election. However, if there are more than two candidates for any nomination and none of the candidates receives thirty-five percent or more of the votes cast by voters of that party for that nomination, the primary is inconclusive and the nomination shall be made as provided by section 43.78, subsection 1, paragraph *"a"*, *"b"* or *"c"*, whichever is appropriate.

[S13, §1087-a22; C24, 27, 31, 35, 39, §**593;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.65]

Referred to in §43.66, 43.67, 43.77

Nomination by convention, §43.102, 43.109

**43.66 Write-in candidates.**

The fact that the candidate who receives the highest number of votes cast for any party's nomination for an office to which section 43.52 or 43.65 is applicable is a person whose name was not printed on the official primary election ballot shall not affect the validity of the person's nomination as a candidate for that office in the general election. However, if there is no candidate on the official primary ballot of a political party for nomination to a particular office, a write-in candidate may obtain the party's nomination to that office in the primary if the candidate receives a number of votes equal to at least thirty-five percent of the total vote cast for all of that party's candidates for that office in the last preceding primary election for which the party had candidates on the ballot for that office. If there have been no candidates from a political party for a seat in the general assembly since the most recent redistricting of the general assembly, a write-in candidate shall be considered nominated who receives a number of votes equal to at least thirty-five percent of the total votes cast, at the last preceding primary election in the precincts which currently constitute the general assembly district, for all of that party's candidates for representative in the Congress of the United

States or who receives at least one hundred votes, whichever number is greater. When two or more nominees are required, the division procedure prescribed in section 43.52 shall be applied to establish the minimum number of write-in votes necessary for nomination. If the primary is inconclusive, the necessary nominations shall be made in accordance with section 43.78, subsection 1.

[S13, §1087-a25, -a26; C24, 27, 31, 35, 39, §**594, 625, 643;** C46, 50, 54, 58, 62, 66, 71, 73, §43.66, 43.98, 43.106; C75, 77, 79, 81, §43.66; 81 Acts, ch 34, §2]

**43.67 Nominee's right to place on ballot.**

1. Each candidate nominated pursuant to section 43.52 or 43.65 is entitled to have the candidate's name printed on the official ballot to be voted at the general election without other certificate unless the candidate was nominated by write-in votes. Immediately after the completion of the canvass held under section 43.49, the county auditor shall notify each person who was nominated by write-in votes for a county office that the person is required to file an affidavit of candidacy if the person wishes to be a candidate for that office at the general election. Immediately after the completion of the canvass held under section 43.63, the secretary of state shall notify each person who was nominated by write-in votes for a state or federal office that the person is required to file an affidavit of candidacy if the person wishes to be a candidate for that office at the general election. If the affidavit is not filed by 5:00 p.m. on the seventh day after the completion of the canvass, that person's name shall not be placed upon the official general election ballot. The affidavit shall be signed by the candidate, notarized, and filed with the county auditor or the secretary of state, whichever is applicable.

2. The affidavit shall be in the form prescribed by the secretary of state. The affidavit shall include the following information:

*a.* The candidate's name in the form the candidate wants it to appear on the ballot.

*b.* The candidate's home address.

*c.* The name of the county in which the candidate resides.

*d.* The political party by which the candidate was nominated.

*e.* The office sought by the candidate, and the district the candidate seeks to represent, if any.

*f.* A declaration that if the candidate is elected the candidate will qualify by taking the oath of office.

*g.* A statement that the candidate is aware that the candidate is required to organize a candidate's committee which shall file an organization statement and disclosure reports if the committee or the candidate receives contributions, makes expenditures, or incurs indebtedness in excess of the reporting threshold in section 68A.102, subsection 5. This subsection shall not apply to candidates for federal office.

*h.* A statement that the candidate is aware of the prohibition in section 49.41 against being a candidate for more than one office to be filled at the same election, except county agricultural extension council and soil and water conservation district commission.

*i.* A statement that the candidate is aware that the candidate is disqualified from holding office if the candidate has been convicted of a felony or other infamous crime and the candidate's rights have not been restored by the governor or by the president of the United States.

[S13, §1087-a22; C24, 27, 31, 35, 39, §**595;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.67]

86 Acts, ch 1224, §3; 89 Acts, ch 136, §18; 90 Acts, ch 1238, §4; 91 Acts, ch 129, §6; 94 Acts, ch 1180, §6; 96 Acts, ch 1034, §2; 98 Acts, ch 1052, §2; 2001 Acts, ch 158, §7; 2005 Acts, ch 152, §6; 2008 Acts, ch 1032, §201

Referred to in §43.54, 43.88

**43.68 Certified list of nominees.**

The state board of canvassers shall prepare and certify separate lists of the candidates nominated by each party, as shown by the state canvass, and deliver to the chairperson of

each party central committee for the state a copy of the list of candidates nominated by the party which said chairperson represents.

[S13, §1087-a22; C24, 27, 31, 35, 39, §**596;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.68]

**43.69 Certificates in case of failure to nominate.**

Said state board shall, at once after completing its canvass, prepare separate certificates for each political party as to each office for which no candidate was nominated by such party. Such certificates shall show the names of the several candidates for each of these offices who were voted for at the primary election and the number of votes received by each of said candidates. These certificates shall be sent to the respective chairpersons of the state central committee of each political party.

[S13, §1087-a22; C24, 27, 31, 35, 39, §**597, 598;** C46, 50, 54, 58, 62, 66, 71, 73, §43.69; C75, §43.69, 43.70; C77, 79, 81, §43.69]

**43.70** Repealed by 75 Acts, ch 81, § 154.

**43.71 Messenger sent for abstracts.**

If returns of abstracts have not been received by the state canvassing board from all the counties by the time fixed for the state canvass, the state commissioner shall immediately send a messenger after the missing abstracts, and the board may adjourn from time to time until the abstracts are received.

[S13, §1087-a22; C24, 27, 31, 35, 39, §**599;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.71]

**43.72 State returns filed and preserved.**

When the canvass is concluded, the board shall deliver the original abstract returns to the state commissioner, who shall file the returns in the state commissioner's office and preserve the abstracts of the canvass of the state board and certificates attached thereto. The commissioner may preserve the abstracts and certificates attached thereto in an electronic format.

[S13, §1087-a23; C24, 27, 31, 35, 39, §**600;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.72]

2010 Acts, ch 1033, §11, 56

**43.73 State commissioner to certify nominees.**

Not less than sixty-nine days before the general election the state commissioner shall certify to each commissioner, under separate party headings, the name of each person nominated as shown by the official canvass made by the executive council, or as certified to the state commissioner by the proper persons when any person has been nominated by a convention or by a party committee, or by petition, the office to which the person is nominated, and the order in which federal and state offices, judges, constitutional amendments, and state public measures shall appear on the official ballot.

The state commissioner shall similarly certify to the appropriate commissioner or commissioners at the earliest practicable time the names of nominees for a special election, called under section 69.14, submitted to the state commissioner pursuant to section 43.78, subsection 4.

[C97, §1105; S13, §1087-a23; SS15, §1105; C24, 27, 31, 35, 39, §**601, 602;** C46, 50, 54, 58, 62, 66, 71, 73, §43.73; C75, §43.73, 43.74; C77, 79, 81, §43.73]

89 Acts, ch 136, §19; 97 Acts, ch 170, §3

Referred to in §49.37, 49.41

**43.74** Repealed by 75 Acts, ch 81, § 154.

**43.75 Tie vote.**

In case of a tie vote resulting in no nomination for any office, the tie shall forthwith be determined by lot by the board of canvassers.

[S13, §1087-a24; C24, 27, 31, 35, 39, §**603;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.75]

**43.76 Withdrawal of nominated candidates.**

1. A candidate nominated in a primary election for any office for which nomination papers are required to be filed with the state commissioner may withdraw as a nominee for that office on or before, but not later than, the eighty-ninth day before the date of the general election by so notifying the state commissioner in writing.

2. A candidate nominated in a primary election for any office for which nomination papers are required to be filed with the commissioner may withdraw as a nominee for that office on or before, but not later than, the seventy-fourth day before the date of the general election by so notifying the commissioner in writing.

[C66, 71, 73, 75, §43.59(2); C77, 79, 81, §43.76]

89 Acts, ch 136, §20

Referred to in §43.77

See also §44.9

**43.77 What constitutes a ballot vacancy.**

A vacancy on the general election ballot exists when any political party lacks a candidate for an office to be filled at the general election because:

1. No person filed under section 43.11 as a candidate for the party's nomination for that office in the primary election, or all persons who filed under section 43.11 as candidates for the party's nomination for that office in the primary election subsequently withdrew as candidates, were found to lack the requisite qualifications for the office or died before the date of the primary election, and no candidate received a sufficient number of write-in votes to be nominated.

2. The primary election was inconclusive as to that office because no candidate for the party's nomination for that office received the number of votes required by section 43.52, 43.53, or 43.65, whichever is applicable.

3. The person nominated in the primary election as the party's candidate for that office subsequently withdrew as permitted by section 43.76, was found to lack the requisite qualifications for the office, or died, at a time not later than the eighty-ninth day before the date of the general election in the case of an office for which nomination papers must be filed with the state commissioner and not later than the seventy-fourth day before the date of the general election in the case of an office for which nomination papers must be filed with the county commissioner.

4. A vacancy has occurred in the office of senator in the Congress of the United States, secretary of state, auditor of state, treasurer of state, secretary of agriculture, or attorney general, under the circumstances described in section 69.13, less than eighty-nine days before the primary election and not less than eighty-nine days before the general election.

5. A vacancy has occurred in the office of county supervisor or in any of the offices listed in section 39.17 and the term of office has more than seventy days remaining after the date of the next general election and one of the following circumstances applies:

*a.* The vacancy occurred during the period beginning seventy-three days before the primary election and ending on the date of the primary election and no special election was called to fill the vacancy.

*b.* The vacancy occurred after the date of the primary election and more than seventy-three days before the general election.

[S13, §1087-a24 – 1087-a27; C24, 27, 31, 35, 39, §**611, 624, 628, 633, 636, 637;** C46, 50, 54, 58, 62, 66, 71, 73, §43.84, 43.97, 43.101, 43.106, 43.109, 43.110; C75, §43.84, 43.97, 43.101, 43.109, 43.110; C77, 79, 81, §43.77]

89 Acts, ch 136, §21; 94 Acts, ch 1180, §7, 8; 2009 Acts, ch 57, §8

**43.78 Filling ballot vacancies.**

1. A vacancy on the general election ballot may be filled by the political party in whose ticket the vacancy exists, as follows:

*a.* For senator in the Congress of the United States or any office listed in section 39.9, by the party's state convention, which may be reconvened by the state party chairperson if the vacancy occurs after the convention has been held or too late to be filled at the time it is held. However, a vacancy so occurring with respect to the offices of secretary of state, auditor of state, treasurer of state or secretary of agriculture may be filled by the party's state central committee in lieu of reconvening the state convention.

*b.* For representative in the Congress of the United States, by the party's congressional district convention, which may be convened or reconvened as appropriate by the state party chairperson.

*c.* For senator or representative in the general assembly, by the party precinct committee members whose precincts lie within the senatorial or representative district involved, who shall be convened or reconvened as appropriate by the state party chairperson. The party's state constitution or bylaws may allow the voting strength of each precinct represented at such a convention to be made proportionate to the vote cast for the party's candidate for the office in question in the respective precincts at the last general election for that office.

*d.* For any office to be filled by the voters of an entire county, by the party's county convention, which may be reconvened by the county party chairperson if the vacancy occurs after the convention has been held or too late to be filled at the time it is held.

*e.* For the office of county supervisor elected by the voters of a district within the county, by the delegates to the party's county convention who represent the precincts lying within that district, who shall be convened or reconvened as appropriate by the county party chairperson.

*f.* For any other partisan office filled by the voters of a subdivision of a county, by those members of the party's county central committee who represent the precincts lying within that district, who shall be convened or reconvened as appropriate by the county party chairperson. However, this paragraph shall not apply to partisan city offices in special charter cities for which candidates are nominated under this chapter, but such ballot vacancies shall be filled as provided by section 43.116.

2. The name of any candidate designated to fill a vacancy on the general election ballot in accordance with subsection 1, paragraph "*a*", "*b*", or "*c*" shall be submitted in writing to the state commissioner not later than 5:00 p.m. on the eighty-first day before the date of the general election.

3. The name of any candidate designated to fill a vacancy on the general election ballot in accordance with subsection 1, paragraph "*d*", "*e*", or "*f*" shall be submitted in writing to the commissioner not later than 5:00 p.m. on the sixty-ninth day before the date of the general election.

4. Political party candidates for a vacant seat in the United States house of representatives, the board of supervisors, the elected county offices, or the general assembly which is to be filled at a special election called pursuant to section 69.14 or 69.14A shall be nominated in the manner provided by subsection 1 of this section for filling a vacancy on the general election ballot for the same office. The name of a candidate so nominated shall be submitted in writing to the appropriate commissioner, as required by section 43.88, at the earliest practicable time.

[S13, §1087-a24 – 1087-a27; C24, 27, 31, 35, 39, §**604 – 607, 608, 609, 611, 614, 624, 633, 636, 637;** C46, 50, 54, 58, 62, 66, 71, 73, §43.76 – 43.79, 43.81, 43.82, 43.84, 43.87, 43.97, 43.101, 43.106, 43.109, 43.110; C75, §43.76 – 43.79, 43.81, 43.82, 43.84, 43.87, 43.97, 43.101, 43.109, 43.110; C77, 79, 81, §43.78]

89 Acts, ch 136, §22; 89 Acts, ch 215, §1; 90 Acts, ch 1238, §5

Referred to in §43.52, 43.65, 43.66, 43.73, 49.58, 331.254

**43.79 Death of candidate after time for withdrawal.**

The death of a candidate nominated as provided by law for any office to be filled at a general election, during the period beginning on the eighty-eighth day before the general election, in the case of any candidate whose nomination papers were filed with the state commissioner, or beginning on the seventy-third day before the general election, in the case of

any candidate whose nomination papers were filed with the commissioner, and ending on the last day before the general election shall not operate to remove the deceased candidate's name from the general election ballot. If the deceased candidate was seeking the office of senator or representative in the Congress of the United States, governor, attorney general, senator or representative in the general assembly or county supervisor, section 49.58 shall control. If the deceased candidate was seeking any other office, and as a result of the candidate's death a vacancy is subsequently found to exist, the vacancy shall be filled as provided by chapter 69.

[S13, §1087-a24a; C24, 27, 31, 35, 39, §**607;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.79]

89 Acts, ch 136, §23; 97 Acts, ch 170, §4

**43.80 Vacancies in nominations of presidential electors.**

Vacancies in nominations of presidential electors shall be filled by the party central committee for the state. The party central committee may at any time nominate alternate presidential electors to serve if the nominated or elected presidential electors are for any reason unable to perform their duties.

[C31, 35, §607-c1; C39, §**607.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.80]

**43.81 and 43.82** Repealed by 75 Acts, ch 81, § 154.

**43.83 Vacancies in office of U. S. representative.**

A candidate to be voted on at a special election occasioned by a vacancy in the office of United States representative, shall be nominated by a convention duly called by the district central committee not less than twenty-five days prior to the date set for the special election.

[S13, §1087-a24; C24, 27, 31, 35, 39, §**610;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.83]

**43.84** Repealed by 75 Acts, ch 81, § 154.

**43.85 County convention reconvened.**

When a nomination is directed to be made by a district convention composed of more than one county, and the county convention in any county of the district has adjourned without selecting delegates to such convention, the county convention shall be reconvened for the purpose of making such selection.

[C24, 27, 31, 35, 39, §**612;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.85]

**43.86 and 43.87** Repealed by 75 Acts, ch 81, § 154.

**43.88 Certification of nominations.**

Nominations made by state, district, and county conventions, shall, under the name, place of residence, and post office address of the nominee, and the office to which nominated, and the name of the political party making the nomination, be forthwith certified to the proper officer by the chairperson and secretary of the convention, or by the committee, as the case may be, and if such certificate is received in time, the names of such nominees shall be printed on the official ballot the same as if the nomination had been made in the primary election.

Nominations made to fill vacancies at a special election shall be certified to the proper official not less than twenty-five days prior to the date set for the special election. In the event the special election is to fill a vacancy in the general assembly while it is in session or within forty-five days of the convening of any session, the nomination shall be certified not less than fourteen days before the date of the special election.

Nominations certified to the proper official under this section shall be accompanied by an affidavit executed by the nominee in substantially the form required by section 43.67.

[S13, §1087-a24; C24, 27, 31, 35, 39, §**615;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.88; 81 Acts, ch 34, §3]

95 Acts, ch 189, §4; 97 Acts, ch 170, §5

Referred to in §43.78

**43.89** Repealed by 65 Acts, ch 89, § 15.

**43.90 Delegates.**

The county convention shall be composed of delegates elected at the last preceding precinct caucus. Delegates shall be persons who are or will by the date of the next general election become eligible electors and who are residents of the precinct. The number of delegates from each voting precinct shall be determined by a ratio adopted by the respective party county central committees, and a statement designating the number from each voting precinct in the county shall be filed by such committee not later than the time the list of precinct caucus meeting places required by section 43.4 is filed in the office of the commissioner. If the required statement is not filed, the commissioner shall fix the number of delegates from each voting precinct.

[S13, §1087-a25; C24, 27, 31, 35, 39, §**617;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.90]

**43.91 Voter at caucus must be precinct resident.**

Any person voting at a precinct caucus must be a person who is or will by the date of the next general election become an eligible elector and who is a resident of the precinct. A list of the names and addresses of each person to whom a ballot was delivered or who was allowed to vote in each precinct caucus shall be prepared by the caucus chairperson and secretary who shall certify such list to the commissioner at the same time as the names of those elected as delegates and party committee members are so certified.

[C66, 71, 73, 75, 77, 79, 81, §43.91]

**43.92 Date of caucus published.**

The date, time, and place of each precinct caucus of a political party shall be published at least twice in at least one newspaper of general circulation in the precinct. The first publication shall be made not more than fifteen days nor less than seven days before the date of the caucus and the second shall be made not more than seven days before and not later than the date of the caucus. Such publication shall also state in substance that each voter affiliated with the specified political party may attend the precinct caucus. Publication in a news item or advertisement in such newspaper shall constitute publication for the purposes of this section. The cost of such publication, if any, shall be paid by the political party.

[C66, 71, 73, 75, 77, 79, 81, §43.92; 81 Acts, ch 34, §4]

**43.93 Place of holding caucus.**

Each precinct caucus shall be held in a building which is publicly owned or is suitable for and from time to time made available for holding public meetings wherever it is possible to do so. Upon the application of the county chairperson, the person having control of a building supported by taxation under the laws of this state shall make available the space necessary to conduct the caucus without charge during presidential election years and at a charge not greater than that made for its use by other groups during other years. When using public buildings, the county chairpersons shall cooperate to attempt the collocation of the caucuses.

[C77, 79, 81, §43.93]

86 Acts, ch 1224, §4

**43.94 Term of office of delegates.**

The term of office of delegates to the county convention shall begin on the day following their election at the precinct caucus, and shall continue for two years and until their successors are elected.

[S13, §1087-a25; C24, 27, 31, 35, 39, §**621;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.94]

**43.95 Calling convention to order.**

When the delegates, or a majority thereof, or when delegates representing a majority of the precincts, thus elected, shall have assembled in the county convention, the convention shall be called to order by the chairperson of the county central committee, who shall present the certified list of delegates and members of the county central committee. If the convention is being held after the primary election, the chairperson shall also present a list of the offices for which no nomination was made at the primary election by reason of the failure of any candidate for any such office to receive the legally required number of votes cast by such party therefor.

[S13, §1087-a25; C24, 27, 31, 35, 39, §**622;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.95]

**43.96 Proxies prohibited.**

If any precinct shall not be fully represented the delegates present from such precinct shall cast the full vote thereof, if the rules of the convention, party bylaws or constitution so permit, and there shall be no proxies.

[S13, §1087-a25; C24, 27, 31, 35, 39, §**623;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.96]

**43.97 Duties performable by county convention.**

The said county convention shall:

1. Make nominations to fill vacancies on the general election ballot as provided by law.

2. Transact such other business as required or permitted by the political party's state constitution or bylaws, or the rules of the convention.

3. Elect delegates to the next ensuing regular state convention and to all district conventions of that year upon such ratio of representation as may be determined by the party organization for the state, district or districts of the state, as the case may be. Delegates to district conventions need not be selected in the absence of any apparent reason therefor. Delegates shall be persons who are or will by the date of the next general election become eligible electors and who are residents of the county.

[S13, §1087-a25; C24, 27, 31, 35, 39, §**624;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.97]

Legally required vote, §43.52, 43.53

**43.98** Repealed by 73 Acts, ch 136, § 401.

**43.99 Party committee persons.**

Two members of the county central committee for each political party shall, at the precinct caucuses, be elected from each precinct. The term of office of a member shall begin at the time specified by the party's state constitution or bylaws and shall continue for two years and until a successor is elected and qualified, unless sooner removed by the county central committee for inattention to duty or incompetency. The party's state constitution or bylaws may permit the election of additional central committee members from each precinct in a number proportionate to the vote cast for the party's candidates for office in the respective precincts at preceding general elections.

[S13, §1087-a25; C24, 27, 31, 35, 39, §**626;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.99]

**43.100 Central committee — duties.**

The county central committee shall elect the officers of the committee. Each member shall be given written notice at least five days in advance of the time and place of any meeting scheduled for the election of officers.

Every county central committee shall adopt a constitution and bylaws which shall govern the committee's operation. A copy of the constitution and bylaws so adopted shall be kept on file at the office of the commissioner for the county in which the central committee exists and at the office of the state commissioner. Amendments to a county central committee's constitution or bylaws shall upon adoption be filed in the same manner as the original documents.

Vacancies in such committee may be filled by majority vote of the committee, or at a precinct caucus called pursuant to the party's state constitution or bylaws.

[S13, §1087-a25; C24, 27, 31, 35, 39, §**627;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.100]

86 Acts, ch 1224, §5

Referred to in §68A.102

**43.101 County central committee officers.**

The county central committee shall elect a chair, co-chair, secretary, treasurer, and other officers as it may determine. The term of office of an officer begins at the time specified by the party's state constitution or bylaws and continues for two years and until the officer's successor is elected and qualified, unless the officer dies, resigns or is sooner removed by the county central committee for inattention to duty or incompetency.

86 Acts, ch 1224, §6

**43.102 District conventions.**

Each political party may hold a congressional district convention upon the call of the state party chairperson to:

1. Elect or nominate members of the party's state central committee.
2. Make nominations to fill vacancies on the general election ballot as provided by law.
3. Transact such other business as required or permitted by the party's state constitution or bylaws, or the rules of the convention.

[S13, §1087-a26; C24, 27, 31, 35, 39, §**628, 633;** C46, 50, 54, 58, 62, 66, 71, 73, §43.101, 43.106; C75, 77, 79, 81, §43.101]

C87, §43.102

Legally required vote, §43.65

**43.103 Duty of county commissioner.**

The commissioner, in case the district delegates for the commissioner's county have not been selected, shall deliver a copy of said call to the chairperson of the convention which selects said delegates.

[S13, §1087-a26; C24, 27, 31, 35, 39, §**630;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.103]

**43.104 Organization.**

The organization of a district convention and the procedure therein shall be substantially the same as in the state convention.

[S13, §1087-a26; C24, 27, 31, 35, 39, §**631;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.104]

Organization of state convention, §43.108

**43.105** Repealed by 75 Acts, ch 81, § 154.

**43.106** Repealed by 74 Acts, ch 1101, § 105.

**43.107 State convention.**

Each political party shall hold a state convention either preceding or following the primary election. The state central committee of each political party shall designate the time and place of the state convention, which shall transact such business as is required or permitted by the party's state constitution or bylaws or by the rules of the convention.

[S13, §1087-a27; C24, 27, 31, 35, 39, §**634;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.107]

Referred to in §43.111

**43.108 Organization — proxies prohibited.**

The convention shall be called to order by the chairperson of the state central committee, or that individual's designee who shall thereupon present a list of delegates, as certified by the various county conventions, and effect a temporary organization. If any county shall not be fully represented, the delegates present from such county shall cast the full vote thereof if the rules of the convention, party bylaws or constitution so allow, and there shall be no proxies.

[S13, §1087-a27; C24, 27, 31, 35, 39, §**635;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.108]

Organization of district convention, §43.104

**43.109 Nominations authorized.**

The state convention may make nominations to fill vacancies on the general election ballot as provided by law.

[S13, §1087-a27; C24, 27, 31, 35, 39, §**636;** C46, 50, 54, 58, 62, 66, 71, 73, §43.109; C75, §43.109, 43.110; C77, 79, 81, §43.109]

Legally required vote, §43.65

**43.110** Repealed by 75 Acts, ch 81, § 154.

**43.111 State party platform, constitution, bylaws and central committee.**

The state convention held by each political party pursuant to section 43.107 shall adopt a state platform, adopt or amend a state party constitution, and bylaws if desired, and transact other business which may properly be brought before it. A copy of the constitution and any bylaws so adopted or amended shall be kept on file in the office of the state commissioner.

There shall be selected at or prior to each political party's state convention a state party central committee consisting of an equal number of members from each congressional district, which number shall be determined by the party constitution or bylaws, who shall be elected or nominated by the district convention or caucus.

The state central committee so selected may organize at pleasure for political work as is usual and customary with such committees, adopt bylaws, provide for the governing of party auxiliary bodies, and shall continue to act until succeeded by another central committee selected as required by this section. The receipts and disbursements of each political party's state party central committee shall be audited annually by a certified public accountant selected by the state party central committee and the audit report shall be filed with the state commissioner.

[S13, §1087-a27; C24, 27, 31, 35, 39, §**638;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.111]

Referred to in §48A.25, 68A.102

**43.112 Nominations in certain cities.**

This chapter shall, so far as applicable, govern the nominations of candidates by political parties for all offices to be filled by a direct vote of the people in cities acting under a special charter in 1973 and having a population of over fifty thousand, except all such cities as choose by special election to conduct nonpartisan city elections under the provisions of chapter 44, 45, or 376. An election on the question of conducting city elections in such a special charter city on a nonpartisan basis may be called by the city council on its own initiative, and shall be called by the council upon receipt of a petition of the voters which so requests and is

presented in conformity with section 362.4, but a special election on that question shall be held concurrently with any election being held on the first Tuesday after the first Monday in November of any odd-numbered year.

Sections 43.114 to 43.118 shall apply only to cities to which this chapter is made applicable by this section.

[S13, §1087-a34; C24, 27, 31, 35, 39, §**639;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.112; 82 Acts, ch 1097, §1]

Referred to in §43.114, 43.115, 43.116, 43.117, 45.1, 376.3

**43.113** Repealed by 75 Acts, ch 81, § 154.

**43.114 Time of holding special charter city primary.**

In special charter cities holding a city primary election under the provisions of section 43.112 such primary shall be held on the first Tuesday in October of the year in which regular city elections are held.

[S13, §1087-a34; C24, 27, 31, 35, 39, §**641;** C46, 50, §43.114, 420.2; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.114]

2002 Acts, ch 1134, §11, 115

Referred to in §43.112, 43.115, 376.3

**43.115 Nomination papers — number of signers.**

All candidates for nominations to be made in primary elections held pursuant to section 43.112 shall file nomination papers with the city clerk no later than 5:00 p.m. forty days before the date of the election as established by section 43.114, except that candidates for precinct committee member shall file affidavits of candidacy as required by section 420.130. The number of eligible electors signing petitions required for printing the name of a candidate upon the official primary ballot shall be one hundred for an office to be filled by the voters of the entire city and twenty-five for an office to be filled by the voters of a subdivision of the city.

A candidate for precinct committee member may also file as a candidate for one additional office, any statute to the contrary notwithstanding.

Objections to nomination petitions and certificates of nominations shall be filed and decided as provided in section 43.24.

[S13, §1087-a34; C24, 27, 31, 35, 39, §**642;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.115]

84 Acts, ch 1291, §2; 88 Acts, ch 1119, §7; 90 Acts, ch 1238, §6

Referred to in §43.112, 43.116, 376.3

**43.116 Ballot vacancies in special charter city elections.**

1. A vacancy on the ballot for an election at which city officers are to be chosen, and for which candidates have been nominated under this chapter, exists when any political party lacks a candidate for an office to be filled at that election because:

*a.* No person filed at the time required by section 43.115 as a candidate for the party's nomination for that office in the city primary election held under section 43.112, or all persons who did so subsequently withdrew as candidates, were found to lack the requisite requirements for the office or died before the date of the city primary election, and no candidate received a number of write-in votes sufficient for nomination under section 43.53; or

*b.* The person nominated in the city primary election as the party's candidate for that office withdrew by giving written notice to that effect to the city clerk not later than 5:00 p.m. on the day of the canvass of that city primary election.

2. A ballot vacancy as defined by this section may be filled by the city central committee of the party on whose ticket the vacancy exists or, in the case of an officer elected by the voters of a district within the city, by those members of the committee who represent the precincts lying within that district. The name of a candidate so designated to fill such a ballot vacancy shall be submitted in writing to the city clerk not later than 5:00 p.m. on the seventh day following the city primary election.

3. If a special election is held to fill a vacancy in an elective city office, nominations by political parties shall be made following the provisions of subsection 2.

[C77, 79, 81, §43.116]

97 Acts, ch 170, §6

Referred to in §43.78, 43.112, 376.3

**43.117 Plurality vote nominates and elects.**

A plurality shall nominate the party candidate for all offices filled by elections authorized by section 43.112, and a plurality shall elect the precinct committee members.

[S13, §1087-a34; C24, 27, 31, 35, 39, §**644;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.117]

Referred to in §43.112, 376.3

**43.118 Expense.**

The entire expense of conducting the city primary election and preparation of election registers shall be audited by the city council and paid by the city.

[S13, §1087-a34; C24, 27, 31, 35, 39, §**645;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.118]

2002 Acts, ch 1134, §12, 115

Referred to in §43.112, 376.3

**43.119 and 43.120** Repealed by 2002 Acts, ch 1071, § 15. See § 39A.2 – 39A.4.

**43.121 Nominations by petition or nonparty organizations.**

This chapter shall not be construed to prohibit nomination of candidates for office by petition, or by nonparty organizations, as provided in chapters 44 and 45, but no person so nominated shall be permitted to use the name, or any part thereof, of any political party authorized or entitled under this chapter to nominate a ticket by primary vote, or that has nominated a ticket by primary vote under this chapter.

[S13, §1087-a29; C24, 27, 31, 35, 39, §**648;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.121]

Referred to in §44.18

**43.122** Repealed by 73 Acts, ch 136, § 401.

**43.123 Nomination of lieutenant governor.**

Notwithstanding this chapter and any other statute relating to the nomination of a person for the office of lieutenant governor, the nomination of a person for the office of lieutenant governor for the general election in the year 1990 and each four years thereafter shall be held at the state convention of the political party. The nomination of a person for the office of lieutenant governor by a nonparty political organization shall be the procedure specified in chapter 44.

88 Acts, ch 1121, §1; 89 Acts, ch 83, §15

# CHAPTER 44

## NOMINATIONS BY NONPARTY POLITICAL ORGANIZATIONS

Referred to in §39.3, 39A.1, 39A.2, 39A.4, 39A.6, 43.2, 43.112, 43.121, 43.123, 99B.7, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 331.254, 357J.16, 360.1, 372.2, 376.1, 376.3, 376.6, 376.8, 420.137

See also definitions in §39.3


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**44.1 Political nonparty organizations.**

Any convention or caucus of eligible electors representing a political organization which is not a political party as defined by law, may, for the state, or for any division or municipality thereof, or for any county, or for any subdivision thereof, for which such convention or caucus is held, make one nomination of a candidate for each office to be filled therein at the general election. However, in order to qualify for any nomination made for a statewide elective office by such a political organization there shall be in attendance at the convention or caucus where the nomination is made a minimum of two hundred fifty eligible electors including at least one eligible elector from each of twenty-five counties. In order to qualify for any nomination to the office of United States representative there shall be in attendance at the convention or caucus where the nomination is made a minimum of fifty eligible electors who are residents of the congressional district including at least one eligible elector from each of at least one-half of the counties of the congressional district. In order to qualify for any nomination to an office to be filled by the voters of a county or of a city there shall be in attendance at the convention or caucus where the nomination is made a minimum of ten eligible electors who are residents of the county or city, as the case may be, including at least one eligible elector from at least one-half of the voting precincts in that county or city. In order to qualify for any nomination made for the general assembly there shall be in attendance at the convention or caucus where the nomination is made a minimum of ten eligible electors who are residents of the representative district or twenty eligible electors who are residents of the senatorial district, as the case may be, with at least one eligible elector from one-half of the voting precincts in the district in each case. The names of all delegates in attendance at such convention or caucus and such fact shall be certified to the state commissioner together with the other certification requirements of this chapter.

[C97, §1098; C24, §649; C27, 31, 35, §655-a1; C39, §**655.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.1]

Referred to in §44.2
Political party defined, §43.2

**44.2 Nominations certified.**

Nominations made under section 44.1 shall be certified by the chairperson and secretary of the convention or caucus, who shall enter their place of residence opposite their signatures, and attach to said certificate their affidavit to the effect that the certificate is true.

[C97, §1099; C24, §650; C27, 31, 35, §655-a2; C39, §**655.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.2]

Referred to in §44.3

**44.3 Certificate.**

1. The certificate required by section 44.2 shall state the following information:

*a.* The name of each candidate nominated.

*b.* The office to which each candidate is nominated.

*c.* The name of the political organization making such nomination, expressed in not more than five words.

*d.* The place of residence of each nominee, with the street or number thereof, if any.

*e.* In case of presidential candidates, the names and addresses of presidential electors shall be stated, and the names of the candidates for president and vice president shall be added to the name of the organization.

*f.* The name and address of each member of the organization's executive or central committee.

*g.* The provisions, if any, made for filling vacancies in nominations.

*h.* The name and address of each delegate or voter in attendance at a convention or caucus where a nomination is made.

2. Each candidate nominated by the convention or caucus shall complete and file a signed, notarized affidavit of candidacy. The affidavit shall be in the form prescribed by the secretary of state. The affidavit shall include the following information:

*a.* The candidate's name in the form the candidate wants it to appear on the ballot.

*b.* The candidate's home address.

*c.* The name of the county in which the candidate resides.

*d.* The name of the political organization by which the candidate was nominated.

*e.* The office sought by the candidate, and the district the candidate seeks to represent, if any.

*f.* A declaration that if the candidate is elected the candidate will qualify by taking the oath of office.

*g.* A statement that the candidate is aware that the candidate is required to organize a candidate's committee which shall file an organization statement and disclosure reports if the committee or the candidate receives contributions, makes expenditures, or incurs indebtedness in excess of the reporting threshold in section 68A.102, subsection 5. This subsection shall not apply to candidates for federal office.

*h.* A statement that the candidate is aware of the prohibition in section 49.41 against being a candidate for more than one office to be filled at the same election, except county agricultural extension council and soil and water conservation district commission.

*i.* A statement that the candidate is aware that the candidate is disqualified from holding office if the candidate has been convicted of a felony or other infamous crime and the candidate's rights have not been restored by the governor or by the president of the United States.

[C97, §1099; C24, §650; C27, 31, 35, §655-a3; C39, §**655.03;** C46, 50, 54, 58, 62, 66, 71, 73, §44.3; C75, §44.3, 56.5(4); C77, 79, 81, §44.3; 81 Acts, ch 34, §5, ch 35, §17]

90 Acts, ch 1238, §7; 91 Acts, ch 129, §7; 94 Acts, ch 1023, §78; 94 Acts, ch 1180, §9; 98 Acts, ch 1052, §3; 2001 Acts, ch 158, §8

Additional certification, §44.13

**44.4 Nominations and objections — time and place of filing.**

1. Nominations made pursuant to this chapter and chapter 45 which are required to be filed in the office of the state commissioner shall be filed in that office not more than ninety-nine days nor later than 5:00 p.m. on the eighty-first day before the date of the general election to be held in November. Nominations made for a special election called pursuant to section 69.14 shall be filed by 5:00 p.m. not less than twenty-five days before the date of an election called upon at least forty days' notice and not less than fourteen days before the date of an election called upon at least eighteen days' notice. Nominations made for a special election called pursuant to section 69.14A shall be filed by 5:00 p.m. not less than twenty-five days before the date of the election. Nominations made pursuant to this chapter and chapter 45 which are required to be filed in the office of the commissioner shall be filed in that office not more than ninety-two days nor later than 5:00 p.m. on the sixty-ninth day before the date of the general election. Nominations made pursuant to this chapter or chapter 45 for city office shall be filed not more than seventy-two days nor later

than 5:00 p.m. on the forty-seventh day before the city election with the city clerk, who shall process them as provided by law.

2. *a.* Objections to the legal sufficiency of a certificate of nomination or nomination petition or to the eligibility of a candidate may be filed by any person who would have the right to vote for a candidate for the office in question. The objections must be filed with the officer with whom the certificate or petition is filed and within the following time:

(1) Those filed with the state commissioner, not less than seventy-four days before the date of the election.

(2) Those filed with the commissioner, not less than sixty-four days before the date of the election.

(3) Those filed with the city clerk, at least forty-two days before the regularly scheduled or special city election. However, for those cities that may be required to hold a primary election, at least sixty-three days before the regularly scheduled or special city election.

(4) In the case of nominations to fill vacancies occurring after the time when an original nomination for an office is required to be filed, objections shall be filed within three days after the filing of the certificate.

*b.* Objections shall be filed no later than 5:00 p.m. on the final date for filing.

[C97, §1103; C24, §654; C27, 31, 35, §655-a4; C39, §**655.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.4]

87 Acts, ch 221, §3; 88 Acts, ch 1119, §8; 88 Acts, ch 1246, §1; 89 Acts, ch 136, §24; 90 Acts, ch 1238, §8; 95 Acts, ch 189, §5; 97 Acts, ch 170, §7; 98 Acts, ch 1123, §2; 2002 Acts, ch 1134, §13, 115; 2008 Acts, ch 1032, §201

Referred to in §49.31, 99F.7, 331.237, 331.323, 376.4

See §45.4

**44.5 Notice of objections.**

When objections are filed, notice shall immediately be given to the affected candidate. The notice shall be addressed to the candidate's place of residence as given in the certificate of nomination, stating that objections have been made to the certificate. The notice shall include the time and place of the hearing at which the objections will be considered. The hearing shall be held not later than one week after the objection is filed.

[C97, §1103; C24, §654; C27, 31, 35, §655-a5; C39, §**655.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.5]

2009 Acts, ch 57, §9

Referred to in §376.4

**44.6 Hearing before state commissioner.**

Objections filed with the state commissioner shall be considered by the secretary of state and auditor of state and attorney general, and a majority decision shall be final; but if the objection is to the certificate of nomination of one or more of the above named officers, said officer or officers so objected to shall not pass upon the same, but their places shall be filled, respectively, by the treasurer of state, the governor, and the secretary of agriculture.

[C97, §1103; C24, §654; C27, 31, 35, §655-a6; C39, §**655.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.6]

**44.7 Hearing before commissioner.**

Objections filed with the commissioner shall be considered by the county auditor, county treasurer, and county attorney, and a majority decision shall be final; but if the objection is to the certificate of nomination of one or more of the above named county officers, the officer or officers objected to shall not pass upon the objection, but their places shall be filled, respectively, by the chairperson of the board of supervisors, the sheriff, and the county recorder.

[C97, §1103; C24, §654; C27, 31, 35, §655-a7; C39, §**655.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.7]

83 Acts, ch 186, §10016, 10201

Referred to in §331.306, 331.505, 331.552, 331.602, 331.756(14)

**44.8 Hearing before mayor.**

Objections filed with the city clerk shall be considered by the mayor and clerk and one member of the council chosen by the council by ballot, and a majority decision shall be final; but if the objection is to the certificate of nomination of either of those city officials, that official shall not pass upon said objection, but the official's place shall be filled by a member of the council against whom no such objection exists, chosen as above provided.

The hearing shall be held within twenty-four hours of the receipt of the objection if a primary election must be held for the office sought by the candidate against whom the objection has been filed.

[C97, §1103; C24, §654; C27, 31, 35, §655-a8; C39, §**655.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.8]

88 Acts, ch 1119, §9

Referred to in §362.4, 376.4

**44.9 Withdrawals.**

Any candidate named under this chapter may withdraw the candidate's nomination by a written request filed as follows:

1. In the office of the state commissioner, at least seventy-four days before the date of the election.

2. In the office of the proper commissioner, at least sixty-four days before the date of the election.

3. In the office of the proper school board secretary, at least thirty-five days before the day of a regularly scheduled school election.

4. In the office of the state commissioner, in case of a special election to fill vacancies in Congress or the general assembly, not more than:

*a.* Twenty days after the date on which the governor issues the call for a special election to be held on at least forty days' notice.

*b.* Five days after the date on which the governor issues the call for a special election to be held on at least ten but less than forty days' notice.

5. In the office of the proper commissioner or school board secretary in case of a special election to fill vacancies, at least twenty-five days before the day of election.

6. In the office of the proper city clerk, at least forty-two days before the regularly scheduled or special city election. However, for those cities that may be required to hold a primary election, at least sixty-three days before a regularly scheduled or special city election.

[C97, §1101; SS15, §1101; C24, §652; C27, 31, 35, §655-a9; C39, §**655.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.9]

87 Acts, ch 221, §4, 5; 89 Acts, ch 136, §25; 91 Acts, ch 129, §8; 98 Acts, ch 1123, §3

Referred to in §44.11, 376.4

See §43.76, 45.4, 376.4

**44.10 Effect of withdrawal.**

No name so withdrawn shall be printed on the official ballot under such nomination.

[C97, §1101; SS15, §1101; C24, §652; C27, 31, 35, §655-a10; C39, §**655.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.10]

See §45.4

**44.11 Vacancies filled.**

If a candidate named under this chapter withdraws before the deadline established in section 44.9, declines a nomination, or dies before election day, or if a certificate of nomination is held insufficient or inoperative by the officer with whom it is required to be filed, or in case any objection made to a certificate of nomination, or to the eligibility of any candidate named in the certificate, is sustained by the board appointed to determine such questions, the vacancy or vacancies may be filled by the convention, or caucus, or in such manner as such convention or caucus has previously provided. The vacancy or vacancies shall be filled not less than seventy-four days before the election in the case of nominations required to be filed with the state commissioner, not less than sixty-four days before the

election in the case of nominations required to be filed with the commissioner, not less than thirty-five days before the election in the case of nominations required to be filed in the office of the school board secretary, and not less than forty-two days before the election in the case of nominations required to be filed with the city clerk.

[C97, §1102; C24, §653; C27, 31, 35, §655-a11; C39, §**655.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.11]

89 Acts, ch 136, §26; 97 Acts, ch 170, §8

Referred to in §44.14, 44.17

**44.12 Insufficient time for convention.**

If the time is insufficient for again holding such convention or caucus, or in case no such previous provisions have been made, such vacancy shall be filled by the regularly elected or appointed executive or central committee of the particular division or district representing the political organization holding such convention, or caucus.

[C97, §1102; C24, §653; C27, 31, 35, §655-a12; C39, §**655.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.12]

**44.13 Certificates in matter of vacancies.**

The certificates of nominations made to supply such vacancies shall state, in addition to the facts and candidate's affidavit required in an original certificate, the name of the original nominee, the date of death or declination of nomination, or the fact that the former nomination has been held insufficient or inoperative, and the measures taken in accordance with the above requirements for filling a vacancy, and shall be signed and sworn to by the presiding officer and secretary of the convention, or caucus, or by the chairperson and secretary of the committee, as the case may be.

[C97, §1102; C24, §653; C27, 31, 35, §655-a13; C39, §**655.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.13; 81 Acts, ch 34, §6]

Referred to in §44.14

Original certificates, §44.3

**44.14 Filing of certificates.**

Certificates of nominations made to fill vacancies, as required by section 44.13, shall be filed with the officer designated and at the time required by section 44.11.

[C97, §1104; SS15, §1104; C24, §655; C27, 31, 35, §655-a14; C39, §**655.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.14]

**44.15 Presumption of validity.**

Certificates thus filed, and being apparently in conformity with law, shall be regarded as valid, unless objection in writing thereto shall be made, and, under proper regulations, shall be open to public inspection, and preserved by the receiving officer for not less than six months after the election is held.

[C97, §1104; SS15, §1104; C24, §655; C27, 31, 35, §655-a15; C39, §**655.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.15]

See §45.4

**44.16 Return of papers — additions not allowed.**

After a nomination petition or certificate has been filed, it shall not be returned to the candidate or person who has filed the document, and no signature or other information shall be added to the nomination petition or certificate.

[C97, §1104; SS15, §1104; C24, §655; C27, 31, 35, §655-a16; C39, §**655.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §44.16]

93 Acts, ch 143, §7

**44.17 Nominations by petition.**

In lieu of holding a caucus or convention, a nonparty political organization may nominate by petition pursuant to chapter 45 not more than one candidate for any partisan office to be filled at the general election.

The nonparty political organization may also file with the appropriate commissioner a list of the names and addresses of the organization's central committee members, and the chairperson and secretary of the organization. The organization may also place on file a description of the method that the organization will follow to fill any vacancies resulting from the death, withdrawal, or disqualification of any of its candidates that were nominated by petition. If this information is filed before the close of the filing period for the general election, substitutions may be made pursuant to section 44.11.

97 Acts, ch 170, §9

Referred to in §54.5

**44.18 Affiliation on voter registration form.**

1. A nonparty political organization that nominated a candidate whose name appeared on the general election ballot for a federal office, for governor, or for any other statewide elective office in any of the preceding ten years may request registration of voters showing their affiliation with the nonparty political organization pursuant to this section.

2. The organization shall file the following documents with the state registrar of voters on or before December 1 of an even-numbered year:

*a.* A petition in the form prescribed by the registrar and signed by no fewer than eight hundred fifty eligible electors residing in at least five counties in the state. The petition shall include the official name of the organization; the organization's name as the organization requests it to appear on the voter registration form if different from the organization's official name; and the name, address, and telephone number of the contact person for the organization. Each person who signs the petition shall include the person's signature, printed name, residence address with house number, street name, city, and county, and the date the person signed the petition.

*b.* A copy of the nonparty political organization's articles of incorporation, bylaws, constitution, or other document relating to establishment of the organization. Such copy shall be certified as a true copy of the original by the custodian of the original document.

*c.* An application form prescribed by the state registrar of voters. The form shall include all of the following:

(1) The official name of the nonparty political organization.

(2) The name, address, and telephone number of the contact person for the organization who is responsible for the application.

(3) The signature of the chief executive officer of the organization approving the application.

(4) The organization's name as the organization requests it to appear on the voter registration form if different from the organization's official name.

3. The nonparty political organization's name and its name as listed on the voter registration form shall conform to the requirements of section 43.121. The registrar shall not invalidate the application solely because the registrar finds the official name of the organization or the name to be included on the voter registration form to be unacceptable. If the registrar finds the name to be unacceptable, the registrar shall contact the organization and provide assistance in identifying an appropriate official name for the organization and for identifying the organization on the voter registration form. A determination by the registrar that the official name or voter registration form name requested is acceptable for use within the voter registration system is final.

4. The registrar and the voter registration commission may require biennial filings to update contact information.

5. Beginning in January 2011, and each odd-numbered year thereafter, the registrar and the voter registration commission may review the number of voters registered as affiliated with a nonparty political organization. If the number of registrants, including both active and inactive voters, is fewer than 150, the commission shall declare the organization to be dormant for purposes of voter registration and may revise the voter registration form and instructions and electronic voter registration system to remove the organization from the list of nonparty political organizations with which a voter may register as affiliated. However, a

change shall not be made to the record of political affiliation of individual registrants unless the registrant requests the change.

6. If a political party, as defined in section 43.2, fails to receive a sufficient number of votes in a general election to retain status as a political party and the former political party organizes as a nonparty political organization, the organization may request registration of voters showing their affiliation with the organization. A change shall not be made to the record of political party affiliation of individual registrants unless the registrant requests the change.

2008 Acts, ch 1115, §72
Referred to in §48A.11

# CHAPTER 45

## NOMINATIONS BY PETITION

Referred to in §39.3, 39A.1, 39A.2, 39A.4, 39A.6, 43.2, 43.112, 43.121, 44.4, 44.17, 49.104, 53.23, 161A.5, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 303.49, 331.254, 347.25, 357H.6, 357J.16, 360.1, 372.2, 376.1, 376.3, 376.6, 376.8, 420.137

See also definitions in §39.3


45.1 Nominations by petition.
45.2 Adding name by petition.
45.3 Affidavit of candidacy.
45.4 Filing — presumption — withdrawals — objections.
45.5 Form of nomination papers.
45.6 Requirements in signing.


**45.1 Nominations by petition.**

1. Nominations for candidates for president and vice president, governor and lieutenant governor, and for other statewide elected offices may be made by nomination petitions signed by not less than one thousand five hundred eligible electors residing in not less than ten counties of the state.

2. Nominations for candidates for a representative in the United States house of representatives may be made by nomination petitions signed by not less than the number of eligible electors equal to the number of signatures required in subsection 1 divided by the number of congressional districts. Signers of the petition shall be eligible electors who are residents of the congressional district.

3. Nominations for candidates for the state senate may be made by nomination petitions signed by not less than one hundred eligible electors who are residents of the senate district.

4. Nominations for candidates for the state house of representatives may be made by nomination petitions signed by not less than fifty eligible electors who are residents of the representative district.

5. Nominations for candidates for offices filled by the voters of a whole county may be made by nomination petitions signed by eligible electors who are residents of the county equal in number to at least one percent of the number of registered voters in the county on July 1 in the year preceding the year in which the office will appear on the ballot, or by at least two hundred fifty eligible electors who are residents of the county, whichever is less.

6. Nominations for candidates for the office of county supervisor elected by the voters of a supervisor district may be made by nomination petitions signed by eligible electors who are residents of the supervisor district equal in number to at least one percent of the number of registered voters in the supervisor district on July 1 in the year preceding the year in which the office will appear on the ballot, or by at least one hundred fifty eligible electors who are residents of the supervisor district, whichever is less.

7. *a.* Nomination papers for the offices of president and vice president shall include the names of the candidates for both offices on each page of the petition. A certificate listing the names of the candidates for presidential electors, one from each congressional district and two from the state at large, shall be filed in the state commissioner's office at the same time the nomination papers are filed.

*b.* Nomination papers for the offices of governor and lieutenant governor shall include the names of candidates for both offices on each page of the petition. Nomination papers for other statewide elected offices and all other offices shall include the name of the candidate on each page of the petition.

8. Nominations for candidates for elective offices in cities where the council has adopted nominations under this chapter may be submitted as follows:

*a.* Except as otherwise provided in subsection 9, in cities having a population of three thousand five hundred or greater according to the most recent federal decennial census, nominations may be made by nomination papers signed by not less than twenty-five eligible electors who are residents of the city or ward.

*b.* In cities having a population of one hundred or greater, but less than three thousand five hundred, according to the most recent federal decennial census, nominations may be made by nomination papers signed by not less than ten eligible electors who are residents of the city or ward.

*c.* In cities having a population less than one hundred according to the most recent federal decennial census, nominations may be made by nomination papers signed by not less than five eligible electors who are residents of the city.

9. Nominations for candidates, other than partisan candidates, for elective offices in special charter cities subject to section 43.112 may be submitted as follows:

*a.* For the office of mayor and alderman at large, nominations may be made by nomination papers signed by eligible electors residing in the city equal in number to at least two percent of the total vote received by all candidates for mayor at the last preceding city election.

*b.* For the office of ward alderman, nominations may be made by nomination papers signed by eligible electors residing in the ward equal in number to at least two percent of the total vote received by all candidates for ward alderman in that ward at the last preceding city election.

[C97, §1100; C24, §651; C27, 31, 35, §655-a17; C39, §**655.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §45.1; 81 Acts, ch 34, §7]

86 Acts, ch 1224, §7; 88 Acts, ch 1119, §10, 11; 89 Acts, ch 136, §27; 93 Acts, ch 143, §8; 94 Acts, ch 1180, §10; 2007 Acts, ch 25, §2; 2008 Acts, ch 1032, §201; 2009 Acts, ch 57, §10

Referred to in §45.6

**45.2 Adding name by petition.**

The name of a candidate placed upon the ballot by any other method than by petition shall not be added by petition for the same office in the same election.

[C97, §1100; C24, §651; C27, 31, 35, §655-a18; C39, §**655.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §45.2]

Other methods, chapters 43, 44

**45.3 Affidavit of candidacy.**

Each candidate shall complete and file a signed, notarized affidavit of candidacy. The affidavit shall be filed at the same time as the nomination petition. The affidavit shall be in the form prescribed by the secretary of state and shall include the following information:

1. The candidate's name in the form the candidate wants it to appear on the ballot.
2. The candidate's home address.
3. The name of the county in which the candidate resides.
4. The name of the political organization by which the candidate was nominated, if any.
5. The office sought by the candidate, and the district the candidate seeks to represent, if any.
6. A declaration that if the candidate is elected the candidate will qualify by taking the oath of office.
7. A statement that the candidate is aware that the candidate is required to organize a candidate's committee which shall file an organization statement and disclosure reports if the committee or the candidate receives contributions, makes expenditures, or incurs indebtedness in excess of the reporting threshold in section 68A.102, subsection 5. This subsection shall not apply to candidates for federal office.

8. A statement that the candidate is aware of the prohibition in section 49.41 against being a candidate for more than one office to be filled at the same election, except county agricultural extension council and soil and water conservation district commission.

9. A statement that the candidate is aware that the candidate is disqualified from holding office if the candidate has been convicted of a felony or other infamous crime and the candidate's rights have not been restored by the governor or by the president of the United States.

[C97, §1100; C24, §651; C27, 31, 35, §655-a19; C39, §**655.19;** C46, 50, 54, 58, 62, 66, 71, 73, §45.3; C75, §45.3, 56.5(4); C77, 79, 81, §45.3; 81 Acts, ch 35, §18]

87 Acts, ch 221, §6; 89 Acts, ch 136, §28; 90 Acts, ch 1238, §9; 91 Acts, ch 129, §9; 94 Acts, ch 1023, §79; 94 Acts, ch 1180, §11; 98 Acts, ch 1052, §4; 2001 Acts, ch 158, §9; 2002 Acts, ch 1134, §14, 115

Referred to in §39.22, 49.41, 357.13, 358.9, 376.11

**45.4 Filing — presumption — withdrawals — objections.**

The time and place of filing nomination petitions, the presumption of validity thereof, the right of a candidate so nominated to withdraw and the effect of such withdrawal, and the right to object to the legal sufficiency of such petitions, or to the eligibility of the candidate, shall be governed by the law relating to nominations by political organizations which are not political parties.

[C97, §1104; SS15, §1104; C24, §652, 654, 655; C27, 31, 35, §655-a20; C39, §**655.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §45.4]

Statutes applicable, chapter 44

**45.5 Form of nomination papers.**

1. Nomination papers shall include a petition and an affidavit of candidacy. All nomination petitions shall be eight and one-half by eleven inches in size and shall be in substantially the form prescribed by the state commissioner of elections. They shall provide spaces for the following information:

*a.* A statement identifying the signers of the petition as eligible electors of the appropriate ward, city, county, school district or school district director district, or legislative district and of the state of Iowa.

*b.* The name of the candidate nominated by the petition.

*c.* A statement that the candidate is or will be a resident of the appropriate ward, city, county, school district, or legislative or other district as required by section 39.27.

*d.* The office sought by the candidate, including the district number, if any.

*e.* The name and date of the election for which the candidate is nominated.

2. Signatures on a petition page shall be counted only if the information required in subsection 1 is written or printed at the top of the page. Nomination papers on behalf of candidates for seats in the general assembly need only designate the number of the senatorial or representative district, as appropriate, and not the county or counties, in which the candidate and the petitioners reside. A signature line in a nomination petition shall not be counted if the line lacks the signature of the eligible elector and the signer's address and city. A signature line shall not be counted if the signer's address is obviously outside the boundaries of the appropriate ward, city, school district or school district director district, legislative district, or other district.

3. The pages of the petition shall be securely fastened together to form a single bundle. Nomination petitions that are not bound shall be returned without further examination. The state commissioner shall prescribe by rule the acceptable methods for binding nomination petitions.

4. The person examining the petition shall mark any deficiencies on the petition. Signed nomination petitions and the signed and notarized affidavit of candidacy shall not be altered to correct deficiencies noted during the examination. If the nomination petition lacks a sufficient number of acceptable signatures, the nomination papers shall be rejected and returned to the candidate.

5. The nomination papers shall be rejected if the affidavit lacks any of the following:

*a.* The candidate's name.

*b.* The name of the office sought, including the district, if any.

*c.* The signature of the candidate.

*d.* The signature of a notary public under chapter 9B or other officer empowered to witness oaths.

6. The candidate may replace a deficient affidavit with a corrected one only if the replacement is filed before the filing deadline. The candidate may resubmit a nomination petition that has been rejected by adding a sufficient number of pages or signatures to correct the deficiency. A nomination petition and affidavit filed to replace rejected nomination papers shall be filed together before the deadline for filing.

2002 Acts, ch 1134, §15, 115; 2003 Acts, ch 44, §23, 24; 2007 Acts, ch 59, §4, 19; 2012 Acts, ch 1050, §35, 60

Referred to in §376.4

Oaths, see chapter 63A

**45.6 Requirements in signing.**

The following requirements shall be observed in the signing and preparation of nomination petitions:

1. A signer may sign nomination petitions for more than one candidate for the same office, and the signature is not invalid solely because the signer signed nomination petitions for one or more other candidates for the office.

2. Each signer shall add the signer's residence, with street and number.

3. All signers, for all nominations, of each separate part of a nomination petition, shall reside in the appropriate ward, city, county, school district or school district director district, legislative district, or other district as required by section 45.1.

4. When more than one sheet is used, the sheets shall be neatly arranged and securely fastened together before filing, and shall be considered one nomination petition. Nomination petitions which are not securely fastened together shall be returned to the candidate or the candidate's designee without examination. The state commissioner shall prescribe by rule the acceptable methods for binding nomination petitions.

5. Only one candidate shall be petitioned for or nominated in the same nomination petition, except for the offices of governor and lieutenant governor, and president and vice president.

2002 Acts, ch 1134, §16, 115; 2007 Acts, ch 59, §5, 19

# CHAPTER 46

## NOMINATION AND ELECTION OF JUDGES

Referred to in §39A.1, 39A.2, 39A.4, 39A.6, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 357J.16, 360.1, 372.2, 376.1, 602.4101, 602.5102, 602.6201, 602.11111


46.1 Appointment of state judicial nominating commissioners.
46.2 Election of state judicial nominating commissioners.
46.2A Special appointment or election of state judicial nominating commission members.
46.3 Appointment of district judicial nominating commissioners.
46.4 Election of district judicial nominating commissioners.
46.5 Vacancies.
46.5A Judicial nominating commission expenses.
46.6 Equal seniority.
46.7 Eligibility to vote.
46.8 Certified list.
46.9 Conduct of elections.
46.9A Notice preceding nomination of elective nominating commissioners.
46.10 Nomination of elective nominating commissioners.
46.11 Certification of commissioners.
46.12 Notification of vacancy and resignation.
46.13 Notice of meetings.
46.14 Nomination.
46.14A Court of appeals — nominees.
46.15 Appointments to be from nominees.
46.16 Terms of judges.
46.17 Time of judicial election.
46.18 Eligibility of voters.
46.19 Election registers.
46.20 Declaration of candidacy.
46.21 Conduct of elections.
46.22 Voting.
46.23 General election and absent voter laws.
46.24 Results of election.
46.25 Eligible elector defined.


**46.1 Appointment of state judicial nominating commissioners.**

The governor shall appoint, subject to confirmation by the senate, one eligible elector of each congressional district to the state judicial nominating commission for a six-year term beginning and ending as provided in section 69.19. The terms of no more than three nor less than two of the members shall expire within the same two-year period. No more than a simple majority of the members appointed shall be of the same gender.

[C66, 71, 73, 75, 77, 79, 81, §46.1]

87 Acts, ch 218, §1

Referred to in §46.2A

Confirmation, see §2.32

**46.2 Election of state judicial nominating commissioners.**

The resident members of the bar of each congressional district shall elect one eligible elector of the district to the state judicial nominating commission for a six-year term beginning July 1. The terms of no more than three nor less than two of the members shall expire within the same two-year period, the expiration dates being governed by the expiration dates of the terms of the original appointive members. The members of the bar of the respective congressional districts shall in January, immediately preceding the expiration of the term of a member of the commission, elect a successor for a like term. For the first elective term open on or after July 1, 1987, in the odd-numbered districts the elected member shall be a woman and in the even-numbered districts the elected member shall be a man. Thereafter, the districts shall alternate between women and men elected members.

[C66, 71, 73, 75, 77, 79, 81, §46.2]

87 Acts, ch 218, §2

Referred to in §46.2A

**46.2A Special appointment or election of state judicial nominating commission members.**

1. As used in this section, *"congressional district"* means those districts established following the 2010 federal decennial census and described in chapter 40.

2. Notwithstanding sections 46.1 and 46.2, the terms of the appointed and elected members of the state judicial nominating commission serving on December 31, 2012, shall expire on that date.

3. The terms of newly appointed and elected members of the state judicial nominating commission shall commence on January 1, 2013, based upon the number of congressional districts as enacted pursuant to chapter 42.

4. The initial term of the appointed members shall be as follows:

*a.* In the congressional district described as the first district, there shall be one member with a term of two years and one member with a term of six years.

*b.* In the congressional district described as the second district, there shall be one member with a term of two years and one member with a term of four years.

*c.* In the congressional district described as the third district, there shall be one member with a term of four years and one member with a term of six years.

*d.* In the congressional district described as the fourth district, there shall be one member with a term of two years and one member with a term of four years.

5. The initial term of the elected members shall be as follows:

*a.* In the congressional district described as the first district, there shall be one member with a term of two years and one member with a term of four years.

*b.* In the congressional district described as the second district, there shall be one member with a term of four years and one member with a term of six years.

*c.* In the congressional district described as the third district, there shall be one member with a term of two years and one member with a term of six years.

*d.* In the congressional district described as the fourth district, there shall be one member with a term of four years and one member with a term of six years.

6. The appointed and elected members from each congressional district shall be gender balanced as provided in section 69.16A.

7. After the initial term is served pursuant to this section, the appointed members shall be appointed to six-year terms as provided in section 46.1, and the elected members shall be elected to six-year terms as provided in section 46.2.

2008 Acts, ch 1049, §1; 2009 Acts, ch 133, §13; 2012 Acts, ch 1021, §37

**46.3 Appointment of district judicial nominating commissioners.**

1. The governor shall appoint five eligible electors of each judicial election district to the district judicial nominating commission.

2. The appointments made by the governor shall be to staggered terms of six years each and shall be made in the month of January for terms commencing February 1 of even-numbered years.

3. No more than a simple majority of the commissioners appointed shall be of the same gender.

4. Beginning with terms commencing February 1, 2012, there shall not be more than one appointed commissioner from a county within a judicial election district unless each county within the judicial election district has an appointed or elected commissioner or the number of appointed commissioners exceeds the number of counties within the judicial election district. This subsection shall not be used to remove an appointed commissioner from office prior to the expiration of the commissioner's term.

[C66, 71, 73, 75, 77, 79, 81, §46.3]

87 Acts, ch 218, §3; 2011 Acts, ch 78, §1

Referred to in §602.11111

**46.4 Election of district judicial nominating commissioners.**

The resident members of the bar of each judicial election district shall elect five eligible electors of the district to the district judicial nominating commission. Commissioners shall be elected to staggered terms of six years each. The elections shall be held in the month of January for terms commencing February 1 of even-numbered years.

For terms commencing February 1, 1988, and every six years thereafter, one elected commissioner in each district shall be a woman and one shall be a man. For terms commencing February 1, 1990, and every six years thereafter, one elected commissioner in each district shall be a woman and one shall be a man. For the term commencing February 1, 1992, in the odd-numbered districts the elected commissioner shall be a woman and

in the even-numbered districts the elected commissioner shall be a man. For the terms commencing every six years thereafter, the districts shall alternate between women and men elected commissioners.

[C66, 71, 73, 75, 77, 79, 81, §46.4]

87 Acts, ch 218, §4

**46.5 Vacancies.**

1. When a vacancy occurs in the office of appointive judicial nominating commissioner, the chairperson of the particular commission shall promptly notify the governor in writing of such fact. Vacancies in the office of appointive judicial nominating commissioner shall be filled by appointment by the governor, consistent with eligibility requirements. The term of state judicial nominating commissioners so appointed shall commence upon their appointment pending confirmation by the senate at the then session of the general assembly or at its next session if it is not then in session. The term of district judicial nominating commissioners so appointed shall commence upon their appointment.

2. Except where the term has less than ninety days remaining, vacancies in the office of elective member of the state judicial nominating commission shall be filled consistent with eligibility requirements by a special election within the congressional district where the vacancy occurs, such election to be conducted as provided in sections 46.9 and 46.10.

3. Vacancies in the office of elective judicial nominating commissioner of district judicial nominating commissions shall be filled consistent with eligibility requirements and by majority vote of the authorized number of elective members of the particular commission, at a meeting of such members called in the manner provided in section 46.13. The term of judicial nominating commissioners so chosen shall commence upon their selection.

4. If a vacancy occurs in the office of chairperson of a judicial nominating commission, or in the absence of the chairperson, the members of the particular commission shall elect a temporary chairperson from their own number.

5. When a vacancy in an office of an elective judicial nominating commissioner occurs, the state court administrator shall cause to be mailed to each member of the bar whose name appears on the certified list prepared pursuant to section 46.8 for the district or districts affected, a notice stating the existence of the vacancy, the requirements for eligibility, and the manner in which the vacancy will be filled. Other items may be included in the same mailing if they are on sheets separate from the notice. The election of a district judicial nominating commissioner or the close of nominations for a state judicial nominating commissioner shall not occur until thirty days after the mailing of the notice.

[C66, 71, 73, 75, 77, 79, 81, §46.5]

83 Acts, ch 186, §10017, 10201; 87 Acts, ch 218, §5; 2009 Acts, ch 179, §164, 171

Referred to in §602.11111

Confirmation, see §2.32

**46.5A Judicial nominating commission expenses.**

Members of the state judicial nominating commission and the district judicial nominating commissions are entitled to be reimbursed for actual and necessary expenses incurred in the performance of their duties as commissioners for each day spent attending commission meetings or training sessions called by the chairperson. Expenses shall be paid from funds appropriated to the judicial branch for this purpose.

88 Acts, ch 1094, §1; 98 Acts, ch 1047, §13

**46.6 Equal seniority.**

If the judges of longest service (other than the chief justice) of the supreme court or of the district court in a district are of equal service, the eldest of such judges shall be chairperson of the particular judicial nominating commission.

[C66, 71, 73, 75, 77, 79, 81, §46.6]

**46.7 Eligibility to vote.**

To be eligible to vote in elections of judicial nominating commissioners, a member of the bar must be eligible to practice and must be a resident of the state of Iowa and of the

appropriate congressional district or judicial election district as shown by the member's most recent filing with the supreme court for the purposes of showing compliance with the court's continuing legal education requirements, or for members of the bar eligible to practice who are not required to file such compliance, any paper on file by July 1 with the state court administrator, for the purpose of establishing eligibility to vote under this section, which the court determines to show the requisite residency requirements. A judge who has been admitted to the bar of the state of Iowa shall be considered a member of the bar.

[C66, 71, 73, 75, 77, 79, 81, §46.7]

83 Acts, ch 186, §10018, 10201; 86 Acts, ch 1119, §1; 92 Acts, ch 1116, §1; 2009 Acts, ch 179, §165, 171

Referred to in §602.6504

**46.8 Certified list.**

Each year the state court administrator shall certify a list of the names, addresses, and years of admission of members of the bar who are eligible to vote for state and district judicial nominating commissioners.

[C66, 71, 73, 75, 77, 79, 81, §46.8]

83 Acts, ch 186, §10019, 10201; 86 Acts, ch 1119, §2; 2009 Acts, ch 179, §166, 171

Referred to in §46.5, 46.9A, 602.6504, 602.8102(14)

**46.9 Conduct of elections.**

When an election of judicial nominating commissioners is to be held, the state court administrator shall administer the voting. The state court administrator may administer the voting by electronic notification and voting or by paper ballot mailed to each eligible attorney. The state court administrator shall mail paper ballots to eligible attorneys or electronically notify and enable eligible attorneys to vote. The elector receiving the most votes shall be elected. When more than one commissioner is to be elected, the electors receiving the most votes shall be elected, in the same number as the offices to be filled.

[C66, 71, 73, 75, 77, 79, 81, §46.9]

83 Acts, ch 186, §10020, 10201; 2000 Acts, ch 1058, §58; 2009 Acts, ch 179, §167, 171

Referred to in §46.5

**46.9A Notice preceding nomination of elective nominating commissioners.**

At least sixty days prior to the expiration of the term of an elective state or district judicial nominating commissioner, the state court administrator shall mail paper ballots to eligible attorneys or electronically notify and enable eligible attorneys to vote. An eligible attorney is a member of the bar whose name appears on the certified list prepared pursuant to section 46.8 for the district or districts affected.

87 Acts, ch 218, §6; 2009 Acts, ch 179, §168, 171

**46.10 Nomination of elective nominating commissioners.**

1. In order to have an eligible elector's name printed on the ballot for state or district judicial nominating commissioner, the eligible elector must file in the office of the state court administrator at least thirty days prior to expiration of the period within which the election must be held a nominating petition signed by at least fifty resident members of the bar of the congressional district in case of a candidate for state judicial nominating commissioner, or at least ten resident members of the bar of the judicial district in case of a candidate for district judicial nominating commissioner. No member of the bar may sign more nominating petitions for state or district judicial nominating commissioner than there are such commissioners to be elected.

2. Ballots or electronic voting forms for state and district judicial nominating commissioners shall contain blank lines equal to the number of such commissioners to be elected, where names may be written in.

[C66, 71, 73, 75, 77, 79, 81, §46.10]

2009 Acts, ch 179, §169, 171

Referred to in §46.5

**46.11 Certification of commissioners.**

The governor and the state court administrator respectively shall promptly certify the names and addresses of appointive and elective judicial nominating commissioners to the state commissioner of elections and the chairperson of the respective nominating commissions.

[C66, 71, 73, 75, 77, 79, 81, §46.11]

2009 Acts, ch 179, §170, 171

**46.12 Notification of vacancy and resignation.**

When a vacancy occurs or will occur within one hundred twenty days in the supreme court, the court of appeals, or district court, the state commissioner of elections shall forthwith so notify the chairperson of the proper judicial nominating commission. The chairperson shall call a meeting of the commission within ten days after such notice; if the chairperson fails to do so, the chief justice shall call such meeting.

When a judge of the supreme court, court of appeals, or district court resigns, the judge shall submit a copy of the resignation to the state commissioner of elections at the time the judge submits the resignation to the governor; and when a judge of the supreme court, court of appeals, or district court dies, the clerk of district court of the county of the judge's residence shall in writing forthwith notify the state commissioner of elections of such fact.

[C66, 71, 73, 75, 77, 79, 81, §46.12]

89 Acts, ch 18, §1; 2003 Acts, ch 151, §1, 64

Referred to in §602.2301, 602.8102(4)

**46.13 Notice of meetings.**

The chairperson of each judicial nominating commission shall give the members of the commission at least five days' written notice by mail of the time and place of every meeting, except as to members who execute written waivers of notice at or before the meeting or unless the commission at its next previous meeting designated the time and place of the meeting.

[C66, 71, 73, 75, 77, 79, 81, §46.13]

Referred to in §46.5

**46.14 Nomination.**

1. Each judicial nominating commission shall carefully consider the individuals available for judge, and within sixty days after receiving notice of a vacancy shall certify to the governor and the chief justice the proper number of nominees, in alphabetical order. Such nominees shall be chosen by the affirmative vote of a majority of the full statutory number of commissioners upon the basis of their qualifications and without regard to political affiliation. Nominees shall be members of the bar of Iowa, shall be residents of the state or district of the court to which they are nominated, and shall be of such age that they will be able to serve an initial and one regular term of office to which they are nominated before reaching the age of seventy-two years. Nominees for district judge shall file a certified application form, to be provided by the supreme court, with the chairperson of the district judicial nominating commission. Absence of a commissioner or vacancy upon the commission shall not invalidate a nomination. The chairperson of the commission shall promptly certify the names of the nominees, in alphabetical order, to the governor and the chief justice.

2. A commissioner shall not be eligible for nomination by the commission during the term for which the commissioner was elected or appointed to that commission. A commissioner shall not be eligible to vote for the nomination of a family member, current law partner, or current business partner. For purposes of this subsection, *"family member"* means a spouse, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, father, mother, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

[C66, 71, 73, 75, 77, 79, 81, §46.14]

89 Acts, ch 212, §1; 2003 Acts, ch 151, §2

Vacancies in courts and number of nominees, Iowa Constitution, Art. V, §15

**46.14A Court of appeals — nominees.**

Vacancies in the court of appeals shall be filled by appointment by the governor from a list of nominees submitted by the state judicial nominating commission. Three nominees shall be submitted for each vacancy. Nominees to the court of appeals shall have the qualifications prescribed for nominees to the supreme court.

2007 Acts, ch 86, §1

**46.15 Appointments to be from nominees.**

1. All appointments to the supreme court and court of appeals shall be made from the nominees of the state judicial nominating commission, and all appointments to the district court shall be made from the nominees of the district judicial nominating commission.

2. If the governor fails to make an appointment within thirty days after a list of nominees has been submitted, the appointment shall be made from the list of nominees by the chief justice of the supreme court.

[C66, 71, 73, 75, 77, 79, 81, §46.15]

83 Acts, ch 186, §10021, 10201; 2007 Acts, ch 86, §2

Vacancies in courts and number of nominees, Iowa Constitution, Art. V, §15

**46.16 Terms of judges.**

1. Subject to sections 602.1610 and 602.1612 and to removal for cause:

*a.* The initial term of office of judges of the supreme court, court of appeals, and district court shall be for one year after appointment and until January 1 following the next judicial election after expiration of such year; and

*b.* The regular term of office of judges of the supreme court retained at a judicial election shall be eight years, and of judges of the court of appeals and district court so retained shall be six years, from the expiration of their initial or previous regular term as the case may be.

2. Subject to removal for cause, the initial term of office of a district associate judge shall be for one year after appointment and until January 1 following the next judicial election after expiration of such year, and the regular term of office of a district associate judge retained at a judicial election shall be six years from the expiration of the initial or previous regular term, as the case may be.

3. Subject to removal for cause, the initial term of office of a full-time associate juvenile judge or a full-time associate probate judge shall be for one year after appointment and until January 1 following the next judicial election after expiration of such year, and the regular term of office of a full-time associate juvenile judge or a full-time associate probate judge retained at a judicial election shall be six years from the expiration of the initial or previous regular term, as the case may be.

[C66, 71, §46.16; C73, 75, 77, 79, §46.16, 602.29; C81, §46.16]

83 Acts, ch 186, §10022, 10201; 99 Acts, ch 93, §1, 15; 2003 Acts, ch 151, §3, 65; 2008 Acts, ch 1031, §22

Referred to in §602.6305, 602.7103C, 633.20C

**46.17 Time of judicial election.**

Judicial elections shall be held at the time of the general election.

[C66, 71, 73, 75, 77, 79, 81, §46.17]

Referred to in §602.1216, 602.6305, 602.7103C, 633.20C

**46.18 Eligibility of voters.**

Electors entitled to vote at the general election shall be entitled to vote at the judicial election. All voting procedures provided by chapter 53 for absent voting by armed forces in general elections shall be applicable to judicial elections.

[C66, 71, 73, 75, 77, 79, 81, §46.18]

Referred to in §602.1216, 602.6305, 602.7103C, 633.20C

**46.19 Election registers.**

The election registers used for the general election shall also constitute the election registers for the judicial election.

[C66, 71, 73, 75, 77, 79, 81, §46.19]

Referred to in §602.1216, 602.6305, 602.7103C, 633.20C

**46.20 Declaration of candidacy.**

At least one hundred four days before the judicial election preceding expiration of the initial or regular term of office, a judge of the supreme court, court of appeals, or district court including district associate judges, full-time associate juvenile judges, or full-time associate probate judges, or a clerk of the district court who is required to stand for retention under section 602.1216 may file a declaration of candidacy with the state commissioner of elections to stand for retention or rejection at that election. If a judge or clerk fails to file the declaration, the office shall be vacant at the end of the term. District associate judges, full-time associate juvenile judges, and full-time associate probate judges filing the declaration shall stand for retention in the judicial election district of their residence.

[C66, 71, 73, 75, 77, 79, 81, §46.20]

83 Acts, ch 186, §10023, 10201; 89 Acts, ch 136, §29; 99 Acts, ch 93, §2

Referred to in §602.1216, 602.6305, 602.7103C, 633.20C

**46.21 Conduct of elections.**

At least sixty-nine days before each judicial election, the state commissioner of elections shall certify to the county commissioner of elections of each county a list of the judges of the supreme court, court of appeals, and district court including district associate judges, full-time associate juvenile judges, and full-time associate probate judges, and clerks of the district court to be voted on in each county at that election. The county commissioner of elections shall place the names upon the ballot in the order in which they appear in the certificate. The state commissioner of elections shall rotate the names in the certificate by county. The names of all judges and clerks to be voted on shall be placed upon one ballot, which shall be in substantially the following form:

STATE OF IOWA
JUDICIAL BALLOT
(Date)

VOTE ON ALL NAMES BY PLACING AN X IN THE APPROPRIATE BOX AFTER EACH NAME.

SUPREME COURT

Shall the following judges of the supreme court be retained in office?

CANDIDATE'S NAME YES ☐ NO ☐
CANDIDATE'S NAME YES ☐ NO ☐

COURT OF APPEALS

Shall the following judges of the court of appeals be retained in office?

CANDIDATE'S NAME YES ☐ NO ☐
CANDIDATE'S NAME YES ☐ NO ☐

DISTRICT COURT

Shall the following judge, associate judge, associate juvenile judge, or associate probate judge of the district court be retained in office?

CANDIDATE'S NAME YES ☐ NO ☐

Shall the following clerk of the district court be retained in office?

CANDIDATE'S NAME YES ☐ NO ☐

[C66, 71, 73, 75, 77, 79, 81, §46.21]

83 Acts, ch 186, §10024, 10201; 89 Acts, ch 136, §30; 99 Acts, ch 93, §3; 2004 Acts, ch 1083, §2, 37

Referred to in §602.1216, 602.6305, 602.7103C, 633.20C
Voting mark generally, see §49.92

**46.22 Voting.**

Voting at judicial elections shall be by separate paper ballot or optical scan ballot in the space provided for public measures. If separate paper ballots are used, the election judges shall offer a ballot to each voter. If optical scan ballots are used, either a separate ballot or a distinct heading may be used to distinguish the judicial ballot. Separate ballot boxes for the general election ballots and the judicial election ballots are not required. The general election ballot and the judicial election ballot may be voted in the same voting booth.

[C66, 71, 73, 75, 77, 79, 81, §46.22]

90 Acts, ch 1238, §10; 2007 Acts, ch 190, §18; 2009 Acts, ch 57, §11

Referred to in §602.1216, 602.6305, 602.7103C, 633.20C

**46.23 General election and absent voter laws.**

So far as applicable, general election and absent voter laws shall apply to judicial elections. An application for an absent voter ballot for a general election shall also constitute an application for an absent voter ballot for a judicial election to be held at the same time, and the ballots shall be mailed or delivered to the voter together. The sealed envelope transmitted by the absent voter to the county commissioner of elections containing the absent voter general election ballot may also contain the judicial election ballot.

[C66, 71, 73, 75, 77, 79, 81, §46.23]

Referred to in §602.1216, 602.6305, 602.7103C, 633.20C

**46.24 Results of election.**

A judge of the supreme court, court of appeals, or district court including a district associate judge, full-time associate juvenile judge, or full-time associate probate judge, or a clerk of the district court must receive more affirmative than negative votes to be retained in office. When the poll is closed, the election judges shall publicly canvass the vote forthwith. The board of supervisors shall canvass the returns on the Monday or Tuesday after the election, and shall promptly certify the number of affirmative and negative votes on each judge or clerk to the state commissioner of elections.

The state board of canvassers shall, at the time of canvassing the vote cast at a general election, open and canvass all of the returns for the judicial election. Each judge of the supreme court, court of appeals, or district court including a district associate judge, full-time associate juvenile judge, or full-time associate probate judge, or a clerk of the district court who has received more affirmative than negative votes shall receive from the state board of canvassers an appropriate certificate so stating.

[C66, 71, 73, 75, 77, 79, 81, §46.24]

83 Acts, ch 186, §10025, 10201; 90 Acts, ch 1238, §11; 99 Acts, ch 93, §4; 2000 Acts, ch 1154, §8

Referred to in §331.383, 602.1216, 602.6305, 602.7103C, 633.20C

**46.25 Eligible elector defined.**

As used in this chapter, the term *"eligible elector"* has the meaning assigned that term by section 39.3.

[C75, 77, 79, 81, §46.25]

# CHAPTER 47

## ELECTION COMMISSIONERS

Referred to in §39.3, 39A.1, 39A.2, 39A.4, 39A.6, 43.5, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 331.505, 357J.16, 360.1, 372.2, 376.1

Chapter applicable to primary elections, §43.5
See also definitions in §39.3


47.1 State commissioner of elections.
47.2 County commissioner of elections.
47.3 Election expenses.
47.4 Election filing deadlines.
47.5 Purchasing by competitive bidding.
47.6 Election dates — conflicts — public measures.
47.7 State registrar of voters.
47.8 Voter registration commission — composition — duties.
47.9 Voting machine reimbursement fund. Repealed by 2008 Acts, ch 1176, §8, 10.
47.10 Optical scan voting system fund.


**47.1 State commissioner of elections.**

1. The secretary of state is designated as the state commissioner of elections and shall supervise the activities of the county commissioners of elections. There is established within the office of the secretary of state a division of elections which shall be under the direction of the state commissioner of elections. The state commissioner of elections may appoint a person to be in charge of the division of elections who shall perform the duties assigned by the state commissioner of elections. The state commissioner of elections shall prescribe uniform election practices and procedures, shall prescribe the necessary forms required for the conduct of elections, shall assign a number to each proposed constitutional amendment and statewide public measure for identification purposes, and shall adopt rules, pursuant to chapter 17A, to carry out this section.

2. The state commissioner of elections may exercise emergency powers over any election being held in a district in which either a natural or other disaster or extremely inclement weather has occurred. The state commissioner of elections may also exercise emergency powers during an armed conflict involving United States armed forces, or mobilization of those forces, or if an election contest court finds that there were errors in the conduct of an election making it impossible to determine the result.

3. The secretary of state is designated the chief state election official and is responsible for coordination of state responsibilities under the federal National Voter Registration Act of 1993.

4. The state commissioner shall adopt rules describing the emergency powers and the situations in which the powers will be exercised.

5. The state commissioner shall adopt rules pursuant to chapter 17A, for the implementation of uniform and nondiscriminatory administrative complaint procedures for resolution of grievances relating to violations of Tit. III of Pub. L. No. 107-252. In complaint proceedings in which all of the respondents are local election officials, the presiding officer shall be the state commissioner of elections. In complaint proceedings in which one of the respondents is the state commissioner of elections, the presiding officer shall be a panel consisting of all members of the state voter registration commission appointed pursuant to section 47.8, except the state commissioner of elections or the state commissioner's designee.

[C71, §49A.6; C73, 75, 77, 79, 81, §47.1; 81 Acts, ch 34, §8]

91 Acts, ch 129, §10; 93 Acts, ch 143, §9; 94 Acts, ch 1169, §45; 2004 Acts, ch 1083, §3, 37; 2010 Acts, ch 1061, §180

Referred to in §39.3, 42.1, 47.8
See also §68A.201(4)

**47.2 County commissioner of elections.**

1. The county auditor of each county is designated as the county commissioner of elections in each county. The county commissioner of elections shall conduct voter registration pursuant to chapter 48A and conduct all elections within the county.

2. When an election is to be held as required by law or is called by a political subdivision of the state and the political subdivision is located in more than one county, the county commissioner of elections of the county having the greatest taxable base within the political subdivision shall conduct that election. The county commissioners of elections of the other counties in which the political subdivision is located shall cooperate with the county commissioner of elections who is conducting the election.

3. The commissioner may designate as a deputy county commissioner of elections any officer of a political subdivision who is required by law to accept nomination papers filed by candidates for office in that political subdivision, and when so designated that person shall assist the commissioner in administering elections conducted by the commissioner for that subdivision. The designation of a person as a deputy commissioner of elections pursuant to this section, once made, shall continue in effect until the designation is withdrawn by the commissioner.

4. The commissioner shall assign each local public measure a letter for identification purposes. The public measure on the ballot shall be identified by the letter.

*a.* The county commissioner who is responsible under subsection 2 for conducting the elections held for a political subdivision which lies in more than one county shall assign the letter to the public measure.

*b.* The county commissioners of elections of the other counties in which the political subdivision is located shall not assign the same letter to a local public measure on the ballot in their counties during the same election.

5. The office of county auditor or county commissioner of elections in each county shall be open for at least eight hours on the Saturday preceding a general election, primary election, or special election called by the governor for the purpose of receiving absentee ballots and conducting other official business relating to the election.

6. On the final date for filing nomination papers in the commissioner's office the office shall be open until the time for receiving nomination papers has passed.

[C73, 75, 77, 79, 81, §47.2; 81 Acts, ch 34, §9]

84 Acts, ch 1291, §3; 89 Acts, ch 136, §31; 94 Acts, ch 1169, §46; 2008 Acts, ch 1032, §201

Referred to in §39.3, 48A.2, 49.51, 50.48, 52.25, 53.40, 68A.102, 260C.15, 277.6, 277.20, 331.661, 331.753, 376.6

**47.3 Election expenses.**

1. The costs of conducting a special election called by the governor, general election, and the primary election held prior to the general election shall be paid by the county.

2. The cost of conducting other elections shall be paid by the political subdivision for which the election is held. The costs shall include but not be limited to the printing of the ballots and the election register, publication of notices, printing of declaration of eligibility affidavits, compensation for precinct election boards, canvass materials, and the preparation and installation of voting equipment. The county commissioner of elections shall certify to the county board of supervisors a statement of cost for an election. The cost shall be assessed by the county board of supervisors against the political subdivision for which the election was held.

3. *a.* Costs of registration and administrative and clerical costs shall not be charged as a part of the election costs.

*b.* If automatic tabulating equipment is used in any election, the county commissioner of elections shall not charge any political subdivision of the state a rental fee for the use of any automatic tabulating equipment.

4. The cost of maintenance of voter registration records and of preparation of election registers and any other voter registration lists required by the commissioner in the discharge of the duties of that office shall be paid by the county. Administrative and clerical costs incurred by the registrar in discharging the duties of that office shall be paid by the state.

[C97, §1129; S13, §1129, 2754; SS15, §1087-a5; C24, §560, 835, 4203; C27, §560, 718-b18, 4203; C31, 35, §560, 718-b18, 4216-c15; C39, §**560, 718.18, 4216.15;** C46, 50, 54, 58, 62, 66, 71, §43.32, 48.18, 49.118, 277.15; C73, §43.32, 47.3, 277.15; C75, 77, 79, 81, §47.3]

2009 Acts, ch 57, §12

Referred to in §275.26, 331.383

For compensation of precinct election officials, see §49.20

**47.4 Election filing deadlines.**

If the deadline for a filing pertaining to an election falls on a day that the state or county commissioner's office is closed for business, the deadline shall be extended to the next day that the office of state commissioner or county commissioner is open for business to receive the filing. This section does not apply to the deadline for voter registration under section 48A.9, subsection 2.

97 Acts, ch 170, §10

**47.5 Purchasing by competitive bidding.**

1. Except for legal services and printing of ballots, the commissioner shall take bids for goods and services which are needed in connection with registration of voters or preparation for or administration of elections and which will be performed or provided by persons who are not employees of the commissioner under the following circumstances:

*a.* In any case where it is proposed to purchase data processing services. The commissioner shall give the registrar written notice in advance on each occasion when it is proposed to have data processing services, necessary in connection with the administration of elections, performed by any person other than the registrar or an employee of the county. Such notice shall be made at least thirty days prior to publication of the specifications.

*b.* In all other cases, where the cost of the goods or services to be purchased will exceed one thousand dollars.

2. When it is proposed to purchase any goods or services, other than data processing services, in connection with administration of elections, the commissioner shall publish notice to bidders, including specifications regarding the goods or services to be purchased or a description of the nature and object of the services to be retained, in a newspaper of general circulation in the county not less than fifteen days before the final date for submission of bids. When competitive bidding procedures are used, the purchase of goods or services shall be made from the lowest responsible bidder which meets the specifications or description of the services needed or the commissioner may reject all bids and readvertise. In determining the lowest responsible bidder, various factors may be considered, including but not limited to the past performance of the bidder relative to quality of product or service, the past experience of the purchaser in relation to the product or service, the relative quality of products or services, the proposed terms of delivery and the best interest of the county.

3. The procedure for purchasing data processing services in connection with administration of elections is the same as prescribed in subsection 2, except that the required copy of the bid specifications shall be filed with the registrar rather than the state commissioner. The specifications for data processing contracts relative to voter registration records shall be specified by the registration commission. The registrar shall, not later than the final date for submission of bids, inform the commissioner in writing whether the department of administrative services data processing facilities are currently capable of furnishing the services the county proposes to purchase, and if so the cost to the county of so obtaining the services as determined in accordance with the standard charges adopted by the registration commission. The commissioner, with approval of the board of supervisors, may reject all bids and enter into an arrangement with the registrar for the services to be furnished by the state. The commissioner may recommend and the board of supervisors may approve purchasing the needed services from the lowest responsible bidder; however, if the needed services could be obtained through the registrar at a lower cost, the board shall publish notice twice in a newspaper of general circulation in the county of its intent to accept such bid and of the difference in the amount of the bid and the cost of purchasing the needed services from the department of administrative services data processing facilities through the registrar. Each contract for the furnishing of data processing services necessary in connection with the administration of elections, by any person other than the registrar or an employee of the county, shall be executed with the contractor by the board of supervisors of the county purchasing the services, but only after the contract has been reviewed and approved by the registration commission. The contract shall be of not more than one year's duration. Each county exercising the option to purchase such data processing services from a provider other than the registrar shall provide the registrar, at the county's expense,

original and updated voter registration lists in a form and at times prescribed by rules adopted by the registration commission.

4. Any election or registration data or records which may be in the possession of a contractor shall remain the property of the commissioner. Contracts with a private person relating to the maintenance and use of voter registration data, which were properly entered into in compliance with this section and with all other laws relating to bidding on such contracts, shall remain in force only until the most recently negotiated termination date of that contract. A new contract with the same provider may be entered into in accordance with subsection 3.

[C75, 77, 79, 81, §47.5]

86 Acts, ch 1245, §312; 95 Acts, ch 103, §1, 2; 97 Acts, ch 170, §11, 12; 2003 Acts, ch 145, §286

**47.6 Election dates — conflicts — public measures.**

1. *a.* (1) The governing body of a political subdivision which has authorized a special election to which section 39.2, subsections 1, 2, and 3, are applicable shall by written notice inform the commissioner who will be responsible for conducting the election of the proposed date of the special election.

(a) If a public measure will appear on the ballot at the special election, the governing body shall submit the complete text of the public measure to the commissioner with the notice of the proposed date of the special election.

(b) If the proposed date of the special election coincides with the date of a regularly scheduled election or previously scheduled special election, the notice shall be given no later than 5:00 p.m. on the last day on which nomination papers may be filed with the commissioner for the regularly scheduled election or previously scheduled special election, but in no case shall notice be less than thirty-two days before the election. Otherwise, the notice shall be given at least forty-six days in advance of the date of the proposed special election.

(2) Upon receiving the notice, the commissioner shall promptly give written approval of the proposed date unless it appears that the special election, if held on that date, would conflict with a regular election or with another special election previously scheduled for that date.

*b.* A public measure shall not be withdrawn from the ballot at any election if the public measure was placed on the ballot by a petition, or if the election is a special election called specifically for the purpose of deciding one or more public measures for a single political subdivision. However, a public measure which was submitted to the county commissioner of elections by the governing body of a political subdivision may be withdrawn by the governing body which submitted the public measure if the public measure was to be placed on the ballot of a regularly scheduled election. The notice of withdrawal must be made by resolution of the governing body and must be filed with the commissioner no later than the last day upon which a candidate may withdraw from the ballot.

2. For the purpose of this section, a conflict between two elections exists only when one of the elections would require use of precinct boundaries which differ from those to be used for the other election, or when some but not all of the registered voters of any precinct would be entitled to vote in one of the elections and all of the registered voters of the same precinct would be entitled to vote in the other election. Nothing in this subsection shall deny a commissioner discretionary authority to approve holding a special election on the same date as another election, even though the two elections may be defined as being in conflict, if the commissioner concludes that to do so will cause no undue difficulties.

3. *a.* A city council, county board of supervisors, school district board of directors, or merged area board of directors that has authorized a public measure to be submitted to the voters at a special election held pursuant to section 39.2, subsection 4, shall file the full text of the public measure with the commissioner no later than 5:00 p.m. on the forty-sixth day before the election.

*b.* If there are vacancies in county offices to be filled at the special election, candidates

shall file their nomination papers with the commissioner not later than 5:00 p.m. on the forty-sixth day before the election.

*c.* If there are vacancies in city offices to be filled at the special election, candidates shall file their nomination papers with the city clerk not later than 5:00 p.m. on the forty-seventh day before the election. The city clerk shall deliver the nomination papers to the commissioner not later than 5:00 p.m. on the forty-sixth day before the election. Candidates for city offices in cities in which a primary election may be necessary shall file their nomination papers with the city clerk not later than 5:00 p.m. on the fifty-fourth day before the election. The city clerk shall deliver the nomination papers to the commissioner not later than 5:00 p.m. on the fifty-third day before the election.

[C77, 79, 81, §47.6]

89 Acts, ch 136, §32; 90 Acts, ch 1238, §12; 93 Acts, ch 143, §10; 95 Acts, ch 67, §53; 97 Acts, ch 170, §13; 2008 Acts, ch 1032, §145; 2008 Acts, ch 1115, §25, 26, 71; 2009 Acts, ch 57, §13; 2010 Acts, ch 1033, §12, 56

Referred to in §39.2, 275.25, 372.9

**47.7 State registrar of voters.**

1. The state commissioner of elections is designated the state registrar of voters, and shall regulate the preparation, preservation, and maintenance of voter registration records, the preparation of precinct election registers for all elections administered by the commissioner of any county, and the preparation of other data on voter registration and participation in elections which is requested and purchased at actual cost of preparation and production by a political party or any resident of this state. The registrar shall maintain a log, which is a public record, showing all lists and reports which have been requested or generated or which are capable of being generated by existing programs of the data processing services of the registrar. In the execution of the duties provided by this chapter, the state registrar of voters shall provide the maximum public access to the electoral process permitted by law.

2. *a.* On or before January 1, 2006, the state registrar of voters shall implement in a uniform and nondiscriminatory manner, a single, uniform, official, centralized, interactive computerized statewide voter registration file defined, maintained, and administered at the state level that contains the name and registration information of every legally registered voter in the state and assigns a unique identifier to each legally registered voter in the state. The state voter registration system shall be coordinated with other agency databases within the state, including, but not limited to, state department of transportation driver's license records, judicial records of convicted felons and persons declared incompetent to vote, and Iowa department of public health records of deceased persons.

*b.* On or after January 1, 2007, a county shall not establish or maintain a voter registration system separate from the state voter registration system. Each county shall provide to the state registrar the names, voter registration information, and voting history of each registered voter in the county in the form required by the state registrar.

*c.* A state or local election official may obtain immediate electronic access to the information contained in the computerized voter registration file. All voter registration information obtained by a local election official shall be electronically entered into the computerized voter registration file on an expedited basis at the time the information is provided to the local election official. The state registrar shall provide such support as may be required to enable local election officials to electronically enter the information into the computerized voter registration file on an expedited basis. The list generated from the computerized file shall serve as the official voter registration list for the conduct of all elections for federal office in the state.

*d.* The state registrar shall prescribe by rule the procedures for access to the state voter registration file, security requirements, and access protocols for adding, changing, or deleting information from the state voter registration file.

[C77, 79, 81, §47.7; 81 Acts, ch 34, §10]

83 Acts, ch 176, §1, 10; 86 Acts, ch 1245, §313; 94 Acts, ch 1169, §47; 98 Acts, ch 1217, §34; 2004 Acts, ch 1083, §4, 37; 2006 Acts, ch 1003, §1, 2

Referred to in §39.3

**47.8 Voter registration commission — composition — duties.**

1. A state voter registration commission is established which shall meet at least quarterly to make and review policy, adopt rules, and establish procedures to be followed by the registrar in discharging the duties of that office, and to promote interagency cooperation and planning.

*a.* The commission shall consist of the state commissioner of elections or the state commissioner's designee, the state chairpersons of the two political parties whose candidates for president of the United States or governor, as the case may be, received the greatest and next greatest number of votes in the most recent general election, or their respective designees, and a county commissioner of registration appointed by the president of the Iowa state association of county auditors, or an employee of the commissioner.

*b.* The commission membership shall be balanced by political party affiliation pursuant to section 69.16. Members shall serve without additional salary or reimbursement.

*c.* The state commissioner of elections, or the state commissioner's designee, shall serve as chairperson of the state voter registration commission.

2. The registration commission shall prescribe the forms required for voter registration by rules promulgated pursuant to chapter 17A.

3. *a.* The registrar shall provide staff services to the commission and shall make available to it all information relative to the activities of the registrar's office in connection with voter registration policy which may be requested by any commission member. The registrar shall also provide to the commission at no charge statistical reports for planning and analyzing voter registration services in the state.

*b.* The commission may authorize the registrar to employ such additional staff personnel as it deems necessary to permit the duties of the registrar's office to be adequately and promptly discharged. Such personnel shall be employed pursuant to chapter 8A, subchapter IV.

4. The registration commission shall annually adopt a set of standard charges to be made for the services the registrar is required to offer to the several commissioners, and for furnishing of voter registration records which are requested by persons other than the registrar, the state commissioner or any commissioner pursuant to section 48A.38. These charges shall be sufficient to reimburse the state for the actual cost of furnishing such services or information, and shall be specified by unit wherever possible. The standard charges shall be adopted by the commission by January 15 of each calendar year.

5. In complaint proceedings held pursuant to section 47.1 in which one of the respondents is the state commissioner of elections, the presiding officer shall be a panel consisting of all members of the state voter registration commission, except the state commissioner of elections or the state commissioner's designee.

[C77, 79, 81, §47.8]

93 Acts, ch 143, §11; 94 Acts, ch 1169, §48; 95 Acts, ch 189, §6, 7; 2003 Acts, ch 145, §152; 2004 Acts, ch 1083, §5, 37; 2008 Acts, ch 1032, §146

Referred to in §39.3, 47.1

**47.9 Voting machine reimbursement fund.** Repealed by 2008 Acts, ch 1176, § 8, 10.

**47.10 Optical scan voting system fund.**

An optical scan voting system fund is established in the office of the treasurer of state under the control of the secretary of state. Moneys in the fund are appropriated to the office of the secretary of state for purchase and distribution of optical scan voting system equipment to counties to assist county compliance with section 52.2. The secretary of state, in consultation with the department of administrative services, shall establish a procedure for purchasing and distributing the equipment.

2008 Acts, ch 1176, §1, 10; 2011 Acts, ch 34, §168

# CHAPTER 48

RESERVED

# CHAPTER 48A

## VOTER REGISTRATION

Referred to in §39.3, 39A.1, 39A.2, 39A.3, 39A.4, 39A.6, 43.5, 47.2, 53.38, 53.53, 232C.4, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 331.424, 331.505, 331.557A, 357J.16, 360.1, 368.1, 372.2, 376.1

Chapter applicable to primary elections, §43.5
See also definitions in §39.3

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## SUBCHAPTER I

## GENERAL PROVISIONS

**48A.1 Statement of intent.**

It is the intent of the general assembly to facilitate the registration of eligible residents of this state through the widespread availability of voter registration services. This chapter and other statutes relating to voter registration are to be liberally construed toward this end.

94 Acts, ch 1169, §1

**48A.2 Definitions.**

The definitions established by this section and section 39.3 shall apply wherever the terms so defined appear in this chapter, unless the context in which any such term is used clearly requires otherwise.

1. "*Commissioner of registration*" means the county commissioner of elections as defined in section 47.2.

2. "*Homeless person*" means a person who lacks a fixed, regular, and adequate nighttime residence and who has a primary nighttime residence that is one of the following:

*a.* A supervised publicly or privately operated shelter designed to provide temporary living accommodations.

*b.* An institution that provides a temporary residence for persons intended to be institutionalized.

*c.* A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

3. "*Person who is incompetent to vote*" means a person with an intellectual disability who has been found to lack the mental capacity to vote in a proceeding held pursuant to section 222.31 or 633.556.

4. "*Voter registration agency*" means an agency designated to conduct voter registration under section 48A.19. Offices of the office of driver services of the state department of transportation are not voter registration agencies.

5. "*Voter registration form*" means an application to register to vote which must be completed by or on behalf of any person registering to vote. The voter registration form may also be used to make changes to an existing voter registration record.

6. "*Voter registration list*" means a compilation of voter registration records produced, upon request, from the electronic voter registration file or by viewing, upon request, the original, completed voter registration applications and forms.

94 Acts, ch 1169, §2; 96 Acts, ch 1129, §14; 98 Acts, ch 1185, §1; 2002 Acts, ch 1134, §17, 115; 2007 Acts, ch 59, §39, 43; 2009 Acts, ch 57, §14; 2012 Acts, ch 1019, §5

Referred to in §321.1, 331.394, 602.8102(15)

For future amendment to subsection 3, effective July 1, 2014, see 2013 Acts, ch 130, §16, 35

Section not amended; footnote added

**48A.3 Commissioner of registration.**

The county commissioner of elections is designated the commissioner of registration for the county, and may appoint deputies and assistants, subject to the approval of the county board of supervisors, necessary to carry out the commissioner's responsibilities under this chapter and under rules of the state voter registration commission and the state registrar of voters.

94 Acts, ch 1169, §3

**48A.4 Qualification of officers.**

Before undertaking any voter registration duties, each voter registration officer, deputy, or assistant in whatever capacity, or clerk in the office of commissioner shall take an oath in the form prescribed by the state commissioner of elections.

94 Acts, ch 1169, §4

SUBCHAPTER II

QUALIFICATIONS TO REGISTER TO VOTE

**48A.5 Voter qualifications.**

1. An eligible elector wishing to vote in elections in Iowa shall register to vote as required by this chapter.

2. To be qualified to register to vote an eligible elector shall:

*a.* Be a citizen of the United States.

*b.* Be an Iowa resident. A person's residence, for voting purposes only, is the place which the person declares is the person's home with the intent to remain there permanently or for a definite, or indefinite or indeterminable length of time. A person who is homeless or has no established residence may declare residence in a precinct by describing on the voter registration form a place to which the person often returns.

*c.* Be at least eighteen years of age. Completed registration forms shall be accepted from registrants who are at least seventeen and one-half years of age; however, the registration shall not be effective until the registrant reaches the age of eighteen. The commissioner of registration shall ensure that the birth date shown on the registration form is at least seventeen and one-half years earlier than the date the registration is processed. A registrant who is at least seventeen and one-half years of age and who will be eighteen by the date of a pending election is a registered voter for the pending election for purposes of chapter 53.

*d.* Not claim the right to vote in more than one place. A registrant shall be presumed to revoke any earlier claim of residence for voter registration purposes.

3. If a person who meets the requirements set forth in subsection 2 moves to a new residence, either in Iowa or outside Iowa, and does not meet the voter requirements at the person's new residence, the person may vote at the person's former precinct in Iowa until the person meets the voter requirements of the person's new residence. However, a person who has moved to a new residence and fails to register to vote at the person's new residence after becoming eligible to do so shall not be entitled to vote at the person's former precinct in Iowa.

4. A citizen of the United States who lives outside of the United States has the right to register and vote as if the person were a resident of a precinct in Iowa if the citizen was an eligible elector of Iowa immediately before leaving the United States. A citizen who was not old enough to register to vote before leaving the United States but who met all of the other requirements for voter registration at that time also has the right to register and vote as if the person were a resident of a precinct in Iowa. This right applies even though while living outside the United States the citizen does not have a residence or other address in the precinct, and the citizen has not determined whether to return to Iowa. To qualify to vote in Iowa a United States citizen living outside the United States shall:

*a.* Comply with all applicable requirements of sections 53.37 to 53.53 relating to absentee ballots for members of the armed forces and other citizens living outside the United States.

*b.* Not maintain a residence, shall not be registered to vote, and shall not vote in any other state, territory, or possession of the United States.

*c.* Possess a valid passport or identity card and registration issued under authority of the United States secretary of state, or, if the citizen does not possess a valid passport or card of identity or registration, an alternative form of identification consistent with the provisions of applicable federal and state requirements.

5. If a United States citizen living outside the United States meets the requirements for voting, except for residence, has never lived in the United States, and has a parent who meets

the definition of a member of the armed forces of the United States under section 53.37, the citizen is eligible to register to vote and vote at the same voting residence claimed by the citizen's parent.

6. The deadlines for voter registration shall not apply to a person who has been discharged from military service within thirty days preceding the date of an election. The person shall present to the precinct election official a copy of the person's discharge papers. The person shall complete a voter registration form and give it to the official before being permitted to vote.

94 Acts, ch 1169, §5; 2007 Acts, ch 59, §40, 43; 2010 Acts, ch 1033, §13, 56
Referred to in §53.37
Iowa Constitution, Art. II, §1

**48A.5A Determination of residence.**

Residence shall be determined in accordance with the following principles:

1. The residence of a person is in the precinct where the person's home or dwelling is located.

2. A residence for purposes of this chapter cannot be established in a commercial or industrial building that is not normally used for residential purposes unless the building is used as a primary nighttime residence.

3. A person does not lose residence if the person leaves the person's home to reside temporarily in another state or precinct.

4. If a person goes to another state or precinct and files an affidavit of residence in that state or precinct for election purposes, the person loses residence in the former state or precinct, unless the person moved to the other state after that state's deadline for registering to vote in a particular election.

5. A student who resides at or near the school the student attends, but who is also able to claim a residence at another location under the provisions of this section, may choose either location as the student's residence for voter registration and voting purposes.

6. If an active member of the United States armed forces, as defined by section 53.37, has previously resided at a location that meets the requirements of this section, that person may claim either that previous residence or the person's current residence as the person's residence for voter registration and voting purposes.

7. Notwithstanding subsections 1 through 6, the residence of a homeless person is in the precinct where the homeless person usually sleeps. Residence requirements shall be construed liberally to provide homeless persons with the opportunity to register to vote and to vote.

8. A person's declaration of residency for voter registration and voting purposes is presumed to be valid unless a preponderance of evidence indicates that another location should be considered the person's voting residence under the provisions of this chapter.

94 Acts, ch 1169, §6
Iowa Constitution, Art. II, §1

**48A.6 Disqualified electors.**

The following persons are disqualified from registering to vote and from voting:

1. A person who has been convicted of a felony as defined in section 701.7, or convicted of an offense classified as a felony under federal law. If the person's rights are later restored by the governor, or by the president of the United States, the person may register to vote.

2. A person who is incompetent to vote. Certification by the clerk of the district court that any such person has been found no longer incompetent by a court shall qualify such person to again be an elector, subject to the other provisions of this chapter.

94 Acts, ch 1169, §7; 98 Acts, ch 1185, §2; 2002 Acts, ch 1134, §18, 115
Referred to in §53.37
Proceedings regarding competency to vote, see §222.16, 229.27, 633.556
Restoration of rights by governor, see chapter 914

**48A.7 Registration in person.**

An eligible elector may register to vote by appearing personally and completing a voter registration form at the office of the commissioner in the county in which the person resides,

at a motor vehicle driver's license station, including any county treasurer's office that is participating in county issuance of driver's licenses under chapter 321M, or at any voter registration agency. A separate registration form shall be signed by each individual registrant.

94 Acts, ch 1169, §8; 98 Acts, ch 1073, §12; 98 Acts, ch 1143, §12, 26

**48A.7A Election day and in-person absentee registration.**

1. *a.* A person who is eligible to register to vote and to vote may register on election day by appearing in person at the polling place for the precinct in which the individual resides and completing a voter registration application, making written oath, and providing proof of identity and residence.

*b.* (1) For purposes of this section, a person may establish identity and residence by presenting to the appropriate precinct election official a current and valid Iowa driver's license or Iowa nonoperator's identification card or by presenting any of the following current and valid forms of identification if such identification contains the person's photograph and a validity expiration date:

(a) An out-of-state driver's license or nonoperator's identification card.

(b) A United States passport.

(c) A United States military identification card.

(d) An identification card issued by an employer.

(e) A student identification card issued by an Iowa high school or an Iowa postsecondary educational institution.

(2) If the photographic identification presented does not contain the person's current address in the precinct, the person shall also present one of the following documents that shows the person's name and current address in the precinct:

(a) Residential lease.

(b) Property tax statement.

(c) Utility bill.

(d) Bank statement.

(e) Paycheck.

(f) Government check.

(g) Other government document.

*c.* In lieu of paragraph "*b*", a person wishing to vote may establish identity and residency in the precinct by written oath of a person who is registered to vote in the precinct. The registered voter's oath shall attest to the stated identity of the person wishing to vote and that the person is a current resident of the precinct. The oath must be signed by the attesting registered voter in the presence of the appropriate precinct election official. A registered voter who has signed an oath on election day attesting to a person's identity and residency as provided in this paragraph is prohibited from signing any further oaths as provided in this paragraph on that day.

2. The oath required in subsection 1, paragraph "*a*", and in paragraph "*c*", if applicable, shall be attached to the voter registration application.

3. At any time before election day, and after the deadline for registration in section 48A.9, a person who appears in person at the commissioner's office or at a satellite absentee voting station or whose ballot is delivered to a health care facility pursuant to section 53.22 may register to vote and vote an absentee ballot by following the procedure in this section for registering to vote on election day. A person who wishes to vote in person at the polling place on election day and who has not registered to vote before the deadline for registering in section 48A.9, is required to register to vote at the polling place on election day following the procedure in this section. However, the person may complete the voter registration application at the commissioner's office and, after the commissioner has reviewed the completed application, may present the application to the appropriate precinct election official along with proof of identity and residency.

4. *a.* The form of the written oath required of the person registering under this section shall read as follows:

I, ..... (name of registrant), do solemnly swear or affirm all of the following:

I am a resident of the ..... precinct, ..... ward or township, city of ....., county of ....., Iowa.

I am the person named above.

I live at the address listed below.

I do not claim the right to vote anywhere else.

I have not voted and will not vote in any other precinct in this election.

I understand that any false statement in this oath is a class "D" felony punishable by no more than five years in confinement and a fine of at least seven hundred fifty dollars but not more than seven thousand five hundred dollars.

.....
Signature of Registrant

.....
Address

.....
Telephone (optional to provide)

Subscribed and sworn before me on ..... (date).

.....
Signature of Precinct Election Official

*b.* The form of the written oath required of a person attesting to the identity and residency of the registrant shall read as follows:

I, ..... (name of registered voter), do solemnly swear or affirm all of the following:

I am a preregistered voter in this precinct or I registered to vote in this precinct today, and a registered voter did not sign an oath on my behalf. I have not signed an oath attesting to the identity and residence of any other person in this election.

I am a resident of the ..... precinct, ..... ward or township, city of ....., county of ....., Iowa.

I reside at ..... (street address) in ..... (city or township).

I personally know ..... (name of registrant), and I personally know that ..... (name of registrant) is a resident of the ..... precinct, ..... ward or township, city of ....., county of ....., Iowa.

I understand that any false statement in this oath is a class "D" felony punishable by no more than five years in confinement and a fine of at least seven hundred fifty dollars but not more than seven thousand five hundred dollars.

.....
Signature of Registered Voter

Subscribed and sworn before me on ..... (date).

.....
Signature of Precinct Election Official

2007 Acts, ch 35, §2, 7; 2007 Acts, ch 215, §242; 2008 Acts, ch 1115, §73 – 75
Referred to in §39A.2, 48A.9, 48A.14, 48A.25A, 48A.26, 48A.26A, 49.11, 49.77, 49.79, 53.2

**48A.8 Registration by mail.**

1. An eligible elector may request that a voter registration form be mailed to the elector. The completed form may be mailed or delivered by the registrant or the registrant's designee

to the commissioner in the county where the person resides. A separate voter registration form shall be signed by each individual registrant.

2. An eligible elector who registers by mail and who has not previously voted in an election for federal office in the county of registration shall be required to provide identification documents when voting for the first time in the county, unless the registrant provided on the registration form the registrant's Iowa driver's license number, or the registrant's Iowa nonoperator's identification card number, or the last four numerals of the registrant's social security number and the driver's license, nonoperator's identification, or partial social security number matches an existing state or federal identification record with the same number, name, and date of birth. If the registrant under this subsection votes in person at the polls, or by absentee ballot at the commissioner's office or at a satellite voting station, the registrant shall provide a current and valid photo identification card, or shall present to the appropriate election official one of the following current documents that shows the name and address of the registrant:

*a.* Utility bill.

*b.* Bank statement.

*c.* Paycheck.

*d.* Government check.

*e.* Other government document.

3. If the registrant under subsection 2 votes an absentee ballot by mail, the registrant shall provide a photocopy of one of the documents listed in subsection 2 when returning the absentee ballot.

4. A registrant under subsection 2 who is required to present identification when casting a ballot in person shall be permitted to vote a provisional ballot if the voter does not provide the required identification documents. If a voter who is required to present identification when casting a ballot votes an absentee ballot by mail, the ballot returned by the voter shall be considered a provisional ballot pursuant to sections 49.81 and 53.31.

94 Acts, ch 1169, §9; 2004 Acts, ch 1083, §6, 37; 2009 Acts, ch 57, §15

Referred to in §48A.25A, 48A.37, 49.81, 53.38

**48A.9 Voter registration deadlines.**

1. Registration closes at 5:00 p.m. eleven days before each election except primary and general elections. For primary and general elections, registration closes at 5:00 p.m. ten days before the election. An eligible elector may register during the time registration is closed in the elector's precinct but the registration shall not become effective until registration opens again in the elector's precinct, except as otherwise provided in section 48A.7A.

2. The commissioner's office shall be open from 8:00 a.m. until at least 5:00 p.m. on the day registration closes before each regularly scheduled election. However, if the last day to register to vote for a regularly scheduled election falls on the day after Thanksgiving, the deadline shall be the following Monday.

3. A registration form submitted by mail shall be considered on time if it is postmarked no later than the fifteenth day before the election, even if it is received by the commissioner after the deadline, or if the registration form is received by the commissioner no later than 5:00 p.m. on the last day to register to vote for an election, even if it is postmarked after the fifteenth day before the election.

4. Registration forms submitted to voter registration agencies, to motor vehicle driver's license stations, and to county treasurer's offices participating in county issuance of driver's licenses under chapter 321M shall be considered on time if they are received no later than 5:00 p.m. on the day registration closes for that election. Offices or agencies other than the county commissioner's office are not required to be open for voter registration purposes at times other than their usual office hours.

94 Acts, ch 1169, §10; 98 Acts, ch 1073, §12; 98 Acts, ch 1143, §13, 26; 2002 Acts, ch 1134, §19, 115; 2007 Acts, ch 35, §3, 7

Referred to in §47.4, 48A.7A, 48A.26, 53.2

**48A.10 Registration required.**

If a registered voter moves to a different county, the person shall submit a completed voter registration form to the commissioner in order to be qualified to vote in that county. An otherwise eligible elector whose right to vote has been restored pursuant to chapter 914 or who has been found not to be a person who is incompetent to vote may register to vote.

94 Acts, ch 1169, §11; 98 Acts, ch 1185, §3; 2002 Acts, ch 1134, §20, 115

SUBCHAPTER III

FORMS AND PROCEDURES FOR
VOTER REGISTRATION

**48A.11 Voter registration form.**

1. Each voter registration form shall provide space for the registrant to provide the following information:

*a.* The county where the registrant resides.

*b.* The registrant's name, including first name and any family forename or surname.

*c.* The address at which the registrant resides and claims as the registrant's residence for voting purposes.

*d.* The registrant's mailing address if it is different from the residence address.

*e.* Iowa driver's license number if the registrant has a current and valid Iowa driver's license, Iowa nonoperator's identification card if the registrant has a current and valid Iowa nonoperator's identification card, or the last four numerals of the registrant's social security number. If the registrant does not have an Iowa driver's license number, an Iowa nonoperator's identification card number, or a social security number, the form shall provide space for a number to be assigned as provided in subsection 8.

*f.* Date of birth, including month, date, and year.

*g.* Sex.

*h.* Residential telephone number (optional to provide).

*i.* Political party affiliation as defined in section 43.2 or nonparty political organization affiliation if approved for inclusion on the form pursuant to section 44.18.

*j.* The name and address appearing on the registrant's previous voter registration.

*k.* A space for a registrant who is homeless or who has no established residence to provide such information as may be necessary to describe a place to which the person often returns.

*l.* A statement that lists each eligibility requirement, contains an attestation that the registrant meets all of the requirements, and requires the signature of the registrant under penalty of perjury.

*m.* A space for the registrant's signature and the date signed.

2. The voter registration form shall include, in print that is identical to the attestation portion of the form, the following:

*a.* Each voter eligibility requirement.

*b.* The penalty provided by law for submission of a false voter registration form, which shall be the penalty for perjury as provided by section 902.9, subsection 1, paragraph "*e*".

3. The following questions and statement regarding eligibility shall be included on forms that may be used for registration by mail:

*a.* "Are you a citizen of the United States of America?"

*b.* "Will you be eighteen years of age on or before election day?"

*c.* "If you checked 'no' in response to either of these questions, do not complete this form."

4. Voter registration forms used by voter registration agencies under section 48A.19 shall include the following statements:

*a.* If a person declines to register to vote, the fact that the person has declined to register will remain confidential and will be used only for voter registration purposes.

*b.* If a person does register to vote, the office at which the registrant submits a voter registration form will remain confidential and the information will be used only for voter registration purposes.

5. Voter registration forms may be on paper or electronic media.

6. All forms for voter registration shall be prescribed by the state voter registration commission.

7. A person who has been designated to have power of attorney by a registrant does not have authority to sign a voter registration form, except as otherwise provided in section 39.3, subsection 17.

8. A voter registration application lacking the registrant's name, sex, date of birth, residence address or description, or signature shall not be processed. A voter registration application lacking the registrant's Iowa driver's license number, Iowa nonoperator's identification card number, or the last four digits of the registrant's social security number shall not be processed. A registrant whose registration is not processed pursuant to this subsection shall be notified pursuant to section 48A.26, subsection 3. A registrant who does not have an Iowa driver's license number, an Iowa nonoperator's identification number, or a social security number and who notifies the registrar of such shall be assigned a unique identifying number that shall serve to identify the registrant for voter registration purposes.

94 Acts, ch 1169, §12; 2002 Acts, ch 1134, §21, 115; 2004 Acts, ch 1083, §7 – 12, 37; 2004 Acts, ch 1175, §355; 2005 Acts, ch 19, §18; 2007 Acts, ch 59, §41, 43; 2008 Acts, ch 1115, §76, 77; 2013 Acts, ch 30, §235

Referred to in §48A.26, 48A.37, 53.2

Subsection 2, paragraph b amended

**48A.12 Federal mail voter registration form.**

1. The mail voter registration form prescribed by the federal election assistance commission shall be accepted for voter registration in Iowa if all required information is provided, if it is signed by the registrant, and if the form is timely received.

2. The state commissioner of elections shall make the federal mail voter registration forms available for distribution to governmental and private entities, with particular emphasis on making them available to organized voter registration entities and programs.

94 Acts, ch 1169, §13; 2008 Acts, ch 1115, §78

**48A.13 Electronic signatures on voter registration records.**

Electronic signatures shall be accepted. However, before the use of electronic signatures is accepted on voter registration forms, the state voter registration commission shall prescribe by rule the technological requirements for guaranteeing the security and integrity of electronic signatures.

94 Acts, ch 1169, §14

**48A.14 Challenges of voter registrations.**

1. The registration of a registered voter may be challenged by another registered voter of the same county subject to the conditions and limitations of this section. A challenge shall be a statement in writing to the commissioner alleging one or more of the following reasons the challenged registrant's registration should not have been accepted or should be canceled:

*a.* The challenged registrant is not a citizen of the United States.

*b.* The challenged registrant is less than seventeen and one-half years of age.

*c.* The challenged registrant is not a resident at the address where the registrant is registered.

*d.* The challenged registrant has falsified information on the registrant's registration form.

*e.* The challenged registrant has been convicted of a felony, and the registrant's voting rights have not been restored.

*f.* The challenged registrant has been adjudged by a court of law to be a person who is incompetent to vote and no subsequent proceeding has reversed that finding.

2. A challenge shall not contain allegations against more than one registered voter.

3. A challenge shall contain a statement signed by the challenger in substantially the following form:

I am a registered voter in (name of county) County, Iowa. I swear or affirm that information contained on this challenge is true. I understand that knowingly filing a challenge containing false information is an aggravated misdemeanor.

4. A challenge may be filed at any time. A challenge filed less than seventy days before a regularly scheduled election shall not be processed until after the pending election unless the challenge is filed within twenty days of the commissioner's receipt of the challenged registrant's registration form or notice of change to an existing registration. A challenge filed against a person registering to vote pursuant to section 48A.7A is considered a challenge to a person offering to vote and must be filed under section 49.79.

5. A challenger may withdraw a challenge at any time before the hearing held pursuant to section 48A.16 by notifying the commissioner in writing of the withdrawal.

94 Acts, ch 1169, §15; 95 Acts, ch 67, §7; 98 Acts, ch 1185, § 4; 2002 Acts, ch 1134, §22, 115; 2008 Acts, ch 1115, §85

Referred to in §39A.3, 48A.15

**48A.15 Commissioner's action upon receipt of challenge or withdrawal.**

1. A challenge is valid if it meets the criteria in section 48A.14, subsections 1, 2, and 3.

2. Upon receipt of a challenge which is not valid, the commissioner shall notify the challenger of the reason the challenge is not valid, and shall take no further action regarding the challenge.

3. Upon receipt of a valid challenge, the commissioner shall, within five working days, notify the challenged registrant and the challenger of the date, time, and place of a hearing on the matter of the challenge, to be held not less than twenty nor more than thirty days from the commissioner's receipt of the challenge. The notice of a hearing shall include a copy of the challenge, and shall advise the challenged registrant that the registrant may personally appear at the hearing, or may submit to the commissioner before the hearing evidence, documentation, or statements refuting the challenge.

4. The notice prescribed by subsection 3 shall be sent by first class forwardable mail to the challenged registrant at the registrant's most recent mailing address according to the registration records.

5. If the challenge is withdrawn, the commissioner shall immediately notify the challenged registrant of the withdrawal, and shall cancel the scheduled hearing.

6. If the challenged registrant notifies the commissioner that the challenged registrant wishes to appear in person but is unable to do so on the date scheduled, the commissioner may reschedule the hearing.

94 Acts, ch 1169, §16

**48A.16 Hearing on challenge — appeal.**

1. At the time and place fixed for the hearing, the commissioner shall accept evidence on the challenge from the challenger and the challenged registrant, or from any person appearing on behalf of either, and review any documents or statements pertaining to the challenge received before the hearing. On the basis of the evidence submitted, the commissioner shall either reject the challenge or cancel the registration of the challenged registrant. Either the challenged registrant or the challenger may appeal the commissioner's decision to the district court in the commissioner's county, and the decision of the court shall be final.

2. If a challenged registrant does not personally appear at the hearing and the challenged registrant's registration is canceled, the commissioner shall immediately notify the challenged registrant of the cancellation by first class forwardable mail sent to the challenged registrant's most recent mailing address according to the registration records.

94 Acts, ch 1169, §17

Referred to in §48A.14

## SUBCHAPTER IV

## PLACES TO REGISTER

**48A.17 Registration at commissioner's office.**

A person who meets the qualifications to vote may appear in person at the office of the county commissioner of registration and apply to register to vote.

94 Acts, ch 1169, §18

**48A.18 Voter registration at motor vehicle driver's license stations.**

1. Each state motor vehicle driver's license application, including any renewal application or application for a nonoperator's identification card, submitted to the office of driver services of the state department of transportation shall serve as an application for voter registration unless the applicant declines to register to vote. A completed voter registration form submitted to the office of driver services of the state department of transportation shall be considered to update any previous voter registration by the registrant.

2. A change of address form submitted to the office of driver services of the state department of transportation shall serve as a change of address for voter registration purposes unless the registrant states on the form that the change of address is not for voter registration purposes.

3. Information relating to the refusal of an applicant for a driver's license to apply to register to vote shall not be used for any purpose other than voter registration.

4. Forms and procedures used by the office of driver services for voter registration and a schedule for transmission of voter registration forms from the office to the county commissioner of registration shall be prescribed by the state voter registration commission by rule.

5. A county treasurer's office participating in county issuance of driver's licenses pursuant to chapter 321M shall participate in voter registration under this section to the same extent as a license facility of the state department of transportation.

94 Acts, ch 1169, §19; 98 Acts, ch 1073, §12; 98 Acts, ch 1143, §14, 26

**48A.19 Voter registration agencies.**

1. The following state agencies are responsible for voter registration:

*a.* All state offices that have direct client contact and provide applications for public assistance, including but not limited to offices administering the following programs:

(1) Food stamps.

(2) Medical assistance under chapter 249A.

(3) Iowa family investment program.

(4) Special supplemental food program for women, infants, and children.

*b.* (1) All offices that provide state-funded programs primarily engaged in providing services to persons with disabilities, including but not limited to all of the following:

(a) Department for the blind.

(b) Division of vocational rehabilitation services of the department of education.

(c) Office of deaf services of the department of human rights or its successor agency.

(d) Office of persons with disabilities of the department of human rights or its successor agency.

(2) An agency designated a voter registration agency under this paragraph which provides services to persons with disabilities in their homes shall provide voter registration services at the clients' homes.

*c.* Other federal and state agencies designated to provide voter registration services include, but are not limited to, the United States armed forces recruiting offices.

2. Agencies designated to provide voter registration services shall provide the following services:

*a.* Distribution of a voter registration form either on paper or electronic medium.

*b.* Assistance to registrants in completing voter registration forms, unless the registrant refuses assistance.

*c.* Acceptance of completed voter registration forms for transmittal as required in section 48A.21.

3. The voter registration agency shall provide voter registration services with each application for services or assistance and with each recertification, renewal, or change of address form completed relating to the agency's services. The secretary of state shall adopt administrative rules in cooperation with voter registration agencies to carry out the requirements of this section.

4. *a.* The voter registration agency shall provide a form to applicants that includes all of the following:

(1) The question:

If you are not registered to vote where you live now, would you like to apply to register to vote here today?

(2) If the agency provides public assistance, the statement:

Applying to register or declining to register to vote will not affect the amount of assistance that you will be provided by this agency.

(3) (a) Boxes for the applicant to check and choices in substantially the following form:

☐ I want to register to vote.
☐ I do not want to register to vote.

(b) The following statement shall be printed near the choices and shall be printed in large, readable type:

If you do not check either box, you will be considered to have decided not to register to vote at this time.

(4) (a) The statement:

If you would like help in filling out the voter registration form, we will help you. The decision whether to seek or accept help is yours. You may fill out the application form in private.

(b) However, in those voter registration agencies where electronic forms are used, the following statement shall be used:

If you want to fill out the form in private, a separate paper form for voter registration will be provided.

(5) (a) The statement:

If you believe that someone has interfered with your right to register or to decline to register to vote, your right to privacy in deciding whether to register or in applying to register to vote, or your right to choose your own political party or other political preference, you may file a complaint with the state voter registration commission.

(b) The name, address, and telephone number of the voter registration commission shall complete the statement.

*b.* The voter registration agency may distribute the voter registration form either on paper or by electronic medium.

5. The voter registration agency shall provide each applicant who chooses to register to

vote the same degree of assistance in completing the registration form as is provided by the office for the completion of its own forms unless the applicant refuses such assistance.

6. Completed voter registration forms shall be transmitted as provided in section 48A.21.

94 Acts, ch 1169, §20; 2008 Acts, ch 1032, §201

Referred to in §48A.2, 48A.11

**48A.20 Prohibited acts by voter registration agency employees.**

A person who provides voter registration services as required by this subchapter shall not:

1. Seek to influence an applicant's political preference or party registration.
2. Display a political preference or party affiliation.
3. Make any statement to an applicant or take any action which has the purpose or effect of discouraging the applicant from registering to vote.
4. Make any statement to an applicant or take any action which has the purpose or effect of leading the applicant to believe that a decision to register or not to register to vote has any bearing on the availability of services or benefits.

94 Acts, ch 1169, §21

**48A.21 Transmission of forms from agencies and driver's license stations.**

The state registrar of voters shall adopt administrative rules regulating the transmission of completed voter registration forms from voter registration agencies and from driver's license stations, including county treasurer's offices participating in county issuance of driver's licenses under chapter 321M. All completed voter registration applications in the possession of a voter registration agency, a driver's license station, or a county treasurer's office that is participating in county issuance of driver's licenses at 5:00 p.m. on the last workday of each week shall be transmitted to the location designated by the state registrar of voters by rule. Procedures or requirements for more frequent transmissions may be specified by rule.

94 Acts, ch 1169, §22; 98 Acts, ch 1073, §12; 98 Acts, ch 1143, §15, 26

Referred to in §48A.19

Section not amended; editorial change applied

**48A.22 Voter registration by volunteer organizations.**

The secretary of state shall encourage volunteer organizations to undertake voter registration drives by providing registration forms.

94 Acts, ch 1169, §23; 97 Acts, ch 170, §14

**48A.23 Registration at educational institutions.**

1. At least twice during each school year, the board of directors of each school district operating a high school and the authorities in charge of each accredited nonpublic school shall offer the opportunity to register to vote to each student who is at least seventeen and one-half years of age.
2. All postsecondary schools, including but not limited to colleges, universities, and trade and technical schools which receive state funding, shall offer the opportunity to register to vote to each student at least once each year. Students shall be provided with the federal voter registration form or the Iowa voter registration form, as applicable.

94 Acts, ch 1169, §24

Referred to in §280.9A

**48A.24 Voter registration forms in income tax returns and booklets.** Repealed by 2004 Acts, ch 1073, § 51. See § 421.17(28).

**48A.25 Compensation for assistance in completing registration forms.**

A person may pay, offer to pay, or accept compensation for assisting others in completing voter registration forms only if the compensation is based solely on the time spent providing the assistance.

Paying, offering to pay, or receiving compensation based on the number of registration forms completed, or the party affiliations shown on completed registration forms, or on any other performance criteria, is unlawful.

This section shall not apply to state statutory political committees, as defined in section 43.111.

This section shall not apply to state and political subdivision employees who are required to offer assistance to clients as a part of their regular job duties, and who shall not be granted additional compensation for voter registration activities. A person assisting another in completing a voter registration form shall not complete any portion of the form without the knowledge or consent of the registrant.

94 Acts, ch 1169, §26; 2002 Acts, ch 1071, §8

Referred to in §39A.4

**48A.25A Verification of voter registration information.**

1. *a.* Upon receipt of an application for voter registration, the commissioner of registration shall compare the Iowa driver's license number, the Iowa nonoperator's identification card number, or the last four numerals of the social security number provided by the registrant with the records of the state department of transportation. To be verified, the voter registration record shall contain the same name, date of birth, and Iowa driver's license number or Iowa nonoperator's identification card number or whole or partial social security number as the records of the state department of transportation. If the information cannot be verified, the application shall be recorded and the status of the voter's record shall be designated as pending status. The commissioner of registration shall notify the applicant that the applicant is required to present identification described in section 48A.8, subsection 2, before voting for the first time in the county. If the information can be verified, a record shall be made of the verification and the status of the voter's record shall be designated as active status.

*b.* This subsection shall not apply to applications received from registrants pursuant to section 48A.7A.

2. The voter registration commission shall adopt rules in accordance with chapter 17A to provide procedures for processing registration applications if the state department of transportation does not, before the close of registration for an election for which the voter registration would be effective, if verified, provide a report that the information on the application has matched or not matched the records of the department.

3. This section does not apply to persons described in section 53.37 who are entitled to register to vote and to vote.

2004 Acts, ch 1083, §13, 37; 2004 Acts, ch 1175, §356; 2005 Acts, ch 19, §19; 2007 Acts, ch 59, §42, 43; 2009 Acts, ch 57, §16

Referred to in §48A.26, 48A.37, 53.38

## SUBCHAPTER V

## PROCESSING VOTER REGISTRATION RECORDS

Referred to in §50.19

**48A.26 Acknowledgment of registration form.**

1. *a.* Except as otherwise provided in paragraph *"b"*, within seven working days of receipt of a voter registration form or change of information in a voter registration record the commissioner shall send an acknowledgment to the registrant at the mailing address shown on the registration form. The acknowledgment shall be sent by nonforwardable mail.

*b.* For a voter registration form or change of information in a voter registration record submitted at a precinct caucus, the commissioner shall send an acknowledgment within forty-five days of receipt of the form or change of information.

2. If the registration form appears on its face to be complete and proper, the acknowledgment shall state that the registrant is now a registered voter of the county. The acknowledgment shall also specify the name of the precinct and the usual polling place for the precinct in which the person is now registered. The acknowledgment may include the political party affiliation most recently recorded by the registrant.

3. If the registration form is missing required information pursuant to section 48A.11,

subsection 8, the acknowledgment shall advise the applicant what additional information is required. The commissioner shall enclose a new registration form for the applicant to use. If the registration form has no address, the commissioner shall make a reasonable effort to determine where the acknowledgment should be sent. If the incomplete registration form is received during the period in which registration is closed pursuant to section 48A.9 but by 5:00 p.m. on the Saturday before the election for general and primary elections or by 5:00 p.m. on the Friday before the election for all other elections, the commissioner shall send a notice advising the applicant of election day and in-person absentee registration procedures under section 48A.7A.

4. If the registrant applied by mail to register to vote and did not answer either "yes" or "no" to the question in section 48A.11, subsection 3, paragraph "*a*", the application shall be processed. If the application is complete and proper in all other respects and information on the application is verified, as required by section 48A.25A, the applicant shall be registered to vote and sent an acknowledgment.

5. If the registrant applied by mail to register to vote and answered "no" to the question in section 48A.11, subsection 3, paragraph "*a*", the application shall not be processed. The acknowledgment shall advise the applicant that the registration has been rejected because the applicant indicated on the registration form that the applicant is not a citizen of the United States.

6. If the acknowledgment is returned as undeliverable by the United States postal service, the commissioner shall follow the procedure described in section 48A.29, subsection 1.

7. If a registrant has not supplied enough information on a registration form for the commissioner to determine the correct precinct and other districts, the commissioner shall obtain the information as quickly as possible either from the registrant or other sources available to the commissioner.

8. An improperly addressed or delivered registration form shall be forwarded to the appropriate county commissioner of registration within two working days after it is received by any other official. The date of registration shall be the date the registration form was received by the first official. If the registration form was postmarked fifteen or more days before an election and the registration form was received by the first official after the close of registration, the registration form shall be considered on time for the election.

9. When a person who is at least seventeen and one-half years of age but less than eighteen years of age registers to vote, the commissioner shall maintain a record of the registration so as to clearly indicate that it will not take effect until the registrant's eighteenth birthday and that the person is registered and qualifies to vote at any election held on or after that date.

94 Acts, ch 1169, §27; 97 Acts, ch 170, §15; 2004 Acts, ch 1083, §14, 15, 37; 2008 Acts, ch 1115, §79; 2009 Acts, ch 57, §17

Referred to in §48A.11, 48A.26A

**48A.26A Acknowledgment of election day and in-person absentee registration form.**

1. Within forty-five days of receiving a voter registration form completed under section 48A.7A, the commissioner shall send an acknowledgment to the registrant, in the manner provided in section 48A.26, subsections 2 through 5, as applicable, at the mailing address shown on the registration form. The acknowledgment shall be sent by nonforwardable mail.

2. If the acknowledgment is returned as undeliverable by the postal service, the commissioner shall attempt to contact the voter by forwardable mail. If a response is not received from the voter within fourteen days after the notice is mailed, the commissioner shall change the status of the registration to inactive status and shall immediately notify the state registrar of voters and the county attorney.

2007 Acts, ch 35, §4, 7

Referred to in §48A.37

**48A.27 Changes to voter registration records.**

1. Any voter registration form received by any voter registration agency, driver's license station, including county treasurer's offices participating in county issuance of driver's

licenses under chapter 321M, or the commissioner shall be considered as updating the registrant's previous registration.

2. *a.* A person who is registered to vote may request changes in the voter's registration record at any time by submitting one of the following, as applicable:

(1) A signed, written notice to the county commissioner in person, by mail, by facsimile, or by electronic mail.

(2) A completed Iowa or federal mail registration form to the county commissioner.

(3) On election day, a registration form to the precinct election officials at the precinct of the voter's current residence.

(4) A change of address form to the office of driver services of the state department of transportation, or to a county treasurer's office that is participating in county issuance of driver's licenses under chapter 321M.

(5) A change of address notice for voter registration submitted to any voter registration agency.

*b.* If a registered voter submits a change of name, telephone number, or address under this subsection, the commissioner shall not change the political party or nonparty political organization affiliation in the registered voter's prior registration unless otherwise indicated by the registered voter.

3. The commissioner shall make the necessary changes in the registration records without any action by the registrant when any of the following events occur:

*a.* Annexation of territory by a city. When an existing city annexes territory, the city clerk shall furnish the commissioner a detailed map of the annexed territory. If a city is divided into wards for voting purposes, the detailed map shall show the ward designations for the annexed territory. The commissioner shall change the registration of persons residing in that territory to reflect the annexation and the city precinct to which each of those persons is assigned. If the commissioner cannot determine the names and addresses of the persons affected by the annexation, the commissioner shall send each person who may be involved a letter informing the person that the person's registration may be in error, and requesting that each person provide the commissioner with the information necessary to correct the registration records.

*b.* Change of official street name or house or building number by a city or county. When the city or county changes the name of a street or the number of a house or other building in which a person resides, the city clerk or county board of supervisors shall inform the commissioner of the change, and the commissioner shall change the registration of each person affected.

*c.* Incorporation or discontinuance of a city. When a new city is incorporated or an existing city is discontinued, the city clerk shall notify the commissioner. The commissioner shall change the registration of each person affected.

*d.* Change of rural route designation of the residence of the registered voter. The commissioner shall request each postmaster in the county to inform the commissioner of each change in rural route designation and the names of the persons affected, and the commissioner shall change the registration of each person as appropriate.

4. *a.* A commissioner, either independently or in cooperation with the state registrar of voters, and in accordance with rules of the state voter registration commission, may enter into an agreement with a licensed vendor of the United States postal service participating in the national change of address program to identify registered voters of the county who may have moved either within or outside the county.

*b.* If the information provided by the vendor indicates that a registered voter has moved to another address within the county, the commissioner shall change the registration records to show the new residence address, and shall also mail a notice of that action to the new address. The notice shall be sent by forwardable mail, and shall include a postage prepaid preaddressed return form by which the registered voter may verify or correct the address information.

*c.* If the information provided by the vendor indicates that a registered voter has moved to an address outside the county, the commissioner shall make the registration record inactive, and shall mail a notice to the registered voter at the new address.

(1) The notice shall be sent by forwardable mail, and shall include a postage paid preaddressed return card on which the registered voter may state the registered voter's current address.

(2) The notice shall contain a statement in substantially the following form:

Information received from the United States postal service indicates that you are no longer a resident of, and therefore not eligible to vote in (name of county) County, Iowa. If this information is not correct, and you still live in (name of county) County, please complete and mail the attached postage paid card at least ten days before the primary or general election and at least eleven days before any other election at which you wish to vote. If the information is correct and you have moved, please contact a local official in your new area for assistance in registering there. If you do not mail in the card, you may be required to show identification before being allowed to vote in (name of county) County. If you do not return the card, and you do not vote in an election in (name of county) County, Iowa, on or before (date of second general election following the date of the notice) your name will be removed from the list of voters in that county.

*d.* If the information provided by the vendor indicates the registered voter has moved to another county within the state, the notice required by paragraph "*c*" shall include a statement that registration in the county of the person's current residence is required.

*e.* If a registered voter returns a card sent pursuant to this subsection and confirms that the registered voter has moved to a new residence outside the county, the commissioner shall cancel the registration of the voter.

*f.* If a registered voter returns a card sent pursuant to this subsection and states that the registered voter's residence address has not changed for the purpose of voter registration, the commissioner shall reinstate the record to active status, making any other changes directed by the registrant in the notice.

5. The commissioner shall keep a record of the names and addresses of the registered voters to whom notices under this section are sent and the date of the notice. When the return card from a notice is received by the commissioner, the commissioner shall record the date it was received and whether the registrant had moved within the county, moved to an address outside the county, or had not changed residence.

94 Acts, ch 1169, §28; 97 Acts, ch 170, §16 – 18; 98 Acts, ch 1073, §12; 98 Acts, ch 1143, §16, 17, 26; 2002 Acts, ch 1134, §23, 24, 115; 2008 Acts, ch 1032, §147; 2008 Acts, ch 1115, §80; 2009 Acts, ch 41, §24; 2009 Acts, ch 57, §18, 97; 2010 Acts, ch 1033, §14

Referred to in §48A.28, 49.79

2009 amendments to subsection 4, paragraphs b and c, take effect April 10, 2009, and apply to notices mailed on or after that date; 2009 Acts, ch 57, §97

**48A.28 Systematic confirmation program.**

1. Each commissioner shall conduct a systematic program that makes a reasonable effort to remove from the official list of registered voters the names of registered voters who have changed residence from their registration addresses. Either or both of the methods described in this section may be used.

2. *a.* A commissioner may participate in the United States postal service national change of address program, as provided in section 48A.27. The state voter registration commission shall adopt rules establishing specific requirements for participation and use of the national change of address program.

*b.* A commissioner participating in the national change of address program, in the first quarter of each calendar year, shall send a notice and preaddressed, postage paid return card by forwardable mail to each registered voter whose name was not reported by the national change of address program and who has not voted in two or more consecutive general elections and has not registered again, or who has not reported a change to an existing registration, or who has not responded to a notice from the commissioner or registrar during the period between and following the previous two general elections. The form and language of the notice and return card shall be specified by the state voter registration commission

by rule. A registered voter shall not be sent a notice and return card under this subsection more frequently than once in a four-year period.

3. *a.* For a commissioner who is not participating in the national change of address program, in February of each year the commissioner shall mail a confirmation notice to each registered voter in the county. The notice shall be sent by forwardable mail. The notice shall include a preaddressed, postage paid return card for the use of the registered voter or the recipient of the notice. The card shall contain boxes for the recipient to check to indicate one of the following:

(1) That the recipient is the registered voter named on the card, and is still a resident at the address listed.

(2) That the recipient is the registered voter named on the card, but is no longer a resident of the address listed.

(3) That the recipient is not the registered voter named on the card, and the registered voter named on the card is not a resident of the address listed.

*b.* The form and language of the confirmation notice and return card shall be specified by the state voter registration commission by rule.

94 Acts, ch 1169, §29; 97 Acts, ch 170, §19, 20; 2002 Acts, ch 1134, §25, 115; 2004 Acts, ch 1083, §16, 37; 2008 Acts, ch 1032, §201

Referred to in §48A.29, 48A.37

**48A.29 Procedure upon return of confirmation card.**

1. If a confirmation notice and return card sent pursuant to section 48A.28 is returned as undeliverable by the United States postal service, the commissioner shall make the registration record inactive and shall mail a notice to the registered voter at the registered voter's most recent mailing address, as shown by the registration records.

*a.* The notice shall be sent by forwardable mail, and shall include a postage paid preaddressed return card on which the registered voter may state the registered voter's current address.

*b.* The notice shall contain a statement in substantially the following form:

Information received from the United States postal service indicates that you are no longer a resident of (residence address) in (name of county) County, Iowa. If this information is not correct, and you still live in (name of county) County, please complete and mail the attached postage paid card at least ten days before the primary or general election and at least eleven days before any other election at which you wish to vote. If the information is correct, and you have moved, please contact a local official in your new area for assistance in registering there. If you do not mail in the card, you may be required to show identification before being allowed to vote in (name of county) County. If you do not return the card, and you do not vote in some election in (name of county) County, Iowa, on or before (date of second general election following the date of the notice) your name will be removed from the list of voters in that county.

2. When a detachable return card originally attached to a confirmation notice is returned indicating that the registered voter is still a resident of the address shown on the registration records, the commissioner shall make a record of the date the card was received.

3. When a detachable return card originally attached to a confirmation notice is returned by anyone other than the registered voter indicating that the registered voter is no longer a resident of the registration address, the commissioner shall make the registration record inactive, and shall mail a notice to the registered voter at the registered voter's most recent mailing address, as shown by the registration records.

*a.* The notice shall be sent by forwardable mail, and shall include a postage paid preaddressed return card on which the registered voter may state the registered voter's current address.

*b.* The notice shall contain a statement in substantially the following form:

Information received by this office indicates that you are no longer a resident of (residence address) in (name of county) County, Iowa. If the information is not correct, and you still live at that address, please complete and mail the attached postage paid card at least ten days before the primary or general election and at least eleven days before any other election at which you wish to vote. If the information is correct, and you have moved within the county, you may update your registration by listing your new address on the card and mailing it back. If you have moved outside the county, please contact a local official in your new area for assistance in registering there. If you do not mail in the card, you may be required to show identification before being allowed to vote in (name of county) County. If you do not return the card, and you do not vote in some election in (name of county) County, Iowa, on or before (date of second general election following the date of the notice) your name will be removed from the list of registered voters in that county.

94 Acts, ch 1169, §30; 97 Acts, ch 170, §21, 22; 2002 Acts, ch 1134, §26, 115; 2003 Acts, ch 44, §25; 2008 Acts, ch 1032, §148
Referred to in §48A.26, 48A.30, 48A.37

**48A.30 Cancellation of voter registration.**

1. The voter registration of a registered voter shall be canceled if any of the following occurs:

*a.* The registered voter dies. For the purposes of this subsection, the commissioner may accept as evidence of death a notice from the state registrar of vital statistics forwarded by the state registrar of voters, a written statement from a member of the registered voter's household, an obituary in a newspaper, a written statement from an election official, or a notice from the county recorder of the county where the registered voter died.

*b.* The registered voter registers to vote in another jurisdiction, and the commissioner receives notice of the registration from the registration official in the other jurisdiction.

*c.* The registered voter requests the cancellation in writing. For the purposes of this subsection, a confirmation by the registered voter that the registered voter is no longer a resident of the county constitutes a request for cancellation.

*d.* The clerk of the district court, or the United States attorney, or the state registrar sends notice of the registered voter's conviction of a felony as defined in section 701.7, or conviction of an offense classified as a felony under federal law. The clerk of the district court shall send notice of a felony conviction to the state registrar of voters. The registrar shall determine in which county the felon is registered to vote, if any, and shall notify the county commissioner of registration for that county of the felony conviction.

*e.* The clerk of the district court or the state registrar sends notice that the registered voter has been declared a person who is incompetent to vote under state law.

*f.* The registered voter's registration record has been inactive pursuant to section 48A.29 for two successive general elections.

2. When a registration is canceled pursuant to subsection 1, paragraph "*d*", "*e*", or "*f*", the commissioner shall send a notice of the cancellation to the registered voter.

94 Acts, ch 1169, §31; 98 Acts, ch 1185, §5; 2002 Acts, ch 1134, §27, 28, 115
Referred to in §48A.37

**48A.31 Deceased persons record.**

The state registrar of vital statistics shall transmit or cause to be transmitted to the state registrar of voters, once each calendar quarter, a certified list of all persons seventeen and one-half years of age and older in the state whose deaths have been reported to the bureau of vital records of the Iowa department of public health since the previous list of decedents was certified to the state registrar of voters. The list shall be submitted according to the specifications of the state registrar of voters. The commissioner shall, in the month following the end of a calendar quarter, run the statewide voter registration system's matching program to determine whether a listed decedent was registered to vote in the county and shall immediately cancel the registration of any person named on the list of decedents.

94 Acts, ch 1169, §32; 2002 Acts, ch 1119, §123; 2009 Acts, ch 57, §19

**48A.32 Destruction or removal of canceled voter registration records.**

Twenty-two months after the next general election following the cancellation of a person's voter registration, the commissioner may destroy all records of that person's registration. At the discretion of the commissioner, canceled records may be donated to a historical society if all confidential information has been removed from the records.

94 Acts, ch 1169, §33

Referred to in §48A.35

**48A.33 Declination of registration opportunity.**

When a client or applicant of a voter registration agency declines to register to vote, the record of the declination shall be kept by the voter registration agency for twenty-two months after the next general election after which time the agency may destroy the records.

94 Acts, ch 1169, §34

## SUBCHAPTER VI

## RETENTION AND STORAGE OF VOTER REGISTRATION RECORDS

**48A.34 Confidentiality of certain records.**

Voter registration records are available for public inspection at reasonable times at the office of the county commissioner. The commissioner and any voter registration agency which has custody of voter registration records shall take the necessary steps to ensure that the name of the agency at which the voter registration form was submitted remains confidential.

94 Acts, ch 1169, §35

**48A.35 Voter registration records under control of the commissioner.**

The county commissioner of elections shall be responsible for the maintenance and storage of all paper and electronic voter registration records in the commissioner's custody. Original registration records shall not be removed from the commissioner's office or from any other designated permanent storage location except upon request of a county commissioner or a court order, or as provided by section 48A.32. The state registrar of voters and the state voter registration commission shall adopt administrative rules to implement this section.

94 Acts, ch 1169, §36

**48A.36 Electronic registration record retention in voter registration agencies.**

1. Voter registration agencies and the office of driver services of the state department of transportation may electronically transmit registration data to the state registrar of voters, who shall distribute the information, electronically or otherwise, to the appropriate commissioner in accordance with rules of the state voter registration commission and the state registrar of voters. The state agency originating the registration data shall permanently retain an electronic copy of the form completed by the registrant, including the registrant's signature, and shall develop procedures for the retrieval and printing of that electronic document. A printed copy of an electronic registration document shall be made only upon the agency's receipt of a court order.

2. Upon receipt of electronic registration data under subsection 1, the state registrar of voters shall cause the updating of registration records. The registrar shall notify the appropriate commissioner of the actions taken.

94 Acts, ch 1169, §37; 2004 Acts, ch 1083, §17, 37

**48A.37 Electronic registration records.**

1. Voter registration records shall be maintained in an electronic medium. A history of local election participation shall be maintained as part of the electronic record for at least two general, primary, school, and city elections. Absentee voting shall be recorded for the

previous two general and primary elections. After each election, the county commissioner shall update telephone numbers provided by registered voters pursuant to section 49.77.

2. Electronic records shall include a status code designating whether the records are active, inactive, incomplete, pending, or canceled. Inactive records are records of registered voters to whom notices have been sent pursuant to section 48A.28, subsection 3, and who have not returned the card or otherwise responded to the notice, and those records have been designated inactive pursuant to section 48A.29. Inactive records are also records of registered voters to whom notices have been sent pursuant to section 48A.26A and who have not responded to the notice. Incomplete records are records missing required information pursuant to section 48A.11, subsection 8. Pending records are records of applicants whose applications have not been verified pursuant to section 48A.25A. Canceled records are records that have been canceled pursuant to section 48A.30. All other records are active records. An inactive record shall be made active when the registered voter requests an absentee ballot, votes at an election, registers again, or reports a change of name, address, telephone number, or political party or organization affiliation. An incomplete record shall be made active when a completed application is received from the applicant and verified pursuant to section 48A.25A. A pending record shall be made active upon verification or upon the voter providing identification pursuant to section 48A.8.

94 Acts, ch 1169, §38; 2004 Acts, ch 1083, §18, 37; 2004 Acts, ch 1175, §357; 2007 Acts, ch 35, §5, 7; 2008 Acts, ch 1115, §81; 2009 Acts, ch 57, §20

**48A.38 Lists of voters.**

1. Any person may request of the registrar and shall receive, upon payment of the cost of preparation, a list of registered voters and other data on registration and participation in elections, in accordance with the following requirements and limitations:

*a.* The registrar shall prepare each list requested within fourteen days of receipt of the request, except that the registrar shall not be required to prepare any list within seven days of the close of registration for any regularly scheduled election if the preparation of the list would impede the preparation of election registers for that election.

*b.* Each list shall be as current as possible, but shall in all cases reflect voter activity reported to any commissioner twenty-eight or more days before preparation of the list.

*c.* Each list shall be in the order and form specified by the list purchaser, and shall contain the registration data specified by the list purchaser, provided compliance with the request is within the capability of the record maintenance system used by the registrar.

*d.* Lists prepared shall not include inactive records unless specifically requested by the requester.

*e.* The registrar shall prepare updates to lists at least biweekly, and after the close of registration for a regularly scheduled election, but before the election, if requested to do so at the time a list is purchased. All updates shall be made available to all requesters at the same time, and shall be in the order and form specified by each requester.

*f.* The county commissioner of registration and the state registrar of voters shall remove a voter's whole or partial social security number, as applicable, Iowa driver's license number, or Iowa nonoperator's identification card number from a voter registration list prepared pursuant to this section.

2. The registrar shall update information on participation in an election no later than sixty days after each election.

3. The registrar shall maintain a log of the name, address, and telephone number of every person who receives a list under this section, and of every person who reviews registration records in the office of the registrar. Commissioners of registration shall maintain a similar log in their offices of those who receive a list from the commissioner or who review registration records in the commissioner's office. Logs maintained under this subsection are public records, and shall be available for public inspection at reasonable times.

94 Acts, ch 1169, §39; 2002 Acts, ch 1134, §29, 115; 2004 Acts, ch 1083, §19, 37; 2005 Acts, ch 19, §20; 2009 Acts, ch 57, §21

Referred to in §47.8

**48A.39 Use of registration information.**

Information about individual registrants obtained from voter registration records shall be used only to request the registrant's vote at an election, or for another genuine political purpose, or for a bona fide official purpose by an elected official, or for bona fide political research, but shall not be used for any commercial purposes.

94 Acts, ch 1169, §40; 2002 Acts, ch 1071, §9

Referred to in §39A.4

**48A.40 Reports.** Repealed by 2009 Acts, ch 57, § 96.

SUBCHAPTER VII

CRIMINAL PENALTIES

**48A.41 Criminal penalties.** Repealed by 2002 Acts, ch 1071, § 15. See chapter 39A.

# CHAPTER 49

## METHOD OF CONDUCTING ELECTIONS

Referred to in §39.3, 39A.1, 39A.2, 39A.4, 39A.5, 39A.6, 43.5, 50.1A, 52.1, 52.25, 52.28, 52.31, 145A.7, 176A.16, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 303.49, 346.27, 357.12, 357C.7, 357D.8, 357E.8, 357F.8, 357G.8, 357I.8, 357J.16, 360.1, 372.2, 376.1, 468.502

See also definitions in §39.3
Chapter applicable to primary elections, §43.5
Criminal offenses, see chapter 39A


49.1 Elections included.
49.2 Repealed by 73 Acts, ch 136, §401.
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49.18 Vacancies occurring on election day.
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49.32 Candidates for president in place of electors.
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49.34 Repealed by 75 Acts, ch 81, §154.
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49.42 Repealed by 97 Acts, ch 170, §93.
49.42A Form of official ballot. Repealed by 2009 Acts, ch 57, §96.
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49.113 Repealed by 2002 Acts, ch 1071, §15.
49.114 through 49.118 Reserved.
49.119 Repealed by 2002 Acts, ch 1071, §15.
49.120 Promise of position.
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49.122 Repealed by 84 Acts, ch 1067, §51.
49.123 Courthouse open on election day.
49.124 Training course by commissioner — continuing education program.
49.125 Compensation of trainees.
49.126 Manual by state commissioner.
49.127 Commissioner to examine equipment.
49.128 through 49.130 Reserved.
49.131 Repealed by 86 Acts, ch 1023, §12.

**49.1 Elections included.**

The provisions of this chapter shall apply to all elections except those special elections which by the terms of the statutes authorizing them are exempt from the provisions of this chapter.

[C97, §1088; C24, 27, 31, 35, 39, §**719;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.1]

**49.2** Repealed by 73 Acts, ch 136, § 401.

**49.3 Election precincts.**

Election precincts shall be drawn and named or numbered by the county board of supervisors or the temporary county redistricting commission in all unincorporated portions of each county, and by the city council of each city in which it is necessary or deemed advisable to establish more than one precinct. Precincts established as provided by this chapter shall be used for all elections, except where temporary merger of established precincts is specifically permitted by law for certain elections, and no political subdivision shall concurrently maintain different sets of precincts for use in different types of elections. Election precincts shall be drawn so that:

1. No precinct shall have a total population in excess of three thousand five hundred, as shown by the most recent federal decennial census.

2. Each precinct is contained wholly within an existing legislative district, except:

*a.* When adherence to this requirement would force creation of a precinct which includes the places of residence of fewer than fifty registered voters.

*b.* When the general assembly by resolution designates a period after the federal decennial census is taken and before the next succeeding reapportionment of legislative districts required by Article III, section 35 of the Constitution of the State of Iowa as amended in 1968, during which precincts may be drawn without regard to the boundaries of existing legislative districts.

3. Except as provided in section 49.4, subsection 3, precincts established after July 1, 1994, shall be composed of contiguous territory within a single county. The boundaries of all precincts shall follow the boundaries of areas for which official population figures are available from the most recent federal decennial census.

4. All election districts, including city wards and county supervisor districts, shall be drawn according to the following standards:

*a.* All boundaries, except for supervisor districts for counties using supervisor representation plan "two" pursuant to section 331.209, shall follow precinct boundaries.

*b.* All districts shall be as nearly equal as practicable to the ideal population for the districts as determined by dividing the number of districts to be established into the population of the city or county.

*c.* All districts shall be composed of contiguous territory as compact as practicable.

*d.* Consideration shall not be given to the addresses of incumbent officeholders, political affiliations of registered voters, previous election results, or demographic information other than population head counts, except as required by the Constitution and the laws of the United States.

*e.* Cities shall not be divided into two or more county supervisor districts unless the population of the city is greater than the ideal size of a district. Cities shall be divided into the smallest number of county supervisor districts possible.

[C51, §245; R60, §480; C73, §501, 605; C97, §1090; S13, §1090; C24, 27, 31, 35, 39, §**721, 722, 723;** C46, 50, 54, 58, 62, 66, 71, 73, §49.3, 49.4, 49.5; C75, 77, 79, 81, §49.3]

94 Acts, ch 1179, §4, 5; 95 Acts, ch 67, §53; 99 Acts, ch 17, §1; 2006 Acts, ch 1010, §37; 2010 Acts, ch 1033, §15

Referred to in §49.4, 49.5, 49.6, 49.7, 49.8, 49.11, 273.8, 277.6, 331.210A, 331.383

**49.4 Precincts drawn by county board.**

Where action by the board of supervisors is necessary or deemed advisable by the board of supervisors or the temporary county redistricting commission, the boundaries of precincts shall be definitely fixed by ordinance. A public hearing shall be held before final action is

taken to adopt changes in the precinct boundaries. Notice of the date, time, and place of the hearing shall be given as provided in chapter 21. In the absence of contrary action by the board of supervisors or the temporary county redistricting commission, each civil township which does not include any part of a city of over two thousand population, and the portion of each civil township containing any such city which lies outside the corporate limits of that city or those cities, shall constitute an election precinct. If no action is necessary to change the county election precincts, the board of supervisors shall certify the retained boundaries to the state commissioner, as required by section 49.7.

1. Where a civil township, or the portion of a civil township outside the corporate limits of any city of over two thousand population contained within the civil township, is divided into two or more election precincts, the precincts shall be so drawn that their total populations shall be reasonably equal on the basis of data available from the most recent federal decennial census, except where the division is necessary to comply with section 49.3, subsection 3.

2. Counties using alternative supervisor representation plans "two" or "three", as described in section 331.206, shall be apportioned into single-member supervisor districts on the basis of population. In counties using representation plan "three", the boundaries of supervisor districts shall follow the boundaries of election precincts.

3. *a.* Notwithstanding any other provision of this chapter, Indian settlement land held in trust by the secretary of the interior of the United States for the Sac and Fox tribe of the Mississippi in Iowa and its trust land contiguous to the Indian settlement lying in Tama, Toledo and Indian Village townships of Tama county shall be an election precinct. The polling place of that precinct shall be located on the Indian settlement in a structure designated by the election commissioner of Tama county.

*b.* The Indian settlement precinct shall be redrawn to include land contiguous to the Indian settlement when such land is purchased by the settlement and added to the Indian settlement land held in trust by the secretary of the interior of the United States. Upon recording of the deed transferring the land to the United States in trust, the county recorder shall notify the county commissioner of that fact. If the commissioner is notified more than seventy days before the next scheduled election, the commissioner shall redraw the precinct for that election. The commissioner shall notify the board of supervisors of the redrawn precinct boundaries and shall certify the redrawn boundaries to the state commissioner. Land completely surrounded by the boundaries of the Indian settlement precinct, but not included in the settlement precinct, shall be included in the precinct in which such land was located prior to redrawing of the Indian settlement precinct. The commissioner shall notify registered voters in each of the redrawn precincts of the change in the precincts and the proper polling place for those affected voters.

[C73, §603; C97, §1090; S13, §1090; C24, 27, 31, 35, 39, §**722, 725;** C46, 50, 54, 58, 62, 66, 71, 73, §49.4, 49.7; C75, 77, 79, 81, S81, §49.4; 81 Acts, ch 117, §1203]

94 Acts, ch 1179, §6; 99 Acts, ch 17, §2; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1026, §1

Referred to in §49.3, 49.7, 49.8, 49.11, 273.8, 331.210A, 331.383

**49.5 City precincts.**

The council of a city where establishment of more than one precinct is necessary or deemed advisable shall, at the time required by law, divide the city into the number of election precincts as will best serve the convenience of the voters while promoting electoral efficiency. As used in this section, the term *"the convenience of the voters"* refers to, but is not necessarily limited to, the use of precinct boundaries which can be readily described to and identified by voters and for which there is ease of access by voters to their respective precinct polling places by reasonably direct routes of travel. As used in this section, the term *"promoting electoral efficiency"* means reducing the cost of staffing election precincts by requiring cities to avoid creating more precincts than is reasonably necessary to provide voters access to voting.

The precinct boundaries shall conform to section 49.3 and shall be described in an ordinance adopted by the council within the time required by section 49.7. Before final adoption of any change in election precinct boundaries pursuant to this section or section 49.6, the council shall permit the commissioner not less than seven and not more than

ten days' time to offer written comments to the council on the proposed reprecincting. If the commissioner recommends changes in the proposed reprecincting which the commissioner concludes could better serve the convenience of the voters or could promote electoral efficiency, including lowering election costs, the council shall, if no changes to the reprecincting are made, include reasons in the ordinance for not adopting the proposed changes of the commissioner. A public hearing shall be held before final adoption of the ordinance. Notice of the date, time, and place of the hearing shall be given as provided in chapter 21.

[C97, §1090; S13, §1090; C24, 27, 31, 35, 39, §**723;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.5]

93 Acts, ch 143, §14; 94 Acts, ch 1179, §7, 8; 2001 Acts, ch 50, §1, 2

Referred to in §49.7, 49.8, 49.10, 49.11, 273.8

**49.6 Power to combine township and city precincts.**

Election precincts composed partially of unincorporated territory and partially of all or any part of a city may be established within a single county in any manner which is not contrary to section 49.3. An agreement mutually satisfactory to the board of supervisors or the temporary county redistricting commission and the city council of the city involved shall be adopted and a copy of the agreement shall be submitted to the state commissioner as part of the certification of precinct boundaries required by section 49.7.

[C97, §1090; S13, §1090; C24, 27, 31, 35, 39, §**724;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.6]

94 Acts, ch 1179, §9

Referred to in §49.5, 49.8, 273.8, 331.210A, 331.383

**49.7 Reprecincting schedule and filing requirements.**

Where reprecincting is necessary, city councils and county boards of supervisors or the temporary county redistricting commission shall make any necessary changes in precincts as soon as possible after the redistricting of congressional and legislative districts becomes law.

City councils shall complete any changes in precinct and ward boundaries necessary to comply with sections 49.3 and 49.5 not later than sixty days after the redistricting of congressional and legislative districts becomes law, or September 1 of the year immediately following each year in which the federal decennial census is taken, whichever is later. Different compliance dates may be set by the general assembly by joint resolution.

County boards of supervisors or the temporary county redistricting commission shall complete any changes in precinct and supervisor district boundaries necessary to comply with sections 49.3, 49.4, and 331.209 not later than ninety days after the redistricting of congressional and legislative districts becomes law, or October 15 of the year immediately following each year in which the federal decennial census is taken, whichever is later. Different compliance dates may be set by the general assembly by joint resolution.

Each county board of supervisors or the temporary county redistricting commission and city council shall immediately notify the state commissioner and the commissioner when the boundaries of election precincts are changed, and shall provide a map showing the new boundary lines. Each county board or the temporary county redistricting commission and city council shall certify to the state commissioner the populations of the new election precincts or retained election precincts as determined by the latest federal decennial census. Materials filed with the state commissioner shall be postmarked no later than the deadline specified in this section.

If the state commissioner determines that a county board or the temporary county redistricting commission or city council has failed to make the required changes by the dates specified by this section, the state commissioner shall make or cause to be made the necessary changes as soon as possible. The state commissioner shall assess to the county or city, as the case may be, the expenses incurred in making the necessary changes. The state commissioner may request the services of personnel and materials available to the

legislative services agency to assist the state commissioner in making required changes in election precincts which become the state commissioner's responsibility.

Precinct boundaries shall become effective on January 15 of the second year following the year in which the census was taken and shall be used for all subsequent elections. Precinct boundaries drawn by the state commissioner shall be incorporated into the ordinances of the city or county.

Changes made to precincts in years other than the year following the year in which the federal decennial census is taken shall be filed with the state commissioner as soon as possible.

[C73, §603; C97, §1090; S13, §1090; C24, 27, 31, 35, 39, §**722, 723;** C46, 50, 54, 58, 62, 66, 71, 73, §49.4, 49.5; C75, 77, 79, 81, §49.7; 82 Acts, ch 1091, §1]

89 Acts, ch 296, §11; 90 Acts, ch 1233, §1; 94 Acts, ch 1179, §10; 2003 Acts, ch 35, §44, 49

Referred to in §49.4, 49.5, 49.6, 49.8, 49.11, 331.210A, 331.383

**49.8 Changes in precincts.**

After any required changes in precinct boundaries have been made following each federal decennial census, at the time established by or pursuant to section 49.7, the county board or city council shall make no further changes in precinct boundaries until after the next federal decennial census, except in the following circumstances:

1. When deemed necessary by the board of supervisors of any county because of a change in the location of the boundaries, dissolution or establishment of any civil township, the boundaries of precincts actually affected may be changed as necessary to conform to the new township boundaries.

2. When territory is annexed to a city the city council may attach all or any part of the annexed territory to any established precinct or precincts which are contiguous to the annexed territory, however this subsection shall not prohibit establishment of one or more new precincts in the annexed territory.

3. A city may have one special federal census taken each decade and the population figures obtained may be used to revise precinct boundaries in accordance with the requirements of sections 49.3 and 49.5.

4. If city population data certified by the United States bureau of the census following the federal decennial census is revised and the revision is certified by the United States bureau of the census, such revisions may be used to revise precinct and ward boundaries in accordance with the requirements of sections 49.3 and 49.5. The board of supervisors shall determine whether such revised population data affects the population equality of supervisor districts. If necessary, the temporary county redistricting commission shall be reconvened, notwithstanding section 331.210A, subsection 4, and supervisor districts shall be revised in accordance with the requirements of section 331.210A, subsection 2.

5. *a.* When the boundaries of a county supervisor, city council, or school director district, or any other district from which one or more members of any public representative body other than the general assembly are elected by the voters thereof, are changed by annexation or other means other than reprecincting, the change shall not result in the term of any officer elected from the former district being terminated before or extended beyond the expiration of the term to which the officer was last elected, except as provided under section 275.23A and section 331.209, subsection 1. If more than one incumbent officeholder resides in a district redrawn during reprecincting, their terms of office shall expire after the next election in the political subdivision.

*b.* When a vacancy occurs in the office of county supervisor, city council, or school director following the effective date of new district boundaries, the vacancy shall be filled using the new boundaries.

6. When a city is changing its form of government from one which has council members elected at large to one which has council members elected from wards, or is changing its number of council members elected from wards, the city council may redraw the precinct boundaries in accordance with sections 49.3 and 49.5 to coincide with the new ward boundaries.

7. Precinct boundaries established by or pursuant to section 49.4, and not changed under

subsection 1 since the most recent federal decennial census, may be changed once during the period beginning January 1 of the second year following a year in which a federal decennial census is taken and ending June 30 of the year immediately following the year in which the next succeeding federal decennial census is taken, if the commissioner recommends and the board of supervisors finds that the change will effect a substantial savings in election costs. Changes made under this subsection shall be made not later than ninety-nine days before a primary election, unless the changes will not take effect until January 1 of the next even-numbered year.

8. Precinct boundaries established by a city council pursuant to section 49.5 or 49.6 and not changed under subsections 1 through 6 since the most recent federal decennial census, may be redrawn by the city council in accordance with sections 49.3 and 49.5 once during the period beginning January 1 of the second year following a year in which a federal decennial census is taken and ending June 30 of the year immediately following the year in which the next succeeding federal decennial census is taken, if the commissioner recommends that the change will effect a substantial savings in election costs. Changes made under this subsection shall be made not later than ninety-nine days before a city primary or runoff election, unless the changes will not take effect until January 1 of the next odd-numbered year.

9. When territory contiguous to the Indian settlement is added to the Indian settlement land held in trust by the secretary of the interior of the United States.

[C73, §603; C97, §1090; S13, §1090; C24, 27, 31, 35, 39, §**722, 723;** C46, 50, 54, 58, 62, 66, 71, 73, §49.4, 49.5; C75, 77, 79, 81, §49.8]

83 Acts, ch 77, §2; 84 Acts, ch 1052, §1; 89 Acts, ch 136, §34; 94 Acts, ch 1179, §11, 12; 99 Acts, ch 17, §3; 2007 Acts, ch 59, §6, 19; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1026, §2

Referred to in §275.25, 275.41, 331.383

**49.9 Proper place of voting.**

Except as provided in section 49.11, subsection 3, paragraph *"b"*, a person shall not vote in any precinct but that of the person's residence.

[C73, §605; C97, §1090; S13, §1090; C24, 27, 31, 35, 39, §**727;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.9]

2008 Acts, ch 1115, §22

**49.10 Polling places for certain precincts.**

1. Polling places for precincts outside the limits of a city, but within the township, or originally within and set off as a separate township from the township in which the city is in whole or in part situated, and a polling place for a township which entirely surrounds another township containing a city, may be fixed at some room or rooms in the courthouse or in some other building within the limits of the city as the commissioner may provide.

2. If the commissioner determines, or if a petition be filed with the commissioner ninety days before any primary, general or special election stating that there is no suitable or adequate polling place within a township constituting a voting precinct and that it is desirable and to the interest of the voters of that township voting precinct that a voting place be designated for it outside its territorial limits, the commissioner shall fix a polling place for that precinct, outside its territorial limits, which the commissioner deems convenient to the electors of the township precinct. A petition submitted under this subsection must be signed by eligible electors of the precinct exceeding in number one-half the total number of votes cast in the township precinct for the office of president of the United States or governor, as the case may be, at the last preceding general election. When the commissioner has fixed such a polling place it shall remain the polling place at all subsequent primary, general and special elections, until such time as the commissioner shall fix a different polling place for the precinct.

3. In any city in which precinct lines have been changed to comply with section 49.5, the commissioner may fix the polling place for any precinct outside the boundaries of the precinct if there is no building or facility within the precinct suitable and available for use as a polling place. In so doing, the commissioner shall fix the polling place at the point nearest the

precinct which is suitable and available for use as a polling place and is reasonably accessible to voters of the precinct.

4. A single room or area of any building or facility may be fixed as the polling place for more than one precinct. The location of each polling place shall be clearly marked within the room or area on the days on which elections are held as the location of the polling place of a particular precinct, and suitable arrangements shall be made within the room or area to prevent direct access from the polling place of any precinct to the polling place of any other precinct. When the commissioner has fixed such a polling place for any precinct it shall remain the polling place at all subsequent elections, except elections for which the precinct is merged with another precinct as permitted by section 49.11, until the boundaries of the precinct are changed or the commissioner fixes a new polling place, except that the polling place shall be changed to a point within the boundaries of the precinct at any time not less than sixty days before the next succeeding election that a building or facility suitable for such use becomes available within the precinct.

5. If two or more contiguous townships have been combined into one election precinct by the board of supervisors, the commissioner shall provide a polling place which is convenient to all of the electors in the precinct.

[C97, §1091; S13, §1091; C24, 27, 31, 35, 39, §**728;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.10]

93 Acts, ch 143, §15; 2006 Acts, ch 1002, §1, 4

**49.11 Notice of boundaries of precincts — merger or division.**

1. The board of supervisors or the temporary county redistricting commission or city council shall number or name the precincts established by the supervisors or council pursuant to sections 49.3, 49.4, and 49.5. The boundaries of the precincts shall be recorded in the records of the board of supervisors, temporary county redistricting commission, or city council, as the case may be.

2. The board of supervisors or city council shall publish notice of changes in the county or city precinct boundaries in a newspaper of general circulation published in the county or city once each week for three consecutive weeks. The series of publications shall be made after the changes in the precincts have been approved by the state commissioner of elections. The last of the three publications shall be made no later than thirty days before the next general election. A map showing the new boundaries may be used. No publication is necessary if no changes were made.

3. The precincts established pursuant to section 49.7 shall not be changed except in the manner provided by law. However, for any election other than the primary or general election or any special election held under section 69.14, the county commissioner of elections may:

*a.* Consolidate two or more precincts into one.

(1) However, the commissioner shall not do so if there is filed with the commissioner at least twenty days before the election a petition signed by twenty-five or more eligible electors of any precinct requesting that it not be merged with any other precinct. There shall be attached to the petition the affidavit of an eligible elector of the precinct that the signatures on the petition are genuine and that all of the signers are to the best of the affiant's knowledge and belief eligible electors of the precinct.

(2) If a special election is to be held in which only those registered voters residing in a specified portion of any established precinct are entitled to vote, that portion of the precinct may be merged by the commissioner with one or more other established precincts or portions of established precincts for the special election, and the right to petition against merger of a precinct shall not apply.

*b.* (1) Establish voting centers for the regular city election, city primary election, city runoff election, regular school election, and special elections. Any registered voter who is eligible to vote in the regular city election may vote at any voting center in the city. Any registered voter who is eligible to vote at the regular school election may vote at any voting center in the school district. Any registered voter who is eligible to vote in a special election may vote at any voting center established for that special election. For purposes of section

48A.7A, a voting center shall be considered the polling place for the precinct in which a person resides.

(2) The county commissioner of elections shall designate the location of each voting center to be used in the election.

(3) A voting center designated under this subsection is subject to the requirements of section 49.21 relating to accessibility to persons who are elderly and persons with disabilities and relating to the posting of signs. The location of each voting center shall be published by the county commissioner of elections in the same manner as the location of polling places is required to be published.

(4) Pursuant to section 39A.2, subsection 1, paragraph *"b"*, subparagraph (3), a person commits the crime of election misconduct in the first degree if the person knowingly votes or attempts to vote at more than one voting center for the same election.

*c.* Divide any precinct permanently established under this section which contains all or any parts of two or more mutually exclusive political subdivisions, either or both of which is independently electing one or more officers or voting on one or more questions on the same date, into two or more temporary precincts and designate a polling place for each.

*d.* Notwithstanding subsection 1, the commissioner may consolidate precincts for any election including a primary and general election under any of the following circumstances:

(1) One of the precincts involved consists entirely of dormitories that are closed at the time the election is held.

(2) The consolidated precincts, if established as a permanent precinct, would meet all requirements of section 49.3, and a combined total of no more than three hundred fifty voters voted in the consolidated precincts at the last preceding similar election.

(3) The city council of a special charter city with a population of three thousand five hundred or less which is divided into council wards requests the commissioner to consolidate two or more precincts for any election.

[C73, §604; C97, §1092, 2755; S13, §2755; C24, §729, 4205; C27, §729, 4205, 4216-b2; C31, 35, §729, 4216-c5; C39, §**729, 4216.05;** C46, 50, 54, 58, 62, 66, 71, 73, §49.11, 277.5; C75, 77, 79, 81, §49.11; 81 Acts, ch 34, §24]

93 Acts, ch 143, §16; 94 Acts, ch 1169, §64; 94 Acts, ch 1179, §13; 94 Acts, ch 1180, §12; 2008 Acts, ch 1032, §149; 2008 Acts, ch 1115, §23

Referred to in §49.9, 49.10, 49.13, 49.16, 331.383

**49.12 Election boards.**

There shall be appointed in each election precinct an election board which shall ordinarily consist of three or five precinct election officials. At the commissioner's discretion, additional precinct election officials may be appointed to work at any election. Not more than a simple majority of the members of the election board in any precinct shall be members of the same political party or organization if one or more registered voters of another party or organization are qualified and willing to serve on the board.

[C51, §246, 248, 1111; R60, §481, 483, 2027, 2030, 2031; C73, §606, 1717, 1719; C97, §1093, 2746, 2751, 2756; S13, §2756; SS15, §1087-a5, 1093; C24, §559, 730, 731, 735, 4165, 4195, 4209, 4211; C27, §559, 730, 731, 735, 4165, 4195, 4209, 4211-b2; C31, 35, §559, 730, 731, 735, 4165, 4216-c10; C39, § **559, 730, 731, 735, 4165, 4216.10;** C46, 50, §43.31, 49.12, 49.13, 49.17, 49.19, 276.12, 277.10; C54, 58, 62, 66, 71, 73, §43.31, 49.12, 49.13, 49.17, 275.19, 277.10; C75, 77, 79, 81, §49.12]

87 Acts, ch 221, §12; 88 Acts, ch 1119, §15; 95 Acts, ch 67, §53; 98 Acts, ch 1123, §4; 2010 Acts, ch 1060, §3

Referred to in §39A.1, 49.14, 49.16, 49.18, 50.21, 50.22, 53.23

**49.13 Commissioner to appoint members, chairperson.**

1. The membership of each precinct election board shall be appointed by the commissioner, not less than fifteen days before each election held in the precinct, from the election board panel drawn up as provided in section 49.15. Precinct election officials shall be registered voters of the county, or other political subdivision within which precincts have been merged across county lines pursuant to section 49.11, subsection 3, paragraph *"a"*,

in which they are appointed. Preference shall be given to appointment of residents of a precinct to serve as precinct election officials for that precinct, but the commissioner may appoint other residents of the county where necessary.

2. For all elections in which a partisan office is on the ballot, election boards shall include members of the two political parties whose candidates for president of the United States or for governor, as the case may be, received the largest and next largest number of votes in the county at the last general election. Election boards may also include persons not members of either of these parties. However, persons who are not members of either of these political parties shall not comprise more than one-third of the membership of an election board.

3. In appointing the election board to serve for any election in which candidates' names do appear under the heading of these political parties, the commissioner shall give preference to the persons designated by the respective county chairpersons of these political parties for placement on the election board panel, as provided by section 49.15, in the order that they were so designated. However, the commissioner may for good cause decline to appoint a designee of a county chairperson if that chairperson is notified and allowed two working days to designate a replacement.

4. In appointing the election board to serve for a nonpartisan election, the commissioner may give preference to the persons who are willing to serve without pay identified pursuant to section 49.15, subsection 2, paragraph *"b"*, by the city council or the school board.

5. The commissioner shall designate one member of each precinct election board as chairperson of that board. At the discretion of the commissioner, two people who are members of different political parties may be appointed as co-chairpersons. The co-chairpersons shall have joint authority over the work of the precinct election board.

6. The commissioner may appoint high school students who are not yet qualified to be registered voters to serve as precinct election board members.

*a.* To qualify to serve as a precinct election board member, a high school student shall:

(1) Be a United States citizen.

(2) Be at least seventeen years of age and a student in good standing enrolled in a public or private secondary school in Iowa.

(3) Receive credit in at least four subjects, each of one period or hour, or the equivalent thereof, at all times. The eligible subjects are language arts, social studies, mathematics, science, health, physical education, fine arts, foreign language, and vocational education. Coursework taken as a postsecondary enrollment option for which a school district or accredited nonpublic school grants academic credit toward high school graduation shall be used in determining eligibility. A student shall not be denied eligibility if the student's school program deviates from the traditional two-semester school year. Each student wishing to participate under this subsection shall be passing all coursework for which credit is given and shall be making adequate progress toward graduation requirements at the end of each grading period. At the end of a grading period that is the final grading period in a school year, a student who receives a failing grade in any course for which credit is awarded is ineligible to participate under this subsection. A student who is eligible at the close of a semester is academically eligible to participate under this subsection until the beginning of the subsequent semester. A student with a disability who has an individualized education program shall not be denied eligibility to participate under this subsection on the basis of scholarship if the student is making adequate progress, as determined by school officials, towards the goals and objectives of the student's individualized education program.

(4) At the time of appointment, have the written approval of the principal of the secondary school the student attends.

(5) Have the written approval of the student's parent or legal guardian.

(6) Have satisfactorily completed the training course for election officials.

(7) Meet all other qualifications for appointment and service as an election board member except the requirement of being a registered voter.

*b.* No more than one student precinct election board member may serve on each precinct election board.

*c.* Student precinct election board members shall not serve as the chairperson of a precinct election board.

*d.* Before serving at a partisan election, the student precinct election board member must certify in writing to the commissioner the political party with which the student is affiliated.

*e.* Student precinct election board members shall not be allowed to work more hours than allowed under the applicable labor laws.

*f.* A student who serves on a precinct election board is not eligible to receive class credit for such service unless such service qualifies as meeting the requirements of a class assignment imposed on all students in the class.

*g.* No later than fourteen days after the date of the election, the commissioner shall report to the appropriate secondary school the following information:

(1) The name of each student attending the school who served as a precinct election board member on election day.

(2) The number of hours the student served as a precinct election board member.

(3) The precinct number and polling place location where the student served as a precinct election board member.

(4) Any other information the commissioner deems appropriate or that is requested by the school.

[C97, §1093; SS15, §1093; C24, 27, 31, 35, 39, §**733;** C46, 50, 54, 58, 62, 66, 71, 73, §49.15; C75, 77, 79, 81, §49.13]

95 Acts, ch 67, §53; 97 Acts, ch 170, §23; 2007 Acts, ch 34, §1; 2007 Acts, ch 138, §1; 2008 Acts, ch 1032, §194; 2009 Acts, ch 41, §25; 2010 Acts, ch 1026, §3, 17; 2010 Acts, ch 1033, §16; 2010 Acts, ch 1060, §4

Referred to in §49.14, 49.15, 49.18, 49.73, 49.89, 50.21, 53.22, 53.23

Child labor restrictions, see chapter 92

**49.14 Substitute precinct election officials.**

1. The commissioner may appoint substitute precinct election officials as alternates for election board members. The responsibilities and duties of a precinct election official present at the time the polling place was opened on the day of an election may be assumed at any later time that day by a substitute appointed as an alternate. The substitute shall serve either for the balance of that election day or for any shorter period of time the commissioner may designate. At partisan elections, a substitute precinct election official assuming the duties of a precinct election official shall be a member of the same political party as the precinct election official whose duties are being assumed, unless substitution of a precinct election official not of the same political party results in no more than a simple majority of the total number of precinct election officials serving in that precinct being members of the same political party.

2. Substitute precinct election officials shall be appointed and shall serve in accordance with sections 49.12, 49.13, 49.15, and 49.16, and shall receive compensation as provided by sections 49.20 and 49.125. Upon arriving at the polling place and prior to performing any official duty, a substitute precinct election official shall take the oath required by section 49.75.

3. The commissioner shall not employ substitute precinct election officials in a partisan election unless:

*a.* The election board panel drawn up pursuant to section 49.15 contains the names of a sufficient number of political party designees to permit appointment of both the regular precinct election officials and any substitute precinct election officials from that panel; or

*b.* The commissioner has informed the county chairpersons of the political parties referred to in section 49.13, subsection 2, thirty days prior to the date of the election, of intent to appoint substitute precinct election officials and has allowed ten days thereafter for the respective county chairpersons to provide additional names of persons from whom the substitute precinct election officials shall be appointed. If a county chairperson fails to provide additional names after being so notified, the commissioner may appoint persons known to be members of the appropriate political party or parties.

[S81, §49.14; 81 Acts, ch 34, §25]

2007 Acts, ch 59, §7, 19; 2010 Acts, ch 1026, §4, 17

Referred to in §39A.1

**49.15 Commissioner to draw up election board panel.**

1. Not less than twenty days before each primary election, the commissioner shall draw

up for each precinct an election board panel from which members of the precinct election board shall be appointed for each election held in the precinct during the ensuing two years.

2. *a.* Each panel shall include members of each of the political parties referred to in section 49.13, whose names may be designated by the county chairpersons of each of these political parties not less than thirty days prior to each primary election. The commissioner may place on the election board panel names of persons known by the commissioner to be members of these political parties, if the respective county chairpersons fail to designate a sufficient number of names, and may also add names of persons, whether or not they are members of either of these political parties, who have advised the commissioner they are willing to serve on the election board.

*b.* The commissioner may also place on the election board panel names of persons whom either the city council of a city or a school board has advised the commissioner at least thirty days before each primary election are willing to serve without pay at elections conducted for that school district or city, as the case may be, during the tenure of the election board panel on which these names are included.

3. In drawing up precinct election board panels, the commissioner may use student precinct election board members appointed pursuant to section 49.13, subsection 6.

[C97, §1093; SS15, §1093; C24, 27, 31, 35, 39, §**733;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.15]

2007 Acts, ch 34, §2; 2007 Acts, ch 138, §2; 2010 Acts, ch 1026, §5, 17

Referred to in §49.13, 49.14, 49.16, 53.20

**49.16 Tenure of election board panel.**

Each person whose name is placed on the election board panel as provided in section 49.15, shall remain available for appointment to the election board of the precinct, subject to the provisions of section 49.12, until a new panel is drawn up unless the person's name is sooner deleted from the panel by the commissioner. The election board for each election held in the precinct shall be drawn from the panel, however:

1. No person shall serve on the election board at any election in which the person or any person related to the person within the third degree of consanguinity or affinity is a candidate to be voted upon in that precinct, and it shall be the responsibility of each person whose name is listed on the election board panel to notify the commissioner not less than fifteen days before any election at which the person is ineligible to serve by reason of this subsection. However, this subsection shall not apply in the case of any candidate or relative of a candidate seeking an office or nomination which no opposing candidate is seeking. Any candidate for an office or for nomination to an office to which two or more persons are to be elected at large is unopposed, for the purpose of this subsection, if the number of candidates for the office or nomination does not exceed the number of persons to be elected or nominated.

2. When all or portions of two or more precincts are merged for any election as permitted by section 49.11, subsection 3, paragraph "*a*", the commissioner may appoint the election board for the merged precinct from the election board panels of any of the precincts so merged. When any permanent precinct is divided as permitted by section 49.11, subsection 3, paragraph "*c*", the commissioner shall so far as possible appoint the election board for each of the temporary precincts so created from the election board panel of the permanent precinct.

3. Persons whose names are listed on the election board panel shall not be required to serve on the election board for any election which by the terms of the statute authorizing it is exempt from the provisions of this chapter. The necessary officers for such elections shall be designated as provided by law or, if there is no applicable statute, by the commissioner.

4. In appointing the election board for any election conducted for a city or a school district, the commissioner may give preference to any persons who are willing to serve without pay at those elections.

5. A person shall not serve on the precinct election board as a representative of a political party if the person has changed political party affiliation from that of the political party which selected the person to serve as a precinct election official. If a precinct election official records a change of political party, the official's name shall be removed from the list of precinct

election officials for that political party. The chairperson of the political party shall be notified of the vacancy and may designate a replacement. If the chairperson of another political party later designates the person as a precinct election official, the person may serve, if qualified.

[C75, 77, 79, 81, §49.16]

97 Acts, ch 170, §24; 2008 Acts, ch 1032, §195; 2010 Acts, ch 1026, §6, 17

Referred to in §49.14

**49.17** Repealed by 73 Acts, ch 136, § 401.

**49.18 Vacancies occurring on election day.**

If, at the opening of the polls in any precinct, there shall be a vacancy in the office of the precinct election official, the vacancy shall be filled by the commissioner or, with the commissioner's approval and for that election only by the members of the board present, consideration being given to the political party affiliation of the person appointed if necessary in order to comply with the requirements of sections 49.12 and 49.13.

[C51, §247, 1111; R60, §482, 2027, 2030, 2031; C73, §607, 1717, 1719; C97, §1093, 2746, 2751, 2756; S13, §2756; SS15, §1087-a5, 1093; C24, §559, 736, 737, 4195, 4209, 4211; C27, §559, 736, 737, 4195, 4209, 4211-b2; C31, 35, §559, 736, 737, 4216-c10; C39, §**559, 736, 737, 4216.10;** C46, 50, 54, 58, 62, 66, 71, 73, §43.31, 49.18, 49.19, 277.10; C75, 77, 79, 81, §49.18]

Referred to in §39A.1

**49.19 Unpaid officials, paper ballots optional for certain city elections.** Repealed by 2010 Acts, ch 1026, § 16, 17.

**49.20 Compensation of members.**

The members of election boards shall be deemed temporary state employees who are compensated by the county in which they serve, and shall receive compensation at a rate established by the board of supervisors, which shall be not less than the minimum wage established in section 91D.1, subsection 1, paragraph *"b"*, while engaged in the discharge of their duties and shall be reimbursed for actual and necessary travel expense at a rate determined by the board of supervisors, except that persons who have advised the commissioner prior to their appointment to the election board that they are willing to serve without pay at elections conducted for a school district or a city shall receive no compensation for service at those elections. Compensation shall be paid to members of election boards only after the vote has been canvassed and it has been determined in the course of the canvass that the election record certificate has been properly executed by the election board.

[SS15, §1087-a5, 1093; C24, 27, 31, 35, 39, §**560, 738;** C46, 50, 54, 58, 62, 66, 71, 73, §43.32, 49.20; C75, 77, 79, 81, §49.20]

89 Acts, ch 121, §1; 97 Acts, ch 170, §25; 2008 Acts, ch 1115, §91; 2010 Acts, ch 1026, §7, 17

Referred to in §49.14, 49.125, 53.22

Use of automobile, see §70A.9

**49.21 Polling places — accessibility — signs.**

1. It is the responsibility of the commissioner to designate a polling place for each precinct in the county. Each polling place designated shall be accessible to persons with disabilities. However, if the commissioner is unable to provide an accessible polling place for a precinct, the commissioner shall apply for a temporary waiver of the accessibility requirement. The state commissioner shall adopt rules in accordance with chapter 17A prescribing standards for determining whether a polling place is accessible and the process for applying for a temporary waiver of accessibility.

2. *a.* Upon the application of the commissioner, the authority which has control of any buildings or grounds supported by taxation under the laws of this state shall make available the necessary space therein for the purpose of holding elections, without charge for the use thereof.

*b.* Except as otherwise provided by law, the polling place in each precinct in the state shall

be located in a central location if a building is available. However, first consideration shall be given to the use of public buildings supported by taxation.

3. *a.* On the day of an election, the commissioner shall post a sign stating "vote here" at the entrance to each driveway leading to the building where a polling place is located. The sign must be visible from the street or highway fronting the driveway, but shall not encroach upon the right-of-way of such street or highway.

*b.* The commissioner shall post a sign at the entrance to the polling place indicating the election precinct number or name, and displaying a street map showing the boundaries of the precinct.

[C51, §222, 245; R60, §444, 480; C73, §391, 603; C97, §566, 1113, 2755; S13, §2755; C24, 27, §739, 4205; C31, 35, §739, 4216-c7; C39, §**739, 4216.07;** C46, 50, 54, 58, 62, 66, 71, 73, §49.21, 277.7; C75, 77, 79, 81, S81, §49.21; 81 Acts, ch 34, §26]

96 Acts, ch 1129, §15; 2000 Acts, ch 1039, §1; 2002 Acts, ch 1134, §30, 115; 2008 Acts, ch 1115, §92

Referred to in §49.11

**49.22** Repealed by 73 Acts, ch 136, § 401.

**49.23 Notice of change.**

When a change is made from the usual polling place for the precinct or when the precinct polling place for any primary or general election is different from that used for the precinct at the last preceding primary or general election, notice of such change shall be given by publication in a newspaper of general circulation in the precinct not more than twenty nor less than four days before the day on which the election is to be held. In addition a notice of the present polling place for the precinct shall be posted, not later than the hour at which the polls open on the day of the election, on each door to the usual or former polling place in the precinct and shall remain there until the polls have closed.

[C51, §222; R60, §444; C73, §391; C97, §566; C24, 27, 31, 35, 39, §**741;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.23]

89 Acts, ch 136, §35

**49.24 Schoolhouses as polling places.**

In precincts outside of cities the election shall, if practicable, be held in a public school building. Any damage to the building or furniture resulting from the election shall be paid by the county.

[C97, §1113; C24, 27, 31, 35, 39, §**742;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.24]

Schoolhouses as polling places, §297.9

**49.25 Equipment required at polling places.**

1. The commissioner shall determine pursuant to section 49.26, subsection 2, in advance of an election whether ballots voted in that election shall be counted by automatic tabulating equipment or by precinct election officials. If automatic tabulating equipment will be used, the commissioner shall furnish voting equipment for use by voters with disabilities.

2. The commissioner shall furnish to each precinct, in advance of each election, voting booths in the following number:

*a.* At each regularly scheduled election, at least one for every three hundred fifty voters who voted in the last preceding similar election held in the precinct.

*b.* At any special election at which the ballot contains only a single public measure or only candidates for a single office or position, the number determined by the commissioner.

3. The commissioner shall furnish to each precinct the necessary ballot boxes, suitably equipped with seals or locks and keys, and voting booths. The voting booths shall provide for voting in secrecy. At least one voting booth in each precinct shall be accessible to persons with disabilities. Ballot boxes shall be locked or sealed before the polls open and shall remain locked or sealed until the polls are closed, except to provide necessary service to malfunctioning automatic tabulating equipment. If a ballot box is opened prior to the closing of the polls, two precinct election officials not of the same party shall be present and observe the ballot box being opened.

4. Secrecy folders or sleeves shall be provided for use at any precinct where ballots are used which cannot be folded to obscure the marks made by the voters.

[C51, §254; R60, §489; C73, §614; C97, §1113, 1130, 2756; S13, §1130, 2756; C24, 27, §743, 744, 4209; C31, 35, §743, 744, 4216-c14; C39, §**743, 744, 4216.14;** C46, 50, 54, 58, 62, 66, 71, 73, §49.25, 49.26, 277.14; C75, 77, 79, 81, §49.25]

90 Acts, ch 1007, §1; 96 Acts, ch 1129, §113; 97 Acts, ch 170, §26, 27; 2007 Acts, ch 190, §19; 2008 Acts, ch 1115, §93; 2009 Acts, ch 57, §23; 2010 Acts, ch 1060, §5

**49.26 Commissioner to decide method of voting — counting of ballots.**

1. In all elections regulated by this chapter, the voting shall be by paper ballots printed and distributed as provided by law, or by voting systems meeting the requirements of chapter 52.

2. *a.* The commissioner shall determine in advance of each election conducted for a city of three thousand five hundred or less population or for any school district whether the ballots will be counted by automatic tabulating equipment or by the precinct election officials. In making such a determination, the commissioner shall consider voter turnout for recent similar elections and factors considered likely to affect voter turnout for the forthcoming election.

*b.* If the commissioner concludes, pursuant to paragraph "*a*", that voting will probably be so light as to make counting of ballots by the precinct election officials less expensive than preparation and use of automatic tabulating equipment, paper ballots may be used, subject to paragraph "*c*". If paper ballots are used, the commissioner shall use ballots and instructions similar to those used when the ballots are counted by automatic tabulating equipment.

*c.* Notwithstanding a determination by the commissioner pursuant to paragraph "*b*", upon receipt of a petition signed by not less than one hundred eligible electors, the commissioner shall count the ballots at an election described in paragraph "*a*" using automatic tabulating equipment. A petition filed under this paragraph must be received by the commissioner not later than 5:00 p.m. on the forty-second day before the election.

[S13, §2754; C24, 27, §4203; C31, 35, §4216-c15; C39, §**4216.15;** C46, 50, 54, 58, 62, 66, 71, 73, §277.15; C75, 77, 79, 81, §49.26]

97 Acts, ch 170, §28; 2009 Acts, ch 57, §24; 2010 Acts, ch 1033, §17, 56; 2010 Acts, ch 1060, §10 – 12

Referred to in §49.25, 50.24, 52.1

**49.27** Reserved.

**49.28 Commissioner to furnish registers and supplies.**

1. The commissioner shall prepare and furnish to each precinct an election register and all other books, forms, materials, equipment, and supplies necessary to conduct the election.

2. *a.* After the registration deadline and before election day the commissioner shall prepare an election register for each precinct in which voting will occur on the day of the election. The precinct election register shall be a list of the names and addresses of all registered voters of the precinct. Inactive records listed in the election register shall be clearly identified with a special mark or symbol.

*b.* When a precinct is divided by a district boundary, and some, but not all, registered voters of the precinct may vote on an issue or office from that district, the election register shall clearly indicate which of the registered voters are entitled to vote in the district.

[C51, §255; R60, §490; C73, §615; C97, §1113, 1132, 2756; S13, §1087-a16, 2756; C24, 27, §561, 746, 4209; C31, 35, §561, 746, 4216-c14; C39, §**561, 746, 4216.14;** C46, 50, 54, 58, 62, 66, 71, 73, §43.33, 49.28, 277.14; C75, 77, 79, 81, §49.28]

94 Acts, ch 1169, §49; 2007 Acts, ch 190, §1; 2009 Acts, ch 57, §25

**49.29** Repealed by 97 Acts, ch 170, § 93.

**49.30 All candidates and issues on one ballot — exceptions.**

All constitutional amendments, all public measures, and the names of all candidates, other than presidential electors, to be voted for in each election precinct, shall be printed on one ballot, except that separate ballots are authorized when it is not possible to include all offices and public measures on a single ballot. In the event that it is not possible to include all offices and public measures on a single ballot, separate ballots may be provided for nonpartisan offices, judges, or public measures.

[C51, §256; R60, §491; C73, §616; C97, §1106; S13, §1106; C24, 27, 31, 35, 39, §**748;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.30]

90 Acts, ch 1238, §17; 94 Acts, ch 1169, §64; 97 Acts, ch 170, §29; 98 Acts, ch 1100, §6; 2002 Acts, ch 1134, §31, 115; 2005 Acts, ch 152, §7, 8; 2007 Acts, ch 190, §20 – 22; 2010 Acts, ch 1033, §18

Referred to in §43.31, 49.43, 49.57A

See also, §49.43, 52.24

**49.31 Arrangement of names on ballot — restrictions.**

1. *a.* All ballots shall be arranged with the names of candidates for each office listed below the office title. For partisan elections the name of the political party or organization which nominated each candidate shall be listed after or below each candidate's name.

*b.* The commissioner shall determine the order of political parties and nonparty political organizations on the ballot. The sequence shall be the same for each office on the ballot and for each precinct in the county voting in the election.

2. *a.* The commissioner shall prepare a list of the election precincts of the county, by arranging the various townships and cities in the county in alphabetical order, and the wards or precincts in each city or township in numerical order under the name of such city or township.

*b.* The commissioner shall then arrange the surnames of each political party's candidates for each office to which two or more persons are to be elected at large alphabetically for the respective offices for the first precinct on the list; thereafter, for each political party and for each succeeding precinct, the names appearing first for the respective offices in the last preceding precinct shall be placed last, so that the names that were second before the change shall be first after the change. The commissioner may also rotate the names of candidates of a political party in the reverse order of that provided in this subsection or alternate the rotation so that the candidates of different parties shall not be paired as they proceed through the rotation. The procedure for arrangement of names on ballots provided in this section shall likewise be substantially followed in elections in political subdivisions of less than a county.

*c.* On the general election ballot the names of candidates for the nonpartisan offices listed in section 39.21 shall be arranged by drawing lots for position. The commissioner shall hold the drawing on the first business day following the deadline for filing of nomination certificates or petitions with the commissioner for the general election pursuant to section 44.4. If a candidate withdraws, dies, or is removed from the ballot after the ballot position of names has been determined, such candidate's name shall be removed from the ballot, and the order of the remaining names shall not be changed.

3. The ballots for any city elections, school elections, special election, or any other election at which any office is to be filled on a nonpartisan basis and the statutes governing the office to be filled are silent as to the arrangement of names on the ballot, shall contain the names of all nominees or candidates arranged in alphabetical order by surname under the heading of the office to be filled. When a city election, school election, special election, or any other election at which an office is to be filled on a nonpartisan basis, is held in more than one precinct, the candidates' names shall be rotated on the ballot from precinct to precinct in the manner prescribed by subsection 2 unless there are no more candidates for an office than the number of persons to be elected to that office.

4. The heading for each office on the ballot shall be immediately followed by a notation stating, "Vote for no more than .....", and indicating the maximum number of nominees or candidates for that office for whom each elector may vote.

5. At the end of the list of candidates for each office listed on the ballot one or more blank

lines and voting positions shall be printed to allow the elector to write in the name of any person for whom the elector desires to vote for any office or nomination on the ballot. The number of write-in lines shall equal the number of votes that can be cast for that office.

6. The name of a candidate printed on the ballot shall not include parentheses, quotation marks, or any personal or professional title.

7. For the purpose of ballot rotation the absentee ballot and special voters precinct may be considered a separate precinct.

[C97, §1106; S13, §1106, 2754; C24, 27, §749, 4203; C31, 35, §749, 4216-c8; C39, §**749, 4216.08;** C46, 50, 54, 58, 62, 66, 71, 73, §49.31, 277.8; C75, 77, 79, 81, §49.31]

86 Acts, ch 1224, §11, 12; 87 Acts, ch 221, §13, 14; 89 Acts, ch 136, §36; 90 Acts, ch 1238, §18; 91 Acts, ch 129, §12; 97 Acts, ch 170, § 30 – 32; 2002 Acts, ch 1134, §32, 115; 2006 Acts, ch 1002, §2, 4; 2008 Acts, ch 1032, §150

Referred to in §43.28, 43.31, 49.53, 49.57A

**49.32 Candidates for president in place of electors.**

The candidates for electors of president and vice president of any political party or group of petitioners shall not be placed on the ballot, but in the years in which they are to be elected the names of candidates for president and vice president, respectively, of such parties or group of petitioners shall be placed on the ballot, as the names of candidates for United States senators are placed thereon, under their respective party, petition, or adopted titles for each political party, or group of petitioners, nominating a set of candidates for electors.

[C97, §1106; S13, §1106; C24, 27, 31, 35, 39, §**750;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.32]

Referred to in §43.31, 49.36, 49.57A

**49.33 Single voting target for certain paired offices.**

Immediately opposite the names of each pair of candidates for president and vice president, a single voting target shall be printed next to the bracket enclosing the names of the candidates for president and vice president. A single voting target shall be printed next to the bracket enclosing the names of the candidates for governor and lieutenant governor. The votes for a team of candidates shall be counted and certified by the election board as a team. Write-in votes shall also be tabulated as a single vote for a pair of candidates.

[C24, 27, 31, 35, 39, §**751;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.33]

90 Acts, ch 1238, §19; 97 Acts, ch 170, §33

Referred to in §43.31, 49.57A

**49.34** Repealed by 75 Acts, ch 81, § 154.

**49.35 Order of arranging tickets on lever voting machine ballot.** Repealed by 2009 Acts, ch 57, § 96.

**49.36 Candidates of nonparty organization.**

The term *"group of petitioners"* as used in section 49.32 shall embrace an organization which is not a political party as defined by law.

[C24, 27, 31, 35, 39, §**754;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.36]

2009 Acts, ch 133, §14

Referred to in §43.31, 49.57A

Political party defined, §43.2

Nonparty organizations, see chapter 44

**49.37 Arrangement of ballot.**

1. For general elections, and for other elections in which more than one partisan office will be filled, the first section of the ballot shall be for straight party voting.

*a.* Each political party or organization which has nominated candidates for more than one office shall be listed. Instructions to the voter for straight party or organization voting shall be in substantially the following form:

To vote for all candidates from a single party or organization, mark the voting target next to the party or organization name. Not all parties or organizations have nominated candidates for all offices. Marking a straight party or organization vote does not include votes for nonpartisan offices, judges, or questions.

*b.* Political parties and nonparty political organizations which have nominated candidates for only one office shall be listed below the other political organizations under the following heading:

Other Political Organizations. The following organizations have nominated candidates for only one office:

*c.* Offices shall be arranged in groups. Partisan offices, nonpartisan offices, judges, and public measures shall be separated by a distinct line appearing on the ballot.

2. The commissioner shall arrange the ballot in conformity with the certificate issued by the state commissioner under section 43.73, in that the names of the respective candidates for each political party shall appear in the order they appeared on the certificate, above or to the left of the nonparty political organization candidates.

3. The commissioner shall arrange the partisan county offices on the ballot with the board of supervisors first, followed by the other county offices in the same sequence in which they appear in section 39.17. Nonpartisan offices shall be listed after partisan offices.

[C97, §1106; S13, §1106; C24, 27, 31, 35, 39, §**755;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.37]

89 Acts, ch 136, §37; 97 Acts, ch 170, §35, 36; 2005 Acts, ch 152, §9; 2008 Acts, ch 1032, §151

Referred to in §43.31, 49.57A

**49.38 Candidate's name to appear but once.**

The name of a candidate shall not appear upon the ballot in more than one place for the same office, whether nominated by convention, primary, caucus, or petition, except as hereinafter provided.

[C97, §1106; S13, §1106; C24, 27, 31, 35, 39, §**756;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.38]

Referred to in §43.31, 49.57A

**49.39 Dual nomination.**

When two or more political parties, or when two or more political organizations which are not political parties, or when a political party and a political organization which is not a political party, nominate the same candidate for the same office, such nominee shall forthwith designate, in writing, the political party name, or the political organization name, under which the nominee desires to have the nominee's name printed on the official ballot for the ensuing general election; such written designation shall be filed with the officer with whom the nomination paper, or certificate of nomination by a convention or caucus, is filed and the name of such nominee shall appear on the ballot in accordance therewith.

[C97, §1106; S13, §1087-a6, 1106; C24, 27, 31, 35, 39, §**757;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.39]

Referred to in §43.31, 49.40, 49.57A

**49.40 Failure to designate.**

If the designation referred to in section 49.39 be not filed, the following rules shall govern:

1. If the nomination be by two or more political parties, the name of such nominee shall be printed under the party designation under which nomination papers were first filed in the nominee's behalf.

2. If the nomination be by a political party and also by a political organization which is not a political party, the name of such nominee shall be printed under the name of the political party or political organization first filing nomination papers, or certificate of nomination, as the case may be.

3. If the nomination be by two or more political organizations which are not political

parties, the name of such nominee shall be printed under the name of the political organization first filing a certificate of nomination of such candidate.

[C97, §1106; S13, §1087-a6, 1106; C24, 27, 31, 35, 39, §**758;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.40]

Referred to in §43.31, 49.57A

**49.41 More than one office prohibited.**

1. *a.* A person shall not be a candidate for more than one office to be filled at the same election. A person who has been nominated for more than one office shall file a written notice declaring the office for which the person wishes to appear on the ballot.

*b.* If the nomination papers for all offices for which the candidate has been nominated are required to be filed with the same commissioner of elections, the candidate shall file a written notice with that commissioner no later than 5:00 p.m. on the final date upon which nomination papers may be filed for the election. The notice shall state the office for which the person wishes to appear on the ballot. If the required notice is not filed, the candidate's name shall not be certified by the state commissioner for any office for which nomination papers are filed with the state commissioner and the county commissioner of elections shall not include the candidate's name on the ballot for any office in any county.

*c.* If a person is a candidate for one or more offices for which nomination papers are required to be filed with the state commissioner and one or more offices for which nomination papers are required to be filed with the county commissioner, the candidate shall notify the state commissioner and the county commissioner in writing. The notice shall state the office for which the person chooses to remain a candidate. The notice shall be filed no later than the last day to file nomination papers with the commissioner. If the required notice is not filed, the candidate's name shall not appear on the ballot for any office in any county.

2. *a.* If necessary, the county commissioner shall certify to the state commissioner the name of any person who is a candidate for more than one office which will appear on the ballot for the election. The certification of dual candidacy shall be made no later than 5:00 p.m. on the day following the final day to file nomination papers in the office of the commissioner.

*b.* When the state commissioner receives notice from the county commissioner that a candidate for a state or federal office has also been nominated for a county or township office, the state commissioner shall amend the certificate issued pursuant to section 43.73 and notify the commissioners of any other counties to whom the candidate's name was originally certified and instruct them to remove the candidate's name from the ballot in those counties.

3. This section does not apply to the county agricultural extension council or the soil and water conservation district commission.

4. For purposes of township office, "*nomination papers*" as used in this section means the affidavit of candidacy required in section 45.3.

88 Acts, ch 1119, §16; 91 Acts, ch 129, §13; 2001 Acts, ch 158, §10; 2007 Acts, ch 25, §3

Referred to in §43.31, 43.67, 44.3, 45.3, 49.57A

Section not amended; editorial change applied

**49.42** Repealed by 97 Acts, ch 170, § 93.

**49.42A Form of official ballot.** Repealed by 2009 Acts, ch 57, § 96. See § 49.57A.

**49.43 Constitutional amendment or other public measure.**

1. If possible, all public measures and constitutional amendments to be voted upon by an elector shall be included on a single ballot which shall also include all offices to be voted upon. However, if it is necessary, a separate ballot may be used as provided in section 49.30.

2. Constitutional amendments and other public measures may be summarized by the commissioner as provided in sections 49.44 and 52.25.

[C97, §1106; S13, §1106; C24, 27, 31, 35, 39, §**761, 762, 767;** C46, 50, 54, 58, 62, 66, 71, 73, §49.43, 49.44; C75, §49.43, 49.49; C77, 79, 81, §49.43]

88 Acts, ch 1119, §17; 94 Acts, ch 1169, §64; 97 Acts, ch 170, §38, 39; 2007 Acts, ch 190, §23; 2009 Acts, ch 57, §26; 2010 Acts, ch 1033, §19

Referred to in §49.44, 49.45, 145A.7, 468.184, 468.259
Iowa Constitution, Art. X, §1
See also §52.24

**49.44 Summary.**

1. When a proposed constitutional amendment or other public measure to be decided by the voters of the entire state is to be voted upon, the state commissioner shall prepare a written summary of the amendment or measure including the number of the amendment or statewide public measure assigned by the state commissioner. The summary shall be printed immediately preceding the text of the proposed amendment or measure on the paper ballot or optical scan ballot referred to in section 49.43. If the complete text of the public measure will not fit on the ballot it shall be posted inside the voting booth. A copy of the full text shall be included with any absentee ballots.

2. The commissioner may prepare a summary for public measures if the commissioner finds that a summary is needed to clarify the question to the voters.

[C73, §49.43; C75, 77, 79, 81, §49.44; 81 Acts, ch 34, §27]

89 Acts, ch 136, §38; 97 Acts, ch 170, §40; 2007 Acts, ch 190, §24; 2009 Acts, ch 57, §27

Referred to in §49.43, 52.25, 145A.7, 468.184, 468.259
Iowa Constitution, Art. X, §1

**49.45 General form of ballot.**

Ballots referred to in section 49.43 shall be substantially in the following form:

Shall the following amendment to the Constitution (or public measure) be adopted?

☐ Yes
☐ No

(Here insert the summary, if it is for a constitutional amendment or statewide public measure, and in full the proposed constitutional amendment or public measure. The number assigned by the state commissioner or the letter assigned by the county commissioner shall be included on the ballot centered above the question, "Shall the following amendment to the Constitution [or public measure] be adopted?".)

[C97, §1106; S13, §1106; C24, 27, 31, 35, 39, §**763;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §49.45; 81 Acts, ch 34, §28]

97 Acts, ch 170, §41

Referred to in §145A.7, 468.184, 468.259
Iowa Constitution, Art. X, §1

**49.46 Marking ballots on public measures.**

The elector shall designate a vote by making the appropriate mark in the voting target. On paper ballots an "X" or a check mark may be placed in the proper target.

[C97, §1106; S13, §1106; C24, 27, 31, 35, 39, §**764;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.46]

97 Acts, ch 170, §42; 2006 Acts, ch 1010, §38

Referred to in §145A.7, 468.184, 468.259

**49.47 Notice on ballots.**

1. At the top of paper ballots for public measures shall be printed the following:

[Notice to voters. To vote to approve any question on this ballot, make a cross mark or check in the target before the word "Yes". To vote against a question make a similar mark in the target preceding the word "No".]

2. This notice shall be adapted to describe the proper mark where it is appropriate.

[S13, §1106; C24, 27, 31, 35, 39, §**765;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.47]
97 Acts, ch 170, §43; 98 Acts, ch 1100, §7; 2008 Acts, ch 1032, §201
Referred to in §145A.7, 468.184, 468.259

**49.48 Notice for judicial officers and constitutional amendments.**

The state commissioner of elections shall prescribe a notice to inform voters of the location on the ballot of the form for retaining or removing judicial officers and for ratifying or defeating proposed constitutional amendments. The notice shall be conspicuously attached to the ballot.

83 Acts, ch 186, §10026, 10201; 89 Acts, ch 136, §39; 2009 Acts, ch 57, §28

**49.49** Repealed by 75 Acts, ch 81, § 154.

**49.50 Endorsement and delivery of ballots.**

Ballots on such public measures shall be endorsed and given to each voter by the precinct election officials, as in case of ballots generally, and shall be subject to all other laws governing ballots for candidates, so far as the same shall be applicable.

[S13, §1106; C24, 27, 31, 35, 39, §**768;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.50]

**49.51 Commissioner to control printing.**

The commissioner shall have charge of the printing of the ballots to be used for any election held in the county, unless the commissioner delegates that authority as permitted by this section. The commissioner may delegate this authority only to another commissioner who is responsible under section 47.2 for conducting the elections held for a political subdivision which lies in more than one county, and only with respect to printing of ballots containing only public questions or the names of candidates to be voted upon by the registered voters of that political subdivision. Only one facsimile signature, that of the commissioner under whose direction the ballot is printed, shall appear on the ballot. It is the duty of the commissioner to insure that the arrangement of any ballots printed under the commissioner's direction conforms to all applicable requirements of this chapter.

[C97, §1107; S13, §1106, 2754; SS15, §1107; C24, 27, §767, 769, 771, 4203; C31, 35, §767, 769, 771, 4216-c8; C39, §**767, 769, 771, 4216.08;** C46, 50, 54, 58, 62, 66, 71, 73, §49.51, 49.53, 277.8; C75, §49.49, 49.51; C77, 79, 81, §49.51]
83 Acts, ch 139, §1, 14; 93 Acts, ch 163, §38; 95 Acts, ch 67, §53; 98 Acts, ch 1119, §1
Referred to in §49.57

**49.52** Repealed by 73 Acts, ch 136, § 401.

**49.53 Publication of ballot and notice.**

1. The commissioner shall not less than four nor more than twenty days before the day of each election, except those for which different publication requirements are prescribed by law, publish notice of the election. The notice shall contain a facsimile of the portion of the ballot containing the first rotation as prescribed by section 49.31, subsection 2, and shall show the names of all candidates or nominees and the office each seeks, and all public questions, to be voted upon at the election. The sample ballot published as a part of the notice may at the discretion of the commissioner be reduced in size relative to the actual ballot but such reduction shall not cause upper case letters appearing in candidates' names or in summaries of public measures on the published sample ballot to be less than nine point type. The notice shall also state the date of the election, the hours the polls will be open, the location of each polling place at which voting is to occur in the election, and the names of the precincts voting at each polling place, but the statement need not set forth any fact which is apparent from

the portion of the ballot appearing as a part of the same notice. The notice shall include the full text of all public measures to be voted upon at the election.

2. The notice shall be published in at least one newspaper, as defined in section 618.3, which is published in the county or other political subdivision in which the election is to occur or, if no newspaper is published there, in at least one newspaper of substantial circulation in the county or political subdivision. For the general election or the primary election the foregoing notice shall be published in at least two newspapers published in the county. However, if there is only one newspaper published in the county, publication in one newspaper shall be sufficient.

[C51, §1110; R60, §463, 2027, 2030; C73, §578, 1718, 1719; C97, §1062, 1112, 2746, 2750, 2751, 2755; S13, §1087-a12, 2750, 2755; C24, §508, 550, 551, 790, 4195, 4197, 4208; C27, §508, 550, 551, 790, 4195, 4197, 4208, 4211-b1, 4216-b3; C31, 35, §508, 550, 551, 590, 4216-c3; C39, §**508, 550, 551, 790, 4216.03;** C46, 50, 54, §39.5, 43.23, 43.24, 49.72, 277.3; C58, 62, 66, 71, 73, §39.5, 43.23, 43.24, 43.29, 49.72, 277.3; C75, 77, 79, 81, §49.53]

87 Acts, ch 221, §15; 89 Acts, ch 136, §40; 93 Acts, ch 143, §17; 98 Acts, ch 1123, §5; 2002 Acts, ch 1134, §33, 115; 2007 Acts, ch 190, §2; 2009 Acts, ch 57, §29

Referred to in §28A.6, 39.6, 49.54, 49.73, 52.35, 260C.15, 260C.39, 275.35, 296.4, 298.18, 331.305, 346.27, 364.2, 368.3, 368.19, 384.26, 394.2

Publication of ballot, city elections, §376.5

**49.54 Cost of publication.**

The cost of the publication required by section 49.53, shall not exceed an amount determined by the director of the department of administrative services or the director's designee.

[C73, §3832; C97, §1112, 1293; S13, §1293; C24, 27, 31, 35, 39, §**772, 796;** C46, 50, 54, 58, 62, 66, 71, 73, §49.54, 49.72; C75, 77, 79, 81, §49.54]

2003 Acts, ch 145, §286

**49.55 Delivery of supplies to officials.**

In all cases the necessary election supplies, including paper ballots for precincts where they are to be used, shall be furnished the precinct election officials not less than one hour before the opening of the polls on the morning of the election.

[C97, §1107; SS15, §1107; C24, 27, 31, 35, 39, §**773;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.55]

Referred to in §49.65

**49.56 Maximum cost of printing.**

The cost of printing the official election ballots and printed supplies shall not exceed the usual and customary rates that the printer charges its regular customers.

[SS15, §1107; C24, 27, 31, 35, 39, §**774;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.56]

88 Acts, ch 1119, §18; 2009 Acts, ch 57, §30

Referred to in §53.46

**49.57 Method and style of printing ballots.**

Ballots shall be prepared as follows:

1. They shall be on paper uniform in color, through which the printing or writing cannot be read.

2. In the area of the general election ballot for straight party voting, the party or organization names shall be printed in upper case and lower case letters using a uniform font size for each political party or nonparty political organization. The font size shall be not less than twelve point type. After the name of each candidate for a partisan office the name of the candidate's political party shall be printed in at least six point type. The names of political parties and nonparty political organizations may be abbreviated on the remainder of the ballot if both the full name and the abbreviation appear in the "Straight Party" and "Other Political Party" areas of the ballot.

3. The names of candidates shall be printed in upper case and lower case letters using a uniform font size throughout the ballot. The font size shall be not less than ten point type.

4. In no case shall the font size for public measures, constitutional amendments, and constitutional convention questions, and summaries thereof, be less than ten point type.

5. On ballots that will be counted by automatic tabulating equipment, ballots shall include a voting target next to the name of each candidate. The position, shape, and size of the targets shall be appropriate for the equipment to be used in counting the votes. Where paper ballots are used, a square may be printed at the beginning of each line in which the name of a candidate is printed, except as otherwise provided.

6. A portion of the ballot shall include the words "Official ballot", the unique identification number or name assigned by the commissioner to the ballot style, the date of the election, and a facsimile of the signature of the commissioner who has caused the ballot to be printed pursuant to section 49.51.

7. The office title of any office which appears on the ballot to fill a vacancy before the end of the usual term of the office shall include the words "To Fill Vacancy".

[C97, §1109; S13, §1109; C24, 27, 31, 35, 39, §**775;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.57]

97 Acts, ch 170, §44; 2002 Acts, ch 1134, §34, 115; 2007 Acts, ch 59, §8 – 10, 19; 2009 Acts, ch 57, §31

Referred to in §43.31, 49.57A
Single voting target for certain paired offices, §49.33
Signature in primary elections, §43.36

**49.57A Form of official ballot — implementation by rule.**

The state commissioner shall adopt rules in accordance with chapter 17A to implement sections 49.30 through 49.41, section 49.57, and any other provision of the law prescribing the form of the official ballot.

2009 Acts, ch 57, §32

**49.58 Effect of death of certain candidates.**

If any candidate nominated by a political party, as defined in section 43.2, for the office of senator or representative in the Congress of the United States, governor, attorney general, or senator or representative in the general assembly dies during the period beginning on the eighty-eighth day and ending on the last day before the general election, or if any candidate so nominated for the office of county supervisor dies during the period beginning on the seventy-third day and ending on the last day before the general election, the vote cast at the general election for that office shall not be canvassed as would otherwise be required by chapter 50. Instead, a special election shall be held on the first Tuesday after the second Monday in December, for the purpose of electing a person to fill that office.

Each candidate for that office whose name appeared on the general election ballot shall also be a candidate for the office in the special election, except that the deceased candidate's political party may designate another candidate in substantially the manner provided by section 43.78 for filling vacancies on the general election ballot. However, a political party which did not have a candidate on the general election ballot for the office in question may similarly designate a candidate for that office in the special election. The name of any replacement or additional candidate so designated shall be submitted in writing to the state commissioner, or the commissioner in the case of a candidate for county supervisor, not later than 5:00 p.m. on the first Tuesday after the date of the general election. No other candidate whose name did not appear on the general election ballot as a candidate for the office in question shall be placed on the ballot for the special election, in any manner. The special election shall be held and canvassed in the manner prescribed by law for the general election.

[C97, §1108; C24, 27, 31, 35, 39, §**776;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.58]

89 Acts, ch 136, §41; 97 Acts, ch 170, §45

Referred to in §43.79

**49.59 through 49.62** Reserved.

**49.63 Time of printing — inspection and correction.**

Ballots shall be printed and in the possession of the commissioner in time to enable the commissioner to furnish ballots to absent voters as provided by sections 53.8, 53.10, and 53.11. The printed ballots shall be subject to the inspection of candidates and their agents. If mistakes are discovered, they shall be corrected without delay, in the manner provided in this chapter.

[C97, §1110; C24, 27, 31, 35, 39, §**781;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.63]
2007 Acts, ch 59, §22, 38
Correction of primary ballots, §43.25

**49.64 Number of ballots delivered.**

The commissioner shall cause ballots of the kind to be voted in each precinct to be delivered to the precinct election officials as follows: in general elections which are presidential elections at least fifty-five ballots for every fifty votes, or fraction of fifty votes, cast in the precinct at the last preceding general election which was also a presidential election; and in general elections which are not presidential elections, at least fifty-five ballots for every fifty votes, or fraction of fifty votes, cast at the last preceding general election which was not a presidential election.

[C97, §1110; C24, 27, 31, 35, 39, §**782;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.64]
2002 Acts, ch 1134, §35, 115

**49.65 Packing ballots — delivery — receipts — records.**

The required number of ballots for each precinct shall be wrapped and sealed, and each package shall be clearly marked on the outside to indicate the number of ballots contained in the package and the name or number of the precinct and the location of the polling place for which they are intended. The ballots shall be delivered to the precinct election officials together with other necessary election supplies, as provided by section 49.55, and one of the officials shall sign a receipt for the ballots which receipt shall be preserved by the commissioner. The commissioner shall keep a record of the number of ballots delivered for each polling place, the person who signed the receipt for them, and the time they were delivered, on a form which also provides space for the entries required by section 50.10.

[C97, §1110; C24, 27, 31, 35, 39, §**783;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.65]
Referred to in §50.10, 53.22

**49.66 Reserve supply of ballots.**

The commissioner shall provide and retain at the commissioner's office an ample supply of ballots, in addition to those distributed to the several voting precincts. If at any time the ballots furnished to any precinct shall be lost, destroyed, or if the chairperson of the precinct election officials determines that the supply of ballots will be exhausted before the polls are closed, the chairperson of the precinct election officials of the precinct shall immediately contact the commissioner by telephone. If no telephone is available, a messenger shall be sent to the commissioner with a written application for additional ballots. The application shall be signed by a majority of the precinct election officials. The commissioner shall keep written records of all requests for additional ballots and shall immediately cause to be delivered to the officials, at the polling place, such additional supply of ballots as may be required, and sufficient to comply with the provisions of this chapter.

[C97, §1110; C24, 27, 31, 35, 39, §**784;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.66]
95 Acts, ch 189, §8

**49.67 Form of reserve supply.**

The number of reserve ballots for each precinct shall be determined by the commissioner.

If necessary, the commissioner or the commissioner's designee may make photocopies of official ballots to replace or replenish ballot supplies. The commissioner shall keep a record of the number of photocopied ballots made for each precinct, the name of the person who made the photocopies, and the date, time, and location at which the photocopies were made. These records shall be made on forms and following procedures prescribed by the secretary of state by administrative rule.

In any precinct where photocopied ballots are used, each photocopied ballot shall be initialed as required by section 49.82 by two precinct officials immediately before being issued to the voter. In partisan elections the two precinct officials shall be of different political parties.

[C97, §1110; C24, 27, 31, 35, 39, §**785;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.67]
95 Acts, ch 189, §9

**49.68 State commissioner to furnish instructions.**

1. The state commissioner with the approval of the attorney general shall prepare, and from time to time revise, written instructions to the voters relative to the rights of voters, and shall furnish each commissioner with copies of the instructions. Such instructions shall cover the following matters:

*a.* The procedure for registering to vote after the registration deadline has passed.

*b.* Instructions for voters who are required by law to show identification before voting.

*c.* General information on voting rights under applicable federal and state laws, including the following:

(1) Information on the right of an individual to cast a provisional ballot and the procedure for casting a provisional ballot.

(2) Federal and state laws regarding prohibitions on acts of fraud, misrepresentation, coercion, or duress.

*d.* Instructions on how to contact the appropriate officials if a voter believes the voter's rights have been violated.

2. The state commissioner shall prepare instructions relative to voting for each voting system in use in the state and shall furnish the county commissioner with copies of the instructions. Such instructions shall cover the following matters:

*a.* The manner of obtaining ballots.

*b.* The manner of marking ballots.

*c.* That unmarked or improperly marked ballots will not be counted.

*d.* The method of gaining assistance in marking ballots.

*e.* That any erasures or identification marks, or otherwise spoiling or defacing a ballot, will render it invalid.

*f.* Not to vote a spoiled or defaced ballot.

*g.* How to obtain a new ballot in place of a spoiled or defaced one.

*h.* Any other matters thought necessary.

[C97, §1111; C24, 27, 31, 35, 39, §**786, 787;** C46, 50, 54, 58, 62, 66, 71, 73, §49.68, 49.69; C75, 77, 79, 81, §49.68; 81 Acts, ch 34, §29]
2008 Acts, ch 1115, §94
Referred to in §49.71

**49.69** Repealed by 73 Acts, ch 136, § 401.

**49.70 Precinct election officials furnished instructions.**

The commissioner shall cause copies of instructions addressing the rights of voters and instructions for voting to be printed in large, clear type. The commissioner shall furnish the precinct election officials with a sufficient number of each set of instructions as will enable them to comply with section 49.71.

[C97, §1111; C24, 27, 31, 35, 39, §**788;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.70]
2002 Acts, ch 1134, §36, 115; 2008 Acts, ch 1115, §95; 2010 Acts, ch 1033, §20, 56
Referred to in §49.71

**49.71 Posting instruction cards and sample ballots.**

The precinct election officials, before the opening of the polls, shall cause each set of instructions required pursuant to section 49.70 to be securely posted as follows:

1. At least one copy of the instructions for voting prescribed in section 49.68, subsection 2, in each voting booth.

2. At least one copy of the instructions for voting prescribed in section 49.68, subsection 2, with an equal number of sample ballots, in and about the polling place.

3. At least one copy of the instructions relating to rights of voters, as prescribed in section 49.68, subsection 1, in and about the polling place.

[C97, §1112; C24, 27, 31, 35, 39, §**789;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.71]

2003 Acts, ch 44, §26; 2008 Acts, ch 1115, §96

Referred to in §43.30, 49.70

Sample primary ballots, §43.30

**49.72 Absentee voters designated before polling place opened.**

The commissioner shall deliver to each precinct election board not less than one hour before the time at which the polls are to open for any election the list of all registered voters of that precinct who have been given or sent an absentee ballot for that election, and the election board shall immediately designate those registered voters who are so listed and therefore not entitled to vote in person at the polls, except as provided in section 53.19, subsection 3.

[C75, 77, 79, 81, §49.72]

95 Acts, ch 67, §53; 2010 Acts, ch 1026, §8

**49.73 Time of opening and closing polls.**

1. At all elections, except as otherwise permitted by this section, the polls shall be opened at 7:00 a.m. if at least one official from each of the political parties referred to in section 49.13 is present. On the basis of voter turnout for recent similar elections and factors considered likely to so affect voter turnout for the forthcoming election as to justify shortened voting hours for that election, the commissioner may direct that the polls be opened at 12:00 noon for:

*a.* Any school district election.

*b.* Any election conducted for a city, including a local option sales and services tax election conducted pursuant to section 423B.1. At elections conducted pursuant to chapter 423B, all polling places shall have the same voting hours.

*c.* Any election conducted for a benefited district.

*d.* Any election conducted for the unincorporated area of a county.

2. The commissioner shall not shorten voting hours for any election if there is filed in the commissioner's office, at least twenty-five days before the election, a petition signed by at least fifty eligible electors of the school district or city, as the case may be, requesting that the polls be opened not later than 7:00 a.m. All polling places where the candidates of or any public question submitted by any one political subdivision are being voted upon shall be opened at the same hour, except that this requirement shall not apply to merged areas established under chapter 260C. The hours at which the respective precinct polling places are to open shall not be changed after publication of the notice required by section 49.53. The polling places shall be closed at 9:00 p.m. for state primary and general elections and other partisan elections, and for any other election held concurrently therewith, and at 8:00 p.m. for all other elections.

[C51, §251; R60, §486; C73, §611; C97, §1096, 2751, 2754, 2756; S13, §1087-a6, 1096, 2754, 2756; C24, 27, §565, 791, 4202, 4211; C31, 35, §565, 791, 4216-c9; C39, §**565, 791, 4216.09;** C46, 50, 54, 58, 62, 66, 71, 73, §43.37, 49.73, 277.9; C75, 77, 79, 81, §49.73]

94 Acts, ch 1180, §13; 2002 Acts, ch 1134, §37, 38, 115; 2007 Acts, ch 59, §11, 19; 2008 Acts, ch 1115, §97; 2009 Acts, ch 138, §1

Referred to in §53.2

**49.74 Voters entitled to vote after closing time.**

Every voter who is on the premises of the voter's precinct polling place at the time the polling place is to be closed for any election shall be permitted to vote in that election. Wherever possible, when there are persons on the premises of a polling place awaiting an opportunity to claim their vote at the time the polling place is to be closed, the election board shall cause those persons to move inside the structure in which the polling place is located and shall then shut the doors of the structure and shall not admit any additional persons to the polling place for the purpose of voting. If it is not feasible to cause persons on the premises of a polling place awaiting an opportunity to claim their vote at the time the polling place is to be closed to move inside the structure in which the polling place is located, the

election board shall cause those persons to be designated in some reasonable manner and shall not receive votes after that time from any persons except those voters so designated.

[C27, 31, 35, §791-a1; C39, §**791.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.74]

94 Acts, ch 1169, §64; 2008 Acts, ch 1115, §82

**49.75 Oath.**

Before opening the polls, each of the board members shall take the following oath: "I, A. B., do solemnly swear or affirm that I will impartially, and to the best of my knowledge and ability, perform the duties of precinct election official of this election, and will studiously endeavor to prevent fraud, deceit, and abuse in conducting the election."

[C51, §249; R60, §484; C73, §609; C97, §1094, 2756; S13, §2756; C24, 27, §792, 4209; C31, 35, §792, 4216-c11; C39, §**792, 4216.11;** C46, 50, 54, 58, 62, 66, 71, 73, §49.75, 277.11; C75, 77, 79, 81, §49.75]

89 Acts, ch 136, §42

Referred to in §49.14, 53.22

**49.76 How administered.**

Any one of the precinct election officials present may administer the oath to the others, and it shall be entered in the election records, subscribed by the person taking it, and certified by the officer administering it.

[C51, §250; R60, §485; C73, §610; C97, §1095; SS15, §1087-a5; C24, 27, 31, 35, 39, §**559, 793;** C46, 50, 54, 58, 62, 66, 71, 73, §43.31, 49.76; C75, 77, 79, 81, §49.76]

**49.77 Ballot furnished to voter.**

1. The board members of their respective precincts shall have charge of the ballots and furnish them to the voters.

*a.* Any person desiring to vote shall sign a voter's declaration provided by the officials, in substantially the following form:

VOTER'S DECLARATION
OF ELIGIBILITY

I do solemnly swear or affirm that I am a resident of the ..... precinct, ..... ward or township, city of ....., county of ....., Iowa.

I am a registered voter. I have not voted and will not vote in any other precinct in said election.

I understand that any false statement in this declaration is a criminal offense punishable as provided by law.

.....
Signature of Voter

.....
Address

.....
Telephone (optional)

Approved:

.....
Board Member

*b.* At the discretion of the commissioner, this declaration may be printed on each page of the election register and the voter shall sign the election register next to the voter's printed name. The voter's signature in the election register shall be considered the voter's signed declaration of eligibility affidavit. The state commissioner of elections shall prescribe by rule an alternate method for providing the information in subsection 2 for those counties where the declaration of eligibility is printed in the election register. The state voter registration system shall be designed to allow for the affidavit to be printed on each page of the election register and to allow sufficient space for the voter's signature.

*c.* At the discretion of the commissioner, an electronic election register may be used to produce the declaration required in this subsection. The person desiring to vote shall sign the declaration produced by the electronic election register prior to receiving a ballot.

2. If the declaration of eligibility is not printed on each page of the election register, any of those persons present pursuant to section 49.104, subsection 2, 3, 5, or 6, may upon request view the signed declarations of eligibility and may review the signed declarations on file so long as the person does not interfere with the functions of the precinct election officials. If the declaration of eligibility is printed on the election register, voters shall also sign a voter roster which the precinct election official shall make available for viewing. Any of those persons present pursuant to section 49.104, subsection 2, 3, 5, or 6, may upon request view the roster of those voters who have signed declarations of eligibility, so long as the person does not interfere with the functions of the precinct election officials.

3. *a.* A precinct election official shall require any person whose name does not appear on the election register as an active voter to show identification. Specific documents which are acceptable forms of identification shall be prescribed by the state commissioner.

*b.* A precinct election official may require of the voter unknown to the official, identification in the form prescribed by the state commissioner by rule. If identification is established to the satisfaction of the precinct election officials, the person may then be allowed to vote.

4. *a.* A person whose name does not appear on the election register of the precinct in which that person claims the right to vote shall not be permitted to vote, unless the person affirms that the person is currently registered in the county and presents proof of identity, or the commissioner informs the precinct election officials that an error has occurred and that the person is a registered voter of that precinct. If the commissioner finds no record of the person's registration but the person insists that the person is a registered voter of that precinct, the precinct election officials shall allow the person to cast a ballot in the manner prescribed by section 49.81.

*b.* If the voter informs the precinct election official that the voter resides in the precinct and is not registered to vote, the voter may register to vote pursuant to section 48A.7A and cast a ballot. If such a voter is unable to establish identity and residency in the manner provided in section 48A.7A, subsection 1, paragraph "*b*" or "*c*", the voter shall be allowed to cast a ballot in the manner prescribed by section 49.81.

*c.* A person who has been sent an absentee ballot by mail but for any reason has not received it shall be permitted to cast a ballot in person pursuant to section 53.19.

5. The request for the telephone number in the declaration of eligibility in subsection 1 is not mandatory and the failure by the voter to provide the telephone number does not affect the declaration's validity.

[C97, §1114; C24, §794, 795; C27, 31, 35, §718-b20, 794, 795; C39, §**718.21, 794, 795;** C46, 50, 54, 58, 62, 66, 71, §48.21, 49.77, 49.78; C73, 75, 77, 79, 81, §49.77]

83 Acts, ch 176, §5; 87 Acts, ch 221, §16, 17; 88 Acts, ch 1119, §19; 94 Acts, ch 1169, §50; 94 Acts, ch 1180, §14; 98 Acts, ch 1123, § 6; 2006 Acts, ch 1002, §3, 4; 2007 Acts, ch 35, §6, 7; 2008 Acts, ch 1032, §152; 2008 Acts, ch 1115, §98; 2009 Acts, ch 57, §33; 2010 Acts, ch 1026, §9; 2010 Acts, ch 1033, §21, 22; 2013 Acts, ch 140, §14

Referred to in §48A.37, 49.81, 50.6

Subsection 1, NEW paragraph c

**49.78** Repealed by 72 Acts, ch 1025, § 35.

**49.79 Challenges.**

1. Any person offering to vote may be challenged as unqualified by any precinct election official or registered voter. It is the duty of each official to challenge any person offering to vote whom the official knows or suspects is not duly qualified. A ballot shall be received from a voter who is challenged, but only in accordance with section 49.81.

2. A person may be challenged for any of the following reasons:

*a.* The challenged person is not a citizen of the United States.

*b.* The challenged person is less than eighteen years of age as of the date of the election at which the person is offering to vote.

*c.* The challenged person is not a resident at the address where the person is registered. However, a person who is reporting a change of address at the polls on election day pursuant to section 48A.27, subsection 2, paragraph "*a*", subparagraph (3), or who is registering to vote pursuant to section 48A.7A, shall not be challenged for this reason.

*d.* The challenged person is not a resident of the precinct where the person is offering to vote.

*e.* The challenged person has falsified information on the person's registration form or on the person's declaration of eligibility.

*f.* The challenged person has been convicted of a felony, and the person's voting rights have not been restored.

*g.* The challenged person has been adjudged by a court of law to be a person who is incompetent to vote and no subsequent proceeding has reversed that finding.

3. *a.* The state commissioner of elections shall prescribe a form to be used by a registered voter challenging a prospective voter at the polls. A precinct election official working at the precinct is not required to use the challenge form. The challenge form shall include a space for the challenger to provide the challenger's printed name, signature, address, and telephone number. The challenge form shall also contain the following statement signed by the challenger:

I am a registered voter in (name of county) County, Iowa. I swear or affirm that information contained in this challenge is true. I understand that knowingly filing a challenge containing false information is an aggravated misdemeanor.

*b.* The special precinct board shall reject a challenge that lacks the name, address, telephone number, and signature of the challenger.

4. A separate written challenge shall be made against each prospective voter challenged.

5. A challenger may withdraw a challenge at the polling place on election day or at any time before the meeting of the special precinct counting board by notifying the commissioner in writing of the withdrawal.

[C51, §258; R60, §493; C73, §619; C97, §1115; S13, §1087-a9; C24, 27, 31, 35, 39, §**571, 796;** C46, 50, 54, 58, 62, 66, 71, 73, §43.43, 49.79; C75, 77, 79, 81, §49.79]

2002 Acts, ch 1134, §39, 115; 2007 Acts, ch 59, §12, 19; 2008 Acts, ch 1115, §86, 87; 2010 Acts, ch 1033, §23, 56

Referred to in §39A.3, 48A.14

**49.80 Examination on challenge.**

1. When the status of any person as a registered voter is so challenged, the precinct election officials shall explain to the person the qualifications of an elector, and may examine the person under oath touching the person's qualifications as a voter.

2. *a.* In case of any challenges of an elector at the time the person is offering to vote in a precinct, a precinct election official may place such person under oath and question the person as to the following:

(1) Where the person maintains the person's home.

(2) How long the person has maintained the person's home at such place.

(3) If the person maintains a home at any other location.

(4) The person's age.

*b.* The precinct election official may permit the challenger to participate in such questions. The challenged elector shall be allowed to present to the official such evidence and facts as the elector feels sustains the fact that the person is qualified to vote. Upon completion thereof, if

the challenge is withdrawn, the elector may cast the vote in the usual manner. If the challenge is not withdrawn, section 49.81 shall apply.

[C51, §259; R60, §494; C73, §620; C97, §1115; C24, 27, 31, 35, 39, §**797;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.80]

90 Acts, ch 1238, §21; 94 Acts, ch 1169, §64; 2013 Acts, ch 30, §14
Referred to in §49.81
Subsection 2 amended

**49.81 Procedure for voter to cast provisional ballot.**

1. A prospective voter who is prohibited under section 48A.8, subsection 4, section 49.77, subsection 4, section 49.80, or section 53.19, subsection 3, from voting except under this section shall be notified by the appropriate precinct election official that the voter may cast a provisional ballot. The voter shall mark the ballot and immediately seal it in an envelope of the type prescribed by subsection 4. The voter shall deliver the sealed envelope to a precinct election official who shall deposit it in an envelope marked "provisional ballots". The ballot shall be considered as having been cast in the special precinct established by section 53.20 for purposes of the postelection canvass.

2. Each person who casts a provisional ballot under this section shall receive a printed statement in a form prescribed by the state commissioner by rule adopted in accordance with chapter 17A. The statement shall contain, at a minimum, the following information:

*a.* The reason the person is casting a provisional ballot.

*b.* If the person is casting a provisional ballot because the person failed to provide a required form of identification, a list of the types of acceptable identification and notification that the person must show identification before the ballot can be counted.

*c.* If the person is casting a provisional ballot because the person's qualifications as a registered voter have been challenged, the allegations contained in the written challenge, a description of the challenge process, and the person's right to address the challenge.

*d.* A statement that if the person's ballot is not counted, the person will receive, by mail, notification of this fact and the reason the ballot was not counted.

*e.* Other information deemed necessary by the state commissioner.

3. Any eligible elector may present written statements or documents, supporting or opposing the counting of any provisional ballot, to the precinct election officials on election day, until the hour for closing the polls. Any statements or documents so presented shall be delivered to the commissioner when the election supplies are returned.

4. *a.* (1) The individual envelopes used for each provisional ballot cast pursuant to subsection 1 shall have space for the voter's name, date of birth, and address and shall have printed on them the following:

I am a United States citizen, at least eighteen years of age. I believe I am a registered voter of this county and I am eligible to vote in this election.
.....
(signature of voter) (date)

(2) The following information is to be provided by the precinct election official:

Reason for casting provisional ballot:
.....
.....

.....
(signature of precinct election official)

*b.* The precinct election official shall attach a completed voter registration form from each provisional voter unless the person's registration status is listed in the election register as active or pending. If a voter is casting a provisional ballot because the voter's qualifications as

a registered voter have been challenged, the precinct election official shall attach the signed challenge to the provisional ballot envelope.

[C77, 79, 81, §49.81]

87 Acts, ch 221, §19, 20; 94 Acts, ch 1169, §51, 64; 2002 Acts, ch 1134, §40, 115; 2004 Acts, ch 1083, §20, 37; 2004 Acts, ch 1175, §358; 2008 Acts, ch 1115, §88; 2010 Acts, ch 1026, §10

Referred to in §48A.8, 49.77, 49.79, 49.80, 50.20, 50.21, 53.19

**49.82 Voter to receive one ballot — endorsement.**

When an empty voting booth is available, one of the precinct election officials shall endorse the official's initials on each ballot the voter will receive. The initials shall be placed so that they may be seen when the ballot is properly folded or enclosed in a secrecy folder. The official shall give the voter one and only one of each of the ballots to be voted at that election in that precinct, except as provided by section 49.100. No ballot without the required official endorsement shall be placed in the ballot box.

[C97, §1116, 1117; C24, 27, 31, 35, 39, §**799;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.82]

94 Acts, ch 1180, §15

Referred to in §49.67

Endorsement in primary elections, §43.36

**49.83 Names to be marked on election register.**

The name of each voter shall be marked on the election register by a precinct election official when the voter's declaration of eligibility has been approved by the officials.

[C51, §260; R60, §495; C73, §621; C97, §1116; C24, 27, 31, 35, 39, §**800;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.83]

**49.84 Marking and return of ballot.**

1. *a.* After receiving the ballot, the voter shall immediately go to the next available voting booth and without delay mark the ballot. All voters shall vote in booths.

*b.* Before leaving the voting booth, the voter may enclose the ballot in a secrecy folder to conceal the marks on the ballot.

*c.* If the precinct has automatic tabulating equipment that will not permit more than one ballot to be inserted at a time, the voter may insert the ballot into the tabulating device; otherwise, the election official shall place the ballot in the ballot box. An identifying mark or symbol shall not be endorsed on the voter's ballot.

2. This section does not prohibit a voter from taking minor children into the voting booth with the voter.

[C51, §257; R60, §492; C73, §617; C97, §1117, 1119; S13, §1119; C24, 27, 31, 35, 39, §**801;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.84]

94 Acts, ch 1180, §16; 2002 Acts, ch 1134, §41, 115; 2009 Acts, ch 57, §34

Referred to in §43.38

**49.85 Depositing ballots.**

One of the precinct election officials shall at once, after receiving the ballot, in the presence of the voter, deposit it in the ballot box.

[C51, §257; R60, §492; C73, §617; C97, §1117; C24, 27, 31, 35, 39, §**802;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.85]

Referred to in §39A.4

**49.86 Failure to vote — surrender of ballot.**

Any voter who, after receiving an official ballot, decides not to vote, shall, before entering the voting booth, surrender to the election officers the official ballot which has been given to the voter, and such fact shall be noted on the election records. A refusal to surrender such ballot shall subject the person so offending to immediate arrest and the penalties provided for violation of this chapter.

[C97, §1117; C24, 27, 31, 35, 39, §**803;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.86]

Penalty, §39A.3

**49.87 Prohibited ballot — taking ballot from polling place.**

No voter shall vote or offer to vote any ballot except such as the voter has received from the precinct election officials, nor take or remove any ballot from the polling place before the close of the poll.

[C97, §1117; C24, 27, 31, 35, 39, §**804;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.87]

**49.88 Limitation on persons in booth and time for voting.**

1. No more than one person shall be allowed to occupy any voting booth at any time. The use of cameras, cellular telephones, pagers, or other electronic communications devices in the voting booth is prohibited.

2. *a.* Nothing in this section shall prohibit assistance to voters under section 49.90.

*b.* This section does not prohibit a voter from taking minor children into the voting booth with the voter.

[C97, §1117; C24, 27, 31, 35, 39, §**805;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.88]

2002 Acts, ch 1134, §42, 115; 2008 Acts, ch 1115, §99

**49.89 Selection of officials to assist voters.**

At, or before, the opening of the polls, the election board of each precinct shall select two members of the board, of different political parties in the case of any election in which candidates appear on the ballot under the heading of either of the political parties referred to in section 49.13, to assist voters who may be unable to cast their votes without assistance as described in section 49.90.

[C97, §1118; C24, 27, 31, 35, 39, §**806;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §49.89; 81 Acts, ch 34, §30]

84 Acts, ch 1291, §8

Referred to in §49.90

**49.90 Assisting voter.**

Any voter who may declare upon oath that the voter is blind, cannot read the English language, or is, by reason of any physical disability other than intoxication, unable to cast a vote without assistance, shall, upon request, be assisted by the two officers as provided in section 49.89, or alternatively by any other person the voter may select in casting the vote. The officers, or the person selected by the voter, shall cast the vote of the voter requiring assistance, and shall thereafter give no information regarding the vote cast. If any elector because of a disability cannot enter the building where the polling place for the elector's precinct of residence is located, the two officers shall take a paper ballot to the vehicle occupied by the elector with a disability and allow the elector to cast the ballot in the vehicle. Ballots cast by voters with disabilities shall be deposited in the regular ballot box, or inserted in the tabulating device, and counted in the usual manner.

[C97, §1118; C24, 27, 31, 35, 39, §**807;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §49.90; 81 Acts, ch 34, §31]

84 Acts, ch 1291, §9; 96 Acts, ch 1129, §16; 2007 Acts, ch 190, §25; 2009 Acts, ch 57, §35

Referred to in §49.88, 49.89, 52.26, 53.22

**49.91 Assistance indicated on register.**

The precinct election officials shall mark upon the election register the name of any elector who received such assistance in casting the elector's vote.

[C97, §1118; C24, 27, 31, 35, 39, §**808;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.91]

Referred to in §52.26

**49.92 Voting mark.**

The instructions appearing on the ballot shall describe the appropriate mark to be used by the voter. The mark shall be consistent with the requirements of the voting system in use in the precinct. The voting mark used on paper ballots may be a cross or check which shall be placed in the voting targets opposite the names of candidates. The fact that the voting mark is made by an instrument other than a black lead pencil shall not affect the validity of the

ballot unless it appears that the color or nature of the mark is intended to identify the ballot contrary to the intent of section 39A.4, subsection 1.

[C97, §1119, 1121; S13, §1119, 1121; C24, 27, 31, 35, 39, §**809;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.92]

97 Acts, ch 170, §46

Referred to in §49.98

**49.93 Number of votes for each office.**

For an office to which one person is to be elected, a voter shall not vote for more than one candidate. If two or more persons are to be elected to an office, the voter shall vote for no more than the number of persons to be elected. If a person votes for more than the permitted number of candidates, the vote for that office shall not count. Valid votes cast on the rest of the ballot shall be counted.

[C97, §1120; S13, §1120; C24, 27, 31, 35, 39, §**810;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.93]

97 Acts, ch 170, §47

Referred to in §49.98

**49.94 How to mark a straight ticket.**

If all the candidates for whom a voter desires to vote in any election other than the primary election were nominated by the same political party or nonparty political organization, and the voter desires to vote for all candidates nominated by that political party or organization, the voter may do so in any one of the following ways:

1. The voter may mark the voting target next to the name of the political party or nonparty political organization in the straight party or organization section of the ballot without marking any voting target next to the name of a candidate nominated by the party or organization.

2. The voter may mark the voting target next to the name of the political party or nonparty political organization in the straight party or organization section of the ballot and also mark any or all of the voting targets next to the names of candidates nominated by that party or organization.

[C97, §1119, 1120; S13, §1119, 1120; C24, 27, 31, 35, 39, §**811;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.94]

97 Acts, ch 170, §48; 98 Acts, ch 1100, §8

Referred to in §49.98

**49.95 Voting part of ticket only.**

If all the candidates for whom the voter desires to vote were nominated by the same political party or nonparty political organization but the voter does not desire to vote for all of the candidates nominated by the party or organization, the voter shall mark the voting target next to the name of each candidate for whom the voter desires to vote without marking the target next to the name of the party or organization in the straight party or organization section of the ballot.

[C97, §1119, 1120; S13, §1119, 1120; C24, 27, 31, 35, 39, §**812;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.95]

97 Acts, ch 170, §49; 98 Acts, ch 1100, §9

Referred to in §49.98

**49.96 Offices with more than one person to be elected.**

Where more than one person is to be elected to the same office at the same election, and all of the candidates for that office for whom the voter desires to vote were nominated by the political party or nonparty political organization for which the voter has marked a straight party or organization vote, the voter need not otherwise indicate the vote for that office. However, if a voter who has marked a straight party or organization ticket also marks the voting targets next to the names of one or more candidates for any office, only the votes cast separately for individual candidates for that office shall be counted. If the voter wishes to vote for candidates who were nominated by different political parties or nonparty political

organizations, the voter must mark the voting target for each candidate the voter has chosen, whether or not the voter has also marked a straight party or organization vote.

[C97, §1119, 1120; S13, §1119, 1120; C24, 27, 31, 35, 39, §**813;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.96]

97 Acts, ch 170, §50; 2002 Acts, ch 1134, §43, 115

Referred to in §49.98

**49.97 How to mark a mixed ticket.**

If all candidates for whom a voter desires to vote were not nominated by the same political party or nonparty political organization, the voter may indicate the candidates of the voter's choice by marking the ballot in any one of the following ways:

1. The voter may mark a straight party or organization vote for the party or nonparty political organization which nominated some of the candidates for whom the voter desires to vote and vote for candidates of other parties or nonparty political organizations by marking the voting targets next to their names.

2. The voter may vote for each candidate separately without marking any straight party or organization vote.

[C97, §1119, 1120; S13, §1119, 1120; C24, 27, 31, 35, 39, §**814;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.97]

97 Acts, ch 170, §51; 98 Acts, ch 1100, §10

Referred to in §49.98

**49.98 Counting ballots.**

The ballots shall be counted according to the voters' marks on them as provided in sections 49.92 to 49.97, and not otherwise. If, for any reason, it is impossible to determine from a ballot, as marked, the choice of the voter for any office, the vote for that office shall not be counted. When there is a conflict between a straight party or organization vote for one political party or nonparty political organization and the vote cast by marking the voting target next to the name of a candidate for another political party or nonparty political organization on the ballot, the mark next to the name of the candidate shall be held to control, and the straight party or organization vote in that case shall not apply as to that office. A ballot shall be rejected if the voter used a mark to identify the voter's ballot. For each voting system, the state commissioner shall, by rule adopted pursuant to chapter 17A, develop uniform definitions of what constitutes a vote.

[C97, §1120; S13, §1120; C24, 27, 31, 35, 39, §**815;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.98]

97 Acts, ch 170, §52; 2004 Acts, ch 1083, §21, 37

**49.99 Writing name on ballot.**

1. The voter may also write on the line provided for write-in votes the name of any person for whom the voter desires to vote and mark the voting target opposite the name. If the voter is using a voting system other than an optical scan voting system, as defined in section 52.1, the writing of the name shall constitute a valid vote for the person whose name has been written on the ballot without regard to whether the voter has made a mark opposite the name. However, when a write-in vote is cast using an optical scan voting system, the ballot must also be marked in the corresponding space in order to be counted. Marking the voting target opposite a write-in line without writing a name on the line shall not affect the validity of the remainder of the ballot.

2. If a voter writes the name of a person more than once in the proper places on a ballot for an office to which more than one person is to be elected, all but one of those votes for that person for that office are void and shall not be counted.

[C97, §1119; S13, §1119; C24, 27, 31, 35, 39, §**816;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.99]

86 Acts, ch 1224, §13; 90 Acts, ch 1238, §22; 97 Acts, ch 170, §53; 2007 Acts, ch 190, §26; 2009 Acts, ch 57, §36

**49.100 Spoiled ballots.**

A voter who spoils a ballot may return the spoiled ballot to the precinct election officials and receive another ballot. However, a voter shall not receive more than three ballots, including the one first delivered. Only ballots provided in accordance with the provisions of this chapter shall be counted.

[C97, §1121; S13, §1121; C24, 27, 31, 35, 39, §**817;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.100]

97 Acts, ch 170, §54

Referred to in §49.82

**49.101 Defective ballot does not nullify vote.**

No ballot properly marked by the voter shall be rejected:

1. Because of any discrepancy between the printed ballot and the nomination paper, or certificate of nomination, or certified abstract of the canvassing board.
2. Because of any error in stamping or writing the endorsement thereon by the officials charged with such duties.
3. Because of any error on the part of the officer charged with such duty in delivering the wrong ballots at any polling place.

[C97, §1122; C24, 27, 31, 35, 39, §**818;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.101]

**49.102 Defective ballots.**

Said defective ballots shall be counted for the candidate or candidates for such offices named in the nomination papers, certificate of nomination, or certified abstract.

[C97, §1122; C24, 27, 31, 35, 39, §**819;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.102]

**49.103 Wrong ballots.**

Said wrong ballots shall be counted as cast for all candidates for whom the voter had the right to vote, and for whom the voter did vote.

[C97, §1122; C24, 27, 31, 35, 39, §**820;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.103]

**49.104 Persons permitted at polling places.**

The following persons shall be permitted to be present at and in the immediate vicinity of the polling places, provided they do not solicit votes:

1. Any person who is by law authorized to perform or is charged with the performance of official duties at the election.
2. Any number of persons, not exceeding three at a time from each political party having candidates to be voted for at such election, to act as challenging committees, who are appointed and accredited by the executive or central committee of such political party or organization.
3. Any number of persons not exceeding three at a time from each of such political parties, appointed and accredited in the same manner as prescribed in subsection 2 for challenging committees, and any number of persons not exceeding three at a time appointed as observers under subsection 5, to witness the counting of ballots.
4. Any peace officer assigned or called upon to keep order or maintain compliance with the provisions of this chapter, upon request of the commissioner or of the chairperson of the precinct election board.
5. One observer at a time representing any nonparty political organization, any candidate nominated by petition pursuant to chapter 45, or any other nonpartisan candidate in a city or school election, appearing on the ballot of the election in progress. Candidates who send observers to the polls shall provide each observer with a letter of appointment in the form prescribed by the state commissioner.
6. Any persons expressing an interest in a ballot issue to be voted upon at an election except a general or primary election. Any such person shall file a notice of intent to serve as an observer with the commissioner before election day. If more than three persons file a notice of intent to serve at the same time with respect to ballot issues at an election, the commissioner shall appoint from those submitting a notice of intent the three persons who may serve at that

time as observers, and shall provide a schedule to all persons who filed notices of intent. The appointees, whenever possible, shall include both opponents and proponents of the ballot issues.

7. Any person authorized by the commissioner, in consultation with the secretary of state, for the purposes of conducting and attending educational voting programs for youth.

8. Reporters, photographers, and other staff representing the news media. However, representatives of the news media, while present at or in the immediate vicinity of the polling places, shall not interfere with the election process in any way.

[C97, §1124; S13, §1087-a9; C24, 27, 31, 35, 39, §**571, 821;** C46, 50, 54, 58, 62, 66, 71, 73, §43.43, 49.104; C75, 77, 79, 81, S81, §49.104; 81 Acts, ch 34, §32]

90 Acts, ch 1238, §23; 94 Acts, ch 1180, §17; 97 Acts, ch 170, §55; 2008 Acts, ch 1115, §100; 2010 Acts, ch 1026, §11; 2010 Acts, ch 1060, §6

Referred to in §39A.4, 49.77

**49.105 Ordering arrest.**

Any precinct election official shall order the arrest of any person who behaves in a noisy, riotous, tumultuous or disorderly manner at or about the polls, so as to disturb the election, or insults or abuses the officials, or commits a breach of the peace, or violates any of the provisions of this chapter. If the person so arrested is a registered voter of the precinct which that polling place serves, and has not yet voted, the person shall be permitted to do so before being removed from the polling place.

[C51, §253; R60, §488; C73, §613; C97, §1128; C24, 27, 31, 35, 39, §**822, 823;** C46, 50, 54, 58, 62, 66, 71, 73, §49.105, 49.106; C75, 77, 79, 81, §49.105]

94 Acts, ch 1169, §64

**49.106** Repealed by 73 Acts, ch 136, § 401.

**49.107** Repealed by 2002 Acts, ch 1071, § 15. See § 39A.4.

**49.108 Penalty.** Repealed by 84 Acts, ch 1067, § 51.

**49.109 Employees entitled to time to vote.**

Any person entitled to vote at an election in this state who does not have three consecutive hours in the period between the time of the opening and the time of the closing of the polls during which the person is not required to be present at work for an employer, is entitled to such time off from work time to vote as will in addition to the person's nonworking time total three consecutive hours during the time the polls are open. Application by any employee for such absence shall be made individually and in writing prior to the date of the election, and the employer shall designate the period of time to be taken. The employee is not liable to any penalty nor shall any deduction be made from the person's regular salary or wages on account of such absence.

[C97, §1123; C24, 27, 31, 35, 39, §**826;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §49.109; 81 Acts, ch 34, §33]

Referred to in §39A.5

**49.110 and 49.111** Repealed by 2002 Acts, ch 1071, § 15. See § 39A.2 and 39A.5.

**49.112 Penalty.** Repealed by 84 Acts, ch 1067, § 51.

**49.113** Repealed by 2002 Acts, ch 1071, § 15. See § 39A.4.

**49.114 through 49.118** Reserved.

**49.119** Repealed by 2002 Acts, ch 1071, § 15. See § 39A.2 – 39A.5.

**49.120 Promise of position.**

It shall be unlawful for any candidate for any office to be voted for at any election, prior to nomination or election, to promise, either directly or indirectly, to support or use the candidate's influence in behalf of any person or persons for any position, place, or office, or to promise directly or indirectly to name or appoint any person or persons to any place, position, or office in consideration of any person or persons supporting the candidate or using the person's influence in securing the candidate's nomination, election, or appointment.

[S13, §1134-a; C24, 27, 31, 35, 39, §**837;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.120]

Referred to in §39A.4

**49.121 Promise of influence.**

It shall be unlawful for any person to solicit from any candidate for any office to be voted for at any election, or any candidate for appointment to any public office, prior to nomination, election, or appointment, a promise, directly or indirectly, to support or use the candidate's influence in behalf of any person or persons for any position, place, or office, or a promise either directly or indirectly to name or appoint any person or persons to any place, position, or office in consideration of any person or persons supporting the candidate, or using the person's influence in securing the candidate's nomination, election or appointment.

[S13, §1134-b; C24, 27, 31, 35, 39, §**838;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §49.121]

Referred to in §39A.4

**49.122** Repealed by 84 Acts, ch 1067, § 51.

**49.123 Courthouse open on election day.**

The courthouse of each county shall remain open on election day.

[C71, 73, 75, 77, 79, 81, §49.123]

**49.124 Training course by commissioner — continuing education program.**

1. The commissioner shall conduct, not later than the day before each primary and general election, a training course for all election personnel, and the commissioner may do so before any other election the commissioner administers. The personnel shall include all precinct election officials and any other persons who will be employed in or around the polling places on election day. At least two precinct election officials who will serve on each precinct election board at the forthcoming election shall attend the training course. If the entire board does not attend, those members who do attend shall so far as possible be persons who have not previously attended a similar training course.

2. A continuing education program shall be provided to election personnel who are full-time or part-time permanent employees of the commissioner's office. The state commissioner of elections shall adopt rules pursuant to chapter 17A to implement and administer the continuing education program.

[C71, 73, 75, 77, 79, 81, §49.124]

94 Acts, ch 1180, §18; 2002 Acts, ch 1134, §44, 115; 2008 Acts, ch 1176, §2, 10

**49.125 Compensation of trainees.**

All election personnel attending such training course shall be paid for attending such course, and shall be reimbursed for travel to and from the place where the training is given at the rate determined by the board of supervisors if the distance involved is more than five miles. The wages shall be computed at the hourly rate established pursuant to section 49.20 and payment of wages and mileage for attendance shall be made at the time that payment is made for duties performed on election day.

[C71, 73, 75, 77, 79, 81, §49.125]

97 Acts, ch 170, §56; 2003 Acts, ch 44, §27

Referred to in §49.14

**49.126 Manual by state commissioner.**

It shall be the duty of the state commissioner to provide a training manual and such additional materials as may be necessary to all commissioners for conducting the required training course and to revise the manual from time to time as may be necessary.

[C71, 73, 75, 77, 79, 81, §49.126]

**49.127 Commissioner to examine equipment.**

It shall be the duty of each commissioner to determine that all voting equipment is operational and functioning properly and that all materials necessary for the conduct of the election are in the commissioner's possession and are correct.

[C71, 73, 75, 77, 79, 81, §49.127]

2009 Acts, ch 57, §37

**49.128 through 49.130** Reserved.

**49.131** Repealed by 86 Acts, ch 1023, § 12. See § 68A.405.

# CHAPTER 49A

## CONSTITUTIONAL AMENDMENTS AND PUBLIC MEASURES

Referred to in §39.3, 39A.1, 39A.2, 39A.4, 39A.6, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 357J.16, 360.1, 372.2, 376.1

This chapter not enacted as a part of this title; transferred from chapter 6 in Code 1993
See also definitions in §39.3


49A.1 Publication of proposed amendment.
49A.2 Publication of proposed public measure.
49A.3 Proof of publication — record — report to legislature.
49A.4 Submission at general election.
49A.5 Submission at special election.
49A.6 Certification — sample ballot.
49A.7 Proclamation.
49A.8 Canvass — declaration of result — record.
49A.9 Expenses.
49A.10 Action to test legality.
49A.11 Parties.


**49A.1 Publication of proposed amendment.**

Whenever any proposition to amend the Constitution has passed the general assembly and been referred to the next succeeding legislature, the state commissioner of elections shall cause the same to be published, once each month, in two newspapers of general circulation in each congressional district in the state, for the time required by the Constitution.

[C97, §55; S13, §55; C24, 27, 31, 35, 39, §**69;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.1]

C93, §49A.1

Referred to in §49A.3
Time of publication, Iowa Constitution, Art. X, §1
Voting on public measures, see §49.43 – 49.50

**49A.2 Publication of proposed public measure.**

Whenever any public measure has passed the general assembly which under the Constitution must be published and submitted to a vote of the entire people of the state, the state commissioner of elections shall cause the same to be published, once each month, in at least one newspaper of general circulation in each county in the state, for the time required by the Constitution.

[C24, 27, 31, 35, 39, §**70;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.2]

C93, §49A.2

Referred to in §49A.3
Time of publication, Iowa Constitution, Art. VII, §5
Voting on public measures, see §49.43 – 49.50

**49A.3 Proof of publication — record — report to legislature.**

Proof of the publication specified in sections 49A.1 and 49A.2 shall be made by the affidavits of the publishers of the newspapers designated by the state commissioner of elections and such affidavits, with the certificate of the state commissioner of the selection of such newspapers, shall be filed in the commissioner's office, recorded in a book kept for that purpose, and preserved by the commissioner, and in the case of constitutional amendments the commissioner shall report to the following legislature the action in the premises.

[C97, §55; S13, §55; C24, 27, 31, 35, 39, §**71;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.3]

C93, §49A.3

Iowa Constitution, Art. X, §1

**49A.4 Submission at general election.**

Whenever a public measure has passed the general assembly which under the Constitution must be submitted to a vote of the entire people of the state and no time is fixed by the Constitution or legislature for such submission, or whenever a proposition to amend the Constitution has been adopted by two succeeding general assemblies and no time is fixed by the last general assembly adopting the same for its submission to the people, said measure or amendment shall be submitted to the people at the ensuing general election, in the manner required by law.

[C97, §56; C24, 27, 31, 35, 39, §**72;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.4]

C93, §49A.4

Submission, §49.43 – 49.50, 49A.1, 49A.2, 49A.5; Iowa Constitution, Art. VII, §5 and Art. X

**49A.5 Submission at special election.**

The general assembly may provide for the submission of a constitutional amendment to the people at a special election for that purpose, at such time as it may prescribe, proclamation for which election shall be made by the governor, and the same shall in all respects be governed and conducted as prescribed by law for the submission of a constitutional amendment at a general election.

[C97, §58; C24, 27, 31, 35, 39, §**73;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.5]

C93, §49A.5

Iowa Constitution, Art. X

Submission, §49.43 – 49.50, 49A.1, 49A.2, 49A.4

**49A.6 Certification — sample ballot.**

The state commissioner of elections shall, not less than sixty-nine days preceding any election at which a constitutional amendment or public measure is to be submitted to a vote of the entire people of the state, transmit to the county commissioner of elections of each county a certified copy of the amendment or measure and a sample of the ballot to be used in such cases, prepared in accordance with law.

[C24, 27, 31, 35, 39, §**74;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.6]

89 Acts, ch 136, §1

C93, §49A.6

Iowa Constitution, Art. VII, §5 and Art. X

**49A.7 Proclamation.**

Whenever a proposition to amend the Constitution is to be submitted to a vote of the electors, the governor shall issue a proclamation of that fact, and of the date when the proposition is to be voted on, at least sixty days before that date.

[C97, §57; C24, 27, 31, 35, 39, §**75;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.7]

C93, §49A.7

Additional provisions, §39.4 et seq.

Iowa Constitution, Art. X

**49A.8 Canvass — declaration of result — record.**

The judges of election, county boards of canvassers, and other election officials shall canvass the vote on any constitutional amendment or public measure, and make return

thereof, in the same manner as required by law for the canvass and return of the vote for public officers. The board of state canvassers shall canvass such returns, declare the result, and enter the same of record, immediately following and in connection with the proofs of publication of such amendment or measure, in the book kept for that purpose by the secretary of state.

Upon completion of the canvass, the secretary of state shall certify to the Iowa Code editor the results of the election.

[C97, §56; C24, 27, 31, 35, 39, §**76;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.8]
C93, §49A.8
93 Acts, ch 143, §19
Canvass of votes, chapter 50

**49A.9 Expenses.**

Expenses incurred under the provisions of this chapter shall be audited and allowed by the director of the department of administrative services and paid out of any money in the state treasury not otherwise appropriated.

[C97, §59; C24, 27, 31, 35, 39, §**77;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.9]
C93, §49A.9
2003 Acts, ch 145, §286

**49A.10 Action to test legality.**

Whenever an amendment to the Constitution of the State of Iowa shall have been proposed and agreed to by the general assembly and shall have been agreed to by the succeeding general assembly, any taxpayer may file suit in equity in the district court at the seat of government of the state, challenging the validity, legality or constitutionality of such amendment, or the procedure connected therewith, and in such suit the district court shall have jurisdiction to determine the validity, legality or constitutionality of said amendment or the procedure connected therewith, and enter its decree accordingly, and may grant a writ of injunction enjoining the governor and state commissioner of elections from submitting such constitutional amendment, if it, or the procedure connected therewith, shall have been found to be invalid, illegal or unconstitutional.

[C31, 35, §77-d1; C39, §**77.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.10]
C93, §49A.10
General procedure, §619.2, 619.3, 624.7, 625A.3, 625A.6, 625A.13

**49A.11 Parties.**

In such suit the taxpayer shall be plaintiff and the governor and state commissioner of elections shall be defendants. Any taxpayer may intervene, either as party plaintiff or defendant.

[C31, 35, §77-d2; C39, §**77.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §6.11]
C93, §49A.11

# CHAPTER 50

## CANVASS OF VOTES

Referred to in §39.3, 39A.1, 39A.2, 39A.4, 39A.6, 43.5, 49.58, 52.37, 53.23, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 346.27, 357J.16, 360.1, 372.2, 376.1

Chapter applicable to primary elections, §43.5
Criminal offenses, §39A.2 – 39A.5
Definitions in §39.3 applicable to this chapter


50.1 Definitions.
50.1A Canvass by officials.
50.2 One tally list in certain machine precincts. Repealed by 2009 Acts, ch 57, §96.
50.3 Double or defective ballots.
50.4 Ballots objected to.
50.5 Disputed ballots returned separately.

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50.46 Special elections — canvass and certificate.
50.47 Messengers for election tally lists.
50.48 General recount provisions.
50.49 Recounts for public measures.
50.50 Administrative recounts.


**50.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**50.1A Canvass by officials.**

At every election conducted under chapter 49, except the primary election provided for by chapter 43, and at every other election unless the law authorizing the election otherwise requires, the vote shall be canvassed at each polling place by the election board in the manner prescribed by this chapter. When the poll is closed, the precinct election officials shall forthwith, and without adjournment:

1. Publicly canvass the vote, and credit each candidate with the number of votes counted for the candidate.
2. Ascertain the result of the vote.
3. Prepare in writing a list of any apparently or possibly erroneous information appearing in the precinct election register.
4. Designate two election board members, not members of the same political party, who shall each separately keep a tally list of the count.

[C51, §261, 266; R60, §496, 501; C73, §622, 626; C97, §1138; C24, 27, 31, 35, 39, §**840;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.1]

C2001, §50.1A

**50.2 One tally list in certain machine precincts.** Repealed by 2009 Acts, ch 57, § 96.

**50.3 Double or defective ballots.**

If two or more marked ballots are so folded together as to appear to be cast as one, the precinct election officials shall endorse thereon "Rejected as double". Such ballots shall not be counted, but shall be folded together and kept as hereinafter directed. Every ballot not counted shall be endorsed "Defective" on the back thereof.

[C51, §262; R60, §497; C73, §623; C97, §1139; C24, 27, 31, 35, 39, §**842;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.3]

Referred to in §50.5

**50.4 Ballots objected to.**

Every ballot objected to by a precinct election official or challenger, but counted, shall be endorsed on the back thereof, "Objected to", and there shall also be endorsed thereon, and signed by the officials, a statement as to how it was counted.

[C97, §1139; C24, 27, 31, 35, 39, §**843;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.4]

Referred to in §50.5

**50.5 Disputed ballots returned separately.**

All ballots endorsed as required by sections 50.3 and 50.4 shall be enclosed and securely sealed in an envelope, on which the precinct election officials shall endorse "Disputed ballots", with a signed statement of the precinct in which, and date of the election at which, they were cast.

[C97, §1139; C24, 27, 31, 35, 39, §**844;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.5]

Referred to in §50.48

**50.6 Votes in excess of voter declarations.**

If the number of votes cast for any office or on any question exceeds the number of voters' declarations of eligibility signed as required by section 49.77, such fact shall be certified, with the number of the excess, in the return.

[C51, §263; R60, §498; C73, §627; C97, §1140; C24, 27, 31, 35, 39, §**845;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.6]

**50.7 Error on county office — township office.**

If, in case of such excess, the vote of the precinct where the error occurred would change the result as to a county office if the person appearing to be elected were deprived of so many votes, then the election shall be set aside as to that person in that precinct, and a new election ordered therein; but no person who was not a registered voter in that precinct at the time of the general election shall be allowed to vote at such special election. If the error occurs in relation to an office of a city, school district, township, or of any special district whose elections may be conducted under this chapter, the governing body of the political subdivision involved may order a new election or not, in their discretion.

[C51, §263; R60, §498; C73, §627; C97, §1140; C24, 27, 31, 35, 39, §**846;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.7]

94 Acts, ch 1169, §64

**50.8 Error on state or district office — tie vote.**

If the error be in relation to a district or state office, it shall be certified with the number of the excess to the state commissioner. If the error affects the result of the election, the canvass shall be suspended and a new vote ordered in the precinct where the error occurred. When there is a tie vote due to such an excess, there shall be a new election. No person who was not a registered voter in that precinct at the time of the general election shall be allowed to vote at such special election. When the new vote is taken and returned, the canvass shall be completed.

[C51, §263; R60, §498; C73, §627; C97, §1140; C24, 27, 31, 35, 39, §**847;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.8]

94 Acts, ch 1169, §64

**50.9 Return of ballots not voted.**

Ballots not voted, or spoiled by voters while attempting to vote, shall be returned by the precinct election officials to the commissioner, and a receipt taken for the ballots. The spoiled ballots shall be preserved for twenty-two months following elections for federal offices and for six months following elections for all other offices. The commissioner shall record the number of ballots sent to the polling places but not voted. The ballots not voted shall be destroyed after the end of the period for contesting the election. However, if a contest is requested, the ballots not voted shall be preserved until the election contest is concluded.

[C51, §269; R60, §504; C73, §630; C97, §1141; C24, 27, 31, 35, 39, §**848;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.9]

93 Acts, ch 143, §20; 2008 Acts, ch 1115, §101

**50.10 Record of ballots returned.**

The commissioner shall enter on the record maintained as required by section 49.65 a notation of the number and character of the ballots returned from each precinct, and the time when and the person by whom they are returned.

[C97, §1141; C24, 27, 31, 35, 39, §**849;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.10]

Referred to in §49.65

**50.11 Proclamation of result.**

When the canvass is completed one of the precinct election officials shall publicly announce the total number of votes received by each of the persons voted for, the office for which the person is designated, as announced by the designated tally keepers, and the number of votes for, and the number of votes against, any proposition which shall have been submitted to a vote of the people. A precinct election official shall communicate the election results by telephone or in person to the commissioner who is conducting the election immediately upon completion of the canvass.

Election results may be transmitted electronically from voting equipment to the commissioner's office only after the precinct election officials have produced a written report of the election results. The devices used for the electronic transmission of election results shall be approved for use by the board of examiners pursuant to section 52.41. The state commissioner of elections shall adopt rules establishing procedures for the electronic transmission of election results.

The commissioner shall remain on duty until such information is communicated to the commissioner from each polling place in the commissioner's county.

[C97, §1142; C24, 27, 31, 35, 39, §**850;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.11]

2002 Acts, ch 1134, §45, 115

Referred to in §50.15A, 52.37

**50.12 Return and preservation of ballots.**

Immediately after making the proclamation, and before separating, the board members of each precinct in which votes have been received by paper ballot shall enclose in an envelope or other container all ballots which have been counted by them, except those endorsed "Rejected as double", "Defective", or "Objected to", and securely seal the envelope. The signatures of all board members of the precinct shall be placed across the seal or the opening of the container so that it cannot be opened without breaking the seal. The precinct election officials shall return all the ballots to the commissioner, who shall carefully preserve them for six months. Ballots from elections for federal offices shall be preserved for twenty-two months. The sealed packages containing voted ballots shall be opened only for an official recount authorized by section 50.48, 50.49, or 50.50, for an election contest held pursuant to chapters 57 through 62, or to destroy the ballots pursuant to section 50.19.

[C51, §269; R60, §504; C73, §630; C97, §1142; C24, 27, 31, 35, 39, §**851;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.12]

87 Acts, ch 221, §21; 89 Acts, ch 136, §44; 2002 Acts, ch 1134, §46, 115

Referred to in §50.13, 50.17, 50.48, 53.30, 53.40, 53.41

**50.13 Destruction of ballots.**

If, at the expiration of the length of time specified in section 50.12, a contest is not pending, the commissioner, without opening the package in which they have been enclosed, shall destroy the ballots.

If the ballots are to be shredded, the package may be opened, if necessary, but the ballots shall not be examined before shredding. Shredded ballots may be recycled. The commissioner shall invite the chairperson of each of the political parties to designate a person to witness the destruction of the ballots.

[C97, §1143; S13, §1143; C24, 27, 31, 35, 39, §**852;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.13]

89 Acts, ch 136, §45; 91 Acts, ch 129, §14; 97 Acts, ch 170, §57

Referred to in §53.40, 53.41, 331.383

**50.14** Repealed by 89 Acts, ch 136, § 75.

**50.15 Destruction in abeyance pending contest.**

If a contest is pending, the ballots shall be kept until the contest is finally determined, and then so destroyed.

[C97, §1143; S13, §1143; C24, 27, 31, 35, 39, §**854;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.15]

Referred to in §53.40, 53.41

**50.15A Unofficial results of voting — general election only.**

1. In order to provide the public with an early source of election results before the official canvass of votes, the state commissioner of elections, in cooperation with the commissioners of elections, shall conduct an unofficial canvass of election results following the closing of the polls on the day of a general election. The unofficial canvass shall report election results for national offices, statewide offices, the office of state representative, the office of state senator, and other offices or public measures at the discretion of the state commissioner of elections. The unofficial canvass shall also report the total number of ballots cast at the general election.

2. *a.* After the polls close on election day, the commissioner of elections shall periodically provide election results to the state commissioner of elections as the precincts in the county report election results to the commissioner pursuant to section 50.11. If the commissioner determines that all precincts will not report election results before the office is closed, the commissioner shall report the most complete results available prior to leaving the office at the time the office is closed as provided in section 50.11. The commissioner shall specify the number of precincts included in the report to the state commissioner of elections.

*b.* The state commissioner of elections shall tabulate unofficial election results as the results are received from the commissioners of elections and shall periodically make the reports of the results available to the public.

3. Before the day of the general election, the state commissioner of elections shall provide a form and instructions for reporting unofficial election results pursuant to this section.

2008 Acts, ch 1115, §102; 2009 Acts, ch 57, §38

**50.16 Tally list of board.**

The tally list shall be prepared in writing by the election board giving, in legibly printed numerals, the total number of people who cast ballots in the precinct, the total number of ballots cast for each office, except those rejected, the name of each person voted for, and the number of votes given to each person for each different office. The tally list shall be signed by the precinct election officials, and be substantially as follows:

At an election at ..... in ..... township, or in .....
precinct of ..... city or township, in ..... county, state of
Iowa, on the ..... day of ....., there were ..... ballots
cast for the office of ..... of which
(Candidate's name) ..... had ..... votes.
(Candidate's name) ..... had ..... votes.
(and in the same manner for any other officer).
A true tally list:
(Name) ..... Election Board
(Name) ..... Members.
(Name) .....
Attest:
(Name) ..... Designated
(Name) ..... Tally Keepers.

[C51, §267, 303; R60, §502, 537; C73, §628, 661; C97, §1144; C24, 27, 31, 35, 39, §**855;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.16]
93 Acts, ch 143, §21; 2000 Acts, ch 1058, §8; 2001 Acts, ch 24, §18; 2007 Acts, ch 59, §13, 19
Referred to in §52.23

**50.17 Return of election register.**
The precinct election register prepared for each election, together with the ballots to be returned pursuant to section 50.12, if any, and the signed and attested tally list, shall be delivered to the commissioner by one of the precinct election officials by noon of the day following the election.
[C51, §268; R60, §333, 503, 1131; C73, §503, 629; C97, §1145; C24, 27, 31, 35, 39, §**856;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.17]

**50.18** Repealed by 73 Acts, ch 136, § 401.

**50.19 Preservation and destruction of books.**
1. The commissioner may destroy precinct election registers, the declarations of eligibility signed by voters, and other material pertaining to any election in which federal offices are not on the ballot, except the tally lists and abstracts of votes which have not been electronically recorded, six months after the election if a contest is not pending. If a contest is pending, all election materials shall be preserved until final determination of the contest. Before destroying the election registers and declarations of eligibility, the commissioner shall prepare records as necessary to permit compliance with chapter 48A, subchapter V. Nomination papers for primary election candidates for state and county offices shall be destroyed ten days before the general election, if a contest is not pending.
2. Material pertaining to elections for federal offices, including ballots, precinct election registers, declarations of eligibility signed by voters, documents relating to absentee ballots, and challenges of voters, shall be preserved for twenty-two months after the election. If a contest is not pending the materials may be destroyed at the end of the retention period.
[C51, §268; R60, §333, 503, 1131; C73, §503, 629; C97, §1145; C24, 27, 31, 35, 39, §**858;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.19]
89 Acts, ch 136, §46; 94 Acts, ch 1169, §52; 98 Acts, ch 1119, §29; 2010 Acts, ch 1033, §24
Referred to in §43.61, 50.12, 53.30, 53.40, 53.41

**50.20 Notice of number of provisional ballots.**
The commissioner shall compile a list of the number of provisional ballots cast under section 49.81 in each precinct. The list shall be made available to the public as soon as possible, but in no case later than 9:00 a.m. on the second day following the election. Any elector may examine the list during normal office hours, and may also examine the affidavit envelopes bearing the ballots of challenged electors until the reconvening of the special precinct board as required by this chapter. Only those persons so permitted by section 53.23, subsection 4, shall have access to the affidavits while that board is in session. Any

elector may present written statements or documents, supporting or opposing the counting of any provisional ballot, at the commissioner's office until the reconvening of the special precinct board.

[C77, 79, 81, §50.20]

87 Acts, ch 221, §22; 2004 Acts, ch 1083, §22, 37; 2005 Acts, ch 19, §21; 2013 Acts, ch 30, §15

Referred to in §43.46

Section amended

**50.21 Special precinct board reconvened.**

The commissioner shall reconvene the election board of the special precinct established by section 53.20 not earlier than noon on the second day following each election which is required by law to be canvassed on the Monday or Tuesday following the election. If the second day following such an election is a legal holiday the special precinct election board may be convened at noon on the day following the election, and if the canvass of the election is scheduled at any time earlier than the Monday following the election, the special precinct election board shall be reconvened at noon on the day following the election.

If no provisional ballots were cast in the county pursuant to section 49.81 at any election, the special precinct election board need not be so reconvened. If the number of provisional ballots cast at any election is not sufficient to require reconvening of the entire election board of the special precinct, the commissioner may reconvene only the number of members required. If the number of provisional ballots cast at any election exceeds the number of absentee ballots cast, the size of the special precinct election board may be increased at the commissioner's discretion. The commissioner shall observe the requirements of sections 49.12 and 49.13 in making adjustments to the size of the special precinct election board.

[C77, 79, 81, §50.21; 81 Acts, ch 34, §35]

87 Acts, ch 221, §23; 90 Acts, ch 1238, §25; 2004 Acts, ch 1083, §23, 37

Referred to in §43.46

**50.22 Special precinct board to determine challenges and canvass absentee ballots.**

Upon being reconvened, the special precinct election board shall review the information upon the envelopes bearing the provisional ballots, and all evidence submitted in support of or opposition to the right of each challenged person to vote in the election. The board may divide itself into panels of not less than three members each in order to hear and determine two or more challenges simultaneously, but each panel shall meet the requirements of section 49.12 as regards political party affiliation of the members of each panel.

The decision to count or reject each ballot shall be made upon the basis of the information given on the envelope containing the provisional ballot, the evidence concerning the challenge, the registration and the returned receipts of registration.

If a provisional ballot is rejected, the person casting the ballot shall be notified by the commissioner within ten days of the reason for the rejection, on the form prescribed by the state commissioner pursuant to section 53.25, and the envelope containing the provisional ballot shall be preserved unopened and disposed of in the same manner as spoiled ballots. The provisional ballots which are accepted shall be counted in the manner prescribed by section 53.23, subsection 5. The commissioner shall make public the number of provisional ballots rejected and not counted, at the time of the canvass of the election.

The special precinct board shall also canvass any absentee ballots which were received after the polls closed in accordance with section 53.17. If necessary, they shall reconvene again on the day of the canvass by the board of supervisors to canvass any absentee ballots which were timely received. The special precinct board shall submit their tally list to the supervisors before the conclusion of the canvass by the board.

[C77, 79, 81, §50.22]

87 Acts, ch 221, §24; 88 Acts, ch 1119, §20; 89 Acts, ch 136, §47, 48; 94 Acts, ch 1169, §53; 2005 Acts, ch 19, §22; 2009 Acts, ch 57, §39

Referred to in §43.46, 53.31

**50.23 Messengers for missing tally lists.**

The commissioner shall send messengers for all tally lists not received in the commissioner's office by noon of the day following the election. The expense of securing such tally lists shall be paid by the county.

[C51, §270; R60, §505; C73, §634; C97, §1148; C24, 27, 31, 35, 39, §**862;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.23]

Mileage paid messengers, §50.47

**50.24 Canvass by board of supervisors.**

1. The county board of supervisors shall meet to canvass the vote on the first Monday or Tuesday after the day of each election to which this chapter is applicable, unless the law authorizing the election specifies another date for the canvass. If that Monday or Tuesday is a public holiday, section 4.1, subsection 34, controls.

2. Upon convening, the board shall open and canvass the tally lists and shall prepare abstracts stating the number of votes cast in the county, or in that portion of the county in which the election was held, for each office and on each question on the ballot for the election. The board shall contact the chairperson of the special precinct board before adjourning and include in the canvass any absentee ballots which were received after the polls closed in accordance with section 53.17 and which were canvassed by the special precinct board after election day. The abstract shall further indicate the name of each person who received votes for each office on the ballot, and the number of votes each person named received for that office, and the number of votes for and against each question submitted to the voters at the election. The votes of all write-in candidates who each received less than five percent of the votes cast for an office shall be reported collectively under the heading "scattering".

3. The board shall certify an election canvass summary report prepared by the commissioner. The election canvass summary report shall include the results of the election, including scatterings, overvotes, and undervotes, by precinct for each contest and public measure that appeared on the ballot of the election being canvassed. However, if paper ballots are used pursuant to section 49.26, the election canvass summary report shall not include overvotes and undervotes.

4. Any obvious clerical errors in the tally lists from the precincts shall be corrected by the supervisors. Complete records of any changes shall be recorded in the minutes of the canvass.

[C51, §271, 304, 305; R60, §335, 506, 538, 539, 1131; C73, §502, 503, 631, 635, 662; C97, §1146, 1149; C24, 27, 31, 35, 39, §**859, 860, 863;** C46, 50, 54, 58, 62, 66, 71, 73, §50.20, 50.21, 50.24; C75, 77, 79, 81, §50.24]

84 Acts, ch 1291, §10; 89 Acts, ch 136, §49; 90 Acts, ch 1238, §26; 93 Acts, ch 143, §22; 95 Acts, ch 189, §10; 2009 Acts, ch 57, §40; 2010 Acts, ch 1033, §25, 26

Referred to in §50.48, 277.20, 331.383, 376.7, 376.9

**50.25 Abstract of votes in the general election.**

1. At the canvass of the general election, the abstract of the votes for each of the following classes shall be made on a different sheet:

*a.* President and vice president of the United States.

*b.* Senator in the Congress of the United States.

*c.* Representative in the Congress of the United States.

*d.* Governor and lieutenant governor.

*e.* A state officer not otherwise provided for.

*f.* Senator or representative in the general assembly by districts.

2. The abstract of the votes for each county office is not required to be made on a different sheet.

[C51, §272, 304, 305; R60, §507, 538, 539; C73, §636, 662; C97, §1150; S13, §1150; C24, 27, 31, 35, 39, §**864;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.25]

2007 Acts, ch 59, §14, 15, 19

Referred to in §331.383

**50.26 Duplicate abstracts.**

All abstracts of votes cast in the general election, except the abstracts of votes for county officers, shall be made in duplicate, and signed by the board of county canvassers. One of said abstracts shall be forwarded to the state commissioner, and the other filed by the commissioner.

[C51, §272, 304, 305; R60, §507, 538, 539; C73, §637, 662; C97, §1151; S13, §1151; C24, 27, 31, 35, 39, §**865;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.26]

Referred to in §331.383

**50.27 Declaration of election.**

Each abstract of the votes for such officers as the county alone elects at the general election, except district judges and senators and representatives in the general assembly, or of the votes for officers of political subdivisions whose elections are conducted by the commissioner, shall contain a declaration of whom the canvassers determine to be elected. Each abstract of votes for and against each public question submitted to and decided by the voters of the county alone, or of a single political subdivision whose elections the county board canvasses, shall contain a declaration of the result as determined by the canvassers. When a public question has been submitted to the voters of a political subdivision whose elections the county board canvasses, the commissioner shall certify a duplicate of the abstract and declaration to the governing body of the political subdivision.

[C51, §275; R60, §509; C73, §639; C97, §1152; C24, 27, 31, 35, 39, §**866;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.27]

Referred to in §57.2, 260C.15, 277.20, 331.383

**50.28 Tally lists filed.**

When the canvass is concluded, the board shall deliver the original tally lists to the commissioner, who shall file the same, and record each of the abstracts above mentioned in the election book.

[C51, §276; R60, §335, 510; C73, §640; C97, §1154; C24, 27, 31, 35, 39, §**867;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.28]

Referred to in §331.383

**50.29 Certificate of election.**

1. When any person is thus declared elected, there shall be delivered to that person a certificate of election, under the official seal of the county, in substance as follows:

STATE OF IOWA )
..... County. )

At an election held in said county on the ..... day of ..... (month), ..... (year), ..... (candidate's name) was elected to the office of ..... for the term of ..... years from the ..... day of ..... (month), ..... (year) [if elected to fill a vacancy, for the residue of the term ending on the ..... day of ..... (month), ..... (year)], and until a successor is elected and qualified.

.....,
President of Board of Canvassers.
Witness, .....,
County Commissioner of Elections
(clerk).

2. The certificate of election is presumptive evidence of the person's election and qualification.

[C51, §277; R60, §511, 514; C73, §641; C97, §1155; C24, 27, 31, 35, 39, §**868;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.29]

87 Acts, ch 115, §9; 2000 Acts, ch 1058, §9; 2008 Acts, ch 1032, §201; 2009 Acts, ch 41, §26

Referred to in §331.383

**50.30 Abstracts forwarded to state commissioner.**

1. The commissioner shall, within thirteen days after the election, forward to the state commissioner one of the duplicate abstracts of votes for each of the following offices:

*a.* President and vice president of the United States.

*b.* Senator in Congress.

*c.* Representative in Congress.

*d.* Governor and lieutenant governor.

*e.* Senator or representative in the general assembly by districts.

*f.* A state officer not otherwise specified above.

2. The abstracts for all offices except governor and lieutenant governor shall be enclosed in a securely sealed envelope.

[C51, §283, 284, 305; R60, §517, 518, 539; C73, §645, 662; C97, §1157; S13, §1157; C24, 27, 31, 35, 39, §**869;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.30]

91 Acts, ch 129, §15; 2008 Acts, ch 1032, §201; 2009 Acts, ch 57, §41

Referred to in §50.48

**50.30A Election canvass summary forwarded to state commissioner.**

The commissioner shall, within thirteen days after each primary election, general election, and special election conducted pursuant to section 69.14, forward to the state commissioner a true and exact copy of the election canvass summary report certified by the county board of canvassers.

2009 Acts, ch 57, §42; 2010 Acts, ch 1033, §27

**50.31 Abstracts for governor and lieutenant governor.**

The envelope containing the abstracts of votes for governor and lieutenant governor shall be endorsed substantially as follows: "Abstract of votes for governor and lieutenant governor from ..... county". After being so endorsed said envelope shall be addressed, "To the Speaker of the House of Representatives".

[C51, §283; R60, §517; C73, §645; C97, §1157; S13, §1157; C24, 27, 31, 35, 39, §**870;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.31]

Referred to in §50.32

**50.32 Endorsement on other envelope.**

The envelope for offices other than governor and lieutenant governor shall be endorsed substantially in the manner provided in section 50.31, with changes necessary to indicate the particular offices, and shall be addressed, "To the State Commissioner of Elections".

[C51, §283, 305; R60, §517, 539; C73, §645, 662; C97, §1157; S13, §1157; C24, 27, 31, 35, 39, §**871;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.32]

91 Acts, ch 129, §16

**50.33 Forwarding of envelopes.**

The envelopes, including the one addressed to the speaker, after being prepared, sealed, and endorsed as required by this chapter, shall be placed in one package and forwarded to the state commissioner.

[C51, §284, 305; R60, §518, 539; C73, §645, 662; C97, §1157; S13, §1157; C24, 27, 31, 35, 39, §**872;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.33]

93 Acts, ch 143, §23

**50.34 Missing abstracts.**

If the abstracts from any county are not received at the office of the state commissioner within fifteen days after the day of election, the state commissioner shall send a messenger to the commissioner of such county, who shall furnish the messenger with them, or, if they have been sent, with a copy thereof, and the messenger shall return them to the state commissioner without delay.

[C51, §285; R60, §519; C73, §649; C97, §1158; C24, 27, 31, 35, 39, §**873;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.34]

**50.35 Delivery of abstracts.**

The envelopes containing the abstracts of votes for governor and lieutenant governor shall not be opened by the state commissioner, but the state commissioner shall securely preserve the same and deliver them to the speaker of the house of representatives at the time said abstracts are canvassed as provided by law.

[C24, 27, 31, 35, 39, §**874;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.35]

Canvass for governor, §2.27 et seq.; also Iowa Constitution, Art. IV, §3

**50.36 Envelopes containing other abstracts — canvass.**

The secretary of state, upon receipt of the envelopes containing the abstracts of votes, shall open and canvass the abstracts for all offices except governor and lieutenant governor.

The secretary of state shall invite to attend the canvass one representative from each political party which, at the last preceding general election, cast for its candidate for president of the United States or for governor, as the case may be, at least two percent of the total vote cast for all candidates for that office at that election, as determined by the secretary of state. The secretary of state shall notify the chairperson of each political party of the time of the canvass. However, the presence of a representative from a political party is not necessary for the canvass to proceed.

[C51, §286; R60, §520; C73, §650; C97, §1159; C24, 27, 31, 35, 39, §**875;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.36]

95 Acts, ch 189, §11

**50.37 State canvassing board.**

The executive council shall constitute a board of canvassers of all abstracts of votes required to be filed with the state commissioner, except for the offices of governor and lieutenant governor. Any clerical error found by the secretary of state or state board of canvassers shall be corrected by the county commissioner in a letter addressed to the state board of canvassers.

[C51, §287; R60, §521; C73, §647, 651; C97, §1160, 1162; S13, §1162; C24, 27, 31, 35, 39, §**876;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.37]

95 Acts, ch 189, §12

Additional provisions, §49A.8

**50.38 Time of state canvass.**

Not later than twenty-seven days after the day of the election, the secretary of state shall present to the board of state canvassers abstracts of votes cast at the election showing the number of ballots cast for each office and a summary of the results for each office, showing the votes cast in each county. The state board of canvassers shall review the results compiled by the secretary of state and, if the results are accurately tabulated, the state board shall approve the canvass.

[C51, §288, 306; R60, §522, 540; C73, §647, 652, 663; C97, §1161, 1162; S13, §1162; C24, 27, 31, 35, 39, §**877;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.38]

95 Acts, ch 189, §13

Referred to in §50.48

Canvass under special election, §50.46

**50.39 Abstract.**

The state board of canvassers shall make an abstract stating the number of ballots cast for each office, the names of all the persons voted for, for what office, the number of votes each received, and whom the state board of canvassers declares to be elected, and if a public question has been submitted to the voters of the state, the number of ballots cast for and against the question and a declaration of the result as determined by the canvassers; which abstract shall be signed by the canvassers in their official capacity and as state canvassers, and have the seal of the state affixed.

[C51, §289, 306; R60, §523, 540; C73, §653, 663; C97, §1163; C24, 27, 31, 35, 39, §**878;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.39]

2009 Acts, ch 57, §43; 2011 Acts, ch 34, §15

**50.40 Record of canvass.**

The state commissioner shall file the abstracts when received and shall have the same bound in book form to be kept by the state commissioner as a record of the result of said state election, to be known as the state election book.

[C51, §290; R60, §524; C73, §654; C97, §1164; S13, §1164; C24, 27, 31, 35, 39, §**879;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.40]

**50.41 Certificate of election.**

1. Each person declared elected by the state board of canvassers shall receive a certificate, signed by the governor or, in the governor's absence, by the secretary of state, with the seal of state affixed, attested by the other canvassers, to be in substance as follows:

STATE OF IOWA:

To ..... (candidate's name): It is hereby certified that, at an election held on the ..... day of ..... you were elected to the office of ..... of Iowa, for the term of ..... years, from the ..... day of ..... (or if to fill a vacancy, for the residue of the term, ending on the ..... day of .....).

Given at the seat of government this ..... day of .....

2. If the governor is absent, the certificate of the election of the secretary of state shall be signed by the auditor. The certificate to members of the legislature shall describe, by the number, the district from which the member is elected.

[C51, §288, 306; R60, §522, 540; C73, §652, 657, 663; C97, §1165; C24, 27, 31, 35, 39, §**880;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.41]

87 Acts, ch 115, §10; 2000 Acts, ch 1058, §10

**50.42 Certificates mailed.**

The state commissioner shall prepare and deliver or mail certificates of election to the persons declared elected.

[C51, §292, 294; R60, §526, 528; C73, §648, 656, 658; C97, §1167; C24, 27, 31, 35, 39, §**881;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.42]

**50.43 Senator or representative.**

The certificate of the election of a senator or representative in Congress shall be signed by the governor, with the seal of the state affixed, and be countersigned by the secretary of state.

[C51, §294; R60, §528; C73, §658; C97, §1166; C24, 27, 31, 35, 39, §**882;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.43]

**50.44 Tie vote.**

If more than the requisite number of persons, including presidential electors, are found to have an equal and the highest number of votes, the election of one of them shall be determined by lot. The name of each of such candidates shall be written on separate pieces of paper, as nearly uniform in size and material as possible, and placed in a receptacle so that the names cannot be seen. In the presence of the board of canvassers, one of them shall publicly draw one of such names, and such person shall be declared elected. The result of such drawing shall be entered upon the abstract of votes and duly recorded, and a certificate of election issued to such person, as provided in this chapter.

[C51, §281, 282, 307, 316; R60, §515, 516, 541, 547; C73, §632, 643, 644, 664; C97, §1169, 2754; S13, §2754; C24, §883, 4204; C27, §883, 4204, 4211-b8; C31, 35, §883, 4216-c21; C39, §**883, 4216.21;** C46, 50, 54, 58, 62, 66, 71, 73, §50.44, 277.21; C75, 77, 79, 81, §50.44]

Referred to in §62.18, 331.383, 376.11

**50.45 Canvass public — result determined.**

All canvasses of tally lists shall be public, and the persons having the greatest number of votes shall be declared elected. When a public measure has been submitted to the electors, the proposition shall be declared to have been adopted if the vote cast in favor of the question is greater than fifty percent of the total vote cast in favor and against the question, unless laws pertaining specifically to the public measure election establish a higher percentage of a favorable vote. All ballots cast and not counted as a vote in favor or against the proposition shall not be used in computing the total vote cast in favor and against the proposition.

[C51, §262, 273, 307; R60, §497, 508, 541; C73, §623, 638, 664; C97, §1170; C24, 27, 31, 35, 39, §**884;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.45]

88 Acts, ch 1119, §21

Referred to in §331.383

**50.46 Special elections — canvass and certificate.**

When a special election has been held to fill a vacancy, pursuant to section 69.14, the board of county canvassers shall meet no earlier than 1:00 p.m. on the second day after the election, and canvass the votes cast at the election. If the second day after the election is a public holiday, section 4.1, subsection 34, controls. The commissioner, as soon as the canvass is completed, shall transmit to the state commissioner an abstract of the votes so canvassed, and the state board, within five days after receiving such abstracts, shall canvass the tally lists. A certificate of election shall be issued by the county or state board of canvassers, as in other cases. All the provisions regulating elections, obtaining tally lists, and canvass of votes at general elections, except as to time, shall apply to special elections.

[R60, §673; C73, §791-793; C97, §1171; C24, 27, 31, 35, 39, §**885;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.46]

90 Acts, ch 1238, §27; 2010 Acts, ch 1033, §28

Referred to in §331.383

**50.47 Messengers for election tally lists.**

Messengers sent for the tally lists of elections shall be paid from the state or county treasury for necessary travel expense.

[C51, §295; R60, §529; C73, §3827; C97, §1172; C24, 27, 31, 35, 39, §**886;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §50.47]

Referred to in §43.47, 331.383

**50.48 General recount provisions.**

1. *a.* The county board of canvassers shall order a recount of the votes cast for a particular office or nomination in one or more specified election precincts in that county if a written request therefor is made not later than 5:00 p.m. on the third day following the county board's canvass of the election in question. The request shall be filed with the commissioner of that county, or with the commissioner responsible for conducting the election if section 47.2, subsection 2, is applicable, and shall be signed by either of the following:

(1) A candidate for that office or nomination whose name was printed on the ballot of the precinct or precincts where the recount is requested.

(2) Any other person who receives votes for that particular office or nomination in the precinct or precincts where the recount is requested and who is legally qualified to seek and to hold the office in question.

*b.* Immediately upon receipt of a request for a recount, the commissioner shall send a copy of the request to the apparent winner by certified mail. The commissioner shall also attempt to contact the apparent winner by telephone. If the apparent winner cannot be reached within four days, the chairperson of the political party or organization which nominated the apparent winner shall be contacted and shall act on behalf of the apparent winner, if necessary. For candidates for state or federal offices, the chairperson of the state party shall be contacted. For candidates for county offices, the county chairperson of the party shall be contacted.

2. *a.* The candidate requesting a recount under this section shall post a bond, unless the abstracts prepared pursuant to section 50.24, or section 43.49 in the case of a primary election, indicate that the difference between the total number of votes cast for the apparent

winner and the total number of votes cast for the candidate requesting the recount is less than the greater of fifty votes or one percent of the total number of votes cast for the office or nomination in question. If a recount is requested for an office to which more than one person was elected, the vote difference calculations shall be made using the difference between the number of votes received by the person requesting the recount and the number of votes received by the apparent winner who received the fewest votes. Where votes cast for that office or nomination were canvassed in more than one county, the abstracts prepared by the county boards in all of those counties shall be totaled for purposes of this subsection. If a bond is required, it shall be filed with the state commissioner for recounts involving a state office, including a seat in the general assembly, or a seat in the United States Congress, and with the commissioner responsible for conducting the election in all other cases, and shall be in the following amount:

(1) For an office filled by the electors of the entire state, one thousand dollars.

(2) For United States representative, five hundred dollars.

(3) For senator in the general assembly, three hundred dollars.

(4) For representative in the general assembly, one hundred fifty dollars.

(5) For an office filled by the electors of an entire county having a population of fifty thousand or more, two hundred dollars.

(6) For any elective office to which subparagraphs (1) through (5) are not applicable, one hundred dollars.

*b.* After all recount proceedings for a particular office are completed and the official canvass of votes cast for that office is corrected or completed pursuant to subsections 5 and 6, if necessary, any bond posted under this subsection shall be returned to the candidate who requested the recount if the apparent winner before the recount is not the winner as shown by the corrected or completed canvass. In all other cases, the bond shall be deposited in the general fund of the state if filed with the state commissioner or in the election fund of the county with whose commissioner it was filed.

3. *a.* The recount shall be conducted by a board which shall consist of:

(1) A designee of the candidate requesting the recount, who shall be named in the written request when it is filed.

(2) A designee of the apparent winning candidate, who shall be named by that candidate at or before the time the board is required to convene.

(3) A person chosen jointly by the members designated under subparagraphs (1) and (2).

*b.* The commissioner shall convene the persons designated under paragraph "*a*", subparagraphs (1) and (2), not later than 9:00 a.m. on the seventh day following the county board's canvass of the election in question. If those two members cannot agree on the third member by 8:00 a.m. on the ninth day following the canvass, they shall immediately so notify the chief judge of the judicial district in which the canvass is occurring, who shall appoint the third member not later than 5:00 p.m. on the eleventh day following the canvass.

4. *a.* When all members of the recount board have been selected, the board shall undertake and complete the required recount as expeditiously as reasonably possible. The commissioner or the commissioner's designee shall supervise the handling of ballots to ensure that the ballots are protected from alteration or damage. The board shall open only the sealed ballot containers from the precincts specified to be recounted in the request or by the recount board. The board shall recount only the ballots which were voted and counted for the office in question, including any disputed ballots returned as required in section 50.5. If automatic tabulating equipment was used to count the ballots, the recount board may request the commissioner to retabulate the ballots using the automatic tabulating equipment. The same program used for tabulating the votes on election day shall be used at the recount unless the program is believed or known to be flawed.

*b.* Any member of the recount board may at any time during the recount proceedings extend the recount of votes cast for the office or nomination in question to any other precinct or precincts in the same county, or from which the returns were reported to the commissioner responsible for conducting the election, without the necessity of posting additional bond.

*c.* The ballots shall be resealed by the recount board before adjournment and shall be preserved as required by section 50.12. At the conclusion of the recount, the recount board

shall make and file with the commissioner a written report of its findings, which shall be signed by at least two members of the recount board. The recount board shall complete the recount and file its report not later than the eighteenth day following the county board's canvass of the election in question.

5. If the recount board's report is that the abstracts prepared pursuant to the county board's canvass were incorrect as to the number of votes cast for the candidates for the office or nomination in question, in that county or district, the commissioner shall at once so notify the county board. The county board shall reconvene within three days after being so notified, and shall correct its previous proceedings.

6. The commissioner shall promptly notify the state commissioner of any recount of votes for an office to which section 50.30 or section 43.60 in the case of a primary election, is applicable. If necessary, the state canvass required by section 50.38, or by section 43.63, as the case may be, shall be delayed with respect to the office or the nomination to which the recount pertains. The commissioner shall subsequently inform the state commissioner at the earliest possible time whether any change in the outcome of the election in that county or district resulted from the recount.

7. If the election is an election held by a city which is not the final election for the office in question, the recount shall progress according to the times provided by this subsection. If this subsection applies the canvass shall be held by the second day after the election, the request for a recount must be made by the third day after the election, the board shall convene to conduct the recount by the sixth day after the election, and the report shall be filed by the eleventh day after the election.

[S13, §1087-a18; C24, 27, 31, 35, 39, §**584 – 586;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §43.56 – 43.58; S81, §50.48; 81 Acts, ch 34, §34]

86 Acts, ch 1224, §15, 16; 93 Acts, ch 143, §24, 25; 94 Acts, ch 1180, §19; 97 Acts, ch 170, §58; 2002 Acts, ch 1134, §47, 115; 2007 Acts, ch 190, §3; 2008 Acts, ch 1032, §153; 2009 Acts, ch 57, §44

Referred to in §43.56, 50.12, 50.49, 331.383

**50.49 Recounts for public measures.**

1. A recount for any public measure shall be ordered by the board of canvassers if a petition requesting a recount is filed with the county commissioner not later than three days after the completion of the canvass of votes for the election at which the question appeared on the ballot. The petition shall be signed by the greater of not less than ten eligible electors or a number of eligible electors equaling one percent of the total number of votes cast upon the public measure. Each petitioner must be a person who was entitled to vote on the public measure in question or would have been so entitled if registered to vote.

2. The recount shall be conducted by a board which shall consist of:

*a.* A designee named in the petition requesting the recount.

*b.* A designee named by the commissioner at or before the time the board is required to convene.

*c.* A person chosen jointly by the members designated under paragraphs "*a*" and "*b*".

3. The commissioner shall convene the persons designated under subsection 2, paragraphs "*a*" and "*b*", not later than 9:00 a.m. on the seventh day following the canvass of the election in question. If those two members cannot agree on the third member by 8:00 a.m. on the ninth day following the canvass, they shall immediately notify the chief judge of the judicial district in which the canvass is occurring, who shall appoint the third member not later than 5:00 p.m. on the eleventh day following the canvass.

4. The petitioners requesting the recount shall post a bond as required by section 50.48, subsection 2. The amount of the bond shall be one thousand dollars for a public measure appearing on the ballot statewide or one hundred dollars for any other public measure. If the difference between the affirmative and negative votes cast on the public measure is less than the greater of fifty votes or one percent of the total number of votes cast for and against the question, a bond is not required. If approval by sixty percent of the votes cast is required for adoption of the public measure, no bond is required if the difference between sixty percent

of the total votes cast for and against the question and the number of affirmative votes cast is less than the greater of fifty votes or one percent of the total number of votes cast.

5. The procedure for the recount shall follow the provisions of section 50.48, subsections 4 through 7, as far as possible.

95 Acts, ch 189, §14; 2002 Acts, ch 1134, §48, 115; 2008 Acts, ch 1032, §154; 2008 Acts, ch 1115, §103

Referred to in §50.12

**50.50 Administrative recounts.**

The commissioner who was responsible for conducting an election may request an administrative recount when the commissioner suspects that voting equipment used in the election malfunctioned or that programming errors may have affected the outcome of the election, or if the precinct election officials report counting errors to the commissioner after the conclusion of the canvass of votes in the precinct. An administrative recount shall be conducted by the board of the special precinct established by section 53.23. Bond shall not be required for an administrative recount. The state commissioner may adopt rules for administrative recounts.

If the recount board finds that there is an error in the programming of any voting equipment which may have affected the outcome of the election for any office or public measure on the ballot, the recount board shall describe the errors in its report to the commissioner. The commissioner shall notify the board of supervisors. The supervisors shall determine whether to order an administrative recount for any or all of the offices and public measures on the ballot.

97 Acts, ch 170, §59; 2002 Acts, ch 1134, §49, 115

Referred to in §50.12

# CHAPTER 51

## DOUBLE ELECTION BOARDS

Repealed by 2010 Acts, ch 1060, §8, 9

# CHAPTER 52

## VOTING SYSTEMS

Referred to in §39.3, 39A.1, 39A.2, 39A.4, 39A.6, 43.5, 49.26, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 331.427, 357J.16, 360.1, 372.2, 376.1

Chapter applicable to primary elections, §43.5
Definitions in §39.3 applicable to this chapter


52.1 Voting systems — definitions.
52.2 Optical scan voting system required.
52.3 Terms of purchase — tax levy.
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52.23 Written statements of election.
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52.26 Authorized optical scan voting system.
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52.28 Optical scan voting system ballot forms.
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52.31 Procedure where votes cast on optical scan ballots.
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52.33 Absentee voting by optical scan voting system.
52.34 Counting center established. Repealed by 2007 Acts, ch 190, §13.
52.35 Equipment tested.
52.36 Commissioner in charge of counting center — appointment of resolution board. Repealed by 2007 Acts, ch 190, §13.
52.37 Special precinct tabulation procedure.
52.38 Testing portable tabulating devices. Repealed by 2007 Acts, ch 190, §13.
52.39 Reserved.
52.40 Early pick-up sites established — procedure. Repealed by 2007 Acts, ch 190, §13.
52.41 Electronic transmission of election results.

**52.1 Voting systems — definitions.**

1. At all elections conducted under chapter 49, and at any other election unless the commissioner directs otherwise pursuant to section 49.26, votes shall be cast, registered, recorded, and counted by means of optical scan voting systems, in accordance with this chapter.

2. As used in this chapter, unless the context otherwise requires:

*a. "Automatic tabulating equipment"* means apparatus, including but not limited to electronic data processing machines, that are utilized to ascertain the manner in which optical scan ballots have been marked by voters or by electronic ballot marking devices, and count the votes marked on the ballots.

*b. "Ballot"* includes paper ballots designed to be read by automatic tabulating equipment. In appropriate contexts, *"ballot"* also includes conventional paper ballots.

*c. "Ballot marking device"* means a pen, pencil, or similar writing tool, or an electronic device, all designed for use in marking an optical scan ballot, and so designed or fabricated that the mark it leaves may be detected and the vote so cast counted by automatic tabulating equipment.

*d. "Optical scan ballot"* means a printed ballot designed to be marked by a voter with a ballot marking device.

*e. "Optical scan voting system"* means a system employing paper ballots under which votes are cast by voters by marking paper ballots with a ballot marking device and thereafter counted by use of automatic tabulating equipment.

*f. "Program"* means the written record of the set of instructions defining the operations to be performed by a computer in examining, counting, tabulating, and printing votes.

[S13, §1137-a7; C24, 27, 31, 35, 39, §**904;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §52.1]

86 Acts, ch 1224, §17, 18; 2002 Acts, ch 1134, §50, 51, 115; 2004 Acts, ch 1083, §24, 37; 2007 Acts, ch 190, §4, 5; 2009 Acts, ch 57, §46, 47

Referred to in §49.99

**52.2 Optical scan voting system required.**

Notwithstanding any provision to the contrary, for elections held on or after November 4, 2008, a county shall use an optical scan voting system only. The requirements of the federal

Help America Vote Act relating to disabled voters shall be met by a county through the use of electronic ballot marking devices that are compatible with an optical scan voting system.

[S13, §1137-a8; C24, 27, 31, 35, 39, §**905;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §52.2]

2004 Acts, ch 1083, §25, 37; 2007 Acts, ch 190, §6; 2008 Acts, ch 1176, §3, 10; 2011 Acts, ch 34, §16

Referred to in §47.10, 331.383

**52.3 Terms of purchase — tax levy.**

The county board of supervisors, on the adoption and purchase of an optical scan voting system, may issue bonds under section 331.441, subsection 2, paragraph "*b*", subparagraph (1).

[S13, §1137-a14; C24, 27, 31, 35, 39, §**906;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §52.3; 81 Acts, ch 117, §1009]

83 Acts, ch 123, §46, 209; 2007 Acts, ch 190, §27; 2009 Acts, ch 57, §48

Referred to in §331.383

**52.4 Examiners — term — removal.**

1. The state commissioner of elections shall appoint three members to a board of examiners for voting systems, not more than two of whom shall be from the same political party. The examiners shall hold office for staggered terms of six years, subject to removal at the pleasure of the state commissioner of elections.

2. At least one of the examiners shall have been trained in computer programming and operations. The other two members shall be directly involved in the administration of elections and shall have experience in the use of optical scan voting systems.

[S13, §1137-a9; C24, 27, 31, 35, 39, §**907;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §52.4]

94 Acts, ch 1180, §20; 2007 Acts, ch 190, §28; 2009 Acts, ch 57, §49

**52.5 Testing and examination of voting equipment.**

1. A person or corporation owning or being interested in an optical scan voting system may request that the state commissioner call upon the board of examiners to examine and test the system. Within seven days of receiving a request for examination and test, the state commissioner shall notify the board of examiners of the request in writing and set a time and place for the examination and test.

2. The state commissioner shall formulate, with the advice and assistance of the examiners, and adopt rules governing the testing and examination of any optical scan voting system by the board of examiners. The rules shall prescribe the method to be used in determining whether the system is suitable for use within the state and performance standards for voting equipment in use within the state. The rules shall provide that all optical scan voting systems approved for use by the examiners after April 9, 2003, shall meet voting systems performance and test standards, as adopted by the federal election commission on April 30, 2002, and as deemed adopted by Pub. L. No. 107-252, § 222. The rules shall include standards for determining when recertification is necessary following modifications to the equipment or to the programs used in tabulating votes, and a procedure for rescinding certification if a system is found not to comply with performance standards adopted by the state commissioner.

3. The state commissioner may employ a competent person or persons to assist the examiners in their evaluation of the equipment and to advise the examiners as to the sufficiency of the equipment. Consultant fees shall be paid by the person who requested the certification. Following the examination and testing of the optical scan voting system, the examiners shall report to the state commissioner describing the testing and examination of the system and upon the capacity of the system to register the will of voters, its accuracy and efficiency, and with respect to its mechanical perfections and imperfections. Their report shall be filed in the office of the state commissioner and shall state whether in their opinion the kind of system so examined can be safely used by voters at elections under the conditions prescribed in this chapter. If the report states that the system can be so used, it shall be deemed approved by the examiners, and systems of its kind may be adopted for use

at elections as provided in this section. Any form of system not so approved cannot be used at any election.

4. Before actual use by a county of a particular optical scan voting system which has been approved for use in this state, the state commissioner shall formulate, with the advice and assistance of the examiners, and adopt rules governing the development of vote counting programs and all procedures used in actual counting of votes by means of that system.

[S13, §1137-a10; C24, 27, 31, 35, 39, §**908;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §52.5]

86 Acts, ch 1224, §19; 89 Acts, ch 136, §50; 2004 Acts, ch 1083, §26, 37; 2007 Acts, ch 190, §29; 2009 Acts, ch 57, §50

Referred to in §52.6

**52.6 Compensation.**

1. Each examiner is entitled to one hundred fifty dollars for compensation and expenses in making an examination and report under section 52.5, to be paid by the person or corporation applying for the examination. However, each examiner shall receive not to exceed fifteen hundred dollars and reasonable expenses in any one year; and all sums collected for such examinations over and above said maximum salaries and expenses shall be turned in to the state treasury.

2. An examiner shall not have any interest whatever in any optical scan voting system reported upon.

[S13, §1137-a10; C24, 27, 31, 35, 39, §**909;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §52.6]

2009 Acts, ch 57, §51

**52.7 Construction of machine approved — requirements.** Repealed by 2009 Acts, ch 57, § 96.

**52.8 Experimental use.**

The board of supervisors of any county may provide for the experimental use at an election in one or more districts, of an optical scan voting system which it might lawfully adopt, without a formal adoption of the system; and its use at such election shall be as valid for all purposes as if it had been lawfully adopted.

[S13, §1137-a12; C24, 27, 31, 35, 39, §**911;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §52.8]

2007 Acts, ch 190, §30; 2009 Acts, ch 57, §52

Referred to in §331.383

**52.9 and 52.10** Repealed by 2009 Acts, ch 57, § 96.

**52.11 Locking of unused party row.** Repealed by 2007 Acts, ch 190, § 13.

**52.12 Exception — straight party voting.** Repealed by 2007 Acts, ch 190, § 13.

**52.13 Sample ballots.** Repealed by 2007 Acts, ch 190, § 13.

**52.14 Two sets of ballots.** Repealed by 2007 Acts, ch 190, § 13.

**52.15 Delivery of ballots and supplies.** Repealed by 2007 Acts, ch 190, § 13.

**52.16 Duties of election officers — independent ballots.** Repealed by 2007 Acts, ch 190, § 13.

**52.17 and 52.18** Repealed by 2009 Acts, ch 57, § 96.

**52.19 Instructions.**

In case any elector after entering the voting booth shall ask for further instructions concerning the manner of voting, two precinct election officials of opposite political parties shall give such instructions to the elector; but no precinct election official or other election officer or person assisting an elector shall in any manner request, suggest, or seek to persuade or induce any such elector to vote any particular ticket, or for any particular candidate, or for or against any particular amendment, question, or proposition. After receiving such instructions, the elector shall vote as in the case of an unassisted voter.

[S13, §1137-a22; C24, 27, 31, 35, 39, §**921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §52.19]

2009 Acts, ch 57, §53

**52.20 Injury to machine.** Repealed by 2009 Acts, ch 57, § 96.

**52.21 Canvass of vote — tally sheet.** Repealed by 2007 Acts, ch 190, § 13.

**52.22 Locking machine.** Repealed by 2007 Acts, ch 190, § 13.

**52.23 Written statements of election.**

After the total vote for each candidate has been ascertained, and before leaving the room or voting place, the precinct election officials shall make and sign the tally list required in section 50.16. One copy of the printed results from each tabulating device shall be signed by all precinct election officials present and shall be attached to the tally list from the precinct. The printed results attached to the tally list shall reflect all votes cast in the precinct, including overvotes and undervotes, for each candidate and public measure on the ballot.

[S13, §1137-a26; C24, 27, 31, 35, 39, §**925;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §52.23]

86 Acts, ch 1224, §23; 93 Acts, ch 143, §26; 2007 Acts, ch 190, §31; 2009 Acts, ch 57, §54

**52.24 Separate ballots.**

Nothing in this chapter shall be construed as prohibiting the use of a separate ballot for public measures.

[S13, §1137-a27; C24, 27, 31, 35, 39, §**926;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §52.24]

2009 Acts, ch 57, §55

See also §49.30, 49.43

**52.25 Summary of amendment or public measure.**

1. The question of a constitutional convention, amendments, and public measures including bond issues may be voted on ballots in the following manner:

*a.* The entire convention question, amendment, or public measure shall be printed and displayed prominently in at least one place within the voting precinct, and inside each voting booth, the printing to be in conformity with the provisions of chapter 49.

*b.* The question, amendment, or measure, and summaries thereof, shall be printed on the ballots. In no case shall the font size be less than ten point type.

2. The public measure shall be summarized by the commissioner, except that:

*a.* In the case of the question of a constitutional convention, or of an amendment or measure to be voted on in the entire state, the summary shall be worded by the state commissioner of elections as required by section 49.44.

*b.* In the case of a public question to be voted on in a political subdivision lying in more than one county, the summary shall be worded by the commissioner responsible under section 47.2 for conducting that election.

[C62, 66, 71, 73, 75, 77, 79, 81, §52.25]

88 Acts, ch 1119, §25; 2002 Acts, ch 1134, §52, 115; 2007 Acts, ch 59, §16, 19; 2007 Acts, ch 190, §32; 2008 Acts, ch 1032, §201; 2009 Acts, ch 57, §56; 2009 Acts, ch 133, §15

Referred to in §49.43, 364.2

**52.26 Authorized optical scan voting system.**

1. Every optical scan voting system approved by the state board of examiners for voting systems shall:

*a.* Provide for voting in secrecy, except as to persons entitled by sections 49.90 and 49.91 to assistance. The state board of examiners for voting systems shall determine whether the systems' voting booths provide for voting in secrecy.

*b.* Permit each voter to vote at any election for any candidate for each office and upon each public question with respect to which the voter is entitled by law to vote, while preventing the voter from voting more than once upon any public question or casting more votes for any office than there are persons to be elected to that office.

*c.* Permit a voter to vote for any person for any office on the ballot at that election, whether or not the person's name is printed on the ballot.

*d.* Be so constructed or designed that, when voting in a primary election in which candidates are nominated by political parties, a voter is limited to the candidates for the nominations of the political party with which that voter is affiliated.

*e.* Be so constructed or designed that in presidential elections the voter casts a vote for the presidential electors of any party or political organization by a single mark made opposite the name of the candidates of that party or organization for the offices of both president and vice president of the United States, and so that the voter is also provided the opportunity to write in the name of any person for whom the voter desires to vote for president or vice president of the United States.

*f.* Be so constructed or designed as to permit voting for candidates for nomination or election of at least seven different political parties or organizations, and to permit voting for all of the candidates of any one political party or organization by a single mark, at any one election.

2. A punch card voting system shall not be approved for use.

[C77, 79, 81, §52.26]

90 Acts, ch 1007, §2; 2002 Acts, ch 1134, §53, 115; 2007 Acts, ch 190, §33, 34

**52.27 Commissioner to provide optical scan voting equipment.**

The commissioner having jurisdiction of any precinct for which the board of supervisors has adopted voting by means of an optical scan voting system shall, as soon as practicable thereafter, provide for use at each election held in the precinct optical scan ballots and ballot marking devices in appropriate numbers. The commissioner shall have custody of all equipment required for use of the optical scan voting system, and shall be responsible for maintaining it in good condition and for storing it between elections.

[C77, 79, 81, §52.27]

2002 Acts, ch 1134, §54, 115; 2007 Acts, ch 190, §35; 2009 Acts, ch 57, §57

**52.28 Optical scan voting system ballot forms.**

The commissioner of each county in which the use of an optical scan voting system in one or more precincts has been authorized shall print optical scan ballots using black ink on white paper and shall determine the arrangement of candidates' names and public questions upon the ballot or ballots used with the system. The ballot information shall be arranged as required by chapters 43 and 49, and by any relevant provisions of any statutes which specify the form of ballots for special elections, so far as possible within the constraints of the physical characteristics of the optical scan voting system in use in that county. The state commissioner may adopt rules requiring a reasonable degree of uniformity among counties in arrangement of optical scan voting system ballots.

[C77, 79, 81, §52.28]

2002 Acts, ch 1134, §55, 56, 115; 2007 Acts, ch 190, §36; 2009 Acts, ch 57, §58

**52.29 Optical scan voting system sample ballots.**

The commissioner shall provide for each precinct where an optical scan voting system is in use at least one sample optical scan ballot which shall be an exact copy of the official ballots as printed for that precinct. The sample ballot shall be posted prominently within the polling

place, and shall be open to public inspection during the hours the polls are open on election day. If the ballot used on election day has offices or questions appearing on the back of the ballot, both sides of the sample ballot shall be displayed.

[C77, 79, 81, §52.29]

2002 Acts, ch 1134, §57, 115; 2007 Acts, ch 190, §37; 2009 Acts, ch 57, §59

**52.30** Repealed by 2002 Acts, ch 1134, § 114, 115.

**52.31 Procedure where votes cast on optical scan ballots.**

Preparations for voting and voting at any election in a precinct where votes are to be received on optical scan ballots shall be in accordance with the provisions of chapter 49 governing voting upon conventional paper ballots with the following exceptions:

1. Before entering the voting booth each voter shall be cautioned to mark the ballot only with a ballot marking device provided in the booth or by the precinct election officials.

2. In each precinct where portable automatic tabulating equipment is used, the voter may personally insert the ballot into the tabulating device.

[C77, 79, 81, §52.31]

86 Acts, ch 1224, §24; 2007 Acts, ch 190, §38

**52.32 Procedure upon closing polls.** Repealed by 2007 Acts, ch 190, § 13.

**52.33 Absentee voting by optical scan voting system.**

1. In any county in which the board of supervisors has adopted voting by means of an optical scan voting system, the commissioner shall also conduct absentee voting by use of such a system. In any other county, the commissioner may with approval of the board of supervisors conduct absentee voting by use of an optical scan voting system. All provisions of chapter 53 shall apply to such absentee voting, so far as applicable. In counties where absentee voting is conducted by use of an optical scan voting system, the special precinct counting board shall, at the time required by chapter 53, prepare absentee ballots for tabulation in the manner prescribed by this chapter.

2. The absentee and special precinct board shall follow the process prescribed in section 52.37, subsection 1, in handling damaged or defective ballots and in counting write-in votes on optical scan ballots.

[C77, 79, 81, §52.33]

97 Acts, ch 170, §62; 2002 Acts, ch 1134, §58, 115; 2007 Acts, ch 190, §9

**52.34 Counting center established.** Repealed by 2007 Acts, ch 190, § 13.

**52.35 Equipment tested.**

Before the date of any election at which votes are to be cast by means of an optical scan voting system, the commissioner shall have the automatic tabulating equipment, including the portable tabulating devices, tested to ascertain that it will correctly count the votes cast for all offices and on all public questions. Testing shall be completed not later than twelve hours before the opening of the polls on the morning of the election. The procedure for conducting the test shall be as follows:

1. For any election to fill a partisan office, the county chairperson of each political party shall be notified in writing of the date, time, and place the test will be conducted, so that they may be present or have a representative present. For every election, the commissioner shall publish notice of the date, time, and place the test will be conducted. The commissioner may include such notice in the notice of the election published pursuant to section 49.53. The test shall be open to the public.

2. The test shall be conducted by processing a preaudited group of ballots marked so as to record a predetermined number of valid votes for each candidate, and on each public question, on the ballot. The test group shall include for each office and each question one or more ballots having votes in excess of the number allowed by law for that office or question, in order to test the ability of the automatic tabulating equipment to reject such votes.

Any observer may submit an additional test group of ballots which, if so submitted, shall also be tested. The state commissioner shall promulgate administrative rules establishing procedures for any additional test group of ballots submitted by an observer. If any error is detected, its cause shall be ascertained and corrected and an errorless count obtained before the automatic tabulating equipment is approved. When so approved, a statement attesting to the fact shall be signed by the commissioner and kept with the records of the election.

3. The test group of ballots used for the test shall be clearly labeled as such, and retained in the commissioner's office. The test group of ballots and the programs used for the counting procedure shall be sealed, retained for the time required for and disposed of in the same manner as ballots cast in the election.

4. Those present for the test shall sign a certificate which shall read substantially as follows:

The undersigned certify that we were present and witnessed the testing of the following tabulating devices; that we believe the devices are in proper condition for use in the election of ..... (date); that following the test the vote totals were erased from the memory of each tabulating device and a report was produced showing that all vote totals in the memory were set at 0000; that the devices were securely locked or sealed; and that the serial numbers and locations of the devices which were tested are listed below.

Signed .....
(name and political party affiliation, if applicable)
.....
(name and political party affiliation, if applicable)
.....
Voting equipment custodian
Dated .....

| Precinct | Location | Serial Number |
|---|---|---|
| ..... | ..... | ..... |
| ..... | ..... | ..... |
| ..... | ..... | ..... |

[C77, 79, 81, §52.35]

86 Acts, ch 1224, §26; 97 Acts, ch 170, §63; 98 Acts, ch 1123, §9; 2002 Acts, ch 1134, §59, 115; 2007 Acts, ch 190, §10 – 12

**52.36 Commissioner in charge of counting center — appointment of resolution board.** Repealed by 2007 Acts, ch 190, § 13.

**52.37 Special precinct tabulation procedure.**

The tabulation of absentee and provisional ballots cast by means of an optical scan voting system shall be conducted as follows:

1. *a.* If any ballot is found damaged or defective, so that it cannot be counted properly by the automatic tabulating equipment, a true duplicate shall be made by the resolution board team and substituted for the damaged or defective ballot, or, as an alternative, the valid votes on a defective ballot may be manually counted by the special precinct election board, whichever method is best suited to the system being used. All duplicate ballots shall be clearly labeled as such, and shall bear a serial number which shall also be recorded on the damaged or defective ballot.

*b.* The special precinct election board shall also tabulate any write-in votes which were cast. Write-in votes cast for a candidate whose name appears on the ballot for the same office shall be counted as a vote for the candidate indicated, if the vote is otherwise properly cast.

*c.* Ballots which are rejected by the tabulating equipment as blank because they have been marked with an unreadable marker shall be duplicated or tabulated as required by

this subsection for damaged or defective ballots. The commissioner may instruct the special precinct election board to mark over voters' unreadable marks using a marker compatible with the tabulating equipment. The special precinct election board shall take care to leave part of the original mark made by the voter. If it is impossible to mark over the original marks made by the voter without completely obliterating them, the ballot shall be duplicated.

2. The record printed by the automatic tabulating equipment, with the addition of a record of any write-in or other votes manually counted pursuant to this chapter, shall constitute the official return of the absentee ballot and special voter's precinct. Upon completion of the tabulation of the votes, the result shall be announced and reported in substantially the manner required by section 50.11.

3. If for any reason it becomes impracticable to count all or any part of the ballots with the automatic tabulating equipment, the commissioner may direct that they be counted manually, in accordance with chapter 50 so far as applicable.

[C77, 79, 81, §52.37]

92 Acts, ch 1034, §2; 93 Acts, ch 143, §29; 97 Acts, ch 170, §65; 2002 Acts, ch 1134, §60, 115; 2007 Acts, ch 190, §39; 2008 Acts, ch 1032, §156

Referred to in §52.33

**52.38 Testing portable tabulating devices.** Repealed by 2007 Acts, ch 190, § 13. See § 52.35.

**52.39** Reserved.

**52.40 Early pick-up sites established — procedure.** Repealed by 2007 Acts, ch 190, § 13.

**52.41 Electronic transmission of election results.**

With the advice of the board of examiners for voting systems, the state commissioner shall adopt by rule standards for the examination and testing of devices for the electronic transmission of election results. All voting systems which contain devices for the electronic transmission of election results submitted to the examiners for examination and testing after July 1, 2003, shall comply with these standards.

2002 Acts, ch 1134, §61, 115; 2009 Acts, ch 57, §60

Referred to in §50.11

# CHAPTER 53

## ABSENT VOTERS

Referred to in §39.3, 39A.1, 39A.2, 39A.4, 39A.5, 39A.6, 43.5, 46.18, 48A.5, 52.33, 260C.15, 260C.39, 275.35, 277.3, 296.4, 298.18, 357J.16, 360.1, 372.2, 376.1, 468.511

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## GENERAL PROVISIONS

**53.1 Right to vote — conditions.**

1. Any registered voter may, subject to the provisions of this chapter, vote at any election:

*a.* When the voter expects to be absent on election day during the time the polls are open from the precinct in which the voter is a registered voter.

*b.* When, through illness or physical disability, the voter expects to be prevented from going to the polls and voting on election day.

*c.* When the voter expects to be unable to go to the polls and vote on election day.

2. A person who has been designated to have power of attorney by a registered voter does not have authority to request or to cast an absentee ballot on behalf of the registered voter.

[SS15, §1137-b; C24, 27, 31, 35, 39, §**927;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.1]
90 Acts, ch 1238, §28; 93 Acts, ch 143, §31; 94 Acts, ch 1169, §65; 2008 Acts, ch 1032, §201
Referred to in §53.2, 53.49

**53.2 Application for ballot.**

1. *a.* Any registered voter, under the circumstances specified in section 53.1, may on any day, except election day, and not more than seventy days prior to the date of the election, apply in person for an absentee ballot at the commissioner's office or at any location designated by the commissioner. However, for those elections in which the commissioner directs the polls be opened at noon pursuant to section 49.73, a voter may apply in person for an absentee ballot at the commissioner's office from 8:00 a.m. until 11:00 a.m. on election day.

*b.* A registered voter may make written application to the commissioner for an absentee ballot. A written application for an absentee ballot must be received by the commissioner no later than 5:00 p.m. on the Friday before the election. A written application for an absentee ballot delivered to the commissioner and received by the commissioner more than seventy days prior to the date of the election shall be retained by the commissioner and processed in the same manner as a written application received not more than seventy days before the date of the election.

2. *a.* The state commissioner shall prescribe a form for absentee ballot applications. However, if a registered voter submits an application on a sheet of paper no smaller than

three by five inches in size that includes all of the information required in this section, the prescribed form is not required.

*b.* Absentee ballot applications may include instructions to send the application directly to the county commissioner of elections. However, no absentee ballot application shall be preaddressed or printed with instructions to send the applications to anyone other than the appropriate commissioner.

*c.* No absentee ballot application shall be preaddressed or printed with instructions to send the ballot to anyone other than the voter.

3. This section does not require that a written communication mailed to the commissioner's office to request an absentee ballot, or any other document be notarized as a prerequisite to receiving or marking an absentee ballot or returning to the commissioner an absentee ballot which has been voted.

4. Each application shall contain the name and signature of the registered voter, the registered voter's date of birth, the address at which the voter is registered to vote, and the name or date of the election for which the absentee ballot is requested, and such other information as may be necessary to determine the correct absentee ballot for the registered voter. If insufficient information has been provided, either on the prescribed form or on an application created by the applicant, the commissioner shall, by the best means available, obtain the additional necessary information.

5. An application for a primary election ballot which specifies a party different from that recorded on the registered voter's voter registration record, or if the voter's voter registration record does not indicate a party affiliation, shall be accepted as a change or declaration of party affiliation. The commissioner shall approve the change or declaration and enter a notation of the change on the registration records at the time the absentee ballot request is noted on the voter's registration record. A notice shall be sent with the ballot requested informing the voter that the voter's registration record will be changed to show that the voter is now affiliated with the party whose ballot the voter requested. If an application for a primary election ballot does not specify a party and the voter registration record of the voter from whom the application is received shows that the voter is affiliated with a party, the voter shall be mailed the ballot of the party indicated on the voter's registration record.

6. If an application for an absentee ballot is received from an eligible elector who is not a registered voter the commissioner shall send the eligible elector a voter registration form and another absentee ballot application form. If the application is received after the time registration closes pursuant to section 48A.9 but by 5:00 p.m. on the Saturday before the election for general and primary elections or by 5:00 p.m. on the Friday before the election for all other elections, the commissioner shall notify the applicant by mail of the election day and in-person absentee registration provisions of section 48A.7A. In addition to notification by mail, the commissioner shall also attempt to contact the applicant by any other method available to the commissioner.

7. A registered voter who has not moved from the county in which the elector is registered to vote may submit a change of name, telephone number, or address on the absentee ballot application form when requesting an absentee ballot. The commissioner may also update a voter's identification number, as described in section 48A.11, subsection 1, paragraph "*e*", if an identification number is provided on an absentee ballot application. Upon receipt of a properly completed form, the commissioner shall enter a notation of the change on the registration records.

8. An application for an absentee ballot that is returned to the commissioner by a person acting as an actual or implied agent for a political party, candidate, or committee, all as defined by chapter 68A, shall be returned to the commissioner within seventy-two hours of the time the completed application was received from the applicant or no later than 5:00 p.m. on the Friday before the election, whichever is earlier.

[SS15, §1137-c, -d; C24, 27, 31, 35, 39, §**928, 930;** C46, 50, 54, 58, 62, 66, 71, §53.2, 53.4; C73, 75, 77, 79, 81, §53.2]

83 Acts, ch 176, §6; 84 Acts, ch 1291, §11; 86 Acts, ch 1224, §28; 87 Acts, ch 221, §25; 91 Acts, ch 129, §17; 94 Acts, ch 1169, §54; 95 Acts, ch 189, §15; 97 Acts, ch 170, §68; 2004 Acts,

ch 1083, §28, 29, 37; 2007 Acts, ch 59, §23, 38; 2008 Acts, ch 1032, §157; 2008 Acts, ch 1053, §1, 2; 2009 Acts, ch 57, §61; 2010 Acts, ch 1033, §29, 56
Referred to in §53.22, 53.39, 53.45, 53.49

**53.3 Requirements for certain absentee ballot applications — prescribed form — receipt.**

1. When an application for an absentee ballot is solicited by, or collected for return to the commissioner by, a person acting as an actual or implied agent for a political party, candidate, or committee, as defined by chapter 68A, the person shall provide the applicant with the form prescribed by the state commissioner.

2. *a.* When an application for an absentee ballot is solicited by, and returned to the commissioner by, a person acting as an actual or implied agent for a political party, candidate, or committee, as defined by chapter 68A, the person shall issue to the applicant a receipt for the completed application.

*b.* The receipt shall contain the following information:

(1) The name of the applicant.

(2) The date and time the completed application was received from the applicant.

(3) The name and date of the election for which the application is being completed.

(4) The name of the political party, candidate, or committee for whom the person is soliciting and returning the application for the absentee ballot.

(5) The name of the person acting as an actual or implied agent for the political party, candidate, or committee.

(6) A statement that the application will be delivered to the appropriate commissioner within seventy-two hours of the date and time the completed application was received from the applicant or no later than 5:00 p.m. on the Friday before the election, whichever is earlier.

(7) A statement that an absentee ballot will be mailed to the applicant within twenty-four hours after the ballot for the election is available.

*c.* The commissioner shall make receipt forms required by this section available for photocopying at the expense of the political party, candidate, or committee.

2004 Acts, ch 1083, §30, 37; 2004 Acts, ch 1175, §360; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1053, §3
Referred to in §53.49

**53.4 through 53.6** Reserved.

**53.7 Solicitation by public employees.**

1. It shall be unlawful for any employee of the state or any employee of a political subdivision to solicit any application or request for application for an absentee ballot, or to take an affidavit in connection with any absentee ballot while the employee is on the employer's premises or otherwise in the course of employment. However, any such employee may take such affidavit in connection with an absentee ballot which is cast by the registered voter in person in the office where such employee is employed in accordance with section 53.10 or 53.11. This subsection shall not apply to any elected official.

2. It is unlawful for any public officer or employee, or any person acting under color of a public officer or employee, to knowingly require a public employee to solicit an application or request an application for an absentee ballot, or to knowingly require an employee to take an affidavit or request for an affidavit in connection with an absentee ballot application.

[SS15, §1137-d; C24, 27, 31, 35, 39, §**933;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.7]

91 Acts, ch 129, §18; 94 Acts, ch 1169, §64; 2002 Acts, ch 1071, §11; 2002 Acts, ch 1175, §80; 2007 Acts, ch 59, §24, 38
Referred to in §39A.4, 39A.5, 53.49

**53.8 Ballot mailed.**

1. Upon receipt of an application for an absentee ballot and immediately after the absentee ballots are printed, the commissioner shall mail an absentee ballot to the applicant within twenty-four hours, except as otherwise provided in subsection 3. The absentee ballot shall be enclosed in an unsealed envelope bearing a serial number and affidavit. The absentee ballot and unsealed envelope shall be enclosed in or with a return envelope marked postage

paid which bears the same serial number as the unsealed envelope. The absentee ballot, unsealed envelope, and return envelope shall be enclosed in a third envelope to be sent to the registered voter. If the ballot cannot be folded so that all of the votes cast on the ballot will be hidden, the commissioner shall also enclose a secrecy envelope with the absentee ballot.

2. *a.* The commissioner shall enclose with the absentee ballot a statement informing the applicant that the sealed return envelope may be mailed to the commissioner by the registered voter or the voter's designee or may be personally delivered to the commissioner's office by the registered voter or the voter's designee. The statement shall also inform the voter that the voter may request that the voter's designee complete a receipt when retrieving the ballot from the voter. A blank receipt shall be enclosed with the absentee ballot.

*b.* If an application is received so late that it is unlikely that the absentee ballot can be returned in time to be counted on election day, the commissioner shall enclose with the absentee ballot a statement to that effect.

3. *a.* When an application for an absentee ballot is received by the commissioner of any county from a registered voter who is a patient in a hospital in that county or a resident of any facility in that county shown to be a health care facility by the list of licenses provided the commissioner under section 135C.29, the absentee ballot shall be delivered to the voter and returned to the commissioner in the manner prescribed by section 53.22.

*b.* (1) If the application is received more than five days before the ballots are printed and the commissioner has elected to have the ballots personally delivered during the ten-day period after the ballots are printed, the commissioner shall mail to the applicant within twenty-four hours a letter in substantially the following form:

Your application for an absentee ballot for the election to be held on ..... has been received. This ballot will be personally delivered to you by a bipartisan team sometime during the ten days after the ballots are printed. If you will not be at the address from which your application was sent during any or all of the ten-day period immediately following the printing of the ballots, the ballot will be personally delivered to you sometime during the fourteen days preceding the election. If you will not be at the address from which your application was sent during either of these time periods, contact this office and arrangements will be made to have your absentee ballot delivered at a time when you will be present at that address.

(2) If the application is received more than fourteen calendar days before the election and the commissioner has not elected to mail absentee ballots to applicants as provided under section 53.22, subsection 3, and has not elected to have the absentee ballots personally delivered during the ten-day period after the ballots are printed, the commissioner shall mail to the applicant within twenty-four hours a letter in substantially the following form:

Your application for an absentee ballot for the election to be held on ..... has been received. This ballot will be personally delivered to you by a bipartisan team sometime during the fourteen days preceding the election. If you will not be at the address from which your application was sent during any or all of the fourteen-day period immediately preceding the election, contact this office and arrangements will be made to have your absentee ballot delivered at a time when you will be present at that address.

*c.* Nothing in this subsection nor in section 53.22 shall be construed to prohibit a registered voter who is a hospital patient or resident of a health care facility, or who anticipates entering

a hospital or health care facility before the date of a forthcoming election, from casting an absentee ballot in the manner prescribed by section 53.10 or 53.11.

[SS15, §1137-c, -d; C24, 27, 31, 35, 39, §**928, 930;** C46, 50, 54, 58, 62, 66, 71, §53.2, 53.4; C73, §53.2; C75, 77, 79, 81, §53.8]

83 Acts, ch 176, §7; 84 Acts, ch 1291, §12; 86 Acts, ch 1224, §30; 94 Acts, ch 1169, §64; 2002 Acts, ch 1134, §62, 115; 2004 Acts, ch 1083, §31, 32, 37; 2007 Acts, ch 59, §25, 26, 38; 2007 Acts, ch 215, §223; 2009 Acts, ch 57, §62, 63; 2009 Acts, ch 143, §1

Referred to in §49.63, 53.22, 53.49, 135C.29

**53.9 Prohibited persons.**

No person required to file reports under chapter 68A, and no person acting as an actual or implied agent for a person required to file reports under chapter 68A, shall receive absentee ballots on behalf of voters. This prohibition does not apply to section 53.17.

97 Acts, ch 170, §69

Referred to in §53.49

**53.10 Absentee voting at the commissioner's office.**

1. Not more than forty days before the date of the primary election or the general election, the commissioner shall provide facilities for absentee voting in person at the commissioner's office. This service shall also be provided for other elections as soon as the ballots are ready, but in no case shall absentee ballots be available more than forty days before an election.

2. Each person who wishes to vote by absentee ballot at the commissioner's office shall first sign an application for a ballot including the following information: name, current address, and the election for which the ballot is requested. The person may report a change of address or other information on the person's voter registration record at that time. The registered voter shall immediately mark the ballot; enclose the ballot in a secrecy envelope, if necessary, and seal it in an affidavit envelope; subscribe to the affidavit on the reverse side of the envelope; and return the absentee ballot to the commissioner. The commissioner shall record the numbers appearing on the application and affidavit envelope along with the name of the registered voter.

3. During the hours when absentee ballots are available in the office of the commissioner, electioneering shall not be allowed within the sight or hearing of voters at the absentee voting site.

2002 Acts, ch 1134, §63, 115; 2005 Acts, ch 72, §1; 2007 Acts, ch 215, §224; 2008 Acts, ch 1191, §114

Referred to in §49.63, 53.7, 53.8, 53.11, 53.22, 53.42, 53.49, 68A.406

**53.11 Satellite absentee voting stations.**

1. *a.* Satellite absentee voting stations may be established throughout the cities and county at the direction of the commissioner and shall be established upon receipt of a petition signed by not less than one hundred eligible electors requesting that a satellite absentee voting station be established at a location to be described on the petition. However, if a special election is scheduled in the county on a date that falls between the date of the regular city election and the date of the city runoff election, the commissioner is not required to establish a satellite absentee voting station for the city runoff election.

*b.* A satellite absentee voting station established by petition must be open at least one day for a minimum of six hours. A satellite absentee voting station established at the direction of the commissioner or by petition may remain open until 5:00 p.m. on the day before the election.

2. A petition requesting a satellite absentee voting station must be filed by the following deadlines:

*a.* For a primary or general election, no later than 5:00 p.m. on the forty-seventh day before the election.

*b.* For the regular city election or a city primary election, no later than 5:00 p.m. on the thirtieth day before the election.

*c.* For a city runoff election, no later than 5:00 p.m. on the twenty-first day before the election.

*d.* For the regular school election, no later than 5:00 p.m. on the thirtieth day before the election.

*e.* For a special election, no later than thirty-two days before the special election.

3. Procedures for absentee voting at satellite absentee voting stations shall be the same as specified in section 53.10 for voting at the commissioner's office. Additional procedures shall be prescribed by rule by the state commissioner.

4. During the hours when absentee ballots are available at a satellite absentee voting station, electioneering shall not be allowed within the sight or hearing of voters at the satellite absentee voting station.

5. At least seven days before the date that absentee ballots will be available at a satellite absentee voting station, the commissioner shall notify the county chairperson of each political party of the date, time, and place that the satellite absentee voting station will be in operation in the county, so that the chairpersons may appoint observers to be present at the station during the hours absentee ballots are available. No more than two observers from each political party shall be present at any one satellite absentee voting station.

[SS15, §1137-e; C24, 27, 31, 35, 39, §**937;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.11]

84 Acts, ch 1291, §13; 91 Acts, ch 129, §19; 93 Acts, ch 143, §32; 94 Acts, ch 1169, §65; 97 Acts, ch 170, §70, 71; 2002 Acts, ch 1134, §64 – 66, 115; 2005 Acts, ch 72, §2; 2007 Acts, ch 112, §1 – 3; 2008 Acts, ch 1191, §115; 2009 Acts, ch 131, §1

Referred to in §49.63, 53.7, 53.8, 53.22, 53.49, 68A.406

**53.12 Duty of commissioner.**

The commissioner shall enclose the absentee ballot in an unsealed envelope, to be furnished by the commissioner, which envelope shall bear upon its face the words "county commissioner of elections", the address of the commissioner's office, and the same serial number appearing on the unsealed envelope shall be affixed to the application.

[SS15, §1137-f; C24, 27, 31, 35, 39, §**938;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.12]

84 Acts, ch 1291, §14

Referred to in §53.49

Section not amended; editorial change applied

**53.13 Voter's affidavit on envelope.**

On the unsealed envelope shall be printed an affidavit form prescribed by the state commissioner of elections.

[SS15, §1137-f; C24, 27, 31, 35, 39, §**939;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.13]

Referred to in §53.49

**53.14 Party affiliation.**

Said affidavit shall designate the voter's party affiliation only in case the ballot enclosed is a primary election ballot.

[SS15, §1137-f; C24, 27, 31, 35, 39, §**940;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.14]

Referred to in §53.49

**53.15 Marking ballot.**

The registered voter, on receipt of an absentee ballot, shall mark the ballot in such a manner that no other person will know how the ballot is marked.

Registered voters who are blind, cannot read, or because of any other physical disability, are unable to mark their own absentee ballot, may have the assistance of any person the registered voter may select.

[SS15, §1137-g; C24, 27, 31, 35, 39, §**941;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.15]

84 Acts, ch 1291, §15; 94 Acts, ch 1169, §64

Referred to in §53.49

**53.16 Subscribing to affidavit.**

After marking the ballot, the voter shall make and subscribe to the affidavit on the reverse side of the envelope, and fold the ballot or ballots, separately, so as to conceal the markings on them, and deposit them in the envelope, and securely seal the envelope.

[SS15, §1137-g; C24, 27, 31, 35, 39, §**942;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.16]

84 Acts, ch 1291, §16

Referred to in §53.49

**53.17 Mailing or delivering ballot.**

1. The sealed envelope containing the absentee ballot shall be enclosed in a return envelope which shall be securely sealed. The sealed return envelope shall be returned to the commissioner by one of the following methods:

*a.* The sealed return envelope may be delivered by the registered voter, by the voter's designee, or by the special precinct election officials designated pursuant to section 53.22, subsection 1, to the commissioner's office no later than the time the polls are closed on election day. However, if delivered by the voter's designee, the envelope shall be delivered within seventy-two hours of retrieving it from the voter or before the closing of the polls on election day, whichever is earlier.

*b.* The sealed return envelope may be mailed to the commissioner by the registered voter or by the voter's designee. If mailed by the voter's designee, the envelope must be mailed within seventy-two hours of retrieving it from the voter or within time to be postmarked not later than the day before the election, whichever is earlier.

2. In order for the ballot to be counted, the return envelope must be received in the commissioner's office before the polls close on election day or be clearly postmarked by an officially authorized postal service not later than the day before the election and received by the commissioner not later than noon on the Monday following the election.

3. If the law authorizing the election specifies that the supervisors canvass the votes earlier than the Monday following the election, absentee ballots returned through the mail must be received not later than the time established for the canvass by the board of supervisors for that election. The commissioner shall contact the post office serving the commissioner's office at the latest practicable hour before the canvass by the board of supervisors for that election, and shall arrange for absentee ballots received in that post office but not yet delivered to the commissioner's office to be brought to the commissioner's office before the canvass for that election by the board of supervisors.

4. When a person designated by the voter retrieves a completed absentee ballot from the voter, the designee shall, upon request of the voter, fill out a receipt to be retained by the voter. The state commissioner shall prescribe a form for receipts required by this subsection. The receipt shall include all of the following:

*a.* The name of the voter's designee.

*b.* The date and time the completed absentee ballot was received from the voter.

*c.* The name and date of the election for which the absentee ballot is being voted.

*d.* The name of the political party, candidate, or committee for which the designee is acting as an actual or implied agent, if applicable.

*e.* A telephone number at which the voter's designee may be contacted.

*f.* A statement that the completed absentee ballot will be delivered to the commissioner's office within seventy-two hours of retrieving it from the voter or before the closing of the polls on election day, whichever is earlier, or that the completed absentee ballot will be mailed to the commissioner within seventy-two hours of retrieving it from the voter or within time to be postmarked not later than the day before the election, whichever is earlier.

[SS15, §1137-g; C24, 27, 31, 35, 39, §**943;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.17; 81 Acts, ch 34, §36]

84 Acts, ch 1291, §17; 87 Acts, ch 221, §26; 90 Acts, ch 1238, §29; 94 Acts, ch 1169, §64; 94 Acts, ch 1180, §22; 2004 Acts, ch 1083, §33, 37; 2004 Acts, ch 1175, §361, 362; 2007 Acts, ch 59, §27, 38; 2007 Acts, ch 215, §225 – 228; 2009 Acts, ch 57, §64

Referred to in §50.22, 50.24, 53.9, 53.18, 53.44, 53.49, 53.53

**53.18 Manner of preserving ballot and application — review of affidavit — replacement ballots.**

1. When the return envelope containing the completed absentee ballot is received by the commissioner, the commissioner shall at once record receipt of such ballot. Absentee ballots shall be stored in a secure place until they are delivered to the absentee and special voters precinct board.

2. If the commissioner receives the return envelope containing the completed absentee ballot by 5:00 p.m. on the Saturday before the election for general and primary elections and by 5:00 p.m. on the Friday before the election for all other elections, the commissioner shall open the envelope to review the affidavit for completeness. If the affidavit is incomplete, the commissioner shall, within twenty-four hours of the time the envelope was received, notify the voter of that fact and that the voter may complete the affidavit in person at the office of the commissioner by 5:00 p.m. on the day before the election, vote a replacement ballot in the manner and within the time period provided in subsection 3, or appear at the voter's precinct polling place on election day and cast a ballot in accordance with section 53.19, subsection 3.

3. If the affidavit envelope contains a defect that would cause the absentee ballot to be rejected by the absentee and special voters precinct board, the commissioner shall immediately notify the voter of that fact and that the voter's absentee ballot shall not be counted unless the voter requests and returns a replacement ballot in the time permitted under section 53.17, subsection 2. The voter may request a replacement ballot in person, in writing, or over the telephone. The same serial number that was assigned to the records of the original absentee ballot application shall be used on the envelope and records of the replacement ballot. The affidavit envelope containing the completed replacement ballot shall be marked "Replacement ballot". The affidavit envelope containing the original ballot shall be marked "Defective" and the replacement ballot shall be attached to the affidavit envelope containing the original ballot and shall be stored in a secure place until they are delivered to the absentee and special voters precinct board, notwithstanding sections 53.26 and 53.27.

4. The state commissioner of elections shall adopt rules for implementation of this section.

[SS15, §1137-h, -i; C24, 27, 31, 35, 39, §**944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.18]

89 Acts, ch 136, §52; 91 Acts, ch 129, §20; 2002 Acts, ch 1134, §67, 115; 2007 Acts, ch 215, §229; 2009 Acts, ch 57, §65; 2010 Acts, ch 1026, §13

Referred to in §53.19, 53.25, 53.49

**53.19 Listing absentee ballots.**

1. The commissioner shall maintain a list of the absentee ballots provided to registered voters, the serial number appearing on the unsealed envelope, the date the application for the absentee ballot was received, and the date the absentee ballot was sent to the registered voter requesting the absentee ballot.

2. The commissioner shall provide each precinct election board with a list of all registered voters from that precinct who have received an absentee ballot. The precinct officials shall immediately designate on the election register those registered voters who have received an absentee ballot and are not entitled to vote in person at the polls, except as provided in subsection 3.

3. *a.* A registered voter who has received an absentee ballot and not returned it may surrender the absentee ballot to the precinct officials and vote in person at the polls. The precinct officials shall mark the uncast absentee ballot "void" and return it to the commissioner.

*b.* A registered voter who has requested an absentee ballot by mail but for any reason has not received it or who has not brought the ballot to the polls may appear at the voter's precinct polling place on election day and, after the precinct election officials confirm the commissioner has not received the voter's absentee ballot, the voter shall be permitted to vote in person at the polls. If the precinct election officials are unable to confirm whether the commissioner has received the voter's absentee ballot, the voter shall cast a ballot in accordance with section 49.81.

*c.* A registered voter who has been notified by the commissioner pursuant to section

53.18 of the need to complete the affidavit or vote a replacement absentee ballot and who has not completed the affidavit or voted a replacement absentee ballot may appear at the voter's precinct polling place on election day and, after the precinct election officials confirm the voter has not completed the affidavit or voted a replacement ballot, the voter shall be permitted to vote in person at the polls. If the precinct election officials are unable to confirm whether the voter has completed the affidavit or voted a replacement ballot, the voter shall cast a ballot in accordance with section 49.81.

[C71, §53.4; C73, §53.2; C75, 77, 79, 81, §53.19]

94 Acts, ch 1169, §64; 97 Acts, ch 170, §72; 98 Acts, ch 1123, §11; 2002 Acts, ch 1134, §68, 115; 2007 Acts, ch 215, §230; 2010 Acts, ch 1026, §14

Referred to in §49.72, 49.77, 49.81, 53.18, 53.49

**53.20 Special precinct established.**

1. There is established in each county a special precinct to be known as the absentee ballot and special voters precinct. Its jurisdiction shall be conterminous with the borders of the county, for the purposes specified by sections 53.22 and 53.23, and the requirement that precincts not cross the boundaries of legislative districts shall not be applicable to it. The commissioner shall draw up an election board panel for the special precinct in the manner prescribed by section 49.15, having due regard for the nature and extent of the duties required of members of the election board and the election officers to be appointed from the panel.

2. *a.* Results from the special precinct shall be reported separately from the results of the ballots cast at the polls on election day. The commissioner shall for general elections also report the results of the special precinct by the resident precincts of the voters who cast absentee and provisional ballots. For all other elections, the commissioner may report the results of the special precinct by the resident precincts of the voters who cast absentee and provisional ballots, or may report the absentee results as a single precinct.

*b.* For the general election and for any election in which the commissioner determines in advance of the election to report the results of the special precinct by the resident precincts of the voters who cast absentee and provisional ballots, the commissioner shall prepare a separate absentee ballot style for each precinct in the county and shall program the voting system to produce reports by the resident precincts of the voters.

[C77, 79, 81, §53.20]

2008 Acts, ch 1159, §1; 2009 Acts, ch 57, §66

Referred to in §49.81, 50.21, 53.22, 53.49

**53.21 Replacement of lost or spoiled absentee ballots.**

1. A voter who has requested an absentee ballot may obtain a replacement ballot if the voter declares that the original ballot was lost or did not arrive. The commissioner upon receipt of a written or oral request for a replacement ballot shall provide a duplicate ballot. The same serial number that was assigned to the records of the original absentee ballot request shall be used on the envelopes and records of the replacement ballot.

2. *a.* The commissioner shall include with the replacement ballot two copies of a statement in substantially the following form:

The absentee ballot which I requested on .....
(date) has been lost or was never received. If I find this absentee
ballot I will return it, unvoted, to the commissioner.

.....
(Signature of voter)

.....
(Date)

*b.* The voter shall enclose one copy of the above statement in the return envelope with the affidavit envelope and retain a copy for the voter's records.

3. *a.* A voter who spoils an absentee ballot may return it to the commissioner. The outside

of the return envelope shall be marked "SPOILED BALLOT". The commissioner shall replace the ballot in the manner provided in this section for lost ballots.

*b.* An absentee ballot returned to the commissioner without a designation that the ballot was spoiled shall not be replaced.

89 Acts, ch 136, §53; 93 Acts, ch 143, §33; 2007 Acts, ch 215, §231; 2009 Acts, ch 57, §67
Referred to in §53.49

**53.22 Balloting by confined persons.**

1. *a.* (1) A registered voter who has applied for an absentee ballot, in a manner other than that prescribed by section 53.10 or 53.11, and who is a resident or patient in a health care facility or hospital located in the county to which the application has been submitted shall be delivered the appropriate absentee ballot by two special precinct election officers, one of whom shall be a member of each of the political parties referred to in section 49.13, who shall be appointed by the commissioner from the election board panel for the special precinct established by section 53.20. The special precinct election officers shall be sworn in the manner provided by section 49.75 for election board members, shall receive compensation as provided in section 49.20, and shall perform their duties during the ten calendar days after the ballots are printed if the commissioner so elects, during the fourteen calendar days preceding the election, and on election day if all ballots requested under section 53.8, subsection 3, have not previously been delivered and returned.

(2) If materials are prepared for the two special precinct election officials, a list shall be made of all voters to whom ballots are to be delivered. The list shall be sent with the officials who deliver the ballots and shall include spaces to indicate whether the person was present at the hospital or health care facility when the officials arrived, whether the person requested assistance from the officials, whether the person was assisted by another person of the voter's choice, the time that the ballot was returned to the officials, and any other notes the officials deem necessary.

(3) The officials shall also be issued a supply of extra ballots to replace spoiled ballots. Receipts shall be issued in substantially the same form as receipts issued to precinct election officials pursuant to section 49.65. All ballots shall be accounted for and shall be returned to the commissioner. Separate envelopes shall be provided for the return of spoiled ballots and unused ballots.

*b.* If an applicant under this subsection notifies the commissioner that the applicant will not be available at the health care facility or hospital address at any time during the ten-day period after the ballots are printed, if applicable, or during the fourteen-day period immediately prior to the election, but will be available there at some other time prior to the election or on election day, the commissioner shall direct the two special precinct election officers to deliver the applicant's ballot at an appropriate time preceding the election or on election day. If a person who so requested an absentee ballot has been dismissed from the health care facility or hospital, the special precinct election officers may take the ballot to the voter if the voter is currently residing in the county.

*c.* The special precinct election officers shall travel together in the same vehicle and both shall be present when an applicant casts an absentee ballot. If either or both of the special precinct election officers fail to appear at the time the duties set forth in this section are to be performed, the commissioner shall at once appoint some other person, giving preference to persons designated by the respective county chairpersons of the political parties described in section 49.13, to carry out the requirements of this section. The persons authorized by this subsection to deliver an absentee ballot to an applicant, if requested, may assist the applicant in filling out the ballot as permitted by section 49.90. After the voter has securely sealed the marked ballot in the envelope provided and has subscribed to the oath, the voted absentee ballots shall be deposited in a sealed container which shall be returned to the commissioner on the same day the ballots are voted. On election day the officers shall return the sealed container by the time the polls are closed.

2. Any registered voter who becomes a patient or resident of a hospital or health care facility in the county where the voter is registered to vote within three days prior to the date of any election or on election day may request an absentee ballot during that period or on

election day. As an alternative to the application procedure prescribed by section 53.2, the registered voter may make the request directly to the officers who are delivering and returning absentee ballots under this section. Alternatively, the request may be made by telephone to the office of the commissioner not later than four hours before the close of the polls. If the requester is found to be a registered voter of that county, these officers shall deliver the appropriate absentee ballot to the registered voter in the manner prescribed by this section.

3. For any election except a primary or general election or a special election to fill a vacancy under section 69.14, the commissioner may, as an alternative to subsection 1, mail an absentee ballot to an applicant under this section to be voted and returned to the commissioner in accordance with this chapter. This subsection only applies to applications for absentee ballots from a single health care facility or hospital if there are no more than two applications from that facility or hospital.

4. The commissioner shall mail an absentee ballot to a registered voter who has applied for an absentee ballot and who is a patient or resident of a hospital or health care facility outside the county in which the voter is registered to vote.

5. *a.* If the registered voter becomes a patient or resident of a hospital or health care facility outside the county where the voter is registered to vote within three days before the date of any election or on election day, the voter may designate a person to deliver and return the absentee ballot. The designee may be any person the voter chooses except that no candidate for any office to be voted upon for the election for which the ballot is requested may deliver a ballot under this subsection. The request for an absentee ballot may be made by telephone to the office of the commissioner not later than four hours before the close of the polls. If the requester is found to be a registered voter of that county, the ballot shall be delivered by mail or by the person designated by the voter. An application form shall be included with the absentee ballot and shall be signed by the voter and returned with the ballot.

*b.* Absentee ballots voted under this subsection shall be delivered to the commissioner no later than the time the polls are closed on election day. If the ballot is returned by mail the return envelope must be received by the time the polls close, or clearly postmarked by an officially authorized postal service not later than the day before the election and received by the commissioner no later than the time established for the canvass by the board of supervisors for that election.

6. Observers representing candidates, political parties, or nonparty political organizations, or observers who are opponents or proponents of a ballot issue to be voted on at the election are prohibited from being present at a hospital or health care facility during the time the special precinct election officers are delivering absentee ballots to the residents of such hospital or health care facility.

[C71, 73, 75, §53.17; C77, 79, 81, §53.22; 81 Acts, ch 34, §37]

84 Acts, ch 1291, §18, 19; 85 Acts, ch 67, §8; 87 Acts, ch 221, §27, 28; 88 Acts, ch 1119, §28; 93 Acts, ch 143, §34; 94 Acts, ch 1169, §65; 94 Acts, ch 1180, §23, 24; 2007 Acts, ch 59, §28, 38; 2009 Acts, ch 57, §68; 2009 Acts, ch 143, §2 – 4

Referred to in §39A.4, 48A.7A, 53.8, 53.17, 53.20, 53.49, 135C.29

**53.23 Special precinct election board.**

1. The election board of the absentee ballot and special voters precinct shall be appointed by the commissioner in the manner prescribed by sections 49.12 and 49.13, except that the number of precinct election officials appointed to the board shall be sufficient to complete the counting of absentee ballots by 10:00 p.m. on election day.

2. The board's powers and duties shall be the same as those provided in chapter 50 for precinct election officials in regular precinct polling places. However, the election board of the special precinct shall receive from the commissioner and count all absentee ballots for all precincts in the county; when two or more political subdivisions in the county hold elections simultaneously the special precinct election board shall count absentee ballots cast in all of the elections so held. The tally list shall be recorded on forms prescribed by the state commissioner.

3. *a.* The commissioner shall set the convening time for the board, allowing a reasonable amount of time to complete counting all absentee ballots by 10:00 p.m. on election day.

*b.* (1) The commissioner may direct the board to meet on the day before the election for the purpose of reviewing the absentee voters' affidavits appearing on the sealed affidavit envelopes. If in the commissioner's judgment this procedure is necessary due to the number of absentee ballots received, the members of the board may open the sealed affidavit envelopes and remove the secrecy envelope containing the ballot, but under no circumstances shall a secrecy envelope be opened before the board convenes on election day, except as provided in paragraph "*c*". If the affidavit envelopes are opened before election day pursuant to this paragraph "*b*", two observers, one appointed by each of the two political parties referred to in section 49.13, subsection 2, shall witness the proceedings. The observers shall be appointed by the county chairperson or, if the county chairperson fails to make an appointment, by the state chairperson. However, if either or both political parties fail to appoint an observer, the commissioner may continue with the proceedings.

(2) If the board finds any ballot not enclosed in a secrecy envelope and the ballot is folded in such a way that any of the votes cast on the ballot are visible, the two special precinct election officials, one from each of the two political parties referred to in section 49.13, subsection 2, shall place the ballot in a secrecy envelope. No one shall examine the ballot, except as provided in paragraph "*c*".

*c.* For the general election, the commissioner may convene the special precinct election board on the day before the election to begin counting absentee ballots. However, if in the preceding general election the counting of absentee ballots was not completed by 10:00 p.m. on election day, the commissioner shall convene the special precinct election board on the day before the next general election to begin counting absentee ballots. The board shall not release the results of its tabulation pursuant to this paragraph until the count is completed on election day.

4. The room where members of the special precinct election board are engaged in counting absentee ballots on the day before the election pursuant to subsection 3, paragraph "*c*", or during the hours the polls are open shall be policed so as to prevent any person other than those whose presence is authorized by this subsection from obtaining information about the progress of the count. The only persons who may be admitted to that room are the members of the board, one challenger representing each political party, one observer representing any nonparty political organization or any candidate nominated by petition pursuant to chapter 45 or any other nonpartisan candidate in a city or school election appearing on the ballot of the election in progress, one observer representing persons supporting a public measure appearing on the ballot and one observer representing persons opposed to such measure, and the commissioner or the commissioner's designee. It shall be unlawful for any of these persons to communicate or attempt to communicate, directly or indirectly, information regarding the progress of the count at any time while the board is convened pursuant to subsection 3, paragraph "*c*", or at any time before the polls are closed.

5. The special precinct election board shall preserve the secrecy of all absentee and provisional ballots. After the affidavits on the envelopes have been reviewed and the qualifications of the persons casting the ballots have been determined, those that have been accepted for counting shall be opened. The ballots shall be removed from the affidavit envelopes without being unfolded or examined, and then shall be thoroughly intermingled, after which they shall be unfolded and tabulated. If secrecy folders or envelopes are used with provisional paper ballots, the ballots shall be removed from the secrecy folders after the ballots have been intermingled.

6. The special precinct election board shall not release the results of its tabulation on election day until all of the ballots it is required to count on that day have been counted, nor

release the tabulation of provisional ballots accepted and counted under chapter 50 until that count has been completed.

[SS15, §1137-j; C24, 27, 31, 35, 39, §**949;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.23]

90 Acts, ch 1238, §30; 92 Acts, ch 1163, §13; 95 Acts, ch 189, §16; 97 Acts, ch 170, §73; 2005 Acts, ch 19, §23; 2007 Acts, ch 59, §29, 38; 2007 Acts, ch 215, §232; 2008 Acts, ch 1115, §104; 2009 Acts, ch 140, §1

Referred to in §39A.1, 39A.4, 39A.5, 50.20, 50.22, 50.50, 53.20, 53.30, 53.31, 53.49

**53.24 Counties using voting machines.** Repealed by 2009 Acts, ch 57, § 96.

**53.25 Rejecting ballot.**

1. If the absentee voter's affidavit lacks the voter's signature, if the applicant is not a duly registered voter on election day in the precinct where the absentee ballot was cast, if the affidavit envelope contains more than one ballot of any one kind, or if the voter has voted in person, such vote shall be rejected by the absentee and special voters precinct board. If the affidavit envelope is open, or has been opened and resealed, or if the ballot is not enclosed in the affidavit envelope, and an affidavit envelope with the same serial number and marked "Replacement ballot" is not attached as provided in section 53.18, the vote shall be rejected by the absentee and special voters precinct board.

2. If the absentee ballot is rejected prior to the opening of the affidavit envelope, the voter casting the ballot shall be notified by a precinct election official by the time the canvass is completed of the reason for the rejection on a form prescribed by the state commissioner of elections.

[SS15, §1137-j; C24, 27, 31, 35, 39, §**951;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.25]

94 Acts, ch 1169, §64; 2007 Acts, ch 215, §234; 2009 Acts, ch 57, §69

Referred to in §50.22, 53.49

**53.26 Rejected ballots — how handled.**

Every ballot not counted shall be endorsed on the back thereof "Rejected because (giving reason therefor)". All rejected ballots shall be enclosed and securely sealed in an envelope on which the precinct election officials shall endorse "Defective ballots", with a statement of the precinct in which and the date of the election at which they were cast, signed by the precinct election officials and returned to the same officer and in the same manner as by law provided for the return and preservation of official ballots voted at such election.

[SS15, §1137-j; C24, 27, 31, 35, 39, §**952;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.26]

Referred to in §53.18, 53.49

Return of rejected ballots, §50.5

Section not amended; editorial change applied

**53.27 Rejection of ballot — return of envelope.**

If the ballot is rejected, the affidavit envelope, with the affidavit of the voter endorsed thereon, shall be returned with the rejected ballot in the envelope endorsed "Defective ballots".

[C24, 27, 31, 35, 39, §**953;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.27]

2007 Acts, ch 215, §235

Referred to in §53.18, 53.49

**53.28 and 53.29** Repealed by 73 Acts, ch 136, § 401.

**53.30 Ballots, ballot envelopes, and other information preserved.**

At the conclusion of each meeting of the absentee and special voter's precinct board, the board shall securely seal all ballots counted by them in the manner prescribed in section 50.12. The ballot envelopes, including the envelope having the registered voter's affidavit on it, the return envelope, and secrecy envelope bearing the signatures of precinct election officials, as required by section 53.23, shall be preserved. All applications for absentee ballots, ballots

rejected without being opened, absentee ballot logs, and any other documents pertaining to the absentee ballot process shall be preserved until such time as the documents may be destroyed pursuant to section 50.19.

[C24, 27, 31, 35, 39, §**956;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.30]

95 Acts, ch 67, §53; 2002 Acts, ch 1134, §69, 115; 2009 Acts, ch 57, §70

Referred to in §53.49

**53.31 Challenges.**

1. Any person qualified to vote at the election in progress may challenge the qualifications of a person casting an absentee ballot by submitting a written challenge to the commissioner no later than 5:00 p.m. on the Friday before the election. It is the duty of the special precinct officials to challenge the absentee ballot of any person whom the official knows or suspects is not duly qualified. Challenges by members of the special precinct election board or observers present pursuant to section 53.23 may be made at any time before the close of the polls on election day. The challenge shall state the reasons for which the challenge is being submitted and shall be signed by the challenger. When a challenge is received the absentee ballot shall be set aside for consideration by the special precinct election board when it meets as required by section 50.22.

2. The commissioner shall immediately send a written notice to the elector whose qualifications have been challenged. The notice shall be sent to the address at which the challenged elector is registered to vote. If the ballot was mailed to the challenged elector, the notice shall also be sent to the address to which the ballot was mailed if it is different from the elector's registration address. The notice shall advise the elector of the reason for the challenge, the date and time that the special precinct election board will reconvene to determine challenges, and that the elector has the right to submit written evidence of the elector's qualifications. The notice shall include the telephone number of the commissioner's office. If the commissioner has access to a facsimile machine, the notice shall include the telephone number of the facsimile machine. As far as possible, other procedures for considering provisional ballots shall be followed.

[SS15, §1137-k; C24, 27, 31, 35, 39, §**957;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.31]

93 Acts, ch 143, §35; 2005 Acts, ch 19, §25; 2007 Acts, ch 59, §30, 38

Referred to in §48A.8, 53.49

Challenges, §49.79 – 49.81

**53.32 Ballot of deceased voter.**

When it shall be made to appear by due proof to the precinct election officials that any elector, who has so marked and forwarded a ballot, has died before the affidavit envelope is opened, then the ballot of such deceased voter shall be endorsed, "Rejected because voter is dead", and be returned to the commissioner; but the casting of the ballot of a deceased voter shall not invalidate the election.

[SS15, §1137-l; C24, 27, 31, 35, 39, §**958;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.32]

2007 Acts, ch 215, §236

Referred to in §53.49

**53.33** Repealed by 73 Acts, ch 136, § 401.

**53.34 False affidavit.**

Any person who shall willfully swear falsely to any of such affidavits shall be guilty of a fraudulent practice.

[SS15, §1137-n; C24, 27, 31, 35, 39, §**960;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.34]

Referred to in §53.49

**53.35 Refusal to return ballot.** Repealed by 2007 Acts, ch 59, § 37, 38.

**53.35A Failure to return ballot.**

It is unlawful for any person designated by the commissioner, or by the elector casting the absentee ballot, to deliver the sealed envelope containing the absentee ballot, to willfully fail to return the ballot to the commissioner or the commissioner's designee.

93 Acts, ch 143, §36; 2002 Acts, ch 1071, §13

Referred to in §39A.4

**53.36** Repealed by 2002 Acts, ch 1071, § 15. See § 39A.2 – 39A.5.

ABSENT VOTING BY ARMED FORCES

**53.37 Definitions.**

1. This division is intended to implement the federal Uniform and Overseas Citizens Absentee Voting Act, 42 U.S.C. § 1973ff et seq.

2. The term *"armed forces of the United States"*, as used in this division, shall mean the army, navy, marine corps, coast guard, and air force of the United States.

3. For the purpose of absentee voting only, there shall be included in the term *"armed forces of the United States"* the following:

*a.* Spouses and dependents of members of the armed forces while in active service.

*b.* Members of the merchant marine of the United States and their spouses and dependents.

*c.* Civilian employees of the United States in all categories serving outside the territorial limits of the several states of the United States and the District of Columbia and their spouses and dependents when residing with or accompanying them, whether or not the employee is subject to the civil service laws and the Classification Act of 1949, and whether or not paid from funds appropriated by the Congress.

*d.* Members of religious groups or welfare agencies assisting members of the armed forces, who are officially attached to and serving with the armed forces, and their spouses and dependents.

*e.* Citizens of the United States who do not fall under any of the categories described in paragraphs *"a"* through *"d"*, but who are entitled to register and vote pursuant to section 48A.5, subsection 4.

4. For the purposes of this division, *"qualified voter"* means a person who is included within the term *"armed forces of the United States"* as described in this section, who would be qualified to register to vote under section 48A.5, subsection 2, except for residency, and who is not disqualified from registering to vote and voting under section 48A.6.

[C54, 58, 62, 66, §53.37; C71, 73, 75, 77, 79, §53.37, 53.49; C81, §53.37]

94 Acts, ch 1180, §25; 95 Acts, ch 67, §8; 2001 Acts, ch 56, §4; 2007 Acts, ch 59, §31, 38; 2007 Acts, ch 215, §243

Referred to in §48A.5, 48A.5A, 48A.25A, 53.49, 53.53

**53.37A State commissioner duties.**

The state commissioner of elections shall provide information regarding voter registration procedures and absentee ballot procedures to be used by members of the armed forces of the United States. The state commissioner shall accept valid voter registration applications and absentee ballot applications and shall forward the applications to the appropriate county commissioner of elections in a timely manner.

2004 Acts, ch 1083, §34, 37

Referred to in §48A.5

**53.38 What constitutes registration.**

Whenever a ballot is requested pursuant to section 53.39 or 53.45 on behalf of a voter in the armed forces of the United States, the affidavit upon the affidavit envelope of such voter, if the voter is found to be an eligible elector of the county to which the ballot is submitted, shall constitute a sufficient registration under chapter 48A. A completed federal postcard registration and federal absentee ballot request form submitted by such eligible elector shall

also constitute a sufficient registration under chapter 48A. The commissioner shall place the voter's name on the registration record as a registered voter if it does not already appear there. The identification requirements of section 48A.8 and the verification requirements of section 48A.25A do not apply to persons who register to vote under this division.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.38]

88 Acts, ch 1119, §29; 94 Acts, ch 1169, §55; 2002 Acts, ch 1134, §70, 115; 2007 Acts, ch 59, §32, 38; 2007 Acts, ch 215, §237

Referred to in §48A.5

**53.39 Request for ballot — when available.**

1. Section 53.2 does not apply in the case of a qualified voter of the state of Iowa serving in the armed forces of the United States. In any such case an application for ballot as provided for in that section is not required and an absent voter's ballot shall be sent or made available to any such qualified voter upon a request as provided in this division.

2. All official ballots to be voted by qualified absent voters in the armed forces of the United States at the primary election and the general election shall be printed prior to forty-five days before the respective elections and shall be available for transmittal to such qualified voters in the armed forces of the United States at least forty-five days before the respective elections. The provisions of this chapter apply to absent voting by qualified voters in the armed forces of the United States except as modified by the provisions of this division.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.39]

89 Acts, ch 136, §54; 94 Acts, ch 1169, §64; 94 Acts, ch 1180, §26; 95 Acts, ch 67, §9; 2010 Acts, ch 1033, §30, 56

Referred to in §48A.5, 53.38

**53.40 Request requirements — transmission of ballot.**

1. *a.* A request in writing for a ballot may be made by any member of the armed forces of the United States who is or will be a qualified voter on the day of the election at which the ballot is to be cast, at any time before the election. Any member of the armed forces of the United States may request ballots for all elections to be held during a calendar year. The request may be made by using the federal postcard application form and indicating that the applicant wishes to receive ballots for all elections as permitted by state law. If the applicant does not specify which elections the request is for, the county commissioner shall send the applicant a ballot for each federal election held after the application is received until the end of the calendar year in which the request is received. If the applicant requests ballots for all elections to be held in a calendar year, the commissioner, if necessary, shall forward a copy of the absentee ballot request to other commissioners who are responsible under section 47.2, subsection 2, for conducting elections in which the applicant is eligible to vote.

*b.* Unless the request specifies otherwise, a request for the primary election shall also be considered a request for the general election. In the case of the general election, request may be made not more than seventy days before the election, for and on behalf of a voter in the armed forces of the United States by a spouse, parent, parent-in-law, adult brother, adult sister, or adult child of the voter, residing in the county of the voter's residence. However, a request made by other than the voter may be required to be made on forms prescribed by the state commissioner.

*c.* A request shall show the residence, including street address, if any, of the voter and the age of the voter and shall designate the address to which the ballot is to be sent. In the case of the primary election, the request shall also show the party affiliation of the voter. The request shall be made to the commissioner of the county of the voter's residence. However, if the request is made by the voter to any elective state, city, or county official, the official shall forward it to the commissioner of the county of the voter's residence, and such request so forwarded shall have the same force and effect as if made directly to the commissioner by the voter.

2. The commissioner shall immediately on the forty-fifth day prior to the particular election transmit ballots to the voter by mail or otherwise, postage prepaid, as directed by the state commissioner, requests for which are in the commissioner's hands at that time,

and thereafter so transmit ballots immediately upon receipt of requests. A request for ballot for the primary election which does not state the party affiliation of the voter making the request is void and of no effect. A request which does not show that the person for whom a ballot is requested will be a qualified voter in the precinct in which the ballot is to be cast on the day of the election for which the ballot is requested, shall not be honored. However, a request which states the age and the city, including street address, and county where the voter resides is sufficient to show that the person is a qualified voter. A request by the voter containing substantially the information required is sufficient.

3. If the affidavit on the affidavit envelope shows that the affiant is not a qualified voter on the day of the election at which the ballot is offered for voting, the envelope shall not be opened, but the envelope and ballot contained in the envelope shall be preserved and returned by the precinct election officials to the commissioner, who shall preserve them for the period of time and under the conditions provided for in sections 50.12, 50.13, 50.15, and 50.19.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.40]

84 Acts, ch 1219, §3; 87 Acts, ch 221, §18; 89 Acts, ch 136, §55; 94 Acts, ch 1180, §27; 2002 Acts, ch 1134, §71, 115; 2004 Acts, ch 1083, §35, 37; 2007 Acts, ch 215, §238; 2009 Acts, ch 57, §71; 2010 Acts, ch 1033, §31, 32, 56; 2010 Acts, ch 1061, §8

Referred to in §48A.5, 53.45

**53.41 Records by commissioner — excess requests or ballots.**

1. The commissioner of each county shall establish and maintain a record of all requests for ballots which are made, and of all ballots transmitted, and the manner of transmittal, from and received in the commissioner's office under the provisions of this division.

2. If more than one request for absent voter's ballot for a particular election is made to the commissioner before the ballots are ready to mail by or on behalf of a voter in the armed forces of the United States, the last request received shall be honored, except that if one of the requests is made by the voter, the request of the voter shall be honored in preference to a request made on the voter's behalf by another.

3. Not more than one ballot shall be transmitted by the commissioner to any voter for a particular election unless after the ballot has been mailed the voter reports a change in the address to which the ballot should be sent. A ballot shall be mailed using a serial number that indicates that this is a replacement sent to an updated address. The original ballot shall be counted only if the replacement ballot does not arrive. If the commissioner receives more than one absent voter's ballot, provided for by this division, from or purporting to be from any one voter for a particular election, all of the ballots so received from or purporting to be from such voter are void, and the commissioner shall not deliver any of the ballots to the precinct election officials, but shall retain them in the commissioner's office, and preserve them for the period and under the conditions provided for in sections 50.12, 50.13, 50.15, and 50.19.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.41]

89 Acts, ch 136, §56; 2007 Acts, ch 59, §33, 38; 2010 Acts, ch 1061, §9

Referred to in §48A.5

**53.42 Voting in person in commissioner's office.**

Notwithstanding the provision as to time found in section 53.10, any qualified voter in the armed forces of the United States may personally appear in the office of the commissioner of the county of the voter's residence and there vote an absent voter's ballot at any time not earlier than forty days before the primary or general election, as the case may be.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.42]

Referred to in §48A.5

**53.43 Identification on envelope.**

The envelopes used in connection with voting by absent voter's ballot by voters who are members of the armed forces of the United States, shall have stamped or printed on them

the words "Armed Forces or Overseas Ballot" and a designation of the election at which the ballot is to be cast.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.43]

86 Acts, ch 1224, §31, 40; 94 Acts, ch 1180, §28

Referred to in §48A.5

Section not amended; editorial change applied

**53.44 Affidavit to be signed and returned.**

The affidavit on the affidavit envelope used in connection with voting by absentee ballot under this division by members of the armed forces of the United States need not be notarized or witnessed, but the affidavit on such envelope shall be completed and signed by the voter.

Absentee ballots issued under this division shall be returned in the same manner and within the same time limits specified in section 53.17.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.44]

84 Acts, ch 1291, §20; 89 Acts, ch 136, §57; 2007 Acts, ch 215, §239

Referred to in §48A.5

**53.45 Special absentee ballot.**

1. *a.* As provided in this section, the commissioner shall provide special absentee ballots to be used for general elections. A special absentee ballot shall only be provided to an eligible elector who completes an application stating both of the following to the best of the eligible elector's belief:

(1) The eligible elector will be residing or stationed or working outside the continental United States.

(2) The eligible elector will be unable to vote and return a regular absentee ballot by normal mail delivery within the period provided for regular absentee ballots.

*b.* The application for a special absentee ballot shall not be filed earlier than ninety days prior to the general election. The special absentee ballot shall list the offices and measures, if known, scheduled to appear on the general election ballot. The eligible elector may use the special absentee ballot to write in the name of any eligible candidate for each office and may vote on any measure.

2. With any special absentee ballot issued under this section, the commissioner shall include a listing of any candidates who have filed before the time of the application for offices that will appear on the ballot at that general election and a list of any measures that have been referred to the ballot before the time of the application.

3. Write-in votes on special absentee ballots shall be counted in the same manner provided by law for the counting of other write-in votes. The commissioner shall process and canvass the special absentee ballots provided under this section in the same manner as other absentee ballots.

4. Notwithstanding the provisions of section 53.49, an eligible elector who requests a special absentee ballot under this section may also make application for an absentee ballot under section 53.2 or an armed forces absentee ballot under section 53.40. If the regular absentee or armed forces absentee ballot is properly voted and returned, the special absentee ballot is void and the commissioner shall reject it in whole when special absentee ballots are canvassed.

87 Acts, ch 221, §29; 88 Acts, ch 1119, §30; 2008 Acts, ch 1032, §201; 2013 Acts, ch 30, §16

Referred to in §48A.5, 53.38

Subsection 1, paragraph a, unnumbered paragraph 1 amended

**53.46 Powers and duties of state commissioner.**

The state commissioner is authorized and empowered:

1. To make rules for the purpose of carrying out the provisions and intent of this division;

2. To prescribe and direct the preparation of specially printed ballots, envelopes and other papers of different size and weight to be used in connection with absent voting by voters in the armed forces of the United States, if, in the discretion of the state commissioner, the state commissioner shall determine that such a special ballot and other papers will facilitate voting by such voters; provided that the content of any such specially printed matter shall be the same as that used for absent voters generally in the particular precinct in which said armed

forces ballot is to be cast, and provided further that such ballots, envelopes and other papers shall be substantially uniform in size and weight throughout the state; and provided further that the provisions of section 49.56, establishing the maximum cost of printing ballots, shall apply to the cost of printing any such specially printed ballots by the several counties;

3. To prescribe any forms that are not otherwise prescribed by law, and which in the judgment of the state commissioner are necessary to facilitate the carrying out of the purposes and intent of this division;

4. To arrange for special transportation of ballots in cooperation with the government of the United States through any authorized instrumentality thereof and to that end the state commissioner is empowered to direct the commissioners of the several counties of the state to send ballots to voters in the armed forces of the United States other than in the usual course of mail;

5. To employ such clerical assistance as the state commissioner may require in carrying out the state commissioner's functions, to purchase and requisition any office supplies the state commissioner may require, and certify for payment the expenses of carrying out the state commissioner's functions under this division;

6. To call upon any department or division of the state government for information and assistance in connection with carrying out the provisions of this division;

7. To cooperate with any authorized departments, agencies and instrumentalities of the government of the United States in effecting the intent and purposes of this division.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.46]

Referred to in §48A.5

**53.47 Materials furnished by department of administrative services.**

In order to establish uniformity in size, weight and other characteristics of the ballot and facilitate its distribution and return, the department of administrative services shall upon direction of the state commissioner purchase any material needed for any special ballots, envelopes and other printed matter, and sell any such materials to the several counties of the state at cost plus handling and transportation costs.

There is hereby appropriated to the department of administrative services from the general fund of the state such sums as may be necessary to purchase any materials provided for herein. The proceeds from sale of such materials to counties shall be turned into the general fund of the state upon receipt of same by the department of administrative services.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.47]

2003 Acts, ch 145, §286

Referred to in §48A.5

**53.48 Postage on ballots.**

In the event the government of the United States or any branch, department, agency or other instrumentality thereof shall make provision for sending of any voting matter provided for in this division through the mails postage free, or otherwise, the election officials of the state of Iowa and of the several counties of the state are authorized to make use thereof under the direction of the state commissioner.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.48]

Referred to in §48A.5

**53.49 Applicable to armed forces and other citizens.**

The provisions of this division as to absent voting shall apply only to absent voters in the armed forces of the United States as defined for the purpose of absentee voting in section 53.37. The provisions of sections 53.1 through 53.34 shall apply to all other voters not members of the armed forces of the United States.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.49]

86 Acts, ch 1224, §32; 87 Acts, ch 221, §30; 2002 Acts, ch 1071, §14; 2007 Acts, ch 59, §34, 38

Referred to in §48A.5, 53.45

**53.50 Appropriation.**

There is hereby appropriated to the state commissioner from the general fund of the state such sums as are necessary to pay the state commissioner's expenses and perform the state commissioner's functions under this division. Warrants shall be drawn by the director of the department of administrative services upon certification by the state commissioner or the state commissioner's deputy.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.50]

2003 Acts, ch 145, §286

Referred to in §8.59, 48A.5

Appropriation limited for fiscal years beginning on or after July 1, 1993; see §8.59

**53.51 Rule of construction.**

This division shall be liberally construed in order to provide means and opportunity for qualified voters of the state of Iowa serving in the armed forces of the United States to vote.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.51]

94 Acts, ch 1180, §29

Referred to in §48A.5

**53.52 Inconsistent provisions — rule.**

The provision or provisions of this division which are inconsistent with any provision or provisions of any other existing statute or any part of any such other existing statute, shall prevail. Likewise, the provision or provisions of any other existing statute or any part of any other existing statute which is not inconsistent with this division, shall prevail.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §53.52]

Referred to in §48A.5

**53.53 Federal write-in ballots.**

1. Upon receipt of an official federal write-in ballot, the commissioner shall examine the voter's written declarations on the envelope. If it appears that the voter is eligible to vote under the provisions of this division, has applied in a timely fashion for an absentee ballot, and has complied with all requirements for the federal write-in ballot, then the federal write-in ballot is valid unless the Iowa absentee ballot is received in time to be counted.

2. The voter's declaration or affirmation on the federal write-in ballot constitutes a sufficient registration under the provisions of chapter 48A and the commissioner shall place the voter's name on the registration record as a registered voter, if the voter's name does not already appear on the registration record. No witness to the oath is necessary.

3. Federal write-in absentee ballots may be used in primary and general elections, and in special elections held pursuant to section 69.14. The federal write-in absentee ballot transmission envelope may also serve as an application for voter registration if the information submitted is sufficient to register the person to vote and the applicant is otherwise eligible to vote under the provisions of this division.

4. The federal write-in ballot shall not be counted if any of the following apply:

*a.* The ballot was submitted from within the United States, unless the voter is a member of the armed forces of the United States as described in section 53.37, subsection 2, on active duty, and away from the voter's county of residence for purposes of serving on active duty.

*b.* The voter's application for a regular absentee ballot was received by the commissioner less than fourteen days prior to the election. However, if the voter's application for a regular absentee ballot is not received by the commissioner and if the federal write-in absentee ballot is not prohibited by another provision of this subsection, a federal write-in absentee ballot cast by the voter and received by the commissioner is valid.

*c.* The voter's completed regular or special Iowa absentee ballot was received by the deadline for return of absentee ballots established in section 53.17.

*d.* The voter's federal write-in ballot was received after the deadline for return of absentee ballots established in section 53.17.

5. A federal write-in ballot received by the state commissioner of elections shall be forwarded immediately to the appropriate county commissioner. However, if the state commissioner receives a federal write-in ballot after election day and before noon on the

Monday following an election, the state commissioner shall at once verify that the voter has complied with the requirements of this section and that the voter's federal write-in ballot is eligible to be counted. If the ballot is eligible to be counted, the state commissioner shall notify the appropriate county commissioner and make arrangements for the ballot to be transmitted to the county for counting. If the ballot is not eligible to be counted, the state commissioner shall mail the ballot to the appropriate commissioner along with notification that the ballot is ineligible to be counted. The county commissioner shall keep the ballot with the other records of the election.

6. The county commissioner shall notify a voter when the voter's federal write-in ballot was not counted and shall give the voter the reason the ballot was not counted.

88 Acts, ch 1119, §31; 94 Acts, ch 1169, §56; 94 Acts, ch 1180, §30; 2004 Acts, ch 1083, §36, 37; 2007 Acts, ch 59, §35, 36, 38; 2009 Acts, ch 57, §72

Referred to in §48A.5

# CHAPTER 54

## PRESIDENTIAL ELECTORS


| | | | |
|---|---|---|---|
| 54.1 | Time of election — qualifications. | 54.6 | Certificate. |
| 54.2 | How elected. | 54.7 | Meeting — certificate. |
| 54.3 | Canvass. | 54.8 | Certificate of governor. |
| 54.4 | Nonparty organizations. | 54.9 | Compensation. |
| 54.5 | Presidential nominees. | | |


**54.1 Time of election — qualifications.**

At the general election in the years of the presidential election, or at such other times as the Congress of the United States may direct, there shall be elected by the voters of the state one person from each congressional district into which the state is divided, and two from the state at large, as electors of president and vice president, no one of whom shall be a person holding the office of senator or representative in Congress, or any office of trust or profit under the United States.

[C51, §301; R60, §535; C73, §659; C97, §1173; S13, §1173; C24, 27, 31, 35, 39, §**963;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §54.1]

**54.2 How elected.**

A vote for the candidates of any political party, or group of petitioners, for president and vice president of the United States, shall be conclusively deemed to be a vote for each candidate nominated in each district and in the state at large by said party, or group of petitioners, for presidential electors and shall be so counted and recorded for such electors.

[C24, 27, 31, 35, 39, §**964;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §54.2]

**54.3 Canvass.**

The canvass of the votes for candidates for president and vice president of the United States and the returns thereof shall be a canvass and return of the votes cast for the electors of the same party or group of petitioners, respectively, and the certificate of such election made by the governor shall be in accord with such return.

[C24, 27, 31, 35, 39, §**965;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §54.3]

**54.4 Nonparty organizations.**

The term *"group of petitioners"* as used in this chapter shall embrace an organization which is not a political party as defined by law.

[C24, 27, 31, 35, 39, §**966;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §54.4]

Nonparty organizations, see chapter 44
Political party defined, §43.2
See also chapter 45

**54.5 Presidential nominees.**

The names of the candidates for president and vice president of a political party as defined in the law relating to primary elections, shall, by five o'clock p.m. on the eighty-first day before the election, be certified to the state commissioner by the chairperson and secretary of the state central committee of the party.

However, if the national nominating convention of a political party adjourns later than eighty-nine days before the general election the certificate showing the names of that party's candidates for president and vice president shall be filed within five days after adjournment.

As an alternative to the certificate by the state central committee, the certificate of nomination issued by the political party's national nominating convention may be used to certify the names of the party's candidates for president and vice president. If certificates of nomination are received from both the state central committee and the national nominating convention of a political party, and there are differences between the two certificates, the certificate filed by the state central committee shall prevail.

The state central committee shall also file a list of the names and addresses of the party's presidential electors, one from each congressional district and two from the state at large, not later than five o'clock p.m. on the eighty-first day before the general election.

If a candidate for the office of president or vice president of the United States withdraws, dies, or is otherwise removed from the ballot before the general election, another candidate may be substituted. The substitution shall be made by the state central committee of the political party or by the governing committee of the national party. If there are differences, the substitution made by the state central committee shall prevail. A nonparty political organization which has filed the names of party officers and central committee members with the secretary of state before the close of the filing period for the general election pursuant to section 44.17 may also make substitutions. A substitution must be filed no later than seventy-four days before the election.

[C24, 27, 31, 35, 39, §**967;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §54.5; 81 Acts, ch 34, §38]

89 Acts, ch 136, §58; 97 Acts, ch 170, §74

"Political party" defined, §43.2

**54.6 Certificate.**

At the expiration of ten days from the completed canvass, the governor, under the governor's hand and the seal of state, shall issue to each presidential elector declared elected a certificate of election, the same in substance as required in other cases, and shall notify the elector to attend at the seat of government on the first Monday after the second Wednesday in December next following election, reporting the elector's attendance to the governor. If there be a contest of the election, no certificate shall issue until it is determined.

[C51, §308; R60, §542; C73, §665; C97, §1168; C24, 27, 31, 35, 39, §**968;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §54.6]

Certificate of election, §50.41

**54.7 Meeting — certificate.**

The presidential electors shall meet in the capitol, at the seat of government, on the first Monday after the second Wednesday in December next following their election. If, at the time of such meeting, any elector for any cause is absent, those present shall at once proceed to elect, from the citizens of the state, a substitute elector or electors, and certify the choice so made to the governor, and the governor shall immediately cause the person or persons so selected to be notified thereof.

[C51, §308 – 310; R60, §542 – 544; C73, §665 – 667; C97, §1174; C24, 27, 31, 35, 39, §**969;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §54.7]

**54.8 Certificate of governor.**

When so met, the said electors shall proceed, in the manner pointed out by law, with the election, and the governor shall duly certify the result thereof, under the seal of the state,

to the United States secretary of state, and as required by Act of Congress relating to such elections.

[C51, §311; R60, §545; C73, §668; C97, §1175; C24, 27, 31, 35, 39, §**970;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §54.8]

**54.9 Compensation.**

The electors shall each receive a compensation of five dollars for every day's attendance, and the same mileage as members of the general assembly which shall be paid from funds not otherwise appropriated from the general fund of the state.

[C51, §312; R60, §546; C73, §669; C97, §1176; C24, 27, 31, 35, 39, §**971;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §54.9]

# CHAPTER 55

## LEAVE OF ABSENCE FOR CANDIDACY AND PUBLIC SERVICE


55.1 Leave of absence for service in elective office.
55.2 Leave of absence for volunteer emergency service.
55.3 Service on boards, commissions, task forces, and committees.
55.4 Leave of absence for public employee candidacy.
55.5 Penalties.


**55.1 Leave of absence for service in elective office.**

1. A person who is elected to a municipal, county, state, or federal office shall, upon written application to the employer of that person, be granted a leave of absence from regular employment to serve in that office except where prohibited by the federal law. The leave of absence may be granted without pay, except that if a salaried employee takes leave without pay from regular employment for a portion of a pay period, the employee's salaried compensation for that pay period shall be reduced by the ratio of the number of days of leave taken to the total number of days in the pay period. The leave of absence shall be granted without loss of net credited service and benefits earned. This section shall not be construed to require an employer to pay pension, health, or other benefits during the leave of absence to an employee taking a leave of absence under this section.

2. A leave of absence for a person regularly employed pursuant to chapter 8A, subchapter IV, is subject to section 8A.416.

3. An employee shall not be prohibited from returning to regular employment before the period expires for which the leave of absence was granted. This section applies only to employers which employ twenty or more full-time persons. The leave of absence granted by this section does not apply to an elective office held by the employee prior to the election.

4. Temporary substitute teachers and teachers hired on a temporary basis to replace teachers who have been granted leaves of absence pursuant to this section are not subject to the provisions of chapter 279 relating to the termination of continuing contracts.

84 Acts, ch 1233, §1; 2003 Acts, ch 145, §153; 2008 Acts, ch 1171, §58, 59

Multiple elective offices, see §39.11, 39.12, 441.17(1)

**55.2 Leave of absence for volunteer emergency service.**

All officers and employees of the state, other than employees employed temporarily for six months or less or those employees considered essential personnel, who are volunteer fire fighters or emergency medical service personnel shall be entitled to a leave of absence from such civil employment for the period of an emergency response without loss of status or efficiency rating, and without loss of pay during such leave of absence. Such leave of absence shall in no way affect the employee's rights to action, sick leave, bonus, or other employment benefits relating to the employee's particular employment.

2000 Acts, ch 1117, §3

**55.3 Service on boards, commissions, task forces, and committees.**

For the purpose of this section, *"state board"* includes any board, commission, committee, council, or task force of the state government created by the Constitution of the State of Iowa, or by statute, resolution of the general assembly, motion of the legislative council, executive order of the governor, or supreme court order, but does not include any such state board, commission, committee, council, or task force for which an annual salary is provided for its members.

A person who is appointed to serve on a state board, upon written application to the person's employer, shall be granted leaves of absence from regular employment to attend the meetings of the state board, except if leaves of absence are prohibited by federal law. The leaves of absence may be granted without pay and shall be granted without loss of net credited service and benefits earned. This section does not apply if the employer employs less than twenty full-time employees.

86 Acts, ch 1245, §2061; 2006 Acts, ch 1010, §39

**55.4 Leave of absence for public employee candidacy.**

Any public employee who becomes a candidate for any elective public office shall, upon request of the employee and commencing any time within thirty days prior to a contested primary, special, or general election and continuing until after the day following that election, automatically be given a period of leave. If the employee is under chapter 8A, subchapter IV, the employee may choose to use accrued vacation leave, accrued compensatory leave or leave without pay to cover these periods. The appointing authority may authorize other employees to use accrued vacation leave or accrued compensatory leave instead of leave without pay to cover these periods. An employee who is a candidate for any elective public office shall not campaign while on duty as an employee.

This section does not apply to employees of the federal government or to a public employee whose position is financed by federal funds if the application of this section would be contrary to federal law or result in the loss of the federal funds.

86 Acts, ch 1021, §2; 2003 Acts, ch 145, §154

**55.5 Penalties.**

A person violating this chapter is guilty of a simple misdemeanor. Each day in which the violation continues is a separate offense.

84 Acts, ch 1233, §2
C85, §55.2
C87, §55.5

# CHAPTER 56

## CAMPAIGN FINANCE

Transferred to chapter 68A; 2003 Acts, ch 40, §9

# CHAPTER 57

## CONTESTING ELECTIONS — GENERAL PROVISIONS

Referred to in §43.5, 50.12, 145A.22

Chapter applicable to primary elections, §43.5


57.1 Standing to bring contest — grounds for contest.
57.2 Certificate withheld.
57.3 Terms defined.
57.4 Change of result.
57.5 Recanvass in case of contest.
57.6 Other contests.
57.7 Contest court for contest of public measure.


**57.1 Standing to bring contest — grounds for contest.**

1. Elections may be contested under this chapter as follows:

*a.* The election of any person to any county office, to a seat in either branch of the general assembly, to a state office, to the office of senator or representative in Congress, or to the office of presidential elector may be contested by any eligible person who received votes for the office in question.

*b.* The outcome of the election on a public measure may be contested by petition of the greater of ten eligible electors or a number of eligible electors equaling one percent of the total number of votes cast upon the public measure; each petitioner must be a person who was entitled to vote on the public measure in question or would have been so entitled if registered to vote.

2. Grounds for contesting an election under this chapter are:

*a.* Misconduct, fraud or corruption on the part of any election official or of any board of canvassers of sufficient magnitude to change the result of the election.

*b.* That the incumbent was not eligible to the office in question at the time of election.

*c.* That prior to the election the incumbent had been duly convicted of a felony, as defined in section 701.7, and that the judgment had not been reversed, annulled, or set aside, nor the incumbent pardoned or restored to the rights of citizenship by the governor under chapter 914, at the time of the election.

*d.* That the incumbent has given or offered to any elector, or any precinct election official or canvasser of the election, any bribe or reward in money, property, or thing of value, for the purpose of procuring the incumbent's election.

*e.* That illegal votes have been received or legal votes rejected at the polls, sufficient to change the result of the election.

*f.* Any error in any board of canvassers in counting the votes, or in declaring the result of the election, if the error would affect the result.

*g.* That the public measure or office was not authorized or required by state law to appear on the ballot at the election being contested.

*h.* Any other cause or allegation which, if sustained, would show that a person other than the incumbent was the person duly elected to the office in question, or would show the outcome of the election on the public measure in question was contrary to the result declared by the board of canvassers.

[C51, §339, 341, 368, 380, 387; R60, §569, 571, 598, 610, 617; C73, §692, 718, 730, 737; C97, §1198; C24, 27, 31, 35, 39, §**981;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §57.1; 81 Acts, ch 34, §39]

86 Acts, ch 1112, §3; 2002 Acts, ch 1134, §72, 115

Referred to in §62.5

**57.2 Certificate withheld.**

If notice of a contest of the election of an officer is filed before the certificate of election is delivered to the incumbent, or notice of a contest of the declared result of an election on a public measure is filed before a duplicate of the abstract of votes upon the measure and of the county board's declaration is certified pursuant to section 50.27, the certificate or duplicate abstract and declaration shall be withheld until the determination of the contest.

If the certificate of election or duplicate abstract and declaration have been issued, the commissioner shall send the persons or political subdivisions affected by the notice of contest a statement advising them that the election is being contested and that the certificate or duplicate abstract and declaration are not valid until the election contest is resolved.

[C51, §367; R60, §597; C73, §713; C97, §1219; C24, 27, 31, 35, 39, §**982;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §57.2]

**57.3 Terms defined.**

The term *"incumbent"* in this chapter means the person whom the canvassers declare elected. The term *"election"* in this chapter means the voting for a particular office, or the voting for or against a particular public measure, including the notice and other preparations for voting required by law and the tallying and canvass of the votes cast, section 39.2 notwithstanding.

[C51, §340; R60, §570; C73, §693; C97, §1199; C24, 27, 31, 35, 39, §**983;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §57.3]

**57.4 Change of result.**

When the misconduct, fraud, or corruption complained of is on the part of the precinct election officials in a precinct, it shall not be held sufficient to set aside the election, unless the rejection of the vote of that precinct would change the result as to that office.

[C51, §342; R60, §572; C73, §694; C97, §1200; C24, 27, 31, 35, 39, §**984;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §57.4]

**57.5 Recanvass in case of contest.**

The parties to any contested election shall have the right, in open session of the court or tribunal trying the contest, and in the presence of the officer having them in custody, to have the ballots opened, and all errors of the precinct election officials in counting or refusing to count ballots corrected by such court or tribunal.

[C97, §1143; S13, §1143; C24, 27, 31, 35, 39, §**985;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §57.5]

**57.6 Other contests.**

All the provisions of the chapter in relation to contested elections of county officers shall be applicable, as near as may be, to contested elections for other offices, and for public measures except as herein otherwise provided, and in all cases process and papers may be issued to and served in the manner provided by the rules of civil procedure for service of an original notice by the sheriff of any county.

[C51, §379, 396; R60, §609, 626; C73, §729, 745; C97, §1250; C24, 27, 31, 35, 39, §**986;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §57.6; 81 Acts, ch 34, §40]

Referred to in §331.653

Contesting election of county officers, chapter 62

**57.7 Contest court for contest of public measure.**

The court for the trial of a contested election on a public measure shall consist of one person designated by the petitioners who are contesting the election, who shall be designated in writing by the petitioners at the time the contest is filed, one person designated by the county commissioner of elections to represent the interests adverse to those of the petitioners, and a third person who shall be chosen jointly by the designees of the petitioners and of the commissioner. If the persons selected by the petitioners and the county commissioner of elections cannot agree on a third person, the chief judge of the judicial district in which the contest is filed shall appoint a third person to serve.

[C77, 79, 81, §57.7]

# CHAPTER 58

## CONTESTING ELECTIONS OF GOVERNOR AND LIEUTENANT GOVERNOR

Referred to in §43.5, 50.12

Chapter applicable to primary elections, §43.5
Iowa Constitution, Art. IV, §5


| | | | |
|---|---|---|---|
| 58.1 | Notice — grounds. | 58.5 | Powers and proceedings. |
| 58.2 | Notice to incumbent. | 58.6 | Testimony. |
| 58.3 | Houses notified. | | |
| 58.4 | Contest court. | 58.7 | Judgment. |


**58.1 Notice — grounds.**

The contestant for the office of governor shall, within thirty days after the proclamation of the result of the election, deliver to the presiding officer of each house of the general assembly a notice of intent to contest, and a specification of the grounds of such contest, as provided in chapter 62.

[C51, §388; R60, §618; C73, §738; C97, §1239; C24, 27, 31, 35, 39, §**987;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §58.1]

2007 Acts, ch 59, §17, 19

**58.2 Notice to incumbent.**

As soon as the presiding officers have received the notice and specifications, they shall make out a notice, directed to the incumbent, including a copy of the specifications, which shall be served in the manner provided by the rules of civil procedure for service of an original notice by the sergeant at arms.

[C51, §389; R60, §619; C73, §739; C97, §1240; C24, 27, 31, 35, 39, §**988;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §58.2; 81 Acts, ch 34, §41]

**58.3 Houses notified.**

The presiding officers shall also immediately make known to their respective houses that such notice and specifications have been received.

[C51, §390; R60, §620; C73, §740; C97, §1241; C24, 27, 31, 35, 39, §**989;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §58.3]

**58.4 Contest court.**

Each house shall forthwith proceed, separately, to choose seven members of its own body in the following manner:

1. The names of members of each house, except the presiding officer, written on similar paper tickets, shall be placed in a box, the names of the senators in their presence by their secretary, and the names of the representatives in their presence by their clerk.
2. The secretary of the senate in the presence of the senate, and the clerk of the house of representatives in the presence of the house, shall draw from their respective boxes the names of seven members each.
3. As soon as the names are thus drawn, the names of the members drawn by each house shall be communicated to the other, and entered on the journal of each house.

[C51, §391; R60, §621; C73, §741; C97, §1242; C24, 27, 31, 35, 39, §**990;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §58.4]

**58.5 Powers and proceedings.**

The members thus drawn shall constitute a committee to try and determine the contested election, and for that purpose shall hold their meetings publicly at the place where the general assembly is sitting, at such times as they may designate; and may adjourn from day to day or to a day certain, not more than four days distant, until such trial is determined; shall have power to send for persons and papers, and to take all necessary means to procure testimony, extending like privileges to the contestant and the incumbent; and shall report their judgment

to both branches of the general assembly, which report shall be entered on the journals of both houses.

[C51, §392; R60, §622; C73, §742; C97, §1243; C24, 27, 31, 35, 39, §**991;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §58.5]

**58.6 Testimony.**

The testimony shall be confined to the matters contained in the specifications.

[C51, §393; R60, §623; C73, §743; C97, §1244; C24, 27, 31, 35, 39, §**992;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §58.6]

**58.7 Judgment.**

The judgment of the committee pronounced in the final decision on the election shall be conclusive.

[C51, §394; R60, §624; C73, §744; C97, §1245; C24, 27, 31, 35, 39, §**993;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §58.7]

# CHAPTER 59

## CONTESTING ELECTIONS FOR SEATS IN THE GENERAL ASSEMBLY

Referred to in §43.5, 50.12

Chapter applicable to primary elections, §43.5


| | | | |
|---|---|---|---|
| 59.1 | Statement served. | 59.5 | Statement and depositions — notice. |
| 59.2 | Subpoenas. | 59.6 | Power of general assembly. |
| 59.3 | Depositions. | 59.7 | Notice of result. |
| 59.4 | Return of depositions. | | |


**59.1 Statement served.**

The contestant for a seat in either branch of the general assembly shall, prior to twenty days before the first day of the next session, serve on the incumbent in the manner provided by the rules of civil procedure for service of an original notice a statement of notice of contest which shall allege a fact or facts, believed true by the contestant which, if true, would alter the outcome of the election.

A copy of the statement of notice of contest shall be filed with the secretary of state within five days of service of the notice upon the incumbent. The secretary of state shall notify the presiding officer of the house in which the contest will be tried.

A special election for a seat in either house of the general assembly may be contested. The contestant shall serve notice on the incumbent in the manner described in this section not later than twenty days after the state canvass of votes for the election. A copy of the notice shall also be filed with the presiding officer of the house in which the contest is to be tried, if the general assembly is in session. If the general assembly is not in session, a copy of the notice shall be filed with the secretary of state. The secretary of state shall notify the presiding officer of the house in which the contest will be tried.

[C51, §381; R60, §611; C73, §731; C97, §1233; C24, 27, 31, 35, 39, §**994;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §59.1; 81 Acts, ch 34, §42]

93 Acts, ch 143, §37; 97 Acts, ch 170, §75

**59.2 Subpoenas.**

Any judge or clerk of a court of record may issue subpoenas in the above cases, as in those provided in chapters 61 and 62, and compel the attendance of witnesses thereunder.

[C51, §382; R60, §612; C73, §732; C97, §1234; C24, 27, 31, 35, 39, §**995;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §59.2]

**59.3 Depositions.**

Depositions may be taken in such cases in the same manner and under the same rules as in an action at law in the district court, but no cause for taking the same need be shown.

[C51, §383; R60, §613; C73, §733; C97, §1235; C24, 27, 31, 35, 39, §**996;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §59.3]

Depositions in general, R.C.P. 1.701 et seq.

**59.4 Return of depositions.**

A copy of the statement, and of the notice for taking depositions, with the service endorsed, and verified by affidavit if not served by an officer, shall be returned to the officer taking the depositions, and then, with the depositions, shall be sealed up and transmitted to the secretary of state, with an endorsement thereon showing the nature of the papers, the names of the contesting parties, and the branch of the general assembly before whom the contest is to be tried.

[C51, §384; R60, §614; C73, §734; C97, §1236; C24, 27, 31, 35, 39, §**997;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §59.4]

**59.5 Statement and depositions — notice.**

The secretary shall deliver the same unopened to the presiding officer of the house in which the contest is to be tried, on or before the second day of the session, regular or special, of the general assembly next after taking the depositions, and the presiding officer shall immediately give notice to that officer's house that such papers are in the officer's possession.

[C51, §385; R60, §615; C73, §735; C97, §1237; C24, 27, 31, 35, 39, §**998;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §59.5]

**59.6 Power of general assembly.**

Nothing herein contained shall be construed to abridge the right of either branch of the general assembly to grant commissions to take depositions, or to send for and examine any witness it may desire to hear on such trial.

[C51, §386; R60, §616; C73, §736; C97, §1238; C24, 27, 31, 35, 39, §**999;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §59.6]

**59.7 Notice of result.**

The presiding officer of the house in which the contest was tried shall certify to the secretary of state the results of the contest.

93 Acts, ch 143, §38

# CHAPTER 60

## CONTESTING ELECTIONS OF PRESIDENTIAL ELECTORS AND CONGRESSPERSONS

Referred to in §50.12


| | | | |
|---|---|---|---|
| 60.1 | Court of contest. | 60.5 | Organization and trial. |
| 60.2 | Clerk. | 60.6 | Judgment. |
| 60.3 | Oath. | | |
| 60.4 | Statement. | 60.7 | Contestant to file bond. |


**60.1 Court of contest.**

The court for the trial of contested elections for presidential electors or for the office of senator or representative in Congress shall consist of the chief justice of the supreme court, who shall be presiding judge of the court, and four judges of the district court to be selected by the supreme court, two of whom, with the chief justice, shall constitute a quorum for the transaction of the business of the court. If the chief justice should for any cause be unable to attend at the trial, the judge longest on the supreme court bench shall preside in place of the

chief justice; and any question arising as to the membership of the court shall be determined by the members of the court not interested in the question.

[C97, §1246; C24, 27, 31, 35, 39, §**1000;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §60.1]

**60.2 Clerk.**

The secretary of state shall be the clerk of the court, or, in the secretary of state's absence or inability to act, the clerk of the supreme court.

[C97, §1246; C24, 27, 31, 35, 39, §**1001;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §60.2]

**60.3 Oath.**

Each member of the court, before entering upon the discharge of the member's duties, shall take an oath before the secretary of state, or some officer qualified to administer oaths, that the member will support the Constitution of the United States and that of the state of Iowa, and that, without fear, favor, affection, or hope of reward, the member will, to the best of the member's knowledge and ability, administer justice according to law and the facts in the case.

[C97, §1246; C24, 27, 31, 35, 39, §**1002;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §60.3]

**60.4 Statement.**

The contestant shall file the statement provided for in chapter 62 in the office of the secretary of state within two days from the day on which the returns are canvassed by the state board of canvassers and, within the same time, serve a copy of the same, with a notice of the contest, on the incumbent in the manner provided by the rules of civil procedure for service of an original notice.

[C97, §1247; C24, 27, 31, 35, 39, §**1003;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §60.4; 81 Acts, ch 34, §43]

2002 Acts, ch 1134, §73, 115

**60.5 Organization and trial.**

The clerk of the court shall, immediately after the filing of the statement, notify the judges herein named, and fix a day for the organization of the court within two days thereafter, and also notify the parties to the contest. The judges shall meet on the day fixed, and organize the court, and make and announce such rules for the trial of the case as they shall think necessary for the protection of the rights of each party and a just and speedy trial of the case, and commence the trial of the case as early as practicable thereafter, and so arrange for and conduct the trial that a final determination of the same and judgment shall be rendered at least six days before the first Monday after the second Wednesday in December next following.

[C97, §1248; C24, 27, 31, 35, 39, §**1004;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §60.5]

2002 Acts, ch 1134, §74, 115

**60.6 Judgment.**

The judgment of the court shall determine which of the parties to the action is entitled to hold the office and shall be authenticated by the presiding judge and clerk of the court and filed with the secretary of state; and the judgment so rendered shall constitute a final determination of the title to the office, and a certificate of appointment shall be issued to the successful party.

[C97, §1249; C24, 27, 31, 35, 39, §**1005;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §60.6]

**60.7 Contestant to file bond.**

The contestant shall file in the office of the clerk of the supreme court a bond, with security to be approved by the clerk of the supreme court, in such amount as shall be set by the presiding judge of the court, conditional to pay all costs in case the election be confirmed or the contest dismissed. The presiding judge shall further set the date upon which the required bond shall be filed. If the required bond is not filed by the date set, the contest shall stand dismissed by operation of law.

[C71, 73, 75, 77, 79, 81, §60.7]

# CHAPTER 61

## CONTESTING ELECTIONS OF STATE OFFICERS

Referred to in §43.5, 50.12, 59.2

Chapter applicable to primary elections, §43.5


| | | | |
|---|---|---|---|
| 61.1 | Contest court. | 61.8 | Delivery of papers. |
| 61.2 | Clerk. | 61.9 | Time of trial. |
| 61.3 | Statement filed. | 61.10 | Notice to incumbent — trial. |
| 61.4 | Selection of court. | 61.11 | Subpoenas — depositions. |
| 61.5 | Notice of selection. | 61.12 | Judgment filed — execution. |
| 61.6 | Organization. | 61.13 | Power of judge. |
| 61.7 | Repealed by 65 Acts, ch 97, §3. | 61.14 | Compensation of judges. |


**61.1 Contest court.**

The court for the trial of contested state offices, except that of governor and lieutenant governor, shall consist of three district judges, not interested, who shall be selected by the chief justice of the supreme court.

[C51, §369; R60, §599; C73, §719; C97, §1224; C24, 27, 31, 35, 39, §**1006;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.1]

**61.2 Clerk.**

The secretary of state shall be the clerk of this court; but if the person holding that office is a party to the contest, the clerk of the supreme court, or, in case of that person's absence or inability, the auditor of state shall be clerk.

[C51, §370; R60, §600; C73, §720; C97, §1225; C24, 27, 31, 35, 39, §**1007;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.2]

**61.3 Statement filed.**

The statement, as provided in chapter 62 must be filed with such clerk within thirty days from the day when incumbent was declared elected.

[C51, §371; R60, §601; C73, §721; C97, §1226; C24, 27, 31, 35, 39, §**1008;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.3]

**61.4 Selection of court.**

Upon the filing of such statement, the chief justice of the supreme court shall select the membership of the court to try such contest, and immediately certify such selection to the clerk of the supreme court. Vacancies shall also be filled by the chief justice.

[C24, 27, 31, 35, 39, §**1009;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.4]

**61.5 Notice of selection.**

The clerk of the supreme court, on receipt of such certificate, shall forthwith in writing notify the members of such court of contest of their selection.

[C51, §372; R60, §602; C73, §722; C97, §1227; C24, 27, 31, 35, 39, §**1010;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.5]

**61.6 Organization.**

The members so selected for said contest court shall meet at the seat of government within ten days after said notification and qualify by taking the oath required in case of contest over the office of presidential elector, and proceed, at said place, with the discharge of their duties.

[C51, §375; R60, §605; C73, §725; C97, §1229; C24, 27, 31, 35, 39, §**1011;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.6]

Oath, §60.3

**61.7** Repealed by 65 Acts, ch 97, § 3.

**61.8 Delivery of papers.**

Upon the organization of said court of contest, all papers in the possession of the clerk of the supreme court shall be forthwith delivered to said court of contest.

[C24, 27, 31, 35, 39, §**1013;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.8]

**61.9 Time of trial.**

The time for the trial of any contest relative to a state office shall not be set beyond the last Monday in January following the election.

[C51, §372; R60, §602; C73, §722; C97, §1227; C24, 27, 31, 35, 39, §**1014;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.9]

**61.10 Notice to incumbent — trial.**

Upon the organization of said court of contest, the court shall cause a notice of said contest to be served on the incumbent, together with a copy of the statement of contest filed by the contestant in the manner provided by the rules of civil procedure for service of an original notice. No trial shall be held sooner than twenty days following said notice, except by consent of all parties.

[C51, §372; R60, §602; C73, §722; C97, §1227; C24, 27, 31, 35, 39, §**1015;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.10; 81 Acts, ch 34, §44]

**61.11 Subpoenas — depositions.**

The secretary of state, the several clerks of the supreme and district courts, under their respective seals of office, and either of the judges of the supreme or district courts, under their hands, may issue subpoenas for witnesses to attend this court; and disobedience to such process may be treated as a contempt. Depositions may also be taken as in the case of contested county elections.

[C51, §373; R60, §603; C73, §723; C97, §1228; C24, 27, 31, 35, 39, §**1016;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.11]

Contempts, chapter 665
Depositions in county contest, §62.16

**61.12 Judgment filed — execution.**

A transcript of the judgment rendered by such court, filed in the office of the clerk of the supreme court, shall have the force and effect of a judgment of the supreme court, and execution may issue therefrom in the first instance against the party's property generally.

[C51, §377; R60, §607; C73, §727; C97, §1231; C24, 27, 31, 35, 39, §**1017;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.12]

**61.13 Power of judge.**

The presiding judge of this court shall have authority to carry into effect any order of the court, after the adjournment thereof, by attachment or otherwise.

[C51, §378; R60, §608; C73, §728; C97, §1232; C24, 27, 31, 35, 39, §**1018;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.13]

**61.14 Compensation of judges.**

The judges shall be entitled to receive for their travel and attendance the sum of twelve dollars each per day, with such mileage as is allowed to members of the general assembly, to be paid from the state treasury.

[C51, §376; R60, §606; C73, §726; C97, §1230; C24, 27, 31, 35, 39, §**1019;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §61.14]

# CHAPTER 62

## CONTESTING ELECTIONS OF COUNTY OFFICERS

Referred to in §43.5, 50.12, 58.1, 59.2, 60.4, 61.3, 331.505, 376.10

Chapter applicable to primary elections, §43.5


62.1 Definitions.
62.1A Contest court established.
62.2 Contest court members sworn.
62.3 Clerk.
62.4 Sheriff to attend.
62.5 Statement of intent to contest.
62.6 Bond.
62.7 When auditor is party.
62.8 Repealed by 2002 Acts, ch 1134, §114, 115.
62.9 Trial — notice.
62.10 Place of trial.
62.11 Subpoenas.
62.12 Postponement.
62.13 Procedure — powers of court.
62.14 Sufficiency of statement.
62.15 Amendment — continuance.
62.16 Testimony.
62.17 Voters required to testify.
62.18 Judgment.
62.19 How enforced.
62.20 Appeal.
62.21 Judgment.
62.22 Process — fees.
62.23 Compensation.
62.24 Costs.
62.25 How collected.


**62.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**62.1A Contest court established.**

The court for the trial of contested county elections shall consist of one member named by the contestant and one member named by the incumbent. If the incumbent fails to name a member, the chief judge of the judicial district shall be notified of the failure to appoint. The chief judge shall designate the second member within one week after the chief judge is notified. These two members shall meet within three days and select a third member to serve as the presiding member of the court. If they cannot agree on the third member of the court within three days after their initial meeting, the chief judge of the judicial district shall be notified of the failure to agree. The chief judge shall designate the presiding member within one week after the chief judge is notified.

[C51, §343; R60, §573; C73, §695; C97, §1201; C24, 27, 31, 35, 39, §**1020;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.1]

97 Acts, ch 170, §76

C2001, §62.1A

2009 Acts, ch 133, §16

Referred to in §331.383

**62.2 Contest court members sworn.**

Members of the contest court shall be sworn in the same manner and form as trial jurors are sworn in trials of civil actions. When a member fails to appear on the day of trial, that member's place may be filled by the appointment of another member under the same rule.

[C51, §347, 348; R60, §577, 578; C73, §700; C97, §1206; C24, 27, 31, 35, 39, §**1021;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.2]

97 Acts, ch 170, §77; 2009 Acts, ch 133, §17

**62.3 Clerk.**

The county auditor shall be clerk of this court, and keep all papers, and record the proceedings in the election book, in manner similar to the record of the proceedings of

the district court, but when the county auditor is a party, the court shall appoint a suitable person as clerk, whose appointment shall be recorded.

[C51, §344; R60, §574; C73, §696; C97, §1202; C24, 27, 31, 35, 39, §**1022;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.3]

Referred to in §331.508

**62.4 Sheriff to attend.**

The court or presiding judge may direct the attendance of the sheriff or a deputy when necessary.

[C51, §359; R60, §589; C73, §708; C97, §1214; C24, 27, 31, 35, 39, §**1023;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.4]

Referred to in §331.653

**62.5 Statement of intent to contest.**

1. Within twenty days after the board of supervisors declares a winner from the canvass of an election, the contestant shall file with the commissioner a written statement of intention to contest the election. If a recount is held for the office in question, and the recount board finds that the winner was someone other than the person declared at the original canvass of votes, a contest may be filed within twenty days after the board of supervisors declares a winner from the recount of votes.

2. The contestant's statement shall include the following:

*a.* The name of the contestant and that the contestant is qualified to hold such office.

*b.* The name of the incumbent.

*c.* The office contested.

*d.* The date of the election.

*e.* The particular causes of the contest pursuant to section 57.1, subsection 2. If a cause of the contest is an allegation that illegal votes were received or that legal votes were rejected, a statement shall be included setting forth the names of the persons who are alleged to have voted illegally or whose votes were rejected and the precinct where they voted or offered to vote.

*f.* The affidavit of the contestant, or some elector of the county, affirming the causes set forth are true.

[C51, §345; R60, §575; C73, §697; C97, §1203; C24, 27, 31, 35, 39, §**1024;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.5]

2002 Acts, ch 1134, §75, 114, 115

**62.6 Bond.**

The contestant must also file with the county auditor a bond, with security to be approved by said auditor, conditioned to pay all costs in case the election be confirmed, or the statement be dismissed, or the prosecution fail.

[C51, §345; R60, §575; C73, §697; C97, §1203; C24, 27, 31, 35, 39, §**1025;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.6]

**62.7 When auditor is party.**

When the auditor is a party, the county treasurer shall receive such statement and approve such bond.

[C73, §697; C97, §1203; C24, 27, 31, 35, 39, §**1026;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.7]

93 Acts, ch 70, §1

**62.8** Repealed by 2002 Acts, ch 1134, § 114, 115. See § 62.5.

**62.9 Trial — notice.**

The presiding judge shall fix a day for the trial, not more than thirty days thereafter, and shall cause a notice of such trial to be served on the incumbent, with a copy of the contestant's statement, at least ten days before the day set for trial. If the trial date is set for less than

twenty days from the day notice is given and either party is not ready, the presiding judge shall delay the trial.

[C51, §347, 349, 350; R60, §577, 579, 580; C73, §699; C97, §1205; C24, 27, 31, 35, 39, §**1028;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.9]

97 Acts, ch 170, §78

Referred to in §331.383

**62.10 Place of trial.**

The trial of contested county elections shall take place at the county seat, unless some other place within the county is substituted by the consent of the court and parties.

[C51, §357; R60, §587; C73, §707; C97, §1213; C24, 27, 31, 35, 39, §**1029;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.10]

**62.11 Subpoenas.**

Subpoenas for witnesses may be issued at any time after the notice of trial is served, either by the county treasurer or by the county auditor, and shall command the witnesses to appear at ....., on ....., to testify in relation to a contested election, wherein ..... (Insert contestant's name) is contestant and ..... (Insert incumbent's name) is incumbent.

[C51, §352, 356; R60, §582, 586; C73, §704, 706; C97, §1210; C24, 27, 31, 35, 39, §**1030;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.11]

93 Acts, ch 70, §2; 2000 Acts, ch 1058, §11

**62.12 Postponement.**

The trial shall proceed at the time appointed, unless postponed for good cause shown by affidavit, the terms of which postponement shall be in the discretion of the court.

[C51, §353; R60, §583; C73, §701; C97, §1207; C24, 27, 31, 35, 39, §**1031;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.12]

**62.13 Procedure — powers of court.**

The proceedings shall be assimilated to those in an action, so far as practicable, but shall be under the control and direction of the court, which shall have all the powers of the district court necessary to the right hearing and determination of the matter, to compel the attendance of witnesses, swear them and direct their examination, to punish for contempt in its presence or by disobedience to its lawful mandate, to adjourn from day to day, to make any order concerning intermediate costs, and to enforce its orders by attachment. It shall be governed by the rules of law and evidence applicable to the case.

[C51, §354, 358, 361; R60, §584, 588, 591; C73, §702; C97, §1208; C24, 27, 31, 35, 39, §**1032;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.13]

**62.14 Sufficiency of statement.**

The statement shall not be dismissed for want of form, if the particular causes of contest are alleged with such certainty as will sufficiently advise the incumbent of the real grounds of contest.

[C51, §355; R60, §585; C73, §705; C97, §1211; C24, 27, 31, 35, 39, §**1033;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.14]

**62.15 Amendment — continuance.**

If any part of the causes are held insufficient, they may be amended, but the incumbent will be entitled to an adjournment, if the incumbent states on oath that the incumbent has matter of answer to the amended causes, for the preparation of which the incumbent needs further time. Such adjournment shall be upon such terms as the court thinks reasonable; but if all the causes are held insufficient and an amendment is asked, the adjournment shall be

at the cost of contestant. If no amendment is asked for or made, or in case of entire failure to prosecute, the proceedings may be dismissed.

[C51, §355, 361; R60, §585, 591; C73, §705; C97, §1211; C24, 27, 31, 35, 39, §**1034;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.15]

**62.16 Testimony.**

The testimony may be oral or by deposition, taken as in an action at law in the district court.

[C51, §351; R60, §581; C73, §703; C97, §1209; C24, 27, 31, 35, 39, §**1035;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.16]

Depositions in general, R.C.P. 1.701 et seq.

**62.17 Voters required to testify.**

The court may require any person called as a witness, who voted at such election, to answer touching the person's qualifications as a voter, and, if the person was not a registered voter in the county where the person voted, then to answer for whom the person voted.

[C51, §360; R60, §590; C73, §709; C97, §1215; C24, 27, 31, 35, 39, §**1036;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.17]

2001 Acts, ch 56, §5

**62.18 Judgment.**

The court shall adjudge whether the incumbent or any other person was duly elected, and that the person elected is entitled to the certificate. If the court finds that the election resulted in a tie vote for any office, the tie shall be resolved pursuant to section 50.44. If the judgment is against the incumbent, and the incumbent has already received the certificate, the judgment shall annul the certificate. If the court finds that no person was elected, the judgment shall be that the election be set aside.

[C51, §362; R60, §592; C73, §714; C97, §1220; C24, 27, 31, 35, 39, §**1037;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.18]

90 Acts, ch 1238, §32

**62.19 How enforced.**

When either the contestant or incumbent shall be in possession of the office, by holding over or otherwise, the presiding judge shall, if the judgment be against the party so in possession of the office and in favor of the party's antagonist, issue an order to carry into effect the judgment of the court, which order shall be under the seal of the county, and shall command the sheriff of the county to put the successful party into possession of the office without delay, and to deliver to the successful party all books and papers belonging to the same; and the sheriff shall execute such order as other writs.

[C73, §715; C97, §1221; C24, 27, 31, 35, 39, §**1038;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.19]

Referred to in §62.20, 331.653

**62.20 Appeal.**

The party against whom judgment is rendered may appeal within twenty days to the district court, but, if the party be in possession of the office, such appeal will not supersede the execution of the judgment of the court as provided in section 62.19, unless the party gives a bond, with security to be approved by the district judge in a sum to be fixed by the judge, and which shall be at least double the probable compensation of such officer for six months, which bond shall be conditioned that the party will prosecute the appeal without delay, and that, if the judgment appealed from be affirmed, the party will pay over to the successful party all compensation received by the party while in possession of said office after the judgment appealed from was rendered. The court shall hear the appeal in equity and determine anew all questions arising in the case.

[C73, §716; C97, §1222; S13, §1222; C24, 27, 31, 35, 39, §**1039;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.20]

Presumption of approval of bond, §636.10

**62.21 Judgment.**

If, upon appeal, the judgment is affirmed, the district court may render judgment upon the bond for the amount of damages, against the appellant and the sureties thereon.

[C73, §717; C97, §1223; C24, 27, 31, 35, 39, §**1040;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.21]

**62.22 Process — fees.**

The style, form, and manner of service of process and papers, and the fees of officers and witnesses, shall be the same as in the district court, so far as the nature of the case admits.

[C51, §356, 374; R60, §586, 604; C73, §706, 724; C97, §1212; C24, 27, 31, 35, 39, §**1041;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.22]

**62.23 Compensation.**

The judges shall be entitled to receive one hundred dollars a day for the time occupied by the trial.

[C51, §363; R60, §593; C73, §710; C97, §1216; C24, 27, 31, 35, 39, §**1042;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.23]

93 Acts, ch 143, §39

**62.24 Costs.**

The contestant and the incumbent are responsible for the expenses of the witnesses called by them, respectively. If the results of the election are upheld by the contest, if the statement is dismissed, or if the prosecution fails, the costs of the contest shall be paid by the contestant. If the court or tribunal trying the contest determines that the contestant won the election, or if the election is set aside, the costs of the contest shall be paid by the county.

[C51, §364; R60, §594; C73, §711; C97, §1217; C24, 27, 31, 35, 39, §**1043;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.24]

93 Acts, ch 143, §40

**62.25 How collected.**

A transcript of the judgment may be filed and recorded in the office of the clerk of the district court and shall have the effect of a judgment of that court and execution may issue thereon.

[C51, §365; R60, §595; C73, §712; C97, §1218; C24, 27, 31, 35, 39, §**1044;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §62.25]

# CHAPTER 63

## TIME AND MANNER OF QUALIFYING

Referred to in §69.20, 347.11, 347A.1, 602.4101, 602.5102, 602.6201, 602.6305, 602.7103C, 633.20C


63.1 Time.
63.2 Reserved.
63.3 Unavoidable casualty.
63.4 Contest.
63.5 Governor and lieutenant governor.
63.6 Judges.
63.7 Officer holding over.
63.8 Vacancies — time to qualify.
63.9 Temporary officer.
63.10 Other officers.
63.11 Oath on bond.
63.12 Reelected incumbent.
63.13 Approval conditioned.


**63.1 Time.**

Each officer, elective or appointive, before entering upon the officer's duties, shall qualify by taking the prescribed oath and by giving, when required, a bond, which qualification shall be perfected, unless otherwise specified, after being certified as elected but not later than noon of the first day which is not a Sunday or a legal holiday in January of the first year of

the term for which the officer was elected. *"Legal holiday"* means those days provided in section 1C.1.

[C51, §319, 334, 335; R60, §549, 564, 565; C73, §670, 685 – 687; C97, §1177; S13, §1177; C24, 27, 31, 35, 39, §**1045;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.1]

85 Acts, ch 81, §1

Bonds, chapter 64

**63.2** Reserved.

**63.3 Unavoidable casualty.**

When on account of sickness, the inclement state of the weather, unavoidable absence, or casualty, an officer has been prevented from qualifying within the prescribed time, the officer may do so within ten days after the time herein fixed.

[C97, §1177; S13, §1177; C24, 27, 31, 35, 39, §**1047;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.3]

Referred to in §69.12

**63.4 Contest.**

In case the election of an officer is contested, the successful party shall qualify within ten days after the decision is rendered.

[C51, §335; R60, §565; C73, §687; C97, §1177; S13, §1177; C24, 27, 31, 35, 39, §**1048;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.4]

**63.5 Governor and lieutenant governor.**

The governor and lieutenant governor shall each qualify within ten days after the result of the election shall be declared by the general assembly, by taking an oath in its presence, in joint convention assembled, administered by a judge of the supreme court, to the effect that each will support the Constitution of the United States and the Constitution of the State of Iowa, and will faithfully and impartially, and to the best of the officer's knowledge and ability, discharge the duties incumbent upon the officer as governor, or lieutenant governor, of this state.

[C51, §320, 334; R60, §550, 564; C73, §671, 685; C97, §1178; C24, 27, 31, 35, 39, §**1049;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.5]

**63.6 Judges.**

All judges of courts of record shall qualify before taking office following appointment by taking and subscribing an oath to the effect that they will support the Constitution of the United States and the Constitution of the State of Iowa, and that, without fear, favor, affection, or hope of reward, they will, to the best of their knowledge and ability, administer justice according to the law, equally to the rich and the poor.

[C51, §322, 334; R60, §552, 564; C73, §673, 685; C97, §1179; C24, 27, 31, 35, 39, §**1050;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.6]

2006 Acts, ch 1030, §11

Referred to in §602.6403

**63.7 Officer holding over.**

When it is ascertained that the incumbent is entitled to hold over by reason of the nonelection of a successor, or for the neglect or refusal of the successor to qualify, the incumbent shall qualify anew, within the time provided by section 63.8.

[C51, §338; R60, §568; C73, §690; C97, §1195; S13, §1195; C24, 27, 31, 35, 39, §**1051;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.7]

**63.8 Vacancies — time to qualify.**

Persons elected or appointed to fill vacancies, and officers entitled to hold over to fill vacancies occurring through a failure to elect, appoint, or qualify, as provided in chapter 69, shall qualify within ten days from the county board's canvass of such election, or within ten

days from such appointment or failure to elect, appoint, or qualify, in the same manner as those originally elected or appointed to such offices.

[C51, §440; R60, §668; C73, §786; C97, §1275; C24, 27, 31, 35, 39, §**1052;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.8]

2002 Acts, ch 1134, §76, 115

Referred to in §63.7, 69.12

**63.9 Temporary officer.**

Any person temporarily appointed to fill an office during the incapacity or suspension of the regular incumbent shall qualify, in the manner required by this chapter, for the office so to be filled.

[C73, §691; C97, §1194; C24, 27, 31, 35, 39, §**1053;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.9]

Similar provisions, §67.8, 68.5

**63.10 Other officers.**

All other civil officers, elected by the people or appointed to any civil office, unless otherwise provided, shall take and subscribe an oath substantially as follows:

I, ....., do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Iowa, and that I will faithfully and impartially, to the best of my ability, discharge all the duties of the office of ..... (naming it) in (naming the township, city, county, district, or state, as the case may be), as now or hereafter required by law.

[C51, §331, 332; R60, §561, 562, 1084, 1132; C73, §504, 514, 675, 676; C97, §1180; C24, 27, 31, 35, 39, §**1054;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.10]

Referred to in §63.11, 161A.6, 331.501, 331.551, 331.601, 331.651, 331.751, 359.38, 602.8101

**63.11 Oath on bond.**

Every civil officer who is required to give bond shall take and subscribe the oath provided for in section 63.10, on the back of the bond, or on a paper attached thereto, to be certified by the officer administering it.

[C51, §331; R60, §561; C73, §675; C97, §1181; C24, 27, 31, 35, 39, §**1055;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.11]

Officers required to give bonds, chapter 64

**63.12 Reelected incumbent.**

When the incumbent of an office is reelected, the incumbent shall qualify as above directed, but a judge retained at a judicial election need not requalify.

[C51, §338; R60, §568; C73, §690; C97, §1193; C24, 27, 31, 35, 39, §**1056;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.12]

**63.13 Approval conditioned.**

When the reelected officer has had public funds or property in the officer's control, under color of the officer's office, the officer's bond shall not be approved until the officer has produced and fully accounted for such funds and property to the proper person to whom the officer should account therefor; and the officer or board approving the bond shall endorse upon the bond, before its approval, the fact that the said officer has fully accounted for and produced all funds and property before that time under the officer's control as such officer.

[C73, §690; C97, §1193; C24, 27, 31, 35, 39, §**1057;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §63.13]

# CHAPTER 63A

## ADMINISTRATION OF OATHS

Referred to in §331.301

63A.1 General authority.
63A.2 Limited authority.
63A.3 Jurat by deputy.

**63A.1 General authority.**

The following officers are empowered to administer oaths and to take affirmations:

1. Justices of the supreme court and judges of the court of appeals and district courts, including district associate judges and judicial magistrates.
2. Official court reporters of district courts in taking depositions under appointment or by agreement of counsel.
3. The clerk and deputy clerks of the supreme court and the clerks of the district court and their designees.
4. Notaries public.
5. Certified shorthand reporters.

[C51, §227, 979, 980, 1594; R60, §201, 449, 1843, 1844, 2684; C73, §277, 278, 396; C97, §393; C24, 27, 31, 35, 39, §**1215;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §78.1]

89 Acts, ch 296, §12; 91 Acts, ch 116, §1

C93, §63A.1

Referred to in §63A.2, 229A.5A, 277.28, 602.8103

**63A.2 Limited authority.**

The following officers and persons are empowered to administer oaths and to take affirmations in any matter pertaining to the business of their respective office, position, or appointment:

1. Governor, secretary of state, secretary of agriculture, auditor of state, treasurer of state, attorney general.
2. Members of all boards, commissions, or bodies created by law.
3. All county officers other than those named in section 63A.1.
4. Mayors and clerks of cities, precinct election officials, township clerks, assessors, and surveyors.
5. All duly appointed referees or appraisers.
6. All investigators for supplementary assistance as provided for under chapter 249.
7. The director and employees of the department of revenue, as authorized by the director, and as set forth in chapters 421 and 422.

[C51, §980, 1865; R60, §1844, 3201; C73, §277, 278; C97, §393; C24, 27, 31, 35, 39, §**1216;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §78.2]

89 Acts, ch 296, §13

C93, §63A.2

2003 Acts, ch 145, §286; 2006 Acts, ch 1010, §40

Referred to in §277.28, 331.553, 331.603, 331.652, 331.758

Members of general assembly, §2.8

Veterinary assistants, §163.5

Law enforcement agencies, §805.6

**63A.3 Jurat by deputy.**

In preparing a jurat to an oath or affirmation administered by a deputy, it shall be sufficient for the deputy to affix the deputy's own name, together with the designation of the deputy's official position, and the seal of principal, if any.

[C24, 27, 31, 35, 39, §**1217;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §78.3]

C93, §63A.3

# SUBTITLE 2

## PUBLIC OFFICERS AND EMPLOYEES

# CHAPTER 64

## OFFICIAL AND PRIVATE BONDS

Referred to in §15.105, 16.2, 16.2A, 99G.8, 175.3, 215.12, 257C.5, 261A.6, 331.322, 331.324, 524.210, 533.109, 561.22, 602.4301, 602.8101

See also chapter 666


64.1 Definitions.
64.1A Bond not required.
64.2 Conditions of bond of public officers.
64.3 Repealed by 88 Acts, ch 1108, §4.
64.4 Conditions of other bonds.
64.5 Want of compliance — effect.
64.6 State officers — blanket bonds.
64.7 Repealed by 86 Acts, ch 1211, §46.
64.8 Bonds of county officers.
64.9 Repealed by 80 Acts, ch 1012, §75.
64.10 Bond of county treasurer.
64.11 Expense of bonds paid by county.
64.12 Township clerk — expense of bond.
64.13 Municipal officers.
64.14 Repealed by 72 Acts, ch 1088, §227.
64.15 Bonds of deputy officers and clerks.
64.15A Exemptions applicable.
64.16 and 64.17 Repealed by 88 Acts, ch 1108, §4.
64.18 Beneficiary of bond.
64.19 Approval of bonds.
64.20 Time for approval.
64.21 Approval by auditor.
64.22 Failure of board to approve — application to judge.
64.23 Custody of bond.
64.24 Recording.
64.25 Failure to give bond.


**64.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**64.1A Bond not required.**

Bonds shall not be required of the following public officers:

1. Governor.
2. Lieutenant governor.
3. Members of the general assembly.
4. Judges of the supreme and district courts and district associate judges.
5. Township trustees.
6. City council members, including city commissioners and aldermen, other than mayors.

[C51, §323; R60, §553; C73, §674; C97, §1182; S13, §1182; SS15, §694-c11; C24, 27, 31, 35, 39, §**1058;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.1]

C2001, §64.1A

**64.2 Conditions of bond of public officers.**

1. All other public officers, except as otherwise specially provided, shall give bond with the conditions, in substance, as follows:

That as ..... (naming the office), in ..... (city, township, county, or state of Iowa), the officer will render a true account of the office and of the officer's doings therein to the proper authority, when required thereby or by law; that the officer will promptly pay over to the officer or person entitled thereto all moneys which may come into the officer's hands by virtue of the office; that the officer will promptly account

for all balances of money remaining in the officer's hands at the termination of the office; that the officer will exercise all reasonable diligence and care in the preservation and lawful disposal of all money, books, papers, securities, or other property appertaining to that office, and deliver them to the officer's successor, or to any other person authorized to receive the same; and that the officer will faithfully and impartially, without fear, favor, fraud, or oppression, discharge all duties now or hereafter required of the office by law.

2. The attachment of a renewal certificate to an existing bond shall not constitute compliance with this section.

[C51, §324; R60, §554, 1084, 1132; C73, §504, 514, 674; C97, §1183; C24, 27, 31, 35, 39, §**1059;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.2]

Referred to in §64.13, 336.10

Construction of official bonds, §666.1

**64.3** Repealed by 88 Acts, ch 1108, § 4.

**64.4 Conditions of other bonds.**

All other bonds required by law, when not otherwise specially provided, shall be conditioned as the bonds of public officers.

[S13, §1177-a, -d; C24, 27, 31, 35, 39, §**1061;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.4]

**64.5 Want of compliance — effect.**

All bonds required by law shall be construed as impliedly containing the conditions required by statute, anything in the terms of said bonds to the contrary notwithstanding.

[C51, §337; R60, §567; C73, §689; C97, §1192; S13, §1177-c; C24, 27, 31, 35, 39, §**1062;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.5]

**64.6 State officers — blanket bonds.**

State officials are not required to obtain bonds, but may be covered under a blanket bond for state employees. The blanket bond purchases shall be made in an amount and with the level of assumption of risk by the state that is determined by the department of administrative services. The state shall pay the reasonable cost of bonds under this section.

83 Acts, ch 14, §2; 83 Acts, ch 96, §157, 159; 83 Acts, ch 186, §10027, 10201; 85 Acts, ch 212, §21; 86 Acts, ch 1211, §10; 86 Acts, ch 1245, §1901; 89 Acts, ch 76, §5; 2003 Acts, ch 145, §286

Referred to in §8A.321

**64.7** Repealed by 86 Acts, ch 1211, § 46.

**64.8 Bonds of county officers.**

The bonds of members of the boards of supervisors, county attorneys, recorders, auditors, sheriffs, and assessors shall each be in a penal sum of not less than twenty thousand dollars. The amount of each bond shall be determined by the board of supervisors.

[C51, §326, 327; R60, §556, 557; C73, §678; C97, §1185; S13, §1182-a, 1185; C24, 27, 31, 35, 39, §**1065, 1066;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §64.8, 64.9; C81, §64.8]

83 Acts, ch 186, §10028, 10201; 88 Acts, ch 1108, §1

Referred to in §331.501, 331.601, 331.651, 331.751

**64.9** Repealed by 80 Acts, ch 1012, § 75.

**64.10 Bond of county treasurer.**

The bond of the county treasurer shall be in the sum of not less than fifty thousand dollars. The amount of the treasurer's bond shall be determined by the board of supervisors.

[C24, §1066; C27, 31, 35, §1066-a1; C39, §**1066.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.10]

88 Acts, ch 1108, §2

Referred to in §331.551

**64.11 Expense of bonds paid by county.**

If a county treasurer, county attorney, recorder, auditor, sheriff, medical examiner, member of the veterans affairs commission, member of the board of supervisors, engineer, steward, or matron elects to furnish a bond with an association or incorporation as surety as provided in this chapter, the reasonable cost of the bond shall be paid by the county where the bond is filed.

[S13, §1185; C24, 27, 31, 35, 39, §**1067;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.11]

83 Acts, ch 186, §10029, 10201; 89 Acts, ch 83, §16

Referred to in §331.322

**64.12 Township clerk — expense of bond.**

All bonds required of the township clerk shall be furnished and paid for by the township.

[C27, 31, 35, §1067-b1; C39, §**1067.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.12]

**64.13 Municipal officers.**

The bonds of all municipal officers who are required to give bonds shall each be in such penal sum as may be provided by law or as the council shall from time to time prescribe by ordinance; but the council may provide for a surety bond running to the city and covering all city officers and employees not otherwise covered and conditioned as specified for bonds in section 64.2.

[R60, §1084, 1132; C73, §504, 514; C97, §1185; S13, §1185; C24, 27, 31, 35, 39, §**1068;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.13]

Bonds not required, §64.1A

**64.14** Repealed by 72 Acts, ch 1088, § 227.

**64.15 Bonds of deputy officers and clerks.**

Bonds required by law of deputy state, county, and city officers shall, unless otherwise provided, be in such amounts as may be fixed by the governor, board of supervisors, or the council, as the case may be, with sureties as required for the bonds of the principal, and filed with the same officer. Any loss of moneys caused by a deputy shall be paid by the deputy or the surety on the deputy's bond and the deputy's principal is not liable for the loss. The reasonable cost of the bonds required of deputy county officers, clerks, and cashiers employed by county officers shall be paid by the county where the bond is filed.

The exemptions provided in section 561.16 and chapter 627 are applicable to any claim made against a deputy state, county, or city officer and each bond shall so provide.

[C51, §411; R60, §642; C73, §766; C97, §1186; C24, 27, 31, 35, 39, §**1069;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.15]

89 Acts, ch 153, §1

Bonds of deputies, §14A.1, 331.903(3)

See also §63.11, 64.19

**64.15A Exemptions applicable.**

The exemptions provided in section 561.16 and chapter 627 are applicable to any claim made against a state, county, or city officer and each bond shall so provide.

89 Acts, ch 153, §2

**64.16 and 64.17** Repealed by 88 Acts, ch 1108, § 4.

**64.18 Beneficiary of bond.**

All bonds of public officers shall run to the state, and be for the use and benefit of any corporation, public or private, or person injured or sustaining loss, with a right of action in the name of the state for its or the corporation's or person's use.

[C51, §325; R60, §555; C73, §677; C97, §1188; S13, §1188; C24, 27, 31, 35, 39, §**1072;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.18]

**64.19 Approval of bonds.**

Bonds shall be approved:

1. By the governor, in case of state and district officers, elective or appointive.
2. By the board of supervisors, in case of county officers, township clerks, and assessors.
3. By a judge of the district court for the county in question, in case of members of the board of supervisors.
4. By the township clerk, in case of other township officers.
5. By the council, or as provided by ordinance in case of city officers.
6. By the state court administrator in case of district court clerks and first deputy clerks.

[C51, §330; R60, §560; C73, §680; C97, §1188; S13, §1182-a, 1188; C24, 27, 31, 35, 39, §**1073;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.19]

83 Acts, ch 186, §10030, 10201; 93 Acts, ch 70, §3

See §63.11, 64.15

**64.20 Time for approval.**

All bonds shall be approved or disapproved within five days after their presentation for that purpose, and endorsed, in case of approval, to that effect and filed.

[C51, §330; R60, §560; C73, §680; C97, §1188; S13, §1188; C24, 27, 31, 35, 39, §**1074;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.20]

**64.21 Approval by auditor.**

When a bond, approvable by the board of supervisors, of any public officer is presented after the final adjournment of the January session of said board, except those of the county auditor and treasurer, the auditor may approve such bond, in which case the auditor shall report that action to the board at its next session. The action of the auditor in approving the bond shall stand as the action of the board unless the board enters its disapproval. If such disapproval be entered, the new bond must be given within five days from the date of such decision, but the old bond shall stand good for all acts done up to the time of the approval of the new bond.

[C51, §330; R60, §560; C73, §680; C97, §1189; C24, 27, 31, 35, 39, §**1075;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.21]

Referred to in §331.502

**64.22 Failure of board to approve — application to judge.**

If the board of supervisors refuses or neglects to approve the bond of any county officer, the officer may within five days thereafter, or after the expiration of the time allowed for such approval, present the same for approval to a judge of the district court of the proper district, who shall fix a day for the hearing. Notice of such hearing shall be given the board and return made in the same manner as in a civil action, and the court or judge at the time fixed shall, unless good cause for postponement be shown, proceed to hear the matter and approve the bond, if found sufficient, and such approval shall have the same force and effect as an approval by the board.

[C73, §681; C97, §1190; C24, 27, 31, 35, 39, §**1076;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.22]

Notice and return, chapter 617

**64.23 Filing of bonds and oaths.**

The bonds and official oaths of public officers shall, after approval and proper record, be filed:

1. For all state officers, elective or appointive, except those of the secretary of state

and judicial magistrates, with the secretary of state. Bonds and official oaths of judicial magistrates and court personnel shall be filed in the office of the state court administrator.

2. For the secretary of state, with the state auditor.

3. For county and township officers, except those of the county auditor, with the county auditor.

4. For county auditor, with the county treasurer.

5. For members of the board of supervisors, with the county auditor.

6. For officers of cities, and officers not otherwise provided for, in the office of the officer or clerk of the body approving the bond, or in cities, as otherwise provided by ordinance.

[C51, §333; R60, §563; C73, §682; C97, §1188, 1191; S13, §1182-a, 1188; C24, 27, 31, 35, 39, §**1077;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.23]

83 Acts, ch 186, §10031, 10201; 93 Acts, ch 70, §4

Referred to in §331.502, 331.552

**64.24 Recording.**

1. *a.* The secretary of state, each county auditor, district court clerk, and each auditor or clerk of a city shall keep a book, to be known as the *"Record of Official Bonds"*, and all official bonds shall be recorded therein in full as follows:

(1) In the record kept by the secretary of state, the official bonds of all state officers, elective or appointive, except the bonds of notaries public.

(2) In the record kept by the county auditor, the official bonds of all county officers, elective or appointive, and township clerks.

(3) In the record kept by the city auditor or clerk, the official bonds of all city officers, elective or appointive.

(4) In the record kept by the district court clerk, the official bonds of judicial magistrates.

*b.* The records shall have an index which, under the title of each office, shall show the name of each principal and the date of the filing of the bond.

2. A bond when recorded shall be returned to the officer charged with the custody thereof.

[C73, §683; C97, §1196; S13, §1196; C24, 27, 31, 35, 39, §**1078;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.24]

88 Acts, ch 1108, §3; 2008 Acts, ch 1032, §158

Referred to in §331.508, 602.8102(19), 602.8104

**64.25 Failure to give bond.**

Action by any officer in an official capacity without giving bond when such bond is required shall constitute grounds for removal from office.

[C73, §684; C97, §1197; C24, 27, 31, 35, 39, §**1079;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §64.25]

# CHAPTER 65

## ADDITIONAL SECURITY AND DISCHARGE OF SURETIES


| | |
|---|---|
| 65.1 | Definitions. |
| 65.1A | Additional security. |
| 65.2 | New bond. |
| 65.3 | Effect. |
| 65.4 | Sureties on bonds of public officers. |
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| 65.8 | Failure to comply. |
| 65.9 | Repealed by 72 Acts, ch 1124, §282. |
| 65.10 | Sureties on other bonds. |
| 65.11 | Return of premium by surety. |


**65.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**65.1A Additional security.**

Whenever the governor shall deem it advisable that the bonds of any state officer shall be increased and the security enlarged, or a new bond given, the governor shall notify said officer of the fact, the amount of new or additional security to be given, and the time when the same shall be executed; which said new security shall be approved and filed as provided by law.

[R60, §660; C73, §772; C97, §1280; C24, 27, 31, 35, 39, §**1080;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §65.1]

C2001, §65.1A

Referred to in §65.3

Approval and filing of bonds, §64.19, 64.23

**65.2 New bond.**

Any officer or board who has the approval of another officer's bond, when of the opinion that the public security requires it, upon giving ten days' notice to show cause to the contrary, may require the officer to give additional security by a new bond, within a reasonable time to be prescribed.

[C51, §418, 419; R60, §649, 650; C73, §773; C97, §1281; C24, 27, 31, 35, 39, §**1081;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §65.2]

Referred to in §65.3, 331.323

Approval, §64.19

**65.3 Effect.**

If a requisition made under either section 65.1A or section 65.2 be complied with, both the old and the new security shall be in force; if not, the office shall become and be declared vacant, and the fact be certified to the proper officer, to be recorded in the election book or township record.

[C51, §420; R60, §651, 661; C73, §774; C97, §1282; C24, 27, 31, 35, 39, §**1082;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §65.3]

Referred to in §331.323

**65.4 Sureties on bonds of public officers.**

When any surety on the bond of a public officer desires to be relieved of obligation, the surety may petition the approving officer or board for relief, stating the grounds therefor.

[C51, §421; R60, §652; C73, §775; C97, §1283; C24, 27, 31, 35, 39, §**1083;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §65.4]

Referred to in §331.323

Approving officers, §64.19

**65.5 Notice.**

The surety shall give the principal at least twenty-four hours' notice of the presenting and filing of the petition, with a copy thereof. At the expiration of this notice the approving officer may hear the matter, or may postpone it, as justice requires.

[C51, §422; R60, §653; C73, §776; C97, §1284; C24, 27, 31, 35, 39, §**1084;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §65.5]

Referred to in §331.323

**65.6 Subpoenas.**

The approving officer may issue subpoenas in the officer's official name for witnesses, compel them to attend and testify, in the same way an officer authorized to take depositions may.

[C51, §427; R60, §658; C73, §780; C97, §1288; C24, 27, 31, 35, 39, §**1085;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §65.6]

Referred to in §331.323

Enforcing attendance, §622.84, 622.102

**65.7 Hearing — order — effect.**

If, upon the hearing, there appears substantial ground for apprehension, the approving officer or board may order the principal to give a new bond and to supply the place of the

petitioning surety within a reasonable time to be prescribed, and, upon such new bond being given, the petitioning surety upon the former bond shall be declared discharged from liability on the same for future acts, which order of discharge shall be entered in the proper election book, but the bond will continue binding upon those who do not petition for relief.

[C51, §424; R60, §655; C73, §777; C97, §1285; C24, 27, 31, 35, 39, §**1086;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §65.7]

Referred to in §331.323

**65.8 Failure to comply.**

If the new bond is not given as required, the office shall be declared vacant, and the order to that effect entered in the proper election book.

[C51, §425; R60, §656; C73, §778; C97, §1286; C24, 27, 31, 35, 39, §**1087;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §65.8]

Referred to in §331.323

**65.9** Repealed by 72 Acts, ch 1124, § 282.

**65.10 Sureties on other bonds.**

When the principal on the bond has been appointed by a judge or court or is under the jurisdiction of a court, the petition for release must be presented to said court and the release shall be made subject to the orders of said court.

Such petition for release may be presented either by the principal or the surety on the bond.

Sureties on other bonds required by law who desire to be released of their obligation may proceed in the manner required for release in case of bonds of public officers.

The provisions of this section shall not apply to sureties on bonds given to secure the performance of contracts for public works, nor to sureties on appearance bonds in criminal cases.

[C51, §421; R60, §652; C73, §775; C97, §1283; S13, §1177-b; C24, 27, 31, 35, 39, §**1089;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §65.10]

Release of obligation, §65.4

**65.11 Return of premium by surety.**

When a surety is released as heretofore provided, the surety shall refund to the party entitled thereto the premium paid, if any, less a pro rata part thereof for the time said bond has been in force.

[S13, §1177-b; C24, 27, 31, 35, 39, §**1090;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §65.11]

# CHAPTER 66

## REMOVAL FROM OFFICE

Referred to in §2C.5, 2C.20, 68B.32D, 123.12, 307.9, 331.322

See also chapter 69


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66.29 City elective officers.
66.30 Ordinance.


**66.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**66.1A Removal by court.**

Any appointive or elective officer, except such as may be removed only by impeachment, holding any public office in the state or in any division or municipality thereof, may be removed from office by the district court for any of the following reasons:

1. For willful or habitual neglect or refusal to perform the duties of the office.
2. For willful misconduct or maladministration in office.
3. For corruption.
4. For extortion.
5. Upon conviction of a felony.
6. For intoxication, or upon conviction of being intoxicated.
7. Upon conviction of violating the provisions of chapter 68A.

[S13, §1258-c; C24, 27, 31, 35, 39, §**1091;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.1]
C2001, §66.1A

Referred to in §185.9
Impeachable officers, Iowa Constitution, Art. III, §20

**66.2 Jurisdiction.**

The jurisdiction of the proceeding provided for in this chapter shall be as follows:

1. As to state officers whose offices are located at the seat of government, the district court of Polk county.
2. As to state officers whose duties are confined to a district within the state, the district court of any county within such district.
3. As to county, municipal, or other officers, the district court of the county in which such officers' duties are to be performed.

[C24, 27, 31, 35, 39, §**1092;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.2]

**66.3 Who may file petition.**

The petition for removal may be filed:

1. By the attorney general in all cases.
2. As to state officers, by not fewer than twenty-five electors of the state.

3. As to any other officer, by five registered voters of the district, county, or municipality where the duties of the office are to be performed.

4. As to district officers, by the county attorney of any county in the district.

5. As to all county and municipal officers, by the county attorney of the county where the duties of the office are to be performed.

[S13, §1258-d; C24, 27, 31, 35, 39, §**1093;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.3]
2001 Acts, ch 56, §6

**66.4 Bond for costs.**

If the petition for removal is filed by anyone other than the attorney general or the county attorney, the court shall require the petitioners to file a bond in such amount and with such surety or sureties as the court may require, said bond to be approved by the clerk, to cover the costs of such removal suit, including attorney fees, if final judgment is not entered removing the officer charged.

[C35, §1093-e1; C39, §**1093.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.4]
Referred to in §602.8102(20)
Presumption of approval of bond, §636.10

**66.5 Petition — other pleading.**

The petition shall be filed in the name of the state of Iowa. The accused shall be named as defendant, and the petition, unless filed by the attorney general, shall be verified. The petition shall state the charges against the accused and may be amended as in ordinary actions, and shall be filed in the office of the clerk of the district court of the county having jurisdiction. The petition shall be deemed denied but the accused may plead thereto.

[S13, §1258-d, -e; C24, 27, 31, 35, 39, §**1094;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.5]
Amendments, R.C.P. 1.402(4), (5)

**66.6 Notice.**

Upon the filing of a petition, notice of such filing and of the time and place of hearing shall be served upon the accused in the manner required for the service of notice of the commencement of an ordinary action. Said time shall not be less than ten days nor more than twenty days after completed service of said notice.

[S13, §1258-f; C24, 27, 31, 35, 39, §**1095;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.6]
Service of notice, chapter 617

**66.7 Suspension from office.**

Upon presentation of the petition to the court, the court may suspend the accused from office, if in its judgment sufficient cause appear from the petition and affidavits which may be presented in support of the charges contained therein.

[S13, §1258-g; C24, 27, 31, 35, 39, §**1096;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.7]

**66.8 Effect of suspension.**

In case of suspension, the order shall be served upon the officer in question and it shall be unlawful for the officer to exercise or attempt to exercise any of the functions of that office until such suspension is revoked.

[C24, 27, 31, 35, 39, §**1097;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.8]

**66.9 Salary pending charge.**

An order of the district court suspending a public officer from the exercise of the office, after the filing of a petition for the removal from office of such officer, shall, from the date of such order, automatically suspend the further payment to said officer of all official salary or compensation until said petition has been dismissed, or until said officer has been acquitted on any pending indictments charging misconduct in office.

[C35, §1097-e1; C39, §**1097.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.9]

**66.10 Governor to direct filing.**

The governor shall direct the attorney general to file such petition against any of said officers whenever the governor has reasonable grounds for such direction. The attorney general shall comply with such direction and prosecute such action.

[S13, §1258-d, -e; C24, 27, 31, 35, 39, §**1098;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.10]

Referred to in §66.11

**66.11 Duty of county attorney.**

The county attorney of any county in which an action is instituted under section 66.10 shall, at the request of the attorney general, appear and assist in the prosecution of such action. In all other cases instituted in that county, the county attorney shall appear and prosecute when the officer sought to be removed is other than that county attorney.

[S13, §1258-d; C24, 27, 31, 35, 39, §**1099;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.11]

Referred to in §331.756(16)

**66.12 Special prosecutor.**

When the proceeding is brought to remove the county attorney, the court may appoint an attorney to appear in behalf of the state and prosecute such proceedings.

[S13, §1258-d; C24, 27, 31, 35, 39, §**1100;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.12]

**66.13 Application for outside judge.**

At any time not less than five days prior to the time the accused is required to appear, a copy of the petition may be filed by either party in the office of the clerk of the supreme court, together with an application to the supreme court for the appointment of a judge outside the judicial district in which the trial is to be had to hear said petition.

[S13, §1258-f; C24, 27, 31, 35, 39, §**1101;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.13]

**66.14 Appointment of judge.**

It shall be the duty of the chief justice of the supreme court, upon the filing of said copy and application, or in the chief justice's absence or inability to act, any justice thereof, to forthwith issue a written commission directing a district judge outside of such district to proceed to the county in which the complaint was filed, and hear the same. The clerk of the supreme court shall transmit a certified copy of said order to the clerk of the district court where the cause is pending.

[S13, §1258-f; C24, 27, 31, 35, 39, §**1102;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.14]

**66.15 Order by appointed judge.**

Upon the receipt of such commission, said judge shall immediately make an order fixing a time and place of hearing in the county in which the petition is filed. Said time shall not be less than ten days nor more than twenty days from the date of the order.

[S13, §1258-f; C24, 27, 31, 35, 39, §**1103;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.15]

**66.16 Filing order — effect.**

Said order shall be forwarded to the clerk of the district court of the county in which the hearing is to be had. Said order shall supersede the time and place specified in any notice already served.

[S13, §1258-f; C24, 27, 31, 35, 39, §**1104;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.16]

**66.17 Notice to accused.**

The clerk shall file said order, and forthwith give the defendant, by mail, notice of the time and place of hearing.

[S13, §1258-f; C24, 27, 31, 35, 39, §**1105;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.17]

Referred to in §602.8102(20)

**66.18 Nature of action — when triable.**

The proceeding shall be summary in its nature and shall be triable as an equitable action.

[S13, §1258-g; C24, 27, 31, 35, 39, §**1106;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.18]

Trial of equitable action, chapter 624

**66.19 Temporary officer.**

Upon a suspension, the board or person authorized to fill a vacancy in the office shall temporarily fill the office by appointment. In case of a suspension of a sheriff, the district court may designate an acting sheriff until a temporary sheriff is appointed. Orders of suspension and temporary appointment of county and township officers shall be certified to the county auditor for entry in the election book; those of city officers, certified to the clerk and entered upon the records; in case of other officers, to the person or body making the original appointment.

[C51, §404, 407, 410; R60, §635, 638, 641; C73, §752, 753, 758; C97, §1257; S13, §1258-g; C24, 27, 31, 35, 39, §**1107;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.19]

83 Acts, ch 186, §10032

Referred to in §331.322, 331.505, 331.651

**66.20 Judgment of removal.**

Judgment of removal, if rendered, shall be entered of record, and the vacancy forthwith filled as provided by law.

[S13, §1258-h; C24, 27, 31, 35, 39, §**1108;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.20]

Vacancies in office, chapter 69

**66.21 Hearing on appeal.**

In case of appeal, the supreme court shall fix the time of hearing and the filing of abstracts and arguments, and said cause shall be advanced and take precedence over all other causes upon the court calendar, and shall be heard at the next term after the appeal is taken, provided the abstract and arguments are filed in said court in time for said action to be heard.

[S13, §1258-i; C24, 27, 31, 35, 39, §**1109;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.21]

**66.22 Effect of appeal.**

The taking of an appeal by the defendant and the filing of a supersedeas bond shall not operate to stay the proceedings of the district court, or restore said defendant to office pending such appeal.

[S13, §1258-i; C24, 27, 31, 35, 39, §**1110;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.22]

**66.23 Effect of dismissal.**

If the petition for removal is dismissed, the defendant shall be reimbursed for the reasonable and necessary expenses incurred by the defendant in making a defense, including reasonable attorney's fees, as determined by the court. If the petition for removal is filed by the attorney general, the state shall pay the expenses. If the petition for removal is filed by the county attorney or special prosecutor, the expenses shall be paid by the political subdivision of the state represented by the county attorney or special prosecutor. The payment shall be made out of any funds in the state treasury not otherwise appropriated, or out of the county treasury, or the general fund of the city or other subdivision of the state, as the case may be.

[S13, §1258-i; C24, 27, 31, 35, 39, §**1111;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.23]

83 Acts, ch 123, §47, 209

**66.24 Want of probable cause.**

If the action is instituted upon complaint of citizens, and it appears to the court that there was no reasonable cause for filing the complaint, such expense may be taxed as costs against the complaining parties.

[S13, §1258-i; C24, 27, 31, 35, 39, §**1112;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.24]

**66.25** Repealed by 83 Acts, ch 186, § 10201, 10203.

**66.26 Appointive state officers.**

Any appointive state officer may also be removed from office by a majority vote of the executive council for any of the following causes:

1. Habitual or willful neglect of duty.
2. Any disability preventing a proper discharge of the duties of the office.
3. Gross partiality.
4. Oppression.
5. Extortion.
6. Corruption.
7. Willful misconduct or maladministration in office.
8. Conviction of felony.
9. A failure to produce and fully account for all public funds and property in the officer's hands at any inspection or settlement.
10. Becoming ineligible to hold the office.

[S13, §1258-b; C24, 27, 31, 35, 39, §**1114;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.26]

**66.27 Subpoenas — contempt.**

The executive council, in any investigation held by it, may issue subpoenas for witnesses and for the production of records, books, papers, and other evidence. If a witness, duly subpoenaed, refuses to appear, or refuses to testify, or otherwise refuses to comply with said subpoena, such fact shall be certified by such council to the district court or judge of the county where the hearing is being held and said court or judge shall proceed with said refusal as though the same had occurred in a legal proceeding before said court or judge.

[C24, 27, 31, 35, 39, §**1115;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.27]

Contempts, chapter 665

**66.28 Witness fees.**

Said witnesses, if in the employ of the state, shall not be entitled to any witness fees, but shall receive the mileage allowed witnesses in the district court. Other witnesses shall receive the fees and mileage allowed witnesses in district court. A sum sufficient to pay said fees and mileage is hereby appropriated out of any unappropriated funds in the state treasury.

[C24, 27, 31, 35, 39, §**1116;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.28]

Witness fees, §622.69 – 622.75

**66.29 City elective officers.**

Any city officer elected by the people may be removed from office, after hearing on written charges filed with the council of such city for any cause which would be ground for an equitable action for removal in the district court, but such removal can only be made by a two-thirds vote of the entire council.

[R60, §1087; C73, §516; C97, §1258; SS15, §1258; C24, 27, 31, 35, 39, §**1117;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.29]

Removal of municipal officers, §66.1A, 372.15

**66.30 Ordinance.**

The council may, by ordinance, provide as to the manner of preferring and hearing such charges. No person shall be twice removed by the council from the same office for the same offense. Proceedings before the council shall not be a bar to proceedings in the district court as in this chapter provided.

[R60, §1087; C73, §516; C97, §1258; S13, §1258-a; SS15, §1258; C24, 27, 31, 35, 39, §**1118;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §66.30]

# CHAPTER 67

## SUSPENSION OF STATE OFFICERS


67.1 Commission to examine accounts.
67.2 Power of commission.
67.3 Refusal to obey subpoena — fees.
67.4 Nature of report.
67.5 Duty of governor.
67.6 Effect of order — penalty.
67.7 Salary pending charge.
67.8 Temporary appointment.
67.9 Governor to protect state.
67.10 Governor to report to general assembly.
67.11 Failure to impeach or convict.
67.12 Compensation and expenses of commissioners.
67.13 Reports revealing grounds of removal.


**67.1 Commission to examine accounts.**

The governor shall, when of the opinion that the public service requires such action, appoint, in writing, a commission of three competent accountants and direct them to examine the books, papers, vouchers, moneys, securities, and documents in the possession or under the control of any state officer, board, commission, or of any person expending or directing the expenditure of funds belonging to or in the possession of the state.

[R60, §46, 47, 55, 56; C73, §759; C97, §1259; C24, 27, 31, 35, 39, §**1119;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.1]

**67.2 Power of commission.**

Said commissioners while in session shall have power to issue subpoenas, to call any person to testify in reference to any fact connected with their investigation, and to require such persons to produce any paper or book which the district court might require to be produced. Each commissioner shall have power to administer oaths.

[R60, §54; C73, §765; C97, §1260; C24, 27, 31, 35, 39, §**1120;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.2]

**67.3 Refusal to obey subpoena — fees.**

If any witness, duly subpoenaed, refuses to obey said subpoena, or refuses to testify, said commission shall certify said fact to the district court of the county where the investigation is being had and said court shall proceed with said witness in the same manner as though said refusal had occurred in a legal proceeding before said court or judge.

Witnesses shall be paid in the manner provided for witnesses before the executive council and from the same appropriation.

[C24, 27, 31, 35, 39, §**1121;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.3]

Contempts, chapter 665
Payment of witnesses before council, §66.28
Witness fees, §622.69 – 622.75

**67.4 Nature of report.**

Such accountants shall make out a full, complete, and specific statement of the transactions of said officer with, for, or on behalf of the state, showing the true balances in each case, and report the same to the governor, with such suggestions as they may think proper.

[R60, §46, 47, 55, 56; C73, §759; C97, §1259; C24, 27, 31, 35, 39, §**1122;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.4]

**67.5 Duty of governor.**

The governor, if the governor finds from said report that matters exist which would be grounds for removing said officer from office, shall proceed as follows:

1. If the officer is an elective state officer, not removable under impeachment proceedings, or if said officer is an appointive state officer, the governor shall lay a copy of said report before the attorney general.

2. If the officer is an appointive state officer, the governor shall also lay a copy of said report before the executive council.

3. If the officer is one who is removable only under impeachment proceedings the

governor shall, by written order, forthwith suspend such officer from the exercise of the office, and require the officer to deliver all the moneys, books, papers, and other property of the state to the governor, to be disposed of as hereinafter provided.

[R60, §48; C73, §760; C97, §1261; C24, 27, 31, 35, 39, §**1123;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.5]

Failure to keep proper accounts, §11.5
Impeachable officers, Iowa Constitution, Art. III, §20; also §68.1
Removal by executive council, §66.26
Suspension of member of state board of regents, §262.5

**67.6 Effect of order — penalty.**

It shall be unlawful for such officer, after the making of such order of suspension, to exercise or attempt to exercise any of the functions of the office until such suspension shall be revoked; and any attempt by the suspended officer to exercise such office shall constitute a serious misdemeanor.

[R60, §49; C73, §761; C97, §1261; C24, 27, 31, 35, 39, §**1124;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.6]

**67.7 Salary pending charge.**

An order of the governor suspending an impeachable state officer from the exercise of the office shall, from the date of said order, automatically suspend the further payment to said officer of all official salary or compensation, except as herein provided. If articles of impeachment are duly voted against said officer during the general assembly first convening after said order, and the accused is convicted thereon, all right to said suspended salary or compensation shall be deemed forfeited by said officer. If said articles are not so voted, or if the said officer be acquitted on duly voted articles, the said suspended salary or compensation shall be forthwith paid to said officer, unless an indictment or its equivalent, growing out of the officer's misconduct while in office, is then pending against the said officer, in which case said salary or compensation shall be paid to said officer only on the officer's acquittal or the dismissal of the charges.

[C35, §1124-e1; C39, §**1124.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.7]

**67.8 Temporary appointment.**

On the making of such order, the governor shall appoint a temporary incumbent of said office. Such appointee, after qualifying, shall perform all the duties and enjoy all the rights belonging to the said office, until the removal of the suspension of the appointee's predecessor, or the appointment or election of a successor.

[R60, §51; C73, §762; C97, §1262; C24, 27, 31, 35, 39, §**1125;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.8]

Qualification by temporary officer, §63.9, 68.5

**67.9 Governor to protect state.**

When the governor shall suspend any public officer, the governor shall direct the proper legal steps to be taken to indemnify the state from loss.

[R60, §52; C73, §763; C97, §1263; C24, 27, 31, 35, 39, §**1126;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.9]

**67.10 Governor to report to general assembly.**

Forthwith after the organization of the general assembly first convening after the making of said order of suspension, the governor shall lay before it the order and all information and evidence relating thereto in the governor's possession.

[C24, 27, 31, 35, 39, §**1127;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.10]

**67.11 Failure to impeach or convict.**

The adjournment of such assembly without voting articles of impeachment against such officer or a verdict of "not guilty" on such articles duly preferred, shall work a revocation of such order of suspension.

[C24, 27, 31, 35, 39, §**1128;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.11]

**67.12 Compensation and expenses of commissioners.**

These commissioners shall be paid a per diem as specified in section 7E.6 and be reimbursed for actual and necessary expenses, which sum shall be paid out of any unappropriated funds in the state treasury.

[R60, §53; C73, §764; C97, §1264; C24, 27, 31, 35, 39, §**1129;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.12]

90 Acts, ch 1256, §25

**67.13 Reports revealing grounds of removal.**

When any report as to the condition of a state office, other than the report of said commission, is made and filed under authority of law, and said report reveals grounds for the removal from office of a public officer, the person filing said report shall also file a copy thereof with the governor and with the attorney general.

[C24, 27, 31, 35, 39, §**1130;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §67.13]

# CHAPTER 68

## IMPEACHMENT

Referred to in §602.2201


68.1 Impeachment defined.
68.2 Specification of charges — majority must concur.
68.3 Board of managers — articles.
68.4 Notice to governor.
68.5 Officer suspended — temporary appointment.
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68.7 Warrant of arrest.
68.8 Appearance — answer — counsel.
68.9 Organization of court.
68.10 Powers of court.
68.11 Record of proceedings — administering oaths.
68.12 Process for witnesses.
68.13 Punishment.
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**68.1 Impeachment defined.**

An impeachment is a written accusation against the governor, or a judicial officer, or other state officer, by the house of representatives before the senate, of a misdemeanor or malfeasance in office.

[R60, §4937; C73, §4546; C97, §5469; C24, 27, 31, 35, 39, §**1131;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.1]

83 Acts, ch 186, §10033, 10201

**68.2 Specification of charges — majority must concur.**

An impeachment must specify the offenses charged as in an indictment. If more than one misdemeanor or malfeasance is charged, each shall be stated separately and distinctly. A majority of all the members of the house of representatives elected must concur in the impeachment.

[C51, §3157, 3158; R60, §4938 – 4940; C73, §4547 – 4549; C97, §5470; C24, 27, 31, 35, 39, §**1132;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.2]

**68.3 Board of managers — articles.**

When an impeachment is concurred in, the house of representatives shall elect from its own body seven members whose duty it shall be to prosecute the same, and, as a board of managers, they shall be authorized to exhibit and present articles of impeachment in accordance with the resolutions of the house previously adopted.

[C97, §5471; C24, 27, 31, 35, 39, §**1133;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.3]

**68.4 Notice to governor.**

When an impeachment is concurred in, the clerk of the house of representatives must forthwith in writing notify the governor thereof.

[C97, §5472; C24, 27, 31, 35, 39, §**1134;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.4]

**68.5 Officer suspended — temporary appointment.**

Every officer impeached shall be suspended by the governor from the exercise of the officer's official duties until the officer's acquittal, and the governor shall forthwith appoint some suitable person to temporarily fill the office, and that person, having qualified as required by law, shall perform all the duties and enjoy all the rights pertaining to the office until the removal of the suspension of the person's predecessor or the election of a successor.

[C51, §3165; R60, §4948; C73, §4554; C97, §5473; C24, 27, 31, 35, 39, §**1135;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.5]

Qualification by temporary officer, §63.9, 67.8

**68.6 President of senate — notice to senate.**

If the president of the senate is impeached, notice thereof must be immediately given to the senate, which shall thereupon choose another president, to hold office until the result of the trial is determined.

[C51, §3167; R60, §4949; C73, §4555; C97, §5474; C24, 27, 31, 35, 39, §**1136;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.6]

**68.7 Warrant of arrest.**

When presented with an impeachment, the senate must forthwith cause the person accused to be arrested and brought before it. The warrant of arrest or other process shall be issued by the secretary of the senate, signed by the secretary, and may be served by any person authorized by the senate or president.

[C51, §3159, 3160; R60, §4941, 4942; C73, §4550, 4551; C97, §5475; C24, 27, 31, 35, 39, §**1137;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.7]

Approval of warrant and expenses, §70A.12, 70A.13

**68.8 Appearance — answer — counsel.**

Upon the appearance of the person impeached, the person is entitled to a copy of the impeachment, and to a reasonable time in which to answer the same, and shall be allowed counsel as in an ordinary criminal prosecution.

[C51, §3161; R60, §4943; C73, §4552; C97, §5476; C24, 27, 31, 35, 39, §**1138;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.8]

Right to counsel, R.Cr.P. 2.8

**68.9 Organization of court.**

When an impeachment is presented, the senate shall, after the hour of final adjournment of the legislature, be forthwith organized as a court of impeachment for the trial thereof, at the capitol.

An oath or affirmation shall be administered by the secretary of the senate to its president, and by the president to each member of that body, to the effect that the member will truly and impartially try and determine the charges of impeachment according to the law and evidence.

No member shall sit on the trial or give evidence thereon until the member has taken such oath or affirmation.

The organization of such court shall be perfected when such presiding officer and the members present, but not less than a majority of the whole number, have taken and subscribed the oath or affirmation.

[C51, §3162; R60, §4944; C73, §4553; C97, §5477; C24, 27, 31, 35, 39, §**1139;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.9]

**68.10 Powers of court.**

The court of impeachment shall sit in the senate chamber, and have power:

1. To compel the attendance of its members as the senate may do when engaged in the ordinary business of legislation.
2. To establish rules necessary for the trial of the accused.
3. To appoint from time to time such subordinate officers, clerks, and reporters as are necessary for the convenient transaction of its business, and at any time to remove any of them.
4. To issue subpoenas, process, and orders, which shall run into any part of the state, and may be served by any adult person authorized so to do by the president of the senate, or by the sheriff of any county, or the sheriff's deputy, in the name of the state, and with the same force and effect as in an ordinary criminal prosecution, and to compel obedience thereto.
5. To exercise the powers and privileges conferred upon the senate for punishment as for contempts in chapter 2.
6. To adjourn from time to time, and to dissolve when its work is completed.

[C97, §5478; C24, 27, 31, 35, 39, §**1140;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.10]
99 Acts, ch 96, §6
Contempts, §2.18 – 2.22, chapter 665

**68.11 Record of proceedings — administering oaths.**

The secretary of the senate, in all cases of impeachment, shall keep a full and accurate record of the proceedings, which shall be a public record; and shall have power to administer all requisite oaths or affirmations, and issue subpoenas for witnesses.

[R60, §4959; C73, §4570; C97, §5479; C24, 27, 31, 35, 39, §**1141;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.11]

**68.12 Process for witnesses.**

The board of managers and counsel for the person impeached shall each be entitled to process for compelling the attendance of persons or the production of papers and records required in the trial of the impeachment.

[C97, §5480; C24, 27, 31, 35, 39, §**1142;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.12]

**68.13 Punishment.**

When any person impeached is found guilty, judgment shall be rendered for removal from office and disqualification to hold any office of honor, trust, or profit under the state.

[C97, §5481; C24, 27, 31, 35, 39, §**1143;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.13]

**68.14 Compensation — fees — payment.**

The presiding officer and members of the senate, while sitting as a court of impeachment, and the managers elected by the house of representatives, shall receive the sum of six dollars each per day, and shall be reimbursed for mileage expense in going from and returning to their places of residence by the ordinary traveled routes; the secretary, sergeant at arms, and all subordinate officers, clerks, and reporters, shall receive such amount as shall be determined upon by a majority vote of the members of such court. The same fees shall be allowed to witnesses, to officers, and to other persons serving process or orders, as are allowed for like services in criminal cases, but no fees can be demanded in advance. The state treasurer shall, upon the presentation of certificates signed by the presiding officer and secretary of the senate, pay all of the foregoing compensations and the expenses of the senate incurred under the provisions of this chapter.

[C97, §5482; C24, 27, 31, 35, 39, §**1144;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §68.14]
Payment for use of automobile, see §70A.9
Sheriff's fees, §331.655(1)
Witness fees, §622.69 – 622.75
Witnesses in criminal cases, R.Cr.P. 2.20

# CHAPTER 68A

## CAMPAIGN FINANCE

Referred to in §39.3, 43.5, 53.2, 53.3, 53.9, 66.1A, 68B.2, 68B.32, 68B.32A, 68B.32B, 68B.32C, 68B.32D, 533.212

Transferred from ch 56 in Code Supplement 2003 pursuant
to Code editor directive; 2003 Acts, ch 40, §9
Chapter applicable to primary elections; §43.5
See §68B.32 et seq. for establishment and duties
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## SUBCHAPTER I

## GENERAL PROVISIONS

**68A.101 Citation and administration.**

This chapter may be cited as the "*Campaign Disclosure – Income Tax Checkoff Act*". The Iowa ethics and campaign disclosure board shall administer this chapter as provided in sections 68B.32, 68B.32A, 68B.32B, 68B.32C, and 68B.32D.

[C75, 77, 79, 81, §56.1]
2003 Acts, ch 40, §9
CS2003, §68A.101
2009 Acts, ch 42, §1

**68A.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "*Ballot issue*" means a question, other than the nomination or election of a candidate to a public office, which has been approved by a political subdivision or the general assembly or is required by law to be placed before the voters of the political subdivision by a commissioner of elections, or to be placed before the voters by the state commissioner of elections.

2. "*Board*" means the Iowa ethics and campaign disclosure board established under section 68B.32.

3. "*Campaign function*" means any meeting related to a candidate's campaign for election.

4. "*Candidate*" means any individual who has taken affirmative action to seek nomination or election to a public office and shall also include any judge standing for retention in a judicial election.

5. "*Candidate's committee*" means the committee designated by the candidate for a state, county, city, or school office to receive contributions in excess of seven hundred fifty dollars in the aggregate, expend funds in excess of seven hundred fifty dollars in the aggregate, or incur indebtedness on behalf of the candidate in excess of seven hundred fifty dollars in the aggregate in any calendar year.

6. "*Clearly identified*" means that a communication contains an unambiguous reference to a particular candidate or ballot issue, including but not limited to one or more of the following:

*a.* Use of the name of the candidate or ballot issue.

*b.* Use of a photograph or drawing of the candidate, or the use of a particular symbol associated with a specific ballot issue.

*c.* Use of a candidate's initials, nickname, office, or status as a candidate, or use of acronym, popular name, or characterization of a ballot issue.

7. "*Commissioner*" means the county auditor of each county, who is designated as the county commissioner of elections pursuant to section 47.2.

8. "*Committee*" includes a political committee and a candidate's committee.

9. "*Consultant*" means a person who provides or procures services including but not limited to consulting, public relations, advertising, fundraising, polling, managing or organizing services.

10. *a.* "*Contribution*" means:

(1) A gift, loan, advance, deposit, rebate, refund, or transfer of money or a gift in kind.

(2) The payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to a candidate or political committee for any such purpose.

*b.* "*Contribution*" shall not include:

(1) Services provided without compensation by individuals volunteering their time on behalf of a candidate's committee or political committee or a state or county statutory political committee except when organized or provided on a collective basis by a business, trade association, labor union, or any other organized group or association.

(2) Refreshments served at a campaign function so long as such refreshments do not exceed fifty dollars in value or transportation provided to a candidate so long as its value

computed at the current rate of reimbursement allowed under the standard mileage rate method for computation of business expenses pursuant to the Internal Revenue Code does not exceed one hundred dollars in value in any one reporting period.

(3) Something provided to a candidate for the candidate's personal consumption or use and not intended for or on behalf of the candidate's committee.

11. *"County office"* includes the office of drainage district trustee.

12. *"County statutory political committee"* means a committee as described in section 43.100 that accepts contributions in excess of seven hundred fifty dollars in the aggregate, makes expenditures in excess of seven hundred fifty dollars in the aggregate, or incurs indebtedness in excess of seven hundred fifty dollars in the aggregate in any one calendar year to expressly advocate the nomination, election, or defeat of a candidate for public office.

13. *"Disclosure report"* means a statement of contributions received, expenditures made, and indebtedness incurred on forms prescribed by rules adopted by the board in accordance with chapter 17A.

14. *"Express advocacy"* or to *"expressly advocate"* means communication that can be characterized according to at least one of the following descriptions:

*a.* The communication is political speech made in the form of a contribution.

*b.* In advocating the election or defeat of one or more clearly identified candidates or the passage or defeat of one or more clearly identified ballot issues, the communication includes explicit words that unambiguously indicate that the communication is recommending or supporting a particular outcome in the election with regard to any clearly identified candidate or ballot issue.

15. *"Fundraising event"* means any campaign function to which admission is charged or at which goods or services are sold.

16. *"National political party"* means a party which meets the definition of a political party established for this state by section 43.2, and which also meets the statutory definition of the term "political party" or a term of like import in at least twenty-five other states of the United States.

17. *"Person"* means, without limitation, any individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, labor union, or any other legal entity.

18. *"Political committee"* means any of the following:

*a.* A committee, but not a candidate's committee, that accepts contributions in excess of seven hundred fifty dollars in the aggregate, makes expenditures in excess of seven hundred fifty dollars in the aggregate, or incurs indebtedness in excess of seven hundred fifty dollars in the aggregate in any one calendar year to expressly advocate the nomination, election, or defeat of a candidate for public office, or to expressly advocate the passage or defeat of a ballot issue.

*b.* An association, lodge, society, cooperative, union, fraternity, sorority, educational institution, civic organization, labor organization, religious organization, or professional organization that accepts contributions in excess of seven hundred fifty dollars in the aggregate, makes expenditures in excess of seven hundred fifty dollars in the aggregate, or incurs indebtedness in excess of seven hundred fifty dollars in the aggregate in any one calendar year to expressly advocate the nomination, election, or defeat of a candidate for public office, or to expressly advocate the passage or defeat of a ballot issue.

*c.* A person, other than an individual, that accepts contributions in excess of seven hundred fifty dollars in the aggregate, makes expenditures in excess of seven hundred fifty dollars in the aggregate, or incurs indebtedness in excess of seven hundred fifty dollars in the aggregate in any one calendar year to expressly advocate that an individual should or should not seek election to a public office prior to the individual becoming a candidate as defined in subsection 4.

19. *"Political purpose"* or *"political purposes"* means the express advocacy of a candidate or ballot issue.

20. *"Public office"* means any state, county, city, or school office filled by election.

21. *"State income tax liability"* means the state individual income tax imposed under

section 422.5, less the amounts of nonrefundable credits allowed under chapter 422, division II.

22. *"State statutory political committee"* means a committee as defined in section 43.111.

[C75, 77, 79, 81, §56.2; 81 Acts, ch 35, §1, 2]

83 Acts, ch 139, §2, 14; 86 Acts, ch 1023, §1; 87 Acts, ch 112, §1, 2; 91 Acts, ch 226, §1; 92 Acts, ch 1228, §22 – 24; 93 Acts, ch 142, §1 – 3; 93 Acts, ch 163, §28 – 30, 38; 94 Acts, ch 1023, §80; 94 Acts, ch 1180, §31, 32; 95 Acts, ch 198, §1, 2; 99 Acts, ch 136, §1, 2, 17; 2002 Acts, ch 1073, §1, 2, 11; 2002 Acts, ch 1119, §124; 2003 Acts, ch 40, §9

CS2003, §68A.102

2005 Acts, ch 72, §3, 4; 2006 Acts, ch 1158, §2; 2007 Acts, ch 14, §1; 2008 Acts, ch 1031, §84; 2010 Acts, ch 1025, §1, 2

Referred to in §43.18, 43.67, 44.3, 45.3, 68A.201, 68A.202, 68A.402, 99B.7, 99F.6

"State commissioner" defined, §39.3

**68A.103 Applicability to federal candidates.**

1. The requirements of this chapter relative to disclosure of contributions shall apply to candidates and political committees for federal office only in the event such candidates are not subject to a federal law requiring the disclosure of campaign financing. Any such federal law shall supersede the provisions of this chapter.

2. The provisions of this chapter under which money from the Iowa election campaign fund may be made available to or used for the benefit of candidates and candidates' committees shall apply to candidates for federal office and their candidates' committees only if matching funds to pay a portion of their campaign expenses are not available to such candidates or their committees from the federal government.

[C75, 77, 79, 81, §56.17]

2003 Acts, ch 40, §9

CS2003, §68A.103

Referred to in §68A.604

**68A.104 Certain accounts by officeholders prohibited.**

A holder of public office shall not maintain an account, other than a campaign account, to receive contributions for the purpose of publishing and distributing newsletters or performing other constituent services related to the official duties of public office. This section applies whether or not the officeholder is a candidate.

91 Acts, ch 226, §14

CS91, §56.46

2003 Acts, ch 40, §9

CS2003, §68A.104

## SUBCHAPTER II

## COMMITTEE ORGANIZATION — DUTIES OF OFFICERS

**68A.201 Organization statement.**

1. Every committee, as defined in this chapter, shall file a statement of organization within ten days from the date of its organization. Unless formal organization has previously occurred, a committee is deemed to have organized as of the date that committee transactions exceed the financial activity threshold established in section 68A.102, subsection 5 or 18. If committee transactions exceed the financial activity threshold prior to the due date for filing a disclosure report as established under section 68A.402, the committee shall file a disclosure report whether or not a statement of organization has been filed by the committee.

2. The statement of organization shall include:

*a.* The name, purpose, mailing address, and telephone number of the committee. The committee name shall not duplicate the name of another committee organized under this

section. For candidate's committees filing initial statements of organization on or after July 1, 1995, the candidate's name shall be contained within the committee name.

*b.* The name, mailing address, and position of the committee officers.

*c.* The name, address, office sought, and the party affiliation of all candidates whom the committee is supporting and, if the committee is supporting the entire ticket of any party, the name of the party. If, however, the committee is supporting several candidates who are not identified by name or are not of the same political affiliation, the committee may provide a statement of purpose in lieu of candidate names or political party affiliation.

*d.* Such other information as may be required by this chapter or rules adopted pursuant to this chapter.

*e.* A signed statement by the treasurer of the committee and the candidate, in the case of a candidate's committee, which shall verify that they are aware of the requirement to file disclosure reports if the committee, the committee officers, the candidate, or both the committee officers and the candidate receive contributions in excess of seven hundred fifty dollars in the aggregate, make expenditures in excess of seven hundred fifty dollars in the aggregate, or incur indebtedness in excess of seven hundred fifty dollars in the aggregate in a calendar year to expressly advocate the nomination, election, or defeat of any candidate for public office. In the case of political committees, statements shall be made by the treasurer of the committee and the chairperson.

*f.* The identification of any parent entity or other affiliates or sponsors.

*g.* The name of the financial institution in which the committee receipts will be deposited.

3. Any change in information previously submitted in a statement of organization or notice in case of dissolution of the committee shall be reported to the board not more than thirty days from the date of the change or dissolution.

4. A list, by office and district, of all candidates who have filed an affidavit of candidacy in the office of the secretary of state shall be prepared by the secretary of state and delivered to the board not more than ten days after the last day for filing nomination papers.

[S13, §1137-a1; C24, 27, 31, 35, 39, §**973;** C46, 50, 54, 58, 62, 66, 71, 73, §56.2; C75, 77, 79, 81, §56.5; 81 Acts, ch 35, §5]

86 Acts, ch 1023, §3, 4; 87 Acts, ch 112, §5; 91 Acts, ch 226, §3; 93 Acts, ch 142, §5; 93 Acts, ch 163, §31, 38; 94 Acts, ch 1180, §33; 95 Acts, ch 198, §5 – 7; 99 Acts, ch 136, §4, 17; 2002 Acts, ch 1073, §4, 5, 11; 2003 Acts, ch 40, §2, 9; 2003 Acts, ch 179, §81

CS2003, §68A.201

2004 Acts, ch 1042, §1, 2; 2007 Acts, ch 14, §2, 3; 2010 Acts, ch 1024, §1

Referred to in §68A.201A, 68A.405, 68A.406

**68A.201A Contributions from federal and out-of-state committees or organizations.**

1. When either a committee or organization not organized as a committee under section 68A.201 makes a contribution to a committee organized in Iowa, that committee or organization shall disclose each contribution in excess of fifty dollars to the board.

2. A committee or organization not organized as a committee under section 68A.201 that is not registered and filing full disclosure reports of all financial activities with the federal election commission or another state's disclosure commission shall register and file full disclosure reports with the board pursuant to this chapter. The committee or organization shall either appoint an eligible Iowa elector as committee or organization treasurer, or shall maintain all committee funds in an account in a financial institution located in Iowa.

3. A committee that is currently filing a disclosure report in another jurisdiction shall either file a statement of organization under section 68A.201 and file disclosure reports under section 68A.402, or shall file a verified statement with the board within fifteen days of the contribution being made.

4. The verified statement shall be on forms prescribed by the board and shall attest that the committee is filing reports with the federal election commission or in a jurisdiction with reporting requirements which are substantially similar to those of this chapter, and that the contribution is made from an account that does not accept contributions that would be in violation of section 68A.503.

5. The verified statement shall include the complete name, address, and telephone number

of the contributing committee, the state or federal jurisdiction under which it is registered or operates, the identification of any parent entity or other affiliates or sponsors, its purpose, the name and address of an Iowa resident authorized to receive service of original notice, the name and address of the receiving committee, the amount of the cash or in-kind contribution, and the date the contribution was made.

6. Effective January 1, 2011, the verified statement shall be filed in an electronic format by 4:30 p.m. of the day the filing is due.

2010 Acts, ch 1024, §2

Referred to in §68A.401

**68A.202 Candidate's committee.**

1. Each candidate for state, county, city, or school office shall organize one, and only one, candidate's committee for a specific office sought when the candidate receives contributions in excess of seven hundred fifty dollars in the aggregate, makes expenditures in excess of seven hundred fifty dollars in the aggregate, or incurs indebtedness in excess of seven hundred fifty dollars in the aggregate in a calendar year.

2. *a.* A political committee shall not be established to expressly advocate the nomination, election, or defeat of only one candidate for office. However, a political committee may be established to expressly advocate the passage or defeat of approval of a single judge standing for retention. A permanent organization, as defined in section 68A.402, subsection 9, may make a one-time contribution to only one candidate for office in excess of seven hundred fifty dollars.

*b.* The prohibition in paragraph "*a*" does not apply to a political committee described in section 68A.102, subsection 18, paragraph "*c*", until the individual becomes a candidate for public office. A political committee organized to expressly advocate that an individual should or should not seek election to a public office prior to the individual becoming a candidate for public office shall be dissolved when the individual becomes a candidate for public office.

[C77, 79, 81, §56.28; 81 Acts, ch 35, §13]

83 Acts, ch 139, §12, 14

C91, §56.5A

91 Acts, ch 226, §4; 93 Acts, ch 142, §6; 94 Acts, ch 1023, §81; 94 Acts, ch 1180, §34; 95 Acts, ch 198, §8; 99 Acts, ch 136, §5, 17; 2002 Acts, ch 1073, §6, 11; 2003 Acts, ch 40, §9

CS2003, §68A.202

2004 Acts, ch 1042, §3; 2010 Acts, ch 1025, §3

**68A.203 Committee treasurer and chairperson — duties.**

1. *a.* Every candidate's committee shall appoint a treasurer who shall be an Iowa resident who has reached the age of majority. Every political committee, state statutory political committee, and county statutory political committee shall appoint both a treasurer and a chairperson, each of whom shall have reached the age of majority.

*b.* Every candidate's committee shall maintain all of the committee's funds in bank accounts in a financial institution located in Iowa. Every political committee, state statutory political committee, and county statutory political committee shall either have an Iowa resident as treasurer or maintain all of the committee's funds in bank accounts in a financial institution located in Iowa.

*c.* An expenditure shall not be made by the treasurer or treasurer's designee for or on behalf of a committee without the approval of the chairperson of the committee, or the candidate. Expenditures shall be remitted to the designated recipient within fifteen days of the date of the issuance of the payment.

2. *a.* An individual who receives contributions for a committee without the prior authorization of the chairperson of the committee or the candidate shall be responsible for either rendering the contributions to the treasurer within fifteen days of the date of receipt of the contributions, or depositing the contributions in the account maintained by the committee within seven days of the date of receipt of the contributions.

*b.* A person, other than a candidate or committee officer, who receives contributions for a committee shall, not later than fifteen days from the date of receipt of the contributions or on

demand of the treasurer, render to the treasurer the contributions and an account of the total of all contributions, including the name and address of each person making a contribution in excess of ten dollars, the amount of the contributions, and the date on which the contributions were received.

*c.* The treasurer shall deposit all contributions within seven days of receipt by the treasurer in an account maintained by the committee.

*d.* All funds of a committee shall be segregated from any other funds held by officers, members, or associates of the committee or the committee's candidate. However, if a candidate's committee receives contributions only from the candidate, or if a permanent organization temporarily engages in activity that qualifies it as a political committee and all expenditures of the organization are made from existing general operating funds and funds are not solicited or received for this purpose from sources other than operating funds, then that committee is not required to maintain a separate account in a financial institution.

*e.* Committee funds or committee property shall not be used for the personal benefit of a candidate, officer, member, or associate of the committee. The funds of a committee are not attachable for the personal debt of the committee's candidate or an officer, member, or associate of the committee.

3. The treasurer of a committee shall keep a detailed and exact account of:

*a.* All contributions made to or for the committee.

*b.* The name and mailing address of every person making contributions in excess of ten dollars, and the date and amount of the contribution.

*c.* All disbursements made from contributions by or on behalf of the committee.

*d.* The name and mailing address of every person to whom any expenditure is made, the purpose of the expenditure, the date and amount of the expenditure and the name and address of, and office sought by each candidate, if any, on whose behalf the expenditure was made. Notwithstanding this paragraph, the treasurer may keep a miscellaneous account for disbursements of less than five dollars which need only show the amount of the disbursement so long as the aggregate miscellaneous disbursements to any one person during a calendar year do not exceed one hundred dollars.

*e.* Notwithstanding the provisions of subsection 3, paragraph *"d"*, of this section, when an expenditure is made by a committee in support of the entire state or local political party ticket, only the name of the party shall be given.

4. The treasurer and candidate in the case of a candidate's committee, and the treasurer and chairperson in the case of a political committee, shall preserve all records required to be kept by this section for a period of five years. However, a committee is not required to preserve any records for more than three years from the certified date of dissolution of the committee. For purposes of this section, the five-year period shall commence with the due date of the disclosure report covering the activity documented in the records.

[C75, 77, 79, 81, §56.3; 81 Acts, ch 35, §3]

83 Acts, ch 139, §3, 14; 86 Acts, ch 1023, §2; 87 Acts, ch 112, §3; 88 Acts, ch 1158, §8; 91 Acts, ch 226, §2; 93 Acts, ch 142, §4; 95 Acts, ch 198, §3; 2003 Acts, ch 40, §1, 9

CS2003, §68A.203

2005 Acts, ch 72, §5; 2007 Acts, ch 14, §4

## SUBCHAPTER III

## CAMPAIGN FUNDS AND PROPERTY

**68A.301 Campaign funds.**

1. A candidate's committee shall not accept contributions from, or make contributions to, any other candidate's committee including candidate's committees from other states or for federal office, unless the candidate for whom each committee is established is the same person. For purposes of this section, *"contributions"* includes monetary and in-kind contributions but does not include travel costs incurred by a candidate in attending a

campaign event of another candidate and does not include the sharing of information in any format.

2. This section shall not be construed to prohibit a candidate or candidate's committee from using campaign funds or accepting contributions for tickets to meals if the candidate attends solely for the purpose of enhancing the person's candidacy or the candidacy of another person.

91 Acts, ch 226, §9
CS91, §56.40
93 Acts, ch 142, §10; 2003 Acts, ch 40, §9
CS2003, §68A.301
2004 Acts, ch 1042, §4; 2009 Acts, ch 42, §2

**68A.302 Uses of campaign funds.**

1. A candidate and the candidate's committee shall use campaign funds only for campaign purposes, educational and other expenses associated with the duties of office, or constituency services, and shall not use campaign funds for personal expenses or personal benefit. The purchase of subscriptions to newspapers from or which circulate within the area represented by the office which a candidate is seeking or holds is presumed to be an expense that is associated with the duties of the campaign for and duties of office.

2. Campaign funds shall not be used for any of the following purposes:

*a.* Payment of civil or criminal penalties. However, payment of civil penalties relating to campaign finance and disclosure requirements is permitted.

*b.* Satisfaction of personal debts, other than campaign loans.

*c.* Personal services, including the services of attorneys, accountants, physicians, and other professional persons. However, payment for personal services directly related to campaign activities is permitted.

*d.* Clothing or laundry expense of a candidate or members of the candidate's family.

*e.* Purchase of or installment payments for a motor vehicle. However, a candidate may lease a motor vehicle during the duration of the campaign if the vehicle will be used for campaign purposes. If a vehicle is leased, detailed records shall be kept on the use of the vehicle and the cost of noncampaign usage shall not be paid from campaign funds. Candidates and campaign workers may be reimbursed for actual mileage for campaign-related travel at a rate not to exceed the current rate of reimbursement allowed under the standard mileage rate method for computation of business expenses pursuant to the Internal Revenue Code.

*f.* Mortgage payments, rental payments, furnishings, or renovation or improvement expenses for a permanent residence of a candidate or family member, including a residence in the state capital during a term of office or legislative session.

*g.* Membership in professional organizations.

*h.* Membership in service organizations, except those organizations which the candidate joins solely for the purpose of enhancing the candidacy.

*i.* Meals, groceries, or other food expense, except for tickets to meals that the candidate attends solely for the purpose of enhancing the candidacy or the candidacy of another person. However, payment for food and drink purchased for campaign-related purposes and for entertainment of campaign volunteers is permitted.

*j.* Payments clearly in excess of the fair market value of the item or service purchased.

*k.* Payment to a candidate or the candidate's immediate family member as a salary, gratuity, or other compensation. However, reimbursement of expenses as otherwise authorized in this section is permitted. For purposes of this paragraph, "*immediate family member*" means the spouse or dependent child of a candidate.

3. The board shall adopt rules which list items that represent proper campaign expenses.

91 Acts, ch 226, §10
CS91, §56.41
92 Acts, ch 1228, §27, 28; 93 Acts, ch 142, §11; 93 Acts, ch 163, §38; 95 Acts, ch 198, §15; 2003 Acts, ch 40, §9

CS2003, §68A.302
2009 Acts, ch 20, §1
Referred to in §68A.303, 68A.402B

**68A.303 Transfer of campaign funds.**

1. In addition to the uses permitted under section 68A.302, a candidate's committee may only transfer campaign funds in one or more of the following ways:

*a.* Contributions to charitable organizations unless the candidate or the candidate's spouse, child, stepchild, brother, brother-in-law, stepbrother, sister, sister-in-law, stepsister, parent, parent-in-law, or stepparent is employed by the charitable organization and will receive a direct financial benefit from a contribution.

*b.* Contributions to national, state, or local political party central committees, or to partisan political committees organized to represent persons within the boundaries of a congressional district.

*c.* Transfers to the treasurer of state for deposit in the general fund of the state, or to the appropriate treasurer for deposit in the general fund of a political subdivision of the state.

*d.* Return of contributions to contributors on a pro rata basis, except that any contributor who contributed five dollars or less may be excluded from the distribution.

*e.* Contributions to another candidate's committee when the candidate for whom both committees are formed is the same person.

2. If an unexpended balance of campaign funds remains when a candidate's committee dissolves, the unexpended balance shall be transferred pursuant to subsection 1.

3. A candidate or candidate's committee making a transfer of campaign funds pursuant to subsection 1 or 2 shall not place any requirements or conditions on the use of the campaign funds transferred.

4. A candidate or candidate's committee shall not transfer campaign funds except as provided in this section.

5. A candidate, candidate's committee, or any other person shall not directly or indirectly receive or transfer campaign funds with the intent of circumventing the requirements of this section. A candidate for statewide or legislative office shall not establish, direct, or maintain a political committee.

6. A person shall not knowingly make transfers or contributions to a candidate or candidate's committee for the purpose of transferring the funds to another candidate or candidate's committee to avoid the disclosure of the source of the funds pursuant to this chapter. A candidate or candidate's committee shall not knowingly accept transfers or contributions from any person for the purpose of transferring funds to another candidate or candidate's committee as prohibited by this subsection. A candidate or candidate's committee shall not accept transfers or contributions which have been transferred to another candidate or candidate's committee as prohibited by this subsection. The board shall notify candidates of the prohibition of such transfers and contributions under this subsection.

91 Acts, ch 226, §11
CS91, §56.42
92 Acts, ch 1228, §29; 93 Acts, ch 163, §34, 38; 95 Acts, ch 198, §16; 2003 Acts, ch 40, §9
CS2003, §68A.303
2004 Acts, ch 1042, §5; 2009 Acts, ch 42, §3
Referred to in §68A.304, 68A.402B

**68A.304 Campaign property.**

1. *a.* Equipment, supplies, or other materials purchased with campaign funds or received in-kind are campaign property.

*b.* Campaign property belongs to the candidate's committee and not to the candidate.

*c.* Campaign property that has a value of five hundred dollars or more at the time it is acquired by the committee shall be separately disclosed as committee inventory on reports filed pursuant to section 68A.402, including a declaration of the approximate current value of the property. The campaign property shall continue to be reported as committee inventory

until it is disposed of by the committee or until the property has been reported once as having a residual value of less than one hundred dollars.

*d.* Consumable campaign property is not required to be reported as committee inventory, regardless of the initial value of the consumable campaign property. "*Consumable campaign property*", for purposes of this section, means stationery, campaign signs, and other campaign materials that have been permanently imprinted to be specific to a candidate or election.

2. Upon dissolution of the candidate's committee, a report accounting for the disposition of all items of campaign property, excluding consumable campaign property, having a residual value of one hundred dollars or more shall be filed with the board. Campaign property, excluding consumable campaign property, having a residual value of one hundred dollars or more shall be disposed of by one of the following methods:

*a.* Sale of the property at fair market value, in which case the proceeds shall be treated the same as other campaign funds.

*b.* Donation of the property under one of the options for transferring campaign funds set forth in section 68A.303.

3. Consumable campaign property may be disposed of in any manner by the candidate's committee. A candidate's committee shall not transfer consumable campaign property to another candidate without receiving fair market value compensation unless the candidate in both campaigns is the same person.

4. The board shall adopt rules pursuant to chapter 17A defining "*fair market value*" for purposes of this section.

91 Acts, ch 226, §12
CS91, §56.43
93 Acts, ch 163, §38; 95 Acts, ch 198, §17; 2003 Acts, ch 40, §8, 9
CS2003, §68A.304
2005 Acts, ch 72, §6, 7; 2010 Acts, ch 1025, §4
Referred to in §68A.402A

## SUBCHAPTER IV

## REPORTS — INDEPENDENT EXPENDITURES — POLITICAL MATERIAL

**68A.401 Reports filed with board.**

1. All statements and reports required to be filed under this chapter shall be filed with the board as provided in section 68A.402, subsection 1. The board shall post on its internet site all statements and reports filed under this chapter. For purposes of this section, the term "*statement*" does not include a bank statement.

*a.* A state statutory political committee, a political committee expressly advocating for or against the nomination, election, or defeat of a candidate for statewide office or the general assembly, and a candidate's committee of a candidate for statewide office or the general assembly shall file all statements and reports in an electronic format by 4:30 p.m. of the day the filing is due and according to rules adopted by the board.

*b.* Effective January 1, 2011, a county statutory political committee shall file all statements and reports in an electronic format by 4:30 p.m. of the day the filing is due and according to rules adopted by the board.

*c.* Effective January 1, 2011, any other candidate or committee involved in a county, city, school, or other political subdivision election that accepts monetary or in-kind contributions in excess of two thousand dollars, or incurs indebtedness in excess of two thousand dollars in the aggregate in a calendar year, or makes expenditures in excess of two thousand dollars in a calendar year to expressly advocate for or against a clearly identified candidate or ballot issue shall file all statements and reports in an electronic format by 4:30 p.m. of the day the filing is due and according to rules adopted by the board. The committee shall continue to file subsequent statements and reports in an electronic format until being certified as dissolved under section 68A.402B.

*d.* Any other candidate or political committee not otherwise required to file a statement or report in an electronic format under this section shall file the statements and reports in either an electronic format as prescribed by rule or by one of the methods specified in section 68A.402, subsection 1.

*e.* If the board determines that a violation of this subsection has occurred, the board may impose any of the remedies or penalties provided for under section 68B.32D, except that the board shall not refer any complaint or supporting information of a violation of this section to the attorney general or any county attorney for prosecution.

2. The board shall retain filed statements and reports for at least five years from the date of the election in which the committee is involved, or at least five years from the certified date of dissolution of the committee, whichever date is later.

3. The candidate of a candidate's committee, or the chairperson of any other committee, is responsible for filing statements and reports under this chapter. The board shall send notice to a committee that has failed to file a disclosure report at the time required under section 68A.402. A candidate of a candidate's committee, or the chairperson of any other committee, may be subject to a civil penalty for failure to file a disclosure report required under section 68A.402.

4. Political committees expressly advocating the nomination, election, or defeat of candidates for both federal office and any elected office created by law or the Constitution of the State of Iowa shall file statements and reports with the board in addition to any federal reports required to be filed with the board. However, a political committee that is registered and filing full disclosure reports of all financial activities with the federal election commission may file verified statements as provided in section 68A.201A.

[S13, §1137-a1, -a3; C24, 27, 31, 35, 39, §**974, 975;** C46, 50, 54, 58, 62, 66, 71, 73, §56.3, 56.4; C75, 77, 79, 81, §56.4; 81 Acts, ch 35, §4]

87 Acts, ch 112, §4; 93 Acts, ch 163, §33; 95 Acts, ch 198, §4; 99 Acts, ch 136, §3, 17; 2002 Acts, ch 1073, §3, 11; 2003 Acts, ch 40, §9; 2003 Acts, ch 44, §28

CS2003, §68A.401

2007 Acts, ch 14, §5; 2007 Acts, ch 80, §1, 2, 5; 2009 Acts, ch 8, §1, 2; 2010 Acts, ch 1024, §3; 2011 Acts, ch 34, §17; 2011 Acts, ch 131, §53, 158; 2013 Acts, ch 90, §257

Referred to in §68A.402, 68A.403

2007 amendment adding paragraphs a and e to subsection 1 applies to committees that file a statement of organization on or after January 1, 2010, and to all committees, regardless of when they file statements of organization, on January 1, 2012; 2007 Acts, ch 80, §5

Code editor directive applied

**68A.401A Reporting of contributions and expenditures relating to issue advocacy.**

1. A political organization that is required to file reports with the internal revenue service, pursuant to 26 U.S.C. § 527, shall file a report with the board if that organization does both of the following:

*a.* Creates or disseminates a communication of issue advocacy in this state.

*b.* Receives or expects to receive twenty-five thousand dollars or more in gross receipts in any taxable year.

2. A report required under this section shall contain the following information:

*a.* The amount, date, and purpose of each expenditure made to a person if the aggregate amount of expenditures to such person during the calendar year equals or exceeds five hundred dollars and the name and address of the person, and, in the case of an individual, the occupation and name of employer of the individual.

*b.* The name and address, and, in the case of an individual, the occupation and name of employer of such individual, of all contributors which contributed an aggregate amount of two hundred dollars or more to the organization during the calendar year and the amount and date of the contribution.

3. The board shall by rule establish a procedure for the filing of reports required by this section. To the extent practicable the reporting periods and filing due dates shall be the same as set out in 26 U.S.C. § 527(j)(2).

4. The term "*issue advocacy*" means any print, radio, televised, telephonic, or electronic communication in any form or content, which is disseminated to the general public or a

segment of the general public, that refers to a clearly identified candidate for the general assembly or statewide office.

5. The penalty set out in section 68A.701 does not apply to a violation of this section. The penalties for a violation of this section are as set out in section 68B.32D.

2008 Acts, ch 1191, §37

**68A.402 Disclosure report due dates — permanent organization temporarily engaging in political activity required to file reports.**

1. *Filing methods.* Each committee shall file with the board reports disclosing information required under this section on forms prescribed by rule. Except as set out in section 68A.401, reports shall be filed on or before the required due dates by using any of the following methods: mail bearing a United States postal service postmark, hand-delivery, facsimile transmission, electronic mail attachment, or electronic filing as prescribed by rule. Any report that is required to be filed five days or less prior to an election must be physically received by the board to be considered timely filed. For purposes of this section, *"physically received"* means the report is either electronically filed using the board's electronic filing system or is received by the board prior to 4:30 p.m. on the report due date.

2. *Statewide office, general assembly, and county elections.*

*a. Election year.* A candidate's committee of a candidate for statewide office, the general assembly, or county office shall file reports in an election year as follows:

| Report due: | Covering period: |
|---|---|
| May 19 | January 1 through May 14 |
| July 19 | May 15 or Wednesday preceding primary election through July 14 |
| October 19 | July 15 through October 14 |
| January 19 (next calendar year) | October 15 or Wednesday preceding general election through December 31 |

*b. Supplementary report — statewide and general assembly elections.*

(1) A candidate's committee of a candidate for statewide office or the general assembly shall file a supplementary report in a year in which a primary, general, or special election for that office is held. The supplementary reports shall be filed if contributions are received after the close of the period covered by the last report filed prior to that primary, general, or special election if any of the following applies:

(a) The committee of a candidate for governor receives ten thousand dollars or more.

(b) The committee of a candidate for any other statewide office receives five thousand dollars or more.

(c) The committee of a candidate for the general assembly receives one thousand dollars or more.

(2) The amount of any contribution causing a supplementary report under this paragraph *"b"* shall include the estimated fair market value of any in-kind contribution. The report shall be filed by the Friday immediately preceding the election and be current through the Tuesday immediately preceding the election.

*c. Nonelection year.* A candidate's committee of a candidate for statewide office, the general assembly, or county office shall file reports in a nonelection year as follows:

| Report due: | Covering period: |
|---|---|
| January 19 | January 1 through December 31 of the previous year |

3. *City offices.*

*a. Election year.* A candidate's committee of a candidate for city office shall file a report in an election year as follows:

| Report due: | Covering period: |
|---|---|
| Five days before primary election | Date of initial activity through ten days before primary election |
| Five days before general election | Nine days before primary election through ten days before general election |
| Five days before runoff election (if applicable) | Nine days before the general election through ten days before the runoff election |
| January 19 (next calendar year) | Cutoff date from previously filed report through December 31 |

*b. Nonelection year.* A candidate's committee of a candidate for city office shall file a report in a nonelection year as follows:

| Report due: | Covering period: |
|---|---|
| January 19 (next calendar year) | January 1 through December 31 of nonelection year |

*c. Runoff elections.* Only a candidate who is eligible to participate in a runoff election is required to file a report five days before the runoff election.

4. *School board and other political subdivision elections.*

*a. Election year.* A candidate's committee of a candidate for school board or any other political subdivision office, except for county and city office, shall file a report in an election year as follows:

| Report due: | Covering period: |
|---|---|
| Five days before election | Date of initial activity through ten days before election |
| January 19 (next calendar year) | Nine days before election through December 31 |

*b. Nonelection year.* A candidate's committee of a candidate for school board or any other political subdivision office, except for county and city office, shall file a report in a nonelection year as follows:

| Report due: | Covering period: |
|---|---|
| January 19 (next calendar year) | January 1 through December 31 of nonelection year |

5. *Special elections.*

*a.* A candidate's committee shall file a report by the fifth day prior to a special election that is current through the tenth day prior to the special election.

*b. Special elections — nonelection year.* A candidate's committee at a special election shall file a report in a nonelection year as follows:

| Report due: | Covering period: |
|---|---|
| January 19 (next calendar year) | January 1 through December 31 of nonelection year |

6. *Statutory political committees.*

*a.* A state statutory political committee shall file a report on the same dates as a candidate's committee is required to file reports under subsection 2, paragraphs "*a*" and "*c*".

*b.* A county statutory political committee shall file a report on the same dates as a candidate's committee is required to file reports under subsection 2, paragraphs "*a*" and "*c*".

7. *Political committees.*

*a. Statewide office and general assembly elections.*

(1) *Election year.* A political committee expressly advocating the nomination, election, or defeat of candidates for statewide office or the general assembly shall file a report on the same dates as a candidate's committee is required to file reports under subsection 2, paragraph "*a*".

(2) *Nonelection year.* A political committee expressly advocating the nomination, election, or defeat of candidates for statewide office or the general assembly shall file a report as follows:

| Report due: | Covering period: |
|---|---|
| July 19 | January 1 through June 30 |
| January 19 (next calendar year) | July 1 through December 31 |

*b. County elections.* A political committee expressly advocating the nomination, election, or defeat of candidates for county office shall file reports on the same dates as a candidate's committee is required to file reports under subsection 2, paragraphs "*a*" and "*c*".

*c. City elections.* A political committee expressly advocating the nomination, election, or defeat of candidates for city office shall file reports on the same dates as candidates for city office are required to file reports under subsection 3.

*d. School board and other political subdivision elections.* A political committee expressly advocating the nomination, election, or defeat of candidates for school board or other political subdivision office, except for county office or city office, shall file reports on the same dates as candidates for school board or other political subdivision office are required to file reports under subsection 4.

8. *Political committees — ballot issues.* A political committee expressly advocating the passage or defeat of a ballot issue shall file reports on the same dates as a candidate's committee is required to file reports under subsection 2, paragraphs "*a*" and "*c*" and another report five days before an election covering the period from the previous report or date of initial activity through ten days before the election.

9. *Permanent organizations.* A permanent organization temporarily engaging in activity described in section 68A.102, subsection 18, shall organize a political committee and shall keep the funds relating to that political activity segregated from its operating funds. The political committee shall file reports on the appropriate due dates as required by this section. The reports filed under this subsection shall identify the source of the original funds used for a contribution made to a candidate or a committee organized under this chapter. When the permanent organization ceases to be involved in the political activity, the permanent organization shall dissolve the political committee. As used in this subsection, "*permanent organization*" means an organization that is continuing, stable, and enduring, and was originally organized for purposes other than engaging in election activities.

10. *Election year defined.* As used in this section, "*election year*" means a year in which the name of the candidate or ballot issue that is expressly advocated for or against appears on any ballot to be voted on by the electors of the state of Iowa. For state and county statutory political committees, and all other political committees except for political committees that

advocate for or against ballot issues, *"election year"* means a year in which primary and general elections are held.

[S13, §1137-a1, -a3; C24, 27, 31, 35, 39, §**972, 973, 975, 976;** C46, 50, 54, 58, 62, 66, 71, 73, §56.1, 56.2, 56.4, 56.5; C75, 77, 79, 81, §56.6; 81 Acts, ch 35, §6 – 8]

83 Acts, ch 139, §4 – 9, 14; 86 Acts, ch 1023, §5 – 9; 86 Acts, ch 1224, §38; 87 Acts, ch 112, §6, 7; 89 Acts, ch 107, §1; 90 Acts, ch 1233, §2; 91 Acts, ch 165, §1; 91 Acts, ch 226, §5; 92 Acts, ch 1228, §25; 93 Acts, ch 163, §33; 95 Acts, ch 198, §9, 10; 99 Acts, ch 136, §6, 17; 2002 Acts, ch 1073, §7, 8, 11; 2003 Acts, ch 40, §3, 9

CS2003, §68A.402

2004 Acts, ch 1114, §1; 2004 Acts, ch 1175, §363; 2005 Acts, ch 72, §8 – 11; 2007 Acts, ch 14, §6; 2007 Acts, ch 61, §1; 2007 Acts, ch 65, §1; 2007 Acts, ch 80, §3; 2008 Acts, ch 1032, §159, 201; 2008 Acts, ch 1184, §24, 28; 2009 Acts, ch 42, §4; 2010 Acts, ch 1025, §5, 6

Referred to in §68A.201, 68A.201A, 68A.202, 68A.304, 68A.401, 68A.402A, 68A.404, 68B.32A

**68A.402A Information disclosed on reports.**

1. Each report filed under section 68A.402 shall disclose:

*a.* The amount of cash on hand at the beginning of the reporting period.

*b.* The name and mailing address of each person who has made one or more contributions of money to the committee when the aggregate amount in a calendar year exceeds the amount specified in the following schedule:

(1) For any candidate for school or other political subdivision office: ..... $ 25

(2) For any candidate for city office: ..... $ 25

(3) For any candidate for county office: ..... $ 25

(4) For any candidate for the general assembly: ..... $ 25

(5) For any candidate for statewide office: ..... $ 25

(6) For any state statutory political committee: ..... $200

(7) For any county statutory political committee: ..... $ 50

(8) For any political committee: ..... $ 25

*c.* The total amount of contributions made to the committee during the reporting period and not reported under paragraph *"b"*.

*d.* The name and mailing address of each person who has made one or more in-kind contributions to the committee when the aggregate market value of the in-kind contributions in a calendar year exceeds the applicable amount specified in paragraph *"b"*. In-kind contributions shall be designated on a separate schedule from schedules showing contributions of money and shall identify the nature of the contribution and provide its estimated fair market value. A committee receiving an in-kind contribution shall report the estimated fair market value of the in-kind contribution at the time it is provided to the committee. A person providing an in-kind contribution to a committee shall notify the committee of the estimated fair market value of the in-kind contribution at the time the in-kind contribution is provided to the committee. For purposes of this section, the estimated fair market value of the in-kind contribution shall be reported regardless of whether the person has been billed for the cost of the in-kind contribution.

*e.* Each loan to any person or committee within the calendar year if in the aggregate the amount of the loan or loans exceeds the applicable amount specified in paragraph *"b"*, together with the name and mailing address of the lender and endorsers, the date and amount of each loan received, and the date and amount of each loan repayment. Loans received and loan repayments shall be reported on a separate schedule.

*f.* The name and mailing address of each person to whom disbursements or loan repayments have been made by the committee from contributions during the reporting period and the amount, purpose, and date of each disbursement except that disbursements of less than five dollars may be shown as miscellaneous disbursements so long as the aggregate miscellaneous disbursements to any one person during a calendar year do not exceed one hundred dollars.

*g.* Disbursements made to a consultant and disbursements made by the consultant during

the reporting period disclosing the name and address of the recipient, amount, purpose, and date.

*h.* The amount and nature of debts and obligations owed by the committee in excess of the applicable amounts specified in the schedule in paragraph "*b*". Loans made to a committee and reported under paragraph "*e*" shall not be considered a debt or obligation under this paragraph. A loan made by a committee to any person shall be considered a disbursement.

*i.* If a person listed under paragraph "*b*", "*d*", "*e*", or "*f*" as making a contribution or loan to or purchase from a candidate's committee is related to the candidate within the third degree of consanguinity or affinity, the existence of that person's family relationship shall be indicated on the report.

*j.* Campaign property belonging to a candidate's committee pursuant to section 68A.304.

*k.* Other pertinent information required by this chapter, by rules adopted pursuant to this chapter, or forms prescribed by the board.

2. If a report is the first report filed by a committee, the report shall include all information required under subsection 1 covering the period from the beginning of the committee's financial activity, even if from a different calendar year, through the end of the current reporting period. If no contributions have been accepted, no disbursements have been made, and no indebtedness has been incurred during that reporting period, the treasurer of the committee shall file a disclosure statement that discloses only the amount of cash on hand at the beginning of the reporting period.

2004 Acts, ch 1114, §2; 2010 Acts, ch 1119, §1, 7

Referred to in §68A.404

**68A.402B Committee dissolution — inactivity — reports.**

1. If a committee, after having filed a statement of organization or one or more disclosure reports, dissolves or determines that it will no longer receive contributions or make disbursements, the committee shall notify the board within thirty days following such dissolution or determination by filing a dissolution report on forms prescribed by the board.

2. A committee shall not dissolve until all loans, debts, and obligations are paid, forgiven, or transferred and the remaining moneys in the committee's account are distributed according to sections 68A.302 and 68A.303. If a loan is transferred or forgiven, the amount of the transferred or forgiven loan must be reported as an in-kind contribution and deducted from the loans payable balance on the disclosure form. If, upon review of a committee's statement of dissolution and final report, the board determines that the requirements for dissolution have been satisfied, the dissolution shall be certified and the committee relieved of further filing requirements.

3. If a person who files an independent expenditure statement and a disclosure report, pursuant to section 68A.404, determines that the person will no longer make an independent expenditure, the person shall notify the board within thirty days following such determination by filing a termination report on forms prescribed by the board.

2004 Acts, ch 1114, §3; 2005 Acts, ch 72, §12; 2010 Acts, ch 1119, §2, 7

Referred to in §68A.401

**68A.403 Reports signed and preserved.**

1. Unless filed in an electronic format in accordance with section 68A.401, subsection 1, a report or statement required to be filed under this chapter shall be signed by the person filing the report.

2. A copy of every report or statement shall be preserved by the person filing it or the person's successor for at least three years following the filing of the report or statement.

[C75, 77, 79, 81, §56.7]

94 Acts, ch 1180, §35; 2003 Acts, ch 40, §9

CS2003, §68A.403

2004 Acts, ch 1042, §6; 2007 Acts, ch 80, §4

**68A.404 Independent expenditures.**

1. As used in this section, "*independent expenditure*" means one or more expenditures in excess of seven hundred fifty dollars in the aggregate for a communication that expressly

advocates the nomination, election, or defeat of a clearly identified candidate or the passage or defeat of a ballot issue that is made without the prior approval or coordination with a candidate, candidate's committee, or a ballot issue committee.

2. *a.* An entity, other than an individual or individuals, shall not make an independent expenditure or disburse funds from its treasury to pay for, in whole or in part, an independent expenditure made by another person without the authorization of a majority of the entity's board of directors, executive council, or similar organizational leadership body of the use of treasury funds for an independent expenditure involving a candidate or ballot issue committee. Such authorization must occur in the same calendar year in which the independent expenditure is incurred.

*b.* Such authorization shall expressly provide whether the board of directors, executive council, or similar organizational leadership body authorizes one or more independent expenditures that expressly advocate the nomination or election of a candidate or passage of a ballot issue or authorizes one or more independent expenditures that expressly advocate the defeat of a candidate or ballot issue.

*c.* A foreign national shall not make an independent expenditure, directly or indirectly, that advocates the nomination, election, or defeat of any candidate or the passage or defeat of any ballot issue. As used in this section, *"foreign national"* means a person who is not a citizen of the United States and who is not lawfully admitted for permanent residence. *"Foreign national"* includes a foreign principal, such as a government of a foreign country or a foreign political party, partnership, association, corporation, organization, or other combination of persons that has its primary place of business in or is organized under the laws of a foreign country. *"Foreign national"* does not include a person who is a citizen of the United States or who is a national of the United States.

3. A person, other than a committee registered under this chapter, that makes one or more independent expenditures shall file an independent expenditure statement. All statements and reports required by this section shall be filed in an electronic format as prescribed by rule.

*a.* Subject to paragraph *"b"*, the person filing the independent expenditure statement shall file reports under sections 68A.402 and 68A.402A. An initial report shall be filed at the same time as the independent expenditure statement. Subsequent reports shall be filed according to the same schedule as the office or election to which the independent expenditure was directed.

(1) A supplemental report shall be filed on the same dates as in section 68A.402, subsection 2, paragraph *"b"*, if the person making the independent expenditure either raises or expends more than one thousand dollars.

(2) A report filed as a result of this paragraph *"a"* shall not require the identification of individual members who pay dues to a labor union, organization, or association, or individual stockholders of a business corporation. A report filed as a result of this paragraph *"a"* shall not require the disclosure of any donor or other source of funding to the person making the independent expenditure except when the donation or source of funding, or a portion of the donation or source of funding, was provided for the purpose of furthering the independent expenditure.

*b.* This section does not apply to a candidate, candidate's committee, state statutory political committee, county statutory political committee, or a political committee. This section does not apply to a federal committee or an out-of-state committee that makes an independent expenditure.

4. *a.* An independent expenditure statement shall be filed within forty-eight hours of the making of an independent expenditure in excess of seven hundred fifty dollars in the aggregate, or within forty-eight hours of disseminating the communication to its intended audience, whichever is earlier. For purposes of this section, an independent expenditure is made when the independent expenditure communication is purchased or ordered regardless of whether or not the person making the independent expenditure has been billed for the cost of the independent expenditure.

*b.* An independent expenditure statement shall be filed with the board and the board shall immediately make the independent expenditure statement available for public viewing.

*c.* For purposes of this section, an independent expenditure is made at the time that the cost is incurred.

5. The independent expenditure statement shall contain all of the following information:

*a.* Identification of the individuals or persons filing the statement.

*b.* Description of the position advocated by the individuals or persons with regard to the clearly identified candidate or ballot issue.

*c.* Identification of the candidate or ballot issue benefited by the independent expenditure.

*d.* The dates on which the expenditure or expenditures took place or will take place.

*e.* Description of the nature of the action taken that resulted in the expenditure or expenditures.

*f.* The fair market value of the expenditure or expenditures.

*g.* A certification by an officer of the corporation that the board of directors, executive council, or similar organizational leadership body expressly authorized the independent expenditure or use of treasury funds for the independent expenditure by resolution or other affirmative action within the calendar year when the independent expenditure was incurred.

6. Any person making an independent expenditure shall comply with the attribution requirements of section 68A.405.

7. A person making an independent expenditure shall not engage or retain an advertising firm or consultant that has also been engaged or retained within the prior six months by the candidate, candidate's committee, or ballot issue committee that is benefited by the independent expenditure.

8. *a.* The board shall develop, prescribe, furnish, and distribute forms for the independent expenditure statements required by this section.

*b.* The board shall adopt rules pursuant to chapter 17A for the implementation of this section.

[C75, 77, 79, 81, §56.13; 81 Acts, ch 35, §11]

86 Acts, ch 1023, §10; 93 Acts, ch 163, §33; 94 Acts, ch 1180, §36; 95 Acts, ch 198, §12; 99 Acts, ch 136, §8, 17; 2002 Acts, ch 1073, §9, 11; 2003 Acts, ch 40, §4, 9

CS2003, §68A.404

2005 Acts, ch 72, §13 – 15; 2006 Acts, ch 1010, §41; 2008 Acts, ch 1191, §116, 117; 2009 Acts, ch 42, §5; 2010 Acts, ch 1119, §3, 7

Referred to in §68A.402B, 68A.405, 68A.503

Compliance by sham newspapers; §68A.503(5)

**68A.405 Attribution statement on published material.**

1. *a.* For purposes of this subsection:

(1) *"Individual"* includes a candidate for public office who has not filed a statement of organization under section 68A.201.

(2) *"Organization"* includes an organization established to advocate the passage or defeat of a ballot issue but that has not filed a statement of organization under section 68A.201.

(3) *"Published material"* means any newspaper, magazine, shopper, outdoor advertising facility, poster, direct mailing, brochure, internet site, campaign sign, or any other form of printed general public political advertising. *"Published material"* includes television, video, or motion picture advertising.

*b.* (1) Except as set out in subsection 2, published material designed to expressly advocate the nomination, election, or defeat of a candidate for public office or the passage or defeat of a ballot issue shall include on the published material an attribution statement disclosing who is responsible for the published material.

(2) The person who is responsible for the published material has the sole responsibility and liability for the attribution statement required by this section.

*c.* If the person paying for the published material is an individual, the words "paid for by" and the name and address of the person shall appear on the material.

*d.* If more than one individual is responsible, the words "paid for by", the names of the individuals, and either the addresses of the individuals or a statement that the addresses of the individuals are on file with the Iowa ethics and campaign disclosure board shall appear on the material.

*e.* If the person responsible is an organization, the words "paid for by", the name and address of the organization, and the name of one officer of the organization shall appear on the material.

*f.* If the person responsible is a corporation, the words "paid for by", the name and address of the corporation, and the name and title of the corporation's chief executive officer shall appear on the material.

*g.* If the person responsible is a committee that has filed a statement of organization pursuant to section 68A.201, the words "paid for by" and the name of the committee shall appear on the material.

*h.* If the published material is the result of an independent expenditure subject to section 68A.404, the published material shall include a statement that the published material was not authorized by any candidate, candidate's committee, or ballot issue committee.

2. The requirement to include an attribution statement does not apply to any of the following:

*a.* The editorials or news articles of a newspaper, magazine, television station, or other print or electronic media that are not paid political advertisements.

*b.* Small items upon which the inclusion of the statement is impracticable including but not limited to campaign signs as provided in section 68A.406, subsection 3, bumper stickers, pins, buttons, pens, political business cards, and matchbooks.

*c.* T-shirts, caps, and other articles of clothing.

*d.* Any published material that is subject to federal regulations regarding an attribution requirement.

*e.* Any material published by an individual, acting independently, who spends one hundred dollars or less of the individual's own money to advocate the passage or defeat of a ballot issue.

3. For television, video, or motion picture advertising, the attribution statement shall be displayed on the screen in a clearly readable manner for at least four seconds.

4. The board shall adopt rules relating to the placing of an attribution statement on published materials.

86 Acts, ch 1023, §11; 86 Acts, ch 1246, §620

C87, §56.14

87 Acts, ch 112, §8; 94 Acts, ch 1178, §1; 95 Acts, ch 198, §13; 96 Acts, ch 1079, §2; 99 Acts, ch 136, §9, 17; 2002 Acts, ch 1119, §125; 2003 Acts, ch 40, §9

CS2003, §68A.405

2004 Acts, ch 1114, §4; 2005 Acts, ch 72, §16; 2009 Acts, ch 41, §27; 2010 Acts, ch 1025, §7; 2010 Acts, ch 1119, §4, 7; 2013 Acts, ch 90, §257

Referred to in §68A.404, 68A.406

Code editor directive applied

**68A.406 Campaign signs — yard signs.**

1. Campaign signs may be placed with the permission of the property owner or lessee on any of the following:

*a.* Residential property.

*b.* Agricultural land owned by individuals or by a family farm operation as defined in section 9H.1, subsections 9, 10, and 11.

*c.* Property leased for residential purposes including but not limited to apartments, condominiums, college housing facilities, and houses if placed only on leased property space that is actually occupied.

*d.* Vacant lots owned by a person who is not a prohibited contributor under section 68A.503.

*e.* Property owned by an organization that is not a prohibited contributor under section 68A.503.

*f.* Property leased by a candidate, committee, or an organization established to advocate the nomination, election, or defeat of a candidate or the passage or defeat of a ballot issue that has not yet registered pursuant to section 68A.201, when the property is used as campaign

headquarters or a campaign office and the placement of the sign is limited to the space that is actually leased.

2. *a.* Campaign signs shall not be placed on any of the following:

(1) Any property owned by the state or the governing body of a county, city, or other political subdivision of the state, including all property considered the public right-of-way. Upon a determination by the board that a sign has been improperly placed, the sign shall be removed by highway authorities as provided in section 318.5, or by county or city law enforcement authorities in a manner consistent with section 318.5.

(2) Property owned, leased, or occupied by a prohibited contributor under section 68A.503 unless the sign advocates the passage or defeat of a ballot issue or is exempted under subsection 1.

(3) On any property without the permission of the property owner or lessee.

(4) On election day either on the premises of any polling place or within three hundred feet of any outside door of any building affording access to any room where the polls are held, or of any outside door of any building affording access to any hallway, corridor, stairway, or other means of reaching the room where the polls are held.

(5) On the premises of or within three hundred feet of any outside door of any building affording access to an absentee voting site during the hours when absentee ballots are available in the office of the county commissioner of elections as provided in section 53.10.

(6) On the premises of or within three hundred feet of any outside door of any building affording access to a satellite absentee voting station during the hours when absentee ballots are available at the satellite absentee voting station as provided in section 53.11.

*b.* Paragraph "*a*", subparagraphs (4), (5), and (6) shall not apply to the posting of signs on private property not a polling place, except that the placement of a sign on a motor vehicle, trailer, or semitrailer, or any attachment to a motor vehicle, trailer, or semitrailer parked on public property within three hundred feet of any outside door of any building affording access to any room serving as a polling place, which sign is more than ninety square inches in size, is prohibited.

3. Campaign signs with dimensions of thirty-two square feet or less are exempt from the attribution statement requirement in section 68A.405. Campaign signs in excess of thirty-two square feet, or signs that are affixed to buildings or vehicles regardless of size except for bumper stickers, are required to include the attribution statement required by section 68A.405. The placement or erection of campaign signs shall be exempt from the requirements of chapter 480 relating to underground facilities information.

2004 Acts, ch 1114, §5; 2005 Acts, ch 3, §18; 2005 Acts, ch 72, §17 – 19; 2006 Acts, ch 1097, §13; 2007 Acts, ch 14, §7; 2007 Acts, ch 215, §244; 2008 Acts, ch 1032, §160; 2008 Acts, ch 1191, §118

Referred to in §68A.405, 68A.503

## SUBCHAPTER V

## PROHIBITED ACTS — CONTRIBUTIONS, PUBLIC MONEYS, CAMPAIGN PRACTICES

**68A.501 Funds from unknown source — escheat.**

The expenditure of funds from an unknown or unidentifiable source received by a candidate or committee is prohibited. Such funds received by a candidate or committee shall escheat to the state. Any candidate or committee receiving such contributions shall remit such contributions to the board which shall forward it to the treasurer of state for deposit in the general fund of the state. Persons requested to make a contribution at a fundraising event shall be advised that it is illegal to make a contribution in excess of ten dollars unless the person making the contribution also provides the person's name and address.

[C77, 79, 81, §56.27]

C91, §56.3A

2003 Acts, ch 40, §9; 2003 Acts, ch 145, §286

CS2003, §68A.501
2007 Acts, ch 14, §8

**68A.502 Contribution in name of another — prohibited.**

A person shall not make a contribution or expenditure in the name of another person, and a person shall not knowingly accept a contribution or expenditure made by one person in the name of another. For the purpose of this section, a contribution or expenditure made by one person which is ultimately reimbursed by another person who has not been identified as the ultimate source or recipient of the funds is considered to be an illegal contribution or expenditure in the name of another.

Any candidate or committee receiving funds, the original source of which was a loan, shall be required to list the lender as a contributor. No candidate or committee shall knowingly receive funds from a contributor who has borrowed the money without listing the original source of said money.

[C75, 77, 79, 81, §56.12]
95 Acts, ch 198, §11; 2003 Acts, ch 40, §9
CS2003, §68A.502

**68A.503 Financial institution, insurance company, and corporation contributions — sham newspapers.**

1. Except as provided in subsections 3, 4, 5, and 6, an insurance company, savings association, bank, credit union, or corporation shall not make a monetary or in-kind contribution to a candidate or committee except for a ballot issue committee.

2. Except as provided in subsection 3, a candidate or committee, except for a ballot issue committee, shall not receive a monetary or in-kind contribution from an insurance company, savings association, bank, credit union, or corporation.

3. An insurance company, savings association, bank, credit union, or corporation may use money, property, labor, or any other thing of value of the entity for the purposes of soliciting its stockholders, administrative officers, professional employees, and members for contributions to a political committee sponsored by that entity and for financing the administration of a political committee sponsored by that entity. The entity's employees to whom the foregoing authority does not extend may voluntarily contribute to such a political committee but shall not be solicited for contributions. A candidate or committee may solicit, request, and receive money, property, labor, and any other thing of value from a political committee sponsored by an insurance company, savings association, bank, credit union, or corporation as permitted by this subsection.

4. The prohibitions in subsections 1 and 2 shall not apply to an insurance company, savings association, bank, credit union, or corporation engaged in any of the following activities:

*a.* Using its funds to encourage registration of voters and participation in the political process or to publicize public issues.

*b.* Using its funds to expressly advocate the passage or defeat of ballot issues.

*c.* Using its funds for independent expenditures as provided in section 68A.404.

*d.* Using its funds to place campaign signs as permitted under section 68A.406.

5. *a.* The prohibitions in subsections 1 and 2 shall not apply to media organizations when discussing candidates, nominations, public officers, or public questions.

*b.* Notwithstanding paragraph "*a*", the board shall adopt rules requiring the owner, publisher, or editor of a sham newspaper that promotes in any way the candidacy of a person for any public office to comply with this section and section 68A.404. As used in this subsection, "*sham newspaper*" means a newspaper publication that is published for the primary purpose of evading the requirements of this section or section 68A.404, and "*owner*" means a person having an ownership interest exceeding ten percent of the equity or profits of the publication.

6. The prohibitions in subsections 1 and 2 shall not apply to a nonprofit organization communicating with its own members. The board shall adopt rules pursuant to chapter 17A to administer this subsection.

7. For purposes of this section "*corporation*" means a for-profit or nonprofit corporation organized pursuant to the laws of this state, the United States, or any other state, territory, or foreign country.

[S13, §1641-h, -i, -k; C24, 27, 31, 35, 39, §**8405 – 8407;** C46, 50, 54, 58, §491.69 – 491.71; C62, 66, 71, 73, 75, §491.69 – 491.71, 496A.145; C77, 79, 81, §56.29; 81 Acts, ch 35, §14]

83 Acts, ch 139, §13, 14

C91, §56.15

93 Acts, ch 142, §9; 94 Acts, ch 1178, §2; 95 Acts, ch 198, §14; 99 Acts, ch 136, §10, 11, 17; 2003 Acts, ch 40, §9

CS2003, §68A.503

2004 Acts, ch 1042, §7; 2004 Acts, ch 1114, §6; 2004 Acts, ch 1175, §364; 2005 Acts, ch 3, §19; 2005 Acts, ch 72, §20; 2007 Acts, ch 61, §2; 2008 Acts, ch 1031, §23; 2009 Acts, ch 41, §28; 2009 Acts, ch 42, §6; 2010 Acts, ch 1025, §8; 2010 Acts, ch 1119, §5, 7; 2012 Acts, ch 1017, §44

Referred to in §68A.201A, 68A.406

**68A.504 Prohibiting contributions during the legislative session.**

1. A lobbyist or political committee, other than a state statutory political committee, county statutory political committee, or a national political party, shall not contribute to, act as an agent or intermediary for contributions to, or arrange for the making of monetary or in-kind contributions to the campaign of an elected state official, member of the general assembly, or candidate for state office on any day during the regular legislative session and, in the case of the governor or a gubernatorial candidate, during the thirty days following the adjournment of a regular legislative session allowed for the signing of bills. Except as set out in subsection 2, an elected state official, member of the general assembly, or candidate for state office shall not accept a contribution as prohibited in this subsection.

2. The prohibition in subsection 1 shall not apply to the following:

*a.* The receipt of contributions by an elected state official, member of the general assembly, or candidate for state office who has taken affirmative action to seek nomination or election to a federal elective office so long as the contribution is placed in a federal campaign account.

*b.* The receipt of contributions by a candidate for state office who filed nomination papers for an office for which a special election is called or held during the regular legislative session, if the candidate receives the contribution during the period commencing on the date that at least two candidates have been nominated for the office and ending on the date the election is held. A person who is an elected state official shall not solicit contributions during a legislative session from any lobbyist or political committee, other than a state statutory political committee, county statutory political committee, or a national political party, for another candidate for a state office for which a special election is held.

92 Acts, ch 1228, §26

C93, §56.15A

93 Acts, ch 129, §1; 2003 Acts, ch 40, §9

CS2003, §68A.504

2004 Acts, ch 1042, §8

**68A.505 Use of public moneys for political purposes.**

The state and the governing body of a county, city, or other political subdivision of the state shall not expend or permit the expenditure of public moneys for political purposes, including expressly advocating the passage or defeat of a ballot issue.

This section shall not be construed to limit the freedom of speech of officials or employees of the state or of officials or employees of a governing body of a county, city, or other political subdivision of the state. This section also shall not be construed to prohibit the state or a governing body of a political subdivision of the state from expressing an opinion on a ballot issue through the passage of a resolution or proclamation.

91 Acts, ch 226, §7

CS91, §56.12A

93 Acts, ch 142, §8; 99 Acts, ch 136, §7, 17; 2003 Acts, ch 40, §9
CS2003, §68A.505

**68A.506 Use of false caller identification for campaign purposes prohibited.**

1. A person shall not knowingly use or provide to another person either of the following:

*a.* False caller identification information with intent to defraud for purposes related to expressly advocating the nomination, election, or defeat of a clearly identified candidate or for the passage or defeat of a clearly identified ballot issue.

*b.* Caller identification information pertaining to an actual person without that person's consent and with intent to deceive the recipient of a call about the identity of the caller.

2. This section shall not apply to conduct that was lawfully authorized as investigative, protective, or intelligence activity of a law enforcement agency of the United States, a state, or a political subdivision of a state.

3. As used in this section:

*a.* *"Caller identification information"* means information regarding the origination of the telephone call, such as the name or the telephone number of the caller.

*b.* *"Telephone call"* means a call made using or received on a telecommunications service or voice over internet protocol service.

*c.* *"Voice over internet protocol service"* means a service to which all of the following apply:

(1) The service provides real-time two-way voice communications transmitted using internet protocol, or a successor protocol.

(2) The service is offered to the public, or such classes of users as to be effectively available to the public.

(3) The service has the capability to originate traffic to, or terminate traffic from, the public switched telephone network or a successor network.

4. The board shall adopt rules pursuant to chapter 17A to administer this section.

5. A person who violates this section is subject to sections 68A.701 and 68B.32D.

2009 Acts, ch 64, §1

## SUBCHAPTER VI

## INCOME TAX CHECKOFF

**68A.601 Checkoff — income tax.**

A person whose state income tax liability for any taxable year is one dollar and fifty cents or more may direct that one dollar and fifty cents of that liability be paid over to the Iowa election campaign fund when submitting the person's state income tax return to the department of revenue. In the case of a joint return of husband and wife having a state income tax liability of three dollars or more, each spouse may direct that one dollar and fifty cents be paid to the fund. The director of revenue shall draft the income tax form to provide spaces on the tax return which the taxpayer may use to designate that contributions made under this section be credited to a specified political party as defined by section 43.2, or to the Iowa election campaign fund as a contribution to be shared by all such political parties in the manner prescribed by section 68A.602. The form shall inform the taxpayer of the consequences of the choices provided under this section, but this information may be contained in a footnote or other suitable form if the director of revenue finds it is not feasible to place the information immediately above the signature line. The action taken by a person for the checkoff is irrevocable.

[C75, 77, 79, 81, §56.18]

83 Acts, ch 176, §8, 11; 84 Acts, ch 1263, §1; 85 Acts, ch 230, §1; 86 Acts, ch 1236, §1, 2; 2003 Acts, ch 40, §9; 2003 Acts, ch 145, §286

CS2003, §68A.601

Referred to in §68A.602, 68A.603, 422.12D, 422.12E, 422.12J, 422.12K, 422.12L, 456A.16

**68A.602 Fund created.**

The Iowa election campaign fund is created within the office of the treasurer of state. The fund shall consist of funds paid by persons as provided in section 68A.601. The treasurer of state shall maintain within the fund a separate account for each political party as defined in section 43.2. The director of revenue shall remit funds collected as provided in section 68A.601 to the treasurer of state who shall deposit such funds in the appropriate account within the Iowa election campaign fund. All contributions directed to the Iowa election campaign fund by taxpayers who do not designate any one political party to receive their contributions shall be divided by the director of revenue equally among each account currently maintained in the fund. However, at any time when more than two accounts are being maintained within the fund, contributions to the fund by taxpayers who do not designate any one political party to receive their contributions shall be divided among the accounts in the same proportion as the number of registered voters declaring affiliation with each political party for which an account is maintained bears to the total number of registered voters who have declared an affiliation with a political party. Any interest income received by the treasurer of state from investment of moneys deposited in the fund shall be deposited in the Iowa election campaign fund. Such funds shall be subject to payment to the chairperson of the specified political party as authorized by the director of revenue on warrants issued by the director of the department of administrative services in the manner provided by section 68A.605.

[C75, 77, 79, 81, §56.19]
83 Acts, ch 176, §9; 95 Acts, ch 67, §53; 2003 Acts, ch 40, §9; 2003 Acts, ch 145, §286
CS2003, §68A.602
2004 Acts, ch 1101, §14
Referred to in §68A.601, 68A.603, 68A.608

**68A.603 Rules promulgated.**

The ethics and campaign disclosure board shall administer the provisions of sections 68A.601 through 68A.609 and shall promulgate all necessary rules in accordance with chapter 17A.

[C75, 77, 79, 81, §56.20]
93 Acts, ch 163, §33; 2003 Acts, ch 40, §5, 9
CS2003, §68A.603

**68A.604 Funds.**

Any candidate for a partisan public office, except as otherwise provided by section 68A.103, subsection 2, may receive campaign funds from the Iowa election campaign fund through the state central committee of the candidate's political party. However, the state central committee of each political party shall have discretion as to which of the party's candidates for public office shall be allocated campaign funds out of money received by that party from the Iowa election campaign fund.

[C75, 77, 79, 81, §56.21]
2003 Acts, ch 40, §9
CS2003, §68A.604
2013 Acts, ch 30, §17
Referred to in §68A.603
Section amended

**68A.605 Distribution of campaign fund — restrictions on use.**

1. The money accumulated in the Iowa election campaign fund to the account of each political party in the state shall be remitted to the party on the first business day of each month by warrant of the director of the department of administrative services drawn upon the fund in favor of the state chairperson of that party. The money received by each political party under this section shall be used as directed by the party's state statutory political committee.

2. Funds distributed to statutory political committees pursuant to this chapter shall not be used to expressly advocate the nomination, election, or defeat of any candidate during the primary election. Nothing in this subsection shall be construed to prohibit a statutory

political committee from using such funds to pay expenses incurred in arranging and holding a nominating convention.

[C75, 77, 79, 81, §56.22]

99 Acts, ch 136, §12, 17; 2003 Acts, ch 40, §6, 9; 2003 Acts, ch 145, §286

CS2003, §68A.605

Referred to in §68A.602, 68A.603

**68A.606 Funds — campaign expenses only.**

1. The chairperson of the state statutory political committee shall produce evidence to the ethics and campaign disclosure board not later than the twenty-fifth day of January each year, that all income tax checkoff funds expended for campaign expenses have been utilized exclusively for campaign expenses.

2. The ethics and campaign disclosure board shall issue, prior to the payment of any money, guidelines that explain which expenses and evidence thereof qualify as acceptable campaign expenses.

3. Should the ethics and campaign disclosure board determine that any part of the funds have been used for noncampaign or improper expenses, the board may order the political party or the candidate to return all or any part of the total funds paid to that political party for that election. When such funds are returned, they shall be deposited in the general fund of the state.

[C75, 77, 79, 81, §56.23; 81 Acts, ch 35, §12]

93 Acts, ch 163, §33; 2003 Acts, ch 40, §7, 9; 2003 Acts, ch 145, §286

CS2003, §68A.606

Referred to in §68A.603

**68A.607 Reversion of funds.**

All funds on account for the campaign expenses of any designated political party which are not utilized by that political party by January 1 of the year following a general election, shall revert to the general fund of the state.

[C75, 77, 79, 81, §56.24]

2003 Acts, ch 40, §9

CS2003, §68A.607

Referred to in §68A.603

**68A.608 Income tax form — checkoff space.**

The director of revenue shall provide space for this campaign finance income tax checkoff on the most frequently used Iowa income tax form. An explanation shall be included which clearly states that this checkoff does not constitute an additional tax liability. The form shall provide for the taxpayer to designate that the checkoff shall go either to the political party of the taxpayer's choice or be divided among all political parties as prescribed by section 68A.602.

[C75, 77, 79, 81, §56.25]

2003 Acts, ch 40, §9; 2003 Acts, ch 145, §286

CS2003, §68A.608

Referred to in §68A.603

**68A.609 Appropriation.**

There is appropriated from the Iowa election campaign fund within the office of the treasurer of state such funds as are legally payable from such fund in accordance with the provisions of this chapter.

[C75, 77, 79, 81, §56.26]

2003 Acts, ch 40, §9

CS2003, §68A.609

Referred to in §68A.603

SUBCHAPTER VII

PENALTY

**68A.701 Penalty.**

Any person who willfully violates any provisions of this chapter shall upon conviction, be guilty of a serious misdemeanor.

[S13, §1137-a6; C24, 27, 31, 35, 39, §**980;** C46, 50, 54, 58, 62, 66, 71, 73, §56.9; C75, 77, 79, 81, §56.16]

2003 Acts, ch 40, §9

CS2003, §68A.701

Referred to in §68A.401A, 68A.506

# CHAPTER 68B

## GOVERNMENT ETHICS AND LOBBYING

Referred to in §28A.9, 99G.4, 99G.11, 261A.6, 602.1609

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## SUBCHAPTER I

## TITLE AND DEFINITIONS

**68B.1 Short title.**

This chapter shall be known as the *"Government Ethics and Lobbying Act"*.

[C71, 73, 75, 77, 79, 81, §68B.1]

2005 Acts, ch 76, §1

**68B.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agency"* means a department, division, board, commission, bureau, authority, or office of the executive or legislative branch of state government, the office of attorney general, the state board of regents, community colleges, and the office of the governor, including a regulatory agency, or any department, division, board, commission, bureau, or office of a political subdivision of the state, but does not include any agricultural commodity promotional board, which is subject to a producer referendum.

2. *"Agency of state government"* or *"state agency"* means a department, division, board, commission, bureau, authority, or office of the executive or legislative branch of state government, the office of attorney general, the state board of regents, community colleges, and the office of the governor, including a regulatory agency, but does not include any agricultural commodity promotional board, which is subject to a producer referendum.

3. *"Board"* means the Iowa ethics and campaign disclosure board.

4. *"Candidate"* means a candidate under chapter 68A but does not include any judge standing for retention in a judicial election.

5. *"Candidate's committee"* means the committee designated by a candidate for a state, county, city, or school office, as provided under chapter 68A, to receive contributions in excess of seven hundred fifty dollars in the aggregate, expend funds in excess of seven hundred fifty dollars in the aggregate, or incur indebtedness on behalf of the candidate in excess of seven hundred fifty dollars in the aggregate in any calendar year.

6. *"Client"* means a private person or a state, federal, or local government entity that pays compensation to or designates an individual to be a lobbyist.

7. *"Compensation"* means any money, thing of value, or financial benefit conferred in return for services rendered or to be rendered.

8. *"Contribution"* means a loan, advance, deposit, rebate, refund, transfer of money, an in-kind transfer, or the payment of compensation for the personal services of another person.

9. *"Gift"* means a rendering of anything of value in return for which legal consideration of equal or greater value is not given and received.

10. *"Honorarium"* means anything of value that is accepted or given as consideration for an appearance, speech, or article.

11. *"Immediate family members"* means the spouse and dependent children of a public official or public employee.

12. *"Legislative employee"* means a permanent full-time employee of the general assembly but does not include members of the general assembly.

13. *a.* *"Lobbyist"* means an individual who, by acting directly, does any of the following:

(1) Receives compensation to encourage the passage, defeat, approval, veto, or modification of legislation, a rule, or an executive order by the members of the general assembly, a state agency, or any statewide elected official.

(2) Is a designated representative of an organization which has as one of its purposes the encouragement of the passage, defeat, approval, veto, or modification of legislation, a rule,

or an executive order before the general assembly, a state agency, or any statewide elected official.

(3) Represents the position of a federal, state, or local government agency, in which the person serves or is employed as the designated representative, for purposes of encouraging the passage, defeat, approval, veto, or modification of legislation, a rule, or an executive order by members of the general assembly, a state agency, or any statewide elected official.

(4) Makes expenditures of more than one thousand dollars in a calendar year, other than to pay compensation to an individual who provides the services specified under subparagraph (1) or to communicate with only the members of the general assembly who represent the district in which the individual resides, to communicate in person with members of the general assembly, a state agency, or any statewide elected official for purposes of encouraging the passage, defeat, approval, veto, or modification of legislation, a rule, or an executive order.

*b*. *"Lobbyist"* does not mean:

(1) Officials and employees of a political party organized in the state of Iowa representing more than two percent of the total votes cast for governor in the last preceding general election, but only when representing the political party in an official capacity.

(2) Representatives of the news media only when engaged in the reporting and dissemination of news and editorials.

(3) All federal, state, and local elected officials, while performing the duties and responsibilities of office.

(4) Persons whose activities are limited to appearances to give testimony or provide information or assistance at sessions of committees of the general assembly or at public hearings of state agencies or who are giving testimony or providing information or assistance at the request of public officials or employees.

(5) Members of the staff of the United States Congress or the Iowa general assembly.

(6) Agency officials and employees while they are engaged in activities within the agency in which they serve or are employed or with another agency with which the official's or employee's agency is involved in a collaborative project.

(7) An individual who is a member, director, trustee, officer, or committee member of a business, trade, labor, farm, professional, religious, education, or charitable association, foundation, or organization who either is not paid compensation or is not specifically designated as provided in paragraph *"a"*, subparagraph (1) or (2).

(8) Persons whose activities are limited to submitting data, views, or arguments in writing, or requesting an opportunity to make an oral presentation under section 17A.4, subsection 1.

14. *"Local employee"* means a person employed by a political subdivision of this state and does not include an independent contractor.

15. *"Local official"* means an officeholder of a political subdivision of this state.

16. *"Member of the general assembly"* means an individual duly elected to the senate or the house of representatives of the state of Iowa.

17. *"Official"* means all statewide elected officials, the executive or administrative head or heads of an agency of state government, the deputy executive or administrative head or heads of an agency of state government, members of boards or commissions as defined under section 7E.4, and heads of the major subunits of departments or independent state agencies whose positions involve a substantial exercise of administrative discretion or the expenditure of public funds as defined under rules of the board adopted in consultation with the department or agency and pursuant to chapter 17A. *"Official"* does not include officers or employees of political subdivisions of the state, members of the general assembly, legislative employees, officers or employees of the judicial branch of government who are not members or employees of the office of attorney general, members of state government entities which are or exercise the same type of authority that is exercised by councils or committees as defined under section 7E.4, or members of any agricultural commodity promotional board, if the board is subject to a producer referendum.

18. *"Person"* means, without limitation, any individual, corporation, business trust, estate, trust, partnership or association, labor union, or any other legal entity.

19. *"Public disclosure"* means a written report filed by a person as required by this chapter or required by rules adopted and issued pursuant to this chapter.

20. *"Public employee"* means state employees, legislative employees, and local employees.

21. *"Public office"* means any state, county, city, or school office or any other office of a political subdivision of the state that is filled by election.

22. *"Public official"* means officials, local officials, and members of the general assembly.

23. *"Regulatory agency"* means the department of agriculture and land stewardship, department of workforce development, department of commerce, Iowa department of public health, department of public safety, department of education, state board of regents, department of human services, department of revenue, department of inspections and appeals, department of administrative services, public employment relations board, state department of transportation, civil rights commission, department of public defense, department of homeland security and emergency management, Iowa ethics and campaign disclosure board, and department of natural resources.

24. *"Restricted donor"* means a person who is in any of the following categories:

*a.* Is or is seeking to be a party to any one or any combination of sales, purchases, leases, or contracts to, from, or with the agency in which the donee holds office or is employed.

*b.* Will personally be, or is the agent of a person who will be, directly and substantially affected financially by the performance or nonperformance of the donee's official duty in a way that is greater than the effect on the public generally or on a substantial class of persons to which the person belongs as a member of a profession, occupation, industry, or region.

*c.* Is personally, or is the agent of a person who is, the subject of or party to a matter which is pending before a subunit of a regulatory agency and over which the donee has discretionary authority as part of the donee's official duties or employment within the regulatory agency subunit.

*d.* Is a lobbyist or a client of a lobbyist with respect to matters within the donee's jurisdiction.

25. *"State employee"* means a person who is not an official and is a paid employee of the state of Iowa and does not include an independent contractor, an employee of the judicial branch who is not an employee of the office of attorney general, an employee of the general assembly, an employee of a political subdivision of the state, or an employee of any agricultural commodity promotional board, if the board is subject to a producer referendum.

26. *"Statewide elected official"* means the governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, secretary of agriculture, and attorney general of the state of Iowa.

[C71, 73, 75, 77, 79, 81, §68B.2; 82 Acts, ch 1199, §35, 96]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1067, §13; 87 Acts, ch 213, §1; 92 Acts, ch 1228, §1; 93 Acts, ch 163, §1; 94 Acts, ch 1092, §2 – 4; 96 Acts, ch 1186, §23; 98 Acts, ch 1047, §14; 2002 Acts, ch 1073, §10, 11; 2003 Acts, ch 145, §286; 2004 Acts, ch 1091, §4; 2005 Acts, ch 76, §2; 2013 Acts, ch 29, §40

Referred to in §68B.22

Subsection 23 amended

## SUBCHAPTER II

## CONFLICTS OF INTEREST

**68B.2A Prohibited outside employment and activities — conflicts of interest.**

1. Any person who serves or is employed by the state or a political subdivision of the state shall not engage in any of the following conduct:

*a.* Outside employment or an activity that involves the use of the state's or the political subdivision's time, facilities, equipment, and supplies or the use of the state or political subdivision badge, uniform, business card, or other evidences of office or employment to give the person or member of the person's immediate family an advantage or pecuniary benefit that is not available to other similarly situated members or classes of members of the

general public. This paragraph does not apply to off-duty peace officers who provide private duty security or fire fighters or emergency medical care providers certified under chapter 147A who provide private duty fire safety or emergency medical services while carrying their badge or wearing their official uniform, provided that the person has secured the prior approval of the agency or political subdivision in which the person is regularly employed to engage in the activity. For purposes of this paragraph, a person is not *"similarly situated"* merely by being or being related to a person who serves or is employed by the state or a political subdivision of the state.

*b.* Outside employment or an activity that involves the receipt of, promise of, or acceptance of money or other consideration by the person, or a member of the person's immediate family, from anyone other than the state or the political subdivision for the performance of any act that the person would be required or expected to perform as a part of the person's regular duties or during the hours during which the person performs service or work for the state or political subdivision of the state.

*c.* Outside employment or an activity that is subject to the official control, inspection, review, audit, or enforcement authority of the person, during the performance of the person's duties of office or employment.

2. If the outside employment or activity is employment or activity described in subsection 1, paragraph *"a"* or *"b"*, the person shall immediately cease the employment or activity. If the outside employment or activity is employment or activity described in subsection 1, paragraph "*c*", or constitutes outside employment or an activity prohibited under rules adopted pursuant to subsection 4 or under the senate or house codes of ethics, unless otherwise provided by law, the person shall take one of the following courses of action:

*a.* Cease the outside employment or activity.

*b.* Publicly disclose the existence of the conflict and refrain from taking any official action or performing any official duty that would detrimentally affect or create a benefit for the outside employment or activity. For purposes of this paragraph, *"official action"* or *"official duty"* includes but is not limited to participating in any vote, taking affirmative action to influence any vote, granting any license or permit, determining the facts or law in a contested case or rulemaking proceeding, conducting any inspection, or providing any other official service or thing that is not available generally to members of the public in order to further the interests of the outside employment or activity.

3. Unless otherwise specifically provided the requirements of this section shall be in addition to, and shall not supersede, any other rights or remedies provided by law.

4. The board shall adopt rules pursuant to chapter 17A further delineating particular situations where outside employment or activity of officials and state employees of the executive branch will be deemed to create an unacceptable conflict of interest.

93 Acts, ch 163, §2; 95 Acts, ch 41, §1; 2008 Acts, ch 1191, §38; 2009 Acts, ch 9, §1, 2, 6

Referred to in §68B.34

Incompatibility of offices, see Iowa Constitution, Art. III, §21 and 22 and §39.11 and 39.12

Economic development and conflict disclosure, see §15A.2

**68B.2B Executive branch compensation.**

1. Effective July 1, 2006, an official or state employee shall not receive compensation simultaneously from more than one executive branch agency, unless the official or state employee provides notice to the board within twenty business days of accepting employment with a second executive branch agency. Notice under this section shall include all of the following:

*a.* The name and contact information of the official or state employee and the name of the official's or employee's original executive branch agency.

*b.* The name of the second executive branch agency from which compensation may be received.

*c.* The amount of compensation to be received and a brief explanation of what services are to be performed for the second executive branch agency.

2. The board shall adopt rules pursuant to chapter 17A necessary for the administration of this section.

3. This section shall not apply to service in the Iowa national guard or service in the general assembly.

2006 Acts, ch 1149, §1
Referred to in §68B.34

**68B.3 When public bids required — disclosure of income from other sales.**

1. Except as part of official state duties, an official, a state employee, a member of the general assembly, or a legislative employee shall not sell, in any one occurrence, any goods or services having a value in excess of two thousand dollars to any state agency unless the sale is made pursuant to an award or contract let after public notice and competitive bidding.

2. This section does not apply to the publication of resolutions, advertisements, or other legal propositions or notices in newspapers designated pursuant to law for the publication of legal propositions or notices and for which rates are fixed pursuant to law.

3. An official or member of the general assembly who sells goods or services to a political subdivision of the state shall disclose whether income has been received from commissions from the sales in the manner provided under section 68B.35.

4. For purposes of this section, *"services"* does not include instruction at an accredited education institution if the person providing the instruction meets the minimum education and licensing requirements established for instructors at the education institution.

5. Except when performing official state duties, an official or a state employee making a permissible sale under this section shall file a report with the board within twenty days of making the sale. The report shall include but not be limited to the parties to the sale, the date of the sale, the total amount of the sale, and the type of goods or services being sold.

[C71, 73, 75, 77, 79, 81, §68B.3]
92 Acts, ch 1228, §2; 93 Acts, ch 163, §3; 2007 Acts, ch 5, §1; 2010 Acts, ch 1054, §2, 3, 6
Referred to in §68B.34

**68B.4 Sales or leases by regulatory agency officials and employees.**

1. An official or employee of any regulatory agency shall not sell or lease, either directly or indirectly, any goods or services to individuals, associations, or corporations subject to the regulatory authority of the agency of which the person is an official or employee, except when the official or employee has met all of the following conditions:

*a.* The consent of the regulatory agency for which the person is an official or employee is obtained and the person is not the official or employee with the authority to determine whether agency consent is to be given under this section.

*b.* The duties or functions performed by the official or employee for the regulatory agency are not related to the regulatory authority of the agency over the individual, association, or corporation, or the selling or leasing of goods or services by the official or employee to the individuals, associations, or corporations does not affect the official's or employee's duties or functions at the regulatory agency.

*c.* The selling or leasing of any goods or services by the official or employee to an individual, association, or corporation does not include advocacy on behalf of the individual, association, or corporation to the regulatory agency in which the person is an official or employee.

*d.* The selling or leasing of any goods or services by the official or employee to an individual, association, or corporation does not cause the official or employee to sell or lease goods or services to the regulatory agency on behalf of the individual, association, or corporation.

2. The board shall adopt rules specifying the method by which employees may obtain agency consent under this section. The board shall adopt rules specifying the method by which officials may obtain agency consent under this section, including situations when the person seeking to make the sale or lease is the executive or administrative head of the

regulatory agency. A regulatory agency granting consent under this section shall file a copy of the consent with the board within twenty days of the consent being granted.

[C71, 73, 75, 77, 79, 81, §68B.4]

90 Acts, ch 1209, §1; 91 Acts, ch 79, §1; 2003 Acts, ch 145, §286; 2004 Acts, ch 1091, §5; 2005 Acts, ch 76, §3; 2006 Acts, ch 1149, §2

Referred to in §68B.34

**68B.4A Sales by legislative employees.**

A permanent legislative employee shall not sell, either directly or indirectly, any goods or services to individuals, associations, or corporations which employ persons who are registered lobbyists before the general assembly, except when the legislative employee has met all of the following conditions:

1. The consent of the person or persons responsible for hiring or approving the hiring of the legislative employee is obtained.

2. The duties and functions performed by the legislative employee for the general assembly are not related to the legislative authority of the general assembly over the individual, association, or corporation, or the selling of goods or services by the legislative employee to the individuals, associations, or corporations does not affect the employee's duties or functions at the general assembly.

3. The selling of any goods or services by the legislative employee to an individual, association, or corporation does not include lobbying of the general assembly.

4. The selling of any goods or services by the legislative employee does not cause the employee to sell goods or services to the general assembly on behalf of the individual, association, or corporation.

92 Acts, ch 1228, §3; 2008 Acts, ch 1031, §24

Referred to in §68B.34

**68B.4B Sales or leases by members of the office of the governor.**

A permanent full-time member of the office of the governor shall not sell or lease, either directly or indirectly, any goods or services to a registered lobbyist before the general assembly or the executive branch or to an individual, association, or corporation which employs a person who is a registered lobbyist before the general assembly or the executive branch, except when the member of the office of the governor has met all of the following conditions:

1. The consent of the person or persons responsible for hiring or approving the hiring of the member of the office of the governor is obtained. A copy of the consent shall be filed with the board within twenty days of the consent being granted.

2. The duties and functions performed by the member for the office of the governor are not related to the authority of the office of the governor over the individual, association, or corporation, or the selling or leasing of goods or services by the member of the office of the governor to the individuals, associations, or corporations does not affect the member's duties or functions at the office of the governor.

3. The selling or leasing of any goods or services by the member of the office of the governor to an individual, association, or corporation does not include lobbying of the office of the governor.

4. The selling or leasing of any goods or services by the member of the office of the governor does not cause the member to sell or lease goods or services to the office of the governor on behalf of the individual, association, or corporation.

92 Acts, ch 1228, §4; 2004 Acts, ch 1091, §6, 7; 2005 Acts, ch 76, §4; 2006 Acts, ch 1149, §3

Referred to in §68B.34

**68B.5** Repealed by 92 Acts, 1st Ex, ch 1002, § 2.

**68B.5A Ban on certain lobbying activities.**

1. A person who serves as a statewide elected official, the executive or administrative head of an agency of state government, the deputy executive or administrative head of an agency of state government, or a member of the general assembly shall not act as a lobbyist during the

time in which the person serves or is employed by the state unless the person is designated, by the agency in which the person serves or is employed, to represent the official position of the agency.

2. The head of a major subunit of a department or independent state agency whose position involves substantial exercise of administrative discretion or the expenditure of public funds, a full-time employee of an office of a statewide elected official whose position involves substantial exercise of administrative discretion or the expenditure of public funds, or a legislative employee whose position involves a substantial exercise of administrative discretion or the expenditure of public funds, shall not, during the time in which the person serves or is employed by the state, act as a lobbyist before the agency in which the person is employed or before state agencies, officials, or employees with whom the person has substantial or regular contact as part of the person's duties, unless the person is designated, by the agency in which the person serves or is employed, to represent the official position of the agency.

3. A state or legislative employee who is not subject to the requirements of subsection 2 shall not act as a lobbyist in relation to any particular case, proceeding, or application with respect to which the person is directly concerned and personally participates as part of the person's employment, unless the person is designated, by the agency in which the person is employed, to represent the official position of the agency.

4. A person who is subject to the requirements of subsection 1 shall not within two years after the termination of service or employment become a lobbyist.

5. The head of a major subunit of a department or independent state agency whose position involves substantial exercise of administrative discretion or the expenditure of public funds, a full-time employee of an office of a statewide elected official whose position involves substantial exercise of administrative discretion or the expenditure of public funds, or a legislative employee whose position involves a substantial exercise of administrative discretion or the expenditure of public funds, shall not, within two years after termination of employment, become a lobbyist before the agency in which the person was employed or before state agencies or officials or employees with whom the person had substantial and regular contact as part of the person's former duties.

6. A state or legislative employee who is not subject to the requirements of subsection 2 shall not, within two years after termination of employment, act as a lobbyist in relation to any particular case, proceeding, or application with respect to which the person was directly concerned and personally participated as part of the person's employment.

7. This section shall not apply to a person who, within two years of leaving service or employment with the state, is elected to, appointed to, or employed by another office of the state, an office of a political subdivision of the state, or the federal government and appears or communicates on behalf or as part of the duties of that office or employment.

92 Acts, ch 1228, §5; 92 Acts, 1st Ex, ch 1002, §1; 93 Acts, ch 163, §4; 2008 Acts, ch 1191, §39

Referred to in §68B.34

**68B.6 Services against state prohibited.**

1. Officials, except for members of boards or commissions as defined under section 7E.4, state employees, and legislative employees shall not receive, directly or indirectly, or enter into any express or implied agreement for, any compensation, in whatever form, for the appearance or rendition of services by that person or another against the interest of the state in relation to any case, proceeding, application, or other matter before any state agency, any court of the state of Iowa, any federal court, or any federal bureau, agency, commission, or department.

2. A person who is an official, but who is not subject to the requirements of subsection 1, shall not receive, directly or indirectly, or enter into any agreement, express or implied, for any compensation, in whatever form, for the appearance or rendition of services by that person or another against the interest of the state in relation to any case, proceeding, application, or other matter before the subunit of a department or independent agency in

which the person serves, is employed, or with which the person has substantial and regular contact as part of the person's duties.

[C71, 73, 75, 77, 79, 81, §68B.6]

92 Acts, ch 1228, §6; 93 Acts, ch 163, §5; 2004 Acts, ch 1091, §8

Referred to in §13.2, 13B.4, 68B.34

**68B.7 Prohibited use of influence.**

1. A person who has served as an official, state employee of a state agency, member of the general assembly, or legislative employee shall not within a period of two years after the termination of such service or employment receive compensation for any services rendered on behalf of any person, firm, corporation, or association in relation to any case, proceeding, or application with respect to which the person was directly concerned and personally participated during the period of service or employment.

2. A person who has served as the head of or on a commission or board of a regulatory agency or as a deputy thereof, shall not, within a period of two years after the termination of such service do any of the following:

*a.* Accept employment with that commission, board, or agency.

*b.* Receive compensation for any services rendered on behalf of any person, firm, corporation, or association in any case, proceedings, or application before the department with which the person so served wherein the person's compensation is to be dependent or contingent upon any action by such agency with respect to any license, contract, certificate, ruling, decision, opinion, rate schedule, franchise, or other benefit, or in promoting or opposing, directly or indirectly, the passage of bills or resolutions before either house of the general assembly.

3. Notwithstanding the provisions of this section, a person who has served as the workers' compensation commissioner, or any deputy thereof, may represent a claimant in a contested case before the division of workers' compensation at any point subsequent to termination of such service, regardless of whether the person charges a contingent fee for such representation, provided such case was not pending before the division during the person's tenure as commissioner or deputy.

[C71, 73, 75, 77, 79, 81, §68B.7]

89 Acts, ch 321, §24; 92 Acts, ch 1228, §7; 2006 Acts, ch 1182, §57; 2009 Acts, ch 9, §3, 6

Referred to in §68B.34

**68B.8 Lobbying activities by state agencies.**

1. A state agency of the executive branch of state government shall not employ a person through the use of its public funds whose position with the agency is primarily representing the agency relative to the passage, defeat, approval, or modification of legislation that is being considered by the general assembly.

2. A state agency of the executive branch of state government shall not use or permit the use of its public funds for a paid advertisement or public service announcement thirty days prior to or during a legislative session for the purpose of encouraging the passage, defeat, approval, or modification of a bill that is being considered, or was considered during the previous legislative session, by the general assembly.

2008 Acts, ch 1116, §1; 2011 Acts, ch 122, §4, 5

Referred to in §68B.34

**68B.9 through 68B.20** Reserved.

## SUBCHAPTER III

## GIFTS AND OFFERS — GENERAL PENALTIES

**68B.21 Legislative intent.**

It is the goal of the general assembly that public officials and public employees of the state be extremely cautious and circumspect about accepting a gratuity or favor, especially from persons that have a substantial interest in the legislative, administrative, or political actions of the official or employee. Even where there is a genuine personal friendship, the acceptance of personal benefits from those who could gain advantage by influencing official actions raises suspicions that tend to undermine the public trust. It is therefore the intent of the general assembly that the provisions of this subchapter be construed to discourage all gratuities, but to prohibit only those that create unacceptable conflicts of interest or appearances of impropriety.

92 Acts, ch 1228, §8

**68B.22 Gifts accepted or received.**

1. Except as otherwise provided in this section, a public official, public employee, or candidate, or that person's immediate family member shall not, directly or indirectly, accept or receive any gift or series of gifts from a restricted donor. A public official, public employee, candidate, or the person's immediate family member shall not solicit any gift or series of gifts from a restricted donor at any time.

2. Except as otherwise provided in this section, a restricted donor shall not, directly or indirectly, offer or make a gift or a series of gifts to a public official, public employee, or candidate. Except as otherwise provided in this section, a restricted donor shall not, directly or indirectly, join with one or more other restricted donors to offer or make a gift or a series of gifts to a public official, public employee, or candidate.

3. A restricted donor may give, and a public official, public employee, or candidate, or the person's immediate family member, may accept an otherwise prohibited nonmonetary gift or a series of otherwise prohibited nonmonetary gifts and not be in violation of this section if the nonmonetary gift or series of nonmonetary gifts is donated within thirty days to a public body, the department of administrative services, or a bona fide educational or charitable organization, if no part of the net earnings of the educational or charitable organization inures to the benefit of any private stockholder or other individual. All such items donated to the department of administrative services shall be disposed of by assignment to state agencies for official use or by public sale. A person subject to section 8.7 that receives a gift pursuant to this subsection shall file a report pursuant to section 8.7.

4. Notwithstanding subsections 1 and 2, the following gifts may be received by public officials, public employees, candidates, or members of the immediate family of public officials, public employees, or candidates:

*a.* Contributions to a candidate or a candidate's committee.

*b.* Informational material relevant to a public official's or public employee's official functions, such as books, pamphlets, reports, documents, periodicals, or other information that is recorded in a written, audio, or visual format.

*c.* Anything received from anyone related within the fourth degree by kinship or marriage, unless the donor is acting as an agent or intermediary for another person not so related.

*d.* An inheritance.

*e.* Anything available or distributed free of charge to members of the general public without regard to the official status of the recipient. This paragraph shall not apply to functions described under paragraph "*s*".

*f.* Items received from a bona fide charitable, professional, educational, or business organization to which the donee belongs as a dues-paying member, if the items are given to all members of the organization without regard to individual members' status or positions

held outside of the organization and if the dues paid are not inconsequential when compared to the items received.

*g.* Actual expenses of a donee for food, beverages, registration, travel, and lodging for a meeting, which is given in return for participation in a panel or speaking engagement at the meeting when the expenses relate directly to the day or days on which the donee has participation or presentation responsibilities.

*h.* Plaques or items of negligible resale value which are given as recognition for the public services of the recipient.

*i.* Food and beverages provided at a meal that is part of a bona fide event or program at which the recipient is being honored for public service.

*j.* Nonmonetary items with a value of three dollars or less that are received from any one donor during one calendar day.

*k.* Items or services solicited by or given to a state, national, or regional government organization in which the state of Iowa or a political subdivision of the state is a member for purposes of a business or educational conference, seminar, or other meeting; or solicited by or given to state, national, or regional government organizations, whose memberships and officers are primarily composed of state or local government officials or employees, for purposes of a business or educational conference, seminar, or other meeting.

*l.* Items or services received by members or representatives of members at a regularly scheduled event that is part of a business or educational conference, seminar, or other meeting that is sponsored and directed by any state, national, or regional government organization in which the state of Iowa or a political subdivision of the state is a member, or received at such an event by members or representatives of members of state, national, or regional government organizations whose memberships and officers are primarily composed of state or local government officials or employees.

*m.* Funeral flowers or memorials to a church or nonprofit organization.

*n.* Gifts which are given to a public official or public employee for the public official's or public employee's wedding or twenty-fifth or fiftieth wedding anniversary.

*o.* Payment of salary or expenses by a person's employer or the firm in which the person is a member for the cost of attending a meeting of a subunit of an agency when the person whose expenses are being paid serves on a board, commission, committee, council, or other subunit of the agency and the person is not entitled to receive compensation or reimbursement of expenses from the state or a political subdivision of the state for attending the meeting.

*p.* Gifts of food, beverages, travel, or lodging received by a public official or public employee if all of the following apply:

(1) The public official or public employee is officially representing an agency in a delegation whose sole purpose is to attract a specific new business to locate in the state, encourage expansion or retention of an existing business already established in the state, or to develop markets for Iowa businesses or products.

(2) The donor of the gift is not the business or businesses being contacted. However, food or beverages provided by the business or businesses being contacted which are consumed during the meeting are not a gift under section 68B.2, subsection 9, or this section.

(3) The public official or public employee plays a significant role in the presentation to the business or businesses on behalf of the public official's or public employee's agency.

*q.* Gifts other than food, beverages, travel, and lodging received by a public official or public employee which are received from a person who is a citizen of a country other than the United States and are given during a ceremonial presentation or as a result of a custom of the other country and are of personal value only to the donee.

*r.* Actual registration costs for informational meetings or sessions which assist a public official or public employee in the performance of the person's official functions. The costs of food, drink, lodging, and travel are not "registration costs" under this paragraph. Meetings or sessions which a public official or public employee attends for personal or professional licensing purposes are not "informational meetings or sessions which assist a public official or public employee in the performance of the person's official functions" under this paragraph.

*s.* Gifts of food, beverage, and entertainment received at a function where every member of the general assembly has been invited to attend, when the function takes place during a

regular session of the general assembly. A sponsor of a function under this paragraph shall file a registration prior to the function taking place identifying the sponsor and the date, time, and location of the function. The registration shall be filed with the person or persons designated by the secretary of the senate and the chief clerk of the house and with the board. After a function takes place, the sponsor of the function shall file a report disclosing the total amount expended, including in-kind expenditures, on food, beverage, and entertainment for the function. The report shall be filed with the person or persons designated by the secretary of the senate and the chief clerk of the house and with the board within twenty-eight calendar days following the date of the function.

5. For purposes of determining the value of an item given or received, an individual who gives an item on behalf of more than one person shall not divide the value of the item by the number of persons on whose behalf the item is given and the value of an item received shall be the value actually received by the donee.

6. A gift shall not be considered to be received by a public official or public employee if the state is the donee of the gift and the public official or public employee is required to receive the gift on behalf of the state as part of the performance of the person's duties of office or employment.

7. A person shall not request, and a member of the general assembly shall not agree, that a member of the general assembly sell tickets for a community-related social event that is to be held for members of the general assembly in Polk county during the legislative session. This section shall not apply to Polk county or city of Des Moines events that are open to the public generally or are held only for Polk county or city of Des Moines legislators.

8. Except as otherwise provided in subsection 4, an organization or association which has as one of its purposes the encouragement of the passage, defeat, introduction, or modification of legislation shall not give and a member of the general assembly shall not receive food, beverages, registration, or scheduled entertainment with a per person value in excess of three dollars.

92 Acts, ch 1228, §9; 93 Acts, ch 163, §6; 94 Acts, ch 1092, §5 – 7; 2001 Acts, ch 24, §19; 2003 Acts, ch 145, §286; 2003 Acts, ch 161, §1, 2; 2005 Acts, ch 76, §5; 2007 Acts, ch 5, §2; 2008 Acts, ch 1191, §40; 2009 Acts, ch 133, §18; 2010 Acts, ch 1006, §1, 11

Referred to in §68B.23, 68B.34

Solicitations for capitol complex projects, see §8A.108

**68B.23 Honoraria — banned.**

1. Except as provided in subsection 2, a public official or public employee shall not seek or accept an honorarium from a restricted donor.

2. A public official or public employee may accept an honorarium from any person under the following circumstances:

*a.* The honorarium consists of payment of actual expenses of a donee for registration, food, beverages, travel, and lodging paid in return for participation in a panel or speaking engagement at a meeting when the expenses relate directly to the day or days on which the recipient has participation or presentation responsibilities.

*b.* The honorarium consists of a nonmonetary item or series of nonmonetary items that the public official or public employee donates within thirty days to a public body, a bona fide educational or charitable organization, or the department of administrative services as provided in section 68B.22, subsection 3.

*c.* The honorarium consists of a payment made to a public official or public employee for services rendered as part of a bona fide private business, trade, or profession in which the public official or public employee is engaged if the payment is commensurate with the actual services rendered and is not being made because of the person's status as a public official or public employee, but, rather, because of some special expertise or other qualification.

92 Acts, ch 1228, §10; 93 Acts, ch 163, §7; 2003 Acts, ch 145, §286

Referred to in §68B.34

**68B.24 Loans — receipt from lobbyists prohibited.**

1. An official, member of the general assembly, state employee, legislative employee, or

candidate for state office shall not, directly or indirectly, seek or accept a loan or series of loans from a person who is a lobbyist.

2. A lobbyist shall not, directly or indirectly, offer or make a loan or series of loans to an official, member of the general assembly, state employee, legislative employee, or candidate for state office. A lobbyist shall also not, directly or indirectly, join with one or more persons to offer or make a loan or series of loans to an official, member of the general assembly, state employee, legislative employee, or candidate for state office.

3. This section shall not apply to loans made in the ordinary course of business. For purposes of this section, a loan is *"made in the ordinary course of business"* when it is made by a person who is regularly engaged in a business that makes loans to members of the general public and the finance charges and other terms of the loan are the same or substantially similar to the finance charges and loan terms that are available to members of the general public.

92 Acts, ch 1228, §11; 93 Acts, ch 163, §8
Referred to in §68B.34

**68B.25 Additional penalty.** Transferred to § 68B.34.

**68B.26 Actions commenced.** Transferred to § 68B.34A.

**68B.27 through 68B.30** Reserved.

## SUBCHAPTER IV

## ENFORCEMENT — ENTITIES, PROCEDURE, AND JURISDICTION

**68B.31 Legislative ethics committee.**

1. There shall be an ethics committee in the senate and an ethics committee in the house, each to consist of six members; three members to be appointed by the majority leader in each house, and three members by the minority leader in each house. A member of the ethics committee may disqualify himself or herself from participating in any proceeding upon submission of a written statement that the member cannot render an impartial and unbiased decision in a case. A member is ineligible to participate in committee meetings, as a member of the committee, in any proceeding relating to the member's own conduct. A member may be disqualified by a unanimous vote of the remaining eligible members of the committee. If a member of the ethics committee is disqualified from or is ineligible to participate in any committee proceedings, the authority responsible for the original appointment of the disqualified or ineligible member shall appoint a replacement member who shall serve during the period of the original member's disqualification or ineligibility.

2. Members shall receive a per diem and travel expenses at the same rate as paid members of interim committees for attending meetings held when the general assembly is not in session. The per diem and expenses shall be paid from funds appropriated by section 2.12.

3. The majority leader of each house shall designate the chairperson and vice chairperson, and the minority leader of each house shall designate the ranking member, of each committee. The chairperson of each committee shall have the following powers, duties and functions:

*a.* Preside over meetings of the committee.

*b.* Call meetings of the committee upon receipt of findings from the independent special counsel that there is probable cause to believe that a member of the general assembly or a lobbyist has committed a violation of a provision of this chapter or of the rules relating to ethical conduct that are adopted pursuant to this chapter.

4. *a.* The ethics committee of each house shall have the following powers, duties, and functions:

(1) Prepare a code of ethics within thirty days after the commencement of each general assembly.

(2) Prepare rules relating to lobbyists and lobbying activities in the general assembly.

(3) Issue advisory opinions interpreting the intent of constitutional and statutory provisions relating to legislators, lobbyists, and clients as well as interpreting the code of ethics and rules issued pursuant to this section. Opinions shall be issued when approved by a majority of the six members and may be issued upon the written request of a member of the general assembly or upon the committee's initiation. Opinions are not binding on the legislator, lobbyist, or client.

(4) Receive and hear complaints and charges against members of its house, lobbyists, or clients of a lobbyist alleging a violation of the code of ethics, rules governing lobbyists, this chapter, or other matters referred to it by its house or the independent special counsel. The committee shall recommend rules for the receipt and processing of findings of probable cause relating to ethical violations of members of the general assembly, lobbyists, or clients of lobbyists during the legislative session and those received after the general assembly adjourns.

(5) Recommend legislation relating to legislative ethics and lobbying activities.

*b.* The ethics committee may employ independent legal counsel to assist the committee in carrying out the committee's duties under this chapter. Payment of costs for the independent legal counsel shall be made from funds appropriated pursuant to section 2.12.

5. Any person may file a complaint with the ethics committee of either house alleging that a member of the general assembly, lobbyist, or client of a lobbyist before the general assembly has committed a violation of this chapter. The ethics committee shall prescribe and provide forms for this purpose. The complaint shall include the name and address of the complainant and a statement of the facts believed to be true that form the basis of the complaint, including the sources of information and approximate dates of the acts alleged and a certification by the complainant under penalty of perjury that the facts stated to be true are true to the best of the complainant's knowledge.

6. The ethics committee shall promptly notify any party alleged to have committed a violation of the code of ethics, rules governing lobbyists, or this chapter of the filing of a complaint by causing a copy of the complaint to be served or personally delivered to the party charged, unless service is waived by the party charged, and shall review the complaint to determine if the complaint meets the requirements for formal sufficiency. If the complaint is deficient as to form, the complaint shall be returned to the complainant with a statement of the nature of the deficiency and the party charged in the complaint shall be notified that the complaint has been returned. If a complaint, previously found to be deficient as to form, is refiled in different form, the party charged in the complaint shall be provided with a copy of the new document in the same manner as provided for service of the initial complaint. Any amendments to a complaint that are filed with the committee shall also be served or personally delivered, unless service is waived, to the party charged in the complaint. If the complaint is sufficient as to form, the ethics committee shall review the complaint to determine whether the complaint states a valid charge which may be investigated. A valid complaint must allege all of the following:

*a.* Facts, that if true, establish a violation of a provision of this chapter, the rules governing lobbyists, or the code of ethics for which penalties or other remedies are provided.

*b.* That the conduct providing the basis for the complaint occurred within three years of the filing of the complaint.

*c.* That the party charged with a violation is a party subject to the jurisdiction of the ethics committee.

7. *a.* If the ethics committee determines that a complaint is not valid, the complaint shall be dismissed and returned to the complainant with a notice of dismissal stating the reason or reasons for the dismissal. If the ethics committee determines that a complaint is valid and the ethics committee does not take action under rules adopted pursuant to paragraph "*b*", the ethics committee shall request that the chief justice of the supreme court appoint an independent special counsel to investigate the allegations contained in the complaint to determine whether there is probable cause to believe that a violation of this chapter has

occurred and whether an evidentiary hearing on the complaint should be held. Payment of costs for the independent special counsel shall be made from section 2.12.

*b.* The ethics committee may adopt rules for purposes of taking action on valid complaints without requesting the appointment of an independent special counsel and without requiring action by the appropriate house pursuant to subsection 11. Such action may only be taken if the committee determines that no dispute exists between the parties regarding material facts that establish a violation.

8. If a hearing on the complaint is ordered, the ethics committee shall receive all admissible evidence, determine any factual or legal issues presented during the hearing, and make findings of fact based upon evidence received. Hearings shall be conducted in the manner prescribed in section 17A.12. The rules of evidence applicable under section 17A.14 shall also apply in hearings before the ethics committee. Clear and convincing evidence shall be required to support a finding that the member of the general assembly, lobbyist, or client before the general assembly has committed a violation of this chapter. Parties to a complaint may, subject to the approval of the ethics committee, negotiate for settlement of disputes that are before the ethics committee. Terms of any negotiated settlements shall be publicly recorded. If a complaint is filed or initiated less than ninety days before the election for a state office, for which the person named in the complaint is the incumbent officeholder, the ethics committee shall, if possible, set the hearing at the earliest available date so as to allow the issue to be resolved before the election. An extension of time for a hearing may be granted when both parties mutually agree on an alternate date for the hearing. The ethics committee shall make every effort to hear all ethics complaints within three months of the date that the complaints are filed. However, after three months from the date of the filing of the complaint, extensions of time for purposes of preparing for hearing may only be granted by the ethics committee when the party charged in the complaint with the ethics violation consents to an extension. If the party charged does not consent to an extension, the ethics committee shall not grant any extensions of time for preparation prior to hearing. All complaints alleging a violation of this chapter or the code of ethics shall be heard within nine months of the filing of the complaint. Final dispositions of violations, which the ethics committee has found to have been established by clear and convincing evidence, shall be made within thirty days of the conclusion of the hearing on the complaint.

9. The ethics committee of each house shall recommend rules for adoption by the respective house relating to the confidentiality of a complaint or information which has been filed or provided to the committee. Rules adopted shall provide for initial confidentiality of a complaint, unless the complaint has been publicly disclosed, and shall permit the ethics committee to treat some or all of the contents of a complaint or other information as confidential if the committee finds that the criteria established under section 22.7, subsection 18, for keeping certain information confidential, are met. If the existence of a complaint or a preliminary investigation is made public, the ethics committee shall publicly confirm the existence of the complaint or preliminary inquiry and, in the ethics committee's discretion, make public the complaint or investigation and any documents which were issued to any party to the complaint or investigation. However, this subsection shall not prevent the committee from furnishing the complaint or other information to the appropriate law enforcement authorities at any time. Upon commencement of a hearing on a complaint, all investigative material shall be made available to the subject of the hearing and any material that is introduced at the hearing shall be public information.

10. The code of ethics and rules relating to lobbyists and lobbying activities shall not become effective until approved by the members of the house to which the proposed code and rules apply. The code or rules may be amended either upon the recommendation of the ethics committee or by members of the general assembly.

11. Violation of a provision of this chapter or rules adopted relating to ethical conduct may result in censure, reprimand, or other sanctions as determined by a majority of the member's house. However, a member may be suspended or expelled and the member's salary forfeited only if directed by a two-thirds vote of the member's house. A suspension, expulsion, or forfeiture of salary shall be for the duration specified in the directing resolution. Violation of a rule relating to lobbyists and lobbying activities may result in censure, reprimand, or other

sanctions as determined by a majority of the members of the house in which the violation occurred. However, a lobbyist may be suspended from lobbying activities for the duration provided in the directing resolution only if directed by a two-thirds vote of the house in which the violation occurred.

[C71, 73, 75, 77, 79, 81, §68B.10]

87 Acts, ch 213, §4 – 7; 90 Acts, ch 1223, §14; 90 Acts, ch 1256, §26; 92 Acts, ch 1228, §13

C93, §68B.31

93 Acts, ch 163, §11 – 13; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1006, §2 – 5, 11

Referred to in §22.7, 68B.31A

**68B.31A Investigation by independent special counsel — probable cause.**

The purpose of an investigation by the independent special counsel is to determine whether there is probable cause to proceed with an adjudicatory hearing on the matter. In conducting investigations and holding hearings, the independent special counsel may require by subpoena the attendance and testimony of witnesses and may subpoena books, papers, records, and any other real evidence relating to the matter before the independent special counsel. The independent special counsel shall have the additional authority provided in section 17A.13. If the independent special counsel determines at any stage in the proceedings that take place prior to hearing that the complaint is without merit, the independent special counsel shall report that determination to the appropriate ethics committee and the complaint shall be dismissed and the complainant and the party charged shall be notified. If, after investigation, the independent special counsel determines evidence exists which, if proven, would support a finding of a violation of this chapter, a finding of probable cause shall be made and reported to the ethics committee, and a hearing shall be ordered by the ethics committee as provided in section 68B.31. Independent special counsel investigations are not meetings of a governmental body within the meaning of chapter 21, and records and information obtained by independent special counsel during investigations are confidential until disclosed to a legislative ethics committee under section 68B.31.

2004 Acts, ch 1091, §9

Referred to in §22.7

**68B.32 Independent ethics and campaign disclosure board — established.**

1. An Iowa ethics and campaign disclosure board is established as an independent agency. The board shall administer this chapter and set standards for, investigate complaints relating to, and monitor the ethics of officials, employees, lobbyists, and candidates for office in the executive branch of state government. The board shall administer and set standards for, investigate complaints relating to, and monitor the campaign finance practices of candidates for public office. The board shall administer and establish standards for, investigate complaints relating to, and monitor the reporting of gifts and bequests under section 8.7. The board shall consist of six members and shall be balanced as to political affiliation as provided in section 69.16. The members shall be appointed by the governor, subject to confirmation by the senate.

2. Members shall serve staggered six-year terms beginning and ending as provided in section 69.19. Any vacancy on the board shall be filled by appointment for the unexpired portion of the term, within ninety days of the vacancy and in accordance with the procedures for regular appointments. A member of the board may be reappointed to serve additional terms on the board. Members may be removed in the manner provided in chapter 69.

3. The board shall annually elect one member to serve as the chairperson of the board and one member to serve as vice chairperson. The vice chairperson shall act as the chairperson in the absence or disability of the chairperson or in the event of a vacancy in that office.

4. Members of the board shall receive a per diem as specified in section 7E.6 while conducting business of the board, and payment of actual and necessary expenses incurred in the performance of their duties. Members of the board shall file statements of financial interest under section 68B.35.

5. The board shall employ a full-time executive director who shall be the board's chief administrative officer. The board shall employ or contract for the employment of legal counsel

notwithstanding section 13.7, and any other personnel as may be necessary to carry out the duties of the board. The board's legal counsel shall be the chief legal officer of the board and shall advise the board on all legal matters relating to the administration of this chapter and chapter 68A. The state may be represented by the board's legal counsel in any civil action regarding the enforcement of this chapter or chapter 68A, or at the board's request, the state may be represented by the office of the attorney general. Notwithstanding section 8A.412, all of the board's employees, except for the executive director and legal counsel, shall be employed subject to the merit system provisions of chapter 8A, subchapter IV. The salary of the executive director shall be fixed by the board, within the range established by the general assembly. The salary of the legal counsel shall be fixed by the board, within a salary range established by the department of administrative services for a position requiring similar qualifications and experience.

92 Acts, ch 1228, §14; 93 Acts, ch 163, §14; 95 Acts, ch 198, §18; 2003 Acts, ch 145, §155, 286; 2006 Acts, ch 1035, §1; 2008 Acts, ch 1191, §41

Referred to in §68A.101, 68A.102, 331.210A

Confirmation, see §2.32

**68B.32A Duties of the board.**

The duties of the board shall include but are not limited to all of the following:

1. Adopt rules pursuant to chapter 17A and conduct hearings under sections 68B.32B and 68B.32C and chapter 17A, as necessary to carry out the purposes of this chapter, chapter 68A, and section 8.7.

2. Develop, prescribe, furnish, and distribute any forms necessary for the implementation of the procedures contained in this chapter, chapter 68A, and section 8.7 for the filing of reports and statements by persons required to file the reports and statements under this chapter and chapter 68A.

3. Establish a process to assign signature codes to a person or committee for purposes of facilitating an electronic filing procedure. The assignment of signature codes shall be kept confidential, notwithstanding section 22.2. The board and persons electronically filing reports and statements shall keep assigned signature codes or subsequently selected signature codes confidential. Signature codes shall not be subject to state security policies regarding frequency of change.

4. Review the contents of all campaign finance disclosure reports and statements filed with the board and promptly advise each person or committee of errors found. The board may verify information contained in the reports with other parties to assure accurate disclosure. The board may also verify information by requesting that a candidate or committee produce copies of receipts, bills, logbooks, or other memoranda of reimbursements of expenses to a candidate for expenses incurred during a campaign. The board, upon its own motion, may initiate action and conduct a hearing relating to requirements under chapter 68A.

5. Receive all registrations and reports that are required to be filed with the board under this chapter or section 8.7. The board, upon its own motion, may initiate action, conduct hearings, impose sanctions, and order administrative resolutions relating to reporting requirements under this chapter or section 8.7.

6. Prepare and publish a manual setting forth examples of approved uniform systems of accounts and approved methods of disclosure for use by persons required to file statements and reports under this chapter, chapter 68A, and section 8.7. The board shall also prepare and publish other educational materials, and any other reports or materials deemed appropriate by the board. The board shall annually provide all officials and state employees with notification of the contents of this chapter, chapter 68A, and section 8.7 by distributing copies of educational materials to each agency of state government under the board's jurisdiction.

7. Assure that the statements and reports which have been filed in accordance with this chapter, chapter 68A, and section 8.7 are available for public inspection and copying during the regular office hours of the office in which they are filed and not later than by the end of the day during which a report or statement was received. Rules adopted relating to public inspection and copying of statements and reports may include a charge for any copying and

mailing of the reports and statements, shall provide for the mailing of copies upon the request of any person and upon prior receipt of payment of the costs by the board, and shall prohibit the use of the information copied from reports and statements for any commercial purpose by any person.

8. Require that the candidate of a candidate's committee, or the chairperson of a political committee, is responsible for filing disclosure reports under chapter 68A, and shall receive notice from the board if the committee has failed to file a disclosure report at the time required under chapter 68A. A candidate of a candidate's committee, or the chairperson of a political committee, may be subject to a civil penalty for failure to file a disclosure report required under section 68A.402, subsection 1.

9. Establish and impose penalties, and recommendations for punishment of persons who are subject to penalties of or punishment by the board or by other bodies, for the failure to comply with the requirements of this chapter, chapter 68A, or section 8.7.

10. Determine, in case of dispute, at what time a person has become a candidate.

11. Preserve copies of reports and statements filed with the board for a period of five years from the date of receipt.

12. Establish a procedure for requesting and issuing board advisory opinions to persons subject to the authority of the board under this chapter, chapter 68A, or section 8.7. Local officials and local employees may also seek an advisory opinion concerning the application of the applicable provisions of this chapter. Advice contained in board advisory opinions shall, if followed, constitute a defense to a complaint alleging a violation of this chapter, chapter 68A, section 8.7, or rules of the board that is based on the same facts and circumstances.

13. Establish rules relating to ethical conduct for officials and state employees, including candidates for statewide office, and regulations governing the conduct of lobbyists of the executive branch of state government, including but not limited to conflicts of interest, abuse of office, misuse of public property, use of confidential information, participation in matters in which an official or state employee has a financial interest, and rejection of improper offers.

14. Impose penalties upon, or refer matters relating to, persons who discharge any employee, or who otherwise discriminate in employment against any employee, for the filing of a complaint with, or the disclosure of information to, the board if the employee has filed the complaint or made the disclosure in good faith.

15. Establish fees, where necessary, to cover the costs associated with preparing, printing, and distributing materials to persons subject to the authority of the board.

16. Establish an expedited procedure for reviewing complaints forwarded by the state commissioner of elections to the board for a determination as to whether a supervisor district plan adopted pursuant to section 331.210A was drawn for improper political reasons as described in section 42.4, subsection 5. The expedited procedure shall be substantially similar to the process used for other complaints filed with the board except that the provisions of section 68B.32D shall not apply.

17. At the board's discretion, develop and operate a searchable internet site database that provides access to information on statements or reports filed with the board. For purposes of this subsection, *"searchable internet site database"* means an internet site database that allows the public to search and aggregate information and is in a downloadable format.

18. At the board's discretion, enter into an agreement with a political subdivision authorizing the board to enforce the provisions of a code of ethics adopted by that political subdivision.

19. Impose penalties upon, or refer matters relating to, persons who provide false information to the board during a board investigation of a potential violation of this chapter, chapter 68A, section 8.7, or rules of the board. The board shall adopt rules to administer this subsection.

93 Acts, ch 163, §15; 95 Acts, ch 198, §19; 2004 Acts, ch 1091, §10; 2005 Acts, ch 76, §6; 2006 Acts, ch 1035, §2 – 4, 9; 2006 Acts, ch 1185, §69; 2007 Acts, ch 5, §3; 2007 Acts, ch 126, §15; 2008 Acts, ch 1031, §85; 2008 Acts, ch 1115, §106; 2008 Acts, ch 1184, §25; 2008 Acts, ch 1191, §42; 2009 Acts, ch 181, §41; 2010 Acts, ch 1006, §6, 11; 2010 Acts, ch 1054, §4 – 6

Referred to in §68A.101

**68B.32B Complaint procedures.**

1. Any person may file a complaint alleging that a candidate, committee, person holding a state office in the executive branch of state government, employee of the executive branch of state government, or other person has committed a violation of chapter 68A or rules adopted by the board. Any person may file a complaint alleging that a person holding a state office in the executive branch of state government, an employee of the executive branch of state government, or a lobbyist or a client of a lobbyist of the executive branch of state government has committed a violation of this chapter or rules adopted by the board. Any person may file a complaint alleging a violation of section 8.7 or rules adopted by the board. The board shall prescribe and provide forms for purposes of this subsection. A complaint must include the name and address of the complainant, a statement of the facts believed to be true that form the basis of the complaint, including the sources of information and approximate dates of the acts alleged, and a certification by the complainant under penalty of perjury that the facts stated to be true are true to the best of the complainant's knowledge.

2. The board staff shall review the complaint to determine if the complaint is sufficient as to form. If the complaint is deficient as to form, the complaint shall be returned to the complainant with a statement of the deficiency and an explanation describing how the deficiency may be cured. If the complaint is sufficient as to form, the complaint shall be referred for legal review.

3. Unless the chairperson of the board concludes that immediate notification would prejudice a preliminary investigation or subject the complainant to an unreasonable risk, the board shall mail a copy of the complaint to the subject of the complaint within three working days of the acceptance of the complaint. If a determination is made by the chairperson not to mail a copy of the complaint to the subject of the complaint within the three working days time period, the board shall approve and establish the time and conditions under which the subject will be informed of the filing and contents of the complaint.

4. Upon completion of legal review, the chairperson of the board shall be advised whether, in the opinion of the legal advisor, the complaint states an allegation which is legally sufficient. A legally sufficient allegation must allege all of the following:

*a.* Facts that would establish a violation of a provision of this chapter, chapter 68A, section 8.7, or rules adopted by the board.

*b.* Facts that would establish that the conduct providing the basis for the complaint occurred within three years of the complaint.

*c.* Facts that would establish that the subject of the complaint is a party subject to the jurisdiction of the board.

5. After receiving an evaluation of the legal sufficiency of the complaint, the chairperson shall refer the complaint to the board for a formal determination by the board of the legal sufficiency of the allegations contained in the complaint.

6. If the board determines that none of the allegations contained in the complaint are legally sufficient, the complaint shall be dismissed. The complainant shall be sent a notice of dismissal stating the reason or reasons for the dismissal. If a copy of the complaint was sent to the subject of the complaint, a copy of the notice shall be sent to the subject of the complaint. If the board determines that any allegation contained in the complaint is legally sufficient, the complaint shall be referred to the board staff for investigation of any legally sufficient allegations.

7. Notwithstanding subsections 1 through 6, the board may, on its own motion and without the filing of a complaint by another person, initiate investigations into matters that the board believes may be subject to the board's jurisdiction. This section does not preclude persons from providing information to the board for possible board-initiated investigation instead of filing a complaint.

8. The purpose of an investigation by the board's staff is to determine whether there is probable cause to believe that there has been a violation of this chapter, chapter 68A, section 8.7, or of rules adopted by the board. To facilitate the conduct of investigations, the board may issue and seek enforcement of subpoenas requiring the attendance and testimony of witnesses and subpoenas requiring the production of books, papers, records, and other real evidence relating to the matter under investigation. Upon the request of the board, an

appropriate county attorney or the attorney general shall assist the staff of the board in its investigation.

9. If the board determines on the basis of an investigation by board staff that there is probable cause to believe the existence of facts that would establish a violation of this chapter, chapter 68A, section 8.7, or of rules adopted by the board, the board may issue a statement of charges and notice of a contested case proceeding to the complainant and to the person who is the subject of the complaint, in the manner provided for the issuance of statements of charges under chapter 17A. If the board determines on the basis of an investigation by staff that there is no probable cause to believe that a violation has occurred, the board shall close the investigation, dismiss any related complaint, and the subject of the complaint shall be notified of the dismissal. If the investigation originated from a complaint filed by a person other than the board, the person making the complaint shall also be notified of the dismissal.

10. At any stage during the investigation or after the initiation of a contested case proceeding, the board may approve a settlement regarding an alleged violation. Terms of a settlement shall be reduced to writing and be available for public inspection. An informal settlement may provide for any remedy specified in section 68B.32D. However, the board shall not approve a settlement unless the board determines that the terms of the settlement are in the public interest and are consistent with the purposes of this chapter and rules of the board. In addition, the board may authorize board staff to seek informal voluntary compliance in routine matters brought to the attention of the board or its staff.

11. A complaint shall be a public record, but some or all of the contents may be treated as confidential under section 22.7, subsection 18, to the extent necessary under subsection 3 of this section. Information informally reported to the board and board staff which results in a board-initiated investigation shall be a public record but may be treated as confidential information consistent with the provisions of section 22.7, subsection 18. If the complainant, the person who provides information to the board, or the person who is the subject of an investigation publicly discloses the existence of an investigation, the board may publicly confirm the existence of the disclosed formal complaint or investigation and, in the board's discretion, make the complaint or the informal referral public, as well as any other documents that were issued by the board to any party to the investigation. However, investigative materials may be furnished to the appropriate law enforcement authorities by the board at any time. Upon the commencement of a contested case proceeding by the board, all investigative material relating to that proceeding shall be made available to the subject of the proceeding. The entire record of any contested case proceeding initiated under this section shall be a public record.

12. Board records used to achieve voluntary compliance to resolve discrepancies and deficiencies shall not be confidential unless otherwise required by law.

93 Acts, ch 163, §16; 94 Acts, ch 1092, §8; 2006 Acts, ch 1035, §5; 2007 Acts, ch 126, §16
Referred to in §68A.101, 68B.32A, 68B.32C

**68B.32C Contested case proceedings.**

1. Contested case proceedings initiated as a result of the issuance of a statement of charges pursuant to section 68B.32B, subsection 9, shall be conducted in accordance with the requirements of chapter 17A. Clear and convincing evidence shall be required to support a finding that a person has violated this chapter, section 8.7, or any rules adopted by the board pursuant to this chapter. A preponderance of the evidence shall be required to support a finding that a person has violated chapter 68A or any rules adopted by the board pursuant to chapter 68A. The case in support of the statement of charges shall be presented at the hearing by one of the board's attorneys or staff unless, upon the request of the board, the charges are prosecuted by another legal counsel designated by the attorney general. A person making a complaint under section 68B.32B, subsection 1, is not a party to contested case proceedings conducted relating to allegations contained in the complaint.

2. Hearings held pursuant to this chapter shall be heard by a quorum of the board, unless the board designates a board member or an administrative law judge to preside at the hearing. If a quorum of the board does not preside at the hearing, the board member or administrative law judge shall make a proposed decision. The board or presiding board member may be

assisted by an administrative law judge in the conduct of the hearing and the preparation of a decision.

3. Upon a finding by the board that the party charged has violated this chapter, chapter 68A, section 8.7, or rules adopted by the board, the board may impose any penalty provided for by section 68B.32D. Upon a final decision of the board finding that the party charged has not violated this chapter, chapter 68A, section 8.7, or the rules of the board, the complaint shall be dismissed and the party charged and the original complainant, if any, shall be notified.

4. The right of an appropriate county attorney or the attorney general to commence and maintain a district court prosecution for criminal violations of the law is unaffected by any proceedings under this section.

5. The board shall adopt rules, pursuant to chapter 17A, establishing procedures to implement this section.

93 Acts, ch 163, §17; 2006 Acts, ch 1035, §6; 2007 Acts, ch 126, §17
Referred to in §68A.101, 68B.32A, 331.756(15)

**68B.32D Penalties — recommended actions.**

1. The board, after a hearing and upon a finding that a violation of this chapter, chapter 68A, section 8.7, or rules adopted by the board has occurred, may do one or more of the following:

*a.* Issue an order requiring the violator to cease and desist from the violation found.

*b.* Issue an order requiring the violator to take any remedial action deemed appropriate by the board.

*c.* Issue an order requiring the violator to file any report, statement, or other information as required by this chapter, chapter 68A, section 8.7, or rules adopted by the board.

*d.* Publicly reprimand the violator for violations of this chapter, chapter 68A, section 8.7, or rules adopted by the board in writing and provide a copy of the reprimand to the violator's appointing authority.

*e.* Make a written recommendation to the violator's appointing authority that the violator be removed or suspended from office, and include in the recommendation the length of the suspension.

*f.* If the violation is a violation of this chapter or rules adopted by the board pursuant to this chapter and the violator is an elected official of the executive branch of state government, other than an official who can only be removed by impeachment, make a written recommendation to the attorney general or the appropriate county attorney that an action for removal from office be initiated pursuant to chapter 66.

*g.* If the violation is a violation of this chapter or rules adopted by the board pursuant to this chapter and the violator is a lobbyist of the executive branch of state government, censure, reprimand, or impose other sanctions deemed appropriate by the board. A lobbyist may also be suspended from lobbying activities if the board finds that suspension is an appropriate sanction for the violation committed.

*h.* Issue an order requiring the violator to pay a civil penalty of not more than two thousand dollars for each violation of this chapter, chapter 68A, section 8.7, or rules adopted by the board.

*i.* Refer the complaint and supporting information to the attorney general or appropriate county attorney with a recommendation for prosecution or enforcement of criminal penalties.

2. At any stage during an investigation or during the board's review of routine compliance matters, the board may resolve the matter by admonishment to the alleged violator or by any other means not specified in subsection 1 as a posthearing remedy.

3. If a person fails to comply with an action of the board under subsection 1, the board may petition the Polk county district court for an order for enforcement of the action of the board. The enforcement proceeding shall be conducted as provided in section 68B.33.

93 Acts, ch 163, §18; 2000 Acts, ch 1042, §2; 2006 Acts, ch 1035, §7, 8
Referred to in §68A.101, 68A.401, 68A.401A, 68A.506, 68B.32A, 68B.32B, 68B.32C, 331.756(15)

**68B.33 Judicial review — enforcement.**

Judicial review of the actions of the board may be sought in accordance with chapter 17A. Judicial enforcement of orders of the board may be sought in accordance with chapter 17A.

92 Acts, ch 1228, §15; 93 Acts, ch 163, §19

Referred to in §68B.32D

**68B.34 Additional penalty.**

In addition to any penalty contained in any other provision of law, a person who knowingly and intentionally violates a provision of sections 68B.2A through 68B.8, sections 68B.22 through 68B.24, or sections 68B.35 through 68B.38 is guilty of a serious misdemeanor and may be reprimanded, suspended, or dismissed from the person's position or otherwise sanctioned.

[C71, 73, 75, 77, 79, 81, §68B.8]

87 Acts, ch 213, §3; 92 Acts, ch 1228, §12

C93, §68B.25

93 Acts, ch 163, §9; 2008 Acts, ch 1116, §2; 2009 Acts, ch 9, §6

CS2009, §68B.34

**68B.34A Actions commenced against local officials or employees.**

1. Complaints alleging conduct of local officials or local employees which violates this chapter, except for sections 68B.36 and 68B.38, shall be filed with the county attorney in the county where the accused resides. However, if the county attorney is the person against whom the complaint is filed, or if the county attorney otherwise has a personal or legal conflict of interest, the complaint shall be referred to another county attorney.

2. Complaints alleging conduct of local officials or local employees which violates section 68B.36 or 68B.38 shall be filed with the ethics committee of the appropriate house of the general assembly if the conduct involves lobbying activities before the general assembly or with the board if the conduct involves lobbying activities before the executive branch.

[C71, 73, 75, 77, 79, 81, §68B.9]

C93, §68B.26

93 Acts, ch 163, §10; 2000 Acts, ch 1042, §1; 2009 Acts, ch 9, §4, 6

CS2009, §68B.34A

2010 Acts, ch 1006, §7, 11

## SUBCHAPTER V

## PERSONAL FINANCIAL DISCLOSURE

**68B.35 Personal financial disclosure — certain officials, members of the general assembly, and candidates.**

1. The persons specified in subsection 2 shall file a financial statement at times and in the manner provided in this section that contains all of the following:

*a.* A list of each business, occupation, or profession in which the person is engaged and the nature of that business, occupation, or profession, unless already apparent.

*b.* A list of any other sources of income if the source produces more than one thousand dollars annually in gross income. Such sources of income listed pursuant to this paragraph may be listed under any of the following categories, or under any other categories as may be established by rule:

(1) Securities.
(2) Instruments of financial institutions.
(3) Trusts.
(4) Real estate.
(5) Retirement systems.
(6) Other income categories specified in state and federal income tax regulations.

2. The financial statement required by this section shall be filed by the following persons:

*a.* Any statewide elected official.

*b.* The executive or administrative head or heads of any agency of state government.

*c.* The deputy executive or administrative head or heads of an agency of state government.

*d.* The head of a major subunit of a department or independent state agency whose position involves a substantial exercise of administrative discretion or the expenditure of public funds as defined under rules adopted by the board, pursuant to chapter 17A, in consultation with the department or agency.

*e.* Members of the state banking council, the ethics and campaign disclosure board, the credit union review board, the economic development authority, the employment appeal board, the environmental protection commission, the health facilities council, the Iowa finance authority, the Iowa public employees' retirement system investment board, the board of the Iowa lottery authority, the natural resource commission, the board of parole, the petroleum underground storage tank fund board, the public employment relations board, the state racing and gaming commission, the state board of regents, the tax review board, the transportation commission, the office of consumer advocate, the utilities board, the Iowa telecommunications and technology commission, and any full-time members of other boards and commissions as defined under section 7E.4 who receive an annual salary for their service on the board or commission. The Iowa ethics and campaign disclosure board shall conduct an annual review to determine if members of any other board, commission, or authority should file a statement and shall require the filing of a statement pursuant to rules adopted pursuant to chapter 17A.

*f.* Members of the general assembly.

*g.* Candidates for state office.

*h.* Legislative employees who are the head or deputy head of a legislative agency or whose position involves a substantial exercise of administrative discretion or the expenditure of public funds.

3. The board, in consultation with each executive department or independent agency, shall adopt rules pursuant to chapter 17A to implement the requirements of this section that provide for the time and manner for the filing of financial statements by persons in the department or independent agency.

4. The ethics committee of each house of the general assembly shall recommend rules for adoption by each house for the time and manner for the filing of financial statements by members or employees of the particular house. The legislative council shall adopt rules for the time and manner for the filing of financial statements by legislative employees of the central legislative staff agencies. The rules shall provide for the filing of the financial statements with either the chief clerk of the house, the secretary of the senate, or other appropriate person or body.

5. *a.* A candidate for statewide office shall file a financial statement with the ethics and campaign disclosure board, a candidate for the office of state representative shall file a financial statement with the chief clerk of the house of representatives, and a candidate for the office of state senator shall file a financial statement with the secretary of the senate. Statements shall contain information concerning the year preceding the year in which the election is to be held.

*b.* The ethics and campaign disclosure board shall adopt rules pursuant to chapter 17A providing for the filing of the financial statements with the board and for the deposit, retention, and availability of the financial statements. The ethics committees of the house of representatives and the senate shall recommend rules for adoption by the respective houses providing for the filing of the financial statements with the chief clerk of the house or the secretary of the senate and for the deposit, retention, and availability of the financial statements. Rules adopted shall also include a procedure for notification of candidates of the duty to file disclosure statements under this section.

92 Acts, ch 1228, §17; 93 Acts, ch 163, §21; 94 Acts, ch 1092, §9; 96 Acts, ch 1200, §2; 2001 Acts, ch 61, §12; 2003 Acts, ch 178, §100, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1091, §11; 2004 Acts, ch 1141, §34; 2009 Acts, ch 9, §5; 2011 Acts, ch 118, §84, 89

Referred to in §68B.3, 68B.32, 68B.34

**68B.35A Personal financial disclosure statements of state officials and employees — internet access.**

Personal financial disclosure statements filed with the chief clerk of the house or the secretary of the senate shall be recorded on the legislative internet site or copies of the personal financial disclosure statements shall be forwarded to the secretary of state for the recording of the information on an internet site. The board shall record personal financial disclosure statements filed with the board on an internet site.

93 Acts, ch 163, §22; 94 Acts, ch 1023, §82; 2004 Acts, ch 1091, §12; 2013 Acts, ch 90, §257
Referred to in §68B.34
Code editor directive applied

SUBCHAPTER VI

LOBBYING REGULATION

**68B.36 Applicability — lobbyist registration required.**

1. All lobbyists shall, on or before the day their lobbying activity begins, register by electronically filing a lobbyist's registration statement at times and in the manner provided in this section. In addition to any other information required by the general assembly, a lobbyist shall identify in the registration statement all clients of the lobbyist and whether the lobbyist will also be lobbying the executive branch. Lobbyists engaged in lobbying activities before the general assembly and before the office of the governor or any state agency shall file the statement with the chief clerk of the house of representatives or the secretary of the senate. The chief clerk of the house and the secretary of the senate shall establish an internet site for the electronic filing of lobbyist registrations.

2. Registration shall be valid from the date of registration until the end of the calendar year. Any change in or addition to the information shall be registered within ten days after the change or addition is known to the lobbyist. Changes or additions for registrations of lobbyists shall be filed with either the chief clerk of the house or the secretary of the senate.

3. Beginning December 1 of each year, a person may preregister to lobby for the following calendar year.

4. If a lobbyist's service on behalf of all clients, employers, or causes is concluded prior to the end of the calendar year, the lobbyist may cancel the registration by electronically filing a notice of cancellation with the chief clerk of the house or the secretary of the senate. Upon cancellation of registration, a lobbyist is prohibited from engaging in any lobbying activity on behalf of any employer, client, or cause until reregistering.

5. Federal, state, and local officials who wish to lobby in opposition to the official position of their departments, commissions, boards, or agencies must indicate this on their lobbyist registration statements.

6. The chief clerk of the house or the secretary of the senate shall post all lobbyist registrations in a searchable database on an internet site. The board shall establish a link on the internet site of the board to the lobbyist registration information on the general assembly's internet site.

92 Acts, ch 1228, §18; 93 Acts, ch 163, §23; 94 Acts, ch 1023, §83; 94 Acts, ch 1092, §10; 2010 Acts, ch 1006, §8, 11; 2011 Acts, ch 86, §1
Referred to in §68B.34, 68B.34A

**68B.37 Lobbyist reporting.** Repealed by 2010 Acts, ch 1006, § 10, 11.

**68B.38 Lobbyist's client reporting.**

1. On or before July 31 of each year, a lobbyist's client shall electronically file with the general assembly a report that contains information on all salaries, fees, retainers, and reimbursement of expenses paid by the lobbyist's client to the lobbyist for lobbying purposes during the preceding twelve calendar months, concluding on June 30 of each year. The amount reported to the general assembly shall include the total amount of all salaries, fees,

retainers, and reimbursement of expenses paid to a lobbyist for lobbying both the legislative and executive branches.

2. The chief clerk of the house and the secretary of the senate shall establish an internet site for the filing of lobbyist's client reports in an electronic format.

3. The chief clerk of the house and the secretary of the senate shall post all lobbyist's client reports filed pursuant to this section in a searchable database on an internet site. The board shall establish a link on the internet site of the board to the lobbyist's client report information on the general assembly's internet site.

92 Acts, ch 1228, §20; 93 Acts, ch 163, §25; 2000 Acts, ch 1042, §3; 2001 Acts, ch 24, §20; 2003 Acts, ch 161, §3; 2004 Acts, ch 1091, §13; 2010 Acts, ch 1006, §9, 11; 2011 Acts, ch 86, §2

Referred to in §68B.34, 68B.34A

## SUBCHAPTER VII

## SUPREME COURT RULES

**68B.39 Supreme court rules.**

The supreme court of this state shall prescribe rules establishing a code of ethics for officials and employees of the judicial branch of this state, and the immediate family members of the officials and employees. Rules prescribed under this paragraph shall include provisions relating to the receipt or acceptance of gifts and honoraria, interests in public contracts, services against the state, and financial disclosure which are substantially similar to the requirements of this chapter.

The supreme court of this state shall also prescribe rules which relate to activities by officials and employees of the judicial branch which constitute conflicts of interest.

[C81, §68B.11]

87 Acts, ch 213, §8; 92 Acts, ch 1228, §21

C93, §68B.39

93 Acts, ch 163, §26; 98 Acts, ch 1047, §15; 2003 Acts, ch 108, §21

# CHAPTER 69

## VACANCIES — REMOVAL — TERMS

Referred to in §43.79, 63.8, 68B.32, 135.109, 331.501, 331.551, 331.601, 331.651, 331.751, 455G.4, 514I.5


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**69.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**69.1A Holding over.**

Except when otherwise provided, every officer elected or appointed for a fixed term shall hold office until a successor is elected and qualified, unless the officer resigns, or is removed or suspended, as provided by law.

[C51, §241; C73, §784; C97, §1265; C24, 27, 31, 35, 39, §**1145;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.1]

C2001, §69.1A

**69.2 What constitutes vacancy — hearing — appeal.**

1. Every civil office shall be vacant if any of the following events occur:

*a.* A failure to elect at the proper election, or to appoint within the time fixed by law, unless the incumbent holds over.

*b.* A failure of the incumbent or holdover officer to qualify within the time prescribed by law.

*c.* The incumbent ceasing to be a resident of the state, district, county, township, city, or ward by or for which the incumbent was elected or appointed, or in which the duties of the office are to be exercised. This subsection shall not apply to appointed city officers.

*d.* The resignation or death of the incumbent, or of the officer-elect before qualifying.

*e.* The removal of the incumbent from, or forfeiture of, the office, or the decision of a competent tribunal declaring the office vacant.

*f.* The conviction of the incumbent of a felony, an aggravated misdemeanor, or of any public offense involving the violation of the incumbent's oath of office.

*g.* The board of supervisors declares a vacancy in an elected county office upon finding that the county officer has been physically absent from the county for sixty consecutive days except in the case of a medical emergency; temporary active military duty; or temporary service with another government service, agency, or department.

*h.* The incumbent simultaneously holding more than one elective office at the same level of government. This subsection does not apply to the county agricultural extension council or the soil and water conservation district commission.

*i.* An incumbent statewide elected official or member of the general assembly simultaneously holding more than one elective office.

2. If the status of an officeholder is in question, the entity or officer responsible for making an appointment to fill the vacancy shall decide whether a vacancy exists. The appointing entity or officer may act upon its own motion. If a petition signed by twenty-five registered voters of the jurisdiction is received, the appointing entity or officer shall convene within thirty days to consider whether a vacancy exists. The appointing entity or officer shall publish notice that a public hearing will be held to determine whether a vacancy exists. The notice shall include the time and place of the hearing and the name of the office and the officeholder whose status is in question. The public hearing shall be held not less than four nor more than fourteen days after publication of the notice. The officer whose status is in question shall be notified of the time and place of the hearing. Notice shall be sent by certified mail and must be postmarked at least fourteen days before the hearing. No later than seven days after the public hearing, the appointing entity or officer shall publish its decision. If the appointing entity or officer decides that the office is vacant, the publication shall state the date the vacancy occurred and what action will be taken to fill the vacancy.

3. The officer against whom the judgment was rendered may appeal to the district court no later than twenty days after official publication of the decision. However, the appeal will not supersede the execution of the judgment of the appointing entity or officer, unless the party gives a bond, with security to be approved by the district judge in a sum to be fixed by the judge. The amount of the bond shall be at least double the probable compensation of

such officer for six months, which bond shall be conditioned that the officer will prosecute the appeal without delay and that, if the judgment appealed from is affirmed, the party will pay over to the successful party all compensation received by the party while in possession of the office after the judgment appealed from was rendered. The court shall hear the appeal in equity and determine anew all questions arising in the case.

4. If, upon appeal, the judgment is affirmed, the district court may render judgment upon the bond for the amount of damages awarded against the appellant and the sureties on the bond.

[C51, §334, 429; R60, §564, 662, 1132; C73, §504, 686, 781; C97, §1266; C24, 27, 31, 35, 39, §**1146;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.2]

91 Acts, ch 12, §1 – 3; 93 Acts, ch 143, §41; 98 Acts, ch 1223, §18, 38; 2001 Acts, ch 158, §11; 2002 Acts, ch 1134, §77, 115

Referred to in §331.214
Duty of holdover officer to requalify, §63.7
Vacancy on board of supervisors, §331.214
Vacancy on school board, §277.29
Removal from office; see also chapter 66
Prohibitions concerning holding more than one office, §39.11, 39.12, 441.17(1)

**69.3 Possession of office.**

When a vacancy occurs in a public office, possession shall be taken of the office room, books, papers, and all things pertaining to the office, to be held until the qualification of a successor, as follows:

1. Of the office of the county auditor, by the county treasurer.

2. Of the county treasurer, by the county auditor.

3. Of any of the state officers, by the governor, or, in the absence or inability of the governor at the time of the occurrence, as follows:

*a.* Of the secretary of state, by the treasurer of state.

*b.* Of the auditor of state, by the secretary of state.

*c.* Of the treasurer of state, by the secretary of state and auditor of state, who shall make an inventory of the money and warrants in the office, sign the inventory, and transmit it to the governor, and the secretary of state shall take the keys of the safe and desks, after depositing the books, papers, money, and warrants in them, and the auditor of state shall take the key to the office room.

[C51, §444; R60, §671; C73, §788; C97, §1267; C24, 27, 31, 35, 39, §**1147;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.3]

83 Acts, ch 186, §10034; 86 Acts, ch 1237, §3

Referred to in §331.502

**69.4 Resignations.**

Resignations in writing by civil officers may be made as follows, except as otherwise provided:

1. By the governor, to the general assembly, if in session, if not, to the secretary of state.

2. By state senators and representatives, and all officers appointed by the senate or house, or by the presiding officers thereof, to the respective presiding officers of the senate and house, when the general assembly is in session, and such presiding officers shall immediately transmit to the governor information of the resignation of any member thereof; when the general assembly is not in session, all such resignations shall be made to the governor.

3. By senators and representatives in Congress, all officers elected by the registered voters in the state or any district or division thereof larger than a county, or chosen by the general assembly, all judges of courts of record, all officers, trustees, inspectors, and members of all boards and commissions now or hereafter created under the laws of the state, and all persons filling any position of trust or profit in the state, for which no other provision is made, to the governor.

4. By all county and township officers, to the county auditor, except that of the auditor, which shall be to the board of supervisors.

5. By all council members and officers of cities, to the clerk or mayor.

[C51, §430; R60, §663; C73, §782; C97, §1268; C24, 27, 31, 35, 39, §**1148;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.4]

2001 Acts, ch 56, §7

**69.5 Vacancy in general assembly.**

When a vacancy shall occur in the office of senator or representative in the general assembly, except by resignation, the auditor of the county of the senator's or representative's residence shall notify the governor of such fact and the cause.

[C51, §443; R60, §672; C73, §789, 790; C97, §1269; C24, 27, 31, 35, 39, §**1149;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.5]

Referred to in §331.510

**69.6 Vacancy in state boards.**

In case of a vacancy from any cause, other than resignation or expiration of term, occurring in any of the governing boards of the state institutions, the secretary thereof shall immediately notify the governor.

[C97, §1270; C24, 27, 31, 35, 39, §**1150;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.6]

**69.7 Duty of officer receiving resignation.**

An officer receiving any resignation, or notice of any vacancy, shall forthwith notify the board, tribunal, or officer, if any, empowered to fill the same by appointment.

[C97, §1271; C24, 27, 31, 35, 39, §**1151;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.7]

**69.8 Vacancies — how filled.**

Vacancies shall be filled by the officer or board named, and in the manner, and under the conditions, following:

1. *United States senator.* In the office of United States senator, when the vacancy occurs when the senate of the United States is in session, or when such senate will convene prior to the next general election, by the governor. An appointment made under this subsection shall be for the period until the vacancy is filled by election pursuant to law.

2. *State offices.* In all state offices, judges of courts of record, officers, trustees, inspectors, and members of all boards or commissions, and all persons filling any position of trust or profit in the state, by the governor, except when some other method is specially provided. An appointment by the governor to fill a vacancy in the office of lieutenant governor shall be for the balance of the unexpired term. An appointment made under this subsection to a state office subject to section 69.13 shall be for the period until the vacancy is filled by election pursuant to law.

3. *County offices.* In county offices, by the board of supervisors, unless an election is called as provided in section 69.14A.

4. *Board of supervisors.* In the membership of the board of supervisors, by the treasurer, auditor, and recorder, or as provided in section 69.14A. If any of these offices have been abolished through consolidation, the county attorney shall serve on this committee.

5. *Elected township offices.*

*a.* When a vacancy occurs in the office of township clerk or township trustee, the vacancy shall be filled by appointment by the trustees. All appointments to fill vacancies in township offices shall be until a successor is elected at the next general election and qualifies by taking the oath of office. If the term of office in which the vacancy exists will expire within seventy days after the next general election, the person elected to the office for the succeeding term shall qualify by taking the oath of office within ten days after the election and shall serve for the remainder of the unexpired term, as well as for the next four-year term.

*b.* However, if the offices of two trustees are vacant the county board of supervisors shall fill the vacancies by appointment. If the offices of three trustees are vacant the board may fill the vacancies by appointment, or the board may adopt a resolution stating that the board will exercise all powers and duties assigned by law to the trustees of the township in which the vacancies exist until the vacancies are filled at the next general election. If a township office

vacancy is not filled by the trustees within thirty days after the vacancy occurs, the board of supervisors may appoint a successor to fill the vacancy until the vacancy can be filled at the next general election.

[C51, §436; R60, §664; C73, §513, 783, 794; C97, §1272; S13, §1272; C24, 27, 31, 35, 39, §**1152;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §69.8; 81 Acts, ch 117, §1204]

83 Acts, ch 186, §10035 – 10037; 86 Acts, ch 1155, §2; 87 Acts, ch 68, §4; 89 Acts, ch 215, §2, 3; 94 Acts, ch 1180, §37; 2008 Acts, ch 1032, §161; 2009 Acts, ch 57, §73

Referred to in §69.14A, 331.322, 331.502
County auditor to act temporarily for other officers, §331.502(6)
General power of governor; Iowa Constitution, Art. IV, §10
Vacancies in city offices, §372.13(2)

**69.9 Person removed not eligible.**

No person can be appointed to fill a vacancy who has been removed from office within one year next preceding.

[C51, §441; R60, §669; C73, §787; C97, §1273; C24, 27, 31, 35, 39, §**1153;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.9]

Referred to in §331.322

**69.10 Appointments.**

Appointments under the provisions of this chapter shall be in writing, and filed in the office where the oath of office is required to be filed.

[C51, §439; R60, §667; C73, §785; C97, §1274; C24, 27, 31, 35, 39, §**1154;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.10]

Referred to in §331.322
Place of filing oath, §64.23

**69.11 Tenure of vacancy appointee.**

An officer filling a vacancy in an office which is filled by election of the people shall continue to hold until the next election at which such vacancy can be filled, as provided in section 69.12, and until a successor is elected and qualified. Appointments to all other offices, made under this chapter, shall continue for the remainder of the term of each office, and until a successor is appointed and qualified.

[C51, §429, 439; R60, §662, 667, 1101; C73, §530, 781, 785; C97, §1276; C24, 27, 31, 35, 39, §**1155;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.11]

Referred to in §69.13, 331.322

**69.12 Officers elected to fill vacancies — tenure.**

When a vacancy occurs in any nonpartisan elective office of a political subdivision of this state, and the statutes governing the office in which the vacancy occurs require that it be filled by election or are silent as to the method of filling the vacancy, it shall be filled pursuant to this section. As used in this section, "*pending election*" means any election at which there will be on the ballot either the office in which the vacancy exists, or any other office to be filled or any public question to be decided by the voters of the same political subdivision in which the vacancy exists.

1. If the unexpired term in which the vacancy occurs has more than seventy days to run after the date of the next pending election, the vacancy shall be filled in accordance with this subsection. The fact that absentee ballots were distributed or voted before the vacancy occurred or was declared shall not invalidate the election.

*a.* A vacancy shall be filled at the next pending election if it occurs:

(1) Seventy-four or more days before the election, if it is a general election.

(2) Fifty-two or more days before the election, if it is a regularly scheduled or special city election. However, for those cities which may be required to hold a primary election, the vacancy shall be filled at the next pending election if it occurs seventy-three or more days before a regularly scheduled city election or fifty-nine or more days before a special city election.

(3) Forty-five or more days before the election, if it is a regularly scheduled school election.

(4) Sixty or more days before the election, if it is a special election.

*b.* Nomination papers on behalf of candidates for a vacant office to be filled pursuant

to paragraph *"a"* of this subsection shall be filed, in the form and manner prescribed by applicable law, by 5:00 p.m. on:

(1) The final filing date for candidates filing with the state commissioner or commissioner, as the case may be, for a general election.

(2) The candidate filing deadline specified in section 376.4 for the regular city election or the filing deadline specified in section 372.13, subsection 2, for a special city election.

(3) The fortieth day before a regularly scheduled school election.

(4) The twenty-fifth day before a special election.

*c.* A vacancy which occurs at a time when paragraph *"a"* of this subsection does not permit it to be filled at the next pending election shall be filled by appointment as provided by law until the succeeding pending election.

2. When the unexpired term of office in which the vacancy occurs will expire within seventy days after the date of the next pending election, or after the date of a preceding election in which that office was on the ballot, the person elected to the office for the succeeding term shall also be deemed elected to fill the remainder of the unexpired term. If the vacancy is on a multimember body to which more than one nonincumbent is elected for the succeeding term, the nonincumbent who received the most votes shall be deemed elected to fill the remainder of the unexpired term. A person so elected to fill an unexpired term shall qualify within the time required by sections 63.3 and 63.8. Unless other requirements are imposed by law, qualification for the unexpired term shall also constitute qualification for the full term to which the person was elected.

[C51, §431 – 435; R60, §672, 1083, 1101; C73, §513, 530, 789, 794, 795; C97, §1277, 1278; C24, 27, 31, 35, 39, §**1156, 1157;** C46, 50, 54, 58, 62, 66, 71, §69.12, 69.13; C73, 75, 77, 79, 81, S81, §69.12; 81 Acts, ch 34, §45]

87 Acts, ch 221, §31; 89 Acts, ch 136, §59 – 61; 2002 Acts, ch 1134, §78, 79, 115; 2008 Acts, ch 1115, §27, 28, 71

Referred to in §69.11, 69.14A, 161A.5, 260C.11, 277.30, 279.6, 331.322, 347A.1, 358.9, 358C.10, 372.13

**69.13 Vacancies — senator in Congress and elective state officers.**

If a vacancy occurs in the office of senator in the Congress of the United States, secretary of state, auditor of state, treasurer of state, secretary of agriculture, or attorney general eighty-nine or more days before a general election, and the unexpired term in which the vacancy exists has more than seventy days to run after the date of that general election, the vacancy shall be filled for the balance of the unexpired term at that general election and the person elected to fill the vacancy shall assume office as soon as a certificate of election has been issued and the person has qualified.

If the unexpired term of office in which the vacancy occurs will expire within seventy days after the date of the next pending election, section 69.11 applies.

[C77, 79, 81, §69.13]

89 Acts, ch 136, §62; 91 Acts, ch 129, §21; 92 Acts, ch 1067, §1; 97 Acts, ch 170, §79

Referred to in §43.6, 43.77, 69.8, 331.322

**69.14 Special election to fill vacancies.**

A special election to fill a vacancy shall be held for a representative in Congress, or senator or representative in the general assembly, when the body in which such vacancy exists is in session, or will convene prior to the next general election, and the governor shall order, not later than five days from the date the vacancy exists, a special election, giving not less than forty days' notice of such election. In the event the special election is to fill a vacancy in the general assembly while it is in session or within forty-five days of the convening of any session, the time limit provided in this section shall not apply and the governor shall order such special election at the earliest practical time, giving at least eighteen days' notice of the

special election. Any special election called under this section must be held on a Tuesday and shall not be held on the same day as a school election within the district.

[C51, §443; R60, §672; C73, §789; C97, §1279; C24, 27, 31, 35, 39, §**1158;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §69.14]

86 Acts, ch 1224, §33; 95 Acts, ch 189, §17

Referred to in §42.4, 43.24, 43.73, 43.78, 44.4, 49.11, 50.30A, 50.46, 53.22, 53.53, 331.322

See §43.78, subsection 4

**69.14A Filling vacancy of elected county officer.**

1. A vacancy on the board of supervisors shall be filled by one of the following procedures:

*a.* By appointment by the committee of county officers designated to fill the vacancy in section 69.8.

(1) The appointment shall be for the period until the next pending election as defined in section 69.12, and shall be made within forty days after the vacancy occurs. If the committee of county officers designated to fill the vacancy chooses to proceed under this paragraph, the committee shall publish notice in the manner prescribed by section 331.305 stating that the committee intends to fill the vacancy by appointment but that the electors of the district or county, as the case may be, have the right to file a petition requiring that the vacancy be filled by special election. The committee may publish notice in advance if an elected official submits a resignation to take effect at a future date. The committee may make an appointment to fill the vacancy after the notice is published or after the vacancy occurs, whichever is later. A person appointed to an office under this subsection shall have actually resided in the county which the appointee represents sixty days prior to appointment.

(2) However, if within fourteen days after publication of the notice or within fourteen days after the appointment is made, a petition is filed with the county auditor requesting a special election to fill the vacancy, the appointment is temporary and a special election shall be called as provided in paragraph "*b*". The petition shall meet the requirements of section 331.306, except that in counties where supervisors are elected under plan "three", the number of signatures calculated according to the formula in section 331.306 shall be divided by the number of supervisor districts in the county.

*b.* By special election held to fill the office for the remaining balance of the unexpired term.

(1) The committee of county officers designated to fill the vacancy in section 69.8 may, on its own motion, or shall, upon receipt of a petition as provided in paragraph "*a*", call for a special election to fill the vacancy in lieu of appointment. The committee shall order the special election at the earliest practicable date, but giving at least thirty-two days' notice of the election. A special election called under this section shall be held on a Tuesday and shall not be held on the same day as a school election within the county.

(2) However, if a vacancy on the board of supervisors occurs after the date of the primary election and more than seventy-three days before the general election, a special election to fill the vacancy shall not be called by the committee or by petition. If the term of office in which the vacancy exists will expire more than seventy days after the general election, the office shall be listed on the ballot, as "For Board of Supervisors, To Fill Vacancy". The person elected at the general election shall assume office as soon as a certificate of election is issued and the person has qualified by taking the oath of office. The person shall serve the balance of the unexpired term.

(3) If the term of office in which the vacancy exists will expire within seventy days after the general election, the person elected to the succeeding term shall also serve the balance of the unexpired term. The person elected at the general election shall assume office as soon as a certificate of election is issued and the person has qualified by taking the oath of office.

*c.* For a vacancy declared by the board pursuant to section 331.214, subsection 2, by special election held to fill the office if the remaining balance of the unexpired term is two and one-half years or more. The committee of county officers designated to fill the vacancy in section 69.8 shall order the special election at the earliest practicable date, but giving at least thirty-two days' notice of the election. A special election called under this section shall be held on a Tuesday and shall not be held on the same day as a school election within the

county. The office shall be listed on the ballot, as "For Board of Supervisors, To Fill Vacancy". The person elected at the special election shall serve the balance of the unexpired term.

2. A vacancy in any of the offices listed in section 39.17 shall be filled by one of the two following procedures:

*a.* By appointment by the board of supervisors.

(1) The appointment shall be for the period until the next pending election as defined in section 69.12, and shall be made within forty days after the vacancy occurs. If the board of supervisors chooses to proceed under this paragraph, the board shall publish notice in the manner prescribed by section 331.305 stating that the board intends to fill the vacancy by appointment but that the electors of the county have the right to file a petition requiring that the vacancy be filled by special election. The board may publish notice in advance if an elected official submits a resignation to take effect at a future date. The board may make an appointment to fill the vacancy after the notice is published or after the vacancy occurs, whichever is later. A person appointed to an office under this subsection, except for a county attorney, shall have actually resided in the county which the appointee represents sixty days prior to appointment. A person appointed to the office of county attorney shall be a resident of the county at the time of appointment.

(2) However, if within fourteen days after publication of the notice or within fourteen days after the appointment is made, a petition is filed with the county auditor requesting a special election to fill the vacancy, the appointment is temporary and a special election shall be called as provided in paragraph "*b*". The petition shall meet the requirements of section 331.306.

*b.* By special election held to fill the office for the remaining balance of the unexpired term.

(1) The board of supervisors may, on its own motion, or shall, upon receipt of a petition as provided in paragraph "*a*", call for a special election to fill the vacancy in lieu of appointment. The supervisors shall order the special election at the earliest practicable date, but giving at least thirty-two days' notice of the election. A special election called under this section shall be held on a Tuesday and shall not be held on the same day as a school election within the county.

(2) If a vacancy in an elective county office occurs after the date of the primary election and more than seventy-three days before the general election, a special election to fill the vacancy shall not be called by the board of supervisors or by petition. If the term of office in which the vacancy exists will expire more than seventy days after the general election, the office shall be listed on the ballot with the name of the office and the additional description, "To Fill Vacancy". The person elected at the general election shall assume office as soon as a certificate of election is issued and the person has qualified by taking the oath of office. The person shall serve the balance of the unexpired term.

(3) If the term of office in which the vacancy exists will expire within seventy days after the general election, the person elected to the succeeding term shall also serve the balance of the unexpired term. The person elected at the general election shall assume office as soon as a certificate of election is issued and the person has qualified by taking the oath of office.

3. Notwithstanding subsection 2, in the event of a vacancy for which no eligible candidate residing in the county comes forward for appointment, a county board of supervisors may employ a person to perform the duties of the office for at least sixty days but no more than ninety days. After ninety days, the board shall proceed under subsection 2.

4. Notwithstanding subsections 1 and 2, if a nomination has been made at the primary election for an office in which a vacancy has been filled by appointment, the office shall be filled at the next general election, and not at any special election in the same political subdivision.

89 Acts, ch 215, §4; 90 Acts, ch 1238, §33; 92 Acts, ch 1067, §2; 94 Acts, ch 1180, §38 – 40; 97 Acts, ch 170, §80 – 83; 2002 Acts, ch 1134, §80, 115; 2004 Acts, ch 1002, §1; 2006 Acts, ch 1065, §1, 2; 2008 Acts, ch 1032, §162

Referred to in §43.78, 44.4, 69.8, 331.201, 331.214, 331.322

See §43.78, subsection 4

**69.15 Board members — nonattendance — vacancy.**

1. Any person who has been appointed by the governor to any board under the laws of this state shall be deemed to have submitted a resignation from such office if either of the following events occurs:

*a.* The person does not attend three or more consecutive regular meetings of such board. This paragraph does not apply unless the first and last of the consecutive meetings counted for this purpose are at least thirty days apart.

*b.* The person attends less than one-half of the regular meetings of such board within any period of twelve calendar months beginning on July 1 or January 1. This paragraph does not apply unless such board holds at least four regular meetings during such period. This paragraph applies only to such a period beginning on or after the date when the person takes office as a member of such board.

2. If such person received no notice and had no knowledge of a regular meeting and gives the governor a sworn statement to that effect within ten days after the person learns of the meeting, such meeting shall not be counted for the purposes of this section.

3. The governor in the governor's discretion may accept or reject such resignation. If the governor accepts it, the governor shall notify such person, in writing, that the resignation is accepted pursuant to this section. The governor shall then make another appointment to such office. Such appointment shall be made in the same manner and for the same term as in the case of other vacancies caused by resignation from such office.

4. As used in this section, *"board"* includes any commission, committee, agency, or governmental body which has three or more members.

[C71, 73, 75, 77, 79, 81, §69.15]

2007 Acts, ch 22, §16

**69.16 Appointive boards — political affiliation.**

All appointive boards, commissions, and councils of the state established by the Code if not otherwise provided by law shall be bipartisan in their composition. No person shall be appointed or reappointed to any board, commission, or council established by the Code if the effect of that appointment or reappointment would cause the number of members of the board, commission, or council belonging to one political party to be greater than one-half the membership of the board, commission, or council plus one.

In the case where the appointment of members of the general assembly is allowed, and the law does not otherwise provide, if an even number of legislators are appointed they shall be equally divided by political party affiliation; if an odd number of members of the general assembly are appointed, the number representing a certain political party shall not exceed by more than one the legislative members of the other political party who may be appointed. If there are multiple appointing authorities for a board, commission or council, the appointing authorities shall consult to avoid a violation of this section. This section shall not apply to any board, commission, or council established by the Code for which other restrictions regarding the political affiliations of members are provided by law.

[C77, 79, 81, §69.16]

86 Acts, ch 1245, §2040; 87 Acts, ch 218, §7

Referred to in §8B.8, 8D.3, 15F.102, 15H.3, 28N.2, 35A.2, 47.8, 68B.32, 80.28, 135.43, 135.109, 142A.3, 148.2A, 159A.13, 216A.12, 216A.92A, 216A.133A, 216A.162, 217.3A, 217.43, 235B.1, 252B.22, 256.5A, 256.35A, 272.3, 273.15, 284.15, 303.19, 303A.5, 331.322, 418.5, 455A.5, 455A.6, 455A.20, 455A.21, 455B.150, 475A.7, 514E.2, 542.4, 904A.2A

Board of medicine alternate members, see §148.2A

**69.16A Gender balance.**

1. All appointive boards, commissions, committees, and councils of the state established by the Code, if not otherwise provided by law, shall be gender balanced. No person shall be appointed or reappointed to any board, commission, committee, or council established by the Code if that appointment or reappointment would cause the number of members of the board, commission, committee, or council of one gender to be greater than one-half the membership of the board, commission, committee, or council plus one if the board, commission, committee, or council is composed of an odd number of members. If the board, commission, committee, or council is composed of an even number of members, not more

than one-half of the membership shall be of one gender. If there are multiple appointing authorities for a board, commission, committee, or council, they shall consult each other to avoid a violation of this section.

2. All appointive boards, commissions, committees, and councils of a political subdivision of the state that are established by the Code, if not otherwise provided by law, shall be gender balanced as provided by subsection 1 unless the political subdivision has made a good faith effort to appoint a qualified person to fill a vacancy on a board, commission, committee, or council in compliance with subsection 1 for a period of three months but has been unable to make a compliant appointment. In complying with the requirements of this subsection, political subdivisions shall utilize a fair and unbiased method of selecting the best qualified applicants. This subsection shall not prohibit an individual whose term expires prior to January 1, 2012, from being reappointed even though the reappointment continues an inequity in gender balance.

86 Acts, ch 1245, §2041; 87 Acts, ch 218, §8; 88 Acts, ch 1150, §1; 2009 Acts, ch 162, §1, 2

Referred to in §8B.8, 8D.3, 15F.102, 15H.3, 28A.7, 28N.2, 35A.2, 46.2A, 80.28, 135.43, 135.109, 142A.3, 148.2A, 159A.13, 216A.12, 216A.92A, 216A.133A, 216A.162, 217.3A, 217.43, 235B.1, 252B.22, 256.5A, 256.35A, 272.3, 273.15, 284.15, 303.19, 303A.5, 314.22, 418.5, 455A.20, 455B.150, 514E.2, 542.4, 904A.2A

Board of medicine alternate members, see §148.2A

2009 amendments to this section apply on and after January 1, 2012; 2009 Acts, ch 162, §2

**69.16B Statutory boards, commissions, councils, and committees — appointments by members of general assembly — terms — dissolution.**

1. Unless otherwise specifically provided by law, all of the following shall apply to an appointment to a statutory board, commission, council, or committee made by a member or members of the general assembly pursuant to section 2.32A:

*a.* An appointment shall be at the pleasure of the appointing member.

*b.* Unless an appointee is replaced by the appointing member, the regular term of appointment shall be two years, beginning upon the convening of a general assembly and ending upon the convening of the following general assembly, or when the appointee's successor is appointed, whichever occurs later.

*c.* Unless otherwise provided, a vacancy exists if a member of the general assembly serving on a statutory board, commission, council, or committee ceases to be a member of the general assembly. A vacancy shall be filled for the unexpired portion of the term in the same manner as the original appointment.

2. Unless otherwise specifically provided by law, a board, commission, council, committee, task force, or other temporary body created by an uncodified statute that provides for issuance of a final report by the body is dissolved on or about the date the body's final report is issued.

2008 Acts, ch 1156, §22, 58

Referred to in §2.32A, 2A.4, 8A.372, 15E.63, 80.28, 80B.6, 84A.1A, 135.173A, 216A.132, 216A.139, 217.2, 217.3A, 225C.5, 231.12, 249A.4B, 256.29, 256.32, 256H.2, 261D.3, 272B.2, 303A.5, 411.36, 418.5, 423.9, 455B.150, 466A.3

**69.16C Minority representation.**

All appointive boards, commissions, committees, and councils of the state established by the Code if not otherwise provided by law should provide, to the extent practicable, for minority representation. All appointing authorities of boards, commissions, committees, and councils subject to this section should consider qualified minority persons for appointment to boards, commissions, committees, and councils. For purposes of this section, "*minority*" means a minority person as defined in section 15.102.

2008 Acts, ch 1156, §23, 58

Referred to in §273.15, 284.15

**69.16D Boards and commissions — criteria for establishing.**

1. Prior to establishing a new appointive board, commission, committee, or council of the state, the general assembly shall consider all of the following:

*a.* Whether there is an existing board or commission that would be able to perform the duties of the new board, commission, committee, or council.

*b.* The estimated annual cost of the new board, commission, committee, or council,

including any additional personnel costs arising out of the creation of the new board, commission, committee, or council.

*c.* Whether a repeal date is needed for the new board, commission, committee, or council. Whenever possible, an appropriate repeal date should be included.

2. This section shall apply to appointive boards, commissions, committees, and councils of the state established by the Code on or after July 1, 2010.

2010 Acts, ch 1031, §421

**69.16E Young adult representation.**

1. For purposes of this section, unless the context otherwise requires, *"young adult"* means a person who, at the time of appointment or reappointment, is at least eighteen years of age but less than thirty-five years of age.

2. All appointive boards, commissions, committees, and councils of the state established by the Code should provide, to the extent practicable and if not otherwise provided by law, for at least one member who is a young adult. All appointing authorities of boards, commissions, committees, and councils should consider qualified young adults for appointment to boards, commissions, committees, and councils.

2010 Acts, ch 1076, §1

**69.17 Employees as members — voting.**

If an employee of an appointive board, commission, or council is a member of the board, commission, or council, that employee shall not be a voting member. Payment of per diem and expenses shall not cause a member to be considered an employee of that board, commission, or council.

[C77, 79, 81, §69.17]

**69.18 Salary of acting appointees.**

If a vacancy occurs in a position which is appointed by the governor subject to confirmation by the senate and the governor designates a person to serve in that position in an acting capacity, that person shall not receive compensation in excess of that authorized by law for a person holding that position.

[C81, §69.18]

Confirmation, see §2.32

**69.19 Terms of appointments confirmed by the senate.**

All terms of office of positions which are appointed by the governor, have a fixed term and are subject to confirmation by the senate shall begin at 12:01 a.m. on May 1 in the year of appointment and expire at 12:00 midnight on April 30 in the year of expiration.

[C81, §69.19]

Referred to in §8B.8, 8D.3, 10A.601, 15.105, 15.106C, 15.117A, 15F.102, 16.2, 16.2A, 20.5, 29A.11, 30.2, 35A.2, 46.1, 68B.32, 80.28, 80B.6, 80E.2, 84A.1A, 86.1, 89.14, 89A.13, 91.2, 97B.3, 97B.8A, 99D.5, 99D.6, 99G.5, 99G.8, 103.3, 123.6, 135.62, 142A.3, 147.19, 159A.13, 161A.4, 169.5, 175.3, 190C.2, 203.11B, 206.23A, 216.3, 216A.12, 216A.74, 216A.92A, 216A.113, 216A.132, 216A.152, 216B.2, 217.2, 225C.5, 231.12, 237.16, 256.3, 256.5A, 256.35A, 256.52, 256.62, 257.30, 257C.5, 261A.6, 262.2, 266.39, 266.39C, 272.4, 284.15, 303.3C, 303A.5, 307.3, 368.9, 384.13, 418.5, 421.1, 421.1A, 455A.5, 455A.6, 455B.150, 466A.3, 474.1, 475A.1, 505.2, 524.201, 533.104, 533.107, 542.4, 542B.4, 543B.8, 544A.1, 544B.3, 544C.2, 602.2102, 904A.1, 904A.2A

Senate confirmation, see §2.32

**69.20 Temporary vacancy due to military service.**

1. A temporary vacancy in an elective office of a political subdivision, community college, or hospital board of trustees of this state occurs on the date when the person filling that office is placed on national guard duty or federal active duty, as those terms are defined in section 29A.1, and when such a person will not be able to attend to the duties of that person's elective position for a period greater than sixty consecutive days. The temporary vacancy terminates on the date when such person is released from such service, or the term of office expires.

2. A temporary vacancy on an elective board, council, or other multimember body of a political subdivision may be filled by appointment by a majority of the remaining members of the body. A temporary vacancy in any other elective office in a political subdivision, community college, or hospital board of trustees may be filled by the governing body of that political subdivision, community college, or hospital board of trustees.

3. Upon the termination of a temporary vacancy due to a person's release from national guard duty or federal active duty, the person who held the elective office just prior to the temporary vacancy shall immediately be deemed to have been reinstated to that position and the person who filled the temporary vacancy shall immediately be deemed to have been removed from that office.

4. A person filling a temporary vacancy or a person reinstated to office as described in this section shall qualify for that office as provided in chapter 63.

5. Upon the resignation or death of the person replaced under this section, a permanent vacancy occurs and shall be filled as otherwise provided by law.

2004 Acts, ch 1076, §1, 2; 2006 Acts, ch 1010, §42, 169, 177; 2012 Acts, ch 1072, §30

# CHAPTER 70

RESERVED

# CHAPTER 70A

## FINANCIAL AND OTHER PROVISIONS FOR PUBLIC OFFICERS AND EMPLOYEES

For provisions relating to the state employee retirement incentive program, see 2010 Acts, ch 1005, §1, 2


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70A.23 Credit for accrued sick leave.
70A.24 Repealed by 94 Acts, ch 1173, §42.
70A.25 Educational leave — educational assistance.
70A.26 Disaster service volunteer leave.
70A.27 Leave of absence for charge of a crime — civil penalty.
70A.28 Prohibitions relating to certain actions by state employees — penalty — civil remedies.
70A.29 Reprisals prohibited — political subdivisions — penalty — civil remedies.
70A.30 Establishment of phased retirement program.
70A.31 through 70A.34 Repealed by 2013 Acts, ch 129, §36.
70A.35 and 70A.36 Reserved.
70A.37 Collective bargaining agreements.
70A.38 Years of service incentive program. Repealed by its own terms; 2003 Acts, ch 145, §156, 293.
70A.39 Bone marrow and organ donation incentive program.

**70A.1 Salaries — payment — vacations — sick leave — educational leave.**

1. Salaries specifically provided for in an appropriation Act of the general assembly shall be in lieu of existing statutory salaries, for the positions provided for in the Act, and all salaries, including longevity where applicable by express provision in the Code, shall be paid according to the provisions of chapter 91A and shall be in full compensation of all services, including any service on committees, boards, commissions or similar duty for Iowa government, except for members of the general assembly. A state employee on an annual salary shall not be paid for a pay period an amount which exceeds the employee's annual salary transposed into a rate applicable to the pay period by dividing the annual salary by the number of pay periods in the fiscal year. Salaries for state employees covered by the overtime payment provisions of the federal Fair Labor Standards Act shall be established on an hourly basis.

2. *a.* All employees of the state earn two weeks' vacation per year during the first year of employment and through the fourth year of employment, and three weeks' vacation per year during the fifth and through the eleventh year of employment, and four weeks' vacation per year during the twelfth year through the nineteenth year of employment, and four and four-tenths weeks' vacation per year during the twentieth year through the twenty-fourth year of employment, and five weeks' vacation per year during the twenty-fifth year and all subsequent years of employment, with pay. One week of vacation is equal to the number of hours in the employee's normal workweek. Vacation allowances accrue according to chapter 91A as provided by the rules of the department of administrative services.

*b.* The vacations shall be granted at the discretion and convenience of the head of the department, agency, or commission, except that an employee shall not be granted vacation in excess of the amount earned by the employee. Vacation leave earned under this subsection shall not be cumulated to an amount in excess of twice the employee's annual rate of accrual. The head of the department, agency, or commission shall make every reasonable effort to schedule vacation leave sufficient to prevent any loss of entitlements.

*c.* (1) If the employment of an employee of the state is terminated, the provisions of chapter 91A relating to the termination apply.

(2) If the termination of employment is by reason of the death of the employee, the vacation allowance shall be paid to the estate of the deceased employee if the estate is opened for probate. If an estate is not opened, the allowance shall be paid to the surviving spouse, if any, or to the legal heirs if no spouse survives.

3. Payments authorized by this section shall be approved by the department subject to rules of the department of administrative services and paid from the appropriation or fund of original certification of the claim.

4. Effective July 1, 2006, permanent full-time and permanent part-time employees of state departments, boards, agencies, and commissions shall accrue sick leave as provided in this subsection which shall be credited to the employee's sick leave account. The sick leave accrual rate for part-time employees shall be prorated to the accrual rate for full-time employees. The sick leave accrual rate for each complete month of full-time employment, excluding employees covered under a collective bargaining agreement which provides for a different rate of accrual, shall be as follows:

*a.* For employees of the state board of regents, one and one-half days.

*b.* For employees who are peace officers employed within the department of public safety or department of natural resources and who are not covered under a collective bargaining agreement, the rate shall be the same as the rate provided under the state police officers council collective bargaining agreement.

*c.* For all other employees, the rate shall be as follows:

(1) If the employee's accrued sick leave balance is seven hundred fifty hours or less, one and one-half days.

(2) If the employee's accrued sick leave balance is one thousand five hundred hours or less but more than seven hundred fifty hours, one day.

(3) If the employee's accrued sick leave balance is more than one thousand five hundred hours, one-half day.

5. Sick leave shall not accrue during any period of absence without pay. Employees may

use accrued sick leave for physical or mental personal illness, bodily injury, medically related disabilities, including disabilities resulting from pregnancy and childbirth, or contagious disease, which result in any of the following:

*a.* The employee's confinement is required.

*b.* The employee is rendered unable to perform assigned duties.

*c.* The performance of assigned duties would jeopardize the employee's health or recovery.

6. Except as provided in section 70A.23, all unused accrued sick leave in an employee's sick leave account is canceled upon the employee's separation from state employment. However, if an employee is laid off and the employee is reemployed by any state department, board, agency, or commission within one year of the date of the layoff, accrued sick leave of the employee shall be restored.

7. State employees, excluding state board of regents' faculty members with nine-month appointments, and employees covered under a collective bargaining agreement negotiated with the public safety bargaining unit who are eligible for accrued vacation benefits and accrued sick leave benefits, who have accumulated thirty days of sick leave, and who do not use sick leave during a full month of employment may elect to have up to one-half day of additional vacation added to the employee's accrued vacation account. The additional vacation time added to an employee's accrued vacation account for not using sick leave during a month is in lieu of the accrual of sick leave for that month. The amount of additional vacation for part-time employees shall be prorated to the amount of additional vacation authorized for full-time employees. The director of the department of administrative services may adopt the necessary rules and procedures for the implementation of this program for all state employees except employees of the state board of regents. The state board of regents may adopt necessary rules for the implementation of this program for its employees.

8. The head of any department, agency, or commission, subject to rules of the department of administrative services, may grant an educational leave to employees for whom the head of the department, agency, or commission is responsible pursuant to section 70A.25 and funds appropriated by the general assembly may be used for this purpose. The head of the department, agency, or commission shall notify the legislative council and the director of the department of administrative services of all educational leaves granted within fifteen days of the granting of the educational leave. If the head of a department, agency, or commission fails to notify the legislative council and the director of the department of administrative services of an educational leave, the expenditure of funds appropriated by the general assembly for the educational leave shall not be allowed.

9. A specific annual salary rate or annual salary adjustment commencing with a fiscal year shall commence on July 1 except that if a pay period overlaps two fiscal years, a specific annual salary rate or annual salary adjustment shall commence with the first day of a pay period as specified by the general assembly.

[C73, §3780; C97, §1289; C24, 27, 31, 35, 39, §**1218;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.1; 81 Acts, ch 20, §2]

85 Acts, ch 215, §1; 86 Acts, ch 1244, §13; 86 Acts, ch 1245, §231, 232; 87 Acts, ch 227, §16; 89 Acts, ch 303, §17

C93, §70A.1

97 Acts, ch 28, §7; 2003 Acts, ch 145, §286; 2006 Acts, ch 1020, §1; 2008 Acts, ch 1032, §201

Referred to in §1C.2, 8A.413, 218.17, 602.1401, 602.11102

Paid holidays; §1C.2

**70A.2 Promotion, discharge, demotion or suspension — absence for medically related disability not considered.**

When supported by the verification of the attending physician that an absence is necessary in the best interest of the health and well-being of the employee, an absence for medically related disability shall not be considered in actions for promotion, discharge, demotion or suspension of the employee.

[C77, 79, 81, §79.2]

C93, §70A.2

**70A.3 Appraisers of property.**

The appraisers appointed by authority of law to appraise property for any purpose shall be paid a reasonable amount determined by the sheriff of the county in which the property appraised is located. Unless otherwise provided, the amount paid shall be paid out of the property appraised or by the owner thereof.

[C51, §2550; R60, §4158; C73, §3813; C97, §1290; SS15, §1290-a; C24, 27, 31, 35, 39, §**1219;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §79.2; C77, 79, 81, §79.3]

87 Acts, ch 17, §4

C93, §70A.3

**70A.4 When fees payable.**

When no other provision is made on the subject, the party requiring any service shall pay the fees therefor upon the same being rendered, and a bill of particulars being presented, if required.

[C51, §2557; R60, §4164; C73, §3837; C97, §1295; C24, 27, 31, 35, 39, §**1221;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.4]

C93, §70A.4

**70A.5 Fees payable in advance.**

All fees, unless otherwise specifically provided, are payable in advance, if demanded, except in the following cases:

1. When the fees grow out of a criminal prosecution.
2. When the fees are payable by the state or county.
3. When the orders, judgments, or decrees of a court are to be entered, or performed in divorce-related matters including child support, temporary custody, restraining orders, and writs of habeas corpus.

[C73, §3842; C97, §1298; C24, 27, 31, 35, 39, §**1222;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.5]

88 Acts, ch 1133, §1

C93, §70A.5

**70A.6 Receipt for fees paid.**

Every person charging fees shall, if required by the person paying them, give that person a receipt therefor, setting forth the items, and the date of each.

[C51, §2549; R60, §4157; C73, §3836; C97, §1294; C24, 27, 31, 35, 39, §**1223;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.6]

C93, §70A.6

**70A.7 Report of fees.**

All officers required by the provisions of this Code to collect and pay over fines and fees shall, except as otherwise provided, on the first Monday in July in each year, make report thereof under oath to the board of supervisors of the proper county, showing the amount of fines assessed, and the amount of fines and fees collected, together with vouchers for the payment of all sums collected to the proper officer.

[R60, §4314; C73, §3973; C97, §1301; C24, 27, 31, 35, 39, §**1224;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.7]

C93, §70A.7

**70A.8 State accounts — inspection.**

The books, accounts, vouchers, and funds belonging to, or kept in, any state office or institution, or in the charge or under the control of any state officer or person having charge of any state funds or property, shall, at all times, be open or subject to the inspection of the governor or any committee appointed by the governor, or by the general assembly or either

house thereof; and the governor shall see that such inspection of the office of state treasurer is made at least four times in every twelve months.

[C57, §59, 69; R60, §80, 90; C73, §132; C97, §184; C24, 27, 31, 35, 39, §**1225;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.8]

C93, §70A.8

Iowa Constitution, Art. IV, §8

**70A.9 Charge for use of automobile by other than state officer or employee.**

When a public officer or employee, other than a state officer or employee, is entitled to be paid for expenses in performing a public duty, a charge shall be made, allowed and paid for the use of an automobile, as determined by the local governing body, in an amount which may be the maximum allowable under federal internal revenue service rules per mile, notwithstanding established mileage requirements or depreciation allowances. A statutory provision stipulating necessary mileage, travel, or actual reimbursement to a local public officer or employee falls within the mileage reimbursement limitation specified in this section unless specifically provided otherwise. A political subdivision may authorize the use of private vehicles for the conduct of official business of the political subdivision at an annual amount in lieu of actual and necessary travel expense reimbursement provided in this section. A peace officer, other than a state officer or employee as defined in section 801.4, who is required to use a private vehicle in the performance of official duties shall receive reimbursement for mileage expense at the rate specified in this section.

[C31, 35, §1225-d1; C39, §**1225.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.9; 81 Acts, ch 9, §23]

86 Acts, ch 1246, §773; 91 Acts, ch 267, §604

C93, §70A.9

Referred to in §42.5, 161A.6, 309.20, 331.210A, 331.215, 331.324, 331.655, 358.12, 468.232

State officers and employees mileage allowance, see §8A.363

Expenses for judicial officers, court employees, and others, see §602.1509

**70A.10 Mileage and expenses — prohibition.**

No law shall be construed to give to a public officer or employee both mileage and expenses for the same transaction.

[C31, 35, §1225-d2; C39, §**1225.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.10]

C93, §70A.10

Referred to in §331.324

**70A.11 Mileage and expenses — when unallowable.**

No public officer or employee shall be allowed either mileage or transportation expense when gratuitously transported by another, nor when transported by another public officer or employee who is entitled to mileage or transportation expense.

[C31, 35, §1225-d3; C39, §**1225.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.11]

C93, §70A.11

Referred to in §331.324

**70A.12 Out-of-state warrants limited.**

A warrant requiring a peace officer to go beyond the boundaries of the state at public expense shall not be issued except with the approval of a district judge.

[C35, §1225-e1; C39, §**1225.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.12]

83 Acts, ch 186, §10038, 10201

C93, §70A.12

Referred to in §331.324

**70A.13 Particulars required by county board.**

The board of supervisors shall not approve any claim for mileage or other traveling expenses presented by any peace officer including the sheriff and the sheriff's deputies unless the destinations, and number of miles covered in each trip are given, or, in the case

of extended trips, unless railroad, hotel, and other traveling expenses, excepting meals, are verified by receipts.

[C35, §1225-e2; C39, §**1225.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §79.13]
C93, §70A.13
Referred to in §331.324

**70A.14 Definitions.**

As used in this section and section 70A.15, unless the context otherwise requires:

1. *"Charitable organization"* means an organization that is eligible to receive contributions which may be deducted on the contributor's Iowa individual tax return and that has been designated, at the request of one hundred or more eligible state officers and employees, or the number of employees required by subsection 3 of this section, by a responsible official of the payroll system under which the officers or employees are compensated, to receive contributions pursuant to section 70A.15.

2. *"Enrollment period"* means the time during which the charitable organization conducts an annual consolidated effort to secure funds.

3. *"Number of persons required"* means:

*a.* In the case of employees at the Iowa state university of science and technology and the state university of Iowa, one hundred or more participants.

*b.* In the case of employees at the university of northern Iowa, fifty or more participants.

*c.* In the case of employees at the Iowa school for the deaf and the Iowa braille and sight saving school, twenty-five or more participants.

[C66, 71, 73, 75, 77, 79, 81, §79.14]
C93, §70A.14

**70A.15 Payroll deduction.**

1. The responsible official in charge of the payroll system may deduct from the salary or wages of a state officer or employee an amount specified by the officer or employee for payment to a charitable organization if:

*a.* The request for the payroll deduction is made in writing during the enrollment period for the charitable organization.

*b.* The deduction shall not continue in effect for a period of time exceeding one year unless a new written request is filed according to the requirements of this section.

*c.* The pay period during which the deduction is made, the frequency, and the amount of the deduction are compatible with the payroll system.

2. Moneys deducted pursuant to this section shall be paid over promptly to the appropriate charitable organization. The deduction may be made notwithstanding that the compensation actually paid to the officer or employee is reduced to an amount below the minimum prescribed by law. Payment to an officer or employee of compensation less the deduction shall constitute a full and complete discharge of claims and demands for services rendered by the employee during the period covered by the payment. The request for the deduction may be withdrawn at any time by filing a written notification of withdrawal with the responsible official in charge of the payroll system.

[C66, 71, 73, 75, 77, 79, 81, §79.15]
C93, §70A.15
2008 Acts, ch 1032, §201
Referred to in §70A.14
Combined charitable campaign program administered by department of administrative services; §8A.432

**70A.15A Charitable giving payroll deduction by other than state officer or employee.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Applicable public employer"* means a board of directors of a school district, a community college, a county board of supervisors, or a governing body of a city.

*b.* *"Eligible charitable organization"* means a not-for-profit federation of health and human services, social welfare, or environmental agencies or associations that meets all of the following conditions:

(1) The federation is tax exempt under section 501(c)(3) of the Internal Revenue Code

and contributions to the federation are deductible under section 170 of the Internal Revenue Code.

(2) The federation has had an office in this state for the last five years.

(3) The federation represents at least ten health and human services, social welfare, or environmental agencies or associations that are located in this state.

(4) The federation is governed by an active, voluntary board, which exercises administrative control over the federation.

(5) The federation is not a charitable foundation.

(6) The federation is registered with the secretary of state's office.

2. An applicable public employer may authorize deductions from the salaries or wages of its employees of an amount specified by an employee for payment to an eligible charitable organization. The authorization by an employee for deductions from the employee's salary or wages shall be evidenced by a written request signed by the employee directed to and filed with the treasurer, or official in charge of the payroll system, of the applicable public employer and the treasurer or responsible official shall deduct from the salary or wages of the employee the amount specified for payment to the eligible charitable organization. The request for the deduction may be withdrawn by the employee at any time by filing a written notification of withdrawal with the applicable treasurer or responsible official in charge of the payroll system.

3. If an applicable public employer authorizes deductions from the salaries or wages of its employees for payment to any eligible charitable organization, the applicable public employer shall ensure that an employee shall be permitted to authorize a deduction to any eligible charitable organization.

2006 Acts, ch 1185, §70; 2013 Acts, ch 28, §1
Subsection 1, paragraph a amended

**70A.16 Interview and moving expenses.**

1. If approved by the appointing authority, a person who interviews for employment by the state shall be reimbursed for expenses incurred in the interview.

2. A state employee who is reassigned shall be reimbursed for moving expenses incurred in accordance with rules and policies adopted by the director of the department of administrative services when all of the following circumstances exist:

*a.* The employee is reassigned at the direction of the appointing authority.

*b.* The reassignment constitutes a permanent change of duty station.

*c.* The reassignment requires the employee to change the place of personal residence beyond a reasonable commuting distance.

*d.* The reassignment is not primarily for the benefit or convenience of the employee.

3. If approved by the appointing authority, a person newly hired for a state position shall receive reimbursement for moving expenses incurred after the person is hired at the same rate provided for a state employee.

4. Reimbursement for moving expenses authorized under this section does not include reimbursement for the expense of moving animals.

[C77, 79, 81, §79.16; 81 Acts, ch 9, §25]
86 Acts, ch 1245, §233
C93, §70A.16
97 Acts, ch 28, §8; 2000 Acts, ch 1171, §21; 2003 Acts, ch 145, §286

**70A.17 Payroll deduction for additional insurance coverage.**

1. The state officer in charge of any of the state payroll systems shall deduct from the wages or salaries of a state officer or employee an amount specified by the officer or employee for payment to any company authorized to do business in this state for the purpose of purchasing insurance if all of the following conditions are met:

*a.* At least five hundred state officers or employees request the deduction to purchase insurance from the same company.

*b.* The request for the payroll deduction is made by the state officer or employee in writing to the officer in charge of the program.

*c.* The pay period during which the deduction is made, the frequency, and the amount of the deduction are compatible with the payroll system.

*d.* The insurance coverage to be purchased is not provided by the state.

*e.* The company providing the insurance enters into a written agreement with the state delineating each party's rights and responsibilities.

2. The moneys deducted under this section shall be paid to the company designated by the requesting state officers or employees. The deduction may be made even though the compensation paid to an officer or employee is reduced to an amount below the minimum prescribed by law. Payment to an officer or employee of compensation less the deduction shall constitute a full discharge of claims and demands for services rendered by the officer or employee during the period covered by the payment. The request for the deduction may be withdrawn at any time by filing a written notification of withdrawal with the state officer in charge of any of the state payroll systems.

3. The department of administrative services reserves the right to terminate an insurance company's participation in the program if the department receives complaints regarding the actions of the insurance company or its agents in relation to the program and such termination would be in the best interest of the state officers and employees; the department makes a determination that the insurance company has engaged in a pattern or practice of unfair, misleading, or fraudulent acts and such termination would be in the best interest of the state officers and employees; or the commissioner of insurance determines that the company has engaged in practices that would otherwise disqualify the company from providing insurance coverage in Iowa.

4. The department is authorized to establish and collect an administrative fee as deemed necessary and appropriate in an amount not to exceed the state's actual cost of providing the payroll deduction service.

2004 Acts, ch 1103, §75

**70A.17A Payroll deduction for dues.**

1. The state officer in charge of the payroll system shall deduct from the salary or wages of a state officer or employee an amount specified by the officer or employee for payment to a professional or trade organization for dues or membership fees if:

*a.* The professional or trade organization consents to payment of dues in this manner.

*b.* The employee requests in writing that payment of dues or membership fees be made in this manner.

*c.* The pay period during which the deduction is made, the frequency, and the amount of the deduction are compatible with the payroll system.

*d.* The following number of state officers or employees request the deduction for the same professional or trade organization:

(1) One hundred or more state officers or employees employed outside the jurisdiction of the state board of regents, or employed at Iowa state university of science and technology or the state university of Iowa.

(2) Fifty or more state officers or employees employed at the university of northern Iowa.

(3) Twenty-five or more state officers or employees employed at the Iowa school for the deaf or at the Iowa braille and sight saving school.

2. The deduction may be made even though the compensation paid to an officer or employee is reduced to an amount below the minimum prescribed by law. Payment to an officer or employee of compensation less the deduction shall constitute a full discharge of claims and demands for services rendered by the officer or employee during the period covered by the payment. The request for the deduction may be withdrawn at any time by filing a written notification of withdrawal with the state officer in charge of the payroll system.

3. This section shall not affect a payroll deduction elected by a state employee pursuant to section 70A.19.

94 Acts, ch 1188, §36

**70A.17B Payroll deduction for eligible qualified tuition program contributions.**

1. The state officer in charge of any of the state payroll systems shall deduct from the wages or salaries of a state officer or employee an amount specified by the officer or employee for payment to an eligible qualified tuition program in a method consistent with current discretionary payroll deductions and on forms prescribed by the payroll administrator. For purposes of this section, an *"eligible qualified tuition program"* is a program that meets the requirements of a qualified tuition program under section 529 of the Internal Revenue Code and is a program in which at least five hundred state officers or employees request a payroll deduction and the request for the payroll deduction is made by the state officer or employee in writing to the officer in charge of the program.

2. The moneys deducted under this section shall be paid to the eligible qualified tuition program for the benefit of the officer's or employee's account no later than thirty days following the payroll deduction from the wages of the officer or employee. The deduction may be made even though the compensation paid to an officer or employee is reduced to an amount below the minimum prescribed by law. Payment to an officer or employee of compensation less the deduction shall constitute a full discharge of claims and demands for services rendered by the officer or employee during the period covered by the payment. The request for the deduction may be withdrawn at any time by filing a written notification of withdrawal with the state officer in charge of any of the state payroll systems.

2005 Acts, ch 75, §1

**70A.18 Compensation based on comparable worth.**

It is the policy of this state that a state department, board, commission, or agency shall not discriminate in compensation for work of comparable worth between jobs held predominantly by women and jobs held predominantly by men. *"Comparable worth"* means the value of work as measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of work.

83 Acts, ch 170, §1 – 4
CS83, §79.18
C93, §70A.18

**70A.19 Duration of state payroll deduction for dues of employee organization member.**

A state employee who elects a payroll deduction for membership dues to an employee organization pursuant to the provisions of a collective bargaining agreement negotiated under the provisions of chapter 20 shall maintain the deduction for a period of one year or until the expiration of the collective bargaining agreement, whichever occurs first. A state employee who transfers employment to a position covered by a different collective bargaining agreement or who becomes a management employee is not subject to this requirement. With respect to state employees, this section supersedes the provisions of section 20.9 allowing termination of a dues checkoff at any time but does not supersede the requirement for thirty days' written notice of termination.

86 Acts, ch 1245, §234
C87, §79.19
C93, §70A.19
Referred to in §70A.17A

**70A.20 Employees disability program.**

A state employees disability insurance program is created, which shall be administered by the director of the department of administrative services and which shall provide disability benefits in an amount and for the employees as provided in this section. The monthly disability benefits shall, at a minimum, provide twenty percent of monthly earnings if employed less than one year, forty percent of monthly earnings if employed one year or more but less than two years, and sixty percent of monthly earnings thereafter, reduced by primary and family social security determined at the time social security disability payments commence, railroad retirement disability income, workers' compensation if applicable, and any other state-sponsored sickness or disability benefits payable. However, the amount of

benefits payable under the Iowa public employees' retirement system pursuant to chapter 97B shall not reduce the benefits payable pursuant to this section. Subsequent social security or railroad retirement increases shall not be used to further reduce the insurance benefits payable. As used in this section, *"primary and family social security"* shall not include social security benefits awarded to an adult child with a disability of the state employee with a disability who does not reside with the state employee with a disability if the social security benefits were awarded to the adult child with a disability prior to the approval of the state employee's benefits under this section, regardless of whether the United States social security administration records the benefits to the social security number of the adult child with a disability, the state employee with a disability, or any other family member, and such social security benefits shall not reduce the benefits payable pursuant to this section. As used in this section, unless the context otherwise requires, *"adult"* means a person who is eighteen years of age or older. State employees shall receive credit for the time they were continuously employed prior to and on July 1, 1974. The following provisions apply to the employees disability insurance program:

1. Waiting period of no more than ninety working days of continuous sickness or accident disability or the expiration of accrued sick leave, whichever is greater.

2. Maximum period benefits paid for both accident or sickness disability:

*a.* If the disability occurs prior to the time the employee attains the age of sixty-one years, the maximum benefit period shall end sixty months after continuous benefit payments begin or on the date on which the employee attains the age of sixty-five years, whichever is later.

*b.* If the disability occurs on or after the time the employee attains the age of sixty-one years but prior to the age of sixty-nine years, the maximum benefit period shall end sixty months after continuous benefit payments begin or on the date on which the employee attains the age of seventy years, whichever is earlier.

*c.* If the disability occurs on or after the time the employee attains the age of sixty-nine years, the maximum benefit period shall end twelve months after continuous benefit payments begin.

3. *a.* Minimum and maximum benefits of not less than fifty dollars per month and not exceeding three thousand dollars per month.

*b.* In no event shall benefits exceed one hundred percent of the claimant's predisability covered monthly compensation.

4. All probationary and permanent full-time state employees shall be covered under the employees disability insurance program, except board members and members of commissions who are not full-time state employees, and state employees who on July 1, 1974, are under another disability program financed in whole or in part by the state, and state employees who have agreed to participation in another disability program through a collective bargaining agreement. For purposes of this section, members of the general assembly serving on or after January 1, 1989, are eligible for the plan during their tenure in office, on the basis of enrollment rules established for full-time state employees excluded from collective bargaining as provided in chapter 20.

[C75, 77, 79, 81, §79.20]

84 Acts, ch 1146, §2; 86 Acts, ch 1245, §235; 88 Acts, ch 1267, §15, 16

C93, §70A.20

93 Acts, ch 7, §1; 94 Acts, ch 1022, §1; 95 Acts, ch 162, §9; 96 Acts, ch 1129, §17; 2003 Acts, ch 145, §286; 2006 Acts, ch 1177, §27

Referred to in §602.11103

**70A.21 and 70A.22** Reserved.

**70A.23 Credit for accrued sick leave.**

1. For purposes of this section:

*a.* *"Eligible retirement system"* means a retirement system authorized under chapter 97A or 97B, including the teachers insurance and annuity association-college retirement equities fund (TIAA-CREF).

*b.* *"Eligible state employee"* means a state employee eligible to receive retirement benefits under an eligible retirement system.

2. An eligible state employee, excluding an employee covered under a collective bargaining agreement which provides otherwise, who retires and has applied for retirement benefits under an eligible retirement system, or who dies while in active employment, shall be credited with the number of accrued days of sick leave of the employee. The employee, or the employee's estate, shall receive a cash payment of the monetary value of the employee's accrued sick leave balance, not to exceed two thousand dollars. The value of the employee's accrued sick leave balance shall be calculated by multiplying the number of hours of accrued sick leave by the employee's regular hourly rate of pay at the time of retirement.

3. *a.* An eligible state employee, excluding an employee covered under a collective bargaining agreement which provides otherwise or an employee of the state board of regents, who retires and receives a payment as provided in subsection 2 shall be entitled to elect to have the employee's available remaining value of sick leave used to pay the state share for the employee's continuation of state group health insurance coverage pursuant to the requirements of this subsection.

*b.* An eligible state employee's available remaining value of sick leave shall be calculated as follows:

(1) If the employee's accrued sick leave balance prior to payment as provided in subsection 2 is seven hundred fifty hours or less, sixty percent of the value of the remaining accrued sick leave balance.

(2) If the employee's accrued sick leave balance prior to payment as provided in subsection 2 is one thousand five hundred hours or less but more than seven hundred fifty hours, eighty percent of the value of the remaining accrued sick leave balance.

(3) If the employee's accrued sick leave balance prior to payment as provided in subsection 2 is more than one thousand five hundred hours, one hundred percent of the value of the remaining accrued sick leave balance.

*c.* An eligible state employee's available remaining value of sick leave shall be available to pay for that portion of the employee's state group health insurance premium that would otherwise be paid for by the state if the employee were still a state employee. The benefits provided for in this subsection have no cash value and are not transferable to any other person, including the retiree's spouse. Payment of state group health insurance premiums pursuant to this subsection continues until the earliest of when the eligible state employee's available remaining value of sick leave is exhausted, the employee otherwise becomes eligible for federal Medicare program benefits, or the employee dies. In addition, an employee electing benefits pursuant to this subsection who is reinstated or reemployed in a permanent full-time or permanent part-time position within state government forfeits any remaining benefits for payment of state group health insurance benefits, and such employee is not eligible for restoration of the unused sick leave accrued during the employee's prior employment with the state.

4. Notwithstanding any provision of this section to the contrary, peace officers employed within the department of public safety and the department of natural resources that are not covered under a collective bargaining agreement shall have a sick leave conversion program extended to them that is equivalent to the sick leave conversion program negotiated under chapter 20 between the state and the state police officers council labor union for peace officers. In addition, an employee of the department of public safety or the department of natural resources who has earned benefits of payment of premiums under a collective bargaining agreement and who becomes a manager or supervisor and is no longer covered by the agreement shall not lose the benefits of payment of premiums earned while covered by the agreement. The payment shall be calculated by multiplying the number of hours of accumulated, unused sick leave by the employee's hourly rate of pay at the time of retirement.

[C79, 81, §79.23; 82 Acts, ch 1184, §1]
84 Acts, ch 1146, §1; 88 Acts, ch 1158, §9

C93, §70A.23
2003 Acts, ch 108, §22; 2006 Acts, ch 1020, §2; 2006 Acts, ch 1185, §116
Referred to in §70A.1, 80.42, 602.1401, 602.11102
For provisions relating to the state employee retirement incentive program, see 2010 Acts, ch 1005, §1, 2

**70A.24** Repealed by 94 Acts, ch 1173, § 42.

**70A.25 Educational leave — educational assistance.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Educational assistance"* means reimbursement for tuition, fees, books or other expenses incurred by a state employee in taking coursework at an educational institution or attending a workshop, seminar, or conference without a reduction in ordinary job responsibilities and that the appointing authority determines contributes to the growth and development of the employee in the employee's present position or in a position to which the employee may reasonably be assigned.

*b.* *"Educational leave"* means full or partial absence from an employee's ordinary job responsibilities either with full or partial pay or without pay, to attend a course of study at an educational institution or a course of study conducted by a reputable sponsor on behalf of an educational institution. Educational leave may include reimbursement for all or a portion of educational expenses incurred.

*c.* *"Educational leave"* and *"educational assistance"* do not apply to job training, employee development programs, or departmental seminars that are conducted or sponsored by a state agency.

2. *General applicability.*

*a.* The purpose of educational leave with full or partial pay and educational assistance is to assist state employees to develop skills that will improve their ability to perform state job responsibilities or in the case of educational leave to also provide training and educational opportunities for employees of a state agency that will enable the agency director to better meet the staffing needs of the state agency.

*b.* The director of the department of administrative services shall not allow the payment of expenses for courses unless the department, agency, or commission can demonstrate a relationship between the employee's job responsibilities and the courses to be taken or that the employee is required to learn new skills for which the department, agency, or commission has a need.

3. *Reporting and review.*

*a.* The director of the department of administrative services shall periodically and at least annually review the implementation of educational leave and educational assistance programs by state agencies.

*b.* The head of each state agency, department, or commission shall report to the director of the department of administrative services and the legislative council not later than October 1 of each year the direct and indirect costs to the agency of educational leave and educational assistance granted to agency employees during the preceding fiscal year. The report shall include an estimate of costs saved by the state agency, department, or commission through the use of educational leave and educational assistance. As used in this subsection, *"indirect costs"* includes but is not limited to adjustments in employee work assignments and agency operations necessitated by educational leave or assistance.

*c.* The report to the director of the department of administrative services and legislative council shall identify the relationship of each course to the employee who is granted educational leave and how the course may improve the employee's job performance or the task to be accomplished within the agency.

*d.* The report to the director of the department of administrative services and the legislative council shall also include:

(1) The number of employees who were granted educational leave and the amount of tuition reimbursement allowed by the department, agency or commission.

(2) The number of employees who were granted a leave from work to attend the classes

and who continued to receive their salary and the number of hours of work which those employees were excused.

(3) The number of employees who were granted a temporary leave of absence from work to attend the classes without pay and the amount of time missed.

85 Acts, ch 215, §2
CS85, §79.25
86 Acts, ch 1245, §237 – 239
C93, §70A.25
2000 Acts, ch 1171, §22 – 24; 2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §201
Referred to in §8A.111, 70A.1

**70A.26 Disaster service volunteer leave.**

An employee of an appointing authority who is a certified disaster service volunteer of the American red cross may be granted leave with pay from work for not more than fifteen working days in any twelve-month period to participate in disaster relief services for the American red cross at the request of the American red cross for the services of that employee and upon the approval of the employee's appointing authority without loss of seniority, pay, vacation time, personal days, sick leave, insurance and health coverage benefits, or earned overtime accumulation. The appointing authority shall compensate an employee granted leave under this section at the employee's regular rate of pay for those regular work hours during which the employee is absent from work. An employee deemed to be on leave under this section shall not be deemed to be an employee of the state for purposes of workers' compensation. An employee deemed to be on leave under this section shall not be deemed to be an employee of the state for purposes of the Iowa tort claims Act. Leave under this section shall be granted only for services relating to a disaster in the state of Iowa.

95 Acts, ch 132, §1

**70A.27 Leave of absence for charge of a crime — civil penalty.**

1. For the purposes of this section:

*a.* *"Convicted"* means convicted of an indictable offense and includes a guilty plea or other finding of guilt by a court of competent jurisdiction.

*b.* *"Public employee"* means any individual employed by a public employer. *"Public employee"* includes heads of executive branch agencies.

*c.* *"Public employer"* means the state, its boards, commissions, agencies, and departments, and its political subdivisions including school districts and other special purpose districts. *"Public employer"* includes the general assembly and the governor.

2. *a.* A public employee on a leave of absence with full or partial compensation because the public employee is charged, by indictment or information, with the commission of a public offense classified as a class "D" felony or greater offense shall pay to the public employer employing the public employee a civil penalty equal to the cash wages that the public employee received during the period of the leave of absence if the public employee is convicted of a public offense classified as a class "D" felony or greater offense.

*b.* A public employee shall pay to the public employer employing the public employee a civil penalty equal to any payments that the public employee received pursuant to the terms of the public employee's employment contract that result from the termination of the contract, if the termination was caused by the employee being charged, by indictment or information, with the commission of a public offense classified as a class "D" felony or greater offense, and if the public employee is convicted of a public offense classified as a class "D" felony or greater offense.

2011 Acts, ch 88, §1

**70A.28 Prohibitions relating to certain actions by state employees — penalty — civil remedies.**

1. A person who serves as the head of a state department or agency or otherwise serves in a supervisory capacity within the executive or legislative branch of state government shall not require an employee of the state to inform the person that the employee made a

disclosure of information permitted by this section and shall not prohibit an employee of the state from disclosing any information to a member or employee of the general assembly or from disclosing information to any other public official or law enforcement agency if the employee reasonably believes the information evidences a violation of law or rule, mismanagement, a gross abuse of funds, an abuse of authority, or a substantial and specific danger to public health or safety. However, an employee may be required to inform the person that the employee made a disclosure of information permitted by this section if the employee represented that the disclosure was the official position of the employee's immediate supervisor or employer.

2. A person shall not discharge an employee from or take or fail to take action regarding an employee's appointment or proposed appointment to, promotion or proposed promotion to, or any advantage in, a position in a state employment system administered by, or subject to approval of, a state agency as a reprisal for a failure by that employee to inform the person that the employee made a disclosure of information permitted by this section, or for a disclosure of any information by that employee to a member or employee of the general assembly, a disclosure of information to the office of ombudsman, or a disclosure of information to any other public official or law enforcement agency if the employee reasonably believes the information evidences a violation of law or rule, mismanagement, a gross abuse of funds, an abuse of authority, or a substantial and specific danger to public health or safety. However, an employee may be required to inform the person that the employee made a disclosure of information permitted by this section if the employee represented that the disclosure was the official position of the employee's immediate supervisor or employer.

3. Subsections 1 and 2 do not apply if the disclosure of the information is prohibited by statute.

4. A person who violates subsection 1 or 2 commits a simple misdemeanor.

5. Subsection 2 may be enforced through a civil action.

*a.* A person who violates subsection 2 is liable to an aggrieved employee for affirmative relief including reinstatement, with or without back pay, or any other equitable relief the court deems appropriate, including attorney fees and costs.

*b.* When a person commits, is committing, or proposes to commit an act in violation of subsection 2, an injunction may be granted through an action in district court to prohibit the person from continuing such acts. The action for injunctive relief may be brought by an aggrieved employee or the attorney general.

6. Subsection 2 may also be enforced by an employee through an administrative action pursuant to the requirements of this subsection if the employee is not a merit system employee or an employee covered by a collective bargaining agreement. An employee eligible to pursue an administrative action pursuant to this subsection who is discharged, suspended, demoted, or otherwise receives a reduction in pay and who believes the adverse employment action was taken as a result of the employee's disclosure of information that was authorized pursuant to subsection 2, may file an appeal of the adverse employment action with the public employment relations board within thirty calendar days following the later of the effective date of the action or the date a finding is issued to the employee by the office of ombudsman pursuant to section 2C.11A. The findings issued by the ombudsman may be introduced as evidence before the public employment relations board. The employee has the right to a hearing closed to the public, but may request a public hearing. The hearing shall otherwise be conducted in accordance with the rules of the public employment relations board and the Iowa administrative procedure Act, chapter 17A. If the public employment relations board finds that the action taken in regard to the employee was in violation of subsection 2, the employee may be reinstated without loss of pay or benefits for the elapsed period, or the public employment relations board may provide other appropriate remedies. Decisions by the public employment relations board constitute final agency action.

7. A person shall not discharge an employee from or take or fail to take action regarding an employee's appointment or proposed appointment to, promotion or proposed promotion to, or any advantage in, a position in a state employment system administered by, or subject

to approval of, a state agency as a reprisal for the employee's declining to participate in contributions or donations to charities or community organizations.

8. The director of the department of administrative services or, for employees of the general assembly or of the state board of regents, the legislative council or the state board of regents, respectively, shall provide procedures for notifying new state employees of the provisions of this section and shall periodically conduct promotional campaigns to provide similar information to state employees. The information shall include the toll-free telephone number of the ombudsman.

9. For purposes of this section, *"state employee"* and *"employee"* include, but are not limited to, persons employed by the general assembly and persons employed by the state board of regents.

84 Acts, ch 1219, §4
C85, §79.28
85 Acts, ch 20, §1; 87 Acts, ch 19, §4; 87 Acts, ch 27, §2; 89 Acts, ch 124, §2
C93, §70A.28
96 Acts, ch 1100, §2 – 5; 2003 Acts, ch 145, §286; 2006 Acts, ch 1153, §14, 15; 2007 Acts, ch 126, §18; 2013 Acts, ch 10, §28; 2013 Acts, ch 140, §55
Referred to in §2C.11A, 8F.3
See also §8A.417, 70A.29
Subsections 2, 6, and 8 amended

**70A.29 Reprisals prohibited — political subdivisions — penalty — civil remedies.**

1. A person shall not discharge an employee from or take or fail to take action regarding an employee's appointment or proposed appointment to, promotion or proposed promotion to, or any advantage in, a position in employment by a political subdivision of this state as a reprisal for a disclosure of any information by that employee to a member or employee of the general assembly, or an official of that political subdivision or a state official or for a disclosure of information to any other public official or law enforcement agency if the employee reasonably believes the information evidences a violation of law or rule, mismanagement, a gross abuse of funds, an abuse of authority, or a substantial and specific danger to public health or safety. This section does not apply if the disclosure of the information is prohibited by statute.

2. A person who violates subsection 1 commits a simple misdemeanor.

3. Subsection 1 may be enforced through a civil action.

*a.* A person who violates subsection 1 is liable to an aggrieved employee for affirmative relief including reinstatement, with or without back pay, or any other equitable relief the court deems appropriate, including attorney fees and costs.

*b.* When a person commits, is committing, or proposes to commit an act in violation of subsection 1, an injunction may be granted through an action in district court to prohibit the person from continuing such acts. The action for injunctive relief may be brought by an aggrieved employee or the county attorney.

85 Acts, ch 60, §1
CS85, §79.29
89 Acts, ch 124, §3
C93, §70A.29
See also §8A.417, 70A.28

**70A.30 Establishment of phased retirement program.**

1. The department of administrative services may establish a voluntary employee phased retirement incentive program for full-time state employees.

2. A phased retirement incentive program established by the department of administrative services is a retirement system for purposes of section 20.9, but is not retirement for purposes of chapter 97A, 97B, or 602 or for the employees who are members of the teachers insurance annuity association-college retirement equities fund (TIAA-CREF).

84 Acts, ch 1180, §1
C85, §79.30

C93, §70A.30
2003 Acts, ch 108, §23; 2013 Acts, ch 129, §35
Section amended

**70A.31 through 70A.34** Repealed by 2013 Acts, ch 129, § 36.

**70A.35 and 70A.36** Reserved.

**70A.37 Collective bargaining agreements.**
Administrative rules adopted by the director of the department of administrative services pursuant to this chapter shall not supersede provisions of collective bargaining agreements negotiated under chapter 20.
86 Acts, ch 1245, §240
C87, §79.37
C93, §70A.37
2003 Acts, ch 145, §286

**70A.38 Years of service incentive program.** Repealed by its own terms; 2003 Acts, ch 145, § 156, 293.

**70A.39 Bone marrow and organ donation incentive program.**
1. For the purposes of this section:
*a.* *"Bone marrow"* means the soft tissue that fills human bone cavities.
*b.* *"Vascular organ"* means a heart, lung, liver, pancreas, kidney, intestine, or other organ that requires the continuous circulation of blood to remain useful for purposes of transplantation.
2. Beginning July 1, 2003, state employees, excluding employees covered under a collective bargaining agreement which provides otherwise, shall be granted leaves of absence in accordance with the following:
*a.* A leave of absence of up to five workdays for an employee who requests a leave of absence to serve as a bone marrow donor if the employee provides written verification from the employee's physician or the hospital involved with the bone marrow donation that the employee will serve as a bone marrow donor.
*b.* A leave of absence of up to thirty workdays for an employee who requests a leave of absence to serve as a vascular organ donor if the employee provides written verification from the employee's physician or the hospital involved with the vascular organ donation that the employee will serve as a vascular organ donor.
3. An employee who is granted a leave of absence under this section shall receive leave without loss of seniority, pay, vacation time, personal days, sick leave, insurance and health coverage benefits, or earned overtime accumulation. The employee shall be compensated at the employee's regular rate of pay for those regular work hours during which the employee is absent from work.
4. An employee deemed to be on leave under this section shall not be deemed to be an employee of the state for purposes of workers' compensation or for purposes of the Iowa tort claims Act.
2003 Acts, ch 32, §1; 2003 Acts, 1st Ex, ch 2, §37, 209

# CHAPTER 71

## NEPOTISM

71.1 Employments prohibited. 71.2 Payment prohibited.

**71.1 Employments prohibited.**

It shall hereafter be unlawful for any person elected or appointed to any public office or position under the laws of the state or by virtue of the ordinance of any city in the state, to appoint as deputy, clerk, or helper in said office or position to be paid from the public funds, any person related by consanguinity or affinity, within the third degree, to the person elected, appointed, or making said appointment, unless such appointment shall first be approved by the officer, board, council, or commission whose duty it is to approve the bond of the principal; provided this provision shall not apply in cases where such person appointed receives compensation at the rate of six hundred dollars per year or less, nor shall it apply to persons teaching in public schools, nor shall it apply to the employment of clerks of members of the general assembly.

[C24, 27, 31, 35, 39, §**1166;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §71.1]

Approving officers and boards, §64.19

Computation of degrees, §4.1(4)

**71.2 Payment prohibited.**

No person so unlawfully appointed or employed shall be paid or receive any compensation from the public money and such appointment shall be null and void and any person or persons so paying the same or any part thereof, together with their surety, shall be liable for any and all moneys so paid.

[C24, 27, 31, 35, 39, §**1167;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §71.2]

# SUBTITLE 3

## PUBLIC CONTRACTS AND BONDS

# CHAPTER 72

## DUTIES RELATING TO PUBLIC CONTRACTS


72.1 Contracts for excess expenditures — exception for coal.
72.2 Executive council may authorize indebtedness.
72.3 Divulging contents of sealed bids.
72.4 Penalty.
72.5 Life cycle cost.


**72.1 Contracts for excess expenditures — exception for coal.**

Officers empowered to expend, or direct the expenditure of, public money of the state shall not make any contract for any purpose which contemplates an expenditure of such money in excess of that authorized by law. However, the state or an agency of the state may enter into a contract of not exceeding ten years in duration for the purchase of coal to be used in facilities under the jurisdiction of the state or the state agency. The execution of the contract shall be contingent upon appropriations by the general assembly in sufficient amounts to meet the terms of the contract.

[R60, §2181; C73, §127; C97, §185, 186; C24, 27, 31, 35, 39, §**1168;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §72.1]

**72.2 Executive council may authorize indebtedness.**

Nothing herein contained shall prevent the incurring of an indebtedness on account of support funds for state institutions, upon the prior written direction of the executive council, specifying the items and amount of such indebtedness to be increased, and the necessity therefor.

[C97, §186; C24, 27, 31, 35, 39, §**1169;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §72.2]

**72.3 Divulging contents of sealed bids.**

No public officer or deputy thereof, if any, shall directly or indirectly or in any manner whatsoever, at any other time or in any other manner than as provided by law, open any sealed bid or convey or divulge to any person any part of the contents of a sealed bid, on any proposed contract concerning which a sealed bid is required or permitted by law.

[S13, §1279-a; C24, 27, 31, 35, 39, §**1170;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §72.3]

Referred to in §8A.311, 72.4

**72.4 Penalty.**

A violation of the provisions of section 72.3 shall, in addition to criminal liability, render the violator liable, personally and on the violator's bond, if any, to liquidated damages in the sum of one thousand dollars for each violation, to inure to and be collected by the state, county, city, school corporation or other municipal corporation of which the violator is an officer or deputy.

[S13, §1279-a; C24, 27, 31, 35, 39, §**1171;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §72.4]

**72.5 Life cycle cost.**

1. *a.* A contract for a public improvement or construction of a public building, including new construction or renovation of an existing public building, by the state, or an agency of the state, shall not be let without satisfying the following requirements:

(1) A design professional submitting a design development proposal for consideration of the public body shall at minimum prepare one proposal meeting the design program's space and use requirements which reflects the lowest life cycle cost possible in light of existing commercially available technology.

(2) Submission of a cost-benefit analysis of any deviations from the lowest life cycle cost

proposal contained in other design proposals requested by or prepared for submission to the public body.

*b.* The public body may request additional design proposals in light of funds available for construction, aesthetic considerations, or any other reason.

*c.* This subsection applies for all design development proposals requested on or after January 1, 1991.

2. The director of the economic development authority, in consultation with the department of management, state building code commissioner, and state fire marshal, shall develop standards and methods to evaluate design development documents and construction documents based upon life cycle cost factors to facilitate fair and uniform comparisons between design proposals and informed decision making by public bodies.

3. The department of management shall develop a proposal for submission to the general assembly on or before January 10, 1991, to create a division within the department of management to evaluate life cycle costs on design proposals submitted on public improvement and construction contracts for agencies of the state, to assure uniform comparisons and professional evaluations of design proposals by an independent agency. The report shall also address potential redundancy and conflicts within existing state law regarding life cycle cost analysis and recommend the resolution of any problems which are identified.

4. It is the intent of the general assembly to discourage construction of public buildings based upon lowest acquisition cost, and instead to require that such decisions be based upon life cycle costs to reduce energy consumption, maintenance requirements, and continuing burdens upon taxpayers.

90 Acts, ch 1252, §5; 94 Acts, ch 1173, §5; 2004 Acts, ch 1086, §17; 2006 Acts, ch 1014, §1; 2007 Acts, ch 22, §17; 2008 Acts, ch 1032, §201; 2009 Acts, ch 108, §5, 41; 2011 Acts, ch 118, §50, 89

Referred to in §476.10B

# CHAPTER 73

## PREFERENCES

Referred to in §73A.21, 84A.1B, 331.341

See also §8A.311, §73A.21

IOWA PRODUCTS AND LABOR

73.1 Preference — conditions.
73.2 Advertisements for bids — form.
73.3 and 73.4 Repealed by 2011 Acts, ch 133, §9 – 11.
73.5 Violations — criminal penalty.
73.6 Iowa coal.
73.7 and 73.8 Repealed by 95 Acts, ch 71, §3.
73.9 Violations — remedy.
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MINORITY-OWNED AND FEMALE-OWNED BUSINESSES

73.14 Minority-owned and female-owned businesses — bond issuance services.

TARGETED SMALL BUSINESS PROCUREMENT

73.15 Title and definitions.
73.16 Procurements from small businesses and targeted small businesses — goals.
73.17 Targeted small business procurement goals — preliminary procedures.
73.18 Notice of solicitation for bids — identification of targeted small businesses.
73.19 Negotiated price or bid contract.
73.20 Determination of ability to perform.
73.21 Other procurement procedures.

IOWA PRODUCTS AND LABOR

**73.1 Preference — conditions.**

1. Every commission, board, committee, officer, or other governing body of the state, or of any county, township, school district or city, and every person acting as contracting or purchasing agent for any such commission, board, committee, officer, or other governing body shall use only those products and provisions grown and coal produced within the state of Iowa, when they are found in marketable quantities in the state and are of a quality reasonably suited to the purpose intended, and can be secured without additional cost over foreign products or products of other states. This section shall apply to horticultural products grown in this state even if the products are not in the stage of processing that the agency usually purchases the product. However, this section does not apply to a school district purchasing food while the school district is participating in the federal school lunch or breakfast program.

2. All requests for proposals for materials, products, supplies, provisions, and other needed articles and services to be purchased at public expense shall not knowingly be written in such a way as to exclude an Iowa-based company capable of filling the needs of the purchasing entity from submitting a responsive proposal.

[C27, 31, 35, §1171-b1; C39, §**1171.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §73.1]
86 Acts, ch 1096, §10; 2004 Acts, ch 1046, §1; 2010 Acts, ch 1069, §8

**73.2 Advertisements for bids — form.**

1. *a.* All requests hereafter made for bids and proposals for materials, products, supplies, provisions, and other needed articles to be purchased at public expense, shall be made in general terms and by general specifications and not by brand, trade name, or other individual mark.

*b.* All such requests and bids shall contain a paragraph in easily legible print, reading as follows:

By virtue of statutory authority, a preference will be given to products and provisions grown and coal produced within the state of Iowa.

2. In addition to any method of advertisement required by law, any executive branch agency, the general assembly, and the judicial branch shall advertise any request for bids and proposals on the official state internet site operated by the department of administrative services. An electronic link to an internet site maintained by an executive branch agency, the general assembly, or the judicial branch on which requests for bids and proposals for that agency or for the general assembly or judicial branch are posted satisfies the requirements of this subsection.

[C27, 31, 35, §1171-b2; C39, §**1171.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §73.2]
2002 Acts, ch 1072, §1; 2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §163
Referred to in §8A.311

**73.3 and 73.4** Repealed by 2011 Acts, ch 133, § 9 – 11.
2011 repeal of these sections takes effect September 1, 2011, and applies to all public improvement, public works, and public road projects, and to contracts for public improvement, public works, and public road projects entered into on or after that date; 2011 Acts, ch 133, §10, 11

**73.5 Violations — criminal penalty.**

An officer or person who is connected with, or is a member or agent or representative of a commission, board, committee, officer or other governing body of this state, or of any county, township, school district, city, or contractor, who fails to give preference as required in this chapter is guilty of a simple misdemeanor. Each separate case of failure to give preference is a separate offense.

[C31, 35, §1171-d3; C39, §**1171.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §73.5]
86 Acts, ch 1096, §11

**73.6 Iowa coal.**

It shall be unlawful for any commission, board, county officer or other governing body of the state, or of any county, township, school district or city, to purchase or use any coal, except that mined or produced within the state by producers who are, at the time such coal is purchased and produced, complying with all the workers' compensation and mining laws of the state. The provisions of this section shall not be applicable if coal produced within the state cannot be procured of a quantity or quality reasonably suited to the needs of such purchaser, nor if the equipment now installed is not reasonably adapted to the use of coal produced within the state, nor if the use of coal produced within the state would materially lessen the efficiency or increase the cost of operating such purchaser's heating or power plant, nor to mines employing miners not now under the provisions of the workers' compensation Act or who permit the miners to work in individual units in their own rooms.

[C39, §**1171.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §73.6]

Referred to in §73.9, 73.10

**73.7 and 73.8** Repealed by 95 Acts, ch 71, § 3.

**73.9 Violations — remedy.**

Any contract entered into or carried out in whole or in part, in violation of the provisions of section 73.6, shall be void and the contract or any claim growing out of the sale, delivery, or use of the coal specified in the contract, shall be unenforceable in any court. In addition to any other proper party or parties, any unsuccessful bidder at a letting provided for in section 73.6 shall have the right to maintain an action in equity to prevent the violation of the terms of section 73.6.

[C39, §**1171.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §73.9]

95 Acts, ch 71, §1

Referred to in §73.10

**73.10 Exceptions.**

The provisions of sections 73.6 and 73.9 shall not apply to municipally owned and operated public utilities.

[C39, §**1171.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §73.10]

2002 Acts, ch 1050, §8

**73.11 Inconsistency with federal law.**

If it is determined by the attorney general that any provision of this chapter would cause denial of funds or services from the United States government which would otherwise be available, or would otherwise be inconsistent with requirements of federal law, such provision shall be suspended, but only to the extent necessary to prevent denial of such funds or services or to eliminate the inconsistency with federal requirements.

[C75, 77, 79, 81, §73.11]

**73.12 and 73.13** Reserved.

MINORITY-OWNED AND FEMALE-OWNED BUSINESSES

**73.14 Minority-owned and female-owned businesses — bond issuance services.**

1. The state, board of regents institutions, counties, townships, school districts, community colleges, cities, and other public entities, and every person acting as contracting agent for any such entity, shall, when issuing bonds or other obligations, make a good-faith effort to utilize minority-owned and female-owned businesses for attorneys, accountants, financial advisors, banks, underwriters, insurers, and other occupations necessary to carry out the issuance of bonds or other obligations by the entity.

2. For purposes of this section:

*a.* *"Female-owned business"* means a business that is fifty-one percent or more owned, operated, and actively managed by one or more women.

*b.* *"Minority-owned business"* means a business that is fifty-one percent or more owned, operated, and actively managed by one or more minority persons.

2010 Acts, ch 1184, §91

TARGETED SMALL BUSINESS PROCUREMENT

**73.15 Title and definitions.**

1. This division may be cited as the *"Iowa Targeted Small Business Procurement Act"*.

2. As used in this division, unless the context requires otherwise, *"small business"* and *"targeted small business"* mean as defined in section 15.102.

86 Acts, ch 1245, §831

Referred to in §8A.311, 10A.104, 11.26, 12E.12, 15.108, 97B.7A

**73.16 Procurements from small businesses and targeted small businesses — goals.**

Notwithstanding any provision of law or rule relating to competitive bidding procedures:

1. Every agency, department, commission, board, committee, officer, or other governing body of the state shall purchase goods and services supplied by small businesses and targeted small businesses in Iowa. In addition to the other provisions of this section relating to procurement contracts for targeted small businesses, all purchasing authorities shall assure that a proportionate share of small businesses and targeted small businesses identified under the uniform small business vendor application program of the economic development authority are given the opportunity to bid on all solicitations issued by agencies and departments of state government.

2. *a.* Prior to the commencement of a fiscal year, the director of each agency or department of state government having purchasing authority, in cooperation with the targeted small business marketing and compliance manager of the economic development authority, shall establish for that fiscal year a procurement goal from certified targeted small businesses identified pursuant to section 10A.104, subsection 8.

(1) The procurement goal shall include the procurement of all goods and services, including construction, but not including utility services.

(2) A procurement goal shall be stated in terms of a dollar amount of certified purchases and shall be established at a level that exceeds the procurement levels from certified targeted small businesses during the previous fiscal year.

*b.* The director of an agency or department of state government that has established a procurement goal as required under this subsection shall provide a report within fifteen business days following the end of each calendar quarter to the targeted small business marketing and compliance manager of the economic development authority, providing the total dollar amount of certified purchases from certified targeted small businesses during the previous calendar quarter. The required report shall be made in a form approved by the targeted small business marketing and compliance manager.

*c.* (1) The director of each department and agency of state government shall cooperate with the director of the department of inspections and appeals, the director of the economic development authority, and the director of the department of management and do all acts necessary to carry out the provisions of this division.

(2) The director of each agency or department of state government having purchasing authority shall issue electronic bid notices for distribution to the targeted small business internet site located at the economic development authority if the director releases a solicitation for bids for procurement of equipment, supplies, or services. The notices shall be provided to the targeted small business marketing manager forty-eight hours prior to the issuance of all bid notices. The notices shall contain a description of the subject of the bid, a point of contact for the bid, and any subcontract goals included in the bid.

(3) A community college, area education agency, or school district shall establish a procurement goal from certified targeted small businesses, identified pursuant to section

10A.104, subsection 8, of at least ten percent of the value of anticipated procurements of goods and services including construction, but not including utility services, each fiscal year.

*d.* Of the total value of anticipated procurements of goods and services under this subsection, an additional goal shall be established to procure at least forty percent from minority-owned businesses, and forty percent from female-owned businesses.

86 Acts, ch 1245, §832; 88 Acts, ch 1273, §11; 90 Acts, ch 1156, §6; 94 Acts, ch 1076, §5; 2000 Acts, ch 1231, §35; 2007 Acts, ch 207, §10, 18; 2008 Acts, ch 1032, §164; 2009 Acts, ch 133, §19; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 90, §257

Referred to in §8A.111, 8A.311, 10A.104, 11.26, 12E.12, 15.107B, 15.108, 97B.7A, 262.34A
State board of regents' bid procedure, §262.34A
Code editor directive applied

**73.17 Targeted small business procurement goals — preliminary procedures.**

Quarterly the director of each agency and department of state government shall review the agency's or department's anticipated purchasing requirements. The directors shall notify the director of the economic development authority of their anticipated purchases and recommended procurements with unit quantities and total costs for procurement contracts designated to satisfy the targeted small business procurement goal not later than August 15 of each fiscal year and quarterly thereafter. The directors may divide the procurements so designated into contract award units of economically feasible production runs to facilitate offers or bids from targeted small businesses. In designating procurements intended to satisfy the targeted small business procurement goal, the directors may vary the included procurements so that a variety of goods and services produced by different targeted small businesses may be procured each year. The director of the economic development authority, in conjunction with the director of the department of management, shall review the information submitted and may require modifications from the agencies and departments.

A community college or area education agency shall, on a quarterly basis, and a school district shall, on an annual basis, review the community college's, area education agency's, or school district's anticipated purchasing requirements. A community college, area education agency, or school district shall notify the department of education, which shall report to the economic development authority, of their anticipated purchases and recommended procurements with unit quantities and total costs for procurement contracts designated to satisfy the targeted small business procurement goal not later than August 15 of each fiscal year and quarterly thereafter, except that school districts shall report annually.

86 Acts, ch 1245, §833; 90 Acts, ch 1156, §7; 91 Acts, ch 267, §223; 2011 Acts, ch 118, §85, 89

Referred to in §8A.311, 10A.104, 11.26, 12E.12, 15.108, 97B.7A, 262.34A
Purchases by regents institutions, §262.34A

**73.18 Notice of solicitation for bids — identification of targeted small businesses.**

The director of each agency or department, the administrator of each area education agency, the president of each community college, and the superintendent of each school district releasing a solicitation for bids or request for proposal under the targeted small business procurement goal program shall consult a directory of certified targeted small businesses produced by the economic development authority that lists all certified targeted small businesses by category of goods or services provided prior to or upon release of the solicitation and shall send a copy of the request for proposal or solicitation to any appropriate targeted small business listed in the directory. The economic development authority may charge the department, agency, area education agency, community college, or school district a reasonable fee to cover the cost of producing, distributing, and updating the directory.

86 Acts, ch 1245, §834; 88 Acts, ch 1273, §12; 90 Acts, ch 1156, §8; 91 Acts, ch 267, §224; 92 Acts, ch 1244, §36; 2011 Acts, ch 118, §85, 89

Referred to in §8A.311, 10A.104, 11.26, 12E.12, 15.108, 97B.7A

**73.19 Negotiated price or bid contract.**

In awarding a contract under the targeted small business procurement goal program, a director of an agency or department, or community college, area education agency, or school district, having purchasing authority may use either a negotiated price or bid contract

procedure. A director of an agency or department, or community college, area education agency, or school district, using a negotiated contract shall consider any targeted small business engaged in that business. The director of the economic development authority or the director of the department of management may assist in the negotiation of a contract price under this section. Surety bonds guaranteed by the United States small business administration are acceptable security for a construction award under this section.

86 Acts, ch 1245, §835; 90 Acts, ch 1156, §9; 91 Acts, ch 267, §225; 2011 Acts, ch 118, §85, 89

Referred to in §8A.311, 10A.104, 11.26, 12E.12, 15.108, 97B.7A

**73.20 Determination of ability to perform.**

Before announcing a contract award pursuant to the targeted small business procurement goal program, the purchasing authority shall evaluate whether the targeted small business scheduled to receive the award is able to perform the contract. This determination shall include consideration of production and financial capacity and technical competence. If the purchasing authority determines that the targeted small business may be unable to perform, the director of the economic development authority shall be notified.

86 Acts, ch 1245, §836; 90 Acts, ch 1156, §10; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 13, §8

Referred to in §8A.311, 10A.104, 11.26, 12E.12, 15.108, 97B.7A
Section amended

**73.21 Other procurement procedures.**

All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply to procurement contracts for targeted small businesses to the extent there is no conflict. If this division conflicts with other laws or rules, then this division governs.

86 Acts, ch 1245, §837; 90 Acts, ch 1156, §11

Referred to in §8A.311, 10A.104, 11.26, 12E.12, 15.108, 97B.7A

# CHAPTER 73A

## PUBLIC CONTRACTS AND BONDS

Referred to in §8.6, 12.71, 12.81, 12.87, 12.91, 12A.4, 12E.11, 16.177, 24.24, 161C.2, 257C.8, 346.27, 384.25, 384.83, 386.14, 390.3, 455G.6, 463C.12, 468.543, 468.545

This chapter not enacted as a part of this
title; transferred from chapter 23 in Code 1993


73A.1 Definitions.
73A.2 Notice of hearing.
73A.3 Objections — hearing — decision.
73A.4 Appeal.
73A.5 Information certified to appeal board.
73A.6 Notice of hearing on appeal.
73A.7 Hearing and decision.
73A.8 Enforcement of performance.
73A.9 Nonapproved contracts void.
73A.10 Witness fees — costs.
73A.11 Report on completion.
73A.12 Issuance of bonds — notice.
73A.13 Objections.
73A.14 Notice of hearing.
73A.15 Decision.
73A.16 Bonds and taxes void.
73A.17 Unpaid revenue bonds — effect.
73A.18 When bids required — advertisement — deposit.
73A.19 Sale of municipal bonds without hearing or contract.
73A.20 Bid bonds.
73A.21 Reciprocal resident bidder and resident labor force preference by state, its agencies, and political subdivisions — penalties.

## SUBCHAPTER I

## GENERAL PROVISIONS

**73A.1 Definitions.**

1. *"Appeal board"* as used in this chapter means the state appeal board, composed of the auditor of state, treasurer of state, and the director of the department of management.

2. *"Municipality"* as used in this chapter means township or the state fair board.

3. *"Public improvement"* as used in this chapter means a building or other construction work to be paid for in whole or in part by the use of funds of any municipality.

[C24, 27, 31, 35, 39, §**351;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §23.1; 81 Acts, ch 117, §1001]

83 Acts, ch 96, §157, 159; 85 Acts, ch 195, §5; 86 Acts, ch 1245, §311

C93, §73A.1

2005 Acts, ch 179, §148; 2006 Acts, ch 1017, §19, 42, 43

Referred to in §390.3, 669.2

State appeal board, §24.26

**73A.2 Notice of hearing.**

Before any municipality shall enter into any contract for any public improvement to cost in excess of the competitive bid threshold in section 26.3, or as established in section 314.1B, the governing body proposing to make the contract shall adopt proposed plans and specifications and proposed form of contract, fix a time and place for hearing at the municipality affected or other nearby convenient place, and give notice by publication in at least one newspaper of general circulation in the municipality at least ten days before the hearing.

[C24, 27, 31, 35, 39, §**352;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §23.2; 81 Acts, ch 28, §1]

C93, §73A.2

2006 Acts, ch 1017, §20, 42, 43

Referred to in §390.3, 427.1(22d), 427.16

**73A.3 Objections — hearing — decision.**

At such hearing, any person interested may appear and file objections to the proposed plans, specifications or contract for, or cost of such improvement. The governing body of the municipality proposing to enter into such contract shall hear said objections and any evidence for or against the same, and forthwith enter of record its decision thereon.

[C24, 27, 31, 35, 39, §**353;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.3]

C93, §73A.3

Referred to in §390.3

**73A.4 Appeal.**

Interested objectors in any municipality equal in number to one percent of those voting for the office of president of the United States or governor, as the case may be, at the last general election in said municipality, but in no event less than twenty-five, may appeal from the decision to the appeal board by serving notice thereof on the clerk or secretary of such municipality within ten days after such decision is entered of record.

The notice shall be in writing and shall set forth the objections to such decision and the grounds for such objections; provided that at least three of the persons signing said notice shall have appeared at the hearing and made objection, either general or specific, to the adoption of the proposed plans, specifications or contract for, or cost of such improvement.

[C24, 27, 31, 35, 39, §**354;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.4]

C93, §73A.4

Referred to in §390.3

**73A.5 Information certified to appeal board.**

In case an appeal is taken, such body shall forthwith certify and submit to the appeal board for examination and review the following:

1. A copy of the plans and specifications for such improvement.
2. A copy of the proposed contract.
3. An estimate of the cost of such improvement.
4. A report of the kind and amount of security proposed to be given for the faithful performance of the contract and the cost of such security.
5. A copy of the objections, if any, which have been urged by any taxpayer against the proposed plans, specifications or contract, or the cost of such improvement.
6. A separate estimate of the architect's or engineer's fees and cost of supervision.
7. A statement of the taxable value of the property within the municipality proposing to make such improvement.
8. A statement of the several rates of levy of taxes in such municipality for each fund.
9. A detailed statement of the bonded and other indebtedness of such municipality.
10. In case of state institutions and state fair board, the last three requirements may be omitted.

[C24, 27, 31, 35, 39, §**355;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.5]
C93, §73A.5
Referred to in §390.3

**73A.6 Notice of hearing on appeal.**

The appeal board shall forthwith fix a time and place in the municipality or nearby convenient place for hearing said appeal, and notice of such hearing shall be given by certified mail to the executive officer of the municipality, and to the first five persons whose names appear upon the notice of appeal, at least ten days before the date fixed for such hearing.

The hearing on contracts for the state institutions and state fair board shall be at the seat of government.

[C24, 27, 31, 35, 39, §**356;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.6]
C93, §73A.6
Referred to in §390.3

**73A.7 Hearing and decision.**

At such hearing, the appellants and any other interested person may appear and be heard. The appeal board shall examine, with the aid of competent assistants, the entire record, and if it shall find that the form of contract is suitable for the improvement proposed, that the improvement and the method of providing for payment therefor is for the best interests of the municipality and the taxpayers therein, and that such improvements can be made within the estimates therefor, it shall approve the same. Otherwise, it may reject the same as a whole or, it shall recommend such modifications of the plans, specifications, or contract, as in its judgment shall be for the public benefit, and if such modifications are so made, it shall approve the same.

The appeal board shall certify its decision to the body proposing to enter into such contract unless it shall have rejected the same as a whole, whereupon the municipality shall advertise for bids and let the contract subject to the approval of the appeal board which shall at once render its final decision thereon and transmit the same to the municipality.

[C24, 27, 31, 35, 39, §**357;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.7]
C93, §73A.7
Referred to in §390.3

**73A.8 Enforcement of performance.**

After any contract for any public improvement has been completed and any five persons interested request it, the appeal board shall examine into the matter as to whether or not the contract has been performed in accordance with its terms, and if on such investigation it finds that said contract has not been so performed, and so reports to the body letting such contract,

it shall at once institute proceedings on the contractor's bond for the purpose of compelling compliance with the contract in all of its provisions.

[C24, 27, 31, 35, 39, §**358;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.8]
C93, §73A.8
Referred to in §390.3

**73A.9 Nonapproved contracts void.**

If an appeal is taken, no contract for public improvements shall be valid unless the same is finally approved by the appeal board. In no case shall any municipality expend for any public improvement any sum in excess of five percent more than the contract price without the approval of the appeal board.

[C24, 27, 31, 35, 39, §**359;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.9]
C93, §73A.9
Referred to in §390.3

**73A.10 Witness fees — costs.**

Witness fees and mileage for witnesses on hearing appeals shall be the same as in the district court; but objectors or appellants shall not be allowed witness fees or mileage. Costs of hearings and appeals shall be paid by the municipality.

[C24, 27, 31, 35, 39, §**361;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.10]
C93, §73A.10
Referred to in §390.3
Witness fees, §622.69

**73A.11 Report on completion.**

Upon the completion of the improvement the executive officer or governing board of the municipality shall file with the appeal board a verified report showing:

1. The location and character of the improvement.
2. The total contract price for the completed improvement.
3. The total actual cost of the completed improvement.
4. By whom, if anyone, the construction was supervised.
5. By whom final inspection was made.
6. Whether or not the improvement complies with its contract, plans, and specifications.
7. Any failure of the contractor to comply with the plans and specifications.

[C24, 27, 31, 35, 39, §**362;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.11]
C93, §73A.11
Referred to in §390.3

**73A.12 Issuance of bonds — notice.**

Before any municipality shall institute proceedings for the issuance of any bonds or other evidence of indebtedness payable from taxation, excepting such bonds or other evidence of indebtedness as have been authorized by a vote of the people of such municipality, and except such bonds or obligations as it may be by law compelled to issue, a notice of such action, including a statement of the amount and purpose of said bonds or other evidence of indebtedness shall be published at least once in a newspaper of general circulation within such municipality at least ten days before the meeting at which it is proposed to issue such bonds.

[C24, 27, 31, 35, 39, §**363;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.12]
C93, §73A.12
Referred to in §12.28, 260C.67, 262.65, 262A.14, 263A.12, 357B.4, 419.13, 423E.5, 483A.51
Sixty percent vote required, §75.1

**73A.13 Objections.**

At any time before the date fixed for the issuance of such bonds or other evidence of indebtedness, interested objectors in any municipality equal in number to one percent of those voting for the office of president of the United States or governor, as the case may be, at the last general election in said municipality, but in no event less than twenty-five, may

file a petition in the office of the clerk or secretary of the municipality setting forth their objections thereto.

[C24, 27, 31, 35, 39, §**364;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.13]
C93, §73A.13
Referred to in §357B.4, 419.13, 483A.51

**73A.14 Notice of hearing.**

Upon the filing of any such petition, the clerk or secretary of such municipality shall immediately certify a copy thereof, together with such other data as may be necessary in order to present the questions involved, to the appeal board, and upon receipt of such certificate, petition, and information, it shall fix a time and place for the hearing of such matter, which shall be not less than ten nor more than thirty days thereafter. Said hearing shall be held in the municipality in which it is proposed to issue such bonds or other evidence of indebtedness, or in some other nearby convenient place fixed by the appeal board. Notice of such hearing shall be given by certified mail to the executive officer of the municipality and to the five persons whose names first appear on the petition at least ten days before the date of such hearing.

[C24, 27, 31, 35, 39, §**365;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.14]
C93, §73A.14
Referred to in §357B.4, 419.13, 483A.51

**73A.15 Decision.**

The appeal board shall determine the matters involved in such appeal. Its decision shall be certified to the executive officer of the municipality affected. Judicial review of the action of the appeal board may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

In case there is no appeal, the board of the municipality affected may issue such bonds or other evidence of indebtedness, if legally authorized so to do, in accordance with the proposition published, but in no greater amount.

In case of an appeal, the municipality may issue such bonds or other evidence of indebtedness in accordance with the decision of the appeal board.

[C24, 27, 31, 35, 39, §**366;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.15]
C93, §73A.15
2003 Acts, ch 44, §114
Referred to in §357B.4, 419.13, 483A.51

**73A.16 Bonds and taxes void.**

Any bonds or other evidence of indebtedness issued contrary to the provisions of this chapter, and any tax levied or attempted to be levied for the payment of any such bonds or interest thereon, shall be null and void.

[C24, 27, 31, 35, 39, §**367;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §23.16]
C93, §73A.16
Referred to in §357B.4, 419.13, 483A.51

**73A.17 Unpaid revenue bonds — effect.**

It shall be lawful for any municipality to issue revenue bonds, the principal and interest of which are to be paid solely from revenue derived from the operations of the project for which such bonds are issued, notwithstanding that there are other revenue bonds remaining unpaid which have not matured, provided payment of principal and interest of such other revenue bonds is not impaired thereby.

[C62, 66, 71, 73, 75, 77, 79, 81, §23.17]
C93, §73A.17

**73A.18 When bids required — advertisement — deposit.**

When the estimated total cost of construction, erection, demolition, alteration or repair of a public improvement exceeds the competitive bid threshold in section 26.3, or as established in section 314.1B, the municipality shall advertise for bids on the proposed improvement by

two publications in a newspaper published in the county in which the work is to be done. The first advertisement for bids shall be not less than fifteen days prior to the date set for receiving bids. The municipality shall let the work to the lowest responsible bidder submitting a sealed proposal. However, if in the judgment of the municipality bids received are not acceptable, all bids may be rejected and new bids requested. A bid shall be accompanied, in a separate envelope, by a deposit of money or a certified check or credit union certified share draft in an amount to be named in the advertisement for bids as security that the bidder will enter into a contract for the doing of the work. The municipality shall fix the bid security in an amount equal to at least five percent, but not more than ten percent of the estimated total cost of the work. The checks, share drafts or deposits of money of the unsuccessful bidders shall be returned as soon as the successful bidder is determined, and the check, share draft or deposit of money of the successful bidder shall be returned upon execution of the contract documents.

[C62, 66, 71, 73, 75, 77, 79, 81, S81, §23.18; 81 Acts, ch 28, §2]
84 Acts, ch 1055, §3
C93, §73A.18
2006 Acts, ch 1017, §21, 42, 43
Referred to in §314.1, 314.1B, 346.27

**73A.19 Sale of municipal bonds without hearing or contract.**

Any other law to the contrary notwithstanding, any municipality may authorize, sell, issue and deliver its bonds without regard to whether or not notice and hearing on the plans, specifications and form of contract for the public improvement to be paid for in whole or in part from the proceeds of said bonds has theretofore been given, and without regard to whether or not any contract has theretofore been awarded for the construction of said improvement. The foregoing provision shall not apply to bonds which are payable solely from special assessment levied against benefited property.

[C66, 71, 73, 75, 77, 79, 81, §23.19]
C93, §73A.19

**73A.20 Bid bonds.**

Notwithstanding any other provisions of the Code, any contracting authority may authorize the use of bid bonds executed by corporations authorized to contract as surety in Iowa and on a form prescribed by the contracting authority, in lieu of certified or cashiers checks or any other form of security otherwise required of a bidder to accompany a bid on a public improvement project. The full amount of the bid bond shall be forfeited to the contracting authority in liquidation of damages sustained in the event that the bidder fails to execute the contract as provided in the specifications or by law in the same manner and amount as other forms of authorized security.

[C73, 75, 77, 79, 81, §23.20]
C93, §73A.20
Referred to in §468.35

## SUBCHAPTER II

## RECIPROCAL RESIDENT BIDDER AND LABOR FORCE PREFERENCE

**73A.21 Reciprocal resident bidder and resident labor force preference by state, its agencies, and political subdivisions — penalties.**

1. For purposes of this section:

*a.* *"Commissioner"* means the labor commissioner appointed pursuant to section 91.2, or the labor commissioner's designee.

*b.* *"Division"* means the division of labor of the department of workforce development.

*c.* *"Nonresident bidder"* means a person or entity who does not meet the definition of a resident bidder.

*d.* *"Public body"* means the state and any of its political subdivisions, including a school district, public utility, or the state board of regents.

*e.* *"Public improvement"* means a building or other construction work to be paid for in whole or in part by the use of funds of the state, its agencies, and any of its political subdivisions and includes road construction, reconstruction, and maintenance projects.

*f.* *"Public utility"* includes municipally owned utilities and municipally owned waterworks.

*g.* *"Resident bidder"* means a person or entity authorized to transact business in this state and having a place of business for transacting business within the state at which it is conducting and has conducted business for at least three years prior to the date of the first advertisement for the public improvement. If another state or foreign country has a more stringent definition of a resident bidder, the more stringent definition is applicable as to bidders from that state or foreign country.

*h.* *"Resident labor force preference"* means a requirement in which all or a portion of a labor force working on a public improvement is a resident of a particular state or country.

2. Notwithstanding this chapter, chapter 73, chapter 309, chapter 310, chapter 331, or chapter 384, when a contract for a public improvement is to be awarded to the lowest responsible bidder, a resident bidder shall be allowed a preference as against a nonresident bidder from a state or foreign country if that state or foreign country gives or requires any preference to bidders from that state or foreign country, including but not limited to any preference to bidders, the imposition of any type of labor force preference, or any other form of preferential treatment to bidders or laborers from that state or foreign country. The preference allowed shall be equal to the preference given or required by the state or foreign country in which the nonresident bidder is a resident. In the instance of a resident labor force preference, a nonresident bidder shall apply the same resident labor force preference to a public improvement in this state as would be required in the construction of a public improvement by the state or foreign country in which the nonresident bidder is a resident.

3. If it is determined that this may cause denial of federal funds which would otherwise be available, or would otherwise be inconsistent with requirements of any federal law or regulation, this section shall be suspended, but only to the extent necessary to prevent denial of the funds or to eliminate the inconsistency with federal requirements.

4. The public body involved in a public improvement shall require a nonresident bidder to specify on all project bid specifications and contract documents whether any preference as described in subsection 2 is in effect in the nonresident bidder's state or country of domicile at the time of a bid submittal.

5. The commissioner and the division shall administer and enforce this section, and the commissioner shall adopt rules for the administration and enforcement of this section as provided in section 91.6.

6. The commissioner shall have the following powers and duties for the purposes of this section:

*a.* The commissioner may hold hearings and investigate charges of violations of this section.

*b.* The commissioner may, consistent with due process of law, enter any place of employment to inspect records concerning labor force residency, to question an employer or employee, and to investigate such facts, conditions, or matters as are deemed appropriate in determining whether any person has violated the provisions of this section. The commissioner shall only make such an entry in response to a written complaint.

*c.* The commissioner shall develop a written complaint form applicable to this section and make it available in division offices and on the department of workforce development's internet site.

*d.* The commissioner may sue for injunctive relief against the awarding of a contract, the undertaking of a public improvement, or the continuation of a public improvement in response to a violation of this section.

*e.* The commissioner may investigate and ascertain the residency of a worker engaged in any public improvement in this state.

*f.* The commissioner may administer oaths, take or cause to be taken deposition of witnesses, and require by subpoena the attendance and testimony of witnesses and the

production of all books, registers, payrolls, and other evidence relevant to a matter under investigation or hearing.

*g*. The commissioner may employ qualified personnel as are necessary for the enforcement of this section. Such personnel shall be employed pursuant to the merit system provisions of chapter 8A, subchapter IV.

*h*. The commissioner shall require a contractor or subcontractor to file, within ten days of receipt of a request, any records enumerated in subsection 7. If the contractor or subcontractor fails to provide the requested records within ten days, the commissioner may direct, within fifteen days after the end of the ten-day period, that the fiscal or financial office charged with the custody and disbursement of funds of the public body that contracted for construction of the public improvement or undertook the public improvement, to immediately withhold from payment to the contractor or subcontractor up to twenty-five percent of the amount to be paid to the contractor or subcontractor under the terms of the contract or written instrument under which the public improvement is being performed. The amount withheld shall be immediately released upon receipt by the public body of a notice from the commissioner indicating that the request for records as required by this section has been satisfied.

7. While participating in a public improvement, a nonresident bidder domiciled in a state or country that has established a resident labor force preference shall make and keep, for a period of not less than three years, accurate records of all workers employed by the contractor or subcontractor on the public improvement. The records shall include each worker's name, address, telephone number when available, social security number, trade classification, and the starting and ending time of employment.

8. Any person or entity that violates the provisions of this section is subject to a civil penalty in an amount not to exceed one thousand dollars for each violation found in a first investigation by the division, not to exceed five thousand dollars for each violation found in a second investigation by the division, and not to exceed fifteen thousand dollars for a third or subsequent violation found in any subsequent investigation by the division. Each violation of this section for each worker and for each day the violation continues constitutes a separate and distinct violation. In determining the amount of the penalty, the division shall consider the appropriateness of the penalty to the person or entity charged, upon determination of the gravity of the violations. The collection of these penalties shall be enforced in a civil action brought by the attorney general on behalf of the division.

9. A party seeking review of the division's determination pursuant to this section may file a written request for an informal conference. The request must be received by the division within fifteen days after the date of issuance of the division's determination. During the conference, the party seeking review may present written or oral information and arguments as to why the division's determination should be amended or vacated. The division shall consider the information and arguments presented and issue a written decision advising all parties of the outcome of the conference.

84 Acts, ch 1045, §1; 85 Acts, ch 67, §5

C85, §23.21

C93, §73A.21

2008 Acts, ch 1031, §86; 2011 Acts, ch 133, §7, 10, 11

See also §8A.311

2011 amendment to this section takes effect September 1, 2011, and applies to all public improvement, public works, and public road projects, and to contracts for public improvement, public works, and public road projects entered into on or after that date; 2011 Acts, ch 133, §10, 11

# CHAPTER 74

## PUBLIC OBLIGATIONS NOT PAID FOR WANT OF FUNDS

Referred to in §7D.8, 12.71, 12.81, 12.87, 12.91, 12A.4, 12E.11, 16.177, 28E.41, 28E.42, 76.2, 257C.8, 273.3, 331.402, 331.477, 331.478, 331.554, 384.10, 455G.6, 463C.12


74.1 Applicability.
74.2 Endorsement and interest.
74.3 Record of obligations.
74.4 Assignment of obligation.
74.5 Call for payment.
74.6 Notice of call — termination of interest.
74.7 Endorsement of interest.
74.8 Designation of tax-exempt public warrants.
74.9 Payment in case of default by school.


**74.1 Applicability.**

1. This chapter applies to all warrants which are legally drawn on a public treasury, including the treasury of a city or county, and which, when presented for payment, are not paid for want of funds.

2. This chapter also applies when a municipality as defined in section 24.2, or a city or county determines that there are not or will not be sufficient funds on hand to pay the legal obligations of a fund. A municipality, city, or county may provide for the payment of such an obligation by drawing an anticipatory warrant payable to a bank or other business entity authorized by law to loan money in an amount legally available and believed to be sufficient to cover the anticipated deficiency. The duties imposed on the treasurer by this chapter may be assigned by a city council to another city officer.

3. The procedures of this chapter also apply to the issuance of anticipatory warrants by the state under section 7D.8.

4. This chapter also applies to anticipatory warrants, improvement certificates, anticipatory certificates or similar obligations payable from special assessments against benefited properties, or payable from charges, fees or other operating income from a publicly owned enterprise or utility.

5. The procedures of this chapter also apply to the issuance of warrants or the issuance of anticipatory warrants of an area education agency established under chapter 273.

[C35, §1171-f1; C39, §**1171.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §74.1]
83 Acts, ch 90, §10; 83 Acts, ch 123, §48, 209; 84 Acts, ch 1010, §1
Referred to in §74.2, 74A.7, 331.554

**74.2 Endorsement and interest.**

If a warrant other than an anticipatory warrant is presented for payment, and is not paid for want of funds, or is only partially paid, the treasurer shall endorse the fact thereon, with the date of presentation, and sign the endorsement, and thereafter the warrant or the balance due thereon, shall bear interest at the rate specified in section 74A.2.

An anticipatory warrant issued under the authority of section 74.1, subsection 1 shall bear interest at a rate determined by the issuing governmental body, but not exceeding that permitted by chapter 74A.

[C51, §65, 153; R60, §86, 361; C73, §78, 328, 1748; C97, §104, 483, 660, 2768; S13, §104, 483; C24, 27, 31, §135, 4318, 5160, 5645, 7496; C35, §1171-f2; C39, §**1171.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §74.2]
Referred to in §331.554

**74.3 Record of obligations.**

The treasurer shall keep a record of each interest-bearing obligation which shall show the number and amount, the date interest commences, the rate of interest, and the name and post office address of the holder of the obligation.

[C51, §66, 153; R60, §87, 361; C73, §79, 328; C97, §105, 483, 660; S13, §483; C24, 27, 31, §136, 5160, 5646, 7496; C35, §1171-f3; C39, §**1171.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §74.3]
Referred to in §74.4, 74.6, 74.7, 331.554

**74.4 Assignment of obligation.**

When a nonnegotiable interest-bearing obligation is assigned or transferred, the assignee or transferee shall notify the treasurer in writing of the assignment or transfer and of the post office address of the assignee or transferee. Upon receiving notification, the treasurer accordingly shall correct the record maintained under section 74.3 or 331.554, subsection 5, paragraph *"b"* as applicable.

[C24, 27, 31, §7497; C35, §1171-f4; C39, §**1171.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §74.4; 82 Acts, ch 1048, §2]

Referred to in §331.554

**74.5 Call for payment.**

When a fund contains sufficient money to pay one or more interest-bearing obligations which are outstanding against the fund, the treasurer shall call those obligations for payment. Obligations may be paid in the order of presentation. This section does not authorize a fixed-term obligation to be called at a date earlier than is provided by the conditions and terms upon which it was issued.

[C51, §66, 153; R60, §87, 361; C73, §79, 328; C97, §105, 484, 660; C24, 27, 31, §136, 5161, 5647, 7496; C35, §1171-f5; C39, §**1171.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §74.5]

Referred to in §74.6, 331.554

**74.6 Notice of call — termination of interest.**

1. The treasurer shall make a call for payment under section 74.5 by mailing to the holder of the obligation, as shown in the records maintained under section 74.3 or 331.554, subsection 5, paragraph *"b"* as applicable, a notice of call which describes the obligation by number and amount, and which specifies a date not more than ten days thereafter when interest ceases to accrue on the obligation. The treasurer shall enter the date of mailing of the notice in the records maintained under section 74.3 or 331.554, subsection 5, paragraph *"b"* as applicable.

2. Interest on an interest-bearing obligation shall cease to accrue as of the date specified in the notice of call issued under subsection 1.

3. This section does not apply if the parties have otherwise agreed in writing.

[C51, §66, 153; R60, §87, 361; C73, §79, 328; C97, §105, 484, 660; C24, 27, 31, §136, 5161, 5647, 7496, 7498; C35, §1171-f6; C39, §**1171.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §74.6; 82 Acts, ch 1048, §3]

Referred to in §331.554

**74.7 Endorsement of interest.**

When an obligation which legally draws interest is paid, the treasurer shall endorse upon it the date of payment, and the amount of interest paid. The treasurer shall enter into the records maintained under section 74.3 or 331.554, subsection 5, paragraph *"b"* as applicable, the date of payment and the amount of interest paid.

[C51, §153; R60, §361; C73, §328; C97, §484, 660; C24, 27, 31, §5161, 5646, 5648, 7496; C35, §1171-f7; C39, §**1171.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §74.7; 82 Acts, ch 1048, §4]

Referred to in §331.554

**74.8 Designation of tax-exempt public warrants.**

Each public issuer of warrants may designate the warrants as tax-exempt public warrants if the issuer complies with the tax-exempt reporting requirements of the federal Internal Revenue Code.

87 Acts, ch 104, §1

**74.9 Payment in case of default by school.**

In the event a school corporation which has issued anticipatory warrants fails to pay principal or interest of its anticipatory warrants when due, upon certification by the trustee or the paying agent designated pursuant to section 76.10 to the director of the department of administrative services, the director of the department of administrative

services shall withhold and directly apply, from any state appropriation to which the school corporation is entitled, so much as is certified to the trustee or the paying agent to the payment of the principal and interest on the anticipatory warrants of the school corporation then due. The obligation of the director of the department of administrative services to withhold and directly apply moneys from any state appropriation to which the school corporation is entitled does not create any moral or legal obligations of the state to pay, when due, the principal and interest on the anticipatory warrants of a school corporation. All appropriations for school corporations shall be subject to the provisions of this section.

89 Acts, ch 319, §37; 2003 Acts, ch 145, §286

# CHAPTER 74A

## INTEREST RATES FOR PUBLIC OBLIGATIONS AND ASSESSMENTS

Referred to in §7D.8, 12.26, 12.28, 12.71, 12.81, 12.87, 12.91, 12A.4, 12E.11, 16.177, 28A.18, 28F.8, 28F.9, 28J.21, 37.28, 74.2, 76.13, 145A.17, 161A.33, 161A.35, 257B.12, 257C.8, 260C.20, 260C.22, 296.1, 297.36, 298.22, 309.47, 311.16, 311.17, 311.28, 330A.9, 331.301, 331.402, 331.446, 331.463, 331.464, 346.27, 353.5, 353.6, 354.17, 357.20, 357A.11, 357B.4, 357C.10, 357D.11, 357E.11, 357F.11, 357G.11, 357I.12, 357J.16, 358.21, 358C.16, 364.4, 384.24A, 384.57, 384.60, 384.68, 384.83, 386.12, 394.1, 403.9, 403A.13, 418.14, 423B.9, 423E.5, 455G.6, 463C.12, 468.50, 468.52, 468.57, 468.70, 468.76, 468.163, 468.212, 468.341, 468.368, 468.549, 468.578


74A.1 Applicability.
74A.2 Unpaid warrants.
74A.3 Interest rates for public obligations.
74A.4 Maximum rates on special assessments.
74A.5 Repealed by 87 Acts, ch 104, §6.
74A.6 Rates established.
74A.7 School district warrants.
74A.8 Interest rate on issue date.


### 74A.1 Applicability.

1. Except as otherwise provided by law, this chapter establishes the interest rates which are applicable to all bonds, warrants, anticipatory warrants, pledge orders, improvement certificates, and anticipation certificates issued by a governmental body or agency under the laws of this state, and the interest rates which are applicable to assessments levied by a governmental body or agency under the laws of this state against benefited properties for the retirement of public debt.

2. This chapter does not authorize the issuance of a public obligation or the levying of an assessment, and does not create an obligation to pay interest, and does not determine when interest commences or ceases to accrue.

3. This chapter does not impose an interest rate or interest rate limitation where by law the rate of interest payable on an obligation is within the discretion of the governmental body or agency, unless that discretion is expressly made subject to the limitations contained in this chapter.

[C81, §74A.1]

### 74A.2 Unpaid warrants.

A warrant not paid upon presentation for want of funds bears interest on unpaid balances at the rate in effect at the time the warrant is first presented for payment, as established by rule pursuant to section 74A.6, subsection 2. This section does not apply to an obligation which by law bears interest from the time it is issued.

[C51, §65, 153; R60, §86, 361; C73, §78, 328, 1748, 1824; C97, §104, 483, 660, 2768; S13, §104, 483; C24, 27, 31, §135, 4318, 5160, 5645, 7496; C35, §1171-f2; C39, §**1171.12;** C46, 50, 54, 58, 62, 66, §74.2; C71, 73, 75, 77, 79, §74.2, 455.198; C81, §74A.2]

Referred to in §74.2, 74A.6, 273.3, 285.10

### 74A.3 Interest rates for public obligations.

1. Except as otherwise provided by law, the rates of interest on obligations issued by

this state, or by a county, school district, city, special improvement district, or any other governmental body or agency are as follows:

*a.* General obligation bonds, warrants, or other evidences of indebtedness which are payable from general taxation or from the state's sinking fund for public deposits may bear interest at a rate to be set by the issuing governmental body or agency.

*b.* Revenue bonds, warrants, pledge orders or other obligations, the principal and interest of which are to be paid solely from the revenue derived from the operations of the publicly owned enterprise or utility for which the bonds or obligations are issued, may bear interest at a rate to be set by the issuing governmental body or agency.

*c.* Special assessment bonds, certificates, warrants or other obligations, the principal and interest of which are payable from special assessments levied against benefited property may bear interest at a rate to be set by the issuing governmental body or agency.

2. The interest rates authorized by this section to be set by the issuing governmental body or agency shall be set in each instance by the governing body which, in accordance with applicable provisions of law then in effect, authorizes the issuance of the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness.

[C73, §289, 1821, 1822, 1843]

[C97, §403, 827, 843, 982, 987, 1953, 2812, 2847]

[S13, §170-a, 403, 409-f, 825, 1989-a26, -a27, 2812-e, 2820-d4]

[SS15, §1989-a12, 2812-e]

[C24, §287, 488, 4407, 4480, 4717, 5277, 5351, 6113, 6261, 6923, 7484, 7501, 7505, 7644, 7664]

[C27, §287, 488, 1090-b4, 4407, 4480, 4753-a9, 5277, 5351, 6113, 6261, 6923, 7484, 7501, 7505, 7644, 7664, 7714-b10]

[C31, §287, 488, 4407, 4480, 4644-c49, 4753-a9, 5277, 5351, 6113, 6249, 6261, 6610-c65, 6923, 7420-b4, 7484, 7501, 7505, 7590-c4, 7644, 7664, 7714-b10]

[C35, §287, 488, 4407, 4480, 4644-c49, 4753-a9, 5277, 5351, 6113, 6249, 6261, 6610-c65, 6923, 7420-b4, 7484, 7501, 7505, 7590-c4, 7644, 7664, 7714-b10, 7714-f10]

[C39, §**287, 488, 3142.14, 4407, 4480, 4644.47, 4753.09, 5277, 5351, 5570.4, 6113, 6249, 6261, 6610.71, 6923, 7420.28, 7484, 7501, 7505, 7590.4, 7644, 7664, 7714.10, 7714.37**]

[C46, §19.8, 37.6, 202.6, 298.22, 302.12, 309.47, 311.19, 346.3, 347.5, 357.20, 359.45, 396.10, 408.10, 417.68, 420.276, 454.20, 455.64, 455.79, 455.83, 455.175, 460.7, 461.14, 463.10, 464.9]

[C50, §19.8, 37.6, 202.6, 298.22, 302.12, 309.47, 311.28, 346.3, 347.5, 347A.2, 357.20, 359.45, 368.59, 391A.19, 391A.30, 396.10, 408.10, 417.68, 420.276, 454.20, 455.64, 455.175, 455.212, 460.7, 461.14, 463.10, 464.9]

[C54, §19.8, 37.6, 202.6, 298.22, 302.12, 309.47, 311.28, 330.7, 330.16, 346.3, 347.5, 347A.2, 357.20, 358.21, 359.45, 368.21, 391A.22, 391A.33, 396.10, 417.68, 420.276, 454.20, 455.64, 455.79, 455.83, 455.175, 455.212, 460.7, 461.14, 463.10, 464.9]

[C58, §19.8, 37.6, 202.6, 298.22, 302.12, 309.47, 311.28, 330.7, 330.16, 346.3, 347.5, 347A.2, 357.20, 357A.12, 358.21, 359.45, 368.21, 386B.10, 391A.22, 391A.33, 396.10, 403.9, 417.68, 420.276, 454.20, 455.64, 455.79, 455.83, 455.175, 455.212, 460.7, 461.14, 463.10, 464.9]

[C62, §19.8, 37.6, 111A.6, 202.6, 298.22, 302.12, 309.47, 311.28, 330.7, 330.16, 346.3, 347.5, 347A.7, 357.20, 357A.12, 358.21, 359.45, 368.21, 386B.10, 391A.22, 391A.33, 396.10, 403.9, 403A.13, 417.68, 420.276, 454.20, 455.64, 455.79, 455.83, 455.175, 455.212, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C66, §19.8, 37.6, 111A.6, 202.6, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.16, 346.3, 347.5, 347A.2, 347A.7, 357.20, 357A.12, 358.21, 359.45, 368.21, 368.66, 386B.10, 391A.22, 391A.33, 396.10, 403.9, 403A.13, 417.68, 420.276, 454.20, 455.64, 455.79, 455.83, 455.175, 455.212, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C71, §19.8, 28F.8, 37.6, 111A.6, 145A.17, 202.6, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.14, 330.16, 330A.9, 345.16, 346.3, 346.23, 346A.3, 347.5, 347A.2, 347A.7, 357.20, 357A.11, 357B.12, 357C.10, 358.21, 359.45, 368.21, 368.66, 386B.10, 391A.22, 391A.33, 394.13, 396.10, 403.9, 403A.13, 417.68, 420.276, 454.20, 455.64, 455.77, 455.79, 455.83, 455.175, 455.213, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C73, §19.8, 28F.8, 37.6, 111A.6, 145A.17, 202.6, 280A.22, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.14, 330.16, 330A.9, 345.16, 346.3, 346.23, 346A.3, 347.5, 347.27,

347A.2, 347A.7, 357.20, 357A.11, 357B.12, 357C.10, 358.21, 359.45, 368.21, 368.66, 386B.10, 391A.22, 391A.33, 394.13, 396.10, 403.9, 403A.13, 417.68, 420.276, 454.20, 455.64, 455.77, 455.79, 455.83, 455.175, 455.213, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C75, §19.8, 28F.8, 37.6, 111A.6, 145A.17, 202.6, 280A.22, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.14, 330.16, 330A.9, 332.44, 345.16, 346.3, 346.23, 346.26, 346.27, 346A.3, 347.5, 347.27, 347A.2, 347A.7, 357.20, 357A.11, 357B.12, 357C.10, 358.21, 359.45, 384.57, 384.60, 384.68, 384.83, 394.1, 403.9, 403A.13, 454.20, 455.64, 455.77, 455.79, 455.83, 455.175, 455.213, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C77, §19.8, 28F.8, 37.6, 75.12, 111A.6, 145A.17, 202.6, 280A.22, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.14, 330.16, 330A.9, 332.44, 345.16, 346.3, 346.23, 346.26, 346.27, 346A.3, 347.5, 347.27, 347A.2, 347A.7, 357.20, 357A.11, 357B.4, 357C.10, 358.21, 359.45, 384.57, 384.60, 384.68, 384.83, 386.12, 394.1, 403.9, 403A.13, 454.20, 455.64, 455.77, 455.79, 455.83, 455.175, 455.213, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C79, §19.8, 28F.8, 37.6, 37.28, 75.12, 111A.6, 145A.17, 202.6, 280A.22, 296.1, 298.22, 302.12, 309.47, 309.73, 311.28, 330.7, 330.14, 330.16, 330A.9, 332.44, 345.16, 346.3, 346.23, 346.26, 346.27, 346A.3, 347.5, 347.27, 347A.2, 347A.7, 357.20, 357A.11, 357B.4, 357C.10, 358.21, 359.45, 384.57, 384.60, 384.68, 384.83, 386.12, 394.1, 403.9, 403A.13, 454.20, 455.64, 455.77, 455.79, 455.83, 455.175, 455.213, 460.7, 461.14, 463.10, 464.9, 467A.33, 467A.35]

[C81, §74A.3]

83 Acts, ch 90, §11; 2008 Acts, ch 1032, §165

Referred to in §74A.6, 273.3, 279.48

See construction by 80 Acts, ch 1025, §77

See 80 Acts, ch 1025, §78 for bonds sold on or after June 11, 1980, to finance an improvement

**74A.4 Maximum rates on special assessments.**

Except as otherwise provided by law, the rate of interest payable on unpaid balances of special assessments levied against benefited properties shall not exceed the maximum rate in effect at the time of adoption of the final assessment schedule, as established by rule pursuant to section 74A.6, subsection 2.

[C24, §47.10; C27, 31, 35, §4753-a3; C39, §**3142.13, 4753.03;** C46, §202.5, 311.13; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §202.5, 311.16, 311.17; C81, §74A.4]

Referred to in §74A.6

**74A.5** Repealed by 87 Acts, ch 104, § 6.

**74A.6 Rates established.**

1. The authority contained in this section shall be exercised by a committee composed of the treasurer of state, the superintendent of banking, the superintendent of credit unions, and the auditor of state or a designee.

2. The committee shall establish the maximum interest rate to be applicable to obligations referred to in section 74A.2, and this rate shall apply unless the parties agree to a lesser interest rate. The committee shall establish the maximum interest rate to be applicable to obligations referred to in section 74A.4.

3. The committee shall establish recommended interest rates, or formulae for determining recommended interest rates, to be applicable to obligations referred to in sections 74A.3 and 74A.7.

4. The committee from time to time shall establish one or more of the interest rates referred to in subsections 2 and 3 as may be necessary in the opinion of the committee to permit the orderly financing of governmental activities, and to minimize interest costs to governmental bodies while permitting a fair return to persons whose funds are used to finance governmental activities. The committee shall consider relevant indices of actual interest rates in the economy when establishing rates under this section, including but not necessarily limited to maximum lawful interest rates payable by depository financial institutions on customer deposits, interest rates payable on obligations issued by the United States government, and interest rates payable on obligations issued by governmental bodies other than those of this state.

5. An interest rate established by the committee under this section shall be in effect

commencing on the eighth calendar day following the day the rate is established and until a new rate is established and takes effect. The committee shall give advisory notice of an interest rate established under this section. This notice may be given by publication in one or more newspapers, by publication in the Iowa administrative bulletin, by ordinary mail to persons directly affected by any other method determined by the committee, or by a combination of these. Actions of the committee under this section are exempt from chapter 17A.

6. The committee shall not establish interest rates for types or categories of obligations other than as specified in this section.

[C81, §74A.6; 81 Acts, ch 39, §1]

97 Acts, ch 33, §1

Referred to in §74A.2, 74A.4, 331.554

See §12C.6 for interest rates on public deposits

**74A.7 School district warrants.**

1. The treasurer of a school district shall sell anticipatory warrants authorized by section 74.1, subsection 2 at a rate of interest to be determined by the board of the school district.

2. The treasurer may offer the warrants for public sale at par, by publishing notice of the sale for two consecutive weeks in a newspaper of general circulation in the jurisdiction of the school district issuing the warrants, giving not less than ten days' notice of the time and place of the sale. The notice shall include a statement of the amount of the warrants offered for sale.

3. Sealed bids may be received at any time up to the time all bids are opened. The treasurer shall sell the warrants to the bidder offering the lowest interest rate, provided that the treasurer may reject all bids and readvertise the sale of the warrants pursuant to the provisions of this section.

4. This section applies only to school districts whose anticipated receipts allocable to the current budget are at least equal to their legally approved budget for the current year.

[C71, 73, 75, 77, 79, §74.8; C81, §74A.7]

Referred to in §74A.6, 273.3

See construction by 80 Acts, ch 1025, §77

**74A.8 Interest rate on issue date.**

An interest rate limit, provision that no interest rate limit exists, or authorization to set interest rates, as provided by this chapter or any other law, applies to all bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness issued and delivered after the effective date of the provision, regardless of whether the bonds, warrants, pledge orders, certificates, obligations, or other evidences of indebtedness were authorized to be issued pursuant to election, public hearing, or otherwise before the effective date of the provision. This section operates both retroactively and prospectively.

83 Acts, ch 90, §12

# CHAPTER 75

## AUTHORIZATION AND SALE OF PUBLIC BONDS

Referred to in §12.26, 12.28, 12.71, 12.81, 12.87, 12.91, 12A.4, 12E.11, 16.177, 28E.41, 28E.42, 145A.17, 257C.8, 260E.6, 262.57, 262A.5, 263A.3, 274.37, 279.48, 309.52, 313A.13, 331.301, 331.402, 331.444, 331.463, 346.27, 357H.8, 364.4, 384.24A, 384.27, 384.29, 384.68, 384.82, 386.14, 390.13, 394.2, 403.12, 423E.5, 455G.6, 463C.12, 473.20, 473.20A, 483A.51


75.1 Bonds — election — vote required.
75.2 Notice of sale.
75.3 Sealed and open bids.
75.4 Rejection of bids.
75.5 Selling price.
75.6 Commission and expense.
75.7 Penalty.
75.8 Sale of state bonds.
75.9 Exchange of bonds.
75.10 Denominations of bonds.
75.11 and 75.12 Repealed by 80 Acts, ch 1025, §77.
75.13 Sale of bonds at private sale.
75.14 Electronic bidding.

**75.1 Bonds — election — vote required.**

1. *a.* When a proposition to authorize an issuance of bonds by a county, township, school corporation, city, or by any local board or commission, is submitted to the electors, such proposition shall not be deemed carried or adopted, anything in the statutes to the contrary notwithstanding, unless the vote in favor of such authorization is equal to at least sixty percent of the total vote cast for and against said proposition at said election.

*b.* Ballots cast but not counted as a vote for or against the proposition shall not be used in computing the total vote cast for and against said proposition.

2. When a proposition to authorize an issuance of bonds has been submitted to the electors under this section and the proposal fails to gain approval by the required percentage of votes, such proposal, or any proposal which incorporates any portion of the defeated proposal, shall not be submitted to the electors for a period of six months from the date of such regular or special election and may only be submitted on a date specified in section 39.2, subsection 4, paragraph *"a"*, *"b"*, or *"c"*, as applicable.

[C31, 35, §1171-d4; C39, §**1171.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §75.1]
2008 Acts, ch 1115, §29, 71; 2009 Acts, ch 133, §20

**75.2 Notice of sale.**

When public bonds are offered for sale, the official in charge of the bond issue shall, by advertisement published at least once, the last one of which shall be not less than four nor more than twenty days before the sale in a newspaper located in the county or a county contiguous to the place of sale, give notice of the time and place of sale of the bonds, the amount to be offered for sale, and any further information which the official deems pertinent.

[C24, 27, 31, 35, 39, §**1172;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §75.2]
83 Acts, ch 90, §13; 87 Acts, ch 43, §1

**75.3 Sealed and open bids.**

Sealed bids may be received at any time prior to the calling for open bids, if open bids are provided for in the notice of sale. After the sealed bids are all filed, the official or officials shall call for open bids, if open bids are provided for in the notice of sale. After all of the open bids have been received the substance of the best open bid shall be noted in the minutes. If open bids are not permitted in the notice of sale, sealed bids may be received until it is announced that all sealed bids shall be opened. The official or officials shall then open any sealed bids that have been filed and they shall note in the minutes the substance of the best sealed bid.

[C24, 27, 31, 35, 39, §**1173;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §75.3]
83 Acts, ch 90, §14

**75.4 Rejection of bids.**

Any or all bids may be rejected, and the sale may be advertised anew, in the same manner, or the bonds or any portion thereof may thereafter be sold at private sale to any one or more of such bidders, or other persons, by popular subscription or otherwise. In case of private sales, the said bonds shall be sold upon terms not less favorable to the public than the most favorable bid made by a bona fide and responsible bidder at the last advertised sale.

[C24, 27, 31, 35, 39, §**1174;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §75.4]

**75.5 Selling price.**

All public bonds issued under this chapter may be sold at a price not less than ninety-eight percent of par, plus accrued interest from the date of the bonds to the date of delivery of the bonds.

[C24, 27, 31, 35, 39, §**1175;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §75.5]
83 Acts, ch 90, §15

**75.6 Commission and expense.**

No commission shall be paid, directly or indirectly, in connection with the sale of a public bond. No expense shall be contracted or paid in connection with such sale other than the expenses incurred in advertising such bonds for sale.

[C24, 27, 31, 35, 39, §**1176;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §75.6]

**75.7 Penalty.**

Any public officer who fails to perform any duty required by this chapter or who does any act prohibited by this chapter, where no other penalty is provided, shall be guilty of a simple misdemeanor.

[C24, 27, 31, 35, 39, §**1177;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §75.7]

**75.8 Sale of state bonds.**

All contracts for the sale of bonds issued by the state shall be subject to the approval of the executive council.

[C24, 27, 31, 35, 39, §**1178;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §75.8]

**75.9 Exchange of bonds.**

This chapter does not prevent the exchange of bonds for legal indebtedness evidenced by bonds, warrants, judgments, or otherwise as provided by law. Bonds shall not be exchanged for notes issued pursuant to section 76.13 in anticipation of the issuance of bonds.

[C24, 27, 31, 35, 39, §**1179;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §75.9]

83 Acts, ch 90, §16

**75.10 Denominations of bonds.**

Notwithstanding any contrary provision in the Code, public bonds may be in one or more denominations as provided by the proceedings of the governing body authorizing their issuance.

[C66, 71, 73, 75, 77, 79, 81, §75.10]

83 Acts, ch 90, §17

**75.11 and 75.12** Repealed by 80 Acts, ch 1025, § 77.

**75.13 Sale of bonds at private sale.**

Any other provisions of this chapter or any other law to the contrary notwithstanding, if the principal amount of an issue of public revenue bonds is fifteen million dollars or greater, the official or governing body in charge of the bond sale may, if the official or governing body deems it advisable and in the best interests of the public, sell the bonds at private sale without the necessity of public advertisement or the taking of competitive bids and at a price above, at, or below par, plus accrued interest, as the official or governing body deems advisable and in the best interests of the public.

[81 Acts, ch 40, §1]

**75.14 Electronic bidding.**

Notwithstanding contrary provisions of this chapter, a public body authorized to issue bonds, notes, or other obligations may elect to receive bids to purchase such bonds, notes, or other obligations by means of electronic, internet or wireless communication; a proprietary bidding procedure or system; or by facsimile transmission to a location deemed appropriate by the governing body, in each instance as may be approved by the governing body and provided for in the notice of sale. An electronic bid shall be submitted in substantial conformity with the requirements of chapter 554D and any rules adopted pursuant to that chapter with respect to the acceptance of electronic records by a governmental agency. Additionally, before approving the use of an electronic bidding procedure, the public body shall find and determine that the specific procedure to be used will provide reasonable

security and maintain the integrity of the competitive bidding process, and facilitate the delivery of bids by interested parties under the circumstances of the particular sale.

2000 Acts, ch 1189, §26

# CHAPTER 76

## PROVISIONS RELATED TO PUBLIC BONDS AND DEBT OBLIGATIONS

Referred to in §12A.4, 145A.18, 260C.20, 296.1, 298.18, 331.447, 357E.11A, 384.32, 386.11, 394.1, 423A.7, 423B.9


76.1 Mandatory retirement.
76.2 Mandatory levy — obligations in anticipation of levy.
76.3 Tax limitations.
76.4 Permissive application of funds.
76.5 Application.
76.6 Place of payment.
76.7 Particular bonds affected — payment.
76.8 Laws applicable.
76.9 No limit of former power.
76.10 Registration — immobilization — standards — tax — records.
76.11 Confidentiality of bond holders — exceptions.
76.12 Reproduction and validity of signatures.
76.13 Interim financing.
76.14 Definition.
76.15 Underwriters doing business in Iowa.
76.16 Debtor status prohibited.
76.16A Debtor status permitted — circumstances.
76.17 Powers of public issuers.
76.18 Covenants authorized — tax exemption.


**76.1 Mandatory retirement.**

1. Hereafter issues of bonds of every kind and character by counties, cities, and school corporations shall be consecutively numbered.

2. *a.* The annual levy shall be sufficient to pay the interest and approximately such portion of the principal of the bonds as will retire them in a period not exceeding twenty years from date of issue, except as provided in paragraph "*b*".

*b.* General obligation bonds issued for the purposes specified in section 331.441, subsection 2, paragraph "*b*", subparagraphs (18) and (19), or in section 384.24, subsection 3, paragraphs "*w*" and "*x*", and bonds issued to refund or refinance bonds issued for those purposes, may mature and be retired in a period not exceeding thirty years from date of issue.

3. Each issue of bonds shall be scheduled to mature in the same order as numbered.

[C27, 31, 35, §1179-b1; C39, §**1179.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §76.1]

2009 Acts, ch 100, §5, 21

Referred to in §76.2, 76.5

**76.2 Mandatory levy — obligations in anticipation of levy.**

1. *a.* The governing authority of a political subdivision specified in section 76.1, subsection 1, before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding the applicable period of time specified in section 76.1. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full. The levy shall continue to be made against property that is severed from the political subdivision after the filing of the resolution until funds are realized to pay the bonds in full.

*b.* If the resolution is filed prior to April 1 or May 1, if the political subdivision is a school district, the annual levy shall begin with the tax levy for collection commencing July 1 of that year. If the resolution is filed after April 1 or May 1, in the case of a school district, the annual levy shall begin with the tax levy for collection in the next succeeding fiscal year. However,

the governing authority of a political subdivision may adjust a levy of taxes made under this section for the purpose of adjusting the annual levies and collections for property severed from the political subdivision, subject to the approval of the director of the department of management.

2. If funds, including reserves and amounts available for temporary transfer, are found to be insufficient to pay in full any installment of principal or interest, a public issuer of bonds may anticipate the next levy of taxes pursuant to this section in the manner provided in chapter 74, whether the taxes so anticipated are to be collected in the same or a future fiscal year.

[C27, 31, 35, §1179-b2; C39, §**1179.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §76.2]

83 Acts, ch 188, §1; 85 Acts, ch 195, §7; 85 Acts, ch 240, §1; 88 Acts, ch 1134, §20; 93 Acts, ch 1, §2; 2009 Acts, ch 100, §6, 21; 2010 Acts, ch 1061, §10

Referred to in §24.9, 76.5, 275.29, 275.31, 331.512, 358.40, 423A.7, 423B.9

**76.3 Tax limitations.**

Tax limitations in any law or proposition for the issuance of bonds or obligations, including any law or proposition for the issuance of bonds or obligations in anticipation of levies or collections of taxes or both, shall be based on the latest equalized actual valuation then existing and shall only restrict the amount of bonds or obligations which may be issued. For the sole purpose of computing the amount of bonds which may be issued as a result of the application of a tax limitation, all interest on the bonds or obligations in excess of that accruing in the first twelve months may be excluded from the first annual levy of taxes, so that the need for including more than one year's interest in the first annual levy of taxes to pay the bonds or obligations and interest does not operate to further restrict the amount of bonds or obligations which may be issued, and in certifying the annual levies to the county auditor or auditors the first annual levy of taxes shall be sufficient to pay all principal of and interest on the bonds or obligations becoming due prior to the next succeeding annual levy and the full amount of the first annual levy shall be entered for collection by the auditor or auditors, as provided in this chapter.

[C31, 35, §1179-c1; C39, §**1179.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §76.3]

83 Acts, ch 90, §7

Referred to in §76.5, 331.512, 423A.7, 423B.9

**76.4 Permissive application of funds.**

Whenever the governing authority of such political subdivision shall have on hand funds derived from any other source than taxation which may be appropriated to the payment either of interest or principal, or both principal and interest of such bonds, such funds may be so appropriated and used and the levy for the payment of the bonds correspondingly reduced. This section shall not restrict the authority of a political subdivision to apply sales and services tax receipts collected pursuant to chapter 423B for such purpose. Notwithstanding section 423F.3, a school district may apply tax receipts received pursuant to chapter 423F for the purposes of this section.

[C27, 31, 35, §1179-b3; C39, §**1179.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §76.4]

2001 Acts, ch 151, §1; 2008 Acts, ch 1134, §38

Referred to in §76.5

**76.5 Application.**

Sections 76.1 through 76.4 apply only to bonds or other obligations payable from taxation, other than bonds which are payable out of the primary road fund.

[C27, 31, 35, §1179-b4; C39, §**1179.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §76.5]

84 Acts, ch 1021, §1

**76.6 Place of payment.**

The principal and interest of all public bonds or obligations of a public corporation in this state are payable at the office of the treasurer or public official charged with the duty of making payment, unless the proceedings of the governing body authorizing the issuance of the public bonds or obligations provide that the public bonds or obligations and interest on

the public bonds or obligations are payable at one or more banks or trust companies within or without the state of Iowa, or as otherwise provided by chapter 419, or by mail, wire transfer, or similar means.

[C35, §1179-f1; C39, §**1179.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §76.6]
83 Acts, ch 90, §8

**76.7 Particular bonds affected — payment.**

Counties, cities and school corporations may at any time or times extend or renew any legal indebtedness or any part thereof they may have represented by bonds or certificates where such indebtedness is payable from a limited annual tax or from a voted annual tax, and may by resolution fund or refund the same and issue bonds therefor running not more than twenty years to be known as funding or refunding bonds, and make provision for the payment of the principal and interest thereof from the proceeds of an annual tax for the period covered by such bonds similar to the tax authorized by law or by the electors for the payment of the indebtedness so extended or renewed.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §76.7]
Referred to in §76.9

**76.8 Laws applicable.**

All laws relating to the issuance of funding or refunding bonds by counties, cities and school corporations, as the case may be, not inconsistent with the provisions herein contained and to the extent the same may be applicable, shall govern the issuance of the funding and refunding bonds for the purpose herein authorized.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §76.8]
Referred to in §76.9

**76.9 No limit of former power.**

Sections 76.7 and 76.8 shall be construed as granting additional power without limiting the power already existing in counties, cities and school corporations.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §76.9]

**76.10 Registration — immobilization — standards — tax — records.**

Notwithstanding any other provision in the Code:

1. All public bonds or obligations issued before or after July 1, 1983 may be in registered form. An issuer of public bonds or obligations may designate for a term as agreed upon, one or more persons, corporations, partnerships, or other associations located within or without the state to serve as trustee, transfer agent, registrar, depository, or paying or other agent in connection with the public bonds or obligations and to carry out services and functions which are customary in such capacities or convenient or necessary to comply with the intent and provisions of this chapter.

2. An issuer of public bonds or obligations may provide for the immobilization of the bonds through the designation of a bond depository or through a book-entry system of registration.

3. Any designated trustee, transfer agent, registrar, depository, or paying or other agent may serve in multiple capacities with respect to an issue of public bonds or obligations.

4. Public bonds or obligations or certificates of ownership of the public bonds or obligations may be issued in any form or pursuant to any system necessary to be in compliance with standards issued from time to time by the municipal securities rulemaking board of the United States, the American national standards institute, any other securities industry standard, or the requirements of section 103 of the Internal Revenue Code.

5. Registration or immobilization of a public bond or obligation does not disqualify it as a lawful investment for depository institutions, trustees, public bodies, or other investors regulated by law.

6. An issuer of public bonds or obligations may provide for the payment of the costs of registration of its public bonds or obligations by the levy of additional taxes for the payment from the fund for the payment of the principal and interest of general obligation bonds or from

any revenue source from which the principal and interest of the public bonds or obligations are payable.

7. *a.* Records and documents pertaining to cancellation, transfer, redemption, or replacement of public bonds or obligations shall be preserved by the issuer or its agent for a period of not less than eleven years. Thereafter, the records and documents may be destroyed by the issuer or its agent, preserving confidentiality as necessary.

*b.* An action with respect to the cancellation, transfer, redemption, or replacement of public bonds or obligations shall not be brought against an issuer, trustee, transfer agent, registrar, depository, paying agent, or other agent unless it is commenced within eleven years of the cancellation, transfer, redemption, or replacement of the bonds or obligations.

83 Acts, ch 90, §2; 84 Acts, ch 1021, §2; 93 Acts, ch 89, §1
Referred to in §22.7, 74.9, 76.11, 372.13, 390.17

**76.11 Confidentiality of bond holders — exceptions.**

Records of identity of owners of public bonds or obligations maintained as provided in section 76.10 or by the issuer of the bonds are confidential records entitled to protection under section 22.7, subsection 17. However, the issuer of the bonds or a state or federal agency may obtain information as necessary.

83 Acts, ch 90, §3

**76.12 Reproduction and validity of signatures.**

1. A provision requiring that public bonds or obligations or certificates of ownership of public bonds or obligations issued by a public entity be executed or signed by particular public officers permits the signatures to be affixed by printing or other mechanical means. However, each instrument shall bear at least one original and manual signature, which may be the signature of any officer designated by law to execute the instrument or the signature of a registrar or trustee authenticating the instrument.

2. Public bonds and obligations are valid and binding if they bear the signature of the officials in office on the date of execution of the bonds, notwithstanding that any or all of the persons whose signatures appear on the public bonds or obligations have ceased to hold the office before the delivery of the public bonds or obligations. Reprinted or reissued bonds are valid and binding if they bear facsimiles of the signatures of either the public officials who executed the original issue of the bonds or the officials in office at the time of execution of the reprinted or reissued bonds.

83 Acts, ch 90, §4

**76.13 Interim financing.**

1. A public body authorized to issue bonds may issue project notes in anticipation of the receipt of any of the following:

*a.* Proceeds from the issuance of public bonds or obligations previously authorized.

*b.* Proceeds to be received pursuant to law or agreement from any state or federal agency.

*c.* Income or revenues from sources to be received and expended for the project during the project construction or acquisition period.

*d.* Any combination of paragraphs "*a*" through "*c*".

2. Notes shall be issued in the form and manner provided in a resolution of the governing body of the issuer. The resolution may set forth and appropriate the moneys anticipated by the notes.

3. The resolution may provide that to the extent issued in anticipation of public bonds or obligations, notes shall be paid from the proceeds of the issuance of public bonds or obligations. To the extent issued in anticipation of bonds, note proceeds shall be expended only for the purposes for which the bond proceeds may be expended.

4. Notes shall not be issued in anticipation of public bonds or obligations in an amount greater than the authorized amount of the public bonds or obligations and moneys appropriated for the same purposes.

5. *a.* Notes may be sold at public or private sale and bear interest at rates set by the governing body of the issuer at the time of their issuance notwithstanding chapter 74A.

*b.* The authority of a public body to issue project notes under this section is in addition to any other authority of the public body to issue other obligations as otherwise provided by law.

83 Acts, ch 90, §5
Referred to in §75.9

**76.14 Definition.**

As used in this chapter, unless the context otherwise requires, *"public bond or obligation"* means any obligation issued by or on behalf of the state, an agency of the state, or a political subdivision of the state.

83 Acts, ch 90, §6
Referred to in §390.9

**76.15 Underwriters doing business in Iowa.**

An underwriter employed to assist in the issuance of obligations by an authority, as defined in section 12.30, state board of regents, or other political subdivision, instrumentality, or agency of the state, shall meet the requirements for doing business in Iowa sufficient to be subject to tax under rules of the department of revenue.

86 Acts, ch 1245, §851; 2003 Acts, ch 145, §286

**76.16 Debtor status prohibited.**

A city, county, or other political subdivision of this state shall not be a debtor under chapter nine of the federal bankruptcy code, 11 U.S.C. § 901 et seq., except as otherwise specifically provided in this chapter.

87 Acts, ch 104, §2; 92 Acts, ch 1002, §1, 3; 2005 Acts, ch 3, §20

**76.16A Debtor status permitted — circumstances.**

A city, county, or other political subdivision may become a debtor under chapter nine of the federal bankruptcy code, 11 U.S.C. § 901 et seq., if it is rendered insolvent, as defined in 11 U.S.C. § 101(32)(c), as a result of a debt involuntarily incurred. As used herein, *"debt"* means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following:

1. That all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy.
2. That such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development.
3. That as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due.
4. That the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E, or other political subdivision.

92 Acts, ch 1185, §1; 2005 Acts, ch 3, §21

**76.17 Powers of public issuers.**

1. A public body authorized to issue bonds may elect to issue bonds bearing a variable or fluctuating rate of interest which is determined on one or more intervals by reference to an index or standard, or as fixed by an interest rate indexing or remarketing agent retained by the issuer of the bonds. A public issuer of public bonds may provide for additional security or liquidity, enter into agreements for, and expend funds for policies of insurance, letters of credit, lines of credit, or other forms of security issued by financial institutions for the payment of principal, premium, if any, and interest on the bonds. A public issuer of public bonds may also enter into contracts and pay for the services of underwriters, interest rate indexing agents, remarketing agents, trustees, financial consultants, depositories, and other services as determined by the governing body. In the case of general obligation bonds, fees

for the services and costs of additional security and liquidity shall be considered incurred in lieu of interest and may be levied through the fund for payment of debt service on the bonds. Bonds issued under this section may be sold at public or private sale as determined by the governing body.

2. This section provides alternative and additional power for the issuance of bonds and is not an amendment to any other statute or a limitation upon powers under any other law.

3. A public issuer of public bonds may provide for the purchase of bonds before their maturity and the remarketing of purchased bonds without causing the redemption of the purchased bonds.

87 Acts, ch 104, §3

Referred to in §263A.4

**76.18 Covenants authorized — tax exemption.**

A public issuer of bonds or other debt obligations may covenant that the issuer will comply with requirements or limitations imposed by the Internal Revenue Code to preserve the tax exemption of interest payable on the bonds or obligations and may carry out and perform other covenants, including but not limited to, the payment of any amounts required to be paid by the issuer to the United States government.

87 Acts, ch 104, §4

# CHAPTERS 77 to 79

RESERVED

# TITLE III

## PUBLIC SERVICES AND REGULATION

# SUBTITLE 1

## PUBLIC SAFETY

# CHAPTER 80

## DEPARTMENT OF PUBLIC SAFETY

Referred to in §10A.601, 801.4


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80.33 Access to drug records by peace officers.
80.34 Peace officer — authority. Repealed by 2008 Acts, ch 1031, §94.
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80.39 Disposition of personal property.
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80.41 Repealed by 99 Acts, ch 202, §27.
80.42 Sick leave benefits fund.
80.43 Gaming enforcement — revolving fund.
80.44 Public safety interoperable and broadband communications fund.


**80.1 Department created.**

There is hereby created a department of the state government which shall be known and designated as the department of public safety, which shall consist of a commissioner of public safety and of such officers and employees as may be required, one of whom shall be an attorney admitted to practice law in this state. Such attorney shall be an assistant attorney

general appointed by the attorney general who shall fix the assistant's salary. The department shall reimburse the attorney general for the salary and expense of such assistant attorney general and furnish the assistant a suitable office if requested by the attorney general.

[C39, §**1225.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.1]

Referred to in §7E.5

**80.1A Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commissioner"* means the commissioner of public safety.
2. *"Controlled substance"* means the same as defined in section 124.101.
3. *"Counterfeit substance"* means the same as defined in section 124.101.
4. *"Department"* means the department of public safety.
5. *"Peace officer"* means a peace officer of the department as defined in section 97A.1.

2005 Acts, ch 35, §1

**80.2 Commissioner — appointment.**

The chief executive officer of the department of public safety is the commissioner of public safety. The governor shall appoint, subject to confirmation by the senate, a commissioner of public safety, who shall be a person of high moral character, of good standing in the community in which the commissioner lives, of recognized executive and administrative capacity, and who shall not be selected on the basis of political affiliation. The commissioner of public safety shall devote full time to the duties of this office; the commissioner shall not engage in any other trade, business, or profession, nor engage in any partisan or political activity. The commissioner shall serve at the pleasure of the governor, at an annual salary as fixed by the general assembly.

[C39, §**1225.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.2]

88 Acts, ch 1278, §22

Confirmation, see §2.32

**80.3 Vacancy.**

A commissioner of public safety appointed when the general assembly is not in session shall serve at the pleasure of the governor, but the term shall expire thirty days after the general assembly next convenes in regular session, unless during such thirty days the commissioner be approved by two-thirds of the members of the senate.

[C39, §**1225.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.3]

**80.4 Iowa state patrol.** Repealed by 2005 Acts, ch 35, § 32. See § 80.9.

**80.5 Officers of patrol.** Repealed by 2005 Acts, ch 35, § 32. See § 80.9, 80.17.

**80.6 Impersonating peace officer or employee — uniform.**

Any person who impersonates a peace officer or employee of the department, or wears a uniform likely to be confused with the official uniform of any such officer or employee, with intent to deceive anyone, shall be guilty of a simple misdemeanor.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.6]

98 Acts, ch 1074, §4; 2005 Acts, ch 35, §2

**80.7 Railway special agents.**

The commissioner of public safety may appoint as special agent any person who is regularly employed by a common carrier by rail to protect the property of said common carrier, its patrons, and employees. Such special agents shall not receive any compensation from the state.

[C39, §**1225.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.7]

**80.8 Employees and peace officers — salaries and compensation.**

1. The commissioner shall employ personnel as may be required to properly discharge the duties of the department.

2. The commissioner may delegate to the peace officers of the department such additional duties in the enforcement of this chapter as the commissioner may deem proper and incidental to the duties now imposed upon them by law.

3. *a.* The salaries of peace officers and employees of the department and the expenses of the department shall be provided for by a legislative appropriation. The compensation of peace officers of the department shall be fixed according to grades as to rank and length of service by the commissioner with the approval of the department of administrative services, unless covered by a collective bargaining agreement that provides otherwise.

*b.* The peace officers shall be paid additional compensation in accordance with the following formula:

(1) When peace officers have served for a period of five years, their compensation then being paid shall be increased by the sum of twenty-five dollars per month beginning with the month succeeding the foregoing described five-year period;

(2) When peace officers have served for a period of ten years, their compensation then being paid shall be increased by the sum of twenty-five dollars per month beginning with the month succeeding the foregoing described ten-year period, such sums being in addition to the increase provided herein to be paid after five years of service;

(3) When peace officers have served for a period of fifteen years, their compensation then being paid shall be increased by the sum of twenty-five dollars per month beginning with the month succeeding the foregoing described fifteen-year period, such sums being in addition to the increases previously provided for herein;

(4) When peace officers have served for a period of twenty years, their compensation then being paid shall be increased by the sum of twenty-five dollars per month beginning with the month succeeding the foregoing described twenty-year period, such sums being in addition to the increases previously provided for herein.

*c.* While on active duty, each peace officer shall also receive a flat daily sum as fixed by the commissioner for meals unless the amount of the flat daily sum is covered by a collective bargaining agreement that provides otherwise.

*d.* A collective bargaining agreement entered into between the state and a state employee organization under chapter 20 made final after July 1, 1977, shall not include any pay adjustment to longevity pay authorized under this section.

*e.* Peace officers of the department excluded from the provisions of chapter 20 who are injured in the line of duty shall receive paid time off in the same manner as provided to peace officers of the department covered by a collective bargaining agreement entered into between the state and the employee organization representing such covered peace officers under chapter 20.

4. Should a peace officer become incapacitated for duty as a natural and proximate result of an injury, disease, or exposure incurred or aggravated while in the actual performance of duty at some definite time or place, the peace officer shall, upon being found to be temporarily incapacitated following an examination by a workers' compensation physician or other approved physician be entitled to receive the peace officer's fixed pay and allowances, without using the peace officer's sick leave, until reexamined by a workers' compensation physician or other approved physician or examined by the medical board provided for in section 97A.5, and found to be fully recovered or permanently disabled. In addition, a peace officer found to be temporarily incapacitated under this subsection shall be credited with any sick leave used prior to the determination that the peace officer was temporarily incapacitated under this subsection for the period of time sick leave was used. For purposes of this subsection, "*disease*" shall mean as described in section 97A.6, subsection 5.

[C27, 31, §5017-a1; C35, §5018-g9; C39, §**1225.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.8]

98 Acts, ch 1074, §5; 2001 Acts, ch 10, §1; 2001 Acts, ch 190, §18; 2005 Acts, ch 35, §3; 2008 Acts, ch 1032, §166; 2010 Acts, ch 1167, §1

Referred to in §97A.1

**80.9 Duties of department — duties and powers of peace officers — state patrol.**

1. It shall be the duty of the department to prevent crime, to detect and apprehend criminals, and to enforce such other laws as are hereinafter specified.

2. The state patrol is established in the department. The patrol shall be under the direction of the commissioner. The number of supervisory officers shall be in proportion to the membership of the state patrol. The department shall maintain a vehicle theft unit in the state patrol to investigate and assist in the examination and identification of stolen, altered, or forfeited vehicles.

3. The department shall be primarily responsible for the enforcement of all laws and rules relating to any controlled substance or counterfeit substance, except for making accountability audits of the supply and inventory of controlled substances in the possession of pharmacists, physicians, hospitals, and health care facilities as defined in section 135C.1, as well as in the possession of any and all other individuals or institutions authorized to have possession of any controlled substances.

4. The department shall collect and classify, and keep at all times available, complete information useful for the detection of crime, and the identification and apprehension of criminals. Such information shall be available for all peace officers within the state, under such regulations as the commissioner may prescribe.

5. The department shall operate such radio broadcasting stations as may be necessary in order to disseminate information which will make possible the speedy apprehension of lawbreakers, as well as such other information as may be necessary in connection with the duties of the department.

6. The department shall provide protection and security for persons and property on the grounds of the state capitol complex.

7. The department shall assist persons who are responsible for the care of private and public land in identifying growing marijuana plants when the plants are reported to the department. The department shall also provide education to the persons regarding methods of eradicating the plants. The department shall adopt rules necessary to carry out this subsection.

8. The department shall receive and review the budget submitted by the state fire marshal and the state fire service and emergency response council. The department shall develop training standards, provide training to fire fighters around the state, and address other issues related to fire service and emergency response as requested by the state fire service and emergency response council.

9. The department shall administer section 100B.31 relating to volunteer emergency services provider death benefits.

[C73, §120; C97, §147, 148; SS15, §65-b, 147; C24, §273, 13410; C27, 31, §273, 5017-a1, 13410; C35, §273, 5018-g6, 13410; C39, §**273, 1225.13;** C46, 50, 54, 58, 62, 66, 71, §18.2(1, 4), 80.9; C73, §19A.3(4), 80.9; C75, §18.3(4), 80.9; C77, 79, 81, §80.9]

90 Acts, ch 1179, §1; 91 Acts, ch 34, §1; 92 Acts, ch 1238, §18; 94 Acts, ch 1154, §1; 95 Acts, ch 191, §2; 98 Acts, ch 1074, §6; 99 Acts, ch 181, §1; 2000 Acts, ch 1117, §4, 5; 2000 Acts, ch 1232, §96; 2005 Acts, ch 35, §4 – 8, 31; 2007 Acts, ch 38, §1 – 3; 2008 Acts, ch 1031, §87

Referred to in §8D.13

Department designated as state highway safety agency to receive federal funds; Executive Order No. 23, June 9, 1986

**80.9A Authority and duties of peace officers of the department.**

1. A peace officer of the department when authorized by the commissioner shall have and exercise all the powers of any other peace officer of the state.

2. When a peace officer of the department is acting in cooperation with any other local peace officer, or county attorney in general criminal investigation work, or when acting on a special assignment by the commissioner, the jurisdiction of the peace officer is statewide.

3. A peace officer may administer oaths, acknowledge signatures, and take voluntary testimony pursuant to the peace officer's duties as provided by law.

4. An authorized peace officer of the department designated to conduct examinations, investigations, or inspections and enforce the laws relating to controlled or counterfeit substances shall have all the authority of other peace officers and may arrest a person

without warrant for offenses under this chapter committed in the peace officer's presence or, in the case of a felony, if the peace officer has probable cause to believe that the person arrested has committed or is committing such offense. A peace officer of the department shall have the same authority as other peace officers to seize controlled or counterfeit substances or articles used in the manufacture or sale of controlled or counterfeit substances which they have reasonable grounds to believe are in violation of law. Such controlled or counterfeit substances or articles shall be subject to forfeiture.

5. In more particular, the duties of a peace officer shall be as follows:

*a.* To enforce all state laws.

*b.* To enforce all laws relating to traffic on the public highways of the state, including those relating to the safe and legal operation of passenger cars, motorcycles, motor trucks and buses; to see that proper safety rules are observed; and to give first aid to the injured.

*c.* To investigate all fires; to apprehend persons suspected of arson; to enforce all safety measures in connection with the prevention of fires; and to disseminate fire-prevention education.

6. A peace officer shall not exercise the general powers of a peace officer within the limits of any city, except as follows:

*a.* When so ordered by the direction of the governor.

*b.* When request is made by the mayor of any city, with the approval of the commissioner.

*c.* When request is made by the sheriff or county attorney of any county with the approval of the commissioner.

*d.* While in the pursuit of law violators or in investigating law violations.

*e.* While making any inspection provided by this chapter, or any additional inspection ordered by the commissioner.

*f.* When engaged in the investigating and enforcing of fire and arson laws.

*g.* When engaged in the investigation and enforcement of laws relating to narcotic, counterfeit, stimulant, and depressant drugs.

7. The limitations specified in subsection 6 shall in no way be construed as a limitation on the power of peace officers when a public offense is being committed in their presence.

8. *a.* A peace officer of the department, when authorized by the commissioner, may act in concert with, under the direction of, or otherwise serve as a state actor for an officer or agent of the federal government.

*b.* If serving as a state actor for an officer or agent of the federal government as provided in paragraph "*a*", the peace officer shall be considered acting within the scope of the employee's office or employment as defined in section 669.2, subsection 1.

2008 Acts, ch 1031, §88; 2009 Acts, ch 88, §15

Referred to in §80B.13

**80.9B Human immunodeficiency virus-related information.**

1. The provisions of chapter 141A do not apply to the entry of human immunodeficiency virus-related information by criminal or juvenile justice agencies, as defined in section 692.1, into the Iowa criminal justice information system or the national crime information center system.

2. The provisions of chapter 141A also do not apply to the transmission of the same information from either or both information systems to criminal or juvenile justice agencies.

3. The provisions of chapter 141A also do not apply to the transmission of the same information from either or both information systems to employees of state correctional institutions subject to the jurisdiction of the department of corrections, employees of secure facilities for juveniles subject to the jurisdiction of the department of human services, and employees of city and county jails, if those employees have direct physical supervision over inmates of those facilities or institutions.

4. Human immunodeficiency virus-related information shall not be transmitted over the police radio broadcasting system under chapter 693 or any other radio-based communications system.

5. An employee of an agency receiving human immunodeficiency virus-related information under this section who communicates the information to another employee

who does not have direct physical supervision over inmates, other than to a supervisor of an employee who has direct physical supervision over inmates for the purpose of conveying the information to such an employee, or who communicates the information to any person not employed by the agency or uses the information outside the agency is guilty of a class "D" felony.

6. The commissioner shall adopt rules regarding the transmission of human immunodeficiency virus-related information including provisions for maintaining confidentiality of the information. The rules shall include a requirement that persons receiving information from the Iowa criminal justice information system or the national crime information center system receive training regarding confidentiality standards applicable to the information received from the system.

7. The commissioner shall develop and establish, in cooperation with the department of corrections and the department of public health, training programs and program criteria for persons receiving human immunodeficiency virus-related information through the Iowa criminal justice information system or the national crime information center system.

2008 Acts, ch 1031, §89
Referred to in §8D.13, 139A.19, 141A.9

**80.10 Peace officers short course.** Repealed by 2005 Acts, ch 35, § 32.

**80.11 Course of instruction.**

The course of instruction for peace officers of the department shall, at a minimum, be equal to the course of instruction required by the Iowa law enforcement academy pursuant to chapter 80B.

[C39, §**1225.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.11]
2005 Acts, ch 35, §9

**80.12 Attendance at short course.** Repealed by 2005 Acts, ch 35, § 32.

**80.13 Training schools.**

The commissioner may hold a training school for peace officer candidates or for peace officers of the department, and may send to recognized training schools peace officers of the department as the commissioner may deem advisable. The candidate shall pay one-third of the costs of such school of training, and the remaining costs shall be paid by the department. The department may pay for all or a portion of the candidate's share of the costs.

[C27, 31, §5017-a1; C35, §5018-g10; C39, §**1225.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.13]
2005 Acts, ch 35, §10; 2010 Acts, ch 1031, §416
Referred to in §97A.3

**80.14 Diplomas.**

To each person satisfactorily completing the course of study prescribed, an appropriate certificate or diploma shall be issued.

[C39, §**1225.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.14]

**80.15 Examination — oath — probation — discipline — dismissal.**

An applicant to be a peace officer in the department shall not be appointed as a peace officer until the applicant has passed a satisfactory physical and mental examination. In addition, the applicant must be a citizen of the United States and be not less than twenty-two years of age. However, an applicant applying for assignment to provide protection and security for persons and property on the grounds of the state capitol complex or a peace officer candidate shall not be less than eighteen years of age. The mental examination shall be conducted under the direction or supervision of the commissioner and may be oral or written or both. An applicant shall take an oath on becoming a peace officer of the department, to uphold the laws and Constitution of the United States and Constitution of the State of Iowa. During the period of twelve months after appointment, a peace officer of the department is subject to dismissal at the will of the commissioner. After the twelve months' service, a peace officer

of the department, who was appointed after having passed the examinations, is not subject to dismissal, suspension, disciplinary demotion, or other disciplinary action resulting in the loss of pay unless charges have been filed with the department of inspections and appeals and a hearing held by the employment appeal board created by section 10A.601, if requested by the peace officer, at which the peace officer has an opportunity to present a defense to the charges. The decision of the appeal board is final, subject to the right of judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. However, these procedures as to dismissal, suspension, demotion, or other discipline do not apply to a peace officer who is covered by a collective bargaining agreement which provides otherwise, and do not apply to the demotion of a division head to the rank which the division head held at the time of appointment as division head, if any. A division head who is demoted has the right to return to the rank which the division head held at the time of appointment as division head, if any. All rules, except employment provisions negotiated pursuant to chapter 20, regarding the enlistment, appointment, and employment affecting the personnel of the department shall be established by the commissioner in consultation with the director of the department of administrative services, subject to approval by the governor.

[C27, 31, §5017-a1; C35, §5018-g3, -g5; C39, §**1225.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.15]

86 Acts, ch 1245, §241; 88 Acts, ch 1235, §2; 98 Acts, ch 1074, §7; 2003 Acts, ch 44, §114; 2003 Acts, ch 145, §286; 2005 Acts, ch 35, §11

Referred to in §80.25A, 97A.1, 97A.3

**80.16 Bonds.** Repealed by 2005 Acts, ch 35, § 32.

**80.17 General allocation of duties.**

1. In general, the allocation of duties of the department shall be as follows:

*a.* Commissioner's office.

*b.* Division of administrative services.

*c.* Division of criminal investigation.

*d.* Division of state patrol.

*e.* Division of state fire marshal.

*f.* Division of narcotics enforcement.

2. The commissioner may appoint a chief, director, a first and second assistant to the director, and all other supervisory officers in each division. All appointments and promotions shall be made on the basis of seniority and a merit examination.

3. The aforesaid allocation of duties shall not be interpreted to prevent flexibility in interdepartmental operations or to forbid other divisional allocations of duties in the discretion of the commissioner.

[SS15, §147; C24, 27, 31, 35, 39, §**273(4), 1225.21;** C46, 50, 54, 58, 62, 66, 71, §18.2(4), 80.17; C73, §19B.12(2), 80.17; C75, §18.12(2), 80.17; C77, 79, 81, §80.17]

98 Acts, ch 1074, §8; 2000 Acts, ch 1154, §9; 2003 Acts, ch 108, §24; 2005 Acts, ch 35, §12

Referred to in §99F.1

State fire marshal, chapter 100

Division of criminal investigation, chapter 690

**80.18 Expenses and supplies — reimbursement.**

The commissioner shall provide peace officers of the department when on duty, with suitable uniforms, subsistence, arms, equipment, quarters, and other necessary supplies, and also the expense and means of travel and boarding, according to rules adopted by the commissioner, and as may be provided by appropriation.

The department may expend moneys from the support allocation of the department as reimbursement for replacement or repair of personal items of the department's peace officers or employees damaged or destroyed during a peace officer's or employee's course of employment. However, the reimbursement shall not exceed the greater of one hundred fifty dollars or the amount agreed to under the collective bargaining agreement for each

item. The department shall adopt rules in accordance with chapter 17A to administer this paragraph.

[SS15, §65-c; C24, §13408; C27, 31, §5017-a1, 13408; C35, §5018-g7, 13408; C39, §**1225.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.18]

89 Acts, ch 317, §23; 2005 Acts, ch 35, §13

Referred to in §452A.76

**80.19 Public safety education.**

The commissioner may cooperate with any recognized agency in the education of the public in highway safety.

Any recognized agency receiving appropriations of state money for public safety shall annually file with the auditor of state an itemized statement of all its receipts and expenditures.

[C39, §**1225.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.19]

2005 Acts, ch 35, §14

**80.20 Divisional headquarters.**

The commissioner may, subject to the approval of the governor, establish divisional headquarters at various places in the state. Supervisory officers may be at all times on duty in each district headquarters.

[C39, §**1225.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.20]

2005 Acts, ch 35, §15

**80.21 Fees and rewards.**

No fees or rewards shall be retained personally by members of the department in addition to their salaries, and any such fees or rewards earned by any members of said department shall be credited to the fund as herein provided to pay the expenses of this department. All salaries herein provided for and all expenses incurred under the provisions of this chapter shall be allowed and audited in the same manner as in other state offices, and shall be payable out of moneys hereafter appropriated.

[C27, 31, §5017-a1; C35, §5018-g11; C39, §**1225.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.21]

**80.22 Prohibition on other departments.**

All other departments and bureaus of the state are hereby prohibited from employing special peace officers or conferring upon regular employees any police powers to enforce provisions of the statutes which are specifically reserved by 1939 Iowa Acts, ch. 120, to the department of public safety. But the commissioner of public safety shall, upon the requisition of the attorney general, from time to time assign for service in the department of justice such of its officers, not to exceed six in number, as may be requisitioned by the attorney general for special service in the department of justice, and when so assigned such officers shall be under the exclusive direction and control of the attorney general.

[C24, 27, 31, 35, §1340.7; C39, §**1225.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.22]

2003 Acts, ch 44, §29; 2006 Acts, ch 1010, §43

**80.23 Special state agents — meaning.**

If the term *"special state agents"* is used in the Code in connection with law enforcement, the term shall be construed to mean a peace officer of the department.

[C39, §**1225.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.23]

2005 Acts, ch 35, §16

**80.24 Industrial disputes.**

A peace officer of the department shall not be used or called upon for service within any municipality involving an industrial dispute unless a threat of imminent violence exists, and then only either by order of the governor or on the request of the chief executive officer of

the municipality or the sheriff of the county where the threat of imminent violence exists if such request is approved by the governor.

[C39, §**1225.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §80.24]

2005 Acts, ch 35, §17; 2006 Acts, ch 1034, §1, 3

**80.25 Division of beer and liquor enforcement.** Repealed by 2005 Acts, ch 35, § 32.

**80.25A Pari-mutuel and gambling game investigation and enforcement.**

The commissioner of public safety shall direct the chief of the division of criminal investigation to establish a subdivision to be the primary criminal investigative and enforcement agency for the purpose of enforcement of chapters 99D and 99F. The commissioner of public safety shall appoint or assign other agents to the division as necessary to enforce chapters 99D and 99F. All enforcement officers, assistants, and agents of the division are subject to section 80.15 except clerical workers.

83 Acts, ch 187, §30; 89 Acts, ch 67, §19; 2005 Acts, ch 35, §31

**80.26 Designation by department of administrative services.**

Notwithstanding the use of the designations *"enforcement officer"*, *"officer"*, *"gaming enforcement officer"*, and *"special agent"* in this chapter and chapters 97A, 97B, 99D, and 99F, nothing shall prohibit the department of administrative services from officially designating gaming enforcement officers or special agents by another class title for purposes of identifying job classifications. Any official class title designation made by the department of administrative services shall not create or establish any new employee rights with respect to promotional opportunities, compensation, or benefits, or establish any connection that does not exist as of July 1, 2010, between the designation of gaming enforcement officer and any existing job classifications, including special agents, as a result of a change in designation.

2010 Acts, ch 1039, §1

Legislative intent and construction; 2010 Acts, ch 1039, §2

**80.27 Drug law enforcement by department.** Repealed by 2005 Acts, ch 35, § 32. See § 80.9.

**80.28 Statewide interoperable communications system board — established — members.**

1. A statewide interoperable communications system board is established, under the joint purview of the department and the state department of transportation. The board shall develop, implement, and oversee policy, operations, and fiscal components of communications interoperability efforts at the state and local level, and coordinate with similar efforts at the federal level, with the ultimate objective of developing and overseeing the operation of a statewide integrated public safety communications interoperability system. For the purposes of this section and section 80.29, *"interoperability"* means the ability of public safety and public services personnel to communicate and to share data on an immediate basis, on demand, when needed, and when authorized.

2. The board shall consist of fifteen voting members, as follows:

*a.* The following members representing state agencies:

(1) One member representing the department of public safety.

(2) One member representing the state department of transportation.

(3) One member representing the department of homeland security and emergency management.

(4) One member representing the department of corrections.

(5) One member representing the department of natural resources.

(6) One member representing the Iowa department of public health.

*b.* The governor shall solicit and consider recommendations from professional or volunteer organizations in appointing the following members:

(1) Two members who are representatives from municipal police departments.

(2) Two members who are representatives of sheriff's offices.

(3) Two members who are representatives from fire departments. One of the members shall be a volunteer fire fighter and the other member shall be a paid fire fighter.

(4) Two members who are law communication center managers employed by state or local government agencies.

(5) One at-large member.

3. In addition to the voting members, the board membership shall include four members of the general assembly with one member designated by each of the following: the majority leader of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives. A legislative member serves for a term as provided in section 69.16B in an ex officio, nonvoting capacity and is eligible for per diem and expenses as provided in section 2.10.

4. The voting members of the board shall be appointed in compliance with sections 69.16 and 69.16A. Members shall elect a chairperson and vice chairperson from the board membership, who shall serve two-year terms. The members appointed by the governor shall be appointed to three-year staggered terms and the terms shall commence and end as provided by section 69.19. If a vacancy occurs among the voting members, a successor shall be appointed to serve the unexpired term. A successor shall be appointed in the same manner and subject to the same qualifications as the original appointment to serve the unexpired term. The voting members of the board are entitled to receive reimbursement for actual expenses incurred while engaged in the performance of official duties from funds appropriated to the department of public safety and the state department of transportation for that purpose. The departments shall enter into an agreement to provide administrative assistance and support to the board.

2007 Acts, ch 90, §1; 2009 Acts, ch 14, §1 – 4; 2009 Acts, ch 165, §1, 4; 2013 Acts, ch 29, §41
Referred to in §34A.11, 80.29
Subsection 2, paragraph a, subparagraph (3) amended

**80.29 Board duties.**

The statewide interoperable communications system board established in section 80.28 shall:

1. Implement and maintain organizational and operational elements of the board, including staffing and program activity.

2. Review and monitor communications interoperability performance and service levels on behalf of agencies.

3. Establish, monitor, and maintain appropriate policies and protocols to ensure that interoperable communications systems function properly.

4. Allocate and oversee state appropriations or other funding received for interoperable communications.

5. Identify sources for ongoing, sustainable, longer-term funding for communications interoperability projects, including available and future assets that will leverage resources and provide incentives for communications interoperability participation, and develop and obtain adequate funding in accordance with a communications interoperability sustainability plan.

6. Develop and evaluate potential legislative solutions to address the funding and resource challenges of implementing statewide communications interoperability initiatives.

7. Develop a statewide integrated public safety communications interoperability system that allows for shared communications systems and costs, takes into account infrastructure needs and requirements, improves reliability, and addresses liability concerns of the shared network.

8. Investigate data and video interoperability systems.

9. Expand, maintain, and fund consistent, periodic training programs for current communications systems and for the statewide integrated public safety communications interoperability system as it is implemented.

10. Expand, maintain, and fund stakeholder education, public education, and public official education programs to demonstrate the value of short-term communications

interoperability solutions, and to emphasize the importance of developing and funding long-term solutions, including implementation of the statewide integrated public safety communications interoperability system.

11. Identify, promote, and provide incentives for appropriate collaborations and partnerships among government entities, agencies, businesses, organizations, and associations, both public and private, relating to communications interoperability.

12. Provide incentives to support maintenance and expansion of regional efforts to promote implementation of the statewide integrated public safety communications interoperability system.

13. In performing its duties, consult with representatives of private businesses, organizations, and associations on technical matters relating to data, video, and communications interoperability; technological developments in private industry; and potential collaboration and partnership opportunities.

14. Submit a report by January 1, annually, to the members of the general assembly regarding communications interoperability efforts, activities, and effectiveness at the local and regional level, and shall include a status report regarding the development of a statewide integrated public safety communications interoperability system, and funding requirements relating thereto.

2007 Acts, ch 90, §2
Referred to in §80.28

**80.30 Individual qualifications.** Repealed by 2005 Acts, ch 35, § 32.

**80.31** Repealed by 89 Acts, ch 83, § 87.

**80.32** Repealed by 73 Acts, ch 11, § 8.

**80.33 Access to drug records by peace officers.**

A person required by law to keep records, and a carrier maintaining records with respect to any shipment containing any controlled or counterfeit substances shall, upon request of an authorized peace officer of the department designated by the commissioner, permit such peace officer at reasonable times to have access to and copy such records. For the purpose of examining and verifying such records, an authorized peace officer of the department designated by the commissioner, may enter at reasonable times any place or vehicle in which any controlled or counterfeit substance is held, manufactured, dispensed, compounded, processed, sold, delivered, or otherwise disposed of and inspect such place or vehicle and the contents of such place or vehicle. For the purpose of enforcing laws relating to controlled or counterfeit substances, and upon good cause shown, a peace officer of the department shall be allowed to inspect audits and records in the possession of the board of pharmacy.

[C71, 73, 75, 77, 79, 81, §80.33]
2005 Acts, ch 35, §18; 2006 Acts, ch 1010, §44; 2007 Acts, ch 10, §7

**80.34 Peace officer — authority.** Repealed by 2008 Acts, ch 1031, § 94. See § 80.9A.

**80.35 Transition.** Repealed by 2005 Acts, ch 35, § 32.

**80.36 Maximum age.**

A person shall not be employed as a peace officer in the department after attaining sixty-five years of age.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §97A.6(1, b); C81, §80.36]
92 Acts, ch 1232, §503; 98 Acts, ch 1183, §107; 2002 Acts, ch 1135, §1; 2005 Acts, ch 35, §20

**80.37 Reimbursement of defense costs.**

1. If a peace officer employed in any division of the department is charged with the alleged commission of public offense, based on acts or omissions within the scope of the officer's lawful duty or authority, and the charge is dismissed or the officer is acquitted of the charge, the presiding magistrate or judge shall enter judgment awarding reimbursement to

the officer for any costs incurred in defending against the charge, including but not limited to a reasonable attorney fee, if the court finds the existence of any of the following grounds:

*a.* The charge was without probable cause.

*b.* The charge was filed for malicious purposes.

*c.* The charge was unwarranted in consideration of all of the circumstances and matters of law attending the alleged offense.

2. The officer may apply for review of a failure or refusal to rule or an adverse ruling as to the existence of any of the above grounds. The application shall be to a district judge if the officer is seeking review of the act of a magistrate or district associate judge and it shall be to a different district judge if review is sought of an act of a district judge.

84 Acts, ch 1259, §5; 2008 Acts, ch 1032, §201

**80.38** Reserved.

**80.39 Disposition of personal property.**

1. Personal property, except for motor vehicles subject to sale pursuant to section 321.89, and seizable property subject to disposition pursuant to chapter 809 or 809A, which personal property is found or seized by, turned in to, or otherwise lawfully comes into the possession of the department or a local law enforcement agency and which the department or agency does not own, shall be disposed of pursuant to this section. If by examining the property the owner or lawful custodian of the property is known or can be readily ascertained, the department or agency shall notify the owner or custodian by certified mail directed to the owner's or custodian's last known address, as to the location of the property. If the identity or address of the owner cannot be determined, notice by one publication in a newspaper of general circulation in the area where the property was found is sufficient notice. A published notice may contain multiple items.

2. The department or agency may return the property to a person if that person or the person's representative does all of the following:

*a.* Appears at the location where the property is located.

*b.* Provides proper identification.

*c.* Demonstrates ownership or lawful possession of the property to the satisfaction of the department or agency.

3. After ninety days following the mailing or publication of the notice required by this section, or if the owner or lawful custodian of the property is unknown or cannot be readily determined, or the department or agency has not turned the property over to the owner, the lawful custodian, or the owner's or custodian's representative, the department or agency may dispose of the property in any lawful way, including but not limited to the following:

*a.* Selling the property at public auction with the proceeds, less department or agency expenses, going to the general fund of the state if sold by the department, the rural services fund if sold by a county agency, and the general fund of a city if sold by a city agency; however, the department or agency shall be reimbursed from the proceeds for the reasonable expenses incurred in selling the property at the auction.

*b.* Retaining the property for the department's or agency's own use.

*c.* Giving the property to another agency of government.

*d.* Giving the property to an appropriate charitable organization.

*e.* Destroying the property.

4. Except when a person appears in person or through a representative within the time periods set by this section, and satisfies the department or agency that the person is the owner or lawful custodian of the property, disposition of the property shall be at the discretion of the department or agency. The department or agency shall maintain the receipt and disposition records for all property processed under this section. Good faith compliance with this section is a defense to any claim or action at law or in equity regarding the disposition of the property.

84 Acts, ch 1154, §1; 85 Acts, ch 201, §1; 86 Acts, ch 1140, §1; 86 Acts, ch 1237, §4; 96 Acts, ch 1133, §39; 2000 Acts, ch 1203, §1; 2005 Acts, ch 35, §21

Referred to in §331.652, 364.22

**80.40** Reserved.

**80.41** Repealed by 99 Acts, ch 202, § 27.

**80.42 Sick leave benefits fund.**

1. A sick leave benefits fund is established in the office of the treasurer of state under the control of the department of public safety. The moneys annually credited to the fund are appropriated to the department to pay health and life insurance monthly premium costs for retired departmental employees and beneficiaries who are eligible to receive benefits for accrued sick leave under the collective bargaining agreement with the state police officers council or pursuant to section 70A.23.

2. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys credited to the sick leave benefits fund shall be credited to the sick leave benefits fund. Notwithstanding section 8.33, moneys credited to the sick leave benefits fund at the end of a fiscal year shall not revert to any other fund but shall remain in the fund for purposes of the fund.

3. Notwithstanding section 8.39, if funds are needed to pay monthly premium costs as provided for in subsection 1, sufficient funds may be transferred and credited to the sick leave benefits fund from any moneys appropriated to the department.

2001 Acts, ch 186, §17

**80.43 Gaming enforcement — revolving fund.**

1. A gaming enforcement revolving fund is created in the state treasury under the control of the department. The fund shall consist of fees collected and deposited into the fund paid by licensees pursuant to section 99D.14, subsection 2, paragraph *"b"*, and fees paid by licensees pursuant to section 99F.10, subsection 4, paragraph *"b"*. All costs for agents and officers plus any direct support costs for such agents and officers of the division of criminal investigation's racetrack, excursion boat, or gambling structure enforcement activities shall be paid from the fund as provided in appropriations made for this purpose by the general assembly.

2. To meet the department's cash flow needs, the department may temporarily use funds from the general fund of the state to pay expenses in excess of moneys available in the revolving fund if those additional expenditures are fully reimbursable and the department reimburses the general fund of the state and ensures all moneys are repaid in full by the close of the fiscal year. Because any general fund moneys used shall be fully reimbursed, such temporary use of funds from the general fund of the state shall not constitute an appropriation for purposes of calculating the state general fund expenditure limitation pursuant to section 8.54.

3. Section 8.33 does not apply to any moneys credited or appropriated to the revolving fund from any other fund and, notwithstanding section 12C.7, subsection 2, earnings or interest on moneys deposited in the revolving fund shall be credited to the revolving fund.

2010 Acts, ch 1190, §23; 2012 Acts, ch 1134, §14, 21

Referred to in §99D.14, 99F.10

**80.44 Public safety interoperable and broadband communications fund.**

1. A statewide public safety interoperable and broadband communications fund is established in the office of the treasurer of state under the control of the department of public safety. Any moneys annually appropriated, granted, or credited to the fund, including any federal moneys, are appropriated to the department of public safety for the planning and development of a statewide public safety interoperable and broadband communications system.

2. Notwithstanding section 12C.7, subsection 2, interest and earnings on moneys deposited in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys remaining in the fund at the end of the fiscal year shall not revert to any other fund but shall remain available to be used for the purposes specified in subsection 1.

2013 Acts, ch 139, §37, 39

NEW section

# CHAPTER 80A

## PRIVATE INVESTIGATIVE AGENCIES AND SECURITY AGENTS

Referred to in §556.11, 724.6, 811.8, 811.12


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**80A.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Bail enforcement agent"* means a person engaged in the bail enforcement business, including licensees and persons engaged in the bail enforcement business whose principal place of business is in a state other than Iowa.

2. *"Bail enforcement business"* means the business of taking or attempting to take into custody the principal on a bail bond issued or a deposit filed in relation to a criminal proceeding to assure the presence of the defendant at trial, but does not include such actions that are undertaken by a peace officer or a law enforcement officer in the course of the officer's official duties.

3. *"Chief law enforcement officer"* means the county sheriff, chief of police, or other chief law enforcement officer in the local governmental unit where a defendant is located.

4. *"Commissioner"* means the commissioner of public safety.

5. *"Defendant"* means the principal on a bail bond issued or deposit filed in relation to a criminal proceeding in order to assure the presence of the defendant at trial.

6. *"Department"* means the department of public safety.

7. *"Licensee"* means a person licensed under this chapter.

8. *"Person"* means an individual, partnership, corporation, or other business entity.

9. *"Private investigative agency"* means a person engaged in a private investigation business.

10. *"Private investigation business"* means the business of making, for hire or reward, an investigation for the purpose of obtaining information on any of the following matters:

*a.* Crime or wrongs done or threatened.

*b.* The habits, conduct, movements, whereabouts, associations, transactions, reputations, or character of a person.

*c.* The credibility of witnesses or other persons.

*d.* The location or recovery of lost or stolen property.

*e.* The cause, origin, or responsibility for fires, accidents, or injuries to property.

*f.* The truth or falsity of a statement or representation.

*g.* Detection of deception.

*h.* The business of securing evidence to be used before authorized investigating committees, boards of award or arbitration, or in the trial of civil or criminal cases.

11. *"Private security agency"* means a person engaged in a private security business.

12. *"Private security business"* means a business of furnishing, for hire or reward, guards, watch personnel, armored car personnel, patrol personnel, or other persons to protect persons or property, to prevent the unlawful taking of goods and merchandise, or to prevent the misappropriation or concealment of goods, merchandise, money, securities, or other valuable documents or papers, and includes an individual who for hire patrols, watches, or guards a residential, industrial, or business property or district.

13. *"Uniform"* means a manner of dress of a particular style and distinctive appearance as distinguished from ordinary clothing customarily used and worn by the general public.

84 Acts, ch 1235, §1; 98 Acts, ch 1149, §1

**80A.2 Persons exempt.**

This chapter does not apply to the following:

1. An officer or employee of the United States, of a state, or a political subdivision of the United States or of a state while the officer or employee is engaged in the performance of official duties.

2. A peace officer engaged in the private security business or the private investigation business with the knowledge and consent of the chief executive officer of the peace officer's law enforcement agency.

3. A person employed full or part-time by one employer in connection with the affairs of the employer.

4. An attorney licensed to practice in Iowa, while performing duties as an attorney.

5. A person engaged exclusively in the business of obtaining and furnishing information regarding the financial rating or standing and credit of persons.

6. A person exclusively employed in making investigations and adjustments for insurance companies.

7. A person who is the legal owner of personal property which has been sold under a security agreement or a conditional sales agreement, or a secured party under the terms of a security interest while the person is performing acts relating to the repossession of the property.

8. A person engaged in the process of verifying the credentials of physicians and allied health professionals applying for hospital staff privileges.

9. A person engaged in the business of transporting prisoners under a contract with the Iowa department of corrections or a county sheriff, a similar agency from another state, or the federal government.

84 Acts, ch 1135, §1; 84 Acts, ch 1235, §2; 92 Acts, ch 1183, §1; 98 Acts, ch 1131, §1

Referred to in §811.12

**80A.3 License required.**

1. A person shall not operate a bail enforcement business, private investigation business, or private security business, or otherwise employ persons in the operation of such a business located within this state unless the person is licensed by the commissioner in accordance with this chapter.

2. A license issued under this chapter expires two years from the date issued.

84 Acts, ch 1235, §3; 98 Acts, ch 1149, §2

**80A.3A Notification of and registration with local law enforcement.**

1. A bail enforcement agent employed by a licensee shall not take or attempt to take into custody the principal on a bail bond without notifying the chief law enforcement officer of the local governmental subdivision where the defendant is believed to be present. The bail enforcement agent shall disclose the location where the defendant is believed to be and the bail enforcement agent's intended actions.

2. A person or employee of a person who operates a bail enforcement business in a state other than Iowa and who enters Iowa in pursuit of a defendant who has violated the conditions of a bail bond issued in a state other than Iowa or has otherwise violated conditions of bail imposed by a court in a state other than Iowa shall not take or attempt to take the defendant into custody without first registering with the chief law enforcement officer of the local governmental subdivision where the defendant is believed to be present.

*a.* Registration shall require presentation of the following documents:

(1) A license to operate a bail enforcement business in the state of origin, if the state licenses such businesses. Otherwise, the person or employee shall present other documentation relating to the location of the principal place of business of the bail enforcement business.

(2) The bail bond, order from the local prosecuting authority in the state of origin, or other documents relating to the authority of the person under the laws of the state of origin to pursue the defendant.

(3) A copy of any bond for liability for actions of the person or employee.

*b.* A bail enforcement agent who registers with the chief law enforcement officer of the local governmental subdivision in accordance with this section and complies with requirements, other than licensure, for acts by a bail enforcement agent within this state, including the limitations imposed by sections 811.8 and 811.12, shall not be subject to civil liability in this state other than as prescribed in this chapter, notwithstanding any other provision under the Code or common law.

98 Acts, ch 1149, §3
Referred to in §811.12

**80A.4 License requirements.**

1. Applications for a license or license renewal shall be submitted to the commissioner in the form the commissioner prescribes. A license or license renewal shall not be issued unless the applicant:

*a.* Is eighteen years of age or older.

*b.* Is not a peace officer.

*c.* Has never been convicted of a felony or aggravated misdemeanor.

*d.* Is not addicted to the use of alcohol or a controlled substance.

*e.* Does not have a history of repeated acts of violence.

*f.* Is of good moral character and has not been judged guilty of a crime involving moral turpitude.

*g.* Has not been convicted of a crime described in section 708.3, 708.4, 708.5, 708.6, 708.8, or 708.9.

*h.* Has not been convicted of illegally using, carrying or possessing a dangerous weapon.

*i.* Has not been convicted of fraud.

*j.* Provides fingerprints to the department.

*k.* Complies with other qualifications and requirements the commissioner adopts by rule.

2. If the applicant is a corporation, the requirements of subsection 1 apply to the president and to each officer, commissioner or employee who is actively involved in the licensed business in Iowa. If the applicant is a partnership or association, the requirements of subsection 1 apply to each partner or association member.

3. Each employee of an applicant or licensee shall possess the same qualifications required by subsection 1 for a licensee.

4. The fingerprints required by subsection 1 may be submitted by the department to the federal bureau of investigation through the state criminal history repository for the purpose of a national criminal history check.

84 Acts, ch 1235, §4; 85 Acts, ch 56, §1; 2002 Acts, ch 1044, §1, 11; 2003 Acts, ch 108, §25
Referred to in §80A.12

**80A.5 Licensee fee.**

1. An applicant for a license or license renewal shall deposit with each application the fee for the license and if necessary the fees associated with processing the fingerprints.

2. If the application is approved, the deposited amount shall be applied on the license fee. If the application is disapproved, the deposited amount excluding the fees associated with the processing of the fingerprints shall be refunded to the applicant.

3. The fee for a two-year license for a bail enforcement business, a private investigative agency, or a private security agency is one hundred dollars.

84 Acts, ch 1235, §5; 98 Acts, ch 1149, §4; 2002 Acts, ch 1044, §2, 11

**80A.6 Display of license.**

A licensee shall conspicuously display the license in the principal place of business of the agency or business.

84 Acts, ch 1235, §6; 98 Acts, ch 1149, §5

**80A.7 Identification cards.**

1. The department shall issue to each licensee and to each employee of the licensee an identification card in a form approved by the commissioner. The application for a permanent identification card shall include a temporary identification card valid for fourteen days from the date of receipt of the application by the applicant.

2. The fee for each application for an identification card is ten dollars.

3. It is unlawful for an agency licensed under this chapter to employ a person to act in the bail enforcement business, private investigation business, or private security business unless the person has in the person's immediate possession an identification card issued under this section.

4. The licensee is responsible for the use of identification cards by the licensee's employees and shall return an employee's card to the department upon termination of the employee's service. Identification cards remain the property of the department.

5. An application for an identification card shall include the submission of fingerprints of the person seeking the identification card, which fingerprints may be submitted to the federal bureau of investigation through the state criminal history repository for the purpose of a national criminal history check. Fees associated with the processing of fingerprints shall be assessed to the employing licensee.

84 Acts, ch 1235, §7; 85 Acts, ch 56, §2; 89 Acts, ch 112, §1; 98 Acts, ch 1149, §6; 2002 Acts, ch 1044, §3, 4, 11; 2003 Acts, ch 108, §26

**80A.8 Duplicate license.**

A duplicate license shall be issued by the commissioner upon the payment of a fee in the amount of five dollars and upon receiving for filing, in the form prescribed, a statement under oath that the original license has been lost or destroyed and that, if the original license is recovered, the original or the duplicate will be returned immediately to the director for cancellation.

84 Acts, ch 1235, §8

**80A.9 Badges — uniforms.**

1. A licensee or an employee of a licensee shall not use a badge in connection with the activities of the licensee's business unless the badge has been prescribed or approved by the commissioner.

2. A licensee or an employee of a licensee shall not use an identification card other than the card issued by the department or make a statement with the intent to give the impression that the licensee or employee is a peace officer.

3. A uniform worn by a licensee or employee of a licensee shall conform with rules adopted by the commissioner.

4. A bail enforcement agent other than a licensee shall not do any of the following:

*a.* Use a badge or identification card other than one which is in accordance with the laws of the state of origin.

*b.* Wear a uniform or make a statement that gives the impression that the agent is a peace officer.

84 Acts, ch 1235, §9; 98 Acts, ch 1149, §7

**80A.10 Licensee's bond.**

1. A license shall not be issued unless the applicant files with the department a surety bond, in a minimum amount as follows:

*a.* Five thousand dollars in the case of an agency licensed to conduct only a bail enforcement business, private security business, or a private investigation business.

*b.* Ten thousand dollars in the case of an agency licensed to conduct more than one type of business licensed under this chapter.

2. The bond shall be issued by a surety company authorized to do business in this state and shall be conditioned on the faithful, lawful, and honest conduct of the applicant and those employed by the applicant in carrying on the business licensed.

3. The bond shall provide that a person injured by a breach of the conditions of the bond

may bring an action on the bond to recover legal damages suffered by reason of the breach. However, the aggregate liability of the surety for all damages shall not exceed the amount of the bond.

4. Bonds issued and filed with the department shall remain in force and effect until the surety has terminated future liability by a written thirty days' notice to the department.

84 Acts, ch 1235, §10; 85 Acts, ch 56, §3; 98 Acts, ch 1149, §8
Referred to in §80A.10A

**80A.10A Licensee's proof of financial responsibility.**

Notwithstanding the minimum bond amount that must be filed in accordance with section 80A.10, a license shall not be issued unless the applicant furnishes proof acceptable to the commissioner of the applicant's ability to respond in damages for liability on account of accidents or wrongdoings occurring subsequent to the effective date of the proof, arising out of the ownership and operation of a private security business, private investigation business, or bail enforcement business.

85 Acts, ch 56, §5; 98 Acts, ch 1149, §9

**80A.11 Written report.**

The licensee shall furnish, upon the client's request, a written report describing all the work performed by the licensee for that client.

84 Acts, ch 1235, §11

**80A.12 Refusal, suspension, or revocation.**

The commissioner may refuse to issue, or may suspend or revoke a license issued, for any of the following reasons:

1. Fraud in applying for or obtaining a license.
2. Violation of any of the provisions of this chapter.
3. If a licensee or employee of a licensee has been adjudged guilty of a crime involving moral turpitude, a felony, or an aggravated misdemeanor.
4. If a licensee willfully divulges to an unauthorized person information obtained by the licensee in the course of the licensed business.
5. Upon the disqualification or insolvency of the surety on the licensee's bond, unless the licensee files a new bond with sufficient surety within fifteen days of the receipt of notice from the commissioner.
6. If the applicant for a license or licensee or employee of a licensee fails to meet or retain any of the other qualifications provided in section 80A.4.
7. If the applicant for a license or licensee knowingly makes a false statement or knowingly conceals a material fact or otherwise commits perjury in an original application or a renewal application.
8. Willful failure or refusal to render to a client services contracted for and for which compensation has been paid or tendered in accordance with the contract.

84 Acts, ch 1235, §12; 85 Acts, ch 56, §4; 85 Acts, ch 67, §9

**80A.13 Campus weapon requirements.**

An individual employed by a college or university, or by a private security business holding a contract with a college or university, who performs private security duties on a college or university campus and who carries a weapon while performing these duties shall meet all of the following requirements:

1. File with the sheriff of the county in which the campus is located evidence that the individual has successfully completed an approved firearms training program under section 724.9. This requirement does not apply to armored car personnel.
2. Possess a permit to carry weapons issued by the sheriff of the county in which the campus is located under sections 724.6 through 724.11. This requirement does not apply to armored car personnel.
3. File with the sheriff of the county in which the campus is located a sworn affidavit from

the employer outlining the nature of the duties to be performed and justification of the need to go armed.

84 Acts, ch 1235, §13; 85 Acts, ch 56, §7

**80A.14 Deposit of fees.**

Fees received by the commissioner shall be paid to the treasurer of state and deposited in the operating account of the department to offset the cost of administering this chapter. Any unspent balance as of June 30 of each year shall revert to the general fund as provided by section 8.33.

84 Acts, ch 1235, §14

**80A.15 Rules.**

The commissioner may adopt administrative rules pursuant to chapter 17A to carry out this chapter.

84 Acts, ch 1235, §15

**80A.16 Penalties.**

1. A person who violates any of the provisions of this chapter where no other penalty is provided is guilty of a simple misdemeanor.

2. A person who does any of the following is guilty of a fraudulent practice:

*a.* Makes a false statement or representation in an application or statement filed with the commissioner, as required by this chapter.

*b.* Falsely states, represents, or fails to disclose as required by this chapter, that the person has been or is a private investigator, private security agent, or bail enforcement agent.

*c.* Falsely advertises that the person is a licensed private investigator, private security agent, or bail enforcement agent.

3. A person who is subject to the licensing requirements of this chapter and who engages in a private investigation or private security business as defined in this chapter, without possessing a current valid license as provided by this chapter, is guilty of a serious misdemeanor.

4. A person who is subject to the licensing requirements of this chapter for a bail enforcement business or bail enforcement agent, and who operates a bail enforcement business or who acts as a bail enforcement agent for a bail enforcement business, without possessing a current valid license, is guilty of a class "D" felony.

84 Acts, ch 1235, §16; 98 Acts, ch 1149, §10

**80A.16A Civil liability of bail enforcement agents.**

1. A person other than a defendant who is injured in person or property by the actions of a bail enforcement agent in taking or attempting to take a defendant into custody may bring a civil action for damages against such agent and the bail enforcement business for breach of any applicable standard of care.

2. Notwithstanding the limitation of liability of any surety for the actions of a bail enforcement agent or bail enforcement business, the court shall enter a judgment against a bail enforcement agent or bail enforcement business determined to have breached the applicable standard of care. The judgment shall include an award of treble damages, and recovery of costs and reasonable attorney fees.

98 Acts, ch 1149, §11

**80A.17 Confidential records.**

1. All complaint files, investigation files, other investigation reports, and other investigative information in the possession of the department or its employees or agents which relate to licensee discipline are privileged and confidential except that they are subject to discovery, subpoena, or other means of legal compulsion for their release to a person other than the licensee, and are admissible in evidence in a judicial or administrative proceeding other than a proceeding involving licensee discipline. In addition, investigative information in the possession of the department's employees or agents which relates to

licensee discipline may be disclosed to the appropriate licensing authority in another state, the District of Columbia, or a territory or country in which the licensee is licensed or has applied for a license. If the investigative information in the possession of the department indicates a crime has been committed, the information shall be reported to the proper law enforcement agency. A final written decision and finding of fact of the department in a disciplinary proceeding is a public record.

Pursuant to section 17A.19, subsection 6, the department, upon an appeal by the licensee of the decision by the department shall transmit the entire record of the contested case to the reviewing court.

Notwithstanding section 17A.19, subsection 6, if a waiver of privilege has been involuntary and evidence has been received at a disciplinary hearing, the court shall order withheld the identity of the individual whose privilege was waived.

2. Lists of employees of a licensed agency and their personal histories shall be held as confidential. However, the lists of the names of the licensed agencies, their owners, corporate officers and directors shall be held as public records. The commissioner may confirm that a specific individual is an employee of a licensed agency upon request and may make lists of licensed agencies' employees available to law enforcement agencies.

85 Acts, ch 56, §6

**80A.18 Reciprocity — fee.**

A person who holds a valid license to act as a private investigator or as a private security officer issued by a proper authority of another state, based on requirements and qualifications similar to the requirements of this chapter, may be issued a temporary permit to so act in this state, if the person's licensing jurisdiction extends by reciprocity similar privileges to a person licensed to act as a private investigator or private security officer licensed by this state. Any reciprocal agreement approved by the commissioner shall provide that any misconduct in the state issuing the temporary permit will be dealt with in the licensing jurisdiction as though the violation occurred in that jurisdiction.

The commissioner shall adopt by rule a fee for the issuance of a temporary permit under this section. The fee shall be based on the cost of administering this section but shall not exceed one hundred dollars per year.

88 Acts, ch 1056, §1

# CHAPTER 80B

## LAW ENFORCEMENT ACADEMY

Referred to in §80.11, 80D.3, 97B.49B, 331.651, 341A.6, 384.15, 456A.14


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80B.18 Law enforcement officer — tribal government.

**80B.1 Citation.**
This chapter shall be known as the *"Iowa Law Enforcement Academy and Council Act"*.
[C71, 73, 75, 77, 79, 81, §80B.1]

**80B.2 Intent.**
It is the intent of the legislature in creating the academy and the council to maximize training opportunities for law enforcement officers, to coordinate training and to set standards for the law enforcement service, all of which are imperative to upgrading law enforcement to professional status.
[C71, 73, 75, 77, 79, 81, §80B.2]

**80B.3 Definitions.**
When used in this chapter:
1. *"Academy"* means the Iowa law enforcement academy.
2. *"Council"* means the Iowa law enforcement academy council.
3. *"Law enforcement officer"* means an officer appointed by the director of the department of natural resources, a member of a police force or other agency or department of the state, county, city, or tribal government regularly employed as such and who is responsible for the prevention and detection of crime and the enforcement of the criminal laws of this state and all individuals, as determined by the council, who by the nature of their duties may be required to perform the duties of a peace officer.
[C71, 73, 75, 77, 79, 81, §80B.3]
2003 Acts, ch 87, §1
Referred to in §200.17A, 462A.2, 817.3

**80B.4 Academy created.**
There is hereby created the Iowa law enforcement academy as a central law enforcement training facility, in order to serve the best interests of the state in carrying out the intent and purpose of this chapter. The academy shall be situated at Camp Dodge and the council shall enter into an agreement with the adjutant general which agreement shall provide for the use of certain of the facilities at Camp Dodge, for the remodeling and conversion of existing structures to classrooms and dormitory space, and for the use of land for the site of an administration building. The agreement shall be on such terms and conditions as are necessary to carry out the purpose of this chapter.
[C71, 73, 75, 77, 79, 81, §80B.4]

**80B.5 Administration.**
The administration of this chapter shall be vested in the office of the governor. A director of the academy and such staff as may be necessary for it to function shall be employed pursuant to the Iowa merit system.
[C71, 73, 75, 77, 79, 81, §80B.5]
2004 Acts, ch 1086, §19
Merit system, see chapter 8A, subchapter IV

**80B.6 Council created — membership.**
1. An Iowa law enforcement academy council is created consisting of the following thirteen voting members appointed by the governor, subject to confirmation by the senate, to terms of four years commencing as provided in section 69.19:
*a.* Three residents of the state.
*b.* A sheriff of a county with a population of fifty thousand persons or more who is a member of the Iowa state sheriffs and deputies association.
*c.* A sheriff of a county with a population of less than fifty thousand persons who is a member of the Iowa state sheriffs and deputies association.
*d.* A deputy sheriff of a county who is a member of the Iowa state sheriffs and deputies association.
*e.* A member of the Iowa peace officers association.
*f.* A member of the Iowa state police association.

*g.* A member of the Iowa police chiefs association.

*h.* A police officer who is a member of a police department of a city with a population of fifty thousand persons or more.

*i.* A police officer who is a member of a police department of a city with a population of less than fifty thousand persons.

*j.* A member of the department of public safety.

*k.* A member of the office of motor vehicle enforcement of the department of transportation.

2. One senator appointed by the president of the senate after consultation with the majority leader of the senate, one senator appointed by the minority leader of the senate, one representative appointed by the speaker of the house of representatives, and one representative appointed by the minority leader of the house of representatives are also ex officio, nonvoting members of the council who shall serve terms as provided in section 69.16B.

3. In the event a member appointed pursuant to this section is unable to complete a term, the vacancy shall be filled for the unexpired term in the same manner as the original appointment.

[C71, 73, 75, 77, 79, 81, §80B.6]

86 Acts, ch 1245, §2029; 90 Acts, ch 1223, §15; 2008 Acts, ch 1031, §90; 2008 Acts, ch 1156, §24, 58; 2011 Acts, ch 95, §1

Confirmation, see §2.32

**80B.7 Officers of council.**

The council shall elect from its membership a chairperson and a vice chairperson each of whom shall serve for a term of one year and who may be reelected. Membership on the council shall not constitute holding a public office and members of the council shall not be required to take and file oaths of office before serving on the council. No member of the council shall be disqualified from holding any public office or employment by reason of appointment or membership on the council, nor shall any member forfeit any such office or employment by reason of appointment to the council, notwithstanding the provisions of any general, special or local law, ordinance or city charter.

[C71, 73, 75, 77, 79, 81, §80B.7]

**80B.8 Compensation and expenses.**

The members of the council, who are not employees of the state or a political subdivision, shall be paid a per diem as specified in section 7E.6. All members of the council shall be reimbursed for necessary and actual expenses incurred in attending meetings and in the performance of their duties. All per diem and expense moneys paid to nonlegislative members shall be paid from funds appropriated to the Iowa law enforcement academy. Legislative members of the council shall receive payment pursuant to section 2.10 and section 2.12.

[C71, 73, 75, 77, 79, 81, §80B.8]

90 Acts, ch 1256, §27

**80B.9 Meetings.**

The council shall meet at least four times each year and shall hold special meetings when called by the chairperson or, in the absence of the chairperson, by the vice chairperson, or by the chairperson upon written request of five members of the council. The council shall establish procedures and requirements with respect to quorum, place, and conduct of meetings.

[C71, 73, 75, 77, 79, 81, §80B.9]

**80B.10 Annual report.**

The council shall make an annual report to the governor, the attorney general, and the commissioner of public safety which shall include pertinent data regarding the standards established and the degree of participation of agencies in the training program.

[C71, 73, 75, 77, 79, 81, §80B.10]

**80B.11 Rules.**

1. The director of the academy, subject to the approval of the council, shall promulgate rules in accordance with the provisions of this chapter and chapter 17A, giving due consideration to varying factors and special requirements of law enforcement agencies relative to the following:

*a.* Minimum entrance requirements, course of study, attendance requirements, and equipment and facilities required at approved law enforcement training schools. Minimum age requirements for entrance to approved law enforcement training schools shall be eighteen years of age. Minimum course of study requirements shall include a separate domestic abuse curriculum, which may include but is not limited to outside speakers from domestic abuse shelters and crime victim assistance organizations. Minimum course of study requirements shall also include a sexual assault curriculum.

*b.* Minimum basic training requirements law enforcement officers employed after July 1, 1968, must complete in order to remain eligible for continued employment and the time within which such basic training must be completed. Minimum requirements shall mandate training devoted to the topic of domestic abuse and sexual assault. The council shall submit an annual report to the general assembly by January 15 of each year relating to the continuing education requirements devoted to the topic of domestic abuse, including the number of hours required, the substance of the classes offered, and other related matters.

*c.* (1) Categories or classifications of advanced in-service training program and minimum courses of study and attendance requirements for such categories or classifications.

(2) In-service training under this paragraph "*c*" shall include the requirement that all law enforcement officers complete a course on investigation, identification, and reporting of public offenses based on the race, color, religion, ancestry, national origin, political affiliation, sex, sexual orientation, age, or disability of the victim. The director shall consult with the civil rights commission, the department of public safety, and the prosecuting attorneys training coordinator in developing the requirements for this course and may contract with outside providers for this course.

(3) In-service training under this paragraph "*c*" shall include the requirement that all law enforcement officers complete a course on mental health at least once every four years. In developing the requirements for this training, the director shall seek input from mental health care providers and mental health care consumers.

*d.* Within the existing curriculum, expanded training regarding racial and cultural awareness and dealing with gang-affected youth.

*e.* Training standards on the subject of human trafficking, to include curricula on cultural sensitivity and the means to deal effectively and appropriately with trafficking victims. Such training shall encourage law enforcement personnel to communicate in the language of the trafficking victims. The course of instruction and training standards shall be developed by the director in consultation with the appropriate national and state experts in the field of human trafficking.

*f.* Minimum standards of physical, educational, and moral fitness which shall govern the recruitment, selection, and appointment of law enforcement officers.

*g.* Minimum standards of mental fitness which shall govern the initial recruitment, selection, and appointment of law enforcement officers. The rules shall include but are not limited to providing a battery of psychological tests to determine cognitive skills, personality characteristics, and suitability of an applicant for a law enforcement career. However, this battery of tests need only be given to applicants being considered in the final selection process for a law enforcement position. Notwithstanding any provision of chapter 400, an applicant shall not be hired if the employer determines from the tests that the applicant does not possess sufficient cognitive skills, personality characteristics, or suitability for

a law enforcement career. The director of the academy shall provide for the cognitive and psychological examinations and their administration to the law enforcement agencies or applicants, and shall identify and procure persons who can be hired to interpret the examinations.

*h.* Grounds for revocation or suspension of a law enforcement officer's certification.

*i.* Exemptions from particular provisions of this chapter in case of any state, county, or city, if, in the opinion of the council, the standards of law enforcement training established and maintained by the governmental agency are as high or higher than those established pursuant to this chapter; or revocation in whole or in part of such exemption, if in its opinion the standards of law enforcement training established and maintained by the governmental agency are lower than those established pursuant to this chapter.

*j.* Minimum qualifications for instructors in telecommunicator training schools.

*k.* Minimum qualifications for instructors in law enforcement and jailer training schools.

*l.* Certification through examination for individuals who have successfully completed the federal bureau of investigation national academy, have corrected Snellen vision in both eyes of 20/20 or better, and were employed on or before January 1, 1996, as chief of police of a city in this state with a population of twenty thousand or more.

2. A certified course of instruction provided for under this section which occurs at a location other than at the central training facility of the Iowa law enforcement academy shall not be eliminated by the Iowa law enforcement academy.

[C71, 73, 75, 77, 79, 81, §80B.11]

84 Acts, ch 1245, §1 – 3; 84 Acts, ch 1246, §1; 85 Acts, ch 208, §2; 89 Acts, ch 62, §1, 2; 91 Acts, ch 218, §2; 91 Acts, ch 219, §1; 92 Acts, ch 1157, §1; 92 Acts, ch 1238, §20; 93 Acts, ch 169, §15; 94 Acts, ch 1172, §1; 96 Acts, ch 1061, §1; 96 Acts, ch 1201, §1; 99 Acts, ch 70, §1; 2003 Acts, ch 87, §2; 2006 Acts, ch 1074, §1; 2007 Acts, ch 22, §18; 2008 Acts, ch 1031, §25; 2012 Acts, ch 1079, §1

Referred to in §80B.13, 400.8

For provisions regarding completion of law enforcement mental health training prior to July 1, 2012, that meets in-service training requirements under subsection 1, paragraph c, subparagraph (3), see 2012 Acts, ch 1079, §19

**80B.11A Jailer training standards.**

The director of the academy, subject to the approval of the council, and in consultation with the Iowa department of corrections, Iowa state sheriffs' and deputies' association, and the Iowa peace officers association, shall adopt rules in accordance with this chapter and chapter 17A establishing minimum standards for training of jailers.

89 Acts, ch 62, §3; 2012 Acts, ch 1023, §10

**80B.11B Examination and attendance fees — training cost — appropriation.**

1. The full cost of providing cognitive and psychological examinations of law enforcement officer candidates may be charged by the Iowa law enforcement academy.

2. The Iowa law enforcement academy shall charge to the following entities the following costs to provide the basic training course which is designed to meet the minimum basic training requirements for a law enforcement officer:

*a.* To the department of natural resources and the department of transportation, the total cost.

*b.* To a candidate from any other state agency or department of the state, one-third of the total cost, and to the agency or department the remaining cost. The agency or department may pay for all or a portion of the candidate's share of the costs.

*c.* For a candidate sponsored by a political subdivision and hired by the political subdivision, to the political subdivision, one-third of the total cost; to the candidate, one-third of the total cost; and to the state, the remainder of the total cost. The political subdivision may pay for all or a portion of the candidate's share of the costs.

*d.* For all other candidates, including a candidate from a tribal government, to the candidate the total costs.

3. The Iowa law enforcement academy may also charge an attendance fee as determined by the director of the academy and approved by the council for courses, schools, and seminars, other than the basic training course specified in subsection 2. Funds generated

from attendance fees are appropriated to and shall be used at the direction of the academy to fulfill its responsibilities under this chapter.

90 Acts, ch 1267, §25; 92 Acts, ch 1238, §21; 94 Acts, ch 1189, §17; 2003 Acts, ch 87, §3; 2010 Acts, ch 1031, §417

Referred to in §80B.11E

**80B.11C Telecommunicator training standards.**

The director of the academy, subject to the approval of the council, in consultation with the Iowa state sheriffs' and deputies' association, the Iowa police executive forum, the Iowa peace officers association, the Iowa state police association, the Iowa professional fire fighters, the Iowa emergency medical services association, the joint council of Iowa fire service organizations, the Iowa department of public safety, the Iowa chapter of the association of public-safety communications officials—international, inc., the Iowa chapter of the national emergency number association, the department of homeland security and emergency management, and the Iowa department of public health, shall adopt rules pursuant to chapter 17A establishing minimum standards for training of telecommunicators. For purposes of this section, *"telecommunicator"* means a person who receives requests for, or dispatches requests to, emergency response agencies which include but are not limited to law enforcement, fire, rescue, and emergency medical services agencies.

96 Acts, ch 1061, §2; 2003 Acts, ch 179, §157; 2012 Acts, ch 1023, §11; 2013 Acts, ch 29, §42

Section amended

**80B.11D Training.**

1. An individual who is not a certified law enforcement officer may apply for attendance at a short course of study at an approved law enforcement training program if such individual is sponsored by a law enforcement agency. Such individual may be sponsored by a law enforcement agency that either intends to hire or has hired the individual as a law enforcement officer.

2. An individual who submits an application pursuant to subsection 1 shall, at a minimum, meet all minimum hiring standards as established by academy rules, including the successful completion of certain psychological and physical testing examinations. In addition, such individual shall be of good moral character as determined by a thorough background investigation by the hiring law enforcement agency. The academy shall conduct the requisite testing and background investigation for a fee if the law enforcement agency does not do so, and for such purposes, the academy shall be defined as a law enforcement agency and shall have the authority to conduct a background investigation including a fingerprint search of local, state, and national fingerprint files.

3. An individual who submits an application pursuant to subsection 1 shall, at a minimum, submit proof of successful completion of a two-year or four-year police science or criminal justice program at an accredited educational institution in this state approved by the academy.

4. An individual shall not be granted permission to attend an approved law enforcement training program pursuant to subsection 1 if such acceptance would result in the nonacceptance of another qualifying applicant who is a law enforcement officer.

5. This section applies only to individuals who apply for certification through a short course of study as established by rule.

6. An individual who has not been hired by a law enforcement agency must be hired by a law enforcement agency within eighteen months of completing the short course of study in order to obtain certification pursuant to this section.

2003 Acts, ch 67, §1

**80B.11E Academy training — application by individual — individual expense.**

1. Notwithstanding any other provision of law to the contrary, an individual who is not a certified law enforcement officer may apply for attendance at the law enforcement academy if such individual is sponsored by a law enforcement agency that either intends to hire or has hired the individual as a law enforcement officer on the condition that the individual meets the minimum eligibility standards described in subsection 2. The costs for attendance by such an individual at the law enforcement academy shall be paid as provided in section 80B.11B.

2. An individual who submits an application pursuant to subsection 1 shall, at a minimum, meet all minimum hiring standards as established by academy rules, including the successful completion of certain psychological and physical testing examinations. In addition, such individual shall be of good moral character as determined by a thorough background investigation by the academy for a fee. For such purposes, the academy shall have the authority to conduct a background investigation of the individual, including a fingerprint search of local, state, and national fingerprint files.

3. An individual shall not be granted permission to attend an academy training program if such acceptance would result in the nonacceptance of another qualifying applicant who is a law enforcement officer.

4. An individual who has not been hired by a law enforcement agency must be hired by a law enforcement agency within eighteen months of completing the appropriate coursework at the law enforcement academy in order to obtain certification pursuant to this chapter.

2003 Acts, ch 178, §16; 2004 Acts, ch 1086, §20; 2010 Acts, ch 1031, §418

Pilot program for training of private security personnel; deposit of funds received from training seminars in general fund; 2010 Acts, ch 1031, §419

**80B.12 Agreements with other agencies.**

The director with the approval of the council may enter into agreements with other public and private agencies, colleges and universities to carry out the intent of this chapter.

[C71, 73, 75, 77, 79, 81, §80B.12]

**80B.13 Authority of council.**

The council may:

1. Designate members to visit and inspect any law enforcement or jailer training schools, or examine the curriculum or training procedures, for which application for approval has been made.

2. Issue certificates to law enforcement training schools qualifying under the regulations of the council.

3. Issue certificates to law enforcement officers and jailers who have met the requirements of this chapter and rules adopted under chapter 17A relative to hiring and training standards.

4. Make recommendations to the governor, the attorney general, the commissioner of public safety and the legislature on matters pertaining to qualification and training of law enforcement officers and jailers and other matters considered necessary to improve law enforcement services and jailer training.

5. Cooperate with federal, state, and local enforcement agencies in establishing and conducting local or area schools, or regional training centers for instruction and training of law enforcement officers and jailers.

6. Direct research in the field of law enforcement and jailer training and accept grants for such purposes.

7. Accept applications for attendance of the academy from persons other than those required to attend.

8. *a.* Revoke a law enforcement officer's certification for the conviction of a felony or revoke or suspend a law enforcement officer's certification for a violation of rules adopted pursuant to section 80B.11, subsection 1, paragraph "*h*". In addition the council may consider revocation or suspension proceedings when an employing agency recommends to the council that revocation or suspension would be appropriate with regard to a current or former employee. If a law enforcement officer resigns, the employing agency shall notify the council that an officer has resigned and state the reason for the resignation if a substantial likelihood exists that the reason would result in the revocation or suspension of an officer's certification for a violation of the rules.

*b.* A recommendation by an employing agency must be in writing and set forth the reasons why the action is being recommended, the findings of the employing agency concerning the matter, the action taken by the employing agency, and that the action by the agency is final. "*Final*", as used in this section, means that all appeals through a grievance procedure available to the officer or civil service have been exhausted. The written recommendations shall be

unavailable for inspection by anyone except personnel of the employing agency, the council and the affected law enforcement officer, or as ordered by a reviewing court.

*c.* The council shall establish a process for the protest and appeal of a revocation or suspension made pursuant to this subsection.

9. In accordance with chapter 17A, conduct investigations, hold hearings, appoint hearing examiners, administer oaths and issue subpoenas enforceable in district court on matters relating to the revocation or suspension of a law enforcement officer's certification.

10. Secure the assistance of the state division of criminal investigation in the investigation of alleged violations, as provided under section 80.9A, subsection 6, paragraphs "*c*" and "*g*", of the provisions adopted under section 80B.11.

[C71, 73, 75, 77, 79, 81, §80B.13]

84 Acts, ch 1246, §2, 3; 85 Acts, ch 67, §10; 89 Acts, ch 62, §4; 99 Acts, ch 70, §2 – 4; 2007 Acts, ch 22, §19; 2008 Acts, ch 1031, §99; 2008 Acts, ch 1032, §201

Referred to in §321.267A

**80B.14 Budget submitted to department of management.**

The Iowa law enforcement academy council shall submit to the department of management, annually and in such form as required by chapter 8 estimates of its expenditure requirements. Such estimates shall include the costs of administration, maintenance, and operation, and the cost of any proposed capital improvements or additional programs.

[C71, 73, 75, 77, 79, 81, §80B.14]

**80B.15 Library and media resource center.**

The academy shall be the principal law enforcement library and media resource center and shall coordinate the use of law enforcement media resources with training centers and educational institutions offering a two-year program in law enforcement to insure for the efficient use of state law enforcement media resources.

The academy shall offer state media resource assistance to any law enforcement training center certified by the Iowa law enforcement academy council.

The director of the academy shall assess a fee for use of law enforcement media resources supplied or loaned by the academy. The fees shall be established by rules adopted pursuant to chapter 17A. The fees shall be considered as repayment receipts.

[C77, 79, 81, §80B.15; 81 Acts, ch 14, §22]

**80B.16 Audiovisual fees established.**

The academy may charge state departments, independent agencies, or other governmental offices a fee not to exceed the actual costs, including the cost of equipment, production, and duplication, for audiovisual services provided by the academy. Fees shall be deposited in a separate fund in the state treasury to be known as the audiovisual equipment fund. Funds generated from the audiovisual fees are appropriated and shall be used at the direction of the academy only to maintain and upgrade academy audiovisual equipment. Notwithstanding section 8.33, unencumbered or unobligated moneys in the separate fund at the end of a fiscal year shall not revert to the general fund of the state.

92 Acts, ch 1238, §22

**80B.17 Certification required.**

The council shall extend the one-year time period in which an officer candidate must become certified for up to one hundred eighty days if the officer candidate is enrolled in training within twelve months of initial appointment.

98 Acts, ch 1124, §1

**80B.18 Law enforcement officer — tribal government.**

A law enforcement officer who is a member of a police force of a tribal government and who becomes certified through the Iowa law enforcement academy shall be subject to the certification and revocation of certification rules and procedures as provided in this chapter. The certified law enforcement officer shall be subject to the jurisdiction of the courts of this

state if an agreement exists between the tribal government and the state or between the tribal government and a county, which grants authority to the law enforcement officer to act in a law enforcement capacity off a settlement or reservation.

2003 Acts, ch 87, §4

# CHAPTER 80C

RESERVED

# CHAPTER 80D

## RESERVE PEACE OFFICERS

Referred to in §331.382, 384.15, 905.4


80D.1 Establishment of a force of reserve peace officers.
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80D.14 No participation in a pension fund or retirement system.
80D.15 Civil defense auxiliary police exempt. Repealed by 2011 Acts, ch 34, §162.


**80D.1 Establishment of a force of reserve peace officers.**

1. The governing body of a city, a county, the state of Iowa, or a judicial district department of correctional services may provide, either separately or collectively through a chapter 28E agreement, for the establishment of a force of reserve peace officers, and may limit the size of the reserve force. In the case of the state, the department of public safety shall act as the governing body.

2. The governing body of a tribal government may provide for the establishment of a force of reserve peace officers and may limit the size of the reserve force.

3. This chapter constitutes the only procedure for appointing reserve peace officers.

[C81, §80D.1]

90 Acts, ch 1092, §1; 2001 Acts, ch 104, §1; 2013 Acts, ch 48, §1

Referred to in §85.61

Section amended

**80D.1A Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Academy"* means the Iowa law enforcement academy.

2. *"Council"* means the Iowa law enforcement academy council.

3. *"Minimum training course"* means a curriculum of basic training requirements developed by the academy pursuant to the academy's rulemaking authority that a reserve peace officer must complete within a prescribed time period to become state certified as a reserve peace officer. The minimum training course does not include required weapons training.

4. *"Reserve force"* means an organization of reserve peace officers established as provided in this chapter.

5. *"Reserve peace officer"* means a volunteer, nonregular, sworn member of a law

enforcement agency who serves with or without compensation, has regular police powers while functioning as a law enforcement agency's representative, and participates on a regular basis in the law enforcement agency's activities including crime prevention and control, preservation of the peace, and enforcement of law.

90 Acts, ch 1092, §2; 2007 Acts, ch 47, §1
Referred to in §100B.14, 100B.31, 724.2A

**80D.2 Personal standards.**

The director of the law enforcement academy with the approval of the law enforcement academy council may establish minimum standards of physical, educational, mental, and moral fitness for members of the reserve force.

[C81, §80D.2]

**80D.3 Training standards.**

1. Each person appointed to serve as a reserve peace officer shall satisfactorily complete a minimum training course as established by academy rules. In addition, if a reserve peace officer is authorized to carry weapons, the officer shall satisfactorily complete the same training course in the use of weapons as is required for basic training of regular peace officers by the academy. The minimum training course for reserve peace officers shall be satisfactorily completed within the time period prescribed by academy rules. Academy-approved reserve peace officer training received before July 1, 2007, may be applied to meet the minimum training course requirements established by academy rules.

2. A reserve peace officer who does not carry a weapon shall not be required to complete a weapons training course, but the officer shall comply with all other training requirements.

3. *a.* A person appointed to serve as a reserve peace officer who has received basic training as a peace officer and has been certified by the academy pursuant to chapter 80B and rules adopted pursuant to chapter 80B may be exempted from completing the minimum training course at the discretion of the appointing authority. However, such a person appointed to serve as a reserve peace officer shall meet mandatory in-service training requirements established by academy rules if the person has not served as an active peace officer within one hundred eighty days of appointment as a reserve peace officer.

*b.* A person appointed to serve as a reserve peace officer who has met the one-hundred-fifty-hour training requirement by obtaining training at a community college or other facility selected by the individual and approved by the law enforcement agency prior to July 1, 2007, shall be exempted from completing the minimum training course at the discretion of the appointing authority and shall continue to hold certification with the appointing authority.

4. The minimum training course required for a reserve peace officer shall be conducted pursuant to sections 80D.4 and 80D.7. If weapons are to be carried, a reserve peace officer shall complete a weapons training course having the same number of hours of training as is required of regular peace officers in basic training pursuant to section 80D.7.

5. A person is eligible for state certification as a reserve peace officer upon satisfactory completion of the training and testing requirements specified by academy rules.

[C81, §80D.3]

90 Acts, ch 1092, §3; 2007 Acts, ch 47, §2; 2008 Acts, ch 1032, §201; 2009 Acts, ch 78, §1; 2009 Acts, ch 179, §33

**80D.4 Training.**

Training for individuals appointed as reserve peace officers shall be provided by instructors in a community college or other facility, including a law enforcement agency, selected by the individual and approved by the law enforcement agency and the academy. Upon satisfactory completion of training required by the academy, the academy shall certify the individual as a reserve peace officer.

[C81, §80D.4]

90 Acts, ch 1092, §4; 90 Acts, ch 1253, §121; 2001 Acts, ch 104, §2; 2007 Acts, ch 47, §3
Referred to in §80D.3

**80D.4A Training and certification requirements.**

The director of the academy, subject to the approval of the council, shall promulgate rules in accordance with the provisions of this chapter and chapter 17A, giving due consideration to varying factors and special requirements of law enforcement agencies relative to the standardized training and state certification of reserve peace officers.

2007 Acts, ch 47, §4

Referred to in §321.267A

**80D.5 No exemptions.**

There shall be no exemptions from the personal and training standards provided for in this chapter except as provided in section 80D.7.

[C81, §80D.5]

2011 Acts, ch 34, §169

**80D.6 Status of reserve peace officers.**

Reserve peace officers shall serve as peace officers on the orders and at the discretion of the chief of police, sheriff, commissioner of public safety or the commissioner's designee, or director of the judicial district department of correctional services or the director's designee, as the case may be.

While in the actual performance of official duties, reserve peace officers shall be vested with the same rights, privileges, obligations, and duties as any other peace officers.

[C81, §80D.6]

2001 Acts, ch 104, §3

**80D.6A Status of reserve peace officers of a tribal government.**

Reserve peace officers of a tribal government shall serve as peace officers on the orders and at the discretion of the chief of the police force of the tribal government. While in the actual performance of official duties, reserve peace officers of a tribal government shall be vested with the same rights, privileges, obligations, and duties as any other peace officers of the tribal government.

2013 Acts, ch 48, §2

NEW section

**80D.7 Carrying weapons.**

A member of a reserve force shall not carry a weapon in the line of duty until the member has been approved by the governing body and certified by the Iowa law enforcement academy council to carry weapons. After approval and certification, a reserve peace officer may carry a weapon in the line of duty only when authorized by the chief of police, sheriff, commissioner of public safety or the commissioner's designee, or director of the judicial district department of correctional services or the director's designee, as the case may be.

[C81, §80D.7]

90 Acts, ch 1092, §5; 2001 Acts, ch 104, §4

Referred to in §80D.3, 80D.5

**80D.8 Supplementary capacity.**

Reserve peace officers shall act only in a supplementary capacity to the regular force and shall not assume full-time duties of regular peace officers without first complying with all requirements for regular peace officers.

[C81, §80D.8]

**80D.9 Supervision of reserve peace officers.**

Reserve peace officers shall be subordinate to regular peace officers, shall not serve as peace officers unless under the direction of regular peace officers, and shall wear a uniform prescribed by the chief of police, sheriff, commissioner of public safety, or director of the judicial district department of correctional services unless that superior officer designates alternate apparel for use when engaged in assignments involving special investigation, civil process, court duties, jail duties, and the handling of mental patients. The reserve peace

officer shall not wear an insignia of rank. Each department for which a reserve force is established shall appoint a certified peace officer as the reserve force coordinating and supervising officer. A reserve peace officer force established in a judicial district department of correctional services must be directly supervised by a certified peace officer who is on duty. That certified peace officer shall report directly to the chief of police, sheriff, commissioner of public safety or the commissioner's designee, or director of the judicial district department of correctional services or the director's designee, as the case may be.

[C81, §80D.9]

2001 Acts, ch 104, §5

**80D.10 No reduction of regular force.**

The governing body shall not reduce the authorized size of a regular law enforcement department or office because of the establishment or utilization of reserve peace officers.

[C81, §80D.10]

**80D.11 Employee — pay.**

While performing official duties, each reserve peace officer shall be considered an employee of the governing body which the officer represents and shall be paid a minimum of one dollar per year. The governing body of a city, a county, the state, or a judicial district department of correctional services may provide additional monetary assistance for the purchase and maintenance of uniforms and equipment used by reserve peace officers.

[C81, §80D.11]

83 Acts, ch 101, §3; 2001 Acts, ch 104, §6

**80D.12 Benefits when injured.**

1. Hospital and medical assistance and benefits as provided in chapter 85 shall be provided by the governing body to members of the reserve force who sustain injury in the course of performing official duties.

2. For reserve police officers of a tribal government, hospital and medical assistance and benefits shall be provided by the tribal government to members of the reserve force who sustain injury while performing official duties in the same manner as for a regular peace officer of the tribal government.

[C81, §80D.12]

2013 Acts, ch 48, §3

Section amended

**80D.13 Insurance.**

Liability and false arrest insurance shall be provided by the governing body to members of the reserve force while performing official duties in the same manner as for a regular peace officer.

[C81, §80D.13]

**80D.14 No participation in a pension fund or retirement system.**

This chapter shall not be construed to authorize or permit a reserve peace officer to become eligible for participation in a pension fund or retirement system created by the laws of this state of which regular peace officers may become members.

[C81, §80D.14]

**80D.15 Civil defense auxiliary police exempt.** Repealed by 2011 Acts, ch 34, § 162.

# CHAPTER 80E

## DRUG ENFORCEMENT AND ABUSE PREVENTION

80E.1 Drug policy coordinator.
80E.2 Drug policy advisory council — membership — duties.
80E.3 Narcotics enforcement advisory council. Repealed by 2000 Acts, ch 1126, §8.

**80E.1 Drug policy coordinator.**

1. A drug policy coordinator shall be appointed by the governor, subject to confirmation by the senate, and shall serve at the pleasure of the governor. The governor shall fill a vacancy in the office in the same manner as the original appointment was made. The coordinator shall be selected primarily for administrative ability. The coordinator shall not be selected on the basis of political affiliation and shall not engage in political activity while holding the office. The salary of the coordinator shall be fixed by the governor.

2. The coordinator shall:

*a.* Direct the governor's office of drug control policy, and coordinate and monitor all statewide narcotics enforcement efforts, coordinate and monitor all state and federal substance abuse treatment grants and programs, coordinate and monitor all statewide substance abuse prevention and education programs in communities and schools, and engage in such other related activities as required by law. The coordinator shall work in coordinating the efforts of the department of corrections, the department of education, the Iowa department of public health, the department of public safety, and the department of human services. The coordinator shall assist in the development and implementation of local and community strategies to fight substance abuse, including local law enforcement, education, and treatment activities.

*b.* Submit an annual report to the governor and general assembly by November 1 of each year concerning the activities and programs of the coordinator and other departments related to drug enforcement, substance abuse treatment programs, and substance abuse prevention and education programs. The report shall include an assessment of needs with respect to programs related to substance abuse treatment and narcotics enforcement.

*c.* Submit an advisory budget recommendation to the governor and general assembly concerning enforcement programs, treatment programs, and education programs related to drugs within the various departments. The coordinator shall work with these departments in developing the departmental budget requests to be submitted to the legislative services agency and the general assembly.

3. The governor's office of drug control policy shall be an independent office, located at the same location as the department of public safety. Administrative support services may be provided to the governor's office of drug control policy by the department of public safety.

89 Acts, ch 225, §1; 2000 Acts, ch 1126, §1, 2; 2003 Acts, ch 35, §45, 49; 2012 Acts, ch 1131, §33

Referred to in §124.101
Confirmation, see §2.32

**80E.2 Drug policy advisory council — membership — duties.**

1. An Iowa drug policy advisory council is established which shall consist of the following fifteen members:

*a.* The drug policy coordinator, who shall serve as chairperson of the council.

*b.* The director of the department of corrections, or the director's designee.

*c.* The director of the department of education, or the director's designee.

*d.* The director of the Iowa department of public health, or the director's designee.

*e.* The commissioner of public safety, or the commissioner's designee.

*f.* The director of the department of human services, or the director's designee.

*g.* The director of the division of criminal and juvenile justice planning in the department of human rights, or the division director's designee.

*h.* A prosecuting attorney.

*i.* A licensed substance abuse treatment specialist.

*j.* A certified substance abuse prevention specialist.

*k.* A substance abuse treatment program director.

*l.* A justice of the Iowa supreme court, or judge, as designated by the chief justice of the supreme court.

*m.* A member representing the Iowa peace officers association.

*n.* A member representing the Iowa state police association.

*o.* A member representing the Iowa state sheriffs' and deputies' association.

2. The prosecuting attorney, licensed substance abuse treatment specialist, certified substance abuse prevention specialist, substance abuse treatment program director, member representing the Iowa peace officers association, member representing the Iowa state police association, and the member representing the Iowa state sheriffs' and deputies' association shall be appointed by the governor, subject to senate confirmation, for four-year terms beginning and ending as provided in section 69.19. A vacancy on the council shall be filled for the unexpired term in the same manner as the original appointment was made.

3. The council shall make policy recommendations to the appropriate departments concerning the administration, development, and coordination of programs related to substance abuse education, prevention, treatment, and enforcement.

4. The members of the council shall be reimbursed for actual and necessary travel and related expenses incurred in the discharge of official duties. Each member of the council may also be eligible to receive compensation as provided in section 7E.6.

5. The council shall meet at least semiannually throughout the year.

6. A majority of the members of the council constitutes a quorum, and a majority of the total membership of the council is necessary to act in any matter within the jurisdiction of the council.

89 Acts, ch 225, §2; 2000 Acts, ch 1126, §3, 4; 2008 Acts, ch 1032, §167; 2012 Acts, ch 1023, §12, 13; 2013 Acts, ch 68, §1

Confirmation, see §2.32

Subsection 5 amended

**80E.3 Narcotics enforcement advisory council.** Repealed by 2000 Acts, ch 1126, § 8.

# CHAPTER 80F

## RIGHTS OF PEACE OFFICERS AND PUBLIC SAFETY AND EMERGENCY PERSONNEL

80F.1 Peace officer, public safety, and emergency personnel bill of rights.

**80F.1 Peace officer, public safety, and emergency personnel bill of rights.**

1. As used in this section, unless the context otherwise requires:

*a.* "*Complaint*" means a formal written allegation signed by the complainant or a written statement by an officer receiving an oral complaint stating the complainant's allegation.

*b.* "*Formal administrative investigation*" means an investigative process ordered by a commanding officer of an agency or commander's designee during which the questioning of an officer is intended to gather evidence to determine the merit of a complaint which may be the basis for seeking removal, discharge, or suspension, or other disciplinary action against the officer.

*c.* "*Informal inquiry*" means a meeting by supervisory or command personnel with an officer who is the subject of an allegation, for the purpose of resolving the allegation or determining whether a formal administrative investigation should be commenced.

*d.* "*Interview*" means the questioning of an officer who is the subject of a complaint pursuant to the formal administrative investigation procedures of the investigating agency, if such a complaint may be the basis for seeking removal, discharge, or suspension, or other

disciplinary action against the officer. *"Interview"* does not include questioning as part of any informal inquiry or questioning related to minor infractions of agency rules which will not result in removal, discharge, suspension, or other disciplinary action against the officer.

*e.* *"Officer"* means a certified law enforcement officer, fire fighter, emergency medical technician, corrections officer, detention officer, jailer, probation or parole officer, communications officer, or any other law enforcement officer certified by the Iowa law enforcement academy and employed by a municipality, county, or state agency.

*f.* *"Statement"* means the statement of the officer who is the subject of an allegation in response to a complaint.

2. This section is not applicable to a criminal investigation of an officer or where other investigations pursuant to state or federal law require different investigatory procedures.

3. A formal administrative investigation of an officer shall be commenced and completed in a reasonable period of time and an officer shall be immediately notified of the results of the investigation when the investigation is completed.

4. An officer shall not be compelled to submit to a polygraph examination against the will of the officer except as otherwise provided in section 730.4, subsection 3.

5. An officer who is the subject of a complaint, shall at a minimum, be provided a written summary of the complaint prior to an interview. If a collective bargaining agreement applies, the complaint or written summary shall be provided pursuant to the procedures established under the collective bargaining agreement. If the complaint alleges domestic abuse, sexual abuse, or sexual harassment, an officer shall not receive more than a written summary of the complaint.

6. An officer being interviewed shall be advised by the interviewer that the officer shall answer the questions and be advised that the answers shall not be used against the officer in any subsequent criminal proceeding.

7. An interview of an officer who is the subject of the complaint shall, at a minimum, be audio recorded.

8. The officer shall have the right to have legal counsel present, at the officer's expense, during the interview of the officer. In addition, the officer shall have the right, at the officer's expense, to have a union representative present during the interview or, if not a member of a union, the officer shall have the right to have a designee present.

9. If a formal administrative investigation results in the removal, discharge, or suspension, or other disciplinary action against an officer, copies of any witness statements and the investigative agency's report shall be timely provided to the officer upon the request of the officer.

10. An interview shall be conducted at any facility of the investigating agency.

11. If an interview is conducted while an officer is off duty, the officer shall be compensated as provided by law, or as provided in the applicable collective bargaining agreement.

12. If a complaint is determined by the investigating officer to be a violation of section 718.6, the investigating officer shall be responsible for filing the necessary paperwork with the county attorney's office in order for the county attorney to make a determination as to whether to charge the person with a violation of section 718.6.

13. An officer shall have the right to pursue civil remedies under the law against a citizen arising from the filing of a false complaint against the officer.

14. Notwithstanding any other provision of state law to the contrary, an officer shall not be denied the opportunity to be a candidate for any elected office as long as the officer's candidacy does not violate the federal Hatch Act, 5 U.S.C. § 1501 et seq. An officer may be required, as a condition of being a candidate, to take a leave of absence during the campaign. If the officer is subject to chapter 341A and is a candidate for county sheriff, the candidate, upon the candidate's request, shall automatically be given a leave of absence without pay as provided in section 341A.18.

15. An officer shall have the right, as any other citizen, to engage in political activity except while on duty as long as the officer's political activity does not violate the federal Hatch Act, 5 U.S.C. § 1501 et seq. An officer shall not be required to engage in political activity by the officer's agency, a representative of the officer's agency, or any other agency.

16. An officer shall not be discharged, disciplined, or threatened with discharge or discipline in retaliation for exercising the rights of the officer enumerated in this section.

17. The rights enumerated in this section are in addition to any other rights granted pursuant to a collective bargaining agreement or other applicable law.

18. A municipality, county, or state agency employing an officer shall not publicly release the officer's official photograph without the written permission of the officer or without a request to release pursuant to chapter 22.

19. If a formal administrative investigation results in removal, discharge, suspension, or disciplinary action against an officer, and the officer alleges in writing a violation of the provisions of this section, the municipality, county, or state agency employing the officer shall hold in abeyance for a period of ten days any punitive action taken as a result of the investigation, including a reprimand. An allegation of a violation of this section may be raised and given due consideration in any properly authorized grievance or appeal exercised by an officer, including but not limited to a grievance or appeal exercised pursuant to the terms of an applicable collective bargaining agreement and an appeal right exercised under section 341A.12 or 400.20.

2007 Acts, ch 160, §1

# CHAPTER 81

## DNA PROFILING

Referred to in §906.4


81.1 Definitions.
81.2 Persons required to submit a DNA sample.
81.3 Establishment of DNA database and DNA data bank.
81.4 Collecting, submitting, analyzing, identifying, and storing DNA samples and DNA records.
81.5 Civil and criminal liability — limitation.
81.6 Criminal offense.
81.7 Conviction or arrest not invalidated.
81.8 Confidential records.
81.9 Expungement of DNA records.
81.10 DNA profiling after conviction.


**81.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"DNA"* means deoxyribonucleic acid.

2. *"DNA data bank"* means the repository for DNA samples obtained pursuant to section 81.4.

3. *"DNA database"* means the collection of DNA profiles and DNA records.

4. *"DNA profile"* means the objective form of the results of DNA analysis performed on a DNA sample. The results of all DNA identification analysis on an individual's DNA sample are also collectively referred to as the DNA profile of an individual.

5. *"DNA profiling"* means the procedure established by the division of criminal investigation, department of public safety, for determining a person's genetic identity.

6. *"DNA record"* means the DNA sample and DNA profile, and other records in the DNA database and DNA data bank used to identify a person.

7. *"DNA sample"* means a biological sample provided by any person required to submit a DNA sample or a DNA sample submitted for any other purpose under section 81.4.

8. *"Person required to submit a DNA sample"* means a person convicted, adjudicated delinquent, receiving a deferred judgment, or found not guilty by reason of insanity of an offense requiring DNA profiling pursuant to section 81.2. *"Person required to submit a DNA sample"* also means a person determined to be a sexually violent predator pursuant to section 229A.7.

2005 Acts, ch 158, §1, 19

Referred to in §802.10

For future new definition of "aggravated misdemeanor", effective July 1, 2014, see 2013 Acts, ch 107, §1, 5

Section not amended; footnote added

**81.2 Persons required to submit a DNA sample.**

1. A person who receives a deferred judgment for a felony or against whom a judgment or conviction for a felony has been entered shall be required to submit a DNA sample for DNA profiling pursuant to section 81.4.

2. A person determined to be a sexually violent predator pursuant to chapter 229A shall be required to submit a DNA sample for DNA profiling pursuant to section 81.4 prior to discharge or placement in a transitional release program.

3. A person found not guilty by reason of insanity of an offense that requires DNA profiling shall be required to submit a DNA sample for DNA profiling pursuant to section 81.4 as part of the person's treatment management program.

4. A juvenile adjudicated delinquent of an offense that requires DNA profiling of an adult offender shall be required to submit a DNA sample for DNA profiling pursuant to section 81.4 as part of the disposition of the juvenile's case.

5. An offender placed on probation shall immediately report to the judicial district department of correctional services after sentencing so it can be determined if the offender has been convicted of an offense requiring DNA profiling. If it is determined by the judicial district that DNA profiling is required, the offender shall immediately submit a DNA sample.

6. A person required to register as a sex offender shall submit a DNA sample for DNA profiling pursuant to section 81.4.

2005 Acts, ch 158, §2, 19; 2007 Acts, ch 38, §4

Referred to in §81.1, 232.52, 901.5

For future amendment to subsection 1, effective July 1, 2014, see 2013 Acts, ch 107, §2, 5

Section not amended; footnote added

**81.3 Establishment of DNA database and DNA data bank.**

1. A state DNA database and a state DNA data bank are established under the control of the division of criminal investigation, department of public safety. The division of criminal investigation shall conduct DNA profiling of a DNA sample submitted in accordance with this section.

2. A DNA sample shall be submitted, and the division of criminal investigation shall store and maintain DNA records in the DNA database and DNA data bank for persons required to submit a DNA sample.

3. A DNA sample may be submitted, and the division of criminal investigation shall store and maintain DNA records in the DNA database and DNA data bank for any of the following:

*a.* Crime scene evidence and forensic casework.

*b.* A relative of a missing person.

*c.* An anonymous DNA profile used for forensic validation, forensic protocol development, or quality control purposes, or for the establishment of a population statistics database.

4. A fingerprint record of a person required to submit a DNA sample shall also be submitted to the division of criminal investigation with the DNA sample to verify the identity of the person required to submit a DNA sample.

2005 Acts, ch 158, §3, 19

Referred to in §81.9

**81.4 Collecting, submitting, analyzing, identifying, and storing DNA samples and DNA records.**

1. The division of criminal investigation shall adopt rules for the collection, submission, analysis, identification, storage, and disposition of DNA records.

2. A supervising agency having control, custody, or jurisdiction over a person shall collect a DNA sample from a person required to submit a DNA sample. The supervising agency shall collect a DNA sample, upon admittance to the pertinent institution or facility, of the person required to submit a DNA sample or at a determined date and time set by the supervising agency. If a person required to submit a DNA sample is confined at the time a DNA sample is required, the person shall submit a DNA sample as soon as practicable. If a person required to submit a DNA sample is not confined after the person is required to submit a DNA sample, the supervising agency shall determine the date and time to collect the DNA sample.

3. A person required to submit a DNA sample who refuses to submit a DNA sample may be subject to contempt proceedings pursuant to chapter 665 until the DNA sample is submitted.

4. The division of criminal investigation shall conduct DNA profiling on a DNA sample or may contract with a private entity to conduct the DNA profiling.

2005 Acts, ch 158, §4, 19

Referred to in §81.1, 81.2, 81.5, 229A.7, 232.52, 669.14

**81.5 Civil and criminal liability — limitation.**

A person who collects a DNA sample shall not be civilly or criminally liable for the collection of the DNA sample if the person performs the person's duties in good faith and in a reasonable manner according to generally accepted medical practices or in accordance with the procedures set out in the administrative rules of the department of public safety adopted pursuant to section 81.4.

2005 Acts, ch 158, §5, 19

**81.6 Criminal offense.**

1. A person who knowingly or intentionally does any of the following commits an aggravated misdemeanor:

*a.* Discloses any part of a DNA record to a person or agency that is not authorized by the division of criminal investigation to have access to the DNA record.

*b.* Uses or obtains a DNA record for a purpose other than what is authorized under this chapter.

2. A person who knowingly or intentionally alters or attempts to alter a DNA sample, falsifies the source of a DNA sample, or materially alters a collection container used to collect the DNA sample, commits a class "D" felony.

2005 Acts, ch 158, §6, 19

**81.7 Conviction or arrest not invalidated.**

The detention, arrest, or conviction of a person based upon a DNA database match is not invalidated if it is determined that the DNA sample or DNA profile was obtained or placed into the DNA database by mistake or error.

2005 Acts, ch 158, §7, 19

**81.8 Confidential records.**

1. A DNA record shall be considered a confidential record and disclosure of a DNA record is only authorized pursuant to this section.

2. Confidential DNA records under this section may be released to the following agencies for law enforcement identification purposes:

*a.* Any criminal or juvenile justice agency as defined in section 692.1.

*b.* Any criminal or juvenile justice agency in another jurisdiction that meets the definition of a criminal or juvenile justice agency as defined in section 692.1.

3. The division of criminal investigation shall share the DNA record information with the appropriate federal agencies for use in a national DNA database.

4. A DNA record or other forensic information developed pursuant to this chapter may be released for use in a criminal or juvenile delinquency proceeding in which the state is a party and where the DNA record or forensic information is relevant and material to the subject of the proceeding. Such a record or information may become part of a public transcript or other public recording of such a proceeding.

5. A DNA record or other forensic information may be released pursuant to a court order for criminal defense purposes to a defendant, who shall have access to DNA samples and DNA profiles related to the case in which the defendant is charged.

2005 Acts, ch 158, §8, 19

**81.9 Expungement of DNA records.**

1. A person whose DNA record has been included in the DNA database or DNA data bank established pursuant to section 81.3 may request, in writing to the division of criminal

investigation, expungement of the DNA record from the DNA database and DNA data bank based upon the person's conviction, adjudication, or civil commitment which caused the submission of the DNA sample being reversed on appeal and the case dismissed. The written request shall contain a certified copy of the final court order reversing the conviction, adjudication, or civil commitment, and a certified copy of the dismissal, and any other information necessary to ascertain the validity of the request.

2. The division of criminal investigation, upon receipt of a written request that validates reversal on appeal of a person's conviction, adjudication, or commitment, and subsequent dismissal of the case, or upon receipt of a written request by a person who voluntarily submitted a DNA sample pursuant to section 81.3, subsection 3, paragraph *"b"*, shall expunge all of the DNA records and identifiable information of the person in the DNA database and DNA data bank. However, if the division of criminal investigation determines that the person is otherwise obligated to submit a DNA sample, the DNA records shall not be expunged. If the division of criminal investigation denies an expungement request, the division shall notify the person requesting the expungement of the decision not to expunge the DNA record and the reason supporting its decision. The division of criminal investigation decision is subject to judicial review pursuant to chapter 17A. The department of public safety shall adopt rules governing the expungement procedure and a review process.

3. The division of criminal investigation is not required to expunge or destroy a DNA record pursuant to this section, if expungement or destruction of the DNA record would destroy evidence related to another person.

2005 Acts, ch 158, §9, 19

**81.10 DNA profiling after conviction.**

1. A defendant who has been convicted of a felony and who has not been required to submit a DNA sample for DNA profiling may make a motion to the court for an order to require that DNA analysis be performed on evidence collected in the case for which the person stands convicted.

2. The motion shall state the following:

*a.* The specific crimes for which the defendant stands convicted in this case.

*b.* The facts of the underlying case, as proven at trial or admitted to during a guilty plea proceeding.

*c.* Whether any of the charges include sexual abuse or involve sexual assault, and if so, whether a sexual assault examination was conducted and evidence preserved, if known.

*d.* Whether identity was at issue or contested by the defendant.

*e.* Whether the defendant offered an alibi, and if so, testimony corroborating the alibi and, from whom.

*f.* Whether eyewitness testimony was offered, and if so from whom.

*g.* Whether any issues of police or prosecutor misconduct have been raised in the past or are being raised by the motion.

*h.* The type of inculpatory evidence admitted into evidence at trial or admitted to during a guilty plea proceeding.

*i.* Whether blood testing or other biological evidence testing was conducted previously in connection with the case and, if so, by whom and the result, if known.

*j.* What biological evidence exists and, if known, the agency or laboratory storing the evidence that the defendant seeks to have tested.

*k.* Why the requested analysis of DNA evidence is material to the issue in the case and not merely cumulative or impeaching.

*l.* Why the DNA evidence would have changed the outcome of the trial or invalidated a guilty plea if DNA profiling had been conducted prior to the conviction.

3. A motion filed under this section shall be filed in the county where the defendant was convicted, and notice of the motion shall be served by certified mail upon the county attorney and, if known, upon the state, local agency, or laboratory holding evidence described in subsection 2, paragraph *"k"*. The county attorney shall have sixty days to file an answer to the motion.

4. Any DNA profiling of the defendant or other biological evidence testing conducted by

the state or by the defendant shall be disclosed and the results of such profiling or testing described in the motion or answer.

5. If the evidence requested to be tested was previously subjected to DNA or other biological analysis by either party, the court may order the disclosure of the results of such testing, including laboratory reports, notes, and underlying data, to the court and the parties.

6. The court may order a hearing on the motion to determine if evidence should be subjected to DNA analysis.

7. The court shall grant the motion if all of the following apply:

*a.* The evidence subject to DNA testing is available and in a condition that will permit analysis.

*b.* A sufficient chain of custody has been established for the evidence.

*c.* The identity of the person who committed the crime for which the defendant was convicted was a significant issue in the crime for which the defendant was convicted.

*d.* The evidence subject to DNA analysis is material to, and not merely cumulative or impeaching of, evidence included in the trial record or admitted to at a guilty plea proceeding.

*e.* DNA analysis of the evidence would raise a reasonable probability that the defendant would not have been convicted if DNA profiling had been available at the time of the conviction and had been conducted prior to the conviction.

8. Upon the court granting a motion filed pursuant to this section, DNA analysis of evidence shall be conducted within the guidelines generally accepted by the scientific community. The defendant shall provide DNA samples for testing if requested by the state.

9. Results of DNA analysis conducted pursuant to this section shall be reported to the parties and to the court and may be provided to the board of parole, department of corrections, and criminal and juvenile justice agencies, as defined in section 692.1, for use in the course of investigations and prosecutions, and for consideration in connection with requests for parole, pardon, reprieve, and commutation. DNA samples obtained pursuant to this section may be included in the DNA data bank, and DNA profiles and DNA records developed pursuant to this section may be included in the DNA database.

10. A criminal or juvenile justice agency, as defined in section 692.1, shall maintain DNA samples and evidence that could be tested for DNA for a period of three years beyond the limitations for the commencement of criminal actions as set forth in chapter 802. This section does not create a cause of action for damages or a presumption of spoliation in the event evidence is no longer available for testing.

11. If the court determines a defendant who files a motion under this section is indigent, the defendant shall be entitled to appointment of counsel as provided in chapter 815.

12. If the court determines after DNA analysis ordered pursuant to this section that the results indicate conclusively that the DNA profile of the defendant matches the profile from the analyzed evidence used against the defendant, the court may order the defendant to pay the costs of these proceedings, including costs of all testing, court costs, and costs of court-appointed counsel, if any.

2005 Acts, ch 158, §10, 19

For future amendment to subsection 1, effective July 1, 2014, see 2013 Acts, ch 107, §3, 5

Section not amended; footnote added

# CHAPTERS 82 to 83A

RESERVED

# SUBTITLE 2

## EMPLOYMENT SERVICES

## CHAPTER 84

RESERVED

## CHAPTER 84A

DEPARTMENT OF WORKFORCE DEVELOPMENT

Referred to in §15E.208


84A.1 Department of workforce development — director — divisions.
84A.1A Workforce development board.
84A.1B Duties of the workforce development board.
84A.1C Workforce development corporation.
84A.2 and 84A.3 Reserved.
84A.4 Regional advisory boards.
84A.5 Department of workforce development — primary responsibilities.
84A.6 Job placement and training programs.
84A.7 Iowa conservation corps.
84A.8 Workforce investment program.
84A.9 Statewide mentoring program.
84A.10 New employment opportunity program.
84A.11 Nursing workforce data clearinghouse.


**84A.1 Department of workforce development — director — divisions.**

1. The department of workforce development is created to administer the laws of this state relating to unemployment compensation insurance, job placement and training, employment safety, labor standards, and workers' compensation.

2. The chief executive officer of the department of workforce development is the director who shall be appointed by the governor, subject to confirmation by the senate under the confirmation procedures of section 2.32.

*a.* The director of the department of workforce development shall serve at the pleasure of the governor.

*b.* The governor shall set the salary of the director within the applicable salary range established by the general assembly.

*c.* The director shall be selected solely on the ability to administer the duties and functions granted to the director and the department and shall devote full time to the duties of the director.

*d.* If the office of director becomes vacant, the vacancy shall be filled in the same manner as the original appointment was made.

3. *a.* The director of the department of workforce development shall, subject to the requirements of section 84A.1B, prepare, administer, and control the budget of the department and its divisions and shall approve the employment of all personnel of the department and its divisions.

*b.* The director of the department of workforce development shall direct the administrative and compliance functions and control the docket of the division of workers' compensation.

4. The department of workforce development shall include the division of labor services, the division of workers' compensation, and other divisions as appropriate.

86 Acts, ch 1245, §901; 87 Acts, ch 234, §424; 90 Acts, ch 1261, §25; 96 Acts, ch 1186, §8; 98 Acts, ch 1061, §1; 2002 Acts, ch 1050, §9; 2008 Acts, ch 1032, §168

Referred to in §7E.5, 88.2, 88A.1, 88B.1, 89A.1, 89B.3, 91.1, 96.19

**84A.1A Workforce development board.**

1. An Iowa workforce development board is created, consisting of nine voting members appointed by the governor and twelve ex officio, nonvoting members.

*a.* The governor shall appoint the nine voting members of the workforce development board for a term of four years beginning and ending as provided by section 69.19, subject to confirmation by the senate, and the governor's appointments shall include persons knowledgeable in the area of workforce development. Of the nine voting members, one member shall represent a nonprofit organization involved in workforce development services, four members shall represent employers, and four members shall represent nonsupervisory employees. Of the members appointed by the governor to represent nonsupervisory employees, two members shall be from statewide labor organizations, one member shall be an employee representative of a labor management council, and one member shall be a person with experience in worker training programs. The governor shall consider recommendations from statewide labor organizations for the members representing nonsupervisory employees. Not more than five of the voting members shall be from the same political party.

*b.* The ex officio, nonvoting members are four legislative members; one president, or the president's designee, of the university of northern Iowa, the university of Iowa, or Iowa state university of science and technology, designated by the state board of regents on a rotating basis; one representative from the largest statewide public employees' organization representing state employees; one president, or the president's designee, of an independent Iowa college, appointed by the Iowa association of independent colleges and universities; one superintendent, or the superintendent's designee, of a community college, appointed by the Iowa association of community college presidents; one representative of the vocational rehabilitation community appointed by the state rehabilitation council in the division of Iowa vocational rehabilitation services; one representative of the department of education appointed by the state board of education; one representative of the economic development authority appointed by the director; and one representative of the United States department of labor, office of apprenticeship. The legislative members are two state senators, one appointed by the president of the senate after consultation with the majority leader of the senate, and one appointed by the minority leader of the senate from their respective parties; and two state representatives, one appointed by the speaker of the house of representatives after consultation with the majority leader of the house of representatives, and one appointed by the minority leader of the house of representatives from their respective parties. The legislative members shall serve for terms as provided in section 69.16B.

2. A vacancy on the workforce development board shall be filled in the same manner as regular appointments are made for the unexpired portion of the regular term.

3. The workforce development board shall meet in May of each year for the purpose of electing one of its voting members as chairperson and one of its voting members as vice chairperson. However, the chairperson and the vice chairperson shall not be from the same political party. The workforce development board shall meet at the call of the chairperson or when any five members of the workforce development board file a written request with the chairperson for a meeting. Written notice of the time and place of each meeting shall be given to each member of the workforce development board. A majority of the voting members constitutes a quorum.

4. Members of the workforce development board, the director of the department of workforce development, and other employees of the department of workforce development shall be allowed their actual and necessary expenses incurred in the performance of their duties. All expenses shall be paid from appropriations for those purposes and the department of workforce development is subject to the budget requirements of chapter 8. Each member of the workforce development board may also be eligible to receive compensation as provided in section 7E.6.

5. If a member of the workforce development board has an interest, either direct or indirect, in a contract to which the department of workforce development is or is to be a party, the interest shall be disclosed to the workforce development board in writing and shall be set forth in the minutes of a meeting of the workforce development board. The member

having the interest shall not participate in action by the workforce development board with respect to the contract. This subsection does not limit the right of a member of the workforce development board to acquire an interest in bonds, or limit the right of a member to have an interest in a bank or other financial institution in which the funds of the department of workforce development are deposited or which is acting as trustee or paying agent under a trust indenture to which the department of workforce development is a party.

96 Acts, ch 1186, §9; 97 Acts, ch 110, §1; 2001 Acts, ch 24, §21; 2002 Acts, ch 1050, §10; 2008 Acts, ch 1156, §25, 58; 2009 Acts, ch 3, §1; 2009 Acts, ch 41, §29; 2011 Acts, ch 118, §85, 89

Referred to in §84A.4
Confirmation, see §2.32

**84A.1B Duties of the workforce development board.**

The workforce development board shall do all of the following:

1. Develop and coordinate the implementation of a twenty-year comprehensive workforce development plan of specific goals, objectives, and policies for the state. This plan shall be updated annually and revised as necessary. All other state agencies involved in workforce development activities and the regional advisory boards for workforce development shall annually submit to the board for its review and potential inclusion in the plan their goals, objectives, and policies.

2. Prepare a five-year strategic plan for state workforce development to implement the specific comprehensive goals, objectives, and policies of the state. All other state agencies involved in workforce development activities and the regional advisory boards for workforce development shall annually submit to the board for its review and potential inclusion in the strategic plan their specific strategic plans and programs. The five-year strategic plan for state workforce development shall be updated annually.

3. Develop a method of evaluation of the attainment of goals and objectives from pursuing the policies of the five-year and twenty-year plans.

4. Implement the requirements of chapter 73.

5. Approve the budget of the department of workforce development related to workforce development as prepared by the director.

6. Establish guidelines, procedures, and policies for the awarding of grants for workforce development services by the department of workforce development.

7. Review grants or contracts awarded by the department of workforce development, with respect to the department's adherence to the guidelines and procedures and the impact on the five-year strategic plan for workforce development.

8. Make recommendations concerning the use of federal funds received by the department of workforce development with respect to the five-year and twenty-year workforce development plans.

9. Adopt all necessary rules related to workforce development recommended by the director prior to their adoption pursuant to chapter 17A.

96 Acts, ch 1186, §10; 2001 Acts, ch 24, §22
Referred to in §84A.1, 84A.1C, 84A.4

**84A.1C Workforce development corporation.**

1. *Nonprofit corporation for receiving and disbursing funds.* The Iowa workforce development board may organize a corporation under the provisions of chapter 504 for the purpose of receiving and disbursing funds from public or private sources to be used to further workforce development in this state and to accomplish the mission of the board.

2. *Incorporators.* The incorporators of the corporation organized pursuant to this section shall be the chairperson of the Iowa workforce development board, the director of the department of workforce development, and a member of the Iowa workforce development board selected by the chairperson.

3. *Board of directors.* The board of directors of the corporation organized pursuant to this section shall be the members of the Iowa workforce development board or their successors in office.

4. *Accepting grants in aid.* The corporation organized pursuant to this section may

accept grants of money or property from the federal government or any other source and may upon its own order use its money, property, or other resources for any of the purposes identified in section 84A.1B.

99 Acts, ch 21, §1; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393

**84A.2 and 84A.3** Reserved.

**84A.4 Regional advisory boards.**

1. A regional advisory board shall be established in each service delivery area as defined in section 84B.2. The members of the board shall be appointed by the governor, consistent with the requirements of federal law and in consultation with chief elected officials within the region. Chief elected officials responsible for recommendations for board membership shall include, but are not limited to, county elected officials, municipal elected officials, and community college directors. The membership of each board shall provide for equal representation of business and labor and shall include a county elected official, a city official, a representative of a school district, and a representative of a community college.

2. Each regional advisory board shall identify workforce development needs in its region, assist the workforce development board and the department of workforce development in the awarding of grants or contracts administered by the department of workforce development in that region and in monitoring the performance of the grants and contracts awarded, make annual reports as required by section 84A.1B, and make recommendations to the workforce development board and department of workforce development concerning workforce development.

3. Section 84A.1A, subsections 2, 3, and 5, apply to the members of a regional advisory board except that the board shall meet if a majority of the members of the board file a written request with the chairperson for a meeting. Members of a regional advisory board shall be allowed their actual and necessary expenses incurred in the performance of their duties. All expenses shall be paid from appropriations for those purposes and the department of workforce development is subject to the budget requirements of chapter 8.

96 Acts, ch 1186, §11; 99 Acts, ch 21, §2; 2001 Acts, ch 24, §23; 2002 Acts, ch 1119, §8

Referred to in §260H.2, 260H.4, 260H.8, 260I.6

**84A.5 Department of workforce development — primary responsibilities.**

The department of workforce development, in consultation with the workforce development board and the regional advisory boards, has the primary responsibilities set out in this section.

1. The department of workforce development shall develop and implement a workforce development system which increases the skills of the Iowa workforce, fosters economic growth and the creation of new high skill and high wage jobs through job placement and training services, increases the competitiveness of Iowa businesses by promoting high performance workplaces, and encourages investment in workers.

*a.* The workforce development system shall strive to provide high quality services to its customers including workers, families, and businesses. The department of workforce development shall maintain a common intake, assessment, and customer tracking system and to the extent practical provide one-stop services to customers at workforce development centers and other service access points. The department of workforce development shall administer a statewide standard skills assessment to assess the employability skills of adult workers statewide and shall instruct appropriate department staff in the administration of the assessment. The assessment shall be included in the one-stop services provided to customers at workforce development centers and other service access points throughout the state.

*b.* The system shall include an accountability system to measure program performance, identify accomplishments, and evaluate programs to ensure goals and standards are met. The accountability system shall use information obtained from the customer tracking system, the economic development authority, the department of education, and training providers to evaluate the effectiveness of programs. The economic development authority, the department

of education, and training providers shall report information concerning the use of any state or federal training or retraining funds to the department of workforce development in a form as required by the department of workforce development. The accountability system shall evaluate all of the following:

(1) The impact of services on wages earned by individuals.

(2) The effectiveness of training services providers in raising the skills of the Iowa workforce.

(3) The impact of placement and training services on Iowa's families, communities, and economy.

2. The department of workforce development shall make information from the customer tracking and accountability system available to the economic development authority, the department of education, and other appropriate public agencies for the purpose of assisting with the evaluation of programs administered by those departments and agencies and for planning and researching public policies relating to education and economic development.

3. The department of workforce development is responsible for administration of unemployment compensation benefits and collection of employer contributions under chapter 96, providing for the delivery of free public employment services established pursuant to chapter 96, other job placement and training programs established pursuant to section 84A.6, and the delivery of services located throughout the state.

4. The division of labor services is responsible for the administration of the laws of this state under chapters 88, 88A, 88B, 89, 89A, 89B, 90A, 91, 91A, 91C, 91D, 91E, 92, and 94A, and section 85.68. The executive head of the division is the labor commissioner, appointed pursuant to section 91.2.

5. The division of workers' compensation is responsible for the administration of the laws of this state relating to workers' compensation under chapters 85, 85A, 85B, 86, and 87. The executive head of the division is the workers' compensation commissioner, appointed pursuant to section 86.1.

6. The director of the department of workforce development shall form a coordinating committee composed of the director of the department of workforce development, the labor commissioner, the workers' compensation commissioner, and other administrators. The committee shall monitor federal compliance issues relating to coordination of functions among the divisions.

7. The department of workforce development shall administer the following programs:

*a.* The Iowa conservation corps established under section 84A.7.

*b.* The workforce investment program established under section 84A.8.

*c.* The statewide mentoring program established under section 84A.9.

*d.* The workforce development centers established under chapter 84B.

8. The department of workforce development shall work with the economic development authority to incorporate workforce development as a component of community-based economic development.

9. The department of workforce development, in consultation with the applicable regional advisory board, shall select service providers, subject to approval by the workforce development board for each service delivery area. A service provider in each service delivery area shall be identified to coordinate the services throughout the service delivery area. The department of workforce development shall select service providers that, to the extent possible, meet or have the ability to meet the following criteria:

*a.* The capacity to deliver services uniformly throughout the service delivery area.

*b.* The experience to provide workforce development services.

*c.* The capacity to cooperate with other public and private agencies and entities in the delivery of education, workforce training, retraining, and workforce development services throughout the service delivery area.

*d.* The demonstrated capacity to understand and comply with all applicable state and federal laws, rules, ordinances, regulations, and orders, including fiscal requirements.

10. The department of workforce development shall provide access to information and documents necessary for employers and payors of income, as defined in sections 252D.16 and 252G.1, to comply with child support reporting and payment requirements. Access to

the information and documents shall be provided at the central location of the department of workforce development and at each workforce development center.

11. The director of the department of workforce development may adopt rules pursuant to chapter 17A to charge and collect fees for enhanced or value-added services provided by the department of workforce development which are not required by law to be provided by the department and are not generally available from the department of workforce development. Fees shall not be charged to provide a free public labor exchange. Fees established by the director of the department of workforce development shall be based upon the costs of administering the service, with due regard to the anticipated time spent, and travel costs incurred, by personnel performing the service. The collection of fees authorized by this subsection shall be treated as repayment receipts as defined in section 8.2.

86 Acts, ch 1245, §902
C87, §84A.2
93 Acts, ch 180, §53; 96 Acts, ch 1186, §12
C97, §84A.5
98 Acts, ch 1061, §2, 11; 98 Acts, ch 1170, §19; 99 Acts, ch 21, §3; 99 Acts, ch 68, §1; 99 Acts, ch 130, §7; 2001 Acts, ch 61, §13; 2002 Acts, ch 1050, §11; 2007 Acts, ch 211, §33; 2008 Acts, ch 1191, §43; 2011 Acts, ch 118, §85, 89
Referred to in §15.344, 260G.5

**84A.6 Job placement and training programs.**

1. The department of workforce development, in consultation with the workforce development board and the regional advisory boards, the department of education, and the economic development authority shall work together to develop policies encouraging coordination between skill development, labor exchange, and economic development activities.

2. *a.* The director of the department of workforce development, in cooperation with the department of human services, shall provide job placement and training to persons referred by the department of human services under the promoting independence and self-sufficiency through employment job opportunities and basic skills program established pursuant to chapter 239B and the food stamp employment and training program.

*b.* The department of workforce development, in consultation with the department of human services, shall develop and implement departmental recruitment and employment practices that address the needs of former and current participants in the family investment program under chapter 239B.

3. The director of the department of workforce development, in cooperation with the department of human rights and the vocational rehabilitation services division of the department of education, shall establish a program to provide job placement and training to persons with disabilities.

4. The department of workforce development, in consultation with the college student aid commission, shall issue a quarterly report identifying industries in which the department finds a shortage of skilled workers in this state for the purposes of the skilled workforce shortage tuition grant program established in section 261.130.

86 Acts, ch 1245, §903
C87, §84A.3
96 Acts, ch 1186, §13
C97, §84A.6
97 Acts, ch 41, §32; 2002 Acts, ch 1050, §12; 2005 Acts, ch 175, §58; 2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1132, §16
Referred to in §84A.5

**84A.7 Iowa conservation corps.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Account"* means the Iowa conservation corps account.

*b.* *"Corps"* means the Iowa conservation corps.

2. *Iowa conservation corps established.* The Iowa conservation corps is established in

this state to provide meaningful and productive public service jobs for youth, unemployed persons, persons with disabilities, disadvantaged persons, and elderly persons, and to provide participants with an opportunity to explore careers, gain work experience, and contribute to the general welfare of their communities and the state. The corps shall provide opportunities in the areas of natural resource and wildlife conservation, park maintenance and restoration, land management, energy savings, community improvement projects, tourism, economic development, and work benefiting human services programs. The department of workforce development shall administer the corps and shall adopt rules governing its operation, eligibility for participation, cash contributions, and implementation of an incentive program.

3. *Funding.* Corps projects shall be funded by appropriations to the Iowa conservation corps account and by cash, services, and material contributions made by other state agencies or local public and private agencies. Public and private entities who benefit from a corps project shall contribute at least thirty-five percent of the total project budget. The contributions may be in the form of cash, materials, or services. Materials and services shall be intended for the project and acceptable to the department of workforce development. Minimum levels of contributions shall be prescribed in rules adopted by the department of workforce development.

4. *Account created.* The Iowa conservation corps account is established within and administered by the department of workforce development. The account shall include all appropriations made to programs administered by the corps, and may also include moneys contributed by a private individual or organization, or a public entity for the purpose of implementing corps programs and projects. The department of workforce development may establish an escrow account within the department and obligate moneys within that escrow account for tuition payments to be made beyond the term of any fiscal year. Interest earned on moneys in the Iowa conservation corps account shall be credited to the account.

5. *Participant eligibility.* Notwithstanding any contrary provision of chapter 8A, subchapter IV, and chapter 96, a person employed through an Iowa conservation corps program shall be exempt from merit system requirements and shall not be eligible to receive unemployment compensation benefits.

96 Acts, ch 1186, §14; 97 Acts, ch 23, §8; 99 Acts, ch 21, §4; 2002 Acts, ch 1050, §13; 2003 Acts, ch 145, §157

Referred to in §84A.5, 97B.1A

**84A.8 Workforce investment program.**

A workforce investment program is established to enable more Iowans to enter or reenter the workforce. The workforce investment program shall provide training and support services to population groups that have historically faced barriers to employment. The department of workforce development shall administer the workforce investment program and shall adopt rules governing its operation and eligibility guidelines for participation.

96 Acts, ch 1186, §15

Referred to in §84A.5

**84A.9 Statewide mentoring program.**

A statewide mentoring program is established to recruit, screen, train, and match individuals in a mentoring relationship. The department of workforce development shall administer the program in collaboration with the departments of human services, education, and human rights. The availability of the program is subject to the funding appropriated for the purposes of the program.

96 Acts, ch 1186, §16

Referred to in §84A.5

**84A.10 New employment opportunity program.**

The department of workforce development shall implement and administer a new employment opportunity program to assist individuals in underutilized segments of Iowa's workforce, including but not limited to the persons with physical or mental disabilities, persons convicted of a crime, or minority persons between the ages of twelve and twenty-five,

to gain and retain employment. The program shall be designed to complement existing employment and training programs by providing additional flexibility and services that are often needed by individuals in underutilized segments of the workforce to gain and retain employment. Services provided under the program may include, but are not limited to, transportation costs, child care, health care, health care insurance, on-the-job training, career interest inventory assessments, employability skills assessment, short-term basic education, internships, mentoring, assisting businesses with compliance issues related to the federal Americans With Disabilities Act of 1990, and reducing perceived risks that cause these populations to be underutilized. The department shall adopt rules pursuant to chapter 17A to administer the program, including rules relating to eligibility criteria, eligible populations, and services to implement the intent of this section.

2000 Acts, ch 1230, §20

**84A.11 Nursing workforce data clearinghouse.**

1. *a.* The department of workforce development shall establish a nursing workforce data clearinghouse for the purpose of collecting and maintaining data from all available and appropriate sources regarding Iowa's nursing workforce.

*b.* The department of workforce development shall have access to all data regarding Iowa's nursing workforce collected or maintained by any state department or agency to support the data clearinghouse.

*c.* Information maintained in the nursing workforce data clearinghouse shall be available to any state department or agency.

2. The department of workforce development shall consult with the board of nursing, the department of public health, the department of education, and other appropriate entities in developing recommendations to determine options for additional data collection.

3. The department of workforce development, in consultation with the board of nursing, shall adopt rules pursuant to chapter 17A to administer the data clearinghouse.

4. The nursing workforce data clearinghouse shall be established and maintained in a manner consistent with the health care delivery infrastructure and health care workforce resources strategic plan developed pursuant to section 135.164.

5. The department of workforce development shall submit a report to the governor and the general assembly, annually by January 15, regarding the nursing workforce data clearinghouse, and, following establishment of the data clearinghouse, the status of the nursing workforce in Iowa.

2010 Acts, ch 1147, §1, 13

Implementation of section conditioned upon availability of funding; 2010 Acts, ch 1147, §13

# CHAPTER 84B

## WORKFORCE DEVELOPMENT CENTERS

Referred to in §84A.5

84B.1 Workforce development centers.
84B.2 Workforce development centers — location.

**84B.1 Workforce development centers.**

The department of workforce development, in consultation with the departments of education, human services, and human rights, the economic development authority, the department on aging, and the department for the blind, shall establish guidelines for colocating state and federal employment and training programs in centers providing services at the local level. The centers shall be known as workforce development centers. The departments and the authority shall also jointly establish an integrated management information system for linking the programs within a local center to the same programs within other local centers and to the state. The guidelines shall provide for local design and

operation within the guidelines. The core services available at a center shall include but are not limited to all of the following:

1. *Information.* Provision of information shall include labor exchange and labor market information as well as career guidance and occupational information. Training and education institutions which receive state or federal funding shall provide to the centers consumer-related information on their programs, graduation rates, wage scales for graduates, and training program prerequisites. Information from local employers, unions, training programs, and educators shall be collected in order to identify demand industries and occupations. Industry and occupation demand information should be published as frequently as possible and be made available through centers.

2. *Assessment.* Individuals shall receive basic assessment regarding their own skills, interests, and related opportunities for employment and training. Assessments are intended to provide individuals with realistic information in order to guide them into training or employment situations. The basic assessment may be provided by the center or by existing service providers such as community colleges or by a combination of the two.

3. *Training accounts.* Training accounts may be established for both basic skill development and vocational or technical training. There shall be no training assistance or limited training assistance in those training areas a center has determined are oversupplied or are for general life improvement.

4. *Referral to training programs or jobs.* Based upon individual assessments, a center shall provide individuals with referrals to other community resources, training programs, and employment opportunities.

5. *Job development and job placement.* A center shall be responsible for job development activities and job placement services. A center shall seek to create a strong tie to the local job market by working with both business and union representatives.

93 Acts, ch 97, §12; 96 Acts, ch 1186, §17; 2009 Acts, ch 23, §7; 2011 Acts, ch 118, §87, 89
Referred to in §84B.2

**84B.2 Workforce development centers — location.**

A workforce development center, as provided in section 84B.1, shall be located in each service delivery area. Each workforce development center shall also maintain a presence, through satellite offices or electronic means, in each county located within that service delivery area. For purposes of this section, *"service delivery area"* means the area included within a merged area, as defined in section 260C.2, realigned to the closest county border as determined by the department of workforce development. However, if the state workforce development board determines that an area of the state would be adversely affected by the designation of the service delivery areas by the department, the department may, after consultation with the applicable regional advisory boards and with the approval of the state workforce development board, make accommodations in determining the service delivery areas, including, but not limited to, the creation of a new service delivery area. In no event shall the department create more than sixteen service delivery areas.

96 Acts, ch 1186, §18
Referred to in §84A.4

# CHAPTER 84C

## WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT


84C.1 Title.
84C.2 Definitions.
84C.3 Notice — requirements.
84C.4 Notice — exemptions, special circumstances, wages in lieu of notice.
84C.5 Enforcement and penalties.

**84C.1 Title.**

This chapter shall be known as the *"Iowa Worker Adjustment and Retraining Notification Act"*.

2010 Acts, ch 1085, §1

**84C.2 Definitions.**

For the purposes of this chapter:

1. *"Aggrieved employee"* means an employee who has worked for the employer ordering the business closing or mass layoff and who, as a result of the failure by the employer to comply with section 84C.3, did not receive timely notice either directly or through the employee's representative.

2. *"Business closing"* means the permanent or temporary shutdown of a single site of employment of one or more facilities or operating units that will result in an employment loss for twenty-five or more employees, other than part-time employees.

3. *"Department"* means the department of workforce development.

4. *"Employee"* means a worker who may reasonably expect to experience an employment loss as a consequence of a proposed business closing or mass layoff by an employer.

5. *"Employer"* means a person who employs twenty-five or more employees, excluding part-time employees.

6. *"Employment loss"* means an employment termination, other than a discharge for cause, voluntary separation, or retirement; a layoff exceeding six months; or a reduction in hours of more than fifty percent of work of individual employees during each month of a six-month period. *"Employment loss"* does not include instances when a business closing or mass layoff is the result of the relocation or consolidation of part or all of the employer's business and, before the business closing or mass layoff, the employer offers to transfer the employee to a different site of employment within a reasonable commuting distance with no more than a six-month break in employment.

7. *"Mass layoff"* means a reduction in employment force that is not the result of a business closing and results in an employment loss at a single site of employment during any thirty-day period of twenty-five or more employees, other than part-time employees.

8. *"Part-time employee"* means an employee who is employed for an average of fewer than twenty hours per week or an employee, including a full-time employee, who has been employed for fewer than six of the twelve months preceding the date on which notice is required. However, if an applicable collective bargaining agreement defines a part-time employee, such definition shall supersede the definition in this subsection.

9. *"Representative"* means an exclusive representative of employees within the meaning of section 9(a) of the federal National Labor Relations Act, 29 U.S.C. § 151 et seq., and the federal Railway Labor Act, 45 U.S.C. § 151 et seq.

10. *"Single site of employment"* refers to a single location or a group of contiguous locations, such as a group of structures that form a campus or business park or separate facilities across the street from each other.

2010 Acts, ch 1085, §2; 2010 Acts, ch 1188, §24

**84C.3 Notice — requirements.**

1. *a.* An employer who plans a business closing or a mass layoff shall not order such action until the end of a thirty-day period which begins after the employer serves written notice of such action to the affected employees or their representatives and to the department. However, if an applicable collective bargaining agreement designates a different notice period, the notice period in the collective bargaining agreement shall govern. The employer shall provide notice to the department if the worker is covered by a collective bargaining agreement.

*b.* An employer who has previously announced and carried out a short-term mass layoff of six months or less which is extended beyond six months due to business circumstances not reasonably foreseeable at the time of the initial mass layoff is required to give notice when it becomes reasonably foreseeable that the extension is required. A mass layoff extending

beyond six months from the date the mass layoff commenced for any other reason shall be treated as an employment loss from the date of commencement of the mass layoff.

*c.* In the case of the sale of part or all of a business, the seller is responsible for providing notice of any business closing or mass layoff which will take place up to and on the effective date of the sale. The buyer is responsible for providing notice of any business closing or mass layoff that will take place thereafter.

2. *a.* Notice from the employer to the affected employees or their representatives and to the department shall be in written form and shall contain the following:

(1) The name and address of the employment site where the business closing or mass layoff will occur, and the name and telephone number of a company official to contact for further information.

(2) A statement as to whether the planned action is expected to be permanent or temporary and, if the entire business is to be closed, a statement to that effect.

(3) The expected date of the first employment loss and the anticipated schedule for employment losses.

(4) The job titles of positions to be affected and the names of the employees currently holding the affected jobs. The notice to the department shall also include the addresses of the affected employees. The department shall maintain the confidentiality of the names and addresses of employees received by the department.

*b.* The notice may include additional information useful to the employees, such as information about available dislocated worker assistance, and, if the planned action is expected to be temporary, the estimated duration, if known.

3. Any reasonable method of delivery to the affected employees or their representatives, and the department which is designed to ensure receipt of notice of at least thirty days before the planned action is acceptable. In the case of notification directly to affected employees, insertion of notice into pay envelopes is a viable option.

2010 Acts, ch 1085, §3

Referred to in §84C.2, 84C.4, 84C.5

**84C.4 Notice — exemptions, special circumstances, wages in lieu of notice.**

1. *Strike or lockout.* If a business closing or mass layoff constitutes a strike or constitutes a lockout not intended to evade the requirements of this chapter, notice is not required to be given by the employer. This chapter does not require an employer to serve written notice when permanently replacing an employee who is deemed to be an economic striker under the federal National Labor Relations Act. This chapter shall not be deemed to validate or invalidate any judicial or administrative ruling relating to the hiring of permanent replacements for economic strikers under the federal National Labor Relations Act. If an employer hires temporary workers to replace employees during the course of a strike or lockout and later terminates these temporary workers at the conclusion of the strike or lockout, this chapter does not require an employer to serve written notice on the terminated temporary workers.

2. *Rolling layoffs.*

*a.* When affected employees will not be terminated on the same date, the date of the first individual employment loss within the thirty-day notice period triggers the notice requirement. An employee's last day of employment is considered the date of that employee's layoff. The first and subsequent groups of terminated employees are entitled to a full thirty days' notice.

*b.* An employer shall give notice if the number of employment losses of two or more actions in any ninety-day period triggers the notice requirements in section 84C.3 for a business closing or a mass layoff. An employer is not required to give notice if the number of employment losses from one action in a thirty-day period does not meet the requirements of section 84C.3. All employment losses in any ninety-day period shall be aggregated to trigger the notice requirement unless the employer demonstrates to the department that the employment losses during the ninety-day period are the result of separate and distinct actions and causes.

3. *Extended notice.* Additional notice is required if the date or schedule of dates of a

planned business closing or mass layoff is extended beyond the date or the ending date of any period announced in the original notice.

*a.* If the postponement is for less than thirty days, the additional notice shall be given as soon as possible to the affected employees or their representatives and the department and shall include reference to the earlier notice, the date to which the planned action is postponed, and the reasons for the postponement. The notice shall be given in a manner which will provide the information to all affected employees.

*b.* If the postponement is for more than thirty days, the additional notice shall be treated as new notice subject to the provisions of section 84C.3.

4. *Faltering company.* An exception to the thirty-day notice applies to business closings but not to mass layoffs if the requirements of this subsection are met and the exception shall be narrowly construed.

*a.* An employer must have been actively seeking capital or business at the time that the thirty-day notice would have been required by seeking financing or refinancing through the arrangement of loans or the issuance of stocks, bonds, or other methods of internally generated financing, or by seeking additional money, credit, or business through any other commercially reasonable method. The employer must identify specific actions taken to obtain capital or business.

*b.* The employer must, at the time notice is actually given, provide a statement of explanation for reducing the notice period in addition to the other notice requirements in section 84C.3.

*c.* There must have been a realistic opportunity to obtain the financing or business sought.

*d.* The financing or business sought must have been sufficient, if obtained, to have enabled the employer to avoid or postpone the shutdown. The employer must be able to objectively demonstrate that the amount of capital or the volume of new business sought would have enabled the company to keep the facility, operating unit, or site open for a reasonable period of time.

*e.* The employer reasonably and in good faith must have believed that giving the required notice would have precluded the employer from obtaining the needed capital or business. The employer must be able to objectively demonstrate that the employer reasonably thought that a potential customer or source of financing would have been unwilling to provide the new business or capital if notice had been given. This condition may be satisfied if the employer can show that the financing or business source would not choose to do business with a troubled company or with a company whose workforce would be looking for other jobs.

5. *Unforeseeable business circumstance.* An exception to the thirty-day notice applies to business closings and to mass layoffs if the requirements of this subsection are met.

*a.* Business circumstances occurred that were not reasonably foreseeable at the time that the thirty-day notice would have been required.

*b.* The employer must, at the time notice is actually given, provide a statement of explanation for reducing the notice period in addition to the other notice requirements in section 84C.3.

*c.* An important indicator of a reasonably unforeseeable business circumstance is that the circumstance is caused by some sudden, dramatic, and unexpected action or condition outside the employer's control.

*d.* The employer must exercise commercially reasonable business judgment as would a similarly situated employer in predicting the demands of the employer's particular market. The employer is not required to accurately predict general economic conditions that also may affect demand for products or services.

6. *Natural disaster.* An exception to the thirty-day notice applies to business closings and to mass layoffs if the requirements of this subsection are met.

*a.* A natural disaster occurred at the time notice would have been required.

*b.* The employer must, at the time notice is actually given, provide a statement of explanation for reducing the notice period in addition to the other requirements to notice in section 84C.3.

*c.* Floods, earthquakes, droughts, storms, tornadoes, and similar effects of nature are natural disasters under this subsection.

*d.* An employer must be able to demonstrate that the business closing or mass layoff is a direct result of the natural disaster.

*e.* If a business closing or mass layoff occurs as an indirect result of a natural disaster, this exception does not apply but the unforeseeable business circumstance exception may be applicable.

7. *Wages in lieu of notice.* The thirty-day notice requirement in section 84C.3 may be reduced by the number of days for which severance payments or wages in lieu of notice are paid by the employer to the employee for work days occurring during the notice period. A severance payment or wages in lieu of notice shall be at least an amount equivalent to the regular pay the employee would earn for the work days occurring during the notice period.

2010 Acts, ch 1085, §4; 2010 Acts, ch 1188, §25

**84C.5 Enforcement and penalties.**

1. The department shall adopt rules pursuant to and consistent with chapter 17A regarding investigations to determine whether an employer has violated any provisions of this chapter. A determination by the department that a violation has occurred shall be considered final agency action under chapter 17A.

2. An employer who violates the provisions of section 84C.3 with respect to the department shall be subject to a civil penalty of not more than one hundred dollars for each day of the violation. Any penalties collected by the department shall be forwarded to the treasurer of state and deposited in the general fund of the state.

3. The penalties provided for in this section shall be the exclusive remedies for any violation of this chapter. Under this chapter, a court shall not have authority to enjoin a business closing or mass layoff.

2010 Acts, ch 1085, §5

# CHAPTER 85

## WORKERS' COMPENSATION

Referred to in §8A.457, 8A.512, 29A.3A, 29C.8, 80D.12, 84A.5, 85B.2, 85B.3, 85B.11, 85B.14, 86.8, 86.9, 86.12, 86.13, 86.17, 86.18, 86.19, 86.24, 86.29, 86.39, 86.44, 87.1, 87.2, 87.11, 87.13, 87.14A, 87.21, 87.22, 163.3A, 207.17, 280.21A, 331.324, 515B.5, 582.1A, 622.10, 627.13, 729.6

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## GENERAL PROVISIONS

**85.1 Inapplicability of chapter.**

Except as provided in subsection 6 of this section, this chapter does not apply to:

1. Any employee engaged in any type of service in or about a private dwelling except that after July 1, 1997, this chapter shall apply to such persons who earn one thousand five hundred dollars or more from such employer for whom employed at the time of the injury during the twelve consecutive months prior to the injury, provided the employee is not a regular member of the household. For purposes of this subsection, *"member of the household"* is defined to be the spouse of the employer or relatives of either the employer or spouse residing on the premises of the employer.

2. Persons whose employment is purely casual and not for the purpose of the employer's trade or business, except that after July 1, 1997, this chapter shall apply to such employees who earn one thousand five hundred dollars or more from such employer for whom employed at the time of the injury during the twelve consecutive months prior to the injury.

3. Persons engaged in agriculture, insofar as injuries incurred by employees while engaged in agricultural pursuits or any operations immediately connected therewith whether on or off the premises of the employer, except:

*a.* This chapter applies to persons not specifically exempted by paragraph *"b"* of this subsection if at the time of injury the person is employed by an employer whose total cash payroll to one or more persons other than those exempted by paragraph *"b"* of this subsection amounted to two thousand five hundred dollars or more during the preceding calendar year.

*b.* The following persons or employees or groups of employees are specifically included within the exemption from coverage of this chapter provided by this subsection:

(1) The spouse of the employer, parents, brothers, sisters, children, and stepchildren of either the employer or the spouse of the employer, and the spouses of the brothers, sisters, children, and stepchildren of either the employer or the spouse of the employer.

(2) The spouse of a partner of a partnership, the parents, brothers, sisters, children, and

stepchildren of either a partner or the spouse of a partner, and the spouses of the brothers, sisters, children, and stepchildren of either a partner or the spouse of a partner, who are employed by the partnership and actually engaged in agricultural pursuits or operations immediately connected with the agricultural pursuits either on or off the premises of the partnership. For the purpose of this section, *"partnership"* includes partnerships, limited partnerships, and joint ventures.

(3) Officers of a family farm corporation or members of a limited liability company, spouses of the officers or members, the parents, brothers, sisters, children, and stepchildren of either the officers or members, or the spouses of the officers or members, and the spouses of the brothers, sisters, children, and stepchildren of either the officers or members, or the spouses of the officers or members who are employed by the corporation or limited liability company, the primary purpose of which, although not necessarily the stated purpose, is farming or ownership of agricultural land, and who are actually engaged in agricultural pursuits or operations immediately connected with the agricultural pursuits either on or off the premises of the corporation or limited liability company.

(4) A person engaged in agriculture as an owner of agricultural land, as a farm operator, or as a person engaged in agriculture who is exempt from coverage under this chapter by subsection 3, paragraph *"b"*, subparagraph (1), (2), or (3), while exchanging labor with another owner of agricultural land, farm operator, or person engaged in agriculture who is exempt from coverage under this chapter by subsection 3, paragraph *"b"*, subparagraph (1), (2), or (3), for the mutual benefit of all such persons.

4. Persons entitled to benefits pursuant to chapters 410 and 411.

5. The president, vice president, secretary, and treasurer of a corporation other than a family farm corporation, not to exceed four officers per corporation, if such an officer knowingly and voluntarily rejects workers' compensation coverage pursuant to section 87.22.

6. Employers may with respect to an employee or a classification of employees exempt from coverage provided by this chapter pursuant to subsection 1, 2, or 3, other than the employee or classification of employees with respect to whom a rule of liability or a method of compensation is established by the Congress of the United States, assume a liability for compensation imposed upon employers by this chapter, for the benefit of employees within the coverage of this chapter, by the purchase of valid workers' compensation insurance that does not specifically exclude the employee or classification of employees. The purchase of and acceptance by an employer of valid workers' compensation insurance applicable to the employee or classification of employees constitutes an assumption by the employer of liability without any further act on the part of the employer, but only with respect to the employee or classification of employees as are within the coverage of the workers' compensation insurance contract and only for the time period in which the insurance contract is in force. Upon an election of such coverage, the employee or classification of employees shall accept compensation in the manner provided by this chapter and the employer shall be relieved from any other liability for recovery of damage, or other compensation for injury.

[S13, §2477-m; C24, 27, 31, 35, 39, §**1361;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.1; 82 Acts, ch 1161, §1, 2, ch 1221, §1]

83 Acts, ch 36, §1, 2, 8; 84 Acts, ch 1067, §14; 96 Acts, ch 1059, §1; 97 Acts, ch 43, §1, 2; 2007 Acts, ch 128, §1

Referred to in §85.2, 85.61, 85.62, 87.21

**85.1A Proprietors, limited liability company members, limited liability partners, and partners.**

A proprietor, limited liability company member, limited liability partner, or partner who is actively engaged in the proprietor's, limited liability company member's, limited liability partner's, or partner's business on a substantially full-time basis may elect to be covered by the workers' compensation law of this state by purchasing valid workers' compensation insurance specifically including the proprietor, limited liability company member, limited liability partner, or partner. The election constitutes an assumption by the employer of

workers' compensation liability for the proprietor, limited liability company member, limited liability partner, or partner for the time period in which the insurance contract is in force. The proprietor, limited liability company member, limited liability partner, or partner shall accept compensation in the manner provided by the workers' compensation law and the employer is relieved from any other liability for recovery of damages, or other compensation for injury.

86 Acts, ch 1074, §1; 96 Acts, ch 1059, §2; 2001 Acts, ch 87, §1
Referred to in §85.61

**85.2 Compulsory when.**

Where the state, county, municipal corporation, school corporation, area education agency, or city under any form of government is the employer, the provisions of this chapter for the payment of compensation and amount thereof for an injury sustained by an employee of such employer shall be exclusive, compulsory, and obligatory upon both employer and employee, except as otherwise provided in section 85.1. For the purposes of this chapter, elected and appointed officials shall be employees.

[S13, §2477-m; C24, 27, 31, 35, 39, §**1362;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.2]

**85.3 Acceptance presumed — notice to nonresident employers.**

1. Every employer, not specifically excepted by the provisions of this chapter, shall provide, secure, and pay compensation according to the provisions of this chapter for any and all personal injuries sustained by an employee arising out of and in the course of the employment, and in such cases, the employer shall be relieved from other liability for recovery of damages or other compensation for such personal injury.

2. Any employer who is a nonresident of this state, for whom services are performed within this state by any employee, is deemed to be doing business in this state by virtue of having such services performed and the employer and employee shall be subject to the jurisdiction of the workers' compensation commissioner and to all of the provisions of this chapter, chapters 85A, 85B, 86, and 87, as to any and all personal injuries sustained by the employee arising out of and in the course of such employment within this state. In addition, every corporation, individual, personal representative, partnership, or association that has the necessary minimum contact with this state shall be subject to the jurisdiction of the workers' compensation commissioner, and the workers' compensation commissioner shall hold such corporation, individual, personal representative, partnership, or association amenable to suit in this state in every case not contrary to the provisions of the Constitution of the United States.

3. *a.* Service of process or original notice upon a nonresident employer may be performed as provided in section 617.3 or as provided in the Iowa rules of civil procedure. In addition, service may be made on any corporation, individual, personal representative, partnership, or association that has the necessary minimum contact with this state as provided in rule of civil procedure 1.305 within or without this state or, if such service cannot be made, in any manner consistent with due process of law prescribed by the workers' compensation commissioner.

*b.* In addition to those persons authorized to receive personal service as in civil actions as permitted by chapter 17A and this chapter, such employer shall be deemed to have appointed the secretary of state of this state as its lawful attorney upon whom may be served or delivered any and all notices authorized or required by the provisions of this chapter, chapters 85A, 85B, 86, 87, and 17A, and to agree that any and all such services or deliveries of notice on the secretary of state shall be of the same legal force and validity as if personally served upon or delivered to such nonresident employer in this state.

*c.* This section does not limit or affect the right to serve an original notice upon any corporation, individual, personal representative, partnership, or association within or without this state in any manner otherwise permitted by statute or rule.

4. For purposes of this section, a nonresident employer is any employer that is not a resident of Iowa as defined in section 617.3.

[S13, §2477-m; C24, 27, 31, 35, 39, §**1363;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.3]

98 Acts, ch 1061, §11; 2000 Acts, ch 1007, §1; 2000 Acts, ch 1232, §46; 2008 Acts, ch 1032, §201

**85.4 through 85.15** Repealed by 70 Acts, ch 1051, § 3.

**85.16 Willful injury — intoxication.**

No compensation under this chapter shall be allowed for an injury caused:

1. By the employee's willful intent to injure the employee's self or to willfully injure another.

2. By the employee's intoxication, which did not arise out of and in the course of employment but which was due to the effects of alcohol or another narcotic, depressant, stimulant, hallucinogenic, or hypnotic drug not prescribed by an authorized medical practitioner, if the intoxication was a substantial factor in causing the injury.

3. By the willful act of a third party directed against the employee for reasons personal to such employee.

[S13, §2477-m, -m1; C24, 27, 31, 35, 39, §**1376;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.16]

83 Acts, ch 105, §1

**85.17** Repealed by 70 Acts, ch 1051, § 5.

**85.18 Contract to relieve not operative.**

No contract, rule, or device whatsoever shall operate to relieve the employer, in whole or in part, from any liability created by this chapter except as herein provided.

[S13, §2477-m7; C24, 27, 31, 35, 39, §**1378;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.18]

**85.19** Repealed by 70 Acts, ch 1051, § 5.

**85.20 Rights of employee exclusive.**

The rights and remedies provided in this chapter, chapter 85A or chapter 85B for an employee, or a student participating in a school-to-work program as provided in section 85.61, on account of injury, occupational disease or occupational hearing loss for which benefits under this chapter, chapter 85A or chapter 85B are recoverable, shall be the exclusive and only rights and remedies of the employee or student, the employee's or student's personal or legal representatives, dependents, or next of kin, at common law or otherwise, on account of such injury, occupational disease, or occupational hearing loss against any of the following:

1. Against the employee's employer.

2. Against any other employee of such employer, provided that such injury, occupational disease, or occupational hearing loss arises out of and in the course of such employment and is not caused by the other employee's gross negligence amounting to such lack of care as to amount to wanton neglect for the safety of another.

3. For a student participating in a school-to-work program, against the student's school district of residence, receiving school district if the student is participating in open enrollment under section 282.18, accredited nonpublic school, community college, and directors, officers, authorities, and employees of the applicable school corporation.

[S13, §2477-m2; C24, 27, 31, 35, 39, §**1380;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.20]

97 Acts, ch 37, §1

Referred to in §85.22, 258.10, 670.12

**85.21 Payments concerning liability disputes.**

1. The workers' compensation commissioner may order any number or combination of alleged workers' compensation insurance carriers and alleged employers, which are parties to a contested case or to a dispute which could culminate in a contested case, to pay all or part of the benefits due to an employee or an employee's dependent or legal representative if any of the carriers or employers agree, or the commissioner determines after an evidentiary hearing, that one or more of the carriers or employers is liable to the employee or to the employee's dependent or legal representative for benefits under this chapter or under chapter 85A or 85B, but the carriers or employers cannot agree, or the commissioner has not determined which carriers or employers are liable.

2. Unless waived by the carriers or employers ordered to pay benefits, the workers' compensation commissioner shall order an employer, which is not ordered to pay benefits and which does not have in force a policy of workers' compensation insurance issued by any carrier which is a party to the case or dispute and covering the claim made by the employee or the employee's dependent or legal representative, to post a bond or to deposit cash with the commissioner equal to the benefits paid or to be paid by the carriers or employers ordered to pay benefits. If any employer is ordered by the commissioner to post bond or to deposit cash, the employers or carriers ordered to pay benefits are not obligated to pay benefits until the bond is posted or the cash is deposited. The commissioner may order the bond or cash deposit to be increased.

3. When liability is finally determined by the workers' compensation commissioner, the commissioner shall order the carriers or employers liable to the employee or to the employee's dependent or legal representative to reimburse the carriers or employers which are not liable but were required to pay benefits. Benefits paid or reimbursed pursuant to an order authorized by this section do not require the filing of a memorandum of agreement. However, a contested case for benefits under this chapter or under chapter 85A or 85B shall not be maintained against a party to a case or dispute resulting in an order authorized by this section unless the contested case is commenced within three years from the date of the last benefit payment under the order. The commissioner may determine liability for the payment of workers' compensation benefits under this section.

[C77, 79, 81, §86.20; 82 Acts, ch 1161, §22]
98 Acts, ch 1061, §11

**85.22 Liability of others — subrogation.**

When an employee receives an injury or incurs an occupational disease or an occupational hearing loss for which compensation is payable under this chapter, chapter 85A or chapter 85B, and which injury or occupational disease or occupational hearing loss is caused under circumstances creating a legal liability against some person, other than the employee's employer or any employee of such employer as provided in section 85.20 to pay damages, the employee, or the employee's dependent, or the trustee of such dependent, may take proceedings against the employer for compensation, and the employee or, in case of death, the employee's legal representative may also maintain an action against such third party for damages. When an injured employee or the employee's legal representative brings an action against such third party, a copy of the original notice shall be served upon the employer by the plaintiff, not less than ten days before the trial of the case, but a failure to give such notice shall not prejudice the rights of the employer, and the following rights and duties shall ensue:

1. If compensation is paid the employee or dependent or the trustee of such dependent under this chapter, the employer by whom the same was paid, or the employer's insurer which paid it, shall be indemnified out of the recovery of damages to the extent of the payment so made, with legal interest, except for such attorney fees as may be allowed, by the district court, to the injured employee's attorney or the attorney of the employee's personal representative, and shall have a lien on the claim for such recovery and the judgment thereon for the compensation for which the employer or insurer is liable. In order to continue and preserve the lien, the employer or insurer shall, within thirty days after receiving notice of

such suit from the employee, file, in the office of the clerk of the court where the action is brought, notice of the lien.

2. In case the employee fails to bring such action within ninety days, or where a city or a city under special charter is such third party, within thirty days after written notice so to do given by the employer or the employer's insurer, as the case may be, then the employer or the insurer shall be subrogated to the rights of the employee to maintain the action against such third party, and may recover damages for the injury to the same extent that the employee might. In case of recovery, the court shall enter judgment for distribution of the proceeds thereof as follows:

*a.* A sum sufficient to repay the employer for the amount of compensation actually paid by the employer to that time.

*b.* A sum sufficient to pay the employer the present worth, computed at the interest rate provided in section 535.3 for court judgments and decrees, of the future payments of compensation for which the employer is liable, but the sum is not a final adjudication of the future payments which the employee is entitled to receive and if the sum received by the employer is in excess of the amount required to pay the compensation, the excess shall be paid to the employee.

*c.* The balance, if any, shall be paid over to the employee.

3. Before a settlement shall become effective between an employee or an employer and such third party who is liable for the injury, it must be with the written consent of the employee, in case the settlement is between the employer or insurer and such third person; and the consent of the employer or insurer, in case the settlement is between the employee and such third party; or on refusal of consent, in either case, then upon the written approval of the workers' compensation commissioner.

4. A written memorandum of any settlement, if made, shall be filed by the employer or insurance carrier in the office of the workers' compensation commissioner.

5. For subrogation purposes hereunder, any payment made unto an injured employee, the employee's guardian, parent, next friend, or legal representative, by or on behalf of any third party, or the third party's principal or agent liable for, connected with, or involved in causing an injury to such employee shall be considered as having been so paid as damages resulting from and because said injury was caused under circumstances creating a legal liability against said third party, whether such payment be made under a covenant not to sue, compromise settlement, denial of liability or otherwise.

6. When the state of Iowa has paid any compensation or benefits under the provisions of this chapter, the word *"employer"* as used in this section shall mean and include the state of Iowa.

[S13, §2477-m6; C24, 27, 31, 35, 39, §**1382;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.22]

83 Acts, ch 105, §2; 98 Acts, ch 1061, §11

Referred to in §85.68

**85.23 Notice of injury — failure to give.**

Unless the employer or the employer's representative shall have actual knowledge of the occurrence of an injury received within ninety days from the date of the occurrence of the injury, or unless the employee or someone on the employee's behalf or a dependent or someone on the dependent's behalf shall give notice thereof to the employer within ninety days from the date of the occurrence of the injury, no compensation shall be allowed.

[S13, §2477-m8; C24, 27, 31, 35, 39, §**1383;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.23]

Referred to in §85.59, 86.11

**85.24 Form of notice.**

1. No particular form of notice shall be required, but may be substantially as follows:

To .....

You are hereby notified that on or about the ..... day of ..... (month), ..... (year), personal injury was sustained by ....., while in your employ at ..... (Give name and place employed and point where located when injury occurred.) and that compensation will be claimed therefor.

Signed .....

2. No variation from this form of notice shall be material if the notice is sufficient to advise the employer that a certain employee, by name, received an injury in the course of employment on or about a specified time, at or near a certain place.

[S13, §2477-m8; C24, 27, 31, 35, 39, §**1384;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.24]

2000 Acts, ch 1058, §56

**85.25 Service of notice.**

The notice may be served on anyone upon whom an original notice may be served in civil cases. Service may be made by any person, who shall make return verified by affidavit upon a copy of the notice, showing the date and place of service and upon whom served; but no special form of the return of service of the notice shall be required. It shall be sufficient if the facts therefrom can be reasonably ascertained. The return of service may be amended at any time.

[S13, §2477-m8; C24, 27, 31, 35, 39, §**1385;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.25]

Service of notice, R.C.P. 1.305, 1.306

**85.26 Limitation of actions — who may maintain action.**

1. An original proceeding for benefits under this chapter or chapter 85A, 85B, or 86, shall not be maintained in any contested case unless the proceeding is commenced within two years from the date of the occurrence of the injury for which benefits are claimed or, if weekly compensation benefits are paid under section 86.13, within three years from the date of the last payment of weekly compensation benefits.

2. An award for payments or an agreement for settlement provided by section 86.13 for benefits under this chapter or chapter 85A or 85B, where the amount has not been commuted, may be reviewed upon commencement of reopening proceedings by the employer or the employee within three years from the date of the last payment of weekly benefits made under the award or agreement. If an award for payments or agreement for settlement as provided by section 86.13 for benefits under this chapter or chapter 85A or 85B has been made and the amount has not been commuted, or if a denial of liability is not filed with the workers' compensation commissioner and notice of the denial is not mailed to the employee, in the form and manner required by the commissioner, within six months of the commencement of weekly compensation benefits, the commissioner may at any time upon proper application make a determination and appropriate order concerning the entitlement of an employee to benefits provided for in section 85.27. The failure to file a denial of liability does not constitute an admission of liability under this chapter or chapter 85A, 85B, or 86.

3. Notwithstanding chapter 17A, the filing with the workers' compensation commissioner of the original notice or petition for an original proceeding or an original notice or petition to reopen an award or agreement of settlement provided by section 86.13, for benefits under this chapter or chapter 85A or 85B is the only act constituting "commencement" for purposes of this section.

4. No claim or proceedings for benefits shall be maintained by any person other than the injured employee, or the employee's dependent or legal representative if entitled to benefits.

[S13, §2477-m34; C24, 27, 31, 35, 39, §**1386, 1457;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §85.26, 86.34; C79, 81, §85.26; 82 Acts, ch 1161, §3]

83 Acts, ch 105, §3; 84 Acts, ch 1067, §15; 98 Acts, ch 1061, §3, 11

Referred to in §85.27, 85.35, 85.59, 85.72, 86.13

**85.27 Services — release of information — charges — payment — debt collection prohibited.**

1. The employer, for all injuries compensable under this chapter or chapter 85A, shall furnish reasonable surgical, medical, dental, osteopathic, chiropractic, podiatric, physical rehabilitation, nursing, ambulance and hospital services and supplies therefor and shall allow reasonably necessary transportation expenses incurred for such services. The employer shall also furnish reasonable and necessary crutches, artificial members and appliances but shall not be required to furnish more than one set of permanent prosthetic devices.

2. Any employee, employer or insurance carrier making or defending a claim for benefits agrees to the release of all information to which the employee, employer, or carrier has access concerning the employee's physical or mental condition relative to the claim and further waives any privilege for the release of the information. The information shall be made available to any party or the party's representative upon request. Any institution or person releasing the information to a party or the party's representative shall not be liable criminally or for civil damages by reason of the release of the information. If release of information is refused the party requesting the information may apply to the workers' compensation commissioner for relief. The information requested shall be submitted to the workers' compensation commissioner who shall determine the relevance and materiality of the information to the claim and enter an order accordingly.

3. Notwithstanding section 85.26, subsection 4, charges believed to be excessive or unnecessary may be referred by the employer, insurance carrier, or health service provider to the workers' compensation commissioner for determination, and the commissioner may utilize the procedures provided in sections 86.38 and 86.39, or set by rule, and conduct such inquiry as the commissioner deems necessary. Any health service provider charges not in dispute shall be paid directly to the health service provider prior to utilization of procedures provided in sections 86.38 and 86.39 or set by rule. A health service provider rendering treatment to an employee whose injury is compensable under this section agrees to be bound by such charges as allowed by the workers' compensation commissioner and shall not recover in law or equity any amount in excess of charges set by the commissioner. When a dispute under this chapter, chapter 85A, or chapter 85B regarding reasonableness of a fee for medical services arises between a health service provider and an employer or insurance carrier, the health service provider, employer, or insurance carrier shall not seek payment from the injured employee. A health service provider shall not seek payment for fees in dispute from the insurance carrier or employer until the commissioner finds, pursuant to informal dispute resolution procedures established by rule by the commissioner, that the disputed amount is reasonable. This section does not affect the responsibility of an insurance carrier or an employer to pay amounts not in dispute or a health service provider's right to receive payment from an employee's nonoccupational plan as provided in section 85.38, subsection 2.

4. For purposes of this section, the employer is obliged to furnish reasonable services and supplies to treat an injured employee, and has the right to choose the care. If the employer chooses the care, the employer shall hold the employee harmless for the cost of care until the employer notifies the employee that the employer is no longer authorizing all or any part of the care and the reason for the change in authorization. An employer is not liable for the cost of care that the employer arranges in response to a sudden emergency if the employee's condition, for which care was arranged, is not related to the employment. The treatment must be offered promptly and be reasonably suited to treat the injury without undue inconvenience to the employee. If the employee has reason to be dissatisfied with the care offered, the employee should communicate the basis of such dissatisfaction to the employer, in writing if requested, following which the employer and the employee may agree to alternate care reasonably suited to treat the injury. If the employer and employee cannot agree on such alternate care, the commissioner may, upon application and reasonable proofs of the necessity therefor, allow and order other care. In an emergency, the employee may choose the employee's care at the employer's expense, provided the employer or the employer's agent cannot be reached immediately. An application made under this subsection shall be considered an original proceeding for purposes of commencement and

contested case proceedings under section 85.26. The hearing shall be conducted pursuant to chapter 17A. Before a hearing is scheduled, the parties may choose a telephone hearing or an in-person hearing. A request for an in-person hearing shall be approved unless the in-person hearing would be impractical because of the distance between the parties to the hearing. The workers' compensation commissioner shall issue a decision within ten working days of receipt of an application for alternate care made pursuant to a telephone hearing or within fourteen working days of receipt of an application for alternate care made pursuant to an in-person hearing. The employer shall notify an injured employee of the employee's ability to contest the employer's choice of care pursuant to this subsection.

5. When an artificial member or orthopedic appliance, whether or not previously furnished by the employer, is damaged or made unusable by circumstances arising out of and in the course of employment other than through ordinary wear and tear, the employer shall repair or replace it. When any crutch, artificial member or appliance, whether or not previously furnished by the employer, either is damaged or made unusable in conjunction with a personal injury entitling the employee to disability benefits, or services as provided by this section or is damaged in connection with employee actions taken which avoid such personal injury, the employer shall repair or replace it.

6. While a contested case proceeding for determination of liability for workers' compensation benefits is pending before the workers' compensation commissioner relating to an injury alleged to have given rise to treatment, no debt collection, as defined by section 537.7102, shall be undertaken against an employee or the employee's dependents for the collection of charges for that treatment rendered an employee by any health service provider. If debt collection is undertaken after a creditor receives actual notice that a contested case proceeding for determination of liability for workers' compensation benefits is pending, such debt collection shall constitute a prohibited practice under section 537.7103, and the employee or the employee's dependents are entitled to the remedies provided in section 537.5201. However, the health service provider may send one itemized written bill to the employee setting forth the amount of the charges in connection with the treatment after notification of the contested case proceeding.

7. If, after the third day of incapacity to work following the date of sustaining a compensable injury which does not result in permanent partial disability, or if, at any time after sustaining a compensable injury which results in permanent partial disability, an employee, who is not receiving weekly benefits under section 85.33 or section 85.34, subsection 1, returns to work and is required to leave work for one full day or less to receive services pursuant to this section, the employee shall be paid an amount equivalent to the wages lost at the employee's regular rate of pay for the time the employee is required to leave work. For the purposes of this subsection, *"day of incapacity to work"* means eight hours of accumulated absence from work due to incapacity to work or due to the receipt of services pursuant to this section. The employer shall make the payments under this subsection as wages to the employee after making such deductions from the amount as legally required or customarily made by the employer from wages. Payments made under this subsection shall be required to be reimbursed pursuant to any insurance policy covering workers' compensation. Payments under this subsection shall not be construed to be payment of weekly benefits.

[S13, §2477-m9; C24, 27, 31, 35, 39, §**1387;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.27; 82 Acts, ch 1161, §4]

92 Acts, ch 1120, §1; 92 Acts, ch 1181, §1; 94 Acts, ch 1065, §1, 2; 98 Acts, ch 1061, §11; 2001 Acts, ch 87, §2; 2004 Acts, 1st Ex, ch 1001, §9, 18; 2005 Acts, ch 168, §9, 23; 2007 Acts, ch 22, §20; 2007 Acts, ch 128, §2

Referred to in §85.26, 85.29, 85.31, 85.34, 85.35, 85.37, 85.38, 85.59, 537.7103

**85.28 Burial expense.**

When death ensues from the injury, the employer shall pay the reasonable expenses of burial of such employee, not to exceed twelve times the statewide average weekly wage paid employees as determined by the department of workforce development under section

96.19, subsection 36, and in effect at the time of death, which shall be in addition to other compensation or any other benefit provided for in this chapter.

[S13, §2477-m9; C24, 27, 31, 35, 39, §**1388;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.28]

92 Acts, ch 1031, §1; 2003 Acts, ch 140, §1; 2008 Acts, ch 1022, §1

Referred to in §85.29, 85.31, 85.34, 85.37

**85.29 Liability in case of no dependents.**

When the injury causes death of an employee who leaves no dependents, then the employer shall pay the reasonable expense of the employee's sickness, if any, and the expense of burial, as provided in sections 85.27 and 85.28, and this shall be the only compensation; provided that if, from the date of the injury until the date of the death, any weekly compensation shall have become due and unpaid up to the time of the death, the same shall be payable to the estate of the deceased employee.

[S13, §2477-m9; C24, 27, 31, 35, 39, §**1389;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.29]

**85.30 Maturity date and interest.**

Compensation payments shall be made each week beginning on the eleventh day after the injury, and each week thereafter during the period for which compensation is payable, and if not paid when due, there shall be added to the weekly compensation payments, interest at the rate provided in section 535.3 for court judgments and decrees.

[C24, 27, 31, 35, 39, §**1391;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.30; 82 Acts, ch 1161, §5]

Referred to in §86.13A, 535.3

**85.31 Death cases — dependents.**

1. *a.* When death results from the injury, the employer shall pay the dependents who were wholly dependent on the earnings of the employee for support at the time of the injury, during their lifetime, compensation upon the basis of eighty percent per week of the employee's average weekly spendable earnings, commencing from the date of death as follows:

(1) To the surviving spouse for life or until remarriage, provided that upon remarriage two years' benefits shall be paid to the surviving spouse in a lump sum, if there are no children entitled to benefits.

(2) To any child of the deceased until the child shall reach the age of eighteen, provided that a child beyond eighteen years of age shall receive benefits to the age of twenty-five if actually dependent, and the fact that a child is under twenty-five years of age and is enrolled as a full-time student in any accredited educational institution shall be a prima facie showing of actual dependency.

(3) To any child who was physically or mentally incapacitated from earning at the time of the injury causing death for the duration of the incapacity from earning.

(4) To all other dependents as defined in section 85.44 for the duration of the incapacity from earning.

*b.* The weekly benefit amount shall not exceed a weekly benefit amount, rounded to the nearest dollar, equal to two hundred percent of the statewide average weekly wage paid employees as determined by the department of workforce development under section 96.19, subsection 36, and in effect at the time of the injury. The minimum weekly benefit amount shall be equal to the weekly benefit amount of a person whose gross weekly earnings are thirty-five percent of the statewide average weekly wage. Such compensation shall be in addition to the benefits provided by sections 85.27 and 85.28.

2. When the injury causes the death of a minor employee whose earnings were received by the parent and such parent was wholly dependent upon the earnings of the minor employee for support at the time of the injury, the compensation to be paid such parent shall be the weekly compensation for an adult with like earnings. For the purposes of this section a stepparent shall be regarded as a parent only when the stepparent has actually received the stepparent's principal support from the stepchild who died as a result of compensable injuries.

3. If the employee leaves dependents only partially dependent upon the employee's

earnings for support at the time of the injury, the weekly compensation to be paid as aforesaid, shall be equal to the same proportion of the weekly payments for the benefit of persons wholly dependent as the amount contributed by the employee to such partial dependents bears to the annual earnings of the deceased at the time of the injury.

4. Where an employee is entitled to compensation under this chapter for an injury received, and death ensues from any cause not resulting from the injury for which the employee was entitled to the compensation, payments of the unpaid balance for such injury shall cease and all liability therefor shall terminate.

5. Except as otherwise provided by treaty, whenever, under the provisions of this and chapters 86 and 87, compensation is payable to a dependent who is an alien not residing in the United States at the time of the injury, the employer shall pay fifty percent of the compensation herein otherwise provided to such dependent, and the other fifty percent shall be paid into the second injury fund in the custody of the treasurer of state. But if the nonresident alien dependent is a citizen of a government having a compensation law which excludes citizens of the United States, either resident or nonresident, from partaking of the benefits of such law in as favorable degree as herein extended to the nonresident alien, then said compensation which would otherwise be payable to such dependent shall be paid into the second injury fund in the custody of the treasurer of state.

[S13, §2477-m9, -m10; C24, 27, 31, 35, 39, §**1392;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.31; 82 Acts, ch 1161, §6]

87 Acts, ch 111, §1; 94 Acts, ch 1065, §3; 96 Acts, ch 1186, §23; 2008 Acts, ch 1032, §169

Referred to in §85.43, 85.45

**85.32 When compensation begins.**

Except as to injuries resulting in permanent partial disability, compensation shall begin on the fourth day of disability after the injury.

If the period of incapacity extends beyond the fourteenth day following the date of injury, then the compensation due during the third week shall be increased by adding thereto an amount equal to three days of compensation.

[S13, §2477-m9; C24, 27, 31, 35, 39, §**1393;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.32]

Referred to in §85.33

**85.33 Temporary total and temporary partial disability.**

1. Except as provided in subsection 2 of this section, the employer shall pay to an employee for injury producing temporary total disability weekly compensation benefits, as provided in section 85.32, until the employee has returned to work or is medically capable of returning to employment substantially similar to the employment in which the employee was engaged at the time of injury, whichever occurs first.

2. *"Temporary partial disability"* or *"temporarily, partially disabled"* means the condition of an employee for whom it is medically indicated that the employee is not capable of returning to employment substantially similar to the employment in which the employee was engaged at the time of injury, but is able to perform other work consistent with the employee's disability. *"Temporary partial benefits"* means benefits payable, in lieu of temporary total disability and healing period benefits, to an employee because of the employee's temporary partial reduction in earning ability as a result of the employee's temporary partial disability. Temporary partial benefits shall not be considered benefits payable to an employee, upon termination of temporary partial or temporary total disability, the healing period, or permanent partial disability, because the employee is not able to secure work paying weekly earnings equal to the employee's weekly earnings at the time of injury.

3. If an employee is temporarily, partially disabled and the employer for whom the employee was working at the time of injury offers to the employee suitable work consistent with the employee's disability the employee shall accept the suitable work, and be compensated with temporary partial benefits. If the employee refuses to accept the suitable work with the same employer, the employee shall not be compensated with temporary partial, temporary total, or healing period benefits during the period of the refusal. If suitable

work is not offered by the employer for whom the employee was working at the time of the injury and the employee who is temporarily partially disabled elects to perform work with a different employer, the employee shall be compensated with temporary partial benefits.

4. If an employee is entitled to temporary partial benefits under subsection 3 of this section, the employer for whom the employee was working at the time of injury shall pay to the employee weekly compensation benefits, as provided in section 85.32, for and during the period of temporary partial disability. The temporary partial benefit shall be sixty-six and two-thirds percent of the difference between the employee's weekly earnings at the time of injury, computed in compliance with section 85.36, and the employee's actual gross weekly income from employment during the period of temporary partial disability. If at the time of injury an employee is paid on the basis of the output of the employee, with a minimum guarantee pursuant to a written employment agreement, the minimum guarantee shall be used as the employee's weekly earnings at the time of injury. However, the weekly compensation benefits shall not exceed the payments to which the employee would be entitled under section 85.36 or section 85.37, or under subsection 1 of this section.

5. If an employee sustains an injury arising out of and in the course of employment while receiving temporary partial disability benefits, the rate of weekly compensation benefits shall be based on the employee's weekly earnings at the time of the injury producing temporary partial disability.

6. For purposes of this section and section 85.34, subsection 1, *"employment substantially similar to the employment in which the employee was engaged at the time of injury"* includes, for purposes of an individual who was injured in the course of performing as a professional athlete, any employment the individual has previously performed.

[S13, §2477-m9; C24, 27, 31, 35, 39, §**1394;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.33; 82 Acts, ch 1161, §7]

94 Acts, ch 1065, §4; 97 Acts, ch 48, §1

Referred to in §85.27, 85.34, 85.62, 96.7(2a), 96.23, 279.40

**85.34 Permanent disabilities.**

Compensation for permanent disabilities and during a healing period for permanent partial disabilities shall be payable to an employee as provided in this section. In the event weekly compensation under section 85.33 had been paid to any person for the same injury producing a permanent partial disability, any such amounts so paid shall be deducted from the amount of compensation payable for the healing period.

1. *Healing period.* If an employee has suffered a personal injury causing permanent partial disability for which compensation is payable as provided in subsection 2 of this section, the employer shall pay to the employee compensation for a healing period, as provided in section 85.37, beginning on the first day of disability after the injury, and until the employee has returned to work or it is medically indicated that significant improvement from the injury is not anticipated or until the employee is medically capable of returning to employment substantially similar to the employment in which the employee was engaged at the time of injury, whichever occurs first.

2. *Permanent partial disabilities.* Compensation for permanent partial disability shall begin at the termination of the healing period provided in subsection 1. The compensation shall be in addition to the benefits provided by sections 85.27 and 85.28. The compensation shall be based upon the extent of the disability and upon the basis of eighty percent per week of the employee's average spendable weekly earnings, but not more than a weekly benefit amount, rounded to the nearest dollar, equal to one hundred eighty-four percent of the statewide average weekly wage paid employees as determined by the department of workforce development under section 96.19, subsection 36, and in effect at the time of the injury. The minimum weekly benefit amount shall be equal to the weekly benefit amount of a person whose gross weekly earnings are thirty-five percent of the statewide average weekly wage. For all cases of permanent partial disability compensation shall be paid as follows:

*a.* For the loss of a thumb, weekly compensation during sixty weeks.

*b.* For the loss of a first finger, commonly called the index finger, weekly compensation during thirty-five weeks.

*c.* For the loss of a second finger, weekly compensation during thirty weeks.

*d.* For the loss of a third finger, weekly compensation during twenty-five weeks.

*e.* For the loss of a fourth finger, commonly called the little finger, weekly compensation during twenty weeks.

*f.* The loss of the first or distal phalange of the thumb or of any finger shall equal the loss of one-half of such thumb or finger and the weekly compensation shall be paid during one-half of the time but not to exceed one-half of the total amount for the loss of such thumb or finger.

*g.* The loss of more than one phalange shall equal the loss of the entire finger or thumb.

*h.* For the loss of a great toe, weekly compensation during forty weeks.

*i.* For the loss of one of the toes other than the great toe, weekly compensation during fifteen weeks.

*j.* The loss of the first phalange of any toe shall equal the loss of one-half of such toe and the weekly compensation shall be paid during one-half of the time but not to exceed one-half of the total amount provided for the loss of such toe.

*k.* The loss of more than one phalange shall equal the loss of the entire toe.

*l.* For the loss of a hand, weekly compensation during one hundred ninety weeks.

*m.* The loss of two-thirds of that part of an arm between the shoulder joint and the elbow joint shall equal the loss of an arm and the compensation therefor shall be weekly compensation during two hundred fifty weeks.

*n.* For the loss of a foot, weekly compensation during one hundred fifty weeks.

*o.* The loss of two-thirds of that part of a leg between the hip joint and the knee joint shall equal the loss of a leg, and the compensation therefor shall be weekly compensation during two hundred twenty weeks.

*p.* For the loss of an eye, weekly compensation during one hundred forty weeks.

*q.* For the loss of an eye, the other eye having been lost prior to the injury, weekly compensation during two hundred weeks.

*r.* (1) For the loss of hearing, other than occupational hearing loss as defined in section 85B.4, weekly compensation during fifty weeks, and for the loss of hearing in both ears, weekly compensation during one hundred seventy-five weeks.

(2) For occupational hearing loss, weekly compensation as provided in chapter 85B.

*s.* The loss of both arms, or both hands, or both feet, or both legs, or both eyes, or any two thereof, caused by a single accident, shall equal five hundred weeks and shall be compensated as such; however, if said employee is permanently and totally disabled the employee may be entitled to benefits under subsection 3.

*t.* For permanent disfigurement of the face or head which shall impair the future usefulness and earnings of the employee in the employee's occupation at the time of receiving the injury, weekly compensation, for such period as may be determined by the workers' compensation commissioner according to the severity of the disfigurement, but not to exceed one hundred fifty weeks.

*u.* In all cases of permanent partial disability other than those hereinabove described or referred to in paragraphs "*a*" through "*t*" hereof, the compensation shall be paid during the number of weeks in relation to five hundred weeks as the reduction in the employee's earning capacity caused by the disability bears in relation to the earning capacity that the employee possessed when the injury occurred.

*v.* If it is determined that an injury has produced a disability less than that specifically described in the schedule described in paragraphs "*a*" through "*t*", compensation shall be paid during the lesser number of weeks of disability determined, as will not exceed a total amount equal to the same percentage proportion of said scheduled maximum compensation.

3. *Permanent total disability.*

*a.* Compensation for an injury causing permanent total disability shall be upon the basis of eighty percent per week of the employee's average spendable weekly earnings, but not more than a weekly benefit amount, rounded to the nearest dollar, equal to two hundred percent of the statewide average weekly wage paid employees as determined by the department of workforce development under section 96.19, subsection 36, and in effect at the time of the injury. The minimum weekly benefit amount is equal to the weekly benefit amount of a person

whose gross weekly earnings are thirty-five percent of the statewide average weekly wage. The weekly compensation is payable during the period of the employee's disability.

*b.* Such compensation shall be in addition to the benefits provided in sections 85.27 and 85.28. No compensation shall be payable under this subsection for any injury for which compensation is payable under subsection 2 of this section. In the event compensation has been paid to any person under any provision of this chapter, chapter 85A or chapter 85B for the same injury producing a total permanent disability, any such amounts so paid shall be deducted from the total amount of compensation payable for such permanent total disability.

4. *Credits for excess payments.* If an employee is paid weekly compensation benefits for temporary total disability under section 85.33, subsection 1, for a healing period under section 85.34, subsection 1, or for temporary partial disability under section 85.33, subsection 2, in excess of that required by this chapter and chapters 85A, 85B, and 86, the excess shall be credited against the liability of the employer for permanent partial disability under section 85.34, subsection 2, provided that the employer or the employer's representative has acted in good faith in determining and notifying an employee when the temporary total disability, healing period, or temporary partial disability benefits are terminated.

5. *Recovery of employee overpayment.* If an employee is paid any weekly benefits in excess of that required by this chapter and chapters 85A, 85B, and 86, the excess paid by the employer shall be credited against the liability of the employer for any future weekly benefits due pursuant to subsection 2, for a subsequent injury to the same employee. An overpayment can be established only when the overpayment is recognized in a settlement agreement approved under section 86.13, pursuant to final agency action in a contested case which was commenced within three years from the date that weekly benefits were last paid for the claim for which the benefits were overpaid, or pursuant to final agency action in a contested case for a prior injury to the same employee. The credit shall remain available for eight years after the date the overpayment was established. If an overpayment is established pursuant to this subsection, the employee and employer may enter into a written settlement agreement providing for the repayment by the employee of the overpayment. The agreement is subject to the approval of the workers' compensation commissioner. The employer shall not take any adverse action against the employee for failing to agree to such a written settlement agreement.

6. *Professional athlete.* For purposes of subsection 2, paragraph "*u*", a determination of the degree of permanent disability of an individual who was injured in the course of performing as a professional athlete shall not be determined based upon employment as a professional athlete but shall be determined based upon other occupations the individual has previously performed or was reasonably suited to perform at the time of the injury.

7. *Successive disabilities.*

*a.* An employer is fully liable for compensating all of an employee's disability that arises out of and in the course of the employee's employment with the employer. An employer is not liable for compensating an employee's preexisting disability that arose out of and in the course of employment with a different employer or from causes unrelated to employment.

*b.* (1) If an injured employee has a preexisting disability that was caused by a prior injury arising out of and in the course of employment with the same employer, and the preexisting disability was compensable under the same paragraph of subsection 2 as the employee's present injury, the employer is liable for the combined disability that is caused by the injuries, measured in relation to the employee's condition immediately prior to the first injury. In this instance, the employer's liability for the combined disability shall be considered to be already partially satisfied to the extent of the percentage of disability for which the employee was previously compensated by the employer.

(2) If, however, an employer is liable to an employee for a combined disability that is payable under subsection 2, paragraph "*u*", and the employee has a preexisting disability that causes the employee's earnings to be less at the time of the present injury than if the prior injury had not occurred, the employer's liability for the combined disability shall be considered to be already partially satisfied to the extent of the percentage of disability for which the employee was previously compensated by the employer minus the percentage that

the employee's earnings are less at the time of the present injury than if the prior injury had not occurred.

*c.* A successor employer shall be considered to be the same employer if the employee became part of the successor employer's workforce through a merger, purchase, or other transaction that assumes the employee into the successor employer's workforce without substantially changing the nature of the employee's employment.

[S13, §2477-m9; C24, 27, 31, 35, 39, §**1394 – 1396;** C46, 50, 54, 58, §85.33 – 85.35; C62, 66, 71, 73, 75, 77, 79, 81, §85.34; 82 Acts, ch 1161, §8 – 11]

87 Acts, ch 111, §2, 3; 94 Acts, ch 1065, §5 – 7; 96 Acts, ch 1186, §23; 97 Acts, ch 48, §2; 98 Acts, ch 1061, §4, 11; 98 Acts, ch 1160, §1; 2004 Acts, 1st Ex, ch 1001, §10, 11, 18; 2005 Acts, ch 19, §26; 2006 Acts, ch 1010, §45; 2008 Acts, ch 1032, §170

Referred to in §85.27, 85.33, 85.59, 85.60, 85.62, 96.7(2a), 96.23, 279.40

Legislative intent regarding successive disabilities; 2004 Acts, 1st Ex, ch 1001, §20, 21

**85.35 Settlements.**

1. The parties to a contested case or persons who are involved in a dispute which could culminate in a contested case may enter into a settlement of any claim arising under this chapter or chapter 85A, 85B, or 86, providing for disposition of the claim. The settlement shall be in writing on forms prescribed by the workers' compensation commissioner and submitted to the workers' compensation commissioner for approval.

2. The parties may enter into an agreement for settlement that establishes the employer's liability, fixes the nature and extent of the employee's current right to accrued benefits, and establishes the employee's right to statutory benefits that accrue in the future.

3. The parties may enter into a compromise settlement of the employee's claim to benefits as a full and final disposition of the claim.

4. The parties may enter into a settlement that is a combination of an agreement for settlement and a compromise settlement that establishes the employer's liability for part of a claim but makes a full and final disposition of other parts of a claim.

5. A contingent settlement may be made and approved, conditioned upon subsequent approval by a court or governmental agency, or upon any other subsequent event that is expected to occur within one year from the date of the settlement. If the subsequent approval or event does not occur, the contingent settlement and its approval may be vacated by order of the workers' compensation commissioner upon a petition for vacation filed by one of the parties or upon agreement by all parties. If a contingent settlement is vacated, the running of any period of limitation provided for in section 85.26 is tolled from the date the settlement was initially approved until the date that the settlement is vacated, and the claim is restored to the status that the claim held when the contingent settlement was initially approved. The contingency on a settlement lapses and the settlement becomes final and fully enforceable if an action to vacate the contingent settlement or to extend the period of time allowed for the subsequent approval or event to occur is not initiated within one year from the date that the contingent settlement was initially approved.

6. The parties to any settlement made pursuant to this section may agree that the employee has the right to benefits pursuant to section 85.27 under such terms and conditions as agreed to by the parties in the settlement, for a specified period of time after the settlement has been approved by the workers' compensation commissioner. During that specified period of time, the commissioner shall have jurisdiction of the settlement for the purpose of adjudicating the employee's entitlement to benefits provided for in section 85.27 as agreed upon in the settlement.

7. The parties may agree that settlement proceeds, which are paid in a lump sum, are intended to compensate the injured worker at a given monthly or weekly rate over the life expectancy of the injured worker. If such an agreement is reached, neither the weekly compensation rate which either has been paid, or should have been paid, throughout the case, nor the maximum statutory weekly rate applicable to the injury shall apply. Instead, the rate set forth in the settlement agreement shall be the rate for the case.

8. *a.* A settlement shall be approved by the workers' compensation commissioner if the parties show all of the following:

(1) Substantial evidence exists to support the terms of the settlement.

(2) Waiver of the employee's right to a hearing, decision, and statutory benefits is made knowingly by the employee.

(3) The settlement is a reasonable and informed compromise of the competing interests of the parties.

*b.* If an employee is represented by legal counsel, it is presumed that the required showing for approval of the settlement has been made.

9. Approval of a settlement by the workers' compensation commissioner is binding on the parties and shall not be construed as an original proceeding. Notwithstanding any provisions of this chapter and chapters 85A, 85B, 86 and 87, an approved compromise settlement shall constitute a final bar to any further rights arising under this chapter and chapters 85A, 85B, 86, and 87 regarding the subject matter of the compromise and a payment made pursuant to a compromise settlement agreement shall not be construed as the payment of weekly compensation.

[C75, 77, 79, 81, §85.35]

83 Acts, ch 105, §4; 89 Acts, ch 60, §2; 98 Acts, ch 1061, § 11; 2001 Acts, ch 87, §3; 2005 Acts, ch 168, §10, 23; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1137, §1, 3

**85.36 Basis of computation.**

The basis of compensation shall be the weekly earnings of the injured employee at the time of the injury. Weekly earnings means gross salary, wages, or earnings of an employee to which such employee would have been entitled had the employee worked the customary hours for the full pay period in which the employee was injured, as regularly required by the employee's employer for the work or employment for which the employee was employed, computed or determined as follows and then rounded to the nearest dollar:

1. In the case of an employee who is paid on a weekly pay period basis, the weekly gross earnings.

2. In the case of an employee who is paid on a biweekly pay period basis, one-half of the biweekly gross earnings.

3. In the case of an employee who is paid on a semimonthly pay period basis, the semimonthly gross earnings multiplied by twenty-four and subsequently divided by fifty-two.

4. In the case of an employee who is paid on a monthly pay period basis, the monthly gross earnings multiplied by twelve and subsequently divided by fifty-two.

5. In the case of an employee who is paid on a yearly pay period basis, the weekly earnings shall be the yearly earnings divided by fifty-two.

6. In the case of an employee who is paid on a daily or hourly basis, or by the output of the employee, the weekly earnings shall be computed by dividing by thirteen the earnings, including shift differential pay but not including overtime or premium pay, of the employee earned in the employ of the employer in the last completed period of thirteen consecutive calendar weeks immediately preceding the injury. If the employee was absent from employment for reasons personal to the employee during part of the thirteen calendar weeks preceding the injury, the employee's weekly earnings shall be the amount the employee would have earned had the employee worked when work was available to other employees of the employer in a similar occupation. A week which does not fairly reflect the employee's customary earnings shall be replaced by the closest previous week with earnings that fairly represent the employee's customary earnings.

7. In the case of an employee who has been in the employ of the employer less than thirteen calendar weeks immediately preceding the injury, the employee's weekly earnings shall be computed under subsection 6, taking the earnings, including shift differential pay but not including overtime or premium pay, for such purpose to be the amount the employee would have earned had the employee been so employed by the employer the full thirteen calendar weeks immediately preceding the injury and had worked, when work was available to other employees in a similar occupation. If the earnings of other employees cannot be determined, the employee's weekly earnings shall be the average computed for the number of weeks the employee has been in the employ of the employer.

8. If at the time of the injury the hourly earnings have not been fixed or cannot be

ascertained, the earnings for the purpose of calculating compensation shall be taken to be the usual earnings for similar services where such services are rendered by paid employees.

9. If an employee earns either no wages or less than the usual weekly earnings of the regular full-time adult laborer in the line of industry in which the employee is injured in that locality, the weekly earnings shall be one-fiftieth of the total earnings which the employee has earned from all employment during the twelve calendar months immediately preceding the injury.

*a.* In computing the compensation to be allowed a volunteer fire fighter, emergency medical care provider, reserve peace officer, or volunteer ambulance driver, the earnings as a fire fighter, emergency medical care provider, reserve peace officer, or volunteer ambulance driver shall be disregarded and the volunteer fire fighter, emergency medical care provider, reserve peace officer, or volunteer ambulance driver, shall be paid an amount equal to the compensation the volunteer fire fighter, emergency medical care provider, reserve peace officer, or volunteer ambulance driver would be paid if injured in the normal course of the volunteer fire fighter's, emergency medical care provider's, reserve peace officer's, or volunteer ambulance driver's regular employment or an amount equal to one hundred and forty percent of the statewide average weekly wage, whichever is greater.

*b.* If the employee was an apprentice or trainee when injured, and it is established under normal conditions the employee's earnings should be expected to increase during the period of disability, that fact may be considered in computing the employee's weekly earnings.

*c.* If the employee was an inmate as defined in section 85.59, the inmate's actual earnings shall be disregarded, and the weekly compensation rate shall be as set forth in section 85.59.

10. If a wage, or method of calculating a wage, is used for the basis of the payment of a workers' compensation insurance premium for a proprietor, partner, limited liability company member, limited liability partner, or officer of a corporation, the wage or the method of calculating the wage is determinative for purposes of computing the proprietor's, partner's, limited liability company member's, limited liability partner's, or officer's weekly workers' compensation benefit rate.

11. In computing the compensation to be allowed an elected or appointed official, the official may choose either of the following payment options:

*a.* The official shall be paid an amount of compensation based on the official's weekly earnings as an elected or appointed official.

*b.* The earnings of the official as an elected or appointed official shall be disregarded and the official shall be paid an amount equal to one hundred forty percent of the statewide average weekly wage.

12. In the case of an employee injured in the course of performing as a professional athlete, the basis of compensation for weekly earnings shall be one-fiftieth of total earnings which the employee has earned from all employment for the previous twelve months prior to the injury.

[S13, §2477-m15; C24, 27, 31, 35, 39, §**1397;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.36; 82 Acts, ch 1161, §12, 13]

86 Acts, ch 1074, §2; 87 Acts, ch 91, §1; 90 Acts, ch 1046, §1; 95 Acts, ch 41, §2; 95 Acts, ch 140, §1, 2; 96 Acts, ch 1059, §3; 96 Acts, ch 1079, §3; 97 Acts, ch 48, §3; 2000 Acts, ch 1007, §2, 3; 2001 Acts, ch 87, §4; 2004 Acts, 1st Ex, ch 1001, §12, 18; 2008 Acts, ch 1079, §1; 2010 Acts, ch 1149, §1

Referred to in §85.33

**85.37 Compensation schedule.**

If an employee receives a personal injury causing temporary total disability, or causing a permanent partial disability for which compensation is payable during a healing period, compensation for the temporary total disability or for the healing period shall be upon the basis provided in this section. The weekly benefit amount payable to any employee for any one week shall be upon the basis of eighty percent of the employee's weekly spendable earnings, but shall not exceed an amount, rounded to the nearest dollar, equal to sixty-six and two-thirds percent of the statewide average weekly wage paid employees as determined by the department of workforce development under section 96.19, subsection 36, and in effect

at the time of the injury. However, as of July 1, 1975; July 1, 1977; July 1, 1979; and July 1, 1981, the maximum weekly benefit amount rounded to the nearest dollar shall be increased so that it equals one hundred percent, one hundred thirty-three and one-third percent, one hundred sixty-six and two-thirds percent, and two hundred percent, respectively, of the statewide average weekly wage as determined above. Total weekly compensation for any employee shall not exceed eighty percent per week of the employee's weekly spendable earnings. The minimum weekly benefit amount shall be equal to the weekly benefit amount of a person whose gross weekly earnings are thirty-five percent of the statewide average weekly wage, or to the spendable weekly earnings of the employee, whichever are less.

Such compensation shall be in addition to the benefits provided by sections 85.27 and 85.28.

[S13, §2477-m9; C24, 27, 31, 35, 39, §**1390;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.37; 82 Acts, ch 1161, §14]

87 Acts, ch 111, §4; 96 Acts, ch 1186, §23

Referred to in §85.33, 85.34

**85.38 Reduction of obligations of employer.**

1. *Contributions or donations.* The compensation herein provided shall be the measure of liability which the employer has assumed for injuries or death that may occur to employees in the employer's employment subject to the provisions of this chapter, and it shall not be in anywise reduced by contribution from employees or donations from any source.

2. *Benefits paid under group plans.*

*a.* In the event the employee with a disability shall receive any benefits, including medical, surgical, or hospital benefits, under any group plan covering nonoccupational disabilities contributed to wholly or partially by the employer, which benefits should not have been paid or payable if any rights of recovery existed under this chapter, chapter 85A, or chapter 85B, then the amounts so paid to the employee from the group plan shall be credited to or against any compensation payments, including medical, surgical, or hospital, made or to be made under this chapter, chapter 85A, or chapter 85B. The amounts so credited shall be deducted from the payments made under these chapters. Any nonoccupational plan shall be reimbursed in the amount deducted. This section shall not apply to payments made under any group plan which would have been payable even though there was an injury under this chapter or an occupational disease under chapter 85A or an occupational hearing loss under chapter 85B. Any employer receiving such credit shall keep the employee safe and harmless from any and all claims or liabilities that may be made against them by reason of having received the payments only to the extent of the credit.

*b.* If an employer denies liability under this chapter, chapter 85A, or chapter 85B, for payment for any medical services received or weekly compensation requested by an employee, and the employee is a beneficiary under either an individual or group plan for nonoccupational illness, injury, or disability, the nonoccupational plan shall not deny payment for the medical services received or for benefits under the plan on the basis that the employer's liability under this chapter, chapter 85A, or chapter 85B is unresolved.

3. *Supplementation of workers' compensation benefits.* A public employer shall not supplement an employee's workers' compensation benefits by reducing the employee's sick leave, vacation leave, or earned compensatory time entitlements, unless the employer first notifies the employee of the employee's option to supplement and the employee elects to so supplement.

4. *Lien for hospital and medical services under chapter 249A.* In the event any hospital or medical services as provided in section 85.27 are paid by the state department of human services on behalf of an employee who is entitled to such benefits under the provisions of this chapter or chapter 85A or 85B, a lien shall exist as respects the right of such employee to benefits as described in section 85.27.

[S13, §2477-m12; C24, 27, 31, 35, 39, §**1398;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.38]

83 Acts, ch 96, §160; 83 Acts, ch 153, §1; 84 Acts, ch 1086, §1; 96 Acts, ch 1129, §18; 97 Acts, ch 36, §1; 2002 Acts, ch 1050, §14; 2005 Acts, ch 168, §11, 23; 2009 Acts, ch 41, §263

Referred to in §85.27

**85.39 Examination of injured employees.**

After an injury, the employee, if requested by the employer, shall submit for examination at some reasonable time and place and as often as reasonably requested, to a physician or physicians authorized to practice under the laws of this state or another state, without cost to the employee; but if the employee requests, the employee, at the employee's own cost, is entitled to have a physician or physicians of the employee's own selection present to participate in the examination. If an employee is required to leave work for which the employee is being paid wages to attend the requested examination, the employee shall be compensated at the employee's regular rate for the time the employee is required to leave work, and the employee shall be furnished transportation to and from the place of examination, or the employer may elect to pay the employee the reasonable cost of the transportation. The refusal of the employee to submit to the examination shall suspend the employee's right to any compensation for the period of the refusal. Compensation shall not be payable for the period of suspension.

If an evaluation of permanent disability has been made by a physician retained by the employer and the employee believes this evaluation to be too low, the employee shall, upon application to the commissioner and upon delivery of a copy of the application to the employer and its insurance carrier, be reimbursed by the employer the reasonable fee for a subsequent examination by a physician of the employee's own choice, and reasonably necessary transportation expenses incurred for the examination. The physician chosen by the employee has the right to confer with and obtain from the employer-retained physician sufficient history of the injury to make a proper examination.

[S13, §2477-m11; C24, 27, 31, 35, 39, §**1399;** C46, 50, 54, 58, 62, §85.39; C66, 71, 73, 75, §85.34(2), 85.39; C77, 79, 81, §85.39; 82 Acts, ch 1161, §15]

**85.40 Statement of earnings.**

The employer shall furnish, upon request of an injured employee or dependent or any legal representative acting for such person, a statement of the earnings, wages, or salary and other matters relating thereto during the year or part of the year that such employee was in the employment of such employer for the year preceding the injury; but not more than one report shall be required on account of any one injury.

[C24, 27, 31, 35, 39, §**1400;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.40]

**85.41 Refusal to furnish statement.**

On failure of the employer to furnish such statement of earnings for thirty days after receiving written request therefor from an injured employee, the employee's agent, attorney, dependent, or legal representative, such employer shall be guilty of a simple misdemeanor.

[C24, 27, 31, 35, 39, §**1401;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.41]

**85.42 Conclusively presumed dependent.**

The following shall be conclusively presumed to be wholly dependent upon the deceased employee:

1. The surviving spouse, with the following exceptions:

*a.* When it is shown that at the time of the injury the surviving spouse had willfully deserted deceased without fault of the deceased, then such survivor shall not be considered as dependent in any degree.

*b.* When the surviving spouse was not married to the deceased at the time of the injury.

2. A child or children under eighteen years of age, and over said age if physically or mentally incapacitated from earning, whether actually dependent for support or not upon the parent at the time of the parent's death. An adopted child or children shall be regarded the same as issue of the body. A child or children, as used herein, shall also include any child or children conceived but not born at the time of the employee's injury, and any compensation payable on account of any such child or children shall be paid from the date of their birth.

A stepchild or stepchildren shall be regarded the same as issue of the body only when the stepparent has actually provided the principal support for such child or children.

[S13, §2477-m16; C24, 27, 31, 35, 39, §**1402;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.42]

Referred to in §85.43

**85.43 Payment to spouse.**

If the deceased employee leaves a surviving spouse qualified under the provisions of section 85.42, the full compensation shall be paid to the surviving spouse, as provided in section 85.31; provided that where a deceased employee leave a surviving spouse and a dependent child or children the workers' compensation commissioner may make an order of record for an equitable apportionment of the compensation payments.

If the spouse dies, the benefits shall be paid to the person or persons wholly dependent on deceased, if any, share and share alike. If there are none wholly dependent, then such benefits shall be paid to partial dependents, if any, in proportion to their dependency for the periods provided in section 85.31.

If the deceased leaves dependent child or children who was or were such at the time of the injury, and the surviving spouse remarries, then and in such case, the payments shall be paid to the proper compensation trustee for the use and benefit of such dependent child or children for the period provided in section 85.31.

[S13, §2477-m16; C24, 27, 31, 35, 39, §**1403;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.43]

98 Acts, ch 1061, §11

**85.44 Payment to actual dependents.**

In all other cases, a dependent shall be one actually dependent or mentally or physically incapacitated from earning. Such status shall be determined in accordance with the facts as of the date of the injury. In such cases if there is more than one person, the compensation benefit shall be equally divided among them. If there is no one wholly dependent and more than one person partially dependent, the compensation benefit shall be divided among them in the proportion each dependency bears to their aggregate dependency.

[S13, §2477-m16; C24, 27, 31, 35, 39, §**1404;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.44]

Referred to in §85.31

**85.45 Commutation.**

1. Future payments of compensation may be commuted to a present worth lump sum payment on the following conditions:

*a.* When the period during which compensation is payable can be definitely determined.

*b.* When it shall be shown to the satisfaction of the workers' compensation commissioner that such commutation will be for the best interest of the person or persons entitled to the compensation, or that periodical payments as compared with a lump sum payment will entail undue expense, hardship, or inconvenience upon the employer liable therefor.

*c.* When the recipient of commuted benefits is a minor employee, the workers' compensation commissioner may order that such benefits be paid to a trustee as provided in section 85.49.

*d.* When a person seeking a commutation is a surviving spouse, an employee with a permanent and total disability, or a dependent who is entitled to benefits as provided in section 85.31, subsection 1, paragraph "*a*", subparagraphs (3) and (4), the future payments which may be commuted shall not exceed the number of weeks which shall be indicated by probability tables designated by the workers' compensation commissioner for death and remarriage, subject to the provisions of chapter 17A.

2. Future payments of compensation shall not be commuted to a present worth lump sum payment when the employee is an inmate as set forth in section 85.59.

[S13, §2477-m14; C24, 27, 31, 35, 39, §**1405;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.45]

96 Acts, ch 1129, §19; 98 Acts, ch 1061, §11; 2008 Acts, ch 1032, §171

Referred to in §87.11, 515B.5

See also §87.11(4)

**85.46** Repealed by 77 Acts, ch 51, § 21.

**85.47 Basis of commutation.**

When the commutation is ordered, the workers' compensation commissioner shall fix the lump sum to be paid at an amount which will equal the total sum of the probable future payments capitalized at their present value and upon the basis of interest at the rate provided in section 535.3 for court judgments and decrees. Upon the payment of such amount the employer shall be discharged from all further liability on account of the injury or death, and be entitled to a duly executed release, upon filing which the liability of the employer under any agreement, award, finding, or judgment shall be discharged of record.

[S13, §2477-m14; C24, 27, 31, 35, 39, §**1407;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.47; 82 Acts, ch 1161, §16]

98 Acts, ch 1061, §11

**85.48 Partial commutation.**

When partial commutation is ordered, the workers' compensation commissioner shall fix the lump sum to be paid at an amount which will equal the future payments for the period commuted, capitalized at their present value upon the basis of interest at the rate provided in section 535.3 for court judgments and decrees. Provisions shall be made for the payment of weekly compensation not included in the commutation with all remaining payments to be paid over the same period of time as though the commutation had not been made by either eliminating weekly payments from the first or last part of the payment period or by a pro rata reduction in the weekly benefit amount over the entire payment period.

[S13, §2477-m15; C24, 27, 31, 35, 39, §**1408;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.48; 82 Acts, ch 1161, §17]

98 Acts, ch 1061, §11; 2003 Acts, ch 140, §2

**85.49 Trustees for minors and dependents.**

When a minor or a dependent who is mentally incompetent is entitled to weekly benefits under this chapter, or chapter 85A or 85B, payment shall be made to the parent, guardian, or conservator, who shall act as trustee, and the money coming into the trustee's hands shall be expended for the use and benefit of the person entitled to it under the direction and orders of a district judge. The trustee shall qualify and give bond in an amount as the district judge directs, which may be increased or diminished from time to time.

If the domicile or residence of the minor or dependent who is mentally incompetent is outside the state of Iowa, the workers' compensation commissioner may order and direct that benefits to the minors or dependents be paid to a guardian, conservator, or legal representative duly qualified under the laws of the jurisdiction wherein the minors or dependents shall be domiciled or reside. Proof of the identity and qualification of the guardian, conservator, or other legal representative shall be furnished to the workers' compensation commissioner.

[S13, §2477-m13; C24, 27, 31, 35, 39, §**1409;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.49]

83 Acts, ch 186, §10039, 10201; 93 Acts, ch 70, §5; 96 Acts, ch 1129, §20; 98 Acts, ch 1061, §11

Referred to in §85.45

**85.50 Report of trustee.**

The trustee shall, on or before September 30 of each year, make reports, at such times as designated by the court, to the court of all money or property received or expended for the person for whom the parent, guardian, or conservator is acting as trustee.

[S13, §2477-m13; C24, 27, 31, 35, 39, §**1410;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.50]

83 Acts, ch 186, §10040, 10201; 93 Acts, ch 70, §6

**85.51 Alien dependents in foreign country.**

In case a deceased employee for whose injury or death compensation is payable leaves surviving an alien dependent or dependents residing outside the United States, the consul general, consul, vice consul, or consular agent of the nation of which the said dependent or dependents are citizens, or the duly appointed representative of such consular official resident in the state of Iowa, shall be regarded as the exclusive representative of such dependent or dependents, and said consular officials or their representatives shall have the same rights and powers in all matters of compensation which said nonresident aliens would have if resident in the state of Iowa.

[C24, 27, 31, 35, 39, §**1411;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.51]

**85.52 Consular officer as trustee.**

Such consular officer or the officer's duly appointed representative resident in the state of Iowa shall file in the district court of the county in which the accident occurred resulting in the death of said employee evidence of the officer's or representative's authority, and thereupon the court shall appoint the officer or representative a trustee for such nonresident alien dependents, and thereafter the officer or representative shall be subject to the jurisdiction of said court until the final report of distribution and payment has been filed and approved. Such consular official or said representative shall qualify as such trustee by giving bond with approved sureties in a sum to be fixed by said court, and the amount of said bond may be increased or decreased from time to time as said court may direct.

[C24, 27, 31, 35, 39, §**1412;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.52]

**85.53 Notice to consular officer.**

If such consular officer, or the officer's duly appointed representative, shall file with the workers' compensation commissioner evidence of the officer's or representative's authority, the workers' compensation commissioner shall notify such consular officer or representative of the death of all employees leaving alien dependent, or dependents, residing in the country of said consular officer so far as same shall come to the commissioner's knowledge.

[C24, 27, 31, 35, 39, §**1413;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.53]

98 Acts, ch 1061, §11

**85.54 Contracts to avoid compensation.**

Any contract of employment, relief benefit, or insurance, or other device whereby the employee is required to pay any premium or premiums for insurance against the compensation provided for in this chapter, shall be null and void; and any employer withholding from the wages of any employee any amount for the purpose of paying any such premium shall be guilty of a simple misdemeanor.

[S13, §2477-m17; C24, 27, 31, 35, 39, §**1414;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.54]

**85.55 Waivers prohibited — physical defects.** Repealed by 2004 Acts, 1st Ex, ch 1001, § 17, 18.

**85.56 Employees in interstate commerce.**

So far as permitted, or not forbidden, by any Act of Congress, employers engaged in interstate or foreign commerce and their employees working only in this state shall be bound

by the provisions of this chapter in like manner and with the same force and effect in every respect as by this chapter provided for other employers and employees.

[S13, §2477-m21; C24, 27, 31, 35, 39, §**1417;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §85.57; C79, 81, §85.56]

**85.57 and 85.58** Repealed by 92 Acts, ch 1243, § 29.

**85.59 Benefits for inmates and offenders.**

1. For the purposes of this section:

*a.* *"Inmate"* includes:

(1) A person confined in a reformatory, state penitentiary, release center, or other state penal or correctional institution while that person works in connection with the maintenance of the institution, in an industry maintained in the institution, or in an industry referred to in section 904.809, or while on detail to perform services on a public works project.

(2) A person who is performing unpaid community service under the direction of the district court, board of parole, or judicial district department of correctional services, or an inmate providing services pursuant to a chapter 28E agreement entered into pursuant to section 904.703, or who is performing a work assignment of value to the state or to the public under chapter 232.

*b.* *"Unpaid community service under the direction of the district court"* includes but is not limited to community service ordered and performed pursuant to section 598.23A.

2. For purposes of this section, an inmate on a work assignment under section 904.703 working in construction or maintenance at a public or charitable facility, or under assignment to another agency of state, county, or local government, shall be considered an employee of the state.

3. *a.* If an inmate is permanently incapacitated by injury in the performance of the inmate's work in connection with the maintenance of the institution, in an industry maintained in the institution, or in an industry referred to in section 904.809, while on detail to perform services on a public works project, or while performing services authorized pursuant to section 904.809, or is permanently or temporarily incapacitated in connection with the performance of unpaid community service under the direction of the district court, board of parole, or judicial district department of correctional services, or in connection with the provision of services pursuant to a chapter 28E agreement entered into pursuant to section 904.703, or who is performing a work assignment of value to the state or to the public under chapter 232, that inmate shall be awarded only the benefits provided in section 85.27 and section 85.34, subsections 2 and 3. The weekly rate for such permanent disability is equal to the minimum rate as provided in this chapter.

*b.* Weekly compensation benefits under this section may be determined prior to the inmate's release from the institution, but payment of benefits to an inmate shall commence as of the time of the inmate's release from the institution either upon parole or final discharge. However, if the inmate is awarded benefits for an injury incurred in connection with the performance of unpaid community service under the direction of the district court, board of parole, or judicial district department of correctional services, or in connection with the provision of services pursuant to a chapter 28E agreement entered into pursuant to section 904.703, or who is performing a work assignment of value to the state or to the public under chapter 232, weekly compensation benefits under this section shall be determined and paid as in other workers' compensation cases.

*c.* If an inmate is receiving benefits under the provisions of this section and is recommitted to an institution covered by this section, the benefits shall immediately cease. If benefits cease because of the inmate's recommitment, the benefits shall resume upon subsequent release from the institution.

*d.* If death results from the injury, death benefits shall be awarded and paid to the dependents of the inmate as in other workers' compensation cases except that the weekly rate shall be equal to sixty-six and two-thirds percent of the state average weekly wage paid employees as determined by the department of workforce development under section 96.19, subsection 36, and in effect at the time of the injury.

4. Payment under this section shall be made promptly out of appropriations which have been made for that purpose, if any. An amount or part thereof which cannot be paid promptly from the appropriation shall be paid promptly out of money in the state treasury not otherwise appropriated.

5. The time limit for commencing an original proceeding to determine entitlement to benefits under this section is the same as set forth in section 85.26. If an injury occurs to an inmate so as to qualify the inmate for benefits under this section, notwithstanding the fact that payments of weekly benefits are not commenced, an acknowledgment of compensability shall be filed with the workers' compensation commissioner within thirty days of the time the responsible authority receives notice or knowledge of the injury as required by section 85.23.

6. If a dispute arises as to the extent of disability when an acknowledgment of compensability is on file or when an award determining liability has been made, an action to determine the extent of disability must be commenced within one year of the time of the release of the inmate from the institution. This does not bar the right to reopen the claim as provided by section 85.26, subsection 2.

7. Responsibility for the filings required by chapter 86 for injuries resulting in permanent disability or death and as modified by this section shall be made in the same manner as for other employees of the institution.

[C79, 81, §85.59]

83 Acts, ch 101, §4; 84 Acts, ch 1280, §1; 85 Acts, ch 67, §11; 85 Acts, ch 177, §1; 87 Acts, ch 111, §5, 6; 88 Acts, ch 1165, §1; 90 Acts, ch 1251, §3; 93 Acts, ch 46, §1; 94 Acts, ch 1171, §1; 96 Acts, ch 1186, §23; 98 Acts, ch 1061, §11; 2008 Acts, ch 1079, §2; 2009 Acts, ch 133, §21

Referred to in §85.36, 85.45, 85.61, 88.3, 232.13, 669.14, 904.809, 907.13

Additional persons deemed state employees, see §232.13

**85.60 Injuries while in employment training or evaluation.**

A person participating in a school-to-work program referred to in section 85.61, or receiving earnings while engaged in employment training or while undergoing an employment evaluation under the direction of a rehabilitation facility approved for purchase-of-service contracts or for referrals by the department of human services or the department of education, who sustains an injury arising out of and in the course of the school-to-work program participation, employment training, or employment evaluation is entitled to benefits as provided in this chapter, chapter 85A, chapter 85B, and chapter 86. Notwithstanding the minimum benefit provisions of this chapter, a person referred to in this section and entitled to benefits under this chapter is entitled to receive a minimum weekly benefit amount for a permanent partial disability under section 85.34, subsection 2, or for a permanent total disability under section 85.34, subsection 3, equal to the weekly benefit amount of a person whose gross weekly earnings are thirty-five percent of the statewide average weekly wage computed pursuant to section 96.3 and in effect at the time of the injury.

86 Acts, ch 1104, §1; 97 Acts, ch 37, §2

Referred to in §85.61

**85.61 Definitions.**

In this chapter and chapters 86 and 87, unless the context otherwise requires, the following definitions of terms shall prevail:

1. The word *"court"* wherever used in this chapter and chapters 86 and 87, unless the context shows otherwise, shall be taken to mean the district court.

2. *"Employer"* includes and applies to the following:

*a.* A person, firm, association, or corporation, state, county, municipal corporation, school corporation, area education agency, township as an employer of volunteer fire fighters and emergency medical care providers only, benefited fire district, and the legal representatives of a deceased employer.

*b.* A rehabilitation facility approved for purchase-of-service contracts or for referrals by the department of human services or the department of education.

*c.* An eligible postsecondary institution as defined in section 261E.2, a school corporation,

or an accredited nonpublic school if a student enrolled in the eligible postsecondary institution, school corporation, or accredited nonpublic school is providing unpaid services under a school-to-work program that includes but is not limited to the components provided for in section 258.10, subsection 2, paragraphs *"a"* through *"f"*. However, if a student participating in a school-to-work program is participating in open enrollment under section 282.18, *"employer"* means the receiving district.

*d.* A community college as defined in section 260C.2, if a student enrolled in the community college is providing unpaid services under a school-to-work program that includes but is not limited to the components provided for in section 258.10, subsection 2, paragraphs *"a"* through *"f"*, and that is offered by the community college pursuant to a contractual agreement with a school corporation or accredited nonpublic school to provide the program. If a student participating in a school-to-work program that includes but is not limited to the components provided for in section 258.10, subsection 2, paragraphs *"a"* through *"f"*, is paid for services provided under the program, *"employer"* means any entity otherwise defined as an employer under this subsection which pays the student for providing services under the program.

3. *"Gross earnings"* means recurring payments by employer to the employee for employment, before any authorized or lawfully required deduction or withholding of funds by the employer, excluding irregular bonuses, retroactive pay, overtime, penalty pay, reimbursement of expenses, expense allowances, and the employer's contribution for welfare benefits.

4. The words *"injury"* or *"personal injury"* shall be construed as follows:

*a.* They shall include death resulting from personal injury.

*b.* They shall not include a disease unless it shall result from the injury and they shall not include an occupational disease as defined in section 85A.8.

5. *"Pay period"* means that period of employment for which the employer customarily or regularly makes payments to employees for work performed or services rendered.

6. *"Payroll taxes"* means an amount, determined by tables adopted by the workers' compensation commissioner pursuant to chapter 17A, equal to the sum of the following:

*a.* An amount equal to the amount which would be withheld pursuant to withholding tables in effect on July 1 preceding the injury under the Internal Revenue Code, and regulations pursuant thereto, as amended, as though the employee had elected to claim the maximum number of exemptions for actual dependency, blindness and old age to which the employee is entitled on the date on which the employee was injured.

*b.* An amount equal to the amount which would be withheld pursuant to withholding tables in effect on July 1 preceding the injury under chapter 422, and any rules pursuant thereto, as though the employee had elected to claim the maximum number of exemptions for actual dependency, blindness and old age to which the employee is entitled on the date on which the employee was injured.

*c.* An amount equal to the amount required on July 1 preceding the injury by the Social Security Act of 1935 as amended, to be deducted or withheld from the amount of earnings of the employee at the time of the injury as if the earnings were earned at the beginning of the calendar year in which the employee was injured.

7. The words *"personal injury arising out of and in the course of the employment"* shall include injuries to employees whose services are being performed on, in, or about the premises which are occupied, used, or controlled by the employer, and also injuries to those who are engaged elsewhere in places where their employer's business requires their presence and subjects them to dangers incident to the business.

*a.* Personal injuries sustained by a volunteer fire fighter arise in the course of employment if the injuries are sustained at any time from the time the volunteer fire fighter is summoned to duty as a volunteer fire fighter until the time the volunteer fire fighter is discharged from duty by the chief of the volunteer fire department or the chief's designee.

*b.* Personal injuries sustained by emergency medical care providers as defined in section 147A.1 arise in the course of employment if the injuries are sustained at any time from the time the emergency medical care providers are summoned to duty until the time those duties have been fully discharged.

8. The words *"reserve peace officer"* shall mean a person defined as such by section 80D.1, subsection 1, who is not a full-time member of a paid law enforcement agency. A person performing such services shall not be classified as a casual employee.

9. *"Spendable weekly earnings"* is that amount remaining after payroll taxes are deducted from gross weekly earnings.

10. *"Volunteer fire fighter"* means any active member of an organized volunteer fire department in this state and any other person performing services as a volunteer fire fighter for a municipality, township or benefited fire district at the request of the chief or other person in command of the fire department of the municipality, township or benefited fire district, or of any other officer of the municipality, township or benefited fire district having authority to demand such service, and who is not a full-time member of a paid fire department. A person performing such services shall not be classified as a casual employee.

11. *"Worker"* or *"employee"* means a person who has entered into the employment of, or works under contract of service, express or implied, or apprenticeship, for an employer; an executive officer elected or appointed and empowered under and in accordance with the charter and bylaws of a corporation, including a person holding an official position, or standing in a representative capacity of the employer; an official elected or appointed by the state, or a county, school district, area education agency, municipal corporation, or city under any form of government; a member of the state patrol; a conservation officer; and a proprietor, limited liability company member, limited liability partner, or partner who elects to be covered pursuant to section 85.1A, except as specified in this chapter.

*a.* *"Worker"* or *"employee"* includes the following:

(1) An inmate as defined in section 85.59 and a person described in section 85.60.

(2) An emergency medical care provider as defined in section 147A.1, or a volunteer ambulance driver, only if an agreement is reached between such worker or employee and the employer for whom the volunteer services are provided that workers' compensation coverage under this chapter and chapters 85A and 85B is to be provided by the employer. An emergency medical care provider who is a worker or employee under this subparagraph is not a casual employee. *"Volunteer ambulance driver"* means a person performing services as a volunteer ambulance driver at the request of the person in charge of a fire department or ambulance service of a municipality.

(3) A real estate agent who does not provide the services of an independent contractor. For the purposes of this subparagraph, a real estate agent is an independent contractor if the real estate agent is licensed by the Iowa real estate commission as a salesperson and both of the following apply:

(a) Seventy-five percent or more of the remuneration, whether or not paid in cash, for the services performed by the individual as a real estate salesperson is derived from one company and is directly related to sales or other output, including the performance of services, rather than to the number of hours worked.

(b) The services performed by the individual are performed pursuant to a written contract between the individual and the person for whom the services are performed, and the contract provides that the individual will not be treated as an employee with respect to the services for state tax purposes.

(4) A student enrolled in a public school corporation or accredited nonpublic school who is participating in a school-to-work program that includes but is not limited to the components provided for in section 258.10, subsection 2, paragraphs *"a"* through *"f"*.

(5) A student enrolled in a community college as defined in section 260C.2, who is participating in a school-to-work program that includes but is not limited to the components provided for in section 258.10, subsection 2, paragraphs *"a"* through *"f"*, and that is offered by the community college pursuant to a contractual agreement with a school corporation or accredited nonpublic school to provide the program.

*b.* The term *"worker"* or *"employee"* shall include the singular and plural. Any reference to a worker or employee who has been injured shall, when such worker or employee is dead, include the worker's or employee's dependents as herein defined or the worker's or employee's legal representatives; and where the worker or employee is a minor or incompetent, it shall include the minor's or incompetent's guardian, next friend, or trustee.

Notwithstanding any law prohibiting the employment of minors, all minor employees shall be entitled to the benefits of this chapter and chapters 86 and 87 regardless of the age of such minor employee.

*c.* The following persons shall not be deemed *"workers"* or *"employees"*:

(1) A person whose employment is purely casual and not for the purpose of the employer's trade or business except as otherwise provided in section 85.1.

(2) An independent contractor.

(3) An owner-operator who, as an individual or partner, or shareholder of a corporate owner-operator, owns a vehicle licensed and registered as a truck, road tractor, or truck tractor by a governmental agency, is an independent contractor while performing services in the operation of the owner-operator's vehicle if all of the following conditions are substantially present:

(a) The owner-operator is responsible for the maintenance of the vehicle.

(b) The owner-operator bears the principal burden of the vehicle's operating costs, including fuel, repairs, supplies, collision insurance, and personal expenses for the operator while on the road.

(c) The owner-operator is responsible for supplying the necessary personnel to operate the vehicle, and the personnel are considered the owner-operator's employees.

(d) The owner-operator's compensation is based on factors related to the work performed, including a percentage of any schedule of rates or lawfully published tariff, and not on the basis of the hours or time expended.

(e) The owner-operator determines the details and means of performing the services, in conformance with regulatory requirements, operating procedures of the carrier, and specifications of the shipper.

(f) The owner-operator enters into a contract which specifies the relationship to be that of an independent contractor and not that of an employee.

(4) Directors of a corporation who are not at the same time employees of the corporation; or directors, trustees, officers, or other managing officials of a nonprofit corporation or association who are not at the same time full-time employees of the nonprofit corporation or association.

(5) Proprietors, limited liability company members, limited liability partners, and partners who have not elected to be covered by the workers' compensation law of this state pursuant to section 85.1A.

[S13, §2477-m16; C24, 27, 31, 35, 39, §**1421;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.61; 82 Acts, ch 1161, §18, 19, ch 1221, §2]

83 Acts, ch 36, §3, 7, 8; 85 Acts, ch 46, §1; 85 Acts, ch 195, §9; 86 Acts, ch 1074, §3, 4; 86 Acts, ch 1104, §2, 3; 87 Acts, ch 91, §2 – 5; 89 Acts, ch 89, §1 – 3; 89 Acts, ch 218, §1; 91 Acts, ch 209, §1; 93 Acts, ch 88, §1; 95 Acts, ch 41, §3 – 5; 96 Acts, ch 1059, §4, 5; 96 Acts, ch 1079, §4 – 6; 97 Acts, ch 37, §3, 4; 98 Acts, ch 1060, §1, 2; 98 Acts, ch 1061, §11; 98 Acts, ch 1074, §9; 2001 Acts, ch 87, §5, 6; 2005 Acts, ch 35, §31; 2007 Acts, ch 22, §21; 2008 Acts, ch 1031, §91; 2008 Acts, ch 1032, §9, 10; 2008 Acts, ch 1181, §43; 2010 Acts, ch 1149, §2 – 4; 2013 Acts, ch 48, §4

Referred to in §85.20, 85.60, 87.1, 87.23, 100B.14, 100B.31, 422.12, 622.71A

Subsection 8 amended

**85.62 Inmates of county jail.**

The county board of supervisors of any county may elect to include as an employee for purposes of this chapter any person confined as an inmate in a county jail or confined in any other facility in lieu of confinement in a county jail. If such election is made, the provisions of section 85.1, subsection 6, shall apply to such county. If an inmate in the performance of the inmate's work in connection with the maintenance of a county jail or other local facility, or in connection with any industry maintained therein, or with any highway or public works activity outside a county jail or other local facility sustains an injury arising out of and in the course thereof, the inmate shall be awarded and paid compensation at the minimum rate as provided in this chapter. If death results from such injury, death benefits shall be awarded and paid to the dependents of the inmate. If any such person is awarded weekly compensation

under the provisions of this section and is still committed to the county jail or other facility, the inmate's compensation benefits under section 85.33 or section 85.34, subsection 1, shall be paid to the county for so long as the inmate shall remain so committed. Weekly compensation benefits awarded pursuant to section 85.34, subsection 2, shall be held in trust and paid to such person as provided in this chapter upon final discharge or parole, whichever occurs first. In the event such person is recommitted to the county jail or other facility prior to receiving in full, the inmate's weekly benefits pursuant to section 85.33 or section 85.34, subsection 1, such benefits shall again be paid to the county for so long as the inmate shall remain so recommitted. Also, weekly benefits under section 85.34, subsection 2, shall be suspended and again held in trust until such person is again released by final discharge or parole, whichever first occurs. However, the workers' compensation commissioner may, if the commissioner finds that dependents of the person awarded weekly compensation pursuant to section 85.33 or section 85.34, subsections 1 and 2, would require welfare aid as a result of terminating the compensation, order such weekly compensation to be paid to a responsible person for the use of the inmate's dependents.

[C73, 75, 77, 79, 81, §85.62]

98 Acts, ch 1061, §11

## SECOND INJURY COMPENSATION ACT

**85.63 Title of Act.**

This division shall be known and referred to as the *"Second Injury Compensation Act"*.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.63]

Referred to in §86.12

**85.64 Limitation of benefits.**

If an employee who has previously lost, or lost the use of, one hand, one arm, one foot, one leg, or one eye, becomes permanently disabled by a compensable injury which has resulted in the loss of or loss of use of another such member or organ, the employer shall be liable only for the degree of disability which would have resulted from the latter injury if there had been no preexisting disability. In addition to such compensation, and after the expiration of the full period provided by law for the payments thereof by the employer, the employee shall be paid out of the "Second Injury Fund" created by this division the remainder of such compensation as would be payable for the degree of permanent disability involved after first deducting from such remainder the compensable value of the previously lost member or organ.

Any benefits received by any such employee, or to which the employee may be entitled, by reason of such increased disability from any state or federal fund or agency, to which said employee has not directly contributed, shall be regarded as a credit to any award made against said second injury fund as aforesaid.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.64]

Referred to in §86.12

**85.65 Payments to second injury fund.**

The employer, or, if insured, the insurance carrier in each case of compensable injury causing death, shall pay to the treasurer of state for the second injury fund the sum of twelve thousand dollars in a case where there are dependents and forty-five thousand dollars in a case where there are no dependents. The payment shall be made at the time compensation payments are begun, or at the time the burial expenses are paid in a case where there are no dependents. However, the payments shall be required only in cases of injury resulting in death coming within the purview of this chapter and occurring after July 1, 1978. These payments shall be in addition to any payments of compensation to injured employees or their dependents, or of burial expenses as provided in this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.65; 82 Acts, ch 1161, §20]

89 Acts, ch 33, §1; 98 Acts, ch 1113, §1, 7

Referred to in §85.68, 86.12

**85.65A Payments to second injury fund — surcharge on employers.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Insured employers"* means employers who are commercially insured for purposes of workers' compensation coverage or who have been self-insured for less than twenty-four months as of the first day of the fiscal year in which a surcharge is imposed pursuant to this section.

*b.* *"Self-insured employers"* means employers who have been self-insured for purposes of workers' compensation coverage for at least twenty-four months as of the first day of the fiscal year in which a surcharge is imposed pursuant to this section.

2. Prior to each fiscal year commencing on or after July 1, 1999, the commissioner of insurance shall conduct an examination of the outstanding liabilities of the second injury fund and shall make a determination as to whether sufficient funds will be available in the second injury fund to pay the liabilities of the fund for each of the next two fiscal years. If the commissioner of insurance determines sufficient funds will be available, the commissioner shall not impose a surcharge on employers during the next succeeding fiscal year. If the commissioner determines sufficient funds will not be available, the commissioner shall impose by rule, pursuant to chapter 17A, a surcharge on employers during the next succeeding fiscal year for payment to the treasurer of state for the second injury fund pursuant to the requirements of this section.

3. If the commissioner of insurance determines that a surcharge on employers shall be imposed during any applicable fiscal year, the surcharge imposed shall comply with and be subject to all of the following requirements:

*a.* The surcharge shall apply to all workers' compensation insurance policies and self-insurance coverages of employers approved for self-insurance by the commissioner of insurance pursuant to section 87.4 or 87.11, and to the state of Iowa, its departments, divisions, agencies, commissions, and boards, or any political subdivision coverages whether insured or self-insured. The surcharge shall not apply to any reinsurance or retrocessional transaction under section 520.4 or 520.9.

*b.* In determining the surcharge for any applicable fiscal year, the commissioner of insurance shall provide that all insured and self-insured employers be assessed, in total, an amount the commissioner determines is sufficient, together with the moneys in the second injury fund, to meet the outstanding liabilities of the second injury fund.

*c.* The total assessment amount used in calculating the surcharge shall be allocated between self-insured employers and insured employers based on paid losses for the preceding calendar year. The portion of the total aggregate assessment that shall be collected from self-insured employers shall be equal to that proportion of total paid losses during the preceding calendar year, which the total compensation payments of all self-insured employers bore to the total compensation payments made by all self-insured employers and insurers on behalf of all insured employers during the preceding calendar year. The portion of the total aggregate assessment that is not to be collected from self-insured employers shall be collected from insured employers.

*d.* The method of assessing self-insured employers a surcharge shall be based on paid losses. The method of assessing insured employers a surcharge shall be by insurers collecting assessments from insured employers through a surcharge based on premium.

*e.* Assessments collected through imposition of a surcharge pursuant to this section shall not constitute an element of loss for the purpose of establishing rates for workers' compensation insurance but shall for the purpose of collection be treated as separate costs by insurers. The surcharge is collectible by an insurer and nonpayment of the surcharge shall be treated as nonpayment of premium and the insurer shall retain all cancellation rights inuring to it for nonpayment of premium. An insurance carrier, its agent, or a third-party administrator shall not be entitled to any portion of the surcharge as a fee or commission for its collection. The surcharge is not subject to any taxes, licenses, or fees. The surcharge is not deemed to be an assessment or tax, but shall be deemed an additional benefit paid for injuries compensable under this division.

4. The commissioner of insurance shall adopt rules, pursuant to chapter 17A, concerning the requirements of this section.

98 Acts, ch 1113, §2, 7; 2003 Acts, ch 140, §3, 6; 2008 Acts, ch 1137, §2, 3

Referred to in §85.67, 86.12

**85.66 Second injury fund — creation — custodian.**

1. The second injury fund is hereby established under the custody of the treasurer of state and shall consist of payments to the fund as provided by this division and any accumulated interest and earnings on moneys in the second injury fund.

2. The treasurer of state is charged with the conservation of the assets of the second injury fund. Moneys collected in the second injury fund shall be disbursed only for the purposes stated in this division, and shall not at any time be appropriated or diverted to any other use or purpose. Except for reimbursements to the attorney general provided for in section 85.67, disbursements from the fund shall be paid by the treasurer of state only upon the written order of the workers' compensation commissioner. The treasurer of state shall invest any surplus moneys of the fund in securities which constitute legal investments for state funds under the laws of this state, and may sell any of the securities in which the fund is invested, if necessary, for the proper administration or in the best interests of the fund.

3. The treasurer of state shall quarterly prepare a statement of the fund, setting forth the balance of moneys in the fund, the income of the fund, specifying the source of all income, the payments out of the fund, specifying the various items of payments, and setting forth the balance of the fund remaining to its credit. The statement shall be open to public inspection in the office of the treasurer of state.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.66; 82 Acts, ch 1161, §21]

83 Acts, ch 105, §5; 90 Acts, ch 1071, §1; 98 Acts, ch 1061, §11; 98 Acts, ch 1113, §3, 7; 2004 Acts, ch 1175, §196, 202; 2007 Acts, ch 215, §84; 2009 Acts, ch 133, §22

Referred to in §86.12, 86.13A

**85.67 Administration of fund — special counsel — payment of award.**

The attorney general shall appoint a staff member to represent the treasurer of state and the fund in all proceedings and matters arising under this division. The attorney general shall be reimbursed up to two hundred fifteen thousand dollars annually from the fund for services provided related to the fund. The commissioner of insurance shall consider the reimbursement to the attorney general as an outstanding liability when making a determination of funding availability under section 85.65A, subsection 2. In making an award under this division, the workers' compensation commissioner shall specifically find the amount the injured employee shall be paid weekly, the number of weeks of compensation which shall be paid by the employer, the date upon which payments out of the fund shall begin, and, if possible, the length of time the payments shall continue.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.67]

83 Acts, ch 105, §6; 98 Acts, ch 1061, §11; 98 Acts, ch 1113, §4, 7; 2004 Acts, ch 1175, §197, 209; 2007 Acts, ch 215, §85; 2013 Acts, ch 139, §53

Referred to in §85.66, 86.12

Section amended

**85.68 Actions — collection of payments — subrogation.**

The labor commissioner shall be charged with the collection of contributions and payments to the second injury fund required to be made pursuant to section 85.65. In addition, the labor commissioner, on behalf of the second injury fund created under this division, shall have a cause of action under section 85.22 to the same extent as an employer against any person not in the same employment by reason of whose negligence or wrong the subsequent injury of the person with the previous disability was caused. The action shall be brought by the labor commissioner on behalf of the fund, and any recovery, less the necessary and reasonable expenses incurred by the labor commissioner, shall be paid to the treasurer of state and credited to the second injury fund.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.68]

83 Acts, ch 105, §7; 96 Acts, ch 1129, §21; 98 Acts, ch 1113, §5, 7

Referred to in §84A.5, 86.12, 91.4

**85.69 Federal contributions.**

The treasurer of state is hereby authorized to receive and credit to the second injury fund any sum or sums that may at any time be contributed to the state by the United States or any agency thereof, under any Act of Congress or otherwise, to which the state may be or become entitled by reason of any payments made to any person with a previous disability out of the fund.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.69]

96 Acts, ch 1129, §22

Referred to in §86.12

VOCATIONAL REHABILITATION PROGRAM

**85.70 Additional payment for attendance.**

An employee who has sustained an injury resulting in permanent partial or permanent total disability, for which compensation is payable under this chapter, and who cannot return to gainful employment because of such disability, shall upon application to and approval by the workers' compensation commissioner be entitled to a one hundred dollar weekly payment from the employer in addition to any other benefit payments, during each full week in which the employee is actively participating in a vocational rehabilitation program recognized by the vocational rehabilitation services division of the department of education. The workers' compensation commissioner's approval of such application for payment may be given only after a careful evaluation of available facts, and after consultation with the employer or the employer's representative. Judicial review of the decision of the workers' compensation commissioner may be obtained in accordance with the terms of the Iowa administrative procedure Act, chapter 17A, and in section 86.26. Such additional benefit payment shall be paid for a period not to exceed thirteen consecutive weeks except that the workers' compensation commissioner may extend the period of payment not to exceed an additional thirteen weeks if the circumstances indicate that a continuation of training will in fact accomplish rehabilitation.

[C71, 73, 75, 77, 79, 81, §85.70]

96 Acts, ch 1127, §1; 98 Acts, ch 1061, §11; 2003 Acts, ch 44, §114; 2004 Acts, 1st Ex, ch 1001, §13, 18

EXTRATERRITORIAL INJURIES AND
BENEFIT CLAIMS

**85.71 Injury outside of state.**

1. If an employee, while working outside the territorial limits of this state, suffers an injury on account of which the employee, or in the event of death, the employee's dependents, would have been entitled to the benefits provided by this chapter had such injury occurred within this state, such employee, or in the event of death resulting from such injury, the employee's dependents, shall be entitled to the benefits provided by this chapter, if at the time of such injury any of the following is applicable:

*a.* The employer has a place of business in this state and the employee regularly works at or from that place of business, or the employer has a place of business in this state and the employee is domiciled in this state.

*b.* The employee is working under a contract of hire made in this state and the employee regularly works in this state.

*c.* The employee is working under a contract of hire made in this state and sustains an injury for which no remedy is available under the workers' compensation laws of another state.

*d.* The employee is working under a contract of hire made in this state for employment outside the United States.

*e.* The employer has a place of business in Iowa, and the employee is working under a contract of hire which provides that the employee's workers' compensation claims be governed by Iowa law.

2. This section shall be construed to confer personal jurisdiction over an employee or employer to whom this section is applicable.

[C75, 77, 79, 81, §85.71]

97 Acts, ch 106, §1; 2005 Acts, ch 168, §12, 23; 2008 Acts, ch 1091, §1; 2009 Acts, ch 179, §109

**85.72 Claims for benefits made outside of state — restrictions — credit.**

1. An employee, or an employee's dependents, shall not be entitled to benefits under this chapter if the employee or the employee's dependents have initiated a judicial proceeding or a contested case or other similar proceeding for the same injury, disability, or death pursuant to the laws of another state or country concerning workers' compensation, and the employee or the employee's dependents receive benefits following final resolution of the proceeding pursuant to a settlement, judgment, or award.

2. If an employee, or an employee's dependents, initiate a judicial proceeding or a contested case or other similar proceeding for benefits pursuant to the laws of another state or country concerning workers' compensation, any proceeding initiated by an employee, or an employee's dependents, for workers' compensation benefits under this chapter for the same injury, disability, or death shall be stayed, without prejudice, pending resolution of the out-of-state claim for benefits.

3. If benefits are paid under this chapter and were payable, at any time, for the same injury, disability, or death pursuant to the laws of another state or country concerning workers' compensation, the employer shall have a credit toward the benefits payable under this chapter for any benefits paid in another state or country. Benefits paid in another state or country constitute weekly compensation benefits for the purposes of sections 85.26 and 86.13.

97 Acts, ch 106, §2; 2008 Acts, ch 1091, §2

# CHAPTER 85A

## OCCUPATIONAL DISEASE COMPENSATION

Referred to in §8A.457, 8A.512, 84A.5, 85.3, 85.20, 85.21, 85.22, 85.26, 85.27, 85.34, 85.35, 85.38, 85.49, 85.60, 85.61, 86.8, 86.9, 86.13, 86.17, 86.18, 86.19, 86.24, 86.29, 86.39, 86.44, 87.1, 87.2, 87.11, 87.13, 87.14A, 87.21, 87.22, 331.324, 515B.5, 582.1A, 622.10, 627.13, 669.14, 729.6


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**85A.1 Short title.**

This chapter shall be known and referred to as the "*Iowa Occupational Disease Law*".

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.1]

**85A.2 Employers included.**

All employers as defined by the workers' compensation law of Iowa and who are engaged in any business or industrial process hereinafter designated and described are employers within the provisions of this chapter and shall be subject thereto.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.2]

**85A.3 Employees covered.**

All employees as defined by the workers' compensation law of Iowa employed in any business or industrial process hereinafter designated and described and who in the course of their employment are exposed to an occupational disease as herein defined are subject to the provisions of this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.3]

**85A.4 Disablement defined.**

Disablement as that term is used in this chapter is the event or condition where an employee becomes actually incapacitated from performing the employee's work or from earning equal wages in other suitable employment because of an occupational disease as defined in this chapter in the last occupation in which such employee is injuriously exposed to the hazards of such disease.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.4]

**85A.5 Compensation payable.**

All employees subject to the provisions of this chapter who shall become disabled from injurious exposure to an occupational disease herein designated and defined within the conditions, limitations and requirements provided herein, shall receive compensation, reasonable surgical, medical, osteopathic, chiropractic, physical rehabilitation, nursing and hospital services and supplies therefor, and burial expenses as provided in the workers' compensation law of Iowa except as otherwise provided in this chapter.

If, however, an employee incurs an occupational disease for which the employee would be entitled to receive compensation if the employee were disabled as provided herein, but is able to continue in employment and requires medical treatment for said disease, then the employee shall receive reasonable medical services therefor.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.5]

**85A.6 Dependents — defined.**

Dependents of a deceased employee whose death has been caused by an occupational disease as herein defined and under the provisions, conditions and limitations of this chapter shall be those persons defined as dependents under the workers' compensation law of Iowa and such dependents shall receive compensation benefits as provided by said law.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.6]

**85A.7 Limitations and exceptions.**

The provisions of this chapter providing payment of workers' compensation on account of occupational disease as defined and set out in this chapter, shall be subject to the following limitations and exceptions:

1. No compensation shall be payable if the employee, at the time of entering the employment of the employer in writing falsely represented to said employer that the employee had not been previously disabled, laid off or compensated, or lost time by reason of an occupational disease.

2. No compensation for death because of an occupational disease shall be payable to any person whose relationship to the deceased employee arose subsequent to the beginning of the first compensable disability, except only after-born children of a marriage existing at the beginning of such disability.

3. When such occupational disease causes the death of an employee and there are no dependents entitled to compensation, then the employer shall pay the medical, hospital and burial expenses as is provided by the workers' compensation law, and shall also pay to the

treasurer of the state for the use and benefit of the second injury compensation fund such amount as is required by the second injury compensation law.

4. Where such occupational disease is aggravated by any other disease or infirmity not of itself compensable, or where disability or death results from any other cause not of itself compensable but is aggravated, prolonged or accelerated by such an occupational disease, and disability results such as to be compensable under the provisions of this chapter, the compensation payable shall be reduced and limited to such proportion only of the compensation that would be payable if the occupational disease was the sole cause of the disability or death, as such occupational disease bears to all the causes of such disability or death. Such reduction or limitation in compensation shall be effected by reducing either the number of weekly payments or the amount of such payments as the workers' compensation commissioner may determine is for the best interests of the claimant or claimants.

5. No compensation shall be allowed or payable for any disease or death intentionally self-inflicted by the employee or due to the employee's intoxication, or due to the employee being a narcotic drug addict, or the employee's commission of a misdemeanor or felony, refusal to use a safety appliance or health protective, refusal to obey a reasonable written or printed rule of the employer which has been posted in a conspicuous position in the place of work, or failure or refusal to perform or obey any statutory duty. The burden of establishing any such ground shall rest upon the employer.

6. No compensation shall be payable or allowed in any case where the last injurious exposure to the hazards of such occupational disease occurred prior to the effective date of this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.7]
98 Acts, ch 1061, §11

**85A.8 Occupational disease defined.**

Occupational diseases shall be only those diseases which arise out of and in the course of the employee's employment. Such diseases shall have a direct causal connection with the employment and must have followed as a natural incident thereto from injurious exposure occasioned by the nature of the employment. Such disease must be incidental to the character of the business, occupation or process in which the employee was employed and not independent of the employment. Such disease need not have been foreseen or expected but after its contraction it must appear to have had its origin in a risk connected with the employment and to have resulted from that source as an incident and rational consequence. A disease which follows from a hazard to which an employee has or would have been equally exposed outside of said occupation is not compensable as an occupational disease.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.8]
Referred to in §85.61

**85A.9** Repealed by 73 Acts, ch 144, § 30.

**85A.10 Last exposure — employer liable.**

If compensation is payable for an occupational disease, the employer in whose employment the employee was last injuriously exposed to the hazards of the disease, is liable for the compensation. The notice of injury and claim for compensation shall be given and made to the employer as required under this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.10]
86 Acts, ch 1101, §1

**85A.11 Diagnosis for brucellosis.**

1. When any employee is clinically diagnosed as having brucellosis (undulant fever), it shall not be considered that the employee has the disease unless the clinical diagnosis is confirmed by:

*a.* A positive blood culture for brucella organisms, or

*b.* A positive agglutination test which must be verified by not less than two successive positive agglutination tests, each of which tests shall be positive in a titer of one to one

hundred sixty or higher. Said subsequent agglutination tests must be made of specimens taken not less than seven nor more than ten days after each preceding test.

2. The specimens for the tests required herein must be taken by a licensed practicing physician or osteopathic physician, and immediately delivered to the state hygienic laboratory of the Iowa department of public health at Iowa City, and each such specimen shall be in a container upon which is plainly printed the name and address of the subject, the date when the specimen was taken, the name and address of the subject's employer and a certificate by the physician or osteopathic physician that the physician took the specimen from the named subject on the date stated over the physician's signature and address.

3. The state hygienic laboratory shall immediately make the test and upon completion thereof it shall send a report of the result of such test to the physician or osteopathic physician from whom the specimen was received and also to the employer.

4. In the event of a dispute as to whether the employee has brucellosis, the matter shall be determined as any other disputed case.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.11]

2008 Acts, ch 1032, §201; 2010 Acts, ch 1069, §9

**85A.12 Disablement or death following exposure — limitations.**

An employer shall not be liable for any compensation for an occupational disease unless such disease shall be due to the nature of an employment in which the hazards of such disease actually exist, and which hazards are characteristic thereof and peculiar to the trade, occupation, process, or employment, and such disease actually arises out of the employment, and unless disablement or death results within three years in case of pneumoconiosis, or within one year in case of any other occupational disease, after the last injurious exposure to such disease in such employment, or in case of death, unless death follows continuous disability from such disease commencing within the period above limited for which compensation has been paid or awarded or timely claim made as provided by this chapter and results within seven years after such exposure.

In any case where disablement or death was caused by latent or delayed pathological conditions, blood, or other tissue changes or malignancies due to occupational exposure to X rays, radium, radioactive substances or machines, or ionizing radiation, the employer shall not be liable for any compensation unless claim is filed within ninety days after disablement or death or after the employee had knowledge or in the exercise of reasonable diligence should have known the disablement was caused by overexposure to ionizing radiation or radioactive substances, and its relation to employment.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.12]

**85A.13 Provisions relating to pneumoconiosis.**

1. *Pneumoconiosis defined.* Whenever used in this chapter, *"pneumoconiosis"* shall mean the characteristic fibrotic condition of the lungs caused by the inhalation of dust particles.

2. *Presumptions.* In the absence of conclusive evidence in favor of the claim, disability or death from pneumoconiosis shall be presumed not to be due to the nature of any occupation within the provisions of this chapter unless during the ten years immediately preceding the disablement of the employee who has been exposed to the inhalation of dust particles over a period of not less than five years, two years of which shall have been in employment in this state.

3. *Pneumoconiosis complicated with other diseases.* In case of disability or death from pneumoconiosis complicated with tuberculosis of the lungs, compensation shall be payable as for uncomplicated pneumoconiosis, provided, however, that the pneumoconiosis was an essential factor in causing such disability or death. In case of disability or death from pneumoconiosis complicated with any other disease, or from any other disease complicated with pneumoconiosis, the compensation shall be reduced as herein provided.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.13]

84 Acts, ch 1053, §1

**85A.14 Restriction on liability.**

No compensation shall be payable under this chapter for any condition of physical or mental ill-being, disability, disablement, or death for which compensation is recoverable on account of injury under the workers' compensation law.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.14]

**85A.15 Employers limit of liability.**

Payments of compensation and compliance with other provisions herein by the employer or the employer's insurance carrier in accordance with the findings and orders of the workers' compensation commissioner or the court in judicial review proceedings, shall discharge such employer from any and all further obligation.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.15]

98 Acts, ch 1061, §11

**85A.16 Reference to compensation law.**

The provisions of the workers' compensation law, so far as applicable, and not inconsistent herewith, shall apply in cases of compensable occupational diseases as specified and defined herein.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.16]

**85A.17 Disability.**

Compensation payable under this chapter for temporary disability, permanent total disability or permanent partial disability, shall be such amounts as are provided under the workers' compensation law.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.17]

Referred to in §96.7(2a), 96.23

**85A.18 Notice of disability or death — filing of claims.**

Except as herein otherwise provided, procedure with respect to notice of disability or death, as to the filing of claims and determination of claims shall be the same as in cases of injury or death arising out of and in the course of employment under the workers' compensation law. Written notice shall be given to the employer of an occupational disease by the employee within ninety days after the first distinct manifestation thereof, and in the case of death from such an occupational disease, written notice of such claim shall also be given to the employer within ninety days thereafter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.18]

**85A.19 Autopsy.**

Upon the filing of a claim for compensation for death from an occupational disease where an autopsy is necessary in order to accurately and scientifically ascertain and determine the cause of death, such autopsy shall be ordered by the workers' compensation commissioner and shall be made under the supervision of the medical examiner of the county in which death occurs or in any county where the body of such employee may be taken.

The workers' compensation commissioner may designate a duly licensed physician to perform or attend such autopsy and to certify the findings thereon. Such findings shall be filed in the office of the workers' compensation commissioner. The workers' compensation commissioner may also exercise such authority on the commissioner's own motion or on application made to the commissioner at any time, upon the presentation of facts showing that a controversy may exist in regard to the cause of death or the existence of any occupational disease. All proceedings for compensation shall be suspended upon refusal of a claimant or claimants to permit such autopsy when so ordered and no compensation shall be payable.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.19]

98 Acts, ch 1061, §11

**85A.20 Investigation.**

The workers' compensation commissioner may designate the industrial hygiene physician of the Iowa department of public health and two physicians selected by the dean of the university of Iowa college of medicine, from the staff of the college, who shall be qualified to diagnose and report on occupational diseases. For the purpose of investigating occupational diseases, the physicians shall have the use, without charge, of all necessary laboratory and other facilities of the university of Iowa college of medicine and of the university hospital at the state university of Iowa, and of the Iowa department of public health in performing the physicians' duties.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.20]

86 Acts, ch 1245, §905; 98 Acts, ch 1061, §11; 2001 Acts, ch 74, §1; 2002 Acts, ch 1119, §9

Referred to in §85A.21, 85A.22, 85A.23, 85A.24, 85A.25

**85A.21 Controversial medical questions.**

Controversial medical questions may be referred by the workers' compensation commissioner to the physicians designated in section 85A.20 for investigation and report to the workers' compensation commissioner when agreed to by the parties or on the commissioner's own motion. No award shall be made in any case where controversial medical questions have been referred to the physicians until the physicians have duly investigated the case and made a report with respect to all such medical questions. The date of disablement, if in dispute, shall be deemed a medical question.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.21]

86 Acts, ch 1245, §906; 98 Acts, ch 1061, §11

**85A.22 Examination of employee by physicians.**

The physicians designated in section 85A.20, upon reference to them by the workers' compensation commissioner of a claim for occupational disease, shall notify the claimant or claimants and the employer or the employer's insurance carrier to appear before the physicians at a time and place stated in the notice. If the employee is alive, the employee shall appear before the physicians at the time and place specified to submit to such clinical and x-ray examinations as the physicians may require. The claimant and the employer shall each be entitled, at the claimant's or employer's own expense, to have present at all examinations conducted by the physicians, a physician admitted to practice in the state, who shall be given every reasonable opportunity for participating in all examinations. If a physician admitted to practice in the state certifies that the employee is physically unable to appear at the time and place specified, the physicians shall, on notice to the parties, change the time and place of examination to another time and place as may reasonably facilitate the examination of the employee. Proceedings shall be suspended and no compensation shall be payable for any period during which the employee refuses to submit to such examination.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.22]

86 Acts, ch 1245, §907; 98 Acts, ch 1061, §11

**85A.23 Report — date of disablement.**

The physicians designated in section 85A.20 shall, as soon as practicable after the physicians have completed consideration of the case, report in writing the findings and conclusions on every medical question in controversy. If the date of disablement is controverted and cannot be fixed exactly, the physicians shall fix the most probable date in light of all the circumstances of the case. The physicians shall also include in the report the name and address of the physician or physicians, if any, who appeared before the physicians and the medical reports and X rays, if any, which were considered by the physicians.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.23]

86 Acts, ch 1245, §908

**85A.24 Findings and report.**

The physicians designated in section 85A.20 shall file the report in triplicate with the workers' compensation commissioner who shall mail or deliver a certified copy of the report

to the claimant and to the employer. The report shall become a part of the record of the case. The workers' compensation commissioner shall make the decision or award in the case based upon the entire record. The report of the physicians in any case may be returned by the commissioner to the physicians for reconsideration and further report. The physicians shall not be prohibited from testifying before the workers' compensation commissioner, board of arbitration, or any other person, commission, or court as to the results of the examination or the condition of any employee examined.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.24]

86 Acts, ch 1245, §909; 98 Acts, ch 1061, §11

**85A.25 Existing diseases barred.**

There shall be no liability for the payment of compensation under the provisions of this chapter to any person who on October 1, 1947, is suffering with an occupational disease. An employer may at the employer's own expense require the employer's employees to submit to a physical examination prior to October 1, 1947, and in the case of new employees employed after July 4, 1947, within ninety days of the commencement of the employment of such new employees, for the purpose of determining whether any such person is affected with or has an occupational disease. In the event it is determined by such examination that any employee is suffering from or is affected with an occupational disease, the employer may require the employee to waive in writing any claim for compensation under the provisions of this chapter on account thereof as a condition to continuing in the employment of the employer.

In cases of dispute as to the existence of the disease the controversy may be referred to the workers' compensation commissioner who shall decide the matter and who may, upon the commissioner's own motion or by agreement of the parties, submit the controverted question to the physicians designated in section 85A.20 for investigation and report, and the physicians shall immediately proceed with the investigation and with the examination of the employee and forthwith make the report to the workers' compensation commissioner. The examination shall be made and the investigation conducted in the same manner as is provided in this chapter as to other controverted medical questions. The workers' compensation commissioner shall then make the decision on the matter, and the decision shall have the same force and effect and be subject to all the other provisions of law applicable the same as any other decision of the workers' compensation commissioner.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.25]

86 Acts, ch 1245, §910; 98 Acts, ch 1061, §11

**85A.26 Insurance contracts.**

No policy of insurance in effect at the time of the enactment of this chapter covering the liability of an employer under the workers' compensation law, shall be construed to cover the liability of such employer under this chapter for any occupational disease unless such liability is expressly accepted by the insurance carrier issuing such policy and is endorsed thereon. The insurance or security in force to cover compensation liability under this chapter shall be separate and distinct from the insurance or security under the workers' compensation law and any insurance contract covering liability under either this chapter or the workers' compensation law need not cover any liability under the other.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.26]

**85A.27 Administration.**

The workers' compensation commissioner shall have jurisdiction over the operation and administration of the compensation provisions of this chapter and said commissioner shall perform all of the duties imposed upon the commissioner by this chapter and such further duties as may hereafter be imposed by law.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85A.27]

98 Acts, ch 1061, §11

# CHAPTER 85B

## OCCUPATIONAL HEARING LOSS

Referred to in §8A.457, 8A.512, 84A.5, 85.3, 85.20, 85.21, 85.22, 85.26, 85.27, 85.34, 85.35, 85.38, 85.49, 85.60, 85.61, 86.8, 86.9, 86.13, 86.17, 86.29, 86.39, 86.44, 87.1, 87.2, 87.11, 87.13, 87.14A, 87.21, 87.22, 515B.5, 582.1A, 622.10, 627.13, 729.6

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**85B.1 Citation.**

This chapter shall be known as the *"Iowa Occupational Hearing Loss Act"*.

[C81, §85B.1]

**85B.2 Workers' compensation — employers subject.**

All employers as defined in chapter 85 are subject to this chapter.

[C81, §85B.2]

**85B.3 Loss in course of employment.**

All employees as defined in chapter 85 who incur an occupational hearing loss arising out of and in the course of employment, are subject to this chapter.

[C81, §85B.3]

**85B.4 Definitions.**

As used in this chapter, unless the context otherwise provides:

1. *"Excessive noise exposure"* means exposure to sound capable of producing occupational hearing loss.

2. *"Hearing level"* means the measured threshold of hearing sensitivity using audiometric instruments properly calibrated to the American national standards institute audiometric zero reference level.

3. *"Occupational hearing loss"* means that portion of a permanent sensorineural loss of hearing in one or both ears that exceeds an average hearing level of twenty-five decibels for the frequencies five hundred, one thousand, two thousand, and three thousand Hertz, arising out of and in the course of employment caused by excessive noise exposure. *"Occupational hearing loss"* does not include loss of hearing attributable to age or any other condition or exposure not arising out of and in the course of employment.

[C81, §85B.4]

98 Acts, ch 1160, §2

Referred to in §85.34

**85B.5 Excessive noise exposure.**

1. An excessive noise exposure is sound which exceeds the times and intensities listed in the following table:

| Duration per day hours | Sound level, dBA slow response | Duration per day minutes | Sound level, dBA slow response |
|---|---|---|---|
| 8 | 90 | 52 | 106 |
| 7 | 91 | 45 | 107 |
| 6 | 92 | 37 | 108 |
| 5 | 93 | 33 | 109 |
| 4 1/2 | 94 | 30 | 110 |
| 4 | 95 | 26 | 111 |
| 3 1/2 | 96 | 22 | 112 |
| 3 | 97 | 18 | 113 |
| 2 1/2 | 98 | 16 | 114 |
| 2 1/4 | 99 | 15 | 115 |
| 2 | 100 | No exposure greater than 115 permitted | |
| 1 3/4 | 101 | | |
| 1 1/2 | 102 | | |
| 1 1/4 | 103 | | |
| 1 1/8 | 104 | | |
| 1 | 105 | | |

2. The workers' compensation commissioner may promulgate rules pursuant to chapter 17A to amend this table based upon changes recommended in nationally recognized consensus standards.

3. An employer shall immediately inform an employee if the employer learns that the employee is being subjected to sound levels and duration in excess of those indicated in the above table. In instances of occupational hearing loss alleged to have occurred, either in whole or in part prior to January 1, 1981, an employer shall provide upon request by an affected employee whatever evidence is available to the employer of the date, duration, and intensities of noise to which the employee was subjected in employment.

[C81, §85B.5]

98 Acts, ch 1061, §11; 98 Acts, ch 1160, §3; 2009 Acts, ch 41, §263

**85B.6 Maximum compensation.**

Compensation is payable for a maximum of one hundred seventy-five weeks for total occupational hearing loss. For partial occupational hearing loss compensation is payable for a period proportionate to the relation which the calculated binaural, both ears, hearing loss bears to one hundred percent, or total loss of hearing.

[C81, §85B.6]

**85B.7 Periodic examination.**

Compensation is not payable to an employee who willfully fails to submit for reasonable periodic physical and audiometric examinations. Reasonable written notice of the dates and times of examinations required by the employer shall be given the employee. Examinations shall be scheduled during times the employee, examining personnel, and examination facilities are reasonably available. Physical and audiometric examinations shall be at the expense of the employer. The employee shall be compensated for any time lost from work occasioned by employer examinations. Compensation is not payable to an employee if the employee fails or refuses to use employer-provided hearing protective devices required by the employer and communicated in writing to the employee at the time the employee is employed or at the time the protective devices are provided by the employer.

[C81, §85B.7]

**85B.8 Date of occurrence.**

1. A claim for occupational hearing loss due to excessive noise exposure may be filed beginning one month after separation from the employment in which the employee was

subjected to excessive noise exposure. The date of the injury shall be the date of occurrence of any one of the following events:

*a.* Transfer from excessive noise exposure employment by an employer.

*b.* Retirement.

*c.* Termination of the employer-employee relationship.

2. The date of injury for a layoff which continues for a period longer than one year shall be six months after the date of the layoff. However, the date of the injury for any loss of hearing incurred prior to January 1, 1981, shall not be earlier than the occurrence of any one of the above events.

[C81, §85B.8]

98 Acts, ch 1160, §4, 5; 2008 Acts, ch 1032, §201

**85B.9 Measuring hearing loss.**

1. Audiometric instruments, properly calibrated to the American national standards institute specifications, shall be used for measuring hearing levels and in such tests necessary to establish total hearing loss, if any. The hearing tests and examinations shall be conducted in environments which comply with accepted national standards.

2. Audiometric examinations shall be administered by persons who are certified by the council for accreditation in occupational hearing conservation or by persons licensed as audiologists under chapter 154F, or as physicians or osteopathic physicians and surgeons under chapter 148, provided the licensed persons are trained in audiometry.

3. In calculating the total amount of hearing loss, the hearing levels at each of the four frequencies, five hundred, one thousand, two thousand, and three thousand Hertz, shall be added together and divided by four to determine the average decibel hearing level for each ear. If the resulting average decibel hearing level in either ear is twenty-five decibels or less, the percentage hearing loss for that ear shall be zero. For each resulting average decibel hearing level exceeding twenty-five decibels, an allowance of one and one-half percent shall be made up to the maximum of one hundred percent which is reached at an average decibel hearing level of ninety-two decibels. In determining the total binaural percentage hearing loss, the percentage hearing loss for the ear with better hearing shall be multiplied by five and added to the percentage hearing loss for the ear with worse hearing and the sum of the two divided by six.

4. *a.* The assessment of the proportion of the total binaural percentage hearing loss that is due to occupational noise exposure shall be made by the employer's regular or consulting physician or licensed audiologist who is trained and has had experience with such assessment. If several audiometric examinations are available for assessment, the physician or audiologist shall determine which examinations shall be used in the final assessment of occupational hearing loss.

*b.* If the employee disputes the assessment, the employee may select a physician or licensed audiologist similarly trained and experienced to give an assessment of the audiometric examinations.

5. This section is applicable in the event of partial permanent or total permanent occupational hearing loss in one or both ears.

[C81, §85B.9; 81 Acts, ch 42, §1]

98 Acts, ch 1160, §6; 2008 Acts, ch 1088, §81

Referred to in §85B.9A

**85B.9A Apportionment of occupational hearing loss.**

Apportionment of the total hearing loss between occupational and nonoccupational loss, for purposes of determining occupational hearing loss, may be made by an audiologist or physician with qualifications set forth in section 85B.9. In determining occupational hearing loss, consideration shall be given to all probable employment and nonemployment sources of loss. The apportionment of age-related loss shall be made by reducing the total binaural percentage hearing loss as calculated pursuant to section 85B.9, subsection 3, by the same percentage as the decibels of age-related loss occurring during the period of employment bears to the total decibel hearing level in each ear. The decibels of age-related loss shall

be calculated according to tables adopted by the workers' compensation commissioner consistent with tables of the national institute for occupational safety and health existing on July 1, 1998, and consistent with section 85B.9, subsection 3.
98 Acts, ch 1160, §7

**85B.10 Employer's notice of results of test.**
The employer shall communicate to the employee, in writing, the results of an audiometric examination or physical examination of an employee which reflects an average hearing level in one or both ears in excess of twenty-five decibels for the test frequencies of five hundred, one thousand, two thousand, and three thousand Hertz, as soon as practicable after the examination. The communication shall include the name and qualifications of the person conducting the audiometric examination or physical examination, the site of the examination, the kind or type of test or examinations given, the results of each and the average decibel hearing level, for the four frequencies, in each ear, and, if known to the employer, whether the hearing loss is sensorineural and, if the hearing loss resulted from another cause, the cause.
[C81, §85B.10]
98 Acts, ch 1160, §8

**85B.11 Previous hearing loss excluded.**
An employer is liable, as provided in this chapter and subject to the provisions of chapter 85, for an occupational hearing loss to which the employment has contributed, but if previous hearing loss, whether occupational or not, is established by an audiometric examination or other competent evidence, whether or not the employee was subjected to excessive noise exposure within six months preceding the test, the employer is not liable for the previous loss, nor is the employer liable for a loss for which compensation has previously been paid or awarded. The employer is liable only for the difference between the percent of occupational hearing loss determined as of the date of the audiometric examination used to determine occupational hearing loss and the percentage of loss established by the preemployment audiometric examination. An amount paid to an employee for occupational hearing loss by any other employer shall be credited against compensation payable by an employer for the hearing loss. An employee shall not receive in the aggregate greater compensation from all employers for occupational hearing loss than that provided in this section for total occupational hearing loss. A payment shall not be made to an employee unless the employee has worked in excessive noise exposure employment for a total period of at least ninety days for the employer from whom compensation is claimed.
[C81, §85B.11]
98 Acts, ch 1160, §9; 99 Acts, ch 96, §7

**85B.12 Hearing aid provided.**
A reduction of the compensation payable to an employee for occupational hearing loss shall not be made because the employee's ability to communicate may be improved by the use of a hearing aid. An employer who is liable for occupational hearing loss of an employee is required to provide the employee with a hearing aid for each affected ear unless it will not materially improve the employee's ability to communicate.
[C81, §85B.12]
98 Acts, ch 1160, §10

**85B.13 Payment of compensation discharges employer.**
Payments of compensation and compliance with other provisions of this chapter by the employer or the employer's insurance carrier in accordance with the findings and orders of the workers' compensation commissioner or a court making a final adjudication in appealed cases, discharges the employer from further obligation.
[C81, §85B.13]
98 Acts, ch 1061, §11

**85B.14 Applicable chapters.**

Chapters 17A, 85, and 86, so far as applicable, and not inconsistent with this chapter, apply in cases of compensable occupational hearing loss.

[C81, §85B.14]

**85B.15 Workers' compensation commissioner to enforce.**

The workers' compensation commissioner has jurisdiction over the operation and administration of the compensation provisions of this chapter.

[C81, §85B.15]

98 Acts, ch 1061, §11

# CHAPTER 86

## DIVISION OF WORKERS' COMPENSATION

Referred to in §8A.457, 8A.512, 22.7, 84A.5, 85.3, 85.26, 85.31, 85.34, 85.35, 85.59, 85.60, 85.61, 85B.14, 87.1, 87.2, 87.11, 87.13, 87.14A, 87.21, 331.324, 515B.5, 729.6


86.1 Workers' compensation commissioner — term.
86.2 Appointment of deputies.
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86.17 Hearings — presiding officer — venue.
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86.20 Repealed by 82 Acts, ch 1161, §28.
86.21 through 86.23 Repealed by 77 Acts, ch 51, §21.
86.24 Appeals within the agency.
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86.26 Judicial review.
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86.28 Repealed by 77 Acts, ch 51, §21.
86.29 The judicial review petition.
86.30 and 86.31 Repealed by 74 Acts, ch 1090, §211.
86.32 Costs of judicial review.
86.33 Repealed by 74 Acts, ch 1090, §211.
86.34 and 86.35 Repealed by 77 Acts, ch 51, §21.
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86.37 Repealed by 77 Acts, ch 51, §21.
86.38 Examination by physician — fee.
86.39 Fees — approval.
86.40 Costs.
86.41 Witness fees.
86.42 Judgment by district court on award.
86.43 Judgment — modification.
86.44 Confidentiality.
86.45 Confidential information.


**86.1 Workers' compensation commissioner — term.**

The governor shall appoint, subject to confirmation by the senate, a workers' compensation commissioner whose term of office shall be six years beginning and ending as provided in section 69.19. The workers' compensation commissioner shall maintain an office at the seat of government. The workers' compensation commissioner must be a lawyer admitted to practice in this state.

[S13, §2477-m22; C24, 27, 31, 35, 39, §**1423;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.1]

98 Acts, ch 1061, §11

Referred to in §84A.5

Confirmation, see §2.32

**86.2 Appointment of deputies.**

1. The commissioner may appoint:

*a.* Chief deputy workers' compensation commissioners for whose acts the commissioner is responsible, who are exempt from the merit system provisions of chapter 8A, subchapter IV, and who shall serve at the pleasure of the commissioner.

*b.* Deputy workers' compensation commissioners for whose acts the commissioner is responsible and who shall serve at the pleasure of the commissioner.

2. All chief deputies and deputies must be lawyers admitted to practice in this state.

3. The commissioner may appoint one or more chief deputy workers' compensation commissioners and one or more deputy workers' compensation commissioners. A chief deputy workers' compensation commissioner or a deputy workers' compensation commissioner shall perform such additional administrative responsibilities as are deemed reasonably necessary and assigned by the commissioner.

[C24, 27, 31, 35, 39, §**1424;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.2]

89 Acts, ch 60, §3; 90 Acts, ch 1261, §26; 98 Acts, ch 1061, §11; 2003 Acts, ch 145, §158; 2008 Acts, ch 1031, §26

**86.3 Duties of deputies.**

Notwithstanding the provisions of chapter 17A, in the absence or disability of the workers' compensation commissioner, or when written delegation of authority to perform specified functions is made by the commissioner, the deputies shall have any necessary specified powers to perform any necessary or specified duties of the workers' compensation commissioner pertaining to the commissioner's office. Notwithstanding the definitions and terms of chapter 17A, pertaining to the issuance of final decisions, when the above circumstances exist a deputy commissioner shall have the power to issue a final decision as if issued by the agency.

[C24, 27, 31, 35, 39, §**1425;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.3]

98 Acts, ch 1061, §11

**86.4 Political activity and contributions.**

It shall be unlawful for the commissioner, or a chief deputy workers' compensation commissioner while in office, to espouse the election or appointment of any candidate to any political office, and any person violating the provisions of this section shall be guilty of a simple misdemeanor.

[S13, §2477-m23, -m37; C24, 27, 31, 35, 39, §**1427;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.4]

90 Acts, ch 1261, §27; 98 Acts, ch 1061, §11

**86.5 Political promises.**

Any person who is a candidate for appointment as commissioner who makes any promise to another, express or implied, in consideration of any assistance or influence given or recommendation made that the candidate will, if appointed as a commissioner, appoint such person or one whom the person may recommend to any office within the power of the commissioner to appoint, shall be guilty of a simple misdemeanor.

[S13, §2477-m38; C24, 27, 31, 35, 39, §**1428;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.5]

**86.6 Recommendations of commissioner.**

All recommendations to the governor of any person asking the appointment of another as commissioner shall be reduced to writing, signed by the person presenting the same, which shall be filed by the governor in the governor's office and open at all reasonable times for public inspection, and all recommendations made by any person to the commissioner for the appointment of another within the power of the commissioner to appoint, shall be reduced to writing, signed by the person presenting the same, and filed by the commissioner and open for public inspection at all reasonable times. If any person recommending the appointment of another within the contemplation of this section refuses to reduce the same to writing, it shall

be the duty of the person to whom the recommendation is made, to make a memorandum thereof, stating the name of the person recommended and the name of the person who made the same, which shall be filed in the office of the governor or the commissioner as the case may be.

[S13, §2477-m39; C24, 27, 31, 35, 39, §**1429;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.6]

**86.7 Interest in affected business.**

It shall be unlawful for the commissioner to be financially interested in any business enterprise coming under or affected by this chapter during the commissioner's term of office, and if the commissioner violates this statute, it shall be sufficient grounds for removal from office, and in such case the governor shall at once declare the office vacant and appoint another to fill the vacancy.

[S13, §2477-m39; C24, 27, 31, 35, 39, §**1430;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.7]

**86.8 Duties.**

1. The commissioner shall:

*a.* Adopt and enforce rules necessary to implement this chapter and chapters 85, 85A, 85B, and 87.

*b.* Prepare and distribute the necessary blanks relating to computation, adjustment, and settlement of compensation.

*c.* Prepare and publish statistical reports and analyses regarding the cost, occurrence, and sources of employment injuries.

*d.* Administer oaths and examine books and records of parties subject to the workers' compensation laws.

*e.* Provide a seal for the authentication of orders and records and for other purposes as required.

2. Subject to the approval of the director of the department of workforce development, the commissioner may enter into contracts with any state agency, with or without reimbursement, for the purpose of obtaining the services, facilities, and personnel of the agency and with the consent of any state agency or political subdivision of the state, accept and use the services, facilities, and personnel of the agency or political subdivision, and employ experts and consultants or organizations in order to expeditiously, efficiently, and economically effectuate the purposes of this chapter. The agreements under this subsection are subject to approval by the executive council if approval is required by law.

[S13, §2477-m24; C24, 27, 31, 35, 39, §**1431;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.8]

86 Acts, ch 1245, §911; 96 Acts, ch 1186, §23; 2008 Acts, ch 1032, §172

**86.9 Reports.**

The director of the department of workforce development, in consultation with the commissioner, shall, at the time provided by law, make an annual report to the governor setting forth in appropriate form the business and expense of the division of workers' compensation for the preceding year, the number of claims processed by the division and the disposition of the claims, and other matters pertaining to the division which are of public interest, together with recommendations for change or amendment of the laws in this chapter and chapters 85, 85A, 85B, and 87, and the recommendations, if any, shall be transmitted by the governor to the first general assembly in session after the report is filed.

The commissioner, after consultation with the director of the department of workforce development, may compile an annual report setting forth the final decisions, rulings, and orders of the division for the preceding year and setting forth other matters or information which the commissioner considers desirable for publication. These annual reports may be

distributed by the state on request to public officials as set forth in chapter 7A. Members of the public may obtain the annual report upon payment of its cost as set by the commissioner.

[S13, §2477-m24; C24, 27, 31, 35, 39, §**1432;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.9; 81 Acts, ch 6, §13]

84 Acts, ch 1067, §16; 86 Acts, ch 1245, §912; 96 Acts, ch 1186, §23; 98 Acts, ch 1061, §5

**86.10 Records of employer — right to inspect.**

All books, records, and payrolls of the employers, showing or reflecting in any way upon the amount of wage expenditure of such employers, shall always be open for inspection by the workers' compensation commissioner or any of the commissioner's representatives presenting a certificate of authority from said commissioner for the purpose of ascertaining the correctness of the wage expenditure, the number of persons employed, and such other information as may be necessary for the uses and purposes of the commissioner in the administration of the law.

Information so obtained shall be used for no other purpose than to advise the commissioner or insurance association with reference to such matters.

Upon a refusal on the part of the employer to submit the employer's books, records, or payrolls for the inspection of the commissioner or the commissioner's authorized representatives presenting written authority from the commissioner, the commissioner may enter an order requiring the employer to do so.

[S13, §2477-m36; C24, 27, 31, 35, 39, §**1433;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.10]

98 Acts, ch 1061, §11

Referred to in §86.12

**86.11 Reports of injuries.**

Every employer shall hereafter keep a record of all injuries, fatal or otherwise, alleged by an employee to have been sustained in the course of the employee's employment and resulting in incapacity for a longer period than one day. If the injury results only in temporary disability, causing incapacity for a longer period than three days, then within four days thereafter, not counting Sundays and legal holidays, the employer or insurance carrier having had notice or knowledge of the occurrence of such injury and resulting disability shall file a report with the workers' compensation commissioner in the form and manner required by the commissioner. If such injury to the employee results in permanent total disability, permanent partial disability, or death, then the employer or insurance carrier, upon notice or knowledge of the occurrence of the employment injury, shall file a report with the workers' compensation commissioner within four days after having notice or knowledge of the permanent injury to the employee or the employee's death. The report to the workers' compensation commissioner of injury shall be without prejudice to the employer or insurance carrier and shall not be admitted in evidence or used in any trial or hearing before any court, the workers' compensation commissioner, or a deputy workers' compensation commissioner except as to the notice under section 85.23.

[S13, §2477-m36; C24, 27, 31, 35, 39, §**1434;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.11]

98 Acts, ch 1061, §6, 11; 2000 Acts, ch 1007, §4

Referred to in §86.12

**86.12 Failure to report.**

The workers' compensation commissioner may require any employer to supply the information required by section 86.10 or to file a report required by section 86.11 or 86.13 or by agency rule, by written demand sent to the employer's last known address. Upon failure to supply such information or file such report within thirty days, the employer may be ordered to appear and show cause why the employer should not be subject to assessment of one thousand dollars for each occurrence. Upon such hearing, the workers' compensation commissioner shall enter a finding of fact and may enter an order requiring such assessment to be paid into the second injury fund created by sections 85.63 to 85.69. In the event the assessment is not voluntarily paid within thirty days, the workers' compensation

commissioner may file a certified copy of such finding and order with the clerk of the court for the district in which the employer maintains a place of business. If the employer maintains no place of business in this state, service shall be made as provided in chapter 85 for nonresident employers. In such case the finding and order may be filed in any court of competent jurisdiction within this state.

The workers' compensation commissioner may thereafter petition the court for entry of judgment upon such order, serving notice of such petition on the employer and any other person in default. If the court finds the order valid, the court shall enter judgment against the person or persons in default for the amount due under the order. No fees shall be required for the filing of the order or for the petition for judgment, or for the entry of judgment or for any enforcement procedure thereupon. No supersedeas shall be granted by any court to a judgment entered under this section.

When a report is required under section 86.11 or 86.13 or by agency rule, and the employer's insurance carrier possesses the information necessary to file the report, the insurance carrier shall be responsible for filing the report in the same manner and to the same extent as an employer under this section.

[S13, §2477-m36; C24, 27, 31, 35, 39, §**1435;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.12]

98 Acts, ch 1061, §11; 2003 Acts, 1st Ex, ch 1, §122, 124, 133

[2003 Acts, 1st Ex, ch 1, §122, 124, 133, amendments to this section rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, 1st Ex, ch 1001, §14, 19

**86.13 Compensation payments.**

1. If an employer or insurance carrier pays weekly compensation benefits to an employee, the employer or insurance carrier shall file with the workers' compensation commissioner in the form and manner required by the workers' compensation commissioner a notice of the commencement of the payments. The payments establish conclusively that the employer and insurance carrier have notice of the injury for which benefits are claimed but the payments do not constitute an admission of liability under this chapter or chapter 85, 85A, or 85B.

2. If an employer or insurance carrier fails to file the notice required by this section, the failure stops the running of the time periods in section 85.26 as of the date of the first payment. If commenced, the payments shall be terminated only when the employee has returned to work, or upon thirty days' notice stating the reason for the termination and advising the employee of the right to file a claim with the workers' compensation commissioner.

3. This section does not prevent the parties from reaching an agreement for settlement regarding compensation. However, the agreement is valid only if signed by all parties and approved by the workers' compensation commissioner.

4. *a.* If a denial, a delay in payment, or a termination of benefits occurs without reasonable or probable cause or excuse known to the employer or insurance carrier at the time of the denial, delay in payment, or termination of benefits, the workers' compensation commissioner shall award benefits in addition to those benefits payable under this chapter, or chapter 85, 85A, or 85B, up to fifty percent of the amount of benefits that were denied, delayed, or terminated without reasonable or probable cause or excuse.

*b.* The workers' compensation commissioner shall award benefits under this subsection if the commissioner finds both of the following facts:

(1) The employee has demonstrated a denial, delay in payment, or termination of benefits.

(2) The employer has failed to prove a reasonable or probable cause or excuse for the denial, delay in payment, or termination of benefits.

*c.* In order to be considered a reasonable or probable cause or excuse under paragraph "*b*", an excuse shall satisfy all of the following criteria:

(1) The excuse was preceded by a reasonable investigation and evaluation by the employer or insurance carrier into whether benefits were owed to the employee.

(2) The results of the reasonable investigation and evaluation were the actual basis upon which the employer or insurance carrier contemporaneously relied to deny, delay payment of, or terminate benefits.

(3) The employer or insurance carrier contemporaneously conveyed the basis for the denial, delay in payment, or termination of benefits to the employee at the time of the denial, delay, or termination of benefits.

[S13, §2477-m25; C24, 27, 31, 35, 39, §**1436;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.13; 82 Acts, ch 1161, §23]

98 Acts, ch 1061, §7, 11; 2009 Acts, ch 179, §110

Referred to in §85.26, 85.34, 85.72, 86.12, 86.14

**86.13A Compliance monitoring and enforcement.**

The workers' compensation commissioner shall monitor the rate of compliance of each employer and each insurer with the requirement to commence benefit payments within the time specified in section 85.30. The commissioner shall determine the percentage of reported injuries where the statutory standard was met and the average number of days that commencement of voluntary benefits was delayed for each employer and each insurer individually, and for all employers and all insurers as separate groups.

If during any fiscal year commencing after June 30, 2006, the general business practices of an employer or insurer result in the delay of the commencement of voluntary weekly compensation payments after the date specified in section 85.30 more frequently and for a longer number of days than the average number of days for the entire group of employers or insurers, the commissioner may impose an assessment on the employer or insurer payable to the second injury fund created in section 85.66. The amount of the assessment shall be ten dollars, multiplied by the average number of days that weekly compensation payments were delayed after the date specified in section 85.30, and multiplied by the number of injuries the employer or insurer reported during the fiscal year. Notwithstanding the foregoing, an assessment shall not be imposed if the employer or insurer commenced voluntary weekly compensation benefits within the time specified in section 85.30 for more than seventy-five percent of the injuries reported by the employer or insurer.

The commissioner may waive or reduce an assessment under this section if an employer or insurer demonstrates to the commissioner that atypical events during the fiscal year, including but not limited to a small number of cases, made the statistical data for that employer or insurer unrepresentative of the actual payout practices of the employer or insurer for that year.

2003 Acts, 1st Ex, ch 1, §123, 124, 133

[2003 enactment of section rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, 1st Ex, ch 1001, §15, 16, 19

**86.14 Contested cases.**

1. In an original proceeding, all matters relevant to a dispute are subject to inquiry.

2. In a proceeding to reopen an award for payments or agreement for settlement as provided by section 86.13, inquiry shall be into whether or not the condition of the employee warrants an end to, diminishment of, or increase of compensation so awarded or agreed upon.

[S13, §2477-m26, -m28; C24, 27, 31, 35, 39, §**1437, 1438;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.14]

**86.15 and 86.16** Repealed by 76 Acts, ch 1084, § 26.

**86.17 Hearings — presiding officer — venue.**

1. Notwithstanding the provisions of section 17A.11, the workers' compensation commissioner or a deputy workers' compensation commissioner shall preside over any contested case proceeding brought under this chapter, chapter 85, 85A, or 85B in the manner provided by chapter 17A. The deputy commissioner or the commissioner may make such inquiries in contested case proceedings as shall be deemed necessary, so long as such inquiries do not violate any of the provisions of section 17A.17.

2. Hearings in contested case proceedings under chapters 85, 85A and this chapter shall be held in the judicial district where the injury occurred. By written stipulation of the parties or

by the order of a deputy workers' compensation commissioner or the commissioner, a hearing may be held elsewhere. If the injury occurred outside this state, or if the proceeding is not one for benefits resulting from an injury, hearings shall be held in Polk county or as otherwise stipulated by the parties or by order of a deputy workers' compensation commissioner or the workers' compensation commissioner.

[S13, §2477-m29; C24, 27, 31, 35, 39, §**1437, 1440, 1460;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §86.15, 86.17; C77, §86.17, 86.37; C79, 81, §86.17]

98 Acts, ch 1061, §11; 98 Acts, ch 1202, §29, 46; 2000 Acts, ch 1058, §12

Referred to in §86.26

**86.18 Hearings — evidence.**

1. Evidence, process and procedure in contested case proceedings or appeal proceedings within the agency under this chapter, chapters 85 and 85A shall be as summary as practicable consistent with the requirements of chapter 17A.

2. The deposition of any witness may be taken and used as evidence in any pending proceeding or appeal within the agency.

[C24, 27, 31, 35, 39, §**1441, 1444;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §86.18, 86.21; C79, 81, §86.18]

**86.19 Reporting of proceedings.**

1. The workers' compensation commissioner, or a deputy commissioner, may appoint or may direct a party to furnish at the party's initial expense a certified shorthand reporter to be present and report, or to furnish mechanical means to record, and if necessary, transcribe proceedings of any contested case under this chapter, chapters 85 and 85A and fix the reasonable amount of compensation for such service. The charges shall be taxed as costs and the party initially paying the expense of the presence or transcription shall be reimbursed. The reporter shall faithfully and accurately report the proceedings.

2. Notwithstanding the requirements of section 17A.12, subsection 7, a certified shorthand reporter, appointed by the presiding officer in a contested case proceeding or by the workers' compensation commissioner in an appeal proceeding, may maintain and thus have the responsibility for the recording or stenographic notes for the period required by section 17A.12, subsection 7.

[C24, 27, 31, 35, 39, §**1442;** C46, 50, 54, 58, 62, 66, 71, 73, §86.19; C75, 77, §86.19, 86.28; C79, 81, §86.19]

98 Acts, ch 1061, §11

Taxation of costs, §86.40

**86.20** Repealed by 82 Acts, ch 1161, § 28.

**86.21 through 86.23** Repealed by 77 Acts, ch 51, § 21.

**86.24 Appeals within the agency.**

1. Any party aggrieved by a decision, order, ruling, finding or other act of a deputy commissioner in a contested case proceeding arising under this chapter or chapter 85 or 85A may appeal to the workers' compensation commissioner in the time and manner provided by rule. The hearing on an appeal shall be in Polk county unless the workers' compensation commissioner shall direct the hearing be held elsewhere.

2. In addition to the provisions of section 17A.15, the workers' compensation commissioner may affirm, modify, or reverse the decision of a deputy commissioner or the commissioner may remand the decision to the deputy commissioner for further proceedings.

3. In addition to the provisions of section 17A.15, the workers' compensation commissioner, on appeal, may limit the presentation of evidence as provided by rule.

4. A transcript of a contested case proceeding shall be provided to the workers' compensation commissioner by an appealing party at the party's cost.

5. The decision of the workers' compensation commissioner is final agency action.

[S13, §2477-m29, -m32; C24, 27, 31, 35, 39, §**1447;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.24; 82 Acts, ch 1161, §24]

86 Acts, ch 1238, §46; 86 Acts, ch 1245, §913; 88 Acts, ch 1158, §10; 98 Acts, ch 1061, §11; 2005 Acts, ch 168, §13, 23

**86.25** Repealed by 77 Acts, ch 51, § 21.

**86.26 Judicial review.**

Judicial review of decisions or orders of the workers' compensation commissioner may be sought in accordance with chapter 17A. Notwithstanding chapter 17A, the Iowa administrative procedure Act, petitions for judicial review may be filed in the district court of the county in which the hearing under section 86.17 was held, the workers' compensation commissioner shall transmit to the reviewing court the original or a certified copy of the entire record of the contested case which is the subject of the petition within thirty days after receiving written notice from the party filing the petition that a petition for judicial review has been filed, and an application for stay of agency action during the pendency of judicial review shall not be filed in the division of workers' compensation of the department of workforce development but shall be filed with the district court. Such a review proceeding shall be accorded priority over other matters pending before the district court.

[S13, §2477-m33; C24, 27, 31, 35, 39, §**1449, 1451;** C46, 50, 54, 58, 62, 66, 71, 73, §86.26, 86.28; C75, 77, 79, 81, §86.26]

86 Acts, ch 1238, §47; 88 Acts, ch 1158, §11; 95 Acts, ch 140, §3; 98 Acts, ch 1061, §11; 2001 Acts, ch 87, §7

Referred to in §85.70

**86.27 Settlement of controversy.**

Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, no party to a contested case under any provision of the "Workers' Compensation Act" may settle a controversy without the approval of the workers' compensation commissioner.

[C75, 77, 79, 81, §86.27]

98 Acts, ch 1061, §11; 2003 Acts, ch 44, §114

**86.28** Repealed by 77 Acts, ch 51, § 21.

**86.29 The judicial review petition.**

Notwithstanding chapter 17A, the Iowa administrative procedure Act, in a petition for judicial review of a decision of the workers' compensation commissioner in a contested case under this chapter or chapter 85, 85A, 85B, or 87, the opposing party shall be named the respondent, and the agency shall not be named as a respondent.

[C75, 77, 79, 81, §86.29]

83 Acts, ch 105, §8; 86 Acts, ch 1238, §48; 88 Acts, ch 1158, §12; 98 Acts, ch 1061, §11

**86.30 and 86.31** Repealed by 74 Acts, ch 1090, § 211.

**86.32 Costs of judicial review.**

In proceedings for judicial review of compensation cases the clerk shall charge no fee for any service rendered except the filing fee and transcript fees when the transcript of a judgment is required. The taxation of costs on judicial review shall be in the discretion of the court.

[C24, 27, 31, 35, 39, §**1455;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.32]

86 Acts, ch 1238, §49; 88 Acts, ch 1158, §13

**86.33** Repealed by 74 Acts, ch 1090, § 211.

**86.34 and 86.35** Repealed by 77 Acts, ch 51, § 21.

**86.36** Repealed by 2000 Acts, ch 1007, § 6. See § 85.3.

**86.37** Repealed by 77 Acts, ch 51, § 21.

**86.38 Examination by physician — fee.**

The workers' compensation commissioner may appoint a duly qualified, impartial physician to examine the injured employee and make report. The fee for this service shall be five dollars, to be paid by the workers' compensation commissioner, together with traveling expenses, but the commissioner may allow additional reasonable amounts in extraordinary cases. Any physician so examining any injured employee shall not be prohibited from testifying before the workers' compensation commissioner, or any other person, commission, or court, as to the results of the examination or the condition of the injured employee.

[S13, §2477-m30; C24, 27, 31, 35, 39, §**1461;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.38]

98 Acts, ch 1061, §11

Referred to in §85.27

**86.39 Fees — approval.**

All fees or claims for legal, medical, hospital, and burial services rendered under this chapter and chapters 85, 85A, 85B, and 87 are subject to the approval of the workers' compensation commissioner. For services rendered in the district court and appellate courts, the attorney fee is subject to the approval of a judge of the district court.

[S13, §2477-m20, -m35; C24, 27, 31, 35, 39, §**1462;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.39]

86 Acts, ch 1238, §50; 88 Acts, ch 1158, §14; 98 Acts, ch 1061, §11; 2000 Acts, ch 1007, §5

Referred to in §85.27

**86.40 Costs.**

All costs incurred in the hearing before the commissioner shall be taxed in the discretion of the commissioner.

[S13, §2477-m31; C24, 27, 31, 35, 39, §**1463;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.40]

**86.41 Witness fees.**

Witness fees and mileage on hearings before the workers' compensation commissioner shall be the same as in the district court.

[S13, §2477-m24; C24, 27, 31, 35, 39, §**1464;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.41]

98 Acts, ch 1061, §11

Witness fees and mileage, §622.69 – 622.75

**86.42 Judgment by district court on award.**

Any party in interest may present a file-stamped copy of an order or decision of the commissioner, from which a timely petition for judicial review has not been filed or if judicial review has been filed, which has not had execution or enforcement stayed as provided in section 17A.19, subsection 5, or an order or decision of a deputy commissioner from which a timely appeal has not been taken within the agency and which has become final by the passage of time as provided by rule and section 17A.15, or an agreement for settlement approved by the commissioner, and all papers in connection therewith, to the district court where judicial review of the agency action may be commenced. The court shall render a decree or judgment and cause the clerk to notify the parties. The decree or judgment, in the absence of a petition for judicial review or if judicial review has been commenced, in the absence of a stay of execution or enforcement of the decision or order of the workers' compensation commissioner, or in the absence of an act of any party which prevents a decision of a deputy workers' compensation commissioner from becoming final, has the

same effect and in all proceedings in relation thereto is the same as though rendered in a suit duly heard and determined by the court.

[S13, §2477-m33; C24, 27, 31, 35, 39, §**1465;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.42; 82 Acts, ch 1161, §25]

86 Acts, ch 1238, §51; 88 Acts, ch 1158, §15; 98 Acts, ch 1061, §11; 2003 Acts, ch 140, §4

**86.43 Judgment — modification.**

Upon the presentation to the court of a file-stamped copy of a decision of the workers' compensation commissioner, ending, diminishing, or increasing the compensation under the provisions of this chapter, the court shall revoke or modify the decree or judgment to conform to such decision.

[S13, §2477-m33; C24, 27, 31, 35, 39, §**1466;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §86.43]

98 Acts, ch 1061, §11; 2003 Acts, ch 140, §5

**86.44 Confidentiality.**

All verbal or written information relating to the subject matter of an agreement and transmitted between any party to a dispute and a mediator to resolve a dispute pursuant to this chapter or chapter 85, 85A, or 85B, during any stage of a mediation or a dispute resolution process conducted by a mediator as provided in this section, whether reflected in notes, memoranda, or other work products in the case files, is a confidential communication except as otherwise expressly provided in this chapter. Mediators involved in a mediation or a dispute resolution process shall not be examined in any judicial or administrative proceeding regarding confidential communications and are not subject to judicial or administrative process requiring the disclosure of confidential communications.

For purposes of this section, "*mediator*" means a chief deputy workers' compensation commissioner or deputy workers' compensation commissioner acting in the capacity to resolve a dispute pursuant to this chapter or chapter 85, 85A, or 85B, or an employee of the division of workers' compensation involved during any stage of a process to resolve a dispute.

94 Acts, ch 1064, §2; 98 Acts, ch 1061, §8, 11

Referred to in §22.7

**86.45 Confidential information.**

1. "*Confidential information*", for the purposes of this section, means all information that is filed with the workers' compensation commissioner as a result of an employee's injury or death that would allow the identification of the employee or the employee's dependents. Confidential information includes first reports of injury and subsequent reports of claim activity. Confidential information does not include pleadings, motions, decisions, opinions, or applications for settlement that are filed with the workers' compensation commissioner.

2. The workers' compensation commissioner shall not disclose confidential information except as follows:

*a.* Pursuant to the terms of a written waiver of confidentiality executed by the employee or the dependents of the employee whose information is filed with the workers' compensation commissioner.

*b.* To another governmental agency, or to an advisory, rating, or research organization, for the purpose of compiling statistical data, evaluating the state's workers' compensation system, or conducting scientific, medical, or public policy research, where such disclosure will not allow the identification of the employee or the employee's dependents.

*c.* To the employee or to the agent or attorney of the employee whose information is filed with the workers' compensation commissioner.

*d.* To the person or to the agent of the person who submitted the information to the workers' compensation commissioner.

*e.* To an agent, representative, attorney, investigator, consultant, or adjuster of an employer, or insurance carrier or third-party administrator of workers' compensation benefits, who is involved in administering a claim for such benefits related to the injury

or death of the employee whose information is filed with the workers' compensation commissioner.

*f.* To all parties to a contested case proceeding before the workers' compensation commissioner in which the employee or a dependent of the employee, whose information is filed with the workers' compensation commissioner, is a party.

*g.* In compliance with a subpoena.

*h.* To an agent, representative, attorney, investigator, consultant, or adjuster of the employee, employer, or insurance carrier or third-party administrator of insurance benefits, who is involved in administering a claim for insurance benefits related to the injury or death of the employee whose information is filed with the workers' compensation commissioner.

*i.* To another governmental agency that is charged with the duty of enforcing liens or rights of subrogation or indemnity.

3. This section does not create a cause of action for a violation of its provisions against the workers' compensation commissioner or against the state or any governmental subdivision of the state.

2005 Acts, ch 168, §14, 23

Referred to in §22.7

# CHAPTER 87

## COMPENSATION LIABILITY INSURANCE

Referred to in §84A.5, 85.3, 85.31, 85.35, 85.61, 86.8, 86.9, 86.29, 86.39, 331.324, 515B.5, 669.14


87.1 Insurance of liability required.
87.2 Notice of failure to insure.
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**87.1 Insurance of liability required.**

1. Every employer subject to the provisions of this chapter and chapters 85, 85A, 85B, and 86, unless relieved as hereinafter provided from the requirements imposed under this chapter and chapters 85, 85A, 85B, and 86, shall insure the employer's liability under this chapter and chapters 85, 85A, 85B, and 86 in some corporation, association, or organization approved by the commissioner of insurance.

2. A motor carrier who contracts with an owner-operator who is acting as an independent contractor pursuant to section 85.61, subsection 11, paragraph "*c*", shall not be required to insure the motor carrier's liability for the owner-operator. A motor carrier may procure compensation liability insurance coverage for these owner-operators, and may charge

the owner-operator for the costs of the premiums. A motor carrier shall require the owner-operator to provide and maintain a certificate of workers' compensation insurance covering the owner-operator's employees. An owner-operator shall remain responsible for providing compensation liability insurance for the owner-operator's employees.

3. Every such employer shall exhibit, on demand of the workers' compensation commissioner, evidence of the employer's compliance with this section; and if such employer refuses, or neglects to comply with this section, the employer shall be liable in case of injury to any worker in the employer's employ under the common law as modified by statute.

[S13, §2477-m41; C24, 27, 31, 35, 39, §**1467;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.1]

91 Acts, ch 209, §2; 94 Acts, ch 1066, §1; 98 Acts, ch 1061, §11; 2007 Acts, ch 22, §22; 2008 Acts, ch 1031, §27, 100

Referred to in §87.4

**87.2 Notice of failure to insure.**

1. An employer who fails to insure the employer's liability as required by this chapter shall keep posted a sign of sufficient size and so placed as to be easily seen by the employer's employees in the immediate vicinity where working, which sign shall read as follows:

NOTICE TO EMPLOYEES

You are hereby notified that the undersigned employer has failed to insure the employer's liability to pay compensation as required by law, and that because of such failure the employer is liable to the employer's employees in damages for personal injuries sustained by the employer's employees.

(Signed) .....

2. An employer coming under the provisions of this chapter and chapters 85, 85A, 85B, and 86 who fails to comply with this section, or to post and keep the above notice in the manner and form required, shall be guilty of a simple misdemeanor.

[C24, 27, 31, 35, 39, §**1468;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.2]

94 Acts, ch 1066, §2; 2008 Acts, ch 1032, §11

**87.3 Maximum commission for renewal.**

No insurer of any obligation under this chapter shall either by itself or through another, either directly or indirectly, charge or accept as a commission or compensation for placing or renewing any insurance under this chapter, more than fifteen percent of the premium charged.

[S13, §2477-m46; C24, 27, 31, 35, 39, §**1469;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.3]

**87.4 Group and self-insured plans — tax exemption — plan approval.**

1. For the purpose of complying with this chapter, groups of employers by themselves or in an association with any or all of their workers, may form insurance associations as hereafter provided, subject to such reasonable conditions and restrictions as may be fixed by the insurance commissioner; and membership in such mutual insurance organization as approved, together with evidence of the payment of premiums due, shall be evidence of compliance with this chapter.

2. A self-insurance association formed under this section and an association comprised of cities or counties, or both, or the association of Iowa fairs or a fair as defined in section 174.1, or community colleges as defined in section 260C.2 or school corporations, or both, or other political subdivisions, which have entered into an agreement under chapter 28E for the purpose of establishing a self-insured program for the payment of workers' compensation benefits are exempt from taxation under section 432.1.

3. A plan shall be submitted to the commissioner of insurance for review and approval prior to its implementation. The commissioner shall adopt rules for the review and approval

of a self-insured group plan provided under this section. The rules shall include but are not limited to the following:

*a.* Procedures for submitting a plan for approval including the establishment of a fee schedule to cover the costs of conducting the review.

*b.* Establishment of minimum financial standards to ensure the ability of the plan to adequately cover the reasonably anticipated expenses.

4. A self-insured program for the payment of workers' compensation benefits established by an association comprised of cities or counties, or both, or the association of Iowa fairs or a fair as defined in section 174.1, or community colleges, as defined in section 260C.2, or other political subdivisions, which have entered into an agreement under chapter 28E, is not insurance, and is not subject to regulation under chapters 505 through 523C. Membership in such an association together with payment of premiums due relieves the member from obtaining insurance as required in section 87.1. Such an association is not required to submit its plan or program to the commissioner of insurance for review and approval prior to its implementation and is not subject to rules or rates adopted by the commissioner relating to workers' compensation group self-insurance programs. Such a program is deemed to be in compliance with this chapter.

5. The workers' compensation premium written on a municipality which is a member of an insurance pool which provides workers' compensation insurance coverage to a statewide group of municipalities, as defined in section 670.1, shall not be considered in the determination of any assessments levied pursuant to an agreement established under section 515A.15.

[S13, §2477-m42; C24, 27, 31, 35, 39, §**1470;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.4]

85 Acts, ch 251, §1; 88 Acts, ch 1112, §201, 202; 89 Acts, ch 83, §19; 90 Acts, ch 1067, §1, 2; 95 Acts, ch 185, §1; 97 Acts, ch 37, §5; 2000 Acts, ch 1023, §1, 2; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1139, §1; 2008 Acts, ch 1191, §121, 122

Referred to in §85.65A, 258.10, 515A.15

**87.5 Benefit insurance.**

Subject to the approval of the workers' compensation commissioner, any employer or group of employers may enter into or continue an agreement with the workers of the employer or group of employers to provide a scheme of compensation, benefit, or insurance in lieu of compensation and insurance; but such scheme shall in no instance provide less than the benefits provided and secured, nor vary the period of compensation provided for disability or for death, or the provisions of law with respect to periodic payments, or the percentage that such payments shall bear to weekly wages, except that the sums required may be increased; and the approval of the workers' compensation commissioner shall be granted, if the scheme provides for contribution by workers, only when it confers benefits, in addition to those required by law, commensurate with such contributions.

[S13, §2477-m43; C24, 27, 31, 35, 39, §**1471;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.5]

98 Acts, ch 1061, §11

**87.6 Certificate of approval.**

When such scheme or plan is approved by the workers' compensation commissioner, the commissioner shall issue a certificate to that effect, whereupon it shall be legal for such employer, or group of employers, to contract with any or all of the workers of the employer or group of employers to substitute such scheme or plan for the provisions relating to compensation and insurance during a period of time fixed by said department.

[S13, §2477-m44; C24, 27, 31, 35, 39, §**1472;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.6]

98 Acts, ch 1061, §11

**87.7 Termination of plan — appeal.**

Such scheme or plan may be terminated by the workers' compensation commissioner on reasonable notice to the interested parties if it shall appear that the same is not fairly administered, or if its operation shall disclose latent defects threatening its solvency, or if for any substantial reason it fails to accomplish the purpose of this chapter; but from any such order of said workers' compensation commissioner judicial review may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A, upon the giving of proper bond to protect the interests involved.

[S13, §2477-m45; C24, 27, 31, 35, 39, §**1473;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.7]

98 Acts, ch 1061, §11; 2003 Acts, ch 44, §114

**87.8 Insolvency clause prohibited.**

No policy of insurance issued under this chapter shall contain any provision relieving the insurer from payment if the insured becomes insolvent or discharged in bankruptcy during the period that the policy is in operation, or the compensation, or any part of it, is unpaid.

[S13, §2477-m48; C24, 27, 31, 35, 39, §**1474;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.8]

**87.9 Policy clauses required.**

Every policy shall provide that the worker shall have a first lien upon any amount becoming due on account of such policy to the insured from the insurer, and that in case of the legal incapacity, inability, or disability of the insured to receive the amount due and pay it over to the insured worker, or the worker's dependents, said insurer shall pay the same directly to such worker, the worker's agent, or to a trustee for the worker or the worker's dependents, to the extent of any obligation of the insured to said worker or the worker's dependents.

[S13, §2477-m48; C24, 27, 31, 35, 39, §**1475;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.9]

**87.10 Other policy requirements.**

Every policy issued by an insurance corporation, association, or organization to insure the payment of compensation shall contain a clause providing that between any employer and the insurer, notice to and knowledge of the occurrence of injury or death on the part of the insured shall be notice and knowledge on the part of the insurer; and jurisdiction of the insured shall be jurisdiction of the insurer, and the insurer shall be bound by every agreement, adjudication, award or judgment rendered against the insured.

[S13, §2477-m47; C24, 27, 31, 35, 39, §**1476;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.10]

**87.11 Relief from insurance — procedures upon employer's insolvency.**

1. *a.* When an employer coming under this chapter furnishes satisfactory proofs to the insurance commissioner of such employer's solvency and financial ability to pay the compensation and benefits as by law provided and to make such payments to the parties when entitled thereto, or when such employer deposits with the insurance commissioner security satisfactory to the insurance commissioner as guaranty for the payment of such compensation, such employer shall be relieved of the provisions of this chapter requiring insurance; but such employer shall, from time to time, furnish such additional proof of solvency and financial ability to pay as may be required by such insurance commissioner. Such security shall be held in trust for the sole purpose of paying compensation and benefits and is not subject to attachment, levy, execution, garnishment, liens, or any other form of encumbrance. However, the insurance commissioner shall be reimbursed from the security for all costs and fees incurred by the insurance commissioner in resolving disputes involving the security. A political subdivision, including a city, county, community college, or school corporation, that is self-insured for workers' compensation is not required to submit a plan or program to the insurance commissioner for review and approval.

*b.* If an approved self-insured employer discontinues its self-insured status or enters

bankruptcy proceedings, the self-insured employer or its successor in interest may petition the commissioner of insurance for release of its security. The commissioner shall release the security upon a finding of both of the following:

(1) The employer has not been self-insured pursuant to this chapter for at least four years.

(2) Ten years have elapsed from the date of the last open claim, claim activity, or claim payment involving the self-insured employer or its successor in interest, whichever is later.

*c.* The commissioner shall release the security upon a finding that a self-insured employer presents acceptable replacement security.

2. An employer seeking relief from the insurance requirements of this chapter shall pay to the insurance division of the department of commerce the following fees:

*a.* A fee of one hundred dollars, to be submitted annually along with an application for relief.

*b.* A fee of one hundred dollars for issuance of the certificate relieving the employer from the insurance requirements of this chapter.

*c.* A fee of fifty dollars, to be submitted with each filing required by the commissioner of insurance, including but not limited to the annual and quarterly financial statements, and material change statements.

3. *a.* If an employer becomes insolvent and a debtor under 11 U.S.C., on or after January 1, 1990, the commissioner of insurance may request of the workers' compensation commissioner that all future payments of workers' compensation weekly benefits, medical expenses, or other payments pursuant to this chapter or chapter 85, 85A, 85B, or 86, be commuted to a present lump sum. The workers' compensation commissioner shall fix the lump sum of probable future medical expenses and weekly compensation benefits, or other benefits payable pursuant to this chapter or chapter 85, 85A, 85B, or 86, capitalized at their present value upon the basis of interest at the rate provided in section 535.3 for court judgments and decrees. The commissioner of insurance shall be discharged from all further liability for the commuted workers' compensation claim upon payment of the present lump sum to either the claimant, or a licensed insurer for purchase of an annuity or other periodic payment plan for the benefit of the claimant.

*b.* The commissioner of insurance shall not be required to pay more for all claims of an insolvent self-insured employer than is available for payment of such claims from the security given under this section.

4. Notwithstanding contrary provisions of section 85.45, any future payment of medical expenses, weekly compensation benefits, or other payments by the commissioner of insurance from the security given under this section, pursuant to this chapter or chapter 85, 85A, 85B, or 86, shall be deemed an undue expense, hardship, or inconvenience upon the employer for purposes of a full commutation pursuant to section 85.45, subsection 1, paragraph *"b"*.

5. Financial statements provided to the commissioner of insurance pursuant to this section may be held as confidential, proprietary trade secrets pursuant to section 22.7, subsection 3, upon the request of the employer, subject to rules adopted by the commissioner of insurance, and are not subject to disclosure or examination under chapter 22.

[S13, §2477-m49; C24, 27, 31, 35, 39, §**1477;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.11; 82 Acts, ch 1003, §1]

91 Acts, ch 160, §3, 4; 98 Acts, ch 1061, §11; 99 Acts, ch 114, §4; 2001 Acts, ch 69, §1; 2005 Acts, ch 168, §15, 23; 2007 Acts, ch 137, §1; 2008 Acts, ch 1032, §196

Referred to in §85.65A, 87.11D, 87.11E, 87.21, 91C.2, 507.14

**87.11A Examination required.**

The commissioner of insurance may at any time examine or inquire into the affairs of any self-insured employer. A domestic self-insured employer, or a self-insured employer not subject to periodic examination in its state of origin, shall be examined at least once during each three-year period.

91 Acts, ch 160, §5; 92 Acts, ch 1163, §18

Referred to in §87.11E

**87.11B Obligation to assist an examination — oaths.**

If a self-insured employer is being examined, the officers, employees, or agents of the employer shall produce for inspection all books, documents, papers, and other information concerning the affairs of the employer and shall otherwise assist in the examination to the extent possible. The commissioner of insurance, or the commissioner's legally authorized representative in charge of the examination, may administer oaths and take testimony bearing upon the affairs of an employer under examination.

91 Acts, ch 160, §6; 92 Acts, ch 1163, §19

Referred to in §87.11E

**87.11C Self-insurance examiners.**

The commissioner of insurance shall appoint one or more self-insurance examiners. An examiner while conducting an examination, possesses all the powers conferred upon the commissioner for such purposes. A self-insurance examiner is subject to the same powers and conditions as imposed under sections 507.4 through 507.7.

91 Acts, ch 160, §7

**87.11D Payment of examination expenses by the self-insured employer.**

The commissioner of insurance, upon the completion of an examination, or at such regular intervals prior to completion as the commissioner determines, shall prepare an account of the costs incurred in performing and preparing the report of such examinations which shall be charged to and paid by the self-insured employer examined, and upon failure or refusal of any self-insured employer to pay such a charge, the amount of the charge may be recovered in an action brought in the name of the state, and the commissioner may also revoke the employer's exemption under section 87.11. All fees collected in connection with an examination shall be paid into the general fund.

91 Acts, ch 160, §8; 94 Acts, ch 1107, §5

**87.11E Penalties for filing false financial statements.**

1. It is unlawful for any person to make or cause to be made, in any document filed with the commissioner of insurance under this chapter, any statement of material fact which is, at the time and in the light of circumstances under which it is made, false or misleading, or, in connection with such statement, to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

2. The following persons shall not commit any of the acts or omissions prohibited by subsection 3:

*a.* An employer.

*b.* A person administering a self-insurance program, in whole or in part, on behalf of an employer.

*c.* A partner of the employer or administrator.

*d.* An officer of the employer or administrator.

*e.* A director of the employer or administrator.

*f.* A person occupying a similar status or performing similar functions as persons described in paragraphs "*a*" through "*e*".

*g.* A person directly or indirectly controlling the employer or administrator.

3. A person listed under subsection 2 shall not do any of the following:

*a.* File an application for relief under section 87.11 which as of its effective date, or as of any date after filing in the case of an order denying relief, was incomplete in any material respect or contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact.

*b.* Willfully violate or willfully fail to comply with any provision of sections 87.11, 87.11A, and 87.11B, or any rule or order adopted or issued pursuant to such sections.

4. The commissioner of insurance may deny, suspend, or revoke a certificate of relief issued pursuant to section 87.11, or may impose a civil penalty for a violation of this section.

5. A civil penalty levied under subsection 4 shall not exceed one thousand dollars per

violation per person, and shall not exceed ten thousand dollars in a single proceeding against any one person. All civil penalties shall be deposited pursuant to section 505.7.

6. A person who willfully and knowingly violates this section, or a rule or order adopted or issued pursuant to this section, is guilty of a class "D" felony. The commissioner of insurance may refer such evidence as is available concerning violations of this section to the attorney general or the proper county attorney who may, with or without such reference, institute appropriate criminal proceedings under this section. This section does not limit the power of the state to punish a person for conduct which constitutes a crime under any other statute.

91 Acts, ch 160, §9; 2009 Acts, ch 181, §43

**87.12** Repealed by 94 Acts, ch 1066, § 8.

**87.13 Interpretative clause.**

All provisions in chapters 85, 85A, 85B, 86, and this chapter relating to compensation for injuries sustained arising out of and in the course of employment in the operation of coal mines or production of coal under any system of removing coal for sale are exclusive, compulsory and obligatory upon the employer and employee in such employment.

[C35, §1477-g2; C39, §**1477.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.13]

83 Acts, ch 101, §5

**87.14** Repealed by 94 Acts, ch 1066, § 8.

**87.14A Insurance required.**

An employer subject to this chapter and chapters 85, 85A, 85B, and 86 shall not engage in business without first obtaining insurance covering compensation benefits or obtaining relief from insurance as provided in this chapter. A person who willfully and knowingly violates this section is guilty of a class "D" felony.

94 Acts, ch 1066, §3; 2005 Acts, ch 168, §16, 23

Referred to in §87.15, 87.19

**87.15 Injunctions.**

If a violation of section 87.14A has been committed or there is reason to believe a violation of section 87.14A is about to be committed, the attorney general or the county attorney from the county in which a violation has occurred or is about to occur shall, or any person may, bring an action to enjoin such person from committing the violation and the court or judge before whom the action is brought shall, if the facts warrant, issue a temporary or permanent writ of injunction without bond.

[C35, §1477-g4; C39, §**1477.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.15]

94 Acts, ch 1066, §4

**87.16 and 87.17** Repealed by 2005 Acts, ch 168, § 22, 23.

**87.18** Repealed by 73 Acts, ch 139, § 31.

**87.19 Failure to comply — proceedings.**

Upon the receipt of information by the workers' compensation commissioner of any employer failing to comply with section 87.14A, the commissioner shall at once notify such employer by certified mail that unless such employer comply with the requirements of law, legal proceedings will be instituted to enforce such compliance.

Unless such employer comply with the provisions of the law within fifteen days after the giving of such notice, the workers' compensation commissioner shall report such failure to the attorney general, whose duty it shall be to bring an action in a court of equity to enjoin the further violation. Upon decree being entered for a temporary or permanent injunction,

a violation shall be a contempt of court and punished as provided for contempt of court in other cases.

[C31, 35, §1477-c4; C39, §**1477.8;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.19]

98 Acts, ch 1061, §11; 2005 Acts, ch 168, §17, 23

Contempts, generally, chapter 665

**87.20 Revocation of release from insurance.**

The insurance commissioner may, at any time, upon reasonable notice to such employer and upon hearing, revoke for cause any order theretofore made relieving any employer from carrying insurance as provided by this chapter.

[S13, §2477-m49; C24, 27, 31, 35, 39, §**1478;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.20]

98 Acts, ch 1061, §11; 2005 Acts, ch 168, §18, 23

**87.21 Employer failing to insure.**

Any employer, except an employer with respect to an exempt employee under section 85.1, who has failed to insure the employer's liability in one of the ways provided in this chapter, unless relieved from carrying such insurance as provided in section 87.11, is liable to an employee for a personal injury in the course of and arising out of the employment, and the employee may enforce the liability by an action at law for damages, or may collect compensation as provided in chapters 85, 85A, 85B, and 86. In actions by the employee for damages under this section, the following rules apply:

1. It shall be presumed:

*a.* That the injury to the employee was the direct result and growing out of the negligence of the employer.

*b.* That such negligence was the proximate cause of the injury.

2. The burden of proof shall rest upon the employer to rebut the presumption of negligence, and the employer shall not be permitted to plead or rely upon any defense of the common law, including the defenses of contributory negligence, assumption of risk and the fellow servant rule.

3. In an action at law for damages the parties have a right to trial by jury.

[C24, 27, 31, §1479; C35, §1479, 1481-e1; C39, §**1479, 1481.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §87.21, 87.24; 82 Acts, ch 1161, §26, ch 1221, §3]

83 Acts, ch 36, §4, 8

**87.22 Corporate officer exclusion from workers' compensation or employers' liability coverage.**

1. The president, vice president, secretary, and treasurer of a corporation other than a family farm corporation, but not to exceed four officers per corporation, may exclude themselves from workers' compensation coverage under chapters 85, 85A, and 85B by knowingly and voluntarily rejecting workers' compensation coverage by signing, and attaching to the workers' compensation or employers' liability policy a written rejection, or if such a policy is not issued, by signing a written rejection which is witnessed by two disinterested individuals who are not, formally or informally, affiliated with the corporation and which is filed by the corporation with the workers' compensation commissioner.

2. The written rejection shall be in substantially the following form:

REJECTION OF WORKERS'
COMPENSATION OR EMPLOYERS'
LIABILITY COVERAGE

I understand that by signing this statement I reject the coverage of chapters 85, 85A, and 85B of the Code of Iowa relating to workers' compensation.

I understand that my rejection of the coverage of chapters 85, 85A, and 85B is not a waiver of any rights or remedies available to me or to others on my behalf in a civil action related to personal injuries

sustained by me arising out of and in the course of my employment with the corporation.

I also understand that by signing this statement and checking alternative (1) below I reject employers' liability coverage for bodily injuries or death sustained by me arising out of and in the course of my employment with the corporation. [Check either alternative (1) or (2):]

(1) I reject the employers' liability coverage.

(2) I decline to reject the employers' liability coverage.

Signed .....
Corporate Office .....
Date .....
City, County, State of Residence .....
Witness .....
Witness .....

I also understand that the signing of this statement and checking of alternative (1) below by an authorized agent of the corporation rejects for the corporation employers' liability coverage for bodily injuries or death sustained by me arising out of and in the course of my employment with the corporation. [Check either alternative (1) or (2):]

(1) The corporation rejects the employers' liability coverage.

(2) The corporation declines to reject the employers' liability coverage.

Signed .....
Relationship to Corporation .....
Date .....
City, County, State of Residence .....
Witness .....
Witness .....

3. The rejection of workers' compensation coverage is not enforceable if it is required as a condition of employment.

4. A corporate officer who signs a written rejection filed with the workers' compensation commissioner may terminate the rejection by signing a written notice of termination which is witnessed by two disinterested individuals, who are not, formally or informally, affiliated with the corporation and which is filed by the corporation with the workers' compensation commissioner.

83 Acts, ch 36, §5, 7, 8; 97 Acts, ch 186, §1; 98 Acts, ch 1061, §11; 2008 Acts, ch 1031, §28
Referred to in §85.1, 517.6

**87.23 Compensation liability insurance not required.**

A corporation, association, or organization approved by the commissioner of insurance to provide compensation liability insurance shall not require a motor carrier that contracts with an owner-operator who is acting as an independent contractor pursuant to section 85.61, subsection 11, paragraph "c", to purchase compensation liability insurance for the employer's liability for the owner-operator or its employees.

91 Acts, ch 209, §3; 2007 Acts, ch 22, §23; 2008 Acts, ch 1031, §101

**87.24 Insurance trade practices covered.**

A workers' compensation coverage plan regulated under this chapter shall be considered a person for purposes of chapter 507B.

93 Acts, ch 88, §2

**87.25 through 87.27** Repealed by 82 Acts, ch 1161, § 28.

# CHAPTER 88

## OCCUPATIONAL SAFETY AND HEALTH

Referred to in §10A.601, 84A.5, 89A.2, 89B.8, 91.4, 154F.2, 331.324, 455B.135, 455B.390, 730.5


88.1 Public policy.
88.2 Administration — personnel — contracts — grants.
88.3 Definitions.
88.4 Duties.
88.5 Occupational safety and health standards.
88.6 Inspections, investigations, and recordkeeping.
88.7 Citations.
88.8 Procedure for enforcement.
88.9 Judicial review.
88.10 Repealed by 86 Acts, ch 1245, §550.
88.11 Procedures to counteract imminent dangers.
88.12 Confidentiality of trade secrets.
88.13 Variations, tolerances, and exemptions.
88.14 Penalties.
88.15 Appeal procedures for employees.
88.16 Training and employee and employer education.
88.17 Representation in civil litigation.
88.18 Statistics.
88.19 Annual report.
88.20 Effect of chapter.
88.21 Conflicts resolved.


**88.1 Public policy.**

It is the policy of this state to assure so far as possible every working person in the state safe and healthful working conditions and to preserve human resources by:

1. Encouraging employers and employees in their efforts to reduce the number of occupational safety and health hazards at their places of employment, and to stimulate employers and employees to institute new and perfect existing programs for providing safe and healthful working conditions.

2. Providing that employers and employees have separate but dependent responsibilities and rights with respect to achieving safe and healthful working conditions.

3. Authorizing the labor commissioner to set mandatory occupational safety and health standards applicable to businesses, and by creating an employment appeal board within the department of inspections and appeals for carrying out adjudicatory functions under the chapter.

4. Building upon advances already made through employer and employee initiative for providing safe and healthful working conditions.

5. Providing for research in the field of occupational safety and health, including the psychological factors involved, and by developing innovative methods, techniques, and approaches for dealing with occupational safety and health problems.

6. Exploring ways to discover latent diseases, establishing causal connections between diseases and work in environmental conditions, and conducting other research relating to health problems, in recognition of the fact that occupational health standards present problems often different from those involved in occupational safety.

7. Providing medical criteria which will assure insofar as practicable that no employee will suffer diminished health, functional capacity or life expectancy as a result of the employee's work experience.

8. Providing for training programs to increase the number and competence of personnel engaged in the field of occupational safety and health.

9. Providing for the development and promulgation of occupational safety and health standards.

10. Providing an effective enforcement program which shall include a prohibition against giving advance notice of any inspection and sanctions for an individual violating this prohibition.

11. Providing for appropriate reporting procedures with respect to occupational safety and health which procedures will help achieve the objectives of this chapter and accurately describe the nature of the occupational safety and health problem.

12. Encouraging joint labor-management efforts to reduce injuries and disease arising out of employment.

13. Devoting adequate funds to the administration and enforcement of occupational safety and health standards and rules promulgated by the labor commissioner.

[C66, 71, §88A.1; C73, 75, 77, 79, 81, §88.1]

86 Acts, ch 1245, §519

**88.2 Administration — personnel — contracts — grants.**

1. The labor commissioner, appointed pursuant to section 91.2, and the division of labor services of the department of workforce development created in section 84A.1 shall administer this chapter.

2. The necessary legal authority and qualified personnel shall be provided for the administration and enforcement of this chapter and such standards adopted pursuant to this chapter.

3. Personnel administering the chapter shall be employed pursuant to chapter 8A, subchapter IV.

4. Subject to the approval of the director of the department of workforce development, the labor commissioner may enter into contracts with any state agency, with or without reimbursement, for the purpose of obtaining the services, facilities, and personnel of the agency, and with the consent of any state agency or any political subdivision of the state, accept and use the services, facilities, and personnel of the agency or political subdivision, and employ experts and consultants or organizations, in order to expeditiously, efficiently, and economically effectuate the purposes of this chapter. The agreements under this subsection are subject to approval of the executive council if approval is required by law.

5. The commissioner, the governor, and the director of management may obtain and accept federal grants to the state to be used in connection with the funds appropriated for the administration of this chapter and federal funds available to the division.

[SS15, §4999-a5; C24, 27, 31, 35, 39, §**1482;** C46, 50, 54, 58, 62, 66, 71, §88.1; C73, 75, 77, 79, 81, §88.2]

86 Acts, ch 1244, §14; 86 Acts, ch 1245, §914; 96 Acts, ch 1186, §23; 2003 Acts, ch 145, §159

**88.3 Definitions.**

Wherever used in this chapter, unless the context clearly requires a different meaning:

1. *"Appeal board"* means the employment appeal board created under section 10A.601.

2. *"Commissioner"* means the labor commissioner appointed pursuant to section 91.2, or the commissioner's designee.

3. *"Emergency temporary standards"* means any occupational safety and health standard or modification thereof which has been adopted and promulgated by a nationally recognized standards-producing organization under procedures whereby it can be determined by the commissioner that persons interested and affected by the scope or provisions of the standard have reached substantial agreement on its adoption, and was formulated in a manner which afforded an opportunity for diverse views to be considered or is an emergency temporary standard provided by the secretary pursuant to and in conformance with the provisions of the federal law.

4. *"Employee"* means an employee of an employer who is employed in a business of the employer. *"Employee"* also means an inmate as defined in section 85.59, when the inmate works in connection with the maintenance of the institution, in an industry maintained in the institution, or while otherwise on detail to perform services for pay. *"Employee"* also means a volunteer involved in responses to hazardous waste incidences. The employer of a volunteer is that entity which provides or which is required to provide workers' compensation coverage for the volunteer.

5. *"Employer"* means a person engaged in a business who has one or more employees and also includes the state of Iowa, its various departments and agencies, and any political subdivision of the state.

6. *"Federal law"* means the Act of Congress approved December 29, 1970, 84 Stat. 1590, officially cited as the "Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 – 678)".

7. *"Imminent danger"* means a condition or practice in any place of employment which is such that a danger exists which will reasonably be expected to cause death or serious physical

harm immediately or before the imminence of such danger can be eliminated through the enforcement procedures of this chapter, exclusive of the procedures set forth in section 88.11.

8. *"Occupational safety and health standard"* means a standard which requires conditions or the adoption or use of one or more practices, means, methods, operations, or processes, reasonably necessary or appropriate to provide safe or healthful employment and places of employment.

9. *"Person"* means one or more individuals, partnerships, associations, corporations, business trusts, legal representatives, or any organized group of persons.

10. *"Secretary"* means the secretary of labor of the United States.

[C66, 71, §88A.2; C73, 75, 77, 79, 81, §88.3]

86 Acts, ch 1245, §520; 90 Acts, ch 1136, §1; 99 Acts, ch 68, §2; 2001 Acts, ch 24, §24

**88.4 Duties.**

Each employer shall furnish to each of the employer's employees employment and a place of employment which is free from recognized hazards that are causing or are likely to cause death or serious physical harm to the employer's employees and comply with occupational safety and health standards promulgated under this chapter.

Each employee shall comply with occupational safety and health standards and all rules and orders issued pursuant to this chapter which are applicable to the employee's own actions and conduct.

[C66, 71, §88A.1; C73, 75, 77, 79, 81, §88.4]

Referred to in §88.7, 88.14

**88.5 Occupational safety and health standards.**

1. *Promulgation of rules.* The commissioner shall, by rule, promulgate standards as needed to conform state occupational safety and health standards to federal occupational safety and health standards. The commissioner shall follow the rulemaking procedures of chapter 17A, and shall file a notice of intended action within ninety days of federal publication of a new, amended, or revoked federal standard.

2. *Toxic materials and other harmful physical agents.* The commissioner, in promulgating standards dealing with toxic materials or harmful physical agents under this subsection, shall set the standard which most adequately assures, to the extent feasible, on the basis of the best available evidence, that no employee will suffer material impairment of health or functional capacity even if such employee has regular exposure to the hazard dealt with by such standard for the period of the employee's working life. Development of standards under this subsection shall be based upon research, demonstrations, experiments, and such other information as may be appropriate, but in any event shall conform with the provisions of subsection 1 of this section. In addition to the attainment of the highest degree of health and safety protection for the employee, other considerations shall be the latest available scientific data in the field, the feasibility of the standards, and experience gained under this and other health and safety laws. Whenever practicable, a standard promulgated shall be expressed in terms of objective criteria and of the performance desired.

3. *Temporary variances.*

*a.* Any employer may apply to the commissioner for a temporary order granting a variance from a standard or any provision thereof promulgated under this section. Such temporary order shall be granted only if the employer files an application which meets the requirements of paragraph *"b"* of this subsection and establishes that the employer is unable to comply with the standard by its effective date because of unavailability of professional or technical personnel or of materials and equipment needed to come into compliance with the standards or because necessary construction or operation of the facilities cannot be completed by the effective date, that the employer is taking all available steps to safeguard the employer's employees against the hazards that are covered by the standard, and that the employer has an effective program for coming into compliance with this standard as quickly as practicable. Any temporary order issued under this paragraph shall prescribe the practices, means, methods, operations, and processes which the employer must adopt and use while the order is in effect and state in detail the employer's program for coming into

compliance with the standard. Such a temporary order may be granted only after notice to employees and an opportunity for a hearing, provided that the commissioner may issue one interim order to be effective until a decision is made on the basis of the hearing. No temporary order may be in effect longer than the period needed by the employer to achieve compliance with the standard, or one year, whichever is shorter except that such an order may be renewed not more than twice so long as the requirements of this paragraph are met and an application for renewal is filed at least ninety days prior to the expiration date of the order. No interim renewal of an order may remain in effect for longer than one hundred and eighty days.

*b*. An application for a temporary order under this subsection shall contain:

(1) A specification of the standard or portion thereof from which the employer seeks a variance.

(2) A representation by the employer, supported by representations from qualified persons having firsthand knowledge of the fact represented, that the employer is unable to comply with the standard or portion thereof and a detailed statement of those reasons therefor.

(3) A statement of the steps the employer has taken and will take (with specific dates) to protect employees against the hazard covered by the standard.

(4) A statement of when the employer expects to be able to comply with the standard and what steps the employer has taken and what steps the employer will take (with dates specified) to come into compliance with the standard.

(5) A certification that the employer has informed the employer's employees of any application by giving a copy thereof to their authorized employee representative, posting a statement giving a summary of the application and specifying where a copy may be examined at the place or places where notices to employees are normally posted, and by other reasonably appropriate means as may be directed by the commissioner.

(6) A description of how employees have been informed shall be contained in the certification. The information to employees shall also inform them of their right to petition the commissioner for a hearing.

4. *Labels, warnings, protective equipment.* Any standard promulgated under this section shall prescribe the use of labels or other appropriate forms of warning as are necessary to insure that employees are apprised of all hazards to which they are exposed, relevant symptoms and appropriate emergency treatment, and proper conditions and precautions of safe use or exposure. Where appropriate, such standard shall also prescribe suitable protective equipment and control or technological procedures to be used in connection with such hazards and shall provide for monitoring or measuring employee exposure at such locations and intervals, and in such manner as may be necessary for the protection of employees. In addition, where appropriate, any such standard shall prescribe the type and frequency of medical examinations or other tests which shall be made available, by the employer or at the employer's cost, to employees exposed to such hazard in order to most effectively determine whether the health of such employee is adversely affected by such exposure. The results of such examinations or tests shall be furnished to the commissioner, and if released by the employee, shall be furnished to the employee's physician and the employer's physician.

5. *Emergency temporary standards.* The commissioner shall provide for an emergency temporary standard to take immediate effect if the commissioner determines that employees are exposed to grave danger from exposure from substances or agents determined to be toxic or physically harmful or from new hazards and if such emergency temporary standard is necessary to protect the employees from such danger. Such emergency standard shall cease to be effective and shall no longer be applicable after the lapse of six months following the effective date thereof unless the commissioner has initiated the procedures provided for under this chapter, for the purpose of promulgating a permanent standard as provided in subsection 1 of this section in which case the emergency temporary standard will remain in effect until the permanent standard is adopted and becomes effective. Abandonment of the procedure for such promulgation by the commissioner shall terminate the effectiveness and applicability of the emergency temporary standard.

6. *Permanent variance.* Any affected employer may apply to the commissioner for a rule or order for a permanent variance from a standard promulgated under this section. Affected employees shall be given notice of each such application and an opportunity to participate in a hearing. The commissioner shall issue such rule or order if the commissioner determines on the record, after opportunity for an inspection where appropriate and a hearing, that the proponent of the variance has demonstrated by a preponderance of the evidence that the conditions, practices, means, methods, operations, or processes used or proposed to be used by an employer will provide employment and places of employment to the employer's employees which are as safe and healthful as those which would prevail if the employer complied with the standard. The rule or order so issued shall prescribe the conditions the employer must maintain, and the practices, means, methods, operations, and processes which the employer must adopt and utilize to the extent that they differ from the standard in question. Such a rule or order may be modified or revoked upon application by an employer, employees, or by the commissioner on the commissioner's own motion, in the manner prescribed for its issuance under this subsection at any time after six months from its issuance.

7. *Special variance.* Where there are conflicts with standards, rules, or regulations promulgated by any federal agency other than the United States department of labor, special variances from standards, rules, or regulations promulgated under this chapter may be granted to avoid such regulatory conflicts. Such variances shall take into consideration the safety of the employees involved. Notwithstanding any other provision of this chapter, and with respect to this subsection, any employer seeking relief under this provision must file an application with the commissioner and the commissioner shall forthwith hold a hearing at which employees or other interested persons, including representatives of the federal regulatory agencies involved, may appear and, upon the showing that such a conflict indeed exists, the commissioner may issue a special variance until the conflict is resolved.

8. *Priority for setting standards.* In determining the priorities for establishing standards under this section, the commissioner shall give due regard to the urgency of the need for mandatory safety and health standards for particular industries, trades, crafts, occupations, businesses, workplaces or work environments.

9. *Product safety.* Standards promulgated under this chapter shall not be different from federal standards applying to products distributed or used in interstate commerce unless such standards are required by compelling local conditions and do not unduly burden interstate commerce. This provision does not apply to customized products or parts not normally available on the open market, or to optional parts or additions to products which are ordinarily available with such optional parts or additions.

10. *Judicial review before enforcement.* The provisions of the Iowa administrative procedure Act, chapter 17A, shall apply to judicial review of standards issued under this section. Notwithstanding any provision of the Iowa administrative procedure Act, chapter 17A, to the contrary, a person who is aggrieved or adversely affected by a standard issued under this section must seek judicial review of such standard prior to the sixtieth day after such standard becomes effective. All determinations of the commissioner shall be conclusive if supported by substantial evidence in the record as a whole.

11. *Railway sanitation and shelter.* A railway corporation within the state shall provide adequate sanitation and shelter for all railway employees. The commissioner shall adopt rules requiring railway corporations within the state to provide a safe and healthy workplace. The commissioner shall enforce the requirements of this subsection upon the receipt of a written complaint.

[C66, 71, §88A.11 – 88A.13; C73, 75, 77, 79, 81, §88.5]

86 Acts, ch 1245, §521; 88 Acts, ch 1042, §1; 93 Acts, ch 180, §54; 94 Acts, ch 1023, §84; 2001 Acts, ch 24, §25; 2002 Acts, ch 1119, §10; 2003 Acts, ch 44, §114; 2007 Acts, ch 36, §1; 2010 Acts, ch 1015, §1; 2011 Acts, ch 34, §18

Referred to in §88.6, 88.7, 88.14

**88.6 Inspections, investigations, and recordkeeping.**

1. *Entrance and inspections.* In order to carry out the purposes of this chapter,

the commissioner or the commissioner's representative, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized:

*a.* To enter without delay and at reasonable times any factory, plant, establishment, construction site, or other area, workplace or environment where work is performed by an employee of an employer.

*b.* To inspect and investigate during regular working hours and at other reasonable times, and within reasonable limits and within a reasonable manner, any such place of employment and all pertinent conditions, structures, machines, apparatus, devices, equipment, and materials therein, and to question privately any such employer, owner, operator, agent or employee.

2. *Subpoena of witness and evidence.* In making inspections and investigations under this chapter, the commissioner may require the attendance and testimony of witnesses and the production of evidence under oath. Witnesses shall be paid the same fees and mileage that are paid witnesses in the district courts of this state. In case of contumacy, failure, or refusal of any person to obey such an order, any appropriate district court within the jurisdiction of which such person is found, or resides, or transacts business, upon the application by the commissioner, shall have jurisdiction to issue to such person an order requiring such person to appear, to produce evidence, if, as, and when so ordered and to give testimony relating to the matter under investigation or in question, and any failure to obey such order of the court may be punished by said court as a contempt thereof.

3. *Accident and illness records.*

*a.* Each employer shall make, keep and preserve, and make available to the commissioner such records regarding the employer's activities relating to this chapter as the commissioner may prescribe by regulation as necessary or appropriate for the enforcement of this chapter or for developing information regarding the causes and prevention of occupational accidents and illnesses. In order to carry out the provisions of this paragraph such regulations may include provisions requiring employers to conduct periodic inspections. The commissioner shall also issue regulations requiring that employers, through posting of notices or other appropriate means, keep their employees informed of their protection and obligations under this chapter, including the provisions of applicable standards.

*b.* The commissioner shall prescribe regulations requiring an employer to maintain accurate records of, and to make periodic reports on, work related deaths, injuries, and illnesses other than minor injuries requiring only first aid treatment and which do not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job.

*c.* The commissioner shall issue regulations requiring employers to maintain accurate records of employee exposures to potentially toxic materials or harmful physical agents which are required to be monitored or measured under section 88.5, subsection 2. Such regulations shall provide employees or their authorized employee representative with an opportunity to observe such monitoring or measuring, and to have access to the records thereof. Such regulations shall also make appropriate provisions for each employee or former employee to have access to such records that will indicate the employee's own exposure to toxic materials or harmful physical agents. Each employer shall promptly notify any employee who has been or is being exposed to toxic materials or harmful physical agents in concentrations or at levels which exceed those prescribed by an applicable occupational safety and health standard promulgated under section 88.5, subsection 2, and shall inform any employee who is being thus exposed of the corrective action being taken.

*d.* All employers in the state of Iowa are required to make all reports to the secretary required by federal law as if this chapter were not in effect.

*e.* The commissioner will make such reports to the secretary in such form and containing such information, as the secretary shall from time to time require pursuant to federal law.

*f.* The regulations referred to in this subsection shall not prescribe requirements different from those provided by the federal law and regulations.

4. *Representatives of employers and employees.* Subject to regulations issued by the commissioner, a representative of the employer and an authorized employee representative shall be given an opportunity to accompany the commissioner or the commissioner's

authorized representative during the physical inspection of any workplace under subsection 1 of this section, for the purpose of aiding such inspection. Where there is no authorized employee representative, the commissioner or the commissioner's authorized representative shall consult with a reasonable number of employees concerning matters of health and safety in the workplace.

5. *Special inspections.* Any employees or authorized employee representative who believes that a violation of a safety or health standard exists that threatens physical harm, or that an imminent danger exists, may request an inspection by giving notice to the commissioner or the commissioner's authorized representative of such violation or danger. Any such notice shall be reduced to writing, shall set forth with reasonable particularity the grounds for the notice, and shall be signed by the employees or authorized employee representative, and a copy shall be provided the employer or the employer's agent no later than at the time of inspection, except that upon the request of the person giving such notice the person's identifying information and the identifying information of individual employees referred to in the notice shall not appear in such copy or on any record published, released, or made available. If, upon receipt of such notification, the commissioner determines that there are reasonable grounds to believe that such violation or danger exists, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if such violation or danger exists. If the commissioner determines that there are no reasonable grounds to believe that a violation or danger exists, the commissioner shall notify the employees or authorized employee representative in writing of such determination. For purposes of this subsection, "*identifying information*" means specific personal information including, but not limited to, the person's name, home address, telephone number, social security number, and handwriting and language idiosyncrasies. In circumstances when the release of any fact may be used to identify the person, that fact shall not be released.

6. *Notice of violations.* During any inspection of a workplace, any employee or representative of employees employed in such workplace may notify the commissioner or any representative of the commissioner responsible for conducting the inspection, in writing, of any violation of this chapter which they have reason to believe exists in such workplace. The commissioner shall, by regulation, establish procedures for an informal review of any refusal by a representative of the commissioner to issue a citation with respect to any such alleged violation and shall furnish the employees or authorized employee representative requesting such review a written statement of the reason for the commissioner's final disposition of the case.

7. *General.* Any information obtained by the commissioner under this chapter shall be obtained with a minimum burden upon employers. Except for the purpose of administration of this chapter, no information received by the commissioner or the commissioner's representative from an employer, in compliance with and pursuant to this chapter, shall be admissible in any action brought by or for the benefit of any person. Unnecessary duplication of efforts in obtaining information shall be reduced to the maximum extent feasible.

8. *Confidentiality.* Notwithstanding chapter 22, records prepared or obtained by the commissioner relating to an enforcement action conducted pursuant to this chapter shall be kept confidential until the enforcement action is complete.

*a.* For purposes of this subsection, an enforcement action is complete when any of the following occurs:

(1) An inspection file is closed without the issuance of a citation.

(2) A citation or noncompliance notice resulting from an inspection becomes a final order of the employment appeal board and all applicable courts pursuant to sections 88.8 and 88.9, and abatement is verified.

(3) A determination and any subsequent action is final in an occupational safety and health discrimination case.

*b.* A citation or noncompliance notice shall remain a confidential record until received by the appropriate employer.

*c.* This subsection shall not affect the discovery rights of any party to a contested case.

9. *Reports — fire fighters.* Reports of inspections and investigations involving the

occupational safety and health for fire fighters shall be presented to the state fire service and emergency response council.

[C66, 71, §88.11, 88.12, 88A.10, 88A.14; C73, 75, 77, 79, 81, §88.6]

98 Acts, ch 1105, §1, 2; 2000 Acts, ch 1117, §6; 2000 Acts, ch 1232, §47; 2008 Acts, ch 1032, §173

**88.7 Citations.**

1. *Issuance by commissioner.*

*a.* If, upon inspection or investigation, the commissioner or the commissioner's authorized representative believes that an employer has violated the requirements of section 88.4, of any standard, rule or rules promulgated pursuant to section 88.5, or of any regulations prescribed pursuant to this chapter, the commissioner shall with reasonable promptness issue a citation to the employer. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the chapter, standard, rules or order alleged to have been violated. In addition, the citation shall fix a reasonable time for the abatement of the violation. The commissioner shall prescribe procedures for the issuance of a notice in lieu of a citation with respect to de minimis violations which have no direct or immediate relationship to safety and health.

*b.* If, upon inspection or investigation, the commissioner or the commissioner's authorized representative believes that an employee, under the employee's own volition, has violated the requirements of section 88.4 of any standard, rule or rules promulgated pursuant to section 88.5, or of any regulations prescribed pursuant to this chapter, the commissioner shall with reasonable promptness issue a citation to the employee. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the chapter, standard, rules, regulations or order alleged to have been violated. The commissioner shall prescribe procedures for the issuance of a notice in lieu of a citation with respect to de minimis violations which have no direct or immediate relationship to safety and health.

2. *Posting of citation.* Each citation issued under this section, or a copy or copies thereof, shall be prominently posted, as prescribed in regulations issued by the commissioner, at or near each place a violation referred to in the citation occurred.

3. *Statute of limitations.* No citation may be issued under this section after the expiration of six months following the occurrence of any violation.

[C66, 71, §88A.15; C73, 75, 77, 79, 81, §88.7]

Referred to in §88.8, 88.14, 88.15

**88.8 Procedure for enforcement.**

1. *Postinspection penalty notice.* If, after an inspection or an investigation, the commissioner issues a citation under section 88.7, the commissioner shall, within a reasonable time after the termination of the inspection or investigation, notify the employer by service in the same manner as an original notice or by certified mail of the penalty, if any, proposed to be assessed under section 88.14 and that the employer has fifteen working days within which to notify the commissioner that the employer wishes to contest the citation or proposed assessment of penalties. If, within fifteen working days from the receipt of the notice issued by the commissioner, the employer fails to notify the commissioner that the employer intends to contest the citation or proposed assessment of penalty, and no notice is filed by any employees or authorized employee representative under subsection 3 of this section within the time specified, the citation and the assessment, as proposed, shall be deemed a final order of the appeal board and not subject to review by any court or agency.

2. *Noncompliance notice.* If the commissioner has reason to believe that an employer has failed to correct the violation for which a citation has been issued within the period permitted for its correction, which period shall not begin to run until the entry of a final order by the appeal board in the case of any review proceedings under this section initiated by the employer in good faith and not solely for delay or avoidance of penalties, the commissioner shall notify the employer by service in the same manner as an original notice or by certified mail of the failure and of the penalty proposed to be assessed under section 88.14 by

reason of the failure, and that the employer has fifteen working days within which to notify the commissioner that the employer wishes to contest the commissioner's notification or the proposed assessment of penalty. If, within fifteen working days from the receipt of notification issued by the commissioner, the employer fails to notify the commissioner that the employer intends to contest the notification or proposed assessment of penalty, the notification and assessment, as proposed, shall be deemed the final order of the appeal board and not subject to review by any court or agency.

3. *Contested notice.*

*a.* If an employer notifies the commissioner that the employer intends to contest a citation issued under section 88.7, or notification issued under subsection 1 or 2 of this section or if, within fifteen working days of the issuance of a citation under section 88.7, any employee or authorized employee representative files a notice with the commissioner alleging that the period of time fixed in the citation for the abatement of the violation is unreasonable, the commissioner shall immediately advise the appeal board of such notification, and the appeal board shall afford an opportunity for a hearing.

*b.* At the hearing, the appeal board shall act as an adjudicatory body. The appeal board shall thereafter issue an order, based on findings of fact, affirming, modifying, or vacating the commissioner's citation or proposed penalty or directing other appropriate relief, and such order shall become final thirty days after its issuance.

*c.* Upon a showing by an employer of a good faith effort to comply with the abatement requirements of a citation, and that abatement has not been completed because of factors beyond the employer's reasonable control, the commissioner, after an opportunity for a hearing shall issue an order affirming or modifying the abatement requirements in such citation.

*d.* The rules of procedure prescribed by the appeal board shall provide affected employees or representatives of affected employees an opportunity to participate as parties to hearings under this subsection, and shall conform to rules of procedure adopted under the federal law by federal authorities insofar as the federal rules of procedure do not conflict with state law.

4. *Withdrawal of citation or settlement.* The commissioner has unreviewable discretion to withdraw a citation charging an employer with violating this chapter. If the parties enter into a settlement agreement prior to a hearing, the employment appeal board shall enter an order affirming the agreement.

[C66, 71, §88A.15, 88A.16; C73, 75, 77, 79, 81, §88.8]

88 Acts, ch 1025, §2; 89 Acts, ch 321, §25; 93 Acts, ch 180, §55; 99 Acts, ch 68, §3; 2008 Acts, ch 1031, §92; 2013 Acts, ch 30, §18

Referred to in §88.6, 88.9, 88.14

Subsection 2 amended

**88.9 Judicial review.**

1. *Aggrieved persons.*

*a.* Judicial review of any order of the appeal board issued under section 88.8, subsection 3, may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, petitions for judicial review may be filed in the district court of the county in which the violation is alleged to have occurred or where the employer has its principal office and may be filed within sixty days following the issuance of such order. The appeal board's copy of the testimony shall be available to all parties for examination at all reasonable times, without cost, and for the purpose of judicial review of the appeal board's orders.

*b.* The commissioner may obtain judicial review or enforcement of any final order or decision of the appeal board by filing a petition in the district court of the county in which the alleged violation occurred or in which the employer has its principal office. The judicial review provisions of chapter 17A shall govern such proceedings to the extent applicable.

*c.* Notwithstanding section 10A.601, subsection 7, and chapter 17A, the commissioner has the exclusive right to represent the appeal board in any judicial review of an appeal board decision under this chapter in which the commissioner does not appeal the appeal board decision, except as provided by section 88.17.

2. *Uncontested appeal board orders.* If no petition for judicial review is filed within sixty days after service of the appeal board's order, the appeal board's findings of fact and order shall be conclusive in connection with any petition for enforcement which is filed by the commissioner after the expiration of such sixty-day period. In any such case, as well as in the case of a noncontested citation or notification by the commissioner which has become a final order of the appeal board under section 88.8, subsection 1 or 2, the clerk of the district court, unless otherwise ordered by the court, shall forthwith enter a decree enforcing the order and shall transmit a copy of such decree to the appeal board and the employer named in the petition. In any contempt proceeding brought to enforce a decree of a district court entered pursuant to this subsection or subsection 1, the district court may assess the penalties provided in section 88.14 in addition to invoking any other available remedies.

3. *Discrimination and discharge.*

*a.* (1) A person shall not discharge or in any manner discriminate against an employee because the employee has filed a complaint or instituted or caused to be instituted a proceeding under or related to this chapter or has testified or is about to testify in any such proceeding or because of the exercise by the employee on behalf of the employee or others of a right afforded by this chapter.

(2) A person shall not discharge or in any manner discriminate against an employee because the employee, who with no reasonable alternative, refuses in good faith to expose the employee's self to a dangerous condition of a nature that a reasonable person, under the circumstances then confronting the employee, would conclude that there is a real danger of death or serious injury; provided the employee, where possible, has first sought through resort to regular statutory enforcement channels, unless there has been insufficient time due to the urgency of the situation, or the employee has sought and been unable to obtain from the person, a correction of the dangerous condition.

*b.* (1) An employee who believes that the employee has been discharged or otherwise discriminated against by a person in violation of this subsection may, within thirty days after the violation occurs, file a complaint with the commissioner alleging discrimination.

(2) Upon receipt of the complaint, the commissioner shall conduct an investigation as the commissioner deems appropriate. If, upon investigation, the commissioner determines that the provisions of this subsection have been violated, the commissioner shall bring an action in the appropriate district court against the person. In any such action, the district court has jurisdiction to restrain violations of this subsection and order all appropriate relief including rehiring or reinstatement of the employee to the employee's former position with back pay.

(3) Within ninety days of the receipt of a complaint filed under this subsection, the commissioner shall notify the complainant of the commissioner's determination under this subsection.

[C66, 71, §88A.16; C73, 75, 77, 79, 81, §88.9]

88 Acts, ch 1107, §1; 93 Acts, ch 180, §56, 57; 2003 Acts, ch 44, §114; 2008 Acts, ch 1032, §174

Referred to in §88.6, 602.8102(23)

**88.10** Repealed by 86 Acts, ch 1245, § 550.

**88.11 Procedures to counteract imminent dangers.**

1. *Imminent danger orders.* The district court of the county in which the imminent danger is alleged to exist shall have jurisdiction, upon petition of the commissioner, to restrain any conditions or practices in any place of employment which are such that a danger exists which will reasonably be expected to cause death or serious physical harm immediately or before the imminence of such danger can be eliminated through the enforcement procedures otherwise provided by this chapter. In the event the appropriate trial judge is not available, any judge of the judicial district in which such county is located shall have authority to issue orders under this section. Any order issued under this section may require such steps to be taken as may be necessary to avoid, correct, or remove such imminent danger and prohibit the employment or presence of any individual in locations or under conditions where such imminent danger exists, except individuals whose

presence is necessary to avoid, correct or remove such imminent danger or to maintain the capacity of a continuous process operation to resume normal operations without a complete cessation of operations, or where a cessation of operations is necessary, to permit such to be accomplished in a safe and orderly manner.

2. *Imminent danger proceedings.* Upon the filing of any such petition the said district court shall have jurisdiction to grant such injunctive relief or temporary restraining order pending the outcome of an enforcement proceeding pursuant to this chapter. The proceedings shall be as provided by the Iowa rules of civil procedure. No temporary restraining order issued without notice shall be effective for a period longer than five days.

3. *Notification.* Whenever and as soon as an inspector concludes that the conditions or practices described in subsection 1 of this section exist in any place of employment, the inspector shall inform the affected employees and employers of the danger and that the inspector is recommending to the commissioner that relief be sought. The commissioner shall adopt rules prescribing the procedures in enforcing imminent danger orders which procedures shall reasonably conform to those promulgated under the federal law insofar as the same do not conflict with state law.

4. *Employee's rights.* If the commissioner arbitrarily or capriciously fails to seek relief under this section, any employee who may be injured by reason of such failure, or the authorized employee representative, may bring an action against the said commissioner in the district court of the county in which the imminent danger is alleged to exist or in which the employer's principal office is located, for a writ of mandamus to compel the commissioner to seek such an order and for such further relief as may be appropriate.

[C66, 71, §88A.17; C73, 75, 77, 79, 81, §88.11]
Referred to in §88.3

**88.12 Confidentiality of trade secrets.**

Notwithstanding any provisions of this chapter, all information reported to or otherwise obtained by the commissioner or the commissioner's representative in connection with any inspection or proceeding under this chapter which contains or might reveal a trade secret shall be considered confidential, except that such information may be disclosed to other officers or employees concerned with carrying out this chapter or when relevant to any proceeding under this chapter. In any such proceeding the commissioner, the appeal board, or the court shall issue such orders as may be appropriate to protect the confidentiality of trade secrets.

[C73, 75, 77, 79, 81, §88.12]
Referred to in §88.14

**88.13 Variations, tolerances, and exemptions.**

When the secretary grants variations, tolerances, and exemptions to avoid serious impairment of the national defense as provided under authority of section 16 of the federal law, the commissioner shall grant the same variations, tolerances, and exemptions in the Iowa law, rules and standards to be effective immediately.

[C73, 75, 77, 79, 81, §88.13]

**88.14 Penalties.**

1. *Willful violations.* Any employer who willfully or repeatedly violates the requirements of section 88.4, any standard, rule, or order adopted or issued pursuant to section 88.5, or rules adopted pursuant to this chapter, may be assessed a civil penalty of not more than seventy thousand dollars for each violation, but not less than five thousand dollars for each willful violation.

2. *Serious violations.* Any employer who has received a citation for a serious violation of the requirements of section 88.4, of any standard, rule, or order adopted or issued pursuant to section 88.5, or of any regulations prescribed pursuant to this chapter, shall be assessed a civil penalty of up to seven thousand dollars for each such violation.

3. *Nonserious violations.* Any employer who has received a citation for a violation of the requirements of section 88.4, of any standard, rule, or order adopted or issued pursuant to section 88.5, or of rules prescribed pursuant to this chapter and the violation is specifically

determined not to be of a serious nature, may be assessed a civil penalty of up to seven thousand dollars for each violation.

4. *Failure to correct.* Any employer who fails to correct a violation for which a citation has been issued under section 88.7, subsection 1, within the period permitted for its correction, may be assessed a civil penalty of not more than seven thousand dollars for each day during which the failure or violation continues. The period for correction shall not begin until the date of the final order of the appeal board of any review proceeding under section 88.8 initiated by the employer in good faith and not solely for delay or avoidance of penalties.

5. *Willful violations causing death.* Any employer who willfully violates any standard, rule, or order promulgated pursuant to section 88.5, or of any regulations prescribed pursuant to this chapter, and that violation caused death to any employee, shall, upon conviction, be guilty of a serious misdemeanor; except that if the conviction is for a violation committed after a first conviction of such person, the person shall be guilty of an aggravated misdemeanor.

6. *Advance notice of inspections.* Any person who gives advance notice of any inspection to be conducted under this chapter, without authority from the commissioner or the commissioner's designees, shall, upon conviction, be guilty of a serious misdemeanor.

7. *Filing false documents.* Whoever knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to this chapter shall, upon conviction, be guilty of a serious misdemeanor.

8. *Disclosure of confidential information.* Whoever violates the provisions of section 88.12 shall be guilty of a serious misdemeanor; and shall be removed from office or employment.

9. *Violation of posting requirements.* Any employer who violates any of the posting, reporting, or recordkeeping requirements under this chapter, shall be assessed a civil penalty of up to seven thousand dollars for each violation.

10. *Assessment of penalties.* The appeal board shall have the authority to assess all civil penalties provided in this section, giving due consideration to the appropriateness of the penalty with respect to the size of the business of the employer being charged, the gravity of the violation, the good faith of the employer, and the history of previous violations.

11. *Definition of serious violation.* For purposes of this section, a serious violation shall be deemed to exist in a place of employment if there is a substantial probability that death or serious physical harm could result from a condition which exists, or from one or more practices, means, methods, operations, or processes which have been adopted or are in use, in such place of employment unless the employer did not, and could not with the exercise of reasonable diligence, know of the presence of the violation.

12. *Collection of penalties.* Civil penalties owed under this chapter shall be paid to the commissioner for deposit with the treasurer of state and shall accrue to the state and may be recovered in a civil action in the name of the state brought in the district court of the county where the violation is alleged to have occurred or where the employer has its principal office.

[C73, §4064; C97, §4999, 5025, 5026; S13, §2477-1a, 4999-a1, -a2; SS15, §4999-a5; C24, 27, 31, 35, 39, §**1494;** C46, 50, 54, 58, 62, §88.13; C66, 71, §88.13, 88A.15, 88A.17; C73, 75, 77, 79, 81, §88.14]

91 Acts, ch 136, §1; 92 Acts, ch 1098, §1

Referred to in §88.8, 88.9

**88.15 Appeal procedures for employees.**

In the event an employee is issued a citation as provided in section 88.7, the procedures for appeal as provided for employers in this chapter shall apply.

[C73, 75, 77, 79, 81, §88.15]

**88.16 Training and employee and employer education.**

1. The commissioner shall conduct directly or by contract, educational programs to provide an adequate supply of qualified personnel to administer this chapter and informational programs on the importance of and proper use of adequate safety and health equipment.

2. The commissioner is authorized to conduct directly or by grants or contracts, short term training of personnel engaged in work related to the commissioner's responsibilities under this chapter.

3. The commissioner shall provide for the establishment and supervision of programs for the education and training of employers and employees in the recognition, avoidance, and prevention of unsafe or unhealthful working conditions in employments covered by this chapter, and consult with and advise employers, employees, and organizations representing employers and employees, as to effective means of preventing occupational injuries and illnesses.

4. Notwithstanding chapter 22, consultation records prepared or obtained by the commissioner pursuant to this section and which relate to specific employers or specific workplaces shall be kept confidential. For purposes of this subsection, *"consultation record"* means a record created when an employer requests and receives from the labor commissioner direct assistance in the recognition and correction of workplace hazards.

[C73, 75, 77, 79, 81, §88.16]

98 Acts, ch 1105, §3

**88.17 Representation in civil litigation.**

The attorney general of the state shall upon request by the commissioner represent the commissioner in any civil litigation brought under this chapter.

[C73, 75, 77, 79, 81, §88.17]

Referred to in §88.9

**88.18 Statistics.**

In order to further the purposes of this chapter, the commissioner shall develop and maintain an effective program of collection, compilation, and analysis of occupational safety and health statistics. Such program may cover all employments whether or not subject to any other provisions of this chapter. The commissioner shall compile accurate statistics on work injuries and illnesses which shall include all disabling, serious, or significant injuries and illnesses, whether or not involving loss of time from work, other than minor injuries requiring only first aid treatment and which do not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job.

[C73, 75, 77, 79, 81, §88.18]

**88.19 Annual report.**

Within one hundred twenty days following the convening of each session of each general assembly, the commissioner shall prepare and submit to the governor for transmittal to the general assembly a report upon the subject matter of this chapter, the progress toward achievement of the purpose of this chapter, the needs and requirements in the field of occupational safety and health, and any other relevant information. The reports may include information regarding the following:

1. Occupational safety and health standards, and criteria for such standards, developed during the preceding year.

2. Evaluation of standards and criteria previously developed under this chapter, defining areas of emphasis for new criteria and standards.

3. Evaluation of the degree of observance of applicable occupational safety and health standards, and a summary of inspection and enforcement activity undertaken.

4. Analysis and evaluation of research activities for which results have been obtained under governmental and nongovernmental sponsorship.

5. An analysis of major occupational diseases.

6. Evaluation of available control and measurement technology for hazards for which standards or criteria have been developed during the preceding year.

7. A description of cooperative efforts undertaken between government agencies and other interested parties in the implementation of this chapter during the preceding year.

8. A progress report on the development of an adequate supply of trained personnel in

the field of occupational safety and health, including estimates of future needs and the efforts being made by government and others to meet those needs.

9. A listing of all toxic substances in industrial usage for which labeling requirements, criteria, or standards have not yet been established.

10. Such recommendations for additional legislation as are deemed necessary to protect the safety and health of the worker and improve the administration of this chapter.

[C73, 75, 77, 79, 81, §88.19]

2007 Acts, ch 16, §1; 2010 Acts, ch 1015, §2; 2011 Acts, ch 25, §10; 2013 Acts, ch 30, §19
Section amended

**88.20 Effect of chapter.**

Nothing in this chapter shall be construed to supersede or in any manner affect any workers' compensation law or to enlarge or diminish or affect in any other manner the common law or statutory rights, duties, or liabilities of employers and employees under any law with respect to injuries, diseases, or death of employees arising out of, or in the course of, employment.

[C73, 75, 77, 79, 81, §88.20]

**88.21 Conflicts resolved.**

The provisions of this chapter will prevail wherever the same conflicts with any other chapter of the Code.

[C73, 75, 77, 79, 81, §88.21]

# CHAPTER 88A

## SAFETY INSPECTION OF AMUSEMENT RIDES

Referred to in §84A.5, 91.4


| | | | |
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**88A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Amusement device"* means any equipment or piece of equipment, appliance or combination thereof designed or intended to entertain or amuse a person.

2. *"Amusement ride"* means any mechanized device or combination of devices which carries passengers along, around, or over a fixed or restricted course for the purpose of giving its passengers amusement, pleasure, thrills, or excitement. *"Amusement ride"* does not include a device or structure that is devoted principally to exhibitions related to agriculture, the arts, education, industry, religion, or science.

3. *"Carnival"* means an enterprise offering amusement or entertainment to the public in, upon, or by means of amusement devices or rides or concession booths.

4. *"Commissioner"* means the labor commissioner or the labor commissioner's designee.

5. *"Concession booth"* means a structure, or enclosure, used at more than one fair or carnival, or at one fair or carnival for more than seven consecutive days, from which amusements are offered to the public.

6. *"Division"* means the division of labor services of the department of workforce development created under section 84A.1.

7. *"Fair"* means an enterprise principally devoted to the exhibition of products of agriculture or industry in connection with the operation of amusement rides or devices or concession booths.

8. *"Operator"* means a person, or the agent of a person, who owns or controls or has the duty to control the operation of an amusement device or ride, a concession booth, or related electrical equipment at a carnival or fair. *"Operator"* includes an agency of the state or any of its political subdivisions.

9. *"Parent or guardian"* means a parent, custodian, or guardian or person responsible for the control, safety, training, or education of a rider who is a minor or person with a disability.

10. *"Related electrical equipment"* means any electrical apparatus or wiring used at a carnival or fair.

11. *"Rider"* means a person waiting in the immediate vicinity of an amusement ride to get on the amusement ride, getting on an amusement ride, using an amusement ride, getting off an amusement ride, or leaving an amusement ride and still in the immediate vicinity of the amusement ride. *"Rider"* does not include an employee, agent, or servant of the amusement ride owner while engaged in the duties of their employment.

12. *"Sign"* means any symbol or language reasonably calculated to communicate information to a rider or the rider's parent or guardian, including placards, prerecorded messages, live public address, stickers, pictures, pictograms, video, verbal information, and visual signals.

[C73, 75, 77, 79, 81, §88A.1]

86 Acts, ch 1245, §915; 90 Acts, ch 1136, §2; 96 Acts, ch 1186, §23; 98 Acts, ch 1135, §1, 2, 7; 99 Acts, ch 96, §8

**88A.2 Permit required.**

No amusement device or ride, concession booth, or any related electrical equipment shall be operated at a carnival or fair in this state without a permit having been issued by the commissioner to an operator of such equipment. On or before the first of May of each year, any person required to obtain a permit by this chapter shall apply to the division for a permit on a form furnished by the commissioner which form shall contain such information as the commissioner may require. The commissioner may waive the requirement that an application for a permit must be filed on or before the first of May of each year if the applicant gives satisfactory proof to the commissioner that the applicant could not reasonably comply with the date requirement and if the applicant immediately applies for a permit after the need for a permit is first determined. For the purpose of determining if an amusement ride, amusement device, concession booth, or any related electrical equipment is in safe operating condition and will provide protection to the public using such ride, device, booth, or related electrical equipment, each amusement ride, amusement device, concession booth, or related electrical equipment shall be inspected by the commissioner before it is initially placed in operation in this state, and shall thereafter be inspected at least once each year.

If, after inspection, an amusement device or ride, concession booth, or related electrical equipment is found to comply with the rules adopted under this chapter, the commissioner shall, upon payment of the permit fee and the inspection fee, permit the operation of the amusement device or ride or concession booth or to use any related electrical equipment.

If, after inspection, additions or alterations are contemplated which change a structure, mechanism, classification or capacity, the operator shall notify the commissioner of the operator's intentions in writing and provide any plans or diagrams requested by the commissioner.

[C73, 75, 77, 79, 81, §88A.2]

**88A.3 Rules.**

1. The commissioner shall adopt rules for the safe installation, repair, maintenance, use, operation, and inspection of amusement devices, amusement rides, concession booths, and related electrical equipment at carnivals and fairs to the extent necessary for the protection of the public. The rules shall be based on generally accepted engineering standards and shall be concerned with, but not necessarily limited to, engineering force stresses, safety devices, and

preventive maintenance. If standards are available in suitable form, the standards may be incorporated by reference. The rules shall provide for the reporting of accidents and injuries incurred from the operation of amusement devices or rides, concession booths, or related electrical equipment.

2. The commissioner may modify or repeal any rule adopted under the provisions of this chapter.

[C73, 75, 77, 79, 81, §88A.3]

88 Acts, ch 1042, §2; 2008 Acts, ch 1056, §1

**88A.4 Permit and inspection fees.**

Annual inspection fees under this chapter shall be as follows:

1. Permit fees.

*a.* One through ten rides, or devices or concessions, thirty dollars.

*b.* Eleven or more rides, or devices or concessions, forty dollars.

2. Mechanical and electrical inspection fees for amusement rides and devices.

*a.* For rides which are designed for seventy-five pounds or less per passenger unit, seventy-five dollars for each inspection.

*b.* For rides which are designed for seventy-five pounds or more and for which the manufacturer's recommended assembly time is less than forty work hours, one hundred ten dollars for each inspection.

*c.* For rides for which the manufacturer's recommended assembly time is forty work hours or more, two hundred fifty dollars for each inspection.

3. Electrical inspection of concession booths, and amusement devices fees, forty dollars each.

[C73, 75, 77, 79, 81, §88A.4]

92 Acts, ch 1098, §2; 2008 Acts, ch 1056, §2, 3

**88A.5 Fees to general fund.**

All fees collected by the division under the provisions of this chapter shall be transmitted to the treasurer of state and credited by the treasurer to the general fund of the state.

[C73, 75, 77, 79, 81, §88A.5]

**88A.6 Personnel.**

The commissioner may employ inspectors and any other personnel deemed necessary to carry out the provisions of this chapter, subject to the provisions of chapter 8A, subchapter IV.

[C73, 75, 77, 79, 81, §88A.6]

2003 Acts, ch 145, §160

**88A.7 Cessation order.**

The commissioner may order, in writing, a temporary cessation of operation of any amusement device or ride, concession booth, or related electrical equipment if it has been determined after inspection to be hazardous or unsafe. Operation of the amusement device or ride, concession booth or related electrical equipment shall not resume until the unsafe or hazardous condition is corrected to the satisfaction of the commissioner.

[C73, 75, 77, 79, 81, §88A.7]

**88A.8 Judicial review.**

Judicial review of action of the commissioner may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C73, 75, 77, 79, 81, §88A.8]

2003 Acts, ch 44, §114

**88A.9 Insurance.**

No person shall be issued a permit under this chapter unless the person first obtains an insurance policy in an amount of not less than one million dollars for bodily injury, death, or property damage in any one occurrence.

[C73, 75, 77, 79, 81, §88A.9]

2009 Acts, ch 85, §1

**88A.10 Penalties.**

1. Any person who operates an amusement device or ride, concession booth or related electrical equipment at a carnival or fair without having obtained a permit from the commissioner or who violates any order or rule issued by the commissioner under this chapter is guilty of a serious misdemeanor.

2. A person who interferes with, impedes, or obstructs in any manner the commissioner in the performance of the commissioner's duties under this chapter is guilty of a simple misdemeanor. A person who bribes or attempts to bribe the commissioner is subject to section 722.1.

3. A person who fails to obey a safety related requirement listed on a sign displayed at an amusement ride pursuant to section 88A.16, subsection 2, is subject to a civil penalty of one hundred dollars.

[C73, 75, 77, 79, 81, §88A.10]

87 Acts, ch 111, §7; 98 Acts, ch 1135, §3, 7

**88A.11 Exemptions.**

The following amusement devices or rides or concession booths are exempt from the provisions of this chapter:

1. Nonmechanized playground equipment including, but not limited to, swings, seesaws, stationary spring-mounted animal features, rider-propelled merry-go-rounds, climbers, slides, trampolines, swinging gates and physical fitness devices except where an admission fee is charged for usage or an admission fee is charged to areas where such equipment is located.

2. A concession booth, amusement device or ride which is owned and operated by a nonprofit religious, educational or charitable institution or association if such booth, device or ride is located within a building subject to inspection by the state fire marshal or by any political subdivisions of the state under its building, fire, electrical, and related public safety ordinances.

3. The commissioner may exempt amusement devices from the provisions of this chapter that have self-contained wiring installed by the manufacturer, that are operated manually by the use of hands or feet, that operate on less than one hundred twenty volts of electrical power, and that are fixtures or appliances within or part of a structure subject to the building code of this state or any political subdivision of this state.

4. The commissioner may exempt playground equipment owned, maintained, and operated by any political subdivision of this state.

5. Vessels inspected by officers appointed by the director of the department of natural resources under chapter 462A.

[C73, 75, 77, 79, 81, §88A.11; 82 Acts, ch 1028, §1]

97 Acts, ch 40, §2

**88A.12 Local regulation.**

Nothing contained in this chapter shall prevent any political subdivision of this state from licensing or regulating any amusement ride or device, concession booth, electrical equipment, carnival, or circus as otherwise provided by law.

[C73, 75, 77, 79, 81, §88A.12]

**88A.13 Waiver of inspection.**

The commissioner may waive the requirement that an amusement device or ride or any part thereof be inspected before being operated in this state if an operator gives satisfactory

proof to the commissioner that the amusement device or ride or any part thereof has passed an inspection conducted by a public or private agency whose inspection standards and requirements are at least equal to those requirements and standards established by the commissioner under the provisions of this chapter. The annual permit and inspection fees shall be paid before the commissioner may waive this requirement.

[C73, 75, 77, 79, 81, §88A.13]

**88A.14 Injunction.**

In addition to any and all other remedies, if an owner, operator, or person in charge of any amusement device or ride, concession booth, or related electrical equipment covered by this chapter, continues to operate any amusement device or ride, concession booth, or related electrical equipment covered by this chapter, after receiving a notice of defect as provided by this chapter, without first correcting the defects or making replacements, the commissioner may petition the district court in equity, in an action brought in the name of the state, for a writ of injunction to restrain the use of the alleged defective amusement device or ride, concession booth, or related electrical equipment.

88 Acts, ch 1042, §3

**88A.15 Rider safety.**

1. A rider or the rider's parent or guardian shall report in writing to the operator or the operator's designee, on forms provided by the operator or the operator's designee, any injury sustained on an amusement ride before leaving the operator's premises. The report shall include all of the following information:

*a.* The name, address, and phone number of the injured person.

*b.* A brief description of the incident, the injury claimed, and the location, date, and time of the injury.

*c.* The cause of the injury, if known.

*d.* The name, address, and phone number of any witness to the incident.

2. If the rider or the rider's parent or guardian is unable to file a report because of the severity of the rider's injuries, the rider or the rider's parent or guardian shall file the report as soon as reasonably possible. The failure of a rider or the rider's parent or guardian to report an injury under this section does not affect the rider's right to commence a civil action related to the incident.

3. A rider shall, at a minimum, do all of the following:

*a.* Obey the reasonable safety rules posted in accordance with this chapter and oral instructions for an amusement ride issued by the operator or the operator's employee or agent, unless the safety rules or oral instructions are contrary to the safety rules of this chapter.

*b.* Refrain from acting in any manner that may cause or contribute to injuring the rider or others, including all of the following:

(1) Exceeding the limits of the rider's ability.

(2) Interfering with safety devices that are provided.

(3) Failing to engage safety devices that are provided.

(4) Disconnecting or disabling a safety device except at the express instruction of the operator.

(5) Altering or enhancing the intended speed, course, or direction of an amusement ride.

(6) Using the controls of an amusement ride designed solely to be operated by the operator.

(7) Extending arms and legs beyond the carrier or seating area except at the express direction of the operator.

(8) Throwing, dropping, or expelling an object from or toward an amusement ride except as permitted by the operator.

(9) Getting on or off an amusement ride except at the designated time and area, if any, at the direction of the operator or in an emergency.

(10) Not reasonably controlling the speed or direction of the rider's person or an amusement ride that requires the rider to control or direct the rider's person or a device.

4. A rider shall not get on or attempt to get on an amusement ride unless the rider or the rider's parent or guardian reasonably determines that, at a minimum, the rider meets all of the following criteria:

*a.* Has sufficient knowledge to use, get on, and get off the amusement ride safely without instruction or has requested and received sufficient information to get on, use, and get off the amusement ride safely prior to getting on the amusement ride.

*b.* Has located, read, and understood any signs in the vicinity of the amusement ride and meets any posted height, medical, or other requirements.

*c.* Knows the range and limits of the rider's ability and knows the requirements of the amusement ride will not exceed those limits.

*d.* Is not under the influence of alcohol or any drug that affects the rider's ability to safely use the amusement ride or obey the posted rules or oral instructions.

*e.* Is authorized by the operator or the operator's employee, agent, or servant to get on the amusement ride.

98 Acts, ch 1135, §4, 7

Referred to in §88A.16, 88A.17

**88A.16 Notice to riders.**

1. An operator shall display signs indicating the applicable rider safety responsibilities provided in section 88A.15 and the location of stations to report injuries. The signs must be located in all of the following locations:

*a.* Each station for reporting an injury.

*b.* Each first aid station.

*c.* Any of the following locations:

(1) At least two other locations on the premises, including any premises entrance or exit most commonly used by riders, if there are no more than four entrances or exits for riders.

(2) At least four other locations on the premises, including the four premises entrances and exits most commonly used by riders, if there are more than four entrances and exits for riders.

(3) Every amusement ride.

2. An operator shall post a sign at each amusement ride. Any sign required by this subsection must be prominently displayed at a conspicuous location, clearly visible to the public, and bold and legible in design. The sign must include all of the following that apply:

*a.* Operational instructions.

*b.* Safety guidelines for riders.

*c.* Restrictions on the use of the amusement ride.

*d.* Behavior or activities that are prohibited.

*e.* A legend providing that, "State law requires riders to obey all warnings and directions for this amusement ride and behave in a manner that will not cause or contribute to the injury of themselves or others. Riders must report injuries prior to leaving the premises. Failure to comply is punishable by fine."

98 Acts, ch 1135, §5, 7

Referred to in §88A.10, 88A.17

**88A.17 Construction.**

Sections 88A.15 and 88A.16 shall not be construed to preclude a criminal prosecution or civil action available under any other provision of law.

98 Acts, ch 1135, §6, 7

# CHAPTER 88B

## ASBESTOS REMOVAL AND ENCAPSULATION

Referred to in §84A.5, 91.4


88B.1 Definitions.
88B.2 Jurisdiction of other agencies.
88B.3 Administration — rules — fees — inspections.
88B.3A Permit required — application, qualifications, and exceptions.
88B.4 Permit — term, renewal, and records required.
88B.5 Waivers and alternative procedures.
88B.6 Licensing of asbestos workers.
88B.7 Repealed by 96 Acts, ch 1074, §8.
88B.8 Denials, suspensions, and revocations.
88B.9 and 88B.10 Repealed by 96 Acts, ch 1074, §8.
88B.11 Bids for governmental projects.
88B.12 Penalties.
88B.13 Repealed by 96 Acts, ch 1074, §8.


**88B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Asbestos project"* means an activity involving the removal or encapsulation of asbestos and affecting a building or structure. *"Asbestos project"* includes the preparation of the project site and all activities through the transportation of the asbestos-containing materials off the premises. *"Asbestos project"* includes the removal or encapsulation of building materials containing asbestos from the site of a building or structure renovation, demolition, or collapse.

2. *"Business entity"* means a partnership, firm, association, corporation, sole proprietorship, or other business concern.

3. *"Commissioner"* means the labor commissioner or the commissioner's designee.

4. *"Division"* means the division of labor services of the department of workforce development created under section 84A.1.

5. *"License"* means an authorization issued by the division permitting an individual person, including a supervisor or contractor, to work on an asbestos project, to inspect buildings for asbestos-containing building materials, to develop management plans, and to act as an asbestos project designer.

6. *"Permit"* means an authorization issued by the division permitting a business entity to remove or encapsulate asbestos.

7. *"Public or commercial building"* means a building that is not a residential apartment building of fewer than ten units or a school building.

84 Acts, ch 1062, §1; 86 Acts, ch 1245, §916; 89 Acts, ch 38, §1; 96 Acts, ch 1074, §1; 96 Acts, ch 1186, §23; 2007 Acts, ch 125, §1

**88B.2 Jurisdiction of other agencies.**

This chapter shall not be construed to prevent the department of natural resources from implementing and enforcing the federal national emission standard for asbestos under 40 C.F.R. pt. 61, subpt. M, and other relevant provisions of environmental law.

2007 Acts, ch 125, §3

**88B.3 Administration — rules — fees — inspections.**

1. The commissioner shall administer this chapter.

2. The commissioner shall adopt, in accordance with chapter 17A, rules necessary to carry out the provisions of this chapter.

3. The commissioner shall prescribe fees for the issuance and renewal of licenses and permits. The fees shall be based on the costs of licensing, permitting, and administering this chapter, including time spent by personnel of the division in performing duties and any travel expenses incurred. All fees provided for in this chapter shall be collected by the commissioner and remitted to the treasurer of state for deposit in the general fund of the state.

4. At least once a year, during an actual asbestos project, the division shall conduct an on-site inspection of each permittee's procedures for removing and encapsulating asbestos.

84 Acts, ch 1062, §3; 86 Acts, ch 1245, §917; 92 Acts, ch 1163, §20; 94 Acts, ch 1057, §1; 96 Acts, ch 1074, §3

**88B.3A Permit required — application, qualifications, and exceptions.**

1. To qualify for a permit, a business entity shall submit an application to the division in the form required by the division and pay the prescribed fee.

2. A business entity engaging in the removal or encapsulation of asbestos shall hold a permit for that purpose unless the business entity is removing or encapsulating asbestos at its own facilities.

84 Acts, ch 1062, §2
C85, §88B.2
89 Acts, ch 38, §2; 90 Acts, ch 1136, §3; 96 Acts, ch 1074, §2, 9
C97, §88B.3A
Referred to in §88B.6

**88B.4 Permit — term, renewal, and records required.**

1. A permit expires on the first anniversary of its effective date, unless it is renewed for a one-year term as provided in this section.

2. At least one month before the permit expires, the division shall send to the permittee, at the last known address of the permittee, a renewal notice that states all of the following:

*a.* The date on which the current permit expires.

*b.* The date by which the renewal application must be received by the division for the renewal to be issued and mailed before the permit expires.

*c.* The amount of the renewal fee.

3. Before the permit expires, the permittee may renew it for an additional one-year term, if the business entity meets the following conditions:

*a.* Is otherwise entitled to a permit.

*b.* Submits a renewal application to the division in the form required by the division.

*c.* Pays the renewal fee prescribed by the division.

4. The permittee shall keep a record of each asbestos project it performs and shall make the record available to the division at any reasonable time. Records shall contain information and be kept for a time prescribed in rules adopted by the division.

84 Acts, ch 1062, §4; 89 Acts, ch 38, §3; 96 Acts, ch 1074, §4; 96 Acts, ch 1219, §19

**88B.5 Waivers and alternative procedures.**

1. In an emergency that results from a sudden, unexpected event that is not a planned renovation or demolition, the commissioner may waive the requirement for a permit.

2. If the business entity is not primarily engaged in the removal or encapsulation of asbestos, the commissioner may waive the requirement for a permit if worker protection requirements are met.

3. The division shall not approve any waivers on work conducted at a school, public, or commercial building unless the request is accompanied by a recommendation from an asbestos project designer.

84 Acts, ch 1062, §5; 89 Acts, ch 38, §4; 94 Acts, ch 1057, §2; 96 Acts, ch 1074, §5

**88B.6 Licensing of asbestos workers.**

1. *Application.*

*a.* To apply for a license, an individual shall submit an application to the division in the form required by the division and shall pay the prescribed fee.

*b.* The application shall include information prescribed by rules adopted by the commissioner.

*c.* A license is valid for one year from the completion date of the required training and may be renewed by providing information as required in subsection 2, paragraphs "*b*" and "*c*".

2. *Qualifications.*

*a.* An individual is not eligible to be or do any of the following unless the person obtains a license from the division:

(1) A contractor or supervisor, or to work on an asbestos project.

(2) An inspector for asbestos-containing building material in a school or a public or commercial building.

(3) An asbestos management planner for a school building.

(4) An asbestos project designer for a school or a public or commercial building.

*b.* To qualify for a license, the applicant must have successfully completed training as established by the United States environmental protection agency, paid a fee, and met other requirements as specified by the division by rule.

*c.* To qualify for a license as an asbestos abatement worker, supervisor, or contractor, the applicant must have been examined by a physician within the preceding year and declared by the physician to be physically capable of working while wearing a respirator.

3. *Exception.* A license is not required of an employee employed by an employer exempted from the permit requirement of section 88B.3A, subsection 2, if the employee is trained on appropriate removal or encapsulation procedures, safety, and health issues regarding asbestos removal or encapsulation, and federal and state standards applicable to the asbestos project.

84 Acts, ch 1062, §6; 89 Acts, ch 38, §5; 96 Acts, ch 1074, §6; 97 Acts, ch 40, §3

**88B.7** Repealed by 96 Acts, ch 1074, § 8.

**88B.8 Denials, suspensions, and revocations.**

The division may deny, suspend, or revoke a permit or license, in accordance with chapter 17A, if the permittee or licensee does any of the following:

1. Fraudulently or deceptively obtains or attempts to obtain a permit or license.

2. Fails at any time to meet the qualifications for a permit or license or to comply with a rule adopted by the commissioner under this chapter.

3. Fails to meet any applicable federal or state standard for removal or encapsulation of asbestos.

4. Employs or permits an unlicensed or untrained person to work on an asbestos project.

84 Acts, ch 1062, §8; 89 Acts, ch 38, §7; 96 Acts, ch 1074, §7

**88B.9 and 88B.10** Repealed by 96 Acts, ch 1074, § 8.

**88B.11 Bids for governmental projects.**

A state agency or political subdivision shall not accept a bid in connection with any asbestos project from a business entity that does not hold a permit from the division at the time the bid is submitted, unless the business entity provides the state agency or political subdivision with written proof that ensures that the business entity has contracted to have the asbestos removal or encapsulation performed by a licensed asbestos contractor.

84 Acts, ch 1062, §11; 94 Acts, ch 1057, §4; 2007 Acts, ch 125, §2

**88B.12 Penalties.**

1. A person or business entity who willfully violates a provision of this chapter or a rule adopted pursuant to this chapter shall be assessed a civil penalty of not more than five thousand dollars for each violation.

2. A person or business entity who previously has been assessed a civil penalty under this section, and who willfully violates a provision of this chapter or a rule adopted pursuant to this chapter:

*a.* For a first offense, is guilty of a simple misdemeanor and shall be fined not to exceed twenty thousand dollars.

*b.* For a second or subsequent offense, is guilty of an aggravated misdemeanor and shall

be fined not to exceed twenty-five thousand dollars or imprisoned for not to exceed two years, or both.

84 Acts, ch 1062, §12

**88B.13** Repealed by 96 Acts, ch 1074, § 8.

# CHAPTER 89

## BOILERS AND UNFIRED STEAM PRESSURE VESSELS

Referred to in §84A.5, 91.4, 135I.4


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**89.1 Authority.**

The labor commissioner shall enforce the provisions of this chapter and may employ qualified personnel under the provisions of chapter 8A, subchapter IV, to administer the provisions of this chapter.

The provisions of this chapter shall apply to all boilers and unfired steam pressure vessels in this state, except as otherwise provided in this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §89.1]

2003 Acts, ch 145, §161

**89.2 Definitions.**

For the purpose of this chapter unless the context otherwise requires:

1. *"ASME code"* means the boiler and pressure vessel code published by the American society of mechanical engineers.

2. *"Board"* means the boiler and pressure vessel board created in section 89.14.

3. *"Boiler"* means a vessel in which water or other liquids are heated, steam or other vapors are generated, steam or other vapors are superheated, or any combination thereof, under pressure or vacuum by the direct application of heat.

4. *"Commissioner"* means the labor commissioner or the labor commissioner's designee.

5. *"Exhibition boiler"* means a boiler which is operated in the state for nonprofit purposes including, but not limited to, exhibitions, fairs, parades, farm machinery shows, or any other event of an historical or educational nature. An *"exhibition boiler"* includes steam locomotives, traction and portable steam engines, and stationary boilers of the firetube, watertube, and returntube class, model or miniature, and may be riveted, riveted and welded, or all welded construction, if used within the state solely for nonprofit purposes.

6. *"Object"* means a boiler or pressure vessel.

7. *"Power boiler"* means a boiler in which steam or other vapor is generated at a pressure of more than fifteen pounds per square inch or a water boiler intended for operation at pressures in excess of one hundred sixty pounds per square inch or temperatures in excess of 250 degrees Fahrenheit.

8. *a.* *"Public assembly"* means the assembly of people in any of the following:

(1) A building or structure primarily used as a theater, motion picture theater, museum, arena, exhibition hall, school, college, dormitory, bowling alley, physical fitness center, family entertainment center, lodge hall, union hall, pool hall, casino, place of worship, funeral home, institution of health and custodial care, hospital, or child care or adult day services facility.

(2) A building or structure, a portion of which is primarily used for amusement, entertainment, or instruction.

(3) A building or structure owned by or leased to the state or any of its agencies or political subdivisions.

*b.* However, for purposes of this chapter, *"public assembly"* does not include the assembly of people in buildings or structures containing only eating and drinking establishments or in any building used exclusively by an employer for training or instruction of its own employees.

9. *"Special inspector"* means an inspector who holds a commission from the commissioner and who is not a state employee.

10. *"Steam heating boiler"* means a boiler operating at not more than fifteen pounds per square inch; or a hot water heating boiler operating at not more than one hundred sixty pounds per square inch and not more than 250 degrees Fahrenheit at the boiler outlet.

11. *"Unfired steam pressure vessel"* means a vessel or container used for the containment of steam pressure either internal or external in which the pressure is obtained from an external source.

[C62, 66, 71, 73, 75, 77, §89.12; C79, 81, §89.2]

89 Acts, ch 321, §26; 92 Acts, ch 1098, §3; 2000 Acts, ch 1097, §1; 2001 Acts, ch 24, §26; 2001 Acts, ch 64, §1; 2004 Acts, ch 1107, §2, 30; 2008 Acts, ch 1032, §201; 2009 Acts, ch 94, §1

**89.3 Inspection made.**

1. It shall be the duty of the commissioner, to inspect or cause to be inspected internally and externally, at least once every twelve months, except as otherwise provided in this section, in order to determine whether all such equipment is in a safe and satisfactory condition, and properly constructed and maintained for the purpose for which it is used, all boilers and unfired steam pressure vessels operating in excess of fifteen pounds per square inch, all low pressure heating boilers and unfired steam pressure vessels located in places of public assembly and other appurtenances used in this state for generating or transmitting steam for power, or for using steam under pressure for heating or steaming purposes.

2. The commissioner may enter any building or structure, public or private, for the purpose of inspecting any equipment covered by this chapter or gathering information with reference thereto.

3. The commissioner may inspect boilers and tanks and other equipment stamped with the American society of mechanical engineers code symbol for other than steam pressure, manufactured in Iowa, when requested by the manufacturer.

4. *a.* An object that meets all of the following criteria shall be inspected at least once every two years internally and externally while not under pressure, and at least once every two years externally while under pressure, unless the commissioner determines that an earlier inspection is warranted.

(1) The object is a boiler with one hundred thousand pounds per hour or more capacity, or the object is an unfired steam pressure vessel or a regulated appurtenance that is part of the same system as a boiler with one hundred thousand pounds per hour or more capacity.

(2) The object contains only water subject to internal continuous water treatment under the direct supervision of a graduate engineer or chemist, or one having equivalent experience in the treatment of boiler water.

(3) The water treatment is for the purpose of controlling and limiting serious corrosion and other deteriorating factors.

*b.* The owner or user of an object meeting the criteria in paragraph *"a"* shall do the following:

(1) At any time the commissioner, a special inspector, or the supervisor of water treatment deems a hydrostatic test is necessary to determine the safety of an object, conduct the test under the supervision of the commissioner.

(2) Keep available for examination by the commissioner accurate records showing the date and actual time the object is out of service and the reason it is out of service.

(3) Keep available for examination by the commissioner chemical physical laboratory analyses of samples of the object water taken at regular intervals of not more than forty-eight hours of operation as will adequately show the condition of the water and any elements or

characteristics of the water which are capable of producing corrosion or other deterioration of the object or its parts.

5. *a.* An object that meets all of the following criteria shall be inspected at least once each year externally while under pressure and at least once every four years internally while not under pressure, unless the commissioner determines an earlier inspection is warranted:

(1) The object is a boiler with one hundred thousand pounds per hour or more capacity, or the object is an unfired steam pressure vessel or a regulated appurtenance that is part of the same system as a boiler with one hundred thousand pounds per hour or more capacity.

(2) The object contains only water subject to internal continuous water treatment under the direct supervision of a graduate engineer or chemist, or one having equivalent experience in the treatment of boiler water.

(3) The water treatment is for the purpose of controlling and limiting serious corrosion and other deteriorating factors.

(4) Either of the following:

(a) The owner or user is a participant in good standing in the Iowa occupational safety and health voluntary protection program and has achieved star status within the program, which is administered by the division of labor in the department of workforce development.

(b) The object is an unfired steam pressure vessel and is part of or integral to the continuous operation of a process covered by and compliant with the occupational safety and health administration process safety management standard contained in 29 C.F.R. § 1910.119 and the owner demonstrates such compliance to a special inspector or the commissioner. The unfired steam pressure vessel must also be included as process safety management process equipment in the owner of the unfired steam pressure vessel's process safety management program.

*b.* The owner or user of an object that meets the criteria in paragraph "*a*" shall do the following:

(1) At any time the commissioner, a special inspector, or the supervisor of the water treatment deems a hydrostatic test necessary to determine the safety of an object, conduct the test under the supervision of the commissioner.

(2) Keep available for examination by the commissioner accurate records showing the date and actual time the object is out of service and the reason it is out of service.

(3) Arrange for an internal inspection of the object during each planned outage by a special inspector or the commissioner.

(4) Keep for examination by the commissioner accurate records showing the chemical physical laboratory analyses of samples of the object's water taken at regular intervals of not more than forty-eight hours of operation adequate to show the condition of the water and any elements or characteristics of the water that are capable of producing corrosion or other deterioration of the object or its parts.

6. Internal inspections of cast aluminum steam, cast aluminum hot water heating, sectional cast iron steam, and cast iron hot water heating boilers shall be conducted only as deemed necessary by the commissioner. External operating inspections shall be conducted annually.

7. Internal inspections of steel hot water boilers shall be conducted once every six years. External operating inspections shall be conducted annually.

8. Inspections of unfired steam pressure vessels operating in excess of fifteen pounds per square inch and low pressure steam boilers shall be conducted at least once each calendar year. The inspections conducted over each two-year period shall include an external inspection conducted while the boiler is operating and an internal inspection, where construction permits. No more than one inspection shall be conducted over a six-month period. An internal inspection of an unfired steam pressure vessel or low pressure steam boiler may be required at any time by the commissioner upon the observation by an inspector of conditions, enumerated by the commissioner through rules, warranting an internal inspection.

9. An internal inspection shall not be required on an unfired steam pressure vessel that was manufactured without an inspection opening.

10. An exhibition boiler does not require an annual inspection certificate but special

inspections may be requested by the owner or an event's management to be performed by the commissioner. Upon the completion of an exhibition boiler inspection a written condition report shall be prepared by the commissioner regarding the condition of the exhibition boiler's boiler or pressure vessel. This report will be issued to the owner and the management of all events at which the exhibition boiler is to be operated. The event's management is responsible for the decision on whether the exhibition boiler should be operated and shall inform the division of labor of the event's management's decision. The event's management is responsible for any injuries which result from the operation of any exhibition boiler approved for use at the event by the event's management. A repair symbol, known as the "R" stamp, is not required for repairs made to exhibition boilers pursuant to the rules regarding inspections and repair of exhibition boilers as adopted by the commissioner, pursuant to chapter 17A.

11. An inspection report created pursuant to this chapter that requires modification, alteration, or change shall be in writing and shall cite the state law or rule or the ASME code section allegedly violated.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §89.2; C79, 81, §89.3]

85 Acts, ch 105, §1; 89 Acts, ch 321, §27; 97 Acts, ch 27, § 1; 2004 Acts, ch 1107, §3, 30; 2007 Acts, ch 135, §1 – 3; 2009 Acts, ch 94, §2; 2009 Acts, ch 179, §34; 2010 Acts, ch 1015, §3; 2011 Acts, ch 34, §19; 2012 Acts, ch 1043, §1; 2013 Acts, ch 66, §1, 5

Referred to in §89.4, 89.7, 89.7A, 89.14

Subsection 8 amended

**89.4 Exemptions.**

1. The provisions of this chapter shall not apply to the following boilers:

*a.* Boilers of railway locomotives subject to federal inspection.

*b.* Boilers operated and regularly inspected by railway companies operating in interstate commerce.

*c.* Boilers under the jurisdiction and subject to inspection by the United States government.

*d.* Steam heating boilers and unfired steam pressure vessels associated therewith and mobile power boilers used exclusively for agricultural purposes.

*e.* Heating boilers in residences.

*f.* Fire engine boilers brought into the state for temporary use in times of emergency.

*g.* Low pressure heating boilers used in buildings other than those for public assembly.

*h.* Hot water heating boilers used for heating pools or spas regulated by the department of public health pursuant to chapter 135I.

*i.* Water heaters used for potable water if the capacity is less than or equal to fifty gallons, the burner input is less than or equal to fifty thousand British thermal units, and the maximum allowable working pressure is less than one hundred sixty pounds per square inch.

*j.* An electric boiler with a water capacity of six gallons or less that is used as an integral part of an espresso coffee machine, cappuccino coffee machine, or cleaning machine.

*k.* Continuous coil-type hot water boilers used only for steam vapor cleaning, to which all of the following apply:

(1) The size of the tubing or pipe, with no drums or headers attached, does not exceed three-fourths of one inch in diameter.

(2) Nominal water capacity of the boiler does not exceed six gallons.

(3) Water temperature in the boiler does not exceed three hundred fifty degrees Fahrenheit.

(4) Steam is not generated within the coil.

2. Unfired steam pressure vessels not exceeding the following limitations are not required to be reported to the commissioner and shall be exempt from regular inspection under provisions of this chapter:

*a.* A vessel not greater than five cubic feet in volume and not having a pressure greater than two hundred fifty pounds per square inch.

*b.* A vessel not greater than one and one-half cubic feet in volume with no limit on pressure.

3. Jacketed direct or indirect fired vessels built and installed in accordance with the American society of mechanical engineers code, section VIII, division 1, appendix 19, shall not be considered boilers or power boilers for purposes of this chapter and shall not be required to meet the American society of mechanical engineers standard for controls and safety devices for automatically fired boilers. However, jacketed direct or indirect fired vessels as described in this subsection shall be subject to inspection under section 89.3 as pressure vessels.

4. An object shall not be considered under pressure and shall not be within the scope of this chapter when there is clear evidence that the manufacturer did not intend the object to be operated at more than three pounds per square inch and the object is operating at three pounds per square inch or less.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §89.3; C79, 81, §89.4]

92 Acts, ch 1098, §4; 98 Acts, ch 1222, §21, 28; 2005 Acts, ch 47, §1; 2007 Acts, ch 135, §4; 2010 Acts, ch 1015, §4; 2013 Acts, ch 66, §2, 3, 5

Subsection 1, NEW paragraphs j and k

NEW subsection 4

**89.5 Rules — records.**

1. The commissioner shall investigate and record the cause of any boiler explosion that may occur in the state, the loss of life, injuries sustained, and estimated loss of property, if any; and such other data as may be of benefit in preventing a recurrence of similar explosions.

2. The commissioner shall keep a complete and accurate record of the name of the owner or user of each steam boiler or other equipment subject to this chapter, giving a full description of the equipment, including the type, dimensions, age, condition, the amount of pressure allowed, and the date when last inspected.

3. A rule adopted pursuant to this chapter which adopts standards by reference to another publication shall be exempt from the requirements of section 17A.6, subsection 2, if the following conditions exist:

*a.* The cost of the publication is an unreasonable expense when compared to the anticipated usage of the publication.

*b.* A copy of the publication is available from an entity located within the state capitol complex.

*c.* The rule identifies the location where the publication is available.

*d.* The administrative rules coordinator approves the exemption.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §89.4; C79, 81, §89.5]

96 Acts, ch 1149, §1; 2004 Acts, ch 1107, §4, 5, 30; 2010 Acts, ch 1031, §54; 2011 Acts, ch 34, §20

See §256.53

**89.6 Notice to commissioner.**

1. Before any equipment included under the provisions of this chapter is installed by any owner, user, or lessee thereof, a ten days' written notice of intention to install the equipment shall be given to the commissioner. The notice shall designate the proposed place of installation, the type and capacity of the equipment, the use to be made thereof, the name of the company which manufactured the equipment, and whether the equipment is new or used.

2. Before any power boiler is converted to a low pressure boiler, the owner or user shall give to the commissioner ten days' written notice of intent to convert the boiler. The notice shall designate the boiler location, the uses of the building, and other information specified by rule by the board.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §89.5; C79, 81, §89.6]

2010 Acts, ch 1015, §5; 2011 Acts, ch 25, §11

**89.7 Special inspectors.**

1. The inspection required by this chapter shall not be made by the commissioner if an owner or user of equipment specified by this chapter obtains an inspection by a representative

of a reputable insurance company and obtains a policy of insurance upon the equipment from that insurance company.

2. The representative conducting the inspection shall be commissioned by the commissioner as a special inspector for the year during which the inspection occurs and shall meet such other requirements as the commissioner may by rule establish. The commission shall be valid for one year and the special inspector shall pay a fee for the issuance of the commission. The commissioner shall establish the amount of the fee by rule. The commissioner shall establish rules for the issuance and revocation of special inspector commissions. The rules are subject to the requirements of chapter 17A.

3. The insurance company shall file a notice of insurance coverage on forms approved by the commissioner stating that the equipment is insured and that inspection shall be made in accordance with section 89.3.

4. The special inspector shall provide the user and the commissioner with an inspection report including the nature and extent of all defects and violations, in a format approved by the labor commissioner.

5. The failure of a special inspector to inform the commissioner of violations shall not subject the commissioner to liability for any damages incurred.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §89.6; C79, 81, §89.7]

85 Acts, ch 102, §1; 87 Acts, ch 15, §1; 90 Acts, ch 1136, §4, 5; 91 Acts, ch 136, §2; 2004 Acts, ch 1107, §6, 30; 2007 Acts, ch 135, §5

**89.7A Certificates.**

1. The commissioner shall issue a certificate of inspection valid for the period specified in section 89.3 after the payment of a fee, the filing of an inspection report, and the correction or other appropriate resolution of any defects identified in the inspection report. The certificate shall be posted at a place near the location of the equipment.

2. The owner or user of any equipment covered in this chapter, or persons in charge of such equipment, shall not allow or permit a greater pressure in any unit than is stated in the certificate of inspection issued by the commissioner.

3. The commissioner shall indicate to the user whether or not the equipment may be used without making repair or replacement of defective parts, or whether or how the equipment may be used in a limited capacity before repairs or replacements are made, and the commissioner may permit the user a reasonable time to make such repairs or replacements.

2007 Acts, ch 135, §6; 2008 Acts, ch 1031, §29

**89.8 Boiler and pressure vessel safety fund — fees appropriated.**

A boiler and pressure vessel safety revolving fund is created within the state treasury under the control of the commissioner and shall consist of moneys collected by the commissioner as fees. Moneys in the fund are appropriated and shall be used by the commissioner to pay the actual costs and expenses necessary to operate the board and administer the provisions of this chapter. All salaries and expenses properly chargeable to the fund shall be paid from the fund. Section 8.33 does not apply to any moneys in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §89.7; C79, 81, §89.8]

85 Acts, ch 102, §2; 2004 Acts, ch 1107, §7, 30; 2008 Acts, ch 1023, §1

Referred to in §89.9

**89.9 Disposal of fees.**

All fees provided for in this chapter shall be collected by the commissioner and remitted to the treasurer of state, to be deposited in the boiler and pressure vessel safety fund pursuant to section 89.8, together with an itemized statement showing the source of collection.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §89.8; C79, 81, §89.9]

2004 Acts, ch 1107, §8, 30

**89.10 Penalty.**

Any person or persons, corporations and directors, managers and superintendents, and officers thereof, violating any of the provisions of this chapter, shall be guilty of a simple misdemeanor.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §89.9; C79, 81, §89.10]

**89.11 Injunction.**

1. In addition to all other remedies, if any owner, user, or person in charge of any equipment covered by this chapter continues to use any equipment covered by this chapter, after receiving an inspection report identifying defects and exhausting appeal rights as provided by this chapter without first correcting the defects or making replacements, the commissioner may apply to the district court by petition in equity, in an action brought in the name of the state, for a writ of injunction to restrain the use of the alleged defective equipment.

2. If the commissioner believes that the continued operation of equipment constitutes an imminent danger that could seriously injure or cause death to any person, in addition to all other remedies, the commissioner may apply to the district court in the county in which the imminently dangerous condition exists for a temporary order to enjoin the owner, user, or person in charge from operating the equipment before the owner's, user's, or person's rights to administrative appeals have been exhausted.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §89.10; C79, 81, §89.11]

2004 Acts, ch 1107, §9, 30; 2007 Acts, ch 135, §7; 2009 Acts, ch 133, §23

**89.12 Hearing — notice — decree.**

The commissioner shall notify in writing the owner or user of the equipment of the time and place of hearing of the petition as fixed by the court or judge, and shall serve the notice on the defendant at least five days prior to the hearing in the same manner as original notices are served. The general provisions relating to civil practice and procedure as may be applicable, shall govern the proceedings, except as herein modified. In the event the defendant does not appear or plead to the action, default shall be entered against the defendant. The action shall be tried in equity, and the court or judge shall make such order or decree as the evidence warrants.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §89.11; C79, 81, §89.12]

**89.13 Civil penalty allowed.**

If upon notice and hearing the commissioner determines that an owner has operated a facility in violation of a safety order, the commissioner may assess a civil penalty against the owner in an amount not exceeding five hundred dollars, as determined by the commissioner. An order assessing a civil penalty is subject to appeal to the employment appeal board and to judicial review. The commissioner may commence an action in the district court to enforce payment of a civil penalty. Revenue from the penalty provided in this section shall be remitted to the treasurer of state for deposit in the general fund of the state.

90 Acts, ch 1136, §6

**89.14 Boiler and pressure vessel board — created — duties.**

1. A boiler and pressure vessel board is created within the division of labor services of the department of workforce development to formulate definitions and rules requirements for the safe and proper installation, repair, maintenance, alteration, use, and operation of boilers and pressure vessels in this state.

2. The boiler and pressure vessel board is composed of nine members as follows:

*a.* The commissioner or the commissioner's designee.

*b.* The following eight members who shall be appointed by the governor, subject to confirmation by the senate, to four-year staggered terms beginning and ending as provided in section 69.19.

(1) One member shall be a special inspector who is employed by an insurance company

that is licensed and actively writing boiler and machinery insurance in this state and who is commissioned to inspect boiler and pressure vessels in this state.

(2) One member shall be appointed from a certified employee organization and shall represent steamfitters.

(3) One member shall be appointed from a certified employee organization and shall represent boilermakers.

(4) Two members shall be mechanical engineers who regularly practice in the area of boilers and pressure vessels.

(5) One member shall be a boiler and pressure vessel distributor in this state.

(6) One member shall represent boiler and pressure vessel manufacturers.

(7) One member shall be a mechanical contractor engaged in the business of installation, renovation, and repair of boilers and pressure vessels.

3. A vacancy in membership shall be filled in the same manner as the original appointment. The members shall serve without compensation, but shall be reimbursed for actual and necessary expenses incurred in the performance of official duties as a member.

4. The members of the board shall select a chairperson, vice chairperson, and secretary from their membership. However, neither the commissioner nor the commissioner's designee shall serve as chairperson. The board shall meet at least quarterly but may meet as often as necessary. Meetings shall be set by a majority of the board or upon the call of the chairperson, or in the chairperson's absence, upon the call of the vice chairperson. A majority of the board members shall constitute a quorum.

5. The board shall adopt rules pursuant to chapter 17A necessary to administer the duties of the board. Rules adopted by the board shall be in accordance with accepted engineering standards and practices. The board shall adopt rules relating to the equipment covered by this chapter that are in accordance with the ASME code, which may include addenda, interpretations, and code cases, as soon as reasonably practical following publication by the American society of mechanical engineers. The board shall adopt rules to require that operation of equipment cease in the event of imminent danger.

6. A notice of defect or inspection report issued by the commissioner pursuant to this chapter may, within thirty days after the making of the order, be appealed to the board. Board action constitutes final agency action for purposes of chapter 17A.

7. Not later than July 1, 2005, and every three years thereafter, the board shall conduct a comprehensive review of existing boiler rules, regulations, and standards, including but not limited to those relating to potable hot water supply boilers and water heaters.

8. The board shall establish fees for examinations, inspections, annual statements, shop inspections, and other services. The fees shall reflect the actual costs and expenses necessary to operate the board and perform the duties of the commissioner.

9. The board may adopt rules governing the conversion of power boilers to low pressure boilers.

10. The board may adopt rules establishing an internal inspection interval of up to four years for objects that are subject to inspection pursuant to section 89.3, subsection 4, and are owned and operated by electric public utilities subject to rate regulation under chapter 476.

2004 Acts, ch 1107, §10, 30; 2007 Acts, ch 135, §8; 2009 Acts, ch 94, §3; 2010 Acts, ch 1015, §6; 2013 Acts, ch 66, §4, 5

Referred to in §89.2

Confirmation, see §2.32

NEW subsection 10

# CHAPTER 89A

## ELEVATORS

Referred to in §84A.5, 91.4


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**89A.1 Definitions.**

As used in this chapter, except as otherwise expressly provided:

1. *"Alteration"* means any change made to an existing conveyance, other than the repair or replacement of damaged, worn, or broken parts necessary for normal maintenance.

2. *"Commissioner"* means the labor commissioner, appointed pursuant to section 91.2, or the labor commissioner's designee.

3. *"Conveyance"* means an elevator, dumbwaiter, escalator, moving walk, lift, or inclined or vertical wheelchair lift subject to regulation under this chapter, and includes hoistways, rails, guides, and all other related mechanical and electrical equipment.

4. *"Division"* means the division of labor services of the department of workforce development created under section 84A.1.

5. *"Dormant conveyance"* means a conveyance whose power feed lines have been disconnected from the mainline disconnect switch and is one of the following:

*a.* An electric elevator, material lift, or dumbwaiter whose suspension ropes have been removed, whose car and counterweight rest at the bottom of the hoistway, and whose hoistway doors have been permanently barricaded or sealed in the closed position on the hoistway side.

*b.* A hydraulic elevator, material lift, or dumbwaiter whose car rests at the bottom of the hoistway, whose pressure piping has been disassembled and a section removed from the premises; whose hoistway doors have been permanently barricaded or sealed in the closed position on the hoistway side; and, if provided, whose suspension ropes have been removed and the counterweights landed at the bottom of the hoistway.

*c.* An escalator or moving walk whose entrances have been permanently barricaded.

*d.* A rack and pinion or screw column elevator, whose motor has been removed, platform lowered to the bottom, and entrances barricaded.

6. *"Dumbwaiter"* means a hoisting and lowering mechanism equipped with a car which moves in guides in a substantially vertical direction, when the floor area does not exceed nine square feet, the total compartment height does not exceed four feet, the capacity does not exceed five hundred pounds, and which is used exclusively for carrying materials.

7. *"Elevator"* means a hoisting and lowering mechanism equipped with a car or platform which moves in guides in a substantially vertical direction, and which serves two or more floors of a building or structure. *"Elevator"* does not include a dumbwaiter, endless belt, conveyor, chain or bucket hoist, construction hoist, or other device used for the primary purpose of elevating or lowering building or other materials and not used as a means of conveyance for individuals, and does not include tiering, piling, feeding, or other machines or devices giving service within only one story.

8. *"Escalator"* means a power-driven, inclined, continuous stairway used for raising or lowering passengers.

9. *"Freight elevator"* means an elevator used for carrying freight and on which only the operator and persons necessary for unloading and loading the freight are permitted to ride.

10. *"Inclined or vertical wheelchair lift"* means a lift used to transport a wheelchair as specified in the American society of mechanical engineers safety standard for platform lifts and stairway chairlifts, A18.1.

11. *"Inspector"* means an inspector employed by the division for the purpose of administering this chapter.

12. *"Lift"* means a device consisting of a power-driven endless belt, provided with steps or platforms and handholds attached to it for the transportation of persons from floor to floor.

13. *"Material lift elevator"* means an elevator limited in use to the movement of materials.

14. *"Moving walk"* means a type of passenger-carrying device on which passengers stand or walk, and in which the passenger-carrying surface remains parallel to its direction in motion and is uninterrupted.

15. *"New installation"* means a conveyance the construction or relocation of which is begun, or for which an application for a new installation permit is filed, on or after the effective date of rules relating to those permits adopted by the commissioner under authority of this chapter. All other installations are existing installations.

16. *"Owner"* means the owner of a conveyance, unless the conveyance is a new installation or is undergoing major alterations, in which case the owner shall be considered the person responsible for the installation or alteration of the conveyance until the conveyance has passed final inspection by the division.

17. *"Passenger elevator"* means an elevator that is used to carry persons other than the operator and persons necessary for loading and unloading.

18. *"Safety board"* means the elevator safety board created in section 89A.13.

19. *"Special inspector"* means an inspector commissioned by the labor commissioner, and not employed by the division.

[C75, 77, 79, 81, §104.1]

84 Acts, ch 1094, §1; 86 Acts, ch 1157, §1, 2; 86 Acts, ch 1245, §937

C87, §89A.1

88 Acts, ch 1025, §3; 96 Acts, ch 1186, §23; 99 Acts, ch 68, §4; 2000 Acts, ch 1097, §2; 2004 Acts, ch 1107, §11, 12, 30; 2007 Acts, ch 16, §2; 2008 Acts, ch 1029, §1

**89A.2 Scope of chapter.**

1. The provisions of this chapter shall not apply to any of the following:

*a.* Any conveyance installed in any single private dwelling residence.

*b.* Material hoists subject to regulation under 875 IAC 26.1 and 29 C.F.R. § 1926.552.

*c.* Lifts subject to regulation under chapter 88.

*d.* Material lift elevators existing in the same location since prior to January 1, 1975.

*e.* Conveyances over which an agency of the federal government is asserting similar enforcement jurisdiction.

2. Provisions of this chapter supersede conflicting provisions contained in building codes of this state or any subdivision thereof.

[C75, 77, 79, 81, §104.2]

C87, §89A.2

2007 Acts, ch 16, §3; 2008 Acts, ch 1029, §2

State building code, see chapter 103A

**89A.3 Rules.**

1. The safety board may adopt rules governing maintenance, construction, alteration, and installation of conveyances, and the inspection and testing of new and existing installations as necessary to provide for the public safety, and to protect the public welfare.

2. The safety board shall adopt, amend, or repeal rules pursuant to chapter 17A as it deems necessary for the administration of this chapter, which shall include but not be limited to rules providing for:

*a.* Classifications of types of conveyances.

*b.* Maintenance, inspection, testing, and operation of the various classes of conveyances.

*c.* Construction of new conveyances.
*d.* Alteration of existing conveyances.
*e.* Minimum safety requirements for all existing conveyances.
*f.* Control or prevention of access to conveyances or dormant conveyances.
*g.* The reporting of accidents and injuries arising from the use of conveyances.
*h.* The adoption of procedures for the issuance of variances.
*i.* The amount of fees charged and collected for inspection, permits, and commissions. Fees shall be set at an amount sufficient to cover costs as determined from consideration of the reasonable time required to conduct an inspection, reasonable hourly wages paid to inspectors, and reasonable transportation and similar expenses.
*j.* Submission of information such as plans, drawings, and measurements concerning new installations and alterations.

3. The safety board shall adopt rules for conveyances according to the applicable provisions of the American society of mechanical engineers safety codes for elevators and escalators, A17.1 and A17.3, as the safety board deems necessary. In adopting rules the safety board may adopt the American society of mechanical engineers safety codes, or any part of the codes, by reference.

4. The safety board may adopt rules permitting existing passenger and freight elevators to be modified into material lift elevators.

5. A rule adopted pursuant to this section which adopts standards by reference to another publication shall be exempt from the requirements of section 17A.6, subsection 2, if the following conditions exist:
*a.* The cost of the publication is an unreasonable expense when compared to the anticipated usage of the publication.
*b.* A copy of the publication is available from an entity located within the state capitol complex.
*c.* The rule identifies the location where the publication is available.
*d.* The administrative rules coordinator approves the exemption.

6. The commissioner shall furnish copies of the rules adopted pursuant to this chapter to any person who requests them, without charge, or upon payment of a charge not to exceed the actual cost of printing of the rules.

7. The safety board may adopt rules permitting inclined or vertical wheelchair lifts in churches and houses of worship to service more than one floor.

8. The commissioner may adopt rules pursuant to chapter 17A relating to the denial, issuance, revocation, and suspension of special inspector commissions.

[C24, 27, 31, 35, 39, §**1678;** C46, 50, 54, 58, 62, 66, 71, 73, §104.1; C75, 77, 79, 81, §104.3]
84 Acts, ch 1094, §2; 86 Acts, ch 1157, §3
C87, §89A.3
88 Acts, ch 1042, §4; 99 Acts, ch 68, §5, 6; 2004 Acts, ch 1107, §13 – 17, 30; 2007 Acts, ch 16, §4; 2009 Acts, ch 85, §2; 2010 Acts, ch 1031, §55; 2011 Acts, ch 34, §21
See §256.53

**89A.4 Commissioner's duties and personnel.**

The commissioner shall enforce the provisions of this chapter. The commissioner shall employ personnel for the administration of this chapter pursuant to chapter 8A, subchapter IV.

[C75, 77, 79, 81, §104.4]
C87, §89A.4
2003 Acts, ch 145, §162

**89A.5 Registration of conveyances.**

The owner of every existing conveyance, whether or not dormant, shall register the conveyance with the commissioner, giving type, contract load and speed, name of

manufacturer, its location, and the purpose for which it is used, and other information the commissioner may require. Registration shall be made in a format required by the division.

[C75, 77, 79, 81, §104.5]

C87, §89A.5

99 Acts, ch 68, §7; 2007 Acts, ch 16, §5

**89A.6 Inspections — reports — nonliability.**

All new and existing conveyances, except dormant conveyances, shall be tested and inspected in accordance with the following schedule:

1. Every new or altered conveyance shall be inspected and tested before the operating permit is issued.

2. Every existing conveyance registered with the commissioner shall be inspected within one year after the effective date of the registration, except that the safety board may extend by rule the time specified for making inspections.

3. Every conveyance shall be inspected not less frequently than annually, except that the safety board may adopt rules providing for inspections of conveyances at intervals other than annually.

4. The inspections required by subsections 1 to 3 shall be made only by inspectors or special inspectors. An inspection by a special inspector may be accepted by the commissioner in lieu of a required inspection by an inspector.

5. A report of every inspection shall be filed with the commissioner by the inspector or special inspector, in a format required by the commissioner, after the inspection has been completed and within the time provided by rule, but not to exceed thirty days. The report shall include all information required by the commissioner to determine whether the conveyance is in compliance with applicable rules. For the inspection required by subsection 1, the report shall indicate whether the conveyance has been installed in accordance with the detailed plans and specifications approved by the commissioner, and meets the requirements of the applicable rules. The failure of a special inspector to inform the commissioner of violations shall not subject the commissioner to liability for any damages incurred.

6. In addition to the inspections required by subsections 1 to 3, the safety board may provide by rule for additional inspections as the safety board deems necessary to enforce the provisions of this chapter.

[C75, 77, 79, 81, §104.6; 82 Acts, ch 1077, §1]

C87, §89A.6

92 Acts, ch 1098, §5; 99 Acts, ch 68, §8; 2004 Acts, ch 1107, §18, 30; 2007 Acts, ch 16, §6

Referred to in §89A.9, 89A.15

**89A.7 Alteration permits.**

The owner shall submit to the commissioner detailed plans, specifications, and other information the commissioner may require for each conveyance to be altered, together with an application for an alteration permit, in a format required by the commissioner. Repairs or replacements necessary for normal maintenance are not alterations, and may be made on existing installations with parts equivalent in material, strength, and design to those replaced and no plans or specifications or application need be filed for the repairs or replacements. However, this section does not authorize the use of any conveyance contrary to an order issued pursuant to section 89A.10, subsections 2 and 3.

[C75, 77, 79, 81, §104.7]

C87, §89A.7

99 Acts, ch 68, §9; 2007 Acts, ch 16, §7

**89A.8 New installation permits.**

1. The installation or relocation of a conveyance shall not begin until an installation permit has been issued by the commissioner.

2. An application for an installation permit shall be submitted in a format determined by the commissioner.

3. *a.* If the application or any accompanying materials indicates a failure to comply with

applicable rules, the commissioner shall give notice of the compliance failures to the person filing the application.

*b.* If the application indicates compliance with applicable rules or after compliance failures have been remedied, the commissioner shall issue an installation permit for relocation or installation, as applicable.

[C75, 77, 79, 81, §104.8]

C87, §89A.8

99 Acts, ch 68, §10; 2008 Acts, ch 1032, §201; 2009 Acts, ch 85, §3

**89A.9 Operating permits.**

1. Operating permits shall be issued by the commissioner to the owner of every conveyance when the inspection report indicates compliance with the applicable provisions of this chapter. However, a permit shall not be issued if the fees required by this chapter have not been paid. Permits shall be issued within thirty days after filing of the inspection report required by section 89A.6, unless the time is extended for cause by the division. A conveyance shall not be operated after the thirty days or after an extension granted by the commissioner has expired, unless an operating permit has been issued.

2. The operating permit shall indicate the type of equipment for which it is issued, and in the case of elevators shall state whether passenger or freight, and also shall state the contract load and speed for each conveyance. The permit shall be posted conspicuously in the car of an elevator, or on or near a dumbwaiter, escalator, moving walk, or inclined or vertical wheelchair lift.

[C75, 77, 79, 81, §104.9]

84 Acts, ch 1067, §20

C87, §89A.9

2004 Acts, ch 1107, §19, 30; 2007 Acts, ch 16, §8; 2008 Acts, ch 1029, §3

**89A.10 Enforcement orders by commissioner — injunction.**

1. If an inspection report indicates a failure to comply with applicable rules, or with the detailed plans and specifications approved by the commissioner, the commissioner may, upon giving notice, order the owner thereof to make the changes necessary for compliance.

2. If the owner does not make the changes necessary for compliance as required in subsection 1 within the period specified by the commissioner, the commissioner, upon notice, may suspend or revoke the operating permit, or may refuse to issue the operating permit for the conveyance. The commissioner shall notify the owner of any action to suspend, revoke, or refuse to issue an operating permit and the reason for the action by service in the same manner as an original notice or by certified mail. An owner may appeal the commissioner's initial decision to the safety board. The decision of the safety board shall be considered final agency action pursuant to chapter 17A.

3. If the commissioner has reason to believe that the continued operation of a conveyance constitutes an imminent danger which could reasonably be expected to seriously injure or cause death to any person, in addition to any other remedies, the commissioner may apply to the district court in the county in which such imminently dangerous condition exists for a temporary order for the purpose of enjoining such imminently dangerous conveyance. Upon hearing, if deemed appropriate by the court, a permanent injunction may be issued to insure that such imminently dangerous conveyance be prevented or controlled. Upon the elimination or rectification of such imminently dangerous condition, the temporary or permanent injunction shall be vacated.

[C75, 77, 79, 81, §104.10]

86 Acts, ch 1245, §526

C87, §89A.10

88 Acts, ch 1109, §7, 8; 99 Acts, ch 68, §11; 2004 Acts, ch 1107, §20, 21, 30; 2007 Acts, ch 16, §9

Referred to in §89A.7, 89A.11, 89A.18, 602.8102(25)

**89A.11 Nonconforming conveyances.**

The safety board, pursuant to rule, may grant exceptions and variances from the requirements of rules adopted for any conveyance. Exceptions or variations shall be reasonably related to the age of the conveyance, and may be conditioned upon a repair or modification of the conveyance deemed necessary by the safety board to assure reasonable safety. However, an exception or variance shall not be granted except to prevent undue hardship. Such conveyances shall be subject to orders issued pursuant to section 89A.10.

[C75, 77, 79, 81, §104.11; 81 Acts, ch 50, §1]

C87, §89A.11

2004 Acts, ch 1107, §22, 30; 2007 Acts, ch 16, §10

**89A.12 Access to conveyances.**

Every owner of a conveyance subject to regulation by this chapter shall grant access to that conveyance to the commissioner and personnel of the division. Inspections shall be permitted at reasonable times, with or without prior notice.

[C75, 77, 79, 81, §104.12]

C87, §89A.12

99 Acts, ch 68, §12; 2007 Acts, ch 16, §11

**89A.13 Elevator safety board.**

1. An elevator safety board is created within the division of labor services in the department of workforce development to formulate definitions and rules for the safe and proper installation, repair, maintenance, alteration, use, and operation of conveyances in this state.

2. The safety board is composed of nine members, one of whom shall be the commissioner or the commissioner's designee. The governor shall appoint the remaining eight members of the board, subject to senate confirmation, to staggered four-year terms which shall begin and end as provided in section 69.19. The members shall be as follows: two representatives from an elevator manufacturing company or its authorized representative; two representatives from elevator servicing companies; one building owner or manager; one representative employed by a local government in this state who is knowledgeable about building codes in this state; one representative of workers actively involved in the installation, maintenance, and repair of elevators; and one licensed mechanical engineer.

3. A vacancy in membership shall be filled in the same manner as the original appointment. The members shall serve without salary, but shall be reimbursed for actual and necessary expenses incurred in the performance of official duties as a member.

4. The members of the safety board shall select a chairperson, vice chairperson, and a secretary from their membership. However, neither the commissioner nor the commissioner's designee shall serve as chairperson. The safety board shall meet at least quarterly but may meet as often as necessary. Meetings shall be set by a majority of the safety board or upon the call of the chairperson, or in the chairperson's absence, upon the call of the vice chairperson. A majority of the safety board members shall constitute a quorum.

5. The owner or user of equipment regulated under this chapter may appeal a notice of defect or an inspection report to the safety board within thirty days after the issuance of the notice or report. Safety board action constitutes final agency action for purposes of chapter 17A.

6. The safety board shall adopt rules pursuant to chapter 17A necessary to administer the duties of the board.

7. Not later than July 1, 2005, and every three years thereafter, the safety board shall conduct a comprehensive review of existing conveyance rules, regulations, and standards.

[C75, 77, 79, 81, §104.13]

C87, §89A.13

88 Acts, ch 1042, §5; 2004 Acts, ch 1107, §23, 30; 2007 Acts, ch 16, §12

Referred to in §89A.1

Confirmation, see §2.32

**89A.14 Continuing duty of owner.**

Every conveyance shall be maintained by the owner in a safe operating condition and in conformity with the rules adopted by the safety board.

[C75, 77, 79, 81, §104.14]

C87, §89A.14

2004 Acts, ch 1107, §24, 30; 2007 Acts, ch 16, §13

**89A.15 Inspections by local authorities.**

A city or other governmental subdivision shall not make or maintain any ordinance, bylaw, or resolution providing for the licensing of special inspectors. An ordinance or resolution relating to the inspection, construction, installation, alteration, maintenance, or operation of conveyances within the limits of the city or governmental subdivision which conflicts with this chapter or with rules adopted pursuant to this chapter is void. The commissioner, in the commissioner's discretion, may accept inspections by local authorities in lieu of inspections required by section 89A.6, but only upon a showing by the local authority that applicable laws and rules will be consistently and literally enforced and that inspections will be performed by special inspectors.

[C75, 77, 79, 81, §104.15]

C87, §89A.15

2004 Acts, ch 1107, §25, 30; 2007 Acts, ch 16, §14

Referred to in §331.304

**89A.16 Prosecution of offenses.**

The division shall cause prosecution for the violation of the provisions of this chapter to be instituted by the attorney general in the county in which the violation occurred.

[C75, 77, 79, 81, §104.16]

C87, §89A.16

**89A.17 Penalties.**

1. Any owner who violates any of the provisions of this chapter shall be guilty of a simple misdemeanor, unless otherwise specifically provided in this chapter.

2. Any person who bribes or attempts to bribe an inspector shall be subject to criminal proceedings under section 722.1.

[C75, 77, 79, 81, §104.17]

C87, §89A.17

**89A.18 Civil penalty.**

If upon notice and hearing the commissioner determines that an owner has operated a conveyance after an order of the commissioner that suspends, revokes, or refuses to issue an operating permit for the conveyance has become final under section 89A.10, subsection 2, the commissioner may assess a civil penalty against the owner in an amount not exceeding five hundred dollars, as determined by the commissioner. An order assessing a civil penalty is subject to appeal under section 89A.10, subsection 2, in the same manner and to the same extent as decisions referred to in that subsection. The commissioner may commence an action in the district court to enforce payment of the civil penalty. A record of assessment against or payment of a civil penalty by any person for a violation of this section shall not be admissible as evidence in any court in any civil action. Revenue from the penalty provided in this section shall be remitted to the treasurer of state for deposit in the state general fund.

[82 Acts, ch 1077, §2]

C87, §89A.18

2004 Acts, ch 1107, §26, 30; 2007 Acts, ch 16, §15

**89A.19 Elevator safety fund — fees appropriated.**

A revolving elevator safety fund is created in the state treasury under the control of the commissioner and shall consist of moneys collected by the commissioner as fees. Moneys in the fund are appropriated to and shall be used by the commissioner to pay the actual costs and

expenses necessary to operate the safety board and perform the duties of the commissioner as described in this chapter. All fees collected by the commissioner pursuant to this chapter shall be remitted to the treasurer of state to be deposited in the elevator safety fund. All salaries and expenses properly chargeable to the fund shall be paid from the fund. Section 8.33 does not apply to any moneys in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.
2004 Acts, ch 1107, §27, 30; 2008 Acts, ch 1023, §2

**89A.20 through 89A.24** Reserved.

**89A.25 Short title.**
This chapter shall be known as the *"Iowa State Elevator Code"*.
[C75, 77, 79, 81, §104.18]
C83, §104.25
C87, §89A.25

# CHAPTER 89B

## HAZARDOUS CHEMICALS RISKS — RIGHT TO KNOW

Referred to in §84A.5, 91.4, 669.14

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## DIVISION I

## GENERAL PROVISIONS

**89B.1 Short title.**
This chapter may be cited as the *"Hazardous Chemicals Risks Right to Know Act"*.
84 Acts, ch 1085, §1
C85, §455D.1
C87, §89B.1

**89B.2 Legislative findings.**
The general assembly finds as follows:

1. The proliferation of hazardous chemicals in the environment poses a growing threat to the public health, safety, and welfare.

2. The constantly increasing number and variety of hazardous chemicals and the many routes of exposure to them make it difficult and expensive to adequately monitor and detect any adverse health effects attributable to the hazardous chemicals.

3. Individuals are often able to detect and thus minimize effects of exposure to hazardous chemicals if they are aware of the identity of the chemicals and the early symptoms of unsafe exposure.

4. Individuals have an inherent right to know the full range of the risks they face so that they can make reasoned decisions and take informed action concerning their employment and their living conditions.

5. Local fire and other government emergency response departments require detailed information about the identity, characteristics, and quantities of hazardous chemicals used and stored in communities within their jurisdictions, in order to adequately plan for, and respond to, emergencies, and enforce compliance with applicable laws and regulations concerning these chemicals.

6. The extent of the toxic contamination of the air, water, and land has caused a high degree of concern and much of this concern is needlessly aggravated by the unfamiliarity of the chemicals.

7. There is a need to coordinate the existing regulatory and reporting responsibilities on hazardous chemical users and producers and to provide uniform access to information.

84 Acts, ch 1085, §2
C85, §455D.2
C87, §89B.2

**89B.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Division"* means the division of labor services of the department of workforce development created under section 84A.1.

2. *"Emergency response department"* means any governmental department which might be reasonably expected to be required to respond to an emergency involving a hazardous chemical, including, but not limited to, local fire, police, medical rescue, emergency management, and public health departments.

84 Acts, ch 1085, §3
C85, §455D.3
86 Acts, ch 1245, §939, 1899E
C87, §89B.3
92 Acts, ch 1139, §22; 96 Acts, ch 1186, §23

**89B.4 and 89B.5** Repealed by 88 Acts, ch 1042, § 8.

**89B.6 Liability of state or political subdivision.**

The state or any of its political subdivisions is not liable for damages in any claim pursuant to chapter 669 or chapter 670 based upon an act or omission of an employee of the state or political subdivision when the employee exercised due care in the execution of this chapter or a rule adopted under this chapter. Any duty created in this chapter is a duty to the public generally and not to any person or group of persons.

84 Acts, ch 1085, §6
C85, §455D.6
C87, §89B.6

**89B.7** Repealed by 88 Acts, ch 1042, § 8.

## DIVISION II

## WORKER RIGHT TO KNOW

Referred to in §89B.12, 89B.15

**89B.8 Information required.**

1. An employee in this state has the right to be informed about the hazardous chemicals to which the employee may be exposed in the workplace, the potential health hazards of the hazardous chemicals, and the proper handling techniques for the hazardous chemicals. An employer shall provide or make available to an employee information as required by this chapter. Except as explicitly exempted, this chapter applies to all employers in the state.

2. The division of labor services shall administer this division of the chapter. The division may exercise the enforcement powers set out in chapter 88 and the rules adopted pursuant to chapter 88 to enforce this division of the chapter.

3. The commissioner shall adopt rules based upon the occupational safety and health standards which have been adopted as permanent standards by the United States secretary of labor in accordance with federal law. If the hazardous communication regulation, 29 C.F.R. § 1910.1200, is amended or repealed, the commissioner shall review the amendment or repeal and take action with respect to the state standards, including the amendment or repeal of the state standards, which will conform the state standards to the new federal standards.

4. In addition to the chemical information required to be reported under the federal hazard communication standard, 29 C.F.R. § 1910.1200, the labor commissioner may adopt by rule additional hazardous chemical information to be regulated.

84 Acts, ch 1085, §8
C85, §455D.8
86 Acts, ch 1135, §2; 86 Acts, ch 1245, §940, 1899F
C87, §89B.8
88 Acts, ch 1042, §6; 89 Acts, ch 100, §1

**89B.9 Employee rights.**

An employer shall not discharge or in any other manner discriminate against an employee because the employee has filed a complaint or brought an action under this section or has cooperated in bringing an action against an employer. An employee may file a complaint with the labor commissioner alleging discharge or discrimination within thirty days after an alleged violation occurs. Upon receipt of the complaint, the commissioner shall cause an investigation to be made to the extent the commissioner deems appropriate. If the commissioner determines from the investigation that this section has been violated, the commissioner shall bring an action in the appropriate district court against the person. The district court has jurisdiction, for cause shown, to restrain violations of this section and order appropriate relief including rehiring or reinstatement of the employee to the former position with back pay. This section applies to an employee of a person otherwise exempt from this chapter.

84 Acts, ch 1085, §9
C85, §455D.9
C87, §89B.9
88 Acts, ch 1042, §7

**89B.10 and 89B.11** Repealed by 88 Acts, ch 1042, § 8.

## DIVISION III

## COMMUNITY RIGHT TO KNOW

**89B.12 Community information and complaints on hazardous chemicals.**

1. The public has a right to be informed about the presence of hazardous chemicals in the community and the potential health and environmental hazards that the chemicals pose.

2. The division of labor services shall receive and handle requests for information and complaints under this division of this chapter which involve employer information covered under division II of this chapter. The labor commissioner shall adopt rules pursuant to chapter 17A regarding requests for information and the investigation and adjudication of complaints.

3. Requests for information under this division of this chapter are confidential.

84 Acts, ch 1085, §12
C85, §455D.12
86 Acts, ch 1245, §941
C87, §89B.12

**89B.13 Accessibility of records.**

1. Except as provided in subsection 2, records that are required to be kept by employers under this chapter shall be accessible to the public. As used in this section *"accessible to the public"* means either of the following:

*a.* The records are filed with the division.

*b.* The records are available for inspection at the principal place of employment of the employer during normal working hours.

2. Records do not need to be accessible to the public if any of the following apply:

*a.* The information is trade secret information under this chapter and any rules regarding the release of the information.

*b.* Under recommendation pursuant to section 89B.17, the labor commissioner has adopted rules specifying that certain classes or categories of records required to be kept by employers are confidential information.

*c.* The employer has notified the division in writing that certain information should not be accessible to the public for the reasons that the information is not relevant to public health and safety or that release of the information is proven to cause damage to the employer. After giving the employer notice and an opportunity to be heard, the division may release the information if it determines that the impact on public health and safety outweighs the damage that release of the information would cause the employer. The division may limit its release of information to areas relevant to public health and safety and may restrict the release of information which will cause damage to the employer.

84 Acts, ch 1085, §13
C85, §455D.13
86 Acts, ch 1245, §1899G
C87, §89B.13

## DIVISION IV

## PUBLIC SAFETY — EMERGENCY RESPONSE RIGHT TO KNOW

**89B.14 Signs identifying hazardous chemicals.**

If a building or structure has a floor space of five thousand square feet or less, an employer shall post signs on the outside of the building or structure identifying the type of each hazardous chemical contained in the building or structure. If the building has more than five thousand square feet, the employer shall post a sign at the place within the building where each hazardous chemical is permanently stored to identify the type of hazardous chemical. If the hazardous chemical or a portion of the hazardous chemical is moved within the building,

the employer shall also move the sign or post an additional sign at the location where the hazardous chemical is moved. All letters and figures on signs required by this section shall be at least three inches in height. However, upon the written application of an employer, the division may permit less stringent sign posting requirements. The signs shall comply with the national fire protection association's standard system for the identification of fire hazards of materials, based upon NFPA 704-1980. The division shall adopt rules exempting employers from the requirements of this section when a building or structure or a portion of a building or structure does not contain significant amounts of a hazardous chemical.

84 Acts, ch 1085, §14
C85, §455D.14
C87, §89B.14

**89B.15 Information for emergency response departments.**

1. At the same time that an employer provides the information to employees required under division II, the employer shall submit to the local fire department a list of hazardous chemicals which are consistently generated by, used by, stored at, or transported from the employer's facility. The information shall be provided in sufficient specificity that the local fire department is informed of the nature of the hazardous chemicals, the hazards presented by the chemicals, and the appropriate response in dealing with an emergency involving the hazardous chemicals. The information shall conform to guidelines adopted by the labor commissioner. The employer shall send the information by certified mail. The labor commissioner shall adopt rules exempting employers from this requirement when buildings or structures do not contain significant amounts of a hazardous chemical.

2. A local fire department receiving information pursuant to subsection 1 shall make the information available only to other emergency response departments.

84 Acts, ch 1085, §15
C85, §455D.15
86 Acts, ch 1245, §942, 1899H
C87, §89B.15

**89B.16** Reserved.

## DIVISION V

## RECOMMENDATIONS

**89B.17 Recommendations.**

1. The director of public health, the labor commissioner, and the director of the department of natural resources or the director's designee under written signatures of all these parties may recommend any of the following actions:

*a.* Expansion of the federal occupational safety and health administration's list of hazardous chemicals or reporting required under this chapter. The division shall adopt rules pursuant to chapter 17A to expand the list of information required if the division decides to follow the recommendation.

*b.* Expansion of the list of hazardous wastes reported to the department of natural resources under 42 U.S.C. § 6921 – 6934 as amended to January 1, 1981, or information required concerning the wastes. The department of natural resources shall adopt rules pursuant to chapter 17A to expand the list or information if the department decides to follow the recommendation.

2. However, the recommendations shall be made only upon scientific evidence that there may be a significant threat to public health and safety without the action.

84 Acts, ch 1085, §17
C85, §455D.17
86 Acts, ch 1245, §1899I, 1899J

C87, §89B.17
2002 Acts, ch 1162, §31; 2008 Acts, ch 1032, §201
Referred to in §89B.13

# CHAPTER 90

RESERVED

# CHAPTER 90A

## BOXING, MIXED MARTIAL ARTS, AND WRESTLING

Referred to in §84A.5, 91.4


90A.1 Definitions.
90A.2 License.
90A.3 Professional boxer registration.
90A.4 Promoter responsibility.
90A.5 Emergency suspensions.
90A.6 Suspensions, denials, and revocations.
90A.7 Rules.
90A.8 Required conditions for boxing matches.
90A.9 Written report filed — tax due — penalty.
90A.10 Grants — appropriation.
90A.11 License penalties — cease and desist order.
90A.12 Age requirement for amateur boxing and mixed martial arts contestants.


**90A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Boxer registry"* means an entity certified by the association of boxing commissions for the purpose of maintaining records and identification of boxers.

2. *"Commissioner"* means the state commissioner of athletics, who is also the labor commissioner appointed pursuant to section 91.2, or the labor commissioner's designee.

3. *"Mixed martial arts match"* means a professional or amateur mixed martial arts match or event that is open to the public and an admission fee is charged, a donation is requested from those in attendance, or merchandise or refreshments are available for purchase.

4. *"Official"* means a person who is employed as a referee, judge, timekeeper, or match physician for a match or event covered by this chapter.

5. *"Participant"* means a person involved in a match or event covered by this chapter, and includes contestants, seconds, managers, and similar event personnel.

6. *"Professional boxing or wrestling match"* means a boxing or wrestling contest or exhibition open to the public in this state for which the contestants are paid or awarded a prize for their participation.

7. *"Promoter"* means a person or business that does at least one of the following:

*a.* Organizes, holds, advertises, or otherwise conducts a professional boxing or wrestling match.

*b.* Charges admission for the viewing of a professional boxing or wrestling match received through a closed-circuit, pay-per-view, or similarly distributed signal.

*c.* Organizes, holds, advertises, or otherwise conducts a mixed martial arts match.

[C71, 73, 75, 77, §727A.1; C79, 81, §99C.1]
86 Acts, ch 1245, §944
C87, §90A.1
91 Acts, ch 137, §1; 97 Acts, ch 29, §1; 99 Acts, ch 68, §13; 2010 Acts, ch 1122, §1 – 3
Referred to in §90A.4

**90A.2 License.**

1. A person shall not act as a promoter of a professional boxing or wrestling match or

a mixed martial arts match without first obtaining a license from the commissioner. This subsection shall not apply to a person distributing a closed-circuit, pay-per-view, or similarly distributed signal to a person acting as a promoter or to a person viewing the signal in a private residence.

2. The license application shall be in the form prescribed by the commissioner and shall contain information that is substantially complete and accurate. Any change in the information provided in the application shall be reported promptly to the commissioner. The application shall be submitted no later than seven days prior to the intended date of the match.

3. Each application for a license shall be accompanied by a surety or cash bond in the sum of five thousand dollars, payable to the state of Iowa, which shall be conditioned upon the payment of the tax and any penalties imposed pursuant to this chapter.

[C71, 73, 75, 77, §727A.2; C79, 81, §99C.2]
86 Acts, ch 1245, §936, 944
C87, §90A.2
97 Acts, ch 29, §2; 2010 Acts, ch 1122, §4
Referred to in §90A.6, 90A.9, 90A.11

**90A.3 Professional boxer registration.**

1. Each professional boxer residing in Iowa shall register with the commissioner. The registration application shall be in the form prescribed by the commissioner and shall be accompanied by the fee established by rule by the commissioner. The information required by the commissioner shall include, but is not limited to, the following:

*a.* The boxer's name and address.

*b.* The boxer's gender.

*c.* The boxer's date of birth.

*d.* The boxer's social security number or, if a foreign boxer, any similar citizen identification number or professional boxer number from the country of residence of the boxer.

*e.* The boxer's personal identification number assigned to the boxer by a professional boxing registry certified by the association of boxing commissions if the boxer is registered with a registry.

*f.* Two copies of a recent photograph of the boxer.

*g.* An official government-issued photo identification containing the boxer's photograph and social security number or similar foreign identification number.

2. The commissioner shall issue an identification card to a boxer registered pursuant to this chapter. The identification card shall contain a recent photograph, the boxer's social security number or similar foreign identification number, and a personal identification number assigned to the boxer by a boxing registry.

3. A registration issued pursuant to this section shall be valid for two years from the date of issue.

4. This section does not apply to professional wrestlers or contestants in boxing elimination tournaments.

[C71, 73, 75, 77, §727A.3; C79, 81, §99C.3]
86 Acts, ch 1245, §944
C87, §90A.3
97 Acts, ch 29, §3; 97 Acts, ch 40, §5
Referred to in §90A.6, 90A.8

**90A.4 Promoter responsibility.**

A promoter shall be responsible for the conduct of all officials and participants at a match or event covered by this chapter. The commissioner may reprimand, suspend, deny, or revoke the participation of any promoter, official, or participant for violations of rules adopted by the commissioner. Rulings or decisions of a promoter or an official are not decisions of the commissioner and are not subject to procedures under chapter 17A. The commissioner may

take action based upon the rulings or decisions of a promoter or an official. This section shall not apply to a promoter as defined in section 90A.1, subsection 7, paragraph *"b"*.

[C71, 73, 75, 77, §727A.4; C79, 81, §99C.4]
86 Acts, ch 1245, §944
C87, §90A.4
91 Acts, ch 137, §2; 97 Acts, ch 29, §4; 2010 Acts, ch 1122, §5

**90A.5 Emergency suspensions.**

1. Notwithstanding the procedural requirements of chapter 17A, the commissioner may orally suspend a license, registration, or participation immediately if the commissioner determines that any of the following have occurred:

*a.* A license or registration was fraudulently or deceptively obtained.

*b.* The holder of a license or registration fails at any time to meet the qualifications for issuance.

*c.* A contestant fails to pass a prefight physical examination.

*d.* A match promoter permits a nonregistered boxer to participate in a professional boxing match.

*e.* A match promoter permits a person whose license, registration, or authority, issued pursuant to this chapter, is under suspension to participate in a boxing event.

*f.* A match promoter or professional boxer is under suspension by any other state boxing regulatory organization.

*g.* A match promoter or professional boxer is under suspension in any state.

*h.* A match promoter, contestant, or participant is in violation of rules adopted pursuant to section 90A.7.

*i.* A contestant does not present adequate proof of age pursuant to section 90A.12.

2. A written notice of a suspension issued pursuant to this section shall be given to the person suspended within seven days of the emergency suspension. The provisions of chapter 17A shall apply once the written notice is given.

[C71, 73, 75, 77, §727A.5; C79, 81, §99C.5]
86 Acts, ch 1245, §944
C87, §90A.5
97 Acts, ch 29, §5; 2010 Acts, ch 1122, §6, 7
Referred to in §90A.6

**90A.6 Suspensions, denials, and revocations.**

1. The commissioner may suspend, deny, revoke, annul, or withdraw a license, registration, or authority to participate in a professional boxing or wrestling match or mixed martial arts match if any of the following occur:

*a.* Any of the reasons enumerated in section 90A.5.

*b.* Failure to pay fees or penalties due pursuant to section 90A.2, 90A.3, or 90A.9.

2. The provisions of chapter 17A shall apply to actions under this section.

[C71, 73, 75, 77, §727A.6; C79, 81, §99C.6]
86 Acts, ch 1245, §944
C87, §90A.6
91 Acts, ch 137, §3; 97 Acts, ch 29, §6; 2010 Acts, ch 1122, §8

**90A.7 Rules.**

1. The commissioner shall adopt rules, pursuant to chapter 17A, that the commissioner determines are reasonably necessary to administer and enforce this chapter.

2. The commissioner shall adopt rules establishing an event fee to cover the costs of the administration of this chapter.

3. The commissioner may adopt the rules of a recognized national or world boxing organization that sanctions a boxing match in this state to regulate the match if the organization's rules provide protection to the boxers participating in the match which is equal to or greater than the protections provided by this chapter or by rules adopted pursuant to this chapter. As used in this paragraph, *"recognized national or world boxing*

*organization*" includes, but is not limited to, the international boxing federation, the world boxing association, and the world boxing council.

[C71, 73, 75, 77, §727A.7; C79, 81, §99C.7]

86 Acts, ch 1245, §944

C87, §90A.7

90 Acts, ch 1266, §38; 91 Acts, ch 137, §4; 92 Acts, ch 1032, §1; 97 Acts, ch 29, §7; 2013 Acts, ch 137, §33

Referred to in §90A.5

Section amended

**90A.8 Required conditions for boxing matches.**

A boxing match shall be not more than fifteen rounds in length and the contestants shall wear gloves weighing at least eight ounces during such contests. The commissioner may adopt rules requiring more stringent procedures for specific types of boxing.

A contestant shall not take part in a boxing match unless the contestant has presented a valid registration identification card issued pursuant to section 90A.3 to the commissioner prior to the weigh-in for the boxing match. The contestant shall pass a rigorous physical examination to determine the contestant's fitness to engage in any such match within twenty-four hours of the start of the match. The examination shall be conducted by a licensed practicing physician designated or authorized by the commissioner.

[C71, 73, 75, 77, §727A.8; C79, 81, §99C.8]

86 Acts, ch 1245, §944

C87, §90A.8

91 Acts, ch 137, §5; 97 Acts, ch 29, §8

**90A.9 Written report filed — tax due — penalty.**

1. The promoter of a professional boxing or wrestling match or event or a mixed martial arts match shall, within twenty days after the match or event, furnish to the commissioner a written report stating the number of tickets sold, the gross amount of admission proceeds of the match or event, and other matters the commissioner may prescribe by rule. The value of complimentary tickets in excess of five percent of the number of tickets sold shall be included in the gross admission receipts. Within twenty days of the match or event, the promoter shall pay to the treasurer of state a tax of five percent of its total gross admission receipts, after deducting state sales tax, from the sale of tickets of admission to the match or event.

2. If the promoter fails to make a timely report within the time prescribed, or if the report is unsatisfactory to the commissioner, the commissioner may examine or cause to be examined the books and records of the promoter, and subpoena and examine under oath witnesses, for the purpose of determining the total amount of the gross admission receipts for any match and the amount of tax due pursuant to the provisions of this chapter. The commissioner may, as the result of such examination, fix and determine the tax, and may also assess the promoter the reasonable cost of conducting the examination. If a promoter defaults in the payment of any tax due or the costs incurred in making such examination, the promoter shall forfeit to the state the sum of five thousand dollars, which may be recovered by the attorney general pursuant to the bond required under section 90A.2, subsection 3.

[C71, 73, 75, 77, §727A.9; C79, 81, §99C.9]

86 Acts, ch 1245, §944

C87, §90A.9

97 Acts, ch 29, §9; 2010 Acts, ch 1122, §9

Referred to in §90A.6, 90A.10, 90A.11

**90A.10 Grants — appropriation.**

1. Moneys collected pursuant to section 90A.9 from a professional boxing event are appropriated to the department of workforce development and shall be used by the commissioner to award grants to organizations that promote amateur boxing matches in this state. All other moneys collected by the commissioner pursuant to this chapter are appropriated to the department of workforce development and shall be used by the

commissioner to administer this chapter. Section 8.33 applies only to moneys in excess of the first twenty thousand dollars appropriated each fiscal year.

2. The commissioner shall adopt rules pursuant to chapter 17A to establish application procedures and criteria for the review and approval of grants awarded pursuant to this section.

3. An advisory committee composed of three members of the golden gloves association of America, incorporated — Iowa branch, who shall be appointed by the association, and three members of the United States of America amateur boxing federation — Iowa branch, who shall be appointed by the federation, shall advise the commissioner regarding the awarding of grants pursuant to this section.

84 Acts, ch 1106, §1
C85, §99C.10
86 Acts, ch 1245, §944
C87, §90A.10
87 Acts, ch 26, §1; 90 Acts, ch 1004, §1; 93 Acts, ch 15, §1; 97 Acts, ch 29, §10; 2013 Acts, ch 137, §34
Subsection 1 amended

**90A.11 License penalties — cease and desist order.**

1. A person who acts as a promoter without first obtaining a license commits a serious misdemeanor and shall be liable to the state for the taxes and penalties pursuant to section 90A.9.

2. *a.* Notwithstanding the procedural requirements of chapter 17A, the commissioner may issue an order to cease and desist a match or event if the criteria of this subsection are met. The county sheriff shall assist with service and enforcement of the commissioner's order to cease and desist if requested by the commissioner. The provisions of chapter 17A shall apply after enforcement of the order to cease and desist.

*b.* The commissioner may issue an order to cease and desist a match or event if all of the following have occurred:

(1) The commissioner conducted an investigation and determined a promoter is organizing, advertising, holding, or conducting an event or match that is within the scope of section 90A.2.

(2) The promoter has not applied for or has been denied a license.

(3) The deadline to file a timely license application has passed.

3. *a.* A person who acts as a promoter without first obtaining a license is subject to a civil penalty of not more than ten thousand dollars for each violation.

*b.* The commissioner shall notify the unlicensed promoter of a proposed civil penalty by service in the same manner as an original notice or by certified mail. If within fifteen business days from the receipt of the notice, the unlicensed promoter fails to file a notice of contest in accordance with rules adopted by the commissioner pursuant to chapter 17A, the penalty as proposed shall be deemed final agency action for purposes of judicial review.

*c.* The commissioner shall notify the department of revenue upon final agency action regarding the assessment of a civil penalty against an unlicensed promoter. Interest shall be calculated on the penalty from the date of final agency action.

*d.* Judicial review of final agency action pursuant to this section may be sought in accordance with the terms of section 17A.19. If no petition for judicial review is filed within sixty days after service of the final agency action of the commissioner, the commissioner's findings of fact and final agency action shall be conclusive in connection with any petition for enforcement which is filed by the commissioner after the expiration of the sixty-day period. The clerk of court, unless otherwise ordered by the court, shall enter a decree enforcing the final agency action and shall transmit a copy of the decree to the commissioner and the unlicensed promoter named in the petition.

*e.* Civil penalties recovered pursuant to this subsection shall be remitted by the commissioner to the treasurer of state for deposit in the general fund of the state.

97 Acts, ch 29, §11; 2010 Acts, ch 1122, §10; 2011 Acts, ch 34, §22

**90A.12 Age requirement for amateur boxing and mixed martial arts contestants.**

1. A person shall not participate as a contestant in an organized amateur boxing contest unless each contestant participating in the contest meets the age requirements of USA boxing incorporated, or its successor organization. A birth certificate, or similar document validating the contestant's date of birth, must be submitted at the time of the prefight physical examination in order to determine eligibility.

2. Subsection 1 does not apply to contestants in regional, national, or international organized amateur boxing contests or to organized amateur boxing contests involving contestants who are serving in the military service.

3. A person shall not be a contestant in a mixed martial arts match unless the contestant is eighteen years of age or older. Each contestant shall submit to the commissioner a certified birth certificate, or similar document, validating the contestant's date of birth prior to the match in order to verify the contestant's eligibility.

97 Acts, ch 29, §12; 2001 Acts, ch 188, §23; 2010 Acts, ch 1122, §11
Referred to in §90A.5

# CHAPTER 91

## LABOR SERVICES DIVISION

Referred to in §84A.5, 455B.135, 455B.390


91.1 Labor commissioner.
91.2 Appointment.
91.3 Reserved.
91.4 Duties and powers.
91.5 Other duties — jurisdiction in general.
91.6 Rules.
91.7 Reserved.
91.8 Traveling expenses.
91.9 Right to enter premises.
91.10 Power to secure evidence.
91.11 Prosecutions for violations.
91.12 Reports and records to division of labor services.
91.13 and 91.14 Reserved.
91.15 Definition of terms.
91.16 Violations — penalties.
91.17 and 91.18 Repealed by 85 Acts, ch 195, §67.


**91.1 Labor commissioner.**

The division of labor services of the department of workforce development, created under section 84A.1, is under the control of a labor commissioner, who shall have an office at the seat of government and shall devote the commissioner's entire time to the duties of the office.

[C97, §2469; S13, §2469; C24, 27, 31, 35, 39, §**1510;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §91.1]

86 Acts, ch 1245, §918; 96 Acts, ch 1186, §23

**91.2 Appointment.**

The governor shall appoint, subject to confirmation by the senate, a labor commissioner who shall serve for a period of six years beginning and ending as provided in section 69.19.

[C97, §2469; S13, §2470; C24, 27, 31, 35, 39, §**1511;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 82, §91.2]

85 Acts, ch 51, §1, 2; 86 Acts, ch 1245, §919
Referred to in §73A.21, 84A.5, 88.2, 88.3, 89A.1, 90A.1, 91E.1, 94A.1, 626.76
Confirmation, see §2.32

**91.3** Reserved.

**91.4 Duties and powers.**

1. The duties of said commissioner shall be:

*a.* To safely keep all records, papers, documents, correspondence, and other property pertaining to or coming into the commissioner's hands by virtue of the office, and deliver the same to the commissioner's successor, except as otherwise provided.

*b.* To collect, assort, and systematize statistical details relating to programs of the division of labor services.

*c.* To issue from time to time bulletins containing information of importance to the industries of the state and to the safety of wage earners.

*d.* To conduct and to cooperate with other interested persons and organizations in conducting educational programs and projects on employment safety.

*e.* To serve as an ex officio member of the state fire service and emergency response council, or appoint a designee to serve as an ex officio member of such council, to assist the council in the development of rules relating to fire fighting training standards and any other issues relating to occupational safety and health standards for fire fighters.

2. The director of the department of workforce development, in consultation with the labor commissioner, shall, at the time provided by law, make an annual report to the governor setting forth in appropriate form the business and expense of the division of labor services for the preceding year, the number of remedial actions taken under chapter 89A, the number of disputes or violations processed by the division and the disposition of the disputes or violations, and other matters pertaining to the division which are of public interest, together with recommendations for change or amendment of the laws in this chapter and chapters 88, 88A, 88B, 89, 89A, 89B, 90A, 91A, 91C, 91D, 91E, 92, and 94A, and section 85.68, and the recommendations, if any, shall be transmitted by the governor to the first general assembly in session after the report is filed.

3. The commissioner, with the assistance of the office of the attorney general if requested by the commissioner, may commence a civil action in any court of competent jurisdiction to enforce the statutes under the commissioner's jurisdiction.

4. The division of labor services may sell documents printed by the division at cost according to rules established by the labor commissioner pursuant to chapter 17A. Receipts from the sale shall be deposited to the credit of the division and may be used by the division for administrative expenses.

5. Except as provided in chapter 91A, the commissioner may recover interest, court costs, and any attorney fees incurred in recovering any amounts due. The recovery shall only take place after final agency action is taken under chapter 17A, or upon judicial review, after final disposition of the case by the court. Attorney fees recovered in an action brought under the jurisdiction of the commissioner shall be deposited in the general fund of the state. The commissioner is exempt from the payment of any filing fee or other court costs including but not limited to fees paid to county sheriffs.

6. The commissioner may establish rules pursuant to chapter 17A to assess and collect interest on fees, penalties, and other amounts due the division. The commissioner may delay or, following written notice, deny the issuance of a license, commission, registration, certificate, or permit authorized under chapter 88A, 89, 89A, 90A, 91C, or 94A if the applicant for the license, commission, registration, certificate, or permit owes a liquidated debt to the commissioner.

[C97, §2469, 2470; S13, §2469, 2470; C24, 27, 31, 35, 39, §**1513;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §91.4]

86 Acts, ch 1244, §15; 86 Acts, ch 1245, §920; 91 Acts, ch 136, §3; 92 Acts, ch 1098, §6; 93 Acts, ch 180, §58; 96 Acts, ch 1186, §23; 99 Acts, ch 68, §14, 15; 99 Acts, ch 130, §8; 2000 Acts, ch 1117, §7; 2006 Acts, ch 1053, §1; 2006 Acts, ch 1185, §117; 2007 Acts, ch 211, §34; 2010 Acts, ch 1015, §7; 2011 Acts, ch 34, §23

**91.5 Other duties — jurisdiction in general.**

The commissioner shall have jurisdiction and it shall be the commissioner's duty to supervise the enforcement of:

1. All laws relating to safety appliances and inspection thereof and health conditions in manufacturing and mercantile establishments, workshops, machine shops, other industrial concerns within the commissioner's jurisdiction and sanitation and shelter for railway employees.

2. All laws of the state relating to child labor.

3. All laws relating to employment agencies.

4. Such other provisions of law as are now or shall hereafter be within the commissioner's jurisdiction.

[S13, §2477-f; SS15, §2477-g1, 4999-a5, -a10; C24, 27, 31, 35, 39, §**1514;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §91.5]

86 Acts, ch 1245, §921

**91.6 Rules.**

The commissioner shall adopt rules pursuant to chapter 17A for the purpose of administering this chapter and all other chapters under the commissioner's jurisdiction.

89 Acts, ch 26, §1

Referred to in §73A.21

**91.7** Reserved.

**91.8 Traveling expenses.**

The commissioner, inspectors and other employees of the office shall be allowed their necessary traveling expenses while in the discharge of their duties.

[C97, §2477; S13, §2477; C24, 27, 31, 35, 39, §**1517;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §91.8; 81 Acts, ch 10, §10]

**91.9 Right to enter premises.**

The labor commissioner and the inspectors shall have the power to enter any factory or mill, workshop, mine, store, railway facility, including locomotive or caboose, business house, public or private work, when the same is open or in operation, for the purpose of gathering facts and statistics such as are contemplated by this chapter, and to examine into the methods of protection from danger to employees, and the sanitary conditions in and around such buildings and places, and make a record thereof.

[C97, §2472; S13, §2472; C24, 27, 31, 35, 39, §**1518;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §91.9]

**91.10 Power to secure evidence.**

The labor commissioner, or the commissioner's designee, may issue subpoenas, administer oaths, and take testimony in all matters relating to the duties required of them. Witnesses subpoenaed and testifying before the commissioner or the commissioner's designee shall be paid the same fees as witnesses under section 622.69, payment to be made out of the funds appropriated to the division of labor services.

[C97, §2471; S13, §2471; C24, 27, 31, 35, 39, §**1519;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §91.10]

83 Acts, ch 186, §10041, 10201; 99 Acts, ch 68, §16

**91.11 Prosecutions for violations.**

If the commissioner learns of any violation of any law administered by the division, the commissioner may give the county attorney of the county in which the violation occurred written notice of the facts, whereupon that officer shall institute the proper proceedings against the person charged with the offense.

If the commissioner is of the opinion that the violation is not willful, or is an oversight or of a trivial nature, the commissioner may at the commissioner's discretion fix a time within which the violation shall be corrected and notify the owner, operator, superintendent, or person in charge, and if corrected within the time fixed, then the commissioner shall not cause prosecution to be begun.

[C97, §2472; S13, §2472; C24, 27, 31, 35, 39, §**1520;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §91.11]

99 Acts, ch 68, §17

Referred to in §331.756(17)

**91.12 Reports and records to division of labor services.**

1. An owner, operator, or manager of every factory, mill, workshop, mine, store, railway,

business house, public or private work, or any other establishment where labor is employed, shall submit to the division of labor services reports in the form and manner prescribed by the commissioner, for the purpose of compiling labor statistics. The owner, operator, or business manager shall submit the reports within sixty days from receipt of notice, and shall certify under oath the accuracy of the reports.

2. Notwithstanding chapter 22, records containing identifiable financial institution or credit card account numbers obtained by the commissioner shall be kept confidential.

[C97, §2474; S13, §2474; C24, 27, 31, 35, 39, §**1521;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §91.12]

98 Acts, ch 1105, §4

**91.13 and 91.14** Reserved.

**91.15 Definition of terms.**

The expressions *"factory"*, *"mill"*, *"workshop"*, *"mine"*, *"store"*, *"railway"*, *"business house"*, and *"public or private work"*, as used in this chapter, shall be construed to mean any factory, mill, workshop, mine, store, railway, business house, public or private work, where wage earners are employed for a compensation.

[C97, §2473; SS15, §2473; C24, 27, 31, 35, 39, §**1524;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §91.15]

**91.16 Violations — penalties.**

Persons violating any of the provisions of this chapter shall be punished as in this section provided, respectively:

1. Any owner, superintendent, manager, or person in charge of any factory, mill, workshop, store, mine, hotel, restaurant, cafe, railway, business house, public or private work, who shall refuse to allow the labor commissioner or any inspector or employee of the division of labor services to enter the same, or who shall hinder or deter the commissioner, inspector, or employee in collecting information which it is that person's duty to collect shall be guilty of a simple misdemeanor.

2. Any officer or employee of the division of labor services, or any person making unlawful use of names or information obtained by virtue of the person's office, shall be guilty of a serious misdemeanor.

3. Any owner, operator, or manager of a factory, mill, workshop, mine, store, railway, business house, public or private work, who shall neglect or refuse for thirty days after receipt of notice from the commissioner to furnish any reports or returns the commissioner may require to enable the commissioner to discharge the commissioner's duties shall be guilty of a simple misdemeanor.

[C97, §2471, 2472, 2474, 2475; S13, §2471, 2472, 2474; C24, 27, 31, 35, 39, §**1525;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §91.16]

2007 Acts, ch 22, §24

**91.17 and 91.18** Repealed by 85 Acts, ch 195, § 67.

# CHAPTER 91A

## WAGE PAYMENT COLLECTION

Referred to in §70A.1, 84A.5, 91.4, 91D.1, 331.324


91A.1 Short title.
91A.2 Definitions.
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91A.6 Notice and recordkeeping requirements.
91A.7 Wage disputes.
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91A.10 Settlement of claims and suits for wages — prohibition against discharge of employee.
91A.11 Wage claims brought under reciprocity.
91A.12 Civil penalties.
91A.13 Travel time to worksite — when compensable.
91A.14 Former employees.


**91A.1 Short title.**

This chapter shall be known and may be referred to as the *"Iowa Wage Payment Collection Law"*.

[C77, 79, 81, §91A.1]

**91A.2 Definitions.**

As used in this chapter:

1. *"Commissioner"* means the labor commissioner or a designee.

2. *"Days"* means calendar days.

3. *"Employee"* means a natural person who is employed in this state for wages by an employer. Employee also includes a commission salesperson who takes orders or performs services on behalf of a principal and who is paid on the basis of commissions but does not include persons who purchase for their own account for resale. For the purposes of this chapter, the following persons engaged in agriculture are not employees:

*a.* The spouse of the employer and relatives of either the employer or spouse residing on the premises of the employer.

*b.* A person engaged in agriculture as an owner-operator or tenant-operator and the spouse or relatives of either who reside on the premises while exchanging labor with the operator or for other mutual benefit of any and all such persons.

*c.* Neighboring persons engaged in agriculture who are exchanging labor or other services.

4. *"Employer"* means a person, as defined in chapter 4, who in this state employs for wages a natural person. An employer does not include a client, patient, customer, or other person who obtains professional services from a licensed person who provides the services on a fee service basis or as an independent contractor.

5. *"Health benefit plan"* means a plan or agreement provided by an employer for employees for the provision of or payment for care and treatment of sickness or injury.

6. *"Liquidated damages"* means the sum of five percent multiplied by the amount of any wages that were not paid or of any authorized expenses that were not reimbursed on a regular payday or on another day pursuant to section 91A.3 multiplied by the total number of days, excluding Sundays, legal holidays, and the first seven days after the regular payday on which wages were not paid or expenses were not reimbursed. However, such sum shall not exceed the amount of the unpaid wages and shall not accumulate when an employer is subject to a petition filed in bankruptcy.

7. *"Wages"* means compensation owed by an employer for:

*a.* Labor or services rendered by an employee, whether determined on a time, task, piece, commission, or other basis of calculation.

*b.* Vacation, holiday, sick leave, and severance payments which are due an employee under an agreement with the employer or under a policy of the employer.

*c.* Any payments to the employee or to a fund for the benefit of the employee, including but not limited to payments for medical, health, hospital, welfare, pension, or profit-sharing, which are due an employee under an agreement with the employer or under a policy of the employer. The assets of an employee in a fund for the benefit of the employee, whether such assets were originally paid into the fund by an employer or employee, are not wages.

*d.* Expenses incurred and recoverable under a health benefit plan.

[C77, 79, 81, §91A.2]

84 Acts, ch 1129, §2; 84 Acts, ch 1270, §1; 85 Acts, ch 119, §1; 86 Acts, ch 1124, §6, 7

Referred to in §91B.1, 91B.2, 91E.1, 626.69

**91A.3 Mode of payment.**

1. An employer shall pay all wages due its employees, less any lawful deductions specified in section 91A.5, at least in monthly, semimonthly, or biweekly installments on regular paydays which are at consistent intervals from each other and which are designated in advance by the employer. However, if any of these wages due its employees are determined on a commission basis, the employer may, upon agreement with the employee, pay only a credit against such wages. If such credit is paid, the employer shall, at regular intervals, pay any difference between a credit paid against wages determined on a commission basis and such wages actually earned on a commission basis. These regular intervals shall not be separated by more than twelve months. A regular payday shall not be more than twelve days, excluding Sundays and legal holidays, after the end of the period in which the wages were earned. An employer and employee may, upon written agreement which shall be maintained as a record, vary the provisions of this subsection.

2. The wages paid under subsection 1 shall be paid in United States currency or by written instrument issued by the employer and negotiable on demand at full face value for such currency, unless the employee has agreed in writing to receive a part of or all wages in kind or in other form.

3. *a.* The wages paid under subsection 1 shall be paid at the employee's normal place of employment during normal employment hours or at a place and hour mutually agreed upon by the employer and employee, or the employee may elect to have the wages sent for direct deposit, on or by the regular payday of the employee, into a financial institution designated by the employee. Upon written request by the employee, wages due may be sent to the employee by mail. The employer shall maintain a copy of the request for as long as it is effective and for at least two years thereafter. An employee hired on or after July 1, 2005, may be required, as a condition of employment, to participate in direct deposit of the employee's wages in a financial institution of the employee's choice unless any of the following conditions exist:

(1) The costs to the employee of establishing and maintaining an account for purposes of the direct deposit would effectively reduce the employee's wages to a level below the minimum wage provided under section 91D.1.

(2) The employee would incur fees charged to the employee's account as a result of the direct deposit.

(3) The provisions of a collective bargaining agreement mutually agreed upon by the employer and the employee organization prohibit the employer from requiring an employee to sign up for direct deposit as a condition of hire.

*b.* If the employer fails to pay an employee's wages on or by the regular payday in accordance with this subsection, the employer is liable for the amount of any overdraft charge if the overdraft is created on the employee's account because of the employer's failure to pay the wages on or by the regular payday. The overdraft charges may be the basis for a claim under section 91A.10 and for damages under section 91A.8.

4. The wages paid under subsection 1 may be delivered to a designee of the employee who is so designated in writing or may be sent to the employee by any reasonable means requested by the employee in writing. A designee under this subsection shall not also be an assignee or buyer of wages under section 539.4 nor a garnisher of the employee under chapter 642, unless the designee complies with the provisions of section 539.4 and chapter 642.

5. If an employee is absent from the normal place of employment on the regular payday, the employer shall, upon demand of the employee made within the first seven days following

the regular payday, pay the wages, less any lawful deductions specified in section 91A.5, which were due on that regular payday. However, if demand is not made within this seven-day period, the employer shall, upon demand of the employee, pay the wages which were due on a regular payday within the first seven days following the day on which demand is made.

6. Expenses by the employee which are authorized by the employer and incurred by the employee shall either be reimbursed in advance of expenditure or be reimbursed not later than thirty days after the employee's submission of an expense claim. If the employer refuses to pay all or part of each claim, the employer shall submit to the employee a written justification of such refusal within the same time period in which expense claims are paid under this subsection.

7. If a farm labor contractor contracts with a person engaged in the production of seed or feed grains to remove unwanted or genetically deviant plants or corn tassels or to hand pollinate plants, and fails to pay all wages due the employees of the farm labor contractor, the person engaged in the production of seed or feed grains shall also be liable to the employees for wages not paid by the farm labor contractor.

[C77, 79, 81, §91A.3]

84 Acts, ch 1270, §2; 99 Acts, ch 68, §18; 2005 Acts, ch 168, §19, 23; 2006 Acts, ch 1083, §1, 2, 4; 2007 Acts, ch 29, §1; 2008 Acts, ch 1136, §1, 2

Referred to in §91A.2, 91A.4, 91A.7, 91A.8

**91A.4 Employment suspension or termination — how wages are paid.**

When the employment of an employee is suspended or terminated, the employer shall pay all wages earned, less any lawful deductions specified in section 91A.5 by the employee up to the time of the suspension or termination not later than the next regular payday for the pay period in which the wages were earned as provided in section 91A.3. However, if any of these wages are the difference between a credit paid against wages determined on a commission basis and the wages actually earned on a commission basis, the employer shall pay the difference not more than thirty days after the date of suspension or termination. If vacations are due an employee under an agreement with the employer or a policy of the employer establishing pro rata vacation accrued, the increment shall be in proportion to the fraction of the year which the employee was actually employed.

[C77, 79, 81, §91A.4]

95 Acts, ch 37, §1

**91A.5 Deductions from wages.**

1. An employer shall not withhold or divert any portion of an employee's wages unless:

*a.* The employer is required or permitted to do so by state or federal law or by order of a court of competent jurisdiction; or

*b.* The employer has written authorization from the employee to so deduct for any lawful purpose accruing to the benefit of the employee.

2. The following shall not be deducted from an employee's wages:

*a.* Cash shortage in a common money till, cash box, or register operated by two or more employees or by an employee and an employer. However, the employer and a full-time employee who is the manager of an establishment may agree in writing signed by both parties that the employee will be responsible for a cash shortage that occurs within forty-five days prior to the most recent regular payday. Not more than one such agreement shall be in effect per establishment.

*b.* Losses due to acceptance by an employee on behalf of the employer of checks which are subsequently dishonored if the employee has been given the discretion to accept or reject such checks and the employee does not abuse the discretion given.

*c.* Losses due to breakage, damage to property, default of customer credit, or nonpayment for goods or services rendered so long as such losses are not attributable to the employee's willful or intentional disregard of the employer's interests.

*d.* Lost or stolen property, unless the property is equipment specifically assigned to, and receipt acknowledged in writing by, the employee from whom the deduction is made.

*e.* Gratuities received by an employee from customers of the employer.

*f.* Costs of personal protective equipment, other than items of clothing or footwear which may be used by an employee during nonworking hours, needed to protect an employee from employment-related hazards, unless provided otherwise in a collective bargaining agreement.

*g.* Costs of more than twenty dollars for an employee's relocation to the place of employment. This paragraph shall apply only to an employer as defined in section 91E.1.

[C77, 79, 81, §91A.5]

90 Acts, ch 1134, §1; 90 Acts, ch 1136, §7, 8

Referred to in §91A.3, 91A.4, 91A.7

Central employee registry, see chapter 252G

**91A.5A Holiday time off — Veterans Day.**

1. An employer shall provide each employee who is a veteran, as defined in section 35.1, with holiday time off for Veterans Day, November 11, if the employee would otherwise be required to work on that day, as provided in this section.

2. An employer, in complying with this section, shall have the discretion of providing paid or unpaid time off on Veterans Day, unless providing time off would impact public health or safety or would cause the employer to experience significant economic or operational disruption.

3. *a.* An employee shall provide the employer with at least one month's prior written notice of the employee's intent to take time off for Veterans Day and shall also provide the employer with a federal certificate of release or discharge from active duty, or such similar federal document, for purposes of determining the employee's eligibility for the benefit provided in this section.

*b.* The employer shall, at least ten days prior to Veterans Day, notify the employee if the employee shall be provided paid or unpaid time off on Veterans Day. If the employer determines that the employer is unable to provide time off for Veterans Day for all employees who request time off, the employer shall deny time off to the minimum number of employees needed by the employer to protect public health and safety or to maintain minimum operational capacity, as applicable.

2010 Acts, ch 1172, §1

**91A.6 Notice and recordkeeping requirements.**

1. An employer shall after being notified by the commissioner pursuant to subsection 2:

*a.* Notify its employees in writing at the time of hiring what wages and regular paydays are designated by the employer.

*b.* Notify, at least one pay period prior to the initiation of any changes, its employees of any changes in the arrangements specified in subsection 1 that reduce wages or alter the regular paydays. The notice shall either be in writing or posted at a place where employee notices are routinely posted.

*c.* Make available to its employees upon written request, a written statement enumerating employment agreements and policies with regard to vacation pay, sick leave, reimbursement for expenses, retirement benefits, severance pay, or other comparable matters with respect to wages. Notice of such availability shall be given to each employee in writing or by a notice posted at a place where employee notices are routinely posted.

*d.* Establish, maintain, and preserve for three calendar years the payroll records showing the hours worked, wages earned, and deductions made for each employee and any employment agreements entered into between an employer and employee.

2. The commissioner shall notify an employer to comply with subsection 1 if the employer has paid a claim for unpaid wages or nonreimbursed authorized expenses and liquidated damages under section 91A.10 or if the employer has been assessed a civil money penalty under section 91A.12. However, a court may, when rendering a judgment for wages or nonreimbursed authorized expenses and liquidated damages or upholding a civil money penalty assessment, order that an employer shall not be required to comply with the provisions of subsection 1 or that an employer shall be required to comply with the provisions of subsection 1 for a particular period of time.

3. Within ten working days of a request by an employee, an employer shall furnish to

the employee a written, itemized statement or access to a written, itemized statement as provided in subsection 4, listing the earnings and deductions made from the wages for each pay period in which the deductions were made together with an explanation of how the wages and deductions were computed.

4. On each regular payday, the employer shall send to each employee by mail or shall provide at the employee's normal place of employment during normal employment hours a statement showing the hours the employee worked, the wages earned by the employee, and deductions made for the employee. However, the employer need not provide information on hours worked for employees who are exempt from overtime under the federal Fair Labor Standards Act, as defined in 29 C.F.R. pt. 541, unless the employer has established a policy or practice of paying to or on behalf of exempt employees overtime, a bonus, or a payment based on hours worked, whereupon the employer shall send or otherwise provide a statement to the exempt employees showing the hours the employee worked or the payments made to the employee by the employer, as applicable. An employer who provides each employee access to view an electronic statement of the employee's earnings and provides the employee free and unrestricted access to a printer to print the employee's statement of earnings, if the employee chooses, is in compliance with this subsection.

[C77, 79, 81, §91A.6]

2005 Acts, ch 168, §20, 21, 23; 2006 Acts, ch 1083, §3

**91A.7 Wage disputes.**

If there is a dispute between an employer and employee concerning the amount of wages or expense reimbursement due, the employer shall, without condition and pursuant to section 91A.3, pay all wages conceded to be due and reimburse all expenses conceded to be due, less any lawful deductions specified in section 91A.5. Payment of wages or reimbursement of expenses under this section shall not relieve the employer of any liability for the balance of wages or expenses claimed by the employee.

[C77, 79, 81, §91A.7]

**91A.8 Damages recoverable by an employee.**

When it has been shown that an employer has intentionally failed to pay an employee wages or reimburse expenses pursuant to section 91A.3, whether as the result of a wage dispute or otherwise, the employer shall be liable to the employee for any wages or expenses that are so intentionally failed to be paid or reimbursed, plus liquidated damages, court costs and any attorney's fees incurred in recovering the unpaid wages and determined to have been usual and necessary. In other instances the employer shall be liable only for unpaid wages or expenses, court costs and usual and necessary attorney's fees incurred in recovering the unpaid wages or expenses.

[C77, 79, 81, §91A.8]

Referred to in §91A.3, 91A.10

**91A.9 General powers and duties of the commissioner.**

1. The commissioner shall administer and enforce the provisions of this chapter. The commissioner may hold hearings and investigate charges of violations of this chapter.

2. The commissioner may, consistent with due process of law, enter any place of employment to inspect records concerning wages and payrolls, to question the employer and employees, and to investigate such facts, conditions, or matters as are deemed appropriate in determining whether any person has violated the provisions of this chapter. However, such entry by the commissioner shall only be in response to a written complaint.

3. The commissioner may employ such qualified personnel as are necessary for the enforcement of this chapter. Such personnel shall be employed pursuant to chapter 8A, subchapter IV.

4. The commissioner shall, in consultation with the United States department of labor, develop a database of the employers in this state utilizing special certificates issued by the United States secretary of labor as authorized under 29 U.S.C. § 214, and shall maintain the database.

5. The commissioner shall promulgate, pursuant to chapter 17A, any rules necessary to carry out the provisions of this chapter.

[C77, 79, 81, §91A.9]

2003 Acts, ch 145, §163; 2009 Acts, ch 136, §2

**91A.10 Settlement of claims and suits for wages — prohibition against discharge of employee.**

1. Upon the written complaint of the employee involved, the commissioner may determine whether wages have not been paid and may constitute an enforceable claim. If for any reason the commissioner decides not to make such determination, the commissioner shall so notify the complaining employee within fourteen days of receipt of the complaint. The commissioner shall otherwise notify the employee of such determination within a reasonable time and if it is determined that there is an enforceable claim, the commissioner shall, with the consent of the complaining employee, take an assignment in trust for the wages and for any claim for liquidated damages without being bound by any of the technical rules respecting the validity of the assignment. However, the commissioner shall not accept any complaint for unpaid wages and liquidated damages after one year from the date the wages became due and payable.

2. The commissioner, with the assistance of the office of the attorney general if the commissioner requests such assistance, shall, unless a settlement is reached under this subsection, commence a civil action in any court of competent jurisdiction to recover for the benefit of any employee any wage, expenses, and liquidated damages' claims that have been assigned to the commissioner for recovery. The commissioner may also request reasonable and necessary attorney fees. With the consent of the assigning employee, the commissioner may also settle a claim on behalf of the assigning employee. Proceedings under this subsection and subsection 1 that precede commencement of a civil action shall be conducted informally without any party having a right to be heard before the commissioner. The commissioner may join various assignments in one claim for the purpose of settling or litigating their claims.

3. The provisions of subsections 1 and 2 shall not be construed to prevent an employee from settling or bringing an action for damages under section 91A.8 if the employee has not assigned the claim under subsection 1.

4. Any recovery of attorney fees, in the case of actions brought under this section by the commissioner, shall be remitted by the commissioner to the treasurer of state for deposit in the general fund of the state. Also, the commissioner shall not be required to pay any filing fee or other court costs.

5. An employer shall not discharge or in any other manner discriminate against any employee because the employee has filed a complaint, assigned a claim, or brought an action under this section or has cooperated in bringing any action against an employer. Any employee may file a complaint with the commissioner alleging discharge or discrimination within thirty days after such violation occurs. Upon receipt of the complaint, the commissioner shall cause an investigation to be made to the extent deemed appropriate. If the commissioner determines from the investigation that the provisions of this subsection have been violated, the commissioner shall bring an action in the appropriate district court against such person. The district court shall have jurisdiction, for cause shown, to restrain violations of this subsection and order all appropriate relief including rehiring or reinstatement of the employee to the former position with back pay.

[C77, 79, 81, §91A.10]

84 Acts, ch 1270, §3; 90 Acts, ch 1136, §9

Referred to in §91A.3, 91A.6

**91A.11 Wage claims brought under reciprocity.**

1. The commissioner may enter into reciprocal agreements with the labor department or corresponding agency of any other state or its representatives for the collection in such other states of claims or judgments for wages and other demands based upon claims assigned to the commissioner.

2. The commissioner may, to the extent provided for by any reciprocal agreement entered into by law or with an agency of another state as provided in this section, maintain actions in the courts of such other state to the extent permitted by the laws of that state for the collection of claims for wages, judgments and other demands and may assign such claims, judgments and demands to the labor department or agency of such other state for collection to the extent that such an assignment may be permitted or provided for by the laws of such state or by reciprocal agreement.

3. The commissioner may, upon the written consent of the labor department or other corresponding agency of any other state or its representatives, maintain actions in the courts of this state upon assigned claims for wages, judgments and demands arising in such other state in the same manner and to the same extent that such actions by the commissioner are authorized when arising in this state. However, such actions may be maintained only in cases in which such other state by law or reciprocal agreement extends a like comity to cases arising in this state.

[C77, 79, 81, §91A.11]

**91A.12 Civil penalties.**

1. Any employer who violates the provisions of this chapter or the rules promulgated under it shall be subject to a civil money penalty of not more than five hundred dollars per pay period for each violation. The commissioner may recover such civil money penalty according to the provisions of subsections 2 to 5. Any civil money penalty recovered shall be deposited in the general fund of the state.

2. The commissioner may propose that an employer be assessed a civil money penalty by serving the employer with notice of such proposal in the same manner as an original notice is served under the rules of civil procedure. Upon service of such notice, the proposed assessment shall be treated as a contested case under chapter 17A. However, an employer must request a hearing within thirty days of being served.

3. If an employer does not request a hearing pursuant to subsection 2 or if the commissioner determines, after an appropriate hearing, that an employer is in violation of this chapter, the commissioner shall assess a civil money penalty which is consistent with the provisions of subsection 1 and which is rendered with due consideration for the penalty amount in terms of the size of the employer's business, the gravity of the violation, the good faith of the employer, and the history of previous violations.

4. An employer may seek judicial review of any assessment rendered under subsection 3 by instituting proceedings for judicial review pursuant to chapter 17A. However, such proceedings must be instituted in the district court of the county in which the violation or one of the violations occurred and within thirty days of the day on which the employer was notified that an assessment has been rendered. Also, an employer may be required, at the discretion of the district court and upon instituting such proceedings, to deposit the amount assessed with the clerk of the district court. Any moneys so deposited shall either be returned to the employer or be forwarded to the commissioner for deposit in the general fund of the state, depending on the outcome of the judicial review, including any appeal to the supreme court.

5. After the time for seeking judicial review has expired or after all judicial review has been exhausted and the commissioner's assessment has been upheld, the commissioner shall request the attorney general to recover the assessed penalties in a civil action.

[C77, 79, 81, §91A.12]

2009 Acts, ch 49, §1

Referred to in §91A.6

**91A.13 Travel time to worksite — when compensable.**

Unless a collective bargaining agreement provides otherwise, an employee is not entitled to compensation for the time that an employee spends traveling to and from the worksite on transportation provided by the employer, when during that time, the employee performs no work, the transportation is provided by the employer as a convenience for the employee, and the employee is not required by the employer to use that means of transportation to the

worksite. An employee is entitled to compensation for the time that an employee spends traveling between worksites if the travel is done during working hours.

2001 Acts, ch 121, §1

**91A.14 Former employees.**

The rights and obligations outlined in this chapter continue until they are fulfilled, even though the employer-employee relationship has been severed.

2000 Acts, ch 1097, §3

# CHAPTER 91B

## PERSONNEL INFORMATION

Referred to in §99G.4, 173.1

91B.1 Files — access by employees.
91B.2 Information provided by employers about current or former employees — immunity.

**91B.1 Files — access by employees.**

1. An employee, as defined in section 91A.2, shall have access to and shall be permitted to obtain a copy of the employee's personnel file maintained by the employee's employer, as defined in section 91A.2, including but not limited to performance evaluations, disciplinary records, and other information concerning employer-employee relations.

2. However, an employee's access to a personnel file is subject to all of the following:

*a.* The employer and employee shall agree on the time the employee may have access to the employee's personnel file, and a representative of the employer may be present.

*b.* An employee shall not have access to employment references written for the employee.

*c.* An employer may charge a reasonable fee for each page of a copy made by the employer for an employee of an item in the employee's personnel file. For purposes of this paragraph, *"reasonable fee"* means an amount equivalent to an amount charged per page for copies made by a commercial copying business.

90 Acts, ch 1033, §1; 98 Acts, ch 1022, §1; 2008 Acts, ch 1032, §201

**91B.2 Information provided by employers about current or former employees — immunity.**

1. An employer or an employer's representative who, upon request by or authorization of a current or former employee or upon request made by a person who in good faith is believed to be a representative of a prospective employer of a current or former employee, provides work-related information about a current or former employee, is immune from civil liability unless the employer or the employer's representative acted unreasonably in providing the work-related information.

2. For purposes of this section, an employer acts unreasonably if any of the following are present:

*a.* The work-related information violates a civil right of the current or former employee.

*b.* The work-related information knowingly is provided to a person who has no legitimate and common interest in receiving the work-related information.

*c.* The work-related information is not relevant to the inquiry being made, is provided with malice, or is provided with no good faith belief that it is true.

3. For purposes of this section, *"employer"* and *"employee"* are defined as provided in section 91A.2.

97 Acts, ch 179, §1

# CHAPTER 91C

## CONSTRUCTION CONTRACTORS

Referred to in §10A.601, 84A.5, 91.4, 96.11, 103.1, 103.9, 103A.20, 105.18, 572.34


91C.1 Definition — exemption — combined registration and licensing process for plumbers and mechanical professionals.
91C.2 Registration required — conditions.
91C.3 Application — information to be provided.
91C.4 Fees.
91C.5 Public registration number — records.
91C.6 Rules.
91C.7 Contracts — contractor's bond.
91C.8 Investigations — enforcement — administrative penalties.
91C.9 Registration fund.


**91C.1 Definition — exemption — combined registration and licensing process for plumbers and mechanical professionals.**

1. As used in this chapter, unless the context otherwise requires, *"contractor"* means a person who engages in the business of construction, as the term *"construction"* is defined in the Iowa administrative code for purposes of the Iowa employment security law. However, a person who earns less than two thousand dollars annually or who performs work or has work performed on the person's own property is not a contractor for purposes of this chapter. The state, its boards, commissions, agencies, departments, and its political subdivisions including school districts and other special purpose districts, are not contractors for purposes of this chapter.

2. If a contractor's registration application shows that the contractor is self-employed, does not pay more than two thousand dollars annually to employ other persons in the business, and does not work with or for other contractors in the same phases of construction, the contractor is exempt from the fee requirements under this chapter.

3. The labor services division of the department of workforce development and the Iowa department of public health will work with stakeholders to develop a plan to combine the contractor registration and contractor licensing application process for contractors licensed under chapter 105, to be implemented in time for licensing renewals due July 1, 2017. The department of public health shall transfer to the labor services division a portion of each contractor license fee equal to three times the current contractor registration fee. Effective July 1, 2017, a contractor licensed under chapter 105 shall register as a contractor under this chapter in conjunction with the contractor licensing process. At no cost to the labor services division, the department of public health shall collect both the registration and licensing applications as part of one combined application. The labor commissioner shall design the contractor registration application form to exclude from the division of labor's contractor registration application process those contractors who are also covered by chapter 105. The labor commissioner is authorized to adopt rules as needed to accomplish a merger of the application systems including transitional registration periods and fees.

88 Acts, ch 1162, §2; 91 Acts, ch 136, §4; 97 Acts, ch 26, § 1; 2006 Acts, ch 1176, §21; 2013 Acts, ch 77, §1, 36
NEW subsection 3

**91C.2 Registration required — conditions.**

A contractor doing business in this state shall register with the labor commissioner and shall meet all of the following requirements as a condition of registration:

1. The contractor shall be in compliance with the laws of this state relating to workers' compensation insurance and shall provide evidence of workers' compensation insurance coverage annually, of relief from the insurance requirement pursuant to section 87.11, or a statement that the contractor is not required to carry workers' compensation coverage. Notice of a policy's cancellation shall be provided to the labor commissioner by the insurance company.

2. The contractor shall possess an employer account number or a special contractor

number issued by the department of workforce development pursuant to the Iowa employment security law.

3. An out-of-state contractor shall either file a surety bond, as provided in section 91C.7, with the division of labor services in the amount of twenty-five thousand dollars for a one-year period or shall provide a statement to the division of labor services that the contractor is prequalified to bid on projects for the department of transportation pursuant to section 314.1.

88 Acts, ch 1162, §3; 90 Acts, ch 1136, §10; 96 Acts, ch 1186, §23; 2010 Acts, ch 1188, §26, 27

Referred to in §91C.3, 91C.7

**91C.3 Application — information to be provided.**

1. The registration application shall be in the form prescribed by the labor commissioner, shall be accompanied by the registration fee prescribed pursuant to section 91C.4, and shall contain information which is substantially complete and accurate. In addition to the information determined by the labor commissioner to be necessary for purposes of section 91C.2, the application shall include information as to each of the following:

*a.* The name, principal place of business, address, and telephone number of the contractor.

*b.* The name, address, telephone number, and position of each officer of the contractor, if the contractor is a corporation, or each owner if the contractor is not a corporation.

*c.* A description of the business, including the principal products and services provided.

2. Any change in the information provided shall be reported promptly to the labor commissioner.

88 Acts, ch 1162, §4; 90 Acts, ch 1136, §11; 2008 Acts, ch 1032, §201

**91C.4 Fees.**

The labor commissioner shall prescribe the fee for registration, which fee shall not exceed fifty dollars every year.

88 Acts, ch 1162, §5; 90 Acts, ch 1136, §12; 2009 Acts, ch 179, §203

Referred to in §91C.3

**91C.5 Public registration number — records.**

The labor commissioner shall issue to each registered contractor an identifying public registration number and shall compile records showing the names and public registration numbers of all contractors registered in the state. These records and the complete registration information provided by each contractor are public records and the labor commissioner shall take steps as necessary to facilitate access to the information by governmental agencies and the general public.

The labor commissioner shall revoke a registration number when the contractor fails to maintain compliance with the conditions necessary to obtain a registration. The labor commissioner shall provide a fact-finding interview to assure that the contractor is not in compliance before revoking any registration. Hearings on revocation of registrations shall be held in accordance with section 91C.8.

88 Acts, ch 1162, §6; 90 Acts, ch 1136, §13

**91C.6 Rules.**

The labor commissioner shall adopt rules, pursuant to chapter 17A, determined to be reasonably necessary for phasing in, administering, and enforcing the system of contractor registration established by this chapter.

88 Acts, ch 1162, §7; 90 Acts, ch 1136, §14

**91C.7 Contracts — contractor's bond.**

1. A contractor who is not registered with the labor commissioner as required by this chapter shall not be awarded a contract to perform work for the state or an agency of the state.

2. A surety bond filed pursuant to section 91C.2 shall be executed by a surety company authorized to do business in this state, and the bond shall be continuous in nature until canceled by the surety with not less than thirty days' written notice to the contractor and

to the division of labor services of the department of workforce development indicating the surety's desire to cancel the bond. The surety company shall not be liable under the bond for any contract commenced after the cancellation of the bond. The division of labor services of the department of workforce development may increase the bond amount after a hearing.

3. Release of the bond shall be conditioned upon the payment of all taxes, including contributions due under the unemployment compensation insurance system, penalties, interest, and related fees, which may accrue to the state of Iowa. If at any time during the term of the bond, the department of revenue or the department of workforce development determines that the amount of the bond is not sufficient to cover the tax liabilities accruing to the state of Iowa, the labor commissioner shall require the bond to be increased by an amount the labor commissioner deems sufficient to cover the tax liabilities accrued and accruing.

4. The department of revenue and the department of workforce development shall adopt rules for the collection of the forfeiture. Notice shall be provided to the surety and to the contractor. Notice to the contractor shall be mailed to the contractor's last known address and to the contractor's registered agent for service of process, if any, within the state. The contractor or surety shall have the opportunity to apply to the director of revenue for a hearing within thirty days after the giving of such notice. Upon the failure to timely request a hearing, the bond shall be forfeited. If, after the hearing upon timely request, the department of revenue or the department of workforce development finds that the contractor has failed to pay the total of all taxes payable, the department of revenue or the department of workforce development shall order the bond forfeited. The amount of the forfeiture shall be the amount of taxes payable or the amount of the bond, whichever is less. For purposes of this section *"taxes payable"* means all tax, penalties, interest, and fees that the department of revenue has previously determined to be due to the state by assessment or in an appeal of an assessment, including contributions to the unemployment compensation insurance system.

5. If it is determined that this section may cause denial of federal funds which would otherwise be available, or is otherwise inconsistent with requirements of federal law, this section shall be suspended, but only to the extent necessary to prevent denial of the funds or to eliminate the inconsistency with federal requirements.

6. The bond required by this section may be attached by the commissioner for collection of fees and penalties due to the division.

88 Acts, ch 1162, §8; 89 Acts, ch 254, §1; 91 Acts, ch 136, §5; 96 Acts, ch 1186, §23; 97 Acts, ch 26, §2; 2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §201; 2009 Acts, ch 179, §204; 2010 Acts, ch 1188, §28

Referred to in §91C.2

**91C.8 Investigations — enforcement — administrative penalties.**

1. The labor commissioner and inspectors of the division of labor services of the department of workforce development have jurisdiction for investigation and enforcement in cases where contractors may be in violation of the requirements of this chapter or rules adopted pursuant to this chapter.

2. If, upon investigation, the labor commissioner or the commissioner's authorized representative believes that a contractor has violated any of the following, the commissioner shall with reasonable promptness issue a citation to the contractor:

*a.* The requirement that a contractor be registered.

*b.* The requirement that the contractor's registration information be substantially complete and accurate.

*c.* The requirement that an out-of-state contractor file a bond with the division of labor services.

3. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the statute alleged to have been violated.

4. If a citation is issued, the commissioner shall, within seven days, notify the contractor by service in the same manner as an original notice or by certified mail of the administrative penalty, if any, proposed to be assessed and that the contractor has fifteen working days

within which to notify the commissioner that the contractor wishes to contest the citation or proposed assessment of penalty.

5. The administrative penalties which may be imposed under this section shall be not more than five hundred dollars in the case of a first violation and not more than five thousand dollars for each violation in the case of a second or subsequent violation. All administrative penalties collected pursuant to this chapter shall be deposited in the general fund of the state.

6. If, within fifteen working days from the receipt of the notice, the contractor fails to notify the commissioner that the contractor intends to contest the citation or proposed assessment of penalty, the citation and the assessment, as proposed, shall be deemed a final order of the employment appeal board and not subject to review by any court or agency.

7. If the contractor notifies the commissioner that the contractor intends to contest the citation or proposed assessment of penalty, the commissioner shall immediately advise the employment appeal board established by section 10A.601. The employment appeal board shall review the action of the commissioner and shall thereafter issue an order, based on findings of fact, affirming, modifying, or vacating the commissioner's citation or proposed penalty or directing other appropriate relief, and the order shall become final sixty days after its issuance.

8. The labor commissioner shall notify the department of revenue upon final agency action regarding the citation and assessment of penalty against a registered contractor.

9. Judicial review of any order of the employment appeal board issued pursuant to this section may be sought in accordance with the terms of chapter 17A. If no petition for judicial review is filed within sixty days after service of the order of the employment appeal board, the appeal board's findings of fact and order shall be conclusive in connection with any petition for enforcement which is filed by the commissioner after the expiration of the sixty-day period. In any such case, the clerk of court, unless otherwise ordered by the court, shall forthwith enter a decree enforcing the order and shall transmit a copy of the decree to the employment appeal board and the contractor named in the petition.

88 Acts, ch 1162, §9; 89 Acts, ch 254, §2, 3; 96 Acts, ch 1186, §23; 99 Acts, ch 68, §19; 2000 Acts, ch 1154, §11; 2003 Acts, ch 145, §286

Referred to in §91C.5

**91C.9 Registration fund.**

1. A contractor registration revolving fund is created in the state treasury. The revolving fund shall be administered by the commissioner and shall consist of moneys collected by the commissioner as fees. The commissioner shall remit all fees collected pursuant to this chapter to the revolving fund. The moneys in the revolving fund are appropriated to and shall be used by the commissioner to pay the actual costs and expenses necessary to perform the duties of the commissioner and the division of labor as described in this chapter. All salaries and expenses properly chargeable to the revolving fund shall be paid from the revolving fund.

2. Section 8.33 does not apply to any moneys in the revolving fund. Notwithstanding section 12C.7, subsection 2, earnings or interest on moneys deposited in the fund shall be credited to the revolving fund.

2009 Acts, ch 179, §205

# CHAPTER 91D

## MINIMUM WAGE

Referred to in §84A.5, 91.4

91D.1 Minimum wage requirements — exceptions.

**91D.1 Minimum wage requirements — exceptions.**

1. *a.* The state hourly wage shall be at least $6.20 as of April 1, 2007, and $7.25 as of January 1, 2008.

*b.* Every employer, as defined in the federal Fair Labor Standards Act of 1938, as amended to January 1, 2007, shall pay to each of the employer's employees, as defined in the federal Fair Labor Standards Act of 1938, as amended to January 1, 2007, the state hourly wage stated in paragraph "*a*", or the current federal minimum wage, pursuant to 29 U.S.C. § 206, as amended, whichever is greater.

*c.* For purposes of determining whether an employee of a restaurant, hotel, motel, inn, or cabin, who customarily and regularly receives more than thirty dollars a month in tips is receiving the minimum hourly wage rate prescribed by this section, the amount paid the employee by the employer shall be deemed to be increased on account of the tips by an amount determined by the employer, not to exceed forty percent of the applicable minimum wage. An employee may file a written appeal with the labor commissioner if the amount of tips received by the employee is less than the amount determined by the employer under this subsection.

*d.* An employer is not required to pay an employee the applicable state hourly wage provided in paragraph "*a*" until the employee has completed ninety calendar days of employment with the employer. An employee who has completed ninety calendar days of employment with the employer prior to April 1, 2007, or January 1, 2008, shall earn the applicable state hourly minimum wage as of that date. An employer shall pay an employee who has not completed ninety calendar days of employment with the employer an hourly wage of at least $5.30 as of April 1, 2007, and $6.35 as of January 1, 2008.

2. *a.* The exemptions from the minimum wage requirements stated in 29 U.S.C. § 213, as amended to January 1, 2007, shall apply, except as otherwise provided in this subsection.

*b.* Except as provided in paragraph "*c*", the minimum wage requirements set forth in this section shall not apply to an enterprise whose annual gross volume of sales made or business done, exclusive of excise taxes at the retail level which are separately stated, is less than three hundred thousand dollars.

*c.* The minimum wage requirements set forth in this section shall apply to the following without regard to gross volume of sales or business done:

(1) An enterprise engaged in the business of laundering, cleaning, or repairing clothing or fabrics.

(2) An enterprise engaged in construction or reconstruction.

(3) An enterprise engaged in the operation of a hospital; an institution primarily engaged in the care of the sick, the aged, or the mentally ill or persons who have symptoms of mental illness who reside on the premises of such institution; a school for persons with mental or physical disabilities or for gifted children; a preschool, elementary or secondary school; or an institution of higher education. This subparagraph applies regardless of whether any such described hospital, institution, or school is public or private or operated for profit or not for profit.

(4) A public agency.

3. The labor commissioner shall adopt rules to implement and administer this section.

4. This section shall be enforced pursuant to chapter 91A.

89 Acts, ch 14, §1; 2007 Acts, ch 1, §1 – 3; 2008 Acts, ch 1017, §1

Referred to in §49.20, 91A.3

# CHAPTER 91E

## NON-ENGLISH SPEAKING EMPLOYEES

Referred to in §84A.5, 91.4


91E.1 Definitions.
91E.2 Non-English speaking employees — employer obligations.
91E.3 Employer recruiting practices.
91E.4 Penalties for violation of recruitment practice requirements.
91E.5 Duties and authority of the commissioner.
91E.6 Collective bargaining agreements.


**91E.1 Definitions.**

As used in this chapter:

1. *"Commissioner"* means the labor commissioner, appointed pursuant to section 91.2.

2. *"Employee"* means a natural person who is employed in this state for wages paid on an hourly basis by an employer. An employee does not include a person engaged in agriculture as defined in section 91A.2 or a person engaged in agriculture on a seasonal basis. However, this exemption shall not apply to farm owners who hire workers to work on cropland other than their own.

3. *"Employer"* means a person, as defined in chapter 4, who in this state employs for wages, paid on an hourly basis, one hundred or more natural persons. An employer does not include a client, patient, customer, or other person who obtains professional services from a licensed person who provides the services on a fee service basis or as an independent contractor, or the state, or an agency or governmental subdivision of the state.

4. *"Non-English speaking employee"* means an employee who does not speak, read, write, or understand English to the degree necessary for comprehension of the terms, conditions, and daily responsibilities of employment.

5. *"Farm owner"* does not include a person who uses cropland for research or experimental purposes, testing, developing, or producing seeds or plants for sale or resale.

90 Acts, ch 1134, §2; 96 Acts, ch 1186, §23; 2007 Acts, ch 22, §25

Referred to in §91A.5

**91E.2 Non-English speaking employees — employer obligations.**

If more than ten percent of an employer's employees are non-English speaking and speak the same non-English language, the employer shall provide all of the following:

1. *a.* An interpreter available at the work site for each shift during which non-English speaking employees are employed.

*b.* If a Spanish-speaking interpreter is needed, the employer shall select an interpreter from a list of interpreters developed by the department of workforce development, drawn from the commission of Latino affairs' statewide list of interpreters qualified to serve Iowa courts and administrative agencies.

2. A person employed by the employer whose primary responsibility is to serve as a referral agent to community services.

90 Acts, ch 1134, §3; 96 Acts, ch 1186, §23; 2008 Acts, ch 1032, §201

**91E.3 Employer recruiting practices.**

1. An employer or a representative of an employer who actively recruits non-English speaking residents of other states more than five hundred miles from the place of employment, for employment as employees for wages paid on an hourly basis in this state, must have on file, a copy of which must be provided to the employee, a written statement signed by the employer and the employee which provides relevant information regarding the position of employment, including but not limited to the following information:

*a.* The minimum number of hours the employee can expect to work on a weekly basis.

*b.* The hourly wages of the position of employment including the starting hourly wage.

*c.* A description of the responsibilities and tasks of the position of employment.

*d.* The health risks, known to the employer, to the employee involved in the position of employment.

*e.* That possession of forged documentation authorizing the person to stay or be employed in the United States is a class "D" felony.

2. If an employee who resigns from employment with an employer within four weeks of the employee's initial date of employment requests, within three business days of termination, transportation to return to the location from which the employee was recruited and the location from which the employee was recruited is five hundred or more miles from the place of employment, the employer shall provide the employee with transportation at no cost to the employee.

90 Acts, ch 1134, §4; 96 Acts, ch 1181, §1
Referred to in §91E.4

**91E.4 Penalties for violation of recruitment practice requirements.**

1. An employer who violates section 91E.3 is subject to a civil penalty of up to one thousand dollars.

2. A corporate officer of an employer who, through repeated violation of section 91E.3, demonstrates a pattern of abusive recruitment practices commits a serious misdemeanor.

3. An employer who, through repeated violation of section 91E.3, demonstrates a pattern of abusive recruitment practices may be ordered to pay punitive damages.

90 Acts, ch 1134, §5

**91E.5 Duties and authority of the commissioner.**

1. The commissioner shall adopt rules to implement and enforce this chapter and shall provide further exemptions from the provisions of this chapter where reasonable.

2. In order to carry out the purposes of this chapter, the commissioner or the commissioner's representative, upon presenting appropriate credentials to the owner, operator, or agent in charge, may:

*a.* Inspect employment records relating to the total number of employees and non-English speaking employees, and the services provided to non-English speaking employees.

*b.* Interview an employer, owner, operator, agent, or employee, during working hours or at other reasonable times.

90 Acts, ch 1134, §6

**91E.6 Collective bargaining agreements.**

Compliance with the minimum standards required in this chapter shall not be subject to or considered in collective bargaining.

90 Acts, ch 1134, §7

# CHAPTER 92

## CHILD LABOR

Referred to in §84A.5, 91.4


92.1 Street occupations — migratory labor.
92.2 Over ten and under sixteen years of age.
92.3 Under fourteen — permitted occupations.
92.4 Under sixteen — permitted occupations.
92.5 Fourteen and fifteen — permitted occupations.
92.6 Fourteen and fifteen — occupations not permitted.
92.7 Under sixteen — hours permitted.
92.8 Under eighteen — prohibited occupations.
92.9 Instruction and training permitted.
92.10 Permit on file.
92.11 Issuance of work permits.
92.12 Migrant labor permits.
92.13 Optional refusal of permit.
92.14 Contents of work permit.
92.15 Duplicate to labor commissioner.
92.16 Forms for permits furnished.
92.17 Exceptions.
92.18 Migratory labor — defined.
92.19 Violations by parent or guardian.
92.20 Penalty.
92.21 Rules and orders of labor commissioner.
92.22 Labor commissioner to enforce — judicial review.
92.23 Group insurance.


**92.1 Street occupations — migratory labor.**

1. No person under ten years of age shall be employed or permitted to work with or without compensation at any time within this state in street occupations of peddling, shoe polishing, the distribution or sale of newspapers, magazines, periodicals or circulars, nor in any other occupations in any street or public place. The labor commissioner shall, when ordered by a judge of the juvenile court, issue a work permit as provided in this chapter to a person under ten years of age.

2. No person under twelve years of age shall be employed or permitted to work with or without compensation at any time within this state in connection with migratory labor, except that the labor commissioner may upon sufficient showing by a judge of the juvenile court, issue a work permit as provided in this chapter to a person under twelve years of age.

[SS15, §2477-a1; C24, 27, 31, 35, 39, §**1537;** C46, 50, 54, 58, 62, 66, §92.12; C71, 73, 75, 77, 79, 81, §92.1]

2001 Acts, ch 24, §27

Referred to in §92.2, 92.3

**92.2 Over ten and under sixteen years of age.**

1. A person over ten and under sixteen years of age cannot be employed, with or without compensation, in street occupations or migratory labor as defined in section 92.1, unless the person holds a work permit issued pursuant to this chapter and the school the person attends has certified that the person is regularly attending school and the potential employment will not interfere with the person's progress in school. A written agreement, as defined in section 92.11, subsection 1, shall not be required for the issuance of a work permit under this section.

*a.* Notwithstanding section 92.7, a person with a permit to engage in migratory labor shall only work between 5:00 a.m. and 7:30 p.m. from Labor Day through June 1, and between 5:00 a.m. and 9:00 p.m. for the remainder of the year.

*b.* Notwithstanding section 92.7, a person with a permit to engage in street occupations shall only work between 4:00 a.m. and 7:30 p.m. when local public schools are in session and between 4:00 a.m. and 8:30 p.m. for the remainder of the year.

2. The requirements of section 92.10 shall not apply to a person, firm, or corporation employing a person engaged in street occupations pursuant to this section.

[SS15, §2477-a1, -c, -d; C24, 27, 31, 35, 39, §**1527, 1530, 1537, 1538;** C46, 50, 54, 58, 62, 66, §92.2, 92.5, 92.12, 92.13; C71, 73, 75, 77, 79, 81, §92.2]

91 Acts, ch 136, §6; 2008 Acts, ch 1032, §201

Referred to in §92.7, 92.10

**92.3 Under fourteen — permitted occupations.**

No person under fourteen years of age shall be employed or permitted to work with or without compensation in any occupation, except in the street trade occupations or migratory labor occupations specified in section 92.1. Any migratory laborer twelve to fourteen years of age may not work prior to or during the regular school hours of any day of any private or public school which teaches general education subjects and which is available to such child.

[SS15, §2477-a; C24, 27, 31, 35, 39, §**1526;** C46, 50, 54, 58, 62, 66, §92.1; C71, 73, 75, 77, 79, 81, §92.3]

Referred to in §92.7

**92.4 Under sixteen — permitted occupations.**

No person under sixteen years of age shall be employed or permitted to work with or without compensation in any occupation during regular school hours, except:

1. Those persons legally out of school, and such status is verified by the submission of written proof to the labor commissioner.
2. Those persons working in a supervised school-work program.
3. Those persons between the ages of fourteen and sixteen enrolled in school on a part-time basis and who are required to work as a part of their school training.
4. Fourteen- and fifteen-year-old migrant laborers during any hours when summer school is in session.

[C71, 73, 75, 77, 79, 81, §92.4]

**92.5 Fourteen and fifteen — permitted occupations.**

Persons fourteen and fifteen years of age may be employed or permitted to work in the following occupations:

1. Retail, food service, and gasoline service establishments.
2. Office and clerical work, including operation of office machines.
3. Cashiering, selling, modeling, art work, work in advertising departments, window trimming and comparative shopping.
4. Price marking and tagging by hand or by machine, assembling orders, packing and shelving.
5. Bagging and carrying out customers' orders.
6. Errand and delivery work by foot, bicycle, and public transportation.
7. Clean-up work, including the use of vacuum cleaners and floor waxers, and maintenance of grounds.
8. Kitchen work and other work involved in preparing and serving food and beverages, including the operation of machines and devices used in the performance of such work, including but not limited to, dishwashers, toasters, dumb-waiters, popcorn poppers, milk shake blenders, and coffee grinders.
9. Work in connection with motor vehicles and trucks if confined to the following:

*a.* Dispensing gasoline and oil.

*b.* Courtesy service.

*c.* Car cleaning, washing and polishing. Nothing in this subsection shall be construed to include work involving the use of pits, racks or lifting apparatus or involving the inflation of any tire mounted on a rim equipped with a removable retaining ring.

10. Cleaning vegetables and fruits, and wrapping, sealing, labeling, weighing, pricing and stocking goods when performed in areas physically separate from areas where meat is prepared, for sale and outside freezers or meat coolers.
11. Other work approved by the rules adopted pursuant to chapter 17A by the labor commissioner.

[SS15, §2477-a; C24, 27, 31, 35, 39, §**1529;** C46, 50, 54, 58, 62, 66, §92.4; C71, 73, 75, 77, 79, 81, §92.5]

86 Acts, ch 1245, §922

Referred to in §92.6

**92.6 Fourteen and fifteen — occupations not permitted.**

1. Persons fourteen and fifteen years of age may not be employed in:

*a.* Any manufacturing occupation.

*b.* Any mining occupation.

*c.* Processing occupations, except in a retail, food service, or gasoline service establishment in those specific occupations expressly permitted under the provisions of section 92.5.

*d.* Occupations requiring the performance of any duties in workrooms or work places where goods are manufactured, mined, or otherwise processed, except to the extent expressly permitted in retail, food service, or gasoline service establishments under the provisions of section 92.5.

*e.* Public messenger service.

*f.* Operation or tending of hoisting apparatus or of any power-driven machinery, other than office machines and machines in retail, food service, and gasoline service establishments which are specified in section 92.5 as machines which such minors may operate in such establishments.

*g.* Occupations prohibited by rules adopted pursuant to chapter 17A by the labor commissioner.

*h.* Occupations in connection with the following, except office or sales work in connection with these occupations, not performed on transportation media or at the actual construction site:

(1) Transportation of persons or property by rail, highway, air, on water, pipeline, or other means.

(2) Warehousing and storage.

(3) Communications and public utilities.

(4) Construction, including repair.

*i.* Any of the following occupations in a retail, food service, or gasoline service establishment:

(1) Work performed in or about boiler or engine rooms.

(2) Work in connection with maintenance or repair of the establishment, machines, or equipment.

(3) Outside window washing that involves working from window sills, and all work requiring the use of ladders, scaffolds, or their substitutes.

(4) Cooking except at soda fountains, lunch counters, snack bars, or cafeteria serving counters, and baking.

(5) Occupations which involve operating, setting up, adjusting, cleaning, oiling, or repairing power-driven food slicers and grinders, food choppers and cutters, and bakery-type mixers.

(6) Work in freezers and meat coolers and all work in preparation of meats for sale, except wrapping, sealing, labeling, weighing, pricing, and stocking when performed in other areas.

(7) Loading and unloading goods to and from trucks, railroad cars, or conveyors.

(8) All occupations in warehouses except office and clerical work.

2. Nothing in this section shall be construed as prohibiting office, errand, or packaging work when done away from moving machinery.

[SS15, §2477-a, -b, -c; C24, 27, 31, 35, 39, §**1526, 1529, 1536, 1539;** C46, 50, 54, 58, 62, 66, §92.1, 92.4, 92.11, 92.14; C71, 73, 75, 77, 79, 81, §92.6]

86 Acts, ch 1245, §923; 2008 Acts, ch 1032, §201

**92.7 Under sixteen — hours permitted.**

A person under sixteen years of age shall not be employed with or without compensation, except as provided in sections 92.2 and 92.3, before the hour of 7:00 a.m. or after 7:00 p.m., except during the period from June 1 through Labor Day when the hours may be extended to 9:00 p.m. If such person is employed for a period of five hours or more each day, an intermission of not less than thirty minutes shall be given. Such a person shall not be employed for more than eight hours in one day, exclusive of intermission, and shall not be employed for more than forty hours in one week. The hours of work of persons under

sixteen years of age employed outside school hours shall not exceed four in one day or twenty-eight in one week while school is in session.

[SS15, §2477 -a1, -c; C24, 27, 31, 35, 39, §**1527, 1528, 1538;** C46, 50, 54, 58, 62, 66, §92.2, 92.3, 92.13; C71, 73, 75, 77, 79, 81, §92.7]

91 Acts, ch 136, §7

Referred to in §92.2

**92.8 Under eighteen — prohibited occupations.**

No person under eighteen years of age shall be employed or permitted to work with or without compensation at any of the following occupations or business establishments:

1. Occupations in or about plants or establishments manufacturing or storing explosives or articles containing explosive components.
2. Occupations of motor vehicle driver and helper.
3. Logging occupations and occupations in the operation of any sawmill, lath mill, shingle mill, or cooperage-stock mill.
4. Occupations involved in the operation of power-driven woodworking machines.
5. Occupations involving exposure to radioactive substances and to ionizing radiations.
6. Occupations involved in the operation of elevators and other power-driven hoisting apparatus.
7. Occupations involved in the operation of power-driven metal forming, punching, and shearing machines.
8. Occupations in connection with mining.
9. Occupations in or about slaughtering and meat packing establishments and rendering plants.
10. Occupations involved in the operation of certain power-driven bakery machines.
11. Occupations involved in the operation of certain power-driven paper products machines.
12. Occupations involved in the manufacture of brick, tile and related products.
13. Occupations involved in the operation of circular saws, band saws and guillotine shears.
14. Occupations involved in wrecking, demolition and shipbreaking operations.
15. Occupations involved in roofing operations.
16. Excavation occupations.
17. In or about foundries; provided that office, shipping, and assembly area employment shall not be prohibited by this chapter.
18. Occupations involving the operation of laundry, dry cleaning, or dyeing machinery.
19. Occupations involving exposure to lead fumes or its compounds, or to dangerous or poisonous dyes or chemicals.
20. Occupations involving the transmission, distribution, or delivery of goods or messages between the hours of 10:00 p.m. and 5:00 a.m.
21. Occupations prohibited by rules adopted pursuant to chapter 17A by the labor commissioner.

[SS15, §2744-a, -b, -c; C24, 27, 31, 35, 39, §**1526, 1529, 1536, 1539;** C46, 50, 54, 58, 62, 66, §92.1, 92.4, 92.11, 92.14; C71, 73, 75, 77, 79, 81, §92.8]

86 Acts, ch 1245, §924

Referred to in §92.9

**92.9 Instruction and training permitted.**

The provisions of sections 92.8 and 92.10 shall not apply to pupils working under an instructor in an industrial arts department in the public schools of the state or under an instructor in a school shop, or industrial plant, or in a course of vocational education approved by the board for vocational education, or to apprentices provided they are employed under all of the following conditions:

1. The apprentice is employed in a craft recognized as an apprenticeable trade.
2. The work of the apprentice in the occupations declared particularly hazardous is incidental to the apprentice's training.

3. The work is intermittent and for short periods of time and is under the direct and close supervision of a journeyperson as a necessary part of apprentice training.

4. The apprentice is registered by the office of apprenticeship of the United States department of labor as employed in accordance with the standards established by that department.

[C71, 73, 75, 77, 79, 81, §92.9]

97 Acts, ch 26, §3, 4; 2010 Acts, ch 1061, §11

**92.10 Permit on file.**

Except as provided in section 92.2, a person under sixteen years of age shall not be employed or permitted to work with or without compensation unless the person, firm, or corporation employing such person receives and keeps on file accessible to any officer charged with the enforcement of this chapter, a work permit issued as provided in this chapter, and keeps a complete list of the names and ages of all such persons under sixteen years of age employed.

Certificates of age shall be issued for persons sixteen and seventeen years of age and for all other persons eighteen and over upon request of the person's prospective employer.

[SS15, §2477-d; C24, 27, 31, 35, 39, §**1530;** C46, 50, 54, 58, 62, 66, §92.5; C71, 73, 75, 77, 79, 81, §92.10]

91 Acts, ch 136, §8

Referred to in §92.2, 92.9

**92.11 Issuance of work permits.**

A work permit, except for migrant laborers, shall be issued only by the superintendent of schools or department of workforce development, or by a person authorized by said superintendent in writing, or, where there is no superintendent of schools, by a person authorized in writing by the local school board where such child resides, upon the application of the parent, guardian, or custodian of the child desiring such permit. The person authorized to issue work permits shall not issue any such permit unless the person has received, examined, approved, and filed:

1. A written agreement from the person, firm, or corporation into whose service the child under sixteen years of age is about to enter, promising to give such child employment, describing the industry and the work to be performed.

2. Evidence of age showing that the child is fourteen years old, or more, which shall consist of one of the following proofs required in the order herein designated:

*a.* A certified copy of the birth certificate filed according to law with a registrar of vital statistics or other officer charged with the duty of recording births.

*b.* A passport or a certified copy of a certificate of baptism showing the date and place of birth and the place of baptism of such child.

*c.* For cases where the proofs designated in paragraphs "*a*" and "*b*" are not obtainable, documentation issued by the federal government that is deemed by the commissioner to be sufficient evidence of age, or an affidavit signed by a licensed physician certifying that in the physician's opinion the applicant for the work permit is fourteen years of age or more.

[SS15, §2477-d; C24, 27, 31, 35, 39, §**1531;** C46, 50, 54, 58, 62, 66, §92.6; C71, 73, 75, 77, 79, 81, §92.11]

86 Acts, ch 1016, §2; 96 Acts, ch 1186, §23; 2009 Acts, ch 49, §2

Referred to in §92.2, 92.12

**92.12 Migrant labor permits.**

1. Every person, firm, or corporation employing migrant laborers shall obtain and keep on file, accessible to any officer charged with the enforcement of this chapter, a work permit, prior to the employment of such migratory laborer.

2. Work permits for migrant workers shall be issued by the superintendent of schools, or the superintendent's designee, nearest the temporary living quarters of the family or by the department of workforce development, upon application of the parent or head of the migrant family. The person authorized to issue such permits for migratory workers shall not issue

such permit until the person has received, examined, and approved documentation of proof of age as described in section 92.11.

3. One copy of the permit issued shall be given to the employer to be kept on file for the length of employment and upon termination of employment shall be returned to the labor commissioner. One copy of the permit shall be kept by the issuing officer, and one copy forwarded to the commissioner. The blank forms for the work permit for migratory workers shall be formulated by the commissioner and furnished by the commissioner to the issuing officer.

[SS15, §2477-d; C24, 27, 31, 35, 39, §**1530, 1531;** C46, 50, 54, 58, 62, 66, §92.5, 92.6; C71, 73, 75, 77, 79, 81, §92.12]

96 Acts, ch 1186, §23; 2010 Acts, ch 1015, §8

**92.13 Optional refusal of permit.**

The labor commissioner or the issuing officer may refuse to grant a permit if, in the commissioner's or officer's judgment, the best interests of the minor would be served by such refusal and the commissioner or officer shall keep a record of such refusals, and the reasons therefor.

[C71, 73, 75, 77, 79, 81, §92.13]

**92.14 Contents of work permit.**

Every work permit shall state the date of issuance, name, sex, the date and place of birth, the residence of the child in whose name it is issued, the color of hair and eyes, the height and weight, the proof of age, the school grade completed, the name and location of the establishment where the child is to be employed, the industry, specified occupation, a brief description of duties for which the permit is issued, that the papers required for its issuance have been duly examined, approved, and filed, and that the person named therein has personally appeared before the officer issuing the permit and has been examined.

[SS15, §2477-d; C24, 27, 31, 35, 39, §**1532;** C46, 50, 54, 58, 62, 66, §92.7; C71, 73, 75, 77, 79, 81, §92.14]

**92.15 Duplicate to labor commissioner.**

A duplicate of every such work permit issued shall be filled out and forwarded to the office of the labor commissioner within one week after it is issued.

[SS15, §2477-d; C24, 27, 31, 35, 39, §**1533;** C46, 50, 54, 58, 62, 66, §92.8; C71, 73, 75, 77, 79, 81, §92.15]

**92.16 Forms for permits furnished.**

The proper forms for the work permit, the employer's agreement, the school record, the certificate of age, and the physician's certificate shall be formulated by the labor commissioner and furnished to the issuing authorities.

[SS15, §2477-d; C24, 27, 31, 35, 39, §**1534;** C46, 50, 54, 58, 62, 66, §92.9; C71, 73, 75, 77, 79, 81, §92.16]

86 Acts, ch 1245, §925

**92.17 Exceptions.**

Nothing in this chapter shall be construed to prohibit:

1. Any part-time, occasional, or volunteer work for nonprofit organizations generally recognized as educational, charitable, religious, or community service in nature.

2. A child from working in or around any home before or after school hours or during vacation periods, provided such work is not related to or part of the business, trade, or profession of the employer.

3. Work in the production of seed, limited to removal of off-type plants, corn tassels and hand-pollinating during the months of June, July and August by persons fourteen years of age or over, and part-time work in agriculture, not including migratory labor.

4. A child from working in any occupation or business operated by the child's parents. For

the purposes of this subsection, *"child"* and *"parents"* include a foster child and the child's foster parents who are licensed by the department of human services.

5. A child under sixteen years of age from being employed or permitted to work, with or without compensation, as a model, for a period of up to three hours in any day between the hours of 7:00 a.m. and 10:00 p.m., not exceeding twelve hours in any month, if the written permission of the parent, guardian or custodian of the child is obtained prior to the commencement of the modeling. However, if the child is of school age this exception allows modeling work only outside of school hours during the regular school year and does not allow modeling work during the summer term if the child is enrolled in summer school. This subsection does not allow modeling for an unlawful purpose or modeling that would violate any other law.

6. A juvenile court from ordering a child at least twelve years old to complete a work assignment of value to the state or to the public or to the victim of a crime committed by the child, in accordance with section 232.52, subsection 2, paragraph *"a"*.

[SS15, §2477-a; C24, 27, 31, 35, 39, §**1526;** C46, 50, 54, 58, 62, 66, §92.1; C71, 73, 75, 77, 79, 81, §92.17]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1111, §1; 85 Acts, ch 59, §1

Section not amended; editorial change applied

**92.18 Migratory labor — defined.**

As used in this chapter, the term *"migratory labor"* shall include any person who customarily and repeatedly travels from state to state for the purpose of obtaining seasonal employment.

[C71, 73, 75, 77, 79, 81, §92.18]

2010 Acts, ch 1061, §12

**92.19 Violations by parent or guardian.**

1. No parent, guardian, or other person, having under the parent's, guardian's, or other person's control any person under eighteen years of age, shall negligently permit said person to work or be employed in violation of the provisions of this chapter.

2. No person shall negligently make, certify to, or cause to be made or certified any statement, certificate, or other paper for the purpose of procuring the employment of any person in violation of this chapter.

3. No person shall make, file, execute, or deliver any statement, certificate, or other paper containing false statements for the purpose of procuring employment of any person in violation of this chapter.

4. No person, firm, or corporation, or any agent thereof shall negligently conceal or permit a person to be employed in violation of this chapter.

5. No person, firm, or corporation shall refuse to allow any authorized persons to inspect the place of business or provide information necessary to the enforcement of this chapter.

[S13, §2477-e; SS15, §2477-a1; C24, 27, 31, 35, 39, §**1540;** C46, 50, 54, 58, 62, 66, §92.15; C71, 73, 75, 77, 79, 81, §92.19]

2009 Acts, ch 49, §3

**92.20 Penalty.**

1. The parent, guardian, or person in charge of any migratory worker or of any child who engages in any street occupation in violation of any of the provisions of this chapter shall be guilty of a serious misdemeanor.

2. Any person who furnishes or sells to any minor child any article of any description which the person knows or should have known the minor intends to sell in violation of the provisions of this chapter shall be guilty of a serious misdemeanor.

3. Any other violation of this chapter for which a penalty is not specifically provided constitutes a serious misdemeanor.

4. Every day during which any violation of this chapter continues constitutes a separate

and distinct offense, and the employment of any person in violation of this chapter, with respect to each person so employed, constitutes a separate and distinct offense.

[S13, §2477-e; SS15, §2477-a1; C24, 27, 31, 35, 39, §**1540;** C46, 50, 54, 58, 62, 66, §92.15; C71, 73, 75, 77, 79, 81, §92.20]

2009 Acts, ch 49, §4

**92.21 Rules and orders of labor commissioner.**

1. The labor commissioner may adopt rules to more specifically define the occupations and equipment permitted or prohibited in this chapter, to determine occupations for which work permits are required, and to issue general and special orders prohibiting or allowing the employment of persons under eighteen years of age in any place of employment defined in this chapter as hazardous to the health, safety, and welfare of the persons.

2. The labor commissioner shall adopt rules specifically defining the civil penalty amount to be assessed for violations of this chapter.

[C71, 73, 75, 77, 79, 81, §92.21]

85 Acts, ch 212, §21; 86 Acts, ch 1245, §926; 2009 Acts, ch 49, §5

**92.22 Labor commissioner to enforce — judicial review.**

1. The labor commissioner shall enforce this chapter. An employer who violates this chapter or the rules adopted pursuant to this chapter is subject to a civil penalty of not more than ten thousand dollars for each violation.

2. The commissioner shall notify the employer of a proposed civil penalty by service in the same manner as an original notice or by certified mail. If, within fifteen working days from the receipt of the notice, the employer fails to file a notice of contest in accordance with rules adopted by the commissioner pursuant to chapter 17A, the penalty, as proposed, shall be deemed final agency action for purposes of judicial review.

3. The commissioner shall notify the department of revenue upon final agency action regarding the assessment of a penalty against an employer. Interest shall be calculated from the date of final agency action.

4. Judicial review of final agency action pursuant to this section may be sought in accordance with the terms of section 17A.19. If no petition for judicial review is filed within sixty days after service of the final agency action of the commissioner, the commissioner's findings of fact and final agency action shall be conclusive in connection with any petition for enforcement which is filed by the commissioner after the expiration of the sixty-day period. In any such case, the clerk of court, unless otherwise ordered by the court, shall forthwith enter a decree enforcing the final agency action and shall transmit a copy of the decree to the commissioner and the employer named in the petition.

5. Any penalties recovered pursuant to this section shall be remitted by the commissioner to the treasurer of state for deposit in the general fund of the state.

6. Mayors and police officers, sheriffs, school superintendents, and school truant and attendance officers, within their several jurisdictions, shall cooperate in the enforcement of this chapter and furnish the commissioner and the commissioner's designees with all information coming to their knowledge regarding violations of this chapter. All such officers and any person authorized in writing by a court of record shall have the authority to enter, for the purpose of investigation, any of the establishments and places mentioned in this chapter and to freely question any person therein as to any violations of this chapter.

7. County attorneys shall investigate all complaints made to them of violations of this chapter, and prosecute all such cases of violation within their respective counties.

[S13, §2477-f; SS15, §2477-a1, -d; C24, 27, 31, 35, 39, §**1535, 1541;** C46, 50, 54, 58, 62, 66, §92.10, 92.16; C71, 73, 75, 77, 79, 81, §92.22]

87 Acts, ch 111, §8; 2009 Acts, ch 49, §6

Referred to in §331.653, 331.756(18)

**92.23 Group insurance.**

Anyone under the age of eighteen and subject to this chapter employed in the street trades who sells or delivers the product or service of another and who is designated in such capacity

as an independent contractor shall be provided participation, if the person under the age of eighteen desires it at group rate cost, in group insurance for medical, hospital, nursing and doctor expenses incurred as a result of injuries sustained arising out of and in the course of selling or delivering such product or service by the person, firm or corporation whose product or service is so delivered.

[C71, 73, 75, 77, 79, 81, §92.23]

# CHAPTERS 93 and 94

RESERVED

# CHAPTER 94A

## EMPLOYMENT AGENCIES

Referred to in §84A.5, 91.4


| | | | |
|---|---|---|---|
| 94A.1 | Definitions. | 94A.4 | Prohibitions. |
| 94A.2 | Licensing. | 94A.5 | Powers and duties of the commissioner. |
| 94A.3 | General requirements. | 94A.6 | Violations. |


**94A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Applicant"* means a person applying for a private employment agency license.

2. *"Commissioner"* means the labor commissioner, appointed pursuant to section 91.2, or the labor commissioner's designee.

3. *"Employee"* means a person who seeks employment or who obtains employment through an employment agency.

4. *"Employer"* means a person who seeks one or more employees or who obtains one or more employees.

5. *"Employment agency"* means a person who brings together those desiring to employ and those desiring employment and who receives a fee, privilege, or other consideration directly or indirectly from an employee for the service. *"Employment agency"* does not include furnishing or procuring theatrical, stage, or platform attractions or amusement enterprises.

99 Acts, ch 130, §1

**94A.2 Licensing.**

1. An employment agency shall obtain a license from the commissioner prior to transacting any business. Licenses expire on June 30 of each year.

2. A license application shall be in the form prescribed by the commissioner and shall be accompanied by all of the following:

*a.* A surety company bond in the sum of thirty thousand dollars, to be approved by the commissioner and conditioned to pay any damages that may accrue to any person due to a wrongful act or violation of law on the part of the applicant in the conduct of business.

*b.* The schedule of fees to be charged by the employment agency.

*c.* All contract forms to be signed by an employee.

*d.* An application fee of seventy-five dollars.

3. The commissioner shall grant or deny a license within thirty days from the filing date of a completed application.

4. The commissioner may revoke, suspend, or annul a license in accordance with chapter 17A upon good cause.

99 Acts, ch 130, §2

**94A.3 General requirements.**

Each employment agency shall do all of the following:

1. Keep an employee record, which shall include the name of each employee signing a contract or agreement, the name and address of the employer, if employment is found, and the fee charged, paid, or refunded. Each record shall be maintained for at least two years.

2. Prior to referral to an employer, provide an employee with a copy of the contract or agreement, which specifies the fee or consideration to be paid by the employee.

99 Acts, ch 130, §3

**94A.4 Prohibitions.**

1. A person shall not require an employee to pay a fee as a condition of application with an employer or an employment agency.

2. An employee shall not be required to pay a fee to an employer as a condition of hire.

3. An employer shall not require an employee to reimburse the employer for a fee the employer paid to an employment agency or other person or entity when the employee was hired.

4. An employment agency shall not do any of the following:

*a.* Send an employee or an application of an employee to an employer who has not applied to the employment agency for help or labor.

*b.* Through false notice, advertisement, or other means, fraudulently promise or deceive a person seeking help or employment with regard to the service to be rendered by the employment agency.

*c.* Divide a fee received from an employee with an employer or any member of an employer's staff. The division of fees between one or more employment agencies that provided services is not prohibited.

*d.* Charge an employee any fee greater than the fee schedule on file with the commissioner without prior consent of the commissioner.

*e.* Charge a fee greater than fifteen percent of the employee's annual gross earnings.

*f.* Require an employee to pay a fee in advance of earnings. If an employee wishes to pay a fee in advance of earnings, the contract between the employee and employment agency shall state that any advance payment by the employee is voluntary. If an employee works less than one year at the referred employment, the employment agency shall refund any amount in excess of fifteen percent of the employee's gross earnings from the referred employment.

99 Acts, ch 130, §4

**94A.5 Powers and duties of the commissioner.**

1. At any time, the commissioner may examine the records, books, and any papers relating to the conduct and operation of an employment agency.

2. The commissioner shall adopt rules pursuant to chapter 17A to administer this chapter.

99 Acts, ch 130, §5

Referred to in §94A.6

**94A.6 Violations.**

1. A person who violates a provision of this chapter or who refuses the commissioner access to records, books, and papers pursuant to an examination under section 94A.5 shall be guilty of a simple misdemeanor.

2. If a person violates a provision of this chapter or refuses the commissioner access to records, books, and papers pursuant to an examination under section 94A.5, the commissioner shall assess a civil penalty against the person in an amount not greater than two thousand dollars.

99 Acts, ch 130, §6

# CHAPTER 95

RESERVED

# CHAPTER 96

## EMPLOYMENT SECURITY — UNEMPLOYMENT COMPENSATION

Referred to in §10A.601, 15H.5, 84A.5, 84A.7, 252B.5, 331.324, 331.424, 411.6

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## TITLE — POLICY

**96.1 Name.**

This chapter shall be known and may be cited as the *"Iowa Employment Security Law"*.

[C39, §**1551.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.1]

**96.1A Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**96.2 Guide for interpretation.**

As a guide to the interpretation and application of this chapter, the public policy of this state is declared to be as follows: Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of this state. Involuntary unemployment is therefore a subject of general interest and concern which requires

appropriate action by the legislature to prevent its spread and to lighten its burden which now so often falls with crushing force upon the unemployed worker and the worker's family. The achievement of social security requires protection against this greatest hazard of our economic life. This can be provided by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The legislature, therefore, declares that in its considered judgment the public good, and the general welfare of the citizens of this state require the enactment of this measure, under the police powers of the state, for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own.

[C39, §**1551.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.2]

## BENEFITS

**96.3 Payment — determination — duration — child support intercept.**

1. *Payment.* Twenty-four months after the date when contributions first accrue under this chapter, benefits shall become payable from the fund; provided, that wages earned for services defined in section 96.19, subsection 18, paragraph *"g"*, subparagraph (3), irrespective of when performed, shall not be included for purposes of determining eligibility, under section 96.4 or full-time weekly wages, under subsection 4 of this section, for the purposes of any benefit year commencing on or after July 1, 1939, nor shall any benefits with respect to unemployment occurring on and after July 1, 1939, be payable under subsection 5 of this section on the basis of such wages. All benefits shall be paid through employment offices in accordance with such regulations as the department of workforce development may prescribe.

2. *Total unemployment.* Each eligible individual who is totally unemployed in any week shall be paid with respect to such week benefits in an amount which shall be equal to the individual's weekly benefit amount.

3. *Partial unemployment.* An individual who is partially unemployed in any week as defined in section 96.19, subsection 38, paragraph *"b"*, and who meets the conditions of eligibility for benefits shall be paid with respect to that week an amount equal to the individual's weekly benefit amount less that part of wages payable to the individual with respect to that week in excess of one-fourth of the individual's weekly benefit amount. The benefits shall be rounded to the lower multiple of one dollar.

4. *Determination of benefits.* With respect to benefit years beginning on or after July 1, 1983, an eligible individual's weekly benefit amount for a week of total unemployment shall be an amount equal to the following fractions of the individual's total wages in insured work paid during that quarter of the individual's base period in which such total wages were highest; the director shall determine annually a maximum weekly benefit amount equal to the following percentages, to vary with the number of dependents, of the statewide average weekly wage paid to employees in insured work which shall be effective the first day of the first full week in July:

| If the number of dependents is: | The weekly benefit amount shall equal the following fraction of high quarter wages: | Subject to the following maximum percentage of the statewide average weekly wage: |
|---|---|---|
| 0 | 1/23 | 53% |
| 1 | 1/22 | 55% |
| 2 | 1/21 | 57% |
| 3 | 1/20 | 60% |
| 4 or more | 1/19 | 65% |

The maximum weekly benefit amount, if not a multiple of one dollar, shall be rounded to the lower multiple of one dollar. However, until such time as sixty-five percent of the statewide average weekly wage exceeds one hundred ninety dollars, the maximum weekly benefit amounts shall be determined using the statewide average weekly wage computed on the basis of wages reported for calendar year 1981. As used in this section *"dependent"* means dependent as defined in section 422.12, subsection 1, paragraph *"a"*, as if the individual claimant was a taxpayer, except that an individual claimant's nonworking spouse shall be deemed to be a dependent under this section. *"Nonworking spouse"* means a spouse who does not earn more than one hundred twenty dollars in gross wages in one week.

5. *a. Duration of benefits.* The maximum total amount of benefits payable to an eligible individual during a benefit year shall not exceed the total of the wage credits accrued to the individual's account during the individual's base period, or twenty-six times the individual's weekly benefit amount, whichever is the lesser. The director shall maintain a separate account for each individual who earns wages in insured work. The director shall compute wage credits for each individual by crediting the individual's account with one-third of the wages for insured work paid to the individual during the individual's base period. However, the director shall recompute wage credits for an individual who is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, by crediting the individual's account with one-half, instead of one-third, of the wages for insured work paid to the individual during the individual's base period. Benefits paid to an eligible individual shall be charged against the base period wage credits in the individual's account which have not been previously charged, in the inverse chronological order as the wages on which the wage credits are based were paid. However if the state "off indicator" is in effect and if the individual is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, the maximum benefits payable shall be extended to thirty-nine times the individual's weekly benefit amount, but not to exceed the total of the wage credits accrued to the individual's account.

*b. Training extension benefits.*

(1) An individual who has been separated from a declining occupation or who has been involuntarily separated from employment as a result of a permanent reduction of operations at the last place of employment and who is in training with the approval of the director or in a job training program pursuant to the Workforce Investment Act of 1998, Pub. L. No. 105-220, at the time regular benefits are exhausted, may be eligible for training extension benefits.

(2) A declining occupation is one in which there is a lack of sufficient current demand in the individual's labor market area for the occupational skills for which the individual is fitted by training and experience or current physical or mental capacity, and the lack of employment opportunities is expected to continue for an extended period of time, or the individual's occupation is one for which there is a seasonal variation in demand in the labor market and the individual has no other skill for which there is current demand.

(3) The training extension benefit amount shall be twenty-six times the individual's weekly benefit amount and the weekly benefit amount shall be equal to the individual's weekly benefit amount for the claim in which benefits were exhausted while in training.

(4) An individual who is receiving training extension benefits shall not be denied benefits due to application of section 96.4, subsection 3, or section 96.5, subsection 3. However, an employer's account shall not be charged with benefits so paid. Relief of charges under this paragraph *"b"* applies to both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

(5) In order for the individual to be eligible for training extension benefits, all of the following criteria must be met:

(a) The training must be for a high-demand occupation or high-technology occupation, including the fields of life sciences, advanced manufacturing, biotechnology, alternative fuels, insurance, and environmental technology. *"High-demand occupation"* means an occupation in a labor market area in which the department determines work opportunities are available and there is a lack of qualified applicants.

(b) The individual must file any unemployment insurance claim to which the individual becomes entitled under state or federal law, and must draw any unemployment insurance benefits on that claim until the claim has expired or has been exhausted, in order to maintain the individual's eligibility under this paragraph *"b"*. Training extension benefits end upon completion of the training even though a portion of the training extension benefit amount may remain.

(c) The individual must be enrolled and making satisfactory progress to complete the training.

6. *Part-time workers.*

*a.* As used in this subsection the term *"part-time worker"* means an individual whose normal work is in an occupation in which the individual's services are not required for the customary scheduled full-time hours prevailing in the establishment in which the individual is employed, or who, owing to personal circumstances, does not customarily work the customary scheduled full-time hours prevailing in the establishment in which the individual is employed.

*b.* The director shall prescribe fair and reasonable general rules applicable to part-time workers, for determining their full-time weekly wage, and the total wages in employment by employers required to qualify such workers for benefits. An individual is a part-time worker if a majority of the weeks of work in such individual's base period includes part-time work. Part-time workers are not required to be available for, seek, or accept full-time employment.

7. *Recovery of overpayment of benefits.*

*a.* If an individual receives benefits for which the individual is subsequently determined to be ineligible, even though the individual acts in good faith and is not otherwise at fault, the benefits shall be recovered. The department in its discretion may recover the overpayment of benefits either by having a sum equal to the overpayment deducted from any future benefits payable to the individual or by having the individual pay to the department a sum equal to the overpayment.

*b.* (1) (a) If the department determines that an overpayment has been made, the charge for the overpayment against the employer's account shall be removed and the account shall be credited with an amount equal to the overpayment from the unemployment compensation trust fund and this credit shall include both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5. The employer shall not be relieved of charges if benefits are paid because the employer or an agent of the employer failed to respond timely or adequately to the department's request for information relating to the payment of benefits. This prohibition against relief of charges shall apply to both contributory and reimbursable employers.

(b) However, provided the benefits were not received as the result of fraud or willful misrepresentation by the individual, benefits shall not be recovered from an individual if the employer did not participate in the initial determination to award benefits pursuant to section 96.6, subsection 2, and an overpayment occurred because of a subsequent reversal on appeal regarding the issue of the individual's separation from employment.

(2) An accounting firm, agent, unemployment insurance accounting firm, or other entity that represents an employer in unemployment claim matters and demonstrates a continuous pattern of failing to participate in the initial determinations to award benefits, as determined

and defined by rule by the department, shall be denied permission by the department to represent any employers in unemployment insurance matters. This subparagraph does not apply to attorneys or counselors admitted to practice in the courts of this state pursuant to section 602.10101.

8. *Back pay.* If an individual receives benefits for a period of unemployment and subsequently receives a payment for the same period from the individual's employer in the form of or in lieu of back pay, the benefits shall be recovered. The department, in its discretion, may reach an agreement with the individual and the employer to allow the employer to deduct the amount of the benefits from the back pay and remit a sum equal to that amount to the unemployment compensation fund and the balance to the individual, or may recover the amount of the benefits either by having a sum equal to that amount deducted from any future benefits payable to the individual or by having the individual pay to the department a sum equal to that amount. If an agreement is reached to allow the employer to deduct the amount of benefits from the back pay and remit that amount to the fund, the department shall not charge that amount to the employer's account under section 96.7.

9. *Child support intercept.*

*a.* An individual filing a claim for benefits under section 96.6, subsection 1, shall, at the time of filing, disclose whether the individual owes a child support obligation which is being enforced by the child support recovery unit established in section 252B.2. If an individual discloses that such a child support obligation is owed and the individual is determined to be eligible for benefits under this chapter, the department shall notify the child support recovery unit of the individual's disclosure and deduct and withhold from benefits payable to the individual the amount specified by the individual.

*b.* However, if the child support recovery unit and an individual owing a child support obligation reach an agreement to have specified amounts deducted and withheld from the individual's benefits and the child support recovery unit submits a copy of the agreement to the department, the department shall deduct and withhold the specified amounts.

*c.* (1) However, if the department is notified of income withholding by the child support recovery unit under chapter 252D or section 598.22 or 598.23 or if income is garnisheed by the child support recovery unit under chapter 642 and an individual's benefits are condemned to the satisfaction of the child support obligation being enforced by the child support recovery unit, the department shall deduct and withhold from the individual's benefits that amount required through legal process.

(2) Notwithstanding section 642.2, subsections 2, 3, 6, and 7, which restrict garnishments under chapter 642 to wages of public employees, the department may be garnisheed under chapter 642 by the child support recovery unit established in section 252B.2, pursuant to a judgment for child support against an individual eligible for benefits under this chapter.

(3) Notwithstanding section 96.15, benefits under this chapter are not exempt from income withholding, garnishment, attachment, or execution if withheld for or garnisheed by the child support recovery unit, established in section 252B.2, or if an income withholding order or notice of the income withholding order under section 598.22 or 598.23 is being enforced by the child support recovery unit to satisfy the child support obligation of an individual who is eligible for benefits under this chapter.

*d.* An amount deducted and withheld under paragraph "*a*", "*b*", or "*c*" shall be paid by the department to the child support recovery unit, and shall be treated as if it were paid to the individual as benefits under this chapter and as if it were paid by the individual to the child support recovery unit in satisfaction of the individual's child support obligations.

*e.* If an agreement for reimbursement has been made, the department shall be reimbursed by the child support recovery unit for the administrative costs incurred by the department under this section which are attributable to the enforcement of child support obligations by the child support recovery unit.

10. *Voluntary income tax withholding.* All payments of benefits made after December 31, 1996, are subject to the following:

*a.* An individual filing a new application for benefits shall, at the time of filing the application, be advised of the following:

(1) Benefits paid under this chapter are subject to federal and state income tax.

(2) Legal requirements exist pertaining to estimated tax payments.

(3) The individual may elect to have federal income tax deducted and withheld from the individual's payment of benefits at the amount specified in the Internal Revenue Code as defined in section 422.3.

(4) The individual may elect to have Iowa state income tax deducted and withheld from the individual's payment of benefits at the rate of five percent.

(5) The individual shall be permitted to change the individual's previously elected withholding status.

*b.* Amounts deducted and withheld from benefits shall remain in the unemployment compensation fund until transferred to the appropriate taxing authority as a payment of income tax.

*c.* The director shall follow all procedures specified by the United States department of labor, the federal internal revenue service, and the department of revenue pertaining to the deducting and withholding of income tax.

*d.* Amounts shall be deducted and withheld under this subsection only after amounts are deducted and withheld for any overpayment of benefits, child support obligations, and any other amounts authorized to be deducted and withheld under federal or state law.

11. *Overissuance of food stamp benefits.* The department shall collect any overissuance of food stamp benefits by offsetting the amount of the overissuance from the benefits payable under this chapter to the individual. This subsection shall only apply if the department is reimbursed under an agreement with the department of human services for administrative costs incurred in recouping the overissuance. The provisions of section 96.15 do not apply to this subsection.

[C39, §**1551.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.3; 82 Acts, ch 1030, §1]

83 Acts, ch 190, §1 – 4, 27; 84 Acts, ch 1067, §17; 86 Acts, ch 1034, §1; 87 Acts, ch 111, §9; 87 Acts, ch 222, §1, 2; 89 Acts, ch 11, §1, 2; 93 Acts, ch 158, §1; 95 Acts, ch 23, §1; 95 Acts, ch 109, §1; 96 Acts, ch 1121, §1, 12; 96 Acts, ch 1186, §23; 97 Acts, ch 38, §1; 97 Acts, ch 175, §222; 2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §175, 201; 2008 Acts, ch 1170, §1; 2009 Acts, ch 22, §1, 2, 9; 2009 Acts, ch 133, §227; 2009 Acts, ch 179, §48; 2013 Acts, ch 3, §1, 3

Referred to in §85.60, 96.11, 96.19, 96.20, 96.40

2013 amendments to subsection 7, paragraph b, subparagraph (1), relating to relief of charges, applies to any overpayment determination issued on or after July 1, 2013; 2013 Acts, ch 3, §3

Subsection 7, paragraph b, subparagraph (1) amended

**96.4 Required findings.**

An unemployed individual shall be eligible to receive benefits with respect to any week only if the department finds that:

1. The individual has registered for work at and thereafter has continued to report at an employment office in accordance with such regulations as the department may prescribe. The provisions of this subsection shall be waived if the individual is deemed temporarily unemployed as defined in section 96.19, subsection 38, paragraph "*c*".

2. The individual has made a claim for benefits in accordance with the provisions of section 96.6, subsection 1.

3. The individual is able to work, is available for work, and is earnestly and actively seeking work. This subsection is waived if the individual is deemed partially unemployed, while employed at the individual's regular job, as defined in section 96.19, subsection 38, paragraph "*b*", subparagraph (1), or temporarily unemployed as defined in section 96.19, subsection 38, paragraph "*c*". The work search requirements of this subsection and the disqualification requirement for failure to apply for, or to accept suitable work of section 96.5, subsection 3, are waived if the individual is not disqualified for benefits under section 96.5, subsection 1, paragraph "*h*".

4. *a.* The individual has been paid wages for insured work during the individual's base period in an amount at least one and one-quarter times the wages paid to the individual during that quarter of the individual's base period in which the individual's wages were highest; provided that the individual has been paid wages for insured work totaling at least three and five-tenths percent of the statewide average annual wage for insured work, computed for the preceding calendar year if the individual's benefit year begins on or after the first full week

in July and computed for the second preceding calendar year if the individual's benefit year begins before the first full week in July, in that calendar quarter in the individual's base period in which the individual's wages were highest, and the individual has been paid wages for insured work totaling at least one-half of the amount of wages required under this paragraph in the calendar quarter of the base period in which the individual's wages were highest, in a calendar quarter in the individual's base period other than the calendar quarter in which the individual's wages were highest. The calendar quarter wage requirements shall be rounded to the nearest multiple of ten dollars.

*b.* For an individual who does not have sufficient wages in the base period, as defined in section 96.19, to otherwise qualify for benefits pursuant to this subsection, the individual's base period shall be the last four completed calendar quarters immediately preceding the first day of the individual's benefit year if such period qualifies the individual for benefits under this subsection.

(1) Wages that fall within the alternative base period established under this paragraph "*b*" are not available for qualifying benefits in any subsequent benefit year.

(2) Employers shall be charged in the manner provided in this chapter for benefits paid based upon quarters used in the alternative base period.

*c.* If the individual has drawn benefits in any benefit year, the individual must during or subsequent to that year, work in and be paid wages for insured work totaling at least two hundred fifty dollars, as a condition to receive benefits in the next benefit year.

5. Benefits based on service in employment in a nonprofit organization or government entity, defined in section 96.19, subsection 18, are payable in the same amount, on the same terms and subject to the same conditions as compensation payable on the same basis of other service subject to this chapter, except that:

*a.* Benefits based on service in an instructional, research, or principal administrative capacity in an educational institution including service in or provided to or on behalf of an educational institution while in the employ of an educational service agency, a government entity, or a nonprofit organization shall not be paid to an individual for any week of unemployment which begins during the period between two successive academic years or during a similar period between two regular terms, whether or not successive, or during a period of paid sabbatical leave provided for in the individual's contract, if the individual has a contract or reasonable assurance that the individual will perform services in any such capacity for any educational institution for both such academic years or both such terms.

*b.* Benefits based on service in any other capacity for an educational institution including service in or provided to or on behalf of an educational institution while in the employ of an educational service agency, a government entity, or a nonprofit organization, shall not be paid to an individual for any week of unemployment which begins during the period between two successive academic years or terms, if the individual performs the services in the first of such academic years or terms and has reasonable assurance that the individual will perform services for the second of such academic years or terms. If benefits are denied to an individual for any week as a result of this paragraph and the individual is not offered an opportunity to perform the services for an educational institution for the second of such academic years or terms, the individual is entitled to retroactive payments of benefits for each week for which the individual filed a timely claim for benefits and for which benefits were denied solely by reason of this paragraph.

*c.* With respect to services for an educational institution in any capacity under paragraph "*a*" or "*b*", benefits shall not be paid to an individual for any week of unemployment which begins during an established and customary vacation period or holiday recess if the individual performs the services in the period immediately before such vacation period or holiday recess, and the individual has reasonable assurance that the individual will perform the services in the period immediately following such vacation period or holiday recess.

*d.* For purposes of this subsection, "*educational service agency*" means a governmental agency or government entity which is established and operated exclusively for the purpose of providing educational services to one or more educational institutions.

6. *a.* An otherwise eligible individual shall not be denied benefits for any week because the individual is in training with the approval of the director, nor shall the individual be denied

benefits with respect to any week in which the individual is in training with the approval of the director by reason of the application of the provision in subsection 3 of this section relating to availability for work, and an active search for work or the provision of section 96.5, subsection 3, relating to failure to apply for or a refusal to accept suitable work. However, an employer's account shall not be charged with benefits so paid.

*b.* (1) An otherwise eligible individual shall not be denied benefits for a week because the individual is in training approved under 19 U.S.C. § 2296(a), as amended by section 2506 of the federal Omnibus Budget Reconciliation Act of 1981, because the individual leaves work which is not suitable employment to enter the approved training, or because of the application of subsection 3 of this section or section 96.5, subsection 3, or a federal unemployment insurance law administered by the department relating to availability for work, active search for work, or refusal to accept work.

(2) For purposes of this paragraph, *"suitable employment"* means work of a substantially equal or higher skill level than an individual's past adversely affected employment, as defined in 19 U.S.C. § 2319(l), if weekly wages for the work are not less than eighty percent of the individual's average weekly wage.

7. The individual participates in reemployment services as directed by the department pursuant to a profiling system, established by the department, which identifies individuals who are likely to exhaust benefits and be in need of reemployment services.

[C39, §**1551.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.4; 82 Acts, ch 1030, §2]

83 Acts, ch 190, §5 – 8, 26, 27; 84 Acts, ch 1255, §1, 2; 87 Acts, ch 222, §3; 91 Acts, ch 45, §1, 2; 94 Acts, ch 1066, §6; 96 Acts, ch 1186, §23; 2008 Acts, ch 1032, §176, 197; 2009 Acts, ch 22, §3, 9

Referred to in §96.3, 96.6, 96.19, 96.20, 96.23

**96.5 Causes for disqualification.**

An individual shall be disqualified for benefits:

1. *Voluntary quitting.* If the individual has left work voluntarily without good cause attributable to the individual's employer, if so found by the department. But the individual shall not be disqualified if the department finds that:

*a.* The individual left employment in good faith for the sole purpose of accepting other or better employment, which the individual did accept, and the individual performed services in the new employment. Benefits relating to wage credits earned with the employer that the individual has left shall be charged to the unemployment compensation fund. This paragraph applies to both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

*b.* The individual's leaving was caused by the relocation of the individual's spouse by the military. The employer's account shall not be charged for any benefits paid to an individual who leaves due to the relocation of a military spouse. Relief of charges under this paragraph applies to both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

*c.* The individual left employment for the necessary and sole purpose of taking care of a member of the individual's immediate family who was then injured or ill, and if after said member of the family sufficiently recovered, the individual immediately returned to and offered the individual's services to the individual's employer, provided, however, that during such period the individual did not accept any other employment.

*d.* The individual left employment because of illness, injury or pregnancy upon the advice of a licensed and practicing physician, and upon knowledge of the necessity for absence immediately notified the employer, or the employer consented to the absence, and after recovering from the illness, injury or pregnancy, when recovery was certified by a licensed and practicing physician, the individual returned to the employer and offered to perform services and the individual's regular work or comparable suitable work was not available, if so found by the department, provided the individual is otherwise eligible.

*e.* The individual left employment upon the advice of a licensed and practicing physician, for the sole purpose of taking a member of the individual's family to a place having a different climate, during which time the individual shall be deemed unavailable for work,

and notwithstanding during such absence the individual secures temporary employment, and returned to the individual's regular employer and offered the individual's services and the individual's regular work or comparable work was not available, provided the individual is otherwise eligible.

*f.* The individual left the employing unit for not to exceed ten working days, or such additional time as may be allowed by the individual's employer, for compelling personal reasons, if so found by the department, and prior to such leaving had informed the individual's employer of such compelling personal reasons, and immediately after such compelling personal reasons ceased to exist the individual returned to the individual's employer and offered the individual's services and the individual's regular or comparable work was not available, provided the individual is otherwise eligible; except that during the time the individual is away from the individual's work because of the continuance of such compelling personal reasons, the individual shall not be eligible for benefits.

*g.* The individual left work voluntarily without good cause attributable to the employer under circumstances which did or would disqualify the individual for benefits, except as provided in paragraph *"a"* of this subsection but, subsequent to the leaving, the individual worked in and was paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

*h.* The individual has left employment in lieu of exercising a right to bump or oust a fellow employee with less seniority or priority from the fellow employee's job.

*i.* The individual is unemployed as a result of the individual's employer selling or otherwise transferring a clearly segregable and identifiable part of the employer's business or enterprise to another employer which does not make an offer of suitable work to the individual as provided under subsection 3. However, if the individual does accept, and works in and is paid wages for, suitable work with the acquiring employer, the benefits paid which are based on the wages paid by the transferring employer shall be charged to the unemployment compensation fund provided that the acquiring employer has not received, or will not receive, a partial transfer of experience under the provisions of section 96.7, subsection 2, paragraph *"b"*. Relief of charges under this paragraph applies to both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

*j.* (1) The individual is a temporary employee of a temporary employment firm who notifies the temporary employment firm of completion of an employment assignment and who seeks reassignment. Failure of the individual to notify the temporary employment firm of completion of an employment assignment within three working days of the completion of each employment assignment under a contract of hire shall be deemed a voluntary quit unless the individual was not advised in writing of the duty to notify the temporary employment firm upon completion of an employment assignment or the individual had good cause for not contacting the temporary employment firm within three working days and notified the firm at the first reasonable opportunity thereafter.

(2) To show that the employee was advised in writing of the notification requirement of this paragraph, the temporary employment firm shall advise the temporary employee by requiring the temporary employee, at the time of employment with the temporary employment firm, to read and sign a document that provides a clear and concise explanation of the notification requirement and the consequences of a failure to notify. The document shall be separate from any contract of employment and a copy of the signed document shall be provided to the temporary employee.

(3) For purposes of this lettered paragraph:

(a) *"Temporary employee"* means an individual who is employed by a temporary employment firm to provide services to clients to supplement their workforce during absences, seasonal workloads, temporary skill or labor market shortages, and for special assignments and projects.

(b) *"Temporary employment firm"* means a person engaged in the business of employing temporary employees.

2. *Discharge for misconduct.* If the department finds that the individual has been discharged for misconduct in connection with the individual's employment:

*a.* The individual shall be disqualified for benefits until the individual has worked in and

has been paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

*b.* Provided further, if gross misconduct is established, the department shall cancel the individual's wage credits earned, prior to the date of discharge, from all employers.

*c.* Gross misconduct is deemed to have occurred after a claimant loses employment as a result of an act constituting an indictable offense in connection with the claimant's employment, provided the claimant is duly convicted thereof or has signed a statement admitting the commission of such an act. Determinations regarding a benefit claim may be redetermined within five years from the effective date of the claim. Any benefits paid to a claimant prior to a determination that the claimant has lost employment as a result of such act shall not be considered to have been accepted by the claimant in good faith.

3. *Failure to accept work.* If the department finds that an individual has failed, without good cause, either to apply for available, suitable work when directed by the department or to accept suitable work when offered that individual. The department shall, if possible, furnish the individual with the names of employers which are seeking employees. The individual shall apply to and obtain the signatures of the employers designated by the department on forms provided by the department. However, the employers may refuse to sign the forms. The individual's failure to obtain the signatures of designated employers, which have not refused to sign the forms, shall disqualify the individual for benefits until requalified. To requalify for benefits after disqualification under this subsection, the individual shall work in and be paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

*a.* (1) In determining whether or not any work is suitable for an individual, the department shall consider the degree of risk involved to the individual's health, safety, and morals, the individual's physical fitness, prior training, length of unemployment, and prospects for securing local work in the individual's customary occupation, the distance of the available work from the individual's residence, and any other factor which the department finds bears a reasonable relation to the purposes of this paragraph. Work is suitable if the work meets all the other criteria of this paragraph and if the gross weekly wages for the work equal or exceed the following percentages of the individual's average weekly wage for insured work paid to the individual during that quarter of the individual's base period in which the individual's wages were highest:

(a) One hundred percent, if the work is offered during the first five weeks of unemployment.

(b) Seventy-five percent, if the work is offered during the sixth through the twelfth week of unemployment.

(c) Seventy percent, if the work is offered during the thirteenth through the eighteenth week of unemployment.

(d) Sixty-five percent, if the work is offered after the eighteenth week of unemployment.

(2) However, the provisions of this paragraph shall not require an individual to accept employment below the federal minimum wage.

*b.* Notwithstanding any other provision of this chapter, no work shall be deemed suitable and benefits shall not be denied under this chapter to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

(1) If the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(2) If the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

(3) If as a condition of being employed, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

4. *Labor disputes.*

*a.* For any week with respect to which the department finds that the individual's total or partial unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which the individual is or was last employed, provided that this subsection shall not apply if it is shown to the satisfaction of the department that:

(1) The individual is not participating in or financing or directly interested in the labor dispute which caused the stoppage of work; and

(2) The individual does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed at the premises at which the stoppage occurs, any of whom are participating in or financing or directly interested in the dispute.

*b.* Provided, that if in any case separate branches of work which are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each such department shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises.

5. *Other compensation.*

*a.* For any week with respect to which the individual is receiving or has received payment in the form of any of the following:

(1) Wages in lieu of notice, separation allowance, severance pay, or dismissal pay.

(2) Compensation for temporary disability under the workers' compensation law of any state or under a similar law of the United States.

(3) A governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment made under a plan maintained or contributed to by a base period or chargeable employer where, except for benefits under the federal Social Security Act or the federal Railroad Retirement Act of 1974 or the corresponding provisions of prior law, the plan's eligibility requirements or benefit payments are affected by the base period employment or the remuneration for the base period employment. However, if an individual's benefits are reduced due to the receipt of a payment under this subparagraph, the reduction shall be decreased by the same percentage as the percentage contribution of the individual to the plan under which the payment is made.

*b.* Provided, that if the remuneration is less than the benefits which would otherwise be due under this chapter, the individual is entitled to receive for the week, if otherwise eligible, benefits reduced by the amount of the remuneration. Provided further, if benefits were paid for any week under this chapter for a period when benefits, remuneration or compensation under paragraph "*a*", subparagraph (1), (2), or (3), were paid on a retroactive basis for the same period, or any part thereof, the department shall recover the excess amount of benefits paid by the department for the period, and no employer's account shall be charged with benefits so paid. However, compensation for service-connected disabilities or compensation for accrued leave based on military service by the beneficiary with the armed forces of the United States, irrespective of the amount of the benefit, does not disqualify any individual otherwise qualified from any of the benefits contemplated herein. A deduction shall not be made from the amount of benefits payable for a week for individuals receiving federal social security pensions to take into account the individuals' contributions to the pension program.

6. *Benefits from other state.* For any week with respect to which or a part of which an individual has received or is seeking unemployment benefits under an unemployment compensation law of another state or of the United States, provided that if the appropriate agency of such other state or of the United States finally determines that the individual is not entitled to such unemployment benefits, this disqualification shall not apply.

7. *Vacation pay.*

*a.* When an employer makes a payment or becomes obligated to make a payment to an individual for vacation pay, or for vacation pay allowance, or as pay in lieu of vacation, such payment or amount shall be deemed "*wages*" as defined in section 96.19, subsection 41, and shall be applied as provided in paragraph "*c*" hereof.

*b.* When, in connection with a separation or layoff of an individual, the individual's employer makes a payment or payments to the individual, or becomes obligated to make a payment to the individual as, or in the nature of, vacation pay, or vacation pay allowance, or as pay in lieu of vacation, and within ten calendar days after notification of the filing of the individual's claim, designates by notice in writing to the department the period to which the payment shall be allocated; provided, that if such designated period is extended by the employer, the individual may again similarly designate an extended period, by giving notice in writing to the department not later than the beginning of the extension of the period,

with the same effect as if the period of extension were included in the original designation. The amount of a payment or obligation to make payment, is deemed *"wages"* as defined in section 96.19, subsection 41, and shall be applied as provided in paragraph *"c"* of this subsection 7.

*c.* Of the wages described in paragraph *"a"* (whether or not the employer has designated the period therein described), or of the wages described in paragraph *"b"*, if the period therein described has been designated by the employer as therein provided, a sum equal to the wages of such individual for a normal workday shall be attributed to, or deemed to be payable to the individual with respect to, the first and each subsequent workday in such period until such amount so paid or owing is exhausted. Any individual receiving or entitled to receive wages as provided herein shall be ineligible for benefits for any week in which the sums, so designated or attributed to such normal workdays, equal or exceed the individual's weekly benefit amount. If the amount so designated or attributed as wages is less than the weekly benefit amount of such individual, the individual's benefits shall be reduced by such amount.

*d.* Notwithstanding contrary provisions in paragraphs *"a"*, *"b"*, and *"c"*, if an individual is separated from employment and is scheduled to receive vacation payments during the period of unemployment attributable to the employer and if the employer does not designate the vacation period pursuant to paragraph *"b"*, then payments made by the employer to the individual or an obligation to make a payment by the employer to the individual for vacation pay, vacation pay allowance or pay in lieu of vacation shall not be deemed wages as defined in section 96.19, subsection 41, for any period in excess of one week and such payments or the value of such obligations shall not be deducted for any period in excess of one week from the unemployment benefits the individual is otherwise entitled to receive under this chapter. However, if the employer designates more than one week as the vacation period pursuant to paragraph *"b"*, the vacation pay, vacation pay allowance, or pay in lieu of vacation shall be considered wages and shall be deducted from benefits.

*e.* If an employer pays or is obligated to pay a bonus to an individual at the same time the employer pays or is obligated to pay vacation pay, a vacation pay allowance, or pay in lieu of vacation, the bonus shall not be deemed wages for purposes of determining benefit eligibility and amount, and the bonus shall not be deducted from unemployment benefits the individual is otherwise entitled to receive under this chapter.

8. *Administrative penalty.* If the department finds that, with respect to any week of an insured worker's unemployment for which such person claims credit or benefits, such person has, within the thirty-six calendar months immediately preceding such week, with intent to defraud by obtaining any benefits not due under this chapter, willfully and knowingly made a false statement or misrepresentation, or willfully and knowingly failed to disclose a material fact; such person shall be disqualified for the week in which the department makes such determination, and forfeit all benefit rights under the unemployment compensation law for a period of not more than the remaining benefit period as determined by the department according to the circumstances of each case. Any penalties imposed by this subsection shall be in addition to those otherwise prescribed in this chapter.

9. *Athletes — disqualified.* Services performed by an individual, substantially all of which consist of participating in sports or athletic events or training or preparing to so participate, for any week which commences during the period between two successive sport seasons or similar periods, if such individual performs such services in the first of such seasons or similar periods and there is a reasonable assurance that such individual will perform such services in the later of such season or similar periods.

10. *Aliens — disqualified.* For services performed by an alien unless such alien is an individual who was lawfully admitted for permanent residence at the time such services were performed, was lawfully present for the purpose of performing such services, or was permanently residing in the United States under color of law at the time such services were performed, including an alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) of the Immigration and Nationality Act. Any data or information required of individuals applying for benefits to determine whether benefits are not payable to them because of their alien status shall be uniformly required from all applicants for benefits. In the case of an individual whose application for benefits

would otherwise be approved, no determination that benefits to such individual are not payable because of the individual's alien status shall be made except upon a preponderance of the evidence.

[C39, §**1551.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.5; 81 Acts, ch 19, §2]

83 Acts, ch 190, §9, 10, 27; 85 Acts, ch 99, §2; 86 Acts, ch 1166, §1; 87 Acts, ch 78, §1; 90 Acts, ch 1261, §28; 91 Acts, ch 45, §3, 4; 92 Acts, ch 1045, §1, 2; 95 Acts, ch 109, §2; 96 Acts, ch 1121, § 2; 96 Acts, ch 1186, §23; 97 Acts, ch 132, §1; 2001 Acts, ch 111, §1, 6; 2007 Acts, ch 22, §26, 27; 2007 Acts, ch 215, §245, 258; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1048, §1

Referred to in §96.3, 96.4, 96.6, 96.29

**96.6 Filing — determination — appeal.**

1. *Filing.* Claims for benefits shall be made in accordance with such regulations as the department may prescribe.

2. *Initial determination.* A representative designated by the director shall promptly notify all interested parties to the claim of its filing, and the parties have ten days from the date of mailing the notice of the filing of the claim by ordinary mail to the last known address to protest payment of benefits to the claimant. The representative shall promptly examine the claim and any protest, take the initiative to ascertain relevant information concerning the claim, and, on the basis of the facts found by the representative, shall determine whether or not the claim is valid, the week with respect to which benefits shall commence, the weekly benefit amount payable and its maximum duration, and whether any disqualification shall be imposed. The claimant has the burden of proving that the claimant meets the basic eligibility conditions of section 96.4. The employer has the burden of proving that the claimant is disqualified for benefits pursuant to section 96.5, except as provided by this subsection. The claimant has the initial burden to produce evidence showing that the claimant is not disqualified for benefits in cases involving section 96.5, subsection 10, and has the burden of proving that a voluntary quit pursuant to section 96.5, subsection 1, was for good cause attributable to the employer and that the claimant is not disqualified for benefits in cases involving section 96.5, subsection 1, paragraphs *"a"* through *"h"*. Unless the claimant or other interested party, after notification or within ten calendar days after notification was mailed to the claimant's last known address, files an appeal from the decision, the decision is final and benefits shall be paid or denied in accordance with the decision. If an administrative law judge affirms a decision of the representative, or the appeal board affirms a decision of the administrative law judge allowing benefits, the benefits shall be paid regardless of any appeal which is thereafter taken, but if the decision is finally reversed, no employer's account shall be charged with benefits so paid and this relief from charges shall apply to both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

3. *Appeals.*

*a.* Unless the appeal is withdrawn, an administrative law judge, after affording the parties reasonable opportunity for fair hearing, shall affirm or modify the findings of fact and decision of the representative. The hearing shall be conducted pursuant to the provisions of chapter 17A relating to hearings for contested cases. Before the hearing is scheduled, the parties shall be afforded the opportunity to choose either a telephone hearing or an in-person hearing. A request for an in-person hearing shall be approved unless the in-person hearing would be impractical because of the distance between the parties to the hearing. A telephone or in-person hearing shall not be scheduled before the seventh calendar day after the parties receive notice of the hearing. Reasonable requests for the postponement of a hearing shall be granted. The parties shall be duly notified of the administrative law judge's decision, together with the administrative law judge's reasons for the decision, which is the final decision of the department, unless within fifteen days after the date of notification or mailing of the decision, further appeal is initiated pursuant to this section.

*b.* Appeals from the initial determination shall be heard by an administrative law judge employed by the department. An administrative law judge's decision may be appealed by any party to the employment appeal board created in section 10A.601. The decision of the appeal board is final agency action and an appeal of the decision shall be made directly to the district court.

4. *Effect of determination.* A finding of fact or law, judgment, conclusion, or final order made pursuant to this section by an employee or representative of the department, administrative law judge, or the employment appeal board, is binding only upon the parties to proceedings brought under this chapter, and is not binding upon any other proceedings or action involving the same facts brought by the same or related parties before the division of labor services, division of workers' compensation, other state agency, arbitrator, court, or judge of this state or the United States.

[C39, §**1551.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.6]

83 Acts, ch 190, §11, 12, 27; 84 Acts, ch 1255, §3; 86 Acts, ch 1245, §522, 523; 88 Acts, ch 1109, §9; 91 Acts, ch 43, §1; 95 Acts, ch 109, §3; 96 Acts, ch 1186, §23; 98 Acts, ch 1061, §9; 98 Acts, ch 1158, §1; 2008 Acts, ch 1032, §177

Referred to in §96.3, 96.4, 96.7(2a), 96.11, 96.19, 235B.6

**96.7 Employer contributions and reimbursements.**

1. *Payment.* Contributions accrue and are payable, in accordance with rules adopted by the department, on all taxable wages paid by an employer for insured work.

2. *Contribution rates based on benefit experience.*

*a.* (1) The department shall maintain a separate account for each employer and shall credit each employer's account with all contributions which the employer has paid or which have been paid on the employer's behalf.

(2) The amount of regular benefits plus fifty percent of the amount of extended benefits paid to an eligible individual shall be charged against the account of the employers in the base period in the inverse chronological order in which the employment of the individual occurred.

(a) However, if the individual to whom the benefits are paid is in the employ of a base period employer at the time the individual is receiving the benefits, and the individual is receiving the same employment from the employer that the individual received during the individual's base period, benefits paid to the individual shall not be charged against the account of the employer. This provision applies to both contributory and reimbursable employers, notwithstanding subparagraph (3) and section 96.8, subsection 5.

(b) An employer's account shall not be charged with benefits paid to an individual who left the work of the employer voluntarily without good cause attributable to the employer or to an individual who was discharged for misconduct in connection with the individual's employment, or to an individual who failed without good cause, either to apply for available, suitable work or to accept suitable work with that employer, but shall be charged to the unemployment compensation fund. This paragraph applies to both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

(c) The amount of benefits paid to an individual, which is solely due to wage credits considered to be in an individual's base period due to the exclusion and substitution of calendar quarters from the individual's base period under section 96.23, shall be charged against the account of the employer responsible for paying the workers' compensation benefits for temporary total disability or during a healing period under section 85.33, section 85.34, subsection 1, or section 85A.17, or responsible for paying indemnity insurance benefits.

(d) The account of an employer shall not be charged with benefits paid to an individual for unemployment that is directly caused by a major natural disaster declared by the president of the United States, pursuant to the federal Disaster Relief Act of 1974, if the individual would have been eligible for federal disaster unemployment assistance benefits with respect to that unemployment but for the individual's receipt of regular benefits.

(e) The account of an employer shall not be charged with benefits paid to an individual who is laid off if the benefits are paid as the result of the return to work of a permanent employee who is one of the following:

(i) A member of the national guard or organized reserves of the armed forces of the United States ordered to temporary duty, as defined in section 29A.1, subsection 3, 8, or 12, for any purpose, who has completed the duty as evidenced in accordance with section 29A.43.

(ii) A member of the civil air patrol performing duty pursuant to section 29A.3A, who has completed the duty as evidenced in accordance with section 29A.43.

(3) The amount of regular benefits charged against the account of an employer for a calendar quarter of the base period shall not exceed the amount of the individual's wage credits based on employment with the employer during that quarter. The amount of extended benefits charged against the account of an employer for a calendar quarter of the base period shall not exceed an additional fifty percent of the amount of the individual's wage credits based on employment with the employer during that quarter. However, the amount of extended benefits charged against the account of a governmental entity which is either a reimbursable or contributory employer, for a calendar quarter of the base period shall not exceed an additional one hundred percent of the amount of the individual's wage credits based on employment with the governmental entity during that quarter.

(4) The department shall adopt rules prescribing the manner in which benefits shall be charged against the accounts of several employers for which an individual performed employment during the same calendar quarter.

(5) This chapter shall not be construed to grant an employer or an individual in the employer's service, prior claim or right to the amount paid by the employer into the unemployment compensation fund either on the employer's own behalf or on behalf of the individual.

(6) Within forty days after the close of each calendar quarter, the department shall notify each employer of the amount of benefits charged to the employer's account during that quarter. The notification shall show the name of each individual to whom benefits were paid, the individual's social security number, and the amount of benefits paid to the individual. An employer which has not been notified as provided in section 96.6, subsection 2, of the allowance of benefits to an individual, may within thirty days after the date of mailing of the notification appeal to the department for a hearing to determine the eligibility of the individual to receive benefits. The appeal shall be referred to an administrative law judge for hearing and the employer and the individual shall receive notice of the time and place of the hearing.

*b.* (1) If an organization, trade, or business, or a clearly segregable and identifiable part of an organization, trade, or business, for which contributions have been paid is sold or transferred to a subsequent employing unit, or if one or more employing units have been reorganized or merged into a single employing unit, and the successor employer, having qualified as an employer as defined in section 96.19, subsection 16, paragraph "*b*", continues to operate the organization, trade, or business, the successor employer shall assume the position of the predecessor employer or employers with respect to the predecessors' payrolls, contributions, accounts, and contribution rates to the same extent as if no change had taken place in the ownership or control of the organization, trade, or business. However, the successor employer shall not assume the position of the predecessor employer or employers with respect to the predecessor employer's or employers' payrolls, contributions, accounts, and contribution rates which are attributable to that part of the organization, trade, or business transferred, unless the successor employer applies to the department within ninety days from the date of the partial transfer, and the succession is approved by the predecessor employer or employers and the department.

(2) Notwithstanding any other provision of this chapter, if an employer sells or transfers its organization, trade, or business, or a portion thereof, to another employer, and at the time of the sale or transfer, there is substantially common ownership, management, or control of the two employers, then the unemployment experience attributable to the sold or transferred organization, trade, or business shall be transferred to the successor employer. The transfer of part or all of an employer's workforce to another employer shall be considered a sale or transfer of the organization, trade, or business where the predecessor employer no longer operates the organization, trade, or business with respect to the transferred workforce and such organization, trade, or business is operated by the successor employer.

(3) (a) Notwithstanding any other provision of this chapter, if a person is not an employer at the time such person acquires an organization, trade, or business of an employer, or a portion thereof, the unemployment experience of the acquired organization, trade, or

business shall not be transferred to such person if the department finds such person acquired the organization, trade, or business solely or primarily for the purpose of obtaining a lower rate of contribution. Instead, such person shall be assigned the applicable new employer rate under paragraph "*c*".

(b) In determining whether an organization, trade, or business or portion thereof was acquired solely or primarily for the purpose of obtaining a lower rate of contribution, the department shall use objective factors which may include the cost of acquiring the organization, trade, or business; whether the person continued the acquired organization, trade, or business; how long such organization, trade, or business was continued; and whether a substantial number of new employees were hired for performance of duties unrelated to the organization, trade, or business operated prior to the acquisition. The department shall establish methods and procedures to identify the transfer or acquisition of an organization, trade, or business under this subparagraph (3) and subparagraph (2).

(4) The predecessor employer, prior to entering into a contract with a successor employer relating to the sale or transfer of the organization, trade, or business, or a clearly segregable and identifiable part of the organization, trade, or business, shall disclose to the successor employer the predecessor employer's record of charges of benefits payments and any layoffs or incidences since the last record that would affect the experience record. A predecessor employer who fails to disclose or willfully discloses incorrect information to a successor employer regarding the predecessor employer's record of charges of benefits payments is liable to the successor employer for any actual damages and attorney fees incurred by the successor employer as a result of the predecessor employer's failure to disclose or disclosure of incorrect information. The department shall include notice of the requirement of disclosure in the department's quarterly notification given to each employer pursuant to paragraph "*a*", subparagraph (6).

(5) The contribution rate to be assigned to the successor employer for the period beginning not earlier than the date of the succession and ending not later than the beginning of the next following rate year, shall be the contribution rate of the predecessor employer with respect to the period immediately preceding the date of the succession, provided the successor employer was not, prior to the succession, a subject employer, and only one predecessor employer, or only predecessor employers with identical rates, are involved. If the predecessor employers' rates are not identical and the successor employer is not a subject employer prior to the succession, the department shall assign the successor employer a rate for the remainder of the rate year by combining the experience of the predecessor employers. If the successor employer is a subject employer prior to the succession, the successor employer may elect to retain the employer's own rate for the remainder of the rate year, or the successor employer may apply to the department to have the employer's rate redetermined by combining the employer's experience with the experience of the predecessor employer or employers. However, if the successor employer is a subject employer prior to the succession and has had a partial transfer of the experience of the predecessor employer or employers approved, then the department shall recompute the successor employer's rate for the remainder of the rate year.

*c.* (1) A nonconstruction contributory employer newly subject to this chapter shall pay contributions at the rate specified in the twelfth benefit ratio rank but not less than one percent until the end of the calendar year in which the employer's account has been chargeable with benefits for twelve consecutive calendar quarters immediately preceding the computation date.

(2) A construction contributory employer, as defined under rules adopted by the department, which is newly subject to this chapter shall pay contributions at the rate specified in the twenty-first benefit ratio rank until the end of the calendar year in which the employer's account has been chargeable with benefits for twelve consecutive calendar quarters.

(3) Thereafter, the employer's contribution rate shall be determined in accordance with paragraph "*d*", except that the employer's average annual taxable payroll and benefit ratio may be computed, as determined by the department, for less than five periods of four consecutive calendar quarters immediately preceding the computation date.

*d.* The department shall determine the contribution rate table to be in effect for the rate year following the computation date, by determining the ratio of the current reserve fund ratio to the highest benefit cost ratio on the computation date. On or before the fifth day of September the department shall make available to employers the contribution rate table to be in effect for the next rate year.

(1) The current reserve fund ratio is computed by dividing the total funds available for payment of benefits, on the computation date or on August 15 following the computation date if the total funds available for payment of benefits is a higher amount on August 15, by the total wages paid in covered employment excluding reimbursable employment wages during the first four calendar quarters of the five calendar quarters immediately preceding the computation date. However, in computing the current reserve fund ratio the following amounts shall be added to the total funds available for payment of benefits on the following computation dates:

(a) Twenty million dollars on July 1, 2004.

(b) Seventy million dollars on July 1, 2005.

(c) One hundred twenty million dollars on July 1, 2006.

(d) One hundred fifty million dollars on July 1, 2007, and on each subsequent computation date.

(2) The highest benefit cost ratio is the highest of the resulting ratios computed by dividing the total benefits paid, excluding reimbursable benefits paid, during each consecutive twelve-month period, during the ten-year period ending on the computation date, by the total wages, excluding reimbursable employment wages, paid in the four calendar quarters ending nearest and prior to the last day of such twelve-month period; however, the highest benefit cost ratio shall not be less than .02.

If the current reserve fund ratio, divided by the highest benefit cost ratio:

| Equals or exceeds | But is less than | The contribution rate table in effect shall be |
|---|---|---|
| — | 0.3 | 1 |
| 0.3 | 0.5 | 2 |
| 0.5 | 0.7 | 3 |
| 0.7 | 0.85 | 4 |
| 0.85 | 1.0 | 5 |
| 1.0 | 1.15 | 6 |
| 1.15 | 1.30 | 7 |
| 1.30 | — | 8 |

*"Benefit ratio"* means a number computed to six decimal places on July 1 of each year obtained by dividing the average of all benefits charged to an employer during the five periods of four consecutive calendar quarters immediately preceding the computation date by the employer's average annual taxable payroll.

Each employer qualified for an experience rating shall be assigned a contribution rate for each rate year that corresponds to the employer's benefit ratio rank in the contribution rate table effective for the rate year from the following contribution rate tables. Each employer's benefit ratio rank shall be computed by listing all the employers by increasing benefit ratios, from the lowest benefit ratio to the highest benefit ratio and grouping the employers so listed into twenty-one separate ranks containing as nearly as possible four and seventy-six hundredths percent of the total taxable wages, excluding reimbursable employment wages, paid in covered employment during the four completed calendar quarters immediately preceding the computation date. If an employer's taxable wages qualify the employer for two separate benefit ratio ranks the employer shall be afforded the benefit ratio rank assigned the lower contribution rate. Employers with identical benefit ratios shall be assigned to the same benefit ratio rank.

| Benefit Ratio Rank | Approximate Cumulative Taxable Payroll Limit | Contribution Rate Tables 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 4.8% | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2 | 9.5% | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 3 | 14.3% | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| 4 | 19.0% | 0.4 | 0.3 | 0.3 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| 5 | 23.8% | 0.6 | 0.5 | 0.4 | 0.3 | 0.3 | 0.2 | 0.1 | 0.1 |
| 6 | 28.6% | 0.9 | 0.8 | 0.6 | 0.5 | 0.4 | 0.3 | 0.2 | 0.1 |
| 7 | 33.3% | 1.2 | 1.0 | 0.8 | 0.6 | 0.5 | 0.4 | 0.3 | 0.2 |
| 8 | 38.1% | 1.5 | 1.3 | 1.0 | 0.8 | 0.6 | 0.5 | 0.3 | 0.2 |
| 9 | 42.8% | 1.9 | 1.5 | 1.2 | 0.9 | 0.7 | 0.6 | 0.4 | 0.3 |
| 10 | 47.6% | 2.1 | 1.8 | 1.4 | 1.1 | 0.8 | 0.6 | 0.5 | 0.3 |
| 11 | 52.4% | 2.5 | 2.0 | 1.6 | 1.3 | 1.0 | 0.7 | 0.5 | 0.3 |
| 12 | 57.1% | 3.0 | 2.4 | 1.9 | 1.5 | 1.1 | 0.9 | 0.6 | 0.4 |
| 13 | 61.9% | 3.6 | 2.9 | 2.4 | 1.8 | 1.4 | 1.1 | 0.8 | 0.5 |
| 14 | 66.6% | 4.4 | 3.6 | 2.9 | 2.2 | 1.7 | 1.3 | 1.0 | 0.6 |
| 15 | 71.4% | 5.3 | 4.3 | 3.5 | 2.7 | 2.0 | 1.6 | 1.1 | 0.7 |
| 16 | 76.2% | 6.3 | 5.2 | 4.1 | 3.2 | 2.4 | 1.9 | 1.4 | 0.9 |
| 17 | 80.9% | 7.0 | 6.4 | 5.2 | 4.0 | 3.0 | 2.3 | 1.7 | 1.1 |
| 18 | 85.7% | 7.5 | 7.5 | 7.0 | 5.4 | 4.1 | 3.1 | 2.3 | 1.5 |
| 19 | 90.4% | 8.0 | 8.0 | 8.0 | 7.3 | 5.6 | 4.2 | 3.1 | 2.0 |
| 20 | 95.2% | 8.5 | 8.5 | 8.5 | 8.0 | 7.6 | 5.8 | 4.3 | 2.8 |
| 21 | 100.0% | 9.0 | 9.0 | 9.0 | 9.0 | 8.5 | 8.0 | 7.5 | 7.0 |

*e.* The department shall fix the contribution rate for each employer and notify the employer of the rate by regular mail to the last known address of the employer. An employer may appeal to the department for a revision of the contribution rate within thirty days from the date of the notice to the employer. After providing an opportunity for a hearing, the department may affirm, set aside, or modify its former determination and may grant the employer a new contribution rate. The department shall notify the employer of its decision by regular mail. Judicial review of action of the department may be sought pursuant to chapter 17A.

If an employer's account has been charged with benefits as the result of a decision allowing benefits and the decision is reversed, the employer may appeal, within thirty days from the date of the next contribution rate notice, for a recomputation of the rate. If contributions become due at a disputed contribution rate prior to the employer receiving a decision reversing benefits, the employer shall pay the contributions at the disputed rate but shall be eligible for a refund pursuant to section 96.14, subsection 5. If a base period employer's account has been charged with benefits paid to an employee at a time when the employee was employed by the base period employer in the same employment as in the base period, the employer may appeal, within thirty days from the date of the first notice of the employer's contribution rate which is based on the charges, for a recomputation of the rate.

*f.* If an employer has not filed a contribution and payroll quarterly report, as required pursuant to section 96.11, subsection 6, for a calendar quarter which precedes the computation date and upon which the employer's rate of contribution is computed, the employer's average annual taxable payroll shall be computed by considering the delinquent quarterly reports as containing zero taxable wages.

If a delinquent quarterly report is received by September 30 following the computation date the contribution rate shall be recomputed by using the taxable wages in all the appropriate quarterly reports on file to determine the average annual taxable payroll.

If a delinquent quarterly report is received after September 30 following the computation date the contribution rate shall not be recomputed, unless the rate is appealed in writing to the department under paragraph "*e*" and the delinquent quarterly report is also submitted not

later than thirty days after the department notifies the employer of the rate under paragraph "*e*".

3. *Determination and assessment of contributions.*

*a.* As soon as practicable and in any event within two years after an employer has filed reports, as required pursuant to section 96.11, subsection 6, the department shall examine the reports and determine the correct amount of contributions due, and the amount so determined by the department shall be the contributions payable. If the contributions found due are greater than the amount paid, the department shall send a notice by certified mail to the employer with respect to the additional contributions and interest assessed. A lien shall attach as provided in section 96.14, subsection 3, if the assessment is not paid or appealed within thirty days of the date of the notice of assessment.

*b.* If the department discovers from the examination of the reports required pursuant to section 96.11, subsection 6, or in some other manner that wages, or any portion of wages, payable for employment, have not been listed in the reports, or that reports were not filed when due, or that reports have been filed showing contributions due but contributions in fact have not been paid, the department shall at any time within five years after the time the reports were due, determine the correct amount of contributions payable, together with interest and any applicable penalty as provided in this chapter. The department shall send a notice by certified mail to the employer of the amount assessed and a lien shall attach as provided in paragraph "*a*".

*c.* The certificate of the department to the effect that contributions have not been paid, that reports have not been filed, or that information has not been furnished as required under the provisions of this chapter, is prima facie evidence of the failure to pay contributions, file reports, or furnish information.

4. *Employer liability determination.* The department shall initially determine all questions relating to the liability of an employing unit or employer, including the amount of contribution, the contribution rate, and successorship. A copy of the initial determination shall be sent by regular mail to the last address, according to the records of the department, of each affected employing unit or employer.

The affected employing unit or employer may appeal in writing to the department from the initial determination. An appeal shall not be entertained for any reason by the department unless the appeal is filed with the department within thirty days from the date on which the initial determination is mailed. If an appeal is not so filed, the initial determination shall with the expiration of the appeal period become final and conclusive in all respects and for all purposes.

A hearing on an appeal shall be conducted according to rules adopted by the department. A copy of the decision of the administrative law judge shall be sent by regular mail to the last address, according to the records of the department, of each affected employing unit or employer.

The department's decision on the appeal shall be final and conclusive as to the liability of the employing unit or employer unless the employing unit or employer files an appeal for judicial review within thirty days after the date of mailing of the decision as provided in subsection 5.

5. *Judicial review.* Notwithstanding chapter 17A, petitions for judicial review may be filed in the district court of the county in which the employer resides, or in which the employer's principal place of business is located, or in the case of a nonresident not maintaining a place of business in this state either in a county in which the wages payable for employment were earned or paid or in Polk county, within thirty days after the date of the notice to the employer of the department's final determination as provided for in subsection 2, 3, or 4.

The petitioner shall file with the clerk of the district court a bond for the use of the respondent, with sureties approved by the clerk, with any penalty to be fixed and approved by the clerk. The bond shall not be less than fifty dollars and shall be conditioned on the petitioner's performance of the orders of the court. In all other respects, the judicial review shall be in accordance with chapter 17A.

6. *Jeopardy assessments.* If the department believes that the collection of contributions

payable or benefits reimbursable will be jeopardized by delay, the department may immediately make an assessment of the estimated amount of contributions due or benefits reimbursable, together with interest and applicable penalty, and demand payment from the employer. If the payment is not made, the department may immediately file a lien against the employer which may be followed by the issuance of a distress warrant.

The department shall be permitted to accept a bond from the employer to satisfy collection until the amount of contributions due is determined. The bond shall be in an amount deemed necessary, but not more than double the amount of the contributions involved, with securities satisfactory to the department.

7. *Financing benefits paid to employees of governmental entities.*

*a.* A governmental entity which is an employer under this chapter shall pay benefits in a manner provided for a reimbursable employer unless the governmental entity elects to make contributions as a contributory employer. The election shall be effective for a minimum of one calendar year and may be changed if an election is made to become a reimbursable employer prior to December 1 for a minimum of the following calendar year.

However, if on the effective date of the election the governmental entity has a negative balance in its contributory account, the governmental entity shall pay to the fund within a time period determined by the department the amount of the negative balance and shall immediately become liable to reimburse the unemployment compensation fund for benefits paid in lieu of contributions. Regular or extended benefits paid after the effective date of the election, including those based on wages paid while the governmental entity was a contributory employer, shall be billed to the governmental entity as a reimbursable employer.

*b.* A governmental entity electing to make contributions as a contributory employer, with at least eight consecutive calendar quarters immediately preceding the computation date throughout which the employer's account has been chargeable with benefits, shall be assigned a contribution rate under this paragraph. Contribution rates shall be assigned by listing all governmental contributory employers by decreasing percentages of excess from the highest positive percentage of excess to the highest negative percentage of excess. The employers so listed shall be grouped into seven separate percentage of excess ranks each containing as nearly as possible one-seventh of the total taxable wages of governmental entities eligible to be assigned a rate under this paragraph.

As used in this subsection, *"percentage of excess"* means a number computed to six decimal places on July 1 of each year obtained by dividing the excess of all contributions attributable to an employer over the sum of all benefits charged to an employer by the employer's average annual payroll. An employer's percentage of excess is a positive number when the total of all contributions paid to an employer's account for all past periods to and including those for the quarter immediately preceding the rate computation date exceeds the total benefits charged to such account for the same period. An employer's percentage of excess is a negative number when the total of all contributions paid to an employer's account for all past periods to and including those for the quarter immediately preceding the rate computation date is less than the total benefits charged to such account for the same period.

As used in this subsection, *"average annual taxable payroll"* means the average of the total amount of taxable wages paid by an employer for insured work during the three periods of four consecutive calendar quarters immediately preceding the computation date. However, for an employer which qualifies on any computation date for a computed rate on the basis of less than twelve consecutive calendar quarters of chargeability immediately preceding the computation date, *"average annual taxable payroll"* means the average of the employer's total amount of taxable wages for the two periods of four consecutive calendar quarters immediately preceding the computation date.

The department shall annually calculate a base rate for each calendar year. The base rate is equal to the sum of the benefits charged to governmental contributory employers in the calendar year immediately preceding the computation date plus or minus the difference between the total benefits and contributions paid by governmental contributory employers since January 1, 1980, which sum is divided by the total taxable wages reported by governmental contributory employers during the calendar year immediately preceding the computation date, rounded to the next highest one-tenth of one percent. Excess

contributions from the years 1978 and 1979 shall be used to offset benefits paid in any calendar year where total benefits exceed total contributions of governmental contributory employers. The contribution rate as a percentage of taxable wages of the employer shall be assigned as follows:

| If the percentage of excess rank is: | The contribution rate shall be: | Approximate cumulative taxable payroll |
|---|---|---|
| 1 | Base Rate – 0.9 | 14.3 |
| 2 | Base Rate – 0.6 | 28.6 |
| 3 | Base Rate – 0.3 | 42.9 |
| 4 | Base Rate | 57.2 |
| 5 | Base Rate + 0.3 | 71.5 |
| 6 | Base Rate + 0.6 | 85.8 |
| 7 | Base Rate + 0.9 | 100.0 |

If a governmental contributory employer is grouped into two separate percentage of excess ranks, the employer shall be assigned the lower contribution rate of the two percentage of excess ranks. Notwithstanding the provisions of this paragraph, a governmental contributory employer shall not be assigned a contribution rate less than one-tenth of one percent of taxable wages unless the employer has a positive percentage of excess greater than five percent.

Governmental entities electing to be contributory employers which are not eligible to be assigned a contribution rate under this paragraph shall be assigned the base rate as a contribution rate for the calendar year.

*c.* For the purposes of this subsection, *"governmental reimbursable employer"* means an employer which makes payments to the department for the unemployment compensation fund in an amount equal to the regular and extended benefits paid, which are based on wages paid for service in the employ of the employer. Benefits paid to an eligible individual shall be charged against the base period employers in the inverse chronological order in which the employment of the individual occurred. However, the amount of benefits charged against an employer for a calendar quarter of the base period shall not exceed the amount of the individual's wage credits based upon employment with that employer during that quarter. At the end of each calendar quarter, the department shall bill each governmental reimbursable employer for benefits paid during that quarter. Payments by a governmental reimbursable employer shall be made in accordance with subsection 8, paragraph *"b"*, subparagraphs (2) through (5).

*d.* A state agency, board, commission, or department, except a state board of regents institution, shall, after approval of the billing for a governmental reimbursable employer as provided in subsection 8, paragraph *"b"*, submit the billing to the director of the department of administrative services. The director of the department of administrative services shall pay the approved billing out of any funds in the state treasury not otherwise appropriated. A state agency, board, commission, or department shall reimburse the director of the department of administrative services out of any revolving, special, trust, or federal fund from which all or a portion of the billing can be paid, for payments made by the director of the department of administrative services on behalf of the agency, board, commission, or department.

*e.* If the entire enterprise or business of a reimbursable governmental entity is sold or otherwise transferred to a subsequent employing unit and the acquiring employing unit continues to operate the enterprise or business, the acquiring employing unit shall assume the position of the reimbursable governmental entity with respect to the reimbursable governmental entity's liability to pay the department for reimbursable benefits based on the governmental entity's payroll to the same extent as if no change in the ownership or control of the enterprise or business had occurred, whether or not the acquiring employing

unit elected or elects, or was or is eligible to elect, to become a reimbursable employer with respect to the acquiring employing unit's own payroll prior to or after the acquisition of the governmental entity's enterprise or business.

*f.* If a reimbursable instrumentality of the state or of a political subdivision is discontinued other than by sale or transfer to a subsequent employing unit as described in paragraph "*e*", the state or the political subdivision, respectively, shall reimburse the department for benefits paid to former employees of the instrumentality after the instrumentality is discontinued.

8. *Financing benefits paid to employees of nonprofit organizations.*

*a.* A nonprofit organization which is, or becomes, subject to this chapter, shall pay contributions under subsections 1 and 2, unless the nonprofit organization elects, in accordance with this paragraph, to reimburse the unemployment compensation fund for benefits paid in an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, which are based on wages paid for service in the employ of the nonprofit organization during the effective period of the election.

(1) A nonprofit organization may elect to become a reimbursable employer for a period of not less than two calendar years by filing with the department a written notice of its election not later than thirty days prior to the beginning of the calendar year for which the election is to be effective.

(2) A nonprofit organization which makes an election in accordance with subparagraph (1) shall continue to be a reimbursable employer until the nonprofit organization files with the department a written notice terminating its election not later than thirty days prior to the beginning of the calendar year for which the termination is to be effective.

(3) The department may for good cause extend the period within which a notice of election or termination of election must be filed and may permit an election or termination of election to be retroactive.

(4) The department, in accordance with rules, shall notify each nonprofit organization of any determination made by the department of the status of the nonprofit organization as an employer and of the effective date of any election or termination of election. A determination is subject to appeal and review in accordance with subsections 4 and 5.

*b.* Reimbursements for benefits paid in lieu of contributions shall be made in accordance with the following:

(1) At the end of each calendar quarter, the department shall bill each nonprofit organization which has elected to reimburse the unemployment compensation fund for benefits paid in an amount equal to the full amount of regular benefits and one-half of the amount of extended benefits paid during the quarter which are based on wages paid for service in the employ of the organization. Benefits paid to an individual shall be charged against the base period employers in the inverse chronological order in which the employment of the individual occurred. However, the amount of benefits charged against an employer for a calendar quarter of the base period shall not exceed the amount of the individual's wage credits based upon employment with that employer during that quarter.

(2) The nonprofit organization shall pay the bill not later than thirty days after the bill was mailed or otherwise delivered to the last known address of the nonprofit organization, unless the nonprofit organization has filed an application for redetermination in accordance with subparagraph (4).

(3) Reimbursements made by a nonprofit organization shall not be deducted, in whole or in part, from the wages of individuals in the employ of the nonprofit organization.

(4) The amount due specified in a bill from the department is conclusive unless, not later than fifteen days following the date the bill was mailed or otherwise delivered to the last known address of the nonprofit organization, the nonprofit organization files an application for redetermination with the department setting forth the grounds for the application. The department shall promptly review the amount due specified in the bill and shall issue a redetermination. The redetermination is conclusive on the nonprofit organization unless, not later than thirty days after the redetermination was mailed or otherwise delivered to the last known address of the nonprofit organization, the nonprofit organization files an appeal to the district court pursuant to subsection 5.

(5) The provisions for collection of contributions under section 96.14 are applicable to reimbursements for benefits paid in lieu of contributions.

(6) If the entire enterprise or business of a reimbursable nonprofit organization is sold or otherwise transferred to a subsequent employing unit and the acquiring employing unit continues to operate the enterprise or business, the acquiring employing unit shall assume the position of the reimbursable nonprofit organization with respect to the nonprofit organization's liability to pay the department for reimbursable benefits based on the nonprofit organization's payroll to the same extent as if no change in the ownership or control of the enterprise or business had occurred, whether or not the acquiring employing unit elected or elects, or was or is eligible to elect, to become a reimbursable employer with respect to the acquiring employing unit's own payroll prior to or after the acquisition of the nonprofit organization's enterprise or business.

9. *Indian tribes.*

*a.* For purposes of this chapter, employment by an Indian tribe shall be covered in the same manner and terms as provided for governmental entities and the same exclusions that are applicable for governmental entities shall also apply.

*b.* In financing benefits paid to employees of an Indian tribe under this chapter, a contribution rate shall be determined and contributions shall be assessed and collected from an Indian tribe in the same manner provided in this chapter for contributory employers, except that an Indian tribe shall have the option of electing to become a governmental reimbursable employer. An Indian tribe shall have the option to make a separate election as provided in this paragraph for itself and for each subdivision, subsidiary, or business enterprise wholly owned by the Indian tribe. The reimbursable status of an Indian tribe shall be in the same manner, to the same extent, and on the same terms as are applicable to all governmental reimbursable employers under this chapter.

*c.* If the department determines that an Indian tribe has failed to make any payment required pursuant to this chapter after providing the Indian tribe with ninety days' notice of this failure, the department may issue a determination that ceases coverage of all employment by that Indian tribe until such time as all payments are received by the department.

10. *Group accounts.* Two or more nonprofit organizations or two or more governmental entities which have become reimbursable employers in accordance with subsection 7 or subsection 8, paragraph *"a"*, may file a joint application to the department for the establishment of a group account for the purpose of sharing the cost of benefits paid which are attributable to service in the employ of the employers. The application shall identify and authorize a group representative to act as the group's agent for the purposes of this subsection. Upon approval of the application, the department shall establish a group account for the employers effective as of the beginning of the calendar quarter in which the department receives the application and shall notify the group's agent of the effective date of the account. The account shall remain in effect for not less than one year until terminated at the discretion of the department or upon application by the group. Upon establishment of the account, each employer member of the group shall be liable for benefit reimbursements in lieu of contributions with respect to each calendar quarter in an amount which bears the same ratio to the total benefits paid in the quarter which are attributable to service performed in the employ of all members of the group, as the total wages paid for service performed in the employ of the member in the quarter bear to the total wages paid for service performed in the employ of all members of the group in the quarter. The department shall adopt rules with respect to applications for establishment, maintenance, and termination of group accounts, for addition of new members to, and withdrawal of active members from group accounts, and for the determination of the amounts which are payable by members of the group and the time and manner of the payments.

11. *Temporary emergency surcharge.* If on the first day of the third month in any calendar quarter, the department has an outstanding balance of interest accrued on advance moneys received from the federal government for the payment of unemployment compensation benefits, or is projected to have an outstanding balance of accruing federal interest for that calendar quarter, the department shall collect a uniform temporary

emergency surcharge for that calendar quarter, retroactive to the beginning of that calendar quarter. The surcharge shall be a percentage of employer contribution rates and shall be set at a uniform percentage, for all employers subject to the surcharge, necessary to pay the interest accrued on the moneys advanced to the department by the federal government, and to pay any additional federal interest which will accrue for the remainder of that calendar quarter. The surcharge shall apply to all employers except governmental entities, nonprofit organizations, and employers assigned a zero contribution rate. The department shall adopt rules prescribing the manner in which the surcharge will be collected. Interest shall accrue on all unpaid surcharges under this subsection at the same rate as on regular contributions and shall be collectible in the same manner. The surcharge shall not affect the computation of regular contributions under this chapter.

A special fund to be known as the temporary emergency surcharge fund is created in the state treasury. The special fund is separate and distinct from the unemployment compensation fund. All contributions collected from the temporary emergency surcharge shall be deposited in the special fund. The special fund shall be used only to pay interest accruing on advance moneys received from the federal government for the payment of unemployment compensation benefits. Interest earned upon moneys in the special fund shall be deposited in and credited to the special fund.

If the department determines on June 1 that no outstanding balance of interest due has accrued on advanced moneys received from the federal government for the payment of unemployment compensation benefits, and that no outstanding balance is projected to accrue for the remainder of the calendar year, the department shall notify the treasurer of state of its determination. The treasurer of state shall immediately transfer all moneys, including accrued interest, in the temporary emergency surcharge fund to the unemployment compensation fund for the payment of benefits.

[C39, §**1551.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §96.7; C79, 81, §96.7, 96.19(21); 81 Acts, ch 19, §3 – 7; 82 Acts, ch 1126, §1]

83 Acts, ch 190, §13 – 20, 27; 84 Acts, ch 1255, §4 – 7; 86 Acts, ch 1066, §1; 86 Acts, ch 1166, §2; 86 Acts, ch 1209, §1; 87 Acts, ch 111, §10, 11; 87 Acts, ch 222, §4; 88 Acts, ch 1014, §1 – 3; 88 Acts, ch 1109, §10, 11; 88 Acts, ch 1274, §28; 89 Acts, ch 296, §14; 90 Acts, ch 1227, §1; 90 Acts, ch 1261, §29; 91 Acts, ch 45, §5; 91 Acts, ch 268, §426; 93 Acts, ch 23, §1 – 3; 95 Acts, ch 109, §4, 5; 96 Acts, ch 1121, §3 – 5; 96 Acts, ch 1186, §23; 98 Acts, ch 1051, §1, 2; 99 Acts, ch 5, §1; 2001 Acts, ch 111, §2, 6; 2001 Acts, ch 163, §1, 2; 2001 Acts, 1st Ex, ch 2, §1, 4; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 1, §127 – 129

[2003 Acts, 1st Ex, ch 1, §127 – 129 amendment to subsection 12 rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, ch 1175, §65; 2004 Acts, 1st Ex, ch 1001, §31, 32; 2005 Acts, ch 98, §1; 2008 Acts, ch 1032, §201; 2009 Acts, ch 22, §4; 2010 Acts, ch 1193, §197; 2012 Acts, ch 1072, §31

Referred to in §96.3, 96.5, 96.8, 96.9, 96.14, 96.16, 96.19, 96.20

**96.7A Appropriations for workforce development field offices.**

1. There is appropriated from the general fund of the state to the department of workforce development for the fiscal period beginning July 1, 2004, and ending June 30, 2007, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

2. For workforce development field offices, including salaries, support, maintenance, conducting labor market surveys, and miscellaneous purposes:

*a.* FY 2004-2005 ..... $ 6,525,000

*b.* FY 2005-2006 ..... $ 6,525,000

*c.* FY 2006-2007 ..... $ 0

3. Notwithstanding section 8.33, moneys that remain unexpended at the end of the fiscal year shall not revert but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

2004 Acts, 1st Ex, ch 1002, §6, 7; 2006 Acts, ch 1176, §22; 2008 Acts, ch 1032, §201

**96.7B** Repealed by 87 Acts, ch 222, § 8.

**96.8 Conditions and requirements.**

1. *Period of coverage.* Any employing unit which is or becomes an employer subject to this chapter within any calendar year shall be subject to this chapter during the whole of such calendar year.

2. *Voluntary termination.* Except as otherwise provided in subsection 3 of this section, an employing unit ceases to be an employer subject to this chapter, as of the first day of January of any year, if it files with the department, prior to the fifteenth day of February of that year, a written application for termination of coverage, and the department finds that the employing unit did not meet any of the qualifying liability requirements as provided under section 96.19, subsection 16, in the preceding calendar year.

3. *Election by employer.*

*a.* An employing unit, not otherwise subject to this chapter, which files with the department its written election to become an employer subject hereto for not less than two calendar years, shall with the written approval of such election by the department, become an employer subject hereto to the same extent as all other employers, as of the date stated in such approval, and shall cease to be subject hereto as of January 1 of any calendar year subsequent to such two calendar years, only if prior to the fifteenth day of February of such year, it has filed with the department a written notice to that effect.

*b.* Any employing unit for which services that do not constitute employment as defined in this chapter are performed, may file with the department a written election that all such services performed by individuals in its employ in one or more distinct establishments or places of business shall be deemed to constitute employment for all the purposes of this chapter for not less than two calendar years. Upon the written approval of such election by the department, such services shall be deemed to constitute employment subject to this chapter from and after the date stated in such approval. Such services shall cease to be deemed employment subject hereto as of January 1 of any calendar year subsequent to such two calendar years, only if prior to the fifteenth day of February of such year such employing unit has filed with the department a written notice to that effect.

4. *Transfer or discontinuance of business.*

*a.* In any case in which the enterprise or business of a subject employer has been sold or otherwise transferred to a subsequent employing unit or reorganized or merged into a single employing unit under the provisions of section 96.7, subsection 2, paragraph "*b*", the account of the transferring employer shall terminate as of the date on which such transfer, reorganization or merger was completed.

*b.* In any case in which the enterprise or business of a subject employer has been discontinued otherwise than by sale or transfer to a subsequent employing unit and such employer has had no employment for a period of one year, the department may, on its own motion, terminate said account.

5. *Liability of certain employers.* Employers who by election or determination of the department are liable for payments in lieu of contributions shall not be relieved of any regular benefit charges or extended benefit charges, except for those charges which are determined to be incorrect because of an error by the department.

[C39, §**1551.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.8]

84 Acts, ch 1067, §18; 89 Acts, ch 296, §15; 91 Acts, ch 45, §6; 96 Acts, ch 1186, §23

Referred to in §96.3, 96.5, 96.6, 96.7(2a), 96.19

**96.9 Unemployment compensation fund.**

1. *Establishment and control.* There is hereby established as a special fund, separate and apart from all public moneys or funds of this state, an unemployment compensation fund, which shall be administered by the department exclusively for the purposes of this chapter. This fund shall consist of:

*a.* All contributions collected under this chapter,

*b.* Interest earned upon any moneys in the fund,

*c.* Any property or securities acquired through the use of moneys belonging to the fund,

*d.* All earnings of such property or securities, and

*e.* All money credited to this state's account in the unemployment trust fund pursuant to

section 903 of the Social Security Act, codified at 42 U.S.C. § 501 – 503, 1103 – 1105, 1321 – 1324. All moneys in the unemployment compensation fund shall be mingled and undivided.

2. *Accounts and deposits.*

*a.* The state treasurer shall be ex officio treasurer and custodian of the fund and shall administer such fund in accordance with the directions of the department. The director of the department of administrative services shall issue warrants upon the fund pursuant to the order of the department and such warrants shall be paid from the fund by the treasurer.

*b.* The treasurer shall maintain within the fund three separate accounts:

(1) A clearing account.

(2) An unemployment trust fund account.

(3) A benefit account.

*c.* All moneys payable to the unemployment compensation fund and all interest and penalties on delinquent contributions and reports shall, upon receipt thereof by the department, be forwarded to the treasurer who shall immediately deposit them in the clearing account, but the interest and penalties on delinquent contributions and reports shall not be deemed to be a part of the fund. Refunds of contributions payable pursuant to section 96.14 shall be paid by the treasurer from the clearing account upon warrants issued by the director of the department of administrative services under the direction of the department. After clearance thereof, all other moneys in the clearing account, except interest and penalties on delinquent contributions and reports, shall be immediately deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund, established and maintained pursuant to section 904 of the Social Security Act as amended, any provisions of law in this state relating to the deposit, administration, release or disbursement of moneys in the possession or custody of this state to the contrary notwithstanding. Interest and penalties on delinquent contributions and reports collected from employers shall be transferred from the clearing account to the special employment security contingency fund. The benefit account shall consist of all moneys requisitioned from this state's account in the unemployment trust fund for the payment of benefits. Except as herein otherwise provided, moneys in the clearing and benefit account may be deposited by the treasurer, under the direction of the department, in any bank or public depository in which general funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund. The treasurer shall give a separate bond conditioned upon the faithful performance of the treasurer's duties as custodian of the fund in an amount fixed by the governor and in form and manner prescribed by law. Premiums for said bond shall be paid from the administration fund.

*d.* Interest paid upon the moneys deposited with the secretary of the treasury of the United States shall be credited to the unemployment compensation fund.

3. *Withdrawals.* Moneys shall be requisitioned from this state's account in the unemployment trust fund solely for the payment of benefits and in accordance with regulations prescribed by the department, except that money credited to this state's account pursuant to section 903 of the Social Security Act may, subject to the conditions prescribed in subsection 4 of this section, be used for the payment of expenses incurred for the administration of this chapter. The department shall from time to time requisition from the unemployment trust fund such amounts, not exceeding the amounts standing to the account of this state therein, as the department deems necessary for the payment of benefits for a reasonable future period. Upon receipt thereof the treasurer shall deposit such moneys in the benefit account, and shall disburse such moneys upon warrants drawn by the director of the department of administrative services pursuant to the order of the department for the payment of benefits solely from such benefit account. Expenditures of such moneys from the benefit account and refunds from the clearing account shall not be subject to any provisions of law requiring specific appropriations or other formal release by state officers of money in their custody. All warrants issued by the director of the department of administrative services for the payment of benefits and refunds shall bear the signature of the director of the department of administrative services. Any balance of moneys requisitioned from the unemployment trust fund which remains unclaimed or unpaid in the benefit account after the expiration of the period for which such sums were requisitioned shall either be deducted

from estimates for, and may be utilized for the payment of, benefits during succeeding periods, or, in the discretion of the department, shall be redeposited with the secretary of the treasury of the United States, to the credit of this state's account in the unemployment trust fund, as provided in subsection 2 of this section.

4. *Money credited under section 903 of the Social Security Act.*

*a.* (1) Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act may not be requisitioned from this state's account or used except for the payment of benefits and for the payment of expenses incurred for the administration of this chapter. Such money may be requisitioned pursuant to subsection 3 of this section for the payment of benefits. Such money may also be requisitioned and used for the payment of expenses incurred for the administration of this chapter but only pursuant to a specific appropriation by the legislature and only if the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(a) Specifies the purposes for which such money is appropriated and the amounts appropriated therefor;

(b) Limits the period within which such money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law; and

(c) Limits the amount which may be obligated during a twelve-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which the aggregate of the amounts transferred to the account of this state pursuant to section 903 of the Social Security Act exceeds the aggregate of the amounts used by this state pursuant to this chapter and charged against the amounts transferred to the account of this state during the same twelve-month period.

(2) For purposes of this subsection, amounts used by this state for administration shall be chargeable against transferred amounts at the exact time the obligation is entered into. The use of money appropriated under this subsection shall be accounted for in accordance with standards established by the United States secretary of labor.

*b.* Money requisitioned as provided herein for the payment of expenses of administration shall be deposited in the employment security administration fund, but, until expended, shall remain a part of the unemployment compensation fund. The treasurer of state shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. Any money so deposited which either will not be obligated within the period specified by the appropriation law or remains unobligated at the end of the period, and any money which has been obligated within the period but will not be expended, shall be returned promptly to the account of this state in the unemployment trust fund.

5. *Administration expenses excluded.* Any amount credited to this state's account in the unemployment trust fund under section 903 of the Social Security Act which has been appropriated for expenses of administration pursuant to subsection 4 of this section, whether or not withdrawn from such account, shall not be deemed assets of the unemployment compensation fund for the purpose of computing contribution rates under section 96.7, subsection 3, of this chapter.

6. *Management of funds in the event of discontinuance of unemployment trust fund.* The provisions of subsections 1, 2, and 3 to the extent that they relate to the unemployment trust fund shall be operative only so long as such unemployment trust fund continues to exist and so long as the secretary of the treasury of the United States continues to maintain for this state a separate book account of all funds deposited therein by this state for benefit purposes, together with this state's proportionate share of the earnings of such unemployment trust fund, from which no other state is permitted to make withdrawals. If and when such unemployment trust fund ceases to exist, or such separate book account is no longer maintained, all moneys, properties, or securities therein, belonging to the unemployment compensation fund of this state shall be transferred to the treasurer of the unemployment compensation fund, who shall hold, invest, transfer, sell, deposit, and release such moneys, properties, or securities in a manner approved by the director, treasurer of state, and governor, in accordance with the provisions of this chapter: Provided, that such moneys shall be invested in the following readily marketable classes of securities; such securities

as are authorized by the laws of the state of Iowa for the investment of trust funds. The treasurer shall dispose of securities and other properties belonging to the unemployment compensation fund only under the direction of the director, treasurer of state, and governor.

7. *Cancellation of warrants.* The director of the department of administrative services, as of January 1, April 1, July 1, and October 1 of each year, shall stop payment on all warrants for the payment of benefits which have been outstanding and unredeemed by the state treasurer for six months or longer. Should the original warrants subsequently be presented for payment, warrants in lieu thereof shall be issued by the director of the department of administrative services at the discretion of and certification by the department.

8. *Unemployment compensation reserve fund.*

*a.* A special fund to be known as the unemployment compensation reserve fund is created in the state treasury. The reserve fund is separate and distinct from the unemployment compensation fund. All moneys collected as reserve contributions, as defined in paragraph "*b*", shall be deposited in the reserve fund. The moneys in the reserve fund may be used for the payment of unemployment benefits and shall remain available for expenditure in accordance with the provisions of this subsection. The treasurer of state shall be the custodian of the reserve fund and shall disburse the moneys in the reserve fund in accordance with this subsection and the directions of the director of the department of workforce development.

*b.* If the balance in the reserve fund on July 1 of the preceding calendar year for calendar year 2004 and each year thereafter is less than one hundred fifty million dollars, a percentage of contributions, as determined by the director, shall be deemed to be reserve contributions for the following calendar year. If the percentage of contributions, termed the reserve contribution tax rate, is not zero percent as determined pursuant to this subsection, the combined tax rate of contributions to the unemployment compensation fund and to the unemployment compensation reserve fund shall be divided so that a minimum of fifty percent of the combined tax rate equals the unemployment contribution tax rate and a maximum of fifty percent of the combined tax rate equals the reserve contribution tax rate except for employers who are assigned a combined tax rate of five and four-tenths. For those employers, the reserve contribution tax rate shall equal zero and their combined tax rate shall equal their unemployment contribution rate. When the reserve contribution tax rate is determined to be zero percent, the unemployment contribution rate for all employers shall equal one hundred percent of the combined tax rate. The reserve contributions collected in any calendar year shall not exceed fifty million dollars. The provisions for collection of contributions under section 96.14 are applicable to the collection of reserve contributions. Reserve contributions shall not be deducted in whole or in part by any employer from the wages of individuals in its employ. All moneys collected as reserve contributions shall not become part of the unemployment compensation fund but shall be deposited in the reserve fund created in this subsection.

*c.* Moneys in the reserve fund shall only be used to pay unemployment benefits to the extent moneys in the unemployment compensation fund are insufficient to pay benefits during a calendar quarter.

*d.* The interest earned on the moneys in the reserve fund shall be deposited in and credited to the reserve fund.

*e.* Moneys from interest earned on the unemployment compensation reserve fund shall be used by the department only upon appropriation by the general assembly and for administrative costs to collect the reserve contributions.

[C39, §**1551.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.9]

86 Acts, ch 1246, §622; 87 Acts, ch 222, §5; 91 Acts, ch 45, §7, 8; 92 Acts, ch 1045, §3; 96 Acts, ch 1186, §23; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §32, 47; 2004 Acts, 1st Ex, ch 1001, §30, 32; 2008 Acts, ch 1032, §178; 2009 Acts, ch 41, §30; 2010 Acts, ch 1061, §13

Referred to in §96.13, 96.20

**96.10** Repealed by 96 Acts, ch 1186, § 26.

**96.11 Duties, powers, rules — privilege.**

1. *Duties and powers of director.* It shall be the duty of the director to administer this chapter; and the director shall have power and authority to adopt, amend, or rescind pursuant to chapter 17A such rules, to employ such persons, make such expenditures, require such reports, make such investigations, and take such other action as the director deems necessary or suitable to that end. Not later than the fifteenth day of December of each year, the director shall submit to the governor a report covering the administration and operation of this chapter during the preceding fiscal year and shall make such recommendations for amendments to this chapter as the director deems proper. Such report shall include a balance sheet of the moneys in the fund. Whenever the director believes that a change in contribution or benefits rates will become necessary to protect the solvency of the fund, the director shall promptly so inform the governor and the legislature, and make recommendations with respect thereto.

2. *General and special rules.* Each employer shall post and maintain printed statements of all rules of the department in places readily accessible to individuals in the employer's service, and shall make available to each such individual at the time the individual becomes unemployed a printed statement of such rules relating to the filing of claims for benefits. Such printed statements shall be supplied by the department to each employer without cost to the employer.

3. *Publications.*

*a.* The director shall cause to be printed for distribution to the public the text of this chapter, the department's general rules, its annual reports to the governor, and any other material the director deems relevant and suitable and shall furnish the same to any person upon application therefor.

*b.* The department shall prepare and distribute to the public as labor force data, only that data adjusted according to the current population survey and other nonlabor force statistics which the department determines are of interest to the public.

4. *Bonds.* The director may bond any employee handling moneys or signing checks.

5. *Employment stabilization.* The director, with the advice and aid of the appropriate bureaus of the department, shall take all appropriate steps to reduce and prevent unemployment; to encourage and assist in the adoption of practical methods of vocational training, retraining and vocational guidance; to investigate, recommend, advise, and assist in the establishment and operation, by municipalities, counties, school districts, and the state, of reserves for public works to be used in times of business depression and unemployment; to promote the reemployment of unemployed workers throughout the state in every other way that may be feasible; and to these ends to carry on and publish the results of investigations and research studies.

6. *Records, reports, and confidentiality.*

*a.* An employing unit shall keep true and accurate work records, containing information required by the department. The records shall be open to inspection and copying by an authorized representative of the department at any reasonable time and as often as necessary. An authorized representative of the department may require from an employing unit a sworn or unsworn report, with respect to individuals employed by the employing unit, which the department deems necessary for the effective administration of this chapter.

*b.* (1) The department shall hold confidential the information obtained from an employing unit or individual in the course of administering this chapter and the initial determination made by a representative of the department under section 96.6, subsection 2, as to the benefit rights of an individual. The department shall not disclose or open this information for public inspection in a manner that reveals the identity of the employing unit or the individual, except as provided in subparagraph (3) or paragraph "*c*".

(2) A report or statement, whether written or verbal, made by a person to a representative of the department or to another person administering this law is a privileged communication. A person is not liable for slander or libel on account of the report or statement unless the report or statement is made with malice.

(3) Information obtained from an employing unit or individual in the course of administering this chapter and an initial determination made by a representative of the department under section 96.6, subsection 2, as to benefit rights of an individual shall not be

used in any action or proceeding, except in a contested case proceeding or judicial review under chapter 17A. However, the department shall make information, which is obtained from an employing unit or individual in the course of administering this chapter and which relates to the employment and wage history of the individual, available to a county attorney for the county attorney's use in the performance of duties under section 331.756, subsection 5, or section 602.8107. The department shall make such information electronically accessible to the county attorney at the county attorney's office, if requested, provided the county attorney's office pays the cost of the installation of the equipment to provide such access. Information in the department's possession which may affect a claim for benefits or a change in an employer's rating account shall be made available to the interested parties. The information may be used by the interested parties in a proceeding under this chapter to the extent necessary for the proper presentation or defense of a claim.

(4) The department shall hold confidential unemployment insurance information received by the department from an unemployment insurance agency of another state.

*c.* Subject to conditions as the department by rule prescribes, information obtained from an employing unit or individual in the course of administering this chapter and an initial determination made by a representative of the department under section 96.6, subsection 2, as to benefit rights of an individual may be made available for purposes consistent with the purposes of this chapter to any of the following:

(1) An agency of this or any other state or a federal agency responsible for the administration of an unemployment compensation law or the maintenance of a system of public employment offices.

(2) The internal revenue service of the United States department of the treasury.

(3) The Iowa department of revenue.

(4) The social security administration of the United States department of health and human services.

(5) An agency of this or any other state or a federal agency responsible for the administration of public works or the administration of public assistance to unemployed individuals.

(6) Colleges, universities, and public agencies of this state for use in connection with research of a public nature, provided the department does not reveal the identity of an employing unit or individual.

(7) An employee of the department, a member of the general assembly, or a member of the United States Congress in connection with the employee's or member's official duties.

(8) The United States department of housing and urban development and representatives of a public housing agency.

*d.* Upon request of an agency of this or another state or of the federal government which administers or operates a program of public assistance or child support enforcement under either the law of this or another state or federal law, or which is charged with a duty or responsibility under the program, and if the agency is required by law to impose safeguards for the confidentiality of information at least as effective as required under this subsection, then the department shall provide to the requesting agency, with respect to any named individual without regard to paragraph "*g*", any of the following information:

(1) Whether the individual is receiving or has received benefits, or has made an application for benefits under this chapter.

(2) The period, if any, for which benefits were payable and the weekly benefit amount.

(3) The individual's most recent address.

(4) Whether the individual has refused an offer of employment, and, if so, the date of the refusal and a description of the employment refused, including duties, conditions of employment, and the rate of pay.

(5) The individual's wage information.

*e.* The department may require an agency which is provided information under this subsection to reimburse the department for the costs of furnishing the information.

*f.* A public official or an agent or contractor of a public official who receives information pursuant to this subsection or a third party other than an agent who acts on behalf of a claimant or employer and who violates this subsection is guilty, upon conviction, of a serious

misdemeanor. For the purposes of this subsection, *"public official"* means an official or employee within the executive branch of federal, state, or local government, or an elected official of the federal or a state or local government.

*g.* Information subject to the confidentiality of this subsection shall not be directly released to any authorized agency unless an attempt is made to provide written notification to the individual involved. Information released in accordance with criminal investigations by a law enforcement agency of this state, another state, or the federal government is exempt from this requirement.

*h.* The department and its employees shall not be liable for any acts or omissions resulting from the release of information to any person pursuant to this subsection.

7. *Oaths and witnesses.* In the discharge of the duties imposed by this chapter, the chairperson of the appeal board and any duly authorized representative of the department shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with a disputed claim or the administration of this chapter.

8. *Subpoenas.* In case of contumacy by, or refusal to obey a subpoena issued to any person, any court of this state within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the department, or any member or duly authorized representative thereof, shall have jurisdiction to issue to such person an order requiring such person to appear before the department or any member or duly authorized representative thereof to produce evidence if so ordered or to give testimony touching the matter under investigation or in question; any failure to obey such order of the court may be punished by said court as a contempt thereof.

9. *Protection against self-incrimination.* No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, and other records before the department, or the appeal board, or in obedience to a subpoena in any cause or proceeding provided for in this chapter, on the ground that the testimony or evidence, documentary or otherwise, required of the person may tend to incriminate the person or subject the person to a penalty for forfeiture; but no individual shall be prosecuted or subjected to any penalty of forfeiture for or on account of any transaction, matter, or thing concerning which the individual is compelled, after having claimed privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

10. *State-federal cooperation.*

*a.* In the administration of this chapter, the department shall cooperate with the United States department of labor to the fullest extent consistent with the provisions of this chapter, and shall take such action, through the adoption of appropriate rules, regulations, administrative methods and standards, as may be necessary to secure to this state and its citizens all advantages available under the provisions of the Social Security Act that relate to unemployment compensation, the federal Unemployment Tax Act, the Wagner-Peyser Act, and the Federal-State Extended Unemployment Compensation Act of 1970.

*b.* In the administration of the provisions of section 96.29 which are enacted to conform with the requirements of the Federal-State Extended Unemployment Compensation Act of 1970, the department shall take such action as may be necessary to insure that the provisions are so interpreted and applied as to meet the requirements of such federal Act as interpreted by the United States department of labor, and to secure to this state the full reimbursement of the federal share of extended benefits paid under this chapter that are reimbursable under the federal Act.

*c.* The department shall make such reports, in such form and containing such information as the United States department of labor may from time to time require, and shall comply with such provisions as the United States department of labor may from time to time find necessary to assure the correctness and verification of such reports; and shall comply with the regulations prescribed by the United States department of labor governing the expenditures

of such sums as may be allotted and paid to this state under Tit. III of the Social Security Act for the purpose of assisting in administration of this chapter.

*d.* The department may make its records relating to the administration of this chapter available to the railroad retirement board, and may furnish the railroad retirement board such copies thereof as the railroad retirement board deems necessary for its purposes. The department may afford reasonable cooperation with every agency of the United States charged with the administration of any unemployment insurance law. The railroad retirement board or any other agency requiring such services and reports from the department shall pay the department such compensation therefor as the department determines to be fair and reasonable.

11. *Destruction of records.* The department may destroy or dispose of such original reports or records as have been properly recorded or summarized in the permanent records of the department and are deemed by the director and the state records commission to be no longer necessary to the proper administration of this chapter. Wage records of the individual worker or transcripts therefrom may be destroyed or disposed of, if approved by the state records commission, two years after the expiration of the period covered by such wage records or upon proof of the death of the worker. Such destruction or disposition shall be made only by order of the director in consultation with the state records commission. Any moneys received from the disposition of such records shall be deposited to the credit of the employment security administration fund, subject to rules promulgated by the department.

12. *Unemployment benefits contested case hearing records.* Notwithstanding the provisions of section 17A.12 to the contrary, the recording of oral proceedings of a hearing conducted before an administrative law judge pursuant to section 96.6, subsection 3, in which the decision of the administrative law judge is not appealed to the employment appeal board, shall be filed with and maintained by the department for at least two years from the date of decision.

13. *Purging uncollectible overpayments.* Notwithstanding any other provision of this chapter, the department shall review all outstanding overpayments of benefit payments annually. The department may determine as uncollectible and purge from its records any remaining unpaid balances of outstanding overpayments which are ten years or older from the date of the overpayment decision.

14. *Access to available jobs list.* The department shall make available for consultation by the public, at each of the department's offices, a list of current job openings listed with the department, provided that the list shall comply with the confidentiality requirements of subsection 6, or those mandated by the federal government.

15. *Special contractor numbers.* For purposes of contractor registration under chapter 91C, the department shall provide for the issuance of special contractor numbers to contractors for whom employer accounts are not required under this chapter. A contractor who is not in compliance with the requirements of this chapter shall not be issued a special contractor number.

16. *Reimbursement of setoff costs.* The department shall include in the amount set off in accordance with section 8A.504, for the collection of an overpayment created pursuant to section 96.3, subsection 7, or section 96.16, subsection 4, an additional amount for the reimbursement of setoff costs incurred by the department of administrative services.

[C39, §**1551.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.11; 81 Acts, ch 19, §8]

83 Acts, ch 190, §21, 27; 84 Acts, ch 1163, §1; 85 Acts, ch 244, §1; 86 Acts, ch 1245, §524, 934; 87 Acts, ch 66, §1; 87 Acts, ch 111, §12; 88 Acts, ch 1014, §4; 88 Acts, ch 1054, §1; 88 Acts, ch 1109, §12; 88 Acts, ch 1162, §1; 88 Acts, ch 1274, §29; 89 Acts, ch 117, §1; 91 Acts, ch 45, §9; 96 Acts, ch 1121, §6, 7; 96 Acts, ch 1186, §23; 97 Acts, ch 38, §2; 2001 Acts, ch 61, §14; 2002 Acts, ch 1090, §1; 2003 Acts, ch 145, §164, 286; 2007 Acts, ch 77, §1, 2; 2008 Acts, ch 1032, §179; 2008 Acts, ch 1172, §16; 2010 Acts, ch 1061, §180

Referred to in §96.7(2f, 3a, 3b), 96.14, 96.19, 216A.136, 422.20, 422.72

**96.12 State employment service.**

1. *Duties of department.* The department shall establish and maintain free public employment services accessible to all Iowans for the purposes of this chapter, and for the

purpose of performing the duties required by federal and state laws relating to employment and training including the Wagner-Peyser Act, 48 Stat. 113, codified at 29 U.S.C. § 49. All duties and powers conferred upon any other department, agency, or officer of this state relating to the establishment, maintenance, and operation of free employment services shall be vested in the department. This state accepts and shall comply with the provisions of the Wagner-Peyser Act, as amended. The department is designated and constituted the agency of this state for the purpose of the Wagner-Peyser Act. The department may cooperate with the railroad retirement board with respect to the establishment, maintenance, and use of department facilities. The railroad retirement board shall compensate the department for the services or facilities in the amount determined by the department to be fair and reasonable.

2. *Financing.* For the purpose of establishing and maintaining free public employment offices, the department is authorized to enter into agreements with the railroad retirement board, or any other agency of the United States charged with the administration of an employment security law, with any political subdivision of this state, or with any private, nonprofit organization, and as a part of any such agreement the department may accept moneys, services, or quarters as a contribution to the employment security administration fund.

[C39, §**1551.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.12]
96 Acts, ch 1186, §19, 23; 2006 Acts, ch 1010, §46
Referred to in §96.13

**96.13 Funds.**

1. *Special fund.* There is hereby created in the state treasury a special fund to be known as the *"Employment Security Administration Fund"*. All moneys which are deposited or paid into this fund are hereby appropriated and made available to the department. All moneys in this fund, except money received pursuant to section 96.9, subsection 4, which are received from the federal government or any agency thereof or which are appropriated by the state for the purposes described in section 96.12 shall be expended solely for the purposes and in the amounts found necessary by the secretary of labor for the proper and efficient administration of this chapter. This fund shall consist of all moneys appropriated by this state, and all moneys received from the United States, or any agency thereof, including the department of labor, the railroad retirement board, the United States employment service, established under the Wagner-Peyser Act, or from any other source for such purpose. Moneys received from the railroad retirement board, or any other agency, as compensation for services or facilities supplied to said board or agency shall be paid to the department, and the department shall allocate said moneys to the employment security administration fund. All moneys in this fund shall be deposited, administered, and disbursed, in the same manner and under the same conditions and requirements as is provided by law for special funds in the state treasury. Any balances in this fund shall not lapse at any time, but shall be continuously available to the department for expenditure consistent with this chapter. The state treasurer shall give a separate and additional bond conditioned upon the faithful performance of the treasurer's duties in connection with the employment security administration fund in an amount and with such sureties as shall be fixed and approved by the governor. The premiums for such bond and the premiums for the bond given by the treasurer of the unemployment compensation fund under section 96.9, shall be paid from the moneys in the employment security administration fund. Notwithstanding any provision of this section, all money requisitioned and deposited in this fund pursuant to section 96.9, subsection 4, paragraph *"b"*, shall remain part of the unemployment compensation fund and shall be used only in accordance with the conditions specified in section 96.9, subsection 4.

2. *Replenishment of lost funds.* If any moneys received after June 30, 1941, from the social security administration under Tit. III of the Social Security Act, or any unencumbered balances in the unemployment compensation administration fund as of that date, or any moneys granted after that date to this state pursuant to the provisions of the Wagner-Peyser Act, or any moneys made available by this state or its political subdivisions and matched by such moneys granted to this state pursuant to the provisions of the Wagner-Peyser Act, are found by the social security administration, because of any action or contingency, to have

been lost or been expended for purposes other than or in amounts in excess of, those found necessary by the social security administration for the proper administration of this chapter, it is the policy of this state that such moneys shall be replaced by moneys appropriated for such purpose from the general funds of this state to the unemployment compensation administration fund for expenditure as provided in subsection 1 of this section. Upon receipt of notice of such a finding by the social security administration, the department shall promptly report the amount required for such replacement to the governor and the governor shall at the earliest opportunity, submit to the legislature a request for the appropriation of such amount. This subsection shall not be construed to relieve this state of its obligation with respect to funds received prior to July 1, 1941, pursuant to the provisions of Tit. III of the Social Security Act.

3. *Special employment security contingency fund.*

*a.* (1) There is created in the state treasury a special fund to be known as the special employment security contingency fund. All interest, fines, and penalties, regardless of when they become payable, collected from employers under section 96.14 shall be paid into the fund. The moneys shall not be expended or available for expenditure in any manner which would permit their substitution for federal funds which would in the absence of the moneys be available to finance expenditures for the administration of the department. However, the moneys may be used as a revolving fund to cover expenditures for which federal funds have been duly requested but not yet received, subject to the charging of the expenditures against the funds when received. The moneys may be used for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds, received for the department. The moneys in the fund are specifically made available to replace, within a reasonable time, any moneys received by this state in the form of grants from the federal government for administrative expenses which because of any action or contingency have been expended for purposes other than, or in excess of, those necessary for the proper administration of the department. All moneys in the fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for other special funds in the state treasury. Interest earned upon moneys in the fund shall be deposited in and credited to the fund.

(2) The treasurer of state shall be the custodian of the fund and shall give a separate and additional bond conditioned upon the faithful performance of the treasurer's duties in connection with the fund in an amount and with sureties as shall be fixed and approved by the governor. The premium for the bond shall be paid from the moneys in the fund. All sums recovered on the bond for losses sustained by the fund shall be deposited in the fund. Refunds of interest and penalties shall be paid only from the fund.

(3) Balances to the credit of the fund shall not lapse at any time but shall continuously be available to the department for expenditures consistent with this subsection. Moneys remaining in the fund at the end of each fiscal year shall not revert to any fund and shall remain in the fund.

*b.* The department shall annually report to the joint economic development appropriations subcommittee on its plans for expenditures during the next state fiscal year from the special employment security contingency fund. The report shall describe the specific expenditures and explain why the expenditures are to be made from the fund and not from federal administrative funds.

*c.* The department may appear before the executive council and request authorization of moneys to meet unanticipated emergencies as an expense from the appropriations addressed in section 7D.29.

[C39, §**1551.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.13; 82 Acts, ch 1126, §2]

84 Acts, ch 1204, §1 – 3; 86 Acts, ch 1209, §2; 91 Acts, ch 45, §10; 92 Acts, ch 1242, §19; 96 Acts, ch 1186, §23; 98 Acts, ch 1074, §10; 2008 Acts, ch 1032, §201; 2011 Acts, ch 131, §24, 158; 2013 Acts, ch 30, §20

Referred to in §96.17

Subsection 2 amended

**96.14 Priority — refunds.**

1. *Interest.* Any employer who shall fail to pay any contribution and at the time required by this chapter and the rules of the department shall pay to the department in addition to such contribution, interest thereon at the rate of one percent per month and one-thirtieth of one percent for each day or fraction thereof computed from the date upon which said contribution should have been paid.

2. *Penalties.* Any employer who shall fail to file a report of wages paid to each of the employer's employees for any period in the manner and within the time required by this chapter and the rules of the department or any employer who the department finds has filed an insufficient report and fails to file a sufficient report within thirty days after a written request from the department to do so shall pay a penalty to the department.

*a.* The penalty shall become effective with the first day the report is delinquent or, where a report is insufficient, with the thirty-first day following the written request for a sufficient report.

*b.* The penalty for failing to file a sufficient report shall be in addition to any penalty incurred for a delinquent report where the delinquent report is also insufficient.

*c.* The amount of the penalty for delinquent and insufficient reports shall be computed based on total wages in the period for which the report was due and shall be computed as follows:

| Days Delinquent or Insufficient | Penalty Rate |
|---|---|
| 1 – 60 | 0.1% |
| 61 – 120 | 0.2% |
| 121 – 180 | 0.3% |
| 181 – 240 | 0.4% |
| 241 or over | 0.5% |

*d.* A penalty shall not be less than thirty-five dollars for each delinquent or insufficient report. Interest, penalties, and cost shall be collected by the department in the same manner as provided by this chapter for contributions.

*e.* If the department finds that any employer has willfully failed to pay any contribution or part thereof when required by this chapter and the rules of the department, with intent to defraud the department, then such employer shall in addition to such contribution or part thereof, pay a contribution equal to fifty percent of the amount of such contribution or part thereof, as the case may be.

*f.* If any tendered payment of any amount due in the form of a check, draft, or money order is not honored when presented to a financial institution, any costs assessed to the department by the financial institution and a fee of thirty dollars shall be assessed to the employer.

*g.* The department may cancel any interest or penalties if it is shown to the satisfaction of the department that the failure to pay a required contribution or to file a required report was not the result of negligence, fraud, or intentional disregard of the law or the rules of the department.

3. *Lien of contributions — collection.*

*a.* Whenever any employer liable to pay contributions refuses or neglects to pay the same, the amount, including any interest, together with the costs that may accrue in addition thereto, shall be a lien in favor of the state upon all property and rights to property, whether real or personal, belonging to said employer. An assessment of the unpaid contributions, interest and penalty shall be applied as provided in section 96.7, subsection 3, paragraphs "*a*" and "*b*", and the lien shall attach as of the date the assessment is mailed or personally served upon the employer and shall continue for ten years, or until the liability for the amount is satisfied, unless sooner released or otherwise discharged. The lien may, within ten years from the date the lien attaches, be extended for up to an additional ten years by filing a notice during the ninth year with the appropriate county official of any county. However, the department may

release any lien, when after diligent investigation and effort it determines that the amount due is not collectible.

*b.* In order to preserve the aforesaid lien against subsequent mortgagees, purchasers or judgment creditors, for value and without notice of the lien, on any property situated in a county, the department shall file with the recorder of the county, in which said property is located, a notice of said lien.

*c.* The county recorder of each county shall prepare and keep in the recorder's office an index containing the applicable entries specified in sections 558.49 and 558.52 and showing the following data, under the names of employers, arranged alphabetically:

(1) The name of the employer.
(2) The name "State of Iowa" as claimant.
(3) Time notice of lien was filed for recording.
(4) Date of notice.
(5) Amount of lien then due.
(6) When satisfied.

*d.* The recorder shall endorse on each notice of lien the day, hour, and minute when filed for recording and the document reference number, shall index the notice in the index and shall record the lien in the manner provided for recording real estate mortgages. The lien is effective from the time of the indexing of the lien.

*e.* The department shall pay recording fees as provided in section 331.604, for the recording of the lien, or for its satisfaction.

*f.* Upon the payment of contributions as to which the department has filed notice with a county recorder, the department shall forthwith file with said recorder a satisfaction of said contributions and the recorder shall enter said satisfaction on the notice on file in the recorder's office and indicate said fact on the index aforesaid.

*g.* The department shall, substantially as provided in this chapter and chapter 626, proceed to collect all contributions as soon as practicable after they become delinquent, except that no property of the employer is exempt from payment of the contributions.

*h.* If, after due notice, any employer defaults in any payment of contributions or interest thereon, the amount due may be collected by civil action in the name of the department and the employer adjudged in default shall pay the costs of such action. Civil actions brought under this section to collect contributions or interest thereon from an employer shall be heard by the court at the earliest possible date and shall be entitled to preference upon the calendar of the court over all other civil actions except petitions for judicial review under this chapter and cases arising under the workers' compensation law of this state.

*i.* It is expressly provided that the foregoing remedies of the state shall be cumulative and that no action taken by the department shall be construed to be an election on the part of the state or any of its officers to pursue any remedy hereunder to the exclusion of any other remedy provided by law.

*j.* The courts of this state shall recognize and enforce liabilities for unemployment contributions, penalties, interest, and benefit overpayments imposed by other states which extend a like comity to this state. The department may sue in the courts of any other jurisdiction which extends such comity to collect unemployment contributions, penalties, interest, and benefit overpayments due this state. The officials of other states which, by statute or otherwise, extend a like comity to this state may sue in the district court to collect for such contributions, penalties, interest, and benefit overpayments. In any such case the director, as agent for and on behalf of any other state, may institute and conduct such suit for such other state. Venue of such proceedings shall be the same as for actions to collect delinquent contributions, penalties, interest, and benefit overpayments due under this chapter. A certificate by the secretary of any such state attesting the authority of such official to collect the contributions, penalties, interest, and benefit overpayments, is conclusive evidence of such authority. The requesting state shall pay the court costs.

*k.* If a political subdivision or a political subdivision instrumentality becomes delinquent in the payment of contributions, any payments owed as a government employer, penalty, interest and costs for more than two calendar quarters, the amount of such delinquency shall be deducted from any further moneys due the employer by the state. Such deduction shall

be made by the director of the department of administrative services upon certification of the amount due. A copy of the certification will be mailed to the employer.

*l.* If an amount due from a governmental entity of this state remains due and unpaid for a period of one hundred twenty days after the due date, the director shall take action as necessary to collect the amount and shall levy against any funds due the governmental entity from the state treasurer, director of the department of administrative services, or any other official or agency of this state, or against an account established by the entity in any bank. The official, agency, or bank shall deduct the amount certified by the director from any accounts or deposits or any funds due the delinquent governmental entity without regard to any prior claim and shall promptly forward the amount to the director for the fund. However, the director shall notify the delinquent entity of the director's intent to file a levy by certified mail at least ten days prior to filing the levy on any funds due the entity from any state official or agency.

4. *Priorities under legal dissolutions or distributions.* In the event of any distribution of an employer's assets pursuant to an order of any court under the laws of this state, including any receivership, assignment for benefit of creditors, adjudicated insolvency, composition, or similar proceeding, contributions then or thereafter due shall be paid in full prior to all other claims except taxes and claims for wages preferred as provided by statute. In the event of an employer's adjudication in bankruptcy, judicially confirmed extension proposal, or composition, under the federal Bankruptcy Act of 1898, as amended, contributions then or thereafter due shall be entitled to such priority as is provided in section 64 "*a*" of that Act [11 U.S.C. § 104 "*b*", as amended].

5. *Refunds, compromises and settlements.* If the department finds that an employer has paid contributions, interest on contributions, or penalties, which have been erroneously paid or if the employer has overpaid contributions because the employer's contribution rate was subsequently reduced pursuant to section 96.7, subsection 2, paragraph "*e*", solely due to benefits initially charged against but later removed from an employer's account, and the employer has filed an application for refund, the department shall refund the erroneous payment or overpayment. Refunds so made shall be charged to the fund to which the collections have been credited, and shall be paid to the employer without interest. A claim for refund shall be made within three years from the date of payment. For like cause, refunds, compromises, and settlements may be made by the department on its own initiative within three years of the date of the payment or assessment. If the department finds that the contribution that has been assessed against an employer is of doubtful collectibility or may not be collected in full, the department may institute a proceeding in the district court in the county in which the employer against which the tax is levied is located, requesting authority to compromise the contribution. Notice of the filing of an application shall be given to the interested parties as the court may prescribe. The court upon hearing may authorize the department to compromise and settle its claim for the contribution and shall fix the amount to be received by the department in full settlement of the claim and shall authorize the release of the department's lien for the contribution.

6. *Nonresident employing units.* Any employing unit which is a nonresident of the state of Iowa and for which services are performed in insured work within the state of Iowa and any resident employer for which such services are performed and who thereafter leaves the state of Iowa by having such services performed within the state of Iowa shall be deemed:

*a.* To agree that such employing unit shall be subject to the jurisdiction of the district court of the state of Iowa over all civil actions and proceedings against such employing unit for all purposes of this chapter, and

*b.* To appoint the secretary of state of this state as its lawful attorney upon whom may be served all original notices of suit and other legal processes pertaining to such actions and proceedings, and

*c.* To agree that any original notice of suit or any other legal process so served upon such nonresident employing unit shall be of the same legal force and validity as if personally served on it in this state.

7. *Original notice — form.* The original notice of suit filed with the secretary of state shall be in form and substance the same as now provided in suits against residents of this state,

except that the part of the notice pertaining to the return day shall be in substantially the following form:

And unless you appear and defend in the district court of Iowa in and for ..... county at the courthouse in ....., Iowa, before noon of the sixtieth day following the filing of this notice with the secretary of state of this state, you will be adjudged in default, your default entered of record, and judgment rendered against you for the relief sought in plaintiff's petition.

8. *Manner of service.* Plaintiff in any such action shall cause the original notice of suit to be served as follows:

*a.* By filing a copy of said original notice of suit with said secretary of state, together with a fee of four dollars, and

*b.* By mailing to the defendant, and to each of the defendants if more than one, within ten days after said filing with the secretary of state, by restricted certified mail addressed to the defendant at the defendant's last known residence or place of abode, a notification of the said filing with the secretary of state.

9. *Notification to nonresident — form.* The notification, provided for in subsection 7, shall be in substantially the following form, to wit:

To ..... (Here insert the name of each defendant and the defendant's residence or last known place of abode as definitely as known.)

You will take notice that an original notice of suit against you, a copy of which is hereto attached, was duly served upon you at Des Moines, Iowa, by filing a copy of said notice on the ..... day of ..... (month), ..... (year), with the secretary of state of the state of Iowa.

Dated at ....., Iowa, this ..... day of ..... (month), ..... (year).

.....
Plaintiff.
By .....
Attorney for Plaintiff.

10. *Optional notification.* In lieu of mailing said notification to the defendant in a foreign state, plaintiff may cause said notification to be personally served in the foreign state on the defendant by any adult person not a party to the suit, by delivering said notification to the defendant or by offering to make such delivery in case defendant refuses to accept delivery.

11. *Proof of service.* Proof of the filing of a copy of said original notice of suit with the secretary of state, and proof of the mailing or personal delivery of said notification to said nonresident shall be made by affidavit of the party doing said acts. All affidavits of service shall be endorsed upon or attached to the originals of the papers to which they relate. All proofs of service, including the restricted certified mail return receipt, shall be forthwith filed with the clerk of the district court.

12. *Actual service within this state.* The foregoing provisions relative to service of original notice of suit on nonresidents shall not be deemed to prevent actual personal service in this state upon the nonresident in the time, manner, form, and under the conditions provided for service on residents.

13. *Venue of actions.* Actions against nonresidents as contemplated by this law may be brought in Polk county, or in the county in which such services were performed.

14. *Continuances.* The court in which such action is pending shall grant such continuances to a nonresident defendant as may be necessary to afford the defendant reasonable opportunity to defend said action.

15. *Duty of secretary of state.* The secretary of state shall keep a record of all notices of suit filed with the secretary, shall not permit said filed notices to be taken from the secretary's office except on an order of court, and shall, on request, and without fee, furnish any defendant with a certified copy of the notice in which the person is a defendant.

16. *Injunction upon nonpayment.* Any employer or employing unit refusing or failing to make and file required reports or to pay any contributions, interest or penalty under the provisions of this chapter, after ten days' written notice sent by the department to the employer's or employing unit's last known address by certified mail, may be enjoined from operating any business in the state while in violation of this chapter upon the complaint of the department in the district court of a county in which the employer or employing unit has or had a place of business within the state, and any temporary injunction enjoining the continuance of such business may be granted without notice and without a bond being required from the department. Such injunction may enjoin any employer or employing unit from operating a business unit until the delinquent contributions, interest or penalties shall have been made and filed or paid; or the employer shall have furnished a good and sufficient bond conditioned upon the payment of such delinquencies in such an amount and containing such terms as may be determined by the court; or the employer has entered into a plan for the liquidation of such delinquencies as the court may approve, provided that such injunction may be reinstated upon the employer's failure to comply with the terms of said plan.

17. *Employer subpoena cost and penalty.* An employer who is served with a subpoena pursuant to section 96.11, subsection 7, for the investigation of an employer liability issue, to complete audits, to secure reports, or to assess contributions shall pay all costs associated with the subpoena, including service fees and court costs. The department shall penalize an employer in the amount of two hundred fifty dollars if that employer refused to honor a subpoena or negligently failed to honor a subpoena. The cost of the subpoena and any penalty shall be collected in the manner provided in subsection 3 of this section.

[C39, §**1551.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §96.14; 81 Acts, ch 21, §3, ch 117, §1205]

84 Acts, ch 1255, §8; 87 Acts, ch 115, §12; 90 Acts, ch 1168, §11; 91 Acts, ch 45, §11; 91 Acts, ch 191, §1; 94 Acts, ch 1116, §1; 96 Acts, ch 1121, §8; 96 Acts, ch 1186, §23; 2000 Acts, ch 1058, §56; 2001 Acts, ch 44, §3; 2003 Acts, ch 145, §286; 2007 Acts, ch 22, §28; 2008 Acts, ch 1032, §180; 2008 Acts, ch 1170, §2 – 5; 2009 Acts, ch 27, §2

Referred to in §96.7(2e, 3a, 8b), 96.9, 96.13, 96.16, 96.19, 331.602, 331.607

**96.15 Waiver — fees — assignments — penalties.**

1. *Waiver of rights void.* Any agreement by an individual to waive, release, or commute the individual's rights to benefits or any other rights under this chapter shall be void. Any agreement by any individual in the employ of any person or concern to pay all or any portion of an employer's contributions, required under this chapter from such employer, shall be void. No employer shall directly or indirectly make or require or accept any deduction from wages to finance the employer's contributions required from the employer, or require or accept any waiver of any right hereunder by any individual in the employer's employ. Any employer or officer or agent of an employer who violates any provision of this subsection shall, for each offense, be guilty of a serious misdemeanor.

2. *Prohibition against fees.* An individual claiming benefits shall not be charged fees of any kind in any proceeding under this chapter by the department or its representatives or by a court or an officer of the court. An individual claiming benefits in a proceeding before the department, an appeal tribunal, or a court may be represented by counsel or other duly authorized agent. A person who violates a provision of this subsection is guilty of a serious misdemeanor for each violation.

3. *No assignment of benefits — exemptions.* Any assignment, pledge, or encumbrance of any right to benefits which are or may become due or payable under this chapter shall be void, and such rights to benefits shall be exempt from levy, execution, attachment, or any other remedy whatsoever provided for the collection of debt; and benefits received by any individual, so long as they are not mingled with other funds of the recipient, shall be exempt

from any remedy whatsoever for the collection of all debts. Any waiver of any exemption provided for in this subsection shall be void.

[C39, §**1551.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.15]
85 Acts, ch 54, §1; 96 Acts, ch 1186, §23
Referred to in §96.3

**96.16 Offenses.**

1. *Penalties.* An individual who makes a false statement or representation knowing it to be false or knowingly fails to disclose a material fact, to obtain or increase any benefit or other payment under this chapter, either for the individual or for any other individual, is guilty of a fraudulent practice as defined in sections 714.8 to 714.14. The total amount of benefits or payments involved in the completion of or in the attempt to complete a fraudulent practice shall be used in determining the value involved under section 714.14.

2. *False statement.* Any employing unit or any officer or agent of an employing unit or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to prevent or reduce the payment of benefits to any individual entitled thereto, or to avoid becoming or remaining subject hereto, or to avoid or reduce any contribution or other payment required from an employing unit under this chapter, or who willfully fails or refuses to make any such contributions or other payment or to furnish any reports required hereunder or to produce or permit the inspection or copying of records as required hereunder, is guilty of a fraudulent practice as defined in sections 714.8 to 714.14. The total amount of benefits, contributions or payments involved in the completion of or in the attempt to complete a fraudulent practice shall be used in determining the value involved under section 714.14.

3. *Unlawful acts.* Any person who shall willfully violate any provisions of this chapter or any rule thereunder, the violation of which is made unlawful or the observance of which is required under the terms of this chapter, and for which a penalty is neither prescribed herein nor provided by any other applicable statute, shall be guilty of a simple misdemeanor, and each day such violation continues shall be deemed to be a separate offense.

4. *Misrepresentation.*

*a.* An individual who, by reason of the nondisclosure or misrepresentation by the individual or by another of a material fact, has received any sum as benefits under this chapter while any conditions for the receipt of benefits imposed by this chapter were not fulfilled in the individual's case, or while the individual was disqualified from receiving benefits, shall, in the discretion of the department, either be liable to have the sum deducted from any future benefits payable to the individual under this chapter or shall be liable to repay to the department for the unemployment compensation fund, a sum equal to the amount so received by the individual. If the department seeks to recover the amount of the benefits by having the individual pay to the department a sum equal to that amount, the department may file a lien with the county recorder in favor of the state on the individual's property and rights to property, whether real or personal. The amount of the lien shall be collected in a manner similar to the provisions for the collection of past-due contributions in section 96.14, subsection 3.

*b.* The department shall assess a penalty equal to fifteen percent of the amount of a fraudulent overpayment. The penalty shall be collected in the same manner as the overpayment. The penalty shall be added to the amount of any lien filed pursuant to paragraph *"a"* and shall not be deducted from any future benefits payable to the individual under this chapter. Funds received for overpayment penalties shall be deposited in the unemployment trust fund.

5. *Experience and tax rate avoidance.*

*a.* If a person knowingly violates or attempts to violate section 96.7, subsection 2, paragraph *"b"*, subparagraph (2) or (3), with respect to a transfer of unemployment experience, or if a person knowingly advises another person in a way that results in a violation of such subparagraph, the person shall be subject to the penalties established in this subsection. If the person is an employer, the employer shall be assigned a penalty rate of contribution of two percent of taxable wages in addition to the regular contribution

rate assigned for the year during which such violation or attempted violation occurred and for the two rate years immediately following. If the person is not an employer, the person shall be subject to a civil penalty of not more than five thousand dollars for each violation which shall be deposited in the unemployment trust fund, and shall be used for payment of unemployment benefits. In addition to any other penalty imposed in this subsection, violations described in this subsection shall also constitute an aggravated misdemeanor.

*b*. For purposes of this subsection:

(1) *"Knowingly"* means having actual knowledge of or acting with deliberate ignorance of or reckless disregard for the requirement or prohibition involved.

(2) *"Violates or attempts to violate"* includes but is not limited to the intent to evade, misrepresentation, and willful nondisclosure.

[C39, §**1551.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.16]

96 Acts, ch 1186, §23; 2005 Acts, ch 98, §2; 2008 Acts, ch 1032, §181; 2013 Acts, ch 3, §2, 4

Referred to in §96.11

2013 amendment to subsection 4 applies to any fraudulent overpayment issued on or after July 1, 2013; 2013 Acts, ch 3, §4

Subsection 4 amended

**96.17 Counsel.**

1. *Legal services*. In any civil action to enforce the provisions of this chapter, the department and the state may be represented by any qualified attorney who is a regular salaried employee of the department and is designated by it for this purpose or, at the department's request, by the attorney general. In case the governor designates special counsel to defend on behalf of the state, the validity of this chapter, the expenses and compensation of such special counsel employed by the department in connection with such proceeding may be charged to the unemployment compensation administration fund.

2. *County attorney*. All criminal actions for violations of any provision of this chapter, or of any rules issued by the department pursuant thereto, shall be prosecuted by the prosecuting attorney of any county in which the employer has a place of business or the violator resides, or, at the request of the department, shall be prosecuted by the attorney general.

3. *Indemnification*. Any member of the department or any employee of the department shall be indemnified for any damages and legal expenses incurred as a result of the good faith performance of their official duties, for any claim for civil damages not specifically covered by the Iowa tort claims Act, chapter 669. Any payment described herein shall be paid from the special employment security contingency fund in section 96.13, subsection 3.

[C39, §**1551.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.17]

96 Acts, ch 1186, §23; 2007 Acts, ch 22, §29

Referred to in §331.756(19)

**96.18 Nonliability of state.**

Benefits shall be deemed to be due and payable under this chapter only to the extent provided in this chapter and to the extent that moneys are available therefor to the credit of the unemployment compensation fund, and neither the state nor the department shall be liable for any amount in excess of such sums.

[C39, §**1551.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.18]

96 Acts, ch 1186, §23

DEFINITIONS

**96.19 Definitions.**

As used in this chapter, unless the context clearly requires otherwise:

1. *"Appeal board"* means the employment appeal board created under section 10A.601.

2. *"Average annual taxable payroll"* means the average of the total amount of taxable wages paid by an employer for insured work during the five periods of four consecutive calendar quarters immediately preceding the computation date.

3. *"Base period"* means the period beginning with the first day of the five completed calendar quarters immediately preceding the first day of an individual's benefit year and

ending with the last day of the next to the last completed calendar quarter immediately preceding the date on which the individual filed a valid claim.

4. *"Benefit year"*. The term *"benefit year"* means a period of one year beginning with the day with respect to which an individual filed a valid claim for benefits. Any claim for benefits made in accordance with section 96.6, subsection 1, shall be deemed to be a valid claim for the purposes of this subsection if the individual has been paid wages for insured work required under the provisions of this chapter.

5. *"Benefits"* means the money payments payable to an individual, as provided in this chapter, with respect to the individual's unemployment.

6. *"Calendar quarter"* means the period of three consecutive calendar months ending on March 31, June 30, September 30, or December 31, excluding, however, any calendar quarter or portion thereof which occurs prior to January 1, 1937, or the equivalent thereof as the department may by regulation prescribe.

7. Reserved.

8. *"Computation date"*. The computation date for contribution rates shall be July 1 of that calendar year preceding the calendar year with respect to which such rates are to be effective.

9. *"Contributions"* means the money payments to the state unemployment compensation fund required by this chapter.

10. Reserved.

11. *"Department"* means the department of workforce development created in section 84A.1.

12. *"Director"* means the director of the department of workforce development created in section 84A.1.

13. *"Domestic service"* includes service for an employing unit in the operation and maintenance of a private household, local college club or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade, occupation, profession, enterprise or vocation.

14. *"Educational institution"* means one in which participants, trainees, or students are offered an organized course of study or training designed to transfer to them knowledge, skills, information, doctrines, attitudes or abilities from, by or under the guidance of an instructor or teacher. It is approved, licensed or issued a permit to operate as a school by the department of education or other government agency that is authorized within the state to approve, license or issue a permit for the operation of a school. The course of study or training which it offers may be academic, technical, trade or preparation for gainful employment in a recognized occupation.

15. *"Eligibility period"* of an individual means the period consisting of the weeks in the individual's benefit year which begin in an extended benefit period and, if the individual's benefit year ends within such extended benefit period, any weeks thereafter which begin in such period.

16. *"Employer"* means:

*a.* For purposes of this chapter with respect to any calendar year after December 31, 1971, any employing unit which in any calendar quarter in either the current or preceding calendar year paid for service in employment wages of one thousand five hundred dollars or more excluding wages paid for domestic service or for some portion of a day in each of twenty different calendar weeks, whether or not such weeks were consecutive, in either the current or the preceding calendar year, had in employment at least one individual irrespective of whether the same individual was in employment in each such day. An employing unit treated as a domestic service employer shall not be treated as an employer with respect to wages paid for service other than domestic service unless such employing unit is treated as an employer under this paragraph or as an agricultural labor employer.

*b.* Any employing unit (whether or not an employing unit at the time of acquisition) which acquired the organization, trade, or business, or substantially all of the assets thereof, of another employing unit which at the time of such acquisition was an employer subject to this chapter, or which acquired a part of the organization, trade, or business of another employing unit which at the time of such acquisition was an employer subject to this chapter. Provided,

that such other employing unit would have been an employer under paragraph *"a"* of this subsection, if such part had constituted its entire organization, trade, or business.

*c.* Any employing unit which acquired the organization, trade, or business, or substantially all the assets of another employing unit and which, if treated as a single unit with such other employing unit, would be an employer under paragraph *"a"* of this subsection.

*d.* Any employing unit which together with one or more other employing units, is owned or controlled (by legally enforceable means or otherwise) directly or indirectly by the same interests, or which owns or controls one or more other employing units (by legally enforceable means or otherwise), and which, if treated as a single unit with such other employing unit, would be an employer under paragraph *"a"* of this subsection.

*e.* Any employing unit which, having become an employer under paragraph *"a"*, *"b"*, *"c"*, *"d"*, *"f"*, *"g"*, *"h"*, or *"i"* has not, under section 96.8, ceased to be an employer subject to this chapter.

*f.* For the effective period of its election pursuant to section 96.8, subsection 3, any other employing unit which has elected to become fully subject to this chapter.

*g.* Any employing unit not an employer by reason of any other paragraph of this subsection for which, within either the current or preceding calendar year, service is or was performed with respect to which such employing unit is liable for any federal tax against which credit may be taken for contributions required to be paid into a state unemployment fund; or which, as a condition for approval of this chapter for full tax credit against the tax imposed by the federal Unemployment Tax Act (26 U.S.C. § 3301 – 3308), is required, pursuant to such Act, to be an *"employer"* under this chapter. Provided, however, that if an employer subject to contributions solely because of the terms of this subsection shall establish proper proof to the satisfaction of the department that the employer's employees have been and will be duly covered and insured under the unemployment compensation law of another jurisdiction such employer shall not be deemed an employer and such services shall not be deemed employment under this chapter.

*h.* After December 31, 1971, this state or a state instrumentality and after December 31, 1977, a government entity unless specifically excluded from the definition of employment.

*i.* Any employing unit for which service in employment, as defined in subsection 18, paragraph *"a"*, subparagraph (5), is performed after December 31, 1971.

*j.* For purposes of paragraphs *"a"* and *"i"*, employment shall include service which would constitute employment but for the fact that such service is deemed to be performed entirely within another state pursuant to an election under an arrangement entered into in accordance with subsection 18, paragraph *"d"*, by the department and an agency charged with the administration of any other state or federal unemployment compensation law.

*k.* For purposes of paragraphs *"a"* and *"i"*, if any week includes both December 31 and January 1, the days of that week up to January 1 shall be deemed one calendar week and the days beginning January 1 another such week.

*l.* An employing unit employing agricultural labor after December 31, 1977, if the employing unit:

(1) Paid during any calendar quarter in the calendar year or the preceding calendar year wages of twenty thousand dollars or more for agricultural labor, or

(2) Employed on each of some twenty days during the calendar year or during the preceding calendar year, each day being in a different calendar week, at least ten individuals in employment in agricultural labor for some portion of the day.

*m.* An employing unit employing after December 31, 1977, domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, and with respect to any calendar year, any employing unit who during any calendar quarter in the calendar year or the preceding calendar year paid wages in cash of one thousand dollars or more for such service.

*n.* An Indian tribe, subject to the requirements of section 96.7, subsection 9.

17. *"Employing unit"* means any individual or type of organization, including this state and its political subdivisions, state agencies, boards, commissions, and instrumentalities thereof, any partnership, association, trust, estate, joint stock company, insurance company

or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, which has or subsequent to January 1, 1936, had in its employ one or more individuals performing services for it within this state. All individuals performing services within this state for any employing unit which maintains two or more separate establishments within this state shall be deemed to be employed by a single employing unit for all the purposes of this chapter. Whenever any employing unit contracts with or has under it any contractor or subcontractor for any work which is part of its usual trade, occupation, profession, or business, unless the employing unit as well as each such contractor or subcontractor is an employer by reason of subsection 16 or section 96.8, subsection 3, the employing unit shall for all the purposes of this chapter be deemed to employ each individual in the employ of each such contractor or subcontractor for each day during which such individual is engaged in performing such work; except that each such contractor or subcontractor who is an employer by reason of subsection 16 or section 96.8, subsection 3, shall alone be liable for the contributions measured by wages payable to individuals in the contractor's or subcontractor's employ, and except that any employing unit who shall become liable for and pay contributions with respect to individuals in the employ of any such contractor or subcontractor who is not an employer by reason of subsection 16 or section 96.8, subsection 3, may recover the same from such contractor or subcontractor, except as any contractor or subcontractor who would in the absence of subsection 16 or section 96.8, subsection 3, be liable to pay said contributions, accepts exclusive liability for said contributions under an agreement with such employer made pursuant to general rules of the department. Each individual employed to perform or to assist in performing the work of any agent or employee of an employing unit shall be deemed to be employed by such employing unit for all the purposes of this chapter, whether such individual was hired or paid directly by such employing unit or by such agent or employee, provided the employing unit had actual or constructive knowledge of such work, and provided, further, that such employment was for a total of not less than eight hours in any one calendar week.

18. *"Employment"*.

*a.* Except as otherwise provided in this subsection, *"employment"* means service, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, expressed or implied. Employment also means any service performed prior to January 1, 1978, which was employment as defined in this subsection prior to such date and, subject to the other provisions of this subsection, service performed after December 31, 1977, by:

(1) Any officer of a corporation. Provided that the term *"employment"* shall not include such officer if the officer is a majority stockholder and the officer shall not be considered an employee of the corporation unless such services are subject to a tax to be paid under any federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund or such services are required to be covered under this chapter of the Code, as a condition to receipt of a full tax credit against the tax imposed by the federal Unemployment Tax Act (26 U.S.C. § 3301 – 3309), or

(2) Any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee, or

(3) (a) Any individual other than an individual who is an employee under subparagraphs (1) or (2) who performs services for remuneration for any person as an agent driver or commission driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry cleaning services for the individual's principal; as a traveling or city salesperson, other than as an agent driver or commission driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, the individual's principal (except for sideline sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations.

(b) Provided, that for purposes of this subparagraph (3), the term *"employment"* shall include services performed after December 31, 1971, only if:

(i) The contract of service contemplates that substantially all of the services are to be performed personally by such individual;

(ii) The individual does not have a substantial investment in facilities used in connection with the performance of the services (other than in facilities for transportation); and

(iii) The services are not in the nature of single transaction that is not part of a continuing relationship with the person for whom the services are performed.

(4) Service performed after December 31, 1971, by an individual in the employ of this state or any of its wholly owned instrumentalities and after December 31, 1977, service performed by an individual in the employ of a government entity unless specifically excluded from the definition of employment for a government entity.

(5) Service performed after December 31, 1971, by an individual in the employ of a religious, charitable, educational, or other organization, but only if the service is excluded from *"employment"* as defined in the federal Unemployment Tax Act (26 U.S.C. § 3301 – 3309) solely by reason of section 3306(c)(8) of that Act.

(6) For the purposes of subparagraphs (4) and (5), the term *"employment"* does not apply to service performed:

(a) In the employ of a church or convention or association of churches, or an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches.

(b) By a duly ordained, commissioned, or licensed minister of a church in the exercise of that ministry or by a member of a religious order in the exercise of duties required by such order.

(c) In the employ of a nonpublic school which is not an institution of higher education prior to January 1, 1978.

(d) In a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who, because of their impaired physical or mental capacity, cannot be readily absorbed in the competitive labor market, by an individual receiving such rehabilitation or remunerative work.

(e) As part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving such work relief or work training; or

(f) In the employ of a governmental entity, if such service is performed by an individual in the exercise of the individual's duties as an elected official; as a member of a legislative body, or a member of the judiciary, of a state or political subdivision; as a member of the state national guard or air national guard; as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency; or in a position which, pursuant to the state law, is designated as a major nontenured policymaking or advisory position, or a policymaking or advisory position which ordinarily does not require duties of more than eight hours per week.

(7) (a) A person in agricultural labor when such labor is performed for an employing unit which during any calendar quarter in the calendar year or the preceding calendar year paid remuneration in cash of twenty thousand dollars or more to individuals employed in agricultural labor excluding labor performed before January 1, 1980, by an alien referred to in this subparagraph; or on each of some twenty days during the calendar year or the preceding calendar year, each day being in a different calendar week, employed in agricultural labor for some portion of the day ten or more individuals, excluding labor performed before January 1, 1980, by an alien referred to in this subparagraph; and such labor is not agricultural labor performed before January 1, 1980, by an individual who is an alien admitted to the United States to perform agricultural labor pursuant to sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act, 8 U.S.C. § 1184(c), 1101(a)(15)(H) (1976). For purposes of this subparagraph division, *"employed"* shall not include services performed by agricultural workers who are aliens admitted to the United States to perform labor pursuant to section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act and who are not covered under the Federal Unemployment Tax Act.

(b) For purposes of this subparagraph, any individual who is a member of a crew furnished

by a crew leader to perform agricultural labor for any other employing unit shall be treated as an employee of such crew leader if such crew leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963; or substantially all the members of such crew operate or maintain tractors, mechanized harvesting or cropdusting equipment, or any other mechanized equipment, which is provided by such crew leader; and if such individual is not otherwise in employment as defined in this subsection.

(c) For purposes of this subparagraph (7), in the case of any individual who is furnished by a crew leader to perform agricultural labor for any other employing unit and who is not treated as an employee of such crew leader as described above, such other employing unit and not the crew leader shall be treated as the employer of such individual; and such other employing unit shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of cash remuneration paid to such individual by the crew leader either on the crew leader's behalf or on behalf of such other employing unit for the agricultural labor performed for such other employing unit.

(d) For purposes of this subparagraph (7), the term *"crew leader"* means an employing unit which furnishes individuals to perform agricultural labor for any other employing unit; pays, either on the crew leader's behalf or on behalf of such other employing unit, the individuals so furnished by the crew leader for the agricultural labor performed by them; and has not entered into a written agreement with such other employing unit under which such individual is designated as an employee of such other employing unit.

(8) A person performing after December 31, 1977, domestic service in a private home, local college club, or local chapter of a college fraternity or sorority if performed for an employing unit who paid cash remuneration of one thousand dollars or more to individuals employed in such domestic service in any calendar quarter in the calendar year or the preceding calendar year.

(9) A member of a limited liability company. For such a member, the term *"employment"* shall not include any portion of such service that is performed in lieu of making a contribution of cash or property to acquire a membership interest in the limited liability company.

*b.* The term *"employment"* shall include an individual's entire service, performed within or both within and without this state if:

(1) The service is localized in this state, or

(2) The service is not localized in any state but some of the service is performed in this state and (i) the base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled, is in this state; or (ii) the base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state, or

(3) The service is performed outside the United States, except in Canada, after December 31, 1971, by a citizen of the United States in the employ of an American employer, other than service which is deemed *"employment"* under the provisions of subparagraphs (1) and (2) or the parallel provisions of another state law, or service performed after December 31 of the year in which the United States secretary of labor approved the first time the unemployment compensation law submitted by the Virgin Islands, if:

(a) The employer's principal place of business in the United States is located in this state; or

(b) The employer has no place of business in the United States but the employer is an individual who is a resident of this state, or the employer is a corporation which is organized under the laws of this state, or the employer is a partnership or a trust and the number of the partners or trustees who are residents of this state is greater than the number who are residents of any one other state; or

(c) None of the criteria of divisions (a) and (b) of this subparagraph is met, but the employer has elected coverage in this state, or the employer having failed to elect coverage in any state, the individual has filed a claim for benefits based on such service under the law of this state.

(d) An *"American employer"*, for purposes of this subparagraph, means a person who is an individual who is a resident of the United States or a partnership if two-thirds or more of the partners are residents of the United States, or a trust, if all of the trustees are residents of

the United States, or a corporation organized under the laws of the United States or of any state.

(4) Notwithstanding the provisions of subparagraphs (1), (2), and (3), all service performed after December 31, 1971, by an officer or member of the crew of an American vessel on or in connection with such vessel, if the operating office from which the operations of such vessel operating on navigable waters within and without the United States are ordinarily and regularly supervised, managed, directed and controlled is within this state, and

(5) Notwithstanding any other provisions of this subsection, service with respect to which a tax is required to be paid under any federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund or which, as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act (26 U.S.C. § 3301 – 3308), is required to be covered under this chapter.

*c.* Services performed within this state but not covered under paragraph *"b"* of this subsection shall be deemed to be employment subject to this chapter if contributions are not required and paid with respect to such services under an unemployment compensation law of any other state or of the federal government.

*d.* Services not covered under paragraph *"b"* of this subsection, and performed entirely without this state, with respect to no part of which contributions are required and paid under an unemployment compensation law of any other state or of the federal government, shall be deemed to be employment subject to this chapter if the individual performing such services is a resident of this state and the department approves the election of the employing unit for whom such services are performed that the entire service of such individual shall be deemed to be employment subject to this chapter.

*e.* Service shall be deemed to be localized within a state if:

(1) The service is performed entirely within such state, or

(2) The service is performed both within and without such state, but the service performed without such state is incidental to the individual's service within the state, for example, is temporary or transitory in nature or consists of isolated transactions.

*f.* (1) Services performed by an individual for wages shall be deemed to be employment subject to this chapter unless and until it is shown to the satisfaction of the department that such individual has been and will continue to be free from control or direction over the performance of such services, both under the individual's contract of service and in fact.

(2) Services performed by an individual for two or more employing units shall be deemed to be employment to each employing unit for which the services are performed. However, an individual who concurrently performs services as a corporate officer for two or more related corporations and who is paid through a common paymaster that is one of the related corporations may, at the discretion of such related corporations, be considered to be in the employment of only the common paymaster.

*g.* The term *"employment"* shall not include:

(1) Service performed in the employ of any other state or its political subdivisions, or of the United States government, or of an instrumentality of any other state or states or their political subdivisions or of the United States; provided, however, that the general language just used shall not include any such instrumentality of the United States after Congress has, by appropriate legal action, expressly permitted the several states to require such instrumentalities to make payments into an employment fund under a state unemployment compensation law; and all such instrumentalities so released from the constitutional immunity to make the contributions, imposed by this chapter shall, thereafter, become subject to all the provisions of said chapter, and such provisions shall then be applicable to such instrumentalities and to all services performed for such instrumentalities in the same manner, to the same extent and on the same terms as are applicable to all other employers, employing units, individuals, and services. Should the social security administration, acting under section 1603 of the federal Internal Revenue Code, fail to certify the state of Iowa for any particular calendar year, then the payments required of such instrumentalities with respect to such year shall be refunded by the department from the fund in the same manner

and within the same period as is provided for in section 96.14, subsection 5, which section provides for the refunding of contributions erroneously collected.

(2) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an Act of Congress; provided, that the department is hereby authorized and directed to enter into agreements with the proper agencies under such Act of Congress, which agreements shall become effective ten days after publication thereof in the manner provided in section 96.11, subsection 2, for general rules, to provide reciprocal treatment to individuals who have, after acquiring potential rights to benefits under this chapter, acquired rights to unemployment compensation under such Act of Congress, or who have, after acquiring potential rights to unemployment compensation under such Act of Congress, acquired rights to benefits under this chapter.

(3) Agricultural labor. For purposes of this chapter, the term *"agricultural labor"* means any service performed prior to January 1, 1972, which was agricultural labor as defined in this subparagraph prior to such date, provided that after December 31, 1977, this subparagraph shall not exclude from employment agricultural labor specifically included as agricultural labor under the definition of employment in this subsection, but shall otherwise include remunerated service performed after December 31, 1971:

(a) On a farm in the employ of any person in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

(b) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(c) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15(g) of the Agricultural Marketing Act, as amended [46 Stat. 1550, § 3, 12 U.S.C. § 1141j], or in connection with ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes.

(d) (i) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity, but only if such operator produced more than one-half of the commodity with respect to which such service is performed;

(ii) In the employ of a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described in subdivision (i) of division (d) of this subparagraph, but only if such operators produced more than one-half of the commodity with respect to which such service is performed;

(iii) The provisions of subdivisions (i) and (ii) of division (d) of this subparagraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

(e) On a farm operated for profit if such service is not in the course of the employer's trade or business.

(f) The term *"farm"* includes livestock, dairy, poultry, fruit, fur-bearing animals, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(4) Domestic service in a private home prior to January 1, 1978, and after December 31, 1977, domestic service in a private home not covered as domestic service under the definition of employment.

(5) Service performed by an individual in the employ of the individual's son, daughter, or spouse, and service performed by a child under the age of eighteen in the employ of the child's father or mother.

(6) Service performed in the employ of a school, college, or university if such service is performed by a student who is enrolled and is regularly attending classes at such school,

college or university or by the spouse of such student, if such spouse is advised, at the time such spouse commences to perform such service, that the employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by such school, college, or university, and such employment will not be covered by any program of unemployment insurance.

(7) Service performed by an individual who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, as a student in a full-time program taken for credit at such institution, which combines academic instruction with work experience, if the service is an integral part of the program and the institution has so certified to the employer, except that this subparagraph does not apply to service performed in a program established for or on behalf of an employer or group of employers.

(8) Service performed in the employ of a hospital if such service is performed by a patient of the hospital.

(9) Services performed by an individual, who is not treated as an employee, for a person who is not treated as an employer, under either of the following conditions:

(a) The services are performed by the individual as a salesperson and as a licensed real estate agent; substantially all of the remuneration for the services is directly related to sales or other output rather than to the number of hours worked; and the services are performed pursuant to a written contract between the individual and the person for whom the services are performed, which provides that the individual will not be treated as an employee with respect to the services for federal tax purposes.

(b) The services are performed by an individual engaged in the trade or business of selling or soliciting the sale of consumer products to any buyer on a buy-sell basis or a deposit-commission basis, for resale by the buyer or another person in the home or in a place other than a permanent retail establishment, or engaged in the trade or business of selling or soliciting the sale of consumer products in the home or in a place other than a permanent retail establishment; substantially all of the remuneration for the services is directly related to sales or other output rather than to the number of hours worked; and the services are performed pursuant to a written contract between the individual and the person for whom the services are performed, which provides that the individual will not be treated as an employee with respect to the services for federal tax purposes.

(10) Services performed by an inmate of a correctional institution.

*h.* Except as otherwise provided in this subsection, *"employment"* shall include service performed in the employ of an Indian tribe, subject to the requirements of section 96.7, subsection 9.

19. *"Employment office"* means a free public employment office, or branch thereof, operated by this state or maintained as a part of a state-controlled system of public employment offices.

20. *"Exhaustee"* means an individual who, with respect to any week of unemployment in the individual's eligibility period has received, prior to such week, all of the regular benefits that were available to the individual under this chapter or any other state law (including dependents' allowances and benefits payable to federal civilian employees and former armed forces personnel under 5 U.S.C. ch. 85) in the individual's current benefit year that includes such weeks. Provided that for the purposes of this subsection an individual shall be deemed to have received all of the regular benefits that were available to the individual, although as a result of a pending appeal with respect to wages that were not considered in the original monetary determination in the individual's benefit year the individual may subsequently be determined to be entitled to add regular benefits, or:

*a.* The individual's benefit year having expired prior to such week, has no, or insufficient, wages and on the basis of which the individual could establish a new benefit year that would include such week, and

*b.* The individual has no right to unemployment benefits or allowances under the Railroad Unemployment Insurance Act, the Trade Expansion Act of 1962, the Automotive Products Trade Act of 1965, and such other federal laws as are specified in regulations

issued by the United States secretary of labor, and the individual has not received and is not seeking unemployment benefits under the unemployment compensation law of Canada, but if the individual is seeking such benefits and the appropriate agency finally determines that the individual is not entitled to benefits under such law the individual is considered an exhaustee.

21. *a.* *"Extended benefit period"* means a period which begins with the third week after a week for which there is a state *"on"* indicator, and ends with either of the following weeks, whichever occurs later:

(1) The third week after the first week for which there is a state *"off"* indicator.

(2) The thirteenth consecutive week of such period.

*b.* However, an extended benefit period shall not begin by reason of a state *"on"* indicator before the fourteenth week following the end of a prior extended benefit period which was in effect with respect to this state.

22. *"Extended benefits"* means benefits (including benefits payable to federal civilian employees and to former armed forces personnel pursuant to 5 U.S.C. ch. 85) payable to an individual under the provisions of this section for weeks of unemployment in the individual's eligibility period.

23. *"Fund"* means the unemployment compensation fund established by this chapter, to which all contributions required and from which all benefits provided under this chapter shall be paid.

24. *"Governmental entity"* means a state, a state instrumentality, a political subdivision or an instrumentality of a political subdivision, or a combination of one or more of the preceding.

25. *"Hospital"* means an institution which has been licensed, certified, or approved by the department of inspections and appeals as a hospital.

25A. *"Indian tribe"* shall have the meaning given to the term pursuant to section 4(e) of the federal Indian Self-Determination and Education Assistance Act, and shall include any subdivision, subsidiary, or business enterprise wholly owned by such an Indian tribe.

26. *"Institution of higher education"* means an educational institution which admits as regular students individuals having a certificate of graduation from a high school, or the recognized equivalent of such certificate; is legally authorized in this state primarily to provide a program of education beyond high school; provides an educational program for which it awards a bachelor's or higher degree or provides a program which is acceptable for full credit toward such a degree, a program of postgraduate or postdoctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and is a public or other nonprofit institution.

27. *"Insured work"* means employment for employers.

28. *"Nonprofit organization"* means an organization described in the federal Internal Revenue Code, 26 U.S.C. § 501(c)(3), which is exempt from income taxation under 26 U.S.C. § 501(a).

29. There is a state *"off"* indicator for a week if, for the period consisting of the week and the immediately preceding twelve weeks, the rate of insured unemployment under the state law was less than five percent, or less than one hundred twenty percent of the average of the rates for thirteen weeks ending in each of the two preceding calendar years, except that, notwithstanding any such provision of this subsection, any week for which there would otherwise be a state *"on"* indicator shall continue to be such a week and shall not be determined to be a week for which there is a state *"off"* indicator.

30. There is a state *"on"* indicator for a week if the rate of insured unemployment under the state law for the period consisting of the week and the immediately preceding twelve weeks equaled or exceeded five percent and equaled or exceeded one hundred twenty percent of the average of the rates for the corresponding thirteen-week period ending in each of the two preceding calendar years.

31. *"Public housing agency"* means any agency described in section 3(b)(6) of the United States Housing Act of 1937, as amended through January 1, 1989.

32. *"Rate of insured unemployment"*, for purposes of determining state *"on"* indicator and state *"off"* indicator, means the percentage derived by dividing the average weekly number of individuals filing claims for regular benefits in Iowa for weeks of unemployment with respect

to the most recent thirteen consecutive week period, as determined by the department on the basis of its reports to the United States secretary of labor, by the average monthly insured employment covered under this chapter for the first four of the most recent six completed calendar quarters ending before the end of such thirteen-week period.

33. *"Regular benefits"* means benefits payable to an individual under this or under any other state law (including benefits payable to federal civilian employees and to former armed forces personnel pursuant to 5 U.S.C. ch. 85) other than extended benefits.

34. *"State"* includes, in addition to the states of the United States, the District of Columbia, Canada, Puerto Rico, and the Virgin Islands.

35. *"State law"* means the unemployment insurance law of any state, approved by the United States secretary of labor under 26 U.S.C. § 3304.

36. *"Statewide average weekly wage"* means the amount computed by the department at least once a year on the basis of the aggregate amount of wages reported by employers in the preceding twelve-month period ending on December 31 and divided by the product of fifty-two times the average mid-month employment reported by employers for the same twelve-month period. In determining the aggregate amount of wages paid statewide, the department shall disregard any limitation on the amount of wages subject to contributions under this chapter.

37. *"Taxable wages"* means an amount of wages upon which an employer is required to contribute based upon wages which have been paid during a calendar year to an individual by an employer or the employer's predecessor, in this state or another state which extends a like comity to this state, with respect to employment, upon which the employer is required to contribute, which equals the greater of the following:

*a.* Sixty-six and two-thirds percent of the statewide average weekly wage which was used during the previous calendar year to determine maximum weekly benefit amounts, multiplied by fifty-two and rounded to the next highest multiple of one hundred dollars.

*b.* That portion of wages subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment compensation fund.

38. *"Total and partial unemployment".*

*a.* An individual shall be deemed *"totally unemployed"* in any week with respect to which no wages are payable to the individual and during which the individual performs no services.

*b.* An individual shall be deemed partially unemployed in any week in which either of the following apply:

(1) While employed at the individual's then regular job, the individual works less than the regular full-time week and in which the individual earns less than the individual's weekly benefit amount plus fifteen dollars.

(2) The individual, having been separated from the individual's regular job, earns at odd jobs less than the individual's weekly benefit amount plus fifteen dollars.

*c.* An individual shall be deemed temporarily unemployed if for a period, verified by the department, not to exceed four consecutive weeks, the individual is unemployed due to a plant shutdown, vacation, inventory, lack of work or emergency from the individual's regular job or trade in which the individual worked full-time and will again work full-time, if the individual's employment, although temporarily suspended, has not been terminated.

39. *"Unemployment compensation administration fund"* means the unemployment compensation administration fund established by this chapter, from which administration expenses under this chapter shall be paid.

40. *"United States"* for the purposes of this section includes the states, the District of Columbia, the Commonwealth of Puerto Rico and the Virgin Islands.

41. *"Wages"* means all remuneration for personal services, including commissions and bonuses and the cash value of all remuneration in any medium other than cash. The reasonable cash value of remuneration in any medium other than cash, shall be estimated and determined in accordance with rules prescribed by the department. Wages payable to an individual for insured work performed prior to January 1, 1941, shall, for the purposes of sections 96.3, 96.4, and this section, be deemed to be wages paid within the calendar quarter with respect to which such wages were payable.

The term wages shall not include:

*a.* The amount of any payment, including any amount paid by an employer for insurance or annuities or into a fund to provide for such payment, made to or on behalf of an employee or any of the employee's dependents under a plan or system established by an employer which makes provisions for the employer's employees generally, or for the employer's employees generally and their dependents, or for a class, or classes of the employer's employees, or for a class or classes of the employer's employees and their dependents, on account of retirement, sickness, accident disability, medical or hospitalization expense in connection with sickness or accident disability, or death.

*b.* Any payment paid to an employee, including any amount paid by any employer for insurance or annuities or into a fund to provide for any such payment, on account of retirement.

*c.* Any payment on account of sickness or accident disability, or medical or hospitalization expense in connection with sickness or accident disability made by an employer to, or on behalf of, an employee after the expiration of six calendar months following the last calendar month in which the employee worked for such employer.

*d.* Remuneration for agricultural labor paid in any medium other than cash.

*e.* Any portion of the remuneration to a member of a limited liability company based on a membership interest in the company provided that the remuneration is allocated among members, and among classes of members, in proportion to their respective investments in the company. If the amount of remuneration attributable to a membership interest cannot be determined, the entire amount of remuneration shall be deemed to be based on services performed.

42. *"Week"* means such period or periods of seven consecutive calendar days ending at midnight, or as the department may by regulations prescribe.

43. *"Weekly benefit amount".* An individual's *"weekly benefit amount"* means the amount of benefits the individual would be entitled to receive for one week of total unemployment. An individual's weekly benefit amount, as determined for the first week of the individual's benefit year, shall constitute the individual's weekly benefit amount throughout such benefit year.

[C39, §**1551.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.19; 81 Acts, ch 19, §9; 82 Acts, ch 1030, §3 – 7, 9, ch 1126, §3]

83 Acts, ch 101, §9; 83 Acts, ch 190, §22 – 24, 26, 27; 86 Acts, ch 1245, §525, 935; 87 Acts, ch 222, §6, 7; 89 Acts, ch 117, §2; 92 Acts, ch 1045, §4; 95 Acts, ch 43, §3; 96 Acts, ch 1121, §9 – 11; 96 Acts, ch 1186, §20 – 23; 97 Acts, ch 38, §3, 4; 2001 Acts, ch 111, §3 – 6; 2004 Acts, ch 1175, §66; 2008 Acts, ch 1032, §182, 183, 201; 2009 Acts, ch 41, §263; 2009 Acts, ch 133, §24; 2013 Acts, ch 90, §23

Referred to in §85.28, 85.31, 85.34, 85.37, 85.59, 96.3, 96.4, 96.5, 96.7(2b), 96.8, 96.23, 96.40, 422.11A, 422.33

Subsection 18, paragraph g, subparagraph (1) amended

**96.20 Reciprocal benefit arrangements.**

1. The department is hereby authorized to enter into arrangements with the appropriate agencies of other states, or a contiguous country with which the United States has an agreement with respect to unemployment compensation or the federal government whereby potential rights to benefits accumulated under the unemployment compensation laws of several states or under such a law of the federal government, or both, may constitute the basis for the payment of benefits through a single appropriate agency under terms which the department finds will be fair and reasonable as to all affected interests and will not result in any substantial loss to the fund.

2. *a.* The department may enter into arrangements with the appropriate agencies of other states, or a contiguous country with which the United States has an agreement with respect to unemployment compensation or of the federal government:

(1) Whereby wages or services, upon the basis of which an individual may become entitled to benefits under the unemployment compensation law of another state or of the federal government, shall be deemed to be wages for employment by employers for the purposes of section 96.3 and section 96.4, subsection 5; provided such other state agency or agency of

the federal government has agreed to reimburse the fund for such portion of benefits paid under this chapter upon the basis of such wages or services as the department finds will be fair and reasonable as to all affected interests, and

(2) Whereby the department will reimburse other state or federal agencies charged with the administration of unemployment compensation laws with such reasonable portion of benefits, paid under the law of any such other states or of the federal government upon the basis of employment or wages for employment by employers, as the department finds will be fair and reasonable as to all affected interests.

*b*. Reimbursements so payable shall be deemed to be benefits for the purposes of section 96.3, subsection 5, paragraph "*a*", and section 96.9, but no reimbursement so payable shall be charged against any employer's account for the purposes of section 96.7, unless wages so transferred are sufficient to establish a valid claim in Iowa, and that such charges shall not exceed the amount that would have been charged on the basis of a valid claim. The department is hereby authorized to make to other state or federal agencies and receive from such other state or federal agencies, reimbursements from or to the fund, in accordance with arrangements pursuant to this section. The department shall participate in any arrangements for the payment of compensation on the basis of combining an individual's wages and employment covered under this Act with the individual's wages and employment covered under the unemployment compensation laws of other states which are approved by the United States secretary of labor in consultation with the state unemployment compensation agencies as reasonably calculated to assure the prompt and full payment of compensation in such situations and which include provisions for applying the base period of a single state law to a claim involving the combining of an individual's wages and employment covered under two or more state unemployment compensation laws, and avoiding the duplication use of wages and employment by reason of such combining.

3. The department is hereby authorized to enter into agreements with the appropriate agencies of other states, or a contiguous country with which the United States has an agreement with respect to unemployment compensation or the federal government administering unemployment compensation laws to provide that contributions on wages for services performed by an individual in more than one state for the same employer may be paid to the appropriate agency of one state.

[C39, §**1551.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.20]
96 Acts, ch 1186, §23; 2009 Acts, ch 22, §5; 2010 Acts, ch 1061, §14

**96.21 Termination.**

If at any time Tit. IX of the Social Security Act, as amended, shall be amended or repealed by Congress or held unconstitutional by the supreme court of the United States, with the result that no portion of the contributions required under this chapter may be credited against the tax imposed by said Tit. IX, in any such event the operation of the provisions of this chapter requiring the payment of contributions and benefits shall immediately cease, the department shall thereupon requisition from the unemployment trust fund all moneys therein standing to its credit, and such moneys, together with any other moneys in the unemployment compensation fund shall be refunded, without interest and under regulations prescribed by the department, to each employer by whom contributions have been paid, proportionately to the employer's pro rata share of the total contributions paid under this chapter. Any interest or earnings of the fund shall be available to the department to pay for the costs of making such refunds. When the department shall have executed the duties prescribed in this section and performed such other acts as are incidental to the termination of its duties under this chapter, the provisions of this chapter, in their entirety, shall cease to be operative.

[C39, §**1551.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.21]
96 Acts, ch 1186, §23; 2012 Acts, ch 1023, §14

**96.22** Repealed by 92 Acts, ch 1045, § 5.

**96.23 Base period exclusion.**

1. The department shall exclude three or more calendar quarters from an individual's

base period, as defined in section 96.19, subsection 3, if the individual received workers' compensation benefits for temporary total disability or during a healing period under section 85.33, section 85.34, subsection 1, or section 85A.17 or indemnity insurance benefits during those three or more calendar quarters, if one of the following conditions applies to the individual's base period:

*a.* The individual did not receive wages from insured work for three calendar quarters.

*b.* The individual did not receive wages from insured work for two calendar quarters and did not receive wages from insured work for another calendar quarter equal to or greater than the amount required for a calendar quarter, other than the calendar quarter in which the individual's wages were highest, under section 96.4, subsection 4, paragraph "*a*".

2. The department shall substitute, in lieu of the three or more calendar quarters excluded from the base period, those three or more consecutive calendar quarters, immediately preceding the base period, in which the individual did not receive such workers' compensation benefits or indemnity insurance benefits.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.23]

83 Acts, ch 190, §25, 27; 86 Acts, ch 1034, §2, 3; 96 Acts, ch 1186, §23; 2008 Acts, ch 1032, §201; 2009 Acts, ch 22, §6

Referred to in §96.7(2a)

**96.24 Employer to be notified.**

Whenever an employee is separated from employment for the purpose of joining the armed forces of the United States, the employee shall notify the employer in writing of the employee's acceptance and date of reporting for service and the employer shall, within fifteen days after said notice from the employee, notify the department of such separation and date of termination of wages on a form furnished by the department.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.24]

96 Acts, ch 1186, §23

**96.25 Office building.**

The department may acquire for and in the name of the state of Iowa by purchase, or by rental purchase agreement, such lands and buildings upon such terms and conditions as may entitle this state to grants or credits of funds under the Social Security Act or the Wagner-Peyser Act to be applied against the cost of such property, for the purpose of providing office space for the department at such places as the department finds necessary and suitable.

[C62, 66, 71, 73, 75, 77, 79, 81, §96.25]

86 Acts, ch 1245, §1979; 96 Acts, ch 1186, §23

Referred to in §96.26, 96.27, 96.28

**96.26 Moneys received.**

The department is authorized to accept, receive, and receipt for all moneys received from the United States for the payments authorized by sections 96.25 to 96.28 for lands and buildings and to comply with any rules made under the Social Security Act or the Wagner-Peyser Act.

[C62, 66, 71, 73, 75, 77, 79, 81, §96.26]

96 Acts, ch 1186, §23

Referred to in §96.28

**96.27 Approval of attorney general.**

An agreement made for the purchase or other acquisition of the premises mentioned in section 96.25 with funds granted or credited to this state for such purpose under the Social Security Act or the Wagner-Peyser Act shall be subject to the approval of the attorney general of the state of Iowa as to form and as to title thereto.

[C62, 66, 71, 73, 75, 77, 79, 81, §96.27]

2012 Acts, ch 1023, §15

Referred to in §96.26, 96.28

**96.28 Deposit of funds.**

All moneys received from the United States for the payments authorized by sections 96.25 to 96.27 for lands and buildings shall be deposited in the employment security administration fund in the state treasury and are appropriated therefrom for the purposes of this chapter.

[C62, 66, 71, 73, 75, 77, 79, 81, §96.28]

Referred to in §96.26

**96.29 Extended benefits.**

Except when the result would be inconsistent with the other provisions of this chapter, as provided in rules of the department, the provisions of the law which apply to claims for or the payment of regular benefits shall apply to claims for, and the payment of, extended benefits.

1. *Eligibility requirements for extended benefits.* An individual is eligible to receive extended benefits with respect to a week of unemployment in the individual's eligibility period only if the department finds that all of the following conditions are met:

*a.* The individual is an "exhaustee" as defined in this chapter.

*b.* The individual has satisfied the requirements of this chapter for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits.

*c.* The individual has been paid wages for insured work during the individual's base period in an amount at least one and one-half times the wages paid to the individual during that quarter of the individual's base period in which the individual's wages were highest.

2. *Disqualification for extended benefits.* If an individual claiming extended benefits furnishes satisfactory evidence to the department that the individual's prospects for obtaining work in the individual's customary occupation within a reasonably short period are good, section 96.5, subsection 3 applies. If the department determines that an individual is claiming extended benefits and the individual's prospects for obtaining work in the individual's customary occupation are poor, the following paragraphs apply:

*a.* An individual shall be disqualified for extended benefits if the individual fails to apply for or refuses to accept an offer of suitable work to which the individual was referred by the department or the individual fails to actively seek work, unless the individual has been employed during at least four weeks, which need not be consecutive, subsequent to the disqualification and has earned at least four times the individual's weekly extended benefit amount. In order to be considered suitable work under this subsection, the gross weekly wage for the suitable work shall be in excess of the individual's weekly extended benefit amount plus any weekly supplemental unemployment compensation benefits which the individual is receiving.

*b.* An individual shall not be disqualified for extended benefits for failing to apply for or refusing to accept an offer of suitable work, unless the suitable work was offered to the individual in writing or was listed with the department.

*c.* This subsection shall not apply to claims for extended benefits for weeks of unemployment beginning March 6, 1993, and ending before January 1, 1995, or if otherwise prohibited by federal law.

3. *Weekly extended benefit amount.* The weekly extended benefit amount payable to an individual for a week of total unemployment in the individual's eligibility period is an amount equal to the weekly benefit amount payable to the individual during the individual's applicable benefit year.

4. *Total extended benefit amount.*

*a.* The total extended benefit amount payable to an eligible individual with respect to the individual's applicable benefit year is the least of the following amounts:

(1) Fifty percent of the total amount of regular benefits which were payable to the individual under this chapter in the individual's applicable benefit year.

(2) Thirteen times the individual's weekly benefit amount which was payable to the individual under this chapter for a week of total unemployment in the applicable benefit year.

*b.* Except for the first two weeks of an interstate claim for extended benefits filed in any state under the interstate benefit payment plan and payable from an individual's extended

benefit account, the individual is not eligible for extended benefits payable under the interstate claim if an extended benefit period is not in effect in that state.

5. *Beginning and termination of extended benefit period.* If an extended benefit period is to become effective in Iowa as a result of the state "on" indicator, or an extended benefit period is to be terminated in Iowa as a result of the state "off" indicator, the department shall make an appropriate public announcement. Computations required by this subsection shall be made by the department in accordance with regulations prescribed by the United States secretary of labor.

6. Notwithstanding any other provisions of this section, if the benefit year of an individual ends within an eligibility period for extended benefits, the remaining extended benefits which the individual would, but for this section, be entitled to receive in that portion of the eligibility period which extends beyond the end of the individual's benefit year, shall be reduced, but not below zero, by the number of weeks for which the individual received federal trade readjustment allowances, under 19 U.S.C. § 2101 et seq., as amended by the Omnibus Budget Reconciliation Act of 1981, within the individual's benefit year multiplied by the individual's weekly extended benefit amount.

[C73, 75, 77, 79, 81, §96.29; 81 Acts, ch 19, §10, 11; 82 Acts, ch 1030, §8, 9]
93 Acts, ch 10, §1; 96 Acts, ch 1186, §23; 2008 Acts, ch 1032, §201
Referred to in §96.11, 96.40

**96.30** Repealed by 92 Acts, ch 1045, § 5.

**96.31 Tax for benefits.**

Political subdivisions may levy a tax outside their general fund levy limits to pay the cost of unemployment benefits. For school districts the cost of unemployment benefits shall be included in the district management levy pursuant to section 298.4.

[C79, 81, §96.31]
83 Acts, ch 123, §50, 209; 89 Acts, ch 135, §51
Referred to in §298.4

**96.32 Fraud and overpayment personnel.**

It is the declared intent of the general assembly of the state of Iowa that the department shall employ employees as full-time claims specialists in the fraud and overpayment section of the job insurance bureau of the department to the extent that federal funds are available to the department for the employment of such full-time personnel.

[C79, 81, §96.32]
96 Acts, ch 1186, §23

**96.33 and 96.34** Repealed by 92 Acts, ch 1045, § 5.

**96.35 Status report.**

The department shall annually submit a status report on the unemployment compensation trust fund to the general assembly.

[C79, 81, §96.35]
96 Acts, ch 1186, §23

**96.36 through 96.39** Reserved.

**96.40 Voluntary shared work program.**

1. An employer who wishes to participate in the shared work unemployment compensation program established under this section shall submit a written shared work plan in a form acceptable to the department for approval.

*a.* As a condition for approval by the department, a participating employer shall agree to furnish the department with reports relating to the operation of the shared work plan as requested by the department.

*b.* The employer shall monitor and evaluate the operation of the established shared work plan as requested by the department and shall report the findings to the department.

2. The department may approve a shared work plan if all of the following conditions are met:

*a.* The employer has filed all reports required to be filed under this chapter for all past and current periods and has paid all contributions due for all past and current periods.

*b.* The plan certifies that the aggregate reduction in work hours is in lieu of temporary layoffs which would have affected at least ten percent of the employees in the affected unit or units to which the plan applies and which would have resulted in an equivalent reduction in work hours. *"Affected unit"* means a specified plant, department, shift, or other definable unit.

*c.* The employees in the affected unit are identified by name and social security number and consist of at least five individuals.

*d.* The shared work plan reduces the normal weekly hours of work for an employee in the affected unit by not less than twenty percent and not more than fifty percent with a corresponding reduction in wages. Only full-time employees who normally work between thirty-five and forty hours per week are eligible to participate.

*e.* The reduction in hours and corresponding reduction in wages must be applied equally to all of the full-time employees in the affected unit.

*f.* The plan provides that fringe benefits will continue to be provided to employees in affected units as though their workweeks had not been reduced.

*g.* The plan will not serve as a subsidy of seasonal employment during the off season, nor as a subsidy of temporary part-time or intermittent employment.

*h.* The employer certifies that the employer will not hire additional part-time or full-time employees for the affected work force while the program is in operation.

*i.* The duration of the shared work plan will not exceed fifty-two weeks.

*j.* The plan is approved in writing by the collective bargaining representative for each employee organization or union which has members in the affected unit.

3. The employer shall submit a shared work plan to the department for approval at least thirty days prior to the proposed implementation date.

4. The department may revoke approval of a shared work plan and terminate the plan if the department determines that the shared work plan is not being executed according to the terms and intent of the shared work unemployment compensation program, or if it is determined by the department that the approval of the shared work plan was based, in whole or in part, upon information contained in the plan which was either false or substantially misleading.

5. An individual who is otherwise entitled to receive regular unemployment compensation benefits under this chapter shall be eligible to receive shared work benefits with respect to any week in which the department finds all of the following:

*a.* The individual is employed as a member of an affected unit subject to a shared work plan that was approved before the week in question and is in effect for that week.

*b.* The individual is able to work, available for work, and works all available hours with the participating employer.

*c.* The individual's normal weekly hours of work have been reduced by at least twenty percent but not more than fifty percent, with a corresponding reduction in wages.

6. The department shall not deny shared work benefits for any week to an otherwise eligible individual by reason of the application of any provision of this chapter which relates to availability for work, active search for work, or refusal to apply for or accept work with an employer other than the participating employer under the plan.

7. The department shall pay an individual who is eligible for shared work benefits under this section a weekly shared work benefit amount equal to the individual's regular weekly benefit amount for a period of total unemployment, less any deductible amounts under this chapter except wages received from any employer, multiplied by the full percentage of reduction in the individual's hours as set forth in the employer's shared work plan. If the shared work benefit amount calculated under this subsection is not a multiple of one dollar, the department shall round the amount so calculated to the next lowest multiple of one

dollar. An individual shall be ineligible for shared work benefits for any week in which the individual performs paid work for the participating employer in excess of the reduced hours established under the shared work plan.

8. An individual shall not be entitled to receive shared work benefits and regular unemployment compensation benefits in an aggregate amount which exceeds the maximum total amount of benefits payable to that individual in a benefit year as provided under section 96.3, subsection 5, paragraph "*a*".

9. *a.* Notwithstanding any other provisions of this chapter, all benefits paid under a shared work plan, which are chargeable to the participating employer or any other base period employer of a participating employee, shall be charged to the account of the participating employer under the plan.

*b.* An employer may provide as part of the plan a training program the employees may attend during the hours that have been reduced. If the employer is able to show that the training program will provide a substantive increase in the workplace and employability skills of the employee so as to reduce the potential for future periods of unemployment, the department shall relieve the employer of charges for benefits paid to the individual attending training under the plan. The employee may attend the training at the work site utilizing internal resources, provided the training is outside of the normal course of employment, or in conjunction with an educational institution.

10. An individual who has received all of the shared work benefits and regular unemployment compensation benefits available in a benefit year shall be considered an exhaustee, as defined in section 96.19, subsection 20, for purposes of the extended benefit program administered pursuant to section 96.29.

91 Acts, ch 197, §1; 94 Acts, ch 1066, §7; 96 Acts, ch 1186, § 23; 97 Acts, ch 38, §5; 2008 Acts, ch 1032, §201; 2009 Acts, ch 22, §7; 2009 Acts, ch 179, §111, 112; 2010 Acts, ch 1110, §1

**96.41 through 96.50** Reserved.

**96.51 Field office operating fund.**

A field office operating fund is created in the state treasury under the control of the department of workforce development. The fund is separate and distinct from the unemployment compensation fund. All moneys properly credited to and deposited in the fund are annually appropriated to the department of workforce development to be used for personnel and nonpersonnel costs of operating field offices.

2005 Acts, ch 170, §20

# SUBTITLE 3

## RETIREMENT SYSTEMS

# CHAPTER 97

## OLD-AGE AND SURVIVORS' INSURANCE SYSTEM

Referred to in §97C.19


97.1 through 97.49 Repealed by 53 Acts, ch 71, §1, except as indicated herein.
97.50 Repeal of prior law — rights preserved.
97.51 Special fund created — refunds.
97.52 Administration agreements.
97.53 Rule of construction.


**97.1 through 97.49** Repealed by 53 Acts, ch 71, § 1, except as indicated herein.

**97.50 Repeal of prior law — rights preserved.**

Chapter 97, Code 1950, as amended by the Fifty-fourth General Assembly, is hereby repealed, subject to the provisions which follow:

1. Any person being paid any benefits under the provisions of sections 97.13 to 97.18, Code 1950, as amended, as of June 30, 1953, shall continue to receive such benefits as though that chapter had not been repealed.

2. Any person who became entitled to any benefits under the provisions of sections 97.13 to 97.19, Code 1950, as amended, through the retirement or death of any person prior to June 30, 1953, shall be paid the same benefits upon proper application, subsequent to June 30, 1953, as though that chapter had not been repealed.

3. Any individual who was, as of June 30, 1953, a fully insured individual as defined in section 97.45, subsection 6, Code 1950, as amended, and who would be a fully insured individual at age sixty-five, on the basis of service prior to June 30, 1953 (but who is not under public employment as of such date), shall be entitled to receive, in the event of the individual's reaching sixty-five years of age after June 30, 1953, not less than the same individual primary benefit the individual would have received under the provisions of section 97.13, Code 1950, as amended, had the individual been eligible for retirement as of that date as though chapter 97, Code 1950, as amended, had not been repealed. Any individual who was as of June 30, 1953, a fully insured individual as defined in section 97.45, subsection 6, Code 1950, as amended, and who would be fully insured at age of sixty-five, on the basis of service prior to June 30, 1953, and who is as of June 30, 1953, under public employment, and also under coverage of a federal civil service retirement plan, shall be entitled to receive after reaching sixty-five years of age, provided the individual is no longer in public employment, not less than the same individual primary benefit the individual would have received under the provisions of section 97.13, Code 1950, as amended, had the individual been eligible for retirement as of that date, as though chapter 97, Code 1950, as amended, had not been repealed; and any wife, widow, child or other dependent of such individual would become entitled to any benefits as provided by chapter 97, Code 1950, as amended, after June 30, 1953, shall be entitled to receive benefits as provided by chapter 97, Code 1950, as though that chapter had not been repealed.

4. Any wife, widow, child, or other dependent of any fully insured individual who left employment or died prior to June 30, 1953, who would become entitled to any benefit as provided by chapter 97, Code 1950, as amended, after June 30, 1953, shall be entitled to receive benefits as provided by chapter 97, Code 1950, as amended, as though that chapter had not been repealed.

5. Any currently insured individual under the terms of subsection 7 of section 97.45, Code 1950, as amended, who is not in Iowa public employment as of June 30, 1953, shall continue to be a currently insured individual against death for the period designated in said subsection

and the provisions of coverage for benefit purposes under said subsection shall apply to such individuals as they would have applied as though chapter 97, Code 1950, as amended, had not been repealed.

[C46, 50, §97.13 – 97.19; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97.50]

Referred to in §97.53, 97B.1A, 97B.42, 97B.43, 97B.56

**97.51 Special fund created — refunds.**

There is hereby created as a special fund, separate and apart from all other public moneys or funds of this state, the *"Iowa Old-Age and Survivors' Insurance Liquidation Fund"*, this fund to consist of all unexpended moneys collected under the provisions of chapter 97, Code 1950, as amended, together with all interest thereon, and also to include all securities and other assets acquired by and through the use of the moneys belonging to the Iowa old-age and survivors' insurance trust fund, and any other moneys that may be paid into this fund. There is hereby transferred to the Iowa old-age and survivors' insurance liquidation fund all funds and assets of the old-age and survivors' insurance trust fund created by the provisions of section 97.5, Code 1950. There shall also be deposited in the Iowa old-age and survivors' insurance liquidation fund all receipts after June 30, 1953, as a result of the collection of taxes or other moneys, as provided by section 97.8, Code 1950.

1. The treasurer of state is the custodian and trustee of this fund and shall administer the fund in accordance with the directions of the Iowa public employees' retirement system created in section 97B.1. It is the duty of the trustee:

*a.* To hold said trust funds.

*b.* Under the direction of the system and as designated by the system, invest such portion of said trust funds as are not needed for current payment of benefits, in interest-bearing securities issued by the United States, or interest-bearing bonds issued by the state of Iowa, or bonds issued by counties, school districts or general obligations or limited levy bonds issued by municipal corporations in this state as authorized by law; also to sell and dispose of same when needed for the payment of benefits.

*c.* To disburse the trust funds upon warrants drawn by the director of the department of administrative services pursuant to the order of the system.

2. All moneys which are paid or deposited into this fund are hereby appropriated and made available to the system to be used only for the purposes herein provided:

*a.* To be used by the system for the payment of claims for benefits.

*b.* To be used by the system for the payment in accordance with any agreement with the federal social security administration of amounts required to obtain retroactive federal social security coverage of Iowa public employees, dating from January 1, 1951, and for the payment of refunds which were authorized by the provisions of section 97.7, Code 1950, and for the payment of such other refunds to employees as may be authorized by the general assembly, and such other purposes as may be authorized by the general assembly.

3. The system shall administer the Iowa old-age and survivors' insurance liquidation fund and shall also administer all other provisions of this chapter.

4. Any public employee subject to coverage under the provisions of chapter 97, Code 1950, as amended, in public service as of June 30, 1953, and who has not applied for and qualified for benefit payments under the provisions of chapter 97, Code 1950, as amended, who had contributed to the Iowa old-age and survivors' insurance fund prior to the repeal of chapter 97, Code 1950, as amended, shall be entitled to a refund of contributions paid into the Iowa old-age and survivors' insurance fund by such employee without interest, but there shall be deducted from the amount of any such refund any amount which has been or will be paid in the employee's behalf as the employee's contribution as an employee to obtain retroactive federal social security coverage. Any former public employee not in public service as of June 30, 1953, who has contributed to the Iowa old-age and survivors' insurance fund, the employee's beneficiaries or estate, when no benefit has been paid under chapter 97, Code 1950, based upon such employee's prior record, shall be entitled to a refund of seventy-five percent of all contributions paid by the employee into said fund, without interest. The system shall prescribe rules in regard to the granting of such refunds. In the event of such refund any individual receiving the same shall be deemed to have waived any and all rights in behalf

of the individual or any beneficiary or the individual's estate to further benefits under the provisions of chapter 97, Code 1950, as amended.

5. Any employee in public service as of June 30, 1953, may, in lieu of receiving the cash refund of the employee's contributions, elect to come under the coverage of any new retirement system which may be created by the general assembly, to which the employee is eligible, with credits toward future benefits in consideration of the employee's prior contributions and length of service, and may direct the transfer of the amount payable to the employee to the assets of such new retirement system.

6. In the payment of any benefits in the future, as a result of the provisions of chapter 97, Code 1950, as amended, the system shall follow the same procedure as provided by chapter 97, Code 1950, as amended, as though said chapter had not been repealed, except the requirements of subsection 4, paragraph *"a"*, and subsection 5 of section 97.21, Code 1950, shall not be applicable, but no primary benefit, based upon employment prior to June 30, 1953, shall be paid to any individual for any month during which the individual receives compensation for work in any position which would have been subject to coverage under the provisions of chapter 97, Code 1950, as amended, if the individual's earnings for such month exceed one hundred dollars, nor shall any benefit be paid to a wife or dependent of such employee for such months, except that after a retired member reaches the age of seventy-two years, the member, the member's wife and dependents shall be entitled to the benefits of this chapter regardless of the amount earned.

7. Beginning July 1, 1975, any person receiving benefits under the provisions of chapter 97, Code 1950, as amended, shall receive a monthly increase in benefits equal to one hundred percent of the monthly benefits received for June 1975 or for which the person was eligible to receive for June 1975. Any person who becomes eligible for benefits under chapter 97, Code 1950, on or after July 1, 1975, shall receive the same percentage increase.

8. *a.* Effective July 1, 1980, a person receiving benefits, or who becomes eligible to receive benefits, on or after July 1, 1980, under this chapter, shall receive the monthly increase in benefits provided in section 97B.49G, subsection 3, paragraph *"a"*.

*b.* There is appropriated from the general fund of the state to the Iowa old-age and survivors' insurance liquidation fund from funds not otherwise appropriated an amount sufficient to finance the provisions of this subsection.

9. *a.* Effective July 1, 1984, a person receiving benefits, on or after July 1, 1984, under this chapter, shall receive a monthly increase in benefits equal to ten percent of the monthly benefits received for June 1984 or which the person was eligible to receive for June 1984, except as otherwise provided in this subsection. A person who becomes eligible for benefits under chapter 97, Code 1950, on or after July 1, 1984, shall receive the ten percent increase.

*b.* A person eligible to receive benefits under this chapter on June 30, 1984, may elect in writing to the Iowa department of job service* not to receive the monthly benefit increase granted in this subsection.

*c.* There is appropriated annually from the general fund of the state to the Iowa old-age and survivors' insurance liquidation fund from funds not otherwise appropriated an amount sufficient to pay the benefit increases provided in this subsection.

10. *a.* Effective July 1, 1992, a person receiving benefits, on or after July 1, 1992, under this chapter, shall receive a monthly increase in benefits of ten dollars per month. A person who becomes eligible for benefits under chapter 97, Code 1950, on or after July 1, 1992, shall receive the ten dollar increase.

*b.* There is appropriated annually from the general fund of the state to the Iowa old-age and survivors' insurance liquidation fund from funds not otherwise appropriated an amount sufficient to pay the benefit increases provided in this subsection.

[C46, 50, §97.5, 97.7 – 97.9, 97.12, 97.23, 97.35; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97.51]

84 Acts, ch 1285, §1; 86 Acts, ch 1245, §242; 92 Acts, ch 1201, §1; 98 Acts, ch 1183, §8; 2003 Acts, ch 145, §165, 166, 286; 2005 Acts, ch 19, §27, 28; 2005 Acts, ch 179, §111; 2008 Acts, ch 1032, §201

Referred to in §97.53, 97B.1A, 97B.42, 97B.43, 97B.56, 97C.14

*Department of workforce development, chapter 84A, is the successor agency

**97.52 Administration agreements.**

The Iowa public employees' retirement system created in section 97B.1 may enter into agreements whereby services performed by the system and its employees under this chapter and chapters 97B and 97C shall be equitably apportioned among the funds provided for the administration of those chapters. The money spent for personnel, rentals, supplies, and equipment used by the system in administering the chapters shall be equitably apportioned and charged against the funds.

[C46, 50, §97.3 – 97.5, 97.23, 97.48; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97.52]
86 Acts, ch 1244, §19; 2003 Acts, ch 145, §167; 2007 Acts, ch 22, §30
Referred to in §97.53, 97B.1A, 97B.42, 97B.43, 97B.56

**97.53 Rule of construction.**

As used in sections 97.50 to 97.52, unless clearly indicated by the context to the contrary, all references to employment or service refer to employment or service in Iowa public employment.

[C46, 50, §97.1, 97.2; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97.53]
Referred to in §97B.1A, 97B.42, 97B.43, 97B.56

# CHAPTER 97A

## PUBLIC SAFETY PEACE OFFICERS' RETIREMENT, ACCIDENT, AND DISABILITY SYSTEM

Referred to in §8F.2, 12B.10, 12B.10A, 12B.10B, 12B.10C, 12F.2, 12H.2, 70A.23, 70A.30, 80.26, 97B.42B, 97D.1, 97D.3, 97D.5, 411.8, 411.31, 509A.13A, 691.1


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**97A.1 Definitions of words and phrases.**

The following words and phrases when used in this chapter shall, for the purpose of this chapter, have the meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

1. *"Actuarial equivalent"* shall mean a benefit of equal value, when computed upon the basis of mortality tables adopted by the board of trustees, and interest computed at a rate adopted by the board upon the recommendation of the actuary.

2. *"Amount earned"* shall mean the amount of money actually earned by a beneficiary in some definite period of time.

3. *"Average final compensation"* shall mean the average earnable compensation of the member during the member's highest three years of service as a member of the state department of public safety, or if the member has had less than three years of service, then the average earnable compensation of the member's entire period of service.

4. *"Beneficiary"* shall mean any person receiving a retirement allowance or other benefit as provided by this chapter.

5. *"Board of trustees"* means the board created in section 97A.5 to direct the administration of the Iowa department of public safety peace officers' retirement, accident, and disability system.

6. *"Child"* means only the surviving issue of a deceased active or retired member, or a child legally adopted by a deceased member prior to the member's retirement. *"Child"* includes only an individual who is under the age of eighteen years, an individual who is under the age of twenty-two and is a full-time student, or an individual who is disabled under the definitions used in section 202 of the Social Security Act as amended if the disability occurred to the individual during the time the individual was under the age of eighteen years and the parent of the individual was an active member of the system.

7. *"Commissioner"* means the commissioner of public safety of this state.

8. *"Department"* means the department of public safety of this state.

9. *"Earnable compensation"* or *"compensation earnable"* shall mean the regular compensation which a member would earn during one year on the basis of the stated compensation for the member's rank or position including compensation for longevity and the daily amount received for meals under section 80.8 and excluding any amount received for overtime compensation or other special additional compensation, other payments for meal expenses, uniform cleaning allowances, travel expenses, and uniform allowances and excluding any amount received upon termination or retirement in payment for accumulated sick leave or vacation.

10. *"Medical board"* shall mean the board of physicians provided for in section 97A.5.

11. *"Member"* or *"member of system"* shall mean a member of the Iowa department of public safety peace officers' retirement, accident, and disability system as defined by section 97A.3.

12. *"Membership service"* shall mean service as a peace officer in the division of state patrol, the division of criminal investigation, or division of narcotics enforcement in the department of public safety and arson investigators rendered since last becoming a member, or, where membership is regained as provided in this chapter, all of such service.

13. *"Peace officer"* means a member, except a non-peace officer member, of the division of state patrol, narcotics enforcement, state fire marshal, or criminal investigation, including but not limited to a gaming enforcement officer, who has passed a satisfactory physical and mental examination and has been duly appointed by the department of public safety in accordance with section 80.15.

14. *"Pensions"* shall mean annual payments for life derived from the appropriations provided by the state of Iowa and from contributions of the members which are deposited in the retirement fund. All pensions shall be paid in equal monthly installments.

15. *"Retirement allowance"* shall mean the pension, or any benefits in lieu thereof, granted to a member upon retirement.

16. *"Surviving spouse"* shall mean the surviving spouse or former spouse of a marriage solemnized prior to retirement of a deceased member from active service. Surviving spouse shall include a former spouse only if the division of assets in the dissolution of marriage decree pursuant to section 598.17 grants the former spouse rights of a spouse under this chapter. If there is no surviving spouse of a marriage solemnized prior to retirement of a deceased member, surviving spouse includes a surviving spouse of a marriage of two years or more duration solemnized subsequent to retirement of the member.

17. *"System"* shall mean the Iowa department of public safety peace officers' retirement, accident, and disability system as defined in section 97A.2.

[C50, 54, 58, 62, 66, 71, 73, 75, §97A.1; C77, 79, 81, §97A.1, 97A.6(8b); 82 Acts, ch 1261, §1, 2]

86 Acts, ch 1245, §243; 88 Acts, ch 1242, §2; 92 Acts, ch 1232, §504; 94 Acts, ch 1183, §2; 98 Acts, ch 1074, §11; 2005 Acts, ch 35, §22, 31; 2006 Acts, ch 1010, §47; 2008 Acts, ch 1171, §1, 2; 2010 Acts, ch 1167, §2

Referred to in §80.1A, 97A.6, 97D.3, 261.93, 411.6

**97A.2 Creation of system — purpose — name.**

The Iowa department of public safety peace officers' retirement, accident, and disability system is created. It is the purpose of this chapter to provide certain retirement and other benefits for the peace officers of the Iowa department of public safety named in this chapter, or benefits to their dependents, in amounts and under terms and conditions set forth in this chapter. The system shall be administered under the direction of the board of trustees, and shall transact all of its business, invest all of its funds, and hold all of its cash and security and other property in the name of the Iowa department of public safety peace officers' retirement, accident, and disability system.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.2]

86 Acts, ch 1245, §244

Referred to in §97A.1

**97A.3 Membership in system — reemployment.**

1. All peace officer members of the division of state patrol and the division of criminal investigation or the predecessor divisions or subunits in the department of public safety, excepting the members of the clerical force, who are employed by the state of Iowa on July 4, 1949, and all persons thereafter employed as members of such divisions or the predecessor divisions or subunits in the department of public safety or division of narcotics enforcement or division of state fire marshal or the predecessor divisions or subunits, except the members of the clerical force, shall be members of this system, except as otherwise provided in subsection 3. Effective July 1, 1994, gaming enforcement officers employed by the division of criminal investigation for excursion boat and gambling structure gambling enforcement activities and fire prevention inspector peace officers employed by the department of public safety shall be members of this system, except as otherwise provided in subsection 3 or section 97B.42B. Such members shall not be required to make contributions under any other pension or retirement system of the state of Iowa, anything to the contrary notwithstanding.

2. Should any member in any period of five consecutive years after last becoming a member, be absent from service for more than four years, or should a member become a beneficiary or die, the person shall thereupon cease to be a member of this system.

3. *a.* As used in this section, unless the context otherwise requires, "*reemployed*" or "*reemployment*" means the employment of a person in a position which would otherwise be included as a membership position under subsection 1, after the person has commenced receiving a service retirement allowance under section 97A.6.

*b.* If a person is reemployed, the person shall not become an active member of the system upon reemployment, and the person so reemployed and the state of Iowa shall not make contributions to the system based upon the person's compensation for reemployment. A person who is so reemployed shall continue to receive the service retirement allowance, and the service retirement allowance shall not be recalculated based upon the person's reemployment. Notwithstanding section 97B.1A or any other provision of law to the contrary, a person reemployed as provided in this subsection shall be exempt from chapter 97B.

4. Effective July 1, 1979, a person shall not become a member of the system unless that person has passed the physical and mental examination given under the provisions of section 80.15 and unless that person has received a diploma for satisfactory completion of a training school held pursuant to the provisions of section 80.13.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.3]

92 Acts, ch 1232, §505; 94 Acts, ch 1183, §3; 98 Acts, ch 1100, §12; 98 Acts, ch 1183, §82; 2005 Acts, ch 35, §23; 2006 Acts, ch 1010, §48; 2007 Acts, ch 188, §1

Referred to in §97A.1, 97A.6, 97D.3

**97A.4 Service creditable.**

Service for fewer than six months of a year is not creditable as service. Service of six months or more of a year is equivalent to one year of service, but in no case shall more than one year of service be creditable for all service in one calendar year, nor shall the board of trustees allow credit as service for any period of more than one month duration during which the member was absent without pay.

Any member of the system who has been employed continuously prior to the passage of this chapter in the division of state patrol or the division of criminal investigation in the department of public safety, or as a member of the state patrol, or as a peace officer or a member of the uniformed force in any department or division whose functions were transferred to, merged, or consolidated in the department of public safety at the time such department was created, shall receive credit for such service in determining retirement and disability benefits provided for in this chapter. Arson investigators who have contributed to this system prior to July 1, 1978, shall receive credit for such service in determining retirement and disability benefits.

The board of trustees shall credit as service for a member of the system a previous period of service for which the member had withdrawn the member's accumulated contributions, as defined in section 97A.15.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.4]

90 Acts, ch 1240, §1; 92 Acts, ch 1232, §506; 98 Acts, ch 1074, §12; 2005 Acts, ch 35, §31

Referred to in §97A.15

**97A.5 Administration.**

1. *Board of trustees.* A board of trustees of the Iowa department of public safety peace officers' retirement, accident, and disability system is created. The general responsibility for the proper operation of the system is vested in the board of trustees. The board of trustees is constituted as follows: The commissioner of public safety, who is chairperson of the board; the treasurer of state; an actively engaged member of the system, to be chosen by secret ballot by the actively engaged members of the system; a retired member of the system, to be chosen by secret ballot by the retired members of the system; and a person appointed by the governor. The person appointed by the governor shall be an executive of a domestic life insurance company, an executive of a state or national bank operating within the state of Iowa, or an executive in the financial services industry, and shall be subject to confirmation by the senate. The members of the system and the person appointed by the governor shall serve for a term of two years.

2. *Voting.* Each trustee shall be entitled to one vote on said board and three concurring votes shall be necessary for a decision by the trustees on any question at any meeting of said board.

3. *Compensation.* The trustees shall serve as such without compensation, but they shall be reimbursed from the retirement fund for all necessary expenses which they may incur through service on the board.

4. *Rules.* The board of trustees shall, from time to time, establish such rules not inconsistent with this chapter, for the administration of the system and the retirement fund created by this chapter and as may be necessary or appropriate for the transaction of its business.

5. *Staff.* The department of public safety shall provide administrative services to the board of trustees. Investments shall be administered through the office of the treasurer of state.

6. *Data — records — reports.*

*a.* The department of public safety shall keep in convenient form the data necessary for the actuarial valuation of the system and for checking the expense of the system. The commissioner of public safety shall keep a record of all the acts and proceedings of the board, which records shall be open to public inspection. The board of trustees shall biennially make a report to the general assembly showing the fiscal transactions of the system for the preceding biennium, the amount of the accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the system.

*b.* The commissioner of public safety shall maintain records, including but not limited to names, addresses, ages, and lengths of service, salaries and wages, contributions, designated beneficiaries, benefit amounts, if applicable, and other information pertaining to members as necessary in the administration of this chapter, as well as the names, addresses, and benefit amounts of beneficiaries. For the purpose of obtaining these facts, the commissioner

of public safety shall have access to the records of the various departments of the state and the departments shall provide such information upon request. Member and beneficiary records containing personal information are not public records for the purposes of chapter 22. However, summary information concerning the demographics of the members and general statistical information concerning the system is subject to chapter 22, as well as aggregate information by category.

7. *Legal advisor.* The attorney general of the state of Iowa shall be the legal advisor for the board of trustees.

8. *Medical board.* The board of trustees shall designate a single medical provider network as the medical board for the system. The medical board shall arrange for and pass upon all medical examinations required under the provisions of this chapter and shall report in writing to the board of trustees, its conclusions and recommendations upon all matters duly referred to it. For examinations required because of disability, a physician from the medical board specializing in occupational medicine, and a second physician specializing in an appropriate field of medicine as determined by the occupational medicine physician, shall pass upon the medical examinations required for disability retirements and shall report to the system in writing their conclusions and recommendations upon all matters referred to the medical board. Each report of a medical examination under section 97A.6, subsections 3 and 5, shall include the medical board's findings in accordance with section 97A.6 as to the extent of the member's physical impairment.

9. *Duties of actuary.* The actuary hired by the board of trustees shall be the technical advisor of the board of trustees on matters regarding the operation of the retirement fund created by this chapter and shall perform such other duties as are required in connection therewith.

10. *Tables — rates.* The actuary hired by the board of trustees shall make such investigation of anticipated interest earnings and of the mortality, service, and compensation experience of the members of the system as the actuary recommends, and on the basis of the investigation, the board of trustees shall adopt the tables and the rates as are required in subsection 11 of this section. The board of trustees shall adopt the rate of interest and tables, and certify rates of contributions to be used by the system.

11. *Actuarial investigation.* At least once in each two-year period, the actuary hired by the board of trustees shall make an actuarial investigation in the mortality, service, and compensation experience of the members and beneficiaries of the system, and the interest and other earnings on the moneys and other assets of the system, and shall make a valuation of the assets and liabilities of the retirement fund of the system, and taking into account the results of the investigation and valuation, the board of trustees shall adopt for the system, upon recommendation of the system's actuary, such actuarial methods and assumptions, interest rate, and mortality and other tables as shall be deemed necessary to conduct the actuarial valuation of the system.

12. *Annual actuarial valuation.*

*a.* On the basis of the actuarial methods and assumptions, rate of interest, and tables adopted by the board of trustees, the actuary hired by the board of trustees shall make an annual actuarial valuation of the assets and liabilities of the retirement fund created by this chapter. As a result of the annual actuarial valuation, the board of trustees shall certify the rates of contribution payable by the state of Iowa in accordance with section 97A.8.

*b.* Effective with the fiscal year beginning July 1, 2008, the annual actuarial valuation required to be conducted shall include information as required by section 97D.5.

13. *Requirements related to the Internal Revenue Code.*

*a.* As used in this subsection, unless the context otherwise requires, *"Internal Revenue Code"* means the Internal Revenue Code as defined in section 422.3.

*b.* The retirement fund established in section 97A.8 shall be held in trust for the benefit of the members of the system and the members' beneficiaries. No part of the corpus or income of the retirement fund shall be used for, or diverted to, purposes other than for the exclusive benefit of the members or the members' beneficiaries or for expenses incurred in the operation of the retirement fund. A person shall not have any interest in, or right to, any part of the corpus or income of the retirement fund except as otherwise expressly provided.

*c.* Notwithstanding any provision of this chapter to the contrary, in the event of a complete discontinuance of contributions, for reasons other than achieving fully funded status upon an actuarially determined basis, or upon termination of the retirement fund established in section 97A.8, a member shall be vested, to the extent then funded, in the benefits which the member has accrued at the date of the discontinuance or termination.

*d.* Benefits payable from the retirement fund established in section 97A.8 to members and members' beneficiaries shall not be increased due to forfeitures from other members. Forfeitures shall be used as soon as possible to reduce future contributions by the state to the retirement fund, except that the rate shall not be less than the minimum rate established in section 97A.8.

*e.* Notwithstanding any provision of this chapter to the contrary, a member's service retirement allowance shall commence on or before the later of the following:

(1) April 1 of the calendar year following the calendar year in which the member attains the age of seventy and one-half years.

(2) April 1 of the calendar year following the calendar year in which the member retires.

*f.* The maximum annual benefit payable to a member by the system shall be subject to the limitations set forth in section 415 of the Internal Revenue Code, and any regulations promulgated pursuant to that section.

*g.* The annual compensation of a member taken in account for any purpose under this chapter shall not exceed the applicable amount set forth in section 401(a)(17) of the Internal Revenue Code, and any regulations promulgated pursuant to that section.

14. *Investment contracts.* The board of trustees may execute contracts and agreements with investment advisors, consultants, and investment management and benefit consultant firms in the administration of the retirement fund established in section 97A.8.

15. *Liability.* The department, the board of trustees, and the treasurer of state are not personally liable for claims based upon an act or omission of the person performed in the discharge of the person's duties under this chapter, even if those actions or omissions violate the standards established in section 97A.7, except for acts or omissions which involve malicious or wanton misconduct.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.5]

86 Acts, ch 1245, §245 – 247; 90 Acts, ch 1240, §2; 93 Acts, ch 44, §1; 94 Acts, ch 1183, §4, 5; 96 Acts, ch 1187, §80 – 82; 2000 Acts, ch 1077, §1, 2; 2003 Acts, ch 145, §168; 2008 Acts, ch 1171, §3 – 7

Referred to in §80.8, 97A.1, 97A.6A, 97A.8, 97B.42B

Confirmation, see §2.32

Employers contribution rate calculation study and report by October 15, 2015; 2010 Acts, ch 1167, §16

**97A.6 Benefits.**

1. *Service retirement benefit.* Retirement of a member on a service retirement allowance shall be made by the board of trustees as follows:

*a.* Any member in service may retire upon the member's written application to the board of trustees, setting forth at what time, not less than thirty nor more than ninety days subsequent to the execution and filing therefor, the member desires to be retired, provided that the said member at the time so specified for retirement shall have attained the age of fifty-five and shall have completed twenty-two years or more of creditable service, and notwithstanding that, during such period of notification, the member may have separated from the service. However, a member may retire at fifty years of age and receive a reduced retirement allowance pursuant to subsection 2A.

*b.* Any member in service who has been a member of the retirement system four or more years and whose employment is terminated prior to the member's retirement, other than by death or disability, shall upon attaining retirement age, receive a service retirement allowance of four twenty-seconds of the retirement allowance the member would receive at retirement if the member's employment had not been terminated, and an additional one twenty-second of such retirement allowance for each additional year of service not exceeding twenty-two years of service. The amount of the retirement allowance shall be calculated in the manner provided in this paragraph using the average final compensation at the time of termination of employment.

*c.* Once a person commences receiving a service retirement allowance pursuant to this section, if the person is reemployed, as defined in section 97A.3, the service retirement allowance shall not be recalculated based upon the person's reemployment.

2. *Allowance on service retirement.*

*a.* Upon retirement from service prior to July 1, 1990, a member shall receive a service retirement allowance which shall consist of a pension which equals fifty percent of the member's average final compensation.

*b.* Upon retirement from service on or after July 1, 1990, but before July 1, 1992, a member shall receive a service retirement allowance which shall consist of a pension which equals fifty-four percent of the member's average final compensation.

*c.* Commencing July 1, 1992, but before July 1, 2000, the board of trustees shall increase the percentage multiplier of the member's average final compensation by an additional two percent each July 1 until reaching sixty percent of the member's average final compensation.

*d.* Upon retirement from service on or after July 1, 2000, a member shall receive a service retirement allowance which shall consist of a pension which equals sixty and one-half percent of the member's average final compensation.

*e.* Commencing July 1, 1990, if the member has completed more than twenty-two years of creditable service, the service retirement allowance shall consist of a pension which equals the amount provided in paragraph "*b*", "*c*", or "*d*", plus an additional percentage as set forth below:

(1) For a member who terminates service, other than by death or disability, on or after July 1, 1990, but before July 1, 1991, and who does not withdraw the member's contributions pursuant to section 97A.16, upon the member's retirement there shall be added three-tenths percent of the member's average final compensation for each year of service over twenty-two years, excluding years of service after the member's fifty-fifth birthday. However, this subparagraph does not apply to more than eight additional years of service.

(2) For a member who terminates service, other than by death or disability, on or after July 1, 1991, but before October 16, 1992, and who does not withdraw the member's contributions pursuant to section 97A.16, upon the member's retirement there shall be added six-tenths percent of the member's average final compensation for each year of service over twenty-two years, excluding years of service after the member's fifty-fifth birthday. However, this subparagraph does not apply to more than eight additional years of service.

(3) For a member who terminates service, other than by death or disability, on or after October 16, 1992, but before July 1, 1996, and who does not withdraw the member's contributions pursuant to section 97A.16, upon the member's retirement there shall be added six-tenths percent of the member's average final compensation for each year of service over twenty-two years. However, this subparagraph does not apply to more than eight additional years of service.

(4) For a member who terminates service, other than by death or disability, on or after July 1, 1996, but before July 1, 1998, and who does not withdraw the member's contributions pursuant to section 97A.16, upon the member's retirement there shall be added one and one-half percent of the member's average final compensation for each year of service over twenty-two years. However, this subparagraph does not apply to more than eight additional years of service.

(5) For a member who terminates service, other than by death or disability, on or after July 1, 1998, but before July 1, 2000, and who does not withdraw the member's contributions pursuant to section 97A.16, upon the member's retirement there shall be added one and one-half percent of the member's average final compensation for each year of service over twenty-two years. However, this subparagraph does not apply to more than ten additional years of service.

(6) For a member who terminates service, other than by death, on or after July 1, 2000, and who does not withdraw the member's contributions pursuant to section 97A.16, upon the member's retirement there shall be added two and three-fourths percent of the member's average final compensation for each year of service over twenty-two years. However, this subparagraph does not apply to more than ten additional years of service.

2A. *Early retirement benefits.*

*a.* Notwithstanding the calculation of the service retirement allowance under subsection 2, beginning July 1, 1996, a member who has completed twenty-two years or more of creditable service and is at least fifty years of age, but less than fifty-five years of age, who has otherwise completed the requirements for retirement under subsection 1, may retire and receive a reduced service retirement allowance pursuant to this subsection. The service retirement allowance for a member less than fifty-five years of age shall be calculated in the manner prescribed in subsection 2, except that the percentage multiplier of the member's average final compensation used in the determination of the service retirement allowance shall be reduced by the board of trustees pursuant to paragraph "*b*".

*b.* On July 1, 1996, and on each July 1 thereafter, the board of trustees shall determine for the respective fiscal year the percent by which the percentage multiplier under subsection 2 shall be reduced for each month that a member's retirement date precedes the member's fifty-fifth birthday. The board of trustees shall make this determination based upon the most recent actuarial valuation of the system, the calculation of the actuarial cost for each month of retirement of a member prior to age fifty-five, and the premise that the provision of a service retirement allowance to a member who is less than fifty-five years of age will not result in any increase in cost to the system.

3. *Ordinary disability retirement benefit.* Upon the application of a member in service or of the commissioner of public safety, any member shall be retired by the board of trustees, not less than thirty and not more than ninety days next following the date of filing such application, on an ordinary disability retirement allowance, provided that the medical board after a medical examination of such member shall certify that said member is mentally or physically incapacitated for further performance of duty, that such incapacity is likely to be permanent, and that such member should be retired. However, if a person's membership in the system first commenced on or after July 1, 1992, the member shall not be eligible for benefits with respect to a disability which would not exist, but for a medical condition that was known to exist on the date that membership commenced. A member who is denied a benefit under this subsection, by reason of a finding by the medical board that the member is not mentally or physically incapacitated for the further performance of duty, shall be entitled to be restored to active service in the same position held immediately prior to the application for disability benefits.

4. *Allowance on ordinary disability retirement.*

*a.* Upon retirement for ordinary disability prior to July 1, 1998, a member shall receive an ordinary disability retirement allowance which shall consist of a pension which shall equal fifty percent of the member's average final compensation unless either of the following conditions exist:

(1) If the member has not had five or more years of membership service, the member shall receive a disability pension equal to one-fourth of the member's average final compensation.

(2) If the member has had twenty-two or more years of membership service, the member shall receive a disability retirement allowance that is equal to the greater of the benefit that the member would receive under subsection 2 if the member were fifty-five years of age or the disability pension otherwise calculated under this subsection.

*b.* Upon retirement for ordinary disability on or after July 1, 1998, a member who has five or more years of membership service shall receive a disability retirement allowance in an amount equal to the greater of fifty percent of the member's average final compensation or the retirement allowance that the member would receive under subsection 2 if the member had attained fifty-five years of age. A member who has less than five years of membership service shall receive a pension equal to one-fourth of the member's average final compensation.

5. *Accidental disability benefit.*

*a.* Upon application of a member in service or of the commissioner of public safety, any member who has become totally and permanently incapacitated for duty as the natural and proximate result of an injury, disease, or exposure occurring or aggravated while in the actual performance of duty at some definite time and place shall be retired by the board of trustees, provided that the medical board shall certify that such member is mentally or physically incapacitated for further performance of duty, that such incapacity is likely to be permanent, and that such member should be retired. However, if a person's membership in the system

first commenced on or after July 1, 1992, the member shall not be eligible for benefits with respect to a disability which would not exist, but for a medical condition that was known to exist on the date that membership commenced. A member who is denied a benefit under this subsection, by reason of a finding by the medical board that the member is not mentally or physically incapacitated for the further performance of duty, shall be entitled to be restored to active service in the same position held immediately prior to the application for disability benefits.

*b.* Disease under this section shall mean heart disease or any disease of the lungs or respiratory tract and shall be presumed to have been contracted while on active duty as a result of strain, exposure, or the inhalation of noxious fumes, poison, or gases. However, if a person's membership in the system first commenced on or after July 1, 1992, and the heart disease or disease of the lungs or respiratory tract would not exist, but for a medical condition that was known to exist on the date that membership commenced, the presumption established in this paragraph shall not apply.

6. *Retirement after accident.*

*a.* Upon retirement for accidental disability prior to July 1, 1990, a member shall receive an accidental disability retirement allowance which shall consist of a pension equal to sixty-six and two-thirds percent of the member's average final compensation.

*b.* Upon retirement for accidental disability on or after July 1, 1990, but before July 1, 1998, a member shall receive an accidental disability retirement allowance which shall consist of a pension equal to sixty percent of the member's average final compensation. However, if the member has had twenty-two or more years of membership service, the member shall receive a disability retirement allowance that is equal to the greater of the retirement allowance that the member would receive under subsection 2 if the member were fifty-five years of age or the disability retirement allowance calculated under this paragraph.

*c.* Upon retirement for accidental disability on or after July 1, 1998, a member shall receive an accidental disability retirement allowance which shall consist of a pension in an amount equal to the greater of sixty percent of the member's average final compensation or the retirement allowance that the member would receive under subsection 2 if the member had attained fifty-five years of age.

7. *Reexamination of beneficiaries retired on account of disability.* Once each year during the first five years following the retirement of a member on a disability retirement allowance, and once in every three-year period thereafter, the board of trustees may, and upon the member's application shall, require any disability beneficiary who has not yet attained age fifty-five to undergo a medical examination at a place designated by the medical board. Such examination shall be made by the medical board or in special cases, by an additional physician or physicians designated by such board. Should any disability beneficiary who has not attained the age of fifty-five refuse to submit to such medical examination, the beneficiary's allowance may be discontinued until the beneficiary's withdrawal of such refusal, and should the beneficiary's refusal continue for one year all rights in and to the beneficiary's pension may be revoked by the board of trustees.

*a.* (1) Should any beneficiary for either ordinary or accidental disability, except a beneficiary who is fifty-five years of age or over and would have completed twenty-two years of service if the beneficiary had remained in active service, be engaged in a gainful occupation paying more than the difference between the member's net retirement allowance and one and one-half times the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement, then the amount of the retirement allowance shall be reduced to an amount such that the member's net retirement allowance plus the amount earned by the member shall equal one and one-half times the amount of the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. Should the member's earning capacity be later changed, the amount of the retirement allowance may be further modified, provided that the new retirement allowance shall not exceed the amount of the retirement allowance originally granted adjusted by annual readjustments of pensions pursuant to subsection 14 of this section nor an amount which would cause the member's net retirement allowance, when

added to the amount earned by the beneficiary, to equal one and one-half times the amount of the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which the member was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have the member's retirement allowance suspended while in active service. If the rank or position held by the retired member is subsequently abolished, adjustments to the allowable limit on the amount of income which can be earned in a gainful occupation shall be computed in the same manner as provided in subsection 14, paragraph "*c*", of this section for readjustment of pensions when a rank or position has been abolished. If the salary scale associated with a member's rank at retirement is changed after the member retires, earnable compensation for purposes of this section shall be based upon the salary an active member currently would receive at the same rank and with seniority equal to that of the retired member at the time of retirement. For purposes of this paragraph, "*net retirement allowance*" means the amount determined by subtracting the amount paid during the previous calendar year by the beneficiary for health insurance or similar health care coverage for the beneficiary and the beneficiary's dependents from the amount of the member's retirement allowance paid for that year pursuant to this chapter. The beneficiary shall submit sufficient documentation to the board of trustees to permit the system to determine the member's net retirement allowance for the applicable year.

(2) A beneficiary retired under the provisions of this paragraph in order to be eligible for continued receipt of retirement benefits shall no later than May 15 of each year submit to the board of trustees a copy of the beneficiary's federal individual income tax return for the preceding year. The beneficiary shall also submit, within sixty days, any documentation requested by the system that is determined to be necessary by the system to determine the beneficiary's gross wages.

(3) Retroactive to July 1, 1976, the limitations on pay of a member engaged in a gainful occupation who is retired under accidental disability prescribed in this paragraph shall not apply to a member who retired before July 1, 1976.

*b.* Should a disability beneficiary under age fifty-five be restored to active service at a compensation not less than the disability beneficiary's average final compensation, the disability beneficiary's retirement allowance shall cease, the disability beneficiary shall again become a member and shall contribute thereafter at the same rate payable by other members of comparable rank, seniority, and age, and former service on the basis of which the disability beneficiary's service was computed at the time of retirement shall be restored to full force and effect. Upon subsequent retirement the disability beneficiary shall be credited with all service as a member, and also with no more than two years of the period of disability retirement.

*c.* The commissioner of public safety may, subject to approval of the medical board, assign any former member of the division of state patrol or the division of criminal investigation or an arson investigator who is retired and drawing a pension for disability under the provisions of this chapter, to the performance of light duties in such division.

*d.* Should a disability beneficiary under age fifty-five be employed in a public safety occupation, the disability beneficiary's retirement allowance shall cease. Notwithstanding any provision of this chapter to the contrary, if a disability beneficiary is employed in a public safety occupation that would otherwise constitute membership service, the disability beneficiary shall not become a member of the system. For purposes of this paragraph, "*public safety occupation*" means a peace officer, as defined in section 97A.1; a protection occupation, as defined in section 97B.49B; a sheriff or deputy sheriff as defined in section 97B.49C; and a police officer or fire fighter as defined in section 411.1, who was not restored to active service as provided by this subsection.

8. *Ordinary death benefit.*

*a.* Upon the receipt of proof of the death of a member in service, or a member not in service who has completed four or more years of service as provided in subsection 1, paragraph "*b*", there shall be paid to the person designated by the member to the board of trustees as the member's beneficiary if the member has had one or more years of membership service and no

pension is payable under subsection 9, an amount equal to fifty percent of the compensation earned by the member during the year immediately preceding the member's death if the member is in service, or an amount equal to fifty percent of the compensation earned by the member during the member's last year of service if the member is not in service.

*b.* (1) In lieu of the payment specified in paragraph *"a"*, a beneficiary meeting the qualifications of paragraph *"c"* may elect to receive a monthly pension equal to one-twelfth of forty percent of the average final compensation of the member, but not less than an amount equal to twenty-five percent of the monthly earnable compensation paid to an active member having the rank of senior patrol officer of the state patrol if the member was in service at the time of death. For a member not in service at the time of death, the pension shall be reduced as provided in subsection 1, paragraph *"b"*.

(2) For a member not in service at the time of death, the pension shall be paid commencing when the member would have attained the age of fifty-five except that if there is a child of the member, the pension shall be paid commencing with the member's death until the children reach the age of eighteen, or twenty-two if applicable. The pension shall resume commencing when the member would have attained the age of fifty-five.

(3) For a member in service at the time of death, the pension shall be paid commencing with the member's death. In addition to the pension, there shall also be paid for each child of a member, a monthly pension equal to six percent of the monthly earnable compensation payable to an active member having the rank of senior patrol officer of the state patrol.

(4) For the purpose of this chapter, a senior patrol officer is a person who has completed ten years of service in the state patrol.

(5) Notwithstanding section 97A.6, subsection 8, Code 1985, effective July 1, 1990, for a member's surviving spouse who, prior to July 1, 1986, elected to receive pension benefits under this paragraph, the monthly pension benefit shall be equal to the higher of one-twelfth of forty percent of the average final compensation of the member, or the amount the surviving spouse was receiving on July 1, 1990.

*c.* The pension under paragraph *"b"* may be selected only by the following beneficiaries:

(1) The spouse.

(2) If there is no spouse, or if the spouse dies and there is a child of a member, then the guardian of the member's child or children, divided as the board of trustees determines, to continue as a joint and survivor pension until every child of the member dies or attains the age of eighteen, or twenty-two if applicable.

(3) If there is no surviving spouse or child, then the member's dependent father or mother, or both, as the board of trustees determines, to continue until remarriage or death.

*d.* If there is no nomination of beneficiary, the benefits provided in this subsection shall be paid to the member's estate.

9. *Accidental death benefit.* If, upon the receipt of evidence and proof that the death of a member in service was the natural and proximate result of an accident, disease, or exposure occurring or aggravated at some definite time and place while the member was in the actual performance of duty, the board of trustees shall decide that death was so caused in the performance of duty there shall be paid, in lieu of the ordinary death benefit provided in subsection 8 of this section, to the member's estate or to such person having an insurable interest in the member's life as the member shall have nominated by written designation duly executed and filed with the board of trustees:

*a.* A pension equal to one-half of the average final compensation of such member shall be paid to the surviving spouse, children or dependent parents as provided in paragraphs *"c"*, *"d"*, and *"e"* of subsection 8 of this section.

*b.* If there is no surviving spouse, child, or dependent parent surviving a deceased member, the death shall be treated as an ordinary death case and the benefit payable under subsection 8, paragraph *"a"* of this section, in lieu of the pension provided in paragraph *"a"* of this subsection, shall be paid to the member's estate.

*c.* In addition to the benefits for the surviving spouse enumerated in this subsection, there shall also be paid for each child of a member a monthly pension equal to six percent of the monthly earnable compensation payable to an active member having the rank of senior patrol officer of the state patrol.

10. *Optional allowance.* With the provision that no optional selection shall be effective in case a beneficiary dies within thirty days after retirement, in which event such a beneficiary shall be considered as an active member at the time of death, until the first payment on account of any benefit becomes normally due, any beneficiary may elect to receive the beneficiary's benefit in a retirement allowance payable throughout life, or may elect to receive the actuarial equivalent at that time of the beneficiary's retirement allowance in a lesser retirement allowance payable throughout life with the provision that an amount in money not exceeding the amount of the beneficiary's accumulated contributions shall be immediately paid in cash to such member or some other benefit or benefits shall be paid either to the member or to such person or persons as the member shall nominate, provided such cash payment or other benefit or benefits, together with the lesser retirement allowance, shall be certified by the actuary to be of equivalent actuarial value to the member's retirement allowance and shall be approved by the board of trustees; provided, that a cash payment to such member or beneficiary at the time of retirement of an amount not exceeding fifty percent of the member's or beneficiary's accumulated contributions shall be made by the board of trustees upon said member's or beneficiary's election.

11. *Pensions offset by compensation benefits.* Any amounts which may be paid or payable by the state under the provisions of any workers' compensation or similar law to a member or to the dependents of a member on account of any disability or death, shall be offset against and payable in lieu of any benefits payable out of the retirement fund provided by the state under the provisions of this chapter on account of the same disability or death. In case the present value of the total commuted benefits under said workers' compensation or similar law is less than the present value of the benefits otherwise payable from the retirement fund provided by the state under this chapter, then the present value of the commuted payments shall be deducted from the pension payable and such benefits as may be provided by the system so reduced shall be payable under the provisions of this chapter.

12. *Pension to surviving spouse and children of deceased pensioned members.* In the event of the death of any member receiving a retirement allowance under the provisions of subsections 2, 2A, 4, or 6 of this section there shall be paid a pension:

*a.* To the member's surviving spouse, equal to one-half the amount received by the deceased beneficiary, but in no instance less than an amount equal to twenty-five percent of the monthly earnable compensation paid to an active member having the rank of senior patrol officer of the state patrol, and in addition a monthly pension equal to the monthly pension payable under subsection 9, paragraph "*c*", of this section for each child under eighteen years of age or twenty-two years of age if applicable; or

*b.* If the spouse dies either prior or subsequent to the death of the member, to the guardian of each surviving child, a monthly pension equal to the monthly pension payable under subsection 9, paragraph "*c*", of this section for the support of the child.

13. *Judicial review of action of the board of trustees.* Judicial review of any action of the board of trustees may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, the petition for judicial review must be filed within thirty days after the member receives written notice of the trustees' action. The board of trustees shall be represented by the attorney general. An appeal may be taken by the petitioner or the board of trustees to the supreme court of this state irrespective of the amount involved.

14. *Pensions payable.* Pensions payable under this section shall be adjusted as follows:

*a.* On each July 1 and January 1, the monthly pensions authorized in this section payable to retired members and to beneficiaries, except children of a deceased member, shall be adjusted as provided in this paragraph. The monthly pension of each retired member and each beneficiary shall be adjusted by adding to that monthly pension an amount equal to the amounts determined in subparagraphs (1) and (2). The adjusted monthly pension of a retired member shall not be less than the amount which was paid at the time of the member's retirement.

(1) (a) An amount equal to the difference between the monthly earnable compensation payable to an active member of the department, of the same rank and position on the salary scale as was held by the retired or deceased member at the time of the member's retirement

or death, for the month for which the last preceding adjustment was made and the monthly earnable compensation payable to an active member of the department of the same rank and position on the salary scale for the month for which the adjustment is made shall be multiplied by the following applicable percentage:

(i) Forty percent for members receiving a service retirement allowance and for beneficiaries receiving a pension under subsection 9 of this section.

(ii) Forty percent for members with five or more years of membership service who are receiving an ordinary disability retirement allowance.

(iii) Twenty-four percent for members with less than five years of membership service who are receiving an ordinary disability retirement allowance, and for beneficiaries receiving a pension under subsection 8 of this section.

(iv) Forty percent for members receiving an accidental disability allowance.

(b) The amount added to the monthly pension of a surviving spouse receiving a pension under subsection 12, paragraph "*a*", of this section shall be equal to one-half the amount that would have been added to the monthly pension of the retired member under this subparagraph.

(2) (a) For each adjustment occurring on July 1, the following applicable amount determined as follows:

(i) Fifteen dollars where the member's retirement date was less than five years prior to the effective date of the adjustment.

(ii) Twenty dollars where the member's retirement date was at least five years, but less than ten years, prior to the effective date of the adjustment.

(iii) Twenty-five dollars where the member's retirement date was at least ten years, but less than fifteen years, prior to the effective date of the adjustment.

(iv) Thirty dollars where the member's retirement date was at least fifteen years, but less than twenty years, prior to the effective date of the adjustment.

(v) Thirty-five dollars where the member's retirement date was at least twenty years prior to the effective date of the adjustment.

(b) As of July 1 and January 1 of each year, the monthly pension payable to each surviving child under the provisions of subsections 8, 9, and 12 of this section shall be adjusted to equal six percent of the monthly earnable compensation payable in the month for which the adjustment is made to an active member having the rank of senior patrol officer of the state patrol.

*b.* All monthly pensions adjusted as provided in this subsection shall be payable beginning on the first of the month in which the adjustment is made and shall continue in effect until the next following month in which an adjustment is made pursuant to this subsection at which time the monthly pensions shall again be adjusted in accordance with paragraph "*a*" of this subsection.

*c.* The adjustment of pensions required by this subsection shall recognize the retired or deceased member's position on the salary scale within the member's rank at the time of the member's retirement or death. In the event that the rank or position held by the retired or deceased member at the time of retirement or death is subsequently abolished, adjustments in the pensions of the member or of the member's spouse or children shall be computed by the board of trustees as though such rank or position had not been abolished and salary increases had been granted to such rank or position on the same basis as increases granted to other ranks and positions in the department.

*d.* A retired member eligible for benefits under the provisions of subsection 1 is not eligible for the annual readjustment of pensions provided in this subsection unless the member served at least twenty-two years prior to the member's termination of employment.

15. *Remarriage of surviving spouse.* Effective July 1, 1990, for a member who died prior to July 1, 1988, if the member's surviving spouse remarried prior to July 1, 1988, the remarriage does not make the spouse ineligible under subsection 8, paragraph "*c*", subparagraphs (1) and (2), to receive benefits under subsections 8, 9, 12, and 14.

16. *Line of duty death benefit.*

*a.* If, upon the receipt of evidence and proof that the death of a member in service was the direct and proximate result of a traumatic personal injury incurred in the line of duty, the

board of trustees decides that death was so caused, there shall be paid, to a person authorized to receive an accidental death benefit as provided in subsection 9, the amount of one hundred thousand dollars, which shall be payable in a lump sum.

*b.* A line of duty death benefit shall not be payable under this subsection if any of the following applies:

(1) The death resulted from stress, strain, occupational illness, or a chronic, progressive, or congenital illness, including, but not limited to, a disease of the heart, lungs, or respiratory system, unless a traumatic personal injury was a substantial contributing factor to the member's death.

(2) The death was caused by the intentional misconduct of the member or by the member's intent to cause the member's own death.

(3) The member was voluntarily intoxicated at the time of death.

(4) The member was performing the member's duties in a grossly negligent manner at the time of death.

(5) An individual who would otherwise be entitled to a benefit under this subsection was, through the individual's actions, a substantial contributing factor to the member's death.

(6) The death qualifies for a volunteer emergency services provider death benefit pursuant to section 100B.31.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.6; 82 Acts, ch 1261, §3 – 8]

84 Acts, ch 1285, §2; 86 Acts, ch 1243, §1, 2; 88 Acts, ch 1242, §3 – 6; 90 Acts, ch 1240, §3 – 9; 91 Acts, ch 41, §1; 92 Acts, ch 1201, §2 – 5; 92 Acts, ch 1232, §507; 94 Acts, ch 1183, §6 – 8; 96 Acts, ch 1178, §1, 2; 96 Acts, ch 1187, §83 – 91; 98 Acts, ch 1074, §13 – 16; 98 Acts, ch 1183, §1 – 6; 2000 Acts, ch 1077, §3 – 6, 9; 2002 Acts, ch 1135, §2, 3, 6; 2003 Acts, ch 20, §1, 2; 2003 Acts, ch 44, §114; 2005 Acts, ch 35, §31; 2006 Acts, ch 1103, §1; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1171, §8, 9; 2010 Acts, ch 1167, §3 – 6

Referred to in §80.8, 97A.3, 97A.5, 97A.14, 97A.14A, 97A.15, 261.93

Limitations on pension adjustment amount; legislative intent; 2010 Acts, ch 1167, §17

**97A.6A Optional retirement benefits.**

In lieu of the retirement benefits otherwise provided upon service retirement for members of the system and the members' beneficiaries, members may elect to receive an optional retirement benefit during the member's lifetime and have the optional retirement benefit, or a designated fraction of the optional retirement benefit, continued and paid to the member's beneficiary after the member's death and during the lifetime of the beneficiary.

The member shall make the election request in writing to the board of trustees at the time of the member's service retirement. The election is subject to the approval of the board of trustees. If the member is married, the election of an option under this section requires the written acknowledgment of the member's spouse.

A member's optional retirement benefits shall be the actuarial equivalent of the amount of the retirement benefits payable to the member and the member's beneficiaries under the service retirement provisions of this chapter. The actuarial equivalent shall be based on the mortality and interest assumptions set out in section 97A.5.

If the member dies without a beneficiary prior to receipt in benefits of an amount equal to the total amount remaining to the member's credit at the time of separation from service, the election is void.

If the member dies with a beneficiary and the beneficiary subsequently dies prior to receipt in retirement benefits by both the member and the beneficiary of an amount equal to the total amount remaining to the member's credit at the time of separation from service, the election remains valid.

For the purpose of this section, *"beneficiary"* means a spouse, child, or a dependent parent.

90 Acts, ch 1240, §10

**97A.6B Rollovers of members' accounts.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Direct rollover"* means a payment by the system to the eligible retirement plan specified by the member or the member's surviving spouse.

*b.* (1) "*Eligible retirement plan*" means either of the following that accepts an eligible rollover distribution from a member or a member's surviving spouse:

(a) An individual retirement account in accordance with section 408(a) of the federal Internal Revenue Code.

(b) An individual retirement annuity in accordance with section 408(b) of the federal Internal Revenue Code.

(2) In addition, an "*eligible retirement plan*" includes an annuity plan in accordance with section 403(a) of the federal Internal Revenue Code, or a qualified trust in accordance with section 401(a) of the federal Internal Revenue Code, that accepts an eligible rollover distribution from a member.

*c.* "*Eligible rollover distribution*" means all or any portion of a member's account, except that an eligible rollover distribution does not include any of the following:

(1) A distribution that is one of a series of substantially equal periodic payments, which occur annually or more frequently, made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary, or made for a specified period of ten years or more.

(2) A distribution to the extent that the distribution is required pursuant to section 401(a)(9) of the federal Internal Revenue Code.

(3) The portion of any distribution that is not includible in the gross income of the distributee, determined without regard to the exclusion for net unrealized appreciation with respect to employer securities.

(4) A distribution of less than two hundred dollars of taxable income.

2. Effective January 1, 1993, a member or a member's surviving spouse may elect, at the time and in the manner prescribed in rules adopted by the board of trustees, to have the system pay all or a portion of an eligible rollover distribution directly to an eligible retirement plan, specified by the member or the member's surviving spouse, in a direct rollover. If a member or a member's surviving spouse elects a partial direct rollover, the amount of funds elected for the partial direct rollover must equal or exceed five hundred dollars.

94 Acts, ch 1183, §9; 2008 Acts, ch 1032, §201

**97A.7 Management of funds.**

1. The board of trustees shall be the trustees of the retirement fund created by this chapter as provided in section 97A.8 and shall have full power to invest and reinvest funds subject to the terms, conditions, limitations, and restrictions imposed by subsection 2 of this section and chapters 12F and 12H, and subject to like terms, conditions, limitations, and restrictions said trustees shall have full power to hold, purchase, sell, assign, transfer, or dispose of any of the securities and investments of the retirement fund which have been invested, as well as of the proceeds of said investments and any moneys belonging to the retirement fund. The board of trustees may authorize the treasurer of state to exercise any of the duties of this section. When so authorized the treasurer of state shall report any transactions to the board of trustees at its next monthly meeting.

2. The retirement fund created by this chapter may be invested in any investments authorized for the Iowa public employees' retirement system in section 97B.7A.

3. The treasurer of state shall be the custodian of the retirement fund. All payments from the retirement fund shall be made by the treasurer only upon vouchers signed by two persons designated by the board of trustees. A duly attested copy of the resolution of the board of trustees designating such persons and bearing on its face specimen signatures of such persons shall be filed with the treasurer of state as the treasurer's authority for making payments on such vouchers. No voucher shall be drawn unless it shall previously have been allowed by resolution of the board of trustees.

4. A member of the board of trustees or an employee of the department of public safety shall not have a direct interest in the gains or profits of any investment made by the board of trustees. A trustee shall not receive any pay or emolument for the trustee's services. A trustee or employee of the department of public safety shall not directly or indirectly use the assets of the system except to make current and necessary payments as authorized by the board of trustees, nor shall a trustee or employee of the department of public safety become

an endorser or surety or become in any manner an obligor for moneys loaned by or borrowed from the board of trustees.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.7]

86 Acts, ch 1245, §248; 96 Acts, ch 1187, §92; 97 Acts, ch 23, §9; 2001 Acts, ch 68, §6, 24; 2003 Acts, ch 145, §169; 2007 Acts, ch 39, §9; 2008 Acts, ch 1171, §10; 2011 Acts, ch 82, §9

Referred to in §97A.5

**97A.8 Method of financing.**

There is hereby created as a special fund, separate and apart from all other public moneys or funds of this state, the peace officers' retirement, accident, and disability system retirement fund, hereafter called the "*retirement fund*". All the assets of the system created and established by this chapter shall be credited to the retirement fund.

1. All moneys for the payment of all pensions and other benefits payable from contributions made by the state and from which shall be paid the lump-sum death benefits for all members payable from the said contributions shall be accumulated in the retirement fund. The refunds and benefits for all members and beneficiaries shall be payable from the retirement fund. Contributions to and payments from the retirement fund shall be as follows:

*a.* On account of each member there shall be paid annually into the retirement fund by the state of Iowa an amount equal to a certain percentage of the earnable compensation of the member to be known as the "normal contribution". The rate percent of such contribution shall be fixed on the basis of the liabilities of the retirement system as shown by annual actuarial valuations.

*b.* (1) On the basis of the actuarial methods and assumptions, rate of interest, and of the mortality, interest, and other tables adopted by the board of trustees, the board of trustees, upon the advice of the actuary hired by the board for that purpose, shall make each valuation required by this chapter pursuant to the requirements of section 97A.5 and shall immediately after making such valuation, determine the "normal contribution rate". The normal contribution rate shall be the rate percent of the earnable compensation of all members equal to the rate required by the system to discharge its liabilities, stated as a percentage of the earnable compensation of all members, and reduced by the employee contribution rate provided in this subsection. However, the normal rate of contribution shall not be less than seventeen percent.

(2) Notwithstanding the provisions of subparagraph (1) to the contrary, the normal contribution rate shall be as follows:

(a) For the fiscal year beginning July 1, 2008, nineteen percent.

(b) For the fiscal year beginning July 1, 2009, twenty-one percent.

(c) For the fiscal year beginning July 1, 2010, twenty-three percent.

(d) For the fiscal year beginning July 1, 2011, twenty-five percent.

(e) For the fiscal year beginning July 1, 2012, twenty-seven percent.

(f) For the fiscal year beginning July 1, 2013, twenty-nine percent.

(g) For the fiscal year beginning July 1, 2014, thirty-one percent.

(h) For the fiscal year beginning July 1, 2015, thirty-three percent.

(i) For the fiscal year beginning July 1, 2016, thirty-five percent.

(j) For each fiscal year beginning on or after July 1, 2017, the lesser of thirty-seven percent or the normal contribution rate as calculated pursuant to subparagraph (1).

*c.* The total amount payable in each year to the retirement fund shall not be less than the rate percent known as the normal contribution rate of the total compensation earnable by all members during the year. However, the aggregate payment by the state shall be sufficient when combined with the amount in the retirement fund to provide the pensions and other benefits payable out of the retirement fund during the then current year.

*d.* All lump-sum death benefits on account of death in active service payable from contributions of the state shall be paid from the retirement fund.

*e.* Except as otherwise provided in paragraph "*g*":

(1) An amount equal to three and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the retirement fund for the fiscal year beginning July 1, 1989.

(2) An amount equal to four and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the retirement fund for the fiscal year beginning July 1, 1990.

(3) An amount equal to five and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the retirement fund for the fiscal year beginning July 1, 1991.

(4) An amount equal to six and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the retirement fund for the fiscal year beginning July 1, 1992.

(5) An amount equal to seven and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the retirement fund for the fiscal year beginning July 1, 1993.

(6) An amount equal to eight and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the retirement fund for the fiscal period beginning July 1, 1994, through December 31, 1994, and an amount equal to eight and thirty-five hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the retirement fund for the fiscal period beginning January 1, 1995, through June 30, 1995.

(7) An amount equal to nine and thirty-five hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the retirement fund for the fiscal year beginning July 1, 1995.

(8) (a) For purposes of this subparagraph, the *"applicable employee percentage"* shall be as follows:

(i) For the fiscal period beginning July 1, 2006, and ending June 30, 2011, nine and thirty-five hundredths percent.

(ii) For the fiscal year beginning July 1, 2011, nine and eighty-five hundredths percent.

(iii) For the fiscal year beginning July 1, 2012, ten and thirty-five hundredths percent.

(iv) For the fiscal year beginning July 1, 2013, ten and eighty-five hundredths percent.

(v) For the fiscal year beginning July 1, 2014, and each fiscal year thereafter, eleven and thirty-five hundredths percent.

(b) Notwithstanding any other provision of this chapter, beginning July 1, 1996, and each fiscal year thereafter, an amount equal to the member's contribution rate times each member's compensation shall be paid to the retirement fund from the earnable compensation of the member. For the purposes of this subparagraph, the member's contribution rate shall be the applicable employee percentage.

*f.* (1) The board of trustees shall certify to the director of the department of administrative services and the director of the department of administrative services shall cause to be deducted from the earnable compensation of each member the contribution required under this subsection and shall forward the contributions to the board of trustees for recording and for deposit in the retirement fund.

(2) The deductions provided for under this subsection shall be made notwithstanding that the minimum compensation provided by law for any member is reduced. Every member is deemed to consent to the deductions made under this section.

*g.* Notwithstanding the provisions of paragraph *"e"*, the following transition percentages apply to members' contributions as specified:

(1) For members who on July 1, 1990, have attained the age of forty-nine years or more, an amount equal to nine and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the retirement fund for the fiscal period beginning July 1, 1990, through October 15, 1992, and commencing October 16, 1992, and for each subsequent fiscal period, the rates specified in paragraph *"e"*, subparagraphs (4) through (8), shall apply.

(2) For members who on July 1, 1990, have attained the age of forty-eight years but have not attained the age of forty-nine years, an amount equal to eight and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, and an amount equal to nine and one-tenth percent shall be paid for the fiscal period beginning July 1, 1991, through October 15, 1992,

and commencing October 16, 1992, and for each subsequent fiscal period, the rates specified in paragraph "*e*", subparagraphs (4) through (8), shall apply.

(3) For members who on July 1, 1990, have attained the age of forty-seven years but have not attained the age of forty-eight years, an amount equal to seven and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to eight and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, and an amount equal to nine and one-tenth percent shall be paid for the fiscal period beginning July 1, 1992, through October 15, 1992, and commencing October 16, 1992, and for each subsequent fiscal period, the rates specified in paragraph "*e*", subparagraphs (4) through (8), shall apply.

(4) For members who on July 1, 1990, have attained the age of forty-six years but have not attained the age of forty-seven years, an amount equal to six and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to seven and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, an amount equal to eight and one-tenth percent shall be paid for the fiscal period beginning July 1, 1992, through October 15, 1992, and commencing October 16, 1992, and for each subsequent fiscal period, the rates specified in paragraph "*e*", subparagraphs (4) through (8), shall apply.

(5) For members who on July 1, 1990, have attained the age of forty-five years but have not attained the age of forty-six years, an amount equal to five and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to six and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, and an amount equal to seven and one-tenth percent shall be paid for the fiscal period beginning July 1, 1992, through October 15, 1992. Commencing October 16, 1992, and for each subsequent fiscal period, the rates specified in paragraph "*e*", subparagraphs (4) through (8), shall apply.

*h.* (1) Notwithstanding paragraph "*f*" or other provisions of this chapter, beginning January 1, 1995, for federal income tax purposes, and beginning January 1, 1999, for state income tax purposes, member contributions required under paragraph "*e*" or "*g*" which are picked up by the department shall be considered employer contributions for federal and state income tax purposes, and the department shall pick up the member contributions to be made under paragraph "*e*" or "*g*" by its employees. The department shall pick up these contributions by reducing the salary of each of its employees covered by this chapter by the amount which each employee is required to contribute under paragraph "*e*" or "*g*" and shall certify the amount picked up in lieu of the member contributions to the department of administrative services. The department of administrative services shall forward the amount of the contributions picked up to the board of trustees for recording and deposit in the retirement fund.

(2) Member contributions picked up by the department under subparagraph (1) shall be treated as employer contributions for federal and state income tax purposes only and for all other purposes of this chapter shall be treated as employee contributions and deemed part of the employee's earnable compensation or salary.

*i.* Notwithstanding any provision of this subsection to the contrary, if any statutory changes are enacted by any session of the general assembly meeting after January 1, 2011, which increases the cost to the system, the system shall, if the increased cost cannot be absorbed within the contribution rates otherwise established pursuant to this subsection at the time the statutory changes are enacted, increase the normal contribution rate and the member's contribution rate as necessary to cover any increase in cost by providing that sixty percent of the additional cost of such statutory changes shall be paid by the employer under paragraph "*c*" and forty percent of the additional cost shall be paid by employees under paragraph "*e*", subparagraph (8).

2. *a.* All the expenses necessary in connection with the administration and operation of the system shall be paid from the retirement fund. Investment management expenses shall be charged to the investment income of the system and there is appropriated from the system an amount required for the investment management expenses. The board of trustees shall report the investment management expenses for the fiscal year as a percent of the market value of the system.

*b.* For purposes of this subsection, investment management expenses are limited to the following:

(1) Fees for investment advisors, consultants, and investment management and benefit consultant firms hired by the board of trustees in administering this chapter.

(2) Fees and costs for safekeeping fund assets.

(3) Costs for performance and compliance monitoring, and accounting for fund investments.

(4) Any other costs necessary to prudently invest or protect the assets of the fund.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.8; 82 Acts, ch 1261, §9]

84 Acts, ch 1180, §8; 90 Acts, ch 1240, §11, 12; 94 Acts, ch 1183, §10 – 12; 96 Acts, ch 1187, §93 – 96; 98 Acts, ch 1174, §1, 6; 2000 Acts, ch 1077, §7, 8; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §15; 2008 Acts, ch 1032, §184, 201; 2008 Acts, ch 1171, §11; 2010 Acts, ch 1167, §7 – 9

Referred to in §97A.5, 97A.7, 97A.9, 97A.11A, 97A.14A, 97A.16, 97B.42B

**97A.9 Military service exceptions.**

A member who is absent from duty as a peace officer while serving in the armed services of the United States or its allies and is discharged or separated from service in the armed forces under honorable conditions shall have the period of absence while serving in the armed services on other than a voluntary basis and one period of absence, not in excess of four years, while serving in the armed forces on a voluntary basis, included as part of the member's period of service in the department. The member is not required to continue the contributions required of the member under section 97A.8, during the period of military service, if the member, within one year after the member has been discharged or separated under honorable conditions from military service returns, and resumes the member's duties in the department, and if the member is declared physically capable to resume those duties upon examination by the medical board.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.9]

88 Acts, ch 1242, §7

**97A.10 Purchase of eligible service credit.**

1. For purposes of this section:

*a.* (1) *"Eligible qualified service"* means service as a member of a city fire retirement system or police retirement system operating under chapter 411 prior to January 1, 1992, for which service was not eligible to be transferred to this system pursuant to section 97A.17.

(2) *"Eligible qualified service"* under this paragraph *"a"* does not include service if the receipt of credit for such service would result in the member receiving a retirement benefit under more than one retirement plan for the same period of service.

*b.* *"Permissive service credit"* means credit that will be recognized by the retirement system for purposes of calculating a member's benefit, for which the member did not previously receive service credit in the retirement system, and for which the member voluntarily contributes to the retirement system the amount required by the retirement system, not in excess of the amount necessary to fund the benefit attributable to such service.

2. An active member of the system may make contributions to the system to purchase up to the maximum amount of permissive service credit for eligible qualified service as determined by the system, pursuant to Internal Revenue Code section 415(n) and the requirements of this section. A member seeking to purchase permissive service credit pursuant to this section shall file a written application along with appropriate documentation with the department by July 1, 2011.

3. A member making contributions for a purchase of permissive service credit for eligible qualified service under this section shall make contributions in an amount equal to the actuarial cost of the permissive service credit purchase, less an amount equal to the member's contributions under chapter 411 for the period of eligible qualified service together with interest at a rate determined by the board of trustees. For purposes of this subsection, the actuarial cost of the permissive service credit purchase is an amount determined by the system in accordance with actuarial tables, as reported to the system

by the system's actuary, which reflects the actuarial cost necessary to fund an increased retirement allowance resulting from the purchase of permissive service credit.

2006 Acts, ch 1028, §1; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1167, §10, 11

State appropriation for actuarial cost of permissive service credit purchase; 2010 Acts, ch 1167, §15

**97A.10A Purchase of service credit for military service.**

1. An active member of the system who has been a member of the retirement system five or more years may elect to purchase up to five years of service credit for military service, other than military service required to be recognized under Internal Revenue Code § 414(u) or under the federal Uniformed Services Employment and Reemployment Rights Act, that will be recognized by the retirement system for purposes of calculating a member's benefit, pursuant to Internal Revenue Code § 415(n) and the requirements of this section.

2. *a.* A member seeking to purchase service credit pursuant to this section shall file a written application with the system requesting an actuarial determination of the cost of a purchase of service credit. Upon receipt of the cost estimate for the purchase of service from the system, the member may make contributions to the system in an amount equal to the actuarial cost of the service credit purchase.

*b.* For purposes of this subsection, the actuarial cost of the service credit purchase is an amount determined by the system in accordance with actuarial tables, as reported to the system by the system's actuary, which reflects the actuarial cost necessary to fund an increased retirement allowance resulting from the purchase of service credit.

3. The system shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to § 415 of the Internal Revenue Code.

4. The board of trustees shall adopt rules providing for the implementation and administration of this section.

2010 Acts, ch 1171, §2

**97A.11 Contributions by the state.**

On or before the first day of January in each year, the board of trustees shall certify to the director of the department of administrative services the amounts which will become due and payable during the fiscal year next following to the retirement fund. The amounts so certified shall be paid by the director of the department of administrative services out of the funds appropriated for the Iowa department of public safety, to the treasurer of state, the same to be credited to the system for the ensuing fiscal year.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.11]

2003 Acts, ch 145, §286; 2008 Acts, ch 1171, §12; 2010 Acts, ch 1167, §12

**97A.11A Supplemental state appropriation.**

1. Beginning with the fiscal year commencing July 1, 2013, and ending June 30 of the fiscal year during which the board determines that the system's funded ratio of assets to liabilities is at least eighty-five percent, there is appropriated from the general fund of the state for each fiscal year to the retirement fund described in section 97A.8, an amount equal to five million dollars.

2. Moneys appropriated by the state pursuant to this section shall not be used to reduce the normal rate of contribution by the state below seventeen percent.

2010 Acts, ch 1167, §13; 2012 Acts, ch 1138, §3

**97A.12 Exemption from execution and other process or assignment — exceptions.**

The right of any person to a pension, annuity, or retirement allowance, to the return of contributions, the pension, annuity, or retirement allowance itself, any optional benefit or death benefit, any other right accrued or accruing to any person under this chapter, and the moneys in the retirement fund created under this chapter, are not subject to execution, garnishment, attachment, or any other process whatsoever, and are unassignable except for the purposes of enforcing child, spousal, or medical support obligations or marital property orders, or as otherwise specifically provided in this chapter. For the purposes of

enforcing child, spousal, or medical support obligations, the garnishment or attachment of or the execution against compensation due a person under this chapter shall not exceed the amount specified in 15 U.S.C. § 1673(b).

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.12]

89 Acts, ch 228, §1; 96 Acts, ch 1187, §97; 2008 Acts, ch 1171, §13

**97A.13 Protection against fraud.**

Any person who shall knowingly make any false statement, or shall falsify or permit to be falsified any record or records of the system in any attempt to defraud the system as a result of such act, shall be guilty of a fraudulent practice. Should any change or error in records result in any member or beneficiary receiving from the system more or less than the person would have been entitled to receive had the records been correct, the board of trustees shall correct such error, and, as far as practicable, shall adjust the payments in such a manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled, shall be paid.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97A.13]

Fraudulent practices, see §714.8

**97A.14 Hospitalization and medical attention.**

1. The board of trustees shall provide hospital, nursing, and medical attention for the members in service when injured while in the performance of their duties and shall continue to provide hospital, nursing, long-term care, and medical attention for injuries or diseases incurred while in the performance of their duties for the members but only while the members are still receiving a retirement allowance under section 97A.6, subsection 6. The cost of hospital, nursing, and medical attention shall be paid out of the retirement fund. However, any amounts received by the injured person under the workers' compensation law of the state, or from any other source for such specific purposes, shall be deducted from the amount paid by the board of trustees under this section.

2. For purposes of this section, medical attention shall include but not be limited to services provided by licensed medical personnel to include office, hospital, nursing home care, long-term care, and prescriptions for medicine or equipment. Within twelve months of receiving treatment or incurring a cost with direct correlation to the disabling condition, the beneficiary of an accidental disability benefit shall submit a written request for reimbursement to the board. A denial of reimbursement by the board shall be subject to judicial review in the same manner as any other action by the board in accordance with section 97A.6, subsection 13.

[C73, 75, 77, 79, 81, §97A.14]

2008 Acts, ch 1171, §14; 2010 Acts, ch 1167, §14

Referred to in §97A.14A

**97A.14A Liability of third parties — subrogation.**

1. If, on or after July 1, 2002, a member receives an injury or dies for which benefits are payable under section 97A.6, subsection 3, 5, 8, or 9, or section 97A.14, and if the injury or death is caused under circumstances creating a legal liability for damages against a third party other than the system, the system, the member, or the member's dependent or the trustee of the dependent may maintain an action for damages against the third party as provided by this section. If a member, the member's dependent, or the trustee of the dependent commences such an action, the plaintiff member, dependent, or trustee shall serve a copy of the original notice upon the system not less than ten days before the trial of the action, but a failure to serve the notice does not prejudice the rights of the system, and the following rights and duties ensue:

*a.* The system shall be indemnified out of the recovery of damages to the extent of benefit payments made by the system, with legal interest, except that the attorney fees and expenses of the plaintiff member, dependent, or trustee may be first allowed by the district court.

*b.* The system has a lien on the damage claim against the third party and on any judgment on the damage claim for benefits for which the system is liable. In order to continue and preserve the lien, the system shall file a notice of the lien within thirty days after receiving a

copy of the original notice in the office of the clerk of the district court in which the action is filed.

2. If a member, the member's dependent, or the trustee of the dependent fails to bring an action for damages against a third party within ninety days after the system, through the board of trustees, requests the member, the member's dependent, or the trustee of the dependent in writing to do so, then the system is subrogated to the rights of the member and may, by action of the board of trustees, maintain the action against the third party, and may recover damages for the injury or death to the same extent that the member, the member's dependent, or the trustee of the dependent may recover damages for the injury or death. If the system recovers damages in the action, the court shall enter judgment for distribution of the recovery as follows:

*a.* A sum sufficient to repay the system for the amount of such benefits actually paid by the system up to the time of the entering of the judgment.

*b.* A sum sufficient to pay the system the present worth, computed at the interest rate provided in section 535.3 for court judgments and decrees, of the future payments of such benefits for which the system is liable until the member attains the age of fifty-five, but the sum is not a final adjudication of the future payment which the member is entitled to receive.

*c.* Any balance of the recovery remaining after distribution of the recovery pursuant to paragraphs *"a"* and *"b"* shall be paid to the member or the member's beneficiary.

3. Before a settlement is effective between the system and a third party who is liable for any injury, the member, the member's dependent, or the trustee of the dependent must consent in writing to the settlement; and if the settlement is between the member, the member's dependent, or the trustee of the dependent and a third party, the system must consent in writing to the settlement; or on refusal to consent, in either case, the workers' compensation commissioner must consent in writing to the settlement.

4. For purposes of subrogation under this section, a payment made to an injured member, the member's guardian, or the member's legal representative, by or on behalf of a third party or the third party's principal or agent, who is liable for, connected with, or involved in causing the injury or death to the member, shall be considered paid as damages because the injury or death was caused under circumstances creating a legal liability against the third party, whether the payment is made under a covenant not to sue, compromise settlement, denial of liability, or is otherwise made.

5. All funds recovered by the system under this section shall be deposited in the retirement fund created in section 97A.8.

2002 Acts, ch 1135, §4; 2008 Acts, ch 1171, §15

**97A.15 Vested and retired members before July 1, 1979 — annuity or withdrawal of contributions.**

1. Members who became vested and terminated service prior to July 1, 1979, and members receiving an annuity from accumulated contributions made prior to July 1, 1979, shall continue to receive the benefits the member was entitled to under the provisions of this chapter, as this chapter was effective on the date of the member's retirement or vested termination.

2. For the purposes of this section:

*a. "Accumulated contributions"* means the sum of all amounts deducted from the compensation of a member and credited to the member's individual account in the annuity savings fund together with regular interest thereon as provided in this subsection. Accumulated contributions do not include any amount deducted from the compensation of a member and credited to the retirement fund.

*b. "Annuity"* means annual payments for life derived from the accumulated contributions of a member. All annuities shall be payable in monthly installments.

*c. "Annuity reserve"* shall mean the present value of all payments to be made on account of an annuity, or benefit in lieu of an annuity, granted under the provisions of this chapter, upon the basis of such mortality tables as shall be adopted by the board of trustees, and regular interest.

*d. "Annuity savings fund"* means the account maintained by the board of trustees in which

the accumulated contributions of the members were deposited prior to July 1, 1979, to provide for their annuities.

*e. "Annuity reserve fund"* means the account maintained by the board of trustees from which shall be paid all annuities and all benefits in lieu of annuities payable as provided in this chapter as this chapter was effective on June 30, 1978.

*f. "Regular interest"* means interest at the rate of four percent per annum, compounded annually and credited to the member's account as of the date of the member's retirement or termination from employment.

*g. "Member who became vested"* and *"vested member"* mean a member who has been a member of the retirement system four or more years and is entitled to benefits under this chapter.

3. Beginning July 1, 1979, the board of trustees shall maintain and invest funds in the annuity reserve fund and the annuity savings fund which had been contributed by members prior to July 1, 1979. Members receiving an annuity as a portion of their retirement or disability benefits on June 30, 1979, shall continue to receive such annuity from the annuity reserve fund maintained by the board of trustees. Members receiving an annuity, if reemployed under service covered by this chapter, shall cease to receive retirement benefits.

4. The accumulated contributions of a member withdrawn by the member or paid to the member's estate or designated beneficiary in the event of the member's death shall be paid from the annuity savings fund account. Upon the retirement of a member, the member's accumulated contributions shall be transferred from the annuity savings fund to the annuity reserve fund.

5. A member of the retirement system prior to July 1, 1979, with fifteen or more years of service whose employment was terminated prior to retirement, other than by death or disability, is entitled to receipt of the member's accumulated contributions upon retirement together with other retirement benefits provided in the law on the date of the member's retirement.

6. Any member in service prior to July 1, 1979, may at the time of retirement withdraw the member's accumulated contributions made before July 1, 1979, or receive an annuity which shall be the actuarial equivalent of the member's accumulated contributions at the time of the member's retirement.

7. Notwithstanding subsections 1, 3, 4, 5, and 6 of this section, an active or vested member may request in writing and receive from the board of trustees, the member's accumulated contributions from the annuity savings' fund at the discretion of the board of trustees and remain eligible to receive benefits under section 97A.6. However, a member with fifteen or more years of service prior to July 1, 1979, is not eligible for a service retirement allowance under section 97A.6 if the member withdrew the member's accumulated contributions from the annuity savings fund prior to July 1, 1979, except as provided in section 97A.4. However, the board shall not liquidate securities at a loss for the sole purpose of returning the accumulated contributions to the members. All requested accumulated contributions shall be returned prior to July 1, 1984.

8. The actuary shall annually determine the amount required in the annuity reserve fund. If the amount required is less than the amount in the annuity reserve fund, the board of trustees shall transfer the excess funds from the annuity reserve fund to the retirement fund. If the amount required is more than the amount in the annuity reserve fund, the board of trustees shall transfer the amount prescribed by the actuary to the annuity reserve fund from the retirement fund.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §97A.1(10, 11, 15, 18), 97A.8(1, 2); C79, 81, §97A.15]
90 Acts, ch 1240, §13; 2008 Acts, ch 1171, §16, 17
Referred to in §97A.4

**97A.16 Withdrawal of contributions — repayment.**

1. Commencing July 1, 1990, if an active member, in service on or after that date, terminates service, other than by death or disability, the member may elect to withdraw the member's contributions under section 97A.8, subsection 1, paragraphs "*f*" and "*h*", together with interest thereon at a rate determined by the board of trustees. If a member withdraws

contributions as provided in this section, the member shall be deemed to have waived all claims for other benefits from the system for the period of membership service for which the contributions are withdrawn.

2. A layoff for an indefinite period of time shall be deemed to be a termination of service for the purposes of this section. A member who withdraws the member's contributions as provided in this section following a layoff for an indefinite period of time and who is subsequently recalled to service may repay the contributions. The contributions repaid by the member for such service shall be equal to the amount of contributions withdrawn, plus interest computed based upon the investment interest rate assumption established by the board of trustees as of the time the contributions are repaid. However, the member must make the contributions within two years of the date of the member's return to service. The period of membership service for which contributions are repaid shall be treated as though the contributions were never withdrawn.

90 Acts, ch 1240, §14; 93 Acts, ch 44, §2
Referred to in §97A.6, 411.31

**97A.17 Optional transfers with chapter 411.**

1. For purposes of this section unless the context otherwise requires:

*a. "Average accrued benefit"* means the average of the amounts representing the present value of the accrued benefit earned by the member determined by the former system and the present value of the accrued benefit earned by the member determined by the current system.

*b. "Current system"* means the eligible retirement system in which a person has commenced employment covered by the system after having terminated employment covered by the former system.

*c. "Eligible retirement system"* means the system created under this chapter and the statewide fire and police retirement system established in chapter 411.

*d. "Former system"* means the eligible retirement system in which a person has terminated employment covered by the system prior to commencing employment covered by the current system.

*e. "Refund liability"* means the amount the member may elect to withdraw from the former system under section 411.23.

2. Commencing July 1, 1996, a vested member of an eligible retirement system who terminates employment covered by one eligible retirement system and, within one year, commences employment covered by the other eligible retirement system may elect to transfer the greater of the average accrued benefit or the refund liability earned from the former system to the current system. The member shall file an application with the current system for transfer of the greater of the average accrued benefit or the refund liability within ninety days of the commencement of employment with the current system.

3. Notwithstanding subsection 2, a vested member whose employment with the current system commenced prior to July 1, 1996, may elect to transfer the average accrued benefit earned under the former system to the current system by filing an application with the current system for transfer of the average accrued benefit on or before July 1, 1997.

4. Upon receipt of an application for transfer as provided in this section, the current system shall calculate the average accrued benefit and the refund liability and the former system shall transfer to the current system assets in an amount equal to the greater of the average accrued benefit or the refund liability. Once the transfer is completed, the member's service under the former system shall be treated as membership service under the current system for purposes of this chapter and chapter 411.

96 Acts, ch 1187, §98; 2002 Acts, ch 1135, §5, 6; 2004 Acts, ch 1103, §1 – 3
Referred to in §97A.10

# CHAPTER 97B

## IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

Referred to in §8F.2, 10A.601, 12B.10, 12B.10A, 12B.10B, 12B.10C, 12F.2, 12H.2, 25B.2, 28F.13, 28J.7, 70A.20, 70A.23, 70A.30, 80.26, 97.52, 97A.3, 97C.19, 97D.3, 97D.5, 99G.4, 173.1, 231.33, 261A.6, 279.46, 331.324, 331.424, 331.652, 411.3, 411.30, 509A.13A, 602.1611, 602.1612, 602.1613, 602.9107C, 602.11115, 602.11116

Ch 97, Code 1950, repealed by 53 Acts, ch 71, with certain rights preserved; see §97.50 – 97.53


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97B.81 Leaves of absence. Repealed by 2004 Acts, ch 1103, §60.
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**97B.1 System created — organizational definitions.**

1. The *"Iowa Public Employees' Retirement System"* is established as an independent agency within the executive branch of state government. The Iowa public employees' retirement system shall administer the retirement system established under this chapter.

2. As used in this chapter, unless the context requires otherwise:

*a.* *"Board"* means the investment board created by section 97B.8A.

*b.* *"Chief executive officer"* means the chief executive officer of the Iowa public employees' retirement system.

*c.* *"Committee"* means the benefits advisory committee created by section 97B.8B.

*d.* *"System"* means the Iowa public employees' retirement system.

[C46, 50, §97.1; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.1]

86 Acts, ch 1245, §249; 92 Acts, ch 1201, §6; 2001 Acts, ch 68, §7, 24; 2003 Acts, ch 145, §170

Referred to in §97.51, 97.52, 97C.2

**97B.1A Definitions.**

When used in this chapter:

1. *"Abolished system"* means the Iowa old-age and survivors' insurance system repealed by sections 97.50 to 97.53.

2. *"Accumulated contributions"* means the total obtained as of any date, by accumulating each individual contribution by the member with interest plus interest dividends as provided in section 97B.70, for all completed calendar years and for any completed calendar year for which the interest dividend has not been declared and for completed months of partially completed calendar years, compounded as provided in section 97B.70.

2A. *"Accumulated employer contributions"* means an amount equal to the total obtained as of any date, by accumulating each individual contribution by the employer for the member with interest plus interest dividends as provided in section 97B.70, for all completed calendar years and for any completed calendar year for which the interest dividend has not been declared and for completed months of partially completed calendar years, compounded as provided in section 97B.70.

3. *"Active member"* during a calendar year means a member who made contributions to the retirement system at any time during the calendar year and who:

*a.* Had not received or applied for a refund of the member's accumulated contributions for withdrawal or death, and

*b.* Had not commenced receiving a retirement allowance.

4. *"Actuarial equivalent"* means a benefit of equal value when computed upon the basis of such actuarial tables as are adopted by the system.

5. *"Beneficiary"* means the person or persons who are entitled to receive any benefits payable under this chapter at the death of a member, if the person or persons have been designated on a form provided by the system and filed with the system. If no such designation is in effect at the time of death of the member or if no person so designated is living at that time, then the beneficiary is the estate of the member.

6. *"Bona fide retirement"* means a retirement by a vested member which meets the requirements of section 97B.52A and in which the member is eligible to receive benefits under this chapter.

7. *"Contributions"* means the payments to the fund required herein, by the employer and by the members, to provide the benefits of the retirement system.

8. *"Employee"* means an individual who is employed as defined in this chapter for whom coverage under this chapter is mandatory.

*a.* *"Employee"* shall also include any of the following individuals who do not elect out of coverage under this chapter pursuant to section 97B.42A:

(1) Elective officials in positions for which the compensation is on a fee basis, elective officials of school districts, elective officials of townships, and elective officials of other political subdivisions who are in part-time positions. An elective official covered under this section may terminate membership under this chapter by informing the system in writing of the expiration of the member's term of office or by informing the system of the member's intent to terminate membership for employment as an elective official and establishing that the member has a bona fide termination of employment from all employment covered under this chapter other than as an elective official and that the member has filed a completed application for benefits form with the system. A county attorney is an employee for purposes of this chapter whether that county attorney is employed on a full-time or part-time basis.

(2) Members of the general assembly of Iowa and temporary employees of the general assembly of Iowa.

(a) A member of the general assembly covered under this chapter may terminate membership under this chapter by informing the system in writing of the member's intent to terminate membership.

(b) Temporary employees of the general assembly covered under this chapter may terminate membership by sending written notification to the system of their separation from service.

(3) Nonvested employees of drainage and levee districts.

(4) Employees of a community action program determined to be an instrumentality of the state or a political subdivision.

(5) Magistrates.

(6) Members of the ministry, rabbinate, or other religious order who have taken the vow of poverty.

(7) Persons employed as city managers, or as city administrators performing the duties of city managers, under a form of city government listed in chapter 372 or chapter 420.

(8) Members of the state transportation commission, the board of parole, and the state health facilities council.

(9) Employees appointed by the state board of regents who do not elect coverage in a retirement system qualified by the state board of regents that meets the criteria of section 97B.2.

(10) Persons employed by the board of trustees for the statewide fire and police retirement system established in section 411.36.

(11) Persons employed by a municipal water utility or waterworks that has established a pension and annuity retirement system for its employees pursuant to chapter 412.

(12) Employees of a regional administrator formed in accordance with section 331.392,

determined to be an instrumentality of the political subdivision forming the regional administrator.

*b.* *"Employee"* does not mean the following individuals:

(1) Individuals who are enrolled as students and whose primary occupations are as students who are incidentally employed by employers.

(2) Graduate medical students while serving as interns or resident doctors in training at any hospital, or county medical examiners and deputy county medical examiners under chapter 331, division V, part 8, who are not full-time county employees.

(3) Employees hired for temporary employment of less than six consecutive months or one thousand forty hours in a calendar year. An employee who works for an employer for six or more consecutive months or who works for an employer for more than one thousand forty hours in a calendar year is not a temporary employee under this subparagraph. Adjunct instructors are temporary employees for the purposes of this chapter. As used in this section, unless the context otherwise requires, *"adjunct instructors"* means instructors employed by a community college or a university governed by the state board of regents without a continuing contract, whose teaching load does not exceed one-half time for two full semesters or three full quarters per calendar year.

(4) Foreign exchange teachers and visitors including alien scholars, trainees, professors, teachers, research assistants, and specialists in their field of specialized knowledge or skill.

(5) Employees of the Iowa dairy industry commission established under chapter 179, the Iowa beef cattle producers association established under chapter 181, the Iowa pork producers council established under chapter 183A, the Iowa turkey marketing council established under chapter 184A, the Iowa soybean association as provided in chapter 185, the Iowa corn promotion board established under chapter 185C, and the Iowa egg council established under chapter 184.

(6) Judicial hospitalization referees appointed under section 229.21.

(7) Employees of an area agency on aging, if as of July 1, 1994, the agency provides for participation by all of its employees in an alternative qualified plan pursuant to the requirements of the federal Internal Revenue Code.

(8) Persons employed through any program described in section 84A.7 and provided by the Iowa conservation corps.

(9) Persons employed by the Iowa student loan liquidity corporation.

9. *"Employer"* means the state of Iowa, the counties, municipalities, agencies, public school districts, all political subdivisions, and all of their departments and instrumentalities, including area agencies on aging, other than those employing persons as specified in subsection 8, paragraph *"b"*, subparagraph (7), and joint planning commissions created under chapter 28E or 28I.

If an interstate agency is established under chapter 28E and similar enabling legislation in an adjoining state, and an employer had made contributions to the retirement system for employees performing functions which are transferred to the interstate agency, the employees of the interstate agency who perform those functions shall be considered to be employees of the employer for the sole purpose of membership in the retirement system, although the employer contributions for those employees are made by the interstate agency.

10. *"Employment for any calendar quarter"* means any service performed under an employer-employee relationship under this chapter for which wages are reported in the calendar quarter. For the purposes of this chapter, elected officials are deemed to be in employment for all quarters of the elected officials' respective terms of office, even if the elected officials have selected a method of payment of wages which results in the elected officials not being credited with wages every quarter of a year.

10A. *"Final average covered wage"* means the greater of the following:

*a.* (1) The member's covered wages averaged for the highest five years of the member's regular service, except as otherwise provided in this paragraph. The highest five years of a member's covered wages shall be determined using calendar years. However, if a member's final quarter of a year of employment does not occur at the end of a calendar year, the system may determine the wages for the fifth year by computing the average quarter of all quarters from the member's highest calendar year of covered wages not being used in the selection

of the four highest years and using the computed average quarter for each quarter in the fifth year in which no wages have been reported in combination with the final quarter or quarters of the member's service to create a full calendar year. However, the system shall not use the member's final quarter of wages if using that quarter would reduce the member's final average covered wage. If the five-year average covered wage of a member exceeds the highest maximum covered wages in effect for a calendar year during the member's period of service, the five-year average covered wage of the member shall be reduced to the highest maximum covered wages in effect during the member's period of service. Notwithstanding any other provision of this subparagraph to the contrary, a member's wages for the fifth year as computed under this subparagraph shall not exceed, by more than three percent, the member's highest actual calendar year of covered wages.

(2) Notwithstanding any other provisions of this paragraph *"a"* to the contrary, the member's five-year average covered wage shall be the lesser of the five-year average covered wage as calculated pursuant to subparagraph (1) and the adjusted covered wage amount. For purposes of this subparagraph (2), the covered wage amount shall be an amount equal to one hundred thirty-four percent of the member's applicable calendar year wages. The member's applicable calendar year wages shall be the member's highest calendar year of covered wages not used in the calculation of the member's five-year average covered wage pursuant to subparagraph (1), or such other calendar year of covered wages selected by the system pursuant to rules adopted by the system.

*b.* If the member was vested as of June 30, 2012, the member's three-year average covered wage as of June 30, 2012.

11. *"First month of entitlement"* means the first month for which a member is qualified to receive retirement benefits under this chapter. Effective January 1, 1995, a member who meets all of the following requirements is qualified to receive retirement benefits under this chapter:

*a.* Has attained the minimum age for receipt of a retirement allowance under this chapter.

*b.* If the member has not attained seventy years of age, has terminated all employment covered under this chapter or formerly covered under this chapter pursuant to section 97B.42 in the month prior to the member's first month of entitlement.

*c.* Has filed a completed application for benefits with the system setting forth the member's intended first month of entitlement.

*d.* Has survived into the month for which the member's first retirement allowance is payable by the retirement system.

11A. *"Fully funded"* means a funded ratio of at least one hundred percent using the most recent actuarial valuation. For purposes of this subsection, *"funded ratio"* means the ratio produced by dividing the lesser of the actuarial value of the system's assets or the market value of the system's assets, by the system's actuarial liabilities, using the actuarial method adopted by the investment board pursuant to section 97B.8A, subsection 3.

12. *"Inactive member"* with respect to future service means a member who at the end of a year had not made any contributions during the current year and who has not received a refund of the member's accumulated contributions.

13. *"Internal Revenue Code"* means the Internal Revenue Code as defined in section 422.3.

14. *"Member"* means an employee or a former employee who maintains the employee's or former employee's accumulated contributions in the retirement system. The former employee is not a member if the former employee has received a refund of the former employee's accumulated contributions.

14A. *"Member account"* means the account established for each member and includes the member's accumulated contributions and the member's share of the accumulated employer contributions as provided in section 97B.53. *"Member account"* does not mean the supplemental account for active members.

15. *"Membership service"* means service rendered by a member after July 4, 1953. Years of membership service shall be counted to the complete quarter calendar year. However, membership service for a calendar year shall not include more than four quarters. In determining a member's period of membership service, the system shall combine all periods of service for which the member has made contributions.

16. *"Prior service"* means any service by an employee rendered at any time prior to July 4, 1953.

17. *"Regular service"* means service for an employer other than special service.

18. *"Retired member"* means a member who has applied for the member's retirement allowance and has survived into at least the first day of the member's first month of entitlement.

19. *"Retirement"* means that period of time beginning when a member who has filed an approved application for a retirement allowance has survived into at least the first day of the member's first month of entitlement and ending when the member dies.

19A. *"Retirement system"* means the retirement plan as contained in this chapter or as duly amended.

20. *"Service"* means service under this chapter by an employee, except an elected official, for which the employee is paid covered wages. Service shall also mean the following:

*a.* Service in the armed forces of the United States, if the employee was employed by a covered employer immediately prior to entry into the armed forces, and if any of the following requirements are met:

(1) The employee was released from service and returns to covered employment with an employer within twelve months of the date on which the employee has the right of release from service or within a longer period as required by the applicable laws of the United States.

(2) The employee, while serving on active duty in the armed forces of the United States in an area designated by the president of the United States or the United States Congress as a combat zone or as a qualified hazardous duty area, or deployed outside the United States away from the individual's permanent duty station while participating in an operation designated by the United States secretary of defense as a contingency operation as defined in 10 U.S.C. § 101(a)(13), or which became such a contingency operation by the operation of law, dies, or suffers an injury or acquires a disease resulting in death, so long as the death from the injury or disease occurs within a two-year period from the date the employee suffered the active duty injury or disease and the active duty injury or disease prevented the employee from returning to covered employment as provided in subparagraph (1).

*b.* Leave of absence authorized by the employer prior to July 1, 1998, for a period not exceeding twelve months and ending no later than July 1, 1999.

*c.* A leave of absence authorized pursuant to the requirements of the federal Family and Medical Leave Act of 1993, or other similar leave authorized by the employer for a period not to exceed twelve weeks in any calendar year.

*d.* Temporary or seasonal interruptions in service for employees of a school corporation or educational institution when the temporary suspension of service does not terminate the period of employment of the employee and the employee returns to service at a school corporation or educational institution upon the end of the temporary or seasonal interruption. However, effective July 1, 2004, *"service"* does not mean service for which an employee receives remuneration from an employer for temporary employment during any quarter in which the employee is on an otherwise unpaid leave of absence that is not authorized under the federal Family and Medical Leave Act of 1993 or other similar leave. Remuneration paid by the employer for the temporary employment shall not be treated by the system as covered wages.

*e.* Employment with an employer prior to January 1, 1946, if the member is not receiving a retirement allowance based upon that employment.

21. *"Service"* for an elected official means the period of membership service for which contributions are made beginning on the date an elected official assumes office and ending on the expiration date of the last term the elected official serves, excluding all the intervening periods during which the elected official is not an elected official.

22. *"Special service"* means service for an employer while employed in a protection occupation as provided in section 97B.49B, and as a county sheriff or deputy sheriff as provided in section 97B.49C.

22A. *"Supplemental account for active members"* or *"supplemental account"* means the account established for each active member under section 97B.49H.

23. Reserved.

24. *a.* *"Three-year average covered wage"* means a member's covered wages averaged for the highest three years of the member's service, except as otherwise provided in this subsection. The highest three years of a member's covered wages shall be determined using calendar years. However, if a member's final quarter of a year of employment does not occur at the end of a calendar year, the system may determine the wages for the third year by computing the average quarter of all quarters from the member's highest calendar year of covered wages not being used in the selection of the two highest years and using the computed average quarter for each quarter in the third year in which no wages have been reported in combination with the final quarter or quarters of the member's service to create a full year. However, the system shall not use the member's final quarter of wages if using that quarter would reduce the member's three-year average covered wage. If the three-year average covered wage of a member exceeds the highest maximum covered wages in effect for a calendar year during the member's period of service, the three-year average covered wage of the member shall be reduced to the highest maximum covered wages in effect during the member's period of service. Notwithstanding any other provision of this paragraph to the contrary, a member's wages for the third year as computed by this paragraph shall not exceed, by more than three percent, the member's highest actual calendar year of covered wages for a member whose first month of entitlement is January 1999 or later.

*b.* (1) Notwithstanding any other provisions of this subsection to the contrary, the three-year average covered wage shall be computed as follows for the following members:

(a) For a member who retires during the calendar year beginning January 1, 1997, and whose three-year average covered wage at the time of retirement exceeds forty-eight thousand dollars, the member's covered wages averaged for the highest four years of the member's service or forty-eight thousand dollars, whichever is greater.

(b) For a member who retires during the calendar year beginning January 1, 1998, and whose three-year average covered wage at the time of retirement exceeds fifty-two thousand dollars, the member's covered wages averaged for the highest five years of the member's service or fifty-two thousand dollars, whichever is greater.

(c) For a member who retires during the calendar year beginning January 1, 1999, and whose three-year average covered wage at the time of retirement exceeds fifty-five thousand dollars, the member's covered wages averaged for the highest six years of the member's service or fifty-five thousand dollars, whichever is greater.

(d) For a member who retires on or after January 1, 2000, but before January 1, 2001, and whose three-year average covered wage at the time of retirement exceeds sixty-five thousand dollars, the member's covered wages averaged for the highest six years of the member's service or sixty-five thousand dollars, whichever is greater.

(e) For a member who retires on or after January 1, 2001, but before January 1, 2002, and whose three-year average covered wage at the time of retirement exceeds seventy-five thousand dollars, the member's covered wages averaged for the highest six years of the member's service or seventy-five thousand dollars, whichever is greater.

(2) For purposes of this paragraph, the highest years of the member's service shall be determined using calendar years and may be determined using one computed year calculated in the manner and subject to the restrictions provided in paragraph *"a"*.

*c.* Notwithstanding any other provisions of this subsection to the contrary, for a member who retires on or after July 1, 2007, the member's three-year average covered wage shall be the lesser of the three-year average covered wage as calculated pursuant to paragraph *"a"* and the adjusted covered wage amount. For purposes of this paragraph, the adjusted covered wage amount shall be the greater of the member's three-year average covered wage calculated pursuant to paragraph *"a"* as of July 1, 2007, and an amount equal to one hundred twenty-one percent of the member's applicable calendar year wages. The member's applicable calendar year wages shall be the member's highest calendar year of covered wages not used in the calculation of the member's three-year average covered wage pursuant to paragraph *"a"*, or such other calendar year of covered wages selected by the system pursuant to rules adopted by the system.

25. *a.* *"Vested member"* means a member who has attained through age or sufficient years

of service eligibility to receive monthly retirement benefits upon the member's retirement. A vested member must meet one of the following requirements:

(1) Is vested by service.

(2) Prior to July 1, 2005, has attained the age of fifty-five.

(3) Between July 1, 2005, and June 30, 2012, has attained the age of fifty-five or greater while in covered employment.

(4) On and after July 1, 2012, meets one of the following requirements:

(a) For a member in special service, has attained the age of fifty-five or greater while in covered employment.

(b) For a member in regular service, has attained the age of sixty-five or greater while in covered employment.

*b.* *"Active vested member"* means an active member who has attained sufficient membership service to achieve vested status.

*c.* *"Inactive vested member"* means an inactive member who was a vested member at the time of termination of employment.

*d.* *"Vested by service"* means a member who meets one of the following requirements:

(1) Prior to July 1, 1965, had attained the age of forty-eight and completed at least eight years of service.

(2) Between July 1, 1965, and June 30, 1973, had completed at least eight years of service.

(3) Between July 1, 1973, and June 30, 2012, had completed at least four years of service.

(4) On and after July 1, 2012, meets one of the following requirements:

(a) For a member in special service, has completed at least four years of special service.

(b) For a member in regular service, has completed at least seven years of service.

(5) On or after July 1, 1988, an inactive member who had accumulated, as of the date of the member's last termination of employment, years of membership service equal to or exceeding the years of membership service specified in this paragraph *"d"* for qualifying as vested by service on that date of termination.

26. *a.* (1) *"Wages"* means all remuneration for employment, including but not limited to any of the following:

(a) The cash value of wage equivalents not necessitated by the convenience of the employer. The fair market value of such wage equivalents shall be reported to the system by the employer.

(b) The remuneration paid to an employee before employee-paid contributions are made to plans qualified under sections 125, 129, 401, 403, 408, and 457 of the Internal Revenue Code. In addition, *"wages"* includes amounts that can be received in cash in lieu of employer-paid contributions to such plans, if the election is uniformly available and is not limited to highly compensated employees, as defined in section 414(q) of the Internal Revenue Code.

(c) For an elected official, other than a member of the general assembly, the total compensation received by the elected official, whether paid in the form of per diem or annual salary, exclusive of expense and travel allowances.

(d) For a member of the general assembly, the total compensation received by a member of the general assembly, whether paid in the form of per diem or annual salary, exclusive of expense and travel allowances paid to a member of the general assembly except as otherwise provided in this subparagraph division. Wages includes per diem payments paid to members of the general assembly during interim periods between sessions of the general assembly. Wages also includes daily allowances to members of the general assembly for nontravel expenses of office during a session of the general assembly, but does not include the portion of the daily allowance which exceeds the maximum established by law for members from Polk county.

(e) Payments for compensatory time earned that are received in lieu of taking regular work hours off and when paid as a lump sum. However, *"wages"* does not include payments made in a lump sum for compensatory time earned in excess of two hundred forty hours per year.

(f) Employee contributions required under section 97B.11 and picked up by the employer under section 97B.11A.

(2) *"Wages"* does not include any of the following:

(a) The cash value of wage equivalents necessitated by the convenience of the employer.

(b) Payments made for accrued sick leave or accrued vacation leave that are not being used to replace regular work hours, whether paid in a lump sum or in installments.

(c) Payments made as an incentive for early retirement or as payment made upon dismissal or severance from employment, or a special bonus payment intended as an early retirement incentive, whether paid in a lump sum or in installments.

(d) Employer-paid contributions that cannot be received by the employee in cash and that are made to, and any distributions from, plans, programs, or arrangements qualified under section 117, 120, 125, 129, 401, 403, 408, or 457 of the Internal Revenue Code.

(e) Employer-paid contributions for coverage under, or distributions from, an accident, health, or life insurance plan, program, or arrangement.

(f) Workers' compensation and unemployment compensation payments.

(g) Disability payments.

(h) Reimbursements of employee business expenses except for those expenses included as wages for a member of the general assembly.

(i) Payments for allowances except for those allowances included as wages for a member of the general assembly.

(j) Payments of damages, attorney fees, interest, and penalties made to satisfy a grievance, wage claim, or employment dispute.

(k) Payments for services as an independent contractor.

(l) Payments made by an entity that is not an employer under this chapter.

(m) Payments made in lieu of any employer-paid group insurance coverage.

(n) Bonuses of any type, whether paid in a lump sum or in installments.

*b.* (1) *"Covered wages"* means wages of a member during the periods of membership service as follows:

(a) For the period from July 4, 1953, through December 31, 1953, and each calendar year from January 1, 1954, through December 31, 1963, wages not in excess of four thousand dollars.

(b) For each calendar year from January 1, 1964, through December 31, 1967, wages not in excess of four thousand eight hundred dollars.

(c) For each calendar year from January 1, 1968, through December 31, 1970, wages not in excess of seven thousand dollars, for each calendar year from January 1, 1971, through December 31, 1972, wages not in excess of seven thousand eight hundred dollars, and for each calendar year from January 1, 1973, through December 31, 1975, wages not in excess of ten thousand eight hundred dollars.

(d) For each calendar year from January 1, 1976, through December 31, 1983, wages not in excess of twenty thousand dollars.

(e) For each calendar year from January 1, 1984, through December 31, 1985, wages not in excess of twenty-one thousand dollars per year.

(f) For the calendar year from January 1, 1986, through December 31, 1986, wages not in excess of twenty-two thousand dollars.

(g) For the calendar year from January 1, 1987, through December 31, 1987, wages not in excess of twenty-three thousand dollars.

(h) For the calendar year beginning January 1, 1988, and ending December 31, 1988, wages not in excess of twenty-four thousand dollars.

(i) For the calendar year beginning January 1, 1989, and ending December 31, 1989, wages not in excess of twenty-six thousand dollars.

(j) For the calendar year beginning January 1, 1990, and ending December 31, 1990, wages not in excess of twenty-eight thousand dollars.

(k) For the calendar year beginning January 1, 1991, wages not in excess of thirty-one thousand dollars.

(l) For the calendar year beginning January 1, 1992, wages not in excess of thirty-four thousand dollars.

(m) For the calendar year beginning January 1, 1993, wages not in excess of thirty-five thousand dollars.

(n) For the calendar year beginning January 1, 1994, wages not in excess of thirty-eight thousand dollars.

(o) For the calendar year beginning January 1, 1995, wages not in excess of forty-one thousand dollars.

(p) For the calendar year beginning January 1, 1996, wages not in excess of forty-four thousand dollars.

(q) Commencing with the calendar year beginning January 1, 1997, and for each subsequent calendar year, wages not in excess of the amount permitted for that year under section 401(a)(17) of the Internal Revenue Code.

(2) Notwithstanding any other provision of this chapter providing for the payment of the benefits provided in section 97B.49B, 97B.49C, 97B.49D, or 97B.49G, the system shall establish the covered wages limitation which applies to members covered under section 97B.49B, 97B.49C, 97B.49D, or 97B.49G, at the same level as is established under this subparagraph for other members of the retirement system.

(3) Effective July 1, 1992, *"covered wages"* does not include wages to a member on or after the effective date of the member's retirement, except as otherwise permitted by the system's administrative rules, unless the member is reemployed, as provided under section 97B.48A.

(4) If a member is employed by more than one employer during a calendar year, the total amount of wages paid to the member by the several employers shall be included in determining the limitation on covered wages as provided in this lettered paragraph. If the amount of wages paid to a member by the member's several employers during a calendar year exceeds the covered wage limit, the amount of such excess shall not be subject to the contributions required by section 97B.11.

27. *"Years of prior service"* means the total of all periods of prior service of a member. In computing credit for prior service, service of less than a full quarter shall be rounded up to a full quarter. Where a member had prior service as a teacher, a full year of service shall be granted that member if the member had three quarters of service and a contract for employment for the following school year.

[C46, 50, §97.1 – 97.5, 97.7 – 97.9, 97.12, 97.14, 97.18, 97.23, 97.45, 97.48; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.41; 82 Acts, ch 1261, §13 – 17]

83 Acts, ch 101, §10; 83 Acts, ch 186, §10042, 10201; 84 Acts, ch 1285, §4 – 8; 86 Acts, ch 1243, §4 – 8; 87 Acts, ch 115, §13; 87 Acts, ch 227, §18; 88 Acts, ch 1242, §21 – 30; 90 Acts, ch 1240, §16 – 23; 92 Acts, ch 1201, §24 – 35; 93 Acts, ch 44, §4; 94 Acts, ch 1183, §16 – 22, 97; 95 Acts, ch 102, §1 – 4; 96 Acts, ch 1034, §3; 96 Acts, ch 1187, §11 – 22; 98 Acts, ch 1183, §18 – 24, 77, 82

C99, §97B.1A

2000 Acts, ch 1077, §10 – 20, 76; 2001 Acts, ch 61, §15; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §7 – 11, 38; 2003 Acts, ch 145, §171, 286; 2004 Acts, ch 1103, §4 – 12; 2005 Acts, ch 3, §22; 2005 Acts, ch 179, §112; 2006 Acts, ch 1091, §1 – 3; 2006 Acts, ch 1092, §1; 2008 Acts, ch 1032, §185, 201; 2008 Acts, ch 1171, §18 – 20, 48; 2009 Acts, ch 41, §263; 2010 Acts, ch 1061, §15; 2010 Acts, ch 1167, §19 – 22; 2011 Acts, ch 118, §76, 89; 2012 Acts, ch 1120, §30; 2012 Acts, ch 1126, §37, 40, 41

Referred to in §97A.3, 97B.42A, 97B.42B, 97B.43, 97B.50A, 97B.66, 97B.68, 97B.80C, 411.3, 411.30, 602.11115, 602.11116

Inclusion in definition of wages of certain allowable employer-paid contributions paid by eligible employers to eligible employees; 2000 Acts, ch 1171, §26

For definition of final average covered wage for 2010-2012 fiscal period, see 2010 Acts, ch 1167, §37

2012 amendment striking former subparagraph (12) of subsection 8, paragraph a, takes effect May 25, 2012, and applies retroactively to July 1, 2011; 2012 Acts, ch 1126, sections 40, 41

**97B.2 Purpose of chapter.**

The purpose of this chapter is to promote economy and efficiency in the public service by providing an orderly means for employees, without hardship or prejudice, to have a retirement system which will provide for the payment of annuities, enabling the employees to care for themselves in retirement, and which will improve public employment within the

state, reduce excessive personnel turnover, and offer suitable attraction to high-grade men and women to enter public service in the state.

[C46, 50, §97.2; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.2]

88 Acts, ch 1242, §8

Referred to in §97B.1A

**97B.3 Chief executive officer — appointment and qualifications.**

1. The administrator of the system is the chief executive officer. The chief executive officer shall be appointed by the governor subject to confirmation by the senate and shall serve a four-year term of office beginning and ending as provided in section 69.19. A vacancy shall be filled for the unexpired portion of the term in the same manner as a full-term appointment is made. The governor may remove the chief executive officer for malfeasance in office, or for any cause that renders the chief executive officer ineligible, incapable, or unfit to discharge the duties of the office. The investment board, under the pay plan applicable to employees of the division, shall set the salary of the chief executive officer.

2. The qualifications for appointment as the chief executive officer shall include management-level pension fund administration experience. The qualifications for appointment as the chief executive officer shall also include a demonstrated knowledge of all aspects of pension fund administration, including financial management, investment asset management, benefit design and delivery, legal administration, and operations administration. The chief executive officer shall not be selected on the basis of political affiliation, and while employed as the chief executive officer, shall not be a member of a political committee, participate in a political campaign, or be a candidate for a partisan elective office, and shall not contribute to a political campaign fund, except that the chief executive officer may designate on the checkoff portion of the state or federal income tax return, or both, a party or parties to which a contribution is made pursuant to the checkoff. The chief executive officer shall not hold any other office under the laws of the United States or of this or any state and shall devote full time to the duties of office.

3. By January 31 of the year in which the term of office of the chief executive officer will end, the investment board and the benefits advisory committee shall submit a written report to the governor and the secretary of the senate concerning the board's and committee's evaluation of the performance of the chief executive officer, together with a recommendation concerning the reappointment of the chief executive officer.

2001 Acts, ch 68, §8, 24; 2003 Acts, ch 94, §1, 2, 4; 2003 Acts, ch 145, §286

Confirmation, see §2.32

**97B.4 Administration of chapter — powers and duties of system — immunity.**

1. *Chief executive officer.* The system, through the chief executive officer, shall administer this chapter. The chief executive officer shall also be the system's statutory designee with respect to the rulemaking power.

2. *General authority.*

*a.* The system may adopt, amend, waive, or rescind rules, employ persons, execute contracts with outside parties, make expenditures, require reports, make investigations, and take other action it deems necessary for the administration of the retirement system in conformity with the requirements of this chapter, the applicable provisions of the Internal Revenue Code, and all other applicable federal and state laws. The rules shall be effective upon compliance with chapter 17A.

*b.* The system may delegate to any person such authority as it deems reasonable and proper for the effective administration of this chapter, and may bond any person handling moneys or signing checks under this chapter.

*c.* The budget program for the system shall be established by the chief executive officer in consultation with the board and other staff of the system and shall be compiled and submitted by the system pursuant to section 8.23.

*d.* In administering this chapter, the system shall not be a participating agency for purposes of chapter 8B.

3. *Personnel.*

*a. Chief investment officer.* The chief executive officer, following consultation with the board, shall employ a chief investment officer who shall be appointed pursuant to chapter 8A, subchapter IV, and shall be responsible for administering the investment program for the retirement fund pursuant to the investment policies of the board.

*b. Chief benefits officer.* The chief executive officer, following consultation with the benefits advisory committee, shall employ a chief benefits officer who shall be appointed pursuant to chapter 8A, subchapter IV, and shall be responsible for administering the benefits and other services provided under the retirement system.

*c. Actuary.* The system shall employ an actuary who shall be selected by the board and shall serve at the pleasure of the board. The actuary shall be the technical advisor for the system on matters regarding the operation of the retirement fund.

*d. System employees.* Subject to other provisions of this chapter, the system may employ all other personnel as necessary for the administration of the retirement system. The maximum number of full-time equivalent employees specified by the general assembly for the system for administration of the retirement system for a fiscal year shall not be reduced by any authority other than the general assembly. The personnel of the system shall be appointed pursuant to chapter 8A, subchapter IV. The system shall not appoint or employ a person who is an officer or committee member of a political party organization or who holds or is a candidate for a partisan elective public office.

*e. Legal advisors.* The system may employ attorneys and contract with attorneys and legal firms for the provision of legal counsel and advice in the administration of this chapter and chapter 97C.

*f. Outside advisors.* The system may execute contracts with persons outside state government, including investment advisors, consultants, and managers, in the administration of this chapter. However, a contract with an investment manager or investment consultant shall not be executed by the system pursuant to this paragraph without the prior approval by the board of the hiring of the investment manager or investment consultant.

4. *Reports.*

*a. Annual report to governor.* Not later than the thirty-first day of December of each year, the system shall submit to the governor a report covering the administration and operation of this chapter during the preceding fiscal year and shall make recommendations for amendments to this chapter. The report shall include a balance sheet of the moneys in the retirement fund. The report shall also include information concerning the investment management expenses for the retirement fund for each fiscal year expressed as a percent of the market value of the retirement fund investment assets. The information provided under this paragraph shall also include information on the investment policies and investment performance of the retirement fund. In providing this information, to the extent possible, the system shall include the total investment return for the entire fund, for portions of the fund managed by investment managers, and for internally managed portions of the fund, and the cost of managing the fund per thousand dollars of assets. The performance shall be based upon market value, and shall be contrasted with relevant market indices and with performances of pension funds of similar asset size.

*b. Annual statement to members.* The system shall prepare and distribute to the members, at the expense of the retirement fund, an annual statement of the member's account and, in such a manner as the system deems appropriate, other information concerning the retirement system.

*c. Actuarial investigation.* During calendar year 2002, and every four years thereafter, the system shall cause an actuarial investigation to be made of all experience under the retirement system. Pursuant to such an investigation, the system shall, from time to time, determine upon an actuarial basis the condition of the retirement system and shall report to the general assembly its findings and recommendations.

*d. Annual valuation of assets.* The system shall cause an annual actuarial valuation to be made of the assets and liabilities of the retirement system and shall prepare an annual statement of the amounts to be contributed under this chapter, and shall publish annually such valuation of the assets and liabilities and the statement of receipts and disbursements of the retirement system. Based upon the actuarial methods and assumptions adopted by

the board for the annual actuarial valuation, the system shall certify to the governor the contribution rates determined thereby as the rates necessary and sufficient for members and employers to fully fund the benefits and retirement allowances being credited. Effective with the fiscal year beginning July 1, 2008, the annual actuarial valuation required by this paragraph shall include information as required by section 97D.5 for each membership group which separately determines contribution rates under this chapter.

5. *Investments.* The system, through the chief investment officer, shall invest, subject to chapters 12F and 12H and in accordance with the investment policy and goal statement established by the board, the portion of the retirement fund which, in the judgment of the system, is not needed for current payment of benefits under this chapter subject to the requirements of section 97B.7A.

6. *Old records.* The system may destroy or dispose of such original reports or records as have been properly recorded or summarized in the permanent records of the system and are deemed by the chief executive officer to be no longer necessary to the proper administration of this chapter. The destruction or disposition shall be made only by order of the chief executive officer. Records of deceased members of the retirement system may be destroyed ten years after the later of the final payment made to a third party on behalf of the member or the death of the member. Any moneys received from the disposition of these records shall be deposited to the credit of the retirement fund subject to rules adopted by the system.

7. *Immunity.* The system, employees of the system, the board, the members of the board, and the treasurer of state are not personally liable for actions or omissions under this chapter that do not involve malicious or wanton misconduct even if those actions or omissions violate the standards established in section 97B.7A.

[C46, 50, §97.4, 97.23; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.4]

86 Acts, ch 1245, §251; 88 Acts, ch 1242, §9, 10; 92 Acts, ch 1201, §7; 96 Acts, ch 1187, §1; 2001 Acts, ch 68, §9, 24; 2003 Acts, ch 145, §172, 173, 286; 2006 Acts, ch 1092, §3; 2007 Acts, ch 39, §10; 2008 Acts, ch 1171, §21, 22, 48; 2010 Acts, ch 1167, §23, 24; 2011 Acts, ch 82, §10

Referred to in §97B.7A, 97B.8A

Section not amended; internal reference change applied

**97B.5 and 97B.6** Repealed by 2001 Acts, ch 68, § 23, 24. See § 97B.4.

**97B.7 Fund created — exclusive benefit — standing appropriations.**

1. There is hereby created as a special fund, separate and apart from all other public moneys or funds of this state, the "Iowa Public Employees' Retirement Fund", hereafter called the "retirement fund". The retirement fund shall consist of all moneys collected under this chapter, together with all interest, dividends, and rents thereon, and shall also include all securities or investment income and other assets acquired by and through the use of the moneys belonging to the retirement fund and any other moneys that have been paid into the retirement fund.

2. The treasurer of the state of Iowa is hereby made the custodian of the retirement fund and shall hold and disburse the retirement fund in accordance with the requirements of this chapter. As custodian, the treasurer shall be authorized to disburse moneys in the retirement fund upon warrants drawn by the director of the department of administrative services pursuant to the order of the system. The treasurer shall not select any bank or other third party for the purposes of investment asset safekeeping, other custody, or settlement services without prior consultation with the board.

3. All moneys which are paid or deposited into the fund are appropriated and made available to the system to be used for the exclusive benefit of the members and their beneficiaries or contingent annuitants as provided in this chapter:

*a.* To be used by the system for the payment of claims for benefits under this chapter.

*b.* To be used by the system to pay refunds provided for in this chapter.

*c.* To be used for the costs of administering the system, including up to fifty thousand dollars per fiscal year for actual and necessary expenses of the benefits advisory committee. If as a result of action under section 8.31, the governor has reduced the moneys appropriated from the retirement fund to the system for salaries, support, maintenance, and other

operational purposes to pay the costs of the system for a fiscal year, it is the intent of the general assembly that the amount by which the appropriation has been reduced should be transferred from the retirement fund to the system for salaries, support, maintenance, and other operational purposes to pay the costs of the system for that fiscal year.

*d.* To be used to pay for investment management expenses incurred in the management of the retirement fund. Expenses incurred pursuant to this paragraph shall be charged to the investment income of the retirement fund.

[C46, 50, §97.5, 97.7; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.7; 82 Acts, ch 1261, §10]

84 Acts, ch 1180, §9; 84 Acts, ch 1285, §3; 85 Acts, ch 190, §1; 85 Acts, ch 227, §7; 86 Acts, ch 1245, §253; 88 Acts, ch 1242, §11 – 13; 89 Acts, ch 83, §20; 92 Acts, ch 1201, §10; 94 Acts, ch 1001, §3; 96 Acts, ch 1187, §2, 3; 2001 Acts, ch 68, §10, 24; 2003 Acts, ch 145, §286; 2008 Acts, ch 1171, §23, 48

Referred to in §97B.42B, 97B.43, 97B.49, 97B.49G

Section not amended; editorial change applied

**97B.7A Investment and management of retirement fund — standards — immunity.**

1. *Investment and investment policy standards.* In establishing the investment policy of the retirement fund and providing for the investment of the retirement fund, the system and board shall do the following:

*a.* Exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for the purpose of speculation, but with regard to the permanent disposition of the funds, considering the probable income, as well as the probable safety, of their capital.

*b.* Give appropriate consideration to those facts and circumstances that the system and board know or should know are relevant to the particular investment or investment policy involved, including the role the investment plays in the total value of the retirement fund.

*c.* For the purposes of this subsection, appropriate consideration includes, but is not limited to, a determination that the particular investment or investment policy is reasonably designed to further the purposes of the retirement system, taking into consideration the risk of loss and the opportunity for gain or income associated with the investment or investment policy and consideration of the following factors as they relate to the retirement fund:

(1) The composition of the retirement fund with regard to diversification.

(2) The liquidity and current return of the investments in the retirement fund relative to the anticipated cash flow requirements of the retirement system.

(3) The projected return of the investments relative to the funding objectives of the retirement system.

2. *Investment acquisitions.* Within the limitations of the investment standards prescribed in this section, the system may acquire and retain every kind of property and every kind of investment which persons of prudence, discretion, and intelligence acquire or retain for their own account. Consistent with this section, investments shall be made in a manner that will enhance the economy of this state, and in particular, will result in increased employment of the residents of this state. Investments of moneys in the retirement fund are not subject to sections 73.15 through 73.21.

3. *Liability — reimbursement.* Except as provided in section 97B.4, subsection 7, if there is loss to the retirement fund, the treasurer of state, the system, the employees of the system, the members of the board severally, and the board are not personally liable, and the loss shall be charged against the retirement fund. There is appropriated from the retirement fund the amount required to cover a loss.

4. *Investment procedures.* In managing the investment of the retirement fund, the system, in accordance with the investment policy established by the board, is authorized to do the following:

*a.* To sell any securities or other property in the retirement fund and reinvest the proceeds when such action may be deemed advisable by the system for the protection of the retirement fund or the preservation of the value of the investment. Such sale of securities or other property of the retirement fund and reinvestment shall only be made in accordance with policies of the board in the manner and to the extent provided in this chapter.

*b.* To subscribe for the purchase of securities for future delivery in anticipation of future income. The securities shall be paid for by anticipated income or from funds from the sale of securities or other property held by the retirement fund.

*c.* To pay for securities directed to be purchased upon the receipt of the purchasing bank's paid statement or paid confirmation of purchase.

5. *Travel.* In the administration of the investment of moneys in the retirement fund, employees of the system and members of the board may travel outside the state for the purpose of meeting with investment firms and consultants and attending conferences and meetings to fulfill their fiduciary responsibilities. This travel is not subject to section 8A.512, subsection 2.*

2001 Acts, ch 68, §11, 24; 2003 Acts, ch 145, §174, 286

Referred to in §12.8, 12B.10, 12C.5, 12C.10, 97A.7, 97B.4, 97B.8A, 257B.20, 411.7, 412.4, 602.9111

*Former subsection 2 of section 8A.512, that required executive council approval of certain out-of-state travel expenses, was stricken by 2011 Acts, ch 127, §43

**97B.8** Repealed by 2001 Acts, ch 68, § 23, 24. See § 97B.8A.

**97B.8A Investment board.**

1. *Board established.* A board is established to be known as the "Investment Board of the Iowa Public Employees' Retirement System", referred to in this chapter as the "board". The duties of the board are to establish policy, and review its implementation, in matters relating to the investment of the retirement fund. The board shall be the trustee of the retirement fund.

2. *Investment review.*

*a.* At least annually the board shall review the investment policies and procedures used by the board and system, and shall hold a public meeting on the investment policies and investment performance of the retirement fund. Following its review and the public meeting, the board shall, pursuant to the requirements of section 97B.7A, and in consultation with the chief investment officer and other relevant personnel of the system, establish an investment policy and goal statement that shall direct the investment activities concerning the retirement fund.

*b.* The board shall review and approve, prior to the execution of a contract with the system, the hiring of each investment manager and investment consultant outside of state government.

*c.* The board shall be involved in the performance evaluation of the chief investment officer.

3. *Actuarial responsibilities.*

*a.* The board shall select the actuary to be employed by the system as provided in section 97B.4.

*b.* The board shall, in consultation with the chief executive officer, the actuary, and other relevant personnel of the system, adopt from time to time mortality tables and all other necessary factors for use in actuarial calculations required in connection with the retirement system. The board shall also adopt the actuarial methods and assumptions to be used by the actuary for the annual valuation of assets as required by section 97B.4.

4. *Membership.*

*a.* The board shall consist of eleven members, including seven voting members and four nonvoting members.

(1) The voting members shall be as follows:

(a) Three public members, appointed by the governor, who are not members of the retirement system and who each have substantial institutional investment experience or substantial institutional financial experience.

(b) Three members, appointed by the governor, who are members of the retirement system. Prior to the appointment by the governor of a member of the board under this subparagraph, the benefits advisory committee shall submit a slate of at least two nominees per position to the governor for the governor's consideration. The governor is not required to appoint a member from the slate submitted. Of the three members appointed, one shall be an active member who is an employee of a school district, area education agency, or

merged area; one shall be an active member who is not an employee of a school district, area education agency, or merged area; and one shall be a retired member of the retirement system.

(c) The treasurer of state.

(2) The nonvoting members of the board shall be two state representatives, one appointed by the speaker of the house of representatives and one by the minority leader of the house, and two state senators, one appointed by the majority leader of the senate and one by the minority leader of the senate.

*b.* Four voting members of the board shall constitute a quorum.

*c.* The three members who have substantial institutional investment experience or substantial institutional financial experience, and the member who is a retired member of the retirement system, shall be paid their actual expenses incurred in the performance of their duties and shall receive a per diem as specified in section 7E.6 for each day of service not exceeding forty days per year. Legislative members shall be paid the per diem and expenses specified in section 2.10, for each day of service. The per diem and expenses of the legislative members shall be paid from funds appropriated under section 2.12. The members who are active members of the retirement system and the treasurer of state shall be paid their actual expenses incurred in the performance of their duties as members of the board and the performance of their duties as members of the board shall not affect their salaries, vacations, or leaves of absence for sickness or injury.

*d.* The appointive terms of the members appointed by the governor are for a period of six years beginning and ending as provided in section 69.19. If there is a vacancy in the membership of the board for one of the members appointed by the governor, the governor has the power of appointment. Gubernatorial appointees to this board are subject to confirmation by the senate.

5. *Closed sessions.* In addition to the reasons provided in section 21.5, subsection 1, the board may hold a closed session pursuant to the requirements of section 21.5 of that portion of a board meeting in which financial or commercial information is provided to or discussed by the board if the board determines that disclosure of such information could result in a loss to the retirement system or to the provider of the information.

2001 Acts, ch 68, §12, 24; 2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §201

Referred to in §97B.1, 97B.1A, 97B.8B

Confirmation, see §2.32

Section not amended; editorial change applied

**97B.8B Benefits advisory committee.**

1. *Committee established.* A benefits advisory committee shall be established whose duty is to consider and make recommendations to the system and the general assembly concerning the provision of benefits and services to members of the retirement system.

2. *Membership.* The benefits advisory committee shall be comprised of representatives of constituent groups concerned with the retirement system, and shall include representatives of employers, active members, and retired members. In addition, the director of the department of administrative services and a member of the public selected by the voting members of the committee shall serve as members of the committee. The system shall adopt rules under chapter 17A to provide for the selection of members to the committee and the election of the voting members of the committee.

3. *Voting members.* Of the members who comprise the committee, nine members shall be voting members. Except as otherwise provided by this subsection, the voting members shall be elected by the members of the committee from the membership of the committee. Of the nine voting members of the committee, four shall represent covered employers, and four shall represent the members of the retirement system. Of the four voting members representing employers, one shall be the director of the department of administrative services, one shall be a member of a constituent group that represents cities, one shall be a member of a constituent group that represents counties, and one shall be a member of a constituent group that represents local school districts. Of the four voting members who represent members of the retirement system, one shall be a member of a constituent group that represents teachers. The ninth voting member of the committee shall be a citizen who

is not a member of the retirement system and who is elected by the other voting members of the committee.

4. *Duties.*

*a.* At least every two years, the benefits advisory committee shall review the benefits and services provided to members under this chapter, and the voting members of the committee shall make recommendations to the system and the general assembly concerning the services provided to members and the benefits, benefits policy, and benefit goals, provided under this chapter.

*b.* The benefits advisory committee shall be involved in the performance evaluation of the chief benefits officer.

*c.* Upon the expiration of the term of office of or a vacancy concerning one of the three members of the investment board described in section 97B.8A, subsection 4, paragraph "*a*", subparagraph (1), subparagraph division (b), the voting members of the committee shall submit to the governor the names of at least two nominees who meet the requirements specified in that subparagraph division. The governor may appoint the member from the list submitted by the committee.

5. *Terms of voting members.* Except for the director of the department of administrative services and as otherwise provided in the rules for the initial selection of voting members of the committee, each member selected to be a voting member shall serve as a voting member for three years. Terms for voting members begin on May 1 in the year of selection and expire on April 30 in the year of expiration. Vacancies shall be filled in the same manner as the original selections. A vacancy shall be filled for the unexpired term.

6. *Expenses.* The members who are not active members of the retirement system shall be paid their actual expenses incurred in the performance of their duties and shall receive a per diem as specified in section 7E.6 for each day of service not exceeding forty days per year. The members who are active members of the retirement system and the director of the department of administrative services shall be paid their actual expenses incurred in the performance of their duties as members of the committee and the performance of their duties as members of the committee shall not affect their salaries, vacations, or leaves of absence for sickness or injury. However, the benefits advisory committee shall not incur any additional expenses in fulfilling its duties as provided by this section without the express written authority of the chief executive officer.

2001 Acts, ch 68, §13, 24; 2003 Acts, ch 145, §286; 2009 Acts, ch 41, §263

Referred to in §97B.1

**97B.9 Contributions — payment and interest.**

1. An employer shall be charged the greater of twenty dollars per occurrence or interest at the combined interest and dividend rate required under section 97B.70 for the applicable calendar year for contributions unpaid on the date on which they are due and payable as prescribed by the system. The system may adopt rules prescribing circumstances for which the interest or charge shall not accrue with respect to contributions required. Interest or charges collected pursuant to this section shall be paid into the Iowa public employees' retirement fund.

2. If within thirty days after due notice the employer defaults in payment of contributions or interest thereon, the amount due may be collected by civil action in the name of the system, and the employer adjudged in default shall pay the costs of such action. Civil actions brought under this section to collect contributions or interest thereon shall be heard by the court at the earliest possible date and shall be entitled to preference upon the calendar of the court over all other civil actions.

3. The employer shall pay its contribution from funds available and is directed to pay same from tax money or from any other income of the political subdivision; provided, however, the contributions shall be paid from the same fund as the employee salary.

4. Every political subdivision is hereby authorized and directed to levy a tax sufficient to meet its obligations under the provisions of this chapter if any tax is needed.

5. Regardless of any potentially applicable statute of limitations, if the system finds that the employer or employee, or both, have erroneously underpaid contributions, the system

shall notify the employer and employee in writing of the total amount of the underpayment, including interest, and the employer's and employee's share of the underpayment. The system shall collect from the employer the total amount of the underpayment, including the employer's share, the employee's share, and the interest assessed to both shares of the underpayment, regardless of whether the employee has reimbursed the employer for the employee's share of the underpayment. The employee shall be obligated to pay only the employee's share of the underpaid contributions, without interest, to the employer. The employer may collect the employee's share of underpaid contributions from the employee or the employee's estate. The employer may collect the employee's share through a deduction from the employee's wages, or by maintaining a legal action against the employee or the employee's estate. For purposes of section 1526 of the federal Taxpayer Relief Act of 1997, eligible participants, as defined by section 1526, may make payments of contributions under this section without regard to the limitations of section 415(c)(1) of the federal Internal Revenue Code.

[C46, 50, §97.6, 97.8, 97.9, 97.12; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.9]

88 Acts, ch 1242, §15; 98 Acts, ch 1183, §10; 2000 Acts, ch 1077, §22, 23; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2008 Acts, ch 1171, §24, 48

**97B.9A Collections — waiver.**

Notwithstanding any provision of this chapter to the contrary, the system may, in its sole discretion, waive the collection of benefits overpayments, contribution underpayments, or any other debts owed the system, that occur more than three years prior to the date of discovery of the overpayment, underpayment, or debt by the system, for cases in which there is no evidence of fraud or other misconduct on the part of the affected employer or the affected member or beneficiary in providing or failing to provide information necessary to the proper determination of a debt owed the system, calculation of contributions and payments, or calculation of benefits under this chapter.

2004 Acts, ch 1103, §13

**97B.10 Crediting of erroneous contributions.**

1. If the system finds the employee or employer, or both, have erroneously paid contributions, including the payment of contributions prior to an individual's valid decision to elect out of coverage under this chapter on or after January 1, 1999, pursuant to section 97B.42A, the system shall make an adjustment, compromise, or settlement and shall credit such payments to the appropriate party.

2. A claim of an employee or employer for a credit for erroneously paid contributions shall be made within three years of date of payment. However, the system may issue a credit to employees or employers after the expiration of the three-year deadline if the system finds that issuing the credit is just and equitable.

3. Interest shall not be paid on credits issued pursuant to this section. However, the system may, at any time, apply accumulated interest and interest dividends as provided in section 97B.70 on any credits issued under this section if the system finds that the crediting of interest is just and equitable.

[C46, 50, §97.7; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.10]

92 Acts, ch 1201, §13; 98 Acts, ch 1183, §11; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2008 Acts, ch 1171, §25, 48

Referred to in §97B.42A

**97B.11 Contributions by employer and employee.**

1. Each employer shall deduct from the wages of each member of the retirement system a contribution in the amount of the applicable employee percentage of the covered wages paid by the employer and such additional amount if otherwise required by law, until the member's termination from employment. The contributions of the employer shall be in the amount of the applicable employer percentage of the covered wages of the member and such additional amount if otherwise required by law.

2. Prior to July 1, 2011, for purposes of this section, unless the context otherwise requires:

*a.* *"Applicable employee percentage"* means the percentage rate equal to three and seven-tenths percent plus forty percent of the total additional percentage.

*b.* *"Applicable employer percentage"* means the percentage rate equal to five and seventy-five hundredths percent plus sixty percent of the total additional percentage.

*c.* *"Total additional percentage"* means for the fiscal period beginning July 1, 2007, through June 30, 2011, the total additional percentage for the prior fiscal year plus, only if the total comparison percentage is greater than the total of the applicable employee percentage and the applicable employer percentage for the prior fiscal year, one-half percentage point.

*d.* *"Total comparison percentage"* means the percentage rate that the system determines, based upon the most recent actuarial valuation of the retirement system, would be sufficient to amortize the unfunded actuarial liability of the retirement system in ten years.

3. On and after July 1, 2011, for purposes of this section, unless the context otherwise requires:

*a.* For members in regular service:

(1) *"Applicable employee percentage"* means the percentage rate equal to forty percent of the required contribution rate for members in regular service.

(2) *"Applicable employer percentage"* means the percentage rate equal to sixty percent of the required contribution rate for members in regular service.

*b.* For members in special service in a protection occupation as described in section 97B.49B:

(1) *"Applicable employee percentage"* means the percentage rate equal to forty percent of the required contribution rate for members described in section 97B.49B.

(2) *"Applicable employer percentage"* means the percentage rate equal to sixty percent of the required contribution rate for members described in section 97B.49B.

*c.* For members in special service as a county sheriff or deputy sheriff as described in section 97B.49C:

(1) *"Applicable employee percentage"* means the percentage rate equal to fifty percent of the required contribution rate for members described in section 97B.49C.

(2) *"Applicable employer percentage"* means the percentage rate equal to fifty percent of the required contribution rate for members described in section 97B.49C.

*d.* *"Required contribution rate"* means that percentage of the covered wages of members in regular service, members described in section 97B.49B, and members described in section 97B.49C, that the system shall, for each fiscal year, separately set for members in each membership category as provided in this paragraph. The required contribution rate that is set by the system for a membership category shall be the contribution rate the system actuarially determines, based upon the most recent actuarial valuation of the system and using the actuarial methods, assumptions, and funding policy approved by the investment board, is the rate required by the system to discharge its liabilities as a percentage of the covered wages of members in that membership category. However, the required contribution rate set by the system for members in regular service for a fiscal year shall not vary by more than one percentage point from the required contribution rate for the prior fiscal year.

[C46, 50, §97.8, 97.12; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.11]

88 Acts, ch 1242, §16; 92 Acts, ch 1201, §14; 96 Acts, ch 1187, §4; 98 Acts, ch 1183, §12; 2000 Acts, ch 1077, §24; 2003 Acts, ch 145, §286; 2006 Acts, ch 1091, §4; 2008 Acts, ch 1171, §26, 48; 2010 Acts, ch 1167, §25

Referred to in §97B.1A, 97B.11A, 97B.14, 97B.42, 97B.49G, 97B.49H, 97B.50A, 97B.80, 260C.14, 384.6

Establishment of required contribution rate for special service members for fiscal year beginning July 1, 2011; 2008 Acts, ch 1171, §47; 2010 Acts, ch 1167, §35

Establishment of required contribution rate for regular service members for fiscal year beginning July 1, 2011; 2010 Acts, ch 1167, §38

**97B.11A Pickup of employee contributions.**

1. Notwithstanding section 97B.11 or other provisions of this chapter, beginning January 1, 1995, for federal income tax purposes, and beginning January 1, 1999, for state income tax purposes, member contributions required under section 97B.11 which are picked up by the employer shall be considered employer contributions for federal and state income tax purposes, and each employer shall pick up the member contributions to be made under section 97B.11 by its employees. Each employer shall pick up these contributions by

reducing the salary of each of its employees covered by this chapter by the amount which each employee is required to contribute under section 97B.11 and shall pay the amount picked up in lieu of the member contributions as provided in section 97B.14.

2. Member contributions picked up by each employer under subsection 1 shall be treated as employer contributions for federal and state income tax purposes only and for all other purposes of this chapter shall be treated as employee contributions and deemed part of the employee's wages or salary.

94 Acts, ch 1183, §13; 98 Acts, ch 1174, §2, 6
Referred to in §97B.1A, 97B.14

**97B.12** Repealed by 98 Acts, ch 1183, § 75.

**97B.13** Repealed by 2000 Acts, ch 1077, § 73.

**97B.14 Contributions forwarded.**

Contributions deducted from the wages of the member under section 97B.11 prior to January 1, 1995, member contributions picked up by the employer under section 97B.11A beginning January 1, 1995, and the employer's contribution shall be forwarded to the system for recording and deposited with the treasurer of the state to the credit of the Iowa public employees' retirement fund. Contributions shall be remitted monthly and shall be otherwise paid in such manner, at such times, and under such conditions, either by copies of payrolls or other methods necessary or helpful in securing proper identification of the member, as may be prescribed by the system.

[C46, 50, §97.12; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.14]

94 Acts, ch 1183, §14; 96 Acts, ch 1187, §5; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2008 Acts, ch 1171, §27, 48
Referred to in §97B.11A

**97B.14A Wage reporting.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Change in the schedule of wage payments"* means the formal or informal deferral of wages earned in one calendar year to a later calendar year or the acceleration of the wages payable under a contract of employment to the prior calendar year by changing the period over which the contractual compensation is paid, by shortening the period of employment over which contract wages are to be paid, or similar arrangements altering the timing of wage payments.

*b.* *"Distortion of the normal wage progression pattern"* means an increase of ten percent or more between the covered wages reported for any two consecutive years.

2. An employer shall report wages of employees covered by this chapter to the system in a manner and form as prescribed by the system. If the wages reported by an employer appear to be a distortion of the normal wage progression pattern for an employee, the system may request that the employer provide documentation explaining the reason for the distortion. If the distortion of the normal wage progression pattern results from covering compensation that is excluded from the definition of covered wages, or from a change in the schedule of wage payments for an individual, the system shall remove wages that should not be covered from its records, and shall, in cases involving increases caused by a change in the schedule of wage payments, reallocate covered wages to the calendar quarters in which the covered wages would have been reported but for the change in the schedule of wage payments.

2000 Acts, ch 1077, §25; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §14

**97B.15 Rules, policies, and procedures.**

The system may adopt rules under chapter 17A and establish procedures, not inconsistent with this chapter, which are necessary or appropriate to implement this chapter and shall adopt reasonable and proper rules to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the proofs and evidence in order to establish the right to benefits under this chapter. The system may adopt rules, and

take action based on the rules, to conform the requirements for receipt of retirement benefits under this chapter to the mandates of applicable federal and state statutes and regulations.

Prior to the adoption of rules, the system may establish interim written policies and procedures, and take action based on the policies and procedures, to conform the requirements for receipt of retirement benefits under this chapter to the applicable requirements of federal and state law.

[C46, 50, §97.23; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.15]

88 Acts, ch 1242, §17; 90 Acts, ch 1240, §15; 96 Acts, ch 1187, §6; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §12; 2003 Acts, ch 145, §286

**97B.16 Procedure of system.**

The system shall make decisions as to the rights of an individual applying for a payment under this chapter. When requested by an individual, or a person who makes a showing in writing that the individual's or person's rights may be prejudiced by a decision the system has made, a hearing shall be scheduled under the Iowa administrative procedures Act, chapter 17A. If a hearing is held, the decision shall, on the basis of evidence adduced at the hearing, be affirmed, modified, or reversed under chapter 17A.

[C46, 50, §97.24; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.16]

88 Acts, ch 1242, §18; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286

**97B.17 Records maintained.**

1. The system shall establish and maintain records of each member, including but not limited to the amount of wages of each member, the contributions made on behalf of each member with interest, interest dividends credited, beneficiary designations, and applications for benefits of any type. The records may be maintained in paper, magnetic, or electronic form, including optical disk storage, as set forth in chapter 554D. The system may accept, but shall not require, electronic records and electronic signatures to the extent permitted under chapter 554D. These records are the basis for the compilation of the retirement benefits provided under this chapter.

2. The following records maintained under this chapter are not public records for the purposes of chapter 22:

*a.* Records containing social security numbers.

*b.* Records specifying amounts accumulated in members' accounts and supplemental accounts.

*c.* Records containing names or addresses of members or their beneficiaries.

*d.* Records containing amounts of payments to members or their beneficiaries.

*e.* Records containing financial or commercial information that relates to the investment of retirement system funds if the disclosure of such information could result in a loss to the retirement system or to the provider of the information.

3. Summary information concerning the demographics of the members and general statistical information concerning the retirement system are subject to chapter 22, as well as aggregate information by category.

4. *a.* The system's records are evidence for the purpose of proceedings before the system or any court of the amounts of wages and the periods in which they were paid, and the absence of an entry as to a member's wages in the records for any period is evidence that wages were not paid that member in the period.

*b.* Notwithstanding any provisions of chapter 22 to the contrary, the system's records may be released to any political subdivision, instrumentality, or other agency of the state solely for use in a civil or criminal law enforcement activity pursuant to the requirements of this subsection. To obtain the records, the political subdivision, instrumentality, or agency shall, in writing, certify that the activity is authorized by law, provide a written description of the information desired, and describe the law enforcement activity for which the information is sought. The system shall not be civilly or criminally liable for the release or rerelease of records in accordance with this subsection.

5. Confidential records of the system maintained for the operation of the retirement system may be released to the directors, agents, and employees of the legislative services

agency, the department of revenue, the department of management, the department of administrative services, or an employer of employees covered by the retirement system pursuant to rules adopted by the system for the performance of the requestor's duties. To obtain a record under this subsection, the person requesting the records shall provide a written description of the information requested and the reason for requesting the records to the system. A person receiving a record pursuant to this subsection shall maintain the confidentiality of any information otherwise required to be kept confidential and shall be subject to the same penalties as the custodian of the records for the public dissemination of such information.

[C46, 50, §97.25 – 97.27; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.17]

88 Acts, ch 1242, §19; 92 Acts, ch 1201, §15; 96 Acts, ch 1187, §7, 8; 98 Acts, ch 1183, §14; 2000 Acts, ch 1077, §26; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §13; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 44, §30; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §15

Release of records for purposes of administering and monitoring the state employee retirement incentive program; 2010 Acts, ch 1005, §1, 2

**97B.18 Statement of accumulated credit.**

After the expiration of each calendar year and prior to July 1 of the succeeding year, the system shall furnish each member with a statement of the member's accumulated contributions and benefit credits accrued under this chapter up to the end of that calendar year and additional information the system deems useful to a member. The system may furnish an estimate of the credits as of the projected normal retirement date of the member under section 97B.45. The records of the system as shown by the statement as to the wages of each individual member for a year and the periods of payment shall be conclusive for the purpose of this chapter, except as otherwise provided in this chapter.

[C46, 50, §97.11, 97.25; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.18]

92 Acts, ch 1201, §16; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §14; 2003 Acts, ch 145, §286

Referred to in §97B.19

**97B.19 Revision for error.**

If following the delivery of the statement provided in section 97B.18, it is brought to the attention of the system that any entry of wages in its records is erroneous, or that any item of wages has been omitted from the records, the system may correct the entry or include the omitted item in its records, as the case may be. Written notice of any revision of any entry which is adverse to the interest of any individual shall be given to the individual in any case where the individual has previously been notified by the system of the amount of wages and of the period of payments shown by the entry. Upon request in writing, the system shall afford any individual, or after the individual's death shall afford the individual's beneficiary or any other person so entitled in the judgment of the system, reasonable notice and opportunity for hearing with respect to any entry or alleged omission of wages of the individual in such record, or any revision of any entry. If a hearing is held, the system shall make findings of fact and a decision based upon the evidence adduced at the hearing and shall revise its records accordingly. Judicial review of action of the system under this section may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A, and section 97B.29.

[C46, 50, §97.22, 97.26, 97.28; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.19]

98 Acts, ch 1183, §15; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 44, §114; 2003 Acts, ch 145, §286

**97B.20** Repealed by 98 Acts, ch 1183, § 75.

**97B.20A Appeal procedure.**

Members and third-party payees may appeal any decision made by the system that affects their rights under this chapter. The appeal shall be filed with the system within thirty days after the notification of the decision was mailed to the party's last known mailing address, or the decision of the system is final. If the party appeals the decision of the system, the system

shall conduct an internal review of the decision and the chief executive officer shall notify the individual who has filed the appeal in writing of the system's decision. The individual who has filed the appeal may file an appeal of the system's final decision with the system under chapter 17A by notifying the system of the appeal in writing within thirty days after the notification of its final decision was mailed to the party's last known mailing address. Once notified, the system shall forward the appeal to the department of inspections and appeals.

92 Acts, ch 1201, §17; 2001 Acts, ch 68, §14, 24; 2003 Acts, ch 145, §286

**97B.20B Hearing by administrative law judge.**

If an appeal is filed and is not withdrawn, an administrative law judge in the department of inspections and appeals, after affording the parties reasonable opportunity for fair hearing, shall affirm, modify, or reverse the decision of the system. The hearing shall be recorded by mechanical means and a transcript of the hearing shall be made. The transcript shall then be made available for use by the employment appeal board and by the courts at subsequent judicial review proceedings under the Iowa administrative procedure Act, chapter 17A, if any. The parties shall be duly notified of the administrative law judge's decision, together with the administrative law judge's reasons. The decision is final unless, within thirty days after the date of notification or mailing of the decision, review by the employment appeal board is initiated pursuant to section 97B.27.

92 Acts, ch 1201, §18; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 44, §114; 2003 Acts, ch 145, §286

**97B.21** Repealed by 74 Acts, ch 1090, § 211.

**97B.22 Witnesses and evidence.**

For the purpose of any hearing, investigation, or other proceeding authorized or directed under this chapter, or relative to any other matter within its jurisdiction under this chapter, the system or administrative law judge may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation or in question before the system. Attendance of witnesses and production of evidence at the designated place of the hearing, investigation, or other proceedings may be required from any political subdivision in the state. Subpoenas of the system shall be served by anyone authorized by it by delivering a copy of the subpoena to the individual named in it, or by certified mail addressed to the individual at the individual's last known dwelling place or principal place of business. A verified return by the individual serving the subpoena setting forth the manner of service, or in the case of service by certified mail, the return post office receipt signed by the individual served, shall be proof of service. Witnesses subpoenaed shall be paid the same fees and mileage as are paid witnesses in the district courts of the state of Iowa. In the discharge of the duties imposed by this chapter, the system or an administrative law judge and any duly authorized representative or member of the system may administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with the administration of this chapter.

[C46, 50, §97.30, 97.32; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.22]

92 Acts, ch 1201, §19; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286

Witness fees, §622.69 – 622.75

**97B.23 Penalty for noncompliance.**

In case of refusal to obey a subpoena duly served upon any person, any district court of the state of Iowa for the district in which the person charged with refusal to obey is found or resides or transacts business, upon application by the system, may issue an order requiring that person to appear and give testimony, or to appear and produce evidence, or both. Any failure to obey the order of the court may be punished by the court as contempt.

[C46, 50, §97.31, 97.32; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.23]

92 Acts, ch 1201, §20; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286

Contempts, chapter 665

**97B.24 Production of books and papers.**

No person so subpoenaed or ordered shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence on the ground that the testimony or evidence required of the person may tend to incriminate the person or subject the person to a penalty or forfeiture; but no person shall be prosecuted or subjected to any penalty or forfeiture for, or on account of, any transaction, matter, or thing concerning which the person is compelled, after having claimed the person's privilege against self-incrimination, to testify or produce evidence, except that such person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

[C46, 50, §97.32; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.24]

Perjury, §720.2, 720.3

**97B.25 Applications for benefits.**

A representative designated by the chief executive officer and referred to in this chapter as a retirement benefits officer shall promptly examine applications for retirement benefits and on the basis of facts found shall determine whether or not the claim is valid. If the claim is valid, the retirement benefits officer shall send a notification to the member stating the option the member has selected pursuant to section 97B.51, the month with respect to which benefits shall commence, and the monthly benefit amount payable. If the claim is invalid, the retirement benefits officer shall promptly notify the applicant and any other interested party of the decision and the reasons. A retirement application shall not be amended or revoked by the member once the first retirement allowance is paid. A member's death during the first month of entitlement shall not invalidate an approved application.

[C46, 50, §97.33, 97.39, 97.41; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.25]

86 Acts, ch 1245, §255; 88 Acts, ch 1109, §13; 92 Acts, ch 1201, §21; 94 Acts, ch 1023, §8; 94 Acts, ch 1183, §15; 96 Acts, ch 1187, §9; 98 Acts, ch 1183, §16; 2000 Acts, ch 1077, §27; 2001 Acts, ch 68, §15, 24

**97B.26** Repealed by 92 Acts, ch 1201, § 77. See § 97B.20B.

**97B.27 Review of decision.**

Anyone aggrieved by the decision of the administrative law judge may, at any time before the administrative law judge's decision becomes final, petition the department of inspections and appeals for review by the employment appeal board established in section 10A.601. The appeal board shall review the record made before the administrative law judge, but no additional evidence shall be heard. On the basis of the record the appeal board shall affirm, modify, or reverse the decision of the administrative law judge and shall determine the rights of the appellant. It shall promptly notify the appellant and any other interested party by written decision.

[C46, 50, §97.33; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.27]

86 Acts, ch 1245, §257; 88 Acts, ch 1109, §15

Referred to in §97B.20B

**97B.28 System deemed party to action.**

The system shall be deemed to be a party to any judicial action involving any such decision and may be represented in any such judicial action by any qualified attorney who is a regular salaried employee of the system or who has been designated by the system for that purpose or, at the system's request, by the attorney general.

[C46, 50, §97.34; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.28]

2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286

**97B.29 Judicial review.**

Judicial review of action of the system may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, petitions for judicial review may be filed in the district court of the county in which the claimant was last employed or resides, provided that if

the claimant does not reside in the state of Iowa the action shall be brought in the district court of Polk county, Iowa, against the system for the review of this decision, in which action any other parties to the proceeding before the system shall be named in the petition. The system may also, in its discretion, certify to such courts, questions of law involving any decision by it. Such petitions for judicial review and the questions so certified shall be given precedence over all other civil cases except cases arising under the workers' compensation law and the employment security law of this state.

[C46, 50, §97.33; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.29]

2001 Acts, ch 68, §21, 24; 2003 Acts, ch 44, §114; 2003 Acts, ch 145, §286

Referred to in §97B.19

**97B.30 and 97B.31** Repealed by 74 Acts, ch 1090, § 211.

**97B.32 Appeal to supreme court.**

No bond shall be required for entering an appeal from any final order, judgment or decree of the district court in a proceeding for judicial review to the supreme court.

[C46, 50, §97.33; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.32]

**97B.33 Payment to individuals.**

Upon final decision of the system, or upon final judgment of any court of competent jurisdiction, that any person is entitled to any payment or payments under this chapter, the system shall make payment to the person, provided that where judicial review of the system's decision is or may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A, payment may be withheld pending such review.

[C46, 50, §97.35; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.33]

2001 Acts, ch 68, §21, 24; 2003 Acts, ch 44, §114; 2003 Acts, ch 145, §286; 2008 Acts, ch 1171, §28, 48

**97B.34 Payment to representatives.**

When it appears to the system that the interest of an applicant entitled to a payment would be served, certification of payment may be made, regardless of the legal competency or incompetency of the individual entitled to the payment, either for direct payment to the applicant, or for the applicant's use and benefit to a representative of an applicant. The system may adopt rules under chapter 17A for making payments to a representative of an applicant if the system determines that it can sufficiently safeguard the member's rights under this chapter.

[C46, 50, §97.36; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.34]

92 Acts, ch 1201, §22; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286

Referred to in §97B.35

**97B.34A Payment to minors.**

1. The system may make payments to a minor, as defined in section 599.1, as follows:

*a.* If the total sum to be paid to the minor is less than the greater of twenty-five thousand dollars or the maximum amount permitted under section 565B.7, subsection 3, the funds may be paid to an adult as custodian for the minor. The custodian must complete the proper forms as determined by the system.

*b.* If the total sum to be paid to the minor is equal to or more than the amount authorized in paragraph "*a*", the funds must be paid to a court-established conservator. The system shall not make payment until the conservatorship has been established and the system has received the appropriate documentation.

*c.* Interest shall be paid on the funds, at a rate determined by the system, until disbursement of the funds.

2. If the system makes payments to a minor pursuant to this section, the system may make payments directly to the person when the person attains the age of eighteen or is declared to be emancipated by a court of competent jurisdiction.

92 Acts, ch 1201, §23; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1171, §29, 48

**97B.35 Finality of such payments.**

Any payment made after June 30, 1953, under the conditions set forth in section 97B.34, shall be a complete settlement and satisfaction of any claim, right, or interest in and to such payment.

[C46, 50, §97.37; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.35]

**97B.36 Representatives of system.**

The system is authorized to delegate to any member, officer, or employee of the system designated by it any of the powers conferred upon it by this chapter and is authorized to be represented by its own attorneys in any court in any case or proceeding arising under the provisions of said chapter.

[C46, 50, §97.38; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.36]

2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286

**97B.37 Recognition of agents.**

The system may prescribe rules governing the recognition of agents or other persons representing claimants before the system, and may require of the agents or other persons, before being recognized as representatives of claimants, that they show that they are of good character and in good repute, possessed of the necessary qualifications to enable them to render the claimants valuable service, and otherwise competent to advise and assist the claimants in the presentation of their cases. Claimants may be represented by counsel at their own expense.

[C46, 50, §97.38; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.37]

88 Acts, ch 1242, §20; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286

**97B.38 Fees for services.**

The system may, by rule, prescribe reasonable fees which may be charged for costs incurred, including staff time and materials, to perform its duties under this chapter.

[C46, 50, §97.42; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 97B.38]

2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §16; 2008 Acts, ch 1171, §30, 48

**97B.39 Rights not transferable or subject to legal process — exceptions.**

The right of any person to any future payment under this chapter is not transferable or assignable, at law or in equity, and the moneys paid or payable or rights existing under this chapter are not subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law except for the purposes of enforcing child, spousal, or medical support obligations or marital property orders, or for recovery of medical assistance payments pursuant to section 249A.53. For the purposes of enforcing child, spousal, or medical support obligations, the garnishment or attachment of or the execution against compensation due a person under this chapter shall not exceed the amount specified in 15 U.S.C. § 1673(b). The system shall comply with the provisions of a marital property order requiring the selection of a particular benefit option, designated beneficiary, or contingent annuitant if the selection is otherwise authorized by this chapter and the member has not received payment of the member's first retirement allowance. However, a marital property order shall not require the payment of benefits to an alternative payee prior to the member's retirement, prior to the date the member elects to receive a lump sum distribution of accumulated contributions pursuant to section 97B.53, or in an amount that exceeds the benefits the member would otherwise be eligible to receive pursuant to this chapter.

[C46, 50, §97.43; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.39]

89 Acts, ch 228, §2; 92 Acts, ch 1195, §501; 96 Acts, ch 1187, §10; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2012 Acts, ch 1133, §93

Referred to in §97B.51

Section not amended; internal reference change applied

**97B.40 Fraud.**

1. A person shall be guilty of a fraudulent practice if the person makes, or causes to be made, any false statement or representation for the purpose of causing an increase in any payment authorized to be made under this chapter, for the purpose of causing any payment to be made where no payment is authorized under this chapter, for the purpose of obtaining confidential information from the system, or for any other unlawful purpose related to this chapter.

2. If the system determines that a person may have engaged in a fraudulent practice as described under this section, the system may, in addition to any statutory or equitable remedies provided by law, refer the matter to the auditor of state and to the appropriate law enforcement authorities for possible investigation and prosecution.

3. For purposes of this section, "*any false statement or representation*" includes the following:

*a.* Any false statement or representation willfully made or caused to be made as to the amount of any wages paid or received for the period during which earned or unpaid, knowing it to be false.

*b.* Any false statement of a material fact made or caused to be made knowing it to be false in any application for any payment under this chapter.

*c.* Any false statement, representation, affidavit, or document willfully made, presented, or caused to be made in connection with an application for any payment under this chapter knowing it to be false.

*d.* Any unauthorized use of any security devices, such as personal identification codes, utilized for the purpose of accessing information from the system.

[C46, 50, §97.44; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.40]

98 Acts, ch 1183, §17; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §17

Fraudulent practice, see §714.8

**97B.41** Transferred to § 97B.1A in Code 99; 98 Acts, ch 1183, § 82.

**97B.42 Mandatory membership — membership in other systems.**

1. Each employee whose employment commences after July 4, 1953, or who has not qualified for credit for prior service rendered prior to July 4, 1953, or any publicly elected official of the state or any of its political subdivisions shall become a member upon the first day in which such employee is employed. The employee shall continue to be an active member so long as the employee continues in covered employment. The employee shall cease to be an active member if the employee joins another retirement system in the state which is maintained in whole or in part by public contributions or payments and receives retirement credit for service in that other system for the same position previously covered under this chapter. If an employee joins another publicly maintained retirement system and ceases to be an active member under this chapter, the employee may elect to leave the employee's accumulated contributions in the retirement fund or receive a refund of the employee's accumulated contributions in the manner provided for members who are terminating covered employment pursuant to section 97B.53. However, if an employee joins another publicly maintained retirement system and leaves the employee's accumulated contributions in the retirement fund, the employee shall not be eligible to receive retirement benefits until the employee has a bona fide retirement from employment with a covered employer as provided in section 97B.52A, or until the employee would otherwise be eligible to receive benefits upon attaining the age of seventy years as provided in section 97B.46.

2. Employment shall not be covered under this chapter until the employment is covered under the federal Social Security Act and any agreements which are required pursuant to chapter 97C are effective.

3. Nothing in this chapter shall be deemed to exclude from coverage, under the provisions of this chapter, any public employee who was not on or as of July 4, 1953, a member of another retirement system supported by public funds. All such employees and their employers shall be required to make contributions as specified as to other public employees

and employers. Nothing in this chapter shall be deemed to prohibit the reestablishment of a retirement system supported by public funds which had been in operation prior to July 4, 1953, and was subsequently liquidated.

4. Persons who are members of any other retirement system in the state which is maintained in whole or in part by public contributions other than persons who are covered under the provisions of chapter 97, Code 1950, as amended by the Fifty-fourth General Assembly on the date of the repeal of said chapter, under the provisions of sections 97.50 through 97.53 shall not become members under this chapter while still actively participating in that other retirement system unless the persons do not receive retirement credit for service in that other system for the position to be covered under this chapter.

5. Nothing herein contained shall be construed to permit any employer to make any public contributions or payments on behalf of an employee in the same position for the same period of time to both the Iowa public employees' retirement system and any other retirement system in the state which is supported in whole or in part by public contributions or payments.

6. Notwithstanding any other provision of this section, a person newly entering employment with a community college on or after July 1, 1990, may elect coverage under an eligible alternative retirement benefits system described in section 260C.14, subsection 17, paragraph "*a*", subparagraph (1), in lieu of coverage under the Iowa public employees' retirement system, but only if the person is already a member of the alternative retirement benefits system. An election to participate in an eligible alternative retirement benefits system as described in section 260C.14, subsection 17, is irrevocable as to the person's employment with that community college and any other community college in this state.

7. Notwithstanding any other provision of this section, commencing July 1, 1994, a member who is employed by a community college may elect coverage under an eligible alternative retirement benefits system as provided in section 260C.14, subsection 17, in lieu of continuing or commencing contributions to the Iowa public employees' retirement system. However, the employer's annual contribution in dollars to the eligible alternative retirement benefits system shall not exceed the annual contribution in dollars which the employer would contribute if the employee had elected to remain an active member under this chapter, as set forth in section 97B.11. A member employed by a community college who elects coverage under an eligible alternative retirement benefits system may withdraw the member's accumulated contributions effective when coverage under the eligible alternative retirement benefits system commences. A member who is employed by a community college prior to July 1, 1994, must file an election for coverage under the eligible alternative retirement benefits system described in section 260C.14, subsection 17, paragraph "*a*", subparagraph (1), with the system and the employing community college within eighteen months of the first day on which coverage commences under the community college's eligible alternative retirement benefits system described in section 260C.14, subsection 17, paragraph "*a*", subparagraph (1), or the employee shall remain a member under this chapter and shall not be eligible to elect to participate in that community college's eligible alternative retirement benefits system described in section 260C.14, subsection 17, paragraph "*a*", subparagraph (1) at a later date. Employees of a community college hired on or after July 1, 1994, must file an election for coverage under an eligible alternative retirement benefits system with the system and the employing community college within sixty days of commencing employment, or the employee shall remain a member under this chapter and shall not be eligible to elect to participate in an eligible alternative retirement benefits system of the community college at a later date. The system shall cooperate with the boards of directors of the community colleges to facilitate the implementation of this provision.

8. Except as otherwise provided in this section, an employer shall not sponsor and a member shall not participate in another retirement system in this state supported in whole or in part by public contributions or payments where such retirement system is in lieu of the retirement system established by this chapter. However, in addition to the retirement system established by this chapter, an employer may sponsor and a member may participate in a supplemental defined contribution plan qualified under Internal Revenue Code § 401(a), a tax-deferred annuity qualified under Internal Revenue Code § 403(b), or an eligible deferred compensation plan qualified under Internal Revenue Code § 457, regardless of whether

contributions to such supplemental plans are characterized as employer contributions or employee contributions, and subject to the applicable limits set forth in the Internal Revenue Code for such plans. A defined benefit plan that supplements the retirement system established by this chapter shall not be offered by public employers covered under this chapter.

[C46, 50, §97.2, 97.6, 97.45; C54, 58, 62, 66, §97B.42, 97B.63; C71, 73, 75, 77, 79, 81, §97B.42]

90 Acts, ch 1240, §24; 92 Acts, ch 1201, §36, 37; 94 Acts, ch 1183, §23, 24; 96 Acts, ch 1187, §23 – 26; 97 Acts, ch 14, §1, 3; 98 Acts, ch 1077, §1; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §18; 2010 Acts, ch 1061, §16

Referred to in §97B.1A, 97B.52A, 260C.14

**97B.42A Optional exclusion from membership.**

1. Commencing January 1, 1999, a person who is newly hired in a position as an employee, as defined in section 97B.1A, subsection 8, paragraph "*a*", shall be covered under this chapter unless the person files an application with appropriate documentation to the system within sixty days of employment in the position to affirmatively elect out of coverage. A decision to elect out of coverage under this chapter is irrevocable upon approval from the system.

2. If a person elects out of coverage pursuant to this section, the period of time from the date on which the person was newly hired until the date the person's election out of coverage is effective shall not constitute service for purposes of coverage under this chapter. In addition, a wage adjustment shall be processed for the person based on any contributions collected pursuant to this chapter during that period of time and shall be credited pursuant to section 97B.10.

3. A person who is employed in a position as an employee as defined in section 97B.1A, subsection 8, paragraph "*a*", on January 1, 1999, and who has not elected coverage under this chapter prior to that date and is not an active member of another retirement system in the state which is maintained in whole or in part by public contributions or payments, shall begin coverage under the retirement system on January 1, 1999, unless the person files an application with appropriate documentation with the system to elect out of coverage on or before January 1, 2000. If a person elects out of coverage, the period of time from January 1, 1999, until the date the person's election out of coverage is effective shall not constitute service for purposes of coverage under this chapter and a wage adjustment shall be processed for the person based on any contributions collected pursuant to this chapter during that period of time and shall be credited pursuant to section 97B.10. A decision to elect out of coverage under this chapter pursuant to this section is irrevocable upon approval from the system.

4. A person who becomes a member of the retirement system pursuant to subsection 3, or who is a member of the retirement system, and who has one or more years of covered wages, may purchase credit, pursuant to section 97B.73, Code 2003, for one or more quarters of service prior to January 1, 1999, in which the person was employed in a position as described in section 97B.1A, subsection 8, paragraph "*a*", but was not a member of the retirement system.

5. *a.* A person who is employed in a position as an employee as defined in section 97B.1A, subsection 8, paragraph "*a*", subparagraph (11), on July 1, 2000, and who has not elected out of coverage under this chapter prior to that date, shall begin coverage under the retirement system on July 1, 2000, unless, on or before August 31, 2000, the person files an application with appropriate documentation to elect coverage under an alternative pension and annuity retirement system established pursuant to chapter 412. If a person elects coverage under the alternative pension and annuity retirement system, the period of time from July 1, 2000, until the date the person's election of coverage is effective shall not constitute service for purposes of coverage under this chapter and a wage adjustment shall be processed for the person based on any contributions collected pursuant to this chapter during that period of time and shall be credited pursuant to section 97B.10. A decision to elect coverage under an alternative pension and annuity retirement system established pursuant to chapter 412 under this subsection is irrevocable upon approval from the system.

*b.* A person who becomes a member of the Iowa public employees' retirement system pursuant to this subsection, and who has one or more years of covered wages, may purchase

credit, pursuant to section 97B.73, Code 2003, for one or more quarters of service prior to August 1, 2000, in which the person was employed in a position as described by section 97B.1A, subsection 8, paragraph "*a*", subparagraph (11), but was not a member of the retirement system.

94 Acts, ch 1183, §25; 98 Acts, ch 1183, §25; 2000 Acts, ch 1077, §28, 29; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §19, 20; 2008 Acts, ch 1032, §201

Referred to in §97B.1A, 97B.10, 602.1611

**97B.42B Transfer to chapter 97A — options for certain public safety employees.**

1. Commencing July 1, 1994, a person who is newly hired in the following positions in the department of public safety shall be a member of the Iowa department of public safety peace officers' retirement, accident, and disability system established in chapter 97A:

*a.* Gaming enforcement officers employed by the division of criminal investigation for excursion boat and gambling structure gambling enforcement activities.

*b.* Fire prevention inspector peace officers.

2. Commencing July 1, 1994, notwithstanding any other provision of law to the contrary, a member who is employed in a position specified in subsection 1 prior to July 1, 1994, may elect coverage under the Iowa department of public safety peace officers' retirement, accident, and disability system established in chapter 97A, in lieu of continuing contributions to the Iowa public employees' retirement system, or may remain a member of the Iowa public employees' retirement system. A member who is employed in a position specified in subsection 1 prior to July 1, 1994, must file an election for coverage under the Iowa department of public safety peace officers' retirement, accident, and disability system with the board of trustees established in section 97A.5 on or before July 1, 1995, or the employee shall remain a member under this chapter and shall not be eligible to elect to participate in the system established pursuant to chapter 97A at a later date pursuant to this section. The board of trustees established in section 97A.5 shall notify the system of elections received pursuant to this section, and the board of trustees and the system shall cooperate to facilitate the implementation of this section. Coverage under chapter 97A shall commence, and coverage as an active member under this chapter shall cease, when the election has been approved by the board of trustees established in section 97A.5.

3. If an employee elects coverage under chapter 97A as provided in subsection 2 and the election is approved by the board of trustees established in section 97A.5, membership in the Iowa public employees' retirement system shall cease, and the employee shall be transferred to membership in the Iowa department of public safety peace officers' retirement, accident, and disability system. The system shall transfer the accumulated contributions of these employees to the treasurer of state for deposit in the pension accumulation fund established in section 97A.8. However, employer contributions which were made with respect to the employees while the employees were members of the Iowa public employees' retirement system shall remain in the fund established in section 97B.7, and any costs pertaining to the payment of employer contributions to the system established in chapter 97A with respect to the period of time during which the employees were members of the Iowa public employees' retirement system, or any other costs related to the transfer, shall be borne by the system established in chapter 97A, notwithstanding any other provision of law to the contrary.

4. Notwithstanding any other provision of law to the contrary, if the board of trustees established in section 97A.5 approves an election pursuant to subsection 2, the employees transferred from coverage under this chapter to coverage under the system established in chapter 97A shall receive credit for years of service under chapter 97A for those years of service during which the employees were members of the Iowa public employees' retirement system and employed in positions specified in subsection 1. In addition, notwithstanding the limitation on covered wages provided in section 97B.1A, subsection 26, compensation which was paid to an employee in a position specified in subsection 1 while the employee was a member pursuant to this chapter shall be included in determining the average final compensation of the employee pursuant to chapter 97A, if applicable. Employees whose membership is transferred pursuant to this section and the employer, the department of public safety, shall not be required to pay the difference in the employee and employer contributions

in effect for the period of time in which the employees were members pursuant to this chapter, as compared to the employee and employer contributions then in effect for members of the system established in chapter 97A.

5. It is the intent of the general assembly that in administering the provisions of this section, the board of trustees established in section 97A.5 and the system shall interpret this section in a manner which provides that the employees whose membership is transferred shall not lose benefits which would have otherwise accrued had the employees been members of the system established in chapter 97A during the period of time in which the employees were actually members of the Iowa public employees' retirement system.

94 Acts, ch 1183, §26; 98 Acts, ch 1183, §82; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2005 Acts, ch 35, §24; 2007 Acts, ch 188, §2

Referred to in §97A.3, 97B.49B

**97B.42C Retirement system merger — municipal utility retirement system.**

A municipal water utility or waterworks that has established a pension and annuity retirement system for its employees pursuant to chapter 412 may adopt a resolution to authorize the merger of its pension and annuity retirement system with and into the Iowa public employees' retirement system. The system is authorized, but is not required, to accept such a proposal. The governing body of the municipal water utility or waterworks and the Iowa public employees' retirement system shall, acting in their fiduciary capacities, mutually determine the terms and conditions of such a merger, including any additional funds necessary to fund the service credits being transferred to the Iowa public employees' retirement system, and either party may decline the merger if they cannot agree on such terms and conditions. The system shall adopt such rules as it deems necessary and prudent to effectuate mergers as provided by this section.

2002 Acts, ch 1135, §15; 2003 Acts, ch 44, §31; 2003 Acts, ch 145, §286

**97B.43 Prior service credit.**

Each member in service on July 4, 1953, who made contributions under the abolished system, and who has not applied for and qualified for benefit payments under the abolished system, shall receive credit for years of prior service in the determination of retirement allowance payments under this chapter, if the member elects to become a member on or before October 1, 1953, the member has not made application for a refund of the part of the member's contributions under the abolished system which are payable under sections 97.50 to 97.53, and the member gives written authorization prior to October 1, 1953, to the commission to credit to the retirement fund the amount of the member's contribution which would be subject to a claim for refund. The amount so credited shall, after transfer, be considered as a contribution to the retirement system made as of July 4, 1953, by the member and shall be included in the determination of the amount of moneys payable under this chapter. However, an employee who was under a contract of employment as a teacher in the public schools of the state of Iowa at the end of the school year 1952-1953, or any person covered by section 97B.1A, subsection 20, paragraph "*c*" or "*d*", shall be considered as in service as of July 4, 1953, if they were members of the abolished system.

Any person with a record of thirty years as a public employee in the state of Iowa prior to July 1, 1947, and who is not eligible for prior service credit under other provisions of this section, is entitled to a credit for years of prior service in the determination of the retirement allowance payment under this chapter, provided the public employee makes application to the system for credit for prior public service, accompanied by verification of the person's claim as the system may require. The person's allowance for prior service credits shall be computed in the same manner as otherwise provided in this section, but shall not exceed the sum of four hundred fifty dollars nor be less than three hundred dollars per annum. Any such person is entitled to receive retirement allowances computed as provided by this chapter, effective from the date of application to the system, provided such application is approved. However, beginning July 1, 1975, the amount of such person's retirement allowance payment received during June 1975, as computed under this section shall be increased by two hundred percent and the allowance for prior service credits shall not exceed one thousand three hundred fifty

dollars nor be less than nine hundred dollars per annum. Effective July 1, 1987, there is appropriated for each fiscal year from the Iowa public employees' retirement fund created in section 97B.7 to the system an amount sufficient to fund the retirement allowance increases paid under this paragraph. Effective July 1, 1980, a person with a record of thirty years as a public employee in the state of Iowa prior to July 1, 1947, receiving retirement allowances under this chapter shall receive the monthly increase in benefits provided in section 97B.49G, subsection 3, paragraph *"a"*.

Each individual who on or after July 1, 1978, was an active, vested, or retired member and who (1) made application for and received a refund of contributions made under the abolished system or (2) has on deposit with the retirement fund contributions made under the abolished system shall be entitled to credit for years of prior service in the determination of retirement allowance payments by filing a written election with the system on or after July 1, 1978, and by redepositing any withdrawn contributions under the abolished system together with interest as stated in this paragraph. Any individual who on or after July 1, 1978, is a retired member and who made application for and received a refund of contributions made under the abolished system may, by filing a written election with the system on or after July 1, 1978, have the system retain fifty percent of the monthly increase in retiree benefits that will accrue to the individual because of prior service. If the monthly increase in retirement benefits is less than ten dollars, the system shall retain five dollars of the scheduled increase, and if the monthly increase is less than five dollars, the provisions of this paragraph shall not apply. The system shall continue to retain such funds until the withdrawn contributions, together with interest accrued to the month in which the written election is filed, have been repaid. Due notice of this provision shall be sent to all retired members on or after July 1, 1978. However, this paragraph shall not apply to any person who received a refund of any membership service contributions unless the person repaid the membership service contributions pursuant to section 97B.80C; but a refund of contributions remitted for the calendar quarter ending September 30, 1953, which was based entirely upon employment which terminated prior to July 4, 1953, shall not be considered as a refund of membership service contributions. The interest to be paid into the fund shall be compounded at the rates credited to member accounts from the date of payment of the refund of contributions under the abolished system to the date the member redeposits the refunded amount. The provisions of the first paragraph of this section relating to the consideration given to credited amounts shall apply to the redeposited amounts or to amounts left on deposit. Effective July 1, 1978, the provisions of this paragraph shall apply to each individual who on or after July 1, 1978, was an active, vested, or retired member, but who was not in service on July 4, 1953. The period for filing the written election with the system and redepositing any withdrawn contributions together with interest accrued shall commence July 1, 1978. A member who is a retired member on or after July 1, 1978, may file written election with the system on or after July 1, 1978, to have the system retain fifty percent of the monthly increase as provided in this paragraph.

Effective July 1, 2004, a member eligible for an increased retirement allowance because of the repayment of contributions under this section is entitled to receipt of adjustment payments beginning with the month in which payment was received by the system.

[C46, 50, §97.13, 97.45; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.43]

88 Acts, ch 1123, §1; 88 Acts, ch 1242, §31; 90 Acts, ch 1240, §25; 92 Acts, ch 1201, §38; 98 Acts, ch 1183, §26, 82; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §175, 286; 2004 Acts, ch 1103, §21, 22

Referred to in §97B.49A, 97B.68

**97B.44 Beneficiary.**

Each member shall designate on a form to be furnished by the system a beneficiary for death benefits payable under this chapter on the death of the member. The designation may be changed from time to time by the member by filing a new designation with the system. A designation or change in designation made by a member on or after July 1, 2000, shall contain the written consent of the member's spouse, if applicable. The designation of a beneficiary is not applicable if the member receives a refund of all contributions of the member. If a

member who has received a refund of contributions returns to employment, the member shall file a new designation with the system.

If a member has not designated a beneficiary on a form furnished by the system, or if there are no surviving designated beneficiaries of a member, death benefits payable under this chapter shall be paid to the member's estate.

However, the system may accept a married member's designation or change in designation under this section without the written consent of the member's spouse if the member submits a notarized statement indicating that the member has been unable to locate the member's spouse to obtain the written consent of the spouse after reasonable diligent efforts. The member's designation or change in designation shall become effective upon filing the necessary forms, including the notarized statement, with the system. The system shall not be liable to the member, the member's spouse, or to any other person affected by the member's designation or change of designation, based upon a designation or change of designation accomplished without the written consent of the member's spouse.

[C46, 50, §97.14 – 97.18; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.44]

92 Acts, ch 1201, §39; 2000 Acts, ch 1077, §30; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §16; 2003 Acts, ch 145, §286

**97B.45 Normal retirement date.**

A member's normal retirement date is any of the following, whichever is applicable to the member:

1. The first of the month in which a member attains the age of sixty-five years if the member has not completed twenty years of membership service.

2. The first of the month in which the member attains the age of sixty-two years if the member has completed twenty years of membership service.

3. The first of any month in which the member has completed twenty years of membership service if the member has attained the age of sixty-two years but is not yet sixty-five years of age.

4. The first of any month in which the member is at least fifty-five years of age and for which the sum of the number of years of membership service and prior service and the member's age in years as of the member's last birthday equals or exceeds eighty-eight.

[C46, 50, §97.13, 97.39; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.45]

86 Acts, ch 1243, §9; 88 Acts, ch 1242, §32; 94 Acts, ch 1183, §27; 98 Acts, ch 1183, §27, 77; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §17; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §23

Referred to in §97B.18

**97B.46 Service after age sixty-five.**

1. A member who is not an active member of any other retirement system in the state which is maintained in whole or in part by public contributions may remain in service beyond the date the member attains the age of sixty-five. The employer shall not consider age as a factor in determining the continuation of the member's service.

2. A member remaining in service after attaining the age of seventy years is entitled to receive a retirement allowance under sections 97B.49A through 97B.49H, as applicable, without terminating employment.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.46]

87 Acts, ch 19, §5; 88 Acts, ch 1242, §33, 34; 94 Acts, ch 1183, §28; 98 Acts, ch 1183, §28, 29; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §24

Referred to in §97B.42, 602.1610

**97B.47 Early retirement date.**

A member's early retirement date shall be the first of the month in which a member attains the age of fifty-five years or the first of any month after attaining the age of fifty-five years

prior to the member's normal retirement date, provided such date shall be after the last day of service.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.47]

2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §25

Referred to in §97B.53

**97B.48 Payment of allowances.**

1. Retirement allowances shall be paid monthly, except that, if an allowance of less than six hundred dollars a year is payable pursuant to section 97B.51, subsection 1, paragraph "*b*", the member's retirement benefit shall be paid as a lump sum in an amount equal to the sum of the member's and employer's accumulated contributions and the retirement dividends standing to the member's credit before December 31, 1966. Receipt of the lump sum payment by a member shall terminate any and all entitlement for the period of service covered of the member under this chapter and the member shall not be eligible to buy back the period of service.

2. The first monthly payment of a retirement allowance shall be paid as of the member's first month of entitlement. The payments shall be continued thereafter for the lifetime of the retired member except as provided in section 97B.48A.

3. On or before the first of the month in which a member attains the age of seventy years, the system shall provide written notification to each member for whom the system has an address that the member may commence receiving a retirement allowance regardless of the member's employment status. Prior to receiving a retirement allowance pursuant to this subsection, a member shall acknowledge in writing that the member was informed by the system of the consequences of electing to receive a retirement allowance pursuant to this subsection and that receipt of a retirement allowance under this subsection is optional. Upon termination from employment of a member receiving a retirement allowance pursuant to this subsection, the member is entitled to have the member's monthly retirement allowance recalculated using the applicable formula for determining a retirement allowance pursuant to sections 97B.49A through 97B.49G, as applicable, in place at the time of the member's first month of entitlement.

4. Payment of a member's retirement allowance pursuant to sections 97B.49A through 97B.49H shall commence no later than the required beginning date specified under section 401(a)(9) of the federal Internal Revenue Code regardless of whether the member has submitted the appropriate notice to receive an allowance. If the lump sum actuarial equivalent under subsection 1 could have been selected by the member, payments shall be made in a lump sum rather than as a monthly allowance.

5. Effective on such date as the system determines by rule, but in no event later than July 1, 2006, if the system determines that the lump sum amount payable to a living member who has had a break in service or to a beneficiary of a deceased member is less than the current maximum amount prescribed by the internal revenue service that may be distributed without triggering automatic rollover rights, the lump sum amount payable under this chapter shall be paid to the living member or beneficiary in full satisfaction of all rights of the member or beneficiary to receive any payments under the system. For purposes of this section, a *"break in service"* means twenty consecutive calendar quarters in which no wages are reported to the system. The lump sum payment shall be made within one hundred eighty days after the calendar quarter in which the member completes a break in service or dies, whichever is applicable. A member or beneficiary who receives a mandatory distribution under this subsection shall have sixty days to return the distribution to the system and restore the member's or beneficiary's account.

6. Effective July 1, 2005, monthly retirement allowance payments shall be directly deposited without charge to a retired member's account via electronic funds transfer. A retired member may elect to receive monthly allowance payments as paper warrants in lieu of electronic funds transfers, but the system shall charge an administrative fee for processing such paper warrants. However, the system may, for good cause shown, waive

the administrative fee. The fee may be automatically deducted from the monthly retirement allowance before the warrant is issued to the retired member.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.48; 82 Acts, ch 1261, §18]

88 Acts, ch 1242, §35; 90 Acts, ch 1240, §26, 27; 92 Acts, ch 1201, §40, 41; 94 Acts, ch 1183, §29; 96 Acts, ch 1187, §27; 98 Acts, ch 1183, §30, 31; 2000 Acts, ch 1077, §31, 32; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §18; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §26 – 28; 2006 Acts, ch 1092, §4, 8

Referred to in §97B.48A, 97B.52, 97B.52A

**97B.48A Reemployment.**

1. *a.* If a member who has not reached the member's sixty-fifth birthday and who has a bona fide retirement under this chapter is in regular full-time employment during a calendar year, the member's retirement allowance shall be reduced by fifty cents for each dollar the member earns over the limit provided in this subsection. However, employment is not full-time employment until the member receives remuneration in an amount in excess of thirty thousand dollars for a calendar year, or an amount equal to the amount of remuneration permitted for a calendar year for persons under sixty-five years of age before a reduction in federal social security retirement benefits is required, whichever is higher. Effective the first of the month in which a member attains the age of sixty-five years, a retired member may receive a retirement allowance without a reduction after return to covered employment regardless of the amount of remuneration received.

*b.* If a member dies and the full amount of the reduction from retirement allowances required under this subsection has not been paid, the remaining amounts shall be deducted from the payments made, if any, to the member's designated beneficiary or contingent annuitant. If the member has selected an option under which remaining payments are not required or the remaining payments are insufficient to satisfy the full amount of the reduction from retirement allowances required under this subsection, the amount still unpaid shall be a claim against the member's estate.

*c.* For purposes of this subsection and not for purposes of determining a retiree's covered wages, remuneration paid on and after July 1, 2007, includes noncovered contributions to a defined contribution plan qualified under Internal Revenue Code section 401(a), a tax-deferred annuity qualified under Internal Revenue Code section 403(b), an eligible deferred compensation plan qualified under Internal Revenue Code section 457, or any other tax qualified or nonqualified investment vehicle, that is provided by an employer to a retiree who has been or will be reemployed in covered employment.

2. Effective January 1, 1991, a retired member of any age may receive a retirement allowance after return to covered employment, regardless of the amount of remuneration received, if the covered employment consists of holding an elective office.

3. Upon a retirement after reemployment, a retired member may have the retired member's retirement allowance redetermined under this section or section 97B.48, section 97B.50, or section 97B.51, whichever is applicable, based upon the addition of credit for the years of membership service of the employee after reemployment, the covered wage during reemployment, and the age of the employee after reemployment. The member shall receive a single retirement allowance calculated from both periods of membership service, one based on the initial retirement and one based on the second retirement following reemployment. If the total years of membership service and prior service of a member who has been reemployed equals or exceeds thirty, the years of membership service on which the original retirement allowance was based may be reduced by a fraction of the years of service equal to the number of years by which the total years of membership service and prior service exceeds thirty divided by thirty, if this reduction in years of service will increase the total retirement allowance of the member. The additional retirement allowance calculated for the period of reemployment shall be added to the retirement allowance calculated for the initial period of membership service and prior service, adjusted as provided in this subsection. The retirement allowance calculated for the initial period of membership service and prior service shall not be adjusted for any other factor than years of service. The retired member shall not receive a retirement allowance based upon more than a total of thirty years of

service. Effective July 1, 1998, a redetermination of a retirement allowance as authorized by this subsection for a retired member whose combined service exceeds the applicable years of service for that member as provided in sections 97B.49A through 97B.49G shall have the determination of the member's reemployment benefit based upon the percentage multiplier as determined for that member as provided in sections 97B.49A through 97B.49G.

4. The system shall pay to the member the accumulated contributions of the member and all of the employer contributions, plus interest plus interest dividends as provided in section 97B.70, for all completed calendar years, compounded as provided in section 97B.70, on the covered wages earned by a retired member that are not used in the recalculation of the retirement allowance of a member. A payment of contributions to a member pursuant to this subsection shall be considered a retirement payment and not a refund and the member shall not be eligible to buy back the period of reemployment service.

5. If a retired reemployed member incurs a break in service, as defined in this subsection, and the member has failed to request an increase in the member's monthly allowance or a distribution of the member's and employer's accumulated contributions prior to the break in service, and if the amount of the increase in the member's monthly retirement allowance would be less than six hundred dollars per year, the system shall distribute the lump sum amount payable under subsection 4. For purposes of this subsection, a *"break in service"* means four consecutive calendar quarters in which no wages are reported to the system. The lump sum payment shall be made within one hundred eighty days after the calendar quarter in which the member has a break in service. A member who receives a mandatory distribution under this subsection shall have sixty days to return the distribution to the system and request an increase in the member's monthly allowance.

92 Acts, ch 1201, §42; 96 Acts, ch 1187, §28, 29; 98 Acts, ch 1183, §32 – 34; 2000 Acts, ch 1077, §33 – 35; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §19; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §29; 2006 Acts, ch 1091, §5; 2008 Acts, ch 1032, §201

Referred to in §97B.1A, 97B.48, 97B.50A, 97B.52A

**97B.49 Dormant accounts.**

1. In the event that all, or any portion, of a retirement allowance, death benefit, or other distribution payable to a member or a member's designated beneficiary, heirs at law, or estate, remains unpaid solely by reason of the inability of the system to locate the appropriate payee, the amount payable shall not be forfeited but shall be treated as a dormant account after the time for making a claim has run.

2. A dormant account shall revert to the retirement fund created in section 97B.7. A dormant account shall be non-interest-bearing, and except for keeping a record of such account, the system shall not maintain the account. A member who has a dormant account and returns to covered employment shall have their dormant account reactivated as of the quarter they return to covered employment. If the appropriate payee contacts the system after the amount payable is treated as a dormant account, the appropriate payee may claim such amounts by filing a withdrawal application provided by the system. The system shall have rulemaking authority to adopt rules necessary to implement this section in a just and equitable manner.

3. The system shall ensure that the payment of a dormant account as provided in this section meets the requirements of section 401(a)(9) of the federal Internal Revenue Code.

2004 Acts, ch 1103, §30

**97B.49A Monthly payments of allowance — general calculation.**

1. *Definitions.* For the purposes of this section:

*a. "Applicable percentage"* means sixty percent or, for each active or inactive vested member retiring on or after July 1, 1996, sixty percent plus, if applicable, an additional one-fourth of one percentage point for each additional calendar quarter of membership and prior service beyond thirty years of service, not to exceed a total of five additional percentage points.

*b. "Fraction of years of service"* means a number, not to exceed one, equal to the sum of

the years of membership service and the number of years of prior service divided by thirty years.

2. *Entitlement to monthly allowance.* Each member, upon retirement on or after the member's normal retirement date, is entitled to receive a monthly retirement allowance determined under this section. For an inactive vested member the monthly retirement allowance shall be determined on the basis of this section and section 97B.50 as they are in effect on the date of the member's retirement.

3. *Calculation of monthly allowance.* For each active or inactive vested member retiring on or after July 1, 1994, who is vested by service, a monthly benefit shall be computed which is equal to one-twelfth of an amount equal to the applicable percentage of the final average covered wage multiplied by a fraction of years of service. However, if benefits under this section commence on an early retirement date, the amount of the benefit shall be reduced in accordance with section 97B.50.

4. *Alternative calculations.*

*a.* For each active member employed before January 1, 1976, and retiring on or after January 1, 1976, and for each member who was a vested member before January 1, 1976, with four or more complete years of service, a formula benefit shall be determined equal to the larger of the benefit determined under this paragraph and paragraph *"b"* of this subsection, as applicable, the benefit determined under subsection 3, or the benefit determined under section 97B.49G, subsection 1. The amount of the monthly formula benefit for each such active or vested member who retired on or after January 1, 1976, shall be equal to one-twelfth of one and fifty-seven hundredths percent per year of membership service multiplied by the member's average annual covered wages. In no case shall the amount of monthly formula benefit accrued for membership service prior to July 1, 1967, be less than the monthly annuity at the normal retirement date determined by applying the sum of the member's accumulated contributions, the member's employer's accumulated contributions on or before June 30, 1967, and any retirement dividends standing to the member's credit on or before December 31, 1966, to the annuity tables in use by the system with due regard to the benefits payable from such accumulated contributions under sections 97B.52 and 97B.53.

*b.* For each member employed before January 1, 1976, who has qualified for prior service credit in accordance with the first paragraph of section 97B.43, a formula benefit shall be determined equal to the larger of the benefit determined under this paragraph and paragraph *"a"* of this subsection, as applicable, the benefit determined under subsection 3, or the benefit determined under section 97B.49G, subsection 1. The amount of the monthly formula benefit under this paragraph shall be equal to eight-tenths of one percent per year of prior service credit multiplied by the monthly rate of the member's total remuneration not in excess of three thousand dollars annually during the twelve consecutive months of the member's prior service for which that total remuneration was the highest. An additional three-tenths of one percent of the remuneration not in excess of three thousand dollars annually shall be payable for prior service during each year in which the accrued liability for benefit payments created by the abolished system is funded by appropriation from the Iowa public employees' retirement fund.

*c.* For each active and vested member retiring who cannot have a benefit determined under the formula benefit of paragraph *"a"* or *"b"* of this subsection, subsection 3, or section 97B.49G, subsection 1, a monthly annuity for membership service shall be determined by applying the member's accumulated contributions and the employer's matching accumulated contributions as of the effective retirement date and any retirement dividends standing to the member's credit on or before December 31, 1966, to the annuity tables in use by the system according to the member's age and contingent annuitant's age, if applicable.

98 Acts, ch 1183, §35; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2010 Acts, ch 1167, §26, 27; 2011 Acts, ch 34, §24

Referred to in §97B.46, 97B.48, 97B.48A, 97B.49B, 97B.49C, 97B.49D, 97B.49G, 97B.50, 97B.50A, 97B.51, 97B.53, 602.11115, 602.11116

**97B.49B Protection occupation.**

1. *Definitions.* For purposes of this section:

*a.* *"Applicable percentage"* means the greater of the following percentages:

(1) Sixty percent.

(2) For each active or inactive vested member retiring on or after July 1, 1996, but before July 1, 2000, sixty percent plus, if applicable, an additional one-fourth of one percentage point for each additional calendar quarter of eligible service beyond twenty-five years of service for the member, not to exceed a total of five additional percentage points.

(3) For each active or inactive vested member retiring on or after July 1, 2000, but before July 1, 2001, sixty percent plus, if applicable, an additional one-fourth of one percentage point for each additional calendar quarter of eligible service beyond twenty-four years of service for the member, not to exceed a total of six additional percentage points.

(4) For each active or inactive vested member retiring on or after July 1, 2001, but before July 1, 2002, sixty percent plus, if applicable, an additional one-fourth of one percentage point for each additional calendar quarter of eligible service beyond twenty-three years of service for the member, not to exceed a total of seven additional percentage points.

(5) For each active or inactive vested member retiring on or after July 1, 2002, but before July 1, 2003, sixty percent plus, if applicable, an additional one-fourth of one percentage point for each additional calendar quarter of eligible service beyond twenty-two years of service for the member, not to exceed a total of eight additional percentage points.

(6) For each active or inactive vested member retiring on or after July 1, 2003, sixty percent plus, if applicable, an additional three-eighths of one percentage point for each additional calendar quarter of eligible service beyond twenty-two years of service for the member, not to exceed a total of twelve additional percentage points.

*b.* *"Applicable years of service"* means the following:

(1) For each active or inactive vested member retiring on or after July 1, 1996, and before July 1, 2000, twenty-five.

(2) For each active or inactive vested member retiring on or after July 1, 2000, and before July 1, 2001, twenty-four.

(3) For each active or inactive vested member retiring on or after July 1, 2001, and before July 1, 2002, twenty-three.

(4) For each active or inactive vested member retiring on or after July 1, 2002, twenty-two.

*c.* *"Eligible service"* means membership and prior service in a protection occupation. In addition, for a member with membership and prior service in a protection occupation described in paragraph *"e"*, subparagraph (2), eligible service includes membership and prior service as a sheriff or deputy sheriff as defined in section 97B.49C.

*d.* *"Fraction of years of service"* means a number, not to exceed one, equal to the sum of the years of eligible service in a protection occupation divided by the applicable years of service for the member.

*e.* *"Protection occupation"* includes all of the following:

(1) A conservation peace officer employed under section 456A.13 or as designated by a county conservation board pursuant to section 350.5.

(2) A marshal in a city not covered under chapter 400 or a fire fighter or police officer of a city not participating in the retirement systems established in chapter 410 or 411.

(3) A correctional officer or correctional supervisor employed by the Iowa department of corrections, and any other employee of that department whose primary purpose is, through ongoing direct inmate contact, to enforce and maintain discipline, safety, and security within a correctional facility. The Iowa department of corrections and the department of administrative services shall jointly determine which job classifications are covered under this subparagraph.

(4) An airport safety officer employed under chapter 400 by an airport commission in a city of one hundred thousand population or more.

(5) An employee of the state department of transportation who is designated as a *"peace officer"* by resolution under section 321.477, but only if the employee retires on or after July 1, 1990. For purposes of this subparagraph, service as a traffic weight officer employed by the highway commission prior to the creation of the state department of transportation or as a peace officer employed by the Iowa state commerce commission prior to the creation of the state department of transportation shall be included in computing the employee's years of membership service.

(6) A fire prevention inspector peace officer employed by the department of public safety prior to July 1, 1994, who does not elect coverage under the Iowa department of public safety peace officers' retirement, accident, and disability system, as provided in section 97B.42B.

(7) An employee covered by the merit system as provided in chapter 8A, subchapter IV, whose primary duty is providing airport security and who carries or is licensed to carry a firearm while performing those duties.

(8) An airport fire fighter employed by the department of public defense.

(9) A jailer or detention officer who performs duties as a jailer, including but not limited to the transportation of inmates, who is certified as having completed jailer training pursuant to chapter 80B, and who is employed by a county as a jailer.

(10) An employee covered by the merit system as provided in chapter 8A, subchapter IV, whose primary duty is providing security at Iowa national guard installations and facilities and who carries or is licensed to carry a firearm while performing those duties.

(11) An emergency medical care provider who provides emergency medical services, as defined in section 147A.1, and who is not a member of the retirement systems established in chapter 410 or 411.

(12) An investigator employed by a county attorney's office who is a certified law enforcement officer and who is deputized as an investigator for the county attorney's office by the sheriff of the applicable county.

2. *Calculation of monthly allowance.* Notwithstanding other provisions of this chapter, a member who is or has been employed in a protection occupation who retires on or after July 1, 1994, and at the time of retirement is at least fifty-five years of age may elect to receive, in lieu of the receipt of any benefits as calculated pursuant to section 97B.49A or 97B.49D, a monthly retirement allowance equal to one-twelfth of an amount equal to the applicable percentage of the three-year average covered wage as a member who has been employed in a protection occupation multiplied by a fraction of years of service, with benefits payable during the member's lifetime.

3. *Additional contributions.*

*a.* For the fiscal year commencing July 1, 1988, and each succeeding fiscal year, there is appropriated from the state fish and game protection fund to the system the amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under subsection 1, paragraph "*e*", subparagraph (1).

*b.* Annually, during each fiscal year commencing with the fiscal year beginning July 1, 1988, each applicable city shall pay to the system the amount necessary to pay the employer share of the cost of the additional benefits provided to employees of that city covered under subsection 1, paragraph "*e*", subparagraphs (2) and (4).

*c.* For the fiscal year commencing July 1, 1988, and each succeeding fiscal year, the department of corrections shall pay to the system from funds appropriated to the Iowa department of corrections, the amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under subsection 1, paragraph "*e*", subparagraph (3).

*d.* For the fiscal year commencing July 1, 1990, and each succeeding fiscal year, the state department of transportation shall pay to the system, from funds appropriated to the state department of transportation from the road use tax fund and the primary road fund, the amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under subsection 1, paragraph "*e*", subparagraph (5).

*e.* For the fiscal year commencing July 1, 1992, and each succeeding fiscal year, the department of public safety shall pay to the system from funds appropriated to the department of public safety, the amount necessary to pay the employer share of the cost of the additional benefits provided to a fire prevention inspector peace officer pursuant to subsection 1, paragraph "*e*", subparagraph (6).

*f.* For the fiscal year commencing July 1, 1994, and each succeeding fiscal year through the fiscal year ending June 30, 1998, each judicial district department of correctional services shall pay to the system from funds appropriated to that judicial district department of correctional services, the amount necessary to pay the employer share of the cost of the

additional benefits provided to employees of a judicial district department of correctional services who are employed as a probation officer III or a parole officer III.

*g.* For the fiscal year commencing July 1, 2004, and each succeeding fiscal year, there is appropriated from the general fund of the state to the system, from funds not otherwise appropriated, an amount necessary to pay the employer share of the cost of the additional benefits provided to airport fire fighters under this section.

4. Notwithstanding any provision of this chapter to the contrary, the three-year average covered wage for a member retiring under this section whose years of eligible service equals or exceeds twenty-two years of eligible service for that member shall be determined by calculating the member's eligible combined wage for each year of eligible service. For purposes of this subsection, *"eligible combined wage"* means the wages earned by the member for each quarter year period from eligible service and from covered employment that is not eligible service if at least seventy-five percent of the wages earned was from eligible service.

98 Acts, ch 1183, §36; 98 Acts, ch 1223, §19; 2000 Acts, ch 1077, §36 – 39; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §20, 21; 2003 Acts, ch 145, §176, 177, 286; 2004 Acts, ch 1103, §31 – 33; 2008 Acts, ch 1171, §31, 32, 48, 49; 2013 Acts, ch 29, §43

Referred to in §97A.6, 97B.1A, 97B.11, 97B.46, 97B.48, 97B.48A, 97B.49C, 97B.49D, 97B.50, 97B.50A, 97B.51, 97B.52, 97B.53, 97B.80, 261.93, 411.6, 602.11115, 602.11116, 724.6

Subsection 1, paragraph e, subparagraph (8) amended

**97B.49C Sheriffs and deputy sheriffs.**

1. *Definitions.* For purposes of this section:

*a.* *"Applicable percentage"* means the greater of the following percentages:

(1) Sixty percent.

(2) For each active or inactive vested member retiring on or after July 1, 1996, and before July 1, 1998, sixty percent plus, if applicable, an additional one-fourth of one percentage point for each additional calendar quarter of eligible service beyond twenty-two years of service, not to exceed a total of five additional percentage points.

(3) For each active or inactive vested member retiring on or after July 1, 1998, sixty percent plus, if applicable, an additional three-eighths of one percentage point for each additional calendar quarter of eligible service beyond twenty-two years of service, not to exceed a total of twelve additional percentage points.

*b.* *"Deputy sheriff"* means a deputy sheriff appointed pursuant to section 341.1 prior to July 1, 1981, or section 331.903 on or after July 1, 1981.

*c.* *"Eligible service"* means membership and prior service as a sheriff or deputy sheriff under this section. In addition, eligible service includes membership and prior service as a member in a protection occupation as defined in section 97B.49B.

*d.* *"Fraction of years of service"* means a number, not to exceed one, equal to the sum of the years of eligible service under this section divided by twenty-two years.

*e.* *"Sheriff"* means a county sheriff as defined in section 39.17.

2. *Calculation of monthly allowance.*

*a.* Notwithstanding other provisions of this chapter, a member who retires from employment as a sheriff, deputy sheriff, or airport fire fighter on or after July 1, 1994, and before July 1, 2004, and at the time of retirement is at least fifty-five years of age may elect to receive, in lieu of the receipt of any benefits as calculated pursuant to section 97B.49A or 97B.49D, a monthly retirement allowance equal to one-twelfth of an amount equal to the applicable percentage of the three-year average covered wage as a member who has been employed in eligible service multiplied by a fraction of years of service, with benefits payable during the member's lifetime.

*b.* Notwithstanding other provisions of this chapter, a member who retires from employment as a sheriff or deputy sheriff on or after July 1, 2004, and at the time of retirement is either at least fifty-five years of age or is at least the applicable early retirement age with at least twenty-two years of eligible service may elect to receive, in lieu of the receipt of any benefits as calculated pursuant to section 97B.49A or 97B.49D, a monthly retirement allowance equal to one-twelfth of an amount equal to the applicable percentage of the three-year average covered wage as a member who has been employed in eligible service

multiplied by a fraction of years of service, with benefits payable during the member's lifetime.

*c.* For purposes of this subsection, *"applicable early retirement age"* means the following:

(1) For each active or inactive vested member retiring on or after July 1, 2004, and before July 1, 2005, fifty-four years of age.

(2) For each active or inactive vested member retiring on or after July 1, 2005, and before July 1, 2006, fifty-three years of age.

(3) For each active or inactive vested member retiring on or after July 1, 2006, and before July 1, 2007, fifty-two years of age.

(4) For each active or inactive vested member retiring on or after July 1, 2007, and before July 1, 2008, fifty-one years of age.

(5) For each active or inactive vested member retiring on or after July 1, 2008, fifty years of age.

3. *Additional contributions.* Annually, during each fiscal year commencing with the fiscal year beginning July 1, 1988, each county shall pay to the system the amount necessary to pay the employer share of the cost of the benefits provided to sheriffs and deputy sheriffs.

4. Notwithstanding any provision of this chapter to the contrary, the three-year average covered wage for a member retiring under this section whose years of eligible service equals or exceeds twenty-two years of eligible service for that member shall be determined by calculating the member's eligible combined wage for each quarter year of eligible service. For purposes of this subsection, *"eligible combined wage"* means the wages earned by the member for each quarter year period from eligible service and from covered employment that is not eligible service if at least seventy-five percent of the wages earned was from eligible service.

98 Acts, ch 1183, §37; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §22; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §34 – 38; 2005 Acts, ch 19, §29; 2006 Acts, ch 1091, §6; 2006 Acts, ch 1092, §5; 2008 Acts, ch 1171, §33, 48, 49

Referred to in §97A.6, 97B.1A, 97B.11, 97B.46, 97B.48, 97B.48A, 97B.49B, 97B.49D, 97B.50, 97B.50A, 97B.51, 97B.52, 97B.53, 97B.80, 97D.3, 261.93, 411.6, 602.11115, 602.11116

**97B.49D Hybrid formula.**

1. An active or inactive vested member, who is or has been employed in both special service and regular service, who retires on or after July 1, 1996, who is vested by service, and who at the time of retirement is at least fifty-five years of age, may elect to receive, in lieu of the receipt of a monthly retirement allowance as calculated pursuant to sections 97B.49A through 97B.49C, a combined monthly retirement allowance equal to the sum of the following:

*a.* One-twelfth of an amount equal to the applicable percentage of the member's final average covered wage multiplied by a fraction of years of service. The fraction of years of service for purposes of this paragraph shall be the actual years of service, not to exceed thirty, for which regular service contributions were made, divided by thirty. However, any otherwise applicable age reduction for early retirement shall apply to the calculation under this paragraph.

*b.* One-twelfth of an amount equal to the applicable percentage of the member's three-year average covered wage multiplied by a fraction of years of service. The fraction of years of service for purposes of this paragraph shall be the actual years of service, not to exceed the applicable years of service for the member as defined in section 97B.49B, earned in a position described in section 97B.49B, for which special service contributions were made, divided by the applicable years of service for the member as defined in section 97B.49B. In calculating the fractions of years of service under the paragraph, a member shall not receive special service credit for years of service for which the member and the member's employer did not make the required special service contributions to the system.

*c.* One-twelfth of an amount equal to the applicable percentage of the member's three-year average covered wage multiplied by a fraction of years of service. The fraction of years of service for purposes of this paragraph shall be the actual years of service, not to exceed twenty-two, earned in a position described in section 97B.49C, for which special

service contributions were made, divided by twenty-two. In calculating the fractions of years of service under this paragraph, a member shall not receive special service credit for years of service for which the member and the member's employer did not make the required special service contributions to the system.

2. In calculating the combined monthly retirement allowance pursuant to subsection 1, the sum of the fraction of years of service provided in subsection 1, paragraphs "*a*", "*b*", and "*c*", shall not exceed one. If the sum of the fractions of years of service would exceed one, the system shall deduct years of service first from the calculation under subsection 1, paragraph "*a*", and then from the calculation under subsection 1, paragraph "*b*", if necessary, so that the sum of the fractions of years of service shall equal one.

3. In calculating the combined monthly retirement allowance pursuant to subsection 1, the applicable percentage shall be sixty percent plus, if applicable, an additional one-fourth of one percentage point for each additional calendar quarter of membership service in service as described in subsection 1, paragraph "*a*", "*b*", or "*c*", beyond thirty years of service, not to exceed a total of five additional percentage points. Any addition in the percentage multiplier shall be included in the calculations required under this section.

98 Acts, ch 1183, §38; 2000 Acts, ch 1077, §40; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2010 Acts, ch 1167, §28, 29

Referred to in §97B.1A, 97B.46, 97B.48, 97B.48A, 97B.49B, 97B.49C, 97B.50, 97B.50A, 97B.51, 97B.53, 602.11115, 602.11116

**97B.49E Minimum benefits.**

1. For each active member retiring on or after June 30, 1973, and who has completed ten or more years of membership service, the total amount of monthly benefit payable at the normal retirement date for prior service and membership service shall not be less than fifty dollars per month. If benefits commence on an early retirement date, the amount of benefit shall be reduced in accordance with section 97B.50. If an optional allowance is selected under section 97B.51, the amount payable shall be the actuarial equivalent of the minimum benefit. An employee who is in employment on a school year or academic year basis, will be considered to be an active member as of June 30, 1973, if the employee completed the 1972-1973 school year or academic year.

2. Effective January 1, 1997, for members who retired on or after July 1, 1953, and before July 1, 1990, with at least ten years of prior and membership service, the minimum monthly benefit payable at the normal retirement date for prior and membership service shall be two hundred dollars. The minimum monthly benefit payable shall be increased by ten dollars for each year of prior and membership service beyond ten years, up to a maximum of twenty additional years of prior and membership service. If benefits commenced on an early retirement date, the amount of the benefit shall be reduced in accordance with section 97B.50. If an optional allowance was selected under section 97B.51, the amount payable shall be the actuarial equivalent of the minimum benefit.

98 Acts, ch 1183, §39

Referred to in §97B.46, 97B.48, 97B.48A, 97B.50, 97B.51, 97B.53, 602.11115, 602.11116

**97B.49F Retirement dividends.**

1. *Cost-of-living dividend.*

*a.* Effective July 1, 1997, commencing with dividends payable in November 1997, and for each subsequent year, all members who retired prior to July 1, 1990, and all beneficiaries and contingent annuitants of such members, shall be eligible for annual dividend payments, payable in November of that year, pursuant to the requirements of this subsection. The dividend payable in any given year shall be the sum of the dollar amount of the dividend payable in the previous November and the dividend adjustment. A dividend determined pursuant to this subsection shall not be used to increase the monthly benefit amount payable. In no event shall the dividend payable be less than twenty-five dollars.

*b.* (1) The dividend adjustment for a given year shall be calculated by multiplying the total of the retiree's, beneficiary's, or contingent annuitant's monthly benefit payments and the dividend payable to the retiree, beneficiary, or contingent annuitant, in the previous calendar year by the applicable percentage as determined by this paragraph.

(2) The applicable percentage shall be the least of the following percentages:

(a) The percentage representing the percentage increase in the consumer price index published in the federal register by the federal department of labor, bureau of labor statistics, that reflects the percentage increase in the consumer price index for the twelve-month period ending June 30 of the year that the dividend is to be paid.

(b) The percentage representing the percentage amount the actuary has certified that the fund can absorb without requiring an increase in the employer and employee contributions to the fund. The actuary's certification of such percentage amount shall be based on a comparison of the actuarially required contribution rate for the fiscal year of the dividend adjustment to the statutory contribution rate for that same fiscal year. If the actuarially required contribution rate exceeds the statutory contribution rate for that same fiscal year, the percentage amount shall be zero.

(c) Three percent.

*c.* If a member eligible to receive a cost-of-living dividend dies before November 1 of a year, a cost-of-living dividend shall not be payable in November of that year in the name of the member. If a member dies on or after November 1, but before payment of a dividend is made in that month, the full amount of the retirement dividend for that year shall be paid in the member's name upon notification of the member's death.

2. *Favorable experience dividend.*

*a.* Commencing January 1, 1999, all qualified recipients who have received a monthly allowance for at least one year as of the date the dividend is payable shall be eligible to receive a favorable experience dividend, payable on the last business day in January of each year pursuant to the requirements of this subsection. If the qualified recipient eligible to receive a favorable experience dividend dies before January 1 of a year, a favorable experience dividend shall not be payable in January of that year in the name of the qualified recipient. However, if the qualified recipient dies on or after January 1 but before the dividend is paid in that month, the full amount of the dividend payable in that month shall be paid in the name of the qualified recipient, upon notification of death. For purposes of this paragraph, *"qualified recipient"* includes all members who retired on or after July 1, 1990, or a beneficiary or contingent annuitant of such a member who receives a monthly benefit, and a beneficiary of an active member who elects a monthly allowance under section 97B.52, subsection 1, paragraph "*c*".

*b.* A favorable experience dividend reserve account, hereafter called the *"reserve account"*, is established within the retirement fund. Moneys credited to the reserve account shall be used by the system for the purpose of providing a favorable experience dividend pursuant to this subsection.

*c.* Moneys shall be credited to the reserve account in the retirement fund as follows:

(1) On or before January 15, 1999, there shall be credited to the reserve account an amount that the system's actuary determines is sufficient to pay the maximum favorable experience dividend for each of the next following five years, based on reasonable actuarial assumptions.

(2) Beginning with the annual actuarial valuation of the retirement system as of June 30, 1999, and for each annual actuarial valuation of the retirement system thereafter, there shall be credited to the reserve account on each applicable January 15 following an actuarial valuation, an amount that represents that portion of the favorable actuarial experience, if any, that the system's actuary determines shall be credited to the reserve account pursuant to rules adopted by the system.

(3) The portion of the favorable actuarial experience, if any, that is not initially credited to the reserve account pursuant to subparagraph (2), but which, if applied to the retirement fund, would result in the actuarial valuation of assets exceeding the actuarial accrued liability of the retirement system based on the most recent annual actuarial valuation of the retirement system, shall be credited to the reserve account.

(4) Notwithstanding the provisions of this paragraph to the contrary, moneys credited to the reserve account in any applicable year shall not exceed an amount which, if credited to the reserve account, would exceed an amount that the system's actuary determines is sufficient to pay the maximum favorable experience dividend for each of the next following ten years, based on reasonable actuarial assumptions.

(5) Notwithstanding any provisions of this paragraph to the contrary, moneys shall not

be credited to the reserve account if the system is not fully funded or if the system would not remain fully funded if moneys were credited to the reserve account.

(6) As used in this paragraph, *"favorable actuarial experience"* means the difference, if positive, between the anticipated and actual experience of the retirement system's actuarial assets and liabilities as measured by the system's actuary in the most recent annual actuarial valuation of the retirement system pursuant to rules adopted by the system.

*d.* The favorable experience dividend is calculated by multiplying the monthly retirement allowance payable to the retiree, beneficiary, or contingent annuitant for the previous December, or such other month as determined by the system, by twelve, and then multiplying that amount by the number of complete years the member has been retired or would have been retired if living as of the date the dividend is payable, and by the applicable percentage. For purposes of this paragraph, the applicable percentage is the percentage, not to exceed three percent, that the system determines shall be applied in calculating the favorable experience dividend if the system determines that the reserve account is sufficiently funded to make a distribution. In making its determination, the system shall consider, but not be limited to, the amounts credited to the reserve account, the distributions from the reserve account made in previous years, the likelihood of future credits to and distributions from the reserve account, and the distributions paid under subsection 1.

98 Acts, ch 1183, §40; 2000 Acts, ch 1077, §41 – 45, 77; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §23; 2003 Acts, ch 145, §178, 286; 2006 Acts, ch 1091, §7; 2008 Acts, ch 1171, §34, 48

Referred to in §97B.46, 97B.48, 97B.48A, 97B.50, 97B.51, 97B.53, 602.11115, 602.11116

**97B.49G Monthly payments of allowance — miscellaneous provisions.**

1. *Monthly payments of allowance — percentage multiplier.*

*a.* For each active or inactive vested member retiring on or after July 1, 1986, and before July 1, 1994, with four or more complete years of service, a monthly benefit shall be computed which is equal to one-twelfth of an amount equal to the applicable percentage multiplier of the three-year average covered wage multiplied by a fraction of years of service.

*b.* The applicable percentage multiplier for purposes of this subsection shall be the following:

(1) For active or inactive vested members retiring on or after July 1, 1986, but before July 1, 1990, fifty percent.

(2) For active or inactive vested members retiring on or after July 1, 1990, but before July 1, 1991, fifty-two percent.

(3) For active or inactive vested members retiring on or after July 1, 1991, but before July 1, 1992, fifty-four percent.

(4) For active or inactive vested members retiring on or after July 1, 1992, but before July 1, 1993, fifty-six percent.

(5) For active or inactive vested members retiring on or after July 1, 1993, but before July 1, 1994, fifty-seven and four-tenths percent.

(6) For active or inactive vested members retiring on or after July 1, 1994, sixty percent.

*c.* For purposes of this subsection, fraction of years of service means a number, not to exceed one, equal to the sum of the years of membership service and the number of years of prior service divided by thirty years.

2. *Extra payments on allowance — pre-1976 retirees.*

*a.* (1) On January 1, 1976, for each member who retired before January 1, 1976, the amount of regular monthly retirement allowance attributable to membership service and prior service that was payable to the member for December 1975 is increased by ten percent for the first calendar year or portion of a calendar year the member was retired, and by an additional five percent for each calendar year after the first calendar year the member was retired through the calendar year beginning January 1, 1975. The total increase shall not exceed one hundred percent. Effective July 1, 1987, there is appropriated for each fiscal year from the Iowa public employees' retirement fund created in section 97B.7 to the system from funds not otherwise appropriated an amount sufficient to fund the monthly retirement allowance increases paid under this paragraph.

(2) The benefit increases granted to members retired under the retirement system on

January 1, 1976, shall be granted only on January 1, 1976, and shall not be further increased for any year in which the member was retired after the calendar year beginning January 1, 1975.

*b.* (1) Effective July 1, 1978, for each member who retired from the retirement system prior to January 1, 1976, the amount of regular monthly retirement allowance attributable to membership service and prior service that was payable to the member for June 1978 is increased as follows:

(a) For the first ten years of service, fifty cents per month for each complete year of service.

(b) For the eleventh through the twentieth years of service, two dollars per month for each complete year of service.

(c) For the twenty-first through the thirtieth years of service, three dollars per month for each complete year of service.

(2) Effective July 1, 1979, the increases granted to members under this paragraph "*b*" shall be paid to contingent annuitants and to beneficiaries.

3. *Extra payments on allowance.*

*a.* (1) Effective July 1, 1980, for each member who retired from the retirement system prior to January 1, 1976, and for each member who retired from the retirement system on or after January 1, 1976, under section 97B.49A, subsection 4, the amount of regular monthly retirement allowance attributable to membership service and prior service that was payable to the member for June 1980 is increased as follows:

(a) For the first ten years of service, fifty cents per month for each complete year of service.

(b) For the eleventh through the twentieth years of service, one dollar per month for each complete year of service.

(c) For the twenty-first through the thirtieth years of service, one dollar and fifty cents per month for each complete year of service.

(d) The amount of monthly increase payable to a member under this paragraph is also payable to a beneficiary and a contingent annuitant and shall be reduced by an amount based upon the actuarial equivalent of the option selected in section 97B.51 or section 97B.52 compared to the full monthly benefit provided in this section or section 97B.49A, as applicable.

(2) However, effective July 1, 1980, the monthly retirement allowance attributable to membership service and prior service of a member, contingent annuitant, and beneficiary shall not be less than five dollars times the number of complete years of service of the member, not to exceed thirty, reduced by an amount based upon the actuarial equivalent of the option selected in section 97B.51 or section 97B.52, compared to the full monthly retirement benefit provided in this section or section 97B.49A, as applicable.

*b.* Effective beginning July 1, 1982, for each member who retired from the retirement system prior to January 1, 1976, and for each member who retired from the retirement system on or after January 1, 1976, under section 97B.49A, subsection 4, the amount of regular monthly retirement allowance attributable to membership service and prior service that was payable to the member for June 1982 is increased as follows:

(1) For the first ten years of service, fifty cents per month for each complete year of service.

(2) For the eleventh through the twentieth years of service, one dollar per month for each complete year of service.

(3) For the twenty-first through the thirtieth years of service, one dollar and fifty cents per month for each complete year of service.

(4) The amount of monthly increase payable to a member under this paragraph is also payable to a beneficiary and a contingent annuitant and shall be reduced by an amount based upon the actuarial equivalent of the option selected in section 97B.51 or section 97B.52 compared to the full monthly benefit provided in this section or section 97B.49A, as applicable.

*c.* Beginning January 1, 1999, for each member who retired from the retirement system prior to July 1, 1986, the amount of regular monthly retirement allowance attributable to membership and prior service that was payable to the member, or the beneficiary or contingent annuitant of the member, for December 1998 shall be increased by fifteen percent.

*d.* Beginning January 1, 1999, for each member who retired from the retirement system

on or after July 1, 1986, but before July 1, 1990, the amount of regular monthly retirement allowance attributable to membership and prior service that was payable to the member, or the beneficiary or contingent annuitant of the member, for December 1998 shall be increased by seven percent.

4. *Normal retirement dates.* A retired member shall be deemed to have retired on the member's normal retirement date, and retirement benefits calculated shall not be reduced pursuant to section 97B.50, if the member meets any of the following requirements:

*a.* The member is an active or inactive vested member retiring on or after July 1, 1988, and before July 1, 1990, who is at least fifty-five years of age and has completed at least thirty years of membership service and prior service, and for which the sum of the number of years of membership service and prior service and the member's age in years as of the member's last birthday equals or exceeds ninety-two.

*b.* The member is an active or inactive vested member retiring on or after July 1, 1990, and before July 1, 1996, who is at least fifty-five years of age and for which the sum of the number of years of membership service and prior service and the member's age in years as of the member's last birthday equals or exceeds ninety-two.

*c.* The member is an active or inactive vested member retiring on or after July 1, 1996, and before July 1, 1997, who is at least fifty-five years of age and for which the sum of the number of years of membership service and prior service and the member's age in years as of the member's last birthday equals or exceeds ninety.

*d.* The member is an active or inactive vested member retiring on or after July 1, 1986, and before January 1, 1999, who is at least sixty-two years of age and who has completed thirty years of membership service.

5. *Dividends — November 1996.*

*a.* Each member who retired from the retirement system between July 4, 1953, and December 31, 1975, or a contingent annuitant or beneficiary of such a member, shall receive with the November 1996 monthly benefit payment a retirement dividend equal to two hundred ninety-two percent of the monthly benefit payment the member received for the preceding June, or the most recently received benefit payment, whichever is greater. The retirement dividend does not affect the amount of a monthly benefit payment.

*b.* A member who retired from the retirement system between January 1, 1976, and June 30, 1982, or a contingent annuitant or beneficiary of such a member, shall receive with the November 1996 monthly benefit payment a retirement dividend equal to two hundred twenty-three percent of the monthly benefit payment the member received for the preceding June, or the most recently received benefit payment, whichever is greater. The retirement dividend does not affect the amount of a monthly benefit payment.

*c.* A member who retired from the retirement system between July 1, 1982, and June 30, 1986, or a contingent annuitant or beneficiary of such a member, shall receive with the November 1996 monthly benefit payment a retirement dividend equal to seventy-four percent of the monthly benefit payment the member received for the preceding June, or the most recently received benefit payment, whichever is greater. The retirement dividend does not affect the amount of a monthly benefit payment.

*d.* A member who retired from the retirement system between July 1, 1986, and June 30, 1990, or a contingent annuitant or beneficiary of such a member, shall receive with the November 1996 monthly benefit payment a retirement dividend equal to twenty-four percent of the monthly benefit payment the member received for the preceding June, or the most recently received benefit payment, whichever is greater. The retirement dividend does not affect the amount of a monthly benefit payment.

*e.* Notwithstanding the determination of the amount of a retirement dividend under this subsection, a retirement dividend shall not be less than twenty-five dollars.

6. *Conservation peace officer — July 1986 – July 1988.*

*a.* Notwithstanding other provisions of this chapter, a member who is or has been employed as a conservation peace officer under section 456A.13 and who retires on or after July 1, 1986, and before July 1, 1988, and at the time of retirement is at least sixty years of age and has completed at least twenty-five years of membership service as a conservation peace officer, may elect to receive, in lieu of the receipt of any benefits under subsection 1 or

section 97B.49A, as applicable, a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a conservation peace officer, with benefits payable during the member's lifetime.

*b.* (1) A conservation peace officer who retires on or after July 1, 1986, and before July 1, 1988, and has not completed twenty-five years of membership service as required under this subsection is eligible to receive a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a conservation peace officer, multiplied by a fraction of years of service as a conservation peace officer. For the purpose of this subsection, *"fraction of years of service"* means a number, not to exceed one, equal to the sum of the years of membership service as a conservation peace officer, divided by twenty-five years. On or after July 1, 1986, but before July 1, 1988, if the conservation peace officer has not reached sixty years of age at retirement, the monthly retirement allowance shall be reduced by five-tenths of one percent per month for each month that the conservation peace officer's retirement precedes the date on which the conservation peace officer attains sixty years of age.

(2) The annual contribution necessary to pay for the additional benefits provided in this paragraph shall be paid by the employer and employee in the same proportion that employer and employee contributions are made under section 97B.11.

*c.* There is appropriated from the state fish and game protection fund to the system an actuarially determined amount calculated by the Iowa public employees' retirement system sufficient to pay for the additional benefits to conservation peace officers provided by this subsection, as a percentage, in paragraph *"a"* and for the employer portion of the benefits provided in paragraph *"b"*. The amount is in addition to the contribution paid by the employer under section 97B.11. The cost of the benefits relating to fish and wildlife conservation peace officers within the department of natural resources shall be paid from the state fish and game protection fund and the cost of the benefits relating to the other conservation peace officers of the department shall be paid from the general fund.

7. *Peace officer — July 1986 – July 1988.*

*a.* (1) Notwithstanding other provisions of this chapter, a member who is or has been employed as a peace officer and who retires on or after July 1, 1986, and before July 1, 1988, and at the time of retirement is at least sixty years of age and has completed at least twenty-five years of membership service as a peace officer, may elect to receive, in lieu of the benefits under subsection 1 or section 97B.49A, subsection 4, as applicable, a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a peace officer, with benefits payable during the member's lifetime.

(2) A peace officer who retires on or after July 1, 1986, and before July 1, 1988, and has not completed twenty-five years of membership service as required under this subsection is eligible to receive a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a peace officer multiplied by the fraction of years of service as a peace officer. For the purpose of this subsection, *"fraction of years of service"* means a number, not to exceed one, equal to the sum of the years of membership service as a peace officer, divided by twenty-five years. On or after July 1, 1984, but before July 1, 1988, if the peace officer has not reached sixty years of age at retirement, the monthly retirement allowance shall be reduced by five-tenths of one percent per month for each month that the peace officer's retirement precedes the date on which the peace officer attains sixty years of age.

(3) For the purpose of this subsection, membership service as a peace officer means service under this retirement system as any or all of the following:

(a) As a county sheriff as defined in section 39.17.

(b) As a deputy sheriff appointed pursuant to section 341.1, Code 1981, or section 331.903.

(c) As a marshal or police officer in a city not covered under chapter 400.

*b.* Each county and applicable city and employee eligible for benefits under this subsection shall annually contribute an amount determined by the system, as a percentage of covered wages, to be necessary to pay for the additional benefits provided by this subsection. The annual contribution in excess of the employer and employee contributions required by this chapter shall be paid by the employer and the employee in the same

proportion that employer and employee contributions are made under section 97B.11. The additional percentage of covered wages shall be calculated separately by the system for service under paragraph *"a"*, subparagraphs (1) and (2), and for service under paragraph *"a"*, subparagraph (3), and each shall be an actuarially determined amount for that type of service which, if contributed throughout the entire period of active service, would be sufficient to provide the pension benefit provided in this subsection.

8. *Correctional officer — July 1986 – July 1988.*

*a.* Notwithstanding sections of this chapter relating to eligibility for and determination of retirement benefits, a vested member who is or has been employed as a correctional officer by the Iowa department of corrections and who retires on or after July 1, 1986, and before July 1, 1988, and at the time of retirement is at least sixty years of age and has completed at least thirty years of membership service as a correctional officer, may elect to receive, in lieu of the receipt of benefits under subsection 1 or section 97B.49A, subsection 4, as applicable, a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a correctional officer, with benefits payable during the member's lifetime.

*b.* The Iowa department of corrections and the system shall jointly determine the applicable merit system job classifications of correctional officers.

*c.* The Iowa department of corrections shall pay to the system, from funds appropriated to the Iowa department of corrections, an actuarially determined amount sufficient to pay for the additional benefits provided in this subsection. The amount is in addition to the employer contributions required in section 97B.11.

9. *Airport fire fighter — July 1986 – July 1988.*

*a.* Notwithstanding other provisions of this chapter, a member who is or has been employed by the office of disaster services as an airport fire fighter who retires on or after July 1, 1986, and before July 1, 1988, and at the time of retirement is at least sixty years of age and has completed at least twenty-five years of membership service as an airport fire fighter, may elect to receive, in lieu of the receipt of any benefits under subsection 1 or section 97B.49A, subsection 4, as applicable, a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as an airport fire fighter, with benefits payable during the member's lifetime.

*b.* An airport fire fighter who retires on or after July 1, 1986, and before July 1, 1988, and has not completed twenty-five years of membership service as required under this subsection is eligible to receive a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as an airport fire fighter multiplied by a fraction of years of service as an airport fire fighter. For the purpose of this subsection, *"fraction of years of service"* means a number, not to exceed one, equal to the sum of the years of membership service as an airport fire fighter, divided by twenty-five years. On or after July 1, 1986, but before July 1, 1988, if the airport fire fighter has not reached sixty years of age at retirement, the monthly retirement allowance shall be reduced by five-tenths of one percent per month for each month that the airport fire fighter's retirement precedes the date on which the airport fire fighter attains sixty years of age.

*c.* The employer and each employee eligible for benefits under this subsection shall annually contribute an actuarially determined amount specified by the system, as a percentage of covered wages, that is necessary to pay for the additional benefits provided by this subsection. The annual contribution in excess of the employer and employee contributions required in section 97B.11 shall be paid by the employer and the employee in the same proportion that the employer and employee contributions are made under section 97B.11.

*d.* There is appropriated from the general fund of the state to the system from funds not otherwise appropriated an amount sufficient to pay the employer share of the cost of the additional benefits provided in this subsection.

10. *Protection occupation — July 1988 – July 1994.*

*a.* For purposes of this subsection:

(1) *"Applicable percentage"* means the applicable percentage multiplier defined in

subsection 1, paragraph *"b"*, that applies on the date a member retires and becomes eligible to receive a monthly allowance as calculated pursuant to this subsection.

(2) *"Fraction of years of service"* means a number, not to exceed one, equal to the sum of the years of membership service in a protection occupation divided by twenty-five years.

*b.* Notwithstanding other provisions of this chapter, a member who is or has been employed in a protection occupation who retires on or after July 1, 1988, and before July 1, 1994, and at the time of retirement is at least fifty-five years of age may elect to receive, in lieu of the receipt of any benefits as calculated pursuant to subsection 1 or section 97B.49A, subsection 4, as applicable, a monthly retirement allowance equal to one-twelfth of an amount equal to the applicable percentage of the three-year average covered wage as a member who has been employed in a protection occupation multiplied by a fraction of years of service, with benefits payable during the member's lifetime.

11. *Sheriffs and deputy sheriffs — July 1988 – July 1994.*

*a.* For purposes of this subsection:

(1) *"Applicable percentage"* means the applicable percentage multiplier as described in subsection 1, paragraph *"b"*, that applies on the date a member retires and becomes eligible to receive a monthly allowance as calculated pursuant to this subsection.

(2) *"Fraction of years of service"* means a number, not to exceed one, equal to the sum of the years of membership service as a sheriff or deputy sheriff divided by twenty-two years.

*b.* Notwithstanding other provisions of this chapter, a member who retires from employment as a sheriff or deputy sheriff on or after July 1, 1988, and before July 1, 1994, and at the time of retirement is at least fifty-five years of age may elect to receive, in lieu of the receipt of any benefits as calculated pursuant to subsection 1 or section 97B.49A, subsection 4, as applicable, a monthly retirement allowance equal to one-twelfth of an amount equal to the applicable percentage of the three-year average covered wage as a member who has been employed as a sheriff or deputy sheriff multiplied by a fraction of years of service, with benefits payable during the member's lifetime.

12. *Probation and parole officers III — July 1994 – July 1998.* The system shall establish and maintain additional contribution accounts for employees of judicial district departments of correctional services who were employed as parole officers III and probation officers III during any portion of the period from July 1, 1994, through June 30, 1998. A probation officer III or parole officer III who made contributions to the retirement fund during the period from July 1, 1994, through June 30, 1998, as a member of a protection occupation shall have credited to an additional contribution account for that probation or parole officer an amount equal to the contributions made to the retirement fund in excess of three and seven-tenths percent of the probation or parole officer's covered wages paid from July 1, 1994, through June 30, 1998, plus interest at the applicable statutory interest rates established in this chapter. Moneys deposited in an additional contribution account established pursuant to this section shall be payable in a lump sum to the probation or parole officer at retirement or upon request for a refund of moneys in the account. If the probation or parole officer dies prior to receipt of moneys in the account, the beneficiary designated by that probation or parole officer shall receive a lump sum payment of moneys in the account. The payment of moneys from the account created in this subsection shall not be annuitized. A probation officer III or parole officer III for which an account is established under this subsection shall not receive credit for eligible service as a member of a protection occupation for that service.

98 Acts, ch 1183, §41; 2000 Acts, ch 1077, §46; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1162, §32; 2003 Acts, ch 145, §286; 2008 Acts, ch 1031, §30; 2008 Acts, ch 1032, §201

Referred to in §97.51, 97B.1A, 97B.43, 97B.46, 97B.48, 97B.48A, 97B.49A, 97B.50, 97B.50A, 97B.51, 97B.53, 97B.80, 97D.3, 602.11115, 602.11116

**97B.49H Active member supplemental accounts.**

1. There is established, for each active member, a supplemental account consisting of amounts credited to the account as provided in this section which shall be held and used for the exclusive benefit of the member pursuant to the requirements of this section.

2. Amounts shall be credited to a supplemental account of each active member pursuant to the requirements of this section following a determination by the system's actuary during

the most recent annual actuarial valuation that the retirement system does not have an unfunded accrued liability. For purposes of this section, the retirement system does not have an unfunded accrued liability if the actuarial accrued liability of the retirement system based on the actuarial cost method used by the actuary does not exceed the actuarial value of assets of the retirement system as of the valuation date.

3. The system shall annually determine the amount to be credited to the supplemental accounts of active members. The total amount credited to the supplemental accounts of all active members shall not exceed the amount that the system determines, in consultation with the system's actuary, leaves the system fully funded following the crediting of the total amount to the supplemental accounts. The amount to be credited shall not be greater than the amount calculated by multiplying the member's covered wages for the applicable wage reporting period by the supplemental rate. For purposes of this subsection, the supplemental rate is the difference, if positive, between the combined employee and employer statutory contribution rates in effect under section 97B.11 and the normal cost rate of the retirement system as determined by the system's actuary in the most recent annual actuarial valuation of the retirement system. The credits shall be made to each member's account at the time that covered wages are reported for each wage reporting period during the calendar year following a determination that the retirement system will remain fully funded following the crediting of the total amount to the supplemental accounts. The normal cost rate, calculated according to the actuarial cost method used, is the percent of pay allocated to each year of service that is necessary to fund projected benefits over all members' service with the retirement system.

4. Amounts credited to a member's supplemental account shall be credited with interest quarterly pursuant to section 97B.70, subsection 2.

5. Amounts credited to a member's supplemental account shall be distributed as follows:

*a.* If a member terminates covered employment and files an application for a refund under section 97B.53, the member shall receive in a lump sum payment, in addition to any other payment provided by this chapter, all amounts credited to the member's supplemental account.

*b.* If a member dies prior to retirement, the member's beneficiary shall receive in a lump sum payment, in addition to any other payment provided by this chapter, all amounts credited to the member's supplemental account.

*c.* Upon retirement, the member shall elect to receive in a lump sum payment or in an annuity, in addition to any other payment provided by this chapter, all amounts credited to the member's supplemental account. The annuity provided under this section shall be payable in the same form, at the same time, and to the same persons, including beneficiaries and contingent annuitants, that the member elects for the payments under the other provisions of this chapter providing for the monthly payment of allowances. The amount of an annuity provided under this section, including amounts payable to beneficiaries and contingent annuitants, shall be calculated using the amount credited to the member's supplemental account as of the date of retirement, and the assumptions underlying the actuarial tables used to calculate optional allowances under section 97B.51.

98 Acts, ch 1183, §42, 43; 2000 Acts, ch 1077, §47; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2006 Acts, ch 1091, §8; 2008 Acts, ch 1171, §35, 48

Referred to in §97B.1A, 97B.46, 97B.48, 602.11115, 602.11116

**97B.49I Qualified benefits arrangement.**

The system, by rule, may establish and maintain a qualified benefits arrangement under section 415(m) of the federal Internal Revenue Code. The amount of any annual benefit that would be payable pursuant to this chapter but for the limitation imposed by section 415 of the federal Internal Revenue Code shall be paid from a qualified benefits arrangement established and maintained pursuant to this section.

98 Acts, ch 1183, §44; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286

**97B.50 Early retirement.**

1. Except as otherwise provided in this section, a vested member who is at least fifty-five years of age, upon retirement prior to the normal retirement date for that member, is entitled

to receive a monthly retirement allowance determined in the same manner as provided for normal retirement in sections 97B.49A, 97B.49E, and 97B.49G, reduced as follows:

*a.* For a member who is not vested on June 30, 2012, by one-half of one percent per month for each month that the early retirement date precedes the date the member attains age sixty-five.

*b.* For a member who is vested on June 30, 2012, the member's retirement allowance shall be reduced as follows:

(1) For that portion of the member's retirement allowance based on years of service through June 30, 2012, by twenty-five hundredths of one percent per month for each month that the early retirement date precedes the member's earliest normal retirement date using the member's age on the early retirement date and years of service as of June 30, 2012.

(2) For that portion of the member's retirement allowance based on years of service after June 30, 2012, by one-half of one percent per month for each month that the early retirement date precedes the date the member attains age sixty-five.

2. *a.* A vested member who retires from the retirement system due to disability and commences receiving disability benefits pursuant to the federal Social Security Act, 42 U.S.C. § 423 et seq., and who has not reached the normal retirement date, shall receive benefits as selected under section 97B.51, and shall not have benefits reduced upon retirement as required under subsection 1 regardless of whether the member has completed thirty or more years of membership service. However, the benefits shall be suspended during any period in which the member returns to covered employment. This section takes effect July 1, 1990, for a member meeting the requirements of this paragraph who retired from the retirement system at any time after July 4, 1953. Eligible members retiring on or after July 1, 2000, are entitled to the receipt of retroactive adjustment payments for no more than thirty-six months immediately preceding the month in which written application for retirement due to disability was received by the system.

*b.* A vested member who retires from the retirement system due to disability and commences receiving disability benefits pursuant to the federal Railroad Retirement Act, 45 U.S.C. § 231 et seq., and who has not reached the normal retirement date, shall receive benefits as selected under section 97B.51, and shall not have benefits reduced upon retirement as required under subsection 1 regardless of whether the member has completed thirty or more years of membership service. However, the benefits shall be suspended during any period in which the member returns to covered employment. This section takes effect July 1, 1990, for a member meeting the requirements of this paragraph who retired from the retirement system at any time since July 4, 1953. Eligible members retiring on or after July 1, 2000, are entitled to the receipt of retroactive adjustment payments for no more than thirty-six months immediately preceding the month in which written application for retirement due to disability was received by the system.

*c.* A vested member who terminated service due to a disability, who has been issued payment for a refund pursuant to section 97B.53, and who subsequently commences receiving disability benefits as a result of that disability pursuant to the federal Social Security Act, 42 U.S.C. § 423 et seq. or the federal Railroad Retirement Act, 45 U.S.C. § 231 et seq., may receive credit for membership service for the period covered by the refund payment, upon repayment to the system of the actuarial cost of receiving service credit for the period covered by the refund payment, as determined by the system. For purposes of this paragraph, the actuarial cost of the service purchase shall be determined as provided in section 97B.80C. The payment to the system as provided in this paragraph shall be made within ninety days after July 1, 2000, or the date federal disability payments commenced, whichever occurs later. For purposes of this paragraph, the date federal disability payments commence shall be the date that the member actually receives the first such payment, regardless of any retroactive payments included in that payment. A member who repurchases service credit under this paragraph and applies for retirement benefits shall have the member's monthly allowance, including retroactive adjustment payments, determined in the same manner as provided in paragraph "*a*" or "*b*", as applicable.

*d.* For a vested member who retires from the retirement system due to disability on or after July 1, 2009, and commences receiving disability benefits pursuant to the federal

Railroad Retirement Act, 45 U.S.C. § 231 et seq., or the federal Social Security Act, 42 U.S.C. § 423 et seq., the system may require the vested member to certify on an annual basis continued eligibility for disability payments under the federal Railroad Retirement Act or the federal Social Security Act. If the vested member is under the age at which disability benefits are converted under the federal Social Security Act or the federal Railroad Retirement Act to retirement benefits and is no longer eligible for disability payments under either the federal Railroad Retirement Act or the federal Social Security Act, the vested member shall no longer be eligible to receive retirement benefits as provided by this subsection. If the system has paid retirement benefits to the member between the month the member was no longer eligible for payment pursuant to the federal Railroad Retirement Act or the federal Social Security Act and the month the system terminated retirement benefits under this paragraph, the member shall return all retirement benefits paid by the system following the termination of such federal disability benefits, plus interest. The system shall adopt rules pursuant to chapter 17A to implement this paragraph.

3. A member who is at least sixty-two years of age and less than sixty-five years of age, and who has completed twenty or more years of membership service and prior service, shall receive benefits under sections 97B.49A through 97B.49G, as applicable, determined as if the member had attained sixty-five years of age.

[C46, 50, §97.13, 97.45; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.50]

84 Acts, ch 1285, §11, 12; 86 Acts, ch 1243, §19 – 21; 87 Acts, ch 227, §19, 20; 88 Acts, ch 1242, §45 – 47; 90 Acts, ch 1240, §37; 91 Acts, ch 105, §1; 92 Acts, ch 1201, §48, 49; 94 Acts, ch 1183, §43, 44; 96 Acts, ch 1187, §41; 98 Acts, ch 1183, §45, 77; 2000 Acts, ch 1077, §48 – 50; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §179, 286; 2004 Acts, ch 1101, §16; 2004 Acts, ch 1103, §39, 40; 2008 Acts, ch 1171, §36, 48; 2010 Acts, ch 1167, §30, 39

Referred to in §97B.48A, 97B.49A, 97B.49E, 97B.49G, 97B.50A, 97B.53

**97B.50A Disability benefits for special service members.**

1. *Definitions.* For purposes of this section, unless the context otherwise provides:

*a.* *"Member"* means a vested member who is classified as a special service member under section 97B.1A, subsection 22, at the time of the alleged disability. *"Member"* does not mean a volunteer fire fighter.

*b.* *"Net disability retirement allowance"* means the amount determined by subtracting the amount paid during the previous calendar year by the member for health insurance or similar health care coverage for the member and the member's dependents from the amount of the member's disability retirement allowance, including any dividends and distributions from supplemental accounts, paid for that year pursuant to this section.

*c.* *"Reemployment comparison amount"* means an amount equal to the current covered wages of an active special service member at the same position on the salary scale within the rank or position the member held at the time the member received a disability retirement allowance pursuant to this section. If the rank or position held by the member at the time of retirement pursuant to this section is abolished, the amount shall be computed by the system as though the rank or position had not been abolished and salary increases had been granted on the same basis as granted to other ranks or positions by the former employer of the member. The reemployment comparison amount shall not be less than the three-year average covered wage of the member, based on all regular and special service covered under this chapter.

2. *In-service disability retirement allowance.*

*a.* A member who is injured in the performance of the member's duties, and otherwise meets the requirements of this subsection, shall receive an in-service disability retirement allowance under this subsection, in lieu of a monthly retirement allowance as provided in section 97B.49A, 97B.49B, 97B.49C, 97B.49D, or 97B.49G, as applicable.

*b.* Upon application of a member, a member who has become totally and permanently incapacitated for duty in the member's special service occupation as the natural and proximate result of an injury, disease, or exposure occurring or aggravated while in the actual performance of duty at some definite place and time shall be eligible to retire under this subsection, provided that the medical board, as established by this section, shall certify

that the member is mentally or physically incapacitated for further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired. The system shall make the final determination, based on the medical evidence received, of a member's total and permanent disability. However, if a person's special service membership in the retirement system first commenced on or after July 1, 2000, the member shall not be eligible for benefits with respect to a disability which would not exist but for a medical condition that was known to exist on the date that membership commenced. A member who is denied a benefit under this subsection, by reason of a finding by the system that the member is not mentally or physically incapacitated for the further performance of duty, shall be entitled to be restored to active service in the same or comparable special service occupation position held by the member immediately prior to the application for disability benefits.

*c.* (1) Disease under this subsection shall mean heart disease or any disease of the lungs or respiratory tract and shall be presumed to have been contracted while on active duty as a result of strain, exposure, or the inhalation of noxious fumes, poison, or gases.

(2) Disease under this subsection shall also mean cancer or infectious disease, as defined in section 411.1, and shall be presumed to have been contracted while on active duty as a result of that duty.

(3) However, if a person's special service membership in the retirement system first commenced on or after July 1, 2000, and the heart disease, disease of the lungs or respiratory tract, cancer, or infectious disease would not exist, but for a medical condition that was known to exist on the date that special service membership commenced, the presumption established in this paragraph "*c*" shall not apply.

*d.* Upon retirement for an in-service disability as provided by this subsection, a member shall have the option to receive a monthly in-service disability retirement allowance calculated under this subsection or a monthly retirement allowance as provided in section 97B.49A, 97B.49B, 97B.49C, 97B.49D, or 97B.49G, as applicable, that the member would receive if the member had attained fifty-five years of age. The monthly in-service disability allowance calculated under this subsection shall consist of an allowance equal to one-twelfth of sixty percent of the member's three-year average covered wage or its actuarial equivalent as provided under section 97B.51.

3. *Ordinary disability retirement allowance.*

*a.* A member who otherwise meets the requirements of this subsection shall receive an ordinary disability retirement allowance under this subsection in lieu of a monthly retirement allowance as provided in section 97B.49A, 97B.49B, 97B.49C, 97B.49D, or 97B.49G, as applicable.

*b.* Upon application of a member, a member who has become totally and permanently incapacitated for duty in the member's special service occupation shall be eligible to retire under this subsection, provided that the medical board, as established by this section, shall certify that the member is mentally or physically incapacitated for further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired. The system shall make the final determination, based on the medical evidence received, of a member's total and permanent disability. However, if a person's special service membership in the retirement system first commenced on or after July 1, 2000, the member shall not be eligible for benefits with respect to a disability which would not exist, but for a medical condition that was known to exist on the date that special service membership commenced. A member who is denied a benefit under this subsection, by reason of a finding by the system that the member is not mentally or physically incapacitated for the further performance of duty, shall be entitled to be restored to active service in the same or comparable special service occupation position held by the member immediately prior to the application for disability benefits.

*c.* Upon retirement for an ordinary disability as provided by this subsection, a member shall receive the greater of a monthly ordinary disability retirement allowance calculated under this subsection or a monthly retirement allowance as provided in section 97B.49A, 97B.49B, 97B.49C, 97B.49D, or 97B.49G, as applicable. The monthly ordinary disability allowance calculated under this subsection shall consist of an allowance equal to one-twelfth

of fifty percent of the member's three-year average covered wage or its actuarial equivalent as provided under section 97B.51.

4. *Waiver of allowance.* A member receiving a disability retirement allowance under this section may file an application to receive benefits pursuant to section 97B.50, subsection 2, in lieu of receiving a disability retirement allowance under this section, if the member becomes eligible for benefits under section 97B.50, subsection 2. An application to receive benefits pursuant to section 97B.50, subsection 2, shall be filed with the system within sixty days after the member becomes eligible for benefits pursuant to that section or the member shall be ineligible to elect coverage under that section. On the first of the month following the month in which a member's application is approved by the system, the member's election of coverage under section 97B.50, subsection 2, shall become effective and the member's eligibility to receive a disability retirement allowance pursuant to this section shall cease. Benefits payable pursuant to section 97B.50, subsection 2, shall be calculated using the option choice the member selected for payment of a disability retirement allowance pursuant to this section. An application to elect coverage under section 97B.50, subsection 2, is irrevocable upon approval by the system.

5. *Offset to allowance.* Notwithstanding any provisions to the contrary in state law, or any applicable contract or policy, any amounts which may be paid or payable by the employer under any workers' compensation, unemployment compensation, employer-paid disability plan, program, or policy, or other law to a member, and any disability payments the member receives pursuant to the federal Social Security Act, 42 U.S.C. § 423 et seq., shall be offset against and payable in lieu of any retirement allowance payable pursuant to this section on account of the same disability.

6. *Reexamination of members retired on account of disability.*

*a.* Once each year during the first five years following the retirement of a member under this section, and once in every three-year period thereafter, the system may, and upon the member's application shall, require any member receiving an in-service or ordinary disability retirement allowance who has not yet attained the age of fifty-five years to undergo a medical examination as arranged by the medical board as established by this section. The examination shall be made by the medical board or by an additional physician or physicians designated by the medical board. If any member receiving an in-service or ordinary disability retirement allowance who has not attained the age of fifty-five years refuses to submit to the medical examination, the allowance may be discontinued until the member's withdrawal of the refusal, and should the member's refusal continue for one year, all rights in and to the member's disability retirement allowance shall be revoked by the system.

*b.* If a member is determined under paragraph "*a*" to be no longer eligible for in-service or ordinary disability benefits, all benefits paid under this section shall cease. The member shall be eligible to receive benefits calculated under section 97B.49B or 97B.49C, as applicable, when the member reaches age fifty-five.

7. *Reemployment.*

*a.* If a member receiving a disability retirement allowance is returned to covered employment, the member's disability retirement allowance shall cease, the member shall again become an active member, and shall contribute thereafter at the same rate payable by similarly classified members. If a member receiving a disability retirement allowance returns to special service employment, then the period of time the member received a disability retirement allowance shall constitute eligible service as defined in section 97B.49B, subsection 1, or section 97B.49C, subsection 1, as applicable. Upon subsequent retirement, the member's retirement allowance shall be calculated as provided in section 97B.48A.

*b.* (1) If a member receiving a disability retirement allowance is engaged in a gainful occupation that is not covered employment, the member's disability retirement allowance shall be reduced, if applicable, as provided in this paragraph.

(2) If the member is engaged in a gainful occupation paying more than the difference between the member's net disability retirement allowance and one and one-half times the reemployment comparison amount for that member, then the amount of the member's disability retirement allowance shall be reduced to an amount such that the member's net

disability retirement allowance plus the amount earned by the member shall equal one and one-half times the reemployment comparison amount for that member.

(3) The member shall submit sufficient documentation to the system to permit the system to determine the member's net disability retirement allowance and earnings from a gainful occupation that is not covered employment for the applicable year.

(4) This paragraph does not apply to a member who is at least fifty-five years of age and would have completed a sufficient number of years of service if the member had remained in active special service employment. For purposes of this subparagraph, a sufficient number of years of service shall be the applicable years of service for a special service member as described in section 97B.49B or twenty-two for a special service member as described in section 97B.49C.

8. *Death benefits.* A member who is receiving an in-service or ordinary disability retirement allowance under this section shall be treated as having elected a lifetime monthly retirement allowance with death benefits payable under section 97B.52, subsection 3, unless the member elects an optional form of benefit provided under section 97B.51, which shall be actuarially equivalent to the lifetime monthly retirement allowance provided under this section.

9. *Medical board.* The system shall designate a medical board to be composed of three physicians from the university of Iowa hospitals and clinics who shall arrange for and pass upon the medical examinations required under this section and shall report in writing to the system the conclusions and recommendations upon all matters duly referred to the medical board. Each report of a medical examination under this section shall include the medical board's findings as to the extent of the member's physical or mental impairment. Except as required by this section, each report shall be confidential and shall be maintained in accordance with the federal Americans With Disabilities Act, and any other state or federal law containing requirements for confidentiality of medical records.

10. *Liability of third parties — subrogation.*

*a.* If a member receives an injury for which benefits are payable under this section, and if the injury is caused under circumstances creating a legal liability for damages against a third party other than the system, the member or the member's legal representative may maintain an action for damages against the third party. If a member or a member's legal representative commences such an action, the plaintiff member or representative shall serve a copy of the original notice upon the system not less than ten days before the trial of the action, but a failure to serve the notice does not prejudice the rights of the system, and the following rights and duties ensue:

(1) The system shall be indemnified out of the recovery of damages to the extent of benefit payments made by the retirement system, with legal interest, except that the plaintiff member's attorney fees may be first allowed by the district court.

(2) The system has a lien on the damage claim against the third party and on any judgment on the damage claim for benefits for which the retirement system is liable. In order to continue and preserve the lien, the system shall file a notice of the lien within thirty days after receiving a copy of the original notice in the office of the clerk of the district court in which the action is filed.

*b.* If a member fails to bring an action for damages against a third party within thirty days after the system requests the member in writing to do so, the system is subrogated to the rights of the member and may maintain the action against the third party, and may recover damages for the injury to the same extent that the member may recover damages for the injury. If the system recovers damages in the action, the court shall enter judgment for distribution of the recovery as follows:

(1) A sum sufficient to repay the system for the amount of such benefits actually paid by the retirement system up to the time of the entering of the judgment.

(2) A sum sufficient to pay the system the present worth, computed at the interest rate provided in section 535.3 for court judgments and decrees, of the future payments of such benefits for which the retirement system is liable, but the sum is not a final adjudication of the future payment which the member is entitled to receive.

(3) Any balance shall be paid to the member.

*c.* Before a settlement is effective between the system and a third party who is liable for any injury, the member must consent in writing to the settlement; and if the settlement is between the member and a third party, the system must consent in writing to the settlement; or on refusal to consent, in either case, the district court in the county in which either the employer of the member or the system is located must consent in writing to the settlement.

*d.* For purposes of subrogation under this section, a payment made to an injured member or the member's legal representative, by or on behalf of a third party or the third party's principal or agent, who is liable for, connected with, or involved in causing the injury to the member, shall be considered paid as damages because the injury was caused under circumstances creating a legal liability against the third party, whether the payment is made under a covenant not to sue, compromise settlement, denial of liability, or is otherwise made.

11. *Document submissions.* A member retired under this section, in order to be eligible for continued receipt of retirement benefits, shall submit to the system any documentation the system may reasonably request which will provide information needed to determine payments to the member under this section.

12. *Contributions.* The expenses incurred in the administration of this section by the system shall be paid through contributions as determined pursuant to section 97B.11.

13. *Applicability — retroactivity.*

*a.* This section applies to a member who becomes disabled on or after July 1, 2000, and also applies to a member who becomes disabled prior to July 1, 2000, if the member has not terminated special service employment as of June 30, 2000.

*b.* To qualify for benefits under this section, a member must file a completed application with the system within one year of the member's termination of employment. A member eligible for a disability retirement allowance under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which the completed application for receipt of a disability retirement allowance under this section is approved.

14. *Rules.* The system shall adopt rules pursuant to chapter 17A specifying the application procedure for members pursuant to this section.

2000 Acts, ch 1077, §51; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1119, §126; 2002 Acts, ch 1135, §24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §17, 18; 2004 Acts, ch 1103, §41; 2006 Acts, ch 1091, §9; 2008 Acts, ch 1171, §37, 48, 49; 2010 Acts, ch 1167, §31

**97B.51 Allowance upon retirement.**

1. Each member has the right prior to the member's retirement date to elect to have the member's retirement allowance payable under one of the options set forth in this section. The amount of the optional retirement allowance selected in paragraph "*a*", "*c*", "*d*", "*e*", or "*f*" shall be the actuarial equivalent of the amount of the retirement allowance otherwise payable to the member as determined by the system in consultation with the system's actuary. The member shall make an election by written request to the system and the election is subject to the approval of the system. If the member is married, election of an option under this section requires the written acknowledgment of the member's spouse. However, the system may accept a married member's election of a benefit option under this section without the written acknowledgment of the member's spouse if the member submits a notarized statement indicating that the member has been unable to locate the member's spouse to obtain the written acknowledgment of the spouse after reasonable diligent efforts. The member's election of a benefit option shall become effective upon filing the necessary forms, including the notarized statement, with the system. The system shall not be liable to the member, the member's spouse, or to any other person affected by the member's election of a benefit option, based upon an election of benefit option accomplished without the written acknowledgment of the member's spouse. The member may, if eligible, select one of the following options:

*a.* At retirement, a member may designate that upon the member's death, a specified amount of money shall be paid to a named beneficiary, and the member's monthly retirement allowance shall be reduced by an actuarially determined amount to provide for the lump sum payment. The amount designated by the member must be in thousand dollar increments

and shall be limited to the amount of the member's accumulated contributions. The amount designated shall not lower the monthly retirement allowance of the member by more than one-half the amount payable as provided in paragraph *"b"*. A member may designate a different beneficiary at any time, except as limited by an order that has been accepted by the system as complying with the requirements of section 97B.39. The election of a death benefit amount under this paragraph shall be irrevocable upon payment of the first monthly retirement allowance.

*b.* A member may elect a retirement allowance otherwise payable to the member upon retirement under the retirement system pursuant to this chapter, to include the applicable provisions of sections 97B.49A through 97B.49G, and a death benefit as provided in section 97B.52, subsection 3.

*c.* A member may elect an increased retirement allowance during the member's lifetime with no death benefit after the member's retirement date.

*d.* (1) A member may elect to receive a decreased retirement allowance during the member's lifetime and have the decreased retirement allowance, or a designated fraction thereof, continued after the member's death to another person, called a contingent annuitant, during the lifetime of the contingent annuitant. The member cannot change the contingent annuitant after the member's retirement. In case of the election of a contingent annuitant, no death benefits, as might otherwise be provided by this chapter, will be payable upon the death of either the member or the contingent annuitant after the member's retirement.

(2) In lieu of a benefit as calculated under subparagraph (1), a member may elect to receive a decreased retirement allowance during the member's lifetime and have the decreased retirement allowance, or a designated fraction thereof, continued after the member's death to another person, called a contingent annuitant, during the lifetime of the contingent annuitant, as determined by this subparagraph. In addition, if the contingent annuitant dies prior to the death of the member, the member shall receive a retirement allowance beginning with the first month following the death of the contingent annuitant as if the member had selected the option provided by paragraph *"b"* at the time of the member's first retirement. The member cannot change the contingent annuitant after the member's retirement. If a contingent annuitant receives a decreased retirement allowance under this subparagraph following the death of the member, no death benefits, as might otherwise be provided by this chapter, will be payable upon the death of the contingent annuitant.

*e.* A member may elect to receive a decreased retirement allowance during the member's lifetime with provision that in event of the member's death during the first one hundred twenty months of retirement, monthly payments of the member's decreased retirement allowance shall be made to the member's beneficiary until a combined total of one hundred twenty monthly payments have been made to the member and the member's beneficiary. When the member designates multiple beneficiaries, the present value of the remaining payments shall be paid in a lump sum to each beneficiary, either in equal shares to the beneficiaries, or if the member specifies otherwise in a written request, in the specified proportion. A member may designate a different beneficiary at any time, except as limited by an order that has been accepted by the department as complying with the requirements of section 97B.39.

*f.* A member retiring under section 97B.49B or 97B.49C may select an allowance upon retirement as provided under paragraph *"a"*, *"b"*, *"c"*, or *"e"*, or paragraph *"d"*, subparagraph (1), and may elect to have the monthly allowance otherwise payable to the member pursuant to the selected paragraph or subparagraph recalculated as provided in this paragraph. A member electing payment of a monthly allowance under this paragraph shall have the member's monthly allowance increased, as determined by the system's actuary, by an amount equal to the monthly federal social security benefit that would be payable to the member on the date the member would be first eligible to receive a reduced social security pension benefit based upon the member's account. Upon reaching the date the member would be first eligible to receive a reduced social security pension benefit, the member's monthly retirement allowance shall be permanently reduced, as determined by the system's actuary. A member electing payment of an allowance under this paragraph shall provide the system with a copy of the estimate provided by the federal social security administration of

the member's monthly federal social security benefit that would be payable on the date the member would be first eligible to receive a reduced social security pension benefit at least sixty days prior to the member's first month of entitlement.

2. The election by a member of an option stated under this section shall be null and void if the member dies prior to the member's first month of entitlement.

3. A member who had elected to take an option stated in this section, may, at any time prior to retirement, revoke such an election by written notice to the system. A member shall not change or revoke an election once the first retirement allowance is paid.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.51]

84 Acts, ch 1285, §13; 86 Acts, ch 1243, §22; 92 Acts, ch 1201, §50; 95 Acts, ch 102, §8; 96 Acts, ch 1187, §42 – 44; 98 Acts, ch 1183, §47 – 49; 2000 Acts, ch 1077, §52, 78; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §25 – 27; 2003 Acts, ch 145, §286

Referred to in §97B.25, 97B.48, 97B.48A, 97B.49E, 97B.49G, 97B.49H, 97B.50, 97B.50A, 97B.52

**97B.52 Payment to beneficiary.**

1. If an inactive member who is vested by service, or any active member, dies prior to the member's first month of entitlement, the member's beneficiary shall be entitled to receive a death benefit equal to the greater of the amount provided in paragraph "*a*" or "*b*". If an inactive member who is not vested by service dies prior to the member's first month of entitlement, the member's beneficiary shall only be entitled to receive a death benefit, as a lump sum, equal to the amount provided in paragraph "*a*".

*a.* A lump sum payment equal to the accumulated contributions of the member at the date of death plus the product of an amount equal to the highest year of covered wages of the deceased member and the number of years of membership service divided by the applicable denominator. As used in this paragraph, "*applicable denominator*" means the following, based upon the type of membership service in which the member served either on the date of death, or if the member died after terminating service, on the date of the member's last termination of service:

(1) For regular service, the applicable denominator is thirty.

(2) For service in a protection occupation, as defined in section 97B.49B, the applicable denominator is the applicable years of service for the member as defined in section 97B.49B if the member had retired on the date of death.

(3) For service as a sheriff or deputy sheriff, as provided in section 97B.49C, the applicable denominator is twenty-two.

*b.* For a member who dies on or after January 1, 2001, a lump sum payment equal to the actuarial present value of the member's accrued benefit as of the date of death. The actuarial equivalent present value of the member's accrued benefit as of the date of death shall be calculated using the same interest rate and mortality tables that are used by the system and the system's actuary under section 97B.51, and shall assume that the member would have retired at the member's earliest normal retirement date.

*c.* The payment of a death benefit to a designated beneficiary as provided by this subsection shall be in a lump sum payment. However, if the designated beneficiary is a sole individual, the beneficiary may elect to receive, in lieu of a lump sum payment under this subsection, a monthly annuity payable for the life of the beneficiary. The monthly annuity shall be calculated by applying the annuity tables used by the system to the lump sum payment under this subsection based on the beneficiary's age. If the designated beneficiary is more than one individual, or if the designated beneficiary is an estate, trust, church, charity, or other similar organization, a death benefit under this subsection shall only be paid in a lump sum.

2. *a.* If the system determines, upon the receipt of evidence and proof, that the death of a member in special service was the direct and proximate result of a traumatic personal injury incurred in the line of duty as a member in special service, a line of duty death benefit in an amount of one hundred thousand dollars shall be paid in a lump sum to the special service member's beneficiary. A line of duty death benefit payable under this subsection shall be in addition to any death benefit payable as provided in subsection 1.

*b.* A line of duty death benefit shall not be payable under this subsection if any of the following applies:

(1) The death resulted from stress, strain, occupational illness, or a chronic, progressive, or congenital illness, including, but not limited to, a disease of the heart, lungs, or respiratory system, unless a traumatic personal injury was a substantial contributing factor to the special service member's death.

(2) The death was caused by the intentional misconduct of the special service member or by the special service member's intent to cause the special service member's own death.

(3) The special service member was voluntarily intoxicated at the time of death.

(4) The special service member was performing the special service member's duties in a grossly negligent manner at the time of death.

(5) A beneficiary who would otherwise be entitled to a benefit under this subsection was, through the beneficiary's actions, a substantial contributing factor to the special service member's death.

(6) The death qualifies for a volunteer emergency services provider death benefit pursuant to section 100B.31.

3. If a member dies on or after the first day of the member's first month of entitlement, the excess, if any, of the accumulated contributions by the member as of said date over the total gross monthly retirement allowances received by the member under the retirement system will be paid to the member's beneficiary unless the retirement allowance is then being paid in accordance with section 97B.48 or with section 97B.51, subsection 1, paragraph "*a*", "*c*", "*d*", or "*e*".

4. *a.* Other than as provided in subsections 1, 2, and 3 of this section, or section 97B.51, all rights to any benefits under the retirement system shall cease upon the death of a member.

*b.* If a death benefit is due and payable on behalf of a member who dies prior to the member's first month of entitlement, interest shall continue to accumulate through the quarter preceding the quarter in which payment is made to the designated beneficiary, heirs at law, or the estate unless the payment of the death benefit is delayed because of a dispute between alleged heirs, in which case the benefit due and payable shall be placed in a noninterest bearing escrow account until the beneficiary is determined in accordance with this section.

5. *a.* In order to receive the death benefit, the beneficiary, heirs at law, or the estate, or any other third-party payee, must apply to the system within five years of the member's death. However, death benefits payable under this section shall not exceed the amount permitted pursuant to Internal Revenue Code section 401(a)(9) and the applicable treasury regulations.

*b.* The system shall reinstate a designated beneficiary's right to receive a death benefit beyond the five-year limitation if the designated beneficiary was the member's spouse at the time of the member's death and the distribution is required or permitted pursuant to Internal Revenue Code section 401(a)(9) and the applicable treasury regulations.

6. Following written notification to the system, a beneficiary of a deceased member may waive current and future rights to payments to which the beneficiary would otherwise be entitled under section 97B.51, subsection 1, paragraphs "*a*", "*b*", and "*e*". Upon receipt of the waiver, the system shall pay the amount designated to be received by that beneficiary to the member's other surviving beneficiary or beneficiaries or to the estate of the deceased member, as elected by the beneficiary in the waiver. If the payments being waived are payable to the member's estate and an estate is not probated, the payments shall be paid to the deceased member's surviving spouse, or if there is no surviving spouse, to the member's heirs other than the beneficiary who waived the payments.

7. If a member has not filed a designation of beneficiary with the system, the death benefit is payable to the member's estate. If no designation has been filed and an estate is not probated, the death benefit shall be paid to the surviving spouse, if any. If no designation has been filed, no estate has been probated, and there is no surviving spouse, the death benefit shall be paid to the heirs as provided in this subsection. The system shall pay the full amount of a member's death benefits to those heirs who have presented a claim for such benefits within five years after the member's date of death. The system is not liable for the payment of any claims by heirs who make themselves known to the system more than five years after

the date of death of the member. If a death benefit is not paid as provided by this subsection, the death benefit shall remain in the fund.

[C46, 50, §97.14 – 97.18, 97.39; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.52]

84 Acts, ch 1285, §14, 15; 90 Acts, ch 1240, §38; 92 Acts, ch 1201, §51 – 54; 95 Acts, ch 102, §9; 96 Acts, ch 1187, § 45 – 47; 98 Acts, ch 1183, §50 – 54; 2000 Acts, ch 1077, §53 – 58; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §28, 37; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §42 – 45; 2006 Acts, ch 1103, §2; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1171, §38, 48; 2010 Acts, ch 1167, §32

Referred to in §97B.49A, 97B.49F, 97B.49G, 97B.50A, 97B.51, 97B.53, 261.93

**97B.52A Eligibility for benefits — bona fide retirement.**

1. A member has a bona fide retirement when the member terminates all employment covered under the chapter or formerly covered under the chapter pursuant to section 97B.42, files a completed application for benefits form with the system, survives into the month for which benefits are first payable, and meets the following applicable requirement:

*a.* For a member whose first month of entitlement is prior to July 1, 1998, the member does not return to covered employment until the member has qualified for no fewer than four calendar months of retirement benefits.

*b.* For a member whose first month of entitlement is July 1998 or later, but before July 2000, the member does not return to any employment with a covered employer until the member has qualified for no fewer than four calendar months of retirement benefits.

*c.* (1) For a member whose first month of entitlement is July 2000 or later, the member does not return to any employment with a covered employer until the member has qualified for at least one calendar month of retirement benefits, and the member does not return to covered employment until the member has qualified for no fewer than four calendar months of retirement benefits.

(2) For purposes of determining a bona fide retirement under this paragraph "*c*", the following provisions apply:

(a) Effective July 1, 2000, any employment with a covered employer does not include employment as an elective official or member of the general assembly if the member is not covered under this chapter for that employment.

(b) For a member whose first month of entitlement is July 2004 or later, but before July 2014, covered employment does not include employment as a licensed health care professional by a public hospital. For the purposes of this subparagraph, *"public hospital"* means a hospital licensed pursuant to chapter 135B and governed pursuant to chapter 145A, 347, 347A, or 392.

(c) Effective May 25, 2008, any employment with a covered employer does not include noncovered employment as a member of the national guard called to state active duty as defined in section 29A.1.

2. A member may commence receiving retirement benefits under this chapter upon satisfying eligibility requirements. However, a retired member who commences receiving a retirement allowance but fails to meet the applicable requirements of subsection 1 does not have a bona fide retirement and any retirement allowance received by such a member must be returned to the system together with interest earned on the retirement allowance calculated at a rate determined by the system. Until the member has repaid the retirement allowance and interest, the system may withhold any future retirement allowance for which the member may qualify.

3. A member whose first month of entitlement is before July 1998 and who terminates covered employment but maintains an employment relationship with an employer that made contributions to the retirement system on the member's behalf does not have a bona fide retirement until all employment, including employment which is not covered by this chapter, with such employer is terminated for at least thirty days. In order to receive retirement benefits, the member must file a completed application for benefits form with the system before returning to any employment with the same employer.

4. The requirements of this section shall apply to a lump sum payment as provided

by section 97B.48, subsection 1, and the payment of contributions as provided in section 97B.48A, subsection 4.

92 Acts, ch 1201, §55; 95 Acts, ch 102, §10; 96 Acts, ch 1187, §48; 98 Acts, ch 1183, §55, 56; 2000 Acts, ch 1077, §59 – 62; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §46; 2005 Acts, ch 167, §29, 66; 2006 Acts, ch 1092, §6; 2010 Acts, ch 1167, §33, 40; 2012 Acts, ch 1138, §21; 2013 Acts, ch 138, §115, 127

Referred to in §97B.1A, 97B.42

2013 amendment to subsection 1, paragraph c, subparagraph (2), subparagraph division (b), takes effect January 1, 2014; 2013 Acts, ch 138, §127

Subsection 1, paragraph c, subparagraph (2), subparagraph division (b) amended

**97B.53 Termination of employment — refund options.**

Membership in the retirement system, and all rights to the benefits under the retirement system, cease upon a member's termination of employment with the employer prior to the member's retirement, other than by death, and upon receipt by the member of a refund of moneys in the member's account as provided in this section.

1. Upon the termination of employment with the employer prior to retirement other than by death of a member, the member's account, consisting of accumulated contributions by the member and, for a member who is vested on the date an application for a refund is filed, the member's share of the accumulated employer contributions for the vested member at the date of the termination, may be paid to the member upon application, except as provided in subsections 2, 4, and 8. For the purpose of this subsection, the *"member's share of the accumulated employer contributions"* is an amount equal to the accumulated employer contributions of the member multiplied by a fraction of years of service for that member as defined in section 97B.49A, 97B.49B, or 97B.49C.

2. If a vested member's employment is terminated prior to the member's retirement, other than by death, the member may receive a monthly retirement allowance commencing on the first day of the month in which the member attains the age of sixty-five years, if the member is then alive, or, if the member so elects in accordance with section 97B.47, commencing on the first day of the month in which the member attains the age of fifty-five or any month thereafter prior to the date the member attains the age of sixty-five years, and continuing on the first day of each month thereafter during the member's lifetime, provided the member does not receive prior to the date the member's retirement allowance is to commence a refund of moneys in the member's account as provided under any of the provisions of this chapter. The amount of each such monthly retirement allowance shall be determined as provided in either sections 97B.49A through 97B.49G, or in section 97B.50, whichever is applicable.

3. A terminated, vested member has the right, prior to the commencement of the member's retirement allowance, to receive a refund of moneys in the member's account, and in the event of the death of the member prior to the commencement of the member's retirement allowance and prior to the receipt of any such refund, the benefits authorized by subsection 1 and subsection 2 of section 97B.52 shall be paid.

4. A member has not terminated employment for purposes of this section if the member commences other covered employment within thirty days after the date employment was terminated with a covered employer, or if the member begins covered employment prior to filing a request for a refund with the system.

5. Within sixty days after a member has been issued payment for a refund of moneys in the member's account, the member may repay the moneys refunded, plus interest that would have accrued, as determined by the system, and receive credit for membership service for the period covered by the refund payment.

6. A member who does not withdraw moneys in the member's account upon termination of employment may at any time request the return of the moneys in the member's account, but if the member receives a return of moneys in the member's account the member has waived all claims for any other benefits and membership rights from the fund.

7. If a member is involuntarily terminated from covered employment, has been issued payment for a refund, and is retroactively reinstated in covered employment as a remedy for an employment dispute, the member may receive credit for membership service for the period covered by the refund payment upon repayment to the system within ninety days after

the date of the order or agreement requiring reinstatement of the amount of the refund plus interest that would have accrued, as determined by the system.

8. The system is under no obligation to maintain the member account of a member who terminates covered employment prior to December 31, 1998, if the member was not vested at the time of termination. A person who made contributions to the abolished system, who is entitled to a refund in accordance with the provisions of this chapter, and who has not claimed and received such a refund prior to January 1, 1964, shall, if the person makes a claim for refund after January 1, 1964, be required to submit proof satisfactory to the system of the person's entitlement to the refund. The system is under no obligation to maintain the member accounts of such persons after January 1, 1964.

9. Any member whose employment is terminated may elect to leave the moneys in the member's member account in the retirement fund.

10. If an employee hired to fill a permanent position terminates the employee's employment within six months from the date of employment, the employer may file a claim with the system for a refund of the funds contributed to the system by the employer for the employee.

[C46, 50, §97.6, 97.13, 97.45; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.53; 82 Acts, ch 1261, §24]

84 Acts, ch 1285, §16; 92 Acts, ch 1201, §56; 94 Acts, ch 1183, §45 – 47, 97; 96 Acts, ch 1187, §49; 98 Acts, ch 1183, §57 – 60, 78; 2000 Acts, ch 1077, §63; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §29; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §47

Referred to in §97B.1A, 97B.39, 97B.42, 97B.49A, 97B.49H, 97B.50, 97B.70, 97B.80C

**97B.53A Duty of system.**

Upon a member's termination of covered employment prior to the member's retirement, the system shall send the member by first class mail, to the member's last known mailing address, a notice setting forth the balance and status of the member's account and supplemental account and an explanation of the courses of action available to the member under this chapter.

90 Acts, ch 1240, §39; 2000 Acts, ch 1077, §64; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286

**97B.53B Rollovers of members' accounts.**

1. As used in this section, unless the context otherwise requires, and to the extent permitted by the internal revenue service:

*a.* "*Direct rollover*" means a payment by the system to the eligible retirement plan specified by an eligible person.

*b.* "*Eligible person*" means any of the following:

(1) The member.

(2) The member's surviving spouse.

(3) The member's spouse or former spouse as an alternate payee under a qualified domestic relations order.

(4) Effective January 1, 2007, the member's nonspouse beneficiaries who are designated beneficiaries as defined by section 401(a)(9)(E) of the federal Internal Revenue Code, as authorized under section 829 of the federal Pension Protection Act of 2006.

*c.* "*Eligible retirement plan*" means, for an eligible person, any of the following retirement plans that can accept an eligible rollover distribution from that eligible person:

(1) An individual retirement account in accordance with section 408(a) of the federal Internal Revenue Code.

(2) An individual retirement annuity in accordance with section 408(b) of the federal Internal Revenue Code.

(3) An annuity plan in accordance with section 403(a) of the federal Internal Revenue Code, or a qualified trust in accordance with section 401(a) of the federal Internal Revenue Code, that accepts an eligible rollover distribution from a member.

(4) Effective January 1, 2002, an annuity contract described in section 403(b) of the federal Internal Revenue Code, and an eligible plan under section 457(b) of the federal

Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that chooses to separately account for amounts transferred into such eligible retirement plan from the system.

(5) Effective January 1, 2008, a Roth individual retirement account or a Roth individual retirement annuity established under section 408A of the Internal Revenue Code.

*d.* (1) *"Eligible rollover distribution"* includes any of the following:

(a) All or any portion of a member's account and supplemental account.

(b) Effective January 1, 2002, after-tax employee contributions, if the plan to which such amounts are to be transferred is an individual retirement account described in federal Internal Revenue Code section 408(a) or 408(b), or is a qualified defined contribution plan described in federal Internal Revenue Code section 401(a) or 403(a), and such plan agrees to separately account for the after-tax amount so transferred.

(c) Effective January 1, 2007, after-tax employee contributions to a qualified defined benefit plan described in federal Internal Revenue Code section 401(a) or 403(a), or a tax-sheltered annuity plan described in federal Internal Revenue Code section 403(b), and such plan agrees to separately account for the after-tax amount so transferred.

(2) An eligible rollover distribution does not include any of the following:

(a) A distribution that is one of a series of substantially equal periodic payments, which occur annually or more frequently, made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary, or made for a specified period of ten years or more.

(b) A distribution to the extent that the distribution is required pursuant to section 401(a)(9) of the federal Internal Revenue Code.

(c) Prior to January 1, 2002, the portion of any distribution that is not includible in the gross income of the distributee, determined without regard to the exclusion for net unrealized appreciation with respect to employer securities.

2. An eligible person may elect, at the time and in the manner prescribed in rules adopted by the system and in rules of the receiving retirement plan, to have the system pay all or a portion of an eligible rollover distribution directly to an eligible retirement plan in a direct rollover. However, effective January 1, 2007, if the eligible person is a nonspouse beneficiary as described in subsection 1, paragraph "*b*", subparagraph (4), the nonspouse beneficiary may only have a direct rollover of the distribution to an individual retirement account or annuity as described in subsection 1, paragraph "*c*", subparagraphs (1), (2), and (5), established for the purpose of receiving the distribution on behalf of the nonspouse beneficiary, and such individual retirement account or annuity will be treated as an inherited individual retirement account or annuity pursuant to section 829 of the federal Pension Protection Act of 2006.

94 Acts, ch 1183, §48; 96 Acts, ch 1187, §50; 2000 Acts, ch 1077, §65; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §30, 38; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §48, 61; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1171, §39, 48, 49

**97B.54** Repealed by 94 Acts, ch 1183, § 88.

**97B.55** Repealed by 2000 Acts, ch 1031, § 1.

**97B.56 Abolished system — liquidation fund.**

The assets of the old-age and survivors' liquidation fund, established by sections 97.50 to 97.53 and any future payments or assets payable to the old-age and survivors' liquidation fund, are hereby transferred to the retirement fund, and all payments hereafter due in accordance with the provisions of said sections shall be paid from the retirement fund.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.56]

86 Acts, ch 1246, §723; 94 Acts, ch 1183, §49

**97B.57** Repealed by 2001 Acts, ch 68, § 23, 24.

**97B.58 Information furnished by employer.**

To enable the system to administer this chapter and perform its functions, the employer shall, upon the request of and in the manner provided by the system, provide accurate, complete, and timely information to the system of all matters relating to the pay of all members, date of birth, their retirement, death, or other cause for termination of employment, and other pertinent facts the system may require in the manner provided by the system. The system shall not be liable to any member, retiree, or beneficiary for any monetary or other relief due to the failure of the employer to comply with this section.

[C46, 50, §97.23 – 97.25; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.58]

92 Acts, ch 1201, §57; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2010 Acts, ch 1167, §34

**97B.59 through 97B.61** Repealed by 2001 Acts, ch 68, § 23, 24. See § 97B.4.

**97B.62 Accepting employment deemed consent.**

Every employee accepting employment or continuing in employment shall as long as the employee continues to be a member and has not become a member of another retirement system in the state which is maintained in whole or in part by public contributions or payments be deemed to consent and agree to any deductions from the employee's compensation required by this chapter and to all other provisions thereof.

[C46, 50, §97.2, 97.9; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.62]

**97B.63** Repealed by 67 Acts, ch 121, § 24.

**97B.64 Insurance laws not applicable.**

None of the laws of this state regulating insurance or insurance companies shall apply to the system or to the retirement system or any of its funds.

[C46, 50, §97.47; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.64]

2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §180

**97B.65 Revision rights reserved — limitation on increase of benefits — rates of contribution.**

1. The right is reserved to the general assembly to alter, amend, or repeal any provision of this chapter or any application thereof to any person, provided, however, that to the extent of the funds in the retirement system the amount of benefits which at the time of any such alteration, amendment, or repeal shall have accrued to any member of the retirement system shall not be repudiated, provided further, however, that the amount of benefits accrued on account of prior service shall be adjusted to the extent of any unfunded accrued liability then outstanding.

2. An increase in the benefits or retirement allowances provided under this chapter shall not be enacted until after the system's actuary determines that the system is fully funded and will continue to be fully funded immediately following enactment of the increase and the increase can be absorbed within the contribution rates otherwise established for the membership group authorized to receive the increase. However, an increase in the benefits or retirement allowances provided under this chapter may be enacted if the statutory change providing for the increase is accompanied by an adjustment in the required contribution rate of the membership group affected that is necessary to support such increase as determined by the system's actuary.

[C46, 50, §97.11, 97.13; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.65]

2003 Acts, ch 145, §286; 2006 Acts, ch 1091, §10; 2008 Acts, ch 1171, §40, 48, 49

**97B.66 Former members.**

A vested or retired member who was a member of the teachers insurance and annuity association-college retirement equities fund (TIAA-CREF) at any time between July 1, 1967, and June 30, 1971, and who became a member of the retirement system on July 1, 1971, upon submitting verification of service and wages earned during the applicable period of

service under the teachers insurance and annuity association-college retirement equities fund, may make employer and employee contributions to the retirement system based upon the covered wages of the member and the covered wages and the contribution rates in effect for all or a portion of that period of service and receive credit for membership service under this retirement system equivalent to the applicable period of membership service in the teachers insurance and annuity association-college retirement equities fund for which the contributions have been made. In addition, a member making employer and employee contributions because of membership in the teachers insurance and annuity association-college retirement equities fund under this section who was a member of the retirement system on June 30, 1967, and withdrew the member's accumulated contributions because of membership on July 1, 1967, in the teachers insurance and annuity association-college retirement equities fund, may make employee contributions to the retirement system for all or a portion of the period of service under the retirement system prior to July 1, 1967. A member making contributions pursuant to this section may make the contributions either for the entire applicable period of service, or for portions of the period of service, and if contributions are made for portions of the period of service, the contributions shall be in increments of one or more calendar quarters.

The contributions paid by the vested or retired member shall be equal to the accumulated contributions as defined in section 97B.1A, subsection 2, by the member for the applicable period of service, and the employer contribution for the applicable period of service under the teachers insurance and annuity association-college retirement equities fund (TIAA-CREF), that would have been or had been contributed by the vested or retired member and the employer, if applicable, plus interest on the contributions that would have accrued for the applicable period from the date the previous applicable period of service commenced under this retirement system or from the date the service of the member in the teachers insurance and annuity association-college retirement equities fund (TIAA-CREF) commenced to the date of payment of the contributions by the member as provided in section 97B.70.

However, the system shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

84 Acts, ch 1285, §17; 92 Acts, ch 1201, §58; 93 Acts, ch 44, §8; 94 Acts, ch 1183, §51, 97; 96 Acts, ch 1187, § 51 – 53; 98 Acts, ch 1183, §82; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 108, §27; 2003 Acts, ch 145, §286; 2004 Acts, ch 1086, §22

**97B.67** Repealed by 88 Acts, ch 1242, § 63.

**97B.68 Employees under federal civil service.**

1. Effective July 1, 1996, a person who is a member of the federal civil service retirement program or the federal employee's retirement system is not eligible for membership in the Iowa public employees' retirement system for the same position, and this chapter does not apply to that employee. An employee whose membership in the federal civil service retirement program or the federal employee's retirement system is subsequently terminated shall immediately notify the employee's employer and the system of that fact, and the employee shall become subject to this chapter on the date the notification is received by the system.

2. Upon termination of membership in the Iowa public employees' retirement system under the provisions of this section, the employee shall be paid from the Iowa public employees' retirement fund within six months of the termination a lump sum cash amount equal to the sum of:

*a.* Such member's accumulated contributions as defined in subsection 2 of section 97B.1A, computed as of July 4, 1959, plus

*b.* The total amount contributed to the Iowa old-age and survivors' insurance fund prior to July 1, 1953, by such member which was transferred to the retirement fund as of July 1, 1953, and would have been refundable to the member had the member not elected to receive prior service credit in accordance with section 97B.43, with interest on such amount at two percent per annum compounded annually from July 1, 1953, to July 4, 1959.

3. Effective July 1, 1996, an employee who participates in the federal civil service retirement program or the federal employee's retirement system may be covered under this chapter if otherwise eligible. The employee shall not be covered under this chapter, however, unless the employee is not credited for service in the federal civil service retirement system or the federal employee's retirement system for the position to be covered under this chapter. This subsection shall not be construed to permit any employer to contribute on behalf of an employee for the same position and the same period of service to both the Iowa public employees' retirement system and either the federal civil service retirement program or the federal employee's retirement system.

[C62, 66, 71, 73, 75, 77, 79, 81, §97B.68]

88 Acts, ch 1242, §48; 96 Acts, ch 1187, §54, 55; 98 Acts, ch 1183, §82; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286

**97B.69** Repealed by 84 Acts, ch 1285, § 30.

**97B.70 Interest and dividends to members.**

1. For calendar years prior to January 1, 1997, interest at two percent per annum and interest dividends declared by the system shall be credited to the member's contributions and the employer's contributions to become part of the accumulated contributions and accumulated employer contributions thereby.

*a.* The average rate of interest earned shall be determined upon the following basis:

(1) Investment income shall include interest and cash dividends on stock.

(2) Investment income shall be accounted for on an accrual basis.

(3) Capital gains and losses, realized or unrealized, shall not be included in investment income.

(4) Mean assets shall include fixed income investments valued at cost or on an amortized basis, and common stocks at market values or cost, whichever is lower.

(5) The average rate of earned interest shall be the quotient of the investment income and the mean assets of the retirement fund.

*b.* The interest dividend shall be determined within sixty days after the end of each calendar year as follows:

(1) The dividend rate for a calendar year shall be the excess of the average rate of interest earned for the year over the statutory two percent rate plus twenty-five hundredths of one percent.

(2) The average rate of interest earned and the interest dividend rate in percent shall be calculated to the nearest one hundredth, that is, to two decimal places.

(3) Interest and interest dividends calculated pursuant to this subsection shall be compounded annually.

2. For calendar years beginning January 1, 1997, a per annum interest rate at one percent above the interest rate on one-year certificates of deposit shall be credited to the member's contributions and the employer's contributions to become part of the accumulated contributions and accumulated employer contributions account. For purposes of this subsection, the interest rate on one-year certificates of deposit shall be determined by the system based on the average rate for such certificates of deposit as of the first business day of each year as published in a publication of general acceptance in the business community. The per annum interest rate shall be credited on a quarterly basis by applying one-quarter of the annual interest rate to the sum of the accumulated contributions and the accumulated employer contributions as of the end of the previous calendar quarter.

3. Interest shall be credited to the accumulated contributions and accumulated employer contributions accounts, and supplemental accounts of active members, inactive vested members, and, effective January 1, 1999, to inactive nonvested members, until the quarter prior to the quarter in which the member's first retirement allowance is paid or in which the member is issued a refund under section 97B.53, or in which a death benefit is issued.

4. Prior to January 1, 1999, interest and interest dividends shall be credited to the accumulated contributions and accumulated employer contributions account of a person who leaves the contributions in the retirement fund upon termination from covered

employment prior to achieving vested status, but who subsequently returns to covered employment. Upon return to covered employment but prior to January 1, 1999, interest and interest dividends shall be credited to the accumulated contributions and accumulated employer contributions account of the person commencing upon the date on which the person has covered wages.

5. If the system no longer maintains the accumulated contributions and accumulated employer contributions account of the person pursuant to this chapter, but the person submits satisfactory proof to the system that the person, or the person's employer, did make contributions that should be included in the accumulated contributions and accumulated employer contributions account, the system shall credit interest and interest dividends in the manner provided in subsection 4.

[C66, 71, 73, 75, 77, 79, 81, §97B.70]

94 Acts, ch 1183, §52, 97; 96 Acts, ch 1187, §56; 98 Acts, ch 1183, §61, 62; 2000 Acts, ch 1077, §67; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §186

Referred to in §97B.1A, 97B.9, 97B.10, 97B.48A, 97B.49H, 97B.66, 97B.80C

**97B.71** Repealed by 92 Acts, ch 1201, § 77.

**97B.72 through 97B.73A** Repealed by 2004 Acts, ch 1103, § 60. See § 97B.80C.

**97B.73B Patient advocates — unpaid contributions — service purchase.** Repealed by 2008 Acts, ch 1171, § 46, 48.

**97B.74 Reinstatement as a vested member (buy-back).** Repealed by 2004 Acts, ch 1103, § 60. See § 97B.80C.

**97B.75 Prior service credit before January 1, 1946.** Repealed by 2004 Acts, ch 1103, § 60.

**97B.76** Transferred to § 97D.4. See 90 Acts, ch 1240, § 93.

**97B.77 through 97B.79** Reserved.

**97B.80 Veteran's credit.**

1. Effective July 1, 1992, a vested or retired member who has one or more full calendar years of covered wages and who at any time served on active duty in the armed forces of the United States, upon submitting verification of the dates of the active duty service, may make contributions to the retirement system for all or a portion of the period of time of the active duty service, in increments of one or more calendar quarters, and receive credit for membership service and prior service for the period of time for which the contributions are made.

2. The contributions required to be made for purposes of this section shall be determined as follows:

*a.* For a member making contributions for a purchase of additional service prior to July 1, 1999, the contributions to be paid, representing both employer and employee contributions, shall be based upon the member's covered wages for the most recent full calendar year in which the member had reportable wages at the applicable rates in effect for that year under sections 97B.11, 97B.49B, 97B.49C, and 97B.49G. If the member's most recent covered wages were earned prior to the most recent calendar year, the member's covered wages shall be adjusted by the system by an inflation factor to reflect changes in the economy.

*b.* For a member making contributions for a purchase of additional service on or after July 1, 1999, the member shall make contributions in an amount equal to the actuarial cost of the service purchase. For purposes of this paragraph, the actuarial cost of the service purchase is an amount determined by the system in accordance with actuarial tables, as reported to the system by the system's actuary, which reflects the actuarial cost necessary to fund an increased retirement allowance resulting from the purchase of additional service.

3. Verification of active duty service and payment of contributions shall be made to the system. However, a member is not eligible to make contributions under this section if the member is receiving, is eligible to receive, or may in the future be eligible to receive retirement pay from the United States government for active duty in the armed forces, except for retirement pay granted by the United States government under retired pay for nonregular service pursuant to 10 U.S.C. § 12731 – 12739. A member receiving retired pay for nonregular service who makes contributions under this section shall provide information required by the system documenting time periods covered under retired pay for nonregular service.

4. Effective July 1, 2004, a member eligible for an increased retirement allowance because of the payment of contributions under this section is entitled to adjusted payments beginning with the month in which the member pays contributions under this section.

5. However, the system shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

88 Acts, ch 1242, §54; 90 Acts, ch 1240, §42; 92 Acts, ch 1201, §60; 93 Acts, ch 44, §14; 94 Acts, ch 1183, §59; 96 Acts, ch 1187, §67, 68; 97 Acts, ch 23, §11; 98 Acts, ch 1183, §68; 2001 Acts, ch 68, §21, 24; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §51, 52

**97B.80A and 97B.80B** Repealed by 2004 Acts, ch 1103, § 60. See § 97B.80C.

**97B.80C Purchases of permissive service credit.**

1. *Definitions.* For purposes of this section:

*a.* *"Nonqualified service"* means any of the following:

(1) Service that is not qualified service.

(2) Any period of time for which there was no performance of services.

(3) Service as described in subsection 1, paragraph "*c*", subparagraph (2).

*b.* *"Permissive service credit"* means credit that will be recognized by the retirement system for purposes of calculating a member's benefit, for which the member did not previously receive service credit in the retirement system, and for which the member voluntarily contributes to the retirement system the amount required by the retirement system, not in excess of the amount necessary to fund the benefit attributable to such service.

*c.* (1) *"Qualified service"* means any of the following:

(a) Service with the United States government or any state or local government, including any agency or instrumentality thereof, regardless of whether that government, agency, or instrumentality was a covered employer at the time of the service.

(b) Service with an association representing employees of the United States government or any state or local government, including any agency or instrumentality thereof, regardless of whether that government, agency, or instrumentality was a covered employer at the time of the service.

(c) Service with an educational organization which normally maintains a regular faculty and curriculum, normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on, and is a public, private, or sectarian school which provides elementary education or secondary education through grade twelve.

(d) Military service other than military service required to be recognized under Internal Revenue Code section 414(u) or under the federal Uniformed Services Employment and Reemployment Rights Act.

(e) Service as a member of the general assembly.

(f) Previous service as a county attorney by a part-time county attorney.

(g) Service in public employment comparable to employment covered under this chapter in another state or in the federal government, or service as a member of another public retirement system in this state, including but not limited to the teachers insurance and annuity association-college retirement equities fund (TIAA-CREF), if the member was not retired under that system and has no further claim upon a retirement benefit from that other public system.

(h) Service as a member of the retirement system at any time on or after July 4, 1953, if the member received a refund of the member's accumulated contributions for that period of membership service.

(i) An approved leave of absence which does not constitute service as defined in section 97B.1A, which is granted on or after July 1, 1998.

(j) Employment of a person who at the time of the employment was not covered by this chapter, was employed by a covered employer under this chapter, and did not opt out of coverage under this chapter.

(k) Employment of a person as an adjunct instructor as defined in section 97B.1A, subsection 8.

(2) *"Qualified service"* does not include service as described in subparagraph (1) if the receipt of credit for such service would result in the member receiving a retirement benefit under more than one retirement plan for the same period of service.

2. *a.* A vested or retired member may make contributions to the retirement system to purchase up to the maximum amount of permissive service credit for qualified service as determined by the system, pursuant to Internal Revenue Code section 415(n), the requirements of this section, and the system's administrative rules.

*b.* A vested or retired member of the retirement system may make contributions to the retirement system to purchase up to a maximum of twenty quarters of permissive service credit for nonqualified service as determined by the system, pursuant to Internal Revenue Code section 415(n), the requirements of this section, and the system's administrative rules. A vested or retired member must have at least twenty quarters of covered wages in order to purchase permissive service credit for nonqualified service.

*c.* A vested or retired member may convert regular member service credit to special service credit by payment of the amount actuarially determined as necessary to fund the resulting increase in the member's accrued benefit. The conversion shall be treated as a purchase of qualified service credit subject to the requirements of paragraph *"a"* if the service credit to be converted was or would have been for qualified service. The conversion shall be treated as a purchase of nonqualified service credit subject to the requirements of paragraph *"b"* if the service credit to be converted was purchased as nonqualified service credit.

3. *a.* A member making contributions for a purchase of permissive service credit under this section, except as otherwise provided by this subsection, shall make contributions in an amount equal to the actuarial cost of the permissive service credit purchase.

*b.* For a member making contributions for a purchase of permissive service credit for qualified service as described in subsection 1, paragraph "*c*", subparagraph (1), subparagraph division (e), under this section, the member shall make contributions in an amount equal to forty percent of the actuarial cost of the service purchase. There is appropriated from the general fund of the state to the system an amount sufficient to pay sixty percent of the actuarial cost of the service purchase by a member pursuant to this paragraph.

*c.* For a member making contributions for a purchase of permissive service credit for qualified service as described in subsection 1, paragraph "*c*", subparagraph (1), subparagraph division (f), under this section, the member shall make contributions in an amount equal to forty percent of the actuarial cost of the service purchase. Upon notification of the applicable county board of supervisors of the member's election, the county board of supervisors shall pay to the system an amount sufficient to pay sixty percent of the actuarial cost of the service purchase by a member pursuant to this paragraph.

*d.* For a member making contributions for a purchase of permissive service credit for qualified service as described in subsection 1, paragraph "*c*", subparagraph (1), subparagraph division (h), in which, prior to July 1, 1998, the member received a refund of the member's accumulated contributions and subsequently returned to covered employment as a full-time employee for whom coverage under this chapter was mandatory the member shall receive a credit against the actuarial cost of the service purchase equal to the amount of the member's employer's accumulated contributions which were not paid to the member as a refund pursuant to section 97B.53 plus interest as calculated pursuant to section 97B.70.

*e.* For purposes of this subsection, the actuarial cost of the service purchase is an amount

determined by the system in accordance with actuarial tables, as reported to the system by the system's actuary, which reflects the actuarial cost necessary to fund an increased retirement allowance resulting from the purchase of permissive service credit.

4. Effective July 1, 2004, a member eligible for an increased retirement allowance because of the payment of contributions under this or any other section providing for the purchase of service credit is entitled to adjusted payments beginning with the month in which the member pays contributions under the applicable section.

5. Effective July 1, 2004, a purchase of service made in accordance with this or any other section providing for the purchase of service credit by a retired reemployed member shall be applied to the member's original retirement allowance. The member is eligible to receive adjustment payments beginning with the month of the purchase.

6. A member who is entitled to a benefit from another public retirement system and wishes to purchase the service covered by that public retirement system must waive, on a form provided by the Iowa public employees' retirement system, all rights to a retirement benefit under that other public system before purchasing credit in this system for the period of service covered by that other public system. The waiver must be accepted by the other public system. If the waiver is not obtained, a member may buy up to twenty quarters of such service credit. In no event can a member receive more than one service credit for any given calendar quarter.

7. The system shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

2002 Acts, ch 1135, §33; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §53 – 56; 2008 Acts, ch 1171, §41 – 43, 48, 49; 2009 Acts, ch 41, §263

Referred to in §97B.43, 97B.50, 97B.82

Payment of applicable contribution amount to replace contributions not made because of employer-mandated reductions in hours or employee-exercised reduction in pay during the time period beginning on or after January 1, 2009, and ending June 30, 2011; 2009 Acts, ch 170, §51, 55; 2010 Acts, ch 1167, §36, 41

**97B.81 Leaves of absence.** Repealed by 2004 Acts, ch 1103, § 60. See § 97B.80C.

**97B.82 Purchase of service credit — direct rollovers — direct transfers.**

1. Effective July 1, 2002, a member may, to the extent permitted by the internal revenue service, purchase any service credit permitted under this chapter by means of a direct rollover or a direct transfer as provided in this section pursuant to rules adopted by the system and consistent with applicable requirements of the federal Internal Revenue Code. Purchases of service credit by means of a direct rollover or direct transfer under this section shall not exceed the amounts permitted under section 415(n) of the federal Internal Revenue Code and section 97B.80C as determined by the system.

2. *a.* A member may purchase service credit as authorized by this section through a direct rollover to the retirement system of an eligible rollover distribution from an eligible retirement plan as permitted by the internal revenue service under the federal Internal Revenue Code. The amount of the direct rollover into the retirement system cannot exceed the cost of the service purchase by a member under this chapter. Once a direct rollover is made, the member must forfeit the applicable service credit from the eligible retirement plan from which the eligible rollover distribution is received.

*b.* (1) For purposes of this subsection, "*an eligible rollover distribution from an eligible retirement plan*" includes distributions from any of the following:

(a) Qualified plans described in federal Internal Revenue Code sections 401(a) and 403(a).

(b) Annuity contracts described in federal Internal Revenue Code section 403(b).

(c) Eligible plans described under federal Internal Revenue Code section 457(b) which are maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(d) Individual retirement accounts described in federal Internal Revenue Code section 408(a) or 408(b).

(2) An eligible rollover distribution from an eligible retirement plan does not include any of the following:

(a) A distribution that is one of a series of substantially equal periodic payments, which

occur annually or more frequently, made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary, or made for a specified period of ten years or more.

(b) A distribution to the extent that the distribution is required pursuant to section 401(a)(9) of the federal Internal Revenue Code.

(c) (i) For rollover service purchases prior to January 1, 2007, the portion of any distribution that is not includible in the gross income of the distributee, determined without regard to the exclusion for net unrealized appreciation with respect to employer securities.

(ii) For rollover service purchases on or after January 1, 2007, the portion of any distribution that is not includible in the gross income of the distributee, determined without regard to the exclusion for net unrealized appreciation with respect to employer securities, shall be treated as an eligible rollover distribution only when such portion is received from a qualified plan under section 401(a) or 403(a) of the federal Internal Revenue Code.

(d) Any amounts that are not permitted to be treated as eligible rollover distributions by the internal revenue service under the federal Internal Revenue Code.

3. A member may purchase any service credit as authorized by this section, to the extent permitted by the internal revenue service, by means of a direct transfer of pretax amounts, and effective January 1, 2007, any after-tax contributions, from an annuity contract qualified under federal Internal Revenue Code section 403(b), or an eligible plan described in federal Internal Revenue Code section 457(b), maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. A direct transfer is a trustee-to-trustee transfer to the retirement system of contributions made to annuity contracts qualified under federal Internal Revenue Code section 403(b) and eligible governmental plans qualified under federal Internal Revenue Code section 457(b) for purposes of purchasing service credit in the retirement system.

2000 Acts, ch 1077, §72; 2002 Acts, ch 1135, §34; 2003 Acts, ch 145, §286; 2008 Acts, ch 1171, §44, 45, 48, 49

# CHAPTER 97C

## FEDERAL SOCIAL SECURITY ENABLING ACT

Referred to in §97.52, 97B.4, 97B.42, 294.12, 331.324, 331.424


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**97C.1 Declaration of policy.**

In order to extend to employees of the state and its political subdivisions and to the dependents and survivors of such employees, the basic protection accorded to others by the old-age and survivors' insurance system embodied in the Social Security Act, Tit. II of the federal Social Security Act, it is hereby declared to be the policy of the general assembly, subject to the limitations of this chapter, that such steps be taken as to provide

such protection to employees of the state and its political subdivisions on as broad a basis as is permitted under the Social Security Act, Tit. II.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.1]

2010 Acts, ch 1061, §180

**97C.2 Definitions.**

For the purposes of this chapter:

1. The term *"employee"* includes elective and appointive officials of the state or any political subdivision thereof, except elective officials in positions, the compensation for which is on a fee basis, elective officials of school districts, elective officials of townships, and elective officials of other political subdivisions who are in part-time positions. However, a member of a county board of supervisors or a county attorney shall not be deemed to be an elective official in a part-time position, but every member of a county board of supervisors and every county attorney shall be deemed to be an employee under this chapter and is eligible to receive the benefits provided by this chapter to which the member may be entitled as an employee.

2. The term *"employer"* means the state of Iowa and all of its political subdivisions which employ persons eligible to coverage under an agreement entered into by this state and the federal security administrator under the provisions of the Social Security Act, Tit. II, of the Congress of the United States as amended.

3. The term *"employment"* means any service performed by an employee in the employ of the state, or any political subdivision thereof, for such employer, except service which in the absence of an agreement entered into under this chapter would constitute *"employment"* as defined in the Social Security Act; or service which under the Social Security Act may not be included in an agreement between the state and the federal security administrator entered into under this chapter.

4. The term *"federal Insurance Contributions Act"* means subchapter "A" of chapter nine of the federal Internal Revenue Code as such code has been and may from time to time be amended.

5. The term *"federal security administrator"* means the administrator of the federal security agency (or the administrator's successor in function), and includes any individual to whom the federal security administrator has delegated any of the administrator's functions under the Social Security Act, Tit. II, with respect to coverage under such Act of employees of states and their political subdivisions.

6. The term *"political subdivision"* includes an instrumentality of the state of Iowa, of one or more of its political subdivisions, or of the state and one or more of its political subdivisions, but only if such instrumentality is a juristic entity which is legally separate and distinct from the state or subdivision and only if its employees are not by virtue of their relation to such juristic entity employees of the state or subdivisions.

7. The term *"Social Security Act"* means the Act of Congress approved August 14, 1935, Chapter 531, 49 Stat. 620, officially cited as the "Social Security Act," Tit. II, (including regulations and requirements issued pursuant thereto) as such Act has been and may from time to time be amended.

8. The term *"state agency"* means the Iowa public employees' retirement system created in section 97B.1.

9. The term *"wages"* means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which, even if it were for *"employment"* within the meaning of the federal Insurance Contribution Act, would not constitute *"wages"* within the meaning of that Act.

[C46, 50, §97.45; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.2]

86 Acts, ch 1245, §258; 87 Acts, ch 227, §22; 2003 Acts, ch 145, §181; 2005 Acts, ch 3, §23; 2010 Acts, ch 1061, §180; 2011 Acts, ch 25, §12

Referred to in §28I.1, 97C.3, 97C.10, 97C.21

**97C.3 Federal-state agreement.**

The state agency, with the approval of the governor and the attorney general, is hereby authorized to enter on behalf of the state into an agreement with the federal security administrator, consistent with the terms and provisions of this chapter, for the purpose of extending the benefits of the federal old-age and survivors' insurance system to employees of the state or any political subdivision thereof with respect to services specified in such agreement which constitute *"employment"* as defined in section 97C.2 of this chapter. Such agreement may contain such provisions relating to coverage, benefits, contributions, effective date, modification and termination of the agreement, administration, and other appropriate provisions as the state agency and federal security administrator shall agree upon, but, except as may be otherwise required by or under the Social Security Act, Tit. II, as to the services to be covered, such agreement shall provide in effect that:

1. Benefits will be provided for employees whose services are covered by the agreement, and their dependents and survivors, on the same basis as though such services constituted employment within the meaning of Tit. II of said Social Security Act.

2. The state will pay to the secretary of the treasury, at such time or times as may be prescribed under the Social Security Act, Tit. II, contributions with respect to wages as defined in section 97C.2, equal to the sum of taxes which would be imposed by sections 1400 and 1410 of the federal Insurance Contributions Act, if the services covered by the agreement constituted employment within the meaning of that Act.

3. Such agreement shall be effective with respect to services in employment covered by the agreement performed after a date specified therein, but in no event may it be effective with respect to any such services performed prior to the first day of the calendar year in which such agreement is entered into or in which the modification of the agreement making it applicable to such services is entered into, provided that in the case of an agreement or modification made after May 3, 1953, and prior to January 1, 1954, such agreement or modification of the agreement shall be made effective with respect to any such services performed on or after January 1, 1951.

4. All services which constitute employment as defined in section 97C.2, and are performed in the employ of the state, or any political subdivision, by employees of the state, or of any political subdivision, shall be covered by the agreement.

[C46, 50, §97.45; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.3]
2010 Acts, ch 1061, §180; 2011 Acts, ch 34, §25
Referred to in §97C.4, 97C.5, 97C.13, 97C.14, 97C.15, 97C.17, 97C.21

**97C.4 Other states — joint agreements.**

Any instrumentality jointly created by this state and any other state or states is hereby authorized, upon the granting of like authority by such other state or states, to enter into an agreement with the federal security administrator whereby the benefits of the federal old-age and survivors' insurance system shall be extended to employees of such instrumentality; to require its employees to pay, and for that purpose to deduct from their wages, contributions equal to the amounts which they would be required to pay under section 97C.5 if they were covered by an agreement made pursuant to section 97C.3; and to make payments to the secretary of the treasury in accordance with such agreement, including payments from its own funds, and otherwise to comply with such agreements. Such agreement shall, to the extent practicable, be consistent with the terms and provisions of section 97C.3 and other provisions of this chapter.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.4]
2011 Acts, ch 25, §13

**97C.5 Tax on employees.**

Every employee whose services are covered by an agreement entered into under section 97C.3 shall be required to pay for the period of such coverage into the contribution fund established by section 97C.12, a tax which is hereby imposed with respect to wages received during the calendar year of 1953, equal to such percentum of the wages received by the employee as imposed by Social Security Act, Tit. II, as such Act has been and may from

time to time be amended. Such payment shall be considered a condition of employment as a public employee. Taxes deducted from the wages of the employee by the employer and taxes imposed upon the employer shall be forwarded to the state agency for recording and shall be deposited with the treasurer of state to the credit of the contribution fund established by section 97C.12 of this chapter.

[C46, 50, §97.9; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.5]

2012 Acts, ch 1023, §16

Referred to in §97C.4, 97C.6, 97C.9, 97C.12

**97C.6 Collection of tax.**

The tax imposed by sections 97C.5 and 97C.14 shall be collected by each employer from the employee by deducting the amount of the tax from wages as and when paid, but failure to make such deduction shall not relieve the employee from liability for such taxes.

[C46, 50, §97.7, 97.9, 97.45; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.6]

**97C.7** Reserved.

**97C.8 Statement to employees.**

The employer shall furnish to all employees a written statement in a form prescribed by the state agency suitable for retention by the employees, showing the wages paid to the employee after January 1, 1953. Each statement shall cover a calendar year, or one, two or three quarters, whether or not within the same calendar year, and shall show the name of the employee, the period covered by the statement, the total amount of wages paid within such period, and the amount of tax imposed by this chapter with respect to such wages. Each statement shall be furnished to the employee not later than thirty days following the period covered by the statement, except that, if the employee leaves the employ of the employer, this final statement shall be furnished within thirty days after the last payment of wages is made to the employee. The employer may, at its option, furnish such a statement to any employee at the time of each payment of wages to the employee during any calendar quarter, in lieu of a statement covering such quarter, and, in such case, the statement may show the date of payment of wages in lieu of the period covered by the statement.

[C46, 50, §97.11; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.8]

**97C.9 Adjustments or refund.**

If more or less than the correct amount of the tax imposed by section 97C.5 is paid or deducted with respect to any remuneration, proper adjustments, or refund if adjustment is impracticable, shall be made in such manner and at such times as the state agency shall prescribe.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.9]

**97C.10 Tax on employer.**

In addition to all other taxes there is hereby imposed upon each employer as defined in section 97C.2, subsection 2, a tax equal to such percentum of the wages paid by the employer to each employee as imposed by the Social Security Act, Tit. II, as such Act has been and may from time to time be amended. The employer shall pay its tax or contribution from funds available and is directed to pay same from tax money or from any other income available. The political subdivision is hereby authorized and directed to levy in addition to all other taxes a property tax sufficient to meet its obligations under the provisions of this chapter, if such tax levy is necessary because other funds are not available.

[C46, 50, §97.12; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.10]

2012 Acts, ch 1023, §17

Referred to in §97C.12

**97C.11 Payment — adjustment or refund.**

Taxes deducted by the employer from the earnings of employees or upon the employers shall be paid in a manner, at times and under conditions prescribed by the state agency. If more or less than the correct amount of the tax imposed upon the employer is paid or

deducted, proper adjustments or refund, if adjustment is impracticable, shall be made in a manner and at times as the state agency prescribes.

[C46, 50, §97.7; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.11]

84 Acts, ch 1285, §20

Referred to in §97C.12

**97C.12 Contribution fund.**

1. There is hereby established in the office of the treasurer of state a special fund to be known as the contribution fund. Such fund shall consist of, and there shall be deposited in such fund:

*a.* All taxes, interest, and penalties collected under sections 97C.5, 97C.10, and 97C.11.

*b.* All moneys appropriated thereto under this chapter.

*c.* Any property or securities and earnings thereof acquired through the use of moneys belonging to the fund.

*d.* Interest earned upon any moneys in the fund.

*e.* All sums recovered upon the bond of the custodian or otherwise for losses sustained by the fund and all other moneys received for the fund from any other source.

2. Subject to the provisions of this chapter, the state agency is vested with full power, authority and jurisdiction over the fund, including all moneys and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated, which are necessary to the administration thereof and are consistent with the provisions of this chapter. All moneys in this fund shall be mingled and undivided.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.12]

2013 Acts, ch 30, §21

Referred to in §97C.5, 97C.14

Section amended

**97C.13 Fund kept separate.**

The contribution fund shall be established and held separate and apart from any other funds or moneys of the state and shall be used and administered exclusively for the purpose of this chapter. Withdrawals from such fund shall be made for, and solely for, payment of amounts required to be paid to the secretary of the treasury pursuant to an agreement entered into under section 97C.3, or the payment of refunds provided for in this chapter.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.13]

**97C.13A Federal-state agreement administration — costs.**

Actual costs incurred by the state agency in the fulfillment of its duties under this chapter shall be paid as an expense authorized by the executive council from the appropriations addressed in section 7D.29. Costs paid from appropriations as provided in this section shall not exceed ten thousand dollars each fiscal year.

2012 Acts, ch 1073, §1

**97C.14 Elected officials — retroactive payments.**

Any elective official of the state of Iowa, or any of its political subdivisions, who becomes subject to federal social security coverage under the provisions of the agreement referred to in section 97C.3 shall, not later than October 1, 1953, pay into the contribution fund established by section 97C.12 a tax sufficient to pay in the elected official's behalf an amount equal to three percent of the official's compensation received as a public official for each year or portion thereof that the public elected official has served as a public elective official since January 1, 1951, not to exceed thirty-six hundred dollars for any year of service. The state agency shall collect the tax hereby imposed and the proceeds from such tax shall be used for the purpose of obtaining retroactive federal social security coverage for elective officials, for the period beginning January 1, 1951, in the same manner as is provided in the case of other public employees by the provisions in subsection 2 of section 97.51 in order to obtain retroactive federal social security coverage during this period of time, such contribution to be collected and guaranteed by the employer. The state agency will pay any such amount contributed to provide for retroactive federal social security coverage for the individual in

question in the same manner as other payments are made for retroactive coverage of public employees. Provided that no member of a county board of supervisors shall be deemed to be an elective official in a part-time position, but every member of a county board of supervisors shall be deemed to be an employee within the purview of this chapter and shall be eligible to receive all of the benefits provided by this chapter to which the member may be entitled as an employee.

[C46, 50, §97.7, 97.45; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.14]

Referred to in §97C.6

**97C.15 Payments to secretary of treasury.**

From the contribution fund the custodian of the fund shall pay to the secretary of the treasury of the United States such amounts and at such time or times as may be directed by the state agency in accordance with any agreement entered into under section 97C.3 and the Social Security Act, Tit. II.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.15]

2012 Acts, ch 1023, §18

**97C.16 Custodian of fund.**

The treasurer of state shall be ex officio treasurer and custodian of the contribution fund and shall administer such fund in accordance with the provisions of this chapter and the directions of the state agency and shall pay all warrants drawn upon it in accordance with the provisions of this section and with such regulations as the state agency may prescribe pursuant thereto.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.16]

**97C.17 Standing appropriation.**

There is hereby authorized to be appropriated annually from the general fund of the state of Iowa to the contribution fund, in addition to the taxes collected and paid into the contribution fund, such additional sums as are found to be necessary in order to make payments to the secretary of the treasury of the United States which the state is obliged to make pursuant to any agreement entered into under section 97C.3.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.17]

**97C.18 Rules.**

The state agency shall make and publish such rules, not inconsistent with the provisions of this chapter, as it finds necessary or appropriate to the efficient administration of the functions with which it is charged under this chapter, and the state agency shall comply with regulations relating to payments and reports as may be prescribed by the federal security administrator.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.18]

**97C.19 Apportionment of expense.**

The money spent for personnel, rentals, supplies, and equipment used by the state agency in administering this chapter and chapters 97 and 97B shall be equitably apportioned and charged against the funds provided for the administration of this chapter and those chapters.

[C46, 50, §97.48; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.19]

86 Acts, ch 1245, §259; 2007 Acts, ch 22, §31

**97C.20 Referenda by governor.**

With respect to employees of the state the governor is empowered to authorize a referendum, and with respect to the employees of any political subdivision the governor shall authorize a referendum upon request of the governing body of such subdivision; and in either case the referendum shall be conducted, and the governor shall designate an agency or individual to supervise its conduct, in accordance with the requirements of section 218 “d” (3) of the Social Security Act, on the question of whether service in positions covered by a retirement system established by the state or by a political subdivision thereof should be

excluded from or included under an agreement under this chapter. The notice of referendum required by section 218 "d" (3) (C) of the Social Security Act to be given to employees shall contain or shall be accomplished by a statement, in such form and such detail as the agency or individual designated to supervise the referendum shall deem necessary and sufficient, to inform the employees of the rights which will accrue to them and their dependents and survivors, and the liabilities to which they will be subject, if their services are included under an agreement under this chapter.

Upon receiving evidence satisfactory to the governor that with respect to any such referendum the conditions specified in section 218 "d" (3) of the Social Security Act have been met, the governor shall so certify to the secretary of health and human services.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §97C.20]

83 Acts, ch 101, §11

**97C.21 Voluntary coverage of elected officials.**

Notwithstanding any provision of this chapter to the contrary, an employer of elected officials otherwise excluded from the definition of employee as provided in section 97C.2, may, but is not required to, choose to provide benefits to those elected officials as employees as provided by this chapter. Alternatively, the governor may authorize a statewide referendum of the appointed and elected officials of the state and its political subdivisions on the question of whether to include in or exclude from the definition of employee all such positions. This choice shall be reflected in the federal-state agreement described in section 97C.3, and, if necessary, in this chapter. An employer who is providing benefits to elected officials otherwise excluded from the definition of employee prior to July 1, 2002, shall not be deemed to be in an erroneous reporting situation, and corrections for prior federal social security withholdings shall not be required. The implementation of this section shall be subject to the approval of the federal social security administration.

2002 Acts, ch 1135, §35; 2008 Acts, ch 1171, §60

# CHAPTER 97D

## PUBLIC RETIREMENT SYSTEMS GENERALLY

97D.1 Guiding goals for future changes in public retirement systems — social security — portability.
97D.2 Analysis of cost of proposed changes.
97D.3 Newly hired peace officers, police officers, and fire fighters — referendum.
97D.4 Public retirement systems committee established.
97D.5 Public retirement systems — annual actuarial valuations — required information.

**97D.1 Guiding goals for future changes in public retirement systems — social security — portability.**

1. The general assembly declares that legislative proposals for changes in specific public retirement systems should be considered within the context of all public retirement systems within the state, with emphasis on equity and equality among the systems. The following list of guiding goals shall apply to the consideration of proposed changes:

*a.* Select those benefit enhancement options which most successfully deliver the greatest good to the greatest number of employees.

*b.* Choose those options which best correct existing inequities between and among the various retirement groups in the state.

*c.* Determine those options which most ably serve the twin objectives of attracting and retaining quality employees.

*d.* Avoid enacting further incentives toward earlier retirement with full benefits.

*e.* Avoid further splintering of benefits by disproportionate enhancement of benefits for one group beyond those available to another.

*f.* Avoid enacting further benefit enhancements that fail to preserve or enhance intergenerational equity amongst all employees covered by the retirement system.

2. The public retirement systems committee established by section 97D.4 shall periodically weigh the advantages and disadvantages of establishing participation in the federal social security system for the members of public retirement systems operating under chapters 97A and 411 and the impact of such a change on total contributions and benefits.

3. The public retirement systems committee established by section 97D.4 shall consider proposals to achieve greater portability of pension benefits between the various public retirement systems in the state. Special attention should be given to the actuarial cost of transfers of value from one system to another.

90 Acts, ch 1240, §43; 98 Acts, ch 1183, §108

**97D.2 Analysis of cost of proposed changes.**

When the public retirement systems committee established by section 97D.4 or a standing committee of the senate or house of representatives recommends a proposal for a change in a public retirement system within this state, the committee shall require the development of actuarial information concerning the costs of the proposed change. If the proposal affects police and fire retirement under chapter 411, the committee shall arrange for the services of an actuarial consultant or request actuarial information from the statewide fire and police retirement system created in chapter 411 to assist in developing the information. Actuarial information developed as provided under this section concerning the cost of a proposed change shall include information on the effect of the proposed change on the normal cost rate for that public retirement system using the entry age normal actuarial cost method.

90 Acts, ch 1240, §44; 2008 Acts, ch 1171, §61

**97D.3 Newly hired peace officers, police officers, and fire fighters — referendum.**

1. As soon as possible after July 1, 1990, the department of administrative services, in cooperation with the board of trustees of the public safety peace officers' retirement system and the board of trustees for the statewide fire and police retirement system created in section 411.36, shall submit to the members of retirement systems under chapters 97A and 411 in a referendum the question of requiring federal social security coverage for all persons newly hired as peace officers, as defined in section 97A.1, police officers, and fire fighters. The referendum shall be conducted before January 1, 1991. The referendum procedures shall comply with the requirements of federal law and regulations. If there is a favorable vote of a majority of the persons eligible to vote in the referendum, subsection 2 applies.

2. Upon a favorable vote in the referendum and notwithstanding sections 97A.3 and 411.3, all persons newly hired as peace officers, as defined in section 97A.1, police officers, and fire fighters after July 1, 1991, shall be members of the Iowa public employees' retirement system under chapter 97B, rather than members of retirement systems under chapters 97A and 411. Such members shall have federal social security coverage in addition to coverage under the Iowa public employees' retirement system and shall have the same benefits as county sheriffs and deputy sheriffs under section 97B.49C or 97B.49G, as applicable.

90 Acts, ch 1240, §45; 98 Acts, ch 1183, §70; 2003 Acts, ch 145, §286

**97D.4 Public retirement systems committee established.**

1. A public retirement systems committee is established.

*a.* The committee shall consist of three members of the senate appointed by the majority leader of the senate, two members of the senate appointed by the minority leader of the senate, three members of the house of representatives appointed by the speaker of the house of representatives, and two members of the house of representatives appointed by the minority leader of the house of representatives.

*b.* Members shall be appointed prior to January 31 of the first regular session of each general assembly and shall serve for terms ending upon the convening of the following general assembly or when their successors are appointed, whichever is later. A vacancy

shall be filled in the same manner as the original appointment and shall be for the remainder of the unexpired term of the vacancy.

*c.* The committee shall elect a chairperson and vice chairperson. Meetings may be called by the chairperson or a majority of the members.

2. The members of the committee shall be reimbursed for actual and necessary expenses incurred in the performance of their duties and shall be paid a per diem as specified in section 2.10 for each day in which they engaged in the performance of their duties. However, per diem compensation and expenses shall not be paid when the general assembly is actually in session at the seat of government. Expenses and per diem shall be paid from funds appropriated pursuant to section 2.12.

3. The committee shall:

*a.* Develop and recommend retirement standards and a coherent state policy on public retirement systems.

*b.* Continuously survey pension and retirement developments in other states and in industry and business and periodically review the state's policy and standards in view of these developments and changing economic and social conditions.

*c.* Review the provisions in the public retirement systems in effect in this state.

*d.* Review individually sponsored bills relating to the public retirement systems.

*e.* Review proposals from interested associations and organizations recommending changes in the state's retirement laws.

*f.* Study the feasibility of adopting a consolidated retirement system for the public employees of this state.

*g.* Make recommendations to the general assembly.

4. The committee may:

*a.* Contract for actuarial assistance deemed necessary, and the costs of actuarial studies are payable from funds appropriated in section 2.12, subject to the approval of the legislative council.

*b.* Administer oaths, issue subpoenas, and cite for contempt with the approval of the general assembly when the general assembly is in session and with the approval of the legislative council when the general assembly is not in session.

5. Administrative assistance shall be provided by the legislative services agency.

86 Acts, ch 1243, §24

C87, §97B.76

90 Acts, ch 1240, §93; 90 Acts, ch 1256, §28

C91, §97D.4

2003 Acts, ch 35, §40, 49; 2008 Acts, ch 1032, §12, 13; 2008 Acts, ch 1156, §26, 58; 2010 Acts, ch 1193, §39

Referred to in §97D.1, 97D.2

**97D.5 Public retirement systems — annual actuarial valuations — required information.**

1. For purposes of this section, *"public retirement system"* means the public safety peace officers' retirement system created in chapter 97A, the Iowa public employees' retirement system created in chapter 97B, the statewide fire and police retirement system created in chapter 411, or the judicial retirement system created in chapter 602.

2. Effective with the fiscal year beginning July 1, 2008, a public retirement system shall include in each actuarial valuation or actuarial update required to be conducted by that public retirement system the following additional information, all as determined by using the entry age normal actuarial cost method:

*a.* The actuarially required contribution rate for the public retirement system which is equal to the normal cost rate plus the contribution rate necessary to amortize the unfunded actuarial accrued liability on a level percent of payroll basis over thirty years.

*b.* The normal cost rate for the public retirement system which shall be determined for each individual member on a level percentage of salary basis and then summed for all members to obtain the total normal cost.

2008 Acts, ch 1171, §62

Referred to in §97A.5, 97B.4, 411.5, 602.9116

# CHAPTERS 98 and 98A

RESERVED

# SUBTITLE 4

## GAMBLING

# CHAPTER 99

## HOUSES USED FOR PROSTITUTION OR GAMBLING

Nuisances in general, chapter 657


99.1 Definitions.
99.1A Houses of prostitution or other nuisances.
99.2 Injunction — procedure.
99.3 Notice — temporary writ — without bond.
99.4 "Owners" defined — notice.
99.5 Trial.
99.6 Temporary restraining order.
99.7 Writ — how served.
99.8 Inventory.
99.9 Mutilation or removal of notice.
99.10 Notice.
99.11 Answer.
99.12 Scope of injunction.
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99.14 Evidence.
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99.21 Abatement — sale of property.
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99.26 Release of property.
99.27 Mulct tax.
99.28 Certification and payment of tax.
99.29 Collection of tax.
99.30 Application of tax.
99.31 Tax assessed.


**99.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**99.1A Houses of prostitution or other nuisances.**

Whoever shall erect, establish, continue, maintain, use, own, or lease any building, erection, or place used for the purpose of prostitution or gambling, except as authorized under the laws of this state is guilty of a nuisance, and the building, erection, or place, or the ground itself, in or upon which such prostitution or gambling is conducted, permitted, or carried on, continued, or exists, and the furniture, fixtures, musical instruments, and movable property used in conducting or maintaining such nuisance, are also declared a nuisance and shall be enjoined and abated as hereinafter provided.

The provisions of this section do not apply to games of skill, games of chance, or raffles conducted pursuant to chapter 99B or to devices lawful under section 99B.10.

[SS15, §4944-h1; C24, 27, 31, 35, 39, §**1587;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.1]

C2001, §99.1A

**99.2 Injunction — procedure.**

When a nuisance is kept, maintained, or exists, as defined in this chapter, the county attorney, or any citizen of the county, or any society, association, or body incorporated under the laws of this state, may maintain an action in equity in the name of the state of Iowa, upon the relation of such county attorney, citizen, or corporation to perpetually enjoin said nuisance, the person or persons conducting or maintaining the same from further conducting

or maintaining the same, and the owner or agent of the building or ground upon which said nuisance exists, from further permitting such building or ground or both to be so used.

[SS15, §4944-h2; C24, 27, 31, 35, 39, §**1588;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.2]

**99.3 Notice — temporary writ — without bond.**

The defendants shall be served with notice as in other actions and in such action the court, or judge in vacation, shall upon the presentation of a petition therefor alleging that the nuisance complained of exists, allow a temporary writ of injunction without bond, if the existence of such nuisance shall be made to appear to the satisfaction of the court or judge by evidence in the form of affidavits, depositions, oral testimony, or otherwise as the complainant may elect, unless the court or judge by previous order, shall have directed the form and manner in which such evidence shall be presented.

[SS15, §4944-h2; C24, 27, 31, 35, 39, §**1589;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.3]

Time and manner of service, R.C.P. 1.302 – 1.315

**99.4 "Owners" defined — notice.**

The person in whose name the real estate affected by the action stands on the books of the county auditor, for the purposes of taxation, shall be presumed to be the owner thereof, and in case of unknown persons having or claiming any ownership, right, title, or interest in property affected by the action, such may be made parties to the action by designating them in the notice and petition as *"all other persons unknown claiming any ownership, right, title, or interest in the property affected by the action"* and service thereon may be had by publishing such notice in the manner prescribed for the publication of original notices in ordinary actions.

[SS15, §4944-h9; C24, 27, 31, 35, 39, §**1590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.4]

Service by publication, R.C.P. 1.310 et seq.

**99.5 Trial.**

Any person having or claiming such ownership, right, title, or interest, and any owner or agent in behalf of the agent and such owner may make, serve, and file an answer therein within twenty days after such service, and have trial of the person's rights in the premises by the court; and if said cause has already proceeded to trial or to findings and judgment, the court shall by order fix the time and place of such trial and shall modify, add to, or confirm such findings and judgment as the case may require. Other parties to said action shall not be affected thereby.

[SS15, §4944-h9; C24, 27, 31, 35, 39, §**1591;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.5]

**99.6 Temporary restraining order.**

If a temporary injunction is petitioned for, the court, on the application of plaintiff, may issue an ex parte restraining order, restraining the defendants and all other persons from removing or in any manner interfering with the furniture, fixtures, musical instruments, and movable property used in conducting the alleged nuisance, until the decision of the court granting or refusing the temporary injunction and until the further order of the court.

[SS15, §4944-h2; C24, 27, 31, 35, 39, §**1592;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.6]

90 Acts, ch 1168, §12

**99.7 Writ — how served.**

The restraining order may be served by handing to and leaving a copy of said order with any person in charge of said property or residing in the premises or apartment wherein the same is situated, or by posting a copy thereof in a conspicuous place at or upon one or more

of the principal doors or entrances to such premises or apartment where such nuisance is alleged to be maintained, or by both such delivery and posting.

[SS15, §4944-h2; C24, 27, 31, 35, 39, §**1593;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.7]

**99.8 Inventory.**

The officer serving such restraining order shall forthwith make and return into court an inventory of the personal property situated in and used in conducting or maintaining such nuisance.

[SS15, §4944-h2; C24, 27, 31, 35, 39, §**1594;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.8]

**99.9 Mutilation or removal of notice.**

Where such order is so posted, mutilation or removal thereof, while the same remains in force, shall be a contempt of court, provided such posted order contains thereon or therein a notice to that effect.

[SS15, §4944-h2; C24, 27, 31, 35, 39, §**1595;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.9]

**99.10 Notice.**

Three days' notice in writing shall be given the defendants of the hearing of the application for temporary injunction, and if then continued at the instance of defendant, the temporary writ as petitioned for shall be granted as a matter of course.

[SS15, §4944-h2; C24, 27, 31, 35, 39, §**1596;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.10]

90 Acts, ch 1168, §13

**99.11 Answer.**

Each defendant so notified shall serve upon the complainant or the complainant's attorney a verified answer on or before the date fixed in the notice for a hearing, and the answer shall be filed with the clerk of the district court of the county where the cause is triable, but the court may allow additional time for so answering. However, an extension of time shall not prevent the issuing of the temporary writ as petitioned for. The allegations of the answer shall be deemed to be traversed without further pleading.

[SS15, §4944-h2; C24, 27, 31, 35, 39, §**1597;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.11]

90 Acts, ch 1168, §14

**99.12 Scope of injunction.**

When an injunction has been granted, it shall be binding on the defendant throughout the judicial district in which it was issued, and any violation of the provisions of the injunction or temporary restraining order herein provided, shall be a contempt and punished as hereinafter provided.

[SS15, §4944-h2; C24, 27, 31, 35, 39, §**1598;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.12]

Punishment, §99.20

**99.13** Repealed by 67 Acts, ch 400, § 19.

**99.14 Evidence.**

In such action evidence of the general reputation of the place shall be competent for the purpose of proving the existence of said nuisance and shall be prima facie evidence of such nuisance and of knowledge thereof and of acquiescence and participation therein on the part of the owners, lessors, lessees, users, and all those in possession of or having charge of, as

agent or otherwise, or having any interest in any form of property used in conducting or maintaining said nuisance.

[SS15, §4944-h3; C24, 27, 31, 35, 39, §**1600;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.14]

**99.15 Dismissal.**

If the complaint is filed by a citizen or a corporation, it shall not be dismissed except upon a sworn statement made by the complainant and the complainant's attorney, setting forth the reasons why the action should be dismissed and the dismissal approved by the county attorney in writing or in open court.

[SS15, §4944-h3; C24, 27, 31, 35, 39, §**1601;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.15]

**99.16 Delay in trial.**

If the court is of the opinion that the action ought not to be dismissed, the court may direct the county attorney to prosecute said action to judgment at the expense of the county, and if the action is continued beyond the first trial calendar to which assigned, any citizen of the county or the county attorney may be substituted for the complaining party and prosecute said action to judgment.

[SS15, §4944-h3; C24, 27, 31, 35, 39, §**1602;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.16]

**99.17 Costs.**

If the action is brought by a citizen or a corporation and the court finds there were no reasonable grounds or cause for said action, the costs may be taxed to such citizen or corporation.

[SS15, §4944-h3; C24, 27, 31, 35, 39, §**1603;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.17]

**99.18 Violation of injunction.**

In case of the violation of any injunction granted under the provisions of this chapter, or of a restraining order or the commission of any contempt of court in proceedings under this chapter, the court may summarily try and punish the offender.

[SS15, §4944-h4; C24, 27, 31, 35, 39, §**1604;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.18]

**99.19 Procedure.**

The proceedings shall be commenced by filing with the clerk of the court a complaint under oath, setting out and alleging facts constituting such violation, upon which the court shall cause a warrant to issue, under which the defendant shall be arrested. The trial may be had upon affidavits, or either party may demand the production and oral examination of the witnesses.

[SS15, §4944-h4; C24, 27, 31, 35, 39, §**1605;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.19]

**99.20 Penalty.**

A party found guilty of contempt under the provisions of this chapter shall be punished by a fine of not less than two hundred nor more than one thousand dollars or by imprisonment in the county jail not less than three nor more than six months or by both fine and imprisonment.

[SS15, §4944-h4; C24, 27, 31, 35, 39, §**1606;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.20]

**99.21 Abatement — sale of property.**

If the existence of the nuisance be admitted or established in an action as provided in this chapter, or in a criminal proceeding in the district court, an order of abatement shall be entered as a part of the judgment in the case, which order shall direct the removal from the

building or place of all fixtures, furniture, musical instruments, or movable property used in conducting the nuisance, and shall direct the sale of such in the manner provided for the sale of chattels under execution, and shall direct the effectual closing of the building or place against its use for any purpose, and so keeping it closed for a period of one year, unless sooner released as hereinafter provided.

[SS15, §4944-h5; C24, 27, 31, 35, 39, §**1607;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.21]

Referred to in §99.25
Sale of chattels, §626.74 et seq.

**99.22 Fees.**

For removing and selling the movable property, the officer shall be entitled to charge and receive the same fees as the officer would for levying upon and selling like property, on execution, and for closing the premises and keeping them closed a reasonable sum shall be allowed by the court.

[SS15, §4944-h5; C24, 27, 31, 35, 39, §**1608;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.22]

Fees, §331.655(1)

**99.23 Breaking and entering closed building — punishment.**

If any person shall break and enter or use a building, erection, or place so directed to be closed, the person shall be punished as for contempt as provided in this chapter.

[SS15, §4944-h5; C24, 27, 31, 35, 39, §**1609;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.23]

Punishment, §99.20

**99.24 Duty of county attorney.**

In case the existence of such nuisance is established in a criminal proceeding in a court not having equitable jurisdiction, it shall be the duty of the county attorney to proceed promptly under this chapter to enforce the provisions and penalties thereof; and the finding of the defendant guilty in such criminal proceedings, unless reversed or set aside, shall be conclusive as against such defendant as to the existence of the nuisance.

[SS15, §4944-h6; C24, 27, 31, 35, 39, §**1610;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.24]

Referred to in §331.756(21)

**99.25 Proceeds.**

All moneys collected under this chapter shall be paid to the county treasurer. The proceeds of the sale of the personal property as provided in section 99.21 shall be applied in payment of the costs of the action and abatement or so much of such proceeds as may be necessary, except as hereinafter provided.

[SS15, §4944-h6; C24, 27, 31, 35, 39, §**1611;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.25]

**99.26 Release of property.**

If the owner of the premises in which said nuisance has been maintained appears and pays all costs of the proceeding, and files a bond with sureties to be approved by the court in the full value of the property, to be ascertained by the court, conditioned that the owner will immediately abate said nuisance and prevent the same from being established or kept therein within a period of one year thereafter, the court, if satisfied of the owner's good faith, may order the premises, closed or sought to be closed under the order of abatement, delivered to said owner, and said order of abatement canceled so far as the same may relate to said real property. The release of the property under the provisions of this section shall not release it from the injunction herein provided against the property nor any of the defendants nor from any judgment, lien, penalty, or liability to which it may be subject by law.

[SS15, §4944-h7; C24, 27, 31, 35, 39, §**1612;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.26]

**99.27 Mulct tax.**

When a permanent injunction issues against any person for maintaining a nuisance as herein defined, or against any owner or agent of the building kept or used for the purpose prohibited by this chapter, there shall be imposed upon said building and the ground upon which the same is located and against the person or persons maintaining said nuisance and the owner or agent of said premises, a tax of three hundred dollars. The imposing of said tax shall be made by the court as a part of the proceeding.

[SS15, §4944-h8; C24, 27, 31, 35, 39, §**1613;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.27]

Nuisance defined, §99.1A

**99.28 Certification and payment of tax.**

The clerk of said court shall make and certify a return of the imposition of said tax forthwith to the county auditor, who shall enter the same as a tax upon the property, and against the persons upon which or whom the lien was imposed, as and when the other taxes are entered, and the same shall be and remain a lien on the land upon which such lien was imposed until fully paid. Any such lien imposed while the tax books are in the hands of the auditor shall be immediately entered therein. The payment of said tax shall not relieve the persons or property from any other penalties provided by law.

[SS15, §4944-h8; C24, 27, 31, 35, 39, §**1614;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.28]

Referred to in §331.512, 602.8102(24)

**99.29 Collection of tax.**

The provisions of the law relating to the collection of taxes in this state, the delinquency thereof, and sale of property for taxes shall govern in the collection of the tax herein prescribed insofar as the same are applicable.

[SS15, §4944-h8; C24, 27, 31, 35, 39, §**1615;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.29]

Collection of taxes, chapter 445 et seq.

**99.30 Application of tax.**

The tax collected shall be applied toward the deficiency in the payment of costs of the action and abatement which exist after the application of the proceeds of the sale of personal property. The remainder of the tax together with the unexpended portion of the proceeds of the sale of personal property shall be paid to the treasurer of state for deposit in the general fund of the state, except that ten percent of the amount of the whole tax collected and of the whole proceeds of the sale of the personal property, as provided in this chapter, shall be paid by the treasurer to the attorney representing the state in the injunction action, at the time of final judgment.

[SS15, §4944-h8; C24, 27, 31, 35, 39, §**1616;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.30]

83 Acts, ch 185, §2, 62; 83 Acts, ch 186, §10043, 10201, 10204

**99.31 Tax assessed.**

When such nuisance has been found to exist under any proceeding in the district court or as in this chapter provided, and the owner or agent of such building or ground whereon the same has been found to exist was not a party to such proceeding, nor appeared therein, the said tax of three hundred dollars shall, nevertheless, be imposed against the persons served or appearing and against the property as in this chapter set forth.

[SS15, §4944-h9; C24, 27, 31, 35, 39, §**1617;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99.31]

# CHAPTER 99A

## POSSESSION OF GAMBLING DEVICES


| | | | |
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| 99A.3 | Proceedings to revoke. | 99A.9 | Owner of premises — when penalized. |
| 99A.4 | Duties of peace officers. | | |
| 99A.5 | Order to show cause. | 99A.10 | Manufacture and distribution of gambling devices permitted. |
| 99A.6 | Licenses revoked — appeal. | | |


**99A.1 Definitions.**

For the purpose of this chapter, the words, terms, and phrases defined in this section shall have the meanings given them.

1. *"Gambling devices"* means gambling devices as defined in section 725.9.

2. *"Issuing authority"* and *"authority issuing the license"* mean and include the officer, board, bureau, department, commission, or agency of the state, or of any of its municipalities, by whom any license is issued and include the councils and governing bodies of all municipalities.

3. *"License"* includes permits of every kind, nature and description issued pursuant to any statute or ordinance for the carrying on, or used in the carrying on, of any business, trade, vocation, commercial enterprise or undertaking.

4. *"Licensed business"* means any business, trade, vocation, commercial enterprise, or undertaking for which any license is issued.

5. *"Licensed premises"* means the place or building, or the room in a building of the licensed business, and all land adjacent thereto and used in connection with and in the operation of a licensed business, and all adjacent or contiguous rooms or buildings operated or used in connection with the buildings of the licensed business.

6. *"Licensee"* means any person to whom a license of any kind is issued.

7. *"Municipality"* means any county, city, village, or township.

8. *"Person"* means an individual, a partnership, an association, corporation, or any other entity or organization.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99A.1]
2008 Acts, ch 1032, §106

**99A.2 Intentional possession.**

The intentional possession or willful keeping of a gambling device upon any licensed premises, except as provided in this chapter, is cause for the revocation of any license upon the premises where the gambling device is found. Possession by an employee of the licensee on the premises of the licensee creates a presumption of intentional possession by the licensee.

All licenses of any licensed business shall be revoked if the intentional possession or willful keeping of any such gambling device upon the licensed premises is established, notwithstanding that it may not be made to appear that such devices have actually been used or operated for the purpose of gambling.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99A.2]
83 Acts, ch 187, §31

**99A.3 Proceedings to revoke.**

The proceedings for revocation shall be had before the issuing authority, which shall have power to revoke the license or licenses involved, as hereinafter provided.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99A.3]

**99A.4 Duties of peace officers.**

Every sheriff, deputy sheriff, constable, marshal, policeman, police officer, and peace officer shall immediately report the finding of gambling devices at licensed premises to the authority or authorities issuing the license or licenses applicable to the premises in question.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99A.4]

94 Acts, ch 1173, §6

Referred to in §99A.5, 331.653

**99A.5 Order to show cause.**

Upon the receipt of such information from any of the peace officers referred to in section 99A.4, if any issuing authority is of the opinion that cause exists for the revocation of any such license, then that authority shall issue an order to show cause directed to the licensee of the premises, stating the ground upon which the proceeding is based and requiring the licensee to appear and show cause at a time and place within the county in which the licensed premises are located, not less than ten days after the date of the order, why the licensee's license should not be revoked. The order to show cause shall be served upon the licensee as an original notice, or by certified mail, not less than eight days before the date fixed for the hearing thereof. A copy of the order shall forthwith be mailed to the owner of the premises, as shown by the records in the office of the county recorder at the owner's last known post office address. A copy of the order shall at the same time be mailed to any other issuing authority, of which the authority issuing the order to show cause has knowledge, by which other licenses to that licensee may have been issued, and any such other authority may participate in the revocation proceedings after notifying the licensee and the officer or authority holding the hearing of its intention so to do on or before the date of hearing, and after the hearing take such action as it could have taken had it instituted the revocation proceedings in the first instance.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99A.5]

**99A.6 Licenses revoked — appeal.**

If, upon the hearing of the order to show cause, the issuing authority finds that the licensee intentionally possessed or willfully kept upon the licensee's licensed premises any gambling device, then the license or licenses under which the licensed business is operated, or used in the operation of such business on the licensed premises, shall be revoked.

Judicial review of actions of the issuing authorities may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Municipalities acting as issuing authorities shall be deemed state agencies solely for the purposes of bringing their actions under this chapter within the terms of section 17A.19. If the licensee has not filed a petition for judicial review in district court, revocation shall date from the thirty-first day following the date of the order of the issuing authority. If the licensee has filed a petition for judicial review, revocation shall date from the thirty-first day following entry of the order of the district court, if action by the district court is adverse to the licensee.

No new license or licenses shall be granted the licensee, nor for the same business if it is established that the owner had actual knowledge of the existence of the gambling devices resulting in the license revocation, upon the same premises, for the period of one year following the date of revocation.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99A.6]

2003 Acts, ch 44, §114

Referred to in §99A.7, 99A.9, 331.756(22)

**99A.7 Attorney general — duty.**

The attorney general shall attend the hearing, interrogate the witnesses, and advise the issuing authority. The attorney general shall also appear for the issuing authority in any certiorari proceeding taken pursuant to section 99A.6.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99A.7]

94 Acts, ch 1173, §7

Referred to in §331.756(22)

**99A.8 Witnesses.**

The issuing authority may issue subpoenas and compel the attendance of witnesses at any hearing. Witnesses duly subpoenaed and attending any such hearing shall be paid fees and mileage by the issuing authority equal to the fees and mileage paid witnesses in the district court.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99A.8]

**99A.9 Owner of premises — when penalized.**

When the license is revoked under the provisions of this chapter, subject to the provisions of section 99A.6, the owner of the premises upon which any licensed business has been operated shall not be penalized by reason thereof unless it is established that the owner had knowledge of the existence of the gambling devices resulting in the license revocation.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §99A.9]

**99A.10 Manufacture and distribution of gambling devices permitted.**

A person may manufacture or act as a distributor for gambling devices for sale out of the state in another jurisdiction where possession of the device is legal or for sale in the state or use in the state if the use is permitted pursuant to either chapter 99B or chapter 99G.

85 Acts, ch 32, §117; 86 Acts, ch 1052, §1; 90 Acts, ch 1062, §1; 2003 Acts, ch 178, §101, 121; 2003 Acts, ch 179, §142

# CHAPTER 99B

## GAMES OF SKILL OR CHANCE, AND RAFFLES

Referred to in §10A.104, 99.1A, 99A.10, 99F.2, 99G.3, 123.49, 232C.4, 321.105A, 422.16, 423.2, 423.3, 537A.4, 714B.10, 725.7, 725.9, 725.13, 725.15, 725.16, 725.17, 725.19

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## DIVISION I

## GENERAL PROVISIONS

**99B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Amusement concession"* means any place where a single game of skill or game of chance is conducted by a person for profit, and includes the area within which are confined the equipment, playing area and other personal property necessary for the conduct of the game.

2. *"Amusement device"* means an electrical or mechanical device possessed and used in accordance with section 99B.10. When possessed and used in accordance with that section, an amusement device is not a game of skill or game of chance, and is not a gambling device.

3. *"Applicant"* means an individual or an organization.

4. *"Authorized"* means approved as a concession by the Iowa state fair board or a fair conducting a fair event as provided in chapter 174.

5. *"Bingo"* means a game, whether known as bingo or any other name, in which each participant uses one or more cards each of which is marked off into spaces arranged in horizontal and vertical rows of spaces, with each space being designated by number, letter, or combination of numbers and letters, no two cards being identical, with the players covering spaces as the operator of the game announces the number, letter, or combination of numbers and letters appearing on an object selected by chance, either manually or mechanically, from a receptacle in which have been placed objects bearing numbers, letters, or combinations of numbers and letters corresponding to the system used for designating the spaces, with the winner of each game being the player or players first properly covering a predetermined and announced pattern of spaces on a card being used by the player or players. Each determination of a winner by the method described in the preceding sentence is a single bingo game at any bingo occasion.

6. *"Bingo occasion"* means a single gathering or session at which successive bingo games are played. A bingo occasion commences when the operator of the game begins to announce the number, letter, or combination of numbers or letters through which the winner of a single bingo game will be determined.

7. *"Bona fide social relationship"* as used herein means a real, genuine, unfeigned social relationship between two or more persons wherein each person has an established knowledge of the other, which has not arisen for the purpose of gambling.

8. *"Bookmaking"* as used herein means the taking or receiving of any bet or wager upon the result of any trial or contest of skill, speed, power or endurance of human, beast, fowl or motor vehicle, which is not a wager or bet pursuant to section 99B.12, subsection 2, paragraph "*c*", or which is laid off, placed, given, received or taken, by an individual who was not present when the wager or bet was undertaken, or by any publicly or privately owned enterprise where such wagers or bets may be undertaken.

9. A person *"conducts"* a specified activity if that person owns, promotes, sponsors, or operates a game or activity. A natural person does not *"conduct"* a game or activity if the person is merely a participant in a game or activity which complies with section 99B.12.

10. *"Controlling shareholder"* means either of the following:

*a.* A person who directly or indirectly owns or controls ten percent or more of any class of stock of a license applicant.

*b.* A person who directly or indirectly has an interest of ten percent or more in the ownership or profits of a license applicant.

11. *"Department"* means the department of inspections and appeals.

12. *"Distributor"* means, for the purposes of sections 99B.10, 99B.10A, and 99B.10B, any person that owns electrical and mechanical amusement devices registered as provided in section 99B.10, subsection 1, paragraph *"f"*, that are offered for use at more than a single location or premises.

13. *a. "Eligible applicant"* means an applicant who meets all of the following requirements:

(1) The applicant's financial standing and good reputation are within the standards established by the department by rule under chapter 17A so as to satisfy the director of the department that the applicant will comply with this chapter and the rules applicable to operations under it.

(2) The applicant is a citizen of the United States and a resident of this state, or a corporation licensed to do business in this state, or a business that has an established place of business in this state or that is doing business in this state.

(3) The applicant has not been convicted of a felony. However, if the applicant's conviction occurred more than five years before the date of the application for a license, and if the applicant's rights of citizenship have been restored by the governor, the director of the department may determine that the applicant is an eligible applicant.

*b.* If the applicant is an organization, then the requirements of paragraph *"a"*, subparagraphs (1) through (3), apply to the officers, directors, partners and controlling shareholders of the organization.

14. *"Fair"* means an annual fair and exposition held by the Iowa state fair board and any fair event conducted by a fair under the provisions of chapter 174.

15. *"Game of chance"* means a game whereby the result is determined by chance and the player in order to win aligns objects or balls in a prescribed pattern or order or makes certain color patterns appear and specifically includes but is not limited to the game defined as bingo. Game of chance does not include a slot machine.

16. *"Game of skill"* means a game whereby the result is determined by the player directing or throwing objects to designated areas or targets, or by maneuvering water or an object into a designated area, or by maneuvering a dragline device to pick up particular items, or by shooting a gun or rifle.

17. *"Gross receipts"* means the total revenue received from the sale of rights to participate in a game of skill, game of chance, or raffle and admission fees or charges.

18. *"Manufacturer"* means, for the purposes of sections 99B.10, 99B.10A, and 99B.10B, any person engaged in business in this state who originally produces an electrical and mechanical amusement device required to be registered under section 99B.10, subsection 1, paragraph *"f"*, or individual components for use in such a device.

19. *"Manufacturer's representative"* means, for the purposes of sections 99B.10, 99B.10A, and 99B.10B, any person engaged in business in this state who promotes or sells electrical and mechanical amusement devices required to be registered under section 99B.10, subsection 1, paragraph *"f"*, or individual components for use in such devices on behalf of a manufacturer of such devices or components.

20. *"Merchandise"* includes lottery tickets or shares sold or authorized under chapter 99G. The value of the ticket or share is the price of the ticket or share as established by the Iowa lottery authority pursuant to chapter 99G.

21. *"Net receipts"* means gross receipts less amounts awarded as prizes and less state and local sales tax paid upon the gross receipts. Reasonable expenses, charges, fees, taxes other than the state and local sales tax, and deductions allowed by the department shall not exceed twenty-five percent of net receipts.

22. *"Net rent"* means the total rental charge minus reasonable expenses, charges, fees, and deductions allowed by the department.

23. *"Owner"* means, for the purposes of sections 99B.10A and 99B.10B, any person who owns an operable electrical and mechanical amusement device required to be registered under section 99B.10, subsection 1, paragraph *"f"*.

24. *"Posted"* means that the person conducting a game has caused to be placed near the front or playing area of the game a sign at least thirty inches by thirty inches, with permanent

material and lettering, stating at the top in letters at least three inches high: "Rules of the Game". Thereunder there shall be set forth in large, easily readable print, the name of the game, the price to play the game, the complete rules for the game and the name and permanent mailing address of the owner of the game.

25. *"Qualified organization"* means any licensed organization which dedicates the net receipts of a game of skill, game of chance or raffle as provided in section 99B.7 and meets the requirements of section 99B.7, subsection 1, paragraph *"m"*.

26. *"Raffle"* means a lottery in which each participant buys a ticket for a chance at a prize with the winner determined by a random method and the winner is not required to be present to win. *"Raffle"* does not include a slot machine.

27. *"Social games"* means and includes only the activities permitted by section 99B.12, subsection 2.

28. *"Unrelated entity"* means a person that has a separate and distinct state charter and tax identification number from any other person and, if the person is an individual, an individual that is not related by law or by consanguinity.

[C75, 77, 79, 81, §99B.1; 81 Acts, ch 44, §1 – 3]

84 Acts, ch 1220, §3; 86 Acts, ch 1042, §1; 86 Acts, ch 1201, §1; 86 Acts, ch 1245, §711; 87 Acts, ch 115, §14; 89 Acts, ch 231, §13 – 15; 90 Acts, ch 1233, §4; 94 Acts, ch 1062, §1; 2000 Acts, ch 1130, §1; 2003 Acts, ch 178, §102, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1019, §3; 2004 Acts, ch 1118, §1, 11; 2007 Acts, ch 173, §1; 2008 Acts, ch 1032, §187

Referred to in §423.3, 717E.1

**99B.2 Licensing — records required — bingo accounts — inspections — penalties.**

1. *a.* The department of inspections and appeals shall issue the licenses required by this chapter. A license shall not be issued, except upon submission to the department of an application on forms determined by the department, and the required license fee. A license may be issued to an eligible applicant. However, a license shall not be issued to an applicant who has been convicted of or pled guilty to a violation of this chapter, or who has been convicted of or pled guilty to a violation of chapter 123 that resulted, at any time, in revocation of a license issued to the applicant under chapter 123 or that resulted, within the twelve months preceding the date of application for a license required by this chapter, in suspension of a license issued under chapter 123. To be eligible for a two-year license under section 99B.7, an organization shall have been in existence at least five years prior to the date of issuance of the license. However, an organization which has been in existence for less than five years prior to the date of issuance of the license may obtain a two-year license if either of the following conditions apply:

(1) That prior to July 1, 1984, the organization was licensed under this subsection.

(2) If the organization is a local chapter of a national organization and the national organization is a tax-exempt organization under one of the provisions enumerated in section 99B.7, subsection 1, paragraph *"m"*, then the local organization is eligible for a two-year license if the national organization has been in existence at least five years.

*b.* A license shall not be issued to an individual whose previous license issued under this chapter or chapter 123 has been revoked until the period of revocation or revocations has elapsed. This prohibition applies even though the individual has created a different legal entity than the one to which the previous license that had been revoked was issued. Except as otherwise provided in this chapter, a license is valid for a period of two years from the date of issue. The license fee is not refundable, but shall be returned to the applicant if an application is not approved.

2. A licensee other than one issued a license pursuant to section 99B.3, 99B.6, 99B.7A, or 99B.9 shall maintain proper books of account and records showing in addition to any other information required by the department, gross receipts and the amount of the gross receipts taxes collected or accrued with respect to gambling activities, all expenses, charges, fees and other deductions, and the cash amounts, or the cost to the licensee of goods or other noncash valuables, distributed to participants in the licensed activity. If the licensee is a qualified organization, the amounts dedicated and the date and name and address of each person to whom distributed also shall be kept in the books and records. The books of

account and records shall be made available to the department or a law enforcement agency for inspection at reasonable times, with or without notice. A failure to permit inspection is a serious misdemeanor.

3. A qualified organization conducting bingo occasions under a two-year license and expecting to have annual gross receipts of more than ten thousand dollars shall establish and maintain one regular checking account designated the *"bingo account"* and may also maintain one or more interest-bearing savings accounts designated as *"bingo savings account"*.

*a.* Funds derived from the conduct of bingo, less the amount awarded as cash prizes, shall be deposited in the bingo account. No other funds except limited funds of the organization deposited to pay initial or unexpected emergency expenses shall be deposited in the bingo account. Deposits shall be made no later than the next business day following the day of the bingo occasion on which the receipts were obtained. Accounts shall be maintained in a financial institution in Iowa.

*b.* Funds from the bingo account shall be withdrawn by preprinted, consecutively numbered checks or share drafts, signed by a duly authorized representative of the licensee and made payable to a person or organization. Checks shall be imprinted with the words "Bingo Account" and shall contain the organization's gambling license number on the face of the check. There shall also be noted on the face of the check or share draft the nature of the payment made. A check or slip shall not be made payable to "cash", "bearer", or a fictitious payee. Checks, including voided checks and drafts, shall be kept and accounted for.

*c.* Checks shall be drawn on the bingo account for only the following purposes:

(1) The payment of necessary and reasonable bona fide expenses permitted under section 99B.7, subsection 3, paragraph *"b"*, incurred and paid in connection with the conduct of bingo.

(2) The disbursement of net proceeds derived from the conduct of bingo to charitable purposes as required by section 99B.7, subsection 3, paragraphs *"b"* and *"c"*.

(3) The transfer of net proceeds derived from the conduct of bingo to a bingo savings account pending disbursement to a charitable purpose.

(4) To withdraw initial or emergency funds deposited under subsection 3, paragraph *"a"*.

(5) To pay prizes if the qualified organization decides to pay prizes by check rather than cash.

*d.* The disbursement of net proceeds on deposit in a bingo savings account to a charitable purpose shall be made by transferring the intended disbursement back into the bingo account and then withdrawing the amount by a check drawn on that account as prescribed in this section.

*e.* Except as permitted by subsection 3, paragraph *"a"*, gross receipts derived from the conduct of bingo shall not be commingled with other funds of the licensed organization. Except as permitted by paragraph *"c"*, subparagraphs (3) and (4), gross receipts shall not be transferred to another account maintained by the licensed organization.

4. A licensee required by subsection 2 to maintain records shall submit an annual report to the department on forms furnished by the department. The annual report shall be due thirty days following the end of each state fiscal year. The annual report shall contain a compilation of the information required to be recorded by subsection 2, and shall include all of the transactions occurring during the previous state fiscal year for which the report is submitted. Failure to submit the annual report is grounds for revocation of the license. Willful failure to submit the annual report is a serious misdemeanor. A person who intentionally files a false or fraudulent report or application with the department commits a fraudulent practice.

5. An organization receiving funds reported as being dedicated by a qualified organization shall maintain proper books of account and records showing both the receipt and the use of the funds. These records shall be made available to the department or a law enforcement

agency for inspection with or without notice at reasonable times. A failure to permit inspection is a serious misdemeanor.

[C75, 77, 79, 81, §99B.2; 81 Acts, ch 44, §4, 5]

84 Acts, ch 1220, §4; 86 Acts, ch 1201, §2; 86 Acts, ch 1245, §712; 87 Acts, ch 184, §1; 88 Acts, ch 1274, §30; 89 Acts, ch 231, §16; 94 Acts, ch 1062, §2; 2008 Acts, ch 1032, §201; 2009 Acts, ch 181, §110 – 112; 2012 Acts, ch 1117, §1

Referred to in §99B.5, 99B.5A, 99B.7, 99B.7B, 99B.16

Fraudulent practice, see §714.8

## DIVISION II

## GAMES OR LOCATIONS FOR WHICH A LICENSE IS REQUIRED

**99B.3 Amusement concessions.**

1. A game of skill or game of chance is lawful when conducted by a person at an amusement concession, but only if all of the following are complied with:

*a.* The location where the game is conducted by the person has been authorized as provided in section 99B.4.

*b.* The person conducting the game has submitted a license application and a fee of fifty dollars for each game, and has been issued a license for the game, and prominently displays the license at the playing area of the game. A license is valid for a period of one year from the date of issue.

*c.* Gambling other than the licensed game is not conducted or engaged in at the amusement concession.

*d.* The game is posted and the cost to play the game does not exceed three dollars.

*e.* A prize is not displayed which cannot be won.

*f.* Cash prizes are not awarded and merchandise prizes are not repurchased.

*g.* The game is not operated on a build-up or pyramid basis.

*h.* The actual retail value of any prize does not exceed fifty dollars. If a prize consists of more than one item, unit, or part, the aggregate retail value of all items, units, or parts shall not exceed fifty dollars.

*i.* Concealed numbers or conversion charts are not used to play the game and the game is not designed or adapted with any control device to permit manipulation of the game by the operator in order to prevent a player from winning or to predetermine who the winner will be, and the object target, block or object of the game must be attainable and possible to perform under the rules stated from the playing position of the player.

*j.* The game is conducted in a fair and honest manner.

2. It is lawful for an individual other than a person conducting the game to participate in a game of skill or game of chance conducted at an amusement concession, whether or not the amusement concession is conducted in compliance with subsection 1.

[C75, §99B.2, 99B.3; C77, 79, 81, §99B.3; 81 Acts, ch 44, §6]

88 Acts, ch 1274, §31; 95 Acts, ch 163, §1

Referred to in §99B.2, 99B.4, 99B.6, 99B.8, 99B.9, 99B.12

**99B.4 Permitted locations of amusement concessions.**

A game of skill or game of chance lawfully may be conducted by a person at an amusement concession, but only if the person has been authorized to conduct the game at a specific location as follows:

1. At a fair, by written permission given to the person by the sponsor of the fair.

2. At an amusement park so designated by resolution of the city council of a city or the board of supervisors of a county, by written permission given to the person by the respective city or county.

3. At a carnival, bazaar, centennial, or celebration sponsored by a bona fide civic group, service club, or merchants group when that event has been authorized by resolution of the city council of a city or the board of supervisors of a county, by written permission given

to the person by the authorizing city or county. Section 99B.3, subsection 1, paragraph "*b*", notwithstanding, a license may be issued for an event held pursuant to this paragraph at a fee of twenty-five dollars, which shall enable the sponsor of the event to conduct all games and raffles permitted under section 99B.3 for a specified period of fourteen consecutive calendar days.

[C75, §99B.3, 99B.5, 99B.6; C77, 79, 81, §99B.4]
Referred to in §99B.3, 99B.6, 331.304

**99B.5 Raffles conducted at a fair.**

1. Raffles lawfully may be conducted at a fair, but only if all of the following are complied with:

*a.* The raffle is conducted by the sponsor of the fair or a qualified organization licensed under section 99B.7 that has received permission from the sponsor of the fair to conduct the raffle.

*b.* The sponsor of the fair or the qualified organization has submitted a license application and a fee of thirty dollars for each raffle, has been issued a license, and prominently displays the license at the drawing area of the raffle.

*c.* The raffle is posted.

*d.* Except with respect to an annual raffle as provided in paragraph "*g*", the cost of each chance in or ticket to the raffle does not exceed one dollar.

*e.* Except with respect to an annual raffle as provided in paragraph "*g*", and subsection 3, cash prizes are not awarded and merchandise prizes are not repurchased.

*f.* The raffle is not operated on a pyramid or build-up basis.

*g.* The actual retail value of any prize does not exceed one thousand dollars. If a prize consists of more than one item, unit, or part, the aggregate retail value of all items, units, or parts shall not exceed one thousand dollars. However, either a fair sponsor or a qualified organization, but not both, may hold one raffle per calendar year at which prizes having a combined value of more than one thousand dollars may be offered. If the prize for the annual raffle is cash, the total cash amount awarded shall not exceed two hundred thousand dollars. If the prize is merchandise, its value shall be determined by the purchase price paid by the fair sponsor or qualified organization.

*h.* The raffle is conducted in a fair and honest manner.

2. It is lawful for an individual other than a person conducting the raffle to participate in a raffle conducted at a fair, whether or not conducted in compliance with subsection 1.

3. A licensee under this section may hold one real property raffle per calendar year in lieu of the annual raffle authorized in subsection 1, paragraph "*g*", at which the value of the real property may exceed one thousand dollars or an annual raffle of cash as authorized in subsection 1, paragraph "*g*", if the total cash amount awarded is one hundred thousand dollars or more, if all of the following applicable requirements are met:

*a.* The licensee has submitted the special real property or cash raffle license application and a fee of one hundred dollars to the department, has been issued a license, and prominently displays the license at the drawing area of the raffle.

*b.* The real property was acquired by gift or donation or has been owned by the licensee for a period of at least five years.

*c.* All other requirements of this section and section 99B.2 are met, except that the cost to participate in the raffle may exceed one dollar for each participant.

*d.* Receipts from the raffle are kept in a separate financial account.

*e.* A cumulative report for the raffle on a form determined by the department and one percent of the gross receipts are submitted to the department within sixty days of the raffle drawing. The one percent of the gross receipts shall be retained by the department to pay for the cost of the special audit.

4. For each real property or cash raffle license issued pursuant to subsection 3, the

department shall conduct a special audit of the raffle to verify compliance with the appropriate requirements of this chapter.

[C75, §99B.4; C77, 79, 81, §99B.5; 82 Acts, ch 1189, §1]

85 Acts, ch 191, §1; 86 Acts, ch 1201, §3; 87 Acts, ch 184, §2; 96 Acts, ch 1143, §1, 2; 2002 Acts, ch 1068, §1, 2; 2005 Acts, ch 106, §1 – 4

Referred to in §99B.6, 99B.8, 99B.9, 99B.12, 423.3

**99B.5A Bingo conducted at a fair or community festival.**

1. For purposes of this section:

*a.* *"Community festival"* means a festival of no more than six consecutive days in length held by a community group.

*b.* *"Community group"* means an Iowa nonprofit, tax-exempt organization which is open to the general public and established for the promotion and development of the arts, history, culture, ethnicity, historic preservation, tourism, economic development, festivals, or municipal libraries. *"Community group"* does not include a school, college, university, political party, labor union, state or federal government agency, fraternal organization, church, convention or association of churches, or organizations operated primarily for religious purposes, or which are operated, supervised, controlled, or principally supported by a church, convention, or association of churches.

2. Bingo may lawfully be conducted at a fair or a community festival if all the following conditions are met:

*a.* Bingo is conducted by the sponsor of the fair or community festival or a qualified organization licensed under section 99B.7 that has received permission from the sponsor of the fair or community festival to conduct bingo.

*b.* The sponsor of the fair or community festival or the qualified organization has submitted a license application and a fee of fifty dollars to the department, has been issued a license, and prominently displays the license at the area where the bingo occasion is being held. A license shall only be valid for the duration of the fair or community festival indicated on the application.

*c.* The number of bingo occasions shall be limited to one for each day of the duration of the fair or community festival.

*d.* The rules for the bingo occasion are posted.

*e.* Except as provided in this section, the provisions of sections 99B.2 and 99B.7 related to bingo shall apply.

3. An individual other than a person conducting the bingo occasion may participate in the bingo occasion conducted at a fair or community festival, whether or not conducted in compliance with this section.

4. Bingo occasions held under a license under this section shall not be counted in determining whether a qualified organization has conducted more than fourteen bingo occasions per month. In addition, bingo occasions held under this license shall not be limited to four consecutive hours.

2009 Acts, ch 181, §42; 2011 Acts, ch 34, §26; 2011 Acts, ch 40, §1, 3

**99B.6 Games where liquor or beer is sold.**

1. Except as provided in subsections 5, 6, 7, 8, and 9, gambling is unlawful on premises for which a class "A", class "B", class "C", or class "D" liquor control license, or class "B" beer permit has been issued pursuant to chapter 123 unless all of the following are complied with:

*a.* The holder of the liquor control license or beer permit has submitted an application for a license and an application fee of one hundred fifty dollars, and has been issued a license, and prominently displays the license on the premises.

*b.* The holder of the liquor control license or beer permit or any agent or employee of the license or permit holder does not participate in, sponsor, conduct or promote, or act as cashier or banker for any gambling activities, except as a participant while playing on the same basis as every other participant.

*c.* Gambling other than social games is not engaged in on the premises covered by the license or permit.

*d.* Concealed numbers or conversion charts are not used to play any game, and a game is not adapted with any control device to permit manipulation of the game by the operator in order to prevent a player from winning or to predetermine who the winner will be, and the object of the game is attainable and possible to perform under the rules stated from the playing position of the player.

*e.* The game must be conducted in a fair and honest manner.

*f.* No person receives or has any fixed or contingent right to receive, directly or indirectly, any amount wagered or bet or any portion of amounts wagered or bet, except an amount which the person wins as a participant while playing on the same basis as every other participant.

*g.* No cover charge, participation charge or other charge is imposed upon a person for the privilege of participating in or observing gambling, and no rebate, discount, credit, or other method is used to discriminate between the charge for the sale of goods or services to participants in gambling and the charge for the sale of goods or services to nonparticipants. Satisfaction of an obligation into which a member of an organization enters to pay at regular periodic intervals a sum fixed by that organization for the maintenance of that organization is not a charge which is prohibited by this paragraph.

*h.* No participant wins or loses more than a total of fifty dollars or more consideration equivalent thereto in one or more games or activities permitted by this section at any time during any period of twenty-four consecutive hours or over that entire period. For the purpose of this paragraph a person wins the total amount at stake in any game, wager or bet, regardless of any amount that person may have contributed to the amount at stake.

*i.* No participant is participating as an agent of another person.

*j.* A representative of the department or a law enforcement agency is immediately admitted, upon request, to the premises with or without advance notice.

*k.* A person under the age of twenty-one years shall not participate in the gambling except pursuant to sections 99B.3, 99B.4, 99B.5, and 99B.7. Any licensee knowingly allowing a person under the age of twenty-one to participate in the gambling prohibited by this paragraph or any person knowingly participating in gambling with a person under the age of twenty-one, is guilty of a simple misdemeanor.

2. The holder of a license issued pursuant to this section is strictly accountable for complying with subsection 1. Proof of an act constituting a violation is grounds for revocation of the license issued pursuant to this section if the holder of the license permitted the violation to occur when the licensee knew or had reasonable cause to know of the act constituting the violation.

3. A participant in a social game which is not in compliance with this section shall be liable for a criminal penalty only if that participant has knowledge of or reason to know the facts constituting the violation.

4. The holder of a license issued pursuant to this section and every agent of that licensee who is required by the licensee to exercise control over the use of the premises who knowingly permits or engages in acts or omissions which constitute a violation of subsection 1 commits a serious misdemeanor. A licensee has knowledge of acts or omissions if any agent of the licensee has knowledge of those acts or omissions.

5. Lottery tickets or shares authorized pursuant to chapter 99G may be sold on the premises of an establishment that serves or sells alcoholic beverages, wine, or beer as defined in section 123.3.

6. A qualified organization may conduct games of skill, games of chance, or raffles pursuant to section 99B.7 in an establishment that serves or sells alcoholic beverages, wine, or beer as defined in section 123.3 if the games or raffles are conducted pursuant to this chapter or rules adopted pursuant to this chapter.

7. The holder of a liquor control license or beer permit may conduct a sports betting pool if the game is publicly displayed and the rules of the game, including the cost per participant and the amount of the winning is conspicuously displayed on or near the pool. No participant may wager more than five dollars and the maximum winnings to all participants from the pool shall not exceed five hundred dollars. The provisions of subsection 1, except paragraphs "*c*" and "*h*" and the prohibition of the use of concealed numbers in paragraph "*d*", are applicable

to pools conducted under this subsection. If a pool permitted by this subsection involves the use of concealed numbers, the numbers shall be selected by a random method and no person shall be aware of the numbers at the time wagers are made in the pool. All moneys wagered shall be awarded to participants. For purposes of this subsection, *"pool"* means a game in which the participants select a square on a grid corresponding to numbers on two intersecting sides of the grid and winners are determined by whether the square selected corresponds to numbers relating to an athletic event in the manner prescribed by the rules of the game.

8. Gambling games authorized under chapter 99F may be conducted on an excursion gambling boat or gambling structure which is licensed as an establishment that serves or sells alcoholic beverages, wine, or beer as defined in section 123.3 if the gambling games are conducted pursuant to chapter 99F and rules adopted under chapter 99F. Notwithstanding section 123.3, subsection 34, paragraph *"b"*, a person holding a federal gambling permit and licensed to conduct gambling games pursuant to chapter 99F may hold a liquor license.

9. Pari-mutuel wagering authorized under chapter 99D may be conducted within a racetrack enclosure which is licensed as an establishment that serves or sells alcoholic beverages as defined in section 123.3 if the pari-mutuel wagering is conducted pursuant to chapter 99D and rules adopted under chapter 99D.

[C77, 79, 81, §99B.6; 81 Acts, ch 44, §7]

86 Acts, ch 1201, §4 – 6; 86 Acts, ch 1002, §1, 2; 87 Acts, ch 184, §3, 4; 88 Acts, ch 1274, §32; 89 Acts, ch 67, §20, 21; 89 Acts, ch 231, §17; 90 Acts, ch 1175, §3, 4; 94 Acts, ch 1021, §1; 2003 Acts, ch 178, §103, 121; 2003 Acts, ch 179, §142; 2007 Acts, ch 188, §3

Referred to in §99B.2, 99B.9, 99B.12

**99B.7 Games conducted by qualified organizations — penalties.**

1. Except as otherwise provided in section 99B.8, games of skill, games of chance and raffles lawfully may be conducted at a specified location meeting the requirements of subsection 2 of this section, but only if all of the following are complied with:

*a.* The person conducting the game or raffle has been issued a license pursuant to subsection 3 of this section and prominently displays that license in the playing area of the games.

*b.* No person receives or has any fixed or contingent right to receive, directly or indirectly, any profit, remuneration, or compensation from or related to a game of skill, game of chance, or raffle, except any amount which the person may win as a participant on the same basis as the other participants. A person conducting a game or raffle shall not be a participant in the game or raffle.

*c.* (1) Cash or merchandise prizes may be awarded in the game of bingo and, except as otherwise provided in this paragraph, shall not exceed one hundred dollars. Merchandise prizes may be awarded in the game of bingo, but the actual retail value of the prize, or if the prize consists of more than one item, unit or part, the aggregate retail value of all items, units or parts, shall not exceed the maximum provided by this paragraph. Bingo games allowing for a trade-in of a bingo card during a bingo game for not more than fifty cents a trade-in may be conducted. A jackpot bingo game may be conducted twice during any twenty-four-hour period in which the prize may begin at not more than three hundred dollars in cash or actual retail value of merchandise prizes and may be increased by not more than two hundred dollars after each bingo occasion to a maximum prize of one thousand dollars for the first jackpot bingo game and two thousand five hundred dollars for the second jackpot bingo game. However, the cost of play in a jackpot bingo game shall not be increased. A jackpot bingo game is not prohibited by paragraph *"h"*. A bingo occasion shall not last for longer than four consecutive hours. A qualified organization shall not hold more than fourteen bingo occasions per month. Bingo occasions held under a limited license shall not be counted in determining whether a qualified organization has conducted more than fourteen bingo occasions per month, nor shall bingo occasions held under a limited license be limited to four consecutive hours. With the exception of a limited license bingo, no more than three bingo occasions per week shall be held within a structure or building and only one person

licensed to conduct games under this section may hold bingo occasions within a structure or building. A licensed qualified organization shall not conduct free games.

(2) However, a qualified organization, which is a senior citizens' center or a residents' council at a senior citizen housing project or a group home, may hold more than fourteen bingo occasions per month and more than three bingo occasions per week within the same structure or building, and bingo occasions conducted by such a qualified organization may last for longer than four consecutive hours, if the majority of the patrons of the qualified organization's bingo occasions also participate in other activities of the senior citizens' center or are residents of the housing project. At the conclusion of each bingo occasion, the person conducting the game shall announce both the gross receipts received from the bingo occasion and the use permitted under subsection 3, paragraph "*b*", to which the net receipts of the bingo occasion will be dedicated and distributed.

*d.* (1) Cash prizes shall not be awarded in games other than bingo and raffles. The value of a prize shall not exceed ten thousand dollars and merchandise prizes shall not be repurchased. If a prize consists of more than one item, unit, or part, the aggregate value of all items, units, or parts shall not exceed ten thousand dollars. However, one raffle may be conducted per calendar year at which real property or one or more merchandise prizes having a combined value of more than ten thousand dollars may be awarded or cash prizes of up to a total of two hundred thousand dollars may be awarded.

(2) If a raffle licensee holds a statewide raffle license, the licensee may hold not more than eight raffles per calendar year at which real property or one or more merchandise prizes having a combined value of more than ten thousand dollars may be awarded or cash prizes of up to a total of two hundred thousand dollars may be awarded. Each such raffle held under a statewide license shall be held in a separate county.

(3) If a prize is merchandise, its value shall be determined by the purchase price paid by the organization or donor. If a prize is real property or is cash and the combined value of the prize or the cash prize exceeds one hundred thousand dollars, the department shall conduct a special audit to verify compliance with the appropriate requirements of this chapter including all of the following applicable requirements:

(a) The licensee has submitted a real property or cash raffle license application and a fee of one hundred dollars to the department, has been issued a license, and prominently displays the license at the drawing area of the raffle.

(b) The real property was acquired by gift or donation or has been owned by the licensee for a period of at least five years.

(c) All other requirements of this section and section 99B.2 are met.

(d) Receipts from the raffle are kept in a separate financial account.

(e) A cumulative report for the raffle on a form determined by the department and one percent of gross receipts are submitted to the department within sixty days of the raffle drawing. The one percent of the gross receipts shall be retained by the department to pay for the cost of the special audit.

*e.* The ticket price including any discounts for each game or raffle shall be the same for each participant.

*f.* No prize is displayed which cannot be won.

*g.* Merchandise prizes are not repurchased.

*h.* A game or raffle shall not be operated on a build-up or pyramid basis.

*i.* Concealed numbers or conversion charts shall not be used to play any game and a game or raffle shall not be adapted with any control device to permit manipulation of the game by the operator in order to prevent a player from winning or to predetermine who the winner will be, and the object of the game must be attainable and possible to perform under the rules stated from the playing position of the player.

*j.* The game must be conducted in a fair and honest manner.

*k.* Each game or raffle shall be posted.

*l.* During the entire time that games permitted by this section are being engaged in, both of the following are observed:

(1) No other gambling is engaged in at the same location, except that lottery tickets or shares issued by the Iowa lottery authority may be sold pursuant to chapter 99G.

(2) A ticket, coupon, or card shall not be used as a door prize or given to a participant of a raffle, game of bingo, or game of chance if the use of the ticket, coupon, or card would change the odds of winning for participants of the raffle, game of bingo, or game of chance.

*m.* (1) The organization conducting the game can show to the satisfaction of the department that all of the following requirements are met:

(a) The organization is exempt from federal income taxes under section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue Code as defined in section 422.3, the organization is an agency or instrumentality of the United States government, this state, or a political subdivision of this state, or, in lieu of an exemption from federal income taxes, the organization is a parent-teacher organization or booster club that is recognized as a fund-raiser and supporter for a school district organized pursuant to chapter 274 or for a school within the school district, in a notarized letter signed by the president of the board of directors, the superintendent of the school district, or a principal of a school within that school district.

(b) The organization has an active membership of not less than twelve persons.

(c) The organization does not have a self-perpetuating governing body and officers.

(2) This lettered paragraph "*m*" does not apply to a political party, as defined in section 43.2, to a nonparty political organization that has qualified to place a candidate as its nominee for statewide office pursuant to chapter 44, or to a candidate's committee as defined in section 68A.102.

*n.* The person conducting the game does none of the following:

(1) Hold, currently, another license issued under this section.

(2) Own or control, directly or indirectly, any class of stock of another person who has been issued a license to conduct games under this section.

(3) Have, directly or indirectly, an interest in the ownership or profits of another person who has been issued a license to conduct games under this section.

*o.* A person shall not conduct, promote, administer, or assist in the conducting, promoting, or administering of a bingo occasion, unless the person regularly participates in activities of the qualified organization other than conducting bingo occasions or participates in an educational, civic, public, charitable, patriotic, or religious organization to which the net receipts are dedicated by the qualified organization.

*p.* A licensee shall keep records of all persons who serve as manager or cashier, or who are responsible for carrying out duties with respect to a bingo account. A licensee is subject to license revocation if it knowingly permits a person to serve in one of these capacities if the person was a manager, cashier, or responsible for carrying out duties with respect to a bingo account for another licensee at the time of one or more violations leading to revocation of the other licensee's license, and if the license is still revoked at the time of the subsequent service.

2. *a.* Games of skill, games of chance, and raffles may be conducted on premises owned or leased by the licensee, but shall not be conducted on rented premises unless the premises are rented from a person licensed under this section, and unless the net rent received is dedicated to one or more of the uses permitted under subsection 3 for dedication of net receipts. This subsection shall not apply where the rented premises are those upon which a qualified organization usually carries out a lawful business other than operating games of skill, games of chance or raffles. However, a qualified organization may rent premises other than from a licensed qualified organization to be used for the conduct of games of skill, games of chance and raffles, and the person from whom the premises are rented may impose and collect rent for such use of those premises, but only if all of the following are complied with:

(1) The rent imposed and collected shall not be a percentage of or otherwise related to the amount of the receipts of the game or raffle.

(2) The qualified organization shall have the right to terminate any rental agreement at any time without penalty and without forfeiture of any sum.

(3) Except for purposes of bingo, the person from whom the premises are rented shall not be a liquor control licensee or beer permittee with respect to those premises or with respect to adjacent premises.

*b.* The board of directors of a school district may authorize that public schools within

that district, and the policymaking body of a nonpublic school, may authorize that games of skill, games of chance, bingo and raffles may be held at bona fide school functions, such as carnivals, fall festivals, bazaars and similar events. Each school shall obtain a license pursuant to this section prior to permitting the games or activities on the premises. However, the board of directors of a public school district may also be issued a license under this section. However, a board of directors of a public school shall not spend or authorize the expenditure of public funds for the purpose of purchasing a license. The department of inspections and appeals shall provide by rule a short form application for a license issued to a board of directors. Upon written approval by the board of directors, the license may be used by any school group or parent support group in the district to conduct activities authorized by this section. The board of directors shall not authorize a school group or parent support group to use the license more than twice in twelve months.

3. *a.* A person wishing to conduct games and raffles pursuant to this section as a qualified organization shall submit an application and a license fee of one hundred fifty dollars. The annual license fee for a statewide raffle license shall be one hundred fifty dollars. However, upon submission of an application accompanied by a license fee of fifteen dollars, a person may be issued a limited license to conduct all games and raffles pursuant to this section at a specified location and during a specified period of fourteen consecutive calendar days, except that a bingo occasion may only be conducted once per each seven consecutive calendar days of the specified period. In addition, a qualified organization may be issued a limited license to conduct raffles pursuant to this section for a period of ninety days for a license fee of forty dollars or for a period of one hundred eighty days for a license fee of seventy-five dollars. For the purposes of this paragraph, a limited license is deemed to be issued on the first day of the period for which the license is issued.

*b.* (1) A person or the agent of a person submitting application to conduct games pursuant to this section as a qualified organization shall certify that the receipts of all games, less reasonable expenses, charges, fees, taxes, and deductions allowed by this chapter, either will be distributed as prizes to participants or will be dedicated and distributed to educational, civic, public, charitable, patriotic, or religious uses in this state and that the amount dedicated and distributed will equal at least seventy-five percent of the net receipts.

(2) (a) *"Educational, civic, public, charitable, patriotic, or religious uses"* means uses benefiting a society for the prevention of cruelty to animals or animal rescue league, or uses benefiting an indefinite number of persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by erecting or maintaining public buildings or works, or otherwise lessening the burden of government, or uses benefiting any bona fide nationally chartered fraternal or military veterans' corporation or organization which operates in Iowa a clubroom, post, dining room, or dance hall, but does not include the erection, acquisition, improvement, maintenance, or repair of real, personal or mixed property unless it is used for one or more of the uses stated.

(b) *"Public uses"* specifically includes dedication of net receipts to political parties as defined in section 43.2.

(c) *"Charitable uses"* includes uses benefiting a definite number of persons who are the victims of loss of home or household possessions through explosion, fire, flood, or storm when the loss is uncompensated by insurance, and uses benefiting a definite number of persons suffering from a seriously disabling disease or injury, causing severe loss of income or incurring extraordinary medical expense when the loss is uncompensated by insurance.

(3) Proceeds given to another charitable organization to satisfy the seventy-five percent dedication requirement shall not be used by the donee to pay any expenses in connection with the conducting of bingo by the donor organization, or for any cause, deed, or activity that would not constitute a valid dedication under this section.

*c.* (1) A qualified organization shall distribute amounts awarded as prizes on the day they are won. A qualified organization shall dedicate and distribute the balance of the net receipts received within a state fiscal year and remaining after deduction of reasonable expenses, charges, fees, taxes, and deductions allowed by this chapter, before the annual report required for that state fiscal year under section 99B.2, subsection 4, is due. The amount dedicated and distributed must equal at least seventy-five percent of the net receipts.

A person desiring to hold the net receipts for a period longer than permitted under this paragraph shall apply to the department for special permission and upon good cause shown the department may grant the request.

(2) If permission is granted to hold the net receipts, the person shall, as a part of the annual report required by section 99B.2, report the amount of money currently being held and all expenditures of the funds. This report shall be filed even if the person no longer holds a gambling license.

4. If a licensee derives ninety percent or more of its total income from conducting bingo, raffles, or small games of chance, at least seventy-five percent of the licensee's net receipts shall be distributed to an unrelated entity for an educational, civic, public, charitable, patriotic, or religious use.

5. It is lawful for an individual other than a person conducting games or raffles to participate in games or raffles conducted by a qualified organization, whether or not there is compliance with subsections 2 and 3: However, it is unlawful for the individual to participate where the individual has knowledge of or reason to know facts which constitute a failure to comply with subsection 1.

6. A political party or a political party organization is a qualified organization within the meaning of this chapter. Political parties or party organizations may contract with other qualified organizations to conduct the games of skill, games of chance, and raffles which may lawfully be conducted by the political party or party organization. A licensed qualified organization may promote the games of skill, games of chance, and raffles which it may lawfully conduct.

7. *a.* Proceeds coming into the possession of a person under this section are deemed to be held in trust for payment of expenses and dedication to charitable purposes as required by this section.

*b.* A licensee or agent who willfully fails to dedicate the required amount of proceeds to charitable purposes as required by this section commits a fraudulent practice.

8. *a.* A qualified organization licensed under this section shall purchase bingo equipment and supplies only from a manufacturer or a distributor licensed by the department.

*b.* A qualified organization may also lease electronic bingo equipment from a manufacturer or distributor licensed by the department for the purposes of aiding disabled individuals during a bingo occasion. "*Electronic bingo equipment*" for the purposes of this paragraph means an electronic device that aids in the use of a bingo card during a bingo game. Such electronic bingo equipment shall only be permitted for use by disabled individuals.

[C75, 77, 79, 81, §99B.7; 81 Acts, ch 44, §8 – 12; 82 Acts, ch 1189, §2]

83 Acts, ch 85, §1; 83 Acts, ch 164, §1, 2; 84 Acts, ch 1220, §5 – 11; 84 Acts, ch 1305, §22; 85 Acts, ch 150, §1 – 3; 86 Acts, ch 1042, §2; 86 Acts, ch 1201, §7 – 9; 87 Acts, ch 184, §5, 6; 88 Acts, ch 1134, §21; 88 Acts, ch 1274, §33; 89 Acts, ch 231, §18 – 21; 91 Acts, ch 175, §1; 94 Acts, ch 1062, §3 – 5; 96 Acts, ch 1143, §3, 4; 98 Acts, ch 1198, §1, 2; 2000 Acts, ch 1130, §2, 3; 2002 Acts, ch 1068, §3 – 10; 2003 Acts, ch 44, §32; 2003 Acts, ch 178, §104, 121; 2003 Acts, ch 179, §142; 2003 Acts, 1st Ex, ch 2, §38, 209; 2004 Acts, ch 1058, §1 – 5; 2005 Acts, ch 19, §30; 2005 Acts, ch 106, §5, 11; 2008 Acts, ch 1032, §188, 201; 2011 Acts, ch 40, §2; 2012 Acts, ch 1117, §2

Referred to in §99B.1, 99B.2, 99B.5, 99B.5A, 99B.6, 99B.7B, 99B.8, 99B.9, 99B.9A, 99B.10, 99B.10A, 99B.12, 99B.17, 99D.8, 99F.5, 99F.6

Fraudulent practice, see §714.8

**99B.7A Manufacturers and distributors of bingo equipment and supplies — license.**

A person shall not engage in business as a manufacturer or a distributor of bingo equipment and supplies in this state without first obtaining a license from the department. Upon receipt of an application and a fee of one thousand dollars for a manufacturer's license or a fee of five hundred dollars for a distributor's license, the department shall issue an annual license as applicable. The application shall be submitted on forms furnished by the department and contain the information required by rule of the department. A license may be renewed annually upon payment of the annual license fee and compliance with this chapter.

94 Acts, ch 1062, §6

Referred to in §99B.2

**99B.7B Card game tournaments conducted by qualified organizations representing veterans.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Card game"* means only poker, pinochle, pitch, gin rummy, bridge, euchre, hearts, or cribbage.

*b.* *"Qualified organization representing veterans"* means any licensed organization representing veterans, which is a post, branch, or chapter of a national association of veterans of the armed forces of the United States which is a federally chartered corporation, dedicates the net receipts of a game of skill, game of chance, or raffle as provided in section 99B.7, is exempt from federal income taxes under section 501(c)(19) of the Internal Revenue Code as defined in section 422.3, has an active membership of not less than twelve persons, and does not have a self-perpetuating governing body and officers.

2. Notwithstanding any provision of this chapter to the contrary, card game tournaments lawfully may be conducted by a qualified organization representing veterans if all of the following are complied with:

*a.* The organization conducting the card game tournament has been issued a license pursuant to subsection 4 and prominently displays that license in the playing area of the card game tournament.

*b.* The card games to be conducted during a card game tournament, including the rules of each card game and how winners are determined, shall be displayed prominently in the playing area of the card game tournament. Each card game shall be conducted in a fair and honest manner and shall not be operated on a build-up or pyramid basis. Every participant in a card game tournament must be given the same chances of winning the tournament and shall not be allowed any second chance entries or multiple entries in the card game tournament.

*c.* Participation in a card game tournament conducted by a qualified organization representing veterans shall only be open to members of the qualified organization representing veterans and guests of members of the qualified organization participating in the tournament, subject to the requirements of this section. The total number of members and guests participating in a card game tournament shall not exceed the occupancy limit of the premises where the card game tournament is being conducted. Participants in a card game tournament shall be at least twenty-one years of age.

*d.* (1) If the card game tournament is limited to one guest for each member of the qualified organization representing veterans participating in the tournament, then the requirements of this subparagraph shall apply. The cost to participate in a card game tournament shall be limited to one hundred dollars and shall be the same for every participant in the card game tournament. Cash or merchandise prizes may be awarded during a card game tournament and shall not exceed one thousand dollars and no participant shall win more than a total of five hundred dollars.

(2) If the card game tournament is not limited to one guest for each member of the qualified organization representing veterans participating in the tournament, then the requirements of this subparagraph shall apply. The cost to participate in a card game tournament shall be limited to twenty-five dollars and shall be the same for every participant in the card game tournament. Cash or merchandise prizes may be awarded during a card game tournament and shall not exceed three hundred dollars and no participant shall win more than a total of two hundred dollars.

(3) A qualified organization representing veterans shall distribute amounts awarded as prizes on the day they are won and merchandise prizes shall not be repurchased. An organization conducting a card game tournament shall only display prizes in the playing area of the card game tournament that can be won.

*e.* The qualified organization representing veterans shall conduct each card game tournament and any card game conducted during the tournament and shall not contract with or permit another person to conduct the card game tournament or any card game during the tournament. In addition, the card game tournament and any card game conducted during the tournament shall be conducted on the premises of the qualified organization representing veterans as identified in the license application pursuant to subsection 4.

*f.* No person receives or has any fixed or contingent right to receive, directly or indirectly,

any profit, remuneration, or compensation from or related to a game in a card game tournament, except any amount which the person may win as a participant on the same basis as the other participants.

*g.* A qualified organization representing veterans licensed under this section shall not hold more than two card game tournaments per month and shall not hold a card game tournament within seven calendar days of another card game tournament conducted by that qualified organization representing veterans. Card game tournaments held under an annual game night license shall not count toward the limit of one card game tournament per week for a license holder. A qualified organization representing veterans shall be allowed to hold only one card game tournament during any period of twenty-four consecutive hours, starting from the time the card game tournament begins.

*h.* At the conclusion of each card game tournament, the person conducting the card game tournament shall announce the gross receipts received, the total amount of money withheld for expenses, and the amount withheld for state taxes.

*i.* The person conducting the card game tournament does none of the following:

(1) Hold, currently, another license issued under this section.

(2) Own or control, directly or indirectly, any class of stock of another person who has been issued a license to conduct games under this section.

(3) Have, directly or indirectly, an interest in the ownership or profits of another person who has been issued a license to conduct games under this section.

3. The qualified organization representing veterans licensed to hold card game tournaments under this section shall keep a journal of all dates of events, amount of gross receipts, amount given out as prizes, expenses, amount collected for taxes, and the amount collected as revenue.

*a.* The qualified organization representing veterans shall dedicate and distribute the net receipts from each card game tournament as provided in section 99B.7, subsection 3, paragraph *"b"*.

*b.* Each qualified organization representing veterans shall withhold that portion of the gross receipts subject to taxation pursuant to section 423.2, subsection 4, which shall be kept in a separate account and sent to the state along with the organization's annual report required by section 99B.2.

*c.* A qualified organization representing veterans licensed to conduct card game tournaments is allowed to withhold no more than five percent of the gross receipts from each card game tournament for qualified expenses. Qualified expenses include but are not limited to the purchase of supplies and materials used in conducting card games. Any money collected for expenses and not used by the end of the state fiscal year shall be donated for educational, civic, public, charitable, patriotic, or religious uses as described in section 99B.7, subsection 3, paragraph *"b"*. The qualified organization representing veterans shall attach a receipt for any donation made to the annual report required to be submitted pursuant to section 99B.2.

*d.* Each qualified organization representing veterans licensed under this section shall make recordkeeping and all deposit receipts available as provided in section 99B.2, subsection 2.

4. An organization wishing to conduct card game tournaments pursuant to this section as a qualified organization representing veterans shall submit an application and annual license fee of one hundred dollars to the department. The application shall identify the premises where the card game tournaments are to be conducted and the occupancy limit of the premises, and shall include documentation that the qualified organization representing veterans has conducted regular meetings of the organization at the premises during the previous eight months.

5. *a.* A person under twenty-one years of age who participates in a card game tournament in violation of this section is deemed to violate the legal age for gambling wagering provisions under section 725.19, subsection 1.

*b.* The department shall revoke, for a period of one year, the license of a qualified organization representing veterans to conduct card game tournaments under this section if

the licensee knowingly permits a person under the age of twenty-one years to participate in a card game tournament.

2007 Acts, ch 119, §1; 2012 Acts, ch 1117, §3

Referred to in §99B.8, 99B.9, 99B.12, 423.2, 423.3

**99B.8 Annual game night.**

1. Games of skill, games of chance, and card games lawfully may be conducted during a period of sixteen consecutive hours within a period of twenty-four consecutive hours once each year by any person. The games may be conducted at any location except one for which a license is required pursuant to section 99B.3 or section 99B.5, but only if all of the following are complied with:

*a.* The sponsor of the event has been issued a license pursuant to subsection 3 and prominently displays that license on the premises covered by the license.

*b.* A bona fide social or employment relationship exists between the sponsor and all of the participants.

*c.* No participant pays any consideration of any nature, either directly or indirectly, to participate in the games.

*d.* All money or other items wagered are provided to the participant free by the sponsor.

*e.* The person conducting the game receives no consideration, either directly or indirectly, other than goodwill.

*f.* During the entire time activities permitted by this section are being engaged in, no other gambling is engaged in at the same location.

2. The other provisions of this section notwithstanding, if the games are conducted by a qualified organization also licensed under section 99B.7, the sponsor may charge an entrance fee or a fee to participate in the games, and participants may wager their own funds and pay an entrance or other fee for participation, provided that a participant may not expend more than a total of two hundred fifty dollars for all fees and wagers. The provisions of section 99B.7, subsection 3, paragraphs "*b*" and "*c*", shall apply to games conducted by a qualified organization pursuant to this section.

3. The department of inspections and appeals may issue a license pursuant to this section only once during a calendar year to any one person. The license may be issued only upon submission to the department of an application and a license fee of twenty-five dollars.

4. However, an organization may sponsor one or more game nights using play money for participation by students without the organization obtaining a license otherwise required by this section if the organization obtains prior approval for the game night from the board of directors of the accredited public school or the authorities in charge of the nonpublic school accredited by the state board of education for whose students the game night is to be held.

5. However, notwithstanding subsection 1, paragraphs "*b*" and "*c*", if the games are conducted by a qualified organization issued a license pursuant to subsection 3, the sponsor may charge an entrance fee to a participant and the sponsor need not have a bona fide social relationship with the participant.

6. *a.* Notwithstanding any provision of section 99B.7 to the contrary, if the games are conducted by an eligible qualified organization issued a license pursuant to subsection 3, the sponsor may award cash or merchandise prizes in any games of skill, games of chance, or card games lawfully conducted during the annual game night in an aggregate amount not to exceed ten thousand dollars and no participant shall win more than a total of five thousand dollars.

*b.* For purposes of this subsection, an "*eligible qualified organization*" means any of the following:

(1) A qualified organization representing veterans as defined in section 99B.7B.

(2) A qualified organization that represents volunteer emergency services providers as defined in section 100B.31.

(3) A qualified organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and that has conducted an annual game night during the period beginning January 1, 2001, and ending December 31, 2006.

(4) A qualified organization that has been licensed under this chapter prior to January 1, 2012, and that is a religious organization.

[C77, 79, 81, §99B.8]

86 Acts, ch 1201, §10; 87 Acts, ch 184, §7, 8; 92 Acts, ch 1203, §1; 2002 Acts, ch 1068, §11, 12; 2005 Acts, ch 106, §6; 2007 Acts, ch 119, §2, 3; 2012 Acts, ch 1117, §4

Referred to in §99B.7, 99B.9, 99B.12

**99B.9 Gambling in public places.**

1. Except as otherwise permitted by section 99B.3, 99B.5, 99B.6, 99B.7, 99B.7B, 99B.8, 99B.11, or 99B.12A, it is unlawful to permit gambling on any premises owned, leased, rented, or otherwise occupied by a person other than a government, governmental agency, or governmental subdivision, unless all of the following are complied with:

*a.* The person occupying the premises as an owner or tenant has submitted an application for a license and an application fee of one hundred dollars, and has been issued a license for those premises, and prominently displays the license on the premises.

*b.* The holder of the license or any agent or employee of the license holder does not participate in, sponsor, conduct, or promote, or act as cashier or banker for any gambling activities.

*c.* Gambling other than social games is not engaged in on the premises covered by the license or permit.

*d.* Concealed numbers or conversion charts are not used to play any game, and a game is not adapted with any control device to permit manipulation of the game by the operator in order to prevent a player from winning or to predetermine who the winner will be, and the object of the game is attainable and possible to perform under the rules stated from the playing position of the player.

*e.* The game must be conducted in a fair and honest manner.

*f.* No person receives or has any fixed or contingent right to receive directly or indirectly any amount wagered or bet or any portion of amounts wagered or bet, except an amount which the person wins as a participant while playing on the same basis as every other participant.

*g.* No cover charge, participation charge or other charge is imposed upon a person for the privilege of participating in or observing gambling, and no rebate, discount, credit, or other method is used to discriminate between the charge for the sale of goods or services to participants in gambling and the charge for the sale of goods or services to nonparticipants. Satisfaction of an obligation into which a member of an organization enters to pay at regular periodic intervals a sum fixed by that organization for the maintenance of that organization is not a charge which is prohibited by this paragraph.

*h.* No participant wins or loses more than a total of fifty dollars or other consideration equivalent thereto in all games and activities at any one time during any period of twenty-four consecutive hours or over that entire period. For the purpose of this paragraph, a person wins the total amount at stake in any game, wager or bet, regardless of any amount that person may have contributed to the amount at stake.

*i.* No participant is participating as an agent of another person.

*j.* A representative of the department or a law enforcement agency is immediately admitted, upon request, to the premises with or without advance notice.

2. The holder of a license issued pursuant to this section shall be strictly accountable for maintaining compliance with subsection 1, and proof of any violation shall constitute grounds for revocation of the license issued pursuant to this section, whether or not the holder of the license had knowledge of the facts constituting the violation.

3. A participant in a social game which is not in compliance with this section shall be liable for a criminal penalty only if that participant has knowledge of or reason to know the facts constituting the violation.

4. The holder of a license issued pursuant to this section and every agent of that licensee who is required by the licensee to exercise control over the use of the premises who knowingly permits acts or omissions which constitute a violation of subsection 1 commits a serious

misdemeanor. A licensee has knowledge of acts or omissions if any agent of the licensee has knowledge of those acts or omissions.

5. This section shall not apply to premises or portions of premises constituting the living quarters of the actual residence of an individual if that individual is a participant in the activities permitted by this section.

[C77, 79, 81, §99B.9; 81 Acts, ch 44, §13]

89 Acts, ch 231, §22; 2003 Acts, ch 77, §1; 2004 Acts, ch 1086, §23; 2007 Acts, ch 119, §4

Referred to in §99B.2, 99B.12

**99B.9A Exceptions for certain areas.**

The department may, at its discretion, allow a qualified organization under section 99B.7 to hold a game of bingo in a building where another qualified organization also holds a game of bingo or where the building is adjacent, but not intraconnected, with an establishment holding a liquor license and the building is located in a municipality of a recorded census of less than two thousand people and the municipality is not located adjacent to another municipality.

84 Acts, ch 1220, §1; 89 Acts, ch 231, §23

## DIVISION III

## GAMES FOR WHICH A LICENSE IS NOT REQUIRED

**99B.10 Electrical and mechanical amusement devices — penalties.**

1. It is lawful to own, possess, and offer for use by any person at any location an electrical or mechanical amusement device and the use of the electrical or mechanical amusement device shall not be deemed gambling, but only if all of the following are complied with:

*a.* A prize of merchandise exceeding fifty dollars in value shall not be awarded for use of the device. However, a mechanical or amusement device may be designed or adapted to award a prize or one or more free games or portions of games without payment of additional consideration by the participant.

*b.* A prize of cash shall not be awarded for use of the device.

*c.* An amusement device shall not be designed or adapted to cause or to enable a person to cause the release of free games or portions of games when designated as a potential award for use of the device, and shall not contain any meter or other measurement device for recording the number of free games or portions of games which are awarded.

*d.* An amusement device shall not be designed or adapted to enable a person using the device to increase the chances of winning free games or portions of games by paying more than is ordinarily required to play the game.

*e.* An amusement device required to be registered as provided in paragraph "*f*", shall not be placed into operation without first obtaining a new amusement device registration tag if electronic or mechanical components have been adapted, altered, or replaced and such adaptation, alteration, or replacement changes the operational characteristics of the amusement device including but not limited to the game being changed.

*f.* (1) Each electrical and mechanical amusement device in operation or distributed in this state that awards a prize, as provided in this section, where the outcome is not primarily determined by the skill or knowledge of the operator, is registered by the department as provided by this lettered paragraph and is only located on premises for which a class "A", class "B", class "C", special class "C", or class "D" liquor control license or class "B" or class "C" beer permit has been issued pursuant to chapter 123. For an organization that meets the requirements of section 99B.7, subsection 1, paragraph "*m*", no more than four, and for all other persons, no more than two electrical and mechanical amusement devices registered as provided by this lettered paragraph shall be permitted or offered for use in any single location or premises for which a class "A", class "B", class "C", or class "D" liquor control license or class "B" or class "C" beer permit has been issued pursuant to chapter 123.

(2) Each person owning an electrical and mechanical amusement device in this state shall obtain a registration tag for each electrical and mechanical amusement device owned that is required to be registered as provided in this lettered paragraph. Upon receipt and approval of an application and a fee of twenty-five dollars for each device required to be registered, the department shall issue an annual registration tag. A registration may be renewed annually upon submission of a registration application and payment of the annual registration fee and compliance with this chapter and the rules adopted pursuant to this chapter.

(3) The number of electrical and mechanical amusement devices registered by the department under this lettered paragraph shall not exceed the total number of devices registered by the department as of April 28, 2004. In addition, the department shall not initially register an electrical and mechanical amusement device that is required to be registered as provided in this lettered paragraph to an owner for a location for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 on or after April 28, 2004.

(4) A person owning or leasing an electrical and mechanical amusement device required to be registered under this lettered paragraph shall only own or lease an electrical and mechanical amusement device that is required to be registered that has been purchased from a manufacturer, manufacturer's representative, or distributor registered with the department under section 99B.10A.

(5) An owner at a location for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 shall not relocate an amusement device registered as provided in this lettered paragraph to a location other than the location of the device on April 28, 2004, and shall not transfer, assign, sell, or lease an amusement device registered as provided in this lettered paragraph to another person for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 after April 28, 2004.

*g.* A person owning or leasing an electrical and mechanical amusement device required to be registered under paragraph "*f*", shall display the registration tag as required by rules adopted by the department.

*h.* A person owning or leasing an electrical and mechanical amusement device required to be registered under paragraph "*f*" shall not allow the electrical and mechanical amusement device to be operated or made available for operation with an expired registration.

*i.* A person owning or leasing an electrical and mechanical amusement device required to be registered under paragraph "*f*", or an employee of a person owning or leasing an electrical and mechanical amusement device required to be registered under paragraph "*f*", shall not advertise or promote the availability of the device to the public as anything other than an electrical and mechanical amusement device pursuant to rules adopted by the department.

*j.* A person owning or leasing an electrical and mechanical amusement device required to be registered under paragraph "*f*" shall not relocate and place into operation an amusement device in any location other than a location which has been issued an appropriate liquor control license in good standing and to which the device has been appropriately registered with the department.

*k.* Any awards given for use of an amusement device shall only be redeemed on the premises where the device is located and only for merchandise sold in the normal course of business for the premises.

*l.* Each electrical or mechanical amusement device required to be registered as provided by this section shall include on the device a counting mechanism which establishes the volume of business of the device. The department and the department of public safety shall have access to the information provided by the counting mechanism.

*m.* Each electrical or mechanical amusement device required to be registered as provided by this section at a location for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 shall include on the device a security mechanism which prevents the device from being operated by a person until action is taken by the owner or owner's designee to allow the person to operate the device.

*n.* An electrical or mechanical amusement device required to be registered as provided in this section shall not be a gambling device, as defined in section 725.9, or a device that plays poker, blackjack, or keno.

*o.* Any other requirements as determined by the department by rule. Rules adopted pursuant to this lettered paragraph shall be formulated in consultation with affected state agencies and industry and consumer groups.

2. A person who violates any provision of subsection 1, except as specified in subsection 3, commits a serious misdemeanor.

3. A person who violates any provision of subsection 1, paragraph "*a*", "*e*", "*g*", "*h*", "*i*", "*j*", "*k*", or "*m*", shall be subject to the following:

*a.* For a first offense under an applicable paragraph, the person commits a simple misdemeanor, punishable as a scheduled violation pursuant to section 805.8C, subsection 4, paragraph "*b*".

*b.* For a second or subsequent offense under the same applicable paragraph, the person commits a serious misdemeanor.

4. Notwithstanding any provision of this section to the contrary, it is lawful for an individual other than an owner or promoter of an amusement device to operate an amusement device, whether or not the amusement device is owned, possessed, or offered for use in compliance with this section.

5. Notwithstanding any provision of this section to the contrary, a distributor shall not be liable for a violation of this section unless the distributor, or an employee of the distributor, intentionally violates a provision of this section.

[C75, 77, 79, 81, §99B.10]

87 Acts, ch 234, §425; 88 Acts, ch 1274, §34; 89 Acts, ch 231, §24; 2003 Acts, ch 147, §1, 7; 2004 Acts, ch 1118, §2, 3, 11; 2004 Acts, ch 1175, §343; 2005 Acts, ch 106, §7; 2007 Acts, ch 173, §2; 2009 Acts, ch 179, §113; 2012 Acts, ch 1089, §1

Referred to in §99.1A, 99B.1, 99B.10A, 99B.10B, 99B.10C, 99B.10D, 805.8C(4a, 4b)

**99B.10A Electrical and mechanical amusement device manufacturers, distributors, and for-profit owners — registration.**

1. A person engaged in business in this state as a manufacturer, manufacturer's representative, distributor, or for-profit owner of electrical and mechanical amusement devices required to be registered as provided in section 99B.10, subsection 1, paragraph "*f*", shall register with the department. Each person who registers with the department under this section shall pay an annual registration fee in an amount as provided in subsection 2. Registration shall be submitted on application forms designated by the department that shall contain the information required by the department by rule. The department shall adopt rules establishing the criteria for approval or denial of a registration application and providing for the submission of information to the department by a person registered pursuant to this section if information in the initial registration is changed, including discontinuing the business in this state.

2. For purposes of this section, the annual registration fee shall be as follows:

*a.* For a manufacturer or manufacturer's representative, two thousand five hundred dollars.

*b.* For a distributor, five thousand dollars.

*c.* For an owner of no more than two electrical and mechanical amusement devices registered as provided in section 99B.10, subsection 1, paragraph "*f*", at a single location or premises that is not an organization that meets the requirements of section 99B.7, subsection 1, paragraph "*m*", two thousand five hundred dollars.

2003 Acts, ch 147, §2, 7; 2004 Acts, ch 1118, §4, 11; 2007 Acts, ch 173, §3, 4

Referred to in §99B.1, 99B.10, 99B.10B, 99B.10D

**99B.10B Revocation of registration — electrical and mechanical amusement devices — suspension of liquor license or beer permit.**

1. *a.* The department may deny, suspend, or revoke a registration issued pursuant to section 99B.10 or 99B.10A, if the department finds that an applicant, registrant, or an agent of a registrant violated or permitted a violation of a provision of section 99B.10, 99B.10A, or 99B.10C, or a departmental rule adopted pursuant to chapter 17A, or for any other cause for which the director of the department would be or would have been justified in refusing

to issue a registration, or upon the conviction of a person of a violation of this chapter or a rule adopted under this chapter which occurred on the premises where the registered amusement device is or is to be located. However, the denial, suspension, or revocation of a registration for one amusement device does not require, but may result in, the denial, suspension, or revocation of the registration for a different amusement device held by the same distributor or owner.

*b.* However, a person who commits an offense of failing to include a security mechanism on an amusement device as required pursuant to section 99B.10, subsection 1, paragraph "*m*", shall be subject to a civil penalty in the amount of two hundred fifty dollars. A person who commits, within two years, a second offense of failing to include a security mechanism on an amusement device shall be subject to the provisions of paragraph "*a*".

2. *a.* A person who commits an offense of awarding a cash prize of fifty dollars or less in violation of section 99B.10, subsection 1, paragraph "*b*", pursuant to rules adopted by the department, shall be subject to a civil penalty in the amount of two hundred fifty dollars.

*b.* A person who commits, within two years, a second offense of awarding a cash prize of fifty dollars or less in violation of section 99B.10, subsection 1, paragraph "*b*", or a person who commits an offense of awarding a cash prize of more than fifty dollars in violation of section 99B.10, subsection 1, paragraph "*b*", pursuant to rules adopted by the department, shall be subject to revocation of the person's registration and the following:

(1) If the person whose registration is revoked under this paragraph "*b*", is a person for which a class "A", class "B", class "C", special class "C", or class "D" liquor control license has been issued pursuant to chapter 123, the person's liquor control license shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*".

(2) If the person whose registration is revoked under this paragraph "*b*", is a person for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123, the person's class "B" or class "C" beer permit shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*".

(3) If a person owning or employed by an establishment having a class "A", class "B", class "C", special class "C", or class "D" liquor control license issued pursuant to chapter 123 commits an offense as provided in this paragraph "*b*", the liquor control license of the establishment shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*".

(4) If a person owning or employed by an establishment having a class "B" or class "C" beer permit issued pursuant to chapter 123 commits an offense as provided in this paragraph "*b*", the beer permit of the establishment shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*".

3. *a.* The process for denial, suspension, or revocation of a registration issued pursuant to section 99B.10 or 99B.10A, shall commence by delivering to the applicant or registrant by certified mail, return receipt requested, or by personal service a notice setting forth the proposed action and the particular reasons for such action.

*b.* (1) If a written request for a hearing is not received within thirty days after the mailing or service of the notice, the denial, suspension, or revocation of a registration shall become effective pending a final determination by the department. The proposed action in the notice may be affirmed, modified, or set aside by the department in a written decision.

(2) If a request for a hearing is timely received by the department, the applicant or registrant shall be given an opportunity for a prompt and fair hearing before the department and the denial, suspension, or revocation shall be deemed suspended until the department makes a final determination. However, the director of the department may suspend a registration prior to a hearing if the director finds that the public integrity of the registered activity is compromised or there is a risk to public health, safety, or welfare. In addition, at any time during or prior to the hearing, the department may rescind the notice of the denial, suspension, or revocation upon being satisfied that the reasons for the denial, suspension, or revocation have been or will be removed. On the basis of any such hearing, the proposed action in the notice may be affirmed, modified, or set aside by the department in a written

decision. The procedure governing hearings authorized by this paragraph shall be in accordance with the rules promulgated by the department and chapter 17A.

*c.* A copy of the final decision of the department shall be sent by certified mail, return receipt requested, or served personally upon the applicant or registrant. The applicant or registrant may seek judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

*d.* If the department finds cause for denial of a registration issued pursuant to section 99B.10 or 99B.10A, the applicant shall not reapply for the same registration for a period of two years. If the department finds cause for a suspension or revocation, the registration shall be suspended or revoked for a period not to exceed two years.

2003 Acts, ch 147, §3, 7; 2004 Acts, ch 1118, §5, 11; 2007 Acts, ch 173, §5 – 7; 2008 Acts, ch 1032, §14; 2008 Acts, ch 1184, §50; 2012 Acts, ch 1089, §2, 3

Referred to in §99B.1, 99B.10D

**99B.10C Electrical and mechanical amusement devices — persons under twenty-one — penalties.**

1. A person under the age of twenty-one years shall not participate in the operation of an electrical and mechanical amusement device. A person who violates this subsection commits a scheduled violation under section 805.8C, subsection 4.

2. A person owning or leasing an electrical and mechanical amusement device, or an employee of a person owning or leasing an electrical and mechanical amusement device, who knowingly allows a person under the age of twenty-one years to participate in the operation of an electrical and mechanical amusement device, or a person who knowingly participates in the operation of an electrical and mechanical amusement device with a person under the age of twenty-one years, is guilty of a simple misdemeanor.

3. For purposes of this section, an electrical and mechanical amusement device means an electrical and mechanical amusement device required to be registered as provided in section 99B.10, subsection 1, paragraph *"f"*.

2004 Acts, ch 1118, §6, 11; 2007 Acts, ch 173, §8

Referred to in §99B.10B, 99B.10D, 805.8C(4a)

**99B.10D Electrical and mechanical amusement devices — special fund.**

Fees collected by the department pursuant to sections 99B.10 and 99B.10A shall be deposited in a special fund created in the state treasury. Moneys in the fund are appropriated to the department of inspections and appeals and the department of public safety for administration and enforcement of sections 99B.10, 99B.10A, 99B.10B, and 99B.10C, including employment of necessary personnel. The distribution of moneys in the fund to the department of inspections and appeals and the department of public safety shall be pursuant to a written policy agreed upon by the departments. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys remaining in the fund at the end of a fiscal year shall not revert to the general fund of the state.

2005 Acts, ch 106, §8

**99B.11 Bona fide contests.**

1. It is lawful for a person to conduct any of the contests specified in subsection 2, and to offer and pay awards to persons winning in those contests whether or not entry fees, participation fees, or other charges are assessed against or collected from the participants, but only if all of the following are complied with:

*a.* The contest is not held at an amusement concession.

*b.* No gambling device is used in conjunction with, or incident to the contest.

*c.* The contest is not conducted in whole or in part on or in any property subject to chapter 297, relating to schoolhouses and schoolhouse sites, unless the contest and the person conducting the contest has the express written approval of the governing body of that school district.

*d.* The contest is conducted in a fair and honest manner. A contest shall not be designed or adapted to permit the operator of the contest to prevent a participant from winning or to

predetermine who the winner will be, and the object of the contest must be attainable and possible to perform under the rules stated.

2. A contest is not lawful unless it is one of the following contests:

*a.* Athletic or sporting contests, leagues or tournaments, rodeos, horse shows, golf, bowling, trap or skeet shoots, fly casting, tractor pulling, rifle, pistol, musket, muzzle-loader, pool, darts, archery, and horseshoe contests, leagues, or tournaments.

*b.* Horse races, harness racing, ski, airplane, snowmobile, raft, boat, bicycle and motor vehicle races.

*c.* Contests or exhibitions of cooking, horticulture, livestock, poultry, fish or other animals, artwork, hobbywork or craftwork, except those prohibited by chapter 717A.

*d.* Cribbage, bridge, chess, checkers, dominoes, pinochle and similar contests, leagues or tournaments. The provisions of this paragraph are retroactive to August 15, 1975.

*e.* A video machine golf tournament game which is an interactive bona fide contest. A player operates a video machine golf tournament game with a trackball assembly which acts as the golfer's swing and determines the results of play and tournament scores. A video machine golf tournament game is capable of receiving program and data information from an off-site location. A tournament operator shall prominently display all tournament rules.

3. A poker, blackjack, craps, keno, or roulette contest, league, or tournament shall not be considered a bona fide contest under this section.

[C75, §99B.11, 726.13; C77, 79, 81, §99B.11]

2000 Acts, ch 1231, §36; 2002 Acts, ch 1068, §13; 2004 Acts, ch 1056, §1, 10; 2004 Acts, ch 1175, §365; 2005 Acts, ch 106, §9

Referred to in §99B.9, 99B.12, 99B.17

**99B.12 Games between individuals.**

1. Except in instances where because of the location of the game or the circumstances of the game section 99B.3, section 99B.5, section 99B.6, section 99B.7, section 99B.7B, section 99B.8, or section 99B.9 is applicable, individuals may participate in gambling specified in subsection 2, but only if all of the following are complied with:

*a.* The gambling is incidental to a bona fide social relationship between all participants.

*b.* The gambling is not participated in, either wholly or in part, on or in any property subject to chapter 297, relating to schoolhouses and schoolhouse sites.

*c.* All participants in the gambling are individuals, and no participant may participate as the agent of another person.

*d.* The gambling shall be fair and honest, and shall not be designed, devised or adapted to permit predetermination of the winner, or to prevent a participant from winning, and no concealed numbers or conversion charts may be used to determine the winner of any game.

*e.* No person receives or has any fixed or contingent right to receive, directly or indirectly, any profit, remuneration, or compensation from or as a result of the gambling, except any amount which the person may win as a participant on the same basis as the other participants.

*f.* No person may participate in any wager, bet or pool which relates to an athletic event or contest and which is authorized or sponsored by one or more schools, educational institutions, or interscholastic athletic organizations if the person is a coach, official, player or contestant in the athletic event or contest.

*g.* No participant wins or loses more than a total of fifty dollars or other consideration equivalent thereto in one or more games or activities permitted by this section at any time during any period of twenty-four consecutive hours or over that entire period. For the purpose of this paragraph a person wins the total amount at stake in any game, wager or bet, regardless of any amount that person may have contributed to the amount at stake.

*h.* No participant pays an entrance fee, cover charge, or other charge for the privilege of participating in gambling, or for the privilege of gaining access to the location in which gambling occurs.

*i.* In any game requiring a dealer or operator, the participants must have the option to take their turn at dealing or operating the game in a regular order according to the standard rules of the game.

2. Games which are permitted by this section are limited to the following:

*a.* Card and parlor games, including but not limited to poker, pinochle, pitch, gin rummy, bridge, euchre, hearts, cribbage, dominoes, checkers, chess, backgammon, pool, and darts. However, it shall be unlawful gambling for any person to engage in bookmaking, or to play any punchboard, pushcard, pull-tab, or slot machine, or to play craps, chuck-a-luck, roulette, klondike, blackjack, chemin de fer, baccarat, faro, equality, three-card monte, or any other game, except poker, which is customarily played in gambling casinos and in which the house customarily provides a banker, dealer, or croupier to operate the game, or a specially designed table upon which to play the game.

*b.* Games of skill and games of chance, except those prohibited by paragraph "*a*" of this subsection.

*c.* Wagers or bets between two or more individuals who are physically in the presence of each other with respect to a contest specified in section 99B.11, subsection 2, except as provided in subsection 1, paragraph "*g*", or with respect to any other event or outcome which does not depend upon gambling or the use of a gambling device unlawful in this state.

3. An individual may not be convicted of a violation of this section unless the individual had knowledge of or reason to know the facts constituting the violation.

[C75, §726.12; C77, 79, 81, §99B.12]

2002 Acts, ch 1068, §14; 2003 Acts, ch 44, §33; 2007 Acts, ch 119, §5

Referred to in §99B.1

**99B.12A Bingo — licensing exception.**

A person shall be authorized to conduct a bingo occasion without a license as otherwise required by this chapter if all of the following requirements are met:

1. Participants in the bingo occasion are not charged to enter the premises where bingo is conducted.
2. Participants in the bingo occasion are not charged to play.
3. Any prize awarded at the bingo occasion shall be donated.
4. The bingo occasion is conducted as an activity and not for fundraising purposes.

2003 Acts, ch 77, §2; 2010 Acts, ch 1193, §109

Referred to in §99B.9

## DIVISION IV

## RULES — LICENSE PROCEEDINGS — PENALTIES

**99B.13 Administrative rules.**

The department may adopt rules pursuant to chapter 17A to carry out the provisions of this chapter. Rules adopted by the department may include but are not limited to the following:

1. Descriptions of books, records and accounting required.
2. Requirements for qualified organizations.
3. Methods of displaying costs and explanations of games and rules.
4. Defining unfair or dishonest games, acts or practices.

[C77, 79, 81, §99B.13]

89 Acts, ch 231, §25

**99B.14 License denial, suspension, and revocation.**

1. The department may deny, suspend, or revoke a license if the department finds that an applicant, licensee, or an agent of the licensee violated or permitted a violation of a provision of this chapter or a departmental rule adopted pursuant to chapter 17A, or for any other cause for which the director of the department would be or would have been justified in refusing to issue a license, or upon the conviction of a person of a violation of this chapter or a rule adopted under this chapter which occurred on the licensed premises. However, the denial, suspension, or revocation of one type of gambling license does not require, but may result in, the denial, suspension, or revocation of a different type of gambling license held by the same licensee. In addition, a person whose license is revoked under this section who is a person for which a class "A", class "B", class "C", or class "D" liquor control license has been issued

pursuant to chapter 123 shall have the person's liquor control license suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*". In addition, a person whose license is revoked under this section who is a person for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 shall have the person's class "B" or class "C" beer permit suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*".

2. The process for denial, suspension, or revocation of a license shall commence by delivering to the applicant or licensee by certified mail, return receipt requested, or by personal service a notice setting forth the particular reasons for such action.

*a*. If a written request for a hearing is not received within thirty days after the mailing or service of the notice, the denial, suspension, or revocation of a license shall become effective pending a final determination by the department. The determination involved in the notice may be affirmed, modified, or set aside by the department in a written decision.

*b*. If a request for a hearing is timely received by the department, the applicant or licensee shall be given an opportunity for a prompt and fair hearing before the department and the denial, suspension, or revocation shall be deemed suspended until the department makes a final determination. However, the director may suspend a license prior to a hearing if the director finds that the public integrity of the licensed activity is compromised or there is a risk to public health, safety, or welfare. In addition, at any time during or prior to the hearing the department may rescind the notice of the denial, suspension, or revocation upon being satisfied that the reasons for the denial, suspension, or revocation have been or will be removed. On the basis of any such hearing, the determination involved in the notice may be affirmed, modified, or set aside by the department in a written decision.

3. A copy of the final decision of the department shall be sent by certified mail, return receipt requested, or served personally upon the applicant or licensee. The applicant or licensee may seek judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

4. The procedure governing hearings authorized by this section shall be in accordance with the rules promulgated by the department and chapter 17A.

5. If the department finds cause for denial of a license, the applicant may not reapply for the same license for a period of two years. If the department finds cause for suspension, the license shall be suspended for a period determined by the department. If the department finds cause for revocation, the license shall be revoked for a period not to exceed two years.

[C77, 79, 81, §99B.14]

84 Acts, ch 1220, §12; 86 Acts, ch 1201, §11; 89 Acts, ch 231, §26; 2005 Acts, ch 106, §10; 2008 Acts, ch 1184, §51

**99B.15 Applicability of chapter — penalty.**

It is the intent and purpose of this chapter to authorize gambling in this state only to the extent specifically permitted by a section of this chapter or chapter 99D, 99F, or 99G. Except as otherwise provided in this chapter, the knowing failure of any person to comply with the limitations imposed by this chapter constitutes unlawful gambling, a serious misdemeanor.

[C77, 79, 81, §99B.15]

86 Acts, ch 1002, §3; 89 Acts, ch 67, §22; 2003 Acts, ch 178, §105, 121; 2003 Acts, ch 179, §142

**99B.16 Failure to maintain or submit records.**

A licensee who willfully fails to maintain the records when required by section 99B.2, or who willfully fails to submit records when required by that section commits a serious misdemeanor.

[C77, 79, 81, §99B.16]

**99B.17 Gambling on credit unlawful — exception.**

1. A person who tenders and a person who receives any promise, agreement, note, bill, bond, contract, mortgage or other security, or any negotiable instrument, as consideration for any wager or bet, whether or not lawfully conducted or engaged in pursuant to this chapter,

commits a misdemeanor. However, a participant in a bingo occasion or in a contest lawful under section 99B.11 may make payment by personal check for any entry or participation fee assessed by the sponsor of the bingo occasion or contest.

2. A participant in a raffle conducted by an eligible qualified organization may purchase raffle tickets by personal check, money order, bank check, cashier's check, electronic check, or debit card for one raffle conducted by the eligible qualified organization during a calendar year. The department shall adopt rules setting minimum standards concerning the purchase of raffle tickets as authorized by this subsection which shall ensure compliance with applicable federal law and for the protection of personal information consistent with payment card industry compliance regulations. For purposes of this subsection, an "*eligible qualified organization*" is a qualified organization that has conducted a raffle pursuant to section 99B.7 during the previous eight consecutive calendar years in which the net proceeds are distributed to a museum.

[C77, 79, 81, §99B.17]

89 Acts, ch 231, §27; 2010 Acts, ch 1193, §110

**99B.18 Company games.**

Games of skill, games of chance, and card games may be conducted on premises either licensed or unlicensed and no license fee shall be required if a bona fide social, employment, trade or professional association relationship exists between the sponsors and the participants and the participants pay no consideration of any nature, either directly or indirectly, to participate in the games, and only "play" money or other items of no intrinsic value which may be wagered are provided to the participant free, and the sponsor conducting the game receives no consideration, either directly or indirectly, other than goodwill.

A gambling device intended for use or used as provided in this section is exempt from the provisions of section 725.9, subsection 2.

[C75, §99B.8; C77, 79, 81, §99B.18]

2002 Acts, ch 1068, §15

**99B.19 Attorney general and county attorney — prosecution.**

Upon request of the department of inspections and appeals or the division of criminal investigation of the department of public safety, the attorney general shall institute in the name of the state the proper proceedings against a person charged by either department with violating this chapter, and a county attorney, at the request of the attorney general, shall appear and prosecute an action when brought in the county attorney's county.

[S81, §99B.19; 81 Acts, ch 44, §14]

84 Acts, ch 1220, §13; 87 Acts, ch 115, §15; 89 Acts, ch 231, §28

**99B.20 Division of criminal investigation.**

The division of criminal investigation of the department of public safety may investigate to determine licensee compliance with the requirements of this chapter. Investigations may be conducted either on the criminal investigation division's own initiative or at the request of the department of inspections and appeals. The criminal investigation division and the department of inspections and appeals shall cooperate to the maximum extent possible on an investigation.

84 Acts, ch 1220, §2; 87 Acts, ch 115, §16; 89 Acts, ch 231, §29

**99B.21 Tax on prizes.**

All prizes awarded are Iowa earned income and are subject to state and federal income tax laws. A person conducting a game of skill, game of chance, or a raffle shall deduct state income taxes, pursuant to section 422.16, subsection 1, from a cash prize awarded to an individual. An amount deducted from the prize for payment of a state tax shall be remitted to the department of revenue on behalf of the prize winner.

86 Acts, ch 1201, §12; 92 Acts, 2nd Ex, ch 1001, § 232; 2003 Acts, ch 145, §286

# CHAPTER 99C

RESERVED

# CHAPTER 99D

## PARI-MUTUEL WAGERING

Referred to in §21.2, 21.11, 22.1, 80.25A, 80.26, 99B.6, 99B.15, 99F.2, 99F.4, 99F.4A, 99F.4B, 99F.4C, 99F.7, 99G.3, 123.49, 162.2, 162.2B, 162.10A, 232C.4, 422.16, 533C.103, 537A.4, 714B.10, 717D.3, 725.7, 725.13, 725.14


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**99D.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Pari-mutuel Wagering Act"*.

83 Acts, ch 187, §1

**99D.2 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Applicant"* means an individual applying for an occupational license or the officers and members of the board of directors of a nonprofit corporation applying for a license to conduct a race where pari-mutuel wagering would be permitted under this chapter.

2. *"Breakage"* means the odd cents by which the amount payable on each dollar wagered in a pari-mutuel pool exceeds a multiple of ten cents.

3. *"Claimant agency"* means a state agency as defined in section 8A.504, subsection 1, or the state court administrator as defined in section 602.1101.

4. *"Commission"* means the state racing and gaming commission created under section 99D.5.

5. *"Holder of occupational license"* means a person licensed by the commission to perform an occupation which the commission has identified as requiring a license to engage in within the racing industry in Iowa.

6. *"Licensee"* means a nonprofit corporation licensed under section 99D.9.

7. *"Pari-mutuel wagering"* means the system of wagering described in section 99D.11.

8. *"Race"*, *"racing"*, *"race meeting"*, *"track"*, and *"racetrack"* refer to dog racing and horse racing, including but not limited to quarterhorse, thoroughbred, and harness racing, as approved by the commission.

9. *"Racetrack enclosure"* means all real property utilized for the conduct of a race meeting, including the racetrack, grandstand, concession stands, offices, barns, kennels and barn areas, employee housing facilities, parking lots, and any additional areas designated by the commission.

10. *"Wagering area"* means that portion of a racetrack in which a licensee may receive wagers of money from a person present in a licensed racetrack enclosure on a horse or dog in a race selected by the person making the wager as designated by the commission.

83 Acts, ch 187, §2; 84 Acts, ch 1265, §1; 84 Acts, ch 1266, §3; 89 Acts, ch 67, §23; 97 Acts, ch 9, §1; 2004 Acts, ch 1136, §2, 3; 2005 Acts, ch 3, §24; 2008 Acts, ch 1172, §1

Referred to in §99F.9

**99D.3 Scope of provisions.**

This chapter does not apply to horse-race or dog-race meetings unless the pari-mutuel system of wagering is used or intended to be used in connection with the horse-race or dog-race meetings. If the pari-mutuel system is used or intended to be used a person shall not conduct a race meeting without a license as provided by section 99D.9.

83 Acts, ch 187, §3

**99D.4 Pari-mutuel wagering legalized.**

The system of wagering on the results of horse or dog races as provided by this chapter is legal, when conducted within the racetrack enclosure at a licensed horse-race or dog-race meeting.

83 Acts, ch 187, §4

**99D.5 Creation of state racing and gaming commission.**

1. A state racing and gaming commission is created within the department of inspections and appeals consisting of five members who shall be appointed by the governor subject to confirmation by the senate, and who shall serve not to exceed a three-year term at the pleasure of the governor. The term of each member shall begin and end as provided in section 69.19.

2. A vacancy on the commission shall be filled as provided in section 2.32.

3. Not more than three members of the commission shall belong to the same political party. A member of the commission shall not have a financial interest in a racetrack.

4. Commission members are each entitled to receive an annual salary of ten thousand dollars. Members shall also be reimbursed for actual expenses incurred in the performance of their duties to a maximum of thirty thousand dollars per year for the commission. Each member shall be covered by the blanket surety bond of the state purchased pursuant to section 8A.321, subsection 12.

5. *a.* A member or a holder of an official's license shall not knowingly:

(1) Have a pecuniary, equitable, or other interest in or engage in a business or employment which would be a conflict of interest or interfere or conflict with the proper discharge of the duties of the commission including any of the following:

(a) A business which does business with a licensee.

(b) A business issued a concession operator's license.

(2) Participate directly or indirectly as an owner, owner-trainer, trainer of a horse or dog, or jockey of a horse in a race meeting conducted in this state.

(3) Place a wager on an entry in a race or on a gambling game operated on an excursion gambling boat or gambling structure.

*b.* A violation of this subsection is a serious misdemeanor. In addition, the individual may be subject to disciplinary actions pursuant to the commission rules.

6. *a.* A member, employee, or appointee of the commission, spouse of a member, employee, or appointee of the commission, or a family member related within the second degree of affinity or consanguinity to a member, employee, or appointee of the commission shall not do either of the following:

(1) Hold an occupational license except an official's license.

(2) Enter directly or indirectly into any business dealing, venture, or contract with an owner or lessee of a racetrack.

*b.* A member who knowingly approves of a violation of this subsection is guilty of a serious misdemeanor.

83 Acts, ch 187, §5, 36; 84 Acts, ch 1266, §4, 5; 86 Acts, ch 1245, §713, 714; 88 Acts, ch 1267, §17; 89 Acts, ch 67, §24, 25; 89 Acts, ch 83, §21; 89 Acts, ch 231, §30; 91 Acts, ch 266, §21; 92 Acts, ch 1203, §2; 2004 Acts, ch 1136, §4; 2005 Acts, ch 177, §15; 2007 Acts, ch 188, §4; 2008 Acts, ch 1032, §201

Referred to in §99D.2, 99F.1

Confirmation, see §2.32

**99D.6 Chairperson — administrator — employees — duties — bond.**

The commission shall elect in July of each year one of its members as chairperson for the succeeding year. The commission shall appoint an administrator of the commission subject to confirmation by the senate. The administrator shall serve a four-year term. The term shall begin and end in the same manner as set forth in section 69.19. A vacancy shall be filled for the unexpired portion of the term in the same manner as a full-term appointment is made. The administrator may hire other assistants and employees as necessary to carry out the commission's duties. Employees in the positions of equine veterinarian, canine veterinarian, and equine steward shall be exempt from the merit system provisions of chapter 8A, subchapter IV, and shall not be covered by a collective bargaining agreement. Some or all of the information required of applicants in section 99D.8A, subsections 1 and 2, may also be required of employees of the commission if the commission deems it necessary. The administrator shall keep a record of the proceedings of the commission and preserve the books, records, and documents entrusted to the administrator's care. The administrator shall be covered by the blanket surety bond of the state purchased pursuant to section 8A.321, subsection 12. The compensation and employment terms of the administrator shall be set by the governor, taking into consideration the level of knowledge and experience of the administrator. The commission shall have its headquarters in the city of Des Moines and shall meet in July of each year and at other times and places as it finds necessary for the discharge of its duties.

83 Acts, ch 187, §6; 84 Acts, ch 1265, §2; 86 Acts, ch 1245, §715; 87 Acts, ch 115, §17; 89 Acts, ch 231, §31; 2004 Acts, ch 1136, §5, 65; 2007 Acts, ch 215, §26

Referred to in §99D.10

Confirmation, see §2.32

**99D.7 Powers.**

The commission shall have full jurisdiction over and shall supervise all race meetings governed by this chapter. The commission shall have the following powers and shall adopt rules pursuant to chapter 17A to implement this chapter:

1. To investigate applicants and determine the eligibility of applicants for a license and to select among competing applicants for a license the applicant which best serves the interests of the citizens of Iowa.

2. To identify occupations within the racing industry which require licensing and adopt standards for licensing the occupations including establishing fees for the occupational licenses. The fees shall be paid to the commission and used as required in section 99D.17.

3. To adopt standards regarding the duration of thoroughbred and quarter horse racing seasons, so that a thoroughbred racing season shall not be less than sixty-seven days, and so that a quarter horse racing season shall not be less than twenty-six days. The thoroughbred and quarter horse racing seasons shall be run independently unless mutually agreed upon by the associations representing the thoroughbred and quarter horse owners and the licensee of the horse racetrack located in Polk county.

4. To adopt standards under which all race meetings shall be held and standards for the facilities within which the race meetings shall be held.

5. *a.* To regulate the purse structure for race meetings including establishing a minimum purse.

*b.* The commission shall, beginning January 1, 2012, regulate the purse structure for all horse racing so that seventy-six percent is designated for thoroughbred racing, fifteen and one-quarter percent is designated for quarter horse racing, and eight and

three-quarter percent is designated for standardbred racing. The purse moneys designated for standardbred racing may only be used to support standardbred harness racing purses at the state fair, county fairs, or other harness racing tracks approved by the commission, or for the maintenance or repair of harness racing tracks at the fairgrounds for such fairs or other harness racing tracks approved by the commission. The horse racetrack in Polk county shall not provide funding to support standardbred racing at such county fairs that is not otherwise provided for in this paragraph.

*c.* (1) The purse moneys designated for standardbred racing shall be payable to a nonprofit corporation operated exclusively for those purposes allowed an exempt organization under section 501(c)(4) of the Internal Revenue Code, as defined in section 422.3, which was organized under the laws of this state on or before January 1, 2008, which exists for the promotion of the sport of harness racing in this state, and which received supplemental payments from the horse racetrack in Polk county for the conduct of harness racing during the 2010 calendar year. The nonprofit corporation receiving such purse moneys shall complete and provide to the commission an annual audit and accounting of the allocation of such moneys.

(2) Of the purse moneys designated for thoroughbred racing, two percent shall be distributed to an organization representing owners of thoroughbred race horses for the purpose of paying the annual operating expenses of the organization and for the promotion and marketing of Iowa-bred horses. The organization receiving such purse moneys shall complete and provide to the commission an annual audit and accounting of the allocation of such moneys.

(3) Of the purse moneys designated for quarter horse racing, two percent shall be distributed to an organization representing owners of quarter horse race horses for the purpose of paying the annual operating expenses of the organization and for the promotion and marketing of Iowa-bred horses. The organization receiving such purse moneys shall complete and provide to the commission an annual audit and accounting of the allocation of such moneys.

6. To cooperate with the department of agriculture and land stewardship to establish and operate, or contract for, a laboratory and related facilities to conduct saliva, urine, and other tests on animals that are to run or that have run in races governed by this chapter.

7. To establish and provide for the disposition of fees for the testing of animals sufficient to cover the costs of the tests and to purchase the necessary equipment for the testing.

8. To enter the office, racetrack, facilities, or other places of business of a licensee to determine compliance with this chapter.

9. To investigate alleged violations of this chapter or the commission rules, orders, or final decisions and to take appropriate disciplinary action against a licensee or a holder of an occupational license for the violation, or institute appropriate legal action for enforcement, or both. Information gathered during an investigation is confidential during the pendency of the investigation. Decisions by the commission are final agency actions pursuant to chapter 17A.

10. To authorize stewards, starters, and other racing officials to impose fines or other sanctions upon a person violating a provision of this chapter or the commission rules, orders, or final orders, including authorization to expel a tout, bookmaker, or other person deemed to be undesirable from the racetrack facilities.

11. To require the removal of a racing official, an employee of a licensee, or a holder of an occupational license, or employee of a holder of an occupational license for a violation of this chapter or a commission rule or engaging in a fraudulent practice.

12. To prevent an animal from racing if the commission or commission employees with cause believe the animal or its owner, trainer, or an employee of the owner or trainer is in violation of this chapter or commission rules.

13. To withhold payment of a purse if the outcome of a race is disputed or until tests are performed on the animals to determine if they were illegally drugged.

14. To provide for immediate determination of the disposition of a challenge by a racing official or representative of the commission by establishing procedures for informal hearings before a panel of stewards at a racetrack.

15. To require a licensee to file an annual balance sheet and profit and loss statement pertaining to the licensee's racing activities in this state, together with a list of the stockholders or other persons having any beneficial interest in the racing activities of each licensee.

16. To issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with chapter 17A, and to administer oaths and affirmations to the witnesses, when, in the judgment of the racing and gaming commission, it is necessary to enforce this chapter or the commission rules.

17. To keep accurate and complete records of its proceedings and to certify the records as may be appropriate.

18. To require all licensees to use a computerized totalizator system for calculating odds and payouts from the pari-mutuel wagering pool and to establish standards to insure the security of the totalizator system.

19. To revoke or suspend licenses and impose fines not to exceed one thousand dollars.

20. To require licensees to indicate in their racing programs those horses which are treated with the legal medication furosemide or phenylbutazone. The program shall also indicate if it is the first or subsequent time that a horse is racing with furosemide, or if the horse has previously raced with furosemide and the present race is the first race for the horse without furosemide following its use.

21. Notwithstanding any contrary provision in this chapter, to provide for interstate combined wagering pools related to simulcasting horse or dog races and all related interstate pari-mutuel wagering activities.

22. To cooperate with the gambling treatment program administered by the Iowa department of public health to incorporate information regarding the gambling treatment program and its toll-free telephone number in printed materials distributed by the commission. The commission may require licensees to have the information available in a conspicuous place as a condition of licensure.

23. To require licensees to establish a process to allow a person to be voluntarily excluded for life from a racetrack enclosure and all other licensed facilities under this chapter and chapter 99F. The process established shall require that a licensee disseminate information regarding persons voluntarily excluded to all licensees under this chapter and chapter 99F. The state and any licensee under this chapter or chapter 99F shall not be liable to any person for any claim which may arise from this process. In addition to any other penalty provided by law, any money or thing of value that has been obtained by, or is owed to, a voluntarily excluded person by a licensee as a result of wagers made by the person after the person has been voluntarily excluded shall not be paid to the person but shall be credited to the general fund of the state.

24. To require licensees to establish a process with the state for licensees to have electronic access to names and social security numbers of debtors of claimant agencies through a secured interactive internet site maintained by the state.

25. To take any other action as may be reasonable or appropriate to enforce this chapter and the commission rules.

83 Acts, ch 187, §7; 84 Acts, ch 1265, §3; 84 Acts, ch 1266, §6; 88 Acts, ch 1137, §1; 89 Acts, ch 231, §32; 91 Acts, ch 166, §1; 91 Acts, ch 260, §1205; 94 Acts, ch 1100, §1; 95 Acts, ch 205, §34; 96 Acts, ch 1212, §11; 2004 Acts, ch 1136, §6 – 8; 2008 Acts, ch 1172, §2; 2009 Acts, ch 182, §101; 2011 Acts, ch 111, §1, 2; 2013 Acts, ch 90, §257

Referred to in §12.10, 99D.10, 99D.11, 99D.22, 99D.28, 99F.6

Code editor directive applied

**99D.8 Horse or dog racing licenses — applications.**

A qualifying organization, as defined in section 513(d)(2)(C) of the Internal Revenue Code, as defined in section 422.3, exempt from federal income taxation under sections 501(c)(3), 501(c)(4), or 501(c)(5) of the Internal Revenue Code or a nonprofit corporation organized under the laws of this state, whether or not it is exempt from federal income taxation, which is organized to promote those purposes enumerated in section 99B.7, subsection 3, paragraph

"*b*", or which regularly conducts an agricultural and educational fair or exposition for the promotion of the horse, dog, or other livestock breeding industries of the state, or an agency, instrumentality, or political subdivision of the state, may apply to the commission for a license to conduct horse or dog racing. The application shall be filed with the administrator of the commission at least sixty days before the first day of the horse race or dog race meeting which the organization proposes to conduct, shall specify the day or days when and the exact location where it proposes to conduct racing, and shall be in a form and contain information as the commission prescribes.

If any part of the net income of a licensee is determined to be unrelated business taxable income as defined in sections 511 through 514 of the Internal Revenue Code, or is otherwise taxable, the licensee shall be required to distribute such amount to political subdivisions in the state and organizations described in section 501(c)(3) of the Internal Revenue Code in the county in which the licensee operates.

An organization which meets the requirements of this section, as amended, on or before July 1, 1988, shall be considered to have met the requirements of this section on the date that its initial application was originally filed.

83 Acts, ch 187, §8; 88 Acts, ch 1243, §1; 95 Acts, ch 176, §1
Referred to in §99D.9, 99D.10

**99D.8A Requirements of applicant — penalty — consent to search.**

1. A person shall not be issued a license to conduct races under this chapter or an occupational license unless the person has completed and signed an application on the form prescribed and published by the commission. The application shall state the full name, social security number, residence, date of birth and other personal identifying information of the applicant that the commission deems necessary. The application shall state whether the applicant has any of the following:

*a.* A record of conviction of a felony.

*b.* An addiction to alcohol or a controlled substance.

*c.* A history of mental illness or repeated acts of violence.

2. An applicant shall submit pictures, fingerprints, and descriptions of physical characteristics to the commission in the manner prescribed on the application forms. The fingerprints may be submitted to the federal bureau of investigation by the department of public safety through the state criminal history repository for the purpose of a national criminal history check.

3. The commission shall charge the applicant a fee set by the department of public safety, division of criminal investigation, to defray the costs associated with the search and classification of fingerprints required in subsection 2. This fee is in addition to any other license fee charged by the commission.

4. A person who knowingly makes a false statement on the application is guilty of an aggravated misdemeanor.

5. The licensee or a holder of an occupational license shall consent to agents of the division of criminal investigation of the department of public safety or commission employees designated by the administrator of the commission to the search without a warrant of the licensee or holder's person, personal property and effects, and premises which are located within the racetrack enclosure or adjacent facilities under control of the licensee to inspect or investigate for criminal violations of this chapter or violations of rules adopted by the commission.

84 Acts, ch 1265, §4; 84 Acts, ch 1266, §7; 2002 Acts, ch 1044, §5, 11; 2003 Acts, ch 108, §29; 2005 Acts, ch 35, §31
Referred to in §99D.6, 99D.9, 99D.10, 99D.11

**99D.9 Licenses — terms and conditions — revocation.**

1. If the commission is satisfied that its rules and sections 99D.8 through 99D.25 applicable to licensees have been or will be complied with, it may issue a license for a period of not more than three years. The commission may decide which types of racing it will permit. The commission may permit dog racing, horse racing of various types, or both dog

and horse racing. However, only quarter horse and thoroughbred racing shall be allowed to be conducted at the horse racetrack located in Polk county. The commission shall decide the number, location, and type of all racetracks licensed under this chapter. The license shall set forth the name of the licensee, the type of license granted, the place where the race meeting is to be held, and the time and number of days during which racing may be conducted by the licensee. The commission shall not approve a license application if any part of the racetrack is to be constructed on prime farmland outside the city limits of an incorporated city. As used in this subsection, "*prime farmland*" means as defined by the United States department of agriculture in 7 C.F.R. § 657.5(a). A license is not transferable or assignable. The commission may revoke any license issued for good cause upon reasonable notice and hearing. The commission shall conduct a neighborhood impact study to determine the impact of granting a license on the quality of life in neighborhoods adjacent to the proposed racetrack facility. The applicant for the license shall reimburse the commission for the costs incurred in making the study. A copy of the study shall be retained on file with the commission and shall be a public record. The study shall be completed before the commission may issue a license for the proposed facility.

2. A license shall only be granted to a nonprofit corporation or association upon the express condition that the nonprofit corporation or association shall not, by a lease, contract, understanding, or arrangement of any kind, grant, assign, or turn over to a person the operation of a race meeting licensed under this section or of the pari-mutuel system of wagering described in section 99D.11. This section does not prohibit a management contract approved by the commission.

3. A license shall not be granted to a nonprofit corporation if there is substantial evidence that the applicant for a license:

*a.* Has been suspended or ruled off a recognized course in another jurisdiction by the racing board or commission of that jurisdiction.

*b.* Has not demonstrated financial responsibility sufficient to meet adequately the requirements of the enterprise proposed.

*c.* Is not the true owner of the enterprise proposed.

*d.* Is not the sole owner, and other persons have ownership in the enterprise which fact has not been disclosed.

*e.* Is a corporation and ten percent of the stock of the corporation is subject to a contract or option to purchase at any time during the period for which the license is issued unless the contract or option was disclosed to the commission and the commission approved the sale or transfer during the period of the license.

*f.* Has knowingly made a false statement of a material fact to the commission.

*g.* Has failed to meet any monetary obligation in connection with a race meeting held in this state.

4. A license shall not be granted to a nonprofit corporation if there is substantial evidence that stockholders or officers of the nonprofit corporation are not of good repute and moral character.

5. A license shall not be granted to a licensee for racing on more than one racetrack at the same time.

6. *a.* A licensee shall not loan to any person money or any other thing of value for the purpose of permitting that person to wager on any race.

*b.* A licensee shall not permit a financial institution, vendor, or other person to dispense cash or credit through an electronic or mechanical device including but not limited to a satellite terminal as defined in section 527.2, that is located in the wagering area.

*c.* When technologically available, a licensee shall ensure that a person may voluntarily bar the person's access to receive cash or credit from a financial institution, vendor, or other person through an electronic or mechanical device including but not limited to a satellite terminal as defined in section 527.2, that is located on the licensed premises.

7. Upon a violation of any of the conditions listed in this section, the commission shall immediately revoke the license.

8. The commission shall require that a licensee utilize Iowa resources, goods, and services in the operation of a racetrack enclosure. The commission shall develop standards to assure

that a substantial amount of all resources and goods used in the operation of a racetrack enclosure emanate from and are made in Iowa and that a substantial amount of all services and entertainment are provided by Iowans.

83 Acts, ch 187, §9; 84 Acts, ch 1266, §8 – 10; 94 Acts, ch 1021, §2; 2004 Acts, ch 1136, §9 – 11; 2011 Acts, ch 111, §3

Referred to in §99D.2, 99D.3, 99D.10, 99D.14

**99D.10 Bond of licensee.**

A licensee licensed under section 99D.9 shall post a bond to the state of Iowa before the license is issued in a sum as the commission shall fix, with sureties to be approved by the commission. The bond shall be used to guarantee that the licensee faithfully makes the payments, keeps its books and records and makes reports, and conducts its racing in conformity with sections 99D.6 through 99D.23 and the rules adopted by the commission. The bond shall not be canceled by a surety on less than thirty days' notice in writing to the commission. If a bond is canceled and the licensee fails to file a new bond with the commission in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

83 Acts, ch 187, §10

Referred to in §99D.9

Section not amended; editorial change applied

**99D.11 Pari-mutuel wagering — advance deposit wagering — televising races — age restrictions.**

1. Except as permitted in this section, the licensee shall permit no form of wagering on the results of the races.

2. Licensees shall only permit the pari-mutuel or certificate method of wagering, or the advance deposit method of wagering, as defined in this section.

3. The licensee may receive wagers of money only from a person present in a licensed racetrack enclosure on a horse or dog in the race selected by the person making the wager to finish first in the race or from a person engaging in advance deposit wagering as defined in this section. The person wagering shall acquire an interest in the total money wagered on all horses or dogs in the race as first winners in proportion to the amount of money wagered by the person.

4. The licensee shall issue to each person wagering a certificate on which shall be shown the number of the race, the amount wagered, and the number or name of the horse or dog selected as first winner.

5. As each race is run the licensee shall deduct sixteen percent from the total sum wagered on all horses or dogs as first winners. However, the commission shall authorize at the request of the licensee a deduction of a higher or lower percentage of the total sum wagered not to exceed eighteen percent and the additional deduction shall be retained by the licensee. The balance, after deducting breakage, shall be paid to the holders of certificates on the winning horse or dog in the proportion that the amount wagered by each certificate holder bears to the total amount wagered on all horses or dogs in the race as first winners. The licensee may pay a larger amount if approved by the commission. The licensee shall likewise receive other wagers on horses or dogs in places or combinations the commission may authorize. The method, procedure, and the authority and right of the licensee, as well as the deduction allowed to the licensee, shall be as specified with respect to wagers upon horses or dogs selected to run first. However, the commission shall authorize at the request of the licensee a deduction of a higher or lower percent of the total sum wagered not to exceed twenty-four percent on multiple or exotic wagering involving not more than two horses or dogs. The deduction authorized above twenty percent on the multiple or exotic wagering involving not more than two dogs or horses shall be retained by the licensee. For exotic wagering involving three or more horses or dogs, the commission shall authorize at the request of the licensee a deduction of a higher or lower percent of the total sum wagered not to exceed twenty-five percent on the exotic wagers. The additional deduction authorized above twenty-two percent on the multiple or exotic wagers involving more than two horses or dogs shall be retained by

the licensee. One percent of the exotic wagers on three or more horses or dogs shall be distributed as provided in section 99D.12.

6. *a.* All wagering shall be conducted within the racetrack enclosure where the licensed race is held, except as provided in paragraphs "*b*" and "*c*".

*b.* The commission may authorize the licensee to simultaneously telecast within the racetrack enclosure, for the purpose of pari-mutuel wagering, a horse or dog race licensed by the racing authority of another state. It is the responsibility of each licensee to obtain the consent of appropriate racing officials in other states as required by the federal Interstate Horseracing Act of 1978, 15 U.S.C. § 3001 – 3007, to televise races for the purpose of conducting pari-mutuel wagering. A licensee may also obtain the permission of a person licensed by the commission to conduct horse or dog races in this state to televise races conducted by that person for the purpose of conducting pari-mutuel racing. However, arrangements made by a licensee to televise any race for the purpose of conducting pari-mutuel wagering are subject to the approval of the commission, and the commission shall select the races to be televised. The races selected by the commission shall be the same for all licensees approved by the commission to televise races for the purpose of conducting pari-mutuel wagering. The commission shall not authorize the simultaneous telecast or televising of and a licensee shall not simultaneously telecast or televise any horse or dog race for the purpose of conducting pari-mutuel wagering unless the simultaneous telecast or televising is done at the racetrack of a licensee that schedules no less than sixty performances of nine live races each day of the season. For purposes of the taxes imposed under this chapter, races televised by a licensee for purposes of pari-mutuel wagering shall be treated as if the races were held at the racetrack of the licensee. Notwithstanding any contrary provision in this chapter, the commission may allow a licensee to adopt the same deductions as those of the pari-mutuel racetrack from which the races are being simultaneously telecast.

*c.* (1) The commission shall authorize the licensee of the horse racetrack located in Polk county to conduct advance deposit wagering. An advance deposit wager may be placed in person at a licensed racetrack enclosure, or from any other location via a telephone-type device or any other electronic means. The commission may also issue an advance deposit wagering operator license to an entity who complies with subparagraph (3) and section 99D.8A.

(2) For the purposes of this section, "*advance deposit wagering*" means a method of pari-mutuel wagering in which an individual may establish an account, deposit money into the account, and use the account balance to pay for pari-mutuel wagering. Of the net revenue, less all taxes paid and expenses directly related to account deposit wagering incurred by the licensee of the horse racetrack located in Polk county, received through advance deposit wagering, fifty percent shall be designated for the horse purses created pursuant to section 99D.7, subsection 5, and fifty percent shall be designated for the licensee for the pari-mutuel horse racetrack located in Polk county.

(3) Before granting an advance deposit wagering operator license to an entity other than the licensee of the horse racetrack located in Polk county, the commission shall enter into an agreement with the licensee of the horse racetrack located in Polk county, the Iowa horsemen's benevolent and protective association, and the prospective advance deposit wagering operator for the purpose of determining the payment of statewide source market fees and the host fees to be paid on all races subject to advance deposit wagering. The commission shall establish the term of such an advance deposit wagering operator license. Such an advance deposit wagering operator licensee shall accept wagers on live races conducted at the horse racetrack in Polk county from all of its account holders if it accepts wagers from any residents of this state.

(4) An unlicensed advance deposit wagering operator or an individual taking or receiving wagers from residents of this state on races conducted at the horse racetrack located in Polk county is guilty of a class "D" felony.

(5) For the purposes of this paragraph "*c*", "*advance deposit wagering operator*" means an advance deposit wagering operator licensed by the commission who has entered into an

agreement with the licensee of the horse racetrack in Polk county and the Iowa horsemen's benevolent and protective association to provide advance deposit wagering.

7. A person under the age of twenty-one years shall not make or attempt to make a pari-mutuel wager. A person who violates this subsection commits a scheduled violation under section 805.8C, subsection 5, paragraph "*a*".

83 Acts, ch 187, §11; 84 Acts, ch 1266, §11 – 13; 89 Acts, ch 216, §1; 90 Acts, ch 1175, §5; 90 Acts, ch 1261, §31; 91 Acts, ch 166, §2, 3; 92 Acts, ch 1163, §23; 92 Acts, ch 1203, §3, 4; 92 Acts, ch 1207, §1; 94 Acts, ch 1021, §3, 4; 96 Acts, ch 1211, §32; 2004 Acts, ch 1136, §12; 2005 Acts, ch 3, §25; 2009 Acts, ch 88, §1; 2011 Acts, ch 111, §4 – 7; 2012 Acts, ch 1023, §19, 20

Referred to in §99D.2, 99D.9, 99D.10, 99D.13, 99D.16, 99D.24, 805.8C(5a)

**99D.12 Breakage.**

A licensee shall deduct the breakage from the pari-mutuel pool which shall be distributed to the breeders of Iowa-foaled horses and Iowa-whelped dogs in the manner described in section 99D.22. The remainder of the breakage shall be distributed as follows:

1. In horse races the breakage shall be retained by the licensee to supplement purses for races restricted to Iowa-foaled horses or to supplement purses won by Iowa-foaled horses by finishing first, second, third, or fourth in any other race. The purse supplements will be paid in proportion to the purse structure of the race. Two percent shall be deposited by the commission into a special fund to be known as the horse racing promotion fund. The commission each year shall approve a nonprofit organization to use moneys in the fund for research, education, and marketing of horse racing in the state, including public relations, and other promotional techniques. The nonprofit organization shall not engage in political activity. It shall be a condition of the allocation of funds that any organization receiving funds shall not expend the funds on political activity or on any attempt to influence legislation.

2. In dog races the breakage shall be distributed as follows:

*a.* Seventy-three percent shall be retained by the licensee to supplement purses for races won by Iowa-whelped dogs as provided in section 99D.22.

*b.* Twenty-five percent shall be retained by the licensee and shall be put into a stake race for Iowa-whelped dogs. An amount equal to twelve percent of the winner's share shall be set aside and distributed to the breeder of the winning greyhound in accordance with section 99D.22 and the remainder shall be apportioned as purse moneys for the stake race. All dogs racing in the stake race must have run in at least twelve races during the current racing season at the track sponsoring the stake race to qualify to participate.

*c.* Two percent shall be deposited by the commission into a special fund to be known as the dog racing promotion fund. The commission each year shall approve a nonprofit organization to use moneys in the fund for research, education, and marketing of dog racing in the state, including public relations, and other promotional techniques. The nonprofit organization shall not engage in political activity. It shall be a condition of the allocation of funds that any organization receiving funds shall not expend the funds on political activity or on any attempt to influence legislation.

83 Acts, ch 187, §12; 84 Acts, ch 1266, §14; 88 Acts, ch 1137, §2; 89 Acts, ch 216, §2, 3; 91 Acts, ch 166, §4; 92 Acts, ch 1203, §6

Referred to in §99D.9, 99D.10, 99D.11, 99D.22

**99D.13 Unclaimed winnings — appropriation.**

1. Winnings provided in section 99D.11 not claimed by the person who placed the wager within sixty days of the close of the racing meet during which the wager was placed shall be forfeited.

2. Winnings from each racetrack forfeited under subsection 1 shall escheat to the state and to the extent appropriated by the general assembly shall be used by the department of agriculture and land stewardship to administer section 99D.22. The remainder shall be paid over to the commission to pay all or part of the cost of drug testing at the tracks. To the extent the remainder paid over to the commission, less the cost of drug testing, is from unclaimed winnings from harness race meetings, the remainder shall be used as provided in subsection 3. To the extent the remainder paid to the commission, less the cost of drug

testing, is from unclaimed winnings from licensed dog tracks, the commission shall remit annually five thousand dollars, or an equal portion of that amount, to each licensed dog track to carry out the racing dog adoption program pursuant to section 99D.27. To the extent the remainder paid over to the commission, less the cost of drug testing, is from unclaimed winnings from tracks licensed for dog or horse races, the commission, on an annual basis, shall remit one-third of the amount to the treasurer of the city in which the racetrack is located, one-third of the amount to the treasurer of the county in which the racetrack is located, and one-third of the amount to the racetrack from which it was forfeited. If the racetrack is not located in a city, then one-third shall be deposited as provided in chapter 556. The amount received by the racetrack under this subsection shall be used only for retiring the debt of the racetrack facilities and for capital improvements to the racetrack facilities.

3. *a.* One hundred twenty thousand dollars of winnings from wagers placed at harness race meetings forfeited under subsection 1 in a calendar year that escheat to the state and are paid over to the commission are appropriated to the racing commission for the fiscal year beginning in that calendar year to be used as follows:

(1) Eighty percent of the amount appropriated shall be allocated to qualified harness racing tracks, to be used by the tracks to supplement the purses for those harness races in which only Iowa-bred or owned horses may run. However, beginning with the allocation of the appropriation made for the fiscal year beginning July 1, 1992, the races for which the purses are to be supplemented under this paragraph shall be those in which only Iowa-bred two-year and three-year olds may run. In addition, the races must be held under the control or jurisdiction of the Iowa state fair board, established under section 173.1, or of a fair, as defined under section 174.1.

(2) Twenty percent of the amount appropriated shall be allocated to qualified harness racing tracks, to be used by the tracks for maintenance of and improvements to the tracks. Races held at the tracks must be under the control or jurisdiction of the Iowa state fair board, established under section 173.1, or of a fair, as defined under section 174.1.

(3) For purposes of this subsection, *"qualified harness racing track"* means a harness racing track that has either held at least one harness race meeting between July 1, 1985, and July 1, 1989, or after July 1, 1989, has applied to and been approved by the racing commission for the allocation of funds under this subsection. The racing commission shall approve an application if the harness racing track has held at least one harness race meeting during the year preceding the year for which the track seeks funds under this subsection.

*b.* Notwithstanding section 8.33, unencumbered or unobligated funds remaining on June 30 of the fiscal year for which the funds were appropriated shall not revert but shall be available for expenditure for the following fiscal year for the purposes of this subsection.

83 Acts, ch 187, §13; 86 Acts, ch 1246, §509; 89 Acts, ch 216, §4, 5; 90 Acts, ch 1233, §5; 90 Acts, ch 1261, §32; 91 Acts, ch 166, §5; 2004 Acts, ch 1019, §4; 2005 Acts, ch 3, §26; 2005 Acts, ch 179, §113, 114; 2008 Acts, ch 1032, §201

Referred to in §99D.9, 99D.10

**99D.14 Race meetings — tax — fees — tax exemption.**

1. A licensee under section 99D.9 shall pay the tax imposed by section 99D.15.

2. *a.* (1) A licensee shall pay a regulatory fee to be charged as provided in this section. In determining the regulatory fee to be charged as provided under this section, the commission shall use the amount appropriated to the commission plus the cost of salaries for no more than three special agents for each racetrack that has not been issued a table games license under chapter 99F or no more than three special agents for each racetrack that has been issued a table games license under chapter 99F, plus any direct and indirect support costs for the agents, for the division of criminal investigation's racetrack activities, as the basis for determining the amount of revenue to be raised from the regulatory fee.

(2) Indirect support costs under this section shall be calculated at the same rate used in accordance with the federal office of management and budget cost principles for state, local, and Indian tribal governments that receive a federally approved indirect cost rate.

*b.* Notwithstanding sections 8.60 and 99D.17, the portion of the fee paid pursuant to paragraph *"a"* relating to the costs of special agents plus any direct and indirect support

costs for the agents, for the division of criminal investigation's racetrack activities, shall be deposited into the gaming enforcement revolving fund established in section 80.43. However, the department of public safety shall transfer, on an annual basis, the portion of the regulatory fee attributable to the indirect support costs of the special agents to the general fund of the state.

*c.* Notwithstanding sections 8.60 and 99D.17, the portion of the fee paid pursuant to paragraph "*a*" relating to the costs of the commission shall be deposited into the gaming regulatory revolving fund established in section 99F.20.

*d.* The aggregate amount of the regulatory fee assessed under paragraph "*a*" during each fiscal year shall be reduced by an amount equal to the unexpended moneys from the previous fiscal year that were deposited into the revolving funds established in sections 80.43 and 99F.20 during that previous fiscal year.

*e.* By January 1, 2015, and by January 1 of every year thereafter, the division of criminal investigation shall provide the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system, the legislative services agency, and the commission with a report detailing the activities of the division during the previous fiscal year for each racetrack enclosure.

*f.* The division of criminal investigation shall conduct a review relating to the number of special agents permitted for each racetrack under this subsection and the activities of such agents. The review shall also include comments from the commission and licensees and be combined with the review conducted under section 99F.10, subsection 4, paragraph "*g*". The division of criminal investigation shall file a report detailing the review conducted pursuant to this paragraph with the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system and the legislative services agency by July 1, 2020.

3. The licensee shall also pay to the commission a licensee fee of two hundred dollars for each racing day of each horse-race or dog-race meeting for which a license has been issued.

4. No other license tax, permit tax, occupation tax, or racing fee, shall be levied, assessed, or collected from a licensee by the state or by a political subdivision, except as provided in this chapter.

5. No other excise tax shall be levied, assessed, or collected from the licensee on horse racing, dog racing, pari-mutuel wagering or admission charges by the state or by a political subdivision, except as provided in this chapter.

6. Real property used in the operation of a racetrack or racetrack enclosure which is exempt from property taxation under another provision of the law, including being exempt because it is owned by a city, county, state, or charitable or nonprofit entity, may be subject to real property taxation by any taxing district in which the real property used in the operation of the racetrack or racetrack enclosure is located. To subject such real property to taxation, the taxing authority of the taxing district shall pass a resolution imposing the tax and, if the resolution is passed prior to September 1, 1997, shall notify the local assessor and the owner of record of the real property by September 1, 1997, preceding the fiscal year in which the real property taxes are due and payable. The assessed value shall be determined and notice of the assessed value shall be provided to the county auditor by the local assessor by October 15, 1997, and the owner may protest the assessed value to the local board of review by December 1, 1997. For resolutions passed on or after September 1, 1997, the taxing authority shall notify the local assessor and owner of record prior to the next assessment year and the valuation and appeal shall be done in the manner and time as for other valuations. Property taxes due as a result of this subsection shall be paid to the county treasurer in the manner and time as other property taxes. The county treasurer shall remit the tax revenue to those taxing authorities imposing the property tax under this subsection. Real property subject to tax as provided in this subsection shall continue to be taxed until such time as the taxing authority of the taxing district repeals the resolution subjecting the property to taxation.

83 Acts, ch 187, §14; 84 Acts, ch 1266, §15, 16; 89 Acts, ch 216, §6; 97 Acts, ch 9, §2; 97 Acts, ch 158, §47; 2000 Acts, ch 1229, §17; 2004 Acts, ch 1136, §13, 14; 2010 Acts, ch 1190,

§24; 2011 Acts, ch 127, §46, 89; 2012 Acts, ch 1134, §15, 21; 2013 Acts, ch 139, §48, 49; 2013 Acts, ch 142, §34
Referred to in §12.10, 80.43, 99D.9, 99D.10, 99D.17, 99F.4A, 99F.10, 99F.20
Subsection 2, paragraphs a and c amended
Subsection 2, NEW paragraphs d, e, and f

**99D.14A Reserved.**

**99D.15 Pari-mutuel wagering taxes — rate — credit.**

1. A tax of six percent is imposed on the gross sum wagered by the pari-mutuel method at each horse race meeting. The tax imposed by this subsection shall be paid by the licensee to the commission within ten days after the close of each horse race meeting and shall be distributed as follows:

*a.* If the racetrack is located in a city, five percent of the gross sum wagered shall be deposited with the commission. One-half of one percent of the gross sum wagered shall be remitted to the treasurer of the city in which the racetrack is located and shall be deposited in the general fund of the city. The remaining one-half of one percent of the gross sum wagered shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county.

*b.* If the racetrack is located in an unincorporated part of a county, five and one-half percent of the gross sum wagered shall be deposited with the commission. The remaining one-half of one percent of the gross sum wagered shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county.

2. A tax credit of up to five percent of the gross sum wagered per year shall be granted to licensees licensed for horse races and paid into a special fund to be used for debt retirement or operating expenses. However, the tax credit is equal to six percent of the gross sum wagered in a year when the gross sum wagered is less than ninety million dollars. Any portion of the credit not used in a particular year shall be retained by the commission. A tax credit shall first be assessed against any share going to a city, then to the share going to a county, and then to the share going to the state.

3. *a.* A tax is imposed on the gross sum wagered by the pari-mutuel method at each track licensed for dog races. The tax imposed by this subsection shall be paid by the licensee to the commission within ten days after the close of the track's racing season. The rate of tax on each track is as follows:

(1) Six percent, if the gross sum wagered in the racing season is fifty-five million dollars or more.

(2) Five percent, if the gross sum wagered in the racing season is thirty million dollars or more but less than fifty-five million dollars.

(3) Four percent, if the gross sum wagered in the racing season is less than thirty million dollars.

*b.* The tax revenue shall be distributed as follows:

(1) If the racetrack is located in a city, one-half of one percent of the gross sum wagered shall be remitted to the treasurer of the city in which the racetrack is located and shall be deposited in the general fund of the city. One-half of one percent of the gross sum wagered shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county. The remaining amount shall be deposited with the commission.

(2) If the racetrack is located in an unincorporated part of a county, one-half of one percent of the gross sum wagered shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county. The remaining amount shall be deposited with the commission.

*c.* If the rate of tax imposed under paragraph "*a*" is six percent, five percent, or four percent, a licensee shall set aside for retiring any debt of the licensee, for capital improvement to the facilities of the licensee, for funding of possible future operating losses, or for charitable giving, the following amount:

(1) If the rate of tax paid by the licensee is six percent, one-sixth of the tax liability by the licensee during the racing season shall be set aside.

(2) If the rate of tax paid by the licensee is five percent, one percent of the gross sum wagered in the racing season shall be set aside.

(3) If the rate of tax paid by the licensee is four percent, two percent of the gross sum wagered in the racing season shall be set aside.

4. A tax of two percent is imposed on the gross sum wagered by the pari-mutuel method on horse races and dog races which are simultaneously telecast. The tax imposed by this subsection is in lieu of the taxes imposed pursuant to subsection 1 or 3, but the tax revenue from simulcast horse races shall be distributed as provided in subsection 1 and the tax revenue from simulcast dog races shall be distributed as provided in subsection 3.

83 Acts, ch 187, §15; 84 Acts, ch 1266, §17; 89 Acts, ch 216, §7 – 9; 90 Acts, ch 1261, §33; 91 Acts, ch 166, §6; 91 Acts, ch 268, §427; 92 Acts, ch 1203, §8 – 10; 92 Acts, ch 1207, §2; 94 Acts, ch 1107, §6; 2004 Acts, ch 1136, §15, 16; 2009 Acts, ch 182, §102

Referred to in §99D.9, 99D.10, 99D.14, 99D.17

**99D.16 Withholding tax on winnings.**

All winnings provided in section 99D.11 are Iowa earned income and are subject to state and federal income tax laws. An amount deducted from winnings for payment of the state tax, pursuant to section 422.16, subsection 1, shall be remitted to the department of revenue on behalf of the individual who won the wager.

87 Acts, ch 214, §1; 92 Acts, 2nd Ex, ch 1001, §233; 2003 Acts, ch 145, §286

Referred to in §99D.9, 99D.10

**99D.17 Use of funds.**

Funds received pursuant to sections 99D.14 and 99D.15 shall be deposited as provided in section 8.57, subsection 5, and shall be subject to the requirements of section 8.60. These funds shall first be used to the extent appropriated by the general assembly. The commission is subject to the budget requirements of chapter 8 and the applicable auditing requirements and procedures of chapter 11.

83 Acts, ch 187, §17; 90 Acts, ch 1261, §34; 91 Acts, ch 260, §1206; 92 Acts, ch 1163, §24; 93 Acts, ch 131, §2; 94 Acts, ch 1107, §33; 2013 Acts, ch 142, §35

Referred to in §8.57, 99D.7, 99D.9, 99D.10, 99D.14, 99G.39, 123.53

Section amended

**99D.18** Repealed by 91 Acts, ch 260, § 1250.

**99D.19 Licensees — records — reports — supervision.**

1. A licensee shall keep its books and records so as to clearly show the following:

*a.* The total number of admissions for each day of operation.

*b.* The total amount of money wagered for each day of operation.

2. The licensee shall furnish to the commission reports and information as the commission may require with respect to its activities. The commission may designate a representative to attend a licensed race meeting, who shall have full access to all places within the enclosure of the meeting and who shall supervise and check the admissions. The compensation of the representative shall be fixed by the commission but shall be paid by the licensee.

83 Acts, ch 187, §19; 2004 Acts, ch 1136, §17

Referred to in §99D.9, 99D.10

**99D.20 Audit of licensee operations.**

Within ninety days after the end of each calendar year, the licensee shall transmit to the commission an audit of the financial transactions and condition of the licensee's operations conducted under this chapter. Additionally, within ninety days after the end of the licensee's fiscal year, the licensee shall transmit to the commission an audit of the licensee's total racing and gaming operations, including an itemization of all expenses and subsidies. All audits shall be conducted by certified public accountants authorized to practice in the state of Iowa

under chapter 542 who are selected by the board of supervisors of the county in which the licensee operates.

83 Acts, ch 187, §20; 2001 Acts, ch 55, §21, 38; 2004 Acts, ch 1136, §18; 2005 Acts, ch 3, §27; 2009 Acts, ch 29, §1, 3

Referred to in §99D.9, 99D.10

**99D.21 Annual report of commission.**

The commission shall make an annual report to the governor, for the period ending December 31 of each year. Included in the report shall be an account of the commission's actions, its financial position and results of operation under this chapter, the practical results attained under this chapter, and any recommendations for legislation which the commission deems advisable.

83 Acts, ch 187, §21; 84 Acts, ch 1266, §19

Referred to in §99D.9, 99D.10

**99D.22 Native horses or dogs.**

1. *a.* A licensee shall hold at least one race on each racing day limited to Iowa-foaled horses or Iowa-whelped dogs as defined by the department of agriculture and land stewardship using standards consistent with this section. However, if sufficient competition cannot be had among that class of horses or dogs on any day, another race for the day may be substituted.

*b.* A sum equal to twelve percent of the purse won by an Iowa-foaled horse or Iowa-whelped dog shall be used to promote the horse and dog breeding industries. The twelve percent shall be withheld by the licensee from the breakage and shall be paid at the end of the race meeting to the state department of agriculture and land stewardship which in turn shall deposit it in a special fund to be known as the Iowa horse and dog breeders fund. The department shall pay the amount deposited in the fund that is withheld from the purse won by an Iowa-foaled horse to the breeder of the winning Iowa-foaled horse by December 31 of each calendar year. The department shall pay the amount deposited in the fund that is withheld from the purse won by an Iowa-whelped dog to the breeder of the winning Iowa-whelped dog by March 31 of each calendar year. For the purposes of this section, the breeder of a horse shall be considered to be the owner of the brood mare at the time the foal is dropped.

*c.* No less than twenty percent of all net purse moneys distributed to each breed, as described in section 99D.7, subsection 5, paragraph "*b*", shall be designated for registered Iowa-bred foals in the form of breeder's awards or purse supplement awards to enhance and foster the growth of the horse breeding industry.

2. For the purposes of this chapter, the following shall be considered in determining if a horse is an Iowa-foaled thoroughbred horse, quarter horse, or standardbred horse:

*a.* All thoroughbred horses, quarter horses, or standardbred horses foaled in Iowa prior to January 1, 1985, which are registered by the jockey club, American quarter horse association, or United States trotting association as Iowa foaled shall be considered to be Iowa foaled.

*b.* After January 1, 1985, eligibility for brood mare residence shall be achieved by meeting at least one of the following rules:

(1) Thirty days residency until the foal is inspected, if in foal to a registered Iowa stallion.

(2) Thirty days residency until the foal is inspected for brood mares which are bred back to registered Iowa stallions.

(3) Continuous residency from December 31 until the foal is inspected if the mare was bred by other than an Iowa registered stallion and is not bred back to an Iowa registered stallion.

*c.* To be eligible for registration as an Iowa thoroughbred, quarter horse, or standardbred stallion, the following requirements shall be met:

(1) Stallion residency from January 1 through July 31 for the year of registration. However, horses going to stud for the first year shall be eligible upon registration with residency to continue through July 31.

(2) At least fifty-one percent of an Iowa registered stallion shall be owned by bona fide Iowa residents.

*d.* State residency shall not be required for owners of brood mares.

3. To facilitate the implementation of this section, the department of agriculture and land stewardship shall do all of the following:

*a.* Adopt standards to qualify thoroughbred, quarter horse, or standardbred stallions for Iowa breeding. A stallion shall stand for service in the state at the time of the foal's conception and shall not stand for service at any place outside the state during the calendar year in which the foal is conceived.

*b.* Provide for the registration of Iowa-foaled horses and that a horse shall not compete in a race limited to Iowa-foaled horses unless the horse is registered with the department of agriculture and land stewardship. The department may prescribe such forms as necessary to determine the eligibility of a horse.

*c.* The secretary of agriculture shall appoint investigators to determine the eligibility for registration of Iowa-foaled horses.

*d.* Establish a registration fee imposed on each horse which is a thoroughbred, quarter horse, or standardbred which shall be paid by the breeder of the horse. The department shall not impose the registration fee more than once on each horse. The amount of the registration fee shall not exceed thirty dollars. The moneys paid to the department from registration fees shall be considered repayment receipts as defined in section 8.2, and shall be used for the administration and enforcement of this subsection.

4. *a.* The department of agriculture and land stewardship shall adopt rules establishing a schedule of registration fees to be imposed on owners of dogs that are whelped and raised for the first six months of their lives in Iowa for purposes of promoting native dogs as provided in this chapter, including section 99D.12 and this section. The amount of the registration fees shall be imposed as follows:

(1) An owner of a dam registering the dam, twenty-five dollars.

(2) An owner of a litter registering the litter, ten dollars.

(3) An owner of a dog registering the dog, five dollars.

*b.* The moneys paid to the department from registration fees as provided in paragraph "*a*" shall be considered repayment receipts as defined in section 8.2, and shall be used for the administration and enforcement of programs for the promotion of native dogs.

5. To qualify for the Iowa horse and dog breeders fund, a dog shall have been whelped in Iowa and raised for the first six months of its life in Iowa in a state inspected licensed facility. In addition, the owner of the dog shall have been a resident of the state for at least two years prior to the whelping. The department of agriculture and land stewardship shall adopt rules and prescribe forms to bring Iowa breeders into compliance with residency requirements of dogs and breeders in this subsection.

83 Acts, ch 187, §22; 84 Acts, ch 1266, §20, 21; 85 Acts, ch 67, §12; 95 Acts, ch 133, §1 – 7; 2001 Acts, ch 129, §2; 2005 Acts, ch 172, §19, 20; 2007 Acts, ch 211, §35; 2011 Acts, ch 111, §8

Referred to in §99D.9, 99D.10, 99D.12, 99D.13

**99D.23 Commission veterinarian and chemist.**

1. The commission shall employ one or more chemists or contract with a qualified chemical laboratory to determine by chemical testing and analysis of saliva, urine, blood, or other excretions or body fluids whether a substance or drug has been introduced which may affect the outcome of a race or whether an action has been taken or a substance or drug has been introduced which may interfere with the testing procedure. The commission shall adopt rules under chapter 17A concerning procedures and actions taken on positive drug reports. The commission may adopt by reference nationally recognized standards as determined by the commission or may adopt any other procedure or standard. The commission has the authority to retain and preserve by freezing, test samples for future analysis.

2. The commission shall employ or contract with one or more veterinarians to extract or procure the saliva, urine, blood, or other excretions or body fluids of the horses or dogs for the chemical testing purposes of this section. A commission veterinarian shall be in attendance at every race meeting held in this state.

3. A chemist or veterinarian who willfully or intentionally fails to perform the functions or duties of employment required by this section shall be banned for life from employment at a race meeting held in this state.

4. The commission veterinarian shall keep a continuing record of all horses determined to be sick, unsafe, unsound, or unfit to race by a commission veterinarian at a racetrack.

83 Acts, ch 187, §23; 88 Acts, ch 1137, §3, 4; 94 Acts, ch 1100, §2; 2004 Acts, ch 1136, §19
Referred to in §99D.9, 99D.10

**99D.24 Prohibited activities — penalty.**

1. A person is guilty of an aggravated misdemeanor for doing any of the following:

*a.* Holding or conducting a race or race meeting where the pari-mutuel system of wagering is used or to be used without a license issued by the commission.

*b.* Holding or conducting a race or race meeting where wagering is permitted other than in the manner specified by section 99D.11.

*c.* Committing any other corrupt or fraudulent practice as defined by the commission in relation to racing which affects or may affect the result of a race.

2. A person knowingly permitting a person under the age of twenty-one years to make a pari-mutuel wager is guilty of a simple misdemeanor.

3. A person wagering or accepting a wager at any location outside the wagering area is subject to the penalties in section 725.7.

4. A person commits a class "D" felony and, in addition, shall be barred for life from racetracks under the jurisdiction of the commission, if the person does any of the following:

*a.* Offers, promises, or gives anything of value or benefit to a person who is connected with racing including, but not limited to, an officer or employee of a licensee, an owner of a horse, a jockey or driver, a trainer, or handler, pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a race, or to influence official action of a member of the commission.

*b.* Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with racing including, but not limited to, an officer or employee of a licensee, an owner of a horse, a jockey or driver, a trainer, or handler, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a race, or to influence official action of a member of the commission.

5. A person commits a class "D" felony and the commission shall suspend or revoke a license held by the person if the person:

*a.* Uses, possesses, or conspires to use or possess a device other than the ordinary whip or spur for the purpose of stimulating or depressing a horse or dog during a race or workout.

*b.* Sponges a horse's or dog's nostrils or windpipe or uses any method, injurious or otherwise, for the purpose of stimulating or depressing a horse or dog or affecting its speed in a race or a workout.

6. A person commits a serious misdemeanor if the person has in the person's possession within the confines of a racetrack, stable, shed, building or grounds, or within the confines of a stable, shed, building or grounds where a horse or dog is kept which is eligible to race over a racetrack licensed under this chapter, an appliance other than the ordinary whip or spur which can be used for the purpose of stimulating or depressing a horse or dog or affecting its speed at any time.

83 Acts, ch 187, §24; 84 Acts, ch 1265, §5; 91 Acts, ch 195, §1; 94 Acts, ch 1021, §5; 2004 Acts, ch 1086, §24; 2005 Acts, ch 19, §31
Referred to in §99D.9

**99D.25 Drugging or numbing — exception — tests — reports — penalties.**

1. As used in this section, unless the context otherwise requires:

*a.* "*Drugging*" means administering to a horse or dog any substance foreign to the natural horse or dog prior to the start of a race. However, in counties with a population of two hundred fifty thousand or more, "*drugging*" does not include administering to a horse the

drugs furosemide and phenylbutazone in accordance with section 99D.25A and rules adopted by the commission.

*b.* *"Numbing"* means the applying of ice or a freezing device or substance to the limbs of a horse or dog within two hours before the start of a race, or a surgical or other procedure which was, at any time, performed in which the nerves of a horse or dog were severed, destroyed, injected, or removed.

*c.* *"Entered"* means that a horse or dog has been registered as a participant in a specified race, and not withdrawn prior to presentation of the horse or dog for inspection and testing.

2. The general assembly finds that the practice of drugging or numbing a horse or dog prior to a race:

*a.* Corrupts the integrity of the sport of racing and promotes criminal fraud in the sport;

*b.* Misleads the wagering public and those desiring to purchase a horse or dog as to the condition and ability of the horse or dog;

*c.* Poses an unreasonable risk of serious injury or death to the rider of a horse and to the riders of other horses competing in the same race; and

*d.* Is cruel and inhumane to the horse or dog so drugged or numbed.

3. The following conduct is prohibited:

*a.* The entering of a horse or dog in a race by the trainer or owner of the horse or dog if the trainer or owner knows or if by the exercise of reasonable care the trainer or owner should know that the horse or dog is drugged or numbed;

*b.* The drugging or numbing of a horse or dog with knowledge or with reason to believe that the horse or dog will compete in a race while so drugged or numbed. However, the commission may by rule establish permissible trace levels of substances foreign to the natural horse or dog that the commission determines to be innocuous;

*c.* The willful failure by the operator of a racing facility to disqualify a horse or dog from competing in a race if the operator has been notified that the horse or dog is drugged or numbed, or was not properly made available for tests or inspections as required by the commission; and

*d.* The willful failure by the operator of a racing facility to prohibit a horse or dog from racing if the operator has been notified that the horse or dog has been suspended from racing.

4. The owners of a horse or dog and their agents and employees shall permit a member of the commission or a person employed or appointed by the commission to make tests as the commission deems proper in order to determine whether a horse or dog has been improperly drugged. The fact that purse money has been distributed prior to the issuance of a test report shall not be deemed a finding that no chemical substance has been administered unlawfully to the horse or dog earning the purse money. The findings of the commission that a horse or dog has been improperly drugged by a narcotic or other drug are prima facie evidence of the fact. The results of the tests shall be kept on file by the commission for at least one year following the tests.

5. Every horse which suffers a breakdown on the racetrack, in training, or in competition, and is destroyed, and every other horse which expires while stabled on the racetrack under the jurisdiction of the commission, shall undergo a postmortem examination by a veterinarian or a veterinary pathologist at a time and place acceptable to the commission veterinarian to determine the injury or sickness which resulted in euthanasia or natural death. Test samples may be obtained from the carcass upon which the postmortem examination is conducted and shall be sent to a laboratory approved by the commission for testing for foreign substances and natural substances at abnormal levels. When practical, blood and urine test samples should be procured prior to euthanasia. The owner of the deceased horse is responsible for payment of any charges due to conduct the postmortem examination. A record of every postmortem shall be filed with the commission by the veterinarian or veterinary pathologist who performed the postmortem within seventy-two hours of the death. Each owner and trainer accepts the responsibility for the postmortem examination provided herein as a requisite for maintaining the occupational license issued by the commission.

6. Any horse which in the opinion of the commission veterinarian has suffered a traumatic injury or disability such that a controlled program of phenylbutazone administration would

not aid in restoring the racing soundness of the horse shall not be allowed to race while medicated with phenylbutazone or with phenylbutazone present in the horse's bodily systems.

7. A person found within or in the immediate vicinity of a security stall who is in possession of unauthorized drugs or hypodermic needles or who is not authorized to possess drugs or hypodermic needles shall, in addition to any other penalties, be barred from entry into any racetrack in Iowa and any occupational license the person holds shall be revoked.

8. Before a horse is allowed to race using phenylbutazone, the veterinarian attending the horse shall certify to the commission the course of treatment followed in administering the phenylbutazone.

9. The commission shall conduct random tests of bodily substances of horses entered to race each day of a race meeting to aid in the detection of any unlawful drugging. The tests may be conducted both prior to and after a race. The commission may also test any horse that breaks down during a race and shall perform an autopsy on any horse that is killed or subsequently destroyed as a result of an accident during a race. When practical, blood and urine test samples should be procured prior to euthanasia.

10. Veterinarians must submit daily to the commission veterinarian on a prescribed form a report of all medications and other substances which the veterinarian prescribed, administered, or dispensed for horses registered at a current race meeting. A logbook detailing other professional services performed while on the grounds of a racetrack shall be kept by veterinarians and shall be made immediately available to the commission veterinarian or the stewards upon request.

11. A person who violates this section is guilty of a class "D" felony.

83 Acts, ch 187, §25; 88 Acts, ch 1137, §5 – 12; 94 Acts, ch 1100, §3, 4; 2004 Acts, ch 1136, §20 – 22, 65; 2007 Acts, ch 48, §1, 7; 2008 Acts, ch 1032, §189

Referred to in §99D.9

**99D.25A Administration of furosemide or phenylbutazone.**

1. As used in this section unless the context otherwise requires:

*a.* "*Bleeder*" means, according to its context, any of the following:

(1) A horse which, during a race or exercise, is observed by the commission veterinarian or a licensed practicing veterinarian to be shedding blood from one or both nostrils and in which no upper airway injury is noted during an examination by the commission veterinarian or a licensed practicing veterinarian immediately following such a race or exercise.

(2) A horse which, within one and one-half hours of such a race or exercise, is observed by the commission veterinarian or a licensed practicing veterinarian, through visual or endoscopic examination, to be shedding blood from the lower airway.

(3) A horse which has been certified as a bleeder in another state.

(4) A horse which has furosemide listed on its most recent past performance.

(5) A horse which, by recommendation of a licensed practicing veterinarian, is prescribed furosemide to control or prevent bleeding from the lungs.

*b.* "*Bleeder list*" means a tabulation of all bleeders maintained by the commission veterinarian.

*c.* "*Detention barn*" means a secured structure designated by the commission.

2. Phenylbutazone shall not be administered to a horse in dosages which would result in concentrations of more than five micrograms of the substance or its metabolites per milliliter of blood.

3. If a horse is to race with phenylbutazone in its system, the trainer, or trainer's designee, shall be responsible for marking the information on the entry blank for each race in which the horse shall use phenylbutazone. Changes made after the time of entry must be submitted on the prescribed form to the commission veterinarian no later than scratch time.

4. If a test detects concentrations of phenylbutazone in the system of a horse in excess of the level permitted in this section, the commission shall assess a civil penalty against the trainer of at least two hundred dollars for the first offense and at least five hundred dollars for a second offense. The penalty for a third or subsequent offense shall be in the discretion of the commission.

5. Furosemide may be administered to certified bleeders. Upon request, any horse placed on the bleeder list shall, in its next race, be permitted the use of furosemide. Once a horse has raced with furosemide, it must continue to race with furosemide in all subsequent races unless a request is made to discontinue the use. If the use of furosemide is discontinued, the horse shall be prohibited from again racing with furosemide unless it is later observed to be bleeding. Requests for the use of or discontinuance of furosemide must be made to the commission veterinarian by the horse's trainer or assistant trainer on a form prescribed by the commission on or before the day of entry into the race for which the request is made.

6. Once a horse has been permitted the use of furosemide, the horse must be treated with furosemide in the horse's stall, unless the commission provides that a horse must be brought to the detention barn for treatment. After the furosemide treatment, the commission, by rule, may authorize the release of the horse from the horse's stall or detention barn before the scheduled post time. If a horse is brought to the detention barn late, the commission shall assess a civil penalty of one hundred dollars against the trainer.

7. A horse entered to race with furosemide must be treated at least four hours prior to post time. The furosemide shall be administered intravenously by a veterinarian employed by the owner or trainer of the horse. The commission shall adopt rules to ensure that furosemide is administered as provided in this section. The commission shall require that the practicing veterinarian deliver an affidavit signed by the veterinarian which certifies information regarding the treatment of the horse. The affidavit must be delivered to a commission veterinarian within twenty minutes following the treatment. The statement must at least include the name of the practicing veterinarian, the tattoo number of the horse, the location of the barn and stall where the treatment occurred, the race number of the horse, the name of the trainer, and the time that the furosemide was administered. Furosemide shall only be administered in a dose level of no less than one hundred fifty milligrams and no more than five hundred milligrams.

8. A person found within or in the immediate vicinity of the detention barn or horse stall who is in possession of unauthorized drugs or hypodermic needles or who is not authorized to possess drugs or hypodermic needles shall, in addition to any other penalties, be barred from entry into any racetrack in Iowa and any occupational license the person holds shall be revoked.

88 Acts, ch 1137, §13; 92 Acts, ch 1203, §11; 94 Acts, ch 1100, §5; 97 Acts, ch 23, §12; 98 Acts, ch 1006, §1, 2; 98 Acts, ch 1217, §10; 2004 Acts, ch 1136, §23; 2007 Acts, ch 48, §2 – 5, 7

Referred to in §99D.25

**99D.26 Forfeiture of property.**

1. Anything of value, including all traceable proceeds including but not limited to real and personal property, moneys, negotiable instruments, securities, and conveyances are subject to forfeiture to the state of Iowa if the item was used for any of the following:

*a.* In exchange for a bribe intended to affect the outcome of a race.

*b.* In exchange for or to facilitate a violation of this chapter.

2. All moneys, coin, and currency found in close proximity of wagers, or of records of wagers are presumed forfeited. The burden of proof is upon the claimant of the property to rebut this presumption.

3. Subsections 1 and 2 do not apply if the act or omission which would give rise to the forfeiture was committed or omitted without the owner's knowledge or consent.

83 Acts, ch 187, §26

**99D.27 Racing dog adoption program.**

A track licensed to race dogs under this chapter shall maintain a racing dog adoption program. The track shall advertise the availability of adoptable dogs in the media, including but not limited to racing programs. The track shall compile a list of persons applying to adopt a dog. A dog's owner or dog's trainer acting with the consent of the owner may participate in the program by placing the dog for adoption. The ownership of the dog shall be transferred from the owner of the dog to the person who is adopting the dog. A dog shall not be transferred to a person for purposes related to racing, breeding, hunting, laboratory

research, or scientific experimentation. A dog shall not be transferred unless the dog has been examined by a veterinarian and found to be free of disease requiring extensive medical treatment. A dog shall not be transferred, until a veterinarian has certified that the dog has been sterilized. The track may transfer a dog to a governmental agency or nonprofit organization without examination or certification. However, other requirements relating to the transfer of a dog to a person by a track under this section apply to the transfer of a dog to a person by the agency or organization. A person violating this section is guilty of a simple misdemeanor.

89 Acts, ch 216, §10; 90 Acts, ch 1155, §1

Referred to in §99D.13, 162.20

**99D.28 Setoff.**

1. A licensee or a person acting on behalf of a licensee shall be provided electronic access to the names of the persons indebted to a claimant agency pursuant to the process established pursuant to section 99D.7, subsection 24. The electronic access provided by the claimant agency shall include access to the names of the debtors, their social security numbers, and any other information that assists the licensee in identifying the debtors. If the name of a debtor provided to the licensee through electronic access is retrieved by the licensee and the winnings are equal to or greater than one thousand two hundred dollars per occurrence, the retrieval of such a name shall constitute a valid lien upon and claim of lien against the winnings of the debtor whose name is electronically retrieved from the claimant agency. If a debtor's winnings are equal to or greater than one thousand two hundred dollars per occurrence, the full amount of the debt shall be collectible from any winnings due the debtor without regard to limitations on the amounts that may be collectible in increments through setoff or other proceedings.

2. The licensee is authorized and directed to withhold any winnings of a debtor which are paid out directly by the licensee subject to the lien created by this section and provide notice of such withholding to the winner when the winner appears and claims winnings in person. The licensee shall pay the funds over to the collection entity which administers the setoff program pursuant to section 8A.504.

3. Notwithstanding any other provision of law to the contrary, the licensee may provide to a claimant agency all information necessary to accomplish and effectuate the intent of this section, and likewise the claimant agency may provide all information necessary to accomplish and effectuate the intent of this section.

4. The information obtained by a claimant agency from the licensee in accordance with this section shall retain its confidentiality and shall only be used by a claimant agency in the pursuit of its debt collection duties and practices. An employee or prior employee of a claimant agency who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the claimant agency.

5. The information obtained by a licensee from a claimant agency in accordance with this section shall retain its confidentiality and only be used by the licensee in the pursuit of debt collection duties and practices. An employee or prior employee of a licensee who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the same penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the licensee.

6. Except as otherwise provided in this chapter, attachments, setoffs, or executions authorized and issued pursuant to law shall be withheld if timely served upon the licensee.

7. A claimant agency or licensee, acting in good faith, shall not be liable to any person for actions taken pursuant to this section.

2008 Acts, ch 1172, §3; 2010 Acts, ch 1031, §171, 172

# CHAPTER 99E

## IOWA LOTTERY

Repealed by 2003 Acts, ch 178, §119, 121; 2003 Acts, ch 179, §142; see chapter 99G

# CHAPTER 99F

## GAMBLING BOAT, GAMBLING STRUCTURE, AND RACETRACK REGULATION

Referred to in §15E.311, 15J.2, 21.2, 80.25A, 80.26, 99B.6, 99B.15, 99D.7, 99D.14, 99G.3, 123.30, 123.49, 142D.4, 232C.4, 422.16, 533C.103, 537A.4, 714B.10, 725.13, 725.15


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**99F.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Adjusted gross receipts"* means the gross receipts less winnings paid to wagerers.

2. *"Applicant"* means any person applying for an occupational license or applying for a license to operate an excursion gambling boat, or the officers and members of the board of directors of a qualified sponsoring organization located in Iowa applying for a license to conduct gambling games on an excursion gambling boat.

3. *"Cheat"* means to alter the selection of criteria which determine the result of a gambling game or the amount or frequency of payment in a gambling game.

4. *"Claimant agency"* means a state agency as defined in section 8A.504, subsection 1, or the state court administrator as defined in section 602.1101.

5. *"Commission"* means the state racing and gaming commission created under section 99D.5.

6. *"Distributor"* means a person who sells, markets, or otherwise distributes gambling games or implements of gambling which are usable in the lawful conduct of gambling games pursuant to this chapter, to a licensee authorized to conduct gambling games pursuant to this chapter.

7. *"Division"* means the division of criminal investigation of the department of public safety as provided in section 80.17.

8. *"Dock"* means the location where an excursion gambling boat moors for the purpose of embarking passengers for and disembarking passengers from a gambling excursion.

9. *"Excursion boat"* means a self-propelled, floating vessel that is or has been previously certified for operation as a vessel.

10. *"Excursion gambling boat"* means an excursion boat or moored barge on which lawful gambling is authorized and licensed as provided in this chapter.

11. *"Gambling excursion"* means the time during which gambling games may be operated on an excursion gambling boat whether docked or during a cruise.

12. *"Gambling game"* means any game of chance authorized by the commission. However, for racetrack enclosures, *"gambling game"* does not include table games of chance or video machines which simulate table games of chance, unless otherwise authorized by this chapter. *"Gambling game"* does not include sports betting.

13. *"Gambling structure"* means any man-made stationary structure approved by the commission that does not include a racetrack enclosure which is subject to land-based building codes rather than maritime or Iowa department of natural resources inspection laws and regulations on which lawful gambling is authorized and licensed as provided in this chapter.

14. *"Gaming floor"* means that portion of an excursion gambling boat, gambling structure, or racetrack enclosure in which gambling games are conducted as designated by the commission.

15. *"Gross receipts"* means the total sums wagered under this chapter.

16. *"Holder of occupational license"* means a person licensed by the commission to perform an occupation which the commission has identified as requiring a license to engage in the excursion gambling boat industry in Iowa.

17. *"Licensee"* means any person licensed under section 99F.7.

18. *"Manufacturer"* means a person who designs, assembles, fabricates, produces, constructs, or who otherwise prepares a product or a component part of a product of any implement of gambling usable in the lawful conduct of gambling games pursuant to this chapter.

19. *"Moored barge"* means a barge or vessel that is not self-propelled.

20. *"Qualified sponsoring organization"* means a nonprofit corporation organized under the laws of this state, whether or not it is exempt from federal income taxation, or a person or association that can show to the satisfaction of the commission that the person or association is eligible for exemption from federal income taxation under section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue Code as defined in section 422.3.

21. *"Racetrack enclosure"* means all real property utilized for the conduct of a race meeting, including the racetrack, grandstand, concession stands, offices, barns, kennels and barn areas, employee housing facilities, parking lots, and any additional areas designated by the commission.

89 Acts, ch 67, §1; 92 Acts, ch 1203, §14; 94 Acts, ch 1021, §7 – 9; 95 Acts, ch 176, §2; 97 Acts, ch 9, §3; 2003 Acts, ch 44, §34; 2004 Acts, ch 1136, §24 – 30, 65; 2007 Acts, ch 188, §5, 6; 2008 Acts, ch 1172, §4

**99F.2 Scope of provisions.**

This chapter does not apply to the pari-mutuel system of wagering used or intended to be used in connection with the horse-race or dog-race meetings as authorized under chapter 99D, lottery or lotto games authorized under chapter 99G, or bingo or games of skill or chance authorized under chapter 99B.

89 Acts, ch 67, §2; 2003 Acts, ch 178, §106, 121; 2003 Acts, ch 179, §142

**99F.3 Gambling games authorized.**

The system of wagering on a gambling game as provided by this chapter is legal, when conducted on an excursion gambling boat, gambling structure, or racetrack enclosure at authorized locations by a licensee as provided in this chapter.

89 Acts, ch 67, §3; 2007 Acts, ch 188, §7

**99F.4 Powers.**

The commission shall have full jurisdiction over and shall supervise all gambling operations governed by this chapter. The commission shall have the following powers and shall adopt rules pursuant to chapter 17A to implement this chapter:

1. To investigate applicants and determine the eligibility of applicants for a license and to select among competing applicants for a license the applicant which best serves the interests of the citizens of Iowa.

2. To license qualified sponsoring organizations, to license the operators of excursion gambling boats, to identify occupations within the excursion gambling boat operations which require licensing, and to adopt standards for licensing the occupations including establishing fees for the occupational licenses and licenses for qualified sponsoring organizations. The fees shall be paid to the commission and deposited in the general fund of the state. All revenue received by the commission under this chapter from license fees and regulatory fees shall be deposited in the general fund of the state and shall be subject to the requirements of section 8.60.

3. To adopt standards under which all excursion gambling boat operations shall be held and standards for the facilities within which the gambling operations are to be held. The commission may authorize the operation of gambling games on an excursion gambling boat which is also licensed to sell or serve alcoholic beverages, wine, or beer as defined in section 123.3.

4. To license the licensee of a pari-mutuel dog or horse racetrack enclosure subject to the provisions of this chapter and rules adopted pursuant to this chapter relating to gambling except as otherwise provided in section 99F.4A.

5. To enter the office, excursion gambling boat, facilities, or other places of business of a licensee to determine compliance with this chapter.

6. To investigate alleged violations of this chapter or the commission rules, orders, or final decisions and to take appropriate disciplinary action against a licensee or a holder of an occupational license for a violation, or institute appropriate legal action for enforcement, or both. Information gathered during an investigation is confidential during the pendency of the investigation.

7. To require a licensee, an employee of a licensee or holder of an occupational license to remove a person violating a provision of this chapter or the commission rules, orders, or final orders, or other person deemed to be undesirable, from the excursion gambling boat facilities.

8. To require the removal of a licensee, an employee of a licensee, or a holder of an occupational license for a violation of this chapter or a commission rule or engaging in a fraudulent practice.

9. To require a licensee to file an annual balance sheet and profit and loss statement pertaining to the licensee's gambling activities in this state, together with a list of the stockholders or other persons having any beneficial interest in the gambling activities of each licensee.

10. To issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other pertinent documents in accordance with chapter 17A, and to administer oaths and affirmations to the witnesses, when, in the judgment of the commission, it is necessary to enforce this chapter or the commission rules.

11. To keep accurate and complete records of its proceedings and to certify the records as may be appropriate.

12. To assess a fine and revoke or suspend licenses.

13. To take any other action as may be reasonable or appropriate to enforce this chapter and the commission rules.

14. To require all licensees of gambling game operations to utilize a cashless wagering system whereby all players' money is converted to tokens, electronic cards, or chips which only can be used for wagering on the excursion gambling boat.

15. To determine the payouts from the gambling games authorized under this chapter. In making the determination of payouts, the commission shall consider factors that provide

gambling and entertainment opportunities which are beneficial to the gambling licensees and the general public.

16. To set the payout rate for all slot machines.

17. To define the excursion season and the duration of an excursion. While an excursion gambling boat is docked, passengers may embark or disembark at any time during its business hours.

18. To provide for the continuous recording of all gambling activities on an excursion gambling boat. The recording shall be performed under guidelines set by rule of the division of criminal investigation and the rules may require that all or part of the original recordings be submitted to the division on a timely schedule.

19. To provide for adequate security aboard each excursion gambling boat.

20. Drug testing, as permitted by section 730.5, shall be required periodically, not less than every sixty days, of persons employed as captains, pilots, or physical operators of excursion gambling boats under the provisions of this chapter.

21. To provide that a licensee prominently display at each gambling facility the annual percentage rate of state and local tax revenue collected by state and local government from the gambling facility annually.

22. To require licensees to establish a process to allow a person to be voluntarily excluded for life from an excursion gambling boat and all other licensed facilities under this chapter and chapter 99D. The process established shall require that a licensee disseminate information regarding persons voluntarily excluded to all licensees under this chapter and chapter 99D. The state and any licensee under this chapter or chapter 99D shall not be liable to any person for any claim which may arise from this process. In addition to any other penalty provided by law, any money or thing of value that has been obtained by, or is owed to, a voluntarily excluded person by a licensee as a result of wagers made by the person after the person has been voluntarily excluded shall not be paid to the person but shall be credited to the general fund of the state.

23. To approve a licensee's application to operate as a moored barge, an excursion boat that will cruise, or an excursion boat that will not cruise, as submitted pursuant to section 99F.7.

24. To conduct a socioeconomic study on the impact of gambling on Iowans, every eight years beginning in calendar year 2013, and issue a report on that study. The commission shall ensure that the results of each study are readily accessible to the public.

25. To license the licensee of a gambling structure subject to the provisions of this chapter and rules adopted pursuant to this chapter relating to gambling and as provided in section 99F.4D.

26. To require licensees to establish a process with the state for licensees to have electronic access to names and social security numbers of debtors of claimant agencies through a secured interactive internet site maintained by the state.

89 Acts, ch 67, §4; 89 Acts, ch 139, §1; 91 Acts, ch 260, §1207; 93 Acts, ch 131, §4; 94 Acts, ch 1021, §10 – 12; 94 Acts, ch 1107, §35; 2000 Acts, ch 1231, §37; 2004 Acts, ch 1136, §31 – 35; 2007 Acts, ch 188, §8; 2007 Acts, ch 215, §86; 2008 Acts, ch 1172, §5; 2009 Acts, ch 182, §103; 2013 Acts, ch 90, §257

Referred to in §99F.10, 99F.17, 99F.19

Code editor directive applied

**99F.4A Gambling games at pari-mutuel racetracks — fees and taxes.**

1. Upon application, the commission shall license the licensee of a pari-mutuel dog or horse racetrack to operate gambling games at a pari-mutuel racetrack enclosure subject to the provisions of this chapter and rules adopted pursuant to this chapter relating to gambling except as otherwise provided in this section.

2. A license to operate gambling games shall be issued only to a licensee holding a valid license to conduct pari-mutuel dog or horse racing pursuant to chapter 99D on January 1, 1994.

3. A person holding a valid license pursuant to chapter 99D to conduct pari-mutuel wagering at a dog or horse racetrack is exempt from further investigation and examination

for licensing to operate a gambling game pursuant to this chapter. However, the commission may order future investigations or examinations as the commission finds appropriate.

4. The regulatory fee imposed in section 99D.14, subsection 2, shall be collected from a licensee of a racetrack enclosure where gambling games are licensed to operate in lieu of the regulatory fee imposed in section 99F.10.

5. In lieu of the annual license fee specified in section 99F.5, the annual license fee for operating gambling games at a pari-mutuel racetrack shall be one thousand dollars.

6. The adjusted gross receipts received from gambling games shall be taxed at the same rates and the proceeds distributed in the same manner as provided in section 99F.11.

7. A licensee shall keep its books and records regarding the operation of gambling games in compliance with section 99F.12, as applicable.

8. *a.* The commission shall, upon the immediate payment of the applicable table games license fee and submission to the commission by June 1, 2005, of an application by a licensee of a pari-mutuel dog or horse racetrack licensed to conduct gambling games at a pari-mutuel racetrack enclosure, issue a license to the licensee to conduct table games of chance, including video machines that simulate table games of chance, at the pari-mutuel racetrack enclosure subject to the requirements of this subsection. However, a table games license may only be issued to a licensee required to pay a table games license fee of three million dollars under this subsection if the licensee, and all other licensees of an excursion gambling boat in that county, file an agreement with the commission authorizing the granting of a table games license under this subsection and permitting all licensees of an excursion gambling boat to operate a moored barge as of a specific date. The licensee shall be granted a table games license by the commission upon payment of the applicable license fee to the commission which table games license fee may be offset by the licensee against taxes imposed on the licensee by section 99F.11, to the extent of twenty percent of the table games license fee paid pursuant to this subsection for each of five consecutive fiscal years beginning with the fiscal year beginning July 1, 2008. Fees paid pursuant to this subsection are not refundable to the licensee. A licensee shall not be required to pay a fee to renew a table games license issued pursuant to this subsection. Moneys collected by the commission from a table games license fee paid under this subsection shall be deposited in the rebuild Iowa infrastructure fund created in section 8.57.

*b.* For purposes of this subsection, the applicable license fee for a licensee shall be three million dollars if the adjusted gross receipts from gambling games for the licensee in the previous fiscal year was less than one hundred million dollars, and shall be ten million dollars if the adjusted gross receipts from gambling games for the licensee in the previous fiscal year was one hundred million dollars or more.

94 Acts, ch 1021, §13; 2000 Acts, ch 1229, §19; 2002 Acts, 2nd Ex, ch 1003, §168, 172; 2004 Acts, ch 1136, §36, 37, 65; 2008 Acts, ch 1032, §201; 2011 Acts, ch 111, §10, 13, 14

Referred to in §99F.4, 99F.6

**99F.4B Rules.**

The department of inspections and appeals shall cooperate to the maximum extent possible with the division of criminal investigation in adopting rules relating to the gaming operations in this chapter and chapter 99D.

94 Acts, ch 1199, §46

**99F.4C Gambling games prohibition area.**

1. Notwithstanding any provision of this chapter or chapter 99D to the contrary, the commission shall not grant a license to conduct gambling games to a facility to be located in the applicable area as described in this section.

2. For purposes of this section, the *"applicable area"* means that portion of the city of Des Moines in Polk county bounded by a line commencing at the point East Euclid avenue intersects East Fourteenth street, then proceeding south along East Fourteenth street and Southeast Fourteenth street until it intersects Park avenue, then proceeding west along Park avenue until it intersects Fleur drive, then proceeding north along Fleur drive until it intersects Eighteenth street, then proceeding north along Eighteenth street until it intersects

Ingersoll avenue, then proceeding west along Ingersoll avenue until it intersects Martin Luther King Jr. parkway, then proceeding northerly along Martin Luther King Jr. parkway until it intersects Euclid avenue, then proceeding east along Euclid avenue and East Euclid avenue to the point of origin. For purposes of this section, such reference to a street or other boundary means such street or boundary as it was delineated on the official Pub. L. No. 94-171 census maps used for redistricting following the 2000 United States decennial census.

2004 Acts, ch 1136, §38; 2005 Acts, ch 3, §28

**99F.4D Gambling games at gambling structures — requirements — licensing.**

1. Unless otherwise provided by this chapter, the provisions of this chapter applicable to an excursion gambling boat shall also apply to a gambling structure.

2. A licensee authorized to conduct gambling games on an excursion boat may convert the license to authorize the conducting of gambling games on a gambling structure with the approval of the commission. In addition, a licensee authorized to conduct gambling games on a moored barge may elect to have the license treated to allow the conducting of gambling games on a gambling structure with the approval of the commission.

2007 Acts, ch 188, §9

Referred to in §99F.4

**99F.5 License to conduct gambling games on excursion gambling boats and at gambling structures — license to operate boat — applications — operating agreements — fee.**

1. A qualified sponsoring organization may apply to the commission for a license to conduct gambling games on an excursion gambling boat or gambling structure as provided in this chapter. A person may apply to the commission for a license to operate an excursion gambling boat. An operating agreement entered into on or after May 6, 2004, between a qualified sponsoring organization and an operator of an excursion gambling boat or gambling structure shall provide for a minimum distribution by the qualified sponsoring organization for educational, civic, public, charitable, patriotic, or religious uses as defined in section 99B.7, subsection 3, paragraph *"b"*, that averages at least three percent of the adjusted gross receipts for each license year. The application shall be filed with the administrator of the commission at least ninety days before the first day of the next excursion season as determined by the commission, shall identify the excursion gambling boat upon which gambling games will be authorized, shall specify the exact location where the excursion gambling boat will be docked, and shall be in a form and contain information as the commission prescribes. The minimum capacity of an excursion gambling boat or gambling structure is two hundred fifty persons.

2. The annual license fee to operate an excursion gambling boat shall be based on the passenger-carrying capacity including crew, for which the excursion gambling boat is registered. For a gambling structure, the annual license fee shall be based on the capacity of the gambling structure. The annual fee shall be five dollars per person capacity.

89 Acts, ch 67, §5; 94 Acts, ch 1021, §14; 2004 Acts, ch 1136, §39, 65; 2007 Acts, ch 188, §10

Referred to in §99F.4A

**99F.6 Requirements of applicant — fee — penalty.**

1. A person shall not be issued a license to conduct gambling games on an excursion gambling boat or a license to operate an excursion gambling boat under this chapter, an occupational license, a distributor license, or a manufacturer license unless the person has completed and signed an application on the form prescribed and published by the commission. The application shall include the full name, residence, date of birth and other personal identifying information of the applicant that the commission deems necessary. The application shall also indicate whether the applicant has any of the following:

*a.* A record of conviction of a felony.

*b.* An addiction to alcohol or a controlled substance.

*c.* A history of mental illness.

2. An applicant shall submit pictures, fingerprints, and descriptions of physical characteristics to the commission in the manner prescribed on the application forms. The fingerprints may be submitted to the federal bureau of investigation by the department of

public safety through the state criminal history repository for the purpose of a national criminal history check.

3. The commission shall charge the applicant a fee set by the department of public safety, division of criminal investigation, to defray the costs associated with the search and classification of fingerprints required in subsection 2 and background investigations conducted by agents of the division of criminal investigation. This fee is in addition to any other license fee charged by the commission.

4. *a.* (1) Before a license is granted, the division of criminal investigation of the department of public safety shall conduct a thorough background investigation of the applicant for a license to operate a gambling game operation on an excursion gambling boat. The applicant shall provide information on a form as required by the division of criminal investigation.

(2) A qualified sponsoring organization licensed to operate gambling games under this chapter shall distribute the receipts of all gambling games, less reasonable expenses, charges, taxes, fees, and deductions allowed under this chapter, as winnings to players or participants or shall distribute the receipts for educational, civic, public, charitable, patriotic, or religious uses as defined in section 99B.7, subsection 3, paragraph *"b"*. However, a licensee to conduct gambling games under this chapter shall, unless an operating agreement for an excursion gambling boat otherwise provides, distribute at least three percent of the adjusted gross receipts for each license year for educational, civic, public, charitable, patriotic, or religious uses as defined in section 99B.7, subsection 3, paragraph *"b"*. However, if a licensee who is also licensed to conduct pari-mutuel wagering at a horse racetrack has unpaid debt from the pari-mutuel racetrack operations, the first receipts of the gambling games operated within the racetrack enclosure less reasonable operating expenses, taxes, and fees allowed under this chapter shall be first used to pay the annual indebtedness.

(3) The commission shall authorize, subject to the debt payments for horse racetracks and the provisions of paragraph *"b"* for dog racetracks, a licensee who is also licensed to conduct pari-mutuel dog or horse racing to use receipts from gambling games within the racetrack enclosure to supplement purses for races particularly for Iowa-bred horses pursuant to an agreement which shall be negotiated between the licensee and representatives of the dog or horse owners. For agreements subject to commission approval concerning purses for horse racing beginning on or after January 1, 2006, the agreements shall provide that total annual purses for all horse racing shall be no less than eleven percent of the first two hundred million dollars of net receipts, and six percent of net receipts above two hundred million dollars. In addition, live standardbred horse racing shall not be conducted at the horse racetrack in Polk county, but the purse moneys designated for standardbred racing pursuant to section 99D.7, subsection 5, paragraph *"b"*, shall be included in calculating the total annual purses required to be paid pursuant to this subsection. Agreements that are subject to commission approval concerning horse purses for a period of time beginning on or after January 1, 2006, shall be jointly submitted to the commission for approval.

(4) A qualified sponsoring organization shall not make a contribution to a candidate, political committee, candidate's committee, state statutory political committee, county statutory political committee, national political party, or fund-raising event as these terms are defined in section 68A.102. The membership of the board of directors of a qualified sponsoring organization shall represent a broad interest of the communities.

(5) For purposes of this paragraph, *"net receipts"* means the annual adjusted gross receipts from all gambling games less the annual amount of money pledged by the owner of the facility to fund a project approved to receive vision Iowa funds as of July 1, 2004.

*b.* The commission shall authorize the licensees of pari-mutuel dog racetracks located in Dubuque county and Black Hawk county to conduct gambling games as provided in section 99F.4A if the licensees schedule at least one hundred thirty performances of twelve live races each day during a season of twenty-five weeks. For the pari-mutuel dog racetrack located in Pottawattamie county, the commission shall authorize the licensee to conduct gambling games as provided in section 99F.4A if the licensee schedules at least two hundred ninety performances of twelve live races each day during a season of fifty weeks. The commission shall approve an annual contract to be negotiated between the annual recipient of the dog

racing promotion fund and each dog racetrack licensee to specify the percentage or amount of gambling game proceeds which shall be dedicated to supplement the purses of live dog races. The parties shall agree to a negotiation timetable to insure no interruption of business activity. If the parties fail to agree, the commission shall impose a timetable. If the two parties cannot reach agreement, each party shall select a representative and the two representatives shall select a third person to assist in negotiating an agreement. The two representatives may select the commission or one of its members to serve as the third party. Alternately, each party shall submit the name of the proposed third person to the commission who shall then select one of the two persons to serve as the third party. All parties to the negotiations, including the commission, shall consider that the dog racetracks were built to facilitate the development and promotion of Iowa greyhound racing dogs in this state and shall negotiate and decide accordingly.

5. Before a license is granted, an operator of an excursion gambling boat shall work with the economic development authority to promote tourism throughout Iowa. Tourism information from local civic and private persons may be submitted for dissemination.

6. A person who knowingly makes a false statement on the application is guilty of an aggravated misdemeanor.

7. For the purposes of this section, applicant includes each member of the board of directors of a qualified sponsoring organization.

8. *a.* The licensee or a holder of an occupational license shall consent to the search, without a warrant, by agents of the division of criminal investigation of the department of public safety or commission employees designated by the administrator of the commission, of the licensee's or holder's person, personal property, and effects, and premises which are located on the excursion gambling boat or adjacent facilities under control of the licensee, in order to inspect or investigate for violations of this chapter or rules adopted by the commission pursuant to this chapter. The department or commission may also obtain administrative search warrants under section 808.14.

*b.* However, this subsection shall not be construed to permit a warrantless inspection of living quarters or sleeping rooms on the riverboat if all of the following are true:

(1) The licensee has specifically identified those areas which are to be used as living quarters or sleeping rooms in writing to the commission.

(2) Gaming is not permitted in the living quarters or sleeping rooms, and devices, records, or other items relating to the licensee's gaming operations are not stored, kept, or maintained in the living quarters or sleeping rooms.

(3) Alcoholic beverages are not stored, kept, or maintained in the living quarters or sleeping rooms except those legally possessed by the individual occupying the quarters or room.

*c.* The commission shall adopt rules to enforce this subsection.

89 Acts, ch 67, §6; 89 Acts, ch 231, §33; 94 Acts, ch 1021, §15; 95 Acts, ch 176, §3; 2002 Acts, ch 1044, §10, 11; 2003 Acts, ch 108, §32; 2004 Acts, ch 1136, §40; 2005 Acts, ch 35, §31; 2007 Acts, ch 48, §6, 7; 2011 Acts, ch 111, §9; 2011 Acts, ch 118, §85, 89

**99F.7 Licenses — terms and conditions — revocation.**

1. If the commission is satisfied that this chapter and its rules adopted under this chapter applicable to licensees have been or will be complied with, the commission shall issue a license for a period of not more than three years to an applicant to own a gambling game operation, to an applicant to operate a gambling structure, and to an applicant to operate an excursion gambling boat. The commission shall decide which of the gambling games authorized under this chapter the commission will permit. The commission shall decide the number, location, and type of gambling structures and excursion gambling boats licensed under this chapter. The commission shall allow the operation of an excursion boat or moored barge on or within one thousand feet of the high water marks of the rivers, lakes, and reservoirs of this state as established by the commission in consultation with the United States army corps of engineers, the department of natural resources, or other appropriate regulatory agency. The license shall set forth, as applicable, the name of the licensee, the type of license granted, the location of the gambling structure or the place where the

excursion gambling boats will operate and dock, and the time and number of days during the excursion season and the off season when gambling may be conducted by the licensee.

2. *a.* An applicant for a license to conduct gambling games on an excursion gambling boat, and each licensee by June 30 of each year thereafter, shall indicate and have noted on the license whether the applicant or licensee will operate a moored barge, an excursion boat that will cruise, or an excursion boat that will not cruise subject to the requirements of this subsection. If the applicant or licensee will operate a moored barge or an excursion boat that will not cruise, the requirements of this chapter concerning cruising shall not apply. If the applicant's or licensee's excursion boat will cruise, the applicant or licensee shall comply with the cruising requirements of this chapter and the commission shall not allow such a licensee to conduct gambling games on an excursion gambling boat while docked during the off season if the licensee does not operate gambling excursions for a minimum number of days during the excursion season. The commission may delay the commencement of the excursion season at the request of a licensee.

*b.* However, an applicant or licensee of an excursion gambling boat that is located in the same county as a racetrack enclosure conducting gambling games shall not be allowed to operate a moored barge unless either of the following applies:

(1) If the licensee is located in the same county as a racetrack enclosure conducting gambling games that had less than one hundred million dollars in adjusted gross receipts from gambling games for the fiscal year beginning July 1, 2003, the licensee of an excursion gambling boat is authorized to operate a moored barge if the licensee, the licensee of the racetrack enclosure, and all other licensees of an excursion gambling boat in that county file an agreement with the commission agreeing to the granting of a table games license under this chapter and permitting all licensees of an excursion gambling boat in the county to operate a moored barge as of a specific date.

(2) If the licensee is located in the same county as a racetrack enclosure conducting gambling games that had one hundred million dollars or more in adjusted gross receipts from gambling games for the fiscal year beginning July 1, 2003, the licensee of an excursion gambling boat is authorized to operate a moored barge the earlier of July 1, 2007, or the date any form of gambling games, as defined in this chapter, is operational in any state that is contiguous to the county where the licensee is located.

*c.* A person awarded a new license to conduct gambling games on an excursion gambling boat or gambling structure in the same county as another licensed excursion gambling boat or gambling structure shall only be licensed to operate an excursion gambling boat or gambling structure that is located at a similarly situated site and operated as a substantially similar facility as any other excursion gambling boat or gambling structure in the county.

3. A license shall only be granted to an applicant upon the express conditions that:

*a.* The applicant shall not, by a lease, contract, understanding, or arrangement of any kind, grant, assign, or turn over to a person the operation of an excursion gambling boat licensed under this section or of the system of wagering described in section 99F.9. This section does not prohibit a management contract approved by the commission.

*b.* The applicant shall not in any manner permit a person other than the licensee to have a share, percentage, or proportion of the money received for admissions to the excursion gambling boat.

4. The commission shall require, as a condition of granting a license, that an applicant to operate an excursion gambling boat develop and, as nearly as practicable, re-create boats or moored barges that resemble Iowa's riverboat history.

5. The commission shall require that an applicant utilize Iowa resources, goods and services in the operation of an excursion gambling boat. The commission shall develop standards to assure that a substantial amount of all resources and goods used in the operation of an excursion gambling boat emanate from and are made in Iowa and that a substantial amount of all services and entertainment are provided by Iowans.

6. The commission shall, as a condition of granting a license, require an applicant to provide written documentation that, on each excursion gambling boat:

*a.* An applicant shall make every effort to ensure that a substantial number of the staff and entertainers employed are residents of Iowa.

*b.* A section is reserved for promotion and sale of arts, crafts, and gifts native to and made in Iowa.

7. It is the intent of the general assembly that employees be paid at least twenty-five percent above the federal minimum wage level.

8. A license shall not be granted if there is substantial evidence that any of the following apply:

*a.* The applicant has been suspended from operating a game of chance or gambling operation in another jurisdiction by a board or commission of that jurisdiction.

*b.* The applicant has not demonstrated financial responsibility sufficient to meet adequately the requirements of the enterprise proposed.

*c.* The applicant is not the true owner of the enterprise proposed.

*d.* The applicant is not the sole owner, and other persons have ownership in the enterprise, which fact has not been disclosed.

*e.* The applicant is a corporation and ten percent of the stock of the corporation is subject to a contract or option to purchase at any time during the period for which the license is to be issued unless the contract or option was disclosed to the commission and the commission approved the sale or transfer during the period of the license.

*f.* The applicant has knowingly made a false statement of a material fact to the commission.

*g.* The applicant has failed to meet a monetary obligation in connection with an excursion gambling boat.

9. A license shall not be granted if there is substantial evidence that the applicant is not of good repute and moral character or if the applicant has pled guilty to, or has been convicted of, a felony.

10. *a.* A licensee shall not loan to any person money or any other thing of value for the purpose of permitting that person to wager on any game of chance.

*b.* A licensee shall not permit a financial institution, vendor, or other person to dispense cash or credit through an electronic or mechanical device including but not limited to a satellite terminal, as defined in section 527.2, that is located on the gaming floor.

*c.* When technologically available, a licensee shall ensure that a person may voluntarily bar the person's access to receive cash or credit from a financial institution, vendor, or other person through an electronic or mechanical device including but not limited to a satellite terminal as defined in section 527.2 that is located on the licensed premises.

11. *a.* A license to conduct gambling games in a county shall be issued only if the county electorate approves the conduct of the gambling games as provided in this subsection. The board of supervisors, upon receipt of a valid petition meeting the requirements of section 331.306, and subject to the requirements of paragraph "*e*", shall direct the commissioner of elections to submit to the registered voters of the county a proposition to approve or disapprove the conduct of gambling games in the county. The proposition shall be submitted at an election held on a date specified in section 39.2, subsection 4, paragraph "*a*". To be submitted at a general election, the petition must be received by the board of supervisors at least five working days before the last day for candidates for county offices to file nomination papers for the general election pursuant to section 44.4. If a majority of the county voters voting on the proposition favor the conduct of gambling games, the commission may issue one or more licenses as provided in this chapter. If a majority of the county voters voting on the proposition do not favor the conduct of gambling games, a license to conduct gambling games in the county shall not be issued.

*b.* If a license to conduct gambling games is in effect pursuant to a referendum as set forth in this section and is subsequently disapproved by a referendum of the county electorate, the license issued by the commission after a referendum approving gambling games shall remain valid and is subject to renewal for a total of nine years from the date of original issue or one year from the date of the referendum disapproving the conduct of gambling games, whichever is later, unless the commission revokes a license at an earlier date as provided in this chapter.

*c.* If a licensee of a pari-mutuel racetrack who held a valid license issued under chapter 99D as of January 1, 1994, requests a license to operate gambling games as provided in

this chapter, the board of supervisors of a county in which the licensee of a pari-mutuel racetrack requests a license to operate gambling games shall submit to the county electorate a proposition to approve or disapprove the operation of gambling games at pari-mutuel racetracks at an election held on a date specified in section 39.2, subsection 4, paragraph "*a*". If the operation of gambling games at the pari-mutuel racetrack is not approved by a majority of the county electorate voting on the proposition at the election, the commission shall not issue a license to operate gambling games at the racetrack.

*d.* If the proposition to operate gambling games is approved by a majority of the county electorate voting on the proposition, the board of supervisors shall submit a proposition requiring the approval or defeat of gambling games to the county electorate as provided in paragraph "*e*", unless the operation of gambling games is terminated earlier as provided in this chapter or chapter 99D. However, if a proposition to operate gambling games is approved by a majority of the county electorate voting on the proposition in two successive elections, a subsequent submission and approval of a proposition under this subsection shall not thereafter be required to authorize the conduct of gambling games pursuant to this chapter.

*e.* After a referendum has been held which approved or defeated a proposal to conduct gambling games as provided in this section, another referendum on a proposal to conduct gambling games shall not be held until the eighth calendar year thereafter.

12. If a docking fee is charged by a city or a county, a licensee operating an excursion gambling boat shall pay the docking fee one year in advance.

13. A licensee shall not be delinquent in the payment of property taxes or other taxes or fees or in the payment of any other contractual obligation or debt due or owed to a city or county.

14. When applicable, an excursion gambling boat operated on inland waters of this state or an excursion boat that has been removed from navigation and is designated as a permanently moored vessel by the United States coast guard shall be subject to the exclusive jurisdiction of the department of natural resources and meet all of the requirements of chapter 462A and is further subject to an inspection of its sanitary facilities to protect the environment and water quality before a certificate of registration is issued by the department of natural resources or a license is issued or renewed under this chapter.

15. If a licensed excursion boat stops at more than one harbor and travels past a county without stopping at any port in that county, the commission shall require the excursion boat operator to develop a schedule for ports of call that have the necessary facilities to handle the boat. The commission may limit the schedule to only one port of call per county.

16. Upon a violation of any of the conditions listed in this section, the commission shall immediately revoke the license.

17. The commission shall require each licensee operating gambling games to post in conspicuous locations specified by the commission the average percentage payout from the gambling machines.

89 Acts, ch 67, §7; 89 Acts, ch 139, §2 – 5; 92 Acts, ch 1203, §15, 16; 93 Acts, ch 143, §42; 94 Acts, ch 1021, §16 – 18; 95 Acts, ch 49, §2; 95 Acts, ch 176, §4, 5; 2004 Acts, ch 1136, §41 – 47, 65; 2004 Acts, ch 1175, §328; 2007 Acts, ch 188, §11, 12; 2008 Acts, ch 1115, §30, 71; 2011 Acts, ch 111, §11 – 14

Referred to in §99F.1, 99F.4, 99F.8, 99F.10

2011 amendments to subsection 11 take effect May 26, 2011, and apply retroactively to elections occurring on or after January 1, 1994; 2011 Acts, ch 111, §13, 14

**99F.8 Bond of licensee.**

A licensee licensed under section 99F.7 shall post a bond to the state of Iowa before the license is issued in a sum as the commission shall fix, with sureties to be approved by the commission. The bond shall be used to guarantee that the licensee faithfully makes the payments, keeps its books and records and makes reports, and conducts its gambling games in conformity with this chapter and the rules adopted by the commission. The bond shall not be canceled by a surety on less than thirty days' notice in writing to the commission. If a bond is canceled and the licensee fails to file a new bond with the commission in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked.

The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

89 Acts, ch 67, §8

**99F.9 Wagering — age restrictions.**

1. Except as permitted in this section, the licensee shall permit no form of wagering on gambling games.

2. Reserved.

3. The licensee may receive wagers only from a person present on a licensed excursion gambling boat, licensed gambling structure, or in a licensed racetrack enclosure.

4. The licensee shall exchange the money of each wagerer for tokens, chips, or other forms of credit to be wagered on the gambling games. However, nickels and quarters of legal tender may be used for wagering in lieu of tokens or other forms of credit. The licensee shall exchange the gambling tokens, chips, or other forms of wagering credit for money at the request of the wagerer.

5. A person under the age of twenty-one years shall not make or attempt to make a wager on an excursion gambling boat, gambling structure, or in a racetrack enclosure and shall not be allowed on the gaming floor of an excursion gambling boat or gambling structure or in the wagering area, as defined in section 99D.2, or on the gaming floor of a racetrack enclosure. However, a person eighteen years of age or older may be employed to work on the gaming floor of an excursion gambling boat or gambling structure or in the wagering area or on the gaming floor of a racetrack enclosure. A person who violates this subsection with respect to making or attempting to make a wager commits a scheduled violation under section 805.8C, subsection 5, paragraph *"a"*.

6. *a.* A person under the age of twenty-one years shall not enter or attempt to enter the gaming floor or wagering area, as defined in section 99D.2, of a facility licensed under this chapter to operate gambling games.

*b.* A person under the age of twenty-one years does not violate this subsection if any of the following circumstances apply:

(1) The person is employed to work at the facility.

(2) The person is an employee or agent of the commission, the division, a distributor, or a manufacturer, and acting within the scope of the person's employment.

(3) The person is present in a racetrack enclosure and does not enter or attempt to enter the gaming floor or wagering area of the facility.

*c.* A person who violates this subsection commits a simple misdemeanor punishable as a scheduled violation under section 805.8C, subsection 5, paragraph *"b"*.

7. A licensee shall not accept a credit card as defined in section 537.1301, subsection 17, to purchase coins, tokens, or other forms of credit to be wagered on gambling games.

89 Acts, ch 67, §9; 89 Acts, ch 139, §6; 91 Acts, ch 144, §1; 94 Acts, ch 1021, §19 – 24; 2004 Acts, ch 1136, §48; 2007 Acts, ch 188, §13; 2009 Acts, ch 88, §2, 3

Referred to in §99F.7, 99F.15, 99F.16, 805.8C(5a, 5b)

**99F.10 Regulatory fee — local fees — initial license fee.**

1. A qualified sponsoring organization conducting gambling games on an excursion gambling boat or gambling structure licensed under section 99F.7 shall pay the tax imposed by section 99F.11.

2. An excursion gambling boat or gambling structure licensee shall pay to the commission a regulatory fee to be charged as provided in this section.

3. Subject to approval of excursion gambling boat docking by the voters, a city may adopt, by ordinance, an admission fee not exceeding fifty cents for each person embarking on an excursion gambling boat docked within the city, or a county may adopt, by ordinance, an admission fee not exceeding fifty cents for each person embarking on an excursion gambling boat docked outside the boundaries of a city. The admission revenue received by a city or a county shall be credited to the city general fund or county general fund as applicable.

4. *a.* In determining the license fees and state regulatory fees to be charged as provided under section 99F.4 and this section, the commission shall use as the basis for determining

the amount of revenue to be raised from the license fees and regulatory fees the amount appropriated to the commission plus the following as applicable:

(1) Prior to July 1, 2016, the cost of salaries for no more than two special agents for each excursion gambling boat or gambling structure and no more than four gaming enforcement officers for each excursion gambling boat or gambling structure with a patron capacity of less than two thousand persons or no more than five gaming enforcement officers for each excursion gambling boat or gambling structure with a patron capacity of at least two thousand persons, plus any direct and indirect support costs for the agents and officers, for the division of criminal investigation's excursion gambling boat or gambling structure activities. However, the division of criminal investigation may add one additional special agent to the number of special agents specified in this subparagraph for each excursion gambling boat or gambling structure if at least two gaming enforcement officer full-time equivalent positions are vacant. Otherwise, the division of criminal investigation shall not fill vacant gaming enforcement officer positions.

(2) On or after July 1, 2016, the cost of salaries for no more than three special agents for each excursion gambling boat or gambling structure, plus any direct and indirect support costs for the agents, for the division of criminal investigation's excursion gambling boat or gambling structure activities.

*b.* Notwithstanding sections 8.60 and 99F.4, the portion of the fee paid pursuant to paragraph "*a*" relating to the costs of special agents and officers plus any direct and indirect support costs for the agents and officers, for the division of criminal investigation's excursion gambling boat or gambling structure activities, shall be deposited into the gaming enforcement revolving fund established in section 80.43. However, the department of public safety shall transfer, on an annual basis, the portion of the regulatory fee attributable to the indirect support costs of the special agents and gaming enforcement officers to the general fund of the state.

*c.* Notwithstanding sections 8.60 and 99F.4, the portion of the fee paid pursuant to paragraph "*a*" relating to the costs of the commission shall be deposited into the gaming regulatory revolving fund established in section 99F.20.

*d.* Indirect support costs under paragraph "*a*" shall be calculated at the same rate used in accordance with the federal office of management and budget cost principles for state, local, and Indian tribal governments that receive a federally approved indirect cost rate.

*e.* The aggregate amount of the regulatory fee assessed under paragraph "*a*" during each fiscal year shall be reduced by an amount equal to the unexpended moneys from the previous fiscal year that were deposited into the revolving funds established in sections 80.43 or 99F.20 during that previous fiscal year.

*f.* By January 1, 2015, and by January 1 of every year thereafter, the division of criminal investigation shall provide the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system, the legislative services agency, and the commission with a report detailing the activities of the division during the previous fiscal year for each excursion gambling boat and gambling structure.

*g.* The division of criminal investigation shall review the number of special agents permitted for each excursion gambling boat or gambling structure under this subsection and the activities of such agents. The review shall also include comments from the commission and licensees and be combined with the review conducted under section 99D.14, subsection 2, paragraph "*f*". The division of criminal investigation shall file a report detailing the review conducted pursuant to this paragraph with the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system and the legislative services agency by July 1, 2020.

5. No other license tax, permit tax, occupation tax, excursion fee, or taxes on fees shall be levied, assessed, or collected from a licensee by the state or by a political subdivision, except as provided in this chapter.

6. No other excise tax shall be levied, assessed, or collected from the licensee relating to gambling excursions or admission charges by the state or by a political subdivision, except as provided in this chapter.

7. In addition to any other fees required by this chapter, a person awarded a new license

to conduct gambling games pursuant to section 99F.7 on or after January 1, 2004, shall pay the applicable initial license fee to the commission as provided by this subsection. A person awarded a new license shall pay one-fifth of the applicable initial license fee immediately upon the granting of the license, one-fifth of the applicable initial license fee within one year of the granting of the license, one-fifth of the applicable initial license fee within two years of the granting of the license, one-fifth of the applicable initial license fee within three years of the granting of the license, and the remaining one-fifth of the applicable initial license fee within four years of the granting of the license. However, the license fee provided for in this subsection shall not apply when a licensed facility is sold and a new license is issued to the purchaser. Fees paid pursuant to this subsection are not refundable to the licensee. For purposes of this subsection, the applicable initial license fee shall be five million dollars if the population of the county where the licensee shall conduct gambling games is fifteen thousand or less based upon the most recent federal decennial census, shall be ten million dollars if the population of the county where the licensee shall conduct gambling games is more than fifteen thousand and less than one hundred thousand based upon the most recent federal decennial census, and shall be twenty million dollars if the population of the county where the licensee shall conduct gambling games is one hundred thousand or more based upon the most recent federal decennial census. Moneys collected by the commission from an initial license fee paid under this subsection shall be deposited in the rebuild Iowa infrastructure fund created in section 8.57.

89 Acts, ch 67, §10; 91 Acts, ch 267, §605; 95 Acts, ch 207, §22; 2000 Acts, ch 1229, §18; 2004 Acts, ch 1136, §49; 2005 Acts, ch 48, §1; 2007 Acts, ch 188, §14; 2010 Acts, ch 1190, §25; 2011 Acts, ch 127, §47, 89; 2012 Acts, ch 1134, §16, 21; 2013 Acts, ch 139, §50; 2013 Acts, ch 142, §36

Referred to in §80.43, 99D.14, 99F.4A, 99F.20
See Code editor's note on simple harmonization
Subsection 4 amended

**99F.10A Reserved.**

**99F.11 Wagering tax — rate — allocations.**

1. A tax is imposed on the adjusted gross receipts received each fiscal year from gambling games authorized under this chapter at the rate of five percent on the first one million dollars of adjusted gross receipts and at the rate of ten percent on the next two million dollars of adjusted gross receipts.

2. The tax rate imposed each fiscal year on any amount of adjusted gross receipts over three million dollars shall be as follows:

*a.* If the licensee is an excursion gambling boat or gambling structure, twenty-two percent.

*b.* If the licensee is a racetrack enclosure conducting gambling games and another licensee that is an excursion gambling boat or gambling structure is located in the same county, then the following rate, as applicable:

(1) If the licensee of the racetrack enclosure has not been issued a table games license during the fiscal year or if the adjusted gross receipts from gambling games of the licensee in the prior fiscal year were less than one hundred million dollars, twenty-two percent.

(2) If the licensee of the racetrack enclosure has been issued a table games license during the fiscal year or prior fiscal year and the adjusted gross receipts from gambling games of the licensee in the prior fiscal year were one hundred million dollars or more, twenty-two percent on adjusted gross receipts received prior to the operational date and twenty-four percent on adjusted gross receipts received on or after the operational date. For purposes of this subparagraph, the operational date is the date the commission determines table games became operational at the racetrack enclosure.

*c.* If the licensee is a racetrack enclosure conducting gambling games and no licensee that is an excursion gambling boat or gambling structure is located in the same county, twenty-four percent.

3. The taxes imposed by this section shall be paid by the licensee to the treasurer of state within ten days after the close of the day when the wagers were made and shall be distributed as follows:

*a.* If the gambling excursion originated at a dock located in a city, one-half of one percent of the adjusted gross receipts shall be remitted to the treasurer of the city in which the dock is located and shall be deposited in the general fund of the city. Another one-half of one percent of the adjusted gross receipts shall be remitted to the treasurer of the county in which the dock is located and shall be deposited in the general fund of the county.

*b.* If the gambling excursion originated at a dock located in a part of the county outside a city, one-half of one percent of the adjusted gross receipts shall be remitted to the treasurer of the county in which the dock is located and shall be deposited in the general fund of the county. Another one-half of one percent of the adjusted gross receipts shall be remitted to the treasurer of the Iowa city nearest to where the dock is located and shall be deposited in the general fund of the city.

*c.* Eight-tenths of one percent of the adjusted gross receipts tax shall be deposited in the county endowment fund created in section 15E.311.

*d.* Two-tenths of one percent of the adjusted gross receipts tax shall be allocated each fiscal year as follows:

(1) Five hundred twenty thousand dollars is appropriated each fiscal year to the department of cultural affairs with one-half of the moneys allocated for operational support grants and the remaining one-half allocated for the community cultural grants program established under section 303.3.

(2) One-half of the moneys remaining after the appropriation in subparagraph (1) is appropriated to the community development division of the economic development authority for the purposes of regional tourism marketing. The moneys appropriated in this subparagraph shall be disbursed to the authority in quarterly allotments. However, none of the moneys appropriated under this subparagraph shall be used for administrative purposes.

(3) One-half of the moneys remaining after the appropriation in subparagraph (1) shall be credited, on a quarterly basis, to the rebuild Iowa infrastructure fund.

*e.* The remaining amount of the adjusted gross receipts tax shall be credited as provided in section 8.57, subsection 5.

89 Acts, ch 67, §11; 89 Acts, ch 139, §7; 94 Acts, ch 1021, §25; 94 Acts, ch 1186, §33; 98 Acts, ch 1221, §11; 2003 Acts, ch 178, §107, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1136, §50; 2006 Acts, ch 1151, §6, 8; 2007 Acts, ch 100, §1; 2007 Acts, ch 188, §15; 2007 Acts, ch 215, §87; 2009 Acts, ch 182, §104; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 126, §12 – 14; 2013 Acts, ch 142, §37 – 39

Referred to in §8.57, 99F.4A, 99F.10, 99G.39, 123.53

For provisions relating to FY 2005 and FY 2006 rebuild Iowa infrastructure assessments imposed on licensees of excursion gambling boats licensed to conduct gambling games as of January 1, 2004, see 2004 Acts, ch 1136, §64, 65

2013 amendment striking former subsection 3, paragraph d, subparagraph (3), takes effect June 17, 2013, and applies retroactively to January 1, 2012, for endow Iowa tax credits authorized on or after that date and for endow Iowa tax credit applications received on or after that date; 2013 Acts, ch 126, §13, 14

Subsection 3, paragraph d, subparagraph (3) stricken

Subsection 3, paragraph d, NEW subparagraph (3)

Subsection 3, paragraph e amended

**99F.12 Licensees — records — reports — supervision.**

1. A licensee shall keep its books and records so as to clearly show all of the following:

*a.* The total number of admissions for each day of operation.

*b.* The total amount of money wagered and the adjusted gross receipts for each day of operation.

2. The licensee shall furnish to the commission reports and information as the commission may require with respect to the licensee's activities. The gross receipts and adjusted gross receipts from gambling shall be separately handled and accounted for from all other moneys received from operation of an excursion gambling boat or from operation of a racetrack enclosure or gambling structure licensed to conduct gambling games. The commission may designate a representative to board a licensed excursion gambling boat or to enter a racetrack enclosure or gambling structure licensed to conduct gambling games. The representative shall have full access to all places within the enclosure of the boat, the gambling structure, or the racetrack enclosure and shall directly supervise the handling and accounting of all gross receipts and adjusted gross receipts from gambling. The representative shall supervise and

check the admissions. The compensation of a representative shall be fixed by the commission but shall be paid by the licensee.

3. The books and records kept by a licensee as provided by this section are public records and the examination, publication, and dissemination of the books and records are governed by the provisions of chapter 22.

89 Acts, ch 67, §12; 89 Acts, ch 139, §8; 2004 Acts, ch 1136, §51; 2007 Acts, ch 188, §16; 2008 Acts, ch 1032, §15

Referred to in §99F.4A

**99F.13 Annual audit of licensee operations.**

Within ninety days after the end of the licensee's fiscal year, the licensee shall transmit to the commission an audit of the licensee's total gambling operations, including an itemization of all expenses and subsidies. All audits shall be conducted by certified public accountants authorized to practice in the state of Iowa under chapter 542 who are selected by the board of supervisors of the county in which the licensee operates.

89 Acts, ch 67, §13; 91 Acts, ch 166, §7; 2001 Acts, ch 55, §22, 38; 2004 Acts, ch 1136, §52; 2009 Acts, ch 29, §2, 3

**99F.14 Annual report of commission.**

The commission shall make an annual report to the governor, for the period ending December 31 of each year. Included in the report shall be an account of the commission's actions, its financial position and results of operation under this chapter, the practical results attained under this chapter, and any recommendations for legislation which the commission deems advisable.

89 Acts, ch 67, §14

**99F.15 Prohibited activities — penalties.**

1. A person is guilty of an aggravated misdemeanor for any of the following:

*a.* Operating a gambling excursion where wagering is used or to be used without a license issued by the commission.

*b.* Operating a gambling excursion where wagering is permitted other than in the manner specified by section 99F.9.

*c.* Acting, or employing a person to act, as a shill or decoy to encourage participation in a gambling game.

2. A person knowingly permitting a person under the age of twenty-one years to make a wager is guilty of a simple misdemeanor.

3. A person wagering or accepting a wager at any location outside an excursion gambling boat, gambling structure, or a racetrack enclosure is in violation of section 725.7.

4. A person commits a class "D" felony and, in addition, shall be barred for life from excursion gambling boats and gambling structures under the jurisdiction of the commission, if the person does any of the following:

*a.* Offers, promises, or gives anything of value or benefit to a person who is connected with an excursion gambling boat or gambling structure operator including, but not limited to, an officer or employee of a licensee or holder of an occupational license pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the commission.

*b.* Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with an excursion gambling boat or gambling structure including, but not limited to, an officer or employee of a licensee, or holder of an occupational license, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the commission.

*c.* Uses a device to assist in any of the following:

(1) In projecting the outcome of the game.

(2) In keeping track of the cards played.

(3) In analyzing the probability of the occurrence of an event relating to the gambling game.

(4) In analyzing the strategy for playing or betting to be used in the game except as permitted by the commission.

*d.* Cheats at a gambling game.

*e.* Manufactures, sells, or distributes any cards, chips, dice, game or device which is intended to be used to violate any provision of this chapter.

*f.* Instructs a person in cheating or in the use of a device for that purpose with the knowledge or intent that the information or use conveyed may be employed to violate any provision of the chapter.

*g.* Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before it is revealed to the players.

*h.* Places a bet after acquiring knowledge, not available to all players, of the outcome of the gambling game which is the subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome.

*i.* Claims, collects, or takes, or attempts to claim, collect, or take, money or anything of value in or from the gambling games, with intent to defraud, without having made a wager contingent on winning a gambling game, or claims, collects, or takes an amount of money or thing of value of greater value than the amount won.

*j.* Knowingly entices or induces a person to go to any place where a gambling game is being conducted or operated in violation of the provisions of this chapter with the intent that the other person plays or participates in that gambling game.

*k.* Uses counterfeit chips or tokens in a gambling game.

*l.* Knowingly uses, other than chips, tokens, coin, or other methods or credit approved by the commission, legal tender of the United States of America, or uses coin not of the denomination as the coin intended to be used in the gambling games.

*m.* Has in the person's possession any device intended to be used to violate a provision of this chapter.

*n.* Has in the person's possession, except a gambling licensee or employee of a gambling licensee acting in furtherance of the employee's employment, any key or device designed for the purpose of opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or mechanical device connected with the gambling game or for removing coins, tokens, chips or other contents of a gambling game.

5. The possession of more than one of the devices described in subsection 4, paragraphs "*c*", "*e*", "*m*", or "*n*", permits a rebuttable inference that the possessor intended to use the devices for cheating.

6. Except for wagers on gambling games or exchanges for money as provided in section 99F.9, subsection 4, a licensee who exchanges tokens, chips, or other forms of credit to be used on gambling games for anything of value commits a simple misdemeanor.

89 Acts, ch 67, §15; 89 Acts, ch 139, §9; 91 Acts, ch 144, §2; 94 Acts, ch 1021, §27, 28; 2007 Acts, ch 188, §17 – 19

**99F.16 Forfeiture of property.**

1. Anything of value, including all traceable proceeds including but not limited to real and personal property, moneys, negotiable instruments, securities, and conveyances, is subject to forfeiture to the state of Iowa if the item was used for any of the following:

*a.* In exchange for a bribe intended to affect the outcome of a gambling game.

*b.* In exchange for or to facilitate a violation of this chapter.

2. Except for coins authorized in section 99F.9, subsection 4, all moneys, coin, and currency found in close proximity of wagers, or of records of wagers are presumed forfeited. The burden of proof is upon the claimant of the property to rebut this presumption.

3. Subsections 1 and 2 do not apply if the act or omission which would give rise to the forfeiture was committed or omitted without the owner's knowledge or consent.

4. Upon receipt of forfeited property, the county attorney or attorney general shall permit an owner or lienholder of record having a nonforfeitable property interest in the property the

opportunity to purchase the property interest forfeited. If the owner or lienholder does not exercise the option under this subsection within thirty days the option is terminated, unless the time for exercising the option is extended by the county attorney or attorney general.

5. A person having a valid, recorded lien or property interest in forfeited property, which has not been purchased pursuant to subsection 4, shall either be reimbursed to the extent of the nonforfeitable interest or to the extent that the sale of the item produces sufficient revenue to do so, whichever amount is less. The sale of forfeited property should be conducted in a manner which is commercially reasonable and calculated to provide a sufficient return to cover the costs of the sale and reimburse any nonforfeitable interest. The validity of a lien or property interest is determined as of the date upon which property becomes forfeitable.

6. This section does not preclude a civil suit by an owner of an interest in forfeited property against the party who, by criminal use, caused the property to become forfeited to the state.

89 Acts, ch 67, §16; 91 Acts, ch 167, §1; 94 Acts, ch 1021, §29

**99F.17 Distributors and manufacturers — licenses.**

1. A manufacturer or distributor of gambling games or implements of gambling shall annually apply for a license upon a form prescribed by the commission before the first day of April in each year and shall submit the appropriate license fee. An applicant shall provide the necessary information as the commission requires. The license fee for a distributor is one thousand dollars, and the license fee for a manufacturer is two hundred fifty dollars. The license fees shall be credited to the general fund of the state as provided for in section 99F.4, subsection 2.

2. A licensee shall acquire all gambling games or implements of gambling from a distributor licensed pursuant to this chapter. A licensee shall not sell or give gambling games or implements of gambling to another licensee.

3. A licensee shall not be a manufacturer or distributor of gambling games or implements of gambling.

4. The commission may suspend or revoke the license of a distributor or manufacturer for a violation of this chapter or a rule adopted pursuant to this chapter committed by the distributor or manufacturer or an officer, director, employee, or agent of the manufacturer or distributor.

5. The manufacturer or distributor of gambling games or implements of gambling shall provide the commission with written notice showing the items shipped to the licensee.

6. Subsection 2 does not apply in the following cases, if approved by the commission:

*a.* Gambling games or implements of gambling previously installed in a gambling location licensed in another jurisdiction.

*b.* Gambling games or implements of gambling previously installed in a gambling location licensed in this state.

89 Acts, ch 67, §17; 92 Acts, ch 1203, §18; 94 Acts, ch 1100, §6, 7; 94 Acts, ch 1107, §37; 2004 Acts, ch 1136, §53

Referred to in §99F.17A

**99F.17A Inspection of gambling games or implements of gambling.**

A licensed manufacturer or distributor of gambling games or implements of gambling shall deliver the gambling games or implements of gambling to a location approved by the commission for inspection and approval prior to being placed in operation. Gambling games or implements of gambling acquired pursuant to section 99F.17, subsection 6, shall be inspected and approved by the commission prior to being placed in operation. Gambling games or implements of gambling passing inspection and receiving approval may then be placed in operation on an excursion gambling boat.

92 Acts, ch 1207, §3; 94 Acts, ch 1100, §8

**99F.18 Tax on winnings.**

All winnings derived from slot machines operated pursuant to this chapter are Iowa earned income and are subject to state and federal income tax laws. An amount deducted from

winnings for payment of the state tax, pursuant to section 422.16, subsection 1, shall be remitted to the department of revenue on behalf of the winner.

92 Acts, 2nd Ex, ch 1001, §235; 2003 Acts, ch 145, §286

**99F.19 Setoff.**

1. A licensee or a person acting on behalf of a licensee shall be provided electronic access to the names of the persons indebted to a claimant agency pursuant to the process established pursuant to section 99F.4, subsection 26. The electronic access provided by the claimant agency shall include access to the names of the debtors, their social security numbers, and any other information that assists the licensee in identifying the debtors. If the name of a debtor provided to the licensee through electronic access is retrieved by the licensee and the winnings are equal to or greater than one thousand two hundred dollars per occurrence, the retrieval of such a name shall constitute a valid lien upon and claim of lien against the winnings of the debtor whose name is electronically retrieved from the claimant agency. If a debtor's winnings are equal to or greater than one thousand two hundred dollars per occurrence, the full amount of the debt shall be collectible from any winnings due the debtor without regard to limitations on the amounts that may be collectible in increments through setoff or other proceedings.

2. The licensee is authorized and directed to withhold any winnings of a debtor which are paid out directly by the licensee subject to the lien created by this section and provide notice of such withholding to the winner when the winner appears and claims winnings in person. The licensee shall pay the funds over to the collection entity which administers the setoff program pursuant to section 8A.504.

3. Notwithstanding any other provision of law to the contrary, the licensee may provide to a claimant agency all information necessary to accomplish and effectuate the intent of this section, and likewise the claimant agency may provide all information necessary to accomplish and effectuate the intent of this section.

4. The information obtained by a claimant agency from the licensee in accordance with this section shall retain its confidentiality and shall only be used by a claimant agency in the pursuit of its debt collection duties and practices. An employee or prior employee of a claimant agency who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the claimant agency.

5. The information obtained by a licensee from a claimant agency in accordance with this section shall retain its confidentiality and only be used by the licensee in the pursuit of debt collection duties and practices. An employee or prior employee of a licensee who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the same penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the licensee.

6. Except as otherwise provided in this chapter, attachments, setoffs, or executions authorized and issued pursuant to law shall be withheld if timely served upon the licensee.

7. A claimant agency or licensee, acting in good faith, shall not be liable to any person for actions taken pursuant to this section.

2008 Acts, ch 1172, §6; 2010 Acts, ch 1031, §173, 174

**99F.20 Gaming regulatory revolving fund.**

1. A gaming regulatory revolving fund is created in the state treasury under the control of the department of inspections and appeals. The fund shall consist of fees collected and deposited into the fund paid by licensees pursuant to section 99D.14, subsection 2, paragraph "*c*", and fees paid by licensees pursuant to section 99F.10, subsection 4, paragraph "*c*". All costs relating to racetrack, excursion boat, and gambling structure regulation shall be paid from the fund as provided in appropriations made for this purpose by the general assembly. The department shall provide quarterly reports to the department of management and the legislative services agency specifying revenues billed and collected and expenditures from

the fund in a format as determined by the department of management in consultation with the legislative services agency.

2. To meet the department's cash flow needs, the department may temporarily use funds from the general fund of the state to pay expenses in excess of moneys available in the revolving fund if those additional expenditures are fully reimbursable and the department reimburses the general fund of the state and ensures all moneys are repaid in full by the close of the fiscal year. Notwithstanding any provision to the contrary, the department shall, to the fullest extent possible, make an estimate of billings and make such billings as early as possible in each fiscal year, so that the need for the use of general fund moneys is minimized to the lowest extent possible. Periodic billings shall be deemed sufficient to satisfy this requirement. Because any general fund moneys used shall be fully reimbursed, such temporary use of funds from the general fund of the state shall not constitute an appropriation for purposes of calculating the state general fund expenditure limitation pursuant to section 8.54.

3. Section 8.33 does not apply to any moneys credited or appropriated to the revolving fund from any other fund.

4. The establishment of the revolving fund pursuant to this section shall not be interpreted in any manner to compromise or impact the accountability of, or limit authority with respect to, the department under state law. Any provision applicable to, or responsibility of, the department shall not be altered or impacted by the existence of the fund and shall remain applicable to the same extent as if the department were receiving moneys pursuant to a general fund appropriation. The department shall comply with directions by the governor to executive branch departments regarding restrictions on out-of-state travel, hiring justifications, association memberships, equipment purchases, consulting contracts, and any other expenditure efficiencies that the governor deems appropriate.

2011 Acts, ch 127, §48, 89

Referred to in §99D.14, 99F.10

# CHAPTER 99G

## IOWA LOTTERY AUTHORITY

Referred to in §99A.10, 99B.1, 99B.6, 99B.7, 99B.15, 99F.2, 123.49, 232C.4, 422.16, 423.3, 537A.4, 714B.10, 725.9, 725.15


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**99G.1 Title.**

This chapter may be cited as the *"Iowa Lottery Authority Act"*.

2003 Acts, ch 178, §63, 121; 2003 Acts, ch 179, §142

**99G.2 Statement of purpose and intent.**

The general assembly finds and declares the following:

1. That net proceeds of lottery games conducted pursuant to this chapter should be transferred to the general fund of the state in support of a variety of programs and services.

2. That lottery games are an entrepreneurial enterprise and that the state should create a public instrumentality of the state in the form of a nonprofit authority known as the Iowa lottery authority with comprehensive and extensive powers to operate a state lottery in an entrepreneurial and businesslike manner and which is accountable to the governor, the general assembly, and the people of the state through a system of audits, reports, legislative oversight, and thorough financial disclosure as required by this chapter.

3. That lottery games shall be operated and managed in a manner that provides continuing entertainment to the public, maximizes revenues, and ensures that the lottery is operated with integrity and dignity and free from political influence.

2003 Acts, ch 178, §64, 121; 2003 Acts, ch 179, §142

**99G.3 Definitions.**

As used in this chapter, unless the context clearly requires otherwise:

1. *"Administrative expenses"* includes, but is not limited to, personnel costs, travel, purchase of equipment, and all other expenses not directly associated with the operation or sale of a game.

2. *"Authority"* means the Iowa lottery authority.

3. *"Board"* means the board of directors of the authority.

4. *"Chief executive officer"* means the chief executive officer of the authority.

5. *"Game specific rules"* means rules governing the particular features of specific games, including, but not limited to, setting the name, ticket price, prize structure, and prize claim period of the game.

6. *"Instant lottery"* or *"instant ticket"* means a game that offers preprinted tickets such that when a protective coating is scratched or scraped away, it indicates immediately whether the player has won.

7. *"Lottery"*, *"lotteries"*, *"lottery game"*, *"lottery games"*, or *"lottery products"* means any game of chance approved by the board and operated pursuant to this chapter and games using mechanical or electronic devices, provided that the authority shall not authorize a monitor vending machine or a player-activated gaming machine that utilizes an internal randomizer to determine winning and nonwinning plays and that upon random internal selection of a winning play dispenses coins, currency, or a ticket, credit, or token to the player that is redeemable for cash or a prize, and excluding gambling or gaming conducted pursuant to chapter 99B, 99D, or 99F.

8. *"Major procurement contract"* means a consulting agreement or a contract with a business organization for the printing of tickets or the purchase or lease of equipment or services essential to the operation of a lottery game.

9. *"Monitor vending machine"* means a machine or other similar electronic device that includes a video monitor and audio capabilities that dispenses to a purchaser lottery tickets that have been determined to be winning or losing tickets by a predetermined pool drawing machine prior to the dispensing of the tickets.

10. *"Net proceeds"* means all revenue derived from the sale of lottery tickets or shares and all other moneys derived from the lottery, less operating expenses.

11. *"On-line lotto"* means a lottery game connected to a central computer via telecommunications in which the player selects a specified group of numbers, symbols, or characters out of a predetermined range.

12. *"Operating expenses"* means all costs of doing business, including, but not limited to, prizes and associated prize reserves, computerized gaming system vendor expense, instant and pull-tab ticket expense, and other expenses directly associated with the operation or sale of any game, compensation paid to retailers, advertising and marketing costs, and administrative expenses.

13. *"Pull-tab ticket"* or *"pull-tab"* means a game that offers preprinted paper tickets with the play data hidden beneath a protective tab or seal that when opened reveals immediately whether the player has won.

14. *"Retailer"* means a person, licensed by the authority, who sells lottery tickets or shares on behalf of the authority pursuant to a contract.

15. *"Share"* means any intangible evidence of participation in a lottery game.

16. *"Ticket"* means any tangible evidence issued by the lottery to provide participation in a lottery game.

17. *"Vendor"* means a person who provides or proposes to provide goods or services to the authority pursuant to a major procurement contract, but does not include an employee of the authority, a retailer, or a state agency or instrumentality thereof.

2003 Acts, ch 178, §65, 121; 2003 Acts, ch 179, §142; 2006 Acts, ch 1005, §1, 2, 4, 5
Referred to in §725.12

**99G.4 Iowa lottery authority created.**

1. An Iowa lottery authority is created, effective September 1, 2003, which shall administer the state lottery. The authority shall be deemed to be a public authority and an instrumentality of the state, and not a state agency. However, the authority shall be considered a state agency for purposes of chapters 17A, 21, 22, 28E, 68B, 91B, 97B, 509A, and 669.

2. The income and property of the authority shall be exempt from all state and local taxes, and the sale of lottery tickets and shares issued and sold by the authority and its retail licensees shall be exempt from all state and local sales taxes.

2003 Acts, ch 178, §66, 121; 2003 Acts, ch 179, §142

**99G.5 Chief executive officer.**

The chief executive officer of the authority shall be appointed by the governor subject to confirmation by the senate and shall serve a four-year term of office beginning and ending as provided in section 69.19. The chief executive officer shall be qualified by training and experience to manage a lottery. The governor may remove the chief executive officer for malfeasance in office, or for any cause that renders the chief executive officer ineligible, incapable, or unfit to discharge the duties of the office. Compensation and employment terms of the chief executive officer shall be set by the governor, taking into consideration the officer's level of education and experience, as well as the success of the lottery. The chief executive officer shall be an employee of the authority and shall direct the day-to-day operations and management of the authority and be vested with such powers and duties as specified by the board and by law.

2003 Acts, ch 178, §67, 121; 2003 Acts, ch 179, §142

Confirmation, see §2.32

**99G.6 Power to administer oaths and take testimony — subpoena.**

The chief executive officer or the chief executive officer's designee if authorized to conduct an inquiry, investigation, or hearing under this chapter may administer oaths and take testimony under oath relative to the matter of inquiry, investigation, or hearing. At a hearing ordered by the chief executive officer, the chief executive officer or the designee may subpoena witnesses and require the production of records, paper, or documents pertinent to the hearing.

2003 Acts, ch 178, §68, 121; 2003 Acts, ch 179, §142

**99G.7 Duties of the chief executive officer.**

1. The chief executive officer of the authority shall direct and supervise all administrative and technical activities in accordance with the provisions of this chapter and with the administrative rules, policies, and procedures adopted by the board. The chief executive officer shall do all of the following:

*a.* Facilitate the initiation and supervise and administer the operation of the lottery games.

*b.* Employ an executive vice president, who shall act as chief executive officer in the absence of the chief executive officer, and employ and direct other such personnel as deemed necessary.

*c.* Contract with and compensate such persons and firms as deemed necessary for the operation of the lottery.

*d.* Promote or provide for promotion of the lottery and any functions related to the authority.

*e.* Prepare a budget for the approval of the board.

*f.* Require bond from such retailers and vendors in such amounts as required by the board.

*g.* Report semiannually to the general assembly's standing committees on government oversight regarding the operations of the authority.

*h.* Report quarterly and annually to the board, the governor, the auditor of state, and the general assembly a full and complete statement of lottery revenues and expenses for the preceding quarter, and with respect to the annual report, for the preceding year, and transfer proceeds to the general fund within thirty days following the end of the quarter.

*i.* Perform other duties generally associated with a chief executive officer of an authority of an entrepreneurial nature.

2. The chief executive officer shall conduct an ongoing study of the operation and administration of lottery laws similar to this chapter in other states or countries, of available literature on the subject, of federal laws and regulations which may affect the operation of the lottery and of the reaction of citizens of this state to existing or proposed features of lottery games with a view toward implementing improvements that will tend to serve the purposes of this chapter.

3. The chief executive officer may for good cause suspend, revoke, or refuse to renew any contract entered into in accordance with the provisions of this chapter or the administrative rules, policies, and procedures of the board.

4. The chief executive officer or the chief executive officer's designee may conduct hearings and administer oaths to persons for the purpose of assuring the security or integrity of lottery operations or to determine the qualifications of or compliance by vendors and retailers.

2003 Acts, ch 178, §69, 121; 2003 Acts, ch 179, §142; 2010 Acts, ch 1069, §10

**99G.8 Board of directors.**

1. The authority shall be administered by a board of directors comprised of five members appointed by the governor subject to confirmation by the senate. Board members appointed when the senate is not in session shall serve only until the end of the next regular session of the general assembly, unless confirmed by the senate.

2. Board members shall serve staggered terms of four years beginning and ending as provided in section 69.19. No more than three board members shall be from the same political party.

3. Board members may be removed by the governor for neglect of duty, misfeasance, or nonfeasance in office.

4. No officer or employee of the authority shall be a member of the board.

5. Board members shall be residents of the state of Iowa, shall be prominent persons in their respective businesses or professions, and shall not have been convicted of any felony offense. Of the members appointed, the governor shall appoint to the board an attorney admitted to the practice of law in Iowa, an accountant, a person who is or has been a law enforcement officer, and a person having expertise in marketing.

6. A majority of members in office shall constitute a quorum for the transaction of any business and for the exercise of any power or function of the authority.

7. Action may be taken and motions and resolutions adopted by the board at any meeting thereof by the affirmative vote of a majority of present and voting board members.

8. No vacancy in the membership of the board shall impair the right of the members to exercise all the powers and perform all the duties of the board.

9. Board members shall be considered to hold public office and shall give bond as required in chapter 64.

10. Board members shall be entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members, and shall be reimbursed for all actual and necessary expenses incurred in the performance of their official duties as members. No person who serves as a member of the board shall by reason of such membership be eligible for membership in the Iowa public employees' retirement system and service on the board shall not be eligible for service credit for any public retirement system.

11. The board shall meet at least quarterly and at such other times upon call of the chairperson or the chief executive officer. Notice of the time and place of each board meeting shall be given to each member. The board shall also meet upon call of three or more of the board members. The board shall keep accurate and complete records of all its meetings.

12. Meetings of the board shall be governed by the provisions of chapter 21.

13. Board members shall not have any direct or indirect interest in an undertaking that puts their personal interest in conflict with that of the authority including but not limited to an interest in a major procurement contract or a participating retailer.

14. The members shall elect from their membership a chairperson and vice chairperson.

15. The board of directors may delegate to the chief executive officer of the authority such powers and duties as it may deem proper to the extent such delegation is not inconsistent with the Constitution of the State of Iowa.

2003 Acts, ch 178, §70, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1086, §25; 2004 Acts, ch 1101, §19; 2006 Acts, ch 1010, §49

Confirmation, see §2.32

**99G.9 Board duties.**

The board shall provide the chief executive officer with private-sector perspectives of a large marketing enterprise. The board shall do all of the following:

1. Approve, disapprove, amend, or modify the budget recommended by the chief executive officer for the operation of the authority.

2. Approve, disapprove, amend, or modify the terms of major lottery procurements recommended by the chief executive officer.

3. Adopt policies and procedures and promulgate administrative rules pursuant to chapter 17A relating to the management and operation of the authority. The administrative rules promulgated pursuant to this subsection may include but shall not be limited to the following:

*a.* The type of games to be conducted.

*b.* The sale price of tickets or shares and the manner of sale, including but not limited to authorization of sale of tickets or shares at a discount for marketing purposes; provided, however, that a retailer may accept payment by cash, check, money order, debit card, or electronic funds transfer and shall not extend or arrange credit for the purchase of a ticket or share. As used in this section, *"cash"* means United States currency.

*c.* The number and amount of prizes, including but not limited to prizes of free tickets or shares in lottery games conducted by the authority and merchandise prizes. The authority shall maintain and make available for public inspection at its offices during regular business hours a detailed listing of the estimated number of prizes of each particular denomination that are expected to be awarded in any game that is on sale or the estimated odds of winning the prizes and, after the end of the claim period, shall maintain and make available a listing of the total number of tickets or shares sold in a game and the number of prizes of each denomination that were awarded.

*d.* The method and location of selecting or validating winning tickets or shares.

*e.* The manner and time of payment of prizes, which may include lump-sum payments or installments over a period of years.

*f.* The manner of payment of prizes to the holders of winning tickets or shares after performing validation procedures appropriate to the game and as specified by the board.

*g.* The frequency of games and drawings or selection of winning tickets or shares.

*h.* The means of conducting drawings, provided that drawings shall be open to the public and witnessed by an independent certified public accountant. Equipment used to select winning tickets or shares or participants for prizes shall be examined by an independent certified public accountant prior to and after each drawing.

*i.* The manner and amount of compensation to lottery retailers.

*j.* Any and all other matters necessary, desirable, or convenient toward ensuring the efficient and effective operation of lottery games, the continued entertainment and convenience of the public, and the integrity of the lottery.

4. Adopt game specific rules. The promulgation of game specific rules shall not be subject to the requirements of chapter 17A. However, game specific rules shall be made available to the public prior to the time the games go on sale and shall be kept on file at the office of the authority.

5. Perform such other functions as specified by this chapter.

2003 Acts, ch 178, §71, 121; 2003 Acts, ch 179, §108, 142

**99G.9A Limited series of lottery games providing aid for veterans.**

The chief executive officer, in consultation with the board, shall develop and conduct two additional instant scratch and two additional pull tab lottery games annually to provide moneys for the benefit of veterans and their spouses and dependents. The moneys received from the sale of tickets for each lottery game shall be deposited in a special account in the lottery fund. Notwithstanding section 99G.39, after payment of the prizes, the remaining moneys shall be transferred to the veterans trust fund established pursuant to section 35A.13. However, if the balance of the veterans trust fund is fifty million dollars or more, the remaining moneys shall be appropriated to the department of revenue for distribution to county directors of veteran affairs, with fifty percent of the money to be distributed equally to each county and fifty percent of the money to be distributed to each county based upon

the population of veterans in the county, so long as the money distributed to a county does not supplant money appropriated by that county for the county director of veteran affairs.

2008 Acts, ch 1012, §2

Referred to in §35A.13

**99G.10 Authority personnel.**

1. All employees of the authority shall be considered public employees.

2. Subject to the approval of the board, the chief executive officer shall have the sole power to designate particular employees as key personnel, but may take advice from the department of administrative services in making any such designations. All key personnel shall be exempt from the merit system described in chapter 8A, subchapter IV. The chief executive officer and the board shall have the sole power to employ, classify, and fix the compensation of key personnel. All other employees shall be employed, classified, and compensated in accordance with chapter 8A, subchapter IV, and chapter 20.

3. The chief executive officer and the board shall have the exclusive power to determine the number of full-time equivalent positions, as defined in chapter 8, necessary to carry out the provisions of this chapter.

4. The chief executive officer shall have the sole responsibility to assign duties to all authority employees.

5. The authority may establish incentive programs for authority employees.

6. An employee of the authority shall not have a financial interest in any vendor doing business or proposing to do business with the authority. However, an employee may own shares of a mutual fund which may hold shares of a vendor corporation provided the employee does not have the ability to influence the investment functions of the mutual fund.

7. An employee of the authority with decision-making authority shall not participate in any decision involving a retailer with whom the employee has a financial interest.

8. A background investigation shall be conducted by the department of public safety, division of criminal investigation, on each applicant who has reached the final selection process prior to employment by the authority. For positions not designated as sensitive by the board, the investigation may consist of a state criminal history background check, work history, and financial review. The board shall identify those sensitive positions of the authority which require full background investigations, which positions shall include, at a minimum, any officer of the authority, and any employee with operational management responsibilities, security duties, or system maintenance or programming responsibilities related to the authority's data processing or network hardware, software, communication, or related systems. In addition to a work history and financial review, a full background investigation may include a national criminal history check through the federal bureau of investigation. The screening of employees through the federal bureau of investigation shall be conducted by submission of fingerprints through the state criminal history repository to the federal bureau of investigation. The results of background investigations conducted pursuant to this section shall not be considered public records under chapter 22.

9. A person who has been convicted of a felony or bookmaking or other form of illegal gambling or of a crime involving moral turpitude shall not be employed by the authority.

10. The authority shall bond authority employees with access to authority funds or lottery revenue in such an amount as provided by the board and may bond other employees as deemed necessary.

2003 Acts, ch 145, §286; 2003 Acts, ch 178, §72, 121; 2003 Acts, ch 179, §60, 84, 142; 2004 Acts, ch 1086, §26

**99G.11 Conflicts of interest.**

1. A member of the board, any officer, or other employee of the authority shall not directly or indirectly, individually, as a member of a partnership or other association, or as a shareholder, director, or officer of a corporation have an interest in a business that contracts for the operation or marketing of the lottery as authorized by this chapter, unless the business is controlled or operated by a consortium of lotteries in which the authority has an interest.

2. Notwithstanding the provisions of chapter 68B, a person contracting or seeking to contract with the state to supply gaming equipment or materials for use in the operation of the lottery, an applicant for a license to sell tickets or shares in the lottery, or a retailer shall not offer a member of the board, any officer, or other employee of the authority, or a member of their immediate family a gift, gratuity, or other thing having a value of more than the limits established in chapter 68B, other than food and beverage consumed at a meal. For purposes of this subsection, *"member of their immediate family"* means a spouse, child, stepchild, brother, brother-in-law, stepbrother, sister, sister-in-law, stepsister, parent, parent-in-law, or step-parent of the board member, the officer, or other employee who resides in the same household in the same principal residence of the board member, officer, or other employee.

3. If a board member, officer, or other employee of the authority violates a provision of this section, the board member, officer, or employee shall be immediately removed from the office or position.

4. Enforcement of this section against a board member, officer, or other employee shall be by the attorney general who upon finding a violation shall initiate an action to remove the board member, officer, or employee.

5. A violation of this section is a serious misdemeanor.

2003 Acts, ch 178, §73, 121; 2003 Acts, ch 179, §142

**99G.12 through 99G.20** Reserved.

**99G.21 Authority powers, transfer of assets, liabilities, and obligations.**

1. Funds of the state shall not be used or obligated to pay the expenses or prizes of the authority.

2. The authority shall have any and all powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter which are not in conflict with the Constitution of the State of Iowa, including, but without limiting the generality of the foregoing, the following powers:

*a.* To sue and be sued and to complain and defend in all courts.

*b.* To adopt and alter a seal.

*c.* To procure or to provide insurance.

*d.* To hold copyrights, trademarks, and service marks and enforce its rights with respect thereto.

*e.* To initiate, supervise, and administer the operation of the lottery in accordance with the provisions of this chapter and administrative rules, policies, and procedures adopted pursuant thereto.

*f.* To enter into written agreements with one or more other states or territories of the United States, or one or more political subdivisions of another state or territory of the United States, or any entity lawfully operating a lottery outside the United States for the operation, marketing, and promotion of a joint lottery or joint lottery game. For the purposes of this subsection, any lottery with which the authority reaches an agreement or compact shall meet the criteria for security, integrity, and finance set by the board.

*g.* To conduct such market research as is necessary or appropriate, which may include an analysis of the demographic characteristics of the players of each lottery game, and an analysis of advertising, promotion, public relations, incentives, and other aspects of communication.

*h.* Subject to the provisions of subsection 3, to acquire or lease real property and make improvements thereon and acquire by lease or by purchase, personal property, including but not limited to computers; mechanical, electronic, and on-line equipment and terminals; and intangible property, including but not limited to computer programs, systems, and software.

*i.* Subject to the provisions of subsection 3, to enter into contracts to incur debt in its own name and enter into financing agreements with the state, agencies or instrumentalities of the state, or with any commercial bank or credit provider.

*j.* To select and contract with vendors and retailers.

*k.* To enter into contracts or agreements with state or local law enforcement agencies for the performance of law enforcement, background investigations, and security checks.

*l.* To enter into contracts of any and all types on such terms and conditions as the authority may determine necessary.

*m.* To establish and maintain banking relationships, including but not limited to establishment of checking and savings accounts and lines of credit.

*n.* To advertise and promote the lottery and lottery games.

*o.* To act as a retailer, to conduct promotions which involve the dispensing of lottery tickets or shares, and to establish and operate a sales facility to sell lottery tickets or shares and any related merchandise.

*p.* Notwithstanding any other provision of law to the contrary, to purchase meals for attendees at authority business meetings.

*q.* To exercise all powers generally exercised by private businesses engaged in entrepreneurial pursuits, unless the exercise of such a power would violate the terms of this chapter or of the Constitution of this state.

3. Notwithstanding any other provision of law, any purchase of real property and any borrowing of more than one million dollars by the authority shall require written notice from the authority to the general assembly's standing committees on government oversight and the prior approval of the executive council.

4. The powers enumerated in this section are cumulative of and in addition to those powers enumerated elsewhere in this chapter and no such powers limit or restrict any other powers of the authority.

5. Departments, boards, commissions, or other agencies of this state shall provide reasonable assistance and services to the authority upon the request of the chief executive officer.

2003 Acts, ch 178, §74, 121; 2003 Acts, ch 179, §142; 2006 Acts, ch 1010, §50; 2010 Acts, ch 1069, §11

**99G.22 Vendor background review.**

1. The authority shall investigate the financial responsibility, security, and integrity of any lottery system vendor who is a finalist in submitting a bid, proposal, or offer as part of a major procurement contract. Before a major procurement contract is awarded, the division of criminal investigation of the department of public safety shall conduct a background investigation of the vendor to whom the contract is to be awarded. The chief executive officer and board shall consult with the division of criminal investigation and shall provide for the scope of the background investigation and due diligence to be conducted in connection with major procurement contracts. At the time of submitting a bid, proposal, or offer to the authority on a major procurement contract, the authority shall require that each vendor submit to the division of criminal investigation appropriate investigation authorization to facilitate this investigation, together with an advance of funds to meet the anticipated investigation costs. If the division of criminal investigation determines that additional funds are required to complete an investigation, the vendor will be so advised. The background investigation by the division of criminal investigation may include a national criminal history check through the federal bureau of investigation. The screening of vendors or their employees through the federal bureau of investigation shall be conducted by submission of fingerprints through the state criminal history repository to the federal bureau of investigation.

2. If at least twenty-five percent of the cost of a vendor's contract is subcontracted, the vendor shall disclose all of the information required by this section for the subcontractor as if the subcontractor were itself a vendor.

3. A major procurement contract shall not be entered into with any lottery system vendor who has not complied with the disclosure requirements described in this section, and any contract with such a vendor is voidable at the option of the authority. Any contract with a vendor that does not comply with the requirements for periodically updating such disclosures during the tenure of the contract as may be specified in such contract may be terminated by the authority. The provisions of this section shall be construed broadly and liberally to achieve the ends of full disclosure of all information necessary to allow for a

full and complete evaluation by the authority of the competence, integrity, background, and character of vendors for major procurements.

4. A major procurement contract shall not be entered into with any vendor who has been found guilty of a felony related to the security or integrity of the lottery in this or any other jurisdiction.

5. A major procurement contract shall not be entered into with any vendor if such vendor has an ownership interest in an entity that had supplied consultation services under contract to the authority regarding the request for proposals pertaining to those particular goods or services.

6. If, based on the results of a background investigation, the board determines that the best interests of the authority, including but not limited to the authority's reputation for integrity, would be served thereby, the board may disqualify a potential vendor from contracting with the authority for a major procurement contract or from acting as a subcontractor in connection with a contract for a major procurement contract.

2003 Acts, ch 178, §75, 121; 2003 Acts, ch 179, §61, 142

**99G.23 Vendor bonding, tax filing, and competitive bidding.**

1. The authority may purchase, lease, or lease-purchase such goods or services as are necessary for effectuating the purposes of this chapter. The authority may make procurements that integrate functions such as lottery game design, lottery ticket distribution to retailers, supply of goods and services, and advertising. In all procurement decisions, the authority shall take into account the particularly sensitive nature of the lottery and shall act to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery and the objectives of raising net proceeds for state programs.

2. Each vendor shall, at the execution of the contract with the authority, post a performance bond or letter of credit from a bank or credit provider acceptable to the authority in an amount as deemed necessary by the authority for that particular bid or contract.

3. Each vendor shall be qualified to do business in this state and shall file appropriate tax returns as provided by the laws of this state.

4. All major procurement contracts must be competitively bid pursuant to policies and procedures approved by the board unless there is only one qualified vendor and that vendor has an exclusive right to offer the service or product.

2003 Acts, ch 178, §76, 121; 2003 Acts, ch 179, §142

**99G.24 Retailer compensation — licensing.**

1. The general assembly recognizes that to conduct a successful lottery, the authority must develop and maintain a statewide network of lottery retailers that will serve the public convenience and promote the sale of tickets or shares and the playing of lottery games while ensuring the integrity of the lottery operations, games, and activities.

2. The board shall determine the compensation to be paid to licensed retailers. Compensation may include provision for variable payments based on sales volume or incentive considerations.

3. The authority shall issue a license certificate to each person with whom it contracts as a retailer for purposes of display as provided in this section. Every lottery retailer shall post its license certificate, or a facsimile thereof, and keep it conspicuously displayed in a location on the premises accessible to the public. No license shall be assignable or transferable. Once issued, a license shall remain in effect until canceled, suspended, or terminated by the authority.

4. A licensee shall cooperate with the authority by using point-of-purchase materials, posters, and other marketing material when requested to do so by the authority. Lack of cooperation is sufficient cause for revocation of a retailer's license.

5. The board shall develop a list of objective criteria upon which the qualification of lottery retailers shall be based. Separate criteria shall be developed to govern the selection of retailers of instant tickets and on-line retailers. In developing these criteria, the board shall consider such factors as the applicant's financial responsibility, security of the applicant's

place of business or activity, accessibility to the public, integrity, and reputation. The criteria shall include but not be limited to the volume of expected sales and the sufficiency of existing licensees to serve the public convenience.

6. The applicant shall be current in filing all applicable tax returns to the state of Iowa and in payment of all taxes, interest, and penalties owed to the state of Iowa, excluding items under formal appeal pursuant to applicable statutes. The department of revenue is authorized and directed to provide this information to the authority.

7. A person, partnership, unincorporated association, authority, or other business entity shall not be selected as a lottery retailer if the person or entity meets any of the following conditions:

*a.* Has been convicted of a criminal offense related to the security or integrity of the lottery in this or any other jurisdiction.

*b.* Has been convicted of any illegal gambling activity, false statements, perjury, fraud, or a felony in this or any other jurisdiction.

*c.* Has been found to have violated the provisions of this chapter or any regulation, policy, or procedure of the authority or of the lottery division unless either ten years have passed since the violation or the board finds the violation both minor and unintentional in nature.

*d.* Is a vendor or any employee or agent of any vendor doing business with the authority.

*e.* Resides in the same household as an officer of the authority.

*f.* Is less than eighteen years of age.

*g.* Does not demonstrate financial responsibility sufficient to adequately meet the requirements of the proposed enterprise.

*h.* Has not demonstrated that the applicant is the true owner of the business proposed to be licensed and that all persons holding at least a ten percent ownership interest in the applicant's business have been disclosed.

*i.* Has knowingly made a false statement of material fact to the authority.

8. Persons applying to become lottery retailers may be charged a uniform application fee for each lottery outlet.

9. Any lottery retailer contract executed pursuant to this section may, for good cause, be suspended, revoked, or terminated by the chief executive officer or the chief executive officer's designee if the retailer is found to have violated any provision of this chapter or objective criteria established by the board. Cause for suspension, revocation, or termination may include, but is not limited to, sale of tickets or shares to a person under the age of twenty-one and failure to pay for lottery products in a timely manner.

2003 Acts, ch 145, §286; 2003 Acts, ch 178, §77, 121; 2003 Acts, ch 179, §142

**99G.25 License not assignable.**

Any lottery retailer license certificate or contract shall not be transferable or assignable. The authority may issue a temporary license when deemed in the best interests of the state. A lottery retailer shall not contract with any person for lottery goods or services, except with the approval of the board.

2003 Acts, ch 178, §78, 121; 2003 Acts, ch 179, §142

**99G.26 Retailer bonding.**

The authority may require any retailer to post an appropriate bond, as determined by the authority, using a cash bond or an insurance company acceptable to the authority.

2003 Acts, ch 178, §79, 121; 2003 Acts, ch 179, §142

**99G.27 Lottery retail licenses — cancellation, suspension, revocation, or termination.**

1. A lottery retail license issued by the authority pursuant to this chapter may be canceled, suspended, revoked, or terminated by the authority for reasons including, but not limited to, any of the following:

*a.* A violation of this chapter, a regulation, or a policy or procedure of the authority.

*b.* Failure to accurately or timely account or pay for lottery products, lottery games, revenues, or prizes as required by the authority.

*c.* Commission of any fraud, deceit, or misrepresentation.

*d.* Insufficient sales.

*e.* Conduct prejudicial to public confidence in the lottery.

*f.* The retailer filing for or being placed in bankruptcy or receivership.

*g.* Any material change as determined in the sole discretion of the authority in any matter considered by the authority in executing the contract with the retailer.

*h.* Failure to meet any of the objective criteria established by the authority pursuant to this chapter.

*i.* Other conduct likely to result in injury to the property, revenue, or reputation of the authority.

2. A lottery retailer license may be temporarily suspended by the authority without prior notice if the chief executive officer or designee determines that further sales by the licensed retailer are likely to result in immediate injury to the property, revenue, or reputation of the authority.

3. The board shall adopt administrative rules governing appeals of lottery retailer licensing disputes.

2003 Acts, ch 178, §80, 121; 2003 Acts, ch 179, §142

**99G.28 Proceeds held in trust.**

All proceeds from the sale of the lottery tickets or shares shall constitute a trust fund until paid to the authority directly, through electronic funds transfer to the authority, or through the authority's authorized collection representative. A lottery retailer and officers of a lottery retailer's business shall have a fiduciary duty to preserve and account for lottery proceeds and lottery retailers shall be personally liable for all proceeds. Proceeds shall include unsold products received but not paid for by a lottery retailer and cash proceeds of the sale of any lottery products net of allowable sales commissions and credit for lottery prizes paid to winners by lottery retailers. Sales proceeds of pull-tab tickets shall include the sales price of the lottery product net of allowable sales commission and prizes contained in the product. Sales proceeds and unused instant tickets shall be delivered to the authority or its authorized collection representative upon demand.

2003 Acts, ch 178, §81, 121; 2003 Acts, ch 179, §142

**99G.29 Retailer rental calculations — lottery ticket sales treatment.**

If a lottery retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales and such computation of retail sales is not explicitly defined to include sales of tickets or shares in a state-operated or state-managed lottery, only the compensation received by the lottery retailer from the authority may be considered the amount of the lottery retail sale for purposes of computing the rental payment.

2003 Acts, ch 178, §82, 121; 2003 Acts, ch 179, §142

**99G.30 Ticket sales requirements — penalties.**

1. Lottery tickets or shares may be distributed by the authority for promotional purposes.

2. A ticket or share shall not be sold at a price other than that fixed by the authority and a sale shall not be made other than by a retailer or an employee of the retailer who is authorized by the retailer to sell tickets or shares. A person who violates a provision of this subsection is guilty of a simple misdemeanor.

3. A ticket or share shall not be sold to a person who has not reached the age of twenty-one. Any person who knowingly sells a lottery ticket or share to a person under the age of twenty-one shall be guilty of a simple misdemeanor. It shall be an affirmative defense to a charge of a violation under this section that the retailer reasonably and in good faith relied upon presentation of proof of age in making the sale. A prize won by a person who has not reached the age of twenty-one but who purchases a winning ticket or share in violation of this subsection shall be forfeited. This section does not prohibit the lawful purchase of a ticket or share for the purpose of making a gift to a person who has not reached the age of twenty-one. The board shall adopt administrative rules governing the payment of prizes to persons who have not reached the age of twenty-one.

4. Except for the authority, a retailer shall only sell lottery products on the licensed premises and not through the mail or by technological means except as the authority may provide or authorize.

5. The retailer may accept payment by cash, check, money order, debit card, or electronic funds transfer. The retailer shall not extend or arrange credit for the purchase of a ticket or share. As used in this subsection, *"cash"* means United States currency.

6. Nothing in this chapter shall be construed to prohibit the authority from designating certain of its agents and employees to sell or give lottery tickets or shares directly to the public.

7. No elected official's name shall be printed on tickets.

2003 Acts, ch 178, §83, 121; 2003 Acts, ch 179, §142

**99G.30A Monitor vending machine — tax imposed.**

1. If revenues are generated from monitor vending machines on or after forty-five days following March 20, 2006, then there shall be a monitor vending machine excise tax imposed on net monitor vending machine revenue receipts at the rate of sixty-five percent.

2. *a.* The director of revenue shall administer the monitor vending machine excise tax as nearly as possible in conjunction with the administration of state sales tax laws. The director shall provide appropriate forms or provide appropriate entries on the regular state tax forms for reporting local sales and services tax liability.

*b.* All powers and requirements of the director to administer the state sales and use tax law are applicable to the administration of the monitor vending machine excise tax, including but not limited to the provisions of section 422.25, subsection 4, sections 422.30, 422.67, and 422.68, section 422.69, subsection 1, sections 422.70 through 422.75, section 423.14, subsection 1 and subsection 2, paragraphs *"b"* through *"e"*, and sections 423.15, 423.23, 423.24, 423.25, 423.31 through 423.35, 423.37 through 423.42, 423.46, and 423.47.

*c.* Frequency of deposits and quarterly reports of the monitor vending machine excise tax with the department of revenue are governed by the tax provisions in section 423.31. Monitor vending machine excise tax collections shall not be included in computation of the total tax to determine frequency of filing under section 423.31.

3. For purposes of this section, *"net monitor vending machine revenue receipts"* means the gross receipts received from monitor vending machines less prizes awarded.

2006 Acts, ch 1005, §3 – 5; 2008 Acts, ch 1032, §16

**99G.31 Prizes.**

1. The chief executive officer shall award the designated prize to the holder of the ticket or share upon presentation of the winning ticket or confirmation of a winning share. The prize shall be given to only one person as provided in this section; however, a prize shall be divided between holders of winning tickets if there is more than one winning ticket.

2. The authority shall adopt administrative rules, policies, and procedures to establish a system of verifying the validity of tickets or shares claimed to win prizes and to effect payment of such prizes, subject to the following requirements:

*a.* The prize shall be given to the person who presents a winning ticket. A prize may be given to only one person per winning ticket. However, a prize shall be divided between holders of winning tickets if there is more than one winning ticket. Payment of a prize may be made to the estate of a deceased prize winner or to another person pursuant to an appropriate judicial order issued by an Iowa court of competent jurisdiction.

*b.* A prize shall not be paid arising from claimed tickets that are stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received, or not recorded by the authority within applicable deadlines; lacking in captions that conform and agree with the play symbols as appropriate to the particular lottery game involved; or not in compliance with such additional specific administrative rules, policies, and public or confidential validation and security tests of the authority appropriate to the particular lottery game involved.

*c.* No particular prize in any lottery game shall be paid more than once, and in the event of

a determination that more than one claimant is entitled to a particular prize, the sole remedy of such claimants is the award to each of them of an equal share in the prize.

*d.* Unclaimed prize money for the prize on a winning ticket or share shall be retained for a period deemed appropriate by the chief executive officer, subject to approval by the board. If a valid claim is not made for the money within the applicable period, the unclaimed prize money shall be added to the pool from which future prizes are to be awarded or used for special prize promotions. Notwithstanding this subsection, the disposition of unclaimed prize money from multijurisdictional games shall be made in accordance with the rules of the multijurisdictional game.

*e.* No prize shall be paid upon a ticket or share purchased or sold in violation of this chapter. Any such prize shall constitute an unclaimed prize for purposes of this section.

*f.* The authority is discharged of all liability upon payment of a prize pursuant to this section.

*g.* No ticket or share issued by the authority shall be purchased by and no prize shall be paid to any member of the board of directors; any officer or employee of the authority; or to any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of any such person.

*h.* No ticket or share issued by the authority shall be purchased by and no prize shall be paid to any officer, employee, agent, or subcontractor of any vendor or to any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of any such person if such officer, employee, agent, or subcontractor has access to confidential information which may compromise the integrity of the lottery.

*i.* The proceeds of any lottery prize shall be subject to state and federal income tax laws. An amount deducted from the prize for payment of a state tax, pursuant to section 422.16, subsection 1, shall be transferred by the authority to the department of revenue on behalf of the prize winner.

2003 Acts, ch 145, §286; 2003 Acts, ch 178, §84, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1101, §20

**99G.32 Authority legal representation.**

The authority shall retain the services of legal counsel to advise the authority and the board and to provide representation in legal proceedings. The authority may retain the attorney general or a full-time assistant attorney general in that capacity and provide reimbursement for the cost of advising and representing the board and the authority.

2003 Acts, ch 178, §85, 121; 2003 Acts, ch 179, §142

**99G.33 Law enforcement investigations.**

The department of public safety, division of criminal investigation, shall be the primary state agency responsible for investigating criminal violations under this chapter. The chief executive officer shall contract with the department of public safety for investigative services, including the employment of special agents and support personnel, and procurement of necessary equipment to carry out the responsibilities of the division of criminal investigation under the terms of the contract and this chapter.

2003 Acts, ch 178, §86, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1086, §27

**99G.34 Open records — exceptions.**

The records of the authority shall be governed by the provisions of chapter 22, provided that, in addition to records that may be kept confidential pursuant to section 22.7, the following records shall be kept confidential, unless otherwise ordered by a court, by the lawful custodian of the records, or by another person duly authorized to release such information:

1. Marketing plans, research data, and proprietary intellectual property owned or held by the authority under contractual agreements.

2. Personnel, vendor, and player social security or tax identification numbers.

3. Computer system hardware, software, functional and system specifications, and game play data files.

4. Security records pertaining to investigations and intelligence-sharing information between lottery security officers and those of other lotteries and law enforcement agencies, the security portions or segments of lottery requests for proposals, proposals by vendors to conduct lottery operations, and records of the security division of the authority pertaining to game security data, ticket validation tests, and processes.

5. Player name and address lists, provided that the names and addresses of prize winners shall not be withheld.

6. Operational security measures, systems, or procedures and building plans.

7. Security reports and other information concerning bids or other contractual data, the disclosure of which would impair the efforts of the authority to contract for goods or services on favorable terms.

8. Information that is otherwise confidential obtained pursuant to investigations as provided in section 99G.35.

2003 Acts, ch 178, §87, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1101, §21
Referred to in §99G.41

**99G.35 Security.**

1. The authority's chief security officer and investigators shall be qualified by training and experience in law enforcement to perform their respective duties in support of the activities of the security office. The chief security officer and investigators shall not have sworn peace officer status. The lottery security office shall perform all of the following activities in support of the authority mission:

*a.* Supervise ticket or share validation and lottery drawings, provided that the authority may enter into cooperative agreements with multijurisdictional lottery administrators for shared security services at drawings and game show events involving more than one participating lottery.

*b.* Inspect at times determined solely by the authority the facilities of any vendor or lottery retailer in order to determine the integrity of the vendor's product or the operations of the retailer in order to determine whether the vendor or the retailer is in compliance with its contract.

*c.* Report any suspected violations of this chapter to the appropriate county attorney or the attorney general and to any law enforcement agencies having jurisdiction over the violation.

*d.* Upon request, provide assistance to any county attorney, the attorney general, the department of public safety, or any other law enforcement agency.

*e.* Upon request, provide assistance to retailers in meeting their licensing contract requirements and in detecting retailer employee theft.

*f.* Monitor authority operations for compliance with internal security requirements.

*g.* Provide physical security at the authority's central operations facilities.

*h.* Conduct on-press product production surveillance, testing, and quality approval for printed scratch and pull-tab tickets.

*i.* Coordinate employee and retailer background investigations conducted by the department of public safety, division of criminal investigation.

2. The authority may enter into intelligence-sharing, reciprocal use, or restricted use agreements with the federal government, law enforcement agencies, lottery regulation agencies, and gaming enforcement agencies of other jurisdictions which provide for and regulate the use of information provided and received pursuant to the agreement.

3. Records, documents, and information in the possession of the authority received pursuant to an intelligence-sharing, reciprocal use, or restricted use agreement entered into by the authority with a federal department or agency, any law enforcement agency, or the lottery regulation or gaming enforcement agency of any jurisdiction shall be considered investigative records of a law enforcement agency and are not subject to chapter 22 and shall not be released under any condition without the permission of the person or agency providing the record or information.

2003 Acts, ch 178, §88, 121; 2003 Acts, ch 179, §142
Referred to in §99G.34

**99G.36 Forgery — fraud — penalties.**

1. A person who, with intent to defraud, falsely makes, alters, forges, utters, passes, redeems, or counterfeits a lottery ticket or share or attempts to falsely make, alter, forge, utter, pass, redeem, or counterfeit a lottery ticket or share, or commits theft or attempts to commit theft of a lottery ticket or share, is guilty of a class "D" felony.

2. Any person who influences or attempts to influence the winning of a prize through the use of coercion, fraud, deception, or tampering with lottery equipment or materials shall be guilty of a class "D" felony.

3. No person shall knowingly or intentionally make a material false statement in any application for a license or proposal to conduct lottery activities or make a material false entry in any book or record which is compiled or maintained or submitted to the board pursuant to the provisions of this chapter. Any person who violates the provisions of this section shall be guilty of a class "D" felony.

2003 Acts, ch 178, §89, 121; 2003 Acts, ch 179, §142

**99G.37 Competitive bidding.**

1. The authority shall enter into a major procurement contract pursuant to competitive bidding. The requirement for competitive bidding does not apply in the case of a single vendor having exclusive rights to offer a particular service or product. The board shall adopt procedures for competitive bidding. Procedures adopted by the board shall be designed to allow the selection of proposals that provide the greatest long-term benefit to the state, the greatest integrity for the authority, and the best service and products for the public.

2. In any bidding process, the authority may administer its own bidding and procurement or may utilize the services of the department of administrative services or other state agency.

2003 Acts, ch 178, §90, 121; 2003 Acts, ch 179, §62, 84, 142

**99G.38 Authority finance — self-sustaining.**

1. The authority may borrow, or accept and expend, in accordance with the provisions of this chapter, such moneys as may be received from any source, including income from the authority's operations, for effectuating its business purposes, including the payment of the initial expenses of initiation, administration, and operation of the authority and the lottery.

2. The authority shall be self-sustaining and self-funded. Moneys in the general fund of the state shall not be used or obligated to pay the expenses of the authority or prizes of the lottery, and no claim for the payment of an expense of the lottery or prizes of the lottery may be made against any moneys other than moneys credited to the authority operating account.

3. The state of Iowa offset program, as provided in section 8A.504, shall be available to the authority to facilitate receipt of funds owed to the authority.

2003 Acts, ch 178, §91, 121; 2003 Acts, ch 179, §63, 84, 142

**99G.39 Allocation, appropriation, transfer, and reporting of funds.**

1. Upon receipt of any revenue, the chief executive officer shall deposit the moneys in the lottery fund created pursuant to section 99G.40. At least fifty percent of the projected annual revenue accruing from the sale of tickets or shares shall be allocated for payment of prizes to the holders of winning tickets. After the payment of prizes, the expenses of conducting the lottery shall be deducted from the authority's revenue prior to disbursement. Expenses for advertising production and media purchases shall not exceed four percent of the authority's gross revenue for the year.

2. The director of management shall not include lottery revenues in the director's fiscal year revenue estimates.

3. *a.* Notwithstanding subsection 1, if gaming revenues under sections 99D.17 and 99F.11 are insufficient in a fiscal year to meet the total amount of such revenues directed to be deposited in the vision Iowa fund and the school infrastructure fund during the fiscal year pursuant to section 8.57, subsection 5, paragraph "*e*", the difference shall be paid from lottery revenues prior to deposit of the lottery revenues in the general fund. If lottery revenues are insufficient during the fiscal year to pay the difference, the remaining difference shall be paid from lottery revenues in subsequent fiscal years as such revenues become available.

*b.* The treasurer of state shall, each quarter, prepare an estimate of the gaming revenues and lottery revenues that will become available during the remainder of the appropriate fiscal year for the purposes described in paragraph "*a*". The department of management and the department of revenue shall take appropriate actions to provide that the amount of gaming revenues and lottery revenues that will be available during the remainder of the appropriate fiscal year is sufficient to cover any anticipated deficiencies.

2003 Acts, ch 145, §286; 2003 Acts, ch 178, §92, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1136, §54; 2009 Acts, ch 182, §105; 2012 Acts, ch 1021, §135

Referred to in §8.22A, 8.57, 99G.9A

Disposition of funds from lottery games for the benefit of veterans, see §99G.9A

**99G.40 Audits and reports — lottery fund.**

1. To ensure the financial integrity of the lottery, the authority shall do all of the following:

*a.* Submit quarterly and annual reports to the governor, state auditor, and the general assembly disclosing the total lottery revenues, prize disbursements, and other expenses of the authority during the reporting period. The fourth quarter report shall be included in the annual report made pursuant to this section. The annual report shall include a complete statement of lottery revenues, prize disbursements, and other expenses, and recommendations for changes in the law that the chief executive officer deems necessary or desirable. The annual report shall be submitted within one hundred twenty days after the close of the fiscal year. The chief executive officer shall report immediately to the governor, the treasurer of state, and the general assembly any matters that require immediate changes in the law in order to prevent abuses or evasions of this chapter or rules adopted or to rectify undesirable conditions in connection with the administration or operation of the lottery.

*b.* Maintain weekly or more frequent records of lottery transactions, including the distribution of tickets or shares to retailers, revenues received, claims for prizes, prizes paid, prizes forfeited, and other financial transactions of the authority.

*c.* The authority shall deposit in the lottery fund created in subsection 2 any moneys received by retailers from the sale of tickets or shares less the amount of any compensation due the retailers. The chief executive officer may require licensees to file with the authority reports of receipts and transactions in the sale of tickets or shares. The reports shall be in the form and contain the information the chief executive officer requires.

2. A lottery fund is created in the office of the treasurer of state and shall exist as the recipient fund for authority receipts. The fund consists of all revenues received from the sale of lottery tickets or shares and all other moneys lawfully credited or transferred to the fund. The chief executive officer shall certify quarterly that portion of the fund that has been transferred to the general fund of the state under this chapter and shall cause that portion to be transferred to the general fund of the state. However, upon the request of the chief executive officer and subject to the approval by the treasurer of state, an amount sufficient to cover the foreseeable administrative expenses of the lottery for a period of twenty-one days may be retained from the lottery fund. Prior to the quarterly transfer to the general fund of the state, the chief executive officer may direct that lottery revenue shall be deposited in the lottery fund and in interest-bearing accounts designated by the treasurer of state. Interest or earnings paid on the deposits or investments is considered lottery revenue and shall be transferred to the general fund of the state in the same manner as other lottery revenue.

3. The chief executive officer shall certify before the last day of the month following each quarter that portion of the lottery fund resulting from the previous quarter's sales to be transferred to the general fund of the state.

4. For informational purposes only, the chief executive officer shall submit to the department of management by October 1 of each year a proposed operating budget for the authority for the succeeding fiscal year. This budget proposal shall also be accompanied by an estimate of the net proceeds to be deposited into the general fund during the succeeding fiscal year. This budget shall be on forms prescribed by the department of management. A copy of the information required to be submitted to the department of management pursuant to this subsection shall be submitted to the general assembly's standing committees on government oversight and the legislative services agency by October 1 of each year.

5. The authority shall adopt the same fiscal year as that used by state government and shall be audited annually by the auditor of state or a certified public accounting firm appointed by the auditor. The auditor of state or a designee conducting an audit under this chapter shall have access and authority to examine any and all records of licensees necessary to determine compliance with this chapter and the rules adopted pursuant to this chapter. The cost of audits and examinations conducted by the auditor of state or a designee shall be paid for by the authority.

2003 Acts, ch 178, §93, 121; 2003 Acts, ch 179, §109, 142; 2004 Acts, ch 1009, §1; 2010 Acts, ch 1069, §12

Referred to in §99G.39

**99G.41 Prize offsets — garnishments.**

1. Any claimant agency may submit to the authority a list of the names of all persons indebted to such claimant agency or to persons on whose behalf the claimant agency is acting. The full amount of the debt shall be collectable from any lottery winnings due the debtor without regard to limitations on the amounts that may be collectable in increments through garnishment or other proceedings. Such list shall constitute a valid lien upon and claim of lien against the lottery winnings of any debtor named in such list. The list shall contain the names of the debtors, their social security numbers if available, and any other information that assists the authority in identifying the debtors named in the list.

2. The authority is authorized and directed to withhold any winnings paid out directly by the authority subject to the lien created by this section and send notice to the winner. However, if the winner appears and claims winnings in person, the authority shall notify the winner at that time by hand delivery of such action. The authority shall pay the funds over to the agency administering the offset program.

3. Notwithstanding the provisions of section 99G.34 which prohibit disclosure by the authority of certain portions of the contents of prize winner records or information, and notwithstanding any other confidentiality statute, the authority may provide to a claimant agency all information necessary to accomplish and effectuate the intent of this section.

4. The information obtained by a claimant agency from the authority in accordance with this section shall retain its confidentiality and shall only be used by a claimant agency in the pursuit of its debt collection duties and practices. Any employee or prior employee of any claimant agency who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the same penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the authority.

5. Except as otherwise provided in this chapter, attachments, garnishments, or executions authorized and issued pursuant to law shall be withheld if timely served upon the authority.

6. The provisions of this section shall only apply to prizes paid directly by the authority and shall not apply to any retailers authorized by the board to pay prizes of up to six hundred dollars after deducting the price of the ticket or share.

2003 Acts, ch 178, §94, 121; 2003 Acts, ch 179, §142

**99G.42 Compulsive gamblers — treatment program information.**

The authority shall cooperate with the gambling treatment program administered by the Iowa department of public health to incorporate information regarding the gambling treatment program and its toll-free telephone number in printed materials distributed by the authority.

2003 Acts, ch 178, §95, 121; 2003 Acts, ch 179, §142

Gambling treatment program, §135.150

# SUBTITLE 5

## FIRE CONTROL

# CHAPTER 100

## STATE FIRE MARSHAL

Referred to in §237A.12, 279.49, 455B.390

Enforcement of law relating to flammable liquids and liquefied gases, chapter 101
Rules for hotels, food establishments, and food processing plants, §137C.18, 137F.15
Inspections of health care facilities, §135C.9

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## GENERAL PROVISIONS

**100.1 Fire marshal.**

The chief officer of the division of state fire marshal in the department of public safety shall be known as the state fire marshal. The fire marshal's duties shall be as follows:

1. To enforce all laws of the state relating to the suppression of arson, and to apprehend those persons suspected of arson;

2. To investigate into the cause, origin, and circumstances of fires;

3. To promote fire safety and reduction of loss by fire through educational methods;

4. To enforce all laws, and the rules and regulations of the Iowa department of public safety, concerned with:

*a.* The prevention of fires;

*b.* The storage, transportation, handling, and use of flammable liquids, combustibles, and explosives;

*c.* The storage, transportation, handling, and use of liquid petroleum gas;

*d.* The electric wiring and heating, and adequate means of exit in case of fire, from churches, schools, hotels, theaters, amphitheaters, asylums, hospitals, health care facilities as defined in section 135C.1, college buildings, lodge halls, public meeting places, and all other structures in which persons congregate from time to time, whether publicly or privately owned;

5. To promulgate fire safety rules. The state fire marshal shall have exclusive right to promulgate fire safety rules as they apply to enforcement or inspection requirements by the state fire marshal, but the rules shall be promulgated pursuant to chapter 17A. Wherever by any statute the fire marshal or the department of public safety is authorized or required to promulgate, proclaim, or amend rules and minimum standards regarding fire hazards or fire safety or protection in any establishment, building, or structure, the rules and standards shall promote and enforce fire safety, fire protection, and the elimination of fire hazards as the rules may relate to the use, occupancy, and construction of the buildings, establishments, or structures. The word "*construction*" shall include but is not limited to electrical wiring, plumbing, heating, lighting, ventilation, construction materials, entrances and exits, and all other physical conditions of the building which may affect fire hazards, safety, or protection. The rules and minimum standards shall be in substantial compliance except as otherwise specifically provided in this chapter, with the standards of the national fire protection association relating to fire safety as published in the national fire codes.

6. To adopt rules designating a fee to be assessed to each building, structure, or facility for which a fire safety inspection or plan review by the state fire marshal is required by law. The fee designated by rule shall be set in an amount that is reasonably related to the costs of conducting the applicable inspection or plan review. The fees collected by the state fire marshal shall be deposited in the general fund of the state.

7. To administer the fire extinguishing system contractor, alarm system contractor, and alarm system installer certification program established in chapter 100C.

[S13, §2468-a, -m; C24, 27, 31, 35, 39, §**1619;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.1; 81 Acts, ch 46, §1]

92 Acts, ch 1163, §25; 2000 Acts, ch 1229, §20; 2003 Acts, ch 165, §17; 2003 Acts, ch 166, §1; 2004 Acts, ch 1125, §1; 2007 Acts, ch 197, §1, 50; 2008 Acts, ch 1032, §190; 2010 Acts, ch 1014, §1

Referred to in §101C.2, 237.3

**100.2 Duties of fire officials.**

The chief of the fire department or the chief's designee of every city or township in which a fire department is established or the chief of the fire department or the chief's designee responding to every township fire where there is a contract for fire protection in effect shall investigate into the cause, origin and circumstances of every fire occurring in the city or township by which property has been destroyed or damaged or which results in bodily injury to a person, and determine whether the fire was the result of natural causes, negligence or design. The state fire marshal may assist in the investigation or may direct the investigation if the fire marshal finds it necessary.

[S13, §2468-d, -e; C24, 27, 31, 35, 39, §**1624;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.2]

84 Acts, ch 1095, §1

Referred to in §100.3, 100.4

**100.3 Reports of fires and emergency responses.**

When death, serious bodily injury, or property damage in excess of two hundred thousand dollars has occurred as a result of a fire, or if arson is suspected, the fire official required by section 100.2 to make fire investigations, shall notify the state fire marshal's division immediately. For all other fires causing an estimated damage of fifty dollars or more or emergency responses by the fire service, the fire official required by section 100.2 to investigate shall file a report with the fire marshal's division within ten days following the end of the month. The report shall indicate all fire incidents occurring which have

an estimated damage of fifty dollars or more and state for each incident the name of the owners and occupants of the property at the time of the fire, the value of the property, the estimated total loss to the property, the origin of the fire as determined by investigation, and other facts, statistics, and circumstances concerning the fire incident. The report on each emergency response shall include the nature of the incident and other facts, statistics and circumstances concerning the emergency response.

[S13, §2468-e; C24, 27, 31, 35, 39, §**1625;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.3]

84 Acts, ch 1095, §2; 86 Acts, ch 1018, §1

Referred to in §100.4, 100.5

**100.4 Penalty for nonreporting.**

The failure or refusal of a fire official to make an investigation or report required by sections 100.2 and 100.3 is a simple misdemeanor.

[S13, §2468-e; C24, 27, 31, 35, 39, §**1626;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.4]

84 Acts, ch 1095, §3

**100.5 Reports — when public records.**

Reports required by section 100.3 shall be kept on file for public inspection in the fire marshal's office. In those circumstances where disclosure of particular facts in the reports would plainly and seriously jeopardize an investigation of criminal activity, the portions of the reports pertaining to the facts are classified as peace officers' investigative reports and subject to section 22.7.

Reports and records on investigations made by the state fire marshal's office are the same as peace officers' investigative reports and subject to section 22.7.

[S13, §2468-f; C24, 27, 31, 35, 39, §**1627;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.5; 81 Acts, ch 47, §1]

84 Acts, ch 1095, §4

Arson investigation disclosures; see chapter 100A

**100.6 Testimony under oath.**

The fire marshal or the fire marshal's designated subordinate shall, when in the fire marshal's or subordinate's opinion further investigation is necessary, take or cause to be taken the testimony under oath of all persons supposed to have knowledge of any facts, or to have means of knowledge in relation to the matter in which an examination is herein required to be made, and shall cause the same to be reduced to writing.

[S13, §2468-g; C24, 27, 31, 35, 39, §**1628;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.6]

**100.7 Oaths — attendance of witnesses.**

The fire marshal and the fire marshal's designated subordinates shall each have power in any county in the state to administer an oath and compel the attendance of witnesses before them, or either of them, to testify in relation to any matter which is by the provisions of this chapter a subject of inquiry and investigation, and may require the production of any books, papers, or documents necessary for such investigation.

[S13, §2468-h; C24, 27, 31, 35, 39, §**1629;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.7]

**100.8 Refusal to testify or produce books.**

Any witness who refuses to be sworn, except as otherwise provided by law, or who disobeys any lawful order of said fire marshal, or the fire marshal's designated subordinates, or who fails to produce any books, papers, or documents touching any matter under examination, shall be guilty of a simple misdemeanor.

[S13, §2468-h; C24, 27, 31, 35, 39, §**1630;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.8]

**100.9 Crimes in connection with fires.**

If the fire marshal shall be of the opinion that there is evidence sufficient to charge any person with the crime of arson, or with attempt to commit the crime of arson, or of conspiracy to defraud, or criminal conduct in connection with such fire, the fire marshal shall cause such person to be arrested and charged with the offense, or either of them, and shall furnish to the proper county attorney all such evidence, together with the names of witnesses and all of the information obtained, including a copy of all matter and testimony taken in the case.

[S13, §2468-g; C24, 27, 31, 35, 39, §**1631;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.9]

**100.10 Authority to enter and inspect.**

The state fire marshal, and the fire marshal's designated subordinates, in the performance of their duties, shall have authority to enter any building or premises and to examine the same and the contents thereof.

[S13, §2468-i; C24, 27, 31, 35, 39, §**1632;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.10]

**100.11 Fire escapes.**

It shall be the duty of the fire marshal to enforce all laws relating to fire escapes.

[C39, §**1632.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.11]

**100.12 Authority for inspection — orders.**

The chief of a fire department or an authorized subordinate who is trained in fire prevention safety standards may enter a building or premises at a reasonable hour to examine the building or premises and its contents. The examining official shall order the correction of a condition which is in violation of this chapter, a rule adopted under this chapter, or a city or county fire safety ordinance. The order shall be in writing or, if the danger is imminent, orally followed by a written order. The examining official shall enforce the order in accordance with the applicable law or ordinance. At the request of the examining official the state fire marshal may assist in an enforcement action.

[C31, 35, §1632-c1; C39, §**1632.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.12; 82 Acts, ch 1157, §1]

84 Acts, ch 1095, §5

**100.13 Violations — orders.**

1. If a person has violated or is violating a provision of this chapter or a rule adopted pursuant to this chapter, the state fire marshal, the chief of any fire department, or the fire prevention officer of a fire department organized under chapter 400 may issue an order directing the person to desist in the practice which constitutes the violation and to take corrective action as necessary to ensure that the violation will cease. The order shall be in writing and shall specify a reasonable time by which the person shall comply with the order. The person to whom the order is issued may appeal the order as provided in chapter 17A. On appeal, the administrative law judge may affirm, modify, or vacate the order. Judicial review may be sought in accordance with chapter 17A.

2. Notwithstanding any other provision of law to the contrary, if the state fire marshal determines that an emergency exists respecting any matter affecting or likely to affect the public safety, the fire marshal may issue any order necessary to terminate the emergency without notice or hearing. An emergency order is binding and effective immediately, until or unless the order is modified, vacated, or stayed at an administrative hearing or by a district court.

[S13, §2468-j; C24, 27, 31, 35, 39, §**1633;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.13; 82 Acts, ch 1157, §2]

94 Acts, ch 1078, §1

Referred to in §100.14

**100.14 Legal proceedings — penalties — injunctive relief.**

At the request of the state fire marshal, the county attorney shall institute any legal proceedings on behalf of the state necessary to obtain compliance or enforce the penalty provisions of this chapter or rules or orders adopted or issued pursuant to this chapter, including, but not limited to, a legal action for injunctive relief. The county attorney or any other attorney acting on behalf of the chief of a fire department or a fire prevention officer may institute legal proceedings, including, but not limited to, a legal action for injunctive relief, to obtain compliance or enforce the penalty provisions or orders issued pursuant to section 100.13.

[C24, 27, 31, 35, 39, §**1634;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.14]

94 Acts, ch 1078, §2

Referred to in §100.16

**100.15** Repealed by 94 Acts, ch 1078, § 9.

**100.16 Judicial review — court costs.**

1. Judicial review of actions of the fire marshal may be sought in accordance with the terms of the Iowa administrative procedure Act pursuant to chapter 17A. If legal proceedings have been instituted pursuant to section 100.14, all related issues which could otherwise be raised in a proceeding for judicial review shall be raised in the legal proceedings instituted pursuant to section 100.14.

2. Upon judicial review of the fire marshal's action, if the court affirms the agency action, the court shall tax all court costs of the review proceeding against the appellant. However, if the court reverses, revokes, or annuls the fire marshal's action, the court shall tax all court costs of the review proceeding against the agency. If the fire marshal's action is modified or the matter is remanded to the agency for further proceedings, the court shall apportion the court costs within the discretion of the court.

[S13, §2468-j; C24, 27, 31, 35, 39, §**1636;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.16]

94 Acts, ch 1078, §3

**100.17** Repealed by 94 Acts, ch 1078, § 9.

**100.18 Smoke detectors.**

1. As used in this section:

*a.* "*Dormitory*" means a residential building or portion of a building at an educational institution which houses students in rooms not individually equipped with cooking facilities.

*b.* "*Multiple-unit residential building*" means a residential building, an apartment house, or a portion of a building or an apartment house with two or more units, hotel, motel, dormitory, or rooming house.

*c.* "*Smoke detector*" means a device which detects visible or invisible particles of combustion and which incorporates control equipment and an alarm-sounding unit operated from a power supply either in the unit or obtained at the point of installation.

2. *a.* Except as provided in subsection 3, multiple-unit residential buildings and single-family dwellings the construction of which is begun on or after July 1, 1991, shall include the installation of smoke detectors in compliance with the rules established by the state fire marshal under subsection 4.

*b.* The rules shall require the installation of smoke detectors in existing single-family rental units and multiple-unit residential buildings. Existing single-family dwelling units shall be equipped with approved smoke detectors. A person who files for a homestead credit pursuant to chapter 425 shall certify that the single-family dwelling unit for which the credit is filed has a smoke detector installed in compliance with this section, or that one will be installed within thirty days of the date the filing for the credit is made. The state fire marshal shall adopt rules and establish appropriate procedures to administer this subsection.

*c.* An owner or an owner's agent of a multiple-unit residential building or single-family

dwelling shall supply light-emitting smoke detectors, upon request, for a tenant with a hearing impairment.

3. This section does not require the following:

*a.* The installation of smoke detectors in multiple-unit residential buildings which, on July 1, 1981, are equipped with heat detection devices or a sprinkler system with alarms approved by the state fire marshal.

*b.* The installation of smoke detectors in hotels, motels, and dormitories equipped with an automatic smoke detection system approved by the state fire marshal.

4. The state fire marshal shall enforce the requirements of subsection 2 and may implement a program of inspections to monitor compliance with the provisions of that subsection. Upon inspection, the state fire marshal shall issue a written notice to the owner or manager of a multiple-unit residential building or single-family dwelling informing the owner or manager of compliance or noncompliance with this section. The state fire marshal may contract with any political subdivision without fee assessed to either the state fire marshal or the political subdivision, for the performance of the inspection and notification responsibilities. The inspections authorized under this section are limited to the placement, repair, and operability of smoke detectors. Any broader inspection authority is not derived from this section. The state fire marshal shall adopt rules under chapter 17A as necessary to enforce this section including rules concerning the placement of smoke detectors and the use of acceptable smoke detectors. The smoke detectors shall display a label or other identification issued by an approved testing agency or another label specifically approved by the state fire marshal.

5. The inspection of a building or notification of compliance or noncompliance under this section is not the basis for a legal cause of action against the political subdivision, state fire marshal, the fire marshal's subordinates, chiefs of local fire departments, building inspectors, or other fire, building, or safety officials due to a failure to discover a latent defect in the course of the inspection.

6. If a smoke detector is found to be inoperable the owner or manager of the multiple-unit residential building or single-family dwelling shall correct the situation within fourteen days after written notification to the owner or manager by the tenant, guest, roomer, state fire marshal, fire marshal's subordinates, chiefs of local fire departments, building inspectors, or other fire, building, or safety officials. If the owner or manager of a multiple-unit residential building fails to correct the situation within the fourteen days the tenant, guest, or roomer may cause the smoke detector to be repaired or purchase and install a smoke detector required under this section and may deduct the repair cost or purchase price from the next rental payment or payments made by the tenant, guest, or roomer. However, a lessor or owner may require a lessee, tenant, guest, or roomer who has a residency of longer than thirty days to provide the battery for a battery operated smoke detector.

7. No person may render inoperable a smoke detector, which is required to be installed by this section, by tampering.

8. A person who violates a provision of this section or a rule adopted pursuant to this section is guilty of a simple misdemeanor.

[81 Acts, ch 45, §1, 2; 82 Acts, ch 1157, §7]

83 Acts, ch 198, §13; 91 Acts, ch 64, §1 – 6; 94 Acts, ch 1078, §4; 2008 Acts, ch 1032, §17

**100.19** Repealed by 94 Acts, ch 1078, § 9.

**100.20 County attorney.**

The county attorney shall represent the state and the fire marshal, but not to the exclusion of any other attorney who may be engaged in said cause.

[C24, 27, 31, 35, 39, §**1640;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.20]

Referred to in §331.756(23)

**100.21 and 100.22** Repealed by 74 Acts, ch 1090, § 211.

**100.23** Repealed by 94 Acts, ch 1078, § 9.

**100.24 and 100.25** Repealed by 74 Acts, ch 1090, § 211.

**100.26 Time for compliance with order — penalty.**

If a petition of review has not been filed or the court on review has affirmed or modified an order for the removal, destruction, or repair of a building, or the removal of any of its contents, or the change of any of its conditions, the owner, lessee, or occupant shall comply with the order within thirty days after the delivery of the order or a copy of the order to the person, either personally or by certified letter to the last known address, or by service upon the person's appointed agent. Failure of the owner, lessee, or occupant to comply with the order shall subject the owner, lessee, or occupant to a penalty of ten dollars for each day of failure or neglect after the expiration of the period. The penalty shall be recovered in the name of the state and paid into the treasury of the political subdivision which issues the order or the treasurer of state if the order is issued by the state. If the owner, lessee, or occupant cannot reasonably comply with the order within thirty days and a good faith effort at compliance has been made within thirty days, the owner, lessee, or occupant shall not be subject to a penalty under this section. However, the penalty may be imposed on the person upon a failure to continue the good faith compliance with the order.

[S13, §2468-j; C24, 27, 31, 35, 39, §**1646;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.26]

84 Acts, ch 1095, §6; 94 Acts, ch 1078, §5

**100.27 through 100.29** Repealed by 94 Acts, ch 1078, § 9.

**100.30 Investigation may be private.**

Investigation by or under the direction of the state fire marshal or the fire marshal's designated subordinates may in their discretion be private. They may exclude from the place where such investigation is held all persons other than those required to be present, and witnesses may be kept separate from each other and not allowed to communicate with each other until they have been examined.

[C24, 27, 31, 35, 39, §**1650;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.30]

**100.31 Fire and tornado drills in schools — warning systems — inspections.**

1. It shall be the duty of the state fire marshal and the fire marshal's designated subordinates to require all private and public school officials and teachers to conduct not less than four fire drills and not less than four tornado drills in all school buildings during each school year when school is in session; and to require the officials and teachers of all schools to keep all doors and exits of their respective rooms and buildings unlocked when occupied during school hours or when such areas are being used by the public at other times. Not less than two drills of each type shall be conducted between July 1 and December 31 of each year and not less than two drills of each type shall be conducted between January 1 and June 30 of each year.

2. Every school building with two or more classrooms shall have a warning system for fires of a type approved by the underwriters' laboratories and by the state fire marshal. The warning system shall be used only for fire drills or as a warning for emergency. Schools may modify the fire warning system for use as a tornado warning system or shall install a separate tornado warning system. Every school building shall also be equipped with portable fire extinguishers, with the type, size and number in accordance with national fire protection association standards and approved by the state fire marshal.

3. The state fire marshal or the fire marshal's deputies shall cause each public or private school, college or university to be inspected at least once every two years to determine whether each school meets the fire safety standards of this Code and is free from other fire hazards. Provided, however, that cities which employ fire department inspectors shall cause such inspections to be made.

[S13, §2468-k; C24, 27, 31, 35, 39, §**1651;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.31]

94 Acts, ch 1078, §6

**100.32** Repealed by 98 Acts, ch 1008, § 4.

**100.33 Annual report.**

The state fire marshal shall file with the governor annually, at the time provided by law, a detailed report of the fire marshal's official acts and of the affairs of the fire marshal's office which report shall be published and distributed as the reports of other state officers.

[S13, §2468-n; C24, 27, 31, 35, 39, §**1653;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §100.33]

**100.34** Repealed by 91 Acts, ch 268, § 519.

**100.35 Rules of marshal.**

The fire marshal shall adopt, and may amend rules under chapter 17A, which include standards relating to exits and exit lights, fire escapes, fire protection, fire safety and the elimination of fire hazards, in and for churches, schools, hotels, theaters, amphitheaters, hospitals, health care facilities as defined in section 135C.1, boarding homes or housing, rest homes, dormitories, college buildings, lodge halls, club rooms, public meeting places, places of amusement, apartment buildings, food establishments as defined in section 137F.1, and all other buildings or structures in which persons congregate from time to time, whether publicly or privately owned. Violation of a rule adopted by the fire marshal is a simple misdemeanor. However, upon proof that the fire marshal gave written notice to the defendant of the violation, and proof that the violation constituted a clear and present danger to life, and proof that the defendant failed to eliminate the condition giving rise to the violation within thirty days after receipt of notice from the fire marshal, the penalty is that provided by law for a serious misdemeanor. Each day of the continuing violation of a rule after conviction of a violation of the rule is a separate offense. A conviction is subject to appeal as in other criminal cases.

Rules by the fire marshal affecting the construction of new buildings, additions to buildings or rehabilitation of existing buildings and related to fire protection, shall be substantially in accord with the provisions of the nationally recognized building and related codes adopted as the state building code pursuant to section 103A.7 or with codes adopted by a local subdivision which are in substantial accord with the codes comprising the state building code.

The rules adopted by the state fire marshal under this section shall provide standards for fire resistance of cellulose insulation sold or used in this state, whether for public or private use. The rules shall provide for approval of the cellulose insulation by at least one nationally recognized independent testing laboratory.

[S13, §2514-j, -k, -l; SS15, §2514-i, -n, -o, 4999-a10; C24, 27, 31, 35, 39, §**1671, 2843 – 2850;** C46, 50, 54, §103.12, 170.38 – 170.45; C58, §100.35, 103.12, 170.38 – 170.45; C62, 66, 71, 73, 75, 77, §100.35, 103.12, 107.38; C79, 81, §100.35, 103.12, 170.38, 170A.9, 170B.13; 81 Acts, ch 46, §2, 4; 82 Acts, ch 1157, §3]

88 Acts, ch 1278, §23; 98 Acts, ch 1162, §2, 30; 2004 Acts, ch 1086, §28

Referred to in §100.51, 137C.18, 137C.35, 137F.15

**100.36** Repealed by 87 Acts, ch 10, § 1.

**100.37** Repealed by 76 Acts, ch 1245(4), § 525.

**100.38 Conflicting statutes.**

Provisions of this chapter in conflict with the state building code, as adopted pursuant to section 103A.7, shall not apply where the state building code has been adopted or when the state building code applies throughout the state.

[C73, 75, 77, 79, 81, §100.38]

2004 Acts, ch 1086, §29

**100.39 Fire extinguishers in high-rise buildings.**

1. All buildings approved for construction after July 1, 1998, that exceed four stories in height, or seventy-five feet above grade, shall require the installation of an approved

automatic fire extinguishing system designed and installed in conformity with rules promulgated by the state fire marshal pursuant to this chapter.

2. The requirements of this section shall not apply to the following:

*a.* Any noncombustible elevator storage structure or any noncombustible plant building with noncombustible contents.

*b.* Any combustible elevator storage structure that is equipped with an approved drypipe, nonautomatic sprinkler and automatic alarm system.

*c.* Buildings in existence or under construction on August 15, 1975. However, if subsequent to that date any building is enlarged or altered beyond the height limitations applicable to new buildings, such building in its entirety shall be subject to all the provisions of this section.

*d.* Any open parking garage structure which is in compliance with rules adopted by the state fire marshal.

3. Plans and installation of systems shall be approved by the state fire marshal, a designee of the state fire marshal, or local authorities having jurisdiction. Except where local fire protection regulations are more stringent, the provisions of this section shall be applicable to all buildings, whether privately or publicly owned. The definition of terms shall be in conformity, insofar as possible, with definitions found in the state building code adopted pursuant to section 103A.7.

4. Any person violating the provisions of this section is guilty of a misdemeanor and shall, upon conviction, be subject to a fine not to exceed one hundred dollars or by imprisonment in the county jail for not more than thirty days, or be subject to both such fine and imprisonment.

[C77, 79, 81, §100.39]

90 Acts, ch 1029, §1; 98 Acts, ch 1008, §1; 2004 Acts, ch 1086, §30; 2008 Acts, ch 1032, §201

**100.40 Marshal may prohibit open burning on request.**

1. The state fire marshal, during periods of extremely dry conditions or under other conditions when the state fire marshal finds open burning constitutes a danger to life or property, may prohibit open burning in an area of the state at the request of the chief of a local fire department, a city council or a board of supervisors and when an investigation supports the need for the prohibition. The state fire marshal shall implement the prohibition by issuing a proclamation to persons in the affected area. The chief of a local fire department, the city council or the board of supervisors that requested the prohibition may rescind the proclamation after notifying the state fire marshal of the intent to do so, when the chief, city council or board of supervisors finds that the conditions responsible for the issuance of the proclamation no longer exist.

2. Violation of a prohibition issued under this section is a simple misdemeanor.

3. A proclamation issued by the state fire marshal pursuant to this section shall not prohibit a supervised, controlled burn for which a permit has been issued by the fire chief of the fire district where the burn will take place, the use of outdoor fireplaces, barbecue grills, properly supervised landfills, or the burning of trash in incinerators or trash burners made of metal, concrete, masonry, or heavy one-inch wire mesh, with no openings greater than one square inch.

[S81, §100.40; 81 Acts, ch 48, §1]

97 Acts, ch 19, §1

**100.41 Authority to cite violations.**

Fire officials acting under the authority of this chapter may issue citations in accordance with chapter 805, for violations of this chapter or a violation of a local fire safety code.

84 Acts, ch 1095, §8

**100.42 through 100.50** Reserved.

## ARSON INSPECTION WARRANTS

**100.51 Application for warrant.**

If consent to inspect property damaged or destroyed by fire to determine the cause, origin and circumstances of the fire or to inspect property subject to rules adopted under section 100.35 has been refused to the official authorized to make the inspection, the state fire marshal, a state arson investigator or official authorized to make such an inspection may apply to the district court for a special inspection warrant for authority to conduct the inspection.

[81 Acts, ch 47, §3]

**100.52 Grounds for issuance.**

The judicial officer shall review the application and may take sworn testimony or receive affidavits to supplement it.

If the judicial officer is satisfied that there are legal grounds under the circumstances specified in the application and any supplementary testimony taken sufficient to justify the issuance of an inspection warrant, it shall be issued.

[81 Acts, ch 47, §4]

**100.53 Warrant requirements.**

Each inspection warrant issued under this chapter shall:

1. State the grounds for its issuance.
2. Be directed to the applicant or some other designated person authorized to conduct the inspection.
3. Command the person to whom it is directed to inspect the area, premises, building or conveyance identified for the purpose specified and, if appropriate, direct the seizure of property specified.
4. Identify the item or type of property, if any, to be seized.
5. Direct that it be served, if appropriate, during normal business hours and designate the magistrate to whom it shall be returned.

[81 Acts, ch 47, §5]

**100.54 Execution of warrant.**

A warrant issued under this chapter must be executed and returned within ten days from the date of issuance unless, upon the showing of a need for additional time, the court so instructs otherwise in the warrant. A copy of the warrant shall be delivered to a person in charge of the premises being inspected or, if no one is present, a copy of the warrant shall be posted upon the premises. If property is seized pursuant to a warrant, the person executing the warrant shall give to the person from whom the property is seized, or the person in charge of the premises from which the property is seized, a receipt for the property seized or shall leave the copy and receipt at the place from which the property is seized. The return of the warrant shall be made promptly and accompanied by a written inventory of property seized. The inventory shall be made in the presence of the person executing the warrant and of the person from whose possession or premises the property was seized, if they are present, or in the presence of at least one credible person other than the person executing the warrant.

A copy of the return, the inventory and any receipts issued shall be promptly filed with the clerk of the district court for the county in which the inspection is made.

[81 Acts, ch 47, §6]

# CHAPTER 100A

## ARSON INVESTIGATION

Fire reports public records; see §100.5


| | | | |
|---|---|---|---|
| 100A.1 | Definitions. | 100A.4 | Penalty. |
| 100A.2 | Disclosure of information. | 100A.5 | Concurrent powers. |
| 100A.3 | Confidentiality — subpoena. | 100A.6 | Chapter not severable. |


**100A.1 Definitions.**

1. *"Authorized agencies"* means:

*a.* The state fire marshal.

*b.* The commissioner of public safety.

*c.* The county attorney responsible for prosecutions in the county where a fire occurs.

*d.* The attorney general.

*e.* The federal bureau of investigation or other federal agency requesting information on a fire loss.

*f.* The United States attorney's office when authorized or charged with investigation of a fire or prosecution for arson.

*g.* The fire chief of the city in which the fire occurs.

*h.* The police chief of the city in which the fire occurs.

*i.* The sheriff of the county in which the fire occurs.

*j.* The fraud bureau within the insurance division of the department of commerce.

2. *"Insurance company"* includes, but is not limited to, the Iowa FAIR plan and its member insurance companies.

3. *"Relevant information"* means information having any tendency to make the existence of a fact that is of consequence to the investigation or determination of the issue more probable or less probable than it would be without the information.

[C81, §100A.1]

86 Acts, ch 1051, §1; 93 Acts, ch 100, §1; 2000 Acts, ch 1023, §3

**100A.2 Disclosure of information.**

1. An authorized agency may, in writing, require an insurance company to release to the agency relevant information or evidence requested by the agency which the company has in its possession relating to a fire loss. Relevant information includes but is not limited to:

*a.* Insurance policy information relating to a fire loss under investigation including information on the policy application.

*b.* Policy premium payment records.

*c.* History of previous claims made by the insured.

*d.* Material relating to the investigation of the loss, including statements of any person, proof of loss, and other evidence relevant to the investigation.

2. When an insurance company has reason to believe that a fire loss insured by the company was caused by something other than an accident, the company shall, in writing, notify any authorized agency and provide it with all material possessed by the company relevant to an investigation of the fire loss or a prosecution for arson.

3. An authorized agency provided with information pursuant to this section may provide the information to any other authorized agency for purposes of an investigation of a fire loss or a prosecution for arson.

4. An insurance company providing information to an authorized agency pursuant to subsections 1 and 2 may request information relevant to the fire loss investigation from an authorized agency and shall be given the information within a reasonable time not exceeding thirty days.

5. No civil action nor criminal prosecution may arise from any action taken pursuant to

this section by an insurance company, a person acting in an insurance company's behalf, or an authorized agency, provided no malice is shown against the insured.

[C81, §100A.2]

Referred to in §100A.3

**100A.3 Confidentiality — subpoena.**

1. An authorized agency or insurance company which receives information furnished pursuant to section 100A.2, shall hold the information in confidence until such time as its release is required pursuant to a criminal or civil proceeding.

2. An authorized agency or its personnel, may be subpoenaed to testify in litigation concerning a fire loss in which an insurance company is named as a party.

[C81, §100A.3]

Referred to in §100A.4

**100A.4 Penalty.**

1. A person or agency who intentionally or knowingly refuses to release information requested pursuant to this chapter is guilty of a simple misdemeanor.

2. A person who fails to hold in confidence information required to be held in confidence by section 100A.3 is guilty of a simple misdemeanor.

[C81, §100A.4]

**100A.5 Concurrent powers.**

The provisions of this chapter do not affect or repeal an ordinance of a municipality relating to fire prevention or the control of arson, but the jurisdiction of the state fire marshal and the commissioner of public safety in the municipality is concurrent with that of the municipal and county authorities.

[C81, §100A.5]

**100A.6 Chapter not severable.**

If any provision of this chapter is declared invalid the whole chapter is void, and to this end the provisions of this chapter are not severable.

[C81, §100A.6]

# CHAPTER 100B

## FIRE AND EMERGENCY RESPONSE SERVICES TRAINING AND VOLUNTEER DEATH BENEFITS

Referred to in §321.267A, 422.12

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100B.4 Fees — retention — use.
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SUBCHAPTER III

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100B.31 Volunteer emergency services provider death benefit — eligibility.


## SUBCHAPTER I

## STATE FIRE PROTECTION SERVICES

**100B.1 State fire service and emergency response council.**

1. The state fire service and emergency response council is established in the division of state fire marshal of the department of public safety.

*a.* The council shall consist of eleven voting members and one ex officio, nonvoting member. Voting members of the state fire service and emergency response council shall be appointed by the governor.

(1) The governor shall appoint voting members of the council from a list of nominees submitted by each of the following organizations:

(a) Two members from a list submitted by the Iowa firefighters association.

(b) Two members from a list submitted by the Iowa fire chiefs' association.

(c) Two members from a list submitted by the Iowa professional fire fighters.

(d) Two members from a list submitted by the Iowa association of professional fire chiefs.

(e) One member from a list submitted by the Iowa emergency medical services association.

(2) A person nominated for inclusion in the voting membership on the council is not required to be a member of the organization that nominates the person.

(3) The tenth and eleventh voting members of the council shall be members of the general public appointed by the governor.

(4) The labor commissioner, or the labor commissioner's designee, shall be a nonvoting, ex officio member of the council.

*b.* Members of the council shall hold office commencing July 1, 2000, for four years and until their successors are appointed, except that three initial appointees shall be appointed for two years, four initial appointees for three years, and four initial appointees for four years.

*c.* The fire marshal or the fire marshal's designee shall attend each meeting of the council.

2. Each voting member of the council shall receive per diem compensation at the rate as specified in section 7E.6 for each day spent in the performance of the member's duties. All members of the council shall receive actual and necessary expenses incurred in the performance of their duties.

3. Six voting members of the council shall constitute a quorum. For the purpose of conducting business, a majority vote of the council shall be required. The council shall elect a chairperson from its members. The council shall meet at the call of the chairperson, or the state fire marshal, or when any six members of the council file a written request with the chairperson for a meeting.

4. If a voting member of the council is absent for fifty or more percent of council meetings during any twelve-month period, the other council members by their unanimous vote may declare the member's position on the council vacant. A vacancy in the membership of the council shall be filled by appointment of the governor for the balance of the unexpired term.

2000 Acts, ch 1117, §8; 2000 Acts, ch 1232, §23; 2008 Acts, ch 1031, §93; 2009 Acts, ch 133, §25; 2011 Acts, ch 25, §14; 2011 Acts, ch 95, §2, 3; 2012 Acts, ch 1023, §21

**100B.2 Duties.**

The state fire service and emergency response council shall:

1. Advise and confer with the state fire marshal in matters relating to fire protection services including, but not limited to, training.

2. Cooperate with and assist agencies concerning fire emergency services matters and may, at the request of the state fire marshal or the chairperson of the council, hold public hearings for the purpose of seeking resolution of, or making recommendations on, fire services issues.

3. Develop, in consultation with the state fire marshal, the policies of the fire service training bureau of the division of state fire marshal.

4. Develop and submit to the state fire marshal for adoption rules establishing minimum training standards for fire service training that will be applicable statewide, periodically review these standards, and offer rules as deemed appropriate.

5. Provide recommendations to the state fire marshal that will facilitate the delivery of basic level fire fighter training at the local level.

6. Provide recommendations to the state fire marshal for a fee schedule for training and consultation services as necessary for the administration of this chapter.

7. Prepare annual performance reviews of training administrators for submittal to the state fire marshal.

8. Hear testimony from the labor commissioner, or the labor commissioner's designee, on inspections and investigations involving occupational safety and health standards for fire fighters and conducted by the office of the labor commissioner.

2000 Acts, ch 1117, §9

**100B.3 Training agreements.**

The state fire marshal shall enter into written agreements with other public agencies that have established regional emergency response training centers under section 100B.22 to provide training in conjunction with training provided by the fire service training bureau. Moneys appropriated shall not be distributed by the department of public safety to a regional training center until such an agreement has been entered into with the regional training center.

The state fire marshal may enter into written agreements with other educational institutions to assist in research conducted by the bureau.

2000 Acts, ch 1117, §10; 2006 Acts, ch 1179, §40, 67

**100B.4 Fees — retention — use.**

Fees assessed pursuant to this chapter shall be retained by the division of state fire marshal and such repayments received shall be used exclusively to offset the cost of fire service training. Fees charged by regional emergency response training centers for fire service

training programs as described in section 100B.6 shall not be greater than the fee schedule established by rule by the state fire marshal.

Notwithstanding section 8.33, repayment receipts collected by the division of state fire marshal for the fire service training bureau that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

2000 Acts, ch 1117, §11; 2006 Acts, ch 1179, §41, 67

**100B.5 Budget.**

The state fire marshal and the state fire service and emergency response council shall prepare an annual budget for the council and the fire service training bureau. The budget shall be transmitted to the commissioner of public safety for inclusion in that department's budget.

2000 Acts, ch 1117, §12

**100B.6 Fire service training bureau.**

1. The state fire service and emergency response council shall assist in operation of a fire service training bureau for instructing the general public and fire protection personnel throughout the state, providing service to public and private fire departments in the state, conducting research in the methods of maintaining and improving fire education consistent with the needs of Iowa communities, and performing any other functions assigned to the bureau by the state fire marshal in consultation with the state fire service and emergency response council.

2. Enrollment and attendance in fire service training bureau programs may include persons engaged with a unit of government or a public or private fire department in the state, including volunteer, trainee, or employed fire fighters.

3. Programs conducted by the fire service training bureau shall include at a minimum instruction in the subjects necessary for the certification of persons in accordance with a nationally recognized fire fighter qualification system as approved by the state fire service and emergency response council. At the direction of the state fire marshal in consultation with the state fire service and emergency response council, the fire service training bureau may develop and conduct programs which extend beyond the programs directly related to such system.

2000 Acts, ch 1117, §13

Referred to in §100B.4, 100B.22

**100B.7 Administrator — appointment — duties.**

1. The administrator of the fire service training bureau shall be appointed by the commissioner of public safety, subject to the approval of the state fire service and emergency response council.

2. The state fire marshal shall direct the administrator to:

*a.* Provide direct oversight to the operations of the fire service training bureau.

*b.* Manage the budget of the fire service training bureau consistent with budgeting methods as may be required by the department of public safety or the state of Iowa.

*c.* Advise, confer, and consult with the state fire service and emergency response council in developing rules establishing minimum standards for fire service training.

*d.* Advise, confer, and consult regularly with the state fire service and emergency response council to seek input and recommendations on all facets of fire service training programs in Iowa.

*e.* Maintain a statewide system to provide basic level fire fighter training at the local level.

*f.* Distribute instructional and educational materials to support the fire training and education programs offered by the department of public safety.

*g.* Recruit and train qualified instructors for the training program.

*h.* Maintain training records as directed by the state fire marshal and necessary to accomplish the purposes of training programs.

*i.* Establish, with the approval of the state fire service and emergency response council,

a fee schedule for training services that will ensure quality training at the most reasonable price.

*j.* Offer programs of education and instruction approved by the state fire service and emergency response council and conducted by qualified staff and faculty.

*k.* Plan and coordinate fire schools and other short courses of instruction on a statewide, regional, and local level, utilizing existing educational institutions, programs, and facilities as provided in sections 100B.22 and 100B.24.

*l.* Prepare for the state fire marshal and the state fire service and emergency response council an annual report of activities that include a summary of classes taught, budget, and staff activities. The annual report shall include a report of the activities of each regional emergency response training center established under section 100B.22.

*m.* Provide supervision and management to the fire service training bureau staff consistent with the methods of the department of public safety and as assigned by the state fire marshal.

*n.* Consult with the state fire service and emergency response council in preparing an annual legislative and budgetary agenda that will address items necessary to accomplish the provisions of this chapter, and submit this agenda to the state fire marshal in a format and time frame consistent with departmental policy.

*o.* Develop mechanisms by which fire fighters and others may earn college credits and degrees in fire-related disciplines.

*p.* Develop instructional and educational materials to support the fire training and education programs offered by the council.

*q.* Develop and offer other programs and services consistent with the general purposes of the council.

2000 Acts, ch 1117, §14; 2006 Acts, ch 1179, §42, 67

**100B.8 Employees.**

Employees of the fire service institute at Iowa state university on July 1, 2000, may elect to transfer to the department of public safety in a position and at a pay range commensurate with their duties as determined by the department of personnel, the department of public safety, and the employees' certified collective bargaining representative.

2000 Acts, ch 1117, §15; 2003 Acts, ch 145, §286; 2004 Acts, ch 1086, §31

**100B.9 Facilities and equipment.**

The building known as the fire service institute at Iowa state university, the land upon which the building is located, and parking space associated with the building shall, until July 1, 2010, be leased by Iowa state university to the department of public safety at a cost not to exceed the actual cost of heating, lighting, and maintaining the building and parking space. All equipment owned by Iowa state university and used exclusively to conduct fire service training, classes, or business shall transfer on July 1, 2000, to the department of public safety unless such transfer is prohibited or restricted by law or agreement. This equipment includes, but is not limited to, breathing apparatus, fire suppression gear, mobile equipment, office furniture, computers, copying machines, library, file cabinets, and training records.

The department of public safety and the state board of regents shall enter into a written agreement pursuant to chapter 28E regarding payment of debt obligations incurred by the state board of regents on behalf of the Iowa cooperative extension service for agriculture and home economics for the lease-purchase of a mobile burn unit which is to be used by the department of public safety for fire fighter training. The written agreement shall also provide for storage of any of the equipment covered in this section at a facility owned by Iowa state university for as long as the lease for the building, land, and associated parking is in effect.

2000 Acts, ch 1117, §16; 2003 Acts, ch 174, §16

**100B.10 Rules.**

The state fire marshal shall adopt rules under chapter 17A for carrying out the responsibilities of this chapter.

2000 Acts, ch 1117, §17

**100B.11 Reserved.**

**100B.12 Paul Ryan memorial fire fighter safety training fund.**

A Paul Ryan memorial fire fighter safety training fund is created in the state treasury under the control of the department of public safety. The fund shall consist of fees transferred by the treasurer of state from the sale of special fire fighter license plates pursuant to section 321.34, subsection 10. Moneys in the fund shall be used exclusively by the fire service training bureau to offset fire fighter training costs. Notwithstanding section 8.33, moneys in the fund shall not revert to the general fund of the state at the end of the fiscal year, but shall remain available for expenditure by the fire service training bureau for fire fighter training in future fiscal years.

2003 Acts, ch 105, §1

Referred to in §321.34

**100B.13 Volunteer fire fighter preparedness fund.**

1. A volunteer fire fighter preparedness fund is created as a separate and distinct fund in the state treasury under the control of the division of state fire marshal of the department of public safety.

2. Revenue for the volunteer fire fighter preparedness fund shall include but is not limited to the following:

*a.* Moneys credited to the fund pursuant to an income tax checkoff provided in chapter 422, division II, if applicable.

*b.* Moneys in the form of a devise, gift, bequest, donation, or federal or other grant intended to be used for the purposes of the fund.

3. Moneys in the volunteer fire fighter preparedness fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

4. Moneys in the volunteer fire fighter preparedness fund are appropriated to the division of state fire marshal of the department of public safety to be used annually to pay the costs of providing volunteer fire fighter training around the state and to pay the costs of providing volunteer fire fighting equipment.

2004 Acts, ch 1175, §434; 2005 Acts, ch 35, §25; 2006 Acts, ch 1182, §58; 2010 Acts, ch 1061, §17; 2012 Acts, ch 1097, §2, 6

Referred to in §422.12L

2012 amendment to subsection 2, paragraph a, applies retroactively to tax years beginning on or after January 1, 2012; 2012 Acts, ch 1097, §6

**100B.14 Volunteer job protection.**

1. This section shall be known as the *"Volunteer Emergency Services Providers Job Protection Act"*.

2. For the purposes of this section, *"volunteer emergency services provider"* means a volunteer fire fighter as defined in section 85.61, a reserve peace officer as defined in section 80D.1A, an emergency medical care provider as defined in section 147A.1, or other personnel having voluntary emergency service duties and who are not paid full-time by the entity for which the services are performed in the local service area, in a mutual aid agreement area, or in a governor-declared state of disaster emergency area.

3. A public or private employer shall not terminate the employment of an employee for joining a volunteer emergency services unit or organization, including but not limited to any municipal, rural, or subscription fire department.

4. If an employee has provided the employee's public or private employer with written notification that the employee is a volunteer emergency services provider, the employer shall not terminate the employment of a volunteer emergency services provider who, because the employee was fulfilling the employee's duties as a volunteer emergency services provider, is absent from or late to work.

5. An employer may deduct from an employee's regular pay an amount of regular pay for the time that an employee who is a volunteer emergency services provider is absent from work while performing duties as a volunteer emergency services provider.

6. An employer may request that an employee who is a volunteer emergency services provider and who is absent from or late to work while responding to an emergency provide the employer with a written statement from the supervisor or acting supervisor of the volunteer emergency services unit or organization stating that the employee responded to an emergency and stating the date and time of the emergency.

7. An employee who is a volunteer emergency services provider and who may be absent from or late to work while performing duties as a volunteer emergency services provider shall notify the employer as soon as possible that the employee may be absent or late.

8. An employer shall determine whether an employee may leave work to respond to an emergency as part of the employee's volunteer emergency services provider duties.

9. An employee whose employment is terminated in violation of this section may bring a civil action against the employer. The employee may seek reinstatement to the employee's former position, payment of back wages, reinstatement of fringe benefits, and, where seniority rights are granted, reinstatement of seniority rights. If the employee prevails in such an action, the employee shall be entitled to an award of reasonable attorney fees and the costs of the action. An employee must commence such an action within one year after the date of termination of the employee's employment.

2009 Acts, ch 165, §2

**100B.15 through 100B.20** Reserved.

## SUBCHAPTER II

## REGIONAL FIRE AND EMERGENCY RESPONSE SERVICES TRAINING

**100B.21 Definitions.**

As used in this subchapter:

1. *"Bureau"* means the fire service training bureau.

2. *"Council"* means the state fire service and emergency response council.

3. *"Emergency responders"* means firefighters, law enforcement officers, emergency medical service personnel, and other personnel having emergency response duties.

4. *"Emergency response service"* means fire protection service, law enforcement, emergency medical service, hazardous materials containment and disposal, search and rescue operations, evacuation operations, and other related services.

5. *"Municipality"* means a city, county, township, benefited fire district, or agency authorized by law to provide emergency response services.

6. *"Public agency"* means a municipality, a community college, or an association representing fire fighters.

7. *"Training center"* means a regional emergency response training center established under section 100B.22.

2006 Acts, ch 1179, §43, 67

**100B.22 Regional emergency response training centers.**

1. *a.* Regional emergency response training centers shall be established to provide training to fire fighters and other emergency responders. The lead public agency for the training centers shall be the following community colleges for the following merged areas:

(1) Northeast Iowa community college for merged area I in partnership with the Dubuque county firemen's association and to provide advanced training in agricultural emergency response as such advanced training is funded by the department of homeland security and emergency management.

(2) North Iowa area community college for merged area II in partnership with the Mason City fire department.

(3) Iowa lakes community college for merged area III and northwest Iowa community college for merged area IV.

(4) Iowa central community college for merged area V and to provide advanced training in homeland security as such advanced training is funded by the department of homeland security and emergency management.

(5) Hawkeye community college for merged area VII in partnership with the Waterloo regional hazardous materials training center and to provide advanced training in hazardous materials emergency response as such advanced training is funded by the department of homeland security and emergency management.

(6) Eastern Iowa community college for merged area IX in partnership with the city of Davenport fire department.

(7) Kirkwood community college for merged area X in partnership with the city of Coralville fire department and the Iowa City fire department and to provide advanced training in agricultural terrorism response and mass casualty and fatality response as such advanced training is funded by the department of homeland security and emergency management.

(8) Des Moines area community college for merged area XI and Iowa valley community college for merged area VI and to provide advanced training in operations integration in compliance with the national incident management system as such advanced training is funded by the department of homeland security and emergency management.

(9) Western Iowa technical community college for merged area XII in partnership with the Sioux City fire department and to provide advanced training in emergency responder communications as such advanced training is funded by the department of homeland security and emergency management.

(10) Iowa western community college for merged areas XIII and XIV in partnership with southwestern community college and the Council Bluffs fire department.

(11) Southeastern Iowa community college for merged areas XV and XVI in partnership with Indian hills community college and the city of Fort Madison fire department.

*b.* The public agencies named in paragraph *"a"*, shall, in conjunction with the bureau, coordinate fire service training programs as described in section 100B.6 at each training center.

2. *a.* A lead public agency listed in subsection 1, paragraph *"a"*, shall submit an application to the bureau in order to be eligible to receive a state appropriation for the agency's training center. The bureau shall prescribe the form of the application and, on or before August 15, 2006, shall provide such application to each lead public agency.

*b.* An applicant lead public agency shall indicate on the application the location of the proposed training center. An applicant shall also include on the application the location of any existing facilities required in section 100B.23 and located in the training region. The application shall be accompanied by letters from public agencies and private businesses in the merged area stating an intent to participate in, and provide for financial support for, establishment and activities of the training center.

*c.* By January 10 of each year, the bureau shall submit to the general assembly a list of applications received and the action taken by the bureau on each application. The bureau shall, upon request, provide the applications and supporting documentation submitted by each applicant.

3. *a.* In selecting a location for a proposed training center, an applicant lead public agency shall consider, and address in the application, all of the following:

(1) The availability and proximity of quality classroom space with adequate audio-visual support.

(2) The availability and adequate supply from area emergency response service entities of equipment which supports training.

(3) A site where limited, safe open burning would not be challenged or prohibited due to environmental issues or community concerns.

(4) Proximity to a medical facility.

(5) The availability of water mains, roadway, drainage, electrical service, and reasonably flat terrain.

(6) Accessibility to area fire departments.

*b*. The application shall include letters of support for the recommended site from emergency response entities in the region.

4. Applications must be submitted to the bureau by September 15, 2006, in order for a training center to be eligible to receive state funds in the fiscal year beginning July 1, 2006, if funds are appropriated to that training center for that fiscal year. The bureau shall review and approve an application and, if approved, distribute funds appropriated for that training center within thirty days of receiving the application from the applicant. State funds that have been appropriated for use by a specified training center shall be distributed to that training center as soon as possible after the bureau approves such training center's application.

5. The application shall list the training facilities to be required in order for a training center to provide training to fire fighters and other emergency responders. If a lead agency or a partner of a lead agency already owns or utilizes a required training facility, that facility shall not be duplicated when constructing the required training facilities listed on the application.

6. The state fire marshal may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "*b*", to administer this section.

2006 Acts, ch 1179, §44, 67; 2007 Acts, ch 219, §33; 2008 Acts, ch 1031, §31, 32, 102; 2013 Acts, ch 29, §44

Referred to in §100B.3, 100B.7, 100B.21, 100B.23

Subsection 1, paragraph a amended

**100B.23 Training center facilities — advanced training — inspections.**

1. Each training center is required to have the facilities listed on the application in section 100B.22. In addition, each training center assigned an area of advanced training as specified in section 100B.22 is required to have facilities to support instruction in its area of advanced training. These facilities shall include facilities and structures to support full-scale training exercises in such area of advanced training as recommended or required by any applicable state or national training facility standards.

2. The bureau shall inspect the facilities of each training center to ensure compliance with the requirements of this section.

2006 Acts, ch 1179, §45, 67

Referred to in §100B.22

**100B.24 Training provided.**

1. Training centers shall provide fire service training in accordance with curriculum approved by the bureau. The bureau, in cooperation with the public agencies operating the training centers, shall provide the necessary training materials, curriculum, training aids, and training schedule.

2. Training centers may provide emergency response service training in addition to fire service training. A training center shall offer joint training exercises to emergency responders. The bureau shall work in conjunction with those state agencies charged with developing training standards for emergency response service training to develop a curriculum and standards for emergency response service training provided by a training center.

3. A training center shall offer training to any emergency responder who applies for training at the training center regardless of the emergency responder's place of residence or employment.

2006 Acts, ch 1179, §46, 67

Referred to in §100B.7

**100B.25 Agreements for training and financial assistance — authority.**

A public agency operating a training center may enter into agreements under chapter 28E to provide emergency response service training to emergency responders. The agreements may provide for financial contributions from participating public agencies, private fire departments, and emergency response service entities and may provide for in-kind contributions of land, equipment, and personnel from such public agencies, private fire departments, and other entities providing emergency response services.

2006 Acts, ch 1179, §47, 67

**100B.26 through 100B.30** Reserved.

## SUBCHAPTER III

## VOLUNTEER EMERGENCY SERVICES PROVIDER DEATH BENEFIT

**100B.31 Volunteer emergency services provider death benefit — eligibility.**

1. There is appropriated annually from the general fund of the state to the department of administrative services an amount sufficient to pay death benefit claims under this section. The director of the department of administrative services shall issue warrants for payment of death benefit claims approved for payment by the department of public safety under subsection 2.

2. *a.* If the department of public safety determines, upon the receipt of evidence and proof from the fire chief or supervising officer, that the death of a volunteer emergency services provider was the direct and proximate result of a traumatic personal injury incurred in the line of duty as a volunteer, a line of duty death benefit in an amount of one hundred thousand dollars shall be paid in a lump sum to the volunteer emergency services provider's beneficiary. A line of duty death benefit payable under this subsection shall be in addition to any other death benefit payable to the volunteer emergency services provider.

*b.* A line of duty death benefit shall not be payable under this subsection if any of the following applies:

(1) (a) The death resulted from stress, strain, occupational illness, or a chronic, progressive, or congenital illness, including but not limited to a disease of the heart, lungs, or respiratory system, unless a traumatic personal injury was a substantial contributing factor to the volunteer emergency services provider's death.

(b) However, if the death was the direct and proximate result of a heart attack or stroke, the volunteer emergency services provider shall be presumed to have died as a result of a traumatic personal injury if the provider engaged in a nonroutine stressful or strenuous physical activity within the scope of the provider's duties and the death resulted while engaging in that activity, while still on duty after engaging in that activity, or not later than twenty-four hours after engaging in that activity, and the presumption is not overcome by competent medical evidence to the contrary. For purposes of this subparagraph division, "*nonroutine stressful or strenuous physical activity*" includes but is not limited to nonroutine stressful or strenuous physical law enforcement, fire suppression, rescue, hazardous material response, emergency medical services, prison security, disaster relief, emergency response, and training exercise activities. "*Nonroutine stressful or strenuous physical activity*" does not include activities of a clerical, administrative, or nonmanual nature.

(2) The death was caused by the intentional misconduct of the volunteer emergency services provider or by such provider's intent to cause the provider's own death.

(3) The volunteer emergency services provider was voluntarily intoxicated at the time of death.

(4) The volunteer emergency services provider was performing the provider's duties in a grossly negligent manner at the time of death.

(5) A beneficiary who would otherwise be entitled to a benefit under this subsection was, through the beneficiary's actions, a substantial contributing factor to the volunteer emergency services provider's death.

3. For purposes of this section, "*volunteer emergency services provider*" means any of the following:

*a.* A volunteer fire fighter as defined in section 85.61.

*b.* A person performing the functions of an emergency medical care provider as defined in section 147A.1 who was not paid full-time by the entity for which such services were being performed at the time the incident giving rise to the death occurred.

*c.* A reserve peace officer as defined in section 80D.1A.

2000 Acts, ch 1232, §97

C2001, §100B.11
2002 Acts, ch 1079, §1, 3; 2003 Acts, ch 145, §286; 2004 Acts, ch 1063, §1; 2006 Acts, ch 1103, §3
C2007, §100B.31
2009 Acts, ch 41, §263; 2010 Acts, ch 1149, §5
Referred to in §80.9, 97A.6, 97B.52, 99B.8, 411.6

# CHAPTER 100C

## FIRE EXTINGUISHING AND ALARM SYSTEMS CONTRACTORS AND INSTALLERS

Referred to in §100.1, 100D.1, 103.14, 105.11


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**100C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Alarm system"* means a system or portion of a combination system that consists of components and circuits arranged to monitor and annunciate the status of a fire alarm, security alarm, or nurse call or supervisory signal-initiating devices and to initiate the appropriate response to those signals, but does not mean any such security system or portion of a combination system installed in a prison, jail, or detention facility owned by the state, a political subdivision of the state, the department of human services, or the Iowa veterans home.

2. *"Alarm system contractor"* means a person engaging in or representing that the person is engaging in the business of layout, installation, repair, alteration, addition, maintenance, or maintenance inspection of alarm systems in this state.

3. *"Alarm system installer"* means a person engaged in the layout, installation, repair, alteration, addition, or maintenance of alarm systems as an employee of an alarm system contractor, or as an employee of any employer other than an alarm system contractor in a building or facility owned or occupied by such employer.

4. *"Automatic dry-chemical extinguishing system"* means a system supplying a powder composed of small particles, usually of sodium bicarbonate, potassium bicarbonate, urea-potassium-based bicarbonate, potassium chloride, or monoammonium phosphate, with added particulate material supplemented by special treatment to provide resistance to packing, resistance to moisture absorption, and the proper flow capabilities.

5. *"Automatic fire extinguishing system"* means a system of devices and equipment that automatically detects a fire and discharges an approved fire extinguishing agent onto or in the area of a fire and includes automatic sprinkler systems, carbon dioxide extinguishing systems, deluge systems, automatic dry-chemical extinguishing systems, foam extinguishing systems, and halogenated extinguishing systems, or other equivalent fire extinguishing technologies recognized by the fire extinguishing system contractors advisory board.

6. *"Automatic sprinkler system"* means an integrated fire protection sprinkler system usually activated by heat from a fire designed in accordance with fire protection engineering standards and includes a suitable water supply. The portion of the system above the ground is a network of specially sized or hydraulically designed piping installed in a structure or area, generally overhead, and to which automatic sprinklers are connected in a systematic pattern.

7. *"Carbon dioxide extinguishing system"* means a system supplying carbon dioxide from

a pressurized vessel through fixed pipes and nozzles and includes a manual or automatic actuating mechanism.

8. *"Deluge system"* means a sprinkler system employing open sprinklers attached to a piping system connected to a water supply through a valve that is opened by the operation of a detection system installed in the same area as the sprinklers.

9. *"Fire extinguishing system contractor"* means a person engaging in or representing oneself to the public as engaging in the activity or business of layout, installation, repair, alteration, addition, maintenance, or maintenance inspection of automatic fire extinguishing systems in this state.

10. *"Foam extinguishing system"* means a special system discharging foam made from concentrates, either mechanically or chemically, over the area to be protected.

11. *"Halogenated extinguishing system"* means a fire extinguishing system using one or more atoms of an element from the halogen chemical series of fluorine, chlorine, bromine, and iodine.

12. *"Maintenance inspection"* means periodic inspection and certification completed by a fire extinguishing system contractor. For purposes of this chapter, "maintenance inspection" does not include an inspection completed by a local building official, fire inspector, or insurance inspector, when acting in an official capacity.

13. *"Responsible managing employee"* means one of the following:

*a.* An owner, partner, officer, or manager employed full-time by a fire extinguishing system contractor who is certified by the national institute for certification in engineering technologies at a level three in fire protection technology, automatic sprinkler system layout, or another certification in automatic sprinkler system layout recognized by rules adopted by the fire marshal pursuant to section 100C.7 or who meets any other criteria established by rule.

*b.* An owner, partner, officer, or manager employed full-time by an alarm system contractor who is certified by the national institute for certification in engineering technologies in fire alarm systems or security systems at a level established by the fire marshal by rule or who meets any other criteria established by rule under this chapter. The rules may provide for separate endorsements for fire alarm systems, security alarm systems, and nurse call systems and may require separate qualifications for each.

2004 Acts, ch 1125, §2, 17; 2007 Acts, ch 197, §2, 3, 50; 2008 Acts, ch 1092, §1 – 3, 32; 2009 Acts, ch 41, §31

Referred to in §100D.1

**100C.2 Certification — employees.**

1. A person shall not act as a fire extinguishing system contractor without first obtaining a fire extinguishing system contractor's certificate pursuant to this chapter.

2. A person shall not act as an alarm system contractor without first obtaining an alarm system contractor's certificate pursuant to this chapter. A person shall not act as an alarm system installer without first obtaining an alarm system contractor's or alarm system installer's certificate pursuant to this chapter.

3. *a.* A responsible managing employee may act as a responsible managing employee for only one fire extinguishing system contractor at a time. The responsible managing employee shall not be designated as the responsible managing employee for more than two fire extinguishing system contractors in any twelve-month period.

*b.* A responsible managing employee may act as a responsible managing employee for only one alarm system contractor at a time. The responsible managing employee shall not be designated as the responsible managing employee for more than two alarm system contractors in any twelve-month period.

*c.* A responsible managing employee may serve as the responsible managing employee for a fire extinguishing system contractor and an alarm system contractor at the same time, provided that the fire extinguishing system contractor and the alarm system contractor are the same business, and that the person designated as the responsible managing employee meets the responsible managing employee criteria established for each certification.

4. *a.* An employee of a certified fire extinguishing system contractor working under the

direction of a responsible managing employee is not required to obtain and maintain an individual fire extinguishing system contractor's certificate.

*b.* An employee or subcontractor of a certified alarm system contractor who is an alarm system installer, and who is not licensed pursuant to chapter 103 shall obtain and maintain certification as an alarm system installer and shall meet and maintain qualifications established by the state fire marshal by rule.

2004 Acts, ch 1125, §3, 17; 2007 Acts, ch 197, §4, 50; 2008 Acts, ch 1092, §4, 32

**100C.3 Application — information to be provided.**

1. A fire extinguishing system contractor, an alarm system contractor, or an alarm system installer shall apply for a certificate on a form prescribed by the state fire marshal. The application shall be accompanied by a fee in an amount prescribed by rule pursuant to section 100C.7 and shall include all of the following information, as applicable:

*a.* The name, address, and telephone number of the contractor or installer and, in the case of an installer, the name and certification number of the contractor by whom the installer is employed, including all legal and fictitious names.

*b.* Proof of insurance coverage required by section 100C.4.

*c.* The name and qualifications of the person designated as the contractor's responsible managing employee and of persons designated as alternate responsible managing employees.

*d.* Any other information deemed necessary by the state fire marshal.

2. An applicant for certification as an alarm system contractor or an alarm system installer shall be subject to a national criminal history check through the federal bureau of investigation. The applicant shall provide fingerprints to the department of public safety for submission through the state criminal history repository to the federal bureau of investigation. Fees for the national criminal history check shall be paid by the applicant or the applicant's employer. The results of a criminal history check conducted pursuant to this subsection shall be considered a confidential record under chapter 22.

3. Upon receipt of a completed application and prescribed fees, if the contractor or installer meets all requirements established by this chapter, the state fire marshal shall issue a certificate to the contractor or installer within thirty days.

4. Certificates shall expire and be renewed as established by rule pursuant to section 100C.7.

5. Any change in the information provided in the application shall be promptly reported to the state fire marshal. When the employment of a responsible managing employee is terminated, the contractor shall notify the state fire marshal within thirty days after termination.

2004 Acts, ch 1125, §4, 17; 2007 Acts, ch 197, §5, 50; 2008 Acts, ch 1076, §1, 4; 2009 Acts, ch 133, §26

**100C.4 Insurance.**

1. A fire extinguishing system contractor shall maintain general and complete operations liability insurance for the layout, installation, repair, alteration, addition, maintenance, and inspection of automatic fire extinguishing systems in an amount determined by the state fire marshal by rule.

2. An alarm system contractor shall maintain general and complete operations liability insurance for the layout, installation, repair, alteration, addition, maintenance, and inspection of alarm systems in an amount determined by the state fire marshal by rule.

2004 Acts, ch 1125, §5, 17; 2007 Acts, ch 197, §6, 50

Referred to in §100C.3

**100C.5 Suspension and revocation.**

1. The state fire marshal shall suspend or revoke the certificate of any contractor or installer who fails to maintain compliance with the conditions necessary to obtain a certificate. A certificate may also be suspended or revoked if any of the following occur:

*a.* The employment or relationship of a responsible managing employee with a contractor is terminated, unless the contractor has included a qualified alternate on the application or

an application designating a new responsible managing employee is filed with the state fire marshal within six months after the termination.

*b.* The contractor or installer fails to comply with any provision of this chapter.

*c.* The contractor or installer fails to comply with any other applicable codes and ordinances.

2. If a certificate is suspended pursuant to this section, the certificate shall not be reinstated until the condition or conditions which led to the suspension have been corrected.

3. The state fire marshal shall adopt rules pursuant to section 100C.7 for the acceptance and processing of complaints against certificate holders, for procedures to suspend and revoke certificates, and for appeals of decisions to suspend or revoke certificates.

2004 Acts, ch 1125, §6, 17; 2007 Acts, ch 197, §7, 50

**100C.6 Applicability.**

This chapter shall not be construed to do any of the following:

1. Relieve any person from payment of any local permit or building fee.

2. Limit the power of the state or a political subdivision of the state to regulate the quality and character of work performed by contractors or installers through a system of fees, permits, and inspections designed to ensure compliance with, and aid in the administration of, state and local building codes or to enforce other local laws for the protection of the public health and safety.

3. Apply to a person licensed as an engineer pursuant to chapter 542B who provides consultation or develops plans or other work concerning the installation or design of fire protection systems.

4. Relieve any person engaged in fire protection system installation, maintenance, repair, service, or inspection as provided in section 100D.1 from obtaining a fire protection system installer and maintenance worker license as required pursuant to chapter 100D.

2004 Acts, ch 1125, §7, 17; 2007 Acts, ch 197, §8, 50; 2008 Acts, ch 1092, §5, 32; 2008 Acts, ch 1094, §1, 18; 2008 Acts, ch 1191, §123; 2009 Acts, ch 41, §175, 264; 2010 Acts, ch 1037, §1; 2011 Acts, ch 34, §27

**100C.7 Administration — rules.**

The state fire marshal shall administer this chapter and, after consultation with the fire extinguishing system contractors and alarm systems advisory board, shall adopt rules pursuant to chapter 17A necessary for the administration and enforcement of this chapter.

2004 Acts, ch 1125, §8; 2007 Acts, ch 197, §9, 50

Referred to in §100C.1, 100C.3, 100C.5, 100D.1

**100C.8 Penalties.**

1. A person who violates any provision of this chapter is guilty of a simple misdemeanor.

2. The state fire marshal may impose a civil penalty of up to five hundred dollars on any person who violates any provision of this chapter for each day a violation continues. The state fire marshal may adopt rules necessary to enforce and collect any penalties imposed pursuant to this chapter.

2004 Acts, ch 1125, §9, 17

**100C.9 Deposit and use of moneys collected.**

1. All fees assessed pursuant to this chapter shall be retained as repayment receipts by the division of state fire marshal in the department of public safety and such fees received shall be used exclusively to offset the costs of administering this chapter.

2. Notwithstanding section 8.33, fees collected by the division of state fire marshal that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in succeeding fiscal years.

2004 Acts, ch 1125, §10, 17; 2005 Acts, ch 35, §26; 2010 Acts, ch 1014, §2

**100C.10 Fire extinguishing system contractors and alarm systems advisory board.**

1. A fire extinguishing system contractors and alarm systems advisory board is

established in the division of state fire marshal of the department of public safety and shall advise the division on matters pertaining to the application and certification of contractors and installers pursuant to this chapter.

2. The board shall consist of eleven voting members appointed by the commissioner of public safety as follows:

*a.* Two full-time fire officials of incorporated municipalities or counties.

*b.* One full-time building official of an incorporated municipality or county.

*c.* Three fire extinguishing system contractors, certified pursuant to this chapter, of which at least one shall be a water-based fire sprinkler contractor.

*d.* Three alarm system contractors, certified pursuant to this chapter, at least one of whom shall have experience with fire alarm systems, at least one of whom shall have experience with security alarm systems, and at least one of whom shall have experience with nurse call systems.

*e.* One professional engineer or architect licensed or registered in the state.

*f.* One representative of the general public.

3. The state fire marshal, or the state fire marshal's designee, and the chairperson of the electrical examining board created in section 103.2 shall be nonvoting ex officio members of the board.

4. The commissioner shall initially appoint two members for two-year terms, two members for four-year terms, and three members for six-year terms. Following the expiration of the terms of initially appointed members, each term thereafter shall be for a period of six years. No member shall serve more than two consecutive terms. If a position on the board becomes vacant prior to the expiration of a member's term, the member appointed to the vacancy shall serve the balance of the unexpired term.

5. Six voting members of the advisory board shall constitute a quorum. A majority vote of the board shall be required to conduct business.

2004 Acts, ch 1125, §11; 2005 Acts, ch 35, §27; 2007 Acts, ch 126, §20; 2007 Acts, ch 197, §10, 50; 2008 Acts, ch 1031, §33; 2008 Acts, ch 1092, §6, 32

Referred to in §100D.5

# CHAPTER 100D

## FIRE PROTECTION SYSTEM INSTALLATION AND MAINTENANCE

Referred to in §100C.6, 272C.1


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**100D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Apprentice fire protection system installer and maintenance worker"* means a person who is registered in an apprenticeship program approved by the United States department of labor who is engaged in learning the fire protection system industry trade under the direct supervision of a responsible managing employee of a certified fire extinguishing system contractor or licensed fire protection system installer and maintenance worker other than a trainee.

2. *"Department"* means the department of public safety.

3. *"Division"* means division of the state fire marshal in the department.

4. *"Fire extinguishing system contractor"* means a person or persons who are engaging in or representing themselves to the public as engaging in the activity or business of layout, installation, repair, service, alteration, addition, testing, maintenance, or maintenance inspection of automatic fire extinguishing systems in this state, as defined in section 100C.1, and who is certified pursuant to chapter 100C.

5. *"Fire protection system"* means a sprinkler system, standpipe system, hose system, special hazard system, dry system, foam system, or any water-based fire protection system, whether engineered or preengineered and whether manual or automatically activated, used for fire protection purposes which may include an integrated system of underground and overhead piping and which may be connected to a water source.

6. *"Fire protection system installation"* means to set up or establish for use in an indicated space a fire protection system.

7. *"Fire protection system maintenance"* means to provide repairs, including all inspections and tests, required to keep a fire protection system and its component parts in an operative condition at all times, and the replacement of the system or its component parts when they become undependable or inoperable.

8. *"Fire protection system installer and maintenance worker"* means a person who, having the necessary qualifications, training, experience, and technical knowledge, conducts fire protection system installation and maintenance, and who is licensed by the department to install or maintain the types of fire protection systems endorsed on the license.

9. *"Preengineered fire protection system"* means a fire protection system that has a predetermined flow rate, nozzle pressure, and quantity of extinguishing agent.

10. *"Responsible managing employee"* means an owner, partner, officer, or manager employed full-time by a fire extinguishing system contractor who is certified by the national institute for certification in engineering technologies at a level three in fire protection technology, automatic sprinkler system layout, or another certification in automatic sprinkler system layout recognized by rules adopted by the fire marshal pursuant to section 100C.7 or who meets any other criteria established by rule.

11. *"Routine maintenance"* means the repair or replacement of existing fire protection system components of the same size and type for which no changes in configuration are made, including the replacement of sprinkler heads or nozzles and the temporary disabling and subsequent restarting of a system as necessary to perform such routine maintenance. *"Routine maintenance"* does not include any new installation or the expansion or extension of any existing fire protection system.

12. *"Trainee"* means a person who is engaged in learning the fire protection system industry trade under the direct supervision of a responsible managing employee of a certified fire extinguishing system contractor or licensed fire protection system installer and maintenance worker and who is not registered with the United States department of labor.

2008 Acts, ch 1094, §2, 18; 2009 Acts, ch 91, §1 – 3; 2010 Acts, ch 1037, §2, 3; 2010 Acts, ch 1061, §18; 2011 Acts, ch 65, §1, 3

Referred to in §100C.6

**100D.2 License required.**

1. On or after January 1, 2010, a person shall not perform fire protection system installations or fire protection system maintenance without holding a current, valid fire protection system installer and maintenance worker license issued pursuant to this chapter, with appropriate endorsements for that type of system, with the following exceptions:

*a.* An employee of a fire extinguishing system contractor working as an apprentice fire protection system installer and maintenance worker performing fire protection system installation or maintenance under the direct supervision of an on-site responsible managing employee or licensed fire protection system installer and maintenance worker is not required to hold a current, valid fire protection system installer and maintenance worker license.

*b.* A person who demolishes fire protection system components is not subject to the provisions of this chapter when the work involves a complete sprinkler system. A person is not required to be licensed in order to demolish part of a system or a partial system, provided

that the system is taken out of service. If a system is restored to service after having been taken out of service, the restoration work must be performed by a person licensed pursuant to this chapter or a responsible managing employee.

*c.* A person who is a responsible managing employee of a fire extinguishing system contractor is not required to hold a current, valid fire protection system installer and maintenance worker license in order to perform fire protection system installations or maintenance.

*d.* A trainee who works at all times under the direct supervision of a licensed fire protection system installer and maintenance worker, other than an unclassified person, may be licensed to work on special hazard fire protection systems but shall not be licensed to perform installation or maintenance on a preengineered fire protection system or on an engineered water-based fire protection system. A trainee license may be renewed once and a person may work as a trainee for a maximum of four years.

2. A licensed fire protection system installer and maintenance worker must be present at all locations and at all times when fire protection system installation work is being performed. At least one licensed fire protection system installer and maintenance worker must be present for every three apprentice fire protection system installers and maintenance workers or trainees performing work related to fire protection system installation.

3. Licenses are not transferable. The lending, selling, giving, or assigning of any license or the obtaining of a license for any other person shall be grounds for revocation.

4. Licenses shall be issued for a two-year period, and may be renewed as established by the state fire marshal by rule.

5. On and after January 1, 2010, a governmental subdivision shall not issue a license to a person installing a fire protection system and shall not prohibit a person installing fire protection systems and licensed pursuant to this chapter from performing services for which that person is licensed pursuant to this chapter or enforce any licensing provisions promulgated by the governmental subdivision against a person licensed pursuant to this chapter.

2008 Acts, ch 1094, §3, 18; 2009 Acts, ch 91, §4 – 7; 2010 Acts, ch 1037, §4, 5

**100D.3 Fire protection system installer and maintenance worker license.**

1. The state fire marshal shall issue a fire protection system installer and maintenance worker license to an applicant who meets all of the following requirements:

*a.* Has completed a fire protection apprenticeship program approved by the United States department of labor, or has completed two years of full-time employment or the equivalent thereof as a trainee.

*b.* Is employed by a fire extinguishing system contractor. However, an applicant whose work on extinguishing systems will be restricted to systems on property owned or controlled by the applicant's employer may obtain a license if the employer is not a certified contractor.

*c.* Has received a passing score on the national inspection, testing, and certification star fire sprinkler mastery exam or on an equivalent exam from a nationally recognized third-party testing agency that is approved by the state fire marshal, or is certified at level one by the national institute for certification in engineering technologies and as specified by rule by the state fire marshal, or is certified by another entity approved by the fire marshal.

2. The state fire marshal shall issue a fire protection system installer and maintenance worker license with endorsements restricted to preengineered fire protection systems to an applicant who does not meet the requirements of subsection 1 but does meet the following requirements:

*a.* To be endorsed as a preengineered kitchen fire extinguishing system installer, has successfully completed training and an examination verified by a preengineered system manufacturer, an agent of a preengineered system manufacturer, or an organization that is approved by the state fire marshal.

*b.* To be endorsed as a preengineered kitchen fire extinguishing system maintenance worker, has successfully completed training by the worker's employer or the system's manufacturer and has passed a written or online examination for preengineered kitchen fire extinguishing system maintenance that is approved by the state fire marshal.

*c.* To be endorsed as a preengineered industrial fire extinguishing system installer, possesses a training and examination certification from a preengineered system manufacturer, an agent of a preengineered system manufacturer, or an organization that is approved by the state fire marshal.

*d.* To be endorsed as a preengineered industrial fire extinguishing system maintenance worker, has been trained by the worker's employer and has passed a written or online examination for preengineered industrial fire extinguishing system maintenance that is approved by the state fire marshal.

3. The holder of a fire protection system installer and maintenance worker license shall be responsible for license fees, renewal fees, and continuing education hours.

4. The license of a fire protection system installer and maintenance worker licensee who ceases to be employed by a fire extinguishing system contractor shall continue to be valid until it would otherwise expire, but the licensee shall not perform work requiring licensure under this chapter until the licensee is again employed by a fire extinguishing system contractor. If the licensee becomes employed by a fire extinguishing system contractor other than the contractor which employed the licensee at the time the license was issued, the licensee shall notify the fire marshal and shall apply for an amendment to the license. The fire marshal may establish by rule a fee for amending a license. This subsection shall not extend the time period during which a license is valid. This subsection does not apply to a licensee whose work on extinguishing systems is restricted to systems on property owned or controlled by the licensee's employer.

5. The fire marshal, by rule, may restrict the scope of work authorized by a license with appropriate endorsements.

2008 Acts, ch 1094, §4, 18; 2009 Acts, ch 91, §8; 2010 Acts, ch 1037, §6

Referred to in §100D.8, 100D.9

**100D.4 Insurance and surety bond requirements.**

1. An applicant for a fire protection system installer and maintenance worker license or renewal of an active license shall provide evidence of a public liability insurance policy and surety bond in an amount determined sufficient by the fire marshal by rule.

2. If the applicant is engaged in fire protection system installer and maintenance worker work individually through a business conducted as a sole proprietorship, the applicant shall personally obtain the insurance and surety bond required by this section. If the applicant is engaged in the fire protection system installer and maintenance worker business as an employee or owner of a legal entity, then the insurance and surety bond required by this section shall be obtained by the entity and shall cover all fire protection system installer and maintenance worker work performed by the entity.

3. The insurance and surety bond shall be written by an entity licensed to do business in this state and each licensee shall maintain on file with the department a certificate evidencing the insurance providing that the insurance or surety bond shall not be canceled without the entity first giving fifteen days written notice to the fire marshal.

2008 Acts, ch 1094, §5, 18; 2009 Acts, ch 91, §9; 2010 Acts, ch 1037, §7

**100D.5 Administration — rules — suspension and revocation.**

The state fire marshal shall do all of the following:

1. After consultation with the fire extinguishing system contractors and alarm systems advisory board established pursuant to section 100C.10, adopt rules pursuant to chapter 17A necessary for the administration and enforcement of this chapter.

2. Revoke, suspend, or refuse any license granted pursuant to this chapter when the licensee fails or refuses to pay an examination, license, or renewal fee required by law or when the licensee is guilty of any of the following acts or omissions:

*a.* Fraud in procuring a license.

*b.* Professional incompetence.

*c.* Knowingly making misleading, deceptive, untrue, or fraudulent representations in the practice of the licensee's profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.

*d.* Habitual intoxication or addiction to the use of drugs.

*e.* Conviction of a felony related to the profession or occupation of the licensee. A copy or the record of conviction or plea of guilty shall be conclusive evidence.

*f.* Fraud in representation as to skill or ability.

*g.* Use of untruthful or improbable statements in advertisements.

*h.* Willful or repeated violations of the provisions of this chapter.

3. Adopt rules for continuing education requirements, which shall include, at a minimum, completion of sixteen credit hours of instruction per licensure period relating to updates in fire protection system installation and maintenance.

4. Adopt rules regarding license application forms, examination procedures, and license application and renewal fees.

5. Adopt rules specifying a violation reporting procedure.

2008 Acts, ch 1094, §6, 18; 2009 Acts, ch 91, §10; 2010 Acts, ch 1037, §8

Referred to in §272C.3, 272C.4, 272C.5

**100D.6 Penalties.**

The state fire marshal may impose a civil penalty of up to five hundred dollars on any person who violates any provision of this chapter for each day a violation continues. The state fire marshal may adopt rules necessary to enforce and collect any penalties imposed pursuant to this chapter.

2008 Acts, ch 1094, §7, 18

**100D.7 Deposit and use of moneys collected.**

1. The state fire marshal shall set the license fees and renewal fees for all licenses issued pursuant to this chapter, by rule, based upon the actual costs of licensing.

2. All fees assessed pursuant to this chapter shall be retained as repayment receipts by the division of state fire marshal in the department of public safety and such fees received shall be used exclusively to offset the costs of administering this chapter.

3. Notwithstanding section 8.33, fees collected by the division of state fire marshal that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

2008 Acts, ch 1094, §8, 18

**100D.8 Provisional licensure.**

1. An applicant for licensure under this chapter as a fire protection system installer and maintenance worker who possesses a minimum of four years of experience as an apprentice fire protection system installer and maintenance worker and who has not successfully passed the licensure examination or achieved certification as required pursuant to section 100D.3 by January 1, 2010, shall be issued a license as a fire protection system installer and maintenance worker for a period ending no later than December 31, 2010. A provisional license shall be granted upon presentation of satisfactory evidence to the fire marshal demonstrating experience and competency in conducting fire protection system installations and fire protection system maintenance according to criteria to be determined by the fire marshal in rule.

2. An applicant issued a provisional license pursuant to this section shall pass the licensure examination or achieve certification on or before December 31, 2010, in order to remain licensed as a fire protection system installer and maintenance worker. A provisional license fee shall be established by the fire marshal by rule. No provisional licenses shall be issued after July 1, 2010.

2008 Acts, ch 1094, §9, 18; 2009 Acts, ch 91, §11; 2010 Acts, ch 1037, §9

**100D.9 Transition provisions.**

1. An applicant for licensure under this chapter, who is employed as a fire protection system installer and maintenance worker as of July 1, 2008, shall be issued a license upon presentation of satisfactory evidence to the department of at least eight thousand five hundred

hours of experience as a fire protection system installer and maintenance worker and one of the following:

*a.* Presentation of a certificate of completion of a four-year or five-year protection system apprenticeship program, approved by the United States department of labor.

*b.* A passing score on the national inspection, testing and certification star fire sprinkler mastery exam or an equivalent exam from a nationally recognized third-party testing agency that is approved by the state fire marshal.

*c.* Certification by the national institute for certification in engineering technologies, or another entity as specified by rule by the state fire marshal.

2. After July 31, 2012, a person licensed pursuant to this section shall renew or obtain a license pursuant to section 100D.3.

2008 Acts, ch 1094, §10, 18; 2009 Acts, ch 91, §12, 13; 2010 Acts, ch 1037, §10

**100D.10 Reciprocal licenses.**

To the extent that another state provides for the licensing of fire protection system installers and maintenance workers or similar action, the state fire marshal may issue a fire protection system installer and maintenance worker license, without examination, to a nonresident fire protection system installer and maintenance worker who has been licensed by such other state for at least three years provided such other state grants the same reciprocal licensing privileges to residents of Iowa who have obtained a fire protection system installer and maintenance worker license upon payment by the applicant of the required fee and upon furnishing proof that the qualifications of the applicant are equal to the qualifications of holders of similar licenses in this state.

2008 Acts, ch 1094, §11, 18; 2010 Acts, ch 1037, §11

**100D.11 Applicability.**

1. The provisions of this chapter shall not be construed to apply to a person licensed as an engineer pursuant to chapter 542B who provides consultation or develops plans or other work concerning the installation or design of fire protection systems.

2. The provisions of this chapter shall not be construed to apply to a person only performing routine maintenance.

3. The provisions of this chapter shall not be construed to apply to a person licensed as a plumber pursuant to chapter 105 who is working within the scope of the person's license.

2008 Acts, ch 1094, §12, 18; 2009 Acts, ch 91, §14; 2010 Acts, ch 1037, §12

**100D.12 Local licensing provisions.**

On and after August 1, 2009, a governmental subdivision shall not prohibit a person licensed pursuant to this chapter from performing services for which that person is licensed pursuant to this chapter or enforce any additional licensing provisions promulgated by the governmental subdivision against a person licensed pursuant to this chapter.

2008 Acts, ch 1094, §13, 18

**100D.13 Temporary licenses.**

1. The state fire marshal may issue a temporary fire protection system installer and maintenance worker license to a person, providing that all of the following conditions are met:

*a.* The person is currently licensed or certified to perform work as a fire protection system installer and maintenance worker in another state.

*b.* The person meets any additional criteria for a temporary license established by the state fire marshal by rule.

*c.* The person provides all information required by the state fire marshal.

*d.* The person has paid the fee for a temporary license, which fee shall be established by the state fire marshal by rule.

*e.* The person intends to perform work as a fire protection system installer and maintenance worker only in areas of this state which are covered by a disaster emergency declaration issued by the governor pursuant to section 29C.6.

2. A temporary license issued pursuant to this section shall be valid for ninety days. The state fire marshal may establish criteria and procedures for the extension of such licenses for additional periods, which in no event shall exceed ninety days.

3. A temporary license shall be valid only in areas of the state which are subject to a disaster emergency declaration issued by the governor pursuant to section 29C.6 at the time at which the license is issued, which become subject to such a declaration during the time the license is valid, or which were subject to such a declaration issued within the six months preceding the issuance of the license.

2008 Acts, ch 1094, §18; 2009 Acts, ch 91, §15; 2010 Acts, ch 1037, §13, 14

# CHAPTER 101

## COMBUSTIBLE AND FLAMMABLE LIQUIDS AND LIQUEFIED GASES

Referred to in §455B.474, 455G.31

See also chapter 455G

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## DIVISION I

## GENERAL PROVISIONS

**101.1 Rules by fire marshal — definitions.**

1. The state fire marshal is hereby empowered and directed to formulate and adopt and from time to time amend or revise and to promulgate, in conformity with and subject to the conditions set forth in this chapter, reasonable rules for the safe transportation, storage, handling, and use of combustible liquids, flammable liquids, liquefied petroleum gases, and liquefied natural gases.

2. For purposes of this chapter:

*a.* *"Combustible liquid"* means any liquid that has a closed-cup flash point greater than or equal to 100 degrees Fahrenheit.

*b.* *"Flammable liquid"* means a liquid with a closed-cup flash point below 100 degrees

Fahrenheit and a Reid vapor pressure not exceeding forty p.s.i. absolute, 2026.6 mm Hg, at 100 degrees Fahrenheit.

*c. "Liquefied petroleum gas"* means material composed predominantly of any of the following hydrocarbons, or mixtures of the same: Propane, propylene, butanes (normal butane or isobutane) and butylenes.

*d. "Liquefied natural gas"* means a fuel in the liquid state composed predominantly of methane and which may contain minor quantities of ethane, propane, nitrogen, or other components normally found in natural gas.

*e. "Petroleum"* means petroleum as defined in section 455B.471.

[C35, §1655-g1, -g2, -g4; C39, §**1655.1, 1655.2, 1655.4;** C46, 50, 54, §101.1, 101.2; C58, 62, 66, 71, 73, 75, 77, 79, 81, §101.1]

2010 Acts, ch 1014, §3; 2011 Acts, ch 34, §28

**101.2 Scope of rules.**

Except as otherwise provided in this chapter, the rules shall be in substantial compliance with the standards of the national fire protection association relating to flammable and combustible liquids, liquefied petroleum gases, and liquefied natural gases.

[C35, §1655-g2; C39, §**1655.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §101.2]

98 Acts, ch 1008, §2; 2011 Acts, ch 34, §29

**101.3 Separate rules for liquids and gas.**

The rules covering combustible and flammable liquids shall be formulated and promulgated separately from those covering liquefied petroleum gas and from those covering liquefied natural gases.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §101.3]

2010 Acts, ch 1014, §4; 2011 Acts, ch 34, §30

**101.4 Nonconforming use.**

The rules shall make reasonable provision under which facilities in service prior to the effective date of the regulations and not in strict conformity therewith may be continued in service unless the nonconformity is such as to constitute a distinct hazard to life or adjoining property; and for guidance in enforcement may delineate these types of nonconformity that should be considered distinctly hazardous, those that should not be considered distinctly hazardous and those the need for elimination of which should be evaluated in the light of local factors. As to any rule the need for compliance with which is conditioned on local factors, the rules shall provide, as a condition precedent to evaluation or issuance of a compliance order, for reasonable notice to the proprietor of the facility affected of intention to evaluate the need and of the time and place at which the proprietor may appear and offer evidence thereon.

[C35, §1655-g3; C39, §**1655.3;** C46, 50, 54, §101.3; C58, 62, 66, 71, 73, 75, 77, 79, 81, §101.4]

**101.5 Rules.**

The rules shall be promulgated pursuant to chapter 17A.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §101.5]

2004 Acts, ch 1125, §12; 2010 Acts, ch 1014, §5

**101.5A Shared public petroleum storage facilities.**

The state fire marshal shall permit by rule the shared ownership, operation, or cooperative use of a publicly owned petroleum storage or dispensing facility by more than one public agency or political subdivision in order to maximize the opportunity for cooperation, to avoid unnecessary duplication of facilities posing both an environmental and fire hazard, and to minimize the cost of providing public services. Shared or cooperative use is not a violation of chapter 23A, even if one public agency or political subdivision compensates another public agency or political subdivision for the use or for petroleum dispensed. A publicly owned petroleum storage facility subject to this section may use aboveground or underground storage tanks, or a combination of both.

90 Acts, ch 1113, §1

**101.6 Ordinances by municipalities.**

Rules promulgated pursuant to this chapter shall have uniform force and effect throughout the state and no municipality or political subdivision shall enact or enforce any ordinance or regulation inconsistent or not in keeping with the statewide rules. Provided that nothing in this chapter shall in any way impair the power of any municipality when authorized by other law to regulate the use of land by comprehensive zoning or to control the construction of buildings and structures under building codes or restricted fire district regulations. Provided, further, that the size, weight and cargo carried by vehicles used in the transportation or delivery of flammable liquids or liquefied petroleum gas shall be governed by the uniform provisions of the motor vehicle and highway traffic laws of this state and local ordinances therein authorized.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §101.6]

**101.7 Penalty.**

Any person, firm or corporation violating any of the rules promulgated under this chapter shall be deemed guilty of a simple misdemeanor. Each day of the continuing violation of such rules after conviction shall be considered a separate offense. Appeals may be taken from such convictions as in other criminal cases.

[C35, §1655-g3, -g4; C39, §**1655.3, 1655.4;** C46, 50, 54, §101.2, 101.4; C58, 62, 66, 71, 73, 75, 77, 79, 81, §101.7]

**101.8 Assistance by local officials.**

The chief fire prevention officer of every city or village having an established fire prevention department, the chief of the fire department of every other city or village in which a fire department is established, the mayor of every city in which no fire department exists, the township clerk of every township outside the limits of any city or village and all other local officials upon whom fire prevention duties are imposed by law shall assist the state fire marshal in the enforcement of the rules.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §101.8]

**101.9 Repairs ordered by fire marshal.**

If the state fire marshal has reasonable grounds for believing after conducting tests that a leak exists in a flammable or combustible liquid storage tank or in the distribution system of a flammable or combustible liquid storage tank the state fire marshal shall issue a written order to the owner or lessee of the storage tank or distribution system requiring the storage tank and distribution system be emptied and removed or repaired immediately upon receipt of the written order.

[C79, 81, §101.9]

**101.10 Assistance of department of natural resources.**

If the state fire marshal has reasonable grounds for believing that a leak constitutes a hazardous condition which threatens the public health and safety, the fire marshal may request the assistance of the department of natural resources, and upon such request the department of natural resources is empowered to eliminate the hazardous condition as provided in chapter 455B, division IV, part 4, the provisions of section 455B.390, subsection 3, to the contrary notwithstanding.

[C79, 81, §101.10; 82 Acts, ch 1199, §92, 96]

**101.11 Use in vehicle — marking — dispensing prohibition — penalty.**

1. A vehicle which carries liquefied petroleum gas fuel or natural gas, as a fuel source for the vehicle, in a concealed area, including but not limited to trunks or compartments located in or under the vehicle, shall display on the left rear and right front bumpers of the vehicle a standard abbreviation or symbol, approved by the department of public safety, which indicates liquefied petroleum gas fuel or natural gas is a fuel source for the vehicle.

2. The owner of the vehicle which is fueled by natural gas or liquefied petroleum gas shall be responsible for the placement of the approved abbreviation or symbol on the vehicle.

3. A person shall not dispense liquefied petroleum gas fuel or natural gas into a tank in a concealed area of a vehicle unless the vehicle complies with subsection 1.

4. A person who violates this section is guilty of a simple misdemeanor.

84 Acts, ch 1095, §9

**101.12 Aboveground tanks authorized.**

1. An aboveground flammable or combustible liquid storage tank may be installed at a retail motor vehicle fuel outlet, subject to rules adopted by the state fire marshal.

2. Rules adopted by the state fire marshal pursuant to this section shall be in substantial compliance with the applicable standards of the national fire protection association.

3. The installation of an aboveground flammable or combustible liquid storage tank at a retail motor vehicle fuel outlet shall also be subject to approval by the governing body of the local governmental subdivision which has jurisdiction over the fuel outlet.

89 Acts, ch 131, §3; 90 Acts, ch 1235, §1; 98 Acts, ch 1008, §3; 2010 Acts, ch 1014, §6

**101.13 Liquefied petroleum gas containers.**

1. If a liquefied petroleum gas container designed to hold more than twenty pounds of liquefied petroleum gas has the name, mark, initials, or other identifying device of the owner in plainly legible characters on the surface of the container, a person other than the owner or a person authorized by the owner shall not do any of the following:

*a.* Fill or refill the container with liquefied petroleum gas or any other gas or compound except when the owner is unable to supply liquefied petroleum gas to a person to whom the owner is leasing or furnishing the container and to whom the owner ordinarily supplies the liquefied petroleum gas, in which case the owner shall authorize the refilling of the container by another person designated by the owner.

*b.* Buy, sell, offer for sale, give, take, loan, deliver or permit to be delivered, or otherwise use the container.

*c.* Deface, remove, conceal, or change the name, mark, initials, or other identifying device of the owner.

*d.* Place the name, mark, initials, or other identifying device indicating ownership by any person other than the owner on the container.

2. A person who violates this section is guilty of a simple misdemeanor. Each violation of this section shall constitute a separate offense.

93 Acts, ch 138, §1

Section not amended; editorial change applied

**101.14 Action for damages — evidence — user conduct.**

1. In any action or claim seeking damages for personal injuries or damage to property arising out of injuries or loss due to defects in a liquefied petroleum gas system, or arising out of the condition of any portion of that system, the negligence or other fault of the customer, owner, or other person in possession of or making use of that system relating to the installation, modification, maintenance, or repair of the system or damage incurred to the system shall be admissible in evidence and considered by the finder of fact if such conduct was a cause in fact of the accident or condition leading to the injuries or damages.

2. For purposes of this section, *"liquefied petroleum gas system"* means any container designed to hold liquefied petroleum gas and attached valves, regulators, piping, appliances, controls on appliances, and venting of appliances.

2004 Acts, ch 1126, §1

**101.15 through 101.20** Reserved.

## DIVISION II

## ABOVEGROUND FLAMMABLE OR COMBUSTIBLE LIQUID STORAGE TANKS

**101.21 Definitions.**

As used in this division unless the context otherwise requires:

1. *"Aboveground flammable or combustible liquid storage tank"* means one or a combination of tanks, including connecting pipes connected to the tanks which are used to contain an accumulation of flammable or combustible liquid and the volume of which, including the volume of the underground pipes, is more than ninety percent above the surface of the ground. Aboveground flammable or combustible liquid storage tank does not include any of the following:

*a.* An aboveground tank which complies with any of the following:

(1) Has one thousand one hundred gallons or less capacity.

(2) Stores flammable liquids on a farm located outside the limits of a city, if the aboveground tank has two thousand gallons or less capacity.

(3) Stores combustible liquids on a farm located outside the limits of a city, if the aboveground tank has five thousand gallons or less capacity.

*b.* A tank used for storing heating oil for consumptive use on the premises where stored.

*c.* An underground storage tank as defined by section 455B.471.

*d.* A flow-through process tank, or a tank containing a regulated substance, other than motor fuel used for transportation purposes, for use as part of a manufacturing process, system, or facility.

2. *a.* *"Farm"* means land and associated improvements used to produce agricultural commodities, if at least one thousand dollars is annually generated from the sale of the agricultural commodities.

*b.* As used in paragraph *"a"*, *"commodities"* means crops as defined in section 202.1 or animals as defined in section 459.102.

3. *"Operator"* means a person in control of, or having responsibility for, the daily operation of an aboveground flammable or combustible liquid storage tank.

4. *"Owner"* means:

*a.* In the case of an aboveground flammable or combustible liquid storage tank in use on or after July 1, 1989, a person who owns the aboveground flammable or combustible liquid storage tank used for the storage, use, or dispensing of flammable or combustible liquid.

*b.* In the case of an aboveground flammable or combustible liquid storage tank in use before July 1, 1989, but no longer in use on or after that date, a person who owned the tank immediately before the discontinuation of its use.

5. *"Release"* means spilling, leaking, emitting, discharging, escaping, leaching, or disposing from an aboveground flammable or combustible liquid storage tank into groundwater, surface water, or subsurface soils.

6. *"State fire marshal"* means the state fire marshal or the state fire marshal's designee.

7. *"Tank site"* means a tank or grouping of tanks within close proximity of each other located on a facility for the purpose of storing flammable or combustible liquid.

89 Acts, ch 131, §4; 90 Acts, ch 1235, §2; 2006 Acts, ch 1142, §83; 2010 Acts, ch 1014, §7; 2011 Acts, ch 34, §31; 2013 Acts, ch 127, §8, 9

Referred to in §424.2

Subsection 1, paragraphs a – c amended

NEW subsection 2 and former subsections 2 – 6 renumbered as 3 – 7

**101.22 Report of existing and new tanks — registration fee — tag — penalty.**

1. Except as provided in subsection 2, the owner or operator of an aboveground flammable or combustible liquid storage tank existing on July 1, 2010, shall notify the state fire marshal in writing by October 1, 2010, of the existence of each tank and specify the age, size, type, location, and uses of the tank.

2. The owner of an aboveground flammable or combustible liquid storage tank taken out of operation on or before July 1, 2010, shall notify the state fire marshal in writing by October

1, 2010, of the existence of the tank unless the owner knows the tank has been removed from the site. The notice shall specify, to the extent known to the owner, the date the tank was taken out of operation, the age of the tank on the date taken out of operation, the size, type, and location of the tank, and the type and quantity of substances left stored in the tank on the date that it was taken out of operation.

3. An owner or operator who brings into use an aboveground flammable or combustible liquid storage tank after July 1, 2010, shall notify the state fire marshal in writing within thirty days of the existence of the tank and specify the age, size, type, location, and uses of the tank.

4. The registration notice of the owner or operator to the state fire marshal under subsections 1 through 3 shall be accompanied by an annual fee of twenty dollars for each tank included in the notice. All moneys collected shall be retained by the department of public safety and are appropriated for the use of the state fire marshal. The annual renewal fee applies to all owners or operators who file a registration notice with the state fire marshal pursuant to subsections 1 through 3.

5. A person who sells or constructs a tank intended to be used as an aboveground storage tank shall notify the purchaser of the tank in writing of the notification requirements of this section applicable to the purchaser.

6. An owner or operator shall register an aboveground flammable or combustible liquid storage tank pursuant to subsections 1 through 4.

7. *a.* The state fire marshal shall furnish the owner or operator of an aboveground flammable or combustible liquid storage tank with a registration tag for each aboveground flammable or combustible liquid storage tank registered with the state fire marshal.

*b.* The owner or operator shall affix the tag to the fill pipe of each registered aboveground flammable or combustible liquid storage tank.

8. A late registration penalty of twenty-five dollars is imposed in addition to the registration fee for a tank registered after the required date.

89 Acts, ch 131, §5; 90 Acts, ch 1235, §3; 2000 Acts, ch 1224, §23; 2002 Acts, ch 1119, §127; 2008 Acts, ch 1032, §191; 2010 Acts, ch 1014, §8; 2011 Acts, ch 34, §32; 2013 Acts, ch 127, §10

Referred to in §101.22A

Subsections 4 – 8 amended

**101.22A Exemption.**

An aboveground flammable or combustible liquid storage tank which is subject to regulation or registration under either the federal department of transportation or state department of transportation, or both, is exempt from the registration requirements of section 101.22.

90 Acts, ch 1235, §4; 2010 Acts, ch 1014, §9

**101.23 State fire marshal reporting rules.**

The state fire marshal shall adopt rules pursuant to chapter 17A relating to reporting requirements necessary to enable the state fire marshal to maintain an accurate inventory of aboveground flammable or combustible liquid storage tanks.

89 Acts, ch 131, §6; 90 Acts, ch 1235, §5; 2010 Acts, ch 1014, §10

**101.24 Duties and powers of the state fire marshal.**

The state fire marshal shall:

1. Inspect and investigate the facilities and records of owners and operators of aboveground flammable or combustible liquid storage tanks with a capacity of fifteen thousand or more gallons, as necessary to determine compliance with this division and the rules adopted pursuant to this division. An inspection or investigation shall be conducted subject to subsection 4. For purposes of developing a rule, maintaining an accurate inventory, or enforcing this division, the department may:

*a.* Enter at reasonable times an establishment or other place where an aboveground storage tank is located.

*b.* Inspect and obtain samples from any person of flammable or combustible liquid or another regulated substance and conduct monitoring or testing of the tanks, associated

equipment, contents, or surrounding soils, air, surface water, and groundwater. Each inspection shall be commenced and completed with reasonable promptness.

(1) If the state fire marshal obtains a sample, prior to leaving the premises, the fire marshal shall give the owner, operator, or agent in charge a receipt describing the sample obtained and if requested a portion of each sample equal in volume or weight to the portion retained. If the sample is analyzed, a copy of the results of the analysis shall be furnished promptly to the owner, operator, or agent in charge.

(2) Documents or information obtained from a person under this subsection shall be available to the public except as provided in this subparagraph. Upon a showing satisfactory to the state fire marshal by a person that public disclosure of documents or information, or a particular part of the documents or information to which the state fire marshal has access under this subsection would divulge commercial or financial information entitled to protection as a trade secret, the state fire marshal shall consider the documents or information or the particular portion of the documents or information confidential. However, the documents or information may be disclosed to officers, employees, or authorized representatives of the United States charged with implementing the federal Solid Waste Disposal Act, to employees of the state of Iowa or of other states when the document or information is relevant to the discharge of their official duties, and when relevant in a proceeding under the federal Solid Waste Disposal Act or this division.

2. Maintain an accurate inventory of aboveground flammable or combustible liquid storage tanks.

3. Take any action allowed by law which, in the state fire marshal's judgment, is necessary to enforce or secure compliance with this division or any rule adopted pursuant to this division.

4. Conduct investigations of complaints received directly, referred by other agencies, or other investigations deemed necessary. While conducting an investigation, the state fire marshal may enter at any reasonable time in and upon any private or public property to investigate any actual or possible violation of this division or the rules or standards adopted under this division. However, the owner or person in charge shall be notified.

*a.* If the owner or operator of any property refuses admittance, or if prior to such refusal the state fire marshal demonstrates the necessity for a warrant, the state fire marshal may make application under oath or affirmation to the district court of the county in which the property is located for the issuance of a search warrant.

*b.* In the application the state fire marshal shall state that an inspection of the premises is mandated by the laws of this state or that a search of certain premises, areas, or things designated in the application may result in evidence tending to reveal the existence of violations of public health, safety, or welfare requirements imposed by statutes, rules, or ordinances established by the state or a political subdivision of the state. The application shall describe the area, premises, or thing to be searched, give the date of the last inspection if known, give the date and time of the proposed inspection, declare the need for such inspection, recite that notice of the desire to make an inspection has been given to affected persons and that admission was refused if that be the fact, and state that the inspection has no purpose other than to carry out the purpose of the statute, rule, or ordinance pursuant to which inspection is to be made. If an item of property is sought by the state fire marshal it shall be identified in the application.

*c.* If the court is satisfied from the examination of the applicant, and of other witnesses, if any, and of the allegations of the application of the existence of the grounds of the application, or that there is probable cause to believe in their existence, the court may issue a search warrant.

*d.* In making inspections and searches pursuant to the authority of this division, the state fire marshal must execute the warrant as follows:

(1) Within ten days after its date.

(2) In a reasonable manner, and any property seized shall be treated in accordance with the provisions of chapters 808 and 809.

(3) Subject to any restrictions imposed by the statute, rule or ordinance pursuant to which inspection is made.

89 Acts, ch 131, §7; 90 Acts, ch 1235, §6; 2000 Acts, ch 1224, §24; 2010 Acts, ch 1014, §11

**101.25 Violations — orders.**

1. If substantial evidence exists that a person has violated or is violating a provision of this division or a rule adopted under this division the state fire marshal may issue an order directing the person to desist in the practice which constitutes the violation, and to take corrective action as necessary to ensure that the violation will cease, and may impose appropriate administrative penalties pursuant to section 101.26. The person to whom the order is issued may appeal the order as provided in chapter 17A. On appeal, the administrative law judge may affirm, modify, or vacate the order of the state fire marshal.

2. However, if it is determined by the state fire marshal that an emergency exists respecting any matter affecting or likely to affect the public health, the fire marshal may issue any order necessary to terminate the emergency without notice and without hearing. The order is binding and effective immediately and until the order is modified or vacated at an administrative hearing or by a district court.

3. The state fire marshal may request the attorney general to institute legal proceedings pursuant to section 101.26.

89 Acts, ch 131, §8

Referred to in §101.26

**101.26 Penalties — burden of proof.**

1. A person who violates this division or a rule or order adoption issued pursuant to this division is subject to a civil penalty not to exceed one hundred dollars for each day during which the violation continues, up to a maximum of one thousand dollars; however, if the tank is registered within thirty days after the state fire marshal issues a cease and desist order pursuant to section 101.25, subsection 1, the civil penalty under this section shall not accrue. The civil penalty is an alternative to a criminal penalty provided under this division.

2. A person who knowingly fails to notify or makes a false statement, representation, or certification in a record, report, or other document filed or required to be maintained under this division, or violates an order issued under this division, is guilty of an aggravated misdemeanor.

3. The attorney general, at the request of the state fire marshal, shall institute any legal proceedings, including an action for an injunction, necessary to enforce the penalty provisions of this division or to obtain compliance with the provisions of this division or rules adopted or order pursuant to this division. In any action, previous findings of fact of the state fire marshal after notice and hearing are conclusive if supported by substantial evidence in the record when the record is viewed as a whole.

4. In all proceedings with respect to an alleged violation of this division or a rule adopted or order issued by the state fire marshal pursuant to this division, the burden of proof is upon the state fire marshal.

5. If the attorney general has instituted legal proceedings in accordance with this section, all related issues which could otherwise be raised by the alleged violator in a proceeding for judicial review under section 101.27 shall be raised in the legal proceedings instituted in accordance with this section.

89 Acts, ch 131, §9

Referred to in §101.25, 101.27

**101.27 Judicial review.**

Except as provided in section 101.26, subsection 5, judicial review of an order or other action of the state fire marshal may be sought in accordance with chapter 17A. Notwithstanding chapter 17A, the Iowa administrative procedure Act, petitions for judicial review may be filed in the district court of the county in which the alleged offense was committed or the final order was entered.

89 Acts, ch 131, §10

Referred to in §101.26

**101.28 Fees for certification inspections of underground storage tanks.** Repealed by 2005 Acts, ch 19, § 125.

# CHAPTER 101A

## EXPLOSIVE MATERIALS

Referred to in §712.6


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|---|---|
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**101A.1 Definitions.**

As used in this chapter:

1. *"Blasting agent"* means any material or mixture consisting of a fuel and oxidizer, intended for blasting but not otherwise classified as an explosive, in which none of the finished products as mixed and packaged for use or shipment can be detonated by means of a number eight test blasting cap when unconfined.

2. *"Commercial license"* or *"license"* means a license issued by the state fire marshal pursuant to this chapter.

3. *"Explosive"* means any chemical compound, mixture or device, the primary or common purpose of which is to function by explosion with substantially instantaneous release of gas and heat, unless such compound, mixture, or device is otherwise specifically classified by the United States department of transportation. The term *"explosive"* includes all materials which are classified as a class 1, division 1.1, 1.2, 1.3, or 1.4 explosive by the United States department of transportation, under 49 C.F.R. § 173.50, and all materials classified as explosive materials under 18 U.S.C. § 841, and includes, but is not limited to, dynamite, black powder, pellet powders, initiating explosives, blasting caps, electric blasting caps, safety fuse, fuse lighters, fuse igniters, squibs, cordeau detonative fuse, instantaneous fuse, igniter cord, igniters, smokeless propellant, cartridges for propellant-actuated power devices, cartridges for industrial guns, and overpressure devices, but does not include *"fireworks"* as defined in section 727.2 or ammunition or small arms primers manufactured for use in shotguns, rifles, and pistols. Commercial explosives are those explosives which are intended to be used in commercial or industrial operations.

4. *"Explosive materials"* means explosives or blasting agents.

5. *"Import"* and *"importation"* means transfer into the state of Iowa.

6. *"Licensee"* means a person holding a commercial license issued by the state fire marshal pursuant to this chapter.

7. *"Magazine"* means any building or structure, other than an explosives manufacturing building, approved by the state fire marshal or the fire marshal's designated agent for the storage of explosive materials.

8. *"Overpressure device"* means any device constructed of a container or improvised container which is filled with a mixture of chemicals or sublimating materials or gases that generate an expanding gas, which is designed or constructed to cause the container to break, fracture, or rupture in a violent manner capable of causing death, serious injury, or property damage.

9. *"Permittee"* means a person holding a user's permit issued pursuant to this chapter.

10. *"Person"* means any individual, corporation, partnership, or association.

11. *"User's permit"* or *"permit"* means a permit issued by a county sheriff or chief of police of a city of ten thousand or more population, pursuant to this chapter.

[C73, 75, 77, 79, 81, §101A.1]

2008 Acts, ch 1147, §1, 2

**101A.2 Commercial license — how issued — violation.**

1. The state fire marshal shall issue commercial licenses for the manufacture, importation, distribution, sale, and commercial use of explosives to persons who, in the state fire marshal's discretion are of good character and sound judgment, and have sufficient knowledge of the use, handling, and storage of explosive materials to protect the public safety. Licenses shall be issued for a period of three years, but may be issued for shorter periods, and may be revoked or suspended by the state fire marshal for any of the following reasons:

*a.* Falsification of information submitted in the application for a license.

*b.* Proof that the licensee has violated any provisions of this chapter or any rules prescribed by the state fire marshal pursuant to the provisions of this chapter.

*c.* The results of a national criminal history check conducted pursuant to subsection 3.

2. Licenses shall be issued by the state fire marshal upon payment of a fee of sixty dollars, valid for a period of three calendar years, commencing on January 1 of the first year and terminating on December 31 of the third year. However, an initial license may be issued during a calendar year for the number of months remaining in such calendar year and the following two years, computed to the first day of the month when the application for the license is approved. The license fee shall be charged on a pro rata basis for the number of months remaining in the period of issue. Applications for renewal of licenses shall be submitted within thirty days prior to the license expiration date and shall be accompanied by payment of the prescribed fee.

3. Prior to the issuance of a license pursuant to this chapter, an applicant shall be subject to a national criminal history check through the federal bureau of investigation. The applicant shall provide fingerprints to the department of public safety for submission through the state criminal history repository to the federal bureau of investigation. Upon application for renewal of a license, the national criminal history check shall be repeated to determine the occurrence of criminal violations occurring during the previous period of licensure. Fees for the national criminal history check shall be paid by the applicant or the applicant's employer. The results of a criminal history check conducted pursuant to this subsection shall be considered a confidential record under chapter 22.

4. Except as permitted in section 101A.3 and sections 101A.9 to 101A.11, it shall be unlawful for any person to willfully manufacture, import, store, detonate, sell, or otherwise transfer any explosive materials unless such person is the holder of a valid license issued pursuant to this section.

5. Commercial dealers having a federal firearms license shall be exempt from the requirement or the commercial license requirement of this chapter for importation, distribution, sale, transportation, storage, and possession of smokeless powder propellants or black sporting powder propellants provided that such dealer must conform and comply to rules, or ordinances of federal, state, or city authorities having jurisdiction of such powder.

[C73, 75, 77, 79, 81, §101A.2]

84 Acts, ch 1074, §1; 2013 Acts, ch 58, §1

Referred to in §101A.3, 101A.14

Section amended

**101A.3 User's permit — how issued — violation.**

1. User's permits to purchase, possess, transport, store, and detonate explosive materials shall be issued by the sheriff of the county or the chief of police of a city of ten thousand population or more where the possession and detonation will occur. If the possession and detonation are to occur in more than one county or city, then such permits must be issued by the sheriff or chief of police of each of such counties or cities, except in counties and cities in which the explosives are possessed for the sole purpose of transporting them through such counties and cities. A permit shall not be issued unless the sheriff or chief of police having

jurisdiction is satisfied that possession and detonation of explosive materials is necessary to the applicant's business or to improve the applicant's property. Permits shall be issued only to persons who, in the discretion of the sheriff or chief of police, are of good character and sound judgment, and have sufficient knowledge of the use and handling of explosive materials to protect the public safety. Applicants shall be subject to the criminal history check provisions of section 101A.2, subsection 3. The state fire marshal shall prescribe, have printed, and distribute permit application forms to all local permit issuing authorities.

2. The user's permit shall state the quantity of explosive materials which the permittee may purchase, the amount the permittee may have in possession at any one time, the amount the permittee may detonate at any one time, and the period of time during which the purchase, possession, and detonation of explosive materials is authorized. The permit shall also specify the place where detonation may occur, the location and description of the place where the explosive materials will be stored, if such be the case, and shall contain such other information as may be required under the rules and regulations of the state fire marshal. The permit shall not authorize purchase, possession, and detonation of a quantity of explosive materials in excess of that which is necessary in the pursuit of the applicant's business or the improvement of the permittee's property, nor shall such purchase, possession, and detonation be authorized for a period longer than is necessary for the specified purpose. In no event shall the permit be valid for more than thirty days from date of issuance but it may be renewed upon proper showing of necessity.

3. The user's permit may be revoked for any of the reasons specified in section 101A.2, subsection 1, for suspension or revocation of a commercial license.

4. It shall be unlawful for a person to willfully purchase, possess, transport, store, or detonate explosive materials unless such person is the holder of a valid permit issued pursuant to this section or a valid license issued pursuant to section 101A.2.

5. The sheriff or the chief of police shall charge a fee of three dollars for each permit issued. The money collected from permit fees shall be deposited in the county treasury or the general fund of the city.

[C73, 75, 77, 79, 81, §101A.3]

83 Acts, ch 123, §53, 209; 84 Acts, ch 1074, §2; 2013 Acts, ch 58, §2

Referred to in §101A.2, 101A.14, 331.427, 331.653

Subsection 1 amended

**101A.4 Refusal to grant license or permit — appeal.**

1. Judicial review of the action of the state fire marshal may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

2. A person who is refused issuance of a user's permit by a local permit issuing authority may appeal the authority's decision to the county board of supervisors or the city council of the county or city where the permit is sought, and de novo to the district court.

[C73, 75, 77, 79, 81, §101A.4]

84 Acts, ch 1074, §3; 2003 Acts, ch 44, §114

**101A.5 Rules.**

The state fire marshal shall adopt rules pursuant to chapter 17A pertaining to the manufacture, transportation, storage, possession, and use of explosive materials. Rules adopted by the state fire marshal shall be compatible with, but not limited to, the national fire protection association's pamphlet number 495 and federal rules pertaining to commerce, possession, storage, and use of explosive materials. Such rules shall:

1. Prescribe reasonable standards for the safe transportation and handling of explosive materials so as to prevent accidental fires and explosions and prevent theft and unlawful or unauthorized possession of explosive materials.

2. Prescribe procedures and methods of inventory so as to assure accurate records of all explosive materials manufactured or imported into the state and records of the disposition of such explosive materials, including records of the identity of persons to whom sales and transfers are made, and the time and place of any loss or destruction of explosive materials which might occur.

3. Prescribe reasonable standards for the safe storage of explosive materials as may be necessary to prevent accidental fires and explosions and prevent thefts and unlawful or unauthorized possession of explosive materials.

4. Require such reports from licensees, permittees, sheriffs, and chiefs of police as may be necessary for the state fire marshal to discharge the fire marshal's duties pursuant to this chapter.

5. Prescribe the form and content of license and permit applications.

6. Conduct such inspections of licensees and permittees as may be necessary to enforce the provisions of this chapter.

[C73, 75, 77, 79, 81, §101A.5]

84 Acts, ch 1074, §4; 2010 Acts, ch 1014, §12

Referred to in §331.653

**101A.6 Notice of storage required.**

A licensee shall notify the sheriff of the county and the local police authority of any city in which explosive materials will be stored, and shall also notify such authorities when the storage is terminated.

[C73, 75, 77, 79, 81, §101A.6]

Referred to in §101A.14

**101A.7 Inspection of storage facility.**

The licensee's or permittee's explosive storage facility shall be inspected at least once a year by a representative of the state fire marshal's office, except that the state fire marshal may, at those mining operations licensed and regulated by the United States department of labor, accept an approved inspection report issued by the United States department of labor, mine safety and health administration, for the twelve-month period following the issuance of the report. The state fire marshal shall notify the appropriate city or county governing board of licenses to be issued in their respective jurisdictions pursuant to this chapter. The notification shall contain the name of the applicant to be licensed, the location of the facilities to be used in storing explosives, the types and quantities of explosive materials to be stored, and other information deemed necessary by either the governing boards or the state fire marshal. The facility may be examined at other times by the sheriff of the county where the facility is located or by the local police authority if the facility is located within a city of over ten thousand population and if the sheriff or city council considers it necessary.

If the state fire marshal finds the facility to be improperly secured, the licensee or permittee shall immediately correct the improper security and, if not so corrected, the state fire marshal shall immediately confiscate the stored explosives. Explosives may be confiscated by the county sheriff or local police authority only if a situation that is discovered during an examination by those authorities is deemed to present an immediate danger. If the explosives are confiscated by the county sheriff or local police authority, they shall be delivered to the state fire marshal. The state fire marshal shall hold confiscated explosives for a period of thirty days under proper security unless the period of holding is shortened pursuant to this section.

If the licensee or permittee corrects the improper security within the thirty-day period, the explosives shall be returned to the licensee or permittee after correction and after the licensee or permittee has paid to the state an amount equal to the expense incurred by the state in storing the explosives during the period of confiscation. The amount of expense shall be determined by the state fire marshal.

If the improper security is not corrected during the thirty-day period, the state fire marshal shall dispose of the explosives and the license or permit shall be canceled. A canceled license or permit shall not be reissued for a period of two years from the date of cancellation.

[C73, 75, 77, 79, 81, §101A.7]

83 Acts, ch 123, §54, 55, 209; 84 Acts, ch 1074, §5; 86 Acts, ch 1029, §1

Referred to in §331.427, 331.653

**101A.8 Report of theft or loss required.**

Any theft or loss of explosive materials, whether from a storage magazine, a vehicle in which they are being transported, or from a site on which they are being used, or from any other location, shall immediately be reported by the person authorized to possess such explosives to the local police or county sheriff. The local police or county sheriff shall immediately transmit a report of such theft or loss of explosive materials to the state fire marshal.

[C73, 75, 77, 79, 81, §101A.8]

84 Acts, ch 1074, §6

Referred to in §101A.14, 331.653

**101A.9 Disposal regulated.**

No person shall abandon or otherwise dispose of any explosives in any manner which might, as the result of such abandonment or disposal, create any danger or threat of danger to life or property. Any person in possession or control of explosives shall, when the need for such explosives no longer exists, dispose of them in accordance with rules prescribed by the state fire marshal.

[C73, 75, 77, 79, 81, §101A.9]

84 Acts, ch 1074, §7

Referred to in §101A.2, 101A.14

**101A.10 Persons and agencies exempt.**

This chapter shall not apply to the transportation and use of explosive materials by the regular military or naval forces of the United States, the duly organized militia of this state, representatives of the state fire marshal, the state patrol, division of criminal investigation, local police departments, sheriffs departments, and fire departments acting in their official capacity; nor shall this chapter apply to the transportation and use of explosive materials by any peace officer to enforce provisions of this chapter when the peace officer is acting pursuant to such authority, however, other agencies of the state or any of its political subdivisions desiring to purchase, possess, transport, or use explosive materials for construction or other purposes shall be required to obtain user's permits.

[C73, 75, 77, 79, 81, §101A.10]

98 Acts, ch 1074, §17; 2005 Acts, ch 35, §31

Referred to in §101A.2

**101A.11 Explosive materials exempt.**

This chapter shall not apply to the possession or use of twenty-five pounds or less of smokeless powder, or five pounds or less of black sporting powder, provided that:

1. Smokeless powder is intended for handloading or reloading of ammunition for small arms with bores equivalent to ten gauge or less.
2. Black sporting powder is intended for handloading or reloading ammunition for small arms with bores equivalent to ten gauge or less, loading black ammunition, loading cap and ball revolvers, loading muzzle loading arms, or loading muzzle loading cannon.
3. All such powder is for private use and not for commercial resale, and in the case of black sporting powder or smokeless powder the sharing with or disposition to another person is permitted if otherwise lawful.
4. The storage, use, and handling of smokeless and black powder conforms to rules or ordinances of authorities having jurisdiction for fire prevention and suppression purposes in the area of such storage, use, and handling.

[C73, 75, 77, 79, 81, §101A.11]

Referred to in §101A.2

**101A.12 Deposit and use of fees.**

The fees collected by the state fire marshal in issuing licenses shall be deposited in the state general fund.

[C73, 75, 77, 79, 81, §101A.12]

**101A.13 Local ordinances.**

Nothing in this chapter shall limit the authority of cities to impose additional regulations governing the storage, handling, use, and transportation of explosive materials within their respective corporate limits, however, such regulations shall be at least as stringent as and not inconsistent with the provisions of this chapter and the rules promulgated pursuant to this chapter.

[C73, 75, 77, 79, 81, §101A.13]

**101A.14 Criminal penalties.**

1. Any person who violates the provisions of section 101A.2, subsection 4, or section 101A.3, subsection 4, commits a public offense and, upon conviction, shall be guilty of a class "C" felony.

2. Any person who violates the provisions of section 101A.6, 101A.8 or 101A.9 or any of the rules adopted by the state fire marshal pursuant to the provisions of this chapter, commits a simple misdemeanor.

[C73, 75, 77, 79, 81, §101A.14]

84 Acts, ch 1074, §8; 2013 Acts, ch 58, §3

Subsection 1 amended

# CHAPTER 101B

## CIGARETTE FIRE SAFETY STANDARDS

Referred to in §453A.6

This chapter ceases to apply if federal fire safety standards preempting this chapter are enacted subsequent to January 1, 2009; see §101B.10


101B.1 Short title.
101B.2 Definitions.
101B.3 General requirements — administration.
101B.4 Test method — performance standard — test reports.
101B.5 Certification.
101B.6 Notification of certification.
101B.7 Marking of cigarette packaging.
101B.8 Penalties — enforcement.
101B.9 Cigarette fire safety standard fund. Repealed by 2013 Acts, ch 139, §44.
101B.10 Applicability — preemption.


**101B.1 Short title.**

This chapter shall be known and may be cited as the "*Cigarette Fire Safety Standards Act*".

2007 Acts, ch 166, §1

**101B.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agent"* means a distributor as defined in section 453A.1 authorized by the department of revenue to purchase and affix stamps pursuant to section 453A.10.

2. *"Cigarette"* means cigarette as defined in section 453A.1.

3. *"Department"* means the department of public safety.

4. *"Manufacturer"* means any of the following:

*a.* An entity that manufactures or otherwise produces cigarettes or causes cigarettes to be manufactured or produced, anywhere, which cigarettes the manufacturer intends to be sold in this state, including cigarettes intended to be sold in the United States through an importer.

*b.* The first purchaser of cigarettes anywhere, that intends to resell in the United States, cigarettes manufactured or produced anywhere, that the original manufacturer did not intend to be sold in the United States.

*c.* An entity that becomes a successor of an entity described in paragraph "*a*" or "*b*".

5. *"Quality control and quality assurance program"* means the laboratory procedures implemented to ensure that operator bias, systematic and nonsystematic methodological

errors, and equipment-related problems do not affect the results of the repeatability testing, and which program ensures that the testing repeatability remains within the required repeatability values specified in section 101B.4.

6. *"Repeatability"* means the range of values within which the repeat results of cigarette test trials from a single laboratory will fall ninety-five percent of the time.

7. *"Retailer"* means retailer as defined in section 453A.1.

8. *"Sale"* means any transfer of title or possession, exchange or barter, in any manner or by any means or any agreement. In addition to cash and credit sales, the giving of cigarettes as a sample, prize, or gift or the exchanging of cigarettes for any consideration other than money is considered a sale.

9. *"Sell"* means to sell, or to offer or agree to sell.

10. *"Wholesaler"* means wholesaler as defined in section 453A.1.

2007 Acts, ch 166, §2

**101B.3 General requirements — administration.**

1. Beginning January 1, 2009, cigarettes shall not be sold or offered for sale to any person in this state unless:

*a.* The cigarettes have been tested in accordance with the test method prescribed in section 101B.4.

*b.* The cigarettes meet the performance standard specified in section 101B.4.

*c.* A written certification has been filed by the manufacturer with the department and in accordance with section 101B.5.

*d.* The cigarettes have been marked in accordance with section 101B.7.

2. This chapter shall not be construed to prohibit a wholesaler or retailer from selling the wholesaler's or retailer's inventory of cigarettes existing prior to January 1, 2009, provided that the wholesaler or retailer is able to establish both of the following:

*a.* Tax stamps were affixed to the cigarettes on inventory pursuant to section 453A.10 before January 1, 2009.

*b.* The inventory of cigarettes was purchased before January 1, 2009, in comparable quantity to the amount of inventory of cigarettes purchased during the same period of the prior year.

3. This chapter shall not be construed to prohibit any person from selling or offering for sale cigarettes that have not been certified by the manufacturer in accordance with section 101B.5 if the cigarettes are or will be stamped for sale in another state or are packaged for sale outside the United States.

4. The department of public safety shall administer this chapter and may adopt rules pursuant to chapter 17A to administer this chapter. This chapter shall be implemented in accordance with the implementation and substance of the New York fire safety standards for cigarettes.

2007 Acts, ch 166, §3

Referred to in §101B.8

**101B.4 Test method — performance standard — test reports.**

1. *a.* Testing of cigarettes shall be conducted in accordance with ASTM (American society for testing and materials) international standard E2187-04, standard test method for measuring the ignition strength of cigarettes.

*b.* The department may adopt a subsequent ASTM international standard test method for measuring the ignition strength of cigarettes upon a finding that the subsequent method does not result in a change in the percentage of full-length burns exhibited by any tested cigarette when compared to the percentage of full-length burns the same cigarette would exhibit when tested in accordance with ASTM international standard E2187-04 and the performance standard in this section.

2. Testing shall be conducted on ten layers of filter paper.

3. The performance standard shall require that no more than twenty-five percent of the cigarettes tested in a test trial shall exhibit full-length burns.

4. Forty replicate tests shall comprise a complete test trial for each cigarette tested.

5. The performance standard required by this section shall only be applied to a complete test trial.

6. *a.* Testing shall be conducted by a laboratory that has been accredited pursuant to international organization for standardization/international electrotechnical commission standard 17025 or other comparable accreditation standard required by the department.

*b.* Laboratories conducting testing in accordance with this section shall implement a quality control and quality assurance program that includes a procedure that will determine the repeatability of the testing results. The testing repeatability shall be no greater than nineteen one-hundredths.

7. This section shall not require additional testing if cigarettes are tested consistent with this chapter for any other purpose.

8. Each cigarette listed in a certification submitted in accordance with section 101B.5 that uses lowered permeability bands in the cigarette paper to achieve compliance with the performance standard pursuant to this section shall have at least two nominally identical bands on the paper surrounding the tobacco column. At least one complete band shall be located at least fifteen millimeters from the lighting end of the cigarette. For cigarettes on which the bands are positioned by design, there shall be at least two bands fully located at least fifteen millimeters from the lighting end and either ten millimeters from the filter end of the tobacco column, or ten millimeters from the labeled end of the tobacco column for nonfiltered cigarettes.

9. *a.* The manufacturer of a cigarette that the department determines cannot be tested in accordance with the test method prescribed in this section shall propose a test method and performance standard for the cigarette to the department. Upon approval of the proposed test method and a determination by the department that the performance standard proposed by the manufacturer is equivalent to the performance standard prescribed in this section, the manufacturer may employ the test method and performance standard to certify the cigarette in accordance with section 101B.5.

*b.* If the department determines that another state has enacted reduced cigarette ignition propensity standards that include a test method and performance standard that are the same as those contained in this chapter and the department finds that the officials responsible for implementing those requirements have approved the proposed alternative test method and performance standard for a particular cigarette proposed by a manufacturer as meeting the fire safety standards of that state's law or regulation under a legal provision comparable to this subsection, the department shall authorize that manufacturer to employ the alternative test method and performance standard to certify that cigarette for sale in this state, unless the department demonstrates a reasonable basis why the alternative test should not be accepted under this chapter. All other applicable requirements of this chapter shall apply to the manufacturer.

10. A manufacturer shall maintain copies of the reports of all tests conducted on all cigarettes offered for sale for a period of three years and shall make copies of the reports available to the department and the office of the attorney general upon written request.

11. Testing performed or sponsored by the department to determine a cigarette's compliance with the performance standard required by this section shall be conducted in accordance with this section.

2007 Acts, ch 166, §4; 2008 Acts, ch 1032, §18

Referred to in §101B.2, 101B.3, 101B.5, 101B.8

**101B.5 Certification.**

1. Each manufacturer shall submit a written certification to the department attesting to all of the following:

*a.* Each cigarette listed in the certification has been tested in accordance with section 101B.4.

*b.* Each cigarette listed in the certification meets the performance standard pursuant to section 101B.4.

2. Each cigarette listed in the certification shall be described with the following information:

*a.* The brand or trade name on the package.
*b.* The style of cigarette, such as light or ultra light.
*c.* The length of the cigarette in millimeters.
*d.* The circumference of the cigarette in millimeters.
*e.* The flavor of the cigarette, such as menthol or chocolate, if applicable.
*f.* Whether the cigarette is filtered or nonfiltered.
*g.* The type of cigarette package, such as soft pack or box.
*h.* The marking approved in accordance with section 101B.7.
*i.* The name, address, and telephone number of the laboratory, if different than the manufacturer, that conducted the test.
*j.* The date the testing was performed.

3. Each cigarette certified under this section shall be recertified every three years.

4. The manufacturer shall, upon request, make a copy of the written certification available to the office of the attorney general and the department of revenue for purposes of ensuring compliance with this chapter.

5. For each cigarette listed in a certification, a manufacturer shall pay a fee of one hundred dollars to the department. The department shall deposit all fees received pursuant to this subsection with the treasurer of state for credit to the general fund of the state.

6. If a manufacturer has certified a cigarette pursuant to this section, and makes any change to the cigarette thereafter that is likely to alter the cigarette's compliance with the reduced cigarette ignition propensity standards mandated by this chapter, prior to the cigarette being sold or offered for sale in this state, the manufacturer shall retest the cigarette in accordance with the testing standards specified in section 101B.4 and shall maintain records of the retesting as required pursuant to section 101B.4. Any altered cigarette that does not meet the performance standard specified in section 101B.4 shall not be sold in this state.

2007 Acts, ch 166, §5; 2013 Acts, ch 139, §41
Referred to in §101B.3, 101B.4, 101B.6, 101B.7, 101B.8
Subsection 5 amended

**101B.6 Notification of certification.**

1. A manufacturer certifying cigarettes in accordance with section 101B.5 shall provide a copy of the certification to all wholesalers and agents to whom the manufacturer sells cigarettes, and shall also provide sufficient copies of an illustration of the cigarette packaging marking used by the manufacturer in accordance with section 101B.7 for each retailer to whom the wholesalers or agents sell cigarettes.

2. A wholesaler or agent shall provide a copy of the cigarette packaging markings received from a manufacturer to all retailers to whom the wholesaler or agent sells cigarettes. A wholesaler, agent, or retailer shall permit the state fire marshal, department of revenue, or the office of the attorney general to inspect markings of cigarette packaging marked in accordance with section 101B.7.

2007 Acts, ch 166, §6

**101B.7 Marking of cigarette packaging.**

1. Cigarettes that have been certified by a manufacturer in accordance with section 101B.5 shall be marked to indicate compliance with the requirements of this chapter. The marking shall be in eight point type or larger and consist of one of the following:

*a.* Modification of the product's universal product code to include a visible mark printed at or around the area of the universal product code. The mark may consist of an alphanumeric or symbolic character or characters permanently stamped, engraved, embossed, or printed in conjunction with the universal product code.

*b.* Any visible alphanumeric or symbolic character or combination of alphanumeric or symbolic characters permanently stamped, engraved, or embossed upon the cigarette package or cellophane wrap.

*c.* Printed, stamped, engraved, or embossed text that indicates that the cigarettes meet the standards of this chapter.

2. A manufacturer shall use only one marking, and shall apply the marking uniformly for all packages including but not limited to packs, cartons, and cases and to brands marketed by that manufacturer.

3. The manufacturer shall notify the department of the marking selected.

4. Prior to the certification of any cigarette, a manufacturer shall present its proposed marking to the department for approval. Upon receipt of the request, the department shall approve or disapprove the marking offered. A marking in use and approved for the sale of cigarettes in the state of New York shall be deemed approved. A proposed marking shall be deemed approved if the department fails to act within ten business days of receiving a request for approval.

5. A manufacturer shall not modify its approved marking until the modification has been approved by the department in accordance with this section.

2007 Acts, ch 166, §7

Referred to in §101B.3, 101B.5, 101B.6, 101B.8

**101B.8 Penalties — enforcement.**

1. A manufacturer, wholesaler, agent, or other person who knowingly sells cigarettes at wholesale in violation of section 101B.3 is subject to the following:

*a.* For a first offense, a civil penalty not to exceed five thousand dollars for each sale of the cigarettes.

*b.* For each subsequent offense, a civil penalty not to exceed ten thousand dollars for each sale of the cigarettes, provided that the total penalty assessed against any such person shall not exceed fifty thousand dollars in any thirty-day period.

2. A retailer who knowingly sells cigarettes in violation of section 101B.3, is subject to the following:

*a.* For a first offense, a civil penalty not to exceed five hundred dollars for each sale or offer for sale of the cigarettes, and for each subsequent offense a civil penalty not to exceed two thousand dollars for each sale or offer for sale of the cigarettes, provided that the total number of cigarettes sold or offered for sale in such sale does not exceed one thousand cigarettes.

*b.* For a first offense, a civil penalty not to exceed one thousand dollars for each sale or offer for sale of the cigarettes, and for each subsequent offense a civil penalty not to exceed five thousand dollars for each sale or offer for sale of the cigarettes, provided that the total number of cigarettes sold or offered for sale in such sale exceeds one thousand cigarettes, and provided that the penalty against the retailer does not exceed twenty-five thousand dollars in any thirty-day period.

3. A manufacturer who fails to maintain test reports or who fails to make copies of the reports available to the department or the office of the attorney general within sixty days of receiving a written request pursuant to section 101B.4, is subject to a civil penalty not to exceed ten thousand dollars for each day beyond the sixtieth day that the manufacturer fails to provide the test reports.

4. In addition to any penalty prescribed by law, any corporation, partnership, sole proprietorship, limited partnership, or association engaged in the manufacture of cigarettes that knowingly makes a false certification pursuant to section 101B.5 is subject to the following:

*a.* For a first offense, a civil penalty of at least twenty-five thousand dollars.

*b.* For a second or subsequent offense, a civil penalty not to exceed one hundred thousand dollars for each false certification.

5. Any person violating any other provision of this chapter is subject to the following:

*a.* For a first offense, a civil penalty not to exceed one thousand dollars.

*b.* For a second or subsequent offense, a civil penalty not to exceed five thousand dollars for each violation.

6. Any cigarettes that have been sold or offered for sale that do not comply with the performance standard required pursuant to section 101B.4 shall be subject to forfeiture. However, prior to the destruction of any cigarettes forfeited, the holder of the trademark rights in the cigarette brand shall be permitted to inspect the cigarettes.

7. In addition to any other remedy provided by law, the department of public safety or

the office of the attorney general may file an action in district court for a violation of this chapter, including petitioning for injunctive relief or to recover any costs or damages suffered by the state because of a violation of this chapter, including enforcement costs relating to the specific violation and attorney fees. Each violation of the chapter or of rules adopted under this chapter constitutes a separate civil violation for which the department of public safety or the office of the attorney general may seek relief.

8. The department of revenue in the regular course of conducting inspections of a wholesaler, agent, or retailer may inspect cigarettes in the possession or control of the wholesaler, agent, or retailer or on the premises of any wholesaler, agent, or retailer to determine if the cigarettes are marked as required pursuant to section 101B.7. If the cigarettes are not marked as required, the department of revenue shall notify the department of public safety.

9. To enforce the provisions of this chapter, the department of public safety and the office of the attorney general may examine the books, papers, invoices, and other records of any person in possession, control, or occupancy of any premises where cigarettes are placed, sold, or offered for sale, including the stock of cigarettes on the premises.

10. The department shall deposit any moneys received from civil penalties assessed pursuant to this section with the treasurer of state for credit to the general fund of the state.

2007 Acts, ch 166, §8; 2013 Acts, ch 139, §42
NEW subsection 10

**101B.9 Cigarette fire safety standard fund.** Repealed by 2013 Acts, ch 139, § 44.
2013 amendment to this section by 2013 Acts, ch 139, §43, took effect June 20, 2013, and applied retroactively to July 1, 2007; 2013 Acts, ch 139, §46, 47
See Code editor's note

**101B.10 Applicability — preemption.**

1. This chapter shall cease to be applicable if federal fire safety standards for cigarettes that preempt this chapter are enacted and take effect subsequent to January 1, 2009, and the state fire marshal shall notify the secretary of state and the Code editor if such federal fire safety standards for cigarettes are enacted.

2. Notwithstanding any law to the contrary, political subdivisions shall not adopt or enforce any ordinance, rule, or regulation that conflicts with any provision of this chapter, or with any policy of the state expressed by this chapter, whether the policy is expressed by inclusion of or exclusion from this chapter.

2007 Acts, ch 166, §10

# CHAPTER 101C

## IOWA PROPANE EDUCATION AND RESEARCH COUNCIL


101C.1 Short title.
101C.2 Definitions.
101C.3 Iowa propane education and research council established.
101C.4 Funding — assessments.
101C.5 Referendum for termination of council.
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101C.11 Report.
101C.12 Not a state agency.
101C.13 Penalty.
101C.14 Future repeal. Repealed by 2013 Acts, ch 101, §3.


**101C.1 Short title.**

This chapter shall be known as and may be cited as the *"Iowa Propane Education and Research Act"*.

2007 Acts, ch 182, §1, 15

**101C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Council"* means the Iowa propane education and research council established pursuant to section 101C.3.

2. *"Education"* means any activity designed to provide information regarding propane, propane equipment, mechanical and technical practices, and uses of propane to consumers and members of the propane industry.

3. *"Energy star certification"* means meeting energy efficiency standards and guidelines pursuant to the energy star program developed and jointly administered by the United States environmental protection agency and United States department of energy.

4. *"Fire marshal"* means the state fire marshal as provided in section 100.1.

5. *"Odorized propane"* means propane to which an odorant has been added.

6. *"Propane"* means a hydrocarbon with a chemical composition that is predominately C3H8, whether recovered from natural gas or crude oil, and includes liquefied petroleum gases and mixtures.

7. *"Propane industry"* means those persons involved in the production, transportation, and sale of propane, and in the manufacture and distribution of propane utilization equipment.

8. *"Propane industry trade association"* means an organization exempt from tax under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code, that represents the propane industry.

9. *"Qualified propane industry organization"* means the Iowa propane gas association or any other similarly constituted industry trade association that represents at least thirty-five percent of the total volume of odorized propane sold at retail in this state.

10. *"Research"* means any type of study, investigation, program, or other activity designed to advance the image, desirability, usage, marketability, efficiency, or safety of propane or to further the development of information related to such activities.

11. *"Retail propane dispenser"* means a person who sells odorized propane to the ultimate consumer but is not engaged primarily in the business of such sales.

12. *"Retail propane marketer"* means a person engaged primarily in the sale of odorized propane to the ultimate consumer or to a retail propane dispenser.

13. *"Weatherization"* means activities designed to promote or enhance energy efficiency in a residence or other building including but not limited to the installation of attic, wall, foundation, crawlspace, water heater, and pipe insulation; air sealing including caulking and weather-stripping of windows and doors; the installation of windows and doors that qualify for energy star certification; the performance of home energy audits; programmable thermostat installation; and carbon monoxide and radon inspection and detection system installation.

2007 Acts, ch 182, §2, 15; 2009 Acts, ch 141, §1, 2

**101C.3 Iowa propane education and research council established.**

1. The Iowa propane education and research council is established. The council shall consist of ten voting members, nine of whom represent retail propane marketers and one of whom shall be the administrator of the division of community action agencies of the department of human rights. Members of the council other than the administrator shall be appointed by the fire marshal from a list of nominees submitted by qualified propane industry organizations by December 15 of each year. A vacancy in the unfinished term of a council member shall be filled for the remainder of the term in the same manner as the original appointment was made. Other than the administrator, council members shall be full-time employees or owners of a propane industry business or representatives of an agricultural cooperative actively engaged in the propane industry. An employee of a qualified propane industry organization shall not serve as a member of the council. An officer of the board of directors of a qualified propane industry organization or propane industry trade association shall not serve concurrently as a member of the council. The fire marshal or a designee may serve as an ex officio, nonvoting member of the council.

2. In nominating members of the council, qualified propane industry organizations shall

give due consideration to nominating council members who are representative of the propane industry, including representation of all of the following:

*a.* Interstate and intrastate retail propane marketers.

*b.* Large and small retail propane marketers, including agricultural cooperatives.

*c.* Diverse geographic regions of the state.

3. The following persons shall be ex officio, nonvoting members of the council designated for three-year terms as follows:

*a.* A professional fire fighter designated by the Iowa professional fire fighters association.

*b.* A volunteer fire fighter designated by the Iowa firefighters association.

*c.* An experienced plumber involved in plumbing training programs designated by the Iowa state building and construction trades council.

*d.* A heating, ventilation, and air conditioning professional involved in heating, ventilation, and air conditioning training programs designated by the Iowa state building and construction trades council.

*e.* A community college instructor with experience in conducting fire safety programs designated by the Iowa association of community college presidents.

*f.* A representative of a property and casualty insurance company with experience in insuring sellers of propane gas designated by the Iowa insurance institute.

4. A council member shall not receive compensation for the council member's service and shall not be reimbursed for expenses relating to the council member's service. A member of the council shall not be a salaried employee of the council or of any organization or agency which receives funds from the council.

5. A council member shall serve a term of three years.

6. Initial appointments to the council shall be for terms of one, two, and three years that are staggered to provide for the future appointment of at least two members each year.

7. The voting members of the council shall select a chairperson and other officers as necessary from the voting members and shall adopt rules and bylaws for the conduct of business and the implementation of this chapter. The council may establish committees and subcommittees comprised of members of the council and may establish advisory committees comprised of persons other than council members. The council shall establish procedures for the solicitation of propane industry comments and recommendations regarding any significant plans, programs, or projects to be funded by the council.

8. *a.* The council shall develop programs and projects and enter into agreements for administering such programs and projects as provided in this chapter, including programs to enhance consumer and employee safety and training, provide for research and development of clean and efficient propane utilization equipment, inform and educate the public about safety and other issues associated with the use of propane, and develop programs and projects that provide assistance to persons who are eligible for the low-income home energy assistance program. The programs and projects shall be developed to attain equitable geographic distribution of their benefits to the fullest extent practicable. The costs of the programs and projects shall be paid with funds collected pursuant to section 101C.4. The council shall coordinate its programs and projects with propane industry trade associations and others as the council deems appropriate to provide efficient delivery of services and to avoid unnecessary duplication of activities. Issues concerning propane that are related to research and development, safety, education, and training shall be given priority by the council in the development of programs and projects.

*b.* The council may develop energy efficiency programs dedicated to weatherization, acquisition and installation of energy-efficient customer appliances that qualify for energy star certification, installation of low-flow faucets and showerheads, and energy efficiency education. The council may by rule establish quality standards in relation to weatherization and appliance installation.

9. At the beginning of each fiscal year, the council shall prepare a budget plan for the next fiscal year, including the probable cost of all programs, projects, and contracts to be undertaken. The council shall submit the proposed budget to the fire marshal for review and comment. The fire marshal may recommend appropriate programs, projects, and activities to be undertaken by the council.

10. The council shall keep minutes, books, and records that clearly reflect all of the acts and transactions of the council which are public records open to public inspection. The books and records shall indicate the geographic areas where benefits were conferred by each individual program or project in detail sufficient to reflect the degree to which each program or project attained equitable geographic distribution of its benefits. The books of the council shall be audited by a certified public accountant at least once each fiscal year and at such other times as the council may designate. The cost of the audit shall be paid by the council. Copies of the audit shall be provided to all council members, all qualified propane industry organizations, and to other members of the propane industry upon request. In addition, a copy of the audit and a report detailing the programs and projects conducted by the council and containing information reflecting the degree to which equitable geographic distribution of the benefits of each program or project was attained shall be submitted each fiscal year to the chief clerk of the house of representatives and the secretary of the senate.

11. The council is subject to the open meetings requirements of chapter 21.

12. The council shall promulgate administrative rules pursuant to chapter 17A which shall have the same force and effect as if adopted by a state agency. Initial rules shall be promulgated on an emergency basis.

13. The council shall also perform the functions required of a state organization under the federal Propane Education and Research Act of 1996, be the repository of funds received under that Act, and separately account for those funds. The council shall coordinate the operation of the program with the federal council as contemplated by 15 U.S.C. § 6405.

2007 Acts, ch 182, §3, 15; 2008 Acts, ch 1032, §93, 202; 2009 Acts, ch 141, §3; 2011 Acts, ch 25, §15; 2013 Acts, ch 101, §1, 2

Referred to in §101C.2, 101C.11

Subsection 3, paragraph a amended

Subsection 5 amended

**101C.4 Funding — assessments.**

1. The council and its activities shall be funded by an annual assessment. Upon establishment of the council and each year thereafter the annual assessment shall be made at a rate of one-tenth of one cent on each gallon of odorized propane sold.

2. The owner of odorized propane at the time of odorization or at the time of import shall calculate the amount of the assessment based on the volume of odorized propane sold for use in this state. The assessment, when made, shall be listed as a separate line item on the bill of sale for the odorized propane and titled "Iowa propane education and research assessment". Assessments shall be collected by the owner from purchasers of the odorized propane and shall be paid by the owner to the council on a monthly basis by the twenty-fifth day of the month following the month the assessment was collected. If payment is not made to the council by the due date as required by this subsection, an interest penalty of one percent of any amount unpaid shall be imposed against the owner for each month or fraction of a month after the due date, until final payment is made.

3. Notwithstanding subsection 2, the council may establish an alternative means of collecting such assessments if the council determines that another method would be more efficient or effective and may establish an alternative late payment charge or interest penalty to be imposed on a person who fails to timely pay any amount due under this chapter to the council.

4. Pending the disbursement of assessments collected, the council shall invest moneys collected through assessments and any other moneys received by the council in any of the following:

*a.* Obligations of the United States or any agency of the United States.

*b.* General obligations of any state or political subdivision of any state.

*c.* Any interest-bearing account or certificate of deposit of a bank that is a member of the federal reserve system.

*d.* Obligations that are fully guaranteed as to principal and interest by the United States.

2007 Acts, ch 182, §4, 15

Referred to in §101C.3, 101C.8

**101C.5 Referendum for termination of council.**

On the council's own initiative or on petition to the council by retail propane marketers representing thirty-five percent of the volume of odorized propane sold in this state, the council shall, at its own expense, arrange for a referendum to be conducted by an independent auditing firm agreed upon by the retail propane marketers, to determine whether the council should be terminated or suspended. Voting rights in the referendum shall be based on the volume of odorized propane sold in this state by each retail propane marketer during the previous calendar year. Each retail propane marketer voting in the referendum shall certify to the independent auditing firm the volume of odorized propane sold by that person as represented by that person's vote. Upon the approval of those retail propane marketers representing more than one-half of the total volume of odorized propane sold in this state, the council shall be terminated or suspended and the general assembly shall consider the repeal of this chapter during its next regular session.

2007 Acts, ch 182, §5, 15

**101C.6 Compliance.**

The district court is vested with the jurisdiction specifically to enforce this chapter and to prevent or restrain any person from violating this chapter. A successful action for compliance brought under this section may also require payment by the defendant of the costs incurred by the council in bringing the action.

2007 Acts, ch 182, §6, 15

**101C.7 Lobbying restrictions.**

Moneys collected by the council shall not be used in any manner for influencing legislation or elections, except that the council may recommend changes in this chapter or other statutes that would further the purposes of this chapter to the general assembly.

2007 Acts, ch 182, §7, 15

**101C.8 Pricing.**

In all cases, the price of propane shall be determined by market forces. Consistent with antitrust laws, the council shall not take any action regarding, and this chapter shall not be interpreted as establishing, an agreement to pass along to consumers the cost of the assessment provided for in section 101C.4.

2007 Acts, ch 182, §8, 15

**101C.9 Relation to other programs.**

This chapter shall not be construed to preempt or supersede any other program relating to propane education and research organized and operated under the laws of this state. This chapter shall be administered and construed as complementary to the federal Propane Education and Research Act of 1996, 15 U.S.C. § 6401 et seq.

2007 Acts, ch 182, §9, 15

**101C.10 Bond.**

Any person occupying a position of trust under any provision of this chapter shall provide a bond in an amount required by the council. The costs of obtaining the bond shall be paid out of council funds.

2007 Acts, ch 182, §10, 15

**101C.11 Report.**

The council shall prepare and submit an annual report to the fire marshal and the auditor of state summarizing the activities of the council conducted pursuant to this chapter. The report shall show all income, expenses, and other relevant information concerning assessments collected and expended under this chapter. The report shall also include a summary of energy efficiency programs as specified in section 101C.3, subsection 8, if developed by the council.

2007 Acts, ch 182, §11, 15; 2009 Acts, ch 141, §4

**101C.12 Not a state agency.**
The Iowa propane education and research council is not a state agency.
2007 Acts, ch 182, §12, 15

**101C.13 Penalty.**
A person who willfully violates the provisions of this chapter or willfully renders or furnishes a false or fraudulent report, statement, or record required by the fire marshal pursuant to this chapter is guilty of a simple misdemeanor.
2007 Acts, ch 182, §13, 15

**101C.14 Future repeal.** Repealed by 2013 Acts, ch 101, § 3.

# CHAPTER 102

## FIRE SCENES — AUTHORITY

Referred to in §28E.31


| | | | |
|---|---|---|---|
| 102.1 | Definition. | 102.4 | Traffic control. |
| 102.2 | Authority at fires. | 102.5 | Penalty. |
| 102.3 | Authority to barricade. | | |


**102.1 Definition.**
As used in this chapter, *"fire department"* means the fire department of a city, township, or benefited fire district.
89 Acts, ch 132, §1

**102.2 Authority at fires.**
A fire chief or other authorized officer of a fire department, in charge of a fire scene which involves the protection of life or property, may direct an operation as necessary to extinguish or control a fire, perform a rescue operation, investigate the existence of a suspected or reported fire, gas leak, or other hazardous condition, or take any other action as deemed necessary in the reasonable performance of the department's duties. In exercising this power, a fire chief may prohibit an individual, vehicle, or vessel from approaching a fire scene and may remove from the scene any object, vehicle, vessel, or individual that may impede or interfere with the operations of the fire department.
89 Acts, ch 132, §2
Referred to in §102.5

**102.3 Authority to barricade.**
The fire chief or other authorized officer of the fire department in charge of a fire scene may place or erect ropes, guards, barricades, or other obstructions across a street, alley, right-of-way, or private property near the location of the fire or emergency so as to prevent accidents or interference with the fire fighting efforts of the fire department, to control the scene until any required investigation is complete, or to preserve evidence related to the fire or other emergency.
89 Acts, ch 132, §3
Referred to in §102.5

**102.4 Traffic control.**
Notwithstanding a contrary provision of this chapter, if a peace officer is on the scene, the peace officer is in charge of traffic control and a peace officer shall not be prohibited from performing the duties of a peace officer at the fire scene.
89 Acts, ch 132, §4

**102.5 Penalty.**

A person who disobeys an order of a fire chief, other officer of a fire department, or peace officer assisting the fire department which is issued pursuant to section 102.2 or 102.3, is guilty of a simple misdemeanor.

89 Acts, ch 132, §5

# SUBTITLE 6

## BUILDING CODES

# CHAPTER 103

## ELECTRICIANS AND ELECTRICAL CONTRACTORS

Referred to in §100C.2, 105.18


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**103.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Apprentice electrician"* means any person who, as such person's principal occupation, is engaged in learning and assisting in the installation, alteration, and repair of electrical wiring, apparatus, and equipment as an employee of a person licensed under this chapter, and who is licensed by the board and is progressing toward completion of an apprenticeship training program registered by the office of apprenticeship of the United States department of labor. For purposes of this chapter, persons who are not engaged in the installation, alteration, or repair of electrical wiring, apparatus, and equipment, either inside or outside buildings, shall not be considered apprentice electricians.

2. *"Board"* means the electrical examining board created under section 103.2.

3. *"Class A journeyman electrician"* means a person having the necessary qualifications,

training, experience, and technical knowledge to wire for or install electrical wiring, apparatus, and equipment and to supervise apprentice electricians and who is licensed by the board.

4. *"Class A master electrician"* means a person having the necessary qualifications, training, experience, and technical knowledge to properly plan, lay out, and supervise the installation of electrical wiring, apparatus, and equipment for light, heat, power, and other purposes and who is licensed by the board.

5. *"Class B journeyman electrician"* means a person having the necessary qualifications, training, experience, and technical knowledge to wire for or install electrical wiring, apparatus, and equipment who meets and is subject to the restrictions of section 103.12.

6. *"Class B master electrician"* means a person having the necessary qualifications, training, experience, and technical knowledge to properly plan, lay out, and supervise the installation of electrical wiring, apparatus, and equipment who meets and is subject to the restrictions of section 103.10.

7. *"Electrical contractor"* means a person affiliated with an electrical contracting firm or business who is, or who employs a person who is, licensed by the board as either a class A or class B master electrician and who is also registered with the state of Iowa as a contractor pursuant to chapter 91C.

8. *"Farm"* means land, buildings and structures used for agricultural purposes including but not limited to the storage, handling, and drying of grain and the care, feeding, and housing of livestock.

9. *"Industrial installation"* means an installation intended for use in the manufacture or processing of products involving systematic labor or habitual employment and includes installations in which agricultural or other products are habitually or customarily processed or stored for others, either by buying or reselling on a fee basis.

10. *"Inspector"* means a person certified as an electrical inspector upon such reasonable conditions as may be adopted by the board. The board may permit more than one class of electrical inspector.

11. *"New electrical installation"* means the installation of electrical wiring, apparatus, and equipment for light, heat, power, and other purposes.

12. *"Public use building or facility"* means any building or facility designated for public use, including all property owned and occupied or designated for use by the state of Iowa.

13. *"Residential electrician"* means a person having the necessary qualifications, training, experience, and technical knowledge to perform a residential installation.

14. *"Residential installation"* means the wiring for or installation of electrical wiring, apparatus, and equipment in a residence consisting of no more than four living units within the same building.

15. *"Residential master electrician"* means a person having the necessary qualifications, training, experience, and technical knowledge to properly plan, lay out, and supervise the performance of a residential installation.

16. *"Routine maintenance"* means the repair or replacement of existing electrical apparatus or equipment, including but not limited to wires, cables, switches, receptacles, outlets, fuses, circuit breakers, and fixtures, of the same size and type for which no changes in wiring are made, but does not include any new electrical installation or the expansion or extension of any circuit.

17. *"Special electrician"* means a person having the necessary qualifications, training, and experience in wiring or installing special classes of electrical wiring, apparatus, equipment, or installations which shall include irrigation system wiring, disconnecting and reconnecting of existing air conditioning and refrigeration, and sign installation and who is licensed by the board.

18. *"Unclassified person"* means any person, other than an apprentice electrician or other person licensed under this chapter, who, as such person's principal occupation, is engaged in learning and assisting in the installation, alteration, and repair of electrical wiring, apparatus, and equipment as an employee of a person licensed under this chapter, and who is licensed by the board as an unclassified person. For purposes of this chapter, persons who

are not engaged in the installation, alteration, or repair of electrical wiring, apparatus, and equipment, either inside or outside buildings, shall not be considered unclassified persons.

2007 Acts, ch 197, §11, 50; 2008 Acts, ch 1032, §19; 2008 Acts, ch 1092, §7 – 10, 32; 2009 Acts, ch 39, §1; 2009 Acts, ch 179, §114; 2010 Acts, ch 1061, §19

**103.2 Electrical examining board created.**

1. An electrical examining board is created within the division of state fire marshal of the department of public safety. The board shall consist of eleven voting members appointed by the governor and subject to senate confirmation, all of whom shall be residents of this state.

2. The members shall be as follows:

*a.* Two members shall be journeyman electricians, one a member of an electrical workers union covered under a collective bargaining agreement and one not a member of a union.

*b.* Two members shall be master electricians or electrical contractors, one of whom is a contractor signed to a collective bargaining agreement or a master electrician covered under a collective bargaining agreement and one of whom is a contractor not signed to a collective bargaining agreement or a master electrician who is not a member of a union.

*c.* One member shall be an electrical inspector.

*d.* Two members, one a union member covered under a collective bargaining agreement and one who is not a member of a union, each of whom shall not be a member of any of the groups described in paragraphs "*a*" through "*c*", and shall represent the general public.

*e.* One member shall be the state fire marshal or a representative of the state fire marshal's office.

*f.* One member shall be a local building official employed by a political subdivision to perform electrical inspections for that political subdivision.

*g.* One member shall represent a public utility.

*h.* One member shall be an engineer licensed pursuant to chapter 542B with a background in electrical engineering.

3. The public members of the board shall be allowed to participate in administrative, clerical, or ministerial functions incident to giving a licensure examination, but shall not determine the content of the examination or determine the correctness of the answers. Professional associations or societies composed of licensed electricians may recommend to the governor the names of potential board members whose profession is representative of that association or society. However, the governor is not bound by the recommendations. A board member shall not be required to be a member of any professional electrician association or society.

2007 Acts, ch 197, §12, 50; 2008 Acts, ch 1092, §11, 32

Referred to in §100C.10, 103.1

Confirmation, see §2.32

**103.3 Terms of office — expenses — counsel.**

1. Appointments to the board, other than the state fire marshal or a representative of the state fire marshal's office, shall be for three-year staggered terms and shall commence and end as provided by section 69.19. The most recently appointed state fire marshal, or a representative of the state fire marshal's office, shall be appointed to the board on an ongoing basis. Vacancies shall be filled for the unexpired term by appointment of the governor and shall be subject to senate confirmation. Members shall serve no more than three terms or nine years, whichever is least.

2. Members of the board are entitled to receive all actual expenses incurred in the discharge of their duties within the limits of funds appropriated to the board. Each member of the board may also be eligible to receive compensation as provided in section 7E.6.

3. The board shall be entitled to the counsel and services of the attorney general. The board may compel the attendance of witnesses, pay witness fees and mileage, take testimony and proofs, and administer oaths concerning any matter within its jurisdiction.

2007 Acts, ch 197, §13, 50

Confirmation, see §2.32

**103.4 Organization of the board.**

The board shall elect annually from its members a chairperson and a vice chairperson, and shall hire and provide staff to assist the board in administering this chapter. An executive secretary designated by the board shall report to the state fire marshal for purposes of routine board administrative functions, and shall report directly to the board for purposes of execution of board policy such as application of licensing criteria and processing of applications. The board shall hold at least one meeting quarterly at the location of the board's principal office, and meetings shall be called at other times by the chairperson or four members of the board. At any meeting of the board, a majority of members constitutes a quorum.

2007 Acts, ch 197, §14, 50

**103.5 Official seal — bylaws.**

The board shall adopt and have an official seal which shall be affixed to all certificates of licensure granted.

2007 Acts, ch 197, §15, 50

**103.6 Powers and duties.**

1. The board shall:

*a.* Adopt rules pursuant to chapter 17A and in doing so shall be governed by the minimum standards set forth in the most current publication of the national electrical code issued and adopted by the national fire protection association, and amendments to the code, which code and amendments shall be filed in the offices of the state law library and the board and shall be a public record. The board shall adopt rules reflecting updates to the code and amendments to the code. The board shall promulgate and adopt rules establishing wiring standards that protect public safety and health and property and that apply to all electrical wiring which is installed subject to this chapter.

*b.* Revoke, suspend, or refuse to renew any license granted pursuant to this chapter when the licensee does any of the following:

(1) Fails or refuses to pay any examination, license, or renewal fee required by law.

(2) Is an electrical contractor and fails or refuses to provide and keep in force a public liability insurance policy and surety bond as required by the board.

(3) Violates any political subdivision's inspection ordinances.

*c.* Adopt rules for continuing education requirements for each classification of licensure established pursuant to this chapter, and adopt all rules, not inconsistent with the law, necessary for the proper performance of the duties of the board.

*d.* Provide for the amount and collection of fees for inspection and other services.

2. The board may, in its discretion, revoke, suspend, or refuse to renew any license granted pursuant to this chapter when the licensee violates any provision of the national electrical code as adopted pursuant to subsection 1, this chapter, or any rule adopted pursuant to this chapter.

2007 Acts, ch 197, §16, 50; 2008 Acts, ch 1031, §34; 2008 Acts, ch 1032, §20; 2008 Acts, ch 1092, §12, 32

Referred to in §103.10, 103.12, 103.18, 103.26, 103.29, 103.31

**103.7 Electrician and installer licensing and inspection fund.**

An electrician and installer licensing and inspection fund is created in the state treasury as a separate fund under the control of the board. All licensing, examination, renewal, and inspection fees shall be deposited into the fund and retained by and for the use of the board. Expenditures from the fund shall be approved by the sole authority of the board in consultation with the state fire marshal. Amounts deposited into the fund shall be considered repayment receipts as defined in section 8.2. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall remain available for the purposes of this chapter in subsequent fiscal years.

Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2007 Acts, ch 197, §17, 50

**103.8 Activities where license required — exceptions.**

1. No person, except a person licensed as an electrical contractor, shall engage in the business of providing new electrical installations or any other electrical services regulated under this chapter.

2. Except as provided in sections 103.13 and 103.14, no person shall, for another, plan, lay out, or supervise the installation of wiring, apparatus, or equipment for electrical light, heat, power, and other purposes unless the person is licensed by the board as an electrical contractor, a class A master electrician, or a class B master electrician.

2007 Acts, ch 197, §18, 50; 2008 Acts, ch 1092, §13, 32

Referred to in §103.13

**103.9 Electrical contractor license.**

1. An applicant for an electrical contractor license shall either be or employ a licensed class A or class B master electrician, and be registered with the state of Iowa as a contractor pursuant to chapter 91C.

2. A contractor who holds a class B master electrician license shall be licensed subject to the restrictions of section 103.10.

2007 Acts, ch 197, §19, 50; 2008 Acts, ch 1032, §21

**103.10 Class A master electrician license — qualifications — class B master electrician license.**

1. An applicant for a class A master electrician license shall have at least one year's experience, acceptable to the board, as a licensed class A or class B journeyman electrician.

2. In addition, an applicant shall meet examination criteria based upon the most recent national electrical code adopted pursuant to section 103.6 and upon electrical theory, as determined by the board.

3. *a.* An applicant who can provide proof acceptable to the board that the applicant has been working in the electrical business and involved in planning for, laying out, supervising, and installing electrical wiring, apparatus, or equipment for light, heat, and power since January 1, 1998, and for a total of at least sixteen thousand hours, of which at least eight thousand hours shall have been accumulated since January 1, 1998, may be granted a class B master electrician license without taking an examination. An applicant who is issued a class B master electrician license pursuant to this section shall not be authorized to plan, lay out, or supervise the installation of electrical wiring, apparatus, and equipment in a political subdivision which, prior to or after January 1, 2008, establishes licensing standards which preclude such work by class B master electricians in the political subdivision. The board shall adopt rules establishing procedures relating to the restriction of a class B master electrician license pursuant to this subsection.

*b.* A class B master electrician may become licensed as a class A master electrician upon successful passage of the examination prescribed in subsection 2.

4. A person licensed to plan, lay out, or supervise the installation of electrical wiring, apparatus, or equipment for light, heat, power, and other purposes and supervise apprentice electricians by a political subdivision preceding January 1, 2008, pursuant to a supervised written examination, and who is currently engaged in the electrical contracting industry, shall be issued an applicable statewide license corresponding to that licensure as a class A master electrician or electrical contractor. The board shall adopt by rule certain criteria for city examination standards satisfactory to fulfill this requirement.

5. The board may reject an application for licensure under this section from an applicant who would be subject to suspension, revocation, or reprimand pursuant to section 103.35.

2007 Acts, ch 197, §20, 50; 2008 Acts, ch 1077, §1, 3; 2008 Acts, ch 1092, §14, 32

Referred to in §103.1, 103.9

**103.10A Inactive master electrician license.**

The board may by rule create an inactive master electrician license and establish a fee for such a license. An applicant for an inactive master electrician license shall, at a minimum, meet the requirements of this chapter and requirements established by the board by rule for licensure as a class A master electrician or a class B master electrician. A person licensed as an inactive master electrician shall not be authorized to act as a master electrician, but shall be authorized to apply for a class A master electrician license or a class B master electrician license at a future date subject to conditions and under procedures established by the board by rule. The conditions and procedures shall include but not be limited to completion of the required number of contact hours of continuing education courses specified in section 103.18, and paying the applicable license fee specified in section 103.19 for a class A master electrician license or class B master electrician license.

2009 Acts, ch 39, §2

**103.11 Wiring or installing — supervising apprentices — license required — qualifications.**

Except as provided in section 103.13, no person shall, for another, wire for or install electrical wiring, apparatus, or equipment, or supervise an apprentice electrician or unclassified person, unless the person is licensed by the board as an electrical contractor, a class A master electrician, or a class B master electrician, or is licensed as a class A journeyman electrician or a class B journeyman electrician and is employed by an electrical contractor or is working under the supervision of a class A master electrician or a class B master electrician.

2007 Acts, ch 197, §21, 50; 2008 Acts, ch 1092, §15, 32

Referred to in §103.15

**103.12 Class A journeyman electrician license qualifications — class B journeyman electrician license.**

1. An applicant for a class A journeyman electrician license shall have successfully completed an apprenticeship training program registered by the office of apprenticeship of the United States department of labor in accordance with the standards established by that department or shall have received training or experience for a period of time and under conditions as established by the board by rule.

2. In addition, an applicant shall meet examination criteria based upon the most recent national electrical code adopted pursuant to section 103.6 and upon electrical theory, as determined by the board.

3. *a.* An applicant who can provide proof acceptable to the board that the applicant has been employed as a journeyman electrician since January 1, 1998, and for a total of at least sixteen thousand hours, of which at least eight thousand hours shall have been accumulated since January 1, 1998, may be granted a class B journeyman electrician license without taking an examination. An applicant who is issued a class B journeyman electrician license pursuant to this section shall not be authorized to wire for or install electrical wiring, apparatus, and equipment in a political subdivision which, prior to or after January 1, 2008, establishes licensing standards which preclude such work by class B journeyman electricians in the political subdivision. The board shall adopt rules establishing procedures relating to the restriction of a class B journeyman electrician license pursuant to this subsection.

*b.* A class B journeyman electrician may become licensed as a class A journeyman electrician upon successful passage of the examination prescribed in subsection 2.

4. A person licensed to wire for or install electrical wiring, apparatus, or equipment or supervise an apprentice electrician by a political subdivision preceding January 1, 2008, pursuant to a supervised written examination, and who is currently engaged in the electrical contracting industry with at least four years' experience, shall be issued an applicable statewide license corresponding to that licensure as a class A journeyman electrician or a class B journeyman electrician. The board shall adopt by rule certain criteria for city examination standards satisfactory to fulfill this requirement.

5. The board may reject an application for licensure under this section from an applicant who would be subject to suspension, revocation, or reprimand pursuant to section 103.35.

2007 Acts, ch 197, §22, 50; 2008 Acts, ch 1077, §2, 3; 2008 Acts, ch 1092, §16 – 18, 32; 2010 Acts, ch 1061, §20

Referred to in §103.1

**103.12A Residential electrician and residential master electrician license — qualifications.**

1. The board may by rule provide for the issuance of a residential electrician license, and may by rule provide for the issuance of a residential master electrician license.

*a.* A residential electrician license or residential master electrician license, if established by the board, shall be issued to applicants who meet qualifications determined by the board, and shall be valid for the performance of residential installations, subject to limitations or restrictions established by the board.

*b.* A person who, on or after July 1, 2009, holds a special electrician license authorizing residential electrical installation, granted pursuant to section 103.13, shall be eligible for conversion of that special license to either a residential electrician license or a residential master electrician license, if established by the board, in accordance with requirements and procedures established by the board.

2. A person licensed by the board as a class A journeyman electrician or a class B journeyman electrician, or as a class A master electrician or a class B master electrician, shall not be required to hold a residential electrician or residential master electrician license to perform any type of residential installation authorized for a person licensed pursuant to this section.

3. The board may reject an application for licensure under this section from an applicant who would be subject to suspension, revocation, or reprimand pursuant to section 103.35.

2009 Acts, ch 39, §3

**103.13 Special electrician license — qualifications.**

1. The board shall by rule provide for the issuance of special electrician licenses authorizing the licensee to engage in a limited class or classes of electrical work, which class or classes shall be specified on the license. Each licensee shall have experience, acceptable to the board, in each such limited class of work for which the person is licensed.

2. Notwithstanding section 103.8, a person who holds a special electrician license is not required to obtain an electrical contractor license to engage in the business of providing new electrical installations or any other electrical services if such installations or services fall within the limited class of special electrical work for which the person holds the special electrician license.

3. The board may reject an application for licensure under this section from an applicant who would be subject to suspension, revocation, or reprimand pursuant to section 103.35.

2007 Acts, ch 197, §23, 50; 2008 Acts, ch 1092, §19, 32; 2009 Acts, ch 39, §4

Referred to in §103.8, 103.11, 103.12A

**103.14 Alarm installations.**

A person who is not licensed pursuant to this chapter may plan, lay out, or install electrical wiring, apparatus, and equipment for components of alarm systems that operate at seventy volt/amps (VA) or less, only if the person is certified to conduct such work pursuant to chapter 100C. Installations of alarm systems that operate at seventy volt/amps (VA) or less are subject to inspection by state inspectors as provided in section 103.31, except that reports of such inspections, if the installation being inspected was performed by a person certified pursuant to chapter 100C, shall be submitted to the state fire marshal and any action taken on a report of an inspection of an installation performed by a person certified pursuant to chapter 100C shall be taken by or at the direction of the state fire marshal, unless the installation has been found to exceed the authority granted to the certificate holder pursuant to chapter 100C and therefore to be in violation of this chapter.

2007 Acts, ch 197, §24, 50

Referred to in §103.8, 103.22

**103.15 Apprentice electrician — unclassified person.**

1. A person shall be licensed by the board and pay a licensing fee to work as an apprentice electrician while participating in an apprenticeship training program registered by the office of apprenticeship of the United States department of labor in accordance with the standards established by that department. An apprenticeship shall be limited to six years from the date of licensure, unless extended by the board upon a finding that a hardship existed which prevented completion of the apprenticeship program. Such licensure shall entitle the licensee to act as an apprentice to an electrical contractor, a class A master electrician, a class B master electrician, a class A journeyman electrician, or a class B journeyman electrician as provided in subsection 3.

2. *a.* A person shall be licensed as an unclassified person by the board to perform electrical work if the work is performed under the personal supervision of a person actually licensed to perform such work and the licensed and unclassified persons are employed by the same employer. A person shall not be employed continuously for more than one hundred days as an unclassified person without having obtained a current license from the board. For the purposes of determining whether a person has been *"employed continuously"* for more than one hundred days under this subsection, employment shall include any days not worked due to illness, holidays, weekend days, and other absences that do not constitute separation from or termination of employment. Any period of employment as a nonlicensed unclassified person shall not be credited to any applicable experiential requirement of an apprenticeship training program registered by the office of apprenticeship of the United States department of labor.

*b.* Licensed persons shall not permit unclassified persons to perform electrical work except under the personal supervision of a person actually licensed to perform such work. Unclassified persons shall not supervise the performance of electrical work or make assignments of electrical work to unclassified persons. Any person employing unclassified persons performing electrical work shall maintain records establishing compliance with this section, which shall designate all unclassified persons performing electrical work.

3. Apprentice electricians and unclassified persons shall do no electrical wiring except under the direct personal on-the-job supervision and control and in the immediate presence of a licensee as specified in section 103.11. Such supervision shall include both on-the-job training and related classroom training as approved by the board. The licensee may employ or supervise apprentice electricians and unclassified persons at a ratio not to exceed three apprentice electricians and unclassified persons to one licensee, except that such ratio and the other requirements of this section shall not apply to apprenticeship classroom training.

4. For purposes of this section, *"the direct personal on-the-job supervision and control and in the immediate presence of a licensee"* shall mean the licensee and the apprentice electrician or unclassified person shall be working at the same project location but shall not require that the licensee and apprentice electrician or unclassified person be within sight of one another at all times.

5. An apprentice electrician shall not install, alter, or repair electrical equipment except as provided in this section, and the licensee employing or supervising an apprentice electrician shall not authorize or permit such actions by the apprentice electrician.

6. The board may reject an application for licensure under this section from an applicant who would be subject to suspension, revocation, or reprimand pursuant to section 103.35.

2007 Acts, ch 197, §25, 50; 2008 Acts, ch 1092, §20, 32; 2009 Acts, ch 133, §27; 2010 Acts, ch 1061, §21, 22

Referred to in §103.22, 103.29

**103.16 License examinations.**

1. Examinations for licensure shall be offered as often as deemed necessary by the board, but no less than one time per quarter. The scope of the examinations and the methods of procedure shall be prescribed by the board. The examinations given by the board shall be the Experior assessment examination, or a successor examination approved by the board, or an examination prepared by a third-party testing service which is substantially equivalent to the Experior assessment examination, or a successor examination approved by the board.

2. An examination may be given by representatives of the board. As soon as practicable after the close of each examination, a report shall be filed in the office of the secretary of the board by the board. The report shall show the action of the board upon each application and the secretary of the board shall notify each applicant of the result of the applicant's examination. Applicants who fail the examination once shall be allowed to take the examination at the next scheduled time. Thereafter, the applicant shall be allowed to take the examination at the discretion of the board. An applicant who has failed the examination may request, in writing, information from the board concerning the applicant's examination grade and subject areas or questions which the applicant failed to answer correctly, except that if the board administers a uniform, standardized examination, the board shall only be required to provide the examination grade and such other information concerning the applicant's examination results which are available to the board.

2007 Acts, ch 197, §26, 50; 2008 Acts, ch 1092, §21, 32

**103.17 Disclosure of confidential information — criminal penalty.**

1. A member of the board shall not disclose information relating to the following:

*a.* Criminal history or prior misconduct of an applicant.

*b.* Information relating to the contents of an examination.

*c.* Information relating to examination results other than a final score except for information about the results of an examination given to the person who took the examination.

2. A member of the board who willfully communicates or seeks to communicate such information, and any person who willfully requests, obtains, or seeks to obtain such information, is guilty of a simple misdemeanor.

2007 Acts, ch 197, §27, 50

**103.18 License renewal — continuing education.**

In order to renew a class A master electrician, class B master electrician, class A journeyman electrician, or class B journeyman electrician license issued pursuant to this chapter, the licensee shall be required to complete eighteen contact hours of continuing education courses approved by the board during the three-year period for which a license is granted. The contact hours shall include a minimum of six contact hours studying the national electrical code described in section 103.6, and the remaining contact hours may include study of electrical circuit theory, blueprint reading, transformer and motor theory, electrical circuits and devices, control systems, programmable controllers, and microcomputers or any other study of electrical-related material that is approved by the board. Any additional hours studying the national electrical code shall be acceptable. For purposes of this section, *"contact hour"* means fifty minutes of classroom attendance at an approved course under a qualified instructor approved by the board.

2007 Acts, ch 197, §28, 50

Referred to in §103.10A

**103.19 Licenses — expiration — application — fees.**

1. Licenses issued pursuant to this chapter shall expire every three years, with the exception of licenses for apprentice electricians and unclassified persons, which shall expire on an annual basis. All license applications shall include the applicant's social security number, which shall be maintained as a confidential record and shall be redacted prior to public release of an application or other record containing such social security number. The board shall establish the fees to be payable for license issuance and renewal in amounts not to exceed the following:

*a.* For each year of the three-year license period for issuance and renewal:

(1) Electrical contractor, one hundred twenty-five dollars.

(2) Class A master electrician, class B master electrician, residential master electrician, one hundred twenty-five dollars.

(3) Class A journeyman electrician, class B journeyman electrician, residential electrician, or special electrician, twenty-five dollars.

*b*. For apprentice electricians or unclassified persons, twenty dollars.

2. The holder of an expired license may renew the license for a period of three months from the date of expiration upon payment of the license fee plus ten percent of the renewal fee for each month or portion thereof past the expiration date. All holders of licenses expired for more than three months shall apply for a new license.

3. If the board determines that all licenses shall expire on the same date every three years for licenses specified in subsection 1, paragraph *"a"*, the license fees shall be prorated by month. The board shall determine an individual's license fee based on the number of months that the individual's license will be in effect after being issued and prior to expiration.

2007 Acts, ch 197, §29, 50; 2008 Acts, ch 1092, §22, 32; 2009 Acts, ch 39, §5, 6
Referred to in §103.10A

**103.20 Licensee status — employment — death.**

1. Individuals performing electrical work in a capacity for which licensure is required pursuant to this chapter shall be employed by the authority or company obtaining a permit for the performance of such work, and shall possess a valid license issued by the board.

2. Upon the death of an electrical contractor, a class A master electrician, or a class B master electrician, the board may permit a representative to carry on the business of the decedent for a period not to exceed six months for the purpose of completing work under contract to comply with this chapter. Such representative shall furnish all public liability and property damage insurance required by the board.

2007 Acts, ch 197, §30, 50

**103.21 Licenses without examination — reciprocity with other states.**

To the extent that any other state which provides for the licensing of electricians provides for similar action, the board may grant licenses, without examination, of the same grade and class to an electrician who has been licensed by such other state for at least one year, upon payment by the applicant of the required fee, and upon the board being furnished with proof that the qualifications of the applicant are equal to the qualifications of holders of similar licenses in this state.

2007 Acts, ch 197, §31, 50

**103.22 Chapter inapplicability.**

The provisions of this chapter shall not:

1. Apply to a person licensed as an engineer pursuant to chapter 542B, registered as an architect pursuant to chapter 544A, licensed as a landscape architect pursuant to chapter 544B, licensed as a manufactured or mobile home retailer or certified as a manufactured or mobile home installer pursuant to chapter 103A, or designated as lighting certified by the national council on qualifications for the lighting professions who is providing consultations and developing plans concerning electrical installations and who is exclusively engaged in the practice of the person's profession.

2. Require employees of municipal utilities, electric membership or cooperative associations, investor-owned utilities, rural water associations or districts, railroads, telecommunications companies, franchised cable television operators, farms, or commercial or industrial companies performing manufacturing, installation, and repair work for such employer to hold licenses while acting within the scope of their employment. An employee of a farm does not include a person who is employed for the primary purpose of installing a new electrical installation.

3. Require firms or individuals working under contract to municipal utilities, electric membership or cooperative associations, or investor-owned utilities to hold licenses while performing work for utilities which is within the scope of the public service obligations of a utility.

4. Require any person doing work for which a license would otherwise be required under this chapter to hold a license issued under this chapter if the person is the holder of a valid license issued by any political subdivision, so long as the person makes electrical installations only within the jurisdictional limits of such political subdivision and such license issued by

the political subdivision is based upon requirements that are substantially equivalent to the licensing requirements of this chapter.

5. Apply to the installation, maintenance, repair, or alteration of vertical transportation or passenger conveyors, elevators, moving walks, dumbwaiters, stagelifts, manlifts, or appurtenances thereto beyond the terminals of the controllers. The licensing of elevator contractors or constructors shall not be considered a part of the licensing requirements of this chapter.

6. Require a license of any person who engages any electrical appliance where approved electrical supply is already installed.

7. Prohibit an owner of property from performing work on the owner's principal residence, if such residence is an existing dwelling rather than new construction and is not an apartment that is attached to any other apartment or building, as those terms are defined in section 499B.2, and is not larger than a single-family dwelling, or farm property, excluding commercial or industrial installations or installations in public use buildings or facilities, or require such owner to be licensed under this chapter. In order to qualify for inapplicability pursuant to this subsection, a residence shall qualify for the homestead tax exemption.

8. Require that any person be a member of a labor union in order to be licensed.

9. Apply to a person who is qualified pursuant to administrative rules relating to the storage and handling of liquefied petroleum gases while engaged in installing, servicing, testing, replacing, or maintaining propane gas utilization equipment, or gas piping systems of which the equipment is a part, and related or connected accessory systems or equipment necessary to the operation of the equipment.

10. Apply to a person who meets the requirements for a well contractor pursuant to administrative rules while engaged in installing, servicing, testing, replacing, or maintaining a well or well equipment, or piping systems of which the equipment is a part, and related or connected accessory systems or equipment necessary to the operation of the equipment.

11. Apply to a person performing alarm system installations pursuant to section 103.14 or to a person who is engaged in the design, installation, erection, repair, maintenance, or alteration of class two or class three remote control, signaling, or power-limited circuits, optical fiber cables or other cabling, or communications circuits, including raceways, as defined in the national electrical code for voice, video, audio, and data signals in commercial or residential premises.

12. Require any person, including an employee of the state or any political subdivision of the state, performing routine maintenance to be licensed under this chapter.

13. Apply to a person otherwise licensed pursuant to this chapter who is engaged in the wiring or installation of electrical wiring, apparatus, or equipment while presenting a course of instruction relating to home construction technology, or a similar course of instruction, offered to students by a community college established under chapter 260C, an institution under the control of the state board of regents, or a school corporation. A student enrolled in such a course of instruction shall not be considered an apprentice electrician or unclassified person, and supervision ratios as provided in section 103.15, subsection 3, shall not be applicable. The board shall by rule establish inspection procedures in the event that the home constructed pursuant to the course is intended for eventual occupation as a residence.

14. Prohibit a person from performing work on an emergency basis as determined by the board.

2007 Acts, ch 197, §32, 50; 2008 Acts, ch 1031, §35; 2008 Acts, ch 1032, §22; 2008 Acts, ch 1076, §2, 4; 2008 Acts, ch 1092, §23, 24, 32; 2008 Acts, ch 1191, §46; 2009 Acts, ch 39, §7; 2009 Acts, ch 179, §115

**103.23 Electrical installations — subject to inspection.**

The inspection and enforcement provisions of this chapter shall apply to the following:

1. All new electrical installations for commercial or industrial applications, including installations both inside and outside of buildings, and for public use buildings and facilities and any installation at the request of the property owner.

2. All new electrical installations for residential applications in excess of single-family

residential applications, including an apartment that is attached to any other apartment or building, as those terms are defined in section 499B.2.

3. All new electrical installations for single-family residential applications requiring new electrical service equipment.

4. Existing electrical installations observed during inspection which constitute an electrical hazard. Existing installations shall not be deemed to constitute an electrical hazard if the wiring when originally installed was installed in accordance with the electrical code in force at the time of installation and has been maintained in that condition.

2007 Acts, ch 197, §33, 50; 2008 Acts, ch 1032, §94, 202; 2008 Acts, ch 1092, §25, 32
Referred to in §103.30

**103.24 State inspection — inapplicability in certain political subdivisions — electrical inspectors — certificate of qualification.**

1. The board shall establish by rule standards for the certification and decertification of electrical inspectors appointed by the state or a political subdivision to enforce this chapter or any applicable resolution or ordinance within the inspector's jurisdiction, and for certified electrical inspector continuing education requirements.

*a.* On and after January 1, 2009, a person appointed to act as an electrical inspector for the state shall obtain an inspector's certificate of qualification within one year of such appointment and shall maintain the certificate thereafter for the duration of the inspector's service as an electrical inspector.

*b.* On and after January 1, 2014, a person appointed to act as an electrical inspector for a political subdivision shall obtain an inspector's certificate of qualification within one year of such appointment and shall maintain the certificate thereafter for the duration of the inspector's service as an electrical inspector.

2. State inspection shall not apply within the jurisdiction of any political subdivision which, pursuant to section 103.29, provides by resolution or ordinance standards of electrical wiring and its installation that are not less stringent than those prescribed by the board or by this chapter and which further provides by resolution or ordinance for the inspection of electrical installations within the limits of such subdivision by a certified electrical inspector. A copy of the certificate of each electrical inspector shall be provided to the board by the political subdivision issuing the certificate.

3. State inspection shall not apply to routine maintenance.

2007 Acts, ch 197, §34, 50; 2008 Acts, ch 1032, §95, 202; 2008 Acts, ch 1092, §26, 32
Referred to in §103.30

**103.25 Request for inspection — fees.**

1. At or before commencement of any installation required to be inspected by the board, the licensee or property owner making such installation shall submit to the state fire marshal's office a request for inspection. The board shall prescribe the methods by which the request may be submitted, which may include electronic submission or through a form prescribed by the board that can be submitted either through the mail or by a fax transmission. The board shall also prescribe methods by which inspection fees can be paid, which may include electronic methods of payment. If the board or the state fire marshal's office becomes aware that a person has failed to file a necessary request for inspection, the board shall send a written notification by certified mail that the request must be filed within fourteen days. Any person filing a late request for inspection shall pay a delinquency fee in an amount to be determined by the board. A person who fails to file a late request within fourteen days from receipt of the notification shall be subject to a civil penalty to be determined by the board by rule.

2. Notwithstanding subsection 1, the board may by rule provide for the issuance of a single permit to a licensee to request multiple inspections. The permit authorizes the licensee to perform new electrical installations specified in the permit. The board shall prescribe the methods by which the request for multiple inspections may be submitted, which may include electronic submission or through a form prescribed by the board that can be submitted either through the mail or by a fax transmission. The board shall also prescribe methods by which inspection fees can be paid, which may include electronic methods of payment. The board

may perform inspections of each new electrical installation or any portion of the total number of new electrical installations made under each permit. The board shall establish fees for such permits, which shall not exceed the total inspection fees that would be required if each new electrical installation performed under the request for multiple inspections had been performed under individual requests for inspections as provided in subsection 1.

2007 Acts, ch 197, §35, 50; 2008 Acts, ch 1032, §96, 202; 2008 Acts, ch 1092, §27, 32; 2009 Acts, ch 39, §8; 2011 Acts, ch 34, §33

Referred to in §103.31

**103.26 Condemnation — disconnection — opportunity to correct noncompliance.**

If the inspector finds that any installation or portion of an installation is not in compliance with accepted standards of construction for health safety and property safety, based upon minimum standards set forth in the local electrical code or the national electrical code adopted by the board pursuant to section 103.6, the inspector shall by written order condemn the installation or noncomplying portion or order service to such installation disconnected and shall send a copy of such order to the board, the state fire marshal, and the electrical utility supplying power involved. If the installation or the noncomplying portion is such as to seriously and proximately endanger human health or property, the order of the inspector when approved by the inspector's supervisor shall require immediate condemnation and disconnection by the applicant. In all other cases, the order of the inspector shall establish a reasonable period of time for the installation to be brought into compliance with accepted standards of construction for health safety and property safety prior to the effective date established in such order for condemnation or disconnection.

2007 Acts, ch 197, §36, 50; 2008 Acts, ch 1032, §97, 202; 2008 Acts, ch 1092, §28, 32

Referred to in §103.31

**103.27 Condemnation or disconnection order — service.**

1. A copy of each condemnation or disconnection order shall be served personally or by regular mail upon the property owner at the property owner's last known address, the licensee making the installation, and such other persons as the board by rule may direct.

2. The electrical utility supplying power shall be served with a copy of any order which requires immediate disconnection or prohibits energizing an installation.

2007 Acts, ch 197, §37, 50

**103.28 Certificate of safe operation — dismissal of condemnation or disconnection order.**

1. No electrical installation subject to inspection under this chapter shall be newly connected or reconnected for use until the electrical inspector has filed with the electrical utility supplying power a certificate stating that the electrical inspector has approved such energization.

2. If the electrical inspector determines that an electrical installation subject to inspection by the board is not in compliance with accepted standards of construction for health safety and property safety, based upon minimum standards adopted by the board pursuant to this chapter, the inspector shall issue a correction order. A correction order made pursuant to this section shall be served personally or by United States mail only upon the licensee making the installation. The correction order shall order the licensee to make the installation comply with the standards, noting specifically what changes are required. The order shall specify a date, not more than seventeen calendar days from the date of the order, when a new inspection shall be made. When the installation is brought into compliance to the satisfaction of the inspector, the inspector shall file with the electrical utility supplying power a certificate stating that the electrical inspector has approved energization.

3. An electrical utility supplier may refuse service without liability for such refusal until the provisions of this section have been met.

2007 Acts, ch 197, §38, 50; 2008 Acts, ch 1032, §98, 202

**103.29 Political subdivisions — inspections — authority of political subdivisions.**

1. A political subdivision performing electrical inspections prior to December 31, 2007,

shall continue to perform such inspections. After December 31, 2013, a political subdivision may choose to discontinue performing its own inspections and permit the board to have jurisdiction over inspections in the political subdivision. If a political subdivision seeks to discontinue its own inspections prior to December 31, 2013, the political subdivision shall petition the board. On or after January 1, 2014, if a unanimous vote of the board finds that a political subdivision's inspections are inadequate by reason of misfeasance, malfeasance, or nonfeasance, the board may suspend or revoke the political subdivision's authority to perform its own inspections, subject to appeal according to the procedure set forth in section 103.34 and judicial review pursuant to section 17A.19. A political subdivision not performing electrical inspections prior to December 31, 2007, may make provision for inspection of electrical installations within its jurisdiction, in which case it shall keep on file with the board copies of its current inspection ordinances or resolutions and electrical codes.

2. A political subdivision performing electrical inspections pursuant to subsection 1 prior to December 31, 2007, may maintain a different supervision ratio than the ratio of three apprentice electricians and unclassified persons to one licensee specified in section 103.15, subsection 3, but may not exceed that ratio. A political subdivision which begins performing electrical inspections after December 31, 2007, shall maintain the specified three-to-one ratio unless the board approves a petition by the political subdivision for a lower ratio. A political subdivision which discontinues performing electrical inspections and permits the board to have jurisdiction over inspections shall maintain the specified three-to-one supervision ratio, and may not petition for a lower ratio unless the political subdivision subsequently resumes performing electrical inspections.

3. A political subdivision that performs electrical inspections may set appropriate permit fees to pay for such inspections. A political subdivision shall not require any person holding a license from the board to pay any license fee or take any examination if the person holds a current license issued by the board which is of a classification equal to or greater than the classification needed to do the work proposed. Any such political subdivision may provide a requirement that each person doing electrical work within the jurisdiction of such political subdivision have on file with the political subdivision a copy of the current license issued by the board or such other evidence of such license as may be provided by the board.

4. A political subdivision is authorized to determine what work may be performed by a class B licensee within the jurisdictional limits of the political subdivision, provided, however, that a political subdivision shall not prohibit a class B licensee from performing any type of work that the licensee was authorized to perform within the political subdivision under the authority of a license validly issued or recognized by the political subdivision on December 31, 2007.

5. A political subdivision that performs electrical inspections shall act as the authority having jurisdiction for electrical inspections and for amending the national electrical code adopted by the board pursuant to section 103.6 for work performed within the jurisdictional limits of the political subdivision, provided those inspections and amendments conform to the requirements of this chapter. Any action by a political subdivision with respect to amendments to the national electrical code shall be filed with the board prior to enforcement by the political subdivision, and shall not be less stringent than the minimum standards established by the board by rule.

6. A political subdivision may grant a variance or interpret the national electrical code in a manner which deviates from a standard interpretation on an exception basis for a one-time installation or planned installation so long as such a variance or interpretation does not present an electrical hazard or danger to life or property.

7. A county shall not perform electrical inspections on a farm or farm residence.

2007 Acts, ch 197, §39, 50; 2008 Acts, ch 1092, §29, 32; 2009 Acts, ch 39, §9; 2009 Acts, ch 179, §116

Referred to in §103.24

**103.30 Inspections not required.**

1. Nothing in this chapter shall be construed to require the work of employees of municipal utilities, railroads, electric membership or cooperative associations,

investor-owned utilities, rural water associations or districts, or telecommunications systems to be inspected while the employees are acting within the scope of their employment.

2. The board may by rule exempt specified types of new electrical installations from the state electrical inspection requirements under section 103.23, provided that a political subdivision conducting inspections pursuant to section 103.24 shall not be prohibited from requiring inspection of any new electrical installation exempt by rule from state inspection pursuant to this subsection.

2007 Acts, ch 197, §40, 50; 2008 Acts, ch 1076, §3; 2009 Acts, ch 39, §10; 2009 Acts, ch 133, §28

**103.31 State inspection procedures.**

1. An inspection shall be made within three business days of the submission of a request for an inspection as provided in section 103.25. When necessary, circuits may be energized by the authorized installer prior to inspection but the installation shall remain subject to condemnation and disconnection and subject to any appropriate restrictions or limitations as determined by the board.

2. Where wiring is to be concealed, the inspector must be notified within a reasonable time to complete rough-in inspections prior to concealment, exclusive of Saturdays, Sundays, and holidays. If wiring is concealed before rough-in inspections without adequate notice having been given to the inspector, the person responsible for having enclosed the wiring shall be responsible for all costs resulting from uncovering and replacing the cover material.

3. State inspection procedures and policies shall be established by the board. The state fire marshal, or the state fire marshal's designee, shall enforce the procedures and policies, and enforce the provisions of the national electrical code adopted by the board.

4. Except when an inspection reveals that an installation or portion of an installation is not in compliance with accepted standards of construction for health safety and property safety, based upon minimum standards set forth in the local electrical code or the national electrical code adopted by the board pursuant to section 103.6, such that an order of condemnation or disconnection is warranted pursuant to section 103.26, an inspector shall not add to, modify, or amend a construction plan as originally approved by the state fire marshal or the state building code commissioner in the course of conducting an inspection.

5. Management and supervision of inspectors, including hiring decisions, disciplinary action, promotions, and work schedules are the responsibility of the state fire marshal acting in accordance with applicable law and pursuant to any applicable collective bargaining agreement. The state fire marshal and the board shall jointly determine work territories, regions, or districts for inspectors and continuing education and ongoing training requirements applicable to inspectors. An inspector subject to disciplinary action pursuant to this subsection shall be entitled to an appeal according to the procedure set forth in section 103.34 and judicial review pursuant to section 17A.19.

6. The board shall establish an internet-based licensure verification database for access by a state or local inspector for verification of licensee status. The database shall include the name of every person licensed under this chapter and a corresponding licensure number. Inspectors shall be authorized to request the name and license number of any person working at a job site subject to inspection for verification of licensee status. Licensees under this chapter shall be required to carry a copy of their current license and photo identification at all times when employed on a job site for compliance with this subsection.

2007 Acts, ch 197, §41, 50; 2008 Acts, ch 1032, §99, 202; 2008 Acts, ch 1092, §30, 32; 2013 Acts, ch 90, §257

Referred to in §103.14

Code editor directive applied

**103.32 State inspection fees.**

1. All state electrical inspection fees shall be due and payable to the board at or before commencement of the installation and shall be forwarded with the request for inspection. Inspection fees provided in this section shall not apply within the jurisdiction of any political

subdivision if the political subdivision has adopted an ordinance or resolution pursuant to this chapter.

2. The board shall establish the fees for inspections in amounts not to exceed:

*a.* For each separate inspection of an installation, replacement, alteration, or repair, twenty-five dollars.

*b.* For services, change of services, temporary services, additions, alterations, or repairs on either primary or secondary services as follows:

(1) Zero to one hundred ampere capacity, twenty-five dollars plus five dollars per branch circuit or feeder.

(2) One hundred one to two hundred ampere capacity, thirty-five dollars plus five dollars per branch circuit or feeder.

(3) For each additional one hundred ampere capacity or fraction thereof, twenty dollars plus five dollars per branch circuit or feeder.

*c.* For field irrigation system inspections, sixty dollars for each unit inspected.

*d.* For the first reinspection required as a result of a correction order, fifty dollars; a second reinspection required as a result of noncompliance with the same correction order, seventy-five dollars; and subsequent reinspections associated with the same correction order, one hundred dollars for each reinspection.

3. When an inspection is requested by a property owner, the minimum fee shall be thirty dollars plus five dollars per branch circuit or feeder. The fee for fire and accident inspections shall be computed at the rate of forty-seven dollars per hour, and mileage and other expenses shall be reimbursed as provided by the office of the state fire marshal.

4. For installations requiring more than six months in the process of construction and in excess of three hundred dollars total inspection fees, the persons responsible for the installation may, after a minimum filing fee of one hundred dollars, pay a prorated fee for each month and submit it with an order for payment initiated by the electrical inspector.

5. A state electrical inspection fee shall not be assessed for an event benefiting a nonprofit association representing volunteer service providers. An electrical inspection fee shall not be assessed by a political subdivision for an annual event benefiting a nonprofit association representing volunteer service providers.

2007 Acts, ch 197, §42, 50; 2008 Acts, ch 1032, §100, 202; 2009 Acts, ch 179, §117

**103.33 Condemnation or disconnection orders — appeals — disposition of orders pending appeal.**

1. Any person aggrieved by a condemnation or disconnection order issued by the state fire marshal's office may appeal from the order by filing a written notice of appeal with the board within ten days after the date the order was served upon the property owner or within ten days after the order was filed with the board, whichever is later.

2. Upon receipt of the notice of appeal from a condemnation or disconnection order because the electrical installation is proximately dangerous to health or property, the order appealed from shall not be stayed unless countermanded by the board.

3. Upon receipt of notice of appeal from a condemnation or disconnection order because the electrical installation is not in compliance with accepted standards of construction for health safety and property safety, except as provided in subsection 2, the order appealed from shall be stayed until final decision of the board and the board shall notify the property owner and the electrical contractor, class A master electrician, class B master electrician, fire alarm installer, special electrician, or if established by the board the residential master electrician, making the installation. The power supplier shall also be notified in those instances in which the order has been served on such supplier.

2007 Acts, ch 197, §43, 50; 2008 Acts, ch 1032, §101, 202; 2009 Acts, ch 39, §11; 2011 Acts, ch 34, §34

Referred to in §103.34

**103.34 Appeal procedures.**

1. Upon receipt of a notice of appeal filed pursuant to section 103.33, the chairperson or executive secretary of the board may designate a hearing officer from among the board

members to hear the appeal or may set the matter for hearing before the full board at its next regular meeting. A majority of the board shall make the decision.

2. Upon receiving the notice of appeal filed pursuant to section 103.33, the board shall notify all persons served with the order appealed from. Such persons may join in the hearing and give testimony in their own behalf. The board shall set the hearing date on a date not more than fourteen days after receipt of the notice of appeal unless otherwise agreed by the interested parties and the board.

2007 Acts, ch 197, §44, 50; 2008 Acts, ch 1092, §31, 32
Referred to in §103.29, 103.31

**103.35 Suspension, revocation, or reprimand.**

The board, by a simple majority vote of the entire board, may suspend for a period not exceeding two years, or revoke the certificate of licensure of, or reprimand any licensee who is found guilty of any of the following acts or offenses:

1. Fraud in procuring a certificate of licensure.
2. Professional incompetency.
3. Knowingly making misleading, deceptive, untrue, or fraudulent representations in the practice of the licensee's profession or engaging in unethical conduct or practice harmful to the public. Proof of actual injury need not be established.
4. Habitual intoxication or addiction to the use of drugs.
5. Conviction of a felony under the laws of the United States, this state, any other state, territory, or possession of the United States, the District of Columbia, or any foreign country. A copy of the record of conviction or plea of guilty is conclusive evidence of such conviction.
6. Revocation or suspension of licensure, or other disciplinary action by the licensing authority of another state, territory, or possession of the United States, the District of Columbia, or any foreign country. A certified copy of the record or order of suspension, revocation, or other disciplinary action is prima facie evidence of such fact.
7. Fraud in representations as to skill or ability.
8. Use of untruthful or improbable statements in advertisements.
9. Willful or repeated violations of this chapter.

2007 Acts, ch 197, §45, 50
Referred to in §103.10, 103.12, 103.12A, 103.13, 103.15, 103.36

**103.36 Procedure.**

Proceedings for any action under section 103.35 shall be commenced by filing with the board written charges against the accused. Upon the filing of charges, the board shall conduct an investigation into the charges. The board shall designate a time and place for a hearing, and shall notify the accused of this action and furnish the accused a copy of all charges at least thirty days prior to the date of the hearing. The accused has the right to appear personally or by counsel, to cross-examine witnesses, or to produce witnesses in defense.

2007 Acts, ch 197, §46, 50
Referred to in §103.39

**103.37 Injunction.**

Any person who is not legally authorized to practice in this state according to this chapter, who practices, or in connection with the person's name, uses any designation tending to imply or designate the person as authorized to practice in this state according to this chapter, may be restrained by permanent injunction.

2007 Acts, ch 197, §47, 50
Referred to in §103.38

**103.38 Criminal violations.**

A person who violates a permanent injunction issued pursuant to section 103.37 or presents or attempts to file as the person's own the certificate of licensure of another, or who gives false or forged evidence of any kind to the board in obtaining a certificate of licensure, or who

falsely impersonates another practitioner of like or different name, or who uses or attempts to use a revoked certificate of licensure, is guilty of a fraudulent practice under chapter 714.

2007 Acts, ch 197, §48, 50

**103.39 Civil penalty.**

1. In addition to any other penalties provided for in this chapter, the board may by order impose a civil penalty upon a person who is not licensed under this chapter and who does any of the following:

*a.* Is employed in a capacity in which the person engages in or offers to engage in the activities authorized pursuant to this chapter.

*b.* Uses or employs the words "electrical contractor", "class A master electrician", "class B master electrician", "class A journeyman electrician", or "class B journeyman electrician", or implies authorization to provide or offer those services, or otherwise uses or advertises any title, word, figure, sign, card, advertisement, or other symbol or description tending to convey the impression that the person is an "electrical contractor", "class A master electrician", "class B master electrician", "class A journeyman electrician", or "class B journeyman electrician".

*c.* Gives false or forged evidence of any kind to the board or any member of the board in obtaining or attempting to obtain a certificate of licensure.

*d.* Falsely impersonates any individual licensed pursuant to this chapter.

*e.* Uses or attempts to use an expired, suspended, revoked, or nonexistent certificate of licensure.

*f.* Knowingly aids or abets an unlicensed person who engages in any activity identified in this subsection.

2. A civil penalty imposed shall not exceed one thousand dollars for each offense. Each day of a continued violation constitutes a separate offense, except that offenses resulting from the same or common facts or circumstances shall be considered a single offense.

3. In determining the amount of a civil penalty to be imposed, the board may consider any of the following:

*a.* Whether the amount imposed will be a substantial economic deterrent to the violation.

*b.* The circumstances leading to the violation.

*c.* The severity of the violation and the risk of harm to the public.

*d.* The economic benefits gained by the violator as a result of noncompliance.

*e.* The interest of the public.

4. Before issuing an order under this section, the board shall provide the person written notice and the opportunity to request a hearing on the record. The hearing must be requested within thirty days of the issuance of the notice and shall be conducted in the same manner as provided in section 103.36.

5. The board, in connection with a proceeding under this section, may issue subpoenas to compel the attendance and testimony of witnesses and the disclosure of evidence, and may request the attorney general to bring an action to enforce the subpoena.

6. A person aggrieved by the imposition of a civil penalty under this section may seek judicial review in accordance with section 17A.19.

7. If a person fails to pay a civil penalty within thirty days after entry of an order under subsection 1, or if the order is stayed pending an appeal within ten days after the court enters a final judgment in favor of the board, the board shall notify the attorney general. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs.

8. An action to enforce an order under this section may be joined with an action for an injunction.

2007 Acts, ch 197, §49, 50

# CHAPTER 103A

## STATE BUILDING CODE

Referred to in §103.22, 104A.8, 105.11, 331.304, 423.26A

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# DIVISION I

# STATE BUILDING CODE ACT

**103A.1 Establishment.**

This division shall be known as the *"State Building Code Act"*.

[C73, 75, 77, 79, 81, §103A.1]

2009 Acts, ch 41, §32

**103A.2 Statement of policy.**

It is found and declared that some governmental subdivisions do not have building codes and that the building codes which do exist in the governmental subdivisions of this state, as enacted and applied, are not uniform and impede the utilization of new and improved technology, techniques, methods, and materials in the manufacture and construction of buildings and structures.

Therefore, it is the policy of the state of Iowa to insure the health, safety, and welfare of its citizens through the promulgation and enforcement of a state building code.

[C73, 75, 77, 79, 81, §103A.2]

**103A.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board of review"* or *"board"* means the state building code board of review created by this chapter.

2. *"Building"* means a combination of any materials, whether portable or fixed, to form a structure affording facilities or shelter for persons, animals or property. The word *"building"* includes any part of a building unless the context clearly requires a different meaning.

3. *"Building regulations"* means any law, bylaw, rule, resolution, regulation, ordinance, or code or compilation enacted or adopted, by the state or any governmental subdivision, including departments, boards, bureaus, commissions or other agencies, relating to the construction, reconstruction, alteration, conversion, repair or use of buildings and installation of equipment therein. The term shall not include zoning ordinances or subdivision regulations.

4. *"Commissioner"* means the state building code commissioner created by this chapter.

5. *"Construction"* means the construction, erection, reconstruction, alteration, conversion, repair, equipping of buildings, structures or facilities, and requirements or standards relating to or affecting materials used in connection therewith, including provisions for safety and sanitary conditions.

6. *"Council"* means the state building code advisory council created by this chapter.

7. *"Equipment"* means plumbing, heating, electrical, ventilating, conditioning, refrigerating equipment, elevators, dumbwaiters, escalators, and other mechanical facilities or installations.

8. *"Factory-built structure"* means any structure which is, wholly or in substantial part, made, fabricated, formed, or assembled in manufacturing facilities for installation, or assembly and installation, on a building site. *"Factory-built structure"* includes the terms *"mobile home"*, *"manufactured home"*, and *"modular home"*.

9. *"Governmental subdivision"* means any city, county, or combination thereof.

10. *"Installation"* means the assembly of factory-built structures on site and the process of affixing factory-built structures to land, a foundation, footings, or an existing building.

11. *"Local building department"* means an agency of any governmental subdivision charged with the administration, supervision, or enforcement of building regulations, approval of plans, inspection of buildings, or the issuance of permits, licenses, certificates and similar documents, prescribed or required by state or local building regulations.

12. *"Local building regulations"* means building regulations adopted by a governmental subdivision.

13. *"Manufacture"* is the process of making, fabricating, constructing, forming, or assembling a product from raw, unfinished, or semi-finished materials.

14. *"Manufactured home"*, *"mobile home"*, and *"modular home"* mean the same as defined in section 103A.51.

15. *"New construction"* means construction of buildings and factory-built structures which is commenced on or after January 1, 1978. Notwithstanding the definition in subsection 5 of this section, when the term *"new construction"* appears in this chapter, "construction" is limited to the erection, reconstruction or conversion of a building or factory-built structure and additions to buildings or factory-built structures and does not include renovations or repairs.

16. *"Out-of-state contractor"* means a person whose principal place of business is in another state, and which contracts to perform construction, installation, or any other work covered by this chapter, in this state.

17. *"Owner"* means the owner of the premises, a mortgagee or vendee in possession, an assignee of rents, or a receiver, executor, trustee, lessee or other person in control of a building or structure.

18. *"Performance objective"* establishes design and engineering criteria without reference to specific methods of construction.

19. *"State agency"* means a state department, board, bureau, commission, or agency of the state of Iowa.

20. *"State building code"* or *"code"* means the state building code provided for in section 103A.7.

21. *"State historic building code"* means the alternative building regulations and building standards for certain historic buildings provided for in section 103A.41.

22. *"Structure"* means that which is built or constructed, an edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner except transmission and distribution structures of public utilities. The word *"structure"* includes any part of a structure unless the context clearly requires a different meaning.

23. *"Sustainable design"* means construction design intended to minimize negative environmental impacts and to promote the health and comfort of building occupants including but not limited to measures to reduce consumption of nonrenewable resources, minimize waste, and create healthy, productive environments.

[C73, 75, 77, 79, 81, §103A.3]

84 Acts, ch 1113, §1; 87 Acts, ch 60, §3; 2001 Acts, ch 100, §1, 2; 2001 Acts, ch 176, §60, 82; 2006 Acts, ch 1090, §14, 15, 26; 2008 Acts, ch 1126, §3, 33; 2008 Acts, ch 1173, §5

Referred to in §135C.9

**103A.4 Building code commissioner.**

The commissioner of public safety, in addition to other duties, shall serve as the state building code commissioner or may designate a building code commissioner.

[C73, 75, 77, 79, 81, §103A.4; 82 Acts, ch 1210, §6]

**103A.5 Commissioner — duties.**

The commissioner shall:

1. Employ the necessary staff and assistants, within the limit of available funds, to assist in carrying out the provisions of this chapter.

2. Appoint necessary consultants and advisors to assist the commissioner in carrying out the provisions of this chapter.

3. Study the operation of the state building code, local building regulations, and other laws relating to the construction of buildings or structures to ascertain their effects upon the cost of building construction and the effectiveness of their provisions for health, safety, and welfare.

4. Do all things necessary or desirable to further and effectuate the general purposes and specific objectives of this chapter.

5. Administer and enforce chapters 104A and 104B.

[C73, 75, 77, 79, 81, §103A.5]

91 Acts, ch 97, §7

**103A.6 Merit system.**

Employees of the commissioner, if required by federal statutes, are covered by the merit system provisions of chapter 8A, subchapter IV.

[C73, 75, 77, 79, 81, §103A.6]

88 Acts, ch 1158, §17; 2003 Acts, ch 145, §184

**103A.7 State building code.**

1. The state building code commissioner with the approval of the advisory council is hereby empowered and directed to formulate and adopt and from time to time amend or revise and to promulgate, in conformity with and subject to the conditions set forth in this chapter, reasonable rules designed to establish minimum safeguards in the erection and construction of buildings and structures, to protect the human beings who live and work in them from fire and other hazards, and to establish regulations to further protect the health, safety, and welfare of the public.

2. The rules shall include reasonable provisions for the following:

*a.* The installation of equipment.

*b.* The standards or requirements for materials to be used in construction.

*c.* The manufacture and installation of factory-built structures.

*d.* Protection of the health, safety, and welfare of occupants and users.

*e.* The accessibility and use by persons with disabilities and elderly persons, of buildings, structures, and facilities which are constructed and intended for use by the general public. The rules shall be consistent with federal standards for building accessibility and shall only apply to those buildings, structures, and facilities subject to chapter 104A.

*f.* The conservation of energy through thermal efficiency standards for buildings intended for human occupancy and which are heated or cooled and lighting efficiency standards for buildings intended for human occupancy which are lighted.

*g.* Standards for sustainable design, also known and referred to as green building standards.

*h.* Standards for safe rooms and storm shelters.

3. These rules shall comprise and be known as the state building code.

[C73, 75, 77, 79, 81, §103A.7]

93 Acts, ch 95, §1; 99 Acts, ch 49, §1, 3; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1126, §4, 5, 33; 2008 Acts, ch 1173, §6; 2009 Acts, ch 142, §1

Referred to in §100.35, 100.38, 100.39, 103A.3, 103A.8B, 103A.8C, 103A.14, 103A.25, 103A.51, 104A.6, 135.18, 135B.17, 135C.2, 135C.28, 137C.31, 137D.6, 137F.16, 167.11, 231B.4, 423E.6, 435.1, 455B.172, 499B.3, 499B.20, 504C.1, 544A.28

**103A.8 Standards.**

The state building code shall as far as practical:

1. Provide uniform standards and requirements for construction, construction materials, and equipment through the adoption by reference of applicable national codes where appropriate and providing exceptions when necessary. The rules adopted shall include provisions imposing requirements reasonably consistent with or identical to recognized and accepted standards contained in performance criteria.

2. Establish such standards and requirements in terms of performance objectives.

3. Establish as the test of acceptability, adequate performance for the intended use.

4. Permit the use of modern technical methods, devices, and improvements which tend to reduce the cost of construction without substantially affecting reasonable requirements for the health, safety, and welfare of the occupants or users of buildings and structures.

5. Encourage the standardization of construction practices, methods, equipment, material, and techniques.

6. Eliminate restrictive, obsolete, conflicting, and unnecessary regulations and requirements which tend to unnecessarily increase construction costs or retard unnecessarily the use of new materials, or provide unwarranted preferential treatment to types or classes of materials or products or methods of construction.

7. Limit the application of thermal efficiency standards for energy conservation to construction of buildings which are heated or cooled. Air exchange fans designed to

provide ventilation shall not be considered a cooling system. The commissioner shall exempt any construction from any thermal efficiency standard for energy conservation if the commissioner determines that the standard is unreasonable as it would apply to a particular building or class of buildings. No standard adopted by the commissioner for energy conservation in construction shall be interpreted to require the replacement or modification of any existing equipment or feature solely to ensure compliance with requirements for energy conservation in construction. Lighting efficiency standards shall recognize variations in lighting intensities required for the various tasks performed within the building. The commissioner shall consult with the economic development authority regarding standards for energy conservation prior to the adoption of the standards. However, the standards shall be consistent with section 103A.8A.

8. Facilitate the development and use of renewable energy.

[C73, 75, 77, 79, 81, §103A.8; 81 Acts, ch 184, §12]

85 Acts, ch 147, §1; 88 Acts, ch 1134, §22; 90 Acts, ch 1267, §26; 2002 Acts, ch 1162, §33; 2008 Acts, ch 1126, §6, 33; 2009 Acts, ch 108, §6, 41; 2011 Acts, ch 118, §50, 89

**103A.8A Energy conservation requirements.**

The state building code commissioner shall adopt as a part of the state building code a requirement that new single-family or two-family residential construction shall comply with energy conservation requirements. The requirements adopted by the commissioner shall be based upon a nationally recognized standard or code for energy conservation. The requirements shall only apply to single-family or two-family residential construction commenced after the adoption of the requirements. Notwithstanding any other provision of this chapter to the contrary, the energy conservation requirements adopted by the commissioner and approved by the council shall apply to new single-family or two-family residential construction commenced on or after July 1, 2008, and shall supersede and replace any minimum requirements for energy conservation adopted or enacted by a governmental subdivision prior to that date applicable to such construction. The state building code commissioner may provide training to builders, contractors, and other interested persons on the adopted energy conservation requirements.

85 Acts, ch 147, §2; 88 Acts, ch 1134, §23; 2002 Acts, ch 1082, §1; 2002 Acts, ch 1162, §34; 2006 Acts, ch 1095, §1; 2008 Acts, ch 1126, §7, 33; 2009 Acts, ch 41, §33

Referred to in §103A.8, 103A.22

**103A.8B Sustainable design or green building standards.**

The commissioner, after consulting with and receiving recommendations from the department of natural resources, shall adopt rules pursuant to chapter 17A specifying standards and requirements for sustainable design and construction based upon or incorporating nationally recognized ratings, certifications, or classification systems, and procedures relating to documentation of compliance. The standards and requirements shall be incorporated into the state building code established in section 103A.7, but in lieu of general applicability shall apply to construction projects only if such applicability is expressly authorized by statute, or as established by another state agency by rule.

2008 Acts, ch 1126, §8, 33; 2008 Acts, ch 1173, §7; 2011 Acts, ch 118, §40, 89

Referred to in §15.291, 423.3, 423.4

**103A.8C Standards for safe rooms and storm shelters.**

1. The commissioner, after consulting with and receiving recommendations from the department of public defense and the department of natural resources, shall adopt rules pursuant to chapter 17A specifying standards and requirements for design and construction of safe rooms and storm shelters. In developing these standards, the commissioner shall consider nationally recognized standards. The standards and requirements shall be incorporated into the state building code established in section 103A.7, but shall not be interpreted to require the inclusion of a safe room or storm shelter in a building construction project unless such inclusion is expressly required by another statute or by a federal statute or regulation. However, if a safe room or storm shelter is included in any building

construction project which reaches the design development phase on or after January 1, 2011, compliance with the standards developed pursuant to this section shall be required.

2. The commissioner may provide education and training to promote the use of best practices in the design, construction, and maintenance of buildings, safe rooms, and shelters to reduce the risk of personal injury from tornadoes or other severe weather.

2009 Acts, ch 142, §2; 2011 Acts, ch 122, §31

**103A.9 Factory-built structures.**

1. The state building code shall contain provisions relating to the manufacture and installation of factory-built structures.

*a.* Factory-built structures manufactured in Iowa, after the effective date of the code, shall be manufactured in accordance with the code, unless the commissioner determines the structure is manufactured for installation outside the state.

*b.* Factory-built structures manufactured outside the state of Iowa, after the effective date of the code, and brought into Iowa for installation must, prior to installation, comply with the code.

*c.* Factory-built structures manufactured prior to the effective date of the code, which prior to that date have never been installed, must comply with the code prior to installation.

*d.* (1) All factory-built structures, without regard to manufacture date, shall be installed in accordance with the code in the governmental subdivisions which have adopted the state building code or any other building code. However, a governmental subdivision shall not require that a factory-built structure, that was manufactured in accordance with federally mandated standards, be renovated in accordance with the state building code or any other building code which the governmental subdivision has adopted when the factory-built structure is being moved from one lawful location to another unless such required renovation is in conformity with those specifications for the factory-built structure which existed when it was manufactured or the factory-built structure is being rented for occupancy.

(2) Existing factory-built structures not constructed to be in compliance with federally mandated standards may be moved from one established manufactured home community or mobile home park to another and shall not be required to be renovated to comply with the state building code or any other building code which the governmental subdivision has adopted unless the factory-built structure is being rented for occupancy or has been declared a public nuisance according to standards generally applied to housing.

*e.* Factory-built structures required to comply with the code provisions on manufacture shall not be modified in any way prior to or during installation, unless prior approval is obtained from the commissioner.

2. The commissioner shall establish an insignia of approval and provide that factory-built structures required to comply with code provisions on manufacture bear an insignia of approval prior to installation. The insignia may be issued for other factory-built structures which meet code standards and which were manufactured prior to the effective date of the state building code.

3. The commissioner may contract with local government agencies for enforcement of the code relating to manufacture of factory-built structures. Code provisions relating to installation of factory-built structures shall be enforced by the local building departments only in those governmental subdivisions which have adopted the state building code or any other building code.

[C73, 75, 77, 79, 81, §103A.9]

93 Acts, ch 154, §1; 2001 Acts, ch 100, §3; 2001 Acts, ch 153, §16; 2008 Acts, ch 1032, §201; 2009 Acts, ch 41, §176

**103A.10 Effect and application.**

1. The state building code shall, for the buildings and structures to which it is applicable, constitute a lawful local building code.

2. The state building code shall be applicable:

*a.* To all buildings and structures owned by the state or an agency of the state.

*b.* In each governmental subdivision where the governing body has enacted an ordinance accepting the application of the code.

*c.* To all newly constructed buildings and structures the construction of which is paid for in whole or in part with moneys appropriated by the state but which are not wholly owned by the state.

*d.* In each city with a population of more than fifteen thousand that has not adopted a local building code that is substantially in accord with standards developed by a nationally recognized building code organization. The city shall enforce the state building code, including the provisions in section 103A.19, subsection 2.

3. Provisions of the state building code relating to the manufacture and installation of factory-built structures shall apply throughout the state. A factory-built structure approved by the commissioner shall be deemed to comply with all building regulations applicable to its manufacture and installation and shall be exempt from any other state or local building regulations. Except with respect to manufactured homes, as defined in section 103A.51, subsection 4, a provision of this chapter relating to the manufacture or installation of factory-built structures shall not alter or supersede any provision of chapter 542B concerning the practice of professional engineering or chapter 544A concerning the practice of architecture.

4. Notwithstanding the provisions of section 103A.22, subsection 1:

*a.* Provisions of the state building code establishing thermal efficiency energy conservation standards shall be applicable to all construction in the state which will contain enclosed space that is heated or cooled. The commissioner shall provide appropriate exceptions for construction where the application of an energy conservation requirement adopted pursuant to this chapter would be impractical.

*b.* Provisions of the state building code establishing lighting efficiency standards shall be applicable to all construction in the state and to new and replacement lighting in existing buildings.

5. Notwithstanding any other provision of this chapter to the contrary, the energy conservation requirements adopted by the commissioner and approved by the council shall apply to all new construction commenced on or after July 1, 2008, and shall supersede and replace any minimum requirements for energy conservation adopted or enacted by the governmental subdivision prior to that date and applicable to such construction.

[C73, 75, 77, 79, 81, §103A.10]

89 Acts, ch 39, §1; 2002 Acts, ch 1082, §2; 2006 Acts, ch 1090, §16, 26; 2006 Acts, ch 1185, §71; 2007 Acts, ch 22, §32, 33; 2007 Acts, ch 97, §1, 3; 2008 Acts, ch 1059, §1; 2008 Acts, ch 1126, §9, 10, 33

Referred to in §103A.19, 103A.22, 331.361

**103A.10A Plan reviews and inspections.**

1. All newly constructed buildings or structures subject to the state building code, including any addition, but excluding any renovation or repair of such a building or structure, owned by the state or an agency of the state, except as provided in subsection 2, shall be subject to a plan review and inspection by the commissioner or an independent building inspector appointed by the commissioner. Any renovation or repair of such a building or structure shall be subject to a plan review, except as provided in subsection 2. A fee shall be assessed for the cost of plan review, and, if applicable, the cost of inspection. The commissioner may inspect an existing building that is undergoing renovation or remodeling to enforce the energy conservation requirements established under this chapter.

2. All newly constructed buildings, including any addition, but excluding any renovation or repair of a building, owned by the state board of regents shall be subject to a plan review and inspection by the commissioner or the commissioner's staff or assistant. A renovation of a building owned by the state board of regents shall be subject to a plan review. The commissioner may inspect an existing building that is undergoing renovation or remodeling to enforce the energy conservation requirements established under this chapter. The commissioner and the state board of regents shall develop a plan to implement this provision.

3. All newly constructed buildings and structures the construction of which is paid for

in whole or in part with moneys appropriated by the state but which are not wholly owned by the state are subject to the plan review and inspection requirements as provided in this subsection. If a governmental subdivision has adopted a building code, electrical code, mechanical code, and plumbing code and performs inspections pursuant to such codes, such buildings or structures shall be built to comply with such codes. However, if a governmental subdivision has not adopted a building code, electrical code, mechanical code, and plumbing code, or does not perform inspections pursuant to such codes, such buildings or structures shall be built to comply with the state building code and shall be subject to a plan review and inspection by the commissioner or an independent building inspector appointed by the commissioner. A fee shall be assessed for the cost of plan review and the cost of inspection.

4. The commissioner shall administer this section notwithstanding section 103A.19. The commissioner shall establish by rule proper qualifications for an independent building inspector and for the commissioner's staff or assistant who performs inspections, and fees for plan reviews and inspections.

2006 Acts, ch 1185, §72; 2007 Acts, ch 22, §34; 2008 Acts, ch 1126, §11, 33; 2009 Acts, ch 24, §1

**103A.11 Rules.**

1. The commissioner shall adopt rules pursuant to chapter 17A which are necessary for the implementation of this chapter.

2. The text of any proposed rule shall be made available for inspection at the office of the commissioner and shall be distributed to the governmental subdivisions which have adopted the state building code, and to any other person who requests a copy.

3. Copies of every rule shall be sent by the commissioner to all governmental subdivisions which have adopted the state building code.

4. The provisions of this section shall not apply to any rule relating solely to the internal operations of the office of the commissioner and council.

[C73, 75, 77, 79, 81, §103A.11]

84 Acts, ch 1067, §19; 94 Acts, ch 1078, §7

**103A.12 Adoption and withdrawal — procedure.**

The state building code is applicable in each governmental subdivision of the state in which the governing body has enacted an ordinance accepting the applicability of the code and has filed a certified copy of the ordinance in the office of the commissioner. The state building code becomes effective in the governmental subdivision upon the date fixed by the governmental subdivision ordinance, which must not be more than six months after the date of adoption of the ordinance.

A governmental subdivision in which the state building code is applicable may by ordinance, at any time after one year has elapsed since the code became applicable, withdraw from the application of the code. The local governing body shall hold a public hearing, after giving not less than four but not more than twenty days' public notice, together with written notice to the commissioner of the time, place, and purpose of the hearing, before the ordinance to withdraw is voted upon. A certified copy of the vote of the local governing body shall be transmitted within ten days after the vote is taken to the commissioner. The ordinance becomes effective at a time to be specified in the ordinance, which must be not less than one hundred eighty days after the date of adoption. Upon the effective date of the ordinance, the state building code ceases to apply to the governmental subdivision except that construction of a building or structure pursuant to a permit previously issued is not affected by the withdrawal.

A governmental subdivision which has withdrawn from the application of the state building code may, at any time thereafter, restore the application of the code in the same manner as specified in this section.

[C73, 75, 77, 79, 81, §103A.12]

87 Acts, ch 43, §2; 89 Acts, ch 39, §2; 2001 Acts, ch 20, §1

Resolutions accepting building code, see §103A.25

**103A.13 Alternate materials and methods of construction.**

The provisions of the state building code shall not prevent the use of any material or method of construction not specifically prescribed therein, provided any such alternate has been approved by the building code commissioner.

The commissioner may approve any alternate if the commissioner finds that the proper design is satisfactory and that the material, method, or work offered is, for the purpose intended, at least the equivalent of that prescribed in the state building code in quality, strength, effectiveness, fire resistance, durability, and safety.

The commissioner shall require that sufficient evidence or proof be submitted to substantiate any claim that may be made regarding alternate use.

[C73, 75, 77, 79, 81, §103A.13]

Referred to in §103A.14

**103A.14 Advisory council.**

There is hereby established a seven member council to be known as the state building code advisory council. The council shall elect from its membership a chairperson. The members of the council shall be appointed by the governor and shall hold office commencing July 1, 1972, for four years and until their successors are appointed, except that three initial appointees shall be appointed for two-year terms and four initial appointees shall be appointed for four-year terms. The members of the council shall be persons who are qualified by experience or training to provide a broad or specialized expertise on matters pertaining to building construction. At least one of the members shall be a journeyman member of the building trades. Vacancies shall be filled in the same manner as the original appointments.

1. The council shall advise and confer with the commissioner in matters relating to the state building code.

2. The council members shall, at the request of the commissioner, hold public hearings and perform such other functions as the commissioner requests.

3. The council shall approve or disapprove the rules and regulations referred to in section 103A.7 and shall approve or disapprove any alternate materials or methods of construction approved by the commissioner as provided in section 103A.13. A majority vote of the council membership shall be required for these functions.

4. Any member of the council may be removed by the governor for inefficiency, neglect of duty, misconduct or malfeasance in office, after being given a written statement of the charges and an opportunity to be heard thereon.

5. Each member of the council shall receive per diem compensation at the rate as specified in section 7E.6 for each day spent in the performance of the member's duties, but not to exceed twenty-five hundred dollars per year. All members of the council shall receive necessary expenses incurred in the performance of their duties.

6. Four members of the council shall constitute a quorum. For the purpose of conducting business a majority vote of the council shall be required.

7. Meetings of the council may be called by the commissioner.

[C73, 75, 77, 79, 81, §103A.14]

90 Acts, ch 1256, §29

**103A.15 Board of review.**

The commissioner shall establish a state building code board of review.

1. The board shall be composed of three members of the council.

2. Members of the board of review shall serve at the pleasure of the commissioner.

3. No member of the board shall pass upon any question in which the member or any corporation in which the member is a stockholder is interested.

4. The commissioner may appoint alternate board members from the membership of the advisory council.

[C73, 75, 77, 79, 81, §103A.15]

**103A.16 Board of review — appeal.**

Any aggrieved person may appeal to the board for:

1. A reversal, modification, or annulment of any ruling, direction, determination, or order of any state agency or local building department affecting or relating to the construction of any building or structure, the construction of which is pursuant or purports to be pursuant to the provisions of the state building code.

2. Review of the disapproval or failure to approve within sixty days after submission of:

*a.* An application for permission to construct pursuant to the code, or

*b.* Plans or specifications for construction pursuant to the code.

[C73, 75, 77, 79, 81, §103A.16]

Referred to in §103A.19

**103A.17 Board of review — procedure.**

The board shall establish procedures pursuant to which an aggrieved person may appeal to the board.

1. The board shall fix a reasonable time and place for a hearing and shall give due notice of a hearing to:

*a.* The applicant.

*b.* The state agency or local building department involved.

*c.* Any other person at the board's discretion.

2. Notice shall be by registered mail and shall:

*a.* Name the applicant.

*b.* State the time and place of the hearing.

*c.* State the general nature of the appeal.

3. The following may appear and be heard at an appeal hearing:

*a.* The applicant, or the applicant's agent.

*b.* The state agency or local building department involved.

*c.* Any other person at the board's discretion.

4. The board, in hearings conducted under this section, shall not be bound by common law or statutory rules of evidence or by technical or formal rules of procedure.

5. Applications shall be decided promptly. In every case the board shall state generally the reason for its decision.

6. The decision of the board shall state the date on which it takes effect, which shall be no earlier than five days subsequent to issuance of such decision, and a copy of the decision, duly certified by the chairperson of the board, shall be filed in the office of the commissioner, and a copy shall be sent to the parties and any state agency or local building department affected.

7. The decision of the board of review may be appealed to the advisory council by any party by filing a petition with the advisory council at any time prior to the effective date of such decision. The advisory council shall consider all questions of fact and law involved and issue its decision pertaining to the same not later than ten days after receipt of the appeal.

8. A record of all decisions of the board and advisory council shall be properly indexed and filed in the office of the commissioner, and shall be public records as defined in chapter 22.

9. The board may subpoena all of the papers and documents constituting the record upon which the application for the use of alternate materials or methods of construction, modification, reversal, annulment, or review is based, and the state, county, or municipal officer in charge thereof shall, upon receipt of the subpoena, transmit the papers and documents to the board.

10. All decisions of the board shall require the concurrence of at least two of its members.

[C73, 75, 77, 79, 81, §103A.17]

**103A.18 Court proceedings.**

Judicial review of action of the commissioner, board of review, or council may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of said Act:

1. Filing of a petition for judicial review shall stay all proceedings on the matter with

respect to which review is sought unless there is a showing by the state agency or a local building department that a stay would involve imminent peril to life or property.

2. No court shall entertain an action based on the state building code unless all administrative remedies have been exhausted, except:

*a.* When the action is instituted by the state or a governmental subdivision; or

*b.* When there is good cause for the failure to exhaust administrative remedies.

3. Subject to subsection 1 of this section, where the construction of a building or structure or use of a building is in violation of any code provision or lawful order of a local building department, the district court may on petition order removal of the building, abatement as a public nuisance, or enjoin further construction.

4. Petitions for judicial review may be filed in the county where the cause of action or some part thereof arose.

[C73, 75, 77, 79, 81, §103A.18]

2003 Acts, ch 44, §114

**103A.19 Administration and enforcement.**

1. The examination and approval or disapproval of plans and specifications, the issuance and revocation of building permits, licenses, certificates, and similar documents, the inspection of buildings or structures, and the administration and enforcement of building regulations shall be the responsibility of the governmental subdivisions of the state and shall be administered and enforced in the manner prescribed by local law or ordinance. All provisions of law relating to the administration and enforcement of local building regulations in any governmental subdivision shall be applicable to the administration and enforcement of the state building code in the governmental subdivision. An application made to a local building department or to a state agency for permission to construct a building or structure pursuant to the provisions of the state building code shall, in addition to any other requirement, be signed by the owner or the owner's authorized agent, and shall contain the address of the owner, and a statement that the application is made for permission to construct in accordance with the provisions of the code. The application shall also specifically include a statement that the construction will be in accordance with all applicable energy conservation requirements.

2. In aid of administration and enforcement of the state building code, and in addition to and not in limitation of powers vested in them by law, each governmental subdivision of the state may, and each city designated in section 103A.10, subsection 2, paragraph "*d*", shall:

*a.* Examine and approve or disapprove plans and specifications for the construction of any building or structure, the construction of which is pursuant or purports to be pursuant to the provisions of the state building code, and to direct the inspection of buildings or structures during the course of construction.

*b.* Require that the construction of any building or structure shall be in accordance with the applicable provisions of the state building code, subject, however, to the powers granted to the board of review in section 103A.16.

*c.* Order in writing any person to remedy any condition found to exist in, or about any building or structure in violation of the state building code. Orders may be served upon the owner or the owner's authorized agent personally or by certified mail at the address set forth in the application for permission to construct a building or structure. Any local building department may grant in writing such time as may be reasonably necessary for achieving compliance with an order.

*d.* Issue certificates of occupancy or use, permits, licenses, and other documents in connection with the construction of buildings or structures as may be required by ordinance.

(1) A certificate of occupancy or use for a building or structure constructed in accordance with the provisions of the state building code shall certify that the building or structure conforms to the requirements of the code. The certificate shall be in the form the governing body of the governmental subdivision prescribes.

(2) Every certificate of occupancy or use shall, until set aside or vacated by the board of review, director, or a court of competent jurisdiction, be binding and conclusive upon all

state and local agencies, as to all matters set forth and no order, direction, or requirement at variance therewith shall be made or issued by any other state or local agency.

*e.* Make, amend, and repeal rules for the administration and enforcement of the provisions of this section, and for the collection of reasonable fees in connection therewith.

*f.* Prohibit the commencement of construction until a permit has been issued by the local building department after a showing of compliance with the requirements of the applicable provisions of the state building code.

3. The specifications for all buildings to be constructed after July 1, 1977, and which exceed a total volume of one hundred thousand cubic feet of enclosed space that is heated or cooled shall be reviewed by a registered architect or licensed engineer for compliance with applicable energy efficiency standards. A statement that a review has been accomplished and that the design is in compliance with the energy efficiency standards shall be signed and sealed by the responsible registered architect or licensed engineer. This statement shall be filed with the commissioner prior to construction. If the specifications relating to energy efficiency for a specific structure have been approved, additional buildings may be constructed from those same plans and specifications without need of further approval if construction begins within five years of the date of approval. Alterations of a structure which has been previously approved shall not require a review because of these changes, provided the basic structure remains unchanged.

[C73, 75, 77, 79, 81, §103A.19]

2007 Acts, ch 97, §2, 3; 2007 Acts, ch 126, §21; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1126, §12, 33

Referred to in §103A.10, 103A.10A, 103A.21

Architect's seal required, §544A.28

**103A.20 Permits — duty to issue.**

1. *a.* If the plans and specifications accompanying an application for permission to construct a building or structure fail to comply with the provisions of building regulations applicable to the governmental subdivision where the construction is planned, the state or governmental subdivision official charged with the duty shall nevertheless issue a permit, certificate, authorization, or other required document, as the case may be, for the construction, if the plans and specifications comply with the applicable provisions set forth in the state building code, whenever such code is operative in such governmental subdivision.

*b.* However, a permit, certificate, authorization, or other required document for the construction of a building shall not be issued to a contractor who is required and fails to obtain a contractor registration number pursuant to chapter 91C.

2. Any building or structure constructed in conformance with the provisions of the state building code, shall be deemed to comply with all state, county, and municipal building regulations, and the owner, builder, architect, lessee, tenant, or their agents, or other interested person shall be entitled, upon a showing of compliance with the code, to demand and obtain, upon proper payment being made in appropriate cases, any permit, certificate, authorization, or other required document, the issuance of which is authorized pursuant to any state or local buildings or structure regulation, and it shall be the duty of the appropriate state or local officer having jurisdiction over the issuance to issue the permit, certificate, authorization, or other required document, as provided herein, whenever the code is operative in the governmental subdivision.

[C73, 75, 77, 79, 81, §103A.20]

90 Acts, ch 1136, §15; 2008 Acts, ch 1032, §201

**103A.21 Penalty.**

1. Any person served with an order pursuant to the provisions of section 103A.19, subsection 2, paragraph "*c*", who fails to comply with the order within thirty days after service or within the time fixed by the local building department for compliance, whichever is longer, and any owner, builder, architect, tenant, contractor, subcontractor, construction superintendent or their agents, or any other person taking part or assisting in the construction or use of any building or structure who shall knowingly violate any of

the applicable provisions of the state building code or any lawful order of a local building department made thereunder, shall be guilty of a simple misdemeanor.

2. Violation of this chapter shall not impose any disability upon or affect or impair the credibility as a witness, or otherwise, of any person.

3. As an alternative to filing criminal charges as provided in this section, the commissioner may file a petition in the district court and obtain injunctive relief for any violation of this chapter or chapter 104A.

[C73, 75, 77, 79, 81, §103A.21; 81 Acts, ch 49, §1]
2007 Acts, ch 126, §22; 2008 Acts, ch 1031, §36

**103A.22 Construction of statute.**

1. Nothing in this chapter shall be construed as prohibiting any governmental subdivision from adopting or enacting any building regulations relating to any building or structure within its limits, but a governmental subdivision in which the state building code has been accepted and is applicable shall not have the power to supersede, void, or repeal or make more restrictive any of the provisions of this chapter or of the rules adopted by the commissioner. This subsection shall not apply to energy conservation requirements adopted by the commissioner and approved by the council pursuant to section 103A.8A or 103A.10.

2. Nothing in this chapter shall be construed as abrogating or impairing the power of any governmental subdivision or local building department to enforce the provisions of any building regulations, or the applicable provisions of the state building code, or to prevent violations or punish violators except as otherwise expressly provided in this chapter.

3. The powers enumerated in this chapter shall be interpreted liberally to effectuate the purposes thereof and shall not be construed as a limitation of powers.

[C73, 75, 77, 79, 81, §103A.22]
2008 Acts, ch 1126, §13, 33
Referred to in §103A.10

**103A.23 Fees.**

For the purpose of obtaining revenue to defray the costs of administering the provisions of this chapter, the commissioner shall establish by rule a schedule of fees based upon the costs of administration which fees shall be collected from persons whose manufacture, installation, or construction is subject to the provisions of the state building code. For the performance of building plan reviews by the department of public safety, the commissioner shall establish by rule a fee, chargeable to the owner of the building, which shall be equal to a percentage of the estimated total valuation of the building and which shall be in an amount reasonably related to the cost of conducting the review.

All fees collected by the commissioner shall be deposited in the state treasury to the credit of the general fund of the state.

All federal grants to and federal receipts of the office of state building code commissioner are appropriated for the purpose set forth in the federal grants or receipts.

[C73, 75, 77, 79, 81, §103A.23]
2000 Acts, ch 1229, §21
Referred to in §103A.54

**103A.24** Repealed by 89 Acts, ch 254, § 4.

**103A.25 Prior resolutions.**

A resolution accepting the state building code as provided in section 103A.7, which was adopted before July 1, 1989, is an ordinance for the purpose of this chapter.

89 Acts, ch 39, §3; 2003 Acts, ch 108, §33

**103A.26 Manufactured or mobile home installers certification — violation — civil penalty.** Repealed by 2006 Acts, ch 1090, § 23, 26. See § 103A.59.

**103A.27 Commission on energy efficiency standards and practices.** Repealed by 2011 Acts, ch 34, § 163.

**103A.28 and 103A.29** Reserved.

DIVISION II

MANUFACTURED OR MOBILE HOME
TIEDOWN SYSTEMS

**103A.30 Approved tiedown system — provided at sale — installation.** Repealed by 2006 Acts, ch 1090, § 23, 26. See § 103A.60.

**103A.31 Installer compliance and certification.** Repealed by 2006 Acts, ch 1090, § 23, 26. See § 103A.61.

**103A.32 Compliance.** Repealed by 2006 Acts, ch 1090, § 23, 26. See § 103A.63.

**103A.33 Listing and form of certification of approved systems provided.** Repealed by 2006 Acts, ch 1090, § 23, 26. See § 103A.62.

**103A.34 through 103A.40** Reserved.

DIVISION III

STATE HISTORIC BUILDING CODE

**103A.41 State historic building code.**

The commissioner, with the approval of the state historical society board established by section 303.4, shall adopt, in accordance with chapter 17A, alternative building standards and building regulations for the rehabilitation, preservation, restoration (including related reconstruction) and relocation of buildings or structures designated by state agencies or governmental subdivisions as qualified historic buildings which are included in, or appear to meet criteria for inclusion in, the national register of historic places. The alternative building standards and building regulations comprise and shall be known as the state historic building code. The purpose of the state historic building code is to facilitate the restoration or change of occupancy of qualified historic buildings or structures so as to preserve their original or restored architectural elements and features and, concurrently, to provide reasonable safety from fire and other hazards for the occupants and users, through a cost-effective approach to preservation.

84 Acts, ch 1113, §2
Referred to in §103A.3, 103A.42

**103A.42 Designation of qualified historic buildings and structures.**

1. A state agency or governmental subdivision may designate as appropriate for the application of the state historic building code those buildings, structures and collections of structures subject to its jurisdiction for which the state historic preservation officer, in response to an adequately documented request, has issued an opinion affirming that the property is either included in or appears to meet criteria for inclusion in the national register of historic places. A building, structure or collection of structures so designated is a qualified historic building or structure for purposes of sections 103A.41 through 103A.45.

2. As used in this section, *"buildings, structures and collections of structures"* includes their associated sites.

84 Acts, ch 1113, §3

**103A.43 Application of state historic building code as alternative.**

1. The state historic building code constitutes a lawful alternative building code for

application by state agencies and governmental subdivisions as provided in subsections 2 and 3.

2. A state agency may apply the provisions of the state building code or of the state historic building code, or any combination of the two, in providing reasonable safety from fire and other hazards for the occupants and other users while permitting repairs, alterations and additions necessary for the preservation, restoration, rehabilitation, relocation or continued use of qualified historic buildings or structures.

3. A governmental subdivision may apply the provisions of its regular local building standards and building regulations or of the state historic building code, or any combination of the two, in providing reasonable safety from fire and other hazards for the occupants and other users while permitting repairs, alterations and additions necessary for the preservation, restoration, rehabilitation, relocation or continued use of qualified historic buildings or structures.

4. The alternative building standards and building regulations of the state historic building code shall be enforced in the same manner and by the same governmental entities as the regular building standards and building regulations of those governmental entities respectively.

5. When the requirements of the state historic building code are applied to repairs, alterations or additions to qualified historic buildings or structures, the requirements of this chapter and chapter 104A which are in conflict with the state historic building code do not apply to those repairs, alterations or additions.

84 Acts, ch 1113, §4
Referred to in §103A.42

**103A.44** Repealed by 86 Acts, ch 1245, § 1340.

**103A.45 State historical society board — duties.**

The state historical society board shall:

1. Recommend to the commissioner alternative building standards and building regulations for inclusion in the state historic building code.

2. Approve or disapprove alternative building standards and building regulations which the commissioner proposes to include in the state historic building code. A majority vote of the membership of the board is required for this function.

3. Advise and confer with the commissioner in matters relating to the state historic building code.

4. Consult with state agencies, including the state fire marshal and the department of cultural affairs, governmental subdivisions, architects, engineers, and others who have knowledge of or interest in the rehabilitation, preservation, restoration, and relocation of historic buildings, with respect to matters relating to the state historic building code.

5. At the request of a state agency, governmental subdivision or other interested party, provide review and advice as to specific applications of the state historic building code.

6. At the request of the commissioner, hold public hearings and perform other functions as the commissioner requests.

84 Acts, ch 1113, §6; 86 Acts, ch 1245, §1339
Referred to in §103A.42

**103A.46 through 103A.50** Reserved.

## DIVISION IV

## MANUFACTURED AND MOBILE HOME REGULATION

Referred to in §523H.1, 537A.10

**103A.51 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Ground anchoring system"* means any device or combination of devices used to securely anchor a manufactured or mobile home to the ground.

2. *"Ground support system"* means any device or combination of devices placed beneath a manufactured or mobile home and used to provide support.

3. *"Home"* means a manufactured home, mobile home, or modular home.

4. *"Manufactured home"* means a factory-built structure built under the authority of 42 U.S.C. § 5403, that is required by federal law to display a seal required by the United States department of housing and urban development, and was constructed on or after June 15, 1976.

5. *"Manufactured or mobile home distributor"* means a person who sells or distributes manufactured or mobile homes to manufactured or mobile home retailers.

6. *"Manufactured or mobile home manufacturer"* means a person engaged in the business of fabricating or assembling manufactured or mobile homes.

7. *"Manufactured or mobile home retailer"* means a person who, for a commission or other thing of value, sells, exchanges, or offers or attempts to negotiate a sale or exchange of an interest in a home or who is engaged wholly or in part in the business of selling homes, whether or not the homes are owned by the retailer. *"Manufactured or mobile home retailer"* does not include any of the following:

*a.* A receiver, trustee, administrator, executor, guardian, attorney, or other person appointed by or acting under the judgment or order of a court to transfer an interest in a home.

*b.* A person transferring a home registered in the person's name and used for personal, family, or household purposes, if the transfer is an occasional sale and is not part of the business of the transferor.

*c.* A person who transfers an interest in a home only as an incident to engaging in the business of financing new or used homes.

*d.* A person who exclusively sells modular homes.

8. *"Mobile home"* means a structure, transportable in one or more sections, which exceeds eight feet in width and thirty-two feet in length, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to one or more utilities. A *"mobile home"* is not built to a mandatory building code, contains no state or federal seals, and was built before June 15, 1976.

9. *"Modular home"* means a factory-built structure which is manufactured to be used as a place of human habitation, is constructed to comply with the Iowa state building code for modular factory-built structures, as adopted pursuant to section 103A.7, and displays a seal issued by the commissioner.

10. *"New home"* means a home that has not been sold at retail.

11. *"Permanent site"* means any lot or parcel of land on which a manufactured or mobile home used as a dwelling or place of business is located for ninety consecutive days, except a construction site when the manufactured or mobile home is used by a commercial contractor as a construction office or storage room.

12. *"Preowned home"* means a home that has been previously sold at retail.

13. *"Retailer's inventory"* means homes offered for sale at the retailer's licensed address or at any mobile home park or land-leased community so long as the title of the home is in the retailer's name and the home is not being occupied.

14. *"Sell at retail"* means to sell a home to a person who will devote it to a consumer use.

15. *"Tiedown system"* means a ground support system and a ground anchoring system used in concert to provide anchoring and support for a manufactured or mobile home.

2006 Acts, ch 1090, §1, 26

Referred to in §103A.3, 103A.10, 321.45

**103A.52 Manufactured or mobile home retailer license — procedure.**

1. *License application.* A manufactured or mobile home retailer shall file with the commissioner an application for license as a manufactured or mobile home retailer as the commissioner may prescribe.

2. *License fee.* The license fee for a manufactured or mobile home retailer is an annual

fee of one hundred dollars. If the application is denied, the commissioner shall refund the fee.

3. *Surety bond.* Before the issuance of a manufactured or mobile home retailer's license, an applicant for a license shall file with the commissioner a surety bond executed by the applicant as principal and executed by a corporate surety company, licensed and qualified to do business within this state, which bond shall run to the state, be in the amount of fifty thousand dollars, and be conditioned upon the faithful compliance by the applicant as a retailer with all of the statutes of this state regulating the business of the retailer and indemnifying any person dealing or transacting business with the retailer in connection with a manufactured or mobile home from a loss or damage occasioned by the failure of the retailer to comply with this division, including but not limited to the furnishing of a proper and valid document of title to the manufactured or mobile home involved in the transaction.

4. *Manufactured or mobile home hookups.* A licensed manufactured or mobile home retailer or an employee of a licensed manufactured or mobile home retailer may perform water, gas, electrical, and other utility service connections in a manufactured or mobile home space, or within ten feet of such space, located in a manufactured home community or mobile home park. The licensed retailer or an employee of the retailer is not required to obtain any additional state or local authorization, permit, or license to perform utility service connections. However, the utility service connections are subject to inspection and approval by the local building department and the manufactured or mobile home retailer shall pay the inspection fee, if any.

2006 Acts, ch 1090, §2, 26

**103A.53 License application and fees.**

Upon application and payment of a one hundred dollar fee, a person may be licensed as a manufacturer or distributor of manufactured or mobile homes. The application shall be in the form and shall contain information as the commissioner prescribes. The license shall be granted or refused within thirty days after application. The license expires, unless sooner revoked or suspended by the commissioner, on December 31 of the calendar year for which the license was granted. A licensee shall have the month of December of the calendar year for which the license was granted and the following month of January to renew the license. A person who fails to renew a license by the end of this time period and desires to hold a license shall file a new license application and pay the required fee.

2006 Acts, ch 1090, §3, 26

**103A.54 Fees.**

Notwithstanding section 103A.23, the department of public safety shall retain all fees collected pursuant to this division and the fees retained are appropriated to the commissioner to administer the licensing program and the certification program for manufactured or mobile home installers, including the employment of personnel for the enforcement and administration of such programs.

2006 Acts, ch 1090, §4, 26

**103A.55 Revocation, suspension, and denial of license.**

1. The commissioner may revoke, suspend, or refuse the license of a manufactured or mobile home retailer, manufactured or mobile home manufacturer, or manufactured or mobile home distributor, as applicable, if the commissioner finds that the manufactured or mobile home retailer, manufacturer, or distributor is guilty of any of the following acts or offenses:

*a.* Fraud in procuring a license.

*b.* Knowingly making misleading, deceptive, untrue, or fraudulent representations in the business of a manufactured or mobile home retailer, manufacturer, or distributor or engaging in unethical conduct or practice harmful or detrimental to the public.

*c.* Conviction of a felony related to the business of a manufactured or mobile home retailer, manufacturer, or distributor. A copy of the record of conviction or plea of guilty shall be sufficient evidence for the purposes of this section.

*d.* Failing, upon the sale or transfer of a manufactured or mobile home, to deliver to the purchaser or transferee of the manufactured or mobile home sold or transferred, a manufacturer's or importer's certificate, or a certificate of title duly assigned, as provided in chapter 321.

*e.* Failing, upon the purchasing or otherwise acquiring of a manufactured or mobile home, to obtain a manufacturer's or importer's certificate, a new certificate of title, or a certificate of title duly assigned as provided in chapter 321.

*f.* Failing to apply for and obtain from a county treasurer a certificate of title for a used manufactured or mobile home, titled in Iowa, acquired by the retailer within thirty days from the date of acquisition, as required under section 321.45, subsection 4.

*g.* Failing to comply with the requirements of section 423.26A relating to the collection of use tax.

2. A person whose license is revoked or suspended or whose application for a license is denied may appeal the revocation, suspension, or denial in accordance with chapter 17A, including the opportunity for an evidentiary hearing.

2006 Acts, ch 1090, §5, 26; 2010 Acts, ch 1108, §1, 15

**103A.56 Rules.**

The commissioner shall prescribe rules under chapter 17A for the administration and enforcement of this division. The commissioner shall prescribe forms to be used in connection with the licensing of persons under this division.

2006 Acts, ch 1090, §6, 26

**103A.57 Unlawful practice — criminal penalty.**

It is unlawful for a person to engage in business as a manufactured or mobile home retailer, manufactured or mobile home manufacturer, or manufactured or mobile home distributor in this state without first acquiring and maintaining a license in accordance with this division. A person convicted of violating this section is guilty of a serious misdemeanor.

2006 Acts, ch 1090, §7, 26

**103A.58 Manufactured home, mobile home, or modular home retail installment contract — finance charge.**

1. A retail installment contract or agreement for the sale of a manufactured home, mobile home, or modular home may include a finance charge not in excess of an amount equivalent to one and three-fourths percent per month simple interest on the declining balance of the amount financed.

2. For purposes of this section, *"amount financed"* means the same as defined in section 537.1301.

3. The limitations contained in this section do not apply in a transaction referred to in section 535.2, subsection 2. With respect to a consumer credit sale, as defined in section 537.1301, the limitations contained in this section supersede conflicting provisions of chapter 537, article 2, part 2.

2006 Acts, ch 1090, §8, 26

Court action required for termination of installment contract or repossession of property during military service; application for relief respecting obligation or liability incurred prior to military service; §29A.102, 29A.103, 29A.105

**103A.59 Manufactured or mobile home installers certification — violation — civil penalty.**

1. A person who installs a manufactured or mobile home for another person shall be certified in accordance with rules adopted by the commissioner pursuant to chapter 17A. The commissioner may assess a fee sufficient to recover the costs of administering the certification of manufactured or mobile home installers. The commissioner may suspend or revoke the certification of a manufactured or mobile home installer for failure to perform installation of a manufactured or mobile home pursuant to certification standards as provided by rules of the commissioner.

2. If a provision of this chapter or a rule adopted pursuant to this chapter relating to the manufacture or installation of a manufactured or mobile home is violated, the commissioner

may assess a civil penalty not to exceed one thousand dollars for each offense. Each violation involving a separate manufactured or mobile home, or a separate failure or refusal to allow an act to be performed or to perform an act as required by this chapter or a rule adopted pursuant to this chapter, constitutes a separate offense. However, the maximum amount of civil penalties which may be assessed for any series of violations occurring within one year from the date of the first violation shall not exceed one million dollars.

2006 Acts, ch 1090, §9, 26

**103A.60 Approved tiedown system — provided at sale — installation.**

A manufactured or mobile home retailer shall provide an approved tiedown system. The purchaser shall install or have installed such system within one hundred fifty days of locating the manufactured or mobile home on a permanent site.

2006 Acts, ch 1090, §10, 26

Referred to in §103A.63

**103A.61 Installer compliance and certification.**

A person who installs a tiedown system shall comply with the minimum standards for such systems, and shall provide the owner of the manufactured or mobile home on which installation is made and the commissioner with a certification of approved system installation. Such certification shall be in proper form as established by the commissioner.

2006 Acts, ch 1090, §11, 26

Referred to in §103A.63

**103A.62 Listing and form of certification of approved systems provided.**

The commissioner shall provide, upon request, a list of approved tiedown systems and instructions for the completion of proper certification of approved system installation.

2006 Acts, ch 1090, §12, 26

Referred to in §103A.63

**103A.63 Compliance.**

When it appears that a retailer, purchaser, or other person is in noncompliance with the provisions of sections 103A.60 through 103A.62, the commissioner shall prescribe a period of time not to exceed one hundred fifty days within which compliance must be achieved and the commissioner shall so notify the retailer, purchaser, or other person.

2006 Acts, ch 1090, §13, 26

## DIVISION V

## RESIDENTIAL CONTRACTORS — REPAIRS AND INSURANCE — PROHIBITED PRACTICES

**103A.71 Residential contractors.**

1. As used in this section:

*a. "Catastrophe"* means a natural occurrence including but not limited to fire, earthquake, tornado, windstorm, flood, or hail storm, which damages or destroys residential real estate.

*b. "Residential contractor"* means a person in the business of contracting to repair or replace residential roof systems or perform any other exterior repair, exterior replacement, or exterior reconstruction work resulting from a catastrophe on residential real estate or a person offering to contract with an owner or possessor of residential real estate to carry out such work.

*c. "Residential real estate"* means a new or existing building, including a detached garage, constructed for habitation by one to four families.

*d. "Roof system"* includes roof coverings, roof sheathing, roof weatherproofing, and roof insulation.

2. A residential contractor shall not advertise or promise to rebate any insurance deductible or any portion thereof as an inducement to the sale of goods or services. A

promise to rebate any insurance deductible includes granting any allowance or offering any discount against the fees to be charged or paying a person directly or indirectly associated with the residential real estate any form of compensation, except for items of nominal value. A residential contractor may display a sign or any other type of advertisement on a person's premises provided the person consents to the display and the person receives no compensation from the residential contractor for the placement of the sign or advertising.

3. A residential contractor shall not represent or negotiate on behalf of, or offer or advertise to represent or negotiate on behalf of, an owner or possessor of residential real estate on any insurance claim in connection with the repair or replacement of roof systems, or the performance of any other exterior repair, exterior replacement, or exterior reconstruction work on the residential real estate.

4. *a.* A residential contractor contracting to provide goods or services to repair damage resulting from a catastrophe shall provide the person with whom it is contracting a fully completed duplicate notice in at least ten-point bold type which shall contain the following statement:

NOTICE OF CONTRACT OBLIGATIONS AND RIGHTS

You may be responsible for payment to (insert name of residential contractor) for the cost of all goods and services provided whether or not you receive payment from any property and casualty insurance policy with respect to the damage. Pursuant to Iowa law your contract with (insert name of residential contractor) to provide goods and services to repair damage resulting from a naturally occurring catastrophe including but not limited to a fire, earthquake, tornado, windstorm, flood, or hail storm is void and you have no responsibility for payment under the contract if (insert name of residential contractor) either advertises or promises to rebate all or any portion of your insurance deductible, or represents or negotiates, or offers to represent or negotiate, on your behalf with your property and casualty insurance company on any insurance claim relating to the damage you have contracted to have repaired. Your signature below acknowledges your understanding of these legal obligations and rights.

_____
Date

_____
Signature

*b.* The notice shall be executed by the person with whom the residential contractor is contracting prior to or contemporaneously with entering into the contract.

5. A contract entered into with a residential contractor is void if the residential contractor violates subsection 2, 3, or 4.

6. *a.* A residential contractor violating this section is subject to the penalties and remedies prescribed by this chapter.

*b.* A violation of subsection 2 or 3 by a residential contractor is an unlawful practice pursuant to section 714.16.

2012 Acts, ch 1116, §1, 2
Section applies to contracts entered into on or after July 1, 2012; 2012 Acts, ch 1116, §2

# CHAPTER 104

RESERVED

# CHAPTER 104A

## ACCESSIBILITY FOR PERSONS WITH DISABILITIES

Referred to in §103A.5, 103A.7, 103A.21, 103A.43


104A.1 Intent of chapter.
104A.2 Applicability — requirements.
104A.3 and 104A.4 Repealed by 93 Acts, ch 95, §8.
104A.5 Buildings in process of construction.
104A.6 Conformance with rules of state building code commissioner.
104A.7 Repealed by 93 Acts, ch 95, §8.
104A.8 Enforcement.


**104A.1 Intent of chapter.**

It is the intent of this chapter that standards and specifications are followed in the construction of public and private buildings and facilities which are intended for use by the general public to ensure that these buildings and facilities are accessible to and functional for persons with disabilities.

[C66, 71, 73, 75, 77, 79, 81, §104A.1]
93 Acts, ch 95, §2

**104A.2 Applicability — requirements.**

The standards and specifications adopted by the state building code commissioner and as set forth in this chapter shall apply to all public and private buildings and facilities, temporary and permanent, used by the general public. The specific occupancies and minimum extent of accessibility shall be in accordance with the conforming standards set forth in section 104A.6. In every covered multiple-dwelling-unit building containing four or more individual dwelling units the requirements of this chapter and those adopted by the state building code commissioner shall be met. However, this chapter shall not apply to a building, or to structures or facilities within the building, if the primary use of the building is to serve as a place of worship.

[C66, 71, 73, 75, 77, 79, 81, §104A.2]
93 Acts, ch 95, §3; 99 Acts, ch 49, §2, 3
Referred to in §104A.6

**104A.3 and 104A.4** Repealed by 93 Acts, ch 95, § 8. See § 104A.6.

**104A.5 Buildings in process of construction.**

The standards and specifications set forth in this chapter shall be adhered to in those buildings and facilities under construction on July 4, 1965, unless the authority responsible for the construction shall determine the construction has reached a state where compliance will result in a substantial increase in cost or delay in construction.

[C66, 71, 73, 75, 77, 79, 81, §104A.5]

**104A.6 Conformance with rules of state building code commissioner.**

The authority responsible for the construction of any building or facility covered by section 104A.2 shall conform with rules adopted by the state building code commissioner as provided in section 103A.7.

[C66, 71, 73, 75, 77, 79, 81, §104A.6]
93 Acts, ch 95, §4
Referred to in §104A.2

**104A.7** Repealed by 93 Acts, ch 95, § 8. See § 104A.6.

**104A.8 Enforcement.**

This chapter is subject to enforcement as provided in chapter 103A.

93 Acts, ch 95, §5

# CHAPTER 104B

## MINIMUM PLUMBING FACILITIES

Referred to in §103A.5

104B.1 Minimum plumbing facilities.

**104B.1 Minimum plumbing facilities.**

1. Places of assembly for public use including but not limited to theaters, auditoriums, and convention halls, constructed on or after January 1, 1991, shall conform to the standards for minimum plumbing facilities as provided in the uniform plumbing code.

2. Restaurants, pubs, and lounges constructed on or after January 1, 1991, shall conform to the standards for minimum plumbing facilities as provided in the uniform plumbing code.

3. All toilets installed pursuant to this section shall be water efficient toilets which use three gallons or less of water per flush.

90 Acts, ch 1214, §1; 2011 Acts, ch 95, §4

# CHAPTER 105

## PLUMBERS, MECHANICAL PROFESSIONALS, AND CONTRACTORS

Referred to in §91C.1, 100D.11, 272C.1

For provisions relating to the development of a combined process for contractor licensing under this chapter and contractor registration under chapter 91C, to be implemented in time for license renewals due July 1, 2017, see §91C.1(3)

105.1 Title.
105.2 Definitions.
105.3 Plumbing and mechanical systems board.
105.4 Plumbing installation code — rules.
105.5 Examinations.
105.6 through 105.8 Repealed by 2009 Acts, ch 151, §32.
105.9 Fees.
105.10 License or certification required.
105.11 Chapter inapplicability.
105.12 Form of license.
105.13 License presumptive evidence.
105.14 Display of contractor license.
105.15 Registry of licenses.
105.16 Change of residence.
105.17 Preemption of local licensing requirements.
105.18 Qualifications and types of licenses issued.
105.19 Insurance and surety bond requirements.
105.20 Renewal and reinstatement of licenses — fees and penalties — continuing education.
105.21 Reciprocal licenses.
105.22 Grounds for denial, revocation, or suspension of license.
105.23 Jurisdiction of revocation and suspension proceedings.
105.24 Notice and default.
105.25 Advertising — violations — penalties.
105.26 Injunction.
105.27 Civil penalty.
105.28 Enforcement.
105.29 Report of violators.
105.30 Attorney general.
105.31 License renewal and reissuance — transition provisions.
105.32 Voluntary early renewal of license.

**105.1 Title.**

This chapter may be known and cited as the *"Iowa Plumber, Mechanical Professional, and Contractor Licensing Act"*.

2007 Acts, ch 198, §1, 35; 2008 Acts, ch 1089, §10, 11; 2009 Acts, ch 151, §1

**105.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Apprentice"* means any person, other than a helper, journeyperson, or master, who, as a principal occupation, is engaged in working as an employee of a plumbing, mechanical,

HVAC-refrigeration, sheet metal, or hydronic systems contractor under the supervision of either a master or a journeyperson and is progressing toward completion of an apprenticeship training program registered by the office of apprenticeship of the United States department of labor while learning and assisting in the design, installation, and repair of plumbing, HVAC, refrigeration, sheet metal, or hydronic systems, as applicable.

2. *"Board"* means the plumbing and mechanical systems board as established pursuant to section 105.3.

3. *"Contractor"* means a person or entity that provides plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic systems services on a contractual basis and who is paid a predetermined amount under that contract for rendering those services.

4. *"Department"* means the Iowa department of public health.

5. *"Governmental subdivision"* means any city, county, or combination thereof.

6. *"Helper"* means a person engaged in general manual labor activities who provides assistance to an apprentice, journeyperson, or master while under the supervision of a journeyperson or master.

7. *"HVAC"* means heating, ventilation, air conditioning, ducted systems, or any type of refrigeration used for food processing or preservation. *"HVAC"* includes all natural, propane, liquid propane, or other gas lines associated with any component of an HVAC system.

8. *"Hydronic"* means a heating or cooling system that transfers heating or cooling by circulating fluid through a closed system, including boilers, pressure vessels, refrigeration equipment in connection with chilled water systems, all steam piping, hot or chilled water piping together with all control devices and accessories, installed as part of, or in connection with, any heating or cooling system or appliance whose primary purpose is to provide comfort using a liquid, water, or steam as the heating or cooling media. *"Hydronic"* includes all low-pressure and high-pressure systems and all natural, propane, liquid propane, or other gas lines associated with any component of a hydronic system. For purposes of this definition, *"primary purpose is to provide comfort"* means a system or appliance in which at least fifty-one percent of the capacity generated by its operation, on an annual average, is dedicated to comfort heating or cooling.

9. *"Journeyperson"* means any person, other than a master, who, as a principal occupation, is engaged as an employee of, or otherwise working under the direction of, a master in the design, installation, and repair of plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic systems, as applicable.

10. *"Master"* means any person who works in the planning or superintending of the design, installation, or repair of plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic systems and is otherwise lawfully qualified to conduct the business of plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic systems, and who is familiar with the laws and rules governing the same.

11. *"Mechanical professional"* means a person engaged in the HVAC, refrigeration, sheet metal, or hydronic industry.

12. *"Mechanical systems"* means HVAC, refrigeration, sheet metal, and hydronic systems.

13. *"Medical gas piping"* means a permanent fixed piping system in a health care facility which is used to convey oxygen, nitrous oxide, nitrogen, carbon dioxide, helium, medical air, and mixtures of these gases from its source to the point of use and includes the fixed piping associated with a medical, surgical, or gas scavenging vacuum system, as well as a bedside suction system.

14. *"Medical gas system installer"* means any person who installs or repairs medical gas piping, components, and vacuum systems, including brazers, who has been issued a valid certification from the national inspection testing certification (NITC) corporation, or an equivalent authority approved by the board.

15. *"Plumbing"* means all potable water building supply and distribution pipes, all plumbing fixtures and traps, all drainage and vent pipes, and all building drains and building sewers, storm sewers, and storm drains, including their respective joints and connections, devices, receptors, and appurtenances within the property lines of the premises, and including the connection to sanitary sewer, storm sewer, and domestic water mains. *"Plumbing"* includes potable water piping, potable water treating or using equipment,

medical gas piping systems, fuel gas piping, water heaters and vents, including all natural, propane, liquid propane, or other gas lines associated with any component of a plumbing system.

16. *"Refrigeration"* means any system of refrigeration regardless of the level of power, if such refrigeration is intended to be used for the purpose of food processing and product preservation and is also intended to be used for comfort systems. *"Refrigeration"* includes all natural, propane, liquid propane, or other gas lines associated with any component of refrigeration.

17. *"Routine maintenance"* means the maintenance, repair, or replacement of existing fixtures or parts of plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic systems in which no changes in original design are made. Fixtures or parts do not include smoke and fire dampers, or water, gas, or steam piping permanent repairs except for traps or strainers. *"Routine maintenance"* shall include emergency repairs, and the board shall define the term *"emergency repairs"* to include the repair of water pipes to prevent imminent damage to property. *"Routine maintenance"* does not include the replacement of furnaces, boilers, cooling appliances, or water heaters more than one hundred gallons in size.

18. *"Sheet metal"* means heating, ventilation, air conditioning, pollution control, fume hood systems and related ducted systems or installation of equipment associated with any component of a sheet metal system. *"Sheet metal"* excludes refrigeration and electrical lines and all natural gas, propane, liquid propane, or other gas lines associated with any component of a sheet metal system.

2007 Acts, ch 198, §2; 2008 Acts, ch 1032, §102, 202; 2008 Acts, ch 1089, §10, 11; 2009 Acts, ch 151, §2, 3; 2011 Acts, ch 100, §1, 2, 15; 2012 Acts, ch 1023, §22; 2012 Acts, ch 1026, §1, 2; 2012 Acts, ch 1138, §47, 78, 79; 2013 Acts, ch 77, §2, 3, 36

Subsections 1, 3, 9 – 12, and 17 amended
NEW subsection 18

**105.3 Plumbing and mechanical systems board.**

1. A plumbing and mechanical systems board is created within the Iowa department of public health.

2. *a.* The board shall be comprised of eleven members, appointed by the governor, as follows:

(1) The director of public health or the director's designee.

(2) The commissioner of public safety or the commissioner's designee.

(3) One plumbing inspector.

(4) One mechanical inspector.

(5) A contractor who primarily works in rural areas.

(6) An individual licensed as a journeyperson plumber pursuant to the provisions of this chapter or, for the initial membership of the board, an individual eligible for such licensure.

(7) An individual working as a plumbing contractor and licensed as a master plumber pursuant to the provisions of this chapter or, for the initial membership of the board, an individual eligible for such licensure.

(8) Two individuals licensed as journeyperson mechanical professionals pursuant to the provisions of this chapter or, for the initial membership of the board, two individuals eligible for such licensure.

(9) Two individuals licensed as master mechanical professionals pursuant to the provisions of this chapter or, for the initial membership of the board, two individuals eligible for such licensure. One of these individuals shall be a mechanical systems contractor.

*b.* The board members enumerated in paragraph a, subparagraphs (3) through (9), are subject to confirmation by the senate.

*c.* The terms of the two plumber representatives on the board shall not expire on the same date, and one of the two plumber representatives on the board shall at all times while serving on the board be affiliated with a labor union while the other shall at all times while serving on the board not be affiliated with a labor union.

*d.* The terms of the mechanical professional representatives on the board shall not expire on the same date, and at least one of the mechanical professional representatives on the board

shall at all times while serving on the board be affiliated with a labor union while at least one of the other mechanical professional representatives shall at all times while serving on the board not be affiliated with a labor union.

3. Members shall serve three-year terms except for the terms of the initial members, which shall be staggered so that three members' terms expire each calendar year. A member of the board shall serve no more than three full terms. A vacancy in the membership of the board shall be filled by appointment by the governor subject to senate confirmation.

4. If a person who has been appointed to serve on the board has ever been disciplined by the board, all board complaints and statements of charges, settlement agreements, findings of fact, and orders pertaining to the disciplinary action shall be made available to the senate committee to which the appointment is referred at the committee's request before the full senate votes on the person's appointment.

5. The board shall organize annually and shall select a chairperson and a secretary from its membership. A quorum shall consist of a majority of the members of the board.

6. Members of the board shall receive actual expenses for their duties as a member of the board. Each member of the board may also be eligible to receive compensation as provided in section 7E.6.

7. The board may maintain a membership in any national organization of state boards for the professions of plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic professionals, with all membership fees to be paid from funds appropriated to the board.

2007 Acts, ch 198, §3; 2008 Acts, ch 1089, §10, 11; 2009 Acts, ch 151, §4, 5; 2013 Acts, ch 77, §4, 36

Referred to in §105.2
Confirmation, see §2.32
Subsection 7 amended

**105.4 Plumbing installation code — rules.**

1. *a.* The board shall establish by rule a plumbing installation code governing the installation of plumbing in this state. Consistent with fire safety rules and standards promulgated by the state fire marshal, the board shall adopt the most current version of the uniform plumbing code and the international mechanical code, as the state plumbing code and the state mechanical code, to govern the installation of plumbing and mechanical systems in this state. The board shall adopt the current version of each code within six months of its being released. The board may adopt amendments to each code by rule. The board shall work in consultation with the state fire marshal to ensure that proposed amendments do not conflict with the fire safety rules and standards promulgated by the state fire marshal. The state plumbing code and the state mechanical code shall be applicable to all buildings and structures owned by the state or an agency of the state and in each local jurisdiction.

*b.* Except as provided in paragraph "*c*", a local jurisdiction is not required to adopt by ordinance the state plumbing code or the state mechanical code. However, a local jurisdiction that adopts by ordinance the state plumbing code or the state mechanical code may adopt standards that are more restrictive. A local jurisdiction that adopts standards that are more restrictive than the state plumbing code or the state mechanical code shall promptly provide copies of those standards to the board. The board shall maintain on its internet site the text of all local jurisdiction standards that differ from the applicable statewide code. Local jurisdictions shall not be required to conduct inspections or take any other enforcement action under the state plumbing code and state mechanical code regardless of whether the local jurisdiction has adopted by ordinance the state plumbing code or the state mechanical code.

*c.* A local jurisdiction with a population of more than fifteen thousand that has not adopted by ordinance the state plumbing code and state mechanical code shall have until December 31, 2016, to do so. Cities that have adopted a plumbing code or mechanical code as of April 26, 2013, shall have until December 31, 2016, to adopt the state plumbing code or the state mechanical code in lieu thereof.

2. The board shall adopt all rules necessary to carry out the licensing and other provisions of this chapter.

2007 Acts, ch 198, §4; 2008 Acts, ch 1089, §10, 11; 2009 Acts, ch 151, §6; 2013 Acts, ch 77, §5, 36

Subsection 1 amended

**105.5 Examinations.**

1. Any person desiring to take an examination for a license issued pursuant to this chapter shall make application to the board in accordance with the rules of the board. The application form shall be no longer than two pages in length, plus one security page. The board may require that a recent photograph of the applicant be attached to the application.

2. Applicants who fail to pass an examination shall be allowed to retake the examination at a future scheduled time.

3. The board shall adopt rules relating to all of the following:

*a.* The qualifications required for applicants seeking to take examinations, which qualifications shall include a requirement that an applicant who is a contractor shall be required to provide the contractor's state contractor registration number.

*b.* The denial of applicants seeking to take examinations.

4. The board shall adopt an industry standardized examination for each license type. If a standardized examination is not available for a specified license type, the board shall work with the appropriate testing vendor to create an examination for the specified license type.

2007 Acts, ch 198, §5; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §7; 2011 Acts, ch 100, §3, 15; 2013 Acts, ch 77, §6, 36

Contractor registration, see chapter 91C

NEW subsection 4

**105.6 through 105.8** Repealed by 2009 Acts, ch 151, § 32.

**105.9 Fees.**

1. The board shall set the fees for the examination of all applicants, by rule, which fees shall be based upon the cost of administering the examinations.

2. The board shall set the license fees and renewal fees for all licenses issued pursuant to this chapter, by rule.

3. All fees collected under this chapter shall be retained by the board. The moneys retained by the board shall be used for any of the board's duties under this chapter, including but not limited to the addition of full-time equivalent positions for program services and investigations. Revenues retained by the board pursuant to this section shall be considered repayment receipts as defined in section 8.2. Notwithstanding section 8.33, moneys retained by the board pursuant to this section are not subject to reversion to the general fund of the state.

4. Nothing in this chapter shall be interpreted to prohibit the state or any of its governmental subdivisions from charging construction permit fees or inspection fees related to work performed by plumbers and mechanical professionals.

5. *a.* The board shall submit a report to the general assembly within sixty days following the end of each fiscal year. The reports shall include a balance sheet projection extending no less than three years. If the revenue projection exceeds expense projections by more than ten percent, the board shall adjust their fee schedules accordingly, so that projected revenues are no more than ten percent higher than projected expenses. The revised fees shall be implemented no later than January 1, 2013, and January 1 of each subsequent year.

*b.* A license fee for a combined license shall be the sum total of each of the separate license fees reduced by thirty percent.

6. The board may charge a fee for an application required by this chapter and submitted on paper if an internet application process is available.

7. *a.* Licenses issued under this chapter on or after July 1, 2014, shall expire on the same renewal date every three years, beginning with June 30, 2017.

*b*. New licenses issued after the July 1 beginning of each three-year renewal cycle shall be prorated using a one-sixth deduction for each six-month period of the renewal cycle.

2007 Acts, ch 198, §9; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §8; 2011 Acts, ch 100, §4 – 6, 15; 2013 Acts, ch 77, §7, 8, 36

Transfer of portion of contractor license fees to labor services division of department of workforce development and creation of combined contractor license and registration process, see §91C.1(3)

Subsections 6, 7, 8, and 10 stricken and former subsection 9 renumbered as 6

NEW subsection 7

**105.10 License or certification required.**

1. Except as provided in section 105.11, a person shall not operate as a contractor or install or repair plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic systems without obtaining a license issued by the board, or install or repair medical gas piping systems without obtaining a valid certification approved by the board.

2. Except as provided in section 105.11, a person shall not engage in the business of designing, installing, or repairing plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic systems unless at all times a licensed master, who shall be responsible for the proper designing, installing, and repairing of the HVAC, refrigeration, sheet metal, or hydronic system, is employed by the person and is actively in charge of the plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic work of the person. An individual who performs such work pursuant to a business operated as a sole proprietorship shall be a licensed master in the applicable discipline.

3. An individual holding a master mechanical license shall not be required to get an HVAC-refrigeration, sheet metal, or hydronic license in order to design, install, or repair the work defined in this chapter as mechanical, HVAC-refrigeration, sheet metal, or hydronic work. An individual holding a journeyperson mechanical license shall not be required to get an HVAC-refrigeration, sheet metal, or hydronic license in order to install and repair the work defined in this chapter as mechanical, HVAC-refrigeration, sheet metal, or hydronic work. An individual holding a master or journeyperson mechanical license shall also not be required to obtain a special, restricted license that is designated as a sublicense of the mechanical, HVAC-refrigeration, sheet metal, or hydronic licenses.

4. The board shall adopt rules to allow a grace period for a contractor to operate a business described in subsection 2 without employing a licensed master.

2007 Acts, ch 198, §10; 2008 Acts, ch 1032, §103, 202; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §9, 10; 2013 Acts, ch 77, §9 – 11, 36; 2013 Acts, ch 140, §56

Subsections 1 and 2 amended

Subsection 3 stricken and rewritten

Subsection 5 stricken

**105.11 Chapter inapplicability.**

The provisions of this chapter shall not be construed to do any of the following:

1. Apply to a person licensed as an engineer pursuant to chapter 542B, licensed as a manufactured home retailer or certified as a manufactured home installer pursuant to chapter 103A, registered as an architect pursuant to chapter 544A, or licensed as a landscape architect pursuant to chapter 544B who provides consultations or develops plans or other work concerning plumbing, HVAC, refrigeration, sheet metal, or hydronic work and who is exclusively engaged in the practice of the person's profession.

2. Require employees of municipal utilities, electric membership or cooperative associations, public utility corporations, rural water associations or districts, railroads, or commercial retail or industrial companies performing manufacturing, installation, service, or repair work for such employer to hold licenses while acting within the scope of their employment. This licensing exemption does not apply to employees of a rate-regulated gas or electric public utility which provides plumbing or mechanical services as part of a systematic marketing effort, as defined pursuant to section 476.80.

3. Prohibit an owner of property from performing work on the owner's principal residence, if such residence is an existing dwelling rather than new construction and is not larger than a single-family dwelling, or farm property, excluding commercial or industrial installations or installations in public use buildings or facilities, or require such owner

to be licensed under this chapter. In order to qualify for inapplicability pursuant to this subsection, a residence shall qualify for the homestead tax exemption.

4. Require that any person be a member of a labor union in order to be licensed.

5. Apply to a person who is qualified pursuant to administrative rules relating to the storage and handling of liquefied petroleum gases while engaged in installing, servicing, testing, replacing, or maintaining propane gas utilization equipment, or gas piping systems of which the equipment is a part, and related or connected accessory systems or equipment necessary to the operation of the equipment.

6. Apply to a person who meets the requirements for a certified well contractor pursuant to section 455B.190A while engaged in installing, servicing, testing, replacing, or maintaining a water system, water well, well pump, or well equipment, or piping systems of which the equipment is a part, and related or connected accessory systems or equipment necessary to the operation of the water well.

7. Require a helper engaged in general manual labor activities while providing assistance to an apprentice, journeyperson, or master to obtain a plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic license. Experience as a helper shall not be considered as practical experience for a journeyperson license.

8. Apply to a person who is performing work subject to chapter 100C.

9. Apply to an employee of any unit of state or local government, including but not limited to cities, counties, or school corporations, performing work on a mechanical system or plumbing system, which serves a government-owned or government-leased facility while acting within the scope of the government employee's employment.

10. Apply to the employees of manufacturers, manufacturer representatives, or wholesale suppliers who provide consultation or develop plans concerning plumbing, HVAC, refrigeration, sheet metal, or hydronic work, or who assist a person licensed under this chapter in the installation of mechanical or plumbing systems.

11. Prohibit an owner or operator of a health care facility licensed pursuant to chapter 135C, assisted living center licensed pursuant to chapter 231C, hospital licensed pursuant to chapter 135B, adult day care center licensed pursuant to chapter 231D, or a retirement facility certified pursuant to chapter 523D from performing work on the facility or requiring such owner or operator to be licensed under this chapter; except for projects that exceed the dollar amount specified as the competitive bid threshold in section 26.3.

12. Apply to a person who performs the laying of pipe that originates or connects to pipe in the public right-of-way or property that is intended to become public right-of-way, even if such pipe extends under the property and up to the building. However, the person shall not make any interior pipe connections within a building under this exemption. This exemption does not restrict local jurisdictions from requiring licensure under this chapter if required by local ordinance, resolution, or by bidding specification.

13. Prohibit a rental property owner or employee of such an owner from performing routine maintenance on the rental property.

14. Apply to a person who is performing work on a volunteer, non-paid basis or assisting a property owner performing non-paid work on the owner's principal residence.

2007 Acts, ch 198, §11; 2008 Acts, ch 1032, §104, 202; 2008 Acts, ch 1089, §4, 5, 10, 12; 2009 Acts, ch 151, §11 – 13; 2011 Acts, ch 100, §7, 15; 2013 Acts, ch 77, §12, 36

Referred to in §105.10

Subsections 1, 7, and 10 amended

**105.12 Form of license.**

1. A contracting, plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic license shall be in the form of a certificate under the seal of the department, signed by the director of public health, and shall be issued in the name of the board. The license number shall be noted on the face of the license.

2. In addition to the certificate, the board shall provide each licensee with a wallet-sized licensing identification card.

2007 Acts, ch 198, §12; 2008 Acts, ch 1089, §6, 10, 12; 2009 Acts, ch 151, §14; 2013 Acts, ch 77, §13, 36

Subsection 1 amended

**105.13 License presumptive evidence.**

A license issued under this chapter shall be presumptive evidence of the right of the holder to practice in this state the profession specified.

2007 Acts, ch 198, §13; 2008 Acts, ch 1089, §10, 12

**105.14 Display of contractor license.**

A person holding a contractor license under this chapter shall keep the current license certificate publicly displayed in the primary place in which the person practices.

2007 Acts, ch 198, §14; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §15

**105.15 Registry of licenses.**

The name, location, license number, and date of issuance of the license of each person to whom a license has been issued shall be entered in a registry kept in the office of the department to be known as the plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic registry. The registry may be electronic and shall be open to public inspection. However, the licensee's home address, home telephone number, and other personal information as determined by rule shall be confidential.

2007 Acts, ch 198, §15; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §16; 2013 Acts, ch 77, §14, 36

Section amended

**105.16 Change of residence.**

If a person licensed to practice as a contractor or a plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic professional under this chapter changes the person's residence or place of practice, the person shall so notify the board.

2007 Acts, ch 198, §16; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §17; 2013 Acts, ch 77, §15, 36

Section amended

**105.17 Preemption of local licensing requirements.**

1. The provisions of this chapter regarding the licensing of plumbing, mechanical, HVAC-refrigeration, sheet metal, and hydronic professionals and contractors shall supersede and preempt all plumbing, mechanical, HVAC-refrigeration, sheet metal, hydronic, and contracting licensing provisions of all governmental subdivisions.

*a.* On July 1, 2009, all plumbing and mechanical licensing provisions promulgated by any governmental subdivision shall be null and void, except reciprocal licenses as provided in section 105.21, and of no further force and effect.

*b.* On and after July 1, 2008, a governmental subdivision shall not prohibit a contractor or a plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic professional licensed pursuant to this chapter from performing services for which that person is licensed pursuant to this chapter or enforce any plumbing and mechanical licensing provisions promulgated by the governmental subdivision against a person licensed pursuant to this chapter.

2. Nothing in this chapter shall prohibit a governmental subdivision from assessing and collecting permit fees or inspection fees related to work performed by plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic professionals.

2007 Acts, ch 198, §17; 2008 Acts, ch 1089, §7, 10, 12; 2009 Acts, ch 151, §18; 2013 Acts, ch 77, §16, 36

Section amended

**105.18 Qualifications and types of licenses issued.**

1. *General qualifications.* The board shall adopt, by rule, general qualifications for licensure. The board may consider the past felony record of an applicant only if the felony conviction relates to the practice of the profession for which the applicant requests to be licensed. References may be required as part of the licensing process.

2. *Plumbing, mechanical, HVAC-refrigeration, sheet metal, and hydronic licenses and contractor licenses.* The board shall issue master licenses for plumbing, mechanical, HVAC-refrigeration, sheet metal, and hydronic professionals. The board shall issue

journeyperson licenses for plumbing, mechanical, HVAC-refrigeration, sheet metal, and hydronic professionals. A plumbing license shall allow an individual to perform work defined as plumbing. A mechanical license shall allow an individual to perform work defined as HVAC, refrigeration, sheet metal, and hydronic. An HVAC-refrigeration license shall allow an individual to perform work defined as HVAC and refrigeration. A hydronic license shall allow an individual to perform work defined as hydronic. A sheet metal license shall allow an individual to perform work defined as sheet metal. The board shall issue the separate licenses as follows:

*a. Apprentice license.* In order to be licensed by the board as an apprentice, a person shall do all of the following:

(1) File an application, which application shall establish that the person meets the minimum requirements adopted by the board.

(2) Certify that the person will work under the supervision of a licensed journeyperson or master in the applicable discipline.

(3) Be enrolled in an applicable apprentice program which is registered with the United States department of labor office of apprenticeship.

*b. Journeyperson license.*

(1) In order to be licensed by the board as a journeyperson in the applicable discipline, a person shall do all of the following:

(a) File an application and pay application fees as established by the board, which application shall establish that the person meets the minimum educational and experience requirements adopted by the board.

(b) Pass the state journeyperson licensing examination in the applicable discipline.

(c) Provide the board with evidence of having completed at least four years of practical experience as an apprentice. Commencing January 1, 2010, the four years of practical experience required by this subparagraph division must be an apprenticeship training program registered by the United States department of labor office of apprenticeship.

(2) A person may simultaneously hold an active journeyperson license and an inactive master license.

(3) An individual who has passed both the journeyperson HVAC-refrigeration examination and the journeyperson hydronic examination separately shall be qualified to be issued a journeyperson mechanical license without having to pass the journeyperson mechanical examination.

*c. Master license.*

(1) In order to be licensed by the board as a master, a person shall do all of the following:

(a) File an application and pay application fees as established by the board, which application shall establish that the person meets the minimum educational and experience requirements adopted by the board.

(b) Pass the state master licensing examination for the applicable discipline.

(c) Provide evidence to the board that the person has previously been a licensed journeyperson or master in the applicable discipline.

(2) An individual who has passed both the master HVAC-refrigeration examination and the master hydronic examination separately shall be qualified to be issued a master mechanical license without having to pass the master mechanical examination.

*d. Contractor license.* In order to be licensed by the board as a contractor, a person shall do all of the following:

(1) File an application and pay application fees as established by the board and establish that the person meets the minimum requirements adopted by the board. Through June 30, 2017, the application shall include the person's state contractor registration number. After July 1, 2017, the application shall include proof of workers compensation insurance coverage, proof of unemployment insurance compliance, and, for out-of-state contractors, a bond as described in chapter 91C.

(2) Maintain a permanent place of business.

(3) Hold a master license or employ at least one person holding a master license under this chapter.

3. *Combined licenses, restricted licenses.*

*a.* The board may issue single or combined licenses to persons who qualify as a contractor, master, journeyperson, or apprentice under any of the disciplines.

*b. Special, restricted license.* The board may by rule provide for the issuance of special plumbing and mechanical professional licenses authorizing the licensee to engage in a limited class or classes of plumbing or mechanical professional work, which class or classes shall be specified on the license. Each licensee shall have experience, acceptable to the board, in each such limited class for which the person is licensed. The board shall designate each special, restricted license to be a sublicense of either a plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic license. A special, restricted license may be a sublicense of multiple types of licenses. An individual holding a master or journeyperson, plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic license shall not be required to obtain any special, restricted license which is a sublicense of the license that the individual holds. Special plumbing and mechanical professional licenses shall be issued to employees of a rate-regulated gas or electric public utility who conduct the repair of appliances. *"Repair of appliances"* means the repair or replacement of mechanical connections between the appliance shutoff valve and the appliance and repair of or replacement of parts to the appliance. Such special, restricted license shall require certification pursuant to industry-accredited certification standards.

*c.* The board shall establish a special, restricted license fee at a reduced rate, consistent with any other special, restricted license fees.

*d.* An individual that holds either a master or journeyperson mechanical license or a master or journeyperson HVAC-refrigeration license shall be exempt from having to obtain a special electrician's license pursuant to chapter 103 in order to perform disconnect and reconnect of existing air conditioning and refrigeration systems.

4. *Waiver for military service.* Notwithstanding section 17A.9A, the board shall waive the written examination requirements and prior experience requirements in subsection 2, paragraph *"b"*, subparagraph (1), and subsection 2, paragraph *"c"*, for a journeyperson or master license if the applicant meets all of the following requirements:

*a.* Is an active or retired member of the United States military.

*b.* Provides documentation that the applicant was deployed on active duty during any portion of the time period of July 1, 2008, through December 31, 2009.

*c.* Provides documentation that shows the applicant has previously passed an examination which the board deems substantially similar to the examination for a journeyperson license or a master license, as applicable, issued by the board, or provides documentation that shows the applicant has previously been licensed by a state or local governmental jurisdiction in the same trade and trade level.

2007 Acts, ch 198, §18; 2008 Acts, ch 1032, §105, 202; 2008 Acts, ch 1089, §8, 10, 12; 2009 Acts, ch 151, §19; 2011 Acts, ch 100, §8 – 10, 15; 2013 Acts, ch 77, §17 – 23, 36

Subsection 2, unnumbered paragraph 1 amended
Subsection 2, paragraph b, NEW subparagraph (3)
Subsection 2, paragraph c amended
Subsection 2, paragraph d, subparagraph (1) stricken and rewritten
Subsection 3, paragraphs b and d amended
Subsection 4 stricken and former subsection 5 renumbered as 4

**105.19 Insurance and surety bond requirements.**

1. An applicant for a contractor license or renewal of an active contractor license shall provide evidence of a public liability insurance policy and surety bond in an amount determined sufficient by the board by rule.

2. If the applicant is engaged in plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic work individually through a business conducted as a sole proprietorship, the applicant shall personally obtain the insurance and surety bond required by this section. If the applicant is engaged in the plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic business as an employee or owner of a legal entity, then the insurance and surety bond required by this section shall be obtained by the entity and shall cover all plumbing or mechanical work performed by the entity.

3. The insurance and surety bond shall be written by an entity licensed to do business in this state and each licensed contractor shall maintain on file with the board a certificate

evidencing the insurance providing that the insurance or surety bond shall not be canceled without the entity first giving ten days' written notice to the board.

2007 Acts, ch 198, §19; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §20; 2013 Acts, ch 77, §24, 36

Subsections 2 and 3 amended

**105.20 Renewal and reinstatement of licenses — fees and penalties — continuing education.**

1. All licenses issued under this chapter shall be issued for a three-year period.

2. A license issued under this chapter may be renewed as provided by rule adopted by the board upon application by the licensee, without examination. Applications for renewal shall be made to the board, accompanied by the required renewal licensing fee, at least thirty days prior to the expiration date of the license.

3. *a.* The board shall notify each licensee by mail at least sixty days prior to the expiration of a license.

*b.* This subsection is repealed effective December 31, 2016.

4. Failure to renew a license within a reasonable time after the expiration of the license shall not invalidate the license, but a reasonable penalty may be assessed as adopted by rule, in addition to the license renewal fee, to allow reinstatement of the license.

5. The board shall, by rule, establish a reinstatement process for a licensee who allows a license to lapse, including reasonable penalties.

6. *a.* The board shall establish continuing education requirements pursuant to section 272C.2. The basic continuing education requirement for renewal of a license shall be the completion, during the immediately preceding license term, of the number of classroom hours of instruction required by the board in courses or seminars which have been approved by the board. The board shall require at least eight classroom hours of instruction during each three-year licensing term.

*b.* A licensee shall have a thirty-day grace period after expiration of the licensing term to complete all requirements necessary for license renewal without penalty.

2007 Acts, ch 198, §20; 2008 Acts, ch 1089, §9, 10, 12; 2009 Acts, ch 151, §21; 2011 Acts, ch 100, §11, 12, 15; 2013 Acts, ch 77, §25, 36

One-time renewal of expired license prior to January 1, 2013, upon demonstration of successful passage of municipal or block examination; notice requirements for succeeding license renewals; 2012 Acts, ch 1138, §9

For provisions granting a one-time extension of licenses having an expiration date prior to June 30, 2014, and provisions for renewal and reissuance of licenses having an expiration date prior to June 30, 2017, see §105.31

Subsection 3 amended

**105.21 Reciprocal licenses.**

The board may license without examination a nonresident applicant who is licensed under plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic professional licensing statutes of another state having similar licensing requirements as those set forth in this chapter and the rules adopted under this chapter if the other state grants the same reciprocal licensing privileges to residents of Iowa who have obtained Iowa plumbing or mechanical professional licenses under this chapter. The board shall adopt the necessary rules, not inconsistent with the law, for carrying out the reciprocal relations with other states which are authorized by this chapter.

2007 Acts, ch 198, §21; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §22; 2013 Acts, ch 77, §26, 36

Referred to in §105.17

Section amended

**105.22 Grounds for denial, revocation, or suspension of license.**

A license to practice as a contractor or as a plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic professional may be revoked or suspended, or an application for licensure may be denied pursuant to procedures established pursuant to chapter 272C by the board, or the licensee may be otherwise disciplined in accordance with that chapter, when the licensee commits any of the following acts or offenses:

1. Fraud in procuring a license.

2. Professional incompetence.

3. Knowingly making misleading, deceptive, untrue, or fraudulent misrepresentations in the practice of the profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.

4. Conviction of a felony related to the profession or occupation of the licensee or the conviction of any felony that would affect the licensee's ability to practice within the profession. A copy of the record or conviction or plea of guilty shall be conclusive evidence of such conviction.

5. Fraud in representations as to skill or ability.

6. Use of untruthful or improbable statements in advertisements.

7. Willful or repeated violations of this chapter.

8. Aiding and abetting a person who is not licensed pursuant to this chapter in that person's pursuit of an unauthorized and unlicensed plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic professional practice.

9. Failure to meet the commonly accepted standards of professional competence.

10. Any other such grounds as established by rule by the board.

2007 Acts, ch 198, §22; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §23, 34; 2013 Acts, ch 77, §27, 28, 36

Referred to in §272C.3, 272C.4
Unnumbered paragraph 1 amended
Subsection 8 amended

**105.23 Jurisdiction of revocation and suspension proceedings.**

The board shall have exclusive jurisdiction of all proceedings to revoke or suspend a license issued pursuant to this chapter. The board may initiate proceedings under this chapter or chapter 272C, following procedures set out in section 272C.6, either on its own motion or on the complaint of any person. The board, in connection with a proceeding under this chapter, may issue subpoenas to compel attendance and testimony of witnesses and the disclosure of evidence, and may request the attorney general to bring an action to enforce the subpoena.

2007 Acts, ch 198, §23; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §24, 34

Referred to in §272C.5
Section not amended; footnote deleted

**105.24 Notice and default.**

1. A written notice stating the nature of the charge or charges against a licensee and the time and place of the hearing before the board on the charges shall be served on the licensee not less than thirty days prior to the date of hearing either personally or by mailing a copy by certified mail to the last known address of the licensee.

2. If, after having been served with the notice of hearing, the licensee fails to appear at the hearing, the board may proceed to hear evidence against the licensee and may enter such order as is justified by the evidence.

2007 Acts, ch 198, §24; 2008 Acts, ch 1089, §10, 12

Referred to in §272C.5
Section not amended; footnote deleted

**105.25 Advertising — violations — penalties.**

1. Only a person who is duly licensed pursuant to this chapter may advertise the fact that the person is licensed as a contractor or as a plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic professional by the state of Iowa.

2. All written advertisements distributed in this state by a person who is engaged in the business of designing, installing, or repairing plumbing, HVAC, refrigeration, sheet metal, or hydronic systems shall include the listing of the contractor license number, as applicable.

3. A person who fraudulently claims to be a licensed contractor or a licensed plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic professional pursuant to this chapter, either in writing, cards, signs, circulars, advertisements, or other communications, is guilty of a simple misdemeanor.

4. A person who fraudulently lists a license number in connection with that person's advertising or falsely displays a license number is guilty of a simple misdemeanor.

2007 Acts, ch 198, §25; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §25, 34; 2013 Acts, ch 77, §29, 36
Section amended

**105.26 Injunction.**

A person engaging in any business or in the practice of any profession for which a license is required by this chapter without such license may be restrained by injunction.

2007 Acts, ch 198, §26; 2008 Acts, ch 1089, §10, 12
Section not amended; footnote deleted

**105.27 Civil penalty.**

1. In addition to any other penalties provided for in this chapter, the board may, by order, impose a civil penalty, not to exceed five thousand dollars per offense, upon a person violating any provision of this chapter. Each day of a continued violation constitutes a separate offense, except that offenses resulting from the same or common facts or circumstances shall be considered a single offense. Before issuing an order under this section, the board shall provide the person written notice and the opportunity to request a hearing on the record. The hearing must be requested within thirty days of the issuance of the notice.

2. A person aggrieved by the imposition of a civil penalty under this section may seek judicial review in accordance with section 17A.19.

3. If a person fails to pay a civil penalty within thirty days after entry of an order under subsection 1 or, if the order is stayed pending an appeal, within ten days after the court enters a final judgment in favor of the board, the board shall notify the attorney general. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs.

4. An action to enforce an order under this section may be joined with an action for an injunction.

2007 Acts, ch 198, §27; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §26, 34
Section not amended; footnote deleted

**105.28 Enforcement.**

The board shall enforce the provisions of this chapter. Every licensee and member of the board shall furnish the board such evidence as the licensee or member may have relative to any alleged violation which is being investigated.

2007 Acts, ch 198, §28; 2008 Acts, ch 1089, §10, 13; 2009 Acts, ch 151, §27, 34
Section not amended; footnote deleted

**105.29 Report of violators.**

Every licensee and every member of the board shall report to the board the name of every person who is practicing as a contractor or as a plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic professional without a license issued pursuant to this chapter pursuant to the knowledge or reasonable belief of the person making the report. The opening of an office or place of business for the purpose of providing any services for which a license is required by this chapter, the announcing to the public in any way the intention to provide any such service, the use of any professional designation, or the use of any sign, card, circular, device, vehicle, or advertisement, as a provider of any such services shall be prima facie evidence of engaging in the practice of a contractor or a plumbing, mechanical, HVAC-refrigeration, sheet metal, or hydronic professional.

2007 Acts, ch 198, §29; 2008 Acts, ch 1089, §10, 13; 2009 Acts, ch 151, §28, 34; 2013 Acts, ch 77, §30, 36
Section amended

**105.30 Attorney general.**

Upon request of the board, the attorney general shall institute in the name of the state the proper proceedings against any person charged by the department with violating any provision of this chapter.

2007 Acts, ch 198, §30; 2008 Acts, ch 1089, §10, 12; 2009 Acts, ch 151, §29, 34
Section not amended; footnote deleted

**105.31 License renewal and reissuance — transition provisions.**

1. *License expiration.*

*a.* All licenses that currently possess an expiration date prior to June 30, 2014, shall be granted a one-time extension of the expiration date to June 30, 2014, at no additional charge or continuing education requirements. The licensees of these licenses shall pay a full renewal fee upon renewal and shall be issued a license with an expiration date of June 30, 2017. Applicable late renewal fees shall apply during this period.

*b.* Licenses with an expiration date of July 1, 2014, or later shall have the license renewal fee prorated using a one-sixth deduction for each six-month period following July 1, 2014. Applicable late renewal fees shall apply during this period. Licenses renewed through June 29, 2017, shall be issued with an expiration date of June 30, 2017.

2. *License reissue.* A license reissued pursuant to this subsection shall be for the same level of license held by the licensee on April 26, 2013, but may be for a class described in paragraphs "*a*" through "*e*", if applicable. A license shall be reissued at the date of the first renewal.

*a.* An individual with either an HVAC or a refrigeration license will be issued an HVAC-refrigeration license.

*b.* An individual who holds an HVAC and a hydronic license will be issued a mechanical license at the first renewal.

*c.* An individual who holds a refrigeration and a hydronic license will be issued a mechanical license.

*d.* An individual who holds only a hydronic license will be issued a hydronic license.

*e.* An individual who holds an HVAC or a refrigeration license may take the hydronic test before June 30, 2014, in order to be issued a mechanical license at the time of renewal.

2013 Acts, ch 77, §31, 36
For provisions relating to the development of a combined process for contractor licensing under this chapter and contractor registration under chapter 91C, to be implemented in time for license renewals due July 1, 2017, see §91C.1(3)
NEW section

**105.32 Voluntary early renewal of license.**

A licensee whose license expires between June 30, 2014, and July 1, 2017, may voluntarily renew the license early so the license has an expiration date of June 30, 2017. This voluntary early renewal may happen at any time on or after July 1, 2014. The department shall promulgate rules that allow for this one-time early renewal process, including fees and continuing education requirements.

2013 Acts, ch 77, §32, 36; 2013 Acts, ch 140, §57
NEW section

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# VOLUME II

# CODE OF IOWA

# 2014

CONTAINING

## ALL STATUTES OF A GENERAL AND PERMANENT NATURE

Including the Acts of a permanent nature
of the Eighty-fifth General Assembly, 2013

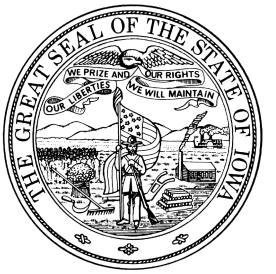


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# PREFACE TO 2014 IOWA CODE

2014 IOWA CODE — PRINT CODE SUPPLEMENT DISCONTINUED — ANNUAL CD-ROM. This 2014 Iowa Code is published pursuant to Iowa Code chapters 2A and 2B by the Legislative Services Agency only on CD-ROM and on the Iowa General Assembly's Internet site. The printed softbound Code Supplement has been discontinued. The CD-ROM contains a copy of the official text of the 2014 Iowa Code in PDF format, divided into six parts to correspond to the six-volume format of the biennial printed version of the Iowa Code. Printed hardbound volumes of the Iowa Code will continue to be published following the second regular session of a General Assembly. A CD-ROM containing the Iowa Code will be published annually.

CODE CONTENTS AND EFFECTIVE DATES. This 2014 Iowa Code contains the permanent enactments of the 2013 session of the Eighty-fifth General Assembly and of earlier sessions if the effective dates of the enactments were delayed. Except as otherwise indicated in the text or in a footnote, new sections, amendments, and repeals were effective on or before July 1, 2013. Refer to the specific enactments to determine effective dates not shown. The Table of Contents enumerates the titles and subtitles in this Iowa Code, and each volume contains an analysis by title, subtitle, and chapter. Codified and original versions of the Constitution of the State of Iowa are included at the beginning of Volume I.

EDITORIAL DECISIONS. All duplicative or nonconflicting amendments to a Code section or part of a Code section were harmonized as required under Iowa Code sections 2B.13 and 4.11. A strike or repeal prevailed over an amendment to the same material. If amendments were irreconcilable, the last amendment in the Act, or latest in date of enactment, was codified as provided in Iowa Code sections 2B.13 and 4.8. Code Editor's Notes at the end of Volume VI explain editorial decisions. Iowa Code section 2B.13 governs editorial changes and their effective dates.

HISTORIES AND NOTES. Bracketed material at the end of Code sections traces the sections' history up through 1982. Beginning with the 1983 Legislative Session, history is traced by citing all Iowa Acts amending or enacting the Code sections. The history of a transferred section will include the publication year and the Code section from which the transfer took place. An explanatory note describing the most recent changes in each new or amended Code section follows the history. Internal reference citations follow Code titles, subtitles, chapters, chapter subdivisions, or sections.

INDEX AND TABLES. A Skeleton Index appears at the end of each volume. Conversion tables of Senate and House files to Iowa Acts chapters, tables of disposition of Iowa Acts, and a table of corresponding sections can be accessed on the General Assembly's Internet site.

COMMENTS. The editorial staff of the Iowa Code welcomes comments and suggestions for improvements.

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# DESIGNATION OF GENERAL ASSEMBLY — OFFICIAL LEGAL PUBLICATIONS — CITATIONS

**2.2 Designation of general assembly.**

Each regular session of the general assembly shall be designated by the year in which it convenes and by a number with a new consecutive number assigned with the session beginning in each odd-numbered year.

A special session of the general assembly shall be designated as an extraordinary session in the particular year of a numbered general assembly.

**2B.17 Official legal publications — citations.**

1. An official legal publication designated as such by the legislative services agency as provided in sections 2.42 and 2A.1, is the official and authoritative version of the statutes, administrative rules, or court rules of the state of Iowa.

2. *a.* The codified version of the state's constitution shall be known as the Constitution of the State of Iowa.

*b.* For statutes, the official versions of publications shall be known as the Iowa Acts, the Iowa Code, and the Code Supplement.

*c.* For administrative rules, the official versions of the publications shall be known as the Iowa Administrative Bulletin and the Iowa Administrative Code.

*d.* For court rules, the official version of the publication shall be known as the Iowa Court Rules.

3. The legislative services agency may adopt a style manual providing a uniform system of citing the codified Constitution of the State of Iowa and the official versions of publications listed in subsection 2, including by reference to commonly accepted legal sources. The legislative services agency style manual may provide for a different form of citation for electronic and printed versions of the same publication. Nothing in this section affects rules for style and format adopted pursuant to section 2.42.

4. The codified Constitution of the State of Iowa, and statutes enacted and joint resolutions enacted or passed by the general assembly shall be cited as follows:

*a.* The codified Constitution of the State of Iowa shall be cited as the Constitution of the State of Iowa, with a reference identifying the preamble or boundaries, or article, section, and subunit of a section. Subject to the legislative services agency style manual, the Constitution of the State of Iowa may be cited as the Iowa Constitution.

*b.* The Iowa Acts shall be cited as the Iowa Acts with a reference identifying the year of the publication in conformance with section 2.2, and the chapter of a bill enacted or joint resolution enacted or passed during a regular session, or in the alternative the bill or joint resolution chamber designation, and the section of the chapter or bill or subunit of a section. A bill or joint resolution enacted or passed during a special session shall be cited by the extraordinary session designation in conformance with section 2.2. If the Iowa Acts have not been published, a bill or joint resolution may be cited by its bill or joint resolution chamber designation.

*c.* The Iowa Code shall be cited as the Iowa Code. The Code Supplement shall be cited as the Code Supplement. Subject to the legislative services agency style manual, the Iowa Code may be cited as the Code of Iowa or Code and the Code Supplement may be cited as the Iowa Code Supplement, with references identifying parts of the publication, including but not limited to title or chapter, section, or subunit of a section. If the citation refers to a past edition of the Iowa Code or Code Supplement, the citation shall identify the year of publication.

5. Administrative rules shall be cited as follows:

*a.* The Iowa Administrative Bulletin shall be cited as the IAB, with references identifying the volume number which may be based on a fiscal year cycle, the issue number, and the ARC number assigned to the rulemaking document by the administrative rules coordinator pursuant to section 17A.4. Subject to the legislative services agency style manual, the citation may also include the publication's page number.

*b.* The Iowa Administrative Code shall be cited as the IAC, with references to an agency's identification number placed at the beginning of the citation and with references to parts of the publication, including but not limited to chapter, rule, or subunit of a rule.

6. The Iowa Court Rules shall be cited as the Iowa Court Rules, with references to the rule number and to subunits of the publication, which may include but are not limited to the Iowa Rules of Civil Procedure, the Iowa Rules of Criminal Procedure, the Iowa Rules of Evidence, the Iowa Rules of Appellate Procedure, the Iowa Rules of Professional Conduct, and the Iowa Code of Judicial Conduct. Subject to the legislative services agency style manual, the names of the rules may be abbreviated.

Chapters of the Code are cited as whole numerals; as chapter 124 or chapter 124A.

Sections are cited as decimal numerals; as section 124.401 or section 124A.3. Sections are often divided into subunits. The following is an example of the hierarchical structure of a Code section:

Section: 35D.15
Subsection: 2
Paragraph: *a*
Subparagraph: (1)
Subparagraph division: (a)
Subparagraph subdivision: (ii)
Subparagraph part: (B)
Subparagraph subpart: (I) *This subunit does not exist in present Code*

The above Code section example may be abbreviated as 35D.15(2)(a)(1)(a)(ii)(B)(I) or 35D.15 [2a(1)(a)(ii)(B)(I)].

# ABBREVIATIONS

C51 ..... Code of 1851
R60 ..... Revision of 1860
C73 ..... Code of 1873
C97 ..... Code of 1897
S'02 ..... Supplement of 1902
S'07 ..... Supplement of 1907
S13 ..... Supplement of 1913
SS15 ..... Supplemental Supplement 1915
C24 ..... Code of 1924
C27 ..... Code of 1927
C31 ..... Code of 1931
C35 ..... Code of 1935
C39 ..... Code of 1939
C46 ..... Code of 1946
C50 ..... Code of 1950
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C62 ..... Code of 1962
C66 ..... Code of 1966
C71 ..... Code of 1971
C73 ..... Code of 1973
C75 ..... Code of 1975
C77 ..... Code of 1977
C79 ..... Code of 1979
S79 ..... Supplement of 1979
C81 ..... Code of 1981
S81 ..... Supplement of 1981
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C2003 ..... Code of 2003
CS2003 ..... Code Supplement of 2003
C2005 ..... Code of 2005
CS2005 ..... Code Supplement of 2005
C2007 ..... Code of 2007
CS2007 ..... Code Supplement of 2007
C2009 ..... Code of 2009
CS2009 ..... Code Supplement of 2009
C2011 ..... Code of 2011
CS2011 ..... Code Supplement of 2011
C2013 ..... Code of 2013
C2014 ..... Code of 2014
GA ..... General Assembly
§ or Sec. ..... Section
Art. ..... Article
Ch ..... Chapter
1st Ex ..... First Extra Session
2nd Ex ..... Second Extra Session
R (in tables) ..... Repealed
Vol ..... Volume
Ct.R. ..... Court Rule
R.C.P. ..... Rules of Civil Procedure
R.Cr.P. ..... Rules of Criminal Procedure
R.App.P. .... Rules of Appellate Procedure
R.Prob.P. ..... Rules of Probate Procedure
Stat. ..... Statutes at Large (U. S.)
U.S.C. ..... United States Code
U.S.C. App. United States Code Appendix
Pub. L. No. ... Public Law Number (U. S.)
C.F.R. Code of Federal Regulations (U. S.)
Tit. ..... Title in federal Acts
Subtit. ..... Subtitle in federal Acts
Pt. ..... Part in federal Acts
Subpt. ..... Subpart in federal Acts

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# TITLE IV

## PUBLIC HEALTH

Referred to in §153.34

# SUBTITLE 1

## ALCOHOLIC BEVERAGES AND CONTROLLED SUBSTANCES

# CHAPTER 123

## ALCOHOLIC BEVERAGE CONTROL

Referred to in §99B.2, 99B.6, 99B.10, 99B.10B, 99B.14, 125.2, 137F.1, 232C.4, 523H.1, 537A.10, 546.9, 714.16

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## DIVISION I

## GENERAL PROVISIONS RELATING TO ALCOHOLIC BEVERAGES

Referred to in §123.122, 123.171

**123.1 Public policy declared.**

This chapter shall be cited as the *"Iowa Alcoholic Beverage Control Act"*, and shall be deemed an exercise of the police power of the state, for the protection of the welfare, health, peace, morals, and safety of the people of the state, and all its provisions shall be liberally construed for the accomplishment of that purpose. It is declared to be public policy that the traffic in alcoholic liquors is so affected with a public interest that it should be regulated to the extent of prohibiting all traffic in them, except as provided in this chapter.

[C35, §1921-f1; C39, §**1921.001;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §123.1]

85 Acts, ch 32, §3; 86 Acts, ch 1122, §1

**123.2 General prohibition.**

It is unlawful to manufacture for sale, sell, offer or keep for sale, possess, or transport alcoholic liquor, wine, or beer except upon the terms, conditions, limitations, and restrictions enumerated in this chapter.

[C35, §1921-f3; C39, §**1921.003;** C46, 50, 54, 58, 62, 66, 71, §123.3; C73, 75, 77, 79, 81, §123.2]

85 Acts, ch 32, §4

**123.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means the administrator of the division, appointed pursuant to the provisions of this chapter, or the administrator's designee.

2. *"Air common carrier"* means a person engaged in transporting passengers for hire in interstate or foreign commerce by aircraft and operating regularly scheduled flights under a certificate of public convenience issued by the civil aeronautics board.

3. *"Alcohol"* means the product of distillation of any fermented liquor rectified one or more times, whatever may be the origin thereof, and includes synthetic ethyl alcohol.

4. *"Alcoholic beverage"* means any beverage containing more than one-half of one percent of alcohol by volume including alcoholic liquor, wine, and beer.

5. *"Alcoholic liquor"* or *"intoxicating liquor"* means the varieties of liquor defined in subsections 3 and 43 which contain more than five percent of alcohol by weight, beverages made as described in subsection 7 which beverages contain more than five percent of alcohol by weight but which are not wine as defined in subsection 47 or high alcoholic content beer as defined in subsection 19, and every other liquid or solid, patented or not, containing spirits and every beverage obtained by the process described in subsection 47 containing more than seventeen percent alcohol by weight or twenty-one and twenty-five hundredths percent of alcohol by volume, and susceptible of being consumed by a human being, for beverage purposes. Alcohol manufactured in this state for use as fuel pursuant to an experimental distilled spirits plant permit or its equivalent issued by the federal bureau of alcohol, tobacco and firearms is not an *"alcoholic liquor"*.

6. *"Application"* means a written request for the issuance of a permit or license that is supported by a verified statement of facts and submitted electronically, or in a manner prescribed by the administrator.

7. *"Beer"* means any liquid capable of being used for beverage purposes made by the fermentation of an infusion in potable water of barley, malt, and hops, with or without unmalted grains or decorticated and degerminated grains or made by the fermentation of or by distillation of the fermented products of fruit, fruit extracts, or other agricultural products, containing more than one-half of one percent of alcohol by volume but not more than five percent of alcohol by weight or six and twenty-five hundredths percent of alcohol by volume but not including mixed drinks or cocktails mixed on the premises.

8. *"Brewer"* means any person who manufactures beer for the purpose of sale, barter, exchange, or transportation.

9. *"Broker"* means a person who represents or promotes alcoholic liquor within the state on behalf of the holder of a distiller's certificate of compliance through an agreement with the distiller, and whose name is disclosed on a distiller's current certificate of compliance as its representative in the state. An employee of the holder of a distiller's certificate of compliance is not a broker.

10. *"City"* means a municipal corporation but not including a county, township, school district, or any special purpose district or authority.

11. *"Club"* means any nonprofit corporation or association of individuals, which is the owner, lessee, or occupant of a permanent building or part thereof, membership in which entails the prepayment of regular dues and is not operated for a profit other than such profits as would accrue to the entire membership.

12. *"Commercial establishment"* means a place of business which is at all times equipped with sufficient tables and seats to accommodate twenty-five persons at one time, and the licensed premises of which conform to the standards and specifications of the division.

13. *"Commission"* means the alcoholic beverages commission established by this chapter.

14. *"Designated security employee"* means an agent, contract employee, independent contractor, servant, or employee of a licensee or permittee who works in a security position in any capacity at a commercial establishment licensed or permitted under this chapter.

15. *"Distillery"*, *"winery"*, and *"brewery"* mean not only the premises where alcohol or spirits are distilled, wine is fermented, or beer is brewed, but in addition mean a person owning, representing, or in charge of such premises and the operations conducted there, including the blending and bottling or other handling and preparation of alcoholic liquor, wine, or beer in any form.

16. *"Division"* means the alcoholic beverages division of the department of commerce established by this chapter.

17. *"Grape brandy"* means brandy produced by the distillation of fermented grapes or grape juice.

18. *"Grocery store"* means any retail establishment, the business of which consists of the sale of food, food products, or beverages for consumption off the premises.

19. *"High alcoholic content beer"* means beer which contains more than five percent of alcohol by weight or six and twenty-five hundredths percent of alcohol by volume, but not more than twelve percent of alcohol by weight or fifteen percent of alcohol by volume, that is made by the fermentation of an infusion in potable water of barley, malt, and hops, with or without unmalted grains or decorticated and degerminated grains. Not more than one and five-tenths percent of the volume of a *"high alcoholic content beer"* may consist of alcohol derived from added flavors and other nonbeverage ingredients containing alcohol. The added flavors and other nonbeverage ingredients may not include added caffeine or other added stimulants including but not limited to guarana, ginseng, and taurine.

20. *"Hotel"* or *"motel"* means premises licensed by the department of inspections and appeals and regularly or seasonally kept open in a bona fide manner for the lodging of transient guests, and with twenty or more sleeping rooms.

21. *"Import"* means the transporting or ordering or arranging the transportation of alcoholic liquor, wine, or beer into this state whether by a resident of this state or not.

22. *"Importer"* means the person who transports or orders, authorizes, or arranges the transportation of alcoholic liquor, wine, or beer into this state whether the person is a resident of this state or not.

23. The terms *"in accordance with the provisions of this chapter"*, *"pursuant to the provisions of this title"*, or similar terms shall include all rules and regulations of the division adopted to aid in the administration or enforcement of those provisions.

24. *"Legal age"* means twenty-one years of age or more.

25. *"Licensed premises"* or *"premises"* means all rooms, enclosures, contiguous areas, or places susceptible of precise description satisfactory to the administrator where alcoholic beverages, wine, or beer is sold or consumed under authority of a liquor control license, wine permit, or beer permit. A single licensed premises may consist of multiple rooms, enclosures, areas or places if they are wholly within the confines of a single building or contiguous grounds.

26. *"Local authority"* means the city council of any incorporated city in this state, or the county board of supervisors of any county in this state, which is empowered by this chapter to approve or deny applications for retail beer or wine permits and liquor control licenses; empowered to recommend that such permits or licenses be granted and issued by the division; and empowered to take other actions reserved to them by this chapter.

27. *"Manufacture"* means to distill, rectify, ferment, brew, make, mix, concoct, or process any substance capable of producing a beverage containing more than one-half of one percent of alcohol by volume and includes blending, bottling, or the preparation for sale.

28. *"Micro-distilled spirits"* means distilled spirits fermented, distilled, or, for a period of two years, barrel matured on the licensed premises of the micro-distillery where fermented, distilled, or matured. *"Micro-distilled spirits"* also includes blended or mixed spirits comprised solely of spirits fermented, distilled, or, for a period of two years, barrel matured at a micro-distillery.

29. *"Micro-distillery"* means a business with an operational still which, combining all production facilities of the business, produces and manufactures less than fifty thousand proof gallons of distilled spirits on an annual basis.

30. *"Native wine"* means wine manufactured pursuant to section 123.56 by a manufacturer of native wine.

31. *"Package"* means any container or receptacle used for holding alcoholic liquor.

32. *"Permit"* or *"license"* means an express written authorization issued by the division for the manufacture or sale, or both, of alcoholic liquor, wine, or beer.

33. *"Person"* means any individual, association, partnership, corporation, club, hotel or motel, or municipal corporation owning or operating a bona fide airport, marina, park, coliseum, auditorium, or recreational facility in or at which the sale of alcoholic liquor, wine, or beer is only an incidental part of the ownership or operation.

34. *"Person of good moral character"* means any person who meets all of the following requirements:

*a.* The person has such financial standing and good reputation as will satisfy the administrator that the person will comply with this chapter and all laws, ordinances,

and regulations applicable to the person's operations under this chapter. However, the administrator shall not require the person to post a bond to meet the requirements of this paragraph.

*b.* The person is not prohibited by section 123.40 from obtaining a liquor control license or a wine or beer permit.

*c.* Notwithstanding paragraph *"e"*, the applicant is a citizen of the United States and a resident of this state, or licensed to do business in this state in the case of a corporation. Notwithstanding paragraph *"e"*, in the case of a partnership, only one general partner need be a resident of this state.

*d.* The person has not been convicted of a felony. However, if the person's conviction of a felony occurred more than five years before the date of the application for a license or permit, and if the person's rights of citizenship have been restored by the governor, the administrator may determine that the person is of good moral character notwithstanding such conviction.

*e.* The requirements of this subsection apply to the following:

(1) Each of the officers, directors, and partners of such person.

(2) A person who directly or indirectly owns or controls ten percent or more of any class of stock of such person.

(3) A person who directly or indirectly has an interest of ten percent or more in the ownership or profits of such person.

35. *"Pharmacy"* means a drug store in which drugs and medicines are exposed for sale and sold at retail, or in which prescriptions of licensed physicians and surgeons, dentists, or veterinarians are compounded and sold by a registered pharmacist.

36. *"Public place"* means any place, building, or conveyance to which the public has or is permitted access.

37. *"Residence"* means the place where a person resides, permanently or temporarily.

38. *"Retail beer permit"* means a class "B" or class "C" beer permit issued under the provisions of this chapter.

39. *"Retail wine permit"* means a class "B" wine permit, class "B" native wine permit, or class "C" native wine permit issued under this chapter.

40. *"Retailer"* means any person who shall sell, barter, exchange, offer for sale, or have in possession with intent to sell any alcoholic liquor, wine, or beer for consumption either on or off the premises where sold.

41. The prohibited *"sale"* of alcoholic liquor, wine, or beer under this chapter includes soliciting for sales, taking orders for sales, keeping or exposing for sale, delivery or other trafficking for a valuable consideration promised or obtained, and procuring or allowing procurement for any other person.

42. *"School"* means a public or private school or that portion of a public or private school which provides facilities for teaching any grade from kindergarten through grade twelve.

43. *"Spirits"* means any beverage which contains alcohol obtained by distillation mixed with drinkable water and other substances in solution, including, but not limited to, brandy, rum, whisky, and gin.

44. "*Unincorporated town*" means a compactly populated area recognized as a distinct place with a distinct place-name which is not itself incorporated or within the corporate limits of a city.

45. *"Warehouse"* means any premises or place primarily constructed or used or provided with facilities for the storage in transit or other temporary storage of perishable goods or for the conduct of normal warehousing business.

46. *"Wholesaler"* means any person, other than a vintner, brewer or bottler of beer or wine, who shall sell, barter, exchange, offer for sale, have in possession with intent to sell, deal or traffic in alcoholic liquor, wine, or beer. A wholesaler shall not sell for consumption upon the premises.

47. *"Wine"* means any beverage containing more than five percent of alcohol by weight but not more than seventeen percent of alcohol by weight or twenty-one and twenty-five hundredths percent of alcohol by volume obtained by the fermentation of the natural sugar

contents of fruits or other agricultural products but excluding any product containing alcohol derived from malt or by the distillation process from grain, cereal, molasses, or cactus.

[C35, §1921-f5, 1921-f97; C39, §**1921.005, 1921.096;** C46, 50, 54, 58, 62, 66, 71, §123.5, 124.2; C73, 75, 77, 79, 81, §123.3; 81 Acts, ch 55, §1]

85 Acts, ch 32, §5 – 8; 86 Acts, ch 1122, §2 – 4; 86 Acts, ch 1246, §724, 725; 88 Acts, ch 1088, §1; 88 Acts, ch 1241, §1; 89 Acts, ch 161, §1; 93 Acts, ch 91, §1; 94 Acts, ch 1017, §1; 97 Acts, ch 126, §1; 2000 Acts, ch 1201, §1; 2003 Acts, ch 143, §1, 2, 17; 2005 Acts, ch 13, §1; 2006 Acts, ch 1032, §1; 2006 Acts, ch 1185, §118; 2010 Acts, ch 1031, §87, 88, 96; 2011 Acts, ch 17, §1 – 3, 17; 2011 Acts, ch 30, §2; 2013 Acts, ch 35, §1, 24

Referred to in §7D.16, 99B.6, 99F.4, 123.32, 123.130, 123.140, 123.173, 123.175, 142D.2, 455B.301, 455C.1, 455C.5, 455C.16

Subsections 6, 7, and 19 amended

**123.4 Alcoholic beverages division created.**

An alcoholic beverages division is created within the department of commerce to administer and enforce the laws of this state concerning beer, wine, and alcoholic liquor.

[C35, §1921-f15; C39, §**1921.015;** C46, 50, 54, 58, 62, 66, 71, §123.15; C73, 75, 77, 79, 81, §123.4]

85 Acts, ch 32, §9; 86 Acts, ch 1245, §731

**123.5 Alcoholic beverages commission created.**

An alcoholic beverages commission is created within the division. The commission is composed of five members, not more than three of whom shall belong to the same political party.

[C35, §1921-f6; C39, §**1921.006;** C46, 50, 54, 58, 62, 66, 71, §123.6; C73, 75, 77, 79, 81, §123.5]

86 Acts, ch 1245, §732

**123.6 Appointment — term — expenses — compensation.**

Appointments shall be for five-year staggered terms beginning and ending as provided by section 69.19 and shall be made by the governor, subject to confirmation by the senate. Members of the commission shall be chosen on the basis of managerial ability and experience as business executives. Not more than two members of the commission may be the holder of or have an interest in a permit or license to manufacture alcoholic liquor, wine, or beer or to sell alcoholic liquor, wine, or beer at wholesale or retail. A member may be reappointed for one additional term. Each member appointed is entitled to receive reimbursement of actual expenses incurred while attending meetings. Each member of the commission may also be eligible to receive compensation as provided in section 7E.6.

[C35, §1921-f7, 1921-f10; C39, §**1921.007, 1921.010;** C46, 50, 54, 58, 62, 66, 71, §123.7, 123.10; C73, 75, 77, 79, 81, §123.6; 82 Acts, ch 1024, §1]

85 Acts, ch 32, §10; 86 Acts, ch 1245, §733; 2011 Acts, ch 17, §4

Referred to in §123.45

Confirmation, see §2.32

**123.7 Vacancies.**

Any vacancy occurring shall be filled in the same manner as regular appointments are made for the unexpired portion of the regular term.

[C35, §1921-f8; C39, §**1921.008;** C46, 50, 54, 58, 62, 66, 71, §123.8; C73, 75, 77, 79, 81, §123.7]

**123.8 Surety bonds.** Repealed by 2013 Acts, ch 35, § 23.

**123.9 Commission meetings.**

The commission shall meet on or before July 1 of each year for the purpose of selecting one of its members as chairperson for the succeeding year. The commission shall otherwise meet quarterly or at the call of the chairperson or administrator or when three members file a written request for a meeting. Written notice of the time and place of each meeting shall

be given to each member of the commission. A majority of the commission members shall constitute a quorum.

[C35, §1921-f10; C39, §**1921.010;** C46, 50, 54, 58, 62, 66, 71, §123.10; C73, 75, 77, 79, 81, §123.9]

2011 Acts, ch 17, §5

**123.10 Administrator appointed — duties.**

1. The governor shall appoint the administrator of the alcoholic beverages division, subject to confirmation by the senate, to a four-year term. A vacancy in an unexpired term shall be filled in the same manner as a full-term appointment is made. The administrator shall not be a member of the commission. The administrator's salary shall be fixed by the general assembly. The administrator shall be qualified to perform the administrator's duties by managerial ability and experience as a business executive.

2. The administrator shall devote full time to the discharge of the administrator's duties. The administrator shall not hold any other elective or appointive office under the laws of this state, the United States, or any other state or territory. The administrator shall not accept or solicit, directly or indirectly, contributions or anything of value in behalf of the administrator, any political party, or any person seeking an elective or appointive office nor use the administrator's official position to advance the candidacy of anyone seeking an elective or appointive office. The administrator, the administrator's spouse, and immediate family shall not have any interest in any distillery, winery, brewery, importer, permittee or licensee or any business which is subject to license or regulation pursuant to this chapter.

[C73, 75, 77, 79, 81, §123.10]

86 Acts, ch 1245, §735; 2013 Acts, ch 35, §20

Referred to in §546.9

Confirmation, see §2.32

Unnumbered paragraph 1 amended and editorially designated as subsection 1

Unnumbered paragraph 2 editorially designated as subsection 2

**123.11 Expenses.**

Members of the commission, the administrator, and other employees of the division shall be allowed their actual and necessary expenses while traveling on business of the division outside of their place of residence, however, an itemized account of such expenses shall be verified by the claimant and approved by the administrator. If such account is paid, the same shall be filed with the division and be and remain a part of its permanent records. All expenses and salaries of commission members, the administrator, and other employees shall be paid from appropriations for such purposes and the division shall be subject to the budget requirements of chapter 8.

[C35, §1921-f11; C39, §**1921.011;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §123.11]

**123.12 Removal.**

Any commission member shall be removed for any of the causes and in the manner provided by chapter 66 relating to removal from office; such removal shall not be in lieu of any other punishment that may be prescribed by the laws of this state.

[C35, §1921-f12; C39, §**1921.012;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §123.12]

**123.13 Exemption from suit.**

No commission member or officer or employee of the division shall be personally liable for damages sustained by any person due to the act of such member, officer, or employee performed in the reasonable discharge of the member's, officer's, or employee's duties as enumerated in this chapter.

[C35, §1921-f13; C39, §**1921.013;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §123.13]

**123.14 Beer, wine, and liquor law enforcement.**

1. The department of public safety is the primary beer, wine, and liquor law enforcement authority for this state.

2. The county attorney, the county sheriff and the sheriff's deputies, and the police

department of every city, and the alcoholic beverages division of the department of commerce, shall be supplementary aids to the department of public safety. Any neglect, misfeasance, or malfeasance shown by any peace officer included in this section shall be sufficient cause for the peace officer's removal as provided by law. This section shall not be construed to affect the duties and responsibilities of any county attorney or peace officer with respect to law enforcement.

3. The department of public safety shall have full access to all records, reports, audits, tax reports and all other documents and papers in the alcoholic beverages division pertaining to liquor licensees and wine and beer permittees and their business.

[C35, §1921-f94; C39, §**1921.093;** C46, 50, 54, 58, 62, 66, 71, §123.93; C73, 75, 77, 79, 81, §123.14]

85 Acts, ch 32, §11; 88 Acts, ch 1241, §2; 2002 Acts, ch 1119, §11; 2005 Acts, ch 35, §28
Referred to in §331.653, 331.756(25)

**123.15** Repealed by 93 Acts, ch 91, § 22.

**123.16 Duties of commission and administrator.**

1. The commission, in addition to the duties specifically enumerated in this chapter, shall act as a division policy-making body and serve in an advisory capacity to the administrator. The administrator shall supervise the daily operations of the division and shall execute the policies of the division as determined by the commission.

2. The commission may review and affirm, reverse, or amend all actions of the administrator, including but not limited to the following instances:

*a.* Purchases of alcoholic liquor for resale by the division.

*b.* The establishment of wholesale prices of alcoholic liquor.

[C73, 75, 77, 79, 81, §123.16]

85 Acts, ch 32, §13; 86 Acts, ch 1122, §5; 86 Acts, ch 1245, §737; 86 Acts, ch 1246, §726, 727; 93 Acts, ch 91, §2

**123.17 Prohibition on commission members and employees.**

Commission members, officers, and employees of the division shall not, while holding such office or position, hold any other office or position under the laws of this state, or any other state or territory or of the United States; nor engage in any occupation, business, endeavor, or activity which would or does conflict with their duties under this chapter; nor, directly or indirectly, use their office or employment to influence, persuade, or induce any other officer, employee, or person to adopt their political views or to favor any particular candidate for an elective or appointive public office; nor, directly or indirectly, solicit or accept, in any manner or way, any money or other thing of value for any person seeking an elective or appointive public office, or to any political party or any group of persons seeking to become a political party. Any officer or employee violating this section or any other provisions of this chapter shall, in addition to any other penalties provided by law, be subject to suspension or discharge from employment. Any commission member shall, in addition to any other penalties provided by law, be subject to removal from office as provided by law.

[C35, §1921-f14; C39, §**1921.014;** C46, 50, 54, 58, 62, 66, 71, §123.14; C73, 75, 77, 79, 81, §123.17]

**123.18 Favors from licensee or permittee.**

A person responsible for the administration or enforcement of this chapter shall not accept or solicit donations, gratuities, political advertising, gifts, or other favors, directly or indirectly, from any liquor control licensee, wine permittee, or beer permittee.

[C35, §1921-f27; C39, §**1921.027;** C46, 50, 54, 58, 62, 66, 71, §123.27; C73, 75, 77, 79, 81, §123.18]

85 Acts, ch 32, §14

**123.19 Distiller's certificate of compliance — injunction — penalty.**

1. Any manufacturer, distiller, or importer of alcoholic beverages shipping, selling, or

having alcoholic beverages brought into this state for resale by the state shall, as a condition precedent to the privilege of so trafficking in alcoholic liquors in this state, annually make application for and hold a distiller's certificate of compliance which shall be issued by the administrator for that purpose. No brand of alcoholic liquor shall be sold by the division in this state unless the manufacturer, distiller, importer, and all other persons participating in the distribution of that brand in this state have obtained a certificate. The certificate of compliance shall expire at the end of one year from the date of issuance and shall be renewed for a like period upon application to the administrator unless otherwise suspended or revoked for cause. Each application for a certificate of compliance or renewal shall be submitted electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of fifty dollars payable to the division. However, this subsection need not apply to a manufacturer, distiller, or importer who ships or sells in this state no more than eleven gallons or its case equivalent during any fiscal year as a result of "special orders" which might be placed, as defined and allowed by divisional rules adopted under this chapter.

2. At the time of applying for a certificate of compliance, each applicant shall submit to the division electronically, or in a manner prescribed by the administrator, the name and address of its authorized agent for service of process which shall remain effective until changed for another, and a list of names and addresses of all representatives, employees, or attorneys whom the applicant has appointed in the state of Iowa to represent it for any purpose. The listing shall be amended from time to time by the certificate holder as necessary to keep the listing current with the division.

3. The administrator and the attorney general are authorized to require any certificate holder or person listed as the certificate holder's representative, employee, or attorney to disclose such financial and other records and transactions as may be considered relevant in discovering violations of this chapter or of rules and regulations of the division or of any other provision of law by any person.

4. Any violation of the requirements of this section, except subsection 3, shall subject the violator to the general penalties provided in this chapter and in addition to the general penalties, is grounds for suspension or revocation of the certificate of compliance, after notice and hearing before the administrator. Willful failure to comply with requirements which may be imposed under subsection 3 is grounds for suspension or revocation of the certificate of compliance only.

5. This section shall not require the listing of those persons who are employed on premises where alcoholic beverages are manufactured, processed, bottled or packaged in Iowa or persons who are thereafter engaged in the transporting of such alcoholic beverages to the division.

6. The attorney general may also proceed pursuant to the provisions of section 714.16 in order to gain compliance with subsection 3 of this section and may obtain an injunction prohibiting any further violations of this chapter or other provisions of law. Any violation of that injunction shall be punished as contempt of court pursuant to chapter 665 except that the maximum fine that may be imposed shall not exceed fifty thousand dollars.

[C73, 75, 77, 79, 81, §123.19]

85 Acts, ch 32, §15; 86 Acts, ch 1237, §6; 93 Acts, ch 91, §3; 2013 Acts, ch 35, §2
Subsections 1 and 2 amended

**123.20 Powers.**

The administrator, in executing divisional functions, shall have the following duties and powers:

1. To receive alcoholic liquors on a bailment system for resale by the division in the manner set forth in this chapter.

2. To rent, lease, or equip any building or any land necessary to carry out the provisions of this chapter.

3. To lease all plants and lease or buy equipment necessary to carry out the provisions of this chapter.

4. To appoint clerks, agents, or other employees required for carrying out the provisions of this chapter; to dismiss employees for cause; to assign employees to bureaus as created

by the administrator within the division; and to designate their title, duties, and powers. All employees of the division are subject to chapter 8A, subchapter IV, unless exempt under section 8A.412.

5. To grant and issue beer permits, special permits, liquor control licenses, and other licenses; and to suspend or revoke all such permits and licenses for cause under this chapter.

6. To license, inspect, and control the manufacture of beer, wine, and alcoholic liquors and regulate the entire beer, wine, and liquor industry in the state.

7. To accept intoxicating liquors ordered delivered to the alcoholic beverages division pursuant to chapter 809A, and offer for sale and deliver the intoxicating liquors to class "E" liquor control licensees, unless the administrator determines that the intoxicating liquors may be adulterated or contaminated. If the administrator determines that the intoxicating liquors may be adulterated or contaminated, the administrator shall order their destruction.

[C35, §1921-f16; C39, §**1921.016;** C46, 50, 54, 58, 62, 66, 71, §123.16; C73, 75, 77, 79, 81, §123.20]

83 Acts, ch 157, §1; 85 Acts, ch 90, §2; 86 Acts, ch 1122, §6; 86 Acts, ch 1245, §738; 86 Acts, ch 1246, §728 – 730; 87 Acts, ch 115, §20; 88 Acts, ch 1241, §3; 96 Acts, ch 1133, §40; 2003 Acts, ch 145, §185

**123.21 Rules.**

The administrator, with the approval of the commission and subject to chapter 17A, may adopt rules as necessary to carry out this chapter. The administrator's authority extends to, but is not limited to, the following:

1. Prescribing the duties of officers, clerks, agents, or other employees of the division and regulating their conduct while in the discharge of their duties.

2. Regulating the management, equipment, and merchandise of state warehouses in and from which alcoholic liquors are transported, kept, or sold and prescribing the books and records to be kept therein.

3. Regulating the purchase of alcoholic liquor generally and the furnishing of the liquor to class "E" liquor control licensees under this chapter, and determining the classes, varieties, and brands of alcoholic liquors to be kept in state warehouses.

4. Prescribing forms or information blanks to be used for the purposes of this chapter. The division shall prepare, print, and furnish all forms and information blanks required under this chapter.

5. Prescribing the nature and character of evidence which shall be required to establish legal age.

6. Providing for the issuance and distribution of price lists which show the price to be paid by class "E" liquor control licensees for each brand, class, or variety of liquor kept for sale by the division, providing for the filing or posting of prices charged in sales between class "A" beer and class "A" wine permit holders and retailers, as provided in this chapter, and establishing or controlling the prices based on minimum standards of fill, quantity, or alcoholic content for each individual sale of intoxicating liquor or beer as deemed necessary for retail or consumer protection. However, the division shall not regulate markups, prices, discounts, allowances, or other terms of sale at which alcoholic liquor may be purchased by the retail public or liquor control licensees from class "E" liquor control licensees or at which wine may be purchased and sold by class "A" and retail wine permittees, or change, nullify, or vary the terms of an agreement between a holder of a vintner certificate of compliance and a class "A" wine permittee.

7. Prescribing the official seals, labels, or other markings which shall be attached to or stamped on packages of alcoholic liquor sold under this chapter.

8. Prescribing, subject to this chapter, the days and hours during which state warehouses shall be kept open for the purpose of the sale and delivery of alcoholic liquors.

9. Prescribing the place and the manner in which alcoholic liquor may be lawfully kept or stored by the licensed manufacturer under this chapter.

10. Prescribing the time, manner, means, and method by which distillers, vendors, or others authorized under this chapter may deliver or transport alcoholic liquors and

prescribing the time, manner, means, and methods by which alcoholic liquor may be lawfully conveyed, carried, or transported.

11. Prescribing, subject to the provisions of this chapter, the conditions and qualifications necessary for the obtaining of licenses and permits and the books and records to be kept and the remittances to be made by those holding licenses and permits and providing for the inspection of the records of all such licensees and permittees.

12. Providing for the issuance of combination licenses and permits with fees consistent with individual license and permit fees as may be necessary for the efficient administration of this chapter.

[C35, §1921-f17; C39, §**1921.017;** C46, 50, 54, 58, 62, 66, 71, §123.17; C73, 75, 77, 79, 81, §123.21]

85 Acts, ch 32, §16, 17; 86 Acts, ch 1122, §7; 86 Acts, ch 1245, §739; 86 Acts, ch 1246, §731, 732

**123.22 State monopoly.**

The division has the exclusive right of importation into the state of all forms of alcoholic liquor, except as otherwise provided in this chapter, and a person shall not import alcoholic liquor, except that an individual of legal age may import and have in the individual's possession an amount of alcoholic liquor not exceeding one liter or, in the case of alcoholic liquor personally obtained outside the United States, four liters for personal consumption only in a private home or other private accommodation. A distillery shall not sell alcoholic liquor within the state to any person but only to the division, except as otherwise provided in this chapter. This section vests in the division exclusive control within the state as purchaser of all alcoholic liquor sold by distilleries within the state or imported, except beer and wine, and except as otherwise provided in this chapter. The division shall receive alcoholic liquor on a bailment system for resale by the division in the manner set forth in this chapter. The division shall act as the sole wholesaler of alcoholic liquor to class "E" liquor control licensees.

No person, acting individually or through another acting for the person shall directly or indirectly, or upon any pretense, or by any device, manufacture, sell, exchange, barter, dispense, give in consideration of the purchase of any property or of any services or in evasion of this chapter, or keep for sale, or have possession of any intoxicating liquor, except as provided in this chapter; or own, keep, or be in any way concerned, engaged, or employed in owning or keeping, any intoxicating liquor with intent to violate any provision of this chapter, or authorize or permit the same to be done; or manufacture, own, sell, or have possession of any manufactured or compounded article, mixture or substance, not in a liquid form, and containing alcohol which may be converted into a beverage by a process of pressing or straining the alcohol therefrom, or any instrument intended for use and capable of being used in the manufacture of intoxicating liquor; or own or have possession of any material used exclusively in the manufacture of intoxicating liquor; or use or have possession of any material with intent to use it in the manufacture of intoxicating liquors; however, alcohol may be manufactured for industrial and nonbeverage purposes by persons who have qualified for that purpose as provided by the laws of the United States and the laws of this state. Such alcohol, so manufactured, may be denatured, transported, used, possessed, sold, and bartered and dispensed, subject to the limitations, prohibitions and restrictions imposed by the laws of the United States and this state. Any person may manufacture, sell, or transport ingredients and devices other than alcohol for the making of homemade wine.

[C51, §924 – 928; R60, §1559, 1563, 1583, 1587; C73, §1523, 1540 – 1542, 1555; C97, §2382; SS15, §2382; C24, 27, 31, §1924; C35, §1921-f54, 1924; C39, §**1921.054, 1924;** C46, 50, 54, 58, 62, 66, 71, §123.54, 125.3; C73, 75, 77, 79, 81, §123.22]

85 Acts, ch 32, §18; 86 Acts, ch 1246, §733; 88 Acts, ch 1241, §4; 89 Acts, ch 161, §2

Referred to in §123.26, 123.28

**123.23** Repealed by 86 Acts, ch 1246, § 754.

**123.24 Alcoholic liquor sales by the division — dishonored payments — liquor prices.**

1. The division shall sell alcoholic liquor at wholesale only. The division shall sell alcoholic liquor to class "E" liquor control licensees only. The division shall offer the same price on alcoholic liquor to all class "E" liquor control licensees without regard for the quantity of purchase or the distance for delivery. However, the division may assess a split-case charge when liquor is sold in quantities which require a case to be split.

2. *a.* The division may accept from a class "E" liquor control licensee electronic funds transferred by automated clearing house, wire transfer, or another method deemed acceptable by the administrator, in payment of alcoholic liquor. If a payment is subsequently dishonored, the division shall cause a notice of nonpayment and penalty to be served upon the class "E" liquor control licensee or upon any person in charge of the licensed premises. The notice shall state that if payment or satisfaction for the dishonored payment is not made within ten days of the service of notice, the licensee's liquor control license may be suspended under section 123.39. The notice of nonpayment and penalty shall be in a form prescribed by the administrator, and shall be sent by certified mail.

*b.* If upon notice and hearing under section 123.39 and pursuant to the provisions of chapter 17A concerning a contested case hearing, the administrator determines that the class "E" liquor control licensee failed to satisfy the obligation for which the payment was issued within ten days after the notice of nonpayment and penalty was served on the licensee as provided in paragraph *"a"* of this subsection, the administrator may suspend the licensee's class "E" liquor control license for a period not to exceed ten days.

3. The administrator may refuse to sell alcoholic liquor to a class "E" liquor control licensee who tenders a payment which is subsequently dishonored until the outstanding obligation is satisfied.

4. The price of alcoholic liquor sold by the division shall include a markup of up to fifty percent of the wholesale price paid by the division for the alcoholic liquor. The markup shall apply to all alcoholic liquor sold by the division; however, the division may increase the markup on selected kinds of alcoholic liquor sold by the division if the average return to the division on all sales of alcoholic liquor does not exceed the wholesale price paid by the division and the fifty percent markup.

5. Notwithstanding subsection 4, the division shall assess a bottle surcharge to be included in the price of alcoholic liquor in an amount sufficient, when added to the amount not refunded to class "E" liquor control licensees pursuant to section 455C.2, to pay the costs incurred by the division for collecting and properly disposing of the liquor containers. The amount collected pursuant to this subsection, in addition to any amounts not refunded to class "E" liquor control licensees pursuant to section 455C.2, shall be deposited in the beer and liquor control fund established under section 123.53.

[C35, §1921-f20, 1921-f41; C39, §**1921.020, 1921.041;** C46, 50, 54, 58, 62, 66, 71, §123.20, 123.41; C73, 75, 77, 79, 81, §123.24; 81 Acts, ch 56, §1]

86 Acts, ch 1246, §734; 87 Acts, ch 22, §1, 2; 88 Acts, ch 1158, §29; 88 Acts, ch 1241, §5; 92 Acts, ch 1242, §24; 93 Acts, ch 91, §4, 5; 2013 Acts, ch 35, §21

Subsections 2 and 3 amended

**123.25 Consumption on premises.**

An officer, clerk, agent, or employee of the division employed in a state-owned warehouse shall not allow any alcoholic liquor to be consumed on the premises, nor shall a person consume any liquor on the premises except for testing or sampling purposes only.

[C35, §1921-f23; C39, §**1921.023;** C46, 50, 54, 58, 62, 66, 71, §123.23; C73, 75, 77, 79, 81, §123.25]

86 Acts, ch 1122, §8; 86 Acts, ch 1246, §735

**123.26 Restrictions on sales — seals — labeling.**

Alcoholic liquor shall not be sold by a class "E" liquor control licensee except in a sealed container with identifying markers as prescribed by the administrator and affixed in the manner prescribed by the administrator, and no such container shall be opened upon the premises of a state warehouse. The division shall cooperate with the department of natural

resources so that only one identifying marker or mark is needed to satisfy the requirements of this section and section 455C.5, subsection 1. Possession of alcoholic liquors which do not carry the prescribed identifying markers is a violation of this chapter except as provided in section 123.22.

[C35, §1921-f24; C39, §**1921.024;** C46, 50, 54, 58, 62, 66, 71, §123.24; C73, 75, 77, 79, 81, §123.26]

86 Acts, ch 1246, §736; 87 Acts, ch 22, §3

Referred to in §123.28

**123.27 Sales and deliveries prohibited.**

It is unlawful to transact the sale or delivery of alcoholic liquor in, on, or from the premises of a state warehouse:

1. After the closing hour as established by the administrator.
2. On any legal holiday except those designated by the administrator.
3. On any Sunday.
4. During other periods or days as designated by the administrator.

[C35, §1921-f25; C39, §**1921.025;** C46, 50, 54, 58, 62, 66, 71, §123.25; C73, 75, 77, 79, 81, §123.27; 81 Acts, ch 6, §11]

85 Acts, ch 32, §20; 86 Acts, ch 1122, §9; 86 Acts, ch 1246, §737; 89 Acts, ch 161, §3

Required closure of the main state warehouse every Friday during the fiscal period beginning July 1, 2010, and ending June 30, 2015, and optionally for the next fiscal year; exceptions as determined by the administrator; 2010 Acts, ch 1031, §97

**123.28 Restrictions on transportation.**

It is lawful to transport, carry, or convey alcoholic liquors from the place of purchase by the division to a state warehouse or depot established by the division or from one such place to another and, when so permitted by this chapter, it is lawful for the division, a common carrier, or other person to transport, carry, or convey alcoholic liquor sold from a state warehouse, depot, or point of purchase by the state to any place to which the liquor may be lawfully delivered under this chapter. The division shall deliver alcoholic liquor purchased by class "E" liquor control licensees. Class "E" liquor control licensees may deliver alcoholic liquor purchased by class "A", "B", or "C" liquor control licensees, and class "A", "B", or "C" liquor control licensees may transport alcoholic liquor purchased from class "E" liquor control licensees. A common carrier or other person shall not break or open or allow to be broken or opened a container or package containing alcoholic liquor or use or drink or allow to be used or drunk any alcoholic liquor while it is being transported or conveyed, but this section does not prohibit a private person from transporting individual bottles or containers of alcoholic liquor exempted pursuant to section 123.22 and individual bottles or containers bearing the identifying mark prescribed in section 123.26 which have been opened previous to the commencement of the transportation. This section does not affect the right of a special permit or liquor control license holder to purchase, possess, or transport alcoholic liquors subject to this chapter.

[C35, §1921-f26; C39, §**1921.026;** C46, 50, 54, 58, 62, 66, 71, §123.26; C73, 75, 77, 79, 81, §123.28; 81 Acts, ch 6, §12]

84 Acts, ch 1275, §1; 85 Acts, ch 196, §1; 86 Acts, ch 1020, §1; 86 Acts, ch 1246, §738; 87 Acts, ch 170, §1; 95 Acts, ch 48, §1

See also §321.284

**123.29 Patent and proprietary products and sacramental wine.**

1. This chapter does not prohibit the sale of patent and proprietary medicines, tinctures, food products, extracts, toiletries, perfumes, and similar products, which are not susceptible of use as a beverage, but which contain alcoholic liquor, wine, or beer as one of their ingredients. These products may be sold through ordinary wholesale and retail businesses without a license or permit issued by the division.

2. This chapter does not prohibit a member of the clergy of any religious denomination

which uses vinous liquor in its sacramental ceremonies from purchasing, receiving, possessing, and using vinous liquor for sacramental purposes.

[C24, 27, 31, §2171; C35, §1921-f27, 2171; C39, §**1921.027, 2171;** C46, 50, 54, 58, 62, 66, 71, §123.27, 134.1; C73, 75, 77, 79, 81, §123.29]

85 Acts, ch 32, §21; 86 Acts, ch 1246, §739, 740; 89 Acts, ch 161, §4 – 6; 93 Acts, ch 91, §6

**123.30 Liquor control licenses — classes.**

1. *a.* A liquor control license may be issued to any person who is of good moral character as defined by this chapter.

*b.* As a condition for issuance of a liquor control license or wine or beer permit, the applicant must give consent to members of the fire, police, and health departments and the building inspector of cities; the county sheriff, deputy sheriff, members of the department of public safety, representatives of the division and of the department of inspections and appeals, certified police officers, and any official county health officer to enter upon areas of the premises where alcoholic beverages are stored, served, or sold, without a warrant during business hours of the licensee or permittee to inspect for violations of this chapter or ordinances and regulations that cities and boards of supervisors may adopt. However, a subpoena issued under section 421.17 or a warrant is required for inspection of private records, a private business office, or attached living quarters. Persons who are not certified peace officers shall limit the scope of their inspections of licensed premises to the regulatory authority under which the inspection is conducted. All persons who enter upon a licensed premises to conduct an inspection shall present appropriate identification to the owner of the establishment or the person who appears to be in charge of the establishment prior to commencing an inspection; however, this provision does not apply to undercover criminal investigations conducted by peace officers.

*c.* As a further condition for the issuance of a class "E" liquor control license, the applicant shall post a bond in a sum of not less than five thousand nor more than fifteen thousand dollars as determined on a sliding scale established by the division; however, a bond shall not be required if all purchases of alcoholic liquor from the division by the licensee are made by cash payment or by means that ensure that the division will receive full payment in advance of delivery of the alcoholic liquor.

*d.* A class "E" liquor control license may be issued to a city council for premises located within the limits of the city if there are no class "E" liquor control licensees operating within the limits of the city and no other applications for a class "E" license for premises located within the limits of the city at the time the city council's application is filed. If a class "E" liquor control license is subsequently issued to a private person for premises located within the limits of the city, the city council shall surrender its license to the division within one year of the date that the class "E" liquor control licensee begins operating, liquidate any remaining assets connected with the liquor store, and cease operating the liquor store.

2. A liquor control license shall not be issued for premises which do not conform to all applicable laws, ordinances, resolutions, and health and fire regulations. A licensee shall not have or maintain any interior access to residential or sleeping quarters unless permission is granted by the administrator in the form of a living quarters permit.

3. Liquor control licenses issued under this chapter shall be of the following classes:

*a. Class "A".* A class "A" liquor control license may be issued to a club and shall authorize the holder to purchase alcoholic liquors from class "E" liquor control licensees only, wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only, and native wines from native wine manufacturers, and to sell liquors, wine, and beer to bona fide members and their guests by the individual drink for consumption on the premises only.

*b. Class "B".* A class "B" liquor control license may be issued to a hotel or motel and shall authorize the holder to purchase alcoholic liquors from class "E" liquor control licensees only, wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only, and native wines from native wine manufacturers, and to sell liquors, wine, and beer to patrons by the individual drink for consumption on the premises

only. However, beer may also be sold for consumption off the premises. Each license shall be effective throughout the premises described in the application.

*c. Class "C".*

(1) A class "C" liquor control license may be issued to a commercial establishment but must be issued in the name of the individuals who actually own the entire business and shall authorize the holder to purchase alcoholic liquors from class "E" liquor control licensees only, wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only, and native wines from native wine manufacturers, and to sell liquors, wine, and beer to patrons by the individual drink for consumption on the premises only. However, beer may also be sold for consumption off the premises.

(2) A special class "C" liquor control license may be issued and shall authorize the holder to purchase wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only, and to sell wine and beer to patrons by the individual drink for consumption on the premises only. However, beer may also be sold for consumption off the premises. The license issued to holders of a special class "C" license shall clearly state on its face that the license is limited.

*d. Class "D".*

(1) A class "D" liquor control license may be issued to a railway corporation, to an air common carrier, and to passenger-carrying boats or ships for hire with a capacity of twenty-five persons or more operating in inland or boundary waters, and shall authorize the holder to sell or furnish alcoholic beverages, wine, and beer to passengers for consumption only on trains, watercraft as described in this section, or aircraft, respectively. Each license is valid throughout the state. Only one license is required for all trains, watercraft, or aircraft operated in the state by the licensee. However, if a watercraft is an excursion gambling boat licensed under chapter 99F, the owner shall obtain a separate class "D" liquor control license for each excursion gambling boat operating in the waters of this state.

(2) A class "D" liquor control licensee who operates a train or a watercraft intrastate only, or an excursion gambling boat licensed under chapter 99F, shall purchase alcoholic liquor from a class "E" liquor control licensee only, wine from a class "A" wine permittee or a class "B" wine permittee who also holds a class "E" liquor control license only, and beer from a class "A" beer permittee only.

*e. Class "E".*

(1) A class "E" liquor control license may be issued and shall authorize the holder to purchase alcoholic liquor from the division only and high alcoholic content beer from a class "AA" beer permittee only and to sell the alcoholic liquor and high alcoholic content beer to patrons for consumption off the licensed premises and to other liquor control licensees. A holder of a class "E" liquor control license may hold other retail liquor control licenses or retail wine or beer permits, but the premises licensed under a class "E" liquor control license shall be separate from other licensed premises, though the separate premises may have a common entrance. However, the holder of a class "E" liquor control license may also hold a class "B" wine or class "C" beer permit or both for the premises licensed under a class "E" liquor control license.

(2) The division may issue a class "E" liquor control license for premises covered by a liquor control license or wine or beer permit for on-premises consumption, if the premises are in a county having a population under nine thousand five hundred in which no other class "E" liquor control license has been issued by the division, and no other application for a class "E" license has been made within the previous twelve consecutive months.

4. Notwithstanding any provision of this chapter to the contrary, a person holding a license to sell alcoholic liquors for consumption on the licensed premises may permit a customer to remove one unsealed bottle of wine for consumption off the premises if the customer has purchased and consumed a portion of the bottle of wine on the licensed premises. The licensee or the licensee's agent shall securely reseal such bottle in a bag designed so that it is visibly apparent that the resealed bottle of wine has not been tampered with and provide a dated receipt for the resealed bottle of wine to the customer. A wine bottle resealed pursuant

to the requirements of this subsection is subject to the requirements of sections 321.284 and 321.284A.

[C35, §1921-f27; C39, §**1921.027;** C46, 50, 54, 58, 62, 66, 71, §123.27; C73, 75, 77, 79, 81, §123.30]

85 Acts, ch 32, §22; 86 Acts, ch 1246, §741, 742; 87 Acts, ch 22, §4 – 6; 88 Acts, ch 1088, §2, 3; 88 Acts, ch 1241, §6, 7; 90 Acts, ch 1175, §6; 91 Acts, ch 203, §1; 93 Acts, ch 91, §7, 8; 2009 Acts, ch 41, §263; 2009 Acts, ch 74, §1; 2010 Acts, ch 1193, §111, 140; 2011 Acts, ch 17, §6; 2013 Acts, ch 30, §22

Referred to in §12.43, 123.33, 123.36, 123.95, 123.127, 123.128, 123.129, 123.138, 123.175, 123.185

Subsection 2 amended

**123.31 Application contents.**

Verified applications for the original issuance or the renewal of liquor control licenses shall be submitted electronically, or in a manner prescribed by the administrator, and shall set forth under oath the following information:

1. The name and address of the applicant.
2. The precise location of the premises for which a license is sought.
3. The names and addresses of all persons, in the case of a corporation, the officers, directors, and persons owning or controlling ten percent or more of the capital stock thereof, having a financial interest, by way of loan, ownership, or otherwise, in the business.
4. When required by the administrator, a sketch or drawing of the premises proposed to be licensed, in such form and containing such information as the administrator may require.
5. A statement whether any person specified in subsection 3 has ever been convicted of any offense against the laws of the United States, or any state or territory thereof, or any political subdivision of any such state or territory.
6. A statement whether the applicant or any person specified in subsection 3 possesses a federal gambling stamp.
7. A statement, if required by the local authority indicating whether all designated security employees have received training and certification as provided in section 123.32.
8. Such other information as the administrator shall require.

[C35, §1921-f27; C39, §**1921.027;** C46, 50, 54, 58, 62, 66, 71, §123.27; C73, 75, 77, 79, 81, §123.31]

93 Acts, ch 91, §9; 2000 Acts, ch 1201, §2; 2011 Acts, ch 17, §7; 2013 Acts, ch 35, §3

Unnumbered paragraph 1 amended

**123.32 Action by local authorities and division on applications for liquor control licenses and micro-distilled spirits, wine, and beer permits.**

1. *Filing of application.* An application for a class "A", class "B", class "C", or class "E" liquor control license, for a class "A" micro-distilled spirits permit, for a retail beer permit as provided in sections 123.128 and 123.129, or for a class "B", class "B" native, or class "C" native retail wine permit as provided in section 123.178, 123.178A, or 123.178B, accompanied by the necessary fee and bond, if required, shall be filed with the appropriate city council if the premises for which the license or permit is sought are located within the corporate limits of a city, or with the board of supervisors if the premises for which the license or permit is sought are located outside the corporate limits of a city. An application for a class "D" liquor control license and for a class "A" beer or class "A" wine permit, accompanied by the necessary fee and bond, if required, shall be submitted to the division electronically, or in a manner prescribed by the administrator, which shall proceed in the same manner as in the case of an application approved by local authorities.

2. *Action by local authorities.* The local authority shall either approve or disapprove the issuance of a liquor control license, retail wine permit, or retail beer permit, shall endorse its approval or disapproval on the application and shall forward the application with the necessary fee and bond, if required, to the division. There is no limit upon the number of liquor control licenses, retail wine permits, or retail beer permits which may be approved for issuance by local authorities.

3. *Licensed premises for local events.* A local authority may define, by motion of the local authority, licensed premises which shall be used by holders of liquor control licenses,

beer permits, and wine permits at festivals, fairs, or celebrations which are sponsored or authorized by the local authority. The licensed premises defined by motion of the local authority shall be used by the holders of five-day or fourteen-day liquor control licenses, or five-day or fourteen-day beer permits only.

4. *Security employee training.* A local authority, as a condition of obtaining and holding a license or permit for on-premises consumption, may require a designated security employee as defined in section 123.3 to be trained and certified in security methods. The training shall include but is not limited to de-escalation techniques, anger management techniques, civil rights or unfair practices awareness as provided in section 216.7, recognition of fake or altered identification, information on laws applicable to the serving of alcohol at a licensed premises, use of force and techniques for safely removing patrons, and instruction on the proper physical restraint methods used against a person who has become combative.

5. *Occupancy rates.* A local authority located in a county with a population that exceeds three hundred thousand persons, as a condition of obtaining and holding a license or permit for on-premises consumption, shall require the applicant, licensee, or permittee to provide, and update if necessary, the occupancy rate of the licensed premises.

6. *Action by administrator.*

*a.* Upon receipt of an application having been disapproved by the local authority, the administrator shall notify the applicant that the applicant may appeal the disapproval of the application to the administrator. The applicant shall be notified by certified mail, and the application, the fee, and any bond shall be returned to the applicant.

*b.* Upon receipt of an application having been approved by the local authority, the division shall make an investigation as the administrator deems necessary to determine that the applicant complies with all requirements for holding a license or permit, and may require the applicant to appear to be examined under oath to demonstrate that the applicant complies with all of the requirements to hold a license or permit. If the administrator requires the applicant to appear and to testify under oath, a record shall be made of all testimony or evidence and the record shall become a part of the application. The administrator may appoint a member of the division or may request an administrative law judge of the department of inspections and appeals to receive the testimony under oath and evidence, and to issue a proposed decision to approve or disapprove the application for a license or permit. The administrator may affirm, reverse, or modify the proposed decision to approve or disapprove the application for the license or permit. If the application is approved by the administrator, the license or permit shall be issued. If the application is disapproved by the administrator, the applicant and the appropriate local authority shall be so notified by certified mail.

7. *Appeal to administrator.* An applicant for a liquor control license, wine permit, or beer permit may appeal from the local authority's disapproval of an application for a license or permit to the administrator. In the appeal the applicant shall be allowed the opportunity to demonstrate in an evidentiary hearing conducted pursuant to chapter 17A that the applicant complies with all of the requirements for holding the license or permit. The administrator may appoint a member of the division or may request an administrative law judge from the department of inspections and appeals to conduct the evidentiary hearing and to render a proposed decision to approve or disapprove the issuance of the license or permit. The administrator may affirm, reverse, or modify the proposed decision. If the administrator determines that the applicant complies with all of the requirements for holding a license or permit, the administrator shall order the issuance of the license or permit. If the administrator determines that the applicant does not comply with the requirements for holding a license or permit, the administrator shall disapprove the issuance of the license or permit.

8. *Judicial review.* The applicant or the local authority may seek judicial review of the action of the administrator in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, petitions for judicial review may be filed in the district court of the county where the premises covered by the application are situated.

9. *Suspension by local authority.* A liquor control licensee or a wine or beer permittee

whose license or permit has been suspended or revoked or a civil penalty imposed by a local authority for a violation of this chapter or suspended by a local authority for violation of a local ordinance may appeal the suspension, revocation, or civil penalty to the administrator. The administrator may appoint a member of the division or may request an administrative law judge from the department of inspections and appeals to hear the appeal which shall be conducted in accordance with chapter 17A and to issue a proposed decision. The administrator may review the proposed decision upon the motion of a party to the appeal or upon the administrator's own motion in accordance with chapter 17A. Upon review of the proposed decision, the administrator may affirm, reverse, or modify the proposed decision. A liquor control licensee, wine or beer permittee, or a local authority aggrieved by a decision of the administrator may seek judicial review of the decision pursuant to chapter 17A.

[C35, §1921-f27; C39, §**1921.027;** C46, 50, 54, 58, 62, 66, 71, §123.27; C73, 75, 77, 79, 81, §123.32]

85 Acts, ch 32, §23; 86 Acts, ch 1246, §743; 88 Acts, ch 1088, §4; 89 Acts, ch 161, §7; 90 Acts, ch 1177, §1; 91 Acts, ch 97, §22; 93 Acts, ch 91, §10 – 12; 2000 Acts, ch 1201, §3; 2003 Acts, ch 44, §114; 2003 Acts, ch 143, §3, 17; 2005 Acts, ch 13, §2; 2008 Acts, ch 1166, §1; 2009 Acts, ch 137, §1; 2010 Acts, ch 1031, §83; 2013 Acts, ch 35, §4

Referred to in §123.31, 123.39, 331.303

Subsection 1 amended

**123.33 Records.**

Every holder of a liquor control license shall keep a daily record, in printed or electronic format, of the gross receipts of the holder's business. The records required and the premises of the licensee shall be accessible and open to inspection pursuant to section 123.30, subsection 1, during normal business hours of the licensee.

[C35, §1921-f22; C39, §**1921.022;** C46, 50, 54, 58, 62, 66, 71, §123.22; C73, 75, 77, 79, 81, §123.33]

85 Acts, ch 196, §2; 88 Acts, ch 1241, §8; 2013 Acts, ch 35, §5

Section amended

**123.34 Expiration — seasonal, five-day, or fourteen-day license or permit.**

1. Liquor control licenses, wine permits, and beer permits, unless sooner suspended or revoked, expire one year from date of issuance. The administrator shall give sixty days' written notice of the expiration to each licensee or permittee. However, the administrator may issue six-month or eight-month seasonal licenses, class "B" wine permits, or class "B" beer permits for a proportionate part of the license or permit fee or may issue fourteen-day liquor licenses or beer permits as provided in subsection 2. No refund shall be made for seasonal licenses or permits or for fourteen-day liquor licenses or beer permits. No seasonal license or permit shall be renewed except after a period of two months.

2. The administrator may issue fourteen-day class "A", class "B", class "C", and class "D" liquor control licenses and fourteen-day class "B" beer permits. A fourteen-day license or permit, if granted, is valid for fourteen consecutive days, but the holder shall not sell on the two Sundays in the fourteen-day period unless the holder qualifies for and obtains the privilege to sell on Sundays contained in section 123.36, subsection 5, and section 123.134, subsection 5.

3. The fee for a fourteen-day liquor license or beer permit is one quarter of the annual fee for that class of liquor license or beer permit. The fee for the privilege to sell on the two Sundays in the fourteen-day period is twenty percent of the price of the fourteen-day liquor license or beer permit.

4. The administrator may issue five-day class "A", class "B", class "C", and class "D" liquor control licenses and five-day class "B" beer permits. A five-day license or permit is valid for five consecutive days, but the holder shall not sell alcoholic beverages on Sunday in the five-day period unless the holder qualifies for and obtains the privilege to sell on Sunday pursuant to sections 123.36 and 123.134.

5. The fee for the five-day liquor control license or beer permit is one-eighth of the annual

fee for that class of license or permit. The fee for the privilege to sell on a Sunday in the five-day period is ten percent of the price of the five-day liquor control license or beer permit.

[C35, §1921-f27, 1921-f100; C39, §**1921.027, 1921.100;** C46, 50, 54, 58, 62, 66, 71, §123.27, 124.6; C73, 75, 77, 79, 81, §123.34; 81 Acts, ch 55, §2]

85 Acts, ch 32, §24; 86 Acts, ch 1237, §7; 90 Acts, ch 1177, §2, 3; 91 Acts, ch 97, §23

**123.35 Simplified renewal procedure — class "E" procedure.** Repealed by 2011 Acts, ch 17, § 16.

**123.36 Liquor fees — Sunday sales.**

The following fees shall be paid to the division annually for liquor control licenses issued under section 123.30:

1. Class "A" liquor control licenses, the sum of six hundred dollars, except that for class "A" licenses in cities of less than two thousand population, and for clubs of less than two hundred fifty members, the license fee shall be four hundred dollars; however, the fee shall be two hundred dollars for any club which is a post, branch, or chapter of a veterans organization chartered by the Congress of the United States, if the club does not sell or permit the consumption of alcoholic beverages, wine, or beer on the premises more than one day in any week or more than a total of fifty-two days in a year, and if the application for a license states that the club does not and will not sell or permit the consumption of alcoholic beverages, wine, or beer on the premises more than one day in any week or more than a total of fifty-two days in a year.

2. Class "B" liquor control licenses, the sum as follows:

*a.* Hotels or motels located within the corporate limits of cities of ten thousand population and over, one thousand three hundred dollars.

*b.* Hotels and motels located within the corporate limits of cities of over three thousand and less than ten thousand population, one thousand fifty dollars.

*c.* Hotels and motels located within the corporate limits of cities of three thousand population and less, eight hundred dollars.

*d.* Hotels and motels located outside the corporate limits of any city, a sum equal to that charged in the incorporated city located nearest the premises to be licensed, and in case there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail. However, if a hotel or motel is located in an unincorporated town, for purposes of this subsection the unincorporated town shall be treated as if it is a city.

3. Class "C" liquor control licenses, the sum as follows:

*a.* Commercial establishments located within the corporate limits of cities of ten thousand population and over, one thousand three hundred dollars.

*b.* Commercial establishments located within the corporate limits of cities of over fifteen hundred and less than ten thousand population, nine hundred fifty dollars.

*c.* Commercial establishments located within the corporate limits of cities of fifteen hundred population or less, six hundred dollars.

*d.* Commercial establishments located outside the corporate limits of any city, a sum equal to that charged in the incorporated city located nearest the premises to be licensed, and in case there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail. However, if a commercial establishment is located in an unincorporated town, for purposes of this subsection the unincorporated town shall be treated as if it is a city.

4. Class "D" liquor control licenses, the following sums:

*a.* For watercraft, one hundred fifty dollars.

*b.* For trains, five hundred dollars.

*c.* For air common carriers, each company shall pay a base annual fee of five hundred dollars and, in addition, shall quarterly remit to the division an amount equal to seven dollars for each gallon of alcoholic liquor sold, given away, or dispensed in or over this state during the preceding calendar quarter. The class "D" license fee and tax for air common carriers is in lieu of any other fee or tax collected from the carriers in this state for the possession and sale of alcoholic liquor, wine, and beer.

5. Any club, hotel, motel, or commercial establishment holding a liquor control license, subject to section 123.49, subsection 2, paragraph *"b"*, may apply for and receive permission to sell and dispense alcoholic liquor and wine to patrons on Sunday for consumption on the premises only, and beer for consumption on or off the premises between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on the following Monday. A class "D" liquor control licensee may apply for and receive permission to sell and dispense alcoholic beverages to patrons for consumption on the premises only between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on the following Monday. For the privilege of selling beer, wine, and alcoholic liquor on the premises on Sunday the liquor control license fee of the applicant shall be increased by twenty percent of the regular fee prescribed for the license pursuant to this section, and the privilege shall be noted on the liquor control license.

6. Special class "C" liquor control licenses, a sum as follows:

*a.* Commercial establishments located within the corporate limits of cities of ten thousand population and over, four hundred fifty dollars.

*b.* Commercial establishments located within the corporate limits of cities of over fifteen hundred and less than ten thousand population, three hundred dollars.

*c.* Commercial establishments located within the corporate limits of cities of fifteen hundred population or less, one hundred fifty dollars.

*d.* Commercial establishments located outside the corporate limits of any city, a sum equal to that charged in the incorporated city located nearest the premises to be licensed, and in case there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail. However, if a commercial establishment is located in an unincorporated town, for purposes of this subsection the unincorporated town shall be treated as if it is a city.

7. The division shall credit all fees to the beer and liquor control fund. The division shall remit to the appropriate local authority, a sum equal to sixty-five percent of the fees collected for each class "A", class "B", or class "C" license except special class "C" licenses or class "E" licenses, covering premises located within the local authority's jurisdiction. The division shall remit to the appropriate local authority a sum equal to seventy-five percent of the fees collected for each special class "C" license covering premises located within the local authority's jurisdiction. Those fees collected for the privilege authorized under subsection 5 and those fees collected for each class "E" liquor control license shall be credited to the beer and liquor control fund.

8. *a.* Class "E" liquor control license, a sum determined as follows:

(1) For licensed premises at which gasoline is not sold, a sum of not less than seven hundred fifty dollars, and not more than seven thousand five hundred dollars as determined on a sliding scale as established by the division taking into account the factors of square footage of the licensed premises, the location of the licensed premises, and the population of the area of the location of the licensed premises.

(2) For licensed premises at which gasoline is sold, a sum equal to the following:

(a) For premises located within the corporate limits of a city with a population of less than one thousand five hundred, three thousand five hundred dollars.

(b) For premises located within the corporate limits of a city with a population of at least one thousand five hundred but less than ten thousand, five thousand dollars.

(c) For premises located within the corporate limits of a city with a population of ten thousand population or more, the greater of five thousand dollars or the amount that would be established pursuant to subparagraph (1) if gasoline were not sold at the premises.

(d) For premises located outside the corporate limits of any city, a sum equal to that charged in the incorporated city located nearest the premises to be licensed. If there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail. However, if the premises is located in an unincorporated town, for purposes of this subparagraph, the unincorporated town shall be treated as if it is a city.

*b.* Notwithstanding subsection 5, the holder of a class "E" liquor control license may sell alcoholic liquor for consumption off the licensed premises on Sunday subject to section 123.49, subsection 2, paragraph *"b"*.

9. There is imposed a surcharge on the fee for each class "A", "B", or "C" liquor control

license equal to thirty percent of the scheduled license fee. The surcharges collected under this subsection shall be deposited in the beer and liquor control fund, and notwithstanding subsection 7, no portion of the surcharges collected under this subsection shall be remitted to the local authority.

[C35, §1921-f28; C39, §**1921.028;** C46, 50, 54, 58, 62, 66, 71, §123.38; C73, 75, 77, 79, 81, §123.36]

83 Acts, ch 123, §59, 209; 84 Acts, ch 1275, §2; 84 Acts, ch 1312, §6; 85 Acts, ch 32, §26 – 29; 86 Acts, ch 1246, §744; 87 Acts, ch 22, §7, 8; 88 Acts, ch 1241, §9 – 11; 90 Acts, ch 1089, §1; 90 Acts, ch 1175, §7; 91 Acts, ch 245, §1; 93 Acts, ch 91, §14; 94 Acts, ch 1023, §85; 2011 Acts, ch 17, §8

Referred to in §123.34, 123.49, 123.150, 125.59, 331.427

**123.37 Exclusive power to license and levy taxes — disputed taxes.**

1. The power to establish licenses and permits and levy taxes as imposed in this chapter is vested exclusively with the state. Unless specifically provided, a local authority shall not require the obtaining of a special license or permit for the sale of alcoholic beverages, wine, or beer at any establishment, or require the obtaining of a license by any person as a condition precedent to the person's employment in the sale, serving, or handling of alcoholic beverages, wine, or beer, within an establishment operating under a license or permit.

2. The administrator may compromise and settle doubtful and disputed claims for taxes imposed under this chapter or for taxes of doubtful collectibility, notwithstanding section 7D.9. The administrator may enter into informal settlements pursuant to section 17A.10 to compromise and settle doubtful and disputed claims for taxes imposed under this chapter. The administrator may make a claim under a licensee's or permittee's penal bond for taxes of doubtful collectibility. Whenever a compromise or settlement is made, the administrator shall make a complete record of the case showing the tax assessed, reports and audits, if any, the licensee's or permittee's grounds for dispute or contest, together with all evidence of the dispute or contest, and the amounts, conditions, and settlement or compromise of the dispute or contest.

3. A licensee or permittee who disputes the amount of tax imposed must pay all tax and penalty pertaining to the disputed tax liability prior to appealing the disputed tax liability to the administrator.

4. The administrator shall adopt rules establishing procedures for payment of disputed taxes imposed under this chapter. If it is determined that the tax is not due in whole or in part, the division shall promptly refund the part of the tax payment which is determined not to be due.

[C73, 75, 77, 79, 81, §123.37]

85 Acts, ch 32, §30; 88 Acts, ch 1153, §2; 89 Acts, ch 252, §1; 93 Acts, ch 91, §15; 94 Acts, ch 1023, §9; 2007 Acts, ch 22, §35

**123.38 Nature of permit or license — surrender — transfer.**

1. A special liquor permit, liquor control license, wine permit, or beer permit is a personal privilege and is revocable for cause. It is not property nor is it subject to attachment and execution nor alienable nor assignable, and it shall cease upon the death of the permittee or licensee. However, the administrator of the division may in the administrator's discretion allow the executor or administrator of a permittee or licensee to operate the business of the decedent for a reasonable time not to exceed the expiration date of the permit or license. Every permit or license shall be issued in the name of the applicant and no person holding a permit or license shall allow any other person to use it.

2. Any licensee or permittee, or the licensee's or permittee's executor or administrator, or any person duly appointed by the court to take charge of and administer the property or assets of the licensee or permittee for the benefit of the licensee's or permittee's creditors, may voluntarily surrender a license or permit to the division. When a license or permit is surrendered the division shall notify the local authority, and the division or the local authority shall refund to the person surrendering the license or permit, a proportionate amount of the fee received by the division or the local authority for the license or permit as follows: if a

license or permit is surrendered during the first three months of the period for which it was issued, the refund shall be three-fourths of the amount of the fee; if surrendered more than three months but not more than six months after issuance, the refund shall be one-half of the amount of the fee; if surrendered more than six months but not more than nine months after issuance, the refund shall be one-fourth of the amount of the fee. No refund shall be made, however, for any special liquor permit, nor for a liquor control license, wine permit, or beer permit surrendered more than nine months after issuance. For purposes of this subsection, any portion of license or permit fees used for the purposes authorized in section 331.424, subsection 1, paragraph *"a"*, subparagraphs (1) and (2), and in section 331.424A, shall not be deemed received either by the division or by a local authority. No refund shall be made to any licensee or permittee, upon the surrender of the license or permit, if there is at the time of surrender, a complaint filed with the division or local authority, charging the licensee or permittee with a violation of this chapter. If upon a hearing on a complaint the license or permit is not revoked or suspended, then the licensee or permittee is eligible, upon surrender of the license or permit, to receive a refund as provided in this section; but if the license or permit is revoked or suspended upon hearing the licensee or permittee is not eligible for the refund of any portion of the license or permit fee.

3. The local authority may in its discretion authorize a licensee or permittee to transfer the license or permit from one location to another within the same incorporated city, or within a county outside the corporate limits of a city, provided that the premises to which the transfer is to be made would have been eligible for a license or permit in the first instance and such transfer will not result in the violation of any law. All transfers authorized, and the particulars of same, shall be reported to the administrator by the local authority. The administrator may by rule establish a uniform transfer fee to be assessed by all local authorities upon licensees or permittees to cover the administrative costs of such transfers, such fee to be retained by the local authority involved.

[C35, §1921-f29, -f100; C39, §**1921.029, 1921.100;** C46, 50, 54, 58, 62, 66, 71, §123.29, 124.6; C73, 75, 77, 79, 81, §123.38]

85 Acts, ch 32, §31; 95 Acts, ch 206, §5, 12; 2010 Acts, ch 1061, §162

**123.39 Suspension or revocation of license or permit — civil penalty.**

1. *a.* The administrator or the local authority may suspend a license or permit issued pursuant to this chapter for a period not to exceed one year, revoke the license or permit, or impose a civil penalty not to exceed one thousand dollars per violation. Before suspension, revocation, or imposition of a civil penalty, the license or permit holder shall be given written notice and an opportunity for a hearing. The administrator may appoint a member of the division or may request an administrative law judge from the department of inspections and appeals to conduct the hearing and issue a proposed decision. Upon the motion of a party to the hearing or upon the administrator's own motion, the administrator may review the proposed decision in accordance with chapter 17A. Upon review of the proposed decision, the administrator may affirm, reverse, or modify the proposed decision. A licensee or permittee aggrieved by a decision of the administrator may seek judicial review of the administrator's decision in accordance with chapter 17A.

*b.* A license or permit issued under this chapter may be suspended or revoked, or a civil penalty may be imposed on the license or permit holder by the local authority or the administrator for any of the following causes:

(1) Misrepresentation of any material fact in the application for the license or permit.

(2) Violation of any of the provisions of this chapter.

(3) Any change in the ownership or interest in the business operated under a class "A", class "B", or class "C" liquor control license, or any wine or beer permit, which change was not previously reported to and approved by the local authority and the division.

(4) An event which would have resulted in disqualification from receiving the license or permit when originally issued.

(5) Any sale, hypothecation, or transfer of the license or permit.

(6) The failure or refusal on the part of any licensee or permittee to render any report or remit any taxes to the division under this chapter when due.

*c.* A criminal conviction is not a prerequisite to suspension, revocation, or imposition of a civil penalty pursuant to this section. A local authority which acts pursuant to this section or section 123.32 shall notify the division in writing of the action taken, and shall notify the licensee or permit holder of the right to appeal a suspension, revocation, or imposition of a civil penalty to the division. Civil penalties imposed and collected by the local authority under this section shall be retained by the local authority. Civil penalties imposed and collected by the division under this section shall be retained by the division.

2. Local authorities may suspend any retail wine or beer permit or liquor control license for a violation of any ordinance or regulation adopted by the local authority. Local authorities may adopt ordinances or regulations for the location of the premises of retail wine or beer and liquor control licensed establishments and local authorities may adopt ordinances, not in conflict with this chapter and that do not diminish the hours during which beer, wine, or alcoholic beverages may be sold or consumed at retail, governing any other activities or matters which may affect the retail sale and consumption of beer, wine, and alcoholic liquor and the health, welfare and morals of the community involved.

3. When a liquor license or wine or beer permit is suspended after a hearing as a result of violations of this chapter by the licensee, permittee or the licensee's or permittee's agents or employees, the premises which were licensed by the license or permit shall not be relicensed for a new applicant until the suspension has terminated or time of suspension has elapsed, or ninety days have elapsed since the commencement of the suspension, whichever occurs first. However, this section does not prohibit the premises from being relicensed to a new applicant before the suspension has terminated or before the time of suspension has elapsed or before ninety days have elapsed from the commencement of the suspension, if the premises prior to the time of the suspension had been purchased under contract, and the vendor under that contract had exercised the person's rights under chapter 656 and sold the property to a different person who is not related to the previous licensee or permittee by marriage or within the third degree of consanguinity or affinity and if the previous licensee or permittee does not have a financial interest in the business of the new applicant.

4. If the cause for suspension is a first offense violation of section 123.49, subsection 2, paragraph "*h*", the administrator or local authority shall impose a civil penalty in the amount of five hundred dollars in lieu of suspension of the license or permit. Local authorities shall retain civil penalties collected under this paragraph if the proceeding to impose the penalty is conducted by the local authority. The division shall retain civil penalties collected under this paragraph if the proceeding to impose the penalty is conducted by the administrator of the division.

[C35, §1921-f32, 1921-f126; C39, §**1921.032, 1921.129;** C46, 50, 54, 58, 62, §123.32, 124.34; C66, 71, §123.32, 123.102, 124.34; C73, 75, 77, 79, 81, §123.39]

85 Acts, ch 32, §32; 88 Acts, ch 1241, §12; 93 Acts, ch 91, §16, 17; 94 Acts, ch 1017, §2; 2000 Acts, ch 1154, §12; 2002 Acts, ch 1119, §128

Referred to in §123.24, 123.41, 123.46A, 123.50, 123.187

**123.40 Effect of revocation.**

Any liquor control licensee, wine permittee, or beer permittee whose license or permit is revoked under this chapter shall not thereafter be permitted to hold a liquor control license, wine permit, or beer permit in the state of Iowa for a period of two years from the date of revocation. A spouse or business associate holding ten percent or more of the capital stock or ownership interest in the business of a person whose license or permit has been revoked shall not be issued a liquor control license, wine permit, or beer permit, and no liquor control license, wine permit, or beer permit shall be issued which covers any business in which such person has a financial interest for a period of two years from the date of revocation. If a license or permit is revoked, the premises which had been covered by the license or permit shall not be relicensed for one year.

[C35, §1921-f32, 1921-f123; C39, §**1921.032, 1921.125;** C46, 50, 54, 58, 62, 66, 71, §123.32, 124.30; C73, 75, 77, 79, 81, §123.40]

85 Acts, ch 32, §33

Referred to in §123.3, 123.50

**123.41 Manufacturer's license.**

1. Each application to obtain or renew a manufacturer's license shall be submitted to the division electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of three hundred fifty dollars payable to the division. The administrator may in accordance with this chapter grant and issue a manufacturer's license, valid for a one-year period after date of issuance, to a manufacturer which shall allow the manufacture, storage, and wholesale disposition and sale of alcoholic liquors to the division and to customers outside of the state.

2. As a condition precedent to the approval and granting of a manufacturer's license, an applicant shall file a statement under oath with the division that the applicant is a bona fide manufacturer of alcoholic liquors, and that the applicant will faithfully observe and comply with all laws, rules, and regulations governing the manufacture and sale of alcoholic liquor.

3. A person who holds an experimental distilled spirits plant permit or its equivalent issued by the alcohol and tobacco tax and trade bureau of the United States department of the treasury may produce alcohol for use as fuel without obtaining a manufacturer's license from the division.

4. A violation of the requirements of this section shall subject the licensee to the general penalties provided in this chapter and shall constitute grounds for imposition of a civil penalty or suspension or revocation of the license after notice and opportunity for a hearing pursuant to section 123.39 and chapter 17A.

[C35, §1921-f36; C39, §**1921.036;** C46, 50, 54, 58, 62, 66, 71, §123.36; C73, 75, 77, 79, 81, §123.41]

2011 Acts, ch 30, §3; 2013 Acts, ch 35, §6
Subsection 1 amended

**123.42 Broker's permit.**

1. Prior to representing or promoting a distiller's alcoholic liquor products in the state, the broker shall submit an application to the division electronically, or in a manner prescribed by the administrator, for a broker's permit. The administrator may in accordance with this chapter issue a broker's permit which shall be valid for one year from the date of issuance unless it is sooner suspended or revoked for a violation of this chapter. A broker's permit is valid throughout the state, and a broker who represents more than one distiller is required to obtain only one broker's permit.

2. The annual fee for a broker's permit is twenty-five dollars.

3. An employee of a broker is not required to apply for or hold a broker's permit.

4. The holder of a distiller's certificate of compliance is not required to appoint a broker to represent its alcoholic liquor products in the state. If the holder of a distiller's certificate of compliance appoints a broker to represent its alcoholic liquor products in the state, the name and address of the broker shall be disclosed on the distiller's application for a certificate of compliance, and the requirements in this section shall apply to the appointed broker.

[C35, §1921-f37; C39, §**1921.037;** C46, 50, 54, 58, 62, 66, 71, §123.37; C73, 75, 77, 79, 81, §123.42]

94 Acts, ch 1017, §3; 2013 Acts, ch 35, §7
Subsection 1 amended

**123.43 License conditions — bond.** Repealed by 2011 Acts, ch 30, § 10.

**123.43A Micro-distilled spirits — permit.**

1. Subject to rules of the division, a micro-distillery holding a class "A" micro-distilled spirits permit pursuant to this section may sell or offer for sale micro-distilled spirits. As provided in this section, sales may be made at retail for off-premises consumption when sold on the premises of the micro-distillery that manufactures micro-distilled spirits. All sales shall be made through the state's wholesale distribution system.

2. A micro-distillery shall not sell more than one and one-half liters per person per day, of micro-distilled spirits on the premises of the micro-distillery. In addition, a micro-distillery shall not directly ship micro-distilled spirits for sale at retail. The micro-distillery shall

maintain records of individual purchases of micro-distilled spirits at the micro-distillery for three years.

3. A micro-distillery shall not sell micro-distilled spirits other than as permitted in this chapter and shall not allow micro-distilled spirits sold to be consumed upon the premises of the micro-distillery. However, as a part of a micro-distillery tour, micro-distilled spirits of no more than two ounces per person per day may be sampled on the premises where fermented, distilled, or matured, when no charge is made for the sampling.

4. A class "A" micro-distilled spirits permit for a micro-distillery shall be issued and renewed annually upon payment of a fee of five hundred dollars.

5. The sale of micro-distilled spirits to the division for wholesale disposition and sale by the division shall be subject to the requirements of this chapter regarding such disposition and sale.

6. The division shall issue no more than three permits under this section to a person. In addition, a micro-distillery issued a permit under this section shall file with the division all documents filed by the micro-distillery with the alcohol and tobacco tax and trade bureau of the United States department of the treasury, including all production, storage, and processing reports.

7. Micro-distilled spirits purchased at a micro-distillery shall not be consumed on any property owned, operated, or controlled by a micro-distillery.

2010 Acts, ch 1031, §84; 2010 Acts, ch 1193, §40; 2011 Acts, ch 17, §9; 2011 Acts, ch 30, §4

**123.44 Gift of liquors prohibited.**

A manufacturer or broker shall not give away alcoholic liquor at any time in connection with the manufacturer's or broker's business except for testing or sampling purposes only. A manufacturer, vintner, broker, wholesaler, or importer, organized as a corporation pursuant to the laws of this state or any other state, who deals in alcoholic liquor, wine, or beer subject to regulation under this chapter shall not offer or give anything of value to a commission member, official or employee of the division, or directly or indirectly contribute in any manner any money or thing of value to a person seeking a public or appointive office or a recognized political party or a group of persons seeking to become a recognized political party.

[C35, §1921-f39; C39, §**1921.039;** C46, 50, 54, 58, 62, 66, 71, §123.39; C73, 75, 77, 79, 81, §123.44]

85 Acts, ch 32, §34; 94 Acts, ch 1017, §5

**123.45 Limitations on business interests.**

Except as provided in section 123.6, a commission member or division employee shall not, directly or indirectly, individually, or as a member of a partnership or shareholder in a corporation, have any interest in dealing in or in the manufacture of alcoholic liquor, wine, or beer, and shall not receive any kind of profit nor have any interest in the purchase or sale of alcoholic liquor, wine, or beer by persons so authorized under this chapter. However, this provision does not prohibit any member or employee from lawfully purchasing and keeping alcoholic liquor, wine, or beer in the member's or employee's possession for personal use.

A person engaged in the business of manufacturing, bottling, or wholesaling alcoholic beverages, wine, or beer, or any jobber, representative, broker, employee, or agent of such a person, shall not directly or indirectly supply, furnish, give, or pay for any furnishings, fixtures, or equipment used in the storage, handling, serving, or dispensing of alcoholic beverages, wine, beer, or food within the place of business of a licensee or permittee authorized under this chapter to sell at retail; nor shall the person directly or indirectly extend any credit for alcoholic beverages or beer or pay for any such license or permit, nor directly or indirectly be interested in the ownership, conduct, or operation of the business of another licensee or permittee authorized under this chapter to sell at retail, nor hold a retail liquor control license or retail wine or beer permit. However, a person engaged in the wholesaling of beer or wine may sell only disposable glassware, which is constructed of paper, paper laminated, or plastic materials and designed primarily for personal consumption on a one-time usage basis, to retailers for use within the premises of licensed establishments, for an amount which is greater than or equal to an amount which

represents the greater of either the amount paid for the disposable glassware by the supplier or the amount paid for the disposable glassware by the wholesaler. Also, a person engaged in the business of manufacturing beer may sell beer at retail for consumption on or off the premises of the manufacturing facility and, notwithstanding any other provision of this chapter or the fact that a person is the holder of a class "A" beer permit, may be granted not more than one class "B" beer permit as defined in section 123.124 for that purpose. A licensee or permittee who permits or assents to or is a party in any way to a violation or infringement of this section is guilty of a violation of this section.

[C35, §1921-f40, 1921-f115; C39, §**1921.040, 1921.117;** C46, 50, 54, 58, 62, 66, 71, §123.40, 124.22; C73, 75, 77, 79, 81, §123.45; 81 Acts, ch 57, §1; 82 Acts, ch 1024, §2]

85 Acts, ch 32, §35; 88 Acts, ch 1241, §13; 91 Acts, ch 24, §1

**123.46 Consumption or intoxication in public places — notifications — chemical tests — exoneration.**

1. As used in this section unless the context otherwise requires:

*a.* *"Arrest"* means the same as defined in section 804.5 and includes taking into custody pursuant to section 232.19.

*b.* *"Chemical test"* means a test of a person's blood, breath, or urine to determine the percentage of alcohol present by a qualified person using devices and methods approved by the commissioner of public safety.

*c.* *"Peace officer"* means the same as defined in section 801.4.

2. A person shall not use or consume alcoholic liquor, wine, or beer upon the public streets or highways. A person shall not use or consume alcoholic liquor in any public place except premises covered by a liquor control license. A person shall not possess or consume alcoholic liquors, wine, or beer on public school property or while attending a public or private school-related function. A person shall not be intoxicated in a public place. A person violating this subsection is guilty of a simple misdemeanor.

3. A person shall not simulate intoxication in a public place. A person violating this subsection is guilty of a simple misdemeanor.

4. When a peace officer arrests a person on a charge of public intoxication under this section, the peace officer shall inform the person that the person may have a chemical test administered at the person's own expense. If a device approved by the commissioner of public safety for testing a sample of a person's breath to determine the person's blood alcohol concentration is available, that is the only test that need be offered the person arrested. In a prosecution for public intoxication, evidence of the results of a chemical test performed under this subsection is admissible upon proof of a proper foundation. The percentage of alcohol present in a person's blood, breath, or urine established by the results of a chemical test performed within two hours after the person's arrest on a charge of public intoxication is presumed to be the percentage of alcohol present at the time of arrest.

5. *a.* A peace officer shall make a reasonable effort to identify a person under the age of eighteen who violates this section and refer the person to juvenile court.

*b.* A juvenile court officer shall notify the person's custodial parent, legal guardian, or custodian of the violation. In addition, the juvenile court officer shall make a reasonable effort to identify the elementary or secondary school the person attends, if any, and to notify the superintendent of the school district or the superintendent's designee, or the authorities in charge of the nonpublic school, of the violation. A reasonable attempt to notify the person includes, but is not limited to, a telephone call or notice by first-class mail.

6. Upon the expiration of two years following conviction for a violation of this section, a person may petition the court to expunge the conviction, and if the person has had no other criminal convictions, other than simple misdemeanor violations of chapter 321 during the two-year period, the conviction shall be expunged as a matter of law. The court shall enter an order that the record of the conviction be expunged by the clerk of the district court. Notwithstanding section 692.2, after receipt of notice from the clerk of the district court that

a record of conviction has been expunged, the record of conviction shall be removed from the criminal history data files maintained by the department of public safety.

[C35, §1921-f42, 1921-f127; C39, §**1921.042, 1921.132;** C46, 50, 54, 58, 62, 66, 71, §123.42, 124.37; C73, 75, 77, 79, 81, §123.46]

85 Acts, ch 32, §36; 86 Acts, ch 1067, §1; 89 Acts, ch 225, §10; 92 Acts, ch 1231, §7; 2000 Acts, ch 1138, §1; 2010 Acts, ch 1044, §1, 2; 2010 Acts, ch 1071, §1; 2010 Acts, ch 1128, §1; 2011 Acts, ch 17, §10

Referred to in §125.34, 232.22, 232.52

**123.46A Delivery of alcoholic beverages by retailers.**

1. Licensees and permittees authorized to sell alcoholic liquor, wine, or beer in original unopened containers for consumption off the licensed premises may deliver alcoholic liquor, wine, or beer to a home or other designated location in this state. Deliveries shall be limited to alcoholic beverages authorized by the licensee's or permittee's license or permit.

2. All deliveries of alcoholic liquor, wine, or beer shall be subject to the following requirements and restrictions:

*a.* Payment for the alcoholic liquor, wine, or beer shall be received on the licensed premises at the time of order.

*b.* Alcoholic liquor, wine, or beer delivered to a person shall be for personal use and not for resale.

*c.* Deliveries shall only be made to persons in this state who are twenty-one years of age or older.

*d.* Deliveries shall not be made to a person who is intoxicated or is simulating intoxication.

*e.* Deliveries shall occur between 6:00 a.m. and 10:00 p.m. Monday through Saturday, and between 8:00 a.m. and 10:00 p.m. Sunday.

*f.* Delivery of alcoholic liquor, wine, or beer shall be made by the licensee or permittee, or the licensee's or permittee's employee, and not by a third party.

*g.* Delivery personnel shall be twenty-one years of age or older.

*h.* Deliveries shall be made in a vehicle owned, leased, or under the control of the licensee or permittee.

*i.* Valid proof of the recipient's identity and age shall be obtained at the time of delivery, and the signature of a person twenty-one years of age or older shall be obtained as a condition of delivery.

*j.* Licensees and permittees shall maintain records of deliveries which include the quantity delivered, the recipient's name and address, and the signature of the recipient of the alcoholic liquor, wine, or beer. The records shall be maintained on the licensed premises for a period of three years.

3. A violation of this section or any other provision of this chapter shall subject the licensee or permittee to the penalty provisions of section 123.39.

4. Nothing in this section shall impact the direct shipment of wine as regulated by section 123.187.

2011 Acts, ch 30, §5

**123.47 Persons under eighteen years of age, persons eighteen, nineteen, or twenty years of age, and persons twenty-one years of age and older.**

1. A person shall not sell, give, or otherwise supply alcoholic liquor, wine, or beer to any person knowing or having reasonable cause to believe that person to be under legal age.

2. A person or persons under legal age shall not purchase or attempt to purchase, or individually or jointly have alcoholic liquor, wine, or beer in their possession or control; except in the case of liquor, wine, or beer given or dispensed to a person under legal age within a private home and with the knowledge, presence, and consent of the parent or guardian, for beverage or medicinal purposes or as administered to the person by either a physician or dentist for medicinal purposes and except to the extent that a person under legal age may handle alcoholic beverages, wine, and beer during the regular course of the person's employment by a liquor control licensee, or wine or beer permittee under this chapter.

3. *a.* A person who is eighteen, nineteen, or twenty years of age, other than a licensee

or permittee, who violates this section regarding the purchase of or attempt to purchase alcoholic liquor, wine, or beer, or possessing or having control of alcoholic liquor, wine, or beer, commits the following:

(1) A simple misdemeanor punishable as a scheduled violation under section 805.8C, subsection 7.

(2) A second offense shall be a simple misdemeanor punishable by a fine of five hundred dollars. In addition to any other applicable penalty, the person in violation of this section shall choose between either completing a substance abuse evaluation or the suspension of the person's motor vehicle operating privileges for a period not to exceed one year.

(3) A third or subsequent offense shall be a simple misdemeanor punishable by a fine of five hundred dollars and the suspension of the person's motor vehicle operating privileges for a period not to exceed one year.

*b.* The court may, in its discretion, order the person who is under legal age to perform community service work under section 909.3A, of an equivalent value to the fine imposed under this section.

*c.* If the person who commits a violation of this section is under the age of eighteen, the matter shall be disposed of in the manner provided in chapter 232.

4. Except as otherwise provided in subsections 5 and 6, a person who is of legal age, other than a licensee or permittee, who sells, gives, or otherwise supplies alcoholic liquor, wine, or beer to a person who is under legal age in violation of this section commits a serious misdemeanor punishable by a minimum fine of five hundred dollars.

5. A person who is of legal age, other than a licensee or permittee, who sells, gives, or otherwise supplies alcoholic liquor, wine, or beer to a person who is under legal age in violation of this section which results in serious injury to any person commits an aggravated misdemeanor.

6. A person who is of legal age, other than a licensee or permittee, who sells, gives, or otherwise supplies alcoholic liquor, wine, or beer to a person who is under legal age in violation of this section which results in the death of any person commits a class "D" felony.

7. Upon the expiration of two years following conviction for a violation of subsection 2 or of a similar local ordinance, a person may petition the court to expunge the conviction, and if the person has had no other criminal convictions, other than local traffic violations or simple misdemeanor violations of chapter 321 during the two-year period, the conviction shall be expunged as a matter of law. The court shall enter an order that the record of the conviction be expunged by the clerk of the district court. Notwithstanding section 692.2, after receipt of notice from the clerk of the district court that a record of conviction has been expunged for a violation of subsection 2, the record of conviction shall be removed from the criminal history data files maintained by the department of public safety. An expunged conviction shall not be considered a prior offense for purposes of enhancement under subsection 3 or under a local ordinance unless the new violation occurred prior to entry of the order of expungement.

[C35, §1921-f43; C39, §**1921.043;** C46, 50, 54, 58, 62, §123.43; C66, 71, §123.43, 125.33; C73, 75, 77, 79, 81, §123.47]

85 Acts, ch 32, §37; 92 Acts, ch 1231, §8; 94 Acts, ch 1105, §1; 94 Acts, ch 1172, §2; 95 Acts, ch 191, §3; 97 Acts, ch 126, §2; 99 Acts, ch 153, §1; 2005 Acts, ch 105, §1; 2010 Acts, ch 1071, §2; 2010 Acts, ch 1128, §2

Referred to in §123.47B, 135B.34, 135C.33, 137C.25C, 232.2, 232.19, 232.22, 232.52, 321.216B, 321.284, 321.284A, 805.8C(7)

**123.47A** Repealed by 97 Acts, ch 126, § 54.

**123.47B Parental and school notification — persons under eighteen years of age.**

1. A peace officer shall make a reasonable effort to identify a person under the age of eighteen discovered to be in possession of alcoholic liquor, wine, or beer in violation of section 123.47 and refer the person to juvenile court.

2. The juvenile court officer shall notify the person's custodial parent, legal guardian, or custodian of the violation. In addition, the juvenile court shall also make a reasonable effort to identify the elementary or secondary school which the person attends if the person is enrolled in elementary or secondary school and to notify the superintendent or the superintendent's

designee of the school which the person attends, or the authorities in charge of the nonpublic school which the person attends, of the possession. A reasonable attempt to notify the person includes but is not limited to a telephone call or notice by first-class mail.

90 Acts, ch 1251, §4; 95 Acts, ch 191, §4; 97 Acts, ch 126, §3; 2010 Acts, ch 1128, §3

**123.48 Seizure of false or altered driver's license or nonoperator identification card.**

1. If a liquor control licensee or wine or beer permittee or an employee of the licensee or permittee has a reasonable belief based on factual evidence that a driver's license as defined in section 321.1, subsection 20A, or nonoperator identification card issued pursuant to section 321.190 offered by a person who wishes to purchase an alcoholic beverage at the licensed premises is altered or falsified or belongs to another person, the licensee, permittee, or employee may retain the driver's license or nonoperator identification card. Within twenty-four hours, the card shall be delivered to the appropriate city or county law enforcement agency of the jurisdiction in which the licensed premises is located. When the card is delivered to the appropriate law enforcement agency, the licensee shall file a written report of the circumstances under which the card was retained. The local law enforcement agency may investigate whether a violation of section 321.216, 321.216A, or 321.216B has occurred. If an investigation is not initiated or a probable cause is not established by the local law enforcement agency, the driver's license or nonoperator identification card shall be delivered to the person to whom it was issued. The local law enforcement agency may forward the card with the report to the department of transportation for investigation, in which case, the department may investigate whether a violation of section 321.216, 321.216A, or 321.216B has occurred. The department of transportation shall return the card to the person to whom it was issued if an investigation is not initiated or a probable cause is not established.

2. Upon taking possession of an identification card as provided in subsection 1, a receipt for the card with the date and hour of seizure noted shall be provided to the person from whom the card was seized.

3. A liquor control licensee or wine or beer permittee or an employee of the licensee or permittee is not subject to criminal prosecution for, or to civil liability for damages alleged to have resulted from, the retention and delivery of a driver's license or a nonoperator identification card which is taken pursuant to subsections 1 and 2. This section shall not be construed to relieve a licensee, permittee, or employee of the licensee or permittee from civil liability for damages resulting from the use of unreasonable force in obtaining the altered or falsified driver's license or identification card or the driver's license or identification card believed to belong to another person.

94 Acts, ch 1105, §3; 96 Acts, ch 1090, §1; 98 Acts, ch 1073, §9, 12

**123.49 Miscellaneous prohibitions.**

1. A person shall not sell, dispense, or give to an intoxicated person, or one simulating intoxication, any alcoholic liquor, wine, or beer.

*a.* A person other than a person required to hold a license or permit under this chapter who dispenses or gives an alcoholic beverage, wine, or beer in violation of this subsection is not civilly liable to an injured person or the estate of a person for injuries inflicted on that person as a result of intoxication by the consumer of the alcoholic beverage, wine, or beer.

*b.* The general assembly declares that this subsection shall be interpreted so that the holding of *Clark v. Mincks*, 364 N.W.2d. 226 (Iowa 1985) is abrogated in favor of prior judicial interpretation finding the consumption of alcoholic beverages, wine, or beer rather than the serving of alcoholic beverages, wine, or beer as the proximate cause of injury inflicted upon another by an intoxicated person.

2. A person or club holding a liquor control license or retail wine or beer permit under this chapter, and the person's or club's agents or employees, shall not do any of the following:

*a.* Knowingly permit any gambling, except in accordance with chapter 99B, 99D, 99F, or 99G, or knowingly permit solicitation for immoral purposes, or immoral or disorderly conduct on the premises covered by the license or permit.

*b.* Sell or dispense any alcoholic beverage or beer on the premises covered by the license

or permit, or permit its consumption thereon between the hours of 2:00 a.m. and 6:00 a.m. on a weekday, and between the hours of 2:00 a.m. on Sunday and 6:00 a.m. on the following Monday, however, a holder of a liquor control license or retail beer permit granted the privilege of selling alcoholic liquor or beer on Sunday may sell or dispense alcoholic liquor or beer between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on the following Monday.

*c.* Sell alcoholic beverages, wine, or beer to any person on credit, except with a bona fide credit card. This provision does not apply to sales by a club to its members, to sales by a hotel or motel to bona fide registered guests, nor to retail sales by the managing entity of a convention center, civic center, or events center.

*d.* (1) Keep on premises covered by a liquor control license any alcoholic liquor in any container except the original package purchased from the division, and except mixed drinks or cocktails mixed on the premises for immediate consumption on the licensed premises or as otherwise provided by this paragraph "*d*". This prohibition does not apply to common carriers holding a class "D" liquor control license.

(2) Mixed drinks or cocktails mixed on the premises that are not for immediate consumption may be consumed on the licensed premises subject to the requirements of this subparagraph pursuant to rules adopted by the division. The rules shall provide that the mixed drinks or cocktails be stored, for no longer than seventy-two hours, in a labeled container in a quantity that does not exceed three gallons. The rules shall also provide that added flavors and other nonbeverage ingredients included in the mixed drinks or cocktails shall not include hallucinogenic substances or added caffeine or other added stimulants including but not limited to guarana, ginseng, and taurine. In addition, the rules shall require that the licensee keep records as to when the contents in a particular container were mixed and the recipe used for that mixture.

*e.* Reuse for packaging alcoholic liquor or wine any container or receptacle used originally for packaging alcoholic liquor or wine; or adulterate, by the addition of any substance, the contents or remaining contents of an original package of an alcoholic liquor or wine; or knowingly possess any original package which has been so reused or adulterated.

*f.* Employ a person under eighteen years of age in the sale or serving of alcoholic liquor, wine, or beer for consumption on the premises where sold.

*g.* Allow any person other than the licensee, permittee, or employees of the licensee or permittee, to use or keep on the licensed premises any alcoholic liquor in any bottle or other container which is designed for the transporting of such beverages, except as permitted in section 123.95. This paragraph does not apply to the lodging quarters of a class "B" liquor control licensee or wine or beer permittee, or to common carriers holding a class "D" liquor control license.

*h.* Sell, give, or otherwise supply any alcoholic beverage, wine, or beer to any person, knowing or failing to exercise reasonable care to ascertain whether the person is under legal age, or permit any person, knowing or failing to exercise reasonable care to ascertain whether the person is under legal age, to consume any alcoholic beverage, wine, or beer.

*i.* In the case of a retail beer or wine permittee, knowingly allow the mixing or adding of alcohol or any alcoholic beverage to beer, wine, or any other beverage in or about the permittee's place of business.

*j.* Knowingly permit or engage in any criminal activity on the premises covered by the license or permit. However, the absence of security personnel on the licensed premises is insufficient, without additional evidence, to prove that criminal activity occurring on the licensed premises was knowingly permitted in violation of this paragraph "*j*". For purposes of this paragraph "*j*", "*premises*" includes parking lots and areas adjacent to the premises of a liquor licensee or permittee authorized to sell alcoholic beverages for consumption on the licensed premises and used by patrons of the liquor licensee or permittee.

*k.* Sell or dispense any wine on the premises covered by the permit or permit the consumption on the premises between the hours of 2:00 a.m. and 6:00 a.m. on a weekday, and between the hours of 2:00 a.m. on Sunday and 6:00 a.m. on the following Monday, however, a holder of a wine permit authorized to sell wine on Sunday may sell or dispense wine between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on the following Monday.

*l.* Sell, give, possess, or otherwise supply a machine which is used to vaporize an alcoholic beverage for the purpose of being consumed in a vaporized form.

3. A person under legal age shall not misrepresent the person's age for the purpose of purchasing or attempting to purchase any alcoholic beverage, wine, or beer from any licensee or permittee. If any person under legal age misrepresents the person's age, and the licensee or permittee establishes that the licensee or permittee made reasonable inquiry to determine whether the prospective purchaser was over legal age, the licensee or permittee is not guilty of selling alcoholic liquor, wine, or beer to a person under legal age.

4. No privilege of selling alcoholic liquor, wine, or beer on Sunday as provided in section 123.36, subsection 5, and section 123.134, subsection 5, shall be granted to a club or other organization which places restrictions on admission or membership in the club or organization on the basis of sex, race, religion, or national origin. However, the privilege may be granted to a club or organization which places restrictions on membership on the basis of sex, if the club or organization has an auxiliary organization open to persons of the other sex.

[C35, §1921-f46, 1921-f114, 1921-g3; C39, §**1921.046, 1921.115, 1921.116;** C46, 50, 54, 58, 62, 66, 71, §123.46, 124.20, 124.21; C73, 75, 77, 79, 81, §123.49]

84 Acts, ch 1275, §3; 85 Acts, ch 32, §38 – 42; 86 Acts, ch 1002, §5; 86 Acts, ch 1211, §11; 89 Acts, ch 67, §26; 90 Acts, ch 1175, §8; 91 Acts, ch 245, §2, 3; 94 Acts, ch 1172, §4; 97 Acts, ch 126, §4; 2003 Acts, ch 178, §108, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1155, §1; 2006 Acts, ch 1033, §1; 2010 Acts, ch 1128, §4; 2012 Acts, ch 1138, §22

Referred to in §123.36, 123.39, 123.50, 123.50A, 123.92, 123.134, 123.150, 602.6405, 805.8C(2)

Civil liability for dispensing or sale and service to intoxicated persons; see §123.92

For scheduled fines applicable to violations of subsection 2, paragraph h, see §805.8C(2)

**123.50 Criminal and civil penalties.**

1. Any person who violates any of the provisions of section 123.49, except section 123.49, subsection 2, paragraph *"h"*, or who fails to affix upon sale, defaces, or fails to record a keg identification sticker or produce a record of keg identification stickers pursuant to section 123.138, shall be guilty of a simple misdemeanor. A person who violates section 123.49, subsection 2, paragraph *"h"*, commits a simple misdemeanor punishable as a scheduled violation under section 805.8C, subsection 2.

2. The conviction of any liquor control licensee, wine permittee, or beer permittee for a violation of any of the provisions of section 123.49, subject to subsection 3 of this section, is grounds for the suspension or revocation of the license or permit by the division or the local authority. However, if any liquor control licensee is convicted of any violation of subsection 2, paragraph *"a"*, *"d"*, or *"e"*, of that section, or any wine or beer permittee is convicted of a violation of paragraph *"a"* or *"e"* of that section, the liquor control license, wine permit, or beer permit shall be revoked and shall immediately be surrendered by the holder, and the bond, if any, of the license or permit holder shall be forfeited to the division.

3. If any licensee, wine permittee, beer permittee, or employee of a licensee or permittee is convicted or found in violation of section 123.49, subsection 2, paragraph *"h"*, the administrator or local authority shall, in addition to criminal penalties fixed for violations by this section, assess a civil penalty as follows:

*a.* A first violation shall subject the licensee or permittee to a civil penalty in the amount of five hundred dollars. Failure to pay the civil penalty as ordered under section 123.39 shall result in automatic suspension of the license or permit for a period of fourteen days.

*b.* A second violation within two years shall subject the licensee or permittee to a thirty-day suspension and a civil penalty in the amount of one thousand five hundred dollars.

*c.* A third violation within three years shall subject the licensee or permittee to a sixty-day suspension and a civil penalty in the amount of one thousand five hundred dollars.

*d.* A fourth violation within three years shall result in revocation of the license or permit.

*e.* For purposes of this subsection:

(1) The date of any violation shall be used in determining the period between violations.

(2) Suspension shall be limited to the specific license or permit for the premises found in violation.

(3) Notwithstanding section 123.40, revocation shall be limited to the specific license or

permit found in violation and shall not disqualify a licensee or permittee from holding a license or permit at a separate location.

4. In addition to any other penalties imposed under this chapter, the division shall assess a civil penalty up to the amount of five thousand dollars upon a class "E" liquor control licensee when the class "E" liquor license is revoked for a violation of section 123.59. Failure to pay the civil penalty as required under this subsection shall result in forfeiture of the bond to the division.

5. If an employee of a licensee or permittee violates section 123.49, subsection 2, paragraph *"h"*, the licensee or permittee shall not be assessed a penalty under subsection 3, and the violation shall be deemed not to be a violation of section 123.49, subsection 2, paragraph *"h"*, for the purpose of determining the number of violations for which a penalty may be assessed pursuant to subsection 3, if the employee holds a valid certificate of completion of the alcohol compliance employee training program pursuant to section 123.50A at the time of the violation, and if the violation involves selling, giving, or otherwise supplying any alcoholic beverage, wine, or beer to a person between the ages of eighteen and twenty years of age. A violation involving a person under the age of eighteen years of age shall not qualify for the bar against assessment of a penalty pursuant to subsection 3, for a violation of section 123.49, subsection 2, paragraph *"h"*. A licensee or permittee may assert only once in a four-year period the bar under this subsection against assessment of a penalty pursuant to subsection 3, for a violation of section 123.49, subsection 2, paragraph *"h"*, that takes place at the same place of business location.

[C35, §1921-f46, 1921-f127; C39, §**1921.046, 1921.132;** C46, 50, 54, 58, 62, 66, 71, §123.46, 124.37; C73, 75, 77, 79, 81, §123.50]

84 Acts, ch 1275, §4; 84 Acts, ch 1292, §1; 85 Acts, ch 32, §43; 86 Acts, ch 1246, §745; 88 Acts, ch 1088, §6; 88 Acts, ch 1241, §14; 89 Acts, ch 252, §2; 93 Acts, ch 91, §18; 94 Acts, ch 1172, §5; 97 Acts, ch 126, §5, 6; 98 Acts, ch 1204, §1, 2; 2001 Acts, ch 137, §5; 2004 Acts, ch 1008, §1; 2007 Acts, ch 46, §1; 2011 Acts, ch 30, §6; 2013 Acts, ch 30, §23

Referred to in §99B.10B, 99B.14, 123.141

License or permit suspension upon revocation of amusement device permit; §99B.10B

Subsection 1 amended

**123.50A Alcohol compliance employee training program.**

1. If sufficient funding is appropriated, the division shall develop an alcohol compliance employee training program, not to exceed two hours in length for employees and prospective employees of licensees and permittees, to inform the employees about state and federal liquor laws and regulations regarding the sale of alcoholic liquor, wine, or beer to persons under legal age, and compliance with and the importance of laws regarding the sale of alcoholic liquor, wine, or beer to persons under legal age. In developing the alcohol compliance employee training program, the division may consult with stakeholders who have expertise in the laws and regulations regarding the sale of alcoholic liquor, wine, or beer to persons under legal age.

2. The alcohol compliance employee training program shall be made available to employees and prospective employees of licensees and permittees at no cost to the employee, the prospective employee, or the licensee or permittee, and in a manner which is as convenient and accessible to the extent practicable throughout the state so as to encourage attendance. Contingent upon the availability of specified funds for provision of the program, the division shall schedule the program on at least a monthly basis and the program shall be available at a location in at least a majority of counties.

3. Upon completion of the alcohol compliance employee training program, an employee or prospective employee shall receive a certificate of completion, which shall be valid for a period of two years, unless the employee or prospective employee is convicted of a violation of section 123.49, subsection 2, paragraph *"h"*, in which case the certificate shall be void.

4. The division shall also offer periodic continuing employee training and recertification for employees who have completed initial training and received an initial certificate of completion as part of the alcohol compliance employee training program.

2011 Acts, ch 30, §7

**123.51 Advertisements for alcoholic liquor, wine, or beer.**

1. No signs or other matter advertising any brand of alcoholic liquor, beer, or wine shall be erected or placed upon the outside of any premises occupied by a licensee or permittee authorized to sell alcoholic liquor, beer, or wine at retail. This subsection does not prohibit the use of signs or other matter inside a fence or similar enclosure which wholly or partially surrounds the licensed premises.

2. Violation of this section is a simple misdemeanor.

[C35, §1921-f47; C39, §**1921.047;** C46, 50, 54, 58, 62, 66, 71, §123.47; C73, 75, 77, 79, 81, §123.51]

85 Acts, ch 32, §44; 86 Acts, ch 1246, §746; 87 Acts, ch 22, §9

**123.52 Prohibited sale.**

No person not expressly authorized by this chapter to deal in alcoholic liquors shall within the state keep for sale or offer for sale anything which is capable of being mistaken for a package containing alcoholic liquor and is either labeled or branded with the name of any kind of alcoholic liquor, whether the same contains any alcoholic liquor or not.

[C35, §1921-f48; C39, §**1921.048;** C46, 50, 54, 58, 62, 66, 71, §123.48; C73, 75, 77, 79, 81, §123.52]

**123.53 Beer and liquor control fund — allocations to substance abuse — use of civil penalties.**

1. There shall be established within the office of the treasurer of state a fund to be known as the beer and liquor control fund. The fund shall consist of any moneys appropriated by the general assembly for deposit in the fund and moneys received from the sale of alcoholic liquors by the division, from the issuance of permits and licenses, and of moneys and receipts received by the division from any other source.

2. *a.* The director of the department of administrative services shall periodically transfer from the beer and liquor control fund to the general fund of the state those revenues of the division which are not necessary for the purchase of liquor for resale by the division, or for remittances to local authorities or other sources as required by this chapter, or for other obligations and expenses of the division which are paid from such fund.

*b.* All moneys received by the division from the issuance of vintner's certificates of compliance and wine permits shall be transferred by the director of the department of administrative services to the general fund of the state.

3. Notwithstanding subsection 2, if gaming revenues under sections 99D.17 and 99F.11 are insufficient in a fiscal year to meet the total amount of such revenues directed to be deposited in the revenue bonds debt service fund and the revenue bonds federal subsidy holdback fund during the fiscal year pursuant to section 8.57, subsection 5, paragraph *"e"*, the difference shall be paid from moneys deposited in the beer and liquor control fund prior to transfer of such moneys to the general fund pursuant to subsection 2 and prior to the transfer of such moneys pursuant to subsections 5 and 6. If moneys deposited in the beer and liquor control fund are insufficient during the fiscal year to pay the difference, the remaining difference shall be paid from moneys deposited in the beer and liquor control fund in subsequent fiscal years as such moneys become available.

4. The treasurer of state shall, each quarter, prepare an estimate of the gaming revenues and of the moneys to be deposited in the beer and liquor control fund that will become available during the remainder of the appropriate fiscal year for the purposes described in subsection 3. The department of management, the department of inspections and appeals, and the department of commerce shall take appropriate actions to provide that the sum of the amount of gaming revenues available to be deposited into the revenue bonds debt service fund and the revenue bonds federal subsidy holdback fund during a fiscal year and the amount of moneys to be deposited in the beer and liquor control fund available to be deposited into the revenue bonds debt service fund and the revenue bonds federal subsidy holdback fund during such fiscal year will be sufficient to cover any anticipated deficiencies.

5. After any transfer provided for in subsection 3 is made, the department of commerce shall transfer into a special revenue account in the general fund of the state, a sum of money at

least equal to seven percent of the gross amount of sales made by the division from the beer and liquor control fund on a monthly basis but not less than nine million dollars annually. Of the amounts transferred, two million dollars, plus an additional amount determined by the general assembly, shall be appropriated to the Iowa department of public health for use by the staff who administer the comprehensive substance abuse program under chapter 125 for substance abuse treatment and prevention programs. Any amounts received in excess of the amounts appropriated to the Iowa department of public health for use by the staff who administer the comprehensive substance abuse program under chapter 125 shall be considered part of the general fund balance.

6. After any transfers provided for in subsections 3 and 5, the department of commerce shall transfer to the division from the beer and liquor control fund and before any other transfer to the general fund, an amount sufficient to pay the costs incurred by the division for collecting and properly disposing of the liquor containers.

7. Civil penalties imposed and collected by the division shall be credited to the general fund of the state. The moneys from the civil penalties shall be used by the division, subject to appropriation by the general assembly, for the purposes of providing educational programs, information and publications for alcoholic beverage licensees and permittees, local authorities, and law enforcement agencies regarding the laws and rules which govern the alcoholic beverages industry, and for promoting compliance with alcoholic beverage laws and rules.

[C35, §1921-f50; C39, §**1921.050;** C46, 50, 54, 58, 62, 66, 71, §123.50; C73, 75, 77, 79, 81, §123.53]

85 Acts, ch 32, §45 – 47; 86 Acts, ch 1246, §603, 747; 88 Acts, ch 1151, §1; 88 Acts, ch 1250, §10; 92 Acts, ch 1242, §25; 93 Acts, ch 91, §19; 99 Acts, ch 199, §32; 2003 Acts, ch 145, §286; 2005 Acts, ch 179, §144, 146; 2006 Acts, ch 1010, §51; 2007 Acts, ch 126, §23; 2009 Acts, ch 41, §263; 2009 Acts, ch 173, §31, 32, 36; 2010 Acts, ch 1184, §92; 2011 Acts, ch 34, §35; 2012 Acts, ch 1021, §136

Referred to in §8.57, 24.14, 123.24, 123.183

**123.54 Appropriations.**

Division appropriations shall be paid by the treasurer of state upon the orders of the administrator, in such amounts and at such times as the administrator deems necessary to carry on operations in accordance with the terms of this chapter.

[C35, §1921-f52; C39, §**1921.052;** C46, 50, 54, 58, 62, 66, 71, §123.52; C73, 75, 77, 79, 81, §123.54]

**123.55 Annual report.**

The commission shall cause to be prepared an annual report to the governor of the state, ending with June 30 of each fiscal year, on the operation and financial position of the division for the preceding fiscal year. The report shall include but is not limited to the following information:

1. Amount of profit or loss from division operations.
2. The current balance of the beer and liquor control fund, and the amount transferred from the fund to the treasurer of state during the period covered by the report.
3. All other funds on hand and the source from which derived.
4. The total quantity and particular kind of alcoholic liquor sold.
5. The increase or decrease of liquor sales from the previous reporting period.
6. The number of liquor control licenses, wine permits, and beer permits issued, by class, the number in effect on the last day included in the report, and the number which have been suspended or revoked during the period covered by the report.
7. Amount of fees paid to the division from liquor control licenses, wine permits, and beer

permits, in gross, and the amount of liquor control license fees returned to local subdivisions of government as provided under this chapter.

[C35, §1921-f53; C39, §**1921.053;** C46, 50, 54, 58, 62, 66, 71, §123.53; C73, 75, 77, 79, 81, §123.55]

85 Acts, ch 32, §48; 86 Acts, ch 1246, §748; 2013 Acts, ch 35, §22
Unnumbered paragraph 1 amended

**123.56 Native wines.**

1. Subject to rules of the division, manufacturers of native wines from grapes, cherries, other fruits or other fruit juices, vegetables, vegetable juices, dandelions, clover, honey, or any combination of these ingredients, holding a class "A" wine permit as required by this chapter, may sell, keep, or offer for sale and deliver the wine. Notwithstanding any other provision of this chapter, manufacturers of native wine may purchase and possess grape brandy from the division for the sole purpose of manufacturing wine.

2. Native wine may be sold at retail for off-premises consumption when sold on the premises of the manufacturer, or in a retail establishment operated by the manufacturer. Sales may also be made to class "A" or retail wine permittees or liquor control licensees as authorized by the class "A" wine permit. A manufacturer of native wines shall not sell the wines other than as permitted in this chapter and shall not allow wine sold to be consumed upon the premises of the manufacturer. However, prior to sale native wines may be sampled on the premises where made, when no charge is made for the sampling. A person may manufacture native wine for consumption on the manufacturer's premises, when the wine or any part of it is not manufactured for sale.

3. A manufacturer of native wines may ship wine in closed containers to individual purchasers inside this state by obtaining a wine direct shipper license pursuant to section 123.187.

4. Notwithstanding section 123.179, subsection 1, a class "A" wine permit for a native wine manufacturer shall be issued and renewed annually upon payment of a fee of twenty-five dollars which shall be in lieu of any other license fee required by this chapter. The class "A" permit shall only allow the native wine manufacturer to sell, keep, or offer for sale and deliver the manufacturer's native wines as provided under this section.

5. Notwithstanding any other provision of this chapter, a person engaged in the business of manufacturing native wine may sell native wine at retail for consumption on the premises of the manufacturing facility by applying for a class "C" native wine permit as provided in section 123.178B. A manufacturer of native wine may be granted not more than one class "C" native wine permit.

6. Notwithstanding any other provision of this chapter, a person employed by a class "A" native wine permittee may be employed by a brewery with a class "A" native beer permit provided the person has no ownership interest in either licensed premises.

7. A manufacturer may use the space and equipment of another manufacturer for the purpose of manufacturing native wine, provided that such an alternating proprietorship arrangement is approved by the alcohol and tobacco tax and trade bureau of the United States department of the treasury. A separate class "A" wine permit shall be issued to each manufacturer, and each manufacturer shall be subject to the provisions of this chapter and the rules of the division. Notwithstanding subsection 5, not more than one class "C" native wine permit shall be issued to a premises with alternating proprietorships.

8. For the purposes of this section, *"manufacturer"* includes only those persons who process in Iowa the fruit, vegetables, dandelions, clover, honey, or any combination of these ingredients, by fermentation into wines.

[C35, §1921-f56; C39, §**1921.056;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §123.56]

85 Acts, ch 32, §49; 85 Acts, ch 198, §1; 2003 Acts, ch 143, §4, 5, 17; 2009 Acts, ch 73, §1; 2011 Acts, ch 17, §11; 2011 Acts, ch 30, §8
Referred to in §123.3

**123.57 Examination of accounts.**

The financial condition and transactions of all offices, departments, warehouses, and depots of the division shall be examined at least once each year by the state auditor and at shorter periods if requested by the administrator, governor, commission, or the general assembly's standing committees on government oversight.

[C35, §1921-f57; C39, §**1921.057;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §123.57]

86 Acts, ch 1246, §749; 2011 Acts, ch 30, §9

**123.58 Auditing.**

All provisions of sections 11.6, 11.11, 11.14, 11.21, 11.31, and 11.41, relating to auditing of financial records of governmental subdivisions which are not inconsistent with this chapter are applicable to the division and its offices, warehouses, and depots.

[C35, §1921-f58; C39, §**1921.058;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §123.58]

86 Acts, ch 1246, §750; 89 Acts, ch 264, §4; 2011 Acts, ch 75, §34

**123.59 Bootlegging.**

Any person who, acting individually, or through another acting for the person, keeps or carries on the person, or in a vehicle, or leaves in a place for another to secure, any alcoholic liquor, wine, or beer, with intent to sell or dispense the liquor, wine, or beer, by gift or otherwise in violation of law, or who, within this state, in any manner, directly or indirectly, solicits, takes, or accepts an order for the purchase, sale, shipment, or delivery of alcoholic liquor, wine, or beer in violation of law, or aids in the delivery and distribution of alcoholic liquor, wine, or beer so ordered or shipped, or who in any manner procures for, sells, or gives alcoholic liquor, wine, or beer to a person under legal age, for any purpose except as authorized and permitted in this chapter, is a bootlegger and subject to the general penalties provided by this chapter.

[C51, §924 – 928; R60, §1559, 1562, 1563, 1583, 1587; C73, §1523, 1540 – 1542, 1555; C97, §2382; SS15, §2382, 2461-a; C24, 27, 31, §1927; C35, §1921-f59, 1927; C39, §**1921.059, 1927;** C46, 50, 54, 58, 62, 66, 71, §123.59, 125.7; C73, 75, 77, 79, 81, §123.59]

85 Acts, ch 32, §50; 85 Acts, ch 67, §16

Referred to in §123.50

**123.60 Nuisances.**

The premises where the unlawful manufacture or sale, or keeping with intent to sell, use or give away, of alcoholic liquors, wine, or beer is carried on, and any vehicle or other means of conveyance used in transporting liquor, wine, or beer in violation of law, and the furniture, fixtures, vessels and contents, kept or used in connection with such activities are nuisances and shall be abated as provided in this chapter.

[C51, §935; R60, §1564; C73, §1543; C97, §2384; C24, 27, 31, §1929; C35, §1921-f60, 1929; C39, §**1921.060, 1929;** C46, 50, 54, 58, 62, 66, 71, §123.60, 125.9; C73, 75, 77, 79, 81, §123.60]

85 Acts, ch 32, §51

Referred to in §123.61

Nuisances in general, chapter 657

**123.61 Penalty.**

Any person who erects, establishes, or uses any premises for any of the purposes prohibited in section 123.60, is guilty of nuisance and shall be subject to the general penalties provided by this chapter.

[C51, §935; R60, §1564; C73, §1543; C97, §2384; C24, 27, 31, §1930; C35, §1921-f61, 1930; C39, §**1921.061, 1930;** C46, 50, 54, 58, 62, 66, 71, §123.61, 125.10; C73, 75, 77, 79, 81, §123.61]

**123.62 Injunction.**

Actions to enjoin nuisances shall be brought in equity in the name of the state by the county attorney who shall prosecute the same to judgment.

[R60, §1564; C73, §1543; C97, §2405, 2406; S13, §2406; SS15, §2405; C24, 27, 31, §2017; C35, §1921-f62, 2017; C39, §**1921.062, 2017;** C46, 50, 54, 58, 62, 66, 71, §123.62, 128.1; C73, 75, 77, 79, 81, §123.62]

Referred to in §331.756(25)

**123.63 Temporary writ.**

In such action, the court shall, upon the presentation of a petition therefor, allow a temporary writ of injunction without bond, if it shall be made to appear to the satisfaction of the court by evidence in the form of affidavits, depositions, oral testimony or otherwise, that the nuisance complained of exists.

[R60, §1564; C73, §1543; C97, §2405; SS15, §2405; C24, 27, 31, §2018; C35, §1921-f63, 2018; C39, §**1921.063, 2018;** C46, 50, 54, 58, 62, 66, 71, §123.63, 128.2; C73, 75, 77, 79, 81, §123.63]

**123.64 Notice.**

Three days' notice in writing shall be given the defendant of the hearing of the application, and if then continued at the defendant's instance the writ as petitioned for shall be granted as a matter of course.

[C97, §2405; SS15, §2405; C24, 27, 31, §2019; C35, §1921-f64, 2019; C39, §**1921.064, 2019;** C46, 50, 54, 58, 62, 66, 71, §123.64, 128.3; C73, 75, 77, 79, 81, §123.64]

90 Acts, ch 1168, §26

**123.65 Scope of injunction.**

When an injunction has been granted, it shall be binding upon the defendant throughout the state and any violation of the provisions of this chapter anywhere within the state shall be punished as a contempt as herein provided.

[C97, §2405; SS15, §2405; C24, 27, 31, §2020; C35, §1921-f65, 2020; C39, §**1921.065, 2020;** C46, 50, 54, 58, 62, 66, 71, §123.65, 128.4; C73, 75, 77, 79, 81, §123.65]

**123.66 Trial of action.**

Any action brought hereunder shall be accorded priority over other business pending before the district court.

[C97, §2406; S13, §2406; C24, 27, 31, §2021; C35, §1921-f66, 2021; C39, §**1921.066, 2021;** C46, 50, 54, 58, 62, 66, 71, §123.66, 128.5; C73, 75, 77, 79, 81, §123.66]

**123.67 General reputation.**

In all actions to enjoin a nuisance or to establish a violation of the injunction, evidence of the general reputation of the premises described in the petition or information shall be admissible for the purpose of proving the existence of the nuisance or the violation of the injunction.

[C97, §2406; S13, §2406; C24, 27, 31, §2022; C35, §1921-f67, 2022; C39, §**1921.067, 2022;** C46, 50, 54, 58, 62, 66, 71, §123.67, 128.6; C73, 75, 77, 79, 81, §123.67]

**123.68 Contempt.**

In the case of a violation of any injunction granted under the provisions of this chapter, the court may summarily try and punish the defendant pursuant to the general penalties provided by this chapter. The proceedings shall be commenced by filing with the clerk of the court an information under oath setting out the alleged facts constituting such violation, upon which the court shall cause a warrant to issue under which the defendant shall be arrested.

[C97, §2407; SS15, §2407; C24, 27, 31, §2027; C35, §1921-f68, 2027; C39, §**1921.068, 2027;** C46, 50, 54, 58, 62, 66, 71, §123.68, 128.13; C73, 75, 77, 79, 81, §123.68]

**123.69 Trial of contempt action.**

The trial shall be as in equity and may be had upon depositions, or either party may demand the production and oral examination of the witnesses.

[C97, SS15, §2407; C24, 27, 31, §2028; C35, §1921-f69, 2028; C39, §**1921.069, 2028;** C46, 50, 54, 58, 62, 66, 71, §123.69, 128.14; C73, 75, 77, 79, 81, §123.69]

**123.70 Injunction against bootlegger.**

A bootlegger as defined in this chapter may be restrained by injunction from doing or continuing to do any of the acts prohibited herein, and all the proceedings for injunctions, temporary and permanent, and for punishments for violation of the same as prescribed herein, shall be applicable to such person, and the fact that an offender has no known or permanent place of business, or base of supplies, or quits the business after the commencement of an action, shall not prevent a temporary or permanent injunction, as the case may be, from issuing.

[S13, §2461-b; C24, 27, 31, §2031; C35, §1921-f71, 2031; C39, §**1921.071, 2031;** C46, 50, 54, 58, 62, 66, 71, §123.71, 128.17; C73, 75, 77, 79, 81, §123.70]

**123.71 Conditions on injunction proceeding.**

A bootlegger injunction proceeding, as provided in this chapter, shall not be maintained unless it is shown to the court that efforts in good faith have been made to discover the base of supplies or place where the defendant charged as a bootlegger conducts an unlawful business or receives or manufactures the alcoholic liquor, wine, or beer, which the defendant is charged with bootlegging.

[C27, 31, §2031-a1; C35, §1921-f72, 2031-a1; C39, §**1921.072, 2031.1;** C46, 50, 54, 58, 62, 66, 71, §123.72, 128.18; C73, 75, 77, 79, 81, §123.71]

85 Acts, ch 32, §52

**123.72 Order of abatement of nuisance.**

If the existence of a nuisance is established in a civil or criminal action, an order of abatement shall be entered as a part of the judgment in the case. The order shall direct the confiscation of all alcoholic liquor, wine, or beer by the state; the removal from the premises involved of all fixtures, furniture, vessels, or movable property used in any way in conducting the unlawful business; the sale of all removed property as well as any vehicle or other means of conveyance which has been abated, the sale to be conducted in the manner provided for the sale of chattels under execution; and the effective closing of the premises against use for the purpose of manufacture, sale, or consumption of alcoholic liquor, wine, or beer for a period of one year, unless sooner released by the court.

[C51, §935; R60, §1559; C73, §1523, 1543; C97, §2408; C24, 27, 31, §2032; C35, §1921-f73, 2032; C39, §**1921.073, 2032;** C46, 50, 54, 58, 62, 66, 71, §123.73, 128.19; C73, 75, 77, 79, 81, §123.72]

85 Acts, ch 32, §53

**123.73 Use of abated premises.**

If any person uses a premises closed pursuant to an abatement order in violation of such order the person shall be punished for contempt as provided in this chapter.

[C97, §2408; C24, 27, 31, §2033; C35, §1921-f74, 2033; C39, §**1921.074, 2033;** C46, 50, 54, 58, 62, 66, 71, §123.74, 128.20; C73, 75, 77, 79, 81, §123.73]

**123.74 Fees.**

For removing and selling the movable property, the officer shall be entitled to charge and receive the same fees as the officer would for levying upon and selling like property on execution; and for closing the premises and keeping them closed a reasonable sum shall be allowed by the court.

[C97, §2408; C24, 27, 31, §2034; C35, §1921-f75, 2034; C39, §**1921.075, 2034;** C46, 50, 54, 58, 62, 66, 71, §123.75, 128.21; C73, 75, 77, 79, 81, §123.74]

**123.75 Proceeds of sale.**

The proceeds of the sale of personal property in abatement proceedings shall be applied first in payment of the costs of the action and abatement, and second to the satisfaction of any fine and costs adjudged against the proprietor of the premises and keeper of said nuisance, and the balance, if any, shall be paid to the defendant.

[C97, §2409; C24, 27, 31, §2035; C35, §1921-f76, 2035; C39, §**1921.076, 2035;** C46, 50, 54, 58, 62, 66, 71, §123.76, 128.22; C73, 75, 77, 79, 81, §123.75]

**123.76 Abatement of nuisance.**

If the owner of the abated premises appears and pays all costs of the proceeding and files a bond with sureties to be approved by the clerk in the full value of the property, to be ascertained by the court, conditioned that the owner will immediately abate the nuisance and prevent the same from being established or kept on such premises within a period of one year thereafter, the court may order such premises to be delivered to the owner and cancel the order of abatement so far as it may relate to the property.

[C97, §2410; S13, §2410; C24, 27, 31, §2036; C35, §1921-f77, 2036; C39, §**1921.077, 2036;** C46, 50, 54, 58, 62, 66, 71, §123.77, 128.23; C73, 75, 77, 79, 81, §123.76]

Referred to in §123.78, 602.8102(30)

**123.77 Abatement before judgment.**

If the action is in equity and the owner of the premises pays the costs of the action and files the bond prior to the entry of judgment and the abatement order, such action shall be abated as to the premises only.

[C97, §2410; S13, §2410; C24, 27, 31, §2037; C35, §1921-f78, 2037; C39, §**1921.078, 2037;** C46, 50, 54, 58, 62, 66, 71, §123.78, 128.24; C73, 75, 77, 79, 81, §123.77]

Referred to in §123.78

**123.78 Existing liens.**

The release of the property under the provisions of either section 123.76 or 123.77 shall not release it from any judgment lien, penalty, or liability, to which it may be subject by law.

[C97, §2410; S13, §2410; C24, 27, 31, §2038; C35, §1921-f79, 2038; C39, §**1921.079, 2038;** C46, 50, 54, 58, 62, 66, 71, §123.79, 128.25; C73, 75, 77, 79, 81, §123.78]

**123.79 Abatement bond a lien.**

Undertakings of bonds for abatement shall immediately after filing by the clerk of the district court be docketed and entered upon the lien index as required for judgments in civil cases, and from the time of such entries shall be liens upon real estate of the persons executing the same, with like effect as judgments in civil actions.

[C24, 27, 31, §2039; C35, §1921-f80, 2039; C39, §**1921.080, 2039;** C46, 50, 54, 58, 62, 66, 71, §123.80, 128.26; C73, 75, 77, 79, 81, §123.79]

Referred to in §123.84, 602.8102(30)

**123.80 Attested copies filed.**

Attested copies of such undertakings may be filed in the office of the clerk of the district court of the county in which the real estate is situated in the same manner and with like effect as attested copies of judgments, and shall be immediately docketed and indexed in the same manner.

[C24, 27, 31, §2040; C35, §1921-f81, 2040; C39, §**1921.081, 2040;** C46, 50, 54, 58, 62, 66, 71, §123.81, 128.27; C73, 75, 77, 79, 81, §123.80]

Referred to in §602.8102(30)

**123.81 Forfeiture of bond.**

If the owner of a property who has filed an abatement bond as provided in this chapter fails to abate the liquor, wine, or beer nuisance on the premises covered by the bond, or fails to prevent the maintenance of any liquor, wine, or beer nuisance on the premises at any time within a period of one year after entry of the abatement order, the court shall, after a hearing

in which such fact is established, direct an entry of the violation of the terms of the owner's bond to be made on the record and the undertaking of the owner's bond shall be forfeited.

[C24, 27, 31, §2041; C35, §1921-f82, 2041; C39, §**1921.082, 2041;** C46, 50, 54, 58, 62, 66, 71, §123.82, 128.28; C73, 75, 77, 79, 81, §123.81]

85 Acts, ch 32, §54

**123.82 Procedure.**

A proceeding to forfeit an abatement bond shall be commenced by filing with the clerk of the court, by the county attorney of the county where the bond is filed, an application under oath to forfeit such bond, setting out the alleged facts constituting the violation of the terms of the bond, upon which the court shall direct by order attached to such application that a notice be issued by the clerk of the district court directed to the principal and sureties on the bond to appear at a certain date fixed to show cause why such bond should not be forfeited and judgment entered for the penalty fixed therein.

[C24, 27, 31, §2042; C35, §1921-f83, 2042; C39, §**1921.083, 2042;** C46, 50, 54, 58, 62, 66, 71, §123.83, 128.29; C73, 75, 77, 79, 81, §123.82]

**123.83 Method of trial.**

The trial shall be to the court and as in equity, and be governed by the same rules of evidence as contempt proceedings.

[C24, 27, 31, §2043; C35, §1921-f84, 2043; C39, §**1921.084, 2043;** C46, 50, 54, 58, 62, 66, 71, §123.84, 128.30; C73, 75, 77, 79, 81, §123.83]

**123.84 Judgment.**

If the court after a hearing finds a liquor, wine, or beer nuisance has been maintained on the premises covered by the abatement bond and that liquor, wine, or beer has been sold or kept for sale on the premises contrary to law within one year from the date of the giving of the bond, then the court shall order the forfeiture of the bond and enter judgment for the full amount of the bond against the principal and sureties on the bond, and the lien on the real estate created pursuant to section 123.79 shall be decreed foreclosed and the court shall provide for a special and general execution for the enforcement of the decree and judgment.

[C24, 27, 31, §2044; C35, §1921-f85, 2044; C39, §**1921.085, 2044;** C46, 50, 54, 58, 62, 66, 71, §123.85, 128.31; C73, 75, 77, 79, 81, §123.84]

85 Acts, ch 32, §55

**123.85 Appeal.**

Appeal may be taken as in equity cases and the cause be triable de novo except that if the state appeals it need not file an appeal or supersedeas bond.

[C24, 27, 31, §2045; C35, §1921-f86, 2045; C39, §**1921.086, 2045;** C46, 50, 54, 58, 62, 66, 71, §123.86, 128.32; C73, 75, 77, 79, 81, §123.85]

**123.86 County attorney to prosecute.**

It shall be the duty of the county attorney to prosecute in the name of the state all forfeitures of abatement bonds and the foreclosures of same.

[C24, 27, 31, §2047; C35, §1921-f87, 2047; C39, §**1921.087, 2047;** C46, 50, 54, 58, 62, 66, 71, §123.87, 128.34; C73, 75, 77, 79, 81, §123.86]

Referred to in §331.756(25)

**123.87 Prompt service.**

It shall be a simple misdemeanor for any peace officer to delay service of original notices, writs of injunction, writs of abatement, or warrants for contempt in any equity case filed for injunction or abatement by the state.

[C24, 27, 31, §2049; C35, §1921-f88, 2049; C39, §**1921.088, 2049;** C46, 50, 54, 58, 62, 66, 71, §123.88, 128.36; C73, 75, 77, 79, 81, §123.87]

**123.88 Evidence.**

On the issue whether a party knew or ought to have known of such nuisance, evidence of the general reputation of the place shall be admissible.

[C24, 27, 31, §2053; C35, §1921-f89, 2053; C39, §**1921.089, 2053;** C46, 50, 54, 58, 62, 66, 71, §123.89, 128.40; C73, 75, 77, 79, 81, §123.88]

**123.89 Counts.**

Informations or indictments under this chapter may allege any number of violations of its provisions by the same party, but the several charges must be set out in separate counts, and the accused may be convicted and punished upon each one as on separate informations or indictments, and a separate judgment shall be rendered on each count under which there is a finding of guilty.

[C51, §931; R60, §1562; C73, §1540; C97, §2425; C24, 27, 31, §1953; C35, §1921-f90, 1953; C39, §**1921.090, 1953;** C46, 50, 54, 58, 62, 66, 71, §123.90, 126.8; C73, 75, 77, 79, 81, §123.89]

**123.90 Penalties generally.**

Unless other penalties are herein provided, any person, except a person under legal age, who violates any of the provisions of this chapter, or who makes a false statement concerning any material fact in submitting an application for a permit or license, shall be guilty of a serious misdemeanor. Any person under legal age who violates any of the provisions of this chapter shall upon conviction be guilty of a simple misdemeanor.

[C35, §1921-f91, 1921-f127; C39, §**1921.091, 1921.132;** C46, 50, 54, 58, 62, 66, 71, §123.91, 124.37; C73, 75, 77, 79, 81, §123.90]

**123.91 Second and subsequent conviction.**

Any person who has been convicted, in a criminal action, in any court of record, of a violation of a provision of this chapter, a provision of the prior laws of this state relating to intoxicating liquors, wine, or beer which was in force prior to the enactment of this chapter, or a provision of the laws of the United States or of any other state relating to intoxicating liquors, wine, or beer, and who is thereafter convicted of a subsequent criminal offense against any provision of this chapter is guilty of the following offenses:

1. For the second conviction, a serious misdemeanor.
2. For the third and each subsequent conviction, an aggravated misdemeanor.

[R60, §1561, 1563, 1577; C73, §1525, 1538, 1540, 1542, 1559; SS15, §2461-m; C24, 27, 31, 35, 39, §**1964;** C46, 50, 54, 58, 62, 66, 71, §126.19; C73, 75, 77, 79, 81, §123.91]

85 Acts, ch 32, §56

**123.92 Civil liability for dispensing or sale and service of beer, wine, or intoxicating liquor (Dramshop Act) — liability insurance — underage persons.**

1. *a.* Any person who is injured in person or property or means of support by an intoxicated person or resulting from the intoxication of a person, has a right of action for all damages actually sustained, severally or jointly, against any licensee or permittee, whether or not the license or permit was issued by the division or by the licensing authority of any other state, who sold and served any beer, wine, or intoxicating liquor to the intoxicated person when the licensee or permittee knew or should have known the person was intoxicated, or who sold to and served the person to a point where the licensee or permittee knew or should have known the person would become intoxicated.

*b.* If the injury was caused by an intoxicated person, a permittee or licensee may establish as an affirmative defense that the intoxication did not contribute to the injurious action of the person.

2. *a.* Every liquor control licensee and class "B" beer permittee, except a class "E" liquor control licensee, shall furnish proof of financial responsibility by the existence of a liability insurance policy in an amount determined by the division. If an insurer provides dramshop liability insurance at a new location to a licensee or permittee who has a positive loss experience at other locations for which such insurance is provided by the insurer, and the insurer bases premium rates at the new location on the negative loss history of the previous

licensee or permittee at that location, the insurer shall examine and consider adjusting the premium for the new location not less than thirty months after the insurance is issued, based on the loss experience of the licensee or permittee at that location during that thirty-month period of time.

*b.* A dramshop liability insurance policy may be written on an aggregate limit basis.

*c.* The purpose of dramshop liability insurance is to provide protection for members of the public who experience damages as a result of licensees or permittees serving patrons beer, wine, or intoxicating liquor to a point that reaches or exceeds the standard set forth in law for liability. Minimum coverage requirements for such insurance are not for the purpose of making the insurance affordable for all licensees or permittees regardless of claims experience. A dramshop liability insurance policy obtained by a licensee or permittee shall meet the minimum insurance coverage requirements as determined by the division and is a mandatory condition for holding a license or permit.

3. *a.* Notwithstanding section 123.49, subsection 1, any person who is injured in person or property or means of support by an intoxicated person who is under legal age or resulting from the intoxication of a person who is under legal age, has a right of action for all damages actually sustained, severally or jointly, against a person who is not a licensee or permittee and who dispensed or gave any beer, wine, or intoxicating liquor to the intoxicated underage person when the nonlicensee or nonpermittee who dispensed or gave the beer, wine, or intoxicating liquor to the underage person knew or should have known the underage person was intoxicated, or who dispensed or gave beer, wine, or intoxicating liquor to the underage person to a point where the nonlicensee or nonpermittee knew or should have known that the underage person would become intoxicated.

*b.* If the injury was caused by an intoxicated person who is under legal age, a person who is not a licensee or permittee and who dispensed or gave beer, wine, or intoxicating liquor to the underage person may establish as an affirmative defense that the intoxication did not contribute to the injurious action of the underage person.

*c.* For purposes of this subsection, *"dispensed"* or *"gave"* means the act of physically presenting a receptacle containing beer, wine, or intoxicating liquor to the underage person whose actions or intoxication results in the sustaining of damages by another person. However, a person who dispenses or gives beer, wine, or intoxicating liquor to an underage person shall only be liable for any damages if the person knew or should have known that the underage person was under legal age.

[C73, §1557; C97, §2418; C24, 27, 31, 35, 39, §**2055;** C46, 50, 54, 58, 62, §129.2; C66, 71, §123.95, 129.2; C73, 75, 77, 79, 81, §123.92]

85 Acts, ch 32, §57; 86 Acts, ch 1211, §12; 88 Acts, ch 1158, §30; 92 Acts, ch 1136, §1; 97 Acts, ch 126, §7; 2009 Acts, ch 128, §1; 2013 Acts, ch 124, §1

Referred to in §123.95

Subsection 2 amended

**123.93 Limitation of action.**

Within six months of the occurrence of an injury, the injured person shall give written notice to the licensee or permittee or such licensee's or permittee's insurance carrier of the person's intention to bring an action under this section, indicating the time, place and circumstances causing the injury. Such six months' period shall be extended if the injured party is incapacitated at the expiration thereof or unable, through reasonable diligence, to discover the name of the licensee, permittee, or person causing the injury or until such time as such incapacity is removed or such person has had a reasonable time to discover the name of the licensee, permittee or person causing the injury.

[C73, 75, 77, 79, 81, §123.93]

**123.94 Inurement of action prohibited.**

No right of action for contribution or indemnity shall accrue to any insurer, guarantor or indemnitor of any intoxicated person for any act of such intoxicated person against any licensee or permittee as defined in this chapter.

[C73, 75, 77, 79, 81, §123.94]

**123.95 Premises must be licensed — exception as to conventions and social gatherings.**

1. A person shall not allow the dispensing or consumption of alcoholic liquor, except wines and beer, in any establishment unless the establishment is licensed under this chapter or except as otherwise provided in this section. The holder of an annual class "B" liquor control license or an annual class "C" liquor control license may act as the agent of a private social host for the purpose of providing and serving alcoholic liquor, wine, and beer as part of a food catering service for a private social gathering in a private place. The holder of an annual special class "C" liquor control license shall not act as the agent of a private social host for the purpose of providing and serving wine and beer as part of a food catering service for a private social gathering in a private place. The private social host or the licensee shall not solicit donations in payment for the food or alcoholic beverages from the guests, and the alcoholic beverages and food shall be served without cost to the guests. Section 123.92 does not apply to a liquor control licensee who acts in accordance with this section when the liquor control licensee is providing and serving food and alcoholic beverages as an agent of a private social host at a private social gathering in a private place which is not on the licensed premises.

2. An applicant for a class "B" liquor control license or class "C" liquor control license shall state on the application for the license that the licensee intends to engage in catering food and alcoholic beverages for private social gatherings and the catering privilege shall be noted on the license or permit. A licensee who engages in catering food and alcoholic beverages for private social gatherings shall maintain a record on the licensed premises which includes the name and address of the host of the private social gathering, and the date for which catering was provided. The record maintained pursuant to this section shall be open to inspection pursuant to section 123.30, subsection 1, during normal business hours of the licensee.

3. However, bona fide conventions or meetings may bring their own legal liquor onto the licensed premises if the liquor is served to delegates or guests without cost. All other provisions of this chapter shall be applicable to such premises. The provisions of this section shall have no application to private social gatherings of friends or relatives in a private home or private place which is not of a commercial nature nor where goods or services may be purchased or sold nor any charge or rent or other thing of value is exchanged for the use of such premises for any purpose other than for sleeping quarters.

[C66, 71, §123.96; C73, 75, 77, 79, 81, §123.95]

85 Acts, ch 32, §58; 93 Acts, ch 91, §20

Referred to in §7D.16, 123.49

**123.96** Repealed by 86 Acts, ch 1246, § 754.

**123.97 Covered into general fund.**

All revenues, except the portion of license fees remitted to the local authorities, arising under the operation of the provisions of this chapter shall become part of the state general fund.

[C66, 71, §123.101; C73, 75, 77, 79, 81, §123.97]

**123.98 Labeling shipments.**

It shall be unlawful for any common carrier or for any person to transport or convey by any means, whether for compensation or not, within this state, any intoxicating liquors, unless the vessel or other package containing such liquors shall be plainly and correctly identified, showing the quantity and kind of liquors contained therein, the name of the party to whom they are to be delivered, and the name of the shipper, or unless such information is shown on a bill of lading or other document accompanying the shipment. No person shall be authorized to receive or keep such liquors unless the same be marked or labeled as required by this section. The violation of any provision of this section by any common carrier, or any agent or employee of any carrier, or by any person, shall be punished under the provisions of this chapter.

Liquors conveyed, carried, transported, or delivered in violation of this section, whether in

the hands of the carrier or someone to whom they shall have been delivered, shall be subject to seizure and condemnation, as liquors kept for illegal sale.

[C97, §2421; C24, 27, 31, 35, 39, §**1936, 1938;** C46, 50, 54, 58, 62, 66, 71, §125.16, 125.18; C73, 75, 77, 79, 81, §123.98]

**123.99 False statements.**

If any person, for the purpose of procuring the shipment, transportation, or conveyance of any intoxicating liquor, wine, or beer within this state, shall make to any person, company, corporation, or common carrier, or to any agent thereof, any false statements as to the character or contents of any box, barrel, or other vessel or package containing such liquor, wine, or beer; or shall refuse to give correct and truthful information as to the contents of any such box, barrel, or other vessel or package so sought to be transported or conveyed; or shall falsely mark, brand, or label such box, barrel, or other vessel or package in order to conceal the fact that the same contains intoxicating liquor, wine, or beer; or shall by any device or concealment procure or attempt to procure the conveyance or transportation of such liquor, wine, or beer as herein prohibited, the person shall be guilty of a simple misdemeanor.

[C97, §2420; C24, 27, 31, 35, 39, §**1934;** C46, 50, 54, 58, 62, 66, 71, §125.14; C73, 75, 77, 79, 81, §123.99]

2013 Acts, ch 35, §25
Section amended

**123.100 Packages in transit.**

Any peace officer of the county under process or warrant to the peace officer directed shall have the right to open any box, barrel, or other vessel or package for examination, if the peace officer has reasonable ground for believing that it contains intoxicating liquor, wine, or beer, either before or while the same is being so transported or conveyed.

[C97, §2420; C24, 27, 31, 35, 39, §**1935;** C46, 50, 54, 58, 62, 66, 71, §125.15; C73, 75, 77, 79, 81, §123.100]

2013 Acts, ch 35, §26
Section amended

**123.101 Record of shipments.**

It shall be the duty of all common carriers, or corporations, or persons who shall for hire carry any intoxicating liquor, wine, or beer into the state, or from one point to another within the state, for the purpose of delivery, and who shall deliver such intoxicating liquor, wine, or beer to any person, company, or corporation, to maintain a proper record of the name of the consignor of each shipment of intoxicating liquor, wine, or beer from where shipped, the date of arrival, the quantity and kind of intoxicating liquor, wine, or beer, so far as disclosed by lettering on the package or by the carrier's records, and to whom and where consigned, and the date delivered.

[SS15, §2421-b; C24, 27, 31, 35, 39, §**1940;** C46, 50, 54, 58, 62, 66, 71, §125.20; C73, 75, 77, 79, 81, §123.101]

2013 Acts, ch 35, §27
Referred to in §123.102
Section amended

**123.102 Inspection of shipping records.**

The records required by section 123.101 shall, during business hours, be open to inspection by any peace or law enforcing officer. It is a simple misdemeanor to refuse such inspection.

[SS15, §2421-c, -d; C24, 27, 31, 35, 39, §**1941;** C46, 50, 54, 58, 62, 66, 71, §125.21; C73, 75, 77, 79, 81, §123.102]

2013 Acts, ch 35, §28
Section amended

**123.103 Record and certification upon delivery.**

The full name and residence or place of business of the consignee of a shipment billed in whole or in part as intoxicating liquor, wine, or beer, shall be properly recorded at the time

of delivery and the consignee shall certify that the intoxicating liquor, wine, or beer is for the consignee's own lawful purposes.

[SS15, §2421-b; C24, 27, 31, 35, 39, §**1942;** C46, 50, 54, 58, 62, 66, 71, §125.22; C73, 75, 77, 79, 81, §123.103]

2013 Acts, ch 35, §29
Referred to in §123.104
Section amended

**123.104 Unlawful delivery.**

It is a simple misdemeanor for any corporation, common carrier, person, or any agent or employee thereof:

1. To deliver any intoxicating liquor, wine, or beer to any person other than to the consignee.

2. To deliver any intoxicating liquor, wine, or beer without having the same properly recorded as provided in section 123.103.

3. To deliver any intoxicating liquor, wine, or beer where there is reasonable ground to believe that such intoxicating liquor, wine, or beer is intended for unlawful use.

[SS15, §2421-c1; C24, 27, 31, 35, 39, §**1943;** C46, 50, 54, 58, 62, 66, 71, §125.23; C73, 75, 77, 79, 81, §123.104]

2013 Acts, ch 35, §30
Section amended

**123.105 Immunity from damage.**

In no case shall any corporation, common carrier, person, or the agent thereof, be liable in damages for complying with any requirements of this chapter.

[SS15, §2421-c; C24, 27, 31, 35, 39, §**1944;** C46, 50, 54, 58, 62, 66, 71, §125.24; C73, 75, 77, 79, 81, §123.105]

**123.106 Federal statutes.**

The requirements of this chapter relative to the shipment and delivery of intoxicating liquor, wine, or beer and the records to be kept thereof shall be construed in harmony with federal statutes relating to interstate commerce in such liquor, wine, or beer.

[SS15, §2421-e; C24, 27, 31, 35, 39, §**1945;** C46, 50, 54, 58, 62, 66, 71, §125.25; C73, 75, 77, 79, 81, §123.106]

2013 Acts, ch 35, §31
Section amended

**123.107 Unnecessary allegations.**

1. In any indictment or information under this chapter, it shall not be necessary:

*a.* To set out exactly the kind or quantity of intoxicating liquor, wine, or beer manufactured, sold, given in evasion of the statute, or kept for sale.

*b.* To set out the exact time of manufacture, sale, gift, or keeping for sale.

*c.* To negative any exceptions contained in the statute creating or defining the offense, which may be proper ground of defense.

2. But proof of the violation by the accused of any provision of this chapter, the substance of which violation is briefly set forth, within the time mentioned in said indictment or information, shall be sufficient to convict such person.

[R60, §1569; C73, §1549; C97, §2424; C24, 27, 31, 35, 39, §**1952;** C46, 50, 54, 58, 62, 66, 71, §126.7; C73, 75, 77, 79, 81, §123.107]

2009 Acts, ch 41, §263; 2013 Acts, ch 35, §32
Subsection 1, paragraph a amended

**123.108 Second conviction defined.**

The second or subsequent convictions provided for in this chapter shall be convictions on separate informations or indictments, and, unless shown in the information or indictment, the charge shall be held to be for a first offense.

[R60, §1562; C73, §1540; C97, §2425; C24, 27, 31, 35, 39, §**1955;** C46, 50, 54, 58, 62, 66, 71, §126.10; C73, 75, 77, 79, 81, §123.108]

**123.109 Record of conviction.**

On the trial of any cause in which the accused is charged with a second or subsequent offense, a duly authenticated copy of the former judgment in any court in which such conviction was had shall be competent evidence of such former conviction.

[SS15, §2461-n; C24, 27, 31, 35, 39, §**1956;** C46, 50, 54, 58, 62, 66, 71, §126.11; C73, 75, 77, 79, 81, §123.109]

**123.110 Proof of sale.**

It shall not be necessary in every case to prove payment in order to prove a sale within the meaning and intent of this chapter.

[R60, §1569; C73, §1549; C97, §2424; C24, 27, 31, 35, 39, §**1957;** C46, 50, 54, 58, 62, 66, 71, §126.12; C73, 75, 77, 79, 81, §123.110]

**123.111 Purchaser as witness.**

The person purchasing any intoxicating liquor, wine, or beer sold in violation of this chapter shall in all cases be a competent witness to prove such sale.

[R60, §1569; C73, §1549; C97, §2424; C24, 27, 31, 35, 39, §**1958;** C46, 50, 54, 58, 62, 66, 71, §126.13; C73, 75, 77, 79, 81, §123.111]

2013 Acts, ch 35, §33
Section amended

**123.112 Peace officer as witness.**

Every peace officer shall give evidence, when called upon, of any facts within the peace officer's knowledge tending to prove a violation of the provisions of this chapter.

[R60, §1578; C73, §1551; C97, §2428; S13, §2428; C24, 27, 31, 35, 39, §**1959;** C46, 50, 54, 58, 62, 66, 71, §126.14; C73, 75, 77, 79, 81, §123.112]

**123.113 Judgment lien.**

For all fines and costs assessed or judgments rendered of any kind against any person for a violation of any provision of this chapter, or costs paid by the county on account of such violation, the personal and real property of the violator, whether exempt or not, except the homestead, as well as the premises and property, personal and real, occupied and used for the unlawful purpose, with the knowledge of the owner or the owner's agent, by the violator, shall be liable, and the same shall be a lien on such real estate until paid.

[R60, §1579; C73, §1552, 1558; C97, §2422; C24, 27, 31, 35, 39, §**1960;** C46, 50, 54, 58, 62, 66, 71, §126.15; C73, 75, 77, 79, 81, §123.113]

**123.114 Enforcement of lien.**

Costs paid by the county for the prosecution of actions or proceedings, civil or criminal, under this chapter, as well as the fines inflicted or judgments rendered, may be enforced against the property upon which the lien attaches by execution, or by action against the owner of the property to subject it to the payment thereof.

[C73, §1558; C97, §2422; C24, 27, 31, 35, 39, §**1961;** C46, 50, 54, 58, 62, 66, 71, §126.16; C73, 75, 77, 79, 81, §123.114]

**123.115 Defense.**

In any prosecution under this chapter for the unlawful transportation of intoxicating liquor, wine, or beer it shall be a defense that the character and contents of the shipment or thing transported were not known to the accused or to the accused's agent or employee.

[C97, §2419; C24, §2059; C27, 31, 35, §1945-a2; C39, §**1945.3;** C46, 50, 54, 58, 62, 66, 71, §125.28; C73, 75, 77, 79, 81, §123.115]

2013 Acts, ch 35, §34
Section amended

**123.116 Right to receive liquor, wine, or beer.**

The consignee of intoxicating liquor, wine, or beer shall, on demand of the carrier transporting such liquor, wine, or beer, furnish the carrier, at the place of delivery, with

legal proof of the consignee's legal right to receive such liquor, wine, or beer at the time of delivery, and until such proof is furnished the carrier shall be under no legal obligation to make delivery nor be liable for failure to deliver.

[C24, §2061; C27, 31, 35, §1945-a4; C39, §**1945.5;** C46, 50, 54, 58, 62, 66, 71, §125.30; C73, 75, 77, 79, 81, §123.116]

2013 Acts, ch 35, §35
Section amended

**123.117 Delivery to sheriff.**

If such proof is not furnished the carrier within ten days after demand, the carrier may deliver such liquor, wine, or beer to the sheriff of the county embracing the place of delivery, and such delivery shall absolve the carrier from all liability pertaining to such liquor, wine, or beer.

[C24, §2062; C27, 31, 35, §1945-a5; C39, §**1945.6;** C46, 50, 54, 58, 62, 66, 71, §125.31; C73, 75, 77, 79, 81, §123.117]

2013 Acts, ch 35, §36
Referred to in §331.653
Section amended

**123.118 Destruction.**

The sheriff shall, on receipt of such liquor, wine, or beer from the carrier, report the receipt to the district court of the sheriff's county, and the court shall proceed to summarily enter an order for the destruction or forfeiture to the state of such liquor, wine, or beer.

[C24, §2063; C27, 31, 35, §1945-a6; C39, §**1945.7;** C46, 50, 54, 58, 62, 66, 71, §125.32; C73, 75, 77, 79, 81, §123.118]

2013 Acts, ch 35, §37
Referred to in §331.653
Section amended

**123.119 Evidence.**

In all actions, civil or criminal, under the provisions of this chapter, the finding of intoxicating liquors or of instruments or utensils used in the manufacture of intoxicating liquors, or materials which are being used, or are intended to be used in the manufacture of intoxicating liquors, in the possession of or under the control of any person, under and by authority of a search warrant or other process of law, and which shall have been finally adjudicated and declared forfeited by the court, shall be competent evidence of maintaining a nuisance or bootlegging, or of illegal transportation of intoxicating liquors, as the case may be, by such person.

[C27, 31, 35, §1966-a1; C39, §**1966.1;** C46, 50, 54, 58, 62, 66, 71, §126.23; C73, 75, 77, 79, 81, §123.119]

**123.120 Attempt to destroy.**

The destruction of or attempt to destroy any liquid by any person while in the presence of peace officers or while a property is being searched by a peace officer, shall be competent evidence that such liquid is intoxicating liquor, wine, or beer and intended for unlawful purposes.

[C27, 31, 35, §1966-a3; C39, §**1966.3;** C46, 50, 54, 58, 62, 66, 71, §126.25; C73, 75, 77, 79, 81, §123.120]

2013 Acts, ch 35, §38
Section amended

**123.121 Venue.**

1. In any prosecution under this chapter for the unlawful sale of alcoholic liquor, wine, or beer, a sale of alcoholic liquor, wine, or beer which requires a shipment or delivery of the liquor, wine, or beer, shall be deemed to be made in the county in which the delivery is made by the carrier to the consignee, or the consignee's agent or employee.

2. In any prosecution under this chapter for the unlawful transportation of intoxicating liquor, wine, or beer, the offense shall be held to have been committed in any county in which

such liquor, wine, or beer is received for transportation, through which it is transported, or in which it is delivered.

[C97, §2419; C24, §1928, 2060; C27, 31, 35, §1928, 1945-a3; C39, §**1928, 1945.4;** C46, 50, 54, 58, 62, 66, 71, §125.8, 125.29; C73, 75, 77, 79, 81, §123.121]

85 Acts, ch 32, §60; 2013 Acts, ch 35, §39

Unnumbered paragraph 1 editorially designated as subsection 1

Unnumbered paragraph 2 amended and editorially designated as subsection 2

## DIVISION II

## BEER PROVISIONS

**123.122 Permit or license required.**

A person shall not manufacture for sale or sell beer at wholesale or retail unless a permit is first obtained as provided in this division or, a liquor control license authorizing the retail sale of beer is first obtained as provided in division I of this chapter. A liquor control license holder is not required to hold a separate class "B" beer permit.

[C35, §1921-f96; C39, §**1921.095;** C46, 50, 54, 58, 62, 66, 71, §124.1; C73, 75, 77, 79, 81, §123.122]

88 Acts, ch 1088, §7

Charity beer, spirits, and wine auction permits, see §123.173A

Section not amended; footnote revised

**123.123 Effect on liquor control licensees.**

All applicable provisions of this division relating to class "B" beer permits shall apply to liquor control licensees in the purchasing, storage, handling, serving, and sale of beer.

[C73, 75, 77, 79, 81, §123.123]

**123.124 Permits — classes.**

Permits for the manufacture and sale, or sale of beer shall be divided into six classes, known as class "A", special class "A", class "AA", special class "AA", class "B", or class "C" permits. A class "A" permit allows the holder to manufacture and sell beer at wholesale. A holder of a special class "A" permit may only manufacture beer to be consumed on the licensed premises for which the person also holds a class "C" liquor control license or class "B" beer permit and to be sold to a class "A" permittee for resale purposes. A class "AA" permit allows the holder to manufacture and sell high alcoholic content beer at wholesale. A holder of a special class "AA" permit may only manufacture high alcoholic content beer to be consumed on the licensed premises for which the person also holds a class "C" liquor control license or class "B" beer permit and to be sold to a class "AA" permittee for resale purposes. A class "B" permit allows the holder to sell beer to consumers at retail for consumption on or off the premises. A class "C" permit allows the holder to sell beer to consumers at retail for consumption off the premises.

[C35, §1921-f98; C39, §**1921.097;** C46, 50, 54, 58, 62, 66, 71, §124.3; C73, 75, 77, 79, 81, §123.124]

88 Acts, ch 1241, §15; 89 Acts, ch 221, §1; 92 Acts, ch 1003, §1; 94 Acts, ch 1017, §6; 2010 Acts, ch 1031, §89, 96

Referred to in §123.45

**123.125 Issuance of permits.**

The administrator shall issue class "A", special class "A", class "AA", special class "AA", class "B", and class "C" beer permits and may suspend or revoke permits for cause as provided in this chapter.

[C35, §1921-f98; C39, §**1921.097;** C46, 50, 54, 58, 62, 66, 71, §124.3; C73, 75, 77, 79, 81, §123.125]

89 Acts, ch 221, §2; 2010 Acts, ch 1031, §90, 96

**123.126 High alcoholic content beer — applicability.**

Unless otherwise provided by this chapter, the provisions of this chapter applicable to beer shall also apply to high alcoholic content beer.

2010 Acts, ch 1189, §42, 43

Section takes effect April 29, 2010, and applies retroactively to March 10, 2010; 2010 Acts, ch 1189, §43

**123.127 Class "A" or "AA" and special class "A" or "AA" applications.**

1. A class "A" or class "AA" permit shall be issued by the administrator to any person who:

*a.* Submits an application electronically, or in a manner prescribed by the administrator, which shall state under oath:

(1) The name and place of residence of the applicant and the length of time the applicant has lived at such place of residence.

(2) That the applicant is a citizen of the state of Iowa.

(3) That the applicant is a person of good moral character as defined by this chapter.

(4) The location of the premises where the applicant intends to operate.

(5) The name of the owner of the premises and if such owner is not the applicant, that such applicant is the actual lessee of the premises.

*b.* Establishes:

(1) That the applicant is a person of good moral character as defined by this chapter.

(2) That the premises where the applicant intends to operate conform to all laws and health and fire regulations applicable thereto.

*c.* Furnishes a bond in a manner prescribed by the administrator, with good and sufficient sureties to be approved by the administrator conditioned upon the faithful observance of this chapter, in the sum of five thousand dollars, payable to the state.

*d.* Gives consent to a person, pursuant to section 123.30, subsection 1, to enter upon the premises without a warrant during the business hours of the permittee to inspect for violations of the provisions of this chapter or ordinances and regulations that local authorities may adopt.

2. An applicant for a special class "A" or special class "AA" permit shall comply with the requirements for a class "A" or class "AA" permit, as applicable, and shall also state on the application that the applicant holds or has applied for a class "C" liquor control license or class "B" beer permit.

[C35, §1921-f102; C39, §**1921.103;** C46, 50, 54, 58, 62, 66, §124.8; C71, §124.8, 124.41; C73, 75, 77, 79, 81, §123.127]

88 Acts, ch 1241, §16; 89 Acts, ch 221, §3; 2003 Acts, ch 143, §6, 17; 2009 Acts, ch 41, §177; 2010 Acts, ch 1031, §91, 92, 96; 2013 Acts, ch 35, §8, 9

Referred to in §123.128, 123.129

Subsection 1, paragraph a, unnumbered paragraph 1 amended

Subsection 1, paragraph c amended

**123.128 Class "B" application.**

A class "B" permit shall be issued by the administrator to any person who:

1. Submits an application electronically, or in a manner prescribed by the administrator, which shall state under oath:

*a.* All the information required of a class "A" applicant by section 123.127, subsection 1, paragraph "*a*".

*b.* That the premises for which the permit is sought is and will continue to be equipped with sufficient tables and seats to accommodate twenty-five persons at one time, and in areas where such business is permitted by any valid zoning ordinance or will be so permitted on the effective date of the permit.

2. Fulfills the requirements of section 123.127, subsection 1, paragraph "*b*", relating to class "A" applicants.

3. Consents to inspection as required in section 123.30, subsection 1.

[C35, §1921-f103; C39, §**1921.104;** C46, 50, 54, 58, 62, 66, 71, §124.9; C73, 75, 77, 79, 81, §123.128]

88 Acts, ch 1088, §8; 88 Acts, ch 1241, §17; 2009 Acts, ch 41, §178, 179; 2013 Acts, ch 35, §10

Referred to in §123.32

Subsection 1, unnumbered paragraph 1 amended

**123.129 Class "C" application.**

1. A class "C" permit shall not be issued to any person except the owner or proprietor of a grocery store or pharmacy.

2. A class "C" permit shall be issued by the administrator to any person who is the owner or proprietor of a grocery store or pharmacy, who:

*a.* Submits an application electronically, or in a manner prescribed by the administrator, which shall state under oath all the information required of a class "A" applicant by section 123.127, subsection 1, paragraph "*a*".

*b.* Establishes that the person is of good moral character as defined by this chapter.

*c.* Consents to inspection as required in section 123.30, subsection 1.

*d.* States the number of square feet of interior floor space which comprises the retail sales area of the premises for which the permit is sought.

[C35, §1921-f104; C39, §**1921.105;** C46, 50, 54, 58, 62, 66, 71, §124.10; C73, 75, 77, 79, 81, §123.129]

88 Acts, ch 1088, §9; 88 Acts, ch 1241, §18; 2009 Acts, ch 41, §180; 2009 Acts, ch 133, §193; 2011 Acts, ch 17, §12; 2013 Acts, ch 35, §11

Referred to in §123.32

Subsection 2, paragraph a amended

**123.130 Authority under class "A", class "AA", special class "A", and special class "AA" permits.**

1. Any person holding a class "A" permit issued by the division shall be authorized to manufacture and sell, or sell at wholesale, beer for consumption off the premises, such sales within the state to be made only to persons holding subsisting class "A", "B", or "C" permits, or liquor control licenses issued in accordance with the provisions of this chapter. A class "A", class "AA", or special class "AA" permit does not grant authority to manufacture wine as defined in section 123.3, subsection 47.

2. All class "A" premises shall be located within the state. All beer received by the holder of a class "A" permit from the holder of a certificate of compliance before being resold must first come to rest on the premises licensed by the class "A" permit holder, must be inventoried, and is subject to the barrel tax when resold as provided in section 123.136. A class "A" permittee shall not store beer overnight except on premises licensed under a class "A" permit.

3. A person who holds a special class "A" permit for the same location at which the person holds a class "C" liquor control license or class "B" beer permit may manufacture and sell beer to be consumed on the premises and may sell beer to a class "A" permittee for resale purposes.

[C35, §1921-f105; C39, §**1921.106;** C46, 50, 54, 58, 62, 66, 71, §124.11; C73, 75, 77, 79, 81, §123.130]

88 Acts, ch 1241, §19; 89 Acts, ch 221, §4; 92 Acts, ch 1003, §2; 2010 Acts, ch 1031, §93, 96

**123.131 Authority under class "B" permit.**

Subject to the provisions of this chapter, any person holding a class "B" permit shall be authorized to sell beer for consumption on or off the premises. However, unless otherwise provided in this chapter, no sale of beer shall be made for consumption on the premises unless the place where such service is made is equipped with tables and seats sufficient to accommodate not less than twenty-five persons at one time.

[C35, §1921-f106; C39, §**1921.107;** C46, 50, 54, 58, 62, 66, 71, §124.12; C73, 75, 77, 79, 81, §123.131]

**123.132 Authority under class "C" permit.**

The holder of a class "C" permit shall be allowed to sell beer to consumers at retail for consumption off the premises. The sales made pursuant to this section shall be made in original containers only. The holder of a class "C" permit or the permittee's agents or employees shall not sell beer to other retail license or permit holders knowing or having reasonable cause to believe that the beer will be resold in another licensed establishment.

[C35, §1921-f107; C39, §**1921.108;** C46, 50, 54, 58, 62, 66, 71, §124.13; C73, 75, 77, 79, 81, §123.132]

94 Acts, ch 1017, §7

**123.133 Sale on trains — bond.** Repealed by 2011 Acts, ch 17, § 16.

**123.134 Beer fees — Sunday sales.**

1. The annual permit fee for a class "A" or special class "A" permit is two hundred fifty dollars.

2. The annual permit fee for a class "AA" or special class "AA" permit is five hundred dollars.

3. The annual permit fee for a class "B" permit shall be graduated according to population as follows:

*a.* For premises located within the corporate limits of cities with a population of ten thousand and over, three hundred dollars.

*b.* For premises located within the corporate limits of cities with a population of at least fifteen hundred but less than ten thousand, two hundred dollars.

*c.* For premises located within the corporate limits of cities with a population of under fifteen hundred, one hundred dollars.

*d.* For premises located outside the corporate limits of any city, a sum equal to that charged in the incorporated city located nearest the premises to be operated under the permit, and in case there is doubt as to which of two or more differing corporate limits is the nearest, the permit fee which is the largest shall prevail. However, if the premises are located in an unincorporated town, for purposes of this subsection the unincorporated town shall be treated as if it is a city.

4. The annual permit fee for a class "C" permit shall be graduated on the basis of the amount of interior floor space which comprises the retail sales area of the premises covered by the permit, as follows:

*a.* Up to one thousand five hundred square feet, the sum of seventy-five dollars.

*b.* Over one thousand five hundred square feet and up to two thousand square feet, the sum of one hundred dollars.

*c.* Over two thousand and up to five thousand square feet, the sum of two hundred dollars.

*d.* Over five thousand square feet, the sum of three hundred dollars.

5. Any club, hotel, motel, or commercial establishment holding a class "B" beer permit, subject to the provisions of section 123.49, subsection 2, paragraph "*b*", may apply for and receive permission to sell and dispense beer to patrons on Sunday for consumption on or off the premises between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on the following Monday. Any class "C" beer permittee may sell beer for consumption off the premises between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on the following Monday. For the privilege of selling beer on Sunday the beer permit fees of the applicant shall be increased by twenty percent of the regular fees prescribed for the permit pursuant to this section and the privilege shall be noted on the beer permit.

[C35, §1921-f117; C39, §**1921.119;** C46, 50, 54, 58, 62, 66, 71, §124.24; C73, 75, 77, 79, 81, §123.134]

84 Acts, ch 1275, §5; 87 Acts, ch 22, §10; 88 Acts, ch 1241, §20; 89 Acts, ch 221, §5; 91 Acts, ch 245, §4; 2010 Acts, ch 1031, §94, 96; 2011 Acts, ch 17, §13

Referred to in §123.34, 123.49, 123.143, 123.150

**123.135 Certificate of compliance — civil penalty.**

1. A manufacturer, brewer, bottler, importer, or vendor of beer or any agent thereof

desiring to ship or sell beer, or have beer brought into this state for resale by a class "A" permittee shall first make application for and be issued a brewer's certificate of compliance by the administrator for that purpose. The certificate of compliance expires at the end of one year from the date of issuance and shall be renewed for a like period upon application to the administrator unless otherwise revoked for cause. Each application for a certificate of compliance or renewal of a certificate shall be submitted electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of five hundred dollars payable to the division. Each holder of a certificate of compliance shall furnish the information in a manner the administrator requires.

2. At the time of applying for a certificate of compliance, each applicant shall file with the division a list of all class "A" permittees with whom it intends to do business and shall designate the geographic area in which its products are to be distributed by such permittee. The listing of class "A" permittees and geographic area as filed with the division may be amended from time to time by the holder of a certificate of compliance.

3. All class "A" permit holders shall sell only those brands of beer which are manufactured, brewed, bottled, shipped, or imported by a person holding a current certificate of compliance. Any employee or agent working for or representing the holder of a certificate of compliance within this state shall submit electronically, or in a manner prescribed by the administrator, the employee's or agent's name and address with the division.

4. It shall be unlawful for any holder of a certificate of compliance or the holder's agent, or any class "A" permit holder or the permit holder's agent, to grant to any retail beer permit holder, directly or indirectly, any rebates, free goods, or quantity discounts on beer which are not uniformly offered to all retail permittees.

5. Notwithstanding any other penalties provided by this chapter, any holder of a certificate of compliance or any class "A" permit holder who violates this chapter or the rules adopted pursuant to this chapter is subject to a civil penalty not to exceed one thousand dollars or suspension of the holder's certificate or permit for a period not to exceed one year, or both such civil penalty and suspension. Civil penalties imposed under this section shall be collected and retained by the division.

[C73, 75, 77, 79, 81, §123.135]

89 Acts, ch 221, §6; 89 Acts, ch 252, §3; 2010 Acts, ch 1031, §95, 96; 2012 Acts, ch 1021, §38; 2013 Acts, ch 35, §12

Subsections 1 and 3 amended

**123.136 Barrel tax.**

In addition to the annual permit fee to be paid by all class "A" permittees under this chapter there shall be levied and collected from the permittees on all beer manufactured for sale or sold in this state at wholesale and on all beer imported into this state for sale at wholesale and sold in this state at wholesale, and from special class "A" permittees on all beer manufactured for consumption on the premises, a tax of five and eighty-nine hundredths dollars for every barrel containing thirty-one gallons, and at a like rate for any other quantity or for the fractional part of a barrel. However, no tax shall be levied or collected on beer shipped outside this state by a class "A" permittee or sold by one class "A" permittee to another class "A" permittee.

All revenue derived from the barrel tax shall accrue to the state general fund.

All of the provisions of this chapter relating to the administration of the barrel tax on beer shall apply to this section.

[C35, §1921-f118; C39, §**1921.120;** C46, 50, 54, 58, 62, 66, 71, §124.25; C73, 75, 77, 79, 81, §123.136]

86 Acts, ch 1246, §751; 89 Acts, ch 221, §7

Referred to in §123.130, 123.137, 123.142

**123.137 Report of barrel sales — penalty.**

1. A person holding a class "A" or special class "A" permit shall on or before the tenth day of each calendar month commencing on the tenth day of the calendar month following the month in which the person is issued a permit, make a report under oath to the division

electronically, or in a manner prescribed by the administrator, showing the exact number of barrels of beer, or fractional parts of barrels, sold by the permit holder during the preceding calendar month. The report shall also state information the administrator requires, and permit holders shall at the time of filing a report pay to the division the amount of tax due at the rate fixed in section 123.136.

2. A penalty of ten percent of the amount of the tax shall be added thereto if the report is not filed and the tax paid within the time required by this section.

[C35, §1921-f119; C39, §**1921.121;** C46, 50, 54, 58, 62, 66, 71, §124.26; C73, 75, 77, 79, 81, §123.137]

89 Acts, ch 221, §8; 2013 Acts, ch 35, §13

Unnumbered paragraph 1 amended and editorially designated as subsection 1

Unnumbered paragraph 2 editorially designated as subsection 2

**123.138 Records required — keg identification sticker.**

1. Each class "A" or special class "A" permittee shall keep proper records showing the amount of beer sold by the permittee, and these records shall be at all times open to inspection by the administrator and to other persons pursuant to section 123.30, subsection 1. Each class "B" permittee, class "C" permittee, and retail liquor control licensee shall keep proper records showing each purchase of beer made by the permittee and licensee, and the date and the amount of each purchase and the name of the person from whom each purchase was made, which records shall be open to inspection pursuant to section 123.30, subsection 1, during normal business hours of the permittee or licensee.

2. *a.* Each class "B", "C", or special class "C" liquor control licensee and class "B" or "C" beer permittee who sells beer for off-premises consumption shall affix to each keg of beer an identification sticker provided by the administrator. The sticker provided shall allow for its full removal when common external keg cleaning procedures are performed. For the purposes of this subsection, "*keg*" means all durable and disposable containers with a liquid capacity of five gallons or more. Each class "B", "C", or special class "C" liquor control licensee and class "B" or "C" beer permittee shall also keep a record of the identification sticker number of each keg of beer sold by the licensee or permittee with the name and address of the purchaser and the number of the purchaser's driver's license, nonoperator's identification card, or military identification card, if the military identification card contains a picture and signature. This information shall be retained by the licensee or permittee for a minimum of ninety days. The records kept pursuant to this subsection shall be available for inspection by any law enforcement officer during normal business hours.

*b.* (1) The division shall provide the keg identification stickers described in paragraph "*a*" and shall, prior to utilizing a sticker, notify licensed brewers and licensed beer importers of the type of sticker to be utilized. Each sticker shall contain a number and the following statement:

It is unlawful to sell, give, or otherwise supply any alcoholic beverage, wine, or beer to any person under legal age. Any person who defaces this sticker shall be guilty of criminal mischief punishable pursuant to section 716.6 and shall cause the forfeiture of any deposit, if applicable.

(2) The identification sticker shall be placed on the keg at the time of retail sale. The licensee or permittee shall purchase the stickers referred to in this subsection from the division and shall remit to the division deposits forfeited pursuant to this lettered paragraph due to defacement. The cost of the stickers to licensees and permittees shall not exceed the division's cost of producing and distributing the stickers. The moneys collected by the division relating to the sale of stickers and forfeited deposits shall be credited to the beer and liquor control fund.

*c.* The provisions of this subsection shall be implemented uniformly throughout the state. The provisions of this subsection shall preempt any local county or municipal ordinance regarding keg registration or the sale of beer in kegs. In addition, a county or municipality

shall not adopt or continue in effect an ordinance regarding keg registration or the sale of beer in kegs.

*d.* The division shall establish by rule procedures relating to the forfeiture and remittance of deposits pursuant to paragraph *"b"*.

[C35, §1921-f120; C39, §**1921.122;** C46, 50, 54, 58, 62, 66, 71, §124.27; C73, 75, 77, 79, 81, §123.138]

88 Acts, ch 1241, §21; 89 Acts, ch 221, §9; 2007 Acts, ch 46, §2; 2013 Acts, ch 35, §40
Referred to in §123.50
Subsection 1 amended

**123.139 Separate locations — class "A", special class "A".**

A class "A" or special class "A" permittee having more than one place of business is required to have a separate permit for each separate place of business maintained by the permittee where beer is stored, warehoused, or sold.

[C35, §1921-f121; C39, §**1921.123;** C46, 50, 54, 58, 62, 66, 71, §124.28; C73, 75, 77, 79, 81, §123.139]

89 Acts, ch 221, §10

**123.140 Separate locations — class "B" or "C".**

Every person holding a class "B" or class "C" permit having more than one place of business where such beer is sold which places do not constitute a single premises within the meaning of section 123.3, subsection 25 shall be required to have a separate license for each separate place of business, except as otherwise provided by this chapter.

[C35, §1921-f122; C39, §**1921.124;** C46, 50, 54, 58, 62, 66, 71, §124.29; C73, 75, 77, 79, 81, §123.140]

**123.141 Keeping liquor where beer is sold.**

No alcoholic liquor for beverage purposes shall be used, or kept for any purpose in the place of business of class "B" permittees, or on the premises of such class "B" permittees, at any time. A violation of any provision of this section shall be grounds for suspension or revocation of the permit pursuant to section 123.50, subsection 3. This section shall not apply in any manner or in any way to the premises of any hotel or motel for which a class "B" permit has been issued, other than that part of such premises regularly used by the hotel or motel for the principal purpose of selling beer or food to the general public; or to drug stores regularly and continuously employing a registered pharmacist, from having alcohol in stock for medicinal and compounding purposes.

[C35, §1921-g4; C39, §**1921.126;** C46, 50, 54, 58, 62, 66, 71, §124.31; C73, 75, 77, 79, 81, §123.141]

2011 Acts, ch 17, §14

**123.142 Unlawful sale and importation.**

It is unlawful for the holder of a class "B" or class "C" permit issued under this chapter to sell beer, except beer brewed on the premises covered by a special class "A" permit or beer purchased from a person holding a class "A" permit issued in accordance with this chapter, and on which the tax provided in section 123.136 has been paid. However, this section does not apply to class "D" liquor control licensees as provided in this chapter.

It shall be unlawful for any person not holding a class "A" permit to import beer into this state for the purpose of sale or resale.

[C35, §1921-f124; C39, §**1921.127;** C46, 50, 54, 58, 62, 66, 71, §124.32; C73, 75, 77, 79, 81, §123.142]

89 Acts, ch 221, §11; 2011 Acts, ch 17, §15

**123.143 Distribution of funds.**

The revenues obtained from permit fees and the barrel tax collected under the provisions of this chapter shall be distributed as follows:

1. All retail beer permit fees collected by any local authority at the time application for the permit is made shall be retained by the local authority. A certified copy of the receipt for

the permit fee shall be submitted to the division with the application and the local authority shall be notified at the time the permit is issued. Those amounts collected for the privilege authorized under section 123.134, subsection 5, shall be deposited in the beer and liquor control fund.

2. All permit fees and taxes collected by the division under this division shall accrue to the state general fund, except as otherwise provided.

3. Barrel tax revenues collected on beer manufactured in this state from a class "A" permittee which owns and operates a brewery located in Iowa shall be credited to the barrel tax fund hereby created in the office of the treasurer of state. Moneys deposited in the barrel tax fund shall not revert to the general fund of the state without a specific appropriation by the general assembly. Moneys in the barrel tax fund are appropriated to the economic development authority for purposes of section 15E.117.

[C35, §1921-f125; C39, §**1921.128;** C46, 50, 54, 58, 62, 66, 71, §124.33; C73, 75, 77, 79, 81, §123.143]

83 Acts, ch 123, §60, 209; 84 Acts, ch 1312, §7; 85 Acts, ch 198, §2; 87 Acts, ch 95, §1; 2010 Acts, ch 1188, §29; 2011 Acts, ch 118, §85, 89

Referred to in §15E.117, 125.59, 331.427

**123.144 Bottling beer.**

1. No person shall bottle beer within the state of Iowa, except class "A", special class "A", class "AA", and special class "AA" permittees who have complete equipment for bottling beer and who have received the approval of the local board of health as to sanitation. It shall be the duty of local boards of health to inspect the premises and equipment of class "A", special class "A", class "AA", and special class "AA" permittees who desire to bottle beer.

2. However, any person of legal age may bottle beer for personal use and if it is not sold or offered in exchange for any type of consideration. In addition, such beer may be removed from the premises where it was bottled for personal use if the beer is not sold or offered in exchange for any type of consideration.

[C35, §1921-g6; C39, §**1921.131;** C46, 50, 54, 58, 62, 66, 71, §124.36; C73, 75, 77, 79, 81, §123.144]

2013 Acts, ch 35, §41

Section amended

**123.145 Labels on bottles, barrels, etc. — conclusive evidence.**

The label on any bottle, keg, barrel, or other container in which beer is offered for sale in this state, representing the alcoholic content of such beer as being in excess of five percent by weight shall be conclusive evidence as to the alcoholic content of the beer contained therein.

[C35, §1921-f128; C39, §**1921.133;** C46, 50, 54, 58, 62, 66, 71, §124.38; C73, 75, 77, 79, 81, §123.145]

2013 Acts, ch 30, §24

Section amended

**123.146** Repealed by 85 Acts, ch 198, § 3.

**123.147 through 123.149** Reserved.

## DIVISION III

## SPECIAL PROVISIONS

**123.150 Sunday sales before New Year's Day.**

Notwithstanding section 123.36, subsection 5, section 123.49, subsection 2, paragraph *"b"*, and section 123.134, subsection 5, a holder of any class of liquor control license or the holder of a class "B" beer permit may sell or dispense alcoholic liquor, wine, or beer to patrons for consumption on the premises between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on Monday when that Monday is New Year's Day and beer for consumption off the premises

between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on the following Monday when that Sunday is the day before New Year's Day. The liquor control license fee or beer permit fee of licensees and permittees permitted to sell or dispense liquor, wine, or beer on a Sunday when that Sunday is the day before New Year's Day shall not be increased because of this privilege.

The special privileges granted in this section are in force only during the specified times provided in this section.

[C79, 81, §123.150]

85 Acts, ch 195, §15; 86 Acts, ch 1122, §10; 91 Acts, ch 245, §5

**123.151** Repealed by 93 Acts, ch 91, § 22.

**123.152** Reserved.

## DIVISION IV

## WAREHOUSE PROJECT

**123.153 through 123.162** Repealed by 2011 Acts, ch 17, § 16.

**123.163 through 123.170** Reserved.

## DIVISION V

## WINE PROVISIONS — CHARITY BEER AND WINE AUCTIONS

**123.171 Wine certificate, permit, or license required.**

A person shall not cause the manufacture, importation, or sale of wine in this state unless a certificate or permit as provided in this division, or a liquor control license as provided in division I of this chapter, is first obtained which authorizes that manufacture, importation, or sale.

85 Acts, ch 32, §62

**123.172 Effect on liquor control licensees.**

All applicable provisions of this division relating to class "B" wine permits apply to liquor control licensees in the purchasing, storage, handling, serving and sale of wine.

85 Acts, ch 32, §63

**123.173 Wine permits — classes — authority.**

1. Except as provided in section 123.187, permits exclusively for the sale or manufacture and sale of wine shall be divided into four classes, and shall be known as class "A", "B", "B" native, or "C" native wine permits.

2. A class "A" wine permit allows the holder to manufacture and sell, or sell at wholesale, in this state, wine as defined in section 123.3, subsection 47. The holder of a class "A" wine permit may manufacture in this state wine having an alcoholic content greater than seventeen percent by weight or twenty-one and twenty-five hundredths percent of alcohol by volume for shipment outside this state. All class "A" premises shall be located within the state. A class "B" or class "B" native wine permit allows the holder to sell wine at retail for consumption off the premises. A class "B" or class "B" native wine permittee who also holds a class "E" liquor control license may sell wine to class "A", class "B", and class "C" liquor control licensees for resale for consumption on the premises. Such wine sales shall be in quantities of less than one case of any wine brand but not more than one such sale shall be made to the same liquor control licensee in a twenty-four-hour period. A class "B" or class "B" native wine permittee shall not sell wine to other class "B" or class "B" native wine permittees. A class "C" native wine permit allows the holder to sell wine for consumption on or off the premises.

3. A class "A" wine permittee shall be required to deliver wine to a retail wine permittee, and a retail wine permittee shall be required to accept delivery of wine from a class "A" wine permittee, only at the licensed premises of the retail wine permittee. Except as specifically permitted by the division upon good cause shown, delivery or transfer of wine from an unlicensed premises to a licensed retail wine permittee's premises, or from one licensed retail wine permittee's premises to another licensed retail wine permittee's premises, even if there is common ownership of all of the premises by one retail permittee, is prohibited. A class "B" or class "B" native wine permittee who also holds a class "E" liquor control license shall keep and maintain records for each sale of wine to liquor control licensees showing the name of the establishment to which wine was sold, the date of sale, and the brands and number of bottles sold to the liquor control licensee.

4. When a class "B" or class "B" native wine permittee who also holds a class "E" liquor control license sells wine to a class "A", class "B", or class "C" liquor control licensee, the liquor control licensee shall sign a report attesting to the purchase. The class "B" or class "B" native wine permittee who also holds a class "E" liquor control license shall submit a report to the division electronically, or in a manner prescribed by the administrator, not later than the tenth of each month stating each sale of wine to class "A", class "B", and class "C" liquor control licensees during the preceding month, the date of each sale, and the brands and numbers of bottles with each sale. A class "B" permittee who holds a class "E" liquor control license may sell to class "A", class "B", or class "C" liquor control licensees only if the licensed premises of the liquor control licensee is located within the geographic territory of the class "A" wine permittee from which the wine was originally purchased by the class "B" wine permittee.

85 Acts, ch 32, §64; 88 Acts, ch 1241, §22; 91 Acts, ch 203, §2, 3; 2003 Acts, ch 143, §7, 17; 2006 Acts, ch 1032, §2; 2010 Acts, ch 1031, §99; 2013 Acts, ch 35, §14

Subsection 4 amended

**123.173A Charity beer, spirits, and wine auction permit.**

1. For purposes of this section, *"authorized nonprofit entity"* includes a nonprofit entity which has a principal office in the state, a nonprofit corporation organized under chapter 504, or a foreign corporation as defined in section 504.141, whose income is exempt from federal taxation under section 501(c) of the Internal Revenue Code.

2. An authorized nonprofit entity may, upon application to the division and receipt of a charity beer, spirits, and wine auction permit from the division, conduct a charity auction which includes beer, spirits, and wine. The application shall specify the date and time when the charity beer, spirits, and wine auction is to be conducted and the premises in this state where the charity beer, spirits, and wine auction is to be physically conducted. The applicant shall certify that the objective of the charity beer, spirits, and wine auction is to raise funds solely to be used for educational, religious, or charitable purposes and that the entire proceeds from the charity beer, spirits, and wine auction are to be expended for any of the purposes described in section 423.3, subsection 78.

3. An authorized nonprofit entity shall be eligible to receive only two charity beer, spirits, and wine auction permits during a calendar year and each charity beer, spirits, and wine auction permit shall be valid for a period not to exceed thirty-six consecutive hours.

4. The authorized nonprofit entity conducting the charity beer, spirits, and wine auction shall obtain the beer, spirits, and wine to be auctioned at the charity beer, spirits, and wine auction from an Iowa retail beer permittee, an Iowa retail liquor control licensee, or an Iowa retail wine permittee, or may receive donations of beer, spirits, or wine to be auctioned at the charity beer, spirits, and wine auction from persons who purchased the donated beer, spirits, or wine from an Iowa retail beer permittee, an Iowa retail liquor control licensee, an Iowa micro-distilled spirits permittee, or an Iowa retail wine permittee and who present a receipt documenting the purchase at the time the beer, spirits, or wine is donated. The authorized nonprofit entity conducting the charity beer, spirits, and wine auction shall retain a copy of the receipt for a period of one year from the date of the charity beer, spirits, and wine auction.

5. Persons shall be physically present at the charity beer, spirits, and wine auction to be eligible to bid on beer, spirits, and wine sold at the charity auction.

6. The beer, spirits, and wine sold at the charity beer, spirits, and wine auction shall be in original containers for consumption off of the premises where the charity beer, spirits, and wine auction is conducted. No other alcoholic beverage may be sold by the charity beer, spirits, and wine auction permittee at the charity beer, spirits, and wine auction. A purchaser of beer, spirits, or wine at a charity beer, spirits, and wine auction shall not take possession of the beer, spirits, or wine until the person is leaving the event. A purchaser of beer, spirits, or wine at a charity beer, spirits, and wine auction shall not open the container or consume or permit the consumption of the beer, spirits, or wine purchased on the premises where the charity beer, spirits, and wine auction is conducted. A purchaser of beer, spirits, or wine at a charity beer, spirits, and wine auction shall not resell the beer, spirits, or wine.

7. A liquor control licensee, beer permittee, micro-distilled spirits permittee, or wine permittee shall not purchase beer, spirits, or wine at a charity beer, spirits, and wine auction. The charity beer, spirits, and wine auction may be conducted on a premises for which a class "B" liquor control license or class "C" liquor control license has been issued, provided that the liquor control licensee does not participate in the charity beer, spirits, and wine auction, supply beer, spirits, or wine to be auctioned at the charity beer, spirits, and wine auction, or receive any of the proceeds of the charity beer, spirits, and wine auction.

2010 Acts, ch 1031, §85; 2013 Acts, ch 51, §1
Section amended

**123.174 Issuance of wine permits.**

The administrator shall issue wine permits as provided in this chapter, and may suspend or revoke a wine permit for cause as provided in this chapter.

85 Acts, ch 32, §65; 2003 Acts, ch 143, §8, 17

**123.175 Application contents.**

Except as otherwise provided in this chapter, a class "A" or retail wine permit shall be issued to a person who complies with all of the following:

1. Submits an application electronically, or in a manner prescribed by the administrator, for the permit which shall state under oath:

*a.* The name and place of residence of the applicant and the length of time the applicant has lived at the place of residence.

*b.* That the applicant is a citizen of the state of Iowa, or if a corporation, that the applicant is authorized to do business in Iowa.

*c.* That the applicant is a person of good moral character as defined by this chapter.

*d.* The location of the premises where the applicant intends to use the permit.

*e.* The name of the owner of the premises, and if that owner is not the applicant, that the applicant is the actual lessee of the premises.

2. Establishes all of the following:

*a.* That the applicant meets the test of good moral character as provided in section 123.3, subsection 34.

*b.* That the premises where the applicant intends to use the permit conform to all applicable laws, health regulations, and fire regulations, and constitute a safe and proper place or building.

3. Submits, in the case of a class "A" wine permit, a bond in the amount of five thousand dollars in a manner prescribed by the administrator with good and sufficient sureties to be approved by the division conditioned upon compliance with this chapter.

4. Consents to inspection as required in section 123.30, subsection 1.

85 Acts, ch 32, §66; 88 Acts, ch 1241, §23; 2003 Acts, ch 143, §9, 17; 2013 Acts, ch 35, §15, 16
Subsection 1, unnumbered paragraph 1 amended
Subsection 3 amended

**123.176** Repealed by 2003 Acts, ch 143, § 15, 17. See § 123.175.

**123.177 Authority under class "A" permit.**

1. A person holding a class "A" wine permit may manufacture and sell, or sell at wholesale,

wine for consumption off the premises. Sales within the state may be made only to persons holding a class "A" or "B" wine permit and to persons holding a retail liquor control license. However, if the person holding the class "A" permit is a manufacturer of native wine, the person may sell only native wine to a person holding a retail wine permit or a retail liquor control license. A class "A" wine permittee having more than one place of business shall obtain a separate permit for each place of business where wine is to be stored, warehoused, or sold.

2. A class "A" wine permit holder may purchase and resell only those brands of wine which are manufactured, fermented, bottled, shipped, or imported by a person holding a certificate of compliance issued pursuant to section 123.180.

85 Acts, ch 32, §68; 88 Acts, ch 1241, §25; 93 Acts, ch 91, §21; 2003 Acts, ch 143, §10, 17

**123.178 Authority under class "B" permit.**

1. A person holding a class "B" wine permit may sell wine at retail for consumption off the premises. Wine shall be sold for consumption off the premises in original containers only.

2. A class "B" wine permittee having more than one place of business where wine is sold shall obtain a separate permit for each place of business.

3. A person holding a class "B" wine permit may purchase wine for resale only from a person holding a class "A" wine permit.

85 Acts, ch 32, §69; 86 Acts, ch 1246, §752
Referred to in §123.32

**123.178A Authority under class "B" native permit.**

1. A person holding a class "B" native wine permit may sell native wine only at retail for consumption off the premises. Native wine shall be sold for consumption off the premises in original containers only.

2. A class "B" native wine permittee having more than one place of business where wine is sold shall obtain a separate permit for each place of business.

3. A person holding a class "B" native wine permit may purchase wine for resale only from a native winery holding a class "A" wine permit.

2003 Acts, ch 143, §11, 17
Referred to in §123.32

**123.178B Authority under class "C" native permit.**

1. A person holding a class "C" native wine permit may sell native wine only at retail for consumption on or off the premises.

2. A class "C" native wine permittee having more than one place of business where wine is sold and served shall obtain a separate permit for each place of business.

3. A person holding a class "C" native wine permit may purchase wine for resale only from a native winery holding a class "A" wine permit.

4. A person holding a class "C" native wine permit and a class "A" wine permit whose primary purpose is manufacturing native wine may purchase beer from a wholesaler holding a class "A" beer permit for sale at retail.

2003 Acts, ch 143, §12, 17; 2009 Acts, ch 104, §1
Referred to in §123.32, 123.56

**123.179 Permit fees.**

1. The annual permit fee for a class "A" wine permit is seven hundred fifty dollars.
2. The annual permit fee for a class "B" wine permit is five hundred dollars.
3. The annual permit fee for a class "B" native wine permit is twenty-five dollars.
4. The annual permit fee for a class "C" native wine permit is twenty-five dollars.
5. The fee for a charity beer, spirits, and wine auction permit is one hundred dollars.

85 Acts, ch 32, §70; 2003 Acts, ch 143, §13, 17; 2010 Acts, ch 1031, §86; 2013 Acts, ch 51, §2
Referred to in §123.56
Subsection 5 amended

**123.180 Vintner's certificate of compliance — wholesale and retail restrictions — penalty.**

1. A manufacturer, vintner, bottler, importer, or vendor of wine or an agent thereof desiring to ship, sell, or have wine brought into this state for resale by the division or for sale at wholesale by a class "A" permittee shall first make application for and shall be issued a vintner's certificate of compliance by the administrator for that purpose. The vintner's certificate of compliance shall expire at the end of one year from the date of issuance and shall be renewed for a like period upon application to the administrator unless otherwise revoked for cause. Each application for a vintner's certificate of compliance or renewal of a certificate shall be submitted electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of one hundred dollars payable to the division. Each holder of a vintner's certificate of compliance shall furnish the information required by the administrator in the form the administrator requires. A vintner or wine bottler whose plant is located in Iowa and who otherwise holds a class "A" wine permit to sell wine at wholesale is exempt from the fee, but not the other terms and conditions. The holder of a vintner's certificate of compliance may also hold a class "A" wine permit.

2. At the time of applying for a vintner's certificate of compliance, each applicant shall file with the division a list of all class "A" wine permittees with whom it intends to do business. The listing of class "A" wine permittees as filed with the division may be amended from time to time by the holder of the certificate of compliance.

3. All class "A" wine permit holders shall sell only those brands of wine which are manufactured, bottled, fermented, shipped, or imported by a person holding a current vintner's certificate of compliance. An employee or agent working for or representing the holder of a vintner's certificate of compliance within this state shall register the employee's or agent's name and address with the division. These names and addresses shall be filed with the division's copy of the certificate of compliance issued except that this provision does not require the listing of those persons who are employed on the premises of a bottling plant, or winery where wine is manufactured, fermented, or bottled in Iowa or the listing of those persons who are thereafter engaged in the transporting of the wine.

4. It is unlawful for a holder of a vintner's certificate of compliance or the holder's agent, or any class "A" wine permittee or the permittee's agent, to discriminate between class "B" wine permittees authorized to sell wine at retail.

5. It is unlawful for a holder of a vintner's certificate of compliance or the vintner's agent who is engaged in the business of selling wine to class "A" wine permittees to discriminate between class "A" wine permittees authorized to sell wine at wholesale.

6. Regardless of any other penalties provided by this chapter, any holder of a certificate of compliance relating to wine or a class "A" permittee who violates this chapter or the rules adopted pursuant to this chapter is subject to a civil penalty not to exceed one thousand dollars or subject to suspension of the certificate of compliance or permit for a period not to exceed one year, or to both civil penalty and suspension. Civil penalties imposed under this section shall be collected and retained by the division.

85 Acts, ch 32, §71; 89 Acts, ch 161, §8; 89 Acts, ch 252, §4; 2012 Acts, ch 1021, §39; 2013 Acts, ch 35, §17

Referred to in §123.177

Subsection 1 amended

**123.181 Prohibited acts.**

1. A holder of any class "B" wine permit shall not sell wine except wine which is purchased from a person holding a class "A" wine permit and on which the tax imposed by section 123.183 has been paid or wine purchased from a manufacturer of native wines.

2. A class "A" wine permittee shall not sell wine on credit to a retail liquor licensee or wine permittee for a period exceeding thirty days from date of delivery.

85 Acts, ch 32, §72; 89 Acts, ch 252, §5

**123.182 Labels — point of origin — conclusive evidence.**

All imported bulk wines to be bottled and distributed in the state shall have the point of origin stated on the label. The print size for the point of origin shall be at least half the print size of the brand name on the label.

The label on a bottle or other container in which wine is offered for sale in this state, which label represents the alcoholic content of the wine as being in excess of seventeen percent by weight or twenty-one and twenty-five hundredths percent of alcohol by volume, is conclusive evidence of the alcoholic content of that wine.

85 Acts, ch 32, §73; 2006 Acts, ch 1032, §3

**123.183 Wine gallonage tax and related funds.**

1. In addition to the annual permit fee to be paid by each class "A" wine permittee, a wine gallonage tax shall be levied and collected from each class "A" wine permittee on all wine manufactured for sale and sold in this state at wholesale and on all wine imported into this state for sale at wholesale and sold in this state at wholesale. A wine gallonage tax shall also be levied and collected on the direct shipment of wine pursuant to section 123.187. The rate of the wine gallonage tax is one dollar and seventy-five cents for each wine gallon. The same rate shall apply for the fractional parts of a wine gallon. The wine gallonage tax shall not be levied or collected on wine sold by one class "A" wine permittee to another class "A" wine permittee.

2. *a.* Revenue collected from the wine gallonage tax on wine manufactured for sale and sold in this state, and on wine subject to direct shipment as provided in section 123.187 by a wine manufacturer licensed or permitted pursuant to laws regulating alcoholic beverages in this state, shall be deposited in the wine gallonage tax fund as created in this section.

*b.* (1) A wine gallonage tax fund is created in the office of the treasurer of state.

(2) Moneys deposited in the fund are appropriated as follows:

(a) To the midwest grape and wine industry institute at Iowa state university of science and technology, two hundred fifty thousand dollars.

(b) To the economic development authority for purposes of section 15E.117, the balance of moneys in the fund after the appropriation in subparagraph division (a).

(3) Moneys in the fund and moneys appropriated from the fund pursuant to subparagraph (2) are not subject to reversion under section 8.33.

3. The revenue collected from the wine gallonage tax on wine imported into this state for sale at wholesale and sold in this state at wholesale, and on wine subject to direct shipment as provided in section 123.187 by a wine manufacturer licensed or permitted pursuant to laws regulating alcoholic beverages in another state, shall be deposited in the beer and liquor control fund created in section 123.53.

85 Acts, ch 32, §74; 85 Acts, ch 198, §4, 5; 86 Acts, ch 1246, §753; 87 Acts, ch 95, §2; 2001 Acts, ch 162, §1; 2002 Acts, ch 1050, §15; 2003 Acts, ch 143, §14, 17; 2005 Acts, ch 113, §1; 2007 Acts, ch 211, §41; 2010 Acts, ch 1193, §164; 2011 Acts, ch 118, §85, 89; 2011 Acts, ch 130, §29, 71; 2012 Acts, ch 1136, §26

Referred to in §15E.117, 123.181, 123.184, 123.187

**123.184 Report of gallonage sales — penalty.**

Each class "A" wine permit holder on or before the tenth day of each calendar month commencing on the tenth day of the calendar month following the month in which the person is issued a permit, shall make a report under oath to the division electronically, or in a manner prescribed by the administrator, showing the exact number of gallons of wine and fractional parts of gallons, sold by that permit holder during the preceding calendar month. The report also shall state whatever reasonable additional information the administrator requires. The permit holder at the time of filing this report shall pay to the division the amount of tax due at the rate fixed in section 123.183. A penalty of ten percent of the amount of the tax shall be assessed and collected if the report is not filed and the tax paid within the time required by this section.

85 Acts, ch 32, §75; 2013 Acts, ch 35, §18

Referred to in §123.187

Section amended

**123.185 Records required.**

Each class "A" wine permittee shall keep records showing each sale of wine, which shall be at all times open to inspection by the administrator and pursuant to section 123.30, subsection 1. Each class "B" wine permittee shall keep proper records showing each purchase of wine and the date and the amount of each purchase and the name of the person from whom each purchase was made, which shall be open to inspection pursuant to section 123.30, subsection 1, during normal business hours of the permittee.

85 Acts, ch 32, §76; 88 Acts, ch 1241, §26; 2013 Acts, ch 35, §42
Section amended

**123.186 Federal regulations adopted as rules.**

1. The division shall adopt as rules the substance of the federal regulations 27 C.F.R. pt. 6, 27 C.F.R. pt. 8, 27 C.F.R. pt. 10, and 27 C.F.R. pt. 11 as they relate to transactions between wholesalers and retailers.

2. The division shall adopt as rules the substance of 27 C.F.R. § 6.88, to permit a manufacturer of alcoholic beverages, wine, or beer, or an agent of such manufacturer, to provide to a retailer without charge wine and beer coil cleaning services, including carbon dioxide filters and other necessary accessories to properly clean the coil and affix carbon dioxide filters. The rules shall provide that the manufacturer shall be responsible for paying the costs of any filters provided.

85 Acts, ch 32, §77; 2006 Acts, ch 1061, §1; 2007 Acts, ch 22, §36

**123.187 Direct shipment of wine — licenses and requirements.**

1. A wine manufacturer licensed or permitted pursuant to laws regulating alcoholic beverages in this state or another state may apply for a wine direct shipper license, as provided in this section. For the purposes of this section, a "*wine manufacturer*" means a person who processes the fruit, vegetables, dandelions, clover, honey, or any combination of these ingredients, by fermentation into wines.

2. *a.* The administrator shall issue a wine direct shipper license to a wine manufacturer who submits an application for the license electronically, or in a manner prescribed by the administrator, accompanied by a true copy of the manufacturer's current alcoholic beverage license or permit and a copy of the manufacturer's winery license issued by the federal alcohol and tobacco tax and trade bureau.

*b.* An application submitted pursuant to paragraph "*a*" shall be accompanied by a license fee in the amount of twenty-five dollars.

*c.* An application submitted pursuant to paragraph "*a*" shall also be accompanied by a bond in the amount of five thousand dollars in the form prescribed and furnished by the division with good and sufficient sureties to be approved by the division conditioned upon compliance with this chapter.

*d.* A license issued pursuant to this section may be renewed annually by resubmitting the information required in paragraph "*a*", accompanied by the twenty-five dollar license fee.

3. The direct shipment of wine pursuant to this section shall be subject to the following requirements and restrictions:

*a.* Wine may only be shipped by a wine direct shipper licensee to a resident of this state who is at least twenty-one years of age, for the resident's personal use and consumption and not for resale.

*b.* Wine subject to direct shipping shall be properly registered with the federal alcohol and tobacco tax and trade bureau, and fermented on the winery premises of the wine direct shipper licensee.

*c.* All containers of wine shipped directly to a resident of this state shall be conspicuously labeled with the words "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY" or shall be conspicuously labeled with alternative wording preapproved by the administrator.

*d.* All containers of wine shipped directly to a resident of this state shall be shipped by an alcohol carrier licensed as provided in subsection 6.

4. *a.* In addition to the annual license fee, a wine direct shipper licensee shall remit to the

division an amount equivalent to the wine gallonage tax on wine subject to direct shipment at the rate specified in section 123.183 for deposit as provided in section 123.183, subsections 2 and 3. The amount shall be remitted at the same time and in the same manner as provided in section 123.184, and the ten percent penalty specified therein shall be applicable.

*b.* Shipment of wine pursuant to this subsection does not require a refund value for beverage container control purposes under chapter 455C.

5. A wine direct shipper licensee shall be deemed to have consented to the jurisdiction of the division or any other agency or court in this state concerning enforcement of this section and any related laws, rules, or regulations. A licensee shall permit the division to perform an audit of shipping records upon request.

6. *a.* Wine subject to direct shipment within this state pursuant to this section shall be delivered only by a carrier having obtained from the division an alcohol carrier license. An alcohol carrier license shall be issued upon payment of a one hundred dollar license fee, and shall be subject to requirements, and issued pursuant to application forms, to be determined by the administrator by rule.

*b.* An alcohol carrier licensee shall not deliver wine to any person under twenty-one years of age, or to any person who either is or appears to be in an intoxicated state or condition. A licensee shall obtain valid proof of identity and age prior to delivery, and shall obtain the signature of an adult as a condition of delivery.

*c.* An alcohol carrier licensee shall maintain records of wine shipped which include the license number and name of the wine manufacturer, quantity of wine shipped, recipient's name and address, and an electronic or paper form of signature from the recipient of the wine. Records shall be submitted to the division on a monthly basis in a form and manner to be determined by the division by rule.

7. A violation of this section shall subject a licensee to the penalty provisions of section 123.39.

96 Acts, ch 1101, §1; 2003 Acts, 1st Ex, ch 2, §158, 205; 2010 Acts, ch 1031, §100; 2010 Acts, ch 1193, §165; 2013 Acts, ch 35, §19

Referred to in §123.46A, 123.56, 123.173, 123.183

Subsection 2, paragraph a amended

# CHAPTER 123A

## BEER BREWERS AND WHOLESALERS


123A.1 Purposes and scope.
123A.2 Definitions.
123A.3 Termination and notice of cancellation.
123A.4 Cancellation.
123A.5 Prohibited conduct.
123A.6 Transfer of business assets or stock.
123A.7 Reasonable compensation.
123A.8 Right of free association.
123A.9 Judicial remedies.
123A.10 Waiver — prohibited.
123A.11 Indemnification.
123A.12 Application to existing agreements.


**123A.1 Purposes and scope.**

This chapter is enacted pursuant to the authority of the state under the provisions of the twenty-first amendment to the Constitution of the United States to promote the public's interest in fair, efficient, and competitive distribution of beer products through regulation and encouragement of brewer and wholesaler vendors to conduct their business relations toward these ends by:

1. Assuring that the beer wholesaler is free to manage its business enterprise.

2. Assuring the brewer and the public of service from wholesalers who will devote reasonable efforts and resources to distribution and sales of all of the brewer's products which the wholesaler has been granted the right to sell and distribute and maintain satisfactory sales levels.

3. Promoting and maintaining a sound, stable, and viable three-tier system of distribution of beer to the public.

95 Acts, ch 101, §1

**123A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Affected party"* means a wholesaler, brewer, master distributor, successor brewer, or any person that is a party to an agreement.

2. *"Agreement"* means a contract or arrangement whether expressed or implied, oral or written, for a definite or indefinite period between a brewer and a wholesaler pursuant to which a wholesaler has been granted the right to purchase, resell, and distribute one or more brands of beer offered by a brewer, or a contract or arrangement in which a brewer grants to a wholesaler a license to use a trade name, trademark, service mark, or related characteristic and in which there is a community of interest in the marketing of the products of the brewer. An agreement exists when one or more of the following occur:

*a.* A brewer has shipped beer to a wholesaler or accepted an order for beer from a wholesaler.

*b.* A brewer purchases the right to manufacture a beer product, the right to use the trade name for the product, or the right to distribute a product from another brewer with whom the wholesaler has an agreement.

3. *"Beer"* means any liquid capable of being used for beverage purposes made by the fermentation of an infusion in potable water of barley, malt, and hops with or without unmalted grains or decorticated and degerminated grains, or made by the fermentation of, or by distillation of the fermented products of fruit, fruit extracts, or other agricultural products, containing more than one-half of one percent of alcohol by volume but not more than five percent of alcohol by weight, but not including mixed drinks or cocktails mixed on the premises.

4. *"Brand"* means a word, name, group of letters, symbol, or a combination of words, names, letters, or symbols adopted and used by a brewer to identify a specific beer product, and to distinguish that beer product from other beer products brewed or marketed by that brewery or other breweries.

5. *"Brand extension"* means a brand which incorporates all or a substantial part of the unique features of a preexisting brand of the same brewery and which relies to a significant extent on the goodwill associated with the preexisting brand. However, a general corporate logo or symbol or an advertising message, whether appearing on the product packaging or elsewhere, is not a brand, brand extension, or part of a brand or brand extension.

6. *"Brewer"* means a person who is engaged in the manufacture of beer for the purpose of sale, barter, exchange, or transportation, a master distributor, or a fermenter, processor, bottler, packager, or importer of beer, or a successor brewer.

7. *"Designated member"* means a deceased wholesaler's spouse, child, grandchild, parent, brother, or sister, who is entitled to inherit the deceased wholesaler's ownership interest under the terms of the deceased wholesaler's will, other testamentary device, or the laws of intestate succession. With respect to an incapacitated individual having an ownership interest in a wholesaler, *"designated member"* also means a person appointed by the court as the conservator of the individual's property. *"Designated member"* also includes the appointed and qualified personal representative and the testamentary trustee of a deceased wholesaler.

8. *"Good cause"* exists if the wholesaler or affected party has failed to comply with reasonable requirements which are imposed upon the wholesaler or affected party through an agreement, which do not discriminate either by their terms or in the methods of their enforcement as compared with requirements imposed on other similarly situated wholesalers by the brewer, and which are not in violation of any law or administrative rule.

9. *"Good faith"* means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade and defined and interpreted under section 554.1201.

10. *"Manager"* means an individual named or designated by agreement between the brewer and wholesaler, who is principally responsible for the daily management of the wholesaler.

11. *"Master distributor"* means a wholesaler who acts in the role of or in a similar capacity as a brewer or outside seller of one or more brands of beer to other wholesalers on a regular basis in the normal course of business.

12. *"Reasonable standards and qualifications"* means those criteria applied by the brewer to similarly situated wholesalers during a period of twenty-four months before a proposed change in a successor manager of the wholesaler's business.

13. *"Similarly situated wholesalers"* means wholesalers of a brewer that are of a generally comparable size, and operate in markets with similar demographic characteristics, including population size, density, distribution, and vital statistics, and reasonably similar economic and geographic conditions.

14. *"Successor brewer"* means a person who succeeds to the role of a brewer or master distributor to manufacture or distribute one or more brands of beer whether by merger, purchase of corporate shares, purchase of assets, or any other arrangement.

15. *"Successor manager"* means an individual named or designated by agreement between a brewer and wholesaler who succeeds to the role of manager who will be principally responsible for the daily management of the wholesaler.

16. *"Territory"* means the geographic area of primary sales responsibility designated by an agreement between a wholesaler and brewer for one or more brands of beer of the brewer.

17. *"Wholesaler"* means a person, other than a vintner, brewer, or bottler of beer, who sells, barters, exchanges, offers for sale, possesses with intent to sell, deals, or traffics in beer.

95 Acts, ch 101, §2; 2008 Acts, ch 1032, §23

**123A.3 Termination and notice of cancellation.**

1. Except as provided in subsection 5, a brewer or wholesaler shall not amend, modify, cancel, fail to renew, or otherwise terminate an agreement unless the brewer or wholesaler furnishes prior notification to the other party in accordance with subsection 2.

2. The notification required under subsection 1 shall be in writing and sent to the affected party by certified mail not less than ninety days before the date on which the agreement will be amended, modified, canceled, not renewed, or otherwise terminated. The notification shall contain all of the following:

*a.* A statement of intention to amend, modify, cancel, fail to renew, or otherwise terminate the agreement.

*b.* A statement enumerating the facts and reasons for the action, including documentation necessary to fully inform the wholesaler of the reasons for the action.

*c.* The date on which the action will take effect.

3. For each cancellation, nonrenewal, or termination, the brewer shall have the burden of showing that it has acted in good faith, that the notice requirements under this section have been complied with, and that there was good cause for the cancellation, nonrenewal, or termination.

4. Notwithstanding the terms or conditions of any agreement, good cause exists for the purpose of a cancellation, nonrenewal, or termination if all of the following occur:

*a.* The wholesaler fails to comply with a provision of the agreement which is both reasonable and of material significance to the business relationship between the wholesaler and the brewer.

*b.* The brewer first acquired knowledge of the failure described in paragraph *"a"* not more than twenty-four months before the date notification was given pursuant to subsection 2.

*c.* The wholesaler was given notice by the brewer of failure to comply with the agreement.

*d.* The wholesaler has been given thirty days in which to submit a plan of corrective action to comply with the agreement and an additional ninety days to cure the noncompliance in accordance with the plan, and has failed to correct the failure to comply with the provisions of the agreement.

5. A brewer may cancel, fail to renew, or otherwise terminate an agreement without furnishing any prior notification and without good cause as required in subsection 4 for any of the following reasons:

*a.* The wholesaler's failure to pay any account when due and upon written demand by the brewer for the payment, in accordance with agreed upon payment terms.

*b.* The wholesaler's assignment for the benefit of creditors, or similar disposition, of substantially all of the assets of the party's business.

*c.* The insolvency of the wholesaler, or the institution of proceedings in bankruptcy by or against the wholesaler.

*d.* The dissolution or liquidation of the wholesaler.

*e.* The wholesaler's conviction of, or plea of guilty or no contest to, a charge of violating a law or rule in this state which materially and adversely affects the ability of either party to continue to sell beer in this state, or the revocation or suspension of a license or permit to sell beer in this state for a period greater than thirty-one days.

*f.* Any attempted transfer of business assets of the wholesaler, ten percent or more of the voting stock of the wholesaler or the voting stock of any parent corporation of the wholesaler, or any change in the beneficial ownership or control of any wholesaler without obtaining the prior consent or approval as provided for under section 123A.6.

*g.* The wholesaler's fraudulent conduct relating to a material matter on the part of the wholesaler in dealings with the brewer or its product. However, the brewer shall have the burden of proving fraudulent conduct relating to a material matter on the part of the wholesaler in any legal action challenging the termination.

*h.* The wholesaler distributes, sells, or delivers beer to a retailer whose premises are situated outside the geographic territory agreed upon by the wholesaler and the brewer as the area in which the wholesaler will sell beer purchased from the brewer, without the consent of the brewer and the distributor who has been assigned the territory by the brewer.

95 Acts, ch 101, §3

Referred to in §123A.4

**123A.4 Cancellation.**

A brewer or a wholesaler shall not cancel, fail to renew, or otherwise terminate an agreement unless the party intending that action has good cause for the cancellation, failure to renew, or termination, has made good faith efforts to resolve disagreements, and, in any case in which prior notification is required under section 123A.3, the party intending to act has furnished the prior notification and the other party has not eliminated the reasons specified in the notification for cancellation, failure to renew, or termination, within the periods provided in section 123A.3, subsection 4, paragraph "*d*".

95 Acts, ch 101, §4

**123A.5 Prohibited conduct.**

1. A brewer shall not commit any of the following actions:

*a.* Induce or coerce, or attempt to induce or coerce, any wholesaler to engage in any illegal act or course of conduct.

*b.* Require a wholesaler to assent to any unreasonable requirement, condition, understanding, or term of an agreement prohibiting a wholesaler from selling the product of another brewer.

*c.* Fix, maintain, or establish the price at which a wholesaler may resell beer, or to change, by any means, the price charged to the wholesaler after beer has been ordered by the wholesaler from the brewer.

*d.* Require any wholesaler to accept delivery of any beer or any other item or commodity which shall not have been ordered by the wholesaler.

*e.* Require a wholesaler without the wholesaler's approval to participate in an arrangement for the payment or crediting by an electronic fund transfer transaction for any item or commodity other than beer, or to access a wholesaler's account for any item or commodity other than beer.

*f.* Require or prohibit any change in the manager or successor manager of any wholesaler who has been approved by the brewer as of or subsequent to July 1, 1995, unless the brewer acts in good faith. If a wholesaler changes an approved manager or successor manager, a brewer shall not require or prohibit the change unless the person selected by the wholesaler

fails to meet the nondiscriminatory, material, and reasonable standards and qualifications for managers or successor managers consistently applied to similarly situated wholesalers by the brewer. However, the brewer shall have the burden of proving that the person fails to meet the reasonable standards and qualifications.

*g.* Discriminate among the brewer's wholesalers in any business dealings including, but not limited to, the price of beer sold to the wholesaler or terms of sale offered to wholesalers, unless the difference among its wholesalers is based on reasonable grounds.

*h.* Fail to provide each wholesaler of the brewer's brand with a written agreement which contains in total the brewer's agreement with each wholesaler, and designates a specific exclusive sales territory. The terms of written agreements executed, amended, or renewed after July 1, 1995, shall be consistent with this chapter, and this chapter may be incorporated by reference in the agreement.

*i.* Enter into an additional agreement with any other wholesaler for, or to sell to any other wholesaler, the same brand of beer or brand extension in the same territory or any portion of the territory, or to sell directly to any retailer in this state.

*j.* Require a wholesaler to purchase one or more brands of beer in order for the wholesaler to purchase another brand of beer for any reason.

*k.* Require a wholesaler, by any means, directly to participate in or contribute to any local or national advertising fund controlled directly or indirectly by a brewer.

*l.* Require by a provision of an agreement or other instrument in connection with the agreement that any dispute arising out of or in connection with the agreement be determined through the application of any other state's laws, be determined in federal court sitting in a state other than Iowa, or be determined in a state court of a state other than this state. A provision contained in any agreement or other instrument in connection with the agreement which contravenes this section shall be null and void.

2. A wholesaler who, pursuant to an agreement, is granted a sales territory for which the wholesaler is primarily responsible or in which the wholesaler is required to concentrate the wholesaler's efforts, shall not make any sale or delivery of beer to any retail licensee whose place of business is not within the territory granted to the wholesaler unless agreed upon by all affected parties.

95 Acts, ch 101, §5

**123A.6 Transfer of business assets or stock.**

1. A brewer shall not unreasonably withhold or delay its approval of any assignment, sale, or transfer of the stock or other indicia of ownership of a wholesaler or all or any portion of a wholesaler's assets, wholesaler's voting stock, the voting stock of any parent corporation, or the beneficial ownership or control of any other entity owning or controlling the wholesaler, including the wholesaler's rights and obligations under the terms of an agreement when the person to be substituted meets reasonable standards. Upon the death of one of the partners of a partnership operating the business of a wholesaler, a brewer shall not deny the surviving partner of the partnership the right to become a successor-in-interest to the agreement between the brewer and the partnership, if the survivor has been active in the management of the partnership and is otherwise capable of carrying on the business of the partnership.

2. Notwithstanding subsection 1, upon the death of a wholesaler, a brewer shall not deny approval for any transfer of ownership or management to a designated member, including the rights under the agreement with the brewer. The transfer or assignment shall not be effective until written notice is given to the brewer, but the brewer's consent to the transfer or assignment shall not be required.

95 Acts, ch 101, §6

Referred to in §123A.3

**123A.7 Reasonable compensation.**

1. A brewer who cancels, fails to renew, or terminates any agreement, or unlawfully denies approval of, or unreasonably withholds consent to any assignment, transfer, or sale of a wholesaler's business assets or voting stock or other equity securities, except as provided

in this chapter, shall pay the wholesaler with which the brewer has an agreement pursuant to this chapter, reasonable compensation for the fair market value of the wholesaler's business with relation to the affected brand of beer. The fair market value of the wholesaler's business shall include, but not be limited to, its goodwill, if any.

2. If a brewer and a wholesaler are unable to mutually agree on the reasonable compensation to be paid for the value of the wholesaler's business, either party may maintain a civil action as provided in section 123A.9, or the matter may, by mutual agreement of the parties, be submitted to a three-member arbitration panel consisting of one representative selected by the brewer but unassociated with the brewer; one representative selected by the wholesaler but unassociated with the wholesaler; and an impartial arbitrator selected by the other two members from a list provided by the American arbitration association, and the claim settled in accordance with the rules provided by the American arbitration association. Arbitration costs shall be paid one-half by the wholesaler and one-half by the brewer. Arbitration shall be conducted in accordance with the commercial arbitration rules of the American arbitration association and the laws of this state, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The award of the arbitrator shall be final and binding on the parties.

95 Acts, ch 101, §7

**123A.8 Right of free association.**

A brewer or wholesaler shall not restrict or inhibit, directly or indirectly, the right of free association among brewers or wholesalers for any lawful purpose.

95 Acts, ch 101, §8

**123A.9 Judicial remedies.**

1. If a brewer or a wholesaler who is a party to an agreement pursuant to this chapter fails to comply with this chapter or otherwise engages in conduct prohibited under this chapter, the aggrieved party may maintain a civil action in district court if the cause of action directly relates to or stems from the relationship of the individual parties under the agreement.

2. A brewer or wholesaler may bring an action for declaratory judgment for determination of any controversy arising under this chapter or out of the brewer and wholesaler agreement.

3. Upon proper petition to the district court, a brewer or wholesaler may obtain injunctive relief against a violation of this chapter.

4. In an action under subsection 1, the district court may grant the relief as the court determines is necessary or appropriate considering the purposes of this chapter. The district court may, if it finds that a brewer has acted in bad faith in invoking the amendment, modification, cancellation, nonrenewal, or termination provision of the agreement between the brewer and wholesaler, or has unreasonably withheld its consent to any assignment, transfer, or sale of the wholesaler's business, award equitable relief, actual damages, court costs, and attorney's fees.

5. The prevailing party in an action under subsection 1 shall be entitled to actual damages, court costs, and attorney's fees at the court's discretion.

6. With respect to a dispute arising under this chapter or out of the agreement between a brewer and wholesaler, the wholesaler and brewer each has the absolute right, before the wholesaler or brewer has agreed to arbitrate a particular dispute, to refuse to arbitrate that particular dispute. A brewer shall not, as a condition of entering into or renewing an agreement, require the wholesaler to agree to arbitration in lieu of judicial remedies.

7. A brewer shall not take retaliatory action against a wholesaler who files or manifests an intention to file a complaint of alleged violation of state or federal law or regulation by the brewer with the appropriate state or federal regulatory authority. Retaliatory action shall include, but shall not be limited to, refusal without good cause to continue the agreement, or a material reduction in the quality of service or quantity of products available to the wholesaler under the agreement, or impede the normal business operations of the wholesaler.

95 Acts, ch 101, §9

Referred to in §123A.7

**123A.10 Waiver — prohibited.**

A brewer shall not require a wholesaler to waive compliance with any provision of this chapter. This chapter shall not be construed to limit or prohibit a good faith settlement of a dispute voluntarily entered into between the parties.

95 Acts, ch 101, §10

**123A.11 Indemnification.**

A brewer shall fully indemnify and hold harmless the brewer's wholesaler against any losses, including but not limited to court costs and reasonable attorney fees or damages arising out of complaints, claims, or lawsuits, including but not limited to strict liability, negligence, misrepresentation, or express or implied warranty where the complaint, claim, or lawsuit relates to the manufacture or packaging of beer or other functions by the brewer which are beyond the control of the wholesaler.

95 Acts, ch 101, §11

**123A.12 Application to existing agreements.**

1. The provisions of this chapter apply to a valid agreement in effect immediately before July 1, 1995, when the first of the following dates occurs:

*a.* On the effective date of the next amendment, modification, or renewal of the existing valid agreement.

*b.* On the next anniversary date of the execution of the original agreement between the wholesaler and the brewer.

2. If no written agreement exists, the provisions of the chapter apply to the implied or oral unwritten agreement of a brewer and a wholesaler of that brewery on July 1, 1995.

95 Acts, ch 101, §12

# CHAPTERS 123B and 123C

RESERVED

# CHAPTER 124

## CONTROLLED SUBSTANCES

Referred to in §124B.2, 124C.1, 147.107, 155A.3, 155A.6, 155A.6A, 155A.6B, 155A.12, 155A.13A, 155A.17, 155A.23, 155A.26, 155A.27, 155A.42, 189.16, 205.3, 205.11, 205.12, 205.13, 232.45, 232.52, 237A.5, 321.19, 321.215, 422.72, 462A.2, 702.6, 809A.21, 811.1, 811.2, 901.5, 911.3, 914.7

See also chapter 124A, imitation controlled substances
See §205.11 – 205.13 for additional provisions relating to administration and enforcement
This chapter not enacted as a part of this title; transferred from chapter 204 in Code 1993

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124.210 Schedule IV — substances included.
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DIVISION I

DEFINITIONS

**124.101 Definitions.**

As used in this chapter:

1. *"Administer"* means the direct application of a controlled substance, whether by injection, inhalation, ingestion, or any other means, to the body of a patient or research subject by:

*a.* A practitioner, or in the practitioner's presence, by the practitioner's authorized agent; or

*b.* The patient or research subject at the direction and in the presence of the practitioner.

2. *"Agent"* means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser. It does not include a common or contract carrier, public warehouser, or employee of the carrier or warehouser.

3. *"Board"* means the board of pharmacy.

4. *"Bureau"* means the bureau of narcotics and dangerous drugs, United States department of justice, or its successor agency.

5. *"Controlled substance"* means a drug, substance, or immediate precursor in schedules I through V of division II of this chapter.

6. *"Counterfeit substance"* means a controlled substance which, or the container or labeling of which, without authorization, bears the trademark, trade name, or other identifying mark, imprint, number or device, or any likeness thereof, of a manufacturer, distributor, or dispenser other than the person who in fact manufactured, distributed, or dispensed the substance.

7. *"Deliver"* or *"delivery"* means the actual, constructive, or attempted transfer from one person to another of a controlled substance, whether or not there is an agency relationship.

8. *"Department"* means the department of public safety of the state of Iowa.

9. *"Dispense"* means to deliver a controlled substance to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the prescribing, administering, packaging, labeling, or compounding necessary to prepare the substance for that delivery.

10. *"Dispenser"* means a practitioner who dispenses.

11. *"Distribute"* means to deliver other than by administering or dispensing a controlled substance.

12. *"Distributor"* means a person who distributes.

13. *"Drug"* means:

*a.* Substances recognized as drugs in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them;

*b.* Substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or animals;

*c.* Substances, other than food, intended to affect the structure or any function of the human body or animals; and

*d.* Substances intended for use as a component of any article specified in paragraph *"a"*, *"b"*, or *"c"* of this subsection. It does not include devices or their components, parts, or accessories.

14. *"Electronic prescription"* means a prescription which is transmitted by a computer device in a secure manner, including computer-to-computer transmission and computer-to-facsimile transmission.

15. *"Facsimile prescription"* means a prescription which is transmitted by a device which sends an exact image to the receiver.

16. *"Immediate precursor"* means a substance which the board has found to be and by rule designates as being the principal compound commonly used or produced primarily for use, and which is an immediate chemical intermediary used or likely to be used in the

manufacture of a controlled substance, the control of which is necessary to prevent, curtail, or limit manufacture.

17. *"Isomer"* means the optical isomer, except as used in section 124.204, subsection 4, and section 124.206, subsection 2, paragraph *"d"*. As used in section 124.204, subsection 4, *"isomer"* means the optical, positional, or geometric isomer. As used in section 124.206, subsection 2, paragraph *"d"*, *"isomer"* means the optical or geometric isomer.

18. *"Manufacture"* means the production, preparation, propagation, compounding, conversion, or processing of a controlled substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation, compounding, packaging, or labeling of a controlled substance:

*a.* By a practitioner as an incident to administering or dispensing of a controlled substance in the course of the practitioner's professional practice, or

*b.* By a practitioner, or by an authorized agent under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.

19. *"Marijuana"* means all parts of the plants of the genus Cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin, including tetrahydrocannabinols. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil or cake or the sterilized seed of the plant which is incapable of germination.

20. *"Narcotic drug"* means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

*a.* Opium, opiates, derivatives of opium and opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers whenever the existence of such isomers, esters, ethers, and salts is possible within the specific chemical designation. Such term does not include the isoquinoline alkaloids of opium.

*b.* Poppy straw and concentrate of poppy straw.

*c.* Opium poppy.

*d.* Any compound, mixture, or preparation which contains any quantity of any of the substances referred to in paragraphs *"a"* through *"c"*.

21. *"Office"* means the governor's office of drug control policy, as referred to in section 80E.1.

22. *"Opiate"* means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability. It does not include, unless specifically designated as controlled under section 124.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). It does include its racemic and levorotatory forms.

23. *"Opium poppy"* means the plant of the species Papaver somniferum L., except its seeds.

24. *"Person"* means individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.

25. *"Poppy straw"* means all parts, except the seeds, of the opium poppy, after mowing.

26. *"Practitioner"* means either:

*a.* A physician, dentist, podiatric physician, veterinarian, scientific investigator or other person licensed, registered or otherwise permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

*b.* A pharmacy, hospital or other institution licensed, registered, or otherwise permitted to

distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

27. *"Production"* includes the manufacture, planting, cultivation, growing, or harvesting of a controlled substance.

28. *"Simulated controlled substance"* means a substance which is not a controlled substance but which is expressly represented to be a controlled substance, or a substance which is not a controlled substance but which is impliedly represented to be a controlled substance and which because of its nature, packaging, or appearance would lead a reasonable person to believe it to be a controlled substance.

29. *"State"*, when applied to a part of the United States, includes any state, district, commonwealth, territory, insular possession, and any area subject to the legal authority of the United States of America.

30. *"Ultimate user"* means a person who lawfully possesses a controlled substance for the person's own use or for the use of a member of the person's household or for administering to an animal owned by the person or by a member of the person's household.

[C51, §2728; R60, §4374; C73, §4038; C97, §2593; S13, §2593, 2596-a; C24, 27, 31, 35, §3151; C39, §**3169.01, 3169.07;** C46, 50, 54, 58, 62, 66, §204.1, 204.7; C71, §204.1, 204.7, 204A.1; C73, 75, 77, 79, 81, §204.101; 82 Acts, ch 1147, §1]

84 Acts, ch 1013, §1 – 3; 91 Acts, ch 8, §1

C93, §124.101

94 Acts, ch 1009, §1; 95 Acts, ch 108, §1; 99 Acts, ch 89, §1, 2; 2001 Acts, ch 24, §28; 2004 Acts, ch 1036, §1; 2007 Acts, ch 8, §1; 2007 Acts, ch 10, §8; 2009 Acts, ch 25, §1; 2009 Acts, ch 133, §194

Referred to in §80.1A, 124.410, 124A.2, 124B.1, 125.2, 279.9, 321.208, 453B.1, 657.2, 717F.4, 808B.3, 808B.5

**124.101A Administration of controlled substances — delegation.**

Nothing contained in this chapter shall be construed to prevent a physician, dentist, podiatric physician, or veterinarian from delegating the administration of controlled substances under this chapter to a nurse, intern, or other qualified individual or, as to veterinarians, to an orderly or assistant, under the veterinarian's direction and supervision; all pursuant to rules adopted by the board.

2009 Acts, ch 133, §195

## DIVISION II

## STANDARDS AND SCHEDULES

Referred to in §124.101, 155A.3

**124.201 Duty to recommend changes in schedules.**

1. The board shall administer the regulatory provisions of this chapter. Annually, within thirty days after the convening of each regular session of the general assembly, the board shall recommend to the general assembly any deletions from, or revisions in the schedules of substances, enumerated in section 124.204, 124.206, 124.208, 124.210, or 124.212, which it deems necessary or advisable. In making a recommendation to the general assembly regarding a substance, the board shall consider the following:

*a.* The actual or relative potential for abuse;

*b.* The scientific evidence of its pharmacological effect, if known;

*c.* State of current scientific knowledge regarding the substance;

*d.* The history and current pattern of abuse;

*e.* The scope, duration, and significance of abuse;

*f.* The risk to the public health;

*g.* The potential of the substance to produce psychic or physiological dependence liability; and

*h.* Whether the substance is an immediate precursor of a substance already controlled under this division.

2. After considering the above factors, the board shall make a recommendation to the

general assembly, specifying the change which should be made in existing schedules, if it finds that the potential for abuse or lack thereof of the substance is not properly reflected by the existing schedules.

3. If the board designates a substance as an immediate precursor, substances which are precursors of the controlled precursor shall not be subject to control solely because they are precursors of the controlled precursor. Such designations shall be made pursuant to the procedures of chapter 17A.

4. If any new substance is designated as a controlled substance under federal law and notice of the designation is given to the board, the board shall similarly designate as controlled the new substance under this chapter after the expiration of thirty days from publication in the Federal Register of a final order designating a new substance as a controlled substance, unless within that thirty-day period the board objects to the new designation. In that case the board shall publish the reasons for objection and afford all interested parties an opportunity to be heard. At the conclusion of the hearing the board shall announce its decision. Upon publication of objection to a new substance being designated as a controlled substance under this chapter by the board, control under this chapter is stayed until the board publishes its decision. If a substance is designated as controlled by the board under this subsection the control shall be temporary and if, within sixty days after the next regular session of the general assembly convenes, the general assembly has not made the corresponding changes in this chapter, the temporary designation of control of the substance by the board shall be nullified.

[C73, 75, 77, 79, 81, §204.201]
C93, §124.201
2012 Acts, ch 1122, §7, 11; 2013 Acts, ch 90, §24
Referred to in §124.101
Subsection 4 amended

**124.202 Controlled substances — listed regardless of name.**

The controlled substances listed in the schedules in sections 124.204, 124.206, 124.208, 124.210 and 124.212 are included by whatever official name, common or usual name, chemical name, or trade name is designated.

[C73, 75, 77, 79, 81, §204.202]
C93, §124.202

**124.203 Substances listed in schedule I — criteria.**

1. The board shall recommend to the general assembly that the general assembly place a substance in schedule I if the substance is not already included therein and the board finds that the substance:

*a.* Has high potential for abuse; and

*b.* Has no accepted medical use in treatment in the United States; or lacks accepted safety for use in treatment under medical supervision.

2. If the board finds that any substance included in schedule I does not meet these criteria, the board shall recommend that the general assembly place the substance in a different schedule or remove the substance from the list of controlled substances, as appropriate.

[C73, 75, 77, 79, 81, §204.203]
C93, §124.203
2009 Acts, ch 41, §34, 263

**124.204 Schedule I — substances included.**

1. Schedule I shall consist of the drugs and other substances, by whatever official name, common or usual name, chemical name, or brand name designated, listed in this section.

2. *Opiates.* Unless specifically excepted or unless listed in another schedule, any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of such isomers, esters, ethers, and salts is possible within the specific chemical designation:

*a.* Acetylmethadol.

*b.* Allylprodine.

*c.* Alphacetylmethadol (except levo-alphacetylmethadol also known as levo-alpha-acetylmethadol, levomethadyl acetate, or LAAM).
*d.* Alphameprodine.
*e.* Alphamethadol.
*f.* Alpha-Methylfentanyl (N-(1-(alpha-methyl-beta-phenyl) ethyl-4-piperidyl) propionanilide; 1-(1-methyl-2-phenylethyl)-4-(N-propanilido)piperidine).
*g.* Benzethidine.
*h.* Betacetylmethadol.
*i.* Betameprodine.
*j.* Betamethadol.
*k.* Betaprodine.
*l.* Clonitazene.
*m.* Dextromoramide.
*n.* Difenoxin.
*o.* Diampromide.
*p.* Diethylthiambutene.
*q.* Dimenoxadol.
*r.* Dimepheptanol.
*s.* Dimethylthiambutene.
*t.* Dioxaphetyl butyrate.
*u.* Dipipanone.
*v.* Ethylmethylthiambutene.
*w.* Etonitazene.
*x.* Etoxeridine.
*y.* Furethidine.
*z.* Hydroxypethidine.
*aa.* Ketobemidone.
*ab.* Levomoramide.
*ac.* Levophenacylmorphan.
*ad.* Morpheridine.
*ae.* Noracymethadol.
*af.* Norlevorphanol.
*ag.* Normethadone.
*ah.* Norpipanone.
*ai.* Phenadoxone.
*aj.* Phenampromide.
*ak.* Phenomorphan.
*al.* Phenoperidine.
*am.* Piritramide.
*an.* Proheptazine.
*ao.* Properidine.
*ap.* Propiram.
*aq.* Racemoramide.
*ar.* Tilidine.
*as.* Trimeperidine.
*at.* Beta-hydroxy-3-methylfentanyl (other name: N-[1-(2-hydroxy-2-phenethyl)-3-methyl-4-piperidinyl]-N-phenylpropanamide).
*au.* Acetyl-alpha-methylfentanyl (N-[1-(1-methyl-2-phenethyl)-4-piperidinyl]-N-phenylacetamide).
*av.* Alpha-methylthiofentanyl (N-[1-methyl-2-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide).
*aw.* Beta-hydroxyfentanyl (N-[1-(2-hydroxy-2-phenethyl)-4-piperidinyl]-N-phenylpropanamide).
*ax.* 3-Methylfentanyl (N-[3-methyl-1-(2-phenylethyl)-4-piperidyl]-N-phenylpropanamide). For purposes of this opiate, *"isomers"* includes optical and geometric isomers.

*ay.* 3-Methylthiofentanyl (N-[(3-methyl-1-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide).

*az.* MPPP (1-methyl-4-phenyl-4-propionoxy-piperidine).

*ba.* Para-fluorofentanyl (N-(4-fluorophenyl)-N-[1-(2-phenethyl)-4-piperidinyl] propanamide).

*bb.* PEPAP (1-(-2-phenethyl)-4-phenyl-4-acetoxypiperidine).

*bc.* Thiofentanyl (N-phenyl-N-[1-(2-thienyl)ethyl-4-piperidinyl]-propanamide).

3. *Opium derivatives.* Unless specifically excepted or unless listed in another schedule, any of the following opium derivatives, their salts, isomers and salts of isomers, whenever the existence of these salts, isomers and salts of isomers is possible within the specific chemical designation:

*a.* Acetorphine.

*b.* Acetyldihydrocodeine.

*c.* Benzylmorphine.

*d.* Codeine methylbromide.

*e.* Codeine-N-Oxide.

*f.* Cyprenorphine.

*g.* Desomorphine.

*h.* Dihydromorphine.

*i.* Etorphine (except hydrochloride salt).

*j.* Heroin.

*k.* Hydromorphinol.

*l.* Methyldesorphine.

*m.* Methyldihydromorphine.

*n.* Morphine methylbromide.

*o.* Morphine methylsulfonate.

*p.* Morphine-N-Oxide.

*q.* Myrophine.

*r.* Nicocodeine.

*s.* Nicomorphine.

*t.* Normorphine.

*u.* Pholcodine.

*v.* Thebacon.

*w.* Drotebanol.

4. *Hallucinogenic substances.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation, which contains any quantity of the following hallucinogenic substances, or which contains any of its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation (for purposes of this paragraph only, the term *"isomer"* includes the optical, position and geometric isomers):

*a.* 4-bromo-2,5-dimethoxy-amphetamine.
Some trade or other names: 4-bromo-2,5-dimethoxy-a-methylphenethylamine; 4-bromo-2,5-DMA.

*b.* 2,5-dimethoxyamphetamine. Some trade or other names: 2,5-dimethoxy-a-methylphenethylamine; 2,5-DMA.

*c.* 4-methoxyamphetamine. Some trade or other names: 4-methoxy-a-methylphenethylamine; paramethoxyamphetamine, PMA.

*d.* 5-methoxy-3,4-methylenedioxy-amphetamine.

*e.* 4-methyl-2,5-dimethoxyl-amphetamine. Some trade or other names: 4-methyl-2,5-dimethoxy-a-methylphenethylamine; "DOM"; and "STP".

*f.* 3,4-methylenedioxy amphetamine, also known as MDA.

*g.* 3,4,5-trimethoxy amphetamine.

*h.* Bufotenine. Some trade or other names: 3-(B-Dimethylaminoethyl)-5-hydroxyindole; 3-(2-dimethylaminoethyl)-5-indolol; N, N-dimethylserotonin; 5-hydroxy-N, N-dimethyltryptamine; mappine.

*i.* Diethyltryptamine. Some trade and other names: N, N-Diethyltryptamine; DET.

*j.* Dimethyltryptamine. Some trade or other names: DMT.

*k.* Ibogaine. Some trade or other names: 7-Ethyl-6,6B,7,8,9,10,12,13-octahydro-2-methoxy-6,9-methano-5H-pyrido (1',2':1,2) azepino (5,4-b) indole; Tabernanthe iboga.

*l.* Lysergic acid diethylamide.

*m.* Marijuana, except as otherwise provided by rules of the board for medicinal purposes.

*n.* Mescaline.

*o.* Parahexyl. Some trade or other names: 3-Hexyl-l-hydroxy-7,8,9,10-tetrahydro-6,6,9-trimethyl-6H-dibenzo(b,d) pyran; synhexyl.

*p.* Peyote, except as otherwise provided in subsection 8. Meaning all parts of the plant presently classified botanically as Lophophora williamsii Lemaire, whether growing or not, the seeds thereof, any extract from any part of such plant, and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or extracts.

*q.* N-ethyl-3-piperidyl benzilate.

*r.* N-methyl-3-piperidyl benzilate.

*s.* Psilocybin.

*t.* Psilocyn.

*u.* Tetrahydrocannabinols, except as otherwise provided by rules of the board for medicinal purposes, meaning tetrahydrocannabinols naturally contained in a plant of the genus Cannabis (Cannabis plant) as well as synthetic equivalents of the substances contained in the Cannabis plant, or in the resinous extractives of such plant, and synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity to those substances contained in the plant, such as the following:

(1) 1 cis or trans tetrahydrocannabinol, and their optical isomers.

(2) 6 cis or trans tetrahydrocannabinol, and their optical isomers.

(3) 3,4 cis or trans tetrahydrocannabinol, and their optical isomers. (Since nomenclature of these substances is not internationally standardized, compounds of these structures, regardless of numerical designation of atomic positions covered.)

*v.* Ethylamine analog of phencyclidine. Some trade or other names: N-ethyl-1-phenylcyclohexylamine, (1-phenylcyclohexyl) ethylamine, N-(1-phenylcyclohexyl) ethylamine, cyclohexamine, PCE.

*w.* Pyrrolidine analog of phencyclidine. Some trade or other names: 1-(1-phenylcyclohexyl)-pyrrolidine, PCPy, PHP.

*x.* Thiophene analog of phencyclidine. Some trade or other names: 1-(1-(2-thienyl)-cyclohexyl)-piperidine, 2-thienylanalog of phencyclidine, TPCP, TCP.

*y.* 1-[1-(2-thienyl)cyclohexyl]pyrrolidine. Some other names: TCPy.

*z.* 3,4-methylenedioxymethamphetamine (MDMA).

*aa.* 3,4-methylenedioxy-N-ethylamphetamine (also known as N-ethyl-alpha-methyl-3,4(methylenedioxy)phenethylamine, N-ethyl MDA, MDE, MDEA).

*ab.* N-hydroxy-3,4-methylenedioxyamphetamine (also known as N-hydroxy-alpha-methyl-3,4(methylenedioxy)phenethylamine, and N-hydroxy MDA).

*ac.* 2,5-dimethoxy-4-ethylamphetamine. Some trade or other names: DOET.

*ad.* Alpha-ethyltryptamine. Some trade or other names: etryptamine; Monase; a-ethyl-1H-indole-3-ethanamine;3-(2-aminobutyl)indole; alpha-ET; and AET.

*ae.* 4-Bromo-2,5-dimethoxyphenethylamine. Some trade or other names: 2-(4-bromo-2,5-dimethoxyphenyl)-1-aminoethane; alpha-desmethyl DOB; 2C-B, Nexus.

*af.* 2,5-dimethoxy-4-(n)-propylthiophenethylamine. Other name: 2C-T-7.

*ag.* Alpha-methyltryptamine. Other name: AMT.

*ah.* 5-methoxy-N,N-diisopropyltryptamine. Other name: 5-MeO-DIPT.

*ai.* (1) Salvia divinorum.

(2) Salvinorin A.

(3) HU-210. [(6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl) 6a,7,10,10a-tetrahydrobenzo[c] chromen-1-ol)].

(4) HU-211(dexanabinol, (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c] chromen-1-ol).

(5) Unless specifically exempted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of cannabimimetic agents,

or which contains their salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

(a) The term *"cannabimimetic agents"* means any substance that is a cannabinoid receptor type 1 (CB1 receptor) agonist as demonstrated by binding studies and functional assays within any of the following structural classes:

(i) 2-(3-hydroxycyclohexyl)phenol with substitution at the 5-position of the phenolic ring by alkyl or alkenyl, whether or not substituted on the cyclohexyl ring to any extent.

(ii) 3-(1-naphthoyl)indole or 3-(1-naphthylmethane)indole by substitution at the nitrogen atom of the indole ring, whether or not further substituted on the indole ring to any extent, whether or not substituted on the naphthoyl or naphthyl ring to any extent.

(iii) 3-(1-naphthoyl)pyrrole by substitution at the nitrogen atom of the pyrrole ring, whether or not further substituted in the pyrrole ring to any extent, whether or not substituted on the naphthoyl ring to any extent.

(iv) 1-(1-naphthylmethylene)indene by substitution of the 3-position of the indene ring, whether or not further substituted in the indene ring to any extent, whether or not substituted on the naphthyl ring to any extent.

(v) 3-phenylacetylindole or 3-benzoylindole by substitution at the nitrogen atom of the indole ring, whether or not further substituted in the indole ring to any extent, whether or not substituted on the phenyl ring to any extent.

(b) Such terms include:

(i) CP 47,497 and homologues 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexl]phenol.

(ii) JWH-018 and AM678 1-Pentyl-3-(1-naphthoyl)indole.

(iii) JWH-073 1-Butyl-3-(1-naphthoyl)indole.

(iv) JWH-200[1-[2-(4-morpholinyl)ethyl]-1H-indol-3-yl]-1-naphthalenyl-methanone.

(v) JWH-19 1-hexyl-3-(1-naphthoyl)indole.

(vi) JWH-81 1-pentyl-3-[1-(4-methoxynaphthoyl)]indole.

(vii) JWH-122 1-pentyl-3-(4-methyl-1-naphthoyl)indole.

(viii) JWH-250 1-pentyl-3-(2-methoxyphenylacetyl)indole.

(ix) RCS-4 and SR-19 1-pentyl-3-[(4methoxy)-benzoyl]indole.

(x) RCS-8 and SR 18 1-cyclohexylethyl-3-(2-methoxyphenylacetyl)indole.

(xi) AM2201 1-(5-fluoropentyl)-3-(1-naphthoyl)indole.

(xii) JWH-203 1-pentyl-3-(2-chlorophenylacetyl)indole.

(xiii) JWH-398 1-pentyl-3-(4-chloro-1-naphthoyl)indole.

(xiv) AM694 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole.

(xv) Cannabicyclohexanol or CP–47,497 C8-homolog 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol.

5. *Depressants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, their salts, isomers, and salts of isomers, whenever the existence of these salts, isomers, and salts of isomers is possible within the specific chemical designation:

*a.* Mecloqualone.

*b.* Methaqualone.

*c.* Gamma-hydroxybutyric acid. Some trade or other names: GHB; gamma-hydroxybutyrate; 4-hydroxybutyrate; 4-hydroxybutanoic acid; sodium oxybate; sodium oxybutyrate.

6. *Stimulants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substance having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

*a.* Fenethylline.

*b.* N-ethylamphetamine.

*c.* (+-)cis-4-methylaminorex ((+-)cis-4,5-dihydro-4-methyl-5-phenyl-2-oxazolamine).

*d.* N,N-dimethylamphetamine (also known as N,N-alpha-trimethyl-benzeneethanamine; N,N-alpha-trimethylphenethylamine).

*e.* Cathinone. Some trade or other names: 2-amino-1-phenyl-1-propanone, alpha-aminopropiophenone, 2-aminopropiophenone, and norephedrone.

*f.* Aminorex. Some other names: aminoxaphen; 2-amino-5-phenyl-2-oxazoline; 4,5-dihydro-5-phenyl-2-oxazolamine.

*g.* Methcathinone, its salts, optical isomers, and salts of optical isomers. Some other names: 2-(methylamino)-propiophenone; alpha-(methylamino)propiophenone; 2-(methylamino)-1-phenylpropan-1-one; alpha-N-methylaminopropiophenone; monomethylpropion; ephedrone; N-methylcathinone; methylcathinone; AL-464; AL-422; AL-463; and UR1432.

*h.* N-benzylpiperazine. Some other names: BZP, 1-benzylpiperazine.

*i.* Any substance, compound, mixture or preparation which contains any quantity of any synthetic cathinone that is not approved as a pharmaceutical, including but not limited to the following:

(1) Mephedrone, also known as 4-methylmethcathinone,(RS)-2-methylamino-l-(4-methylphenyl) propan-1-one.

(2) 3,4-methylenedioxypyrovalerone (MDPV)[(1-(1,3- Benzodioxol-5-yl)-2-(1-pyrrolidinyl)-1-pentanone].

(3) Methylone, also known as 3,4-methylenedioxymethcathinone.

(4) Naphthylpyrovalerone (naphyrone).

(5) 4-fluoromethcathinone(flephedrone) or a positional isomer of 4-fluoromethcathinone.

(6) 4-methoxymethcathinone (methedrone;Bk-PMMA).

(7) Ethcathinone.

(8) 3,4-methylenedioxyethcathinone(ethylone).

(9) Beta-keto-N-methyl-3,4-benzodioxyolybutanamine (butylone).

(10) N,N-dimethylcathinone(metamfepramone).

(11) Alpha-pyrrolidinopropiophenone (alpha-PPP).

(12) 4-methoxy-alpha-pyrrolidinopropiophenone (MOPPP).

(13) 3,4-methylenedioxy-alpha-pyrrolidinopropiophenone (MDPPP).

(14) Alpha-pyrrolidinovalerophenone (alpha-PVP).

(15) 6,7-dihydro-5H-indeno-(5,6-d)-1,3-dioxol-6-amine) (MDAI).

(16) 3-fluoromethcathinone.

(17) 4'-Methyl-alpha-pyrrolidinobutiophenone (MPBP).

(18) 2-(2,5-Dimethoxy-4-ethylphenyl)ethanamine (2C-E).

(19) 2-(2,5-Dimethoxy-4-methylphenyl)ethanamine (2C-D).

(20) 2-(4-Chloro-2,5-dimethoxyphenyl)ethanamine (2C-C).

(21) 2-(4-Iodo-2,5-dimethoxyphenyl)ethanamine (2C-I).

(22) 2-[4-(Ethylthio)-2,5-dimethoxyphenyl]ethanamine (2C-T-2).

(23) 2-[4-(Isopropylthio)-2,5-dimethoxyphenyl]ethanamine (2C-T-4).

(24) 2-(2,5-Dimethoxyphenyl)ethanamine (2C-H).

(25) 2-(2,5-Dimethoxy-4-nitrophenyl)ethanamine (2C-N).

(26) 2-(2,5-Dimethoxy-4-(n)-propylphenyl)ethanamine (2C-P).

7. *Exclusions.* This section does not apply to marijuana, tetrahydrocannabinols or chemical derivatives of tetrahydrocannabinol when utilized for medicinal purposes pursuant to rules of the board.

8. *Peyote.* Nothing in this chapter shall apply to peyote when used in bona fide religious ceremonies of the Native American Church; however, persons supplying the product to the church shall register, maintain appropriate records of receipts and disbursements of peyote, and otherwise comply with all applicable requirements of this chapter and rules adopted pursuant thereto.

[C73, 75, 77, 79, 81, §204.204; 82 Acts, ch 1044, §1, 2]

84 Acts, ch 1013, §4 – 8; 85 Acts, ch 86, §1, 2; 86 Acts, ch 1037, §1, 2; 87 Acts, ch 122, §1; 88 Acts, ch 1024, §1; 89 Acts, ch 109, §1, 2; 91 Acts, ch 8, §2

C93, §124.204

94 Acts, ch 1009, §2 – 8; 2000 Acts, ch 1140, §2 – 4; 2001 Acts, ch 58, §1; 2003 Acts, ch 53, §1 – 3; 2007 Acts, ch 8, §2 – 7; 2007 Acts, ch 10, §9 – 11; 2011 Acts, ch 131, §134 – 136; 2011

Acts, ch 134, §18, 27, 28; 2012 Acts, ch 1021, §122, 123, 141, 145, 146; 2012 Acts, ch 1122, §1, 8, 9, 11
Referred to in §124.101, 124.201, 124.202, 124.303, 124.401, 321J.1, 411.6

**124.205 Substances listed in schedule II — criteria.**

1. The board shall recommend to the general assembly that the general assembly place a substance in schedule II if the substance is not already included therein and the board finds that:

*a.* The substance has high potential for abuse;

*b.* The substance has currently accepted medical use in treatment in the United States, or currently accepted medical use with severe restrictions; and

*c.* Abuse of the substance may lead to severe psychic or physical dependence.

2. If the board finds that any substance included in schedule II does not meet these criteria, the board shall recommend that the general assembly place the substance in a different schedule or remove the substance from the list of controlled substances, as appropriate.

[C73, 75, 77, 79, 81, §204.205]
C93, §124.205
2009 Acts, ch 41, §35

**124.206 Schedule II — substances included.**

1. Schedule II consists of the drugs and other substances, by whatever official name, common or usual name, chemical name, or brand name designated, listed in this section.

2. *Substances, vegetable origin or chemical synthesis.* Unless specifically excepted or unless listed in another schedule, any of the following substances whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

*a.* Opium and opiate, and any salt, compound, derivative, or preparation of opium or opiate, excluding apomorphine, thebaine-derived butorphanol, dextrorphan, nalbuphine, nalmefene, naloxone, and naltrexone, and their respective salts, but including the following:

(1) Raw opium.
(2) Opium extracts.
(3) Opium fluid.
(4) Powdered opium.
(5) Granulated opium.
(6) Tincture of opium.
(7) Codeine.
(8) Ethylmorphine.
(9) Etorphine hydrochloride.
(10) Hydrocodone, also known as dihydrocodeinone.
(11) Hydromorphone, also known as dihydromorphinone.
(12) Metopon.
(13) Morphine.
(14) Oxycodone.
(15) Oxymorphone.
(16) Thebaine.
(17) Dihydroetorphine.
(18) Oripavine.

*b.* Any salt, compound, derivative or preparation thereof which is chemically equivalent or identical with any of the substances referred to in paragraph "*a*", subparagraph (1), except that these substances shall not include the isoquinoline alkaloids of opium.

*c.* Opium poppy and poppy straw.

*d.* Coca leaves and any salt, compound, derivative, or preparation of coca leaves. Decocainized coca leaves or extractions of coca leaves, which extractions do not contain cocaine or ecgonine, are excluded from this paragraph. The following substances and their salts, optical and geometric isomers, derivatives, and salts of derivatives and optical

and geometric isomers, and any salt, compound, derivative, or preparation thereof that is chemically equivalent or identical to any of such substances, are included in this paragraph:

(1) Cocaine.

(2) Ecgonine.

*e.* Concentrate of poppy straw (the crude extract of poppy straw in either liquid, solid or powder form which contains the phenanthrene alkaloids of the opium poppy).

3. *Opiates.* Unless specifically excepted or unless listed in another schedule any of the following opiates, including its isomers, esters, ethers, salts and salts of isomers, esters and ethers whenever the existence of such isomers, esters, ethers, and salts is possible within the specific chemical designation, dextrorphan and levopropoxyphene excepted:

*a.* Alphaprodine.

*b.* Alfentanyl.

*c.* Anileridine.

*d.* Bezitramide.

*e.* Bulk dextropropoxyphene (nondosage forms).

*f.* Carfentanil.

*g.* Dihydrocodeine.

*h.* Diphenoxylate.

*i.* Fentanyl.

*j.* Isomethadone.

*k.* Levomethorphan.

*l.* Levorphanol.

*m.* Metazocine.

*n.* Methadone.

*o.* Methadone – intermediate, 4-cyano-2-dimethylamino-4,4-diphenyl butane.

*p.* Moramide – intermediate, 2-methyl-3-morpholino-1,1-diphenylpropane-carboxylic acid.

*q.* Pethidine (meperidine).

*r.* Pethidine – intermediate-A, 4-cyano-1-methyl-4-phenylpiperidine.

*s.* Pethidine – intermediate-B, ethyl-4-phenylpiperidine-carboxylate.

*t.* Pethidine – intermediate-C, 1-methyl-4-phenylpiperidine-4-carboxylic acid.

*u.* Phenazocine.

*v.* Piminodine.

*w.* Racemethorphan.

*x.* Racemorphan.

*y.* Sufentanil.

*z.* Levo-alphacetylmethadol. Some other names: levo-alpha-acetylmethadol, levomethadyl acetate, LAAM.

*aa.* Remifentanil.

*ab.* Tapentadol.

4. *Stimulants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:

*a.* Amphetamine, its salts, optical isomers, and salts of its optical isomers.

*b.* Methamphetamine, its salts, isomers, and salts of its isomers.

*c.* Phenmetrazine and its salts.

*d.* Methylphenidate and its salts.

*e.* Lisdexamfetamine, its salts, isomers, and salts of its isomers.

5. *Depressants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

*a.* Amobarbital.

*b.* Glutethimide.

*c.* Pentobarbital.

*d.* Phencyclidine.

*e.* Secobarbital.

6. *Immediate precursors.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances:

*a.* Phenylacetone, an immediate precursor to amphetamine and methamphetamine. Some trade or other names: phenyl-2-propanone; P2P; benzyl methyl ketone;
methyl benzyl ketone.

*b.* Immediate precursors to phencyclidine (PCP):

(1) 1-phenylcyclohexylamine.

(2) 1-piperidinocyclohexanecarbonitrile (PCC).

*c.* Immediate precursor to fentanyl: 4-anilino-N-phenethyl-4-piperidine (ANPP).

7. *Hallucinogenic substances.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances:

*a.* Marijuana when used for medicinal purposes pursuant to rules of the board.

*b.* Nabilone [another name for
nabilone: (+-) - trans-3-(1,1-dimethylheptyl)-6,6a,7,8,10,10a-hexahydro-1-hydroxy-6,6-dimethyl-9H-dibenzo[b,d]pyran-9-one].

8. The board, by rule, may except any compound, mixture, or preparation containing any stimulant listed in subsection 4 from the application of all or any part of this chapter if the compound, mixture, or preparation contains one or more active medicinal ingredients not having a stimulant effect on the central nervous system, and if the admixtures are included in such combinations, quantity, proportion, or concentration as to vitiate the potential for abuse of the substances which have a stimulant or depressant effect on the central nervous system.

[C73, 75, 77, 79, 81, §204.206; 82 Acts, ch 1044, §3, 4]

84 Acts, ch 1013, §9; 85 Acts, ch 86, §3, 4; 86 Acts, ch 1037, §3 – 5; 87 Acts, ch 122, §2; 90 Acts, ch 1059, §1, 2; 91 Acts, ch 8, §3

C93, §124.206

94 Acts, ch 1009, §9, 10; 2000 Acts, ch 1140, §5 – 7; 2003 Acts, ch 53, §4, 5; 2007 Acts, ch 8, §8, 9; 2007 Acts, ch 10, §12, 13; 2008 Acts, ch 1010, §1, 2; 2010 Acts, ch 1046, §1; 2012 Acts, ch 1122, §2

Referred to in §124.101, 124.201, 124.202, 124.303, 321J.1, 411.6

**124.207 Substances listed in schedule III — criteria.**

1. The board shall recommend to the general assembly that the general assembly place a substance in schedule III if the substance is not already included therein and the board finds that:

*a.* The substance has a potential for abuse which is less than that of the substances listed in schedules I and II;

*b.* The substance has currently accepted medical use in treatment in the United States; and

*c.* Abuse of the substance may lead to moderate or low physical dependence or high psychological dependence.

2. If the board finds that any substance included in schedule III does not meet these criteria, the board shall recommend that the general assembly place the substance in a different schedule or remove the substance from the list of controlled substances, as appropriate.

[C73, 75, 77, 79, 81, §204.207]

C93, §124.207

2009 Acts, ch 41, §36

**124.208 Schedule III — substances included.**

1. Schedule III shall consist of the drugs and other substances, by whatever official name, common or usual name, chemical name, or brand name designated, listed in this section.

2. *Stimulants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers (whether optical, position, or geometric), and salts of such isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

*a.* Benzphetamine.

*b.* Chlorphentermine.

*c.* Clortermine.

*d.* Phendimetrazine.

3. *Depressants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system:

*a.* Any compound, mixture or preparation containing amobarbital, secobarbital, pentobarbital or any salt thereof and one or more other active medicinal ingredients which are not listed in any schedules.

*b.* Any suppository dosage form containing amobarbital, secobarbital, pentobarbital or any salt of any of these drugs and approved by the federal food and drug administration for marketing only as a suppository.

*c.* Any substance which contains any quantity of a derivative of barbituric acid or any salt thereof.

*d.* Chlorhexadol.

*e.* Lysergic acid.

*f.* Lysergic acid amide.

*g.* Methyprylon.

*h.* Sulfondiethylmethane.

*i.* Sulfonethylmethane.

*j.* Sulfonmethane.

*k.* Tiletamine and zolazepam or any salt thereof, including the following:

(1) Some trade or other names for a tiletamine-zolazepam combination product: Telazol.

(2) Some trade or other names for tiletamine: 2-(ethylamino)-2-(2-thienyl)-cyclohexanone.

(3) Some trade or other names for zolazepam: 4-(2-fluorophenyl)-6,8-dihydro-1,3,8-trimethylpyraxolo-[3,4-e] [1,4]-diazepin-7(1H)-one, flupyrazapon.

*l.* Ketamine, its salts, isomers, and salts of isomers.
Some other names for ketamine: (+-)-2-(2-chlorophenyl)-2-(methylamino)-cyclohexanone.

*m.* Any drug product containing gamma-hydroxybutyric acid, including its salts, isomers, and salts of isomers, for which an application is approved under section 505 of the federal Food, Drug, and Cosmetic Act.

*n.* Embutramide.

4. *Nalorphine.*

5. *Narcotic drugs.* Unless specifically excepted or unless listed in another schedule:

*a.* Any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as set forth below:

(1) Not more than one point eight grams of codeine per one hundred milliliters or not more than ninety milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium.

(2) Not more than one point eight grams of codeine per one hundred milliliters or not more than ninety milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(3) Not more than three hundred milligrams of dihydrocodeinone (another name: hydrocodone) per one hundred milliliters or not more than fifteen milligrams per dosage unit, with a fourfold or greater quantity of an isoquinoline alkaloid of opium.

(4) Not more than three hundred milligrams of dihydrocodeinone (another name:

hydrocodone) per one hundred milliliters or not more than fifteen milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(5) Not more than one point eight grams of dihydrocodeine per one hundred milliliters or not more than ninety milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(6) Not more than three hundred milligrams of ethylmorphine per one hundred milliliters or not more than fifteen milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(7) Not more than five hundred milligrams of opium per one hundred milliliters or per one hundred grams or not more than twenty-five milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(8) Not more than fifty milligrams of morphine per one hundred milliliters or per one hundred grams, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

*b.* Any material, compound, mixture, or preparation containing the narcotic drug buprenorphine, or its salts.

6. *Anabolic steroids.* Unless specifically excepted in subsection 7 or unless listed in another schedule, any material, compound, mixture, or preparation containing any quantity of the following substances, including their salts, esters, and ethers:

*a.* 3[beta],17-dihydroxy-5[alpha]-androstane.

*b.* 3[alpha],17[beta]-dihydroxy-5[alpha]-androstane.

*c.* 5[alpha]-androstan-3,17-dione.

*d.* 1-androstenediol(3[beta],17[beta]-dihydroxy-5[alpha]-androst-1-ene).

*e.* 1-androstenediol (3[alpha],17[beta]-dihydroxy-5[alpha]-androst-1-ene).

*f.* 4-androstenediol (3[beta],17[beta]-dihydroxy-androst-4-ene).

*g.* 5-androstenediol (3[beta],17[beta]-dihydroxy-androst-5-ene).

*h.* 1-androstenedione ([5[alpha]]-androst-1-en-3,17-dione).

*i.* 4-androstenedione (androst-4-en-3,17-dione).

*j.* 5-androstenedione (androst-5-en-3,17-dione).

*k.* Bolasterone (7[alpha],17[alpha]-dimethyl-17[beta]-hydroxyandrost-4-en-3-one).

*l.* Boldenone (17[beta]-hydroxyandrost-1,4-diene-3-one).

*m.* Calusterone (7[beta],17[alpha]-dimethyl-17[beta]-hydroxyandrost-4-en-3-one).

*n.* Clostebol (4-chloro-17[beta]-hydroxyandrost-4-en-3-one).

*o.* Dehydrochloromethyltestosterone (4-chloro-17[beta]-hydroxy-17[alpha]-methylandrost-1,4-dien-3-one).

*p.* [Delta]1-dihydrotestosterone (also known as 1-testosterone)(17[beta]-hydroxy-5[alpha]-androst-1-en-3-one).

*q.* 4-dihydrotestosterone (17[beta]-hydroxy-androstan-3-one).

*r.* Drostanolone (17[beta]-hydroxy-2[alpha]-methyl-5[alpha]-androstan-3-one).

*s.* Ethylestrenol (17[alpha]-ethyl-17[beta]-hydroxyestr-4-ene).

*t.* Fluoxymesterone (9-fluoro-17[alpha]-methyl-11[beta],17[beta]-dihydroxyandrost-4-en-3-one).

*u.* Formebolone (2-formyl-17[alpha]-methyl-11[alpha],17[beta]-dihydroxyandrost-1,4-dien-3-one).

*v.* Furazabol (17[alpha]-methyl-17[beta]-hydroxyandrostano[2,3-c]-furazan).

*w.* 13[beta]-ethyl-17[beta]-hydroxygon-4-en-3-one.

*x.* 4-hydroxytestosterone (4,17[beta]-dihydroxy-androst-4-en-3-one).

*y.* 4-hydroxy-19-nortestosterone (4,17[beta]-dihydroxy-estr-4-en-3-one).

*z.* Mestanolone (17[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androstan-3-one).

*aa.* Mesterolone (1[alpha]methyl-17[beta]-hydroxy-[5[alpha]]-androstan-3-one).

*ab.* Methandienone (17[alpha]-methyl-17[beta]-hydroxyandrost-1,4-dien-3-one).

*ac.* Methandriol (17[alpha]-methyl-3[beta],17[beta]-dihydroxyandrost-5-ene).

*ad.* Methenolone (1-methyl-17[beta]-hydroxy-5[alpha]-androst-1-en-3-one).

*ae.* 17[alpha]-methyl-3[beta],17[beta]-dihydroxy-5[alpha]-androstane.

*af.* 17[alpha]-methyl-3[alpha],17[beta]-dihydroxy-5[alpha]-androstane.

*ag.* 17[alpha]-methyl-3[beta],17[beta]-dihydroxyandrost-4-ene.

*ah.* 17[alpha]-methyl-4-hydroxynandrolone (17[alpha]-methyl-4-hydroxy-17[beta]-hydroxyestr-4-en-3-one).

*ai.* Methyldienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9(10)-dien-3-one).

*aj.* Methyltrienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9-11-trien-3-one).

*ak.* Methyltestosterone (17[alpha]-methyl-17[beta]-hydroxyandrost-4-en-3-one).

*al.* Mibolerone (7[alpha],17[alpha]-dimethyl-17[beta]-hydroxyestr-4-en-3-one).

*am.* 17[alpha]-methyl-[Delta]1-dihydrotestosterone (17b[beta]-hydroxy-17[alpha]-methyl-5[alpha]-androst-1-en-3-one) (also known as 17-[alpha]-methyl-1-testosterone).

*an.* Nandrolone (17[beta]-hydroxyestr-4-en-3-one).

*ao.* 19-nor-4-androstenediol (3[beta],17[beta]-dihydroxyestr-4-ene).

*ap.* 19-nor-4-androstenediol (3[alpha],17[beta]-dihydroxyestr-4-ene).

*aq.* 19-nor-5-androstenediol (3[beta],17[beta]-dihydroxyestr-5-ene).

*ar.* 19-nor-5-androstenediol (3[alpha],17[beta]-dihydroxyestr-5-ene).

*as.* 19-nor-4-androstenedione (estr-4-en-3,17-dione).

*at.* 19-nor-5-androstenedione (estr-5-en-3,17-dione).

*au.* Norbolethone (13[beta],17[alpha]-diethyl-17[beta]-hydroxygon-4-en-3-one).

*av.* Norclostebol (4-chloro-17[beta]-hydroxyestr-4-en-3-one).

*aw.* Norethandrolone (17[alpha]-ethyl-17[beta]-hydroxyestr-4-en-3-one).

*ax.* Normethandrolone (17[alpha]-methyl-17[beta]-hydroxyestr-4-en-3-one).

*ay.* Oxandrolone (17[alpha]-methyl-17[beta]-hydroxy-2-oxa-[5[alpha]]-androstan-3-one).

*az.* Oxymesterone (17[alpha]-methyl-4,17[beta]-dihydroxyandrost-4-en-3-one).

*ba.* Oxymetholone (17[alpha]-methyl-2-hydroxymethylene-17[beta]-hydroxy-[5[alpha]]-androstan-3-one).

*bb.* Stanozolol (17[alpha]-methyl-17[beta]-hydroxy-[5[alpha]]-androst-2-eno[3,2-c]-pyrazole).

*bc.* Stenbolone (17[beta]-hydroxy-2-methyl-[5[alpha]]-androst-1-en-3-one).

*bd.* Testolactone (13-hydroxy-3-oxo-13,17-secoandrosta-1,4-dien-17-oic acid lactone).

*be.* Testosterone (17[beta]-hydroxyandrost-4-en-3-one).

*bf.* Tetrahydrogestrinone (13[beta],17[alpha]-diethyl-17[beta]-hydroxygon-4,9,11-trien-3-one).

*bg.* Trenbolone (17[beta]-hydroxyestr-4,9,11-trien-3-one).

*bh.* Boldione (androsta-1,4-diene-3,17-dione).

*bi.* Desoxymethyltestosterone (17[alpha]-methyl-5[alpha]-androst-2-en-17[beta]-ol); also known as madol.

*bj.* 19-nor-4,9(10)-androstadienedione (estra-4,9(10)diene-3,17-dione).

7. *Exclusions — anabolic steroids.* This section shall not apply to an anabolic steroid that is expressly intended for administration through implants to cattle or other nonhuman species and that has been approved for such administration. A person who prescribes, dispenses, or distributes such steroid for human use shall be considered to have prescribed, dispensed, or distributed an anabolic steroid subject to this section. This section shall not apply to estrogens, progestins, corticosteroids, or dehydroepiandrosterone.

8. The board by rule may except any compound, mixture, or preparation containing any stimulant or depressant substance listed in subsections 2 and 3 of this section from the application of all or any part of this chapter if the compound, mixture, or preparation contains one or more active medicinal ingredients not having a stimulant or depressant effect on the central nervous system, and if the admixtures are included therein in such combinations, quantity, proportion, or concentration as to vitiate the potential for abuse of the substances which have a stimulant or depressant effect on the central nervous system.

9. *Hallucinogenic substances.*

*a.* Dronabinol in sesame oil and encapsulated in a soft gelatin capsule in a drug product approved for marketing by the United States food and drug administration.

*b.* Any drug product in tablet or capsule form containing natural dronabinol (derived from the cannabis plant) or synthetic dronabinol (produced from synthetic materials) for which an abbreviated new drug application (ANDA) has been approved by the United States food and

drug administration under section 505(j) of the federal Food, Drug, and Cosmetic Act and which references as its listed drug the drug product identified in paragraph *"a"*.

*c.* Some other names for dronabinol: (6aR-trans)-6a,7,8,10a-tetrahydro-6,6,9-trimethyl-3-pentyl-6H-dibenzo [b,d] pyran-1-ol, or (-)-delta-9-(trans)-tetrahydrocannabinol.

[C73, 75, 77, 79, 81, §204.208; 82 Acts, ch 1044, §5]

84 Acts, ch 1013, §10; 88 Acts, ch 1024, §2; 91 Acts, ch 8, §4; 91 Acts, ch 37, §1

C93, §124.208

94 Acts, ch 1009, §11 – 13; 95 Acts, ch 6, §1; 2000 Acts, ch 1140, §8 – 10; 2001 Acts, ch 58, §2; 2003 Acts, ch 53, §6, 7; 2007 Acts, ch 8, §10 – 12; 2008 Acts, ch 1010, §3, 4; 2012 Acts, ch 1122, §3

Referred to in §124.201, 124.202, 124.303, 126.2

**124.209 Substances listed in schedule IV — criteria.**

1. The board shall recommend to the general assembly that the general assembly place a substance in schedule IV if the substance is not already included therein and the board finds that:

*a.* The substance has a low potential for abuse when compared with the substances listed in schedule III;

*b.* The substance has currently accepted medical use in treatment in the United States; and

*c.* Abuse of the substance may lead to limited physical dependence or psychological dependence when compared with the substances listed in schedule III.

2. If the board finds that any substance included in schedule IV does not meet these criteria, the board shall recommend that the general assembly place the substance in a different schedule or remove the substance from the list of controlled substances, as appropriate.

[C73, 75, 77, 79, 81, §204.209]

C93, §124.209

2009 Acts, ch 41, §37

**124.210 Schedule IV — substances included.**

1. Schedule IV shall consist of the drugs and other substances, by whatever official name, common or usual name, chemical name, or brand name designated, listed in this section.

2. *Narcotic drugs.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as set forth below:

*a.* Not more than one milligram of difenoxin and not less than twenty-five micrograms of atropine sulfate per dosage unit.

*b.* Dextropropoxyphene (alpha-(+)-4-dimethylamino-1,2-diphenyl-3-methyl-2-propionoxybutane).

3. *Depressants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

*a.* Alprazolam.

*b.* Barbital.

*c.* Bromazepam.

*d.* Camazepam.

*e.* Carisoprodol.

*f.* Chloral betaine.

*g.* Chloral hydrate.

*h.* Chlordiazepoxide.

*i.* Clobazam.

*j.* Clonazepam.

*k.* Clorazepate.

*l.* Clotiazepam.
*m.* Cloxazolam.
*n.* Delorazepam.
*o.* Diazepam.
*p.* Dichloralphenazone.
*q.* Estazolam.
*r.* Ethchlorvynol.
*s.* Ethinamate.
*t.* Ethyl Loflazepate.
*u.* Fludiazepam.
*v.* Flunitrazepam.
*w.* Flurazepam.
*x.* Halazepam.
*y.* Haloxazolam.
*z.* Ketazolam.
*aa.* Loprazolam.
*ab.* Lorazepam.
*ac.* Lormetazepam.
*ad.* Mebutamate.
*ae.* Medazepam.
*af.* Meprobamate.
*ag.* Methohexital.
*ah.* Methylphenobarbital (mephobarbital).
*ai.* Midazolam.
*aj.* Nimetazepam.
*ak.* Nitrazepam.
*al.* Nordiazepam.
*am.* Oxazepam.
*an.* Oxazolam.
*ao.* Paraldehyde.
*ap.* Petrichloral.
*aq.* Phenobarbital.
*ar.* Pinazepam.
*as.* Prazepam.
*at.* Quazepam.
*au.* Temazepam.
*av.* Tetrazepam.
*aw.* Triazolam.
*ax.* Zaleplon.
*ay.* Zolpidem.
*az.* Zopiclone.
*ba.* Fospropofol.

4. *Fenfluramine.* Any material, compound, mixture, or preparation which contains any quantity of fenfluramine, including its salts, isomers (whether optical, position, or geometric), and salts of such isomers, whenever the existence of such salts, isomers, and salts of isomers is possible.

5. *Stimulants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers and salts of isomers:

*a.* Cathine [(+)-norpseudoephedrine].
*b.* Diethylpropion.
*c.* Fencamfamin.
*d.* Fenproporex.
*e.* Mazindol.
*f.* Mefenorex.

*g.* Pemoline (including organometallic complexes and chelates thereof).
*h.* Phentermine.
*i.* Pipradrol.
*j.* SPA ((-)-1-dimethylamino-1,2-diphenylethane).
*k.* Modafinil.
*l.* Sibutramine.
6. *Other substances.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture or preparation which contains any quantity of the following substances, including its salts:
*a.* Pentazocine.
*b.* Butorphanol (including its optical isomers).
[C73, 75, §204.210; C77, 79, 81, §204.208(6c), 204.210; 82 Acts, ch 1044, §6 – 10]
84 Acts, ch 1013, §11; 85 Acts, ch 86, §5; 87 Acts, ch 122, §3; 89 Acts, ch 109, §3
C93, §124.210
94 Acts, ch 1009, §14, 15; 2000 Acts, ch 1140, §11 – 14; 2002 Acts, ch 1108, §1; 2007 Acts, ch 8, §13, 14; 2010 Acts, ch 1046, §2; 2012 Acts, ch 1122, §4
Referred to in §124.201, 124.202, 124.303

**124.211 Schedule V — criteria.**
1. The board shall recommend to the general assembly that the general assembly place a substance in schedule V if any substance is not already included therein and the board finds that:
*a.* The substance has a low potential for abuse when compared with the substances listed in schedule IV;
*b.* The substance has currently accepted medical use in treatment in the United States; and
*c.* The substance has limited physical dependence or psychological dependence liability when compared with the controlled substances listed in schedule IV.
2. If the board finds that any substance included in schedule V does not meet these criteria, the board shall recommend that the general assembly place the substance in a different schedule or remove the substance from the list of controlled substances, as appropriate.
[C73, 75, 77, 79, 81, §204.211]
C93, §124.211
2009 Acts, ch 41, §38

**124.212 Schedule V — substances included.**
1. Schedule V shall consist of the drugs and other substances, by whatever official name, common or usual name, chemical name, or brand name designated, listed in this section.
2. *Narcotic drugs containing nonnarcotic active medicinal ingredients.* Any compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as set forth below, which shall include one or more nonnarcotic active medicinal ingredients in sufficient proportion to confer upon the compound, mixture, or preparation valuable medicinal qualities other than those possessed by narcotic drugs alone:
*a.* Not more than two hundred milligrams of codeine per one hundred milliliters or per one hundred grams.
*b.* Not more than one hundred milligrams of dihydrocodeine per one hundred milliliters or per one hundred grams.
*c.* Not more than one hundred milligrams of ethylmorphine per one hundred milliliters or per one hundred grams.
*d.* Not more than two point five milligrams of diphenoxylate and not less than twenty-five micrograms of atropine sulfate per dosage unit.
*e.* Not more than one hundred milligrams of opium per one hundred milliliters or per one hundred grams.

*f.* Not more than point five milligram of difenoxin and not less than twenty-five micrograms of atropine sulfate per dosage unit.

3. *Stimulants.* Unless specifically exempted or excluded or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of pyrovalerone, including its salts, isomers, and salts of isomers.

4. *Precursors to amphetamine and methamphetamine.* Unless specifically excepted in paragraph *"d"* or *"e"* or listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following precursors to amphetamine or methamphetamine, including their salts, optical isomers, and salts of their optical isomers:

*a.* Ephedrine.

*b.* Phenylpropanolamine.

*c.* Pseudoephedrine. A person shall present a government-issued photo identification card when purchasing a pseudoephedrine product from a pharmacy. A person shall not purchase a quantity of pseudoephedrine in violation of section 124.213 from a pharmacy, unless the person has a prescription for a pseudoephedrine product in excess of that quantity. A pseudoephedrine product not excepted from this schedule shall be sold by a pharmacy as provided in section 124.212A.

*d.* Any product that contains three hundred sixty milligrams or less of pseudoephedrine, its salts, optical isomers, and salts of its optical isomers, which is in liquid, liquid capsule, or liquid-filled gel capsule form, is excepted from this schedule and may be warehoused, distributed, and sold over the counter pursuant to section 126.23A.

*e.* A pseudoephedrine product warehoused by a distributor located in this state which is warehoused for export to a retailer outside this state is excepted from this schedule. A distributor warehousing and exporting a pseudoephedrine product shall register with the board and comply with any rules adopted by the board and relating to the diversion of pseudoephedrine products from legitimate commerce.

5. *Depressants.* Unless specifically exempted or excluded or unless listed in another schedule, any material, compound, mixture, or preparation that contains any quantity of any of the following substances having a depressant effect on the central nervous system, including salts of such substances:

*a.* Ezogabine [N-[2-amino-4(4-fluorobenzylamino)-phenyl]carbamic acid ethyl ester].

*b.* Lacosamide [(R)-2-acetoamido-N-benzyl-3-methoxy-propionamide].

*c.* Pregabalin [(S)-3-(aminomethyl)-5-methylhexanoic acid].

[C73, 75, 77, 79, 81, §204.212]

84 Acts, ch 1013, §12; 85 Acts, ch 86, §6; 89 Acts, ch 109, §4

C93, §124.212

94 Acts, ch 1009, §16, 17; 97 Acts, ch 77, §1; 2000 Acts, ch 1140, §15, 16; 2003 Acts, ch 53, §8; 2005 Acts, ch 15, §1, 14; 2005 Acts, ch 179, §56; 2007 Acts, ch 8, §15, 16; 2009 Acts, ch 25, §2; 2010 Acts, ch 1046, §3; 2012 Acts, ch 1122, §5

Referred to in §124.201, 124.202, 124.303, 126.23A

**124.212A Pharmacy pseudoephedrine sale — restrictions — records — contingent applicability.**

A pharmacy, an employee of a pharmacy, or a licensed pharmacist shall do the following:

1. Provide for the sale of a pseudoephedrine product from a locked cabinet or behind the sales counter where the public is unable to reach the product and where the public is not permitted.

2. Require the purchaser to present a government-issued photo identification card identifying the purchaser prior to purchasing a pseudoephedrine product.

3. Provide an electronic logbook for purchasers of pseudoephedrine products to sign.

4. Require the purchaser to sign the electronic logbook. If the electronic logbook is not available, require a signature that is associated with a transaction number.

5. Enter the purchaser's name, address, date of purchase, time of purchase, name of the pseudoephedrine product purchased, and the quantity sold in the electronic logbook. If the electronic logbook is unavailable, an alternative record shall be kept that complies with the rules adopted by both the office and the board.

6. Determine that the signature in the electronic logbook corresponds with the name on the government-issued photo identification card.

7. Provide notice that a purchaser entering a false statement or misrepresentation in the electronic logbook may subject the purchaser to criminal penalties under 18 U.S.C. § 1001.

8. Keep electronic logbook records and any other records obtained from pseudoephedrine purchases if the electronic logbook is unavailable for twenty-four months from the date of the last entry.

9. Disclose electronic logbook information and any other pseudoephedrine purchase records as provided by state and federal law.

10. Comply with training requirements pursuant to federal law.

2009 Acts, ch 25, §3, 9; 2010 Acts, ch 1061, §23
Referred to in §124.212

**124.212B Pseudoephedrine sales — tracking — penalty.**

1. The office shall establish a real-time electronic repository to monitor and control the sale of schedule V products containing any detectable amount of pseudoephedrine, its salts, or optical isomers, or salts of optical isomers; ephedrine; or phenylpropanolamine. A pharmacy dispensing such products shall report all such sales electronically to a central repository under the control of the office.

2. The information collected in the central repository is confidential unless otherwise ordered by a court, or released by the lawful custodian of the records pursuant to state or federal law.

3. A pharmacy, an employee of a pharmacy, or a licensed pharmacist shall not be provided access to the stored information in the electronic central repository. However, a pharmacy, an employee of a pharmacy, or a licensed pharmacist shall be provided access to the stored information for the limited purpose of determining what sales have been made by the pharmacy. A pharmacy, an employee of a pharmacy, or a licensed pharmacist shall not be given the obligation or duty to view the stored information.

4. A pharmacy, or an employee of a pharmacy, or a licensed pharmacist shall not be given the obligation or duty to seek information from the central repository if the real-time electronic logbook becomes unavailable for use.

5. If the electronic logbook is unavailable for use, a paper record for each sale shall be maintained including the purchaser's signature. Any paper record maintained by the pharmacy shall be provided to the office for inclusion in the electronic real-time central repository as soon as practicable.

6. A pharmacy, or an employee of a pharmacy, or a licensed pharmacist shall not be liable, if acting reasonably and in good faith, to any person for any claim which may arise when reporting sales of products enumerated in subsection 1 to the central repository.

7. A person who discloses information stored in the central repository in violation of this section commits a simple misdemeanor.

8. Both the office and the board shall adopt rules to administer this section.

9. The office shall report to the board on an annual basis, beginning January 1, 2010, regarding the repository, including the effectiveness of the repository in discovering unlawful sales of pseudoephedrine products.

2009 Acts, ch 25, §4, 9; 2010 Acts, ch 1069, §13

**124.212C Pseudoephedrine advisory council — electronic monitoring.** Repealed by 2013 Acts, ch 68, § 2.

**124.213 Pseudoephedrine purchase restrictions from pharmacy or retailer — penalty.**

1. A person shall not purchase more than three thousand six hundred milligrams of pseudoephedrine, either separately or collectively, within a twenty-four-hour period from a pharmacy, or more than one package of a product containing pseudoephedrine within a twenty-four-hour period from a retailer in violation of section 126.23A.

2. A person shall not purchase more than seven thousand five hundred milligrams of

pseudoephedrine, either separately or collectively, within a thirty-day period from a pharmacy or from a retailer in violation of section 126.23A.

3. A person who violates this section commits a serious misdemeanor.

2005 Acts, ch 15, §2, 14; 2009 Acts, ch 25, §6

Referred to in §124.212

## DIVISION III

## REGULATION OF MANUFACTURE, DISTRIBUTION, AND DISPENSING OF CONTROLLED SUBSTANCES

Referred to in §124.402

**124.301 Rules.**

The board may, subject to chapter 17A, promulgate rules and charge reasonable fees relating to the registration and control of the manufacture, distribution, and dispensing of controlled substances within this state.

[C73, 75, 77, 79, 81, §204.301]

C93, §124.301

Referred to in §147.82, 155A.43

**124.302 Registration requirements.**

1. Every person who manufactures, distributes, or dispenses any controlled substance within this state or who proposes to engage in the manufacture, distribution, or dispensing of any controlled substance within this state, shall obtain and maintain a biennial registration issued by the board in accordance with its rules.

2. Persons registered by the board under this chapter to manufacture, distribute, dispense, or conduct research with controlled substances may possess, manufacture, distribute, dispense, or conduct research with those substances to the extent authorized by their registration and in conformity with the other provisions of this division.

3. The following persons need not register and may lawfully possess controlled substances under this chapter:

*a.* An agent or employee of any registered manufacturer, distributor, or dispenser of any controlled substance if the agent or employee is acting in the usual course of the agent's or employee's business or employment.

*b.* A common or contract carrier or warehouse operator, or an employee thereof, whose possession of any controlled substance is in the usual course of business or employment.

*c.* An ultimate user or a person in possession of any controlled substance pursuant to a lawful order of a practitioner or in possession of a schedule V substance.

4. A separate registration is required for each principal place of business or professional practice where the applicant manufactures, distributes, or dispenses controlled substances.

5. The board may inspect the establishment of a registrant or applicant for registration in accordance with the board's rules.

[C24, 27, 31, 35, §3155; C39, §**3169.03, 3169.12;** C46, 50, 54, 58, 62, 66, 71, §204.03, 204.12; C73, 75, 77, 79, 81, §204.302]

91 Acts, ch 233, §5

C93, §124.302

Referred to in §124A.5

**124.303 Registration.**

1. The board shall register an applicant to manufacture or distribute controlled substances included in sections 124.204, 124.206, 124.208, 124.210 and 124.212 unless it determines that the issuance of that registration would be inconsistent with the public interest. In determining the public interest, the board shall consider all of the following factors:

*a.* Maintenance of effective controls against diversion of controlled substances into other than legitimate medical, scientific, or industrial channels.

*b.* Compliance with applicable state and local law.

*c.* Any convictions of the applicant under any federal and state laws relating to any controlled substance.

*d.* Past experience in the manufacture or distribution of controlled substances, and the existence in the applicant's establishment of effective controls against diversion.

*e.* Furnishing by the applicant of false or fraudulent material in any application filed under this chapter.

*f.* Suspension or revocation of the applicant's federal registration to manufacture, distribute, or dispense controlled substances as authorized by federal law.

*g.* Any other factors relevant to and consistent with the public health and safety.

2. Registration under subsection 1 of this section does not entitle a registrant to manufacture and distribute controlled substances in schedule I or II other than those specified in the registration.

3. Practitioners shall be registered to dispense any controlled substances or to conduct research with controlled substances in schedules II through V if they are authorized to dispense or conduct research under the law of this state. The board need not require separate registration under this division for practitioners engaging in research with nonnarcotic controlled substances in schedules II through V where the registrant is already registered under this division in another capacity. Practitioners registered under federal law to conduct research with schedule I substances may conduct research in schedule I substances within this state upon furnishing the board evidence of the federal registration.

4. Compliance by manufacturers and distributors with the provisions of the federal law respecting registration, excluding fees, entitles them to be registered under this chapter.

[C73, 75, 77, 79, 81, §204.303]

C93, §124.303

Referred to in §124.304

**124.304 Revocation, suspension, or restriction of registration.**

1. The board may suspend, revoke, or restrict a registration under section 124.303 to manufacture, distribute, or dispense a controlled substance upon a finding that any of the following apply to the registrant:

*a.* The registrant has furnished false or fraudulent material information in any application filed under this chapter.

*b.* The registrant has had the registrant's federal registration to manufacture, distribute, or dispense controlled substances suspended, revoked, or restricted.

*c.* The registrant has been convicted of a public offense under any state or federal law relating to any controlled substance. For the purpose of this section only, a conviction shall include a plea of guilty, a forfeiture of bail or collateral deposited to secure a defendant's appearance in court which forfeiture has not been vacated, or a finding of guilt in a criminal action even though the entry of the judgment or sentence has been withheld and the individual placed on probation.

*d.* The registrant has committed such acts as would render the registrant's registration under section 124.303 inconsistent with the public interest as determined under that section.

*e.* If the registrant is a licensed health care professional, the registrant has had the registrant's professional license revoked or suspended or has been otherwise disciplined in a way that restricts the registrant's authority to handle or prescribe controlled substances.

2. The board may limit revocation or suspension of a registration to the particular controlled substance with respect to which grounds for revocation or suspension exist.

3. If the board suspends or revokes a registration, all controlled substances owned or possessed by the registrant at the time of suspension or the effective date of the revocation order may be placed under seal. No disposition may be made of substances under seal until the time for taking an appeal has elapsed or until all appeals have been concluded unless a court, upon application, orders the sale of perishable substances and the deposit of the proceeds of the sale with the court. Upon a revocation order becoming final, all such controlled substances may be forfeited to the state.

4. The board shall promptly notify the bureau and the department of all orders suspending or revoking registration and all forfeitures of controlled substances.

[C39, §**3169.04;** C46, 50, 54, 58, 62, 66, 71, §204.4; C73, 75, 77, 79, 81, §204.304]
91 Acts, ch 233, §6
C93, §124.304
2003 Acts, ch 53, §9
Referred to in §124.305

**124.305 Order to show cause.**

1. Before denying, suspending or revoking a registration, or refusing a renewal of registration, the board shall serve upon the applicant or registrant an order to show cause why registration should not be denied, revoked, or suspended, or why the renewal should not be refused. The order to show cause shall contain a statement of the basis therefor and shall call upon the applicant or registrant to appear before the board at a time and place not less than thirty days after the date of service of the order, but in the case of a denial or renewal of registration the show cause order shall be served not later than thirty days before the expiration of the registration. These proceedings shall be conducted without regard to any criminal prosecution or other proceeding. Proceedings to refuse renewal of registration shall not abate the existing registration which shall remain in effect pending the outcome of the administrative hearing.

2. The board, without an order to show cause, may suspend any registration simultaneously with the institution of proceedings under section 124.304, or where renewal of registration is refused, if it finds that there is an imminent danger to the public health or safety which warrants this action. The suspension shall continue in effect until the conclusion of the proceedings, including judicial review thereof, under the provisions of the Iowa administrative procedure Act, chapter 17A, unless sooner withdrawn by the board or dissolved by the order of the district court or an appellate court.

[C73, 75, 77, 79, 81, §204.305]
C93, §124.305
2003 Acts, ch 44, §114

**124.306 Records of registrants.**

Persons registered to manufacture, distribute, dispense, or administer controlled substances under this chapter shall keep records and maintain inventories in conformance with the recordkeeping and inventory requirements of federal law and with such additional rules as may be issued by the board. A practitioner who engages in dispensing any controlled substance to the practitioner's patients shall keep records of receipt and disbursements of such drugs, including dispensing or other disposition, and information as to controlled substances stolen, lost, or destroyed. In every such case the records of controlled substance received shall show the date of receipt, the name and address of the person from whom received, and the kind and quantity of drugs received. The record of all controlled substances dispensed or otherwise disposed of, shall show the date of dispensing, the name and address of the person to whom or for whose use, or the owner and species of animal for which the drugs were dispensed and the kind and quantity of drugs dispensed.

Every such record shall be kept for a period of two years from the date of the transaction recorded. Records of controlled substances lost, destroyed or stolen, shall contain a detailed list of the kind and quantity of such drugs and the date of the discovery of such loss, destruction, or theft.

No person shall distribute complimentary packages of controlled substances, to a practitioner unless that person prepares and leaves with the practitioner a specific written list of the items so distributed. This list shall be prepared on a form prescribed by rules promulgated by the board, and the person who distributes the items listed shall send a

copy of the list to the board as soon as practicable after distribution of the complimentary packages to the practitioner.

[C39, §**3169.09;** C46, 50, 54, 58, 62, 66, §204.9; C71, §204.9, 204A.4; C73, 75, 77, 79, 81, §204.306]

C93, §124.306

Referred to in §124.308

**124.307 Order forms.**

Controlled substances in schedules I and II shall be distributed by a registrant to another registrant only pursuant to an order form. Compliance with the provisions of federal law respecting order forms shall be deemed compliance with this section.

[C24, 27, 31, 35, §3154, 3155; C39, §**3169.05;** C46, 50, 54, 58, 62, 66, 71, §204.5; C73, 75, 77, 79, 81, §204.307]

C93, §124.307

Referred to in §124.403

**124.308 Prescriptions.**

1. Except when dispensed directly by a practitioner, other than a pharmacy, to an ultimate user, no controlled substance in schedule II may be dispensed without the written prescription of a practitioner or without the electronic or facsimile prescription of a practitioner in accordance with subsection 2.

2. A practitioner, other than a pharmacy, or a practitioner's authorized agent may transmit an electronic prescription or facsimile prescription to a pharmacy for a schedule II controlled substance, provided that the prescription complies with section 155A.27 and provided that the original signed prescription is presented to the pharmacist prior to the dispensing of the schedule II controlled substance. If permitted by federal law, and in accordance with federal requirements, the electronic or facsimile prescription shall serve as the original signed prescription and the practitioner shall not provide the patient or the patient's authorized representative with a signed, written prescription.

3. In emergency situations, as defined by rule of the board, schedule II drugs may be dispensed upon electronic, facsimile, or oral prescription of a practitioner, reduced promptly to writing and filed by the pharmacy. Prescriptions shall be retained in conformity with the requirements of section 124.306. No prescription for a schedule II substance may be refilled.

4. Except when dispensed directly by a practitioner, other than a pharmacy, to an ultimate user, a controlled substance included in schedule III or IV, which is a prescription drug as determined under chapter 155A, shall not be dispensed without a written or oral prescription of a practitioner or without an electronic or facsimile prescription in accordance with subsection 5. The prescription may not be filled or refilled more than six months after the date thereof or be refilled more than five times, unless renewed by the practitioner.

5. A practitioner, other than a pharmacy, or the practitioner's authorized agent may transmit an electronic prescription or a facsimile prescription to a pharmacy for a schedule III, IV, or V controlled substance, provided that the prescription complies with section 155A.27, and provided that the original signed prescription is presented to the pharmacist prior to the dispensing of the controlled substance, or if the prescription is electronic, an oral prescription or a facsimile prescription is provided. If permitted by federal law, and in accordance with federal requirements, the electronic or facsimile prescription shall serve as the original signed prescription and the practitioner shall not provide the patient or the patient's authorized representative with a signed, written prescription.

6. A controlled substance included in schedule V shall not be distributed or dispensed other than for a medical purpose.

[C39, §**3169.06;** C46, 50, 54, 58, 62, 66, §204.6; C71, §204.6, 204A.7; C73, 75, 77, 79, 81, §204.308]

87 Acts, ch 215, §44

C93, §124.308

2004 Acts, ch 1036, §2, 3; 2005 Acts, ch 3, §29; 2007 Acts, ch 8, §17

Referred to in §124.402

See §147.107, 205.3

## DIVISION IV

## OFFENSES AND PENALTIES

Referred to in §155A.24, 911.2

**124.401 Prohibited acts — manufacturers — possessors — counterfeit substances — simulated controlled substances — penalties.**

1. Except as authorized by this chapter, it is unlawful for any person to manufacture, deliver, or possess with the intent to manufacture or deliver, a controlled substance, a counterfeit substance, or a simulated controlled substance, or to act with, enter into a common scheme or design with, or conspire with one or more other persons to manufacture, deliver, or possess with the intent to manufacture or deliver a controlled substance, a counterfeit substance, or a simulated controlled substance.

*a.* Violation of this subsection, with respect to the following controlled substances, counterfeit substances, or simulated controlled substances is a class "B" felony, and notwithstanding section 902.9, subsection 1, paragraph "*b*", shall be punished by confinement for no more than fifty years and a fine of not more than one million dollars:

(1) More than one kilogram of a mixture or substance containing a detectable amount of heroin.

(2) More than five hundred grams of a mixture or substance containing a detectable amount of any of the following:

(a) Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine and their salts have been removed.

(b) Cocaine, its salts, optical and geometric isomers, or salts of isomers.

(c) Ecgonine, its derivatives, their salts, isomers, or salts of isomers.

(d) Any compound, mixture, or preparation which contains any quantity of any of the substances referred to in subparagraph divisions (a) through (c).

(3) More than fifty grams of a mixture or substance described in subparagraph (2) which contains cocaine base.

(4) More than one hundred grams of phencyclidine (PCP) or one kilogram or more of a mixture or substance containing a detectable amount of phencyclidine (PCP).

(5) More than ten grams of a mixture or substance containing a detectable amount of lysergic acid diethylamide (LSD).

(6) More than one thousand kilograms of a mixture or substance containing a detectable amount of marijuana.

(7) More than five kilograms of a mixture or substance containing a detectable amount of any of the following:

(a) Methamphetamine, its salts, isomers, or salts of isomers.

(b) Amphetamine, its salts, isomers, and salts of isomers.

(c) Any compound, mixture, or preparation which contains any quantity of any of the substances referred to in subparagraph divisions (a) and (b).

*b.* Violation of this subsection with respect to the following controlled substances, counterfeit substances, or simulated controlled substances is a class "B" felony, and in addition to the provisions of section 902.9, subsection 1, paragraph "*b*", shall be punished by a fine of not less than five thousand dollars nor more than one hundred thousand dollars:

(1) More than one hundred grams but not more than one kilogram of a mixture or substance containing a detectable amount of heroin.

(2) More than one hundred grams but not more than five hundred grams of any of the following:

(a) Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine and their salts have been removed.

(b) Cocaine, its salts, optical and geometric isomers, or salts of isomers.

(c) Ecgonine, its derivatives, their salts, isomers, or salts of isomers.

(d) Any compound, mixture, or preparation which contains any quantity of any of the substances referred to in subparagraph divisions (a) through (c).

(3) More than ten grams but not more than fifty grams of a mixture or substance described in subparagraph (2) which contains cocaine base.

(4) More than ten grams but not more than one hundred grams of phencyclidine (PCP) or more than one hundred grams but not more than one kilogram of a mixture or substance containing a detectable amount of phencyclidine (PCP).

(5) Not more than ten grams of a mixture or substance containing a detectable amount of lysergic acid diethylamide (LSD).

(6) More than one hundred kilograms but not more than one thousand kilograms of marijuana.

(7) More than five grams but not more than five kilograms of methamphetamine, its salts, isomers, or salts of isomers, or analogs of methamphetamine, or any compound, mixture, or preparation which contains any quantity or detectable amount of methamphetamine, its salts, isomers, or salts of isomers, or analogs of methamphetamine.

(8) More than five grams but not more than five kilograms of amphetamine, its salts, isomers, or salts of isomers, or any compound, mixture, or preparation which contains any quantity or detectable amount of amphetamine, its salts, isomers, or salts of isomers.

*c.* Violation of this subsection with respect to the following controlled substances, counterfeit substances, or simulated controlled substances is a class "C" felony, and in addition to the provisions of section 902.9, subsection 1, paragraph *"d"*, shall be punished by a fine of not less than one thousand dollars nor more than fifty thousand dollars:

(1) One hundred grams or less of a mixture or substance containing a detectable amount of heroin.

(2) One hundred grams or less of any of the following:

(a) Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine and their salts have been removed.

(b) Cocaine, its salts, optical and geometric isomers, or salts of isomers.

(c) Ecgonine, its derivatives, their salts, isomers, or salts of isomers.

(d) Any compound, mixture, or preparation which contains any quantity of any of the substances referred to in subparagraph divisions (a) through (c).

(3) Ten grams or less of a mixture or substance described in subparagraph (2) which contains cocaine base.

(4) Ten grams or less of phencyclidine (PCP) or one hundred grams or less of a mixture or substance containing a detectable amount of phencyclidine (PCP).

(5) More than fifty kilograms but not more than one hundred kilograms of marijuana.

(6) Five grams or less of methamphetamine, its salts, isomers, or salts of isomers, or analogs of methamphetamine, or any compound, mixture, or preparation which contains any quantity or detectable amount of methamphetamine, its salts, isomers, or salts of isomers, or analogs of methamphetamine.

(7) Five grams or less of amphetamine, its salts, isomers, or salts of isomers, or any compound, mixture, or preparation which contains any quantity or detectable amount of amphetamine, its salts, isomers, or salts of isomers.

(8) Any other controlled substance, counterfeit substance, or simulated controlled substance classified in schedule I, II, or III, except as provided in paragraph *"d"*.

*d.* Violation of this subsection, with respect to any other controlled substances, counterfeit substances, or simulated controlled substances classified in section 124.204, subsection 4, paragraph *"ai"*, or section 124.204, subsection 6, paragraph *"i"*, or classified in schedule IV or V is an aggravated misdemeanor. However, violation of this subsection involving fifty kilograms or less of marijuana or involving flunitrazepam is a class "D" felony.

*e.* A person in the immediate possession or control of a firearm while participating in a violation of this subsection shall be sentenced to two times the term otherwise imposed by law, and no such judgment, sentence, or part thereof shall be deferred or suspended.

*f.* A person in the immediate possession or control of an offensive weapon, as defined in section 724.1, while participating in a violation of this subsection, shall be sentenced to three times the term otherwise imposed by law, and no such judgment, sentence, or part thereof shall be deferred or suspended.

2. If the same person commits two or more acts which are in violation of subsection 1

and the acts occur in approximately the same location or time period so that the acts can be attributed to a single scheme, plan, or conspiracy, the acts may be considered a single violation and the weight of the controlled substances, counterfeit substances, or simulated controlled substances involved may be combined for purposes of charging the offender.

3. It is unlawful for any person to sell, distribute, or make available any product containing ephedrine, its salts, optical isomers, salts of optical isomers, or analogs of ephedrine, or pseudoephedrine, its salts, optical isomers, salts of optical isomers, or analogs of pseudoephedrine, if the person knows, or should know, that the product may be used as a precursor to any illegal substance or an intermediary to any controlled substance. A person who violates this subsection commits a serious misdemeanor.

4. A person who possesses any product containing any of the following commits a class "D" felony, if the person possesses with the intent that the product be used to manufacture any controlled substance:

*a.* Ephedrine, its salts, optical isomers, salts of optical isomers, or analogs of ephedrine.

*b.* Pseudoephedrine, its salts, optical isomers, salts of optical isomers, or analogs of pseudoephedrine.

*c.* Ethyl ether.

*d.* Anhydrous ammonia.

*e.* Red phosphorus.

*f.* Lithium.

*g.* Iodine.

*h.* Thionyl chloride.

*i.* Chloroform.

*j.* Palladium.

*k.* Perchloric acid.

*l.* Tetrahydrofuran.

*m.* Ammonium chloride.

*n.* Magnesium sulfate.

5. It is unlawful for any person knowingly or intentionally to possess a controlled substance unless such substance was obtained directly from, or pursuant to, a valid prescription or order of a practitioner while acting in the course of the practitioner's professional practice, or except as otherwise authorized by this chapter. Any person who violates this subsection is guilty of a serious misdemeanor for a first offense. A person who commits a violation of this subsection and who has previously been convicted of violating this chapter or chapter 124A, 124B, or 453B is guilty of an aggravated misdemeanor. A person who commits a violation of this subsection and has previously been convicted two or more times of violating this chapter or chapter 124A, 124B, or 453B is guilty of a class "D" felony.

If the controlled substance is marijuana, the punishment shall be by imprisonment in the county jail for not more than six months or by a fine of not more than one thousand dollars, or by both such fine and imprisonment for a first offense. If the controlled substance is marijuana and the person has been previously convicted of a violation of this subsection in which the controlled substance was marijuana, the punishment shall be as provided in section 903.1, subsection 1, paragraph "*b*". If the controlled substance is marijuana and the person has been previously convicted two or more times of a violation of this subsection in which the controlled substance was marijuana, the person is guilty of an aggravated misdemeanor.

All or any part of a sentence imposed pursuant to this subsection may be suspended and the person placed upon probation upon such terms and conditions as the court may impose including the active participation by such person in a drug treatment, rehabilitation or education program approved by the court.

If a person commits a violation of this subsection, the court shall order the person to serve a term of imprisonment of not less than forty-eight hours. Any sentence imposed may be suspended, and the court shall place the person on probation upon such terms and conditions as the court may impose. If the person is not sentenced to confinement under the custody of the director of the department of corrections, the terms and conditions of probation shall require submission to random drug testing. If the person fails a drug test, the court may

transfer the person's placement to any appropriate placement permissible under the court order.

If the controlled substance is amphetamine, its salts, isomers, or salts of its isomers, or methamphetamine, its salts, isomers, or salts of its isomers, the court shall order the person to serve a term of imprisonment of not less than forty-eight hours. Any sentence imposed may be suspended, and the court shall place the person on probation upon such terms and conditions as the court may impose. The court may place the person on intensive probation. However, the terms and conditions of probation shall require submission to random drug testing. If the person fails a drug test, the court may transfer the person's placement to any appropriate placement permissible under the court order.

[C51, §2728; R60, §4374; C73, §4038; C97, §2593, 5003; S13, §2593, 2596-a; C24, 27, 31, 35, §3152, 3168, 3169; C39, §**3169.02, 3169.21;** C46, 50, 54, 58, 62, §204.2, 204.22; C66, §204.2, 204.20; C71, §204.2, 204.20, 204A.3, 204A.10; C73, 75, 77, 79, 81, §204.401; 82 Acts, ch 1147, §2]

84 Acts, ch 1013, §13, 14; 84 Acts, ch 1105, §2, 3; 89 Acts, ch 225, §11; 90 Acts, ch 1233, §7

C93, §124.401

94 Acts, ch 1107, §7; 96 Acts, ch 1164, §1 – 4; 97 Acts, ch 122, §1 – 3; 98 Acts, ch 1138, §24, 25; 99 Acts, ch 12, §2, 3; 99 Acts, ch 65, §1; 2000 Acts, ch 1144, §1; 2000 Acts, ch 1201, §4; 2003 Acts, ch 16, §1; 2003 Acts, ch 156, §1 – 7; 2004 Acts, ch 1057, §1; 2004 Acts, ch 1086, §32; 2006 Acts, ch 1030, §12; 2007 Acts, ch 8, §18; 2007 Acts, ch 126, §24; 2009 Acts, ch 41, §263; 2011 Acts, ch 134, §19, 20, 47; 2012 Acts, ch 1023, §23; 2012 Acts, ch 1122, §10, 11; 2013 Acts, ch 30, §25, 236 – 238

Referred to in §124.401E, 124.409, 124.410, 124.411, 124.413, 124.416, 155A.24, 232.8, 232.22, 232.52, 321.279, 462A.34B, 712.1, 723A.1, 726.6, 809A.4, 811.1, 901.5, 901.10, 907.3

See §124B.9

Subsection 1, paragraph a, unnumbered paragraph 1 amended

Subsection 1, paragraph b, unnumbered paragraph 1 amended

Subsection 1, paragraph c, unnumbered paragraph 1 amended

Subsection 1, paragraph d amended

**124.401A Enhanced penalty for manufacture or distribution to persons on certain real property.**

In addition to any other penalties provided in this chapter, a person who is eighteen years of age or older who unlawfully manufactures with intent to distribute, distributes, or possesses with intent to distribute a substance or counterfeit substance listed in schedule I, II, or III, or a simulated controlled substance represented to be a controlled substance classified in schedule I, II, or III, to another person who is eighteen years of age or older in or on, or within one thousand feet of the real property comprising a public or private elementary or secondary school, public park, public swimming pool, public recreation center, or on a marked school bus, may be sentenced up to an additional term of confinement of five years.

90 Acts, ch 1251, §5

C91, §204.401A

C93, §124.401A

94 Acts, ch 1172, §6; 96 Acts, ch 1164, §5; 2002 Acts, ch 1175, §25; 2002 Acts, 2nd Ex, ch 1003, §236, 262

Referred to in §901.5

**124.401B Possession of controlled substances on certain real property — additional penalty.**

In addition to any other penalties provided in this chapter or another chapter, a person who unlawfully possesses a substance listed in schedule I, II, or III, or a simulated controlled substance represented to be a controlled substance classified in schedule I, II, or III, in or on, or within one thousand feet of the real property comprising a public or private elementary or secondary school, public park, public swimming pool, public recreation center, or on a marked school bus, may be sentenced to one hundred hours of community service work for a public agency or a nonprofit charitable organization. The court shall provide the offender with a written statement of the terms and monitoring provisions of the community service.

94 Acts, ch 1172, §7; 96 Acts, ch 1164, §6

**124.401C Manufacturing methamphetamine in presence of minors.**

1. In addition to any other penalties provided in this chapter, a person who is eighteen years of age or older and who either directly or by extraction from natural substances, or independently by means of chemical processes, or both, unlawfully manufactures methamphetamine, its salts, isomers, or salts of its isomers in the presence of a minor shall be sentenced up to an additional term of confinement of five years. However, the additional term of confinement shall not be imposed on a person who has been convicted and sentenced for a child endangerment offense under section 726.6, subsection 1, paragraph "*g*", arising from the same facts.

2. For purposes of this section, the term "*in the presence of a minor*" shall mean, but is not limited to, any of the following:

*a.* When a minor is physically present during the activity.

*b.* When the activity is conducted in the residence of a minor.

*c.* When the activity is conducted in a building where minors can reasonably be expected to be present.

*d.* When the activity is conducted in a room offered to the public for overnight accommodation.

*e.* When the activity is conducted in any multiple-unit residential building.

97 Acts, ch 125, §1; 2004 Acts, ch 1151, §1; 2006 Acts, ch 1030, §13

**124.401D Conspiracy to manufacture for delivery or delivery or intent or conspiracy to deliver amphetamine or methamphetamine to a minor.**

1. *a.* It is unlawful for a person eighteen years of age or older to act with, or enter into a common scheme or design with, or conspire with one or more persons to manufacture for delivery to a person under eighteen years of age a material, compound, mixture, preparation, or substance that contains any detectable amount of amphetamine, its salts, isomers, or salts of its isomers, or methamphetamine, its salts, isomers, or salts of its isomers.

*b.* A violation of this subsection is a felony punishable under section 902.9, subsection 1, paragraph "*a*".

*c.* A second or subsequent violation of this subsection is a class "A" felony.

2. *a.* It is unlawful for a person eighteen years of age or older to deliver, or possess with the intent to deliver to a person under eighteen years of age, a material, compound, mixture, preparation, or substance that contains any detectable amount of amphetamine, its salts, isomers, or salts of its isomers, or methamphetamine, its salts, isomers, or salts of its isomers, or to act with, or enter into a common scheme or design with, or conspire with one or more persons to deliver or possess with the intent to deliver to a person under eighteen years of age a material, compound, mixture, preparation, or substance that contains any detectable amount of amphetamine, its salts, isomers, or salts of its isomers, or methamphetamine, its salts, isomers, or salts of its isomers.

*b.* A violation of this subsection is a felony punishable under section 902.9, subsection 1, paragraph "*a*".

*c.* A second or subsequent violation of this subsection is a class "A" felony.

99 Acts, ch 12, §4; 2000 Acts, ch 1144, §2; 2009 Acts, ch 41, §181; 2013 Acts, ch 30, §239, 240

Referred to in §901.10, 902.8A, 902.9
Subsection 1, paragraph b amended
Subsection 2, paragraph b amended

**124.401E Certain penalties for manufacturing or delivery of amphetamine or methamphetamine.**

1. If a court sentences a person for the person's first conviction for delivery or possession with intent to deliver a controlled substance under section 124.401, subsection 1, paragraph "*c*", and if the controlled substance is amphetamine, its salts, isomers, or salts of its isomers, or methamphetamine, its salts, isomers, or salts of its isomers, the court may suspend the sentence, and the court may order the person to complete a drug court program if a drug court has been established in the county in which the person is sentenced or order the person

to be assigned to a community-based correctional facility for a period of one year or until maximum benefits are achieved, whichever is earlier.

2. If a court sentences a person for a conviction of manufacturing of a controlled substance under section 124.401, subsection 1, paragraph "*c*", and if the controlled substance is amphetamine, its salts, isomers, or salts of its isomers, or methamphetamine, its salts, isomers, or salts of its isomers, the court may suspend the sentence, and the court may order the person to complete a drug court program if a drug court has been established in the county in which the person is sentenced, or order the person to be assigned to a community-based correctional facility for a period of one year or until maximum benefits are achieved, whichever is earlier.

3. If a court sentences a person for the person's second or subsequent conviction for delivery or possession with intent to deliver a controlled substance under section 124.401, subsection 1, and the controlled substance is amphetamine, its salts, isomers, or salts of its isomers, or methamphetamine, its salts, isomers, or salts of its isomers, the court, in addition to any other authorized penalties, shall sentence the person to imprisonment in accordance with section 124.401, subsection 1, and the person shall serve the minimum period of confinement as required by section 124.413.

99 Acts, ch 12, §5; 2000 Acts, ch 1144, §3

**124.401F Prohibitions on tampering with, possessing, or transporting anhydrous ammonia or anhydrous ammonia equipment.**

1. A person shall not intentionally tamper with anhydrous ammonia equipment. Tampering occurs when a person who is not authorized by the owner of anhydrous ammonia equipment uses the equipment in violation of a provision of this section. A person shall not in any manner or for any purpose sell, fill, refill, deliver, permit to be delivered, or use an anhydrous ammonia container or receptacle, including for the storage of any gas or compound, unless the person owns the container or receptacle or is authorized to do so by the owner. A person shall not possess or transport anhydrous ammonia in a container or receptacle which is not authorized by the secretary of agriculture to hold anhydrous ammonia.

2. A person violating this section commits a serious misdemeanor. In addition to the imposition of the serious misdemeanor penalty, a person shall be subject to a civil penalty of not more than one thousand five hundred dollars, if the person does any of the following:

*a.* Intentionally tampers with anhydrous ammonia equipment.

*b.* Possesses or transports anhydrous ammonia in a container or receptacle which is not authorized to hold anhydrous ammonia according to rules adopted by the secretary of agriculture.

3. A person tampering with anhydrous ammonia equipment in violation of this section shall not have a cause of action against the owner of the equipment, any person responsible for the installation and maintenance of the equipment, or the person lawfully selling the anhydrous ammonia for damages arising out of the tampering.

99 Acts, ch 12, §6; 99 Acts, ch 208, §48; 2000 Acts, ch 1058, §13

Referred to in §200.18

**124.402 Prohibited acts — distributors — registrants — proprietors — penalties.**

1. It is unlawful for any person:

*a.* Who is subject to division III to distribute or dispense a controlled substance in violation of section 124.308;

*b.* Who is a registrant, to manufacture a controlled substance not authorized by the registration, or to distribute or dispense a controlled substance not authorized by the registration to another registrant or other authorized person;

*c.* To refuse or fail to make, keep or furnish any record, notification, order form, statement, invoice or information required under this chapter;

*d.* To refuse an entry into any premises during reasonable business hours for any inspection authorized by this chapter; or

*e.* Knowingly to keep or permit the keeping or to maintain any premises, store, shop,

warehouse, dwelling, temporary, or permanent building, vehicle, boat, aircraft, or other temporary or permanent structure or place, which is resorted to by persons using controlled substances in violation of this chapter for the purpose of using these substances, or which is used for keeping, possessing or selling them in violation of this chapter.

2. Any person who violates subsection 1 of this section, or who acts with, enters into a common scheme or design with, or conspires with one or more other persons to violate subsection 1 of this section, is guilty of a public offense and upon conviction:

*a.* Of a violation of paragraphs *"a"*, *"b"*, *"d"*, or *"e"* shall be an aggravated misdemeanor.

*b.* Of a violation of paragraph *"c"* shall be a serious misdemeanor.

[C73, 75, 77, 79, 81, §204.402]

C93, §124.402

Referred to in §901.5

**124.403 Prohibited acts — controlled substances, distribution, use, possession — records and information — penalties.**

1. It is unlawful for any person knowingly or intentionally:

*a.* To distribute as a registrant a controlled substance classified in schedules I or II, except pursuant to an order form as required by section 124.307;

*b.* To use in the course of the manufacture or distribution of a controlled substance a registration number which is fictitious, revoked, suspended, or issued to another person;

*c.* To acquire or obtain possession of a controlled substance by misrepresentation, fraud, forgery, deception or subterfuge;

*d.* To furnish false or fraudulent material information in, or omit any material information from, any application, report, or other document required to be kept or filed under this chapter, or any record required to be kept by this chapter; or

*e.* To make, distribute, or possess any punch, die, plate, stone, or other thing designed to print, imprint, or reproduce the trademark, trade name, or other identifying mark, imprint, or device of another or any likeness of any of the foregoing upon any drug or container or labeling thereof so as to render the drug a counterfeit substance.

2. Any person who violates this section, or who acts with, enters into a common scheme or design with, or conspires with one or more other persons to violate this section, is guilty of a serious misdemeanor.

[C39, §**3169.17;** C46, 50, 54, 58, 62, §204.18; C66, §204.17; C71, §204.17, 204A.3; C73, 75, 77, 79, 81, §204.403]

C93, §124.403

Referred to in §901.5

**124.404 Penalties under other laws.**

Any penalty imposed for violation of this division shall be in addition to, and not in lieu of, any civil or administrative penalty or sanction otherwise authorized by law.

[C73, 75, 77, 79, 81, §204.404]

C93, §124.404

**124.405 Bar to prosecution.**

If a violation of this chapter is a violation of a federal law or the law of another state, the conviction or acquittal under federal law or the law of another state for the same act is a bar to prosecution in this state.

[C39, §**3169.22;** C46, 50, 54, 58, 62, §204.23; C66, 71, §204.21; C73, 75, 77, 79, 81, §204.405]

C93, §124.405

**124.406 Distribution to person under age eighteen.**

1. A person who is eighteen years of age or older who:

*a.* Unlawfully distributes or possesses with intent to distribute a substance listed in schedule I or II to a person under eighteen years of age commits a class "B" felony and shall serve a minimum term of confinement of five years. However, if the substance was distributed in or on, or within one thousand feet of, the real property comprising a public or private elementary or secondary school, public park, public swimming pool, public

recreation center, or on a marked school bus, the person shall serve a minimum term of confinement of ten years.

*b.* Unlawfully distributes or possesses with the intent to distribute a controlled substance listed in schedule III to a person under eighteen years of age who is at least three years younger than the violator commits a class "C" felony.

*c.* Unlawfully distributes a controlled substance listed in schedule IV or V to a person under eighteen years of age who is at least three years younger than the violator commits an aggravated misdemeanor.

2. A person who is eighteen years of age or older who:

*a.* Unlawfully distributes or possesses with the intent to distribute a counterfeit substance listed in schedule I or II, or a simulated controlled substance represented to be a substance classified in schedule I or II, to a person under eighteen years of age commits a class "B" felony. However, if the substance was distributed in or on, or within one thousand feet of, the real property comprising a public or private elementary or secondary school, public park, public swimming pool, public recreation center, or on a marked school bus, the person shall serve a minimum term of confinement of ten years.

*b.* Unlawfully distributes or possesses with intent to distribute a counterfeit substance listed in schedule III, or a simulated controlled substance represented to be any substance listed in schedule III, to a person under eighteen years of age who is at least three years younger than the violator commits a class "C" felony.

*c.* Unlawfully distributes a counterfeit substance listed in schedule IV or V, or a simulated controlled substance represented to be a substance listed in schedule IV or V, to a person under eighteen years of age who is at least three years younger than the violator commits an aggravated misdemeanor.

3. It is unlawful for a person to deliver a controlled substance to another person in order to act with, enter into a common scheme or design with, conspire with, or recruit the other person for the purpose of delivering a controlled substance to one or more persons under eighteen years of age. A person who violates this subsection with respect to a controlled substance classified in schedule I, II, III, IV, or V is guilty of a class "D" felony.

[C97, §5003; C24, 27, 31, 35, §3168, 3169; C39, §**3169.21;** C46, 50, 54, 58, 62, §204.22; C66, §204.20; C71, §204.20, 204A.11; C73, 75, 77, 79, 81, §204.406; 82 Acts, ch 1147, §3]

84 Acts, ch 1013, §15; 89 Acts, ch 225, §12; 90 Acts, ch 1251, §6, 7

C93, §124.406

94 Acts, ch 1172, §8, 9; 97 Acts, ch 33, §2, 3

Referred to in §124.416, 901.10, 903A.5

**124.406A Use of persons under age eighteen in the drug trade.**

It is unlawful for a person who is eighteen years of age or older to conspire with or recruit a person under the age of eighteen for the purpose of delivering or manufacturing a controlled substance classified in schedules I through IV. A person violating this section commits a class "C" felony.

94 Acts, ch 1172, §10

**124.407 Gatherings where controlled substances unlawfully used — penalties.**

It is unlawful for any person to sponsor, promote, or aid, or assist in the sponsoring or promoting of a meeting, gathering, or assemblage with the knowledge or intent that a controlled substance be there distributed, used or possessed, in violation of this chapter.

Any person who violates this section and where the controlled substance is any one other than marijuana is guilty of a class "D" felony.

Any person who violates this section, and where the controlled substance is marijuana only, is guilty of a serious misdemeanor.

The district court shall grant an injunction barring a meeting, gathering, or assemblage if upon hearing the court finds that the sponsors or promoters of the meeting, gathering, or assemblage have not taken reasonable means to prevent the unlawful distribution, use or possession of a controlled substance. Further injunctive relief may be granted against all persons furnishing goods or services to such meeting, gathering, or assemblage.

The district court may, upon application and a showing of one or more of the grounds provided in section 639.3, grant to the state or governmental subdivision thereof a writ of attachment, ex parte, without bond, in an amount necessary to secure the payment of any fine that may be imposed and the payment of costs. The reasonable expense to the state and governmental subdivisions thereof to provide the necessary law enforcement resulting from a meeting, gathering or assemblage held in violation of this section may be taxed as costs in the criminal action.

[C73, 75, 77, 79, 81, §204.407]
C93, §124.407
99 Acts, ch 135, §13

**124.408 Joint criminal trials.**

Information, indictments, trial, and sentencing for violations of this chapter may allege any number of violations of their provisions against one person and join one or more persons as defendants who it is alleged violated the same provisions in the same transaction or series of transactions and which involve common questions of law and fact. The several charges shall be set out in separate counts and each accused person shall be convicted or acquitted upon each count by separate verdict. Each accused person shall thereafter be sentenced upon each verdict of guilty. The court may consider such separate verdicts of guilty returned at the same time as one offense for the purpose of sentencing as provided in this chapter. The court may grant a severance and separate trial to any accused person jointly charged or indicted if it appears that substantial injustice would result to such accused person unless a separate trial was granted.

[C73, 75, 77, 79, 81, §204.408]
C93, §124.408

**124.409 Conditional discharge, commitment for treatment, and probation.**

Whenever the court finds that a person who is charged with a violation of section 124.401 and who consents thereto, or who has entered a plea of guilty to or been found guilty of a violation of that section, is addicted to, dependent upon, or a chronic abuser of any controlled substance and that such person will be aided by proper medical treatment and rehabilitative services, it may order that the person be committed as an in-patient or out-patient to a facility licensed by the Iowa department of public health for medical treatment and rehabilitative services. A person committed under this subsection who is not possessed of sufficient income or estate to enable the person to make payment of the costs of such treatment in whole or in part shall be considered a state patient and the costs of treatment shall be paid as provided in section 125.44. The determination of ability to pay shall be made by the court. The court shall require the patient, or the patient's parent, guardian, or custodian to complete under oath a detailed financial statement. The court may enter appropriate orders requiring the patient or those legally liable for the patient's support to reimburse the state with the costs, or any part thereof. In order to obtain the most effective results from such medical treatment and rehabilitative services, the court may commit the person to the custody of a public or private agency or any other responsible person and impose other conditions upon the commitment as is necessary to insure compliance with the court's order and to insure that the person will not, during the period of treatment and rehabilitation, again violate a provision of this chapter. If it is established thereafter to the satisfaction of the court that the person has again violated a provision of this chapter, the person may be returned to custody or sentenced upon conviction as provided by law. The public or private agency or responsible person to whom the accused person was committed by the court shall immediately report to the court when the person has received maximum benefit from the program or has recovered from addiction, dependency, or tendency to chronically abuse any controlled substance. The person shall then be returned to the court for disposition of the case. If the person has been charged or indicted, but not convicted, such charge shall proceed to trial or final disposition. If the person has been convicted or is thereafter convicted, the court shall sentence the person as provided

by law but may remit all or any part of the sentence and place the person on probation upon terms and conditions as the court may prescribe.

[C73, 75, 77, 79, 81, §204.409]
84 Acts, ch 1013, §16
C93, §124.409
96 Acts, ch 1034, §4; 2002 Acts, ch 1175, §26; 2002 Acts, 2nd Ex, ch 1003, §237, 262
Referred to in §125.44, 125.89

**124.410 Accommodation offense.**

In a prosecution for unlawful delivery or possession with intent to deliver marijuana, if the prosecution proves that the defendant violated the provisions of section 124.401, subsection 1, by proving that the defendant delivered or possessed with intent to deliver one-half ounce or less of marijuana which was not offered for sale, the defendant is guilty of an accommodation offense and rather than being sentenced as if convicted for a violation of section 124.401, subsection 1, paragraph "*d*", shall be sentenced as if convicted of a violation of section 124.401, subsection 5. An accommodation offense may be proved as an included offense under a charge of delivering or possessing with the intent to deliver marijuana in violation of section 124.401, subsection 1. This section does not apply to hashish, hashish oil, or other derivatives of marijuana as defined in section 124.101, subsection 19.

[C73, 75, 77, 79, 81, §204.410]
89 Acts, ch 225, §13
C93, §124.410
99 Acts, ch 67, §1
Referred to in §124.413

**124.411 Second or subsequent offenses.**

1. Any person convicted of a second or subsequent offense under this chapter, may be punished by imprisonment for a period not to exceed three times the term otherwise authorized, or fined not more than three times the amount otherwise authorized, or punished by both such imprisonment and fine.

2. For purposes of this section, an offense is considered a second or subsequent offense, if, prior to the person's having been convicted of the offense, the offender has ever been convicted under this chapter or under any state or federal statute relating to narcotic drugs or cocaine, marijuana, depressant, stimulant, or hallucinogenic drugs.

3. This section does not apply to offenses under section 124.401, subsection 5.

[C97, §5003; C24, 27, 31, 35, §3168, 3169; C39, §**3169.21;** C46, 50, 54, 58, 62, §204.22; C66, 71, §204.20; C73, 75, 77, 79, 81, §204.411]
84 Acts, ch 1013, §17
C93, §124.411

**124.412 Notice of conviction.**

If a person enters a plea of guilty to, or forfeits bail or collateral deposited to secure the person's appearance in court, and such forfeiture is not vacated, or if a person is found guilty upon an indictment or information alleging a violation of this chapter, a copy of the minutes attached to the indictment returned by the grand jury, or to the county attorney's information, a copy of the judgment and sentence, and a copy of the opinion of the judge if one is filed, shall be sent by the clerk of the district court or the judge to the state department of transportation and to any state board or officer by whom the convicted person has been licensed or registered to practice the person's profession or carry on the person's business. On the conviction of a person, the court may suspend or revoke the license or registration of the convicted defendant to practice the defendant's profession or carry on the defendant's business. On the application of a person whose license or registration has been suspended

or revoked, and upon proper showing and for good cause, the board or officer may reinstate the license or registration.

[C39, §**3169.15;** C46, 50, 54, 58, 62, §204.16; C66, 71, §204.15; C73, 75, 77, 79, 81, §204.412]
C93, §124.412
93 Acts, ch 16, §1
Referred to in §602.8102(35), 901.5

**124.413 Mandatory minimum sentence.**

1. A person sentenced pursuant to section 124.401, subsection 1, paragraph *"a"*, *"b"*, *"c"*, *"e"*, or *"f"*, shall not be eligible for parole until the person has served a minimum period of confinement of one-third of the maximum indeterminate sentence prescribed by law.

2. This section shall not apply if:

*a.* The offense is found to be an accommodation pursuant to section 124.410; or

*b.* The controlled substance is marijuana.

[C79, 81, §204.413]
89 Acts, ch 225, §14
C93, §124.413
2009 Acts, ch 41, §182
Referred to in §124.401E, 232.45, 901.10, 903A.5

**124.414 Drug paraphernalia.**

1. *a.* As used in this section, *"drug paraphernalia"* means all equipment, products, or materials of any kind used or attempted to be used in combination with a controlled substance, except those items used in combination with the lawful use of a controlled substance, to knowingly or intentionally and primarily do any of the following:

(1) Manufacture a controlled substance.

(2) Inject, ingest, inhale, or otherwise introduce into the human body a controlled substance.

(3) Test the strength, effectiveness, or purity of a controlled substance.

(4) Enhance the effect of a controlled substance.

*b.* *"Drug paraphernalia"* does not include hypodermic needles or syringes if manufactured, delivered, sold, or possessed for a lawful purpose.

2. It is unlawful for any person to knowingly or intentionally manufacture, deliver, sell, or possess drug paraphernalia.

3. A person who violates this section commits a simple misdemeanor.

2000 Acts, ch 1144, §4

**124.415 Parental and school notification — persons under eighteen years of age.**

A peace officer shall make a reasonable effort to identify a person under the age of eighteen discovered to be in possession of a controlled substance, counterfeit substance, or simulated controlled substance in violation of this chapter, and if the person is not referred to juvenile court, the law enforcement agency of which the peace officer is an employee shall make a reasonable attempt to notify the person's custodial parent or legal guardian of such possession, whether or not the person is arrested, unless the officer has reasonable grounds to believe that such notification is not in the best interests of the person or will endanger that person. If the person is taken into custody, the peace officer shall notify a juvenile court officer who shall make a reasonable effort to identify the elementary or secondary school the person attends, if any, and to notify the superintendent of the school district, the superintendent's designee, or the authorities in charge of the nonpublic school of the taking into custody. A reasonable attempt to notify the person includes but is not limited to a telephone call or notice by first-class mail.

90 Acts, ch 1251, §8
C91, §204.415
C93, §124.415
94 Acts, ch 1172, §11; 95 Acts, ch 191, §5

**124.416 Exception to restrictions on bail.**

Notwithstanding section 811.1, the court, after making the finding required by section 811.1, subsection 3, may admit a person convicted of a violation of section 124.401, subsection 2, or of a violation of section 124.406, to bail if the prosecuting attorney in the action and the defendant's counsel jointly petition the court to admit the person to bail.

90 Acts, ch 1251, §9
C91, §204.416
C93, §124.416
95 Acts, ch 191, §6

## DIVISION V

## ENFORCEMENT AND ADMINISTRATIVE PROVISIONS

**124.501 Responsibility for enforcement.**

The department is primarily responsible for the enforcement of this chapter, and all other laws and regulations of this state, relating to controlled or counterfeit substances, or simulated or imitation controlled substances, except that the board is primarily responsible for making accountability audits of the supply and inventory of controlled substances in the possession of pharmacists, doctors, hospitals, and health care facilities as defined in section 135C.1, subsection 7, as well as in the possession of any and all other individuals or institutions authorized to have possession of any controlled substances, and is also primarily responsible for any other duties in respect to controlled substances as specifically delegated to the board by law. An officer or employee of the board may, when so directed or authorized by the board:

1. Execute and serve search warrants, administrative inspection warrants, subpoenas, and summonses issued under the authority of this state.

2. Make seizures of property pursuant to the provisions of this chapter.

[C39, §**3169.19;** C46, 50, 54, 58, 62, §204.20, 204.26; C66, 71, §204.19; C73, 75, 77, 79, 81, §204.501; 82 Acts, ch 1147, §10]

C93, §124.501
Referred to in §124.502
Imitation controlled substances, chapter 124A
Section not amended; internal reference change applied

**124.502 Administrative inspections and warrants.**

1. Issuance and execution of administrative inspection warrants shall be as follows:

*a.* A district judge or district associate judge, within the court's jurisdiction, and upon proper oath or affirmation showing probable cause, may issue warrants for the purpose of conducting administrative inspections under this chapter or a related rule or under chapter 124A. The warrant may also permit seizures of property appropriate to the inspections. For purposes of the issuance of administrative inspection warrants, probable cause exists upon showing a valid public interest in the effective enforcement of the statute or related rules, sufficient to justify administrative inspection of the area, premises, building or conveyance in the circumstances specified in the application for the warrant.

*b.* A warrant shall issue only upon sworn testimony of an officer or employee of the board duly designated and having knowledge of the facts alleged, before the judicial officer, establishing the grounds for issuing the warrant. If the judicial officer is satisfied that grounds for the application exist or that there is probable cause to believe they exist, the officer shall issue a warrant identifying the area, premises, building, or conveyance to be inspected, the purpose of the inspection, and, if appropriate, the type of property to be inspected, if any.

*c.* The warrant shall:

(1) State the grounds for its issuance and the name of each person whose testimony has been taken in support thereof.

(2) Be directed to a person authorized by section 124.501 to execute it.

(3) Command the person to whom it is directed to inspect the area, premises, building, or conveyance identified for the purpose specified and, if appropriate, direct the seizure of the property specified.

(4) Identify the item or types of property to be seized, if any.

(5) Direct that it be served during normal business hours, if appropriate, and designate the judge to whom it shall be returned.

*d.* A warrant issued pursuant to this section must be executed and returned within ten days after its date unless, upon a showing of a need for additional time, the court so instructs otherwise in the warrant. If property is seized pursuant to a warrant, the person executing the warrant shall give to the person from whom the property is seized, or the person in charge of the premises from which the property is seized, a copy of the warrant and a receipt for the property seized or shall leave the copy and receipt at the place from which the property is seized. The return of the warrant shall be made promptly and shall be accompanied by a written inventory of any property seized. The inventory shall be made in the presence of the person executing the warrant and of the person from whose possession or premises the property was seized, if they are present, or in the presence of at least one credible person other than the person executing the warrant. A copy of the inventory shall be delivered to the person from whom or from whose premises the property was seized and to the applicant for the warrant.

*e.* The judicial officer who has issued a warrant under this section shall require that there be attached to the warrant a copy of the return, and of all papers filed in connection with the return, and shall file them with the clerk of the district court for the county in which the inspection was made.

2. The department may make administrative inspections of controlled premises in accordance with the following provisions:

*a.* For purposes of this section only, *"controlled premises"* means:

(1) Places where persons registered or exempted from registration requirements under this chapter are required to keep records; and

(2) Places including factories, warehouse establishments, and conveyances where persons registered or exempted from registration requirements under this chapter are permitted to hold, manufacture, compound, process, sell, deliver, or otherwise dispose of any controlled substance.

*b.* Whenever authorized by an administrative inspection warrant issued pursuant to subsection 1 of this section an officer or employee of the board, upon presenting the warrant and appropriate credentials to the owner, operator, or agent in charge, has the right to enter controlled premises for the purpose of conducting an administrative inspection.

*c.* Whenever authorized by an administrative inspection warrant, an officer or employee of the board has the right:

(1) To inspect and copy records required by this chapter to be kept;

(2) To inspect, within reasonable limits and in a reasonable manner, controlled premises and all pertinent equipment, finished and unfinished material, containers and labeling found therein, and, except as provided in paragraph *"e"* of this subsection, all other things therein, including records, files, papers, processes, controls, and facilities bearing on violation of this chapter; and

(3) To inventory any stock of any controlled substance therein and obtain samples of any such substance.

*d.* This section shall not be construed to prevent the inspection without a warrant of books and records pursuant to a subpoena issued in accordance with section 622.65, nor shall this section be construed to prevent entries and administrative inspections, including seizures of property, without a warrant:

(1) With the consent of the owner, operator, or agent in charge of the controlled premises;

(2) In situations presenting imminent danger to health or safety;

(3) In situations involving inspection of conveyances where there is reasonable cause to believe that the mobility of the conveyance makes it impracticable to obtain a warrant;

(4) In any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking; and

(5) In all other situations where a warrant is not constitutionally required.

*e.* Except when the owner, operator, or agent in charge of the controlled premises so consents in writing, no inspection authorized by this section shall extend to financial data; sales data, other than shipment data; or pricing data.

[C73, 75, 77, 79, 81, §204.502; 82 Acts, ch 1147, §11]
83 Acts, ch 186, §10051, 10052, 10201
C93, §124.502
99 Acts, ch 96, §10; 2009 Acts, ch 41, §183

**124.503 Injunctions.**

1. The district court may exercise jurisdiction to enjoin violations of this chapter.

2. In case of an alleged violation of an injunction or restraining order issued under this section, upon demand of the defendant, trial shall be by a jury.

[C73, 75, 77, 79, 81, §204.503]
C93, §124.503

**124.504 Cooperative arrangements and confidentiality.**

1. The department and board, subject to approval and direction of the governor, shall cooperate with federal and other state agencies in discharging its responsibilities concerning traffic in controlled substances and in suppressing the abuse of controlled substances. To this end, they may jointly:

*a.* Arrange for the exchange of information between governmental officials concerning the use and abuse of controlled substances.

*b.* Coordinate and cooperate in training programs on controlled substance law enforcement at the local and state levels.

*c.* Cooperate with the bureau by establishing a centralized unit which will accept, catalogue, file, and collect statistics, including records of drug dependent persons and other controlled substance law offenders within the state, and make such information available for federal, state and local law enforcement purposes; except that they shall not furnish the name or identity of a patient or research subject whose identity could not be obtained under subsection 3.

*d.* Conduct programs of eradication aimed at destroying wild or illicit growth of plant species from which controlled substances may be extracted.

2. Results, information, and evidence received from the bureau relating to the regulatory functions of this chapter, including results of inspections conducted by that agency may be relied upon and acted upon by the board or the department in the exercise of their regulatory functions under this chapter.

3. A practitioner engaged in medical practice or research or the Iowa drug abuse authority or any program which is licensed by the authority shall not be required to furnish the name or identity of a patient or research subject to the board or the department, nor shall the practitioner or the authority or any program which is licensed by the authority be compelled in any state or local civil, criminal, administrative, legislative or other proceedings to furnish the name or identity of an individual that the practitioner or the authority or any of its licensed programs is obligated to keep confidential.

[C73, 75, 77, 79, 81, §204.504]
C93, §124.504

**124.505** Reserved.

**124.506 Controlled substances — disposal.**

All controlled substances, the lawful possession of which is not established or the title to which cannot be ascertained, or excess or undesired controlled substances, which have come into the custody of the board, the department, or any peace officer, shall be disposed of as follows:

1. Except as otherwise provided in this section, the court having jurisdiction shall order such controlled substances forfeited and destroyed. A record of the place where the controlled substances were seized, of the kinds and quantities of controlled substances so destroyed, and of the time, place, and manner of destruction, shall be kept for not less than ten years after destruction, and a return under oath, reporting said destruction, shall be made to the court.

2. Upon written application by the board, the court by whom the forfeiture of controlled substances has been decreed may order the delivery of any of them, except controlled substances listed in schedule I, to the board for distribution or destruction, as provided by this section.

3. Upon a request of any law enforcement agency, the court may order that a portion of a controlled substance subject to forfeiture and destruction pursuant to this section becomes the possession of the requesting law enforcement agency for the sole purpose of canine controlled substance detection training. A law enforcement agency receiving a controlled substance pursuant to this subsection shall do the following:

*a.* Establish a policy that includes reasonable controls regarding the possession, storage, use, and destruction of the controlled substance.

*b.* Retain a record of the following for at least ten years from the date the controlled substance is destroyed:

(1) The court order granting the law enforcement agency possession of the controlled substance.

(2) The name of each peace officer who takes possession of the controlled substance.

(3) The time, place, and manner of the destruction of the controlled substance.

4. Upon application by any hospital within this state, not operated for private gain, the board may in its discretion deliver any controlled substances that have come into its custody by authority of this section to the applicant for medicinal use. The board may from time to time deliver excess stocks of controlled substances to the bureau for disposition, or may destroy the excess controlled substances.

5. The board shall keep a full and complete record of all controlled substances received and disposed of, showing the exact kinds, quantities, and forms of controlled substances, the persons from whom received and to whom delivered, by whose authority received, delivered, and destroyed and the dates of the receipt, disposal, or destruction, which record shall be open to inspection by all federal or state officers charged with the enforcement of federal and state laws relating to any controlled substance.

[C39, §**3169.14;** C46, 50, 54, 58, 62, §204.15; C66, 71, §204.14; C73, 75, 77, 79, 81, §204.506]
C93, §124.506
2009 Acts, ch 24, §2, 3
Referred to in §124.506A, 809A.17

**124.506A Large seizure of a controlled substance — evidence and disposal.**

1. Notwithstanding the provisions of section 124.506, if more than ten pounds of marijuana or more than one pound of any other controlled substance is seized as a result of a violation of this chapter, the law enforcement agency responsible for retaining the seized controlled substance may destroy the seized controlled substance if the law enforcement agency retains at least ten pounds of the marijuana seized or at least one pound of any other controlled substance seized for evidence purposes.

2. Prior to the destruction of any controlled substance under this section, the law enforcement agency shall photograph the controlled substance to be destroyed with identifying case numbers or any other case identifiers and prepare a written report detailing any relevant information about the destruction of the controlled substance. At least thirty days prior to any destruction of a controlled substance, the law enforcement agency destroying the controlled substance shall notify in writing any person arrested in connection with the seizure, the attorney of the person if represented, and any other attorney of record including the prosecuting attorney, and the law enforcement agency that made the arrest if the agency is different than the law enforcement agency responsible for retaining the seized controlled substance, that the law enforcement agency is planning to photograph and

destroy part of the controlled substance seized, and any person or agency notified may be present at the photographing of the controlled substance to be destroyed.

3. Any person or agency notified about the destruction of part of the controlled substance seized, or any other interested party, may file an application with the district court resisting the destruction of any of the controlled substance.

4. A rebuttable presumption is created that the portion of any controlled substance retained for representation purposes as evidence and all photographs and records made under this section and properly identified are admissible in any court proceeding for any purpose for which the destroyed controlled substance would have been admissible.

2006 Acts, ch 1027, §1; 2006 Acts, ch 1185, §119

**124.507 Burden of proof — liabilities.**

1. It is not necessary for the state to negate any exemption or exception set forth in this chapter in any complaint, information, indictment or other pleading or in any trial, hearing, or other proceeding under this chapter. The proof of entitlement to any exemption or exception by the person claiming its benefit shall be a valid defense.

2. The absence of proof that a person is the duly authorized holder of an appropriate registration or order form issued under this chapter creates a rebuttable presumption that the person is not the holder of such registration or form.

3. No liability shall be imposed by virtue of this chapter upon any authorized state, county or municipal officer, engaged in the lawful performance of the officer's duties.

[C24, 27, 31, 35, §3156; C39, §**3169.18;** C46, 50, 54, 58, 62, §204.19; C66, 71, §204.18; C73, 75, 77, 79, 81, §204.507]

C93, §124.507

**124.508 Judicial review.**

Judicial review of actions of board or department may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C73, 75, 77, 79, 81, §204.508]

C93, §124.508

2003 Acts, ch 44, §114

**124.509 Education and research.**

1. The board and the department, subject to approval and direction of the governor, shall carry out educational programs designed to prevent and deter misuse and abuse of controlled substances. They shall consult with each other and coordinate their programs so as to avoid duplication of effort. In connection with these programs they may:

*a.* Promote better recognition of the problems of misuse and abuse of controlled substances within the regulated industry and among interested groups and organizations;

*b.* Assist the regulated industry and interested groups and organizations in contributing to the reduction of misuse and abuse of controlled substances;

*c.* Consult with interested groups and organizations to aid them in solving administrative and organizational problems;

*d.* Evaluate procedures, projects, techniques, and controls conducted or proposed as part of educational programs on misuse and abuse of controlled substances;

*e.* Disseminate the results of research on misuse and abuse of controlled substances to promote a better public understanding of what problems exist and what can be done to combat them; and,

*f.* Assist in the education and training of state and local law enforcement officials in their efforts to control misuse and abuse of controlled substances.

2. The board and the department, subject to approval and direction of the governor, shall encourage research on misuse and abuse of controlled substances. In connection with such research, and in furtherance of the enforcement of this chapter, they may in such manner as will best insure coordination and avoid duplication of effort:

*a.* Establish methods to assess accurately the effects of controlled substances and identify and characterize those with potential for abuse;

*b.* Make studies and undertake programs of research to:

(1) Develop new or improved approaches, techniques, systems, equipment and devices to strengthen the enforcement of this chapter;

(2) Determine patterns of misuse and abuse of controlled substances and the social effects thereof; and,

(3) Improve methods for preventing, predicting, understanding and dealing with the misuse and abuse of controlled substances; and,

*c.* Enter into contracts with public agencies, institutions of higher education, and private organizations or individuals for the purpose of conducting research, demonstrations, or special projects which bear directly on misuse and abuse of controlled substances.

3. The board or department, subject to approval and direction of the governor, may enter into contracts for educational and research activities without performance bonds.

4. The board and department, subject to approval and direction of the governor, may jointly authorize persons engaged in research on the use and effects of controlled substances to withhold the names and other identifying characteristics of individuals who are the subjects of the research. Persons who obtain this authorization shall not be compelled in any civil, criminal, administrative, legislative, or other proceeding to identify the individuals who are the subjects of research for which the authorization was obtained.

5. The board and department, subject to approval and direction of the governor, may jointly authorize the possession and distribution of controlled substances by persons engaged in research. Persons who obtain this authorization are exempt from state prosecution for possession and distribution of controlled substances to the extent of the authorization.

[C73, 75, 77, 79, 81, §204.509]
C93, §124.509

**124.510 Reports of arrests and analyses to department.**

Any peace officer who arrests for any crime, any known unlawful user of the drugs described in Schedule I, II, III, or IV, or who arrests any person for a violation of this chapter, or charges any person with a violation of this chapter subsequent to the person's arrest, shall within five days after the arrest or the filing of the charge, whichever is later, report the arrest and the charge filed to the department. The peace officer or any other peace officer or law enforcement agency which makes or obtains any quantitative or qualitative analysis of any substance seized in connection with the arrest of the person charged, shall report to the department the results of the analysis at the time the arrest is reported or at such later time as the results of the analysis become available.

This information is for the exclusive use of the division of narcotics enforcement in the department of public safety, and shall not be a matter of public record.

[C73, 75, 77, 79, 81, §204.510]
C93, §124.510
2005 Acts, ch 35, §29

## DIVISION VI

## DRUG PRESCRIBING AND DISPENSING — INFORMATION PROGRAM

**124.551 Information program for drug prescribing and dispensing.**

Contingent upon the receipt of funds pursuant to section 124.557 sufficient to carry out the purposes of this division, the board, in conjunction with the advisory council created in section 124.555, shall establish and maintain an information program for drug prescribing and dispensing. The program shall collect from pharmacies dispensing information for controlled substances identified pursuant to section 124.554, subsection 1, paragraph "*g*". The information collected shall be used by prescribing practitioners and pharmacists on a need-to-know basis for purposes of improving patient health care by facilitating early identification of patients who may be at risk for addiction, or who may

be using, abusing, or diverting drugs for unlawful or otherwise unauthorized purposes at risk to themselves and others, or who may be appropriately using controlled substances lawfully prescribed for them but unknown to the practitioner. For purposes of this division, "*prescribing practitioner*" means a practitioner who has prescribed or is contemplating the authorization of a prescription for the patient about whom information is requested, and "*pharmacist*" means a practicing pharmacist who is actively engaged in and responsible for the pharmaceutical care of the patient about whom information is requested. The board shall collect, store, and disseminate program information consistent with security criteria established by rule, including use of appropriate encryption or other industry-recognized security technology. The board shall seek any federal waiver necessary to implement the provisions of the program.

2006 Acts, ch 1147, §2, 11
Referred to in §22.7

**124.552 Information reporting.**

1. Each licensed pharmacy that dispenses controlled substances identified pursuant to section 124.554, subsection 1, paragraph "*g*", to patients in the state, and each licensed pharmacy located in the state that dispenses such controlled substances identified pursuant to section 124.554, subsection 1, paragraph "*g*", to patients inside or outside the state, unless specifically excepted in this section or by rule, shall submit the following prescription information to the program:

*a.* Pharmacy identification.
*b.* Patient identification.
*c.* Prescribing practitioner identification.
*d.* The date the prescription was issued by the prescribing practitioner.
*e.* The date the prescription was dispensed.
*f.* An indication of whether the prescription dispensed is new or a refill.
*g.* Identification of the drug dispensed.
*h.* Quantity of the drug dispensed.
*i.* The number of days' supply of the drug dispensed.
*j.* Serial or prescription number assigned by the pharmacy.
*k.* Type of payment for the prescription.
*l.* Other information identified by the board and advisory council by rule.

2. Information shall be submitted electronically in a secure format specified by the board unless the board has granted a waiver and approved an alternate secure format.

3. Information shall be timely transmitted as designated by the board and advisory council by rule, unless the board grants an extension. The board may grant an extension if either of the following occurs:

*a.* The pharmacy suffers a mechanical or electronic failure, or cannot meet the deadline established by the board for other reasons beyond the pharmacy's control.
*b.* The board is unable to receive electronic submissions.

4. This section shall not apply to a prescribing practitioner furnishing, dispensing, supplying, or administering drugs to the prescribing practitioner's patient, or to dispensing by a licensed pharmacy for the purposes of inpatient hospital care, inpatient hospice care, or long-term residential facility patient care.

2006 Acts, ch 1147, §3, 11; 2007 Acts, ch 126, §25, 26

**124.553 Information access.**

1. The board may provide information from the program to the following:

*a.* (1) A pharmacist or prescribing practitioner who requests the information and certifies in a form specified by the board that it is for the purpose of providing medical or pharmaceutical care to a patient of the pharmacist or prescribing practitioner. A pharmacist or a prescribing practitioner may delegate program information access to another authorized individual or agent only if that individual or agent registers for program information access, pursuant to board rules, as an agent of the pharmacist or prescribing practitioner. Board rules shall identify the qualifications for a pharmacist's or prescribing practitioner's agent

and shall limit the number of agents to whom each pharmacist or prescribing practitioner may delegate program information access.

(2) Notwithstanding subparagraph (1), a prescribing practitioner may delegate program information access to another licensed health care professional in emergency situations where the patient would be placed in greater jeopardy if the prescribing practitioner was required to access the information personally.

*b.* An individual who requests the individual's own program information in accordance with the procedure established in rules of the board and advisory council adopted under section 124.554.

*c.* Pursuant to an order, subpoena, or other means of legal compulsion for access to or release of program information that is issued based upon a determination of probable cause in the course of a specific investigation of a specific individual.

2. The board shall maintain a record of each person that requests information from the program. Pursuant to rules adopted by the board and advisory council under section 124.554, the board may use the records to document and report statistical information.

3. Information contained in the program and any information obtained from it, and information contained in the records of requests for information from the program, is privileged and strictly confidential information. Such information is a confidential public record pursuant to section 22.7, and is not subject to discovery, subpoena, or other means of legal compulsion for release except as provided in this division. Information from the program shall not be released, shared with an agency or institution, or made public except as provided in this division.

4. Information collected for the program shall be retained in the program for four years from the date of dispensing. The information shall then be destroyed.

5. A pharmacist or other dispenser making a report to the program reasonably and in good faith pursuant to this division is immune from any liability, civil, criminal, or administrative, which might otherwise be incurred or imposed as a result of the report.

6. Nothing in this section shall require a pharmacist or prescribing practitioner to obtain information about a patient from the program. A pharmacist or prescribing practitioner does not have a duty and shall not be held liable in damages to any person in any civil or derivative criminal or administrative action for injury, death, or loss to person or property on the basis that the pharmacist or prescribing practitioner did or did not seek or obtain or use information from the program. A pharmacist or prescribing practitioner acting reasonably and in good faith is immune from any civil, criminal, or administrative liability that might otherwise be incurred or imposed for requesting or receiving or using information from the program.

7. The board shall not charge a fee to a pharmacy, pharmacist, or prescribing practitioner for the establishment, maintenance, or administration of the program, including costs for forms required to submit information to or access information from the program, except that the board may charge a fee to an individual who requests the individual's own program information. A fee charged pursuant to this subsection shall not exceed the actual cost of providing the requested information and shall be considered a repayment receipt as defined in section 8.2.

2006 Acts, ch 1147, §4, 11; 2007 Acts, ch 8, §19; 2007 Acts, ch 126, §27, 28; 2011 Acts, ch 58, §1

Referred to in §22.7, 124.554, 124.558

**124.554 Rules and reporting.**

1. The board and advisory council shall jointly adopt rules in accordance with chapter 17A to carry out the purposes of, and to enforce the provisions of, this division. The rules shall include but not be limited to the development of procedures relating to:

*a.* Identifying each patient about whom information is entered into the program.

*b.* An electronic format for the submission of information from pharmacies.

*c.* A waiver to submit information in another format for a pharmacy unable to submit information electronically.

*d.* An application by a pharmacy for an extension of time for transmitting information to the program.

*e.* The submission by an authorized requestor of a request for information and a procedure for the verification of the identity of the requestor.

*f.* Use by the board or advisory council of the program request records required by section 124.553, subsection 2, to document and report statistical information.

*g.* Including all schedule II controlled substances and those substances in schedules III and IV that the advisory council and board determine can be addictive or fatal if not taken under the proper care and direction of a prescribing practitioner.

*h.* Access by a pharmacist or prescribing practitioner to information in the program pursuant to a written agreement with the board and advisory council.

*i.* The correction or deletion of erroneous information in the program.

2. Beginning January 1, 2007, and annually by January 1 thereafter, the board and advisory council shall present to the general assembly and the governor a report prepared consistent with section 124.555, subsection 3, paragraph "*d*", which shall include but not be limited to the following:

*a.* The cost to the state of implementing and maintaining the program.

*b.* Information from pharmacies, prescribing practitioners, the board, the advisory council, and others regarding the benefits or detriments of the program.

*c.* Information from pharmacies, prescribing practitioners, the board, the advisory council, and others regarding the board's effectiveness in providing information from the program.

2006 Acts, ch 1147, §5, 11; 2007 Acts, ch 126, §29, 30
Referred to in §124.551, 124.552, 124.553, 124.555, 124.556

**124.555 Advisory council established.**

An advisory council shall be established to provide oversight to the board and the program and to comanage program activities. The board and advisory council shall jointly adopt rules specifying the duties and activities of the advisory council and related matters.

1. The council shall consist of eight members appointed by the governor. The members shall include three licensed pharmacists, four physicians licensed under chapter 148, and one licensed prescribing practitioner who is not a physician. The governor shall solicit recommendations for council members from Iowa health professional licensing boards, associations, and societies. The license of each member appointed to and serving on the advisory council shall be current and in good standing with the professional's licensing board.

2. The council shall advance the goals of the program, which include identification of misuse and diversion of controlled substances identified pursuant to section 124.554, subsection 1, paragraph "*g*", and enhancement of the quality of health care delivery in this state.

3. Duties of the council shall include but not be limited to the following:

*a.* Ensuring the confidentiality of the patient, prescribing practitioner, and dispensing pharmacist and pharmacy.

*b.* Respecting and preserving the integrity of the patient's treatment relationship with the patient's health care providers.

*c.* Encouraging and facilitating cooperative efforts among health care practitioners and other interested and knowledgeable persons in developing best practices for prescribing and dispensing controlled substances and in educating health care practitioners and patients regarding controlled substance use and abuse.

*d.* Making recommendations regarding the continued benefits of maintaining the program in relationship to cost and other burdens to the patient, prescribing practitioner, pharmacist, and the board. The council's recommendations shall be included in reports required by section 124.554, subsection 2.

*e.* One physician and one pharmacist member of the council shall include in their duties the responsibility for monitoring and ensuring that patient confidentiality, best interests, and civil liberties are at all times protected and preserved during the existence of the program.

4. Members of the advisory council shall be eligible to request and receive actual expenses for their duties as members of the advisory council, subject to reimbursement limits imposed

by the department of administrative services, and shall also be eligible to receive a per diem compensation as provided in section 7E.6, subsection 1.

2006 Acts, ch 1147, §6, 11; 2007 Acts, ch 126, §31, 32; 2008 Acts, ch 1088, §82
Referred to in §124.551, 124.554

**124.556 Education and treatment.**

The program for drug prescribing and dispensing shall include education initiatives and outreach to consumers, prescribing practitioners, and pharmacists, and shall also include assistance for identifying substance abuse treatment programs and providers. The board and advisory council shall adopt rules, as provided under section 124.554, to implement this section.

2006 Acts, ch 1147, §7, 11; 2007 Acts, ch 126, §33

**124.557 Drug information program fund.**

The drug information program fund is established to be used by the board to fund or assist in funding the program. The board may make deposits into the fund from any source, public or private, including grants or contributions of money or other items of value, which it determines necessary to carry out the purposes of this division. Moneys received by the board to establish and maintain the program must be used for the expenses of administering this division. Notwithstanding section 8.33, amounts contained in the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in future years.

2006 Acts, ch 1147, §8, 11
Referred to in §124.551

**124.558 Prohibited acts — penalties.**

1. *Failure to comply with requirements.* A pharmacist, pharmacy, prescribing practitioner, or agent of a pharmacist or prescribing practitioner who knowingly fails to comply with the confidentiality requirements of this division or who delegates program information access to another individual except as provided in section 124.553, is subject to disciplinary action by the appropriate professional licensing board. A pharmacist or pharmacy that knowingly fails to comply with other requirements of this division is subject to disciplinary action by the board. Each licensing board may adopt rules in accordance with chapter 17A to implement the provisions of this section.

2. *Unlawful access, disclosure, or use of information.* A person who intentionally or knowingly accesses, uses, or discloses program information in violation of this division, unless otherwise authorized by law, is guilty of a class "D" felony. This section shall not preclude a pharmacist or prescribing practitioner who requests and receives information from the program consistent with the requirements of this chapter from otherwise lawfully providing that information to any other person for medical or pharmaceutical care purposes.

2006 Acts, ch 1147, §9, 11; 2007 Acts, ch 126, §34; 2011 Acts, ch 58, §2

## DIVISION VII

## MISCELLANEOUS

**124.601 Uniformity of interpretation.**

This chapter shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

[C24, 27, 31, 35, §3167; C39, §**3169.23;** C46, 50, 54, 58, 62, §204.24; C66, 71, §204.22; C73, 75, 77, 79, 81, §204.601]

C93, §124.601

**124.602 Short title.**
This chapter may be cited as the *"Uniform Controlled Substances Act"*.
[C39, §**3169.24;** C46, 50, 54, 58, 62, §204.25; C66, 71, §204.23; C73, 75, 77, 79, 81, §204.602]
C93, §124.602

# CHAPTER 124A

## IMITATION CONTROLLED SUBSTANCES

Referred to in §124.401, 124.502, 155A.6, 155A.6A, 155A.6B, 155A.13A, 155A.17, 155A.42

This chapter not enacted as a part of this
title; transferred from chapter 204A in Code 1993

124A.1 Title.
124A.2 Definitions.
124A.3 Factors indicating an imitation controlled substance.
124A.4 Offenses and penalties.
124A.5 Immunity.

**124A.1 Title.**
This chapter may be cited as the *"Iowa Imitation Controlled Substances Act"*.
[82 Acts, ch 1147, §4]
C83, §204A.1
C93, §124A.1

**124A.2 Definitions.**
As used in this chapter, unless the context otherwise requires:
1. *"Controlled substance"* means a controlled substance as defined in section 124.101, subsection 5.
2. *"Deliver"* or *"delivery"* means the actual, constructive, or attempted transfer, distribution, or dispensing to another of an imitation controlled substance.
3. *"Manufacture"* means the production, preparation, compounding, processing, encapsulating, packaging, or labeling of an imitation controlled substance.
4. *"Imitation controlled substance"* means a substance which is not a controlled substance but which by color, shape, size, markings, and other aspects of dosage unit appearance, and packaging or other factors, appears to be or resembles a controlled substance. The board of pharmacy may designate a substance as an imitation controlled substance pursuant to the board's rulemaking authority and in accordance with chapter 17A.
[82 Acts, ch 1147, §5]
C83, §204A.2
C93, §124A.2
2007 Acts, ch 10, §14

**124A.3 Factors indicating an imitation controlled substance.**
When a substance has not been designated as an imitation controlled substance by the board of pharmacy and when dosage unit appearance alone does not establish that a substance is an imitation controlled substance, the following factors may be considered in determining whether the substance is an imitation controlled substance:
1. The person in control of the substance expressly or impliedly represents that the substance has the effect of a controlled substance.
2. The person in control of the substance expressly or impliedly represents that the substance because of its nature or appearance can be sold or delivered as a controlled substance or as a substitute for a controlled substance.
3. The person in control of the substance either demands or receives money or other

property having a value substantially greater than the actual value of the substance as consideration for delivery of the substance.

[82 Acts, ch 1147, §6]
C83, §204A.3
C93, §124A.3
2007 Acts, ch 10, §15

**124A.4 Offenses and penalties.**

1. It is unlawful for a person to manufacture, deliver, or possess with intent to deliver, an imitation controlled substance. Except as provided in subsection 3, a person who violates this subsection is guilty of an aggravated misdemeanor.

2. It is unlawful for a person to publish or to post or distribute in a public place, an advertisement or solicitation, if the person knows or reasonably should know the advertisement or solicitation is to promote the distribution of imitation controlled substances. A person who violates this subsection is guilty of a serious misdemeanor.

3. A person who is eighteen years of age or older who violates this section by delivering an imitation controlled substance to a person under eighteen years of age who is at least three years younger than the violator is guilty of a class "D" felony.

[82 Acts, ch 1147, §7]
C83, §204A.4
C93, §124A.4

**124A.5 Immunity.**

It is not unlawful for a person registered under section 124.302, to manufacture, deliver, or possess an imitation controlled substance for use as a placebo by a registered practitioner in the course of professional practice or research.

[82 Acts, ch 1147, §8]
C83, §204A.5
C93, §124A.5

# CHAPTER 124B

## PRECURSOR SUBSTANCES

Referred to in §124.401, 155A.6, 155A.6A, 155A.6B, 155A.13A, 155A.17, 155A.42

This chapter not enacted as a part of this
title; transferred from chapter 204B in Code 1993


124B.1 Definitions.
124B.2 Reporting required.
124B.3 Identification required.
124B.4 Vendor reporting.
124B.5 Receipt of substance from outside the state — penalty.
124B.6 Exceptions.
124B.7 Reporting form.
124B.8 Missing quantity — reporting.
124B.9 Sale, transfer, furnishing, or receipt for unlawful purpose — penalty.
124B.10 False statement — penalty.
124B.11 Permit requirements — penalty.
124B.12 Permit — refusal, suspension, or revocation.


**124B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the board of pharmacy.

2. *"Controlled substance"* means a controlled substance as defined in section 124.101.

3. *"Practitioner"* means a practitioner as defined in section 155A.3.

4. *"Precursor substance"* means a substance which may be used as a precursor in the illegal production of a controlled substance and is specified under section 124B.2.

5. *"Recipient"* means a person in this state who purchases, transfers, or otherwise receives a precursor substance.

6. *"Vendor"* means a person who manufactures, wholesales, retails, or otherwise sells, transfers, or furnishes in this state a precursor substance.

90 Acts, ch 1251, §10
C91, §204B.1
C93, §124B.1
2007 Acts, ch 10, §16

**124B.2 Reporting required.**

1. Effective July 1, 1990, a report to the board shall be submitted in accordance with this chapter by a manufacturer, retailer, or other person who sells, transfers, or otherwise furnishes to any person in this state any of the following substances:

*a.* Anthranilic acid, its esters, and its salts.
*b.* Benzyl cyanide.
*c.* Ethylamine and its salts.
*d.* Ergonovine and its salts.
*e.* Ergotamine and its salts.
*f.* 3,4 - methylenedioxyphenyl-2-propanone.
*g.* N-acetylanthranilic acid, its esters, and its salts.
*h.* Norpseudoephedrine, its salts, optical isomers, and salts of optical isomers.
*i.* Phenylacetic acid, its esters, and its salts.
*j.* Piperidine and its salts.
*k.* Methylamine and its salts.
*l.* Propionic anhydride.
*m.* Isosafrole.
*n.* Safrole.
*o.* Piperonal.
*p.* N-methylephedrine, its salts, optical isomers, and salts of optical isomers.
*q.* N-methylpseudoephedrine, its salts, optical isomers, and salts of optical isomers.
*r.* Hydriodic acid.
*s.* Benzaldehyde.
*t.* Nitroethane.
*u.* Gamma-Butyrolactone (also known as GBL; Dihydro-2(3H)-furanone; 1,2-Butanolide; 1,4-Butanolide; 4-Hydroxybutanoic acid lactone; or gamma-hydroxy-butyric acid lactone).
*v.* Red phosphorus.
*w.* White phosphorus (another name: yellow phosphorus).
*x.* Hypophosphorous acid and its salts (including ammonium hypophosphite, calcium hypophosphite, iron hypophosphite, potassium hypophosphite, manganese hypophosphite, magnesium hypophosphite, and sodium hypophosphite).
*y.* Iodine.
*z.* N-phenethyl-4-piperidone (NPP).
*aa.* Ergocristine and its salts.

2. The board shall administer the regulatory provisions of this chapter and may, by rule adopted pursuant to chapter 17A, add a substance to or remove a substance from the list in subsection 1. In determining whether to add or remove a substance from the list, the board shall consider the following:

*a.* The likelihood that the substance may be used as a precursor in the illegal production of a controlled substance.
*b.* The availability of the substance.
*c.* The appropriateness of including the substance under this chapter or under chapter 124.
*d.* The extent and nature of legitimate uses for the substance.

3. On or before November 1 of each year, the board shall inform the general assembly of any substances added, deleted, or changed in the list contained in this section and shall provide an explanation of any addition, deletion, or change.

90 Acts, ch 1251, §11
C91, §204B.2

C93, §124B.2
2000 Acts, ch 1140, §17, 18; 2002 Acts, ch 1108, §2, 3; 2003 Acts, ch 53, §10; 2008 Acts, ch 1010, §5; 2009 Acts, ch 36, §1; 2012 Acts, ch 1122, §6
Referred to in §124B.1, 124B.3, 124B.6

**124B.3 Identification required.**

1. Before selling, transferring, or otherwise furnishing any substance specified in section 124B.2 to a person in this state, a vendor shall require proper identification from the purchaser.

2. For the purposes of this section, in the case of a face-to-face purchase, *"proper identification"* means all of the following:

*a.* A driver's license containing the purchaser's photograph and residential or mailing address, other than a post office box number, or any other official state-issued identification containing this information.

*b.* The motor vehicle license number of the vehicle owned or operated by the purchaser.

*c.* A letter of authorization from the person who is making the purchase. The letter shall include the person's business license number and business address, a description as to how the substance will be used, and the purchaser's signature. The vendor shall affix the vendor's signature as a witness to the signature and identification of the purchaser.

3. The board shall provide by rule for the form of proper identification required for purchases which are not face to face.

4. A person who violates this section or rules adopted pursuant to this section commits a simple misdemeanor.

90 Acts, ch 1251, §12
C91, §204B.3
92 Acts, ch 1175, §27
C93, §124B.3
98 Acts, ch 1073, §9
Referred to in §124B.4, 124B.6

**124B.4 Vendor reporting.**

1. At least twenty-one days prior to the delivery of a precursor substance to a recipient, the vendor shall submit a report of the transaction to the board. The report must contain the identification information specified under section 124B.3. However, if regular, repeated transactions of a particular precursor substance occur between the vendor and the recipient, the board may authorize the vendor to report the transactions monthly if either of the following conditions exists:

*a.* A pattern of regular supply of the precursor substance exists between the vendor and the recipient.

*b.* The recipient has established a record of lawfully using the precursor substance.

2. A vendor who does not submit a report pursuant to this section commits a serious misdemeanor.

90 Acts, ch 1251, §13
C91, §204B.4
C93, §124B.4
Referred to in §124B.6

**124B.5 Receipt of substance from outside the state — penalty.**

1. A vendor, recipient, or other person required to report pursuant to this chapter who receives a precursor substance from a source outside the state shall submit a report to the board pursuant to rules adopted by the board.

2. A person who does not submit a report required under this section commits a serious misdemeanor.

90 Acts, ch 1251, §14
C91, §204B.5
C93, §124B.5
Referred to in §124B.6

**124B.6 Exceptions.**

The requirements of sections 124B.2 through 124B.5 do not apply to any of the following:

1. A licensed pharmacist or other person authorized under chapter 155A to sell or furnish a precursor substance upon the prescription of a practitioner.

2. A practitioner who administers or furnishes a precursor substance to a patient.

3. A vendor who holds a permit issued by the board and who sells, transfers, or otherwise furnishes a precursor substance to a practitioner or a pharmacy as defined in section 155A.3.

4. A sale, transfer, furnishing, or receipt of a drug containing ephedrine, phenylpropanolamine, or pseudoephedrine or of a cosmetic containing a precursor substance if the drug or cosmetic is lawfully sold, transferred, or furnished over the counter without a prescription in accordance with chapter 126.

90 Acts, ch 1251, §15
C91, §204B.6
C93, §124B.6
Referred to in §124B.8

**124B.7 Reporting form.**

1. The board shall adopt rules prescribing a common form for the filing of reports required under this chapter. The rules shall provide that the information which must be submitted shall include but is not limited to all of the following:

*a.* The name of the precursor substance.

*b.* The quantity of the precursor substance sold, transferred, or furnished.

*c.* The date the precursor substance was sold, transferred, or furnished.

*d.* The name and address of the recipient.

*e.* The name and address of the vendor.

2. Reports authorized under subsection 1 may be computer-generated and submitted monthly in accordance with rules adopted by the board.

90 Acts, ch 1251, §16
C91, §204B.7
C93, §124B.7

**124B.8 Missing quantity — reporting.**

A person who is required to report to the board pursuant to this chapter or a person listed as an exception under section 124B.6 shall report to the board either of the following occurrences within seven days of knowledge of the loss or occurrence:

1. Loss or theft of a precursor substance.

2. A difference between the amount of a precursor substance shipped and the amount of a precursor substance received. If applicable, the report shall include the name of the person who transported the precursor substance and the date of shipment.

90 Acts, ch 1251, §17
C91, §204B.8
C93, §124B.8

**124B.9 Sale, transfer, furnishing, or receipt for unlawful purpose — penalty.**

1. A person who sells, transfers, or otherwise furnishes a precursor substance with knowledge or the intent that the recipient will use the precursor substance to unlawfully manufacture a controlled substance commits a class "C" felony.

2. A person who receives a precursor substance with the intent that the substance be used unlawfully to manufacture a controlled substance commits a class "C" felony.

90 Acts, ch 1251, §18
C91, §204B.9
C93, §124B.9
2004 Acts, ch 1057, §2
See §124.401

**124B.10 False statement — penalty.**

A person who knowingly makes a false statement in connection with any report or record required to be made under this chapter commits an aggravated misdemeanor.

90 Acts, ch 1251, §19
C91, §204B.10
C93, §124B.10

**124B.11 Permit requirements — penalty.**

1. A vendor or a recipient who receives a precursor substance from a source outside the state shall obtain a permit for the transaction from the board. However, a permit is not required of a vendor of a drug containing ephedrine, phenylpropanolamine, or pseudoephedrine or of a cosmetic that contains a precursor substance if the drug or cosmetic is lawfully sold, transferred, or furnished either over the counter without a prescription in accordance with chapter 126 or with a prescription pursuant to chapter 155A.

2. An application for a permit shall be filed in writing and signed by the applicant, and shall set forth the name of the applicant, the business in which the applicant is engaged, the business address of the applicant, and a full description of any precursor substance sold, transferred, or otherwise furnished or received.

3. The board may grant a permit on a form adopted by rule. A permit shall be effective for not more than one year from the date of issuance.

4. An applicant shall pay, at the time of filing an application, a permit fee determined by the board.

5. A permit granted under this chapter may be annually renewed on a date to be determined by the board pursuant to rule, upon the filing of a renewal application and the payment of a permit renewal fee.

6. Permit fees charged by the board shall not exceed the costs incurred by the board in administering this chapter.

7. Selling, transferring, or otherwise furnishing, or receiving a precursor substance without a permit obtained pursuant to this section is a serious misdemeanor.

90 Acts, ch 1251, §20
C91, §204B.11
C93, §124B.11

**124B.12 Permit — refusal, suspension, or revocation.**

The board shall refuse, suspend, or revoke a permit upon finding that any of the following conditions exist:

1. The permit was obtained through fraud, misrepresentation, or deceit.

2. The permittee has violated or has permitted any employee of the permittee to violate any of the laws of this state relating to drugs, controlled substances, cosmetics, or nonprescription drugs, or has violated this chapter, a rule adopted pursuant to this chapter, or any other rule of the board.

90 Acts, ch 1251, §21
C91, §204B.12
C93, §124B.12

# CHAPTER 124C

## CLEANUP OF CLANDESTINE LABORATORY SITES


| | |
|---|---|
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| 124C.5 | Liability of state employees or persons providing cleanup assistance. |
| 124C.6 | Legal remedies. |
| 124C.7 | Rulemaking authority. |

**124C.1 Definitions.**

As used in this chapter, unless the context clearly requires otherwise:

1. *"Clandestine laboratory site"* means a location or operation, including but not limited to buildings or vehicles equipped with glassware, heating devices, and precursors or related reagents and solvents needed to unlawfully prepare or manufacture controlled substances defined in chapter 124.

2. *"Cleanup"* means actions necessary to contain, collect, control, identify, analyze, disassemble, treat, remove, or otherwise disperse all substances and materials, including but not limited to those found to be hazardous waste as defined in section 455B.411 and controlled substances defined in chapter 124, including contamination caused by those chemicals or substances.

3. *"Commissioner"* means the commissioner of public safety.

4. *"Department"* means the department of public safety.

5. *"Hazardous substance"* means any substance or mixture of substances that presents a danger to the public health or safety and includes, but is not limited to, a substance that is toxic, corrosive, or flammable, and other substances defined in rules adopted pursuant to section 455B.381 and controlled substances as defined in chapter 124.

6. *"Person having control over a clandestine laboratory site"* means a person who at any time possesses, produces, handles, stores, uses, transports, or disposes of a hazardous substance or controlled substance used or intended for use at a clandestine laboratory site. A person having control over a clandestine laboratory site does not include persons performing duties listed in section 124C.2 at the direction of the commissioner and does not include a person who is the owner of the property or a person holding a security interest in the property in or upon which the clandestine laboratory site is located unless the person knew that a clandestine laboratory existed in or upon the person's property.

93 Acts, ch 141, §1; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §12, 200, 201; 2003 Acts, ch 44, §35

**124C.2 Powers and duties of the commissioner.**

1. The commissioner or the commissioner's designee may use funds appropriated or otherwise available to the department for the following purposes:

*a.* Administrative services for the identification, assessment, and cleanup of clandestine laboratory sites.

*b.* Payments to other government agencies or private contractors for services consistent with the management and cleanup of a clandestine laboratory site.

*c.* Emergency response activities involving clandestine laboratory sites, including surveillance, entry, security, cleanup, and disposal.

2. The commissioner may request the assistance of other state, federal, and local agencies as necessary.

3. The commissioner shall proceed, pursuant to this section, to collect all costs incurred in cleanup of a clandestine laboratory site from the person having control over a clandestine laboratory site.

4. The commissioner shall make all reasonable efforts to recover the full amount of moneys expended, through litigation or otherwise. Moneys recovered shall be deposited with the treasurer of state and credited to the department of public safety.

93 Acts, ch 141, §2; 2009 Acts, ch 41, §184

Referred to in §124C.1

**124C.3 Liability to the state.**

A person having control over a clandestine laboratory site shall be strictly liable to the state for all of the following:

1. The reasonable costs incurred by the state as a result of cleanup of the site.

2. The reasonable costs incurred by the state to evacuate people from the area threatened by the clandestine laboratory site.

3. The reasonable damages to the state for the injury to, destruction of, or loss of natural

resources resulting from the clandestine laboratory site, including the costs of assessing the injury, destruction, or loss.

93 Acts, ch 141, §3

Referred to in §124C.4

**124C.4 Claim of state.**

1. An amount for which a person having control over a clandestine laboratory is liable to the state shall constitute a lien in favor of the state upon all property and rights to property, real and personal, belonging to that person. This lien shall attach at the time the charges set out in section 124C.3 become due and payable and shall continue for ten years from the time the lien attaches unless sooner released or otherwise discharged. The lien may be extended, within ten years from the date the lien attaches, by filing a notice with the appropriate county official of the appropriate county and from the time of filing the lien shall be extended as to the property in that county for ten years, unless sooner released or otherwise discharged, with no limit on the number of extensions.

2. In order to preserve the lien against subsequent mortgagees, purchasers, or judgment creditors for value and without notice of the lien, the commissioner shall file with the recorder of the county in which the property is located a notice of the lien. A laboratory cleanup lien shall be recorded in the index of income tax liens in the county.

3. Each notice of lien shall be endorsed with the day, hour, and minute when the notice was filed for recording and the document reference number, and the notice shall be preserved, indexed, and recorded in the manner provided for recording real estate mortgages. The lien is effective from the time of its indexing. The department shall pay recording fees as provided by section 331.604 for the recording of the lien or for its satisfaction.

4. Upon payment of a charge for which the commissioner has filed a notice of lien with a county, the commissioner shall immediately file with the county a satisfaction of the charge and the satisfaction of the charge shall be indicated on the index.

5. The attorney general, upon the request of the commissioner, shall bring an action at law or in equity, without bond, to enforce payment of any charges or penalties, and in such action the attorney general shall have the assistance of the county attorney of the county in which the action is pending.

6. The remedies available to the state in this chapter shall be cumulative and no action taken by the commissioner or attorney general shall be construed to be an election on the part of the state to pursue any remedy to the exclusion of any other remedy provided by law.

93 Acts, ch 141, §4; 2002 Acts, ch 1113, §2; 2009 Acts, ch 27, §3; 2009 Acts, ch 41, §185

**124C.5 Liability of state employees or persons providing cleanup assistance.**

The state and its officers or employees are not liable for damages or injury caused by a condition at a clandestine laboratory site or resulting from action or inaction taken by any officers or employees when acting in their official capacity pursuant to this chapter, unless the damage or injury resulted from intentional wrongdoing or gross negligence.

93 Acts, ch 141, §5

**124C.6 Legal remedies.**

This chapter does not deny a person any legal or equitable rights, remedies, or defenses, or affect any legal relationship other than the legal relationship between the state and a person having control over a clandestine laboratory site.

93 Acts, ch 141, §6

**124C.7 Rulemaking authority.**

The department may adopt rules pursuant to chapter 17A necessary to administer this chapter.

93 Acts, ch 141, §7

# CHAPTER 125

## SUBSTANCE-RELATED DISORDERS

Referred to in §11.6, 123.53, 135.11, 136.3, 229.6, 229.45, 232.69, 235B.2, 235B.3, 235E.1, 235E.2, 237.4, 321J.3, 321J.17, 321J.22, 321J.25, 602.6306, 602.6405, 904.513

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## DIVISION I

## INTRODUCTORY PROVISIONS

**125.1 Declaration of policy.**

It is the policy of this state:

1. That persons with substance-related disorders be afforded the opportunity to receive quality treatment and directed into rehabilitation services which will help them resume a socially acceptable and productive role in society.

2. To encourage substance abuse education and prevention efforts and to insure that such efforts are coordinated to provide a high quality of services without unnecessary duplication.

3. To insure that substance abuse programs are being operated by individuals who are qualified in their field whether through formal education or through employment or personal experience.

[C71, 73, §123B.2; C75, 77, 79, 81, §125.1]

[A portion of subsection 1 was inadvertently omitted in the 1993 Code]

2011 Acts, ch 121, §24, 62

Referred to in §125.3, 125.7

**125.2 Definitions.**

For purposes of this chapter, unless the context clearly indicates otherwise:

1. *"Board"* means the state board of health created pursuant to chapter 136.

2. *"Chemical substance"* means alcohol, wine, spirits, and beer as defined in chapter 123 and controlled substances as defined in section 124.101.

3. *"Chief medical officer"* means the medical director in charge of a public or private hospital, or the director's physician-designee. This chapter does not negate the authority otherwise reposed by chapter 226 in the respective superintendents of the state mental health institutes to make decisions regarding the appropriateness of admissions or discharges of patients of those institutes, however, it is the intent of this chapter that a superintendent who is not a licensed physician shall be guided in these decisions by the chief medical officer of the institute.

4. *"Clerk"* means the clerk of the district court.

5. *"Department"* means the Iowa department of public health.

6. *"Director"* means the director of the Iowa department of public health.

7. *"Facility"* means an institution, a detoxification center, or an installation providing care, maintenance and treatment for persons with substance-related disorders licensed by the department under section 125.13, hospitals licensed under chapter 135B, or the state mental health institutes designated by chapter 226.

8. *"Incapacitated by a chemical substance"* means that a person, as a result of the use of a chemical substance, is unconscious or has the person's judgment otherwise so impaired that the person is incapable of realizing and making a rational decision with respect to the need for treatment.

9. *"Incompetent person"* means a person who has been adjudged incompetent by a court of law.

10. *"Interested person"* means a person who, in the discretion of the court, is legitimately concerned that a respondent receive substance abuse treatment services.

11. *"Psychiatric advanced registered nurse practitioner"* means an individual currently licensed as a registered nurse under chapter 152 or 152E who holds a national certification in psychiatric mental health care and who is registered with the board of nursing as an advanced registered nurse practitioner.

12. *"Residence"* means the place where a person resides. For the purpose of determining which Iowa county, if any, is liable pursuant to this chapter for payments of costs attributable to its residents, the following rules shall apply:

*a.* If a person claims an Iowa homestead, then the person's residence shall be in the county where that homestead is claimed, irrespective of any other factors.

*b.* If paragraph *"a"* does not apply, and the person continuously has been provided or has maintained living quarters within any county of this state for a period of not less than one year, whether or not at the same location within that county, then the person's residence shall be in that county, irrespective of other factors. However, this paragraph shall not apply to unemancipated persons under eighteen years of age who are wards of this state.

*c.* If paragraphs *"a"* and *"b"* do not apply, or, if the person is under eighteen years of age, is unemancipated, and is a ward of this state, then the person shall be unclassified with respect to county of residence, and payment of all costs shall be made by the department as provided in this chapter.

*d.* An unemancipated person under eighteen years of age who is not a ward of the state shall be deemed to reside where the parent having legal custody, or the legal guardian, or legal custodian of that person has residence as determined according to this subsection.

*e.* The provisions of this subsection shall not be used in any case to which section 125.43 is applicable.

13. *"Respondent"* means a person against whom an application is filed under section 125.75.

14. *"Substance-related disorder"* means a diagnosable substance abuse disorder of sufficient duration to meet diagnostic criteria specified within the most current diagnostic and statistical manual of mental disorders published by the American psychiatric association that results in a functional impairment.

[C62, 66, §123A.1; C71, 73, §123A.1, 123B.1; C75, 77, §125.2; C79, 81, §125.2, 229.50; 81 Acts, ch 58, §1; 82 Acts, ch 1212, §1]

86 Acts, ch 1245, §1122; 89 Acts, ch 197, §21; 90 Acts, ch 1085, §1, 2; 2005 Acts, ch 175, §59, 60; 2008 Acts, ch 1082, §1; 2011 Acts, ch 121, §25 – 28, 62; 2012 Acts, ch 1021, §40

Referred to in §125.3, 125.7, 125.44, 125.75, 226.9C, 229.6, 282.19, 321J.24, 321J.25, 600A.8, 709.16

## DIVISION II

## SUBSTANCE ABUSE PROGRAM

**125.3 Substance abuse program established.**

The Iowa department of public health shall develop, implement, and administer a comprehensive substance abuse program pursuant to sections 125.1 to 125.43.

[C62, 66, 71, 73, §123A.2; C75, 77, 79, 81, §125.3; 81 Acts, ch 58, §2]

86 Acts, ch 1245, §1123; 2005 Acts, ch 175, §61

Referred to in §125.7

**125.4 through 125.6** Repealed by 2005 Acts, ch 175, § 128.

**125.7 Duties of the board.**

The board shall:

1. Approve the comprehensive substance abuse program, developed by the department pursuant to sections 125.1 to 125.43.

2. Advise the department on policies governing the performance of the department in the discharge of any duties imposed on the department by law.

3. Advise or make recommendations to the governor and the general assembly relative to substance abuse treatment, intervention, education, and prevention programs in this state.

4. Adopt rules for subsections 1 and 6 and review other rules necessary to carry out the provisions of this chapter, subject to review in accordance with chapter 17A.

5. Investigate the work of the department relating to substance abuse, and for this purpose

the board shall have access at any time to all books, papers, documents, and records of the department.

6. Consider and approve or disapprove all applications for a license and all cases involving the renewal, denial, suspension, or revocation of a license.

7. Act as the appeal board regarding funding decisions made by the department.

[C71, 73, §123B.3; C75, 77, 79, 81, §125.7]

86 Acts, ch 1245, §1126; 89 Acts, ch 243, §1; 2005 Acts, ch 175, §62

Referred to in §125.3

**125.8** Repealed by 89 Acts, ch 243, § 6.

**125.9 Powers of director.**

The director may:

1. Plan, establish and maintain treatment, intervention, education, and prevention programs as necessary or desirable in accordance with the comprehensive substance abuse program.

2. Make contracts necessary or incidental to the performance of the duties and the execution of the powers of the director, including contracts with public and private agencies, organizations and individuals to pay them for services rendered or furnished to persons with substance-related disorders.

3. Solicit and accept for use any gift of money or property made by will or otherwise, and any grant of money, services or property from the federal government, the state, or any political subdivision thereof or any private source, and do all things necessary to cooperate with the federal government or any of its agencies and the department in making an application for any grant.

4. Coordinate the activities of the department and cooperate with substance abuse programs in this and other states, and make contracts and other joint or cooperative arrangements with state, local or private agencies in this and other states for the treatment of persons with substance-related disorders and for the common advancement of substance abuse programs.

5. Require that a written report, in reasonable detail, be submitted to the director at any time by any agency of this state or of any of its political subdivisions in respect to any substance abuse prevention function, or program for the benefit of persons who are or have been involved in substance abuse, which is being conducted by the agency.

6. Submit to the governor a written report of the pertinent facts at any time the director concludes that any agency of this state or of any of its political subdivisions is conducting any substance abuse prevention function, or program for the benefit of persons who are or have been involved in substance abuse in a manner not consistent with or which impairs achievement of the objectives of the state plan to combat substance abuse, and has failed to effect appropriate changes in the function or program.

7. Keep records and engage in research and the gathering of relevant statistics.

8. Employ a deputy director who shall be exempt from the merit system. The director may employ other staff necessary to carry out the duties assigned to the director.

9. Do other acts and things necessary or convenient to execute the authority expressly granted to the director.

[C62, 66, §123A.5, 123A.7, 123A.8; C71, 73, §123A.7, 123A.8, 123B.17; C75, 77, §125.9, 224B.4, 224B.6; C79, 81, §125.9]

86 Acts, ch 1245, §1128; 87 Acts, ch 8, §1; 90 Acts, ch 1085, §3; 2005 Acts, ch 175, §63; 2011 Acts, ch 121, §29, 62

Referred to in §125.3, 125.7

Merit system, see chapter 8A, subchapter IV

**125.10 Duties of director.**

The director shall:

1. Prepare and submit a state plan subject to approval by the board and in accordance with the provisions of 42 U.S.C. § 4573. The state plan shall designate the department as the sole agency for supervising the administration of the plan.

2. Develop, encourage, and foster statewide, regional, and local plans and programs for the prevention of substance misuse and the treatment of persons with substance-related disorders in cooperation with public and private agencies, organizations and individuals, and provide technical assistance and consultation services for these purposes.

3. Coordinate the efforts and enlist the assistance of all public and private agencies, organizations, and individuals interested in the prevention of substance misuse and the treatment of persons with substance-related disorders. The director's actions to implement this subsection shall also address the treatment needs of persons who have a mental illness, an intellectual disability, brain injury, or other co-occurring condition in addition to a substance-related disorder.

4. Cooperate with the department of human services and the Iowa department of public health in establishing and conducting programs to provide treatment for persons with substance-related disorders.

5. Cooperate with the department of education, boards of education, schools, police departments, courts, and other public and private agencies, organizations, and individuals in establishing programs for the prevention of substance misuse and the treatment of persons with substance-related disorders, and in preparing relevant curriculum materials for use at all levels of school education.

6. Prepare, publish, evaluate and disseminate educational material dealing with the nature and effects of chemical substances.

7. Develop and implement, as an integral part of treatment programs, an educational program for use in the treatment of persons with substance-related disorders, which program shall include the dissemination of information concerning the nature and effects of substances.

8. Organize and implement, in cooperation with local treatment programs, training programs for all persons engaged in treatment of persons with substance-related disorders.

9. Sponsor and implement research in cooperation with local treatment programs into the causes and nature of substance misuse and treatment of persons with substance-related disorders, and serve as a clearing house for information relating to substance misuse.

10. Specify uniform methods for keeping statistical information by public and private agencies, organizations, and individuals, and collect and make available relevant statistical information, including number of persons treated, frequency of admission and readmission, and frequency and duration of treatment.

11. Develop and implement, with the counsel and approval of the board, the comprehensive plan for treatment of persons with substance-related disorders in accordance with this chapter.

12. Assist in the development of, and cooperate with, substance abuse education and treatment programs for employees of state and local governments and businesses and industries in the state.

13. Utilize the support and assistance of interested persons in the community, particularly persons who are recovering from substance-related disorders to encourage persons with substance-related disorders to voluntarily undergo treatment.

14. Cooperate with the commissioner of public safety in establishing and conducting programs designed to deal with the problem of persons operating motor vehicles while intoxicated.

15. Encourage general hospitals and other appropriate health facilities to admit without discrimination persons with substance-related disorders and to provide them with adequate and appropriate treatment. The director may negotiate and implement contracts with hospitals and other appropriate health facilities with adequate detoxification facilities.

16. Encourage all health and disability insurance programs to include substance abuse as a covered illness.

17. Review all state health, welfare, education and treatment proposals to be submitted

for federal funding under federal legislation, and advise the governor on provisions to be included relating to substance misuse and persons with substance-related disorders.

[C62, 66, §123A.5; C71, 73, §123B.17; C75, 77, §125.10, 224B.5; C79, 81, §125.10; 81 Acts, ch 58, §3]

83 Acts, ch 96, §157, 159; 90 Acts, ch 1085, §4; 2005 Acts, ch 175, §64; 2011 Acts, ch 121, §30, 62; 2012 Acts, ch 1021, §41; 2012 Acts, ch 1120, §62

Referred to in §125.3, 125.7

**125.11** Repealed by 81 Acts, ch 58, § 13.

## DIVISION III

## TREATMENT PROGRAMS AND FACILITIES

**125.12 Comprehensive program for treatment — regional facilities.**

1. The board shall review the comprehensive substance abuse program implemented by the department for the treatment of persons with substance-related disorders and concerned family members. Subject to the review of the board, the director shall divide the state into appropriate regions for the conduct of the program and establish standards for the development of the program on the regional level. In establishing the regions, consideration shall be given to city and county lines, population concentrations, and existing substance abuse treatment services.

2. The program of the department shall include:

*a.* Emergency treatment provided by a facility affiliated with or part of the medical service of a general hospital.

*b.* Inpatient treatment.

*c.* Residential treatment.

*d.* Outpatient and follow-up treatment and rehabilitation.

*e.* Prevention and education.

*f.* Assessment.

*g.* Halfway house treatment.

3. The director shall provide for adequate and appropriate treatment for persons with substance-related disorders and concerned family members admitted under sections 125.33 and 125.34, or under section 125.75, 125.81, or 125.91. Treatment shall not be provided at a correctional institution except for inmates. A mental health professional, as defined in section 228.1, who is employed by a treatment provider under the program may provide treatment to a person with co-occurring substance-related and mental health disorders. Such treatment may also be provided by a person employed by such a treatment provider who is receiving the supervision required to meet the definition of mental health professional but has not completed the supervision component.

4. The director shall maintain, supervise and control all facilities operated by the director pursuant to this chapter.

5. All appropriate public and private resources shall be coordinated with and utilized in the program if possible.

6. The director shall prepare, publish and distribute annually a list of all facilities.

7. The director may contract for the use of a facility if the director, pursuant to section 125.44, considers this to be an effective and economical course to follow.

[C75, 77, 79, 81, §125.12; 82 Acts, ch 1212, §23]

86 Acts, ch 1001, §3; 86 Acts, ch 1245, §1129; 90 Acts, ch 1085, §5; 2005 Acts, ch 175, §65; 2011 Acts, ch 121, §31, 62; 2012 Acts, ch 1120, §63

Referred to in §125.3, 125.7, 321J.25

**125.13 Programs licensed — exceptions.**

1. *a.* Except as provided in subsection 2, a person shall not maintain or conduct any chemical substitutes or antagonists program, residential program, or nonresidential outpatient program, the primary purpose of which is the treatment and rehabilitation of

persons with substance-related disorders without having first obtained a written license for the program from the department.

*b.* Four types of licenses may be issued by the department. A renewable license may be issued for one, two, or three years. A treatment program applying for its initial license may be issued a license for two hundred seventy days. A license issued for two hundred seventy days shall not be renewed or extended.

2. The licensing requirements of this chapter do not apply to any of the following:

*a.* A hospital providing care or treatment to persons with substance-related disorders licensed under chapter 135B which is accredited by the joint commission on the accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, the American osteopathic association, or another recognized organization approved by the board. All survey reports from the accrediting or licensing body must be sent to the department.

*b.* Any practitioner of medicine and surgery or osteopathic medicine and surgery, in the practitioner's private practice. However, a program shall not be exempted from licensing by the board by virtue of its utilization of the services of a medical practitioner in its operation.

*c.* Private institutions conducted by and for persons who adhere to the faith of any well recognized church or religious denomination for the purpose of providing care, treatment, counseling, or rehabilitation to persons with substance-related disorders and who rely solely on prayer or other spiritual means for healing in the practice of religion of such church or denomination.

*d.* A program that provides only education, prevention, referral or post treatment services.

*e.* Alcoholics anonymous.

*f.* Individuals in private practice who are providing substance abuse treatment services independent from a program that is required to be licensed under subsection 1.

*g.* Intervention and referral programs which are financed and managed by a county or counties, are staffed by county employees, and do not receive state payments pursuant to a contract under section 125.44.

*h.* Voluntary, nonprofit groups whose funding is provided solely from nontax sources.

*i.* A substance abuse treatment program not funded by the department which is accredited or licensed by the joint commission on the accreditation of health care organizations, the commission on the accreditation of rehabilitation facilities, the American osteopathic association, or another recognized organization approved by the board. All survey reports from the accrediting or licensing body must be sent to the department.

*j.* A hospital substance abuse treatment program that is accredited or licensed by the joint commission on the accreditation of health care organizations, the commission on the accreditation of rehabilitation facilities, the American osteopathic association, or another recognized organization approved by the board. All survey reports for the hospital substance abuse treatment program from the accrediting or licensing body shall be sent to the department.

[C75, 77, §125.14, 224B.12, 224B.13; C79, 81, §125.13; 81 Acts, ch 58, §4 – 7; 82 Acts, ch 1244, §1, 2]

86 Acts, ch 1001, §4; 89 Acts, ch 243, §2; 90 Acts, ch 1085, §6, 7; 94 Acts, ch 1068, §1; 2002 Acts, ch 1108, §4, 5; 2005 Acts, ch 175, §66; 2009 Acts, ch 41, §263; 2011 Acts, ch 121, §32, 33, 62

Referred to in §125.2, 125.3, 125.7, 125.20, 125.21, 125.58, 125.59, 135H.4

**125.14 Licenses — renewal — fees.**

The board shall consider all cases involving initial issuance, and renewal, denial, suspension, or revocation of a license. The department shall issue a license to an applicant whom the board determines meets the licensing requirements of this chapter. Licenses shall expire no later than three years from the date of issuance and shall be renewed upon timely application made in the same manner as for initial issuance of a license unless notice of nonrenewal is given to the licensee at least thirty days prior to the expiration of the license.

The department shall not charge a fee for licensing or renewal of programs contracting with the department for provision of treatment services. A fee may be charged to other licensees.

[C75, 77, §224B.14, 224B.15; C79, 81, §125.14; 81 Acts, ch 58, §8]

89 Acts, ch 243, §3; 2000 Acts, ch 1140, §19; 2002 Acts, ch 1108, §6; 2005 Acts, ch 175, §67

Referred to in §125.3, 125.7

**125.14A Personnel of a licensed program admitting juveniles.**

1. If a person is being considered for licensure under this chapter, or for employment involving direct responsibility for a child or with access to a child when the child is alone, by a program admitting juveniles subject to licensure under this chapter, or if a person will reside in a facility utilized by such a program, and if the person has been convicted of a crime or has a record of founded child abuse, the department of human services and the program, for an employee of the program, shall perform an evaluation to determine whether the crime or founded child abuse warrants prohibition of licensure, employment, or residence in the facility. The department of human services shall conduct criminal and child abuse record checks in this state and may conduct these checks in other states. The evaluation shall be performed in accordance with procedures adopted for this purpose by the department of human services.

2. If the department of human services determines that a person has committed a crime or has a record of founded child abuse and is licensed, employed by a program licensed under this chapter, or resides in a licensed facility the department shall notify the program that an evaluation will be conducted to determine whether prohibition of the person's licensure, employment, or residence is warranted.

3. In an evaluation, the department of human services and the program for an employee of the program shall consider the nature and seriousness of the crime or founded child abuse in relation to the position sought or held, the time elapsed since the commission of the crime or founded child abuse, the circumstances under which the crime or founded child abuse was committed, the degree of rehabilitation, the likelihood that the person will commit the crime or founded child abuse again, and the number of crimes or founded child abuses committed by the person involved. The department of human services may permit a person who is evaluated to be licensed, employed, or to reside, or to continue to be licensed, employed, or to reside in a program, if the person complies with the department's conditions relating to the person's licensure, employment, or residence, which may include completion of additional training. For an employee of a licensee, these conditional requirements shall be developed with the licensee. The department of human services has final authority in determining whether prohibition of the person's licensure, employment, or residence is warranted and in developing any conditional requirements under this subsection.

4. If the department of human services determines that the person has committed a crime or has a record of founded child abuse which warrants prohibition of licensure, employment, or residence, the person shall not be licensed under this chapter to operate a program admitting juveniles and shall not be employed by a program or reside in a facility admitting juveniles licensed under this chapter.

5. In addition to the record checks required under this section, the department of human services may conduct dependent adult abuse record checks in this state and may conduct these checks in other states, on a random basis. The provisions of this section, relative to an evaluation following a determination that a person has been convicted of a crime or has a record of founded child abuse, shall also apply to a random check conducted under this subsection.

6. Beginning July 1, 1994, a program or facility shall inform all new applicants for employment of the possibility of the performance of a record check and shall obtain, from the applicant, a signed acknowledgment of the receipt of the information.

7. On or after July 1, 1994, a program or facility shall include the following inquiry in an application for employment:

Do you have a record of founded child or dependent adult abuse or have you ever been convicted of a crime, in this state or any other state?

90 Acts, ch 1221, §1; 91 Acts, ch 138, §1; 92 Acts, ch 1163, §33; 94 Acts, ch 1130, §11
Referred to in §125.3, 125.7

**125.15 Inspections.**

The department may inspect the facilities and review the procedures utilized by any chemical substitutes or antagonists program, residential program, or nonresidential outpatient program that has as a primary purpose the treatment and rehabilitation of persons with substance-related disorders, for the purpose of ensuring compliance with this chapter and the rules adopted pursuant to this chapter. The examination and review may include case record audits and interviews with staff and patients, consistent with the confidentiality safeguards of state and federal law.

[C75, 77, §224B.16; C79, 81, §125.15]
86 Acts, ch 1245, §1130; 2000 Acts, ch 1140, §20; 2011 Acts, ch 121, §34, 62
Referred to in §125.3, 125.7

**125.15A Licensure — emergencies.**

1. The department may place an employee or agent to serve as a monitor in a licensed substance abuse treatment program or may petition the court for appointment of a receiver for a program when any of the following conditions exist:

*a.* The program is operating without a license.

*b.* The board has suspended, revoked, or refused to renew the existing license of the program.

*c.* The program is closing or has informed the department that it intends to close and adequate arrangements for the location of clients have not been made at least thirty days before the closing.

*d.* The department determines that an emergency exists, whether or not it has initiated revocation or nonrenewal procedures, and because of the unwillingness or inability of the licensee to remedy the emergency, the department determines that a monitor or receiver is necessary. As used in this paragraph, "*emergency*" means a threat to the health, safety, or welfare of a client that the program is unwilling or unable to correct.

2. The monitor shall observe operation of the program, assist the program with advice regarding compliance with state regulations, and report periodically to the department on the operation of the program.

93 Acts, ch 139, §1; 2005 Acts, ch 175, §68
Referred to in §125.3, 125.7

**125.16 Transfer of license or change of location prohibited.**

A license issued under this chapter may not be transferred, and the location of the physical facilities occupied or utilized by any program licensed under this chapter shall not be changed without the prior written consent of the board.

[C75, 77, §224B.17; C79, 81, §125.16]
2005 Acts, ch 175, §69
Referred to in §125.3, 125.7

**125.17 License suspension or revocation.**

Violation of any of the requirements or restrictions of this chapter or of any of the rules adopted pursuant to this chapter is cause for suspension, revocation, or refusal to renew a license. The director shall at the earliest time feasible notify a licensee whose license the board is considering suspending or revoking and shall inform the licensee what changes must be made in the licensee's operation to avoid such action. The licensee shall be given a reasonable time for compliance, as determined by the director, after receiving such notice or a notice that the board does not intend to renew the license. When the licensee believes compliance has been achieved, or if the licensee considers the proposed suspension, revocation, or refusal to renew unjustified, the licensee may submit pertinent information

to the board and the board shall expeditiously make a decision in the matter and notify the licensee of the decision.

[C75, 77, §224B.18; C79, 81, §125.17]

2005 Acts, ch 175, §70

Referred to in §125.3, 125.7

**125.18 Hearing before board.**

If a licensee under this chapter makes a written request for a hearing within thirty days of suspension, revocation, or refusal to renew a license, a hearing before the board shall be expeditiously arranged by the department of inspections and appeals whose decision is subject to review by the board. The board shall issue a written statement of the board's findings within thirty days after conclusion of the hearing upholding or reversing the proposed suspension, revocation, or refusal to renew a license. Action involving suspension, revocation, or refusal to renew a license shall not be taken by the board unless a quorum is present at the meeting. A copy of the board's decision shall be promptly transmitted to the affected licensee who may, if aggrieved by the decision, seek judicial review of the actions of the board in accordance with the terms of chapter 17A.

[C75, 77, §224B.19; C79, 81, §125.18]

86 Acts, ch 1245, §1131; 2005 Acts, ch 175, §71

Referred to in §125.3, 125.7

**125.19 Reissuance or reinstatement.**

After suspension, revocation, or refusal to renew a license pursuant to this chapter, the affected licensee shall not have the license reissued or reinstated within one year of the effective date of the suspension, revocation, or expiration upon refusal to renew, unless the board orders otherwise. After that time, proof of compliance with the requirements and restrictions of this chapter and the rules adopted pursuant to this chapter must be presented to the board prior to reinstatement or reissuance of a license.

[C75, 77, §224B.20; C79, 81, §125.19]

2005 Acts, ch 175, §72

Referred to in §125.3, 125.7

**125.20 Rules.**

The department shall establish rules pursuant to chapter 17A requiring facilities to use reasonable accounting and reimbursement systems which recognize relevant cost-related factors for substance abuse patients. A facility shall not be licensed nor shall any payment be made under this chapter to a facility which fails to comply with those rules or which does not permit inspection by the department or examination of all records, including financial records, methods of administration, general and special dietary programs, the disbursement of drugs and methods of supply, and any other records the department deems relevant to the establishment of such a system. However, rules issued pursuant to this paragraph shall not apply to any facility referred to in section 125.13, subsection 2 or section 125.43.

[C77, §125.13(8); C79, 81, §125.20]

86 Acts, ch 1245, §1132

Referred to in §125.3, 125.7

**125.21 Chemical substitutes and antagonists programs.**

1. The board has exclusive power in this state to approve and license chemical substitutes and antagonists programs, and to monitor chemical substitutes and antagonists programs to ensure that the programs are operating within the rules adopted pursuant to this chapter. The board shall grant approval and license if the requirements of the rules are met and state funding is not requested. The chemical substitutes and antagonists programs conducted by persons exempt from the licensing requirements of this chapter pursuant to section 125.13, subsection 2, are subject to approval and licensure under this section.

2. The department may do any of the following:

*a.* Provide advice, consultation, and technical assistance to chemical substitutes and antagonists programs.

*b.* Approve local agencies or bodies to assist the department in carrying out the provisions of this chapter.

[C75, 77, §224B.21; C79, 81, §125.21; 81 Acts, ch 58, §9]

87 Acts, ch 32, §1; 97 Acts, ch 203, §12; 2005 Acts, ch 175, §73

Referred to in §125.3, 125.7

**125.22 through 125.24** Reserved.

**125.25 Approval of facility budget.**

1. Before making any allocation of funds to a local substance abuse program, the department shall require a detailed line item budget clearly indicating the funds received from each revenue source for the fiscal year for which the funds are requested on forms provided by the department for each program.

2. The department shall adopt rules governing the approval of line item budgets for the operation of facilities. The rules shall include provisions for the approval of a facility's budget by the department.

[C79, 81, §125.25]

86 Acts, ch 1001, §5; 86 Acts, ch 1245, §1133

Referred to in §125.3, 125.7

**125.26 through 125.31** Reserved.

**125.32 Acceptance for treatment — rules.**

The department shall adopt and may amend and repeal rules for acceptance of persons into the treatment program, subject to chapter 17A, considering available treatment resources and facilities, for the purpose of early and effective treatment of persons with substance-related disorders and concerned family members. In establishing the rules the department shall be guided by the following standards:

1. If possible a patient shall be treated on a voluntary rather than an involuntary basis.

2. A patient shall be initially assigned or transferred to outpatient treatment, unless the patient is found to require inpatient, residential, or halfway house treatment.

3. A person shall not be denied treatment solely because the person has withdrawn from treatment against medical advice on a prior occasion or because the person has relapsed after earlier treatment.

4. An individualized treatment plan shall be prepared and maintained on a current basis for each patient after the assessment process.

5. Provision shall be made for a continuum of coordinated treatment services, so that a person who leaves a facility or a form of treatment will have available and may utilize other appropriate treatment.

[C75, 77, §125.15; C79, 81, §125.32]

86 Acts, ch 1001, §6; 86 Acts, ch 1245, §1134; 90 Acts, ch 1085, §8; 2011 Acts, ch 121, §35, 62

Referred to in §125.3, 125.7

**125.32A Discrimination prohibited.**

Any substance abuse treatment program receiving state funding under this chapter or any other chapter of the Code shall not discriminate against a person seeking treatment solely because the person is pregnant, unless the program in each instance identifies and refers the person to an alternative and acceptable treatment program for the person.

90 Acts, ch 1264, §33

Referred to in §125.3, 125.7

**125.33 Voluntary treatment of persons with substance-related disorders.**

1. A person with a substance-related disorder may apply for voluntary treatment or rehabilitation services directly to a facility or to a licensed physician and surgeon or osteopathic physician and surgeon. If the proposed patient is a minor or an incompetent person, a parent, a legal guardian or other legal representative may make the application.

The licensed physician and surgeon or osteopathic physician and surgeon or any employee or person acting under the direction or supervision of the physician and surgeon or osteopathic physician and surgeon, or the facility shall not report or disclose the name of the person or the fact that treatment was requested or has been undertaken to any law enforcement officer or law enforcement agency; nor shall such information be admissible as evidence in any court, grand jury, or administrative proceeding unless authorized by the person seeking treatment. If the person seeking such treatment or rehabilitation is a minor who has personally made application for treatment, the fact that the minor sought treatment or rehabilitation or is receiving treatment or rehabilitation services shall not be reported or disclosed to the parents or legal guardian of such minor without the minor's consent, and the minor may give legal consent to receive such treatment and rehabilitation.

2. Subject to rules adopted by the department, the administrator or the administrator's designee in charge of a facility may determine who shall be admitted for treatment or rehabilitation. If a person is refused admission, the administrator or the administrator's designee, subject to rules adopted by the department, shall refer the person to another facility for treatment if possible and appropriate.

3. A person with a substance-related disorder seeking treatment or rehabilitation and who is either addicted or dependent on a chemical substance may first be examined and evaluated by a licensed physician and surgeon or osteopathic physician and surgeon who may prescribe a proper course of treatment and medication, if needed. The licensed physician and surgeon or osteopathic physician and surgeon may further prescribe a course of treatment or rehabilitation and authorize another licensed physician and surgeon or osteopathic physician and surgeon or facility to provide the prescribed treatment or rehabilitation services. Treatment or rehabilitation services may be provided to a person individually or in a group. A facility providing or engaging in treatment or rehabilitation shall not report or disclose to a law enforcement officer or law enforcement agency the name of any person receiving or engaged in the treatment or rehabilitation; nor shall a person receiving or participating in treatment or rehabilitation report or disclose the name of any other person engaged in or receiving treatment or rehabilitation or that the program is in existence, to a law enforcement officer or law enforcement agency. Such information shall not be admitted in evidence in any court, grand jury, or administrative proceeding. However, a person engaged in or receiving treatment or rehabilitation may authorize the disclosure of the person's name and individual participation.

4. If a patient receiving inpatient or residential care leaves a facility, the patient shall be encouraged to consent to appropriate outpatient or halfway house treatment. If it appears to the administrator in charge of the facility that the patient is a person with a substance-related disorder who requires help, the director may arrange for assistance in obtaining supportive services.

5. If a patient leaves a facility, with or against the advice of the administrator in charge of the facility, the director may make reasonable provisions for the patient's transportation to another facility or to the patient's home. If the patient has no home the patient shall be assisted in obtaining shelter. If the patient is a minor or an incompetent person the request for discharge from an inpatient facility shall be made by a parent, legal guardian or other legal representative or by the minor or incompetent if the patient was the original applicant.

6. Any person who reports or discloses the name of a person receiving treatment or rehabilitation services to a law enforcement officer or law enforcement agency or any person receiving treatment or rehabilitation services who discloses the name of any other person receiving treatment or rehabilitation services without the written consent of the person in violation of the provisions of this section shall upon conviction be guilty of a simple misdemeanor.

[C71, 73, §224A.2, 224A.3; C75, 77, §125.16, 224A.2, 224A.3; C79, 81, §125.33]

86 Acts, ch 1001, §7; 86 Acts, ch 1245, §1135; 90 Acts, ch 1085, §9; 2011 Acts, ch 121, §36, 62

Referred to in §125.3, 125.7, 125.12, 230.20, 321J.3

**125.34 Treatment and services for persons with substance-related disorders due to intoxication and substance-induced incapacitation.**

1. A person with a substance-related disorder due to intoxication or substance-induced incapacitation may come voluntarily to a facility for emergency treatment. A person who appears to be intoxicated or incapacitated by a substance in a public place and in need of help may be taken to a facility by a peace officer under section 125.91. If the person refuses the proffered help, the person may be arrested and charged with intoxication under section 123.46, if applicable.

2. If no facility is readily available the person may be taken to an emergency medical service customarily used for incapacitated persons. The peace officer in detaining the person and in taking the person to a facility shall make every reasonable effort to protect the person's health and safety. In detaining the person the detaining officer may take reasonable steps for self-protection. Detaining a person under section 125.91 is not an arrest and no entry or other record shall be made to indicate that the person who is detained has been arrested or charged with a crime.

3. A person who arrives at a facility and voluntarily submits to examination shall be examined by a licensed physician as soon as possible after the person arrives at the facility. The person may then be admitted as a patient or referred to another health facility. The referring facility shall arrange for transportation.

4. If a person is voluntarily admitted to a facility, the person's family or next of kin shall be notified as promptly as possible. If an adult patient who is not incapacitated requests that there be no notification, the request shall be respected.

5. A peace officer who acts in compliance with this section is acting in the course of the officer's official duty and is not criminally or civilly liable therefor, unless such acts constitute willful malice or abuse.

6. If the physician in charge of the facility determines it is for the patient's benefit, the patient shall be encouraged to agree to further diagnosis and appropriate voluntary treatment.

7. A licensed physician and surgeon or osteopathic physician and surgeon, facility administrator, or an employee or a person acting as or on behalf of the facility administrator, is not criminally or civilly liable for acts in conformity with this chapter, unless the acts constitute willful malice or abuse.

[C75, 77, §125.17; C79, 81, §125.34; 82 Acts, ch 1212, §24]
86 Acts, ch 1001, §8; 2011 Acts, ch 121, §37, 62
Referred to in §125.3, 125.7, 125.12, 230.20

**125.35** Repealed by 82 Acts, ch 1212, § 28.

**125.36** Reserved.

**125.37 Records confidential.**

1. The registration and other records of facilities shall remain confidential and are privileged to the patient.

2. Notwithstanding subsection 1, the director may make available information from patients' records for purposes of research into the causes and treatment of substance abuse. Information under this subsection shall not be published in a way that discloses patients' names or other identifying information.

3. Notwithstanding the provisions of subsection 1 of this section a patient's records may be disclosed to medical personnel in a medical emergency with or without the patient's consent.

[C75, 77, §125.20, 224B.23; C79, 81, §125.37]
Referred to in §125.3, 125.7, 125.93

**125.38 Rights and privileges of patients.**

1. Subject to reasonable rules regarding hours of visitation which the department may adopt, a patient in a facility shall be granted an opportunity for adequate consultation with counsel, and for continuing contact with family and friends consistent with an effective treatment program.

2. Neither mail nor other communication to or from a patient in a facility may be

intercepted, read or censored, except that the department may adopt reasonable rules regarding the use of telephones by patients in facilities and the delivery of chemical substances.

3. The patient shall be provided an opportunity to receive prompt evaluation, emergency services and care as indicated by sound medical practice and treatment which, in the judgment of the chief medical officer of a facility, is most likely to result in the individual's recovery or in the mitigation of the individual's condition to an extent sufficient to permit the individual's discharge from the facility.

[C75, 77, §125.21; C79, 81, §125.38]
86 Acts, ch 1245, §1136
Referred to in §125.3, 125.7

**125.39 Eligible entities.**

A local governmental unit which is providing funds to a facility for treatment of substance abuse may request from the facility a treatment program plan prior to authorizing payment of any claims filed by the facility. The governing body of the local governmental unit may review the plan, but shall not impose on the facility any requirement conflicting with the comprehensive treatment program of the facility.

[C77, §125.22; C79, 81, §125.39]
86 Acts, ch 1001, §9; 88 Acts, ch 1158, §31; 99 Acts, ch 141, §1
Referred to in §125.3, 125.7

## DIVISION IV

## ADMINISTRATIVE PROVISIONS — FUNDING

**125.40 Criminal laws limitations.**

1. No county or city may adopt or enforce a local law, ordinance, resolution or rule having the force of law in contravention of the provisions of this chapter.

2. No county or city may interpret or apply any law of general application to circumvent the provision of subsection 1.

3. Nothing in this chapter affects any law, ordinance, resolution or rule against drunken driving, driving under the influence of alcohol or other chemical substance, or other similar offense involving the operation of a vehicle, aircraft, boat, machinery or other equipment, or regarding the sale, purchase, dispensing, possessing or use of alcoholic beverages or beer at stated times and places or by a particular class of persons or regarding the sale, purchase, possession or use of another chemical substance.

[C75, 77, §125.23; C79, 81, §125.40]
Referred to in §125.3, 125.7, 331.382

**125.41 Judicial review.**

Judicial review of the orders or actions of the director may be sought in accordance with the provisions of the Iowa administrative procedure Act, chapter 17A.

[C75, 77, §125.24; C79, 81, §125.41]
2003 Acts, ch 44, §114
Referred to in §125.3, 125.7

**125.42 Appeals.**

An aggrieved party may obtain a review of any final judgment of the court by appeal to the supreme court. The appeal shall be taken as in other civil cases.

[C75, 77, §125.25; C79, 81, §125.42]
Referred to in §125.3, 125.7

**125.43 Funding at mental health institutes.**

Chapter 230 governs the determination of the costs and payment for treatment provided to persons with substance-related disorders in a mental health institute under the department of human services, except that the charges are not a lien on real estate owned by persons legally

liable for support of the person with a substance-related disorder and the daily per diem shall be billed at twenty-five percent. The superintendent of a state hospital shall total only those expenditures which can be attributed to the cost of providing inpatient treatment to persons with substance-related disorders for purposes of determining the daily per diem. Section 125.44 governs the determination of who is legally liable for the cost of care, maintenance, and treatment of a person with a substance-related disorder and of the amount for which the person is liable.

[C75, 77, §125.26; C79, 81, §125.43]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1067, §21; 86 Acts, ch 1001, §10; 90 Acts, ch 1085, §10; 2011 Acts, ch 121, §38, 62

Referred to in §125.2, 125.3, 125.7, 125.20

**125.43A Prescreening — exception.**

Except in cases of medical emergency or court-ordered admissions, a person shall be admitted to a state mental health institute for treatment of a substance-related disorder only after a preliminary intake and assessment by a department-licensed treatment facility or a hospital providing care or treatment for persons with substance-related disorders licensed under chapter 135B and accredited by the joint commission on the accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, the American osteopathic association, or another recognized organization approved by the board, or by a designee of a department-licensed treatment facility or a hospital other than a state mental health institute, which confirms that the admission is appropriate to the person's substance-related disorder service needs. A county board of supervisors may seek an admission of a patient to a state mental health institute who has not been confirmed for appropriate admission and the county shall be responsible for one hundred percent of the cost of treatment and services of the patient.

86 Acts, ch 1001, §11; 92 Acts, ch 1097, §1; 2005 Acts, ch 175, §74; 2011 Acts, ch 121, §39, 62; 2012 Acts, ch 1021, §42

Referred to in §125.44

**125.44 Agreements with facilities — liability for costs.**

1. The director may, consistent with the comprehensive substance abuse program, enter into written agreements with a facility as defined in section 125.2 to pay for one hundred percent of the cost of the care, maintenance, and treatment of persons with substance-related disorders, except when section 125.43A applies. All payments for state patients shall be made in accordance with the limitations of this section. Such contracts shall be for a period of no more than one year.

2. The contract may be in the form and contain provisions as agreed upon by the parties. The contract shall provide that the facility shall admit and treat persons with substance-related disorders regardless of where they have residence. If one payment for care, maintenance, and treatment is not made by the patient or those legally liable for the patient, the payment shall be made by the department directly to the facility. Payments shall be made each month and shall be based upon the rate of payment for services negotiated between the department and the contracting facility. If a facility projects a temporary cash flow deficit, the department may make cash advances at the beginning of each fiscal year to the facility. The repayment schedule for advances shall be part of the contract between the department and the facility. This section does not pertain to patients treated at the mental health institutes.

3. If the appropriation to the department is insufficient to meet the requirements of this section, the department shall request a transfer of funds and section 8.39 shall apply.

4. The person with a substance-related disorder is legally liable to the facility for the total amount of the cost of providing care, maintenance, and treatment for the person with a substance-related disorder while a voluntary or committed patient in a facility. This section does not prohibit any individual from paying any portion of the cost of treatment.

5. The department is liable for the cost of care, treatment, and maintenance of persons with substance-related disorders admitted to the facility voluntarily or pursuant to section

125.75, 125.81, or 125.91 or section 321J.3 or 124.409 only to those facilities that have a contract with the department under this section, only for the amount computed according to and within the limits of liability prescribed by this section, and only when the person with a substance-related disorder is unable to pay the costs and there is no other person, firm, corporation, or insurance company bound to pay the costs.

6. The department's maximum liability for the costs of care, treatment, and maintenance of persons with substance-related disorders in a contracting facility is limited to the total amount agreed upon by the parties and specified in the contract under this section.

[C71, 73, §123B.4, 123B.8; C75, 77, §125.27, 125.31; C79, §125.44, 125.48; C81, §125.44; 82 Acts, ch 1212, §25]

86 Acts, ch 1001, §12, 13; 86 Acts, ch 1220, §25; 86 Acts, ch 1245, §1137; 89 Acts, ch 243, §4, 5; 90 Acts, ch 1085, §11; 2011 Acts, ch 121, §40, 62

Referred to in §124.409, 125.12, 125.13, 125.43, 321J.3, 462A.14

**125.45** Repealed by 86 Acts, ch 1001, § 22.

**125.46 County of residence determined.**

The facility shall, when a person with a substance-related disorder is admitted, or as soon thereafter as it receives the proper information, determine and enter upon its records the Iowa county of residence of the person with a substance-related disorder, or that the person resides in some other state or country, or that the person is unclassified with respect to residence.

[C71, 73, §123B.6; C75, 77, §125.29; C79, 81, §125.46]

90 Acts, ch 1085, §12; 2011 Acts, ch 121, §41, 62

**125.47** Repealed by 86 Acts, ch 1001, § 22.

**125.48 List of contracting facilities.**

The department shall provide a current list of facilities that have a contract with the department to the clerk of each district court in the state. The clerk shall provide the list to all district court judges and judicial magistrates in the district.

[C81, §125.48]

**125.49 through 125.53** Repealed by 86 Acts, ch 1001, § 22.

**125.54 Use of funds.**

The director is not required to distribute or guarantee funds, except as provided in section 125.59:

1. To any program which does not meet licensing standards,
2. To any program providing unnecessary, duplicative or overlapping services within the same geographical area, or
3. To any program which has adequate resources at its disposal.

[C79, 81, §125.54]

86 Acts, ch 1001, §14

**125.55 Audits.**

All licensed substance abuse programs are subject to annual audit either by the auditor of state or in lieu of an audit by the auditor of state the substance abuse program may contract with or employ certified public accountants to conduct the audit, in accordance with sections 11.6, 11.14, and 11.19. The audit format shall be as prescribed by the auditor of state. The certified public accountant shall submit a copy of the audit to the director. A licensed substance abuse program is also subject to special audits as the director requests. The licensed substance abuse program or the department shall pay all expenses incurred by the auditor of state in conducting an audit under this section.

[C79, 81, §125.55; 81 Acts, ch 58, §10; 82 Acts, ch 1166, §1]

89 Acts, ch 264, §5; 2011 Acts, ch 75, §35

**125.56** Repealed by 82 Acts, ch 1244, § 4.

**125.57** Repealed by 86 Acts, ch 1001, § 22.

**125.58 Inspection — penalties.**

1. If the department has probable cause to believe that an institution, place, building, or agency not licensed as a substance abuse treatment and rehabilitation facility is in fact a substance abuse treatment and rehabilitation facility as defined by this chapter, and is not exempt from licensing by section 125.13, subsection 2, the board may order an inspection of the institution, place, building, or agency. If the inspector upon presenting proper identification is denied entry for the purpose of making the inspection, the inspector may, with the assistance of the county attorney of the county in which the premises are located, apply to the district court for an order requiring the owner or occupant to permit entry and inspection of the premises to determine whether there have been violations of this chapter. The investigation may include review of records, reports, and documents maintained by the facility and interviews with staff members consistent with the confidentiality safeguards of state and federal law.

2. A person establishing, conducting, managing, or operating a substance abuse treatment and rehabilitation facility without a license is guilty of a serious misdemeanor. Each day of continued violation after conviction or notice from the department by certified mail of a violation shall be considered a separate offense or chargeable offense. A person establishing, conducting, managing or operating a substance abuse treatment and rehabilitation facility without a license may be temporarily or permanently restrained therefrom by a court of competent jurisdiction in an action brought by the state.

3. Notwithstanding the existence or pursuit of any other remedy, the department may, in the manner provided by law, maintain an action in the name of the state for injunction or other process against a person or governmental unit to restrain or prevent the establishment, conduct, management or operation of a substance abuse treatment and rehabilitation facility without a license.

[81 Acts, ch 58, §12; 82 Acts, ch 1244, §3]
2005 Acts, ch 175, §75

**125.59 Transfer of certain revenue — county program funding.**

The treasurer of state, on each July 1 for that fiscal year, shall transfer the estimated amounts to be received from section 123.36, subsection 7 and section 123.143, subsection 1 to the department.

1. *a.* Of these funds, notwithstanding section 125.13, subsection 1, one-half of the transferred amount shall be used for grants to counties operating a substance abuse program involving only education, prevention, referral or posttreatment services, either with the counties' own employees or by contract with a nonprofit corporation. The grants shall not annually exceed ten thousand dollars to any one county, subject to the following conditions:

(1) The money shall be paid to the county after expenditure by the county and submission of the requirements in subparagraph (2) on the basis of one dollar for each three dollars spent by the county. The county may submit a quarterly claim for reimbursement.

(2) The county shall submit an accounting of the expenditures and shall submit an annual financial report, a description of the program, and the results obtained within sixty days after the end of the fiscal year in which the money is granted.

*b.* If the transferred amount for this subsection exceeds grant requests funded to the ten thousand dollar maximum, the Iowa department of public health may use the remainder to increase grants pursuant to subsection 2.

2. *a.* Of these funds, one-half of the transferred amount shall be used for prevention programs in addition to the amount budgeted for prevention programs by the department in the same fiscal year. The department shall use this additional prevention program money for grants to a county, person, or nonprofit agency operating a prevention program. A grant to a county, person, or nonprofit agency is subject to the following conditions:

(1) The money shall be paid to the county, person, or nonprofit agency after submission

of the requirements in subparagraph (2) on the basis of two dollars for each dollar designated for prevention by the county, person, or nonprofit agency.

(2) The county, person, or nonprofit agency shall submit a description of the program.

(3) The county, person, or nonprofit agency shall submit an annual financial report and the results obtained before June 10 of the same fiscal year in which the money is granted.

*b.* The department may consider in-kind contributions received by a county, person, or nonprofit agency for matching purposes required in paragraph *"a"*, subparagraph (1).

86 Acts, ch 1001, §15; 87 Acts, ch 110, §1; 94 Acts, ch 1068, §2; 2009 Acts, ch 41, §186
Referred to in §125.54

**125.60 Grant formula.**

The funding distributed by the department for program grants pursuant to the appropriation received by the department shall be distributed to each county or multicounty area by a formula based on population, need, and other criteria as determined by the department.

86 Acts, ch 1001, §16

**125.61 through 125.73** Reserved.

## DIVISION V

## INVOLUNTARY COMMITMENT OR TREATMENT FOR SUBSTANCE-RELATED DISORDERS

**125.74 Preapplication screening assessment — program.**

Prior to filing an application pursuant to section 125.75, the clerk of the district court or the clerk's designee shall inform the interested person referred to in section 125.75 about the option of requesting a preapplication screening assessment through a preapplication screening assessment program, if available. The state court administrator shall prescribe practices and procedures for implementation of the preapplication screening assessment program.

2013 Acts, ch 130, §36
NEW section

**125.75 Application.**

1. Proceedings for the involuntary commitment or treatment of a person with a substance-related disorder to a facility pursuant to this chapter or for the involuntary hospitalization of a person pursuant to chapter 229 may be commenced by any interested person by filing a verified application with the clerk of the district court of the county where the respondent is presently located or which is the respondent's place of residence. The clerk or the clerk's designee shall assist the applicant in completing the application.

2. The application shall:

*a.* State the applicant's belief that the respondent is a person who presents a danger to self or others and lacks judgmental capacity due to either of the following:

(1) A substance-related disorder as defined in section 125.2.

(2) A serious mental impairment as defined in section 229.1.

*b.* State facts in support of each belief described in paragraph *"a"*.

*c.* Be accompanied by one or more of the following:

(1) A written statement of a licensed physician in support of the application.

(2) One or more supporting affidavits corroborating the application.

(3) Corroborative information obtained and reduced to writing by the clerk or the clerk's designee, but only when circumstances make it infeasible to obtain, or when the clerk considers it appropriate to supplement, the information under either subparagraph (1) or (2).

3. Prior to the filing of an application pursuant to this section, the clerk or the clerk's designee shall inform the interested person referred to in subsection 1 about the option of requesting a preapplication screening assessment pursuant to section 125.74.

4. The supreme court shall prescribe rules and establish forms as necessary to carry out the provisions of this section.

[C75, 77, §125.19(1, 2); C79, 81, §229.51; 82 Acts, ch 1212, §3]

90 Acts, ch 1085, §13; 2011 Acts, ch 121, §42, 43, 62; 2013 Acts, ch 130, §37

Referred to in §125.2, 125.12, 125.44, 125.74, 125.75A, 125.77, 125.78, 125.79, 125.85, 125.91, 229.21

Summary of involuntary commitment procedures available from clerk; see §229.45

Section amended

**125.75A Involuntary proceedings — minors — jurisdiction.**

The juvenile court has exclusive original jurisdiction in proceedings concerning a minor for whom an application is filed under section 125.75. In proceedings under this division concerning a minor's involuntary commitment or treatment, the term *"court"*, *"judge"*, or *"clerk"* means the juvenile court, judge, or clerk.

89 Acts, ch 283, §1; 92 Acts, ch 1124, §1; 2013 Acts, ch 130, §38

Referred to in §229.21

Section amended

**125.75B Dual filings.** Repealed by 2013 Acts, ch 130, § 55.

**125.76 Appointment of counsel for applicant.**

The applicant, if not the county attorney, may apply for the appointment of counsel if financially unable to employ an attorney to assist the applicant in presenting evidence in support of the application for commitment. If the applicant applies for the appointment of counsel, the application shall include the submission of a financial statement as required under section 815.9.

[C75, 77, §125.19(10); C79, 81, §229.52(6); 82 Acts, ch 1212, §4]

83 Acts, ch 101, §15; 83 Acts, ch 186, §10044, 10201

Referred to in §229.21

**125.77 Service of notice.**

Upon the filing of an application pursuant to section 125.75, the clerk shall docket the case and immediately notify a district court judge, a district associate judge, or magistrate who is admitted to the practice of law in this state, who shall review the application and accompanying documentation. The clerk shall send copies of the application and supporting documentation, together with the notice informing the respondent of the procedures required by this division, to the sheriff, for immediate service upon the respondent. If the respondent is taken into custody under section 125.81, service of the application, documentation, and notice upon the respondent shall be made at the time the respondent is taken into custody.

[C75, 77, §125.19(2); C79, 81, §229.51(3); 82 Acts, ch 1212, §5]

91 Acts, ch 108, §1; 2013 Acts, ch 130, §39

Referred to in §125.84, 125.85, 229.21, 229.45

Section amended

**125.78 Procedure after application.**

As soon as practical after the filing of an application pursuant to section 125.75, the court shall:

1. Determine whether the respondent has an attorney who is able and willing to represent the respondent in the commitment proceeding, and if not, whether the respondent is financially able to employ an attorney and capable of meaningfully assisting in selecting an attorney. In accordance with those determinations, the court shall allow the respondent to select an attorney or shall assign an attorney to the respondent. If the respondent is financially unable to pay an attorney, the county shall compensate the attorney at an hourly rate to be established by the county board of supervisors in substantially the same manner as provided in section 815.7.

2. If the application includes a request for a court-appointed attorney for the applicant and the court is satisfied that a court-appointed attorney is necessary to assist the applicant in a meaningful presentation of the evidence, and that the applicant is financially unable to employ an attorney, the court shall appoint an attorney to represent the applicant and the

county shall compensate the attorney at an hourly rate to be established by the county board of supervisors in substantially the same manner as provided in section 815.7.

3. Issue a written order:

*a.* Scheduling a tentative time and place for a hearing, subject to the findings of the report required under section 125.80, subsections 3 and 4, but not less than forty-eight hours after notice to the respondent, unless the respondent waives the forty-eight-hour notice requirement.

*b.* Requiring an examination of the respondent, prior to the hearing, by one or more licensed physicians who shall submit a written report of the examination to the court as required by section 125.80.

[C75, 77, §125.19(1, 2); C79, 81, §229.51(2, 3), 229.52(6); 82 Acts, ch 1212, §6]
84 Acts, ch 1219, §5; 99 Acts, ch 135, §14; 2013 Acts, ch 130, §40
Referred to in §125.79, 125.85, 229.21
Unnumbered paragraph 1 amended

**125.79 Respondent's attorney informed.**

The court shall direct the clerk to furnish at once to the respondent's attorney, copies of the application pursuant to section 125.75 and the supporting documentation, and of the court's order issued pursuant to section 125.78, subsection 3. If the respondent is taken into custody under section 125.81, the attorney shall also be advised of that fact. The respondent's attorney shall represent the respondent at all stages of the proceedings and shall attend the commitment hearing.

[82 Acts, ch 1212, §7]
2013 Acts, ch 130, §41
Referred to in §125.85, 229.21
Section amended

**125.80 Physician's examination — report — scheduling of hearing.**

1. *a.* An examination of the respondent shall be conducted within a reasonable time and prior to the commitment hearing by one or more licensed physicians as required by the court's order. If the respondent is taken into custody under section 125.81, the examination shall be conducted within twenty-four hours after the respondent is taken into custody. If the respondent desires, the respondent may have a separate examination by a licensed physician of the respondent's own choice. The court shall notify the respondent of the right to choose a physician for a separate examination. The reasonable cost of the examinations shall be paid from county funds upon order of the court if the respondent lacks sufficient funds to pay the cost.

*b.* A licensed physician conducting an examination pursuant to this section may consult with or request the participation in the examination of facility personnel, and may include with or attach to the written report of the examination any findings or observations by facility personnel who have been consulted or have participated in the examination.

*c.* If the respondent is not taken into custody under section 125.81, but the court is subsequently informed that the respondent has declined to be examined by a licensed physician pursuant to the court order, the court may order limited detention of the respondent as necessary to facilitate the examination of the respondent by the licensed physician.

2. A written report of the examination by a court-designated physician shall be filed with the clerk prior to the hearing date. A written report of an examination by a physician chosen by the respondent may be similarly filed. The clerk shall immediately:

*a.* Cause a report to be shown to the judge who issued the order.

*b.* Cause the respondent's attorney to receive a copy of the report of a court-designated physician.

3. If the report of a court-designated physician is to the effect that the respondent is not a person with a substance-related disorder, the court, without taking further action, may terminate the proceeding and dismiss the application on its own motion and without notice.

4. If the report of a court-designated physician is to the effect that the respondent is a person with a substance-related disorder, the court shall schedule a commitment hearing as soon as possible. The hearing shall be held not more than forty-eight hours after the report

is filed, excluding Saturdays, Sundays, and holidays, unless an extension for good cause is requested by the respondent, or as soon thereafter as possible if the court considers that sufficient grounds exist for delaying the hearing.

[C75, 77, §125.19(1 – 4); C79, 81, §229.51, 229.52(1, 2); 82 Acts, ch 1212, §8]

90 Acts, ch 1085, §14; 2009 Acts, ch 41, §263; 2011 Acts, ch 121, §44, 62

Referred to in §125.78, 125.84, 125.85, 229.21

**125.81 Immediate custody.**

1. If a person filing an application requests that a respondent be taken into immediate custody, and the court upon reviewing the application and accompanying documentation, finds probable cause to believe that the respondent is a person with a substance-related disorder who is likely to injure the person or other persons if allowed to remain at liberty, the court may enter a written order directing that the respondent be taken into immediate custody by the sheriff, and be detained until the commitment hearing, which shall be held no more than five days after the date of the order, except that if the fifth day after the date of the order is a Saturday, Sunday, or a holiday, the hearing may be held on the next business day. The court may order the respondent detained for the period of time until the hearing is held, and no longer except as provided in section 125.88, in accordance with subsection 2, paragraph *"a"*, if possible, and if not, then in accordance with subsection 2, paragraph *"b"*, or, only if neither of these alternatives is available in accordance with subsection 2, paragraph *"c"*.

2. Detention may be:

*a.* In the custody of a relative, friend, or other suitable person who is willing and able to accept responsibility for supervision of the respondent, with reasonable restrictions as the court may order including but not limited to restrictions on or a prohibition of any expenditure, encumbrance, or disposition of the respondent's funds or property.

*b.* In a suitable hospital, the chief medical officer of which shall be informed of the reasons why immediate custody has been ordered. The hospital may provide treatment which is necessary to preserve the respondent's life, or to appropriately control the respondent's behavior which is likely to result in physical injury to the person or to others if allowed to continue, and other treatment as deemed appropriate by the chief medical officer.

*c.* In the nearest facility which is licensed to care for persons with mental illness or substance abuse, provided that detention in a jail or other facility intended for confinement of those accused or convicted of a crime shall not be ordered.

3. The respondent's attorney may be allowed by the court to present evidence and arguments before the court's determination under this section. If such an opportunity is not provided at that time, respondent's attorney shall be allowed to present evidence and arguments after the issuance of the court's order of confinement and while the respondent is confined.

[82 Acts, ch 1212, §9]

90 Acts, ch 1085, §15; 91 Acts, ch 108, §2; 92 Acts, ch 1072, §1; 92 Acts, ch 1165, §1; 2009 Acts, ch 41, §187; 2011 Acts, ch 121, §45, 62

Referred to in §125.12, 125.44, 125.77, 125.79, 125.80, 125.82, 125.84, 125.87, 125.88, 125.91, 125.92, 229.21

**125.82 Commitment hearing.**

1. At a commitment hearing, evidence in support of the contentions made in the application may be presented by the applicant, or by an attorney for the applicant, or by the county attorney. During the hearing, the applicant and the respondent shall be afforded an opportunity to testify and to present and cross-examine witnesses, and the court may receive the testimony of other interested persons. If the respondent is present at the hearing, as provided in subsection 3, and has been medicated within twelve hours, or a longer period of time as the court may designate, prior to the beginning of the hearing or a session of the hearing, the court shall be informed of that fact and of the probable effects of the medication upon convening of the hearing.

2. A person not necessary for the conduct of the hearing shall be excluded, except that the court may admit a person having a legitimate interest in the hearing. Upon motion of the

applicant, the court may exclude the respondent from the hearing during the testimony of a witness if the court determines that the witness' testimony is likely to cause the respondent severe emotional trauma.

3. The person who filed the application and a licensed physician, mental health professional as defined in section 228.1, or certified alcohol and drug counselor certified by the nongovernmental Iowa board of substance abuse certification who has examined the respondent in connection with the commitment hearing shall be present at the hearing, unless the court for good cause finds that their presence or testimony is not necessary. The applicant, respondent, and the respondent's attorney may waive the presence or telephonic appearance of the licensed physician, mental health professional, or certified alcohol and drug counselor who examined the respondent and agree to submit as evidence the written report of the licensed physician, mental health professional, or certified alcohol and drug counselor. The respondent's attorney shall inform the court if the respondent's attorney reasonably believes that the respondent, due to diminished capacity, cannot make an adequately considered waiver decision. *"Good cause"* for finding that the testimony of the licensed physician, mental health professional, or certified alcohol and drug counselor who examined the respondent is not necessary may include, but is not limited to, such a waiver. If the court determines that the testimony of the licensed physician, mental health professional, or certified alcohol and drug counselor is necessary, the court may allow the licensed physician, mental health professional, or certified alcohol and drug counselor to testify by telephone. The respondent shall be present at the hearing unless prior to the hearing the respondent's attorney stipulates in writing that the attorney has conversed with the respondent, and that in the attorney's judgment the respondent cannot make a meaningful contribution to the hearing, or that the respondent has waived the right to be present, and the basis for the attorney's conclusions. A stipulation to the respondent's absence shall be reviewed by the court before the hearing, and may be rejected if it appears that insufficient grounds are stated or that the respondent's interests would not be served by the respondent's absence.

4. The respondent's welfare is paramount, and the hearing shall be tried as a civil matter and conducted in as informal a manner as is consistent with orderly procedure. Discovery as permitted under the Iowa rules of civil procedure is available to the respondent. The court shall receive all relevant and material evidence, but the court is not bound by the rules of evidence. A presumption in favor of the respondent exists, and the burden of evidence and support of the contentions made in the application shall be upon the person who filed the application. If upon completion of the hearing the court finds that the contention that the respondent is a person with a substance-related disorder has not been sustained by clear and convincing evidence, the court shall deny the application and terminate the proceeding.

5. If the respondent is not taken into custody under section 125.81, but the court finds good cause to believe that the respondent is about to depart from the jurisdiction of the court, the court may order limited detention of the respondent as authorized in section 125.81, as is necessary to ensure that the respondent will not depart from the jurisdiction of the court without the court's approval until the proceeding relative to the respondent has been concluded.

[C75, 77, §125.19(3-7, 10, 13); C79, 81, §229.52(1); 82 Acts, ch 1212, §10]

90 Acts, ch 1085, §16; 91 Acts, ch 108, §3; 2006 Acts, ch 1115, §1; 2006 Acts, ch 1116, §1; 2006 Acts, ch 1159, §30; 2011 Acts, ch 121, §46, 62

Referred to in §125.84, 229.21, 602.8103

**125.83 Placement for evaluation.**

If upon completion of the commitment hearing, the court finds that the contention that the respondent is a person with a substance-related disorder has been sustained by clear and convincing evidence, the court shall order the respondent placed at a facility or under the care of a suitable facility on an outpatient basis as expeditiously as possible for a complete evaluation and appropriate treatment. The court shall furnish to the facility at the time of admission or outpatient placement, a written statement of facts setting forth the evidence on which the finding is based. The administrator of the facility shall report to the court no more

than fifteen days after the individual is admitted to or placed under the care of the facility, which shall include the chief medical officer's recommendation concerning treatment of a substance-related disorder. An extension of time may be granted for a period not to exceed seven days upon a showing of good cause. A copy of the report shall be sent to the respondent's attorney who may contest the need for an extension of time if one is requested. If the request is contested, the court shall make an inquiry as it deems appropriate and may either order the respondent released from the facility or grant extension of time for further evaluation. If the administrator fails to report to the court within fifteen days after the individual is admitted to the facility, and no extension of time has been requested, the administrator is guilty of contempt and shall be punished under chapter 665. The court shall order a rehearing on the application to determine whether the respondent should continue to be held at the facility.

[C75, 77, §125.19(4); C79, 81, §229.52(2); 82 Acts, ch 1212, §11]

90 Acts, ch 1020, §1; 90 Acts, ch 1085, §17; 2011 Acts, ch 121, §47, 62; 2012 Acts, ch 1021, §43

Referred to in §125.84, 125.85, 125.87, 125.88, 125.89, 229.21

**125.83A Placement in certain federal facilities.**

1. If upon completion of the commitment hearing, the court finds that the contention that the respondent is a person with a substance-related disorder has been sustained by clear and convincing evidence, and the court is furnished evidence that the respondent is eligible for care and treatment in a facility operated by the United States department of veterans affairs or another agency of the United States government and that the facility is willing to receive the respondent, the court may so order. The respondent, when so placed in a facility operated by the United States department of veterans affairs or another agency of the United States government within or outside of this state, shall be subject to the rules of the United States department of veterans affairs or other agency, but shall not lose any procedural rights afforded the respondent by this chapter. The chief officer of the facility shall have, with respect to the respondent so placed, the same powers and duties as the chief medical officer of a hospital in this state would have in regard to submission of reports to the court, retention of custody, transfer, convalescent leave, or discharge. Jurisdiction is retained in the court to maintain surveillance of the respondent's treatment and care, and at any time to inquire into the respondent's condition and the need for continued care and custody.

2. Upon receipt of a certificate stating that a respondent placed under this chapter is eligible for care and treatment in a facility operated by the United States department of veterans affairs or another agency of the United States government which is willing to receive the respondent without charge to the state of Iowa or any county in the state, the chief medical officer may transfer the respondent to that facility. Upon so doing, the chief medical officer shall notify the court which ordered the respondent's placement in the same manner as would be required in the case of a transfer under section 125.86, subsection 2, and the respondent transferred shall be entitled to the same rights as the respondent would have under that subsection. No respondent shall be transferred under this section who is confined pursuant to conviction of a public offense or whose placement was ordered upon contention of incompetence to stand trial by reason of mental illness, without prior approval of the court which ordered that respondent's placement.

3. A judgment or order of commitment by a court of competent jurisdiction of another state or the District of Columbia, under which any person is hospitalized or placed in a facility operated by the United States department of veterans affairs or another agency of the United States government, shall have the same force and effect with respect to that person while the person is in this state as the judgment or order would have if the person were in the jurisdiction of the court which issued it. That court shall be deemed to have retained jurisdiction of the person so placed for the purpose of inquiring into that person's condition and the need for continued care and custody, as do courts in this state under this section. Consent is given to the application of the law of the state or district in which the court is situated which issued the judgment or order as regards authority of the chief officer of any facility, operated in this state by the United States department of veterans affairs or another

agency of the United States government, to retain custody, transfer, place on convalescent leave, or discharge the person so committed.

97 Acts, ch 159, §2; 2009 Acts, ch 26, §8; 2011 Acts, ch 121, §48, 62
Referred to in §229.21

**125.84 Evaluation report.**

The facility administrator's report to the court of the chief medical officer's substance abuse evaluation of the respondent shall be made no later than the expiration of the time specified in section 125.83. At least two copies of the report shall be filed with the clerk, who shall distribute the copies in the manner described by section 125.80, subsection 2. The report shall state one of the four following alternative findings:

1. That the respondent does not, as of the date of the report, require further treatment for substance abuse. If the report so states, the court shall order the respondent's immediate release from involuntary commitment and terminate the proceedings.

2. That the respondent is a person with a substance-related disorder who is in need of full-time custody, care, and treatment in a facility, and is considered likely to benefit from treatment. If the report so states, the court shall enter an order which may require the respondent's continued placement and commitment to a facility for appropriate treatment.

3. That the respondent is a person with a substance-related disorder who is in need of treatment, but does not require full-time placement in a facility. If the report so states, the report shall include the chief medical officer's recommendation for treatment of the respondent on an outpatient or other appropriate basis, and the court shall enter an order which may direct the respondent to submit to the recommended treatment. The order shall provide that if the respondent fails or refuses to submit to treatment, as directed by the court's order, the court may order that the respondent be taken into immediate custody as provided by section 125.81 and, following notice and hearing held in accordance with the procedures of sections 125.77 and 125.82, may order the respondent treated as a patient requiring full-time custody, care, and treatment as provided in subsection 2, and may order the respondent involuntarily committed to a facility.

4. That the respondent is a person with a substance-related disorder who is in need of treatment, but in the opinion of the chief medical officer is not responding to the treatment provided. If the report so states, the report shall include the facility administrator's recommendation for alternative placement, and the court shall enter an order which may direct the respondent's transfer to the recommended placement or to another placement after consultation with respondent's attorney and the facility administrator who made the report under this subsection.

[82 Acts, ch 1212, §12]

90 Acts, ch 1020, §2; 90 Acts, ch 1085, §18; 2011 Acts, ch 121, §49, 62
Referred to in §125.85, 125.86, 229.21, 321J.3

**125.85 Custody, discharge, and termination of proceeding.**

1. A respondent committed under section 125.84, subsection 2, shall remain in the custody of a facility for treatment for a period of thirty days, unless sooner discharged. The department is not required to pay the cost of any medication or procedure provided to the respondent during that period which is not necessary or appropriate to the specific objectives of detoxification and treatment of substance abuse. At the end of the thirty-day period, the respondent shall be discharged automatically unless the administrator of the facility, before expiration of the period, obtains a court order for the respondent's recommitment pursuant to an application under section 125.75, for a further period not to exceed ninety days.

2. A respondent recommitted under subsection 1 who has not been discharged by the facility before the end of the ninety-day period shall be discharged at the expiration of that period unless the administrator of the facility, before expiration of the period, obtains a court order for the respondent's recommitment pursuant to an application under section 125.75, for a further period not to exceed ninety days.

3. Upon the filing of an application for recommitment under subsection 1 or 2, the court shall schedule a recommitment hearing for no later than ten days after the date the application

is filed. A copy of the application, the notice of hearing, and any reports shall be served or provided in the manner and to the persons as required by sections 125.77 to 125.80, 125.83 and 125.84.

4. Following a respondent's discharge from a facility or from treatment, the administrator of the facility shall immediately report that fact to the court which ordered the respondent's commitment or treatment. The court shall issue an order confirming the respondent's discharge from the facility or from treatment, as the case may be, and shall terminate the proceedings pursuant to which the order was issued. Copies of the order shall be sent by regular mail to the facility and the respondent.

5. A person who is placed for evaluation at a facility under section 125.83 or who is committed to a facility under section 125.84, subsection 2, shall remain at that facility unless discharged or otherwise permitted to leave by the court or administrator of the facility. If a person placed at a facility or committed to a facility leaves the facility without permission or without having been discharged, the administrator may notify the sheriff of the person's absence and the sheriff shall take the person into custody and return the person promptly to the facility.

[C75, 77, §125.19; C79, 81, §229.52(3 – 5), 229.53; 82 Acts, ch 1212, §13]
92 Acts, ch 1072, §2; 99 Acts, ch 144, §1
Referred to in §229.21

**125.86 Periodic reports required.**

1. No more than thirty days after entry of a court order for commitment to a facility under section 125.84, subsection 2, and thereafter at successive intervals not to exceed ninety days for as long as involuntary commitment of the respondent continues, the administrator of the facility shall report to the court which entered the order. The report shall be submitted in the manner required by section 125.84, shall state whether in the opinion of the chief medical officer the respondent's condition has improved, remains unchanged, or has deteriorated, and shall indicate the further length of time the respondent will be required to remain at the facility.

2. No more than sixty days after entry of a court order for treatment of a respondent under section 125.84, subsection 3, and thereafter at successive intervals not to exceed ninety days for as long as involuntary treatment continues, the administrator of the facility or the psychiatrist or psychiatric advanced registered nurse practitioner treating the patient shall report to the court which entered the order. The report shall be submitted in the manner required by section 125.84, shall state whether in the opinion of the chief medical officer or the psychiatrist or psychiatric advanced registered nurse practitioner the respondent's condition has improved, remains unchanged, or has deteriorated, and shall indicate the further length of time the respondent will require treatment by the facility. If the respondent fails or refuses to submit to treatment as ordered by the court, the administrator of the facility shall at once notify the court, which shall order the respondent committed for treatment as provided by section 125.84, subsection 3, unless the court finds that the failure or refusal was with good cause, and that the respondent is willing to receive treatment as provided in the court's order, or in a revised order if the court sees fit to enter one. If the administrator of the facility reports to the court that the respondent requires full-time custody, care, and treatment in a facility, and the respondent is willing to be admitted voluntarily to the facility for these purposes, the court may enter an order approving the placement upon consultation with the administrator of the facility in which the respondent is to be placed. If the respondent is unwilling to be admitted voluntarily to the facility, the procedure for determining involuntary commitment, as provided in section 125.84, subsection 3, shall be followed.

3. *a.* A psychiatric advanced registered nurse practitioner treating a respondent previously committed under this chapter may complete periodic reports pursuant to this section on the respondent if the respondent has been recommended for treatment on an outpatient or other appropriate basis pursuant to section 125.84, subsection 3, and if a psychiatrist licensed pursuant to chapter 148 personally evaluates the respondent on at least an annual basis.

*b.* An advanced registered nurse practitioner who is not certified as a psychiatric advanced

registered nurse practitioner but who meets the qualifications set forth in the definition of a mental health professional in section 228.1, may complete periodic reports pursuant to paragraph *"a"*.

[82 Acts, ch 1212, §14]

2008 Acts, ch 1082, §2, 3; 2009 Acts, ch 133, §29; 2013 Acts, ch 90, §25

Referred to in §125.83A, 229.21, 321J.3, 462A.14

Subsection 3, paragraph b amended

**125.87 Status during appeal.**

If a respondent appeals to the supreme court from a lower court's finding that commitment is warranted, the respondent shall remain committed if already in custody, pursuant to an order of immediate custody under section 125.81 or pursuant to an order for evaluation and treatment under section 125.83, before notice of appeal was filed, unless the supreme court orders otherwise.

[82 Acts, ch 1212, §15]

Referred to in §229.21

**125.88 Status if commitment delayed.**

If a court directs a respondent who was previously ordered taken into immediate custody under section 125.81 to be placed at a facility for evaluation and appropriate treatment under section 125.83, and no suitable facility can immediately admit the respondent, the respondent shall remain in custody as previously ordered by the court, notwithstanding the time limits stated in section 125.81, until a suitable facility can admit the respondent. The court shall take appropriate steps to expedite the admission of the respondent to a suitable facility at the earliest feasible time.

[82 Acts, ch 1212, §16]

Referred to in §125.81, 229.21

**125.89 Respondents charged with or convicted of crime.**

1. If a court orders a respondent placed at a facility for evaluation and treatment under section 125.83 at a time when the respondent has been convicted of a public offense, or when there is pending against the respondent an unresolved formal charge of a public offense, and the respondent's liberty has therefore been restricted in any manner, the findings of fact required by section 125.83 shall clearly so inform the administrator of the facility where the respondent is placed.

2. The commitment powers of the court under section 124.409 supersede the procedures and requirements of this division.

[82 Acts, ch 1212, §17]

Referred to in §229.21

**125.90 Judicial hospitalization referee.**

Judicial hospitalization referees shall be utilized as provided in section 229.21 for performing the duties of the court prescribed by this division.

[C79, 81, §229.51(3); 82 Acts, ch 1212, §18]

Referred to in §229.21

**125.91 Emergency detention.**

1. The procedure prescribed by this section shall only be used for a person with a substance-related disorder due to intoxication or substance-induced incapacitation who has threatened, attempted, or inflicted physical self-harm or harm on another, and is likely to inflict physical self-harm or harm on another unless immediately detained, or who is incapacitated by a substance, if an application has not been filed naming the person as the respondent pursuant to section 125.75 and the person cannot be ordered into immediate custody and detained pursuant to section 125.81.

2. *a.* A peace officer who has reasonable grounds to believe that the circumstances described in subsection 1 are applicable may, without a warrant, take or cause that person to be taken to the nearest available facility referred to in section 125.81, subsection 2, paragraph *"b"* or *"c"*. Such a person with a substance-related disorder due to intoxication

or substance-induced incapacitation who also demonstrates a significant degree of distress or dysfunction may also be delivered to a facility by someone other than a peace officer upon a showing of reasonable grounds. Upon delivery of the person to a facility under this section, the attending physician may order treatment of the person, but only to the extent necessary to preserve the person's life or to appropriately control the person's behavior if the behavior is likely to result in physical injury to the person or others if allowed to continue. The peace officer or other person who delivered the person to the facility shall describe the circumstances of the matter to the attending physician. If the person is a peace officer, the peace officer may do so either in person or by written report. If the attending physician has reasonable grounds to believe that the circumstances in subsection 1 are applicable, the attending physician shall at once communicate with the nearest available magistrate as defined in section 801.4, subsection 10. The magistrate shall, based upon the circumstances described by the attending physician, give the attending physician oral instructions either directing that the person be released forthwith, or authorizing the person's detention in an appropriate facility. The magistrate may also give oral instructions and order that the detained person be transported to an appropriate facility.

*b*. If the magistrate orders that the person be detained, the magistrate shall, by the close of business on the next working day, file a written order with the clerk in the county where it is anticipated that an application may be filed under section 125.75. The order may be filed by facsimile if necessary. The order shall state the circumstances under which the person was taken into custody or otherwise brought to a facility and the grounds supporting the finding of probable cause to believe that the person is a person with a substance-related disorder likely to result in physical injury to the person or others if not detained. The order shall confirm the oral order authorizing the person's detention including any order given to transport the person to an appropriate facility. The clerk shall provide a copy of that order to the attending physician at the facility to which the person was originally taken, any subsequent facility to which the person was transported, and to any law enforcement department or ambulance service that transported the person pursuant to the magistrate's order.

3. The attending physician shall examine and may detain the person pursuant to the magistrate's order for a period not to exceed forty-eight hours from the time the order is dated, excluding Saturdays, Sundays, and holidays, unless the order is dismissed by a magistrate. The facility may provide treatment which is necessary to preserve the person's life or to appropriately control the person's behavior if the behavior is likely to result in physical injury to the person or others if allowed to continue or is otherwise deemed medically necessary by the attending physician, but shall not otherwise provide treatment to the person without the person's consent. The person shall be discharged from the facility and released from detention no later than the expiration of the forty-eight-hour period, unless an application for involuntary commitment is filed with the clerk pursuant to section 125.75. The detention of a person by the procedure in this section, and not in excess of the period of time prescribed by this section, shall not render the peace officer, attending physician, or facility detaining the person liable in a criminal or civil action for false arrest or false imprisonment if the peace officer, attending physician, or facility had reasonable grounds to believe that the circumstances described in subsection 1 were applicable.

4. The cost of detention in a facility under the procedure prescribed in this section shall be paid in the same way as if the person had been committed to the facility pursuant to an application filed under section 125.75.

[C75, 77, §125.17, 125.18; C79, 81, §125.34(4), 125.35; 82 Acts, ch 1212, §19]

90 Acts, ch 1085, §19; 2003 Acts, ch 68, §1, 2; 2009 Acts, ch 41, §188; 2011 Acts, ch 121, §50, 62; 2012 Acts, ch 1021, §44; 2012 Acts, ch 1079, §2

Referred to in §125.12, 125.34, 125.44, 125.92, 229.21, 602.6405

**125.92 Rights and privileges of committed persons.**

A person who is detained, taken into immediate custody, or committed under this division has the right to:

1. Prompt evaluation, emergency services, and care and treatment as indicated by sound clinical practice.

2. Render informed consent, except for treatment provided pursuant to sections 125.81 and 125.91. If the person is incompetent treatment may be consented to by the person's next of kin or guardian notwithstanding the person's refusal. If the person refuses treatment which in the opinion of the chief medical officer is necessary or if the person is incompetent and the next of kin or guardian refuses to consent to the treatment or no next of kin or guardian is available the facility may petition a court of appropriate jurisdiction for approval to treat the person.

3. The protection of the person's constitutional rights.

4. Enjoy all legal, medical, religious, social, political, personal, and working rights and privileges, which the person would enjoy if not detained, taken into immediate custody, or committed, consistent with the effective treatment of the person and of the other persons in the facility. If the person's rights are restricted, the physician's direction to that effect shall be noted in the person's record. The person or the person's next of kin or guardian shall be advised of the person's rights and be provided a written copy upon the person's admission to or arrival at the facility.

[82 Acts, ch 1212, §20]

Referred to in §229.21

**125.93 Commitment records — confidentiality.**

Records of the identity, diagnosis, prognosis, or treatment of a person which are maintained in connection with the provision of substance abuse treatment services are confidential, consistent with the requirements of section 125.37, and with the federal confidentiality regulations authorized by the Drug Abuse Office and Treatment Act, 21 U.S.C. § 1175 (1976) and the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act, 42 U.S.C. § 4582 (1976).

[82 Acts, ch 1212, §21]

Referred to in §229.21

**125.94 Supreme court rules.**

The supreme court may prescribe rules of pleading, practice, and procedure and the forms of process, writs, and notices under section 602.4201, for all commitment proceedings in a court of this state under this chapter. The rules shall be drawn for the purpose of simplifying and expediting the proceedings, so far as is consistent with the rights of the parties involved. The rules shall not abridge, enlarge, or modify the substantive rights of a party to a commitment proceeding under this chapter.

[82 Acts, ch 1212, §22]

83 Acts, ch 186, §10045, 10201

Referred to in §229.21

# CHAPTER 126

## DRUGS, DEVICES, AND COSMETICS

Referred to in §124B.6, 124B.11, 155A.6, 155A.6A, 155A.6B, 155A.12, 155A.13A, 155A.17, 155A.26, 155A.42, 205.11, 205.12, 205.13

See §205.11 – 205.13 for additional provisions relating to administration and enforcement
This chapter not enacted as a part of this title; transferred from chapter 203B in Code 1993


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126.23A Pseudoephedrine retail restrictions.
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126.24 Anthrax. Transferred to §708B.1; 2003 Acts, ch 44, §115.
126.25 Human immunodeficiency virus home testing kits — prohibition — penalties. Repealed by 2013 Acts, ch 81, §4.
126.26 Notice of conviction under chapter.


**126.1 Title.**

This chapter may be cited as the *"Iowa Drug, Device, and Cosmetic Act"*.

89 Acts, ch 197, §1
CS89, §203B.1
C93, §126.1

**126.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advertising"* means any representation disseminated in any manner or by any means, other than by labeling, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of drugs, devices, or cosmetics.

2. *"Anabolic steroid"* means any drug or hormonal substance, chemically and pharmacologically related to testosterone, other than estrogens, progestins, corticosteroids, or dehydroepiandrosterone, which substance is identified as an anabolic steroid in section 124.208, subsection 6, and includes any other substance designated by the board as an anabolic steroid through the adoption of rules pursuant to chapter 17A.

3. *"Board"* means the board of pharmacy.

4. *"Contaminated with filth"* means not securely protected from dust, dirt, and as far as is necessary by all reasonable means, from all foreign or injurious contaminations.

5. *"Cosmetic"* means any of the following, but does not include soap:

*a.* An article intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part of a human body for cleaning, beautifying, promoting attractiveness, or altering the appearance.

*b.* An article intended for use as a component of an article defined in paragraph *"a"*.

6. *"Counterfeit drug"* means a drug which, or the container or labeling of which, without authorization, bears the trademark, trade name, or other identifying mark, imprint, or device, or any such likeness, of a drug manufacturer, processor, packer, or distributor other than the person or persons who in fact manufactured, processed, packed, or distributed the drug

and which falsely purports or is represented to be the product of, or to have been packed or distributed by, such other drug manufacturer, processor, packer, or distributor.

7. *"Device"* means an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component, part, or accessory of any of these, which is any of the following:

*a.* Recognized as a device in the official United States Pharmacopoeia National Formulary or any supplement to it.

*b.* Intended for use in the diagnosis of diseases or other conditions, or in the cure, mitigation, treatment, or prevention of diseases or other conditions in a human.

*c.* Intended to affect the structure or any function of the body of a human, and which does not achieve any of its principal intended purposes through chemical action within or on the body of a human and which is not dependent upon being metabolized for the achievement of any of its principal intended purposes.

8. *"Drug"* means any of the following, but does not include a device:

*a.* An article recognized as a drug in the official United States Pharmacopoeia National Formulary, official Homeopathic Pharmacopoeia of the United States, or any supplement to either document.

*b.* An article intended for use in the diagnosis, cure, mitigation, treatment, or prevention of diseases in a human.

*c.* An article, other than food, intended to affect the structure or any function of the body of a human.

*d.* An article intended for use as a component of any articles specified in paragraphs *"a"*, *"b"*, or *"c"*.

9. *"Electronic prescription"* means a prescription which is transmitted by a computer device in a secure manner, including computer-to-computer transmission and computer-to-facsimile transmission.

10. *"Facsimile prescription"* means a prescription which is transmitted by a device which sends an exact image to the receiver.

11. *"Federal Act"* means the federal Food, Drug, and Cosmetic Act, which is codified in 21 U.S.C. § 301 et seq.

12. *"Immediate container"* does not include a package liner.

13. *"Label"* means a display of written, printed, or graphic matter upon the immediate container of an article; and a requirement made by or under authority of this chapter that any word, statement, or other information appear on the label is not complied with unless the word, statement, or other information also appears on the outside container or wrapper of the retail package of the article, or is easily legible through the outside container or wrapper.

14. *"Labeling"* means all labels and other written, printed, or graphic matter upon an article or any of its containers or wrappers, or accompanying an article.

15. *"New drug"* means either of the following:

*a.* Any drug, the composition of which is such that the drug is not generally recognized among experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs, as safe and effective for use under the conditions prescribed, recommended, or suggested in its labeling, except that a drug not so recognized is not a new drug if at any time prior to the enactment of this chapter it was subject to the federal Act, and if at that time its labeling contained the same representations concerning the conditions of its use.

*b.* Any drug, the composition of which is such that the drug, as a result of investigations to determine its safety and effectiveness for use under the conditions prescribed, recommended, or suggested in its labeling, has become recognized as safe and effective, but which has not, other than in such investigations, been used to a material extent or for a material time under the conditions prescribed, recommended, or suggested in its labeling.

16. *"Official compendium"* means the official United States Pharmacopoeia National Formulary, official Homeopathic Pharmacopoeia of the United States, or any supplement to either document.

17. *"Person"* means an individual, partnership, corporation, or association.

18. *"Principal display panel"* means that part of a label that is most likely to be displayed,

presented, shown, or examined under normal and customary conditions of display for retail sale.

19. "*Safe*" as used in this chapter has reference to the health of a human.

20. "*Secretary*" means the secretary of the United States department of health and human services.

89 Acts, ch 197, §2
CS89, §203B.2
90 Acts, ch 1078, §1
C93, §126.2
2004 Acts, ch 1036, §4; 2007 Acts, ch 8, §20; 2007 Acts, ch 10, §17
Referred to in §280.16
Former unnumbered paragraph 2 transferred to §126.2A

**126.2A Applicability.**

The provisions of this chapter regarding the selling of drugs, devices, or cosmetics are applicable to the manufacture, production, processing, packaging, exposure, offer, possession, and holding of any such article for sale; and the sale, dispensing, and giving of any such article, and the supplying or applying of any such article, in the conduct of any drug, device, or cosmetic establishment.

C93, §126.2(unn. 2)
CS2007, §126.2A
Section not amended; footnote deleted

**126.3 Prohibited acts.**

The following acts and the causing of the acts within this state are unlawful:

1. The introduction or delivery for introduction into commerce of any drug, device, or cosmetic that is adulterated or misbranded.

2. The adulteration or misbranding of any drug, device, or cosmetic in commerce.

3. The receipt in commerce of a drug, device, or cosmetic that is adulterated or misbranded, and the delivery or proffered delivery thereof for pay or otherwise.

4. The introduction or delivery for introduction into commerce of a drug, device, or cosmetic in violation of section 126.12.

5. The dissemination of any false advertising.

6. The refusal to permit entry or inspection, or to permit the taking of a sample or to permit access to or copying of any record as authorized by section 126.18; or the failure to establish or maintain any record or make any report required under section 512(j), 512(l), or 512(m) of the federal Act, or the refusal to permit access to or verification or copying of any such required record.

7. The manufacture within this state of a drug, device, or cosmetic that is adulterated or misbranded.

8. The giving of a guaranty or undertaking referred to in section 126.5, subsection 2, if the guaranty or undertaking is false, except by a person who relied upon a guaranty or undertaking to the same effect, signed by, and containing the name and address of, the person residing in this state from whom the person received the drug, device, or cosmetic in good faith.

9. The removal or disposal of a detained or embargoed drug, device, or cosmetic in violation of section 126.6, subsection 1.

10. The alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to a drug, device, or cosmetic, if the act is done while the article is held for sale, whether or not it would be the first sale, after shipment in commerce; and if the action results in the article being adulterated or misbranded.

11. Forging, counterfeiting, simulating, or falsely representing, or without proper authority using a mark, stamp, tag, label, or other identification device authorized or required by rules or regulations adopted under this chapter or the federal Act.

12. Making, selling, disposing of, or keeping in possession, control, or custody, or concealing a punch, die, plate, stone, or other thing designed to print, imprint, or reproduce

the trademark, trade name, or other identifying mark, imprint, or device of another trademark, trade name, mark, imprint, or device or a likeness of any trademark, trade name, mark, imprint, or device upon a drug or drug container or the labeling thereof so as to render the drug a counterfeit drug.

13. The doing of an act which causes a drug to be a counterfeit drug, or the sale or dispensing, or the holding for sale or dispensing, of a counterfeit drug.

14. The use by a person to the person's own advantage, or the revealing, other than to the board or to the person's authorized representative or to the courts when relevant in a judicial proceeding under this chapter, of any information acquired under authority of this chapter concerning any method or process which as a trade secret is entitled to protection.

15. The use, on the labeling of a drug or device or in advertising relating to a drug or device, of a representation or suggestion that approval of an application with respect to the drug or device is in effect under section 126.12 or section 505, 515, or 520(g) of the federal Act, or that the drug or device complies with the provisions of any of those sections.

16. The use, in labeling, advertising, or other sales promotion of a reference to a report or analysis furnished in compliance with section 126.18 or section 704 of the federal Act.

17. If a prescription drug is distributed or offered for sale in this state, the failure of the manufacturer, packer, or distributor of the prescription drug to maintain for transmittal, or to transmit, to any practitioner licensed by applicable law to administer the drug who makes written request for information as to the drug, true and correct copies of all printed matter which is required to be included in any package in which that drug is distributed or sold, or such other printed matter as is approved under the federal Act. This subsection does not exempt any person from a labeling requirement imposed by or under this chapter.

18. *a.* Placing or causing to be placed upon any drug or device or container thereof, with intent to defraud, the trademark, trade name, or other identifying mark or imprint of another trademark, trade name, mark, or imprint or any likeness of such a trademark, trade name, mark, or imprint.

*b.* Selling, dispensing, disposing of; causing to be sold, dispensed, or disposed of; or concealing or keeping in possession, control, or custody, with intent to sell, dispense, or dispose of, a drug, device, or container thereof, with knowledge that the trademark, trade name, or other identifying mark or imprint of another trademark, trade name, mark, or imprint or any likeness of any trademark, trade name, mark, or imprint has been placed thereon in a manner prohibited by paragraph *"a"*.

*c.* Making, selling, disposing of; causing to be made, sold, or disposed of; keeping in possession, control, or custody; or concealing with intent to defraud any punch, die, plate, stone, or other thing designed to print, imprint, or reproduce the trademark, trade name, or other identifying mark, imprint, or device of another trademark, trade name, mark, or imprint or any likeness of any trademark, trade name, mark, or imprint upon a drug or container or labeling thereof so as to render the drug a counterfeit drug.

19. The failure to register in accordance with section 510 of the federal Act, the failure to provide any information required by section 510(j) or 510(k) of the federal Act, or the failure to provide a notice required by section 510(j)(2) of the federal Act.

20. *a.* The failure or refusal to:

(1) Comply with a requirement prescribed under section 518 or 520(g) of the federal Act.

(2) Furnish any notification or other material or information required by or under section 519 or 520(g) of the federal Act.

*b.* With respect to any device, the submission of any report required by or under this chapter that is false or misleading in any material respect.

21. The movement of a device in violation of an order under section 304(g) of the federal Act or the removal or alteration of any mark or label required by the order to identify the device as detained.

22. The failure to provide the notice required by section 412(b) or 412(c) of the federal Act, the failure to make the reports required by section 412(d)(1)(B) of the federal Act, or the failure to meet the requirements prescribed under section 412(d)(2) of the federal Act.

23. Selling, dispensing, or distributing; causing to be sold, dispensed, or distributed; or possessing with intent to sell, dispense, or distribute, an anabolic steroid to a person under

eighteen years of age, with knowledge that the anabolic steroid is not necessary for the legitimate treatment of disease pursuant to an order of a physician.

89 Acts, ch 197, §3
CS89, §203B.3
90 Acts, ch 1078, §2
C93, §126.3
Referred to in §126.4, 126.5, 232.52, 321.215, 901.5

**126.4 Injunction proceedings.**

The board may apply to the district court for, and the court has jurisdiction upon hearing and for cause shown to grant, a temporary or permanent injunction restraining any person from violating any provision of section 126.3 whether or not there exists an adequate remedy at law.

89 Acts, ch 197, §4
CS89, §203B.4
C93, §126.4

**126.5 Penalties — guaranty — false advertising liability.**

1. A person who violates a provision of this chapter, other than a violation of section 126.3, subsection 23, is guilty of a serious misdemeanor; but if the violation is committed after a conviction of the person under this section has become final, the person is guilty of an aggravated misdemeanor.

2. A person is not subject to the penalties of subsection 1 if the person establishes a guaranty or undertaking signed by, and containing the name and address of another person residing in this state from whom the person received the article in good faith, to the effect that the article is not adulterated or misbranded.

3. A publisher, radio-broadcast licensee, or agency or medium which disseminates false advertising, except the manufacturer, packer, distributor, or seller of the article to which false advertising relates, is not liable under this section for the dissemination of the false advertising, unless the person knew or believed that the advertising was deceptive, false, or misleading or the person has refused upon the request of the board to furnish the board the name and address, if known, of the manufacturer, packer, distributor, seller, or advertising agency which caused the person to disseminate the advertisement.

4. A person who violates section 126.3, subsection 23, commits an aggravated misdemeanor.

5. A violation of this chapter is a violation of section 714.16, subsection 2, paragraph "*a*".

89 Acts, ch 197, §5
CS89, §203B.5
90 Acts, ch 1078, §3, 4; 92 Acts, ch 1062, §2
C93, §126.5
Referred to in §126.3

**126.6 Embargo.**

1. If a duly authorized agent of the board finds, or has probable cause to believe, that a drug, device, or cosmetic is adulterated or so misbranded as to be dangerous or fraudulent, within the meaning of this chapter, or is in violation of section 126.12, the agent shall affix to the article a tag or other appropriate marking, giving notice that the article is, or is suspected of being, adulterated or misbranded and has been detained or embargoed, and warning all persons not to remove or dispose of the article by sale or otherwise until permission for removal or disposal is given by an authorized agent or the court. It is unlawful for a person to remove or dispose of the detained or embargoed article by sale or otherwise without such permission.

2. When an article is adulterated or misbranded or is in violation of section 126.12 and has been detained or embargoed, a petition may be filed with the district court in whose jurisdiction the article is located, detained, or embargoed for an order for condemnation of the article. If a duly authorized agent has found that an article which is embargoed or detained is not adulterated or misbranded, the agent shall remove the tag or other marking.

3. If the court finds that a sampled, detained, or embargoed article is adulterated or misbranded, the article shall be destroyed at the expense of the claimant of the article, under the supervision of the agent, and all court costs and fees, and storage and other proper expenses, shall be taxed against the claimant of the article or the claimant's agent; but if the adulteration or misbranding can be corrected by proper labeling or processing of the article, the court, after entry of the decree and after costs, fees, storage, and other expenses have been paid and a good and sufficient bond, conditioned that the article shall be so labeled or processed, has been executed, may by order direct that the article be delivered to the claimant for such labeling or processing under the supervision of a duly authorized agent of the board. The expense of supervision shall be paid by the claimant. The article shall be returned to the claimant and the bond shall be discharged on the representation to the court by the board that the article is no longer in violation of this chapter, and that the expenses of supervision have been paid.

89 Acts, ch 197, §6
CS89, §203B.6
C93, §126.6
Referred to in §126.3

**126.7 Prosecutions.**

The attorney general, or a county attorney, or a city attorney to whom the board reports a violation of this chapter, shall cause appropriate court proceedings to be instituted without delay and to be prosecuted in the manner required by law. Before a violation of this chapter is reported to any such attorney for the institution of a criminal proceeding, the person against whom the proceeding is contemplated shall be given appropriate notice and an opportunity to present the person's views before the board or its agent, either orally or in writing, in person or by attorney, with regard to the contemplated proceeding. However, the drug, device, or cosmetic shall be embargoed by the duly authorized agent.

89 Acts, ch 197, §7
CS89, §203B.7
C93, §126.7
Referred to in §331.756(40)

**126.8 Minor violations.**

This chapter does not require the board to report minor violations for prosecution, or for the institution of proceedings under this chapter, if the board believes that the public interest will be adequately served in the circumstances by a suitable written notice or warning.

89 Acts, ch 197, §8
CS89, §203B.8
C93, §126.8

**126.9 Drugs and devices — adulteration.**

A drug or device is adulterated under any of the following circumstances:

1. *a.* If it consists in whole or in part of any filthy, putrid, or decomposed substance.

*b.* If it has been produced, prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health.

*c.* If it is a drug and the methods used in, or the facilities or controls used for its manufacture, processing, packing, or holding do not conform to or are not operated or administered in conformity with current good manufacturing practice to assure that the drug meets the requirements of this chapter as to safety and has the identity and strength, and meets the quality and purity characteristics, which it purports or is represented to possess.

*d.* If its container is composed, in whole or part, of any poisonous or deleterious substance which may render the contents injurious to health.

2. If it purports to be or is represented as a drug, the name of which is recognized in an official compendium, and its strength differs from, or its quality or purity falls below, the standards set forth in the official compendium. A determination as to strength, quality, or purity shall be made in accordance with the tests or methods of assay set forth in the official

compendium, or in the absence of or inadequacy of such tests or methods of assay, those prescribed under authority of the federal Act. A drug defined in an official compendium is not adulterated under this subsection because it differs from the standard of strength, quality, or purity set forth in the official compendium, if its difference in strength, quality, or purity from such standards is plainly stated on its label. If a drug is recognized in both the United States Pharmacopoeia National Formulary and the Homeopathic Pharmacopoeia of the United States it is subject to the United States Pharmacopoeia National Formulary unless it is labeled and offered for sale as a homeopathic drug, in which case it is subject to the Homeopathic Pharmacopoeia of the United States and not to the United States Pharmacopoeia National Formulary.

3. If it is not subject to subsection 2 and its strength differs from, or its purity or quality falls below, that which it purports or is represented to possess.

4. If it is a drug and any substance has been mixed or packed with it so as to reduce its quality or strength, or any substance has been substituted for it wholly or in part.

5. If it is, or purports to be or is represented as, a device which is subject to a performance standard established under section 514 of the federal Act, unless the device is in all respects in conformity with such standard.

6. If it is a device banned by the board or by the United States food and drug administration.

7. If it is a device and the methods used in, or the facilities or controls used for its manufacture, packing, storage, or installation are not in conformity with applicable requirements under section 520(f)(1) of the federal Act or an applicable condition as prescribed by an order under section 520(f)(2) of the federal Act.

8. If it is a device for which an exemption has been granted under section 520(g) of the federal Act for investigational use and the person who was granted the exemption or any investigator who uses the device under the exemption fails to comply with a requirement prescribed by or under that section.

89 Acts, ch 197, §9
CS89, §203B.9
C93, §126.9

**126.10 Drugs and devices — misbranding — labeling.**

1. A drug or device is misbranded under any of the following circumstances:

*a.* If its labeling is false or misleading in any particular.

*b.* (1) If in a package form unless it bears a label containing both of the following:

(a) The name and place of business of the manufacturer, packer, or distributor.

(b) An accurate statement of the quantity of the contents in terms of weight, measure, or numerical count.

(2) However, under subparagraph (1), subparagraph division (a), reasonable variations shall be permitted, and exemptions as to small packages shall be allowed, in accordance with rules adopted by the board.

*c.* If any word, statement, or other information required by or under the authority of this chapter to appear on the label or labeling is not prominently placed thereon with such conspicuousness, as compared with other words, statements, designs, or devices, in the labeling, and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

*d.* If it is for use by humans and contains any quantity of the narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-eucaine, bromal, cannabis, carbromal, chloral, coca, cocaine, codeine, heroin, marijuana, morphine, opium, paraldehyde, peyote, or sulphonmethane; or any chemical derivative of such a substance, which derivative, after investigation, has been designated as habit forming, by rules adopted by the board under this chapter or by regulations adopted by the secretary pursuant to section 502(d) of the federal Act; unless its label bears the name and quantity or proportion of such substance or derivative and in juxtaposition therewith the statement "Warning — May Be Habit Forming".

*e.* (1) If it is a drug, unless both of the following apply:

(a) Its label bears, to the exclusion of any other nonproprietary name except the applicable systematic chemical name or the chemical formula:

(i) The established name of the drug, as specified in subparagraph (3), if such exists; and

(ii) If the drug is fabricated from two or more ingredients, the established name and quantity of each active ingredient, including the quantity, kind, and proportion of any alcohol, and also including, whether active or not, the established name and quantity or proportion of any bromides, ether, chloroform, acetanilide, acetophenetidin, amidopyrine, antipyrine, atropine, hyoscine, hyoscyamine, arsenic, digitalis, digitalis glucosides, mercury, ouabain, strophanthin, strychnine, thyroid, or any derivative or preparation of any such substances, contained therein. However, the requirement for stating the quantity of the active ingredients, other than the quantity of those specifically named in this subparagraph subdivision, applies only to prescription drugs.

(b) For a prescription drug, the established name of the prescription drug or of an ingredient is printed, on the label and on any labeling on which a name for the prescription drug or an ingredient is used, prominently and in type at least half as large as that used thereon for any proprietary name or designation for the prescription drug or ingredient. However, to the extent that compliance with subparagraph division (a), subparagraph subdivision (ii), or this subparagraph division is impracticable, exemptions shall be allowed under rules or regulations adopted by the board or the secretary under the federal Act.

(2) If it is a device and it has an established name, unless its label bears, to the exclusion of any other nonproprietary name, its established name, as defined in subparagraph (4), prominently printed in type at least half as large as that used thereon for any proprietary name or designation for the device, except that to the extent compliance with this subparagraph is impracticable, exemptions shall be allowed under rules or regulations adopted by the board or the secretary under the federal Act.

(3) As used in subparagraph (1), the term *"established name"*, with respect to a drug or ingredient thereof, means one of the following:

(a) The applicable official name designated pursuant to section 508 of the federal Act.

(b) If no such official name exists and the drug or ingredient is an article recognized in an official compendium, then its official title in the compendium.

(c) If neither subparagraph division (a) nor (b) applies, then the common or usual name, if any, of the drug or ingredient. However, if subparagraph division (b) applies to an article recognized in the United States Pharmacopoeia National Formulary and in the Homeopathic Pharmacopoeia of the United States under different official titles, the official title used in the United States Pharmacopoeia National Formulary applies unless it is labeled and offered for sale as a homeopathic drug, in which case the official title used in the Homeopathic Pharmacopoeia of the United States applies.

(4) As used in subparagraph (2), the term *"established name"* with respect to a device means one of the following:

(a) The applicable official name of the device pursuant to section 508 of the federal Act.

(b) If no such official name exists and the device is an article recognized in an official compendium, then its official title in the compendium.

(c) If neither subparagraph division (a) nor (b) applies, then any common or usual name of the device.

*f.* (1) Unless its labeling bears both of the following:

(a) Adequate directions for use.

(b) Adequate warnings against use in those pathological conditions, or by children, where its use may be dangerous to health, or against unsafe dosage or methods or durations of administration or application, in the manner and form necessary for the protection of users.

(2) However, if a requirement of subparagraph (1), subparagraph division (a), as applied to a drug or device, is not necessary for the protection of the public health, the board or the secretary shall adopt rules or regulations exempting the drug or device from that requirement.

*g.* If it purports to be a drug the name of which is recognized in an official compendium, unless it is packaged and labeled as prescribed in the official compendium. However, the method of packing may be modified with the consent of the board or the secretary. If a drug is recognized in both the United States Pharmacopoeia National Formulary and

the Homeopathic Pharmacopoeia of the United States, it is subject to the requirements of the United States Pharmacopoeia National Formulary with respect to packaging and labeling unless it is labeled and offered for sale as a homeopathic drug, in which case it is subject to the Homeopathic Pharmacopoeia of the United States, and not to the United States Pharmacopoeia National Formulary. However, if an inconsistency exists between this paragraph and paragraph "*e*" as to the name by which the drug or its ingredients shall be designated, paragraph "*e*" prevails.

*h.* If it has been found by the board or the secretary to be a drug liable to deterioration, unless it is packaged in the form and manner, and its label bears a statement of the precautions that the board or the secretary by rule or regulation requires as necessary for the protection of public health. Such a rule or regulation shall not be established for a drug recognized in an official compendium until the board or the secretary has informed the appropriate body charged with the revision of the official compendium of the need for such packaging or labeling requirements and that body has failed within a reasonable time to prescribe such requirements.

*i.* (1) If it is a drug and its container is so made, formed, or filled as to be misleading.

(2) If it is an imitation of another drug.

(3) If it is offered for sale under the name of another drug.

*j.* If it is dangerous to health when used in the dosage or manner, or with the frequency or duration prescribed, recommended, or suggested in its labeling.

*k.* If it is, or purports to be, or is represented as a drug composed wholly or partly of insulin, unless both of the following apply:

(1) It is from a batch with respect to which a certificate or release has been issued pursuant to section 506 of the federal Act.

(2) The certificate or release is in effect with respect to the drug.

*l.* (1) If it is, or purports to be, or is represented as a drug, composed wholly or partly of any kind of penicillin, streptomycin, chlortetracycline, chloramphenicol, bacitracin, or any other antibiotic drug, or any derivative thereof, unless both of the following apply:

(a) It is from a batch with respect to which a certificate or release has been issued pursuant to section 507 of the federal Act.

(b) The certificate or release is in effect with respect to the drug.

(2) However, this paragraph "*l*" does not apply to any drug or class of drugs exempted by regulations adopted under section 507(c) or 507(d) of the federal Act.

*m.* If it is a color additive, the intended use of which is for the purpose of coloring only, unless its packaging and labeling are in conformity with the packaging and labeling requirements applicable to that color additive, as contained in regulations adopted under section 706 of the federal Act.

*n.* If it is a prescription drug distributed or offered for sale in this state, unless the manufacturer, packer, or distributor includes in all advertising and other descriptive printed matter issued or caused to be issued by the manufacturer, packer, or distributor with respect to the prescription drug a true statement of all of the following:

(1) The established name as defined in paragraph "*e*", printed prominently and in type at least half as large as that used for any trade or brand name thereof.

(2) The formula showing quantitatively each ingredient of the prescription drug to the extent required for labels under paragraph "*e*".

(3) Other information in brief summary relating to side effects, contraindications, and effectiveness as required in regulations adopted pursuant to section 701(e) of the federal Act.

*o.* If it was manufactured, prepared, propagated, compounded, or processed in an establishment in this state not duly registered under section 510 of the federal Act, if it was not included on a list required by section 510(j) of the federal Act, if a notice or other information respecting it was not provided as required by that section or section 510(k) of the federal Act, or if it does not bear the symbols from the uniform system for identification of devices prescribed under section 510(e) of the federal Act that are required by regulation.

*p.* If it is a drug and its packaging or labeling is in violation of an applicable regulation adopted pursuant to section 3 or 4 of the federal Poison Prevention Packaging Act of 1970, 15 U.S.C. § 1471 et seq.

*q.* If a trademark, trade name, or other identifying mark, imprint, or device of another trademark, trade name, mark, or imprint or any likeness of the foregoing has been placed thereon or upon its container with intent to defraud.

*r.* In the case of a restricted device distributed or offered for sale in this state, if either of the following applies:

(1) Its advertising is false or misleading in any particular.

(2) It is sold, distributed, or used in violation of regulations adopted pursuant to section 520(e) of the federal Act.

*s.* In the case of a restricted device distributed or offered for sale in this state, unless the manufacturer, packer, or distributor includes in all advertising and other descriptive printed matter issued by the manufacturer, packer, or distributor with respect to the device both of the following:

(1) A true statement of the device's established name as defined in paragraph "*e*", printed prominently and in type at least half as large as that used for any trade or brand name thereof.

(2) A brief statement of the intended uses of the device and relevant warnings, precautions, side effects, and contraindications; and in the case of a specific device made subject to regulations adopted pursuant to the federal Act, a full description of the components of the device or the formula showing quantitatively each ingredient of the device to the extent required in regulations under the federal Act.

*t.* If it is a device subject to a performance standard established under section 514 of the federal Act, unless it bears labeling as prescribed in that performance standard.

*u.* If it is a device and there was a failure or refusal to comply with any requirement prescribed under section 518 of the federal Act respecting the device, or to furnish material required by or under section 519 of the federal Act respecting the device.

2. If an article is alleged to be misbranded because the labeling or advertising is misleading, then in determining whether the labeling or advertising is misleading, there shall be taken into account, among other things, not only representations made or suggested by statement, word, design, device, or any combination thereof, but also the extent to which the labeling or advertising fails to reveal facts material in the light of such representations, or material with respect to consequences which may result from the use of the article to which the labeling or advertising relates, under the conditions of use prescribed in the labeling or advertising or under customary or usual conditions of use.

3. The representation of a drug, in its labeling, as an antiseptic shall be considered to be a representation that it is a germicide, except in the case of a drug purporting to be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body.

89 Acts, ch 197, §10
CS89, §203B.10
C93, §126.10
2009 Acts, ch 41, §189
Referred to in §126.11

**126.11 Exemptions in cases of drugs and devices — dispensing by prescription only.**

1. The board shall adopt rules exempting from any labeling or packaging requirement of this chapter drugs and devices which are, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packaged, on condition that such drugs and devices are not adulterated or misbranded upon removal from the processing, labeling, or repacking establishment.

2. Drug and device labeling or packaging exemptions adopted pursuant to the federal Act shall apply to drugs and devices in this state except insofar as modified or rejected by rules adopted by the board.

3. *a.* (1) This paragraph "*a*" applies to a drug intended for use by humans which is any of the following:

(a) Is a habit-forming drug to which section 126.10, subsection 1, paragraph "*d*" applies.

(b) Because of its toxicity or other potentiality for harmful effect, or the method of its use,

or the collateral measures necessary to its use, is not safe for use except under the supervision of a practitioner licensed by law to administer the drug.

(c) Is limited by an approved application under section 505 of the federal Act to use under the professional supervision of a practitioner licensed by law to administer the drug.

(2) Such a drug shall be dispensed only upon a written, electronic, or facsimile prescription of a practitioner licensed by law to administer the drug, or upon an oral prescription of such a practitioner which is reduced promptly to writing and filed by the pharmacist, or by refilling any such written, electronic, facsimile, or oral prescription if the refilling is authorized by the prescriber either in the original written, electronic, or facsimile prescription or by oral order which is reduced promptly to writing and filed by the pharmacist. The act of dispensing a drug contrary to this paragraph *"a"* while the drug is held for sale results in the drug being misbranded.

*b.* A drug dispensed by filling or refilling a written, electronic, facsimile, or oral prescription of a practitioner licensed by law to administer the drug is exempt from section 126.10, except section 126.10, subsection 1, paragraph *"a"*, section 126.10, subsection 1, paragraph *"i"*, subparagraphs (2) and (3), and section 126.10, subsection 1, paragraphs *"k"* and *"l"*, and the packaging requirements of section 126.10, subsection 1, paragraphs *"g"*, *"h"*, and *"p"*, if the drug bears a label containing the name and address of the dispenser, the date of the prescription or of its filling, the name of the prescriber, and, if stated in the prescription, the name of the patient, and the directions for use and cautionary statements, if any, contained in the prescription. This exemption does not apply to a drug dispensed in the course of the conduct of the business of dispensing drugs pursuant to diagnosis by mail, or to a drug dispensed in violation of paragraph *"a"* of this subsection.

*c.* The board may, by rule, remove a drug subject to section 126.10, subsection 1, paragraph *"d"*, and section 505 of the federal Act from the requirements of paragraph *"a"* of this subsection when such requirements are not necessary for the protection of the public health.

*d.* A drug which is subject to paragraph *"a"* of this subsection is misbranded if, at any time prior to dispensing, its label fails to bear the statement: "Caution: Federal Law Prohibits Dispensing Without Prescription", or "Caution: State Law Prohibits Dispensing Without Prescription". A drug to which paragraph *"a"* of this subsection does not apply is misbranded if, at any time prior to dispensing, its label bears the caution statement quoted in the preceding sentence.

*e.* Prescription drug samples dispensed by a practitioner licensed by law to administer such drugs are exempt from section 126.10.

*f.* All electronic or facsimile prescriptions transmitted under this section shall comply with section 155A.27.

89 Acts, ch 197, §11

CS89, §203B.11

C93, §126.11

2004 Acts, ch 1036, §5 – 7; 2009 Acts, ch 41, §190; 2013 Acts, ch 30, §26; 2013 Acts, ch 140, §58

Subsection 3, paragraph b amended

**126.12 New drugs.**

1. A person shall not sell, deliver, offer for sale, hold for sale, or give away a new drug unless both of the following apply:

*a.* An application with respect to the new drug has been approved and the approval has not been withdrawn under section 505 of the federal Act.

*b.* A copy of the letter of approval or approvability issued by the United States food and drug administration is on file with the secretary of the board, if the product is manufactured in this state.

2. A person shall not use in humans a new drug limited to investigational use unless the person has filed with the United States food and drug administration a completed and signed "Notice of Claimed Investigational Exemption for a New Drug" form in accordance with 21

C.F.R. § 312.1 and the exemption has not been terminated. The drug shall be plainly labeled in compliance with section 505(i) or 507(d) of the federal Act.

3. This section does not apply to either of the following:

*a.* A drug which is not a new drug as defined in the federal Act.

*b.* A drug which is licensed under the federal Public Health Service Act of July 1, 1944, 42 U.S.C. § 201 et seq. or under the Animal Virus-Serum-Toxin Act of March 4, 1913, 21 U.S.C. § 151 et seq.

89 Acts, ch 197, §12
CS89, §203B.12
C93, §126.12
2010 Acts, ch 1061, §24
Referred to in §126.3, 126.6

**126.13** Reserved.

**126.14 Cosmetics — adulteration.**

A cosmetic is adulterated if any of the following apply:

1. It bears or contains a poisonous or deleterious substance which may render it injurious to users under the conditions of use prescribed in its labeling or under customary or usual conditions of use. However, this does not apply to coal-tar hair dye if the label of the dye bears the following legend conspicuously displayed: "Caution — This product contains ingredients which may cause skin irritation on certain individuals and a preliminary test according to accompanying directions should first be made. This product must not be used for dyeing the eyelashes or eyebrows; to do so may cause blindness"; and the label bears adequate directions for the preliminary testing. For the purposes of this subsection and subsection 5, "*hair dye*" does not include eyelash dyes or eyebrow dyes.

2. It consists in whole or in part of any filthy, putrid, or decomposed substance.

3. It has been produced, prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health.

4. Its container is composed, in whole or in part, of a poisonous or deleterious substance which may render the contents injurious to health.

5. It is not a hair dye and it is, or it bears or contains a color additive which is "unsafe" within the meaning of section 706(a) of the federal Act.

89 Acts, ch 197, §13
CS89, §203B.14
C93, §126.14
Referred to in §126.15
Section not amended; editorial change applied

**126.15 Cosmetics — misbranding.**

1. A cosmetic is misbranded if any of the following apply:

*a.* Its labeling is false or misleading in any particular.

*b.* If in package form unless it bears a label containing both of the following:

(1) The name and place of business of the manufacturer, packer, or distributor.

(2) An accurate statement of the quantity of the contents in terms of weight, measure, or numerical count, which statement shall be separately and accurately stated in a uniform location upon the principal display panel of the label.

*c.* A word, statement, or other information required by or under the authority of this chapter to appear on the label or labeling is not prominently placed there with such conspicuousness, as compared with other words, statements, designs, or devices in the labeling, and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

*d.* Its container is so made, formed, or filled as to be misleading.

*e.* It is a color additive, unless its packaging and labeling are in conformity with the packaging and labeling requirements applicable to that color additive prescribed under section 706 of the federal Act. This paragraph does not apply to packages of color additives

which, with respect to their use of cosmetics, are marketed and intended for use only in or on hair dyes, as specified in section 126.14, subsection 1.

*f.* Its packaging or labeling is in violation of an applicable regulation adopted pursuant to section 3 or 4 of the federal Poison Prevention Packaging Act of 1970, 15 U.S.C. § 1471 et seq.

2. The board shall adopt rules exempting from any labeling requirement of this chapter, cosmetics which are in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at an establishment other than the establishment where they are originally processed or packed, on condition that such cosmetics are not adulterated or misbranded upon removal from the processing, labeling, or repacking establishment. Cosmetic labeling exemptions adopted under the federal Act apply to cosmetics in this state except as modified or rejected by rules adopted by the board.

89 Acts, ch 197, §14
CS89, §203B.15
C93, §126.15
2009 Acts, ch 41, §263

**126.16 False advertising.**

1. The advertising of a drug, device, or cosmetic is false if it is false or misleading in any particular.

2. For the purpose of this chapter, advertising is false if it represents a drug, device, or cosmetic to have any effect in the diagnosis, prevention, or treatment of arthritis, blood disorders, bone or joint diseases, kidney diseases or disorders, cancer, diabetes, gall bladder disease or disorders, heart and vascular disease, high blood pressure, diseases or disorders of the ear, mental disease or an intellectual disability, degenerative neurological diseases, paralysis, prostate gland disorders, conditions of the scalp affecting hair loss, baldness, endocrine disorders, sexual impotence, tumors, venereal diseases, varicose ulcers, breast enlargement, purifying blood, metabolic disorders, immune system disorders or conditions affecting the immune system, extension of life expectancy, stress and tension, brain stimulation or performance, the body's natural defense mechanisms, blood flow, and depression. However, advertising not in violation of subsection 1 is not false under this subsection if it is disseminated only to members of the medical, dental, or veterinary professions, or appears only in the scientific periodicals of these professions, or is disseminated only for the purpose of public health education by persons not commercially interested, directly or indirectly, in the sale of such drugs or devices. However, if the board determines that an advance in medical science has made any type of self-medication safe as to any of the diseases named in this subsection, the board shall by rule authorize the advertising of drugs having curative or therapeutic effect for such disease, subject to the conditions and restrictions the board deems necessary in the interests of the public health. However, this subsection does not indicate that self-medication for diseases other than those named in this subsection is safe and efficacious.

89 Acts, ch 197, §15
CS89, §203B.16
C93, §126.16
2012 Acts, ch 1019, §6

**126.17 Rules — hearings.**

1. The board may adopt rules pursuant to chapter 17A for the efficient enforcement of this chapter. The board may make the rules adopted under this chapter conform, insofar as practicable, with those regulations adopted pursuant to the federal Act.

2. Hearings authorized or required by this chapter shall be conducted by the board or by an officer, agent, or employee designated by the board.

89 Acts, ch 197, §16
CS89, §203B.17
C93, §126.17

**126.18 Inspections.**

1. *a.* For purposes of enforcement of this chapter, the board or any of its authorized agents, upon presenting appropriate credentials to the owner, operator, or agent in charge, may do both of the following:

(1) Enter at reasonable times any factory, warehouse, or other establishment in which drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into commerce or after such introduction; or enter a vehicle being used to transport or hold drugs, devices, or cosmetics in commerce.

(2) Inspect at reasonable times and within reasonable limits and in a reasonable manner such a factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein, and obtain samples necessary to the enforcement of this chapter. In the case of a factory, warehouse, establishment, or consulting laboratory in which prescription drugs are manufactured, processed, packed, or held, the inspection shall extend to all things therein, including records, files, papers, processes, controls, and facilities, bearing on whether prescription drugs or restricted devices which are adulterated or misbranded or which may not be manufactured, introduced into commerce, or sold or offered for sale by reason of any provision of this chapter, have been or are being manufactured, processed, packed, transported, or held in violation of or bearing on a violation of this chapter. An inspection authorized for prescription drugs by the preceding sentence shall not extend to financial data, sales data other than shipment data, pricing data, personnel data other than data as to qualifications of technical and professional personnel performing functions subject to this chapter, and research data other than data relating to new drugs, and antibiotic drugs, and devices, and subject to reporting and inspection under regulations lawfully issued pursuant to section 505(i) or 505(j), or section 507(d) or 507(g), section 519, or section 520(g) of the federal Act, and data, relating to other drugs, or devices which in the case of a new drug would be subject to reporting or inspection under lawful regulations issued pursuant to section 505(j) of the federal Act. The inspection shall be commenced and completed with reasonable promptness.

*b.* Paragraph "*a*" does not apply to any of the following:

(1) Pharmacies which maintain establishments in conformance with laws of this state regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs, or devices, upon prescription of practitioners licensed to administer the drugs or devices to patients under the care of the practitioners in the course of their professional practice, and which do not, either through a subsidiary or otherwise, manufacture, prepare, propagate, compound, or process drugs or devices for sale other than in the regular course of their business of dispensing or selling drugs or devices at retail.

(2) Practitioners licensed by law to prescribe or administer drugs or prescribe or use devices, and who manufacture, prepare, propagate, compound, or process drugs, or manufacture or process devices solely for use in the course of their professional practice.

(3) Persons who manufacture, prepare, propagate, compound, or process drugs, or manufacture or process devices solely for use in research, teaching, or chemical analysis and not for sale.

(4) Duly employed sales representatives of pharmaceutical companies acting in the normal and customary performance of their duties.

(5) Other classes of persons the board exempts from the application of this section by rule upon a finding that inspection as applied to such classes of persons in accordance with this section is not necessary for the protection of the public health.

2. *a.* Upon completion of an inspection of a factory, warehouse, consulting laboratory, or other establishment and prior to leaving the premises, the authorized agent making the inspection shall give to the owner, operator, or agent in charge a report in writing setting forth any conditions or practices observed by the authorized agent which, in the judgment of the authorized agent, indicate that any drug, device, or cosmetic in the establishment meets either of the following:

(1) Consists in whole or in part of a filthy, putrid, or decomposed substance.

(2) Has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health.

*b.* A copy of the report shall be sent promptly to the board.

3. If the authorized agent making an inspection of a factory, warehouse, or other establishment has obtained a sample in the course of the inspection, upon completion of the inspection and prior to leaving the premises the authorized agent shall give to the owner, operator, or agent in charge a receipt describing the sample obtained.

4. A person required under this chapter or section 519 or 520(g) of the federal Act to maintain records and a person who is in charge or custody of such records shall, upon request of an authorized agent designated by the board, permit the authorized agent at all reasonable times to have access and to copy and verify such records.

5. For the purposes of enforcing this chapter, carriers engaged in commerce, and persons receiving drugs, devices, or cosmetics in commerce or holding such articles so received, shall, upon the request of a duly authorized agent of the board, permit the agent, at reasonable times, to have access to and to copy all records showing the movement in commerce of a drug, device, or cosmetic, or the holding thereof during or after such movement, and the quantity, shipper, and consignee thereof. It is unlawful for any such carrier or person to fail to permit such access to and copying of any such record so requested when the request is accompanied by a statement in writing specifying the nature or kind of drug, device, or cosmetic to which the request relates.

6. Evidence obtained under this section or evidence which is directly or indirectly derived from such evidence obtained under this section, shall not be used in a criminal prosecution of the person from whom the evidence was obtained; and carriers are not subject to the other provisions of this chapter by reason of their receipt, carriage, holding, or delivery of drugs, devices, or cosmetics in the usual course of business as carriers.

89 Acts, ch 197, §17
CS89, §203B.18
C93, §126.18
2009 Acts, ch 41, §263
Referred to in §126.3

**126.19 Publicity.**

1. The board may cause to be published from time to time reports summarizing all judgments, decrees, and court orders which have been rendered under this chapter, including the nature of the charges and their disposition.

2. The board may also cause to be disseminated information regarding drugs, devices, or cosmetics, in situations involving, in the opinion of the board, imminent danger to health, or gross deception of the consumer. This section does not prohibit the board from collecting, reporting, and illustrating the results of investigations by the board.

89 Acts, ch 197, §18
CS89, §203B.19
C93, §126.19

**126.20 Chapter not applicable to commercial feed.**

This chapter does not apply to the Iowa Commercial Feed Law of 1974 under chapter 198 or to administrative rules adopted pursuant to chapter 198.

89 Acts, ch 197, §19
CS89, §203B.20
C93, §126.20

**126.21 Chapter not applicable to animal drugs.**

This chapter does not apply to drugs intended for use for animals and not for humans.

89 Acts, ch 197, §20
CS89, §203B.21
C93, §126.21

**126.22 Nitrous oxide.**

1. *Unlawful possession.* Any person who possesses nitrous oxide or any substance

containing nitrous oxide, with the intent to breathe, inhale, or ingest for the purpose of causing a condition of intoxication, elation, euphoria, dizziness, stupefaction, or dulling of the senses, or who knowingly and with the intent to do so is under the influence of nitrous oxide or any material containing nitrous oxide, is guilty of a serious misdemeanor. This subsection shall not apply to a person who is under the influence of nitrous oxide or any material containing nitrous oxide for the purpose of medical, surgical, or dental care by a person duly licensed to administer such an agent.

2. *Unlawful distribution.* Any person who distributes nitrous oxide, or possesses nitrous oxide with intent to distribute to any other person, if such distribution is with the intent to induce unlawful inhaling of the substance or is with the knowledge that the other person will unlawfully inhale the substance, is guilty of a serious misdemeanor.

97 Acts, ch 39, §6

**126.23 Gamma-hydroxybutyrate.**

1. *Unlawful possession.* Any person who possesses gamma-hydroxybutyrate (also known as gamma-hydroxybutyric acid, or GHB), or any substance containing gamma-hydroxybutyrate, commits an aggravated misdemeanor. This subsection shall not apply to any person who obtains or possesses gamma-hydroxybutyrate or any material containing gamma-hydroxybutyrate pursuant to a lawful order of a physician or other authorized prescriber for the legitimate treatment of disease.

2. *Unlawful distribution.* Any person who distributes gamma-hydroxybutyrate, or possesses gamma-hydroxybutyrate with the intent to distribute to any other person, commits an aggravated misdemeanor if the person intends to promote or allow the unlawful use of the substance or if the person knows that the other person will use the substance for unlawful purposes.

97 Acts, ch 95, §1

**126.23A Pseudoephedrine retail restrictions.**

1. *a.* A retailer or an employee of a retailer shall not do any of the following:

(1) Sell more than seven thousand five hundred milligrams of pseudoephedrine to the same person within a thirty-day period.

(2) Knowingly sell more than one package of a product containing pseudoephedrine to a person in a twenty-four-hour period.

(3) Sell a package of a pseudoephedrine product that can be further broken down or subdivided into two or more separate and distinct packages or offer promotions where a pseudoephedrine product is given away for free as part of any purchase transaction.

*b.* A retailer or an employee of a retailer shall do the following:

(1) Provide for the sale of a pseudoephedrine product from a locked cabinet or behind a sales counter where the public is unable to reach the product and where the public is not permitted.

(2) Require a purchaser to present a government-issued photo identification card identifying the purchaser prior to purchasing a pseudoephedrine product.

(3) Require the purchaser to sign a logbook and to also require the purchaser to legibly print the purchaser's name and address in the logbook.

(4) Print the name of the pseudoephedrine product purchased and quantity sold next to the name of each purchaser in the logbook.

(5) Determine the signature in the logbook corresponds with the name on the government-issued photo identification card.

(6) Keep the logbook twenty-four months from the date of the last entry.

(7) Provide notification in a clear and conspicuous manner in a location where a pseudoephedrine product is offered for sale stating the following:

Iowa law prohibits the over-the-counter purchase of more than one package of a product containing pseudoephedrine in a twenty-four-hour period or of more than seven thousand five hundred milligrams of pseudoephedrine within a thirty-day period. If you purchase a product

containing pseudoephedrine, you are required to sign a logbook which may be accessible to law enforcement officers.

(8) Provide notification affixed to the logbook stating that a purchaser entering a false statement or misrepresentation in the logbook may subject the purchaser to criminal penalties under 18 U.S.C. § 1001.

(9) Disclose logbook information as provided by state and federal law.

(10) Comply with training requirements pursuant to federal law.

2. A purchaser shall not do any of the following:

*a.* Purchase more than one package of a pseudoephedrine product within a twenty-four-hour period from a retailer.

*b.* Purchase more than seven thousand five hundred milligrams of pseudoephedrine from a retailer, either separately or collectively, within a thirty-day period.

3. A purchaser shall sign the logbook and also legibly print the purchaser's name and address in the logbook.

4. Enforcement of this section shall be implemented uniformly throughout the state. A political subdivision of the state shall not adopt an ordinance regulating the display or sale of products containing pseudoephedrine. An ordinance adopted in violation of this section is void and unenforceable and any enforcement activity of an ordinance in violation of this section is void.

5. The logbook may be kept in an electronic format upon approval by the department of public safety.

6. A pharmacy that sells a product that contains three hundred sixty milligrams or less of pseudoephedrine on a retail basis shall comply with the provisions of this section with respect to the sale of such product. However, a pharmacy is exempted from the provisions of this section when selling a pseudoephedrine product pursuant to section 124.212.

7. A retailer or an employee of a retailer that reports to any law enforcement agency any alleged criminal activity related to the purchase or sale of pseudoephedrine or who refuses to sell a pseudoephedrine product to a person is immune from civil liability for that conduct, except in cases of willful misconduct.

8. If a retailer or an employee of a retailer violates any provision of this section, a city or county may assess a civil penalty against the retailer upon hearing and notice as provided in section 126.23B.

9. An employee of a retailer who commits a violation of subsection 1 or a purchaser who commits a violation of subsection 2 commits a simple misdemeanor punishable by a scheduled fine under section 805.8C, subsection 6.

10. As used in this section, *"retailer"* means a person or business entity engaged in this state in the business of selling products on a retail basis. An *"employee of a retailer"* means any employee, contract employee, or agent of the retailer.

2004 Acts, ch 1127, §1; 2005 Acts, ch 15, §3, 14; 2005 Acts, ch 179, §115 – 117; 2009 Acts, ch 25, §7, 8; 2010 Acts, ch 1061, §25

Referred to in §124.212, 124.213, 126.23B, 602.8105, 714.7C, 805.8C(6)

Theft of pseudoephedrine, see §714.7C

**126.23B Civil penalty.**

1. A city or a county may enforce section 126.23A, after giving the retailer an opportunity to be heard upon ten days' written notice by restricted certified mail stating the alleged violation and the time and place at which the retailer may appear and be heard.

2. For a violation of section 126.23A by the retailer or an employee of the retailer a civil penalty shall be assessed against the retailer as follows:

*a.* For a first violation, the retailer shall be assessed a civil penalty in the amount of three hundred dollars.

*b.* For a second violation within a period of two years, the retailer shall be assessed a civil penalty in the amount of one thousand five hundred dollars.

*c.* For a third violation within a period of three years, the retailer shall be assessed a civil

penalty in the amount of two thousand dollars. The retailer may also be prohibited from selling pseudoephedrine for up to three years from the date of assessment of the civil penalty.

*d.* For a fourth or subsequent violation within a period of three years, the retailer shall be assessed a civil penalty in the amount of three thousand dollars. On a fourth or subsequent violation, the retailer shall be prohibited from selling pseudoephedrine products for three years from the date of the assessment of the civil penalty.

3. The city or county that takes legal action against a retailer under this section shall report the assessment of a civil penalty to the department of public safety within thirty days of the penalty being assessed.

4. The civil penalty shall be collected by the clerk of the district court and shall be distributed as provided in section 602.8105, subsection 4.

2005 Acts, ch 15, §4, 14
Referred to in §126.23A, 602.8105

**126.24 Anthrax.** Transferred to § 708B.1; 2003 Acts, ch 44, § 115.

**126.25 Human immunodeficiency virus home testing kits — prohibition — penalties.** Repealed by 2013 Acts, ch 81, § 4.

**126.26 Notice of conviction under chapter.**

If a person enters a plea of guilty, or forfeits bail or collateral deposited to secure the person's appearance in court, and the forfeiture is not vacated, or if a person is found guilty upon an indictment or information alleging a violation of this chapter, a copy of the minutes attached to the indictment returned by the grand jury, or to the county attorney's information, a copy of the judgment and sentence, and a copy of the opinion of the judge if one is filed, shall be sent by the clerk of the district court or the judge to the state department of transportation.

93 Acts, ch 16, §2
Referred to in §901.5

# CHAPTERS 127 to 134

RESERVED

# SUBTITLE 2

## HEALTH-RELATED ACTIVITIES

Referred to in §135.1, 135.11

# CHAPTER 135

## DEPARTMENT OF PUBLIC HEALTH

Referred to in §7E.5, 135G.6, 135H.6, 136.3, 147A.3, 163.3A, 225C.6A

Plumbing and mechanical systems board
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## DIVISION I

## GENERAL PROVISIONS

**135.1 Definitions.**

For the purposes of chapter 155 and Title IV, subtitle 2, excluding chapter 146, unless otherwise defined:

1. *"Director"* shall mean the director of public health.

2. *"Health officer"* shall mean the physician who is the health officer of the local board of health.

3. *"Local board"* shall mean the local board of health.

4. *"Physician"* means a person licensed to practice medicine and surgery, osteopathic medicine and surgery, chiropractic, podiatry, or optometry under the laws of this state; but a person licensed as a physician and surgeon shall be designated as a "physician" or "surgeon", a person licensed as an osteopathic physician and surgeon shall be designated as an "osteopathic physician" or "osteopathic surgeon", a person licensed as a chiropractor shall be designated as a "chiropractor", a person licensed as a podiatrist shall be designated as a "podiatric physician", and a person licensed as an optometrist shall be designated as an "optometrist". A definition or designation contained in this subsection shall not be interpreted to expand the scope of practice of such licensees.

5. *"Rules"* shall include regulations and orders.

6. *"State department"* or *"department"* shall mean the Iowa department of public health.

[S13, §2583-b; C24, 27, 31, 35, 39, §**2181;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.1]

86 Acts, ch 1245, §1101; 88 Acts, ch 1199, §1; 94 Acts, ch 1023, §10; 95 Acts, ch 108, §2; 96 Acts, ch 1036, §1; 96 Acts, ch 1212, §15; 2008 Acts, ch 1058, §14; 2008 Acts, ch 1084, §10; 2008 Acts, ch 1088, §141; 2009 Acts, ch 133, §30; 2012 Acts, ch 1113, §16

Referred to in §36.2, 135C.1, 144.26, 514.21

**135.2 Appointment of director and acting director.**

1. *a.* The governor shall appoint the director of the department, subject to confirmation by the senate. The director shall serve at the pleasure of the governor. The director is exempt from the merit system provisions of chapter 8A, subchapter IV. The governor shall set the salary of the director within the range established by the general assembly.

*b.* The director shall possess education and experience in public health.

2. The director may appoint an employee of the department to be acting director, who shall have all the powers and duties possessed by the director. The director may appoint more than one acting director but only one acting director shall exercise the powers and duties of the director at any time.

[C97, S13, §2564; C24, 27, 31, 35, 39, §**2182, 2184, 2185;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §135.2, 135.4, 135.5; C81, §135.2]

86 Acts, ch 1245, §1102; 88 Acts, ch 1158, §32; 2003 Acts, ch 145, §186; 2006 Acts, ch 1184, §75

Referred to in §513C.3

Confirmation; §2.32

**135.3 Disqualifications.**

The director shall not hold any other lucrative office of this state, elective or appointive, during the director's term; provided, however, that the director may serve without compensation as an officer or member of the instructional staff of any of the state educational institutions if any such additional duties and responsibilities do not prohibit the director from performing the duties of the office of director.

[C97, S13, §2564; C24, 27, 31, 35, 39, §**2183;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.3]

**135.4 and 135.5** Repealed by 80 Acts, ch 1010, § 86.

**135.6 Assistants and employees.**

The director shall employ such assistants and employees as may be authorized by law, and the persons appointed shall perform duties as may be assigned to them by the director.

[C97, S13, §2564; C24, 27, 31, 35, 39, §**2186;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.6]

86 Acts, ch 1245, §1103

**135.7 Bonds.**

The director shall require every employee who collects fees or handles funds belonging to the state to give an official bond, properly conditioned and signed by sufficient sureties, in a sum to be fixed by the director which bond shall be approved by the director and filed in the office of the secretary of state.

[C24, 27, 31, 35, 39, §**2187;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.7]

**135.8 Seal.**

The department shall have an official seal and every commission, license, order, or other paper executed by the department may be attested with its seal.

[C24, 27, 31, 35, 39, §**2188;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.8]

**135.9 Expenses.**

The director, field and office assistants, inspectors, and employees shall, in addition to salary, receive their necessary traveling expenses by the nearest traveled and practicable route and their necessary and incidental expenses when engaged in the performance of official business.

[C97, §2574; S13, §2564, 2574; C24, 27, 31, 35, 39, §**2189;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.9]

**135.10 Office.**

The department shall be located at the seat of government.

[C97, §2564; S13, §2564; C24, 27, 31, 35, 39, §**2190;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.10]

**135.11 Duties of department.**

The director of public health shall be the head of the "Iowa Department of Public Health", which shall:

1. Exercise general supervision over the public health, promote public hygiene and sanitation, prevent substance abuse and unless otherwise provided, enforce the laws relating to the same.
2. Conduct campaigns for the education of the people in hygiene and sanitation.
3. Issue monthly health bulletins containing fundamental health principles and other health data deemed of public interest.
4. Make investigations and surveys in respect to the causes of disease and epidemics, and the effect of locality, employment, and living conditions upon the public health. For this purpose the department may use the services of the experts connected with the state hygienic laboratory at the state university of Iowa.
5. Establish stations throughout the state for the distribution of antitoxins and vaccines to physicians, druggists, and other persons, at cost. All antitoxin and vaccine thus distributed shall be labeled "Iowa Department of Public Health".
6. Exercise general supervision over the administration and enforcement of the sexually transmitted diseases and infections law, chapter 139A, subchapter II.
7. Exercise sole jurisdiction over the disposal and transportation of the dead bodies of human beings and prescribe the methods to be used in preparing such bodies for disposal and transportation. However, the department may approve a request for an exception to the application of specific embalming and disposition rules adopted pursuant to this subsection if such rules would otherwise conflict with tenets and practices of a recognized religious denomination to which the deceased individual adhered or of which denomination the deceased individual was a member. The department shall inform the board of mortuary science of any such approved exception which may affect services provided by a funeral director licensed pursuant to chapter 156.
8. Establish, publish, and enforce rules which require companies, corporations, and other entities to obtain a permit from the department prior to scattering cremated human remains.
9. Exercise general supervision over the administration and enforcement of the vital statistics law, chapter 144.
10. Enforce the law relative to chapter 146 and "Health-related Professions", Title IV, subtitle 3, excluding chapter 155.
11. Establish and maintain divisions as are necessary for the proper enforcement of the laws administered by the department.
12. Establish, publish, and enforce rules not inconsistent with law for the enforcement of the provisions of chapters 125 and 155, and Title IV, subtitle 2, excluding chapter 146 and for the enforcement of the various laws, the administration and supervision of which are imposed upon the department.
13. Administer healthy aging and essential public health services by approving grants of state funds to the local boards of health for the purposes of promoting healthy aging throughout the lifespan and enhancing health promotion and disease prevention services, and by providing guidelines for the approval of the grants and allocation of the state funds.

Guidelines, evaluation requirements and formula allocation procedures for the services shall be established by the department by rule.

14. Administer chapters 125, 136A, 136C, 139A, 142, 142A, 144, and 147A.

15. Issue an annual report to the governor as provided in section 7E.3, subsection 4.

16. Consult with the office of statewide clinical education programs at the university of Iowa college of medicine and annually submit a report to the general assembly by January 15 verifying the number of physicians in active practice in Iowa by county who are engaged in providing obstetrical care. To the extent data are readily available, the report shall include information concerning the number of deliveries per year by specialty and county, the age of physicians performing deliveries, and the number of current year graduates of the university of Iowa college of medicine and the Des Moines university — osteopathic medical center entering into residency programs in obstetrics, gynecology, and family practice. The report may include additional data relating to access to obstetrical services that may be available.

17. Administer the statewide maternal and child health program and the program for children with disabilities by conducting mobile and regional child health specialty clinics and conducting other activities to improve the health of low-income women and children and to promote the welfare of children with actual or potential conditions which may cause disabilities and children with chronic illnesses in accordance with the requirements of Tit. V of the federal Social Security Act. The department shall provide technical assistance to encourage the coordination and collaboration of state agencies in developing outreach centers which provide publicly supported services for pregnant women, infants, and children. The department shall also, through cooperation and collaborative agreements with the department of human services and the mobile and regional child health specialty clinics, establish common intake proceedings for maternal and child health services. The department shall work in cooperation with the legislative services agency in monitoring the effectiveness of the maternal and child health centers, including the provision of transportation for patient appointments and the keeping of scheduled appointments.

18. Establish, publish, and enforce rules requiring prompt reporting of methemoglobinemia, pesticide poisoning, and the reportable poisonings and illnesses established pursuant to section 139A.21.

19. Collect and maintain reports of pesticide poisonings and other poisonings, illnesses, or injuries caused by selected chemical or physical agents, including methemoglobinemia and pesticide and fertilizer hypersensitivity; and compile and publish, annually, a statewide and county-by-county profile based on the reports.

20. Adopt rules which require personnel of a licensed hospice, of a homemaker-home health aide provider agency which receives state homemaker-home health aide funds, or of an agency which provides respite care services and receives funds to complete a minimum of two hours of training concerning acquired immune deficiency syndrome-related conditions through a program approved by the department. The rules shall require that new employees complete the training within six months of initial employment and existing employees complete the training on or before January 1, 1989.

21. Adopt rules which require all emergency medical services personnel, firefighters, and law enforcement personnel to complete a minimum of two hours of training concerning acquired immune deficiency syndrome-related conditions and the prevention of human immunodeficiency virus infection.

22. Adopt rules which provide for the testing of a convicted or alleged offender for the human immunodeficiency virus pursuant to sections 915.40 through 915.43. The rules shall provide for the provision of counseling, health care, and support services to the victim.

23. Establish ad hoc and advisory committees to the director in areas where technical expertise is not otherwise readily available. Members may be compensated for their actual and necessary expenses incurred in the performance of their duties. To encourage health consumer participation, public members may also receive a per diem as specified in section 7E.6 if funds are available and the per diem is determined to be appropriate by the director. Expense moneys paid to the members shall be paid from funds appropriated to the department. A majority of the members of such a committee constitutes a quorum.

24. Review and approve mandatory reporter training curricula for those persons who

work in a position classification that under law makes the persons mandatory reporters of child or dependent adult abuse and the position classification does not have a mandatory reporter training curriculum approved by a licensing or examining board.

25. Establish and administer a substance abuse treatment facility pursuant to section 135.130.

26. Administer annual grants to county boards of health for the purpose of conducting programs for the testing of private water supply wells, the closing of abandoned private water supply wells, and the renovation or rehabilitation of private water supply wells. Grants shall be funded through moneys transferred to the department from the agriculture management account of the groundwater protection fund pursuant to section 455E.11, subsection 2, paragraph *"b"*, subparagraph (3), subparagraph division (b). The department shall adopt rules relating to the awarding of the grants.

27. Establish and administer, if sufficient funds are available to the department, a program to assess and forecast health workforce supply and demand in the state for the purpose of identifying current and projected workforce needs. The program may collect, analyze, and report data that furthers the purpose of the program. The program shall not release information that permits identification of individual respondents of program surveys.

28. In consultation with the advisory committee for perinatal guidelines, develop and maintain the statewide perinatal program based on the recommendations of the American academy of pediatrics and the American college of obstetricians and gynecologists contained in the most recent edition of the guidelines for perinatal care, and shall adopt rules in accordance with chapter 17A to implement those recommendations. Hospitals within the state shall determine whether to participate in the statewide perinatal program, and select the hospital's level of participation in the program. A hospital having determined to participate in the program shall comply with the guidelines appropriate to the level of participation selected by the hospital. Perinatal program surveys and reports are privileged and confidential and are not subject to discovery, subpoena, or other means of legal compulsion for their release to a person other than the affected hospital, and are not admissible in evidence in a judicial or administrative proceeding other than a proceeding involving verification of the participating hospital under this subsection.

29. In consultation with the department of corrections, the antibiotic resistance task force, and the American federation of state, county and municipal employees, develop educational programs to increase awareness and utilization of infection control practices in institutions listed in section 904.102.

30. Administer the Iowa youth survey, in collaboration with other state agencies, as appropriate, every two years to students in grades six, eight, and eleven in Iowa's public and nonpublic schools. Survey data shall be evaluated and reported, with aggregate data available online at the Iowa youth survey internet site.

31. Report to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, the legislative caucus staffs, and the department of management within sixty calendar days of applying for or renewing a federal grant which requires a state match or maintenance of effort and has a value of over one hundred thousand dollars. The report shall list the federal funding source and address the potential need for the commitment of state funding in order to match or continue the funding provided by the federal grant in the present or future.

**1.** [C97, §2565; C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.11(1)]

**2, 3.** [C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.11(2, 3)]

**4.** [C97, §2565; C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.11(4)]

**5, 6.** [C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, 66, 71, §135.11(8, 9); C73, 75, 77, 79, 81, §135.11(7, 8)]

**7.** [S13, §2572-a, -b, -c; C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, 66, 71, §135.11(11); C73, §135.11(10); C75, 77, 79, 81, §135.11(9)]

**8.** [C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, 66, 71, §135.11(12); C73, §135.11(11); C75, 77, 79, 81, §135.11(10)]

**9.** [S13, §2575-a42; C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, 66, 71, §135.11(13); C73, §135.11(12); C75, 77, 79, 81, §135.11(11)]

**10.** [C97, §2565; C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, 66, 71, §135.11(14); C73, §135.11(13); C75, 77, 79, 81, §135.11(12)]

**11, 12.** [C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, 66, 71, §135.11(15, 16); C73, §135.11(14, 15); C75, 77, 79, 81, §135.11(13, 14)]

**13.** [C97, §2565; C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, 66, 71, §135.11(17); C73, §135.11(16); C75, 77, 79, 81, §135.11(15)]

**14.** [C75, 77, 79, 81, §135.11(16)]

**15.** [82 Acts, ch 1260, §55]

83 Acts, ch 27, §7; 86 Acts, ch 1245, §1104; 87 Acts, ch 8, §2; 87 Acts, ch 115, §22; 87 Acts, ch 225, §202; 88 Acts, ch 1224, §12; 89 Acts, ch 304, §103; 90 Acts, ch 1259, §10; 91 Acts, ch 258, §29; 93 Acts, ch 140, §4; 94 Acts, ch 1023, §11; 94 Acts, ch 1132, §9; 96 Acts, ch 1036, §2; 96 Acts, ch 1128, §1; 96 Acts, ch 1129, §23; 97 Acts, ch 23, §13; 97 Acts, ch 197, §1; 98 Acts, ch 1053, §1; 98 Acts, ch 1087, §1; 98 Acts, ch 1090, §60, 84; 98 Acts, ch 1221, §12; 99 Acts, ch 141, §2; 2000 Acts, ch 1058, §14; 2000 Acts, ch 1066, §37; 2000 Acts, ch 1223, §18; 2001 Acts, ch 58, §3; 2001 Acts, ch 122, §1; 2001 Acts, ch 184, §6; 2001 Acts, 2nd Ex, ch 1, §25, 28; 2002 Acts, ch 1108, §7; 2003 Acts, ch 33, §8, 11; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 44, §36; 2004 Acts, ch 1167, §1; 2005 Acts, ch 89, §2, 3; 2007 Acts, ch 10, §18; 2007 Acts, ch 159, §17; 2008 Acts, ch 1058, §1, 2, 15; 2008 Acts, ch 1084, §11; 2008 Acts, ch 1088, §83; 2008 Acts, ch 1180, §20; 2009 Acts, ch 41, §263; 2009 Acts, ch 151, §30; 2010 Acts, ch 1088, §4 – 6; 2011 Acts, ch 63, §33; 2012 Acts, ch 1113, §22; 2013 Acts, ch 129, §49

Referred to in §231B.4, 232.69, 235B.16, 237.3, 455E.11

Laboratory tests, §263.7, 263.8

Establishment of state poison control center; 2000 Acts, ch 1221, §1

See Iowa Acts for appropriations for state poison control center in a given year

Establishment of wellness council under the direction of the director of public health to increase wellness activities; 2013 Acts, ch 138, §3, 133

Requirement for department to collaborate with Iowa Medicaid enterprise and child health speciality clinics to integrate initiative for first five years of children's life with various integrated care models; 2013 Acts, ch 138, §3, 133

Subsection 24 amended

**135.11A Professional licensure division — other licensing boards — expenses — fees.**

There shall be a professional licensure division within the department of public health. Each board under chapter 147 or under the administrative authority of the department, except the board of nursing, board of medicine, dental board, and board of pharmacy, shall receive administrative and clerical support from the division and may not employ its own support staff for administrative and clerical duties.

The professional licensure division and the licensing boards may expend funds in addition to amounts budgeted, if those additional expenditures are directly the result of actual examination and exceed funds budgeted for examinations. Before the division or a licensing board expends or encumbers an amount in excess of the funds budgeted for examinations, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the department of management shall determine that the examination expenses exceed the funds budgeted by the general assembly to the division or board and the division or board does not have other funds from which examination expenses can be paid. Upon approval of the department of management, the division or licensing board may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected as fees from additional examination applicants and shall be treated as repayment receipts as defined in section 8.2.

86 Acts, ch 1245, §1105; 91 Acts, ch 268, §306; 92 Acts, ch 1163, §34; 2007 Acts, ch 10, §19; 2007 Acts, ch 218, §192

**135.12 Office of minority and multicultural health — established — duties.**

1. The office of minority and multicultural health is established in the department. The purpose of the office is to improve the health of racial and ethnic minorities by bridging communication, delivery, and service requirements, and by providing customized

services and practical approaches to problems and issues encountered by organizations and communities working to address the needs of these populations.

2. The office of minority and multicultural health shall be responsible for all of the following:

*a.* Serving as the liaison and advocate for the department on minority and multicultural health matters.

*b.* Assisting academic institutions, state agencies, community groups, and other entities in institutionalizing cultural competency within the health care workforce and delivery system through education, training, and practice to effectively address cross-cultural disparity and achieve health equity.

*c.* Promoting community strategic planning.

*d.* Reviewing the impact of programs, regulations, and health care resource policies on the delivery of and access to minority and multicultural health services.

2006 Acts, ch 1184, §76; 2010 Acts, ch 1192, §77
Referred to in §135.159

**135.13** Transferred to § 135.107.

**135.14 State public health dental director — duties.**

1. The position of state public health dental director is established within the department.

2. The dental director shall perform all of the following duties:

*a.* Plan and direct all work activities of the statewide public health dental program.

*b.* Develop comprehensive dental initiatives for prevention activities.

*c.* Evaluate the effectiveness of the statewide public health dental program and of program personnel.

*d.* Manage the oral health bureau including direction, supervision, and fiscal management of bureau staff.

*e.* Other related work as required.

2007 Acts, ch 159, §13

**135.15 Oral health bureau established — responsibilities.**

An oral health bureau is established within the division of health promotion and chronic disease prevention of the department. The bureau shall be responsible for all of the following:

1. Providing population-based oral health services, including public health training, improvement of dental support systems for families, technical assistance, awareness-building activities, and educational services, at the state and local level to assist Iowans in maintaining optimal oral health throughout all stages of life.

2. Performing infrastructure building and enabling services through the administration of state and federal grant programs targeting access improvement, prevention, and local oral health programs utilizing maternal and child health programs, Medicaid, and other new or existing programs.

3. Leveraging federal, state, and local resources for programs under the purview of the bureau.

4. Facilitating ongoing strategic planning and application of evidence-based research in oral health care policy development that improves oral health care access and the overall oral health of all Iowans.

5. Developing and implementing an ongoing oral health surveillance system for the evaluation and monitoring of the oral health status of children and other underserved populations.

2007 Acts, ch 159, §14
Referred to in §135.159

**135.16 Special women, infants, and children supplemental food program — methamphetamine education.**

As a component of the federal funding received by the department as the administering agency for the special women, infants, and children supplemental food program, from the United States department of agriculture, food and consumer service, the department shall

incorporate a methamphetamine education program into its nutrition and health-related education services. The department shall be responsible for the development of the education program to be delivered, and for the selection of qualified contract agencies to deliver the instruction under the program.

99 Acts, ch 195, §8

**135.17 Dental screening of children.**

1. *a.* Except as provided in paragraphs "*c*" and "*d*", the parent or guardian of a child enrolled in elementary school shall provide evidence to the school district or accredited nonpublic elementary school in which the child is enrolled of the child having, no earlier than three years of age but no later than four months after enrollment, at a minimum, a dental screening performed by a licensed physician, a licensed nurse, a licensed physician assistant, or a licensed dental hygienist or dentist. Except as provided in paragraphs "*c*" and "*d*", the parent or guardian of a child enrolled in high school shall provide evidence to the school district or accredited nonpublic high school in which the child is enrolled of the child having, at a minimum, a dental screening performed no earlier than one year prior to enrollment and not later than four months after enrollment by a licensed dental hygienist or dentist. A school district or accredited nonpublic school shall provide access to a process to complete the screenings described in this paragraph as appropriate.

*b.* A person authorized to perform a dental screening required by this section shall record that the screening was completed, and such additional information required by the department, on uniform forms developed by the department in cooperation with the department of education. The form shall include a space for the person to summarize any condition that may indicate a need for special services.

*c.* The department shall specify the procedures that constitute a dental screening and authorize a waiver signed by a licensed physician, nurse, physician assistant, dental hygienist, or dentist for a person who is unduly burdened by the screening requirement.

*d.* The dental screening requirement shall not apply to a person who submits an affidavit signed by the person or, if the person is a minor, the person's parent or legal guardian, stating that the dental screening conflicts with a genuine and sincere religious belief.

2. Each public and nonpublic school shall, in collaboration with the department, do the following:

*a.* Ensure that the parent or guardian of a student enrolled in the school has complied with the requirements of subsection 1.

*b.* Provide, if a student has not had a dental screening performed in accordance with subsection 1, the parent or guardian of the student with community dental screening referral resources, including contact information for the i-smile coordinator, department, or dental society.

3. By May 31 annually, each local board shall furnish the department with evidence that each student enrolled in any public or nonpublic school within the local board's jurisdiction has met the dental screening requirement in this section.

4. The department shall adopt rules to administer this section.

2007 Acts, ch 146, §1, 2; 2008 Acts, ch 1020, §1 – 3; 2009 Acts, ch 41, §39; 2009 Acts, ch 133, §31; 2010 Acts, ch 1088, §2, 3

Dental clinics, see §280.7

Section not amended; footnote deleted

**135.18 Conflicting statutes.**

Provisions of this chapter in conflict with the state building code, as adopted pursuant to section 103A.7, shall not apply where the state building code has been adopted or when the state building code applies throughout the state.

[C73, 75, 77, 79, 81, §135.18]

2004 Acts, ch 1086, §33

**135.19 Viral hepatitis program — awareness, vaccinations, and testing.**

1. If sufficient funds are appropriated by the general assembly, the department shall establish and administer a viral hepatitis program. The goal of the program shall be to

distribute information to citizens of this state who are at an increased risk for exposure to viral hepatitis regarding the higher incidence of hepatitis C exposure and infection among these populations, the dangers presented by the disease, and contacts for additional information and referrals. The program shall also make available hepatitis A and hepatitis B vaccinations, and hepatitis C testing.

2. The department shall establish by rule a list of individuals by category who are at increased risk for viral hepatitis exposure. The list shall be consistent with recommendations developed by the centers for disease control, and shall be developed in consultation with the Iowa viral hepatitis task force and the Iowa department of veterans affairs. The department shall also establish by rule what information is to be distributed and the form and manner of distribution. The rules shall also establish a vaccination and testing program, to be coordinated by the department through local health departments and clinics and other appropriate locations.

2006 Acts, ch 1045, §1; 2009 Acts, ch 182, §88

**135.20 Hepatitis C awareness program — veterans — vaccinations.** Repealed by 2009 Acts, ch 182, § 89.

**135.21 Pay toilets.**

No person shall make a charge or require any special device, key or slug for the use of a toilet located in a room provided for use of the public. Violation of this section is a simple misdemeanor.

[C24, 27, 31, 35, 39, §**2839;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §170.34; C77, §732.25; C79, 81, §135.21]

**135.22 Central registry for brain or spinal cord injuries.**

1. As used in this section:

*a.* "*Brain injury*" means clinically evident damage to the brain resulting directly or indirectly from trauma, infection, anoxia, vascular lesions, or tumor of the brain, not primarily related to a degenerative disease or aging process, which temporarily or permanently impairs a person's physical, cognitive, or behavioral functions, and is diagnosed by a physician. The diagnoses of clinically evident damage to the brain used for a diagnosis of brain injury shall be the same as specified by rule for eligibility for the home and community-based services waiver for persons with brain injury under the medical assistance program.

*b.* "*Spinal cord injury*" means the occurrence of an acute traumatic lesion of neural elements in the spinal cord including the spinal cord and cauda equina, resulting in temporary or permanent sensory deficit, motor deficit, or bladder or bowel dysfunction.

2. The director shall establish and maintain a central registry of persons with brain or spinal cord injuries in order to facilitate prevention strategies and the provision of appropriate rehabilitative services to the persons by the department and other state agencies. Hospitals shall report patients who are admitted with a brain or spinal cord injury and their diagnoses to the director no later than forty-five days after the close of a quarter in which the patient was discharged. The report shall contain the name, age, and residence of the person, the date, type, and cause of the brain or spinal cord injury, and additional information as the director requires, except that where available, hospitals shall report the Glasgow coma scale. The director shall consult with health care providers concerning the availability of additional relevant information. The department shall maintain the confidentiality of all information which would identify any person named in a report. However, the identifying information may be released for bona fide research purposes if the confidentiality of the identifying information is maintained by the researchers, or the identifying information may be released by the person with the brain or spinal cord injury or by the person's guardian or, if the person is a minor, by the person's parent or guardian.

89 Acts, ch 320, §10; 92 Acts, ch 1237, §6; 94 Acts, ch 1068, §3; 99 Acts, ch 141, §3; 2012 Acts, ch 1120, §66

Referred to in §135.22A, 225C.23, 335.25, 414.22

**135.22A Advisory council on brain injuries.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Brain injury"* means a brain injury as defined in section 135.22.

*b.* *"Council"* means the advisory council on brain injuries.

2. The advisory council on brain injuries is established. The following persons or their designees shall serve as ex officio, nonvoting members of the council:

*a.* The director of public health.

*b.* The director of human services and any division administrators of the department of human services so assigned by the director.

*c.* The director of the department of education.

*d.* The chief of the special education bureau of the department of education.

*e.* The administrator of the division of vocational rehabilitation services of the department of education.

*f.* The director of the department for the blind.

3. The council shall be composed of a minimum of nine members appointed by the governor in addition to the ex officio members, and the governor may appoint additional members. Insofar as practicable, the council shall include persons with brain injuries; family members of persons with brain injuries; representatives of industry, labor, business, and agriculture; representatives of federal, state, and local government; and representatives of religious, charitable, fraternal, civic, educational, medical, legal, veteran, welfare, and other professional groups and organizations. Members shall be appointed representing every geographic and employment area of the state and shall include members of both sexes. A simple majority of the members appointed by the governor shall constitute a quorum.

4. Members of the council appointed by the governor shall be appointed for terms of two years. Vacancies on the council shall be filled for the remainder of the term of the original appointment. Members whose terms expire may be reappointed.

5. The voting members of the council shall appoint a chairperson and a vice chairperson and other officers as the council deems necessary. The officers shall serve until their successors are appointed and qualified. Members of the council shall receive actual expenses for their services. Members may also be eligible to receive compensation as provided in section 7E.6. The council shall adopt rules pursuant to chapter 17A.

6. The council shall do all of the following:

*a.* Promote meetings and programs for the discussion of methods to reduce the debilitating effects of brain injuries, and disseminate information in cooperation with any other department, agency, or entity on the prevention, evaluation, care, treatment, and rehabilitation of persons affected by brain injuries.

*b.* Study and review current prevention, evaluation, care, treatment, and rehabilitation technologies and recommend appropriate preparation, training, retraining, and distribution of personnel and resources in the provision of services to persons with brain injuries through private and public residential facilities, day programs, and other specialized services.

*c.* Participate in developing and disseminating criteria and standards which may be required for future funding or licensing of facilities, day programs, and other specialized services for persons with brain injuries in this state.

*d.* Make recommendations to the governor for developing and administering a state plan to provide services for persons with brain injuries.

*e.* Meet at least quarterly.

7. The department is designated as Iowa's lead agency for brain injury. For the purposes of this section, the designation of lead agency authorizes the department to perform or oversee the performance of those functions specified in subsection 6, paragraphs *"a"* through *"c"*. The council is assigned to the department for administrative purposes. The director shall be responsible for budgeting, program coordination, and related management functions.

8. The council may receive gifts, grants, or donations made for any of the purposes of its

programs and disburse and administer them in accordance with their terms and under the direction of the director.

92 Acts, ch 1237, §7; 94 Acts, ch 1068, §4; 94 Acts, ch 1109, §2; 97 Acts, ch 203, §13; 99 Acts, ch 141, §4; 2000 Acts, ch 1058, §15; 2005 Acts, ch 89, §4; 2006 Acts, ch 1184, §77; 2013 Acts, ch 124, §2

Referred to in §135.22B
Recognition of "brain injury" as a disability, §225C.23
Subsection 2, paragraph g stricken

**135.22B Brain injury services program.**

1. *Definitions.* For the purposes of this section:

*a.* *"Brain injury services waiver"* means the state's medical assistance home and community-based services waiver for persons with brain injury implemented under chapter 249A.

*b.* *"Program administrator"* means the division of the department designated to administer the brain injury services program in accordance with subsection 2.

2. *Program created.*

*a.* A brain injury services program is created and shall be administered by a division of the Iowa department of public health in cooperation with counties and the department of human services.

*b.* The division of the department assigned to administer the advisory council on brain injuries under section 135.22A shall be the program administrator. The division duties shall include but are not limited to serving as the fiscal agent and contract administrator for the program and providing program oversight.

*c.* The division shall consult with the advisory council on brain injuries, established pursuant to section 135.22A, regarding the program and shall report to the council concerning the program at least quarterly. The council shall make recommendations to the department concerning the program's operation.

3. *Purpose.* The purpose of the brain injury services program is to provide services, service funding, or other support for persons with a brain injury under the cost-share program component or other components established pursuant to this section. Implementation of the cost-share component or any other component of the program is subject to the funding made available for the program.

4. *General requirements — cost-share component.* The cost-share component of the brain injury services program shall be directed to persons who have been determined to be ineligible for the brain injury services waiver or persons who are eligible for the waiver but funding was not authorized or available to provide waiver eligibility for the persons. The cost-share component is subject to general requirements which shall include but are not limited to all of the following:

*a.* Services offered are consistent with the services offered through the brain injury services waiver.

*b.* Each service consumer has a service plan developed prior to service implementation and the service plan is reviewed and updated at least quarterly.

*c.* All other funding sources for which the service consumer is eligible are utilized to the greatest extent possible. The funding sources potentially available include but are not limited to community resources and public and private benefit programs.

*d.* The maximum monthly cost of the services provided shall be based on the maximum monthly amount authorized for the brain injury services waiver.

*e.* Assistance under the cost-share component shall be made available to a designated number of service consumers who are eligible, as determined from the funding available for the cost-share component, on a first-come, first-served basis.

*f.* Nothing in this section shall be construed or is intended as, or shall imply, a grant of entitlement to services to persons who are eligible for participation in the cost-share component based upon the eligibility provisions adopted consistent with the requirements of this section. Any obligation to provide services pursuant to this section is limited to the extent of the funds appropriated or provided for the cost-share component.

5. *Cost-share component eligibility.* An individual must meet all of the following

requirements in order to be eligible for the cost-share component of the brain injury services program:

*a.* The individual is age one month through sixty-four years.

*b.* The individual has a diagnosis of brain injury that meets the diagnosis eligibility criteria for the brain injury services waiver.

*c.* The individual is a resident of this state and either a United States citizen or a qualified alien as defined in 8 U.S.C. § 1641.

*d.* The individual meets the cost-share component's financial eligibility requirements and is willing to pay a cost-share for the cost-share component.

*e.* The individual does not receive services or funding under any type of medical assistance home and community-based services waiver.

6. *Cost-share requirements.*

*a.* The cost-share component's financial eligibility requirements shall be established in administrative rule. In establishing the requirements, the department shall consider the eligibility and cost-share requirements used for the hawk-i program under chapter 514I.

*b.* An individual's cost-share responsibility for services under the cost-share component shall be determined on a sliding scale based upon the individual's family income. An individual's cost-share shall be assessed as a copayment, which shall not exceed thirty percent of the cost payable for the service.

*c.* The service provider shall bill the department for the portion of the cost payable for the service that is not covered by the individual's copayment responsibility.

7. *Application process.*

*a.* The application materials for services under the cost-share component of the brain injury services program shall use the application form and other materials of the brain injury services waiver. In order to apply for the brain injury services program, the applicant must authorize the department of human services to provide the applicant's waiver application materials to the brain injury services program. The application materials provided shall include but are not limited to the waiver application and any denial letter, financial assessment, and functional assessment regarding the person.

*b.* If a functional assessment for the waiver has not been completed due to a person's financial ineligibility for the waiver, the brain injury services program may provide for a functional assessment to determine the person's needs by reimbursing the department of human services for the assessment.

*c.* The program administrator shall file copies of the individual's application and needs assessment with the program resource facilitator assigned to the individual's geographic area.

*d.* The department's program administrator shall make a final determination as to whether program funding will be authorized under the cost-share component.

8. *Service providers and reimbursement.* All of the following requirements apply to service providers and reimbursement rates payable for services under the cost-share component:

*a.* A service provider must either be certified to provide services under the brain injury services waiver or have a contract with a county to provide services and will become certified to provide services under such waiver within a reasonable period of time specified in rule.

*b.* The reimbursement rate payable for the cost of a service provided under the cost-share component is the rate payable under the medical assistance program. However, if the service provided does not have a medical assistance program reimbursement rate, the rate shall be the amount payable under the county contract.

9. *Resource facilitation.* The program shall utilize resource facilitators to facilitate program services. The resource facilitator shall be available to provide ongoing support for individuals with brain injury in coping with the issues of living with a brain injury and in assisting such individuals in transitioning back to employment and living in the community. The resource facilitator is intended to provide a linkage to existing services and increase the capacity of the state's providers of services to persons with brain injury by doing all of the following:

*a.* Providing brain injury-specific information, support, and resources.

*b.* Enhancing the usage of support commonly available to an individual with brain

injury from the community, family, and personal contacts and linking such individuals to appropriate services and community resources.

*c.* Training service providers to provide appropriate brain injury services.

*d.* Accessing, securing, and maximizing the private and public funding available to support an individual with a brain injury.

2006 Acts, ch 1114, §1; 2007 Acts, ch 126, §35; 2008 Acts, ch 1058, §3; 2008 Acts, ch 1187, §106 – 108

**135.23** Repealed by 90 Acts, ch 1174, § 2.

**135.24 Volunteer health care provider program established — immunity from civil liability.**

1. The director shall establish within the department a program to provide to eligible hospitals, clinics, free clinics, field dental clinics, specialty health care provider offices, or other health care facilities, health care referral programs, or charitable organizations, free medical, dental, chiropractic, pharmaceutical, nursing, optometric, psychological, social work, behavioral science, podiatric, physical therapy, occupational therapy, respiratory therapy, and emergency medical care services given on a voluntary basis by health care providers. A participating health care provider shall register with the department and obtain from the department a list of eligible, participating hospitals, clinics, free clinics, field dental clinics, specialty health care provider offices, or other health care facilities, health care referral programs, or charitable organizations.

2. The department, in consultation with the department of human services, shall adopt rules to implement the volunteer health care provider program which shall include the following:

*a.* Procedures for registration of health care providers deemed qualified by the board of medicine, the board of physician assistants, the dental board, the board of nursing, the board of chiropractic, the board of psychology, the board of social work, the board of behavioral science, the board of pharmacy, the board of optometry, the board of podiatry, the board of physical and occupational therapy, the board of respiratory care, and the Iowa department of public health, as applicable.

*b.* Procedures for registration of free clinics, field dental clinics, and specialty health care provider offices.

*c.* Criteria for and identification of hospitals, clinics, free clinics, field dental clinics, specialty health care provider offices, or other health care facilities, health care referral programs, or charitable organizations, eligible to participate in the provision of free medical, dental, chiropractic, pharmaceutical, nursing, optometric, psychological, social work, behavioral science, podiatric, physical therapy, occupational therapy, respiratory therapy, or emergency medical care services through the volunteer health care provider program. A free clinic, a field dental clinic, a specialty health care provider office, a health care facility, a health care referral program, a charitable organization, or a health care provider participating in the program shall not bill or charge a patient for any health care provider service provided under the volunteer health care provider program.

*d.* Identification of the services to be provided under the program. The services provided may include but shall not be limited to obstetrical and gynecological medical services, psychiatric services provided by a physician licensed under chapter 148, dental services provided under chapter 153, or other services provided under chapter 147A, 148A, 148B, 148C, 149, 151, 152, 152B, 152E, 154, 154B, 154C, 154D, 154F, or 155A.

3. A health care provider providing free care under this section shall be considered an employee of the state under chapter 669, shall be afforded protection as an employee of the state under section 669.21, and shall not be subject to payment of claims arising out of the free care provided under this section through the health care provider's own professional liability insurance coverage, provided that the health care provider has done all of the following:

*a.* Registered with the department pursuant to subsection 1.

*b.* Provided medical, dental, chiropractic, pharmaceutical, nursing, optometric, psychological, social work, behavioral science, podiatric, physical therapy, occupational

therapy, respiratory therapy, or emergency medical care services through a hospital, clinic, free clinic, field dental clinic, specialty health care provider office, or other health care facility, health care referral program, or charitable organization listed as eligible and participating by the department pursuant to subsection 1.

4. A free clinic providing free care under this section shall be considered a state agency solely for the purposes of this section and chapter 669 and shall be afforded protection under chapter 669 as a state agency for all claims arising from the provision of free care by a health care provider registered under subsection 3 who is providing services at the free clinic in accordance with this section or from the provision of free care by a health care provider who is covered by adequate medical malpractice insurance as determined by the department, if the free clinic has registered with the department pursuant to subsection 1.

5. A field dental clinic providing free care under this section shall be considered a state agency solely for the purposes of this section and chapter 669 and shall be afforded protection under chapter 669 as a state agency for all claims arising from the provision of free care by a health care provider registered under subsection 3 who is providing services at the field dental clinic in accordance with this section or from the provision of free care by a health care provider who is covered by adequate medical malpractice insurance, as determined by the department, if the field dental clinic has registered with the department pursuant to subsection 1.

6. A specialty health care provider office providing free care under this section shall be considered a state agency solely for the purposes of this section and chapter 669 and shall be afforded protection under chapter 669 as a state agency for all claims arising from the provision of free care by a health care provider registered under subsection 3 who is providing services at the specialty health care provider office in accordance with this section or from the provision of free care by a health care provider who is covered by adequate medical malpractice insurance, as determined by the department, if the specialty health care provider office has registered with the department pursuant to subsection 1.

7. For the purposes of this section:

*a.* "*Charitable organization*" means a charitable organization within the meaning of section 501(c)(3) of the Internal Revenue Code.

*b.* "*Field dental clinic*" means a dental clinic temporarily or periodically erected at a location utilizing mobile dental equipment, instruments, or supplies, as necessary, to provide dental services.

*c.* "*Free clinic*" means a facility, other than a hospital or health care provider's office which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code and which has as its sole purpose the provision of health care services without charge to individuals who are otherwise unable to pay for the services.

*d.* "*Health care provider*" means a physician licensed under chapter 148, a chiropractor licensed under chapter 151, a physical therapist licensed pursuant to chapter 148A, an occupational therapist licensed pursuant to chapter 148B, a podiatrist licensed pursuant to chapter 149, a physician assistant licensed and practicing under a supervising physician pursuant to chapter 148C, a licensed practical nurse, a registered nurse, or an advanced registered nurse practitioner licensed pursuant to chapter 152 or 152E, a respiratory therapist licensed pursuant to chapter 152B, a dentist, dental hygienist, or dental assistant registered or licensed to practice under chapter 153, an optometrist licensed pursuant to chapter 154, a psychologist licensed pursuant to chapter 154B, a social worker licensed pursuant to chapter 154C, a mental health counselor or a marital and family therapist licensed pursuant to chapter 154D, a speech pathologist or audiologist licensed pursuant to chapter 154F, a pharmacist licensed pursuant to chapter 155A, or an emergency medical care provider certified pursuant to chapter 147A.

*e.* "*Specialty health care provider office*" means the private office or clinic of an individual specialty health care provider or group of specialty health care providers as referred by the Iowa collaborative safety net provider network established in section 135.153, but does not include a field dental clinic, a free clinic, or a hospital.

93 Acts, ch 65, §1; 95 Acts, ch 121, §1; 98 Acts, ch 1027, §1 – 6; 2001 Acts, ch 176, §31; 2002 Acts, ch 1108, §8; 2003 Acts, ch 89, §1; 2005 Acts, ch 118, §1 – 6; 2007 Acts, ch 10, §20; 2007

Acts, ch 95, §1; 2007 Acts, ch 159, §18; 2007 Acts, ch 218, §101, 193; 2008 Acts, ch 1088, §84, 85; 2009 Acts, ch 118, §43; 2009 Acts, ch 133, §32
Referred to in §135M.2

**135.25 Emergency medical services fund.**

An emergency medical services fund is created in the state treasury under the control of the department. The fund includes, but is not limited to, amounts appropriated by the general assembly, and other moneys available from federal or private sources which are to be used for purposes of this section. Funds remaining in the fund at the end of each fiscal year shall not revert to the general fund of the state but shall remain in the emergency medical services fund, notwithstanding section 8.33. The fund is established to assist counties by matching, on a dollar-for-dollar basis, moneys spent by a county for the acquisition of equipment for the provision of emergency medical services and by providing grants to counties for education and training in the delivery of emergency medical services, as provided in this section and section 422D.6. A county seeking matching funds under this section shall apply to the emergency medical services division of the department. The department shall adopt rules concerning the application and awarding process for the matching funds and the criteria for the allocation of moneys in the fund if the moneys are insufficient to meet the emergency medical services needs of the counties. Moneys allocated by the department to a county for emergency medical services purposes may be used for equipment or training and education as determined by the board of supervisors pursuant to section 422D.6.

93 Acts, ch 58, §1; 2000 Acts, ch 1043, §1
Referred to in §144.45A, 147A.6, 147A.23, 321.34

**135.26 Automated external defibrillator grant program.**

The department shall establish and implement an automated external defibrillator grant program which provides matching funds to local boards of health, community organizations, or cities for the program after standards and requirements for the utilization of automated external defibrillator equipment, and training on the use of such equipment, are developed at the local level. The objective of the program shall be to enhance the emergency response system in rural areas of the state where access to health care providers is often limited by providing increased access to automated external defibrillator equipment by rural emergency and community personnel. A local board of health, community organization, or city may submit an application to the department for review. The department shall establish criteria for the review and approval of grant applications by rule, and may accept gifts, grants, bequests, and other private contributions, as well as state or federal funds, for purposes of the program. The amount of a grant shall not exceed fifty percent of the cost of the automated external defibrillator equipment to be distributed to the applicant and the training program to be administered by the applicant at the local level. Each application shall include information demonstrating that the applicant will provide matching funds of fifty percent of the cost of the program. Grant recipients shall submit an annual report to the department indicating automated external defibrillator equipment usage levels, patient outcomes, and number of individuals trained. For the purposes of this section, *"rural"* means a geographic area outside an urban or suburban setting with a population of less than fifty thousand persons.

2004 Acts, ch 1034, §1, 2; 2006 Acts, ch 1181, §7

**135.27 Iowa healthy communities initiative — grant program.**

1. *Program goals.* The department shall establish a grant program to energize local communities to transform the existing culture into a culture that promotes healthy lifestyles and leads collectively, community by community, to a healthier state. The grant program shall expand an existing healthy communities initiative to assist local boards of health, in collaboration with existing community resources, to build community capacity in addressing the prevention of chronic disease that results from risk factors including overweight and obesity conditions.

2. *Distribution of grants.* The department shall distribute the grants on a competitive basis and shall support the grantee communities in planning and developing wellness strategies and establishing methodologies to sustain the strategies. Grant criteria shall

be consistent with the existing statewide initiative between the department and the department's partners that promotes increased opportunities for physical activity and healthy eating for Iowans of all ages, or its successor, and the statewide comprehensive plan developed by the existing statewide initiative to increase physical activity, improve nutrition, and promote healthy behaviors. Grantees shall demonstrate an ability to maximize local, state, and federal resources effectively and efficiently.

3. *Departmental support.* The department shall provide support to grantees including capacity-building strategies, technical assistance, consultation, and ongoing evaluation.

4. *Eligibility.* Local boards of health representing a coalition of health care providers and community and private organizations are eligible to submit applications.

2006 Acts, ch 1006, §1, 2; 2008 Acts, ch 1188, §60

**135.27A Governor's council on physical fitness and nutrition.** Repealed by 2011 Acts, ch 129, § 94, 156.

**135.28 State substitute medical decision-making board.** Repealed by 2010 Acts, ch 1031, § 399.

**135.29 Local substitute medical decision-making board.**

1. Each county in this state may establish and fund a local substitute medical decision-making board. The local substitute medical decision-making board shall be comprised of medical professionals and lay persons appointed pursuant to the rules adopted by the department.

2. Pursuant to rules adopted by the department, the local substitute medical decision-making board may act as a substitute decision maker for patients incapable of making their own medical care decisions if no other substitute decision maker is available to act. The local substitute medical decision-making board may exercise decision-making authority in situations where there is sufficient time to review the patient's condition, and a reasonably prudent person would consider a decision to be medically necessary. Such medically necessary decisions shall constitute good cause for subsequently filing a petition in the district court for appointment of a guardian pursuant to chapter 633, but the local substitute medical decision-making board shall continue to act in the patient's best interests until a guardian is appointed. Notwithstanding any other provision to the contrary regarding confidentiality of medical records, the local substitute decision-making board may issue subpoenas relating to the production of medical records of a patient under the board's review. A person participating in good faith in releasing medical record information in response to a board subpoena is immune from any liability, civil or criminal, which might otherwise be incurred or imposed.

3. The local substitute medical decision-making board and its members shall not be held liable, jointly or severally, for any actions or omissions taken or made in the official discharge of their duties, except those acts or omissions constituting willful or wanton misconduct. A physician or other health care provider who acts on a decision or directive of the local substitute medical decision-making board shall not be held liable for any damages resulting from that act, unless such physician's or other health care provider's actions or omissions constitute negligence in the practice of the profession or occupation, or willful or wanton misconduct.

89 Acts, ch 178, §3; 90 Acts, ch 1026, §2; 93 Acts, ch 139, §3; 2010 Acts, ch 1031, §395

## DIVISION II

## MISCELLANEOUS PROVISIONS

**135.30 Protective eyeglasses — safety provisions.** Repealed by 2009 Acts, ch 56, § 12.

**135.30A Breast-feeding in public places.**
Notwithstanding any other provision of law to the contrary, a woman may breast-feed the woman's own child in any public place where the woman's presence is otherwise authorized.
2000 Acts, ch 1140, §21

**135.31 Location of boards — rulemaking.**
The offices for the board of medicine, the board of pharmacy, the board of nursing, and the dental board shall be located within the department of public health. The individual boards shall have policymaking and rulemaking authority.
86 Acts, ch 1245, §1107; 2005 Acts, ch 3, §30; 2007 Acts, ch 10, §21; 2007 Acts, ch 218, §194

**135.32 Publication and distribution.** Repealed by 2012 Acts, ch 1113, § 19.

**135.33 Refusal of board to enforce rules.**
If any local board shall fail to enforce the rules of the state department or carry out its lawful directions, the department may enforce the same within the territorial jurisdiction of such local board, and for that purpose it may exercise all of the powers given by statute to the local board, and may employ the necessary assistants to carry out its lawful directions.
[C97, §2572; S13, §2569-a, 2572; C24, 27, 31, 35, 39, §**2212;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.33]
Powers of local board, chapter 137

**135.34 Expenses for enforcing rules.**
All expenses incurred by the state department in determining whether its rules are enforced by a local board, and in enforcing the same when a local board has failed to do so, shall be paid in the same manner as the expenses of enforcing such rules when enforced by the local board.
[S13, §2572; C24, 27, 31, 35, 39, §**2213;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.34]

**135.35 Duty of peace officers.**
All peace officers of the state when called upon by the department shall enforce its rules and execute the lawful orders of the department within their respective jurisdictions.
[C97, §2572; S13, §2572; C24, 27, 31, 35, 39, §**2214;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.35]

**135.36 Interference with health officer — penalties.**
Any person resisting or interfering with the department, its employees, or authorized agents, in the discharge of any duty imposed by law shall be guilty of a simple misdemeanor.
[C24, 27, 31, 35, 39, §**2215;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.36]

**135.37 Tattooing — permit requirement — penalty.**
1. A person shall not own, control and lease, act as an agent for, conduct, manage, or operate an establishment to practice the art of tattooing or engage in the practice of tattooing without first applying for and receiving a permit from the Iowa department of public health.
2. A minor shall not obtain a tattoo and a person shall not provide a tattoo to a minor. For the purposes of this section, *"minor"* means an unmarried person who is under the age of eighteen years.
3. A person who fails to meet the requirements of subsection 1 or a person providing a tattoo to a minor is guilty of a serious misdemeanor.
4. The Iowa department of public health shall:
*a.* Adopt rules pursuant to chapter 17A and establish and collect all fees necessary to administer this section. The provisions of chapter 17A, including licensing provisions, judicial review, and appeal, shall apply to this chapter.
*b.* Establish minimum safety and sanitation criteria for the operation of tattooing establishments.
5. If the Iowa department of public health determines that a provision of this section has been or is being violated, the department may order that a tattooing establishment not be

operated until the necessary corrective action has been taken. If the establishment continues to be operated in violation of the order of the department, the department may request that the county attorney or the attorney general make an application in the name of the state to the district court of the county in which the violations have occurred for an order to enjoin the violations. This remedy is in addition to any other legal remedy available to the department.

6. As necessary to avoid duplication and promote coordination of public health inspection and enforcement activities, the department may enter into agreements with local boards of health to provide for inspection of tattooing establishments and enforcement activities in accordance with the rules and criteria implemented under this section.

89 Acts, ch 154, §1; 2008 Acts, ch 1058, §4; 2009 Acts, ch 133, §33
Referred to in §157.3A

**135.38 Penalty.**

Any person who knowingly violates any provision of this chapter, or of the rules of the department, or any lawful order, written or oral, of the department or of its officers, or authorized agents, shall be guilty of a simple misdemeanor.

[C73, §419; C97, §2573; S13, §2575-a6; C24, 27, 31, 35, 39, §**2217;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.38]

**135.39 Federal aid.**

The state department of public health is hereby authorized to accept financial aid from the government of the United States for the purpose of assisting in carrying on public health or substance abuse responsibility in the state of Iowa.

[C31, 35, §2217-c1; C39, §**2217.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135.39]
86 Acts, ch 1245, §1108

**135.39A Gifts and grants fund — appropriation.**

The department is authorized to accept gifts, grants, or allotments of funds from any source to be used for programs authorized by this chapter or any other chapter which the department is responsible for administering. A public health gifts and grants fund is created as a separate fund in the state treasury under the control of the department. The fund shall consist of gift or grant moneys obtained from any source, including the federal government. The moneys collected under this section and deposited in the fund are appropriated to the department for the public health purposes specified in the gift or grant. Moneys in the fund shall not be subject to appropriation or expenditure for any other purpose. Notwithstanding section 8.33, moneys in the public health gifts and grants fund at the end of each fiscal year shall not revert to any other fund but shall remain in the public health gifts and grants fund for expenditure for subsequent fiscal years.

2004 Acts, ch 1168, §1

**135.39B Early childhood immunizations — content.**

1. Beginning January 1, 2006, early childhood immunizations administered in this state shall not contain more than trace amounts of mercury.

2. For the purposes of this section:

*a.* *"Early childhood immunizations"* means immunizations administered to children under eight years of age, unless otherwise provided in this section.

*b.* *"Trace amounts"* means trace amounts as defined by the United States food and drug administration.

3. The prohibition under this section shall not apply to early childhood immunizations for influenza or in times of emergency or epidemic as determined by the director of public health. If an emergency or epidemic is determined to exist by the director of public health under this subsection, the director of public health shall notify the state board of health, the governor, and the legislative council, and shall notify the public upon request.

2004 Acts, ch 1159, §1

**135.39C Elderly wellness services — payor of last resort.**

The department shall implement elderly wellness services in a manner that ensures that the services provided are not payable by a third-party source.

2005 Acts, ch 175, §76

**135.39D Vision screening.**

1. The parent or guardian of a child to be enrolled in a public or accredited nonpublic elementary school shall ensure that the child is screened for vision impairment at least once before enrollment in kindergarten and again before enrollment in grade three. The parent or guardian of the child shall ensure that evidence of the vision screening is provided to the school district or accredited nonpublic school in which the child is enrolled. Evidence of the vision screening may be provided either directly from the parent or guardian or from a vision screening provider referred to in subsection 2, and may be provided in either written or electronic form.

2. The requirement for vision screening may be satisfied by any of the following:

*a.* A vision screening or comprehensive eye examination by a licensed ophthalmologist or licensed optometrist.

*b.* A vision screening conducted at a pediatrician's or family practice physician's office, a free clinic, a child care center, a local public health department, a public or accredited nonpublic school, or a community-based organization, or by an advanced registered nurse practitioner or physician assistant.

*c.* An online vision screening, which may be conducted by a child's parent or guardian.

*d.* A photoscreening vision screening, including a vision screening by Iowa kidsight.

3. All vision screening methods pursuant to subsection 2, including emerging vision screening technologies, shall be age-appropriate and shall be approved by the department in consultation with leading vision organizations in the state, licensed ophthalmologists, and licensed optometrists.

4. A person who performs a vision screening required pursuant to this section shall report the results of the vision screening to the department. The department may collect and maintain such reports through the statewide immunization registry or a private contractor.

5. Each public and accredited nonpublic elementary school shall, in collaboration with the department, do the following:

*a.* Provide the parents or guardians of students with vision screening referral resources.

*b.* Arrange for evidence of vision screenings provided pursuant to subsection 1 to be forwarded to the department.

6. A child shall not be prohibited from attending school based upon the failure of a parent or guardian to ensure that the child has received the vision screening required by this section.

7. If a vision screening required pursuant to this section identifies potential vision impairment in a child, the person who performed the vision screening shall, if the person is not a licensed ophthalmologist or licensed optometrist, refer the child to a licensed ophthalmologist or licensed optometrist for a comprehensive eye examination.

8. The department shall establish procedures to contact parents or guardians of children identified as having potential vision impairment based on the results of a vision screening required pursuant to subsection 1 or a comprehensive eye examination required pursuant to subsection 7 in order to provide information on obtaining necessary vision correction.

9. The department may share information with licensed health care providers, agencies, and other persons involved with vision screenings, eye examinations, follow-up services, and intervention services as necessary to administer this section. The department shall adopt rules to protect the confidentiality of the individuals involved.

10. The vision screening requirement shall not apply if the vision screening conflicts with a parent's or guardian's genuine and sincere religious belief.

11. A person who acts in good faith in complying with this section shall not be civilly or criminally liable for reporting the information required to be reported by this section.

12. The department shall adopt rules necessary to administer this section.
2013 Acts, ch 76, §1
NEW section
See also §280.7A

## DIVISION III

## MORBIDITY AND MORTALITY STUDY

**135.40 Collection and distribution of information.**

Any person, hospital, sanatorium, nursing or rest home, or other organization may provide information, interviews, reports, statements, memoranda, or other data relating to the condition and treatment of any person to the department, the Iowa medical society or any of its allied medical societies, the Iowa osteopathic medical association, any in-hospital staff committee, or the Iowa healthcare collaborative, to be used in the course of any study for the purpose of reducing morbidity or mortality, and no liability of any kind or character for damages or other relief shall arise or be enforced against any person or organization that has acted reasonably and in good faith, by reason of having provided such information or material, or by reason of having released or published the findings and conclusions of such groups to advance medical research and medical education, or by reason of having released or published generally a summary of such studies.

For the purposes of this section, and section 135.41, the *"Iowa healthcare collaborative"* means an organization which is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code and which is established to provide direction to promote quality, safety, and value improvement collaborative efforts by hospitals and physicians.

[C66, 71, 73, 75, 77, 79, 81, §135.40]
2006 Acts, ch 1128, §1

**135.41 Publication.**

The department, the Iowa medical society or any of its allied medical societies, the Iowa osteopathic medical association, any in-hospital staff committee, or the Iowa healthcare collaborative shall use or publish said material only for the purpose of advancing medical research or medical education in the interest of reducing morbidity or mortality, except that a summary of such studies may be released by any such group for general publication. In all events the identity of any person whose condition or treatment has been studied shall be confidential and shall not be revealed under any circumstances. A violation of this section shall constitute a simple misdemeanor.

[C66, 71, 73, 75, 77, 79, 81, §135.41]
2006 Acts, ch 1128, §2
Referred to in §135.40

**135.42 Unlawful use.**

All information, interviews, reports, statements, memoranda, or other data furnished in accordance with this division and any findings or conclusions resulting from such studies shall not be used or offered or received in evidence in any legal proceedings of any kind or character, but nothing contained herein shall be construed as affecting the admissibility as evidence of the primary medical or hospital records pertaining to the patient or of any other writing, record or reproduction thereof not contemplated by this division.

[C66, 71, 73, 75, 77, 79, 81, §135.42]

## DIVISION IV

## IOWA CHILD DEATH REVIEW TEAM

**135.43 Iowa child death review team established — duties.**

1. An Iowa child death review team is established as part of the office of the state medical examiner. The office of the state medical examiner shall provide staffing and administrative support to the team.

2. The membership of the review team is subject to the provisions of sections 69.16 and 69.16A, relating to political affiliation and gender balance. Review team members who are not designated by another appointing authority shall be appointed by the state medical examiner. Membership terms shall be for three years. A membership vacancy shall be filled in the same manner as the original appointment. The review team shall elect a chairperson and other officers as deemed necessary by the review team. The review team shall meet upon the call of the state medical examiner or as determined by the review team. The members of the team are eligible for reimbursement of actual and necessary expenses incurred in the performance of their official duties. The review team shall include the following:

*a.* The state medical examiner or the state medical examiner's designee.

*b.* A certified or licensed professional who is knowledgeable concerning sudden infant death syndrome.

*c.* A pediatrician who is knowledgeable concerning deaths of children.

*d.* A family practice physician who is knowledgeable concerning deaths of children.

*e.* One mental health professional who is knowledgeable concerning deaths of children.

*f.* One social worker who is knowledgeable concerning deaths of children.

*g.* A certified or licensed professional who is knowledgeable concerning domestic violence.

*h.* A professional who is knowledgeable concerning substance abuse.

*i.* A local law enforcement official.

*j.* A county attorney.

*k.* An emergency room nurse who is knowledgeable concerning the deaths of children.

*l.* A perinatal expert.

*m.* A representative of the health insurance industry.

*n.* One other appointed at large.

3. The review team shall perform the following duties:

*a.* Collect, review, and analyze child death certificates and child death data, including patient records or other pertinent confidential information concerning the deaths of children under age eighteen, and other information as the review team deems appropriate for use in preparing an annual report to the governor and the general assembly concerning the causes and manner of child deaths. The report shall include analysis of factual information obtained through review and recommendations regarding prevention of child deaths.

*b.* Recommend to the governor and the general assembly interventions to prevent deaths of children based on an analysis of the cause and manner of such deaths.

*c.* Recommend to the agencies represented on the review team changes which may prevent child deaths.

*d.* Except as authorized by this section, maintain the confidentiality of any patient records or other confidential information reviewed.

*e.* Recommend to the department of human services, appropriate law enforcement agencies, and any other person involved with child protection, interventions that may prevent harm to a child who is related to or is living in the same home as a child whose case is reviewed by the team.

*f.* If the sharing of information is necessary to assist in or initiate a child death investigation or criminal prosecution and the office or agency receiving the information does not otherwise have access to the information, share information possessed by the review team with the office of the attorney general, a county attorney's office, or an appropriate law enforcement agency. The office or agency receiving the information shall maintain the

confidentiality of the information in accordance with this section. Unauthorized release or disclosure of the information received is subject to penalty as provided in this section.

*g.* In order to assist a division of the department in performing the division's duties, if the division does not otherwise have access to the information, share information possessed by the review team. The division receiving the information shall maintain the confidentiality of the information in accordance with this section. Unauthorized release or disclosure of the information received is subject to penalty as provided in this section.

4. The review team shall develop protocols for a child fatality review committee, to be appointed by the state medical examiner on an ad hoc basis, to immediately review the child abuse assessments which involve the fatality of a child under age eighteen. The state medical examiner shall appoint a medical examiner, a pediatrician, and a person involved with law enforcement to the committee.

*a.* The purpose of the review shall be to determine whether the department of human services and others involved with the case of child abuse responded appropriately. The protocols shall provide for the committee to consult with any multidisciplinary team, as defined in section 235A.13, that is operating in the area in which the fatality occurred.

*b.* The committee shall have access to patient records and other pertinent confidential information and, subject to the restrictions in this subsection, may redisseminate the confidential information in the committee's report.

*c.* Upon completion of the review, the committee shall issue a report which shall include findings concerning the case and recommendations for changes to prevent child fatalities when similar circumstances exist. The report shall include but is not limited to the following information, subject to the restrictions listed in paragraph "*d*":

(1) The dates, outcomes, and results of any actions taken by the department of human services and others in regard to each report and allegation of child abuse involving the child who died.

(2) The results of any review of the case performed by a multidisciplinary team, or by any other public entity that reviewed the case.

(3) Confirmation of the department of human services receipt of any report of child abuse involving the child, including confirmation as to whether or not any assessment involving the child was performed in accordance with section 232.71B, the results of any assessment, a description of the most recent assessment and the services offered to the family, the services rendered to the family, and the basis for the department's decisions concerning the case.

*d.* Prior to issuing the report, the committee shall consult with the county attorney responsible for prosecution of the alleged perpetrator of the child fatality. The committee's report shall include child abuse information associated with the case and the child, but is subject to the restrictions applicable to the department of human services for release of information concerning a child fatality or near fatality in accordance with section 235A.15, subsection 9.

*e.* Following the completion of the trial of any alleged perpetrator of the child fatality and the appeal period for the granting of a new trial, the committee shall issue a supplemental report containing the information that was withheld, in accordance with paragraph "*d*", so as not to jeopardize the prosecution or the rights of the alleged perpetrator to a fair trial as described in section 235A.15, subsection 9, paragraphs "*e*" and "*f*".

*f.* The report and any supplemental report shall be submitted to the governor and general assembly.

*g.* If deemed appropriate by the committee, at any point in the review the committee may recommend to the department of human services, appropriate law enforcement agencies, and any other person involved with child protection, interventions that may prevent harm to a child who is related to or is living in the same home as a child whose case is reviewed by the committee.

5. *a.* The following individuals shall designate a liaison to assist the review team in fulfilling its responsibilities:

(1) The director of public health.

(2) The director of human services.

(3) The commissioner of public safety.

(4) The attorney general.
(5) The director of transportation.
(6) The director of the department of education.

*b.* In addition, the chairperson of the review team shall designate a liaison from the public at large to assist the review team in fulfilling its responsibilities.

6. The review team may establish subcommittees to which the team may delegate some or all of the team's responsibilities under subsection 3.

7. *a.* The state medical examiner, the Iowa department of public health, and the department of human services shall adopt rules providing for disclosure of information which is confidential under chapter 22 or any other provision of state law, to the review team for purposes of performing its child death and child abuse review responsibilities.

*b.* A person in possession or control of medical, investigative, assessment, or other information pertaining to a child death and child abuse review shall allow the inspection and reproduction of the information by the office of the state medical examiner upon the request of the office, to be used only in the administration and for the duties of the Iowa child death review team. Except as provided for a report on a child fatality by an ad hoc child fatality review committee under subsection 4, information and records produced under this section which are confidential under section 22.7 and chapter 235A, and information or records received from the confidential records, remain confidential under this section. A person does not incur legal liability by reason of releasing information to the department or the office of the state medical examiner as required under and in compliance with this section.

8. Review team members and their agents are immune from any liability, civil or criminal, which might otherwise be incurred or imposed as a result of any act, omission, proceeding, decision, or determination undertaken or performed, or recommendation made as a review team member or agent provided that the review team members or agents acted in good faith and without malice in carrying out their official duties in their official capacity. The state medical examiner shall adopt rules pursuant to chapter 17A to administer this subsection. A complainant bears the burden of proof in establishing malice or lack of good faith in an action brought against review team members involving the performance of their duties and powers under this section.

9. A person who releases or discloses confidential data, records, or any other type of information in violation of this section is guilty of a serious misdemeanor.

95 Acts, ch 147, §2; 97 Acts, ch 159, §3, 4; 2000 Acts, ch 1051, §1; 2000 Acts, ch 1137, §1 – 3, 14; 2002 Acts, ch 1119, §129, 130; 2005 Acts, ch 6, §1 – 3; 2005 Acts, ch 179, §118; 2007 Acts, ch 159, §19, 20; 2009 Acts, ch 182, §108 – 111; 2010 Acts, ch 1069, §14

Referred to in §216A.133A, 691.6

Legislative findings and purpose; 95 Acts, ch 147, §1

Continuing effectiveness of rules adopted by department of public health until replacement rules are adopted by state medical examiner; 2009 Acts, ch 182, §113

**135.44** Repealed by 88 Acts, ch 1158, § 102.

## DIVISION V

## RENAL DISEASES

**135.45 through 135.48** Repealed by 2005 Acts, ch 89, § 39.

**135.49 through 135.60** Reserved.

## DIVISION VI

## HEALTH FACILITIES COUNCIL

Referred to in §249K.2

**135.61 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Affected persons"* means, with respect to an application for a certificate of need:

*a.* The person submitting the application.

*b.* Consumers who would be served by the new institutional health service proposed in the application.

*c.* Each institutional health facility or health maintenance organization which is located in the geographic area which would appropriately be served by the new institutional health service proposed in the application. The appropriate geographic service area of each institutional health facility or health maintenance organization shall be determined on a uniform basis in accordance with criteria established in rules adopted by the department.

*d.* Each institutional health facility or health maintenance organization which, prior to receipt of the application by the department, has formally indicated to the department pursuant to this division an intent to furnish in the future institutional health services similar to the new institutional health service proposed in the application.

*e.* Any other person designated as an affected person by rules of the department.

*f.* Any payer or third-party payer for health services.

2. *"Birth center"* means a facility or institution, which is not an ambulatory surgical center or a hospital or in a hospital, in which births are planned to occur following a normal, uncomplicated, low-risk pregnancy.

3. *"Consumer"* means any individual whose occupation is other than health services, who has no fiduciary obligation to an institutional health facility, health maintenance organization or other facility primarily engaged in delivery of services provided by persons in health service occupations, and who has no material financial interest in the providing of any health services.

4. *"Council"* means the state health facilities council established by this division.

5. *"Department"* means the Iowa department of public health.

6. *"Develop"*, when used in connection with health services, means to undertake those activities which on their completion will result in the offer of a new institutional health service or the incurring of a financial obligation in relation to the offering of such a service.

7. *"Director"* means the director of public health, or the director's designee.

8. *"Financial reporting"* means reporting by which hospitals and health care facilities shall respectively record their revenues, expenses, other income, other outlays, assets and liabilities, and units of services.

9. *"Health care facility"* means health care facility as defined in section 135C.1.

10. *"Health care provider"* means a person licensed or certified under chapter 147, 148, 148A, 148C, 149, 151, 152, 153, 154, 154B, 154F, or 155A to provide in this state professional health care service to an individual during that individual's medical care, treatment, or confinement.

11. *"Health maintenance organization"* means health maintenance organization as defined in section 514B.1, subsection 6.

12. *"Health services"* means clinically related diagnostic, curative, or rehabilitative services, and includes alcoholism, drug abuse, and mental health services.

13. *"Hospital"* means hospital as defined in section 135B.1, subsection 3.

14. *"Institutional health facility"* means any of the following, without regard to whether the facilities referred to are publicly or privately owned or are organized for profit or not or whether the facilities are part of or sponsored by a health maintenance organization:

*a.* A hospital.

*b.* A health care facility.

*c.* An organized outpatient health facility.

*d.* An outpatient surgical facility.

*e.* A community mental health facility.

*f.* A birth center.

15. *"Institutional health service"* means any health service furnished in or through institutional health facilities or health maintenance organizations, including mobile health services.

16. *"Mobile health service"* means equipment used to provide a health service that can be transported from one delivery site to another.

17. *"Modernization"* means the alteration, repair, remodeling, replacement or renovation of existing buildings or of the equipment previously installed therein, or both.

18. *"New institutional health service"* or *"changed institutional health service"* means any of the following:

*a.* The construction, development or other establishment of a new institutional health facility regardless of ownership.

*b.* Relocation of an institutional health facility.

*c.* Any capital expenditure, lease, or donation by or on behalf of an institutional health facility in excess of one million five hundred thousand dollars within a twelve-month period.

*d.* A permanent change in the bed capacity, as determined by the department, of an institutional health facility. For purposes of this paragraph, a change is permanent if it is intended to be effective for one year or more.

*e.* Any expenditure in excess of five hundred thousand dollars by or on behalf of an institutional health facility for health services which are or will be offered in or through an institutional health facility at a specific time but which were not offered on a regular basis in or through that institutional health facility within the twelve-month period prior to that time.

*f.* The deletion of one or more health services, previously offered on a regular basis by an institutional health facility or health maintenance organization or the relocation of one or more health services from one physical facility to another.

*g.* Any acquisition by or on behalf of a health care provider or a group of health care providers of any piece of replacement equipment with a value in excess of one million five hundred thousand dollars, whether acquired by purchase, lease, or donation.

*h.* Any acquisition by or on behalf of a health care provider or group of health care providers of any piece of equipment with a value in excess of one million five hundred thousand dollars, whether acquired by purchase, lease, or donation, which results in the offering or development of a health service not previously provided. A mobile service provided on a contract basis is not considered to have been previously provided by a health care provider or group of health care providers.

*i.* Any acquisition by or on behalf of an institutional health facility or a health maintenance organization of any piece of replacement equipment with a value in excess of one million five hundred thousand dollars, whether acquired by purchase, lease, or donation.

*j.* Any acquisition by or on behalf of an institutional health facility or health maintenance organization of any piece of equipment with a value in excess of one million five hundred thousand dollars, whether acquired by purchase, lease, or donation, which results in the offering or development of a health service not previously provided. A mobile service provided on a contract basis is not considered to have been previously provided by an institutional health facility.

*k.* Any air transportation service for transportation of patients or medical personnel offered through an institutional health facility at a specific time but which was not offered on a regular basis in or through that institutional health facility within the twelve-month period prior to the specific time.

*l.* Any mobile health service with a value in excess of one million five hundred thousand dollars.

*m.* Any of the following:

(1) Cardiac catheterization service.

(2) Open heart surgical service.

(3) Organ transplantation service.

(4) Radiation therapy service applying ionizing radiation for the treatment of malignant disease using megavoltage external beam equipment.

19. *"Offer"*, when used in connection with health services, means that an institutional

health facility, health maintenance organization, health care provider, or group of health care providers holds itself out as capable of providing, or as having the means to provide, specified health services.

20. *"Organized outpatient health facility"* means a facility, not part of a hospital, organized and operated to provide health care to noninstitutionalized and nonhomebound persons on an outpatient basis; it does not include private offices or clinics of individual physicians, dentists or other practitioners, or groups of practitioners, who are health care providers.

21. *"Outpatient surgical facility"* means a facility which as its primary function provides, through an organized medical staff and on an outpatient basis to patients who are generally ambulatory, surgical procedures not ordinarily performed in a private physician's office, but not requiring twenty-four hour hospitalization, and which is neither a part of a hospital nor the private office of a health care provider who there engages in the lawful practice of surgery. *"Outpatient surgical facility"* includes a facility certified or seeking certification as an ambulatory surgical center, under the federal Medicare program or under the medical assistance program established pursuant to chapter 249A.

22. *"Technologically innovative equipment"* means equipment potentially useful for diagnostic or therapeutic purposes which introduces new technology in the diagnosis or treatment of disease, the usefulness of which is not well enough established to permit a specific plan of need to be developed for the state.

[C79, 81, §135.61; 82 Acts, ch 1194, §1, 2]

87 Acts, ch 215, §39; 91 Acts, ch 225, §1; 97 Acts, ch 93, §1, 2; 2002 Acts, ch 1162, §77; 2008 Acts, ch 1088, §86

Referred to in §135.63, 135.131, 505.27, 708.3A

**135.62 Department to administer division — health facilities council established — appointments — powers and duties.**

1. This division shall be administered by the department. The director shall employ or cause to be employed the necessary persons to discharge the duties imposed on the department by this division.

2. There is established a state health facilities council consisting of five persons appointed by the governor. The council shall be within the department for administrative and budgetary purposes.

*a. Qualifications.* The members of the council shall be chosen so that the council as a whole is broadly representative of various geographical areas of the state and no more than three of its members are affiliated with the same political party. Each council member shall be a person who has demonstrated by prior activities an informed concern for the planning and delivery of health services. A member of the council and any spouse of a member shall not, during the time that member is serving on the council, do either of the following:

(1) Be a health care provider nor be otherwise directly or indirectly engaged in the delivery of health care services nor have a material financial interest in the providing or delivery of health services.

(2) Serve as a member of any board or other policymaking or advisory body of an institutional health facility, a health maintenance organization, or any health or hospital insurer.

*b. Appointments.* Terms of council members shall be six years, beginning and ending as provided in section 69.19. A member shall be appointed in each odd-numbered year to succeed each member whose term expires in that year. Vacancies shall be filled by the governor for the balance of the unexpired term. Each appointment to the council is subject to confirmation by the senate. A council member is ineligible for appointment to a second consecutive term, unless first appointed to an unexpired term of three years or less.

*c. Chairperson.* The governor shall designate one of the council members as chairperson. That designation may be changed not later than July 1 of any odd-numbered year, effective on the date of the organizational meeting held in that year under paragraph *"d"*.

*d. Meetings.* The council shall hold an organizational meeting in July of each odd-numbered year, or as soon thereafter as the new appointee or appointees are confirmed

and have qualified. Other meetings shall be held as necessary to enable the council to expeditiously discharge its duties. Meeting dates shall be set upon adjournment or by call of the chairperson upon five days' notice to the other members.

*e. Compensation.* Each member of the council shall receive a per diem as specified in section 7E.6 and reimbursement for actual expenses while engaged in official duties.

*f. Duties.* The council shall do all of the following:

(1) Make the final decision, as required by section 135.69, with respect to each application for a certificate of need accepted by the department.

(2) Determine and adopt such policies as are authorized by law and are deemed necessary to the efficient discharge of its duties under this division.

(3) Have authority to direct staff personnel of the department assigned to conduct formal or summary reviews of applications for certificates of need.

(4) Advise and counsel with the director concerning the provisions of this division and the policies and procedures adopted by the department pursuant to this division.

(5) Review and approve, prior to promulgation, all rules adopted by the department under this division.

[C79, 81, §135.62]

86 Acts, ch 1245, §1109; 88 Acts, ch 1277, §26; 90 Acts, ch 1256, §30; 91 Acts, ch 225, §2, 3; 97 Acts, ch 93, §3; 2009 Acts, ch 41, §40

Confirmation, see §2.32

**135.63 Certificate of need required — exclusions.**

1. A new institutional health service or changed institutional health service shall not be offered or developed in this state without prior application to the department for and receipt of a certificate of need, pursuant to this division. The application shall be made upon forms furnished or prescribed by the department and shall contain such information as the department may require under this division. The application shall be accompanied by a fee equivalent to three-tenths of one percent of the anticipated cost of the project with a minimum fee of six hundred dollars and a maximum fee of twenty-one thousand dollars. The fee shall be remitted by the department to the treasurer of state, who shall place it in the general fund of the state. If an application is voluntarily withdrawn within thirty calendar days after submission, seventy-five percent of the application fee shall be refunded; if the application is voluntarily withdrawn more than thirty but within sixty days after submission, fifty percent of the application fee shall be refunded; if the application is withdrawn voluntarily more than sixty days after submission, twenty-five percent of the application fee shall be refunded. Notwithstanding the required payment of an application fee under this subsection, an applicant for a new institutional health service or a changed institutional health service offered or developed by an intermediate care facility for persons with an intellectual disability or an intermediate care facility for persons with mental illness as defined pursuant to section 135C.1 is exempt from payment of the application fee.

2. This division shall not be construed to augment, limit, contravene, or repeal in any manner any other statute of this state which may authorize or relate to licensure, regulation, supervision, or control of, nor to be applicable to:

*a.* Private offices and private clinics of an individual physician, dentist, or other practitioner or group of health care providers, except as provided by section 135.61, subsection 18, paragraphs "*g*", "*h*", and "*m*", and section 135.61, subsections 20 and 21.

*b.* Dispensaries and first aid stations, located within schools, businesses, or industrial establishments, which are maintained solely for the use of students or employees of those establishments and which do not contain inpatient or resident beds that are customarily occupied by the same individual for more than twenty-four consecutive hours.

*c.* Establishments such as motels, hotels, and boarding houses which provide medical, nursing personnel, and other health related services as an incident to their primary business or function.

*d.* The remedial care or treatment of residents or patients in any home or institution conducted only for those who rely solely upon treatment by prayer or spiritual means in accordance with the creed or tenets of any recognized church or religious denomination.

*e.* A health maintenance organization or combination of health maintenance organizations or an institutional health facility controlled directly or indirectly by a health maintenance organization or combination of health maintenance organizations, except when the health maintenance organization or combination of health maintenance organizations does any of the following:

(1) Constructs, develops, renovates, relocates, or otherwise establishes an institutional health facility.

(2) Acquires major medical equipment as provided by section 135.61, subsection 18, paragraphs *"i"* and *"j"*.

*f.* A residential care facility, as defined in section 135C.1, including a residential care facility for persons with an intellectual disability, notwithstanding any provision in this division to the contrary.

*g.* (1) A reduction in bed capacity of an institutional health facility, notwithstanding any provision in this division to the contrary, if all of the following conditions exist:

(a) The institutional health facility reports to the department the number and type of beds reduced on a form prescribed by the department at least thirty days before the reduction. In the case of a health care facility, the new bed total must be consistent with the number of licensed beds at the facility. In the case of a hospital, the number of beds must be consistent with bed totals reported to the department of inspections and appeals for purposes of licensure and certification.

(b) The institutional health facility reports the new bed total on its next annual report to the department.

(2) If these conditions are not met, the institutional health facility is subject to review as a "new institutional health service" or "changed institutional health service" under section 135.61, subsection 18, paragraph *"d"*, and subject to sanctions under section 135.73. If the institutional health facility reestablishes the deleted beds at a later time, review as a "new institutional health service" or "changed institutional health service" is required pursuant to section 135.61, subsection 18, paragraph *"d"*.

*h.* (1) The deletion of one or more health services, previously offered on a regular basis by an institutional health facility or health maintenance organization, notwithstanding any provision of this division to the contrary, if all of the following conditions exist:

(a) The institutional health facility or health maintenance organization reports to the department the deletion of the service or services at least thirty days before the deletion on a form prescribed by the department.

(b) The institutional health facility or health maintenance organization reports the deletion of the service or services on its next annual report to the department.

(2) If these conditions are not met, the institutional health facility or health maintenance organization is subject to review as a "new institutional health service" or "changed institutional health service" under section 135.61, subsection 18, paragraph *"f"*, and subject to sanctions under section 135.73.

(3) If the institutional health facility or health maintenance organization reestablishes the deleted service or services at a later time, review as a "new institutional health service" or "changed institutional health service" may be required pursuant to section 135.61, subsection 18.

*i.* A residential program exempt from licensing as a health care facility under chapter 135C in accordance with section 135C.6, subsection 8.

*j.* The construction, modification, or replacement of nonpatient care services, including parking facilities, heating, ventilation and air conditioning systems, computers, telephone systems, medical office buildings, and other projects of a similar nature, notwithstanding any provision in this division to the contrary.

*k.* (1) The redistribution of beds by a hospital within the acute care category of bed usage, notwithstanding any provision in this division to the contrary, if all of the following conditions exist:

(a) The hospital reports to the department the number and type of beds to be redistributed on a form prescribed by the department at least thirty days before the redistribution.

(b) The hospital reports the new distribution of beds on its next annual report to the department.

(2) If these conditions are not met, the redistribution of beds by the hospital is subject to review as a new institutional health service or changed institutional health service pursuant to section 135.61, subsection 18, paragraph *"d"*, and is subject to sanctions under section 135.73.

*l.* The replacement or modernization of any institutional health facility if the replacement or modernization does not add new health services or additional bed capacity for existing health services, notwithstanding any provision in this division to the contrary. With respect to a nursing facility, *"replacement"* means establishing a new facility within the same county as the prior facility to be closed. With reference to a hospital, *"replacement"* means establishing a new hospital that demonstrates compliance with all of the following criteria through evidence submitted to the department:

(1) Is designated as a critical access hospital pursuant to 42 U.S.C. § 1395i-4.

(2) Serves at least seventy-five percent of the same service area that was served by the prior hospital to be closed and replaced by the new hospital.

(3) Provides at least seventy-five percent of the same services that were provided by the prior hospital to be closed and replaced by the new hospital.

(4) Is staffed by at least seventy-five percent of the same staff, including medical staff, contracted staff, and employees, as constituted the staff of the prior hospital to be closed and replaced by the new hospital.

*m.* Hemodialysis services provided by a hospital or freestanding facility, notwithstanding any provision in this division to the contrary.

*n.* Hospice services provided by a hospital, notwithstanding any provision in this division to the contrary.

*o.* The change in ownership, licensure, organizational structure, or designation of the type of institutional health facility if the health services offered by the successor institutional health facility are unchanged. This exclusion is applicable only if the institutional health facility consents to the change in ownership, licensure, organizational structure, or designation of the type of institutional health facility and ceases offering the health services simultaneously with the initiation of the offering of health services by the successor institutional health facility.

*p.* The conversion of an existing number of beds by an intermediate care facility for persons with an intellectual disability to a smaller facility environment, including but not limited to a community-based environment which does not result in an increased number of beds, notwithstanding any provision in this division to the contrary, including subsection 4, if all of the following conditions exist:

(1) The intermediate care facility for persons with an intellectual disability reports the number and type of beds to be converted on a form prescribed by the department at least thirty days before the conversion.

(2) The intermediate care facility for persons with an intellectual disability reports the conversion of beds on its next annual report to the department.

3. This division shall not be construed to be applicable to a health care facility operated by and for the exclusive use of members of a religious order, which does not admit more than two individuals to the facility from the general public, and which was in operation prior to July 1, 1986. However, this division is applicable to such a facility if the facility is involved in the offering or developing of a new or changed institutional health service on or after July 1, 1986.

4. A copy of the application shall be sent to the department of human services at the time the application is submitted to the Iowa department of public health. The department shall not process applications for and the council shall not consider a new or changed institutional health service for an intermediate care facility for persons with an intellectual disability unless both of the following conditions are met:

*a.* The new or changed beds shall not result in an increase in the total number of medical assistance certified intermediate care facility beds for persons with an intellectual disability in the state, exclusive of those beds at the state resource centers or other state institutions, beyond one thousand six hundred thirty-six beds.

*b.* A letter of support for the application is provided by the county board of supervisors, or the board's designee, in the county in which the beds would be located.

[C79, 81, §135.63; 82 Acts, ch 1194, §3]

86 Acts, ch 1150, §1; 86 Acts, ch 1245, §1110; 91 Acts, ch 225, §4; 92 Acts, ch 1043, §1; 92 Acts, ch 1206, §1; 95 Acts, ch 120, §1; 96 Acts, ch 1129, §113; 97 Acts, ch 93, §4 – 8; 2002 Acts, ch 1120, §10; 2006 Acts, ch 1184, §78; 2008 Acts, ch 1191, §47; 2009 Acts, ch 184, §38; 2012 Acts, ch 1019, §7 – 10

Referred to in §135.66, 135C.2, 231C.3

**135.64 Criteria for evaluation of applications.**

1. In determining whether a certificate of need shall be issued, the department and council shall consider the following:

*a.* The contribution of the proposed institutional health service in meeting the needs of the medically underserved, including persons in rural areas, low-income persons, racial and ethnic minorities, persons with disabilities, and the elderly, as well as the extent to which medically underserved residents in the applicant's service area are likely to have access to the proposed institutional health service.

*b.* The relationship of the proposed institutional health services to the long-range development plan, if any, of the person providing or proposing the services.

*c.* The need of the population served or to be served by the proposed institutional health services for those services.

*d.* The distance, convenience, cost of transportation, and accessibility to health services for persons who live outside metropolitan areas.

*e.* The availability of alternative, less costly, or more effective methods of providing the proposed institutional health services.

*f.* The immediate and long-term financial feasibility of the proposal presented in the application, as well as the probable impact of the proposal on the costs of and charges for providing health services by the person proposing the new institutional health service.

*g.* The relationship of the proposed institutional health services to the existing health care system of the area in which those services are proposed to be provided.

*h.* The appropriate and efficient use or prospective use of the proposed institutional health service, and of any existing similar services, including but not limited to a consideration of the capacity of the sponsor's facility to provide the proposed service, and possible sharing or cooperative arrangements among existing facilities and providers.

*i.* The availability of resources, including, but not limited to, health care providers, management personnel, and funds for capital and operating needs, to provide the proposed institutional health services and the possible alternative uses of those resources to provide other health services.

*j.* The appropriate and nondiscriminatory utilization of existing and available health care providers. Where both allopathic and osteopathic institutional health services exist, each application shall be considered in light of the availability and utilization of both allopathic and osteopathic facilities and services in order to protect the freedom of choice of consumers and health care providers.

*k.* The relationship, including the organizational relationship, of the proposed institutional health services to ancillary or support services.

*l.* Special needs and circumstances of those entities which provide a substantial portion of their services or resources, or both, to individuals not residing in the immediate geographic area in which the entities are located, which entities may include but are not limited to medical and other health professional schools, multidisciplinary clinics, and specialty centers.

*m.* The special needs and circumstances of health maintenance organizations.

*n.* The special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages.

*o.* The impact of relocation of an institutional health facility or health maintenance organization on other institutional health facilities or health maintenance organizations and on the needs of the population to be served, or which was previously served, or both.

*p.* In the case of a construction project, the costs and methods of the proposed

construction and the probable impact of the proposed construction project on total health care costs.

*q.* In the case of a proposal for the addition of beds to a health care facility, the consistency of the proposed addition with the plans of other agencies of this state responsible for provision and financing of long-term care services, including home health services.

*r.* The recommendations of staff personnel of the department assigned to the area of certificate of need, concerning the application, if requested by the council.

2. In addition to the findings required with respect to any of the criteria listed in subsection 1 of this section, the council shall grant a certificate of need for a new institutional health service or changed institutional health service only if it finds in writing, on the basis of data submitted to it by the department, that:

*a.* Less costly, more efficient, or more appropriate alternatives to the proposed institutional health service are not available and the development of such alternatives is not practicable;

*b.* Any existing facilities providing institutional health services similar to those proposed are being used in an appropriate and efficient manner;

*c.* In the case of new construction, alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable;

*d.* Patients will experience serious problems in obtaining care of the type which will be furnished by the proposed new institutional health service or changed institutional health service, in the absence of that proposed new service.

3. In the evaluation of applications for certificates of need submitted by university hospital at Iowa City, the unique features of that institution relating to statewide tertiary health care, health science education, and clinical research shall be given due consideration. Further, in administering this division, the unique capacity of university hospitals for the evaluation of technologically innovative equipment and other new health services shall be utilized.

[C79, 81, §135.64]

91 Acts, ch 225, §5; 92 Acts, ch 1043, §2; 96 Acts, ch 1129, §113; 2002 Acts, ch 1120, §11

Referred to in §135.65, 135.66, 135.72

**135.65 Letter of intent to precede application — review and comment.**

1. Before applying for a certificate of need, the sponsor of a proposed new institutional health service or changed institutional health service shall submit to the department a letter of intent to offer or develop a service requiring a certificate of need. The letter shall be submitted as soon as possible after initiation of the applicant's planning process, and in any case not less than thirty days before applying for a certificate of need and before substantial expenditures to offer or develop the service are made. The letter shall include a brief description of the proposed new or changed service, its location, and its estimated cost.

2. Upon request of the sponsor of the proposed new or changed service, the department shall make a preliminary review of the letter for the purpose of informing the sponsor of the project of any factors which may appear likely to result in denial of a certificate of need, based on the criteria for evaluation of applications in section 135.64. A comment by the department under this section shall not constitute a final decision.

[C79, 81, §135.65]

91 Acts, ch 225, §6; 97 Acts, ch 93, §9

Referred to in §135.67

**135.66 Procedure upon receipt of application — public notification.**

1. Within fifteen business days after receipt of an application for a certificate of need, the department shall examine the application for form and completeness and accept or reject it. An application shall be rejected only if it fails to provide all information required by the department pursuant to section 135.63, subsection 1. The department shall promptly return to the applicant any rejected application, with an explanation of the reasons for its rejection.

2. Upon acceptance of an application for a certificate of need, the department shall promptly undertake to notify all affected persons in writing that formal review of the

application has been initiated. Notification to those affected persons who are consumers or third-party payers or other payers for health services may be provided by distribution of the pertinent information to the news media.

3. Each application accepted by the department shall be formally reviewed for the purpose of furnishing to the council the information necessary to enable it to determine whether or not to grant the certificate of need. A formal review shall consist at a minimum of the following steps:

*a.* Evaluation of the application against the criteria specified in section 135.64.

*b.* A public hearing on the application, to be held prior to completion of the evaluation required by paragraph "*a*", shall be conducted by the council.

4. When a hearing is to be held pursuant to subsection 3, paragraph "*b*", the department shall give at least ten days' notice of the time and place of the hearing. At the hearing, any affected person or that person's designated representative shall have the opportunity to present testimony.

[C79, 81, §135.66]

91 Acts, ch 225, §7

Referred to in §135.70

**135.67 Summary review procedure.**

1. The department may waive the letter of intent procedures prescribed by section 135.65 and substitute a summary review procedure, which shall be established by rules of the department, when it accepts an application for a certificate of need for a project which meets any of the criteria in paragraphs "*a*" through "*e*":

*a.* A project which is limited to repair or replacement of a facility or equipment damaged or destroyed by a disaster, and which will not expand the facility nor increase the services provided beyond the level existing prior to the disaster.

*b.* A project necessary to enable the facility or service to achieve or maintain compliance with federal, state, or other appropriate licensing, certification, or safety requirements.

*c.* A project which will not change the existing bed capacity of the applicant's facility or service, as determined by the department, by more than ten percent or ten beds, whichever is less, over a two-year period.

*d.* A project the total cost of which will not exceed one hundred fifty thousand dollars.

*e.* Any other project for which the applicant proposes and the department agrees to summary review.

2. The department's decision to disallow a summary review shall be binding upon the applicant.

[C79, 81, §135.67]

91 Acts, ch 225, §8 – 10; 2009 Acts, ch 41, §191

Referred to in §135.72

**135.68 Status reports on review in progress.**

While formal review of an application for a certificate of need is in progress, the department shall upon request inform any affected person of the status of the review, any findings which have been made in the course of the review, and any other appropriate information concerning the review.

[C79, 81, §135.68]

**135.69 Council to make final decision.**

The department shall complete its formal review of the application within ninety days after acceptance of the application, except as otherwise provided by section 135.72, subsection 4. Upon completion of the formal review, the council shall approve or deny the application. The council shall issue written findings stating the basis for its decision on the application, and the department shall send copies of the council's decision and the written findings supporting the decision to the applicant and to any other person who so requests.

Failure by the council to issue a written decision on an application for a certificate of need

within the time required by this section shall constitute denial of and final administrative action on the application.

[C79, 81, §135.69]

91 Acts, ch 225, §11

Referred to in §135.62, 135.70, 135.72

**135.70 Appeal of certificate of need decisions.**

The council's decision on an application for certificate of need, when announced pursuant to section 135.69, is a final decision. Any dissatisfied party who is an affected person with respect to the application, and who participated or sought unsuccessfully to participate in the formal review procedure prescribed by section 135.66, may request a rehearing in accordance with chapter 17A and rules of the department. If a rehearing is not requested or an affected party remains dissatisfied after the request for rehearing, an appeal may be taken in the manner provided by chapter 17A. Notwithstanding the Iowa administrative procedure Act, chapter 17A, a request for rehearing is not required, prior to appeal under section 17A.19.

[C79, 81, §135.70]

91 Acts, ch 225, §12

**135.71 Period for which certificate is valid — extension or revocation.**

A certificate of need shall be valid for a maximum of one year from the date of issuance. Upon the expiration of the certificate, or at any earlier time while the certificate is valid the holder thereof shall provide the department such information on the development of the project covered by the certificate as the department may request. The council shall determine at the end of the certification period whether sufficient progress is being made on the development of the project. The certificate of need may be extended by the council for additional periods of time as are reasonably necessary to expeditiously complete the project, but may be revoked by the council at the end of the first or any subsequent certification period for insufficient progress in developing the project.

Upon expiration of certificate of need, and prior to extension thereof, any affected person shall have the right to submit to the department information which may be relevant to the question of granting an extension. The department may call a public hearing for this purpose.

[C79, 81, §135.71]

97 Acts, ch 93, §10

**135.72 Authority to adopt rules.**

The department shall adopt, with approval of the council, such administrative rules as are necessary to enable it to implement this division. These rules shall include:

1. Additional procedures and criteria for review of applications for certificates of need.

2. Uniform procedures for variations in application of criteria specified by section 135.64 for use in formal review of applications for certificates of need, when such variations are appropriate to the purpose of a particular review or to the type of institutional health service proposed in the application being reviewed.

3. Uniform procedures for summary reviews conducted under section 135.67.

4. Criteria for determining when it is not feasible to complete formal review of an application for a certificate of need within the time limits specified in section 135.69. The rules adopted under this subsection shall include criteria for determining whether an application proposes introduction of technologically innovative equipment, and if so, procedures to be followed in reviewing the application. However, a rule adopted under this subsection shall not permit a deferral of more than sixty days beyond the time when a decision is required under section 135.69, unless both the applicant and the department agree to a longer deferment.

[C79, 81, §135.72]

91 Acts, ch 225, §13

Referred to in §135.69

**135.73 Sanctions.**

1. Any party constructing a new institutional health facility or an addition to or renovation

of an existing institutional health facility without first obtaining a certificate of need or, in the case of a mobile health service, ascertaining that the mobile health service has received certificate of need approval, as required by this division, shall be denied licensure or change of licensure by the appropriate responsible licensing agency of this state.

2. A party violating this division shall be subject to penalties in accordance with this section. The department shall adopt rules setting forth the violations by classification, the criteria for the classification of any violation not listed, and procedures for implementing this subsection.

*a.* A class I violation is one in which a party offers a new institutional health service or changed institutional health service modernization or acquisition without review and approval by the council. A party in violation is subject to a penalty of three hundred dollars for each day of a class I violation. The department may seek injunctive relief which shall include restraining the commission or continuance of an act which would violate the provisions of this paragraph. Notice and opportunity to be heard shall be provided to a party pursuant to rule of civil procedure 1.1507 and contested case procedures in accordance with chapter 17A. The department may reduce, alter, or waive a penalty upon the party showing good faith compliance with the department's request to immediately cease and desist from conduct in violation of this section.

*b.* A class II violation is one in which a party violates the terms or provisions of an approved application. The department may seek injunctive relief which shall include restraining the commission or continuance of or abating or eliminating an act which would violate the provisions of this subsection. Notice and opportunity to be heard shall be provided to a party pursuant to rule of civil procedure 1.1507 and contested case procedures in accordance with chapter 17A. The department may reduce, alter, or waive a penalty upon the party showing good faith compliance with the department's request to immediately cease and desist from conduct in violation of this section. A class II violation shall be abated or eliminated within a stated period of time determined by the department and specified by the department in writing. The period of time may be modified by the department for good cause shown. A party in violation may be subject to a penalty of five hundred dollars for each day of a class II violation.

3. Notwithstanding any other sanction imposed pursuant to this section, a party offering or developing any new institutional health service or changed institutional health service without first obtaining a certificate of need as required by this division may be temporarily or permanently restrained from doing so by any court of competent jurisdiction in any action brought by the state, any of its political subdivisions, or any other interested person.

4. The sanctions provided by this section are in addition to, and not in lieu of, any penalty prescribed by law for the acts against which these sanctions are invoked.

[C79, 81, §135.73]

91 Acts, ch 225, §14

Referred to in §135.63

**135.74 Uniform financial reporting.**

1. The department, after study and in consultation with any advisory committees which may be established pursuant to law, shall promulgate by rule pursuant to chapter 17A uniform methods of financial reporting, including such allocation methods as may be prescribed, by which hospitals and health care facilities shall respectively record their revenues, expenses, other income, other outlays, assets and liabilities, and units of service, according to functional activity center. These uniform methods of financial reporting shall not preclude a hospital or health care facility from using any accounting methods for its own purposes provided these accounting methods can be reconciled to the uniform methods of financial reporting prescribed by the department and can be audited for validity and completeness. Each hospital and each health care facility shall adopt the appropriate system for its fiscal year, effective upon such date as the department shall direct. In determining the effective date for reporting requirements, the department shall consider both the immediate need for uniform reporting of information to effectuate the purposes of this division and the administrative and economic difficulties which hospitals and health care facilities may encounter in complying with the

uniform financial reporting requirement, but the effective date shall not be later than January 1, 1980.

2. In establishing uniform methods of financial reporting, the department shall consider all of the following:

*a.* The existing systems of accounting and reporting currently utilized by hospitals and health care facilities.

*b.* Differences among hospitals and health care facilities, respectively, according to size, financial structure, methods of payment for services, and scope, type and method of providing services.

*c.* Other pertinent distinguishing factors.

3. The department shall, where appropriate, provide for modification, consistent with the purposes of this division, of reporting requirements to correctly reflect the differences among hospitals and among health care facilities referred to in subsection 2, and to avoid otherwise unduly burdensome costs in meeting the requirements of uniform methods of financial reporting.

4. The uniform financial reporting methods, where appropriate, shall be structured so as to establish and differentiate costs incurred for patient-related services rendered by hospitals and health care facilities, as distinguished from those incurred in the course of educational, research and other nonpatient-related activities including but not limited to charitable activities of these hospitals and health care facilities.

[C79, 81, §135.74]

2013 Acts, ch 30, §27

Referred to in §135.78, 135.79

Subsection 2 amended

**135.75 Annual reports by hospitals, health care facilities.**

1. Each hospital and each health care facility shall annually, after the close of its fiscal year, file all of the following with the department:

*a.* A balance sheet detailing the assets, liabilities and net worth of the hospital or health care facility.

*b.* A statement of its income and expenses.

*c.* Such other reports of the costs incurred in rendering services as the department may prescribe.

2. Where more than one licensed hospital or health care facility is operated by the reporting organization, the information required by this section shall be reported separately for each licensed hospital or health care facility. The department shall require preparation of specified financial reports by a certified public accountant, and may require attestation of responsible officials of the reporting hospital or health care facility that the reports submitted are to the best of their knowledge and belief prepared in accordance with the prescribed methods of reporting. The department shall have the right to inspect the books, audits and records of any hospital or health care facility as reasonably necessary to verify reports submitted pursuant to this division.

3. In obtaining the reports required by this section, the department and other state agencies shall coordinate their reporting requirements.

4. All reports filed under this section, except privileged medical information, shall be open to public inspection.

[C79, 81, §135.75]

2013 Acts, ch 30, §28

Referred to in §135.78, 135.79, 135.164

Subsection 1 amended

**135.76 Analyses and studies by department.**

1. The department shall from time to time undertake analyses and studies relating to hospital and health care facility costs and to the financial status of hospitals or health care facilities, or both, which are subject to the provisions of this division. It shall further require the filing of information concerning the total financial needs of each individual hospital or health care facility and the resources currently or prospectively available to meet these needs,

including the effect of proposals made by health systems agencies. The department shall also prepare and file such summaries and compilations or other supplementary reports based on the information filed with it as will, in its judgment, advance the purposes of this division.

2. The analyses and studies required by this section shall be conducted with the objective of providing a basis for determining whether or not regulation of hospital and health care facility rates and charges by the state of Iowa is necessary to protect the health or welfare of the people of the state.

3. In conducting its analyses and studies, the department should determine whether:

*a.* The rates charged and costs incurred by hospitals and health care facilities are reasonably related to the services offered by those respective groups of institutions.

*b.* Aggregate rates of hospitals and of health care facilities are reasonably related to the aggregate costs incurred by those respective groups of institutions.

*c.* Rates are set equitably among all purchasers or classes of purchasers of hospital and of health care facility services.

*d.* The rates for particular services, supplies or materials established by hospitals and by health care facilities are reasonable. Determination of reasonableness of rates shall include consideration of a fair rate of return to proprietary hospitals and health care facilities.

4. All data gathered and compiled and all reports prepared under this section, except privileged medical information, shall be open to public inspection.

[C79, 81, §135.76]

Referred to in §135.78, 135.79, 135.83, 135.164

**135.77** Repealed by 97 Acts, ch 203, § 18.

**135.78 Data to be compiled.**

The department shall compile all relevant financial and utilization data in order to have available the statistical information necessary to properly monitor hospital and health care facility charges and costs. Such data shall include necessary operating expenses, appropriate expenses incurred for rendering services to patients who cannot or do not pay, all properly incurred interest charges, and reasonable depreciation expenses based on the expected useful life of the property and equipment involved. The department shall also obtain from each hospital and health care facility a current rate schedule as well as any subsequent amendments or modifications of that schedule as it may require. In collection of the data required by this section and sections 135.74 through 135.76, the department and other state agencies shall coordinate their reporting requirements.

[C79, 81, §135.78]

2002 Acts, ch 1119, §14; 2003 Acts, ch 108, §34

Referred to in §135.79, 135.83, 135.164

**135.79 Civil penalty.**

Any hospital or health care facility which fails to file with the department the financial reports required by sections 135.74 to 135.78 is subject to a civil penalty of not to exceed five hundred dollars for each offense.

[C79, 81, §135.79]

**135.80 Mental health professional shortage area program.** Transferred to § 135.180; 2011 Acts, ch 25, §80.

**135.81** Repealed by 83 Acts, ch 101, § 129.

**135.82** Repealed by 91 Acts, ch 225, § 15.

**135.83 Contracts for assistance with analyses, studies, and data.**

In furtherance of the department's responsibilities under sections 135.76 and 135.78, the director may contract with the Iowa hospital association and third-party payers, the Iowa health care facilities association and third-party payers, or leading age Iowa and third-party payers for the establishment of pilot programs dealing with prospective rate review in

hospitals or health care facilities, or both. Such contract shall be subject to the approval of the executive council and shall provide for an equitable representation of health care providers, third-party payers, and health care consumers in the determination of criteria for rate review. No third-party payer shall be excluded from positive financial incentives based upon volume of gross patient revenues. No state or federal funds appropriated or available to the department shall be used for any such pilot program.

[C79, 81, §135.83]

98 Acts, ch 1100, §13; 2001 Acts, ch 74, §2; 2002 Acts, ch 1050, §16; 2013 Acts, ch 30, §29

Referred to in §135.164

Section amended

**135.84** Repealed by 88 Acts, ch 1276, § 46.

**135.85 through 135.89** Reserved.

## DIVISION VII

## LICENSED HOSPICE PROGRAMS

**135.90 through 135.96** Transferred to chapter 135J; 90 Acts, ch 1204, § 66.

**135.97 through 135.99** Reserved.

## DIVISION VIII

## LEAD ABATEMENT PROGRAM

**135.100 Definitions.**

For the purposes of this division, unless the context otherwise requires:

1. *"Department"* means the Iowa department of public health.
2. *"Local board"* means the local board of health.

87 Acts, ch 55, §1

**135.101 Childhood lead poisoning prevention program.**

There is established a childhood lead poisoning prevention program within the Iowa department of public health. The department shall implement and review programs necessary to eliminate potentially dangerous toxic lead levels in children in Iowa in a year for which funds are appropriated to the department for this purpose.

87 Acts, ch 55, §2; 99 Acts, ch 141, §5

**135.102 Rules.**

The department shall adopt rules, pursuant to chapter 17A, regarding the:

1. Implementation of the grant program pursuant to section 135.103.
2. Maintenance of laboratory facilities for the childhood lead poisoning prevention program.
3. Maximum blood lead levels in children living in targeted rental dwelling units.
4. Standards and program requirements of the grant program pursuant to section 135.103.
5. Prioritization of proposed childhood lead poisoning prevention programs, based on the geographic areas known with children identified with elevated blood lead level resulting from surveys completed by the department.
6. Model regulations for lead hazard remediation to be used in instances in which a child is confirmed as lead poisoned. The department shall make the model regulations available to local boards of health and shall promote the adoption of the regulations at the local level, in cities and counties implementing lead hazard remediation programs. Nothing in this subsection shall be construed as requiring the adoption of the model regulations.

7. Implementation of a requirement that children receive a blood lead test prior to the age of six and before enrolling in any elementary school in Iowa in accordance with section 135.105D.

87 Acts, ch 55, §3; 99 Acts, ch 141, §6; 2001 Acts, ch 182, §9; 2007 Acts, ch 79, §1
Referred to in §135.105D

**135.103 Grant program.**

The department shall implement a childhood lead poisoning prevention grant program which provides federal, state, or other funds to local boards of health or cities for the program after standards and requirements for the local program are developed. The department may also use federal, state, or other funds provided for the childhood lead poisoning prevention grant program to purchase environmental and blood testing services from a public health laboratory.

87 Acts, ch 55, §4; 91 Acts, ch 268, §307; 99 Acts, ch 141, §7; 2004 Acts, ch 1168, §2
Referred to in §135.102, 135.105

**135.104 Requirements.**

The program by a local board of health or city receiving funding for an approved childhood lead poisoning prevention grant program shall include:

1. A public education program about lead poisoning and dangers of lead poisoning to children.
2. An effective outreach effort to ensure availability of services in the predicted geographic area.
3. A screening program for children, with emphasis on children less than six years of age.
4. Access to laboratory services for lead analysis.
5. A program of referral of identified children for assessment and treatment.
6. An environmental assessment of suspect dwelling units.
7. Surveillance to ensure correction of the identified hazardous settings.
8. A plan of intent to continue the program on a maintenance basis after the grant is discontinued.

87 Acts, ch 55, §5; 99 Acts, ch 141, §8, 9; 2002 Acts, ch 1108, §9; 2004 Acts, ch 1168, §3

**135.105 Department duties.**

The department shall:

1. Coordinate the childhood lead poisoning prevention program with the department of natural resources, the university of Iowa poison control program, the mobile and regional child health specialty clinics, and any agency or program known for a direct interest in lead levels in the environment.
2. Survey geographic areas not included in the grant program pursuant to section 135.103 periodically to determine prioritization of such areas for future grant programs.

87 Acts, ch 55, §6; 99 Acts, ch 141, §10; 2012 Acts, ch 1023, §24

**135.105A Lead inspector, lead abater, and lead-safe renovator training and certification program established — civil penalty.**

1. The department shall establish a program for the training and certification of lead inspectors, lead abaters, and lead-safe renovators. The department shall maintain a listing, available to the public and to city and county health departments, of lead inspector, lead abater, and lead-safe renovator training programs that have been approved by the department, and of lead inspectors, lead abaters, and lead-safe renovators who have successfully completed the training program and have been certified by the department. A person may be certified as a lead inspector, a lead abater, or a lead-safe renovator, or may be certified to provide two or more of such services. However, a person who holds more than one such certification shall not provide inspection service and also provide abatement service or renovation service at the same site unless a written consent or waiver, following full disclosure by the person, is obtained from the owner or manager of the site.

2. A person who owns real property which includes a residential dwelling and who performs lead inspection, lead abatement, or renovation of the residential dwelling is not

required to obtain certification to perform these measures, unless the residential dwelling is occupied by a person other than the owner or a member of the owner's immediate family while the measures are being performed. However, the department shall encourage property owners who are not required to be certified to complete the applicable training course to ensure the use of appropriate and safe lead inspection, lead abatement, or lead-safe renovation procedures.

3. Except as otherwise provided in this section, a person shall not perform lead abatement or lead inspections, and shall not perform renovations on target housing or a child-occupied facility, unless the person has completed a training program approved by the department and has obtained certification pursuant to this section. All lead abatement and lead inspections; and lead inspector, lead abater, and lead-safe renovation training programs; and renovations on target housing or a child-occupied facility, shall be performed and conducted in accordance with work practice standards established by the department. A person shall not conduct a training program for lead inspectors, lead abaters, or lead-safe renovators unless the program has been submitted to and approved by the department.

4. A person who violates this section is subject to a civil penalty not to exceed five thousand dollars for each offense.

5. The department shall adopt rules regarding minimum requirements for lead inspector, lead abater, and lead-safe renovator training programs, certification, work practice standards, and suspension and revocation requirements, and shall implement the training and certification programs. The department shall seek federal funding and shall establish fees in amounts sufficient to defray the cost of the programs. The fees shall be used for any of the department's duties under this division, including but not limited to the costs of full-time equivalent positions for program services and investigations. Fees received shall be considered repayment receipts as defined in section 8.2.

96 Acts, ch 1161, §1, 4; 97 Acts, ch 159, §5; 98 Acts, ch 1100, §14; 2004 Acts, ch 1167, §2; 2009 Acts, ch 37, §1; 2010 Acts, ch 1192, §49, 73

Referred to in §135.105C

For definitions, see §135.105C(2)

2010 amendment to subsection 5 applies to any fees collected pursuant to this section during or after the fiscal year beginning July 1, 2009; 2010 Acts, ch 1192, §73

**135.105B Voluntary guidelines — health and environmental measures — confirmed cases of lead poisoning.**

1. The department may develop voluntary guidelines which may be used to develop and administer local programs to address the health and environmental needs of children who are confirmed as lead poisoned.

2. The voluntary guidelines may be based upon existing local ordinances that address the medical case management of children's health needs and the mitigation of the environmental factors which contributed to the lead poisoning.

3. Following development of the voluntary guidelines, cities or counties may elect to utilize the guidelines in developing and administering local programs through city or county health departments on a city, county, or multicounty basis or may request that the state develop and administer the local program. However, cities and counties are not required to develop and administer local programs based upon the guidelines.

96 Acts, ch 1161, §2, 4

**135.105C Renovation, remodeling, and repainting — lead hazard notification process established.**

1. *a.* A person who performs renovation, remodeling, or repainting services for target housing or a child-occupied facility for compensation shall provide an approved lead hazard information pamphlet to the owner and occupant of the housing or facility prior to commencing the services. The department shall adopt rules to implement the renovation, remodeling, and repainting lead hazard notification process under this section.

*b.* The rules shall include but are not limited to an authorization that the lead hazard notification to parents or guardians of the children attending a child-occupied facility may be completed by posting an informational sign and a copy of the approved lead hazard

information pamphlet. The rules shall also address requirements for notification of parents or guardians of the children visiting a child-occupied facility when the facility is vacant for an extended period of time.

2. For the purpose of this section and section 135.105A, unless the context otherwise requires:

*a.* (1) "*Child-occupied facility*" means a building, or portion of a building, constructed prior to 1978, that is described by all of the following:

(a) The building is visited on a regular basis by the same child, who is less than six years of age, on at least two different days within any week. For purposes of this paragraph "*a*", a week is a Sunday through Saturday period.

(b) Each day's visit by the child lasts at least three hours, and the combined annual visits total at least sixty hours.

(2) A child-occupied facility may include but is not limited to a child care center, preschool, or kindergarten classroom. A child-occupied facility also includes common areas that are routinely used by children who are less than six years of age, such as restrooms and cafeterias, and the exterior walls and adjoining space of the building that are immediately adjacent to the child-occupied facility or the common areas routinely used by children under the age of six years.

*b.* "*Target housing*" means housing constructed prior to 1978 with the exception of housing for the elderly or for persons with disabilities and housing that does not contain a bedroom, unless at least one child, under six years of age, resides or is expected to reside in the housing.

3. A person who violates this section is subject to a civil penalty not to exceed five thousand dollars for each offense.

97 Acts, ch 159, §6, 24; 2000 Acts, ch 1140, §22; 2001 Acts, ch 58, §4; 2009 Acts, ch 37, §2

**135.105D Blood lead testing — provider education — payor of last resort.**

1. For purposes of this section:

*a.* "*Blood lead testing*" means taking a capillary or venous sample of blood and sending it to a laboratory to determine the level of lead in the blood.

*b.* "*Capillary*" means a blood sample taken from the finger or heel for lead analysis.

*c.* "*Health care provider*" means a physician who is licensed under chapter 148, or a person who is licensed as a physician assistant under chapter 148C or as an advanced registered nurse practitioner.

*d.* "*Venous*" means a blood sample taken from a vein in the arm for lead analysis.

2. *a.* A parent or guardian of a child under the age of two is strongly encouraged to have the child tested for elevated blood lead levels by the age of two. Except as provided in paragraph "*b*" and subsection 4, a parent or guardian shall provide evidence to the school district elementary attendance center or the accredited nonpublic elementary school in which the parent's or guardian's child is enrolled that the child was tested for elevated blood lead levels by the age of six according to recommendations provided by the department.

*b.* The board of directors of each school district and the authorities in charge of each nonpublic school shall, in collaboration with the department, do the following:

(1) Ensure that the parent or guardian of a student enrolled in the school has complied with the requirements of paragraph "*a*".

(2) Provide, if the parent or guardian cannot provide evidence that the child received a blood lead test in accordance with paragraph "*a*", the parent or guardian with community blood lead testing program information, including contact information for the department.

*c.* Notwithstanding any other provision to the contrary, nothing in this section shall subject a parent, guardian, or legal custodian of a child of compulsory attendance age to any penalties under chapter 299.

3. The board of directors of each school district and the authorities in charge of each nonpublic school shall furnish the department, in the format specified by the department, within sixty days after the start of the school calendar, a list of the children enrolled in kindergarten. The department shall notify the school districts and nonpublic schools of the children who have not met the blood lead testing requirements set forth in this section

and shall work with the school districts, nonpublic schools, and the local childhood lead poisoning prevention programs to assure that these children are tested as required by this section.

4. The department may waive the requirements of subsection 2 if the department determines that a child is of very low risk for elevated blood lead levels, or if the child's parent or legal guardian submits an affidavit, signed by the parent or legal guardian, stating that the blood lead testing conflicts with a genuine and sincere religious belief.

5. The department shall provide rules adopted pursuant to section 135.102, subsection 7, to local school boards and the authorities in charge of nonpublic schools.

6. The department shall work with health care provider associations to educate health care providers regarding requirements for testing children who are enrolled in certain federally funded programs and regarding department recommendations for testing other children for lead poisoning.

7. The department shall implement blood lead testing for children under six years of age who are not eligible for the testing services to be paid by a third-party source. The department shall contract with one or more public health laboratories to provide blood lead analysis for such children. The department shall establish by rule the procedures for health care providers to submit samples to the contracted public health laboratories for analysis. The department shall also establish by rule a method to reimburse health care providers for drawing blood samples from such children and the dollar amount that the department will reimburse health care providers for the service. The department shall also establish by rule a method to reimburse health care providers for analyzing blood lead samples using a portable blood lead testing instrument and the dollar amount that the department will reimburse health care providers for the service. Payment for blood lead analysis and drawing blood samples shall be limited to the amount appropriated for the program in a fiscal year.

2006 Acts, ch 1184, §79; 2007 Acts, ch 79, §2, 3; 2007 Acts, ch 215, §88; 2008 Acts, ch 1020, §4 – 6; 2008 Acts, ch 1088, §87

Referred to in §135.102, 299.4

Nurse licensure, see chapter 152

Section not amended; footnote deleted

## DIVISION IX

## HEALTHY FAMILIES PROGRAM

**135.106 Healthy families programs — HOPES-HFI program.**

1. The Iowa department of public health shall establish a healthy opportunities for parents to experience success (HOPES) – healthy families Iowa (HFI) program to provide services to families and children during the prenatal through preschool years. The program shall be designed to do all of the following:

*a.* Promote optimal child health and development.

*b.* Improve family coping skills and functioning.

*c.* Promote positive parenting skills and intrafamilial interaction.

*d.* Prevent child abuse and neglect and infant mortality and morbidity.

2. The HOPES-HFI program shall be developed by the Iowa department of public health, and may be implemented, in whole or in part, by contracting with a nonprofit child abuse prevention organization, local nonprofit certified home health program or other local nonprofit organizations, and shall include, but is not limited to, all of the following components:

*a.* Identification of barriers to positive birth outcomes, encouragement of collaboration and cooperation among providers of health care, social and human services, and other services to pregnant women and infants, and encouragement of pregnant women and women of childbearing age to seek health care and other services which promote positive birth outcomes.

*b.* Provision of community-based home-visiting family support to pregnant women and

new parents who are identified through a standardized screening process to be at high risk for problems with successfully parenting their child.

*c.* Provision by family support workers of individual guidance, information, and access to health care and other services through care coordination and community outreach, including transportation.

*d.* Provision of systematic screening, prenatally or upon the birth of a child, to identify high-risk families.

*e.* Interviewing by a HOPES-HFI program worker or hospital social worker of families identified as high risk and encouragement of acceptance of family support services.

*f.* Provision of services including, but not limited to, home visits, support services, and instruction in child care and development.

*g.* Individualization of the intensity and scope of services based upon the family's needs, goals, and level of risk.

*h.* Assistance by a family support worker to participating families in creating a link to a "medical home" in order to promote preventive health care.

*i.* Evaluation and reporting on the program, including an evaluation of the program's success in reducing participants' risk factors and provision of services and recommendations for changes in or expansion of the program.

*j.* Provision of continuous follow-up contact with a family served by the program until identified children reach age three or age four in cases of continued high need or until the family attains its individualized goals for health, functioning, and self-sufficiency.

*k.* Provision or employment of family support workers who have experience as a parent, knowledge of health care services, social and human services, or related community services and have participated in a structured training program.

*l.* Provision of a training program that meets established standards for the education of family support workers. The structured training program shall include at a minimum the fundamentals of child health and development, dynamics of child abuse and neglect, and principles of effective parenting and parenting education.

*m.* Provision of crisis child care through utilization of existing child care services to participants in the program.

*n.* Program criteria shall include a required match of one dollar provided by the organization contracting to deliver services for each two dollars provided by the state grant. This requirement shall not restrict the department from providing unmatched grant funds to communities to plan new or expanded programs for HOPES-HFI. The department shall establish a limit on the amount of administrative costs that can be supported with state funds.

*o.* Involvement with the community assessment and planning process in the community served by HOPES-HFI programs to enhance collaboration and integration of family support programs.

*p.* Collaboration, to the greatest extent possible, with other family support programs funded or operated by the state.

*q.* Utilization of private party, third party, and medical assistance for reimbursement to defray the costs of services provided by the program to the extent possible.

3. It is the intent of the general assembly to provide communities with the discretion and authority to redesign existing local programs and services targeted at and assisting families expecting babies and families with children who are newborn through five years of age. The Iowa department of public health, department of human services, department of education, and other state agencies and programs, as appropriate, shall provide technical assistance and support to communities desiring to redesign their local programs and shall facilitate the consolidation of existing state funding appropriated and made available to the community for family support services. Funds which are consolidated in accordance with this subsection shall be used to support the redesigned service delivery system. In redesigning services, communities are encouraged to implement a single uniform family risk assessment mechanism and shall demonstrate the potential for improved outcomes for children and families. Requests by local communities for the redesigning of services shall be submitted to the Iowa department of public health, department of human services, and department of education, and are subject to the approval of the early childhood Iowa

state board in consultation with the departments, based on the practices utilized with early childhood Iowa areas under chapter 256I.

4. It is the intent of the general assembly that priority for home visitation funding be given to approaches using evidence-based or promising models for home visitation.

92 Acts, 2nd Ex, ch 1001, §419; 97 Acts, ch 138, §1; 98 Acts, ch 1206, §10; 2004 Acts, ch 1086, §35; 2006 Acts, ch 1157, §15; 2010 Acts, ch 1031, §290; 2011 Acts, ch 129, §84, 156

Referred to in §232.69, 256I.13

Section not amended; footnote deleted

## DIVISION X

## RURAL HEALTH AND PRIMARY CARE

**135.107 Center for rural health and primary care established — duties.**

1. The center for rural health and primary care is established within the department.

2. The center for rural health and primary care shall do all of the following:

*a.* Provide technical planning assistance to rural communities and counties exploring innovative means of delivering rural health services through community health services assessment, planning, and implementation, including but not limited to hospital conversions, cooperative agreements among hospitals, physician and health practitioner support, recruitment and retention of primary health care providers, public health services, emergency medical services, medical assistance facilities, rural health care clinics, and alternative means which may be included in the long-term community health services assessment and developmental plan. The center for rural health and primary care shall encourage collaborative efforts of the local boards of health, hospital governing boards, and other public and private entities located in rural communities to adopt a long-term community health services assessment and developmental plan pursuant to rules adopted by the department and perform the duties required of the Iowa department of public health in section 135B.33.

*b.* Provide technical assistance to assist rural communities in improving Medicare reimbursements through the establishment of rural health clinics, defined pursuant to 42 U.S.C. § 1395x, and distinct part skilled nursing facility beds.

*c.* Coordinate services to provide research for the following items:

(1) Examination of the prevalence of rural occupational health injuries in the state.

(2) Assessment of training and continuing education available through local hospitals and others relating to diagnosis and treatment of diseases associated with rural occupational health hazards.

(3) Determination of continuing education support necessary for rural health practitioners to diagnose and treat illnesses caused by exposure to rural occupational health hazards.

(4) Determination of the types of actions that can help prevent agricultural accidents.

(5) Surveillance and reporting of disabilities suffered by persons engaged in agriculture resulting from diseases or injuries, including identifying the amount and severity of agricultural-related injuries and diseases in the state, identifying causal factors associated with agricultural-related injuries and diseases, and indicating the effectiveness of intervention programs designed to reduce injuries and diseases.

*d.* Cooperate with the center for agricultural health and safety established under section 262.78, the center for health effects of environmental contamination established under section 263.17, and the department of agriculture and land stewardship. The agencies shall coordinate programs to the extent practicable.

*e.* Administer grants for farm safety education efforts directed to rural families for the purpose of preventing farm-related injuries to children.

3. The center for rural health and primary care shall establish a primary care provider recruitment and retention endeavor, to be known as PRIMECARRE. The endeavor shall include a community grant program, a primary care provider loan repayment program, and

a primary care provider community scholarship program. The endeavor shall be developed and implemented in a manner to promote and accommodate local creativity in efforts to recruit and retain health care professionals to provide services in the locality. The focus of the endeavor shall be to promote and assist local efforts in developing health care provider recruitment and retention programs.

*a. Community grant program.*

(1) The center for rural health and primary care shall adopt rules establishing an application process to be used by the center to establish a grant assistance program as provided in this paragraph, and establishing the criteria to be used in evaluating the applications. Selection criteria shall include a method for prioritizing grant applications based on illustrated efforts to meet the health care provider needs of the locality and surrounding area. Such assistance may be in the form of a forgivable loan, grant, or other nonfinancial assistance as deemed appropriate by the center. An application submitted shall contain a commitment of at least a dollar-for-dollar match of the grant assistance. Application may be made for assistance by a single community or group of communities.

(2) Grants awarded under the program shall be subject to the following limitations:

(a) Ten thousand dollars for a single community or region with a population of ten thousand or less. An award shall not be made under this program to a community with a population of more than ten thousand.

(b) An amount not to exceed one dollar per capita for a region in which the population exceeds ten thousand. For purposes of determining the amount of a grant for a region, the population of the region shall not include the population of any community with a population of more than ten thousand located in the region.

*b. Primary care provider loan repayment program.*

(1) A primary care provider loan repayment program is established to increase the number of health professionals practicing primary care in federally designated health professional shortage areas of the state. Under the program, loan repayment may be made to a recipient for educational expenses incurred while completing an accredited health education program directly related to obtaining credentials necessary to practice the recipient's health profession.

(2) The center for rural health and primary care shall adopt rules relating to the establishment and administration of the primary care provider loan repayment program. Rules adopted pursuant to this paragraph shall provide, at a minimum, for all of the following:

(a) Determination of eligibility requirements and qualifications of an applicant to receive loan repayment under the program, including but not limited to years of obligated service, clinical practice requirements, and residency requirements. One year of obligated service shall be provided by the applicant in exchange for each year of loan repayment, unless federal requirements otherwise require. Loan repayment under the program shall not be approved for a health provider whose license or certification is restricted by a medical regulatory authority of any jurisdiction of the United States, other nations, or territories.

(b) Identification of federally designated health professional shortage areas of the state and prioritization of such areas according to need.

(c) Determination of the amount and duration of the loan repayment an applicant may receive, giving consideration to the availability of funds under the program, and the applicant's outstanding educational loans and professional credentials.

(d) Determination of the conditions of loan repayment applicable to an applicant.

(e) Enforcement of the state's rights under a loan repayment program contract, including the commencement of any court action.

(f) Cancellation of a loan repayment program contract for reasonable cause.

(g) Participation in federal programs supporting repayment of loans of health care providers and acceptance of gifts, grants, and other aid or amounts from any person, association, foundation, trust, corporation, governmental agency, or other entity for the purposes of the program.

(h) Upon availability of state funds, determination of eligibility criteria and qualifications

for participating communities and applicants not located in federally designated shortage areas.

(i) Other rules as necessary.

(3) The center for rural health and primary care may enter into an agreement under chapter 28E with the college student aid commission for the administration of this program.

*c. Primary care provider community scholarship program.*

(1) A primary care provider community scholarship program is established to recruit and to provide scholarships to train primary health care practitioners in federally designated health professional shortage areas of the state. Under the program, scholarships may be awarded to a recipient for educational expenses incurred while completing an accredited health education program directly related to obtaining the credentials necessary to practice the recipient's health profession.

(2) The department shall adopt rules relating to the establishment and administration of the primary care provider community scholarship program. Rules adopted pursuant to this paragraph shall provide, at a minimum, for all of the following:

(a) Determination of eligibility requirements and qualifications of an applicant to receive scholarships under the program, including but not limited to years of obligated service, clinical practice requirements, and residency requirements. One year of obligated service shall be provided by the applicant in exchange for each year of scholarship receipt, unless federal requirements otherwise require.

(b) Identification of federally designated health professional shortage areas of the state and prioritization of such areas according to need.

(c) Determination of the amount of the scholarship an applicant may receive.

(d) Determination of the conditions of scholarship to be awarded to an applicant.

(e) Enforcement of the state's rights under a scholarship contract, including the commencement of any court action.

(f) Cancellation of a scholarship contract for reasonable cause.

(g) Participation in federal programs supporting scholarships for health care providers and acceptance of gifts, grants, and other aid or amounts from any person, association, foundation, trust, corporation, governmental agency, or other entity for the purposes of the program.

(h) Upon availability of state funds, determination of eligibility criteria and qualifications for participating communities and applicants not located in federally designated shortage areas.

(i) Other rules as necessary.

(3) The center for rural health and primary care may enter into an agreement under chapter 28E with the college student aid commission for the administration of this program.

4. *a.* Eligibility under any of the programs established under the primary care provider recruitment and retention endeavor shall be based upon a community health services assessment completed under subsection 2, paragraph "*a*". A community or region, as applicable, shall submit a letter of intent to conduct a community health services assessment and to apply for assistance under this subsection. The letter shall be in a form and contain information as determined by the center. A letter of intent shall be submitted to the center by January 1 preceding the fiscal year for which an application for assistance is to be made.

*b.* Assistance under this subsection shall not be granted until such time as the community or region making application has completed the community health services assessment and adopted a long-term community health services assessment and developmental plan. In addition to any other requirements, a developmental plan shall include a clear commitment to informing high school students of the health care opportunities which may be available to such students.

*c.* The center for rural health and primary care shall seek additional assistance and resources from other state departments and agencies, federal agencies and grant programs, private organizations, and any other person, as appropriate. The center is authorized and directed to accept on behalf of the state any grant or contribution, federal or otherwise, made to assist in meeting the cost of carrying out the purpose of this subsection. All federal grants to and the federal receipts of the center are appropriated for the purpose set forth in

such federal grants or receipts. Funds appropriated by the general assembly to the center for implementation of this subsection shall first be used for securing any available federal funds requiring a state match, with remaining funds being used for the community grant program.

*d.* The center for rural health and primary care may, to further the purposes of this subsection, provide financial assistance in the form of grants to support the effort of a community which is clearly part of the community's long-term community health services assessment and developmental plan. Efforts for which such grants may be awarded include but are not limited to the procurement of clinical equipment, clinical facilities, and telecommunications facilities, and the support of locum tenens arrangements and primary care provider mentor programs.

5. *a.* There is established an advisory committee to the center for rural health and primary care consisting of one representative, approved by the respective agency, of each of the following agencies: the department of agriculture and land stewardship, the Iowa department of public health, the department of inspections and appeals, the national institute for rural health policy, the rural health resource center, the institute of agricultural medicine and occupational health, and the Iowa state association of counties. The governor shall appoint two representatives of consumer groups active in rural health issues and a representative of each of two farm organizations active within the state, a representative of an agricultural business in the state, a representative of a critical needs hospital, a practicing rural family physician, a practicing rural physician assistant, a practicing rural advanced registered nurse practitioner, and a rural health practitioner who is not a physician, physician assistant, or advanced registered nurse practitioner, as members of the advisory committee. The advisory committee shall also include as members two state representatives, one appointed by the speaker of the house of representatives and one by the minority leader of the house, and two state senators, one appointed by the majority leader of the senate and one by the minority leader of the senate.

*b.* The advisory committee shall regularly meet with the administrative head of the center as well as the director of the center for agricultural health and safety established under section 262.78. The head of the center and the director of the center for agricultural health and safety shall consult with the advisory committee and provide the committee with relevant information regarding their agencies.

*c.* A simple majority of the membership of the advisory committee shall constitute a quorum. Action may be taken by the affirmative vote of a majority of the advisory committee membership.

89 Acts, ch 304, §702; 90 Acts, ch 1207, §1, 2; 90 Acts, ch 1223, §18
C93, §135.13
94 Acts, ch 1168, §2
C95, §135.107
95 Acts, ch 67, §10; 96 Acts, ch 1128, §2, 3; 97 Acts, ch 23, §14; 97 Acts, ch 203, §14; 98 Acts, ch 1100, §15; 2000 Acts, ch 1058, §16, 17; 2000 Acts, ch 1140, §23 – 25; 2000 Acts, ch 1223, §20, 21; 2005 Acts, ch 89, §5; 2009 Acts, ch 41, §41; 2010 Acts, ch 1031, §396; 2010 Acts, ch 1061, §26
Referred to in §262.78, 263.17
Legislative findings; 94 Acts, ch 1168, §1

## DIVISION XI

## DOMESTIC ABUSE DEATH REVIEW TEAM

**135.108 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Department"* means the Iowa department of public health.
2. *"Director"* means the director of public health.
3. *"Domestic abuse death"* means a homicide or suicide that involves or is a result of an

assault as defined in section 708.1 and to which any of the following circumstances apply to the parties involved:

*a.* The alleged or convicted perpetrator is related to the decedent as spouse, separated spouse, or former spouse.

*b.* The alleged or convicted perpetrator resided with the decedent at the time of the assault that resulted in the homicide or suicide.

*c.* The alleged or convicted perpetrator and the decedent resided together in the past but did not reside together at the time of the assault that resulted in the homicide or suicide.

*d.* The alleged or convicted perpetrator and decedent are parents of the same minor child, whether they were married or lived together at any time.

*e.* The alleged or convicted perpetrator was in an ongoing personal relationship with the decedent.

*f.* The alleged or convicted perpetrator was arrested for or convicted of stalking or harassing the decedent, or an order or court-approved agreement was entered against the perpetrator under chapter 232, 236, 598, or 915 to restrict contact by the perpetrator with the decedent.

*g.* The decedent was related by blood or affinity to an individual who lived in the same household with or was in the workplace or proximity of the decedent, and that individual was threatened with assault by the perpetrator.

4. *"Team"* means the domestic abuse death review team established in section 135.109.

2000 Acts, ch 1136, §1

Referred to in §135.112

**135.109 Iowa domestic abuse death review team membership.**

1. An Iowa domestic abuse death review team is established as an independent agency of state government.

2. The department shall provide staffing and administrative support to the team.

3. The team shall include the following members:

*a.* The state medical examiner or the state medical examiner's designee.

*b.* A licensed physician or nurse who is knowledgeable concerning domestic abuse injuries and deaths, including suicides.

*c.* A licensed mental health professional who is knowledgeable concerning domestic abuse.

*d.* A representative or designee of the Iowa coalition against domestic violence.

*e.* A certified or licensed professional who is knowledgeable concerning substance abuse.

*f.* A law enforcement official who is knowledgeable concerning domestic abuse.

*g.* A law enforcement investigator experienced in domestic abuse investigation.

*h.* An attorney experienced in prosecuting domestic abuse cases.

*i.* A judicial officer appointed by the chief justice of the supreme court.

*j.* A clerk of the district court appointed by the chief justice of the supreme court.

*k.* An employee or subcontractor of the department of corrections who is a trained batterers' education program facilitator.

*l.* An attorney licensed in this state who provides criminal defense assistance or child custody representation, and who has experience in dissolution of marriage proceedings.

*m.* Both a female and a male victim of domestic abuse.

*n.* A family member of a decedent whose death resulted from domestic abuse.

4. The following individuals shall each designate a liaison to assist the team in fulfilling the team's duties:

*a.* The attorney general.

*b.* The director of the Iowa department of corrections.

*c.* The director of public health.

*d.* The director of human services.

*e.* The commissioner of public safety.

*f.* The administrator of the bureau of vital records of the Iowa department of public health.

*g.* The director of the department of education.

*h.* The state court administrator.

*i.* The director of the department of human rights.

*j.* The director of the state law enforcement academy.

5. *a.* The director of public health, in consultation with the attorney general, shall appoint review team members who are not designated by another appointing authority.

*b.* A membership vacancy shall be filled in the same manner as the original appointment.

*c.* The membership of the review team is subject to the provisions of sections 69.16 and 69.16A, relating to political affiliation and gender balance.

*d.* A member of the team may be reappointed to serve additional terms on the team, subject to the provisions of chapter 69.

6. Membership terms shall be three-year staggered terms.

7. Members of the team are eligible for reimbursement of actual and necessary expenses incurred in the performance of their official duties.

8. Team members and their agents are immune from any liability, civil or criminal, which might otherwise be incurred or imposed as a result of any act, omission, proceeding, decision, or determination undertaken or performed, or recommendation made as a team member or agent provided that the team members or agents acted reasonably and in good faith and without malice in carrying out their official duties in their official capacity. A complainant bears the burden of proof in establishing malice or unreasonableness or lack of good faith in an action brought against team members involving the performance of their duties and powers.

2000 Acts, ch 1136, §2; 2006 Acts, ch 1184, §80, 81

Referred to in §135.108, 135.112, 216A.133A

**135.110 Iowa domestic abuse death review team powers and duties.**

1. The review team shall perform the following duties:

*a.* Prepare a biennial report for the governor, supreme court, attorney general, and the general assembly concerning the following subjects:

(1) The causes and manner of domestic abuse deaths, including an analysis of factual information obtained through review of domestic abuse death certificates and domestic abuse death data, including patient records and other pertinent confidential and public information concerning domestic abuse deaths.

(2) The contributing factors of domestic abuse deaths.

(3) Recommendations regarding the prevention of future domestic abuse deaths, including actions to be taken by communities, based on an analysis of these contributing factors.

*b.* Advise and consult the agencies represented on the team and other state agencies regarding program and regulatory changes that may prevent domestic abuse deaths.

*c.* Develop protocols for domestic abuse death investigations and team review.

2. In performing duties pursuant to subsection 1, the review team shall review the relationship between the decedent victim and the alleged or convicted perpetrator from the point where the abuse allegedly began, until the domestic abuse death occurred, and shall review all relevant documents pertaining to the relationship between the parties, including but not limited to protective orders and dissolution, custody, and support agreements and related court records, in order to ascertain whether a correlation exists between certain events in the relationship and any escalation of abuse, and whether patterns can be established regarding such events in relation to domestic abuse deaths in general. The review team shall consider such conclusions in making recommendations pursuant to subsection 1.

3. The team shall meet upon the call of the chairperson, upon the request of a state agency, or as determined by a majority of the team.

4. The team shall annually elect a chairperson and other officers as deemed necessary by the team.

5. The team may establish committees or panels to whom the team may assign some or all of the team's responsibilities.

6. Members of the team who are currently practicing attorneys or current employees of the judicial branch of state government shall not participate in the following:

*a.* An investigation by the team that involves a case in which the team member is presently involved in the member's professional capacity.

*b.* Development of protocols by the team for domestic abuse death investigations and team review.

*c.* Development of regulatory changes related to domestic abuse deaths.

2000 Acts, ch 1136, §3; 2000 Acts, ch 1232, §48; 2002 Acts, ch 1119, §131; 2006 Acts, ch 1184, §82

Referred to in §135.112

**135.111 Confidentiality of domestic abuse death records.**

1. A person in possession or control of medical, investigative, or other information pertaining to a domestic abuse death and related incidents and events preceding the domestic abuse death, shall allow for the inspection and review of written or photographic information related to the death, whether the information is confidential or public in nature, by the department upon the request of the department and the team, to be used only in the administration and for the official duties of the team. Information and records produced under this section that are confidential under the law of this state or under federal law, or because of any legally recognized privilege, and information or records received from the confidential records, remain confidential under this section.

2. A person does not incur legal liability by reason of releasing information to the department as required under and in compliance with this section.

3. A person who releases or discloses confidential data, records, or any other type of information in violation of this section is guilty of a serious misdemeanor.

2000 Acts, ch 1136, §4

Referred to in §135.112

**135.112 Rulemaking.**

The department shall adopt rules pursuant to chapter 17A relating to the administration of the domestic abuse death review team and sections 135.108 through 135.111.

2000 Acts, ch 1136, §5

**135.113 through 135.117** Reserved.

## DIVISION XII

## CHILD PROTECTION — CHILD PROTECTION CENTER GRANTS — SHAKEN BABY SYNDROME PREVENTION

**135.118 Child protection center grant program.**

1. A child protection center grant program is established in the Iowa department of public health in accordance with this section. The director of public health shall establish requirements for the grant program and shall award grants. A grant may be used for establishment of a new center or for support of an existing center.

2. The eligibility requirements for a child protection center grant shall include but are not limited to all of the following:

*a.* A grantee must meet or be in the process of meeting the standards established by the national children's alliance for children's advocacy centers.

*b.* A grantee must have in place an interagency memorandum of understanding regarding participation in the operation of the center and for coordinating the activities of the government entities that respond to cases of child abuse in order to facilitate the appropriate disposition of child abuse cases through the juvenile and criminal justice systems. Agencies participating under the memorandum must include the following that are operating in the area served by the grantee:

(1) Department of human services county offices assigned to child protection.

(2) County and municipal law enforcement agencies.

(3) Office of the county attorney.

(4) Other government agencies involved with child abuse assessments or service provision.

*c.* The interagency memorandum must provide for a cooperative team approach to responding to child abuse, reducing the number of interviews required of a victim of child abuse, and establishing an approach that emphasizes the best interest of the child and that provides investigation, assessment, and rehabilitative services.

*d.* As necessary to address serious cases of child abuse such as those involving sexual abuse, serious physical abuse, and substance abuse, a grantee must be able to involve or consult with persons from various professional disciplines who have training and expertise in addressing special types of child abuse. These persons may include but are not limited to physicians and other health care professionals, mental health professionals, social workers, child protection workers, attorneys, juvenile court officers, public health workers, child development experts, child educators, and child advocates.

3. The director shall create a committee to consider grant proposals and to make grant recommendations to the director. The committee membership may include but is not limited to representatives of the following: departments of human services, justice, and public health, Iowa medical society, Iowa hospital association, Iowa nurses association, and an association representing social workers.

4. Implementation of the grant program is subject to the availability of funding for the grant program.

2001 Acts, ch 166, §1

**135.119 Shaken baby syndrome prevention program.**

1. For the purposes of this section:

*a.* *"Birth center"* and *"birthing hospital"* mean the same as defined in section 135.131.

*b.* *"Child care provider"* means the same as a child care facility, as defined in section 237A.1, that is providing child care to a child who is newborn through age three.

*c.* *"Family support program"* means a program offering instruction and support for families in which home visitation is the primary service delivery mechanism.

*d.* *"Parent"* means the same as *"custodian"*, *"guardian"*, or *"parent"*, as defined in section 232.2, of a child who is newborn through age three.

*e.* *"Person responsible for the care of a child"* means the same as defined in section 232.68, except that it is limited to persons responsible for the care of a child who is newborn through age three.

*f.* *"Shaken baby syndrome"* means the collection of signs and symptoms resulting from the vigorous shaking of a child who is three years of age or younger. Shaken baby syndrome may result in bleeding inside the child's head and may cause one or more of the following conditions: irreversible brain damage; blindness, retinal hemorrhage, or eye damage; cerebral palsy; hearing loss; spinal cord injury, including paralysis; seizures; learning disability; central nervous system injury; closed head injury; rib fracture; subdural hematoma; or death. Shaken baby syndrome also includes the symptoms included in the diagnosis code for shaken infant syndrome utilized by Iowa hospitals.

2. *a.* The department shall establish a statewide shaken baby syndrome prevention program to educate parents and persons responsible for the care of a child about the dangers to children three years of age or younger caused by shaken baby syndrome and to discuss ways to reduce the syndrome's risks. The program plan shall allow for voluntary participation by parents and persons responsible for the care of a child.

*b.* The program plan shall describe strategies for preventing shaken baby syndrome by providing education and support to parents and persons responsible for the care of a child and shall identify multimedia resources, written materials, and other resources that can assist in providing the education and support.

*c.* The department shall consult with experts with experience in child abuse prevention, child health, and parent education in developing the program plan.

*d.* The program plan shall incorporate a multiyear, collaborative approach for implementation of the plan. The plan shall address how to involve those who regularly work

with parents and persons responsible for the care of a child, including but not limited to child abuse prevention programs, child care resource and referral programs, child care providers, family support programs, programs receiving funding through the early childhood Iowa initiative, public and private schools, health care providers, local health departments, birth centers, and birthing hospitals.

*e.* The program plan shall identify the methodology to be used for improving the tracking of shaken baby syndrome incidents and for evaluating the effectiveness of the plan's education and support efforts.

*f.* The program plan shall describe how program results will be reported.

*g.* The program plan may provide for implementation of the program through a contract with a private agency or organization experienced in furnishing the services set forth in the program plan.

3. The department shall implement the program plan to the extent of the amount appropriated or made available for the program for a fiscal year.

2009 Acts, ch 7, §1; 2010 Acts, ch 1031, §291

## DIVISION XIII

## TAXATION OF ORGANIZED DELIVERY SYSTEMS

**135.120 Taxation of organized delivery systems.**

Payments received by an organized delivery system licensed by the director for health care services, insurance, indemnity, or other benefits to which an enrollee is entitled through an organized delivery system authorized under 1993 Iowa Acts, ch. 158, and payments by an organized delivery system licensed by the director to providers for health care services, to insurers, or corporations authorized under chapter 514 for insurance, indemnity, or other service benefits authorized under 1993 Iowa Acts, ch. 158, are not premiums received and taxable under the provisions of section 432.1 for the first five years of the existence of the organized delivery system, its successors or assigns, or the first five years after July 1, 1996, whichever is the later. After the first five years, the payments received shall be considered premiums received and shall be taxable under the provisions of section 432.1, subsection 1. However, payments made by the United States secretary of health and human services under contracts issued under section 1833 or 1876 of the federal Social Security Act, section 4015 of the federal Omnibus Budget Reconciliation Act of 1987, or chapter 249A for enrolled members shall not be considered premiums received and shall not be taxable under section 432.1.

96 Acts, ch 1146, §1; 2002 Acts, ch 1158, §1

**135.121 through 135.129** Reserved.

## DIVISION XIV

## SUBSTANCE ABUSE TREATMENT FACILITY FOR PERSONS ON PROBATION

**135.130 Substance abuse treatment facility for persons on probation.**

1. The director shall establish and operate a facility for the purpose of providing a structured treatment program for persons with a substance abuse problem who are on probation and under the supervision of a judicial district department of correctional services. The department shall enter into an agreement pursuant to chapter 28E with the department of corrections for assistance in establishing security for the facility. The department, in consultation with the department of corrections, shall adopt rules pursuant to chapter 17A to administer this section. The rules adopted shall include rules related to the treatment requirements of the program.

2. A substance abuse treatment facility advisory council is established within the department to advise and make recommendations to the director regarding the establishment and operation of a facility for persons with a substance abuse problem who are on probation and to assist with the implementation of treatment programs that are proven to be effective for offenders. The substance abuse treatment facility advisory council shall consist of the directors of the eight judicial district departments of correctional services and one representative each from the judicial branch, the Iowa department of public health, the department of corrections, and the governor's office of drug control policy.

3. The department, in consultation with the department of corrections and the advisory council, shall adopt rules pursuant to chapter 17A to establish and operate the facility.

2001 Acts, ch 184, §7
Referred to in §135.11, 901B.1

## DIVISION XV

## NEWBORN AND INFANT HEARING SCREENING

**135.131 Universal newborn and infant hearing screening.**

1. For the purposes of this section, unless the context otherwise requires:

*a.* *"Birth center"* means birth center as defined in section 135.61.

*b.* *"Birthing hospital"* means a private or public hospital licensed pursuant to chapter 135B that has a licensed obstetric unit or is licensed to provide obstetric services.

2. All newborns and infants born in this state shall be screened for hearing loss in accordance with this section. The person required to perform the screening shall use at least one of the following procedures:

*a.* Automated or diagnostic auditory brainstem response.

*b.* Otoacoustic emissions.

*c.* Any other technology approved by the department.

3. *a.* A birthing hospital shall screen every newborn delivered in the hospital for hearing loss prior to discharge of the newborn from the birthing hospital. A birthing hospital that transfers a newborn for acute care prior to completion of the hearing screening shall notify the receiving facility of the status of the hearing screening. The receiving facility shall be responsible for completion of the newborn hearing screening.

*b.* The birthing hospital or other facility completing the hearing screening under this subsection shall report the results of the screening to the parent or guardian of the newborn and to the department in a manner prescribed by rule of the department. The birthing hospital or other facility shall also report the results of the hearing screening to the primary care provider of the newborn or infant upon discharge from the birthing hospital or other facility. If the newborn or infant was not tested prior to discharge, the birthing hospital or other facility shall report the status of the hearing screening to the primary care provider of the newborn or infant.

4. A birth center shall refer the newborn to a licensed audiologist, physician, or hospital for screening for hearing loss prior to discharge of the newborn from the birth center. The hearing screening shall be completed within thirty days following discharge of the newborn. The person completing the hearing screening shall report the results of the screening to the parent or guardian of the newborn and to the department in a manner prescribed by rule of the department. Such person shall also report the results of the screening to the primary care provider of the newborn.

5. If a newborn is delivered in a location other than a birthing hospital or a birth center, the physician or other health care professional who undertakes the pediatric care of the newborn or infant shall ensure that the hearing screening is performed within three months of the date of the newborn's or infant's birth. The physician or other health care professional shall report the results of the hearing screening to the parent or guardian of the newborn or infant, to the

primary care provider of the newborn or infant, and to the department in a manner prescribed by rule of the department.

6. A birthing hospital, birth center, physician, or other health care professional required to report information under subsection 3, 4, or 5 shall report all of the following information to the department relating to a newborn's or infant's hearing screening, as applicable:

*a.* The name, address, and telephone number, if available, of the mother of the newborn or infant.

*b.* The primary care provider at the time of the newborn's or infant's discharge from the birthing hospital or birth center.

*c.* The results of the hearing screening.

*d.* Any rescreenings and the diagnostic audiological assessment procedures used.

*e.* Any known risk indicators for hearing loss of the newborn or infant.

*f.* Other information specified in rules adopted by the department.

7. The department may share information with agencies and persons involved with newborn and infant hearing screenings, follow-up, and intervention services, including the local birth-to-three coordinator or similar agency, the local area education agency, and local health care providers. The department shall adopt rules to protect the confidentiality of the individuals involved.

8. An audiologist who provides services addressed by this section shall conduct diagnostic audiological assessments of newborns and infants in accordance with standards specified in rules adopted by the department. The audiologist shall report all of the following information to the department relating to a newborn's or infant's hearing, follow-up, diagnostic audiological assessment, and intervention services, as applicable:

*a.* The name, address, and telephone number, if available, of the mother of the newborn or infant.

*b.* The results of the hearing screening and any rescreenings, including the diagnostic audiological assessment procedures used.

*c.* The nature of any follow-up or other intervention services provided to the newborn or infant.

*d.* Any known risk indicators for hearing loss of the newborn or infant.

*e.* Other information specified in rules adopted by the department.

9. This section shall not apply if the parent objects to the screening. If a parent objects to the screening, the birthing hospital, birth center, physician, or other health care professional required to report information under subsection 3, 4, or 5 to the department shall obtain a written refusal from the parent, shall document the refusal in the newborn's or infant's medical record, and shall report the refusal to the department in the manner prescribed by rule of the department.

10. A person who acts in good faith in complying with this section shall not be civilly or criminally liable for reporting the information required to be reported by this section.

2003 Acts, ch 102, §1; 2009 Acts, ch 37, §3

Referred to in §135.119, 135B.18A

## DIVISION XVI

## INTERAGENCY PHARMACEUTICALS BULK PURCHASING COUNCIL

**135.132 Interagency pharmaceuticals bulk purchasing council.**

1. For the purposes of this section, *"interagency pharmaceuticals bulk purchasing council"* or *"council"* means the interagency pharmaceuticals bulk purchasing council created in this section.

2. An interagency pharmaceuticals bulk purchasing council is created within the Iowa department of public health. The department shall provide staff support to the council and the department of pharmaceutical care of the university of Iowa hospitals and clinics shall act

in an advisory capacity to the council. The council shall be composed of all of the following members:

*a.* The director of public health, or the director's designee.

*b.* The director of human services, or the director's designee.

*c.* The director of the department of administrative services, or the director's designee.

*d.* A representative of the state board of regents.

*e.* The director of the department of corrections, or the director's designee.

*f.* The director, or the director's designee, of any other agency that purchases pharmaceuticals designated to be included as a member by the director of public health.

3. The council shall select a chairperson annually from its membership. A majority of the members of the council shall constitute a quorum.

4. The council shall do all of the following:

*a.* Develop procedures that member agencies must follow in purchasing pharmaceuticals. However, a member agency may elect not to follow the council's procedures if the agency is able to purchase the pharmaceuticals for a lower price than the price available through the council. An agency that does not follow the council's procedures shall report all of the following to the council:

(1) The purchase price for the pharmaceuticals.

(2) The name of the wholesaler, retailer, or manufacturer selling the pharmaceuticals.

*b.* Designate a member agency as the central purchasing agency for purchasing of pharmaceuticals.

*c.* Use existing distribution networks, including wholesale and retail distributors, to distribute the pharmaceuticals.

*d.* Investigate options that maximize purchasing power, including expanding purchasing under the medical assistance program, qualifying for participation in purchasing programs under 42 U.S.C. § 256b, as amended, and utilizing rebate programs, hospital disproportionate share purchasing, multistate purchasing alliances, and health department and federally qualified health center purchasing.

*e.* In collaboration with the department of pharmaceutical care of the university of Iowa hospitals and clinics, make recommendations to member agencies regarding drug utilization review, prior authorization, the use of restrictive formularies, the use of mail order programs, and copayment structures. This paragraph shall not apply to the medical assistance program but only to the operations of the member agencies.

5. The central purchasing agency may enter into agreements with a local governmental entity to purchase pharmaceuticals for the local governmental entity.

6. The council shall develop procedures under which the council may disclose information relating to the prices manufacturers or wholesalers charge for pharmaceuticals by category of pharmaceutical. The procedure shall prohibit the council from disclosing information that identifies a specific manufacturer or wholesaler or the prices charged by a specific manufacturer or wholesaler for a specific pharmaceutical.

2003 Acts, ch 112, §1; 2003 Acts, ch 145, §286

**135.133 through 135.139** Reserved.

## DIVISION XVII

## DISASTER PREPAREDNESS

**135.140 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Bioterrorism"* means the intentional use of any microorganism, virus, infectious substance, or biological product that may be engineered as a result of biotechnology, or any naturally occurring or bioengineered component of any such microorganism, virus, infectious substance, or biological product, to cause death, disease, or other biological malfunction in a human, an animal, a plant, or another living organism.

2. *"Department"* means the Iowa department of public health.
3. *"Director"* means the director of public health or the director's designee.
4. *"Disaster"* means disaster as defined in section 29C.2.
5. *"Division"* means the division of acute disease prevention and emergency response of the department.
6. *"Public health disaster"* means a state of disaster emergency proclaimed by the governor in consultation with the department pursuant to section 29C.6 for a disaster which specifically involves an imminent threat of an illness or health condition that meets any of the following conditions of paragraphs *"a"* and *"b"*:
*a.* Is reasonably believed to be caused by any of the following:
(1) Bioterrorism or other act of terrorism.
(2) The appearance of a novel or previously controlled or eradicated infectious agent or biological toxin.
(3) A chemical attack or accidental release.
(4) An intentional or accidental release of radioactive material.
(5) A nuclear or radiological attack or accident.
(6) A natural occurrence or incident, including but not limited to fire, flood, storm, drought, earthquake, tornado, or windstorm.
(7) A man-made occurrence or incident, including but not limited to an attack, spill, or explosion.
*b.* Poses a high probability of any of the following:
(1) A large number of deaths in the affected population.
(2) A large number of serious or long-term disabilities in the affected population.
(3) Widespread exposure to an infectious or toxic agent that poses a significant risk of substantial future harm to a large number of the affected population.
(4) Short-term or long-term physical or behavioral health consequences to a large number of the affected population.
7. *"Public health response team"* means a team of professionals, including licensed health care providers, nonmedical professionals skilled and trained in disaster or emergency response, and public health practitioners, which is sponsored by a hospital or other entity and approved by the department to provide disaster assistance in the event of a disaster or threatened disaster.
2003 Acts, ch 33, §1, 11; 2003 Acts, ch 179, §64; 2005 Acts, ch 89, §6, 7; 2006 Acts, ch 1184, §83; 2009 Acts, ch 37, §4, 5
Referred to in §29C.6, 135M.1, 135M.3, 135M.4, 137.116, 139A.2

**135.141 Division of acute disease prevention and emergency response — establishment — duties of department.**
1. A division of acute disease prevention and emergency response is established within the department. The division shall coordinate the administration of this division of this chapter with other administrative divisions of the department and with federal, state, and local agencies and officials.
2. The department shall do all of the following:
*a.* Coordinate with the department of homeland security and emergency management the administration of emergency planning matters which involve the public health, including development, administration, and execution of the public health components of the comprehensive emergency plan and emergency management program pursuant to section 29C.8.
*b.* Coordinate with federal, state, and local agencies and officials, and private agencies, organizations, companies, and persons, the administration of emergency planning, response, and recovery matters that involve the public health.
*c.* Conduct and maintain a statewide risk assessment of any present or potential danger to the public health from biological agents.
*d.* If a public health disaster exists, or if there is reasonable cause to believe that a public health disaster is imminent, conduct a risk assessment of any present or potential danger to the public health from chemical, radiological, or other potentially dangerous agents.

*e.* For the purpose of paragraphs "*c*" and "*d*", an employee or agent of the department may enter into and examine any premises containing potentially dangerous agents with the consent of the owner or person in charge of the premises or, if the owner or person in charge of the premises refuses admittance, with an administrative search warrant obtained under section 808.14. Based on findings of the risk assessment and examination of the premises, the director may order reasonable safeguards or take any other action reasonably necessary to protect the public health pursuant to rules adopted to administer this subsection.

*f.* Coordinate the location, procurement, storage, transportation, maintenance, and distribution of medical supplies, drugs, antidotes, and vaccines to prepare for or in response to a public health disaster, including receiving, distributing, and administering items from the strategic national stockpile program of the centers for disease control and prevention of the United States department of health and human services.

*g.* Conduct or coordinate public information activities regarding emergency and disaster planning, response, and recovery matters that involve the public health.

*h.* Apply for and accept grants, gifts, or other funds to be used for programs authorized by this division of this chapter.

*i.* Establish and coordinate other programs or activities as necessary for the prevention, detection, management, and containment of public health disasters, and for the recovery from such disasters.

*j.* Adopt rules pursuant to chapter 17A for the administration of this division of this chapter including rules adopted in cooperation with the Iowa pharmacy association and the Iowa hospital association for the development of a surveillance system to monitor supplies of drugs, antidotes, and vaccines to assist in detecting a potential public health disaster. Prior to adoption, the rules shall be approved by the state board of health and the director of the department of homeland security and emergency management.

2003 Acts, ch 33, §2, 11; 2003 Acts, ch 179, §157; 2005 Acts, ch 89, §8; 2009 Acts, ch 37, §6; 2009 Acts, ch 41, §42; 2012 Acts, ch 1021, §45; 2013 Acts, ch 29, §45

Subsection 2, paragraphs a and j amended

**135.142 Health care supplies.**

1. The department may purchase and distribute antitoxins, serums, vaccines, immunizing agents, antibiotics, and other pharmaceutical agents or medical supplies as deemed advisable in the interest of preparing for or controlling a public health disaster.

2. If a public health disaster exists or there is reasonable cause to believe that a public health disaster is imminent and if the public health disaster or belief that a public health disaster is imminent results in a statewide or regional shortage or threatened shortage of any product described under subsection 1, whether or not such product has been purchased by the department, the department may control, restrict, and regulate by rationing and using quotas, prohibitions on shipments, allocation, or other means, the use, sale, dispensing, distribution, or transportation of the relevant product necessary to protect the public health, safety, and welfare of the people of this state. The department shall collaborate with persons who have control of the products when reasonably possible.

3. In making rationing or other supply and distribution decisions, the department shall give preference to health care providers, disaster response personnel, and mortuary staff.

4. During a public health disaster, the department may procure, store, or distribute any antitoxins, serums, vaccines, immunizing agents, antibiotics, and other pharmaceutical agents or medical supplies located within the state as may be reasonable and necessary to respond to the public health disaster, and may take immediate possession of these pharmaceutical agents and supplies. If a public health disaster affects more than one state, this section shall not be construed to allow the department to obtain antitoxins, serums, vaccines, immunizing agents, antibiotics, and other pharmaceutical agents or medical supplies for the primary purpose of hoarding such items or preventing the fair and equitable distribution of these pharmaceutical and medical supplies among affected states. The department shall collaborate with affected states and persons when reasonably possible.

5. The state shall pay just compensation to the owner of any product lawfully taken or appropriated by the department for the department's temporary or permanent use in

accordance with this section. The amount of compensation shall be limited to the costs incurred by the owner to procure the item.

2003 Acts, ch 33, §3, 11; 2004 Acts, ch 1086, §34

**135.143 Public health response teams.**

1. The department shall approve public health response teams to supplement and support disrupted or overburdened local medical and public health personnel, hospitals, and resources. Assistance shall be rendered under the following circumstances:

*a.* At or near the site of a disaster or threatened disaster by providing direct medical care to victims or providing other support services.

*b.* If local medical or public health personnel or hospitals request the assistance of a public health response team to provide direct medical care to victims or to provide other support services in relation to any of the following incidents:

(1) During an incident resulting from a novel or previously controlled or eradicated infectious agent, disease, or biological toxin.

(2) After a chemical attack or accidental chemical release.

(3) After an intentional or accidental release of radioactive material.

(4) In response to a nuclear or radiological attack or accident.

(5) Where an incident poses a high probability of a large number of deaths or long-term disabilities in the affected population.

(6) During or after a natural occurrence or incident, including but not limited to fire, flood, storm, drought, earthquake, tornado, or windstorm.

(7) During or after a man-made occurrence or incident, including but not limited to an attack, spill, or explosion.

2. The department shall provide by rule a process for registration and approval of public health response team members and sponsor entities and shall authorize specific public health response teams, which may include but are not limited to disaster assistance teams and environmental health response teams. The department may expedite the registration and approval process during a disaster, threatened disaster, or other incident described in subsection 1.

3. A member of a public health response team acting pursuant to this division of this chapter shall be considered an employee of the state under section 29C.21 and chapter 669, shall be afforded protection as an employee of the state under section 669.21, and shall be considered an employee of the state for purposes of workers' compensation, disability, and death benefits, provided that the member has done all of the following:

*a.* Registered with and received approval to serve on a public health response team from the department.

*b.* Provided direct medical care or other support services during a disaster, threatened disaster, or other incident described in subsection 1; or participated in a training exercise to prepare for a disaster or other incident described in subsection 1.

4. The department shall provide the department of administrative services with a list of individuals who have registered with and received approval from the department to serve on a public health response team. The department shall update the list on a quarterly basis, or as necessary for the department of administrative services to determine eligibility for coverage.

5. Upon notification of a compensable loss, the department of administrative services shall seek authorization from the executive council to pay as an expense from the appropriations addressed in section 7D.29 those costs associated with covered workers' compensation benefits.

2003 Acts, ch 33, §4, 11; 2003 Acts, ch 145, §286; 2005 Acts, ch 89, §9; 2009 Acts, ch 37, §7, 8; 2011 Acts, ch 131, §25, 158

Referred to in §29C.20

**135.144 Additional duties of the department related to a public health disaster.**

If a public health disaster exists, the department, in conjunction with the governor, may do any of the following:

1. Decontaminate or cause to be decontaminated, to the extent reasonable and necessary

to address the public health disaster, any facility or material if there is cause to believe the contaminated facility or material may endanger the public health.

2. Adopt and enforce measures to provide for the identification and safe disposal of human remains, including performance of postmortem examinations, transportation, embalming, burial, cremation, interment, disinterment, and other disposal of human remains. To the extent possible, religious, cultural, family, and individual beliefs of the deceased person or the deceased person's family shall be considered when disposing of any human remains.

3. Take reasonable measures as necessary to prevent the transmission of infectious disease and to ensure that all cases of communicable disease are properly identified, controlled, and treated.

4. Take reasonable measures as necessary to ensure that all cases of chemical, biological, and radiological contamination are properly identified, controlled, and treated.

5. Order physical examinations and tests and collect specimens as necessary for the diagnosis or treatment of individuals, to be performed by any qualified person authorized to do so by the department. An examination or test shall not be performed or ordered if the examination or test is reasonably likely to lead to serious harm to the affected individual. The department may isolate or quarantine, pursuant to chapter 139A and the rules implementing chapter 139A and this division of this chapter, any individual whose refusal of medical examination or testing results in uncertainty regarding whether the individual has been exposed to or is infected with a communicable or potentially communicable disease or otherwise poses a danger to public health.

6. Vaccinate or order that individuals be vaccinated against an infectious disease and to prevent the spread of communicable or potentially communicable disease. Vaccinations shall be administered by any qualified person authorized to do so by the department. The vaccination shall not be provided or ordered if it is reasonably likely to lead to serious harm to the affected individual. To prevent the spread of communicable or potentially communicable disease, the department may isolate or quarantine, pursuant to chapter 139A and the rules implementing chapter 139A and this division of this chapter, any person who is unable or unwilling to undergo vaccination pursuant to this subsection.

7. Treat or order that individuals exposed to or infected with disease receive treatment or prophylaxis. Treatment or prophylaxis shall be administered by any qualified person authorized to do so by the department. Treatment or prophylaxis shall not be provided or ordered if the treatment or prophylaxis is reasonably likely to lead to serious harm to the affected individual. To prevent the spread of communicable or potentially communicable disease, the department may isolate or quarantine, pursuant to chapter 139A and the rules implementing chapter 139A and this division of this chapter, any individual who is unable or unwilling to undergo treatment or prophylaxis pursuant to this section.

8. Isolate or quarantine individuals or groups of individuals pursuant to chapter 139A and the rules implementing chapter 139A and this division of this chapter.

9. Inform the public when a public health disaster has been declared or terminated, about protective measures to take during the disaster, and about actions being taken to control the disaster.

10. Accept grants and loans from the federal government pursuant to section 29C.6 or available provisions of federal law.

11. If a public health disaster or other public health emergency situation exists which poses an imminent threat to the public health, safety, and welfare, the department, in conjunction with the governor, may provide financial assistance, from funds appropriated to the department that are not otherwise encumbered, to political subdivisions as needed to alleviate the disaster or the emergency. If the department does not have sufficient unencumbered funds, the governor may request the executive council to authorize the payment of up to one million dollars as an expense from the appropriations addressed in section 7D.29 to alleviate the disaster or the emergency. If additional financial assistance is required in excess of one million dollars, approval by the legislative council is also required.

12. Temporarily reassign department employees for purposes of response and recovery efforts, to the extent such employees consent to the reassignments.

13. Order, in conjunction with the department of education, temporary closure of any

public school or nonpublic school, as defined in section 280.2, to prevent or control the transmission of a communicable disease as defined in section 139A.2.

2003 Acts, ch 33, §5, 11; 2003 Acts, ch 179, §65; 2004 Acts, ch 1097, §1; 2005 Acts, ch 19, §32; 2009 Acts, ch 37, §9; 2010 Acts, ch 1088, §1; 2011 Acts, ch 131, §26, 158

**135.145 Information sharing.**

1. When the department of public safety or other federal, state, or local law enforcement agency learns of a case of a disease or health condition, unusual cluster, or a suspicious event that may be the cause of a public health disaster, the department or agency shall immediately notify the department, the director of the department of homeland security and emergency management, the department of agriculture and land stewardship, and the department of natural resources as appropriate.

2. When the department learns of a case of a disease or health condition, an unusual cluster, or a suspicious event that may be the cause of a public health disaster, the department shall immediately notify the department of public safety, the department of homeland security and emergency management, and other appropriate federal, state, and local agencies and officials.

3. Sharing of information on diseases, health conditions, unusual clusters, or suspicious events between the department and public safety authorities and other governmental agencies shall be restricted to sharing of only the information necessary for the prevention, control, and investigation of a public health disaster.

4. Release of information pursuant to this section shall be consistent with the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

2003 Acts, ch 33, §6, 11; 2003 Acts, ch 179, §157; 2006 Acts, ch 1079, §1; 2013 Acts, ch 29, §46

Communicable and infectious diseases and poisonings, see chapter 139A

Subsections 1 and 2 amended

**135.146 First responder vaccination program.**

1. In the event that federal funding is received for administering vaccinations for first responders, the department shall offer a vaccination program for first responders who may be exposed to infectious diseases when deployed to disaster locations. For purposes of this section, "*first responder*" means state and local law enforcement personnel, fire department personnel, and emergency medical personnel who will be deployed to sites of bioterrorism attacks, terrorist attacks, catastrophic or natural disasters, and other disasters. The vaccinations shall include, but not be limited to, vaccinations for hepatitis B, diphtheria, tetanus, influenza, and other vaccinations when recommended by the United States public health service and in accordance with federal emergency management agency policy. Immune globulin will be made available when necessary.

2. Participation in the vaccination program shall be voluntary, except for first responders who are classified as having occupational exposure to blood-borne pathogens as defined by the occupational safety and health administration standard contained in 29 C.F.R. § 1910.1030. First responders who are so classified shall be required to receive the vaccinations as described in subsection 1. A first responder shall be exempt from this requirement, however, when a written statement from a licensed physician is presented indicating that a vaccine is medically contraindicated for that person or the first responder signs a written statement that the administration of a vaccination conflicts with religious tenets.

3. The department shall establish first responder notification procedures regarding the existence of the program by rule, and shall develop, and distribute to first responders, educational materials on methods of preventing exposure to infectious diseases. In administering the program, the department may contract with county and local health departments, not-for-profit home health care agencies, hospitals, physicians, and military unit clinics.

2004 Acts, ch 1012, §1, 2; 2005 Acts, ch 3, §31

**135.147 Immunity for emergency aid — exceptions.**

1. A person, corporation, or other legal entity, or an employee or agent of such person, corporation, or entity, who, during a public health disaster, in good faith and at the request of or under the direction of the department or the department of public defense renders emergency care or assistance to a victim of the public health disaster shall not be liable for civil damages for causing the death of or injury to a person, or for damage to property, unless such acts or omissions constitute recklessness.

2. The immunities provided in this section shall not apply to any person, corporation, or other legal entity, or an employee or agent of such person, corporation, or entity, whose act or omission caused in whole or in part the public health disaster and who would otherwise be liable therefor.

2007 Acts, ch 159, §21

**135.148 and 135.149** Reserved.

## DIVISION XVIII

## GAMBLING TREATMENT PROGRAM

**135.150 Gambling treatment program — standards and licensing.**

1. *a.* The department shall operate a gambling treatment program to provide programs which may include but are not limited to outpatient and follow-up treatment for persons affected by problem gambling, rehabilitation and residential treatment programs, information and referral services, crisis call access, education and preventive services, and financial management and credit counseling services.

*b.* A person shall not maintain or conduct a gambling treatment program funded through the department unless the person has obtained a license for the program from the department. The department shall adopt rules to establish standards for the licensing and operation of gambling treatment programs under this section. The rules shall specify, but are not limited to specifying, the qualifications for persons providing gambling treatment services, standards for the organization and administration of gambling treatment programs, and a mechanism to monitor compliance with this section and the rules adopted under this section.

2. The department shall report semiannually to the general assembly's standing committees on government oversight regarding the operation of the gambling treatment program. The report shall include but is not limited to information on the moneys expended and grants awarded for operation of the gambling treatment program.

2004 Acts, ch 1136, §55; 2005 Acts, ch 175, §77; 2009 Acts, ch 182, §106; 2010 Acts, ch 1069, §15

Department of public health to continue to implement a process for creation of a system for uniform delivery of gambling and substance abuse treatment services; 2008 Acts, ch 1187, §3; 2009 Acts, ch 182, §2; 2010 Acts, ch 1192, §2; 2011 Acts, ch 123, §13, 16; 2011 Acts, ch 129, §2, 114, 156; 2012 Acts, ch 1133, §2; 2013 Acts, ch 138, §3, 133

Section not amended; footnote revised

**135.151** Reserved.

## DIVISION XIX

## OBSTETRICAL AND NEWBORN INDIGENT PATIENT CARE PROGRAM

**135.152 Statewide obstetrical and newborn indigent patient care program.**

1. The department shall establish a statewide obstetrical and newborn indigent patient care program to provide obstetrical and newborn care to medically indigent residents of this

state at the appropriate and necessary level, at a licensed hospital or health care facility closest and most available to the residence of the indigent individual.

2. The department shall administer the program, and appropriations by the general assembly for the program shall be allocated to the obstetrical and newborn patient care fund within the department to be utilized for the obstetrical and newborn indigent patient care program.

3. The department shall adopt administrative rules pursuant to chapter 17A to administer the program.

4. The department shall establish a patient quota formula for determining the maximum number of obstetrical and newborn patients eligible for the program, annually, from each county. The formula used shall be based upon the annual appropriation for the program, the average number of live births in each county for the most recent three-year period, and the per capita income for each county for the most recent year. The formula shall also provide for reassignment of an unused county quota allotment on April 1 of each year.

5. *a.* The department, in collaboration with the department of human services and the Iowa state association of counties, shall adopt rules pursuant to chapter 17A to establish minimum standards for eligibility for obstetrical and newborn care, including physician examinations, medical testing, ambulance services, and inpatient transportation services under the program. The minimum standards shall provide that the individual is not otherwise eligible for assistance under the medical assistance program or for assistance under the medically needy program without a spend-down requirement pursuant to chapter 249A. If the individual is eligible for assistance pursuant to chapter 249A, or if the individual is eligible for maternal and child health care services covered by a maternal and child health program, the obstetrical and newborn indigent patient care program shall not provide the assistance, care, or covered services provided under the other program.

*b.* The minimum standards for eligibility shall provide eligibility for persons with family incomes at or below one hundred eighty-five percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services, and shall provide, but shall not be limited to providing, eligibility for uninsured and underinsured persons financially unable to pay for necessary obstetrical and newborn care. The minimum standards may include a spend-down provision. The resource standards shall be set at or above the resource standards under the federal supplemental security income program. The resource exclusions allowed under the federal supplemental security income program shall be allowed and shall include resources necessary for self-employment.

*c.* The department, in cooperation with the department of human services, shall develop a standardized application form for the program and shall coordinate the determination of eligibility for the medical assistance and medically needy programs under chapter 249A, and the obstetrical and newborn indigent patient care program.

6. The department shall establish application procedures and procedures for certification of an individual for obstetrical and newborn care under this section.

7. An individual certified for obstetrical and newborn care under this division may choose to receive the appropriate level of care at any licensed hospital or health care facility.

8. The obstetrical and newborn care costs of an individual certified for such care under this division at a licensed hospital or health care facility or from licensed physicians shall be paid by the department from the obstetrical and newborn patient care fund.

9. All providers of services to obstetrical and newborn patients under this division shall agree to accept as full payment the reimbursements allowable under the medical assistance program established pursuant to chapter 249A, adjusted for intensity of care.

10. The department shall establish procedures for payment for providers of services to obstetrical and newborn patients under this division from the obstetrical and newborn patient care fund. All billings from such providers shall be submitted directly to the department. However, payment shall not be made unless the requirements for application and certification for care pursuant to this division and rules adopted by the department are met.

11. Moneys encumbered prior to June 30 of a fiscal year for a certified eligible pregnant woman scheduled to deliver in the next fiscal year shall not revert from the obstetrical and

newborn patient care fund to the general fund of the state. Moneys allocated to the obstetrical and newborn patient care fund shall not be transferred nor voluntarily reverted from the fund within a given fiscal year.

2005 Acts, ch 167, §43, 66; 2013 Acts, ch 138, §116, 127

2013 amendment to subsection 5, paragraphs a and c, takes effect January 1, 2014; 2013 Acts, ch 138, §127

Subsection 5, paragraphs a and c amended

## DIVISION XX

## COLLABORATIVE SAFETY NET PROVIDER NETWORK

**135.153 Iowa collaborative safety net provider network established.**

1. The department shall establish an Iowa collaborative safety net provider network that includes community health centers, rural health clinics, free clinics, maternal and child health centers, local boards of health that provide direct services, Iowa family planning network agencies, child health specialty clinics, and other safety net providers. The network shall be a continuation of the network established pursuant to 2005 Iowa Acts, ch. 175, section 2, subsection 12. The network shall include all of the following:

*a.* An Iowa safety net provider advisory group consisting of representatives of community health centers, rural health clinics, free clinics, maternal and child health centers, local boards of health that provide direct services, Iowa family planning network agencies, child health specialty clinics, other safety net providers, patients, and other interested parties.

*b.* A planning process to logically and systematically implement the Iowa collaborative safety net provider network.

*c.* A database of all community health centers, rural health clinics, free clinics, maternal and child health centers, local boards of health that provide direct services, Iowa family planning network agencies, child health specialty clinics, and other safety net providers. The data collected shall include the demographics and needs of the vulnerable populations served, current provider capacity, and the resources and needs of the participating safety net providers.

*d.* Network initiatives to, at a minimum, improve quality, improve efficiency, reduce errors, and provide clinical communication between providers. The network initiatives shall include but are not limited to activities that address all of the following:

(1) Training.
(2) Information technology.
(3) Financial resource development.
(4) A referral system for ambulatory care.
(5) A referral system for specialty care.
(6) Pharmaceuticals.
(7) Recruitment of health professionals.

2. The network shall form a governing group which includes two individuals each representing community health centers, rural health clinics, free clinics, maternal and child health centers, local boards of health that provide direct services, the state board of health, Iowa family planning network agencies, child health specialty clinics, and other safety net providers.

3. The department shall provide for evaluation of the network and its impact on the medically underserved.

2007 Acts, ch 218, §103; 2013 Acts, ch 138, §117 – 119, 127

Referred to in §135.24, 135.153A, 135.156, 135.159, 135.175

Development of plan for coordination of care for individuals with diabetes who receive care from safety net providers; 2010 Acts, ch 1134, §4

2013 amendments to this section take effect January 1, 2014; 2013 Acts, ch 138, §127

Subsection 1, unnumbered paragraph 1 amended

Subsection 1, paragraphs a and c amended

Subsection 2 amended

**135.153A Safety net provider recruitment and retention initiatives program — repeal.**

The department, in accordance with efforts pursuant to sections 135.163 and 135.164 and in cooperation with the Iowa collaborative safety net provider network governing group as described in section 135.153, shall establish and administer a safety net provider recruitment and retention initiatives program to address the health care workforce shortage relative to safety net providers. Funding for the program may be provided through the health care workforce shortage fund or the safety net provider network workforce shortage account created in section 135.175. The department, in cooperation with the governing group, shall adopt rules pursuant to chapter 17A to implement and administer such program. This section is repealed June 30, 2014.

2009 Acts, ch 118, §44, 54

Referred to in §135.175

Implementation of section conditioned upon availability of funding; 2009 Acts, ch 118, §54

## DIVISION XXI

## IOWA HEALTH INFORMATION NETWORK

**135.154 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Advisory council"* means the electronic health information advisory council created in section 135.156.

2. *"Authorized"* means having met the requirements as a participant for access to and use of the Iowa health information network.

3. *"Board"* means the state board of health created pursuant to section 136.1.

4. *"Department"* means the department of public health.

5. *"Exchange"* means the authorized electronic sharing of health information between health care professionals, payors, consumers, public health agencies, the department, and other authorized participants utilizing the Iowa health information network and Iowa health information network services.

6. *"Executive committee"* means the executive committee of the electronic health information advisory council created in section 135.156.

7. *"Health care professional"* means a person who is licensed, certified, or otherwise authorized or permitted by the law of this state to administer health care in the ordinary course of business or in the practice of a profession.

8. *"Health information"* means health information as defined in 45 C.F.R. § 160.103 that is created or received by an authorized participant.

9. *"Health information technology"* means the application of information processing, involving both computer hardware and software, that deals with the storage, retrieval, sharing, and use of health care information, data, and knowledge for communication, decision making, quality, safety, and efficiency of clinical practice, and may include but is not limited to:

*a.* An electronic health record that electronically compiles and maintains health information that may be derived from multiple sources about the health status of an individual and may include a core subset of each care delivery organization's electronic medical record such as a continuity of care record or a continuity of care document, computerized physician order entry, electronic prescribing, or clinical decision support.

*b.* A personal health record through which an individual and any other person authorized by the individual can maintain and manage the individual's health information.

*c.* An electronic medical record that is used by health care professionals to electronically document, monitor, and manage health care delivery within a care delivery organization, is the legal record of the patient's encounter with the care delivery organization, and is owned by the care delivery organization.

*d.* A computerized provider order entry function that permits the electronic ordering of diagnostic and treatment services, including prescription drugs.

*e.* A decision support function to assist physicians and other health care providers in making clinical decisions by providing electronic alerts and reminders to improve compliance with best practices, promote regular screenings and other preventive practices, and facilitate diagnoses and treatments.

*f.* Tools to allow for the collection, analysis, and reporting of information or data on adverse events, the quality and efficiency of care, patient satisfaction, and other health care-related performance measures.

10. *"Health Insurance Portability and Accountability Act"* means the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, including amendments thereto and regulations promulgated thereunder.

11. *"Hospital"* means licensed hospital as defined in section 135B.1.

12. *"Individually identifiable health information"* means individually identifiable health information as defined in 45 C.F.R. § 160.103 that is created or received by an authorized participant.

13. *"Interoperability"* means the ability of two or more systems or components to exchange information or data in an accurate, effective, secure, and consistent manner and to use the information or data that has been exchanged and includes but is not limited to:

*a.* The capacity to connect to a network for the purpose of exchanging information or data with other users.

*b.* The ability of a connected, authenticated user to demonstrate appropriate permissions to participate in the instant transaction over the network.

*c.* The capacity of a connected, authenticated user to access, transmit, receive, and exchange usable information with other users.

14. *"Iowa health information network"* or *"network"* means the statewide health information technology network created in this division.

15. *"Iowa Medicaid enterprise"* means the centralized medical assistance program infrastructure, based on a business enterprise model, and designed to foster collaboration among all program stakeholders by focusing on quality, integrity, and consistency.

16. *"Participant"* means an authorized health care professional, payor, patient, health care organization, public health agency, or the department that has agreed to authorize, submit, access, or disclose health information through the Iowa health information network in accordance with this chapter and all applicable laws, rules, agreements, policies, and standards.

17. *"Patient"* means a person who has received or is receiving health services from a health care professional.

18. *"Payor"* means a person who makes payments for health services, including but not limited to an insurance company, self-insured employer, government program, individual, or other purchaser that makes such payments.

19. *"Protected health information"* means protected health information as defined in 45 C.F.R. § 160.103 that is created or received by an authorized participant.

20. *"Public health agency"* means an entity that is governed by or contractually responsible to a local board of health or the department to provide services focused on the health status of population groups and their environments.

21. *"Purchaser"* means any individual, employer, or organization that purchases health insurance or services and includes intermediaries.

22. *"Recognized interoperability standard"* means interoperability standards recognized by the office of the national coordinator for health information technology of the United States department of health and human services.

2008 Acts, ch 1188, §23; 2012 Acts, ch 1080, §1, 17; 2013 Acts, ch 138, §120, 127
Referred to in §249K.2
2013 amendment to subsection 15 takes effect January 1, 2014; 2013 Acts, ch 138, §127
Subsection 15 amended

**135.155 Iowa health information network — principles — goals.**

1. Health information technology is rapidly evolving so that it can contribute to the goals of improving access to and quality of health care, enhancing efficiency, and reducing costs.

2. To be effective, the Iowa health information network shall comply with all of the following principles:

*a.* Be patient-centered and market-driven.

*b.* Be based on approved standards developed with input from all stakeholders.

*c.* Protect the privacy of consumers and the security and confidentiality of all health information.

*d.* Promote interoperability.

*e.* Ensure the accuracy, completeness, and uniformity of data.

3. Widespread adoption of health information technology is critical to a successful Iowa health information network and is best achieved when all of the following occur:

*a.* The market provides a variety of certified products from which to choose in order to best fit the needs of the user.

*b.* The network provides incentives for health care professionals to utilize the health information technology and provides rewards for any improvement in quality and efficiency resulting from such utilization.

*c.* The network provides protocols to address critical problems.

*d.* The network is financed by all who benefit from the improved quality, efficiency, savings, and other benefits that result from use of health information technology.

2008 Acts, ch 1188, §24; 2012 Acts, ch 1080, §2, 3, 17

Referred to in §135.156

**135.155A Findings and intent — Iowa health information network.**

1. The general assembly finds all of the following:

*a.* Technology used to support health care-related functions is known as health information technology. Health information technology provides a mechanism to transform the delivery of health and medical care in Iowa and across the nation.

*b.* A health information network involves the secure electronic sharing of health information across the boundaries of individual practice and institutional health settings and with consumers. Broad use of health information technology and a health information network should improve health care quality and the overall health of the population, increase efficiencies in administrative health care, reduce unnecessary health care costs, and help prevent medical errors.

2. It is the intent of the general assembly that Iowa establish a statewide health information technology network. The Iowa health information network shall not constitute a health benefit network or a health insurance network. Nothing in this division shall be interpreted to impede or preclude the formation and operation of regional, population-specific, or local health information networks or their participation in the Iowa health information network.

2012 Acts, ch 1080, §4, 17

Referred to in §135.156

**135.156 Electronic health information — department duties — advisory council — executive committee.**

1. *a.* The department shall direct a public and private collaborative effort to promote the adoption and use of health information technology in this state in order to improve health care quality, increase patient safety, reduce health care costs, enhance public health, and empower individuals and health care professionals with comprehensive, real-time medical information to provide continuity of care and make the best health care decisions. The department shall provide coordination for the development and implementation of an interoperable electronic health records system, telehealth expansion efforts, the health information technology infrastructure, the Iowa health information network, and other health information technology initiatives in this state. The department shall be guided by the principles and goals specified in section 135.155 and the findings and intent specified for an Iowa health information network in section 135.155A.

*b.* All health information technology efforts shall endeavor to represent the interests and meet the needs of consumers and the health care sector, protect the privacy of individuals and

the confidentiality of individuals' information, promote physician best practices, and make information easily accessible to the appropriate parties. The network developed shall be consumer-driven, flexible, and expandable.

2. *a.* An electronic health information advisory council is established which shall consist of the representatives of entities involved in the electronic health records system task force established pursuant to section 217.41A, Code 2007, a pharmacist, a licensed practicing physician, a consumer who is a member of the state board of health, a representative of the state's Medicare quality improvement organization, the executive director of the Iowa communications network, a representative of the private telecommunications industry, a representative of the Iowa collaborative safety net provider network created in section 135.153, a nurse informaticist from the university of Iowa, and any other members the department or executive committee of the advisory council determines necessary and appoints to assist the department or executive committee at various stages of development of the Iowa health information network. Executive branch agencies shall also be included as necessary to assist in the duties of the department and the executive committee. Public members of the advisory council shall receive reimbursement for actual expenses incurred while serving in their official capacity only if they are not eligible for reimbursement by the organization that they represent. Any legislative members shall be paid the per diem and expenses specified in section 2.10.

*b.* An executive committee of the advisory council is established. Members of the executive committee of the advisory council shall receive reimbursement for actual expenses incurred while serving in their official capacity only if they are not eligible for reimbursement by the organization that they represent. The executive committee shall consist of the following members:

(1) Three members, each of whom is the chief information officer of one of the three largest private health care systems in the state.

(2) One member who is the chief information officer of the university of Iowa hospitals and clinics, or the chief information officer's designee, selected by the director of the university of Iowa hospitals and clinics.

(3) One member who is a representative of a rural hospital which is a member of the Iowa hospital association, selected by the Iowa hospital association.

(4) One member who is a consumer member of the state board of health, selected by the state board of health.

(5) One member who is a licensed practicing physician, selected by the Iowa medical society.

(6) One member who is licensed to practice nursing, selected by the Iowa nurses association.

(7) One representative of an insurance carrier, selected by the federation of Iowa insurers.

3. The executive committee, with the technical assistance of the advisory council and the support of the department, shall do all of the following:

*a.* Develop a statewide health information technology plan by July 1, 2009. In developing the plan, the executive committee shall seek the input of providers, payers, and consumers. Standards and policies developed for the plan shall promote and be consistent with national standards developed by the office of the national coordinator for health information technology of the United States department of health and human services and shall address or provide for all of the following:

(1) The effective, efficient, statewide use of electronic health information in patient care, health care policymaking, clinical research, health care financing, and continuous quality improvement. The executive committee shall recommend requirements for interoperable electronic health records in this state including a recognized interoperability standard.

(2) Education of the public and health care sector about the value of health information technology in improving patient care, and methods to promote increased support and collaboration of state and local public health agencies, health care professionals, and consumers in health information technology initiatives.

(3) Standards for the exchange of health care information.

(4) Policies relating to the protection of privacy of patients and the security and confidentiality of patient information.

(5) Policies relating to information ownership.

(6) Policies relating to governance of the various facets of the Iowa health information network.

(7) A single patient identifier or alternative mechanism to share secure patient information. If no alternative mechanism is acceptable to the executive committee, all health care professionals shall utilize the mechanism selected by the executive committee by July 1, 2010.

(8) A standard continuity of care record and other issues related to the content of electronic transmissions. All health care professionals shall utilize the standard continuity of care record by July 1, 2010.

(9) Requirements for electronic prescribing.

(10) Economic incentives and support to facilitate participation in an interoperable network by health care professionals.

*b.* Identify existing and potential health information technology efforts in this state, regionally, and nationally, and integrate existing efforts to avoid incompatibility between efforts and avoid duplication.

*c.* Coordinate public and private efforts to provide the network backbone infrastructure for the Iowa health information network. In coordinating these efforts, the executive committee shall do all of the following:

(1) Develop policies to effectuate the logical cost-effective usage of and access to the state-owned network, and support of telecommunication carrier products, where applicable.

(2) Consult with the Iowa communications network, private fiberoptic networks, and any other communications entity to seek collaboration, avoid duplication, and leverage opportunities in developing a network backbone.

(3) Establish protocols to ensure compliance with any applicable federal standards.

(4) Determine costs for accessing the network at a level that provides sufficient funding for the network.

*d.* Promote the use of telemedicine.

(1) Examine existing barriers to the use of telemedicine and make recommendations for eliminating these barriers.

(2) Examine the most efficient and effective systems of technology for use and make recommendations based on the findings.

*e.* Address the workforce needs generated by increased use of health information technology.

*f.* Recommend rules to be adopted in accordance with chapter 17A to implement all aspects of the statewide health information technology plan and the network.

*g.* Coordinate, monitor, and evaluate the adoption, use, interoperability, and efficiencies of the various facets of health information technology in this state.

*h.* Seek and apply for any federal or private funding to assist in the implementation and support of the Iowa health information network and make recommendations for funding mechanisms for the ongoing development and maintenance costs of the Iowa health information network.

*i.* Identify state laws and rules that present barriers to the development of the Iowa health information network and recommend any changes to the governor and the general assembly.

4. Recommendations and other activities resulting from the work of the department or the executive committee shall be presented to the board for action or implementation.

2008 Acts, ch 1188, §25; 2012 Acts, ch 1080, §5 – 9, 17; 2013 Acts, ch 30, §30

Referred to in §135.154, 136.3

Subsection 2, paragraph b, unnumbered paragraph 1 amended

**135.156A Iowa health information network — business and financial sustainability plan and participant fees.**

1. The board, with the support of the department and the advice of the executive committee and advisory council, shall establish and annually review and update a business

and financial sustainability plan for the Iowa health information network. The plan shall include fees to be paid to the department by participants who choose to access and use the Iowa health information network. The participant fee schedule shall be structured using fair share, value-based principles.

2. The department shall update and submit a financial model, including fee schedule, revenue and expense projections, and a budget, to the executive committee and the board for approval on an annual basis.

2012 Acts, ch 1080, §10, 17

**135.156B Iowa health information network — duties of the department.**

The department shall do all of the following:

1. Develop, implement, and enforce the following, as approved by the board:

*a.* Strategic, operational, and business and financial sustainability plans for the Iowa health information network.

*b.* Standards, requirements, policies, and procedures for access to and use, secondary use, and privacy and security of health information exchanged through the Iowa health information network, consistent with applicable federal and state standards and laws.

*c.* Rules, policies, and procedures for monitoring participant usage of the Iowa health information network and enforcing compliance with applicable standards, requirements, policies, rules, and procedures.

*d.* Policies and procedures for administering the infrastructure, technology, and associated professional services required for operation of the Iowa health information network and the provision of services through the Iowa health information network.

*e.* An annual budget and fiscal report for the business and technical operations of the Iowa health information network and an annual report for the Iowa health information network and the services provided through the Iowa health information network.

2. Provide human resources, budgeting, project and activity coordination, and related management functions to the Iowa health information network and the services provided through the Iowa health information network.

3. Enter into participation agreements with participants in the Iowa health information network.

4. Collect participant fees, record receipts and approvals of payments, and file required financial reports.

5. Apply for, acquire by gift or purchase, and hold, dispense, or dispose of funds and real or personal property from any person, governmental entity, or organization in the exercise of the department's powers or performance of the department's duties in accordance with this division.

6. Select and contract with vendors of goods and services in compliance with all applicable state and federal procurement laws and regulations.

7. Work to align interstate and intrastate interoperability standards in accordance with national health information exchange standards.

8. Execute all instruments necessary or incidental to the performance of the department's duties and the execution of the department's powers under this division.

2012 Acts, ch 1080, §11, 17; 2013 Acts, ch 30, §31

Subsections 5 and 8 amended

**135.156C Iowa health information network fund.**

1. The Iowa health information network fund is created as a separate fund within the state treasury under the control of the board. Revenues, donations, gifts, interest, participant fees, and other moneys received or generated relative to the operation and administration of the Iowa health information network shall be deposited in the fund.

2. Moneys in the fund are appropriated to and shall be expended by the department only for activities and operations suitable to the performance of the department's duties, subject to executive committee review and board approval. Disbursements may be made from the fund for purposes related to the administration, management, operations, functions, activities, or sustainability of the Iowa health information network.

3. Notwithstanding section 12C.7, subsection 2, earnings or interest on moneys deposited in the fund shall be credited to the fund. Moneys in the fund at the end of each fiscal year shall not revert to another fund but shall remain in the fund for expenditure in subsequent fiscal years.

4. The moneys in the fund shall be subject to financial and compliance audits by the auditor of state.

2012 Acts, ch 1080, §12, 17

**135.156D Technical infrastructure.**

1. The Iowa health information network shall provide a mechanism to facilitate and support the secure electronic exchange of health information between participants.

2. The Iowa health information network shall not function as a central repository of all health information.

3. The Iowa health information network shall provide a mechanism for participants without an electronic health records system to access health information from the Iowa health information network.

2012 Acts, ch 1080, §13, 17

**135.156E Legal and policy.**

1. Upon approval from the board, the department shall implement appropriate security standards, policies, and procedures to protect the transmission and receipt of protected health information exchanged through the Iowa health information network, which shall, at a minimum, comply with the Health Insurance Portability and Accountability Act security rule pursuant to 45 C.F.R. pt. 164, subpt. C, and shall reflect all of the following:

*a.* Include authorization controls, including the responsibility to authorize, maintain, and terminate a participant's use of the Iowa health information network.

*b.* Require authentication controls to verify the identity and role of the participant using the Iowa health information network.

*c.* Include role-based access controls to restrict functionality and information available through the Iowa health information network.

*d.* Include a secure and traceable electronic audit system to document and monitor the sender and the recipient of health information exchanged through the Iowa health information network.

*e.* Require standard participation agreements which define the minimum privacy and security obligations of all participants using the Iowa health information network and services available through the Iowa health information network.

*f.* Include controls over access to and the collection, organization, and maintenance of records and data for purposes of research or population health that protect the confidentiality of consumers who are the subject of the health information.

2. A patient shall have the opportunity to decline exchange of the patient's health information through the Iowa health information network. A patient shall not be denied care or treatment for declining to exchange the patient's health information, in whole or in part, through the Iowa health information network. The board shall provide by rule the means and process by which patients may decline participation. The means and process utilized under the rules shall minimize the burden on patients and health care professionals.

3. Unless otherwise authorized by law or rule, a patient's decision to decline participation means that none of the patient's health information shall be accessible through the record locator service function of the Iowa health information network. A patient's decision to decline having health information shared through the record locator service function shall not limit a health care professional with whom the patient has or is considering a treatment relationship from sharing health information concerning the patient through the secure messaging function of the Iowa health information network.

4. A patient who declines participation in the Iowa health information network may later decide to have health information shared through the Iowa health information network. A patient who is participating in the Iowa health information network may later decline participation in the network.

5. A participant shall not release or use protected health information exchanged through the Iowa health information network for purposes unrelated to prevention, treatment, payment, or health care operations unless otherwise authorized or required by state or federal law. Participants shall limit the use and disclosure of protected health information for payment or health care operations to the minimum amount required to accomplish the intended purpose of the use or request, in compliance with the Health Insurance Portability and Accountability Act and other applicable state or federal law. Use or distribution of the information for a marketing purpose, as defined by the Health Insurance Portability and Accountability Act, is strictly prohibited.

6. The department and all persons using the Iowa health information network are individually responsible for following breach notification policies as provided by the Health Insurance Portability and Accountability Act.

7. A participant shall not be compelled by subpoena, court order, or other process of law to access health information through the Iowa health information network in order to gather records or information not created by the participant.

8. All participants exchanging health information and data through the Iowa health information network shall grant to other participants of the network a nonexclusive license to retrieve and use that information in accordance with applicable state and federal laws, and the policies, standards, and rules established by the board.

9. The board shall establish by rule the procedures for a patient who is the subject of health information to do all of the following:

*a.* Receive notice of a violation of the confidentiality provisions required under this division.

*b.* Upon request to the department, view an audit report created under this division for the purpose of monitoring access to the patient's health care information.

10. A health care professional who relies reasonably and in good faith upon any health information provided through the Iowa health information network in treatment of a patient who is the subject of the health information shall be immune from criminal or civil liability arising from any damages caused by such reasonable, good-faith reliance. Such immunity shall not apply to acts or omissions constituting negligence, recklessness, or intentional misconduct.

11. A participant that has disclosed health information through the Iowa health information network in compliance with applicable law and the standards, requirements, policies, procedures, and agreements of the network shall not be subject to criminal or civil liability for the use or disclosure of the health information by another participant.

12. Notwithstanding chapter 22, the following records shall be kept confidential, unless otherwise ordered by a court or consented to by the patient or by a person duly authorized to release such information:

*a.* The protected health information contained in, stored in, submitted to, transferred or exchanged by, or released from the Iowa health information network.

*b.* Any protected health information in the possession of the department due to its administration of the Iowa health information network.

13. Unless otherwise provided in this division, when using the Iowa health information network or a private health information network maintained in this state that complies with the privacy and security requirements of this chapter for the purposes of patient treatment, a health care professional or a hospital is exempt from any other state law that is more restrictive than the Health Insurance Portability and Accountability Act that would otherwise prevent or hinder the exchange of patient information by the patient's health care professional or hospital.

2012 Acts, ch 1080, §14, 17; 2012 Acts, ch 1138, §48, 80, 81

**135.156F Governance review.**

1. The governance structure as provided in this division consisting of the department acting on behalf of the board subject to executive committee review and board approval shall continue during the term of the state health information exchange cooperative agreement between the department and the office of the national coordinator for health information

technology to address the development of standards, policies, and procedures; dissemination of interoperability standards; the installation, testing, and operation of the Iowa health information network infrastructure; and the evolution of Iowa health information network services to improve patient care for the population.

2. During the final year of the term of the cooperative agreement, the executive committee and the department shall review the governance structure, operations of the Iowa health information network, and the business and financial sustainability plan and make recommendations to the board regarding the future governance of the Iowa health information network.

2012 Acts, ch 1080, §15, 17

## DIVISION XXII

## MEDICAL HOME

Referred to in §249N.6

**135.157 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Board"* means the state board of health created pursuant to section 136.1.

2. *"Dental home"* means a network of individualized care based on risk assessment, which includes oral health education, dental screenings, preventive services, diagnostic services, treatment services, and emergency services.

3. *"Department"* means the department of public health.

4. *"Health care professional"* means a person who is licensed, certified, or otherwise authorized or permitted by the law of this state to administer health care in the ordinary course of business or in the practice of a profession.

5. *"Medical home"* means a team approach to providing health care that originates in a primary care setting; fosters a partnership among the patient, the personal provider, and other health care professionals, and where appropriate, the patient's family; utilizes the partnership to access and integrate all medical and nonmedical health-related services across all elements of the health care system and the patient's community as needed by the patient and the patient's family to achieve maximum health potential; maintains a centralized, comprehensive record of all health-related services to promote continuity of care; and has all of the characteristics specified in section 135.158.

6. *"National committee for quality assurance"* means the nationally recognized, independent nonprofit organization that measures the quality and performance of health care and health care plans in the United States; provides accreditation, certification, and recognition programs for health care plans and programs; and is recognized in Iowa as an accrediting organization for commercial and Medicaid-managed care organizations.

7. *"Personal provider"* means the patient's first point of contact in the health care system with a primary care provider who identifies the patient's health-related needs and, working with a team of health care professionals and providers of medical and nonmedical health-related services, provides for and coordinates appropriate care to address the health-related needs identified.

8. *"Primary care"* means health care which emphasizes providing for a patient's general health needs and utilizes collaboration with other health care professionals and consultation or referral as appropriate to meet the needs identified.

9. *"Primary care provider"* means any of the following who provide primary care and meet certification standards:

*a.* A physician who is a family or general practitioner, a pediatrician, an internist, an obstetrician, or a gynecologist.

*b.* An advanced registered nurse practitioner.

*c.* A physician assistant.

*d.* A chiropractor licensed pursuant to chapter 151.

2008 Acts, ch 1188, §44; 2009 Acts, ch 41, §43; 2013 Acts, ch 138, §121, 127, 174, 187
Referred to in §249N.2
2013 amendment to subsection 2 takes effect January 1, 2014; 2013 Acts, ch 138, §127
NEW subsection 2 and former subsections 2 – 8 renumbered as 3 – 9
Subsections 5 and 7 amended

**135.158 Medical home purposes — characteristics.**

1. The purposes of a medical home are the following:

*a.* To reduce disparities in health care access, delivery, and health care outcomes.

*b.* To improve quality of health care and lower health care costs, thereby creating savings to allow more Iowans to have health care coverage and to provide for the sustainability of the health care system.

*c.* To provide a tangible method to document if each Iowan has access to health care.

2. A medical home has all of the following characteristics:

*a.* A personal provider. Each patient has an ongoing relationship with a personal provider trained to provide first contact and continuous and comprehensive care.

*b.* A provider-directed team-based medical practice. The personal provider leads a team of individuals at the practice level who collectively take responsibility for the ongoing health-related needs of patients.

*c.* Whole person orientation. The personal provider is responsible for providing for all of a patient's health-related needs or taking responsibility for appropriately arranging for health-related services provided by other qualified health care professionals and providers of medical and nonmedical health-related services. This responsibility includes health-related care at all stages of life including provision of preventive care, acute care, chronic care, long-term care, transitional care between providers and settings, and end-of-life care. This responsibility includes whole-person care consisting of physical health care including but not limited to oral, vision, and other specialty care, pharmacy management, and behavioral health care.

*d.* Coordination and integration of care. Care is coordinated and integrated across all elements of the complex health care system and the patient's community. Care coordination and integration provides linkages to community and social supports to address social determinants of health, to engage and support patients in managing their own health, and to track the progress of these community and social supports in providing whole-person care. Care is facilitated by registries, information technology, health information exchanges, and other means to assure that patients receive the indicated care when and where they need and want the care in a culturally and linguistically appropriate manner.

*e.* Quality and safety. The following are quality and safety components of the medical home:

(1) Provider-directed medical practices advocate for their patients to support the attainment of optimal, patient-centered outcomes that are defined by a care planning process driven by a compassionate, robust partnership between providers, the patient, and the patient's family.

(2) Evidence-based medicine and clinical decision-support tools guide decision making.

(3) Providers in the medical practice accept accountability for continuous quality improvement through voluntary engagement in performance measurement and improvement.

(4) Patients actively participate in decision making and feedback is sought to ensure that the patients' expectations are being met.

(5) Information technology is utilized appropriately to support optimal patient care, performance measurement, patient education, and enhanced communication.

(6) Practices participate in a voluntary recognition process conducted by an appropriate nongovernmental entity to demonstrate that the practice has the capabilities to provide patient-centered services consistent with the medical home model.

(7) Patients and families participate in quality improvement activities at the practice level.

*f.* Enhanced access to health care. Enhanced access to health care is available through

systems such as open scheduling, expanded hours, and new options for communication between the patient, the patient's personal provider, and practice staff.

*g.* Payment. The payment system appropriately recognizes the added value provided to patients who have a patient-centered medical home. The payment structure framework of the medical home provides all of the following:

(1) Reflects the value of provider and nonprovider staff and patient-centered care management work that is in addition to the face-to-face visit.

(2) Pays for services associated with coordination of health care both within a given practice and between consultants, ancillary providers, and community resources.

(3) Supports adoption and use of health information technology for quality improvement.

(4) Supports provision of enhanced communication access such as secure electronic mail and telephone consultation.

(5) Recognizes the value of provider work associated with remote monitoring of clinical data using technology.

(6) Allows for separate fee-for-service payments for face-to-face visits. Payments for health care management services that are in addition to the face-to-face visit do not result in a reduction in the payments for face-to-face visits.

(7) Recognizes case mix differences in the patient population being treated within the practice.

(8) Allows providers to share in savings from reduced hospitalizations associated with provider-guided health care management in the office setting.

(9) Allows for additional payments for achieving measurable and continuous quality improvements.

2008 Acts, ch 1188, §45; 2013 Acts, ch 138, §175, 187
Referred to in §135.157, 135.159
Subsection 2, paragraphs b – d amended

**135.159 Medical home system — advisory council — development and implementation.**

1. The department shall administer the medical home system. The department shall collaborate with the department of human services in administering medical homes under the medical assistance program. The department shall adopt rules pursuant to chapter 17A necessary to administer the medical home system, and shall collaborate with the department of human services in adopting rules for medical homes under the medical assistance program.

2. *a.* The department shall establish an advisory council which shall include but is not limited to all of the following members, selected by their respective organizations, and any other members the department determines necessary to assist in the department's duties at various stages of development of the medical home system:

(1) The director of human services, or the director's designee.

(2) The commissioner of insurance, or the commissioner's designee.

(3) A representative of the federation of Iowa insurers.

(4) A representative of the Iowa dental association.

(5) A representative of the Iowa nurses association.

(6) A physician and an osteopathic physician licensed pursuant to chapter 148 who are family physicians and members of the Iowa academy of family physicians.

(7) A health care consumer.

(8) A representative of the Iowa collaborative safety net provider network established pursuant to section 135.153.

(9) A representative of the Iowa developmental disabilities council.

(10) A representative of the Iowa chapter of the American academy of pediatrics.

(11) A representative of the child and family policy center.

(12) A representative of the Iowa pharmacy association.

(13) A representative of the Iowa chiropractic society.

(14) A representative of the university of Iowa college of public health.

*b.* Public members of the advisory council shall receive reimbursement for actual expenses incurred while serving in their official capacity only if they are not eligible for reimbursement by the organization that they represent.

3. The department shall develop a plan for implementation of a statewide medical home system. The department, in collaboration with parents, schools, communities, health plans, and providers, shall endeavor to increase healthy outcomes for children and adults by linking the children and adults with a medical home, identifying health improvement goals for children and adults, and linking reimbursement strategies to increasing healthy outcomes for children and adults. The plan shall provide that the medical home system shall do all of the following:

*a.* Coordinate and provide access to evidence-based health care services, emphasizing convenient, comprehensive primary care and including preventive, screening, and well-child health services.

*b.* Provide access to appropriate specialty care and inpatient services.

*c.* Provide quality-driven and cost-effective health care.

*d.* Provide access to pharmacist-delivered medication reconciliation and medication therapy management services, where appropriate.

*e.* Promote strong and effective medical management including but not limited to planning treatment strategies, monitoring health outcomes and resource use, sharing information, and organizing care to avoid duplication of service. The plan shall provide that in sharing information, the priority shall be the protection of the privacy of individuals and the security and confidentiality of the individual's information. Any sharing of information required by the medical home system shall comply and be consistent with all existing state and federal laws and regulations relating to the confidentiality of health care information and shall be subject to written consent of the patient.

*f.* Emphasize patient and provider accountability.

*g.* Prioritize local access to the continuum of health care services in the most appropriate setting.

*h.* Establish a baseline for medical home goals and establish performance measures that indicate a child or adult has an established and effective medical home. For children, these goals and performance measures may include but are not limited to childhood immunization rates, well-child care utilization rates, care management for children with chronic illnesses, emergency room utilization, and oral health service utilization.

*i.* For children, coordinate with and integrate guidelines, data, and information from existing newborn and child health programs and entities, including but not limited to the healthy opportunities for parents to experience success – healthy families Iowa program, the early childhood Iowa initiative, the center for congenital and inherited disorders screening and health care programs, standards of care for pediatric health guidelines, the office of minority and multicultural health established in section 135.12, the oral health bureau established in section 135.15, and other similar programs and services.

4. The department shall develop an organizational structure for the medical home system in this state. The organizational structure plan shall integrate existing resources, provide a strategy to coordinate health care services, provide for monitoring and data collection on medical homes, provide for training and education to health care professionals and families, and provide for transition of children to the adult medical care system. The organizational structure may be based on collaborative teams of stakeholders throughout the state such as local public health agencies, the collaborative safety net provider network established in section 135.153, or a combination of statewide organizations. Care coordination may be provided through regional offices or through individual provider practices. The organizational structure may also include the use of telemedicine resources, and may provide for partnering with pediatric and family practice residency programs to improve access to preventive care for children. The organizational structure shall also address the need to organize and provide health care to increase accessibility for patients including using venues more accessible to patients and having hours of operation that are conducive to the population served.

5. The department shall adopt standards and a process to certify medical homes based on the national committee for quality assurance standards. The certification process and standards shall provide mechanisms to monitor performance and to evaluate, promote, and improve the quality of health of and health care delivered to patients through a medical

home. The mechanism shall require participating providers to monitor clinical progress and performance in meeting applicable standards and to provide information in a form and manner specified by the department. The evaluation mechanism shall be developed with input from consumers, providers, and payers. At a minimum the evaluation shall determine any increased quality in health care provided and any decrease in cost resulting from the medical home system compared with other health care delivery systems. The standards and process shall also include a mechanism for other ancillary service providers to become affiliated with a certified medical home.

6. The department shall adopt education and training standards for health care professionals participating in the medical home system.

7. The department shall provide for system simplification through the use of universal referral forms, internet-based tools for providers, and a central medical home internet site for providers.

8. The department shall recommend a reimbursement methodology and incentives for participation in the medical home system to ensure that providers enter and remain participating in the system. In developing the recommendations for incentives, the department shall consider, at a minimum, providing incentives to promote wellness, prevention, chronic care management, immunizations, health care management, and the use of electronic health records. In developing the recommendations for the reimbursement system, the department shall analyze, at a minimum, the feasibility of all of the following:

*a.* Reimbursement under the medical assistance program to promote wellness and prevention, provide care coordination, and provide chronic care management.

*b.* Increasing reimbursement to Medicare levels for certain wellness and prevention services, chronic care management, and immunizations.

*c.* Providing reimbursement for primary care services by addressing the disparities between reimbursement for specialty services and primary care services.

*d.* Increased funding for efforts to transform medical practices into certified medical homes, including emphasizing the implementation of the use of electronic health records.

*e.* Targeted reimbursement to providers linked to health care quality improvement measures established by the department.

*f.* Reimbursement for specified ancillary support services such as transportation for medical appointments and other such services.

*g.* Providing reimbursement for medication reconciliation and medication therapy management service, where appropriate.

9. The department shall coordinate the requirements and activities of the medical home system with the requirements and activities of a dental home. The department shall recommend financial incentives for dentists and nondental providers to promote oral health care coordination through preventive dental intervention, early identification of oral disease risk, health care coordination and data tracking, treatment, chronic care management, education and training, parental guidance, and oral health promotions for children. Additionally, the department shall establish requirements for the medical home system to provide linkages to accessible dental homes for adults and older individuals.

10. The department shall integrate the recommendations and policies developed pursuant to section 135.161, Code 2011, into the medical home system and shall incorporate the development and implementation of the state initiative for prevention and chronic care management as developed pursuant to section 135.161, Code 2011, into the duties of the medical home system advisory council beginning January 1, 2012.

11. *a.* The department shall collaborate with the department of human services to make medical homes accessible to the greatest extent possible to all of the following no later than January 1, 2015:

(1) Children who are recipients of full benefits under the medical assistance program.

(2) Adults who are recipients of benefits under the medical assistance program pursuant to section 249A.3, subsection 1.

(3) Medicare and dually eligible Medicare and medical assistance program recipients, to the extent approved by the centers for Medicare and Medicaid services of the United States department of health and human services.

*b.* The department shall work with the department of administrative services to allow state employees to utilize the medical home system.

*c.* The department shall work with insurers and self-insured companies, if requested, to make the medical home system available to individuals with private health care coverage.

*d.* The department shall assist the department of human services in developing a reimbursement methodology to compensate providers participating under the medical assistance program as a medical home.

*e.* Any integrated care model implemented on or after July 1, 2013, that delivers health care to medical assistance program recipients shall incorporate medical homes as its foundation. The medical home shall act as the catalyst in any such integrated care model to ensure compliance with the purposes, characteristics, and implementation plan requirements specified in section 135.158 and this section, including an emphasis on whole-person orientation and coordination and integration of both clinical services and nonclinical community and social supports that address social determinants of health.

12. The department shall provide oversight for all certified medical homes. The department shall review the progress of the medical home system and recommend improvements to the system, as necessary.

13. The department shall annually evaluate the medical home system and make recommendations to the governor and the general assembly regarding improvements to and continuation of the system.

14. Recommendations and other activities resulting from the duties authorized for the department under this section shall require approval by the board prior to any subsequent action or implementation.

2008 Acts, ch 1188, §46; 2009 Acts, ch 41, §44; 2009 Acts, ch 133, §34; 2010 Acts, ch 1031, §292; 2010 Acts, ch 1141, §23; 2011 Acts, ch 25, §16; 2011 Acts, ch 129, §78, 82; 2012 Acts, ch 1023, §25; 2013 Acts, ch 138, §176, 187

Referred to in §136.3, 249N.6

Subsections 1, 9, and 11 amended

## DIVISION XXIII

## PREVENTION AND CHRONIC CARE MANAGEMENT

**135.160 Definitions.** Repealed by 2012 Acts, ch 1021, § 120.

**135.161 Prevention and chronic care management initiative — advisory council.** Repealed by 2011 Acts, ch 129, § 81, 82. See § 135.159(10).

**135.162 Clinicians advisory panel.** Repealed by 2011 Acts, ch 63, § 35.

## DIVISION XXIV

## HEALTH AND LONG-TERM CARE ACCESS

**135.163 Health and long-term care access.**

The department shall coordinate public and private efforts to develop and maintain an appropriate health care delivery infrastructure and a stable, well-qualified, diverse, and sustainable health care workforce in this state. The health care delivery infrastructure and the health care workforce shall address the broad spectrum of health care needs of Iowans throughout their lifespan including long-term care needs. The department shall, at a minimum, do all of the following:

1. Develop a strategic plan for health care delivery infrastructure and health care workforce resources in this state.

2. Provide for the continuous collection of data to provide a basis for health care strategic planning and health care policymaking.

3. Make recommendations regarding the health care delivery infrastructure and the health care workforce that assist in monitoring current needs, predicting future trends, and informing policymaking.

2008 Acts, ch 1188, §57
Referred to in §135.153A, 135.175

**135.164 Strategic plan.**

1. The strategic plan for health care delivery infrastructure and health care workforce resources shall describe the existing health care system, describe and provide a rationale for the desired health care system, provide an action plan for implementation, and provide methods to evaluate the system. The plan shall incorporate expenditure control methods and integrate criteria for evidence-based health care. The department shall do all of the following in developing the strategic plan for health care delivery infrastructure and health care workforce resources:

*a.* Conduct strategic health planning activities related to preparation of the strategic plan.

*b.* Develop a computerized system for accessing, analyzing, and disseminating data relevant to strategic health planning. The department may enter into data sharing agreements and contractual arrangements necessary to obtain or disseminate relevant data.

*c.* Conduct research and analysis or arrange for research and analysis projects to be conducted by public or private organizations to further the development of the strategic plan.

2. The strategic plan shall include statewide health planning policies and goals related to the availability of health care facilities and services, the quality of care, and the cost of care. The policies and goals shall be based on the following principles:

*a.* That a strategic health planning process, responsive to changing health and social needs and conditions, is essential to the health, safety, and welfare of Iowans. The process shall be reviewed and updated as necessary to ensure that the strategic plan addresses all of the following:

(1) Promoting and maintaining the health of all Iowans.

(2) Providing accessible health care services through the maintenance of an adequate supply of health facilities and an adequate workforce.

(3) Controlling excessive increases in costs.

(4) Applying specific quality criteria and population health indicators.

(5) Recognizing prevention and wellness as priorities in health care programs to improve quality and reduce costs.

(6) Addressing periodic priority issues including disaster planning, public health threats, and public safety dilemmas.

(7) Coordinating health care delivery and resource development efforts among state agencies including those tasked with facility, services, and professional provider licensure; state and federal reimbursement; health service utilization data systems; and others.

(8) Recognizing long-term care as an integral component of the health care delivery infrastructure and as an essential service provided by the health care workforce.

*b.* That both consumers and providers throughout the state must be involved in the health planning process, outcomes of which shall be clearly articulated and available for public review and use.

*c.* That the supply of a health care service has a substantial impact on utilization of the service, independent of the effectiveness, medical necessity, or appropriateness of the particular health care service for a particular individual.

*d.* That given that health care resources are not unlimited, the impact of any new health care service or facility on overall health expenditures in this state must be considered.

*e.* That excess capacity of health care services and facilities places an increased economic burden on the public.

*f.* That the likelihood that a requested new health care facility, service, or equipment will improve health care quality and outcomes must be considered.

*g.* That development and ongoing maintenance of current and accurate health care

information and statistics related to cost and quality of health care and projections of the need for health care facilities and services are necessary to developing an effective health care planning strategy.

*h.* That the certificate of need program as a component of the health care planning regulatory process must balance considerations of access to quality care at a reasonable cost for all Iowans, optimal use of existing health care resources, fostering of expenditure control, and elimination of unnecessary duplication of health care facilities and services, while supporting improved health care outcomes.

*i.* That strategic health care planning must be concerned with the stability of the health care system, encompassing health care financing, quality, and the availability of information and services for all residents.

3. The health care delivery infrastructure and health care workforce resources strategic plan developed by the department shall include all of the following:

*a.* A health care system assessment and objectives component that does all of the following:

(1) Describes state and regional population demographics, health status indicators, and trends in health status and health care needs.

(2) Identifies key policy objectives for the state health care system related to access to care, health care outcomes, quality, and cost-effectiveness.

*b.* A health care facilities and services plan that assesses the demand for health care facilities and services to inform state health care planning efforts and direct certificate of need determinations for those facilities and services subject to certificate of need. The plan shall include all of the following:

(1) An inventory of each geographic region's existing health care facilities and services.

(2) Projections of the need for each category of health care facility and service, including those subject to certificate of need.

(3) Policies to guide the addition of new or expanded health care facilities and services to promote the use of quality, evidence-based, cost-effective health care delivery options, including any recommendations for criteria, standards, and methods relevant to the certificate of need review process.

(4) An assessment of the availability of health care providers, public health resources, transportation infrastructure, and other considerations necessary to support the needed health care facilities and services in each region.

*c.* A health care data resources plan that identifies data elements necessary to properly conduct planning activities and to review certificate of need applications, including data related to inpatient and outpatient utilization and outcomes information, and financial and utilization information related to charity care, quality, and cost. The plan shall provide all of the following:

(1) An inventory of existing data resources, both public and private, that store and disclose information relevant to the health care planning process, including information necessary to conduct certificate of need activities. The plan shall identify any deficiencies in the inventory of existing data resources and the data necessary to conduct comprehensive health care planning activities. The plan may recommend that the department be authorized to access existing data sources and conduct appropriate analyses of such data or that other agencies expand their data collection activities as statutory authority permits. The plan may identify any computing infrastructure deficiencies that impede the proper storage, transmission, and analysis of health care planning data.

(2) Recommendations for increasing the availability of data related to health care planning to provide greater community involvement in the health care planning process and consistency in data used for certificate of need applications and determinations. The plan shall also integrate the requirements for annual reports by hospitals and health care facilities pursuant to section 135.75, the provisions relating to analyses and studies by the department pursuant to section 135.76, the data compilation provisions of section 135.78, and the provisions for contracts for assistance with analyses, studies, and data pursuant to section 135.83.

*d.* An assessment of emerging trends in health care delivery and technology as they

relate to access to health care facilities and services, quality of care, and costs of care. The assessment shall recommend any changes to the scope of health care facilities and services covered by the certificate of need program that may be warranted by these emerging trends. In addition, the assessment may recommend any changes to criteria used by the department to review certificate of need applications, as necessary.

*e.* A rural health care resources plan to assess the availability of health resources in rural areas of the state, assess the unmet needs of these communities, and evaluate how federal and state reimbursement policies can be modified, if necessary, to more efficiently and effectively meet the health care needs of rural communities. The plan shall consider the unique health care needs of rural communities, the adequacy of the rural health care workforce, and transportation needs for accessing appropriate care.

*f.* A health care workforce resources plan to assure a competent, diverse, and sustainable health care workforce in Iowa and to improve access to health care in underserved areas and among underserved populations. The plan shall include the establishment of an advisory council to inform and advise the department and policymakers regarding issues relevant to the health care workforce in Iowa. The health care workforce resources plan shall recognize long-term care as an essential service provided by the health care workforce.

2008 Acts, ch 1188, §58; 2013 Acts, ch 138, §79, 80
Referred to in §84A.11, 135.153A, 135.175
Subsection 1, paragraph d stricken
Subsection 4 stricken

## DIVISION XXV

## HEALTH CARE TRANSPARENCY

**135.165 Health care transparency — reporting requirements — hospitals and nursing facilities.** Repealed by 2012 Acts, ch 1113, § 24.

**135.166 Health care data — collection from hospitals.**

1. The department of public health shall enter into a memorandum of understanding to utilize the Iowa hospital association to act as the department's intermediary in collecting, maintaining, and disseminating hospital inpatient, outpatient, and ambulatory information, as initially authorized in 1996 Iowa Acts, ch. 1212, section 5, subsection 1, paragraph "*a*", subparagraph (4) and 641 IAC 177.3.

2. The memorandum of understanding shall include but is not limited to provisions that address the duties of the department and the Iowa hospital association regarding the collection, reporting, disclosure, storage, and confidentiality of the data.

2009 Acts, ch 118, §57

**135.167 through 135.170** Reserved.

## DIVISION XXVI

## ALZHEIMER'S DISEASE SERVICE NEEDS

**135.171 Alzheimer's disease service needs.**

1. The department shall regularly analyze Iowa's population by county and age to determine the existing service utilization and future service needs of persons with Alzheimer's disease and similar forms of irreversible dementia. The analysis shall also address the availability of existing caregiver services for such needs and the appropriate service level for the future.

2. The department shall modify its community needs assessment activities to include

questions to identify and quantify the numbers of persons with Alzheimer's disease and similar forms of irreversible dementia at the community level.

3. The department shall collect data on the numbers of persons demonstrating combative behavior related to Alzheimer's disease and similar forms of irreversible dementia. The department shall also collect data on the number of physicians and geropsychiatric units available in the state to provide treatment and services to such persons. Health care facilities that serve such persons shall provide information to the department for the purposes of the data collection required by this subsection.

4. The department's implementation of the requirements of this section shall be limited to the extent of the funding appropriated or otherwise made available for the requirements.

2008 Acts, ch 1140, §1

See also §231.62

**135.172** Reserved.

## DIVISION XXVII

## EARLY CHILDHOOD IOWA COUNCIL

**135.173 Early childhood Iowa council.** Repealed by 2010 Acts, ch 1031, § 308.

**135.173A Child care advisory committee.**

1. The early childhood Iowa council* shall establish a state child care advisory committee as part of the council. The advisory committee shall advise and make recommendations to the governor, general assembly, department of human services, and other state agencies concerning child care.

2. The membership of the advisory committee shall consist of a broad spectrum of parents and other persons from across the state with an interest in or involvement with child care.

3. Except as otherwise provided, the voting members of the advisory committee shall be appointed by the council from a list of names submitted by a nominating committee to consist of one member of the advisory committee, one member of the department of human services' child care staff, three consumers of child care, and one member of a professional child care organization. Two names shall be submitted for each appointment. The voting members shall be appointed for terms of three years.

4. The voting membership of the advisory committee shall be appointed in a manner so as to provide equitable representation of persons with an interest in child care and shall include all of the following:

*a.* Two parents of children served by a registered child development home.

*b.* Two parents of children served by a licensed center.

*c.* Two not-for-profit child care providers.

*d.* Two for-profit child care providers.

*e.* One child care home provider.

*f.* Three child development home providers.

*g.* One child care resource and referral service grantee.

*h.* One nongovernmental child advocacy group representative.

*i.* One designee of the department of human services.

*j.* One designee of the Iowa department of public health.

*k.* One designee of the department of education.

*l.* One head start program provider.

*m.* One person who is a business owner or executive officer from nominees submitted by the Iowa chamber of commerce executives.

*n.* One designee of the community empowerment office** of the department of management.

*o.* One person who is a member of the Iowa afterschool alliance.

*p.* One person who is part of a local program implementing the statewide preschool program for four-year-old children under chapter 256C.

*q.* One person who represents the early childhood Iowa council.*

5. In addition to the voting members of the advisory committee, the membership shall include four legislators as ex officio, nonvoting members. The four legislators shall be appointed one each by the majority leader of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives for terms as provided in section 69.16B.

6. In fulfilling the advisory committee's role, the committee shall do all of the following:

*a.* Consult with the department of human services and make recommendations concerning policy issues relating to child care.

*b.* Advise the department of human services concerning services relating to child care, including but not limited to any of the following:

(1) Resource and referral services.

(2) Provider training.

(3) Quality improvement.

(4) Public-private partnerships.

(5) Standards review and development.

(6) The federal child care and development block grant, state funding, grants, and other funding sources for child care.

*c.* Assist the department of human services in developing an implementation plan to provide seamless service to recipients of public assistance, which includes child care services. For the purposes of this subsection, *"seamless service"* means coordination, where possible, of the federal and state requirements which apply to child care.

*d.* Advise and provide technical services to the director of the department of education or the director's designee relating to prekindergarten, kindergarten, and before and after school programming and facilities.

*e.* Make recommendations concerning child care expansion programs that meet the needs of children attending a core education program by providing child care before and after the core program hours and during times when the core program does not operate.

*f.* Make recommendations for improving collaborations between the child care programs involving the department of human services and programs supporting the education and development of young children including but not limited to the federal head start program; the statewide preschool program for four-year-old children; and the early childhood, at-risk, and other early education programs administered by the department of education.

*g.* Make recommendations for eliminating duplication and otherwise improving the eligibility determination processes used for the state child care assistance program and other programs supporting low-income families, including but not limited to the federal head start, early head start, and even start programs; the early childhood, at-risk, and preschool programs administered by the department of education; the family and self-sufficiency grant program; and the family investment program.

*h.* Make recommendations as to the most effective and efficient means of managing the state and federal funding available for the state child care assistance program.

*i.* Review program data from the department of human services and other departments concerning child care as deemed to be necessary by the advisory committee, although a department shall not provide personally identifiable data or information.

*j.* Advise and assist the early childhood Iowa council in developing the strategic plan required pursuant to section 135.173.*

7. The department of human services shall provide information to the advisory committee semiannually on all of the following:

*a.* Federal, state, local, and private revenues and expenditures for child care including but not limited to updates on the current and future status of the revenues and expenditures.

*b.* Financial information and data relating to regulation of child care by the department of human services and the usage of the state child care assistance program.

*c.* Utilization and availability data relating to child care regulation, quantity, and quality from consumer and provider perspectives.

*d.* Statistical and demographic data regarding child care providers and the families utilizing child care.

*e.* Statistical data regarding the processing time for issuing notices of decision to state child care assistance applicants and for issuing payments to child care providers.

8. The advisory committee shall coordinate with the early childhood Iowa council* its reporting annually in December to the governor and general assembly concerning the status of child care in the state, providing findings, and making recommendations. The annual report may be personally presented to the general assembly's standing committees on human resources by a representative of the advisory committee.

2010 Acts, ch 1031, §354, 361

Referred to in §237A.1, 256.9

*Former section 135.173, creating the early childhood Iowa council, is repealed; see 2010 Acts, ch 1031, §361; 2010 Acts, ch 1192, §84

**Former section 28.3, establishing the community empowerment office, is repealed; membership slots on the child care advisory committee to be identified by the early childhood Iowa state board; see 2010 Acts, ch 1031, §361; 2010 Acts, ch 1192, §84

**135.174 Lead agency and other state agencies.** Repealed by 2010 Acts, ch 1031, § 308.

## DIVISION XXVIII

## HEALTH CARE WORKFORCE SUPPORT INITIATIVE AND FUND

**135.175 Health care workforce support initiative — workforce shortage fund — accounts — repeal.**

1. *a.* A health care workforce support initiative is established to provide for the coordination and support of various efforts to address the health care workforce shortage in this state. This initiative shall include the medical residency training state matching grants program created in section 135.176, the nurse residency state matching grants program created in section 135.178, the health care professional and Iowa needs nurses now initiative created in sections 261.128 and 261.129, the safety net provider recruitment and retention initiatives program created in section 135.153A, health care workforce shortage national initiatives, and the physician assistant mental health fellowship program created in section 135.177.

*b.* A health care workforce shortage fund is created in the state treasury as a separate fund under the control of the department, in cooperation with the entities identified in this section as having control over the accounts within the fund. The fund and the accounts within the fund shall be controlled and managed in a manner consistent with the principles specified and the strategic plan developed pursuant to sections 135.163 and 135.164.

2. The fund and the accounts within the fund shall consist of moneys appropriated from the general fund of the state for the purposes of the fund or the accounts within the fund; moneys received from the federal government for the purposes of addressing the health care workforce shortage; contributions, grants, and other moneys from communities and health care employers; and moneys from any other public or private source available.

3. The department and any entity identified in this section as having control over any of the accounts within the fund, may receive contributions, grants, and in-kind contributions to support the purposes of the fund and the accounts within the fund. Not more than five percent of the moneys allocated to any account within the fund may be used for administrative costs.

4. The fund and the accounts within the fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the fund and the accounts within the fund shall not be considered revenue of the state, but rather shall be moneys of the fund or the accounts. The moneys in the fund and the accounts within the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except to provide for the purposes of this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund and the accounts within the fund.

5. The fund shall consist of the following accounts:

*a.* The medical residency training account. The medical residency training account shall be under the control of the department and the moneys in the account shall be used for the purposes of the medical residency training state matching grants program as specified in section 135.176. Moneys in the account shall consist of moneys appropriated or allocated for deposit in or received by the fund or the account and specifically dedicated to the medical residency training state matching grants program or account for the purposes of such account.

*b.* The health care professional and Iowa needs nurses now initiative account. The health care professional and Iowa needs nurses now initiative account shall be under the control of the college student aid commission created in section 261.1 and the moneys in the account shall be used for the purposes of the health care professional incentive payment program and the Iowa needs nurses now initiative as specified in sections 261.128 and 261.129. Moneys in the account shall consist of moneys appropriated or allocated for deposit in or received by the fund or the account and specifically dedicated to the health care professional and Iowa needs nurses now initiative or the account for the purposes of the account.

*c.* The safety net provider network workforce shortage account. The safety net provider network workforce shortage account shall be under the control of the governing group of the Iowa collaborative safety net provider network created in section 135.153 and the moneys in the account shall be used for the purposes of the safety net provider recruitment and retention initiatives program as specified in section 135.153A. Moneys in the account shall consist of moneys appropriated or allocated for deposit in or received by the fund or the account and specifically dedicated to the safety net provider recruitment and retention initiatives program or the account for the purposes of the account.

*d.* The health care workforce shortage national initiatives account. The health care workforce shortage national initiatives account shall be under the control of the state entity identified for receipt of the federal funds by the federal government entity through which the federal funding is available for a specified health care workforce shortage initiative. Moneys in the account shall consist of moneys appropriated or allocated for deposit in or received by the fund or the account and specifically dedicated to health care workforce shortage national initiatives or the account and for a specified health care workforce shortage initiative.

*e.* The physician assistant mental health fellowship program account. The physician assistant mental health fellowship program account shall be under the control of the department and the moneys in the account shall be used for the purposes of the physician assistant mental health fellowship program as specified in section 135.177. Moneys in the account shall consist of moneys appropriated or allocated for deposit in or received by the fund or the account and specifically dedicated to the physician assistant mental health fellowship program or the account for the purposes of the account.

*f.* The Iowa needs nurses now infrastructure account. The Iowa needs nurses now infrastructure account shall be under the control of the department and the moneys in the account shall be used to award grants in accordance with rules adopted by the department, in consultation with the board of nursing, the department of education, and a statewide association that represents nurses specified by the director, pursuant to chapter 17A, for clinical simulators, laboratory facilities, health information technology, and other infrastructure to improve the training of nurses and nurse educators in the state and to enhance the clinical experience for nurses. Grants awarded shall authorize the use of a reasonable portion of the grant moneys for training in the use of the infrastructure purchased with the grant moneys. Moneys in the account shall consist of moneys appropriated or allocated for deposit in or received by the fund or the account and specifically dedicated to the Iowa needs nurses now infrastructure account for the purposes of the account.

*g.* The nurse residency state matching grants program account. The nurse residency state matching grants program account shall be under the control of the department and the moneys in the account shall be used for the purposes of the nurse residency state matching grants program as specified in section 135.178. Moneys in the account shall consist of moneys appropriated or allocated for deposit in or received by the fund or the account and

specifically dedicated to the nurse residency state matching grants program account for the purposes of such account.

6. *a.* Moneys in the fund and the accounts in the fund shall only be appropriated in a manner consistent with the principles specified and the strategic plan developed pursuant to sections 135.163 and 135.164 to support the medical residency training state matching grants program, the nurse residency state matching grants program, the health care professional incentive payment program, the Iowa needs nurses now initiative, the safety net recruitment and retention initiatives program, for national health care workforce shortage initiatives, for the physician assistant mental health fellowship program, for the purposes of the Iowa needs nurses now infrastructure account, and to provide funding for state health care workforce shortage programs as provided in this section.

*b.* State programs that may receive funding from the fund and the accounts in the fund, if specifically designated for the purpose of drawing down federal funding, are the primary care recruitment and retention endeavor (PRIMECARRE), the Iowa affiliate of the national rural recruitment and retention network, the primary care office shortage designation program, the state office of rural health, and the Iowa health workforce center, administered through the bureau of health care access of the department of public health; the area health education centers programs at Des Moines university — osteopathic medical center and the university of Iowa; the Iowa collaborative safety net provider network established pursuant to section 135.153; any entity identified by the federal government entity through which federal funding for a specified health care workforce shortage initiative is received; and a program developed in accordance with the strategic plan developed by the department of public health in accordance with sections 135.163 and 135.164.

*c.* State appropriations to the fund shall be allocated in equal amounts to each of the accounts within the fund, unless otherwise specified in the appropriation or allocation. Any federal funding received for the purposes of addressing state health care workforce shortages shall be deposited in the health care workforce shortage national initiatives account, unless otherwise specified by the source of the funds, and shall be used as required by the source of the funds. If use of the federal funding is not designated, twenty-five percent of such funding shall be deposited in the safety net provider network workforce shortage account to be used for the purposes of the account and the remainder of the funds shall be used in accordance with the strategic plan developed by the department of public health in accordance with sections 135.163 and 135.164, or to address workforce shortages as otherwise designated by the department of public health. Other sources of funding shall be deposited in the fund or account and used as specified by the source of the funding.

7. No more than five percent of the moneys in any of the accounts within the fund, not to exceed one hundred thousand dollars in each account, shall be used for administrative purposes, unless otherwise provided by the appropriation, allocation, or source of the funds.

8. The department, in cooperation with the entities identified in this section as having control over any of the accounts within the fund, shall submit an annual report to the governor and the general assembly regarding the status of the health care workforce support initiative, including the balance remaining in and appropriations from the health care workforce shortage fund and the accounts within the fund.

9. This section is repealed June 30, 2014.

2009 Acts, ch 118, §45, 54; 2010 Acts, ch 1147, §2 – 6, 13

Referred to in §135.153A, 135.176, 135.177, 135.178, 249M.4, 261.128, 261.129

Implementation of section conditioned upon availability of funding; 2009 Acts, ch 118, §54

Implementation of 2010 amendments conditioned upon availability of funding; 2010 Acts, ch 1147, §13

## DIVISION XXIX

## HEALTH CARE WORKFORCE SUPPORT

**135.176 Medical residency training state matching grants program — repeal.**

1. The department shall establish a medical residency training state matching grants program to provide matching state funding to sponsors of accredited graduate medical

education residency programs in this state to establish, expand, or support medical residency training programs. Funding for the program may be provided through the health care workforce shortage fund or the medical residency training account created in section 135.175. For the purposes of this section, unless the context otherwise requires, *"accredited"* means a graduate medical education program approved by the accreditation council for graduate medical education or the American osteopathic association. The grant funds may be used to support medical residency programs through any of the following:

*a.* The establishment of new or alternative campus accredited medical residency training programs. For the purposes of this paragraph, *"new or alternative campus accredited medical residency training program"* means a program that is accredited by a recognized entity approved for such purpose by the accreditation council for graduate medical education or the American osteopathic association with the exception that a new medical residency training program that, by reason of an insufficient period of operation is not eligible for accreditation on or before the date of submission of an application for a grant, may be deemed accredited if the accreditation council for graduate medical education or the American osteopathic association finds, after consultation with the appropriate accreditation entity, that there is reasonable assurance that the program will meet the accreditation standards of the entity prior to the date of graduation of the initial class in the program.

*b.* The provision of new residency positions within existing accredited medical residency or fellowship training programs.

*c.* The funding of residency positions which are in excess of the federal residency cap. For the purposes of this paragraph, *"in excess of the federal residency cap"* means a residency position for which no federal Medicare funding is available because the residency position is a position beyond the cap for residency positions established by the federal Balanced Budget Act of 1997, Pub. L. No. 105-33.

2. The department shall adopt rules pursuant to chapter 17A to provide for all of the following:

*a.* Eligibility requirements for and qualifications of a sponsor of an accredited graduate medical education residency program to receive a grant. The requirements and qualifications shall include but are not limited to all of the following:

(1) Only a sponsor that establishes a dedicated fund to support a residency program that meets the specifications of this section shall be eligible to receive a matching grant. A sponsor funding residency positions in excess of the federal residency cap, as defined in subsection 1, paragraph *"c"*, exclusive of funds provided under the medical residency training state matching grants program established in this section, is deemed to have satisfied this requirement and shall be eligible for a matching grant equal to the amount of funds expended for such residency positions, subject to the limitation on the maximum award of grant funds specified in paragraph *"e"*.

(2) A sponsor shall demonstrate, through documented financial information as prescribed by rule of the department, that funds have been reserved and will be expended by the sponsor in the amount required to provide matching funds for each residency proposed in the request for state matching funds.

(3) A sponsor shall demonstrate, through objective evidence as prescribed by rule of the department, a need for such residency program in the state.

*b.* The application process for the grant.

*c.* Criteria for preference in awarding of the grants, including preference in the residency specialty.

*d.* Determination of the amount of a grant. The total amount of a grant awarded to a sponsor shall be limited to no more than twenty-five percent of the amount that the sponsor has demonstrated through documented financial information has been reserved and will be expended by the sponsor for each residency sponsored for the purpose of the residency program.

*e.* The maximum award of grant funds to a particular individual sponsor per year. An individual sponsor shall not receive more than twenty-five percent of the state matching funds available each year to support the program. However, if less than ninety-five percent of the available funds has been awarded in a given year, a sponsor may receive more

than twenty-five percent of the state matching funds available if total funds awarded do not exceed ninety-five percent of the available funds. If more than one sponsor meets the requirements of this section and has established, expanded, or supported a graduate medical residency training program, as specified in subsection 1, in excess of the sponsor's twenty-five percent maximum share of state matching funds, the state matching funds shall be divided proportionately among such sponsors.

*f.* Use of the funds awarded. Funds may be used to pay the costs of establishing, expanding, or supporting an accredited graduate medical education program as specified in this section, including but not limited to the costs associated with residency stipends and physician faculty stipends.

3. This section is repealed June 30, 2014.

2009 Acts, ch 118, §46, 54

Referred to in §135.175

Implementation of section conditioned upon availability of funding; 2009 Acts, ch 118, §54

**135.177 Physician assistant mental health fellowship program — repeal.**

1. The department, in cooperation with the college student aid commission, shall establish a physician assistant mental health fellowship program in accordance with this section. Funding for the program may be provided through the health care workforce shortage fund or the physician assistant mental health fellowship program account created in section 135.175. The purpose of the program is to determine the effect of specialized training and support for physician assistants in providing mental health services on addressing Iowa's shortage of mental health professionals.

2. The program shall provide for all of the following:

*a.* Collaboration with a hospital serving a thirteen-county area in central Iowa that provides a clinic at the Iowa veterans home, a private nonprofit agency headquartered in a city with a population of more than one hundred ninety thousand that operates a freestanding psychiatric medical institution for children, a private university with a medical school educating osteopathic physicians located in a city with a population of more than one hundred ninety thousand, the Iowa veterans home, and any other clinical partner designated for the program. Population figures used in this paragraph refer to the most recent certified federal census. The clinical partners shall provide supervision, clinical experience, training, and other support for the program and physician assistant students participating in the program.

*b.* Elderly, youth, and general population clinical experiences.

*c.* A fellowship of twelve months for three physician assistant students, annually.

*d.* Supervision of students participating in the program provided by the university and the other clinical partners participating in the program.

*e.* A student participating in the program shall be eligible for a stipend of not more than fifty thousand dollars for the twelve months of the fellowship plus related fringe benefits. In addition, a student who completes the program and practices in Iowa in a mental health professional shortage area, as defined in section 135.180, shall be eligible for up to twenty thousand dollars in loan forgiveness. The stipend and loan forgiveness provisions shall be determined by the department and the college student aid commission, in consultation with the clinical partners.

*f.* The state and private entity clinical partners shall regularly evaluate and document their experiences with the approaches utilized and outcomes achieved by the program to identify an optimal model for operating the program. The evaluation process shall include but is not limited to identifying ways the program's clinical and training components could be modified to facilitate other student and practicing physician assistants specializing as mental health professionals.

3. This section is repealed June 30, 2014.

2009 Acts, ch 118, §47, 54; 2011 Acts, ch 25, §129

Referred to in §135.175

Implementation of section conditioned upon availability of funding; 2009 Acts, ch 118, §54

**135.178 Nurse residency state matching grants program — repeal.**

1. The department shall establish a nurse residency state matching grants program to provide matching state funding to sponsors of nurse residency programs in this state to establish, expand, or support nurse residency programs that meet standards adopted by rule of the department. Funding for the program may be provided through the health care workforce shortage fund or the nurse residency state matching grants program account created in section 135.175. The department, in cooperation with the Iowa board of nursing, the department of education, Iowa institutions of higher education with board of nursing-approved programs to educate nurses, and the Iowa nurses association, shall adopt rules pursuant to chapter 17A to establish minimum standards for nurse residency programs to be eligible for a matching grant that address all of the following:

*a.* Eligibility requirements for and qualifications of a sponsor of a nurse residency program to receive a grant, including that the program includes both rural and urban components.

*b.* The application process for the grant.

*c.* Criteria for preference in awarding of the grants.

*d.* Determination of the amount of a grant.

*e.* Use of the funds awarded. Funds may be used to pay the costs of establishing, expanding, or supporting a nurse residency program as specified in this section, including but not limited to the costs associated with residency stipends and nursing faculty stipends.

2. This section is repealed June 30, 2014.

2010 Acts, ch 1147, §7, 13

Referred to in §135.175

Implementation of section conditioned upon availability of funding; 2010 Acts, ch 1147, §13

**135.179 Reserved.**

## DIVISION XXX

## MENTAL HEALTH PROFESSIONAL SHORTAGE AREA PROGRAM

**135.180 Mental health professional shortage area program.**

1. For the purposes of this section, *"mental health professional shortage areas"* means geographic areas in this state that have been designated by the United States department of health and human services, health resources and services administration, bureau of health professionals, as having a shortage of mental health professionals.

2. The department shall establish and administer a mental health professional shortage area program in accordance with this section. Implementation of the program shall be limited to the extent of the funding appropriated or otherwise made available for the program.

3. The program shall provide stipends to support psychiatrist positions with an emphasis on securing and retaining medical directors at community mental health centers, providers of mental health services to county residents pursuant to a waiver approved under section 225C.7, subsection 3, and hospital psychiatric units that are located in mental health professional shortage areas.

4. The department shall apply the rules in determining the number and amounts of stipends within the amount of funding available for the program for a fiscal year.

5. For each fiscal year in which funding is allocated by the program, the department shall report to the governor and general assembly summarizing the program's activities and the impact made to address the shortage of mental health professionals.

2007 Acts, ch 218, §102

CS2007, §135.80

2011 Acts, ch 25, §80

CS2011, §135.180

Referred to in §135.177

Allocation of funds; 2007 Acts, ch 218, §97; 2008 Acts, ch 1187, §62; 2009 Acts, ch 182, §60; 2010 Acts, ch 1192, §2

# CHAPTER 135A

## PUBLIC HEALTH MODERNIZATION ACT

Legislative findings and intent; purpose;
2009 Acts, ch 182, §114, 126
Implementation of chapter subject to funding, see §135A.11


135A.1 Short title.
135A.2 Definitions.
135A.3 Governmental public health system modernization — lead agency.
135A.4 Governmental public health advisory council.
135A.5 Governmental public health evaluation committee.
135A.6 Governmental public health system.
135A.7 Governmental public health system and accreditation data collection system.
135A.8 Governmental public health system fund.
135A.9 Rules.
135A.10 Prohibited acts — fraudulently claiming accreditation — civil penalty.
135A.11 Implementation.


**135A.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Public Health Modernization Act"*.

2009 Acts, ch 182, §115, 126

**135A.2 Definitions.**

As used in this chapter, unless the context otherwise requires, the following definitions apply:

1. *"Academic institution"* means an institution of higher education in the state which grants undergraduate and postgraduate degrees and is accredited by a nationally recognized accrediting agency as determined by the United States secretary of education. For purposes of this definition, *"accredited"* means a certification of the quality of an institution of higher education.

2. *"Accrediting entity"* means a legal, independent, nonprofit or governmental entity or entities approved by the state board of health for the purpose of accrediting designated local public health agencies and the department pursuant to the voluntary accreditation program developed under this chapter.

3. *"Administration"* means the operational procedures, personnel and fiscal management systems, and facility requirements that must be in place for the delivery and assurance of public health services.

4. *"Committee"* means the governmental public health evaluation committee as established in this chapter.

5. *"Communication and information technology"* means the processes, procedures, and equipment needed to provide public information and transmit and receive information among public health entities and community partners; and applies to the procedures, physical hardware, and software required to transmit, receive, and process electronic information.

6. *"Council"* means the governmental public health advisory council as established in this chapter.

7. *"Department"* means the department of public health.

8. *"Designated local public health agency"* means an entity that is either governed by or contractually responsible to a local board of health and designated by the local board to comply with the Iowa public health standards for a jurisdiction.

9. *"Governance"* means the functions and responsibilities of the local boards of health and the state board of health to oversee governmental public health matters.

10. *"Governmental public health system"* means the system described in section 135A.6.

11. *"Iowa public health standards"* means the governmental public health standards adopted by rule by the state board of health.

12. *"Local board of health"* means a county or district board of health.

13. *"Organizational capacity"* means the governmental public health infrastructure that must be in place in order to deliver public health services.

14. *"Public health region"* means, at a minimum, one of six geographical areas approved by the state board of health for the purposes of coordination, resource sharing, and planning and to improve delivery of public health services.

15. *"Public health services"* means the basic public health services that all Iowans should reasonably expect to be provided by designated local public health agencies and the department.

16. *"Voluntary accreditation"* means verification of a designated local public health agency or the department that demonstrates compliance with the Iowa public health standards by an accrediting entity.

17. *"Workforce"* means the necessary qualified and competent staff required to deliver public health services.

2009 Acts, ch 182, §116, 126

Referred to in §137.102

**135A.3 Governmental public health system modernization — lead agency.**

1. The department is designated as the lead agency in this state to administer this chapter.

2. The department, in collaboration with the governmental public health advisory council and the governmental public health evaluation committee, shall coordinate implementation of this chapter including but not limited to the voluntary accreditation of designated local public health agencies and the department in accordance with the Iowa public health standards. Such implementation shall include evaluation of and quality improvement measures for the governmental public health system.

2009 Acts, ch 182, §117, 126

**135A.4 Governmental public health advisory council.**

1. A governmental public health advisory council is established to advise the department and make policy recommendations to the director of the department concerning administration, implementation, and coordination of this chapter and to make recommendations to the department regarding the governmental public health system. The council shall meet at least quarterly. The council shall consist of no fewer than fifteen members and no more than twenty-three members. The members shall be appointed by the director. The director may solicit and consider recommendations from professional organizations, associations, and academic institutions in making appointments to the council.

2. Council members shall not be members of the governmental public health evaluation committee.

3. Council members shall serve for a term of two years and may be reappointed for a maximum of three consecutive terms. Initial appointment shall be in staggered terms. Vacancies shall be filled for the remainder of the original appointment.

4. The membership of the council shall satisfy all of the following requirements:

*a.* One member who has expertise in injury prevention.

*b.* One member who has expertise in environmental health.

*c.* One member who has expertise in emergency preparedness.

*d.* One member who has expertise in health promotion and chronic disease prevention.

*e.* One member who has epidemiological expertise in communicable and infectious disease prevention and control.

*f.* One member representing each of Iowa's six public health regions who is an employee of a designated local public health agency or member of a local board of health. Such members shall include a minimum of one local public health administrator and one physician member of a local board of health.

*g.* Two members who are representatives of the department.

*h.* The director of the state hygienic laboratory at the university of Iowa, or the director's designee.

*i.* At least one representative from academic institutions which grant undergraduate and

postgraduate degrees in public health or other related health field and are accredited by a nationally recognized accrediting agency as determined by the United States secretary of education. For purposes of this paragraph, *"accredited"* means a certification of the quality of an institution of higher education.

*j.* Two members who serve on a county board of supervisors.

*k.* Four nonvoting, ex officio members who shall consist of four members of the general assembly, two from the senate and two from the house of representatives, with not more than one member from each chamber being from the same political party. The two senators shall be designated, one member each, by the majority leader of the senate after consultation with the president and by the minority leader of the senate. The two representatives shall be designated, one member each, by the speaker of the house of representatives after consultation with the majority leader of the house of representatives and by the minority leader of the house of representatives.

*l.* A member of the state board of health who shall be a nonvoting, ex officio member.

5. The council may utilize other relevant public health expertise when necessary to carry out its roles and responsibilities.

6. The council shall do all of the following:

*a.* Advise the department and make policy recommendations to the director of the department concerning administration, implementation, and coordination of this chapter and the governmental public health system.

*b.* Propose to the director public health standards that should be utilized for voluntary accreditation of designated local public health agencies and the department that include but are not limited to the organizational capacity and public health service components described in section 135A.6, subsection 1, by October 1, 2009.

*c.* Recommend to the department an accrediting entity and identify the roles and responsibilities for the oversight and implementation of the voluntary accreditation of designated local public health agencies and the department by January 2, 2010. This shall include completion of a pilot accreditation process for one designated local public health agency and the department by July 1, 2011.

*d.* Recommend to the director strategies to implement voluntary accreditation of designated local public health agencies and the department effective January 2, 2012.

*e.* Periodically review and make recommendations to the department regarding revisions to the public health standards pursuant to paragraph *"b"*, as needed and based on reports prepared by the governmental public health evaluation committee pursuant to section 135A.5.

*f.* Review rules developed and adopted by the state board of health under this chapter and make recommendations to the department for revisions to further promote implementation of this chapter and modernization of the governmental public health system.

*g.* Form and utilize subcommittees as necessary to carry out the duties of the council.

2009 Acts, ch 182, §118, 126; 2010 Acts, ch 1061, §27

Referred to in §135A.9

**135A.5 Governmental public health evaluation committee.**

1. A governmental public health evaluation committee is established to develop and implement the evaluation of the governmental public health system and voluntary accreditation program. The committee shall meet at least quarterly. The committee shall consist of no fewer than eleven members and no more than thirteen members. The members shall be appointed by the director of the department. The director may solicit and consider recommendations from professional organizations, associations, and academic institutions in making appointments to the committee.

2. Committee members shall not be members of the governmental public health advisory council.

3. Committee members shall serve for a term of two years and may be reappointed for a maximum of three consecutive terms. Initial appointment shall be in staggered terms. Vacancies shall be filled for the remainder of the original appointment.

4. The membership of the committee shall satisfy all of the following requirements:

*a.* At least one member representing each of Iowa's six public health regions. Each

representative shall be an employee or administrator of a designated local public health agency or a member of a local board of health. Such members shall be appointed to ensure expertise in the areas of communicable and infectious diseases, environmental health, injury prevention, healthy behaviors, and emergency preparedness.

*b.* Two members who are representatives of the department.

*c.* A representative of the state hygienic laboratory at the university of Iowa.

*d.* At least two representatives from academic institutions which grant undergraduate and postgraduate degrees in public health or other health-related fields.

*e.* At least one economist who has demonstrated experience in public health, health care, or a health-related field.

*f.* At least one research analyst.

5. The committee may utilize other relevant public health expertise when necessary to carry out its roles and responsibilities.

6. The committee shall do all of the following:

*a.* Develop and implement processes for evaluation of the governmental public health system and the voluntary accreditation program.

*b.* Collect and report baseline information for organizational capacity and public health service delivery based on the Iowa public health standards prior to implementation of the voluntary accreditation program on January 2, 2012.

*c.* Evaluate the effectiveness of the accrediting entity and the voluntary accreditation process.

*d.* Evaluate the appropriateness of the Iowa public health standards and develop measures to determine reliability and validity.

*e.* Determine what process and outcome improvements in the governmental public health system are attributable to voluntary accreditation.

*f.* Assure that the evaluation process is capturing data to support key research in public health system effectiveness and health outcomes.

*g.* Annually submit a report to the department by July 1.

*h.* Form and utilize subcommittees as necessary to carry out the duties of the committee.

2009 Acts, ch 182, §119, 126; 2010 Acts, ch 1061, §28; 2011 Acts, ch 63, §34

Referred to in §135A.4

**135A.6 Governmental public health system.**

1. The governmental public health system, in accordance with the Iowa public health standards, shall include but not be limited to the following organizational capacity components and public health service components:

*a.* Organizational capacity components shall include all of the following:

(1) Governance.

(2) Administration.

(3) Communication and information technology.

(4) Workforce.

(5) Community assessment and planning. This component consists of collaborative data collection and analysis for the completion of population-based community health assessments and community health profiles and the process of developing improvement plans to address the community health needs and identified gaps in public health services.

(6) Evaluation.

*b.* Public health service components shall include all of the following:

(1) Prevention of epidemics and the spread of disease. This component includes the surveillance, detection, investigation, and prevention and control measures that prevent, reduce, or eliminate the spread of infectious disease.

(2) Protection against environmental hazards. This component includes activities that reduce or eliminate the risk factors detrimental to the public's health within the natural or man-made environment.

(3) Prevention of injuries. This component includes activities that facilitate the prevention, reduction, or elimination of intentional and unintentional injuries.

(4) Promotion of healthy behaviors. This component includes activities to assure services that promote healthy behaviors to prevent chronic disease and reduce illness.

(5) Preparation for, response to, and recovery from public health emergencies. This component includes activities to prepare the public health system and community partners to respond to public health threats, emergencies, and disasters and to assist in the recovery process.

2. The governmental public health system shall include but not be limited to the following entities:

*a.* Local boards of health.

*b.* State board of health.

*c.* Designated local public health agencies.

*d.* The department.

2009 Acts, ch 182, §120, 126

Referred to in §135A.2, 135A.4

**135A.7 Governmental public health system and accreditation data collection system.**

1. The department shall establish and maintain a governmental public health system and an accreditation data collection system by which the state board of health, the director, the department, the council, and the committee may monitor the implementation and effectiveness of the governmental public health system based on the Iowa public health standards.

2. Notwithstanding section 22.7 or any other provision of law, local boards of health shall provide to the department and the accrediting entity upon request all data and information necessary to determine the local board's capacity to comply with the Iowa public health standards, including but not limited to data and information regarding governance, administration, communication and information technology, workforce, personnel, staffing, budget, contracts, and other program and agency information.

3. The department may share any data or information collected pursuant to this section with the council or the committee as necessary to perform the duties of the council and committee. Data and information provided to the department under this section which are confidential pursuant to section 22.7, subsection 2, 11, or 50, section 139A.3, or other provision of law, remain confidential and shall not be released by the department, the council, or the committee.

4. During the pendency of the accreditation process, all accreditation files and reports prepared for or maintained by the accrediting entity are confidential and are not subject to discovery, subpoena, or other means of legal compulsion for their release. After the accrediting entity has issued its recommendation or report only the preliminary drafts of the recommendation or report, and records otherwise confidential pursuant to chapter 22 or other provision of state or federal law, shall remain confidential and are not subject to discovery, subpoena, or other means of legal compulsion for their release.

5. To the extent possible, activities under this section shall be coordinated with other health data collection systems including those maintained by the department.

2009 Acts, ch 182, §121, 126

**135A.8 Governmental public health system fund.**

1. The department is responsible for the funding of the administrative costs for implementation of this chapter. A governmental public health system fund is created as a separate fund in the state treasury under the control of the department. The fund shall consist of moneys obtained from any source, including the federal government, unless otherwise prohibited by law or the entity providing the funding. Moneys deposited in the fund are appropriated to the department for the public health purposes specified in this chapter. Moneys in the fund shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section. Notwithstanding section 8.33, moneys in the governmental public health system fund at the end of the fiscal year shall not revert to any other fund but shall remain in the fund for subsequent fiscal years.

2. The fund is established to assist local boards of health and the department with the

provision of governmental public health system organizational capacity and public health service delivery and to achieve and maintain voluntary accreditation in accordance with the Iowa public health standards. At least seventy percent of the funds shall be made available to local boards of health and up to thirty percent of the funds may be utilized by the department.

3. Moneys in the fund may be allocated by the department to a local board of health for organizational capacity and service delivery. Such allocation may be made on a matching, dollar-for-dollar basis for the acquisition of equipment, or by providing grants to achieve and maintain voluntary accreditation in accordance with the Iowa public health standards.

4. A local board of health seeking matching funds or grants under this section shall apply to the department. The state board of health shall adopt rules concerning the application and award process for the allocation of moneys in the fund and shall establish the criteria for the allocation of moneys in the fund if the moneys are insufficient to meet the needs of local boards of health.

2009 Acts, ch 182, §122, 126

**135A.9 Rules.**

The state board of health shall adopt rules pursuant to chapter 17A to implement this chapter which shall include but are not limited to the following:

1. Incorporation of the Iowa public health standards recommended to the department pursuant to section 135A.4, subsection 6.

2. A voluntary accreditation process to begin no later than January 2, 2012, for designated local public health agencies and the department.

3. Rules relating to the operation of the governmental public health advisory council.

4. Rules relating to the operation of the governmental public health system evaluation committee.

5. The application and award process for governmental public health system fund moneys.

6. Rules relating to data collection for the governmental public health system and the voluntary accreditation program.

7. Rules otherwise necessary to implement the chapter.

2009 Acts, ch 182, §123, 126; 2010 Acts, ch 1061, §29

**135A.10 Prohibited acts — fraudulently claiming accreditation — civil penalty.**

A local board of health or local public health agency that imparts or conveys, or causes to be imparted or conveyed, information claiming that it is accredited pursuant to this chapter or that uses any other term to indicate or imply it is accredited without being accredited under this chapter is subject to a civil penalty not to exceed one thousand dollars per day for each offense. However, nothing in this chapter shall be construed to restrict a local board of health or local public health agency from providing any services for which it is duly authorized.

2009 Acts, ch 182, §124, 126

**135A.11 Implementation.**

The department shall implement this chapter only to the extent that funding is available.

2009 Acts, ch 182, §125, 126

Appropriation of funds for FY 2009-2010 to begin implementation of public health modernization; 2009 Acts, ch 182, §2, 60

# CHAPTER 135B

## LICENSURE AND REGULATION OF HOSPITALS

Referred to in §8D.2, 8D.3, 8D.13, 10A.104, 21.5, 97B.52A, 105.11, 125.2, 125.13, 125.43A, 135.131, 135C.5, 135H.6, 142C.2, 144A.7A, 147.138, 147A.21, 157.13, 206.2, 231B.16, 231C.17, 231D.16, 235A.15, 235B.6, 235E.2, 237.1, 237.4, 237A.1, 249L.2, 249M.2, 252A.2, 282.27, 331.382, 423.3, 455B.133, 476B.1, 505.8, 505.27, 514C.13, 519.1, 519A.2, 582.1, 614.1, 622.31, 714H.4

Abortion liability exculpation, chapter 146
Psychiatric medical institutions for children, chapter 135H

DIVISION I

GENERAL PROVISIONS

135B.1 Definitions.
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## DIVISION I

## GENERAL PROVISIONS

**135B.1 Definitions.**

As used in this chapter:

1. *"Department"* means the department of inspections and appeals.

2. *"Governmental unit"* means the state, or any county, municipality, or other political subdivision or any department, division, board or other agency of any of the foregoing.

3. *"Hospital"* means a place which is devoted primarily to the maintenance and operation of facilities for the diagnosis, treatment or care over a period exceeding twenty-four hours of two or more nonrelated individuals suffering from illness, injury, or deformity, or a place which is devoted primarily to the rendering over a period exceeding twenty-four hours of obstetrical or other medical or nursing care for two or more nonrelated individuals, or any institution, place, building or agency in which any accommodation is primarily maintained, furnished or offered for the care over a period exceeding twenty-four hours of two or more nonrelated aged or infirm persons requiring or receiving chronic or convalescent care; and shall include sanatoriums or other related institutions within the meaning of this chapter. Provided, however, nothing in this chapter shall apply to hotels or other similar places that furnish only food and lodging, or either, to their guests or to a freestanding hospice facility

which operates a hospice program in accordance with 42 C.F.R. § 418. *"Hospital"* shall include, in any event, any facilities wholly or partially constructed or to be constructed with federal financial assistance, pursuant to Pub. L. No. 79-725, 60 Stat. 1040, approved August 13, 1946.

4. *"Person"* means any individual, firm, partnership, corporation, company, association, or joint stock association; and includes any trustee, receiver, assignee or other similar representative thereof.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.1]

90 Acts, ch 1107, §1; 90 Acts, ch 1204, §2; 2006 Acts, ch 1010, §52

Referred to in §135.61, 135.154, 135C.33, 139A.2, 142D.2, 144A.2, 144C.2, 144D.1, 152B.4, 233.1, 235E.1, 427.1(14a)

**135B.2 Purpose.**

The purpose of this chapter is to provide for the development, establishment and enforcement of basic standards for the care and treatment of individuals in hospitals and for the construction, maintenance and operation of such hospitals, which, in the light of existing knowledge, will promote safe and adequate treatment of such individuals in hospitals, in the interest of the health, welfare and safety of the public.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.2]

**135B.3 Licensure.**

No person or governmental unit, acting severally or jointly with any other person or governmental unit shall establish, conduct or maintain a hospital in this state without a license.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.3]

**135B.4 Application for license.**

Licenses shall be obtained from the department. Applications shall be upon forms and shall contain information as the department may reasonably require, which may include affirmative evidence of ability to comply with reasonable standards and rules prescribed under this chapter. Each application for license shall be accompanied by the license fee, which shall be refunded to the applicant if the license is denied and which shall be deposited into the state treasury and credited to the general fund if the license is issued. Hospitals having fifty beds or less shall pay an initial license fee of fifteen dollars; hospitals of more than fifty beds and not more than one hundred beds shall pay an initial license fee of twenty-five dollars; all other hospitals shall pay an initial license fee of fifty dollars.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.4]

90 Acts, ch 1204, §3

**135B.5 Issuance and renewal of license.**

1. Upon receipt of an application for license and the license fee, the department shall issue a license if the applicant and hospital facilities comply with this chapter and the rules of the department. Each licensee shall receive annual reapproval upon payment of five hundred dollars and upon filing of an application form which is available from the department. The annual licensure fee shall be dedicated to support and provide educational programs on regulatory issues for hospitals licensed under this chapter in consultation with the hospital licensing board. Licenses shall be either general or restricted in form. Each license shall be issued only for the premises and persons or governmental units named in the application and is not transferable or assignable except with the written approval of the department. Licenses shall be posted in a conspicuous place on the licensed premises as prescribed by rule of the department.

2. The provisions of this section shall not in any way affect, change, deny or nullify any rights set forth in, or arising from the provisions of this chapter and particularly section 135B.7, arising before or after December 31, 1960.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.5]

90 Acts, ch 1204, §4; 2008 Acts, ch 1191, §48

**135B.6 Denial, suspension, or revocation of license — hearings and review.**

The department may deny, suspend, or revoke a license in any case where it finds that there has been a substantial failure to comply with this chapter or the rules or minimum standards adopted pursuant to this chapter.

A denial, suspension, or revocation shall be effected by mailing to the applicant or licensee by certified mail, or by personal service of, a notice setting forth the particular reasons for the action. A denial, suspension, or revocation shall become effective thirty days after the mailing or service of the notice, unless the applicant or licensee, within the thirty-day period gives written notice to the department requesting a hearing, in which case the notice is suspended. If a hearing has been requested, the applicant or licensee shall be given an opportunity for a prompt and fair hearing before the department. At any time at or prior to hearing, the department may rescind the notice of denial, suspension, or revocation upon being satisfied that the reasons for the denial, suspension, or revocation have been or will be removed. On the basis of a hearing or upon default of the applicant or licensee, the determination involved in the notice may be affirmed, modified, or set aside by the department. A copy of the decision, setting forth the finding of facts and the particular reasons for the decision shall be sent by certified mail, or served personally upon, the applicant or licensee.

The procedure governing hearings authorized by this section shall be in accordance with rules adopted by the department. A full and complete record shall be kept of all proceedings, and all testimony shall be reported but need not be transcribed unless judicial review is sought pursuant to section 135B.14. A copy or copies of the transcript may be obtained by an interested party on payment of the cost of preparing the copy or copies. Witnesses may be subpoenaed by either party and shall be allowed fees at a rate prescribed by rule.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.6]

90 Acts, ch 1204, §5

**135B.7 Rules and enforcement.**

1. *a.* The department, with the advice and approval of the hospital licensing board and approval of the state board of health, shall adopt rules setting out the standards for the different types of hospitals to be licensed under this chapter. The department shall enforce the rules.

*b.* Rules or standards shall not be adopted or enforced which would have the effect of denying a license to a hospital or other institution required to be licensed, solely by reason of the school or system of practice employed or permitted to be employed by physicians in the hospital, if the school or system of practice is recognized by the laws of this state.

2. *a.* The rules shall state that a hospital shall not deny clinical privileges to physicians and surgeons, podiatric physicians, osteopathic physicians and surgeons, dentists, certified health service providers in psychology, physician assistants, or advanced registered nurse practitioners licensed under chapter 148, 148C, 149, 152, or 153, or section 154B.7, solely by reason of the license held by the practitioner or solely by reason of the school or institution in which the practitioner received medical schooling or postgraduate training if the medical schooling or postgraduate training was accredited by an organization recognized by the council on postsecondary accreditation or an accrediting group recognized by the United States department of education.

*b.* A hospital may establish procedures for interaction between a patient and a practitioner. The rules shall not prohibit a hospital from limiting, restricting, or revoking clinical privileges of a practitioner for violation of hospital rules, regulations, or procedures established under this paragraph, when applied in good faith and in a nondiscriminatory manner.

*c.* This subsection shall not require a hospital to expand the hospital's current scope of service delivery solely to offer the services of a class of providers not currently providing services at the hospital. This section shall not be construed to require a hospital to establish rules which are inconsistent with the scope of practice established for licensure of practitioners to whom this subsection applies.

*d.* This section shall not be construed to authorize the denial of clinical privileges to a

practitioner or class of practitioners solely because a hospital has as employees of the hospital identically licensed practitioners providing the same or similar services.

3. The rules shall require that a hospital establish and implement written criteria for the granting of clinical privileges. The written criteria shall include but are not limited to consideration of all of the following:

*a.* The ability of an applicant for privileges to provide patient care services independently and appropriately in the hospital.

*b.* The license held by the applicant to practice.

*c.* The training, experience, and competence of the applicant.

*d.* The relationship between the applicant's request for the granting of privileges and the hospital's current scope of patient care services, as well as the hospital's determination of the necessity to grant privileges to a practitioner authorized to provide comprehensive, appropriate, and cost-effective services.

4. The department shall also adopt rules requiring hospitals to establish and implement protocols for responding to the needs of patients who are victims of domestic abuse, as defined in section 236.2.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.7]

83 Acts, ch 101, §16; 85 Acts, ch 169, §1; 90 Acts, ch 1093, §1; 90 Acts, ch 1204, §6; 91 Acts, ch 218, §3; 93 Acts, ch 108, §1; 96 Acts, ch 1034, §68; 99 Acts, ch 42, §1; 2008 Acts, ch 1088, §88; 2009 Acts, ch 41, §45

Referred to in §135B.5

**135B.7A Procedures — orders.**

The department shall adopt rules that require hospitals to establish procedures for authentication of all verbal orders by a practitioner within a period not to exceed thirty days following a patient's discharge.

2001 Acts, ch 93, §1; 2007 Acts, ch 93, §1

**135B.8 Effective date of rules.**

Any hospital which is in operation at the time of promulgation of any applicable rules or minimum standards under this chapter shall be given a reasonable time, not to exceed one year from the date of such promulgation, within which to comply with such rules and minimum standards.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.8]

**135B.9 Inspections and qualifications for hospital inspectors — protection and advocacy agency investigations.**

1. The department shall make or cause to be made inspections as it deems necessary in order to determine compliance with applicable rules. Hospital inspectors shall meet the following qualifications:

*a.* Be free of conflicts of interest. A hospital inspector shall not participate in an inspection or complaint investigation of a hospital in which the inspector or a member of the inspector's immediate family works or has worked within the last two years. For purposes of this paragraph, "*immediate family member*" means a spouse; natural or adoptive parent, child, or sibling; or stepparent, stepchild, or stepsibling.

*b.* Complete a yearly conflict of interest disclosure statement.

*c.* Biennially, complete a minimum of ten hours of continuing education pertaining to hospital operations including but not limited to quality and process improvement standards, trauma system standards, and regulatory requirements.

2. In the state resource centers and state mental health institutes operated by the department of human services, the designated protection and advocacy agency as provided in section 135C.2, subsection 4, shall have the authority to investigate all complaints of abuse and neglect of persons with developmental disabilities or mental illnesses if the complaints are reported to the protection and advocacy agency or if there is probable cause to believe that the abuse has occurred. Such authority shall include the examination of all records pertaining to the care provided to the residents and contact or interview with any

resident, employee, or any other person who might have knowledge about the operation of the institution.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.9]

88 Acts, ch 1249, §1; 90 Acts, ch 1204, §7; 95 Acts, ch 51, §1; 2000 Acts, ch 1112, §51; 2010 Acts, ch 1177, §1

Referred to in §135C.37

**135B.10 Hospital licensing board.**

The governor shall appoint six individuals to serve as the hospital licensing board within the department.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.10]

86 Acts, ch 1245, §527; 90 Acts, ch 1204, §8; 2008 Acts, ch 1191, §49

**135B.11 Functions of hospital licensing board — compensation.**

1. The hospital licensing board shall have the following responsibilities and duties:

*a.* To consult with and advise the department in matters of policy affecting administration of this chapter, and in the development of rules and standards provided for under this chapter.

*b.* To review and approve rules and standards authorized under this chapter prior to their approval by the state board of health and adoption by the department.

2. Each member of the board may also be eligible to receive compensation as provided in section 7E.6.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.11]

86 Acts, ch 1245, §528; 87 Acts, ch 8, §4; 90 Acts, ch 1204, §9; 2009 Acts, ch 41, §263

**135B.12 Confidentiality.**

The department's final findings or the final survey findings of the joint commission on the accreditation of health care organizations or the American osteopathic association with respect to compliance by a hospital with requirements for licensing or accreditation shall be made available to the public in a readily available form and place. Other information relating to a hospital obtained by the department which does not constitute the department's findings from an inspection of the hospital or the final survey findings of the joint commission on the accreditation of health care organizations or the American osteopathic association shall not be made available to the public, except in proceedings involving the denial, suspension, or revocation of a license under this chapter. The name of a person who files a complaint with the department shall remain confidential and shall not be subject to discovery, subpoena, or other means of legal compulsion for its release to a person other than department employees or agents involved in the investigation of the complaint.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.12]

88 Acts, ch 1249, §2; 90 Acts, ch 1204, §10; 91 Acts, ch 107, §2

**135B.13 Annual report of department.**

The department shall prepare and publish an annual report of its activities under this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.13]

90 Acts, ch 1204, §11

**135B.14 Judicial review.**

Judicial review of the action of the department may be sought in accordance with chapter 17A. Notwithstanding the terms of chapter 17A, the Iowa administrative procedure Act, petitions for judicial review may be filed in the district court of the county in which the hospital is located or to be located, and the status quo of the petitioner or licensee shall be preserved pending final disposition of the matter in the courts.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.14]

90 Acts, ch 1204, §12

Referred to in §135B.6

**135B.15 Penalties.**

Any person establishing, conducting, managing, or operating any hospital without a license shall be guilty of a serious misdemeanor, and each day of continuing violation after conviction shall be considered a separate offense.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.15]

**135B.16 Injunction.**

Notwithstanding the existence or pursuit of any other remedy, the department may, in the manner provided by law, maintain an action in the name of the state for injunction or other process against any person or governmental unit to restrain or prevent the establishment, conduct, management or operation of a hospital without a license.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.16]

**135B.17 Construction.**

This chapter is in addition to and not in conflict with chapter 235.

Provisions of this chapter in conflict with the state building code, as adopted pursuant to section 103A.7, shall not apply where the state building code has been adopted or when the state building code applies throughout the state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.17]

83 Acts, ch 101, §17; 2004 Acts, ch 1086, §36

**135B.18 County care facilities exempted.**

The provisions of this chapter shall not apply to county care facilities established pursuant to chapter 347B and managed by the county board of supervisors.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.18]

**135B.18A Universal newborn and infant hearing screening.**

Beginning January 1, 2004, a birthing hospital as defined in section 135.131 shall comply with section 135.131 relating to universal newborn and infant hearing screening.

2003 Acts, ch 102, §2

## DIVISION II

## PATHOLOGY AND RADIOLOGY SERVICES IN HOSPITALS

**135B.19 Title of division.**

This division may be cited as the *"Pathology and Radiology Services in Hospitals Law"*.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.19]

2011 Acts, ch 34, §36

**135B.20 Definitions.**

Definitions as used in this division:

1. *"Doctor"* shall mean any person licensed to practice medicine and surgery or osteopathic medicine and surgery in this state.

2. *"Employees"* as used in section 135B.24, and *"employment"* as used in section 135B.25, shall include and pertain to members of the religious order operating the hospital even though the relationship of employer and employee does not exist between such members and the hospital.

3. *"Hospital"* shall mean all hospitals licensed under this chapter.

4. *"Joint conference committee"* shall mean the joint conference committee as required by the joint commission on accreditation of health care organizations or, in a hospital having no such committee, a similar committee, an equal number of which shall be members of the medical staff selected by the staff and an equal number of which shall be selected by the governing board of the hospital.

5. *"Technician"* shall mean technologist as well.
[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.20]
98 Acts, ch 1100, §16; 2008 Acts, ch 1088, §141; 2009 Acts, ch 133, §35

**135B.21 Functions of hospital.**
The ownership and maintenance of the laboratory and X-ray facilities and the operation of same under this division are proper functions of a hospital.
[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.21]

**135B.22 Character of services.**
Pathology and radiology services performed in hospitals are the product of the joint contribution of hospitals, doctors and technicians but these services constitute medical services which must be performed by or under the direction and supervision of a doctor, and no hospital shall have the right, directly or indirectly, to direct, control or interfere with the professional medical acts and duties of the doctor in charge of the pathology or radiology facilities or of the technicians under the doctor's supervision. Nothing herein contained shall affect the rights of third parties as a result of negligence in the operation or maintenance of the aforesaid pathology and radiology facilities.
[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.22]

**135B.23 Agreement with doctor.**
Each hospital shall arrange for such services and for the direction and supervision of its pathology or radiology department by entering into either an oral or written agreement with a doctor who is a member of or acceptable to the hospital medical staff. Such doctor may or may not be a specialist. The department may be supervised and directed by a qualified member of the staff and specific services may be referred to a specialist, or the specialist may also direct and supervise the department as may be desired. Any contract so entered into shall be in accordance with the provisions of this division.
[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.23]

**135B.24 Employees.**
Unless the department is leased or unless the hospital and doctor mutually agree otherwise, technicians and other personnel, not including doctors, shall be employees of the hospital, subject to the rules of the hospital applicable to employees generally, but under the direction and supervision of the doctor in charge of the department as set forth elsewhere in this division.
[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.24]
Referred to in §135B.20

**135B.25 Hiring and dismissal of technicians.**
The doctor and hospital shall mutually agree upon the employment of any technicians necessary for the proper operation of said department and no technicians shall be dismissed from said employment without the mutual consent of the parties, provided, however, that in the event the hospital and doctor are unable mutually to agree upon the hiring or discharge or disciplining of any employee of said department, the matter shall be promptly submitted to the joint conference committee for final determination.
[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.25]
Referred to in §135B.20

**135B.26 Compensation.**
The contract between the hospital and doctor in charge of the laboratory or X-ray facilities may contain any provision for compensation of each upon which they mutually agree. The contract may create the relationship of employer and employee between the hospital and the radiologist or pathologist. A percentage arrangement or a relationship of employer and employee between the hospital and the radiologist or pathologist is not unprofessional

conduct on the part of the doctor or in violation of the statutes of this state upon the part of the hospital.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.26]

83 Acts, ch 27, §8

Referred to in §514B.32

**135B.27 Admission agreement.**

The hospital admission agreement signed by the patient or the patient's legal representative shall contain the following statement:

Pathology and radiology services are medical services performed or supervised by doctors, and the personnel and facilities are or may be furnished by the hospital for said services. Charges for such services are or may be collected, however, by the hospital on behalf of said doctors pursuant to an agreement between said doctors and the hospital, and from said charges I consent that an agreed sum will be retained by the hospital in accordance with an existing agreement between the doctor and the hospital.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.27]

**135B.28 Hospital bill.**

1. The hospital bill shall properly include the charges for pathology and radiology services as long as the name of the doctor is stated and it fairly appears that the charge is for medical services.

2. The hospital bill shall also contain a statement substantially in the following form:

The pathology and radiology charges are for medical services rendered by or under the direction of the doctor listed above and are collected by the hospital on behalf of the doctor, from which charges an agreed sum will be retained by the hospital in accordance with an existing agreement to which retention you consented at the time of your admission to the hospital.

3. Upon the effective date of regulations which may be adopted by the United States department of health and human services prohibiting combined billing by hospitals and hospital-based physicians under Tit. XVIII of the federal Social Security Act, the charges for all pathology and radiology services in a hospital, may upon the mutual agreement of the hospital, physician, and third-party payer, be billed separately, the hospital component of the charges being included in the hospital bill and the doctor component being billed by the doctor.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.28]

83 Acts, ch 27, §9; 2009 Acts, ch 41, §46

**135B.29 Fees.**

All fees to be charged by the doctors for pathology and radiology services shall be mutually agreed upon by the hospital and the doctor. In the event dispute shall arise between the parties the matter shall be submitted to the joint conference committee for final determination.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.29]

**135B.30 Radiology and pathology fees.**

Fees for radiology and pathology services must be paid for as medical and not hospital services. In all cases where payment is to be made by a corporation organized pursuant to chapter 514, payment for radiology and pathology services shall be made by a medical service corporation and not by a hospital service corporation.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.30]

**135B.31 Exceptions.**

This division is not intended and shall not affect in any way the obligation of public hospitals under chapter 347 or municipal hospitals to provide medical care or treatment to patients of certain entitlement, nor the operation by the state of mental or other hospitals authorized by law. This division shall not in any way affect or limit the practice of dentistry or the practice of oral surgery by a dentist.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.31]

87 Acts, ch 233, §427; 2005 Acts, ch 167, §44, 66

**135B.32 Construction.**

Nothing herein shall deprive any hospital of its tax exempt or nonprofit status.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135B.32]

## DIVISION III

## TECHNICAL PLANNING ASSISTANCE

**135B.33 Technical assistance — plan — grants.**

1. Subject to availability of funds, the Iowa department of public health shall provide technical planning assistance to local boards of health and hospital governing boards to ensure access to hospital services in rural areas. The department shall encourage the local boards of health and hospital governing boards to adopt a long-term community health services and developmental plan including the following:

*a.* An analysis of demographic trends in the health facility services area, affecting health facility and health-facility-related health care utilizations.

*b.* A review of inpatient services currently provided, by type of service and the frequency of provision of that service, and the cost-effectiveness of that service.

*c.* An analysis of resources available in proximate health facilities and services that might be provided through alternative arrangements with such health facilities.

*d.* An analysis of cooperative arrangements that could be developed with other health facilities in the area that could assist those health facilities in the provision of services.

*e.* An analysis of community health needs, including long-term care, nursing facility care, pediatric and maternity services, and the health facilities' potential role in facilitating the provision of services to meet these needs.

*f.* An analysis of alternative uses for existing health facility space and real property, including use for community health-related and human service-related purposes.

*g.* An analysis of mechanisms to meet indigent patient care needs and the responsibilities for the care of indigent patients.

*h.* An analysis of the existing tax levying of the health facilities for patient care, on a per capita basis and per hospital patient basis, and projections on future needs for tax levying to continue for the provision of care.

2. Providers may cooperatively coordinate to develop one long-term community health services and developmental plan for a geographic area, provided the plan addresses the issues enumerated in this section.

3. The health facilities may seek technical assistance or apply for matching grant funds for the plan development. The department shall require compliance with subsection 1, paragraphs "*a*" through "*h*", when the facility applies for matching grant funds.

86 Acts, ch 1200, §2; 90 Acts, ch 1039, §1; 2009 Acts, ch 41, §192

Referred to in §135.107

Section not amended; editorial change applied

DIVISION IV

EMPLOYEE RECORD CHECKS

**135B.34 Hospital employees — criminal history and abuse record checks — penalty.**

1. Prior to employment of a person in a hospital, the hospital shall request that the department of public safety perform a criminal history check and the department of human services perform child and dependent adult abuse record checks of the person in this state. A hospital shall inform all persons prior to employment regarding the performance of the record checks and shall obtain, from the persons, a signed acknowledgment of the receipt of the information. A hospital shall include the following inquiry in an application for employment:

Do you have a record of founded child or dependent adult abuse or have you ever been convicted of a crime, in this state or any other state?

2. *a.* If it is determined that a person being considered for employment in a hospital has committed a crime, the department of public safety shall notify the hospital that upon the request of the hospital the department of human services will perform an evaluation to determine whether the crime warrants prohibition of the person's employment in the hospital.

*b.* (1) If a person being considered for employment, other than employment involving the operation of a motor vehicle, has been convicted of a crime listed in subparagraph (2) but does not have a record of founded child or dependent abuse and the hospital has requested an evaluation in accordance with paragraph "*a*" to determine whether the crime warrants prohibition of the person's employment, the hospital may employ the person for not more than sixty calendar days pending completion of the evaluation.

(2) Subparagraph (1) applies to a crime that is a simple misdemeanor offense under section 123.47 or chapter 321, and to a crime that is a first offense of operating a motor vehicle while intoxicated under section 321J.2, subsection 1.

*c.* If a department of human services child or dependent adult abuse record check shows that the person has a record of founded child or dependent adult abuse, the department of human services shall notify the hospital that upon the request of the hospital the department of human services will perform an evaluation to determine whether the founded child or dependent adult abuse warrants prohibition of the person's employment in the hospital.

*d.* An evaluation performed under this subsection shall be performed in accordance with procedures adopted for this purpose by the department of human services.

*e.* (1) If a person owns or operates more than one hospital, and an employee of one of such hospitals is transferred to another such hospital without a lapse in employment, the hospital is not required to request additional criminal and child and dependent adult abuse record checks of that employee.

(2) If the ownership of a hospital is transferred, at the time of transfer the record checks required by this section shall be performed for each employee for whom there is no documentation that such record checks have been performed. The hospital may continue to employ such employee pending the performance of the record checks and any related evaluation.

3. In an evaluation, the department of human services shall consider the nature and seriousness of the crime or founded child or dependent adult abuse in relation to the position sought or held, the time elapsed since the commission of the crime or founded child or dependent adult abuse, the circumstances under which the crime or founded child or dependent adult abuse was committed, the degree of rehabilitation, the likelihood that the person will commit the crime or founded child or dependent adult abuse again, and the number of crimes or founded child or dependent adult abuses committed by the person involved. If the department of human services performs an evaluation for the purposes of

this section, the department of human services has final authority in determining whether prohibition of the person's employment is warranted.

4. *a.* Except as provided in paragraph *"b"* and subsection 2, a person who has committed a crime or has a record of founded child or dependent adult abuse shall not be employed in a hospital licensed under this chapter unless an evaluation has been performed by the department of human services.

*b.* A person with a criminal or abuse record who is or was employed by a hospital licensed under this chapter and is hired by another hospital shall be subject to the criminal history and abuse record checks required pursuant to subsection 1. However, if an evaluation was previously performed by the department of human services concerning the person's criminal or abuse record and it was determined that the record did not warrant prohibition of the person's employment and the latest record checks do not indicate a crime was committed or founded abuse record was entered subsequent to that evaluation, the person may commence employment with the other hospital in accordance with the department of human services' evaluation and an exemption from the requirements in paragraph *"a"* for reevaluation of the latest record checks is authorized. Otherwise, the requirements of paragraph *"a"* remain applicable to the person's employment. Authorization of an exemption under this paragraph *"b"* from requirements for reevaluation of the latest record checks by the department of human services is subject to all of the following provisions:

(1) The position with the subsequent employer is substantially the same or has the same job responsibilities as the position for which the previous evaluation was performed.

(2) Any restrictions placed on the person's employment in the previous evaluation by the department of human services shall remain applicable in the person's subsequent employment.

(3) The person subject to the record checks has maintained a copy of the previous evaluation and provides the evaluation to the subsequent employer or the previous employer provides the previous evaluation from the person's personnel file pursuant to the person's authorization. If a physical copy of the previous evaluation is not provided to the subsequent employer, the record checks shall be reevaluated.

(4) Although an exemption under this lettered paragraph *"b"* may be authorized, the subsequent employer may instead request a reevaluation of the record checks and may employ the person while the reevaluation is being performed.

5. *a.* If a person employed by a hospital that is subject to this section is convicted of a crime or has a record of founded child or dependent adult abuse entered in the abuse registry after the person's employment application date, the person shall inform the hospital of such information within forty-eight hours of the criminal conviction or entry of the record of founded child or dependent adult abuse. The hospital shall act to verify the information within forty-eight hours of notification. If the information is verified, the requirements of subsections 2, 3, and 4 regarding employability and evaluations shall be applied by the hospital to determine whether or not the person's employment is continued. The hospital may continue to employ the person pending the performance of an evaluation by the department of human services to determine whether prohibition of the person's employment is warranted. A person who is required by this subsection to inform the person's employer of a conviction or entry of an abuse record and fails to do so within the required period commits a serious misdemeanor.

*b.* If a hospital receives credible information, as determined by the hospital, that a person employed by the hospital has been convicted of a crime or a record of founded child or dependent adult abuse has been entered in the abuse registry after employment from a person other than the employee and the employee has not informed the hospital of such information within the period required under paragraph *"a"*, the hospital shall act to verify the credible information within forty-eight hours of receipt of the credible information. If the information is verified, the requirements of subsections 2, 3, and 4 regarding employability and evaluations shall be applied by the hospital to determine whether or not the person's employment is continued.

*c.* The hospital may notify the county attorney for the county where the hospital is located

of any violation or failure by an employee to notify the hospital of a criminal conviction or entry of an abuse record within the period required under paragraph *"a"*.

6. A hospital licensed in this state may access the single contact repository established by the department pursuant to section 135C.33 as necessary for the hospital to perform record checks of persons employed or being considered for employment by the hospital.

2002 Acts, ch 1034, §1; 2008 Acts, ch 1187, §111; 2013 Acts, ch 21, §1, 2, 6, 7

2013 amendments adding paragraph b to subsection 2 and amending subsection 4, paragraph b, take effect April 5, 2013, and apply retroactively to persons for whom a record check was requested not more than 60 calendar days prior to April 5, 2013; 2013 Acts, ch 21, §6, 7

Subsection 2, NEW paragraph b and former paragraphs b – d redesignated as c – e

Subsection 4, paragraph b amended

# CHAPTER 135C

## HEALTH CARE FACILITIES

Referred to in §10A.104, 105.11, 135.63, 135G.4, 135H.6, 157.13, 225C.4, 227.4, 229.21, 229.43, 230.32, 231B.16, 231C.17, 231D.16, 235E.2, 237.1, 237.4, 249.3, 249A.12, 249A.16, 331.382, 335.25, 414.22, 422.9, 423.3, 455B.505, 483A.24, 505.27, 514H.1, 519A.2, 622.31, 714H.4

Cost-related systems, §249.12
Modified price-based case-mix reimbursement for nursing facilities; 2001 Acts, ch 192, §4; 2002 Acts, ch 1172, §2; 2003 Acts, ch 112, §9; 2003 Acts, ch 175, §50; 2003 Acts, ch 179, §165; 2004 Acts, ch 1175, §154; 2005 Acts, ch 175, §31; 2006 Acts, ch 1184, §30; 2007 Acts, ch 218, §33, 67; 2008 Acts, ch 1187, §32, 33; 2009 Acts, ch 182, §32, 33; 2009 Acts, ch 183, §73; 2010 Acts, ch 1182, §20 – 23, 36; 2010 Acts, ch 1192, §33; 2010 Acts, ch 1193, §73; 2011 Acts, ch 129, §28, 141, 156; 2012 Acts, ch 1133, §32; 2013 Acts, ch 138, §29, 43, 159

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## GENERAL PROVISIONS

**135C.1 Definitions.**

1. *"Adult day services"* means adult day services as defined in section 231D.1 that are provided in a licensed health care facility.

2. *"Certified volunteer long-term care ombudsman"* means a volunteer long-term care ombudsman certified pursuant to section 231.45.

3. *"Department"* means the department of inspections and appeals.

4. *"Direction"* means authoritative policy or procedural guidance for the accomplishment of a function or activity.

5. *"Director"* means the director of the department of inspections and appeals, or the director's designee.

6. *"Governmental unit"* means the state, or any county, municipality, or other political subdivision or any department, division, board or other agency of any of the foregoing.

7. *"Health care facility"* or *"facility"* means a residential care facility, a nursing facility, an intermediate care facility for persons with mental illness, or an intermediate care facility for persons with an intellectual disability.

8. *"House physician"* means a physician who has entered into a two-party contract with a health care facility to provide services in that facility.

9. *"Intermediate care facility for persons with an intellectual disability"* means an institution or distinct part of an institution with a primary purpose to provide health or rehabilitative services to three or more individuals, who primarily have an intellectual disability or a related condition and who are not related to the administrator or owner within the third degree of consanguinity, and which meets the requirements of this chapter and federal standards for intermediate care facilities for persons with an intellectual disability established pursuant to the federal Social Security Act, § 1905(c)(d), as codified in 42 U.S.C. § 1396d, which are contained in 42 C.F.R. pt. 483, subpt. D, § 410 – 480.

10. *"Intermediate care facility for persons with mental illness"* means an institution, place, building, or agency designed to provide accommodation, board, and nursing care for a period exceeding twenty-four consecutive hours to three or more individuals, who primarily have mental illness and who are not related to the administrator or owner within the third degree of consanguinity.

11. *"Licensee"* means the holder of a license issued for the operation of a facility, pursuant to this chapter.

12. *"Mental illness"* means a substantial disorder of thought or mood which significantly impairs judgment, behavior, or the capacity to recognize reality or the ability to cope with the ordinary demands of life.

13. *"Nursing care"* means those services which can be provided only under the direction of a registered nurse or a licensed practical nurse.

14. *"Nursing facility"* means an institution or a distinct part of an institution housing three or more individuals not related to the administrator or owner within the third degree of consanguinity, which is primarily engaged in providing health-related care and services,

including rehabilitative services, but which is not engaged primarily in providing treatment or care for mental illness or an intellectual disability, for a period exceeding twenty-four consecutive hours for individuals who, because of a mental or physical condition, require nursing care and other services in addition to room and board.

15. "*Office of long-term care ombudsman*" means the office of long-term care ombudsman established pursuant to section 231.42.

16. "*Person*" means any individual, firm, partnership, corporation, company, association or joint stock association; and includes trustee, receiver, assignee or other similar representative thereof.

17. "*Physician*" has the meaning assigned that term by section 135.1, subsection 4.

18. "*Rehabilitative services*" means services to encourage and assist restoration of optimum mental and physical capabilities of the individual resident of a health care facility.

19. "*Residential care facility*" means any institution, place, building, or agency providing for a period exceeding twenty-four consecutive hours accommodation, board, personal assistance and other essential daily living activities to three or more individuals, not related to the administrator or owner thereof within the third degree of consanguinity, who by reason of illness, disease, or physical or mental infirmity are unable to sufficiently or properly care for themselves but who do not require the services of a registered or licensed practical nurse except on an emergency basis or who by reason of illness, disease, or physical or mental infirmity are unable to sufficiently or properly care for themselves but who do not require the services of a registered or licensed practical nurse except on an emergency basis if home and community-based services, other than nursing care, as defined by this chapter and departmental rule, are provided. For the purposes of this definition, the home and community-based services to be provided are limited to the type included under the medical assistance program provided pursuant to chapter 249A, are subject to cost limitations established by the department of human services under the medical assistance program, and except as otherwise provided by the department of inspections and appeals with the concurrence of the department of human services, are limited in capacity to the number of licensed residential care facilities and the number of licensed residential care facility beds in the state as of December 1, 2003.

20. "*Resident*" means an individual admitted to a health care facility in the manner prescribed by section 135C.23.

21. "*Respite care services*" means an organized program of temporary supportive care provided for twenty-four hours or more to a person in order to relieve the usual caregiver of the person from providing continual care to the person.

22. "*Social services*" means services relating to the psychological and social needs of the individual in adjusting to living in a health care facility, and minimizing stress arising from that circumstance.

23. "*State long-term care ombudsman*" means the state long-term care ombudsman appointed pursuant to section 231.42.

24. "*Supervision*" means direct oversight and inspection of the act of accomplishing a function or activity.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.1]

87 Acts, ch 194, §1; 90 Acts, ch 1039, §2 – 5; 94 Acts, ch 1151, §1; 96 Acts, ch 1129, §24; 2001 Acts, ch 64, §2; 2003 Acts, ch 165, §18; 2004 Acts, ch 1085, §1, 11; 2012 Acts, ch 1019, §11; 2013 Acts, ch 18, §5; 2013 Acts, ch 90, §26

Referred to in §16.1, 80.9, 100.1, 100.35, 124.501, 135.61, 135.63, 135C.6, 135M.2, 139A.2, 142D.2, 144C.2, 144D.1, 148A.3, 152.1, 231.4, 232.69, 233.1, 235E.1, 237A.5, 249.3, 249A.3, 249A.18A, 249A.21, 249A.30A, 249K.2, 249L.2, 347.14, 347.26, 419.1, 427.1(14a), 427.9, 514D.5, 692A.114, 692A.115, 726.7

NEW subsection 2 and former subsections 2 – 7 renumbered as 3 – 8

Former subsection 8 renumbered as 10

Subsection 9 amended

Former subsections 10 – 13 renumbered as 11 – 14

NEW subsection 15 and former subsections 14 – 20 renumbered as 16 – 22

NEW subsection 23 and former subsection 21 renumbered as 24

**135C.2 Purpose — rules — special classifications — protection and advocacy agency.**

1. The purpose of this chapter is to promote and encourage adequate and safe care and housing for individuals who are aged or who, regardless of age, are infirm, convalescent, or

mentally or physically dependent, by both public and private agencies by providing for the adoption and enforcement of rules and standards:

*a.* For the housing, care, and treatment of individuals in health care facilities, and

*b.* For the location, construction, maintenance, renovation, and sanitary operation of such health care facilities which will promote safe and adequate care of individuals in such homes so as to further the health, welfare, and safety of such individuals.

2. Rules and standards prescribed, promulgated, and enforced under this chapter shall not be arbitrary, unreasonable, or confiscatory and the department or agency prescribing, promulgating, or enforcing such rules or standards shall have the burden of proof to establish that such rules or standards meet such requirements and are consistent with the economic problems and conditions involved in the care and housing of persons in health care facilities.

3. *a.* The department shall establish by administrative rule the following special classifications:

(1) Within the residential care facility category, a special license classification for residential facilities intended to serve persons with mental illness.

(2) Within the nursing facility category, a special license classification for nursing facilities which designate and dedicate the facility or a special unit within the facility to provide care for persons who suffer from chronic confusion or a dementing illness. A nursing facility which designates and dedicates the facility or a special unit within the facility for the care of persons who suffer from chronic confusion or a dementing illness shall be specially licensed. For the purposes of this subsection, *"designate"* means to identify by a distinctive title or label and *"dedicate"* means to set apart for a definite use or purpose and to promote that purpose.

*b.* The department may also establish by administrative rule special classifications within the residential care facility, intermediate care facility for persons with mental illness, intermediate care facility for persons with an intellectual disability, or nursing facility categories, for facilities intended to serve individuals who have special health care problems or conditions in common. Rules establishing a special classification shall define the problem or condition to which the special classification is relevant and establish requirements for an approved program of care commensurate with the problem or condition. The rules may grant special variances or considerations to facilities licensed within the special classification.

*c.* The rules adopted for intermediate care facilities for persons with an intellectual disability shall be consistent with, but no more restrictive than, the federal standards for intermediate care facilities for persons with an intellectual disability established pursuant to the federal Social Security Act, § 1905(c)(d), as codified in 42 U.S.C. § 1396d, in effect on January 1, 1989. However, in order for an intermediate care facility for persons with an intellectual disability to be licensed, the state fire marshal must certify to the department that the facility meets the applicable provisions of the rules adopted for such facilities by the state fire marshal. The state fire marshal's rules shall be based upon such a facility's compliance with either the provisions applicable to health care occupancies or residential board and care occupancies of the life safety code of the national fire protection association, 2000 edition. The department shall adopt additional rules for intermediate care facilities for persons with an intellectual disability pursuant to section 135C.14, subsection 8.

*d.* Notwithstanding the limitations set out in this subsection regarding rules for intermediate care facilities for persons with an intellectual disability, the department shall consider the federal interpretive guidelines issued by the federal centers for Medicare and Medicaid services when interpreting the department's rules for intermediate care facilities for persons with an intellectual disability. This use of the guidelines is not subject to the rulemaking provisions of sections 17A.4 and 17A.5, but the guidelines shall be published in the Iowa administrative bulletin and the Iowa administrative code.

4. The protection and advocacy agency designated in the state, under Pub. L. No. 98-527, the Developmental Disabilities Act of 1984, Pub. L. No. 99-319, the Protection and Advocacy for Mentally Ill Individuals Act of 1986, and Pub. L. No. 100-146, the federal Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1987, is recognized as an agency legally authorized and constituted to ensure the implementation of the purposes of this chapter for populations under its authority and in the manner designated by Pub. L. No.

98-527, Pub. L. No. 99-319, and Pub. L. No. 100-146 and in the assurances of the governor of the state.

5. The department shall establish a special classification within the residential care facility category in order to foster the development of residential care facilities which serve persons with an intellectual disability, chronic mental illness, a developmental disability, or brain injury, as described under section 225C.26, and which contain five or fewer residents. A facility within the special classification established pursuant to this subsection is exempt from the requirements of section 135.63. The department shall adopt rules which are consistent with rules previously developed for the waiver demonstration project pursuant to 1986 Iowa Acts, chapter 1246, section 206, and which include all of the following provisions:

*a.* A facility provider under the special classification must comply with rules adopted by the department for the special classification. However, a facility provider which has been accredited by the council on quality and leadership shall be deemed to be in compliance with the rules adopted by the department.

*b.* A facility must be located in an area zoned for single or multiple-family housing or in an unincorporated area and must be constructed in compliance with applicable local requirements and the rules adopted for the special classification by the state fire marshal in accordance with the concept of the least restrictive environment for the facility residents. Local requirements shall not be more restrictive than the rules adopted for the special classification by the state fire marshal and the state building code requirements for single or multiple-family housing, under section 103A.7.

*c.* Facility provider plans for the facility's accessibility to residents must be in place.

*d.* A written plan must be in place which documents that a facility meets the needs of the facility's residents pursuant to individual program plans developed according to age appropriate and least restrictive program requirements.

*e.* A written plan must be in place which documents that a facility's residents have reasonable access to employment or employment-related training, education, generic community resources, and integrated opportunities to promote interaction with the community.

*f.* The facilities licensed under this subsection shall be eligible for funding utilized by other licensed residential care facilities for persons with an intellectual disability, or licensed residential care facilities for persons with mental illness, including but not limited to funding under or from the federal social services block grant, the state supplementary assistance program, state mental health and developmental disabilities services funds, and county funding provisions.

6. *a.* This chapter shall not apply to adult day services provided in a health care facility. However, adult day services shall not be provided by a health care facility to persons requiring a level of care which is higher than the level of care the facility is licensed to provide.

*b.* The level of care certification provisions pursuant to sections 135C.3 and 135C.4, the license application and fee provisions pursuant to section 135C.7, and the involuntary discharge provisions pursuant to section 135C.14, subsection 8, shall not apply to respite care services provided in a health care facility. However, respite care services shall not be provided by a health care facility to persons requiring a level of care which is higher than the level of care the facility is licensed to provide.

*c.* The department shall adopt rules to implement this subsection.

7. The rules adopted by the department regarding nursing facilities shall provide that a nursing facility may choose to be inspected either by the department or by the joint commission on accreditation of health care organizations. The rules regarding acceptance of inspection by the joint commission on accreditation of health care organizations shall include recognition, in lieu of inspection by the department, of comparable inspections and inspection findings of the joint commission on accreditation of health care organizations, if the department is provided with copies of all requested materials relating to the inspection process.

[C50, 54, §135C.5; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.2]

85 Acts, ch 114, §1; 87 Acts, ch 234, §426; 88 Acts, ch 1249, §3; 89 Acts, ch 115, §1; 89 Acts, ch 269, §1; 90 Acts, ch 1039, §6; 90 Acts, ch 1267, §27; 91 Acts, ch 267, §139; 92 Acts, ch 1241,

§48; 94 Acts, ch 1151, §2, 3; 94 Acts, ch 1170, §7, 22; 95 Acts, ch 67, §11; 96 Acts, ch 1053, §1; 96 Acts, ch 1129, §25, 26, 113; 98 Acts, ch 1119, §12; 99 Acts, ch 141, §11; 2001 Acts, ch 64, §3; 2002 Acts, ch 1050, §17; 2003 Acts, ch 44, §114; 2003 Acts, ch 101, §1, 4; 2012 Acts, ch 1019, §12 – 14; 2013 Acts, ch 30, §32

Referred to in §135B.9, 135C.37, 135C.38, 155.1, 235A.15, 235B.6

Rules requiring special license classification for facility or unit designated and dedicated to caring for persons with chronic confusion or a dementing illness; applicability; existing facilities; 90 Acts, ch 1016, §1

Subsection 7 is effective contingent upon passage of federal legislation; see 96 Acts, ch 1053, §3

Subsection 5, paragraph a amended

**135C.3 Nature of care.**

1. A licensed nursing facility shall provide an organized twenty-four-hour program of services commensurate with the needs of its residents and under the immediate direction of a licensed nurse. Medical and nursing services must be provided under the direction of either a house physician or an individually selected physician. Surgery or obstetrical care shall not be provided within the facility. An admission to the nursing facility must be based on a physician's written order certifying that the individual being admitted requires no greater degree of nursing care than the facility to which the admission is made is licensed to provide and is capable of providing. The nursing facility is not required to admit an individual through court order, referral, or other means without the express prior approval of the administrator of the nursing facility.

2. A licensed intermediate care facility for persons with mental illness shall provide an organized twenty-four-hour program of services commensurate with the needs of its residents and under the immediate direction of a licensed registered nurse, who has had at least two years of recent experience in a chronic or acute psychiatric setting. Medical and nursing service must be provided under the direction of either a house physician or an individually selected physician. Surgery or obstetrical care shall not be provided within the facility. An admission to the intermediate care facility for persons with mental illness must be based on a physician's written order certifying that the individual being admitted requires no greater degree of nursing care than the facility to which the admission is made is licensed to provide and is capable of providing.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.3]

90 Acts, ch 1039, §7; 96 Acts, ch 1129, §113; 2012 Acts, ch 1079, §3

Referred to in §135C.2, 347B.6

**135C.4 Residential care facilities.**

1. Each facility licensed as a residential care facility shall provide an organized continuous twenty-four-hour program of care commensurate with the needs of the residents of the home and under the immediate direction of a person approved and certified by the department whose combined training and supervised experience is such as to ensure adequate and competent care.

2. All admissions to residential care facilities shall be based on an order written by a physician certifying that the individual being admitted does not require nursing services or that the individual's need for nursing services can be avoided if home and community-based services, other than nursing care, as defined by this chapter and departmental rule, are provided.

3. For the purposes of this section, the home and community-based services to be provided shall be limited to the type included under the medical assistance program provided pursuant to chapter 249A, shall be subject to cost limitations established by the department of human services under the medical assistance program, and except as otherwise provided by the department of inspections and appeals with the concurrence of the department of human services, shall be limited in capacity to the number of licensed residential care facilities and the number of licensed residential care facility beds in the state as of December 1, 2003.

4. A residential care facility is not required to admit an individual through court order,

referral, or other means without the express prior approval of the administrator of the residential care facility.

[C50, 54, §135C.9; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.4]

2004 Acts, ch 1085, §2, 11; 2012 Acts, ch 1079, §4

Referred to in §135C.2, 347B.6

**135C.5 Limitations on use.**

Another business or activity serving persons other than the residents of a health care facility may be operated or provided in a designated part of the physical structure of the health care facility if the other business or activity meets the requirements of applicable state and federal laws, administrative rules, and federal regulations. The department shall not limit the ability of a health care facility to operate or provide another business or activity in the designated part of the facility if the business or activity does not interfere with the use of the facility by the residents or with the services provided to the residents, and is not disturbing to the residents. In denying the ability of a health care facility to operate or provide another business or activity under this section, the burden of proof shall be on the department to demonstrate that the other business or activity substantially interferes with the use of the facility by the residents or the services provided to the residents, or is disturbing to the residents. The state fire marshal, in accordance with chapter 17A, shall adopt rules which establish criteria for approval of a business or activity to be operated or provided in a designated part of the physical structure of a health care facility. For the purposes of this section, *"another business or activity"* shall not include laboratory services with the exception of laboratory services for which a waiver from regulatory oversight has been obtained under the federal Clinical Laboratory Improvement Amendments of 1988, Pub. L. No. 100-578, as amended, radiological services, anesthesiology services, obstetrical services, surgical services, or emergency room services provided by hospitals licensed under chapter 135B.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.5]

91 Acts, ch 241, §1; 2005 Acts, ch 126, §1

**135C.6 License required — exemptions.**

1. A person or governmental unit acting severally or jointly with any other person or governmental unit shall not establish or operate a health care facility in this state without a license for the facility. A supported community living service, as defined in section 225C.21, is not required to be licensed under this chapter, but is subject to approval under section 225C.21 in order to receive public funding.

2. A health care facility suitable for separation and operation with distinct parts may, where otherwise qualified in all respects, be issued multiple licenses authorizing various parts of such facilities to be operated as health care facilities of different license categories.

3. No change in a health care facility, its operation, program, or services, of a degree or character affecting continuing licensure shall be made without prior approval thereof by the department. The department may by rule specify the types of changes which shall not be made without its prior approval.

4. No department, agency, or officer of this state or of any of its political subdivisions shall pay or approve for payment from public funds any amount or amounts to a health care facility under any program of state aid in connection with services provided or to be provided an actual or prospective resident in a health care facility, unless the facility has a current license issued by the department and meets such other requirements as may be in effect pursuant to law.

5. No health care facility established and operated in compliance with law prior to January 1, 1976, shall be required to change its corporate or business name by reason of the definitions prescribed in section 135C.1, provided that no health care facility shall at any time represent or hold out to the public or to any individual that it is licensed as, or provides the services of, a health care facility of a type offering a higher grade of care than such health care facility is licensed to provide. Any health care facility which, by virtue of this section, operates under a name not accurately descriptive of the type of license which it holds shall clearly indicate

in any printed advertisement, letterhead, or similar material, the type of license or licenses which it has in fact been issued. No health care facility established or renamed after January 1, 1976, shall use any name indicating that it holds a different type of license than it has been issued.

6. A health care facility operated by and for the exclusive use of members of a religious order, which does not admit more than two individuals to the facility from the general public, may be operated without obtaining a license under this chapter and shall not be deemed to be licensed by the state.

7. A freestanding hospice facility which operates a hospice program in accordance with 42 C.F.R. § 418 may be operated without obtaining a license under this chapter and shall not be deemed to be licensed by the state.

8. The following residential programs to which the department of human services applies accreditation, certification, or standards of review shall not be required to be licensed as a health care facility under this chapter:

*a.* Residential programs providing care to not more than four individuals and receiving moneys appropriated to the department of human services under provisions of a federally approved home and community-based services waiver for persons with an intellectual disability or other medical assistance program under chapter 249A. In approving a residential program under this paragraph, the department of human services shall consider the geographic location of the program so as to avoid an overconcentration of such programs in an area. In order to be approved under this paragraph, a residential program shall not be required to involve the conversion of a licensed residential care facility for persons with an intellectual disability.

*b.* Not more than forty residential care facilities for persons with an intellectual disability that are licensed to serve not more than five individuals may be authorized by the department of human services to convert to operation as a residential program under the provisions of a medical assistance home and community-based services waiver for persons with an intellectual disability. A converted residential program operating under this paragraph is subject to the conditions stated in paragraph "*a*" except that the program shall not serve more than five individuals.

*c.* A residential program approved by the department of human services pursuant to this paragraph "*c*" to receive moneys appropriated to the department of human services under provisions of a federally approved home and community-based services habilitation or waiver program may provide care to not more than five individuals. The department shall approve a residential program under this paragraph that complies with all of the following conditions:

(1) Approval of the program will not result in an overconcentration of such programs in an area.

(2) The county in which the residential program is located submits to the department of human services a letter of support for approval of the program.

(3) The county in which the residential program is located provides to the department of human services verification in writing that the program is needed to address one or more of the following:

(a) The quantity of services currently available in the county is insufficient to meet the need.

(b) The quantity of affordable rental housing in the county is insufficient.

(c) Implementation of the program will cause a reduction in the size or quantity of larger congregate programs.

9. Contingent upon the department of human services receiving federal approval, a residential program which serves not more than eight individuals and is licensed as an intermediate care facility for persons with an intellectual disability may surrender the facility license and continue to operate under a federally approved medical assistance home and community-based services waiver for persons with an intellectual disability, if the department of human services has approved a plan submitted by the residential program.

10. Notwithstanding section 135C.9, nursing facilities which are accredited by the joint commission on accreditation of health care organizations shall be licensed without inspection

by the department, if the nursing facility has chosen to be inspected by the joint commission on accreditation of health care organizations in lieu of inspection by the department.

[C50, 54, §135C.2; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.6]

85 Acts, ch 141, §2; 86 Acts, ch 1245, §1113; 90 Acts, ch 1107, §2; 92 Acts, ch 1043, §3; 96 Acts, ch 1053, §2; 97 Acts, ch 169, §18, 26; 98 Acts, ch 1181, §11, 14; 99 Acts, ch 160, §17; 2002 Acts, ch 1120, §1; 2003 Acts, ch 101, §2, 4; 2010 Acts, ch 1031, §390; 2012 Acts, ch 1019, §15, 16; 2012 Acts, ch 1138, §49; 2013 Acts, ch 23, §1; 2013 Acts, ch 30, §33

Referred to in §135.63, 135C.9

Subsection 10 is effective contingent upon passage of federal legislation; see 96 Acts, ch 1053, §3

Subsection 3 amended

Subsection 8, paragraph c, unnumbered paragraph 1 amended

**135C.7 Application — fees.**

1. Licenses shall be obtained from the department. Applications shall be upon such forms and shall include such information as the department may reasonably require, which may include affirmative evidence of compliance with such other statutes and local ordinances as may be applicable. Each application for license shall be accompanied by the annual license fee prescribed by this section, subject to refund to the applicant if the license is denied, which fee shall be paid over into the state treasury and credited to the general fund if the license is issued. There shall be an annual license fee based upon the bed capacity of the health care facility, as follows:

a. Ten beds or less, twenty dollars.

b. More than ten and not more than twenty-five beds, forty dollars.

c. More than twenty-five and not more than seventy-five beds, sixty dollars.

d. More than seventy-five and not more than one hundred fifty beds, eighty dollars.

e. More than one hundred fifty beds, one hundred dollars.

2. In addition to the license fees listed in this section, there shall be an annual assessment assessed to each licensee in an amount to cover the cost of independent reviewers provided pursuant to section 135C.42. The department shall, in consultation with licensees, establish the assessment amount by rule based on the award of a request for proposals. The assessment shall be retained by the department as a repayment receipt as defined in section 8.2 and used for the purpose of paying the cost of the independent reviewers.

[C50, 54, §135C.3, 135C.4; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.7]

2013 Acts, ch 140, §16

Referred to in §135C.2, 135C.8

Unnumbered paragraph 1 and subsections 1 – 5 editorially redesignated as subsection 1, unnumbered paragraph 1, and paragraphs a – e respectively

NEW subsection 2

**135C.8 Scope of license.**

Licenses for health care facilities shall be issued only for the premises and persons or governmental units named in the application and shall not be transferable or assignable except with the written approval of the department, obtained prior to the purchase of the facility involved. Licenses shall be posted in a conspicuous place on the licensed premises as prescribed by regulation of the department. Such licenses, unless sooner suspended or revoked, shall expire one year after the date of issuance and shall be renewed annually upon an application by the licensee. Applications for such renewal shall be made in writing to the department, accompanied by the required fee, at least thirty days prior to the expiration of such license in accordance with regulations promulgated by the department. Health care facilities which have allowed their licenses to lapse through failure to make timely application for renewal of their licenses shall pay an additional fee of twenty-five percent of the annual license fee prescribed in section 135C.7.

[C50, 54, §135C.5; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.8]

Referred to in §135C.30

**135C.9 Inspection before issuance — notice of deficiencies.**

1. The department shall not issue a health care facility license to any applicant until:

*a.* The department has ascertained that the staff and equipment of the facility is adequate to provide the care and services required of a health care facility of the category for which

the license is sought. Prior to the review and approval of plans and specifications for any new facility and the initial licensing under a new licensee, a resume of the programs and services to be furnished and of the means available to the applicant for providing the same and for meeting requirements for staffing, equipment, and operation of the health care facility, with particular reference to the professional requirements for services to be rendered, shall be submitted in writing to the department for review and approval. The resume shall be reviewed by the department within ten working days and returned to the applicant. The resume shall, upon the department's request, be revised as appropriate by the facility from time to time after issuance of a license.

*b*. The facility has been inspected by the state fire marshal or a deputy appointed by the fire marshal for that purpose, who may be a member of a municipal fire department, and the department has received either a certificate of compliance or a provisional certificate of compliance by the facility with the fire hazard and fire safety rules and standards of the department as promulgated by the fire marshal and, where applicable, the fire safety standards required for participation in programs authorized by either Tit. XVIII or Tit. XIX of the United States Social Security Act (42 U.S.C. § 1395 – 1395ll and 1396 – 1396g). The certificate or provisional certificate shall be signed by the fire marshal or the fire marshal's deputy who made the inspection. If the state fire marshal or a deputy finds a deficiency upon inspection, the notice to the facility shall be provided in a timely manner and shall specifically describe the nature of the deficiency, identifying the Code section or subsection or the rule or standard violated. The notice shall also specify the time allowed for correction of the deficiency, at the end of which time the fire marshal or a deputy shall perform a follow-up inspection.

2. The rules and standards promulgated by the fire marshal pursuant to subsection 1, paragraph "*b*" of this section shall be substantially in keeping with the latest generally recognized safety criteria for the facilities covered, of which the applicable criteria recommended and published from time to time by the national fire protection association shall be prima facie evidence. The rules and standards promulgated by the fire marshal shall be promulgated in consultation with the department and shall, to the greatest extent possible, be consistent with rules adopted by the department under this chapter.

3. The state fire marshal or the fire marshal's deputy may issue successive provisional certificates of compliance for periods of one year each to a facility which is in substantial compliance with the applicable fire hazard and fire safety rules and standards, upon satisfactory evidence of an intent, in good faith, by the owner or operator of the facility to correct the deficiencies noted upon inspection within a reasonable period of time as determined by the state fire marshal or the fire marshal's deputy. Renewal of a provisional certificate shall be based on a showing of substantial progress in eliminating deficiencies noted upon the last previous inspection of the facility without the appearance of additional deficiencies other than those arising from changes in the fire hazard and fire safety rules, regulations and standards which have occurred since the last previous inspection, except that substantial progress toward achievement of a good faith intent by the owner or operator to replace the entire facility within a reasonable period of time, as determined by the state fire marshal or the fire marshal's deputy, may be accepted as a showing of substantial progress in eliminating deficiencies, for the purposes of this section.

4. If a facility subject to licensure under this chapter, a facility exempt from licensure under this chapter pursuant to section 135C.6, or a family home under section 335.25 or 414.22, has been issued a certificate of compliance or a provisional certificate of compliance under subsection 1 or 3, or has otherwise been approved as complying with a rule or standard by the state or a deputy fire marshal or a local building department as defined in section 103A.3, the state or deputy fire marshal or local building department which issued the certificate, provisional certificate, or approval shall not apply additional requirements for compliance with the rule or standard unless the rule or standard is revised in accordance

with chapter 17A or with local regulatory procedure following issuance of the certificate, provisional certificate, or approval.

[C50, 54, §135C.6; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.9]

97 Acts, ch 169, §19; 2001 Acts, ch 30, §1, 2; 2010 Acts, ch 1061, §180

Referred to in §135C.6, 135C.16

**135C.10 Denial, suspension or revocation.**

The department shall have the authority to deny, suspend, or revoke a license in any case where the department finds that there has been repeated failure on the part of the facility to comply with the provisions of this chapter or the rules or minimum standards promulgated hereunder, or for any of the following reasons:

1. Cruelty or indifference to health care facility residents.

2. Appropriation or conversion of the property of a health care facility resident without the resident's written consent or the written consent of the resident's legal guardian.

3. Permitting, aiding, or abetting the commission of any illegal act in the health care facility.

4. Inability or failure to operate and conduct the health care facility in accordance with the requirements of this chapter and the minimum standards and rules issued pursuant thereto.

5. Obtaining or attempting to obtain or retain a license by fraudulent means, misrepresentation, or by submitting false information.

6. Habitual intoxication or addiction to the use of drugs by the applicant, manager or supervisor of the health care facility.

7. Securing the devise or bequest of the property of a resident of a health care facility by undue influence.

8. Willful failure or neglect to maintain a continuing in-service education and training program for all personnel employed in the facility.

9. In the case of an application by an existing licensee for a new or newly acquired facility, continuing or repeated failure of the licensee to operate any previously licensed facility or facilities in compliance with the provisions of this chapter or of the rules adopted pursuant to it.

10. In the case of a license applicant or existing licensee which is an entity other than an individual, the department may deny, suspend, or revoke a license if any individual, who is in a position of control or is an officer of the entity, engages in any act or omission proscribed by this section.

[C50, 54, §135C.6; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.10]

90 Acts, ch 1204, §13

Referred to in §135C.12

**135C.11 Notice — hearings.**

1. The denial, suspension, or revocation of a license shall be effected by delivering to the applicant or licensee by certified mail or by personal service of a notice setting forth the particular reasons for such action. Such denial, suspension, or revocation shall become effective thirty days after the mailing or service of the notice, unless the applicant or licensee, within such thirty-day period, shall give written notice to the department requesting a hearing, in which case the notice shall be deemed to be suspended. If a hearing has been requested, the applicant or licensee shall be given an opportunity for a prompt and fair hearing before the department. At any time at or prior to the hearing the department may rescind the notice of the denial, suspension, or revocation upon being satisfied that the reasons for the denial, suspension, or revocation have been or will be removed. On the basis of any such hearing, or upon default of the applicant or licensee, the determination involved in the notice may be affirmed, modified, or set aside by the department. A copy of such decision shall be sent by certified mail, or served personally upon the applicant or licensee. The applicant or licensee may seek judicial review pursuant to section 135C.13.

2. The procedure governing hearings authorized by this section shall be in accordance with the rules promulgated by the department. A full and complete record shall be kept of all proceedings, and all testimony shall be reported but need not be transcribed unless judicial

review is sought pursuant to section 135C.13. Copies of the transcript may be obtained by an interested party upon payment of the cost of preparing the copies. Witnesses may be subpoenaed by either party and shall be allowed fees at a rate prescribed by the department's rules. The director may, after advising the certified volunteer long-term care ombudsman, either proceed in accordance with section 135C.30, or remove all residents and suspend the license or licenses of any health care facility, prior to a hearing, when the director finds that the health or safety of residents of the health care facility requires such action on an emergency basis. The fact that a certified volunteer long-term care ombudsman has not been appointed for a particular facility shall not bar the director from exercising the emergency powers granted by this subsection with respect to that facility.

[C50, 54, §135C.6; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.11]

99 Acts, ch 129, §1; 2013 Acts, ch 18, §6

Referred to in §135C.30

Subsection 2 amended

**135C.12 Conditional operation.**

If the department has the authority under section 135C.10 to deny, suspend or revoke a license, the department or director may, as an alternative to those actions:

1. Apply to the district court of the county in which the licensee's health care facility is located for appointment by the court of a receiver for the facility pursuant to section 135C.30.

2. Conditionally issue or continue a license dependent upon the performance by the licensee of reasonable conditions within a reasonable period of time as set by the department so as to permit the licensee to commence or continue the operation of the health care facility pending full compliance with this chapter or the regulations or minimum standards promulgated under this chapter. If the licensee does not make diligent efforts to comply with the conditions prescribed, the department may, under the proceedings prescribed by this chapter, suspend or revoke the license. No health care facility shall be operated on a conditional license for more than one year.

3. The department, in evaluating corrections of deficiencies in a facility in receivership or operating on a conditional license, may determine what is satisfactory compliance, provided that in so doing it shall employ established criteria which shall be uniformly applied to all facilities of the same license category.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.12]

Referred to in §135C.30

For legislative intent regarding imposition of a conditional license if failure of full compliance will result in single class I citation that is not an immediate jeopardy; see 99 Acts, ch 199, §10

**135C.13 Judicial review.**

Judicial review of any action of the director may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of chapter 17A, petitions for judicial review may be filed in the district court of the county where the facility or proposed facility is located, and pending final disposition of the matter the status quo of the applicant or licensee shall be preserved except when the director, with the advice and consent of the certified volunteer long-term care ombudsman, determines that the health, safety or welfare of the residents of the facility is in immediate danger, in which case the director may order the immediate removal of such residents. The fact that a certified volunteer long-term care ombudsman has not been appointed for a particular facility shall not bar the director from exercising the emergency powers granted by this section with respect to that facility.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.13]

99 Acts, ch 129, §2; 2003 Acts, ch 44, §114; 2013 Acts, ch 18, §7

Referred to in §135C.11

Section amended

**135C.14 Rules.**

The department shall, in accordance with chapter 17A and with the approval of the state board of health, adopt and enforce rules setting minimum standards for health care facilities. In so doing, the department, with the approval of the state board of health, may

adopt by reference, with or without amendment, nationally recognized standards and rules, which shall be specified by title and edition, date of publication, or similar information. The rules and standards required by this section shall be formulated in consultation with the director of human services or the director's designee, with the state fire marshal, and with affected industry, professional, and consumer groups, and shall be designed to further the accomplishment of the purposes of this chapter and shall relate to:

1. Location and construction of the facility, including plumbing, heating, lighting, ventilation, and other housing conditions, which shall ensure the health, safety and comfort of residents and protection from fire hazards. The rules of the department relating to protection from fire hazards and fire safety shall be promulgated by the state fire marshal in consultation with the department, and shall be in keeping with the latest generally recognized safety criteria for the facilities covered of which the applicable criteria recommended and published from time to time by the national fire protection association are prima facie evidence. To the greatest extent possible, the rules promulgated by the state fire marshal shall be consistent with the rules adopted by the department under this chapter.

2. Number and qualifications of all personnel, including management and nursing personnel, having responsibility for any part of the care provided to residents.

3. All sanitary conditions within the facility and its surroundings including water supply, sewage disposal, food handling, and general hygiene, which shall ensure the health and comfort of residents.

4. Diet related to the needs of each resident and based on good nutritional practice and on recommendations which may be made by the physician attending the resident.

5. Equipment essential to the health and welfare of the resident.

6. Requirements that a minimum number of registered or licensed practical nurses and nurses' aides, relative to the number of residents admitted, be employed by each licensed facility. Staff-to-resident ratios established under this subsection need not be the same for facilities holding different types of licenses, nor for facilities holding the same type of license if there are significant differences in the needs of residents which the respective facilities are serving or intend to serve.

7. Social services and rehabilitative services provided for the residents.

8. Facility policies and procedures regarding the treatment, care, and rights of residents. The rules shall apply the federal resident's rights contained in the federal Omnibus Budget Reconciliation Act of 1987, Pub. L. No. 100-203, and the regulations adopted pursuant to the Act and contained in 42 C.F.R. § 483.10, 483.12, 483.13, and 483.15, as amended to February 2, 1989, to all health care facilities as defined in this chapter and shall include procedures for implementing and enforcing the federal rules. The department shall also adopt rules relating to the following:

*a.* The transfer of residents to other rooms within a facility.

*b.* The involuntary discharge or transfer of residents from a facility including provisions for notice and agency hearings and for the development of a patient discharge or transfer plan and for providing counseling services to a patient being discharged or transferred.

*c.* The required holding of a bed for a resident under designated circumstances upon payment of a prescribed charge for the bed.

*d.* The notification of certified volunteer long-term care ombudsmen by the department of all complaints relating to health care facilities and the involvement of the certified volunteer long-term care ombudsmen in resolution of the complaints.

*e.* For the recoupment of funds or property to residents when the resident's personal funds or property have been used without the resident's written consent or the written consent of the resident's guardian.

*f.* The involuntary discharge of a resident of the Iowa veterans home including provisions for notice and agency hearings, the development of a resident discharge plan, and for providing counseling services to a resident being discharged. As used in this paragraph "*f*", "*collaborative care plan*" and "*interdisciplinary resident care committee*" mean as defined in section 35D.15, subsection 2. The rules shall provide that a resident shall be involuntarily discharged for any of the following reasons:

(1) (a) The resident has been diagnosed with a substance use disorder but continues

to abuse alcohol or an illegal drug in violation of the resident's conditional or provisional agreement entered into at the time of admission, and all of the following conditions are met:

(i) The resident has been provided sufficient notice of any changes in the resident's collaborative care plan.

(ii) The resident has been notified of the resident's commission of three offenses and has been given the opportunity to correct the behavior through either of the following options:

(A) Being given the opportunity to receive the appropriate level of treatment in accordance with best practices for standards of care.

(B) By having been placed on probation by the Iowa veterans home for a second offense.

(b) Notwithstanding the resident's meeting the criteria for discharge under this subparagraph (1), if the resident has demonstrated progress toward the goals established in the resident's collaborative care plan, the interdisciplinary resident care committee and the commandant may exercise discretion regarding the discharge. Notwithstanding any provision to the contrary, a resident may be immediately discharged under this subparagraph (1) if the resident's actions or behavior jeopardizes the life or safety of other residents or staff.

(2) (a) The resident refuses to utilize the resources available to address issues identified in the resident's collaborative care plan, and all of the following conditions are met:

(i) The resident has been provided sufficient notice of any changes in the resident's collaborative care plan.

(ii) The resident has been notified of the resident's commission of three offenses and the resident has been placed on probation by the Iowa veterans home for a second offense.

(b) Notwithstanding the resident's meeting the criteria for discharge under this subparagraph (2), if the resident has demonstrated progress toward the goals established in the resident's collaborative care plan, the interdisciplinary resident care committee and the commandant may exercise discretion regarding the discharge. Notwithstanding any provision to the contrary, the resident may be immediately discharged under this subparagraph (2) if the resident's actions or behavior jeopardizes the life or safety of other residents or staff.

(3) The resident's medical or life skills needs have been met to the extent possible through the services provided by the Iowa veterans home and the resident no longer requires a residential or nursing level of care, as determined by the interdisciplinary resident care committee.

(4) The resident requires a level of licensed care not provided at the Iowa veterans home.

[C50, 54, §135C.5; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.14; 81 Acts, ch 60, §1]

83 Acts, ch 96, §157, 159; 83 Acts, ch 101, §18; 89 Acts, ch 241, §1, 2; 90 Acts, ch 1204, §14; 99 Acts, ch 129, §3; 2001 Acts, ch 30, §3, 4; 2009 Acts, ch 62, §2; 2013 Acts, ch 18, §8

Referred to in §35D.15, 135C.2, 135C.36

Subsection 8, paragraph d amended

**135C.15 Time to comply.**

1. Any health care facility which is in operation at the time of adoption or promulgation of any applicable rules or minimum standards under this chapter shall be given reasonable time from the date of such promulgation to comply with such rules and minimum standards as provided for by the department. The director may grant successive thirty-day extensions of the time for compliance where evidence of a good faith attempt to achieve compliance is furnished, if the extensions will not place in undue jeopardy the residents of the facility to which the extensions are granted.

2. Renovation of an existing health care facility, not already in compliance with all applicable standards, shall be permitted only if the fixtures and equipment to be installed and the services to be provided in the renovated portion of the facility will conform substantially to current operational standards. Construction of an addition to an existing health care facility shall be permitted only if the design of the structure, the fixtures and equipment to be installed, and the services to be provided in the addition will conform substantially to current construction and operational standards.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.15]

**135C.16 Inspections.**

1. In addition to the inspections required by sections 135C.9 and 135C.38, the department shall make or cause to be made such further unannounced inspections as it deems necessary to adequately enforce this chapter. At least one general unannounced inspection shall be conducted for each health care facility within a thirty-month period. The inspector shall show identification to the person in charge of the facility and state that an inspection is to be made before beginning the inspection. An employee of the department who gives unauthorized advance notice of an inspection made or planned to be made under this subsection or section 135C.38 shall be disciplined as determined by the director, except that if the employee is employed pursuant to the merit system provisions of chapter 8A, subchapter IV, the discipline shall not exceed the discipline authorized pursuant to that subchapter.

2. *a.* The department shall prescribe by rule that any licensee or applicant for license desiring to make specific types of physical or functional alterations or additions to its facility or to construct new facilities shall, before commencing the alteration or additions or new construction, submit plans and specifications to the department for preliminary inspection and approval or recommendations with respect to compliance with the department's rules and standards.

*b.* When the plans and specifications have been properly approved by the department or other appropriate state agency, for a period of at least five years from completion of the construction or alteration, the facility or the portion of the facility constructed or altered in accord with the plans and specifications shall not be considered deficient or ineligible for licensing by reason of failure to meet any rule or standard established subsequent to approval of the plans and specifications.

*c.* When construction or alteration of a facility or portion of a facility has been completed in accord with plans and specifications submitted as required by this subsection and properly approved by the department or other appropriate state agency, and it is discovered that the facility or portion of a facility is not in compliance with a requirement of this chapter or of the rules or standards adopted pursuant to it and in effect at the time the plans and specifications were submitted, and the deficiency was apparent from the plans and specifications submitted but was not noted or objected to by the department or other appropriate state agency, the department or agency responsible for the oversight shall either waive the requirement or reimburse the licensee or applicant for any costs which are necessary to bring the new or reconstructed facility or portion of a facility into compliance with the requirement and which the licensee or applicant would not have incurred if the facility or portion of the facility had been constructed in compliance with the requirements of this chapter or of the rules or standards adopted pursuant to it and in effect at the time the plans and specifications were submitted.

*d.* If within two years from the completion of the construction or alteration of the facility or portion thereof, a department or agency of the state orders that the new or reconstructed facility or portion thereof be brought into compliance with the requirements of this chapter or the rules or standards adopted pursuant to it and in effect at the time the plans and specifications were submitted, the state shall have a claim for damages to the extent of any reimbursement paid to the licensee or applicant against any person who designed the facility or portion thereof for negligence in the preparation of the plans and specifications therefor, subject to all defenses based upon the negligence of the state in reviewing and approving those plans and specifications, but not thereafter.

*e.* The provisions of this subsection shall not apply where the deficiency presents a clear and present danger to the safety of the residents of the facility.

3. An inspector of the department may enter any licensed health care facility without a warrant, and may examine all records pertaining to the care provided residents of the facility. An inspector of the department may contact or interview any resident, employee, or any other person who might have knowledge about the operation of a health care facility. An inspector of the department of human services shall have the same right with respect to any facility where one or more residents are cared for entirely or partially at public expense, and an investigator of the designated protection and advocacy agency shall have the same right with respect to any facility where one or more residents have developmental disabilities or

mental illnesses, and the state fire marshal or a deputy appointed pursuant to section 135C.9, subsection 1, paragraph *"b"* shall have the same right of entry into any facility and the right to inspect any records pertinent to fire safety practices and conditions within that facility. If any such inspector has probable cause to believe that any institution, building, or agency not licensed as a health care facility is in fact a health care facility as defined by this chapter, and upon producing identification that the individual is an inspector is denied entry thereto for the purpose of making an inspection, the inspector may, with the assistance of the county attorney of the county in which the purported health care facility is located, apply to the district court for an order requiring the owner or occupant to permit entry and inspection of the premises to determine whether there have been any violations of this chapter.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.16; 82 Acts, ch 1065, §1]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1227, §1; 87 Acts, ch 234, §427; 90 Acts, ch 1204, §15; 92 Acts, ch 1242, §26; 2000 Acts, ch 1180, §1; 2003 Acts, ch 145, §187; 2009 Acts, ch 41, §47

**135C.16A Inspectors — conflicts of interest.**

1. Any of the following circumstances disqualifies an inspector from inspecting a particular health care facility under this chapter:

*a.* The inspector currently works or, within the past two years, has worked as an employee or employment agency staff at the health care facility, or as an officer, consultant, or agent for the health care facility to be inspected.

*b.* The inspector has any financial interest or any ownership interest in the facility. For purposes of this paragraph, indirect ownership, such as through a broad-based mutual fund, does not constitute financial or ownership interest.

*c.* The inspector has an immediate family member who has a relationship with the facility as described in paragraph *"a"* or *"b"*.

*d.* The inspector has an immediate family member who currently resides in the facility.

2. For purposes of this section, *"immediate family member"* means the same as set forth in 42 C.F.R. § 488.301, and includes a husband or wife; natural or adoptive parent, child, or sibling; stepparent, stepchild, or stepsibling; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; or grandparent or grandchild.

2009 Acts, ch 156, §1

**135C.17 Duties of other departments.**

It shall be the duty of the department of human services, state fire marshal, and the officers and agents of other state and local governmental units, and the designated protection and advocacy agency to assist the department in carrying out the provisions of this chapter, insofar as the functions of these respective offices and departments are concerned with the health, welfare, and safety of any resident of any health care facility. It shall be the duty of the department to cooperate with the protection and advocacy agency by responding to all reasonable requests for assistance and information as required by federal law and this chapter.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.17]

83 Acts, ch 96, §157, 159; 87 Acts, ch 234, §428

Referred to in §135C.21

**135C.18 Employees.**

The department may employ, pursuant to chapter 8A, subchapter IV, such assistants and inspectors as may be necessary to administer and enforce the provisions of this chapter.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.18]

2003 Acts, ch 145, §188

**135C.19 Public disclosure of inspection findings — posting of citations.**

1. Following an inspection of a health care facility by the department pursuant to this chapter, the department's final findings with respect to compliance by the facility with requirements for licensing shall be made available to the public in a readily available form and place. Other information relating to a health care facility obtained by the department

which does not constitute the department's findings from an inspection of the facility shall not be made available to the public except in proceedings involving the citation of a facility for a violation under section 135C.40, or the denial, suspension, or revocation of a license under this chapter. The name of a person who files a complaint with the department shall be confidential.

2. *a.* A citation for a class I or class II violation which is issued to a health care facility and which has become final, or a copy of the citation, shall be prominently posted as prescribed in rules, until the violation is corrected to the department's satisfaction. The citation or copy shall be posted in a place in plain view of the residents of the facility cited, persons visiting the residents, and persons inquiring about placement in the facility.

*b.* A copy of each citation required to be posted by this subsection shall be sent by the department to the department of human services and to the designated protection and advocacy agency if the facility has one or more residents with developmental disabilities or mental illness.

3. If the facility cited subsequently advises the department of human services that the violation has been corrected to the satisfaction of the department of inspections and appeals, the department of human services shall maintain this advisory in the same file with the copy of the citation. The department of human services shall not disseminate to the public any information regarding citations issued by the department of inspections and appeals, but shall forward or refer inquiries to the department of inspections and appeals.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.19]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1227, §2; 87 Acts, ch 234, §429; 90 Acts, ch 1039, §8; 90 Acts, ch 1204, §16, 17; 2009 Acts, ch 41, §263

Referred to in §135C.40

**135C.20 Information distributed.**

The department shall prepare, publish and send to licensed health care facilities an annual report of its activities and operations under this chapter and such other bulletins containing fundamental health principles and data as may be deemed essential to assure proper operation of health care facilities, and publish for public distribution copies of the laws, standards and rules pertaining to their operation.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.20]

**135C.20A Report cards — facility inspections — complaint procedures — availability to public — electronic access.**

1. The department shall develop and utilize a report card system for the recording of the findings of any inspection of a health care facility. The report card shall include but is not limited to a summary of the findings of the inspection, any violation found, any enforcement action taken including any citations issued and penalties assessed, any actions taken to correct violations or deficiencies, and the nature and status of any action taken with respect to any uncorrected violation for which a citation was issued.

2. The report card form shall be developed by the department in cooperation with representatives of the department on aging, the state long-term care ombudsman, representatives of certified volunteer long-term care ombudsmen, representatives of protection and advocacy entities, consumers, and other interested persons.

3. The department shall make any completed report cards electronically accessible to the public, on a monthly basis, and shall compile the report cards on an annual basis and make the compilation electronically accessible to the public. The annual compilation shall also be available at the office of the department at the seat of government and shall be available to the public by mail, upon request and at the department's expense.

4. In addition to the monthly and annual compilations, the department shall provide compilations of the report cards on a cumulative basis. The cumulative compilation shall reflect the report cards of health care facilities during the four-year period prior to the production of the cumulative compilation. The cumulative compilation shall be applicable to a particular health care facility as a four-year report card history of that facility becomes

available. The cumulative compilation shall be available to the public in the same manner as the annual compilation.

98 Acts, ch 1141, §1; 99 Acts, ch 129, §4; 2009 Acts, ch 23, §9; 2013 Acts, ch 18, §9
Referred to in §135C.20B
Subsection 2 amended

**135C.20B Governor's award — quality care.**

1. A governor's award for quality care is established, to be awarded annually by the governor to a health care facility in the state which demonstrates provision of the highest quality care to residents.

2. The department shall adopt rules establishing the criteria to determine quality care. In developing the criteria, the department shall consult with the members of Iowa partners for resident care and shall also consider all of the following:

*a.* The report cards completed pursuant to section 135C.20A.

*b.* Any unique services provided by a facility to its residents to improve the quality of care in the facility.

*c.* Any information submitted by residents with regard to the quality of care of the facility.

*d.* Whether the facility accepts residents for whom costs of care are paid under chapter 249A.

99 Acts, ch 132, §1; 2013 Acts, ch 18, §10
Subsection 2, paragraph c amended

**135C.21 Penalties.**

1. Any person establishing, conducting, managing, or operating any health care facility without a license shall be guilty of a serious misdemeanor. Each day of continuing violation after conviction or notice from the department by certified mail of a violation shall be considered a separate offense or chargeable offense. Any such person establishing, conducting, managing or operating any health care facility without a license may be by any court of competent jurisdiction temporarily or permanently restrained therefrom in any action brought by the state.

2. Any person who prevents or interferes with or attempts to impede in any way any duly authorized representative of the department or of any of the agencies referred to in section 135C.17 in the lawful enforcement of this chapter or of the rules adopted pursuant to it is guilty of a simple misdemeanor. As used in this subsection, lawful enforcement includes but is not limited to:

*a.* Contacting or interviewing any resident of a health care facility in private at any reasonable hour and without advance notice.

*b.* Examining any relevant books or records of a health care facility.

*c.* Preserving evidence of any violation of this chapter or of the rules adopted pursuant to it.

[C50, 54, §135C.7; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.21]

**135C.22 Applicable to governmental units.**

The provisions of this chapter shall be applicable to institutions operated by or under the control of the department of human services, the state board of regents, or any other governmental unit.

[C50, 54, §135C.8; C58, 62, 66, 71, 73, 75, 77, 79, 81, §135C.22]
83 Acts, ch 96, §157, 159

**135C.23 Express requirements for admission or residence.**

No individual shall be admitted to or permitted to remain in a health care facility as a resident, except in accordance with the requirements of this section.

1. Each resident shall be covered by a contract executed at the time of admission or prior thereto by the resident, or the resident's legal representative, and the health care facility, except as otherwise provided by subsection 5 with respect to residents admitted at public expense to a county care facility operated under chapter 347B. Each party to the contract shall be entitled to a duplicate original thereof, and the health care facility shall keep on file

all contracts which it has with residents and shall not destroy or otherwise dispose of any such contract for at least one year after its expiration. Each such contract shall expressly set forth:

*a.* The terms of the contract.

*b.* The services and accommodations to be provided by the health care facility and the rates or charges therefor.

*c.* Specific descriptions of any duties and obligations of the parties in addition to those required by operation of law.

*d.* Any other matters deemed appropriate by the parties to the contract. No contract or any provision thereof shall be drawn or construed so as to relieve any health care facility of any requirement or obligation imposed upon it by this chapter or any standards or rules in force pursuant to this chapter, nor contain any disclaimer of responsibility for injury to the resident, or to relatives or other persons visiting the resident, which occurs on the premises of the facility or, with respect to injury to the resident, which occurs while the resident is under the supervision of any employee of the facility whether on or off the premises of the facility.

2. *a.* A health care facility shall not knowingly admit or retain a resident:

(1) Who is dangerous to the resident or other residents.

(2) Who is in an acute stage of alcoholism, drug addiction, or mental illness.

(3) Whose condition or conduct is such that the resident would be unduly disturbing to other residents.

(4) Who is in need of medical procedures, as determined by a physician, or services which cannot be or are not being carried out in the facility.

*b.* This section does not prohibit the admission of a patient with a history of dangerous or disturbing behavior to an intermediate care facility for persons with mental illness, intermediate care facility for persons with an intellectual disability, nursing facility, or county care facility when the intermediate care facility for persons with mental illness, intermediate care facility for persons with an intellectual disability, nursing facility, or county care facility has a program which has received prior approval from the department to properly care for and manage the patient. An intermediate care facility for persons with mental illness, intermediate care facility for persons with an intellectual disability, nursing facility, or county care facility is required to transfer or discharge a resident with dangerous or disturbing behavior when the intermediate care facility for persons with mental illness, intermediate care facility for persons with an intellectual disability, nursing facility, or county care facility cannot control the resident's dangerous or disturbing behavior. The department, in coordination with the state mental health and disability services commission created in section 225C.5, shall adopt rules pursuant to chapter 17A for programs to be required in intermediate care facilities for persons with mental illness, intermediate care facilities for persons with an intellectual disability, nursing facilities, and county care facilities that admit patients or have residents with histories of dangerous or disturbing behavior.

*c.* The denial of admission of a person to a health care facility shall not be based upon the patient's condition, which is the existence of a specific disease in the patient, but the decision to accept or deny admission of a patient with a specific disease shall be based solely upon the ability of the health care facility to provide the level of care required by the patient.

3. Except in emergencies, a resident who is not essentially capable of managing the resident's own affairs shall not be transferred out of a health care facility or discharged for any reason without prior notification to the next of kin, legal representative, or agency acting on the resident's behalf. When such next of kin, legal representative, or agency cannot be reached or refuses to cooperate, proper arrangements shall be made by the facility for the welfare of the resident before the resident's transfer or discharge.

4. No owner, administrator, employee, or representative of a health care facility shall pay any commission, bonus, or gratuity in any form whatsoever, directly or indirectly, to any person for residents referred to such facility, nor accept any commission, bonus, or gratuity in any form whatsoever, directly or indirectly, for professional or other services or supplies purchased by the facility or by any resident, or by any third party on behalf of any resident, of the facility.

5. Each county which maintains a county care facility under chapter 347B shall develop a

statement in lieu of, and setting forth substantially the same items as, the contracts required of other health care facilities by subsection 1. The statement must be approved by the county board of supervisors and by the department. When so approved, the statement shall be considered in force with respect to each resident of the county care facility.

[C71, 73, 75, 77, 79, 81, §135C.23]

83 Acts, ch 76, §1; 87 Acts, ch 190, §1; 88 Acts, ch 1234, §9; 90 Acts, ch 1039, §9; 94 Acts, ch 1170, §23; 96 Acts, ch 1129, § 113; 2004 Acts, ch 1090, §1; 2009 Acts, ch 41, §263; 2010 Acts, ch 1031, §389; 2012 Acts, ch 1019, §17

Referred to in §135C.1, 229.21, 331.382, 335.25, 347B.9, 414.22

**135C.24 Personal property or affairs of patients or residents.**

The admission of a resident to a health care facility and the resident's presence therein shall not in and of itself confer on such facility, its owner, administrator, employees, or representatives any authority to manage, use, or dispose of any property of the resident, nor any authority or responsibility for the personal affairs of the resident, except as may be necessary for the safety and orderly management of the facility and as required by this section.

1. No health care facility, and no owner, administrator, employee or representative thereof shall act as guardian, trustee or conservator for any resident of such facility, or any of such resident's property, unless such resident is related to the person acting as guardian within the third degree of consanguinity.

2. A health care facility shall provide for the safekeeping of personal effects, funds and other property of its residents, provided that whenever necessary for the protection of valuables or in order to avoid unreasonable responsibility therefor, the facility may require that they be excluded or removed from the premises of the facility and kept at some place not subject to the control of the facility.

3. A health care facility shall keep complete and accurate records of all funds and other effects and property of its residents received by it for safekeeping.

4. Any funds or other property belonging to or due a resident, or expendable for the resident's account, which are received by a health care facility shall be trust funds, shall be kept separate from the funds and property of the facility and of its other residents, or specifically credited to such resident, and shall be used or otherwise expended only for the account of the resident. Upon request the facility shall furnish the resident, the guardian, trustee or conservator, if any, for any resident, or any governmental unit or private charitable agency contributing funds or other property on account of any resident, a complete and certified statement of all funds or other property to which this subsection applies detailing the amounts and items received, together with their sources and disposition.

5. The provisions of this section notwithstanding, upon the verified petition of the county board of supervisors the district court may appoint the administrator of a county care facility as conservator or guardian, or both, of a resident of such county care facility, in accordance with the provisions of chapter 633. Such administrator shall serve as conservator or guardian, or both, without fee. The county attorney shall serve as attorney for the administrator in such conservatorship or guardianship, or both, without fee. The administrator may establish either separate or common bank accounts for cash funds of such resident wards.

[C71, 73, 75, 77, 79, 81, §135C.24]

Referred to in §331.382, 331.756(27)

**135C.25 Resident advocate committee appointments — duties — disclosure — liability.** Repealed by 2013 Acts, ch 18, § 34.

**135C.26 Director notified of casualties.**

The director shall be notified within twenty-four hours, by the most expeditious means available, of any accident causing major injury or death, and any fire or natural or other disaster occurring in a health care facility.

[C71, 73, 75, 77, 79, 81, §135C.26]

**135C.27 Federal funds to implement program.**

If the department's services are necessary in order to assist another governmental unit to implement a federal program, the department may accept in compensation for such services federal funds initially available from the federal government to such other governmental unit for such purpose. Any governmental unit is authorized to transfer to the department for such services any federal funds available to such governmental unit, in accordance with applicable federal laws and regulations.

[C71, 73, 75, 77, 79, 81, §135C.27]

**135C.28 Conflicting statutes.**

Provisions of this chapter in conflict with the state building code, as adopted pursuant to section 103A.7, shall not apply where the state building code has been adopted or when the state building code applies throughout the state.

[C73, 75, 77, 79, 81, §135C.28]

2004 Acts, ch 1086, §37

**135C.29 License list to county commissioner of elections.**

To facilitate the implementation of section 53.8, subsection 3 and section 53.22, the director shall provide to each county commissioner of elections at least annually a list of each licensed health care facility in that county. The list shall include the street address or location, and the mailing address if it is other than the street address or location, of each facility.

[C77, 79, 81, §135C.29]

Referred to in §53.8

**135C.30 Operation of facility under receivership.**

When so authorized by section 135C.11, subsection 2, or section 135C.12, subsection 1, the director may file a verified application in the district court of the county where a health care facility licensed under this chapter is located, requesting that an individual nominated by the director be appointed as receiver for the facility with responsibility to bring the operation and condition of the facility into conformity with this chapter and the rules or minimum standards promulgated under this chapter.

1. The court shall expeditiously hold a hearing on the application, at which the director shall present evidence in support of the application. The licensee against whose facility the petition is filed may also present evidence, and both parties may subpoena witnesses. The court may appoint a receiver for the health care facility in advance of the hearing if the director's verified application states that an emergency exists which presents an imminent danger of resultant death or physical harm to the residents of the facility. If the licensee against whose facility the receivership petition is filed informs the court at or before the time set for the hearing that the licensee does not object to the application, the court shall waive the hearing and at once appoint a receiver for the facility.

2. The court, on the basis of the verified application and evidence presented at the hearing, may order the facility placed under receivership, and if so ordered, the court shall direct either that the receiver assume the duties of administrator of the health care facility or that the receiver supervise the facility's administrator in conducting the day-to-day business of the facility. The receiver shall be empowered to control the facility's financial resources and to apply its revenues as the receiver deems necessary to the operation of the facility in compliance with this chapter and the rules or minimum standards promulgated under this chapter, but shall be accountable to the court for management of the facility's financial resources.

3. A receivership established under this section may be terminated by the district court which established it, after a hearing upon an application for termination. The application may be filed:

*a.* Jointly by the receiver and the current licensee of the health care facility which is in receivership, stating that the deficiencies in the operation, maintenance or other circumstances which were the grounds for establishment of the receivership have been corrected and that there are reasonable grounds to believe that the facility will be operated

in compliance with this chapter and the rules or minimum standards promulgated under this chapter.

*b.* By the current licensee of the facility, alleging that termination of the receivership is merited for the reasons set forth in paragraph "*a*" of this subsection, but that the receiver has declined to join in the petition for termination of the receivership.

*c.* By the receiver, stating that all residents of the facility have been relocated elsewhere and that there are reasonable grounds to believe it will not be feasible to again operate the facility on a sound financial basis and in compliance with this chapter and the rules or minimum standards promulgated under this chapter, and asking that the court approve surrender of the facility's license to the department and subsequent return of control of the facility's premises to the owners of the premises.

4. *a.* Payment of the expenses of a receivership established under this section is the responsibility of the facility for which the receiver is appointed, unless the court directs otherwise. The expenses include but are not limited to:

(1) Salary of the receiver.

(2) Expenses incurred by the facility for the continuing care of the residents of the facility.

(3) Expenses incurred by the facility for the maintenance of buildings and grounds of the facility.

(4) Expenses incurred by the facility in the ordinary course of business, such as employees' salaries and accounts payable.

*b.* The receiver is not personally liable for the expenses of the facility during the receivership. The receiver is an employee of the state as defined in section 669.2, subsection 4, only for the purpose of defending a claim filed against the receiver. Chapter 669 applies to all suits filed against the receiver.

5. This section does not:

*a.* Preclude the sale or lease of a health care facility, and the transfer or assignment of the facility's license in the manner prescribed by section 135C.8, while the facility is in receivership, provided these actions are not taken without approval of the receiver.

*b.* Affect the civil or criminal liability of the licensee of the facility placed in receivership, for any acts or omissions of the licensee which occurred before the receiver was appointed.

[C81, §135C.30]

84 Acts, ch 1136, §1; 91 Acts, ch 107, §3; 2009 Acts, ch 41, §263

Referred to in §135C.11, 135C.12

**135C.31 Discharge of Medicaid patients.**

A resident of a health care facility shall not be discharged solely because the cost of the resident's care is being paid under chapter 249A or because the resident's source of payment is changing from private support to payment under chapter 249A.

[81 Acts, ch 60, §2]

Referred to in §135C.36

**135C.31A Assessment of residents — program eligibility — prescription drug coverage.**

1. A health care facility shall assist the Iowa department of veterans affairs in identifying, upon admission of a resident, the resident's eligibility for benefits through the United States department of veterans affairs. The department of inspections and appeals, in cooperation with the department of human services, shall adopt rules to administer this section, including a provision that ensures that if a resident is eligible for benefits through the United States department of veterans affairs or other third-party payor, the payor of last resort for reimbursement to the health care facility is the medical assistance program. The rules shall also require the health care facility to request information from a resident or resident's personal representative regarding the resident's veteran status and to report to the Iowa department of veterans affairs only the names of residents identified as potential veterans along with the names of their spouses and any dependents. Information reported by the health care facility shall be verified by the Iowa department of veterans affairs. This section shall not apply to the admission of an individual to a state mental health institute for acute psychiatric care or to the admission of an individual to the Iowa veterans home.

2. *a.* If a resident is identified, upon admission to a health care facility, as eligible for benefits through the United States department of veterans affairs pursuant to subsection 1 or through other means, the health care facility shall allow the resident to access any prescription drug benefit included in such benefits for which the resident is also eligible. The health care facility shall also assist the Iowa department of veterans affairs in identifying individuals residing in such health care facilities on July 1, 2009, who are eligible for the prescription drug benefit.

*b.* The department of inspections and appeals, the department of veterans affairs, and the department of human services shall identify any barriers to residents in accessing such prescription drug benefits and shall assist health care facilities in adjusting their procedures for medication administration to comply with this subsection.

2003 Acts, ch 112, §2; 2003 Acts, ch 179, §160; 2004 Acts, ch 1175, §226; 2005 Acts, ch 115, §28, 40; 2006 Acts, ch 1109, §1; 2009 Acts, ch 63, §1

**135C.32 Hospice services covered by Medicare.**

The requirement that the care of a resident of a health care facility must be provided under the immediate direction of either the facility or the resident's personal physician does not apply if all of the following conditions are met:

1. The resident is terminally ill.
2. The resident has elected to receive hospice services under the federal Medicare program from a Medicare certified hospice program.
3. The health care facility and the Medicare certified hospice program have entered into a written agreement under which the hospice program takes full responsibility for the professional management of the resident's hospice care and the facility agrees to provide room and board to the resident.

88 Acts, ch 1037, §1

**135C.33 Employees and certified nurse aide trainees — child or dependent adult abuse information and criminal record checks — evaluations — application to other providers — penalty.**

1. *a.* For the purposes of this section, the term *"crime"* does not include offenses under chapter 321 classified as a simple misdemeanor or equivalent simple misdemeanor offenses from another jurisdiction.

*b.* Prior to employment of a person in a facility, the facility shall request that the department of public safety perform a criminal history check and the department of human services perform child and dependent adult abuse record checks of the person in this state. A facility shall inform all persons prior to employment regarding the performance of the record checks and shall obtain, from the persons, a signed acknowledgment of the receipt of the information. A facility shall include the following inquiry in an application for employment:

Do you have a record of founded child or dependent adult abuse or have you ever been convicted of a crime other than a simple misdemeanor offense relating to motor vehicles and laws of the road under chapter 321 or equivalent provisions, in this state or any other state?

2. *a.* If it is determined that a person being considered for employment in a facility has been convicted of a crime under a law of any state, the department of public safety shall notify the licensee that upon the request of the licensee the department of human services will perform an evaluation to determine whether the crime warrants prohibition of the person's employment in the facility.

*b.* (1) If a person being considered for employment, other than employment involving the operation of a motor vehicle, has been convicted of a crime listed in subparagraph (2) but does not have a record of founded child or dependent abuse and the licensee has requested an evaluation in accordance with paragraph *"a"* to determine whether the crime warrants prohibition of the person's employment, the licensee may employ the person for not more than sixty calendar days pending completion of the evaluation.

(2) Subparagraph (1) applies to a crime that is a simple misdemeanor offense under

section 123.47 or chapter 321, and to a crime that is a first offense of operating a motor vehicle while intoxicated under section 321J.2, subsection 1.

*c.* If a department of human services child or dependent adult abuse record check shows that such person has a record of founded child or dependent adult abuse, the department of human services shall notify the licensee that upon the request of the licensee the department of human services will perform an evaluation to determine whether the founded child or dependent adult abuse warrants prohibition of employment in the facility.

*d.* An evaluation performed under this subsection shall be performed in accordance with procedures adopted for this purpose by the department of human services.

*e.* (1) If a person owns or operates more than one facility, and an employee of one of such facilities is transferred to another such facility without a lapse in employment, the facility is not required to request additional criminal and child and dependent adult abuse record checks of that employee.

(2) If the ownership of a facility is transferred, at the time of transfer the record checks required by this section shall be performed for each employee for whom there is no documentation that such record checks have been performed. The facility may continue to employ such employee pending the performance of the record checks and any related evaluation.

3. In an evaluation, the department of human services shall consider the nature and seriousness of the crime or founded child or dependent adult abuse in relation to the position sought or held, the time elapsed since the commission of the crime or founded child or dependent adult abuse, the circumstances under which the crime or founded child or dependent adult abuse was committed, the degree of rehabilitation, the likelihood that the person will commit the crime or founded child or dependent adult abuse again, and the number of crimes or founded child or dependent adult abuses committed by the person involved. If the department of human services performs an evaluation for the purposes of this section, the department of human services has final authority in determining whether prohibition of the person's employment is warranted.

4. *a.* Except as provided in paragraph "*b*" and subsection 2, a person who has committed a crime or has a record of founded child or dependent adult abuse shall not be employed in a facility licensed under this chapter unless an evaluation has been performed by the department of human services.

*b.* A person with a criminal or abuse record who is or was employed by a facility licensed under this chapter and is hired by another licensee shall be subject to the criminal history and abuse record checks required pursuant to subsection 1. However, if an evaluation was previously performed by the department of human services concerning the person's criminal or abuse record and it was determined that the record did not warrant prohibition of the person's employment and the latest record checks do not indicate a crime was committed or founded abuse record was entered subsequent to that evaluation, the person may commence employment with the other licensee in accordance with the department of human services' evaluation and an exemption from the requirements in paragraph "*a*" for reevaluation of the latest record checks is authorized. Otherwise, the requirements of paragraph "*a*" remain applicable to the person's employment. Authorization of an exemption under this paragraph "*b*" from requirements for reevaluation of the latest record checks by the department of human services is subject to all of the following provisions:

(1) The position with the subsequent employer is substantially the same or has the same job responsibilities as the position for which the previous evaluation was performed.

(2) Any restrictions placed on the person's employment in the previous evaluation by the department of human services shall remain applicable in the person's subsequent employment.

(3) The person subject to the record checks has maintained a copy of the previous evaluation and provides the evaluation to the subsequent employer or the previous employer provides the previous evaluation from the person's personnel file pursuant to the person's authorization. If a physical copy of the previous evaluation is not provided to the subsequent employer, the record checks shall be reevaluated.

(4) Although an exemption under this paragraph "*b*" may be authorized, the subsequent

employer may instead request a reevaluation of the record checks and may employ the person while the reevaluation is being performed.

5. *a.* This section shall also apply to prospective employees of all of the following, if the provider is regulated by the state or receives any state or federal funding:

(1) An employee of a homemaker-home health aide, home care aide, adult day services, or other provider of in-home services if the employee provides direct services to consumers.

(2) An employee of a hospice, if the employee provides direct services to consumers.

(3) An employee who provides direct services to consumers under a federal home and community-based services waiver.

(4) An employee of an elder group home certified under chapter 231B, if the employee provides direct services to consumers.

(5) An employee of an assisted living program certified under chapter 231C, if the employee provides direct services to consumers.

*b.* In substantial conformance with the provisions of this section, prior to the employment of such an employee, the provider shall request the performance of the criminal and child and dependent adult abuse record checks. The provider shall inform the prospective employee and obtain the prospective employee's signed acknowledgment. The department of human services shall perform the evaluation of any criminal record or founded child or dependent adult abuse record and shall make the determination of whether a prospective employee of a provider shall not be employed by the provider.

6. *a.* The department of inspections and appeals, in conjunction with other departments and agencies of state government involved with criminal history and abuse registry information, shall establish a single contact repository for facilities and other providers to have electronic access to data to perform background checks for purposes of employment, as required of the facilities and other providers under this section.

*b.* The department may access the single contact repository for any of the following purposes:

(1) To verify data transferred from the department's nurse aide registry to the repository.

(2) To conduct record checks of applicants for employment with the department.

7. *a.* If a person employed by a facility, service, or program employer that is subject to this section is convicted of a crime or has a record of founded child or dependent adult abuse entered in the abuse registry after the person's employment application date, the person shall inform the employer of such information within forty-eight hours of the criminal conviction or entry of the record of founded child or dependent adult abuse. The employer shall act to verify the information within forty-eight hours of notification. If the information is verified, the requirements of subsections 2, 3, and 4 regarding employability and evaluations shall be applied by the employer to determine whether or not the person's employment is continued. The employer may continue to employ the person pending the performance of an evaluation by the department of human services to determine whether prohibition of the person's employment is warranted. A person who is required by this subsection to inform the person's employer of a conviction or entry of an abuse record and fails to do so within the required period commits a serious misdemeanor.

*b.* If a facility, service, or program employer receives credible information, as determined by the employer, that a person employed by the employer has been convicted of a crime or a record of founded child or dependent adult abuse has been entered in the abuse registry after employment from a person other than the employee and the employee has not informed the employer of such information within the period required under paragraph "*a*", the employer shall act to verify the credible information within forty-eight hours of receipt of the credible information. If the information is verified, the requirements of subsections 2, 3, and 4 regarding employability and evaluations shall be applied to determine whether or not the person's employment is continued.

*c.* The employer may notify the county attorney for the county where the employer is located of any violation or failure by an employee to notify the employer of a criminal conviction or entry of an abuse record within the period required under paragraph "*a*".

8. *a.* For the purposes of this subsection, unless the context otherwise requires:

(1) "*Certified nurse aide training program*" means a program approved in accordance with

the rules for such programs adopted by the department of human services for the training of persons seeking to be a certified nurse aide for employment in any of the facilities or programs this section applies to or in a hospital, as defined in section 135B.1.

(2) *"Student"* means a person applying for, enrolled in, or returning to a certified nurse aide training program.

*b.* Prior to a student beginning or returning to a certified nurse aide training program, the program shall request that the department of public safety perform a criminal history check and the department of human services perform child and dependent adult abuse record checks, in this state, of the student. The program may access the single contact repository established pursuant to this section as necessary for the program to initiate the record checks.

*c.* If a student has a criminal record or a record of founded child or dependent adult abuse, the student shall not be involved in a clinical education component of the certified nurse aide training program involving children or dependent adults unless an evaluation has been performed by the department of human services. Upon request of the certified nurse aide training program, the department of human services shall perform an evaluation to determine whether the record warrants prohibition of the student's involvement in a clinical education component of the certified nurse aide training program involving children or dependent adults. The evaluation shall be performed in accordance with the criteria specified in subsection 3, and the department of human services shall report the results of the evaluation to the certified nurse aide training program. The department of human services has final authority in determining whether prohibition of the student's involvement in the clinical education component is warranted.

*d.* (1) If a student's clinical education component of the training program involves children or dependent adults but does not involve operation of a motor vehicle, and the student has been convicted of a crime listed in subparagraph (2), but does not have a record of founded child or dependent adult abuse, and the training program has requested an evaluation in accordance with paragraph "*c*" to determine whether the crime warrants prohibition of the student's involvement in such clinical education component, the training program may allow the student's participation in the component for not more than sixty days pending completion of the evaluation.

(2) Subparagraph (1) applies to a crime that is a simple misdemeanor offense under section 123.47 or chapter 321, and to a crime that is a first offense of operating a motor vehicle while intoxicated under section 321J.2, subsection 1.

*e.* (1) If a student is convicted of a crime or has a record of founded child or dependent adult abuse entered in the abuse registry after the record checks and any evaluation have been performed, the student shall inform the certified nurse aide training program of such information within forty-eight hours of the criminal conviction or entry of the record of founded child or dependent adult abuse. The program shall act to verify the information within forty-eight hours of notification. If the information is verified, the requirements of paragraph "*c*" shall be applied by the program to determine whether or not the student's involvement in a clinical education component may continue. The program may allow the student involvement to continue pending the performance of an evaluation by the department of human services. A student who is required by this subparagraph to inform the program of a conviction or entry of an abuse record and fails to do so within the required period commits a serious misdemeanor.

(2) If a program receives credible information, as determined by the program, that a student has been convicted of a crime or a record of founded child or dependent adult abuse has been entered in the abuse registry after the record checks and any evaluation have been performed, from a person other than the student and the student has not informed the program of such information within the period required under subparagraph (1), the program shall act to verify the credible information within forty-eight hours of receipt of the credible information. If the information is verified, the requirements of paragraph "*c*" shall be applied to determine whether or not the student's involvement in a clinical education component may continue.

(3) The program may notify the county attorney for the county where the program is

located of any violation or failure by a student to notify the program of a criminal conviction or entry of an abuse record within the period required under subparagraph (1).

*f.* If a certified nurse aide training program is conducted by a health care facility and a student of that program subsequently accepts and begins employment with the facility within thirty days of completing the program, the criminal history and abuse registry checks of the student performed pursuant to this subsection shall be deemed to fulfill the requirements for such checks prior to employment pursuant to subsection 1.

94 Acts, ch 1130, §12; 97 Acts, ch 42, §1; 98 Acts, ch 1141, §2; 98 Acts, ch 1223, §20, 21; 99 Acts, ch 96, §11; 99 Acts, ch 114, §5; 2001 Acts, ch 8, §1; 2001 Acts, ch 20, §2, 3; 2001 Acts, ch 64, §4; 2002 Acts, ch 1050, §18; 2003 Acts, ch 166, §2; 2006 Acts, ch 1069, §1; 2008 Acts, ch 1187, §112; 2009 Acts, ch 133, §36; 2010 Acts, ch 1012, §1, 2; 2012 Acts, ch 1074, §1; 2013 Acts, ch 21, §3, 4, 6, 7

Referred to in §135B.34, 135C.36, 152.5, 231B.2, 231C.3, 231D.14, 235A.15, 235A.16, 235B.6, 237A.5

Legislative intent; 98 Acts, ch 1217, §36

2013 amendments adding paragraph b to subsection 2 and adding paragraph d to subsection 8 take effect April 5, 2013, and apply retroactively to persons for whom a record check was requested not more than 60 calendar days prior to April 5, 2013; 2013 Acts, ch 21, §6, 7

Subsection 2, NEW paragraph b and former paragraphs b – d redesignated as c – e

Subsection 8, NEW paragraph d and former paragraphs d and e redesignated as e and f

**135C.34 Medication aide — certification.**

The department of inspections and appeals, in cooperation with other appropriate agencies, shall establish a procedure to allow a person who is certified as a medication aide in another state to become certified in this state upon completion and passage of both the certified nurse aide and certified medication aide challenge examinations, without additional requirements for certification, including but not limited to, required employment in this state prior to certification. The department shall adopt rules pursuant to chapter 17A to administer this section.

94 Acts, ch 1036, §1

**135C.35 Training of inspectors.**

1. Subject to the availability of funding, all nursing facility inspectors shall receive twelve hours of annual continuing education in gerontology, wound care, dementia, falls, or a combination of these subjects.

2. An inspector shall not be personally liable for financing the training required under subsection 1.

3. The department shall consult with the collective bargaining representative of the inspector in regard to the training required under this section.

2009 Acts, ch 156, §2

VIOLATIONS

**135C.36 Violations classified — penalties.**

Every violation by a health care facility of any provision of this chapter or of the rules adopted pursuant to it shall be classified by the department in accordance with this section. The department shall adopt and may from time to time modify, in accordance with chapter 17A rules setting forth so far as feasible the specific violations included in each classification and stating criteria for the classification of any violation not so listed.

1. A Class I violation is one which presents an imminent danger or a substantial probability of resultant death or physical harm to the residents of the facility in which the violation occurs. A physical condition or one or more practices in a facility may constitute a Class I violation. A Class I violation shall be abated or eliminated immediately unless the department determines that a stated period of time, specified in the citation issued under section 135C.40, is required to correct the violation. A licensee is subject to a penalty of not less than two thousand nor more than ten thousand dollars for each Class I violation for which the licensee's facility is cited.

2. A Class II violation is one which has a direct or immediate relationship to the health,

safety, or security of residents of a health care facility, but which presents no imminent danger nor substantial probability of death or physical harm to them. A physical condition or one or more practices within a facility, including either physical abuse of any resident or failure to treat any resident with consideration, respect, and full recognition of the resident's dignity and individuality, in violation of a specific rule adopted by the department, may constitute a Class II violation. A violation of section 135C.14, subsection 8, or section 135C.31 and rules adopted under those sections shall be at least a Class II violation and may be a Class I violation. A Class II violation shall be corrected within a stated period of time determined by the department and specified in the citation issued under section 135C.40. The stated period of time specified in the citation may subsequently be modified by the department for good cause shown. A licensee is subject to a penalty of not less than one hundred nor more than five hundred dollars for each Class II violation for which the licensee's facility is cited; however the director may, upon written request of the facility, waive the penalty if the violation is corrected within the time specified in the citation. The department shall adopt rules in accordance with chapter 17A establishing criteria for the granting or denial of a waiver request.

3. A Class III violation is any violation of this chapter or of the rules adopted pursuant to it which violation is not classified in the department's rules nor classifiable under the criteria stated in those rules as a Class I or a Class II violation. A licensee shall not be subject to a penalty for a Class III violation, except as provided by section 135C.40, subsection 1, for failure to correct the violation within a reasonable time specified by the department in the notice of the violation.

4. Any state penalty, including a fine or citation, issued as a result of the federal survey and certification process shall be dismissed if the corresponding federal deficiency or citation is dismissed or removed.

5. If a facility self-identifies a deficient practice prior to an on-site visit inspection, there has been no complaint filed with the department related to that specific deficient practice, and the facility corrects such practice prior to an inspection, no citation shall be issued or fine assessed pursuant to subsection 2 or 3 except for those penalties arising pursuant to section 135C.33; 481 IAC § 57.12(2)(d), 57.12(3), 57.15(5), 57.25(1), 57.39, 58.11(3), 58.14(5), 58.19(2)(a), 58.19(2)(h), 58.28(1)(a), 58.43, 62.9(5), 62.15(1)(a), 62.19(2)(c), 62.19(7), 62.23(23)-(25), 63.11(2)(d), 63.11(3), 63.23(1)(a), 63.37, 64.4(9), 64.33, 64.34, 65.9(5), 65.15, or 65.25(3)-(5), or the successor to any of such rules; or 42 C.F.R. § 483.420(d), 483.460(c)(4), or 483.470(j), or the successor to any of such federal regulations.

[C77, 79, 81, §135C.36; 81 Acts, ch 60, §3]

86 Acts, ch 1168, §1; 2009 Acts, ch 156, §3, 4

Referred to in §135C.40, 135C.41, 135C.44, 135C.44A, 249A.57

**135C.37 Complaints alleging violations — confidentiality.**

A person may request an inspection of a health care facility by filing with the department, certified volunteer long-term care ombudsman, or the office of long-term care ombudsman, a complaint of an alleged violation of applicable requirements of this chapter or the rules adopted pursuant to this chapter. A person alleging abuse or neglect of a resident with a developmental disability or with mental illness may also file a complaint with the protection and advocacy agency designated pursuant to section 135B.9 or section 135C.2. A copy of a complaint filed with a certified volunteer long-term care ombudsman or the office of long-term care ombudsman shall be forwarded to the department. The complaint shall state in a reasonably specific manner the basis of the complaint, and a statement of the nature of the complaint shall be delivered to the facility involved at the time of the inspection. The name of the person who files a complaint with the department, certified volunteer long-term care ombudsman, or the office of long-term care ombudsman shall be kept confidential and

shall not be subject to discovery, subpoena, or other means of legal compulsion for its release to a person other than department employees involved in the investigation of the complaint.

[C77, 79, 81, §135C.37]

84 Acts, ch 1227, §3; 85 Acts, ch 186, §2; 89 Acts, ch 241, §3; 89 Acts, ch 321, §28; 91 Acts, ch 107, §4; 99 Acts, ch 129, §6; 2005 Acts, ch 45, §1; 2010 Acts, ch 1062, §1; 2013 Acts, ch 18, §11

Referred to in §135C.38, 135C.40, 135C.46, 135C.48

Section amended

**135C.38 Inspections upon complaints.**

1. *a.* Upon receipt of a complaint made in accordance with section 135C.37, the department or certified volunteer long-term care ombudsman shall make a preliminary review of the complaint. Unless the department or certified volunteer long-term care ombudsman concludes that the complaint is intended to harass a facility or a licensee or is without reasonable basis, the department or certified volunteer long-term care ombudsman shall make or cause to be made an on-site inspection of the health care facility which is the subject of the complaint within the time period determined pursuant to the following guidelines, which period shall commence on the date of receipt of the complaint:

(1) For nursing facilities, an on-site inspection shall be initiated as follows:

(a) Within two working days for a complaint determined by the department or certified volunteer long-term care ombudsman to be an alleged immediate jeopardy situation.

(b) Within ten working days for a complaint determined by the department or certified volunteer long-term care ombudsman to be an alleged high-level, nonimmediate jeopardy situation.

(c) Within forty-five calendar days for a complaint determined by the department or certified volunteer long-term care ombudsman to be an alleged nonimmediate jeopardy situation, other than a high-level situation.

(2) For all other types of health care facilities, an on-site inspection shall be initiated as follows:

(a) Within two working days for a complaint determined by the department or certified volunteer long-term care ombudsman to be an alleged immediate jeopardy situation.

(b) Within twenty working days for a complaint determined by the department or certified volunteer long-term care ombudsman to be an alleged high-level, nonimmediate jeopardy situation.

(c) Within forty-five calendar days for a complaint determined by the department or certified volunteer long-term care ombudsman to be an alleged nonimmediate jeopardy situation, other than a high-level situation.

*b.* The complaint investigation shall include, at a minimum, an interview with the complainant, the alleged perpetrator, and the victim of the alleged violation, if the victim is able to communicate, if the complainant, alleged perpetrator, or victim is identifiable, and if the complainant, alleged perpetrator, or victim is available. Additionally, witnesses who have knowledge of facts related to the complaint shall be interviewed, if identifiable and available. The names of witnesses may be obtained from the complainant or the victim. The files of the facility may be reviewed to ascertain the names of staff persons on duty at the time relevant to the complaint. The department shall apply a preponderance of the evidence standard in determining whether or not a complaint is substantiated. For the purposes of this subsection, *"a preponderance of the evidence standard"* means that the evidence, considered and compared with the evidence opposed to it, produces the belief in a reasonable mind that the allegations are more likely true than not true. *"A preponderance of the evidence standard"* does not require that the investigator personally witnessed the alleged violation.

*c.* The department may refer to the certified volunteer long-term care ombudsman of a facility any complaint received by the department regarding that facility, for initial evaluation and appropriate action by the certified volunteer long-term care ombudsman.

2. *a.* The complainant shall be promptly informed of the result of any action taken by the department or certified volunteer long-term care ombudsman in the matter. The complainant shall also be notified of the name, address, and telephone number of the designated protection

and advocacy agency if the alleged violation involves a facility with one or more residents with developmental disabilities or mental illness.

*b.* Upon conclusion of the investigation, the department shall notify the complainant of the results. The notification shall include a statement of the factual findings as determined by the investigator, the statutory or regulatory provisions alleged to have been violated, and a summary of the reasons for which the complaint was or was not substantiated.

*c.* The department shall mail the notification to the complainant without charge. Upon the request of the complainant, the department shall mail to the complainant, without charge, a copy of the most recent final findings regarding compliance with licensing requirements by the facility against which the complaint was filed.

*d.* A person who is dissatisfied with any aspect of the department's handling of the complaint may contact the office of long-term care ombudsman, or may contact the protection and advocacy agency designated pursuant to section 135C.2 if the complaint relates to a resident with a developmental disability or a mental illness.

3. An inspection made pursuant to a complaint filed under section 135C.37 need not be limited to the matter or matters included in the complaint. However, the inspection shall not be a general inspection unless the complaint inspection coincides with a scheduled general inspection or unless in the course of the complaint investigation a violation is evident to the inspector. Upon arrival at the facility to be inspected, the inspector shall show identification to the person in charge of the facility and state that an inspection is to be made, before beginning the inspection. Upon request of either the complainant or the department or certified volunteer long-term care ombudsman, the complainant or the complainant's representative or both may be allowed the privilege of accompanying the inspector during any on-site inspection made pursuant to this section. The inspector may cancel the privilege at any time if the inspector determines that the privacy of any resident of the facility to be inspected would otherwise be violated. The protection and dignity of the resident shall be given first priority by the inspector and others.

4. If upon an inspection of a facility by its certified volunteer long-term care ombudsman pursuant to this section, the certified volunteer long-term care ombudsman advises the department of any circumstance believed to constitute a violation of this chapter or of any rule adopted pursuant to it, the certified volunteer long-term care ombudsman shall similarly advise the facility at the same time. If the facility's licensee or administrator disagrees with the conclusion of the certified volunteer long-term care ombudsman regarding the supposed violation, an informal conference may be requested and if requested shall be arranged by the department as provided in section 135C.42 before a citation is issued. If the department thereafter issues a citation pursuant to the certified volunteer long-term care ombudsman's finding, the facility shall not be entitled to a second informal conference on the same violation and the citation shall be considered affirmed. The facility cited may proceed under section 135C.43 if it so desires.

[C77, 79, 81, §135C.38]

87 Acts, ch 234, §430; 89 Acts, ch 241, §4; 91 Acts, ch 107, §5, 6; 99 Acts, ch 129, §7, 8; 2000 Acts, ch 1180, §2; 2007 Acts, ch 93, §2; 2010 Acts, ch 1062, §2; 2013 Acts, ch 18, §12 – 14

Referred to in §135C.16, 135C.39
Subsection 1, paragraphs a and c amended
Subsection 2, paragraphs a and d amended
Subsections 3 and 4 amended

**135C.39 No advance notice of inspection — exception.**

No advance notice of an on-site inspection made pursuant to section 135C.38 shall be given the health care facility or the licensee thereof unless previously and specifically authorized in writing by the director or required by federal law. The person in charge of the facility shall be informed of the substance of the complaint at the commencement of the on-site inspection.

[C77, 79, 81, §135C.39]

89 Acts, ch 241, §5; 90 Acts, ch 1039, §10

Administrative penalty; see §135C.45A

**135C.40 Citations when violations found — penalties — exception.**

1. If the director determines, based on the findings of an inspection or investigation of a health care facility, that the facility is in violation of this chapter or rules adopted under this chapter, the director within five working days after making the determination, may issue a written citation to the facility. The citation shall be served upon the facility personally, by electronic mail, or by certified mail, except that a citation for a Class III violation may be sent by ordinary mail. Each citation shall specifically describe the nature of the violation, identifying the Code section or subsection or the rule or standard violated, and the classification of the violation under section 135C.36. Where appropriate, the citation shall also state the period of time allowed for correction of the violation, which shall in each case be the shortest period of time the department deems feasible. Failure to correct a violation within the time specified, unless the licensee shows that the failure was due to circumstances beyond the licensee's control, shall subject the facility to a further penalty of fifty dollars for each day that the violation continues after the time specified for correction.

*a.* If a facility licensed under this chapter is subject to or will be subject to denial of payment including payment for Medicare or medical assistance under chapter 249A, or denial of payment for all new admissions pursuant to 42 C.F.R. § 488.417, and submits a plan of correction relating to a statement of deficiencies or a response to a citation issued under rules adopted by the department and the department elects to conduct an on-site revisit inspection, the department shall commence the revisit inspection within the shortest time feasible of the date that the plan of correction is received, or the date specified within the plan of correction alleging compliance, whichever is later.

*b.* If the department recommends the issuance of federal remedies pursuant to 42 C.F.R. § 488.406(a)(2) or (a)(3), relating to an inspection conducted by the department, the department shall issue the statement of deficiencies within twenty-four hours of the date that the centers for Medicare and Medicaid services of the United States department of health and human services was notified of the recommendation for the imposition of remedies.

*c.* The facility shall be provided an exit interview at the conclusion of an inspection and the facility representative shall be informed of all issues and areas of concern related to the deficient practices. The department may conduct the exit interview either in person or by telephone, and a second exit interview shall be provided if any additional issues or areas of concern are identified. The facility shall be provided two working days from the date of the exit interview to submit additional or rebuttal information to the department.

2. When a citation is served upon or mailed to a health care facility under subsection 1 and the licensee of the facility is not actually involved in the daily operation of the facility, a copy of the citation shall be mailed to the licensee. If the licensee is a corporation, a copy of the citation shall be sent to the corporation's office of record. If the citation was issued pursuant to an inspection resulting from a complaint filed under section 135C.37, a copy of the citation shall be sent to the complainant at the earliest time permitted by section 135C.19, subsection 1.

3. No health care facility shall be cited for any violation caused by any practitioner licensed pursuant to chapter 148 if that practitioner is not the licensee of and is not otherwise financially interested in the facility and the licensee or the facility presents evidence that reasonable care and diligence have been exercised in notifying the practitioner of the practitioner's duty to the patients in the facility.

[C77, 79, 81, §135C.40; 81 Acts, ch 61, §1]

84 Acts, ch 1227, §4; 2008 Acts, ch 1088, §89; 2009 Acts, ch 156, §5

Referred to in §135C.19, 135C.36, 135C.41, 135C.46

**135C.40A Issuance of final findings.**

The department shall issue the final findings of an inspection or investigation of a health care facility within ten working days after completion of the on-site inspection or investigation. The final findings shall be served upon the facility personally, by electronic mail, or by certified mail.

2009 Acts, ch 156, §6

Referred to in §135C.46

**135C.41 Licensee's response to citation.**

Within twenty business days after service of a citation under section 135C.40, a facility shall either:

1. If it does not desire to contest the citation:

*a.* Remit to the department the amount specified by the department pursuant to section 135C.36 as a penalty for each Class I violation cited, and for each Class II violation unless the citation specifically waives the penalty, which funds shall be paid by the department into the state treasury and credited to the general fund; or

*b.* In the case of a Class II violation for which the penalty has been waived in accordance with the standards prescribed in section 135C.36, subsection 2, or a Class III violation, send to the department a written response acknowledging that the citation has been received and stating that the violation will be corrected within the specific period of time allowed by the citation; or

2. Notify the director that the facility desires to contest the citation and request an informal conference with an independent reviewer pursuant to section 135C.42.

[C77, 79, 81, §135C.41]

2009 Acts, ch 156, §7; 2010 Acts, ch 1069, §16; 2013 Acts, ch 26, §1, 7

Referred to in §135C.42, 135C.46

2013 amendment to subsection 2 takes effect July 1, 2013, and applies to informal conferences requested under chapter 135C on or after January 1, 2014; 2013 Acts, ch 26, §7

Subsection 2 amended

**135C.42 Informal conference on contested citation.**

1. The director shall provide an independent reviewer to hold an informal conference with the facility within ten working days after receipt of a request made under section 135C.41, subsection 2. At the conclusion of the conference the independent reviewer may affirm or may modify or dismiss the citation. The independent reviewer shall state in writing the specific reasons for the affirmation, modification, or dismissal and immediately transmit copies of the statement to the director, and to the facility. If the facility does not desire to further contest an affirmed or modified citation, it shall within five working days after the informal conference, or after receipt of the written explanation of the independent reviewer, as the case may be, comply with section 135C.41, subsection 1.

2. An independent reviewer shall be licensed as an attorney in the state of Iowa and shall not be employed or have been employed by the department in the past eight years or have appeared in front of the department on behalf of a health care facility in the past eight years. Preference shall be given to an attorney with background knowledge, experience, or training in long-term care. The department may issue a request for proposals to enter into a contract for the purpose of providing one or more independent reviewers for informal conferences.

3. The department shall hold the informal conference, as required in this section, concurrently with any informal dispute resolution held pursuant to 42 C.F.R. § 488.331 for those health care facilities certified under Medicare or the medical assistance program.

[C77, 79, 81, §135C.42]

2013 Acts, ch 26, §2, 7

Referred to in §135C.7, 135C.38, 135C.41, 135C.46

2013 amendment takes effect July 1, 2013, and applies to informal conferences requested under chapter 135C on or after January 1, 2014; 2013 Acts, ch 26, §7

Section amended

**135C.43 Formal contest — judicial review.**

1. A facility that desires to further contest an affirmed or modified citation for a Class I, Class II, or Class III violation may do so in the manner provided by chapter 17A for contested cases. Notice of intent to formally contest a citation shall be given the department in writing within five days after the informal conference or after receipt of the written explanation of the independent reviewer provided to hold the informal conference, whichever is applicable, in the case of an affirmed or modified citation. A facility which has exhausted all adequate administrative remedies and is aggrieved by the final action of the department may petition for judicial review in the manner provided by chapter 17A.

2. Hearings on petitions for judicial review brought under this section shall be set for trial

at the earliest possible date and shall take precedence on the court calendar over all other cases except matters to which equal or superior precedence is specifically granted by law. The times for pleadings and for hearings in such actions shall be set by the judge of the court with the object of securing a decision in the matter at the earliest possible time.

[C77, 79, 81, §135C.43]

2009 Acts, ch 156, §8; 2010 Acts, ch 1069, §17; 2013 Acts, ch 26, §3, 7

Referred to in §135C.38, 135C.43A, 135C.46

2013 amendment to subsection 1 takes effect July 1, 2013, and applies to informal conferences requested under chapter 135C on or after January 1, 2014; 2013 Acts, ch 26, §7

Subsection 1 amended

**135C.43A Reduction of penalty amount.**

If a facility has been assessed a penalty, does not request a formal hearing pursuant to section 135C.43 or withdraws its request for a formal hearing within thirty days of the date that the penalty was assessed, and the penalty is paid within thirty days of the receipt of notice or service, the amount of the penalty shall be reduced by thirty-five percent. The citation which includes the civil penalty shall include a statement to this effect.

2009 Acts, ch 156, §9

**135C.44 Treble fines for repeated violations.**

The penalties authorized by section 135C.36 shall be trebled for a second or subsequent Class I or Class II violation occurring within any twelve-month period if a citation was issued for the same Class I or Class II violation occurring within that period and a penalty was assessed therefor.

[C77, 79, 81, §135C.44]

**135C.44A Double fines for intentional violations.**

The penalties authorized by section 135C.36 shall be doubled for each Class I violation when the violation is due to an intentional act by the facility in violation of a provision of this chapter or a rule of the department.

2009 Acts, ch 156, §10

**135C.45 Refund of penalty.**

If at any time a contest or appeal of any citation issued a health care facility under this chapter results in an order or determination that a penalty previously paid to or collected by the department must be refunded to the facility, the refund shall be made from any money in the state general fund not otherwise appropriated.

[C77, 79, 81, §135C.45]

**135C.45A Notification penalty.**

A person who notifies, or causes to be notified, a health care facility, of the time and date on which a survey or on-site inspection of the facility is scheduled, is subject to an administrative penalty of not less than one thousand dollars and not more than two thousand dollars.

90 Acts, ch 1039, §11

**135C.46 Retaliation by facility prohibited.**

1. A facility shall not discriminate or retaliate in any way against a resident or an employee of the facility who has initiated or participated in any proceeding authorized by this chapter. A facility which violates this section is subject to a penalty of not less than two hundred fifty nor more than five thousand dollars, to be assessed and collected by the director in substantially the manner prescribed by sections 135C.40 to 135C.43 and paid into the state treasury to be credited to the general fund, or to immediate revocation of the facility's license.

2. Any attempt to expel from a health care facility a resident by whom or upon whose behalf a complaint has been submitted to the department under section 135C.37, within ninety days after the filing of the complaint or the conclusion of any proceeding resulting from the

complaint, shall raise a rebuttable presumption that the action was taken by the licensee in retaliation for the filing of the complaint.

[C77, 79, 81, §135C.46]

**135C.47** Repealed by 98 Acts, ch 1141, § 3.

**135C.48 Information about complaint procedure.**

The department shall make a continuing effort to inform the general public of the appropriate procedure to be followed by any person who believes that a complaint against a health care facility is justified and should be made under section 135C.37.

[C77, 79, 81, §135C.48]

# CHAPTERS 135D to 135F

RESERVED

# CHAPTER 135G

## SUBACUTE MENTAL HEALTH CARE FACILITIES

Standards for subacute mental health services and for accreditation of communty-based subacute mental health services providers; §225C.6


135G.1 Definitions.
135G.2 Purpose.
135G.3 Nature of care — seclusion room — admissions.
135G.4 Licensure.
135G.5 Application for license.
135G.6 Inspection — conditions for issuance.
135G.7 Denial, suspension, or revocation of license.
135G.8 Provisional license.
135G.9 Notice and hearings.
135G.10 Rules.
135G.11 Complaints alleging violations.
135G.12 Information confidential.
135G.13 Judicial review.
135G.14 Penalty.
135G.15 Injunction.


**135G.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advanced registered nurse practitioner"* means a person currently licensed as a registered nurse under chapter 152 or 152E who is registered with the board of nursing as an advanced registered nurse practitioner.

2. *"Department"* means the department of inspections and appeals.

3. *"Direction"* means authoritative policy or procedural guidance for the accomplishment of a function or an activity.

4. *"Licensee"* means the holder of a license issued to operate a subacute care facility for persons with serious and persistent mental illness.

5. *"Mental health professional"* means the same as defined in section 228.1.

6. *"Mental health services"* means services provided by a mental health professional operating within the scope of the professional's practice which address mental, emotional, medical, or behavioral problems.

7. *"Physician"* means a person licensed under chapter 148.

8. *"Physician assistant"* means a person licensed to practice under the supervision of a physician as authorized in chapters 147 and 148C.

9. *"Rehabilitative services"* means services to encourage and assist restoration of a resident's optimum mental and physical capabilities.

10. *"Resident"* means a person who is eighteen years of age or older and has been determined by a mental health professional to need subacute mental health services.

11. *"Subacute care facility for persons with serious and persistent mental illness"* or *"subacute care facility"* means an institution, place, building, or agency with restricted means of egress providing subacute mental health services for a period exceeding twenty-four consecutive hours to persons in need of the services.

12. *"Subacute mental health services"* means the same as defined in section 225C.6.

13. *"Supervision"* means direct oversight and inspection of the act of accomplishing a function or activity.

14. *"Treatment care plan"* means a plan of care and services designed to eliminate the need for acute care by improving the condition of a person with serious and persistent mental illness. Services must be based upon a diagnostic evaluation, which includes an examination of the medical, psychological, social, behavioral, and developmental aspects of the person's situation, reflecting the need for inpatient care.

2012 Acts, ch 1120, §40

**135G.2 Purpose.**

The purpose of this chapter is to provide for the development, establishment, and enforcement of basic standards for the operation, construction, and maintenance of a subacute care facility which will ensure the safe and adequate diagnosis, evaluation, and treatment of persons with serious and persistent mental illness so that the persons are able to experience recovery and live successfully in the community.

2012 Acts, ch 1120, §41

**135G.3 Nature of care — seclusion room — admissions.**

1. A subacute care facility shall utilize a team of professionals to direct an organized program of diagnostic services, subacute mental health services, and rehabilitative services to meet the needs of residents in accordance with a treatment care plan developed for each resident under the supervision of a mental health professional. The goal of a treatment care plan is to transition residents to a less restrictive environment, including a home-based community setting. Social and rehabilitative services shall also be provided under the direction of a mental health professional.

2. The mental health professional providing supervision of the subacute care facility's treatment care plans shall evaluate the condition of each resident as medically necessary and shall be available to residents of the facility on an on-call basis at all other times. Additional evaluation and treatment may be provided by a mental health professional. The subacute care facility may employ a seclusion room meeting the conditions described in 42 C.F.R. § 483.364(b) with approval of a licensed psychiatrist or by order of the resident's physician, a physician assistant, or an advanced registered nurse practitioner.

2012 Acts, ch 1120, §42; 2013 Acts, ch 19, §4, 6, 7

Subsections 1 and 2 amended

2013 amendments to subsections 1 and 2 take effect April 5, 2013, and apply retroactively to July 1, 2012; 2013 Acts, ch 19, §6, 7

**135G.4 Licensure.**

1. A person shall not establish, operate, or maintain a subacute care facility unless the person obtains a license for the subacute care facility under this chapter.

2. An intermediate care facility for persons with mental illness licensed under chapter 135C may convert to a subacute care facility by submitting an application for a license in accordance with section 135G.5 accompanied by written notice to the department that the facility has employed a mental health professional and desires to make the conversion. An intermediate care facility for persons with mental illness applying for a license under this subsection remains subject to subsection 1 until a license is issued.

2012 Acts, ch 1120, §43; 2013 Acts, ch 19, §5 – 7

Subsection 2 amended

2013 amendment to subsection 2 takes effect April 5, 2013, and applies retroactively to July 1, 2012; 2013 Acts, ch 19, §6, 7

**135G.5 Application for license.**

An application for a license under this chapter shall be submitted on a form requesting information required by the department, which may include affirmative evidence of the applicant's ability to comply with the rules for standards adopted pursuant to this chapter. An application for a license shall be accompanied by the required license fee which shall be credited to the general fund of the state. The initial and annual license fee is twenty-five dollars.

2012 Acts, ch 1120, §44

Referred to in §135G.4

**135G.6 Inspection — conditions for issuance.**

The department shall issue a license to an applicant under this chapter if the following conditions exist:

1. The department has ascertained that the applicant's facilities and staff are adequate to provide the care and services required of a subacute care facility.

2. *a.* The department of human services has submitted written approval of the application based upon the process used by the department of human services to identify the best qualified providers. The department of human services shall utilize a request for proposals process to identify the best qualified providers, limit the number of subacute care facility beds, and ensure the geographic dispersion of subacute mental health services.

*b.* The department of human services shall not give approval to an application which would cause the number of publicly funded subacute care facility beds licensed under this chapter to exceed fifty beds.

*c.* The subacute care facility beds identified by the request for proposals process shall be existing beds which have been awarded a certificate of need pursuant to chapter 135. Such beds shall not be required to obtain an additional certificate of need upon conversion to licensed subacute care facility beds.

2012 Acts, ch 1120, §45

**135G.7 Denial, suspension, or revocation of license.**

The department may deny an application or suspend or revoke a license if the department finds that an applicant or licensee has failed or is unable to comply with this chapter or the rules establishing minimum standards pursuant to this chapter or if any of the following conditions apply:

1. It is shown that a resident is a victim of cruelty or neglect due to the acts or omissions of the licensee.

2. The licensee has permitted, aided, or abetted in the commission of an illegal act in the subacute care facility.

3. An applicant or licensee acted to obtain or to retain a license by fraudulent means, misrepresentation, or submitting false information.

4. The licensee has willfully failed or neglected to maintain a continuing in-service education and training program for persons employed by the subacute care facility.

5. The application involves a person who has failed to operate a subacute care facility in compliance with the provisions of this chapter.

2012 Acts, ch 1120, §46

**135G.8 Provisional license.**

The department may issue a provisional license, effective for not more than one year, to a licensee whose subacute care facility does not meet the requirements of this chapter if, prior to issuance of the license, the applicant submits written plans to achieve compliance with the applicable requirements and the plans are approved by the department. The plans shall specify the deadline for achieving compliance.

2012 Acts, ch 1120, §47

**135G.9 Notice and hearings.**

The procedure governing notice and hearing to deny an application or suspend or revoke a license shall be in accordance with rules adopted by the department pursuant to chapter 17A. A full and complete record shall be kept of the proceedings and of any testimony. The record need not be transcribed unless judicial review is sought. A copy or copies of a transcript may be obtained by an interested party upon payment of the cost of preparing the transcript or copies.

2012 Acts, ch 1120, §48

**135G.10 Rules.**

1. The department of inspections and appeals and the department of human services shall collaborate in establishing standards for licensing of subacute care facilities to achieve all of the following objectives:

*a.* Subacute mental health services are provided based on sound, proven clinical practice.

*b.* Subacute mental health services are established in a manner that allows the services to be included in the federal medical assistance state plan.

2. It is the intent of the general assembly that subacute mental health services be included in the Medicaid state plan adopted for the implementation of the federal Patient Protection and Affordable Care Act, benchmark plan.

3. The department of inspections and appeals, in consultation with the department of human services and affected professional groups, shall adopt and enforce rules setting out the standards for a subacute care facility and the rights of the residents admitted to a subacute care facility. The department of inspections and appeals and the department of human services shall coordinate the adoption of rules and the enforcement of the rules in order to prevent duplication of effort by the departments and of requirements of the licensee.

2012 Acts, ch 1120, §49

Responsibility of department of human services to adopt standards in coordination with department of inspections and appeals for facility-based and community-based, subacute mental health services; §225C.6

**135G.11 Complaints alleging violations.**

1. A person may request an inspection of a subacute care facility by filing with the department a complaint of an alleged violation of an applicable requirement of this chapter or a rule adopted pursuant to this chapter. The complaint shall state in a reasonably specific manner the basis of the complaint. A statement of the nature of the complaint shall be delivered to the subacute care facility involved at the time of or prior to the inspection.

2. Upon receipt of a complaint made in accordance with subsection 1, the department shall make a preliminary review of the complaint. Unless the department concludes that the complaint is intended to harass a subacute care facility or a licensee or is without reasonable basis, it shall within twenty working days of receipt of the complaint make or cause to be made an on-site inspection of the subacute care facility which is the subject of the complaint. The department of inspections and appeals may refer to the department of human services any complaint received by the department of inspections and appeals if the complaint applies to rules adopted by the department of human services. The complainant shall also be notified of the name, address, and telephone number of the designated protection and advocacy agency if the alleged violation involves a facility with one or more residents with a developmental disability or mental illness. In any case, the complainant shall be promptly informed of the result of any action taken by the department in the matter.

3. An inspection made pursuant to a complaint filed under subsection 1 need not be limited to the matter or matters referred to in the complaint; however, the inspection shall not be a general inspection unless the complaint inspection coincides with a scheduled general inspection. Upon arrival at the subacute care facility to be inspected, the inspector shall show identification to the person in charge of the subacute care facility and state that an inspection is to be made, before beginning the inspection. Upon request of either the complainant or the department, the complainant or the complainant's representative or both may be allowed the privilege of accompanying the inspector during any on-site inspection made pursuant to this section. The inspector may cancel the privilege at any time

if the inspector determines that the privacy of a resident of the subacute care facility to be inspected would be violated. The dignity of the resident shall be given first priority by the inspector and others.

2012 Acts, ch 1120, §50

**135G.12 Information confidential.**

1. The department's final findings regarding licensure shall be made available to the public in a readily available form and place. Other information relating to the subacute care facility is confidential and shall not be made available to the public except in proceedings involving licensure, a civil suit involving a resident, or an administrative action involving a resident.

2. The name of a person who files a complaint with the department shall remain confidential and is not subject to discovery, subpoena, or any other means of legal compulsion for release to a person other than an employee of the department or an agent involved in the investigation of the complaint.

3. Information regarding a resident who has received or is receiving care shall not be disclosed directly or indirectly except as authorized under section 217.30.

2012 Acts, ch 1120, §51

**135G.13 Judicial review.**

Judicial review of the action of the department may be sought pursuant to the Iowa administrative procedure Act, chapter 17A. Notwithstanding chapter 17A, a petition for judicial review of the department's actions under this chapter may be filed in the district court of the county in which the related subacute care facility is located or is proposed to be located. The status of the petitioner or the licensee shall be preserved pending final disposition of the judicial review.

2012 Acts, ch 1120, §52

**135G.14 Penalty.**

A person who establishes, operates, or manages a subacute care facility without obtaining a license under this chapter commits a serious misdemeanor. Each day of continuing violation following conviction shall be considered a separate offense.

2012 Acts, ch 1120, §53

**135G.15 Injunction.**

Notwithstanding the existence or pursuit of another remedy, the department may maintain an action for injunction or other process to restrain or prevent the establishment, operation, or management of a subacute care facility without a license.

2012 Acts, ch 1120, §54

# CHAPTER 135H

## PSYCHIATRIC MEDICAL INSTITUTIONS FOR CHILDREN

Referred to in §10A.104, 234.7, 235A.15, 282.27, 709.16

Cost-based reimbursement methodology, §249A.31


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**135H.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of inspections and appeals.

2. *"Direction"* means authoritative policy or procedural guidance for the accomplishment of a function or an activity.

3. *"Licensee"* means the holder of a license issued to operate a psychiatric medical institution for children.

4. *"Medical care plan"* means a plan of care and services designed to eliminate the need for inpatient care by improving the condition of a child. Services must be based upon a diagnostic evaluation, which includes an examination of the medical, psychological, social, behavioral, and developmental aspects of the child's situation, reflecting the need for inpatient care.

5. *"Mental health professional"* means an individual who has all of the following qualifications:

*a.* The individual holds at least a master's degree in a mental health field, including but not limited to, psychology, counseling and guidance, nursing, and social work, or the individual is a physician.

*b.* The individual holds a current Iowa license if practicing in a field covered by an Iowa licensure law.

*c.* The individual has at least two years of post-degree clinical experience, supervised by another mental health professional, in assessing mental health needs and problems and in providing appropriate mental health services.

6. *"Nursing care"* means services which are provided under the direction of a physician or registered nurse.

7. *"Physician"* means a person licensed under chapter 148.

8. *"Psychiatric medical institution for children"* or *"psychiatric institution"* means an institution providing more than twenty-four hours of continuous care involving long-term psychiatric services to three or more children in residence for expected periods of fourteen or more days for diagnosis and evaluation or for expected periods of ninety days or more for treatment.

9. *"Psychiatric services"* means services provided under the direction of a physician which address mental, emotional, medical, or behavioral problems.

10. *"Rehabilitative services"* means services to encourage and assist restoration of a resident's optimum mental and physical capabilities.

11. *"Resident"* means a person who is less than twenty-one years of age and has been admitted by a physician to a psychiatric medical institution for children.

12. *"Supervision"* means direct oversight and inspection of the act of accomplishing a function or activity.

89 Acts, ch 283, §2; 94 Acts, ch 1120, §14, 15; 2008 Acts, ch 1088, §90

Referred to in §249A.30A

**135H.2 Purpose.**

The purpose of this chapter is to provide for the development, establishment, and enforcement of basic standards for the operation, construction, and maintenance of a psychiatric medical institution for children which will ensure the safe and adequate diagnosis and evaluation and treatment of the residents.

89 Acts, ch 283, §3

**135H.3 Nature of care.**

1. A psychiatric medical institution for children shall utilize a team of professionals to direct an organized program of diagnostic services, psychiatric services, nursing care, and rehabilitative services to meet the needs of residents in accordance with a medical care plan developed for each resident. The membership of the team of professionals may include but is not limited to an advanced registered nurse practitioner or a physician assistant. Social and rehabilitative services shall be provided under the direction of a qualified mental health professional.

2. If a child is diagnosed with a biologically based mental illness as defined in section 514C.22 and meets the medical assistance program criteria for admission to a psychiatric medical institution for children, the child shall be deemed to meet the acuity criteria for medically necessary inpatient benefits under a group policy, contract, or plan providing for third-party payment or prepayment of health, medical, and surgical coverage benefits issued by a carrier, as defined in section 513B.2, or by an organized delivery system authorized under 1993 Iowa Acts, ch. 158, that is subject to section 514C.22. Such medically necessary benefits shall not be excluded or denied as care that is substantially custodial in nature under section 514C.22, subsection 8, paragraph *"b"*.

89 Acts, ch 283, §4; 2009 Acts, ch 179, §182; 2011 Acts, ch 121, §7; 2011 Acts, ch 131, §151, 153

**135H.4 Licensure.**

A person shall not establish, operate, or maintain a psychiatric medical institution for children unless the person obtains a license for the institution under this chapter and either holds a license under section 237.3, subsection 2, paragraph *"a"*, as a comprehensive residential facility for children or holds a license under section 125.13, if the facility provides substance abuse treatment.

89 Acts, ch 283, §5; 93 Acts, ch 53, §6; 93 Acts, ch 172, §29; 93 Acts, ch 180, §79

**135H.5 Application for license.**

An application for a license under this chapter shall be submitted on a form requesting information required by the department, which may include affirmative evidence of the applicant's ability to comply with the rules for standards adopted pursuant to this chapter. An application for a license shall be accompanied by the required license fee which shall be credited to the general fund of the state. The initial and annual license fee is twenty-five dollars.

89 Acts, ch 283, §6

**135H.6 Inspection — conditions for issuance.**

The department shall issue a license to an applicant under this chapter if all the following conditions exist:

1. The department has ascertained that the applicant's medical facilities and staff are adequate to provide the care and services required of a psychiatric institution.

2. The proposed psychiatric institution is accredited by the joint commission on the accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, the council on accreditation of services for families and children, or by any other recognized accrediting organization with comparable standards acceptable under federal regulation.

3. The applicant complies with applicable state rules and standards for a psychiatric

institution adopted by the department in accordance with federal requirements under 42 C.F.R. § 441.150 – 441.156.

4. The applicant has been awarded a certificate of need pursuant to chapter 135, unless exempt as provided in this section.

5. The department of human services has submitted written approval of the application based on the department of human services' determination of need. The department of human services shall identify the location and number of children in the state who require the services of a psychiatric medical institution for children. Approval of an application shall be based upon the location of the proposed psychiatric institution relative to the need for services identified by the department of human services and an analysis of the applicant's ability to provide services and support consistent with requirements under chapter 232, particularly regarding community-based treatment. If the proposed psychiatric institution is not freestanding from a facility licensed under chapter 135B or 135C, approval under this subsection shall not be given unless the department of human services certifies that the proposed psychiatric institution is capable of providing a resident with a living environment similar to the living environment provided by a licensee which is freestanding from a facility licensed under chapter 135B or 135C.

6. The department of human services shall not give approval to an application which would cause the total number of beds licensed under this chapter for services reimbursed by the medical assistance program under chapter 249A to exceed four hundred thirty beds.

7. In addition to the beds authorized under subsection 6, the department of human services may establish not more than thirty beds licensed under this chapter at the state mental health institute at Independence. The beds shall be exempt from the certificate of need requirement under subsection 4.

8. The department of human services may give approval to conversion of beds approved under subsection 6, to beds which are specialized to provide substance abuse treatment. However, the total number of beds approved under subsection 6 and this subsection shall not exceed four hundred thirty. Conversion of beds under this subsection shall not require a revision of the certificate of need issued for the psychiatric institution making the conversion. Beds for children who do not reside in this state and whose service costs are not paid by public funds in this state are not subject to the limitations on the number of beds and certificate of need requirements otherwise applicable under this section.

9. The proposed psychiatric institution is under the direction of an agency which has operated a facility licensed under section 237.3, subsection 2, paragraph *"a"*, as a comprehensive residential facility for children for three years or of an agency which has operated a facility for three years providing psychiatric services exclusively to children or adolescents and the facility meets or exceeds requirements for licensure under section 237.3, subsection 2, paragraph *"a"*, as a comprehensive residential facility for children.

10. A psychiatric institution licensed prior to July 1, 1999, may exceed the number of beds authorized under subsection 6 if the excess beds are used to provide services funded from a source other than the medical assistance program under chapter 249A. Notwithstanding subsections 4, 5, and 6, the provision of services using those excess beds does not require a certificate of need or a review by the department of human services.

11. If a child has an emotional, behavioral, or mental health disorder, the psychiatric institution does not require court proceedings to be initiated or that a child's parent, guardian, or custodian must terminate parental rights over or transfer legal custody of the child for the purpose of obtaining treatment from the psychiatric institution for the child. Relinquishment of a child's custody shall not be a condition of the child receiving services.

89 Acts, ch 283, §7; 90 Acts, ch 1239, §1, 2; 93 Acts, ch 53, §7; 93 Acts, ch 172, §30; 93 Acts, ch 180, §80; 96 Acts, ch 1213, §32; 98 Acts, ch 1218, §66; 99 Acts, ch 51, §1, 2; 99 Acts, ch 98, §1; 2001 Acts, ch 191, §35; 2005 Acts, ch 117, §1; 2011 Acts, ch 121, §8; 2011 Acts, ch 131, §151, 153

Referred to in §226.9B

**135H.7 Personnel.**

1. A person shall not be allowed to provide services in a psychiatric institution if the

person has a disease which is transmissible to other persons through required contact in the workplace, which presents a significant risk of infecting other persons, which presents a substantial possibility of harming other persons, or for which no reasonable accommodation can eliminate the risk of infecting other persons.

2. *a.* If a person is being considered for licensure under this chapter, or for employment involving direct responsibility for a child or with access to a child when the child is alone, by a licensed psychiatric institution, or if a person will reside in a facility utilized by a licensee, and if the person has been convicted of a crime or has a record of founded child abuse, the department of human services and the licensee, for an employee of the licensee, shall perform an evaluation to determine whether the crime or founded child abuse warrants prohibition of licensure, employment, or residence in the facility. The department of human services shall conduct criminal and child abuse record checks in this state and may conduct these checks in other states. The evaluation shall be performed in accordance with procedures adopted for this purpose by the department of human services.

*b.* If the department of human services determines that a person has committed a crime or has a record of founded child abuse and is licensed, employed by a psychiatric institution licensed under this chapter, or resides in a licensed facility, the department shall notify the program that an evaluation will be conducted to determine whether prohibition of the person's licensure, employment, or residence is warranted.

*c.* In an evaluation, the department of human services and the licensee for an employee of the licensee shall consider the nature and seriousness of the crime or founded child abuse in relation to the position sought or held, the time elapsed since the commission of the crime or founded child abuse, the circumstances under which the crime or founded child abuse was committed, the degree of rehabilitation, the likelihood that the person will commit the crime or founded child abuse again, and the number of crimes or founded child abuses committed by the person involved. The department may permit a person who is evaluated to be licensed, employed, or to reside, or to continue to be licensed, employed, or to reside in a licensed facility, if the person complies with the department's conditions relating to the person's licensure, employment, or residence, which may include completion of additional training. For an employee of a licensee, these conditional requirements shall be developed with the licensee. The department of human services has final authority in determining whether prohibition of the person's licensure, employment, or residence is warranted and in developing any conditional requirements under this paragraph.

3. If the department of human services determines that the person has committed a crime or has a record of founded child abuse which warrants prohibition of licensure, employment, or residence, the person shall not be licensed under this chapter to operate a psychiatric institution and shall not be employed by a psychiatric institution or reside in a facility licensed under this chapter.

4. In addition to the record checks required under subsection 2, the department of human services may conduct dependent adult abuse record checks in this state and may conduct these checks in other states, on a random basis. The provisions of subsections 2 and 3, relative to an evaluation following a determination that a person has been convicted of a crime or has a record of founded child abuse, shall also apply to a random dependent adult abuse record check conducted under this subsection.

5. Beginning July 1, 1994, a licensee shall inform all new applicants for employment of the possibility of the performance of a record check and shall obtain, from the applicant, a signed acknowledgment of the receipt of the information.

6. On or after July 1, 1994, a licensee shall include the following inquiry in an application for employment:

Do you have a record of founded child or dependent adult abuse or have you ever been convicted of a crime, in this state or any other state?

89 Acts, ch 283, §8; 90 Acts, ch 1221, §2; 91 Acts, ch 138, §2; 92 Acts, ch 1163, §35; 94 Acts, ch 1130, §13

**135H.8 Denial, suspension, or revocation of license.**

The department may deny an application or suspend or revoke a license if the department finds that an applicant or licensee has failed or is unable to comply with this chapter or the rules establishing minimum standards pursuant to this chapter or if any of the following conditions apply:

1. It is shown that a resident is a victim of cruelty or neglect due to the acts or omissions of the licensee.
2. The licensee has permitted, aided, or abetted in the commission of an illegal act in the psychiatric institution.
3. An applicant or licensee acted to obtain or to retain a license by fraudulent means, misrepresentation, or submitting false information.
4. The licensee has willfully failed or neglected to maintain a continuing in-service education and training program for persons employed by the psychiatric institution.
5. The application involves a person who has failed to operate a psychiatric institution in compliance with the provisions of this chapter.

89 Acts, ch 283, §9

**135H.8A Provisional license.**

The department may issue a provisional license, effective for not more than one year, to a licensee whose psychiatric institution does not meet the requirements of this chapter, if, prior to issuance of the license, written plans to achieve compliance with the applicable requirements are submitted to and approved by the department. The plans shall specify the deadline for achieving compliance.

95 Acts, ch 51, §2

**135H.9 Notice and hearings.**

The procedure governing notice and hearing to deny an application or suspend or revoke a license shall be in accordance with rules adopted by the department pursuant to chapter 17A. A full and complete record shall be kept of the proceedings and of any testimony. The record need not be transcribed unless judicial review is sought. A copy or copies of a transcript may be obtained by an interested party upon payment of the cost of preparing the transcript or copies.

89 Acts, ch 283, §10

**135H.10 Rules.**

1. The department of inspections and appeals, in consultation with the department of human services and affected professional groups, shall adopt and enforce rules setting out the standards for a psychiatric medical institution for children and the rights of the residents admitted to a psychiatric institution. The department of inspections and appeals and the department of human services shall coordinate the adoption of rules and the enforcement of the rules in order to prevent duplication of effort by the departments and of requirements of the licensee.
2. This chapter shall not be construed as prohibiting the use of funds appropriated for foster care to provide payment to a psychiatric medical institution for children for the financial participation required of a child whose foster care placement is in a psychiatric medical institution for children. In accordance with established policies and procedures for foster care, the department of human services shall act to recover any such payment for financial participation, apply to be named payee for the child's unearned income, and recommend parental liability for the costs of a court-ordered foster care placement in a psychiatric medical institution.

89 Acts, ch 283, §11; 2001 Acts, ch 135, §30; 2012 Acts, ch 1133, §94

**135H.11 Complaints alleging violations — confidentiality.**

A person may request an inspection of a psychiatric medical institution for children by filing with the department a complaint of an alleged violation of an applicable requirement of this chapter or a rule adopted pursuant to this chapter. The complaint shall state in a reasonably

specific manner the basis of the complaint. A statement of the nature of the complaint shall be delivered to the psychiatric institution involved at the time of or prior to the inspection. The name of the person who files a complaint with the department shall be kept confidential and shall not be subject to discovery, subpoena, or other means of legal compulsion for its release to a person other than department employees involved in the investigation of the complaint.

89 Acts, ch 283, §12

Referred to in §135H.12

**135H.12 Inspections upon complaints.**

1. Upon receipt of a complaint made in accordance with section 135H.11, the department shall make a preliminary review of the complaint. Unless the department concludes that the complaint is intended to harass a psychiatric institution or a licensee or is without reasonable basis, it shall within twenty working days of receipt of the complaint make or cause to be made an on-site inspection of the psychiatric institution which is the subject of the complaint. The department of inspections and appeals may refer to the department of human services any complaint received by the department if the complaint applies to rules adopted by the department of human services. The complainant shall also be notified of the name, address, and telephone number of the designated protection and advocacy agency if the alleged violation involves a facility with one or more residents with developmental disabilities or mental illness. In any case, the complainant shall be promptly informed of the result of any action taken by the department in the matter.

2. An inspection made pursuant to a complaint filed under section 135H.11 need not be limited to the matter or matters referred to in the complaint; however, the inspection shall not be a general inspection unless the complaint inspection coincides with a scheduled general inspection. Upon arrival at the psychiatric institution to be inspected, the inspector shall show identification to the person in charge of the psychiatric institution and state that an inspection is to be made, before beginning the inspection. Upon request of either the complainant or the department, the complainant or the complainant's representative or both may be allowed the privilege of accompanying the inspector during any on-site inspection made pursuant to this section. The inspector may cancel the privilege at any time if the inspector determines that the privacy of a resident of the psychiatric institution to be inspected would be violated. The dignity of the resident shall be given first priority by the inspector and others.

89 Acts, ch 283, §13

**135H.13 Information confidential.**

1. The department's final findings and the survey findings of the joint commission on the accreditation of health care organizations regarding licensure or program accreditation shall be made available to the public in a readily available form and place. Other information relating to the psychiatric institution is confidential and shall not be made available to the public except in proceedings involving licensure, a civil suit involving a resident, or an administrative action involving a resident.

2. The name of a person who files a complaint with the department shall remain confidential and is not subject to discovery, subpoena, or any other means of legal compulsion for release to a person other than an employee of the department or an agent involved in the investigation of the complaint.

3. Information regarding a resident who has received or is receiving care shall not be disclosed directly or indirectly except as authorized under section 217.30, 232.69, or 237.21.

89 Acts, ch 283, §14

**135H.14 Judicial review.**

Judicial review of the action of the department may be sought pursuant to the Iowa administrative procedure Act, chapter 17A. Notwithstanding the Iowa administrative procedure Act, chapter 17A, a petition for judicial review of the department's actions under this chapter may be filed in the district court of the county in which the related psychiatric

medical institution for children is located or is proposed to be located. The status of the petitioner or the licensee shall be preserved pending final disposition of the judicial review.

89 Acts, ch 283, §15; 2003 Acts, ch 44, §114

**135H.15 Penalty.**

A person who establishes, operates, or manages a psychiatric medical institution for children without obtaining a license under this chapter commits a serious misdemeanor. Each day of continuing violation following conviction shall be considered a separate offense.

89 Acts, ch 283, §16

**135H.16 Injunction.**

Notwithstanding the existence or pursuit of another remedy, the department may maintain an action for injunction or other process to restrain or prevent the establishment, operation, or management of a psychiatric medical institution for children without a license.

89 Acts, ch 283, §17

# CHAPTER 135I

## SWIMMING POOLS AND SPAS

Referred to in §89.4, 669.14, 670.4


| | | | |
|---|---|---|---|
| 135I.1 | Definitions. | 135I.4 | Powers and duties. |
| 135I.2 | Applicability. | 135I.5 | Penalty. |
| 135I.3 | Registration required. | 135I.6 | Enforcement. |


**135I.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the Iowa department of public health.

2. *"Local board of health"* means a city, county, or district board of health as defined in section 137.102.

3. *"Spa"* means a bathing facility such as a hot tub or whirlpool designed for recreational or therapeutic use.

4. *"Swimming pool"* means an artificial basin and its appurtenances, either constructed or operated for swimming, wading, or diving, and includes a swimming pool, wading pool, waterslide, or associated bathhouse. *"Swimming pool"* does not include a decorative fountain which does not serve primarily as a wading or swimming pool and the drain of which fountain is not connected to any type of suction device for removing or recirculating the water.

5. *"Swimming pool or spa water heater"* means an appliance designed for heating nonpotable water stored at atmospheric pressure, such as water in a swimming pool, spa, hot tub, or for similar uses.

89 Acts, ch 291, §1; 91 Acts, ch 75, §1; 92 Acts, ch 1194, §1; 2001 Acts, ch 58, §5; 2010 Acts, ch 1036, §20

Referred to in §669.14, 670.4

**135I.2 Applicability.**

This chapter applies to all swimming pools and spas owned or operated by local or state government, or commercial interests or private entities including but not limited to facilities operated by cities, counties, public or private school corporations, hotels, motels, camps, apartments, condominiums, and health or country clubs. This chapter does not apply to facilities intended for single family use or to a swimming pool or spa operated by a homeowners' association representing seventy-two or fewer dwelling units if the association's bylaws, which also apply to a rental agreement relative to any of the dwelling units, include an exemption from the requirements of this chapter, provide for inspection of the swimming pool or spa by an entity other than the department or local board of health,

and assume any liability associated with operation of the swimming pool or spa. This chapter does not apply to a swimming pool or spa used exclusively for therapy under the direct supervision of qualified medical personnel. To avoid duplication and promote coordination of inspection activities, the department may enter into written agreements with a local board of health to provide for inspection and enforcement in accordance with this chapter.

89 Acts, ch 291, §2; 92 Acts, ch 1194, §2; 92 Acts, ch 1237, §8; 96 Acts, ch 1097, §1; 2001 Acts, ch 58, §6; 2008 Acts, ch 1058, §5

**135I.3 Registration required.**

A person shall not operate a swimming pool or spa without first having registered with the department. Registration shall be renewed annually.

89 Acts, ch 291, §3

**135I.4 Powers and duties.**

The department is responsible for registering and regulating the operation of swimming pools, spas, and, notwithstanding chapter 89, swimming pool or spa water heaters. The department shall conduct seminars and training sessions, and disseminate information regarding health practices, safety measures, and operating procedures required under this chapter. The department may:

1. Inspect, at the time of installation and periodically thereafter, all swimming pools and spas for the purpose of detecting and eliminating health or safety hazards.

2. Establish minimum safety and sanitation criteria for the operation and use of swimming pools and spas.

3. Establish minimum qualifications for swimming pool, spa, and waterslide operators and lifeguards. Swimming pools operated by apartments, condominiums, country clubs, neighborhoods, or manufactured home communities or mobile home parks are exempt from requirements regarding lifeguards.

4. Establish and collect fees to defray the cost of administering this chapter. It is the intent of the general assembly that fees collected under this chapter be used to defray the cost of administering this chapter. However, the portion of fees needed to defray the costs of a local board of health in implementing this chapter shall be established by the local board of health. A fee imposed for the inspection of a swimming pool or spa shall not be collected until the inspection has actually been performed.

5. Adopt rules in accordance with chapter 17A for the implementation and enforcement of this chapter and the establishment of fees.

6. Enter into agreements with a local board of health to implement the inspection and enforcement provisions of this chapter. The agreements shall provide that the fees established by the local board of health for inspection and enforcement shall be retained by the local board. However, inspection fees shall not be charged by the department for facilities which are inspected by third-party authorities. Third-party authorities shall be approved by the department. The department shall monitor and certify the inspection and enforcement programs of local boards of health and approved third-party authorities.

89 Acts, ch 291, §4; 92 Acts, ch 1194, §3; 92 Acts, ch 1237, §9; 2001 Acts, ch 153, §16; 2007 Acts, ch 159, §22

**135I.5 Penalty.**

A person who violates a provision of this chapter commits a simple misdemeanor. Each day upon which a violation occurs constitutes a separate violation.

89 Acts, ch 291, §5

**135I.6 Enforcement.**

If the department or a local board of health acting pursuant to agreement with the department determines that a provision of this chapter or a rule adopted pursuant to this chapter has been or is being violated, the department may withhold or revoke the registration of a swimming pool or spa, or the department or the local board of health may order that a facility or item of equipment not be used, until the necessary corrective action has been

taken. The department or the local board of health may request the county attorney to bring appropriate legal proceedings to enforce this chapter, including an action to enjoin violations. The attorney general may also institute appropriate legal proceedings at the request of the department. This remedy is in addition to any other legal remedy available to the department or a local board of health.

89 Acts, ch 291, §6; 92 Acts, ch 1194, §4; 92 Acts, ch 1237, §10; 2007 Acts, ch 159, §23

# CHAPTER 135J

## LICENSED HOSPICE PROGRAMS

Referred to in §10A.104, 714H.4


| | |
|---|---|
| 135J.1 | Definitions. |
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| 135J.6 | Limitation, expiration, and renewal of licenses. |
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**135J.1 Definitions.**

For the purposes of this chapter unless otherwise defined:

1. *"Core services"* means physician services, nursing services, medical social services, counseling services, and volunteer services. These core services, as well as others deemed necessary by the hospice in delivering safe and appropriate care to its case load, can be provided through either direct or indirect arrangement by the hospice.

2. *"Department"* means the department of inspections and appeals.

3. *"Hospice patient"* or *"patient"* means a diagnosed terminally ill person with an anticipated life expectancy of six months or less, as certified by the attending physician, who, alone or in conjunction with a unit of care as defined in subsection 8, has voluntarily requested and received admission into the hospice program. If the patient is unable to request admission, a family member may voluntarily request and receive admission on the patient's behalf.

4. *"Hospice patient's family"* means the immediate kin of the patient, including a spouse, parent, stepparent, brother, sister, stepbrother, stepsister, child, or stepchild. Additional relatives or individuals with significant personal ties to the hospice patient may be included in the hospice patient's family.

5. *"Hospice program"* means a centrally coordinated program of home and inpatient care provided directly or through an agreement under the direction of an identifiable hospice administration providing palliative care and supportive medical and other health services to terminally ill patients and their families. A licensed hospice program shall utilize a medically directed interdisciplinary team and provide care to meet the physical, emotional, social, spiritual, and other special needs which are experienced during the final stages of illness, dying, and bereavement. Hospice care shall be available twenty-four hours a day, seven days a week.

6. *"Interdisciplinary team"* means the hospice patient and the hospice patient's family, the attending physician, and all of the following individuals trained to serve with a licensed hospice program:

*a.* A licensed physician pursuant to chapter 148.

*b.* A licensed registered nurse pursuant to chapter 152.

*c.* An individual with at least a baccalaureate degree in the field of social work providing medical-social services.

*d.* Trained hospice volunteers.

*e.* As deemed appropriate by the hospice, providers of special services including but not limited to a spiritual counselor, a pharmacist, or professionals in the fields of mental health may be included on the interdisciplinary team.

7. *"Palliative care"* means care directed at managing symptoms experienced by the hospice patient, as well as addressing related needs of the patient and family as they experience the stress of the dying process. The intent of palliative care is to enhance the quality of life for the hospice patient and family unit, and is not treatment directed at cure of the terminal illness.

8. *"Unit of care"* means the patient and the patient's family within a hospice program.

9. *"Volunteer services"* means the services provided by individuals who have successfully completed a training program developed by a licensed hospice program.

84 Acts, ch 1284, §2
C85, §135.90
90 Acts, ch 1204, §66
C91, §135J.1
2005 Acts, ch 3, §32; 2008 Acts, ch 1088, §91; 2009 Acts, ch 133, §196
Referred to in §144C.2, 144D.1, 331.802

**135J.2 Licenses — fees — criteria.**

A person or governmental unit, acting severally or jointly with any other person may establish, conduct, or maintain a hospice program in this state and receive a license from the department after meeting the requirements of this chapter. The application shall be on a form prescribed by the department and shall require information the department deems necessary. Nothing in this chapter shall prohibit a person or governmental unit from establishing, conducting, or maintaining a hospice program without a license. Each application for license shall be accompanied by a nonrefundable biennial license fee determined by the department.

The hospice program shall meet the criteria pursuant to section 135J.3 before a license is issued. The department of inspections and appeals is responsible to provide the necessary personnel to inspect the hospice program, the home care and inpatient care provided and the hospital or facility used by the hospice to determine if the hospice complies with necessary standards before a license is issued. Hospices that are certified as Medicare hospice providers by the department of inspections and appeals or are accredited as hospices by the joint commission on the accreditation of health care organizations, shall be licensed without inspection by the department of inspections and appeals.

84 Acts, ch 1284, §3
C85, §135.91
86 Acts, ch 1245, §1111; 90 Acts, ch 1204, §66
C91, §135J.2
98 Acts, ch 1100, §17; 2005 Acts, ch 3, §33

**135J.3 Basic requirements.**

A licensed hospice program shall include:

1. A planned program of hospice care, the medical components of which shall be under the direction of a licensed physician.

2. Centrally administered, coordinated hospice core services provided in home, outpatient, or institutional settings.

3. A mechanism that assures the rights of the patient and family.

4. Palliative care provided to a hospice patient and family under the direction of a licensed physician.

5. An interdisciplinary team which develops, implements, and evaluates the hospice plan of care for the patient and family.

6. Bereavement services.

7. Accessible hospice care twenty-four hours a day, seven days a week in all settings.

8. An ongoing system of quality assurance and utilization review.

84 Acts, ch 1284, §7
C85, §135.95

90 Acts, ch 1204, §66
C91, §135J.3
Referred to in §135J.2

**135J.4 Inspection.**

The department of inspections and appeals shall make or be responsible for inspections of the hospice program, the home care and the inpatient care provided in the hospice program, and the hospital or facility before a license is issued. The department of inspections and appeals shall inspect the hospice program periodically after initial inspection.

84 Acts, ch 1284, §6
C85, §135.94
86 Acts, ch 1245, §1112; 90 Acts, ch 1204, §66
C91, §135J.4

**135J.5 Denial, suspension, or revocation of licenses.**

The department may deny, suspend, or revoke a license if the department determines there is failure of the program to comply with this chapter or the rules adopted under this chapter. The suspension or revocation may be appealed under chapter 17A. The department may reissue a license following a suspension or revocation after the hospice corrects the conditions upon which the suspension or revocation was based.

84 Acts, ch 1284, §4
C85, §135.92
90 Acts, ch 1204, §66
C91, §135J.5
2005 Acts, ch 3, §34

**135J.6 Limitation, expiration, and renewal of licenses.**

Licenses for hospice programs shall be issued only for the premises, person, hospital, or facility named in the application and are not transferable or assignable. A license, unless sooner suspended or revoked, shall expire two years after the date of issuance and shall be renewed biennially upon an application by the licensee. Application for renewal shall be made in writing to the department at least thirty days prior to the expiration of the license. The fee for a license renewal shall be determined by the department. Licensed hospice programs which have allowed their licenses to lapse through failure to make timely application for renewal shall pay an additional fee of twenty-five percent of the biennial license fee.

84 Acts, ch 1284, §5
C85, §135.93
85 Acts, ch 67, §17; 89 Acts, ch 122, §1; 90 Acts, ch 1204, §66
C91, §135J.6

**135J.7 Rules.**

Except as otherwise provided in this chapter, the department shall adopt rules pursuant to chapter 17A necessary to implement this chapter, subject to approval of the state board of health. Formulation of the rules shall include consultation with Iowa hospice organization representatives and other persons affected by this chapter.

84 Acts, ch 1284, §8
C85, §135.96
87 Acts, ch 8, §3; 90 Acts, ch 1204, §66
C91, §135J.7
2005 Acts, ch 3, §35

# CHAPTER 135K

## BACKFLOW PREVENTION ASSEMBLY TESTERS


| | | | |
|---|---|---|---|
| 135K.1 | Definitions. | 135K.4 | Powers and duties. |
| 135K.2 | Applicability. | 135K.5 | Penalty. |
| 135K.3 | Registration and approval required. | 135K.6 | Enforcement. |


**135K.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Approved course"* means a course covering the testing and repair of backflow prevention assemblies which has been approved by the department.
2. *"Backflow prevention assembly"* means a device or means to prevent backflow into the potable water system.
3. *"Department"* means the Iowa department of public health.
4. *"Registered backflow prevention assembly tester"* means a person who has successfully completed an approved course and has registered with the department.

92 Acts, ch 1204, §1

**135K.2 Applicability.**

This chapter applies to all persons who test or repair backflow prevention assemblies.

92 Acts, ch 1204, §2

**135K.3 Registration and approval required.**

A person shall not test or repair backflow prevention assemblies without first having registered with and having been approved by the department.

92 Acts, ch 1204, §3

**135K.4 Powers and duties.**

The department shall adopt rules in accordance with chapter 17A, which provide for all of the following:

1. The establishment of minimum qualifications for registered backflow prevention assembly testers.
2. The establishment of minimum standards for approved courses.
3. The establishment and collection of fees to defray the cost of administering this chapter.
4. The provision of a listing of registered backflow prevention assembly testers to local health officials.
5. The administration and enforcement of this chapter.

92 Acts, ch 1204, §4

**135K.5 Penalty.**

A person who violates this chapter is guilty of a simple misdemeanor.

92 Acts, ch 1204, §5

**135K.6 Enforcement.**

1. The department shall investigate complaints regarding backflow prevention assembly testers. If the department determines that a provision of this chapter regarding the requirements for a backflow prevention assembly tester has been violated, the department may order a person not to test or repair backflow prevention assemblies or may revoke the registration of a registered backflow prevention assembly tester until the necessary corrective action has been taken.
2. The department shall investigate complaints regarding courses covering the testing and repair of backflow prevention assemblies. If the department determines that a provision of this chapter regarding approved courses has been violated, the department may revoke the approval of a course until the necessary corrective action has been taken.

92 Acts, ch 1204, §6

# CHAPTER 135L

## NOTIFICATION REQUIREMENTS REGARDING PREGNANT MINORS


135L.1 Definitions.
135L.2 Prospective minor parents decision-making assistance program established.
135L.3 Notification of parent prior to the performance of abortion on a pregnant minor — requirements — criminal penalty.
135L.4 Repealed by 97 Acts, ch 203, §19.
135L.5 Repealed by 97 Acts, ch 173, §17.
135L.6 Fraudulent practice.
135L.7 Immunities.
135L.8 Adoption of rules — implementation and documents.


**135L.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Abortion"* means an abortion as defined in chapter 146.
2. *"Adult"* means a person eighteen years of age or older.
3. *"Child-placing agency"* means any agency, public, semipublic, or private, which represents itself as placing children, receiving children for placement, or actually engaging in placement of children and includes the department of human services.
4. *"Court"* means the juvenile court.
5. *"Grandparent"* means the parent of an individual who is the parent of the pregnant minor.
6. *"Medical emergency"* means a condition which, based upon a physician's judgment, necessitates an abortion to avert the pregnant minor's death, or for which a delay will create a risk of serious impairment of a major bodily function.
7. *"Minor"* means a person under eighteen years of age who has not been and is not married.
8. *"Parent"* means one parent or a legal guardian or custodian of a pregnant minor.
9. *"Responsible adult"* means an adult, who is not associated with an abortion provider, chosen by a pregnant minor to assist the minor in the decision-making process established in this chapter.

96 Acts, ch 1011, §1, 14; 97 Acts, ch 173, §1

**135L.2 Prospective minor parents decision-making assistance program established.**

1. A decision-making assistance program is created to provide assistance to minors in making informed decisions relating to pregnancy. The program shall offer and include all of the following:

*a.* (1) A video, to be developed by a person selected through a request for proposals process or other contractual agreement, which provides information regarding the various options available to a pregnant minor with regard to the pregnancy, including a decision to continue the pregnancy to term and retain parental rights following the child's birth, a decision to continue the pregnancy to term and place the child for adoption following the child's birth, and a decision to terminate the pregnancy through abortion. The video shall provide the information in a manner and language, including but not limited to the use of closed captioning for the hearing-impaired, which could be understood by a minor.

(2) The video shall explain that public and private agencies are available to assist a pregnant minor with any alternative chosen.

(3) The video shall explain that if the pregnant minor decides to continue the pregnancy to term, and to retain parental rights to the child, the father of the child is liable for the support of the child.

(4) The video shall explain that tendering false documents is a fraudulent practice in the fourth degree pursuant to section 135L.6.

*b.* Written decision-making materials which include all of the following:

(1) Information regarding the options described in the video including information regarding the agencies and programs available to provide assistance to the pregnant minor

in parenting a child; information relating to adoption including but not limited to information regarding child-placing agencies; and information regarding abortion including but not limited to the legal requirements relative to the performance of an abortion on a pregnant minor. The information provided shall include information explaining that if a pregnant minor decides to continue the pregnancy to term and to retain parental rights, the father of the child is liable for the support of the child and that if the pregnant minor seeks public assistance on behalf of the child, the pregnant minor shall, and if the pregnant minor is not otherwise eligible as a public assistance recipient, the pregnant minor may, seek the assistance of the child support recovery unit in establishing the paternity of the child, and in seeking support payments for a reasonable amount of the costs associated with the pregnancy, medical support, and maintenance from the father of the child, or if the father is a minor, from the parents of the minor father. The information shall include a listing of the agencies and programs and the services available from each.

(2) A workbook which is to be used in viewing the video and which includes a questionnaire and exercises to assist a pregnant minor in viewing the video and in considering the options available regarding the minor's pregnancy.

(3) A detachable certification form to be signed by the pregnant minor certifying that the pregnant minor was offered a viewing of the video and the written decision-making materials.

2. *a.* The video shall be available through the state and local offices of the Iowa department of public health, the department of human services, and the judicial branch and through the office of each licensed physician who performs abortions.

*b.* The video may be available through the office of any licensed physician who does not perform abortions, upon the request of the physician; through any nonprofit agency serving minors, upon the request of the agency; and through any other person providing services to minors, upon the request of the person.

3. During the initial appointment between a licensed physician from whom a pregnant minor is seeking the performance of an abortion and a pregnant minor, the licensed physician shall offer the viewing of the video and the written decision-making materials to the pregnant minor, and shall obtain the signed and dated certification form from the pregnant minor. A licensed physician shall not perform an abortion on a pregnant minor prior to obtaining the completed certification form from a pregnant minor.

4. A pregnant minor shall be encouraged to select a responsible adult, preferably a parent of the pregnant minor, to accompany the pregnant minor in viewing the video and receiving the decision-making materials.

5. To the extent possible and at the discretion of the pregnant minor, the person responsible for impregnating the pregnant minor shall also be involved in the viewing of the video and in the receipt of written decision-making materials.

6. Following the offering of the viewing of the video and of the written decision-making materials, the pregnant minor shall sign and date the certification form attached to the materials, and shall submit the completed form to the licensed physician. The licensed physician shall also provide a copy of the completed certification form to the pregnant minor.

96 Acts, ch 1011, §2, 14; 96 Acts, ch 1174, §1; 97 Acts, ch 173, §2; 98 Acts, ch 1047, §16
Referred to in §135L.3, 135L.6

**135L.3 Notification of parent prior to the performance of abortion on a pregnant minor — requirements — criminal penalty.**

1. A licensed physician shall not perform an abortion on a pregnant minor until at least forty-eight hours' prior notification is provided to a parent of the pregnant minor.

2. The licensed physician who will perform the abortion shall provide notification in person or by mailing the notification by restricted certified mail to a parent of the pregnant minor at the usual place of abode of the parent. For the purpose of delivery by restricted certified mail, the time of delivery is deemed to occur at twelve o'clock noon on the next day on which regular mail delivery takes place, subsequent to the mailing.

3. If the pregnant minor objects to the notification of a parent prior to the performance of an abortion on the pregnant minor, the pregnant minor may petition the court to authorize

waiver of the notification requirement pursuant to this section in accordance with the following procedures:

*a.* The court shall ensure that the pregnant minor is provided with assistance in preparing and filing the petition for waiver of notification and shall ensure that the pregnant minor's identity remains confidential.

*b.* The pregnant minor may participate in the court proceedings on the pregnant minor's own behalf. The court may appoint a guardian ad litem for the pregnant minor and the court shall appoint a guardian ad litem for the pregnant minor if the pregnant minor is not accompanied by a responsible adult or if the pregnant minor has not viewed the video as provided pursuant to section 135L.2. In appointing a guardian ad litem for the pregnant minor, the court shall consider a person licensed to practice psychology pursuant to chapter 154B, a licensed social worker pursuant to chapter 154C, a licensed marital and family therapist pursuant to chapter 154D, or a licensed mental health counselor pursuant to chapter 154D to serve in the capacity of guardian ad litem. The court shall advise the pregnant minor of the pregnant minor's right to court-appointed legal counsel, and shall, upon the pregnant minor's request, provide the pregnant minor with court-appointed legal counsel, at no cost to the pregnant minor.

*c.* The court proceedings shall be conducted in a manner which protects the confidentiality of the pregnant minor and notwithstanding section 232.147 or any other provision to the contrary, all court documents pertaining to the proceedings shall remain confidential and shall be sealed. Only the pregnant minor, the pregnant minor's guardian ad litem, the pregnant minor's legal counsel, and persons whose presence is specifically requested by the pregnant minor, by the pregnant minor's guardian ad litem, or by the pregnant minor's legal counsel may attend the hearing on the petition.

*d.* Notwithstanding any law or rule to the contrary, the court proceedings under this section shall be given precedence over other pending matters to ensure that the court reaches a decision expeditiously.

*e.* Upon petition and following an appropriate hearing, the court shall waive the notification requirements if the court determines either of the following:

(1) That the pregnant minor is mature and capable of providing informed consent for the performance of an abortion.

(2) That the pregnant minor is not mature, or does not claim to be mature, but that notification is not in the best interest of the pregnant minor.

*f.* The court shall issue specific factual findings and legal conclusions, in writing, to support the decision.

*g.* Upon conclusion of the hearing, the court shall immediately issue a written order which shall be provided immediately to the pregnant minor, the pregnant minor's guardian ad litem, the pregnant minor's legal counsel, or to any other person designated by the pregnant minor to receive the order.

*h.* An expedited, confidential appeal shall be available to a pregnant minor for whom the court denies a petition for waiver of notification. An order granting the pregnant minor's application for waiver of notification is not subject to appeal. Access to the appellate courts for the purpose of an appeal under this section shall be provided to a pregnant minor twenty-four hours a day, seven days a week.

*i.* A pregnant minor who chooses to utilize the waiver of notification procedures under this section shall not be required to pay a fee at any level of the proceedings. Fees charged and court costs taxed in connection with a proceeding under this section are waived.

*j.* If the court denies the petition for waiver of notification and if the decision is not appealed or all appeals are exhausted, the court shall advise the pregnant minor that, upon the request of the pregnant minor, the court will appoint a licensed marital and family therapist to assist the pregnant minor in addressing any intrafamilial problems. All costs of services provided by a court-appointed licensed marital and family therapist shall be paid by the court through the expenditure of funds appropriated to the judicial branch.

*k.* Venue for proceedings under this section is in any court in the state.

*l.* The supreme court shall prescribe rules to ensure that the proceedings under this section are performed in an expeditious and confidential manner. The rules shall require

that the hearing on the petition shall be held and the court shall rule on the petition within forty-eight hours of the filing of the petition. If the court fails to hold the hearing and rule on the petition within forty-eight hours of the filing of the petition and an extension is not requested, the petition is deemed granted and waiver of the notification requirements is deemed authorized. The court shall immediately provide documentation to the pregnant minor and to the pregnant minor's legal counsel if the pregnant minor is represented by legal counsel, demonstrating that the petition is deemed granted and that waiver of the notification requirements is deemed authorized. Resolution of a petition for authorization of waiver of the notification requirement shall be completed within ten calendar days as calculated from the day after the filing of the petition to the day of issuance of any final decision on appeal.

*m.* The requirements of this section regarding notification of a parent of a pregnant minor prior to the performance of an abortion on a pregnant minor do not apply if any of the following applies:

(1) The abortion is authorized in writing by a parent entitled to notification.

(2) (a) The pregnant minor declares, in a written statement submitted to the attending physician, a reason for not notifying a parent and a reason for notifying a grandparent of the pregnant minor in lieu of the notification of a parent. Upon receipt of the written statement from the pregnant minor, the attending physician shall provide notification to a grandparent of the pregnant minor, specified by the pregnant minor, in the manner in which notification is provided to a parent.

(b) The notification form shall be in duplicate and shall include both of the following:

(i) A declaration which informs the grandparent of the pregnant minor that the grandparent of the pregnant minor may be subject to civil action if the grandparent accepts notification.

(ii) A provision that the grandparent of the pregnant minor may refuse acceptance of notification.

(3) The pregnant minor's attending physician certifies in writing that a medical emergency exists which necessitates the immediate performance of an abortion, and places the written certification in the medical file of the pregnant minor.

(4) The pregnant minor declares that the pregnant minor is a victim of child abuse pursuant to section 232.68, the person responsible for the care of the child is a parent of the child, and either the abuse has been reported pursuant to the procedures prescribed in chapter 232, division III, part 2, or a parent of the child is named in a report of founded child abuse. The department of human services shall maintain confidentiality under chapter 232 and shall not release any information in response to a request for public records, discovery procedures, subpoena, or any other means, unless the release of information is expressly authorized by the pregnant minor regarding the pregnant minor's pregnancy and abortion, if the abortion is obtained. A person who knowingly violates the confidentiality provisions of this subparagraph is guilty of a serious misdemeanor.

(5) The pregnant minor declares that the pregnant minor is a victim of sexual abuse as defined in chapter 709 and has reported the sexual abuse to law enforcement.

*n.* A licensed physician who knowingly performs an abortion in violation of this section is guilty of a serious misdemeanor.

*o.* All records and files of a court proceeding maintained under this section shall be destroyed by the clerk of court when one year has elapsed from any of the following, as applicable:

(1) The date that the court issues an order waiving the notification requirements.

(2) The date after which the court denies the petition for waiver of notification and the decision is not appealed.

(3) The date after which the court denies the petition for waiver of notification, the decision is appealed, and all appeals are exhausted.

*p.* A person who knowingly violates the confidentiality requirements of this section relating to court proceedings and documents is guilty of a serious misdemeanor.

96 Acts, ch 1011, §4, 14; 96 Acts, ch 1174, §2; 97 Acts, ch 173, §3 – 11; 98 Acts, ch 1047, §17

Referred to in §232.5, 602.8102(31)

**135L.4** Repealed by 97 Acts, ch 203, § 19.

**135L.5** Repealed by 97 Acts, ch 173, § 17. See § 135L.3, subsection 3, paragraph m.

**135L.6 Fraudulent practice.**

A person who does any of the following is guilty of a fraudulent practice in the fourth degree pursuant to section 714.12:

1. Knowingly tenders a false original or copy of the signed and dated certification form described in section 135L.2, to be retained by the licensed physician.

2. Knowingly tenders a false original or copy of the notification document mailed to a parent or grandparent of the pregnant minor under this chapter, or a false original or copy of the order waiving notification relative to the performance of an abortion on a pregnant minor.

96 Acts, ch 1011, §7, 14; 96 Acts, ch 1174, §5; 97 Acts, ch 173, §12
Referred to in §135L.2

**135L.7 Immunities.**

1. With the exception of the civil liability which may apply to a grandparent of a pregnant minor who accepts notification under this chapter, a person is immune from any liability, civil or criminal, for any act, omission, or decision made in connection with a good faith effort to comply with the provisions of this chapter.

2. This section shall not be construed to limit civil liability of a person for any act, omission, or decision made in relation to the performance of a medical procedure on a pregnant minor.

96 Acts, ch 1011, §8, 14; 97 Acts, ch 173, §13

**135L.8 Adoption of rules — implementation and documents.**

The Iowa department of public health shall adopt rules to implement the notification procedures pursuant to this chapter including but not limited to rules regarding the documents necessary for notification of a parent or grandparent of a pregnant minor who is designated to receive notification under this chapter.

96 Acts, ch 1011, §9, 14; 97 Acts, ch 173, §14

# CHAPTER 135M

## PRESCRIPTION DRUG DONATION REPOSITORY


135M.1 Purpose.
135M.2 Definitions.
135M.3 Prescription drug donation repository program authorized.
135M.4 Prescription drug donation repository program requirements.
135M.5 Exemption from disciplinary action, civil liability, and criminal prosecution.
135M.6 Sample prescription drugs.
135M.7 Resale prohibited.


**135M.1 Purpose.**

The purpose of this chapter is to improve the health of low-income Iowans and Iowans who have been victims of a state of disaster emergency proclaimed by the governor pursuant to section 29C.6 or a public health disaster as defined in section 135.140, subsection 6, through a prescription drug donation repository that authorizes medical facilities, pharmacies, and the department to redispense prescription drugs and supplies that would otherwise be destroyed.

2005 Acts, ch 97, §1; 2009 Acts, ch 127, §1

**135M.2 Definitions.**

1. *"Anti-rejection drug"* means a prescription drug that suppresses the immune system to prevent or reverse rejection of a transplanted organ.

2. *"Cancer drug"* means a prescription drug that is used to treat any of the following:

*a.* Cancer or the side effects of cancer.

*b.* The side effects of any prescription drug that is used to treat cancer or the side effects of cancer.

3. *"Controlled substance"* means the same as defined in section 155A.3.

4. *"Department"* means the Iowa department of public health.

5. *"Indigent"* means a person with an income that is below two hundred percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

6. *"Medical facility"* means any of the following:

*a.* A physician's office.

*b.* A hospital.

*c.* A health clinic.

*d.* A nonprofit health clinic which includes a federally qualified health center as defined in 42 U.S.C. § 1396d(l)(2)(B); a rural health clinic as defined in 42 U.S.C. § 1396d(l)(1); and a nonprofit health clinic that provides medical care to patients who are indigent, uninsured, or underinsured.

*e.* A free clinic as defined in section 135.24.

*f.* A charitable organization as defined in section 135.24.

*g.* A nursing facility as defined in section 135C.1.

7. *"Pharmacy"* means a pharmacy as defined in section 155A.3.

8. *"Prescription drug"* means the same as defined in section 155A.3, and includes cancer drugs and anti-rejection drugs, but does not include controlled substances.

9. *"Supplies"* means the supplies necessary to administer the prescription drugs donated.

2005 Acts, ch 97, §2

**135M.3 Prescription drug donation repository program authorized.**

1. The department, in cooperation with the board of pharmacy, may establish and maintain a prescription drug donation repository program under which any person may donate prescription drugs and supplies for use by an individual who meets eligibility criteria specified by the department by rule. The department may contract with a third party to implement and administer the program.

2. Donations of prescription drugs and supplies under the program may be made on the premises of a medical facility or pharmacy that elects to participate in the program and meets the requirements established by the department.

3. The medical facility or pharmacy may charge an individual who receives a prescription drug or supplies a handling fee that shall not exceed an amount established by rule by the department.

4. *a.* A medical facility or pharmacy that receives prescription drugs or supplies may distribute the prescription drugs or supplies to another eligible medical facility or pharmacy for use pursuant to the program.

*b.* The department may receive prescription drugs or supplies directly from the prescription drug donation repository contractor and may distribute such prescription drugs and supplies through persons licensed to dispense prescription drugs and supplies to an eligible individual for use by the individual pursuant to the program. The department may receive and distribute such prescription drugs or supplies under this paragraph during or in preparation for a state of disaster emergency proclaimed by the governor pursuant to section 29C.6 or during or in preparation for a public health disaster as defined in section 135.140, subsection 6.

5. Participation in the program shall be voluntary.

2005 Acts, ch 97, §3; 2007 Acts, ch 10, §22; 2009 Acts, ch 127, §2

**135M.4 Prescription drug donation repository program requirements.**

1. A prescription drug or supplies may be accepted and dispensed under the prescription drug donation repository program if all of the following conditions are met:

*a.* The prescription drug is in its original sealed and tamper-evident packaging. However,

a prescription drug in a single-unit dose or blister pack with the outside packaging opened may be accepted if the single-unit dose packaging remains intact.

*b.* The prescription drug bears an expiration date that is more than six months after the date the prescription drug was donated. However, a donated prescription drug bearing an expiration date that is six months or less after the date the prescription drug was donated may be accepted and distributed if the drug is in high demand and can be dispensed for use prior to the drug's expiration date.

*c.* The prescription drug or supplies are inspected before the prescription drug or supplies are dispensed by a licensed pharmacist employed by or under contract with the medical facility or pharmacy, and the licensed pharmacist determines that the prescription drug or supplies are not adulterated or misbranded.

*d.* The prescription drug or supplies are prescribed by a health care practitioner for use by an eligible individual and are dispensed by a pharmacist or are dispensed to an eligible individual by the prescribing health care practitioner or the practitioner's authorized agent.

2. A prescription drug or supplies donated under this chapter shall not be resold.

3. *a.* If a person who donates prescription drugs under this chapter to a medical facility or pharmacy receives a notice from a pharmacy that a prescription drug has been recalled, the person shall inform the medical facility or pharmacy of the recall.

*b.* If a medical facility or pharmacy receives a recall notification from a person who donated prescription drugs under this chapter, the medical facility or pharmacy shall perform a uniform destruction of all of the recalled prescription drugs in the medical facility or pharmacy.

4. A prescription drug dispensed through the prescription drug donation repository program shall not be eligible for reimbursement under the medical assistance program.

5. The department shall adopt rules establishing all of the following:

*a.* Requirements for medical facilities and pharmacies to accept and dispense donated prescription drugs and supplies, including all of the following:

(1) Eligibility criteria for participation by medical facilities and pharmacies.

(2) Standards and procedures for accepting, safely storing, and dispensing donated prescription drugs and supplies.

(3) Standards and procedures for inspecting donated prescription drugs to determine if the prescription drugs are in their original sealed and tamper-evident packaging, or if the prescription drugs are in single-unit doses or blister packs and the outside packaging is opened, if the single-unit dose packaging remains intact.

(4) Standards and procedures for inspecting donated prescription drugs and supplies to determine that the prescription drugs and supplies are not adulterated or misbranded.

*b.* (1) Eligibility criteria for individuals to receive donated prescription drugs and supplies dispensed by medical facilities and pharmacies under the program. The standards shall prioritize dispensing to individuals who are indigent or uninsured, but may permit dispensing to other individuals if an uninsured or indigent individual is unavailable.

(2) Eligibility criteria for individuals to receive donated prescription drugs and supplies dispensed directly by the department through persons licensed to dispense prescription drugs and supplies. The department shall accept and dispense donated prescription drugs and supplies received from the prescription drug donation repository contractor during or in preparation for a state of disaster emergency proclaimed by the governor pursuant to section 29C.6 or during or in preparation for a public health disaster as defined in section 135.140, subsection 6.

*c.* Necessary forms for administration of the prescription drug donation repository program, including forms for use by individuals who donate, accept, distribute, or dispense the prescription drugs or supplies under the program.

*d.* A means by which an individual who is eligible to receive donated prescription drugs and supplies may indicate such eligibility.

*e.* The maximum handling fee that a medical facility or pharmacy may charge for accepting, distributing, or dispensing donated prescription drugs and supplies under the program.

*f.* A list of prescription drugs that the prescription drug donation repository program will accept.

2005 Acts, ch 97, §4; 2007 Acts, ch 159, §24; 2008 Acts, ch 1058, §6; 2009 Acts, ch 127, §3

**135M.5 Exemption from disciplinary action, civil liability, and criminal prosecution.**

1. A drug manufacturer acting reasonably and in good faith, is not subject to criminal prosecution or civil liability for injury, death, or loss to a person or property for matters related to the donation, acceptance, or dispensing of a prescription drug manufactured by the drug manufacturer that is donated under this chapter, including liability for failure to transfer or communicate product or consumer information or the expiration date of the donated prescription drug.

2. Except as provided in subsection 3, a person including the department or the department's employees, agents, or volunteers, but not a drug manufacturer subject to subsection 1, acting reasonably and in good faith, is immune from civil liability and criminal prosecution for injury to or the death of an individual to whom a donated prescription drug is dispensed under this chapter and shall be exempt from disciplinary action related to the person's acts or omissions related to the donation, acceptance, distribution, or dispensing of a donated prescription drug under this chapter.

3. The immunity and exemption provided in subsection 2 do not extend to any of the following:

*a.* The donation, acceptance, distribution, or dispensing of a donated prescription drug under this chapter by a person if the person's acts or omissions are not performed reasonably and in good faith.

*b.* To acts or omissions outside the scope of the program.

2005 Acts, ch 97, §5; 2009 Acts, ch 127, §4

**135M.6 Sample prescription drugs.**

This chapter shall not be construed to restrict the use of samples by a physician or other person legally authorized to prescribe drugs under state and federal law during the course of the physician's or other person's duties at a medical facility or pharmacy.

2005 Acts, ch 97, §6; 2005 Acts, ch 179, §119

**135M.7 Resale prohibited.**

This chapter shall not be construed to authorize the resale of prescription drugs by any person.

2005 Acts, ch 97, §7

# CHAPTER 135N

## HEMOPHILIA ADVISORY COMMITTEE

Repealed by 2013 Acts, ch 129, §58

# CHAPTER 135O

## BOARDING HOMES

Referred to in §10A.104, 16.185

135O.1 Definitions.
135O.2 Required registration and reporting — rules — penalty.
135O.3 Response to allegations.
135O.4 Public disclosure of findings.

**135O.1 Definitions.**

For the purposes of this chapter unless the context otherwise requires:

1. *"Boarding home"* means a premises used by its owner or lessee for the purpose of letting rooms for rental to three or more persons not related within the third degree of consanguinity to the owner or lessee where supervision or assistance with activities of daily living is provided to such persons. A boarding home does not include a facility, home, or program otherwise subject to licensure or regulation by the department of human services, department of inspections and appeals, or department of public health.

2. *"Department"* means the department of inspections and appeals.

3. *"Premises"* means the same as defined in section 562A.6.

2009 Acts, ch 136, §3

**135O.2 Required registration and reporting — rules — penalty.**

1. The owner or lessee of a boarding home in this state shall register with and submit occupancy reports to the department. The content of the required occupancy reports shall include but is not limited to the number of individuals living in the boarding home and the supervision or assistance with activities of daily living being provided to the individuals.

2. The department of inspections and appeals shall adopt rules to administer this chapter in consultation with the departments of human services and public safety.

3. *a.* The owner or lessee of a boarding home who fails to register with the department or to timely submit occupancy reports required by this section and rules adopted pursuant to this chapter is subject to a civil penalty of not more than five hundred dollars.

*b.* The department may reduce, alter, or waive a penalty under paragraph *"a"* upon the owner's or lessee's showing of good faith compliance with the department's request to immediately cease and desist from conduct in violation of this chapter.

2009 Acts, ch 136, §4

**135O.3 Response to allegations.**

1. If the department or other state agency receives an allegation of a violation of this chapter by a boarding home or an allegation regarding the care or safety of an individual living in a boarding home, a coordinated, interagency approach shall be used to respond to the allegation.

2. *a.* The interagency approach may involve a multidisciplinary team consisting of employees of the department of inspections and appeals, the department of human services, the state fire marshal, and the division of criminal investigation of the department of public safety, or other local, state, and federal agencies.

*b.* The multidisciplinary team may consult with local, state, and federal law enforcement agencies, first responders, health and human services professionals, and governmental and nongovernmental advocacy organizations, and other appropriate persons.

3. The name of a person who files an allegation shall be kept confidential and shall not be subject to discovery, subpoena, or other means of legal compulsion for its release to a person other than department employees or the members of a multidisciplinary team involved in the investigation of the allegation.

4. If the department or a multidisciplinary team has probable cause to believe that a boarding home is in violation of this chapter or licensing or other regulatory requirements of the department of human services, department of inspections and appeals, or department of public health, or that dependent adult abuse of any individual living in a boarding home has occurred, and upon producing proper identification, is denied entry to the boarding home or access to any individual living in the boarding home for the purpose of making an inspection or conducting an investigation, the department or multidisciplinary team may, with the assistance of the county attorney of the county in which the boarding home is located, apply to the district court for an order requiring the owner or lessee to permit entry to the boarding home and access to the individuals living in the boarding home.

2009 Acts, ch 136, §5

**135O.4 Public disclosure of findings.**

Following an inspection or investigation of a boarding home under this chapter by the department or a multidisciplinary team, the final findings with respect to compliance by the boarding home shall be made available to the public. Other information relating to a boarding home obtained by the department or a multidisciplinary team which does not constitute the findings from an inspection or investigation of the boarding home shall not be made available to the public except in proceedings involving the denial, suspension, or revocation of a boarding home registration under this chapter. The information made available to the public pursuant to this section shall not include information which is kept confidential under section 22.7.

2009 Acts, ch 136, §6

# CHAPTER 136

## STATE BOARD OF HEALTH

Referred to in §125.2


| | | | |
|---|---|---|---|
| 136.1 | Composition of board. | 136.6 | Repealed by 71 Acts, ch 84, §99. |
| 136.2 | Appointment. | 136.7 | Chairperson — staff assistance. |
| 136.3 | Duties. | 136.8 | Supplies. |
| 136.4 | Questions submitted. | 136.9 | Compensation and expenses. |
| 136.5 | Meetings. | 136.10 | Publication of proceedings. |


**136.1 Composition of board.**

1. The state board of health shall consist of the following members:

*a.* Two members learned in health-related disciplines.

*b.* Three members who have direct experience with public health.

*c.* Two members who have direct experience with substance abuse treatment or prevention.

*d.* Four members representing the general public.

2. At least one of such members shall be licensed in the practice of medicine and surgery or osteopathic medicine and surgery under chapter 148.

[S13, §2564-a; C24, 27, 31, 35, 39, §**2218;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §136.1]

86 Acts, ch 1245, §1119; 2005 Acts, ch 175, §78; 2010 Acts, ch 1090, §1; 2011 Acts, ch 25, §17

Referred to in §135.154, 135.157

**136.2 Appointment.**

All members of the state board of health shall be appointed by the governor to three-year staggered terms which shall expire on June 30.

The governor shall appoint annually successors to the three board members whose terms expire that year. A vacancy occurring on the board shall be filled by the governor for the unexpired term of the vacancy.

[C24, 27, 31, 35, 39, §**2219;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §136.2]

89 Acts, ch 83, §27

**136.3 Duties.**

The state board of health shall provide a forum for the development of public health policy in the state of Iowa and shall have the following powers and duties:

1. Consider and study legislation and administration concerning public health.

2. Advise the department on any issue related to the promotion and protection of the health of Iowans including but not limited to:

*a.* Prevention of epidemics and the spread of disease, including communicable and

infectious diseases such as zoonotic diseases, quarantine and isolation, sexually transmitted diseases, and antitoxins and vaccines.

*b.* Protection against environmental hazards.

*c.* Prevention of injuries.

*d.* Promotion of healthy behaviors.

*e.* Preparing for, responding to, and recovering from public health emergencies and disasters.

3. Establish policies governing the performance of the department in the discharge of any duties imposed on it by law.

4. Provide guidance to the director in the discharge of the director's duties.

5. Adopt and implement the Iowa public health standards.

6. Assure that the department complies with Iowa Code, administrative rules, and the Iowa public health standards. For this purpose the board shall have access at any time to all documents and records of the department.

7. Assure that the department prepares and distributes an annual report.

8. Advise or make recommendations to the director of public health, governor, and general assembly relative to public health and advocate for state and local public health to comply with the Iowa public health standards.

9. Offer consultation to the governor in the appointment of the director of the department.

10. Adopt, promulgate, amend, and repeal rules and regulations consistent with law for the protection of the public health and prevention of substance abuse, and for the guidance of the department. All rules adopted by the department are subject to approval by the board.

11. Act by committee, or by a majority of the board.

12. Keep minutes of the transactions of each session, regular or special, which shall be public records and filed with the department.

13. Perform those duties authorized pursuant to chapter 125. The board may appoint a substance abuse and gambling treatment program committee to approve or deny applications for licensure received from substance abuse programs pursuant to chapter 125 and gambling treatment programs pursuant to chapter 135 and to perform any other function authorized by chapter 125 or 135 and delegated to the committee.

14. Perform those duties authorized pursuant to sections 135.156 and 135.159 and other provisions of law.

[C97, §2565; C24, 27, 31, 35, 39, §**2220;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §136.3]

86 Acts, ch 1245, §1120; 2001 Acts, ch 184, §8; 2002 Acts, ch 1050, §19; 2005 Acts, ch 175, §79, 80; 2008 Acts, ch 1188, §27, 47, 53, 66; 2010 Acts, ch 1090, §2; 2011 Acts, ch 129, §80, 82

**136.4 Questions submitted.**

The department may lay before the board, or any committee thereof, at any regular or special meeting, any matter upon which it desires the advice or opinion of such body or committee.

[C24, 27, 31, 35, 39, §**2221;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §136.4]

**136.5 Meetings.**

The board shall meet at least six times per year and as may be deemed necessary by the chairperson of the board or the director of the department. The department shall give each board member adequate notice of all meetings. A majority of the members of the board shall constitute a quorum.

[C97, §2564; S13, §2564; C24, 27, 31, 35, 39, §**2222;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §136.5]

2010 Acts, ch 1090, §3

**136.6** Repealed by 71 Acts, ch 84, § 99.

**136.7 Chairperson — staff assistance.**

The board shall annually in July elect a chairperson, who shall serve for a period of one year. The department shall furnish staff from the regular employees of the department to record the minutes of the meetings of the board.

[C97, §2564; S13, §2564; C24, 27, 31, 35, 39, §**2224;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §136.7]

2010 Acts, ch 1090, §4

**136.8 Supplies.**

The department shall furnish the board of health with all articles and supplies necessary to enable the board to perform the duties imposed upon it by law. Such articles and supplies shall be obtained by the department in the same manner in which the regular supplies for the department are obtained and the same shall be considered and accounted for as if obtained for the use of the department.

[S13, §2564; C24, 27, 31, 35, 39, §**2225;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §136.8]

2010 Acts, ch 1090, §5

**136.9 Compensation and expenses.**

The members of the board shall be reimbursed for actual expenses for each day employed in the discharge of their duties. All expense moneys paid to the members shall be paid from funds appropriated to the state department of public health. Each member of the board may also be eligible to receive compensation as provided in section 7E.6.

[C97, §2574; S13, §2564, 2574; C24, 27, 31, 35, 39, §**2226;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §136.9]

86 Acts, ch 1245, §1121

**136.10 Publication of proceedings.**

Upon request of the board the department shall incorporate the proceedings of the board, or any part of the proceedings, in its annual report to the governor, and those proceedings shall then be published as a part of the official report of the department.

[C24, 27, 31, 35, 39, §**2227;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §136.10]

91 Acts, ch 258, §30

# CHAPTER 136A

## CENTER FOR CONGENITAL AND INHERITED DISORDERS

Referred to in §135.11


136A.1 Purpose.
136A.2 Definitions.
136A.3 Establishment of center for congenital and inherited disorders — duties.
136A.4 Genetic health services.
136A.5 Newborn metabolic screening.
136A.5A Newborn critical congenital heart disease screening.
136A.6 Central registry.
136A.7 Confidentiality.
136A.8 Rules.
136A.9 Cooperation of other agencies.


**136A.1 Purpose.**

To reduce and avoid adverse health conditions of inhabitants of the state, the Iowa department of public health shall initiate, conduct, and supervise screening and health care programs in order to detect and predict congenital or inherited disorders. The department shall assist in the translation and integration of genetic and genomic advances into public health services to improve health outcomes throughout the life span of the inhabitants of the state.

2004 Acts, ch 1031, §2, 12

**136A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Attending health care provider"* means a licensed physician, nurse practitioner, certified nurse midwife, or physician assistant.

2. *"Congenital disorder"* means an abnormality existing prior to or at birth, including a stillbirth, that adversely affects the health and development of a fetus, newborn, child, or adult, including a structural malformation or a genetic, chromosomal, inherited, or biochemical disorder.

3. *"Department"* means the Iowa department of public health.

4. *"Disorder"* means a congenital or inherited disorder.

5. *"Genetics"* means the study of inheritance and how genes contribute to health conditions and the potential for disease.

6. *"Genomics"* means the functions and interactions of all human genes and their variation within human populations, including their interaction with environmental factors, and their contribution to health.

7. *"Inherited disorder"* means a condition caused by an abnormal change in a gene or genes passed from a parent or parents to their child. Onset of the disorder may be prior to or at birth, during childhood, or in adulthood.

8. *"Stillbirth"* means an unintended fetal death occurring after a gestation period of twenty completed weeks, or an unintended fetal death of a fetus with a weight of three hundred fifty or more grams.

2004 Acts, ch 1031, §3, 12

Referred to in §144.31A

**136A.3 Establishment of center for congenital and inherited disorders — duties.**

A center for congenital and inherited disorders is established within the department. The center shall do all of the following:

1. Initiate, conduct, and supervise statewide screening programs for congenital and inherited disorders amenable to population screening.

2. Initiate, conduct, and supervise statewide health care programs to aid in the early detection, treatment, prevention, education, and provision of supportive care related to congenital and inherited disorders.

3. Develop specifications for and designate a central laboratory in which tests conducted pursuant to the screening programs provided for in subsection 1 will be performed.

4. Gather, evaluate, and maintain information related to causes, severity, prevention, and methods of treatment for congenital and inherited disorders in conjunction with a central registry, screening programs, genetic health care programs, and ongoing scientific investigations and surveys.

5. Perform surveillance and monitoring of congenital and inherited disorders to determine the occurrence and trends of the disorders, to conduct thorough and complete epidemiological surveys, to assist in the planning for and provision of services to children with congenital and inherited disorders and their families, and to identify environmental and genetic risk factors for congenital and inherited disorders.

6. Provide information related to severity, causes, prevention, and methods of treatment for congenital and inherited disorders to the public, medical and scientific communities, and health science disciplines.

7. Implement public education programs, continuing education programs for health practitioners, and education programs for trainees of the health science disciplines related to genetics, congenital disorders, and inheritable disorders.

8. Participate in policy development to assure the appropriate use and confidentiality of genetic information and technologies to improve health and prevent disease.

9. Collaborate with state and local health agencies and other public and private organizations to provide education, intervention, and treatment for congenital and inherited disorders and to integrate genetics and genomics advances into public health activities and policies.

2004 Acts, ch 1031, §4, 12

**136A.4 Genetic health services.**

The center may initiate, conduct, and supervise genetic health services for the inhabitants of the state, including the provision of regional genetic consultation clinics, comprehensive neuromuscular health care outreach clinics, and other outreach services and clinics as established by rule.

2004 Acts, ch 1031, §5, 12

**136A.5 Newborn metabolic screening.**

1. All newborns born in this state shall be screened for congenital and inherited disorders in accordance with rules adopted by the department.

2. An attending health care provider shall ensure that every newborn under the provider's care is screened for congenital and inherited disorders in accordance with rules adopted by the department.

3. This section does not apply if a parent objects to the screening. If a parent objects to the screening of a newborn, the attending health care provider shall document the refusal in the newborn's medical record and shall obtain a written refusal from the parent and report the refusal to the department as provided by rule of the department.

2004 Acts, ch 1031, §6, 12; 2005 Acts, ch 19, §33

Referred to in §136A.5A

**136A.5A Newborn critical congenital heart disease screening.**

1. Each newborn born in this state shall receive a critical congenital heart disease screening by pulse oximetry or other means as determined by rule, in conjunction with the metabolic screening required pursuant to section 136A.5.

2. An attending health care provider shall ensure that every newborn under the provider's care receives the critical congenital heart disease screening.

3. This section does not apply if a parent objects to the screening. If a parent objects to the screening of a newborn, the attending health care provider shall document the refusal in the newborn's medical record and shall obtain a written refusal from the parent and report the refusal to the department.

4. Notwithstanding any provision to the contrary, the results of each newborn's critical congenital heart disease screening shall only be reported in a manner consistent with the reporting of the results of metabolic screenings pursuant to section 136A.5 if funding is available for implementation of the reporting requirement.

5. This section shall be administered in accordance with rules adopted pursuant to section 136A.8.

2013 Acts, ch 140, §91

NEW section

**136A.6 Central registry.**

The center for congenital and inherited disorders shall maintain a central registry, or shall establish an agreement with a designated contractor to maintain a central registry, to compile, evaluate, retain, and disseminate information on the occurrence, prevalence, causes, treatment, and prevention of congenital disorders. Congenital disorders shall be considered reportable conditions in accordance with rules adopted by the department and shall be abstracted and maintained by the registry.

2004 Acts, ch 1031, §7, 12

Referred to in §144.13A

**136A.7 Confidentiality.**

The center for congenital and inherited disorders and the department shall maintain the confidentiality of any identifying information collected, used, or maintained pursuant to this chapter in accordance with section 22.7, subsection 2.

2004 Acts, ch 1031, §8, 12

**136A.8 Rules.**

The center for congenital and inherited disorders, with assistance provided by the Iowa department of public health, shall adopt rules pursuant to chapter 17A to administer this chapter.

2004 Acts, ch 1031, §9, 12

Referred to in §136A.5A

**136A.9 Cooperation of other agencies.**

All state, district, county, and city health or welfare agencies shall cooperate and participate in the administration of this chapter.

2004 Acts, ch 1031, §10, 12

# CHAPTER 136B

## RADON TESTING


| | | | |
|---|---|---|---|
| 136B.1 | Radon testing and abatement program. | 136B.3 | Testing and reporting of radon level. |
| 136B.2 | Radon testing information — disclosure. | 136B.4 | Fees — rules. |
| | | 136B.5 | Penalty for violation. |


**136B.1 Radon testing and abatement program.**

1. As used in this chapter, unless the context otherwise requires, "*department*" means the Iowa department of public health.

2. The department shall establish programs and adopt rules for the certification of persons who test for the presence of radon gas and radon progeny in buildings, the credentialing of persons abating the level of radon in buildings, and standards for radon abatement systems.

3. Following the establishment of the certification and credentialing programs by the department, a person who is not certified, as appropriate, shall not test for the presence of radon gas and radon progeny, and a person who is not credentialed, as required, shall not perform abatement measures. This section does not apply to a person performing the testing or abatement on a building which the person owns, or to a person performing testing or abatement without compensation.

4. For the purposes of this section, radon abatement systems shall be classified as mechanical ventilation systems.

88 Acts, ch 1237, §1; 89 Acts, ch 224, §1; 2004 Acts, ch 1168, §4

Referred to in §136B.2, 136B.3, 136B.4

**136B.2 Radon testing information — disclosure.**

1. *a.* A person certified or credentialed pursuant to section 136B.1 shall, within thirty days of the provision of any radon testing services or abatement measures or at the request of the department prior to testing or abatement, disclose to the department the address or location of the building, the name of the owner of the building where the services or measures were or will be provided, and the results of any tests or abatement measures performed.

*b.* A person shall not disclose to any other person, except to the department, the address or owner of a nonpublic building that the person tested for the presence of radon gas and radon progeny, unless the owner of the building waives, in writing, this right of confidentiality. Any test results disclosed shall be results of a test performed within the five years prior to the date of the disclosure.

2. *a.* Notwithstanding the requirements of this section, disclosure to any person of the results of a test performed on a nonpublic building for the presence of radon gas and radon progeny is not required if the results do not exceed the currently established United States environmental protection agency action guidelines.

*b.* A person who tests a nonpublic building which the person owns is not required to

disclose to any person the results of a test for the presence of radon gas or progeny if the test is performed by the person who owns the nonpublic building.

88 Acts, ch 1237, §2; 89 Acts, ch 224, §2; 2009 Acts, ch 41, §48

**136B.3 Testing and reporting of radon level.**

The department or its duly authorized agents shall from time to time perform inspections and testing of the premises of a property to determine the level at which it is contaminated with radon gas or radon progeny as a spot-check of the validity of measurements or the adequacy of abatement measures performed by persons certified or credentialed under section 136B.1. Following testing the department shall provide the owner of the property with a written report of its results including the concentration of radon gas or radon progeny contamination present, an interpretation of the results, and recommendation of appropriate action. A person certified or credentialed under section 136B.1 shall also be advised of the department's results, discrepancies revealed by the spot-check, actions required of the person, and actions the department intends to take with respect to the person's continued certification or credentialing.

88 Acts, ch 1237, §3; 89 Acts, ch 224, §3; 2004 Acts, ch 1168, §5

Referred to in §136B.4

**136B.4 Fees — rules.**

The department shall establish a fee schedule to defray the costs of the certification and credentialing programs established pursuant to section 136B.1 and the testing conducted and the written reports provided pursuant to section 136B.3.

The department shall adopt rules, pursuant to chapter 17A, to implement this chapter.

88 Acts, ch 1237, §4; 89 Acts, ch 224, §4

**136B.5 Penalty for violation.**

A person who violates a provision of this chapter is guilty of a serious misdemeanor.

88 Acts, ch 1237, §5; 99 Acts, ch 96, §12

# CHAPTER 136C

## RADIATION MACHINES AND RADIOACTIVE MATERIALS

Referred to in §135.11


136C.1 Definitions.
136C.2 Applicability.
136C.3 Duties of department.
136C.4 Penalties.
136C.5 Enforcement.
136C.6 Reserved.
136C.7 Acceptance of funds.
136C.8 Inspections.
136C.9 Registration and license requirements.
136C.10 Fees.
136C.11 Federal-state agreements.
136C.12 Conflicting laws.
136C.13 Emergencies.
136C.14 Qualified operators — credentials available upon request.
136C.15 Radiation machines used for mammography — registration standards and requirements — application for authority — inspection.


**136C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Decommissioning"* means final operational activities at a site to dismantle site structures, to decontaminate site surfaces and remaining structures, to stabilize and contain residual radioactive material, and to carry out any other activities to prepare the site for postoperational care.

2. *"Department"* means the Iowa department of public health.

3. *"Director"* means the director of public health or the director's designee.

4. *"Licensed professional"* means a person licensed or otherwise authorized by law to

practice medicine, osteopathic medicine, podiatry, chiropractic, dentistry, dental hygiene, or veterinary medicine.

5. *"Radiation"* means energy forms capable of causing ionization including alpha particles, beta particles, gamma rays, X rays, neutrons, high-speed protons, and other atomic particles, but does not include sound or radio waves, or visible light, or infrared or ultraviolet light.

6. *"Radiation machine"* means a device capable of producing radiation except those that produce radiation solely from radioactive material.

7. *"Radioactive material"* means a solid, liquid, or gaseous material that emits radiation spontaneously including accelerator-produced and naturally occurring material, and byproduct, source, and special nuclear material as defined in the Atomic Energy Act of 1954 as amended to July 1, 1984.

[C79, 81, §136C.1]

84 Acts, ch 1286, §10; 2009 Acts, ch 133, §37

Referred to in §455B.315

**136C.2 Applicability.**

This chapter applies to radiation machines and radioactive material located in this state. The provisions of this chapter do not supersede or duplicate the authority and programs of any other agency of the state or the United States government. To avoid duplication and promote coordination of radiation protection activities, the department may enter into agreements pursuant to chapter 28E with other state and federal agencies, or with private organizations or individuals, to administer this chapter.

[C79, 81, §136C.2]

84 Acts, ch 1286, §11

**136C.3 Duties of department.**

The department is designated the state radiation control agency and is responsible for regulating the installation and use of radiation machines and the use of radioactive materials in this state as provided in this chapter. The department shall:

1. Establish minimum criteria and safety standards for the installation, operation, and use of radiation machines and radioactive materials.

2. Establish minimum training standards including continuing education requirements, and administer examinations and disciplinary procedures for operators of radiation machines and users of radioactive materials. A state of Iowa license to practice medicine, osteopathic medicine, chiropractic, podiatry, dentistry, dental hygiene, or veterinary medicine, or licensure as a physician assistant pursuant to chapter 148C, or certification by the dental board in dental radiography, or by the board of podiatry in podiatric radiography, or enrollment in a program or course of study approved by the Iowa department of public health which includes the application of radiation to humans satisfies the minimum training standards for operation of radiation machines only.

3. Develop programs for evaluation and control of hazards associated with the use of sources of radiation with due regard for compatibility of a proposed program with federal programs regulating byproduct, source, and special nuclear materials and considering consistency of a proposed program with federal programs for regulation of radiation machines.

4. Adopt, publish, and amend rules in accordance with chapter 17A as necessary for the implementation and enforcement of this chapter. The rules may provide for the licensing and control of radioactive materials with due regard for compatibility with federal regulatory programs.

5. Issue orders as necessary in connection with licensing and registration of radiation machines and radioactive materials and the operators or users thereof.

6. Advise, consult, and cooperate with other agencies of the state, the federal government, other states and interstate agencies, political subdivisions, and other organizations concerned with control of sources of radiation.

7. Encourage, participate in, or conduct studies, investigations, training, research, and demonstrations relating to control of sources of radiation.

8. Collect and disseminate information relating to control of sources of radiation. The department shall maintain the following information on file:

*a.* License applications, issuances, denials, amendments, transfers, renewals, modifications, suspensions, and revocations.

*b.* A list of persons possessing sources of radiation requiring registration under this chapter and any administrative or judicial action involving each person.

*c.* Departmental rules relating to regulation of sources of radiation, existing or pending, and related actions.

9. Adopt rules requiring the keeping of such records with respect to activities under licenses and registration certificates issued pursuant to this chapter as the department determines necessary to effect the purposes of this chapter.

10. Adopt rules specifying the minimum training and performance standards for an individual using a radiation machine for mammography, and other rules necessary to implement section 136C.15. The rules shall complement federal requirements applicable to similar radiation machinery and shall not be less stringent than those federal requirements.

[C79, 81, §136C.3]

84 Acts, ch 1286, §1; 86 Acts, ch 1217, §1; 88 Acts, ch 1225, §1; 90 Acts, ch 1233, §6; 92 Acts, ch 1054, §1; 92 Acts, ch 1163, §36; 99 Acts, ch 141, §12; 2007 Acts, ch 10, §23; 2007 Acts, ch 218, §195; 2009 Acts, ch 133, §38; 2010 Acts, ch 1031, §397; 2012 Acts, ch 1113, §25

Referred to in §136C.5, 136C.10

**136C.4 Penalties.**

1. It is unlawful to operate or use radiation machines or radioactive material in violation of this chapter or of any rule adopted pursuant to this chapter. Persons convicted of violating a provision of this chapter are guilty of a serious misdemeanor.

2. In addition to criminal penalties, the department may impose a civil penalty not to exceed one thousand dollars on a person who violates a provision of this chapter or a rule or order issued under this chapter, or a term, condition, or limitation of a license or registration certificate issued under this chapter, or who commits a violation for which a license or registration certificate may be revoked under rules issued pursuant to this chapter. Each day of continuing violation constitutes a separate offense in computing the civil penalty.

3. The department shall notify a person of the intent to impose a civil penalty against the person. The notice shall be by registered or certified mail to the person's last known address and shall state the date, facts, the nature of the act or omission leading to the charge, the specific statute, rule, or license or registration provision involved, and the amount of the penalty the department proposes to impose. The notice shall advise the person that upon failure to pay the civil penalty, the penalty may be collected by civil action. The person shall have the opportunity to respond in writing, within a reasonable time as the department shall establish by rule, why the civil penalty should not be imposed.

4. The department may compromise, mitigate, or remit a civil penalty imposed under this section. A person upon whom a civil penalty is imposed may appeal the action pursuant to chapter 17A. The department shall remit moneys collected from civil penalties to the treasurer of state who shall deposit the moneys in the general fund of the state.

[C79, 81, §136C.4]

84 Acts, ch 1286, §12; 2002 Acts, ch 1108, §10

**136C.5 Enforcement.**

1. Upon determination by the department that this chapter or any rule adopted pursuant to this chapter has been or is being violated, the department may order that the radiation machine or radioactive material not be used until the necessary corrective action has been taken. If the use of the radiation machine or radioactive material continues in violation of the order of the department, the department may request the county attorney or the attorney general to make an application in the name of the state to the district court of the county in which the violations may have occurred for an order to enjoin the violations or practices.

2. The department may impound or order the impounding of radioactive material in the possession of a person who is not equipped to observe or fails to observe a provision of this chapter or of a rule adopted under this chapter.

3. The department may enter at reasonable times any private or public property to determine whether there is a violation of a provision of this chapter or of a rule issued under this chapter. However, the department must have the consent of the federal government before entering an area under the jurisdiction of the federal government.

4. The department may inspect records required to be kept under section 136C.3, subsection 9. Upon request of the department a person shall submit the records to the department for inspection.

[C79, 81, §136C.5]
84 Acts, ch 1286, §13
Referred to in §331.756(29)

**136C.6** Reserved.

**136C.7 Acceptance of funds.**

The department may accept from any source loans, grants, gifts, or other funds to be used for programs authorized by this chapter.

84 Acts, ch 1286, §2

**136C.8 Inspections.**

The department may inspect radiation machines and radioactive materials located in this state, for the purpose of detecting, abating, or eliminating excessive radiation exposure hazards. The inspection shall include but shall not be limited to an evaluation of the radiation machine or radioactive material as well as the immediate environment to ensure that in using the machines or materials all unnecessary hazards for patients, personnel, and other persons who may be exposed to radiation produced by the machine or materials are avoided. All defects and deficiencies noted by the inspector shall be fully disclosed and discussed with the responsible persons at the time of inspection. The department shall establish rules prescribing operating procedures for radiation machines and radioactive materials which ensure minimum radiation exposure to patients, personnel, and other persons in the immediate environment.

84 Acts, ch 1286, §3; 2012 Acts, ch 1113, §26

**136C.9 Registration and license requirements.**

1. The department shall establish by rule a system for the registration of the possession of radiation machines and for the licensing of radioactive materials in the state. The rules may provide for the issuance of the following licenses:

*a.* General licenses which do not require the filing of an application or the issuance of a document but do permit designated persons to transfer, acquire, own, possess, or use quantities of or equipment using radioactive materials.

*b.* Specific licenses issued upon application to a person named in the license to use, manufacture, produce, transfer, receive, acquire, or possess quantities of or equipment using radioactive material. Applicants requesting radioactive materials in quantities of concern, as identified by the United States nuclear regulatory commission, shall submit fingerprints to the United States nuclear regulatory commission for a background check of all individuals authorized for unescorted access to such material.

2. The department may exempt certain sources of radiation or kinds of uses or users from the licensing or registration requirements when the department finds that the exemption of the source of radiation, use, or users will not pose a significant risk to the health and safety of the public. The rules may provide for recognition of other state or federal licenses as the department may allow, subject to registration requirements as the department may prescribe.

3. A person shall not use, manufacture, produce, distribute, sell, transport, transfer,

install, repair, receive, acquire, own, or possess any radioactive material without a license from the department as provided in this chapter.

84 Acts, ch 1286, §4; 2008 Acts, ch 1058, §7

**136C.10 Fees.**

1. *a.* The department shall establish and collect fees for the licensing and amendment of licenses for radioactive materials, the registration of radiation machines, the periodic inspection of radiation machines and radioactive materials, and the implementation of section 136C.3, subsection 2. Fees shall be in amounts sufficient to defray the cost of administering this chapter. The license fee may include the cost of environmental surveillance activities to assess the radiological impact of activities conducted by licensees.

*b.* When a registrant or licensee fails to pay the applicable fee the department may suspend or revoke the registration or license or may issue an appropriate order. Fees for the license, amendment of a license, and inspection of radioactive material shall not exceed the fees prescribed by the United States nuclear regulatory commission.

2. The department may establish and collect a fee related to transporting radioactive material if the fee is used for a purpose related to transporting radioactive material, including enforcement and planning, developing, and maintaining a capability for emergency response. The fees shall be established by rules adopted pursuant to chapter 17A.

3. The department may establish and collect fees from persons providing mammography services to assure compliance with applicable rules and the federal Mammography Quality Standards Act of 1992, Pub. L. No. 102-539, as amended. Fees shall be in an amount determined by the department by rule and all fees collected shall be used to support the department's mammography program.

4. Fees collected pursuant to this section shall be retained by the department, shall be considered repayment receipts as defined in section 8.2, and shall be used for the purposes described in this section, including but not limited to the addition of full-time equivalent positions for program services and investigations. Notwithstanding section 8.33, moneys retained by the department pursuant to this subsection are not subject to reversion to the general fund of the state.

84 Acts, ch 1286, §5; 86 Acts, ch 1217, §2; 2004 Acts, ch 1167, §3; 2005 Acts, ch 175, §81; 2006 Acts, ch 1155, §1, 15

Referred to in §136C.15

**136C.11 Federal-state agreements.**

1. The governor, on behalf of the state, may enter into an agreement with the United States nuclear regulatory commission pursuant to section 274b of the Atomic Energy Act of 1954, as amended to July 1, 1984, providing for the discontinuation of certain federal licensing and related regulatory authority over byproduct, source, and special nuclear material and the assumption of regulatory authority over these materials by the state.

2. A person who, on the effective date of an agreement made under subsection 1, possesses a license issued by the United States nuclear regulatory commission for radioactive material that comes under the agreement is considered to possess the license required under this chapter. The license shall expire either ninety days after receipt from the department of a notice of expiration of the license, or on the date of expiration specified in the license issued by the nuclear regulatory commission, whichever is earlier.

84 Acts, ch 1286, §6

**136C.12 Conflicting laws.**

This chapter does not preempt ordinances, resolutions, or rules of a local government or of a state agency relating to radioactive material that are consistent with this chapter. This chapter does not give the department the authority to regulate a facility for the disposal of low-level radioactive waste as defined in article II of section 457B.1.

84 Acts, ch 1286, §7

**136C.13 Emergencies.**

If the department finds that an emergency exists involving radioactive material or radiation machines that requires immediate action to protect the public health and safety, the department may, without notice or hearing, issue an order stating that an emergency exists and requiring that action be taken as necessary to meet the emergency. An emergency order shall be effective immediately. A person to whom the order is directed shall comply with the order immediately, but on application to the department shall be afforded a hearing within ten days of the date application is made. The emergency order may be continued, modified, or revoked within thirty days after the hearing, based on the evidence presented at the hearing.

84 Acts, ch 1286, §8

**136C.14 Qualified operators — credentials available upon request.**

1. A person, other than a licensed professional, shall not operate a radiation machine or use radioactive materials for medical treatment or diagnostic purposes unless that person has completed a course of instruction approved by the department or has otherwise met the minimum training requirement established by the department.

2. A person, other than a licensed professional, who operates a radiation machine or uses radioactive materials for medical treatment or diagnostic purposes shall make available upon request the credentials which indicate that person's qualification to operate the machine or use the materials. A person who owns or controls the machine or materials shall not employ a person to operate the machine or use the materials for medical treatment or diagnostic purposes except as provided in this section.

84 Acts, ch 1286, §9; 85 Acts, ch 195, §17; 2012 Acts, ch 1113, §27

**136C.15 Radiation machines used for mammography — registration standards and requirements — application for authority — inspection.**

1. A person shall not use a radiation machine to perform mammography unless the radiation machine is registered with the department pursuant to the department's rules and is specifically authorized for use for mammography as provided in this section.

2. The department shall authorize a radiation machine for use for mammography if the radiation machine meets all of the following:

*a.* The radiation machine meets the criteria for a mammography accreditation program approved by the United States food and drug administration. The department shall make copies of those criteria available to the public and may by rule adopt modified criteria. The department may accept an evaluation report issued by such an approved accreditation program as evidence that a radiation machine meets those criteria. If at any time the department determines that it will not accept any evaluation reports issued by such an approved accreditation program as evidence that a radiation machine meets those criteria, the department shall promptly notify each person who has registered a radiation machine under this paragraph.

*b.* The radiation machine, the film or other image receptor used in the radiation machine, and the facility where the radiation machine is used meet the requirements set forth in department rules for radiation machines.

*c.* The radiation machine is specifically designed to perform mammography.

*d.* The radiation machine is used in a facility that does all of the following:

(1) At least annually has a qualified radiation physicist provide on-site consultation to the facility, including, but not limited to, a complete evaluation of the entire mammography system to ensure compliance with this section and the rules adopted pursuant to this section.

(2) Maintains for at least seven years, records of the consultation required in subparagraph (1) and the findings of the consultation.

*e.* The radiation machine is used according to the department rules on patient radiation exposure and radiation dose levels.

*f.* The radiation machine is operated only by an individual who can demonstrate to the department that the individual is specifically trained in mammography and meets the

standards established in this section, or an individual who is a physician or an osteopathic physician.

3. The department may issue a nonrenewable temporary authorization for a radiation machine for use for mammography if additional time is needed to allow submission of evidence satisfactory to the department that the radiation machine meets the standards set forth in subsection 2 for approval for mammography. A temporary authorization granted under this subsection shall be effective for no more than twelve months. The department may withdraw a temporary authorization prior to its expiration if the radiation machine does not meet one or more of the standards set forth in subsection 2.

4. To obtain authorization from the department to use a radiation machine for mammography, the person who owns or leases the radiation machine or an authorized agent of the person shall apply to the department for mammography authorization on an application form provided by the department and shall provide all of the information required by the department as specified on the application form. A person who owns or leases more than one radiation machine used for mammography shall obtain authorization for each radiation machine. The department shall process and respond to an application within thirty days after the date of receipt of the application. Upon determining to grant mammography authorization for a radiation machine, the department shall issue a certificate of registration specifying the mammography authorization. A mammography authorization is effective for three years.

5. The department shall annually inspect each authorized radiation machine and may inspect the radiation machine more frequently. The department shall make reasonable efforts to coordinate the inspections under this section with the department's other inspections of the facility in which the radiation machine is located.

6. After each satisfactory inspection by the department, the department shall issue a written proof of inspection or a similar document identifying the facility and radiation machine inspected and providing a record of the date the radiation machine was inspected.

7. The department may withdraw the mammography authorization for a radiation machine if it does not meet one or more of the standards set forth in subsection 2.

8. The department shall provide an opportunity for a hearing in connection with a denial or withdrawal of mammography authorization.

9. Upon a finding that a deficiency in a radiation machine used for mammography or a violation of this section or the rules adopted pursuant to this section seriously affects the health, safety, and welfare of individuals upon whom the radiation machine is used for mammography, the department may issue an emergency order summarily withdrawing the mammography authorization of the radiation machine. The department shall incorporate its findings in the order and shall provide an opportunity for a hearing within five working days after issuance of the order. The order shall be effective during the proceedings.

10. If the department withdraws the mammography authorization of a radiation machine, the radiation machine shall not be used for mammography. An application for reinstatement of a mammography authorization shall be filed and processed in the same manner as an application for mammography authorization under subsection 4, except that the department shall not issue a reinstated certificate of registration specifying the mammography authorization until the department inspects the radiation machine and determines that it meets the standards set forth in subsection 2. The department shall conduct an inspection required under this subsection no later than sixty days after receiving a proper application for reinstatement of a mammography authorization.

11. The department shall establish fees pursuant to section 136C.10 for the application for authorization and the inspection related to a radiation machine used for mammography.

92 Acts, ch 1054, §2; 93 Acts, ch 139, §4; 2008 Acts, ch 1058, §8, 9

Referred to in §136C.3

# CHAPTER 136D

## TANNING FACILITIES


| | | | |
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| 136D.2 | Definitions. | 136D.7 | Duties of the department. |
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| 136D.4 | Warning signs — written warning statements. | 136D.9 | Penalties. |
| 136D.5 | Reserved. | | |


**136D.1 Short title.**

This chapter may be cited as the *"Tanning Facility Regulation Act."*

90 Acts, ch 1220, §1

**136D.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the Iowa department of public health.
2. *"Director"* means the director of public health, or the director's designee.
3. *"Phototherapy device"* means a piece of equipment that emits ultraviolet radiation and that is used by a health care professional in the treatment of disease.
4. *"Tanning device"* means any equipment that emits electromagnetic radiation with wavelengths in the air between 200 and 400 nanometers and that is used for tanning of human skin, such as tanning booths or tanning beds.
5. *"Tanning facility"* means a location, place, area, structure, or business, or a part thereof, which provides access to a tanning device for compensation. *"Tanning facility"* may include but is not limited to a tanning salon, health club, apartment, and condominium.

90 Acts, ch 1220, §2; 2012 Acts, ch 1113, §28

**136D.3 Application of chapter.**

1. This chapter does not apply to a phototherapy device used by or under the supervision of a licensed physician trained in the use of phototherapy devices. A tanning device used by a tanning facility must comply with all applicable federal laws and regulations.
2. This chapter shall not supersede or duplicate the authority and programs of any other agency of the state or the United States. To avoid duplication and promote coordination of radiation protection activities, the department may enter into written agreements with other state or federal agencies, with local boards of public health, or with private organizations or individuals, to administer this chapter.

90 Acts, ch 1220, §3; 2008 Acts, ch 1058, §10

**136D.4 Warning signs — written warning statements.**

1. A tanning facility shall post the following warning signs that describe the hazards associated with the use of tanning devices:

*a.* A warning sign in a conspicuous location readily visible to persons entering the establishment. The signs shall comply with rules adopted by the department.

*b.* A warning sign for each tanning device, in a conspicuous location readily visible to a person preparing to use the device. The sign shall comply with rules adopted by the department.

2. A tanning facility shall provide each customer with a written warning statement that complies with rules adopted by the department.

90 Acts, ch 1220, §4

**136D.5** Reserved.

**136D.6 Permits.**

1. A person shall not operate a tanning facility without a current and valid permit to operate the facility, issued by the department.

2. The permit shall be displayed in an open public area of the tanning facility.

3. Permits shall be renewed annually upon acceptance of an application provided by the department and upon receipt of a permit fee.

4. The department may revoke, cancel, or suspend a permit to operate a tanning facility based upon criteria adopted by rule of the department.

90 Acts, ch 1220, §5

**136D.7 Duties of the department.**

The department shall do all of the following:

1. Establish requirements for the operation of tanning facilities, including but not limited to, proper sanitation of tanning devices, provisions of proper equipment, the presence of knowledgeable operators during operating hours, and the use of accurate timers and temperature controls.

2. Adopt rules, in accordance with chapter 17A, as necessary for the implementation and enforcement of this chapter, including but not limited to rules relating to the operation and use of tanning devices, rules regarding the warning signs required to be posted by a tanning facility, and rules prescribing the criteria for revocation, cancellation, or suspension of a tanning facility permit.

3. Establish and collect fees to defray the costs of administering the program established in this chapter. Fees collected shall be deposited in the general fund of the state.

90 Acts, ch 1220, §6

**136D.8 Inspections — violations — prohibited acts — injunctions.**

1. The director or an authorized agent shall have access at all reasonable times to any tanning facility to inspect the facility to determine if this chapter is being violated.

2. A tanning facility shall not claim, or distribute promotional materials that claim, that using a tanning device is safe or free from risk.

3. *a.* If the director finds that a person has violated, or is violating or threatening to violate this chapter and that the violation creates an immediate threat to the health and safety of the public, the director may petition the district court for a temporary restraining order to restrain the violation or threat of violation.

*b.* If a person has violated, or is violating or threatening to violate this chapter, the director may petition the district court for an injunction to prohibit the person from continuing the violation or threat of violation.

*c.* On application for injunctive relief and a finding that a person is violating or threatening to violate this chapter, the district court shall grant any injunctive relief warranted by the facts.

90 Acts, ch 1220, §7; 2012 Acts, ch 1113, §29

**136D.9 Penalties.**

1. The department may impose a civil penalty not to exceed one thousand dollars on a person who violates a provision of this chapter, a rule adopted or order issued under this chapter, or a term, condition, or limitation of a registration certificate issued pursuant to this chapter, or who commits a violation for which a registration certificate may be revoked under rules issued pursuant to this chapter. Each day of continuing violation constitutes a separate offense in computing the civil penalty. However, the maximum civil penalty for a continuing violation shall not exceed five thousand dollars.

2. The department shall notify a person of the intent to impose a civil penalty against the person. The department shall establish the notification process to include an opportunity for the person to respond in writing, within a reasonable time as the department shall establish by rule, regarding reasons why the civil penalty should not be imposed.

3. The department may compromise, mitigate, or refund a civil penalty imposed under this section. A person upon whom a civil penalty is imposed may appeal the action pursuant to chapter 17A. The department shall remit moneys collected from civil penalties to the treasurer of the state who shall deposit the moneys in the general fund of the state.

2012 Acts, ch 1113, §30

# CHAPTER 137

## LOCAL BOARDS OF HEALTH

Referred to in §346A.1

Former chapter 137 repealed by 2010 Acts, ch 1036, §22


137.101 Title and purpose.
137.102 Definitions.
137.103 Local boards of health — jurisdiction.
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137.105 Local boards of health — membership and meetings.
137.106 District boards of health — request to form.
137.107 Request reviewed by state department.
137.108 Initial appointment of district board of health.
137.109 Organizational structure of district board.
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137.115 Dissolution of county boards.
137.116 Emergency request for funds.
137.117 Penalties — criminal and civil.
137.118 Individual choice of treatment.
137.119 Adoption of rules.


**137.101 Title and purpose.**

This chapter shall be known and may be cited as the *"Local Public Health Governance Act"*. The purpose of this chapter is to define the structure, powers, and duties of local boards of health. This chapter also provides an optional process for counties to merge to form a district board of health in order to increase efficiencies and enhance the delivery and availability of public health services.

2010 Acts, ch 1036, §1

**137.102 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"City board"* means a city board of health in existence prior to July 1, 2010.
2. *"City health department"* refers to the personnel and property under the jurisdiction of a city board in existence prior to July 1, 2010.
3. *"Council"* means a city council.
4. *"County board"* means a county board of health.
5. *"County health department"* refers to the personnel and property under the jurisdiction of a county board.
6. *"Director"* means the director of public health.
7. *"District"* means any two or more geographically contiguous counties.
8. *"District board"* means a board of health representing at least two geographically contiguous counties formed with approval of the state department in accordance with this chapter, or any district board of health in existence prior to July 1, 2010.
9. *"District health department"* refers to the personnel and property under the jurisdiction of a district board.
10. *"Iowa public health standards"* means Iowa public health standards as defined in section 135A.2.
11. *"Local board of health"* means a city, county, or district board of health.
12. *"Officers"* means a local board of health chairperson, vice chairperson, and secretary, and other officers which may be named at the discretion of the local board of health.
13. *"State board"* means the state board of health.
14. *"State department"* means the Iowa department of public health.

2010 Acts, ch 1036, §2

Referred to in §135I.1

**137.103 Local boards of health — jurisdiction.**

1. A city board shall have jurisdiction over public health matters within the city.
2. A county board shall have jurisdiction over public health matters within the county.

3. A district board shall have jurisdiction over public health matters within the district.
2010 Acts, ch 1036, §3

**137.104 Local boards of health — powers and duties.**

Local boards of health shall have the following powers and duties:

1. A local board of health shall:

*a.* Enforce state health laws and the rules and lawful orders of the state department.

*b.* Make and enforce such reasonable rules and regulations not inconsistent with law, the rules of the state board, or the Iowa public health standards as may be necessary for the protection and improvement of the public health.

(1) Rules of a city board shall become effective upon approval by the council and publication in a newspaper having general circulation in the city.

(2) Rules of a county board shall become effective upon approval by the county board of supervisors by a motion or resolution as defined in section 331.101, subsection 13, and publication in a newspaper having general circulation in the county.

(3) Rules of a district board shall become effective upon approval by the district board and publication in a newspaper having general circulation in the district.

(4) Before approving any rule or regulation the local board of health shall hold a public hearing on the proposed rule. Any citizen may appear and be heard at the public hearing. A notice of the public hearing, stating the time and place and the general nature of the proposed rule or regulation shall be published in a newspaper having general circulation as provided in section 331.305 in the area served by the local board of health.

*c.* Employ persons as necessary for the efficient discharge of its duties. Employment practices shall meet the requirements of chapter 8A, subchapter IV, or any civil service provision adopted under chapter 400.

*d.* Provide the names of all local board of health members and officers to the state department.

*e.* Provide minutes of local board of health meetings and reports of the local board of health's operations and activities to the state department as may be required by the director, by rule, or by contract.

2. A local board of health may:

*a.* Provide such population-based and personal health services as may be deemed necessary for the promotion and protection of the health of the public and charge reasonable fees for personal health services. A person shall not be denied necessary services within the limits of available resources because of inability to pay the cost of such services.

*b.* Provide such environmental health services as may be deemed necessary for the protection and improvement of the public health and issue licenses and permits and charge reasonable fees in relation to the construction or operation of nonpublic water supplies or private sewage disposal systems.

*c.* Engage in joint operations and contract with colleges and universities, the state department, other public, private, and nonprofit agencies, and individuals or form a district health department to provide personal and population-based public health services.

*d.* By written agreement with the council of any city within its jurisdiction, enforce appropriate ordinances of the city relating to public health.

2010 Acts, ch 1036, §4
Referred to in §137.115

**137.105 Local boards of health — membership and meetings.**

1. *Membership, terms, compensation, and vacancies.*

*a.* All members of a city board shall be appointed by the council.

*b.* All members of a county board shall be appointed by the county board of supervisors.

*c.* All members of a district board shall be appointed by the county board of supervisors from each county represented by the district. Each county board of supervisors shall appoint at least one but no more than three members to the district board, and each county board of supervisors shall appoint the same number of members to the district board. There shall be

no more than one board of supervisors member from any participating county on the district board.

*d.* Local boards of health shall consist of at least five members. At least one member shall be licensed as a physician under chapter 148.

*e.* A local board of health member shall serve for a term of three years. A member is eligible for reappointment.

*f.* A local board of health member shall serve without compensation, but may be reimbursed for necessary expenses in accordance with rules established by the state board or the applicable jurisdiction.

*g.* A local board of health member vacancy due to death, resignation, or other cause shall be filled as soon as possible after the vacancy exists for the unexpired term of the original appointment.

2. *Meetings.* A majority of the members of a local board of health shall be considered a quorum and an affirmative vote of the majority of the members present is necessary for action taken by a local board of health. The majority shall not include any member who has a conflict of interest and a statement by the member that a conflict of interest exists shall be conclusive for this purpose.

2010 Acts, ch 1036, §5

Referred to in §137.106, 137.108, 331.321

**137.106 District boards of health — request to form.**

The county boards of any two or more geographically contiguous counties may at any time submit a request to form a district board to the state department. The formation request shall be in writing, shall be executed by the county boards of supervisors and the county boards of health for each county comprising the proposed district board, and shall include but not be limited to the following required elements:

1. A written narrative that explains how the formation of a district board will increase organizational capacity and capability to provide population-based and personal public health services compared with operating as individual county boards.

2. The composition of the district board, including the number of members each county shall appoint pursuant to section 137.105 and the total number of members on the district board.

3. Proof of approval by all county boards of supervisors and county boards of health involved in the request to form a district board and of the elements included in the formation plan.

4. The service delivery plan.

5. The budget and fiscal plan for the proposed district board. The budget plan shall include an estimate of proposed expenditures and revenues and an allocation of the revenue responsibilities of each of the counties participating in the proposed district board.

6. A table of organization.

7. A personnel system description, including identification of the district treasurer and district auditor and a section which addresses the employment issues contained in section 137.110.

8. The location of the district board offices and workforce throughout the jurisdiction.

9. An inventory of the property and equipment in the custody of each county board and a description as to whether such property and equipment shall remain in the custody of the county or shall be transferred to the district board to become property of the district board.

10. A timeline for the adoption of district board rules and regulations.

11. Other criteria as established by rule of the state department.

2010 Acts, ch 1036, §6

Referred to in §137.107, 137.110, 137.113, 137.114, 137.115

**137.107 Request reviewed by state department.**

The state department shall review requests submitted pursuant to section 137.106. The state department, upon finding that all required elements are present, shall present findings

to the state board. The state board may approve the formation of a district board and if the formation is approved, shall notify the county boards from whom the request was received.

2010 Acts, ch 1036, §7

Referred to in §137.113, 137.114

**137.108 Initial appointment of district board of health.**

Upon receipt of notice of approval as a district board, district board members shall be appointed as specified in section 137.105.

2010 Acts, ch 1036, §8

**137.109 Organizational structure of district board.**

A district board is a governing body for purposes of chapter 670 and a district health department is a municipality for purposes of chapter 670. All meetings of a district board shall comply with the requirements of chapter 21 and all records of a district board and a district health department shall be maintained in accordance with chapter 22.

2010 Acts, ch 1036, §9

**137.110 District personnel.**

1. A district board may employ persons as necessary for the efficient discharge of its duties. A district board shall have all the duties and powers in employing such persons as a county board of supervisors is granted pursuant to section 331.324, with the exception of the authority to provide for support of the civil service commission for deputy sheriffs as specified in section 331.324, subsection 1, paragraph "*k*". A district board may employ persons who were employed at the time of the formation of the district board by the counties represented by the district board, or may employ persons who were not employed by such counties. The county boards involved shall specify in the request submitted pursuant to section 137.106 whether the individual counties or the district board will be responsible for payment of unemployment compensation for any county employees employed by the county board at the time of formation of the district board but not employed by the district board following formation.

2. If the district board employs persons who were employed by the counties represented by the district board at the time of formation of the district board, the district board shall recognize the term of service of the former county employees for purposes of all employee benefits offered by the district board to such employees and such employees shall not forfeit accrued vacation, accrued sick leave, or longevity by becoming district board employees.

3. Persons who were covered by county employee life insurance, accident insurance, and health insurance plans prior to becoming district board employees pursuant to this chapter shall be permitted to apply prior to becoming district board employees for life, accident, and health insurance plans that are available to district board employees so that those persons do not suffer a lapse of insurance coverage as a result of becoming district board employees.

4. The district board may employ or contract with legal counsel to enforce this chapter and district board rules, represent and defend the district board and its officers and employees, provide legal advice to the district board, and perform any other legal duties required by law or assigned by the district board. The district board may employ or contract with the county attorney of a county within its jurisdiction.

2010 Acts, ch 1036, §10

Referred to in §137.106

**137.111 District treasurer and auditor.**

Upon establishment of a district board, the district board shall designate a treasurer of a county within its jurisdiction to serve as treasurer of the district health department, and shall designate the auditor of the same county to serve as auditor of the district health department. The treasurer's and the auditor's official bonds shall extend to cover their respective duties performed on behalf of the district health department. A county treasurer shall not serve in the capacity of district health department treasurer without consent from the county and agreement from the treasurer to perform this function, and a county auditor shall not serve

in the capacity of district health department auditor without consent from the county and agreement from the auditor to perform this function.

2010 Acts, ch 1036, §11

**137.112 District public health fund — budget.**

1. The district treasurer shall establish a district public health fund from which disbursements may be made in the manner specified for disbursements by law for the disbursement of county funds.

2. All moneys received by a district board or district health department for local public health purposes from federal appropriations, state appropriations, local appropriations, fees, gifts, grants, bequests, or other sources shall be deposited in the district public health fund. Expenditures shall be made from the fund on order of the district board for the purpose of carrying out its duties. No more than twenty percent of the unexpended balance remaining in the fund at the end of each fiscal year shall be maintained in the district public health fund. The remainder of the unexpended balance shall revert to the general funds of the member counties in the manner determined by the district board.

3. The district board shall adopt and certify an annual budget in accordance with section 24.17 relating to certification of budgets and section 24.27 relating to protesting budgets.

4. This section does not apply to any district board of health or district health department in existence prior to July 1, 2010.

2010 Acts, ch 1036, §12; 2012 Acts, ch 1113, §17, 20, 21

Subsection 4 takes effect May 2, 2012, and applies retroactively to July 1, 2010; 2012 Acts, ch 1113, §20, 21

**137.113 Adding to district.**

A county may be added to an existing district board by submission and approval of a request, as specified in sections 137.106 and 137.107.

2010 Acts, ch 1036, §13

**137.114 Withdrawal from district.**

A county may withdraw from an existing district board upon submission of a request for withdrawal to and approval by the state department. The request shall include a plan to reform its county board or join a different district board, information specified in section 137.106, and approval of the request by the district board and, at the recommendation of the state department, the state board. Any county choosing to withdraw from the district board shall commit to the continuity of services in its county by reestablishing its county board or joining a different district board. The remaining counties in the district shall submit an application including the information specified in section 137.106 to the state department for review as provided in section 137.107.

2010 Acts, ch 1036, §14

**137.115 Dissolution of county boards.**

Upon appointment of a district board, the county boards involved shall be dissolved and their powers and duties specified in section 137.104 transferred to the district board. All property and equipment in the custody of the county board shall either remain the property of the county or shall become the property of the district board, as so provided in the district board formation request submitted pursuant to section 137.106.

2010 Acts, ch 1036, §15

**137.116 Emergency request for funds.**

A local board of health may, during a public health disaster as defined in section 135.140 or in preparation for or response to such disaster, request additional appropriations which may upon approval of the director be allotted from the funds reserved for that purpose to the extent that funds are appropriated and available. Upon termination of the disaster response, the local board of health shall report its expenditures of emergency funds to the director.

2010 Acts, ch 1036, §16

**137.117 Penalties — criminal and civil.**

1. Any person who violates any provision of this chapter or the rules of a local board of health or any lawful order of the board, its officers, or authorized agents is guilty of a simple misdemeanor. Each additional day of neglect or failure to comply with such provision, rule, or lawful order after notice of violation by the local board of health shall constitute a separate offense.

2. A local board of health may impose a civil penalty not to exceed seven hundred fifty dollars for each violation of this chapter or the rules of the local board of health or any lawful order of the board, its officers, or authorized agents. If the violation is a repeat offense, a civil penalty not to exceed one thousand dollars may be imposed. The local board of health shall impose and enforce such penalties in the manner provided in section 331.307 for county infractions.

2010 Acts, ch 1036, §17

**137.118 Individual choice of treatment.**

Nothing in this chapter shall be construed to impede, limit, or restrict the right of free choice by an individual to the health care or treatment that the individual may select.

2010 Acts, ch 1036, §18

**137.119 Adoption of rules.**

The state board of health shall adopt rules to implement this chapter. The department is vested with discretionary authority to interpret the provisions of this chapter.

2010 Acts, ch 1036, §19

# CHAPTER 137A

## FOOD ESTABLISHMENTS

Repealed effective January 1, 1999; validity of licenses issued prior to that date; 98 Acts, ch 1162, §29, 30; see chapter 137F

# CHAPTER 137B

## FOOD SERVICE SANITATION CODE

Repealed effective January 1, 1999; validity of licenses issued prior to that date; 98 Acts, ch 1162, §29, 30; see chapter 137F

# CHAPTER 137C

## HOTEL SANITATION CODE

Referred to in §10A.104, 137F.3A, 331.382

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EXEMPTION — APPLICABILITY

137C.35 Bed and breakfast homes and inns.

## GENERAL PROVISIONS

**137C.1 Title.**
This chapter shall be known as the Iowa hotel sanitation code.
[C79, 81, §170B.1]
90 Acts, ch 1204, §66
C91, §137C.1

**137C.2 Definitions.**
For purposes of the Iowa hotel sanitation code, unless a different meaning is clearly indicated by the context:
1. *"Bed and breakfast inn"* means a hotel which has nine or fewer guest rooms.
2. *"Director"* means the director of the department of inspections and appeals or the director's designee.
3. *"Department"* means the department of inspections and appeals.
4. *"Guest room"* shall mean any bedroom or other sleeping quarters for transient guests in a hotel.
5. *"Hotel"* shall mean any building or structure, equipped, used, advertised as, or held out to the public to be an inn, hotel, motel, motor inn, or place where sleeping accommodations are furnished transient guests for hire.
6. *"Local board of health"* means a county, city, or district board of health.
7. *"Municipal corporation"* means a political subdivision of this state.
8. *"Regulatory authority"* means the department or a local board of health that has entered into an agreement with the director pursuant to section 137C.6 for authority to enforce the Iowa hotel sanitation code in its jurisdiction.
[S13, §2514-h; C24, 27, 31, 35, 39, §**2808;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §170.1; C79, 81, §170B.2]
86 Acts, ch 1245, §541; 87 Acts, ch 202, §2; 90 Acts, ch 1204, §66
C91, §137C.2
2004 Acts, ch 1026, §3

**137C.3 through 137C.5** Reserved.

LICENSES AND INSPECTIONS

**137C.6 Authority to enforce.**

1. The director shall regulate, license, and inspect hotels and enforce the Iowa hotel sanitation code in Iowa. Municipal corporations shall not regulate, license, inspect, or collect license fees from hotels except as provided for in the Iowa hotel sanitation code.

2. If a municipal corporation wants its local board of health to license, inspect, and otherwise enforce the Iowa hotel sanitation code within its jurisdiction, the municipal corporation may enter into an agreement to do so with the director. The director may enter into the agreement if the director finds that the local board of health has adequate resources to perform the required functions. A municipal corporation may only enter into an agreement to enforce the Iowa hotel sanitation code if it also agrees to enforce the rules setting minimum standards to protect consumers from foodborne illness adopted pursuant to section 137F.2.

3. A local board of health that is responsible for enforcing the Iowa hotel sanitation code within its jurisdiction pursuant to an agreement shall make an annual report to the director providing the following information:

*a.* The total number of hotel licenses granted or renewed during the year.

*b.* The number of hotel licenses granted or renewed during the year broken down into the following categories:

(1) Hotels containing fifteen guest rooms or less.

(2) Hotels containing more than fifteen but less than thirty-one guest rooms.

(3) Hotels containing more than thirty but less than seventy-six guest rooms.

(4) Hotels containing more than seventy-five but less than one hundred fifty guest rooms.

(5) Hotels containing one hundred fifty or more guest rooms.

*c.* The amount of money collected in license fees during the year.

*d.* Other information the director requests.

4. The director shall monitor local boards of health to determine if they are enforcing the Iowa hotel sanitation code within their respective jurisdictions. If the director determines that the Iowa hotel sanitation code is enforced by a local board of health, such enforcement shall be accepted in lieu of enforcement by the department in that jurisdiction. If the director determines that the Iowa hotel sanitation code is not enforced by a local board of health, the director may rescind the agreement after reasonable notice and an opportunity for a hearing. If the agreement is rescinded, the director shall assume responsibility for enforcement in the jurisdiction involved.

[C79, 81, §170B.3]

83 Acts, ch 101, §30; 86 Acts, ch 1245, §542, 543; 90 Acts, ch 1204, §66

C91, §137C.6

98 Acts, ch 1162, §3, 30; 2007 Acts, ch 215, §207

Referred to in §137C.2, 137F.3

**137C.7 License required.**

No person shall open or operate a hotel until a license has been obtained from the regulatory authority and until the hotel has been inspected by the regulatory authority. Each license shall expire one year from date of issue. A license is renewable. All licenses issued under the Iowa hotel sanitation code that are not renewed by the licensee on or before the expiration date shall be subject to a penalty of ten percent of the license fee if the license is renewed at a later date. A license is not transferable.

[S13, §2527-l; C24, 27, 31, 35, 39, §**2809;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §170.2; C79, 81, §170B.4]

90 Acts, ch 1204, §66

C91, §137C.7

2002 Acts, ch 1119, §132

**137C.8 Application for license.**

Every application for a license under the Iowa hotel sanitation code shall be made upon a blank furnished by the regulatory authority and shall contain the items required by the department as to ownership, management, location, buildings, equipment, rates, and other data concerning the hotel for which a license is desired. An application for a license to operate an existing hotel shall be made at least thirty days before the expiration of the existing license.

[C79, 81, §170B.5]
90 Acts, ch 1204, §66
C91, §137C.8

**137C.9 License fees.**

1. Either the department or the municipal corporation shall collect the following annual license fees:

*a.* For a hotel containing fifteen guest rooms or less, twenty-seven dollars.

*b.* For a hotel containing more than fifteen but less than thirty-one guest rooms, forty dollars and fifty cents.

*c.* For a hotel containing more than thirty but less than seventy-six guest rooms, fifty-four dollars.

*d.* For a hotel containing more than seventy-five but less than one hundred fifty guest rooms, fifty-seven dollars and fifty cents.

*e.* For a hotel containing one hundred fifty or more guest rooms, one hundred one dollars and twenty-five cents.

2. Fees collected by the department shall be deposited in the general fund of the state. Fees collected by a municipal corporation shall be retained by it and for its use.

[S13, §2527-l; C24, 27, 31, 35, 39, §**2812;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §170.5; C79, 81, §170B.6]
90 Acts, ch 1204, §66
C91, §137C.9
2007 Acts, ch 215, §208
Referred to in §137F.3A

**137C.10 Suspension or revocation of licenses.**

A regulatory authority may suspend or revoke a license issued to a person under the Iowa hotel sanitation code if any of the following occurs:

1. The person's hotel does not conform to a provision of the Iowa hotel sanitation code or a rule adopted pursuant to this chapter.

2. The person violates a provision of the Iowa hotel sanitation code or a rule adopted pursuant to this chapter.

3. The person conducts an activity constituting a criminal offense in the hotel and is convicted of a serious misdemeanor or a more serious offense as a result.

[C79, 81, §170B.7]
90 Acts, ch 1204, §36, 66
C91, §137C.10
91 Acts, ch 107, §9

**137C.11 Biennial inspections.**

The regulatory authority shall inspect each hotel in the state at least once biennially. The inspector may enter the hotel at any reasonable hour to make the inspection. The management shall afford free access to every part of the premises and render all aid and assistance necessary to enable the inspector to make a thorough and complete inspection.

[S13, §2514-q, 2527-m, 2528-d5; C24, 27, 31, 35, 39, §**2851;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §170.46; C79, 81, §170B.14]
90 Acts, ch 1204, §66
C91, §137C.11
91 Acts, ch 268, §430

**137C.12 Inspection upon complaint.**

Upon receipt of a verified complaint signed by a guest of a hotel and stating facts indicating the place is in an insanitary condition, the regulatory authority shall conduct an inspection.

[SS15, §2514-s; C24, 27, 31, 35, 39, §**2852;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §170.47; C79, 81, §170B.15]

90 Acts, ch 1204, §39, 66

C91, §137C.12

**137C.13 through 137C.15** Reserved.

HEALTH AND SAFETY REQUIREMENTS

**137C.16 Plumbing.**

A hotel shall have an adequately designed plumbing system conforming to at least the minimum requirements of the state plumbing code. The plumbing system shall have a connection to a municipal water and sewerage system or to a benefited water district or sanitary sewerage district whenever such facilities become available.

A hotel beyond the reach of a central water or sewerage system shall be served by on-site facilities which meet the technical requirements of the local board of health and the department of natural resources.

[S13, §2514-m, 2527-a; C24, 27, 31, 35, 39, §**2814, 2815;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §170.9, 170.10; C79, 81, §170B.9; 82 Acts, ch 1199, §92, 96]

90 Acts, ch 1204, §38, 66

C91, §137C.16

**137C.17 Toilet and lavatory facilities.**

A hotel shall provide toilet and lavatory facilities in accordance with rules adopted pursuant to this chapter.

[S13, §2527-e; C24, 27, 31, 35, 39, §**2821, 2822;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §170.16, 170.17; C79, 81, §170B.8]

90 Acts, ch 1204, §37, 66

C91, §137C.17

**137C.18 Fire safety.**

Violation of a fire safety rule adopted pursuant to section 100.35 and applicable to hotels, occurring on the premises of a hotel, is a violation of this chapter.

[S13, §2514-j, -k, -l; SS15, §2514-i, -n, -o; C24, 27, 31, 35, 39, §**2843 – 2850;** C46, 50, 54, 58, §170.38 – 170.45; C62, 66, 71, 73, 75, 77, §170.38; C79, 81, §170B.13; 82 Acts, ch 1157, §6]

90 Acts, ch 1204, §66

C91, §137C.18

**137C.19** Repealed by 2000 Acts, ch 1066, § 52.

**137C.20 through 137C.22** Reserved.

RATES

**137C.23 Posting room rates.**

A complete list of rooms by number together with the number of the floor and the rate per day per person for each room shall be kept continuously and conspicuously posted on the wall near the office in the lobby of a hotel in such a way as to be accessible to the public without request to the management. The rate per day per person for each room shall also be

posted in the same manner in each room. No amount greater than the one posted shall be charged.

[C24, 27, 31, 35, 39, §**2841;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §170.36; C79, 81, §170B.11]
90 Acts, ch 1204, §66
C91, §137C.23
Referred to in §137C.24

**137C.24 Rate increases.**

The rates posted under section 137C.23 shall not be increased until sixty days' notice of the proposed increase has been given to the regulatory authority.

[C24, 27, 31, 35, 39, §**2842;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §170.37; C79, 81, §170B.12]
90 Acts, ch 1204, §66
C91, §137C.24

RIGHTS AND OBLIGATIONS

**137C.25 Right of hotel operator to deny services.**

1. A person operating a hotel has the right to refuse or deny the use of a room, accommodations, facilities, or other privileges of the hotel to any of the following:

*a.* An individual unwilling or unable to pay for the room, accommodations, facilities, or other privileges of the hotel.

*b.* An individual who is visibly publicly intoxicated or under the influence of alcohol or some other illegal drug, or who is disorderly so as to create a public nuisance.

*c.* An individual the hotel operator reasonably believes is seeking to use a room, accommodations, facilities, or other privileges of the hotel for an unlawful purpose.

*d.* An individual the hotel operator reasonably believes is bringing in anything which may create an unreasonable danger or risk to other persons, including but not limited to firearms or explosives.

*e.* An individual whose use of the room, accommodations, facilities, or other privileges of the hotel would result in a violation of the maximum capacity of such hotel.

2. A hotel operator who reasonably refuses or denies the use of a room, accommodations, facilities, or other privileges of the hotel pursuant to this section is not subject to any civil or criminal action or any fine or other penalty, unless the refusal or denial is a violation of state or federal law.

94 Acts, ch 1032, §1
Referred to in §137C.25D

**137C.25A Right to require financial guarantee.**

The hotel operator has the right to require a person seeking the use of a room, accommodations, facilities, or other privileges of the hotel to demonstrate the ability to pay for such use by cash, credit card, or approved check. The hotel operator may require the parent or guardian of a minor to do all of the following:

1. Accept in writing the liability for the cost of the room, accommodations, facilities, or other privileges of the hotel used by the minor, and for the cost of any damages to the room, furnishings in the room, or other facilities of the hotel caused by the minor while the minor is using the room, accommodations, facilities, or other privileges of the hotel.

2. Provide the hotel operator with one of the following:

*a.* The authority to charge any amount due for the cost of the room, accommodations, facilities, or other privileges of the hotel used by the minor, and for the cost of any damages to the room, furnishings in the room, or other facilities of the hotel caused by the minor while the minor is using the room, accommodations, facilities, or other privileges of the hotel to a credit card as defined in section 537.1301, subsection 17.

*b.* An advance cash payment sufficient to cover the cost of the room, accommodations, facilities, or other privileges of the hotel used by the minor, and a reasonable amount as a deposit toward the cost of any damages to the room, furnishings in the room, or other

facilities of the hotel caused by the minor while the minor is using the room, accommodations, facilities, or other privileges of the hotel. A cash deposit for any damages required by the hotel operator shall be refunded to the extent not used to cover the cost of any such damages as determined by the hotel operator following an inspection of the room, accommodations, or facilities of the hotel used by the minor at the end of the minor's stay.

94 Acts, ch 1032, §2
Referred to in §137C.25D

**137C.25B Restitution.**

In addition to any other applicable penalties, a court may order a person to pay restitution for any damages caused by such person which are suffered by the owner or operator of the hotel. Damages for which restitution may be ordered, in addition to physical damages, may include the loss of revenue resulting from the hotel being unable to rent or lease the room, accommodation, or facility during any time of repair, and restitution to any other individual who is injured or whose property is damaged as a result of the violation. The parent or guardian of a minor shall be liable to the owner or operator for the acts of the minor which result in damage to the room, accommodation, or facility, and for restitution to any other individual who is injured or whose property is damaged as a result of such acts.

94 Acts, ch 1032, §3
Referred to in §137C.25D

**137C.25C Right to eject.**

An owner or operator of a hotel may eject a person from the hotel for any of the following reasons:

1. Nonpayment of charges incurred by the individual renting or leasing a room, accommodations, or facilities of the hotel when the charges are due and owing.
2. The individual renting or leasing a room, accommodations, or facilities of the hotel is visibly intoxicated, or is disorderly so as to create a public nuisance.
3. The owner or operator reasonably believes that the individual is using the premises for an unlawful purpose including, but not limited to, the unlawful use or possession of controlled substances or the use of the premises for the consumption of alcohol by an individual in violation of section 123.47.
4. The owner or operator reasonably believes that the individual has brought anything into the hotel which may create an unreasonable danger or risk to other persons, including but not limited to firearms or explosives.
5. The individual is in violation of any federal, state, or local laws or regulations relating to the hotel.
6. The individual is in violation of any rule of the hotel which is posted as provided in section 137C.25D.

94 Acts, ch 1032, §4; 97 Acts, ch 126, §8
Referred to in §137C.25D

**137C.25D Posting rules by owner or operator.**

An owner or operator of a hotel shall post a copy of sections 137C.25 through 137C.25C, in addition to any rules established by the owner or operator of the hotel, in a conspicuous place at or near the guest registration desk and in each room of the hotel.

94 Acts, ch 1032, §5
Referred to in §137C.25C

**137C.25E Documentation and registration requirements.**

A hotel shall keep and maintain for a period of three years, a guest register which shall show the name, residence, date of arrival, and date of departure of each individual renting or leasing a room, accommodations, or facilities of the hotel.

Each individual renting or leasing a room, accommodations, or facilities of the hotel shall register, and may be required by the owner or operator of the hotel to show proof of identity by producing a valid driver's license, or other identification satisfactory to the owner or operator. The identification shall have a photograph of the individual and include the name

and residence of the individual. If the individual is a minor, the owner or operator may also require a parent or guardian of the minor to register.

The guest register may be kept and maintained by recording, copying, or reproducing the register by any photographic, photostatic, microfilm, microcard, miniature photographic, electronic imaging, electronic data processing, or other process which accurately reproduces or forms a durable medium for accurately and legibly reproducing an unaltered image or reproduction of the original.

94 Acts, ch 1032, §6

**137C.26 and 137C.27** Reserved.

ENFORCEMENT

**137C.28 Penalty.**

A person who violates a provision of the Iowa hotel sanitation code shall be guilty of a simple misdemeanor. Each day upon which a violation occurs constitutes a separate violation.

[C79, 81, §170B.16]
90 Acts, ch 1204, §66
C91, §137C.28
Referred to in §137C.35

**137C.29 Injunction.**

A person conducting a hotel in violation of a provision of the Iowa hotel sanitation code may be restrained by injunction from operating that hotel. If an imminent health hazard exists, the hotel, or as much of the hotel as is necessary, must cease operation. Operation shall not be resumed until authorized by the regulatory authority.

[S13, §2514-x; C24, 27, 31, 35, 39, §**2855;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §170.50; C79, 81, §170B.17]
90 Acts, ch 1204, §66
C91, §137C.29

**137C.30 Duty of county attorney.**

The county attorney in each county shall assist in the enforcement of the Iowa hotel sanitation code.

[C79, 81, §170B.18]
90 Acts, ch 1204, §66
C91, §137C.30
Referred to in §331.756(32)

**137C.31 Conflicts with state building code.**

Provisions of the Iowa hotel sanitation code in conflict with the state building code, as adopted pursuant to section 103A.7, shall not apply where the state building code has been adopted or when the state building code applies throughout the state.

[C79, 81, §170B.19]
90 Acts, ch 1204, §66
C91, §137C.31
2004 Acts, ch 1086, §38

**137C.32 through 137C.34** Reserved.

EXEMPTION — APPLICABILITY

**137C.35 Bed and breakfast homes and inns.**

This chapter does not apply to bed and breakfast homes as defined in section 137F.1. However, a bed and breakfast home shall have a smoke detector in proper working order in each sleeping room and a fire extinguisher in proper working order on each floor. A bed and breakfast home which does not receive its drinking water from a public water supply shall have its drinking water tested at least annually by the state hygienic laboratory or the local board of health. A violation of this section is punishable as provided in section 137C.28.

A bed and breakfast inn is subject to regulation, licensing, and inspection under this chapter, but separate toilet and lavatory facilities shall not be required for each guest room. Additionally, a bed and breakfast inn is exempt from fire safety rules adopted pursuant to section 100.35 and applicable to hotels, but is subject to fire safety rules which the state fire marshal shall specifically adopt for bed and breakfast inns.

86 Acts, ch 1041, §3
C87, §170B.20
87 Acts, ch 202, §3
CS87, §170B.21
88 Acts, ch 1060, §1; 90 Acts, ch 1204, §66
C91, §137C.35
98 Acts, ch 1162, §4, 30; 99 Acts, ch 32, §1

# CHAPTER 137D

## HOME FOOD ESTABLISHMENTS

Referred to in §10A.104, 137F.1, 137F.3A


| | | | |
|---|---|---|---|
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| 137D.2 | Licenses and inspections. | 137D.7 | Reserved. |
| 137D.3 | Penalty. | 137D.8 | Suspension or revocation of licenses. |
| 137D.4 | Injunction. | | |
| 137D.5 | Duty of county attorney. | 137D.9 | Repealed by 99 Acts, ch 208, §41. |


**137D.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Food"* means any raw, cooked, or processed edible substance, ice, beverage, or ingredient used or intended for use or sale in whole or in part for human consumption.

2. *"Department"* means the department of inspections and appeals.

3. *"Home food establishment"* means a business on the premises of a residence in which prepared food is created for sale or resale, for consumption off the premises, if the business has gross annual sales of prepared food of less than twenty thousand dollars. However, a home food establishment does not include a residence in which food is prepared to be used or sold by churches, fraternal societies, charitable organizations, or civic organizations.

4. *"Prepared food"* means soft pies, bakery products with a custard or cream filling, or any other potentially hazardous baked goods. *"Prepared food"* does not mean nonhazardous baked goods, including but not limited to breads, fruit pies, cakes, or other nonhazardous pastries.

88 Acts, ch 1220, §7
C89, §170C.1
C91, §137D.1

**137D.2 Licenses and inspections.**

1. A person shall not open or operate a home food establishment until a license has been

obtained from the department of inspections and appeals. The department shall collect a fee of thirty-three dollars and seventy-five cents for a license. After collection, the fees shall be deposited in the general fund of the state. A license shall expire one year from date of issue. A license is renewable.

2. A person shall not sell or distribute from a home food establishment if the home food establishment is unlicensed, the license of the home food establishment is suspended, or the food fails to meet standards adopted for such food by the department.

3. An application for a license under this chapter shall be made upon a form furnished by the department and shall contain the items required by it according to rules adopted by the department.

4. The department shall regulate, license, and inspect home food establishments according to standards adopted by rule.

5. The department shall provide for the periodic inspection of a home food establishment. The inspector may enter the home food establishment at any reasonable hour to make the inspection. The department shall inspect only those areas related to preparing food for sale.

6. The department shall regulate and inspect food prepared at a home food establishment according to standards adopted by rule. The inspection may occur at any place where the prepared food is created, transported, or stored for sale or resale.

88 Acts, ch 1220, §8
C89, §170C.2
C91, §137D.2
2007 Acts, ch 215, §209

**137D.3 Penalty.**

A person who violates a provision of this chapter, including a standard adopted by departmental rule, relating to home food establishments or prepared foods created in a home food establishment, is guilty of a simple misdemeanor. Each day that the violation continues constitutes a separate offense.

88 Acts, ch 1220, §9
C89, §170C.3
C91, §137D.3

**137D.4 Injunction.**

A person operating a home food establishment or selling prepared foods created at a home food establishment in violation of a provision of this chapter may be restrained by injunction from further operating that home food establishment. If an imminent health hazard exists, the home food establishment must cease operation. Operation shall not be resumed until authorized by the department.

88 Acts, ch 1220, §10
C89, §170C.4
C91, §137D.4

**137D.5 Duty of county attorney.**

The county attorney in each county shall assist in the enforcement of this chapter.

88 Acts, ch 1220, §11
C89, §170C.5
C91, §137D.5

**137D.6 Conflicts with state building code.**

Provisions of this chapter, including standards for home food establishments adopted by the department, in conflict with the state building code, as adopted pursuant to section 103A.7, shall not apply where the state building code has been adopted or when the state building code applies throughout the state.

88 Acts, ch 1220, §12
C89, §170C.6

C91, §137D.6
2004 Acts, ch 1086, §39

**137D.7** Reserved.

**137D.8 Suspension or revocation of licenses.**
The department may suspend or revoke a license issued to a person under this chapter if any of the following occurs:
1. The person's home food establishment does not conform to a provision of this chapter or a rule adopted pursuant to this chapter.
2. The person violates a provision of this chapter or a rule adopted pursuant to this chapter.
3. The person conducts an activity constituting a criminal offense in the home food establishment and is convicted of a serious misdemeanor or a more serious offense as a result.
91 Acts, ch 107, §10

**137D.9** Repealed by 99 Acts, ch 208, § 41.

# CHAPTER 137E

## FOOD AND BEVERAGE VENDING MACHINES

Repealed effective January 1, 1999; validity of licenses issued prior to that date; 98 Acts, ch 1162, §29, 30; see chapter 137F

# CHAPTER 137F

## FOOD ESTABLISHMENTS AND FOOD PROCESSING PLANTS

Referred to in §10A.104, 172A.6, 331.382


137F.1 Definitions.
137F.2 Adoption by rule.
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137F.17 Penalty.
137F.18 Injunction.
137F.19 Duty of county or city attorney.


**137F.1 Definitions.**
For the purpose of this chapter:
1. *"Bed and breakfast home"* means a private residence which provides lodging and meals for guests, in which the host or hostess resides and in which no more than four guest families are lodged at the same time and which, while it may advertise and accept reservations, does not hold itself out to the public to be a restaurant, hotel, or motel, does not require reservations, and serves food only to overnight guests.
2. *"Commissary"* means a food establishment used for preparing, fabricating,

packaging, and storage of food or food products for distribution and sale through the food establishment's own food establishment outlets.

3. *"Department"* means the department of inspections and appeals.

4. *"Director"* means the director of the department of inspections and appeals.

5. *"Farmers market"* means a marketplace which seasonally operates principally as a common market for Iowa-produced farm products on a retail basis for off-the-premises consumption.

6. *"Food"* means a raw, cooked, or processed edible substance, ice, a beverage, an ingredient used or intended for use or sale in whole or in part for human consumption, or chewing gum.

7. *"Food establishment"* means an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption and includes a food service operation in a salvage or distressed food operation, school, summer camp, residential service substance abuse treatment facility, halfway house substance abuse treatment facility, correctional facility operated by the department of corrections, the state training school, or the Iowa juvenile home. *"Food establishment"* does not include the following:

*a.* A food processing plant.

*b.* An establishment that offers only prepackaged foods that are nonpotentially hazardous.

*c.* A produce stand or facility which sells only whole, uncut fresh fruits and vegetables.

*d.* Premises which are a home food establishment pursuant to chapter 137D.

*e.* Premises where a person operates a farmers market, if potentially hazardous food is not sold or distributed from the premises.

*f.* Premises of a residence in which food that is nonpotentially hazardous is sold for consumption off the premises to a consumer customer, if the food is labeled to identify the name and address of the person preparing the food and the common name of the food.

*g.* A kitchen in a private home where food is prepared or stored for family consumption or in a bed and breakfast home.

*h.* A private home that receives catered or home-delivered food.

*i.* Child care facilities and other food establishment facilities located in hospitals or health care facilities which are subject to inspection by other state agencies or divisions of the department.

*j.* Supply vehicles, vending machine locations, or boardinghouses for permanent guests.

*k.* Establishments exclusively engaged in the processing of meat and poultry which are licensed pursuant to section 189A.3.

*l.* Premises covered by a current class "A" beer permit as provided in chapter 123.

*m.* The premises of a residence in which honey is stored; prepared; packaged, including by placement in a container; labeled; or from which honey is distributed.

8. *"Food processing plant"* means a commercial operation that manufactures, packages, labels, or stores food for human consumption and does not provide food directly to a consumer. *"Food processing plant"* does not include any of the following:

*a.* A premises covered by a class "A" beer permit as provided in chapter 123.

*b.* A premises of a residence in which honey is stored; prepared; packaged, including by placement in a container; labeled; or from which honey is distributed.

*c.* A premises covered by a class "A" wine permit or a class "B" wine permit as provided in chapter 123.

9. *"Mobile food unit"* means a food establishment that is readily movable, which either operates up to three consecutive days at one location or returns to a home base of operation at the end of each day.

10. *"Municipal corporation"* means a political subdivision of this state.

11. *"Perishable food"* means potentially hazardous food.

12. *"Potentially hazardous food"* means a food that is natural or synthetic and is in a form capable of supporting the rapid and progressive growth of infectious or toxigenic microorganisms, or the growth and toxin production of clostridium botulinum. *"Potentially hazardous food"* includes an animal food that is raw or heat-treated, a food of plant origin that is heat-treated or consists of raw seed sprouts, cut melons, and garlic and oil mixtures. *"Potentially hazardous food"* does not include the following:

*a.* An air-cooled hard-boiled egg with shell intact.

*b.* A food with a water activity value of 0.85 or less.

*c.* A food with a hydrogen ion concentration (pH) level of 4.6 or below when measured at twenty-four degrees Centigrade or seventy-five degrees Fahrenheit.

*d.* A food, in an unopened hermetically sealed container, that is commercially processed to achieve and maintain commercial sterility under conditions of nonrefrigerated storage and distribution.

13. *"Pushcart"* means a non-self-propelled vehicle food establishment limited to serving nonpotentially hazardous foods or commissary-wrapped foods maintained at proper temperatures, or limited to the preparation and serving of frankfurters.

14. *"Regulatory authority"* means the department or a municipal corporation that has entered into an agreement with the director pursuant to section 137F.3 for authority to enforce this chapter in its jurisdiction.

15. *"Temporary food establishment"* means a food establishment that operates for a period of no more than fourteen consecutive days in conjunction with a single event or celebration.

16. *"Vending machine"* means a food establishment which is a self-service device that, upon insertion of a coin, paper currency, token, card, or key, dispenses unit servings of food in bulk or in packages without the necessity of replenishing the device between each vending operation.

17. *"Vending machine location"* means the physical site where a vending machine is installed and operated, including the storage and servicing areas on the premises that are used in conjunction with the vending machine.

98 Acts, ch 1162, §6, 30; 99 Acts, ch 192, §33; 99 Acts, ch 208, §28; 2001 Acts, ch 81, §1, 2; 2002 Acts, ch 1149, §1, 3; 2003 Acts, ch 44, §37; 2006 Acts, ch 1032, §4; 2007 Acts, ch 215, §210, 211; 2012 Acts, ch 1064, §1, 3

Referred to in §100.35, 137C.35, 189A.3, 190C.1

**137F.2 Adoption by rule.**

The department shall, in accordance with chapter 17A, adopt rules setting minimum standards for entities covered under this chapter to protect consumers from foodborne illness. In so doing, the department may adopt by reference, with or without amendment, the United States food and drug administration food code, which shall be specified by title and edition, date of publication, or similar information. The rules and standards shall be formulated in consultation with municipal corporations under agreement with the department, affected state agencies, and industry, professional, and consumer groups.

98 Acts, ch 1162, §7, 30; 99 Acts, ch 208, §29 – 32; 2001 Acts, ch 81, §3; 2007 Acts, ch 215, §212

Referred to in §137C.6, 137F.3, 331.756(32)

**137F.3 Authority to enforce.**

1. The director shall regulate, license, and inspect food establishments and food processing plants and enforce this chapter pursuant to rules adopted by the department in accordance with chapter 17A. Municipal corporations shall not regulate, license, inspect, or collect license fees from food establishments and food processing plants, except as provided in this section.

2. A municipal corporation may enter into an agreement with the director to provide that the municipal corporation shall license, inspect, and otherwise enforce this chapter within its jurisdiction. The director may enter into the agreement if the director finds that the municipal corporation has adequate resources to perform the required functions. A municipal corporation may only enter into an agreement to enforce the rules setting minimum standards to protect consumers from foodborne illness adopted pursuant to section 137F.2 if it also agrees to enforce the Iowa hotel sanitation code pursuant to section 137C.6. However, the department shall license and inspect all food processing plants which manufacture, package, or label food products. A municipal corporation may license and inspect, as authorized by this section, food processing plants whose operations are limited to the storage of food products.

3. If the director enters into an agreement with a municipal corporation as provided by this section, the director shall provide that the inspection practices of a municipal corporation are spot-checked on a regular basis.

4. A municipal corporation that is responsible for enforcing this chapter within its jurisdiction pursuant to an agreement shall make an annual report to the director providing the following information:

*a.* The total number of licenses granted or renewed by the municipal corporation under this chapter during the year.

*b.* The number of licenses granted or renewed by the municipal corporation under this chapter during the year in each of the following categories:

(1) Food establishments.

(2) Food processing plants.

(3) Mobile food units and pushcarts.

(4) Temporary food establishments.

(5) Vending machines.

*c.* The amount of money collected in license fees during the year.

*d.* The amount expended to perform the functions required under the agreement, submitted on a form prescribed by the department.

*e.* Other information the director requests.

5. The director shall monitor municipal corporations which have entered into an agreement pursuant to this section to determine if they are enforcing this chapter within their respective jurisdictions. If the director determines that this chapter is not enforced by a municipal corporation, the director may rescind the agreement after reasonable notice and an opportunity for a hearing. If the agreement is rescinded, the director shall assume responsibility for enforcement in the jurisdiction involved.

6. The inspection staff of a municipal corporation that has entered into an agreement with the director to enforce this chapter shall be required by the department to apply the current rules setting minimum standards to protect consumers from foodborne illness adopted pursuant to section 137F.2 to ensure consistency in application of the rules. A municipal corporation's failure to comply may result in the department rescinding the agreement with the municipal corporation, after reasonable notice and an opportunity for a hearing.

98 Acts, ch 1162, §8, 30; 2007 Acts, ch 215, §213

Referred to in §137F.1

**137F.3A Municipal corporation inspections — contingent appropriation.**

1. *a.* The department of inspections and appeals may employ additional full-time equivalent positions to enforce the provisions of this chapter and chapters 137C and 137D, with the approval of the department of management, if either of the following apply:

(1) A municipal corporation operating pursuant to a chapter 28E agreement with the department of inspections and appeals to enforce the chapters either fails to renew the agreement effective after April 1, 2007, or discontinues, after April 1, 2007, enforcement activities in one or more jurisdictions during the agreement time frame.

(2) The department of inspections and appeals cancels an agreement after April 1, 2007, due to noncompliance with the terms of the agreement.

*b.* Before approval may be given, the director of the department of management must have determined that the expenses exceed the funds budgeted by the general assembly for food inspections to the department of inspections and appeals. The department of inspections and appeals may hire no more than one full-time equivalent position for each six hundred inspections required pursuant to this chapter and chapters 137C and 137D.

2. Notwithstanding chapter 137D, and sections 137C.9 and 137F.6, if the conditions described in this section are met, fees imposed pursuant to that chapter and those sections shall be retained by and are appropriated to the department of inspections and appeals each fiscal year to provide for salaries, support, maintenance, and miscellaneous purposes associated with the additional inspections. The appropriation made in this subsection is not

applicable in a fiscal year for which the general assembly enacts an appropriation made for the purposes described in this subsection.

2006 Acts, ch 1185, §46, 53; 2007 Acts, ch 215, §214, 221; 2009 Acts, ch 133, §39

For fiscal years beginning July 1, 2011, through July 1, 2014, department of inspections and appeals to retain license fees generated as a result of actions under this section occurring during the fiscal period beginning July 1, 2009, and ending June 30, 2015, for the purpose of enforcing chapters 137C, 137D, and 137F; 2011 Acts, ch 127, §15, 73, 89; 2012 Acts, ch 1131, §17; 2013 Acts, ch 135, §15, 43

Section not amended; footnote revised

**137F.4 License required.**

A person shall not operate a food establishment or food processing plant to provide goods or services to the general public, or open a food establishment to the general public, until the appropriate license has been obtained from the regulatory authority. Sale of products at wholesale to outlets not owned by a commissary owner requires a food processing plant license. A license shall expire one year from the date of issue. A license is renewable. All licenses issued under this chapter that are not renewed by the licensee on or before the expiration date shall be subject to a penalty of ten percent per month of the license fee if the license is renewed at a later date.

98 Acts, ch 1162, §9, 30

**137F.5 Application for license.**

An application form prescribed by the department for a license under this chapter shall be obtained from the department or from a municipal corporation which is a regulatory authority. A completed application shall be submitted to the appropriate regulatory authority.

The dominant form of business shall determine the type of license for establishments which engage in operations covered under both the definition of a food establishment and of a food processing plant.

The regulatory authority where the unit is domiciled shall issue a license for a mobile food unit.

An application for renewal of a license shall be made at least thirty days before the expiration of the existing license.

98 Acts, ch 1162, §10, 30

**137F.6 License fees.**

1. The regulatory authority shall collect the following annual license fees:

*a.* For a mobile food unit or pushcart, twenty-seven dollars.

*b.* For a temporary food establishment per fixed location, thirty-three dollars and fifty cents.

*c.* For a vending machine, twenty dollars for the first machine and five dollars for each additional machine.

*d.* For a food establishment which prepares or serves food for individual portion service intended for consumption on-the-premises, the annual license fee shall correspond to the annual gross food and beverage sales of the food establishment, as follows:

(1) Annual gross sales of under fifty thousand dollars, sixty-seven dollars and fifty cents.

(2) Annual gross sales of at least fifty thousand dollars but less than one hundred thousand dollars, one hundred fourteen dollars and fifty cents.

(3) Annual gross sales of at least one hundred thousand dollars but less than two hundred fifty thousand dollars, two hundred thirty-six dollars and twenty-five cents.

(4) Annual gross sales of two hundred fifty thousand dollars but less than five hundred thousand dollars, two hundred seventy-five dollars.

(5) Annual gross sales of five hundred thousand dollars or more, three hundred three dollars and seventy-five cents.

*e.* For a food establishment which sells food or food products to consumer customers intended for preparation or consumption off-the-premises, the annual license fee shall correspond to the annual gross food and beverage sales of the food establishment, as follows:

(1) Annual gross sales of under ten thousand dollars, forty dollars and fifty cents.

(2) Annual gross sales of at least ten thousand dollars but less than two hundred fifty thousand dollars, one hundred one dollars and twenty-five cents.

(3) Annual gross sales of at least two hundred fifty thousand dollars but less than five hundred thousand dollars, one hundred fifty-five dollars and twenty-five cents.

(4) Annual gross sales of at least five hundred thousand dollars but less than seven hundred fifty thousand dollars, two hundred two dollars and fifty cents.

(5) Annual gross sales of seven hundred fifty thousand dollars or more, three hundred three dollars and seventy-five cents.

*f.* For a food processing plant, the annual license fee shall correspond to the annual gross food and beverage sales of the food processing plant, as follows:

(1) Annual gross sales of under fifty thousand dollars, sixty-seven dollars and fifty cents.

(2) Annual gross sales of at least fifty thousand dollars but less than two hundred fifty thousand dollars, one hundred thirty-five dollars.

(3) Annual gross sales of at least two hundred fifty thousand dollars but less than five hundred thousand dollars, two hundred two dollars and fifty cents.

(4) Annual gross sales of five hundred thousand dollars or more, three hundred thirty-seven dollars and fifty cents.

*g.* For a farmers market where potentially hazardous food is sold or distributed, one annual license fee of one hundred dollars for each vendor on a countywide basis.

*h.* For a food establishment covered by paragraphs *"d"* and *"e"*, the license fees assessed shall be an amount not to exceed seventy-five percent of the total fees applicable under both paragraphs.

2. If an establishment licensed under subsection 1, paragraph *"d"* or *"e"*, has had a person in charge for the entire previous twelve-month period who holds an active certified food protection manager certificate from a program approved by the conference on food protection and the establishment has not been issued a critical violation during the previous twelve-month period, the establishment's license fee for the current renewal period shall be reduced by fifty dollars.

3. Fees collected by the department shall be deposited in the general fund of the state. Fees collected by a municipal corporation shall be retained by the municipal corporation for regulation of food establishments and food processing plants licensed under this chapter.

4. Each vending machine licensed under this chapter shall bear a readily visible identification tag or decal provided by the licensee, containing the licensee's business address and phone number, and a company license number assigned by the regulatory authority.

98 Acts, ch 1162, §11, 30; 2002 Acts, ch 1149, §2, 3; 2003 Acts, ch 108, §128, 132; 2007 Acts, ch 215, §215; 2009 Acts, ch 133, §40; 2012 Acts, ch 1064, §2, 3

Referred to in §137F.3A

**137F.7 Suspension or revocation of licenses.**

1. The regulatory authority may suspend or revoke a license issued to a person under this chapter pursuant to rules adopted by the department if any of the following occurs:

*a.* The person's food establishment or food processing plant does not conform to a provision of this chapter or a rule adopted pursuant to this chapter.

*b.* The person conducts an activity constituting a criminal offense in the food establishment or food processing plant and is convicted of a serious misdemeanor or a more serious offense as a result.

2. A licensee may appeal a suspension or revocation in accordance with rules adopted by the department.

98 Acts, ch 1162, §12, 30; 2009 Acts, ch 41, §263

**137F.8 Farmers markets.**

A vendor who offers a product for sale at a farmers market shall have the sole responsibility to obtain and maintain any license required to sell or distribute the product.

98 Acts, ch 1162, §13, 30

**137F.9 Operation without inspection prohibited.**

A person shall not open or operate a food establishment or food processing plant until an inspection has been made and a license has been issued by the regulatory authority. Inspections shall be conducted according to standards adopted by rule of the department pursuant to chapter 17A.

A person who opens or operates a food establishment or food processing plant without a license is subject to a penalty of up to twice the amount of the annual license fee.

98 Acts, ch 1162, §14, 30

**137F.10 Regular inspections.**

The appropriate regulatory authority shall provide for the inspection of each food establishment and food processing plant in this state in accordance with this chapter and with rules adopted pursuant to this chapter in accordance with chapter 17A. A regulatory authority may enter a food establishment or food processing plant at any reasonable hour to conduct an inspection. The manager or person in charge of the food establishment or food processing plant shall afford free access to every part of the premises and render all aid and assistance necessary to enable the regulatory authority to make a thorough and complete inspection. As part of the inspection process, the regulatory authority shall provide an explanation of the violation or violations cited and provide guidance as to actions for correction and elimination of the violation or violations.

98 Acts, ch 1162, §15, 30; 2007 Acts, ch 215, §216

**137F.11 Inspection upon complaint.**

Upon receipt of a complaint by a customer of a food establishment or food processing plant stating facts indicating the premises are in an unsanitary condition, the regulatory authority may conduct an inspection.

98 Acts, ch 1162, §16, 30

**137F.11A Posting of inspection reports.**

An establishment inspected under this chapter shall post the most recent routine inspection report, along with any current complaint or reinspection reports, in a location at the establishment that is readily visible to the public.

2007 Acts, ch 215, §217

**137F.12 Plumbing.**

A food establishment or food processing plant shall have an adequately designed plumbing system conforming to at least the minimum requirements of the state plumbing code, or local plumbing code, whichever is more stringent. The plumbing system shall have a connection to a municipal water and sewer system or to a benefited water district or sanitary district if such facilities are available.

98 Acts, ch 1162, §17, 30

**137F.13 Water and waste treatment.**

If a food establishment or food processing plant is served by privately owned water or waste treatment facilities, those facilities shall meet the technical requirements of the local board of health and the department of natural resources.

98 Acts, ch 1162, §18, 30

**137F.14 Toilets and lavatories.**

A food establishment or food processing plant shall provide toilet and lavatory facilities in accordance with rules adopted by the department pursuant to this chapter in accordance with chapter 17A.

98 Acts, ch 1162, §19, 30

**137F.15 Fire safety.**

A violation of a fire safety rule adopted pursuant to section 100.35 and applicable to food establishments or food processing plants which occurs on the premises of a food establishment or food processing plant is a violation of this chapter.

98 Acts, ch 1162, §20, 30

**137F.16 Conflicts with state building code.**

Provisions of this chapter in conflict with the state building code, as adopted pursuant to section 103A.7, shall not apply where the state building code has been adopted or when the state building code applies throughout the state.

98 Acts, ch 1162, §21, 30; 2004 Acts, ch 1086, §40

**137F.17 Penalty.**

A person who violates this chapter or rules adopted pursuant to this chapter shall be subject to a civil penalty of one hundred dollars for each violation.

98 Acts, ch 1162, §22, 30

**137F.18 Injunction.**

A person opening or operating a food establishment or food processing plant in violation of this chapter may be enjoined from further operation of the establishment or plant. If an imminent health hazard exists, the establishment or plant must cease operation. Operation shall not be resumed until authorized by the regulatory authority.

98 Acts, ch 1162, §23, 30

**137F.19 Duty of county or city attorney.**

The county attorney in each county or city attorney in each city shall assist in the enforcement of this chapter.

98 Acts, ch 1162, §24, 30

Referred to in §331.756(32)

# CHAPTER 138

## MIGRANT LABOR CAMPS


138.1 Definitions.
138.2 Permit required.
138.3 Written application.
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138.5 Revocation or suspension of permit.
138.6 Notice of intention.
138.7 Appeal to director.
138.8 Place — evidence — record.
138.9 Liberal rules to prevail.
138.10 Judicial review.
138.11 Access to camp for inspection.
138.12 Variations permitted.
138.13 Conditions for permit.
138.14 Communicable diseases reported.
138.15 Notice of intent to construct or alter a camp.
138.16 Cleanliness and repair required.
138.17 Rental charges or wage deductions.
138.18 Rules promulgated.
138.19 Penalties.


**138.1 Definitions.**

When used in this chapter unless the context otherwise requires:

1. *"Camp operator"* means the person who has been granted a permit, in accordance with the provisions of this chapter, to operate a migrant labor camp, or portion thereof.

2. *"Chemical toilet"* means a nonwater carriage toilet facility where human waste is collected in a container charged with a chemical solution for the purpose of disinfecting and deodorizing such waste.

3. *"Communicable disease"* means any of those diseases regulated by state or local communicable disease laws, ordinances, or regulations.

4. *"Department"* means the Iowa department of public health.

5. *"Director"* means the director of public health or the director's designee.

6. *"Garbage"* means all putrescible animal or vegetable wastes resulting from the handling, preparation, cooking, or consumption of food at a migrant labor camp.

7. *"Migrant"* means any individual who customarily and repeatedly travels from state to state for the purpose of obtaining seasonal employment in agriculture, including the spouse and children of such individuals, whether or not authorized by law to engage in such employment.

8. *"Migrant labor camp"* means one or more buildings, structures, shelters, tents, trailers, or vehicles or any other structure or a combination thereof together with the land appertaining thereto, established, operated, or maintained as living quarters for seven or more migrants or two or more shelters. A camp shall include such land or quarters separate from one another if the migrants housed therein work at any time for the same person and the total number of migrants in all such camps is seven or more. Such separate camps shall constitute a portion of a migrant labor camp.

9. *"Person"* means an individual, group of individuals, firm, association, partnership, or corporation.

10. *"Privy"* means a portable or fixed sanitary facility used for excretion in a shelter separate and apart from any building and without water-borne disposal.

11. *"Refuse"* means all putrescible and nonputrescible solid waste except human body wastes, including garbage, rubbish, and ashes.

12. *"Service building"* means any building provided for the common use, welfare, and comfort of persons occupying or using the migrant labor camp.

13. *"Shelter"* means any conventional or unconventional building of one or more rooms, or any tent, trailer, railroad car, or any other enclosure or structure used for sleeping or living purposes.

14. *"Toilet room"* means an enclosure containing one or more toilet facilities or water closet facilities.

15. *"Urinal"* means a sanitary fixture or structure installed for the purpose of urination.

16. *"Water closet"* means a sanitary fixture, within a toilet room, used for excretion and equipped with a bowl and device for flushing the bowl contents into a disposal system.

[C71, 73, 75, 77, 79, 81, §138.1]

**138.2 Permit required.**

No person shall establish, maintain, or operate a migrant labor camp, or portion thereof, directly or indirectly, until the person has obtained a permit to operate such camp from the department and unless the permit is in full force and effect and is posted and remains posted in the camp, or portion thereof, to which it applies at all times during the maintenance and operation of such camp.

[C71, 73, 75, 77, 79, 81, §138.2]

**138.3 Written application.**

Written application to operate a migrant labor camp, or portion thereof, shall be made to the department upon forms approved by the department at least sixty days prior to the first day of the intended operation of such camp. The application shall state the name and address of the person requesting a permit; and name and address of the owner of the camp, or portion thereof; approximate number of persons to be lodged in such camp; approximate period during which the migrant labor camp, or portion thereof, is to be operated; the location of such camp, or portion thereof; and any other information required by the department. A separate application shall be submitted for each camp, or portion thereof, and a separate permit shall be issued annually for each such camp, or portion thereof.

[C71, 73, 75, 77, 79, 81, §138.3]

**138.4 Permit not assignable.**

If the department finds, after investigation, that the migrant labor camp, or portion thereof, conforms to the minimum standards required by this chapter, it shall issue a permit for operation of such camp, or portion thereof. A permit shall not be assignable or transferable.

It shall expire one year after the date of issuance, or upon a change of operator of the camp or upon revocation.

[C71, 73, 75, 77, 79, 81, §138.4]

**138.5 Revocation or suspension of permit.**

If the holder of any permit under the provisions of this chapter fails to maintain and operate a migrant labor camp in accordance with the provisions of this chapter and the rules of the department relating thereto, the director shall revoke or suspend the permit for the operation and maintenance of such camp.

[C71, 73, 75, 77, 79, 81, §138.5]

**138.6 Notice of intention.**

The director shall serve written notice upon the holder of the permit, by restricted certified mail, return receipt requested, specifying the manner in which the holder of the permit has failed to comply with the provisions of this chapter or any rules of the department and shall fix a reasonable time within which the objectionable condition or conditions must be removed or corrected. If the holder of the permit fails to remove or correct such objectionable condition or conditions within the time fixed by the director, the director shall revoke or suspend such permit. However, if the objectionable condition or conditions endanger the health, safety, or welfare of any inhabitants of a migrant labor camp, the director shall immediately suspend or revoke such permit.

[C71, 73, 75, 77, 79, 81, §138.6]

**138.7 Appeal to director.**

When any person applying for a permit to operate a migrant labor camp is denied a permit, or when a permit is suspended or revoked, such person may appeal such denial, suspension, or revocation to the director. The director, after reasonable notice to all interested parties, shall hold a hearing upon such denial, suspension, or revocation. At the hearing all parties involved shall be entitled to be present and represented by counsel and to present such evidence as they desire as to why a permit should, or should not, be issued, suspended, or revoked. The director shall render a decision within thirty days after the termination of the hearing, and a copy of the decision shall be sent by restricted certified mail, return receipt requested, to all parties given notice of the appeal and hearing. Notice of appeal shall be sent in writing to the department by restricted certified mail, return receipt requested, by the aggrieved party. In the event such appeal is taken from a notice of suspension or revocation, such appeal shall be made prior to the date set for such suspension or revocation.

[C71, 73, 75, 77, 79, 81, §138.7]

**138.8 Place — evidence — record.**

The hearing shall be conducted at the office of the department or at such other place convenient for the aggrieved party or for the attendance of witnesses and receipt of evidence. The director, when requested in writing by any party to the appeal, shall compel by subpoena the attendance and testimony of witnesses and the production of books, papers, and documents. All testimony and evidence shall be received under oath administered by the director. In the event any party fails to attend who has been properly served with a subpoena, application shall be made to the district court in the county where such hearing is to be held, to enforce the subpoena issued by the director. The director shall cause a record of the proceedings at the hearing to be kept and shall provide any interested party to the hearing a transcript of the evidence presented, upon payment of the cost thereof. The hearing may be continued from time to time at the discretion of the director.

[C71, 73, 75, 77, 79, 81, §138.8]

**138.9 Liberal rules to prevail.**

Technical errors in the proceeding or failure to observe the technical rules of evidence shall not constitute grounds for reversal of any decision unless it shall appear to the reviewing court

that such error or failure materially affects the rights of any party and results in substantial injustice to any interested party.

[C71, 73, 75, 77, 79, 81, §138.9]

**138.10 Judicial review.**

Judicial review of actions of the director may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of said Act, petitions for judicial review may be filed in the district court of the county wherein the license was to be issued or wherein such license is to be revoked or suspended, and such a petition for judicial review shall not operate to stay any order or final determination of the director unless the district court finds upon hearing after reasonable notice to all interested parties, that substantial damage would result to the appealing party unless such order or final determination was stayed and such a stay would not endanger the health, safety, or welfare of any inhabitants of a migrant labor camp.

[C71, 73, 75, 77, 79, 81, §138.10]

2003 Acts, ch 44, §114

**138.11 Access to camp for inspection.**

The director may enter and inspect migrant labor camps at any reasonable time and may question persons, and investigate facts, conditions, practices, or any other matters as are necessary or appropriate to determine compliance with the provisions of this chapter and any rules made pursuant to this chapter, or in the formulation of any additional rules. The director may, to the extent appropriate, utilize the services of any other state department or agency or any local agency for assistance in inspections and investigations.

[C71, 73, 75, 77, 79, 81, §138.11]

**138.12 Variations permitted.**

1. The director may grant written permission to individual camp operators to vary from the provisions of this chapter or the rules of the department when the extent of the variation is clearly specified and it is demonstrated to the director's satisfaction that:

*a.* Such variation is necessary to obtain a beneficial use of an existing facility.

*b.* The variation is necessary to prevent a substantial difficulty or unnecessary hardship.

*c.* Appropriate alternative measures have been taken to protect the health, safety, and welfare of any inhabitants of a migrant labor camp and assure that the purpose of the provisions for which variation is sought will be observed.

2. Written application for such variations shall be filed with the director and local board of health serving the area in which the migrant labor camp is situated. No such variation shall be effective until granted in writing by the director.

[C71, 73, 75, 77, 79, 81, §138.12]

2009 Acts, ch 41, §263

**138.13 Conditions for permit.**

To be eligible for a permit, a migrant labor camp, or portion thereof, shall meet each and all of the following requirements:

1. *Site.*

*a.* Sites for migrant labor camps shall be adequately drained. Such sites shall not be subject to periodic flooding, nor located within two hundred feet of swamps, pools, sinkholes, or other quiescent surface collections of water unless the water surfaces can be subjected to mosquito and pest control measures. Sites shall be located so that drainage from and through the camp will not endanger any domestic or public water supply. Sites shall be graded, ditched, and rendered free from depressions in which water may collect and become a nuisance.

*b.* Sites shall be adequate in size to prevent overcrowding of necessary structures and to minimize the hazards of fire. Housing shall not be subject to, or in proximity to, conditions that create or are likely to create offensive odors, flies, noise, traffic, or attract rats or other rodents, or any other similar conditions.

*c.* The grounds and open areas surrounding the shelters, buildings, or structures, shall be maintained in a clean and sanitary condition free from rubbish, debris, wastepaper, garbage, and other refuse.

*d.* All camps shall provide space for recreation, commensurate with size of the camp and type of occupancy.

*e.* Whenever a camp is permanently closed or closed for the season, all garbage, manure, and other refuse shall be collected and disposed of to prevent a nuisance. All abandoned privy pits shall be filled with earth and the grounds and buildings left in a clean and sanitary condition. If privy buildings remain, then such buildings shall be locked or otherwise secured to prevent entrance.

2. *Shelter.*

*a.* Shelters shall be structurally sound and shall provide protection to the occupants.

*b.* At least one-half of the floor area in each living unit shall have a minimum ceiling height of seven feet. No floor space shall be counted toward minimum requirements where the ceiling height is less than five feet.

*c.* Sleeping facilities shall be provided for each person. Such facilities shall consist of comfortable beds, cots, or bunks, provided with clean mattresses.

*d.* Any bedding provided by the camp operator shall be clean and sanitary.

*e.* Triple deck bunks shall not be allowed.

*f.* The clear space above the top of the lower mattress of a double deck bunk and the bottom of the upper bunk shall be a minimum of twenty-seven inches. The distance from the top of the upper mattress to the ceiling shall be a minimum of thirty-six inches.

*g.* Beds used for double occupancy may be provided only in family accommodations.

*h.* Floors of buildings used as living quarters or shelters shall be constructed of wood, asphalt, concrete, or other comparable material. Wooden floors shall be of smooth and tight construction and shall be elevated not less than one foot above the ground level at all points to prevent dampness and to permit free circulation of air beneath. Floors shall be kept in good repair.

*i.* Nothing in this chapter shall prohibit banking with earth or other suitable material around the outside walls of shelters and other structures in areas subject to extremely low temperatures.

*j.* Living quarters of shelters shall be provided with windows and doors which shall be in total area not less than one-tenth of the floor area. At least one-half of each window shall be constructed so that it can be opened for purposes of ventilation.

*k.* Exterior openings shall be effectively screened with sixteen mesh material. Screen doors shall be equipped with self-closing devices.

*l.* In a room where people cook, live, and sleep, a minimum of sixty square feet per occupant shall be provided. Sanitary facilities shall be provided for storing and preparing food.

*m.* When a camp is operated during a season requiring artificial heating, living quarters with a minimum of one hundred square feet per occupant shall be provided and such living quarters or shelters shall, also, be provided with properly installed heating equipment of adequate capacity to maintain a room temperature of at least 70 degrees Fahrenheit. A stove or other source of heat shall be installed and vented in a manner to avoid both a fire hazard and a concentration of fumes or gas within such living quarters and shelters. In a room with wooden or combustible flooring, there shall be a concrete slab, metal sheet, or other fire-resistant material, on the floor under each stove, extending at least eighteen inches beyond the perimeter of the base of the stove. Any wall or ceiling not having a fire-resistant surface, within twenty-four inches of a stove or stovepipe, shall be protected by a metal sheet or other fire-resistant material. Heating appliances, other than electrical, shall be provided with a stovepipe or vent connected to the appliance and discharging to the outside air or chimney. The vent or chimney shall extend above the peak of the roof. Stovepipes shall be insulated with fire-resistant material where they pass through walls, ceilings, or floors.

3. *Water supply.*

*a.* An adequate and convenient water supply, approved by the department, shall be provided in each camp for drinking, cooking, bathing, and laundry purposes.

*b.* Each water supply shall be inspected at the time of occupancy of the camp and as frequently thereafter as is necessary to insure its continued suitability.

*c.* Distribution lines shall be capable of supplying water at normal operating pressures to all fixtures for simultaneous operation. Water outlets shall be distributed throughout the camp in such a manner that no shelter or living quarter is more than one hundred feet from a yard hydrant if water is not piped to the shelters.

*d.* A cold water tap shall be available within one hundred feet of each individual living unit when water is not provided in the unit. Adequate drainage facilities shall be provided for overflow and spillage.

*e.* Common drinking cups shall not be allowed or permitted.

*f.* Wells or springs used as sources of water supply shall have tight covers and be constructed and located to preclude pollution by seepage from cesspools, privies, sewers, sewage treatment works, stables or manure piles, or surface drainage. The water from such sources shall be obtained by free gravity flow or by an approved metal pump securely mounted on a concrete slab covering the well or spring. If the pump is adjacent to the well or spring, it shall be located and connected to prevent any pollution of such water supply.

4. *Toilet facilities.*

*a.* Approved toilet facilities adequate for the capacity of the camp shall be provided.

*b.* Each toilet facility shall be located so as to be accessible to the inhabitants of the camp without any individual passing through any sleeping room. Toilet rooms shall have a window not less than six square feet in area opening directly to the outside or shall otherwise be satisfactorily ventilated. All outside openings shall be screened with sixteen mesh material. No water closet, chemical toilet, or urinal shall be located in a room used for other than toilet purposes.

*c.* A toilet room shall be located within two hundred feet of each sleeping room. No privy existing on May 23, 1969, shall be nearer than fifty feet from any sleeping room, dining room, lunch area, or kitchen. No privy constructed after May 23, 1969, shall be nearer than one hundred feet from any sleeping room, dining room, lunch area, or kitchen.

*d.* Separate facilities shall be provided for men and women and such facilities shall be clearly marked by signs printed in English and in the native language of the persons occupying the camp, or marked with easily understood pictures or symbols, when men and women, not members of the same immediate family, are housed in the same camp.

*e.* Where toilet facilities are shared, the number of water closets or privy seats provided for each sex shall be based on the maximum number of persons of that sex which the camp is designed to house at any one time, in the ratio of one unit for each fifteen persons, with a minimum of two units for any shared facility.

*f.* Urinals, constructed of nonabsorbent materials, may be substituted for men's toilet seats on the basis of one urinal or twenty-four inches of trough-type urinal for one toilet seat up to a maximum of one-third of the required toilet seats.

*g.* Each toilet room or facility shall be lighted naturally, or artificially, by a safe type of lighting at all hours of the day and night.

*h.* An adequate supply of toilet paper shall be provided in each privy, water closet, or chemical toilet compartment.

*i.* Toilet seats, privies, and toilet rooms or facilities shall be kept in a sanitary condition and cleaned daily.

*j.* Each privy shall have a pit initially at least five feet deep.

*k.* Privy pits shall be constructed and maintained so that flies cannot gain access to the human waste.

*l.* A privy pit shall not be filled with human waste to a point nearer than one foot from the surface of the ground; the human waste in the pit shall then be covered with earth, ashes, lime, or other similar material.

*m.* Seat openings in privies shall be covered with tight-fitting, hinged lids.

5. *Sewage disposal facilities.*

*a.* In camps where public sewers are available, all sewer lines and floor drains from buildings and shelters shall be connected to the sewers.

*b.* All human waste, sewage, or liquid waste from camps not discharged into public sewers

shall be disposed of in accordance with the provisions of this chapter or the rules of the department.

6. *Laundry, handwashing, and bathing facilities.*

*a.* Laundry, handwashing, and bathing facilities shall be provided as follows:

(1) One handwash basin for each immediate family shelter or dwelling for every fifteen individuals or fraction thereof in shared facilities.

(2) One shower head for every fifteen or fraction thereof individuals. Separate facilities for men and women shall be provided in shared facilities.

(3) One laundry tray or tub for every twenty-five persons or fraction thereof.

(4) One slop sink in each building used for laundry, handwashing, or bathing.

*b.* Floors shall be of smooth finish but not of slippery materials and they shall be impervious to moisture. Floor drains shall be provided in all shower baths, shower rooms, or laundry rooms to remove waste water and facilitate cleaning. Junctions of the curbing and the floor shall be covered. Walls and partitions of shower rooms shall be smooth and impervious to moisture to the height of splash.

*c.* A supply of hot and cold running water conforming to the provisions of this chapter or the rules and regulations of the department shall be provided for bathing and laundry purposes.

*d.* Every service building used during periods requiring artificial heating shall be provided with equipment capable of maintaining a room temperature of at least 70 degrees Fahrenheit.

*e.* Facilities for drying clothes shall be provided.

*f.* Service buildings shall be kept clean.

*g.* Waste water shall be disposed of so as not to form pools on the ground nor create a nuisance, nor pollute any drinking water supply. Toilet drainage shall be carried through a covered drain into a covered septic tank that conforms to standards established by the department.

7. *Lighting.*

*a.* All housing sites, quarters, and shelters shall be provided with electric service.

*b.* Each habitable room and common use rooms, and areas including, but not limited to, laundry rooms, toilets, privies, hallways, and stairways shall contain adequate ceiling or wall-type light fixtures. At least one wall-type electrical convenience outlet shall be provided in each individual living room.

*c.* Adequate lighting shall be provided for the yard area and pathways to common use facilities.

*d.* All wiring and lighting fixtures shall be installed and maintained in a safe condition.

*e.* Where electric service is not available, gas lighting will be acceptable. Hallways and stairways to upper floors shall be lighted at night. Electric lighting shall be provided in all camps or additions to camps constructed after May 23, 1969.

8. *Refuse disposal.*

*a.* Durable, fly-tight, clean containers in good condition of a minimum capacity of twenty gallons, shall be provided adjacent to each housing unit or shelter for the storage of garbage and other refuse. Such containers shall be provided in a minimum ratio of one per fifteen persons or fraction thereof.

*b.* Provisions shall be made for collection of refuse at least twice a week, or more often if necessary.

*c.* The disposal of refuse shall be in accordance with state and local laws.

9. *Construction and operation of kitchens, dining halls, and feeding facilities.*

*a.* Every camp shall be provided with adequate gas stoves or electrical stoves for cooking.

*b.* Utensils in which food is prepared or kept, or from which food is to be eaten, and implements used in the preparation and eating of food shall be kept in a clean, unbroken, and sanitary condition.

*c.* Adequate refrigeration for perishable foods, cooked or raw, shall be provided in every kitchen or wherever food is prepared. Tables, benches, or chairs shall be provided.

*d.* Cooking of meals by an immediate family unit within its assigned living quarters may be permitted, provided that safe and adequate areas are available, but a separate kitchen in each shelter is desirable.

*e.* In camps where cooking facilities are used in common, stoves, in ratio of one stove to ten persons or one stove to two immediate families or fraction thereof, shall be provided in a central kitchen room or building separate and distinct from sleeping quarters and toilet facilities. Floors, walls, ceilings, tables and shelves of kitchens, dining rooms, refrigerators and food storage rooms shall be constructed so that they can always be maintained in a clean and sanitary condition. Exterior wall openings of all rooms shall be screened and rendered fly-tight at all times during the period that the camp is in operation. Screen doors shall be self-closing and installed to open outward from the area to be protected.

*f.* In camps where meals are furnished by the operator, manager, or concessionaire, the requirements of the department shall be met.

*g.* No person with any communicable or venereal disease shall be employed or permitted to work at preparation, cooking, serving, or other handling of food, foodstuffs, or other materials, in any kitchen or dining room operated in connection with a camp or regularly used by persons living in a camp.

10. *Insect and rodent control.*

*a.* Effective measures shall be taken to control rats, mice, flies, mosquitoes; bedbugs, and all other insects, rodents, and parasites within the camp premises.

*b.* Pesticides and pest control equipment shall be stored and used in a safe manner.

11. *Safety and fire prevention.*

*a.* No flammable or volatile liquids or materials shall be stored in or adjacent to rooms used for living purposes, except for those needed for current household use.

*b.* First aid facilities shall be provided and readily accessible for use at all times. Such facilities shall be equivalent to the sixteen unit first aid kit recommended by the American Red Cross, and provided in a ratio of one per fifty persons or fraction thereof.

*c.* Buildings and structures of a camp shall be maintained and used in accordance with state and local law relative to fire prevention.

*d.* Units of approved fire-extinguisher equipment shall be located so that a person will not have to travel more than one hundred feet from any point to reach the nearest unit, and at least one unit shall be provided for each one thousand square feet of floor space or fraction thereof.

*e.* Appliances of the type, number, and size indicated below shall constitute one unit of fire-extinguisher equipment:

(1) *Soda and acid.* One appliance of two and one-half gallon capacity, or two appliances of one and one-half gallon capacity in each appliance.

(2) *Foam.* One appliance of two and one-half gallon capacity, or two appliances of one and one-half gallon capacity in each appliance.

(3) *Water type.* One stored pressure appliance of two and one-half gallon capacity, or two pump-type appliances of five gallon capacity.

*f.* Fire fighting equipment shall be maintained in good operating condition so that it may be used instantly when the need arises.

*g.* Adult occupants shall be properly instructed in fire prevention and in the proper use of equipment.

*h.* Agricultural pesticides and toxic chemicals shall not be stored in the housing area.

[C71, 73, 75, 77, 79, 81, §138.13]

2013 Acts, ch 30, §35, 36

Subsection 2, paragraph m amended

Subsection 6, paragraph d amended

**138.14 Communicable diseases reported.**

The camp operator shall report immediately to the local board of health the name and address of any individual in the camp known to have or suspected of having a communicable disease. Whenever there shall occur in any camp, or portion thereof, a case of suspected food poisoning or an unusual prevalence of any illness in which fever, diarrhea, sore throat, vomiting, or jaundice is a prominent symptom, the camp operator shall report immediately the existence of the condition to the local board of health and the director.

[C71, 73, 75, 77, 79, 81, §138.14]

**138.15 Notice of intent to construct or alter a camp.**

Any person who is planning to construct, reconstruct, or enlarge a camp or any portion thereof, or facility of a camp, or to convert a property for use or occupancy as a camp, shall give notice in writing of the person's intent to do so to the director at least fifteen days prior to the date of the commencement of any major construction, reconstruction, enlargement, or conversion. The notice shall give the name of the city, village, and county in which the property is located; the location of the property within that area; a brief description of the proposed major construction, reconstruction, enlargement, or conversion; the name and mailing address of the person giving such notice; and the person's telephone number. The director, upon receipt of such notice, shall promptly send to such person by ordinary mail a copy of this chapter and all rules of the department applicable to migrant labor camps.

[C71, 73, 75, 77, 79, 81, §138.15]

**138.16 Cleanliness and repair required.**

Every migrant or inhabitant of a migrant labor camp shall use the sanitary and other facilities provided and shall keep that part of the living quarters or shelter which the migrant's or inhabitant's immediate family occupies and controls as well as the premises immediately adjacent thereto in a clean condition comparable to normal domestic standards. Every camp operator or permit holder shall be responsible for the providing of and proper maintenance and repair of the premises, all shelters, structures, facilities, and service buildings of the camp, or portion thereof, for which the camp operator or permit holder was issued a permit as well as proper garbage and refuse collection, privy openings and closings, maintenance of water supply, pest and rodent control, toilet facilities, sewage disposal, laundry, handwashing and bathing facilities, lighting, operation of common kitchens, dining halls, and feeding facilities, and safety and fire prevention.

[C71, 73, 75, 77, 79, 81, §138.16]

**138.17 Rental charges or wage deductions.**

A rental charge or deduction from any wages due a migrant shall not be made by any camp operator or person for providing any of the facilities required by this chapter unless such migrant is fully informed of all such rental charges or deductions to be made prior to the time the migrant contracts for employment as an agricultural or migrant worker.

[C71, 73, 75, 77, 79, 81, §138.17]

**138.18 Rules promulgated.**

The director shall make such rules necessary for carrying out the purposes and provisions of this chapter, subject to the requirements of chapter 17A.

[C71, 73, 75, 77, 79, 81, §138.18]

**138.19 Penalties.**

Any person failing to comply with any provision of this chapter, or with any rule or order issued pursuant to the provisions of this chapter, or interfering with, impeding, or obstructing in any manner, the director, department, or any of its employees in the performance of official duties pursuant to this chapter, shall be guilty of a simple misdemeanor. If any person further fails to comply with any provisions of this chapter, or with any rule or order issued pursuant to the provisions of this chapter, the director shall enforce such provision, rule, or order by filing an action for injunction against such person in the district court in the county wherein such violation or violations occur.

[C71, 73, 75, 77, 79, 81, §138.19]

# CHAPTER 139

## COMMUNICABLE AND REPORTABLE DISEASES AND POISONINGS

Repealed by 2000 Acts, ch 1066, §51; see chapter 139A

# CHAPTER 139A

## COMMUNICABLE AND INFECTIOUS DISEASES AND POISONINGS

Referred to in §135.11, 135.144

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## SUBCHAPTER I

## GENERAL PROVISIONS

**139A.1 Title.**

This chapter shall be known as the *"Communicable and Infectious Disease Reporting and Control Act"*.

2000 Acts, ch 1066, §1

**139A.2 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Area quarantine"* means prohibiting ingress and egress to and from a building or buildings, structure or structures, or other definable physical location, or portion thereof, to prevent or contain the spread of a suspected or confirmed quarantinable disease or to prevent or contain exposure to a suspected or known chemical, biological, radioactive, or other hazardous or toxic agent.

2. *"Business"* means and includes every trade, occupation, or profession.

3. *"Care provider"* means an individual who is trained and authorized by federal or state law to provide health care services or services of any kind in the course of the individual's official duties, for compensation or in a voluntary capacity, who is a health care provider,

emergency medical care provider as defined in section 147A.1, fire fighter, or peace officer. *"Care provider"* also means an individual who renders emergency care or assistance in an emergency or due to an accident as described in section 613.17.

4. *"Communicable disease"* means any disease spread from person to person or animal to person.

5. *"Contagious or infectious disease"* means hepatitis in any form, meningococcal disease, AIDS or HIV as defined in section 141A.1, tuberculosis, and any other disease determined to be life-threatening to a person exposed to the disease as established by rules adopted by the department, based upon a determination by the state epidemiologist and in accordance with guidelines of the centers for disease control and prevention of the United States department of health and human services.

6. *"Department"* means the Iowa department of public health.

7. *"Designated officer"* means a person who is designated by a department, agency, division, or service organization to act as an infection control liaison officer.

8. *"Exposure"* means a specific eye, mouth, other mucous membrane, nonintact skin, or parenteral contact with blood or other potentially infectious bodily fluids.

9. *"Exposure-prone procedure"* means a procedure performed by a health care provider which presents a recognized risk of percutaneous injury to the health care provider and if such an injury occurs, the health care provider's blood is likely to contact a patient's body cavity, subcutaneous tissues, or mucous membranes, or an exposure-prone procedure as defined by the centers for disease control and prevention of the United States department of health and human services.

10. *"HBV"* means hepatitis B virus.

11. *"Health care facility"* means a health care facility as defined in section 135C.1, an ambulatory surgical center, or a clinic.

12. *"Health care provider"* means a person licensed to practice medicine and surgery, osteopathic medicine and surgery, chiropractic, podiatry, nursing, dentistry, optometry, or as a physician assistant, dental hygienist, or acupuncturist.

13. *"HIV"* means HIV as defined in section 141A.1.

14. *"Hospital"* means hospital as defined in section 135B.1.

15. *"Isolation"* means the separation of persons or animals presumably or actually infected with a communicable disease or who are disease carriers for the usual period of communicability of that disease in such places, marked by placards if necessary, and under such conditions as will prevent the direct or indirect conveyance of the infectious agent or contagion to susceptible persons.

16. *"Local board"* means the local board of health.

17. *"Local department"* means the local health department.

18. *"Placard"* means a warning sign to be erected and displayed on the periphery of a quarantine area, forbidding entry to or exit from the area.

19. *"Public health disaster"* means public health disaster as defined in section 135.140.

20. *"Quarantinable disease"* means any communicable disease designated by rule adopted by the department as requiring quarantine or isolation to prevent its spread.

21. *"Quarantine"* means the limitation of freedom of movement of persons or animals that have been exposed to a quarantinable disease within specified limits marked by placards for a period of time equal to the longest usual incubation period of the disease in such manner as to prevent the spread of a quarantinable disease which affects people.

22. *"Reportable disease"* means any disease designated by rule adopted by the department requiring its occurrence to be reported to an appropriate authority.

23. *"Sexually transmitted disease or infection"* means a disease or infection as identified by rules adopted by the department, based upon a determination by the state epidemiologist and in accordance with guidelines of the centers for disease control and prevention of the United States department of health and human services.

24. *"Significant exposure"* means a situation in which there is a risk of contracting disease through exposure to a person's infectious bodily fluids in a manner capable of transmitting an infectious agent as determined by the centers for disease control and prevention of the United States department of health and human services and adopted by rule of the department.

25. *"Terminal cleaning"* means cleaning procedures defined in the isolation guidelines issued by the centers for disease control and prevention of the United States department of health and human services.

2000 Acts, ch 1066, §2; 2001 Acts, ch 24, §29; 2001 Acts, ch 157, §1 – 3; 2003 Acts, ch 33, §9, 11; 2004 Acts, ch 1168, §6; 2006 Acts, ch 1079, §2; 2008 Acts, ch 1088, §141; 2011 Acts, ch 63, §18, 19

Referred to in §135.144, 141A.9, 356.48

**139A.3 Reports to department — immunity — confidentiality — investigations.**

1. The health care provider or public, private, or hospital clinical laboratory attending a person infected with a reportable disease shall immediately report the case to the department. However, when a case occurs within the jurisdiction of a local health department, the report shall be made to the local department and to the department. A health care provider or public, private, or hospital clinical laboratory who files such a report which identifies a person infected with a reportable disease shall assist in the investigation by the department, a local board, or a local department. The department shall publish and distribute instructions concerning the method of reporting. Reports shall be made in accordance with rules adopted by the department and shall require inclusion of all the following information:

*a.* The patient's name.

*b.* The patient's address.

*c.* The patient's date of birth.

*d.* The sex of the patient.

*e.* The race and ethnicity of the patient.

*f.* The patient's marital status.

*g.* The patient's telephone number.

*h.* The name and address of the laboratory.

*i.* The date the test was found to be positive and the collection date.

*j.* The name of the health care provider who performed the test.

*k.* If the patient is female, whether the patient is pregnant.

2. *a.* Any person who, acting reasonably and in good faith, files a report, releases information, or otherwise cooperates with an investigation under this chapter is immune from any liability, civil or criminal, which might otherwise be incurred or imposed for such action.

*b.* A report or other information provided to or maintained by the department, a local board, or a local department, which identifies a person infected with or exposed to a reportable or other disease or health condition, is confidential and shall not be accessible to the public.

*c.* Notwithstanding paragraph *"b"*, information contained in the report may be reported in public health records in a manner which prevents the identification of any person or business named in the report. If information contained in the report concerns a business, information disclosing the identity of the business may be released to the public when the state epidemiologist or the director of public health determines such a release of information necessary for the protection of the health of the public.

3. A health care provider or public, private, or hospital clinical laboratory shall provide the department, local board, or local department with all information reasonably necessary to conduct an investigation pursuant to this chapter upon request of the department, local board, or local department. The department may also subpoena records, reports, and any other evidence necessary to conduct an investigation pursuant to this chapter from other persons, facilities, and entities pursuant to rules adopted by the department.

2000 Acts, ch 1066, §3; 2006 Acts, ch 1079, §3, 4

Referred to in §135A.7, 139A.19

**139A.3A Investigation and control.**

When the department receives a report under this chapter or acts on other reliable information that a person is infected with a disease, illness, or health condition that may be a potential cause of a public health disaster, the department shall identify all individuals

reasonably believed to have been exposed to the disease, illness, or health condition and shall investigate all such cases for sources of infection and ensure that such cases are subject to proper control measures. Any hospital, health care provider, or other person may provide information, interviews, reports, statements, memoranda, records, or other data related to the condition and treatment of any individual, if not otherwise prohibited by the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, to the department to be used for the limited purpose of determining whether a public health disaster exists.

2003 Acts, ch 33, §10, 11

**139A.4 Type and length of isolation or quarantine.**

1. The type and length of isolation or quarantine imposed for a specific communicable disease shall be in accordance with rules adopted by the department.

2. The department and the local boards may impose and enforce isolation and quarantine restrictions.

3. The department shall adopt rules governing terminal cleaning.

4. The department and local boards may impose and enforce area quarantine restrictions according to rules adopted by the department. Area quarantine shall be imposed by the least restrictive means necessary to prevent or contain the spread of the suspected or confirmed quarantinable disease or suspected or known hazardous or toxic agent.

2000 Acts, ch 1066, §4; 2006 Acts, ch 1079, §5

**139A.5 Isolation or quarantine signs erected.**

When isolation or a quarantine is established, appropriate placards prescribed by the department shall be erected to mark the boundaries of the place of isolation or quarantine.

2000 Acts, ch 1066, §5

**139A.6 Communicable diseases.**

If a person, whether or not a resident, is infected with a communicable disease dangerous to the public health, the local board shall issue orders in regard to the care of the person as necessary to protect the public health. The orders shall be executed by the designated officer as the local board directs or provides by rules.

2000 Acts, ch 1066, §6

**139A.7 Diseased persons moving — record forwarded.**

If a person known to be suffering from a communicable disease dangerous to the public health moves from the jurisdiction of a local board into the jurisdiction of another local board, the local board from whose jurisdiction the person moves shall notify the local board into whose jurisdiction the person is moving.

2000 Acts, ch 1066, §7

**139A.8 Immunization of children.**

1. A parent or legal guardian shall assure that the person's minor children residing in the state are adequately immunized against diphtheria, pertussis, tetanus, poliomyelitis, rubeola, rubella, and varicella, according to recommendations provided by the department subject to the provisions of subsections 3 and 4.

2. *a.* A person shall not be enrolled in any licensed child care center or elementary or secondary school in Iowa without evidence of adequate immunizations against diphtheria, pertussis, tetanus, poliomyelitis, rubeola, rubella, and varicella.

*b.* Evidence of adequate immunization against haemophilus influenza B and invasive pneumococcal disease shall be required prior to enrollment in any licensed child care center.

*c.* Evidence of hepatitis type B immunization shall be required of a child born on or after July 1, 1994, prior to enrollment in school in kindergarten or in a grade.

*d.* Immunizations shall be provided according to recommendations provided by the department subject to the provisions of subsections 3 and 4.

3. Subject to the provision of subsection 4, the state board of health may modify or delete any of the immunizations in subsection 2.

4. *a.* Immunization is not required for a person's enrollment in any elementary or secondary school or licensed child care center if either of the following applies:

(1) The applicant, or if the applicant is a minor, the applicant's parent or legal guardian, submits to the admitting official a statement signed by a physician, advanced registered nurse practitioner, or physician assistant who is licensed by the board of medicine, board of nursing, or board of physician assistants that the immunizations required would be injurious to the health and well-being of the applicant or any member of the applicant's family.

(2) The applicant, or if the applicant is a minor, the applicant's parent or legal guardian, submits an affidavit signed by the applicant, or if the applicant is a minor, the applicant's parent or legal guardian, stating that the immunization conflicts with the tenets and practices of a recognized religious denomination of which the applicant is an adherent or member.

*b.* The exemptions under this subsection do not apply in times of emergency or epidemic as determined by the state board of health and as declared by the director of public health.

5. A person may be provisionally enrolled in an elementary or secondary school or licensed child care center if the person has begun the required immunizations and if the person continues to receive the necessary immunizations as rapidly as is medically feasible. The department shall adopt rules relating to the provisional admission of persons to an elementary or secondary school or licensed child care center.

6. The local board shall furnish the department, within sixty days after the first official day of school, evidence that each person enrolled in any elementary or secondary school has been immunized as required in this section subject to subsection 4. The department shall adopt rules pursuant to chapter 17A relating to the reporting of evidence of immunization.

7. Local boards shall provide the required immunizations to children in areas where no local provision of these services exists.

8. The department, in consultation with the director of the department of education, shall adopt rules for the implementation of this section and shall provide those rules to local school boards and local boards.

2000 Acts, ch 1066, §8; 2003 Acts, ch 78, §1 – 3; 2007 Acts, ch 10, §24; 2007 Acts, ch 11, §1; 2009 Acts, ch 41, §263

Referred to in §239B.12, 299.4

**139A.8A Vaccine shortage — department order — immunity.**

1. In the event of a shortage of a vaccine, or in the event a vaccine shortage is imminent, the department may issue an order controlling, restricting, or otherwise regulating the distribution and administration of the vaccine. The order may designate groups of persons which shall receive priority in administration of the vaccine and may prohibit vaccination of persons who are not included in a priority designation. The order shall include an effective date, which may be amended or rescinded only through a written order of the department. The order shall be applicable to health care providers, hospitals, clinics, pharmacies, health care facilities, local boards of health, public health agencies, and other persons or entities that distribute or administer vaccines.

2. A health care provider, hospital, clinic, pharmacy, health care facility, local board of health, public health agency, or other person or entity that distributes or administers vaccines shall not be civilly liable in any action based on a failure or refusal to distribute or administer a vaccine to any person if the failure or refusal to distribute or administer the vaccine was consistent with a department order issued pursuant to this section.

3. The department shall adopt rules to administer this section.

2005 Acts, ch 89, §10

**139A.9 Forcible removal — isolation — quarantine.**

The forcible removal and isolation or quarantine of any infected person shall be accomplished according to the rules and regulations of the local board or the rules of the state board of health.

2000 Acts, ch 1066, §9

**139A.10 Fees for removing.**

The officers designated shall receive reasonable compensation for their services as determined by the local board. The amount determined shall be certified and paid in the same manner as other expenses incurred under this chapter.

2000 Acts, ch 1066, §10; 2002 Acts, ch 1119, §133

**139A.11 Services and supplies — isolation — quarantine.**

If the person under isolation or quarantine or the person liable for the support of the person, in the opinion of the local board, is financially unable to secure proper care, provisions, or medical attendance, the local board shall furnish supplies and services during the period of isolation or quarantine and may delegate the duty, by rules, to one of its designated officers.

2000 Acts, ch 1066, §11

**139A.12 County liability for care, provisions, and medical attendance.**

The local board shall provide proper care, provisions, and medical attendance for any person removed and isolated or quarantined in a separate house or hospital for detention and treatment, and the care, provisions, and medical attendance shall be paid for by the county in which the infected person has a legal settlement, if the patient or legal guardian is unable to pay.

2000 Acts, ch 1066, §12

**139A.13 Rights of isolated or quarantined persons.**

Any person removed and isolated or quarantined in a separate house or hospital may, at the person's own expense, employ the health care provider of the person's choice, and may provide such supplies and commodities as the person may require.

2000 Acts, ch 1066, §13

**139A.13A Employment protection.**

1. An employer shall not discharge an employee, or take or fail to take action regarding an employee's promotion or proposed promotion, or take action to reduce an employee's wages or benefits for actual time worked, due to the compliance of an employee with a quarantine or isolation order or voluntary confinement request issued by the department, a local board, or the centers for disease control and prevention of the United States department of health and human services.

2. An employee whose employer violates this section may petition the court for imposition of a cease and desist order against the person's employer and for reinstatement to the person's previous position of employment. This section does not create a private cause of action for relief of money damages.

2006 Acts, ch 1184, §85; 2007 Acts, ch 159, §25

**139A.14 Services or supplies — authorization.**

All services or supplies furnished to persons under this chapter must be authorized by the local board or an officer of the local board, and a written order designating the person employed to furnish such services or supplies, issued before the services or supplies are furnished, shall be attached to the bill when presented for audit and payment.

2000 Acts, ch 1066, §14

**139A.15 Filing of bills.**

All bills incurred under this chapter in establishing, maintaining, and terminating isolation and quarantine, in providing a necessary house or hospital for isolation or quarantine, and in making terminal cleanings, shall be filed with the local board. The local board at its next regular meeting or special meeting called for this purpose shall examine and audit the bills and, if found correct, approve and certify the bills to the county board of supervisors for payment.

2000 Acts, ch 1066, §15

**139A.16 Allowing claims.**

All bills for supplies furnished and services rendered for persons removed and isolated or quarantined in a separate house or hospital, or for persons financially unable to provide their own sustenance and care during isolation or quarantine, shall be allowed and paid for only on a basis of the local market price for such provisions, services, and supplies in the locality furnished. A bill for the terminal cleaning of premises or effects shall not be allowed, unless the infected person or those liable for the person's support are financially unable to pay.

2000 Acts, ch 1066, §16

**139A.17 Approval and payment of claims.**

The board of supervisors is not bound by the action of the local board in approving the bills, but shall pay the bills for a reasonable amount and within a reasonable time.

2000 Acts, ch 1066, §17

**139A.18 Reimbursement from county.**

If any person receives services or supplies under this chapter who does not have a legal settlement in the county in which the bills were incurred and paid, the amount paid shall be certified to the board of supervisors of the county in which the person claims settlement or owns property, and the board of supervisors of that county shall reimburse the county from which the claim is certified, in the full amount originally paid.

2000 Acts, ch 1066, §18

Referred to in §252.24

See §252.24

**139A.19 Care provider notification.**

1. *a.* Notwithstanding any provision of this chapter to the contrary, if a care provider sustains a significant exposure from an individual while rendering health care services or other services, the individual to whom the care provider was exposed is deemed to consent to a test to determine if the individual has a contagious or infectious disease and is deemed to consent to notification of the care provider of the results of the test, upon submission of a significant exposure report by the care provider to the hospital, clinic, other health facility, or other person specified in this section to whom the individual is delivered by the care provider as determined by rule.

*b.* The hospital, clinic, or other health facility in which the significant exposure occurred or other person specified in this section to whom the individual is delivered shall conduct the test. If the individual is delivered by the care provider to an institution administered by the Iowa department of corrections, the test shall be conducted by the staff physician of the institution. If the individual is delivered by the care provider to a jail, the test shall be conducted by the attending physician of the jail or the county medical examiner. The sample and test results shall only be identified by a number.

*c.* A hospital, clinic, or other health facility, institutions administered by the department of corrections, and jails shall have written policies and procedures for notification of a care provider under this section. The policies and procedures shall include designation of a representative of the care provider to whom notification shall be provided and who shall, in turn, notify the care provider. The identity of the designated representative of the care provider shall not be revealed to the individual tested. The designated representative shall inform the hospital, clinic, or other health facility, institution administered by the department of corrections, or jail of those parties who received the notification, and following receipt of this information and upon request of the individual tested, the hospital, clinic, or other health facility, institution administered by the department of corrections, or jail shall inform the individual of the parties to whom notification was provided.

*d.* Notwithstanding any other provision of law to the contrary, a care provider may transmit cautions regarding contagious or infectious disease information, with the exception of AIDS or HIV pursuant to section 80.9B, in the course of the care provider's duties over the police radio broadcasting system under chapter 693 or any other radio-based communications system if the information transmitted does not personally identify an individual.

2. *a.* If the test results are positive, the hospital, clinic, other health facility, or other person performing the test shall notify the subject of the test and make any required reports to the department pursuant to sections 139A.3 and 141A.6. The report to the department shall include the name of the individual tested.

*b.* If the individual tested is diagnosed or confirmed as having a contagious or infectious disease, the hospital, clinic, other health facility, or other person conducting the test shall notify the care provider or the designated representative of the care provider who shall then notify the care provider.

*c.* The notification to the care provider shall be provided as soon as is reasonably possible following determination that the subject of the test has a contagious or infectious disease. The notification shall not include the name of the individual tested for the contagious or infectious disease unless the individual consents. If the care provider who sustained a significant exposure determines the identity of the individual diagnosed or confirmed as having a contagious or infectious disease, the identity of the individual shall be confidential information and shall not be disclosed by the care provider to any other person unless a specific written release is obtained from the individual diagnosed with or confirmed as having a contagious or infectious disease.

3. This section does not preclude a hospital, clinic, other health facility, or a health care provider from providing notification to a care provider under circumstances in which the hospital's, clinic's, other health facility's, or health care provider's policy provides for notification of the hospital's, clinic's, other health facility's, or health care provider's own employees of exposure to a contagious or infectious disease that is not life-threatening if the notice does not reveal a patient's name, unless the patient consents.

4. A hospital, clinic, other health facility, or health care provider, or other person participating in good faith in complying with provisions authorized or required under this section is immune from any liability, civil or criminal, which might otherwise be incurred or imposed.

5. A hospital's, clinic's, other health facility's, or health care provider's duty to notify under this section is not continuing but is limited to a diagnosis of a contagious or infectious disease made in the course of admission, care, and treatment following the rendering of health care services or other services to the individual who was the source of the significant exposure.

6. Notwithstanding subsection 5, the hospital, clinic, or other health facility may provide a procedure for notifying the exposed care provider if, following discharge from or completion of care or treatment by the hospital, clinic, or other health facility, the individual who was the source of the significant exposure, and for whom a significant exposure report was submitted that did not result in notification of the exposed care provider, wishes to provide information regarding the source individual's contagious or infectious disease status to the exposed care provider.

7. A hospital, clinic, other health facility, health care provider, or other person who is authorized to perform a test under this section who performs the test in compliance with this section or who fails to perform the test authorized under this section, is immune from any liability, civil or criminal, which might otherwise be incurred or imposed.

8. A hospital, clinic, other health facility, health care provider, or other person who is authorized to perform a test under this section has no duty to perform the test authorized.

9. The department shall adopt rules pursuant to chapter 17A to administer this section. The department may determine by rule the contagious or infectious diseases for which testing is reasonable and appropriate and which may be administered under this section.

10. The employer of a care provider who sustained a significant exposure under this section shall pay the costs of testing for the individual who is the source of the significant exposure and of the testing of the care provider, if the significant exposure was sustained during the course of employment. However, the department shall assist an individual who is the source of the significant exposure in finding resources to pay for the costs of the testing

and shall assist a care provider who renders direct aid without compensation in finding resources to pay for the cost of the test.

2000 Acts, ch 1066, §19; 2001 Acts, ch 157, §4; 2011 Acts, ch 63, §20; 2011 Acts, ch 131, §54, 158

**139A.20 Exposing to communicable disease.**

A person who knowingly exposes another to a communicable disease or who knowingly subjects another to a child or other legally incapacitated person who has contracted a communicable disease, with the intent that another person contract the communicable disease, shall be liable for all resulting damages and shall be punished as provided in this chapter.

2000 Acts, ch 1066, §20

**139A.21 Reportable poisonings and illnesses.**

1. If the results of an examination by a public, private, or hospital clinical laboratory of a specimen from a person in Iowa yield evidence of or are reactive for a reportable poisoning or a reportable illness from a toxic agent, including methemoglobinemia, the results shall be reported to the department on forms prescribed by the department. If the laboratory is located in Iowa, the person in charge of the laboratory shall report the results. If the laboratory is not in Iowa, the health care provider submitting the specimen shall report the results.

2. The health care provider attending a person infected with a reportable poisoning or a reportable illness from a toxic agent, including methemoglobinemia, shall immediately report the case to the department. The department shall publish and distribute instructions concerning the method of reporting. Reports shall be made in accordance with rules adopted by the department.

3. A person in charge of a poison control information center shall report to the department cases of reportable poisoning, including methemoglobinemia, about which inquiries have been received.

4. The department shall adopt rules designating reportable poisonings, including methemoglobinemia, and illnesses which must be reported under this section.

5. The department shall establish and maintain a central registry to collect and store data reported pursuant to this section.

6. The department shall timely provide copies of all reports of pesticide poisonings or illnesses received pursuant to this section to the secretary of agriculture who shall timely forward these reports and any reports of pesticide poisonings or illnesses received pursuant to section 206.14 to the registrant of a pesticide which is the subject of any reports.

2000 Acts, ch 1066, §21; 2009 Acts, ch 41, §49; 2012 Acts, ch 1095, §130

Referred to in §135.11, 455E.11

**139A.22 Prevention of transmission of HIV or HBV to patients.**

1. A hospital shall adopt procedures requiring the establishment of protocols applicable on a case-by-case basis to a health care provider determined to be infected with HIV or HBV who ordinarily performs exposure-prone procedures as determined by an expert review panel, within the hospital setting. The protocols established shall be in accordance with the recommendations issued by the centers for disease control and prevention of the United States department of health and human services. The expert review panel may be an established committee of the hospital. The procedures may provide for referral of the health care provider to the expert review panel established by the department pursuant to subsection 3 for establishment of the protocols. The procedures shall require reporting noncompliance with the protocols by a health care provider to the licensing board with jurisdiction over the relevant health care providers.

2. A health care facility shall adopt procedures in accordance with recommendations issued by the centers for disease control and prevention of the United States department of health and human services, applicable to a health care provider determined to be infected with HIV or HBV who ordinarily performs or assists with exposure-prone procedures within

the health care facility. The procedures shall require referral of the health care provider to the expert review panel established by the department pursuant to subsection 3.

3. The department shall establish an expert review panel to determine on a case-by-case basis under what circumstances, if any, a health care provider determined to be infected with HIV or HBV practicing outside the hospital setting or referred to the panel by a hospital or health care facility may perform exposure-prone procedures. If a health care provider determined to be infected with HIV or HBV does not comply with the determination of the expert review panel, the panel shall report the noncompliance to the licensing board with jurisdiction over the health care provider. A determination of an expert review panel pursuant to this section is a final agency action appealable pursuant to section 17A.19.

4. The health care provider determined to be infected with HIV or HBV, who works in a hospital setting, may elect either the expert review panel established by the hospital or the expert review panel established by the department for the purpose of making a determination of the circumstances under which the health care provider may perform exposure-prone procedures.

5. A health care provider determined to be infected with HIV or HBV shall not perform an exposure-prone procedure except as approved by the expert review panel established by the department pursuant to subsection 3, or in compliance with the protocol established by the hospital pursuant to subsection 1 or the procedures established by the health care facility pursuant to subsection 2.

6. The board of medicine, the board of physician assistants, the board of podiatry, the board of nursing, the dental board, and the board of optometry shall require that licensees comply with the recommendations issued by the centers for disease control and prevention of the United States department of health and human services for preventing transmission of human immunodeficiency virus and hepatitis B virus to patients during exposure-prone invasive procedures, with the recommendations of the expert review panel established pursuant to subsection 3, with hospital protocols established pursuant to subsection 1, and with health care facility procedures established pursuant to subsection 2, as applicable.

7. Information relating to the HIV status of a health care provider is confidential and subject to the provisions of section 141A.9. A person who intentionally or recklessly makes an unauthorized disclosure of such information is subject to a civil penalty of one thousand dollars. The attorney general or the attorney general's designee may maintain a civil action to enforce this section. Proceedings maintained under this section shall provide for the anonymity of the health care provider and all documentation shall be maintained in a confidential manner. Information relating to the HBV status of a health care provider is confidential and shall not be accessible to the public. Information regulated by this section, however, may be disclosed to members of the expert review panel established by the department or a panel established by hospital protocol under this section. The information may also be disclosed to the appropriate licensing board by filing a report as required by this section. The licensing board shall consider the report a complaint subject to the confidentiality provisions of section 272C.6. A licensee, upon the filing of a formal charge or notice of hearing by the licensing board based on such a complaint, may seek a protective order from the board.

8. The expert review panel established by the department and individual members of the panel shall be immune from any liability, civil or criminal, for reasonable actions taken in the good faith performance of functions authorized or required by this section. A hospital, an expert review panel established by the hospital, and individual members of the panel shall be immune from any liability, civil or criminal, for reasonable actions taken in the good faith performance of functions authorized or required by this section. Complaints, investigations, reports, deliberations, and findings of the hospital and its panel with respect to a named health care provider suspected, alleged, or found to be in violation of the protocol required

by this section constitute peer review records under section 147.135, and are subject to the specific confidentiality requirements and limitations of that section.

2000 Acts, ch 1066, §22; 2001 Acts, ch 24, §30; 2007 Acts, ch 10, §25; 2007 Acts, ch 218, §196

Referred to in §139A.23

See §139A.23

**139A.23 Contingent repeal.**

If the provisions of Pub. L. No. 102-141 relating to requirements for prevention of transmission of HIV or HBV to patients in the performance of exposure-prone procedures are repealed, section 139A.22 is repealed.

2000 Acts, ch 1066, §23

**139A.24 Blood donation or sale — penalty.**

A person suffering from a communicable disease dangerous to the public health who knowingly gives false information regarding the person's infected state on a blood plasma sale application to blood plasma-taking personnel commits a serious misdemeanor.

2000 Acts, ch 1066, §24

**139A.25 Penalties.**

1. Unless otherwise provided in this chapter, a person who knowingly violates any provision of this chapter, or of the rules of the department or a local board, or any lawful order, written or oral, of the department or board, or of their officers or authorized agents, is guilty of a simple misdemeanor.

2. Notwithstanding subsection 1, an individual who repeatedly fails to file any mandatory report specified in this chapter is subject to a report being made to the licensing board governing the professional activities of the individual. The department shall notify the individual each time that the department determines that the individual has failed to file a required report. The department shall inform the individual in the notification that the individual may provide information to the department to explain or dispute the failure to report.

3. Notwithstanding subsection 1, a public, private, or hospital clinical laboratory that repeatedly fails to file a mandatory report specified in this chapter is subject to a civil penalty of not more than one thousand dollars per occurrence. The department shall not impose the penalty under this subsection without prior written notice and opportunity for hearing.

2000 Acts, ch 1066, §25

Referred to in §139A.40

**139A.26 Meningococcal disease vaccination information for postsecondary students.**

1. Each institution of higher education that has an on-campus residence hall or dormitory shall provide vaccination information on meningococcal disease to each student enrolled in the institution. The vaccination information shall be contained on student health forms provided to each student by the institution, which forms shall include space for the student to indicate whether or not the student has received the vaccination against meningococcal disease. The vaccination information about meningococcal disease shall include any recommendations issued by the national centers for disease control and prevention regarding the disease. Vaccination information obtained under this section that is in the possession of an institution of higher education pursuant to this section shall not be considered a public record. Data obtained under this section shall be submitted annually to the department in a manner prescribed by the department and such that no individual person can be identified.

2. This section shall not be construed to require any institution of higher education to provide the vaccination against meningococcal disease to students.

3. This section shall not apply if the national centers for disease control and prevention no longer recommend the meningococcal disease vaccine.

4. This section does not create a private right of action.

5. The department shall adopt rules for administration of this section. The department shall review the requirements of this section at least every five years, and shall submit

its recommendations for modification to, or continuation of, this section based upon new information about the disease or vaccination against the disease in a report that shall be submitted to the general assembly no later than January 15, 2010, with subsequent reports developed and submitted by January 15 at least every fifth year thereafter.

2004 Acts, ch 1023, §1

**139A.27 through 139A.29** Reserved.

## SUBCHAPTER II

## CONTROL OF SEXUALLY TRANSMITTED DISEASES AND INFECTIONS

Referred to in §135.11

**139A.30 Confidential reports.**

Reports to the department which include the identity of persons infected with a sexually transmitted disease or infection, and all such related information, records, and reports concerning the person, shall be confidential and shall not be accessible to the public. However, such reports, information, and records shall be confidential only to the extent necessary to prevent identification of persons named in such reports, information, and records; the other parts of such reports, information, and records shall be public records. The preceding sentence shall prevail over any inconsistent provision of this subchapter.

2000 Acts, ch 1066, §26; 2002 Acts, ch 1119, §134

Referred to in §232.69

**139A.31 Report to department.**

Immediately after the first examination or treatment of any person infected with any sexually transmitted disease or infection, the health care provider who performed the examination or treatment shall transmit to the department a report stating the name of the infected person, the address of the infected person, the infected person's date of birth, the sex of the infected person, the race and ethnicity of the infected person, the infected person's marital status, the infected person's telephone number, if the infected person is female, whether the infected person is pregnant, the name and address of the laboratory that performed the test, the date the test was found to be positive and the collection date, and the name of the health care provider who performed the test. However, when a case occurs within the jurisdiction of a local health department, the report shall be made directly to the local health department which shall immediately forward the information to the department. Reports shall be made in accordance with rules adopted by the department. Reports shall be confidential. Any person filing a report of a sexually transmitted disease or infection who is acting reasonably and in good faith is immune from any liability, civil or criminal, which might otherwise be incurred or imposed as a result of such report.

2000 Acts, ch 1066, §27

**139A.32 Examination results from laboratory — report.**

A person in charge of a public, private, or hospital clinical laboratory shall report to the department, on forms prescribed by the department, results obtained in the examination of all specimens which yield evidence of or are reactive for those diseases defined as sexually transmitted diseases or infections, and listed in the Iowa administrative code. The report shall state the name of the infected person from whom the specimen was obtained, the address of the infected person, the infected person's date of birth, the sex of the infected person, the race and ethnicity of the infected person, the infected person's marital status, the infected person's telephone number, if the infected person is female, whether the infected person is pregnant, the name and address of the laboratory that performed the test, the laboratory results, the test employed, the date the test was found to be positive and the collection date, the name

of the health care provider who performed the test, and the name and address of the person submitting the specimen.

2000 Acts, ch 1066, §28

**139A.33 Partner notification program.**

1. The department shall maintain a partner notification program for persons known to have tested positive for a reportable sexually transmitted disease or infection.

2. In administering the program, the department shall provide for all of the following:

*a.* A person who voluntarily participates in the program shall receive post-test counseling during which time the person shall be encouraged to refer for counseling and testing any person with whom the person has had sexual relations or has shared drug injecting equipment.

*b.* The physician or other health care provider attending the person may provide to the department any relevant information provided by the person regarding any person with whom the tested person has had sexual relations or has shared drug injecting equipment.

3. The department may delegate its partner notification duties under this section to local health authorities or a physician or other health care provider, as provided by rules adopted by the department.

4. In making contact with sexual or drug equipment-sharing partners, the department or its designee shall not disclose the identity of the person who provided the names of the persons to be contacted and shall protect the confidentiality of the persons contacted.

5. *a.* This section shall not be interpreted as creating a duty to warn third parties of the danger of exposure to a sexually transmitted disease or infection through contact with a person who tests positive for a sexually transmitted disease.

*b.* This section shall not be interpreted to require the department to provide partner notification services to all persons who have tested positive for a sexually transmitted disease or infection.

2000 Acts, ch 1066, §29; 2011 Acts, ch 63, §21

**139A.34 Examination of persons suspected.**

The local board shall cause an examination to be made of every person reasonably suspected, on the basis of epidemiological investigation, of having any sexually transmitted disease or infection in the infectious stages to ascertain if such person is infected and, if infected, to cause such person to be treated. A person who is under the care and treatment of a health care provider for the suspected condition shall not be subjected to such examination. If a person suspected of having a sexually transmitted disease or infection refuses to submit to an examination voluntarily, application may be made by the local board to the district court for an order compelling the person to submit to examination and, if infected, to treatment. The person shall be treated until certified as no longer infectious to the local board or to the department. If treatment is ordered by the district court, the attending health care provider shall certify that the person is no longer infectious.

2000 Acts, ch 1066, §30

**139A.35 Minors.**

A minor shall have the legal capacity to act and give consent to provision of medical care or services to the minor for the prevention, diagnosis, or treatment of a sexually transmitted disease or infection by a hospital, clinic, or health care provider. Such medical care or services shall be provided by or under the supervision of a physician licensed to practice medicine and surgery or osteopathic medicine and surgery, a physician assistant, or an advanced registered nurse practitioner. Consent shall not be subject to later disaffirmance by reason of such minority. The consent of another person, including but not limited to the consent of a spouse, parent, custodian, or guardian, shall not be necessary.

2000 Acts, ch 1066, §31; 2008 Acts, ch 1058, §11; 2008 Acts, ch 1088, §141

**139A.36 Certificate not to be issued.**

A certificate of freedom from sexually transmitted disease or infection shall not be issued to any person by any official health agency.

2000 Acts, ch 1066, §32

**139A.37 Pregnant women.**

The department shall adopt rules which incorporate the prenatal guidelines established by the centers for disease control and prevention of the United States department of health and human services as the state guidelines for prenatal testing and care relative to infectious disease.

2000 Acts, ch 1066, §33

**139A.38 Medical treatment of newly born.**

A physician attending the birth of a child shall cause to be instilled into the eyes of the newly born infant a prophylactic solution approved by the department. This section shall not be construed to require treatment of the infant's eyes with a prophylactic solution if the infant's parent or legal guardian states that such treatment conflicts with the tenets and practices of a recognized religious denomination of which the parent or legal guardian is an adherent or member.

2000 Acts, ch 1066, §34

**139A.39 Religious exceptions.**

A provision of this chapter shall not be construed to require or compel any person to take or follow a course of medical treatment prescribed by law or a health care provider if the person is an adherent or member of a church or religious denomination and in accordance with the tenets or principles of the person's church or religious denomination the person opposes the specific course of medical treatment. However, such person while in an infectious stage of disease shall be subject to isolation and such other measures appropriate for the prevention of the spread of the disease to other persons.

2000 Acts, ch 1066, §35

**139A.40 Filing false reports.**

A person who knowingly makes a false statement in any of the reports required by this subchapter concerning persons infected with any sexually transmitted disease or infection, or who discloses the identity of such person, except as authorized by this subchapter, shall be punished as provided in section 139A.25.

2000 Acts, ch 1066, §36

**139A.41 Chlamydia and gonorrhea treatment.**

Notwithstanding any other provision of law to the contrary, a physician, physician assistant, or advanced registered nurse practitioner who diagnoses a sexually transmitted chlamydia or gonorrhea infection in an individual patient may prescribe, dispense, furnish, or otherwise provide prescription oral antibiotic drugs to that patient's sexual partner or partners without examination of that patient's partner or partners. If the infected individual patient is unwilling or unable to deliver such prescription drugs to a sexual partner or partners, a physician, physician assistant, or advanced registered nurse practitioner may dispense, furnish, or otherwise provide the prescription drugs to the department or local disease prevention investigation staff for delivery to the partner or partners.

2008 Acts, ch 1058, §12

# CHAPTER 139B

## EMERGENCY CARE PROVIDERS — EXPOSURE TO DISEASE

Repealed by 2000 Acts, ch 1066, §51; see chapter 139A

# CHAPTER 139C

## EXPOSURE-PRONE PROCEDURES

Repealed by 2000 Acts, ch 1066, §51; see chapter 139A

# CHAPTER 140

## VENEREAL DISEASE CONTROL

Repealed by 2000 Acts, ch 1066, §51; see chapter 139A

# CHAPTER 141

## ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS)

Repealed by 99 Acts, ch 181, §22; see chapter 141A

# CHAPTER 141A

## ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS)

Referred to in §80.9B, 321.186, 904.515

141A.1 Definitions.
141A.2 Lead agency.
141A.3 Duties of the department.
141A.4 Testing and education.
141A.5 Partner notification program — HIV.
141A.6 HIV-related conditions — consent, testing, and reporting — penalty.
141A.7 Test results — counseling — application for services.
141A.8 Care provider notification. Repealed by 2011 Acts, ch 63, §32.
141A.9 Confidentiality of information.
141A.10 Immunities.
141A.11 Remedies.

**141A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"AIDS"* means acquired immune deficiency syndrome as defined by the centers for disease control and prevention of the United States department of health and human services.

2. *"AIDS-related conditions"* means any condition resulting from human immunodeficiency virus infection that meets the definition of AIDS as established by the centers for disease control and prevention of the United States department of health and human services.

3. *"Blinded epidemiological studies"* means studies in which specimens which were collected for other purposes are selected according to established criteria, are permanently stripped of personal identifiers, and are then tested.

4. *"Blood bank"* means a facility for the collection, processing, or storage of human blood or blood derivatives, including blood plasma, or from which or by means of which human blood or blood derivatives are distributed or otherwise made available.

5. *"Care provider"* means an individual who is trained and authorized by federal or state law to provide health care services or services of any kind in the course of the individual's official duties, for compensation or in a voluntary capacity, who is a health care provider, emergency medical care provider as defined in section 147A.1, fire fighter, or peace officer. "*Care provider*" also means an individual who renders emergency care or assistance in an emergency or due to an accident as described in section 613.17.

6. *"Department"* means the Iowa department of public health.

7. *"Exposure"* means a specific eye, mouth, other mucous membrane, nonintact skin, or parenteral contact with blood or other potentially infectious bodily fluids.

8. *"Good faith"* means objectively reasonable and not in violation of clearly established statutory rights or other rights of a person which a reasonable person would know or should have known.

9. *"Health care provider"* means a person licensed to practice medicine and surgery, osteopathic medicine and surgery, chiropractic, podiatry, nursing, dentistry, or optometry, or as a physician assistant, dental hygienist, or acupuncturist.

10. *"Health facility"* means a hospital, health care facility, clinic, blood bank, blood center, sperm bank, laboratory organ transplant center and procurement agency, or other health care institution.

11. *"HIV"* means the human immunodeficiency virus identified as the causative agent of AIDS.

12. *"HIV-related condition"* means any condition resulting from human immunodeficiency virus infection.

13. *"HIV-related test"* means a diagnostic test conducted by a laboratory approved pursuant to the federal Clinical Laboratory Improvement Amendments for determining the presence of HIV or antibodies to HIV.

14. *"Infectious bodily fluids"* means bodily fluids capable of transmitting HIV as determined by the centers for disease control and prevention of the United States department of health and human services and adopted by rule of the department.

15. *"Legal guardian"* means a person appointed by a court pursuant to chapter 633 or an attorney in fact as defined in section 144B.1. In the case of a minor, *"legal guardian"* also means a parent or other person responsible for the care of the minor.

16. *"Nonblinded epidemiological studies"* means studies in which specimens are collected for the express purpose of testing for HIV infection and persons included in the nonblinded study are selected according to established criteria.

17. *"Release of test results"* means a written authorization for disclosure of HIV-related test results which is signed and dated, and which specifies to whom disclosure is authorized and the time period during which the release is to be effective.

18. *"Sample"* means a human specimen obtained for the purpose of conducting an HIV-related test.

19. *"Significant exposure"* means a situation in which there is a risk of contracting HIV through exposure to a person's infectious bodily fluids in a manner capable of transmitting HIV as determined by the centers for disease control and prevention of the United States department of health and human services and adopted by rule of the department.

99 Acts, ch 181, §5; 2001 Acts, ch 157, §5, 6; 2007 Acts, ch 70, §1, 2; 2008 Acts, ch 1088, §92; 2011 Acts, ch 63, §22, 23

Referred to in §139A.2, 279.50, 411.1

**141A.2 Lead agency.**

1. The department is designated as the lead agency in the coordination and implementation of the Iowa comprehensive HIV plan.

2. The department shall adopt rules pursuant to chapter 17A to implement and enforce this chapter. The rules may include procedures for taking appropriate action with regard to health facilities or health care providers which violate this chapter or the rules adopted pursuant to this chapter.

3. The department shall adopt rules pursuant to chapter 17A which require that if a health care provider attending a person prior to the person's death determines that the person suffered from or was suspected of suffering from a contagious or infectious disease, the health care provider shall place with the remains written notification of the condition for the information of any person handling the body of the deceased person subsequent to the person's death. For purposes of this subsection, *"contagious or infectious disease"* means hepatitis in any form, meningococcal disease, tuberculosis, and any other disease including AIDS or HIV infection, determined to be life-threatening to a person exposed to the disease

as established by rules adopted by the department based upon a determination by the state epidemiologist and in accordance with guidelines of the centers for disease control and prevention of the United States department of health and human services.

4. The department shall provide consultation services to all care providers, including paramedics, ambulance personnel, physicians, nurses, hospital personnel, first responders, peace officers, and fire fighters, who provide care services to a person, and to all persons who attend dead bodies regarding standard precautions to prevent the transmission of contagious and infectious diseases.

5. The department shall coordinate efforts with local health officers to investigate sources of HIV infection and use every appropriate means to prevent the spread of HIV.

6. The department, with the approval of the state board of health, may conduct epidemiological blinded and nonblinded studies to determine the incidence and prevalence of HIV infection. Initiation of any new epidemiological studies shall be contingent upon the receipt of funding sufficient to cover all the costs associated with the studies. The informed consent, reporting, and counseling requirements of this chapter shall not apply to blinded studies.

99 Acts, ch 181, §6; 2007 Acts, ch 70, §3; 2011 Acts, ch 63, §24
Referred to in §356.48

**141A.3 Duties of the department.**

1. All federal and state moneys appropriated to the department for HIV-related activities shall be utilized and distributed in a manner consistent with the guidelines established by the United States department of health and human services.

2. The department shall do all of the following:

*a.* Provide consultation services to agencies and organizations regarding appropriate policies for testing, education, confidentiality, and infection control.

*b.* Provide health information to the public regarding HIV, including information about how HIV is transmitted and how transmittal can be prevented. The department shall prepare and distribute information regarding HIV transmission and prevention.

*c.* Provide consultation services concerning HIV infection in the workplace.

*d.* Implement HIV education risk-reduction programs for specific populations at high risk for infection.

*e.* Provide an informational brochure for patients who provide samples for purposes of performing an HIV test which, at a minimum, shall include a summary of the patient's rights and responsibilities under the law.

*f.* In cooperation with the department of education, recommend evidence-based, medically accurate HIV prevention curricula for use at the discretion of secondary and middle schools.

99 Acts, ch 181, §7; 2007 Acts, ch 70, §4; 2011 Acts, ch 63, §25

**141A.4 Testing and education.**

1. HIV testing and education shall be offered to persons who are at risk for HIV infection including all of the following:

*a.* Males who have had sexual relations with other males.

*b.* All persons testing positive for a sexually transmitted disease.

*c.* All persons having a history of injecting drug abuse.

*d.* Male and female sex workers and those who trade sex for drugs, money, or favors.

*e.* Sexual partners of HIV-infected persons.

*f.* Persons whose sexual partners are identified in paragraphs "*a*" through "*e*".

2. *a.* All pregnant women shall be tested for HIV infection as part of the routine panel of prenatal tests.

*b.* A pregnant woman shall be notified that HIV screening is recommended for all prenatal patients and that the pregnant woman will receive an HIV test as part of the routine panel of prenatal tests unless the pregnant woman objects to the test.

*c.* If a pregnant woman objects to and declines the test, the decision shall be documented in the pregnant woman's medical record.

*d.* Information about HIV prevention, risk reduction, and treatment opportunities to reduce the possible transmission of HIV to a fetus shall be made available to all pregnant women.

99 Acts, ch 181, §8; 2007 Acts, ch 70, §5; 2011 Acts, ch 63, §26

**141A.5 Partner notification program — HIV.**

1. The department shall maintain a partner notification program for persons known to have tested positive for HIV infection.

2. In administering the program, the department shall provide for the following:

*a.* A person who tests positive for HIV infection shall receive post-test counseling, during which time the person shall be encouraged to refer for counseling and HIV testing any person with whom the person has had sexual relations or has shared drug injecting equipment.

*b.* The physician or other health care provider attending the person may provide to the department any relevant information provided by the person regarding any person with whom the tested person has had sexual relations or has shared drug injecting equipment.

*c.* (1) Devise a procedure, as a part of the partner notification program, to provide for the notification of an identifiable third party who is a sexual partner of or who shares drug injecting equipment with a person who has tested positive for HIV, by the department or a physician, when all of the following situations exist:

(a) A physician for the infected person is of the good faith opinion that the nature of the continuing contact poses an imminent danger of HIV transmission to the third party.

(b) When the physician believes in good faith that the infected person, despite strong encouragement, has not and will not warn the third party and will not participate in the voluntary partner notification program.

(2) Notwithstanding subsection 3, the department or a physician may reveal the identity of a person who has tested positive for HIV infection pursuant to this subsection only to the extent necessary to protect a third party from the direct threat of transmission. This subsection shall not be interpreted to create a duty to warn third parties of the danger of exposure to HIV through contact with a person who tests positive for HIV infection.

(3) The department shall adopt rules pursuant to chapter 17A to implement this paragraph "*c*". The rules shall provide a detailed procedure by which the department or a physician may directly notify an endangered third party.

3. In making contact the department shall not disclose the identity of the person who provided the names of the persons to be contacted and shall protect the confidentiality of persons contacted.

4. The department may delegate its partner notification duties under this section to local health authorities unless the local authority refuses or neglects to conduct the partner notification program in a manner deemed to be effective by the department.

5. In addition to the provisions for partner notification provided under this section and notwithstanding any provision to the contrary, a county medical examiner or deputy medical examiner performing official duties pursuant to sections 331.801 through 331.805 or the state medical examiner or deputy medical examiner performing official duties pursuant to chapter 691, who determines through an investigation that a deceased person was infected with HIV, may notify directly, or request that the department notify, the immediate family of the deceased or any person known to have had a significant exposure from the deceased of the finding.

99 Acts, ch 181, §9; 2007 Acts, ch 70, §6; 2011 Acts, ch 63, §27

Referred to in §141A.9, 141A.11

**141A.6 HIV-related conditions — consent, testing, and reporting — penalty.**

1. Prior to undergoing a voluntary HIV-related test, information shall be available to the subject of the test concerning testing and any means of obtaining additional information regarding HIV transmission and risk reduction. If an individual signs a general consent form for the performance of medical tests or procedures, the signing of an additional consent form for the specific purpose of consenting to an HIV-related test is not required during the time in which the general consent form is in effect. If an individual has not signed a general consent

form for the performance of medical tests and procedures or the consent form is no longer in effect, a health care provider shall obtain oral or written consent prior to performing an HIV-related test. If an individual is unable to provide consent, the individual's legal guardian may provide consent. If the individual's legal guardian cannot be located or is unavailable, a health care provider may authorize the test when the test results are necessary for diagnostic purposes to provide appropriate urgent medical care.

2. Within seven days of the receipt of a test result indicating HIV infection which has been confirmed as positive according to prevailing medical technology or immediately after the initial examination or treatment of an individual infected with HIV, the physician or other health care provider at whose request the test was performed or who performed the initial examination or treatment shall make a report to the department on a form provided by the department.

3. Within seven days of diagnosing a person as having AIDS or an AIDS-related condition, the diagnosing physician shall make a report to the department on a form provided by the department.

4. Within seven days of the death of a person with HIV infection, the attending physician shall make a report to the department on a form provided by the department.

5. Within seven days of the receipt of a test result indicating HIV infection which has been confirmed as positive according to prevailing medical technology, the director of a blood bank shall make a report to the department on a form provided by the department.

6. Within seven days of the receipt of a test result that is indicative of HIV, the director of a clinical laboratory shall make a report to the department on a form provided by the department.

7. The forms provided by the department shall require inclusion of all of the following information:

*a.* The name of the patient.

*b.* The address of the patient.

*c.* The patient's date of birth.

*d.* The gender of the patient.

*e.* The race and ethnicity of the patient.

*f.* The patient's marital status.

*g.* The patient's telephone number.

*h.* If an HIV-related test was performed, the name and address of the laboratory or blood bank.

*i.* If an HIV-related test was performed, the date the test was found to be positive and the collection date.

*j.* If an HIV-related test was performed, the name of the physician or health care provider who performed the test.

*k.* If the patient is female, whether the patient is pregnant.

8. An individual who repeatedly fails to file the report required under this section is subject to a report being made to the licensing board governing the professional activities of the individual. The department shall notify the individual each time the department determines that the individual has failed to file a required report. The department shall inform the individual in the notification that the individual may provide information to the department to explain or dispute the failure to report.

9. A public, private, or hospital clinical laboratory that repeatedly fails to make the report required under this section is subject to a civil penalty of not more than one thousand dollars per occurrence. The department shall not impose the penalty under this subsection without prior written notice and opportunity for hearing.

99 Acts, ch 181, §10; 2000 Acts, ch 1066, §39; 2000 Acts, ch 1140, §26; 2007 Acts, ch 70, §7; 2011 Acts, ch 63, §28

Referred to in §139A.19, 141A.7

**141A.7 Test results — counseling — application for services.**

1. At any time that the subject of an HIV-related test is informed of confirmed positive test results, counseling concerning the emotional and physical health effects shall be initiated.

Particular attention shall be given to explaining the need for the precautions necessary to avoid transmitting the virus. The subject shall be given information concerning additional counseling. If the legal guardian of the subject of the test provides consent to the test pursuant to section 141A.6, the provisions of this subsection shall apply to the legal guardian.

2. Notwithstanding subsection 1, the provisions of this section do not apply to any of the following:

*a.* The performance by a health care provider or health facility of an HIV-related test when the health care provider or health facility procures, processes, distributes, or uses a human body part donated for a purpose specified under the revised uniform anatomical gift Act as provided in chapter 142C, or semen provided prior to July 1, 1988, for the purpose of artificial insemination, or donations of blood, and such test is necessary to ensure medical acceptability of such gift or semen for the purposes intended.

*b.* A person engaged in the business of insurance who is subject to section 505.16.

*c.* The performance by a health care provider or health facility of an HIV-related test when the subject of the test is deceased and a documented significant exposure has occurred.

*d.* The performance by a health care provider or health facility of an HIV-related test when the subject of the test is unable to provide consent and the health care provider or health care facility provides consent for the patient pursuant to section 141A.6.

3. A person may apply for voluntary treatment, contraceptive services, or screening or treatment for HIV infection and other sexually transmitted diseases directly to a licensed physician and surgeon, an osteopathic physician and surgeon, or a family planning clinic. Notwithstanding any other provision of law, however, a minor shall be informed prior to testing that, upon confirmation according to prevailing medical technology of a positive HIV-related test result, the minor's legal guardian is required to be informed by the testing facility. Testing facilities where minors are tested shall have available a program to assist minors and legal guardians with the notification process which emphasizes the need for family support and assists in making available the resources necessary to accomplish that goal. However, a testing facility which is precluded by federal statute, regulation, or centers for disease control and prevention guidelines from informing the legal guardian is exempt from the notification requirement. The minor shall give written consent to these procedures and to receive the services, screening, or treatment. Such consent is not subject to later disaffirmance by reason of minority.

99 Acts, ch 181, §11; 2003 Acts, ch 108, §35; 2007 Acts, ch 44, §25; 2007 Acts, ch 70, §8
Referred to in §141A.9, 915.43

**141A.8 Care provider notification.** Repealed by 2011 Acts, ch 63, § 32.

**141A.9 Confidentiality of information.**

1. Any information, including reports and records, obtained, submitted, and maintained pursuant to this chapter is strictly confidential medical information. The information shall not be released, shared with an agency or institution, or made public upon subpoena, search warrant, discovery proceedings, or by any other means except as provided in this chapter. A person shall not be compelled to disclose the identity of any person upon whom an HIV-related test is performed, or the results of the test in a manner which permits identification of the subject of the test, except to persons entitled to that information under this chapter.

2. HIV-related test results shall be made available for release to the following individuals or under the following circumstances:

*a.* To the subject of the test or the subject's legal guardian subject to the provisions of section 141A.7, subsection 3, when applicable.

*b.* To any person who secures a written release of test results executed by the subject of the test or the subject's legal guardian.

*c.* To an authorized agent or employee of a health facility or health care provider, if the health facility or health care provider ordered or participated in the testing or is otherwise authorized to obtain the test results, the agent or employee provides patient care or handles or processes samples, and the agent or employee has a medical need to know such information.

*d.* To a health care provider providing care to the subject of the test when knowledge of the test results is necessary to provide care or treatment.

*e.* To the department in accordance with reporting requirements for an HIV-related condition.

*f.* To a health facility or health care provider which procures, processes, distributes, or uses a human body part from a deceased person with respect to medical information regarding that person, or semen provided prior to July 1, 1988, for the purpose of artificial insemination.

*g.* To a person allowed access to an HIV-related test result by a court order which is issued in compliance with the following provisions:

(1) A court has found that the person seeking the test results has demonstrated a compelling need for the test results which need cannot be accommodated by other means. In assessing compelling need, the court shall weigh the need for disclosure against the privacy interest of the test subject and the public interest which may be disserved by disclosure due to its deterrent effect on future testing or due to its effect in leading to discrimination.

(2) Pleadings pertaining to disclosure of test results shall substitute a pseudonym for the true name of the subject of the test. The disclosure to the parties of the subject's true name shall be communicated confidentially in documents not filed with the court.

(3) Before granting an order, the court shall provide the person whose test results are in question with notice and a reasonable opportunity to participate in the proceedings if the person is not already a party.

(4) Court proceedings as to disclosure of test results shall be conducted in camera unless the subject of the test agrees to a hearing in open court or unless the court determines that a public hearing is necessary to the public interest and the proper administration of justice.

(5) Upon the issuance of an order to disclose test results, the court shall impose appropriate safeguards against unauthorized disclosure, which shall specify the persons who may gain access to the information, the purposes for which the information shall be used, and appropriate prohibitions on future disclosure.

*h.* To an employer, if the test is authorized to be required under any other provision of law.

*i.* Pursuant to sections 915.42 and 915.43, to a convicted or alleged sexual assault offender; the physician or other health care provider who orders the test of a convicted or alleged offender; the victim; the parent, guardian, or custodian of the victim if the victim is a minor; the physician of the victim if requested by the victim; the victim counselor or person requested by the victim to provide counseling regarding the HIV-related test and results; the victim's spouse; persons with whom the victim has engaged in vaginal, anal, or oral intercourse subsequent to the sexual assault; members of the victim's family within the third degree of consanguinity; and the county attorney who may use the results as evidence in the prosecution of sexual assault under chapter 915, subchapter V, or prosecution of the offense of criminal transmission of HIV under chapter 709C. For the purposes of this paragraph, "*victim*" means victim as defined in section 915.40.

*j.* To employees of state correctional institutions subject to the jurisdiction of the department of corrections, employees of secure facilities for juveniles subject to the department of human services, and employees of city and county jails, if the employees have direct supervision over inmates of those facilities or institutions in the exercise of the duties prescribed pursuant to section 80.9B.

3. Release may be made of medical or epidemiological information for research or statistical purposes in a manner such that no individual person can be identified.

4. Release may be made of medical or epidemiological information to the extent necessary to enforce the provisions of this chapter and related rules concerning the treatment, control, and investigation of HIV infection by public health officials.

5. Release may be made of medical or epidemiological information to medical personnel to the extent necessary to protect the health or life of the named party.

6. Release may be made of test results concerning a patient pursuant to procedures established under section 141A.5, subsection 2, paragraph "*c*".

7. Medical information secured pursuant to subsection 1 may be shared between employees of the department who shall use the information collected only for the purposes

of carrying out their official duties in preventing the spread of the disease or the spread of other reportable diseases as defined in section 139A.2.

8. Medical information secured pursuant to subsection 1 may be shared with other state or federal agencies, with employees or agents of the department, or with local units of government that have a need for the information in the performance of their duties related to HIV prevention, disease surveillance, or care of persons with HIV, only as necessary to administer the program for which the information is collected or to administer a program within the other agency. Confidential information transferred to other persons or entities under this subsection shall continue to maintain its confidential status and shall not be rereleased by the receiving person or entity.

99 Acts, ch 181, §13; 2000 Acts, ch 1066, §40; 2007 Acts, ch 70, §10; 2008 Acts, ch 1031, §103; 2008 Acts, ch 1032, §25; 2011 Acts, ch 63, §29, 30; 2012 Acts, ch 1113, §23

Referred to in §139A.22, 505.16, 915.43

**141A.10 Immunities.**

1. A person making a report in good faith pursuant to this chapter is immune from any liability, civil or criminal, which might otherwise be incurred or imposed as a result of the report.

2. A health care provider attending a person who tests positive for HIV infection has no duty to disclose to or to warn third parties of the dangers of exposure to HIV infection through contact with that person and is immune from any liability, civil or criminal, for failure to disclose to or warn third parties of the condition of that person.

99 Acts, ch 181, §14; 2011 Acts, ch 63, §31

**141A.11 Remedies.**

1. A person aggrieved by a violation of this chapter shall have a right of civil action for damages in district court.

2. A care provider who intentionally or recklessly makes an unauthorized disclosure under this chapter is subject to a civil penalty of one thousand dollars.

3. A person who violates a confidentiality requirement of section 141A.5 is guilty of an aggravated misdemeanor.

4. A civil action under this chapter is barred unless the action is commenced within two years after the cause of action accrues.

5. The attorney general may maintain a civil action to enforce this chapter.

6. This chapter does not limit the rights of the subject of an HIV-related test to recover damages or other relief under any other applicable law.

7. This chapter shall not be construed to impose civil liability or criminal sanctions for disclosure of HIV-related test results in accordance with any reporting requirement for a diagnosed case of AIDS or a related condition by the department or the centers for disease control and prevention of the United States department of health and human services.

99 Acts, ch 181, §15; 2006 Acts, ch 1010, §53

# CHAPTER 142

## DEAD BODIES FOR SCIENTIFIC PURPOSES

Referred to in §135.11, 331.804


142.1 Delivery of bodies.
142.2 Furnished to physicians.
142.3 Notification of department.
142.4 Surrender to relatives.
142.5 Disposition after dissection.
142.6 Record of receipt.
142.7 Record and bodies.
142.8 Purpose for which body used.
142.9 Failure to deliver dead body.
142.10 Use without proper record.
142.11 Penalties.
142.12 Repealed by 69 Acts, ch 137, §11.
142.13 Burial in private cemetery lot.

**142.1 Delivery of bodies.**

The body of every person dying in a public asylum, hospital, county care facility, penitentiary, or reformatory in this state, or found dead within the state, or which is to be buried at public expense in this state, except those buried under the provisions of chapter 144C or 249, and which is suitable for scientific purposes, shall be delivered to the medical college of the state university, or some osteopathic or chiropractic college or school located in this state, which has been approved under the law regulating the practice of osteopathic medicine or chiropractic; but no such body shall be delivered to any such college or school if the deceased person expressed a desire during the person's last illness that the person's body should be buried or cremated, nor if such is the desire of the person's relatives. Such bodies shall be equitably distributed among said colleges and schools according to their needs for teaching anatomy in accordance with such rules as may be adopted by the Iowa department of public health. The expense of transporting said bodies to such college or school shall be paid by the college or school receiving the same. If the deceased person has not expressed a desire during the person's last illness that the person's body should be buried or cremated and no person authorized to control the deceased person's remains under section 144C.5 requests the person's body for burial or cremation, and if a friend objects to the use of the deceased person's body for scientific purposes, said deceased person's body shall be forthwith delivered to such friend for burial or cremation at no expense to the state or county. Unless such friend provides for burial and burial expenses within five days, the body shall be used for scientific purposes under this chapter.

[C73, §4018; C97, §4946; S13, §4946-b; C24, 27, 31, 35, 39, §**2351;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.1]

2008 Acts, ch 1051, §1, 22; 2009 Acts, ch 133, §41

Referred to in §142.2, 142.3, 156.2, 252.27

Approval of medical, osteopathic, and chiropractic colleges, see §148.3, 151.4

**142.2 Furnished to physicians.**

When there are more dead bodies available for use under section 142.1 than are desired by said colleges or schools, the same may be delivered to physicians in the state for scientific study under such rules as may be adopted by the Iowa department of public health.

[S13, §4946-b; C24, 27, 31, 35, 39, §**2352;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.2]

Referred to in §142.3, 156.2

**142.3 Notification of department.**

Every county medical examiner, funeral director or embalmer, and the managing officer of every public asylum, hospital, county care facility, penitentiary, or reformatory, as soon as any dead body shall come into the person's custody which may be used for scientific purposes as provided in sections 142.1 and 142.2, shall at once notify the nearest relative or friend of the deceased, if known, and the Iowa department of public health, and hold such body unburied for forty-eight hours. Upon receipt of notification, the department shall issue verbal or written instructions relative to the disposition to be made of said body. Complete jurisdiction over said bodies is vested exclusively in the Iowa department of public health. No autopsy or post mortem, except as are legally ordered by county medical examiners, shall be performed on any of said bodies prior to their delivery to the medical schools.

[S13, §4946-c; C24, 27, 31, 35, 39, §**2353;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.3]

2013 Acts, ch 90, §28

Section amended

**142.4 Surrender to relatives.**

When any dead body which has been delivered under this chapter for scientific purposes is subsequently claimed by any relative, it shall be at once surrendered to such relative for burial without public expense; and all bodies received under this chapter shall be held for a period of thirty days before being used. Unless such person claiming the body for burial pays the costs that have been incurred in the care and transportation of the body within thirty days

after claiming it, all rights thereto shall cease and the body may then be used as if no claim had been made.

This section shall not apply to bodies given under authority of the revised uniform anatomical gift Act as provided in chapter 142C.

[C73, §4018; C97, §4946; S13, §4946-c, -d; C24, 27, 31, 35, 39, §**2354;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.4]

2003 Acts, ch 108, §36; 2007 Acts, ch 44, §26

**142.5 Disposition after dissection.**

The remains of every body received for scientific purposes under this chapter shall be decently buried or cremated after it has been used for said purposes, and a failure to do so shall be a simple misdemeanor.

[C73, §4019; C97, §4947; C24, 27, 31, 35, 39, §**2355;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.5]

Referred to in §156.2

**142.6 Record of receipt.**

Any college, school, or physician receiving the dead body of any human being for scientific purposes shall keep a record showing:

1. The name of the person from whom, and the time and place, such body was received.
2. The description of the receptacle in which the body was received, including the shipping direction attached to the same.
3. The description of the body, including the length, weight, and sex, apparent age at time of death, color of hair and beard, if any, and all marks or scars which might be used to identify the same.
4. The condition of the body and whether mutilated so as to prevent identification.

[C97, §4948; C24, 27, 31, 35, 39, §**2356;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.6]

Referred to in §142.7, 142.10

**142.7 Record and bodies.**

The record required by section 142.6 and the dead body of every human being received under this chapter shall be subject to inspection by any peace officer, or relative of the deceased.

[C97, §4948, 4949; C24, 27, 31, 35, 39, §**2357;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.7]

**142.8 Purpose for which body used.**

The dead bodies delivered under this chapter shall be used only within the limits of this state for the purpose of scientific, medical, and surgical study, and no person shall remove the same beyond the limits of this state or in any manner traffic therein. Any person who shall violate this section shall be guilty of a serious misdemeanor.

This section shall not apply to bodies given under authority of the revised uniform anatomical gift Act as provided in chapter 142C.

[C73, §4020; C97, §4950; C24, 27, 31, 35, 39, §**2358;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.8]

2003 Acts, ch 108, §37; 2007 Acts, ch 44, §27

**142.9 Failure to deliver dead body.**

Any person having the custody of the dead body of any human being which is required to be delivered for scientific purposes by this chapter, who shall fail to notify the Iowa department of public health of the existence of such body, or fail to deliver the same in accordance with the instructions of the department, shall be guilty of a simple misdemeanor.

[S13, §4946-e; C24, 27, 31, 35, 39, §**2359;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.9]

**142.10 Use without proper record.**

Any physician or member of the instructional staff of any college or school who uses, or permits others under the physician's or member's charge to use the dead body of a human being for the purpose of medical or surgical study without the record required in section 142.6 having been made, or who shall refuse to allow any peace officer or relative of the deceased to inspect said record or body, shall be guilty of a serious misdemeanor.

[C97, §4949; C24, 27, 31, 35, 39, §**2360;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.10]

**142.11 Penalties.**

Any person who shall receive or deliver any dead body of a human being knowing that any of the provisions of this chapter have been violated, shall be guilty of an aggravated misdemeanor.

[S13, §4946-e; C24, 27, 31, 35, 39, §**2361;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §142.11]

**142.12** Repealed by 69 Acts, ch 137, § 11.

**142.13 Burial in private cemetery lot.**

In the event such deceased person, whose body has been used for scientific purposes as provided herein, shall own or have the right of burial in a private or family cemetery lot in the state of Iowa, that such deceased person's body shall be buried in such lot.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §142.13]

# CHAPTER 142A

## TOBACCO USE PREVENTION AND CONTROL

Referred to in §135.11


142A.1 Tobacco use prevention and control partnership — purpose and intent.
142A.2 Definitions.
142A.3 Tobacco use prevention and control — division — commission — created.
142A.4 Commission duties.
142A.5 Director and administrator duties.
142A.6 Comprehensive tobacco use prevention and control initiative established — purpose — results.
142A.7 Initiative components.
142A.8 Community partnerships.
142A.9 Youth program.
142A.10 Funding of programs delivered through community partnerships.
142A.11 Application for services — minors.


**142A.1 Tobacco use prevention and control partnership — purpose and intent.**

1. The purpose of this chapter is to establish a comprehensive partnership among the general assembly, the executive branch, communities, and the people of Iowa in addressing the prevalence of tobacco use in the state.

2. It is the intent of the general assembly that the comprehensive tobacco use prevention and control initiative established in this chapter will specifically address reduction of tobacco use by youth and pregnant women and enhancement of the capacity of youth to make healthy choices. The initiative shall allow extensive involvement of youth in attaining these results.

3. It is also the intent of the general assembly that the comprehensive tobacco use prevention and control initiative will foster a social and legal climate in which tobacco use becomes undesirable and unacceptable, in which role models and those who influence youth promote healthy social norms and demonstrate behavior that counteracts the glamorization of tobacco use, and in which tobacco becomes less accessible to youth. The intent of the

general assembly shall be accomplished by engaging all who are affected by the use of tobacco in the state, including smokers and nonsmokers, youth, and adults.

2000 Acts, ch 1192, §1, 17; 2011 Acts, ch 63, §1

Referred to in §142A.4, 142A.6

**142A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means the administrator of the division of tobacco use prevention and control.

2. *"Commission"* means the commission on tobacco use prevention and control established in this chapter.

3. *"Community partnership"* means a public agency or nonprofit organization implementing the tobacco use prevention and control initiative in a local area in accordance with this chapter.

4. *"Department"* means the Iowa department of public health.

5. *"Director"* means the director of public health.

6. *"Division"* means the division of tobacco use prevention and control of the Iowa department of public health, established pursuant to this chapter.

7. *"Initiative"* means the comprehensive tobacco use prevention and control initiative established in this chapter.

8. *"Manufacturer"* means manufacturer as defined in section 453A.1.

9. *"Pregnant woman"* means a female of any age who is pregnant.

10. *"School-age youth"* means a person attending school in kindergarten through grade twelve.

11. *"Tobacco"* means both cigarettes and tobacco products as defined in section 453A.1.

12. *"Youth"* means a person who is five through twenty-four years of age.

2000 Acts, ch 1192, §2, 17; 2011 Acts, ch 63, §2

**142A.3 Tobacco use prevention and control — division — commission — created.**

1. The department shall establish, as a separate and distinct division within the department, a division of tobacco use prevention and control. The division shall develop, implement, and administer the initiative established in this chapter and shall perform other duties as directed by this chapter or as assigned by the director of public health.

2. A commission on tobacco use prevention and control is established to develop policy, provide direction for the initiative, and perform all other duties related to the initiative and other tobacco use prevention and control activities as directed by this chapter or referred to the commission by the director of public health.

3. The membership of the commission shall include the following voting members who shall serve three-year, staggered terms:

*a.* Members, at least one of whom is a member of a racial minority, to be appointed by the governor, subject to confirmation by the senate pursuant to sections 2.32 and 69.19, and consisting of the following:

(1) Three members who are active with nonprofit health organizations that emphasize tobacco use prevention or who are active as health services providers, at the local level.

(2) Three members who are active with health promotion activities at the local level in youth education, nonprofit services, or other activities relating to tobacco use prevention and control.

*b.* Three voting members, to be selected by the participants in the annual statewide youth summit of the initiative's youth program, who shall not be subject to section 69.16 or 69.16A. However, the selection process shall provide for diversity among the members and at least one of the youth members shall be a female.

4. The commission shall also include the following ex officio, nonvoting members:

*a.* Four members of the general assembly, with not more than one member from each chamber being from the same political party. The majority leader of the senate and the minority leader of the senate shall each appoint one of the senate members. The majority

leader of the house of representatives and the minority leader of the house of representatives shall each appoint one of the house members.

*b.* The presiding officer of the statewide youth executive body, selected by the delegates to the statewide youth summit.

5. In addition to the members of the commission, the following agencies, organizations, and persons shall each assign a single liaison to the commission to provide assistance to the commission in the discharge of the commission's duties:

*a.* The department of education.

*b.* The drug policy coordinator.

*c.* The department of justice, office of the attorney general.

*d.* The department of human services.

6. Citizen members shall be reimbursed for actual and necessary expenses incurred in performance of their duties. Citizen members shall be paid a per diem as specified in section 7E.6. Legislative members are eligible for per diem and expenses as provided in section 2.10.

7. A member of the commission who is convicted of a crime relating to tobacco, alcohol, or controlled substances is subject to removal from the commission.

8. A vacancy on the commission other than for the youth members shall be filled in the same manner as the original appointment for the balance of the unexpired term. A youth member vacancy shall be filled by the presiding officer of the statewide executive body as selected by the delegates to the statewide youth summit.

9. The commission shall elect a chairperson from among its voting members and may select other officers from among its voting members, as determined necessary by the commission. The commission shall meet regularly as determined by the commission, upon the call of the chairperson, or upon the call of a majority of the voting members.

10. The commission may designate an advisory council. The commission shall determine the membership and representation of the advisory council and members of the council shall serve at the pleasure of the commission. The advisory council may include representatives of health care provider groups, parent groups, antitobacco advocacy programs and organizations, research and evaluation experts, and youth organizers.

2000 Acts, ch 1192, §3, 17; 2004 Acts, ch 1176, §6; 2009 Acts, ch 133, §42; 2010 Acts, ch 1061, §30; 2011 Acts, ch 63, §3, 4; 2012 Acts, ch 1021, §46

**142A.4 Commission duties.**

The commission shall do all of the following:

1. Develop and implement the comprehensive tobacco use prevention and control initiative as provided in this chapter.

2. Provide a forum for the discussion, development, and recommendation of public policy alternatives in the field of tobacco use prevention and control.

3. Develop an educational component of the initiative. Educational efforts provided through the school system shall be developed in conjunction with the department of education.

4. Develop a plan for implementation of the initiative in accordance with the purpose and intent specified in section 142A.1.

5. Provide for technical assistance, training, and other support under the initiative.

6. Take actions to develop and implement a statewide system for the initiative programs that are delivered through community partnerships.

7. Manage and coordinate the provision of funding and other moneys available to the initiative by combining all or portions of appropriations or other revenues as authorized by law.

8. Assist with the linkage of the initiative with child welfare and juvenile justice decategorization projects, education programming, early childhood Iowa areas, and other programs and services directed to youth at the state and community level.

9. *a.* Coordinate and respond to any requests from a community partnership relating to any of the following:

(1) Removal of barriers to community partnership efforts.

(2) Pooling and redirecting of existing federal, state, or other public or private funds available for purposes that are consistent with the initiative.

(3) Seeking of federal waivers to assist community partnership efforts.

*b.* In coordinating and responding to the requests, the commission shall work with state agencies, the governor, and the general assembly as necessary to address requests deemed appropriate by the commission.

10. Adopt rules pursuant to chapter 17A as necessary for the designation, governance, and oversight of the initiative and the implementation of this chapter. The commission shall provide for community partnership and youth program input in the rules adoption process. The rules shall include but are not limited to all of the following:

*a.* Performance indicators for initiative programs, community partnerships, and the services provided under the auspices of community partnerships. The performance indicators shall be developed with input from communities.

*b.* Minimum standards to further the provision of equal access to services.

11. Monitor and evaluate the effectiveness of performance measures utilized under the initiative.

12. Submit a report to the governor and the general assembly on a periodic basis, during the initial year of operation, and on an annual basis thereafter, regarding the initiative, including demonstrated progress based on performance indicators. The commission shall report more frequently if requested by the joint appropriations subcommittee that makes recommendations concerning the commission's budget. Beginning July 1, 2005, the commission shall also perform a comprehensive review of the initiative and shall submit a report of its findings to the governor and the general assembly on or before December 15, 2005.

13. Represented by the chairperson of the commission, annually appear before the joint appropriations subcommittee that makes recommendations concerning the commission's budget to report on budget expenditures and division operations relative to the prior fiscal year and the current fiscal year.

14. Advise the director in evaluating potential candidates for the position of administrator, consult with the director in the hiring of the administrator, and review and advise the director on the performance of the administrator in the discharge of the administrator's duties.

15. Prioritize funding needs and the allocation of moneys appropriated and other resources available for the programs and activities of the initiative.

16. Review fiscal needs of the initiative and make recommendations to the director in the development of budget requests.

17. Solicit and accept any gift of money or property, including any grant of money, services, or property from the federal government, the state, a political subdivision, or a private source that is consistent with the goals of the initiative. The commission shall adopt rules prohibiting the acceptance of gifts from a manufacturer of tobacco products.

18. Advise and make recommendations to the governor, the general assembly, the director, and the administrator, relative to tobacco use, treatment, intervention, prevention, control, and education programs in the state.

19. Evaluate the work of the division and the department relating to the initiative. For this purpose, the commission shall have access to any relevant department records and documents, and other information reasonably obtainable by the department.

20. Develop the structure for the statewide youth summit to be held annually.

21. Approve the content of any materials distributed by the youth program pursuant to section 142A.9, prior to distribution of the materials.

2000 Acts, ch 1192, §4, 17; 2004 Acts, ch 1176, §7; 2005 Acts, ch 179, §57; 2009 Acts, ch 41, §263; 2010 Acts, ch 1031, §293; 2011 Acts, ch 63, §5

Referred to in §142A.5

**142A.5 Director and administrator duties.**

1. The director shall do all of the following:

*a.* Establish and maintain the division of tobacco use prevention and control.

*b.* Employ a separate division administrator, in accordance with the requirements of

section 142A.4, subsection 14, in a full-time equivalent position whose sole responsibility and duty shall be the administration and oversight of the division. The division administrator shall report to and shall serve at the pleasure of the director. The administrator shall be exempt from the merit system provisions of chapter 8A, subchapter IV.

*c.* Coordinate all tobacco use prevention and control programs and activities under the purview of the department.

*d.* Receive and review budget recommendations from the commission. The director shall consider these recommendations in developing the budget request for the department.

2. The administrator shall do all of the following:

*a.* Implement the initiative, coordinate the activities of the commission and the initiative, and coordinate other tobacco use prevention and control activities as assigned by the director.

*b.* Monitor and evaluate the effectiveness of performance measures.

*c.* Provide staff and administrative support to the commission.

*d.* Administer contracts entered into under this chapter.

*e.* Coordinate and cooperate with other tobacco use prevention and control programs within and outside of the state.

*f.* Provide necessary information to the commission to assist the commission in making its annual report to the joint appropriations subcommittee pursuant to section 142A.4, subsection 13, and in fulfilling other commission duties pursuant to section 142A.4.

2000 Acts, ch 1192, §5, 17; 2003 Acts, ch 145, §190; 2004 Acts, ch 1176, §8, 9; 2011 Acts, ch 63, §6, 7

**142A.6 Comprehensive tobacco use prevention and control initiative established — purpose — results.**

1. A comprehensive tobacco use prevention and control initiative is established. The division shall implement the initiative as provided in this chapter.

2. The purpose of the initiative is to attain the following results:

*a.* Reduction of tobacco use by youth.

*b.* Strong, active youth involvement in activities to prevent youth tobacco use and to promote cessation of youth tobacco use.

*c.* Enhanced capacity of youth to make healthy choices.

*d.* Reduction of tobacco use by pregnant women.

3. Success in achieving the initiative's desired results may be demonstrated by a minimum of the following:

*a.* Data demonstrating consistent progress in reducing the prevalence of tobacco use among youth and adults.

*b.* Survey results indicating widespread support among youth for the initiative's tobacco use prevention and control activities; for programs that enhance the ability of youth to make healthy choices including those related to use of tobacco, alcohol, and other substances; and for the media, marketing, and communications efforts supporting the initiative's desired results. Any survey conducted may also include an assessment of the effectiveness of tobacco use prevention and control activities in affecting other unhealthy youth behaviors including sexual activity and violent behavior.

4. The division shall implement the initiative in a manner that ensures that youth are extensively involved in the decision making for the programs implemented under the initiative. The initiative shall also involve parents, schools, and community members in activities to achieve the results desired for the initiative. The division shall encourage collaboration at the state and local levels to maximize available resources and to provide flexibility to support community efforts.

5. Procurement of goods and services necessary to implement the initiative is subject to approval of the commission. Notwithstanding chapter 8A, subchapter III, or any other provision of law to the contrary, such procurement may be accomplished by the commission under its own competitive bidding process which shall provide for consideration of such factors as price, bidder competence, and expediency in procurement.

6. In order to promote the tobacco use prevention and control partnership established in section 142A.1, the following persons shall comply with the following, as applicable:

*a.* A manufacturer, distributor, wholesaler, retailer, or distributing agent or agent thereof shall not give away cigarettes or tobacco products.

*b.* A manufacturer, distributor, wholesaler, retailer, or distributing agent or agent thereof shall not provide free articles, products, commodities, gifts, or concessions in any exchange for the purchase of cigarettes or tobacco products.

*c.* The prohibitions in this section do not apply to transactions between manufacturers, distributors, wholesalers, or retailers.

*d.* For the purpose of this subsection, manufacturer, distributor, wholesaler, retailer, and distributing agent mean as defined in section 453A.1.

2000 Acts, ch 1192, §6, 17; 2003 Acts, ch 145, §191; 2011 Acts, ch 63, §8, 9

See also §453A.39

**142A.7 Initiative components.**

1. The initiative shall include but is not limited to all of the following:

*a.* Youth programs, designed to achieve the initiative's desired results, that are directed by youth participants for youth.

*b.* A media, marketing, and communications program to achieve the initiative's desired results. Advertising shall not include the name, voice, or likeness of any elected or appointed public official or of any candidate for elective office.

*c.* Independent evaluation of each component of the statewide initiative.

*d.* Ongoing statewide assessment of data, review of indicators used in assessing the effectiveness of the initiative, and evaluation of the initiative, its programs, and its marketing strategy. The initial baseline used to measure the effectiveness of the initiative shall be developed using existing, available indicators. Following development of the initial baseline, indicators of the effectiveness of the initiative shall be reviewed on at least an annual basis to ensure that the indicators used most accurately provide for measurement of such effectiveness. Primary emphasis in data assessment shall be on data relating to tobacco usage and may include data demonstrating the prevalence of tobacco use among youth and pregnant women, and the prevalence of the use of alcohol and other substances among youth. Sources of data considered shall include but are not limited to the centers for disease control and prevention of the United States department of health and human services and the Iowa youth tobacco survey, and may include the Iowa youth risk survey conducted by the department or the youth risk behavior survey.

*e.* A tobacco use prevention and control education program.

2. Administrative costs associated with each program of the initiative and program provider shall be established at a reasonable level consistent with effective management practices.

3. Requests for information or for proposals shall emphasize that performance measures are required for any contract or allocation of funding under the initiative.

2000 Acts, ch 1192, §7, 17; 2011 Acts, ch 63, §10

**142A.8 Community partnerships.**

1. A community partnership is a public agency or nonprofit organization operating in a local area under contract with the department to implement the initiative in that local area utilizing broad community involvement. The community partnership or its designee shall act as the fiscal agent for moneys administered by the community partnership.

2. A community partnership area shall encompass a county or multicounty area, school district or multischool district area, economic development enterprise zone that meets the requirements of an urban or rural enterprise community under Tit. XIII of the federal Omnibus Budget Reconciliation Act of 1993, or early childhood Iowa area, in accordance with criteria adopted by the commission for appropriate population levels and size of geographic areas.

3. The commission shall adopt rules pursuant to chapter 17A providing procedures for the initial designation of community partnership areas and for subsequent changes to the initially designated areas.

4. The requirements for contracts entered into by a community partnership and the department shall include but are not limited to all of the following:

*a.* Administrative functions.

*b.* Fiscal provisions.

*c.* Community and youth involvement in program and administrative decisions.

*d.* Evaluation of the program.

2000 Acts, ch 1192, §8, 17; 2010 Acts, ch 1031, §294; 2010 Acts, ch 1061, §180; 2011 Acts, ch 63, §11

**142A.9 Youth program.**

1. A youth program component shall be implemented in each community partnership area to achieve the purposes of the initiative.

2. The youth program shall include but is not limited to all of the following:

*a.* A structure for program participants to interact with other participating youth within the community partnership area and in other areas of the state.

*b.* A structure for formal youth involvement in youth program governance at the community partnership area level and in a statewide youth summit or summits consisting of participation by representatives of the community partnership area level.

*c.* A structure for participation in a statewide executive body consisting of participants selected by the delegates to the statewide youth summit of the youth program.

*d.* Youth activities that are character-based and focused on rewarding appropriate values, behavior, and healthy choices by participants.

3. To the greatest extent possible, the youth program shall be directed by youth for youth participants. State and local administrators associated with the initiative shall consult with and utilize the youth program participants in the media, marketing, and communications program; education efforts; and other aspects of the initiative including evaluation and collaboration.

2000 Acts, ch 1192, §9, 17; 2011 Acts, ch 63, §12

Referred to in §142A.4

**142A.10 Funding of programs delivered through community partnerships.**

1. The commission shall develop and implement a statewide system for the initiative programs that are delivered through community partnerships.

2. The system shall provide for equitable allocation of funding for initiative programs among the state's community partnership areas, based upon school-age population and other criteria established by the commission.

3. The specific programs, distribution provisions, and other provisions approved by the commission for expenditure of the maximum allocation amount established for a community partnership area shall be outlined in the written contract with the community partnership.

4. Any allocation received by a community partnership shall be matched with local funding, in-kind services, office support, or other tangible support or offset of costs.

2000 Acts, ch 1192, §10, 17

**142A.11 Application for services — minors.**

A minor who is twelve years of age or older shall have the legal capacity to act and give consent to the provision of tobacco cessation coaching services pursuant to a tobacco cessation telephone and internet-based program approved by the department. Consent shall not be subject to later disaffirmance by reason of such minority. The consent of another person, including but not limited to the consent of a spouse, parent, custodian, or guardian, shall not be necessary.

2013 Acts, ch 81, §5

NEW section

# CHAPTER 142B

## SMOKING PROHIBITIONS

Repealed by 2008 Acts, ch 1084, §16; see chapter 142D

# CHAPTER 142C

## REVISED UNIFORM ANATOMICAL GIFT ACT

Referred to in §141A.7, 142.4, 142.8, 144C.6, 144C.10, 321.178, 321.178A, 321.189


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142C.14A Electronic signatures.
142C.15 Anatomical gift public awareness and transplantation fund — established — uses of fund.
142C.16 Anatomical gift public awareness advisory committee — established — duties. Repealed by 2010 Acts, ch 1031, § 399.
142C.17 Annual donation and compliance report.
142C.18 Iowa donor registry.


**142C.1 Short title.**

This chapter shall be known and may be cited as the *"Revised Uniform Anatomical Gift Act"*.

95 Acts, ch 39, §1; 2007 Acts, ch 44, §1

**142C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Adult"* means an individual who is eighteen years of age or older.

2. *"Agent"* means an individual who meets any of the following conditions:

*a.* Is authorized to make health care decisions on the principal's behalf by a durable power of attorney for health care pursuant to chapter 144B.

*b.* Is expressly authorized to make an anatomical gift on the principal's behalf by any other record signed by the principal.

3. *"Anatomical gift"* or *"gift"* means a donation of all or part of the human body effective after the donor's death, for the purposes of transplantation, therapy, research, or education.

4. *"Decedent"* means a deceased individual whose body or part is or may be the source of an anatomical gift and includes a stillborn infant.

5. *"Disinterested witness"* means a witness other than the spouse, child, parent, sibling, grandchild, grandparent, or guardian of the individual who makes, amends, revokes, or

refuses to make an anatomical gift, or any other adult who exhibited special care and concern for the individual. *"Disinterested witness"* does not include a person who may receive an anatomical gift pursuant to section 142C.5.

6. *"Document of gift"* means a donor card or other record used to make an anatomical gift, including a statement or symbol on a driver's license or identification card, or an entry in a donor registry.

7. *"Donor"* means an individual whose body or part is the subject of an anatomical gift.

8. *"Donor registry"* means a database that contains records of anatomical gifts and amendments of anatomical gifts.

9. *"Driver's license"* means a license or permit issued by the state department of transportation to operate a vehicle, whether or not conditions are attached to the license or permit.

10. *"Eye bank"* means a person that is licensed, accredited, or regulated under federal or state law to engage in the recovery, screening, testing, processing, storage, or distribution of human eyes or portions of human eyes.

11. *"Forensic pathologist"* means a pathologist who is further certified in the subspecialty of forensic pathology by the American board of pathology.

12. *"Guardian"* means a person appointed by a court to make decisions regarding the support, care, education, health, or welfare of an individual, but does not include a guardian ad litem.

13. *"Hospital"* means a hospital licensed under chapter 135B, or a hospital licensed, accredited, or approved under federal law or the laws of any other state, and includes a hospital operated by the federal government, a state, or a political subdivision of a state, although not required to be licensed under state laws.

14. *"Identification card"* means a nonoperator's identification card issued by the state department of transportation pursuant to section 321.190.

15. *"Iowa donor network"* means the nonprofit organization certified by the centers for Medicare and Medicaid services of the United States department of health and human services as the single organ procurement agency serving the state and which also serves as the tissue recovery agency for the state.

16. *"Iowa donor registry"* means the Iowa donor registry administered by the Iowa donor network.

17. *"Know"* means to have actual knowledge.

18. *"Medical examiner"* means an individual who is appointed as a medical examiner pursuant to section 331.801 or 691.5.

19. *"Minor"* means an individual who is less than eighteen years of age.

20. *"Organ procurement organization"* means a person designated by the United States secretary of health and human services as an organ procurement organization.

21. *"Parent"* means a parent whose parental rights have not been terminated.

22. *"Part"* means an organ, an eye, or tissue of a human being, but does not include the whole body of a human being.

23. *"Pathologist"* means a licensed physician who is certified in anatomic or clinical pathology by the American board of pathology.

24. *"Person"* means person as defined in section 4.1.

25. *"Physician"* means an individual authorized to practice medicine and surgery or osteopathic medicine and surgery under the laws of any state.

26. *"Procurement organization"* means an eye bank, organ procurement organization, or tissue bank.

27. *"Prospective donor"* means an individual who is dead or near death and has been determined by a procurement organization to have a part that could be medically suitable for transplantation, therapy, research, or education, but does not include an individual who has made a refusal.

28. *"Reasonably available"* means able to be contacted by a procurement organization without undue effort and willing and able to act in a timely manner consistent with existing medical criteria necessary for the making of an anatomical gift.

29. *"Recipient"* means an individual into whose body a decedent's part has been transplanted or is intended for transplant.

30. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

31. *"Refusal"* means a record created pursuant to section 142C.3 that expressly states an individual's intent to prohibit other persons from making an anatomical gift of the individual's body or part.

32. *"Sign"* means to do any of the following with the present intent to authenticate or adopt a record:

*a.* Execute or adopt a tangible symbol.

*b.* Attach to or logically associate with the record an electronic symbol, sound, or process.

33. *"State"* means any state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

34. *"Technician"* means an individual determined to be qualified to remove or process parts by an appropriate organization that is licensed, accredited, or regulated under federal or state law and includes an enucleator.

35. *"Tissue"* means a portion of the human body other than an organ or an eye, but does not include blood unless the blood is donated for the purpose of research or education.

36. *"Tissue bank"* means a person that is licensed, accredited, or regulated under federal or state law to engage in the recovery, screening, testing, processing, storage, or distribution of tissue.

37. *"Transplant hospital"* means a hospital that furnishes organ transplants and other medical and surgical specialty services required for the care of transplant patients.

95 Acts, ch 39, §2; 2001 Acts, ch 74, §3; 2002 Acts, ch 1064, §1, 2; 2007 Acts, ch 44, §2; 2009 Acts, ch 133, §43

Referred to in §423.3

**142C.3 Persons who may make — manner of making — amending or revoking — refusal to make anatomical gift before donor's death — preclusive effect.**

1. *Who may make.* Subject to subsection 5, an anatomical gift of a donor's body or part may be made during the life of the donor for the purposes of transplantation, therapy, research, or education in the manner prescribed in subsection 2 by any of the following:

*a.* The donor if the donor is any of the following:

(1) An adult.

(2) A minor, if the minor is emancipated.

(3) A minor, if the minor is authorized under state law to apply for a driver's license or identification card because the minor is at least 14 years of age, and the minor authorizes a statement or symbol indicating an anatomical gift on a driver's license, identification card, or donor registry entry with the signed approval of a parent or guardian.

*b.* An agent of the donor, unless the durable power of attorney for health care or other record prohibits the agent from making the anatomical gift.

*c.* A parent of the donor, if the donor is an unemancipated minor.

*d.* The guardian of the donor.

2. *Manner of making.*

*a.* A donor may make an anatomical gift by any of the following means:

(1) By authorizing a statement or symbol indicating that the donor has made an anatomical gift to be imprinted on the donor's driver's license or identification card.

(2) In a will.

(3) During a terminal illness or injury of the donor, by any form of communication addressed to at least two adults, at least one of whom is a disinterested witness.

(4) As provided in paragraph *"b"*.

*b.* (1) A donor or other person authorized to make an anatomical gift under subsection 1 may make a gift by a donor card or other record signed by the donor or other person making the gift or by authorizing that a statement or symbol indicating that the donor has made an anatomical gift be included on the donor registry.

(2) If the donor or other person is physically unable to sign a record, the record may be signed by another individual at the direction of the donor or other person and shall meet all of the following requirements:

(a) Be witnessed by at least two adults, at least one of whom is a disinterested witness, who have signed at the request of the donor or other person.

(b) State that the record has been signed and witnessed as provided in subparagraph division (a).

*c.* Revocation, suspension, expiration, or cancellation of a driver's license or identification card upon which an anatomical gift is indicated shall not invalidate the gift.

*d.* An anatomical gift made by will takes effect upon the donor's death whether or not the will is probated. Invalidation of the will after the donor's death does not invalidate the gift.

3. *Amending or revoking gift before donor's death.*

*a.* Subject to subsection 5, a donor or other person authorized to make an anatomical gift under subsection 1 may amend or revoke an anatomical gift by any of the following means:

(1) A record signed by any of the following:

(a) The donor.

(b) The other person authorized to make an anatomical gift.

(c) Subject to paragraph "*b*", another individual acting at the direction of the donor or the other authorized person if the donor or other person is physically unable to sign the record.

(2) A later-executed document of gift that amends or revokes a previous anatomical gift or portion of an anatomical gift, either expressly or by inconsistency.

*b.* A record signed pursuant to paragraph "*a*", subparagraph (1), subparagraph division (c), shall comply with all of the following:

(1) Be witnessed by at least two adults, at least one of whom is a disinterested witness, who have signed at the request of the donor or the other authorized person.

(2) State that the record has been signed and witnessed as provided in subparagraph (1).

*c.* Subject to subsection 5, a donor or other person authorized to make an anatomical gift under subsection 1 may revoke an anatomical gift by the destruction or cancellation of the document of gift, or the portion of the document of gift used to make the gift, with the intent to revoke the gift.

*d.* A donor may amend or revoke an anatomical gift that was not made in a will by any form of communication during a terminal illness or injury addressed to at least two adults, at least one of whom is a disinterested witness.

*e.* A donor who makes an anatomical gift in a will may amend or revoke the gift in the manner provided for amendment or revocation of wills or as provided in paragraph "*a*".

4. *Refusal to make.*

*a.* An individual may refuse to make an anatomical gift of the individual's body or part by any of the following means:

(1) A record signed by any of the following:

(a) The individual.

(b) Subject to paragraph "*b*", another individual acting at the direction of the individual if the individual is physically unable to sign the record.

(2) The individual's will, whether or not the will is admitted to probate or invalidated after the individual's death.

(3) Any form of communication made by the individual during the individual's terminal illness or injury addressed to at least two adults, at least one of whom is a disinterested witness.

*b.* A record signed pursuant to paragraph "*a*", subparagraph (1), subparagraph division (b), shall comply with all of the following:

(1) Be witnessed by at least two adults, at least one of whom is a disinterested witness, who have signed at the request of the individual.

(2) State that the record has been signed and witnessed as provided in subparagraph (1).

*c.* An individual who has made a refusal may amend or revoke the refusal in accordance with any of the following:

(1) In the manner provided in paragraph "*a*" for making a refusal.

(2) By subsequently making an anatomical gift pursuant to subsection 2 that is inconsistent with the refusal.

(3) By destroying or canceling the record evidencing the refusal, or the portion of the record used to make the refusal, with the intent to revoke the refusal.

*d.* Except as otherwise provided in subsection 5, paragraph *"h"*, in the absence of an express, contrary indication by the individual set forth in the refusal, an individual's unrevoked refusal to make an anatomical gift of the individual's body or part prohibits all other persons from making an anatomical gift of the individual's body or part.

5. *Preclusive effect.*

*a. Donor gift or amendment — subsequent actions by others prohibited.* Except as otherwise provided in paragraph *"g"*, and subject to paragraph *"f"*, in the absence of a contrary indication by the donor, a person other than the donor is prohibited from making, amending, or revoking an anatomical gift of a donor's body or part if the donor made an anatomical gift of the donor's body or part under subsection 2 or an amendment to an anatomical gift of the donor's body or part under subsection 3.

*b. Donor revocation not a refusal.* A donor's revocation of an anatomical gift of the donor's body or part under subsection 3 is not a refusal and does not prohibit another person specified in subsection 1 or section 142C.4 from making an anatomical gift of the donor's body or part under subsection 2 or section 142C.4.

*c. Gift on amendment by another — subsequent actions by others prohibited.* If a person other than the donor makes an unrevoked anatomical gift of the donor's body or part under subsection 2, or an amendment to an anatomical gift of the donor's body or part under subsection 3, another person may not make, amend, or revoke the gift of the donor's body or part under section 142C.4.

*d. Revocation by another not prohibitive of other gift.* A revocation of an anatomical gift of a donor's body or part under subsection 3 by a person other than the donor does not prohibit another person from making an anatomical gift of the body or part under subsection 2 or section 142C.4.

*e. Gift of part not prohibitive of gift of another part.* In the absence of a contrary indication by the donor or other person authorized to make an anatomical gift under subsection 1, an anatomical gift of a part is neither a refusal to donate another part nor a limitation on the making of an anatomical gift of another part at a later time by the donor or another authorized person.

*f. Gift for one purpose not prohibitive of another purpose.* In the absence of a contrary indication by the donor or other person authorized to make an anatomical gift under subsection 1, an anatomical gift of a part for one or more of the purposes specified in subsection 1 is not a limitation on the making of an anatomical gift of the part for any of the other purposes by the donor or any other person under subsection 2 or section 142C.4.

*g. Unemancipated minor gift — parent revocation.* If a donor who is an unemancipated minor dies, a parent of the donor who is reasonably available may revoke or amend an anatomical gift of the donor's body or part.

*h. Unemancipated minor refusal — parent revocation or amendment.* If an unemancipated minor who signed a refusal dies, a parent of the minor who is reasonably available may revoke the minor's refusal.

95 Acts, ch 39, §3; 2002 Acts, ch 1064, §3, 4; 2007 Acts, ch 44, §3; 2009 Acts, ch 41, §263

Referred to in §142C.2, 142C.4, 142C.5, 142C.18

**142C.4 Who may make anatomical gift of decedent's body or part — amending or revoking gift.**

1. Subject to subsection 2, and unless prohibited by section 142C.3, subsection 4 or 5, an anatomical gift of a decedent's body or part for purposes of transplantation, therapy, research, or education may be made by any member of the following classes of persons who is reasonably available, in the order of priority listed.

*a.* An agent of the decedent at the time of death who could have made an anatomical gift under section 142C.3, subsection 1, immediately before the decedent's death.

*b.* The spouse of the decedent.

*c.* Adult children of the decedent.
*d.* Parents of the decedent.
*e.* Adult siblings of the decedent.
*f.* Adult grandchildren of the decedent.
*g.* Grandparents of the decedent.
*h.* An adult who exhibited special care and concern for the decedent.
*i.* Any persons who were acting as guardians of the decedent at the time of death.
*j.* Any other person having the authority to dispose of the decedent's body.

2. *a.* If there is more than one member of a class listed in subsection 1, paragraph "*a*", "*c*", "*d*", "*e*", "*f*", "*g*", or "*i*", entitled to make an anatomical gift, an anatomical gift may be made by one member of the class unless that member or a person to whom the gift may pass under section 142C.5 knows of an objection by another member of the class. If an objection is known, the gift shall be made only by a majority of the members of the class who are reasonably available.

*b.* A person shall not make an anatomical gift if, at the time of the death of the decedent, a person in a prior class under subsection 1 is reasonably available to make or to object to the making of an anatomical gift.

3. A person authorized to make an anatomical gift under subsection 1 may make an anatomical gift by a document of gift signed by the person making the gift or by the person's oral communication that is electronically recorded or is contemporaneously reduced to a record and signed by the recipient of the oral communication.

4. Subject to subsection 5, an anatomical gift by a person authorized under subsection 1 may be amended or revoked orally or in a record by any member of the prior class who is reasonably available. If more than one member of the prior class is reasonably available, the gift made by a person authorized under subsection 1 may be:

*a.* Amended only if a majority of the reasonably available members agree to the amending of the gift.

*b.* Revoked only if a majority of the reasonably available members agree to the revoking of the gift or if they are equally divided as to whether to revoke the gift.

5. A revocation under subsection 4 is effective only if, before an incision has been made to remove a part from the donor's body or before invasive procedures have begun to prepare the recipient, the procurement organization, transplant hospital, or physician or technician knows of the revocation.

95 Acts, ch 39, §4; 2002 Acts, ch 1064, §5; 2007 Acts, ch 44, §4
Referred to in §142C.3, 142C.5, 142C.8, 142C.11, 142C.12B

**142C.4A Cooperation between medical examiner and organ procurement organization — facilitation of anatomical gift from decedent whose body is under jurisdiction of medical examiner.**

1. A medical examiner shall cooperate with procurement organizations to maximize the opportunity to recover organs for the purpose of transplantation when the recovery of organs does not interfere with a death investigation.

2. If a medical examiner receives notice from a procurement organization that an organ might be or was made available with respect to a decedent whose body is under the jurisdiction of the medical examiner and a postmortem examination will be performed, unless the medical examiner denies recovery in accordance with this section, the medical examiner or designee shall conduct a postmortem examination of the body or the organ in a manner and within a period compatible with its preservation for the purposes of the gift. Every reasonable effort shall be made to accomplish the mutual goals of organ donation and a thorough death investigation.

3. An organ shall not be removed from the body of a decedent under the jurisdiction of a medical examiner for transplantation unless the organ is the subject of an anatomical gift. This subsection does not preclude a medical examiner from performing a medicolegal investigation pursuant to subsection 5 upon the body or organs of a decedent under the jurisdiction of the medical examiner.

4. Upon request of an organ procurement organization, a medical examiner shall release

to the organ procurement organization the name and contact information of a decedent whose body is under the jurisdiction of the medical examiner. If the decedent's organs are medically suitable for transplantation, the pathologist or medical examiner shall release to the organ procurement organization the postmortem examination results, limited to cause and manner of death and any evidence of infection or other disease process, which might preclude safe transplantation of recovered organs. The organ procurement organization may make a subsequent disclosure of the postmortem examination results only if relevant to transplantation.

5. The medical examiner may conduct a medicolegal examination by reviewing all medical records, laboratory test results, X rays, other diagnostic results, and other information that any person possesses about a donor or prospective donor whose body is under the jurisdiction of the medical examiner, which the medical examiner determines may be relevant to the investigation.

6. A person who has any information requested by a medical examiner pursuant to subsection 5 shall provide that information as expeditiously as possible to allow the medical examiner to conduct the medicolegal investigation within a period compatible with the preservation of organs for the purpose of transplantation.

7. If an anatomical gift has been or might be made of an organ of a decedent whose body is under the jurisdiction of the medical examiner and a postmortem examination is not required, or the medical examiner determines that a postmortem examination is required but that the recovery of the organ that is the subject of an anatomical gift will not interfere with the examination, the medical examiner and organ procurement organization shall cooperate in the timely removal of the organ from the decedent for the purpose of transplantation.

8. *a.* If an anatomical gift of an organ from a decedent under the jurisdiction of the medical examiner has been or might be made, but the pathologist or medical examiner initially believes that the recovery of the organ could interfere with the postmortem investigation into the decedent's cause or manner of death, the pathologist or medical examiner shall consult with the organ procurement organization or physician or technician designated by the organ procurement organization about the proposed recovery.

*b.* Ancillary clinical tests such as a magnetic resonance imaging (MRI), a computed tomography (CT) scan, or skeletal survey may be required by the pathologist prior to determination of suitability of organ procurement. These tests shall be performed and interpreted by the appropriate physician at the pathologist's request, and reported in a timely fashion. All expenses for such tests shall be the responsibility of the organ procurement organization regardless of outcome.

*c.* After consultation pursuant to paragraph *"a"* and any preliminary investigation pursuant to paragraph *"b"*, the pathologist or medical examiner may allow recovery, depending on the nature of the case and the availability of a pathologist to view the body prior to recovery.

9. If the manner of death may be homicide or has the potential for litigation, the organ recovery shall be approved by the forensic pathologist, and the forensic pathologist may examine the body prior to organ recovery and document by diagrams and photographs all visible injuries.

10. *a.* If the medical examiner or designee allows recovery of an organ under subsection 7, 8, or 9, the organ procurement organization, upon request, shall cause the physician or technician who removes the organ to provide the medical examiner with a record describing the condition of the organ, a biopsy, a photograph, and any other information and observations that would assist in the postmortem examination.

*b.* Arrangements for the examination of bodies of such decedents shall be coordinated between the organ procurement organization and the state medical examiner.

*c.* If applicable, and whenever possible, the forensic pathologist who examined the decedent's body prior to recovery of the organ shall perform the autopsy. If the forensic pathologist is unable to accommodate examination of the body due to scheduling or staffing, the request for organ donation may be denied.

11. If a medical examiner or designee is required to be present at a removal procedure under subsection 9, upon request, the organ procurement organization requesting the

recovery of the organ shall reimburse the medical examiner or designee for the additional costs incurred in complying with subsection 9.

12. A physician or technician who removes an organ at the direction of the organ procurement organization may be called to testify about findings from the surgical recovery of organs at no cost to taxpayers if the decedent is under the jurisdiction of the medical examiner.

13. *a.* The medical examiner or pathologist with jurisdiction over the body of a decedent has discretion to grant or deny permission for organ or tissue recovery.

*b.* If the recovery of organs or tissues may hinder the determination of cause or manner of death or if evidence may be destroyed by the recovery, permission may be denied.

*c.* The medical examiner or a pathologist performing state autopsies shall work closely with procurement organizations in an effort to balance the needs of the public and the decedent's next of kin.

96 Acts, ch 1048, §1; 2007 Acts, ch 44, §5

**142C.5 Persons who may receive anatomical gifts and purposes for which anatomical gifts may be made.**

1. An anatomical gift may be made to the following persons named in a document of gift:

*a.* A hospital, accredited medical or osteopathic medical school, dental school, college, or university, organ procurement organization, or other appropriate person for research or education.

*b.* An eye bank or tissue bank.

*c.* Subject to subsection 2, an individual designated by the person making the anatomical gift if the individual is the recipient of the part.

2. If an anatomical gift to an individual under subsection 1, paragraph "*c*", cannot be transplanted into the individual, the part passes in accordance with subsection 7 in the absence of an express, contrary indication by the person making the anatomical gift.

3. If an anatomical gift of one or more specific parts or of all parts is made in a document of gift that does not name a person described in subsection 1 but identifies the purpose for which an anatomical gift may be used, the following rules apply:

*a.* If the part is an eye and the gift is for the purpose of transplantation or therapy, the gift passes to the appropriate eye bank.

*b.* If the part is tissue and the gift is for the purpose of transplantation or therapy, the gift passes to the appropriate tissue bank.

*c.* If the part is an organ and the gift is for the purpose of transplantation or therapy, the gift passes to the appropriate organ procurement organization as custodian of the organ.

*d.* If the part is an organ, an eye, or tissue and the gift is for the purpose of research or education, the gift passes to the appropriate procurement organization.

4. For the purpose of subsection 3, if there is more than one purpose of an anatomical gift set forth in the document of gift but the purposes are not set forth in any priority, the gift shall be used for transplantation or therapy, if suitable. If the gift cannot be used for transplantation or therapy, the gift may be used for research or education.

5. If an anatomical gift of one or more specific parts is made in a document of gift that does not name a person described in subsection 1 and does not identify the purpose of the gift, the gift may be used only for transplantation or therapy, and the gift passes in accordance with subsection 7.

6. If a document of gift specifies only a general intent to make an anatomical gift by words such as "donor", "organ donor", or "body donor", or by a symbol or statement of similar import, the gift may be used only for transplantation or therapy, and the gift passes in accordance with subsection 7.

7. For the purposes of subsections 2, 5, and 6, the following rules shall apply:

*a.* If the part is an eye, the gift passes to the appropriate eye bank.

*b.* If the part is tissue, the gift passes to the appropriate tissue bank.

*c.* If the part is an organ, the gift passes to the appropriate organ procurement organization as custodian of the organ.

8. An anatomical gift of an organ for transplantation or therapy, other than an anatomical

gift under subsection 1, paragraph "*c*", passes to the organ procurement organization as custodian of the organ.

9. If an anatomical gift does not pass pursuant to subsections 1 through 8, or the decedent's body or part is not used for transplantation, therapy, research, or education, custody of the body or part passes to the person under obligation to dispose of the body or part.

10. A person shall not accept an anatomical gift if the person knows that the gift was not effectively made under section 142C.3, subsection 2, or section 142C.4, or if the person knows that the decedent made a refusal under section 142C.3, subsection 4, that was not revoked. For purposes of this subsection, if a person knows that an anatomical gift was made on a document of gift, the person is deemed to know of any amendment or revocation of the gift or any refusal to make an anatomical gift on the same document of gift.

11. Except as otherwise provided in subsection 1, paragraph "*c*", nothing in this chapter shall affect the allocation of organs for transplantation or therapy.

95 Acts, ch 39, §5; 2007 Acts, ch 44, §6

Referred to in §142C.2, 142C.4, 142C.6, 142C.8

**142C.5A Search and notification.**

1. The following persons shall make a reasonable search of an individual who the person reasonably believes is dead or near death for a document of gift or other information identifying the individual as a donor or as an individual who made a refusal:

*a.* A law enforcement officer, fire fighter, paramedic, or other emergency rescuer finding the individual.

*b.* If no other source of the information is immediately available, a hospital, as soon as practical after the individual's arrival at the hospital.

2. If a document of gift or a refusal to make an anatomical gift is located by the search required by subsection 1, paragraph "*a*", and the individual or deceased individual to whom it relates is taken to a hospital, the person responsible for conducting the search shall deliver the document of gift or refusal to the hospital.

3. A person is not subject to criminal or civil liability for failing to discharge the duties imposed by this section but may be subject to administrative sanctions.

2007 Acts, ch 44, §7

**142C.6 Delivery of document of gift not required — right to examine.**

1. A document of gift does not require delivery during the donor's lifetime to be effective.

2. Upon or after an individual's death, a person in possession of the document of gift or a refusal to make an anatomical gift with respect to the individual shall allow examination and copying of the document of gift or the refusal by a person authorized to make or object to the making of an anatomical gift with respect to the individual or by a person to whom the gift could pass under section 142C.5.

95 Acts, ch 39, §6; 2002 Acts, ch 1064, §6; 2003 Acts, ch 108, §38; 2007 Acts, ch 44, §8

**142C.7 Confidential information.**

A hospital, licensed or certified health care professional pursuant to chapter 148, 148C, or 152, or medical examiner may release patient information to a procurement organization as part of a referral or retrospective review of the patient as a potential donor. Any information regarding a patient, including the patient's identity, however, constitutes confidential medical information and under any other circumstances is prohibited from disclosure without the written consent of the patient or the patient's legal representative.

95 Acts, ch 39, §7; 96 Acts, ch 1048, §2; 2002 Acts, ch 1064, §7; 2007 Acts, ch 44, §9; 2008 Acts, ch 1088, §93

**142C.8 Rights and duties of procurement organizations and donors.**

1. When a hospital refers an individual at or near death to a procurement organization, the procurement organization shall make a reasonable search of the records of the state department of transportation and any donor registry that the hospital knows exists for the

geographical area in which the individual resides to ascertain whether the individual has made an anatomical gift.

2. A procurement organization shall be allowed reasonable access to information in the records of the state department of transportation to ascertain whether an individual at or near death is a donor.

3. When a hospital refers an individual at or near death to a procurement organization, the procurement organization may conduct any reasonable examination necessary to ensure the medical suitability of a part that is or could be the subject of an anatomical gift for transplantation, therapy, research, or education from a donor or a prospective donor. During the examination period, measures necessary to ensure the medical suitability of the part shall not be withdrawn unless the hospital or procurement organization knows that the individual expressed a contrary intent.

4. Unless prohibited by law other than this chapter, at any time after a donor's death, the person to whom a part passes under section 142C.5 may conduct any reasonable examination necessary to ensure the medical suitability of the body or part for its intended purpose.

5. Unless prohibited by law other than this chapter, an examination under subsection 3 or 4 may include an examination of all medical and dental records of the donor or prospective donor.

6. Upon the death of a minor who was a donor or had signed a refusal, unless a procurement organization knows the minor is emancipated, the procurement organization shall conduct a reasonable search for the parents of the minor and provide the parents with an opportunity to revoke or amend the anatomical gift or revoke the refusal.

7. Upon referral by a hospital under subsection 1, a procurement organization shall make a reasonable search for any person listed in section 142C.4 having priority to make an anatomical gift on behalf of a prospective donor. If a procurement organization receives information that an anatomical gift to any other person was made, amended, or revoked, the procurement organization shall promptly advise the other person of all relevant information.

8. Subject to section 142C.5, subsection 9, the rights of a person to whom a part passes under section 142C.5 are superior to the rights of all other persons with respect to the part.

9. The person may accept or reject an anatomical gift in whole or in part. Subject to the terms of the document of gift and this chapter, a person who accepts an anatomical gift of an entire body may allow embalming, burial or cremation, and use of the remains in a funeral service. If the gift is of a part, the person to whom the part passes under section 142C.5, upon the death of the donor and prior to embalming, burial, or cremation, shall cause the part to be removed without unnecessary mutilation.

10. The physician, physician assistant, or advanced registered nurse practitioner who attends the decedent at death and the physician, physician assistant, or advanced registered nurse practitioner who determines the time of death shall not participate in the procedures for removing or transplanting a part from the decedent.

11. A physician or technician may remove a donated part from the body of a donor that the physician or technician is qualified to remove.

95 Acts, ch 39, §8; 2007 Acts, ch 44, §10; 2011 Acts, ch 26, §1

**142C.9 Coordination of procurement and use.**

Each hospital in the state shall enter into agreements or affiliations with procurement organizations for coordination of procurement and use of anatomical gifts.

95 Acts, ch 39, §9; 2007 Acts, ch 44, §11

**142C.10 Sale or purchase of parts prohibited — penalty.**

1. A person shall not knowingly, for valuable consideration, purchase or sell a part for transplantation or therapy if removal of the part is intended to occur after the death of the decedent.

2. Valuable consideration does not include reasonable payment for the removal, processing, preservation, quality control, storage, transportation, implantation, or disposal of a part.

3. A person who violates this section commits a class "C" felony.
95 Acts, ch 39, §10; 2007 Acts, ch 44, §12

**142C.10A Other prohibited acts — penalty.**
A person who, in order to obtain a financial gain, intentionally falsifies, forges, conceals, defaces, or obliterates a document of gift, an amendment or revocation of a document of gift, or a refusal, commits a class "C" felony.
2007 Acts, ch 44, §13

**142C.11 Immunity.**
1. A person who complies with this chapter in good faith or with the applicable anatomical gift law of another state, or who attempts in good faith to comply, is immune from liability in any civil action, criminal prosecution, or administrative proceeding.
2. An individual who makes an anatomical gift pursuant to this chapter and the individual's estate are not liable for any injury or damages that may result from the making or the use of the anatomical gift, if the gift is made in good faith.
3. In determining whether an anatomical gift has been made, amended, or revoked under this chapter, a person may rely upon representations of an individual listed in section 142C.4, subsection 1, paragraph *"b"*, *"c"*, *"d"*, *"e"*, *"f"*, *"g"*, or *"h"*, relating to the individual's relationship to the donor or prospective donor unless the person knows that the representation is untrue.
95 Acts, ch 39, §11; 2002 Acts, ch 1064, §8; 2007 Acts, ch 44, §14

**142C.12 Service but not a sale.**
The procurement, removal, preservation, processing, storage, distribution, or use of parts for the purpose of injecting, transfusing, or transplanting any of the parts into the human body is, for all purposes, the rendition of a service by every person participating in the act, and whether or not any remuneration is paid, is not a sale of the part for any purposes. However, any person that renders such service warrants only under this section that due care has been exercised and that acceptable professional standards of care in providing such service according to the state of the medical arts have been followed. Strict liability, in tort, shall not be applicable to the rendition of such services.
95 Acts, ch 39, §12

**142C.12A Law governing validity, choice of law, presumption of validity.**
1. A document of gift is valid if executed in accordance with any of the following:
*a.* This chapter.
*b.* The laws of the state or country where the document of gift was executed.
*c.* The laws of the state or country where the person making the anatomical gift was domiciled, has a place of residence, or was a national at the time the document of gift was executed.
2. If a document of gift is valid under this section, the law of this state governs the interpretation of the document of gift.
3. A person may presume that a document of gift or amendment of an anatomical gift is valid unless that person knows that it was not validly executed or was revoked.
2007 Acts, ch 44, §15

**142C.12B Effect of anatomical gift on advance health care directive.**
1. As used in this section:
*a. "Advance health care directive"* means a durable power of attorney for health care pursuant to chapter 144B or a record signed or authorized by a prospective donor containing the prospective donor's direction concerning a health care decision for the prospective donor.
*b. "Declaration"* means a record signed by a prospective donor specifying the circumstances under which a life support system may be withheld or withdrawn from the prospective donor.

*c.* *"Health care decision"* means any decision regarding the health care of the prospective donor.

2. *a.* If a prospective donor has a declaration or advance health care directive and the terms of the declaration or directive and the express or implied terms of a potential anatomical gift are in conflict with regard to the administration of measures necessary to ensure the medical suitability of a part for transplantation or therapy, the prospective donor's attending physician and prospective donor shall confer to resolve the conflict.

*b.* If the prospective donor is incapable of resolving the conflict, an agent acting under the prospective donor's declaration or directive or, if no agent exists or the agent is not reasonably available, another person, authorized by law other than this chapter to make health care decisions on behalf of the prospective donor, shall act for the donor to resolve the conflict. The agent or other person shall resolve the conflict consistent with the desires of the donor as expressed in a declaration executed in accordance with chapter 144A, or a durable power of attorney for health care executed in accordance with chapter 144B, or as otherwise known, or if not known, consistent with the donor's best interest.

*c.* The conflict shall be resolved as expeditiously as possible.

*d.* Information relevant to the resolution of the conflict may be obtained from the appropriate procurement organization and any other person authorized to make an anatomical gift for the prospective donor under section 142C.4. Prior to resolution of the conflict, measures necessary to ensure the medical suitability of the part shall not be withheld or withdrawn from the prospective donor if withholding or withdrawing the measures is not contraindicated by appropriate end-of-life care.

2007 Acts, ch 44, §16

**142C.13 Transitional provisions.**

This chapter applies to an anatomical gift, or amendment to, revocation of, or refusal to make an anatomical gift, whenever made.

95 Acts, ch 39, §13; 95 Acts, ch 209, §20; 2007 Acts, ch 44, §17

**142C.14 Uniformity of application and construction.**

This chapter shall be applied and construed with consideration given to the need to promote uniformity of the law with respect to anatomical gifts among states which enact this law.

95 Acts, ch 39, §14; 2007 Acts, ch 44, §18

**142C.14A Electronic signatures.**

This chapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but does not modify, limit, or authorize electronic delivery of any of the notices described in § 103(b) of that Act, 15 U.S.C. § 7003(b).

2007 Acts, ch 44, §19

**142C.15 Anatomical gift public awareness and transplantation fund — established — uses of fund.**

1. An anatomical gift public awareness and transplantation fund is created as a separate fund in the state treasury under the control of the Iowa department of public health. The fund shall consist of moneys remitted by the county treasurer of a county or by the department of transportation which were collected through the payment of a contribution made by an applicant for registration of a motor vehicle pursuant to section 321.44A and any other contributions to the fund.

2. The moneys collected under this section and deposited in the fund are appropriated to the Iowa department of public health for the purposes specified in this section. Moneys in the fund shall not be subject to appropriation or expenditure for any other purpose.

3. The treasurer of state shall act as custodian of the fund and shall disburse amounts contained in the fund as directed by the department. The treasurer of state may invest the moneys deposited in the fund. The income from any investment shall be credited to and deposited in the fund. Notwithstanding section 8.33, moneys in the fund are not subject to

reversion to the general fund of the state. The fund shall be administered by the department which shall make expenditures from the fund consistent with the purposes of this section.

4. The Iowa department of public health may use not more than five percent of the moneys in the fund for administrative costs. The remaining moneys in the fund may be expended through grants to any of the following persons, subject to the following conditions:

*a.* Not more than twenty percent of the moneys in the fund annually may be expended in the form of grants to state agencies or to nonprofit legal entities with an interest in anatomical gift public awareness and transplantation to conduct public awareness projects. Moneys remaining that were not requested and awarded for public awareness projects may be used to support the Iowa donor registry. Grants shall be made based upon the submission of a grant application.

*b.* Not more than thirty percent of the moneys in the fund annually may be expended in the form of grants to hospitals for reimbursement for costs directly related to the development of in-hospital anatomical gift public awareness projects, anatomical gift referral protocols, and associated administrative expenses. As a condition of receiving a grant, a hospital shall demonstrate, through documentation, that the hospital, during the previous calendar year, properly complied with in-hospital anatomical gift request protocols for all deaths occurring in the hospital at a percentage rate which places the hospital in the upper fifty percent of all protocol compliance rates for hospitals submitting documentation for cost reimbursement under this section.

*c.* Not more than fifty percent of the moneys in the fund annually may be expended in the form of grants to transplant recipients, transplant candidates, living organ donors, or to legal representatives on behalf of transplant recipients, transplant candidates, or living organ donors. Transplant recipients, transplant candidates, living organ donors, or the legal representatives of transplant recipients, transplant candidates, or living organ donors shall submit grant applications with supporting documentation provided by a hospital that performs transplants, verifying that the person by or for whom the application is submitted requires a transplant or is a living organ donor and specifying the amount of the costs associated with the following, if funds are not available from any other third-party payor:

(1) The costs of the organ transplantation procedure.

(2) The costs of post-transplantation drug or other therapy.

(3) Other transplantation costs including but not limited to food, lodging, and transportation.

96 Acts, ch 1076, §1; 98 Acts, ch 1015, §1; 2000 Acts, ch 1052, §1; 2003 Acts, ch 32, §2; 2005 Acts, ch 89, §11; 2006 Acts, ch 1030, §14; 2007 Acts, ch 44, §20

Referred to in §142C.17, 321.44A

**142C.16 Anatomical gift public awareness advisory committee — established — duties.** Repealed by 2010 Acts, ch 1031, § 399.

**142C.17 Annual donation and compliance report.**

The Iowa department of public health, in conjunction with any statewide organ procurement organization in Iowa, shall prepare and submit a report to the general assembly on or before January 1 each year regarding organ donation rates and voluntary compliance efforts with hospital organ and tissue donation protocols by physicians, hospitals, and other health systems organizations. The report shall contain the following:

1. An evaluation of organ procurement efforts in the state, including statistics regarding organ and tissue donation activity as of September 30 of the preceding year.

2. Efforts by any statewide organ procurement organization in Iowa, and related parties, to increase organ and tissue donation and consent rates.

3. Voluntary compliance efforts with hospital organ and tissue donation protocols by physicians, hospitals, and health systems organizations and the results of those efforts.

4. Annual contribution levels to the anatomical gift public awareness and transplantation fund created in section 142C.15, and any distributions made from the fund.

5. Efforts and ideas for increasing public awareness of the option of organ and tissue donation.

6. Additional information deemed relevant by the department in assessing the status and progress of organ and tissue donation efforts in the state.

98 Acts, ch 1015, §2

**142C.18 Iowa donor registry.**

1. The director of public health shall contract with and recognize the Iowa donor registry for the purpose of indicating on the donor registry all relevant information regarding a donor's making or amending of an anatomical gift.

2. The state department of transportation shall cooperate with a person that administers the Iowa donor registry for the purpose of transferring to the donor registry all relevant information regarding a donor's making of an anatomical gift.

3. The Iowa donor registry shall do all of the following:

*a.* Allow a donor or other person authorized under section 142C.3 to include on the donor registry a statement or symbol that the donor has made or amended an anatomical gift.

*b.* Be accessible to a procurement organization to allow the procurement organization to obtain relevant information on the donor registry to determine, at or near the death of the donor or a prospective donor, whether the donor or prospective donor has made, amended, or revoked an anatomical gift.

*c.* Be accessible for purposes of paragraphs "*a*" and "*b*" seven days a week on a twenty-four-hour per day basis.

*d.* Provide a centralized, automated system to compile donation information received by the state department of transportation, county treasurers, and the Iowa donor network.

*e.* Provide educational materials regarding the making, amending, or revoking of an anatomical gift or a refusal to make an anatomical gift.

4. Personally identifiable information on the donor registry about a donor or prospective donor shall not be used or disclosed without the express consent of the donor, prospective donor, or person that made the anatomical gift for any purpose other than to determine, at or near the death of the donor or prospective donor, whether the donor or prospective donor has made, amended, or revoked an anatomical gift.

2000 Acts, ch 1052, §2; 2007 Acts, ch 44, §24

# CHAPTER 142D

## SMOKEFREE AIR ACT


142D.1 Title — findings — purpose.
142D.2 Definitions.
142D.3 Prohibition of smoking — public places, places of employment, and outdoor areas.
142D.4 Areas where smoking not regulated.
142D.5 Declaration of area as nonsmoking.
142D.6 Notice of nonsmoking requirements — posting of signs.
142D.7 Nonretaliation — nonwaiver of rights.
142D.8 Enforcement.
142D.9 Civil penalties.


**142D.1 Title — findings — purpose.**

1. This chapter shall be known and may be cited as the "*Smokefree Air Act*".

2. The general assembly finds that environmental tobacco smoke causes and exacerbates disease in nonsmoking adults and children. These findings are sufficient to warrant measures that regulate smoking in public places, places of employment, and outdoor areas in order to protect the public health and the health of employees.

3. The purpose of this chapter is to reduce the level of exposure by the general public and employees to environmental tobacco smoke in order to improve the public health of Iowans.

2008 Acts, ch 1084, §1

**142D.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Bar"* means an establishment where one may purchase alcoholic beverages, as defined in section 123.3, for consumption on the premises and in which the serving of food is only incidental to the consumption of those beverages.

2. *"Business"* means a sole proprietorship, partnership, joint venture, corporation, association, or other business entity, either for-profit or not-for-profit, including retail establishments where goods or services are sold; professional corporations and other entities where legal, medical, dental, engineering, architectural, or other professional services are delivered; and private clubs.

3. *"Common area"* means a reception area, waiting room, lobby, hallway, restroom, elevator, stairway or stairwell, the common use area of a multiunit residential property, or other area to which the public is invited or in which the public is permitted.

4. *"Employee"* means a person who is employed by an employer in consideration for direct or indirect monetary wages or profit, or a person who provides services to an employer on a voluntary basis.

5. *"Employer"* means a person including a sole proprietorship, partnership, joint venture, corporation, association, or other business entity whether for-profit or not-for-profit, including state government and its political subdivisions, that employs the services of one or more individuals as employees.

6. *"Enclosed area"* means all space between a floor and ceiling that is contained on all sides by solid walls or windows, exclusive of doorways, which extend from the floor to the ceiling.

7. *"Farm tractor"* means farm tractor as defined in section 321.1.

8. *"Farm truck"* means a single-unit truck, truck-tractor, tractor, semitrailer, or trailer used by a farmer to transport agricultural, horticultural, dairy, or other farm products, including livestock, produced or finished by the farmer, or to transport any other personal property owned by the farmer, from the farm to market, and to transport property and supplies to the farm of the farmer.

9. *a.* *"Farmer"* means any of the following:

(1) A person who files schedule F as part of the person's annual form 1040 or form 1041 filing with the United States internal revenue service, or an employee of such person while the employee is actively engaged in farming.

(2) A person who holds an equity position in or who is employed by a business association holding agricultural land where the business association is any of the following:

(a) A family farm corporation, authorized farm corporation, family farm limited partnership, limited partnership, family farm limited liability company, authorized limited liability company, family trust, or authorized trust, as provided in chapter 9H.

(b) A limited liability partnership as defined in section 486A.101.

(3) A natural person related to the person actively engaged in farming as provided in subparagraph (1) or (2) when the person is actively engaged in farming. The natural person must be related as spouse, parent, grandparent, lineal ascendant of a grandparent or a grandparent's spouse, other lineal descendant of a grandparent or a grandparent's spouse, or a person acting in a fiduciary capacity for persons so related.

*b.* For purposes of this subsection, *"actively engaged in farming"* means participating in physical labor on a regular, continuous, and substantial basis, or making day-to-day management decisions, where such participation or decision making is directly related to raising and harvesting crops for feed, food, seed, or fiber, or to the care and feeding of livestock.

10. *"Health care provider location"* means an office or institution providing care or treatment of disease, whether physical, mental, or emotional, or other medical, physiological, or psychological conditions, including but not limited to a hospital as defined in section 135B.1, a long-term care facility, an adult day services program as defined in section 231D.1, clinics, laboratories, and the locations of professionals regulated pursuant to Title IV, subtitle 3, and includes all enclosed areas of the location including waiting rooms, hallways, other common areas, private rooms, semiprivate rooms, and wards within the location.

11. *"Implement of husbandry"* means implement of husbandry as defined in section 321.1.

12. *"Long-term care facility"* means a health care facility as defined in section 135C.1, an elder group home as defined in section 231B.1, or an assisted living program as defined in section 231C.2.

13. *"Place of employment"* means an area under the control of an employer and includes all areas that an employee frequents during the course of employment or volunteering, including but not limited to work areas, private offices, conference and meeting rooms, classrooms, auditoriums, employee lounges and cafeterias, hallways, medical facilities, restrooms, elevators, stairways and stairwells, and vehicles owned, leased, or provided by the employer unless otherwise provided under this chapter. *"Place of employment"* does not include a private residence, unless the private residence is used as a child care facility, a child care home, or as a health care provider location.

14. *"Political subdivision"* means a city, county, township, or school district.

15. *"Private club"* means an organization, whether or not incorporated, that is the owner, lessee, or occupant of a location used exclusively for club purposes at all times and that meets all of the following criteria:

*a.* Is operated solely for a recreational, fraternal, social, patriotic, political, benevolent, or athletic purpose, but not for pecuniary gain.

*b.* Sells alcoholic beverages only as incidental to its operation.

*c.* Is managed by a board of directors, executive committee, or similar body chosen by the members.

*d.* Has established bylaws or another document to govern its activities.

*e.* Has been granted an exemption from the payment of federal income tax as a club pursuant to 26 U.S.C. § 501.

16. *"Public place"* means an enclosed area to which the public is invited or in which the public is permitted, including common areas, and including but not limited to all of the following:

*a.* Financial institutions.

*b.* Restaurants.

*c.* Bars.

*d.* Public and private educational facilities.

*e.* Health care provider locations.

*f.* Hotels and motels.

*g.* Laundromats.

*h.* Public transportation facilities and conveyances under the authority of the state or its political subdivisions, including buses and taxicabs, and including the ticketing, boarding, and waiting areas of these facilities.

*i.* Aquariums, galleries, libraries, and museums.

*j.* Retail food production and marketing establishments.

*k.* Retail service establishments.

*l.* Retail stores.

*m.* Shopping malls.

*n.* Entertainment venues including but not limited to theaters; concert halls; auditoriums and other facilities primarily used for exhibiting motion pictures, stage performances, lectures, musical recitals, and other similar performances; bingo facilities; and indoor arenas including sports arenas.

*o.* Polling places.

*p.* Convention facilities and meeting rooms.

*q.* Public buildings and vehicles owned, leased, or operated by or under the control of the state government or its political subdivisions and including the entirety of the private residence of any state employee any portion of which is open to the public.

*r.* Service lines.

*s.* Private clubs only when being used for a function to which the general public is invited.

*t.* Private residences only when used as a child care facility, a child care home, or health care provider location.

*u.* Child care facilities and child care homes.

*v.* Gambling structures, excursion gambling boats, and racetrack enclosures.

17. *"Restaurant"* means eating establishments, including private and public school cafeterias, which offer food to the public, guests, or employees, including the kitchen and catering facilities in which food is prepared on the premises for serving elsewhere, and including a bar area within a restaurant.

18. *"Retail tobacco store"* means a retail store utilized primarily for the sale of tobacco products and accessories and in which the sale of other products is incidental to the sale of tobacco products.

19. *"Service line"* means an indoor line in which one or more individuals are waiting for or receiving service of any kind, whether or not the service involves the exchange of money.

20. *"Shopping mall"* means an enclosed public walkway or hall area that serves to connect retail or professional establishments.

21. *"Smoking"* means inhaling, exhaling, burning, or carrying any lighted cigar, cigarette, pipe, or other tobacco product in any manner or in any form. *"Smoking"* does not include smoking that is associated with a recognized religious ceremony, ritual, or activity, including but not limited to burning of incense.

22. *"Sports arena"* means a sports pavilion, stadium, gymnasium, health spa, boxing arena, swimming pool, roller or ice rink, bowling alley, or other similar place where members of the general public assemble to engage in physical exercise, participate in athletic competition, or witness sports or other events.

2008 Acts, ch 1084, §2

Referred to in §237A.3B

**142D.3 Prohibition of smoking — public places, places of employment, and outdoor areas.**

1. Smoking is prohibited and a person shall not smoke in any of the following:

*a.* Public places.

*b.* All enclosed areas within places of employment including but not limited to work areas, private offices, conference and meeting rooms, classrooms, auditoriums, employee lounges and cafeterias, hallways, medical facilities, restrooms, elevators, stairways and stairwells, and vehicles owned, leased, or provided by the employer unless otherwise provided under this chapter.

2. In addition to the prohibitions specified in subsection 1, smoking is prohibited and a person shall not smoke in or on any of the following outdoor areas:

*a.* The seating areas of outdoor sports arenas, stadiums, amphitheaters, and other entertainment venues where members of the general public assemble to witness entertainment events.

*b.* Outdoor seating or serving areas of restaurants.

*c.* Public transit stations, platforms, and shelters under the authority of the state or its political subdivisions.

*d.* School grounds, including parking lots, athletic fields, playgrounds, tennis courts, and any other outdoor area under the control of a public or private educational facility, including inside any vehicle located on such school grounds.

*e.* The grounds of any public buildings owned, leased, or operated by or under the control of the state government or its political subdivisions, including the grounds of a private residence of any state employee any portion of which is open to the public with the following exceptions:

(1) This paragraph shall not apply to the Iowa state fairgrounds, or fairgrounds as defined in section 174.1.

(2) This paragraph shall not apply to institutions administered by the department of corrections, except that smoking on the grounds shall be limited to designated smoking areas.

(3) This paragraph shall not apply to facilities of the Iowa national guard as defined in

section 29A.1, except that smoking on the grounds shall be limited to designated smoking areas.

2008 Acts, ch 1084, §3
Referred to in §142D.4, 142D.5

**142D.4 Areas where smoking not regulated.**

Notwithstanding any provision of this chapter to the contrary, the following areas are exempt from the prohibitions of section 142D.3:

1. Private residences, unless used as a child care facility, child care home, or a health care provider location.

2. Hotel and motel rooms that are rented to guests and are designated as smoking rooms; provided that not more than twenty percent of the rooms of a hotel or motel rented to guests are designated as smoking rooms, all smoking rooms on the same floor are contiguous, and smoke from smoking rooms does not infiltrate into areas in which smoking is otherwise prohibited under this chapter. The status of smoking and nonsmoking rooms shall not be changed, except to provide additional nonsmoking rooms.

3. Retail tobacco stores, provided that smoke from these locations does not infiltrate into areas in which smoking is otherwise prohibited under this chapter.

4. Private and semiprivate rooms in long-term care facilities, occupied by one or more individuals, all of whom are smokers and have requested in writing to be placed in a room where smoking is permitted, provided that smoke from these locations does not infiltrate into areas in which smoking is otherwise prohibited under this chapter.

5. Private clubs that have no employees, except when being used for a function to which the general public is invited, provided that smoke from these locations does not infiltrate into areas in which smoking is otherwise prohibited under this chapter. This exemption shall not apply to any entity that is established for the purpose of avoiding compliance with this chapter.

6. Outdoor areas that are places of employment except those areas where smoking is prohibited pursuant to section 142D.3, subsection 2.

7. Limousines under private hire; vehicles owned, leased, or provided by a private employer that are for the sole use of the driver and are not used by more than one person in the course of employment either as a driver or passenger; privately owned vehicles not otherwise defined as a place of employment or public place; and cabs of motor trucks or truck tractors if no nonsmoking employees are present.

8. An enclosed area within a place of employment or public place that provides a smoking cessation program or a medical or scientific research or therapy program, if smoking is an integral part of the program.

9. Farm tractors, farm trucks, and implements of husbandry when being used for their intended purposes.

10. Only the gaming floor of a premises licensed pursuant to chapter 99F exclusive of any bar or restaurant located within the gaming floor which is an enclosed area and subject to the prohibitions of section 142D.3.

11. The Iowa veterans home.

2008 Acts, ch 1084, §4

**142D.5 Declaration of area as nonsmoking.**

1. Notwithstanding any provision of this chapter to the contrary, an owner, operator, manager, or other person having custody or control of an area otherwise exempt from the prohibitions of section 142D.3 may declare the entire area as a nonsmoking place.

2. Smoking shall be prohibited in any location of an area declared a nonsmoking place under this section if a sign is posted conforming to the provisions of section 142D.6.

2008 Acts, ch 1084, §5
Referred to in §142D.6, 142D.8, 142D.9

**142D.6 Notice of nonsmoking requirements — posting of signs.**

1. Notice of the provisions of this chapter shall be provided to all applicants for a business

license in this state, to all law enforcement agencies, and to any business required to be registered with the office of the secretary of state.

2. All employers subject to the prohibitions of this chapter shall communicate to all existing employees and to all prospective employees upon application for employment the smoking prohibitions prescribed in this chapter.

3. The owner, operator, manager, or other person having custody or control of a public place, place of employment, area declared a nonsmoking place pursuant to section 142D.5, or outdoor area where smoking is prohibited under this chapter shall clearly and conspicuously post in and at every entrance to the public place, place of employment, area declared a nonsmoking place pursuant to section 142D.5, or outdoor area, "no smoking" signs or the international "no smoking" symbol. Additionally, a "no smoking" sign or the international "no smoking" symbol shall be placed in every vehicle that constitutes a public place, place of employment, or area declared a nonsmoking place pursuant to section 142D.5 under this chapter, visible from the exterior of the vehicle. All signs shall contain the telephone number for reporting complaints and the internet site of the department of public health. The owner, operator, manager, or other person having custody or control of the public place, place of employment, area declared a nonsmoking place pursuant to section 142D.5, or outdoor area may use the sample signs provided on the department of public health's internet site, or may use another sign if the contents of the sign comply with the requirements of this subsection.

4. The owner, operator, manager, or other person having custody or control of a public place, place of employment, area declared a nonsmoking place pursuant to section 142D.5, or outdoor area where smoking is prohibited under this chapter shall remove all ashtrays from these locations.

2008 Acts, ch 1084, §6
Referred to in §142D.5

**142D.7 Nonretaliation — nonwaiver of rights.**

1. A person or employer shall not discharge, refuse to employ, or in any manner retaliate against an employee, applicant for employment, or customer because that employee, applicant, or customer exercises any rights afforded under this chapter, registers a complaint, or attempts to prosecute a violation of this chapter.

2. An employee who works in a location where an employer allows smoking does not waive or surrender any legal rights the employee may have against the employer or any other person.

2008 Acts, ch 1084, §7

**142D.8 Enforcement.**

1. This chapter shall be enforced by the department of public health or the department's designee. The department of public health shall adopt rules to administer this chapter, including rules regarding enforcement. The department of public health shall provide information regarding the provisions of this chapter and related compliance issues to employers, owners, operators, managers, and other persons having custody or control of a public place, place of employment, area declared a nonsmoking place pursuant to section 142D.5, or outdoor area where smoking is prohibited, and the general public via the department's internet site. The internet site shall include sample signage and the telephone number for reporting complaints. Judicial magistrates shall hear and determine violations of this chapter.

2. If a public place is subject to any state or political subdivision inspection process or is under contract with the state or a political subdivision, the person performing the inspection shall assess compliance with the requirements of this chapter and shall report any violations to the department of public health or the department's designee.

3. An owner, operator, manager, or other person having custody or control of a public place, place of employment, area declared a nonsmoking place pursuant to section 142D.5, or outdoor area regulated under this chapter shall inform persons violating this chapter of the provisions of this chapter.

4. An employee or private citizen may bring a legal action to enforce this chapter. Any

person may register a complaint under this chapter by filing a complaint with the department of public health or the department's designee.

5. In addition to the remedies provided in this section, the department of public health or the department's designee or any other person aggrieved by the failure of the owner, operator, manager, or other person having custody or control of a public place, place of employment, area declared a nonsmoking place pursuant to section 142D.5, or outdoor area regulated by this chapter to comply with this chapter may seek injunctive relief to enforce this chapter.

2008 Acts, ch 1084, §8

**142D.9 Civil penalties.**

1. A person who smokes in an area where smoking is prohibited pursuant to this chapter shall pay a civil penalty pursuant to section 805.8C, subsection 3, paragraph *"a"*, for each violation.

2. A person who owns, operates, manages, or otherwise has custody or control of a public place, place of employment, area declared a nonsmoking place pursuant to section 142D.5, or outdoor area regulated under this chapter and who fails to comply with this chapter shall pay a civil penalty as follows:

*a.* For a first violation, a monetary penalty not to exceed one hundred dollars.

*b.* For a second violation within one year, a monetary penalty not to exceed two hundred dollars.

*c.* For each violation in excess of a second violation within one year, a monetary penalty not to exceed five hundred dollars for each additional violation.

3. An employer who discharges or in any manner discriminates against an employee because the employee has made a complaint or has provided information or instituted a legal action under this chapter shall pay a civil penalty of not less than two thousand dollars and not more than ten thousand dollars for each violation.

4. In addition to the penalties established in this section, violation of this chapter by a person who owns, operates, manages, or who otherwise has custody or control of a public place, place of employment, area declared a nonsmoking place pursuant to section 142D.5, or outdoor area regulated under this chapter may result in the suspension or revocation of any permit or license issued to the person for the premises on which the violation occurred.

5. Violation of this chapter constitutes a public nuisance which may be abated by the department of public health or the department's designee by restraining order, preliminary or permanent injunction, or other means provided by law, and the entity abating the public nuisance may take action to recover the costs of such abatement.

6. Each day on which a violation of this chapter occurs is considered a separate and distinct violation.

7. Civil penalties paid pursuant to this chapter shall be deposited in the general fund of the state, unless a local authority as designated by the department in administrative rules is involved in the enforcement, in which case the civil penalties paid shall be deposited in the general fund of the respective city or county.

2008 Acts, ch 1084, §9

Referred to in §331.427, 805.8C(3a)

Nuisances in general, chapter 657

# CHAPTER 143

## PUBLIC HEALTH NURSES

143.1 Authority to employ.
143.2 Cooperation.
143.3 Duties.

**143.1 Authority to employ.**

Any local board of health, area education agency board, or the school board of any school district may employ public health nurses at periods each year and in numbers as deemed

advisable. The council of any city, or the school board of any school district, or any of them acting in cooperation, may contract with any nonprofit nurses' association for public health nursing service. The compensation and expenses shall be paid out of the general fund of the political subdivision employing nurses.

[C24, 27, 31, 35, 39, §**2362;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §143.1; 81 Acts, ch 117, §1018]

**143.2 Cooperation.**

The said boards may cooperate in the employment of public health nurses and may apportion the expenses therefor to the various political subdivisions represented by said authorities.

[C24, 27, 31, 35, 39, §**2363;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §143.2]

**143.3 Duties.**

The authorities employing any public health nurses shall prescribe their duties which in a general way shall be for the promotion and conservation of the public health.

[C24, 27, 31, 35, 39, §**2364;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §143.3]

# CHAPTER 144

## VITAL STATISTICS

Referred to in §135.11, 156.9, 331.601, 331.611, 331.802, 331.803


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144.2 Division of records and statistics.
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144.34 Disinterment — permit.
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144.36 Marriage certificate filed — prohibited information.
144.37 Dissolution and annulment records.
144.38 Amendment of official record.
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144.43 Vital records closed to inspection — exceptions.
144.43A Mutual consent voluntary adoption registry.
144.44 Permits for research.
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144.46 Fees.
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144.47 Persons confined in institutions.
144.48 Institutions — dead persons.
144.49 Additional record by funeral director.

144.50 Length of time records to be kept.
144.51 Information by others furnished on demand.
144.52 Unlawful acts — punishment.
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144.54 Report to county attorney.
144.55 Attorney general to assist in enforcement.
144.56 Autopsy.
144.57 Public safety officer death — required notice — autopsy.

**144.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the state board of health.

2. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

3. *"Court of competent jurisdiction"* when used to refer to inspection of an original certificate of birth based upon an adoption means the court where the adoption was ordered.

4. *"Dead body"* means a lifeless human body or parts or bones of a body, if, from the state of the body, parts, or bones, it may reasonably be concluded that death recently occurred.

5. *"Department"* means the Iowa department of public health.

6. *"Division"* means a division, within the department, for records and statistics.

7. *"Fetal death"* means death prior to the complete expulsion or extraction from its mother of a product of human conception, irrespective of the duration of pregnancy. Death is indicated by the fact that after expulsion or extraction the fetus does not breathe or show any other evidence of life such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles. In determining a fetal death, heartbeats shall be distinguished from transient cardiac contractions, and respirations shall be distinguished from fleeting respiratory efforts or gasps.

8. *"Filing"* means the presentation of a certificate, report, or other record, provided for in this chapter, of a birth, death, fetal death, adoption, marriage, dissolution, or annulment for registration by the division.

9. *"Final disposition"* means the burial, interment, cremation, removal from the state, or other disposition of a dead body or fetus.

10. *"Institution"* means any establishment, public or private, which provides inpatient medical, surgical, or diagnostic care or treatment, or nursing, custodial, or domiciliary care to two or more unrelated individuals, or to which persons are committed by law.

11. *"Live birth"* means the complete expulsion or extraction from its mother of a product of human conception, irrespective of the duration of pregnancy, which, after such expulsion or extraction, breathes or shows any other evidence of life such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles, whether or not the umbilical cord has been cut or the placenta is attached. In determining a live birth, heartbeats shall be distinguished from transient cardiac contractions, and respirations shall be distinguished from fleeting respiratory efforts or gasps.

12. *"Registration"* means the process by which vital statistic records are completed, filed, and incorporated by the division in the division's official records.

13. *"State registrar"* means the state registrar of vital statistics.

14. *"System of vital statistics"* includes the registration, collection, preservation, amendment, and certification of vital statistics records, and activities and records related thereto including the data processing, analysis, and publication of statistical data derived from such records.

15. *"Vital statistics"* means records of births, deaths, fetal deaths, adoptions, marriages, dissolutions, annulments, and data related thereto.

[C24, 27, 31, 35, 39, §**2317, 2384;** C46, 50, 54, 58, 62, 66, §141.1, 144.1; C71, 73, 75, 77, 79, 81, §144.1]

83 Acts, ch 101, §21; 97 Acts, ch 159, §7; 99 Acts, ch 141, §14, 15; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201

Referred to in §252A.2

**144.2 Division of records and statistics.**

There is established in the department a division for records and statistics which shall install, maintain, and operate the system of vital statistics throughout the state. No system for the registration of births, deaths, fetal deaths, adoptions, marriages, dissolutions, and annulments, shall be maintained in the state or any of its political subdivisions other than the one provided for in this chapter. Suitable quarters shall be provided for the division by the executive council at the seat of government. The quarters shall be properly equipped for the permanent and safe preservation of all official records made and returned under this chapter.

[C24, 27, 31, 35, 39, §**2388, 2432;** C46, 50, 54, 58, 62, 66, §144.3, 144.49; C71, 73, 75, 77, 79, 81, §144.2]

83 Acts, ch 101, §22

**144.3 Rules adopted.**

The department may adopt, amend, and repeal rules for the purpose of carrying out the provisions of this chapter, in accordance with chapter 17A.

[C71, 73, 75, 77, 79, 81, §144.3]

**144.4 Registrar.**

The director of public health shall be the state registrar of vital statistics and shall carry out the provisions of this chapter.

[C24, 27, 31, 35, 39, §**2387;** C46, 50, 54, 58, 62, 66, §144.2; C71, 73, 75, 77, 79, 81, §144.4]

**144.5 Duties of registrar.**

The state registrar shall:

1. Administer and enforce this chapter and the rules issued hereunder, and issue instructions for the efficient administration of the statewide system of vital statistics and the division for records and statistics.
2. Direct and supervise the statewide system of vital statistics and the division for records and statistics and be custodian of its records.
3. Direct, supervise, and control the activities of clerks of the district court and county recorders related to the operation of the vital statistics system and provide registrars with necessary postage.
4. Prescribe, print, and distribute the forms required by this chapter and prescribe any other means for transmission of data, as necessary to accomplish complete, accurate reporting.
5. Prepare and publish annual reports of vital statistics of this state and other reports as may be required.
6. Delegate functions and duties vested in the state registrar to officers, to employees of the department, to the clerks of the district court, and to the county registrars as the state registrar deems necessary or expedient.
7. Provide, by rules, for appropriate morbidity reporting.

[C24, 27, 31, 35, 39, §**2393;** C46, 50, 54, 58, 62, 66, §144.8; C71, 73, 75, 77, 79, 81, §144.5; 81 Acts, ch 64, §1]

88 Acts, ch 1158, §33; 95 Acts, ch 124, §1, 2, 26; 97 Acts, ch 159, §8

**144.6 through 144.8** Repealed by 88 Acts, ch 1158, § 102.

**144.9 County recorder as registrar.**

The county recorder is the county registrar and with respect to the county shall:

1. Administer and enforce this chapter and the rules issued by the department.
2. Record and transmit the certificates, reports, or other returns filed with the county registrar to the state registrar at least semimonthly, or more frequently when directed by the state registrar.

[C46, 50, 54, 58, 62, 66, §144.4, 144.10; C71, 73, 75, 77, 79, 81, §144.9]

88 Acts, ch 1158, §34; 95 Acts, ch 124, §3, 26

**144.10** Repealed by 88 Acts, ch 1158, § 102.

**144.11 Public access to records.**

The county registrar shall allow public access to public records under the custody of the county registrar during normal business hours for county offices in the county.

95 Acts, ch 124, §4, 26

**144.12 Forms uniform.**

In order to promote and maintain uniformity in the system of vital statistics, the forms of certificates, reports, and other returns shall include as a minimum the items recommended by the federal agency responsible for national vital statistics, subject to approval and modification by the department. Forms shall be furnished by the department. The forms or other recording methods used to register records required under this chapter shall be prescribed by the department.

[C71, 73, 75, 77, 79, 81, §144.12]

88 Acts, ch 1158, §35; 97 Acts, ch 159, §9

Referred to in §595.15

**144.12A Declaration of paternity registry.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Child"* means a person under eighteen years of age for whom paternity has not been established.

*b.* *"Court"* means the juvenile court.

*c.* *"Father"* means the male, biological parent of a child.

*d.* *"Putative father"* means a man who is alleged to be or who claims to be the biological father of a child born to a woman to whom the man is not married at the time of the birth of the child.

*e.* *"Registrant"* means a person who has registered pursuant to this section and who claims to be the father of a child.

*f.* *"Registrar"* means the state registrar of vital statistics.

*g.* *"Registry"* means the declaration of paternity registry established in this section.

2. *a.* The registrar shall establish a declaration of paternity registry to record the name, address, social security number, and any other identifying information required by rule of the department of a putative father who wishes to register under this section prior to the birth of a child and no later than the date of the filing of the petition for termination of parental rights.

*b.* The declaration does not constitute an affidavit of paternity filed pursuant to section 252A.3 and declarations filed shall be maintained by the registrar in a registry distinct from the registry used to maintain affidavits of paternity filed pursuant to section 252A.3. A declaration of paternity filed with the registry may be used as evidence of paternity in an action to establish paternity or to determine a support obligation with respect to the putative father.

*c.* Failure or refusal to file a declaration of paternity shall not be used as evidence to avoid a legally established obligation of financial support for a child.

3. A person who files a declaration of paternity with the registrar shall include in the declaration all of the following:

*a.* The person's name, current address, social security number, and any other identifying information requested by the department. If the person filing the declaration of paternity changes the person's address, the person shall notify the registrar of the new address in a manner prescribed by the department.

*b.* The name, last known address, and social security number, if known, of the mother of the child, or any other identifying information requested by the department.

*c.* The name of the child, if known, and the date and location of the birth of the child, if known.

*d.* The registrar shall accept a declaration of paternity filed in accordance with this section.

*e.* The registrar shall forward a copy of the declaration to the mother as notification that the person has registered with the registry.

*f.* The registrar shall accept and immediately register, upon receipt, a declaration of paternity without a fee and without the signature of the biological mother. The registrar may charge a reasonable fee as established by rule of the department for processing searches of the registry.

4. The department shall, upon request, provide the name, address, social security number, and any other identifying information of a registrant to the biological mother of the child; a court; the department of human services; the attorney of any party to an adoption, termination of parental rights, or establishment of paternity or support action; or to the child support recovery unit for an action to establish paternity or support. The information shall not be divulged to any other person and shall be considered a confidential record as to any other person, except upon order of the court for good cause shown. If the registry has not received a declaration of paternity, the department shall provide a written statement to that effect to the person making the inquiry.

5. *a.* Information provided to the registry may be revoked by the registrant by submission of a written statement signed and acknowledged by the registrant before a notary public as provided in chapter 9B.

*b.* The statement shall include a declaration that to the best of the registrant's knowledge, the registrant is not the father of the named child or that paternity of the true father has been established.

*c.* Revocation nullifies the registration and the information provided by the registrant shall be expunged.

*d.* Revocation is effective only following the birth of the child.

6. The department shall adopt rules necessary to implement and administer this section. The rules shall include establishment of sites throughout the state for local distribution of declaration of paternity registration forms.

94 Acts, ch 1174, §2; 95 Acts, ch 67, §12; 2012 Acts, ch 1050, §36, 60
Referred to in §22.7, 233.2, 252K.201, 600A.6, 600A.7

**144.13 Birth certificates.**

1. Certificates of births shall be filed as follows:

*a.* A certificate of birth for each live birth which occurs in this state shall be filed as directed by the state registrar within seven days after the birth and shall be registered by the county registrar if it has been completed and filed in accordance with this chapter.

*b.* When a birth occurs in an institution or en route to an institution, the person in charge of the institution or the person's designated representative, shall obtain the personal data, prepare the certificate, and file the certificate as directed by the state registrar. The physician in attendance or the person in charge of the institution or the person's designee shall certify to the facts of birth either by signature or as otherwise authorized by rule and provide the medical information required by the certificate within seven days after the birth.

*c.* When a birth occurs outside an institution and not en route to an institution, the certificate shall be prepared and filed by one of the following in the indicated order of priority:

(1) The physician in attendance at or immediately after the birth.

(2) Any other person in attendance at or immediately after the birth.

(3) The father or the mother.

(4) The person in charge of the premises where the birth occurred. The state registrar shall establish by rule the evidence required to establish the facts of birth.

*d.* The state registrar may share information from birth certificates for the sole purpose of identifying those children in need of immunizations.

*e.* If an affidavit of paternity is obtained directly from the county registrar and is filed pursuant to section 252A.3A the county registrar shall forward the original affidavit to the state registrar.

2. If the mother was married at the time of conception, birth, or at any time during the period between conception and birth, the name of the husband shall be entered on the certificate as the father of the child unless paternity has been determined otherwise by a

court of competent jurisdiction, in which case the name of the father as determined by the court shall be entered by the department.

3. If the mother was not married at the time of conception, birth, and at any time during the period between conception and birth, the name of the father shall not be entered on the certificate of birth, unless a determination of paternity has been made pursuant to section 252A.3, in which case the name of the father as established shall be entered by the department. If the father is not named on the certificate of birth, no other information about the father shall be entered on the certificate.

4. The division shall make all of the following available to the child support recovery unit, upon request:

*a.* A copy of a child's birth certificate.

*b.* The social security numbers of the mother and the father.

*c.* A copy of the affidavit of paternity if filed pursuant to section 252A.3A and any subsequent recision form which rescinds the affidavit.

*d.* Information, other than information for medical and health use only, identified on a child's birth certificate or on an affidavit of paternity filed pursuant to section 252A.3A. The information may be provided as mutually agreed upon by the division and the child support recovery unit, including by automated exchange.

[C24, 27, 31, 35, 39, §**2397, 2398, 2399, 2400, 2401;** C46, 50, 54, 58, 62, 66, §144.12 – 144.16; C71, 73, 75, 77, 79, 81, §144.13]

88 Acts, ch 1158, §36; 90 Acts, ch 1052, §1; 92 Acts, ch 1097, §2; 93 Acts, ch 79, §9; 93 Acts, ch 116, §1; 94 Acts, ch 1171, §2, 3; 95 Acts, ch 94, §1; 97 Acts, ch 159, §10 – 12; 97 Acts, ch 175, §223 – 225; 99 Acts, ch 141, §16

Referred to in §144.13A, 233.2, 252A.3A, 331.611

**144.13A Fees — use of funds.**

1. The state registrar shall charge the parent a fee for the registration of a certificate of birth as follows:

*a.* Beginning July 1, 2003, and ending June 30, 2005, a fee of fifteen dollars.

*b.* Beginning July 1, 2005, a fee of twenty dollars.

2. The state registrar shall charge the parent a separate fee established under section 144.46 for a certified copy of the certificate. The certified copy shall be mailed to the parent by the state registrar. The mailing of a certified copy of the certificate to a biological parent shall not be precluded by the execution of a release of custody under chapter 600A, and, upon request, a biological parent shall be provided with a certified copy of the certificate unless the parental rights of the biological parent are terminated.

3. If the person responsible for the filing of the certificate of birth under section 144.13 is not the parent, the person is entitled to collect the fee from the parent. The fee shall be remitted to the state registrar. If the expenses of the birth are reimbursed under the medical assistance program established by chapter 249A or if the parent is indigent and unable to pay the expenses of the birth and no other means of payment is available to the parent, the registration fee and certified copy fee are waived. If the person responsible for the filing of the certificate is not the parent, the person is discharged from the duty to collect and remit the fee under this section if the person has made a good faith effort to collect the fee from the parent.

4. The fees collected by the state registrar shall be remitted to the treasurer of state for deposit in the general fund of the state.

*a.* Ten dollars of each registration fee is appropriated and shall be used for primary and secondary child abuse prevention programs pursuant to section 235A.1, and ten dollars of each registration fee is appropriated and shall be used for the center for congenital and inherited disorders central registry established pursuant to section 136A.6. Notwithstanding section 8.33, moneys appropriated in this paragraph that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year, and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this paragraph.

*b.* It is the intent of the general assembly that the funds generated from the fees as established under section 144.46 for the mailing of the certified copy of the birth certificate be appropriated and used to support the distribution of the automatic birth certificate and the implementation of the electronic birth certificate system.

85 Acts, ch 173, §1; 87 Acts, ch 233, §428; 88 Acts, ch 1158, §37; 91 Acts, ch 243, §1; 92 Acts, ch 1097, §3; 95 Acts, ch 124, §5, 26; 99 Acts, ch 96, §13; 99 Acts, ch 141, §17; 2003 Acts, ch 103, §1; 2004 Acts, ch 1031, §12; 2004 Acts, ch 1156, §1; 2004 Acts, ch 1171, §1, 2; 2005 Acts, ch 167, §45, 66; 2005 Acts, ch 175, §82, 129; 2006 Acts, ch 1155, §2, 15

Referred to in §232.2, 331.611, 600A.9

**144.13B Waiver of fees — military service.**

Notwithstanding any provision of this chapter to the contrary, the certified copy fees for a birth certificate or death certificate of a service member who died while performing military duty, as defined in section 29A.1, subsection 3, 8, or 12, shall be waived for a period of one year from the date of death for a family member of the deceased service member.

2010 Acts, ch 1170, §2; 2011 Acts, ch 47, §7; 2012 Acts, ch 1072, §32

Referred to in §331.611

**144.14 Foundlings.**

1. A person who assumes the custody of a living infant of unknown parentage shall report on a form and in the manner prescribed by the state registrar within five days to the county registrar of the county in which the child was found, the following information:

*a.* The date and place the child was found.

*b.* The sex, color or race, and approximate age of the child.

*c.* The name and address of the person or institution which has assumed custody of the child.

*d.* The name given to the child by the custodian.

*e.* Other data required by the state registrar.

2. The place where the child was found shall be entered as the place of birth and the date of birth shall be determined by approximation. A report registered under this section shall constitute the certificate of birth for the infant.

3. If the child is identified and a certificate of birth is found or obtained, any report registered under this section shall be sealed and filed and may be opened only by order of a court of competent jurisdiction or as provided by regulation.

[C71, 73, 75, 77, 79, 81, §144.14]

88 Acts, ch 1158, §38; 2009 Acts, ch 133, §44

Referred to in §233.2, 331.611

**144.15 Delayed registrations of birth.**

When the birth of a person born in this state has not been registered, a certificate may be filed in accordance with regulations. The certificate shall be registered subject to evidentiary requirements prescribed to substantiate the alleged facts of birth. Certificates of birth registered one year or more after the date of occurrence shall be marked "delayed" and shall show on their face the date of the delayed registration. A summary statement of the evidence submitted in support of the delayed registration shall be endorsed on the certificate. A delayed certificate of birth shall not be registered for a deceased person.

When an applicant does not submit the substantiating evidence required for delayed registration or when the state registrar finds reason to question the validity or adequacy of the evidence, the state registrar shall not register the delayed certificate and shall advise the applicant of the reasons for this action. The registration official shall advise the applicant of the applicant's right of appeal to the district court pursuant to sections 144.17 and 144.18, which sections shall be applicable to such appeal notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A.

The department may by regulation provide for the dismissal of an application which is not actively prosecuted.

[C71, 73, 75, 77, 79, 81, §144.15]

97 Acts, ch 159, §13; 2003 Acts, ch 44, §114

Referred to in §144.17, 144.25, 331.611

**144.16 Delayed registration of death or marriage.**

When a death or marriage occurring in this state has not been registered, a certificate may be filed in accordance with regulations. Such certificate shall be registered subject to evidentiary requirements prescribed to substantiate the alleged facts of death or marriage. Certificates of death and marriage registered one year or more after the date of occurrence shall be marked "delayed" and shall show on their face the date of the delayed registration.

[C71, 73, 75, 77, 79, 81, §144.16]

Referred to in §331.611

**144.17 Petition to establish certificate.**

1. If a delayed certificate of birth is rejected under the provisions of section 144.15, a petition may be filed with the district court for an order establishing a record of the date and place of the birth and the parentage of the person whose birth is to be registered.

2. *a.* The petition shall be made on a form prescribed and furnished by the state registrar and shall allege:

(1) That the person for whom a delayed certificate of birth is sought was born in this state.

(2) That no record of birth of that person can be found in the office of the state or county custodian of birth records.

(3) That diligent efforts by the petitioner have failed to obtain the evidence required in accordance with section 144.15.

(4) That the state registrar has refused to register a delayed certificate of birth.

(5) Such other allegations as may be required.

*b.* The petition shall be accompanied by a statement of the registration official made in accordance with section 144.15 and all documentary evidence which was submitted to the registration official in support of such registration. The petition shall be verified by the petitioner.

[C71, 73, 75, 77, 79, 81, §144.17]

88 Acts, ch 1158, §39; 2009 Acts, ch 41, §193

Referred to in §144.15, 144.25, 331.611

**144.18 Court hearing.**

The court shall fix a time and place for hearing the petition and shall give the registration official who refused to register the petitioner's delayed certificate of birth at least ten days' notice of such hearing. If both persons to be named as parents are not a party to the petition, such person or persons, if living, shall also be given at least ten days' notice of the hearing. The court shall prescribe the manner of such notice. Such official, or the official's authorized representative, may appear and testify in the proceeding.

If the court from the evidence presented finds that the person for whom a delayed certificate of birth is sought was born in this state, it shall make findings as the case may require and shall issue an order on a form prescribed and furnished by the state registrar to establish a record of birth. The order shall include the birth data to be registered, a description of the evidence presented, and the date of the court's action.

The clerks of the district court shall forward each order to the state registrar not later than the tenth day of the calendar month following the month in which it was entered. The order shall be registered by the state registrar and shall constitute the record of birth, from which copies may be issued in accordance with sections 144.42 to 144.46, inclusive.

[C71, 73, 75, 77, 79, 81, §144.18]

Referred to in §144.15, 144.25, 331.611

**144.19 Adoption certificate.**

For each adoption decreed by any court in this state, the court shall require the preparation of a certificate of adoption on a form prescribed and furnished by the state registrar. The certificate shall include a report of the facts necessary to locate and identify the certificate of birth of the person adopted, provide information necessary to establish a new certificate of birth of the person adopted, identify the order of adoption, and be certified by the clerk of the court. A fee established by the department by rule based on average administrative cost shall be collected for the preparation of a certificate of adoption. Fees collected under this section shall be deposited in the general fund of the state.

[C46, 50, 54, 58, 62, 66, §144.44; C71, 73, 75, 77, 79, 81, §144.19; 81 Acts, ch 64, §4]

Referred to in §144.23, 600.13

**144.20 Information.**

Information in the possession of the petitioner necessary to prepare the adoption report shall be furnished with the petition for adoption by each petitioner for adoption or the petitioner's attorney. The social agency, welfare agency, or other person concerned shall supply the court with such additional information in their possession as necessary to complete the certificate. The provision of such information shall be submitted to the court prior to the issuance of a final decree in the matter by the court, unless found by the court to be unavailable after diligent inquiry.

[C71, 73, 75, 77, 79, 81, §144.20]

**144.21 Amended record.**

Whenever an adoption decree is amended or annulled, the clerk of the court shall prepare a certificate, which shall include facts necessary to identify the original adoption report, and facts in the adoption decree necessary to properly amend the birth record.

[C46, 50, 54, 58, 62, 66, §144.44; C71, 73, 75, 77, 79, 81, §144.21]

**144.22 Clerk to report to state registrar.**

Not later than the tenth day of each calendar month, the clerk of the court shall forward to the state registrar certificates of adoption, or amendment or annulment of adoption, entered in the preceding month, together with such related reports as the state registrar requires. The state registrar, upon receipt from a court of a certificate of adoption, or amendment or annulment of adoption, for a person born outside this state shall forward the certificate to the appropriate registration authority in the state of birth.

[C46, 50, 54, 58, 62, 66, §144.44; C71, 73, 75, 77, 79, 81, §144.22]

**144.23 State registrar to issue new certificate.**

The state registrar shall establish a new certificate of birth for a person born in this state, when the state registrar receives the following:

1. An adoption report as provided in section 144.19, or a certified copy of the decree of adoption together with the information necessary to identify the original certificate of birth and to establish a new certificate of birth.

2. A request that a new certificate be established and evidence proving that the person for whom the new certificate is requested has been legitimated, or that a court of competent jurisdiction has determined the paternity of the person.

3. A notarized affidavit by a licensed physician and surgeon or osteopathic physician and surgeon stating that by reason of surgery or other treatment by the licensee, the sex designation of the person has been changed. The state registrar may make a further investigation or require further information necessary to determine whether a sex change has occurred.

[C24, 27, 31, 35, 39, §**2406;** C46, 50, 54, 58, 62, 66, §144.21, 144.44; C71, 73, 75, 77, 79, 81, §144.23]

2002 Acts, ch 1040, §1, 5; 2005 Acts, ch 89, §12

Referred to in §600.13

**144.24 Substituting new for original birth certificates — inspection.**

If a new certificate of birth is established, the actual place and date of birth shall be shown on the certificate. The certificate shall be substituted for the original certificate of birth. Thereafter, the original certificate and the evidence of adoption, paternity, legitimation, or sex change shall not be subject to inspection except under order of a court of competent jurisdiction, including but not limited to an order issued pursuant to section 600.16A, or as provided by administrative rule for statistical or administrative purposes only. However, the state registrar shall, upon the application of an adult adopted person, a biological parent, an adoptive parent, or the legal representative of the adult adopted person, the biological parent, or the adoptive parent, inspect the original certificate and the evidence of adoption and reveal to the applicant the date of the adoption and the name and address of the court which issued the adoption decree.

[C24, 27, 31, 35, 39, §**2406;** C46, 50, 54, 58, 62, 66, §144.21, 144.44; C71, 73, 75, 77, 79, 81, §144.24]

91 Acts, ch 243, §2; 99 Acts, ch 141, §18

**144.25 No previous certificate — procedure.**

If no certificate of birth is on file for the person for whom a new certificate is to be established, a delayed certificate of birth shall be filed with the state registrar as provided in section 144.15, or sections 144.17 and 144.18, before a new certificate of birth is established, except that when the date and place of birth and parentage have been established in the adoption proceedings, a delayed certificate shall not be required.

When a new certificate of birth is established by the state registrar, all copies of the original certificate of birth in the custody of any custodian of permanent local records in this state shall be sealed from inspection or forwarded to the state registrar of vital statistics, as the state registrar shall direct.

[C71, 73, 75, 77, 79, 81, §144.25]

**144.25A Certificate of birth — foreign and international adoptions.**

The department shall adopt rules pursuant to chapter 17A to establish a procedure for the issuance of a certificate of birth for children adopted pursuant to section 600.15.

2002 Acts, ch 1040, §2, 5

**144.26 Death certificate.**

1. *a.* A death certificate for each death which occurs in this state shall be filed as directed by the state registrar within three days after the death and prior to final disposition, and shall be registered by the county registrar if it has been completed and filed in accordance with this chapter. A death certificate shall include the social security number, if provided, of the deceased person. All information including the certifying physician's, physician assistant's, or advanced registered nurse practitioner's name shall be typewritten.

*b.* A physician assistant or an advanced registered nurse practitioner authorized to sign a death certificate shall be licensed in this state and shall have been in charge of the deceased patient's care.

2. All information included on a death certificate may be provided as mutually agreed upon by the division and the child support recovery unit, including by automated exchange.

3. *a.* The county in which a dead body is found is the county of death. If death occurs in a moving conveyance, the county in which the dead body is first removed from the conveyance is the county of death.

*b.* If a decedent died outside of the county of the decedent's residence, the state registrar shall send a copy of the decedent's death certificate and any amendments to the county registrar of the county of the decedent's residence. The county registrar shall record a death certificate received pursuant to this paragraph in the same records in which the death certificate of a decedent who died within the county is recorded. The state registrar may provide the county registrars with electronic access to vital records in lieu of the requirements of this paragraph.

4. *a.* The department shall establish by rule procedures for making a finding of

presumption of death when no body can be found. The department shall also provide by rule the responsibility for completing and signing the medical certification of cause of death in such circumstances. The presumptive death certificate shall be in a form prescribed by the state registrar and filed in the county where the death was presumed to occur.

*b.* The division shall provide for the correction, substitution, or removal of a presumptive death certificate when the body of the person is later found, additional facts are discovered, or the person is discovered to be alive.

5. Upon the activation of an electronic death record system, each person with a duty related to death certificates shall participate in the electronic death record system. A person with a duty related to a death certificate includes but is not limited to a physician as defined in section 135.1, a physician assistant, an advanced registered nurse practitioner, a funeral director, and a county recorder.

[SS15, §587-b; C24, 27, 31, 35, 39, §**2319;** C46, 50, 54, 58, 62, 66, §141.3; C71, 73, 75, 77, 79, 81, S81, §144.26; 81 Acts, ch 64, §5]

88 Acts, ch 1158, §40; 97 Acts, ch 159, §14; 97 Acts, ch 175, §226; 2002 Acts, ch 1108, §11; 2011 Acts, ch 26, §2; 2012 Acts, ch 1069, §1, 3; 2013 Acts, ch 140, §17

Referred to in §144.35, 331.611, 633.520

NEW subsection 5

**144.27 Funeral director's duty.**

The funeral director who first assumes custody of a dead body shall file the death certificate, obtain the personal data from the next of kin or the best qualified person or source available and obtain the medical certification of cause of death from the person responsible for completing the certification. When a person other than a funeral director assumes custody of a dead body, the person shall be responsible for carrying out the provisions of this section.

[C24, 27, 31, 35, 39, §**2321;** C46, 50, 54, 58, 62, 66, §141.5; C71, 73, 75, 77, 79, 81, §144.27]

97 Acts, ch 159, §15

Referred to in §331.611

**144.28 Medical certification.**

1. *a.* For the purposes of this section, *"nonnatural cause of death"* means the death is a direct or indirect result of physical, chemical, thermal, or electrical trauma, or drug or alcohol intoxication or other poisoning.

*b.* Unless there is a nonnatural cause of death, the medical certification shall be completed and signed by the physician, physician assistant, or advanced registered nurse practitioner in charge of the patient's care for the illness or condition which resulted in death within seventy-two hours after receipt of the death certificate from the funeral director or individual who initially assumes custody of the body.

*c.* If there is a nonnatural cause of death, the county or state medical examiner shall be notified and shall conduct an inquiry.

*d.* If the decedent was an infant or child and the cause of death is not known, a medical examiner's inquiry shall be conducted and an autopsy performed as necessary to exclude a nonnatural cause of death.

*e.* If upon inquiry into a death, the county or state medical examiner determines that a preexisting natural disease or condition was the likely cause of death and that the death does not affect the public interest as described in section 331.802, subsection 3, the medical examiner may elect to defer to the physician, physician assistant, or advanced registered nurse practitioner in charge of the patient's preexisting condition the certification of the cause of death.

*f.* When an inquiry is required by the county or state medical examiner, the medical examiner shall investigate the cause and manner of death and shall complete and sign the medical certification within seventy-two hours after determination of the cause and manner of death.

2. The person completing the medical certification of cause of death shall attest to its accuracy either by signature or by an electronic process approved by rule.

[C24, 27, 31, 35, 39, §**2320;** C46, 50, 54, 58, 62, 66, §141.4(18); C71, 73, 75, 77, 79, 81, §144.28]

97 Acts, ch 159, §16; 2002 Acts, ch 1098, §2; 2007 Acts, ch 159, §26; 2008 Acts, ch 1058, §13; 2011 Acts, ch 26, §3

Referred to in §144.35, 331.611

**144.29 Fetal deaths.**

A fetal death certificate for each fetal death which occurs in this state after a gestation period of twenty completed weeks or greater, or for a fetus with a weight of three hundred fifty grams or more shall be filed as directed by the state registrar within three days after delivery and prior to final disposition of the fetus. The certificate shall be registered if it has been completed and filed in accordance with this chapter.

The county in which a dead fetus is found is the county of death. The certificate shall be filed within three days after the fetus is found. If a fetal death occurs in a moving conveyance, the county in which the fetus is first removed from the conveyance is the county of death.

[C24, 27, 31, 35, 39, §**2405;** C46, 50, 54, 58, 62, 66, §144.20; C71, 73, 75, 77, 79, 81, §144.29]

88 Acts, ch 1158, §41; 97 Acts, ch 159, §17

Referred to in §144.35, 331.611

**144.29A Termination of pregnancy reporting.**

1. A health care provider who initially identifies and diagnoses a spontaneous termination of pregnancy or who induces a termination of pregnancy shall file with the department a report for each termination within thirty days of the occurrence. The health care provider shall make a good faith effort to obtain all of the following information that is available with respect to each termination:

*a.* The confidential health care provider code as assigned by the department.

*b.* The report tracking number.

*c.* The maternal health services region of the Iowa department of public health, as designated as of July 1, 1997, in which the patient resides.

*d.* The race of the patient.

*e.* The age of the patient.

*f.* The marital status of the patient.

*g.* The educational level of the patient.

*h.* The number of previous pregnancies, live births, and spontaneous or induced terminations of pregnancies.

*i.* The month and year in which the termination occurred.

*j.* The number of weeks since the patient's last menstrual period and a clinical estimate of gestation.

*k.* The method used for an induced termination, including whether mifepristone was used.

2. It is the intent of the general assembly that the information shall be collected, reproduced, released, and disclosed in a manner specified by rule of the department, adopted pursuant to chapter 17A, which ensures the anonymity of the patient who experiences a termination of pregnancy, the health care provider who identifies and diagnoses or induces a termination of pregnancy, and the hospital, clinic, or other health facility in which a termination of pregnancy is identified and diagnosed or induced. The department may share information with federal public health officials for the purposes of securing federal funding or conducting public health research. However, in sharing the information, the department shall not relinquish control of the information, and any agreement entered into by the department with federal public health officials to share information shall prohibit the use, reproduction, release, or disclosure of the information by federal public health officials in a manner which violates this section. The department shall publish, annually, a demographic summary of the information obtained pursuant to this section, except that the department shall not reproduce, release, or disclose any information obtained pursuant to

this section which reveals the identity of any patient, health care provider, hospital, clinic, or other health facility, and shall ensure anonymity in the following ways:

*a.* The department may use information concerning the report tracking number or concerning the identity of a reporting health care provider, hospital, clinic, or other health facility only for purposes of information collection. The department shall not reproduce, release, or disclose this information for any purpose other than for use in annually publishing the demographic summary under this section.

*b.* The department shall enter the information, from any report of termination submitted, within thirty days of receipt of the report, and shall immediately destroy the report following entry of the information. However, entry of the information from a report shall not include any health care provider, hospital, clinic, or other health facility identification information including, but not limited to, the confidential health care provider code, as assigned by the department.

*c.* To protect confidentiality, the department shall limit release of information to release in an aggregate form which prevents identification of any individual patient, health care provider, hospital, clinic, or other health facility. For the purposes of this paragraph, "*aggregate form*" means a compilation of the information received by the department on termination of pregnancies for each information item listed, with the exceptions of the report tracking number, the health care provider code, and any set of information for which the amount is so small that the confidentiality of any person to whom the information relates may be compromised. The department shall establish a methodology to provide a statistically verifiable basis for any determination of the correct amount at which information may be released so that the confidentiality of any person is not compromised.

3. Except as specified in subsection 2, reports, information, and records submitted and maintained pursuant to this section are strictly confidential and shall not be released or made public upon subpoena, search warrant, discovery proceedings, or by any other means.

4. The department shall assign a code to any health care provider who may be required to report a termination under this section. An application procedure shall not be required for assignment of a code to a health care provider.

5. A health care provider shall assign a report tracking number which enables the health care provider to access the patient's medical information without identifying the patient.

6. To ensure proper performance of the reporting requirements under this section, it is preferred that a health care provider who practices within a hospital, clinic, or other health facility authorize one staff person to fulfill the reporting requirements.

7. For the purposes of this section:

*a.* "*Health care provider*" means an individual licensed under chapter 148, 148C, 148D, or 152, or any individual who provides medical services under the authorization of the licensee.

*b.* "*Inducing a termination of pregnancy*" means the use of any means to terminate the pregnancy of a woman known to be pregnant with the intent other than to produce a live birth or to remove a dead fetus.

*c.* "*Spontaneous termination of pregnancy*" means the occurrence of an unintended termination of pregnancy at any time during the period from conception to twenty weeks gestation and which is not a spontaneous termination of pregnancy at any time during the period from twenty weeks or greater which is reported to the department as a fetal death under this chapter.

97 Acts, ch 172, §1; 2003 Acts, ch 42, §1; 2008 Acts, ch 1088, §94; 2013 Acts, ch 90, §29
Referred to in §144.52, 331.611
Subsections 7 – 9 amended and redesignated as subsection 7, unnumbered paragraph 1 and paragraphs a – c

**144.30 Funeral director's duty — fetal death certificate.**

The funeral director who first assumes custody of a fetus shall file the fetal death certificate. In the absence of such a person, the physician or other person in attendance at or after the delivery shall file the certificate of fetal death. The person filing the certificate shall obtain the personal data from the next of kin or the best qualified person or source available and shall obtain the medical certification of cause of death from the person responsible for completing

the certification. When a person other than a funeral director assumes custody of a fetus, the person shall be responsible for carrying out the provisions of this section.

[C71, 73, 75, 77, 79, 81, §144.30]

97 Acts, ch 159, §18

Referred to in §144.31A, 331.611

**144.31 Medical certification — fetal death.**

1. The medical certification for a fetal death shall be completed within seventy-two hours after delivery by the physician in attendance at or after delivery except when inquiry is required by the county medical examiner.

2. When a fetal death occurs without medical attendance upon the mother at or after delivery or when inquiry is required by the county medical examiner, the medical examiner shall investigate the cause of fetal death and shall complete the medical certification within seventy-two hours after taking charge of the case. The person completing the medical certification of cause of fetal death shall attest to its accuracy either by signature or as authorized by rule.

[C24, 27, 31, 35, 39, §**2322, 2323, 2405;** C46, 50, 54, 58, 62, 66, §141.6, 141.7, 144.20; C71, 73, 75, 77, 79, 81, §144.31]

97 Acts, ch 159, §19; 2010 Acts, ch 1163, §1

Referred to in §144.35, 331.611

**144.31A Certificate of birth resulting in stillbirth.**

1. As used in this section:

*a.* *"Certificate of birth resulting in stillbirth"* means a document issued based upon a properly filed fetal death certificate to record the birth of a stillborn fetus.

*b.* *"Stillbirth"* means stillbirth as defined in section 136A.2.

2. After each fetal death that occurs in the state which is also a stillbirth, the person required to file the fetal death certificate pursuant to section 144.30 shall advise any parent named on the fetal death certificate that the parent may request the preparation of a certificate of birth resulting in stillbirth following registration of a fetal death certificate.

3. The department may prescribe by rules adopted pursuant to chapter 17A the form and content of a request and the process for requesting a certificate of birth resulting in stillbirth.

4. The department shall prescribe by rules adopted pursuant to chapter 17A the form and content of and the fee for the preparation of a certificate of birth resulting in stillbirth.

*a.* At a minimum, the rules shall require that the certificate of birth resulting in stillbirth contain all of the following:

(1) The date of the stillbirth.

(2) The county in which the stillbirth occurred.

(3) A first name, middle name, last name, no name, or combination of these as requested by the parent.

(4) The state file number of the corresponding fetal death certificate.

(5) The statement: "This certificate is not proof of live birth."

*b.* The fees collected shall be remitted to the treasurer of state for deposit in the general fund of the state and the vital records fund in accordance with section 144.46.

5. Only a parent named on the fetal death certificate may request a certificate of birth resulting in stillbirth. A certificate of birth resulting in stillbirth may be requested and issued at any time regardless of the date on which the fetal death certificate was issued.

6. A certificate of birth resulting in stillbirth is not required to be filed or registered.

7. A certificate of birth resulting in stillbirth shall not be used to establish, bring, or support a civil cause of action seeking damages against any person for bodily injury, personal injury, or wrongful death for a stillbirth.

2012 Acts, ch 1022, §1, 2

Referred to in §331.611

**144.32 Burial transit permit.**

1. If a person other than a funeral director, medical examiner, or emergency medical service assumes custody of a dead body or fetus, the person shall secure a burial transit

permit. To be valid, the burial transit permit must be issued by the county medical examiner, a funeral director, or the state registrar. The permit shall be obtained prior to the removal of the body or fetus from the place of death and the permit shall accompany the body or fetus to the place of final disposition.

2. To transfer a dead body or fetus outside of this state, the funeral director who first assumes custody of the dead body or fetus shall obtain a burial transit permit prior to the transfer. The permit shall accompany the dead body or fetus to the place of final disposition.

3. A dead body or fetus brought into this state for final disposition shall be accompanied by a burial transit permit under the law of the state in which the death occurred.

4. A burial transit permit shall not be issued to a person other than a funeral director when the cause of death is or is suspected to be a communicable disease as defined by rule of the department.

93 Acts, ch 139, §5; 97 Acts, ch 159, §20; 2012 Acts, ch 1069, §2
Referred to in §156.2, 331.611, 331.804, 523I.309

**144.33 Bodies brought into state.**

A burial transit permit issued under the law of another state which accompanies a dead body or fetus brought into this state shall be authority for final disposition of the body or fetus in this state.

[C24, 27, 31, 35, 39, §**2324;** C46, 50, 54, 58, 62, 66, §141.18; C71, 73, 75, 77, 79, 81, §144.33]
Referred to in §331.611

**144.34 Disinterment — permit.**

Disinterment of a dead body or fetus shall be allowed for the purpose of autopsy or reburial only, and then only if accomplished by a funeral director. A permit for such disinterment and, thereafter, reinterment shall be issued by the state registrar according to rules adopted pursuant to chapter 17A or when ordered by the district court of the county in which such body is buried. The state registrar, without a court order, shall not issue a permit without the consent of the person authorized to control the decedent's remains under section 144C.5. Disinterment for the purpose of reburial may be allowed by court order only upon a showing of substantial benefit to the public. Disinterment for the purpose of autopsy or reburial by court order shall be allowed only when reasonable cause is shown that someone is criminally or civilly responsible for such death, after hearing, upon reasonable notice prescribed by the court to the person authorized to control the decedent's remains under section 144C.5. Due consideration shall be given to the public health, the dead, and the feelings of relatives.

[C24, 27, 31, 35, 39, §**2337, 2338;** C46, 50, 54, 58, 62, 66, §141.21, 141.22; C71, 73, 75, 77, 79, 81, §144.34]

2008 Acts, ch 1051, §2, 22
Referred to in §144.52, 331.611, 523I.309, 523I.402

**144.35 Extensions of time by rules.**

The department may, by regulation and upon such conditions as it may prescribe to assure compliance with the purposes of this chapter, provide for extension of the periods prescribed in sections 144.26, 144.28, 144.29, and 144.31, for filing of death certificates, fetal death certificates, and medical certifications of cause of death in cases in which compliance with the applicable prescribed period would result in undue hardship.

[C24, 27, 31, 35, 39, §**2318;** C46, 50, 54, 58, 62, 66, §141.2(2); C71, 73, 75, 77, 79, 81, §144.35]

91 Acts, ch 116, §2
Referred to in §331.611

**144.36 Marriage certificate filed — prohibited information.**

1. A certificate recording each marriage performed in this state shall be filed with the state registrar. The county registrar shall prepare the certificate on the form furnished by the state registrar upon the basis of information obtained from the parties to be married, who shall attest to the information by their signatures. The county registrar in each county shall keep a record book for marriages. The form of marriage record books shall be uniform throughout the state. A properly indexed permanent record of marriage certificates upon

microfilm, electronic computer, or data processing equipment may be kept in lieu of marriage record books.

2. Every person who performs a marriage shall certify the fact of marriage and return the certificate to the county registrar within fifteen days after the ceremony. The certificate shall be signed by the witnesses to the ceremony and the person performing the ceremony.

3. The certificate of marriage shall not contain information concerning the race of the married persons, previous marriages of the married persons, or the educational level of the married persons.

4. The county registrar shall record and forward to the state registrar on or before the tenth day of each calendar month the original certificates of marriages filed with the county registrar during the preceding calendar month and the fees collected by the county registrar on behalf of the state for applications for a license to marry in accordance with section 331.605, subsection 1, paragraph "g".

[C24, 27, 31, 35, 39, §**2421, 2422, 2425;** C46, 50, 54, 58, 62, 66, §144.36, 144.37, 144.40; C71, 73, 75, 77, 79, 81, §144.36]

83 Acts, ch 186, §10048, 10201; 85 Acts, ch 195, §18; 95 Acts, ch 124, §6, 26; 99 Acts, ch 114, §6; 2010 Acts, ch 1061, §163

Referred to in §331.611, 595.16A

See also §595.13 for certificate

**144.37 Dissolution and annulment records.**

For each dissolution or annulment of marriage granted by any court in this state, a record shall be prepared by the clerk of court or by the petitioner or the petitioner's legal representative if directed by the clerk and filed by the clerk of court with the state registrar. The information necessary to prepare the report shall be furnished with the petition, to the clerk of court by the petitioner or the petitioner's legal representative, on forms supplied by the state registrar.

The clerk of the district court in each county shall keep a record book for dissolutions. The form of dissolution record books shall be uniform throughout the state. A properly indexed record of dissolutions upon microfilm, electronic computer, or data processing equipment may be kept in lieu of dissolution record books.

On or before the tenth day of each calendar month, the clerk of court shall forward to the state registrar the record of each dissolution and annulment granted during the preceding calendar month and related reports required by regulations issued under this chapter.

[C24, 27, 31, 35, 39, §**2421, 2423, 2425;** C46, 50, 54, 58, 62, 66, §144.36, 144.38, 144.40; C71, 73, 75, 77, 79, 81, §144.37; 81 Acts, ch 64, §6; 82 Acts, ch 1100, §1]

83 Acts, ch 101, §23; 83 Acts, ch 186, §10049, 10201; 85 Acts, ch 195, §19

**144.38 Amendment of official record.**

To protect the integrity and accuracy of vital statistics records, a certificate or record registered under this chapter may be amended only in accordance with this chapter and regulations adopted hereunder. A certificate that is amended under this section shall be marked "amended" except as provided in section 144.40. The date of amendment and a summary description of the evidence submitted in support of the amendment shall be endorsed on or made a part of the record. The department shall prescribe by regulation the conditions under which additions or minor corrections shall be made to birth certificates within one year after the date of birth without the certificate being marked "amended".

[C24, 27, 31, 35, 39, §**2402, 2404;** C46, 50, 54, 58, 62, 66, §144.17, 144.19, 144.44, 144.45; C71, 73, 75, 77, 79, 81, §144.38]

Referred to in §144.41

**144.39 Change of name.**

Upon receipt of a certified copy of a court order from a court of competent jurisdiction or certificate of the clerk of court pursuant to chapter 674 changing the name of a person born in this state, the state registrar shall amend the certificate of birth to reflect the new name. A fee established by the department by rule based on average administrative cost shall be

collected to amend the certificate of birth to reflect a new name. Fees collected under this section shall be deposited in the general fund of the state.

[C71, 73, 75, 77, 79, 81, §144.39; 81 Acts, ch 64, §7]

2009 Acts, ch 56, §1

Referred to in §144.41

**144.40 Paternity of children — birth certificates.**

Upon request and receipt of an affidavit of paternity completed and filed pursuant to section 252A.3A, or a certified copy or notification by the clerk of court of a court or administrative order establishing paternity, the state registrar shall establish a new certificate of birth to show paternity if paternity is not shown on the birth certificate. Upon written request of the parents on the affidavit of paternity, the surname of the child may be changed on the certificate to that of the father. The certificate shall not be marked "amended". The original certificate and supporting documentation shall be maintained in a sealed file; however, a photocopy of the paternity affidavit filed pursuant to section 252A.3A and clearly labeled as a copy may be provided to a parent named on the affidavit of paternity.

[C24, 27, 31, 35, 39, §**2406;** C46, 50, 54, 58, 62, 66, §144.21; C71, 73, 75, 77, 79, 81, §144.40; 81 Acts, ch 64, §8]

93 Acts, ch 79, §10; 94 Acts, ch 1171, §4; 2005 Acts, ch 89, §13

Referred to in §144.38, 144.41

**144.41 Amending local records.**

When a certificate is amended under sections 144.38 to 144.40 the state registrar shall report the amendment to the custodian of any permanent local records and such records shall be amended accordingly.

[C71, 73, 75, 77, 79, 81, §144.41]

**144.42 Reproduction of original records.**

To preserve original documents, the state registrar may prepare typewritten, photographic, or other reproductions of original records and files in the state registrar's office. Such reproductions when certified by the state registrar shall be accepted as the original record.

[C71, 73, 75, 77, 79, 81, §144.42; 81 Acts, ch 64, §9]

Referred to in §144.18

**144.43 Vital records closed to inspection — exceptions.**

1. To protect the integrity of vital statistics records, to ensure their proper use, and to ensure the efficient and proper administration of the vital statistics system kept by the state registrar, access to vital statistics records kept by the state registrar shall be limited to the state registrar and the state registrar's employees, and then only for administrative purposes.

2. *a.* It shall be unlawful for the state registrar to permit inspection of, or to disclose information contained in vital statistics records, or to copy or permit to be copied all or part of any such record except as authorized by regulation.

*b.* However, the following vital statistics records may be inspected and copied as of right under chapter 22 when they are in the custody of a county registrar or when they are in the custody of the state archivist and are at least seventy-five years old:

(1) A record of birth.

(2) A record of marriage.

(3) A record of divorce, dissolution of marriage, or annulment of marriage.

(4) A record of death if that death was not a fetal death.

3. A public record shall not be withheld from the public because it is combined with data processing software. The state registrar shall not implement any electronic data processing system for the storage, manipulation, or retrieval of vital records that would impair a county registrar's ability to permit the examination of a public record and the copying of a public record, as established by rule. If it is necessary to separate a public record from data processing software in order to permit the examination of the public record, the county

registrar shall periodically generate a written log available for public inspection which contains the public record.

[C46, 50, 54, 58, 62, 66, §144.45; C71, 73, 75, 77, 79, 81, S81, §144.43; 81 Acts, ch 64, §10; 82 Acts, ch 1100, §2]

88 Acts, ch 1158, §43; 90 Acts, ch 1025, §1; 94 Acts, ch 1171, §5; 97 Acts, ch 159, §21; 2009 Acts, ch 41, §194

Referred to in §144.18, 233.2

**144.43A Mutual consent voluntary adoption registry.**

1. In addition to other procedures by which birth certificates may be inspected under this chapter, the state registrar shall establish a mutual consent voluntary adoption registry through which adult adopted children, adult siblings, and the biological parents of adult adoptees may register to obtain identifying birth information.

2. If all of the following conditions are met, the state registrar shall reveal the identity of the biological parent to the adult adopted child or the identity of the adult adopted child to the biological parent, shall notify the parties involved that the requests have been matched, and shall disclose the identifying information to those parties:

*a.* A biological parent has filed a request and provided consent to the revelation of the biological parent's identity to the adult adopted child, upon request of the adult adopted child.

*b.* An adult adopted child has filed a request and provided consent to the revelation of the identity of the adult adopted child to a biological parent, upon request of the biological parent.

*c.* The state registrar has been provided sufficient information to make the requested match.

3. Notwithstanding the provisions of this section, if the adult adopted person has a sibling who is a minor and who has also been adopted, the state registrar shall not grant the request of either the adult adopted person or the biological parent to reveal the identities of the parties.

4. If all of the following conditions are met, the state registrar shall reveal the identity of the adult adopted child to an adult sibling and shall notify the parties involved that the requests have been matched, and disclose the identifying information to those parties:

*a.* An adult adopted child has filed a request and provided consent to the revelation of the adult adopted child's identity to an adult sibling.

*b.* The adult sibling has filed a request and provided consent to the revelation of the identity of the adult sibling to the adult adopted child.

*c.* The state registrar has been provided with sufficient information to make the requested match.

5. A person who has filed a request or provided consent under this section may withdraw the consent at any time prior to the release of any information by filing a written withdrawal of consent statement with the state registrar. The adult adoptee, adult sibling, and biological parent shall notify the state registrar of any change in the information contained in a filed request or consent.

6. The state registrar shall establish a fee by rule based on the average administrative costs for providing services under this section.

99 Acts, ch 141, §19

Referred to in §144.18

**144.44 Permits for research.**

The department may permit access to vital statistics by professional genealogists and historians, and may authorize the disclosure of data contained in vital statistics records when deemed essential for bona fide research purposes which are not for private gain. The department shall adopt rules which establish the parameters for access to and authorized disclosure of vital statistics and data contained in vital statistics records relating to birth and adoption records under this section.

[C24, 27, 31, 35, 39, §**2406, 2415;** C46, 50, 54, 58, 62, 66, §144.21, 144.30; C71, 73, 75, 77, 79, 81, §144.44]

94 Acts, ch 1171, §6

Referred to in §144.18, 144.46

**144.45 Certified copies.**

The state registrar and the county registrar shall, upon written request from any applicant entitled to a record, issue a certified copy of any certificate or record in the registrar's custody or of a part of a certificate or record. Each copy issued shall show the date of registration; and copies issued from records marked "delayed", "amended", or "court order" shall be similarly marked and show the effective date.

A certified copy of a certificate, or any part thereof, shall be considered for all purposes the same as the original and shall be prima facie evidence of the facts therein stated, provided that the evidentiary value of a certificate or record filed more than one year after the event, or a record which has been amended, shall be determined by the judicial or administrative body or official before whom the certificate is offered as evidence.

The national division of vital statistics may be furnished copies or data which it requires for national statistics, provided that the state be reimbursed for the cost of furnishing data, and provided further that data shall not be used for other than statistical purposes by the national division of vital statistics unless so authorized by the state registrar.

Federal, state, local, and other public or private agencies may, upon written request, be furnished copies or data for statistical purposes upon terms or conditions prescribed by the department.

No person shall prepare or issue any certificate which purports to be an original, certified copy, or copy of a certificate of birth, death, fetal death, or marriage except as authorized in this chapter.

[S13, §2575-a45; C24, 27, 31, 35, 39, §**2349, 2416, 2426, 2429, 2431;** C46, 50, 54, 58, 62, 66, §141.33, 144.31, 144.41, 144.46, 144.48; C71, 73, 75, 77, 79, 81, §144.45]

95 Acts, ch 124, §7, 26

Referred to in §144.18, 144.46, 331.611

**144.45A Commemorative birth and marriage certificates.**

Upon application and payment of a thirty-five dollar fee, the director may issue a commemorative copy of a certificate of birth or a certificate of marriage. Fees collected pursuant to this section shall be deposited in the emergency medical services fund established in section 135.25 to support the development and enhancement of emergency medical services systems and emergency medical services for children.

97 Acts, ch 203, §20

Referred to in §144.18

**144.46 Fees.**

1. The department by rule shall establish fees based on the average administrative cost which shall be collected by the state registrar or the county registrar for each of the following:

*a.* A certified copy or short form certification of a certificate or record.

*b.* A search of the files or records when no copy is made, or when no record is found on file.

*c.* A copy of a certificate or record or a vital statistics data file provided to a researcher in accordance with section 144.44.

*d.* A copy of a certificate or record or a vital statistics data file provided to a federal, state, local, or other public or private agency for statistical purposes in accordance with section 144.45.

*e.* Verification or certification of vital statistics data provided to a federal, state, or local governmental agency authorized by rule to receive such data.

2. Fees collected by the state registrar and by the county registrar on behalf of the state under this section shall be deposited in the general fund of the state and the vital records fund established in section 144.46A in accordance with an apportionment established by rule.

Fees collected by the county registrar pursuant to section 331.605, subsection 1, paragraph "*f*", shall be deposited in the county general fund.

[C24, 27, 31, 35, 39, §**2417, 2418, 2427;** C46, 50, 54, 58, 62, 66, §144.32, 144.33, 144.42; C71, 73, 75, 77, 79, 81, S81, §144.46; 81 Acts, ch 64, §11]

83 Acts, ch 123, §68, 209; 83 Acts, ch 186, §10050, 10201; 94 Acts, ch 1074, §1; 95 Acts, ch 124, §8, 26; 99 Acts, ch 114, §7; 2007 Acts, ch 159, §27; 2010 Acts, ch 1061, §164

Referred to in §144.13A, 144.18, 144.31A, 144.46A, 232.2, 331.611, 600.13

**144.46A Vital records fund.**

1. A vital records fund is created under the control of the department. Moneys in the fund shall be used for purposes of the purchase and maintenance of an electronic system for vital records scanning, data capture, data reporting, storage, and retrieval, and for all registration and issuance activities. Moneys in the fund may also be used for other related purposes including but not limited to the streamlining of administrative procedures and electronically linking offices of county registrars to state vital records so that the records may be issued at the county level.

2. Moneys credited to the fund pursuant to section 144.46 and otherwise are appropriated to the department to be used for the purposes designated in subsection 1. Notwithstanding section 8.33, moneys credited to the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated.

2005 Acts, ch 175, §83; 2007 Acts, ch 159, §28

Referred to in §144.46

**144.47 Persons confined in institutions.**

Every person in charge of an institution shall keep a record of personal particulars and data concerning each person admitted or confined to the institution. This record shall include information required by the standard certificate of birth, death, and fetal death forms issued under the provisions of this chapter. The record shall be made at the time of admission from information provided by such person, but when it cannot be so obtained, the same shall be obtained from relatives or other persons acquainted with the facts. The name and address of the person providing the information shall be a part of the record.

[C24, 27, 31, 35, 39, §**2407, 2408, 2409;** C46, 50, 54, 58, 62, 66, §144.22, 144.23, 144.24; C71, 73, 75, 77, 79, 81, §144.47]

Referred to in §144.50

**144.48 Institutions — dead persons.**

When a dead human body is released or disposed of by an institution, the person in charge of the institution shall keep a record showing the name of the deceased, date of death, name and address of the person to whom the body is released, date of removal from the institution, or if finally disposed of by the institution, the date, place, and manner of disposition shall be recorded.

[C24, 27, 31, 35, 39, §**2407;** C46, 50, 54, 58, 62, 66, §144.22; C71, 73, 75, 77, 79, 81, §144.48]

Referred to in §144.50

**144.49 Additional record by funeral director.**

A funeral director or other person who removes from the place of death or transports or finally disposes of a dead body or fetus, in addition to filing any certificate or other form required by this chapter, shall keep a record which shall identify the body, and information pertaining to the funeral director's or other person's receipt, removal, and delivery of the body as prescribed by the department.

[C24, 27, 31, 35, 39, §**2414;** C46, 50, 54, 58, 62, 66, §144.29; C71, 73, 75, 77, 79, 81, §144.49]

Referred to in §144.50

**144.50 Length of time records to be kept.**

Records maintained under sections 144.47 to 144.49 shall be retained for a period of not less than ten years and shall be made available for inspection by the state registrar or the state registrar's representative upon demand.

[C71, 73, 75, 77, 79, 81, §144.50]

**144.51 Information by others furnished on demand.**

Any person having knowledge of the facts shall furnish information the person possesses regarding any birth, death, fetal death, adoption, marriage, dissolution, or annulment, upon demand of the state registrar or the state registrar's representative.

[C24, 27, 31, 35, 39, §**2403, 2414;** C46, 50, 54, 58, 62, 66, §144.18, 144.29; C71, 73, 75, 77, 79, 81, §144.51]

83 Acts, ch 101, §24

**144.52 Unlawful acts — punishment.**

Any person committing any of the following acts is guilty of a serious misdemeanor:

1. Willfully and knowingly makes any false statement in a report, record, or certificate required to be filed under this chapter, or in an application for an amendment thereof, or willfully and knowingly supplies false information intending that such information be used in the preparation of any such report, record, or certificate, or amendment thereof.
2. Without lawful authority and with the intent to deceive, makes, alters, amends, or mutilates any report, record, or certificate required to be filed under this chapter or a certified copy of such report, record, or certificate.
3. Willfully and knowingly uses or attempts to use or furnish to another for use for any purpose of deception, any certificate, record, report, or certified copy thereof so made, altered, amended, or mutilated.
4. Willfully, with the intent to deceive, uses or attempts to use any certificate of birth or certified copy of a record of birth knowing that such certificate or certified copy was issued upon a record which is false in whole or in part or which relates to the birth of another person.
5. Willfully and knowingly furnishes a certificate of birth or certified copy of a record of birth with the intention that it be used by a person other than the person whose birth the record relates.
6. Disinterring a body in violation of section 144.34.
7. Knowingly violates a provision of section 144.29A.

[C24, 27, 31, 35, 39, §**2349, 2350, 2436;** C46, 50, 54, 58, 62, 66, §141.33, 141.34, 144.53, 144.54; C71, 73, 75, 77, 79, 81, §144.52]

97 Acts, ch 172, §2

**144.53 Other acts — simple misdemeanors.**

Any person committing any of the following acts is guilty of a simple misdemeanor:

1. Knowingly transports or accepts for transportation, interment, or other disposition a dead body without an accompanying permit as provided in this chapter.
2. Refuses to provide information required by this chapter.
3. Willfully violates any of the provisions of this chapter or refuses to perform any of the duties imposed upon the person by this chapter.

[C24, 27, 31, 35, 39, §**2350, 2436;** C46, 50, 54, 58, 62, 66, §141.34, 144.53; C71, 73, 75, 77, 79, 81, §144.53]

**144.54 Report to county attorney.**

The department shall report cases of alleged violations to the proper county attorney, with a statement of the facts and circumstances, for such action as is appropriate.

[C27, 31, 35, 39, §**2434;** C46, 50, 54, 58, 62, 66, §144.51; C71, 73, 75, 77, 79, 81, §144.54]

**144.55 Attorney general to assist in enforcement.**

Upon request of the department, the attorney general shall assist in the enforcement of the provisions of this chapter.

[C24, 27, 31, 35, 39, §**2435;** C46, 50, 54, 58, 62, 66, §144.52; C71, 73, 75, 77, 79, 81, §144.55]

**144.56 Autopsy.**

1. An autopsy or postmortem examination may be performed upon the body of a deceased person by a physician whenever the written consent to the examination or autopsy has been obtained from the person authorized to control the deceased person's remains under section 144C.5.

2. This section does not apply to any death investigated under the authority of sections 331.802 to 331.804.

[C75, 77, 79, 81, S81, §144.56; 81 Acts, ch 117, §1207]

2008 Acts, ch 1051, §3, 22

Referred to in §144.57

**144.57 Public safety officer death — required notice — autopsy.**

A person who is authorized to pronounce individuals dead is required to inform one of the persons authorized to request an autopsy, as provided in section 144.56, that an autopsy will be required if the individual who died was a public safety officer who may have died in the line of duty and an eligible beneficiary of the deceased seeks to claim a federal public safety officer death benefit.*

2005 Acts, ch 174, §19

*Public safety officers' death benefits, see 42 U.S.C. §3796 et seq.

# CHAPTER 144A

## LIFE-SUSTAINING PROCEDURES

Referred to in §142C.12B, 144B.6, 144D.4, 235B.2, 235E.1, 633.635, 707A.3

Policy statement; see 85 Acts, ch 3, §1
See also chapter 144B concerning durable power of attorney for health care


144A.1 Short title.
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**144A.1 Short title.**

This chapter may be cited as the *"Life-sustaining Procedures Act"*.

85 Acts, ch 3, §2

**144A.2 Definitions.**

Except as otherwise provided, as used in this chapter:

1. *"Adult"* means an individual eighteen years of age or older.

2. *"Attending physician"* means the physician selected by, or assigned to, the patient who has primary responsibility for the treatment and care of the patient.

3. *"Declaration"* means a document executed in accordance with the requirements of section 144A.3.

4. *"Department"* means the Iowa department of public health.

5. *"Emergency medical care provider"* means emergency medical care provider as defined in section 147A.1.

6. *"Health care provider"* means a person, including an emergency medical care provider, who is licensed, certified, or otherwise authorized or permitted by the law of this state to administer health care in the ordinary course of business or in the practice of a profession.

7. *"Hospital"* means hospital as defined in section 135B.1.

8. *a. "Life-sustaining procedure"* means any medical procedure, treatment, or intervention, including resuscitation, which meets both of the following requirements:

(1) Utilizes mechanical or artificial means to sustain, restore, or supplant a spontaneous vital function.

(2) When applied to a patient in a terminal condition, would serve only to prolong the dying process.

*b. "Life-sustaining procedure"* does not include the provision of nutrition or hydration except when required to be provided parenterally or through intubation or the administration of medication or performance of any medical procedure deemed necessary to provide comfort care or to alleviate pain.

9. *"Out-of-hospital do-not-resuscitate order"* means a written order signed by a physician, executed in accordance with the requirements of section 144A.7A and issued consistent with this chapter, that directs the withholding or withdrawal of resuscitation when an adult patient in a terminal condition is outside the hospital.

10. *"Physician"* means a person licensed to practice medicine and surgery or osteopathic medicine and surgery in this state.

11. *"Qualified patient"* means a patient who has executed a declaration or an out-of-hospital do-not-resuscitate order in accordance with this chapter and who has been determined by the attending physician to be in a terminal condition.

12. *"Resuscitation"* means any medical intervention that utilizes mechanical or artificial means to sustain, restore, or supplant a spontaneous vital function, including but not limited to chest compression, defibrillation, intubation, and emergency drugs intended to alter cardiac function or otherwise to sustain life.

13. *"Terminal condition"* means an incurable or irreversible condition that, without the administration of life-sustaining procedures, will, in the opinion of the attending physician, result in death within a relatively short period of time or a state of permanent unconsciousness from which, to a reasonable degree of medical certainty, there can be no recovery.

85 Acts, ch 3, §3; 92 Acts, ch 1132, §1 – 3; 2002 Acts, ch 1061, §1; 2008 Acts, ch 1088, §141; 2013 Acts, ch 30, §37

Referred to in §144C.2, 144D.4

Subsection 8 amended

**144A.3 Declaration relating to use of life-sustaining procedures.**

1. A competent adult may execute a declaration at any time directing that life-sustaining procedures be withheld or withdrawn. The declaration shall be given operative effect only if the declarant's condition is determined to be terminal and the declarant is not able to make treatment decisions.

2. The declaration must be signed by the declarant or another person acting on behalf of the declarant at the direction of the declarant, must contain the date of the declaration's execution, and must be witnessed or acknowledged by one of the following methods:

*a.* Is signed by at least two individuals who, in the presence of each other and the declarant, witnessed the signing of the declaration by the declarant or by another person acting on behalf of the declarant at the declarant's direction. At least one of the witnesses shall be an individual who is not a relative of the declarant by blood, marriage, or adoption within the third degree of consanguinity. The following individuals shall not be witnesses for a declaration:

(1) A health care provider attending the declarant on the date of execution of the declaration.

(2) An employee of a health care provider attending the declarant on the date of execution of the declaration.

(3) An individual who is less than eighteen years of age.

*b.* Is acknowledged before a notarial officer within this state as provided in chapter 9B.

3. It is the responsibility of the declarant to provide the declarant's attending physician or health care provider with the declaration. An attending physician or health care provider may presume, in the absence of actual notice to the contrary, that the declaration complies with this chapter and is valid.

4. A declaration or similar document executed in another state or jurisdiction in compliance with the law of that state or jurisdiction shall be deemed valid and enforceable in this state, to the extent the declaration or similar document is consistent with the laws of this state. A declaration or similar document executed by a veteran of the armed forces which is in compliance with the federal department of veterans affairs advance directive requirements shall be deemed valid and enforceable.

5. A declaration executed pursuant to this chapter may, but need not, be in the following form:

DECLARATION

If I should have an incurable or irreversible condition that will result either in death within a relatively short period of time or a state of permanent unconsciousness from which, to a reasonable degree of medical certainty, there can be no recovery, it is my desire that my life not be prolonged by the administration of life-sustaining procedures. If I am unable to participate in my health care decisions, I direct my attending physician to withhold or withdraw life-sustaining procedures that merely prolong the dying process and are not necessary to my comfort or freedom from pain.

85 Acts, ch 3, §4; 92 Acts, ch 1132, §4; 98 Acts, ch 1083, §1; 2002 Acts, ch 1061, §2, 3; 2012 Acts, ch 1050, §37, 60

Referred to in §144A.2, 144A.11

**144A.4 Revocation of declaration.**

1. A declaration may be revoked at any time and in any manner by which the declarant is able to communicate the declarant's intent to revoke, without regard to mental or physical condition. A revocation is only effective as to the attending physician upon communication to such physician by the declarant or by another to whom the revocation was communicated.

2. The attending physician shall make the revocation a part of the declarant's medical record.

85 Acts, ch 3, §5

Referred to in §144A.10

**144A.5 Determination of terminal condition.**

When an attending physician who has been provided with a declaration determines that the declarant is in a terminal condition, this decision must be confirmed by another physician. The attending physician must record that determination in the declarant's medical record.

85 Acts, ch 3, §6

Referred to in §144A.8

**144A.6 Treatment of qualified patients.**

1. A qualified patient has the right to make decisions regarding use of life-sustaining procedures as long as the qualified patient is able to do so. If a qualified patient is not able to make such decisions, the declaration shall govern decisions regarding use of life-sustaining procedures.

2. The declaration of a qualified patient known to the attending physician to be pregnant shall not be in effect as long as the fetus could develop to the point of live birth with continued application of life-sustaining procedures. However, the provisions of this subsection do not impair any existing rights or responsibilities that any person may have in regard to the withholding or withdrawal of life-sustaining procedures.

85 Acts, ch 3, §7

Referred to in §144A.8

**144A.7 Procedure in absence of declaration.**

1. Life-sustaining procedures may be withheld or withdrawn from a patient who is in a terminal condition and who is comatose, incompetent, or otherwise physically or mentally incapable of communication and has not made a declaration in accordance with this chapter if there is consultation and written agreement for the withholding or the withdrawal of life-sustaining procedures between the attending physician and any of the following individuals, who shall be guided by the express or implied intentions of the patient, in the following order of priority if no individual in a prior class is reasonably available, willing, and competent to act:

*a.* The attorney in fact designated to make treatment decisions for the patient should such person be diagnosed as suffering from a terminal condition, if the designation is in writing and complies with chapter 144B or section 633B.1.

*b.* The guardian of the person of the patient if one has been appointed, provided court approval is obtained in accordance with section 633.635, subsection 2, paragraph "*c*". This paragraph does not require the appointment of a guardian in order for a treatment decision to be made under this section.

*c.* The patient's spouse.

*d.* An adult child of the patient or, if the patient has more than one adult child, a majority of the adult children who are reasonably available for consultation.

*e.* A parent of the patient, or parents if both are reasonably available.

*f.* An adult sibling.

2. When a decision is made pursuant to this section to withhold or withdraw life-sustaining procedures, there shall be a witness present at the time of the consultation when that decision is made.

3. Subsections 1 and 2 shall not be in effect for a patient who is known to the attending physician to be pregnant with a fetus that could develop to the point of live birth with continued application of life-sustaining procedures. However, the provisions of this subsection do not impair any existing rights or responsibilities that any person may have in regard to the withholding or withdrawal of life-sustaining procedures.

85 Acts, ch 3, §8; 87 Acts, ch 100, §1; 2002 Acts, ch 1061, §4; 2005 Acts, ch 38, §55

Referred to in §144A.8, 144D.1, 144D.4

**144A.7A Out-of-hospital do-not-resuscitate orders.**

1. If an attending physician issues an out-of-hospital do-not-resuscitate order for an adult patient under this section, the physician shall use the form prescribed pursuant to subsection 2, include a copy of the order in the patient's medical record, and provide a copy to the patient or an individual authorized to act on the patient's behalf.

2. The department, in collaboration with interested parties, shall prescribe uniform out-of-hospital do-not-resuscitate order forms and uniform personal identifiers, and shall adopt administrative rules necessary to implement this section. The uniform forms and personal identifiers shall be used statewide.

3. The out-of-hospital do-not-resuscitate order form shall include all of the following:

*a.* The patient's name.

*b.* The patient's date of birth.

*c.* The name of the individual authorized to act on the patient's behalf, if applicable.

*d.* A statement that the patient is in a terminal condition.

*e.* The physician's signature.

*f.* The date the form is signed.

*g.* A concise statement of the nature and scope of the order.

*h.* Any other information necessary to provide clear and reliable instructions to a health care provider.

4. A health care provider may withhold or withdraw resuscitation outside a hospital consistent with an out-of-hospital do-not-resuscitate order issued under this section and the rules or protocols adopted by the department.

5. In fulfilling the instructions of an out-of-hospital do-not-resuscitate order under this

chapter, a health care provider shall continue to provide appropriate comfort care and pain relief to the patient.

6. An out-of-hospital do-not-resuscitate order shall not apply when a patient is in need of emergency medical services due to a sudden accident or injury resulting from a motor vehicle collision, fire, mass casualty, or other cause of a sudden accident or injury which is outside the scope of the patient's terminal condition.

7. An out-of-hospital do-not-resuscitate order is deemed revoked at any time that a patient, or an individual authorized to act on the patient's behalf as designated on the out-of-hospital do-not-resuscitate order, is able to communicate in any manner the intent that the order be revoked, without regard to the mental or physical condition of the patient. A revocation is only effective as to the health care provider upon communication to that provider by the patient, an individual authorized to act on the patient's behalf as designated in the order, or by another person to whom the revocation is communicated.

8. The personal wishes of family members or other individuals who are not authorized in the order to act on the patient's behalf shall not supersede a valid out-of-hospital do-not-resuscitate order.

9. If uncertainty regarding the validity or applicability of an out-of-hospital do-not-resuscitate order exists, a health care provider shall provide necessary and appropriate resuscitation.

10. A health care provider shall document compliance or noncompliance with an out-of-hospital do-not-resuscitate order and the reasons for not complying with the order, including evidence that the order was revoked or uncertainty regarding the validity or applicability of the order.

11. This section shall not preclude a hospital licensed under chapter 135B from honoring an out-of-hospital do-not-resuscitate order entered in accordance with this section and in compliance with established hospital policies and protocols.

2002 Acts, ch 1061, §5

Referred to in §144A.2, 144A.8, 144A.10, 144A.11, 144D.4

Applicability to and validity of orders executed prior to July 1, 2002; 2002 Acts, ch 1061, §11

**144A.8 Transfer of patients.**

1. An attending physician who is unwilling to comply with the requirements of section 144A.5, or who is unwilling to comply with the declaration of a qualified patient in accordance with section 144A.6 or an out-of-hospital do-not-resuscitate order pursuant to section 144A.7A, or who is unwilling to comply with the provisions of section 144A.7 or 144A.7A shall take all reasonable steps to effect the transfer of the patient to another physician.

2. If the policies of a health care provider preclude compliance with the declaration or out-of-hospital do-not-resuscitate order of a qualified patient under this chapter or preclude compliance with the provisions of section 144A.7 or 144A.7A, the provider shall take all reasonable steps to effect the transfer of the patient to a facility in which the provisions of this chapter can be carried out.

85 Acts, ch 3, §9; 2002 Acts, ch 1061, §6

**144A.9 Immunities.**

1. In the absence of actual notice of the revocation of a declaration or of an out-of-hospital do-not-resuscitate order, the following, while acting in accordance with the requirements of this chapter, are not subject to civil or criminal liability or guilty of unprofessional conduct:

*a.* A physician who causes the withholding or withdrawal of life-sustaining procedures from a qualified patient.

*b.* The health care provider in which such withholding or withdrawal occurs.

*c.* A person who participates in the withholding or withdrawal of life-sustaining procedures under the direction of or with the authorization of a physician.

2. A physician is not subject to civil or criminal liability for actions under this chapter which are in accord with reasonable medical standards.

3. Any person, institution or facility against whom criminal or civil liability is asserted

because of conduct in compliance with this chapter may interpose this chapter as an absolute defense.

4. In the absence of actual notice of the revocation of an out-of-hospital do-not-resuscitate order, a health care provider who complies with this chapter is not subject to civil or criminal liability or guilty of unprofessional conduct in entering, executing, or otherwise participating in an out-of-hospital do-not-resuscitate order.

85 Acts, ch 3, §10; 2002 Acts, ch 1061, §7, 8

**144A.10 Penalties.**

1. Any person who willfully conceals, withholds, cancels, destroys, alters, defaces, or obliterates the declaration, out-of-hospital do-not-resuscitate order, or out-of-hospital do-not-resuscitate identifier of another without the declarant's or patient's consent or who falsifies or forges a revocation of the declaration or out-of-hospital do-not-resuscitate order of another is guilty of a serious misdemeanor.

2. Any person who falsifies or forges the declaration or out-of-hospital do-not-resuscitate order of another, or willfully conceals or withholds personal knowledge of or delivery of a revocation as provided in section 144A.4 or 144A.7A, with the intent to cause a withholding or withdrawal of life-sustaining procedures, is guilty of a serious misdemeanor.

85 Acts, ch 3, §11; 2002 Acts, ch 1061, §9

**144A.11 General provisions.**

1. Death resulting from the withholding or withdrawal of life-sustaining procedures pursuant to a declaration or out-of-hospital do-not-resuscitate order and in accordance with this chapter does not, for any purpose, constitute a suicide, homicide, or dependent adult abuse.

2. The executing of a declaration pursuant to section 144A.3 or an out-of-hospital do-not-resuscitate order pursuant to section 144A.7A does not affect in any manner the sale, procurement, or issuance of any policy of life insurance, nor shall it be deemed to modify the terms of an existing policy of life insurance. No policy of life insurance is legally impaired or invalidated in any manner by the withholding or withdrawal of life-sustaining procedures pursuant to this chapter, notwithstanding any term of the policy to the contrary.

3. A physician, health care provider, health care service plan, insurer issuing disability insurance, self-insured employee welfare benefit plan, or nonprofit hospital plan shall not require any person to execute a declaration or an out-of-hospital do-not-resuscitate order as a condition for being insured for, or receiving, health care services.

4. This chapter creates no presumption concerning the intention of an individual who has not executed a declaration or an out-of-hospital do-not-resuscitate order with respect to the use, withholding, or withdrawal of life-sustaining procedures in the event of a terminal condition.

5. This chapter shall not be interpreted to increase or decrease the right of a patient to make decisions regarding use of life-sustaining procedures as long as the patient is able to do so, nor to impair or supersede any right or responsibility that any person has to effect the withholding or withdrawal of medical care in any lawful manner. In that respect, the provisions of this chapter are cumulative.

6. This chapter shall not be construed to condone, authorize or approve mercy killing or euthanasia, or to permit any affirmative or deliberate act or omission to end life other than to permit the natural process of dying.

85 Acts, ch 3, §12; 2002 Acts, ch 1061, §10

Adult abuse, chapter 235B
Homicide, chapter 707

**144A.12 Application to existing declarations.**

A declaration executed prior to April 23, 1992, shall remain valid and shall be given effect in accordance with the then-applicable provisions of this chapter. If a declaration executed prior to April 23, 1992, includes a provision which would not have been given effect under

this chapter prior to April 23, 1992, but which would be given effect under 1992 Acts, chapter 1132, then the provision shall be given effect in accordance with 1992 Acts, chapter 1132.
92 Acts, ch 1132, §5

# CHAPTER 144B

## DURABLE POWER OF ATTORNEY FOR HEALTH CARE

Referred to in §142C.2, 142C.12B, 144A.7, 144C.2, 144C.6, 144D.4, 231E.5, 235B.2, 235B.19, 235E.1, 707A.3

144B.1 Definitions.
144B.2 Durable power of attorney for health care.
144B.3 Requirements.
144B.4 Individuals ineligible to be attorney in fact.
144B.5 Durable power of attorney for health care — form.
144B.6 Attorney in fact — priority to make decisions.
144B.7 Authority to review medical records.
144B.8 Revocation of durable power of attorney.
144B.9 Immunities and responsibilities.
144B.10 Emergency treatment.
144B.11 Prohibited practices.
144B.12 General provisions.

**144B.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Attorney in fact"* means an individual who is designated by a durable power of attorney for health care as an agent to make health care decisions on behalf of a principal and has consented to act in that capacity.

2. *"Designee"* means a person named in a declaration under chapter 144C that is contained in or attached to a durable power of attorney for health care.

3. *"Durable power of attorney for health care"* means a document authorizing an attorney in fact to make health care decisions for the principal if the principal is unable, in the judgment of the attending physician, to make health care decisions.

4. *"Health care"* means any care, treatment, service, or procedure to maintain, diagnose, or treat an individual's physical or mental condition. *"Health care"* does not include the provision of nutrition or hydration except when they are required to be provided parenterally or through intubation.

5. *"Health care decision"* means the consent, refusal of consent, or withdrawal of consent to health care.

6. *"Health care provider"* means a person who is licensed, certified, or otherwise authorized or permitted by the law of this state to administer health care in the ordinary course of business or in the practice of a profession.

7. *"Principal"* means a person age eighteen or older who has executed a durable power of attorney for health care.

91 Acts, ch 140, §1; 2008 Acts, ch 1051, §4, 22
Referred to in §141A.1, 231E.3, 321.189

**144B.2 Durable power of attorney for health care.**

A durable power of attorney for health care authorizes the attorney in fact to make health care decisions for the principal if the durable power of attorney for health care substantially complies with the requirements of this chapter. A document executed prior to May 8, 1991, purporting to create a durable power of attorney for health care shall be deemed valid if the document specifically authorizes the attorney in fact to make health care decisions and is signed by the principal.

91 Acts, ch 140, §2

**144B.3 Requirements.**

1. An attorney in fact shall make health care decisions only if the following requirements are satisfied:

*a.* The durable power of attorney for health care explicitly authorizes the attorney in fact to make health care decisions.

*b.* The durable power of attorney for health care contains the date of its execution and is witnessed or acknowledged by one of the following methods:

(1) Is signed by at least two individuals who, in the presence of each other and the principal, witnessed the signing of the instrument by the principal or by another person acting on behalf of the principal at the principal's direction.

(2) Is acknowledged before a notarial officer within this state as provided in chapter 9B.

2. The following individuals shall not be witnesses for a durable power of attorney for health care:

*a.* A health care provider attending the principal on the date of execution.

*b.* An employee of a health care provider attending the principal on the date of execution.

*c.* The individual designated in the durable power of attorney for health care as the attorney in fact.

*d.* An individual who is less than eighteen years of age.

3. At least one of the witnesses for a durable power of attorney for health care shall be an individual who is not a relative of the principal by blood, marriage, or adoption within the third degree of consanguinity.

4. A durable power of attorney for health care or similar document executed in another state or jurisdiction in compliance with the law of that state or jurisdiction shall be deemed valid and enforceable in this state, to the extent the document is consistent with the laws of this state. A durable power of attorney or similar document executed by a veteran of the armed forces which is in compliance with the federal department of veterans affairs advance directive requirements shall be deemed valid and enforceable.

91 Acts, ch 140, §3; 98 Acts, ch 1083, §2; 2012 Acts, ch 1050, §38, 60

**144B.4 Individuals ineligible to be attorney in fact.**

The following individuals shall not be designated as the attorney in fact to make health care decisions under a durable power of attorney for health care:

1. A health care provider attending the principal on the date of execution.

2. An employee of a health care provider attending the principal on the date of execution unless the individual to be designated is related to the principal by blood, marriage, or adoption within the third degree of consanguinity.

91 Acts, ch 140, §4

**144B.5 Durable power of attorney for health care — form.**

1. A durable power of attorney for health care executed pursuant to this chapter may, but need not, be in the following form:

I hereby designate ..... as my attorney in fact (my agent) and give to my agent the power to make health care decisions for me. This power exists only when I am unable, in the judgment of my attending physician, to make those health care decisions. The attorney in fact must act consistently with my desires as stated in this document or otherwise made known.

Except as otherwise specified in this document, this document gives my agent the power, where otherwise consistent with the law of this state, to consent to my physician not giving health care or stopping health care which is necessary to keep me alive.

This document gives my agent power to make health care decisions on my behalf, including to consent, to refuse to consent, or to withdraw consent to the provision of any care, treatment, service, or procedure to maintain, diagnose, or treat a physical or

mental condition. This power is subject to any statement of my desires and any limitations included in this document.

My agent has the right to examine my medical records and to consent to disclosure of such records.

2. In addition to the foregoing, the principal may provide specific instructions in the document conferring the durable power of attorney for health care, consistent with the provisions of this chapter.

3. The principal may include a statement indicating that the designated attorney in fact has been notified of and consented to the designation.

4. A durable power of attorney for health care may designate one or more alternative attorneys in fact.

5. A durable power of attorney for health care may include a declaration under chapter 144C that names a designee and alternate designees who may be different persons than the attorney in fact or alternate attorneys in fact who are designated in the durable power of attorney for health care.

91 Acts, ch 140, §5; 2008 Acts, ch 1051, §5, 22

**144B.6 Attorney in fact — priority to make decisions.**

1. Unless the district court sitting in equity specifically finds that the attorney in fact is acting in a manner contrary to the wishes of the principal or the durable power of attorney for health care provides otherwise, an attorney in fact who is known to the health care provider to be available and willing to make health care decisions has priority over any other person, including a guardian appointed pursuant to chapter 633, to act for the principal in all matters of health care decisions. The attorney in fact has authority to make a particular health care decision only if the principal is unable, in the judgment of the attending physician, to make the health care decision. If the principal objects to a decision to withhold or withdraw health care, the principal shall be presumed to be able to make a decision.

2. In exercising the authority under the durable power of attorney for health care, the attorney in fact has a duty to act in accordance with the desires of the principal as expressed in the durable power of attorney for health care or otherwise made known to the attorney in fact at any time. A declaration executed by the principal pursuant to the life-sustaining procedures Act, chapter 144A, shall not be interpreted as expressing an intent to prohibit the withdrawal of hydration or nutrition when required to be provided parenterally or through intubation and shall not otherwise restrict the authority of the attorney in fact unless either the declaration or the durable power of attorney for health care expressly provides otherwise. If the principal's desires are unknown, the attorney in fact has a duty to act in the best interests of the principal, taking into account the principal's overall medical condition and prognosis.

91 Acts, ch 140, §6

**144B.7 Authority to review medical records.**

Except as limited by the durable power of attorney for health care, an attorney in fact has the same right as the principal to receive and review medical records of the principal, and to consent to the disclosure of medical records of the principal when acting pursuant to the durable power of attorney for health care.

91 Acts, ch 140, §7

**144B.8 Revocation of durable power of attorney.**

1. A durable power of attorney for health care may be revoked at any time and in any manner by which the principal is able to communicate the intent to revoke, without regard to mental or physical condition. Revocation may be by notifying the attorney in fact orally or in writing. Revocation may also be made by notifying a health care provider orally or in writing while that provider is engaged in providing health care to the principal. A revocation is only effective as to a health care provider upon its communication to the provider by the principal or by another to whom the principal has communicated revocation. The health care provider shall document the revocation in the treatment records of the principal.

2. The principal is presumed to have the capacity to revoke a durable power of attorney for health care.

3. Unless it provides otherwise, a valid durable power of attorney for health care revokes any prior durable power of attorney for health care.

4. If authority granted by a durable power of attorney for health care is revoked under this section, an individual is not subject to criminal prosecution or civil liability for acting in good faith reliance upon the durable power of attorney for health care unless the individual has actual knowledge of the revocation.

5. The fact of execution and subsequent revocation of a durable power of attorney shall have no effect upon subsequent health care decisions made in accordance with accepted principles of law and standards of medical care governing those decisions.

91 Acts, ch 140, §8

**144B.9 Immunities and responsibilities.**

1. A health care provider is not subject to criminal prosecution, civil liability, or professional disciplinary action if the health care provider relies on a health care decision and both of the following requirements are satisfied:

*a.* The decision is made by an attorney in fact who the health care provider believes in good faith is authorized to make the decision.

*b.* The health care provider believes in good faith that the decision is not inconsistent with the desires of the principal as expressed in the durable power of attorney for health care or otherwise made known to the health care provider, and, if the decision is to withhold or withdraw health care necessary to keep the principal alive, the health care provider has provided an opportunity for the principal to object to the decision.

2. Notwithstanding a contrary health care decision of the attorney in fact, the health care provider is not subject to criminal prosecution, civil liability, or professional disciplinary action for failing to withhold or withdraw health care necessary to keep the principal alive. However, the attorney in fact may make provisions to transfer the responsibility for the care of the principal to another health care provider.

3. An attorney in fact is not subject to criminal prosecution or civil liability for any health care decision made in good faith pursuant to a durable power of attorney for health care.

4. It shall be presumed that an attorney in fact, and a health care provider acting pursuant to the direction of an attorney in fact, are acting in good faith and in the best interests of the principal absent clear and convincing evidence to the contrary.

5. For purposes of this section, acting in *"good faith"* means acting consistent with the desires of the principal as expressed in the durable power of attorney for health care or otherwise made known to the attorney in fact, or where those desires are unknown, acting in the best interests of the principal, taking into account the principal's overall medical condition and prognosis.

6. A health care provider or attorney in fact may presume that a durable power of attorney for health care is valid absent actual knowledge to the contrary.

91 Acts, ch 140, §9

**144B.10 Emergency treatment.**

This chapter does not affect the law governing health care treatment in an emergency.

91 Acts, ch 140, §10

**144B.11 Prohibited practices.**

1. A health care provider, health care service plan, insurer, self-insured employee welfare benefit plan, or nonprofit hospital plan shall not condition admission to a facility, or the providing of treatment, or insurance, on the requirement that an individual execute a durable power of attorney for health care.

2. A policy of life insurance shall not be legally impaired or invalidated in any manner by the withholding or withdrawing of health care pursuant to the direction of an attorney in fact appointed pursuant to this chapter.

91 Acts, ch 140, §11

**144B.12 General provisions.**

1. This chapter does not create a presumption concerning the intention of an individual who has not executed a durable power of attorney for health care and does not impair or supersede any right or responsibility of an individual to consent, refuse to consent, or withdraw consent to health care on behalf of another in the absence of a durable power of attorney for health care.

2. This chapter shall not be construed to condone, authorize, or approve any affirmative or deliberate act or omission which would constitute mercy killing or euthanasia.

3. If after executing a durable power of attorney for health care designating a spouse as attorney in fact, the marriage between the principal and the attorney in fact is dissolved, the power is thereby revoked. In the event of remarriage to each other, the power is reinstated unless otherwise revoked by the principal.

4. It is the responsibility of the principal to provide for notification of a health care provider of the terms of the principal's durable power of attorney for health care.

91 Acts, ch 140, §12

# CHAPTER 144C

## FINAL DISPOSITION ACT

Referred to in §142.1, 144B.1, 144B.5


144C.1 Short title.
144C.2 Definitions.
144C.3 Declaration — designee.
144C.4 Reliance — immunities.
144C.5 Final disposition of remains — right to control.
144C.6 Declaration of designee — form — requirements.
144C.7 Revocation of declaration.
144C.8 Forfeiture of designee's authority.
144C.9 Interstate effect of declaration.
144C.10 Effect of declaration.
144C.11 Practice of mortuary science.


**144C.1 Short title.**

This chapter may be cited as the *"Final Disposition Act"*.

2008 Acts, ch 1051, §6, 22

**144C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Adult"* means a person who is married or who is eighteen years of age or older.

2. *"Adult day services program"* means adult day services program as defined in section 231D.1.

3. *"Assisted living program"* means an assisted living program under chapter 231C.

4. *"Ceremony"* means a formal act or set of formal acts established by custom or authority to commemorate a decedent.

5. *"Child"* means a son or daughter of a person, whether by birth or adoption.

6. *"Decedent"* means a deceased adult.

7. *"Declarant"* means a competent adult who executes a declaration pursuant to this chapter.

8. *"Declaration"* means a written instrument, contained in or attached to a durable power of attorney for health care under chapter 144B, that is executed by a declarant in accordance with the requirements of this chapter, and that names a designee who shall have the sole responsibility and discretion for making decisions concerning the final disposition of the declarant's remains and the ceremonies planned after the declarant's death.

9. *"Designee"* means a competent adult designated under a declaration who shall have the sole responsibility and discretion for making decisions concerning the final disposition of the declarant's remains and the ceremonies planned after the declarant's death.

10. *"Elder group home"* means elder group home as defined in section 231B.1.

11. *"Final disposition"* means the burial, interment, cremation, removal from the state, or other disposition of remains.

12. *"Health care facility"* means health care facility as defined in section 135C.1.

13. *"Health care provider"* means health care provider as defined in section 144A.2.

14. *"Hospital"* means hospital as defined in section 135B.1.

15. *"Interested person"* means a decedent's spouse, parent, grandparent, adult child, adult sibling, adult grandchild, or a designee.

16. *"Licensed hospice program"* means a licensed hospice program as defined in section 135J.1.

17. *"Reasonable under the circumstances"* means consideration of what is appropriate in relation to the declarant's finances, cultural or family customs, and religious or spiritual beliefs. *"Reasonable under the circumstances"* may include but is not limited to consideration of the declarant's preneed funeral, burial, or cremation plan, and known or reasonably ascertainable creditors of the declarant.

18. *"Remains"* means the body or cremated remains of a decedent.

19. *a.* *"Third party"* means a person who is requested to dispose of remains by an adult with the right to dispose of a decedent's remains under section 144C.5 or assist with arrangements for ceremonies planned after the declarant's death.

*b.* *"Third party"* includes but is not limited to a funeral director, funeral establishment, cremation establishment, cemetery, the state medical examiner, or a county medical examiner.

2008 Acts, ch 1051, §7, 22; 2009 Acts, ch 133, §45

**144C.3 Declaration — designee.**

1. A declaration shall name a designee who shall have the sole responsibility and discretion for making decisions concerning the final disposition of the declarant's remains and the ceremonies planned after the declarant's death. A declaration may name one or more alternate designees and may include contact information for the designees and alternate designees.

2. A declaration shall not include directives for final disposition of the declarant's remains and shall not include arrangements for ceremonies planned after the declarant's death.

3. A designee, an alternate designee, and a third party shall act in good faith and in a manner that is reasonable under the circumstances.

4. A funeral director, an attorney, or any agent, owner, or employee of a funeral establishment, cremation establishment, cemetery, elder group home, assisted living program, adult day services program, or licensed hospice program shall not serve as a designee unless related to the declarant within the third degree of consanguinity.

5. This section shall not be construed to permit a person who is not licensed pursuant to chapter 156 to make funeral arrangements.

2008 Acts, ch 1051, §8, 22; 2008 Acts, ch 1191, §124; 2009 Acts, ch 133, §46

**144C.4 Reliance — immunities.**

1. A designee or third party who relies in good faith on a declaration is not subject to civil liability or to criminal prosecution or professional disciplinary action to any greater extent than if the designee or third party dealt directly with the declarant as a fully competent and living person.

2. A designee or third party who relies in good faith on a declaration may presume, in the absence of actual knowledge to the contrary, all of the following:

*a.* That the declaration was validly executed.

*b.* That the declarant was competent at the time the declaration was executed.

3. A third party who relies in good faith on a declaration is not subject to civil or criminal liability for the proper application of property delivered or surrendered in compliance with decisions made by the designee including but not limited to trust funds held pursuant to chapter 523A.

4. A third party who has reasonable cause to question the authenticity or validity of

a declaration may promptly and reasonably seek additional information from the person proffering the declaration or from other persons to verify the declaration.

5. The state medical examiner or a county medical examiner shall not be subject to civil liability or to criminal prosecution or professional disciplinary action for releasing a decedent's remains to a person who is not a designee or alternate designee.

6. This section shall not be construed to impair any contractual obligations of a designee or third party incurred in fulfillment of a declaration.

2008 Acts, ch 1051, §9, 22

**144C.5 Final disposition of remains — right to control.**

1. The right to control final disposition of a decedent's remains or to make arrangements for the ceremony after a decedent's death vests in and devolves upon the following persons who are competent adults at the time of the decedent's death, in the following order:

*a.* A designee, or alternate designee, acting pursuant to the decedent's declaration.

*b.* The surviving spouse of the decedent, if not legally separated from the decedent, whose whereabouts is reasonably ascertainable.

*c.* A surviving child of the decedent, or, if there is more than one, a majority of the surviving children whose whereabouts are reasonably ascertainable.

*d.* The surviving parents of the decedent whose whereabouts are reasonably ascertainable.

*e.* A surviving grandchild of the decedent, or, if there is more than one, a majority of the surviving grandchildren whose whereabouts are reasonably ascertainable.

*f.* A surviving sibling of the decedent, or, if there is more than one, a majority of the surviving siblings whose whereabouts are reasonably ascertainable.

*g.* A surviving grandparent of the decedent, or, if there is more than one, a majority of the surviving grandparents whose whereabouts are reasonably ascertainable.

*h.* A person in the next degree of kinship to the decedent in the order named by law to inherit the estate of the decedent under the rules of inheritance for intestate succession or, if there is more than one, a majority of such surviving persons whose whereabouts are reasonably ascertainable.

*i.* A person who represents that the person knows the identity of the decedent and who signs an affidavit warranting the identity of the decedent and assuming the right to control final disposition of the decedent's remains and the responsibility to pay any expense attendant to such final disposition. A person who warrants the identity of the decedent pursuant to this paragraph is liable for all damages that result, directly or indirectly, from that warrant.

*j.* The county medical examiner, if responsible for the decedent's remains.

2. A third party may rely upon the directives of a person who represents that the person is a member of a class of persons described in subsection 1, paragraph "*c*", "*e*", "*f*", "*g*", or "*h*", and who signs an affidavit stating that all other members of the class, whose whereabouts are reasonably ascertainable, have been notified of the decedent's death and the person has received the assent of a majority of those members of that class of persons to control final disposition of the decedent's remains and to make arrangements for the performance of a ceremony for the decedent.

3. A third party may await a court order before proceeding with final disposition of a decedent's remains or arrangements for the performance of a ceremony for a decedent if the third party is aware of a dispute among persons who are members of the same class of persons described in subsection 1, or of a dispute between persons who are authorized under subsection 1 and the executor named in a decedent's will or a personal representative appointed by the court.

2008 Acts, ch 1051, §10, 22

Referred to in §142.1, 144.34, 144.56, 144C.2, 144C.8, 331.802, 331.804, 331.805, 523I.309

Section applies to all deaths occurring on or after July 1, 2008, except that subsection 1, paragraph a, applies only to a designee or alternate designee designated in a declaration that is executed on or after July 1, 2008; 2008 Acts, ch 1051, §22

**144C.6 Declaration of designee — form — requirements.**

1. A declaration executed pursuant to this chapter may but need not be in the following form:

I hereby designate ..... as my designee. My designee shall have the sole responsibility for making decisions concerning the final disposition of my remains and the ceremonies to be performed after my death. This declaration hereby revokes all prior declarations. This designation becomes effective upon my death.

My designee shall act in a manner that is reasonable under the circumstances.

I may revoke or amend this declaration at any time. I agree that a third party (such as a funeral or cremation establishment, funeral director, or cemetery) who receives a copy of this declaration may act in reliance on it. Revocation of this declaration is not effective as to a third party until the third party receives notice of the revocation. My estate shall indemnify my designee and any third party for costs incurred by them or claims arising against them as a result of their good faith reliance on this declaration.

I execute this declaration as my free and voluntary act.

2. A declaration executed pursuant to this chapter shall be in a written form that substantially complies with the form in subsection 1, is properly completed, is contained in or attached to a durable power of attorney for health care under chapter 144B, and is dated and signed by the declarant or another person acting on the declarant's behalf at the direction of and in the presence of the declarant. In addition, a declaration shall be either of the following:

*a.* Signed by at least two individuals who are not named therein and who, in the presence of each other and the declarant, witnessed the signing of the declaration by the declarant, or another person acting on the declarant's behalf at the direction of and in the presence of the declarant, and witnessed the signing of the declaration by each other.

*b.* Acknowledged before a notarial officer as provided in chapter 9B.

3. A declaration may include the location of an agreement for prearranged funeral services or funeral merchandise as defined in and executed under chapter 523A, cemetery lots owned by or reserved for the declarant, and special instructions regarding organ donation consistent with chapter 142C.

4. A declaration for disposition of remains made by a service member who died while performing military duty as defined in section 29A.1, subsection 3, 8, or 12, on forms provided and authorized by the department of defense for service members for this purpose shall constitute a valid declaration of designee for purposes of this chapter.

2008 Acts, ch 1051, §11, 22; 2010 Acts, ch 1170, §3; 2011 Acts, ch 47, §8; 2012 Acts, ch 1050, §39, 60; 2012 Acts, ch 1072, §33

**144C.7 Revocation of declaration.**

1. A declaration is revocable by a declarant in a writing signed and dated by the declarant.

2. Unless otherwise expressly provided in a declaration:

*a.* A dissolution of marriage, annulment of marriage, or legal separation between the declarant and the declarant's spouse that occurs subsequent to the execution of the declaration constitutes an automatic revocation of the spouse as a designee.

*b.* A designation of a person as a designee pursuant to a declaration is ineffective if the designation is revoked by the declarant in writing subsequent to the execution of the declaration or if the designee is unable or unwilling to serve as the designee.

2008 Acts, ch 1051, §12, 22

**144C.8 Forfeiture of designee's authority.**

A designee shall forfeit all rights and authority under a declaration and all rights and authority under the declaration shall vest in and devolve upon an alternate designee, or if there is none, vest in and devolve pursuant to section 144C.5, under either of the following circumstances:

1. The designee is charged with murder in the first or second degree or voluntary manslaughter in connection with the declarant's death and those charges are known to a third party.

2. The designee does not exercise the designee's authority under the declaration within twenty-four hours of receiving notification of the death of the declarant or within forty hours of the declarant's death, whichever is earlier.

2008 Acts, ch 1051, §13, 22

**144C.9 Interstate effect of declaration.**

Unless otherwise expressly provided in a declaration:

1. It is presumed that the declarant intended to have a declaration executed pursuant to this chapter have the full force and effect of law in any state of the United States, the District of Columbia, and any other territorial possessions of the United States.

2. A declaration or similar instrument executed in another state that complies with the requirements of this chapter may be relied upon, in good faith, by the designee, an alternate designee, and a third party in this state so long as the declaration is not invalid, illegal, or unconstitutional in this state.

2008 Acts, ch 1051, §14, 22

**144C.10 Effect of declaration.**

1. The designee designated in a declaration shall have the sole discretion pursuant to the declaration to determine what final disposition of the declarant's remains and ceremonies to be performed after the declarant's death are reasonable under the circumstances.

2. The most recent declaration executed by a declarant shall control.

3. This chapter does not prohibit a person from conducting a separate ceremony to commemorate a declarant, at the person's expense, to assist in the bereavement process.

4. The rights of a donee created by an anatomical gift pursuant to chapter 142C are superior to the authority of a designee under a declaration executed pursuant to this chapter.

2008 Acts, ch 1051, §15, 22; 2010 Acts, ch 1032, §1

**144C.11 Practice of mortuary science.**

This chapter shall not be construed to authorize the unlicensed practice of mortuary science as provided in chapter 156.

2008 Acts, ch 1051, §16, 22

# CHAPTER 144D

## PHYSICIAN ORDERS FOR SCOPE OF TREATMENT

Legislative findings; 2012 Acts, ch 1008, §1

144D.1 Definitions.
144D.2 Physician orders for scope of treatment (POST) form.
144D.3 Compliance with POST form.
144D.4 General provisions.

**144D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advanced registered nurse practitioner"* means an advanced registered nurse practitioner licensed pursuant to chapter 152 or 152E.

2. *"Department"* means the department of public health.

3. *"Emergency medical care provider"* means emergency medical care provider as defined in section 147A.1.

4. *"Health care facility"* means health care facility as defined in section 135C.1, a hospice program as defined in section 135J.1, an elder group home as defined in section 231B.1, and an assisted living program as defined in section 231C.2.

5. *"Health care provider"* means an individual, including an emergency medical care provider and an individual providing home and community-based services, and including a home health agency, licensed, certified, or otherwise authorized or permitted by the law of this state to administer health care in the ordinary course of business or in the practice of a profession.

6. *"Home health agency"* means home health agency as defined in 42 C.F.R. pt. 484.

7. *"Hospital"* means hospital as defined in section 135B.1.

8. *"Legal representative"* means an individual authorized to execute a POST form on behalf of a patient who is not competent to do so, in the order of priority set out in section 144A.7, subsection 1, and guided by the express or implied intentions of the patient or, if such intentions are unknown, by the patient's best interests given the patient's overall medical condition and prognosis.

9. *"Patient"* means an individual who is frail and elderly or who has a chronic, critical medical condition or a terminal illness and for which a physician orders for scope of treatment is consistent with the individual's goals of care.

10. *"Physician"* means a person licensed to practice medicine and surgery or osteopathic medicine and surgery in this state.

11. *"Physician assistant"* means a person licensed as a physician assistant under chapter 148C.

12. *"Physician orders for scope of treatment form"* or *"POST form"* means a document containing medical orders which may be relied upon across medical settings that consolidates and summarizes a patient's preferences for life-sustaining treatments and interventions and acts as a complement to and does not supersede any valid advance directive.

2012 Acts, ch 1008, §2

**144D.2 Physician orders for scope of treatment (POST) form.**

1. The POST form shall be a uniform form based upon the national physician orders for life-sustaining treatment paradigm form. The form shall have all of the following characteristics:

*a.* The form shall include the patient's name and date of birth.

*b.* The form shall be signed and dated by the patient or the patient's legal representative.

*c.* The form shall be signed and dated by the patient's physician, advanced registered nurse practitioner, or physician assistant.

*d.* If preparation of the form was facilitated by an individual other than the patient's physician, advanced registered nurse practitioner, or physician assistant, the facilitator shall also sign and date the form.

*e.* The form shall include the patient's wishes regarding the care of the patient, including but not limited to all of the following:

(1) The administration of cardiopulmonary resuscitation.

(2) The level of medical interventions in the event of a medical emergency.

(3) The use of medically administered nutrition by tube.

(4) The rationale for the orders.

*f.* The form shall be easily distinguishable to facilitate recognition by health care providers, hospitals, and health care facilities.

*g.* An incomplete section on the form shall imply the patient's wishes for full treatment for the type of treatment addressed in that section.

2. The department shall prescribe the uniform POST form and shall post the form on the department's internet site for public availability.

2012 Acts, ch 1008, §3; 2013 Acts, ch 90, §257

Code editor directive applied

**144D.3 Compliance with POST form.**

1. A POST form executed in this state or another state or jurisdiction in compliance with the law of that state or jurisdiction shall be deemed valid and enforceable in this state to the extent the form is consistent with the laws of this state, and may be accepted by a health care provider, hospital, or health care facility.

2. A health care provider, hospital, or health care facility may comply with an executed POST form, notwithstanding that the physician, advanced registered nurse practitioner, or physician assistant who signed the POST form does not have admitting privileges at the hospital or health care facility providing health care or treatment.

3. A POST form may be revoked at any time and in any manner by which the patient or a patient's legal representative is able to communicate the patient's intent to revoke, without regard to the patient's mental or physical condition. A revocation is only effective as to the health care provider, hospital, or health care facility upon communication to the health care provider, hospital, or health care facility by the patient, the patient's legal representative, or by another to whom the revocation was communicated.

4. In the absence of actual notice of the revocation of a POST form, a health care provider, hospital, health care facility, or any other person who complies with a POST form shall not be subject to civil or criminal liability or professional disciplinary action for actions taken under this chapter which are in accordance with reasonable medical standards. A health care provider, hospital, health care facility, or other person against whom criminal or civil liability or professional disciplinary action is asserted because of conduct in compliance with this chapter may interpose the restriction on liability in this subsection as an absolute defense.

5. A health care provider, hospital, or health care facility that is unwilling to comply with an executed POST form based on policy, religious beliefs, or moral convictions shall take all reasonable steps to transfer the patient to another health care provider, hospital, or health care facility.

2012 Acts, ch 1008, §4; 2012 Acts, ch 1138, §50

**144D.4 General provisions.**

1. If an individual is a qualified patient as defined in section 144A.2, the individual's declaration executed under chapter 144A shall control health care decision making for the individual in accordance with chapter 144A. If an individual has not executed a declaration pursuant to chapter 144A, health care decision making relating to life-sustaining procedures for the individual shall be governed by section 144A.7. A POST form shall not supersede a declaration executed pursuant to chapter 144A.

2. If an individual has executed a durable power of attorney for health care pursuant to chapter 144B, the individual's durable power of attorney for health care shall control health care decision making for the individual in accordance with chapter 144B. A POST form shall not supersede a durable power of attorney for health care executed pursuant to chapter 144B.

3. If the individual's physician has issued an out-of-hospital do-not-resuscitate order pursuant to section 144A.7A, the POST form shall not supersede the out-of-hospital do-not-resuscitate order.

4. Death resulting from the withholding or withdrawal of life-sustaining procedures pursuant to an executed POST form and in accordance with this chapter does not, for any purpose, constitute a suicide, homicide, or dependent adult abuse.

5. The executing of a POST form does not affect in any manner the sale, procurement, or issuance of any policy of life insurance, nor shall it be deemed to modify the terms of an existing policy of life insurance. A policy of life insurance is not legally impaired or invalidated in any manner by the withholding or withdrawal of life-sustaining procedures pursuant to this chapter notwithstanding any term of the policy to the contrary.

6. A health care provider, hospital, health care facility, health care service plan, insurer issuing disability insurance, self-insured employee welfare benefit plan, or nonprofit hospital plan shall not require any person to execute a POST form as a condition of being insured for, or receiving, health care services.

7. This chapter does not create a presumption concerning the intention of an individual who has not executed a POST form with respect to the use, withholding, or withdrawal of life-sustaining procedures in the event of a terminal condition.

8. This chapter shall not be interpreted to affect the right of an individual to make decisions regarding use of life-sustaining procedures as long as the individual is able to do so, nor to impair or supersede any right or responsibility that any person has to effect

the withholding or withdrawal of medical care in any lawful manner. In that respect, the provisions of this chapter are cumulative.

9. This chapter shall not be construed to condone, authorize, or approve mercy killing or euthanasia, or to permit any affirmative or deliberate act or omission to end life other than to permit the natural process of dying.

10. A POST form executed between July 1, 2008, and June 30, 2012, as part of the patient autonomy in health care decisions pilot project created pursuant to 2008 Iowa Acts, chapter 1188, section 36, as amended by 2010 Iowa Acts, chapter 1192, section 58, shall remain effective until revoked or until a new POST form is executed pursuant to this chapter.

2012 Acts, ch 1008, §5; 2012 Acts, ch 1133, §95

# CHAPTER 145

RESERVED

# CHAPTER 145A

## AREA HOSPITALS

Referred to in §21.5, 97B.52A, 331.361, 331.382, 347.14, 347.25, 476B.1

Consolidation of hospital service; see chapter 348


145A.1 Consolidation for purpose.
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**145A.1 Consolidation for purpose.**

Any of the political subdivisions of this state may consolidate to acquire and operate an area hospital for the purpose of providing hospital service for all residents of such area.

[C71, 73, 75, 77, 79, 81, §145A.1]

**145A.2 Definitions.**

As used in this chapter, unless the context indicates otherwise:

1. *"Area hospital"* means a hospital established and operated by a merged area.
2. *"Board"* means the board of trustees of an area hospital.
3. *"Merged area"* means a public corporation formed by the residents of two or more contiguous or noncontiguous political subdivisions which have merged resources to establish and operate an area hospital.
4. *"Officials"* means the respective governing bodies of political subdivisions.
5. *"Political subdivision"* means any county, township, school district or city.

[C71, 73, 75, 77, 79, 81, §145A.2]

85 Acts, ch 123, §1, 2

**145A.3 Official planning — maximum levy.**

The officials of a political subdivision may plan the formation of a public corporation as a merged area to establish and operate an area hospital. In planning for an area hospital, a county board of supervisors may exclude from the merged area any township of the county which the board of supervisors determines would not sufficiently benefit by the merger and the portion of the county not so excluded shall constitute one public corporation for the purposes of this chapter. Plans for an area hospital shall include the maximum amount to be levied for debt service and operation and maintenance of the area hospital in the portion of the merged area within each political subdivision taking part in the merger. However, the maximum tax rates for the various political subdivisions may vary as the officials determine, based upon the need for hospital service of the residents of each political subdivision, the proximity of the residents to the proposed location of the hospital, the property values within the subdivision, and the expected service benefits to the residents of each subdivision by the proposed area hospital.

[C71, 73, 75, 77, 79, 81, §145A.3]

85 Acts, ch 123, §3

Referred to in §145A.21, 347A.3

**145A.4 Plans.**

Officials of the various subdivisions may expend public funds for the purpose of formulating plans and in carrying out plans for a merged area and may arrive at an equitable distribution of costs to be paid by each participating political subdivision.

[C71, 73, 75, 77, 79, 81, §145A.4]

Referred to in §145A.21, 347A.3

**145A.5 Order of approval.**

When a plan is approved, the officials approving the plan shall jointly issue an order of approval. The order shall specify the area to be merged, the maximum rate of tax to be levied for debt service and operation and maintenance of the proposed area hospital in the portion of the merged area within each political subdivision, the proposed location of the hospital building, the estimated cost of the establishment of the hospital, and any other details concerning the establishment and operation of the hospital the officials deem pertinent. The order shall be published in one or more newspapers which have general circulation within the merged area once each week for three consecutive weeks, but the newspapers selected need not be published in the merged area. The published order shall contain a notice to the residents of each subdivision of the proposed merged area that if the residents fail to protest as provided in this chapter, the order shall be deemed approved upon the expiration of a sixty-day period following the date of the last published notice.

[C71, 73, 75, 77, 79, 81, §145A.5]

85 Acts, ch 123, §4

Referred to in §145A.21, 347A.3

**145A.6 Petition of protest.**

The plans formulated for the area hospital shall be deemed approved unless, within sixty days after the third and final publication of the order, a petition protesting the proposed plan containing the signatures of at least five percent of the registered voters of any political subdivision within the proposed merged area is filed with the respective officials of the protesting petitioners.

[C71, 73, 75, 77, 79, 81, §145A.6]

2001 Acts, ch 56, §8

Referred to in §145A.21

**145A.7 Special election.**

When a protesting petition is received, the officials receiving the petition shall call a special election of all registered voters of that political subdivision upon the question of approving or rejecting the order setting out the proposed merger plan. The election shall be held on a date specified in section 39.2, subsection 4, paragraph *"a"* or *"b"*, as applicable. The vote will

be taken by ballot in the form provided by sections 49.43 to 49.47, and the election shall be initiated and held as provided in chapter 49. A majority vote of those registered voters voting at the special election shall be sufficient to approve the order and thus include the political subdivision within the merged area.

[C71, 73, 75, 77, 79, 81, §145A.7]

2001 Acts, ch 56, §9; 2008 Acts, ch 1115, §31, 71

Referred to in §145A.21

**145A.8 Effect on other subdivisions.**

A protest petition filed in one political subdivision shall have no effect upon the other political subdivisions of the proposed merged area; and in the portion of the proposed area where no protest petition is filed within sixty days after the last published notice, the residents of that portion of the area shall be deemed to have approved the proposed plan, and shall not take part in any special election.

[C71, 73, 75, 77, 79, 81, §145A.8]

Referred to in §145A.21

**145A.9 Continuance or abandonment.**

If the voters at the special election approve by a majority vote the proposed plan, then the plan may be carried out as originally proposed. However, if the voters of any political subdivision within the proposed area reject the plan as set out in the original order, then said original order shall be wholly nullified.

[C71, 73, 75, 77, 79, 81, §145A.9]

Referred to in §145A.21

**145A.10 Board of hospital trustees.**

Upon acceptance of a plan, the officials of the merged area acting as a committee of the whole shall appoint a board of hospital trustees. The board of trustees shall then meet, elect a chairperson and adopt such rules for the organization of the board as may be necessary. The number and composition of the board shall be determined by the committee appointing the board; but as a matter of public policy the committee is directed to apportion the board into area districts in such a way that the residents of all of the merged area will be represented as nearly equally as possible on the board.

[C71, 73, 75, 77, 79, 81, §145A.10]

**145A.11 Terms of members.**

The terms of members of the board shall be four years, except that members of the initial board shall determine their respective terms by lot so that the terms of one-half of the members, as nearly as may be, shall expire at the next general election. The remaining initial terms shall expire at the following general election. The successors of the initial board shall be chosen from area districts at regular elections, and shall be nominated and elected in the same manner as county hospital trustees as provided in section 347.25, except that nomination papers on behalf of a candidate shall be signed by not less than twenty-five eligible electors from the area district.

[C71, 73, 75, 77, 79, 81, §145A.11]

**145A.12 Operation and management.**

The board shall govern the operation and management of the area hospital and may do all things necessary to establish and operate the hospital. The board has all the general powers, duties, and responsibilities of the trustees of county public hospitals as set out in sections 347.13 and 347.14 and may enter into contracts for the operation and management of area hospital facilities.

[C71, 73, 75, 77, 79, 81, §145A.12]

85 Acts, ch 123, §5

**145A.13 Political status.**

A merged area as a public corporation formed under this chapter may exercise the powers granted under this chapter, and may sue and be sued, purchase and sell property, incur indebtedness in accordance with constitutional limitations, and exercise all the powers granted by law and other powers incident to public corporations of like character and not inconsistent with the laws of this state.

[C71, 73, 75, 77, 79, 81, §145A.13]

85 Acts, ch 123, §6

**145A.14 Budget for operation.**

The board shall prepare an annual budget designating the proposed expenditures for operation of the area hospital and payment of bonded indebtedness, and the amount to be raised by taxation, following the requirements of chapter 24. The board shall prorate the amount to be raised for operations by local taxation among the respective political subdivisions forming a part of the merged area in the proportion that the product of the value of taxable property and the maximum tax levy rate in each political subdivision bears to the total product of the value of taxable property and the maximum tax levy rate in the entire merged area, as set out in the published order of merger. The board of hospital trustees shall certify the amount so determined to the respective levying officials of the affected counties, and the officials shall levy a tax sufficient to raise the annual budget. Taxes collected pursuant to the levy shall be paid by the respective county treasurers to the treasurer of the area hospital in the same manner that school taxes are paid to local school districts.

[C71, 73, 75, 77, 79, 81, §145A.14]

85 Acts, ch 123, §7

Referred to in §145A.18, 347A.3

**145A.15 Treasurer of hospital.**

If the area hospital is located within the corporate limits of any city, the city treasurer shall act as treasurer of the area hospital; and if the area hospital is located outside the limits of any city, the county treasurer shall act as the treasurer of the area hospital; provided, however, the board may appoint some other person to serve as treasurer. The board may require that the treasurer furnish appropriate bond for faithful performance of the treasurer's duties.

[C71, 73, 75, 77, 79, 81, §145A.15]

Referred to in §331.552

**145A.16 Funds to aid hospital.**

In addition to revenue derived by tax levy, the board of hospital trustees of a merged area shall be authorized to receive and expend:

1. Federal funds which may be available by federal laws, rules and regulations.
2. State aid which may be available by state laws and rules.
3. Fees and expenses charged to persons using the facilities of the hospital.
4. Donations and gifts which may be accepted by the hospital trustees and expended in accordance with the terms of the gift without compliance with the local budget law, chapter 24.

[C71, 73, 75, 77, 79, 81, §145A.16]

2004 Acts, ch 1086, §41

**145A.17 Indebtedness and bonds.**

Boards of hospital trustees may by resolution acquire sites and buildings by purchase, lease, construction, or otherwise, for use by area hospitals and may by resolution contract indebtedness on behalf of the merged area and issue bonds bearing interest at a rate not exceeding the rate of interest permitted by chapter 74A, to raise funds in accordance with chapter 75 for the purpose of acquiring the sites and buildings.

[C71, 73, 75, 77, 79, 81, §145A.17]

85 Acts, ch 123, §8

Referred to in §145A.18

**145A.18 Taxes.**

Taxes for the payment of bonds issued under section 145A.17 shall be levied in accordance with chapter 76 and in the same proportion as provided in section 145A.14. Any indebtedness incurred shall not be considered an indebtedness incurred for general and ordinary purposes.

[C71, 73, 75, 77, 79, 81, §145A.18]

85 Acts, ch 123, §9

**145A.19 Special tax.**

In addition to the tax authorized in connection with the annual budget and with the issuance of bonds, the voters in any merged area may at any regular election vote a special tax for a period not to exceed five years for the purchase of grounds, purchase or construction of buildings, purchase of equipment, and for the purpose of maintaining, remodeling, improving, or expanding the hospital area. Such a tax shall not exceed one-fourth of the maximum levy of each political subdivision as set out in the published order of merger, but the total tax levy for annual budget, bonds, and special purposes shall not exceed the maximum levy as proposed in the published order of merger.

[C71, 73, 75, 77, 79, 81, §145A.19]

**145A.20 Revenue bonds.**

In addition to any other provisions of this chapter and for the purpose of acquiring, constructing, equipping, enlarging, or improving a hospital building or any part of a hospital building, merged areas may issue revenue bonds and the board has all the powers and duties of a county board of supervisors as provided in chapter 331, division IV, part 4 and section 347A.3.

[C71, 73, 75, 77, 79, 81, §145A.20]

83 Acts, ch 101, §25; 85 Acts, ch 123, §10

Referred to in §347A.3

**145A.21 Amendment of plan of merger — procedures — qualifications.**

A plan of merger once approved may be amended. An amendment shall be formulated and approved in the same manner and subject to the same limitations as provided in sections 145A.3 through 145A.9 for the formulation and approval of an original plan of merger. However, an amendment to a plan of merger shall not in any way impair the obligation of or source of payment for bonds or other indebtedness duly contracted prior to the effective date of the amendment to the plan of merger.

85 Acts, ch 123, §11

**145A.22 Actions subject to contest of elections — filing actions — limitation.**

A special election called to approve or reject an original plan of merger or an amendment to an approved plan of merger is subject to the provisions for contest of elections for public measures set forth in chapter 57. Except as provided with respect to election contests, after one hundred twenty days following the third and final publication of the order of approval of the plan or amendment to the plan of merger, an action shall not be filed to contest the regularity of the proceedings with respect to a plan of merger or amendment to a plan of merger. After one hundred twenty days the organization of the merged area is conclusively presumed to have been lawful.

85 Acts, ch 123, §12

# CHAPTER 145B

## DOGS FOR SCIENTIFIC RESEARCH

Repealed by 2008 Acts, ch 1058, §24

# CHAPTER 146

## ABORTIONS — REFUSAL TO PERFORM

Referred to in §135.1, 135.11, 135L.1

146.1 Liability of persons relating to performance of abortions.
146.2 Liability of hospitals refusing to perform abortions.

**146.1 Liability of persons relating to performance of abortions.**

An individual who may lawfully perform, assist, or participate in medical procedures which will result in an abortion shall not be required against that individual's religious beliefs or moral convictions to perform, assist, or participate in such procedures. A person shall not discriminate against any individual in any way, including but not limited to employment, promotion, advancement, transfer, licensing, education, training or the granting of hospital privileges or staff appointments, because of the individual's participation in or refusal to participate in recommending, performing, or assisting in an abortion procedure. For the purposes of this chapter, "*abortion*" means the termination of a human pregnancy with the intent other than to produce a live birth or to remove a dead fetus. Abortion does not include medical care which has as its primary purpose the treatment of a serious physical condition requiring emergency medical treatment necessary to save the life of a mother.

[C77, 79, 81, §146.1]

Referred to in §707.8A

**146.2 Liability of hospitals refusing to perform abortions.**

A hospital, which is not controlled, maintained and supported by a public authority, shall not be required to permit the performance of an abortion. The refusal to permit such procedures shall not be grounds for civil liability to any person nor a basis for any disciplinary or other recriminatory action against the hospital.

[C77, 79, 81, §146.2]

# SUBTITLE 3

## HEALTH-RELATED PROFESSIONS

Referred to in §135.11, 142D.2, 514F.2

# CHAPTER 147

## GENERAL PROVISIONS, HEALTH-RELATED PROFESSIONS

Referred to in §135.11A, 135.61, 135G.1, 148.2A, 148.14, 148A.1, 148B.2, 148C.1, 148C.10, 148C.13, 148E.1, 148E.7, 148E.8, 148F.3, 149.1, 151.1A, 152.1, 152.4, 152.11, 152A.1, 152B.1, 152B.11, 152C.1, 152D.1, 152D.5, 153.12, 153.33, 154.1, 154B.6, 154C.1, 154C.4, 154C.7, 154D.1, 154D.3, 154D.4, 154E.1, 154E.2, 154E.3, 155.1, 155.4, 155.9, 155A.6, 155A.6A, 155A.6B, 155A.12, 155A.23, 155A.40, 225C.6, 225D.1, 235A.15, 235B.6, 272C.1, 272C.2A, 272C.2B, 272C.6, 489.1101, 514C.28, 519A.2, 614.1, 707A.1

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## DEFINITIONS

**147.1 Definitions.**

For the purpose of this and the following chapters of this subtitle:

1. *"Board"* means one of the boards enumerated in section 147.13 or any other board established in this subtitle whose members are appointed by the governor to license applicants and impose licensee discipline as authorized by law.

2. *"Department"* means the department of public health.

3. *"Licensed"* or *"certified"*, when applied to a physician and surgeon, podiatric physician, osteopathic physician and surgeon, physician assistant, psychologist, chiropractor, nurse, dentist, dental hygienist, dental assistant, optometrist, speech pathologist, audiologist, pharmacist, physical therapist, physical therapist assistant, occupational therapist, occupational therapy assistant, orthotist, prosthetist, pedorthist, respiratory care practitioner, practitioner of cosmetology arts and sciences, practitioner of barbering, funeral director, dietitian, marital and family therapist, mental health counselor, social worker, massage therapist, athletic trainer, acupuncturist, nursing home administrator, hearing aid dispenser, or sign language interpreter or transliterator means a person licensed under this subtitle.

4. *"Peer review"* means evaluation of professional services rendered by a person licensed to practice a profession.

5. *"Peer review committee"* means one or more persons acting in a peer review capacity who also serve as an officer, director, trustee, agent, or member of any of the following:

*a.* A state or local professional society of a profession for which there is peer review.

*b.* Any organization approved to conduct peer review by a society as designated in paragraph *"a"* of this subsection.

*c.* The medical staff of any licensed hospital.

*d.* A board enumerated in section 147.13 or any other board established in this subtitle which is appointed by the governor to license applicants and impose licensee discipline as authorized by law.

*e.* The board of trustees of a licensed hospital when performing a function relating to the reporting required by section 147.135, subsection 3.

*f.* A health care entity, including but not limited to a group medical practice, that provides health care services and follows a formal peer review process for the purpose of furthering quality health care.

6. *"Profession"* means medicine and surgery, podiatry, osteopathic medicine and surgery, practice as a physician assistant, psychology, chiropractic, nursing, dentistry, dental hygiene, dental assisting, optometry, speech pathology, audiology, pharmacy, physical therapy, physical therapist assisting, occupational therapy, occupational therapy assisting, respiratory care, cosmetology arts and sciences, barbering, mortuary science, marital and family therapy, mental health counseling, social work, dietetics, massage therapy, athletic training, acupuncture, nursing home administration, hearing aid dispensing, sign language interpreting or transliterating, orthotics, prosthetics, or pedorthics.

[C24, 27, 31, 35, 39, §**2438;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.1]

84 Acts, ch 1075, §6; 85 Acts, ch 168, §1; 86 Acts, ch 1211, §13; 87 Acts, ch 91, §6; 88 Acts, ch 1225, §2; 89 Acts, ch 89, §4, 5; 91 Acts, ch 229, §1; 92 Acts, ch 1205, §13; 94 Acts, ch 1132, §10; 95 Acts, ch 41, §8; 95 Acts, ch 108, §3; 96 Acts, ch 1036, §3, 4; 96 Acts, ch 1109, §1; 96 Acts, ch 1219, §20; 98 Acts, ch 1053, §2, 3; 2000 Acts, ch 1053, §1; 2000 Acts, ch 1148, §1; 2004 Acts, ch 1175, §419, 420, 433; 2007 Acts, ch 10, §26, 27; 2008 Acts, ch 1088, §1; 2012 Acts, ch 1101, §1

Referred to in §148F.4

## LICENSES

**147.2 License required.**

1. A person shall not engage in the practice of medicine and surgery, podiatry, osteopathic medicine and surgery, psychology, chiropractic, physical therapy, physical therapist assisting, nursing, dentistry, dental hygiene, dental assisting, optometry, speech pathology, audiology, occupational therapy, occupational therapy assisting, orthotics, prosthetics, pedorthics, respiratory care, pharmacy, cosmetology arts and sciences, barbering, social work, dietetics, marital and family therapy or mental health counseling, massage therapy, mortuary science, athletic training, acupuncture, nursing home administration, hearing aid dispensing, or sign language interpreting or transliterating, or shall not practice as a physician assistant, unless the person has obtained a license for that purpose from the board for the profession.

2. For purposes of this section, a person who is licensed in another state and recognized for licensure in this state pursuant to the nurse licensure compact contained in section 152E.1 or pursuant to the advanced practice registered nurse compact contained in section 152E.3 shall be considered to have obtained a license to practice nursing.

[C97, §2582, 2588; S13, §2575-a28, -a31, -a36, 2582, 2583-a, -d, -r, 2600-o4; SS15, §2588; C24, 27, 31, 35, 39, §**2439;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.2]

85 Acts, ch 168, §2; 88 Acts, ch 1225, §3; 96 Acts, ch 1035, §1; 96 Acts, ch 1036, §5; 98 Acts, ch 1050, §1, 5; 2000 Acts, ch 1008, §1; 2000 Acts, ch 1053, §2; 2000 Acts, ch 1185, §1; 2004 Acts, ch 1045, §1; 2004 Acts, ch 1175, §421, 433; 2005 Acts, ch 53, §1; 2007 Acts, ch 10, §28; 2008 Acts, ch 1009, §1, 5; 2008 Acts, ch 1088, §2; 2012 Acts, ch 1101, §2

Referred to in §148.6

**147.3 Qualifications.**

An applicant for a license to practice a profession under this subtitle is not ineligible because of age, citizenship, sex, race, religion, marital status, or national origin, although the application form may require citizenship information. A board may consider the past criminal record of an applicant only if the conviction relates to the practice of the profession for which the applicant requests to be licensed.

[S13, §2575-a29, -a37, 2583-a, -1, 2600-d; C24, 27, 31, 35, 39, §**2440, 2567;** C46, 50, 54, 58, 62, 66, §147.3, 153.3; C71, 73, §147.3, 153.5; C75, 77, 79, 81, §147.3]

84 Acts, ch 1075, §7; 85 Acts, ch 168, §3; 88 Acts, ch 1225, §4; 94 Acts, ch 1132, §11; 96 Acts, ch 1036, §6; 98 Acts, ch 1053, §4; 2008 Acts, ch 1088, §3

Referred to in §152.7

**147.4 Grounds for refusing.**

A board may refuse to grant a license to practice a profession to any person otherwise qualified upon any of the grounds for which a license may be revoked or suspended.

[C97, §2578; S13, §2575-a33, -a41, 2578, 2583-c; C24, 27, 31, 35, 39, §**2441;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.4]

90 Acts, ch 1086, §1; 2008 Acts, ch 1088, §4

Grounds for revocation, see §147.55

**147.5 Certificate of license.**

1. Every license to practice a profession shall be in the form of a certificate under the seal of the board. Such license shall be issued in the name of the board.

2. This section shall not apply to a person who is licensed in another state and recognized for licensure in this state pursuant to the nurse licensure compact contained in section 152E.1 or pursuant to the advanced practice registered nurse compact contained in section 152E.3.

[C97, §2576, 2577, 2591; S13, §2575-a30, -a38, 2576, 2583-k, 2600-d; C24, 27, 31, 35, 39, §**2442;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.5]

2000 Acts, ch 1008, §2; 2000 Acts, ch 1140, §30; 2005 Acts, ch 53, §2; 2007 Acts, ch 10, §29; 2008 Acts, ch 1088, §5

Section not amended; editorial change applied

**147.6 Certificate presumptive evidence.**

Every license issued under this subtitle shall be presumptive evidence of the right of the holder to practice in this state the profession therein specified.

[C97, §2576; S13, §2575-a30, -a38, 2576, 2583-k, 2600-d; C24, 27, 31, 35, 39, §**2443;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.6]

94 Acts, ch 1132, §12; 96 Acts, ch 1036, §7; 98 Acts, ch 1053, §5

**147.7 Display of license.**

1. A board may require every person licensed by the board to display the license and evidence of current renewal publicly in a manner prescribed by the board.

2. This section shall not apply to a person who is licensed in another state and recognized for licensure in this state pursuant to the nurse licensure compact contained in section 152E.1 or pursuant to the advanced practice registered nurse compact contained in section 152E.3. A person licensed in another state and recognized for licensure in this state pursuant to either compact shall, however, maintain a copy of a license issued by the person's home state available for inspection when engaged in the practice of nursing in this state.

[C97, §2591; S13, §2600-o1; C24, 27, 31, 35, 39, §**2444;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.7]

90 Acts, ch 1086, §2; 94 Acts, ch 1132, §13; 96 Acts, ch 1036, §8; 98 Acts, ch 1053, §6; 2000 Acts, ch 1008, §3; 2005 Acts, ch 53, §3; 2006 Acts, ch 1010, §54; 2008 Acts, ch 1088, §6

**147.8 Record of licenses.**

A board shall keep the following information available for public inspection for each person licensed by the board:

1. Name.
2. Address of record.
3. The number of the license.
4. The date of issuance of the license.

[C97, §2591; S13, §2575-a40, 2583-a, -k, 2600-d; C24, 27, 31, 35, 39, §**2445;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.8]

96 Acts, ch 1128, §5; 2008 Acts, ch 1088, §7; 2009 Acts, ch 41, §50

**147.9 Change of address.**

Every person licensed pursuant to this chapter shall notify the board which issued the license of a change in the person's address of record within a time period established by board rule.

[C97, §2591; C24, 27, 31, 35, 39, §**2446;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.9]

90 Acts, ch 1086, §3; 94 Acts, ch 1132, §14; 96 Acts, ch 1036, §9; 98 Acts, ch 1053, §7; 2008 Acts, ch 1088, §8

**147.10 Renewal.**

1. Every license to practice a profession shall expire in multiyear intervals and be renewed as determined by the board upon application by the licensee. Each board shall establish rules for license renewal and concomitant fees. Application for renewal shall be made to the board accompanied by the required fee at least thirty days prior to the expiration of such license.

2. Each board may by rule establish a grace period following expiration of a license in which the license is not invalidated. Each board may assess a reasonable penalty for renewal of a license during the grace period. Failure of a licensee to renew a license within the grace period shall cause the license to become inactive or lapsed. A licensee whose license is inactive or lapsed shall not engage in the practice of the profession until the license is reactivated or reinstated.

[C97, §2590; S13, §2575-a39, 2589-d; C24, 27, 31, §2447; C35, §2447, 2573-g2 – 2573-g4; C39, §**2447, 2573.02 – 2573.04;** C46, 50, 54, 58, 62, 66, §147.10, 153.11 – 153.12; C71, 73, §147.10, 153.9, 153.10; C75, 77, 79, 81, §147.10]

2002 Acts, ch 1108, §12; 2008 Acts, ch 1088, §9

Referred to in §147.11, 148.6

**147.11 Reactivation and reinstatement.**

1. A licensee who allows the license to become inactive or lapsed by failing to renew the license, as provided in section 147.10, may reactivate the license upon payment of a reactivation fee and compliance with other terms established by board rule.

2. A licensee whose license has been revoked, suspended, or voluntarily surrendered must apply for and receive reinstatement of the license in accordance with board rule and must apply for and be granted reactivation of the license in accordance with board rule prior to practicing the profession.

[C24, 27, 31, 35, 39, §**2448;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.11]

2007 Acts, ch 10, §30; 2008 Acts, ch 1088, §10; 2009 Acts, ch 41, §51

## HEALTH PROFESSION BOARDS

**147.12 Health profession boards.**

1. The governor shall appoint, subject to confirmation by the senate, a board for each of the professions. The board members shall not be required to be members of professional societies or associations composed of members of their professions.

2. If a person who has been appointed by the governor to serve on a board has ever been disciplined in a contested case by the board to which the person has been appointed, all board statements of charges, settlement agreements, findings of fact, and orders pertaining to the disciplinary action shall be made available to the senate committee to which the appointment is referred at the committee's request before the full senate votes on the person's appointment.

[C97, §2576, 2584; S13, §2575-a29, -a37, 2576, 2583-a, -h, 2600-b; SS15, §2584; C24, 27, 31, 35, 39, §**2449;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.12]

88 Acts, ch 1128, §2; 94 Acts, ch 1132, §15; 96 Acts, ch 1036, §10; 98 Acts, ch 1053, §8; 2007 Acts, ch 10, §31; 2008 Acts, ch 1088, §11

Referred to in §147.13, 148.2A

Confirmation, see §2.32

Board of medicine alternate members, see §148.2A

**147.13 Designation of boards.**

The boards provided in section 147.12 shall be designated as follows:

1. For medicine and surgery, osteopathic medicine and surgery, and acupuncture, the board of medicine.
2. For physician assistants, the board of physician assistants.
3. For psychology, the board of psychology.
4. For podiatry, the board of podiatry.
5. For chiropractic, the board of chiropractic.
6. For physical therapy and occupational therapy, the board of physical and occupational therapy.
7. For nursing, the board of nursing.
8. For dentistry, dental hygiene, and dental assisting, the dental board.
9. For optometry, the board of optometry.
10. For speech pathology and audiology, the board of speech pathology and audiology.
11. For cosmetology arts and sciences, the board of cosmetology arts and sciences.
12. For barbering, the board of barbering.
13. For pharmacy, the board of pharmacy.
14. For mortuary science, the board of mortuary science.
15. For social work, the board of social work.
16. For marital and family therapy and mental health counseling, the board of behavioral science.
17. For dietetics, the board of dietetics.
18. For respiratory care, the board of respiratory care.
19. For massage therapy, the board of massage therapy.
20. For athletic training, the board of athletic training.

21. For interpreting, the board of sign language interpreters and transliterators.
22. For hearing aid dispensing, the board of hearing aid dispensers.
23. For nursing home administration, the board of nursing home administrators.
24. For orthotics, prosthetics, and pedorthics, the board of podiatry.

[C24, 27, 31, 35, 39, §**2450;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.13]

84 Acts, ch 1075, §8; 85 Acts, ch 168, §4; 88 Acts, ch 1225, §5; 91 Acts, ch 229, §2; 92 Acts, ch 1205, §14; 93 Acts, ch 86, §12; 96 Acts, ch 1036, §11; 98 Acts, ch 1053, §9; 2000 Acts, ch 1002, §1; 2004 Acts, ch 1175, §422, 433; 2006 Acts, ch 1155, §3, 15; 2007 Acts, ch 10, §32; 2007 Acts, ch 218, §197; 2008 Acts, ch 1088, §12, 141; 2009 Acts, ch 41, §52; 2012 Acts, ch 1101, §3

Referred to in §147.1, 147.82, 232.69, 235B.16, 280.13C, 422.7

**147.14 Composition of boards — quorum.**

1. The board members shall consist of the following:

*a.* For barbering, three members licensed to practice barbering, and two members who are not licensed to practice barbering and who shall represent the general public.

*b.* For medicine, five members licensed to practice medicine and surgery, two members licensed to practice osteopathic medicine and surgery, and three members not licensed to practice either medicine and surgery or osteopathic medicine and surgery, and who shall represent the general public.*

*c.* For nursing, four registered nurses, two of whom shall be actively engaged in practice, two of whom shall be nurse educators from nursing education programs; of these, one in higher education and one in area community and vocational-technical registered nurse education; one licensed practical nurse actively engaged in practice; and two members not registered nurses or licensed practical nurses and who shall represent the general public. The representatives of the general public shall not be members of health care delivery systems.

*d.* For dentistry, five members licensed to practice dentistry, two members licensed to practice dental hygiene, and two members not licensed to practice dentistry or dental hygiene and who shall represent the general public. The two dental hygienist board members and one dentist board member shall constitute a dental hygiene committee of the board as provided in section 153.33A.

*e.* For pharmacy, five members licensed to practice pharmacy and two members who are not licensed to practice pharmacy and who shall represent the general public.

*f.* For optometry, five members licensed to practice optometry and two members who are not licensed to practice optometry and who shall represent the general public.

*g.* For psychology, five members who are licensed to practice psychology and two members not licensed to practice psychology and who shall represent the general public. Of the five members who are licensed to practice psychology, one member shall be primarily engaged in graduate teaching in psychology or primarily engaged in research psychology, three members shall be persons who render services in psychology, and one member shall represent areas of applied psychology and may be affiliated with training institutions and shall devote a major part of the member's time to rendering service in psychology.

*h.* For chiropractic, five members licensed to practice chiropractic and two members who are not licensed to practice chiropractic and who shall represent the general public.

*i.* For speech pathology and audiology, five members licensed to practice speech pathology or audiology at least two of whom shall be licensed to practice speech pathology and at least two of whom shall be licensed to practice audiology, and two members who are not licensed to practice speech pathology or audiology and who shall represent the general public.

*j.* For physical therapy and occupational therapy, three members licensed to practice physical therapy, two members licensed to practice occupational therapy, and two members who are not licensed to practice physical therapy or occupational therapy and who shall represent the general public.

*k.* For dietetics, one licensed dietitian representing the approved or accredited dietetic education programs, one licensed dietitian representing clinical dietetics, one licensed dietitian representing community nutrition services, and two members who are not licensed dietitians and who shall represent the general public.

*l.* For the board of physician assistants, five members licensed to practice as physician assistants, at least two of whom practice in counties with a population of less than fifty thousand, one member licensed to practice medicine and surgery who supervises a physician assistant, one member licensed to practice osteopathic medicine and surgery who supervises a physician assistant, and two members who are not licensed to practice either medicine and surgery or osteopathic medicine and surgery or licensed as a physician assistant and who shall represent the general public. At least one of the physician or osteopathic physician members shall be in practice in a county with a population of less than fifty thousand.

*m.* For behavioral science, three members licensed to practice marital and family therapy, all of whom shall be practicing marital and family therapists; three members licensed to practice mental health counseling, one of whom shall be employed in graduate teaching, training, or research in mental health counseling and two of whom shall be practicing mental health counselors; and three members who are not licensed to practice marital and family therapy or mental health counseling and who shall represent the general public.

*n.* For cosmetology arts and sciences, a total of seven members, three who are licensed cosmetologists, one who is a licensed electrologist, esthetician, or nail technologist, one who is a licensed instructor of cosmetology arts and sciences at a public or private school and who does not own a school of cosmetology arts and sciences, and two who are not licensed in a practice of cosmetology arts and sciences and who shall represent the general public.

*o.* For respiratory care, one licensed physician with training in respiratory care, three respiratory care practitioners who have practiced respiratory care for a minimum of six years immediately preceding their appointment to the board and who are recommended by the society for respiratory care, and one member not licensed to practice medicine, osteopathic medicine, or respiratory care who shall represent the general public.

*p.* For mortuary science, four members licensed to practice mortuary science, one member owning, operating, or employed by a crematory, and two members not licensed to practice mortuary science and not a crematory owner, operator, or employee who shall represent the general public.

*q.* For massage therapists, four members licensed to practice massage therapy and three members who are not licensed to practice massage therapy and who shall represent the general public.

*r.* For athletic trainers, three members licensed to practice athletic training, three members licensed to practice medicine and surgery, and one member not licensed to practice athletic training or medicine and surgery and who shall represent the general public.

*s.* For podiatry, five members licensed to practice podiatry, two members licensed to practice orthotics, prosthetics, or pedorthics, and two members who are not so licensed and who shall represent the general public.

*t.* For social work, a total of seven members, five who are licensed to practice social work, with at least one from each of three levels of licensure described in section 154C.3, subsection 1, and one employed in the area of children's social work, and two who are not licensed social workers and who shall represent the general public.

*u.* For sign language interpreting and transliterating, four members licensed to practice interpreting and transliterating, three of whom shall be practicing interpreters and transliterators at the time of appointment to the board and at least one of whom is employed in an educational setting; and three members who are consumers of interpreting or transliterating services as defined in section 154E.1, each of whom shall be deaf.

*v.* For hearing aid dispensers, three licensed hearing aid dispensers and two members who are not licensed hearing aid dispensers who shall represent the general public. No more than two members of the board shall be employees of, or dispensers principally for, the same hearing aid manufacturer.

*w.* For nursing home administrators, a total of nine members, four who are licensed nursing home administrators, one of whom is the administrator of a nonproprietary nursing home; three licensed members of any profession concerned with the care and treatment of chronically ill or elderly patients who are not nursing home administrators or nursing home owners; and two members of the general public who are not licensed under chapter 155, have no financial interest in any nursing home, and who shall represent the general public.

2. A majority of the members of a board constitutes a quorum.

[C97, §2564, 2576, 2584; S13, §2564, 2575-a29, -a30, -a37, -a38, 2576, 2583-a, -h, -i, 2600-b, -c; SS15, §2584; C24, 27, 31, 35, 39, §**2451, 2452, 2475;** C46, 50, 54, 58, 62, 66, §147.14, 147.15, 147.38; C71, 73, §147.14, 147.15, 147.38, 153.1; C75, 77, 79, 81, §147.14]

84 Acts, ch 1075, §9; 85 Acts, ch 168, §5; 86 Acts, ch 1003, §1; 86 Acts, ch 1022, §1; 88 Acts, ch 1134, §29; 88 Acts, ch 1225, §6, 7; 91 Acts, ch 229, §3; 92 Acts, ch 1183, §2; 92 Acts, ch 1205, §15, 16; 96 Acts, ch 1035, §2, 3, 13; 96 Acts, ch 1036, §12; 96 Acts, ch 1148, §1, 2; 98 Acts, ch 1002, §1, 2; 98 Acts, ch 1010, §1; 98 Acts, ch 1053, §10; 99 Acts, ch 19, §1; 99 Acts, ch 96, §14; 2004 Acts, ch 1175, §423, 433; 2005 Acts, ch 3, §36; 2007 Acts, ch 10, §33; 2007 Acts, ch 218, §188; 2008 Acts, ch 1032, §26; 2008 Acts, ch 1088, §13; 2009 Acts, ch 56, §2; 2009 Acts, ch 133, §47; 2010 Acts, ch 1069, §18; 2012 Acts, ch 1101, §4

Referred to in §148.2A, 154F.1

*Board of medicine alternate members, see §148.2A

**147.15** Repealed by 74 Acts, ch 1086, § 198.

**147.16 Board members.**

1. Each licensed board member shall be actively engaged in the practice or the instruction of the board member's profession and shall have been so engaged for a period of five years just preceding the board member's appointment, the last two of which shall be in this state.

2. However, each licensed physician assistant member of the board of physician assistants shall be actively engaged in practice as a physician assistant and shall have been so engaged for a period of three years just preceding the member's appointment, the last year of which shall be in this state.

[C97, §2584; S13, §2583-a, -h, 2600-b; SS15, §2584; C24, 27, 31, 35, 39, §**2453;** C46, 50, 54, 58, 62, 66, §147.16; C71, 73, §147.16, 153.1; C75, 77, 79, 81, §147.16; 81 Acts, ch 65, §1]

88 Acts, ch 1225, §8; 2007 Acts, ch 10, §34

**147.17** Repealed by 74 Acts, ch 1086, § 198.

**147.18 Disqualifications.** Repealed by 2008 Acts, ch 1088, § 79.

**147.19 Terms of office.**

The board members shall serve three-year terms, which shall commence and end as provided by section 69.19. Any vacancy in the membership of a board shall be filled by appointment of the governor subject to senate confirmation. A member shall serve no more than nine years in total on the same board.

[C97, §2564, 2576, 2584; S13, §2564, 2575-a29, -a37, 2576, 2583-a, -h, 2600-b; SS15, §2584; C24, 27, 31, 35, 39, §**2456, 2458**; C46, 50, 54, 58, 62, 66, §147.19, 147.21; C71, 73, §147.19, 147.21, 153.1; C75, 77, 79, 81, §147.19]

2007 Acts, ch 10, §36; 2008 Acts, ch 1088, §14

Referred to in §148.2A

Confirmation, see §2.32

Board of medicine alternate members, see §148.2A

**147.20 Nomination of board members.**

The regular state association or society for each profession may recommend the names of potential board members to the governor, but the governor shall not be bound by the recommendations.

[S13, §2583-a, -h, 2600-b; C24, 27, 31, 35, 39, §**2457;** C46, 50, 54, 58, 62, 66, §147.20; C71, 73, §147.20, 153.1; C75, 77, 79, 81, §147.20]

2007 Acts, ch 10, §37

**147.21 Examination information.**

1. The public members of a board shall be allowed to participate in administrative, clerical, or ministerial functions incident to giving the examination, but shall not determine the content of the examination or determine the correctness of the answers.

2. A member of the board shall not disclose information relating to any of the following:

*a.* The contents of the examination.

*b.* The examination results other than final score except for information about the results of an examination which is given to the person who took the examination.

3. A member of the board who willfully communicates or seeks to communicate such information, and any person who willfully requests, obtains, or seeks to obtain such information, is guilty of a simple misdemeanor.

[C75, 77, 79, 81, §147.21]

83 Acts, ch 101, §26; 2008 Acts, ch 1088, §15

Referred to in §152.12, 157.3B

**147.22 Officers.**

Each board shall annually select a chairperson and a vice chairperson from its own membership.

[C97, §2576, 2585; S13, §2576, 2583-i, 2585, 2600-c; C24, 27, 31, 35, 39, §**2459;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.22]

2007 Acts, ch 10, §38; 2008 Acts, ch 1088, §16

**147.23** Repealed by 78 Acts, ch 1104, § 3.

**147.24 Compensation.**

Members of a board shall receive actual expenses for their duties as a member of the board. Each member of each board shall also be eligible to receive compensation as provided in section 7E.6, within the limits of funds available.

[C97, §2574; S13, §2574, 2575-a34, -a44, 2583-a, -p, 2600-g; C24, 27, 31, 35, 39, §**2461;** C46, 50, 54, 58, 62, 66, §147.24; C71, 73, §147.24, 153.3; C75, 77, 79, 81, §147.24]

86 Acts, ch 1245, §1141; 2007 Acts, ch 10, §39; 2008 Acts, ch 1088, §17

**147.25 System of health personnel statistics — fee.**

1. A board may establish a system to collect, maintain, and disseminate health personnel statistical data regarding board licensees, including but not limited to number of licensees, employment status, location of practice or place of employment, areas of professional specialization and ages of licensees, and other pertinent information bearing on the availability of trained and licensed personnel to provide services in this state.

2. In addition to any other fee provided by law, a fee may be set by the respective boards for each license and renewal of a license to practice a profession, which fee shall be based on the annual cost of collecting information for use by the board in the administration of the system of health personnel statistics established by this section. The fee shall be retained by the respective board in the manner in which license and renewal fees are retained in section 147.82.

[C75, 77, 79, 81, §147.25]

84 Acts, ch 1075, §10; 85 Acts, ch 168, §6; 88 Acts, ch 1225, §9; 2006 Acts, ch 1155, §4, 15; 2007 Acts, ch 10, §40, 184; 2008 Acts, ch 1088, §18

**147.26 Supplies and examination quarters.** Repealed by 2008 Acts, ch 1088, § 79.

**147.27** Repealed by 74 Acts, ch 1086, § 198.

**147.28 National organization.**

Each board may maintain a membership in the national organization of the regulatory boards of its profession to be paid from board funds.

[C27, 31, 35, §2465-b1; C39, §**2465.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.28]

2007 Acts, ch 10, §42; 2008 Acts, ch 1088, §19

**147.28A Scope of practice review committees — future repeal.** Repealed by its own terms; 2005 Acts, ch 175, § 84.

EXAMINATIONS

**147.29 Applications.** Repealed by 2008 Acts, ch 1088, § 78.

**147.30 Time and place of examinations.** Repealed by 2008 Acts, ch 1088, § 78. See § 147.34.

**147.31** Repealed by 74 Acts, ch 1086, § 198.

**147.32** Repealed by 89 Acts, ch 3, § 3.

**147.33 Professional schools.**

A dean of a college or university which provides instruction or training in a profession shall supply information or data related to the college or university upon request of a board.

[C24, 27, 31, 35, 39, §**2470;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.33]

2007 Acts, ch 10, §44; 2008 Acts, ch 1088, §20

**147.34 Examinations.**

1. Each board shall by rule prescribe the examination or examinations required for licensure for the profession and the manner in which an applicant shall complete the examination process. A board may develop and administer the examination, may designate a national, uniform, or other examination as the prescribed examination, or may contract for such services. Dentists shall pass an examination approved by a majority of the dentist members of the dental board.

2. When a board administers an examination, the board shall provide adequate public notice of the time and place of the examination to allow candidates to comply with the provisions of this subtitle. Administration of examinations, including location, frequency, and reexamination, may be determined by the board.

3. Applicants who fail the examination once shall be allowed to take the examination at the next authorized time. Thereafter, applicants shall be allowed to take the examination at the discretion of the board. An applicant who has failed an examination may request in writing information from the board concerning the examination grade and subject areas or questions which the applicant failed to answer correctly, except that if the board prescribes a national or uniform examination, the board shall only be required to provide the examination grade and such other information concerning the applicant's examination results which are available to the board.

[C97, §2576, 2582, 2589, 2597; S13, §2575-a29, -a37, 2576, 2582, 2583-a, -i, -k, 2589-a, 2600-c, -d; SS15, §2589-a; C24, 27, 31, 35, 39, §**2471, 2567, 2572, 2573;** C46, 50, 54, 58, 62, 66, §147.34, 153.3, 153.8, 153.9; C71, 73, §147.34, 153.2, 153.6, 153.8; C75, 77, 79, 81, §147.34]

94 Acts, ch 1132, §17; 96 Acts, ch 1036, §14; 98 Acts, ch 1053, §12; 2007 Acts, ch 10, §45; 2008 Acts, ch 1088, §21

Referred to in §153.21, 155.3, 156.4

**147.35 Names of eligible candidates.** Repealed by 2008 Acts, ch 1088, § 79.

**147.36 Rules.**

Each board may establish rules for any of the following:

1. The qualifications required for applicants seeking to take examinations.
2. The denial of applicants seeking to take examinations.
3. The conducting of examinations.
4. The grading of examinations and passing upon the technical qualifications of applicants, as shown by such examinations.
5. The minimum scores required for passing standardized examinations.

[C97, §2584; S13, §2575-a38, 2583-a, -i, 2600-e; SS15, §2584; C24, 27, 31, 35, 39, §**2473;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.36]

92 Acts, ch 1183, §3; 2007 Acts, ch 10, §47; 2008 Acts, ch 1088, §22

**147.37 Identity of candidate concealed.**

The identity of the person taking an examination shall not be disclosed during the examination process and in practice the identity of the candidate shall be concealed to the extent possible.

[C97, §2576; S13, §2576, 2583-a; C24, 27, 31, 35, 39, §**2474;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.37]

2007 Acts, ch 10, §48; 2008 Acts, ch 1088, §23

**147.38** Repealed by 74 Acts, ch 1086, § 198.

**147.39 through 147.42** Repealed by 2008 Acts, ch 1088, § 79.

**147.43 Preservation of records.** Repealed by 2008 Acts, ch 1088, § 78.

RECIPROCAL LICENSES

**147.44 Reciprocal agreements.**

A board may enter into a reciprocal agreement with a licensing authority of another state for the purpose of recognizing licenses issued by the other state, provided that such licensing authority imposes licensure requirements substantially equivalent to those imposed in this state. The board may establish by rule the conditions for the recognition of such licenses and the process for licensing such individuals to practice in this state.

[C97, §2582; S13, §2582; C24, 27, 31, 35, 39, §**2481;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.44]

94 Acts, ch 1132, §19; 96 Acts, ch 1036, §16; 98 Acts, ch 1053, §14; 2007 Acts, ch 10, §53; 2008 Acts, ch 1088, §24

Referred to in §148.3, 152.8, 153.36, 155.11, 157.3, 158.3

**147.45 through 147.47** Repealed by 2008 Acts, ch 1088, § 79.

**147.48 Termination of reciprocal agreements.**

If the requirements for a license in any state with which this state has a reciprocal agreement are changed by any law or rule of the authorities in that state so that such requirements are no longer substantially equivalent to those existing in this state, the agreement shall be deemed terminated and licenses issued in that state shall not be recognized as a basis of granting a license in this state until a new agreement has been negotiated.

[C24, 27, 31, 35, 39, §**2485;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.48]

2007 Acts, ch 10, §57; 2008 Acts, ch 1088, §25

Referred to in §152.8, 153.36, 155.11, 157.3, 158.3

**147.49 License of another state.**

A board shall, upon presentation of a license to practice a profession issued by the duly constituted authority of another state with which this state has established reciprocal relations, and subject to the rules of the board for such profession, license the applicant to practice in this state, unless under the rules of the board a practical or jurisprudence examination is required. The board of medicine may accept in lieu of the examination prescribed in section 148.3 a license to practice medicine and surgery or osteopathic medicine and surgery, issued by the duly constituted authority of another state, territory, or foreign country. Endorsement may be accepted in lieu of further written examination

without regard to the existence or nonexistence of a reciprocal agreement, but shall not be in lieu of the standards and qualifications prescribed by section 148.3.

[C97, §2582; S13, §2575-a30, -a39, 2582, 2583-l, 2589-b, 2600-m; C24, 27, 31, 35, 39, §**2486;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.49]

2007 Acts, ch 10, §58; 2008 Acts, ch 1088, §26

Referred to in §152.8, 153.36, 155.11, 157.3, 158.3

**147.50 Practical examinations.** Repealed by 2008 Acts, ch 1088, § 79.

**147.51 and 147.52** Repealed by 2008 Acts, ch 1088, § 78.

**147.53 Power to adopt rules.**

Each board entering into a reciprocal agreement shall adopt necessary rules, not inconsistent with law, for carrying out the reciprocal relations with other states which are authorized by this chapter.

[C24, 27, 31, 35, 39, §**2490;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.53]

2007 Acts, ch 10, §60; 2008 Acts, ch 1088, §27

Referred to in §152.8, 153.36, 155.11

**147.54 Change of residence.** Repealed by 2008 Acts, ch 1088, § 78.

LICENSEE DISCIPLINE

**147.55 Grounds.**

A licensee's license to practice a profession shall be revoked or suspended, or the licensee otherwise disciplined by the board for that profession, when the licensee is guilty of any of the following acts or offenses:

1. Fraud in procuring a license.
2. Professional incompetence.
3. Knowingly making misleading, deceptive, untrue, or fraudulent representations in the practice of a profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.
4. Habitual intoxication or addiction to the use of drugs.
5. Conviction of a crime related to the profession or occupation of the licensee or the conviction of any crime that would affect the licensee's ability to practice within a profession. A copy of the record of conviction or plea of guilty shall be conclusive evidence.
6. Fraud in representations as to skill or ability.
7. Use of untruthful or improbable statements in advertisements.
8. Willful or repeated violations of the provisions of this chapter, chapter 272C, or a board's enabling statute.
9. Other acts or offenses as specified by board rule.

**1.** [C97, §2578; S13, §2575-a33, -a41, 2578, 2583-c, 2600-o5; C24, 27, 31, 35, 39, §**2492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.55(1)]

**2.** [C97, §2578; S13, §2578, 2583-c, -m; C24, 27, 31, 35, 39, §**2492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.55(2)]

**3.** [C97, §2578; S13, §2575-a33, -a41, 2578, 2583-m, 2600-o5; C24, 27, 31, 35, 39, §**2492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.55(3)]

**4.** [C97, §2578; S13, §2575-a41, 2578, 2583-c, -m, 2600-o5; C24, 27, 31, 35, 39, §**2492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.55(4)]

**5.** [C97, §2578; S13, §2578, 2583-c, 2600-o5; C24, 27, 31, 35, 39, §**2492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.55(5)]

**6.** [C97, §2578; S13, §2578, 2583-c; C24, 27, 31, 35, 39, §**2492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.55(6)]

**7.** [C97, §2578; S13, §2578, 2583-c, 2600-o5; C24, 27, 31, 35, 39, §**2492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.55(7)]

**8.** [C97, §2596; S13, §2575-a33, -a41; C24, 27, 31, 35, 39, §**2492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §147.55(9); C79, 81, §147.55(8)]

2008 Acts, ch 1088, §28; 2009 Acts, ch 133, §48

Referred to in §148.6, 148.7, 148A.7, 148E.8, 152.10, 152D.6, 153.36, 155.4, 155A.12, 156.9, 272C.3, 272C.4

**147.56** Repealed by 74 Acts, ch 1086, § 198.

**147.57 Dental hygienist and dentist.** Transferred to § 153.34, subsection 16; 2009 Acts, ch 133, § 192.

**147.58 through 147.71** Repealed by 2008 Acts, ch 1088, § 78.

USE OF TITLES AND DEGREES

**147.72 Professional titles and abbreviations.**

Any person licensed to practice a profession under this subtitle may append to the person's name any recognized title or abbreviation, which the person is entitled to use, to designate the person's particular profession, but no other person shall assume or use such title or abbreviation, and no licensee shall advertise in such a manner as to lead the public to believe that the licensee is engaged in the practice of any other profession than the one which the licensee is licensed to practice.

[S13, §2575-a28, -a31, 2583-q; C24, 27, 31, 35, 39, §**2509;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.72]

94 Acts, ch 1132, §22; 96 Acts, ch 1036, §19; 98 Acts, ch 1053, §17

Referred to in §147.73

**147.73 Titles used by holder of degree.**

Nothing in section 147.72 shall be construed:

1. As authorizing any person licensed to practice a profession under this subtitle to use or assume any degree or abbreviation of the degree unless such degree has been conferred upon the person by an institution of learning accredited by the appropriate board, or by some recognized state or national accredited agency.

2. As prohibiting any holder of a degree conferred by an institution of learning accredited by the appropriate board created in this chapter, or by some recognized state or national accrediting agency, from using the title which such degree authorizes the holder to use, but the holder shall not use such degree or abbreviation in any manner which might mislead the public as to the holder's qualifications to treat human ailments.

[C24, 27, 31, 35, 39, §**2510;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.73]

94 Acts, ch 1132, §23; 96 Acts, ch 1036, §20; 98 Acts, ch 1053, §18; 2008 Acts, ch 1088, §30

**147.74 Professional titles or abbreviations — false use prohibited.**

1. Any person who falsely claims by the use of any professional title or abbreviation, either in writing, cards, signs, circulars, advertisements, the internet, or other written or electronic means, to be a practitioner of a profession other than the one under which the person holds a license or who fails to use the designations provided in this section shall be guilty of a simple misdemeanor.

2. A physician or surgeon may use the prefix "Dr." or "Doctor", and shall add after the person's name the letters, "M. D."

3. An osteopathic physician and surgeon may use the prefix "Dr." or "Doctor", and shall add after the person's name the letters, "D. O.", or the words "osteopathic physician and surgeon".

4. A chiropractor may use the prefix "Dr." or "Doctor", but shall add after the person's name the letters, "D. C." or the word, "chiropractor".

5. A dentist may use the prefix "Dr." or "Doctor", but shall add after the person's name the letters "D. D. S.", or "D. M. D.", or the word "dentist" or "dental surgeon". A dental hygienist may use the words "registered dental hygienist" or the letters "R. D. H." after the person's name. A dental assistant may use the words "registered dental assistant" or the letters "R. D. A." after the person's name.

6. A podiatric physician may use the prefix "Dr." or "Doctor", but shall add after the person's name the letters "D. P. M." or the words "podiatric physician".

7. A graduate of a school accredited by the board of optometry may use the prefix "Dr." or "Doctor", but shall add after the person's name the letters "O. D."

8. A physical therapist registered or licensed under chapter 148A may use the words "physical therapist" after the person's name or signify the same by the use of the letters "P. T." after the person's name. A physical therapist with an earned doctoral degree from an accredited school, college, or university may use the suffix designating the degree, or the prefix "Doctor" or "Dr." and add after the person's name the words "physical therapist". An occupational therapist registered or licensed under chapter 148B may use the words "occupational therapist" after the person's name or signify the same by the use of the letters "O. T." after the person's name. An occupational therapist with an earned doctoral degree from an accredited school, college, or university may use the suffix designating the degree, or the prefix "Doctor" or "Dr." and add after the person's name the words "occupational therapist".

9. A physical therapist assistant licensed under chapter 148A may use the words "physical therapist assistant" after the person's name or signify the same by use of the letters "P. T. A." after the person's name. An occupational therapy assistant licensed under chapter 148B may use the words "occupational therapy assistant" after the person's name or signify the same by use of the letters "O. T. A." after the person's name.

10. A psychologist who possesses a doctoral degree may use the prefix "Dr." or "Doctor" but shall add after the person's name the word "psychologist".

11. A speech pathologist with an earned doctoral degree in speech pathology obtained beyond a bachelor's degree from an accredited school, college, or university, may use the suffix designating the degree, or the prefix "Doctor" or "Dr." and add after the person's name the words "speech pathologist". An audiologist with an earned doctoral degree in audiology obtained beyond a bachelor's degree from an accredited school, college, or university, may use the suffix designating the degree, or the prefix "Doctor" or "Dr." and add after the person's name the word "audiologist".

12. A bachelor social worker licensed under chapter 154C may use the words "licensed bachelor social worker" or the letters "L. B. S. W." after the person's name. A master social worker licensed under chapter 154C may use the words "licensed master social worker" or the letters "L. M. S. W." after the person's name. An independent social worker licensed under chapter 154C may use the words "licensed independent social worker", or the letters "L. I. S. W." after the person's name.

13. A marital and family therapist licensed under chapter 154D and this chapter may use the words "licensed marital and family therapist" after the person's name or signify the same by the use of the letters "L. M. F. T." after the person's name. A marital and family therapist licensed under chapter 154D and this chapter who possesses a doctoral degree may use the prefix "Doctor" or "Dr." in conjunction with the person's name, but shall add after the person's name the words "licensed marital and family therapist".

14. A mental health counselor licensed under chapter 154D and this chapter may use the words "licensed mental health counselor" after the person's name. A mental health counselor licensed under chapter 154D and this chapter who possesses a doctoral degree may use the prefix "Doctor" or "Dr." in conjunction with the person's name, but shall add after the person's name the words "licensed mental health counselor".

15. A pharmacist who possesses a doctoral degree recognized by the accreditation council for pharmacy education from a college of pharmacy approved by the board of pharmacy or a doctor of philosophy degree in an area related to pharmacy may use the prefix "Doctor" or "Dr." but shall add after the person's name the word "pharmacist" or "Pharm. D."

16. A physician assistant licensed under chapter 148C may use the words "physician

assistant" after the person's name or signify the same by the use of the letters "P. A." after the person's name.

17. A massage therapist licensed under chapter 152C may use the words "licensed massage therapist" or the initials "L. M. T." after the person's name.

18. An acupuncturist licensed under chapter 148E may use the words "licensed acupuncturist" or the abbreviation "L. Ac." after the person's name.

19. A respiratory care practitioner licensed under chapter 152B and this chapter may use the title "respiratory care practitioner" or the letters "R. C. P." after the person's name.

20. An athletic trainer licensed under chapter 152D and this chapter may use the words "licensed athletic trainer" or the letters "LAT" after the person's name.

21. A registered nurse licensed under chapter 152 may use the words "registered nurse" or the letters "R. N." after the person's name. A licensed practical nurse licensed under chapter 152 may use the words "licensed practical nurse" or the letters "L. P. N." after the person's name.

22. A sign language interpreter or transliterator licensed under chapter 154E and this chapter may use the title "licensed sign language interpreter" or the letters "L. I." after the person's name.

23. *a.* An orthotist licensed under chapter 148F may use the words "licensed orthotist" after the person's name or signify the same by the use of the letters "L.O." after the person's name.

*b.* A pedorthist licensed under chapter 148F may use the words "licensed pedorthist" after the person's name or signify the same by the use of the letters "L.ped." after the person's name.

*c.* A prosthetist licensed under chapter 148F may use the words "licensed prosthetist" after the person's name or signify the same by the use of the letters "L.P." after the person's name.

24. No other practitioner licensed to practice a profession under any of the provisions of this subtitle shall be entitled to use the prefix "Dr." or "Doctor" unless the licensed practitioner possesses an earned doctoral degree. Such a practitioner shall reference the degree held after the person's name.

[C31, 35, §2510-d1; C39, §**2510.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.74; 81 Acts, ch 66, §1]

84 Acts, ch 1075, §11; 87 Acts, ch 215, §40; 88 Acts, ch 1225, §10; 90 Acts, ch 1168, §27; 91 Acts, ch 228, §1; 91 Acts, ch 229, §4; 92 Acts, ch 1137, §7; 92 Acts, ch 1183, §4; 93 Acts, ch 86, §13; 95 Acts, ch 108, §4; 96 Acts, ch 1035, §4; 96 Acts, ch 1036, §21; 98 Acts, ch 1053, §19; 99 Acts, ch 101, §1; 2000 Acts, ch 1053, §3; 2001 Acts, ch 58, §7; 2003 Acts, ch 93, §1, 14; 2004 Acts, ch 1045, §2; 2004 Acts, ch 1175, §424, 433; 2007 Acts, ch 10, §61; 2007 Acts, ch 215, §246; 2008 Acts, ch 1088, §31; 2012 Acts, ch 1101, §5

Referred to in §148A.7

**147.75 Itinerants.** Repealed by 2008 Acts, ch 1088, § 78.

**147.76 Rules.**

The boards for the various professions shall adopt all necessary and proper rules to administer and interpret this chapter and chapters 148 through 158, except chapter 148D.

[C77, 79, 81, §147.76]

89 Acts, ch 83, §28; 92 Acts, ch 1097, §4; 2007 Acts, ch 10, §62; 2008 Acts, ch 1088, §32

**147.77 through 147.79** Repealed by 63 Acts, ch 123, § 1.

FEES

**147.80 Establishment of fees — administrative costs.**

1. Each board may by rule establish fees for the following based on the costs of sustaining the board and the actual costs of the service:

*a.* Examinations.

*b.* Licensure, certification, or registration.

*c.* Renewal of licensure, certification, or registration.

*d.* Renewal of licensure, certification, or registration during the grace period.

*e.* Reinstatement or reactivation of licensure, certification, or registration.

*f.* Issuance of a certified statement that a person is licensed, registered, or has been issued a certificate to practice in this state.

*g.* Issuance of a duplicate license, registration, or certificate, which shall be so designated on its face. A board may require satisfactory proof that the original license, registration, or certificate issued by the board has been lost or destroyed.

*h.* Issuance of a renewal card.

*i.* Verification of licensure, registration, or certification.

*j.* Returned checks.

*k.* Inspections.

2. Each board shall annually prepare estimates of projected revenues to be generated by the fees received by the board as well as a projection of the fairly apportioned administrative costs and rental expenses attributable to the board. Each board shall annually review and adjust its schedule of fees to cover projected expenses.

3. The board of medicine, the board of pharmacy, the dental board, and the board of nursing shall retain individual executive officers, but shall make every effort to share administrative, clerical, and investigative staff to the greatest extent possible.

[C97, §2576, 2597, 2590; S13, §2575-a30, -a38, -a39, 2582, 2583-a, -l, 2589-d, 2600-d; C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.80; 81 Acts, ch 2, §10(5), ch 5, §4(5)]

**1.** [C97, §2597; S13, §2600-d, -m; C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, §147.80(1, 2, 7); C66, 71, 73, §147.80(1, 7); C75, 77, 79, 81, §147.80(1)]

**2.** [C97, §2590; S13, §2589-b, -d; C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, §147.80(5 – 7); C66, 71, 73, §147.80(1, 7); C75, 77, 79, 81, §147.80(2)]

**3.** [C97, §2576; S13, §2576, 2582, 2583-a; C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, §147.80(1 – 4); C66, 71, 73, §147.80(2, 7); C75, 77, 79, 81, §147.80(3)]

**4.** [C75, 77, 79, 81, §147.80(4)]

**6.** [C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, 66, 71, 73, §147.80(3, 4, 7); C75, 77, 79, 81, §147.80(5)]

**7.** [C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, 66, 71, 73, §147.80(3, 4, 7); C75, 77, 79, 81, §147.80(6)]

**8.** [C66, 71, 73, §147.80(3, 4, 7); C75, 77, 79, 81, §147.80(7)]

**10.** [S13, §2583-l, -n; C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, 66, 71, 73, §147.80(3, 4, 7); C75, 77, 79, 81, §147.80(8)]

**11.** [C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, 66, 71, 73, §147.80(5 – 7); C75, 77, 79, 81, §147.80(9)]

**12.** [S13, §2575-a38, -a39; C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, 66, 71, 73, §147.80(5 – 7); C75, 77, 79, 81, §147.80(10)]

**13.** [S13, §2575-a30; C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, §147.80(5 – 7); C66, §147.80(6, 7, 16, 17); C71, 73, §147.80(6, 7, 19, 20); C75, 77, 79, 81, §147.80(11)]

**14.** [C66, §147.80(19); C71, 73, §147.80(22); C75, 77, 79, 81, §147.80(12)]

**15.** [C27, §2516(5 – 7); C31, 35, 39, §**2516(5 – 7, 11, 13);** C46, 50, 54, 58, 62, §147.80(5 – 7, 11, 13); C66, 71, 73, §147.80(5 – 7, 10, 11); C75, 77, 79, 81, §147.80(13)]

**16.** [C27, 31, 35, 39, §**2516;** C46, 50, 54, §147.80(5 – 7, 12, 13); C58, 62, 66, §147.80(5 – 7, 12 – 14); C71, 73, §147.80(5 – 7, 12 – 17); C75, 77, 79, 81, §147.80(14)]

**17.** [C77, 79, 81, §147.80(15)]

**18.** [C81, §147.80(16)]

**19.** [C81, §147.80(17)]

**24.** [S13, §2600-n; C24, 27, 31, 35, 39, §**2516;** C46, 50, 54, 58, 62, 66, 71, 73, §147.80(8); C75, §147.80(15); C77, 79, §147.80(16); C81, §147.80(18)]

**25.** [C66, 71, 73, §147.80(18); C75, §147.80(16); C77, 79, §147.80(17); C81, §147.80(19)]

84 Acts, ch 1075, §12; 85 Acts, ch 168, §7; 85 Acts, ch 246, §1; 88 Acts, ch 1225, §11; 89 Acts, ch 240, §1; 91 Acts, ch 228, §2; 91 Acts, ch 229, §5; 92 Acts, ch 1183, §5; 92 Acts, ch 1205, §17;

93 Acts, ch 86, §14; 96 Acts, ch 1036, §22; 98 Acts, ch 1053, §20; 2000 Acts, ch 1002, §2; 2000 Acts, ch 1053, §4; 2001 Acts, ch 24, §31; 2001 Acts, ch 58, §8; 2003 Acts, ch 93, §2, 14; 2004 Acts, ch 1175, §425, 433; 2005 Acts, ch 175, §85; 2006 Acts, ch 1155, §5, 15; 2007 Acts, ch 10, §63; 2007 Acts, ch 218, §199, 200; 2008 Acts, ch 1088, §33; 2009 Acts, ch 133, §49
Referred to in §147.82, 148F.3, 154A.13, 155A.43, 157.4, 157.8, 157.11, 158.4, 158.7, 158.9

**147.81** Repealed by 81 Acts, ch 5, § 10; 82 Acts, ch 1005, § 9.

**147.82 Fee retention.**

All fees collected by a board listed in section 147.13 or by the department for the bureau of professional licensure, and fees collected pursuant to sections 124.301 and 147.80 and chapter 155A by the board of pharmacy, shall be retained by each board or by the department for the bureau of professional licensure. The moneys retained by a board shall be used for any of the board's duties, including but not limited to the addition of full-time equivalent positions for program services and investigations. Revenues retained by a board pursuant to this section shall be considered repayment receipts as defined in section 8.2. Notwithstanding section 8.33, moneys retained by a board pursuant to this section are not subject to reversion to the general fund of the state.

[C97, §2583; S13, §2575-a44, 2583-a, -s; C24, 27, 31, 35, 39, §**2518;** C46, 50, 54, 58, 62, 66, §147.82; C71, 73, §147.82, 153.4; C75, 77, 79, 81, §147.82]

2005 Acts, ch 175, §86; 2006 Acts, ch 1155, §6, 15; 2006 Acts, ch 1184, §86; 2007 Acts, ch 10, §184; 2008 Acts, ch 1088, §34
Referred to in §147.25, 153.37, 155A.43

VIOLATIONS — CRIMES — PUNISHMENT

**147.83 Injunction.**

Any person engaging in any business or in the practice of any profession for which a license is required by this subtitle without such license may be restrained by permanent injunction.

[C24, 27, 31, 35, 39, §**2519;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.83]

94 Acts, ch 1132, §24; 96 Acts, ch 1036, §23; 98 Acts, ch 1053, §21
Referred to in §154C.2, 156.16
Injunctions, R.C.P. 1.1501 – 1.1511

**147.84 Forgeries.**

Any person who files or attempts to file with a board any false or forged diploma, certificate or affidavit of identification or qualification, or other document shall be guilty of a fraudulent practice.

[C97, §2580, 2595; S13, §2583-d; C24, 27, 31, 35, 39, §**2520;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.84]

2008 Acts, ch 1088, §35
Referred to in §148.6
See also §714.8, chapter 715A

**147.85 Fraud.**

Any person who presents to a board a diploma or certificate of which the person is not the rightful owner, for the purpose of procuring a license, or who falsely impersonates anyone to whom a license has been issued by the board shall be guilty of a serious misdemeanor.

[C97, §2580, 2581, 2595; S13, §2575-a45, 2581, 2583-c, -d; C24, 27, 31, 35, 39, §**2521;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.85]

2008 Acts, ch 1088, §36; 2009 Acts, ch 133, §50
Referred to in §148.6

**147.86 Penalties.**

Any person violating any provision of this or the following chapters of this subtitle, except insofar as the provisions apply or relate to or affect the practice of pharmacy, or where a specific penalty is otherwise provided, shall be guilty of a serious misdemeanor.

[C97, §2580, 2581, 2588, 2590, 2591, 2595; S13, §2575-a35, -a45, 2581, 2583-d, -r, 2589-d, 2600-o4; SS15, §2588; C24, 27, 31, 35, 39, §**2522;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.86]

92 Acts, ch 1183, §6; 94 Acts, ch 1023, §12; 94 Acts, ch 1132, §25; 96 Acts, ch 1036, §24; 98 Acts, ch 1053, §22

Referred to in §147.107, 147.108, 147.109

ENFORCEMENT PROVISIONS

**147.87 Enforcement.**

A board shall enforce the provisions of this chapter and the board's enabling statute and for that purpose may request the department of inspections and appeals to make necessary investigations. Every licensee and member of a board shall furnish the board or the department of inspections and appeals such evidence as the member or licensee may have relative to any alleged violation which is being investigated.

[C24, 27, 31, 35, 39, §**2523;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.87]

90 Acts, ch 1204, §19; 94 Acts, ch 1132, §26; 96 Acts, ch 1036, §25; 98 Acts, ch 1053, §23; 2007 Acts, ch 10, §64; 2008 Acts, ch 1088, §37; 2009 Acts, ch 41, §53

Referred to in §152.10, 153.36, 156.9

Continuing education and regulation, chapter 272C

**147.88 Inspections and investigations.**

The department of inspections and appeals may perform inspections and investigations as required by this subtitle, except inspections and investigations for the board of medicine, board of pharmacy, board of nursing, and the dental board. The department of inspections and appeals shall employ personnel related to the inspection and investigative functions.

[C31, 35, §2523-c1; C39, §**2523.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.88]

90 Acts, ch 1204, §20; 94 Acts, ch 1132, §27; 96 Acts, ch 1036, §26; 98 Acts, ch 1053, §24; 2007 Acts, ch 10, §65; 2007 Acts, ch 218, §201; 2008 Acts, ch 1088, §38

Referred to in §152.10, 153.36

**147.89 Report of violators.**

Every licensee and member of a board shall report to the board the name of any person without the required license if the licensee or member of the board has reason to believe the person is practicing the profession without a license.

[C24, 27, 31, 35, 39, §**2524;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.89]

2007 Acts, ch 10, §66; 2008 Acts, ch 1088, §39; 2009 Acts, ch 41, §54

Referred to in §152.10, 153.36

**147.90 Rules and forms.** Repealed by 2008 Acts, ch 1088, § 78.

**147.91 Publications.**

Each board shall provide access to the laws and rules regulating the board to the public upon request and shall make this information available through the internet.

[C24, 27, 31, 35, 39, §**2526;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.91]

90 Acts, ch 1204, §22; 2001 Acts, ch 58, §9; 2007 Acts, ch 10, §67; 2008 Acts, ch 1088, §40

Referred to in §153.36

**147.92 Attorney general.**

Upon request of a board the attorney general shall institute in the name of the state the proper proceedings against any person charged by the board with violating any provision of this or the following chapters of this subtitle.

[S13, §2600-o7; C24, 27, 31, 35, 39, §**2527;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.92]

94 Acts, ch 1132, §29; 94 Acts, ch 1173, §8; 96 Acts, ch 1036, §28; 98 Acts, ch 1053, §26; 2008 Acts, ch 1088, §41

Referred to in §153.36

**147.93 Prima facie evidence.**

The opening of an office or place of business for the practice of any profession for which a license is required by this subtitle, the announcing to the public in any way the intention to practice any such profession, the use of any professional degree or designation, or of any sign, card, circular, device, internet site, or advertisement, as a practitioner of any such profession, or as a person skilled in the same, shall be prima facie evidence of engaging in the practice of such profession.

[S13, §2575-a28, -a31, 2600-o; C24, 27, 31, 35, 39, §**2528;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.93]

94 Acts, ch 1132, §30; 96 Acts, ch 1036, §29; 98 Acts, ch 1053, §27; 2008 Acts, ch 1088, §42; 2013 Acts, ch 90, §257

Code editor directive applied

**147.94 through 147.96** Repealed by 2008 Acts, ch 1088, § 79.

**147.97** Reserved.

**147.98 through 147.100** Repealed by 2008 Acts, ch 1088, § 79.

**147.101** Repealed by 74 Acts, ch 1086, § 198.

**147.102 through 147.103A** Repealed by 2008 Acts, ch 1088, § 79.

**147.104 Records.** Repealed by 2008 Acts, ch 1088, § 78.

**147.105** Reserved.

ANATOMIC PATHOLOGY
SERVICES BILLING

**147.106 Anatomic pathology services — billing.**

1. A physician or a clinical laboratory located in this state or in another state that provides anatomic pathology services to a patient in this state shall present or cause to be presented a claim, bill, or demand for payment for such services only to the following persons:

*a.* The patient who is the recipient of the services.

*b.* The insurer or other third-party payor responsible for payment of the services.

*c.* The hospital that ordered the services.

*d.* The public health clinic or nonprofit clinic that ordered the services.

*e.* The referring clinical laboratory, other than the laboratory of a physician's office or group practice, that ordered the services. A laboratory of a physician's office or group practice that ordered the services may be presented a claim, bill, or demand for payment if a physician in the physician's office or group practice is performing the professional component of the anatomic pathology services.

*f.* A governmental agency or a specified public or private agent, agency, or organization that is responsible for payment of the services on behalf of the recipient of the services.

2. Except as provided under subsections 5 and 6, a clinical laboratory or a physician providing anatomic pathology services to patients in this state shall not, directly or indirectly, charge, bill, or otherwise solicit payment for such services unless the services were personally rendered by the clinical laboratory or the physician or under the direct supervision of the clinical laboratory or the physician in accordance with section 353 of the federal Public Health Service Act, 42 U.S.C. § 263a.

3. A person to whom a claim, bill, or demand for payment for anatomic pathology services is submitted is not required to pay the claim, bill, or demand for payment if the claim, bill, or demand for payment is submitted in violation of this section.

4. This section shall not be construed to mandate the assignment of benefits for anatomic pathology services as defined in this section.

5. This section does not prohibit claims or charges presented to a referring clinical laboratory, other than a laboratory of a physician's office or group practice unless in accordance with subsection 1, paragraph "*e*", by another clinical laboratory when samples are transferred between laboratories for the provision of anatomic pathology services.

6. This section does not prohibit claims or charges for anatomic pathology services presented on behalf of a public health clinic or nonprofit clinic that ordered the services provided that the clinic is identified on the claim or charge presented.

7. A violation of this section by a physician shall subject the physician to the disciplinary provisions of section 272C.3, subsection 2.

8. As used in this section:

*a.* *"Anatomic pathology services"* includes all of the following:

(1) Histopathology or surgical pathology, meaning the gross and microscopic examination and histologic processing of organ tissue performed by a physician or under the supervision of a physician.

(2) Cytopathology, meaning the examination of cells from fluids, aspirates, washings, brushings, or smears, including the Pap test examination, performed by a physician or under the supervision of a physician.

(3) Hematology, meaning the microscopic evaluation of bone marrow aspirates and biopsies performed by a physician or under the supervision of a physician, and the examination of peripheral blood smears performed by a physician or under the supervision of a physician upon the request of an attending or treating physician or technologist that a blood smear be reviewed by a physician.

(4) Subcellular pathology and molecular pathology services performed by a physician or under the supervision of a physician.

(5) Bloodbanking services performed by a physician or under the supervision of a physician.

*b.* *"Physician"* means any person licensed to practice medicine and surgery or osteopathic medicine and surgery in this state or in another state.

2005 Acts, ch 10, §1; 2005 Acts, ch 179, §120; 2006 Acts, ch 1185, §73, 74; 2008 Acts, ch 1088, §95

## DRUG AND LENS DISPENSING, SUPPLYING, AND PRESCRIBING

**147.107 Drug dispensing, supplying, and prescribing — limitations.**

1. A person, other than a pharmacist, physician, dentist, podiatric physician, or veterinarian who dispenses as an incident to the practice of the practitioner's profession, shall not dispense prescription drugs or controlled substances.

2. *a.* A pharmacist, physician, dentist, or podiatric physician who dispenses prescription drugs, including but not limited to controlled substances, for human use, may delegate nonjudgmental dispensing functions to staff assistants only when verification of the accuracy and completeness of the dispensing is determined by the pharmacist or practitioner in the pharmacist's or practitioner's physical presence. However, the physical presence

requirement does not apply when a pharmacist or practitioner is utilizing an automated dispensing system or when a pharmacist is utilizing a tech-check-tech program, as defined in section 155A.3. When using an automated dispensing system the pharmacist or practitioner shall utilize an internal quality control assurance plan that ensures accuracy for dispensing. When using a tech-check-tech program the pharmacist shall utilize an internal quality control assurance plan, in accordance with rules adopted by the board of pharmacy, that ensures accuracy for dispensing. Verification of automated dispensing and tech-check-tech accuracy and completeness remains the responsibility of the pharmacist or practitioner and shall be determined in accordance with rules adopted by the board of pharmacy, the board of medicine, the dental board, and the board of podiatry for their respective licensees.

*b.* A dentist, physician, or podiatric physician who dispenses prescription drugs, other than drug samples, pursuant to this subsection, shall report the fact that they dispense prescription drugs with the practitioner's respective board at least biennially.

*c.* A physician, dentist, or podiatric physician who dispenses prescription drugs, other than drug samples, pursuant to this subsection, shall offer to provide the patient with a written prescription that may be dispensed from a pharmacy of the patient's choice or offer to transmit the prescription orally, electronically, or by facsimile in accordance with section 155A.27 to a pharmacy of the patient's choice.

3. A physician assistant or registered nurse may supply, when pharmacist services are not reasonably available or when it is in the best interests of the patient, on the direct order of the supervising physician, a quantity of properly packaged and labeled prescription drugs, controlled substances, or contraceptive devices necessary to complete a course of therapy. However, a remote clinic, staffed by a physician assistant or registered nurse, where pharmacy services are not reasonably available, shall secure the regular advice and consultation of a pharmacist regarding the distribution, storage, and appropriate use of such drugs, substances, and devices.

4. Notwithstanding subsection 3, a physician assistant shall not dispense prescription drugs as an incident to the practice of the supervising physician or the physician assistant, but may supply, when pharmacist services are not reasonably available, or when it is in the best interests of the patient, a quantity of properly packaged and labeled prescription drugs, controlled substances, or medical devices necessary to complete a course of therapy. However, a remote clinic, staffed by a physician assistant, where pharmacy services are not reasonably available, shall secure the regular advice and consultation of a pharmacist regarding the distribution, storage, and appropriate use of such drugs, substances, and devices. Prescription drugs supplied under the provisions of this subsection shall be supplied for the purpose of accommodating the patient and shall not be sold for more than the cost of the drug and reasonable overhead costs, as they relate to supplying prescription drugs to the patient, and not at a profit to the physician or the physician assistant. If prescription drug supplying authority is delegated by a supervising physician to a physician assistant, a nurse or staff assistant may assist the physician assistant in providing that service. Rules shall be adopted by the board of physician assistants, after consultation with the board of pharmacy, to implement this subsection.

5. Notwithstanding subsection 1 and any other provision of this section to the contrary, a physician may delegate the function of prescribing drugs, controlled substances, and medical devices to a physician assistant licensed pursuant to chapter 148C. When delegated prescribing occurs, the supervising physician's name shall be used, recorded, or otherwise indicated in connection with each individual prescription so that the individual who dispenses or administers the prescription knows under whose delegated authority the physician assistant is prescribing. Rules relating to the authority of physician assistants to prescribe drugs, controlled substances, and medical devices pursuant to this subsection shall be adopted by the board of physician assistants, after consultation with the board of medicine and the board of pharmacy. However, the rules shall prohibit the prescribing of schedule II controlled substances which are listed as depressants pursuant to chapter 124.

6. Health care providers shall consider the instructions of the physician assistant to be instructions of the supervising physician if the instructions concern duties delegated to the physician assistant by a supervising physician.

7. Notwithstanding subsection 1, a family planning clinic may dispense birth control drugs and devices upon the order of a physician. Subsections 2 and 3 do not apply to a family planning clinic under this subsection.

8. Notwithstanding subsection 1, but subject to the limitations contained in subsections 2 and 3, a registered nurse who is licensed and registered as an advanced registered nurse practitioner and who qualifies for and is registered in a recognized nursing specialty may prescribe substances or devices, including controlled substances or devices, if the nurse is engaged in the practice of a nursing specialty regulated under rules adopted by the board of nursing in consultation with the board of medicine and the board of pharmacy.

9. Notwithstanding section 147.86, a person, including a pharmacist, who violates this section is guilty of a simple misdemeanor.

84 Acts, ch 1006, §1; 88 Acts, ch 1232, §1; 91 Acts, ch 238, §1; 91 Acts, ch 239, §1; 92 Acts, ch 1163, §37; 92 Acts, ch 1183, §10; 94 Acts, ch 1134, §1; 95 Acts, ch 108, §5; 2002 Acts, ch 1108, §13; 2003 Acts, ch 93, §3, 14; 2003 Acts, ch 108, §39; 2004 Acts, ch 1036, §8; 2004 Acts, ch 1101, §22; 2006 Acts, ch 1094, §1; 2007 Acts, ch 10, §78; 2007 Acts, ch 218, §202; 2008 Acts, ch 1016, §1; 2008 Acts, ch 1088, §43

Referred to in §152B.1, 154.1, 155A.2, 155A.4, 280.16

See also §154.1, 155A.4

Notwithstanding subsection 2 or section 155A.33, board of pharmacy authorized to approve a pilot or demonstration research project relating to authority of prescription validation and pharmacist ability to provide enhanced patient care; see 2011 Acts, ch 63, §36; 2012 Acts, ch 1113, §31; 2013 Acts, ch 138, §128

Section not amended; footnote revised

**147.108 Contact lens prescribing and dispensing.**

1. A person shall not dispense or adapt contact lenses without first receiving authorization to do so by a written, electronic, or facsimile prescription, except when authorized orally under subsection 2, from a person licensed under chapter 148 or 154. The board of optometry shall adopt rules relating to electronic or facsimile transmission of a prescription under this section.

2. After contact lenses have been adequately adapted and the patient released from initial follow-up care by a person licensed under chapter 148 or 154, the patient may request a copy, at no cost, of the contact lens prescription from that licensed person. A person licensed under chapter 148 or 154 shall not withhold a contact lens prescription after the requirements of this section have been met. The prescription, at the option of the prescriber, may be given orally only to a person who is actively practicing and licensed under chapter 148, 154, or 155A. The contact lens prescription shall contain an expiration date, at the discretion of the prescriber, but not to exceed eighteen months. The contact lens prescription shall contain the necessary requirements of the ophthalmic lens, and the prescription validation requirements as defined by rules adopted pursuant to this section. The prescription may contain adapting and material guidelines and may also contain specific instructions for use by the patient. For the purpose of this section, *"ophthalmic lens"* means one which has been fabricated to fill the requirements of a particular contact lens prescription, including pharmaceutical-delivering contact lenses as defined in section 154.1, subsection 3.

3. A person who fills a contact lens prescription shall maintain a file of a valid prescription for a period of two years.

4. Notwithstanding section 147.86, a person who violates this section is guilty of a simple misdemeanor for a first violation. Subsequent violations are governed by section 147.86.

94 Acts, ch 1098, §1; 2004 Acts, ch 1036, §9; 2007 Acts, ch 10, §79; 2008 Acts, ch 1088, §96; 2010 Acts, ch 1010, §1; 2012 Acts, ch 1004, §1

**147.109 Ophthalmic spectacle lens prescribing and dispensing.**

1. A person shall not dispense or adapt an ophthalmic spectacle lens or lenses without first receiving authorization to do so by a written, electronic, or facsimile prescription from a person licensed under chapter 148 or 154. For the purpose of this section, *"ophthalmic spectacle lens"* means one which has been fabricated to fill the requirements of a particular spectacle lens prescription. The board of optometry shall adopt rules relating to electronic or facsimile transmission of a prescription under this section.

2. Upon completion of an eye examination, a person licensed under chapter 148 or 154

shall furnish the patient a copy of their ophthalmic spectacle lens prescription at no cost. The ophthalmic spectacle lens prescription shall contain an expiration date. The ophthalmic spectacle lens prescription shall contain the requirements of the ophthalmic spectacle lens and the prescription validation requirements as defined by rules adopted pursuant to this section. The prescription, at the option of the prescriber, may contain adapting and material guidelines and may also contain specific instructions for use by the patient.

3. Upon request of a patient, a person licensed under chapter 148 or 154 shall provide the prescription of the patient, if the prescription has not expired, at no cost to another person licensed under chapter 148 or 154. The person licensed under chapter 148 or 154 shall accept the prescription and shall not require the patient to undergo an eye examination unless, due to observation or patient history, the licensee has reason to require an examination.

4. A dispenser shall maintain a file of a valid prescription for a period of two years.

5. Notwithstanding section 147.86, a person who violates this section is guilty of a simple misdemeanor for a first violation. Subsequent violations are governed by section 147.86.

94 Acts, ch 1098, §2; 2004 Acts, ch 1036, §10; 2007 Acts, ch 10, §80; 2008 Acts, ch 1088, §97

**147.110** Reserved.

WOUNDS BY CRIMINAL VIOLENCE OR MOTOR VEHICLE

**147.111 Report of treatment of wounds and other injuries.**

1. A person licensed under the provisions of this subtitle who administers any treatment to any person suffering a gunshot or stab wound or other serious injury, as defined in section 702.18, which appears to have been received in connection with the commission of a criminal offense, or a motor vehicle accident or crash, or to whom an application is made for treatment of any nature because of any such gunshot or stab wound or other serious injury, as defined in section 702.18, shall at once but not later than twelve hours thereafter, report that fact to the law enforcement agency within whose jurisdiction the treatment was administered or an application for treatment was made, or if ascertainable, to the law enforcement agency in whose jurisdiction the gunshot or stab wound or other serious injury occurred, stating the name of such person, the person's residence if ascertainable, and giving a brief description of the gunshot or stab wound or other serious injury.

2. A person certified under the provisions of chapter 147A who administers any treatment to any person suffering a gunshot or stab wound or other serious injury, as defined in section 702.18, which appears to have been received in connection with the commission of a criminal offense, or a motor vehicle accident or crash, or to whom an application is made for treatment of any nature because of any such gunshot or stab wound or other serious injury, may report that fact to the law enforcement agency within whose jurisdiction the treatment was administered or application for treatment was made, or if ascertainable, to the law enforcement agency in whose jurisdiction the gunshot or stab wound or other serious injury occurred, stating the name of the person, the person's residence if ascertainable, and giving a brief description of the gunshot or stab wound or other serious injury.

3. Any provision of law or rule of evidence relating to a confidential communication is suspended for communications under this section.

[C31, 35, §2537-d1; C39, §**2537.7;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.111]

93 Acts, ch 100, §2; 94 Acts, ch 1132, §31; 96 Acts, ch 1036, §30; 98 Acts, ch 1053, §28; 99 Acts, ch 114, §8; 2010 Acts, ch 1127, §1

Referred to in §147.112, 331.653

**147.112 Investigation and report by law enforcement agency.**

The law enforcement agency who has received any report required by this chapter and who has any reason to believe that the person injured was involved in the commission of any crime, either as perpetrator or victim, shall at once commence an investigation into the circumstances of the gunshot or stab wound or other serious injury and make a report of the investigation to the county attorney in whose jurisdiction the gunshot or stab wound or

other serious injury occurred. Law enforcement personnel shall not divulge any information received under the provisions of this section and section 147.111 to any person other than a law enforcing officer, and then only in connection with the investigation of the alleged commission of a crime.

[C31, 35, §2537-d2; C39, §**2537.8;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.112]
93 Acts, ch 100, §3; 99 Acts, ch 114, §9
Referred to in §331.653
"Serious injury" definition, see §702.18

**147.113 Violations.**

Any person failing to make the report required herein shall be guilty of a simple misdemeanor.

[C31, 35, §2537-d3; C39, §**2537.9;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §147.113]

BURN INJURIES

**147.113A Report of burn injuries.**

Any person licensed under the provisions of this subtitle who administers any treatment to a person suffering a burn which appears to be of a suspicious nature on the body, a burn to the upper respiratory tract, a laryngeal edema due to the inhalation of super-heated air, or a burn injury that is likely to result in death, which appears to have been received in connection with the commission of a criminal offense, or to whom an application is made for treatment of any nature because of any such burn or burn injury shall at once but not later than twelve hours after treatment was administered or application was made report the fact to law enforcement. The report shall be made to the law enforcement agency within whose jurisdiction the treatment was administered or application was made, or if ascertainable, to the law enforcement agency in whose jurisdiction the burn or burn injury occurred, stating the name of such person, the person's residence if ascertainable, and giving a brief description of the burn or burn injury. Any provision of law or rule of evidence relative to confidential communications is suspended insofar as the provisions of this section are concerned.

2003 Acts, ch 134, §1

INSPECTOR FOR DENTAL BOARD

**147.114 Inspector.** Transferred to § 153.33, subsection 7; 2009 Acts, ch 133, § 192.

**147.115 through 147.134** Reserved.

MALPRACTICE

**147.135 Peer review committees — nonliability — records and reports privileged and confidential.**

1. A person shall not be civilly liable as a result of acts, omissions, or decisions made in connection with the person's service on a peer review committee. However, such immunity from civil liability shall not apply if an act, omission, or decision is made with malice.

2. As used in this subsection, *"peer review records"* means all complaint files, investigation files, reports, and other investigative information relating to licensee discipline or professional competence in the possession of a peer review committee or an employee of a peer review committee. As used in this subsection, *"peer review committee"* does not include licensing boards. Peer review records are privileged and confidential, are not subject to discovery, subpoena, or other means of legal compulsion for release to a person other than an affected licensee or a peer review committee, and are not admissible in evidence in

a judicial or administrative proceeding other than a proceeding involving licensee discipline or a proceeding brought by a licensee who is the subject of a peer review record and whose competence is at issue. A person shall not be liable as a result of filing a report or complaint with a peer review committee or providing information to such a committee, or for disclosure of privileged matter to a peer review committee. A person present at a meeting of a peer review committee shall not be permitted to testify as to the findings, recommendations, evaluations, or opinions of the peer review committee in any judicial or administrative proceeding other than a proceeding involving licensee discipline or a proceeding brought by a licensee who is the subject of a peer review committee meeting and whose competence is at issue. Information or documents discoverable from sources other than the peer review committee do not become nondiscoverable from the other sources merely because they are made available to or are in the possession of a peer review committee. However, such information relating to licensee discipline may be disclosed to an appropriate licensing authority in any jurisdiction in which the licensee is licensed or has applied for a license. If such information indicates a crime has been committed, the information shall be reported to the proper law enforcement agency. This subsection shall not preclude the discovery of the identification of witnesses or documents known to a peer review committee. Any final written decision and finding of fact by a licensing board in a disciplinary proceeding is a public record. Upon appeal by a licensee of a decision of a board, the entire case record shall be submitted to the reviewing court. In all cases where privileged and confidential information under this subsection becomes discoverable, admissible, or part of a court record the identity of an individual whose privilege has been involuntarily waived shall be withheld.

3. *a.* A full and confidential report concerning any final hospital disciplinary action approved by a hospital board of trustees that results in a limitation, suspension, or revocation of a physician's privilege to practice for reasons relating to the physician's professional competence or concerning any voluntary surrender or limitation of privileges for reasons relating to professional competence shall be made to the board of medicine by the hospital administrator or chief of medical staff within ten days of such action. The board of medicine shall investigate the report and take appropriate action. These reports shall be privileged and confidential as though included in and subject to the requirements for peer review committee information in subsection 2. Persons making these reports and persons participating in resulting proceedings related to these reports shall be immune from civil liability with respect to the making of the report or participation in resulting proceedings. As used in this subsection, "*physician*" means a person licensed pursuant to chapter 148.

*b.* Notwithstanding subsection 2, if the board of medicine conducts an investigation based on a complaint received or upon its own motion, a hospital pursuant to subpoena shall make available information and documents requested by the board, specifically including reports or descriptions of any complaints or incidents concerning an individual who is the subject of the board's investigation, even though the information and documents are also kept for, are the subject of, or are being used in peer review by the hospital. However, the deliberations, testimony, decisions, conclusions, findings, recommendations, evaluations, work product, or opinions of a peer review committee or its members and those portions of any documents or records containing or revealing information relating thereto shall not be subject to the board's request for information, subpoena, or other legal compulsion. All information and documents received by the board from a hospital under this section shall be confidential pursuant to section 272C.6, subsection 4.

[C77, 79, 81, §147.135]

86 Acts, ch 1211, §14; 90 Acts, ch 1086, §7; 2007 Acts, ch 10, §82; 2009 Acts, ch 133, §51

Referred to in §139A.22, 147.1, 147A.24

**147.136 Scope of recovery.**

1. Except as otherwise provided in subsection 2, in an action for damages for personal injury against a physician and surgeon, osteopathic physician and surgeon, dentist, podiatric physician, optometrist, pharmacist, chiropractor, or nurse licensed to practice that profession in this state, or against a hospital licensed for operation in this state, based on the alleged

negligence of the practitioner in the practice of the profession or occupation, or upon the alleged negligence of the hospital in patient care, in which liability is admitted or established, the damages awarded shall not include actual economic losses incurred or to be incurred in the future by the claimant by reason of the personal injury, including but not limited to the cost of reasonable and necessary medical care, rehabilitation services, and custodial care, and the loss of services and loss of earned income, to the extent that those losses are replaced or are indemnified by insurance, or by governmental, employment, or service benefit programs or from any other source.

2. This section shall not bar recovery of economic losses replaced or indemnified by any of the following:

*a.* Benefits received under the medical assistance program under chapter 249A.

*b.* The assets of the claimant or of the members of the claimant's immediate family.

[C77, 79, 81, §147.136]

95 Acts, ch 108, §6; 2008 Acts, ch 1088, §141; 2011 Acts, ch 129, §85, 156

Referred to in §668.14

**147.137 Consent in writing.**

A consent in writing to any medical or surgical procedure or course of procedures in patient care which meets the requirements of this section shall create a presumption that informed consent was given. A consent in writing meets the requirements of this section if it:

1. Sets forth in general terms the nature and purpose of the procedure or procedures, together with the known risks, if any, of death, brain damage, quadriplegia, paraplegia, the loss or loss of function of any organ or limb, or disfiguring scars associated with such procedure or procedures, with the probability of each such risk if reasonably determinable.

2. Acknowledges that the disclosure of that information has been made and that all questions asked about the procedure or procedures have been answered in a satisfactory manner.

3. Is signed by the patient for whom the procedure is to be performed, or if the patient for any reason lacks legal capacity to consent, is signed by a person who has legal authority to consent on behalf of that patient in those circumstances.

[C77, 79, 81, §147.137]

**147.138 Contingent fee of attorney reviewed by court.**

In any action for personal injury or wrongful death against any physician and surgeon, osteopathic physician and surgeon, dentist, podiatric physician, optometrist, pharmacist, chiropractor or nurse licensed under this chapter or against any hospital licensed under chapter 135B, based upon the alleged negligence of the licensee in the practice of that profession or occupation, or upon the alleged negligence of the hospital in patient care, the court shall determine the reasonableness of any contingent fee arrangement between the plaintiff and the plaintiff's attorney.

[C77, 79, 81, §147.138]

95 Acts, ch 108, §7; 2008 Acts, ch 1088, §141

**147.139 Expert witness standards.**

If the standard of care given by a physician and surgeon or an osteopathic physician and surgeon licensed pursuant to chapter 148, or a dentist licensed pursuant to chapter 153, is at issue, the court shall only allow a person to qualify as an expert witness and to testify on the issue of the appropriate standard of care if the person's medical or dental qualifications relate directly to the medical problem or problems at issue and the type of treatment administered in the case.

86 Acts, ch 1211, §16; 2008 Acts, ch 1088, §98

**147.140 through 147.150** Reserved.

SPEECH PATHOLOGISTS AND AUDIOLOGISTS

**147.151 and 147.152** Repealed by 2008 Acts, ch 1088, § 79. See § 154F.1, 154F.2.

**147.153 through 147.156** Repealed by 2008 Acts, ch 1088, § 78. See § 154F.3 through 154F.6.

**147.157 through 147.160** Reserved.

BASIC EMERGENCY MEDICAL CARE PROVIDERS

**147.161** Repealed by 95 Acts, ch 41, § 27. See chapter 147A.

# CHAPTER 147A

## EMERGENCY MEDICAL CARE — TRAUMA CARE

Referred to in §68B.2A, 135.11, 135.24, 147.111, 272C.1, 321.267A, 422.12, 708.3A, 719.1, 719.1A

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## SUBCHAPTER I

## EMERGENCY MEDICAL CARE

**147A.1 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Department"* means the Iowa department of public health.
2. *"Director"* means the director of the Iowa department of public health.
3. *"Emergency medical care"* means such medical procedures as:

*a.* Administration of intravenous solutions.

*b.* Intubation.

*c.* Performance of cardiac defibrillation and synchronized cardioversion.

*d.* Administration of emergency drugs as provided by rule by the department.

*e.* Any other medical procedure approved by the department, by rule, as appropriate to be performed by emergency medical care providers who have been trained in that procedure.

4. *"Emergency medical care provider"* means an individual trained to provide emergency and nonemergency medical care at the emergency medical responder, emergency medical technician, advanced emergency medical technician, paramedic, or other certification levels adopted by rule by the department, who has been issued a certificate by the department.
5. *"Emergency medical services"* or *"EMS"* means an integrated medical care delivery system to provide emergency and nonemergency medical care at the scene or during out-of-hospital patient transportation in an ambulance.
6. *"Emergency medical services medical director"* means a physician licensed under chapter 148, who is responsible for overall medical direction of an emergency medical services program and who has completed a medical director workshop, sponsored by the department, within one year of assuming duties. An emergency medical services medical director who receives no compensation for the performance of the director's volunteer duties under this chapter shall be considered a state volunteer as provided in section 669.24 while performing volunteer duties as an emergency medical services medical director.
7. *"Physician"* means an individual licensed under chapter 148.
8. *"Service program"* or *"service"* means any medical care ambulance service or nontransport service that has received authorization from the department under section 147A.5.
9. *"Training program"* means an Iowa college approved by the north central association of colleges and schools or an Iowa hospital authorized by the department to conduct emergency medical care services training.

[C79, 81, §147A.1]

84 Acts, ch 1287, §1; 86 Acts, ch 1245, §1142; 89 Acts, ch 89, §6; 93 Acts, ch 58, §7; 95 Acts, ch 41, §9; 99 Acts, ch 141, §21; 2008 Acts, ch 1088, §99; 2009 Acts, ch 56, §3; 2010 Acts, ch 1149, §6 – 8

Referred to in §85.61, 97B.49B, 100B.14, 100B.31, 139A.2, 141A.1, 144A.2, 144D.1, 321.423, 422.12, 708.3A, 724.6

**147A.1A Lead agency.**

The department is designated as the lead agency for coordinating and implementing the provision of emergency medical services in this state.

93 Acts, ch 58, §2

**147A.2 Council established — terms of office.**

1. An EMS advisory council shall be appointed by the director. Membership of the council shall be comprised of individuals nominated from, but not limited to, the following state or national organizations: Iowa osteopathic medical association, Iowa medical society, American college of emergency physicians, Iowa physician assistant society, Iowa academy of family physicians, university of Iowa hospitals and clinics, American academy of emergency medicine, American academy of pediatrics, Iowa EMS association, Iowa firefighters association, Iowa professional fire fighters, EMS education programs committee, Iowa nurses association, Iowa hospital association, and the Iowa state association of

counties. The council shall also include at least two at-large members who are volunteer emergency medical care providers and a representative of a private service program.

2. The EMS advisory council shall advise the director and develop policy recommendations concerning the regulation, administration, and coordination of emergency medical services in the state.

95 Acts, ch 41, §10; 98 Acts, ch 1100, §18; 2001 Acts, ch 74, §5; 2010 Acts, ch 1149, §9; 2011 Acts, ch 25, §18

**147A.3 Meetings of the council — quorum — expenses.**

Membership, terms of office, quorum, and expenses shall be determined by the director pursuant to chapter 135.

95 Acts, ch 41, §11

**147A.4 Rulemaking authority.**

1. *a.* The department shall adopt rules required or authorized by this subchapter pertaining to the operation of service programs which have received authorization under section 147A.5 to utilize the services of certified emergency medical care providers. These rules shall include but need not be limited to requirements concerning physician supervision, necessary equipment and staffing, and reporting by service programs which have received the authorization pursuant to section 147A.5.

*b.* The director, pursuant to rule, may grant exceptions and variances from the requirements of rules adopted under this subchapter for any service program. Exceptions or variations shall be reasonably related to undue hardships which existing services experience in complying with this subchapter or the rules adopted pursuant to this subchapter. Services requesting exceptions and variances shall be subject to other applicable rules adopted pursuant to this subchapter.

2. The department shall adopt rules required or authorized by this subchapter pertaining to the examination and certification of emergency medical care providers. These rules shall include, but need not be limited to, requirements concerning prerequisites, training, and experience for emergency medical care providers and procedures for determining when individuals have met these requirements. The department shall adopt rules to recognize the previous EMS training and experience of emergency medical care providers transitioning to the emergency medical responder, emergency medical technician, advanced emergency medical technician, and paramedic levels. The department may require additional training and examinations as necessary and appropriate to ensure that individuals seeking transition to another level have met the knowledge and skill requirements. All requirements for transition to another level, including fees, shall be adopted by rule.

3. The department shall establish the fee for the examination of the emergency medical care providers to cover the administrative costs of the examination program.

4. The department shall adopt rules required or authorized by this subchapter pertaining to the operation of training programs. These rules shall include but need not be limited to requirements concerning curricula, resources, facilities, and staff.

[C79, 81, §147A.4; 82 Acts, ch 1005, §1, 2]

84 Acts, ch 1287, §4; 86 Acts, ch 1245, §1143; 89 Acts, ch 89, §7; 93 Acts, ch 58, §3; 95 Acts, ch 41, §12, 28; 99 Acts, ch 141, §22; 2009 Acts, ch 133, §198; 2010 Acts, ch 1149, §10

Referred to in §147A.6

**147A.5 Applications for emergency medical care services — approval — denial, probation, suspension, or revocation.**

1. A service program in this state that desires to provide emergency medical care in the out-of-hospital setting shall apply to the department for authorization to establish a program for delivery of the care at the scene of an emergency, during transportation to a hospital, during transfer from one medical care facility to another or to a private residence, or while in the hospital emergency department, and until care is directly assumed by a physician or by authorized hospital personnel.

2. The department shall approve an application submitted in accordance with subsection

1 when the department is satisfied that the program proposed by the application will be operated in compliance with this subchapter and the rules adopted pursuant to this subchapter.

3. The department may deny an application for authorization, or may place on probation, suspend or revoke the authorization of, or otherwise discipline a service program with an existing authorization if the department finds that the service program has not been or will not be operated in compliance with this subchapter and the rules adopted pursuant to this subchapter, or that there is insufficient assurance of adequate protection for the public. The authorization denial or period of probation, suspension, or revocation, or other disciplinary action shall be effected and may be appealed as provided by section 17A.12.

[C79, 81, §147A.5]

84 Acts, ch 1287, §5; 86 Acts, ch 1245, §1144; 89 Acts, ch 89, §8; 95 Acts, ch 41, §13; 2010 Acts, ch 1149, §11

Referred to in §147A.1, 147A.4

**147A.6 Emergency medical care provider certificates — renewal.**

1. The department, upon application and receipt of the prescribed fee, shall issue a certificate to an individual who has met all of the requirements for emergency medical care provider certification established by the rules adopted under section 147A.4, subsection 2. All fees received pursuant to this section shall be deposited in the emergency medical services fund established in section 135.25.

2. Emergency medical care provider certificates are valid for the multiyear period determined by the department, unless sooner suspended or revoked. The certificate shall be renewed upon application of the holder and receipt of the prescribed fee if the holder has satisfactorily completed continuing medical education programs as required by rule.

[C79, 81, §147A.6; 82 Acts, ch 1005, §3]

84 Acts, ch 1287, §6; 89 Acts, ch 89, §9; 93 Acts, ch 58, §7; 95 Acts, ch 41, §14; 97 Acts, ch 6, §1

Referred to in §232.68

**147A.7 Denial, suspension or revocation of certificates — hearing — appeal.**

1. The department may deny an application for issuance or renewal of an emergency medical care provider certificate, or suspend or revoke the certificate when it finds that the applicant or certificate holder is guilty of any of the following acts or offenses:

*a.* Negligence in performing authorized services.

*b.* Failure to follow the directions of the supervising physician.

*c.* Rendering treatment not authorized under this subchapter.

*d.* Fraud in procuring certification.

*e.* Professional incompetency.

*f.* Knowingly making misleading, deceptive, untrue or fraudulent representation in the practice of a profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.

*g.* Habitual intoxication or addiction to the use of drugs.

*h.* Fraud in representations as to skill or ability.

*i.* Willful or repeated violations of this subchapter or of rules adopted pursuant to this subchapter.

*j.* Violating a statute of this state, another state, or the United States, without regard to its designation as either a felony or misdemeanor, which relates to the practice of an emergency medical care provider. A copy of the record of conviction or plea of guilty is conclusive evidence of the violation.

*k.* Having certification to practice as an emergency medical care provider revoked or suspended, or having other disciplinary action taken by a licensing or certifying authority of another state, territory, or country. A certified copy of the record or order of suspension, revocation, or disciplinary action is conclusive or prima facie evidence.

2. A determination of mental incompetence by a court of competent jurisdiction

automatically suspends a certificate for the duration of the certificate unless the department orders otherwise.

3. A denial, suspension or revocation under this section shall be effected, and may be appealed in accordance with the rules of the department established pursuant to chapter 272C.

[C79, 81, §147A.7]

84 Acts, ch 1287, §7; 89 Acts, ch 89, §10; 93 Acts, ch 58, §4, 7; 95 Acts, ch 41, §15, 16; 99 Acts, ch 141, §23

**147A.8 Authority of certified emergency medical care provider.**

An emergency medical care provider properly certified under this subchapter may:

1. Render emergency and nonemergency medical care, rescue, and lifesaving services in those areas for which the emergency medical care provider is certified, as defined and approved in accordance with the rules of the department, at the scene of an emergency, during transportation to a hospital or while in the hospital emergency department, and until care is directly assumed by a physician or by authorized hospital personnel.

2. Function in any hospital or any other entity in which health care is ordinarily provided only when under the direct supervision, as defined by rules adopted pursuant to chapter 17A, of a physician, when the emergency care provider is any of the following:

*a.* Enrolled as a student or participating as a preceptor in a training program approved by the department or an agency authorized in another state to provide initial EMS education and approved by the department.

*b.* Fulfilling continuing education requirements as defined by rule.

*c.* Employed by or assigned to a hospital or other entity in which health care is ordinarily provided only when under the direct supervision of a physician, as a member of an authorized service program, or in an individual capacity, by rendering lifesaving services in the facility in which employed or assigned pursuant to the emergency medical care provider's certification and under the direct supervision of a physician, physician assistant, or registered nurse. An emergency medical care provider shall not routinely function without the direct supervision of a physician, physician assistant, or registered nurse. However, when the physician, physician assistant, or registered nurse cannot directly assume emergency care of the patient, the emergency medical care provider may perform without direct supervision emergency medical care procedures for which that individual is certified if the life of the patient is in immediate danger and such care is required to preserve the patient's life.

*d.* Employed by or assigned to a hospital or other entity in which health care is ordinarily provided only when under the direct supervision of a physician, as a member of an authorized service program, or in an individual capacity, to perform nonlifesaving procedures for which those individuals have been certified and are designated in a written job description. Such procedures may be performed after the patient is observed by and when the emergency medical care provider is under the supervision of the physician, physician assistant, or registered nurse, including when the registered nurse is not acting in the capacity of a physician designee, and where the procedure may be immediately abandoned without risk to the patient.

[C79, 81, §147A.8]

84 Acts, ch 1287, §8; 89 Acts, ch 89, §11; 93 Acts, ch 58, §5, 7; 93 Acts, ch 107, §1; 95 Acts, ch 41, §17; 99 Acts, ch 141, §24; 2000 Acts, ch 1009, §1; 2001 Acts, ch 58, §10; 2009 Acts, ch 41, §263; 2010 Acts, ch 1149, §12

**147A.9 Remote supervision — emergency communication failure — authorization to initiate emergency procedures.**

1. When voice contact or a telemetered electrocardiogram is monitored by a physician, physician's designee, or physician assistant, and direct communication is maintained, an emergency medical care provider may upon order of the monitoring physician or upon standing orders of a physician transmitted by the monitoring physician's designee

or physician assistant perform any emergency medical care procedure for which that emergency medical care provider is certified.

2. If communications fail during an emergency or nonemergency situation, the emergency medical care provider may perform any emergency medical care procedure for which that individual is certified and which is included in written protocols if in the judgment of the emergency medical care provider the life of the patient is in immediate danger and such care is required to preserve the patient's life.

3. The department shall adopt rules to authorize medical care procedures which can be initiated in accordance with written protocols prior to the establishment of communication.

[C79, 81, §147A.9]

84 Acts, ch 1287, §9; 89 Acts, ch 89, §12; 93 Acts, ch 58, §6, 7; 93 Acts, ch 107, §2; 95 Acts, ch 41, §18; 99 Acts, ch 141, §25

**147A.10 Exemptions from liability in certain circumstances.**

1. A physician, physician's designee, advanced registered nurse practitioner, or physician assistant who gives orders, either directly or via communications equipment from some other point, or via standing protocols to an appropriately certified emergency medical care provider, registered nurse, or licensed practical nurse at the scene of an emergency, and an appropriately certified emergency medical care provider, registered nurse, or licensed practical nurse following the orders, are not subject to criminal liability by reason of having issued or executed the orders, and are not liable for civil damages for acts or omissions relating to the issuance or execution of the orders unless the acts or omissions constitute recklessness.

2. A physician, physician's designee, advanced registered nurse practitioner, physician assistant, registered nurse, licensed practical nurse, or emergency medical care provider shall not be subject to civil liability solely by reason of failure to obtain consent before rendering emergency medical, surgical, hospital or health services to any individual, regardless of age, when the patient is unable to give consent for any reason and there is no other person reasonably available who is legally authorized to consent to the providing of such care.

3. An act of commission or omission of any appropriately certified emergency medical care provider, registered nurse, licensed practical nurse, or physician assistant, while rendering emergency medical care under the responsible supervision and control of a physician to a person who is deemed by them to be in immediate danger of serious injury or loss of life, shall not impose any liability upon the certified emergency medical care provider, registered nurse, licensed practical nurse, or physician assistant, the supervising physician, physician designee, advanced registered nurse practitioner, or any hospital, or upon the state, or any county, city or other political subdivision, or the employees of any of these entities; provided that this section shall not relieve any person of liability for civil damages for any act of commission or omission which constitutes recklessness.

[C79, 81, §147A.10]

84 Acts, ch 1287, §10; 89 Acts, ch 89, §13; 93 Acts, ch 107, §3; 95 Acts, ch 41, §19

Referred to in §147A.12

**147A.11 Prohibited acts.**

1. Any person not certified as required by this subchapter who claims to be an emergency medical care provider, or who uses any other term to indicate or imply that the person is an emergency medical care provider, or who acts as an emergency medical care provider without having obtained the appropriate certificate under this subchapter, is guilty of a class "D" felony.

2. An owner of an unauthorized service program in this state who operates or purports to operate a service program, or who uses any term to indicate or imply authorization without having obtained the appropriate authorization under this subchapter, is guilty of a class "D" felony.

3. Any person who imparts or conveys, or causes to be imparted or conveyed, or attempts to impart or convey false information concerning the need for assistance of a service program

or of any personnel or equipment thereof, knowing such information to be false, is guilty of a serious misdemeanor.

[C79, 81, §147A.11]

84 Acts, ch 1287, §11; 89 Acts, ch 89, §14; 95 Acts, ch 41, §20; 2010 Acts, ch 1149, §13

**147A.12 Registered nurse exception.**

1. This subchapter does not restrict a registered nurse, licensed pursuant to chapter 152, from staffing an authorized service program provided the registered nurse can document equivalency through education and additional skills training essential in the delivery of out-of-hospital emergency care. The equivalency shall be accepted when:

*a.* Documentation has been reviewed and approved at the local level by the medical director of the service program in accordance with the rules of the board of nursing developed jointly with the department.

*b.* Authorization has been granted to that service program by the department.

2. Section 147A.10 applies to a registered nurse in compliance with this section.

84 Acts, ch 1287, §12; 85 Acts, ch 129, §1; 89 Acts, ch 89, §15; 95 Acts, ch 41, §21; 2010 Acts, ch 1149, §14

**147A.13 Physician assistant exception.**

This subchapter does not restrict a physician assistant, licensed pursuant to chapter 148C, from staffing an authorized service program if the physician assistant can document equivalency through education and additional skills training essential in the delivery of out-of-hospital emergency care. The equivalency shall be accepted when:

1. Documentation has been reviewed and approved at the local level by the medical director of the service program in accordance with the rules of the board of physician assistants developed after consultation with the department.

2. Authorization has been granted to that service program by the department.

93 Acts, ch 107, §4; 95 Acts, ch 41, §22; 2007 Acts, ch 10, §85; 2010 Acts, ch 1149, §15

**147A.14 Enforcement.**

Investigators authorized by the department have the powers and status of peace officers when enforcing this chapter.

99 Acts, ch 141, §26

**147A.15 Automated external defibrillator equipment — penalty.**

Any person who damages, wrongfully takes or withholds, or removes any component of automated external defibrillator equipment located in a public or privately owned location, including batteries installed to operate the equipment, is guilty of a serious misdemeanor.

2006 Acts, ch 1184, §89

**147A.16 Exception for care within scope of certification.**

1. This subchapter does not apply to a registered member of the national ski patrol system, an industrial safety officer, a lifeguard, or a person employed or volunteering in a similar capacity in which the person provides on-site emergency medical care at a facility solely to the patrons or employees of that facility, provided that such person provides emergency medical care only within the scope of the person's training and certification and the person does not claim to be a certified emergency medical care provider or use any other term to indicate or imply that the person is a certified emergency medical care provider.

2. This subchapter does not apply to the national ski patrol system or any similar system in which the system provides on-site emergency medical care at a facility solely to the patrons or employees of that facility, provided that such system does not provide transportation to a hospital or other medical facility and provided that such system does not use any term to indicate or imply authorization to transport patients to a hospital or other medical facility without having obtained proper authorization to transport patients to a hospital or other medical facility under this subchapter.

2006 Acts, ch 1078, §1

**147A.17 Applications for emergency medical care services training programs — approval or denial — disciplinary actions.**

1. An Iowa college approved by the north central association of colleges and schools or an Iowa hospital in this state that desires to provide emergency medical care services training leading to certification as an emergency medical care provider shall apply to the department for authorization to establish a training program.

2. The department shall approve an application submitted in accordance with subsection 1 when the department is satisfied that the program proposed by the application will be operated in compliance with this subchapter and the rules adopted pursuant to this subchapter.

3. The department may deny an application for authorization, or may place on probation, suspend or revoke the authorization of, or otherwise discipline a training program with an existing authorization if the department finds reason to believe the program has not been or will not be operated in compliance with this subchapter and the rules adopted pursuant to this subchapter, or that there is insufficient assurance of adequate protection for the public. The authorization denial, period of probation, suspension, or revocation, or other disciplinary action shall be effected and may be appealed as provided by section 17A.12.

2010 Acts, ch 1149, §16

**147A.18 and 147A.19** Reserved.

SUBCHAPTER II

STATEWIDE TRAUMA CARE SYSTEM

**147A.20 Short title.**

This subchapter may be cited as the *"Iowa Trauma Care System Development Act"*.

95 Acts, ch 40, §1

**147A.21 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Categorization"* means a preliminary determination by the department that a hospital or emergency care facility is capable of providing trauma care in accordance with criteria adopted pursuant to chapter 17A for level I, II, III, and IV care capabilities.

2. *"Department"* means the Iowa department of public health.

3. *"Director"* means the director of public health.

4. *"Emergency care facility"* means a physician's office, clinic, or other health care center which provides emergency medical care in conjunction with other primary care services.

5. *"Hospital"* means a facility licensed under chapter 135B, or a comparable emergency care facility located and licensed in another state.

6. *"Trauma"* means a single or multisystem life-threatening or limb-threatening injury, or an injury requiring immediate medical or surgical intervention or treatment to prevent death or permanent disability.

7. *"Trauma care facility"* means a hospital or emergency care facility which provides trauma care and has been verified by the department as having level I, II, III, or IV care capabilities and issued a certificate of verification pursuant to section 147A.23, subsection 2, paragraph *"c"*.

8. *"Trauma care system"* means an organized approach to providing personnel, facilities, and equipment for effective and coordinated trauma care.

9. *"Verification"* means a formal process by which the department certifies a hospital or emergency care facility's capacity to provide trauma care in accordance with criteria established for level I, II, III, and IV trauma care facilities.

95 Acts, ch 40, §2

**147A.22 Legislative findings and intent — purpose.**

The general assembly finds the following:

1. Trauma is a serious health problem in the state of Iowa and is the leading cause of death of younger Iowans. The death and disability associated with traumatic injury contributes to the significant medical expenses and lost work, and adversely affects the productivity of Iowans.

2. Optimal trauma care is limited in many parts of the state. With health care delivery in transition, access to quality trauma and emergency medical care continues to challenge our rural communities.

3. The goal of a statewide trauma care system is to coordinate the medical needs of the injured person with an integrated system of optimal and cost-effective trauma care. The result of a well-coordinated statewide trauma care system is to reduce the incidences of inadequate trauma care and preventable deaths, minimize human suffering, and decrease the costs associated with preventable mortality and morbidity.

4. The development of the Iowa trauma care system will achieve these goals while meeting the unique needs of the rural residents of the state.

95 Acts, ch 40, §3

**147A.23 Trauma care system development.**

1. The department is designated as a lead agency in this state responsible for the development of a statewide trauma care system.

2. The department, in consultation with the trauma system advisory council, shall develop, coordinate, and monitor a statewide trauma care system. This system shall include, but not be limited to, the following:

*a.* The categorization of all hospitals and emergency care facilities by the department as to their capacity to provide trauma care services. The categorization shall be determined by the department from self-reported information provided to the department by the hospital or emergency care facility. This categorization shall not be construed to imply any guarantee on the part of the department as to the level of trauma care services available at the hospital or emergency care facility.

*b.* The issuance of a certificate of verification of all categorized hospitals and emergency care facilities from the department at the level preferred by the hospital or emergency care facility. The standards and verification process shall be established by rule and may vary as appropriate by level of trauma care capability. To the extent possible, the standards and verification process shall be coordinated with other applicable accreditation and licensing standards.

*c.* Upon verification and the issuance of a certificate of verification, a hospital or emergency care facility agrees to maintain a level of commitment and resources sufficient to meet responsibilities and standards as required by the trauma care criteria established by rule under this subchapter. Verifications are valid for a period of three years or as determined by the department and are renewable. As part of the verification and renewal process, the department may conduct periodic on-site reviews of the services and facilities of the hospital or emergency care facility.

*d.* The department is responsible for the funding of the administrative costs of this subchapter. Any funds received by the department for this purpose shall be deposited in the emergency medical services fund established in section 135.25.

*e.* This section shall not be construed to limit the number and distribution of level I, II, III, and IV categorized and verified trauma care facilities in a community or region.

95 Acts, ch 40, §4

Referred to in §147A.21

**147A.24 Trauma system advisory council established.**

1. A trauma system advisory council is established. The following organizations or officials may recommend a representative to the council:

*a.* American academy of pediatrics.

*b.* American college of emergency physicians, Iowa chapter.

*c.* American college of surgeons, Iowa chapter.
*d.* Department of public health.
*e.* Governor's traffic safety bureau.
*f.* Iowa academy of family physicians.
*g.* Iowa emergency medical services association.
*h.* Iowa emergency nurses association.
*i.* Iowa hospital association representing rural hospitals.
*j.* Iowa hospital association representing urban hospitals.
*k.* Iowa medical society.
*l.* Iowa osteopathic medical society.
*m.* Iowa physician assistant society.
*n.* Iowa society of anesthesiologists.
*o.* Orthopedic system advisory council of the American academy of orthopedic surgeons, Iowa representative.
*p.* Rehabilitation services delivery representative.
*q.* Iowa's Medicare quality improvement organization.
*r.* State medical examiner.
*s.* Trauma nurse coordinator representing a trauma registry hospital.
*t.* University of Iowa, injury prevention research center.

2. The council shall be appointed by the director from the recommendations of the organizations in subsection 1 for terms of two years. Vacancies on the council shall be filled for the remainder of the term of the original appointment. Members whose terms expire may be reappointed.

3. The voting members of the council shall elect a chairperson and a vice chairperson and other officers as the council deems necessary. The officers shall serve until their successors are elected and qualified.

4. The council shall do all of the following:

*a.* Advise the department on issues and strategies to achieve optimal trauma care delivery throughout the state.

*b.* Assist the department in the implementation of an Iowa trauma care plan.

*c.* Develop criteria for the categorization of all hospitals and emergency care facilities according to their trauma care capabilities. These categories shall be for levels I, II, III, and IV, based on the most current guidelines published by the American college of surgeons committee on trauma, the American college of emergency physicians, and the model trauma care plan of the United States department of health and human services' health resources and services administration.

*d.* Develop a process for the verification of the trauma care capacity of each facility and the issuance of a certificate of verification.

*e.* Develop standards for medical direction, trauma care, triage and transfer protocols, and trauma registries.

*f.* Promote public information and education activities for injury prevention.

*g.* Review the rules adopted under this subchapter and make recommendations to the director for changes to further promote optimal trauma care.

*h.* Develop, implement, and conduct trauma care system evaluation, quality assessment, and quality improvement.

5. Proceedings, records, and reports developed pursuant to this section constitute peer review records under section 147.135, and are not subject to discovery by subpoena or admissible as evidence. All information and documents received from a hospital or emergency care facility under this subchapter shall be confidential pursuant to section 272C.6, subsection 4.

95 Acts, ch 40, §5; 98 Acts, ch 1100, §19; 2001 Acts, ch 74, §6; 2013 Acts, ch 129, §50 – 52
Subsection 1, paragraph q stricken and rewritten
Subsection 4, NEW paragraph h
NEW subsection 5

**147A.25 System evaluation and quality improvement committee.** Repealed by 2013 Acts, ch 129, § 57.

With respect to proposed amendment to former §147A.25 by 2013 Acts, ch 81, §1, see Code editor's note on simple harmonization

**147A.26 Trauma registry.**

1. The department shall maintain a statewide trauma reporting system by which the trauma system advisory council and the department may monitor the effectiveness of the statewide trauma care system.

2. The data collected by and furnished to the department pursuant to this section are confidential records of the condition, diagnosis, care, or treatment of patients or former patients, including outpatients, pursuant to section 22.7. The compilations prepared for release or dissemination from the data collected are not confidential under section 22.7, subsection 2. However, information which individually identifies patients shall not be disclosed and state and federal law regarding patient confidentiality shall apply.

3. To the extent possible, activities under this section shall be coordinated with other health data collection methods.

95 Acts, ch 40, §7; 96 Acts, ch 1079, §7; 2013 Acts, ch 129, §53

Subsection 1 amended

**147A.27 Department to adopt rules.**

The department shall adopt rules, pursuant to chapter 17A, to implement the Iowa trauma care system plan, which specify all of the following:

1. Standards for trauma care.
2. Triage and transfer protocols.
3. Trauma registry procedures and policies.
4. Trauma care education and training requirements.
5. Hospital and emergency care facility categorization criteria.
6. Procedures for approval, denial, probation, and revocation of certificates of verification.

95 Acts, ch 40, §8

**147A.28 Prohibited acts.**

A hospital or emergency care facility that imparts or conveys, or causes to be imparted or conveyed, that it is a trauma care facility, or that uses any other term to indicate or imply that the hospital or emergency care facility is a trauma care facility without having obtained a certificate of verification under this subchapter is subject to a civil penalty not to exceed one hundred dollars per day for each offense. In addition, the director may apply to the district court for a writ of injunction to restrain the use of the term "trauma care facility". However, nothing in this subchapter shall be construed to restrict a hospital or emergency facility from providing any services for which it is duly authorized.

95 Acts, ch 40, §9; 95 Acts, ch 209, §21

Section not amended; editorial change applied

# CHAPTER 148

## MEDICINE AND SURGERY AND OSTEOPATHIC MEDICINE AND SURGERY

Referred to in §85B.9, 124.555, 125.86, 135.24, 135.61, 135.105D, 135.159, 135B.7, 135C.40, 135G.1, 135H.1, 135J.1, 136.1, 137.105, 142C.7, 144.29A, 147.76, 147.108, 147.109, 147.135, 147.139, 147A.1, 148A.3, 152.1, 154.1, 154.10, 154B.2, 157.13, 225C.6, 229.1, 232.68, 280.16, 321.34, 321.186, 321.186A, 321.375, 321.376, 321.445, 321.446, 321L.2, 505.8, 509.3, 514.7, 514.17, 514B.1, 514C.3, 514C.11, 514C.13, 514C.17, 514C.18, 514C.20, 514C.25, 514C.29, 514F.1, 702.8, 702.17, 707.7, 707C.4, 708.3A, 714H.4, 915.86

Enforcement, §147.87, 147.92
Penalty, §147.86
Licensing board, support staff exceptions; location and powers; see §135.11A, 135.31
Utilization and cost control review committee; §514F.1


148.1 Persons engaged in practice.
148.2 Persons not engaged in practice.
148.2A Board of medicine — alternate members.
148.2B Executive director.
148.3 License to practice.
148.4 Certificates of national board. Repealed by 2008 Acts, ch 1088, §79.
148.5 Resident physician license.
148.6 Licensee discipline — criminal penalty.
148.7 Procedure for licensee discipline.
148.8 Voluntary surrender of license.
148.9 Reinstatement.
148.10 Temporary license.
148.11 Special license to practice medicine and surgery or osteopathic medicine and surgery.
148.12 Voluntary agreements.
148.13 Authority of board as to supervising physicians and review of contested cases under chapter 148C — rules.
148.14 Board of medicine investigators.


### 148.1 Persons engaged in practice.

For the purpose of this subtitle, the following classes of persons shall be deemed to be engaged in the practice of medicine and surgery or osteopathic medicine and surgery:

1. Persons who publicly profess to be physicians and surgeons or osteopathic physicians and surgeons, or who publicly profess to assume the duties incident to the practice of medicine and surgery or osteopathic medicine and surgery.

2. Persons who prescribe, or prescribe and furnish, medicine for human ailments or treat the same by surgery.

3. Persons who act as representatives of any person in doing any of the things mentioned in this section.

[C97, §2579; C24, 27, 31, 35, 39, §**2538;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §148.1]
2008 Acts, ch 1088, §44; 2009 Acts, ch 41, §170, 264
Referred to in §148.2

### 148.2 Persons not engaged in practice.

Section 148.1 shall not be construed to include the following classes of persons:

1. Persons who advertise or sell patent or proprietary medicines.

2. Persons who advertise, sell, or prescribe natural mineral waters flowing from wells or springs.

3. Students of medicine and surgery or osteopathic medicine and surgery who have completed at least two years' study in a medical school or a college of osteopathic medicine and surgery, approved by the board, and who prescribe medicine under the supervision of a licensed physician and surgeon or licensed osteopathic physician and surgeon, or who render gratuitous service to persons in case of emergency.

4. Licensed podiatric physicians, chiropractors, physical therapists, nurses, dentists, optometrists, and pharmacists who are exclusively engaged in the practice of their respective professions.

5. Physicians and surgeons or osteopathic physicians and surgeons of the United States army, navy, air force, marines, public health service, or other uniformed service when acting in the line of duty in this state, and holding a current, active permanent license in good standing in another state, district, or territory of the United States, or physicians and surgeons

or osteopathic physicians and surgeons licensed in another state, when incidentally called into this state in consultation with a physician and surgeon or osteopathic physician and surgeon licensed in this state.

[C97, §2579, 2581; S13, §2581; C24, 27, 31, 35, 39, §**2539;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §148.2]

96 Acts, ch 1034, §68; 2006 Acts, ch 1184, §90; 2007 Acts, ch 10, §86; 2008 Acts, ch 1088, §45

**148.2A Board of medicine — alternate members.**

1. As used in this chapter, *"board"* means the board of medicine established in chapter 147.

2. Notwithstanding sections 17A.11, 69.16, 69.16A, 147.12, 147.14, and 147.19, the board may have a pool of up to ten alternate members, including members licensed to practice under this chapter and members not licensed to practice under this chapter, to substitute for board members who are disqualified or become unavailable for any other reason for contested case hearings.

*a.* The board may recommend, subject to approval by the governor, up to ten people to serve in a pool of alternate members.

*b.* A person serves in the pool of alternate members at the discretion of the board; however, the length of time an alternate member may serve in the pool shall not exceed nine years. A person who serves as an alternate member may later be appointed to the board and may serve nine years, in accordance with sections 147.12 and 147.19. A former board member may serve in the pool of alternate members.

*c.* An alternate member licensed under this chapter shall hold an active license and shall have been actively engaged in the practice of medicine and surgery or osteopathic medicine and surgery in the preceding three years, with the two most recent years of practice being in Iowa.

*d.* When a sufficient number of board members are unavailable to hear a contested case, the board may request alternate members to serve.

*e.* Notwithstanding section 17A.11, section 147.14, subsection 2, and section 272C.6, subsection 5:

(1) An alternate member is deemed a member of the board only for the hearing panel for which the alternate member serves.

(2) A hearing panel containing alternate members must include at least six people.

(3) The majority of a hearing panel containing alternate members shall be members of the board.

(4) The majority of a hearing panel containing alternate members shall be licensed to practice under this chapter.

(5) A decision of a hearing panel containing alternate members is considered a final decision of the board.

*f.* An alternate member shall not receive compensation in excess of that authorized by law for a board member.

92 Acts, ch 1183, §11; 2007 Acts, ch 10, §87; 2008 Acts, ch 1088, §46; 2009 Acts, ch 133, §52
Referred to in §148.7

**148.2B Executive director.**

The salary of the executive director of the board shall be established by the governor with approval of the executive council pursuant to section 8A.413, subsection 3, under the pay plan for exempt positions in the executive branch of government.

2008 Acts, ch 1088, §47

**148.3 License to practice.**

1. An applicant for a license to practice medicine and surgery or osteopathic medicine and surgery shall present to the board all of the following:

*a.* Evidence of a diploma issued by a medical college or college of osteopathic medicine and surgery approved by the board, or other evidence of equivalent medical education

approved by the board. The board may accept, in lieu of a diploma from a medical college or college of osteopathic medicine and surgery approved by the board, all of the following:

(1) A diploma issued by a medical college or college of osteopathic medicine and surgery which has been neither approved nor disapproved by the board.

(2) A valid standard certificate issued by the educational commission for foreign medical graduates or similar accrediting agency.

*b.* Evidence of having passed an examination prescribed by the board which shall include subjects which determine the applicant's qualifications to practice medicine and surgery or osteopathic medicine and surgery and which shall be given according to the methods deemed by the board to be the most appropriate and practicable. However, one or more examinations as prescribed by the board or any other national standardized examination which the board approves may be administered to any or all applicants in lieu of or in conjunction with other examinations which the board prescribes. The board may establish necessary achievement levels on all examinations for a passing grade and adopt rules relating to examinations.

*c.* Satisfactory evidence that the applicant has successfully completed one year of postgraduate internship or resident training in a hospital approved for such training by the board. An applicant who holds a valid certificate issued by the educational commission for foreign medical graduates shall submit satisfactory evidence of successful completion of two years of such training.

2. An application for a license shall be made to the board of medicine. All license and renewal fees shall be paid to the board.

3. The board shall give priority to the processing of applications for licensure submitted by physicians and surgeons and osteopathic physicians and surgeons whose practice will primarily involve provision of service to underserved populations, including but not limited to minorities or low-income persons, or who live in rural areas.

4. The issuance of reciprocal agreements pursuant to section 147.44 is not required and is subject to the discretion of the board.

**1.** [C97, §2582; S13, §2582; C24, 27, 31, 35, 39, §**2540;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §148.3; 82 Acts, ch 1005, §4]

**2.** [C97, §2576; S13, §2576; C24, 27, 31, 35, 39, §**2540;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §148.3]

**3.** [C27, 31, 35, 39, §**2540;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §148.3]

90 Acts, ch 1086, §9, 10; 92 Acts, ch 1183, §12; 2004 Acts, ch 1168, §7; 2007 Acts, ch 10, §88; 2008 Acts, ch 1088, §48; 2009 Acts, ch 41, §55; 2009 Acts, ch 133, §53; 2010 Acts, ch 1069, §19; 2010 Acts, ch 1163, §2

Referred to in §147.49

**148.4 Certificates of national board.** Repealed by 2008 Acts, ch 1088, § 79.

**148.5 Resident physician license.**

A physician, who is a graduate of a medical school or college of osteopathic medicine and surgery and is serving as a resident physician who is not otherwise licensed to practice medicine and surgery or osteopathic medicine and surgery in this state, shall be required to obtain from the board a license to practice as a resident physician. The license shall be designated "Resident Physician License" and shall authorize the licensee to serve as a resident physician only, under the supervision of a licensed practitioner of medicine and surgery or osteopathic medicine and surgery, in an institution approved for such training by the board. A license shall be valid for a duration as determined by the board. The fee for each license shall be set by the board to cover the administrative costs of issuing the license. The board shall determine in each instance those eligible for a license, whether or not examinations shall be given, and the type of examinations. Requirements of the law pertaining to regular permanent licensure shall not be mandatory for a resident physician license except as specifically designated by the board. The granting of a resident physician

license does not in any way indicate that the person licensed is necessarily eligible for regular permanent licensure, or that the board in any way is obligated to license the individual.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §148.5]

90 Acts, ch 1086, §11; 92 Acts, ch 1183, §14; 2000 Acts, ch 1140, §32; 2007 Acts, ch 10, §90; 2008 Acts, ch 1088, §49

**148.6 Licensee discipline — criminal penalty.**

1. The board, after due notice and hearing in accordance with chapter 17A, may issue an order to discipline a licensee for any of the grounds set forth in section 147.55, chapter 272C, or this subsection. Notwithstanding section 272C.3, licensee discipline may include a civil penalty not to exceed ten thousand dollars.

2. Pursuant to this section, the board may discipline a licensee who is guilty of any of the following acts or offenses:

*a.* Knowingly making misleading, deceptive, untrue or fraudulent representation in the practice of the physician's profession.

*b.* Being convicted of a felony in the courts of this state or another state, territory, or country. Conviction as used in this paragraph shall include a conviction of an offense which if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding in which a finding or verdict of guilt is made or returned, but the adjudication of guilt is either withheld or not entered. A certified copy of the final order or judgment of conviction or plea of guilty in this state or in another state shall be conclusive evidence.

*c.* Violating a statute or law of this state, another state, or the United States, without regard to its designation as either felony or misdemeanor, which statute or law relates to the practice of medicine.

*d.* Having the license to practice medicine and surgery or osteopathic medicine and surgery revoked or suspended, or having other disciplinary action taken by a licensing authority of another state, territory, or country. A certified copy of the record or order of suspension, revocation, or disciplinary action is prima facie evidence.

*e.* Knowingly aiding, assisting, procuring, or advising a person to unlawfully practice medicine and surgery or osteopathic medicine and surgery.

*f.* Being adjudged mentally incompetent by a court of competent jurisdiction. Such adjudication shall automatically suspend a license for the duration of the license unless the board orders otherwise.

*g.* Being guilty of a willful or repeated departure from, or the failure to conform to, the minimal standard of acceptable and prevailing practice of medicine and surgery or osteopathic medicine and surgery in which proceeding actual injury to a patient need not be established; or the committing by a physician of an act contrary to honesty, justice, or good morals, whether the same is committed in the course of the physician's practice or otherwise, and whether committed within or without this state.

*h.* Inability to practice medicine and surgery or osteopathic medicine and surgery with reasonable skill and safety by reason of illness, drunkenness, excessive use of drugs, narcotics, chemicals, or other type of material or as a result of a mental or physical condition.

(1) The board may, upon probable cause, compel a physician to submit to a mental or physical examination by designated physicians or to submit to alcohol or drug screening within a time specified by the board.

(2) A person licensed to practice medicine and surgery or osteopathic medicine and surgery who makes application for the renewal of a license, as required by section 147.10, gives consent to submit to a mental or physical examination as provided by this paragraph "*h*" when directed in writing by the board. All objections shall be waived as to the admissibility of an examining physicians' testimony or examination reports on the grounds that they constitute privileged communication. The medical testimony or examination reports shall not be used against a physician in another proceeding and shall be confidential, except for other actions filed against a physician to revoke or suspend a license.

*i.* Willful or repeated violation of lawful rule or regulation adopted by the board or violating a lawful order of the board, previously entered by the board in a disciplinary or

licensure hearing, or violating the terms and provisions of a consent agreement or informal settlement between a licensee and the board.

3. A person violating the provisions of section 147.2, 147.84, or 147.85, shall upon conviction be guilty of a class "D" felony.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §148.6]

90 Acts, ch 1086, §12 – 14; 92 Acts, ch 1183, §15; 2007 Acts, ch 10, §91; 2008 Acts, ch 1088, §50; 2009 Acts, ch 133, §54

Referred to in §148.7, 272C.3, 272C.4, 272C.5

Service of notice, R.C.P. 1.305 and 1.306

**148.7 Procedure for licensee discipline.**

A proceeding for the revocation or suspension of a license to practice medicine and surgery or osteopathic medicine and surgery or to discipline a person licensed to practice medicine and surgery or osteopathic medicine and surgery shall be substantially in accord with the following procedure:

1. The board may, upon its own motion or upon receipt of a complaint in writing, order an investigation. The board may, upon its own motion, order a hearing. A written notice of the time and place of the hearing together with a statement of the charges shall be served upon the licensee at least ten days before the hearing in the manner required for the service of notice of the commencement of an ordinary action or by restricted certified mail.

2. If the whereabouts of the licensee is unknown, service may be had by publication as provided in the rules of civil procedure upon filing the affidavit required by the rules. In case the licensee fails to appear, either in person or by counsel at the time and place designated in the notice, the board shall proceed with the hearing as provided in this section.

3. *a.* The hearing shall be before a member or members designated by the board or before an administrative law judge appointed by the board according to the requirements of section 17A.11, subsection 1. The presiding board member or administrative law judge may issue subpoenas, administer oaths, and take or cause depositions to be taken in connection with the hearing. The presiding board member or administrative law judge shall issue subpoenas at the request and on behalf of the licensee.

*b.* The administrative law judge shall be an attorney vested with full authority of the board to schedule and conduct hearings. The administrative law judge shall prepare and file with the board the administrative law judge's findings of fact and conclusions of law, together with a complete written transcript of all testimony and evidence introduced at the hearing and all exhibits, pleas, motions, objections, and rulings of the administrative law judge.

4. Disciplinary hearings held pursuant to section 272C.6, subsection 1, shall be heard by the board, or by a panel of not less than six members, at least three of whom are board members, and the remaining appointed pursuant to section 148.2A, with no more than three of the six being public members. Notwithstanding chapters 17A and 21, a disciplinary hearing shall be open to the public at the discretion of the licensee.

5. A record of the proceedings shall be kept. The licensee shall have the opportunity to appear personally and by an attorney, with the right to produce evidence on the licensee's own behalf, to examine and cross-examine witnesses, and to examine documentary evidence produced against the licensee.

6. If a person refuses to obey a subpoena issued by the presiding member or administrative law judge or to answer a proper question during the hearing, the presiding member or administrative law judge may invoke the aid of a court of competent jurisdiction or judge of this court in requiring the attendance and testimony of the person and the production of papers. A failure to obey the order of the court may be punished by the court as a civil contempt may be punished.

7. Unless the hearing is before the entire board, a transcript of the proceeding, together with exhibits presented, shall be considered by the entire board at the earliest practicable time. The licensee and the licensee's attorney shall have the opportunity to appear personally to present the licensee's position and arguments to the board. The board shall determine the charge or charges upon the merits on the basis of the evidence in the record before it.

8. If a majority of the members of the board vote in favor of finding the licensee guilty of

an act or offense specified in section 147.55 or 148.6, the board shall prepare written findings of fact and its decision imposing one or more of the following disciplinary measures:

*a.* Suspend the licensee's license to practice the profession for a period to be determined by the board.

*b.* Revoke the licensee's license to practice the profession.

*c.* Suspend imposition of judgment and penalty or impose the judgment and penalty, but suspend enforcement and place the physician on probation. The probation ordered may be vacated upon noncompliance. The board may restore and reissue a license to practice medicine and surgery or osteopathic medicine and surgery, but may impose a disciplinary or corrective measure which the board might originally have imposed. A copy of the board's order, findings of fact, and decision, shall be served on the licensee in the manner of service of an original notice or by certified mail return receipt requested.

9. Judicial review of the board's action may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

10. The board's order revoking or suspending a license to practice medicine and surgery or osteopathic medicine and surgery or to discipline a licensee shall remain in force and effect until the appeal is finally determined and disposed of upon its merit.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §148.7]

88 Acts, ch 1109, §16; 90 Acts, ch 1086, §15; 92 Acts, ch 1183, §16, 17; 98 Acts, ch 1202, §31, 46; 2003 Acts, ch 44, §114; 2007 Acts, ch 10, §92; 2008 Acts, ch 1088, §51

Referred to in §272C.5

Manner of service, R.C.P. 1.302 – 1.315

**148.8 Voluntary surrender of license.**

The board may accept the voluntary surrender of a license if accompanied by a written statement of intention. A voluntary surrender, when accepted, has the same force and effect as an order of revocation.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §148.8]

92 Acts, ch 1183, §18; 2007 Acts, ch 10, §93

Referred to in §272C.5

**148.9 Reinstatement.**

Any person whose license has been suspended may apply to the board for reinstatement at any time and the board may hold a hearing on any such petition and may order reinstatement and impose terms and conditions thereof and issue a certificate of reinstatement.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §148.9]

2007 Acts, ch 10, §94; 2008 Acts, ch 1088, §52

Referred to in §272C.5

**148.10 Temporary license.**

1. The board may, in its discretion, issue a temporary license authorizing the licensee to practice medicine and surgery or osteopathic medicine and surgery in a specific location or locations and for a specified period of time if, in the opinion of the board, a need exists and the person possesses the qualifications prescribed by the board for the license, which shall be substantially equivalent to those required for licensure under this chapter. The board shall determine in each instance those eligible for the license, whether or not examinations shall be given, and the type of examinations. No requirements of the law pertaining to regular permanent licensure are mandatory for the temporary license except as specifically designated by the board. The granting of a temporary license does not in any way indicate that the person so licensed is necessarily eligible for regular licensure or that the board in any way is obligated to so license the person.

2. The temporary license shall be issued for a period not to exceed one year and may be renewed, but a person shall not practice medicine and surgery or osteopathic medicine and surgery in excess of three years while holding a temporary license. The fee for the license

and the fee for renewal of the license shall be set by the board. The fees shall be based on the administrative costs of issuing and renewing the licenses.

[C66, 71, 73, 75, 77, 79, 81, §148.10]

87 Acts, ch 128, §1; 2004 Acts, ch 1167, §5; 2007 Acts, ch 10, §95; 2007 Acts, ch 215, §248; 2008 Acts, ch 1088, §53

**148.11 Special license to practice medicine and surgery or osteopathic medicine and surgery.**

1. Whenever the need exists, the board may issue a special license. The special license shall authorize the licensee to practice medicine and surgery or osteopathic medicine and surgery under the policies and standards applicable to the health care services of a medical or osteopathic medical school academic staff member or as otherwise specified in the special license.

2. A person applying for a special license shall:

*a.* Be a physician in a professional specialty.

*b.* Present a diploma issued by a medical or osteopathic medical college.

*c.* Present evidence of an unrestricted license to practice medicine and surgery or osteopathic medicine and surgery which has been issued by a foreign state or territory or an alien country.

*d.* Present a letter of recommendation from the dean of a medical or osteopathic medical school in this state indicating that the applicant has been invited to serve on the academic staff of the medical or osteopathic medical school.

*e.* Present letters of recommendation from universities, other educational institutions, or research facilities that indicate the noteworthy professional attainment by the applicant.

*f.* Present biographical background information concerning the applicant's education and qualifications.

3. The board shall establish a fee for initial issuance and renewal of a special license. The board shall establish rules for granting and renewing a special license consistent with those for permanent licenses.

4. A special license issued under this section shall automatically expire upon the special licensee discontinuing service on the academic staff of a medical or osteopathic medical school in this state. An expired special license shall not be renewed. However, a former special licensee may reapply for a special license.

[C77, 79, 81, §148.11]

2007 Acts, ch 10, §96; 2008 Acts, ch 1088, §54

**148.12 Voluntary agreements.**

The board, after due notice and hearing, may issue an order to revoke, suspend, or restrict a license to practice medicine and surgery or osteopathic medicine and surgery, or to issue a restricted license on application if the board determines that a physician licensed to practice medicine and surgery or osteopathic medicine and surgery or an applicant for licensure has entered into a voluntary agreement to restrict the practice of medicine and surgery or osteopathic medicine and surgery in another state, district, territory, country, or an agency of the federal government. A certified copy of the voluntary agreement shall be considered prima facie evidence.

86 Acts, ch 1211, §17; 92 Acts, ch 1183, §19; 2005 Acts, ch 89, §14; 2007 Acts, ch 10, §97; 2008 Acts, ch 1088, §55

**148.13 Authority of board as to supervising physicians and review of contested cases under chapter 148C — rules.**

1. The board of medicine shall adopt rules setting forth in detail its criteria and procedures for determining the ineligibility of a physician to serve as a supervising physician under chapter 148C. The rules shall provide that a physician may serve as a supervising physician under chapter 148C until such time as the board of medicine determines, following normal disciplinary procedures, that the physician is ineligible to serve in that capacity.

2. The board of medicine shall establish by rule specific procedures for consulting with

and considering the advice of the board of physician assistants in determining whether to initiate a disciplinary proceeding under chapter 17A against a licensed physician in a matter involving the supervision of a physician assistant.

3. In exercising their respective authorities, the board of medicine and the board of physician assistants shall cooperate with the goal of encouraging the utilization of physician assistants in a manner that is consistent with the provision of quality health care and medical services for the citizens of Iowa.

4. The board of medicine shall adopt rules requiring a physician serving as a supervising physician to notify the board of medicine of the identity of a physician assistant the physician is supervising, and of any change in the status of the supervisory relationship.

88 Acts, ch 1225, §14; 2003 Acts, ch 93, §4, 5, 14; 2007 Acts, ch 10, §98

**148.14 Board of medicine investigators.**

The board of medicine may appoint investigators, who shall not be members of the board, and whose compensation shall be determined pursuant to chapter 8A, subchapter IV. Investigators appointed by the board have the powers and status of peace officers when enforcing this chapter, chapter 147, and chapter 272C.

2008 Acts, ch 1088, §56; 2009 Acts, ch 133, §55

# CHAPTER 148A

## PHYSICAL THERAPY

Referred to in §135.24, 135.61, 147.74, 147.76, 714H.4

Enforcement, §147.87, 147.92
Penalty, §147.86


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**148A.1 Definitions — referral — authorization.**

1. *a.* As used in this chapter, "*board*" means the board of physical and occupational therapy created under chapter 147.

*b.* As used in this chapter, "*physical therapy*" is that branch of science that deals with the evaluation and treatment of human capabilities and impairments. Physical therapy uses the effective properties of physical agents including, but not limited to, mechanical devices, heat, cold, air, light, water, electricity, and sound, and therapeutic exercises, and rehabilitative procedures to prevent, correct, minimize, or alleviate a physical impairment. Physical therapy includes the interpretation of performances, tests, and measurements, the establishment and modification of physical therapy programs, treatment planning, consultative services, instructions to the patients, and the administration and supervision attendant to physical therapy facilities.

2. Physical therapy evaluation and treatment may be rendered by a physical therapist with or without a referral from a physician, podiatric physician, dentist, or chiropractor, except that a hospital may require that physical therapy evaluation and treatment provided in the hospital shall be done only upon prior review by and authorization of a member of the hospital's medical staff.

[C66, 71, 73, 75, 77, 79, 81, §148A.1]

84 Acts, ch 1268, §1; 86 Acts, ch 1238, §7; 87 Acts, ch 65, §3; 88 Acts, ch 1002, §1; 95 Acts, ch 108, §8; 2007 Acts, ch 10, §99

Referred to in §148A.3

**148A.2 Who engaged in practice.**

For the purpose of this chapter the following classes of persons shall be deemed to be engaged in the practice of physical therapy:

1. Persons who treat human ailments by physical therapy as defined in this chapter.

2. Persons who publicly profess to be physical therapists or who publicly profess to perform the functions incident to the practice of physical therapy.

[C66, 71, 73, 75, 77, 79, 81, §148A.2]

**148A.3 Persons not included.**

Section 148A.1 shall not be construed to include the following classes of persons:

1. Licensed physicians and surgeons, osteopathic physicians and surgeons, podiatric physicians, chiropractors, nurses, dentists, cosmetologists, and barbers, who are engaged in the practice of their respective professions.

2. Students of physical therapy who practice physical therapy under the supervision of a licensed physical therapist in connection with the regular course of instruction at a school of physical therapy.

3. Physical therapists of the United States army, navy, or public health service, or physical therapists licensed in another state, when incidentally called into this state in consultation with a physician and surgeon or physical therapists licensed in this state.

4. Nonprofessional workers not held out as physical therapists who are employed in hospitals, clinics, offices or health care facilities as defined in section 135C.1 working under the supervision and direction of a physical therapist or physician licensed pursuant to chapter 148.

5. Massage therapists, massage technicians, masseurs and masseuses who administer body massage by Swedish or other massage technique, including modalities, in a massage establishment, health club, athletic club or school athletic department, but in no instance shall they designate themselves as physical therapists.

[C66, 71, 73, 75, 77, 79, 81, §148A.3]

84 Acts, ch 1268, §2; 96 Acts, ch 1034, §68; 2008 Acts, ch 1088, §100

**148A.4 Requirements to practice.**

Each applicant for a license to practice physical therapy shall:

1. Complete a course of study in, and hold a diploma or certificate issued by, a school of physical therapy accredited by the American physical therapy association or another appropriate accrediting body, and meet requirements as established by rules of the board.

2. Have passed an examination administered by the board.

[C66, 71, 73, 75, 77, 79, 81, §148A.4]

83 Acts, ch 101, §27; 84 Acts, ch 1268, §3; 2007 Acts, ch 10, §100

**148A.5 Limitations.**

A license to practice physical therapy does not authorize the licensee to practice operative surgery or osteopathic or chiropractic manipulation, or to administer or prescribe any drug or medicine included in materia medica.

88 Acts, ch 1002, §2

**148A.6 Physical therapist assistant.**

1. A licensed physical therapist assistant is required to function under the direction and supervision of a licensed physical therapist to perform physical therapy procedures delegated and supervised by the licensed physical therapist in a manner consistent with the rules adopted by the board. Selected and delegated tasks of physical therapist assistants may include but are not limited to therapeutic procedures and related tasks, routine operational functions, documentation of treatment progress, and the use of selected physical agents. The ability of the licensed physical therapist assistant to perform the selected and delegated tasks shall be assessed on an ongoing basis by the supervising physical therapist. The licensed physical therapist assistant shall not interpret referrals, perform initial evaluation

or reevaluations, initiate physical therapy treatment programs, change specified treatment programs, or discharge a patient from physical therapy services.

2. Each applicant for a license to practice as a physical therapist assistant shall:

*a.* Successfully complete a course of study for the physical therapist assistant accredited by the commission on accreditation in education of the American physical therapy association, or another appropriate accrediting body, and meet other requirements established by the rules of the board.

*b.* Have passed an examination administered by the board.

3. This section does not prevent a person not licensed as a physical therapist assistant from performing services ordinarily performed by a physical therapy aide, assistant, or technician, provided that the person does not represent to the public that the person is a licensed physical therapist assistant, or use the title "physical therapist assistant" or the letters "P.T.A.", and provided that the person performs services consistent with the supervision requirements of the board for persons not licensed as physical therapist assistants.

91 Acts, ch 228, §3; 2000 Acts, ch 1140, §33; 2004 Acts, ch 1068, §2; 2007 Acts, ch 10, §101

**148A.7 False use of titles prohibited.**

1. A person or business entity, including the employees, agents, or representatives of the business entity, shall not use in connection with that person's or business entity's business activity the words "physical therapy", "physical therapist", "licensed physical therapist", "registered physical therapist", "doctor of physical therapy", "physical therapist assistant", "licensed physical therapist assistant", "registered physical therapist assistant", or the letters "P. T.", "L. P. T.", "R. P. T.", "D. P. T.", "P. T. A.", "L. P. T. A.", "R. P. T. A.", or any other words, abbreviations, or insignia indicating or implying that physical therapy is provided or supplied, unless such services are provided by or under the direction and supervision of a physical therapist licensed pursuant to this chapter.

2. Notwithstanding section 147.74, a person or the owner, officer, or agent of an entity that violates this section is guilty of a serious misdemeanor, and a license to practice shall be revoked or suspended pursuant to section 147.55.

3. This section shall not apply to the use of the term "physiotherapy" by a provider licensed under this chapter, chapter 151, or by an individual under the direction and supervision of a provider licensed under this chapter or chapter 151.

2004 Acts, ch 1068, §1; 2009 Acts, ch 133, §56

# CHAPTER 148B

## OCCUPATIONAL THERAPY

Referred to in §135.24, 147.74, 147.76, 714H.4

Enforcement, §147.87, 147.92
Penalty, §147.86


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| 148B.5 | Requirements for licensure. | | |


**148B.1 Title and purpose.**

This chapter may be cited and referred to as the "*Occupational Therapy Practice Act*".

The purpose of this chapter is to provide for the regulation of persons offering occupational therapy services to the public in order to safeguard the public health, safety and welfare.

[C81, §148B.1]

**148B.2 Definitions.**

As used in this chapter:

1. *"Board"* means the board of physical and occupational therapy created under chapter 147.

2. *"Occupational therapist"* means a person licensed under this chapter to practice occupational therapy.

3. *"Occupational therapy"* means the therapeutic use of occupations, including everyday life activities with individuals, groups, populations, or organizations to support participation, performance, and function in roles and situations in home, school, workplace, community, and other settings. Occupational therapy services are provided for habilitation, rehabilitation, and the promotion of health and wellness to those who have or are at risk for developing an illness, injury, disease, disorder, condition, impairment, disability, activity limitation, or participation restriction. Occupational therapy addresses the physical, cognitive, psychosocial, sensory-perceptual, and other aspects of performance in a variety of contexts and environments to support engagement in occupations that affect physical and mental health, well-being, and quality of life. *"Occupational therapy"* includes but is not limited to providing assessment, design, fabrication, application, and fitting of selected orthotic devices and training in the use of prosthetic devices.

4. *"Occupational therapy assistant"* means a person licensed under this chapter to assist in the practice of occupational therapy.

[C81, §148B.2]

2007 Acts, ch 10, §102; 2012 Acts, ch 1101, §6

**148B.3 Persons and practices not affected.**

This chapter does not prevent or restrict the practice, services or activities of any of the following:

1. A person licensed in this state by any other law from engaging in the profession or occupation for which the person is licensed.

2. A person employed as an occupational therapist or occupational therapy assistant by the government of the United States, if that person provides occupational therapy solely under the direction or control of the organization by which the person is employed.

3. A person pursuing a course of study leading to a degree or certificate in occupational therapy in an accredited or approved educational program, if the activities and services constitute a part of a supervised course of study and the person is designated by a title which clearly indicates the person's status as a student or trainee.

4. A person fulfilling the supervised field work experience requirements of section 148B.5, if the activities and services constitute a part of the experience necessary to meet the requirements of that section.

5. A nonresident performing occupational therapy services in the state who is not licensed under this chapter, if the services are performed for not more than thirty days in a calendar year in association with an occupational therapist licensed under this chapter, and the nonresident meets either of the following requirements:

*a.* The nonresident is licensed under the law of another state which has licensure requirements at least as stringent as the requirements of this chapter.

*b.* The nonresident meets the requirements for certification as an occupational therapist registered (O.T.R.), or a certified occupational therapy assistant (C.O.T.A.) established by the national board for certification in occupational therapy.

[C81, §148B.3]

2012 Acts, ch 1101, §7, 8

**148B.3A Referral.**

Occupational therapy may be provided by an occupational therapist without referral from a physician, podiatric physician, dentist, or chiropractor, except that a hospital may require that occupational therapy provided in the hospital be performed only following prior review by and authorization of the performance of the occupational therapy by a member of the hospital medical staff.

2000 Acts, ch 1140, §34

**148B.4 Limited permit.**

1. A limited permit to practice occupational therapy may be granted to a person who has completed the academic and field work requirements for occupational therapists under this chapter and has not yet taken or received the results of the entry-level certification examination. A permit granted pursuant to this subsection shall be valid for a period of time as determined by the board by rule and shall allow the person to practice occupational therapy under the direction and appropriate supervision of an occupational therapist licensed under this chapter. The permit shall expire when the person is issued a license under section 148B.5 or if the person is notified that the person did not pass the examination. The limited permit shall not be renewed.

2. A limited permit to assist in the practice of occupational therapy may be granted to a person who has completed the academic and field work requirements for occupational therapy assistants under this chapter and has not yet taken or received the results of the entry-level certification examination. A permit granted pursuant to this subsection shall be valid for a period of time as determined by the board by rule and shall allow the person to assist in the practice of occupational therapy under the direction and appropriate supervision of an occupational therapist licensed under this chapter. The permit shall expire when the person is issued a license under section 148B.5 or if the person is notified that the person did not pass the examination. The limited permit shall not be renewed.

[C81, §148B.4]

2012 Acts, ch 1101, §9

**148B.5 Requirements for licensure.**

An applicant applying for a license as an occupational therapist or as an occupational therapy assistant must file a written application on forms provided by the board, showing to the satisfaction of the board that the applicant meets the following requirements:

1. Successful completion of the academic requirements of an educational program in occupational therapy recognized by the board.

*a.* For an occupational therapist, the program must be one accredited by the accreditation council for occupational therapy education of the American occupational therapy association.

*b.* For an occupational therapy assistant, the program must be one approved by the American occupational therapy association.

2. Successful completion of a period of supervised field work experience at a recognized educational institution or a training program approved by the educational institution where the applicant met the academic requirements.

*a.* For an occupational therapist, a minimum of six months of supervised field work experience is required.

*b.* For an occupational therapy assistant, a minimum of two months of supervised field work experience is required.

3. Pass an examination, either in electronic or written form, satisfactory to the board and in accordance with rules.

[C81, §148B.5]

2000 Acts, ch 1140, §35; 2002 Acts, ch 1108, §14; 2004 Acts, ch 1167, §6

Referred to in §148B.3, 148B.4

**148B.6 Waiver of examination requirement.**

The board may waive the examination and grant a license:

1. To a person certified prior to January 1, 1981, as an occupational therapist registered

(O.T.R.) or a certified occupational therapy assistant (C.O.T.A.) by the American occupational therapy association.

2. To an applicant who presents proof of current licensure as an occupational therapist or occupational therapy assistant in another state, the District of Columbia, or a territory of the United States which requires standards for licensure considered by the board to be equivalent to the requirements for licensure of this chapter.

[C81, §148B.6]

2012 Acts, ch 1101, §10

**148B.7 Board of physical and occupational therapy — powers and duties.**

The board shall adopt rules relating to professional conduct to carry out the policy of this chapter, including but not limited to rules relating to professional licensing and to the establishment of ethical standards of practice for persons holding a license to practice occupational therapy in this state.

[C81, §148B.7]

2007 Acts, ch 10, §103

Referred to in §272C.3, 272C.4

**148B.8 Unlawful practice.**

1. A person shall not practice occupational therapy or assist in the practice of occupational therapy, provide occupational therapy services, hold oneself out as an occupational therapist or occupational therapy assistant or as being able to practice occupational therapy or assist in the practice of occupational therapy, or provide occupational therapy services in this state unless the person is licensed under this chapter.

2. It is unlawful for any person not licensed as an occupational therapist in this state or whose license is suspended or revoked to use in connection with the person's name or place of business in this state the words "occupational therapist", "licensed occupational therapist", or any word, title, letters, or designation that implies that the person is an occupational therapist.

3. It is unlawful for any person not licensed as an occupational therapy assistant in this state or whose license is suspended or revoked to use in connection with the person's name or place of business in this state, the words "occupational therapy assistant", "licensed occupational therapy assistant", or any word, title, letters, or designation that implies that the person is an occupational therapy assistant.

2012 Acts, ch 1101, §11

**148B.9 False use of titles prohibited.**

A person or business entity, including the employees, agents, or representatives of the business entity, shall not use in connection with that person or business entity's business activity, the words "occupational therapy", "occupational therapist", "licensed occupational therapist", "doctor of occupational therapy", "occupational therapy assistant", "licensed occupational therapy assistant", or the letters "O.T.", "O.T./L.", "O.T.D.", "O.T.A.", "O.T.A./L.", or any words, abbreviations, or insignia indicating or implying that occupational therapy is provided or supplied unless such services are provided by or under the direction and supervision of an occupational therapist licensed pursuant to this chapter.

2012 Acts, ch 1101, §12

# CHAPTER 148C

## PHYSICIAN ASSISTANTS

Referred to in §135.24, 135.61, 135.105D, 135B.7, 135G.1, 136C.3, 142C.7, 144.29A, 144D.1, 147.74, 147.76, 147.107, 147A.13, 148.13, 225C.6, 261.114, 272C.1, 321.34, 321.186, 321L.2, 514C.11, 514C.13, 702.8, 702.17, 708.3A, 714H.4

Enforcement, §147.87, 147.92
Penalty, general, §147.86
Drug dispensing, supplying, and prescribing; limitations, rules, see §147.107 and 91 Acts, ch 238, §2

148C.1 Definitions.
148C.2 Repealed by 2003 Acts, ch 93, §13, 14.
148C.3 Licensure.
148C.4 Services performed by physician assistants.
148C.5 Repealed by 88 Acts, ch 1225, §27.
148C.5A Repealed by 2003 Acts, ch 93, §13, 14.
148C.6 Repealed by 88 Acts, ch 1225, §27.
148C.6A and 148C.7 Repealed by 2003 Acts, ch 93, §13, 14.
148C.8 Right to delegate.
148C.9 Eye examination restricted.
148C.10 Applicability of other provisions of law.
148C.11 Prohibition — crime.
148C.12 Annual report.
148C.13 Investigators for physician assistants.

**148C.1 Definitions.**

1. *"Approved program"* means a program for the education of physician assistants which has been accredited by the American medical association's committee on allied health education and accreditation or its successor, by the commission on accreditation of allied health educational programs or its successor, or by the accreditation review commission on education for the physician assistant or its successor.

2. *"Board"* means the board of physician assistants created under chapter 147.

3. *"Department"* means the Iowa department of public health.

4. *"Licensed physician assistant"* means a person who is licensed by the board to practice as a physician assistant under the supervision of one or more physicians. *"Supervision"* does not require the personal presence of the supervising physician at the place where medical services are rendered except insofar as the personal presence is expressly required by this chapter or required by rules of the board adopted pursuant to this chapter.

5. *"Physician"* means a person who is currently licensed in Iowa to practice medicine and surgery or osteopathic medicine and surgery. Notwithstanding this subsection, a physician supervising a physician assistant practicing in a federal facility or under federal authority shall not be required to obtain licensure beyond licensure requirements mandated by the federal government for supervising physicians.

6. *"Physician assistant"* means a person who has successfully completed an approved program and passed an examination approved by the board or is otherwise found by the board to be qualified to perform medical services under the supervision of a physician.

7. *"Trainee"* means a person who is currently enrolled in an approved program.

[C73, 75, 77, 79, §148B.1; C81, §148C.1]

88 Acts, ch 1225, §15; 2003 Acts, ch 93, §6 – 8, 14; 2004 Acts, ch 1101, §23; 2007 Acts, ch 10, §105; 2008 Acts, ch 1088, §141

Referred to in §321J.11, 462A.14A

**148C.2** Repealed by 2003 Acts, ch 93, § 13, 14.

**148C.3 Licensure.**

1. The board shall adopt rules to govern the licensure of physician assistants. An applicant for licensure shall submit the fee prescribed by the board and shall meet the requirements established by the board with respect to each of the following:

*a.* Academic qualifications, including evidence of graduation from an approved program. A physician assistant who is not a graduate of an approved program, but who passed the

national commission on certification of physician assistants' physician assistant national certifying examination prior to 1986, is exempt from this graduation requirement.

*b.* Evidence of passing the national commission on the certification of physician assistants' physician assistant national certifying examination or an equivalent examination approved by the board.

*c.* Hours of continuing medical education necessary to become or remain licensed.

2. Rules shall be adopted by the board pursuant to this chapter requiring a licensed physician assistant to be supervised by physicians. The rules shall provide that not more than five physician assistants shall be supervised by a physician at one time. The rules shall also provide that a physician assistant shall notify the board of the identity of the physician assistant's supervising physician and of any change in the status of the supervisory relationship.

3. A licensed physician assistant shall perform only those services for which the licensed physician assistant is qualified by training or not prohibited by the board.

4. The board may issue a temporary license under special circumstances and upon conditions prescribed by the board. A temporary license shall not be valid for more than one year and shall not be renewed more than once.

5. The board may issue an inactive license under conditions prescribed by rules adopted by the board.

6. The board shall adopt rules pursuant to this section after consultation with the board of medicine.

[C73, 75, 77, 79, §148B.3; C81, §148C.3; 82 Acts, ch 1005, §5]

88 Acts, ch 1225, §17; 2003 Acts, ch 93, §9, 14; 2004 Acts, ch 1101, §24; 2007 Acts, ch 10, §106; 2012 Acts, ch 1037, §1

Referred to in §148C.4

**148C.4 Services performed by physician assistants.**

1. A physician assistant may perform medical services when the services are rendered under the supervision of a physician. A physician assistant student may perform medical services when the services are rendered within the scope of an approved program. For the purposes of this section, "*medical services when the services are rendered under the supervision of a physician*" includes making a pronouncement of death for a patient whose death is anticipated if the death occurs in a licensed hospital, a licensed health care facility, a Medicare-certified home health agency, or a Medicare-certified hospice program or facility, with notice of the death to a physician and in accordance with the directions of a physician.

2. *a.* Notwithstanding subsection 1, a physician assistant licensed pursuant to this chapter or authorized to practice in any other state or federal jurisdiction who voluntarily and gratuitously, and other than in the ordinary course of the physician assistant's employment or practice, responds to a need for medical care created by an emergency or a state or local disaster may render such care that the physician assistant is able to provide without supervision as described in this section or with such supervision as is available.

*b.* A physician who supervises a physician assistant providing medical care pursuant to this subsection shall not be required to meet the requirements of rules adopted pursuant to section 148C.3, subsection 2, relating to supervision by physicians. A physician providing physician assistant supervision pursuant to this subsection or a physician assistant, who voluntarily and gratuitously, and other than in the ordinary course of the physician assistant's employment or practice, responds to a need for medical care created by an emergency or a state or local disaster shall not be subject to criminal liability by reason of having issued or executed the orders for such care, and shall not be liable for civil damages for acts or omissions relating to the issuance or execution of the orders unless the acts or omissions constitute recklessness.

[C73, 75, 77, 79, §148B.4; C81, §148C.4]

88 Acts, ch 1225, §18; 2001 Acts, ch 113, §1; 2003 Acts, ch 93, §10, 14; 2009 Acts, ch 41, §263

Referred to in §489.1102, 489.1105, 496C.4, 496C.7

**148C.5** Repealed by 88 Acts, ch 1225, § 27.

**148C.5A** Repealed by 2003 Acts, ch 93, § 13, 14.

**148C.6** Repealed by 88 Acts, ch 1225, § 27.

**148C.6A and 148C.7** Repealed by 2003 Acts, ch 93, § 13, 14.

**148C.8 Right to delegate.**

Nothing in this chapter affects or limits a physician's existing right to delegate various medical tasks to aides, assistants or others acting under the physician's supervision or direction, including orthopedic physician's assistant technologists. Such aides, assistants, orthopedic physician's assistant technologists, and others who perform only those tasks which can be so delegated shall not be required to qualify as physician assistants under this chapter.

[C73, 75, 77, 79, §148B.8; C81, §148C.8]

88 Acts, ch 1225, §22

**148C.9 Eye examination restricted.**

A physician assistant shall not be permitted to prescribe lenses, prisms, or contact lenses for the aid, relief, or correction of human vision. A physician assistant shall not be permitted to measure the visual power and visual efficiency of the human eye, as distinguished from routine visual screening, except in the personal presence of a supervising physician at the place where such services are rendered.

[C73, 75, 77, 79, §148B.9; C81, §148C.9]

88 Acts, ch 1225, §23

**148C.10 Applicability of other provisions of law.**

The provisions of chapter 147, not otherwise inconsistent with the provisions of this chapter, shall apply to the provisions of this chapter.

[C73, 75, 77, 79, §148B.10; C81, §148C.10]

**148C.11 Prohibition — crime.**

A person not licensed as required by this chapter who practices as a physician assistant is guilty of a serious misdemeanor.

[82 Acts, ch 1005, §7]

88 Acts, ch 1225, §24; 2003 Acts, ch 93, §11, 14

**148C.12 Annual report.**

By January 31 of each year the board and the board of medicine shall provide to the general assembly and the governor a joint report detailing the boards' collaborative efforts and team building practices.

2007 Acts, ch 10, §184; 2007 Acts, ch 218, §189

**148C.13 Investigators for physician assistants.**

1. The board may appoint investigators, who shall not be members of the board, to administer and aid in the enforcement of the provisions of law relating to physician assistants. The amount of compensation for the investigators shall be determined pursuant to chapter 8A, subchapter IV.

2. Investigators authorized by the board have the powers and status of peace officers when enforcing this chapter and chapters 147 and 272C.

2008 Acts, ch 1088, §57

# CHAPTER 148D

## RESIDENT PHYSICIANS

Referred to in §144.29A, 147.76, 708.3A

Enforcement, §147.87, 147.92
Penalty, §147.86

148D.1 Definitions.
148D.2 Establishment.
148D.3 through 148D.5 Repealed by 86 Acts, ch 1245, §2053.
148D.6 Use of funds.

**148D.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Affiliated"* means established or developed by the college of medicine.
2. *"College of medicine"* means the university of Iowa college of medicine.
3. *"Family practice unit"* means the community facility or classroom for the teaching of ambulatory health care skills within a residency program.
4. The *"medical profession"* means medical and osteopathic physicians.
5. *"Residency program"* means a community based family practice residency education program presently in existence or established under this chapter.

[C75, 77, 79, §148C.1; C81, §148D.1]
86 Acts, ch 1245, §2051; 2001 Acts, ch 74, §7

**148D.2 Establishment.**

A statewide medical education system is established for the purpose of training resident physicians in family practice. The dean of the college of medicine is responsible for implementing the development and expansion of residency programs in cooperation with the medical profession, hospitals, and clinics located throughout the state. The head of the department of family practice in the college of medicine shall determine where affiliated residency programs shall be established, giving consideration to communities in the state where the population, hospital facilities, number of physicians and interest in medical education indicate the potential success of the residency programs. The medical education systems shall provide financial support for residents in training in accredited affiliated residency programs and shall establish positions for a director, assistant director, and other faculty in the programs. To assure continued growth, development, and academic essentials in ongoing programs, nonaffiliated residency programs which are accredited by a recognized national accrediting organization, shall be funded under this chapter at a level commensurate with the support of the affiliated residency programs having a comparable number of residents in training or, if there are no affiliated residency programs having a comparable number of residents in training, then a nonaffiliated program shall be funded in an amount determined on a pro rata capitation basis for each resident in training, equivalent to the per capita funding for each resident in training in an affiliated program having the nearest number of residents in training. As used in the preceding sentence, *"support"* means both cash grants and the value of service directly provided to affiliated residency programs by the college of medicine.

[C75, 77, 79, §148C.2; C81, §148D.2]
88 Acts, ch 1134, §30

**148D.3 through 148D.5** Repealed by 86 Acts, ch 1245, § 2053.

**148D.6 Use of funds.**

1. Moneys appropriated for the residency program shall be in addition to all the income of the state university of Iowa, and shall not be used to supplant funds for other programs under the administration of the college of medicine.
2. The allocation of state funds for a residency program shall not exceed fifty percent of the total cost of the program and shall be used for:

*a.* The salaries of the director, assistant director and other faculty and auxiliary personnel on the community level.

*b.* The stipends for the residents in training.

*c.* The initial construction or remodeling of a facility which serves as a family practice unit within a residency program.

*d.* The purchase of equipment for use in the family practice unit.

*e.* Travel expenses for consultative visits by faculty.

3. No more than twenty percent of the appropriation for each fiscal year for affiliated programs shall be authorized for expenditures made in support of the faculty and staff of the college of medicine who are associated with the affiliated residency program.

4. No funds appropriated under this chapter shall be used to subsidize the cost of care incurred by patients.

5. Allocations for the renovation or construction of a family practice unit shall not exceed thirty-five thousand dollars per program.

[C75, 77, 79, §148C.6; C81, §148D.6]

# CHAPTER 148E

## ACUPUNCTURE

Referred to in §147.74, 147.76

Enforcement, §147.87, 147.92
Penalty, §147.86

148E.1 Definitions.
148E.2 License required — renewal.
148E.3 Scope of chapter.
148E.4 Standard of care.
148E.5 Use and disposal of needles.
148E.6 Display of certificate and disclosure of information to patients.
148E.7 Duties of board.
148E.8 License revocation or suspension.
148E.9 Accident and health insurance coverage.
148E.10 Repealed by 2000 Acts, ch 1053, §14.

**148E.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Acupuncture"* means a form of health care developed from traditional and modern oriental medical concepts that employs oriental medical diagnosis and treatment, and adjunctive therapies and diagnostic techniques, for the promotion, maintenance, and restoration of health and the prevention of disease.

2. *"Acupuncturist"* means a person who is engaged in the practice of acupuncture.

3. *"Board"* means the board of medicine established in chapter 147.

4. *"Practice of acupuncture"* means the insertion of acupuncture needles and the application of moxibustion to specific areas of the human body based upon oriental medical diagnosis as a primary mode of therapy. Adjunctive therapies within the scope of acupuncture may include manual, mechanical, thermal, electrical, and electromagnetic treatment, and the recommendation of dietary guidelines and therapeutic exercise based on traditional oriental medicine concepts.

93 Acts, ch 86, §1; 2000 Acts, ch 1053, §5; 2007 Acts, ch 10, §107

**148E.2 License required — renewal.**

1. In order to obtain a license to practice acupuncture, an applicant shall present evidence to the board of all of the following:

*a.* Current active status as a diplomate in acupuncture of the national commission for the certification of acupuncturists.

*b.* Successful completion of a three-year postsecondary training program or acupuncture college program which is accredited by, in candidacy for accreditation by, or which meets the

standards of the national accreditation commission for schools and colleges of acupuncture and oriental medicine.

*c.* Successful completion of a course in clean needle technique approved by the national commission for the certification of acupuncturists.

2. Notwithstanding subsection 1, a license to practice acupuncture shall be granted by the board to a resident of this state who has successfully completed an acupuncture degree program approved by the board, or an apprenticeship or tutorial program approved by the board, on or before July 1, 2001.

3. A license granted pursuant to this section shall be renewed every two years. Renewal shall require evidence of current active membership in the national commission for the certification of acupuncturists.

93 Acts, ch 86, §2; 2000 Acts, ch 1053, §6
Referred to in §148E.6

**148E.3 Scope of chapter.**

This chapter does not apply to the following:

1. A person otherwise licensed to practice medicine and surgery, osteopathic medicine and surgery, chiropractic, podiatry, or dentistry who is exclusively engaged in the practice of the person's profession.

2. A student practicing acupuncture under the direct supervision of a licensed acupuncturist as part of a course of study approved by the board.

93 Acts, ch 86, §3; 2000 Acts, ch 1053, §7; 2000 Acts, ch 1232, §49; 2008 Acts, ch 1088, §141

**148E.4 Standard of care.**

A person licensed under this chapter shall be held to the same standard of care as a person licensed to practice medicine and surgery or osteopathic medicine and surgery.

93 Acts, ch 86, §4; 2000 Acts, ch 1053, §8; 2008 Acts, ch 1088, §141

**148E.5 Use and disposal of needles.**

An acupuncturist shall use only presterilized, disposable needles, and shall provide for adequate disposal of used needles.

93 Acts, ch 86, §5; 2000 Acts, ch 1053, §9

**148E.6 Display of certificate and disclosure of information to patients.**

An acupuncturist shall display the license issued pursuant to section 148E.2 in a conspicuous place in the acupuncturist's place of business. An acupuncturist shall provide to each patient upon initial contact with the patient the following information in written form:

1. The name, business address, and business telephone number of the acupuncturist.

2. A fee schedule.

3. A listing of the acupuncturist's education, experience, degrees, certificates, or credentials related to acupuncture awarded by professional acupuncture organizations, the length of time required to obtain the degrees or credentials, and experience.

4. A statement indicating any license, certificate, or registration in a health care occupation which was revoked by any local, state, or national health care agency.

5. A statement that the acupuncturist is complying with statutes and rules adopted by the board, including a statement that only presterilized, disposable needles are used by the acupuncturist.

6. A statement indicating that the practice of acupuncture is regulated by the board.

7. A statement indicating that a license to practice acupuncture does not authorize a person to practice medicine and surgery in this state, and that the services of an acupuncturist must not be regarded as diagnosis and treatment by a person licensed to practice medicine and must not be regarded as medical opinion or advice.

93 Acts, ch 86, §6; 2000 Acts, ch 1053, §10
Referred to in §148E.8

**148E.7 Duties of board.**

The board shall adopt rules consistent with this chapter and chapter 147 which are necessary for the performance of its duties.

93 Acts, ch 86, §7; 2000 Acts, ch 1053, §11

**148E.8 License revocation or suspension.**

In addition to the grounds for revocation or suspension referred to in section 147.55, a license to practice acupuncture shall be revoked or suspended when the acupuncturist is guilty of any of the following acts or offenses:

1. Failure to provide information as required in section 148E.6 or provision of false information to patients.
2. Acceptance of remuneration for referral of a patient to other health professionals.
3. Offering of or giving of remuneration for the referral of patients, not including paid advertisements or marketing services.
4. Failure to comply with this chapter, rules adopted pursuant to this chapter, or applicable provisions of chapter 147.
5. Engaging in sexual activity or genital contact with a patient while acting or purporting to act within the scope of practice, whether or not the patient consented to the sexual activity or genital contact.
6. Disclosure of confidential information regarding the patient.

93 Acts, ch 86, §8; 2000 Acts, ch 1053, §12

**148E.9 Accident and health insurance coverage.**

This chapter shall not be construed to require accident and health insurance coverage for acupuncture services under an existing or future contract or policy for insurance issued or issued for delivery in this state, unless otherwise provided by the contract or policy.

93 Acts, ch 86, §9; 2000 Acts, ch 1053, §13

**148E.10** Repealed by 2000 Acts, ch 1053, § 14.

# CHAPTER 148F

## ORTHOTICS, PROSTHETICS, AND PEDORTHICS

Referred to in §147.74, 147.76


148F.1 Title and purpose.
148F.2 Definitions.
148F.3 Duties of the board.
148F.4 Persons and practices not affected.
148F.5 Qualifications for licensure as orthotist, prosthetist, or pedorthist.
148F.6 Assistants and technicians.
148F.7 Limitation on provision of care and services.
148F.8 Penalties.
148F.9 Transition period.


**148F.1 Title and purpose.**

1. This chapter may be cited and referred to as the *"Orthotics, Prosthetics, and Pedorthics Practice Act"*.
2. The purpose of this chapter is to provide for the regulation of persons offering orthotic, prosthetic, and pedorthic services to the public in order to safeguard the public health, safety, and welfare.

2012 Acts, ch 1101, §13

**148F.2 Definitions.**

As used in this chapter:

1. *"Board"* means the board of podiatry.

2. *"Orthosis"* means a custom-fabricated or custom-fitted brace or support designed to provide for alignment, correction, or prevention of neuromuscular or musculoskeletal dysfunction, disease, injury, or deformity. *"Orthosis"* does not include fabric or elastic supports, corsets, arch supports, low temperature plastic splints, trusses, elastic hose, canes, crutches, soft cervical collars, dental appliances, or other similar devices carried in stock and sold as "over-the-counter" items by a drug store, department store, corset shop, or surgical supply facility.

3. *"Orthotic and prosthetic education program"* means a course of instruction accredited by the commission on accreditation of allied health education programs, consisting of both of the following:

*a.* A basic curriculum of college level instruction in math, physics, biology, chemistry, and psychology.

*b.* A specific curriculum in orthotic or prosthetic courses, including but not limited to:

(1) Lectures covering pertinent anatomy, biomechanics, pathomechanics, prosthetic-orthotic components and materials, training and functional capabilities, prosthetic or orthotic performance evaluation, prescription considerations, etiology of amputations and disease processes necessitating prosthetic or orthotic use, and medical management.

(2) Subject matter related to pediatric and geriatric problems.

(3) Instruction in acute care techniques, such as immediate and early post-surgical prosthetics and fracture bracing techniques.

(4) Lectures, demonstrations, and laboratory experiences related to the entire process of measuring, casting, fitting, fabricating, aligning, and completing prostheses or orthoses.

4. *"Orthotic and prosthetic scope of practice"* means a list of tasks, with relative weight given to such factors as importance, criticality, and frequency, based on nationally accepted standards of orthotic and prosthetic care as outlined by the American board for certification in orthotics, prosthetics, and pedorthics, incorporated.

5. *"Orthotics"* means the science and practice of evaluating, measuring, designing, fabricating, assembling, fitting, adjusting, or servicing an orthosis under an order from a licensed physician or podiatric physician for the correction or alleviation of neuromuscular or musculoskeletal dysfunction, disease, injury, or deformity.

6. *"Orthotist"* means a health care professional, specifically educated and trained in orthotic patient care, who measures, designs, fabricates, fits, or services orthoses and may assist in the formulation of the order and treatment plan of orthoses for the support or correction of disabilities caused by neuromusculoskeletal diseases, injuries, or deformities.

7. *"Pedorthic device"* means therapeutic shoes, such as diabetic shoes and inserts, shoe modifications made for therapeutic purposes, below-the-ankle partial foot prostheses, and foot orthoses for use at the ankle or below. The term also includes subtalar-control foot orthoses designed to manage the function of the anatomy by controlling the range of motion of the subtalar joint. Excluding pedorthic devices which are footwear, the proximal height of a custom pedorthic device does not extend beyond the junction of the gastrocnemius and the Achilles tendon. *"Pedorthic device"* does not include nontherapeutic inlays or footwear regardless of method of manufacture; unmodified, nontherapeutic over-the-counter shoes; or prefabricated foot care products.

8. *"Pedorthic education program"* means an educational program approved by the national commission on orthotic and prosthetic education consisting of all of the following:

*a.* A basic curriculum of instruction in foot-related pathology of diseases, anatomy, and biomechanics.

*b.* A specific curriculum in pedorthic courses, including lectures covering shoes, foot orthoses, and shoe modifications, pedorthic components and materials, training and functional capabilities, pedorthic performance evaluation, prescription considerations, etiology of disease processes necessitating use of pedorthic devices, medical management, subject matter related to pediatric and geriatric problems, and lectures, demonstrations, and laboratory experiences related to the entire process of measuring and casting, fitting, fabricating, aligning, and completing pedorthic devices.

9. *"Pedorthic scope of practice"* means a list of tasks with relative weight given to such

factors as importance, criticality, and frequency based on nationally accepted standards of pedorthic care as outlined by the American board for certification in orthotics, prosthetics, and pedorthics, incorporated.

10. *"Pedorthics"* means the science and practice of evaluating, measuring, designing, fabricating, assembling, fitting, adjusting, or servicing a pedorthic device under an order from a licensed physician or podiatric physician for the correction or alleviation of neuromuscular or musculoskeletal dysfunction, disease, injury, or deformity.

11. *"Pedorthist"* means a health care professional, specifically educated and trained in pedorthic patient care, who measures, designs, fabricates, fits, or services pedorthic devices and may assist in the formulation of the order and treatment plan of pedorthic devices for the support or correction of disabilities caused by neuromusculoskeletal diseases, injuries, or deformities.

12. *"Prosthesis"* means an artificial medical device that is not surgically implanted and that is used to replace a missing limb, appendage, or any other external human body part including an artificial limb, hand, or foot.

13. *"Prosthetics"* means the science and practice of evaluating, measuring, designing, fabricating, assembling, fitting, adjusting, or servicing a prosthesis under an order from a licensed physician.

14. *"Prosthetist"* means a health care professional, specifically educated and trained in prosthetic patient care, who measures, designs, fabricates, fits, or services prostheses and may assist in the formulation of the order and treatment plan of prostheses for the replacement of external parts of the human body lost due to amputation or congenital deformities or absences.

15. *"Residency"* means an approved supervised program of a minimum duration of one year to acquire practical clinical training in orthotics or prosthetics in a patient care setting.

16. *"Resident"* means a person who has completed an education program in either orthotics or prosthetics and is continuing the person's clinical education in a residency accredited by the national commission on orthotic and prosthetic education.

2012 Acts, ch 1101, §14; 2013 Acts, ch 32, §1 – 4
Subsection 2 amended
Subsection 3, unnumbered paragraph 1 amended
Subsection 4 amended
Subsection 8, unnumbered paragraph 1 amended
Subsections 9 and 16 amended

**148F.3 Duties of the board.**

The board shall administer this chapter. The board's duties shall include but are not limited to the following:

1. Adoption of rules to administer and interpret this chapter, chapter 147, and chapter 272C with respect to the education and licensing of orthotists, prosthetists, and pedorthists.

2. Adoption of rules to establish accepted standards of orthotic and prosthetic scope of practice, including the classification of devices and supervision of nonlicensed caregivers. Any changes to the nationally accepted standards by the American board for certification in orthotics, prosthetics and pedorthics which impact scope of practice may be approved by the board along with the adoption of rules as required in this section.

3. Adoption of rules relating to professional conduct and licensing and the establishment of ethical and professional standards of practice.

4. Acting on matters concerning licensure and the process of applying for, granting, suspending, imposing supervisory or probationary conditions upon, reinstating, revoking, or renewing a license.

5. Establishing and collecting licensure fees as provided in section 147.80.

6. Developing continuing education requirements as a condition of license renewal.

7. Evaluating requirements for licensure in other states to determine if reciprocity may be granted.

8. Adoption of rules providing temporary licensing for persons providing orthotic,

prosthetic, and pedorthic care in this state prior to the effective date of this Act. A temporary license is good for no more than one year.

2012 Acts, ch 1101, §15

**148F.4 Persons and practices not affected.**

This chapter does not prevent or restrict the practice, services, or activities of any of the following:

1. A person licensed in this state by any other law from engaging in the profession or occupation for which the person is licensed, including but not limited to persons set out in section 147.1, subsections 3 and 6.

2. A person employed as an orthotics, prosthetics, or pedorthics practitioner by the government of the United States if that person practices solely under the direction or control of the organization by which the person is employed.

3. A person pursuing a course of study leading to a degree or certificate in orthotics, prosthetics, or pedorthics in an educational program accredited or approved according to rules adopted by the board, if the activities and services constitute a part of a supervised course of study and the person is designated by a title which clearly indicates the person's status as a student, resident, or trainee.

2012 Acts, ch 1101, §16

**148F.5 Qualifications for licensure as orthotist, prosthetist, or pedorthist.**

1. To qualify for a license to practice orthotics or prosthetics, a person shall meet the following requirements:

*a.* Possess a baccalaureate degree from a college or university.

*b.* Have completed the amount of formal training, including but not limited to an orthotic and prosthetic education program, and clinical practice established and approved by the board.

*c.* Complete a clinical residency in the professional area for which a license is sought in accordance with standards, guidelines, or procedures for residencies established and approved by the board. The majority of training must be devoted to services performed under the supervision of a licensed practitioner of orthotics or prosthetics or a person certified as a certified orthotist, certified prosthetist, or certified prosthetist orthotist whose practice is located outside the state.

*d.* Pass all written, practical, and oral examinations that are required and approved by the board.

*e.* Be qualified to practice in accordance with accepted standards of orthotic and prosthetic care as established by the board.

2. To qualify for a license to practice pedorthics, a person shall meet the following requirements:

*a.* Submit proof of a high school diploma or its equivalent.

*b.* Have completed the amount of formal training, including but not limited to a pedorthic education program, and clinical practice established and approved by the board.

*c.* Complete a qualified clinical experience program in pedorthics that has a minimum of one thousand hours of pedorthic patient care experience in accordance with any standards, guidelines, or procedures established and approved by the board. The majority of training must be devoted to services performed under the supervision of a licensed orthotist or licensed practitioner of pedorthics or a person certified as a certified pedorthist whose practice is located outside the state.

*d.* Pass all examinations that are required and approved by the board.

*e.* Be qualified to practice in accordance with accepted standards of pedorthic care as established by the board.

3. The standards and requirements for licensure established by the board shall be substantially equal to or in excess of standards commonly accepted in the professions of orthotics, prosthetics, or pedorthics, as applicable. The board shall adopt rules as necessary to set the standards and requirements.

4. A person may be licensed in more than one discipline.

2012 Acts, ch 1101, §17; 2013 Acts, ch 32, §5
Referred to in §148F.9
Subsection 2, paragraph c amended

**148F.6 Assistants and technicians.**

1. *a.* A person shall not work as an assistant to an orthotist or prosthetist or provide patient care services or fabrication of orthoses or prostheses, unless the work is performed under the supervision of a licensed orthotist or prosthetist.

*b.* An assistant may perform orthotic or prosthetic procedures and related tasks in the management of patient care. An assistant may also fabricate, repair, and maintain orthoses and prostheses.

2. A technician may assist a person licensed under this chapter with fabrication of orthoses, prostheses, or pedorthic devices but shall not provide direct patient care.

2012 Acts, ch 1101, §18

**148F.7 Limitation on provision of care and services.**

A licensed orthotist, prosthetist, or pedorthist may provide care or services only if the care or services are provided pursuant to an order from a licensed physician, a licensed podiatric physician, an advanced registered nurse practitioner licensed pursuant to chapter 152 or 152E, or a physician assistant who has been delegated the authority to order the services of an orthotist, prosthetist, or pedorthist by the assistant's supervising physician.

2012 Acts, ch 1101, §19; 2013 Acts, ch 32, §6
Section amended

**148F.8 Penalties.**

1. If any person, company, or other entity violates a provision of this chapter, the attorney general may petition for an order enjoining the violation or for an order enforcing compliance with this chapter. Upon the filing of a verified petition in court, the court may issue a temporary restraining order, without notice or bond, and may preliminarily and permanently enjoin the violation. If it is established that the person, company, or other entity has violated or is violating the injunction, the court may punish the offender for contempt of court. Proceedings under this section shall be in addition to, and not in lieu of, all other remedies and penalties provided in this chapter.

2. If a person practices as an orthotist, prosthetist, or pedorthist or represents the person as such without being licensed under the provisions of this chapter, then any other licensed orthotist, pedorthist, or prosthetist, any interested party, or any person injured by the person may petition for relief as provided in subsection 1.

3. If a company or other entity holds itself out to provide orthotic, prosthetic, or pedorthic services without having an orthotist, prosthetist, or pedorthist licensed under the provisions of this chapter on its staff to provide those services, then any other licensed orthotist, prosthetist, or pedorthist or any interested party or injured person may petition for relief as provided in subsection 1.

2012 Acts, ch 1101, §20

**148F.9 Transition period.**

1. Through June 30, 2014, a person certified as an orthotist, prosthetist, or pedorthist by the American board for certification in orthotics, prosthetics, and pedorthics, incorporated, or holding similar certification from other accrediting bodies, may apply for and may be issued an initial license to practice orthotics, prosthetics, or pedorthics under the provisions of this chapter without meeting the requirements of section 148F.5, upon proof of current certification in good standing and payment of the required licensure fees.

2. Through June 30, 2014, a person not certified as described in subsection 1 who has practiced continuously for at least thirty hours per week on average for at least five of seven years in an accredited and bonded facility as an orthotist, prosthetist, or pedorthist may file an application with the board to continue to practice orthotics, prosthetics, or pedorthics. The practice described under this subsection shall only be required to have been performed

in an accredited and bonded facility if the facility is required to be accredited and bonded by Medicare. The five years of continuous practice must occur between July 1, 2007, and July 1, 2014. A person applying under this subsection may be issued an initial license to practice orthotics, prosthetics, or pedorthics under the provisions of this chapter without meeting the requirements of section 148F.5, upon payment of the licensure fees required by the department and after the board has reviewed the application.

3. On or after July 1, 2014, an applicant for licensure as an orthotist, prosthetist, or pedorthist shall meet the requirements of section 148F.5.

4. The board shall adopt rules to administer this section.

2013 Acts, ch 32, §7
NEW section

# CHAPTER 149

## PODIATRY

Referred to in §135.24, 135.61, 135B.7, 147.76, 321.34, 321L.2, 514.17, 514.18, 514C.13, 514F.1, 714H.4

Enforcement, §147.87, 147.92
Penalty, §147.86
Utilization and cost control review committee; §514F.1


149.1 Persons engaged in practice — definitions.
149.2 Exceptions.
149.3 License.
149.4 Approved school.
149.5 Amputations — anesthesia — prescription drugs.
149.6 Title or abbreviation.
149.7 Temporary license.


**149.1 Persons engaged in practice — definitions.**

1. For the purpose of this subtitle the following classes of persons shall be deemed to be engaged in the practice of podiatry:

*a.* Persons who publicly profess to be podiatric physicians or who publicly profess to assume the duties incident to the practice of podiatry.

*b.* Persons who diagnose, prescribe, or prescribe and furnish medicine for ailments of the human foot, or treat such ailments by medical, mechanical, or surgical treatments.

2. As used in this chapter:

*a.* *"Board"* means the board of podiatry, created under chapter 147.

*b.* *"Human foot"* means the ankle and soft tissue which insert into the foot as well as the foot.

*c.* *"Podiatric physician"* means a physician or surgeon licensed under this chapter to engage in the practice of podiatric medicine and surgery.

[C24, 27, 31, 35, 39, §**2542;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §149.1]
88 Acts, ch 1199, §2; 95 Acts, ch 108, §9; 2007 Acts, ch 10, §108; 2009 Acts, ch 133, §199
Referred to in §149.5

**149.2 Exceptions.**

This chapter shall not apply to the following:

1. Physicians and surgeons or osteopathic physicians and surgeons who are authorized to practice in this state and are not licensed podiatric physicians.

2. Podiatric physicians licensed to practice in the state prior to July 4, 1937.

3. Nothing herein shall affect or alter the existing right now held by retailers, manufacturers or others to sell corrective shoes, arch supports, drugs or medicines for use on feet.

[C24, 27, 31, 35, 39, §**2543;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §149.2]
88 Acts, ch 1199, §3; 96 Acts, ch 1034, §68; 2008 Acts, ch 1088, §141

**149.3 License.**

Every applicant for a license to practice podiatry shall:

1. Be a graduate of an accredited school of podiatry.
2. Present an official transcript issued by a school of podiatry approved by the board.
3. Pass an examination as determined by the board by rule.
4. Have successfully completed a residency as determined by the board by rule. This subsection applies to all applicants who graduate from a school of podiatry on or after January 1, 1995.

[C24, 27, 31, 35, 39, §**2544;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §149.3]

89 Acts, ch 43, §1; 92 Acts, ch 1212, §5; 2006 Acts, ch 1184, §91; 2007 Acts, ch 10, §109; 2007 Acts, ch 126, §36

**149.4 Approved school.**

A school of podiatry shall not be approved by the board as a school of recognized standing unless the school:

1. Requires for graduation or the receipt of any podiatric degree the completion of a course of study covering a period of at least eight months in each of four calendar years.
2. A school of podiatry shall not be approved by the board which does not have as an additional entrance requirement two years study in a recognized college, university, or academy.

[C24, 27, 31, 35, 39, §**2545;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §149.4]

90 Acts, ch 1253, §2; 2007 Acts, ch 10, §110

**149.5 Amputations — anesthesia — prescription drugs.**

1. A license to practice podiatry shall not authorize the licensee to amputate the human foot.
2. A licensed podiatric physician may do all of the following:

*a.* Administer local anesthesia.

*b.* Administer conscious sedation in a hospital or an ambulatory surgical center.

*c.* Prescribe and administer drugs for the treatment of human foot ailments as provided in section 149.1.

[C24, 27, 31, 35, 39, §**2546;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §149.5]

88 Acts, ch 1199, §4; 95 Acts, ch 108, §10; 2003 Acts, ch 22, §1; 2009 Acts, ch 133, §200

**149.6 Title or abbreviation.**

Every licensee shall be designated as a licensed podiatric physician and shall not use any title or abbreviation without the designation "practice limited to the foot," nor mislead the public in any way as to the limited field or practice.

[C24, 27, 31, 35, 39, §**2547;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §149.6]

88 Acts, ch 1199, §5; 95 Acts, ch 108, §11

Titles and degrees, §147.72 – 147.74

**149.7 Temporary license.**

1. The board may issue a temporary license authorizing the licensee to practice podiatry if, in the opinion of the board, a need exists and the person possesses the qualifications prescribed by the board for the temporary license, which shall be substantially equivalent to those required for permanent licensure under this chapter. The board shall determine in each instance the applicant's eligibility for the temporary license, whether or not an examination shall be given, and the type of examination. The requirements of the law pertaining to permanent licensure shall not be mandatory for temporary licensure except as specifically designated by the board. The granting of a temporary license does not in any way indicate that the person licensed is necessarily eligible for permanent licensure, and the board is not obligated to issue a permanent license to the person.
2. The board shall determine the duration of time a person is qualified to practice podiatry while holding a temporary license. The fee for this license shall be set by the board, and if

extended beyond one year, a renewal fee per year shall be set by the board. The fees shall be based on the administrative costs of issuing and renewing the temporary licenses.

[82 Acts, ch 1040, §1]

87 Acts, ch 128, §2; 2006 Acts, ch 1184, §92, 93; 2007 Acts, ch 10, §111; 2009 Acts, ch 56, §4

# CHAPTER 150

## OSTEOPATHY

Repealed by 2008 Acts, ch 1088, §80

# CHAPTER 150A

## OSTEOPATHIC MEDICINE AND SURGERY

Repealed by 2008 Acts, ch 1088, §80; see chapter 148

# CHAPTER 151

## CHIROPRACTIC

Referred to in §135.24, 135.61, 135.157, 147.76, 148A.7, 261.73, 272C.3, 272C.4, 321.34, 321.445, 321L.2, 509.3, 514.7, 514B.1, 514C.13, 514C.29, 514F.1, 514F.2, 514I.6, 702.17, 714H.4

Enforcement, §147.87, 147.92
Penalty, §147.86
Utilization and cost control review committee; §514F.1


151.1 "Chiropractic" defined.
151.1A Board defined.
151.2 Persons not engaged in.
151.3 License.
151.4 Approved college.
151.5 Operative surgery — drugs.
151.6 Display of word "chiropractor".
151.7 Repealed by 99 Acts, ch 141, §42.
151.8 Training in procedures used in practice.
151.9 Revocation or suspension of license.
151.10 Education requirements.
151.11 Rules.
151.12 Temporary certificate.


**151.1 "Chiropractic" defined.**

For the purpose of this subtitle the following classes of persons shall be deemed to be engaged in the practice of chiropractic:

1. Persons publicly professing to be chiropractors or publicly professing to assume the duties incident to the practice of chiropractic.

2. Persons who treat human ailments by the adjustment of the neuromusculoskeletal structures, primarily, by hand or instrument, through spinal care.

3. Persons utilizing differential diagnosis and procedures related thereto, withdrawing or ordering withdrawal of the patient's blood for diagnostic purposes, performing or utilizing routine laboratory tests, performing physical examinations, rendering nutritional advice, utilizing chiropractic physiotherapy procedures, all of which are subject to and authorized by section 151.8.

[C24, 27, 31, 35, 39, §**2555;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §151.1]

83 Acts, ch 83, §1, 2; 99 Acts, ch 141, §27

Referred to in §151.2, 151.10, 151.11

**151.1A Board defined.**
As used in this chapter, *"board"* means the board of chiropractic created under chapter 147.
2007 Acts, ch 10, §119

**151.2 Persons not engaged in.**
Section 151.1 shall not be construed to include the following classes of persons:
1. Licensed physicians and surgeons, licensed osteopathic physicians and surgeons, and physical therapists who are exclusively engaged in the practice of their respective professions.
2. Physicians and surgeons of the United States army, navy, or public health service when acting in the line of duty in this state, or to chiropractors licensed in another state, when incidentally called into this state in consultation with a chiropractor licensed in this state.
3. Students of chiropractic who have entered upon a regular course of study in a chiropractic college approved by the board, who practice chiropractic under the direction of a licensed chiropractor and in accordance with the rules of the board.
[C24, 27, 31, 35, 39, §**2556;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §151.2]
2007 Acts, ch 10, §120; 2008 Acts, ch 1088, §58

**151.3 License.**
Every applicant for a license to practice chiropractic shall do all of the following:
1. Present satisfactory evidence that the applicant possesses a preliminary education equal to the requirements for graduation from an accredited high school or other secondary school.
2. Present a diploma issued by a college of chiropractic approved by the board.
3. Pass an examination prescribed by the board.
[C24, 27, 31, 35, 39, §**2557;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §151.3]
83 Acts, ch 83, §3; 2007 Acts, ch 10, §121; 2008 Acts, ch 1088, §59

**151.4 Approved college.**
1. A college of chiropractic shall not be approved by the board as a college of recognized standing unless the college requires for graduation or for the receipt of any chiropractic degree the completion of a course of study covering a period of four academic years.
2. An approved college of chiropractic may include but is not limited to offerings of courses of study in procedures for withdrawing a patient's blood, performing or utilizing laboratory tests, and performing physical examinations for diagnostic purposes. A chiropractor, employed by an approved college of chiropractic and who has been trained to withdraw blood may withdraw blood and instruct, and supervise a student in the withdrawing of blood.
[C24, 27, 31, 35, 39, §**2558;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §151.4]
83 Acts, ch 83, §4; 2007 Acts, ch 10, §122; 2008 Acts, ch 1088, §60
Referred to in §261.71, 261.73

**151.5 Operative surgery — drugs.**
A license to practice chiropractic shall not authorize the licensee to practice operative surgery or administer or prescribe prescription drugs or controlled substances which can only be prescribed by persons authorized by law.
[C24, 27, 31, 35, 39, §**2559;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §151.5]
2008 Acts, ch 1088, §61
Drug dispensing, supplying, and prescribing, see §147.107

**151.6 Display of word "chiropractor".**
Every licensee shall place upon all signs used by the licensee, and display prominently in the licensee's office the word "chiropractor".
[C24, 27, 31, 35, 39, §**2560;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §151.6]
Titles and degrees, §147.72 – 147.74

**151.7** Repealed by 99 Acts, ch 141, § 42.

**151.8 Training in procedures used in practice.**

1. A chiropractor shall not use in the chiropractor's practice the procedures otherwise authorized by law unless the chiropractor has received training in their use by a college of chiropractic offering courses of instructions approved by the board or by curriculum taught on a postgraduate level approved by the board.

2. Any chiropractor licensed as of July 1, 1974, may use the procedures authorized by law if the chiropractor files with the board an affidavit that the chiropractor has completed the necessary training and is fully qualified in these procedures and possesses that degree of proficiency and will exercise that care which is common to physicians in this state.

3. A chiropractor using the additional procedures and practices authorized by this chapter shall be held to the standard of care applicable to any other health care practitioner in this state.

[C75, 77, 79, 81, §151.8]

83 Acts, ch 83, §5; 2007 Acts, ch 10, §123; 2008 Acts, ch 1088, §62

Referred to in §151.1

**151.9 Revocation or suspension of license.**

A entry to practice as a chiropractor may be revoked or suspended when the licensee is guilty of the following acts or offenses:

1. Fraud in procuring a license.
2. Professional incompetency.
3. Knowingly making misleading, deceptive, untrue or fraudulent representations in the practice of the licensee's profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.
4. Habitual intoxication or addiction to the use of drugs.
5. Conviction of a felony related to the profession or occupation of the licensee or the conviction of any felony that would affect the licensee's ability to practice as a professional chiropractor. A copy of the record of conviction or plea of guilty shall be conclusive evidence.
6. Fraud in representations as to skill or ability.
7. Use of untruthful or improbable statements in advertisements.
8. Willful or repeated violations of the provisions of this chapter or chapter 272C.

[C79, 81, §151.9]

2008 Acts, ch 1088, §63

**151.10 Education requirements.**

A person who is an applicant for a license to practice chiropractic shall only be required to be tested for the adjunctive procedures specified in section 151.1, subsection 3 which the person chooses to utilize. A person licensed to practice chiropractic shall only be required to complete continuing education requirements for the adjunctive procedures specified in section 151.1, subsection 3 which the person chooses to utilize. A person who is an applicant for a license to practice chiropractic or a person licensed to practice chiropractic shall not be required to utilize any of the adjunctive procedures specified in section 151.1, subsection 3 to obtain a license or continue to practice chiropractic, respectively.

83 Acts, ch 83, §6

**151.11 Rules.**

The board shall adopt rules necessary to administer section 151.1, to protect the health, safety, and welfare of the public, including rules governing the practice of chiropractic and defining any terms, whether or not specified in section 151.1, subsection 3. Such rules shall not be inconsistent with the practice of chiropractic and shall not expand the scope of practice of chiropractic or authorize the use of procedures not authorized by this chapter. These rules shall conform with chapter 17A.

83 Acts, ch 83, §7; 2007 Acts, ch 10, §124

**151.12 Temporary certificate.**

1. The board may, in its discretion, issue a temporary certificate for one year authorizing

the certificate holder to practice chiropractic if, in the opinion of the board, a need exists and the person possesses the qualifications prescribed by the board for the certificate, which shall be substantially equivalent to those required for licensure under this chapter. No requirements of the law pertaining to regular permanent licensure are mandatory for the temporary certificate except as specifically designated by the board. The granting of a temporary certificate does not in any way indicate that the person is eligible for regular licensure or that the board is obligated to issue the person a regular license.

2. The fee for the temporary certificate shall be based on the administrative costs of issuing the certificates.

86 Acts, ch 1127, §1; 2006 Acts, ch 1184, §94; 2007 Acts, ch 10, §125; 2007 Acts, ch 126, §37; 2007 Acts, ch 215, §250; 2008 Acts, ch 1088, §64

# CHAPTER 152

## NURSING

Referred to in §125.2, 135.24, 135.61, 135B.7, 135G.1, 135J.1, 142C.7, 144.29A, 144D.1, 147.74, 147.76, 147A.12, 148F.7, 225C.6, 229.1, 249A.4, 261.114, 321.34, 321.186, 321L.2, 514.21, 514C.11, 514C.13, 514F.1, 622.10, 702.8, 702.17, 708.3A, 714H.4

Enforcement, §147.87, 147.92
Penalty, §147.86
Licensing board, support staff exception; location and powers; see §135.11A, 135.31
Utilization and cost control review committee; §514F.1
Authority of advanced registered nurse practitioner to prescribe drugs; limitations; see §147.107
Conditioned upon availability of funding, board of nursing required to replace database and data platform and update nursing survey instrument; 2010 Acts, ch 1147, §11, 13

152.1 Definitions.
152.2 Executive director — assistants.
152.3 Director's duties.
152.4 Appropriations.
152.5 Education programs — record checks.
152.6 Licenses — professional abbreviations.
152.7 Applicant qualifications.
152.8 Reciprocity.
152.9 Temporary license.
152.10 License revocation or suspension.
152.11 Investigators for nurses.
152.12 Examination information.

**152.1 Definitions.**

As used in this chapter:

1. *"Board"* means the board of nursing, created under chapter 147.

2. As used in this section, *"nursing diagnosis"* means to identify and use discriminatory judgment concerning physical and psychosocial signs and symptoms essential to determining effective nursing intervention.

3. *"Physician"* means a person licensed in this state to practice medicine and surgery, osteopathic medicine and surgery, or a person licensed in this state to practice dentistry or podiatry when acting within the scope of the license. A physician licensed to practice medicine and surgery or osteopathic medicine and surgery in a state bordering this state shall be considered a physician for purposes of this chapter unless previously determined to be ineligible for such consideration by the board of medicine.

4. The *"practice of a licensed practical nurse"* means the practice of a natural person who is licensed by the board to do all of the following:

*a.* Perform services in the provision of supportive or restorative care under the supervision of a registered nurse or a physician.

*b.* Perform additional acts under emergency or other conditions which require education and training and which are recognized by the medical and nursing professions and are approved by the board, as being proper to be performed by a licensed practical nurse.

*c.* Make the pronouncement of death for a patient whose death is anticipated if the death

occurs in a licensed hospital, a licensed health care facility, a Medicare-certified home health agency, a Medicare-certified hospice program or facility, or an assisted living facility or residential care facility, with notice of the death to a physician and in accordance with any directions of a physician.

5. The *"practice of nursing"* means the practice of a registered nurse or a licensed practical nurse. It does not mean any of the following:

*a.* The practice of medicine and surgery and the practice of osteopathic medicine and surgery, as defined in chapter 148, or the practice of pharmacy as defined in chapter 155A, except practices which are recognized by the medical and nursing professions and approved by the board as proper to be performed by a registered nurse.

*b.* The performance of nursing services by an unlicensed student enrolled in a nursing education program if performance is part of the course of study. Individuals who have been licensed as registered nurses or licensed practical or vocational nurses in any state or jurisdiction of the United States are not subject to this exemption.

*c.* The performance of services by unlicensed workers employed in offices, hospitals, or health care facilities, as defined in section 135C.1, under the supervision of a physician or a nurse licensed under this chapter, or employed in the office of a psychologist, podiatric physician, optometrist, chiropractor, speech pathologist, audiologist, or physical therapist licensed to practice in this state, and when acting while within the scope of the employer's license.

*d.* The practice of a nurse licensed in another state and employed in this state by the federal government if the practice is in discharge of official employment duties.

*e.* The care of the sick rendered in connection with the practice of the religious tenets of any church or order by the adherents thereof which is not performed for hire, or if performed for hire by those who depend upon prayer or spiritual means for healing in the practice of the religion of their church or denomination, so long as they do not otherwise engage in the practice of nursing as practical nurses.

6. The *"practice of the profession of a registered nurse"* means the practice of a natural person who is licensed by the board to do all of the following:

*a.* Formulate nursing diagnosis and conduct nursing treatment of human responses to actual or potential health problems through services, such as case finding, referral, health teaching, health counseling, and care provision which is supportive to or restorative of life and well-being.

*b.* Execute regimen prescribed by a physician, an advanced registered nurse practitioner, or a physician assistant.

*c.* Supervise and teach other personnel in the performance of activities relating to nursing care.

*d.* Perform additional acts or nursing specialties which require education and training under emergency or other conditions which are recognized by the medical and nursing professions and are approved by the board as being proper to be performed by a registered nurse.

*e.* Make the pronouncement of death for a patient whose death is anticipated if the death occurs in a licensed hospital, a licensed health care facility, a Medicare-certified home health agency, a Medicare-certified hospice program or facility, an assisted living facility, or a residential care facility, with notice of the death to a physician and in accordance with any directions of a physician.

*f.* Apply to the abilities enumerated in paragraphs *"a"* through *"e"* of this subsection scientific principles, including the principles of nursing skills and of biological, physical, and psychosocial sciences.

[S13, §2575-a28, -a31, -a32; C24, 27, 31, 35, 39, §**2561, 2562;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §152.1, 152.2; C77, 79, 81, §152.1]

87 Acts, ch 215, §41; 91 Acts, ch 100, §1; 95 Acts, ch 108, §12; 2001 Acts, ch 113, §2 – 4; 2003 Acts, ch 78, §4, 5; 2004 Acts, ch 1168, §8; 2007 Acts, ch 10, §126; 2007 Acts, ch 159, §29, 30; 2008 Acts, ch 1088, §101, 102

Referred to in §509.3, 514.7, 514B.1

**152.2 Executive director — assistants.**

The board shall appoint a full-time executive director. The executive director shall be a registered nurse and shall not be a member of the board. The governor, with the approval of the executive council pursuant to section 8A.413, subsection 3, under the pay plan for exempt positions in the executive branch of government, shall set the salary of the executive director.

[C35, §2537-g1; C39, §**2537.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §147.105; C77, 79, 81, §152.2]

2003 Acts, ch 145, §197; 2008 Acts, ch 1031, §106

Referred to in §152E.2

**152.3 Director's duties.**

The duties of the executive director shall be as follows:

1. To receive all applications to be licensed for the practice of nursing.
2. To collect and receive all fees.
3. To keep all records pertaining to the licensing of nurses, including a record of all board proceedings.
4. To perform such other duties as may be prescribed by the board.
5. To appoint assistants to the director and persons necessary to administer this chapter. Any appointments shall be merit appointments made pursuant to chapter 8A, subchapter IV.

[C35, §2537-g2, -g3; C39, §**2537.2, 2537.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §147.106, 147.107; C77, 79, 81, §152.3]

88 Acts, ch 1134, §31; 2003 Acts, ch 145, §198, 286; 2006 Acts, ch 1155, §8, 9, 15

**152.4 Appropriations.**

The board may apply appropriated funds to:

1. The administration and enforcement of the provisions of this chapter and of chapter 147.
2. The elevation of the standards of the schools of nursing.
3. The promotion of educational and professional standards of nurses in this state.

[C35, §2537-g3; C39, §**2537.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §147.107; C77, 79, 81, §152.4]

**152.5 Education programs — record checks.**

1. All programs preparing a person to be a registered nurse or a licensed practical nurse shall be approved by the board. The board shall not recognize a program unless it:

*a.* Is of recognized standing.

*b.* Has provisions for adequate physical and clinical facilities and other resources with which to conduct a sound education program.

*c.* Requires, for graduation of a registered nurse applicant, the completion of at least a two academic year course of study.

*d.* Requires, for graduation of a licensed practical nurse applicant, the completion of at least a one academic year course of study as prescribed by the board.

2. All advanced formal academic nursing education programs shall also be approved by the board.

3. *a.* For the purposes of this subsection:

(1) *"Nursing program"* means a nursing program that is approved by the board pursuant to subsection 1 or 2.

(2) *"Student"* means a person applying for, enrolled in, or returning to the clinical education component of a nursing program.

*b.* A nursing program may access the single contact repository established pursuant to section 135C.33 as necessary for the nursing program to initiate record checks of students.

*c.* A nursing program shall request that the department of public safety perform a criminal history check and the department of human services perform child and dependent adult abuse record checks in this state on the nursing program's students.

*d.* If a student has a criminal record or a record of founded child or dependent adult abuse, upon request of the nursing program, the department of human services shall perform an

evaluation to determine whether the record warrants prohibition of the person's involvement in a clinical education component of a nursing program involving children or dependent adults. The department of human services shall utilize the criteria provided in section 135C.33 in performing the evaluation and shall report the results of the evaluation to the nursing program. The department of human services has final authority in determining whether prohibition of the person's involvement in a clinical education component is warranted.

[S13, §2575-a29; C24, 27, 31, 35, 39, §**2564;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §152.4; C77, 79, 81, §152.5]

95 Acts, ch 79, §1; 2006 Acts, ch 1008, §1

Referred to in §152.7, 235A.15, 235B.6, 261.23

**152.6 Licenses — professional abbreviations.**

The board may license a natural person to practice as a registered nurse or as a licensed practical nurse. However, only a person currently licensed as a registered nurse in this state may use that title and the abbreviation "R N" after the person's name and only a person currently licensed as a licensed practical nurse in this state may use that title and the abbreviation "L P N" after the person's name. For purposes of this section, "currently licensed" includes persons licensed in another state and recognized for licensure in this state pursuant to the nurse licensure compact contained in section 152E.1 or pursuant to the advanced practice registered nurse compact contained in section 152E.3.

[C50, 54, 58, 62, 66, 71, 73, 75, §152.5; C77, 79, 81, §152.6]

2000 Acts, ch 1008, §4; 2005 Acts, ch 53, §4

**152.7 Applicant qualifications.**

1. In addition to the provisions of section 147.3, an applicant to be licensed for the practice of nursing shall have the following qualifications:

*a.* Be a graduate of an accredited high school or the equivalent.

*b.* Pass an examination as prescribed by the board.

*c.* Complete a course of study approved by the board pursuant to section 152.5.

2. For purposes of licensure pursuant to the nurse licensure compact contained in section 152E.1, the compact administrator may refuse to accept a change in the qualifications for licensure as a registered nurse or as a licensed practical or vocational nurse by a licensing authority in another state which is a party to the compact which substantially modifies that state's qualifications for licensure in effect on July 1, 2000. For purposes of licensure pursuant to the advanced practice registered nurse compact contained in section 152E.3, the compact administrator may refuse to accept a change in the qualifications for licensure as an advanced practice registered nurse by a licensing authority in another state which is a party to the compact which substantially modifies that state's qualifications for licensure in effect on July 1, 2005. A refusal to accept a change in a party state's qualifications for licensure may result in submitting the issue to an arbitration panel or in withdrawal from the respective compact, at the discretion of the compact administrator.

[S13, §2575-a29, -a30; C24, 27, 31, 35, 39, §**2563;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §152.3; C77, 79, 81, §152.7]

95 Acts, ch 79, §2; 2000 Acts, ch 1008, §5; 2000 Acts, ch 1140, §37; 2000 Acts, ch 1232, §50; 2005 Acts, ch 53, §5; 2006 Acts, ch 1030, §15; 2007 Acts, ch 22, §37

Referred to in §152.8

**152.8 Reciprocity.**

Notwithstanding the provisions of sections 147.44, 147.48, 147.49, and 147.53, the following shall apply regarding applicants for nurse licensure possessing a license from another state:

1. A license possessed by an applicant from a state which has not adopted the nurse licensure compact contained in section 152E.1 or the advanced practice registered nurse compact contained in section 152E.3 shall be recognized by the board under conditions specified which indicate that the licensee meets all the qualifications required under section 152.7. If a foreign license is recognized, the board may issue a license by endorsement without an examination being required. Recognition shall be based on whether the foreign licensee is qualified to practice nursing. The board may issue a temporary license to a natural

person who has completed the requirements of and applied for licensure by endorsement. The board shall determine the length of time a temporary license shall remain effective.

2. A license possessed by an applicant and issued by a state which has adopted the nurse licensure compact contained in section 152E.1 or the advanced practice registered nurse compact contained in section 152E.3 shall be recognized pursuant to the provisions of that section.

[C35, §2537-g3; C39, §**2537.3;** C46, 50, 54, 58, 62, §147.107; C66, 71, 73, 75, §147.107, 152.7; C77, 79, 81, §152.8]

2000 Acts, ch 1008, §6; 2005 Acts, ch 53, §6; 2008 Acts, ch 1088, §103

**152.9 Temporary license.**

The board may issue a temporary license to a natural person who has completed the requirements of and applied for licensure by endorsement. The board shall determine the length of time a temporary license shall remain effective.

[C77, 79, 81, §152.9]

94 Acts, ch 1123, §1

**152.10 License revocation or suspension.**

1. Notwithstanding sections 147.87 to 147.89, the board may restrict, suspend, or revoke a license to practice nursing or place the licensee on probation. The board may also prescribe by rule conditions of license reinstatement. The board shall prescribe rules of procedure by which to restrict, suspend, or revoke a license. These procedures shall conform to the provisions of chapter 17A.

2. In addition to the grounds stated in section 147.55, the following are grounds for suspension or revocation under subsection 1 of this section:

*a.* Willful violation of the rules of the board.

*b.* Continued practice while knowingly having an infectious or contagious disease which could be harmful to a patient's welfare.

*c.* Conviction for a felony in the courts of this state or another state, territory, or country if the felony relates to the practice of nursing. Conviction shall include only a conviction for an offense which if committed in this state would be deemed a felony without regard to its designation elsewhere. A certified copy of the final order or judgment of conviction or plea of guilty in this state or in another jurisdiction shall be conclusive evidence of conviction.

*d.* (1) Having a license to practice nursing as a registered nurse or licensed practical nurse revoked or suspended, or having other disciplinary action taken by a licensing authority of another state, territory, or country. A certified copy of the record or order of suspension, revocation, or disciplinary action is prima facie evidence of such fact.

(2) Having a license to practice nursing as a registered nurse or licensed practical nurse revoked or suspended, or having other disciplinary action taken, by a licensing authority in another state which has adopted the nurse licensure compact contained in section 152E.1 or the advanced practice registered nurse compact contained in section 152E.3 and which has communicated information relating to such action pursuant to the coordinated licensure information system established by the compact. If the action taken by the licensing authority occurs in a jurisdiction which does not afford the procedural protections of chapter 17A, the licensee may object to the communicated information and shall be afforded the procedural protections of chapter 17A.

*e.* Knowingly aiding, assisting, procuring, advising, or allowing a person to unlawfully practice nursing.

*f.* Being adjudicated mentally incompetent by a court of competent jurisdiction. Such adjudication shall automatically suspend a license for the duration of the license, unless the board orders otherwise.

*g.* Being guilty of willful or repeated departure from or the failure to conform to the minimum standard of acceptable and prevailing practice of nursing; however, actual injury to a patient need not be established.

*h.* (1) Inability to practice nursing with reasonable skill and safety by reason of illness,

excessive use of alcohol, drugs, narcotics, chemicals, or other type of material or as a result of a mental or physical condition.

(2) The board may, upon probable cause, request a licensee to submit to an appropriate medical examination by a designated physician. If requested by the licensee, the licensee may also designate a physician for an independent medical examination. The reasonable costs of such examinations and medical reports to the board shall be paid by the board. Refusal or failure of a licensee to complete such examinations shall constitute an admission of any allegations relating to such condition. All objections shall be waived as to the admissibility of the examining physicians' testimony or examination reports on the grounds that they constitute privileged communication. The medical testimony or examination reports shall not be used against a registered nurse or licensed practical nurse in another proceeding and shall be confidential. At reasonable intervals, a registered nurse or licensed practical nurse shall be afforded an opportunity to demonstrate that the registered nurse or licensed practical nurse can resume the competent practice of nursing with reasonable skill and safety to patients.

[C77, 79, 81, §152.10]

2000 Acts, ch 1008, §7; 2005 Acts, ch 53, §7; 2008 Acts, ch 1088, §104

Referred to in §272C.3, 272C.4, 272C.5

**152.11 Investigators for nurses.**

The board of nursing may appoint investigators, who shall not be members of the board, to administer and aid in the enforcement of the provisions of law related to those licensed to practice nursing. The amount of compensation for the investigators shall be determined pursuant to chapter 8A, subchapter IV. Investigators authorized by the board of nursing have the powers and status of peace officers when enforcing this chapter and chapters 147 and 272C.

93 Acts, ch 41, §1; 2003 Acts, ch 145, §199

Referred to in §272C.5

**152.12 Examination information.**

Notwithstanding section 147.21, individual pass or fail examination results made available from the authorized national testing agency may be disclosed to the appropriate licensing authority in another state, the District of Columbia, or a territory or country, and the board-approved education program, for purposes of verifying accuracy of national data and determining program approval.

97 Acts, ch 159, §22; 2008 Acts, ch 1088, §105; 2012 Acts, ch 1021, §47

# CHAPTER 152A

## DIETETICS

Referred to in §147.76, 714H.4

Enforcement, §147.87, 147.92
Penalty, §147.86

152A.1 Definitions.
152A.2 License requirements.
152A.3 Exemptions.

**152A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the board of dietetics created under chapter 147.

2. *"Licensed dietitian"* or *"dietitian"* means a person who holds a valid license to practice dietetics pursuant to this chapter.

85 Acts, ch 168, §8; 2007 Acts, ch 10, §127

**152A.2 License requirements.**

1. An applicant shall be issued a license to practice dietetics by the board when the applicant satisfies all of the following:

*a.* Possesses a baccalaureate degree or postbaccalaureate degree with a major course of study in human nutrition, food and nutrition, dietetics, or food systems management, or in an equivalent major course of study which meets minimum academic requirements as established by the American dietetic association and approved by the board.

*b.* Completes an internship or preplanned professional experience program approved by the American dietetic association and approved by the board.

*c.* Satisfactorily completes an examination designed by the board.

2. Renewal of a license granted under this chapter shall not be approved unless the applicant has satisfactorily completed the continuing education requirements for the license as prescribed by the board.

85 Acts, ch 168, §9

**152A.3 Exemptions.**

The following are not subject to this chapter:

1. Licensed physicians and surgeons, nurses, chiropractors, dentists, dental hygienists, pharmacists or physical therapists who make dietetic or nutritional assessments, or give dietetic or nutritional advice in the normal practice of their profession or as otherwise authorized by law.

2. Dietetics students who engage in clinical practice under the supervision of a dietitian as part of a dietetic education program approved or accredited by the American dietetic association.

3. Dietitians who serve in the armed forces or the public health service of the United States or are employed by the United States department of veterans affairs, provided their practice is limited to that service or employment.

4. Dietitians who are licensed in another state, United States possession, or country, or have received at least a baccalaureate degree and are in this state for the purpose of:

*a.* Consultation, provided the practice in this state is limited to consultation.

*b.* Conducting a teaching clinical demonstration in connection with a program of basic clinical education, graduate education, or postgraduate education which is sponsored by a dietetic education program or accredited by the American dietetic association and carried out in an educational institution or its affiliated clinical facility or health care agency, or before a group of licensed dietitians.

5. Individuals who do not call themselves dietitians but routinely, in the course of doing business, market or distribute weight loss programs or sell nutritional products and provide explanations for customers regarding the use of the programs or products relative to normal nutritional needs.

6. Individuals who provide routine education and advice regarding normal nutritional requirements and sources of nutrients, including, but not limited to, persons who provide information as to the use and sale of food and food materials including dietary supplements.

85 Acts, ch 168, §10; 2009 Acts, ch 26, §9

# CHAPTER 152B

## RESPIRATORY CARE

Referred to in §135.24, 147.74, 147.76, 272C.1, 714H.4

Enforcement, §147.87, 147.92


152B.1 Definitions.
152B.2 Respiratory care as a practice defined.
152B.3 Performance of respiratory care.
152B.4 Location of respiratory care.
152B.5 Respiratory care students.
152B.6 Board duties.
152B.7 Representation.
152B.7A Exceptions.
152B.8 Penalty.
152B.9 Injunction.
152B.10 Liability.
152B.11 Continuing education.
152B.12 Suspension and revocation of licenses.
152B.13 Board of respiratory care. Repealed by 2010 Acts, ch 1163, §8.
152B.14 Licensure through examination.


**152B.1 Definitions.**

As used in this chapter, unless otherwise defined or the context otherwise requires:

1. *"Board"* means the board of respiratory care created under chapter 147.

2. *"Department"* means the Iowa department of public health.

3. *"Formal training"* means a supervised, structured educational activity that includes preclinical didactic and laboratory activities and clinical activities approved by an accrediting agency recognized by the board, and including an evaluation of competence through a standardized testing mechanism that is determined by the board to be both valid and reliable.

4. *"Qualified health care professional prescriber"* means a physician assistant operating under the prescribing authority granted in section 147.107 or an advanced registered nurse practitioner operating under the prescribing authority granted in section 147.107.

5. *"Qualified medical director"* means a licensed physician or surgeon who is a member of a hospital's or health care facility's active medical staff and who has special interest and knowledge in the diagnosis and treatment of respiratory problems, is qualified by special training or experience in the management of acute and chronic respiratory disorders, is responsible for the quality, safety, and appropriateness of the respiratory care services provided, and is readily accessible to the respiratory care practitioners to assure their competency.

6. *"Respiratory care"* includes "respiratory therapy" or "inhalation therapy".

7. *"Respiratory care education program"* means a course of study leading to eligibility for registration or certification in respiratory care which is recognized or approved by the board.

8. *"Respiratory care practitioner"* or *"practitioner"* means a person who meets all of the following:

*a.* Is qualified in the practice of cardiorespiratory care and has the knowledge and skill necessary to administer respiratory care as defined in section 152B.3.

*b.* Is capable of serving as a resource to the physician or surgeon in relation to the technical aspects of cardiorespiratory care and to safe and effective methods for administering respiratory care modalities.

*c.* Is able to function in situations of unsupervised patient contact requiring individual judgment.

*d.* Is capable of supervising, directing, or teaching less skilled personnel in the provision of respiratory care services.

9. *"Respiratory therapist"* means a person who has successfully completed a respiratory care education program for training respiratory therapists and has passed the registry examination for respiratory therapists administered by the national board for respiratory care or a respiratory therapy licensure examination approved by the board.

10. *"Respiratory therapy technician"* means a person who has successfully completed a respiratory care education program for training therapists and has passed the certification examination for respiratory therapy technicians administered by the national board for

respiratory care or a respiratory therapist technicians' licensure examination approved by the board.

85 Acts, ch 151, §1
CS85, §135F.1
90 Acts, ch 1193, §1
C93, §152B.1
96 Acts, ch 1036, §31; 2007 Acts, ch 10, §128; 2012 Acts, ch 1041, §1; 2013 Acts, ch 90, §30
Subsection 8, paragraph b amended

**152B.2 Respiratory care as a practice defined.**

1. *a. "Respiratory care as a practice"* means a health care profession, under medical direction, employed in the therapy, management, rehabilitation, diagnostic evaluation, and care of patients with deficiencies and abnormalities which affect the pulmonary system and associated aspects of cardiopulmonary and other systems' functions, and includes all of the following:

(1) Direct and indirect pulmonary care services that are safe and of comfort, aseptic, preventative, and restorative to the patient.

(2) Direct and indirect respiratory care services including but not limited to the administration of pharmacological and diagnostic and therapeutic agents related to respiratory care procedures necessary to implement a treatment, disease prevention, pulmonary rehabilitative, or diagnostic regimen prescribed by a licensed physician or surgeon or a qualified health care professional prescriber.

(3) Observation and monitoring of signs and symptoms, general behavior, reactions, general physical response to respiratory care treatment and diagnostic testing.

(4) Determination of whether the signs, symptoms, behavior, reactions, or general response exhibit abnormal characteristics.

(5) Implementation based on observed abnormalities, of appropriate reporting, referral, or respiratory care protocols or changes in treatment regimen.

*b. "Respiratory care as a practice"* does not include the delivery, assembly, setup, testing, or demonstration of respiratory care equipment in the home upon the order of a licensed physician or surgeon or a qualified health care professional prescriber. As used in this paragraph, *"demonstration"* does not include the actual teaching, administration, or performance of the respiratory care procedures.

2. *"Respiratory care protocols"* as used in this section means policies and procedures developed by an organized health care system through consultation, when appropriate, with administrators, licensed physicians and surgeons, qualified health care professional prescribers, licensed registered nurses, licensed physical therapists, licensed respiratory care practitioners, and other licensed health care practitioners.

85 Acts, ch 151, §2
CS85, §135F.2
90 Acts, ch 1193, §2
C93, §152B.2
97 Acts, ch 68, §1; 2012 Acts, ch 1041, §2 – 4; 2012 Acts, ch 1138, §51; 2013 Acts, ch 90, §31
Referred to in §152B.5, 152B.7A, 152B.11
Subsection 1, paragraph b amended

**152B.3 Performance of respiratory care.**

1. The performance of respiratory care shall be in accordance with the prescription of a licensed physician or surgeon or a qualified health care professional prescriber and includes but is not limited to the diagnostic and therapeutic use of the following:

*a.* Administration of medical gases, aerosols, and humidification, not including general anesthesia.

*b.* Environmental control mechanisms and paramedical therapy.

*c.* Pharmacologic agents relating to respiratory care procedures.

*d.* Mechanical or physiological ventilatory support.

*e.* Bronchopulmonary hygiene.

*f.* Cardiopulmonary resuscitation.

*g.* Maintenance of the natural airways.

*h.* Insertion without cutting tissues and maintenance of artificial airways.

*i.* Specific diagnostic and testing techniques employed in the medical management of patients to assist in diagnosis, monitoring, treatment, and research of pulmonary abnormalities, including measurement of ventilatory volumes, pressures, and flows, collection of specimens of blood, and collection of specimens from the respiratory tract.

*j.* Analysis of blood gases and respiratory secretions.

*k.* Pulmonary function testing.

*l.* Hemodynamic and physiologic measurement and monitoring of cardiac function as it relates to cardiopulmonary pathophysiology.

*m.* Invasive procedures that relate to respiratory care.

2. A respiratory care practitioner may transcribe and implement a written or verbal order from a licensed physician or surgeon or a qualified health care professional prescriber pertaining to the practice of respiratory care.

3. This chapter does not authorize a respiratory care practitioner to practice medicine, surgery, or other medical practices except as provided in this section.

85 Acts, ch 151, §3
CS85, §135F.3
C93, §152B.3
2009 Acts, ch 41, §263; 2012 Acts, ch 1041, §5, 6; 2012 Acts, ch 1138, §52, 53
Referred to in §152B.1, 152B.5, 152B.7A, 152B.11

**152B.4 Location of respiratory care.**

The practice of respiratory care may be performed in a hospital as defined in section 135B.1, subsection 3, and other settings where respiratory care is to be provided in accordance with a prescription of a licensed physician or surgeon or a qualified health care professional prescriber. Respiratory care may be provided during transportation of a patient and under circumstances where an emergency necessitates respiratory care.

85 Acts, ch 151, §4
CS85, §135F.4
C93, §152B.4
2012 Acts, ch 1041, §7; 2012 Acts, ch 1138, §54

**152B.5 Respiratory care students.**

Respiratory care services may be rendered by a student enrolled in a respiratory therapy training program when these services are incidental to the student's course of study.

A student enrolled in a respiratory therapy training program who is employed in an organized health care system may render services defined in sections 152B.2 and 152B.3 under the direct and immediate supervision of a respiratory care practitioner for a limited period of time as determined by rule. The student shall be identified as a "student respiratory care practitioner".

85 Acts, ch 151, §5
CS85, §135F.5
90 Acts, ch 1193, §3
C93, §152B.5
2005 Acts, ch 89, §15

**152B.6 Board duties.**

The board shall administer and implement this chapter. The board's duties in these areas shall include, but are not limited to, the following:

1. The adoption, publication and amendment of rules, in accordance with chapter 17A, necessary for the administration and enforcement of this chapter.

2. The establishment of a system for the licensure of respiratory care practitioners and the establishment and collection of licensure fees.

3. The designation of licensure examinations for respiratory care practitioners.

85 Acts, ch 151, §6

CS85, §135F.6
90 Acts, ch 1193, §4
C93, §152B.6
96 Acts, ch 1036, §32; 2006 Acts, ch 1155, §10, 15
Referred to in §152B.12

**152B.7 Representation.**

A person who is qualified as a respiratory care practitioner and is licensed by the board may use the title "respiratory care practitioner" or the letters R.C.P. after the person's name to indicate that the person is a qualified respiratory care practitioner licensed by the board. No other person is entitled to use the title or letters or any other title or letters that indicate or imply that the person is a respiratory care practitioner, nor may a person make any representation, orally or in writing, expressly or by implication, that the person is a licensed respiratory care practitioner.

85 Acts, ch 151, §7
CS85, §135F.7
90 Acts, ch 1193, §5
C93, §152B.7
96 Acts, ch 1036, §33

**152B.7A Exceptions.**

1. A person shall not practice respiratory care or represent oneself to be a respiratory care practitioner unless the person is licensed under this chapter.

2. This chapter does not prohibit any of the following:

*a.* The practice of respiratory care which is an integral part of the program of study by students enrolled in an accredited respiratory therapy training program approved by the board in those situations where that care is provided under the direct supervision of an appropriate clinical instructor recognized by the educational program.

*b.* Respiratory care services rendered in the course of an emergency.

*c.* Care administered in the course of assigned duties of persons in the military services.

3. This chapter is not intended to limit, preclude, or otherwise interfere with the practice of other health care providers not otherwise licensed under this chapter who are licensed and certified by this state to administer respiratory care procedures.

4. An individual who passes an examination that includes the content of one or more of the functions included in sections 152B.2 and 152B.3 shall not be prohibited from performing such procedures for which they were tested, as long as the testing body offering the examination is approved by the board.

96 Acts, ch 1036, §34; 97 Acts, ch 68, §2

**152B.8 Penalty.**

A person who violates a provision of this chapter is guilty of a simple misdemeanor.

85 Acts, ch 151, §8
CS85, §135F.8
C93, §152B.8

**152B.9 Injunction.**

The board may apply to a court for the issuance of an injunction or other appropriate restraining order against a person who is engaging in a violation of this chapter.

85 Acts, ch 151, §9
CS85, §135F.9
C93, §152B.9
96 Acts, ch 1036, §35

**152B.10 Liability.**

A respiratory care practitioner who in good faith renders emergency care at the scene of an emergency is not liable for civil damages as a result of acts or omissions by the person

rendering the emergency care. This section does not grant immunity from liability for civil damages when the respiratory care practitioner is grossly negligent.

85 Acts, ch 151, §10
CS85, §135F.10
C93, §152B.10

**152B.11 Continuing education.**

After July 1, 1991, a respiratory care practitioner shall submit evidence satisfactory to the board that during the year preceding renewal of licensure the practitioner has completed continuing education courses as prescribed by the board. In lieu of the continuing education, a person may successfully complete the most current version of the licensure examination.

Persons who are not licensed under this chapter but who perform respiratory care as defined by sections 152B.2 and 152B.3 shall comply with the continuing education requirements of this section. The board shall adopt rules for the administration of this requirement.

Except for those licensed by the board, this section does not apply to persons who are licensed to practice a health profession covered by chapter 147, when the licensee's performance of respiratory care practices falls within the scope of practice, as permitted by their respective licensing boards.

85 Acts, ch 151, §11
CS85, §135F.11
90 Acts, ch 1193, §6
C93, §152B.11
95 Acts, ch 41, §23; 96 Acts, ch 1036, §36; 97 Acts, ch 68, §3

**152B.12 Suspension and revocation of licenses.**

The board may suspend, revoke or impose probationary conditions upon a license issued pursuant to rules adopted in accordance with section 152B.6.

85 Acts, ch 151, §12
CS85, §135F.12
90 Acts, ch 1193, §7
C93, §152B.12
96 Acts, ch 1036, §37

**152B.13 Board of respiratory care.** Repealed by 2010 Acts, ch 1163, § 8.

**152B.14 Licensure through examination.**

The board shall issue a license to practice respiratory care to an applicant who has passed an examination administered by the state or a national agency approved by the board.

96 Acts, ch 1036, §39; 2005 Acts, ch 89, §16

# CHAPTER 152C

## MASSAGE THERAPY

Referred to in §147.74, 147.76, 261B.11, 272C.1, 423.2

Enforcement, §147.87, 147.92
Penalty, general, §147.86


152C.1 Definitions.
152C.2 Repealed by 98 Acts, ch 1053, §43.
152C.3 Requirements for licensure.
152C.4 Practicing as a massage therapist without a license — employment of person not licensed — civil penalty.
152C.5 Practice or use of title — license required.
152C.5A Massage therapy modalities study.
152C.6 Enforcement.
152C.7 Suspension and revocation of licenses.
152C.7A Temporary exemptions.
152C.8 Transition provisions. Repealed by 2008 Acts, ch 1088, §79.
152C.9 Exemptions.


**152C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the board of massage therapy created under chapter 147.

2. *"Massage therapist"* means a person licensed to practice the health care service of the healing art of massage therapy under this chapter.

3. *"Massage therapy"* means performance for compensation of massage, myotherapy, massotherapy, bodywork, bodywork therapy, or therapeutic massage including hydrotherapy, superficial hot and cold applications, vibration and topical applications, or other therapy which involves manipulation of the muscle and connective tissue of the body, excluding osseous tissue, to treat the muscle tonus system for the purpose of enhancing health, muscle relaxation, increasing range of motion, reducing stress, relieving pain, or improving circulation.

4. *"Reflexology"* means manipulation of the soft tissues of the human body which is restricted to the hands, feet, or ears, performed by persons who do not hold themselves out to be massage therapists or to be performing massage therapy.

92 Acts, ch 1137, §1; 98 Acts, ch 1053, §29, 30; 2000 Acts, ch 1185, §2, 3; 2004 Acts, ch 1065, §1, 2; 2007 Acts, ch 10, §130

Referred to in §152C.5, 152C.7A

**152C.2** Repealed by 98 Acts, ch 1053, § 43.

**152C.3 Requirements for licensure.**

1. The board shall adopt rules pursuant to chapter 17A establishing a procedure for licensing of massage therapists. License requirements shall include the following:

*a.* Completion of a curriculum of massage education at a school approved by the board which requires for admission a diploma from an accredited high school or the equivalent and requires completion of at least six hundred hours of supervised academic instruction. However, educational requirements under this paragraph are subject to reduction by the board if, after public notice and hearing, the board determines that the welfare of the public may be adequately protected with fewer hours of education.

*b.* Passage of an examination given or approved by the board.

*c.* Payment of a reasonable fee required by the board which shall compensate and be retained by the board for the costs of administering this chapter.

2. In addition to provisions for licensure, the rules shall include the following:

*a.* Requirements regarding completion of at least twelve hours of continuing education annually regarding subjects concerning massage and related techniques or the health and safety of the public, subject to reduction by the board if, after public notice and hearing, the board determines that the welfare of the public may be adequately protected with fewer hours.

*b.* Requirements for issuance of a reciprocal license to licensees of states with license

requirements equal to or exceeding those of this chapter. The rules shall provide for issuance of a temporary reciprocal license for licensees of states with lower requirements.

3. A massage therapist licensed pursuant to this chapter shall be issued a license number and a license certificate.

92 Acts, ch 1137, §3; 93 Acts, ch 71, §1; 98 Acts, ch 1053, §31 – 33; 2011 Acts, ch 57, §1
Referred to in §152C.5, 152C.7

**152C.4 Practicing as a massage therapist without a license — employment of person not licensed — civil penalty.**

1. The board, or its authorized agents, may inspect any facility that advertises or offers the services of massage therapy. The board may, by order, impose a civil penalty upon a person who practices as a massage therapist without a license issued under this chapter or a person or business that employs an individual who is not licensed under this chapter. The penalty shall not exceed one thousand dollars for each offense. Each day of a continued violation after an order or citation by the board constitutes a separate offense, with the maximum penalty not to exceed ten thousand dollars. In determining the amount of a civil penalty, the board may consider the following:

*a.* Whether the amount imposed will be a substantial economic deterrent to the violation.

*b.* The circumstances leading to or resulting in the violation.

*c.* The severity of the violation and the risk of harm to the public.

*d.* The economic benefits gained by the violator as a result of noncompliance.

*e.* The welfare or best interest of the public.

2. Before issuing an order or citation under this section, the board shall provide written notice and the opportunity to request a hearing on the record. The hearing must be requested within thirty days of the issuance of the notice and shall be conducted as provided in chapter 17A. The board may, in connection with a proceeding under this section, issue subpoenas to compel the attendance and testimony of witnesses and the disclosure of evidence and may request the attorney general to bring an action to enforce the subpoena.

3. A person aggrieved by the imposition of a civil penalty under this section may seek judicial review in accordance with section 17A.19. The board shall notify the attorney general of the failure to pay a civil penalty within thirty days after entry of an order pursuant to subsection 1, or within ten days following final judgment in favor of the board if an order has been stayed pending appeal. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs. An action to enforce an order under this section may be joined with an action for an injunction.

92 Acts, ch 1137, §4; 98 Acts, ch 1053, §34; 2000 Acts, ch 1185, §4

**152C.5 Practice or use of title — license required.**

The practice of massage therapy as defined in section 152C.1 is strictly prohibited by unlicensed individuals. It is unlawful for a person to engage in or offer to engage in the practice of massage therapy, or use in connection with the person's name, the initials "L. M. T." or the words "licensed massage therapist", "massage therapist", "masseur", "masseuse", or any other word or title that implies or represents that the person practices massage therapy, unless the person possesses a license issued under the provisions of section 152C.3.

92 Acts, ch 1137, §5; 2000 Acts, ch 1185, §5

**152C.5A Massage therapy modalities study.**

The Iowa department of public health, with input from the board, shall conduct a study regarding the modalities associated with the practice of massage therapy. The study shall be conducted with the input of licensed massage therapists, reflexologists, and unlicensed persons practicing modalities related to massage therapy. The objective of the study shall be to determine which modalities shall be included under the definition of massage therapy and require licensure, and shall include, but not be limited to, a recommendation regarding the licensure of reflexologists. The study shall focus on the health, safety, and welfare of the public regarding each of the modalities reviewed. The department shall submit a report

summarizing the results of the study and making recommendations regarding modality inclusion to the general assembly by January 15, 2004.

2003 Acts, ch 70, §1

Referred to in §152C.7A

**152C.6 Enforcement.**

No city, township, or county governmental body, agency, or department shall enact or enforce restrictions or requirements regarding massage therapists which are not equally enacted or enforced regarding all licensed health care practitioners, including but not limited to zoning, building code, health, and sanitation regulations.

92 Acts, ch 1137, §6

**152C.7 Suspension and revocation of licenses.**

The board may suspend, revoke, or impose probationary conditions upon a license issued pursuant to rules adopted in accordance with section 152C.3.

92 Acts, ch 1237, §11; 98 Acts, ch 1053, §35

**152C.7A Temporary exemptions.**

An individual who is engaged exclusively in the practice of reflexology or an unlicensed individual who is practicing a modality related to massage therapy, and whose professional practice does not incorporate aspects that constitute massage therapy as defined in section 152C.1, shall not be subject to the licensure provisions of this chapter for a one-year period beginning July 1, 2003, and ending June 30, 2004. Beginning July 1, 2004, an individual who is engaged exclusively in the practice of reflexology or an unlicensed individual who is practicing a modality related to massage therapy shall be subject to licensure pursuant to this chapter unless, based upon the recommendations contained in the massage therapy modalities study as provided in section 152C.5A, the practice of reflexology or an unlicensed individual who is practicing a modality related to massage therapy is permanently exempted from massage therapy licensure.

2003 Acts, ch 70, §2

**152C.8 Transition provisions.** Repealed by 2008 Acts, ch 1088, § 79.

**152C.9 Exemptions.**

This chapter shall not apply to the following persons:

1. Persons who are licensed to practice medicine or surgery, osteopathic medicine and surgery, chiropractic, cosmetology arts and sciences, or podiatry in this state; or athletic trainers, technicians, nurses, occupational therapists, physical therapists, or physician assistants licensed, certified, or registered in this state or acting under the prescription or supervision of a person licensed to practice medicine or surgery or osteopathic medicine and surgery in this state.

2. Persons who are licensed, registered, or certified in another state, territory, the District of Columbia, or a foreign country when incidentally present in this state to teach a course of instruction related to massage and bodywork therapy or to consult with a person licensed under subtitle 3 of this title.

3. Students enrolled in a program recognized by the board while completing a clinical requirement for graduation performed under the supervision of a person licensed under subtitle 3 of this title.

4. Persons giving massage and bodywork to members of their immediate family.

5. Persons practicing reflexology.

6. Persons engaged within the scope of practice of a profession with established standards and ethics utilizing touch, words, and directed movement to deepen awareness of existing patterns of movement in the body as well as to suggest new possibilities of movement, provided that the practices performed or services rendered are not designated or implied to be massage therapy. Such practices include, but are not limited to, the Feldenkrais method, the Trager approach, and mind-body centering.

7. Persons engaged within the scope of practice of a profession with established standards and ethics in which touch is limited to that which is essential for palpitation and affectation of the human energy system, provided that the practices performed or services rendered are not designated or implied to be massage therapy.

8. Persons incidentally present in this state to provide services as part of an emergency response team working in conjunction with disaster relief officials.

2004 Acts, ch 1065, §3; 2008 Acts, ch 1088, §141

# CHAPTER 152D

## ATHLETIC TRAINING

Referred to in §147.74, 147.76, 272.2, 272C.1

Enforcement, §147.87, 147.92


152D.1 Definitions.
152D.2 Licensing and practice requirements. Repealed by 2004 Acts, ch 1045, §11.
152D.3 Requirements for licensure.
152D.4 Scope of chapter.
152D.5 Duties of the board.
152D.6 License suspension and revocation.
152D.7 Practice or use of title — license required.
152D.8 Penalty.
152D.9 Transition provisions.


**152D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Athlete"* means a person who participates in a sanctioned amateur or professional sport or other recreational sports activity.

2. *"Athletic injury"* means any of the following:

*a.* An injury or illness sustained by an athlete as a result of the athlete's participation in sports, games, or recreational sports activities.

*b.* An injury or illness that impedes or prevents an athlete from participating in sports, games, or recreational sports activities.

3. *"Athletic trainer"* means a person licensed under this chapter to practice athletic training under the direction of a licensed physician.

4. *"Athletic training"* means the practice of prevention, recognition, assessment, physical evaluation, management, treatment, disposition, and physical reconditioning of athletic injuries that are within the professional preparation and education of a licensed athletic trainer and under the direction of a licensed physician. The term *"athletic training"* includes the organization and administration of educational programs and athletic facilities, and the education and counseling of the public on matters relating to athletic training.

5. *"Board"* means the board of athletic training created under chapter 147.

94 Acts, ch 1132, §1; 98 Acts, ch 1053, §36, 37; 2004 Acts, ch 1045, §3; 2007 Acts, ch 10, §131

**152D.2 Licensing and practice requirements.** Repealed by 2004 Acts, ch 1045, § 11. See § 152D.7.

**152D.3 Requirements for licensure.**

1. An applicant for a license to practice athletic training shall:

*a.* Be a graduate of an accredited college or university and comply with the minimum athletic training curriculum requirements established by the board.

*b.* Have successfully completed an examination prepared or selected by the board.

2. Application and renewal procedures, fees, and reciprocal agreements shall be provided in accordance with rules adopted by the board pursuant to chapter 17A.

94 Acts, ch 1132, §3; 95 Acts, ch 94, §2; 98 Acts, ch 1053, §38; 2004 Acts, ch 1045, §4

**152D.4 Scope of chapter.**

The provisions of this chapter do not apply to any of the following:

1. Persons otherwise licensed to practice medicine and surgery, osteopathic medicine and surgery, optometry, occupational therapy, nursing, chiropractic, podiatry, dentistry, or physical therapy, and licensed physician assistants who do not represent themselves to the public as athletic trainers.

2. Elementary or secondary school teachers, coaches, or authorized volunteers who do not hold themselves out to the public as athletic trainers.

3. Students of athletic training who practice athletic training under the supervision of a licensed athletic trainer in connection with the regular course of instruction at a school providing athletic training instruction.

4. An athletic trainer who is in this state temporarily with an individual or group that is participating in an athletic event and who is licensed, certified, or registered by another state or country, or certified as an athletic trainer by the board of certification of the national athletic trainers association or its successor organization.

94 Acts, ch 1132, §4; 2004 Acts, ch 1045, §5, 6; 2006 Acts, ch 1010, §55; 2008 Acts, ch 1088, §141

**152D.5 Duties of the board.**

The board shall:

1. Adopt rules consistent with this chapter and chapter 147 which are necessary for the performance of its duties.

2. Establish standards and guidelines for athletic trainers including minimum curriculum requirements.

3. Prepare and conduct, or prescribe, an examination for applicants for a license.

4. Establish a system for the collection of licensure fees.

94 Acts, ch 1132, §5; 98 Acts, ch 1053, §39; 2004 Acts, ch 1045, §7; 2006 Acts, ch 1155, §11, 15

**152D.6 License suspension and revocation.**

A license issued by the board under the provisions of this chapter may be suspended or revoked, or renewal denied by the board, for violation of any provision of this chapter or section 147.55, section 272C.10, or rules adopted by the board.

94 Acts, ch 1132, §6; 98 Acts, ch 1053, §40

**152D.7 Practice or use of title — license required.**

1. An individual licensed pursuant to this chapter shall be designated a licensed athletic trainer and may use the letters "LAT" after the individual's name.

2. It is unlawful for a person to engage in the practice of athletic training, or use in connection with the person's name the title "athletic trainer", "licensed athletic trainer", "registered athletic trainer", the letters "AT", "AT,C", "LAT", "ATC/L", or "ATC-L", or other words, abbreviations, or insignia that imply or represent that the person practices athletic training, unless the person is licensed pursuant to this chapter.

3. The practice of physical reconditioning shall be carried out under the oral or written orders of a physician or physician assistant. A physician or physician assistant who issues an oral order must reduce the order to writing and provide a copy of the order to the athletic trainer within thirty days of the oral order.

2004 Acts, ch 1045, §8

**152D.8 Penalty.**

A person who violates a provision of this chapter is guilty of a serious misdemeanor.

94 Acts, ch 1132, §8; 2004 Acts, ch 1045, §9

**152D.9 Transition provisions.**

1. Applicants for licensure under this chapter who have not passed a licensure examination administered or approved by the board by July 1, 2004, shall be issued a

temporary license to practice athletic training for a period of three years, commencing on July 1, 2004, provided that the applicant satisfies all of the following requirements:

*a.* Submits a letter of recommendation to the board from the applicant's most recent employer.

*b.* Submits letters of recommendation to the board from two licensed physicians attesting to the competency of the applicant.

*c.* Presents satisfactory evidence to the board that the applicant possesses current cardiopulmonary resuscitation and first aid certification.

*d.* Presents satisfactory evidence to the board demonstrating that the applicant possesses a baccalaureate degree from an accredited college or university.

2. An applicant issued a temporary license pursuant to this section shall pass a licensure examination administered or approved by the board on or before July 1, 2007, in order to remain licensed as an athletic trainer.

2004 Acts, ch 1045, §10

# CHAPTER 152E

## NURSE AND ADVANCED PRACTICE REGISTERED NURSE LICENSURE COMPACTS

Referred to in §125.2, 135.24, 135G.1, 144D.1, 147.76, 148F.7, 225C.6, 229.1

152E.1 Form of compact.
152E.2 Compact administrator.
152E.3 Form of advanced practice registered nurse compact.

**152E.1 Form of compact.**

The nurse licensure compact is entered into and enacted into law with all jurisdictions legally joining therein, in the form substantially as follows:

1. *Article I — Findings and purpose.*

*a.* The party states find all of the following:

(1) The health and safety of the public are affected by the degree of compliance with and the effectiveness of enforcement activities related to state nurse licensure laws.

(2) Violations of nurse licensure and other laws regulating the practice of nursing may result in injury or harm to the public.

(3) The expanded mobility of nurses and the use of advanced communication technologies as part of our nation's health care delivery system require greater coordination and cooperation among states in the areas of nurse licensure and regulation.

(4) New practice modalities and technology make compliance with individual state nurse licensure laws difficult and complex.

(5) The current system of duplicative licensure for nurses practicing in multiple states is cumbersome and redundant to both nurses and states.

*b.* The general purposes of this compact are to:

(1) Facilitate the states' responsibility to protect the public's health and safety.

(2) Ensure and encourage the cooperation of party states in the areas of nurse licensure and regulation.

(3) Facilitate the exchange of information between party states in the areas of nurse regulation, investigation, and adverse actions.

(4) Promote compliance with the laws governing the practice of nursing in each jurisdiction.

(5) Invest all party states with the authority to hold a nurse accountable for meeting all state practice laws in the state in which the patient is located at the time care is rendered through the mutual recognition of party state licenses.

2. *Article II — Definitions.* As used in this compact:

*a.* *"Adverse action"* means a home or remote state action.

*b. "Alternative program"* means a voluntary, nondisciplinary monitoring program approved by a nurse licensing board.

*c. "Coordinated licensure information system"* means an integrated process for collecting, storing, and sharing information on nurse licensure and enforcement activities related to nurse licensure laws, which is administered by a nonprofit organization composed of and controlled by state nurse licensing boards.

*d. "Current significant investigative information"* means either of the following:

(1) Investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the nurse to respond if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction.

(2) Investigative information that indicates that the nurse represents an immediate threat to public health and safety regardless of whether the nurse has been notified and had an opportunity to respond.

*e. "Home state"* means the party state which is the nurse's primary state of residence.

*f. "Home state action"* means any administrative, civil, equitable, or criminal action permitted by the home state's laws which are imposed on a nurse by the home state's licensing board or other authority, including actions against an individual's license such as revocation, suspension, probation, or any other action which affects a nurse's authorization to practice.

*g. "Licensing board"* means a party state's regulatory body responsible for issuing nurse licenses.

*h. "Multistate licensure privilege"* means current, official authority from a remote state permitting the practice of nursing as either a registered nurse or a licensed practical or vocational nurse in such party state. All party states have the authority, in accordance with existing state due process law, to take actions against the nurse's privilege such as revocation, suspension, probation, or any other action which affects a nurse's authorization to practice.

*i. "Nurse"* means a registered nurse or licensed practical or vocational nurse, as those terms are defined by each party state's practice laws.

*j. "Party state"* means any state that has adopted this compact.

*k. "Remote state"* means a party state, other than the home state, where either of the following applies:

(1) Where the patient is located at the time nursing care is provided.

(2) In the case of the practice of nursing not involving a patient, in such party state where the recipient of nursing care is located.

*l. "Remote state action"* means either of the following:

(1) Any administrative, civil, equitable, or criminal action permitted by a remote state's laws which is imposed on a nurse by the remote state's licensing board or other authority, including actions against an individual's multistate licensure privilege to practice in the remote state.

(2) Cease and desist and other injunctive or equitable orders issued by remote states or the licensing boards of remote states.

*m. "State"* means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

*n. "State practice laws"* means those individual party state laws and regulations that govern the practice of nursing, define the scope of nursing practice, and create the methods and grounds for imposing discipline. *"State practice laws"* does not include the initial qualifications for licensure or requirements necessary to obtain and retain a license, except for qualifications or requirements of the home state.

3. *Article III — General provisions and jurisdiction.*

*a.* A license to practice registered nursing issued by a home state to a resident in that state shall be recognized by each party state as authorizing a multistate licensure privilege to practice as a registered nurse in such party state. A license to practice licensed practical or vocational nursing issued by a home state to a resident in that state shall be recognized by each party state as authorizing a multistate licensure privilege to practice as a licensed

practical or vocational nurse in such party state. In order to obtain or retain a license, an applicant must meet the home state's qualifications for licensure and license renewal as well as all other applicable state laws.

*b.* Party states may, in accordance with state due process laws, limit or revoke the multistate licensure privilege of any nurse to practice in their state and may take any other actions under their applicable state laws necessary to protect the health and safety of their citizens. If a party state takes such action, it shall promptly notify the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the home state of any such actions by remote states.

*c.* Every nurse practicing in a party state must comply with the state practice laws of the state in which the patient is located at the time care is rendered. In addition, the practice of nursing is not limited to patient care, but shall include all nursing practice as defined by the state practice laws of a party state. The practice of nursing subjects a nurse to the jurisdiction of the nurse licensing board and the courts, as well as the laws, in that party state.

*d.* This compact does not affect additional requirements imposed by states for advanced practice registered nursing. However, a multistate licensure privilege to practice registered nursing granted by a party state shall be recognized by other party states as a license to practice registered nursing if one is required by state law as a precondition for qualifying for advanced practice registered nurse authorization.

*e.* Individuals not residing in a party state shall continue to be able to apply for nurse licensure as provided for under the laws of each party state. However, the license granted to these individuals shall not be recognized as granting the privilege to practice nursing in any other party state unless explicitly agreed to by that party state.

4. *Article IV — Applications for licensure in a party state.*

*a.* Upon application for a license, the licensing board in a party state shall ascertain, through the coordinated licensure information system, whether the applicant has ever held, or is the holder of, a license issued by any other state, whether there are any restrictions on the multistate licensure privilege, and whether any other adverse action by any state has been taken against the license.

*b.* A nurse in a party state shall hold licensure in only one party state at a time, issued by the home state.

*c.* A nurse who intends to change the nurse's primary state of residence may apply for licensure in the new home state in advance of such change. However, new licenses shall not be issued by a party state until after a nurse provides evidence of change in the nurse's primary state of residence satisfactory to the new home state's licensing board.

*d.* (1) If a nurse changes the nurse's primary state of residence by moving between two party states, and obtains a license from the new home state, the license from the former home state is no longer valid.

(2) If a nurse changes the nurse's primary state of residence by moving from a nonparty state to a party state, and obtains a license from the new home state, the individual state license issued by the nonparty state is not affected and shall remain in full force if so provided by the laws of the nonparty state.

(3) If a nurse changes the nurse's primary state of residence by moving from a party state to a nonparty state, the license issued by the prior home state converts to an individual state license, valid only in the former home state, without the multistate licensure privilege to practice in other party states.

5. *Article V — Adverse actions.* In addition to the general provisions described in article III, the following provisions apply:

*a.* The licensing board of a remote state shall promptly report to the administrator of the coordinated licensure information system any remote state actions, including the factual and legal basis for such action, if known. The licensing board of a remote state shall also promptly report any significant current investigative information yet to result in a remote state action. The administrator of the coordinated licensure information system shall promptly notify the home state of any such reports.

*b.* The licensing board of a party state shall have the authority to complete any pending

investigations for a nurse who changes primary state of residence during the course of such investigations. It shall also have the authority to take appropriate action and shall promptly report the conclusions of such investigations to the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any such actions.

*c.* A remote state may take adverse action affecting the multistate licensure privilege to practice within that party state. However, only the home state shall have the power to impose adverse action against the license issued by the home state.

*d.* For purposes of imposing adverse action, the licensing board of the home state shall give the same priority and effect to reported conduct received from a remote state as it would if such conduct had occurred within the home state. In so doing, it shall apply its own state laws to determine appropriate action.

*e.* The home state may take adverse action based on the factual findings of the remote state, so long as each state follows its own procedures for imposing such adverse action.

*f.* Nothing in this compact shall override a party state's decision that participation in an alternative program may be used in lieu of licensure action and that such participation shall remain nonpublic if required by the party state's laws. Party states must require nurses who enter any alternative programs to agree not to practice in any other party state during the term of the alternative program without prior authorization from such other party state.

6. *Article VI — Additional authorities invested in party state nurse licensing boards.* Notwithstanding any other powers, party state nurse licensing boards shall have the authority to do all of the following:

*a.* If otherwise permitted by state law, recover from the affected nurse the costs of investigations and disposition of cases resulting from any adverse action taken against that nurse.

*b.* Issue subpoenas for both hearings and investigations which require the attendance and testimony of witnesses, and the production of evidence. Subpoenas issued by a nurse licensing board in a party state for the attendance and testimony of witnesses or the production of evidence from another party state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses or evidence is located.

*c.* Issue cease and desist orders to limit or revoke a nurse's authority to practice in the state.

*d.* Promulgate uniform rules and regulations as provided for in article VIII, paragraph "*c*".

7. *Article VII — Coordinated licensure information system.*

*a.* All party states shall participate in a cooperative effort to create a coordinated database of all licensed registered nurses and licensed practical or vocational nurses. This system shall include information on the licensure and disciplinary history of each nurse, as contributed by party states, to assist in the coordination of nurse licensure and enforcement efforts.

*b.* Notwithstanding any other provision of law, all party states' licensing boards shall promptly report adverse actions, actions against multistate licensure privileges, any current significant investigative information yet to result in adverse action, denials of applications, and the reasons for such denials, to the coordinated licensure information system.

*c.* Current significant investigative information shall be transmitted through the coordinated licensure information system only to party state licensing boards.

*d.* Notwithstanding any other provision of law, all party states' licensing boards contributing information to the coordinated licensure information system may designate information that shall not be shared with nonparty states or disclosed to other entities or individuals without the express permission of the contributing state.

*e.* Any personally identifiable information obtained by a party state's licensing board from the coordinated licensure information system shall not be shared with nonparty states or disclosed to other entities or individuals except to the extent permitted by the laws of the party state contributing the information.

*f.* Any information contributed to the coordinated licensure information system that

is subsequently required to be expunged by the laws of the party state contributing that information shall also be expunged from the coordinated licensure information system.

*g.* The compact administrators, acting jointly with each other and in consultation with the administrator of the coordinated licensure information system, shall formulate necessary and proper procedures for the identification, collection, and exchange of information under this compact.

8. *Article VIII — Compact administration and interchange of information.*

*a.* The head of the nurse licensing board, or the head's designee, of each party state shall be the administrator of this compact for the head's state.

*b.* The compact administrator of each party state shall furnish to the compact administrator of each other party state any information and documents including but not limited to a uniform data set of investigations, identifying information, licensure data, and disclosable alternative program participation information to facilitate the administration of this compact.

*c.* Compact administrators shall have the authority to develop uniform rules to facilitate and coordinate implementation of this compact. These uniform rules shall be adopted by party states, under the authority invested under article VI, paragraph *"d"*.

9. *Article IX — Immunity.* A party state or the officers or employees or agents of a party state's nurse licensing board who act in accordance with the provisions of this compact shall not be liable on account of any act or omission in good faith while engaged in the performance of their duties under this compact. Good faith in this article shall not include willful misconduct, gross negligence, or recklessness.

10. *Article X — Entry into force, withdrawal, and amendment.*

*a.* This compact shall enter into force and become effective as to any state when it has been enacted into the laws of that state. Any party state may withdraw from this compact by enacting a statute repealing the same, but such withdrawal shall not take effect until six months after the withdrawing state has given notice of the withdrawal to the executive heads of all other party states.

*b.* Withdrawal shall not affect the validity or applicability by the licensing boards of states remaining party to the compact of any report of adverse action occurring prior to the withdrawal.

*c.* This compact shall not be construed to invalidate or prevent any nurse licensure agreement or other cooperative arrangement between a party state and a nonparty state that is made in accordance with the other provisions of this compact.

*d.* This compact may be amended by the party states. An amendment to this compact shall not become effective and binding upon the party states unless and until it is enacted into the laws of all party states.

11. *Article XI — Construction and severability.*

*a.* This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any party state, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters.

*b.* (1) In the event party states find a need for settling disputes arising under this compact, the party states may submit the issues in dispute to an arbitration panel which shall be comprised of an individual appointed by the compact administrator in the home state, an individual appointed by the compact administrator in the remote state or states involved, and an individual mutually agreed upon by the compact administrators of all the party states involved in the dispute.

(2) The decision of a majority of the arbitrators shall be final and binding.

2000 Acts, ch 1008, §8; 2000 Acts, ch 1232, §51 – 55; 2008 Acts, ch 1032, §201

Referred to in §147.2, 147.5, 147.7, 152.6, 152.7, 152.8, 152.10, 152E.2, 272C.6

**152E.2 Compact administrator.**

The executive director of the board of nursing, as provided for in section 152.2, shall serve as the compact administrator identified in article VIII, paragraph *"a"*, of the nurse licensure compact contained in section 152E.1 and as the compact administrator identified in article VIII, paragraph *"a"*, of the advanced practice registered nurse compact contained in section 152E.3.

2000 Acts, ch 1008, §9; 2005 Acts, ch 53, §8; 2008 Acts, ch 1032, §201

**152E.3 Form of advanced practice registered nurse compact.**

The advanced practice registered nurse compact is entered into and enacted into law with all jurisdictions legally joining therein, in the form substantially as follows:

1. *Article I — Findings and declaration of purpose.*

*a.* The party states find all of the following:

(1) The health and safety of the public are affected by the degree of compliance with advanced practice registered nurse licensure and practice requirements and the effectiveness of enforcement activities related to state advanced practice registered nurse license or authority to practice laws.

(2) Violations of advanced practice registered nurse licensure and practice and other laws regulating the practice of nursing may result in injury or harm to the public.

(3) The expanded mobility of advanced practice registered nurses and the use of advanced communication technologies as part of our nation's health care delivery system require greater coordination and cooperation among states in the areas of advanced practice registered nurse licensure and practice requirements.

(4) New practice modalities and technology make compliance with individual state advanced practice registered nurse licensure and practice requirements difficult and complex.

(5) The current system of duplicative advanced practice registered nurse licensure and practice requirements for advanced practice registered nurses practicing in multiple states is cumbersome and redundant to both advanced practice registered nurses and states.

(6) Uniformity of advanced practice registered nurse requirements throughout the states promotes public safety and public health benefits.

(7) Access to advanced practice registered nurse services increases the public's access to health care, particularly in rural and underserved areas.

*b.* The general purposes of this compact are to:

(1) Facilitate the states' responsibilities to protect the public's health and safety.

(2) Ensure and encourage the cooperation of party states in the areas of advanced practice registered nurse licensure and practice requirements including promotion of uniform licensure requirements.

(3) Facilitate the exchange of information between party states in the areas of advanced practice registered nurse regulation, investigation, and adverse actions.

(4) Promote compliance with the laws governing advanced practice registered nurse practice in each jurisdiction.

(5) Invest all party states with the authority to hold an advanced practice registered nurse accountable for meeting all state practice laws in the state in which the patient is located at the time care is rendered through the mutual recognition of party state licenses.

2. *Article II — Definitions.* As used in this compact:

*a. "Advanced practice registered nurse"* means a nurse anesthetist, nurse practitioner, nurse midwife, or clinical nurse specialist to the extent a party state licenses or grants authority to practice in that advanced practice registered nurse role and title.

*b. "Advanced practice registered nurse licensure and practice requirements"* means the regulatory mechanism used by a party state to grant legal authority to practice as an advanced practice registered nurse.

*c. "Advanced practice registered nurse uniform license or authority to practice requirements"* means those minimum uniform licensure, education, and examination requirements as agreed to by the compact administrators and adopted by licensing boards for the recognized advanced practice registered nurse role and title.

*d.* *"Adverse action"* means a home or remote state action.

*e.* *"Alternative program"* means a voluntary, nondisciplinary monitoring program approved by a nurse licensing board.

*f.* *"Coordinated licensure information system"* means an integrated process for collecting, storing, and sharing information on advanced practice registered nurse licensure or authority to practice and enforcement activities related to advanced practice registered nurse license or authority to practice laws, which is administered by a nonprofit organization composed of and controlled by state licensing boards.

*g.* *"Current significant investigative information"* means either of the following:

(1) Investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the advanced practice registered nurse to respond if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction.

(2) Investigative information that indicates that the advanced practice registered nurse represents an immediate threat to public health and safety regardless of whether the advanced practice registered nurse has been notified and had an opportunity to respond.

*h.* *"Home state"* means the party state that is the advanced practice registered nurse's primary state of residence.

*i.* *"Home state action"* means any administrative, civil, equitable, criminal, or other action permitted by the home state's laws which is imposed on an advanced practice registered nurse by the home state's licensing board or other authority, including actions against an individual's license or authority to practice such as revocation, suspension, probation, or any other action which affects an advanced practice registered nurse's authorization to practice.

*j.* *"Licensing board"* means a party state's regulatory body responsible for advanced practice registered nurse licensure or authority to practice.

*k.* *"Multistate advanced practice privilege"* means current authority from a remote state permitting an advanced practice registered nurse to practice in that state in the same role and title as the advanced practice registered nurse is licensed or authorized to practice in the home state to the extent that the remote state laws recognize such advanced practice registered nurse role and title. A party state has the authority, in accordance with existing state due process laws, to take action against the advanced practice registered nurse's privilege, including revocation, suspension, probation, or any other action that affects an advanced practice registered nurse's multistate privilege to practice.

*l.* *"Party state"* means any state that has adopted this compact.

*m.* *"Prescriptive authority"* means the legal authority to prescribe medications and devices as defined by party state laws.

*n.* *"Remote state"* means a party state, other than the home state, where either of the following applies:

(1) Where the patient is located at the time advanced practice registered nurse care is provided.

(2) In the case of advanced practice registered nurse practice not involving a patient, in such party state where the recipient of advanced practice registered nurse care is located.

*o.* *"Remote state action"* means either of the following:

(1) Any administrative, civil, equitable, criminal, or other action permitted by a remote state's laws which is imposed on an advanced practice registered nurse by the remote state's licensing board or other authority, including actions against an individual's multistate advanced practice privilege in the remote state.

(2) Cease and desist and other injunctive or equitable orders issued by remote states or the licensing boards of remote states.

*p.* *"State"* means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

*q.* *"State practice laws"* means a party state's laws and regulations that govern advanced practice registered nurse practice, define the scope of advanced nursing practice, including prescriptive authority, and create the methods and grounds for imposing discipline. *"State practice laws"* does not include the requirements necessary to obtain and retain advanced

practice registered nurse licensure or authority to practice as an advanced practice registered nurse, except for qualifications or requirements of the home state.

*r.* *"Unencumbered"* means that a state has no current disciplinary action against an advanced practice registered nurse's license or authority to practice.

3. *Article III — General provisions and jurisdiction.*

*a.* All party states shall participate in the nurse licensure compact for registered nurses and licensed practical or vocational nurses in order to enter into the advanced practice registered nurse compact.

*b.* A state shall not enter the advanced practice registered nurse compact until the state adopts, at a minimum, the advanced practice registered nurse uniform license or authority to practice requirements for each advanced practice registered nurse role and title recognized by the state seeking to enter the advanced practice registered nurse compact.

*c.* Advanced practice registered nurse license or authority to practice issued by a home state to a resident in that state shall be recognized by each party state as authorizing a multistate advanced practice privilege to the extent that the role and title are recognized by each party state. To obtain or retain advanced practice registered nurse licensure and practice requirements as an advanced practice registered nurse, an applicant must meet the home state's qualifications for authority or renewal of authority as well as all other applicable state laws.

*d.* The advanced practice registered nurse multistate advanced practice privilege does not include prescriptive authority, and does not affect any requirements imposed by states to grant to an advanced practice registered nurse initial and continuing prescriptive authority according to state practice laws. However, a party state may grant prescriptive authority to an individual on the basis of a multistate advanced practice privilege to the extent permitted by state practice laws.

*e.* A party state may, in accordance with state due process laws, limit or revoke the multistate advanced practice privilege in the party state and may take any other necessary actions under the party state's applicable laws to protect the health and safety of the party state's citizens. If a party state takes action, the party state shall promptly notify the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the home state of any such actions by remote states.

*f.* An advanced practice registered nurse practicing in a party state must comply with the state practice laws of the state in which the patient is located at the time care is provided. The advanced practice registered nurse practice includes patient care and all advanced nursing practice defined by the party state's practice laws. The advanced practice registered nurse practice subjects an advanced practice registered nurse to the jurisdiction of the licensing board, the courts, and the laws of the party state.

*g.* Individuals not residing in a party state may apply for an advanced practice registered nurse license or authority to practice as an advanced practice registered nurse under the laws of a party state. However, the authority to practice granted to these individuals shall not be recognized as granting the privilege to practice as an advanced practice registered nurse in any other party state unless explicitly agreed to by that party state.

4. *Article IV — Applications for advanced practice registered nurse licensure or authority to practice in a party state.*

*a.* (1) Once an application for an advanced practice registered nurse license or authority to practice is submitted, a party state shall ascertain, through the coordinated licensure information system, whether the applicant has held, or is the holder of, a nursing license or authority to practice issued by another state, whether the applicant has had a history of previous disciplinary action by any state, whether an encumbrance exists on any license or authority to practice, and whether any other adverse action by any other state has been taken against a license or authority to practice.

(2) This information may be used in approving or denying an application for an advanced practice registered nurse license or authority to practice.

*b.* An advanced practice registered nurse in a party state shall hold an advanced practice

registered nurse license or authority to practice in only one party state at a time, issued by the home state.

*c.* An advanced practice registered nurse who intends to change the nurse's primary state of residence may apply for an advanced practice registered nurse license or authority to practice in the new home state in advance of such change. However, a new license or authority to practice shall not be issued by a party state until after an advanced practice registered nurse provides evidence of change in the nurse's primary state of residence satisfactory to the new home state's licensing board.

*d.* (1) If an advanced practice registered nurse changes the nurse's primary state of residence by moving between two party states, and obtains an advanced practice registered nurse license or authority to practice from the new home state, the advanced practice registered nurse license or authority to practice from the former home state is no longer valid.

(2) If an advanced practice registered nurse changes the nurse's primary state of residence by moving from a nonparty state to a party state, and obtains an advanced practice registered nurse license or authority to practice from the new home state, the individual state license issued by the nonparty state is not affected and shall remain in full force if so provided by the laws of the nonparty state.

(3) If an advanced practice registered nurse changes the nurse's primary state of residence by moving from a party state to a nonparty state, the advanced practice registered nurse license or authority to practice issued by the prior home state converts to an individual state license, valid only in the former home state, without the multistate licensure privilege to practice in other party states.

5. *Article V — Adverse actions.* In addition to the general provisions described in article III, the following provisions apply:

*a.* The licensing board of a remote state shall promptly report to the administrator of the coordinated licensure information system any remote state actions, including the factual and legal basis for such action, if known. The licensing board of a remote state shall also promptly report any significant current investigative information yet to result in a remote state action. The administrator of the coordinated licensure information system shall promptly notify the home state of any such reports.

*b.* The licensing board of a party state shall have the authority to complete any pending investigations for an advanced practice registered nurse who changes the nurse's primary state of residence during the course of such investigations. It shall also have the authority to take appropriate action and shall promptly report the conclusions of such investigations to the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any such actions.

*c.* A remote state may take adverse action affecting the multistate advanced practice privilege to practice within that party state. However, only the home state shall have the power to impose adverse action against the advanced practice registered nurse license or authority to practice issued by the home state.

*d.* For purposes of imposing adverse action, the licensing board of the home state shall give the same priority and effect to reported conduct received from a remote state as it would if such conduct had occurred within the home state. In so doing, it shall apply its own state laws to determine appropriate action.

*e.* The home state may take adverse action based on the factual findings of the remote state, so long as each state follows its own procedures for imposing such adverse action.

*f.* Nothing in this compact shall override a party state's decision that participation in an alternative program may be used in lieu of adverse action and that such participation shall remain nonpublic if required by the party state's laws. Party states must require advanced practice registered nurses who enter any alternative programs to agree not to practice in any other party state during the term of the alternative program without prior authorization from such other party state.

*g.* All home state licensing board disciplinary orders, agreed to or otherwise, which limit the scope of the advanced practice registered nurse's practice or require monitoring of the

advanced practice registered nurse as a condition of the order shall include the requirements that the advanced practice registered nurse will limit the nurse's practice to the home state during the pendency of the order. This requirement may allow the advanced practice registered nurse to practice in other party states with prior written authorization from both the home state and party state licensing boards.

6. *Article VI — Additional authorities invested in party state licensing boards.* Notwithstanding any other powers, party state licensing boards shall have the authority to do all of the following:

*a.* If otherwise permitted by state law, recover from the affected advanced practice registered nurse the costs of investigations and disposition of cases resulting from any adverse action taken against that advanced practice registered nurse.

*b.* Issue subpoenas for both hearings and investigations which require the attendance and testimony of witnesses, and the production of evidence. Subpoenas issued by a licensing board in a party state for the attendance and testimony of witnesses, or the production of evidence from another party state, shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses or evidence is located.

*c.* Issue cease and desist orders to limit or revoke an advanced practice registered nurse's privilege, license, or authority to practice in the state.

*d.* Promulgate uniform rules and regulations as provided for in article VIII, paragraph "*c*".

7. *Article VII — Coordinated licensure information system.*

*a.* All party states shall participate in a cooperative effort to create a coordinated database of all advanced practice registered nurses. This system shall include information on the advanced practice registered nurse licensure and practice requirements and disciplinary history of each advanced practice registered nurse, as contributed by party states, to assist in the coordination of the advanced practice registered nurse licensure or authority to practice and enforcement efforts.

*b.* Notwithstanding any other provision of law, all party states' licensing boards shall promptly report adverse actions, actions against multistate advanced practice privileges, any current significant investigative information yet to result in adverse action, denials of applications, and the reasons for such denials, to the coordinated licensure information system.

*c.* Current significant investigative information shall be transmitted through the coordinated licensure information system only to party state licensing boards.

*d.* Notwithstanding any other provision of law, all party states' licensing boards contributing information to the coordinated licensure information system may designate information that shall not be shared with nonparty states or disclosed to other entities or individuals without the express permission of the contributing state.

*e.* Any personally identifiable information obtained by a party state's licensing board from the coordinated licensure information system shall not be shared with nonparty states or disclosed to other entities or individuals except to the extent permitted by the laws of the party state contributing the information.

*f.* Any information contributed to the coordinated licensure information system that is subsequently required to be expunged by the laws of the party state contributing that information shall also be expunged from the coordinated licensure information system.

*g.* The compact administrators, acting jointly with each other and in consultation with the administrator of the coordinated licensure information system, shall formulate necessary and proper procedures for the identification, collection, and exchange of information under this compact.

8. *Article VIII — Compact administration and interchange of information.*

*a.* The head of the licensing board, or the head's designee, of each party state shall be the administrator of this compact for the head's state.

*b.* The compact administrator of each party state shall furnish to the compact administrator of each other party state any information and documents including but not

limited to a uniform data set of investigations, identifying information, licensure data, and disclosable alternative program participation information to facilitate the administration of this compact.

*c.* Compact administrators shall have the authority to develop uniform rules to facilitate and coordinate implementation of this compact. These uniform rules shall be adopted by party states, under the authority invested under article VI, paragraph *"d"*.

9. *Article IX — Immunity.* A party state or the officers or employees or agents of a party state's licensing board who act in accordance with the provisions of this compact shall not be liable on account of any act or omission in good faith while engaged in the performance of their duties under this compact. Good faith in this article shall not include willful misconduct, gross negligence, or recklessness.

10. *Article X — Entry into force, withdrawal, and amendment.*

*a.* This compact shall enter into force and become effective as to any state when it has been enacted into the laws of that state. Any party state may withdraw from this compact by enacting a statute repealing the same, but such withdrawal shall not take effect until six months after the withdrawing state has given notice of the withdrawal to the executive heads of all other party states.

*b.* Withdrawal shall not affect the validity or applicability by the licensing boards of states remaining party to the compact of any report of adverse action occurring prior to the withdrawal.

*c.* This compact shall not be construed to invalidate or prevent any advanced practice registered nurse licensure or authority to practice agreement or other cooperative arrangement between a party state and a nonparty state that is made in accordance with the other provisions of this compact.

*d.* This compact may be amended by the party states. An amendment to this compact shall not become effective and binding upon the party states unless and until it is enacted into the laws of all party states.

11. *Article XI — Construction and severability.*

*a.* This compact shall be liberally construed so as to effectuate the purposes of the compact. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States, or the applicability of the compact to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability of the compact to any government, agency, person, or circumstance shall not be affected by that action. If this compact shall be held contrary to the constitution of any state which is party to the compact, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters.

*b.* (1) In the event party states find a need for settling disputes arising under this compact, the party states may submit the issues in dispute to an arbitration panel which shall be comprised of an individual appointed by the compact administrator in the home state, an individual appointed by the compact administrator in the remote state or states involved, and an individual mutually agreed upon by the compact administrators of all the party states involved in the dispute.

(2) The decision of a majority of the arbitrators shall be final and binding.

2005 Acts, ch 53, §9; 2007 Acts, ch 22, §38; 2008 Acts, ch 1032, §201

Referred to in §147.2, 147.5, 147.7, 152.6, 152.7, 152.8, 152.10, 152E.2, 272C.6

# CHAPTER 153

## DENTISTRY

Referred to in §135.24, 135.61, 135B.7, 147.76, 147.139, 514.17, 714H.4

Penalty, §147.86
Licensing board, support staff exceptions;
location and powers; see §135.11A, 135.31


153.1 through 153.11 Reserved.
153.12 Board defined.
153.13 "Practice of dentistry" defined.
153.14 Persons not included.
153.15 Dental hygienists — scope of term.
153.15A Dental hygienists — license requirements, renewal.
153.16 Dental office where dentist is employed.
153.17 Unlawful practice.
153.18 Employment of unlicensed dentist.
153.19 Temporary permit — fees.
153.20 Drugs, medicine, and surgery.
153.21 License by credentials.
153.22 Resident license.
153.23 through 153.30 Repealed by 2002 Acts, ch 1108, §31.
153.31 Falsification in application for renewal.
153.32 Unprofessional conduct.
153.33 Powers of board.
153.33A Dental hygiene committee.
153.34 Discipline.
153.35 Construction rule.
153.36 Exceptions to other statutes.
153.37 Dental college and dental hygiene program faculty permits.
153.38 Dental assistants — scope of practice.
153.39 Dental assistants — registration requirements, renewal, revocation, or suspension.
153.40 Reserved.


**153.1 through 153.11** Reserved.

**153.12 Board defined.**
As used in this chapter, *"board"* means the dental board created under chapter 147.
2007 Acts, ch 10, §132; 2007 Acts, ch 218, §204

**153.13 "Practice of dentistry" defined.**
For the purpose of this subtitle the following classes of persons shall be deemed to be engaged in the practice of dentistry:
1. Persons publicly professing to be dentists, dental surgeons, or skilled in the science of dentistry, or publicly professing to assume the duties incident to the practice of dentistry.
2. Persons who perform examination, diagnosis, treatment, and attempted correction by any medicine, appliance, surgery, or other appropriate method of any disease, condition, disorder, lesion, injury, deformity, or defect of the oral cavity and maxillofacial area, including teeth, gums, jaws, and associated structures and tissue, which methods by education, background experience, and expertise are common to the practice of dentistry.
3. Persons who offer to perform, perform, or assist with any phase of any operation incident to tooth whitening, including the instruction or application of tooth whitening materials or procedures at any geographic location. For purposes of this subsection, *"tooth whitening"* means any process to whiten or lighten the appearance of human teeth by the application of chemicals, whether or not in conjunction with a light source.
[S13, §2600-o; C24, 27, 31, 35, 39, §**2565;** C46, 50, 54, 58, 62, 66, §153.1; C71, 73, 75, 77, 79, 81, §153.13]
96 Acts, ch 1147, §1; 2009 Acts, ch 56, §5, 13
Referred to in §153.14

**153.14 Persons not included.**
Section 153.13 shall not be construed to include the following classes:
1. Students of dentistry who practice dentistry upon patients at clinics in connection with their regular course of instruction at an accredited dental college, students of dental hygiene who practice upon patients at clinics in connection with their regular course of instruction at state-approved schools, and students of dental assisting who practice upon patients at clinics

in connection with a regular course of instruction determined by the board pursuant to section 153.39.

2. Licensed "physicians and surgeons" or licensed "osteopathic physicians and surgeons" who extract teeth or treat diseases of the oral cavity, gums, teeth, or maxillary bones as an incident to the general practice of their profession.

3. Persons licensed to practice dental hygiene who are exclusively engaged in the practice of said profession.

4. Dentists and dental hygienists who are licensed in another state and who are active or reserve members of the United States military service when acting in the line of duty in this state.

5. Persons registered to practice as a dental assistant.

**1, 2.** [S13, §2600-l, -o; C24, 27, 31, 35, 39, §**2566;** C46, 50, 54, 58, 62, 66, §153.2; C71, 73, 75, 77, 79, 81, §153.14]

**3.** [C24, 27, 31, 35, 39, §**2566;** C46, 50, 54, 58, 62, 66, §153.2; C71, 73, 75, 77, 79, 81, §153.14]

89 Acts, ch 63, §1; 95 Acts, ch 16, §1; 2000 Acts, ch 1002, §3, 4; 2007 Acts, ch 10, §133; 2009 Acts, ch 133, §57; 2011 Acts, ch 129, §86, 156

**153.15 Dental hygienists — scope of term.**

A licensed dental hygienist may perform those services which are educational, therapeutic, and preventive in nature which attain or maintain optimal oral health as determined by the board and may include but are not necessarily limited to complete oral prophylaxis, application of preventive agents to oral structures, exposure and processing of radiographs, administration of medicaments prescribed by a licensed dentist, obtaining and preparing nonsurgical, clinical and oral diagnostic tests for interpretation by the dentist, and preparation of preliminary written records of oral conditions for interpretation by the dentist. Such services shall be performed under supervision of a licensed dentist and in a dental office, a public or private school, public health agencies, hospitals, and the armed forces, but nothing herein shall be construed to authorize a dental hygienist to practice dentistry.

[C24, 27, 31, 35, 39, §**2571;** C46, 50, 54, 58, 62, 66, §153.7; C71, 73, 75, 77, 79, 81, §153.15]

2007 Acts, ch 10, §134

**153.15A Dental hygienists — license requirements, renewal.**

1. In addition to requirements adopted by rule by the board, in order to obtain a license as a dental hygienist, an applicant shall present evidence to the board of both of the following:

*a.* That the applicant possesses a degree or certificate of graduation from a college, university, or institution of higher education, accredited by a national agency recognized by the council on postsecondary accreditation or the United States department of education, in a program of dental hygiene with a minimum of two academic years of curriculum.

*b.* That the applicant possesses a valid certificate in a nationally recognized course in cardiopulmonary resuscitation.

2. In order to renew a license as a dental hygienist, a licensee shall furnish evidence of valid annual certification for cardiopulmonary resuscitation which shall be credited toward the licensee's continuing education requirement.

92 Acts, ch 1121, §1

**153.16 Dental office where dentist is employed.**

Every person who owns, operates, or controls a dental office in which anyone other than that person is practicing dentistry shall display the name of the other person in a conspicuous manner at the public entrance to said office.

[S13, §2600-o1; C24, 27, 31, 35, 39, §**2568;** C46, 50, 54, 58, 62, 66, §153.4; C71, 73, 75, 77, 79, 81, §153.16]

**153.17 Unlawful practice.**

Except as herein otherwise provided, it shall be unlawful for any person to practice dentistry or dental surgery or dental hygiene in this state, other than:

1. Those who are now duly licensed dentists, under the laws of this state in force at the time of their licensure; and

2. Those who are now duly licensed dental hygienists under the laws of this state in force at the time of their licensure; and

3. Those who may hereafter be duly licensed as dentists or dental hygienists pursuant to the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §153.17]

**153.18 Employment of unlicensed dentist.**

No person owning or conducting any place where dental work of any kind is done or contracted for, shall employ or permit any unlicensed dentist to practice dentistry in said place.

[S13, §2600-o2; C24, 27, 31, 35, 39, §**2569;** C46, 50, 54, 58, 62, 66, §153.5; C71, 73, 75, 77, 79, 81, §153.18]

**153.19 Temporary permit — fees.**

1. The board may, in its discretion, issue a temporary permit authorizing the permit holder to practice dentistry or dental hygiene in a specific location or locations and for a specified period of time if, in the opinion of the board, a need exists and the person possesses the qualifications prescribed by the board for the permit, which shall be substantially equivalent to those required for licensure under this chapter. The board shall determine in each instance those eligible for this permit, whether or not examinations shall be given, and the type of examinations. None of the requirements for regular licensure under this chapter are mandatory for a temporary permit except as specifically designated by the board. The issuance of a temporary permit shall not in any way indicate that the permit holder is necessarily eligible for regular licensure, nor is the board in any way obligated to so license the person.

2. A temporary permit shall be issued for a period determined by the board and may be renewed at the discretion of the board. The fee for a temporary permit and the fee for renewal shall be set by the board. The fees shall be based on the administrative costs of issuing and renewing the permits.

2002 Acts, ch 1108, §15; 2004 Acts, ch 1167, §7, 8

**153.20 Drugs, medicine, and surgery.**

A dentist shall have the right to prescribe and administer drugs or medicine, perform such surgical operations, administer general or local anesthetics and use such appliances as may be necessary to the proper practice of dentistry.

[C71, 73, 75, 77, 79, 81, §153.20]

**153.21 License by credentials.**

The board may issue a license under this chapter without examination to an applicant who furnishes satisfactory proof that the applicant meets all of the following requirements:

1. Holds a license from a similar dental board of another state, territory, or district of the United States under requirements equivalent or substantially equivalent to those of this state.

2. Has satisfied at least one of the following:

*a.* Passed an examination administered by a regional or national testing service, which examination has been approved by the dental board in accordance with section 147.34, subsection 1.

*b.* Has for three consecutive years immediately prior to the filing of the application in this state been in a legal practice of dentistry or dental hygiene in such other state, territory, or district of the United States.

3. Furnishes such other evidence as to the applicant's qualifications and lawful practice as the board may require.

[C71, 73, 75, 77, 79, 81, §153.21]

2002 Acts, ch 1108, §16; 2011 Acts, ch 80, §1

**153.22 Resident license.**

A dentist or dental hygienist who is serving only as a resident, intern, or graduate student and who is not licensed to practice in this state is required to obtain from the board a temporary or special license to practice as a resident, intern, or graduate student. The license shall be designated "Resident License" and shall authorize the licensee to serve as a resident, intern, or graduate student only, under the supervision of a licensed practitioner, in an institution approved for this purpose by the board. Such license shall be renewed at the discretion of the board. The fee for a resident license and the renewal fee shall be set by the board based upon the cost of issuance of the license. The board shall determine in each instance those eligible for a resident license, whether or not examinations shall be given, and the type of examination. None of the requirements for regular permanent licensure are mandatory for resident licensure except as specifically designated by the board. The issuance of a resident license shall not in any way indicate that the person so licensed is necessarily eligible for regular licensure or that the board is obligated to so license the person. The board may revoke a resident license at any time it shall determine either that the caliber of work done by a licensee or the type of supervision being given such licensee does not conform to reasonable standards established by the board.

[C71, 73, 75, 77, 79, 81, §153.22]

2002 Acts, ch 1108, §17; 2007 Acts, ch 10, §135

**153.23 through 153.30** Repealed by 2002 Acts, ch 1108, § 31. See § 153.33 and 153.34.

**153.31 Falsification in application for renewal.**

A license to practice either dentistry or dental hygiene, or registration as a dental assistant, shall be revoked or suspended in the manner and upon the grounds elsewhere provided in this chapter, and also when the certificate accompanying the application of such licensee or registrant for renewal of license or registration filed with the board is not in all material respects true.

[C35, §2573-g15; C39, §**2573.15;** C46, 50, 54, 58, 62, 66, §153.24; C71, 73, 75, 77, 79, 81, §153.31]

2002 Acts, ch 1108, §18

**153.32 Unprofessional conduct.**

As to dentists and dental hygienists "*unprofessional conduct*" shall consist of any of the acts denominated as such elsewhere in this chapter, and also any other of the following acts:

1. Receiving any rebate, or other thing of value, directly or indirectly from any dental laboratory or dental technician.
2. Solicitation of professional patronage by agents or persons popularly known as "cappers" or "steerers", or profiting by the acts of those representing themselves to be agents of the licensee.
3. Receipt of fees on the assurance that a manifestly incurable disease can be permanently cured.
4. Division of fees or agreeing to split or divide the fees received for professional services with any person for bringing or referring a patient or assisting in the care or treatment of a patient without the consent of said patient or the patient's legal representative.
5. Willful neglect of a patient in a critical condition.

[C35, §2573-g16; C39, §**2573.16;** C46, 50, 54, 58, 62, 66, §153.25; C71, 73, 75, 77, 79, 81, §153.32]

**153.33 Powers of board.**

Subject to the provisions of this chapter, any provision of this subtitle to the contrary notwithstanding, the board shall exercise the following powers:

1. *a.* To initiate investigations of and conduct hearings on all matters or complaints relating to the practice of dentistry, dental hygiene, or dental assisting or pertaining to the enforcement of any provision of this chapter, to provide for mediation of disputes between licensees or registrants and their patients when specifically recommended by the board, to

revoke or suspend licenses or registrations, or the renewal thereof, issued under this or any prior chapter, to provide for restitution to patients, and to otherwise discipline licensees and registrants.

*b.* Subsequent to an investigation by the board, the board may appoint a disinterested third party to mediate disputes between licensees or registrants and patients. Referral of a matter to mediation shall not preclude the board from taking disciplinary action against the affected licensee or registrant.

2. To appoint investigators, who shall not be members of the board, to administer and aid in the enforcement of the provisions of law relating to those persons licensed to practice dentistry and dental hygiene, and persons registered as dental assistants. The amount of compensation for the investigators shall be determined pursuant to chapter 8A, subchapter IV. Investigators authorized by the board have the powers and status of peace officers when enforcing this chapter and chapters 147 and 272C.

3. All employees needed to administer this chapter shall be appointed pursuant to the merit system.

4. To initiate in its own name or cause to be initiated in a proper court appropriate civil proceedings against any person to enforce the provisions of this chapter or this subtitle relating to the practice of dentistry, and the board may have the benefit of counsel in connection therewith. Any such judicial proceeding as may be initiated by the board shall be commenced and prosecuted in the same manner as any other civil action and injunctive relief may be granted therein without proof of actual damage sustained by any person but such injunctive relief shall not relieve the person so enjoined from criminal prosecution by the attorney general or county attorney for violation of any provision of this chapter or this subtitle relating to the practice of dentistry.

5. In any investigation made or hearing conducted by the board on its own motion, or upon written complaint filed with the board by any person, pertaining to any alleged violation of this chapter or the accusation against any licensee or registrant, the following procedure and rules so far as material to such investigation or hearing shall obtain:

*a.* The accusation of such person against any licensee or registrant shall be reduced to writing, verified by some person familiar with the facts therein stated, and three copies thereof filed with the board.

*b.* If the board shall deem the charges sufficient, if true, to warrant suspension or revocation of license or registration, it shall make an order fixing the time and place for hearing thereon and requiring the licensee or registrant to appear and answer thereto, such order, together with a copy of the charges so made to be served upon the accused at least twenty days before the date fixed for hearing, either personally or by certified or registered mail, sent to the licensee's or registrant's last known post office address as shown by the records of the board.

*c.* At the time and place fixed in said notice for said hearing, or at any time and place to which the said hearing shall be adjourned, the board shall hear the matter and may take evidence, administer oaths, take the deposition of witnesses, including the person accused, in the manner provided by law in civil cases, compel the appearance of witnesses before it in person the same as in civil cases by subpoena issued over the signature of the chairperson of the board and in the name of the state of Iowa, require answers to interrogatories and compel the production of books, papers, accounts, documents and testimony pertaining to the matter under investigation or relating to the hearing.

*d.* In all such investigations and hearings pertaining to the suspension or revocation of licenses or registrations, the board and any person affected thereby may have the benefit of counsel, and upon the request of the licensee or registrant or the licensee's or registrant's counsel the board shall issue subpoenas for the attendance of such witnesses in behalf of the licensee or registrant, which subpoenas when issued shall be delivered to the licensee or registrant or the licensee's or registrant's counsel. Such subpoenas for the attendance of witnesses shall be effective if served upon the person named therein anywhere within this state, provided, that at the time of such service the fees now or hereafter provided by law for witnesses in civil cases in district court shall be paid or tendered to such person.

*e.* In case of disobedience of a subpoena lawfully served hereunder, the board or any party

to such hearing aggrieved thereby may invoke the aid of the district court in the county where such hearing is being conducted to require the attendance and testimony of such witnesses. Such district court of the county within which the hearing is being conducted may, in case of contumacy or refusal to obey such subpoena, issue an order requiring such person to appear before said board, and if so ordered give evidence touching the matter involved in the hearing. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

*f.* If the licensee or registrant pleads guilty, or after hearing shall be found guilty by the board of any of the charges made, it may suspend for a limited period or revoke the license or registration, and the last renewal thereof, and shall enter the order on its records and notify the accused of the revocation or suspension of the person's license or registration, as the case may be, who shall thereupon forthwith surrender that license or registration to the board. Any such person whose license or registration has been so revoked or suspended shall not thereafter and while such revocation or suspension is in force and effect practice dentistry, dental hygiene, or dental assisting within this state.

*g.* The findings of fact made by the board acting within its power shall, in the absence of fraud, be conclusive, but the district court shall have power to review questions of law involved in any final decision or determination of the board; provided, that application is made by the aggrieved party within thirty days after such determination by certiorari, mandamus or such other method of review or appeal permitted under the laws of this state, and to make such further orders in respect thereto as justice may require.

*h.* Pending the review and final disposition thereof by the district court, the action of the board suspending or revoking such license or registration shall not be stayed.

6. To adopt rules regarding infection control in dental practice which are consistent with standards of the federal Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 – 678, and recommendations of the centers for disease control.

7. An inspector may be appointed by the dental board pursuant to the provisions of chapter 8A, subchapter IV.

8. To promulgate rules as may be necessary to implement the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §153.33]

90 Acts, ch 1112, §1; 92 Acts, ch 1121, §2; 93 Acts, ch 41, §2; 2002 Acts, ch 1108, §19, 20; 2003 Acts, ch 44, §38, 39; 2003 Acts, ch 145, §200; 2007 Acts, ch 10, §136; 2009 Acts, ch 41, §263; 2009 Acts, ch 133, §192

Referred to in §272C.5

Merit system, see chapter 8A, subchapter IV

**153.33A Dental hygiene committee.**

1. A three-member dental hygiene committee of the board is created, consisting of the two dental hygienist members of the board and one dentist member of the board. The dentist member of the committee must have supervised and worked in collaboration with a dental hygienist for a period of at least three years immediately preceding election to the committee. The dentist member shall be elected to the committee annually by a majority vote of board members.

2. The committee shall have the authority to adopt recommendations regarding the practice, discipline, education, examination, and licensure of dental hygienists, subject to subsection 3, and shall carry out duties as assigned by the board. The committee shall have no regulatory or disciplinary authority with regard to dentists, dental assistants, dental lab technicians, or any other auxiliary dental personnel.

3. The board shall ratify recommendations of the committee at the first meeting of the board following adoption of the recommendations by the committee, or at a meeting of the board specifically called for the purpose of board review and ratification of committee recommendations. The board shall decline to ratify committee recommendations only if the board makes a specific finding that a recommendation exceeds the jurisdiction or expands the scope of the committee beyond the authority granted in subsection 2, creates an undue financial impact on the board, or is not supported by the record. The board shall

pay the necessary expenses of the committee and of the board in implementing committee recommendations ratified by the board.

4. This section shall not be construed as impacting or changing the scope of practice of the profession of dental hygiene or authorizing the independent practice of dental hygiene.

98 Acts, ch 1010, §2; 2007 Acts, ch 10, §137

Referred to in §147.14

**153.34 Discipline.**

The board may issue an order to discipline a licensed dentist or dental hygienist, or registered dental assistant, for any of the grounds set forth in this chapter, chapter 272C, or Title IV. Notwithstanding section 272C.3, licensee or registrant discipline may include a civil penalty not to exceed ten thousand dollars. Pursuant to this section, the board may discipline a licensee or registrant for any of the following reasons:

1. For fraud or deceit in procuring the license or registration or the renewal thereof to practice dentistry, dental hygiene, or dental assisting.

2. For being guilty of willful and gross malpractice or willful and gross neglect in the practice of dentistry, dental hygiene, or dental assisting.

3. For fraud in representation as to skill or ability.

4. For willful or repeated violations of this chapter, this subtitle, or the rules of the board.

5. For obtaining any fee by fraud or misrepresentation.

6. For having failed to pay license or registration fees as provided herein.

7. For gross immorality or dishonorable or unprofessional conduct in the practice of dentistry, dental hygiene, or dental assisting.

8. For failure to maintain a reasonably satisfactory standard of competency in the practice of dentistry, dental hygiene, or dental assisting.

9. For the conviction of a felony in the courts of this state or another state, territory, or country. Conviction as used in this subsection includes a conviction of an offense which if committed in this state would be a felony without regard to its designation elsewhere, and includes a finding or verdict of guilt made or returned in a criminal proceeding even if the adjudication of guilt is withheld or not entered. A certified copy of the final order or judgment of conviction or plea of guilty in this state or in another state constitutes conclusive evidence of the conviction.

10. For a violation of a law of this state, another state, or the United States, without regard to its designation as either a felony or misdemeanor, which law relates to the practice of dentistry, dental hygiene, or dental assisting. A certified copy of the final order or judgment of conviction or plea of guilty in this state or in another state constitutes conclusive evidence of the conviction.

11. The revocation or suspension of a license or registration to practice dentistry, dental hygiene, or dental assisting or other disciplinary action taken by a licensing authority of another state, territory, or country. A certified copy of the record or order of suspension, revocation, or disciplinary action is conclusive or prima facie evidence.

12. Knowingly aiding, assisting, procuring, or advising a person to unlawfully practice dentistry, dental hygiene, or dental assisting.

13. For an adjudication of mental incompetence by a court of competent jurisdiction. Such adjudication shall automatically suspend a license or registration for the duration of the license or registration unless the board orders otherwise.

14. Inability to practice dentistry, dental hygiene, or dental assisting with reasonable skill and safety by reason of illness, drunkenness, or habitual or excessive use of drugs, intoxicants, narcotics, chemicals, or other types of materials or as a result of a mental or physical condition. At reasonable intervals following suspension or revocation under this subsection, a dentist, dental hygienist, or dental assistant shall be afforded an opportunity to demonstrate that the dentist, dental hygienist, or dental assistant can resume the competent practice of dentistry, dental hygiene, or dental assisting with reasonable skill and safety to patients.

15. For being a party to or assisting in any violation of any provision of this chapter.

16. For a dental hygienist, the practice of dentistry by the dental hygienist; and for a

dentist, permitting the practice of dentistry by a dental hygienist by the dentist under whose supervision the dental hygienist is operating.

[C71, 73, 75, 77, 79, 81, §153.34]

88 Acts, ch 1124, §1 – 4; 93 Acts, ch 41, §3; 2002 Acts, ch 1108, §21; 2007 Acts, ch 10, §138; 2009 Acts, ch 133, §192; 2010 Acts, ch 1069, §20

Referred to in §272C.3, 272C.4

**153.35 Construction rule.**

This chapter shall be deemed to be passed in the interest of the public health, safety and welfare of the people of this state, and its provisions shall be liberally construed to carry out its object and purposes.

[C71, 73, 75, 77, 79, 81, §153.35]

**153.36 Exceptions to other statutes.**

1. Sections 147.44, 147.48, 147.49, 147.53, and 147.55, and sections 147.87 through 147.92 shall not apply to the practice of dentistry.

2. In addition to the provisions of section 272C.2, subsection 4, a person licensed by the board shall also be deemed to have complied with continuing education requirements of this state if, during periods that the person practiced the profession in another state or district, the person met all of the continuing education and other requirements of that state or district for the practice of the occupation or profession.

3. Notwithstanding the panel composition provisions in section 272C.6, subsection 1, the board's disciplinary hearing panels shall be comprised of three board members, at least two of which are licensed in the profession.

[C71, 73, 75, 77, 79, 81, §153.36]

97 Acts, ch 159, §23; 2007 Acts, ch 10, §139; 2009 Acts, ch 41, §56

**153.37 Dental college and dental hygiene program faculty permits.**

The board may issue a faculty permit entitling the holder to practice dentistry or dental hygiene within a college of dentistry or a dental hygiene program and affiliated teaching facilities as an adjunct to the faculty member's teaching position, associated responsibilities, and functions. The dean of the college of dentistry or chairperson of a dental hygiene program shall certify to the board those bona fide members of the college's or a dental hygiene program's faculty who are not licensed and registered to practice dentistry or dental hygiene in Iowa. Any faculty member so certified shall, prior to commencing the member's duties in the college of dentistry or a dental hygiene program, make written application to the board for a permit. The permit shall be for a period determined by the board and may be renewed at the discretion of the board. The fee for the faculty permit and the renewal shall be set by the board based upon the administrative cost of issuance of the permit. The fee shall be deposited in the same manner as fees provided for in section 147.82. The faculty permit shall be valid during the time the holder remains a member of the faculty and shall subject the holder to all provisions of this chapter.

[C79, 81, §153.37]

93 Acts, ch 41, §4; 2002 Acts, ch 1108, §22; 2007 Acts, ch 10, §140

**153.38 Dental assistants — scope of practice.**

A registered dental assistant may perform those services of assistance to a licensed dentist as determined by the board by rule. Such services shall be performed under supervision of a licensed dentist in a dental office, a public or private school, public health agencies, hospitals, and the armed forces, but shall not be construed to authorize a dental assistant to practice dentistry or dental hygiene. Every licensed dentist who utilizes the services of a registered dental assistant for the purpose of assistance in the practice of dentistry shall be responsible for acts delegated to the registered dental assistant. A dentist shall delegate to a registered dental assistant only those acts which are authorized to be delegated to registered dental assistants by the board.

2000 Acts, ch 1002, §5; 2007 Acts, ch 10, §141

**153.39 Dental assistants — registration requirements, renewal, revocation, or suspension.**

1. A person shall not practice on or after July 1, 2001, as a dental assistant unless the person has registered with the board and received a certificate of registration pursuant to this chapter.

2. Education requirements shall be determined by the board by rule, according to standards to be determined by the board. A person shall be registered upon the successful completion of either of the education and examination requirements established in paragraph *"a"* or *"b"*:

*a.* Successful completion of a course of study and examination approved by the board and sponsored by a board-approved postsecondary school.

*b.* Successful completion of on-the-job training and examination consisting of all of the following:

(1) Completion of on-the-job training as specified in rule.

(2) Successful completion of an examination process approved by the board. A written examination may be waived by the board pursuant to section 17A.9A, in practice situations where the written examination is deemed to be unnecessary or detrimental to the dentist's practice.

3. The education requirements in subsection 2, paragraphs *"a"* and *"b"* may include possession of a valid certificate in a nationally recognized course in cardiopulmonary resuscitation. Successful passage of an examination administered by the board under subsection 2, paragraph *"a"* or *"b"*, which shall include sections regarding infection control, hazardous materials, and jurisprudence, shall also be required.

4. The board shall establish continuing education requirements as a condition of renewing registration as a registered dental assistant, as well as standards for the suspension or revocation of registration.

5. A person employed as a dental assistant after July 1, 2005, shall have a twelve-month period following the person's first date of employment after July 1, 2005, to comply with the provisions of subsection 1.

2000 Acts, ch 1002, §6; 2002 Acts, ch 1108, §23; 2005 Acts, ch 28, §1, 2; 2007 Acts, ch 22, §39; 2009 Acts, ch 133, §201

Referred to in §153.14

**153.40** Reserved.

For future text of this section effective upon receipt by the Iowa department of public health of federal funding to establish a mobile dental delivery system, see 2004 Acts, ch 1175, §227, 287

# CHAPTER 153A

## RESERVED

# CHAPTER 154

## OPTOMETRY

Referred to in §135.24, 135.61, 147.76, 147.108, 147.109, 321.186, 321.186A, 509.3, 514.7, 514B.1, 514C.13, 714H.4

Enforcement, §147.87, 147.92
Penalty, §147.86


154.1 Board defined — optometry — licensed optometrists.
154.2 Scope of chapter.
154.3 License.
154.4 through 154.9 Reserved.
154.10 Standard of care.

**154.1 Board defined — optometry — licensed optometrists.**

1. As used in this chapter, *"board"* means the board of optometry created under chapter 147.

2. For the purpose of this subtitle, the following classes of persons shall be deemed to be engaged in the practice of optometry:

*a.* Persons employing any means for the measurement of the visual power and visual efficiency of the human eye; persons engaged in the prescribing and adapting of lenses, prisms, and contact lenses; persons engaged in the using or employing of visual training or ocular exercise for the aid, relief, or correction of vision; and persons employing the use of medicines and procedures for the purposes of diagnosis and treatment of diseases or conditions of the eye and adnexa.

*b.* Persons who allow the public to use any mechanical device for a purpose described in paragraph *"a"*.

*c.* Persons who publicly profess to be optometrists and to assume the duties incident to the profession.

3. *a.* An optometrist licensed under this chapter may employ all diagnostic and therapeutic pharmaceutical agents for the purpose of diagnosis and treatment of conditions of the human eye and adnexa pursuant to this subsection, excluding the use of injections other than to counteract an anaphylactic reaction, and notwithstanding section 147.107, may without charge supply any of the above pharmaceuticals to commence a course of therapy. A licensed optometrist may perform minor surgical procedures and use medications for the diagnosis and treatment of diseases, disorders, and conditions of the eye and adnexa. A license to practice optometry under this chapter does not authorize the performance of surgical procedures which require the use of injectable or general anesthesia, moderate sedation, penetration of the globe, or the use of ophthalmic lasers for the purpose of ophthalmic surgery within or upon the globe. The removal of pterygia and Salzmann's nodules, incisional corneal refractive surgery, and strabismus surgery are prohibited.

*b.* A licensed optometrist may employ and, notwithstanding section 147.107, supply pharmaceutical-delivering contact lenses for the purpose of treatment of conditions of the human eye and adnexa. For purposes of this paragraph, *"pharmaceutical-delivering contact lenses"* means contact lenses that contain one or more therapeutic pharmaceutical agents authorized for employment by this section for the purpose of treatment of conditions of the human eye and adnexa and that deliver such agents into the wearer's eye.

*c.* A licensed optometrist may prescribe oral steroids for a period not to exceed fourteen days without consultation with a physician.

*d.* A licensed optometrist may be authorized, where reasonable and appropriate, by rule of the board, to employ new diagnostic and therapeutic pharmaceutical agents approved by the United States food and drug administration on or after July 1, 2002, for the diagnosis and treatment of the human eye and adnexa.

*e.* The board is not required to adopt rules relating to topical pharmaceutical agents, oral antimicrobial agents, oral antihistamines, oral antiglaucoma agents, and oral analgesic agents. A licensed optometrist may remove superficial foreign bodies from the human eye and adnexa.

*f.* The therapeutic efforts of a licensed optometrist are intended for the purpose of examination, diagnosis, and treatment of visual defects, abnormal conditions, and diseases of the human eye and adnexa, for proper optometric practice or referral for consultation or treatment to persons licensed under chapter 148.

*g.* A licensed optometrist is an optometrist who is licensed to practice optometry in this state and who is certified by the board to use the agents and procedures authorized pursuant to this subsection.

4. Beginning July 1, 2012, all licensed optometrists shall meet requirements established by the board by rule to employ diagnostic and therapeutic pharmaceutical agents for the practice of optometry. All licensees practicing optometry in this state shall have demonstrated

qualifications and obtained certification to use diagnostic and therapeutic pharmaceutical agents as a condition of license renewal.

[S13, §2583-g; C24, 27, 31, 35, 39, §**2574;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §154.1]

85 Acts, ch 248, §1; 87 Acts, ch 119, §1; 91 Acts, ch 9, §1; 2002 Acts, ch 1026, §1; 2007 Acts, ch 10, §142; 2007 Acts, ch 159, §1; 2007 Acts, ch 215, §251; 2008 Acts, ch 1088, §106; 2010 Acts, ch 1010, §2; 2010 Acts, ch 1163, §3; 2012 Acts, ch 1004, §2

Referred to in §147.108

**154.2 Scope of chapter.**

This chapter shall not be construed to include the following classes:

1. Merchants or dealers who sell glasses as merchandise in an established place of business and who do not profess to be optometrists or practice optometry as herein defined.
2. Licensed physicians and surgeons.

[S13, §2583-q; C24, 27, 31, 35, 39, §**2575;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §154.2]

**154.3 License.**

Every applicant for a license to practice optometry shall:

1. Be a graduate of an accredited school of optometry and meet requirements as established by rules of the board.
2. Present an official transcript issued by an accredited school of optometry.
3. Pass an examination as determined by the board by rule.

[S13, §2583-l; C24, 27, 31, 35, 39, §**2576;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §154.3]

85 Acts, ch 248, §2; 86 Acts, ch 1237, §8; 87 Acts, ch 119, §2; 2006 Acts, ch 1184, §95; 2007 Acts, ch 10, §143; 2007 Acts, ch 159, §2; 2007 Acts, ch 215, §252

**154.4 through 154.9** Reserved.

**154.10 Standard of care.**

A person licensed as an optometrist pursuant to this chapter shall be held to the same standard of care as is common to persons licensed under chapter 148 in this state.

[C81, §154.10]

85 Acts, ch 248, §3; 2007 Acts, ch 159, §3; 2008 Acts, ch 1088, §107; 2012 Acts, ch 1004, §3

# CHAPTER 154A

## HEARING AIDS

Referred to in §147.76, 154F.2, 216E.7, 272C.1, 272C.6

Enforcement, §147.87, 147.92


154A.1 Definitions.
154A.2 Establishment of board. Repealed by 2012 Acts, ch 1113, §15.
154A.3 Term of office. Repealed by 2012 Acts, ch 1113, §15.
154A.4 Duties of the board. Repealed by 2012 Acts, ch 1113, §15.
154A.5 Public members. Repealed by 2012 Acts, ch 1113, §15.
154A.6 Disclosure of confidential information. Repealed by 2012 Acts, ch 1113, §15.
154A.7 Board meetings.
154A.8 Duties of department. Repealed by 2012 Acts, ch 1113, §15.
154A.9 Applications. Repealed by 2012 Acts, ch 1113, §15.
154A.10 Issuance of licenses.
154A.11 Examinations. Repealed by 2012 Acts, ch 1113, §15.
154A.12 Scope of examination.
154A.13 Temporary permit.
154A.14 Reciprocity. Repealed by 2012 Acts, ch 1113, §15.
154A.15 License renewal. Repealed by 2012 Acts, ch 1113, §15.
154A.16 Repealed by 77 Acts, ch 95, §25.
154A.17 Fees. Repealed by 2012 Acts, ch 1113, §15.
154A.18 Display of license. Repealed by 2012 Acts, ch 1113, §15.
154A.19 Exceptions.
154A.20 Rights of purchaser.
154A.21 Notice of address.
154A.22 Receipt of fees. Repealed by 2006 Acts, ch 1155, §13, 15.
154A.23 Disciplinary orders — attorney general.
154A.24 Suspension or revocation.
154A.25 Prohibitions.
154A.26 Consumer protection.
154A.27 Penalties.


**154A.1 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Board"* means the board of hearing aid dispensers.
2. *"Department"* means the Iowa department of public health.
3. *"Dispense"* or *"sell"* means a transfer of title or of the right to use by lease, bailment, or any other means, but excludes a wholesale transaction with a distributor or dispenser, and excludes the temporary, charitable loan or educational loan of a hearing aid without remuneration.
4. *"Hearing aid"* means a wearable instrument or device designed for or offered for the purpose of aiding or compensating for impaired human hearing, and any parts, attachments, or accessories, including earmold, but excluding batteries and cords.
5. *"Hearing aid dispenser"* means any person engaged in the fitting, dispensing, and the sale of hearing aids and providing hearing aid services or maintenance, by means of procedures stipulated by this chapter or the board.
6. *"Hearing aid fitting"* means the measurement of human hearing by any means for the purpose of selections, adaptations, and sales of hearing aids, and the instruction and counseling pertaining thereto, and demonstration of techniques in the use of hearing aids, and the making of earmold impressions as part of the fitting of hearing aids.
7. *"License"* means a license issued by the state under this chapter to hearing aid dispensers.
8. *"Person"* means a natural person.
9. *"Temporary permit"* means a permit issued while the applicant is in training to become a licensed hearing aid dispenser.

[C75, 77, 79, 81, §154A.1]

2001 Acts, ch 58, §18; 2007 Acts, ch 10, §145

**154A.2 Establishment of board.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.12 – 147.14, 147.16.

**154A.3 Term of office.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.19.

**154A.4 Duties of the board.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.22, 147.34, 147.76.

**154A.5 Public members.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.21(1).

**154A.6 Disclosure of confidential information.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.21(2, 3).

**154A.7 Board meetings.**

The board shall meet at least one time per year at the seat of government and may hold additional meetings as deemed necessary. Additional meetings shall be held at the call of the chairperson or a majority of the members of the board.

[C75, 77, 79, 81, §154A.7]

86 Acts, ch 1245, §1146; 2012 Acts, ch 1113, §10

**154A.8 Duties of department.** Repealed by 2012 Acts, ch 1113, § 15.

**154A.9 Applications.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.3.

**154A.10 Issuance of licenses.**

An applicant may obtain a license, if the applicant:

1. Successfully passes the qualifying examination prescribed in section 154A.12.
2. Is free of contagious or infectious disease.
3. Pays the necessary fees set by the board.

[C75, 77, 79, 81, §154A.10]

2012 Acts, ch 1113, §11

**154A.11 Examinations.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.34, 147.37.

**154A.12 Scope of examination.**

1. The examination required by this chapter shall be designed to demonstrate the applicant's adequate technical qualifications including but not limited to the following:

*a.* Evidence of knowledge in areas such as physics of sound, anatomy and physiology of hearing, and the function of hearing aids, as these areas pertain to the fitting or selection and sale of hearing aids.

*b.* Evidence of knowledge of the medical and rehabilitation facilities that are available in the area served, for children and adults who have hearing problems.

*c.* Evidence of knowledge of situations in which it is commonly believed that a hearing aid is inappropriate.

2. The board shall not require the applicant to possess the degree of professional competence normally expected of physicians.

[C75, 77, 79, 81, §154A.12]

2000 Acts, ch 1140, §39; 2009 Acts, ch 41, §263; 2012 Acts, ch 1113, §12

Referred to in §154A.10

**154A.13 Temporary permit.**

A person who has not been licensed as a hearing aid dispenser may obtain a temporary permit from the department upon completion of the application accompanied by the written verification of employment from a licensed hearing aid dispenser. The department shall issue a temporary permit for one year which shall not be renewed or reissued. The fee for issuance of the temporary permit shall be set by the board in accordance with the provisions for establishment of fees in section 147.80. The temporary permit entitles an applicant to engage in the fitting or selection and sale of hearing aids under the supervision of a person holding a valid license.

[C75, 77, 79, 81, §154A.13]

2001 Acts, ch 58, §18; 2012 Acts, ch 1113, §13

**154A.14 Reciprocity.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.44, 147.48, 147.49, 147.53.

**154A.15 License renewal.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.10.

**154A.16** Repealed by 77 Acts, ch 95, § 25.

**154A.17 Fees.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.80.

**154A.18 Display of license.** Repealed by 2012 Acts, ch 1113, § 15. See § 147.7.

**154A.19 Exceptions.**

This chapter shall not prohibit a corporation, partnership, trust, association, or other organization maintaining an established business address from engaging in the business of selling or offering for sale hearing aids at retail without a license if it employs only licensed hearing aid dispensers in the direct fitting or selection and sale of hearing aids. Such an organization shall file annually with the board a list of all licensed hearing aid dispensers and persons holding temporary permits directly or indirectly employed by it. Such an organization shall also file with the board a statement on a form approved by the board that the organization submits itself to the rules and regulations of the board and the provisions of this chapter which the department deems applicable.

This chapter shall not apply to a person who engages in the practices covered by this chapter if this activity is part of the academic curriculum of an accredited institution of higher education, or part of a program conducted by a public or charitable institution, or nonprofit organization, unless the institution or organization also dispenses or sells hearing aids.

This chapter shall not prevent any person from engaging in practices covered by this chapter, provided the person, or organization employing the person, does not dispense or sell hearing aids.

[C75, 77, 79, 81, §154A.19]

2001 Acts, ch 58, §18

**154A.20 Rights of purchaser.**

1. A hearing aid dispenser shall deliver, to each person supplied with a hearing aid, a receipt which contains the licensee's signature and shows the licensee's business address and the number of the license, together with specifications as to the make, model, and serial number of the hearing aid furnished, and full terms of sale clearly stated, including the date of consummation of the sale of the hearing aid. If a hearing aid is sold which is not new, the receipt and the container must be clearly marked "used" or "reconditioned", with the terms of guarantee, if any.

2. The receipt shall bear the following statement in type no smaller than the largest used in the body copy portion of the receipt:

The purchaser has been advised that any examination or representation made by a licensed hearing aid dispenser in connection with the fitting or selection and selling of this hearing aid is not an examination, diagnosis, or prescription by a person licensed to practice medicine in this state and therefore, must not be regarded as medical opinion or advice.

3. Whenever any of the following conditions are found to exist either from observations by the licensed hearing aid dispenser or person holding a temporary permit or on the basis of information furnished by a prospective hearing aid user, the hearing aid dispenser or person holding a temporary permit shall, prior to fitting and selling a hearing aid to any individual, suggest to that individual in writing that the individual's best interests would be served if the individual would consult a licensed physician specializing in diseases of the ear, or if no such licensed physician is available in the community, then a duly licensed physician:

*a.* Visible congenital or traumatic deformity of the ear.

*b.* History of, or active drainage from the ear within the previous ninety days.

*c.* History of sudden or rapidly progressive hearing loss within the previous ninety days.

*d.* Acute or chronic dizziness.

*e.* Unilateral hearing loss of sudden or recent onset within the previous ninety days.

*f.* Significant air-bone gap (greater than or equal to 15dB ANSI 500, 1000 and 2000 Hz. average).

*g.* Obstruction of the ear canal, by structures of undetermined origin, such as foreign bodies, impacted cerumen, redness, swelling, or tenderness from localized infections of the otherwise normal ear canal.

4. A copy of the written recommendation shall be retained by the licensed hearing aid dispenser for the period of seven years. A person receiving the written recommendation who elects to purchase a hearing aid shall sign a receipt for the same, and the receipt shall be kept with the other papers retained by the licensed hearing aid dispenser for the period of seven years. Nothing in this section required to be performed by a licensed hearing aid dispenser shall mean that the hearing aid dispenser is engaged in the diagnosis of illness or the practice of medicine or any other activity prohibited by this chapter.

5. No hearing aid shall be sold by any individual licensed under this chapter to a person twelve years of age or younger, unless within the preceding six months a recommendation for a hearing aid has been made by a physician specializing in otolaryngology. A replacement of an identical hearing aid within one year shall be an exception to this requirement.

6. A licensed hearing aid dispenser shall, upon the consummation of a sale of a hearing aid, keep and maintain records in the dispenser's office or place of business at all times and each such record shall be kept and maintained for a seven-year period. These records shall include:

*a.* Results of test techniques as they pertain to fitting of the hearing aids.

*b.* A copy of the written receipt and the written recommendation.

[C75, 77, 79, 81, §154A.20]

2001 Acts, ch 58, §18; 2002 Acts, ch 1119, §17, 18

**154A.21 Notice of address.**

A licensee or person holding a temporary permit shall notify the department in writing of the address of the place where the licensee or permittee engages or intends to engage in business as a hearing aid dispenser. The department shall keep a record of the place of business of licensees and persons holding temporary permits.

Any notice required to be given by the department to a licensee shall be adequately served if sent by certified mail to the address of the last place of business recorded.

[C75, 77, 79, 81, §154A.21]

2001 Acts, ch 58, §18

**154A.22 Receipt of fees.** Repealed by 2006 Acts, ch 1155, § 13, 15.

**154A.23 Disciplinary orders — attorney general.**

The board shall forward a copy of all final disciplinary orders, with associated complaints, to the attorney general for consideration for prosecution or enforcement when warranted. The attorney general and all county attorneys shall assist the board and the department in the enforcement of the provisions of this chapter.

[C75, 77, 79, 81, §154A.23]

2001 Acts, ch 58, §18; 2002 Acts, ch 1119, §19; 2012 Acts, ch 1113, §14

Referred to in §272C.5

**154A.24 Suspension or revocation.**

The board may revoke or suspend a license or temporary permit permanently or for a fixed period for any of the following causes:

1. Conviction of a felony. The record of conviction, or a certified copy, shall be conclusive evidence of conviction.

2. Procuring a license or temporary permit by fraud or deceit.

3. Unethical conduct in any of the following forms:

*a.* Obtaining a fee or making a sale by fraud or misrepresentation.

*b.* Knowingly employing, directly or indirectly, any suspended or unregistered person to perform any work covered by this chapter.

*c.* Using or causing or promoting the use of any advertising matter, promotional literature, testimonial, guarantee, warranty, label, brand, insignia or any other representation, however disseminated or published, which is misleading, deceptive, or untruthful.

*d.* Advertising a particular model or type of hearing aid for sale when purchasers or prospective purchasers responding to the advertisement cannot purchase the advertised model or type, if it is established that the purpose of the advertisement is to obtain prospects for the sale of a different model or type than that advertised.

*e.* Representing that the service or advice of a person licensed to practice medicine, or one who is certificated as a clinical audiologist by the board of speech pathology and audiology or its equivalent, will be used or made available in the fitting or selection, adjustment, maintenance, or repair of hearing aids when that is not true, or using the words "doctor", "clinic", "clinical audiologist", "state approved", or similar words, abbreviations, or symbols which tend to connote the medical or other professions, except where the title "certified hearing aid audiologist" has been granted by the national hearing aid society, or that the hearing aid dispenser has been recommended by this state or the board when such is not accurate.

*f.* Habitual intemperance.

*g.* Permitting another person to use the license or temporary permit.

*h.* Advertising a manufacturer's product or using a manufacturer's name or trademark to imply a relationship with the manufacturer that does not exist.

*i.* Directly or indirectly giving or offering to give, or permitting or causing to be given, money or anything of value to a person who advises another in a professional capacity, as an inducement to influence the person or cause the person to influence others to purchase or contract to purchase products sold or offered for sale by a hearing aid dispenser, or to influence others to refrain from dealing in the products of competitors.

*j.* Conducting business while suffering from a contagious or infectious disease.

*k.* Engaging in the fitting or selection and sale of hearing aids under a false name or alias, with fraudulent intent.

*l.* Selling a hearing aid to a person who has not been given tests utilizing appropriate established procedures and instrumentation in fitting or selection of hearing aids, except in cases of selling replacement hearing aids of the same make or model within one year of the original sale.

*m.* Gross incompetence or negligence in fitting or selection and selling of hearing aids.

*n.* Using an advertisement or other representation which has the effect of misleading or deceiving purchasers or prospective purchasers into the belief that any hearing aid or device, or part or accessory thereof, is a new invention or involves a new mechanical or scientific principle when such is not the fact.

*o.* Representing, directly or by implication, that a hearing aid utilizing bone conduction has certain specified features, such as the absence of anything in the ear or leading to the ear, or the like, without disclosing clearly and conspicuously that the instrument operates on the bone conduction principle, and that in many cases of hearing loss, this type of instrument may not be suitable.

*p.* Stating or implying that the use of a hearing aid will restore normal hearing or preserve hearing or prevent or retard progressions of hearing impairment or any other false or misleading claim regarding the use or benefit of a hearing aid.

*q.* Representing or implying that a hearing aid is or will be "custom-made", "made to order", "prescription made", or in any other sense especially fabricated for an individual person when such is not the case.

*r.* Violating any of the provisions of section 714.16.

*s.* Such other acts or omissions as the board may determine to be unethical conduct.
[C75, 77, 79, 81, §154A.24]
90 Acts, ch 1073, §1; 2001 Acts, ch 58, §18; 2007 Acts, ch 10, §146; 2011 Acts, ch 129, §87, 156
Referred to in §272C.3, 272C.4

**154A.25 Prohibitions.**
A person shall not:
1. Sell, barter, or offer to sell or barter a license or temporary permit.
2. Purchase or procure by barter a license or temporary permit with intent to use it as evidence of the holder's qualifications to engage in business as a hearing aid dispenser.
3. Alter a license or temporary permit with fraudulent intent.
4. Use or attempt to use as a valid license a license or temporary permit which has been purchased, fraudulently obtained, counterfeited, or materially altered.
5. Willfully make a false statement in an application for a license or temporary permit or for renewal of a license or temporary permit.
[C75, 77, 79, 81, §154A.25]
2001 Acts, ch 58, §18

**154A.26 Consumer protection.**
Nothing in this chapter shall be construed to limit the right of a person who desires to file a complaint against a licensee or holder of a temporary permit from filing a complaint with the attorney general pursuant to the provisions of section 714.16.
[C75, 77, 79, 81, §154A.26]

**154A.27 Penalties.**
A violation of any provisions of this chapter is a simple misdemeanor.
[C75, 77, 79, 81, §154A.27]

# CHAPTER 154B

## PSYCHOLOGY

Referred to in §135.24, 135.61, 135L.3, 147.76, 228.9, 622.10, 714H.4, 915.82, 915.86

Enforcement, §147.87, 147.92
Penalty, §147.86


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**154B.1 Definition.**
"*Practice of psychology*" means the application of established principles of learning, motivation, perception, thinking, and emotional relations to problems of behavior adjustment, group relations, and behavior modification, by persons trained in psychology for compensation or other personal gain. The application of principles includes, but is not limited to: Counseling and the use of psychological remedial measures with persons, in groups or individually, with adjustment or emotional problems in the areas of work, family, school and personal relationships; measuring and testing personality, intelligence, aptitudes, public opinion, attitudes, and skills; and the teaching of such subject matter, and the conducting of research on the problems relating to human behavior.
[C75, 77, 79, 81, §154B.1]

**154B.2 Practice not authorized.**

This chapter shall not authorize the practice of medicine and surgery or the practice of osteopathic medicine and surgery by any person not licensed pursuant to chapter 148.

[C75, 77, 79, 81, §154B.2]

2008 Acts, ch 1088, §108

**154B.3 Persons not required to qualify.**

The provisions of this chapter shall not apply to the following persons:

1. School psychologists certified by the department of education practicing and functioning within the scope of their employment in either a public or private school or performing as certified school psychologists at any time in either private practice or the public sector, provided they use the title "certified school psychologist".

2. An employee of an accredited academic institution while performing the employee's teaching, training, and research duties.

3. An employee of a federal, state, county or local governmental institution or agency or nonprofit institution or agency, or a research facility, while performing duties of the office or position with such institution, agency, or facility.

4. A student of psychology, psychological intern or person preparing for the practice of psychology in a training institution or facility approved by the board, provided the person is designated by the title "psychological trainee" or any similar title, clearly indicating training status.

5. A practicing psychologist for a period not to exceed ten consecutive business days or fifteen business days in any ninety-day period, if the person's residence and major practice are outside the state, and the person gives the board a summary of the person's intention to practice in the state of Iowa, if the person is certified or licensed in the state in which the person resides under requirements the board considers to be equivalent of requirements for licensing under this chapter, or the person resides in a state which does not certify or license psychologists and the board considers the person's professional qualifications to be the equivalent of requirements for licensing under this chapter.

[C75, 77, 79, 81, §154B.3]

**154B.4 Acts prohibited.**

Commencing July 1, 1975, a person who is not licensed under this chapter shall not claim to be a licensed practicing psychologist, use a title or description, including the term "psychology" or any of its derivatives, such as "psychologist", "psychological", "psychotherapist" or modifiers such as "practicing" or "licensed" in a manner which implies that the person is certified under this chapter, or offer to practice or practice psychology, except as otherwise permitted in this chapter. The use by a person who is not licensed under this chapter of such terms is not prohibited by this chapter, except when such terms are used in connection with an offer to practice or the practice of psychology.

[C75, 77, 79, 81, §154B.4]

**154B.5 Scope of chapter.**

Nothing in this chapter shall be construed to prevent qualified members of other professional groups such as physicians, osteopathic physicians, optometrists, chiropractors, members of the clergy, authorized Christian Science practitioners, attorneys at law, social workers, or guidance counselors from performing functions of a psychological nature consistent with the accepted standards of their respective professions, if they do not use any title or description stating or implying that they are psychologists or are certified to practice psychology.

[C75, 77, 79, 81, §154B.5]

2009 Acts, ch 133, §59

**154B.6 Requirements for licensure.**

1. Except as provided in this section, an applicant for licensure as a psychologist shall meet the following requirements in addition to those specified in chapter 147:

*a.* Except as provided in this section, after July 1, 1985, a new applicant for licensure as a psychologist shall possess a doctoral degree in psychology from an institution approved by the board and shall have completed at least one year of supervised professional experience under the supervision of a licensed psychologist.

*b.* Have passed an examination administered by the board to assure the applicant's professional competence. The examination of any of its divisions may be given by the board at any time after the applicant has met the degree requirements of this section.

*c.* Have not failed the examination required in paragraph *"b"* within sixty days preceding the date of the subsequent examination.

2. The examinations required in this section may, at the discretion of the board, be waived for holders by examination of licenses or certificates from states whose requirements are substantially equivalent to those of this chapter, and for holders by examination of specialty diplomas from the American board of professional psychology.

[C75, 77, 79, 81, §154B.6]

84 Acts, ch 1122, §1; 2006 Acts, ch 1184, §96; 2007 Acts, ch 22, §40

**154B.7 Health service provider in psychology.**

A certified health service provider in psychology means a person licensed to practice psychology who has a doctoral degree in psychology, or prior to July 1, 1984 was licensed at the doctoral level with a degree in psychology or its equivalent, or was prior to January 1, 1984 licensed as a psychologist in this state and prior to January 1, 1985 receives a doctoral degree equivalent to a doctoral degree in psychology, and who has at least two years of clinical experience in a recognized health service setting or meets the standards of a national register of health service providers in psychology. A person certified as a health service provider in psychology shall be deemed qualified to diagnose or evaluate mental illness and nervous disorders, and to treat mental illnesses and nervous disorders, excluding those mental illnesses and nervous disorders which are established as primarily of biological etiology with the exception of the treatment of the psychological and behavioral aspects of those mental illnesses and nervous disorders.

84 Acts, ch 1122, §2

Referred to in §135B.7, 232.78, 232.83

**154B.8 Voluntary surrender of license.**

The director of public health may accept the voluntary surrender of license if accompanied by a written statement of intention. The voluntary surrender, when accepted, shall have the same force and effect as an order of revocation.

[C75, 77, 79, 81, §154B.7]

# CHAPTER 154C

## SOCIAL WORK

Referred to in §135.24, 135L.3, 147.74, 147.76, 622.10, 714H.4, 915.82

Enforcement, §147.87, 147.92
Penalty, §147.86

154C.1 Definitions.
154C.2 License required — exception — use of title.
154C.3 Requirements to obtain license or reciprocal license — license renewal — continuing education.
154C.4 Rulemaking authority.
154C.5 Confidentiality of information.
154C.6 Transition provisions — exemption from certain license requirements.
154C.7 General exemptions.

**154C.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Board"* means the board of social work established in chapter 147.

2. *"Licensee"* means a person licensed to practice social work.

3. *"Practice of social work"* means the professional activity of licensees which is directed at enhancing or restoring people's capacity for social functioning, whether impaired by environmental, emotional, or physical factors, with particular attention to the person-in-situation configuration. The social work profession represents a body of knowledge requiring progressively more sophisticated analytic and intervention skills, and includes the application of psychosocial theory methods to individuals, couples, families, groups, and communities. The practice of social work does not include the making of a medical diagnosis, or the treatment of conditions or disorders of biological etiology except treatment of conditions or disorders which involve psychosocial aspects and conditions. The practice of social work for each of the categories of social work licensure includes the following:

*a.* Bachelor social workers provide psychosocial assessment and intervention through direct contact with clients or referral of clients to other qualified resources for assistance, including but not limited to performance of social histories, problem identification, establishment of goals and monitoring of progress, interviewing techniques, counseling, social work administration, supervision, evaluation, interdisciplinary consultation and collaboration, and research of service delivery including development and implementation of organizational policies and procedures in program management.

*b.* Master social workers are qualified to perform the practice of bachelor social workers and provide psychosocial assessment, diagnosis, and treatment, including but not limited to performance of psychosocial histories, problem identification and evaluation of symptoms and behavior, assessment of psychosocial and behavioral strengths and weaknesses, effects of the environment on behavior, psychosocial therapy with individuals, couples, families, and groups, establishment of treatment goals and monitoring progress, differential treatment planning, and interdisciplinary consultation and collaboration.

*c.* Independent social workers are qualified to perform the practice of master social workers as a private practice.

4. *"Private practice"* means social work practice conducted only by an independent social worker who is either self-employed or a member of a partnership or of a group practice providing diagnosis and treatment of mental and emotional disorders or conditions.

5. *"Supervision"* means the direction of social work practice in face-to-face sessions.

84 Acts, ch 1075, §1; 96 Acts, ch 1035, §5; 2007 Acts, ch 10, §147

Referred to in §154C.6

**154C.2 License required — exception — use of title.**

1. A person shall not engage in the practice of social work unless the person is licensed pursuant to this chapter. A person who is not licensed pursuant to this chapter shall not use words or titles which imply or represent that the person is a licensed bachelor social worker, licensed master social worker, or licensed independent social worker.

2. Notwithstanding subsection 1, persons trained as bachelor social workers, or employed as bachelor social workers, are not required to be licensed.

3. Section 147.83 does not apply to persons who are not licensed as bachelor social workers and who do not hold themselves out as licensed bachelor social workers.

84 Acts, ch 1075, §2; 96 Acts, ch 1035, §6

**154C.3 Requirements to obtain license or reciprocal license — license renewal — continuing education.**

1. *License requirements.* An applicant for a license as a bachelor social worker, master social worker, or independent social worker shall meet the following requirements in addition to paying all fees required by the board:

*a. Bachelor social worker.* An applicant for a license as a bachelor social worker shall present evidence satisfactory to the board that the applicant:

(1) Possesses a bachelor's degree in social work from an accredited college or university approved by the board.

(2) Has passed an examination given by the board.

(3) Will conduct all professional activities as a bachelor social worker in accordance with standards for professional conduct established by the board.

*b. Master social worker.* An applicant for a license as a master social worker shall present evidence satisfactory to the board that the applicant:

(1) Possesses a master's or doctoral degree in social work from an accredited college or university approved by the board.

(2) Has passed an examination given by the board.

(3) Will conduct all professional activities as a master social worker in accordance with standards for professional conduct established by the board.

*c. Independent social worker.* An applicant for a license as an independent social worker shall present evidence satisfactory to the board that the applicant:

(1) Possesses a master's or doctoral degree in social work from an accredited college or university approved by the board.

(2) Has passed an examination given by the board.

(3) Will conduct all professional activities as a social worker in accordance with standards for professional conduct established by the board.

(4) Has engaged in the practice of social work, under supervision, for at least two years as a full-time employee or for four thousand hours prior to taking the examination given by the board.

(5) (a) Supervision shall be provided in any of the following manners:

(i) By a social worker licensed at least at the level of the social worker being supervised and qualified under this section to practice without supervision.

(ii) By another qualified professional, if the board determines that supervision by a social worker as defined in subparagraph subdivision (i) is unobtainable or in other situations considered appropriate by the board.

(b) Additional standards for supervision shall be determined by the board.

2. *Reciprocal license.* The board shall issue an appropriate license to an applicant licensed to practice social work in another state which imposes licensure requirements similar or equal to those imposed under subsection 1.

3. *License renewal and continuing education.* Licenses shall be renewed biennially, and licensees shall pay a fee for renewal as determined by the board and shall present evidence satisfactory to the board that the licensee has satisfied continuing education requirements as determined by the board.

84 Acts, ch 1075, §3; 96 Acts, ch 1035, §7; 2000 Acts, ch 1140, §40; 2007 Acts, ch 10, §148; 2009 Acts, ch 41, §263; 2009 Acts, ch 133, §60

Referred to in §147.14, 154C.6, 249A.15A

**154C.4 Rulemaking authority.**

In addition to duties and responsibilities provided in chapters 147 and 272C, the board shall adopt rules relating to:

1. Standards required for licensees engaging in the private practice of licensed social work.

2. Standards for professional conduct of licensees.

3. The administration of this chapter.

4. The status of active and inactive licensure and guidelines for inactive licensure reentry.

5. Educational activities which fulfill continuing education requirements for renewal of licenses.

6. Evaluation of its rules to refine standards of licensure and improve methods of enforcement of the standards.

84 Acts, ch 1075, §4; 96 Acts, ch 1035, §8

**154C.5 Confidentiality of information.**

A licensee or a person working under supervision of a licensee shall not disclose or be compelled to disclose information acquired from persons consulting that person in a professional capacity except:

1. If the information reveals the contemplation or commission of a crime.
2. If the person waives the privilege by bringing charges against the licensee.
3. With the written consent of the client, or in the case of death or disability with the consent of the client's personal representative, another person authorized to sue, or the beneficiary of an insurance policy on the client's life, health, or physical condition.
4. To testify in a court hearing concerning matters pertaining to the welfare of children.
5. To seek collaboration or consultation with professional colleagues or administrative superiors on behalf of the client.

84 Acts, ch 1075, §5; 96 Acts, ch 1035, §9

**154C.6 Transition provisions — exemption from certain license requirements.**

Notwithstanding section 154C.3, the board shall issue a license as a bachelor social worker, master social worker, or independent social worker to an applicant applying for a license prior to July 1, 1998, who meets the following requirements in addition to paying all fees required by the board:

1. *Bachelor social worker.* An applicant for a license as a bachelor social worker shall present evidence satisfactory to the board of either of the following:

*a.* That the applicant possesses a bachelor's degree in social work from an accredited college or university approved by the board.

*b.* That the applicant possesses an undergraduate degree from an accredited college or university and has four thousand hours of employment experience in the practice of social work.

2. *Master social worker.* An applicant for a license as a master social worker shall present evidence satisfactory to the board of any of the following:

*a.* That the applicant possesses a master's degree in social work from an accredited college or university approved by the board.

*b.* That the applicant possesses a graduate degree from an accredited college or university and has four thousand hours of employment experience in the practice of social work.

*c.* That the applicant is employed performing master level social work duties as defined in section 154C.1, subsection 3, paragraph *"b"*, as of July 1, 1996, and has four thousand hours of employment experience in the practice of social work as of July 1, 1998.

3. *Independent social worker.* An applicant for a license as an independent social worker shall present evidence satisfactory to the board of either of the following:

*a.* That the applicant possesses a valid license to practice social work pursuant to this chapter issued prior to July 1, 1996.

*b.* That the applicant possesses a master's or doctoral degree in social work from an accredited college or university approved by the board and has two years or four thousand hours of postgraduate degree employment experience in the practice of social work.

96 Acts, ch 1035, §10

**154C.7 General exemptions.**

This chapter and chapter 147 do not prevent qualified members of other professions including, but not limited to, nurses, psychologists, marital and family therapists, mental health counselors, physicians, physician assistants, attorneys at law, or members of the clergy, from providing or advertising that they provide services of a social work nature consistent with the accepted standards of their respective professions, provided that these persons do not use a title or description indicating or implying that they are licensed to practice social work under this chapter or that they are practicing social work as defined in this chapter.

This chapter does not apply to students of social work whose activities are conducted within a course of professional education in social work.

96 Acts, ch 1035, §11

# CHAPTER 154D

## BEHAVIORAL SCIENCE

Referred to in §135.24, 135L.3, 147.74, 147.76, 249A.15A, 489.1101, 622.10, 714H.4

Enforcement, §147.87, 147.92
Penalty, general, §147.86

154D.1 Definitions.
154D.2 Licensure — marital and family therapy — mental health counseling.
154D.3 Board organization and authority.
154D.4 Exemptions.
154D.5 Sexual conduct with client.
154D.6 Transition provisions. Repealed by 2008 Acts, ch 1088, §79.
154D.7 Temporary license — marital and family therapy — mental health counseling — fees.

**154D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the board of behavioral science established in chapter 147.

2. *"Licensed marital and family therapist"* means a person licensed to practice marital and family therapy under chapter 147 and this chapter.

3. *"Licensed mental health counselor"* means a person licensed to practice mental health counseling under chapter 147 and this chapter.

4. *"Licensee"* includes a licensed marital and family therapist and a licensed mental health counselor.

5. *"Marital and family therapy"* means the application of counseling techniques in the assessment and resolution of emotional conditions. This includes the alteration and establishment of attitudes and patterns of interaction relative to marriage, family life, and interpersonal relationships.

6. *"Mental health counseling"* means the provision of counseling services involving assessment, referral, consultation, and the application of counseling, human development principles, learning theory, group dynamics, and the etiology of maladjustment and dysfunctional behavior to individuals, families, and groups.

7. *"Temporary license"* means a license to practice marital and family therapy or mental health counseling under direct supervision of a qualified supervisor as determined by the board by rule to fulfill the postgraduate supervised clinical experience requirement in accordance with this chapter.

8. *"Temporary licensed marital and family therapist"* means a person licensed to practice marital and family therapy under supervision in accordance with section 154D.7.

9. *"Temporary licensed mental health counselor"* means a person licensed to practice mental health counseling under supervision in accordance with section 154D.7.

91 Acts, ch 229, §6; 2007 Acts, ch 10, §149; 2008 Acts, ch 1088, §65

**154D.2 Licensure — marital and family therapy — mental health counseling.**

An applicant for a license to practice marital and family therapy or mental health counseling shall be granted a license by the board when the applicant satisfies all of the following requirements:

1. Possesses a master's degree in marital and family therapy or mental health counseling, as applicable, consisting of at least sixty semester hours, or its equivalent, from a nationally accredited institution or from a program approved by the board.

2. Has at least two years of supervised clinical experience or its equivalent as approved by the board. Standards for supervision, including the required qualifications for supervisors, shall be determined by the board by rule.

3. Passes an examination approved by the board.

91 Acts, ch 229, §7; 94 Acts, ch 1170, §25, 26; 2004 Acts, ch 1090, §2, 3; 2005 Acts, ch 89, §17, 18; 2006 Acts, ch 1184, §97; 2008 Acts, ch 1088, §66

Referred to in §154D.4

**154D.3 Board organization and authority.**

1. In addition to duties and responsibilities provided in chapters 147 and 272C, the board shall adopt rules relating to:

*a.* Standards required for licensees engaging in the professions covered by this chapter.

*b.* Standards for professional conduct of persons licensed under this chapter.

*c.* The administration of this chapter.

*d.* The status of active and inactive licensure, and guidelines for reentry of inactive licensees.

*e.* Educational activities which fulfill continuing education requirements for license renewals.

2. The board may establish subcommittees. A decision or recommendation of a subcommittee shall not become effective without approval of the board. The board may initiate action relating to either of the professions within its jurisdiction.

91 Acts, ch 229, §8; 98 Acts, ch 1050, §2, 5; 2008 Acts, ch 1088, §67

**154D.4 Exemptions.**

1. This chapter and chapter 147 do not prevent qualified members of other professions, including but not limited to nurses, psychologists, social workers, physicians, physician assistants, attorneys at law, or members of the clergy, from providing or advertising that they provide services of a marital and family therapy or mental health counseling nature consistent with the accepted standards of their respective professions, but these persons shall not use a title or description denoting that they are licensed marital and family therapists or licensed mental health counselors.

2. The licensure requirements of this chapter and chapter 147 do not apply to the following:

*a.* Students whose activities are conducted within a course of professional education in marital and family therapy or mental health counseling.

*b.* A person who practices marital and family therapy or mental health counseling under the supervision of a person licensed under this chapter as part of a clinical experience as described in section 154D.2, subsection 2.

*c.* The provision of children, family, or mental health services through the department of human services or juvenile court, or agencies contracting with the department of human services or juvenile court, by persons who do not represent themselves to be either a marital and family therapist or a mental health counselor.

91 Acts, ch 229, §9; 98 Acts, ch 1050, §3, 5; 2008 Acts, ch 1088, §68

**154D.5 Sexual conduct with client.**

The license of a marital and family therapist or a mental health counselor shall be revoked if the board finds that the licensee engaged in sexual activity with a client as determined by board rule. The revocation shall be in addition to any other penalties provided by law.

91 Acts, ch 229, §10; 2008 Acts, ch 1088, §69

**154D.6 Transition provisions.** Repealed by 2008 Acts, ch 1088, § 79.

**154D.7 Temporary license — marital and family therapy — mental health counseling — fees.**

Any person who has fulfilled all of the requirements for licensure under this chapter, except for having completed the postgraduate supervised clinical experience requirement as determined by the board by rule, may apply to the board for a temporary license. The license shall be designated "temporary license in marital and family therapy" or "temporary license in mental health counseling" and shall authorize the licensee to practice marital and family therapy or mental health counseling under the supervision of a qualified supervisor as determined by the board by rule. The license shall be valid for three years and may be renewed at the discretion of the board. The fee for a temporary license shall be set by the

board to cover the administrative costs of issuing the license, and if renewed, a renewal fee as set by the board shall be required.

2008 Acts, ch 1088, §70

Referred to in §154D.1

# CHAPTER 154E

## INTERPRETERS AND TRANSLITERATORS

Referred to in §147.74, 147.76, 272C.1


154E.1 Definitions.
154E.2 Duties of the board.
154E.3 Requirements for licensure.
154E.3A Temporary license.
154E.4 Exceptions.


### 154E.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the board of sign language interpreters and transliterators established in chapter 147.

2. *"Consumer"* means an individual utilizing interpreting services who uses spoken English, American sign language, or a manual form of English.

3. *"Department"* means the Iowa department of public health.

4. *"Interpreter training program"* means a postsecondary education program training individuals to interpret or transliterate.

5. *"Interpreting"* means facilitating communication between individuals who communicate via American sign language and individuals who communicate via spoken English.

6. *"Licensee"* means any person licensed to practice interpreting or transliterating for deaf, hard-of-hearing, and hearing individuals in the state of Iowa.

7. *"Transliterating"* means facilitating communication between individuals who communicate via a manual form of English and individuals who communicate via spoken English.

2004 Acts, ch 1175, §426, 433; 2007 Acts, ch 10, §150

Referred to in §147.14

### 154E.2 Duties of the board.

The board shall administer this chapter. The board's duties shall include, but are not limited to, the following:

1. Adopt rules consistent with this chapter and with chapter 147 which are necessary for the performance of its duties.

2. Act on matters concerning licensure and the process of applying for, granting, suspending, imposing supervisory or probationary conditions upon, reinstating, and revoking a license.

3. Administer the provisions of this chapter regarding documentation required to demonstrate competence as an interpreter, and the processing of applications for licenses and license renewals.

4. Establish and maintain as a matter of public record a registry of interpreters licensed pursuant to this chapter.

5. Develop continuing education requirements as a condition of license renewal.

6. Evaluate requirements for licensure in other states to determine if reciprocity may be granted.

2004 Acts, ch 1175, §427, 433; 2006 Acts, ch 1155, §12, 15

Nonreversion of unencumbered or unobligated funds appropriated or received as fees or repayment receipts for the fiscal period beginning July 1, 2006, and ending July 1, 2007, until the close of the next succeeding fiscal year; 2006 Acts, ch 1155, §14, 15

**154E.3 Requirements for licensure.**

On or after July 1, 2005, every person providing interpreting or transliterating services in this state shall be licensed pursuant to this chapter. The board shall adopt rules pursuant to chapters 17A, 147, and 272C establishing procedures for the licensing of new and existing interpreters. Prior to obtaining licensure, an applicant shall successfully pass an examination prescribed and approved by the board, demonstrating the following:

1. *Voice-to-sign interpretation.* An applicant shall demonstrate proficiency at:

*a.* Message equivalence: producing a true and accurate signed form of the spoken message, maintaining the integrity of content and meaning, and exhibiting few omissions, substitutions, or other errors.

*b.* Affect: producing nonmanual grammar consistent with the intent and emotion of the speaker, and exhibiting no distracting mannerisms.

*c.* Vocabulary choice: making correct sign choices appropriate to the setting and consumers, applying facial grammar consistent with sign choice, selecting signs that remain true to speaker's intent, and demonstrating lexical variety.

*d.* Fluency: displaying confidence in production, exhibiting a strong command of American sign language or manual codes for English, applying nonmanual behaviors consistent with the speaker's intent, and demonstrating understanding of and sensitivity to cultural differences.

2. *Sign-to-voice interpretation.* An applicant shall demonstrate proficiency at:

*a.* Message equivalence: producing a true and accurate spoken form of the signed message, maintaining the integrity of content and meaning, and exhibiting few omissions, substitutions, or other errors.

*b.* Affect: producing inflection consistent with the intent and emotion of the speaker, and exhibiting no distracting mannerisms.

*c.* Vocabulary choice: making correct word choices appropriate to the setting and consumers, using vocal inflection consistent with word choice, selecting words that remain true to the speaker's intent, and demonstrating lexical variety.

*d.* Fluency: displaying confidence in production, exhibiting a strong command of English in both spoken and written forms, applying vocal inflections consistent with the speaker's intent, and demonstrating understanding of and sensitivity to cultural differences.

3. *Professional conduct.* An applicant shall demonstrate:

*a.* Proficiency in functioning as a communicator of messages between the sender and receiver and educating consumers of services about the functions and logistics of the interpreting process.

*b.* An impartial demeanor, refraining from interjecting opinions or advice and from aligning with one party over another. An applicant shall treat all people fairly and respectfully regardless of their relationship to the interpreting assignment, and present a professional appearance that is not visually distracting and is appropriate to the setting. An applicant shall exhibit knowledge and application of federal and state laws pertaining to the interpreting profession.

*c.* Integrity, and shall be proficient in understanding and applying ethical behavior appropriate for a licensee. An applicant shall demonstrate discretion in accepting and meeting interpreter services requests, and shall engage actively in lifelong learning.

2004 Acts, ch 1175, §428, 433

Referred to in §154E.3A

**154E.3A Temporary license.**

Beginning July 1, 2007, an individual who does not meet the requirements for licensure by examination pursuant to section 154E.3 may apply for or renew a temporary license. The temporary license shall authorize the licensee to practice as a sign language interpreter or transliterator under the direct supervision of a sign language interpreter or transliterator licensed pursuant to section 154E.3. The temporary license shall be valid for two years and may only be renewed one time in accordance with standards established by rule. An individual shall not practice for more than a total of four years under a temporary license. The board may revoke a temporary license if it determines that the temporary licensee has

violated standards established by rule. The board may adopt requirements for temporary licensure to implement this section.

2006 Acts, ch 1184, §98

**154E.4 Exceptions.**

1. A person shall not practice interpreting or transliterating, or represent that the person is an interpreter, unless the person is licensed under this chapter.

2. This chapter does not prohibit any of the following:

*a.* Any person residing outside of the state of Iowa holding a current license from another state that meets the state of Iowa's requirements from providing interpreting or transliterating services in this state for up to fourteen days per calendar year without a license issued pursuant to this chapter.

*b.* Any person from interpreting or transliterating solely in a religious setting with the exception of those working in schools that receive government funding.

*c.* Volunteers working without compensation, including emergency situations, until a licensed interpreter is obtained.

*d.* Any person working as a substitute for a licensed interpreter in an early childhood, elementary, or secondary education setting for no more than thirty school days in a calendar year.

*e.* Students enrolled in a school of interpreting from interpreting only under the direct supervision of a permanently licensed interpreter as part of the student's course of study.

2004 Acts, ch 1175, §429, 433; 2006 Acts, ch 1184, §99; 2007 Acts, ch 22, §41

# CHAPTER 154F

## SPEECH PATHOLOGY AND AUDIOLOGY

Referred to in §85B.9, 135.24, 135.61, 147.76, 216E.7, 249A.15B

Enforcement, §147.87, 147.92
Penalty, general, §147.86
Payment for speech pathology services to medical assistance recipients, §249A.15B


154F.1 Definitions.
154F.2 Applicability.
154F.3 Requirements for license.
154F.4 Waiver of examination requirement.
154F.5 Temporary clinical license — fee.
154F.6 Temporary permit.


**154F.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Audiologist"* means a person who engages in the practice of audiology.

2. *"Board"* means the board of speech pathology and audiology established pursuant to section 147.14, subsection 1, paragraph *"i"*.

3. The *"practice of audiology"* means the application of principles, methods, and procedures for measurement, testing, evaluation, prediction, consultation, counseling, instruction, habilitation, rehabilitation, or remediation related to hearing and disorders of hearing and associated communication disorders for the purpose of nonmedically evaluating, identifying, preventing, ameliorating, modifying, or remediating such disorders and conditions in individuals or groups of individuals, including the determination and use of appropriate amplification.

4. The *"practice of speech pathology"* means the application of principles, methods, and procedures for the measurement, testing, evaluation, prediction, consultation, counseling, instruction, habilitation, rehabilitation, or remediation related to the development and disorders of speech, fluency, voice, or language for the purposes of nonmedically evaluating, preventing, ameliorating, modifying, or remediating such disorders and conditions in individuals or groups of individuals.

5. *"Speech pathologist"* means a person who engages in the practice of speech pathology.
2008 Acts, ch 1088, §71

**154F.2 Applicability.**

1. Nothing contained in this chapter shall be construed to apply to:

*a.* Licensed physicians and surgeons, licensed osteopathic physicians and surgeons, licensed physician assistants and registered nurses acting under the supervision of a physician or osteopathic physician, persons conducting hearing tests under the direct supervision of a licensed physician and surgeon or licensed osteopathic physician and surgeon, or students of medicine or surgery or osteopathic medicine and surgery pursuing a course of study in a medical school or college of osteopathic medicine and surgery approved by the board of medicine while performing functions incidental to their course of study.

*b.* Hearing aid fitting, the dispensing or sale of hearing aids, and the providing of hearing aid service and maintenance by a hearing aid dispenser or holder of a temporary permit as defined and licensed under chapter 154A.

*c.* Students enrolled in an accredited college or university pursuing a course of study leading to a degree in speech pathology or audiology while receiving clinical training as a part of the course of study and acting under the supervision of a licensed speech pathologist or audiologist provided they use the title "trainee" or similar title clearly indicating training status.

*d.* Nonprofessional aides who perform their services under the supervision of a speech pathologist or audiologist as appropriate and who meet such qualifications as may be established by the board for aides if they use the title "aide", "assistant", "technician", or other similar title clearly indicating their status.

*e.* Audiometric tests administered pursuant to the United States Occupational Safety and Health Act of 1970 or chapter 88, and in accordance with regulations issued thereunder, by employees of a person engaged in business, including the state of Iowa, its various departments, agencies, and political subdivisions, solely to employees of such employer, while acting within the scope of their employment.

*f.* Persons certified by the department of education as speech clinicians or hearing clinicians and employed by a school district or area education agency while acting within the scope of their employment.

2. A person exempted from the provisions of this chapter by this section shall not use the title "speech pathologist" or "audiologist" or any title or device indicating or representing in any manner that the person is a speech pathologist or is an audiologist; provided, a hearing aid dispenser licensed under chapter 154A may use the title "certified hearing aid audiologist" when granted by the national hearing aid society; and provided, persons who meet the requirements of section 154F.3, subsection 1, who are certified by the department of education as speech clinicians may use the title "speech pathologist" and persons who meet the requirements of section 154F.3, subsection 2, who are certified by the department of education as hearing clinicians may use the title "audiologist", while acting within the scope of their employment.

2008 Acts, ch 1088, §72; 2009 Acts, ch 133, §61

**154F.3 Requirements for license.**

Each applicant for a license as a speech pathologist or audiologist shall meet all of the following requirements:

1. For a license as a speech pathologist:

*a.* Possess a master's degree from an accredited school, college, or university with a major in speech pathology.

*b.* Show evidence of completion of not less than four hundred hours of supervised clinical training in speech pathology as a student in an accredited school, college, or university.

*c.* Show evidence of completion of not less than nine months' clinical experience under the supervision of a licensed speech pathologist following the receipt of the master's degree.

2. For a license as an audiologist:

*a.* Possess a master's degree from an accredited school, college, or university with a major in audiology.

*b.* Show evidence of completion of not less than four hundred hours of supervised clinical training in audiology as a student in an accredited school, college, or university.

*c.* Show evidence of completion of not less than nine months' clinical experience under the supervision of a licensed audiologist following the receipt of the master's degree.

*d.* In lieu of paragraphs "*a*" through "*c*", hold a doctoral degree in audiology from an accredited school, college, or university which incorporates the academic coursework and the minimum hours of supervised training required by rules adopted by the board.

3. Pass an examination as determined by the board in rule.

2008 Acts, ch 1088, §73

Referred to in §154F.2, 154F.4, 154F.5

**154F.4 Waiver of examination requirement.**

The examinations required in section 154F.3, subsection 3, may be waived by the board for holders by examination of licenses or certificates from states whose requirements are substantially equivalent to those of this chapter.

2008 Acts, ch 1088, §74

**154F.5 Temporary clinical license — fee.**

Any person who has fulfilled all of the requirements for licensure under this chapter, except for having completed the nine months' clinical experience requirement as provided in section 154F.3, subsection 1 or 2, may apply to the board for a temporary clinical license. The license shall be designated "temporary clinical license in speech pathology" or "temporary clinical license in audiology" and shall authorize the licensee to practice speech pathology or audiology under the supervision of a licensed speech pathologist or licensed audiologist, as appropriate. The license shall be valid for one year and may be renewed at the discretion of the board. The fee for a temporary clinical license shall be set by the board to cover the administrative costs of issuing the license, and if renewed, a renewal fee as set by the board shall be required. A temporary clinical license shall be issued only upon evidence satisfactory to the board that the applicant will be supervised by a person licensed as a speech pathologist or audiologist, as appropriate.

2008 Acts, ch 1088, §75

**154F.6 Temporary permit.**

The board may, at its discretion, issue a temporary permit to a nonresident authorizing the permittee to practice speech pathology or audiology in this state for a period not to exceed three months whenever, in the opinion of the board, a need exists and the permittee, in the opinion of the board, possesses the necessary qualifications which shall be substantially equivalent to those required for licensure by this chapter.

2008 Acts, ch 1088, §76

# CHAPTER 155

## NURSING HOME ADMINISTRATION

Referred to in §135.1, 135.11, 147.14, 147.76, 272C.1, 272C.3, 272C.4, 272C.6

Enforcement, §147.87, 147.92
Penalty, general, §147.86


155.1 Definitions.
155.2 Composition of board. Repealed by 2012 Acts, ch 1113, §9.
155.3 Qualifications for licensure.
155.4 Licensing function.
155.5 License fees.
155.6 Receipt of fees. Repealed by 2006 Acts, ch 1155, §13, 15.
155.7 Organization of board. Repealed by 2009 Acts, ch 56, §12.
155.8 Exclusive jurisdiction of board.
155.9 Duties of the board — rules for provisional licenses.
155.10 Continuing education.
155.11 Reciprocity with other states.
155.12 Conflict with federal law — effect.
155.13 Misdemeanor.
155.14 Applications.
155.15 Fees. Repealed by 2012 Acts, ch 1113, §9.
155.16 Public members. Repealed by 2012 Acts, ch 1113, §9.
155.17 Disclosure of confidential information. Repealed by 2009 Acts, ch 56, §12.
155.18 Revocation or suspension. Repealed by 2009 Acts, ch 56, §12.
155.19 Voluntary surrender.


**155.1 Definitions.**

For the purposes of this chapter:

1. *"Board"* means the board of nursing home administrators established in chapter 147.

2. *"Nursing home"* means an institution or facility, or part of an institution or facility, whether proprietary or nonprofit, licensed as a nursing facility, but not including an intermediate care facility for persons with an intellectual disability or an intermediate care facility for persons with mental illness, defined as such for licensing purposes under state law or administrative rule adopted pursuant to section 135C.2, including but not limited to, a nursing home owned or administered by the federal or state government or an agency or political subdivision of government.

3. *"Nursing home administrator"* means a person who administers, manages, supervises, or is in general administrative charge of a nursing home whether or not such individual has an ownership interest in such home and whether or not the individual's functions and duties are shared with one or more individuals. A member of a board of directors, unless also serving in a supervisory or managerial capacity, shall not be considered a nursing home administrator.

[C71, 73, 75, §147.118; C77, 79, 81, §135E.1]

83 Acts, ch 206, §8; 87 Acts, ch 194, §2; 90 Acts, ch 1039, §12; 90 Acts, ch 1204, §18

C93, §155.1

96 Acts, ch 1129, §113; 2007 Acts, ch 10, §151; 2012 Acts, ch 1019, §19; 2012 Acts, ch 1113, §1

**155.2 Composition of board.** Repealed by 2012 Acts, ch 1113, § 9. See § 147.12 – 147.14, 147.16, 147.19, 147.20.

**155.3 Qualifications for licensure.**

The board shall have authority to issue licenses to qualified persons as nursing home administrators, and shall establish qualification criteria for such nursing home administrators. No license shall be issued to a person as a nursing home administrator unless:

1. The applicant is of sound mental health and physically able to perform the duties.

2. The applicant has presented evidence satisfactory to the board of sufficient education, training, or experience to administer, supervise, and manage a nursing home.

3. The applicant has passed an examination prescribed by the board pursuant to section 147.34.

[C71, 73, 75, §147.120; C77, 79, 81, §135E.3]

C93, §155.3
2012 Acts, ch 1113, §2

**155.4 Licensing function.**
The board shall license nursing home administrators in accordance with this chapter, chapter 147, and rules issued by the board. A nursing home administrator's license shall not be transferable and, if not inactive, shall be valid until revoked pursuant to section 147.55 or voluntarily surrendered.
[C71, 73, 75, §147.121; C77, 79, 81, §135E.4]
C93, §155.4
2003 Acts, ch 44, §114; 2012 Acts, ch 1113, §3

**155.5 License fees.**
Each person licensed as a nursing home administrator shall be required to pay a license fee in an amount to be fixed by the board. The license shall expire in multiyear intervals determined by the board and be renewable upon payment of a renewal fee. A person who fails to renew a license by the expiration date shall be allowed to do so within thirty days following its expiration, but the board may assess a reasonable penalty.
[C71, 73, 75, §147.122; C77, 79, 81, §135E.5]
C93, §155.5
2012 Acts, ch 1113, §4

**155.6 Receipt of fees.** Repealed by 2006 Acts, ch 1155, § 13, 15.

**155.7 Organization of board.** Repealed by 2009 Acts, ch 56, § 12.

**155.8 Exclusive jurisdiction of board.**
The board shall have authority to determine the qualifications, skill, and fitness of any person to serve as an administrator of a nursing home under the provisions of this chapter, and the holder of a license under the provisions of this chapter shall be deemed qualified to serve as the administrator of a nursing home.
[C71, 73, 75, §147.125; C77, 79, 81, §135E.8]
C93, §155.8

**155.9 Duties of the board — rules for provisional licenses.**
In addition to the duties and responsibilities provided in chapters 147 and 272C, the board shall adopt rules for granting a provisional license to an administrator appointed on a temporary basis by a nursing home's owner or owners in the event the regular administrator of the nursing home is unable to perform the administrator's duties or the nursing home is without a licensed administrator because of death or other cause. Such provisional license shall allow the provisional licensee to perform the duties of a nursing home administrator. An individual shall not hold a provisional license for more than twelve total combined months, and the board may revoke or otherwise discipline a provisional licensee for cause after due notice and a hearing on a charge or complaint filed with the board.
[C71, 73, 75, §147.126; C77, 79, 81, §135E.9]
C93, §155.9
2004 Acts, ch 1168, §10; 2012 Acts, ch 1113, §5

**155.10 Continuing education.**
Each person licensed as a nursing home administrator shall be required to complete continuing education as a condition of license renewal. Such continuing education requirements shall be determined by the board.
[C71, 73, 75, §147.127; C77, 79, 81, §135E.10]
C93, §155.10
2012 Acts, ch 1113, §6

**155.11 Reciprocity with other states.**

The board may issue a nursing home administrator's license, without examination, to any person who holds a current license as a nursing home administrator from another jurisdiction if reciprocal agreements are entered into with another jurisdiction under sections 147.44, 147.48, 147.49, and 147.53.

[C71, 73, 75, §147.128; C77, 79, 81, §135E.11]
C93, §155.11
2008 Acts, ch 1088, §109

**155.12 Conflict with federal law — effect.**

If any provision of this chapter is in conflict with the requirements of section 1908 of the United States Social Security Act codified at 42 U.S.C. § 1396g, relative to a state program for licensing of administrators of nursing homes, and except for such conflict the state would be entitled to receive contributions from the United States for payment of assistance under the program established pursuant to Tit. XIX of the United States Social Security Act, codified at 42 U.S.C. § 1396 – 1396g, such provision of this chapter so in conflict with said statute of the United States shall be considered as suspended and of no effect until sixty days after the convening of the next regular session of the general assembly after such conflict is discovered.

[C71, 73, 75, §147.129; C77, 79, 81, §135E.12]
C93, §155.12
2010 Acts, ch 1061, §31

**155.13 Misdemeanor.**

It shall be a serious misdemeanor for any person to act or serve in the capacity of a nursing home administrator unless the person is the holder of a license as a nursing home administrator issued in accordance with the provisions of this chapter.

[C71, 73, 75, §147.130; C77, 79, 81, §135E.13]
C93, §155.13

**155.14 Applications.**

Applications for licensure and for license renewal shall be in the format prescribed by the board.

[C75, §147.131; C77, 79, 81, §135E.14]
C93, §155.14
2012 Acts, ch 1113, §7

**155.15 Fees.** Repealed by 2012 Acts, ch 1113, § 9. See § 147.80.

**155.16 Public members.** Repealed by 2012 Acts, ch 1113, § 9. See § 147.21(1).

**155.17 Disclosure of confidential information.** Repealed by 2009 Acts, ch 56, § 12.

**155.18 Revocation or suspension.** Repealed by 2009 Acts, ch 56, § 12.

**155.19 Voluntary surrender.**

The board may accept the voluntary surrender of a license if accompanied by a written statement of intention. The voluntary surrender, when accepted, shall have the same force and effect as an order of revocation.

2012 Acts, ch 1113, §8

# CHAPTER 155A

## PHARMACY

Referred to in §124.308, 124B.6, 124B.11, 135.24, 135.61, 147.76, 147.82, 147.108, 152.1, 166.3, 321J.2, 462A.12, 462A.14, 514.5, 714H.4, 911.3

Licensing board, support staff exception; location and powers; see §135.11A, 135.31


155A.1 Short title.
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155A.39 Programs to aid impaired pharmacists, pharmacist-interns, or pharmacy technicians — reporting, confidentiality, immunity, funding.
155A.40 Criminal history record checks.
155A.41 Continuous quality improvement program.
155A.42 Limited drug and device distributor license.
155A.43 Pharmaceutical collection and disposal program — annual allocation.
155A.44 Vaccine and immunization administration.


**155A.1 Short title.**

This chapter may be cited as the *"Iowa Pharmacy Practice Act"*.

87 Acts, ch 215, §1

**155A.2 Legislative declaration — purpose — exceptions.**

1. It is the purpose of this chapter to promote, preserve, and protect the public health, safety, and welfare through the effective regulation of the practice of pharmacy and the licensing of pharmacies, pharmacists, and others engaged in the sale, delivery, or distribution of prescription drugs and devices or other classes of drugs or devices which may be authorized.

2. Practitioners licensed under a separate chapter of the Code are not regulated by this chapter except when engaged in the operation of a pharmacy for the retailing of prescription drugs.

3. A family planning clinic is not regulated by this chapter when engaged in the dispensing of birth control drugs and devices pursuant to section 147.107, subsection 7.

87 Acts, ch 215, §2; 2009 Acts, ch 69, §2

**155A.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administer"* means the direct application of a prescription drug, whether by injection, inhalation, ingestion, or any other means, to the body of a patient or research subject by one of the following:

*a.* A practitioner or the practitioner's authorized agent.

*b.* The patient or research subject at the direction of a practitioner.

2. *"Authorized agent"* means an individual designated by a practitioner who is under the supervision of the practitioner and for whom the practitioner assumes legal responsibility.

3. *"Board"* means the board of pharmacy.

4. *"Brand name"* or *"trade name"* means the registered trademark name given to a drug product or ingredient by its manufacturer, labeler, or distributor.

5. *"College of pharmacy"* means a school, university, or college of pharmacy that satisfies the accreditation standards of the accreditation council for pharmacy education to the extent those standards are adopted by the board, or that has degree requirements which meet the standards of accreditation adopted by the board.

6. *"Controlled substance"* means a drug substance, immediate precursor, or other substance listed in division II of chapter 124.

7. *"Controlled substances Act"* means chapter 124.

8. *"Deliver"* or *"delivery"* means the actual, constructive, or attempted transfer of a prescription drug or device or controlled substance from one person to another, whether or not for a consideration.

9. *"Demonstrated bioavailability"* means the rate and extent of absorption of a drug or drug ingredient from a specified dosage form, as reflected by the time-concentration curve of the drug or drug ingredient in the systemic circulation.

10. *"Device"* means an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component part or accessory, that is required under federal or state law to be ordered or prescribed by a practitioner.

11. *"Dispense"* means to deliver a prescription drug, device, or controlled substance to an ultimate user or research subject by or pursuant to the lawful prescription drug order or medication order of a practitioner, including the prescribing, administering, packaging, labeling, or compounding necessary to prepare the substance for that delivery.

12. *"Distribute"* means the delivery of a prescription drug or device.

13. *"Drug"* means one or more of the following:

*a.* A substance recognized as a drug in the current official United States Pharmacopoeia and National Formulary, official Homeopathic Pharmacopoeia, or other drug compendium or any supplement to any of them.

*b.* A substance intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals.

*c.* A substance, other than food, intended to affect the structure or any function of the body of humans or other animals.

*d.* A substance intended for use as a component of any substance specified in paragraph *"a"*, *"b"*, or *"c"*.

*e.* A controlled substance.

14. *"Drug product selection"* means the act of selecting the source of supply of a drug product.

15. *"Drug sample"* means a drug that is distributed without consideration to a pharmacist or practitioner.

16. *"Electronic order"* or *"electronic prescription"* means an order or prescription which is transmitted by a computer device in a secure manner, including computer-to-computer transmission and computer-to-facsimile transmission.

17. *"Electronic signature"* means a confidential personalized digital key, code, or number used for secure electronic transmissions which identifies and authenticates the signatory.

18. *"Facsimile order"* or *"facsimile prescription"* means an order or prescription which is transmitted by a device which sends an exact image to the receiver.

19. *"Generic name"* means the official title of a drug or drug ingredient published in the current official United States Pharmacopoeia and National Formulary, official Homeopathic Pharmacopoeia, or other drug compendium published by the United States pharmacopoeial convention or any supplement to any of them.

20. *"Internship"* means a practical experience program approved by the board for persons training to become pharmacists.

21. *"Label"* means written, printed, or graphic matter on the immediate container of a drug or device.

22. *"Labeling"* means the process of preparing and affixing a label including information required by federal or state law or regulation to a drug or device container. The term does not include the labeling by a manufacturer, packer, or distributor of a nonprescription drug or commercially packaged prescription drug or device or unit dose packaging.

23. *"Limited drug and device distributor"* means a person operating or maintaining, either within or outside this state, a location at which limited noncontrolled prescription drugs, prescription devices, and medical gases, are distributed to patients in this state pursuant to a prescription drug order; or a person operating or maintaining a location at which limited quantities of drugs, devices, or medical gases are distributed at wholesale in this state. A *"limited drug and device distributor"* does not include a pharmacy licensed pursuant to this chapter or a drug wholesaler providing prescription drugs to patients in this state pursuant to a drug manufacturer's prescription drug assistance program.

24. *"Logistics provider"* means an entity that provides or coordinates warehousing, distribution, or other services on behalf of a manufacturer or other owner of a drug, but does not take title to the drug or have general responsibility to direct its sale or other disposition.

25. *"Medical gas"* means a gas or liquid oxygen intended for human consumption.

26. *"Medication order"* means a written order from a practitioner or an oral order from a practitioner or the practitioner's authorized agent for administration of a drug or device.

27. *"Pedigree"* means a recording of each distribution of any given drug or device, from the sale by the manufacturer through acquisition and sale by any wholesaler, pursuant to rules adopted by the board.

28. *"Pharmacist"* means a person licensed by the board to practice pharmacy.

29. *"Pharmacist in charge"* means the pharmacist designated on a pharmacy license as the pharmacist who has the authority and responsibility for the pharmacy's compliance with laws and rules pertaining to the practice of pharmacy.

30. *"Pharmacist-intern"* means an undergraduate student enrolled in the professional sequence of a college of pharmacy approved by the board, or a graduate of a college of pharmacy, who is participating in a board-approved internship under the supervision of a preceptor.

31. *"Pharmacy"* means a location where prescription drugs are compounded, dispensed, or sold by a pharmacist and where prescription drug orders are received or processed in accordance with the pharmacy laws.

32. *"Pharmacy license"* means a license issued to a pharmacy or other place where prescription drugs or devices are dispensed to the general public pursuant to a prescription drug order.

33. *"Pharmacy technician"* means a person registered by the board who is in a technician training program or who is employed by a pharmacy under the responsibility of a licensed pharmacist to assist in the technical functions of the practice of pharmacy.

34. *"Practice of pharmacy"* is a dynamic patient-oriented health service profession that applies a scientific body of knowledge to improve and promote patient health by means of appropriate drug use and related drug therapy.

35. *"Practitioner"* means a physician, dentist, podiatric physician, veterinarian, or other person licensed or registered to distribute or dispense a prescription drug or device in the

course of professional practice in this state or a person licensed by another state in a health field in which, under Iowa law, licensees in this state may legally prescribe drugs.

36. *"Preceptor"* means a pharmacist in good standing licensed in this state to practice pharmacy and approved by the board to supervise and be responsible for the activities and functions of a pharmacist-intern in the internship program.

37. *"Prescription drug"* means any of the following:

*a.* A substance for which federal or state law requires a prescription before it may be legally dispensed to the public.

*b.* A drug or device that under federal law is required, prior to being dispensed or delivered, to be labeled with one of the following statements:

(1) Caution: Federal law prohibits dispensing without a prescription.

(2) Caution: Federal law restricts this drug to use by or on the order of a licensed veterinarian.

(3) Caution: Federal law restricts this device to sale by, or on the order of, a physician.

(4) Rx only.

*c.* A drug or device that is required by any applicable federal or state law or regulation to be dispensed on prescription only, or is restricted to use by a practitioner only.

38. *"Prescription drug order"* means a written, electronic, or facsimile order from a practitioner or an oral order from a practitioner or the practitioner's authorized agent who communicates the practitioner's instructions for a prescription drug or device to be dispensed.

39. *"Proprietary medicine"* or *"over-the-counter medicine"* means a nonnarcotic drug or device that may be sold without a prescription and that is labeled and packaged in compliance with applicable state or federal law.

40. *"Tech-check-tech program"* means a program formally established by a pharmacist in charge of a pharmacy who has determined that one or more certified pharmacy technicians are qualified to safely check the work of other certified pharmacy technicians and thereby provide final verification for drugs which are dispensed for subsequent administration to patients in an institutional setting.

41. *"Ultimate user"* means a person who has lawfully obtained and possesses a prescription drug or device for the person's own use or for the use of a member of the person's household or for administering to an animal owned by the person or by a member of the person's household.

42. *"Unit dose packaging"* means the packaging of individual doses of a drug in containers which preserve the identity and integrity of the drug from the point of packaging to administration and which are properly labeled pursuant to rules of the board.

43. *"Wholesaler"* means a person operating or maintaining, either within or outside this state, a manufacturing plant, wholesale distribution center, wholesale business, or any other business in which prescription drugs or devices, medicinal chemicals, medicines, or poisons are sold, manufactured, compounded, dispensed, stocked, exposed, distributed from, or offered for sale at wholesale in this state. *"Wholesaler"* does not include those wholesalers who sell only proprietary or over-the-counter medicines. *"Wholesaler"* also does not include a commercial carrier that temporarily stores prescription drugs or devices, medicinal chemicals, medicines, or poisons while in transit.

44. *"Wholesale salesperson"* or *"manufacturer's representative"* means an individual who takes purchase orders on behalf of a wholesaler for prescription drugs, medicinal chemicals, medicines, or poisons. *"Wholesale salesperson"* or *"manufacturer's representative"* does not include an individual who sells only proprietary medicines.

87 Acts, ch 215, §3; 88 Acts, ch 1232, §2; 95 Acts, ch 108, §13; 96 Acts, ch 1070, §1; 2002 Acts, ch 1108, §24; 2004 Acts, ch 1036, §11, 12; 2004 Acts, ch 1167, §9; 2005 Acts, ch 179, §172 – 177; 2007 Acts, ch 10, §153; 2007 Acts, ch 19, §1, 2; 2008 Acts, ch 1016, §2

Referred to in §124B.1, 124B.6, 135M.2, 147.107, 155A.39, 321J.2, 423.3, 462A.14, 510B.1, 514L.1, 716A.3

**155A.4 Prohibition against unlicensed persons dispensing or distributing prescription drugs — exceptions.**

1. A person shall not dispense prescription drugs unless that person is a licensed pharmacist or is authorized by section 147.107 to dispense or distribute prescription drugs.

2. Notwithstanding subsection 1, it is not unlawful for:

*a.* A wholesaler to distribute prescription drugs or devices as provided by state or federal law.

*b.* A practitioner, licensed by the appropriate state board, to dispense prescription drugs to patients as incident to the practice of the profession, except with respect to the operation of a pharmacy for the retailing of prescription drugs.

*c.* A practitioner, licensed by the appropriate state board, to administer drugs to patients. This chapter does not prevent a practitioner from delegating the administration of a prescription drug to a nurse, intern, or other qualified individual or, in the case of a veterinarian, to an orderly or assistant, under the practitioner's direction and supervision.

*d.* A person to sell at retail a proprietary medicine, an insecticide, a fungicide, or a chemical used in the arts, if properly labeled.

*e.* A person to procure prescription drugs for lawful research, teaching, or testing and not for resale.

*f.* A pharmacy to distribute a prescription drug to another pharmacy or to a practitioner.

*g.* A qualified individual authorized to administer prescription drugs and employed by a home health agency or hospice to obtain, possess, and transport emergency prescription drugs as provided by state or federal law or by rules of the board.

*h.* A limited drug and device distributor, licensed by the board, to distribute limited noncontrolled prescription drugs, prescription devices, and medical gases, to patients in this state pursuant to rules adopted by the board.

87 Acts, ch 215, §4; 97 Acts, ch 39, §1; 2005 Acts, ch 179, §178; 2007 Acts, ch 19, §3

**155A.5 Injunction.**

Notwithstanding the existence or pursuit of any other remedy the board may, in the manner provided by law, maintain an action in the name of the state for injunction or other process against any person to restrain or prevent the establishment, conduct, management, or operation of a pharmacy or wholesaler, without license, or to prevent the violation of provisions of this chapter. Upon request of the board, the attorney general shall institute the proper proceedings and the county attorney, at the request of the attorney general, shall appear and prosecute the action when brought in the county attorney's county.

87 Acts, ch 215, §5

**155A.6 Pharmacist internship program.**

1. A program of pharmacist internships is established. Each internship is subject to approval by the board.

2. A person desiring to be a pharmacist-intern in this state shall apply to the board for registration. The application must be on a form prescribed by the board. A pharmacist-intern shall be registered during internship training and thereafter pursuant to rules adopted by the board.

3. The board shall establish standards for pharmacist-intern registration and may deny, suspend, or revoke a pharmacist-intern registration for failure to meet the standards or for any violation of the laws of this state, another state, or the United States relating to prescription drugs, controlled substances, or nonprescription drugs, or for any violation of this chapter or chapter 124, 124A, 124B, 126, 147, or 205, or any rule of the board.

4. The board shall adopt rules in accordance with chapter 17A on matters pertaining to pharmacist-intern registration standards, registration fees, conditions of registration, termination of registration, and approval of preceptors.

87 Acts, ch 215, §6; 96 Acts, ch 1070, §2, 3; 2007 Acts, ch 20, §1

**155A.6A Pharmacy technician registration.**

1. A registration program for pharmacy technicians is established for the purpose of

establishing technician competency and for the purposes of identification, tracking, and disciplinary action for the violation of federal drug laws or regulations, state drug or pharmacy laws, or board rules. The ultimate responsibility for the actions of a pharmacy technician working under a licensed pharmacist's supervision shall remain with the licensed pharmacist.

2. A person who is or desires to be a pharmacy technician in this state shall apply to the board for registration. The application shall be submitted on a form prescribed by the board. A pharmacy technician must be registered pursuant to rules adopted by the board. Except as provided in subsection 3, beginning July 1, 2010, all applicants for a new pharmacy technician registration or for a pharmacy technician renewal shall provide proof of current certification by a national technician certification authority approved by the board. Notwithstanding section 272C.2, subsection 1, a pharmacy technician registration shall not require continuing education for renewal.

3. *a.* Beginning July 1, 2009, a person who is in the process of acquiring national certification as a pharmacy technician and who is in training to become a pharmacy technician shall register with the board as a pharmacy technician. The registration shall be issued for a period not to exceed one year and shall not be renewable.

*b.* A person who is registered as a pharmacy technician or a pharmacy technician trainee prior to January 1, 2010, who has worked as a pharmacy technician or pharmacy technician trainee for a minimum of two thousand hours in the previous eighteen months under the direction of a licensed pharmacist shall have until December 31, 2013, to attain certification pursuant to this section. The supervising pharmacist shall be responsible for verifying with the Iowa board of pharmacy that any person affected by this paragraph continues to have a minimum of two thousand hours of supervised training in any eighteen-month period of time between January 1, 2010, and December 31, 2013.

4. The board shall adopt rules in accordance with chapter 17A on matters pertaining to pharmacy technician registration, application, forms, renewals, fees, termination of registration, tech-check-tech programs, national certification, training, and any other relevant matters.

5. The board may deny, suspend, or revoke the registration of, or otherwise discipline, a registered pharmacy technician for any violation of the laws of this state, another state, or the United States relating to prescription drugs, controlled substances, or nonprescription drugs, or for any violation of this chapter or chapter 124, 124A, 124B, 126, 147, 205, or 272C, or any rule of the board.

2007 Acts, ch 20, §2; 2008 Acts, ch 1016, §3; 2010 Acts, ch 1193, §112, 137, 138

**155A.6B Pharmacy support person registration.**

1. The board shall establish a registration program for pharmacy support persons who work in a licensed pharmacy and who are not licensed pharmacists or registered pharmacy technicians for the purposes of identification, tracking, and disciplinary action for the violation of federal drug laws or regulations, state drug or pharmacy laws, or board rules. The registration shall not include any determination of the competency of the registered individual and, notwithstanding section 272C.2, subsection 1, shall not require continuing education for renewal.

2. A person registered with the board as a pharmacy support person may assist pharmacists by performing routine clerical and support functions. Such a person shall not perform any professional duties or any technical or dispensing duties. The ultimate responsibility for the actions of a pharmacy support person working under a licensed pharmacist's supervision shall remain with the licensed pharmacist.

3. Applicants for registration must apply to the board for registration on a form prescribed by the board.

4. The board shall adopt rules in accordance with chapter 17A on matters pertaining to pharmacy support persons, and pharmacy support person exemptions, registration, application, renewals, fees, termination of registration, training, and any other relevant matters.

5. The board may deny, suspend, or revoke the registration of a pharmacy support person

or otherwise discipline the pharmacy support person for any violation of the laws of this state, another state, or the United States relating to prescription drugs, controlled substances, or nonprescription drugs, or for any violation of this chapter or chapter 124, 124A, 124B, 126, 147, 205, or 272C, or any rule of the board.

2009 Acts, ch 69, §3

**155A.7 Pharmacist license.**

A person shall not engage in the practice of pharmacy in this state without a license. The license shall be identified as a pharmacist license.

87 Acts, ch 215, §7

**155A.8 Requirements for pharmacist license.**

To qualify for a pharmacist license, an applicant shall meet the following requirements:

1. Be a graduate of a school or college of pharmacy or of a department of pharmacy of a university recognized and approved by the board.
2. File proof, satisfactory to the board, of internship for a period of time fixed by the board.
3. Pass an examination prescribed by the board.

87 Acts, ch 215, §8

Referred to in §155A.9, 155A.12

**155A.9 Approved colleges — graduates of foreign colleges.**

1. A college of pharmacy shall not be approved by the board unless the college is accredited by the accreditation council for pharmacy education.

2. An applicant who is a graduate of a school or college of pharmacy located outside the United States but who is otherwise qualified to apply for a pharmacist license in this state may be deemed to have satisfied the requirements of section 155A.8, subsection 1, by verification to the board of the applicant's academic record and graduation and by meeting other requirements established by rule of the board. The board may require the applicant to pass an examination or examinations given or approved by the board to establish proficiency in English and equivalency of education as a prerequisite for taking the licensure examination required in section 155A.8, subsection 3.

87 Acts, ch 215, §9; 2007 Acts, ch 19, §4

**155A.10 Display of pharmacist license.**

A pharmacist shall publicly display the license to practice pharmacy and the license renewal certificate pursuant to rules adopted by the board.

87 Acts, ch 215, §10

**155A.11 Renewal of pharmacist license.**

The board shall specify by rule the procedures to be followed and the fee to be paid for a renewal certificate, and penalties for late renewal or failure to renew a pharmacist license.

87 Acts, ch 215, §11

**155A.12 Pharmacist license — grounds for discipline.**

The board shall refuse to issue a pharmacist license for failure to meet the requirements of section 155A.8. The board may refuse to issue or renew a license or may impose a fine, issue a reprimand, or revoke, restrict, cancel, or suspend a license, and may place a licensee on probation, if the board finds that the applicant or licensee has done any of the following:

1. Violated any provision of this chapter or any rules of the board adopted under this chapter.
2. Engaged in unethical conduct as that term is defined by rules of the board.
3. Violated any of the provisions for licensee discipline set forth in section 147.55.
4. Failed to keep and maintain records required by this chapter or failed to keep and maintain complete and accurate records of purchases and disposal of drugs listed in the controlled substances Act.
5. Violated any provision of the controlled substances Act or rules relating to that Act.

6. Aided or abetted an unlicensed individual to engage in the practice of pharmacy.

7. Refused an entry into any pharmacy for any inspection authorized by this chapter.

8. Violated the pharmacy or drug laws or rules of any other state of the United States while under the other state's jurisdiction.

9. Been convicted of an offense or subjected to a penalty or fine for violation of chapter 124, 126, 147, or the Federal Food, Drug, and Cosmetic Act. A plea or verdict of guilty, or a conviction following a plea of nolo contendere, is deemed to be a conviction within the meaning of this section.

10. Had a license to practice pharmacy issued by another state canceled, revoked, or suspended for conduct substantially equivalent to conduct described in subsections 1 through 9. A certified copy of the record of the state taking action as set out above shall be conclusive evidence of the action taken by such state.

87 Acts, ch 215, §12; 89 Acts, ch 197, §23

Referred to in §155A.16

**155A.13 Pharmacy license.**

1. A person shall not establish, conduct, or maintain a pharmacy in this state without a license. The license shall be identified as a pharmacy license. A pharmacy license issued pursuant to subsection 4 may be further identified as a hospital pharmacy license.

2. The board shall specify by rule the licensing procedures to be followed, including specifications of forms for use in applying for a pharmacy license and fees for filing an application.

3. The board may issue a special or limited-use pharmacy license based upon special conditions of use imposed pursuant to rules adopted by the board for cases in which the board determines that certain requirements may be waived.

4. *a.* The board shall adopt rules for the issuance of a hospital pharmacy license to a hospital which provides pharmacy services for its own use. The rules shall:

(1) Recognize the special needs and circumstances of hospital pharmacies.

(2) Give due consideration to the scope of pharmacy services that the hospital's medical staff and governing board elect to provide for the hospital's own use.

(3) Consider the size, location, personnel, and financial needs of the hospital.

(4) Give recognition to the standards of the joint commission on the accreditation of health care organizations and the American osteopathic association and to the conditions of participation under Medicare.

*b.* To the maximum extent possible, the board shall coordinate the rules with the standards and conditions described in paragraph "*a*", subparagraph (4), and shall coordinate its inspections of hospital pharmacies with the Medicare surveys of the department of inspections and appeals and with the board's inspections with respect to controlled substances conducted under contract with the federal government.

*c.* A hospital which provides pharmacy services by contracting with a licensed pharmacy is not required to obtain a hospital pharmacy license or a general pharmacy license.

5. A hospital which elects to operate a pharmacy for other than its own use is subject to the requirements for a general pharmacy license. If the hospital's pharmacy services for other than its own use are special or limited, the board may issue a special or limited-use pharmacy license pursuant to subsection 3.

6. To qualify for a pharmacy license, the applicant shall submit to the board a license fee as determined by the board and a completed application on a form prescribed by the board. The application shall include the following and such other information as required by rules of the board and shall be given under oath:

*a.* Ownership.

*b.* Location.

*c.* The license number of each pharmacist employed by the pharmacy at the time of application.

*d.* The trade or corporate name of the pharmacy.

*e.* The name of the pharmacist in charge, who has the authority and responsibility for the pharmacy's compliance with laws and rules pertaining to the practice of pharmacy.

7. A person who falsely makes the affidavit prescribed in subsection 6 is subject to all penalties prescribed for making a false affidavit.

8. A pharmacy license issued by the board under this chapter shall be issued in the name of the pharmacist in charge and is not transferable or assignable.

9. The board shall specify by rule minimum standards for professional responsibility in the conduct of a pharmacy.

10. A separate license is required for each principal place of practice.

11. The license of the pharmacy shall be displayed.

87 Acts, ch 215, §13; 98 Acts, ch 1100, §20; 2005 Acts, ch 179, §179; 2009 Acts, ch 41, §195

Referred to in §155A.13B, 155A.15

Practice of pharmacy pilot or demonstration research projects relating to authority of prescription verification and the ability of a pharmacist to provide enhanced patient care; 2011 Acts, ch 63, §36; 2012 Acts, ch 1113, §31; 2013 Acts, ch 138, §128

Section not amended; footnote added

**155A.13A Nonresident pharmacy license — required, renewal, discipline.**

1. *License required.* A pharmacy located outside of this state which delivers, dispenses, or distributes by any method, prescription drugs or devices to an ultimate user in this state shall obtain a nonresident pharmacy license from the board. The board shall make available an application form for a nonresident pharmacy license and shall require such information it deems necessary to fulfill the purposes of this section. A nonresident pharmacy shall do all of the following in order to obtain a nonresident pharmacy license from the board:

*a.* Submit a completed application form and an application fee as determined by the board.

*b.* Submit evidence of possession of a valid license, permit, or registration as a pharmacy in compliance with the laws of the state in which it is located, a copy of the most recent inspection report resulting from an inspection conducted by the regulatory or licensing agency of the state in which it is located, and evidence of compliance with all legal directions and requests for information issued by the regulatory or licensing agency of the state in which it is located.

*c.* Submit a list of the names, titles, and locations of all principal owners, partners, or officers of the nonresident pharmacy, all pharmacists employed by the nonresident pharmacy who deliver, dispense, or distribute by any method prescription drugs to an ultimate user in this state, and of the pharmacist in charge of the nonresident pharmacy. A nonresident pharmacy shall update the list within thirty days of any addition, deletion, or other change to the list.

*d.* Submit evidence that the nonresident pharmacy maintains records of the controlled substances delivered, dispensed, or distributed to ultimate users in this state.

*e.* Submit evidence that the nonresident pharmacy provides, during its regular hours of operation for at least six days and for at least forty hours per week, toll-free telephone service to facilitate communication between ultimate users in this state and a pharmacist who has access to the ultimate user's records in the nonresident pharmacy, and that the toll-free number is printed on the label affixed to each container of prescription drugs delivered, dispensed, or distributed in this state.

2. *License renewal.* A nonresident pharmacy shall renew its license on or before January 1 annually. In order to renew a nonresident pharmacy license, a nonresident pharmacy shall submit a renewal fee as determined by the board, and shall fulfill all of the requirements of subsection 1, paragraphs "*b*" through "*e*". A nonresident pharmacy shall pay an additional fee for late renewal as determined by the board.

3. *Discipline.* The board may deny, suspend, or revoke a nonresident pharmacy license for any violation of this section, section 155A.15, subsection 2, paragraph "*a*", "*b*", "*d*", "*e*", "*f*", "*g*", "*h*", or "*i*", chapter 124, 124A, 124B, 126, or 205, or a rule of the board.

91 Acts, ch 233, §1; 94 Acts, ch 1009, §18

Referred to in §155A.13B

**155A.13B Pharmacy internet sites.**

1. As used in this section:

*a.* "*Electronic mail*" means any message transmitted through the internet including but not limited to messages transmitted from or to any address affiliated with an internet site.

*b.* *"Internet broker"* means an entity that serves as an agent or intermediary or other capacity that causes the internet to be used to bring together a buyer and seller.

*c.* *"Internet sale"* means a transaction, initiated via an internet site, that includes the order of and the payment for a prescription drug product.

2. A pharmacy operating within or outside this state shall not sell, dispense, distribute, deliver, or participate in the sale, dispensing, distribution, or delivery of any prescription drug to any patient in this state through an internet site or by electronic mail unless all of the following are met:

*a.* All internet sites and electronic mail used by the pharmacy for purposes of sales or delivery of a prescription-only drug are in compliance with all requirements of federal law applicable to the site or electronic mail.

*b.* (1) The pharmacy that sells, dispenses, distributes, or delivers the prescription-only drugs is in compliance with all requirements of relevant state law.

(2) The pharmacy is properly licensed and regulated by the board to operate a pharmacy pursuant to section 155A.13 or 155A.13A.

*c.* The pharmacist who fills the prescription drug order is not in violation of subsection 4.

*d.* (1) The pharmacy is not in violation of subsection 6.

(2) The pharmacy is in compliance with an Iowa prescription drug monitoring program if an Iowa prescription drug monitoring program exists and the pharmacy is subject to reporting or other requirements of the program.

3. A practitioner who writes a prescription drug order through an internet site or electronic mail for a patient physically located in this state must be licensed by the applicable licensing authority and in compliance with all applicable laws.

4. A pharmacist practicing within or outside this state shall not fill a prescription drug order to dispense a prescription drug to a patient if the pharmacist knows or reasonably should have known under the circumstances that the prescription drug order was issued under both of the following:

*a.* Solely on the basis of an internet questionnaire, an internet consultation, or a telephonic consultation.

*b.* Without a valid patient-practitioner relationship.

5. An internet broker operating within or outside this state may participate in the sale of a prescription drug in this state only if the internet broker knows that the pharmacist who dispenses the drug is not in violation of subsection 4.

6. A pharmacy shall not sell, dispense, distribute, deliver, or participate in the sale, dispensing, distribution, or delivery of any prescription-only drug to a consumer in this state if any part of the transaction was conducted through an internet site unless the internet site displays in a clear and conspicuous manner all of the following:

*a.* The name of the pharmacy.

*b.* The address of the licensed physical location of the pharmacy.

*c.* The telephone number of the pharmacy.

*d.* The license number issued by the board to the pharmacy.

*e.* The certification issued by the national association of boards of pharmacy identifying the pharmacy as a verified internet pharmacy practice sites site, the verified internet pharmacy practice site's seal, and a link to the national association of boards of pharmacy's verification site, except that verified internet pharmacy practice sites certification shall not be required of a pharmacy that utilizes an internet site for the convenience of a patient to request a prescription refill or to request or retrieve drug information but requires that the filled prescription be delivered to the patient at the licensed physical location of the pharmacy.

*f.* The internet site registration number issued by the board.

7. A pharmacy that sells, dispenses, distributes, delivers, prescribes, or participates in the sale, dispensing, distribution, or delivery of any prescription drug to any patient in this state, if the patient submitted the purchase order for the prescription drug through an internet site or by electronic mail, shall not disclaim, limit, or waive any liability to which the pharmacy otherwise is subject under law for the act or practice of selling, dispensing, distributing, or delivering prescription drugs.

8. A disclaimer, limitation, or waiver in violation of this section is void.

9. An attempt to make a disclaimer, limitation, or waiver in violation of this section is a violation of this chapter.

10. For purposes of this section, the board shall adopt rules in accordance with chapter 17A on matters pertaining to internet site registration, application, forms, renewals, fees, termination of registration, and any other relevant matters.

2009 Acts, ch 69, §4

**155A.14 Renewal of pharmacy license.**

The board shall specify by rule the procedures to be followed and the fee to be paid for a renewal certificate, and the penalties for late renewal or failure to renew a pharmacy license.

87 Acts, ch 215, §14

**155A.15 Pharmacies — license required — discipline, violations, and penalties.**

1. A pharmacy subject to section 155A.13 shall not be operated until a license or renewal certificate has been issued to the pharmacy by the board.

2. The board shall refuse to issue a pharmacy license for failure to meet the requirements of section 155A.13. The board may refuse to issue or renew a license or may impose a fine, issue a reprimand, or revoke, restrict, cancel, or suspend a license, and may place a licensee on probation, if the board finds that the applicant or licensee has done any of the following:

*a.* Been convicted of a felony or a misdemeanor involving moral turpitude, or if the applicant is an association, joint stock company, partnership, or corporation, that a managing officer has been convicted of a felony or a misdemeanor involving moral turpitude, under the law of this state, another state, or the United States.

*b.* Advertised any prescription drugs or devices in a deceitful, misleading, or fraudulent manner.

*c.* Violated any provision of this chapter or any rule adopted under this chapter or that any owner or employee of the pharmacy has violated any provision of this chapter or any rule adopted under this chapter.

*d.* Delivered without legal authorization prescription drugs or devices to a person other than one of the following:

(1) A pharmacy licensed by the board.

(2) A practitioner.

(3) A person who procures prescription drugs or devices for the purpose of lawful research, teaching, or testing, and not for resale.

(4) A manufacturer or wholesaler licensed by the board.

(5) A licensed health care facility which is furnished the drug or device by a pharmacy for storage in secured emergency pharmaceutical supplies containers maintained within the facility in accordance with rules of the department of inspections and appeals and rules of the board.

*e.* Allowed an employee who is not a licensed pharmacist to practice pharmacy.

*f.* Delivered mislabeled prescription or nonprescription drugs.

*g.* Failed to engage in or ceased to engage in the business described in the application for a license.

*h.* Failed to keep and maintain records as required by this chapter, the controlled substances Act, or rules adopted under the controlled substances Act.

*i.* Failed to establish effective controls against diversion of prescription drugs into other than legitimate medical, scientific, or industrial channels as provided by this chapter and other Iowa or federal laws or rules.

87 Acts, ch 215, §15; 91 Acts, ch 233, §2; 97 Acts, ch 39, §2; 2009 Acts, ch 133, §64

Referred to in §155A.13A, 155A.16

**155A.16 Procedure.**

Unless otherwise provided, any disciplinary action taken by the board under section 155A.12 or 155A.15 is governed by chapter 17A and the rules of practice and procedure before the board.

87 Acts, ch 215, §16

**155A.17 Wholesale drug license.**

1. A person shall not establish, conduct, or maintain a wholesale drug business as defined in this chapter without a license. The license shall be identified as a wholesale drug license.

2. The board shall establish standards for drug wholesaler licensure and may define specific types of wholesaler licenses. The board may deny, suspend, or revoke a drug wholesale license for failure to meet the applicable standards or for a violation of the laws of this state, another state, or the United States relating to prescription drugs, devices, or controlled substances, or for a violation of this chapter, chapter 124, 124A, 124B, 126, or 205, or a rule of the board.

3. The board shall adopt rules pursuant to chapter 17A on matters pertaining to the issuance of a wholesale drug license. The rules shall provide for conditions of licensure, compliance standards, licensure fees, disciplinary action, and other relevant matters. Additionally, the rules shall establish provisions or exceptions for pharmacies, chain pharmacy distribution centers, logistics providers, and other types of wholesalers relating to pedigree requirements, drug or device returns, and other related matters, so as not to prevent or interfere with usual, customary, and necessary business activities.

4. This section does not apply to a manufacturer's representative acting in the usual course of business or employment as a manufacturer's representative.

87 Acts, ch 215, §17; 91 Acts, ch 233, §3; 2005 Acts, ch 179, §180, 181

**155A.18 Penalties.**

The board shall impose penalties as allowed under section 272C.3. In addition, civil penalties not to exceed twenty-five thousand dollars, may be imposed.

87 Acts, ch 215, §18

**155A.19 Notifications to board.**

1. A pharmacy shall report in writing to the board, pursuant to its rules, the following:

*a.* Permanent closing.

*b.* Change of ownership.

*c.* Change of location.

*d.* Change of pharmacist in charge.

*e.* The sale or transfer of prescription drugs, including controlled substances, on the permanent closing or change of ownership of the pharmacy.

*f.* Change of legal name or doing-business-as name.

*g.* Theft or significant loss of any controlled substance on discovery of the theft or loss.

*h.* Disasters, accidents, and emergencies that may affect the strength, purity, or labeling of drugs, medications, devices, or other materials used in the diagnosis or the treatment of injury, illness, and disease.

2. A pharmacist shall report in writing to the board within ten days a change of name, address, or place of employment.

3. A wholesaler shall report in writing to the board, pursuant to its rules, the following:

*a.* Permanent closing or discontinuation of wholesale distributions into this state.

*b.* Change of ownership.

*c.* Change of location.

*d.* Change of the wholesaler's responsible individual.

*e.* Change of legal name or doing-business-as name.

*f.* Theft or significant loss of any controlled substance on discovery of the theft or loss.

*g.* Disasters, accidents, and emergencies that may affect the strength, purity, or labeling of drugs, medications, devices, or other materials used in the diagnosis or the treatment of injury, illness, and disease.

*h.* Other information or activities as required by rule.

87 Acts, ch 215, §19; 91 Acts, ch 233, §4; 2005 Acts, ch 179, §182, 183

**155A.20 Unlawful use of terms and titles — impersonation.**

1. A person, other than a pharmacy or wholesaler licensed under this chapter, shall not display in or on any store, internet site, or place of business, nor use in any advertising or promotional literature, communication, or representation, the word or words: "apothecary", "drug", "drug store", or "pharmacy", either in English or any other language, any other word or combination of words of the same or similar meaning, or any graphic representation in a manner that would mislead the public.

2. A person shall not do any of the following:

*a.* Impersonate before the board an applicant applying for licensing under this chapter.

*b.* Impersonate an Iowa licensed pharmacist.

*c.* Use the title pharmacist, druggist, apothecary, or words of similar intent unless the person is licensed to practice pharmacy.

3. A pharmacist shall not utilize the title "Dr." or "Doctor" if that pharmacist has not acquired the doctor of pharmacy degree from an approved college of pharmacy or the doctor of philosophy degree in an area related to pharmacy.

87 Acts, ch 215, §20; 2005 Acts, ch 179, §184

**155A.21 Unlawful possession of prescription drug or device — penalty.**

1. A person found in possession of a drug or device limited to dispensation by prescription, unless the drug or device was so lawfully dispensed, commits a serious misdemeanor.

2. Subsection 1 does not apply to a licensed pharmacy, licensed wholesaler, physician, veterinarian, dentist, podiatric physician, optometrist, advanced registered nurse practitioner, physician assistant, a nurse acting under the direction of a physician, or the board of pharmacy, its officers, agents, inspectors, and representatives, or to a common carrier, manufacturer's representative, or messenger when transporting the drug or device in the same unbroken package in which the drug or device was delivered to that person for transportation.

87 Acts, ch 215, §21; 95 Acts, ch 108, §14; 2005 Acts, ch 179, §185; 2007 Acts, ch 10, §154; 2012 Acts, ch 1004, §4

**155A.22 General penalty.**

A person who violates any of the provisions of this chapter or any chapter pertaining to or affecting the practice of pharmacy for which a specific penalty is not provided commits a simple misdemeanor.

87 Acts, ch 215, §22

**155A.23 Prohibited acts.**

1. A person shall not perform or cause the performance of or aid and abet any of the following acts:

*a.* Obtaining or attempting to obtain a prescription drug or device or procuring or attempting to procure the administration of a prescription drug or device by:

(1) Engaging in fraud, deceit, misrepresentation, or subterfuge.

(2) Forging or altering a written, electronic, or facsimile prescription or any written, electronic, or facsimile order.

(3) Concealing a material fact.

(4) Using a false name or giving a false address.

*b.* Willfully making a false statement in any prescription, report, or record required by this chapter.

*c.* For the purpose of obtaining a prescription drug or device, falsely assuming the title of or claiming to be a manufacturer, wholesaler, pharmacist, pharmacy owner, physician, dentist, podiatric physician, veterinarian, or other authorized person.

*d.* Making or uttering any false or forged oral, written, electronic, or facsimile prescription or oral, written, electronic, or facsimile order.

*e.* Forging, counterfeiting, simulating, or falsely representing any drug or device without the authority of the manufacturer, or using any mark, stamp, tag, label, or other identification device without the authorization of the manufacturer.

*f.* Manufacturing, repackaging, selling, delivering, or holding or offering for sale any drug or device that is adulterated, misbranded, counterfeit, suspected of being counterfeit, or that has otherwise been rendered unfit for distribution.

*g.* Adulterating, misbranding, or counterfeiting any drug or device.

*h.* Receiving any drug or device that is adulterated, misbranded, stolen, obtained by fraud or deceit, counterfeit, or suspected of being counterfeit, and delivering or proffering delivery of such drug or device for pay or otherwise.

*i.* Adulterating, mutilating, destroying, obliterating, or removing the whole or any part of the labeling of a drug or device or committing any other act with respect to a drug or device that results in the drug or device being misbranded.

*j.* Purchasing or receiving a drug or device from a person who is not licensed to distribute the drug or device to that purchaser or recipient.

*k.* Selling or transferring a drug or device to a person who is not authorized under the law of the jurisdiction in which the person receives the drug or device to purchase or possess the drug or device from the person selling or transferring the drug or device.

*l.* Failing to maintain or provide records as required by this chapter, chapter 124, or rules of the board.

*m.* Providing the board or any of its representatives or any state or federal official with false or fraudulent records or making false or fraudulent statements regarding any matter within the scope of this chapter, chapter 124, or rules of the board.

*n.* Distributing at wholesale any drug or device that meets any of the following conditions:

(1) The drug or device was purchased by a public or private hospital or other health care entity.

(2) The drug or device was donated or supplied at a reduced price to a charitable organization.

(3) The drug or device was purchased from a person not licensed to distribute the drug or device.

(4) The drug or device was stolen or obtained by fraud or deceit.

*o.* Failing to obtain a license or operating without a valid license when a license is required pursuant to this chapter or chapter 147.

*p.* Engaging in misrepresentation or fraud in the distribution of a drug or device.

*q.* Distributing a drug or device to a patient without a prescription drug order or medication order from a practitioner licensed by law to use or prescribe the drug or device.

*r.* Distributing a drug or device that was previously dispensed by a pharmacy or distributed by a practitioner except as provided by rules of the board.

*s.* Failing to report any prohibited act.

2. Information communicated to a physician in an unlawful effort to procure a prescription drug or device or to procure the administration of a prescription drug shall not be deemed a privileged communication.

3. Subsection 1, paragraphs "*f*" and "*g*", shall not apply to the wholesale distribution by a manufacturer of a prescription drug or device that has been delivered into commerce pursuant to an application approved by the federal food and drug administration.

87 Acts, ch 215, §23; 95 Acts, ch 108, §15; 2004 Acts, ch 1036, §13, 14; 2005 Acts, ch 179, §186; 2009 Acts, ch 41, §196

Referred to in §155A.24

**155A.24 Penalties.**

1. Except as otherwise provided in this section, a person who violates a provision of section 155A.23 or who sells or offers for sale, gives away, or administers to another person any prescription drug or device in violation of this chapter commits a public offense and shall be punished as follows:

*a.* If the prescription drug is a controlled substance, the person shall be punished pursuant to section 124.401, subsection 1, and other provisions of chapter 124, division IV.

*b.* If the prescription drug is not a controlled substance, the person, upon conviction of a first offense, is guilty of a serious misdemeanor. For a second offense, or if in case of a first offense the offender previously has been convicted of any violation of the laws of the United States or of any state, territory, or district thereof relating to prescription drugs or devices, the offender is guilty of an aggravated misdemeanor. For a third or subsequent offense or if in the case of a second offense the offender previously has been convicted two or more times in the aggregate of any violation of the laws of the United States or of any state, territory, or district thereof relating to prescription drugs or devices, the offender is guilty of a class "D" felony.

2. A person who violates any provision of this chapter by selling, giving away, or administering any prescription drug or device to a minor is guilty of a class "C" felony.

3. A wholesaler who, with intent to defraud or deceive, fails to deliver to another person, when required by rules of the board, complete and accurate pedigree concerning a drug prior to transferring the drug to another person is guilty of a class "C" felony.

4. A wholesaler who, with intent to defraud or deceive, fails to acquire, when required by rules of the board, complete and accurate pedigree concerning a drug prior to obtaining the drug from another person is guilty of a class "C" felony.

5. A wholesaler who knowingly destroys, alters, conceals, or fails to maintain, as required by rules of the board, complete and accurate pedigree concerning any drug in the person's possession is guilty of a class "C" felony.

6. A wholesaler who is in possession of pedigree documents required by rules of the board, and who knowingly fails to authenticate the matters contained in the documents as required, and who nevertheless distributes or attempts to further distribute drugs is guilty of a class "C" felony.

7. A wholesaler who, with intent to defraud or deceive, falsely swears or certifies that the person has authenticated any documents related to the wholesale distribution of drugs or devices is guilty of a class "C" felony.

8. A wholesaler who knowingly forges, counterfeits, or falsely creates any pedigree, who falsely represents any factual matter contained in any pedigree, or who knowingly fails to record material information required to be recorded in a pedigree is guilty of a class "C" felony.

9. A wholesaler who knowingly purchases or receives drugs or devices from a person not authorized to distribute drugs or devices in wholesale distribution is guilty of a class "C" felony.

10. A wholesaler who knowingly sells, barters, brokers, or transfers a drug or device to a person not authorized to purchase the drug or device under the jurisdiction in which the person receives the drug or device in a wholesale distribution is guilty of a class "C" felony.

11. A person who knowingly manufacturers, sells, or delivers, or who possesses with intent to sell or deliver, a counterfeit, misbranded, or adulterated drug or device is guilty of the following:

*a.* If the person manufactures or produces a counterfeit, misbranded, or adulterated drug or device; or if the quantity of a counterfeit, misbranded, or adulterated drug or device being sold, delivered, or possessed with intent to sell or deliver exceeds one thousand units or dosages; or if the violation is a third or subsequent violation of this subsection, the person is guilty of a class "C" felony.

*b.* If the quantity of a counterfeit, misbranded, or adulterated drug or device being sold, delivered, or possessed with intent to sell or deliver exceeds one hundred units or dosages but does not exceed one thousand units or dosages; or if the violation is a second or subsequent violation of this subsection, the person is guilty of a class "D" felony.

*c.* All other violations of this subsection shall constitute an aggravated misdemeanor.

12. A person who knowingly forges, counterfeits, or falsely creates any label for a drug or device or who falsely represents any factual matter contained on any label of a drug or device is guilty of a class "C" felony.

13. A person who knowingly possesses, purchases, or brings into the state a counterfeit, misbranded, or adulterated drug or device is guilty of the following:

*a.* If the quantity of a counterfeit, misbranded, or adulterated drug or device being

possessed, purchased, or brought into the state exceeds one hundred units or dosages; or if the violation is a second or subsequent violation of this subsection, the person is guilty of a class "D" felony.

*b.* All other violations of this subsection shall constitute an aggravated misdemeanor.

14. This section does not prevent a licensed practitioner of medicine, dentistry, podiatry, nursing, veterinary medicine, optometry, or pharmacy from acts necessary in the ethical and legal performance of the practitioner's profession.

15. Subsections 1 and 2 shall not apply to a parent or legal guardian administering, in good faith, a prescription drug or device to a child of the parent or a child for whom the individual is designated a legal guardian.

87 Acts, ch 215, §24; 2005 Acts, ch 179, §187; 2007 Acts, ch 22, §42; 2008 Acts, ch 1016, §4

**155A.25 Burden of proof.**

In any complaint, information, or indictment, and in any action or proceeding brought for the enforcement of any provisions of this chapter, it shall not be necessary to negate any exception, excuse, proviso, or exemption contained in this chapter, and the burden of proof of any such exception, excuse, proviso, or exemption shall be upon the defendant.

87 Acts, ch 215, §25

**155A.26 Enforcement — agents as peace officers.**

The board, its officers, agents, inspectors, and representatives, and all peace officers within the state, and all county attorneys shall enforce all provisions of this chapter, except those specifically delegated, and shall cooperate with all agencies charged with the enforcement of the laws of the United States, of this state, and of all other states relating to prescription drugs. Officers, agents, inspectors, and representatives of the board shall have the powers and status of peace officers when enforcing the provisions of this chapter and chapters 124, 126, and 205. Officers, agents, inspectors, and representatives of the board of pharmacy may:

1. Administer oaths, acknowledge signatures, and take testimony.

2. Make audits of the supply and inventory of controlled substances and prescription drugs in the possession of any and all individuals or institutions authorized to have possession of any controlled substances or prescription drugs.

3. Conduct routine and unannounced inspections of pharmacies, drug wholesalers, and the offices or business locations of all individuals and institutions authorized to have possession of prescription drugs including controlled substances or prescription devices.

4. Conduct inspections and investigations related to the practice of pharmacy and the distribution of prescription drugs and devices in this state.

5. Seize controlled or counterfeit substances or articles used in the manufacture or sale of controlled or counterfeit substances which they have reasonable grounds to believe are held in violation of law.

6. Seize prescription medications which they believe are held in violation of law.

7. Perform other duties as specifically authorized or mandated by law or rule.

87 Acts, ch 215, §26; 2007 Acts, ch 10, §155; 2008 Acts, ch 1088, §77

**155A.27 Requirements for prescription.**

To be valid, each prescription drug order issued or dispensed in this state must be based on a valid patient-practitioner relationship, and:

1. If written, electronic, or facsimile, shall contain:

*a.* The date of issue.

*b.* The name and address of the patient for whom, or the owner of the animal for which, the drug is dispensed.

*c.* The name, strength, and quantity of the drug, medicine, or device prescribed.

*d.* The directions for use of the drug, medicine, or device prescribed.

*e.* The name, address, and written or electronic signature of the practitioner issuing the prescription.

*f.* The federal drug enforcement administration number, if required under chapter 124.

2. If electronic:

*a.* The practitioner shall ensure that the electronic system used to transmit the electronic prescription has adequate security and system safeguards designed to prevent and detect unauthorized access, modification, or manipulation of the prescription.

*b.* The practitioner shall provide verbal verification of the electronic prescription upon the request of the pharmacy.

3. *a.* If facsimile, in addition to the requirements of subsection 1, shall contain all of the following:

(1) The identification number of the facsimile machine which is used to transmit the prescription.

(2) The time and date of transmission of the prescription.

(3) The name, address, telephone number, and facsimile number of the pharmacy to which the prescription is being transmitted.

*b.* A practitioner shall provide verbal verification of the facsimile prescription upon the request of the pharmacy.

4. If oral, the practitioner issuing the prescription shall furnish the same information required for a written prescription, except for the written signature and address of the practitioner. Upon receipt of an oral prescription, the pharmacist shall promptly reduce the oral prescription to a written format by recording the information required in a written prescription.

87 Acts, ch 215, §27; 97 Acts, ch 39, §3, 4; 2004 Acts, ch 1036, §15, 16; 2009 Acts, ch 69, §5
Referred to in §124.308, 126.11, 147.107, 155A.29

**155A.28 Label of prescription drugs.**

The label of any drug or device sold and dispensed on the prescription of a practitioner shall be in compliance with rules adopted by the board.

87 Acts, ch 215, §28

**155A.29 Prescription refills.**

1. Except as specified in subsection 2, a prescription for any prescription drug or device which is not a controlled substance shall not be filled or refilled more than eighteen months after the date on which the prescription was issued and a prescription which is authorized to be refilled shall not be refilled more than twelve times.

2. A pharmacist may exercise professional judgment by refilling a prescription without prescriber authorization if all of the following are true:

*a.* The pharmacist is unable to contact the prescriber after reasonable effort.

*b.* Failure to refill the prescription might result in an interruption of therapeutic regimen or create patient suffering.

*c.* The pharmacist informs the patient or the patient's representative at the time of dispensing, and the practitioner at the earliest convenience that prescriber reauthorization is required.

3. Prescriptions may be refilled once pursuant to subsection 2 for a period of time reasonably necessary for the pharmacist to secure prescriber authorization.

4. An authorization to refill a prescription drug order may be transmitted to a pharmacist by a prescriber or the prescriber's agent through word of mouth, note, telephone, facsimile, or other means of communication initiated by or directed by the practitioner. The transmission shall include the information required pursuant to section 155A.27 and, if not transmitted directly by the practitioner, shall identify by name and title the practitioner's agent completing the transmission.

87 Acts, ch 215, §29; 2007 Acts, ch 19, §5; 2009 Acts, ch 69, §6

**155A.30 Out-of-state prescription orders.**

Prescription drug orders issued by out-of-state practitioners who would be authorized to prescribe if they were practicing in Iowa may be filled by licensed pharmacists operating in licensed Iowa pharmacies.

87 Acts, ch 215, §30

**155A.31 Reference library.**

A licensed pharmacy in this state shall maintain a reference library pursuant to rules of the board.

87 Acts, ch 215, §31

**155A.32 Drug product selection — restrictions.**

1. If an authorized prescriber prescribes, in writing, electronically, by facsimile, or orally, a drug by its brand or trade name, the pharmacist may exercise professional judgment in the economic interest of the patient by selecting a drug product with the same generic name and demonstrated bioavailability as the one prescribed for dispensing and sale to the patient. If the cost of the prescription or any part of it will be paid by expenditure of public funds authorized under chapter 249A, the pharmacist shall exercise professional judgment by selecting a drug product with the same generic name and demonstrated bioavailability as the one prescribed for dispensing and sale. If the pharmacist exercises drug product selection, the pharmacist shall inform the patient of the savings which the patient will obtain as a result of the drug product selection and pass on to the patient no less than fifty percent of the difference in actual acquisition costs between the drug prescribed and the drug substituted.

2. The pharmacist shall not exercise the drug product selection described in this section if either of the following is true:

*a.* The prescriber specifically indicates that no drug product selection shall be made.

*b.* The person presenting the prescription indicates that only the specific drug product prescribed should be dispensed. However, this paragraph does not apply if the cost of the prescription or any part of it will be paid by expenditure of public funds authorized under chapter 249A.

3. If selection of a generically equivalent product is made under this section, the pharmacist making the selection shall note that fact and the name of the manufacturer of the selected drug on the prescription presented by the patient or the patient's adult representative or transmitted by the prescriber or the prescriber's authorized agent.

87 Acts, ch 215, §32; 2004 Acts, ch 1036, §17

**155A.33 Delegation of technical functions.**

A pharmacist may delegate technical dispensing functions to pharmacy technicians, but only if the pharmacist is physically present to verify the accuracy and completeness of the patient's prescription prior to the delivery of the prescription to the patient or the patient's representative. However, the physical presence requirement does not apply when a pharmacist is utilizing an automated dispensing system or a tech-check-tech program. When using an automated dispensing system or a tech-check-tech program, the pharmacist shall utilize an internal quality control assurance plan that ensures accuracy for dispensing. Verification of automated dispensing and tech-check-tech accuracy and completeness remains the responsibility of the pharmacist and shall be determined in accordance with rules adopted by the board.

87 Acts, ch 215, §33; 96 Acts, ch 1070, §4; 2002 Acts, ch 1108, §25; 2008 Acts, ch 1016, §5

Notwithstanding section 147.107, subsection 2, or this section, board of pharmacy is authorized to approve a pilot or demonstration research project relating to authority of prescription verification and pharmacist ability to provide enhanced patient care; rules adoption and legislative reporting required; see 2011 Acts, ch 63, §36; 2012 Acts, ch 1113, § 31; 2013 Acts, ch 138, §128

Section not amended; footnote revised

**155A.34 Transfer of prescriptions.**

A pharmacist or a pharmacist-intern may transfer a valid prescription order to another pharmacist or a pharmacist-intern pursuant to rules adopted by the board.

87 Acts, ch 215, §34; 2008 Acts, ch 1016, §6

**155A.35 Patient medication records.**

A licensed pharmacy shall maintain patient medication records in accordance with rules adopted by the board.

87 Acts, ch 215, §35

**155A.36 Medication delivery systems.**

Drugs dispensed utilizing unit dose packaging shall comply with labeling and packaging requirements in accordance with rules adopted by the board.

87 Acts, ch 215, §36

**155A.37 Code of professional responsibility for board employees.**

1. The board shall adopt a code of professional responsibility to regulate the conduct of board employees responsible for inspections and surveys of pharmacies.

2. The code shall contain a procedure to be followed by personnel of the board in all of the following:

*a.* On entering a pharmacy.

*b.* During inspection of the pharmacy.

*c.* During the exit conference.

3. The code shall contain standards of conduct that personnel of the board are to follow in dealing with the staff and management of the pharmacy and the general public.

4. The board shall establish a procedure for receiving and investigating complaints of violations of this code. The board shall investigate all complaints of violations.

5. The board may adopt rules establishing sanctions for violations of this code of professional responsibility.

87 Acts, ch 215, §37; 2004 Acts, ch 1167, §10

**155A.38 Dispensing drug samples.**

A person authorized pursuant to this chapter to dispense shall, when dispensing drug samples, do so without additional charge to the patient.

88 Acts, ch 1232, §3

**155A.39 Programs to aid impaired pharmacists, pharmacist-interns, or pharmacy technicians — reporting, confidentiality, immunity, funding.**

1. A person or pharmaceutical peer review committee may report relevant facts to the board relating to the acts of a pharmacist in this state, a pharmacist-intern as defined in section 155A.3, subsection 30, or a pharmacy technician in this state if the person or peer review committee has knowledge relating to the pharmacist, pharmacist-intern, or pharmacy technician which, in the opinion of the person or pharmaceutical peer review committee, might impair competency due to chemical abuse, chemical dependence, or mental or physical illness, or which might endanger the public health and safety, or which provide grounds for disciplinary action as specified in this chapter and in the rules of the board.

2. A committee of a professional pharmaceutical organization, its staff, or a district or local intervenor participating in a program established to aid pharmacists, pharmacist-interns, or pharmacy technicians impaired by chemical abuse, chemical dependence, or mental or physical illness may report in writing to the board the name of the impaired pharmacist, pharmacist-intern, or pharmacy technician together with pertinent information relating to the impairment. The board may report to a committee of a professional pharmaceutical organization or the organization's designated staff information which the board receives with regard to a pharmacist, pharmacist-intern, or pharmacy technician who may be impaired by chemical abuse, chemical dependence, or mental or physical illness.

3. Upon determination by the board that a report submitted by a peer review committee or a professional pharmaceutical organization committee is without merit, the report shall be expunged from the pharmacist's, pharmacist-intern's, or pharmacy technician's individual record in the board's office. A pharmacist, pharmacist-intern, pharmacy technician, or an authorized representative of the pharmacist, pharmacist-intern, or pharmacy technician shall be entitled on request to examine the peer review committee report or the pharmaceutical organization committee report submitted to the board and to place into the record a statement of reasonable length of the pharmacist's, pharmacist-intern's, or pharmacy technician's view with respect to any information existing in the report.

4. Notwithstanding other provisions of the Code, the records and proceedings of the

board, its authorized agents, a peer review committee, or a pharmaceutical organization committee as set out in subsections 1 and 2 shall be privileged and confidential and shall not be considered public records or open records unless the affected pharmacist, pharmacist-intern, or pharmacy technician so requests and shall not be subject to a subpoena or to a discovery proceeding. The board may disclose the records and proceedings only as follows:

*a.* In a criminal proceeding.

*b.* In a disciplinary hearing before the board or in a subsequent trial or appeal of a board action or order.

*c.* To the pharmacist licensing or disciplinary authorities of other jurisdictions.

*d.* To the pharmacy technician registering, licensing, or disciplinary authorities of other jurisdictions.

*e.* Pursuant to an order of a court of competent jurisdiction.

*f.* Pursuant to subsection 11.

*g.* As otherwise provided by law.

5. An employee or a member of the board, a peer review committee member, a professional pharmaceutical organization committee member, a professional pharmaceutical organization district or local intervenor, or any other person who furnishes information, data, reports, or records in good faith for the purpose of aiding the impaired pharmacist, pharmacist-intern, or pharmacy technician, shall be immune from civil liability. This immunity from civil liability shall be liberally construed to accomplish the purpose of this section and is in addition to other immunity provided by law.

6. An employee or member of the board or a committee or intervenor program is presumed to have acted in good faith. A person alleging a lack of good faith has the burden of proof on that issue.

7. The board may contract with professional pharmaceutical associations or societies to provide a program for pharmacists, pharmacist-interns, and pharmacy technicians who are impaired by chemical abuse, chemical dependence, or mental or physical illness. Such programs shall include, but not be limited to, education, intervention, and posttreatment monitoring. A contract with a professional pharmaceutical association or society shall include the following requirements:

*a.* Periodic reports to the board regarding education, intervention, and treatment activities.

*b.* Immediate notification to the board's executive secretary or director or the executive secretary's or director's designee of the identity of the pharmacist, pharmacist-intern, or pharmacy technician who is participating in a program to aid impaired pharmacists, pharmacist-interns, or pharmacy technicians.

*c.* Release to the board's executive secretary or director or the executive secretary's or director's designee upon written request of all treatment records of a participant.

*d.* Quarterly reports to the board, by case number, regarding each participant's diagnosis, prognosis, and recommendations for continuing care, treatment, and supervision which maintain the anonymity of the participant.

*e.* Immediate reporting to the board of the name of an impaired pharmacist, pharmacist-intern, or pharmacy technician who the treatment organization believes to be an imminent danger to either the public or to the pharmacist, pharmacist-intern, or pharmacy technician.

*f.* Reporting to the board, as soon as possible, the name of a participant who refuses to cooperate with the program, who refuses to submit to treatment, or whose impairment is not substantially alleviated through intervention and treatment.

*g.* Immediate reporting to the board of the name of a participant where additional information is evident that known distribution of controlled substances or legend drugs to other individuals has taken place.

8. The board may add a surcharge of not more than ten percent of the applicable fee to a pharmacist license fee, pharmacist license renewal fee, pharmacist-intern registration fee, pharmacy technician registration fee, or pharmacy technician registration

renewal fee authorized under this chapter to fund programs to aid impaired pharmacists, pharmacist-interns, or pharmacy technicians.

9. The board may accept, transfer, and expend funds made available by the federal or state government or by another public or private source to be used in programs authorized by this section. The board may contract to provide funding on an annual basis to a professional pharmaceutical association or society for expenses incurred in management and operation of a program to aid impaired pharmacists, pharmacist-interns, or pharmacy technicians. Documentation of the use of these funds shall be provided to the board not less than annually for review and comment.

10. Funds and surcharges collected under this section shall be deposited in an account and may be used by the board to administer programs authorized by this section, including the provision of education, intervention, and posttreatment monitoring to an impaired pharmacist, pharmacist-intern, or pharmacy technician and to pay the administrative costs incurred by the board in connection with that funding and appropriate oversight, but not for costs incurred for a participant's initial evaluation, referral services, treatment, or rehabilitation subsequent to intervention.

11. The board may disclose that the license of a pharmacist, the registration of a pharmacist-intern, or the registration of a pharmacy technician who is the subject of an order of the board that is confidential pursuant to subsection 4 is suspended, revoked, canceled, restricted, or retired; or that the pharmacist, pharmacist-intern, or pharmacy technician is in any manner otherwise limited in the practice of pharmacy; or other relevant information pertaining to the pharmacist, pharmacist-intern, or pharmacy technician which the board deems appropriate.

12. The board may adopt rules necessary for the implementation of this section.

97 Acts, ch 39, §5

**155A.40 Criminal history record checks.**

1. The board may request and obtain, notwithstanding section 692.2, subsection 5, criminal history data for any applicant for an initial or renewal license or registration issued pursuant to this chapter or chapter 147, any applicant for reinstatement of a license or registration issued pursuant to this chapter or chapter 147, or any licensee or registrant who is being monitored as a result of a board order or agreement resolving an administrative disciplinary action, for the purpose of evaluating the applicant's, licensee's, or registrant's eligibility for licensure, registration, or suitability for continued practice of the profession. Criminal history data may be requested for all owners, managers, and principal employees of a pharmacy or drug wholesaler licensed pursuant to this chapter. The board shall adopt rules pursuant to chapter 17A to implement this section. The board shall inform the applicant, licensee, or registrant of the criminal history requirement and obtain a signed waiver from the applicant, licensee, or registrant prior to submitting a criminal history data request.

2. A request for criminal history data shall be submitted to the department of public safety, division of criminal investigation, pursuant to section 692.2, subsection 1. The board may also require such applicants, licensees, and registrants to provide a full set of fingerprints, in a form and manner prescribed by the board. Such fingerprints may be submitted to the federal bureau of investigation through the state criminal history repository for a national criminal history check. The board may authorize alternate methods or sources for obtaining criminal history record information. The board may, in addition to any other fees, charge and collect such amounts as may be incurred by the board, the department of public safety, or the federal bureau of investigation in obtaining criminal history information. Amounts collected shall be considered repayment receipts as defined in section 8.2.

3. Criminal history information relating to an applicant, licensee, or registrant obtained by the board pursuant to this section is confidential. The board may, however, use such information in a license or registration denial proceeding. In a disciplinary proceeding, such information shall constitute investigative information under section 272C.6, subsection 4, and may be used only for purposes consistent with that section.

4. This section shall not apply to a manufacturer of a prescription drug or device that has

been delivered into commerce pursuant to an application approved by the federal food and drug administration.

2005 Acts, ch 35, §31; 2005 Acts, ch 179, §188

**155A.41 Continuous quality improvement program.**

1. Each licensed pharmacy shall implement or participate in a continuous quality improvement program to review pharmacy procedures in order to identify methods for addressing pharmacy medication errors and for improving patient use of medications and patient care services. Under the program, each pharmacy shall assess its practices and identify areas for quality improvement.

2. The board shall adopt rules for the administration of a continuous quality improvement program. The rules shall address all of the following:

*a.* Program requirements and procedures.

*b.* Program record and reporting requirements.

*c.* Any other provisions necessary for the administration of a program.

2005 Acts, ch 179, §189

**155A.42 Limited drug and device distributor license.**

1. A person shall not act as a limited drug and device distributor without a license. The license shall be identified as a limited drug and device distributor license.

2. The board shall establish, by rule, standards for limited drug and device distributors and may define specific types of limited drug and device distributors. The board may identify, by rule, specific prescription drugs or classes of noncontrolled prescription drugs, which may be distributed by a limited drug and device distributor.

3. The board shall adopt rules pursuant to chapter 17A relating to the issuance of a limited drug and device distributor license. The rules shall provide for conditions of licensure, compliance standards, licensure fees, disciplinary action, and other relevant matters.

4. The board may deny, suspend, or revoke a limited drug and device distributor's license for failure to meet the applicable standards or for a violation of the laws of this state, another state, or the United States relating to prescription drugs or controlled substances, or for a violation of this chapter, chapter 124, 124A, 124B, 126, 205, or 272C, or a rule of the board.

2007 Acts, ch 19, §6

**155A.43 Pharmaceutical collection and disposal program — annual allocation.**

Of the fees collected pursuant to sections 124.301 and 147.80 and chapter 155A by the board of pharmacy, and retained by the board pursuant to section 147.82, not more than one hundred twenty-five thousand dollars may be allocated annually by the board for administering the pharmaceutical collection and disposal program originally established pursuant to 2009 Iowa Acts, chapter 175, section 9. The program shall provide for the management and disposal of unused, excess, and expired pharmaceuticals. The board of pharmacy may cooperate with the Iowa pharmacy association and may consult with the department and sanitary landfill operators in administering the program.

2011 Acts, ch 129, §88, 156

**155A.44 Vaccine and immunization administration.**

1. In accordance with rules adopted by the board, a licensed pharmacist may administer vaccines and immunizations pursuant to this section.

2. The board shall adopt rules requiring pharmacists to complete training pursuant to continuing education requirements and establish protocols for the review of prescriptions and administration of vaccines and immunizations. The rules shall allow a licensed pharmacist who has completed the required training to administer vaccines and immunizations in accordance with the rules of the board and shall include the United States centers for disease control and prevention's protocol for the administration of the vaccinations and immunizations.

3. Prior to the administration of a vaccination or immunization authorized by subsection 4, paragraph "*b*", subparagraphs (2) through (4), pursuant to the required protocols,

a licensed pharmacist shall consult and review the statewide immunization registry or health information network. The board shall adopt rules requiring the reporting of the administration of vaccines and immunizations authorized by subsection 4, paragraph "*b*", subparagraphs (2) through (4), to a patient's primary health care provider, primary physician, and a statewide immunization registry or health information network.

4. A licensed pharmacist shall only administer the following vaccines and immunizations to the designated age categories:

*a.* Vaccination and immunization of patients ages six years through seventeen years shall be limited to vaccines or immunizations for influenza and other emergency immunizations or vaccines in response to a public health emergency.

*b.* Patients ages eighteen years and older may receive a vaccination or immunization administered by a licensed pharmacist for any of the following:

(1) An immunization or vaccination described in paragraph "*a*", including all forms of the influenza vaccine.

(2) An immunization or vaccination recommended by the United States centers for disease control and prevention advisory committee on immunization practices in its approved vaccination schedule for adults.

(3) An immunization or vaccine recommended by the United States centers for disease control and prevention for international travel.

(4) A Tdap (tetanus, diphtheria, acellular pertussis) vaccination in a booster application.

2013 Acts, ch 8, §1
NEW section

# CHAPTER 156

## FUNERAL DIRECTING, MORTUARY SCIENCE, AND CREMATION

Referred to in §135.11, 144C.3, 144C.11, 147.76, 331.608, 523A.502, 523A.813, 714H.4

Enforcement, §147.87, 147.92
Penalty, §147.86
See chapter 523A for sales of cemetery and funeral merchandise and funeral services


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156.16 Unlicensed practice — injunctions, civil penalties, consent agreements.


**156.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Board"* means the board of mortuary science.

2. *"Cremation"* means the technical process, using heat and flame, that reduces human remains to bone fragments. The reduction takes place through heat and evaporation. Cremation shall include the processing, and may include the pulverization, of the bone fragments.

3. *"Cremation establishment"* means a place of business as defined by the board which provides any aspect of cremation services.

4. *"Funeral director"* means a person licensed by the board to practice mortuary science.

5. *"Funeral establishment"* means a place of business as defined by the board devoted to providing any aspect of mortuary science.

6. *"Intern"* means a person registered by the board to practice mortuary science under the direct supervision of a preceptor certified by the board.

7. *"Mortuary science"* means the engaging in any of the following:

*a.* Preparing, for burial or disposal, or directing and supervising burial or disposal of dead human bodies except supervising cremations.

*b.* Making funeral arrangements or furnishing any funeral services in connection with disposition of dead human bodies or sale of any casket, vault, urn, or other burial receptacle.

*c.* Using the words *"funeral director"*, *"mortician"*, or any other title implying that the person is engaged as a funeral director as defined in this section.

*d.* Embalming dead human bodies, entire or in part, by the use of chemical substances, fluids, or gases in the body, or by the introduction of the same into the body by vascular injections, hypodermic injections, or by surface application into the organs or cavities for the purpose of preservation or disinfection.

[S13, §2575-a36; C24, 27, §2584; C31, 35, §2585-c1; C39, §**2585.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §156.1]

96 Acts, ch 1148, §3; 2007 Acts, ch 10, §156; 2007 Acts, ch 159, §5, 6

Referred to in §156.2, 523A.302, 523A.601

Former unnumbered paragraph 2 editorially transferred to §156.1A in Code Supplement 2007

**156.1A Provision of services.**

Nothing contained in this chapter shall be construed as prohibiting the operation of any funeral home, funeral establishment, or cremation establishment by any person, heir, fiduciary, firm, cooperative burial association, or corporation. However, each such person, firm, cooperative burial association, or corporation shall ensure that all mortuary science services are provided by a funeral director, and shall keep the Iowa department of public health advised of the name of the funeral director.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §156.1(unn. 2)]

CS2007, §156.1A

Section transferred from §156.1, unnumbered paragraph 2, in Code Supplement 2007

**156.2 Persons excluded.**

Section 156.1 shall not be construed to include the following classes of persons:

1. Manufacturers, wholesalers, distributors, and retailers of caskets, vaults, urns, or other burial receptacles not engaged in the other functions of furnishing of funeral services or embalming as above defined.

2. Those who use bodies for scientific purposes as defined in sections 142.1, 142.2, and 142.5; or those who make scientific examinations of dead bodies; or those who perform autopsies.

3. Physicians or institutions who preserve parts of human bodies either for scientific purposes or for use as evidence in prospective legal cases.

4. Persons who, without compensation, bury their own dead under a burial transit permit secured pursuant to section 144.32.

[C31, 35, §2585-c2; C39, §**2585.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §156.2]

96 Acts, ch 1148, §4

**156.3 Eligibility requirements.**

To be eligible to take the examination for a funeral director's license, a person must have completed two academic years of instruction in a recognized college or university in a course of study approved by the board or have equivalent education as defined by the board and have

satisfactorily completed a course of instruction in mortuary science in an accredited school approved by the board.

[S13, §2575-a37, -a38; C24, 27, §2585; C31, 35, §2585-c3, -c4, -c9; C39, §**2585.03, 2585.04, 2585.09;** C46, 50, §156.3, 156.4, 156.9; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §156.3]

90 Acts, ch 1253, §3

**156.4 Funeral directors.**

1. The practice of a funeral director must be conducted from a funeral establishment licensed by the board. The board may specify criteria for exceptions to the requirement of this subsection in rules.

2. A person shall not engage in the practice of mortuary science unless licensed.

3. Applications for the examination for a funeral director's license shall be verified on a form furnished by the board.

4. Applicants shall pass an examination prescribed by the board, which shall include the subjects of funeral directing, burial or other disposition of dead human bodies, sanitary science, embalming, restorative art, anatomy, public health, transportation, business ethics, and such other subjects as the board may designate.

5. After the applicant has completed satisfactorily the course of instruction in mortuary science in an accredited school approved by the board, the applicant must pass the examination prescribed by the board as provided in section 147.34. The applicant may then receive an internship certificate and shall then complete a minimum one-year internship as determined by the board.

[C24, 27, §2585; C31, 35, §2585-c3, -c4; C39, §**2585.03, 2585.04;** C46, 50, §156.3, 156.4; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §156.4]

96 Acts, ch 1148, §5; 2000 Acts, ch 1140, §41; 2005 Acts, ch 89, §19; 2007 Acts, ch 159, §7

**156.5 to 156.7** Repealed by 78 Acts, ch 1075, § 19.

**156.8 Internships.**

The board shall, by rule, provide for internships in mortuary science, and shall regulate the registration, training, and fee for internships.

[C31, 35, §2585-c4; C39, §**2585.04;** C46, 50, §156.4; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §156.8]

96 Acts, ch 1148, §6

**156.8A Student practicum.**

The board, by rule, shall provide for practicums in mortuary science for students available through any school accredited by the American board of funeral service education.

2000 Acts, ch 1140, §42; 2007 Acts, ch 159, §8

**156.9 Revocation of license to practice mortuary science.**

1. Notwithstanding section 147.87, the board may restrict, suspend, or revoke a license to practice mortuary science or place a licensee on probation. The board shall adopt rules of procedure pursuant to chapter 17A by which to restrict, suspend, or revoke a license. The board may also adopt rules pursuant to chapter 17A relating to conditions of license reinstatement.

2. In addition to the grounds stated in sections 147.55 and 272C.10, the board may revoke or suspend the license of, or otherwise discipline, a funeral director for any one of the following acts:

*a.* Knowingly misrepresenting any material matter to a prospective purchaser of funeral merchandise, furnishings, or services.

*b.* A violation of chapter 144 related to the practice of mortuary science.

*c.* Knowingly aiding, assisting, procuring, advising, or allowing a person to unlawfully practice mortuary science.

*d.* Willful or repeated violations of this chapter, or the rules adopted pursuant to this chapter.

*e.* Conviction of any crime related to the practice of mortuary science or implicating the licensee's competence to safely perform mortuary science services, including but not limited to a crime involving moral character, dishonesty, fraud, theft, embezzlement, extortion, or controlled substances, in a court of competent jurisdiction in this state, or in another state, territory, or district of the United States, or in a foreign jurisdiction. For purposes of this paragraph, "*conviction*" includes a guilty plea, deferred judgment, or other finding of guilt. A certified copy of the judgment is prima facie evidence of the conviction.

[C31, 35, §2585-c5; C39, §**2585.05;** C46, 50, §156.5; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §156.9]

87 Acts, ch 30, §1; 96 Acts, ch 1148, §7; 2007 Acts, ch 159, §9; 2008 Acts, ch 1088, §110

**156.10 Inspection.**

1. The director of public health shall inspect all places where dead human bodies are prepared or held for burial, entombment, or cremation, and shall adopt and enforce such rules and regulations in connection with the inspection as shall be necessary for the preservation of the public health.

2. The Iowa department of public health shall assess an inspection fee for an inspection of a place where dead human bodies are prepared for burial or cremation. The fee shall be determined by the department by rule.

[C31, 35, §2585-c7; C39, §**2585.06;** C46, 50, §156.6; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §156.10]

96 Acts, ch 1148, §8; 2007 Acts, ch 159, §10

**156.11** Repealed by 78 Acts, ch 1075, § 19.

**156.12 Funeral directors — solicitation of business — exceptions — penalty.**

Every funeral director, or person acting on behalf of a funeral director, who pays or causes to be paid any money or other thing of value as a commission or gratuity for the securing of business for the funeral director, and every person who accepts or offers to accept any money or other thing of value as a commission or gratuity from a funeral director in order to secure business for the funeral director commits a simple misdemeanor. This section does not prohibit any person, firm, cooperative burial association, or corporation, subject to the provisions of this chapter, from using legitimate and honest advertising. This section does not apply to sales made in accordance with chapter 523A.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §156.12]

87 Acts, ch 30, §2

**156.13 Certificate of national board in lieu of examination.** Repealed by 2007 Acts, ch 159, § 12.

**156.14 Funeral establishment and cremation establishment license.**

1. A person shall not establish, conduct, or maintain a funeral establishment or a cremation establishment in this state without a license. The license shall be identified as an establishment license.

*a.* An establishment license issued by the board under this chapter shall be issued for a site and in the name of the individual in charge and is not transferable or assignable.

*b.* A license is required for each place of practice.

*c.* The license of the establishment shall be displayed.

2. The board shall specify by rule the licensing procedures to be followed, including specifications of forms for use in applying for an establishment license and fees for filing an application. The board shall specify by rule minimum standards for professional responsibility in the conduct of a funeral establishment or a cremation establishment.

3. To qualify for a funeral establishment or a cremation establishment license, the applicant shall submit to the board a license fee as determined by the board and a completed application on a form prescribed by the board that shall include the following information and be given under oath:

*a.* Ownership of the establishment.

*b.* Location of the establishment.

*c.* The license number of each funeral director employed by the establishment at the time of the application.

*d.* The trade or corporate name of the establishment.

*e.* The name of the individual in charge, who has the authority and responsibility for the establishment's compliance with laws and rules pertaining to the operation of the establishment.

4. A person who falsely makes the affidavit prescribed in subsection 3 is subject to all penalties prescribed for making a false affidavit.

96 Acts, ch 1148, §9

Referred to in §156.15

**156.15 Funeral establishments and cremation establishments — license required — discipline, violations, and penalties.**

1. A funeral establishment or cremation establishment shall not be operated until a license or renewal certificate has been issued to the establishment by the board.

2. The board shall refuse to issue an establishment license when an applicant fails to meet the requirements of section 156.14. The board may refuse to issue or renew a license or may impose a penalty, not to exceed ten thousand dollars, issue a reprimand, or revoke, restrict, cancel, or suspend a license, and may place a licensee on probation, if the board finds that the applicant or licensee has done any of the following:

*a.* Been convicted of a felony or any crime related to the practice of mortuary science or implicating the establishment's ability to safely perform mortuary science services, or if the applicant is an association, joint stock company, partnership, or corporation, that a managing officer or owner has been convicted of such a crime, under the laws of this state, another state, or the United States.

*b.* Violated this chapter or any rule adopted under this chapter or that any owner or employee of the establishment has violated this chapter or any rule adopted under this chapter.

*c.* Knowingly aided, assisted, procured, advised, or allowed a person to unlawfully practice mortuary science.

*d.* Failed to engage in or ceased to engage in the business described in the application for a license.

3. Failed to keep and maintain records as required by this chapter or rules adopted under this chapter.

96 Acts, ch 1148, §10; 2007 Acts, ch 159, §11

**156.16 Unlicensed practice — injunctions, civil penalties, consent agreements.**

1. If the board has reasonable grounds to believe that a person or establishment which is not licensed under this chapter has engaged, or is about to engage, in an act or practice which requires licensure under this chapter, or otherwise violates a provision of this chapter, the board may issue an order to require the unlicensed person or establishment to comply with the provisions of this chapter, and may impose a civil penalty not to exceed one thousand dollars for each violation of this chapter by an unlicensed person or establishment. Each day of a continued violation constitutes a separate offense.

2. The board may conduct an investigation as needed to determine whether probable cause exists to initiate the proceedings described in this section. To aid in such an investigation or in connection with any other proceeding under this section, the board may issue subpoenas to compel witnesses to testify or persons to produce evidence consistent with the provisions of section 272C.6, subsection 3.

3. The board, in determining the amount of a civil penalty to be imposed, may consider any of the following:

*a.* Whether the amount imposed will be a substantial economic deterrent to the violation.

*b.* The circumstances leading to the violation.

*c.* The severity of the violation and the risk of harm to the public.

*d.* The economic benefits gained by the violator as a result of noncompliance.

*e.* The interest of the public.

4. The board, before issuing an order under this section, shall provide the person or establishment written notice and the opportunity to request a hearing. The hearing must be requested within thirty days after receipt of the notice and shall be conducted in the same manner as provided for disciplinary proceedings involving a licensee under this chapter.

5. The board may request the attorney general to bring an action to enforce the subpoena.

6. A person or establishment aggrieved by the issuance of an order or the imposition of a civil penalty under this section may seek judicial review pursuant to section 17A.19.

7. If a person or establishment fails to pay a civil penalty within thirty days after entry of an order imposing the civil penalty, or, if the order is stayed pending an appeal, within ten days after the court enters a final judgment in favor of the board, the board shall notify the attorney general. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs.

8. An action to enforce an order under this section may be joined with an action for an injunction pursuant to section 147.83.

9. The board, in its discretion and in lieu of issuing or enforcing an order or imposing a civil penalty for an initial violation under this section, may enter into a consent agreement with a violator, or with a person who aided or abetted a violator, which acknowledges the violation and the violator's agreement to refrain from any further violation.

2004 Acts, ch 1168, §11

# CHAPTER 157

## COSMETOLOGY

Referred to in §147.76, 158.6, 158.8, 158.12, 158.14, 261.18

Enforcement, §147.87, 147.92


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**157.1 Definitions.**

For purposes of this chapter:

1. *"Board"* means the board of cosmetology arts and sciences.

2. *"Certified laser product"* means a product which is certified by a manufacturer pursuant to the requirements of 21 C.F.R. pt. 1040 and as specified by rule.

3. *"Chemical exfoliation"* means the removal of surface epidermal cells of the skin by using only nonmedical strength cosmetic preparations consistent with labeled instructions and as specified by rule.

4. *"Cosmetologist"* means a person who performs the practice of cosmetology, or otherwise by the person's occupation claims to have knowledge or skill particular to the practice of cosmetology. Cosmetologists shall not represent themselves to the public as

being primarily in the practice of haircutting unless that function is, in fact, their primary specialty.

5. *"Cosmetology"* means all of the following practices:

*a.* Arranging, braiding, dressing, curling, waving, press and curl hair straightening, shampooing, cutting, singeing, bleaching, coloring, or similar works, upon the hair of any person, or upon a wig or hairpiece when done in conjunction with haircutting or hairstyling by any means.

*b.* Massaging, cleansing, stimulating, exercising, or beautifying the superficial epidermis of the scalp, face, neck, arms, hands, legs, feet, or upper body of any person with the hands or mechanical or electrical apparatus or appliances or with the use of cosmetic preparations, including cleansers, toners, moisturizers, or masques.

*c.* Removing superfluous hair from the face or body of a person with the use of depilatories, wax, sugars, threading, or tweezing.

*d.* Applying makeup or eyelashes, tinting of lashes or brows, or lightening of hair on the face or body.

*e.* Cleansing, shaping, or polishing the fingernails, applying sculptured nails, nail extensions, wraps, overlays, nail art, or any other nail technique to the fingernails or toenails of a person.

6. *"Cosmetology arts and sciences"* means any or all of the following disciplines, performed with or without compensation by a licensee:

*a.* Cosmetology.

*b.* Electrology.

*c.* Esthetics.

*d.* Nail technology.

*e.* Manicuring and pedicuring.

7. *"Department"* means the Iowa department of public health.

8. *"Depilatory"* means an agent used for the temporary removal of superfluous hair by dissolving it at the epidermal surface.

9. *"Electrologist"* means a person who performs the practice of electrology.

10. *"Electrology"* means the removal of superfluous hair of a person by the use of an electric needle or other electronic process.

11. *"Esthetician"* means a person who performs the practice of esthetics.

12. *"Esthetics"* means the following:

*a.* Beautifying, massaging, cleansing, stimulating, or hydrating the skin of a person, except the scalp, by the use of cosmetic preparations, including cleansers, antiseptics, tonics, lotions, creams, exfoliants, masques, and essential oils, to be applied with the hands or any device, electrical or otherwise, designed for the nonmedical care of the skin.

*b.* Applying makeup or eyelashes to a person, tinting eyelashes or eyebrows, or lightening hair on the body except the scalp.

*c.* Removing superfluous hair from the body of a person by the use of depilatories, waxing, sugaring, tweezers, threading, or use of any certified laser products or intense pulsed light devices. This excludes the practice of electrology, whereby hair is removed with an electric needle.

*d.* The application of permanent makeup or cosmetic micropigmentation.

13. *"Exfoliation"* means the process whereby the superficial epidermal cells are removed from the skin.

14. *"General supervision"* means the supervising physician is not on site for laser procedures or use of an intense pulsed light device for hair removal conducted on minors, but is available for direct communication, either in person or by telephone, radio, radiotelephone, television, or similar means.

15. *"Instructor"* means a person licensed for the purpose of teaching cosmetology arts and sciences.

16. *"Intense pulsed light device"* means a device that uses incoherent light to destroy the vein of the hair bulb.

17. *"Laser"* means light amplification by the stimulated emission of radiation.

18. *"Manicuring"* means the practice of cleansing, shaping, or polishing the fingernails

and massaging the hands and lower arms of a person. *"Manicuring"* does not include the application of sculptured nails or nail extensions to the fingernails or toenails of a person, and does not include the practice of pedicuring.

19. *"Manicurist"* means a person who performs the practice of manicuring.

20. *"Mechanical exfoliation"* means the physical removal of surface epidermal cells by means that include but are not limited to brushing machines, granulated scrubs, peel-off masques, peeling creams or drying preparations that are rubbed off, and microdermabrasion.

21. *"Microdermabrasion"* means mechanical exfoliation using an abrasive material or apparatus to remove surface epidermal cells with a machine which is specified by rule.

22. *"Minor"* means an unmarried person who is under the age of eighteen years.

23. *"Nail technologist"* means a person who performs the practice of nail technology.

24. *"Nail technology"* means all of the following:

*a.* Applying sculptured nails, nail extensions, wraps, overlays, nail art, or any other nail technique to the fingernails and toenails of a person.

*b.* Massaging the hands, arms, ankles, and feet of a person.

*c.* Removing superfluous hair from hands, arms, feet, or legs of a person by the use of wax or a tweezer.

*d.* Manicuring the nails of a person.

25. *"Physician"* means a person licensed in Iowa to practice medicine and surgery or osteopathic medicine and surgery.

26. *"Salon"* means a fixed establishment or place where one or more persons engage in the practice of cosmetology arts and sciences, including, but not limited to, a retail establishment where cosmetologists engage in the practice of cosmetology arts and sciences.

27. *"School of cosmetology arts and sciences"* means an establishment licensed for the purpose of teaching cosmetology arts and sciences.

[C27, 31, 35, §2585-b1; C39, §**2585.10;** C46, 50, 54, 58, 62, 66, 71, 73, 77, 79, 81, §157.1]

92 Acts, ch 1205, §1; 93 Acts, ch 61, §1; 2004 Acts, ch 1044, §1 – 6; 2005 Acts, ch 89, §20 – 22; 2007 Acts, ch 10, §157, 158; 2008 Acts, ch 1088, §141; 2010 Acts, ch 1163, §4, 5

Referred to in §157.2, 157.3A, 158.2, 158.13

**157.2 Prohibitions — exceptions.**

1. It is unlawful for a person to practice cosmetology arts and sciences with or without compensation unless the person possesses a license issued under section 157.3. However, practices listed in section 157.1 when performed by the following persons are not defined as the practice of cosmetology arts and sciences:

*a.* Licensed physicians and surgeons, osteopathic physicians and surgeons, nurses, dentists, podiatric physicians, optometrists, chiropractors, and physical therapists, when exclusively engaged in the practice of their respective professions.

*b.* Licensed barbers who practice barbering as defined in section 158.1.

*c.* Students enrolled in licensed schools of cosmetology arts and sciences or barber schools who are practicing under the instruction or immediate supervision of an instructor.

*d.* Persons who perform without compensation any of the practices listed in section 157.1 on an emergency basis or on a casual basis.

*e.* Employees of hospitals, health care facilities, orphans' homes, juvenile homes, and other similar facilities who perform cosmetology services for any resident without receiving direct compensation from the person receiving the service.

*f.* Volunteers for and residents of health care facilities, orphans' homes, juvenile homes, and other similar facilities who shampoo, arrange, dress, or curl the hair, apply makeup, or polish the nails of any resident without receiving compensation from the person receiving the service.

*g.* Persons who perform any of the practices listed in section 157.1 on themselves or on a member of the person's immediate family.

*h.* Employees of a licensed barbershop when manicuring fingernails, if permitted under section 158.14, subsection 2.

*i.* Persons who apply samples of makeup, nail polish or other nail care products,

cosmetics, or other cosmetology or esthetics preparations to persons to demonstrate the products in the regular course of business.

2. Cosmetologists shall not represent themselves to the public as electrologists, estheticians, or nail technologists unless the cosmetologist has completed the additional course study for the respective practice as prescribed by the board pursuant to section 157.10.

3. Persons licensed under this chapter shall not administer any practice of removing the skin by means of a razor-edged instrument.

4. With the exception of hair removal, manicuring, and nail technology services, persons licensed under this chapter shall not administer any procedure in which human tissue is cut, shaped, vaporized, or otherwise structurally altered.

5. Persons licensed under this chapter shall only use intense pulsed light devices for purposes of hair removal.

[C27, 31, 35, §2585-b2; C39, §**2585.11;** C46, 50, 54, 58, 62, 66, 71, 73, 77, 79, 81, §157.2]

89 Acts, ch 240, §2; 92 Acts, ch 1205, §2; 93 Acts, ch 61, §2, 3; 96 Acts, ch 1034, §68; 2004 Acts, ch 1044, §7; 2005 Acts, ch 89, §23; 2006 Acts, ch 1184, §100, 101; 2008 Acts, ch 1088, §141

**157.3 License requirements.**

1. An applicant who has graduated from high school or its equivalent shall be issued a license to practice any of the cosmetology arts and sciences by the department when the applicant satisfies all of the following:

*a.* Presents to the department a diploma, or similar evidence, issued by a licensed school of cosmetology arts and sciences indicating that the applicant has completed the course of study for the appropriate practice of the cosmetology arts and sciences prescribed by the board. An applicant may satisfy this requirement upon presenting a diploma or similar evidence issued by a school in another state, recognized by the board, which provides instruction regarding the practice for which licensure is sought, provided that the course of study is equivalent to or greater in length and scope than that required for a school in this state, and is approved by the board.

*b.* Completes the application form prescribed by the board.

*c.* Passes an examination prescribed by the board. The examination may include both practical demonstrations and written or oral tests and shall not be confined to any specific system or method. However, a member of the board who is a licensed instructor of cosmetology arts and sciences shall not be involved in the selection or administration of the exam.

2. Notwithstanding subsection 1, a person who completes the application form prescribed by the board and who submits satisfactory proof of having been licensed in a practice of the cosmetology arts and sciences in another state for at least twelve months in the twenty-four month period preceding the submission of the application shall be allowed to take the examination for a license to practice the appropriate practice of the cosmetology arts and sciences. However, the examination requirement shall be waived for those persons who submit evidence of licensure in another state which has a reciprocal agreement with the state of Iowa under sections 147.44, 147.48, and 147.49.

[C27, 31, 35, §2585-b3, -b4; C39, §**2585.12, 2585.13;** C46, 50, 54, 58, 62, 66, 71, 73, §157.3, 157.4; C77, 79, 81, §157.3]

92 Acts, ch 1097, §5; 92 Acts, ch 1205, §3; 2005 Acts, ch 89, §24

Referred to in §157.2, 157.3A, 158.8, 158.10

**157.3A License requirements — additional training.**

In addition to the license requirements of section 157.3, a written application and proof of additional training and certification shall be required prior to approval by the board for the provision of the services described in this section.

1. *a.* A licensed esthetician, who intends to provide services pursuant to section 157.1, subsection 12, paragraphs "*a*" and "*c*", having received additional training on the use of microdermabrasion, a certified laser product, or an intense pulsed light device, shall submit

a written application and proof of additional training and certification for approval by the board. Training shall be specific to the service provided or certified laser product used.

*b.* A licensed esthetician who applies permanent makeup or cosmetic micropigmentation shall comply with the provisions of section 135.37 and applicable rules.

*c.* Extractions shall be administered only by a licensed esthetician who has been trained in extraction procedures.

*d.* Chemical peels shall be administered only by a licensed esthetician who has been certified by the manufacturer of the product being used.

2. *a.* A licensed cosmetologist having received additional training in the use of chemical peels, microdermabrasion, a certified laser product, or an intense pulsed light device for hair removal shall submit a written application and proof of additional training and certification for approval by the board. A cosmetologist who is licensed after July 1, 2005, shall not be eligible to provide chemical peels, practice microdermabrasion procedures, use certified laser products, or use an intense pulsed light device for hair removal.

*b.* A licensed cosmetologist who applies permanent makeup or cosmetic micropigmentation shall comply with the provisions of section 135.37 and applicable rules.

3. A licensed electrologist having received additional training on the use of a certified laser product or an intense pulsed light device for the purpose of hair removal shall submit a written application and proof of additional training and certification for approval by the board.

4. Any additional training received by a licensed esthetician, cosmetologist, or electrologist and submitted to the board relating to utilization of a certified laser product or an intense pulsed light device shall include a safety training component which provides a thorough understanding of the procedures being performed. The training program shall address fundamentals of nonbeam hazards, management and employee responsibilities relating to control measures, and regulatory requirements.

5. A certified laser product shall only be used on surface epidermal layers of the skin except for hair removal.

2004 Acts, ch 1044, §8; 2005 Acts, ch 3, §39; 2005 Acts, ch 89, §25 – 28
Referred to in §157.13

**157.3B Examination information.**

Notwithstanding section 147.21, individual pass or fail examination results made available from the authorized national testing agency to the board may be disclosed to the board-approved education program from which the applicant for licensure graduated for purposes of verifying accuracy of national data and reporting aggregate licensure examination results as required for a program's continued accreditation.

2009 Acts, ch 182, §129

**157.4 Temporary permits.**

1. The department may issue a temporary permit which allows the applicant to practice in the cosmetology arts and sciences for purposes determined by rule. The board shall determine and state its recommendations and the length of time the temporary permit issued under this subsection is valid.

2. The fee for a temporary permit shall be established by the board as provided in section 147.80.

[C31, 35, §2585-c10; C39, §**2585.20;** C46, 50, 54, 58, 62, 66, 71, 73, §157.11; C77, 79, 81, §157.4]

92 Acts, ch 1205, §4; 2005 Acts, ch 89, §29

**157.5 Consent and reporting requirements.**

1. A licensed cosmetologist, esthetician, or electrologist who provides services relating to the use of a certified laser product, intense pulsed light device for hair removal, chemical peel, or microdermabrasion, shall obtain a consent in writing prior to the administration of the services. A consent in writing shall create a presumption that informed consent was given if the consent:

*a.* Sets forth in general terms the nature and purpose of the procedure or procedures, together with the known risks associated with the procedure or procedures, if reasonably determinable.

*b.* Acknowledges that the disclosure of that information has been made and that all questions asked about the procedure or procedures have been answered in a satisfactory manner.

*c.* Is signed by the client for whom the procedure is to be performed, or if the client for any reason lacks legal capacity to consent, is signed by a person who has legal authority to consent on behalf of that client in those circumstances.

2. A licensed cosmetologist, esthetician, or electrologist who provides services related to the use of a certified laser product, intense pulsed light device for hair removal, chemical peel, or microdermabrasion, shall submit a report to the board within thirty days of any incident involving the provision of such services which results in physical injury requiring medical attention. Failure to comply with this section shall result in disciplinary action being taken by the board.

2004 Acts, ch 1044, §9; 2005 Acts, ch 89, §30, 31

**157.5A Manicurists.** Repealed by 2006 Acts, ch 1184, § 126.

**157.6 Sanitary rules — practice in the home.**

The department shall prescribe sanitary rules for salons and schools of cosmetology arts and sciences which shall include the sanitary conditions necessary for the practice of cosmetology arts and sciences and for the prevention of infectious and contagious diseases. Subject to local zoning ordinances, a salon may be established in a residence if a room other than the living quarters is equipped for that purpose. The department shall enforce this section and make necessary inspections for enforcement purposes.

[C27, 31, 35, §2585-b6; C39, §**2585.15;** C46, 50, 54, 58, 62, 66, 71, 73, 77, 79, 81, §157.6]

92 Acts, ch 1205, §6

Referred to in §157.8, 157.13

**157.7 Inspectors and clerical assistants.**

The department of inspections and appeals shall employ personnel pursuant to chapter 8A, subchapter IV, to perform duties related to inspection functions under this chapter. The department of inspections and appeals shall, when possible, integrate inspection efforts under this chapter with inspections conducted under chapter 158.

The Iowa department of public health may employ clerical assistants pursuant to chapter 8A, subchapter IV, to administer and enforce this chapter. The costs and expenses of the clerical assistants shall be paid from funds appropriated to the department of public health.

[C27, 31, 35, §2585-b9; C39, §**2585.17;** C46, 50, 54, 58, 62, 66, 71, 73, §157.8; C77, 79, 81, §157.7]

90 Acts, ch 1204, §23; 2003 Acts, ch 145, §201

Referred to in §10A.104

**157.8 Licensing of schools of cosmetology arts and sciences and instructors.**

1. It is unlawful for a school of cosmetology arts and sciences to operate unless the owner has obtained a license issued by the department. The owner shall file a verified application with the department on forms prescribed by the board.

2. *a.* The application for a license for a school shall be accompanied by the annual license fee determined pursuant to section 147.80 and shall state the name and location of the school and such other additional information as the board may require. The license is valid for one year and may be renewed.

*b.* The license shall contain a statement which provides that the licensee is approved by the department as a provider of postsecondary education.

*c.* A license for a school of cosmetology arts and sciences shall not be issued for any space in any location where the same space is also licensed as a barber school.

*d.* The school of cosmetology arts and sciences must pass a sanitary inspection under section 157.6. An annual inspection of each school of cosmetology arts and sciences,

including the educational activities of each school, shall be conducted and completed by the board or its designee prior to renewal of the license.

3. *a.* The number of instructors for each school shall be based upon total enrollment, with a minimum of two licensed instructors employed on a full-time basis for up to thirty students and an additional licensed instructor for each fifteen additional students. A student instructor shall not be used to meet licensed instructor-to-student ratios. A school operated by an area community college prior to September 1, 1982, with only one instructor per fifteen students is not subject to this paragraph and may continue to operate with the ratio of one licensed instructor to fifteen students. A student instructor may not be used to meet this requirement.

*b.* A school with less than thirty students enrolled may have one licensed instructor on site in the school if offering only clinic services or only theory instruction in a single classroom and less than fifteen students are present. If a school is offering clinic services and theory instruction simultaneously to less than fifteen students, at least two licensed instructors must be on site. Schools with more than thirty students enrolled shall meet the licensed instructor-to-student ratio as provided in paragraph *"a"*.

*c.* A person employed as an instructor in the cosmetology arts and sciences by a licensed school shall be licensed in the practice and shall possess a separate instructor's license which shall be renewed biennially. An instructor shall file an application with the department on forms prescribed by the board. Requirements for licensure as an instructor shall be determined by the board by rule.

*d.* The application for an instructor's license shall be accompanied by the biennial fee determined pursuant to section 147.80.

[C31, 35, §2585-c9; C39, §**2585.18;** C46, 50, 54, 58, 62, 66, 71, 73, §157.9; C77, 79, 81, §157.8]

83 Acts, ch 68, §1; 92 Acts, ch 1205, §7; 2004 Acts, ch 1044, §10; 2010 Acts, ch 1163, §6; 2012 Acts, ch 1062, §1

Referred to in §261B.11, 714.18, 714.25

**157.9 License suspension and revocation.**

Any license issued by the department under the provisions of this chapter may be suspended, revoked, or renewal denied by the board for violation of any provision of this chapter or chapter 158 or rules promulgated by the board under the provisions of chapter 17A.

[C77, 79, 81, §157.9]

**157.10 Course of study.**

1. The course of study required for licensure for the practice of cosmetology shall be two thousand one hundred clock hours, or seventy semester credit hours or the equivalent thereof as determined pursuant to administrative rule and regulations promulgated by the United States department of education. The clock hours, and equivalent number of semester credit hours or the equivalent thereof as determined pursuant to administrative rule and regulations promulgated by the United States department of education, of a course of study required for licensure for the practices of electrology, esthetics, nail technology, manicuring, and pedicuring shall be established by the board. The board shall adopt rules to define the course and content of study for each practice of cosmetology arts and sciences.

2. A person licensed in or a student of a practice of cosmetology arts and sciences shall be granted full credit for each course successfully completed which meets the requirements for licensure in another practice of cosmetology arts and sciences.

3. A barber licensed under chapter 158 or a student in a barber school who applies for licensure in a practice of cosmetology arts and sciences or who enrolls in a school of cosmetology arts and sciences shall be granted, at the discretion of the school, at least half credit and up to full credit for each course successfully completed for licensure as a barber which meets the requirements for licensure in a practice of cosmetology arts and sciences.

[C77, 79, 81, §157.10]

88 Acts, ch 1110, §1; 92 Acts, ch 1205, §8; 2004 Acts, ch 1100, §2; 2006 Acts, ch 1184, §102

Referred to in §157.2, 261.18

**157.11 Salon licenses.**

A salon shall not operate unless the owner has obtained a license issued by the department. The owner shall apply to the department on forms prescribed by the board. The department shall perform a sanitary inspection of each salon biennially and may perform a sanitary inspection of a salon prior to the issuance of a license. An inspection of a salon shall also be conducted upon receipt of a complaint by the department.

The application shall be accompanied by the biennial license fee determined pursuant to section 147.80. The license is valid for two years and may be renewed.

A licensed school of cosmetology arts and sciences at which students practice cosmetology arts and sciences is exempt from licensing as a salon.

[C77, 79, 81, §157.11]

83 Acts, ch 206, §10; 91 Acts, ch 268, §431; 92 Acts, ch 1205, §9; 99 Acts, ch 141, §28

**157.12 Supervisors.**

A person who directly supervises the work of practitioners of cosmetology arts and sciences shall be licensed in the practice supervised or a barber licensed under section 158.3.

[C31, 35, §2585-c11; C39, §**2585.21;** C46, 50, 54, 58, 62, 66, 71, 73, 77, 79, 81, §157.12]

88 Acts, ch 1110, §2; 92 Acts, ch 1205, §10

Referred to in §157.13

**157.12A Use of laser or light products on minors.**

A laser hair removal product or device, or intense pulsed light device, shall not be used on a minor unless the minor is accompanied by a parent or guardian and only under the general supervision of a physician.

2004 Acts, ch 1044, §11; 2005 Acts, ch 89, §32

**157.13 Violations.**

1. It is unlawful for a person to employ an individual to practice cosmetology arts and sciences unless that individual is licensed or has obtained a temporary permit under this chapter. It is unlawful for a licensee to practice with or without compensation in any place other than a licensed salon, a licensed school of cosmetology arts and sciences, or a licensed barbershop as defined in section 158.1. The following exceptions to this subsection shall apply:

*a.* A licensee may practice at a location which is not a licensed salon, school of cosmetology arts and sciences, or licensed barbershop under extenuating circumstances arising from physical or mental disability or death of a customer.

*b.* Notwithstanding section 157.12, when the licensee is employed by a physician and provides cosmetology services at the place of practice of a physician and is under the supervision of a physician licensed to practice pursuant to chapter 148.

*c.* When the practice occurs in a facility licensed pursuant to chapter 135B or 135C.

2. It is unlawful for a licensee to claim to be a licensed barber, however a licensed cosmetologist may work in a licensed barbershop. It is unlawful for a person to employ a licensed cosmetologist, esthetician, or electrologist to perform the services described in section 157.3A if the licensee has not received the additional training and met the other requirements specified in section 157.3A.

3. If the owner or manager of a salon does not comply with the sanitary rules adopted under section 157.6 or fails to maintain the salon as prescribed by rules of the department, the department may notify the owner or manager in writing of the failure to comply. If the rules are not complied with within five days after receipt of the written notice by the owner or manager, the department shall in writing order the salon closed until the rules are complied with. It is unlawful for a person to practice in a salon which has been closed under this section. The county attorney in each county shall assist the department in enforcing this section.

4. If the board has reasonable grounds to believe that a person or establishment which is not licensed under this chapter has engaged, or is about to engage, in an act or practice which requires licensure under this chapter, or otherwise violates a provision of this chapter, the board may issue an order to require the unlicensed person or establishment to comply with

the provisions of this chapter, and may impose a civil penalty not to exceed one thousand dollars for each violation of this chapter by an unlicensed person or establishment. Each day of a continued violation after an order or citation by the board constitutes a separate offense, with the maximum penalty not to exceed ten thousand dollars.

*a.* In determining the amount of a civil penalty, the board may consider the following:

(1) Whether the amount imposed will be a substantial economic deterrent to the violation.

(2) The circumstances leading to or resulting in the violation.

(3) The severity of the violation and the risk of harm to the public.

(4) The economic benefits gained by the violator as a result of noncompliance.

(5) The welfare or best interest of the public.

*b.* The board may conduct an investigation as needed to determine whether probable cause exists to initiate the proceedings described in this subsection. Before issuing an order or citation under this section, the board shall provide written notice and the opportunity to request a hearing on the record. The hearing must be requested within thirty days of the issuance of the notice and shall be conducted as provided in chapter 17A. The board may, in connection with a proceeding under this section, issue subpoenas to compel the attendance and testimony of witnesses and the disclosure of evidence and may request the attorney general to bring an action to enforce the subpoena.

*c.* A person aggrieved by the imposition of a civil penalty under this section may seek judicial review in accordance with section 17A.19. The board shall notify the attorney general of the failure to pay a civil penalty within thirty days after entry of an order pursuant to this subsection, or within ten days following final judgment in favor of the board if an order has been stayed pending appeal. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs. An action to enforce an order under this subsection may be joined with an action for an injunction.

[C31, 35, §2585-c12; C39, §**2585.22;** C46, 50, 54, 58, 62, 66, 71, 73, 77, 79, 81, §157.13]

88 Acts, ch 1110, §3; 92 Acts, ch 1205, §11; 2004 Acts, ch 1044, §12, 13; 2005 Acts, ch 89, §33; 2006 Acts, ch 1184, §103, 104; 2008 Acts, ch 1088, §111

**157.14 Rules.**

The board shall adopt rules pursuant to chapter 17A to administer the provisions of this chapter.

[C77, 79, 81, §157.14]

89 Acts, ch 3, §1

**157.15 Penalty.**

A person convicted of violating any of the provisions of this chapter or rules adopted pursuant to this chapter is guilty of a serious misdemeanor.

[C35, §2522; C39, §**2585.24;** C46, 50, 54, 58, 62, 66, 71, 73, 77, 79, 81, §157.15]

92 Acts, ch 1205, §12

# CHAPTER 158

## BARBERING

Referred to in §147.76, 157.7, 157.9, 157.10

Enforcement, §147.87, 147.92


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**158.1 Definitions.**

For the purpose of this chapter:

1. *"Barbering"* means the practices listed in this subsection performed with or without compensation. *"Barbering"* includes but is not limited to the following practices performed upon the upper part of the human body of any person for cosmetic purposes and not for the treatment of disease or physical or mental ailments:

*a.* Shaving or trimming the beard or cutting the hair.

*b.* Giving facial and scalp massages or treatments with oils, creams, lotions, or other preparations either by hand, or by electrical or mechanical appliances.

*c.* Singeing, shampooing, hair body processing, arranging, dressing, curling, blow waving, hair relaxing, bleaching or coloring the hair, or applying hair tonics.

*d.* Applying cosmetic preparations, antiseptics, powders, oils, clays, waxes, or lotions to scalp, face, or neck.

*e.* Styling, cutting or shampooing hairpieces or wigs when done in conjunction with haircutting or hairstyling.

2. *"Barber"* means a person who performs practices of barbering or otherwise by the person's occupation claims to have knowledge or skill peculiar to the practice of barbering.

3. *"Barbershop"* means an establishment in a fixed location where one or more persons engage in the practice of barbering.

4. *"Barber school"* means an establishment operated by a person for the purpose of teaching barbering.

5. *"Board"* means the board of barbering.

6. *"Department"* means the Iowa department of public health.

[C27, 31, 35, §2585-b11; C39, §**2585.25;** C46, 50, 54, 58, 62, 66, 71, 73, §158.1, 158.11(1,2); C77, 79, 81, §158.1]

2007 Acts, ch 10, §159; 2009 Acts, ch 56, §6; 2009 Acts, ch 133, §65

Referred to in §157.2, 157.13, 158.2, 158.8

**158.2 Prohibition — exceptions.**

A person shall not practice barbering with or without compensation unless the person possesses a license issued under the provisions of section 158.3. A person licensed under section 158.3 shall not represent to the public that the person is primarily engaged in practices other than haircutting unless the functions are in fact the person's primary function or specialty. Practices listed in section 158.1 when performed by the following persons do not constitute barbering:

1. Licensed physicians and surgeons, osteopathic physicians and surgeons, nurses, dentists, podiatric physicians, optometrists, chiropractors, and physical therapists, when exclusively engaged in the practice of their respective professions.

2. Licensed practitioners of cosmetology arts and sciences as defined in section 157.1.

3. Students enrolled in licensed barber schools or schools of cosmetology arts and sciences who are practicing under the instruction or immediate supervision of an instructor.

4. Persons who, without compensation, perform any of the practices on an emergency basis or on a casual basis.

5. Employees and residents of hospitals, health care facilities, orphans' homes, juvenile homes, and other similar facilities who shampoo, arrange, dress, or curl the hair of any resident, or who shave or trim the beard of any resident, without receiving direct compensation from the person receiving the service.

6. Persons who perform any of the practices listed in section 158.1 on themselves or on a member of the person's immediate family.

7. Offenders committed to the custody of the director of the department of corrections who cut the hair or trim or shave the beard of any other offender within a correctional facility, without receiving direct compensation from the person receiving the service.

8. Persons committed pursuant to chapter 229A to the custody of the director of the department of human services in the unit for sexually violent predators who cut the hair or trim or shave the beard of any other person within the unit, without receiving direct compensation from the person receiving the service.

[C27, 31, 35, §2585-b12; C39, §**2585.26;** C46, 50, 54, 58, 62, 66, 71, 73, 77, 79, 81, §158.2]

92 Acts, ch 1205, §18; 96 Acts, ch 1034, §68; 2005 Acts, ch 174, §20; 2008 Acts, ch 1088, §141; 2009 Acts, ch 133, §66; 2011 Acts, ch 98, §4

**158.3 License requirements.**

1. An applicant shall be issued a license to practice barbering by the department when the applicant satisfies all of the following:

*a.* Presents to the department a diploma, or other like evidence, issued by a licensed barber school indicating that the applicant has completed the course of study prescribed by the board.

*b.* Completes the application form prescribed by the board.

*c.* Passes an examination prescribed by the board. The examination shall include both practical demonstrations and written or oral tests and shall not be confined to any specific system or method.

*d.* Presents a certificate, or satisfactory evidence, to the department that the applicant has successfully completed tenth grade, or the equivalent. The provisions of this subsection shall not apply to students enrolled in a barber school maintained at an institution under the control of a director of a division of the department of human services.

2. Notwithstanding the provisions of subsection 1, any person who completes the application form prescribed by the board and who submits satisfactory proof of having been a licensed barber in another state for at least twelve months in the twenty-four month period preceding the submission of the application shall be allowed to take the examination for a license to practice barbering. However, the examination requirement shall be waived for those persons who submit evidence of licensure in another state which has a reciprocal agreement with the state of Iowa under the provisions of sections 147.44, 147.48, and 147.49.

[C27, 31, 35, §2585-b13, -b14; C39, §**2585.27, 2585.28;** C46, 50, 54, 58, 62, 66, 71, 73, §158.3, 158.4; C77, 79, 81, §158.3]

83 Acts, ch 96, §157, 159; 92 Acts, ch 1097, §6; 2009 Acts, ch 56, §7

Referred to in §157.12, 158.2, 158.4

**158.4 Temporary permits.**

1. A person who completes the requirements for licensure listed in section 158.3, except for the examination, shall be known as a trainee and shall be issued a temporary permit by the department which allows the applicant to practice barbering from the date of application until passage of the examination subject to this subsection. An applicant shall take the first available examination administered by the board, and may retain the temporary permit if the applicant does not pass the examination. An applicant who does not pass the first examination shall take the next available examination administered by the board. The temporary permit of an applicant who does not pass the second examination shall be revoked. An applicant who passes either examination shall be issued a license pursuant to

section 158.3. The board shall adopt rules providing for a waiver of the requirement to take the first available examination for good cause.

2. The department may issue a temporary permit which allows the applicant to practice barbering for purposes determined by rule. The board shall determine and state its recommendations and the length of time the temporary permit issued under this subsection is valid.

3. The fee for a temporary permit shall be established by the board as provided in section 147.80.

[C77, 79, 81, §158.4]

92 Acts, ch 1205, §19; 2010 Acts, ch 1163, §7

**158.5 Sanitary rules.**

The department shall prescribe sanitary rules for barbershops and barber schools which shall include the sanitary conditions necessary for the practice of barbering and for the prevention of infectious and contagious diseases. Subject to local zoning ordinances, a barbershop may be established in a residence if a room other than the living quarters is equipped for that purpose. The department shall enforce the provisions of this section and make necessary inspections for enforcement.

[C27, 31, 35, §2585-b15; C39, §**2585.31;** C46, 50, 54, 58, 62, 66, 71, 73, §158.7; C77, 79, 81, §158.5]

Referred to in §158.13

**158.6 Inspectors and clerical assistants.**

The department of inspections and appeals shall employ personnel pursuant to chapter 8A, subchapter IV, to perform duties related to inspection functions under this chapter. The department of inspections and appeals shall, when possible, integrate inspection efforts under this chapter with inspections conducted under chapter 157.

The Iowa department of public health may employ clerical assistants pursuant to chapter 8A, subchapter IV, to administer and enforce this chapter. The costs and expenses of the clerical assistants shall be paid from funds appropriated to the department of public health.

[C27, 31, 35, §2585-b18; C39, §**2585.33;** C46, 50, 54, 58, 62, 66, 71, 73, §158.9; C77, 79, 81, §158.6]

90 Acts, ch 1204, §24; 2003 Acts, ch 145, §202

Referred to in §10A.104

**158.7 Licensing barber schools.**

1. It is unlawful for a barber school to operate unless the owner has obtained a license issued by the department. The owner shall file a verified application with the department on forms prescribed by the board.

2. Any person employed as a barbering instructor in a licensed barber school shall be a licensed barber and shall possess a separate instructor's license which shall be renewed biennially. An instructor shall file an application with the department on forms prescribed by the board.

3. The barber school must pass a sanitary inspection, and the course of study of the school must be approved by the board under the provisions of section 158.8.

4. An annual inspection of each barber school, including the educational activities of each school, shall be conducted and completed by the board prior to renewal of the license.

5. *a.* The application shall be accompanied by the annual license fee determined under the provisions of section 147.80 and shall state the name and location of the school, name of the owner, name of the manager, and such other additional information as the board may require. The license is valid for one year and may be renewed.

*b.* The license shall contain a statement which provides that the licensee is approved by the department as a provider of postsecondary education.

6. A license for a barber school shall not be issued for any space in any location where the same space is licensed as a school of cosmetology.

[C46, 50, 54, 58, 62, 66, 71, 73, §158.11; C77, 79, 81, §158.7]

2009 Acts, ch 56, §8; 2012 Acts, ch 1062, §2

Referred to in §261.18, 261B.11, 714.18, 714.25

**158.8 Course of study.**

1. The course of study of a barber school shall consist of at least two thousand one hundred hours of instruction as prescribed by the board and shall include instruction in all phases of the practice of barbering as defined in section 158.1, subsection 1. The course shall require at least ten months of instruction for completion. The course shall include not less than three hundred hours of demonstrations and lectures in the following areas: law; ethics; equipment; shop management; history of barbering; sanitation; sterilization; personal hygiene; first aid; bacteriology; anatomy; scalp, skin, hair and their common disorders; electricity as applied to barbering; chemistry and pharmacology; scalp care; hair body processing; hairpieces; honing and stropping; shaving; facials, massage and packs; haircutting; hair tonics; dyeing and bleaching; instruments; soaps; and shampoos, creams, lotions, waxes, and tonics. It shall include not less than one thousand four hundred hours of supervised practical instruction in the following areas: scalp care and shampooing, honing and stropping, shaving, haircutting, hairstyling and blow waving, dyeing and bleaching, hair body processing, facials, waxing, massage and packs, beard and mustache trimming, and hairpieces.

2. A person licensed under section 157.3 who enrolls in a barber school shall be granted full credit for each course successfully completed which meets the requirements of the barber school, which shall be credited toward the two thousand one hundred hour requirement, and the ten-month period does not apply. A person who has been a student in a school of cosmetology arts and sciences licensed under chapter 157 may enroll in a barber school and shall be granted, at the discretion of the school, at least half credit and up to full credit for each course successfully completed which meets the requirements of the barber school.

[C77, 79, 81, §158.8]

88 Acts, ch 1110, §4; 92 Acts, ch 1205, §20; 2009 Acts, ch 56, §9

Referred to in §158.7, 261.18

**158.9 Barbershop licenses.**

A barbershop shall not operate unless the owner has obtained a license issued by the department. The owner shall apply to the department on forms prescribed by the board. The department shall perform a sanitary inspection of each barbershop biennially and may perform a sanitary inspection of a barbershop prior to the issuance of a license. An inspection of a barbershop shall also be conducted upon receipt of a complaint by the department.

The application shall be accompanied by the biennial license fee determined pursuant to section 147.80. The license is valid for two years and may be renewed.

A licensed barber school at which students practice barbering is exempt from licensing as a barbershop.

[C46, 50, 54, 58, 62, 66, 71, 73, §158.11; C77, 79, 81, §158.9]

83 Acts, ch 206, §11; 91 Acts, ch 268, §432; 99 Acts, ch 141, §29; 2001 Acts, ch 58, §14

**158.10 Supervisors of barbers.**

A person who directly supervises the work of barbers shall be either a barber licensed under this chapter or a cosmetologist licensed under section 157.3.

[C77, 79, 81, §158.10]

88 Acts, ch 1110, §5

**158.11** Repealed by 2001 Acts, ch 58, § 17.

**158.12 License suspension and revocation.**

Any license issued by the department under the provisions of this chapter may be suspended, revoked, or renewal denied by the board for violation of any provision of chapter 157 or this chapter or rules promulgated by the board under the provisions of chapter 17A.

[C46, 50, 54, 58, 62, 66, 71, 73, §158.11; C77, 79, 81, §158.12]

**158.13 Violations.**

1. It is unlawful for a person to employ an individual to practice barbering unless that individual is a licensed barber or has obtained a temporary permit. It is unlawful for a licensed barber to practice barbering with or without compensation in any place other than a licensed barbershop or barber school, or a licensed salon as defined in section 157.1, except that a licensed barber may practice barbering at a location which is not a licensed barbershop or barber school under extenuating circumstances arising from physical or mental disability or death of a customer. It is unlawful for a licensed barber to claim to be a licensed cosmetologist, but it is lawful for a licensed barber to work in a licensed salon.

2. If the owner or manager of a barbershop does not comply with the sanitary rules adopted under the provisions of section 158.5 or fails to maintain the barbershop as prescribed by rules of the department, the department may notify the owner or manager in writing of the failure to comply. If the rules are not complied with within five days after receipt of the written notice by the owner or manager, the department shall in writing order the shop closed until the rules are complied with. It is unlawful for a person to practice barbering in a shop which has been closed under the provisions of this section. The county attorney in each county shall assist the department in enforcing the provisions of this section.

[C27, 31, 35, §2585-b12, -c14; C39, §**2585.26, 2585.30;** C46, 50, 54, 58, 62, 66, 71, 73, §158.1, 158.6; C77, 79, 81, §158.13]

88 Acts, ch 1110, §6; 92 Acts, ch 1205, §22

**158.14 Manicurists.**

1. A licensed barbershop may employ a licensed manicurist to manicure the fingernails of any person.

2. An unlicensed person who was employed by a licensed barbershop to manicure fingernails prior to July 1, 1989, may continue such employment without meeting licensing requirements under chapter 157.

[C77, 79, 81, §158.14]

89 Acts, ch 240, §5

Referred to in §157.2

**158.15 Rules.**

The board shall adopt rules pursuant to chapter 17A to administer the provisions of this chapter.

[C77, 79, 81, §158.15]

89 Acts, ch 3, §2

**158.16 Penalty.**

A person convicted of violating any of the provisions of this chapter shall be fined an amount not to exceed one thousand dollars.

[C35, §2522; C39, §**2585.24;** C46, §157.15; C50, 54, 58, 62, 66, 71, 73, §158.12; C77, 79, 81, §158.16]

2009 Acts, ch 56, §10; 2010 Acts, ch 1061, §32

# TITLE V

## AGRICULTURE

# SUBTITLE 1

## AGRICULTURE AND CONSERVATION OF AGRICULTURAL RESOURCES

Referred to in §159.1, 159.5

# CHAPTER 159

## DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP


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## SUBCHAPTER I

## GENERAL PROVISIONS

**159.1 Definitions.**

For the purposes of subtitles 1 through 3 of this title, excluding chapters 161A and 161C, unless otherwise provided:

1. *"Agricultural drainage well"* means the same as defined in section 460.101.
2. *"Agricultural drainage well area"* means the same as defined in section 460.101.
3. *"Department"* means the department of agriculture and land stewardship and if the

department is required or authorized to do an act, unless otherwise provided, the act may be performed by an officer, regular assistant, or duly authorized agent of the department.

4. *"Designated agricultural drainage well area"* means the same as defined in section 460.101.

5. *"Person"* includes an individual, a corporation, company, firm, society, or association; and the act, omission, or conduct of any officer, agent, or other person acting in a representative capacity shall be imputed to the organization or person represented, and the person acting in such capacity shall also be liable for violation of subtitles 1 through 3 of this title, excluding chapters 161A and 161C.

6. *"Secretary"* means the secretary of agriculture.

[S13, §1657-b; C24, 27, 31, 35, 39, §**2586;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §159.1]

86 Acts, ch 1245, §604; 91 Acts, ch 74, §1; 92 Acts, ch 1163, § 38; 94 Acts, ch 1023, §13; 97 Acts, ch 193, §1; 2010 Acts, ch 1061, §33, 34

**159.2 Object of department.**

The object of the department of agriculture and land stewardship shall be:

1. To encourage, promote, and advance the interests of agriculture, including horticulture, livestock industry, dairying, cheese making, poultry raising, biofuels, beekeeping, production of wool, production of domesticated fur-bearing animals, and other kindred and allied industries.

2. To encourage a relationship between people and the land that recognizes land as a resource to be managed in a manner that avoids irreparable harm.

3. To develop and implement policies that inspire public confidence in the long-term future of agriculture as an economic activity as well as a way of life.

4. To administer efficiently and impartially the inspection service of the state as is now or may hereafter be placed under its supervision.

[S13, §1657-b, -g; C24, 27, 31, 35, 39, §**2587;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §159.2]

86 Acts, ch 1245, §605; 2012 Acts, ch 1095, §1

Referred to in §7E.5

**159.3 Cooperation.**

The department and the Iowa state university of science and technology shall cooperate in all ways that may be beneficial to the agricultural interests of the state, but without duplicating research or educational work conducted by the university. This section does not subordinate either the department or the university in their spheres of action.

The department may cooperate with the United States department of agriculture as the department deems wise and just.

[C97, §1677; S13, §1657-g; C24, 27, 31, 35, 39, §**2588;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §159.3]

86 Acts, ch 1245, §606

**159.4 Location.**

The department of agriculture and land stewardship shall be located at the seat of government.

[C97, §1678; SS15, §2507; C24, 27, 31, 35, 39, §**2589;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §159.4]

**159.5 Powers and duties.**

The secretary of agriculture is the head of the department of agriculture and land stewardship which shall:

1. Carry out the objects for which the department is created and maintained.

2. Establish and maintain such divisions in the department as are necessary for the proper enforcement of the laws administered by it.

3. Consolidate the inspection service of the state in respect to the laws administered by the department so as to eliminate duplication of inspection insofar as practicable.

4. Maintain a weather bureau which shall, in cooperation with the national weather service, collect and disseminate weather and phenological statistics and meteorological data, and promote knowledge of meteorology, phenology, and climatology of the state. The bureau shall be headed by the state climatologist who shall be appointed by the secretary of agriculture, and shall be an officer of the national weather service, if one is detailed for that purpose by the federal government.

5. Issue weekly weather and crop bulletins from April 1 to October 1 of each year, and edit and cause to be published monthly weather reports, containing meteorological matter in its relationship to agriculture, transportation, commerce, and the general public.

6. Cooperate with the United States department of agriculture statistical reporting service, to gather, compile, and publish statistical information concerning the condition and progress of crops, the production of crops, livestock, livestock products, poultry, and other such related agricultural statistics, as will generally promote knowledge of the agricultural industry in the state of Iowa. The statistics, when published, constitute official agricultural statistics for the state of Iowa.

7. Establish and maintain a marketing news service bureau in the department which shall, in cooperation with the federal market news and grading division of the United States department of agriculture, collect and disseminate data and information relative to the market prices and conditions of agricultural products raised, produced, and handled in the state.

8. Inspect and supervise all meat, poultry, or dairy producing or distributing establishments including the furniture, fixtures, utensils, machinery, and other equipment so as to prevent the production, preparation, packing, storage, or transportation of meat, poultry, or dairy products in a manner detrimental to the character or quality of those products.

9. Approve all methods of probing for foreign material content of any type of grain.

10. Establish, publish, and enforce rules not inconsistent with law for the enforcement of the provisions of subtitles 1 through 3 of this title, excluding chapters 161A and 161C, and for the enforcement of the various laws, the administration and supervision of which are imposed upon the department.

11. *a.* Establish a swine tuberculosis eradication program including but not limited to all of the following:

(1) The inspection of swine herds in this state when the department finds that an animal from a swine herd has, or is believed to have, tuberculosis.

(2) Ear tagging or otherwise physically marking all swine reacting positively to tests for tuberculosis.

(3) Condemning any swine which has tuberculosis.

(4) Depopulating any swine herd where tuberculosis is found to be generally present.

(5) Compensate the owners of condemned swine as provided under section 165.18, following the general procedures for filing claims and paying indemnities as provided in chapter 165.

*b.* If the department finds that the source of the tuberculosis in a swine herd is from another species of animal, except bovine, located on or near the premises on which the affected swine herd is located, the department may destroy those animals and indemnify the owners of the condemned animals as provided in chapter 163.

12. Establish and maintain a division of soil conservation. The division administrator shall be appointed by the secretary from a list of names of persons recommended by the soil conservation committee, pursuant to section 161A.4, subsection 6, paragraph "*c*", and shall serve at the pleasure of the secretary.

13. Establish and administer programs for the inspection and control of disease among livestock as defined in section 717.1.

14. In the administration of programs relating to water quality improvement and

watershed improvements, cooperate with the department of natural resources in order to maximize the receipt of federal funds.

**1.** [C24, 27, 31, 35, 39, §**2590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §159.5]

**2.** [S13, §1657-g; C24, 27, 31, 35, 39, §**2590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §159.5]

**3.** [C24, 27, 31, 35, 39, §**2590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §159.5]

**4.** [C97, §1677, 1678; C24, 27, 31, 35, 39, §**2590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §159.5]

**5.** [C97, §1679, 1680; S13, §1679; C24, 27, 31, 35, 39, §**2590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §159.5]

**6.** [C97, §1679; S13, §1679; C24, 27, 31, 35, 39, §**2590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §159.5]

**7.** [C97, §1680; S13, §1363; C24, 27, 31, 35, 39, §**2590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §159.5]

**8.** [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §159.5]

**9.** [S13, §2527-d5, 4527-m; C24, 27, 31, 35, 39, §**2590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §159.5]

**10.** [C79, 81, S81, §159.5(10)]

**11.** [S13, §2528-d10; C24, 27, 31, 35, 39, §**2590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §159.5(10); C79, 81, S81, §159.5(11)]

**12.** [C46, 50, 54, 58, 62, 66, §185.2; C71, 73, 75, 77, §159.5(11); C79, 81, S81, §159.5(12)]

**13.** [C75, 77, §159.5(12); C79, 81, S81, §159.5(13); 81 Acts, ch 117, §1019; 82 Acts, ch 1104, §4]

83 Acts, ch 96, §60, 157, 159; 83 Acts, ch 123, §69, 209; 84 Acts, ch 1067, §22; 86 Acts, ch 1137, §1; 86 Acts, ch 1245, §607, 608; 87 Acts, ch 115, §26; 88 Acts, ch 1134, §32; 89 Acts, ch 83, §29; 89 Acts, ch 106, §1; 94 Acts, ch 1023, §14; 99 Acts, ch 96, §15; 2000 Acts, ch 1038, §1; 2003 Acts, ch 74, §1; 2006 Acts, ch 1030, §16; 2007 Acts, ch 211, §36; 2009 Acts, ch 41, §57; 2010 Acts, ch 1061, §35; 2012 Acts, ch 1095, §2 – 5

Referred to in §159.6, 159.7, 165.18

**159.6 Additional duties.**

In addition to the duties imposed by section 159.5 the department shall enforce the law relative to:

1. Forest and fruit-tree reservations, chapter 427C.
2. Infectious and contagious diseases among animals, chapter 163.
3. Eradication of bovine tuberculosis, chapter 165.
4. Classical-swine-fever virus and classical-swine-fever serum, chapter 166.
5. Use and disposal of dead animals, chapter 167.
6. Practice of veterinary medicine and surgery, chapter 169.
7. Regulation and inspection of foods, drugs, and other articles, as provided in Title V, subtitle 4, but chapter 205 of that subtitle shall be enforced as provided in that chapter.
8. State aid received by certain associations as provided in chapters 176A through 182, 186, and 352.
9. Coal mining and mines as set forth in chapters 207 and 208.
10. Soil and water conservation as set forth in chapters 161A, 161C, 161E, and 161F.
11. Grain dealers as set forth in chapter 203.
12. Bonded warehouses for agricultural products as set forth in chapter 203C.
13. The grain depositors and sellers indemnity fund as set forth in chapter 203D.

[C24, 27, 31, 35, 39, §**2591;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §159.6]

86 Acts, ch 1245, §609; 88 Acts, ch 1053, §1; 88 Acts, ch 1134, §33, 34; 89 Acts, ch 83, §30; 89 Acts, ch 197, §24; 90 Acts, ch 1009, §1; 94 Acts, ch 1023, §15; 98 Acts, ch 1032, §1, 2; 2002 Acts, ch 1017, §2, 8; 2003 Acts, ch 44, §40, 116; 2003 Acts, ch 69, §23; 2004 Acts, ch 1082, §4; 2012 Acts, ch 1095, §33

**159.6A Contributions.**

The department may accept contributions, including gifts and grants, in order to carry out and administer the provisions of this chapter and chapter 460, subchapter III. The department shall maintain an itemized accounting of the contributions. At the end of each fiscal year, the department shall prepare a list recognizing private contributors.

92 Acts, ch 1239, §25

**159.7 Intake airprobes not approved.**

The secretary shall not approve the use of end intake airprobes, which use a vacuum to collect a sample from a load of grain, pursuant to section 159.5, subsection 9. A person who uses a method of probing for foreign material content of grain which is not approved by the secretary is guilty of a simple misdemeanor.

[C81, §159.7]

**159.8 Comprehensive management plan — highly erodible acres.**

1. The department shall request cooperation from the federal government, including the United States department of agriculture consolidated farm service agency and the United States department of agriculture natural resources conservation service, to investigate methods to preserve land which is highly erodible, as provided in the federal Food Security Act of 1985, 16 U.S.C. § 3801 et seq., for the purpose of developing with owners of the land a comprehensive management plan for the land. The plan may be based on the soil conservation plan of the natural resources conservation service and may include a farm unit conservation plan and a comprehensive agreement as provided in chapter 161A. The extension services at Iowa state university of science and technology shall cooperate with the department in developing the comprehensive plan.

2. The investigation shall include methods which help to preserve highly erodible land from row crop production through production of alternative commodities, and financial incentives.

89 Acts, ch 188, §1; 95 Acts, ch 216, §25; 2012 Acts, ch 1095, §8

**159.9 Internet access to statutes and rules.**

The statutes relating to and rules adopted by the department shall be made available on the internet.

[C24, 27, 31, 35, 39, §**2594;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §159.9]

2012 Acts, ch 1095, §6

**159.10 through 159.13** Reserved.

**159.14 Bonds.** Repealed by 2012 Acts, ch 1095, § 7.

**159.15** Repealed by 2001 Acts, ch 129, § 7.

**159.16 Duty of peace officers.**

All peace officers of the state when called upon by the secretary or any officer or authorized agent of the department shall enforce its rules and execute its lawful orders within their respective jurisdictions, and upon the request of the secretary such officers shall make such inspections as directed by the secretary and report the results thereof to the secretary.

[C24, 27, 31, 35, 39, §**2601;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §159.16]

**159.17 Interference with department.**

Any person resisting or interfering with the department, its employees or authorized agents, in the discharge of any duty imposed by law shall be guilty of a simple misdemeanor.

[C97, §2526; S13, §2528-c, -f3, 4999-a25, -a39, 5077-a23; SS15, §3009-r; C24, 27, 31, 35, 39, §**2602;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §159.17]

**159.18 Publicizing of farm programs.**

1. As used in this section, *"farm programs"* includes, but is not limited to, financial incentive programs established within the division of soil conservation of the department of agriculture and land stewardship as provided in section 161A.70 and the beginning farmer loan program administered by the Iowa finance authority as provided in section 175.12.

2. The department shall publicize the availability of farm programs to women and minority persons. The department shall disseminate the information electronically or by publishing printed brochures for distribution to locations and institutions serving farmers, including departmental offices, financial institutions participating in farm programs, and soil and water conservation district offices.

3. The department shall cooperate with private institutions and public agencies in order to carry out this section, including the economic development authority and the United States department of agriculture.

2000 Acts, ch 1224, §25; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 100, §22, 27
Subsection 1 amended

**159.19 Salary.**

The salary of the secretary of agriculture shall be as fixed by the general assembly.

[C31, 35, §2603-c1; C39, §**2603.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §159.19]

SUBCHAPTER II

AGRICULTURAL MARKETING

**159.20 Powers of department.**

1. The department shall perform duties designed to lead to more advantageous marketing of Iowa agricultural commodities. The department may do any of the following:

*a.* Investigate the marketing of agricultural commodities.

*b.* Promote the sale, distribution, and merchandising of agricultural commodities.

*c.* Furnish information and assistance concerning agricultural commodities to the public.

*d.* Cooperate with the college of agriculture and life sciences of the Iowa state university of science and technology in encouraging agricultural marketing education and research.

*e.* Accumulate and diffuse information concerning the marketing of agricultural commodities in cooperation with persons, agencies, or the federal government.

*f.* Investigate methods and practices related to the processing, handling, grading, classifying, sorting, weighing, packing, transportation, storage, inspection, or merchandising of agricultural commodities within this state.

*g.* Ascertain sources of supply for Iowa agricultural commodities. The department shall prepare and periodically publish lists of names and addresses of producers and consignors of agricultural commodities.

*h.* Perform inspection or grading of an agricultural commodity if requested by a person engaged in the production, marketing, or processing of the agricultural commodity. However, the person must pay for the services as provided by rules adopted by the department.

*i.* Cooperate with the economic development authority to avoid duplication of efforts between the department and the agricultural marketing program operated by the economic development authority.

*j.* Provide for the promotion and expansion of renewable fuels and coproducts, by doing all of the following:

(1) Assist the office of renewable fuels and coproducts in administering the provisions of chapter 159A, subchapter II.

(2) Assist the renewable fuel infrastructure board, provide for the administration of the renewable fuel infrastructure programs, and provide for the management of the renewable fuel infrastructure fund, as provided in chapter 159A, subchapter III.

2. As used in this subchapter:

*a.* *"Agricultural commodity"* means any unprocessed agricultural product, including

animals, agricultural crops, and forestry products grown, raised, produced, or fed in Iowa for sale in commercial channels.

*b.* *"Commercial channels"* means the processes for sale of an agricultural commodity or unprocessed product from the agricultural commodity to any person, public or private, who resells the agricultural commodity for breeding, processing, slaughter, or distribution.

[C62, 66, 71, 73, 75, 77, 79, 81, §159.20]

86 Acts, ch 1245, §610; 91 Acts, ch 254, §4; 92 Acts, ch 1163, §39; 92 Acts, ch 1239, §26 – 28; 94 Acts, ch 1119, §10; 98 Acts, ch 1032, §3; 2008 Acts, ch 1032, §27; 2009 Acts, ch 41, §58; 2010 Acts, ch 1031, §237; 2011 Acts, ch 113, §45, 56; 2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1021, §121, 141, 144

**159.21 International relations fund.**

1. An international relations fund is created in the state treasury under the control of the department. The fund is composed of moneys appropriated by the general assembly and moneys available to and obtained or accepted by the department from the United States or private sources for placement in the fund.

2. Moneys in the fund are subject to an annual audit by the auditor of state. The fund is subject to warrants written by the director of the department of administrative services, drawn upon the written requisition of the department.

3. Moneys in the fund are appropriated exclusively to support costs incurred by the department related to promoting the sale of Iowa agricultural commodities and agricultural products to government officials and business leaders of other nations. The department may use moneys in the fund to support travel, including international travel, for the secretary of agriculture or the secretary's designee, and hosting or attending trade missions, functions, or events.

4. Section 8.33 shall not apply to moneys in the fund. Notwithstanding section 12C.7, moneys earned as income or interest from the fund shall remain in the fund until expended as provided in this section.

2000 Acts, ch 1224, §26; 2003 Acts, ch 145, §286

**159.22 Grants and gifts of funds.**

The secretary may accept grants and allotments of funds from the federal government and enter into cooperative agreements with the United States department of agriculture for projects to effectuate a purpose described in this subchapter.

[C62, 66, 71, 73, 75, 77, 79, 81, §159.22]

91 Acts, ch 254, §5; 92 Acts, ch 1239, §29

**159.23 Special fund.**

All fees collected as a result of the inspection and grading provisions set out herein shall be paid into the state treasury, there to be set aside in a separate fund which is hereby appropriated for the use of the department except as indicated. Withdrawals therefrom shall be by warrant of the director of the department of administrative services upon requisition by the secretary of agriculture. Such fund shall be continued from year to year, provided, however, that if there be any balance remaining at the end of the biennium which, in the opinion of the governor, director of management and secretary of agriculture, is greater than necessary for the proper administration of the inspection and grading program referred to herein, the treasurer of state is hereby authorized on the recommendation and with the approval of the governor, director of management and secretary of agriculture, to transfer to the general fund of the state that portion of such account as they shall deem advisable.

[C62, 66, 71, 73, 75, 77, 79, 81, §159.23]

92 Acts, ch 1239, §30; 2003 Acts, ch 145, §286

**159.24 Grades or classifications of farm products.**

A certificate of the grade, or other classification, of any farm products issued under this chapter shall be accepted in any court of this state as prima facie evidence of the true grade or classification of such farm products as the same existed at the time of their classification.

[C62, 66, 71, 73, 75, 77, 79, 81, §159.24]

92 Acts, ch 1239, §31

**159.25 and 159.26** Repealed by 86 Acts, ch 1245, § 852.

**159.27 Iowa seal.**

A seal for agricultural products shall be created under the direction of the department of agriculture and land stewardship to identify agricultural products that have been produced or processed in the state. The department shall certify that agricultural products marked with the Iowa seal are of the quality and specifications warranted by the sellers of those products.

The department of agriculture and land stewardship shall adopt rules under chapter 17A to provide methods of identifying, marking, and grading agricultural products, to prevent any misleading use of the Iowa seal, and as necessary or advisable to fully implement this section.

A violation of a rule adopted by the department of agriculture and land stewardship to implement this section is a simple misdemeanor. A fraudulent use of the term "Iowa Seal" or of the identifying mark for the Iowa seal, or a deliberately misleading or unwarranted use of the term or identifying mark is a serious misdemeanor.

87 Acts, ch 107, §1

CS87, §159.31

2003 Acts, ch 48, §7

CS2003, §159.27

**159.28 through 159.29B** Transferred to chapter 460; 2002 Acts, ch 1137, § 68, 71; 2002 Acts, 2nd Ex, ch 1003, § 260, 262.

**159.30** Repealed by 2001 Acts, ch 129, § 7.

**159.31 Iowa seal.** Transferred to § 159.27; 2003 Acts, ch 48, § 7.

## SUBCHAPTER III

## DEPOSITARIES — ASSISTANCE SERVICES

**159.32 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Depositary"* means a qualified person who executes a contract with the department pursuant to section 159.33 to provide assistance services as provided in this subchapter.

2. *"Electronic funds transfer"* means a remote electronic transmission used for ordering, instructing, or authorizing a financial institution to apply money to or credit the account of the payee and debit the account of the payer. The remote electronic transmission may be initiated by telephone, computer, or similar device.

3. *"Filing document"* means any of the following:

*a.* An application for a license, permit, or certification, required to be submitted to the department as provided in this title.

*b.* A registration required to be submitted to the department as provided in this title.

4. *"Filing document fee"* means a fee or other charge established by statute or rule which is required to accompany a filing document submitted to the department as provided in this title.

2003 Acts, ch 48, §2

**159.33 Assistance services — authority to contract with depositary.**

Whenever practical, the department may execute a contract with a person qualified to provide assistance services under this subchapter, if the contract for the assistance services is cost-effective and the quality of the services ensures compliance with state and any applicable federal law. A person executing a contract with the department for the purpose of providing the assistance services shall be deemed to be a depositary of the state and an agent of the department only for purposes expressly provided in this subchapter. The department shall periodically review assistance services performed by a person under the contract to ensure that quality, cost-effective service is being provided.

2003 Acts, ch 48, §3

Referred to in §159.32

**159.34 Assistance services — filing documents.**

1. A contract executed under this subchapter may require that a depositary provide for the receipt, acceptance, and storage of filing documents that are sent in an electronic format to the depositary by persons who would otherwise be required to submit filing documents to the department under other provisions of this title. The contract shall be governed under the same provisions as provided in section 8A.106.

2. *a.* A depositary must send filing documents that it receives to the department for processing, including for the approval or disapproval of an application or the acknowledgment of a registration. The receipt of the filing document by the depositary shall be deemed receipt of the filing document but not an approval of an application or acknowledgment of a registration by the department.

*b.* A depositary may send a person notice of the department's approval or disapproval of an application or acknowledgment of a registration. The department and not a depositary shall be considered the lawful custodian of the department's filing documents which shall be public records as provided in chapter 22.

3. A filing document that is transmitted electronically to a depositary or from a depositary to another person is an electronic record for purposes of chapter 554D. An application or registration required to be signed must be authenticated by an electronic signature as provided by the department in conformance with chapter 554D.

2003 Acts, ch 48, §4; 2004 Acts, ch 1101, §25

**159.35 Assistance services — collection of moneys.**

1. A contract executed under this subchapter may require that a depositary provide for the receipt, acceptance, and transmission of moneys owed to the department by a person in order to satisfy a liability arising from the operation of law which is limited to filing document fees and civil penalties. These moneys are public funds or public deposits as provided in chapter 12. The depositary shall transfer the moneys to the department for deposit into the general fund of the state unless the disposition of the moneys is specifically provided for under other law.

2. A depositary may commit its assets to lines of credit pursuant to credit arrangements, including but not limited to agreements with credit and debit cardholders and with other credit or debit card issuers. The depositary may accept forms of payment including credit cards, debit cards, or electronic funds transfer.

3. The moneys owed to the department shall not exceed the amount required to satisfy the liability arising from the operation of law. However, the contract executed under this subchapter may provide for assistance service charges, including service delivery fees, credit card fees, debit card fees, and electronic funds transfer charges payable to the depositary or another party and not to the state. An assistance service charge shall not exceed that permitted by statute. The contract may also provide for the retention of interest earned on moneys under the control of the depositary. These moneys are not considered public funds or public deposits as provided in chapter 12.

4. The depositary, as required by the department for purposes of determining compliance, shall send information to the department including payment information for an identified filing document fee or the payment of a specific civil penalty.

5. Each calendar year, the auditor of state shall conduct an annual audit of the activities of the depositary.

2003 Acts, ch 48, §5

Referred to in §12C.1

**159.36 Filing documents and payment of moneys to department.**

Nothing in this subchapter shall prevent a person from submitting a filing document or making a payment to the department as otherwise provided in this title.

2003 Acts, ch 48, §6

## SUBCHAPTER IV

## SPECIAL QUALITY GRAINS

**159.37** Repealed by 2001 Acts, ch 129, § 7.

# CHAPTER 159A

## RENEWABLE FUELS AND COPRODUCTS

For transition provisions relating to the administration of the renewable fuel infrastructure program by the department of agriculture and land stewardship, including but not limited to the effect of the transition on pending enforcement actions and outstanding cost-share agreements executed by the department of economic development, see 2011 Acts, ch 113, §48-54, 56

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## SUBCHAPTER I

## FINDINGS AND POLICY

**159A.1 Findings.**

The general assembly finds and declares the following:

1. The production and processing of agricultural commodities and products represents the foundation of this state's economy, and the economic viability of this nation is contingent upon the production of wealth generated primarily from materials, including food and fiber, produced on this nation's family farms.

2. It is necessary to support industries using agricultural commodities to increase the demand for and production and consumption of sources of energy in order to reduce the

state's dependency upon petroleum products; to reduce atmospheric contamination of this state's environment from the combustion of fossil fuels; and to produce coproducts, such as corn gluten feed, distillers grain, and solubles, which can be used to increase livestock production in this state.

3. This state adopts a policy of enhancing agricultural production by encouraging the development and use of fuels and coproducts derived from agricultural commodities as provided in this chapter, including rules adopted by the office of renewable fuels and coproducts.

91 Acts, ch 254, §6; 94 Acts, ch 1119, §11; 2010 Acts, ch 1031, §238

## SUBCHAPTER II

## OFFICE OF RENEWABLE FUELS AND COPRODUCTS

Referred to in §159.20

**159A.2 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Biodiesel"* and *"biodiesel blended fuel"* mean the same as defined in section 214A.1.

2. *"Coordinator"* means the administrative head of the office of renewable fuels and coproducts appointed by the department as provided in section 159A.3.

3. *"Coproduct"* means a product other than a renewable fuel which at least in part is derived from the processing of agricultural commodities, and which may include corn gluten feed, distillers grain, or solubles, or can be used as livestock feed or a feed supplement.

4. *"Department"* means the department of agriculture and land stewardship.

5. *"Ethanol blended gasoline"* means the same as defined in section 214A.1.

6. *"Fund"* means the renewable fuels and coproducts fund established pursuant to section 159A.7.

7. *"Office"* means the office of renewable fuels and coproducts created pursuant to section 159A.3.

8. *"Renewable fuel"* means the same as defined in section 214A.1.

9. *"Renewable fuels and coproducts activities"* means either of the following:

*a.* The research, development, production, promotion, marketing, or consumption of renewable fuels and coproducts.

*b.* The research, development, transfer, or use of technologies which directly or indirectly increase the supply or demand of renewable fuels and coproducts.

91 Acts, ch 254, §7; 94 Acts, ch 1119, §12; 2000 Acts, ch 1018, §1; 2004 Acts, ch 1086, §106; 2006 Acts, ch 1142, §73 – 75; 2010 Acts, ch 1031, §239; 2011 Acts, ch 113, §46, 56

Further definitions, see §159.1

**159A.3 Office of renewable fuels and coproducts.**

1. An office of renewable fuels and coproducts is created within the department and shall be staffed by a coordinator who shall be appointed by the secretary. It shall be the policy of the office to further renewable fuels and coproducts activities. The office shall first further renewable fuels and coproducts activities based on the following considerations:

*a.* The price competitiveness of the renewable fuel or coproduct.

*b.* The production capacity and supply of the renewable fuel or coproduct.

*c.* The ease and safety of transporting and storing the renewable fuel or coproduct.

*d.* The degree to which the renewable fuel or coproduct is currently developed for ready transfer to current engine technology.

*e.* The degree to which the renewable fuel or coproduct is environmentally protective.

*f.* The degree to which the renewable fuel or coproduct provides economic development opportunities.

2. The duties of the office include, but are not limited to, the following:

*a.* Serving as advisor to the department regarding regulations, including federal and state standards, relating to oxygenates, as defined in section 214A.1.

*b.* Serving as advisor to the department regarding renewable fuels and coproducts programs.

*c.* Serving as monitor of regulations administered in the state, in other states, or by the federal government. The office shall collect information and data prepared by state agencies related to these regulations, and provide referral and assistance to interested persons and agencies.

*d.* Cooperating with persons and agencies involved in renewable fuels and coproducts activities, including other states and the federal government, to standardize regulations and coordinate programs, in order to increase administrative effectiveness and reduce administrative duplication.

*e.* Implementing policies and procedures designed to facilitate communication between persons involved in renewable fuels and coproducts activities.

*f.* Assisting state or federal agencies, or assisting commercial enterprises or commodity organizations which are located in or desiring to locate in the state. The assistance may include support of public research relating to renewable fuels and coproducts activities.

*g.* Conducting studies relating to the viability of producing or using renewable fuels and coproducts, and methods and schedules required to ensure a practicable transition to the use of renewable fuels and coproducts.

*h.* Approving a renewable fuel which may be used as a flexible fuel powering a motor vehicle required to be purchased by state agencies.

3. *a.* A chief purpose of the office is to further the production and consumption of ethanol blended gasoline in this state. The office shall be the primary state agency charged with the responsibility to promote public consumption of ethanol blended gasoline.

*b.* The office shall promote the production and consumption of biodiesel and biodiesel blended fuel in this state.

4. The office and state entities, including the department, the economic development authority, the state department of transportation, and the state board of regents institutions, shall cooperate to implement this section.

91 Acts, ch 254, §8; 92 Acts, ch 1239, §33; 94 Acts, ch 1119, §13; 2003 Acts, ch 44, §41, 42; 2006 Acts, ch 1142, §76, 83; 2009 Acts, ch 108, §8, 41; 2010 Acts, ch 1031, §240 – 242; 2011 Acts, ch 25, §19; 2011 Acts, ch 118, §50, 85, 89

Referred to in §8A.412, 20.4, 159A.2, 159A.7, 216B.3, 260C.19A, 262.25A, 307.21, 422.11N, 904.312A

**159A.4 and 159A.5** Repealed by 2010 Acts, ch 1031, § 250, 251.

**159A.6 Education, promotion, and advertising.**

1. The office shall do all of the following:

*a.* Support education regarding, and promotion and advertising of, renewable fuels and coproducts. The office shall consult with the petroleum marketers and convenience stores of Iowa, the Iowa renewable fuels association, the Iowa corn growers association, and the Iowa soybean association.

*b.* Promote the advantages related to the use of renewable fuels as an alternative to nonrenewable fuels. Promotions shall be designed to inform the ultimate consumer of advantages associated with using renewable fuels, and emphasize the benefits to the natural environment. The promotion shall inform consumers at the businesses of retail dealers of motor vehicle fuels.

*c.* Develop standards for decals required pursuant to section 214A.16, which shall be designed to promote the advantages of using renewable fuels. The standards may be incorporated within a model decal adopted by the office.

*d.* Promote the advantages related to the use of coproducts derived from the production of renewable fuels, including the use of coproducts used as livestock feed or meal. Promotions shall be designed to inform the potential purchasers of the advantages associated with using coproducts. The office shall promote advantages associated with using coproducts of ethanol production as livestock feed or meal to cattle producers in this state.

2. The office may contract to provide all or part of the services described in subsection 1.

91 Acts, ch 254, §11; 92 Acts, ch 1099, §3; 92 Acts, ch 1163, §41; 94 Acts, ch 1119, §19; 2009 Acts, ch 41, §197; 2010 Acts, ch 1031, §243; 2010 Acts, ch 1193, §145

Referred to in §159A.7, 214A.16

**159A.6A Renewable fuels and coproducts research.**

The office shall support research relating to renewable fuels and coproducts, including methods to increase efficiency and reduce costs associated with production. The office shall consult with the Iowa corn growers association and the Iowa soybean association. The office shall support research activities at the university of Iowa, Iowa state university of science and technology, and the university of northern Iowa. The office may contract to provide all or part of these services.

94 Acts, ch 1119, §20

Referred to in §159A.7

**159A.6B Technical assistance.**

1. The office shall assist persons in revitalizing rural regions of this state, by providing technical assistance to new or existing renewable fuel production facilities, including the establishment and operation of facilities, and specifically facilities which create coproducts, including coproducts which support livestock production operations. The office shall consult with the Iowa corn growers association and the Iowa soybean association. The office shall provide planning assistance which may include evaluations of methods to most profitably manage these operations. The business planning assistance shall provide for adequate environmental protection of this state's natural resources from the operation of the facility.

2. The office may execute contracts in order to provide technical support and outreach services for purposes of assisting and educating interested persons as provided in this section. The office may also contract with a consultant to provide part or all of these services. The office may require that a person receiving assistance pursuant to this section contribute up to fifty percent of the amount required to support the costs of contracting with the consultant to provide assistance to the person. The office shall assist the person in completing any technical information required in order to receive assistance by the economic development authority pursuant to section 15.335B.

3. The office shall cooperate with the economic development authority and regents institutions or other universities and colleges in order to carry out this section.

94 Acts, ch 1119, §21; 2009 Acts, ch 41, §198; 2009 Acts, ch 108, §11, 41; 2009 Acts, ch 123, §29; 2011 Acts, ch 118, §50, 85, 86, 89; 2012 Acts, ch 1126, §23

Referred to in §159A.7

**159A.7 Renewable fuels and coproducts fund.**

1. A renewable fuels and coproducts fund is created in the state treasury under the control of the office of renewable fuels and coproducts. The fund may include moneys available to and obtained or accepted by the office, including moneys from the United States, other states in the union, foreign nations, state agencies, political subdivisions, and private sources.

2. Moneys in the fund shall be used only to carry out the provisions of this section and sections 159A.3, 159A.6, 159A.6A, and 159A.6B within the state of Iowa.

3. Moneys in the fund shall be allocated during each fiscal year as follows:

*a.* At least forty percent shall be dedicated to support education, promotion, and advertising of renewable fuels and coproducts as provided in section 159A.6.

*b.* Up to thirty percent may be dedicated to support research at the university of Iowa, Iowa state university of science and technology, and the university of northern Iowa, as provided in section 159A.6A.

*c.* Any remaining balance shall be used by the office to support technical assistance as provided in section 159A.6B and any other projects or programs developed by the office.

4. Moneys in the fund are subject to an annual audit by the auditor of state. The fund is subject to warrants by the director of the department of administrative services, drawn upon the written requisition of the coordinator.

5. In administering the fund, the office may do all of the following:

*a.* Contract, sue and be sued, and adopt procedures necessary to administer this section. However, the office shall not in any manner, directly or indirectly, pledge the credit of the state.

*b.* Authorize payment from the fund for commissions, attorney and accountant fees, and other reasonable expenses related to and necessary for administering the fund.

6. Section 8.33 does not apply to moneys in the fund. Income received by investment of moneys in the fund shall remain in the fund.

91 Acts, ch 254, §12; 92 Acts, ch 1099, §4, 10; 93 Acts, ch 180, §74; 94 Acts, ch 1119, §22; 97 Acts, ch 207, §7 – 9, 15; 2000 Acts, ch 1230, §21, 22; 2002 Acts, 2nd Ex, ch 1003, §67, 79; 2003 Acts, ch 145, §286; 2009 Acts, ch 41, §199; 2010 Acts, ch 1031, §244

Referred to in §159A.2

**159A.8 through 159A.10** Reserved.

## SUBCHAPTER III

## RENEWABLE FUEL INFRASTRUCTURE

Referred to in §159.20, 321.145

**159A.11 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Biodiesel"*, *"biodiesel blended fuel"*, *"biodiesel fuel"*, *"E-85 gasoline"*, *"ethanol"*, *"ethanol blended gasoline"*, *"gasoline"*, *"motor fuel"*, *"retail dealer"*, and *"retail motor fuel site"* mean the same as defined in section 214A.1.

2. *"Department"* means the department of agriculture and land stewardship.

3. *"Infrastructure board"* means the renewable fuel infrastructure board as created in section 159A.13.

4. *"Infrastructure fund"* means the renewable fuel infrastructure fund created in section 159A.16.

5. *"Motor fuel pump"* and *"motor fuel blender pump"* or *"blender pump"* mean the same as defined in section 214.1.

6. *"Motor fuel storage and dispensing infrastructure"* or *"infrastructure"* means a tank and motor fuel pumps necessary to keep and dispense motor fuel at a retail motor fuel site, including but not limited to all associated equipment, dispensers, pumps, pipes, hoses, tubes, lines, fittings, valves, filters, seals, and covers.

7. *"Tank vehicle"* means the same as defined in section 321.1.

8. *"Terminal"* means a storage and distribution facility for motor fuel or a blend stock such as ethanol or biodiesel that is stored on-site or off-site in bulk and that is supplied to a motor vehicle, pipeline, or a marine vessel and from which storage and distribution facility the motor fuel or blend stock may be removed at a rack. *"Terminal"* does not include any of the following:

*a.* A retail motor fuel site.

*b.* A facility at which motor fuel, special fuel, or blend stocks are used in the manufacture of products other than motor fuel and from which no motor fuel or special fuel is removed.

9. *"Terminal operator"* means a person who has responsibility for, or physical control over, the operation of a terminal, including by ownership, contractual agreement, or appointment.

10. *"Underground storage tank fund board"* means the Iowa comprehensive petroleum underground storage tank fund board established pursuant to section 455G.4.

2006 Acts, ch 1142, §28; 2006 Acts, ch 1175, §3, 23

C2007, §15G.201

2008 Acts, ch 1169, §1, 2, 30; 2011 Acts, ch 113, §42, 55, 56; 2011 Acts, ch 118, §74, 75

CS2011, §159A.11

**159A.12 Classification of renewable fuel.**

For purposes of this subchapter, ethanol blended fuel and biodiesel fuel shall be classified in the same manner as provided in section 214A.2.

2008 Acts, ch 1169, §3, 30
C2009, §15G.201A
2009 Acts, ch 41, §17; 2011 Acts, ch 113, §55, 56
CS2011, §159A.12

**159A.13 Renewable fuel infrastructure board.**

A renewable fuel infrastructure board is established within the department.

1. The department shall provide the infrastructure board with necessary facilities, items, and clerical support. The department shall perform administrative functions necessary for the management of the infrastructure board and the renewable fuel infrastructure programs as provided in sections 159A.14 and 159A.15, all under the direction of the infrastructure board.

2. The infrastructure board shall be composed of eleven members who shall be appointed by the governor as follows:

*a.* One person representing insurers who is knowledgeable about issues relating to underground storage tanks.

*b.* One person representing the petroleum industry who is knowledgeable about issues relating to petroleum refining, terminal operations, and petroleum or motor fuel distribution.

*c.* Nine persons based on nominations made by the titular heads of all of the following:

(1) The agribusiness association of Iowa.
(2) The Iowa corn growers association.
(3) The Iowa farm bureau federation.
(4) The Iowa biodiesel board.
(5) The Iowa soybean association.
(6) The petroleum marketers and convenience stores of Iowa.
(7) The Iowa petroleum equipment contractors association.
(8) The Iowa renewable fuels association.
(9) The Iowa grocery industry association.

3. Appointments of voting members to the infrastructure board are subject to the requirements of sections 69.16 and 69.16A. In addition, the appointments shall be geographically balanced. The governor's appointees shall be confirmed by the senate, pursuant to section 2.32.

4. The members of the infrastructure board shall serve five-year terms beginning and ending as provided in section 69.19. However, the governor shall appoint initial members to serve for less than five years to ensure members serve staggered terms. A member is eligible for reappointment. A vacancy on the board shall be filled for the unexpired portion of the regular term in the same manner as regular appointments are made.

5. The infrastructure board shall elect a chairperson from among its members each year on a rotating basis as provided by the infrastructure board. The infrastructure board shall meet on a regular basis and at the call of the chairperson or upon the written request to the chairperson of six or more members.

6. The infrastructure board shall meet with three or more members of the underground storage tank fund board who shall represent the underground storage tank fund board. The representatives shall be available to advise the infrastructure board when the infrastructure board makes decisions regarding the awarding of financial incentives to a person under a renewable fuel infrastructure program provided in section 159A.14 or 159A.15.

7. Members of the infrastructure board are not entitled to receive compensation but shall receive reimbursement of expenses from the department as provided in section 7E.6.

8. Six members of the infrastructure board constitute a quorum and the affirmative vote of a majority of the members present is necessary for any substantive action to be taken by the infrastructure board. The majority shall not include any member who has a conflict of interest and a statement by a member that the member has a conflict of interest is conclusive

for this purpose. A vacancy in the membership does not impair the duties of the infrastructure board.

2006 Acts, ch 1142, §29
C2007, §15G.202
2011 Acts, ch 113, §43, 55, 56
CS2011, §159A.13
Referred to in §159A.11, 159A.14, 159A.15, 159A.16

**159A.14 Renewable fuel infrastructure program for retail motor fuel sites.**

A renewable fuel infrastructure program for retail motor fuel sites is established in the department under the direction of the renewable fuel infrastructure board created pursuant to section 159A.13.

1. The purpose of the program is to improve retail motor fuel sites by installing, replacing, or converting infrastructure to be used to store, blend, or dispense renewable fuel. The infrastructure shall be ethanol infrastructure or biodiesel infrastructure.

*a.* (1) Ethanol infrastructure shall be designed and used exclusively to do any of the following:

(a) Store and dispense E-85 gasoline.

(b) Store, blend, and dispense motor fuel from a motor fuel blender pump, as required in this subparagraph division. The ethanol infrastructure must provide for the storage of ethanol or ethanol blended gasoline, or for blending ethanol with gasoline. The ethanol infrastructure must at least include a motor fuel blender pump which dispenses different classifications of ethanol blended gasoline and allows E-85 gasoline to be dispensed at all times that the blender pump is operating.

(2) Biodiesel infrastructure shall be designed and used exclusively to do any of the following:

(a) Store and dispense biodiesel or biodiesel blended fuel.

(b) Blend or dispense biodiesel fuel from a motor fuel blender pump.

*b.* The infrastructure must be part of the premises of a retail motor fuel site operated by a retail dealer. The infrastructure shall not include a tank vehicle.

2. A person may apply to the department to receive financial incentives on a cost-share basis. The department shall forward the applications to the underground storage tank fund board as required by that board for evaluation and recommendation. The underground storage tank fund board may rank the applications with comments and shall forward them to the infrastructure board for approval or disapproval. The department shall award financial incentives on a cost-share basis to an eligible person whose application was approved by the infrastructure board.

3. The infrastructure board shall approve cost-share agreements executed by the department and persons that the infrastructure board determines are eligible as provided in this section, according to terms and conditions required by the infrastructure board. The infrastructure board shall determine the amount of the financial incentives to be awarded to a person participating in the program. In order to be eligible to participate in the program all of the following must apply:

*a.* The person must be an owner or operator of the retail motor fuel site.

*b.* The person must apply to the department in a manner and according to procedures required by the infrastructure board. The application must contain all information required by the infrastructure board and shall at least include all of the following:

(1) The name of the person and the address of the retail motor fuel site to be improved.

(2) A detailed description of the infrastructure to be installed, replaced, or converted, including but not limited to the model number of each installed, replaced, or converted motor fuel storage tank if available.

(3) A statement describing how the retail motor fuel site is to be improved, the total estimated cost of the planned improvement, and the date when the infrastructure will be first used.

(4) A statement certifying that the infrastructure shall only be used to comply with the

provisions of this section and as specified in the cost-share agreement, unless granted a waiver by the infrastructure board pursuant to this section.

4. A retail motor fuel site which is improved using financial incentives must comply with federal and state standards governing new or upgraded motor fuel storage tanks used to store and dispense the renewable fuel. A site classified as a no further action site pursuant to a certificate issued by the department of natural resources under section 455B.474 shall retain its classification following modifications necessary to store and dispense the renewable fuel and the owner or operator shall not be required to perform a new site assessment unless a new release occurs or if a previously unknown or unforeseen risk condition should arise.

5. An award of financial incentives to a participating person shall be on a cost-share basis in the form of a grant. To participate in the program, an eligible person must execute a cost-share agreement with the department as approved by the infrastructure board in which the person contributes a percentage of the total costs related to improving the retail motor fuel site. A cost-share agreement shall be for a three-year period or a five-year period. A cost-share agreement shall include provisions for standard financial incentives or standard financial incentives and supplemental financial incentives as provided in this subsection. The infrastructure board may approve multiple improvements to the same retail motor fuel site for the full amount available for both ethanol infrastructure and biodiesel infrastructure so long as the improvements for ethanol infrastructure and for biodiesel infrastructure are made under separate cost-share agreements.

*a.* (1) Except as provided in paragraph *"b"*, a participating person may be awarded standard financial incentives to make improvements to a retail motor fuel site. The standard financial incentives awarded to a participating person shall not exceed the following:

(a) For a three-year cost-share agreement, fifty percent of the actual cost of making the improvement or thirty thousand dollars, whichever is less.

(b) For a five-year cost-share agreement, seventy percent of the actual cost of making the improvement or fifty thousand dollars, whichever is less.

(2) The infrastructure board may approve multiple awards of standard financial incentives to make improvements to a retail motor fuel site so long as the total amount of the awards for ethanol infrastructure or biodiesel infrastructure does not exceed the limitations provided in subparagraph (1).

*b.* In addition to any standard financial incentives awarded to a participating person under paragraph *"a"*, the participating person may be awarded supplemental financial incentives to make improvements to a retail motor fuel site to do any of the following:

(1) Upgrade or replace a dispenser which is part of gasoline storage and dispensing infrastructure used to store and dispense E-85 gasoline as provided in section 455G.31. The participating person is only eligible to be awarded the supplemental financial incentives if the person installed the dispenser not later than sixty days after the date of the publication in the Iowa administrative bulletin of the state fire marshal's order providing that a commercially available dispenser is listed as compatible for use with E-85 gasoline by an independent testing laboratory as provided in section 455G.31. The supplemental financial incentives awarded to the participating person shall not exceed seventy-five percent of the actual cost of making the improvement or thirty thousand dollars, whichever is less.

(2) To improve additional retail motor fuel sites owned or operated by a participating person within a twelve-month period as provided in the cost-share agreement. The supplemental financial incentives shall be used for the installation of an additional tank and associated infrastructure at each such retail motor fuel site. A participating person may be awarded supplemental financial incentives under this subparagraph and standard financial incentives under paragraph *"a"* to improve the same motor fuel site. The supplemental financial incentives awarded to the participating person shall not exceed twenty-four thousand dollars. The participating person shall be awarded the supplemental financial incentives on a cumulative basis according to the schedule provided in this subparagraph, which shall not exceed the following:

(a) For the second retail motor fuel site, six thousand dollars.

(b) For the third retail motor fuel site, six thousand dollars.

(c) For the fourth retail motor fuel site, six thousand dollars.

(d) For the fifth retail motor fuel site, six thousand dollars.

6. A participating person shall not use the infrastructure to store and dispense motor fuel other than the type of renewable fuel approved by the board in the cost-share agreement, unless one of the following applies:

*a.* The participating person is granted a waiver by the infrastructure board. The participating person shall store or dispense the motor fuel according to the terms and conditions of the waiver.

*b.* The renewable fuel infrastructure fund created in section 159A.16 is immediately repaid the total amount of moneys awarded to the participating person together with a monetary penalty equal to twenty-five percent of that awarded amount. The amount shall be deposited in the renewable fuel infrastructure fund created in section 159A.16.

7. A participating person who acts in violation of an agreement executed with the department pursuant to this section is subject to a civil penalty of not more than one thousand dollars a day for each day of the violation. The civil penalty shall be deposited into the general fund of the state.

2006 Acts, ch 1142, §30

C2007, §15G.203

2007 Acts, ch 126, §9; 2007 Acts, ch 211, §46; 2008 Acts, ch 1032, §128; 2008 Acts, ch 1169, §4 – 9, 30; 2009 Acts, ch 41, §263; 2011 Acts, ch 113, §55, 56

CS2011, §159A.14

Referred to in §159A.13, 159A.16

**159A.15 Renewable fuel infrastructure program for biodiesel terminal facilities.**

The department, under the direction of the renewable fuel infrastructure board created in section 159A.13, shall establish and administer a renewable fuel infrastructure program for terminal facilities that store and dispense biodiesel or biodiesel blended fuel. The infrastructure must be designed and shall be used exclusively to store and distribute biodiesel or biodiesel blended fuel. The department as directed by the infrastructure board shall provide a cost-share program for financial incentives.

1. A person may apply to the department to receive financial incentives on a cost-share basis. The department shall forward the applications to the underground storage tank fund board as required by that board for evaluation and recommendation. The underground storage tank fund board may rank the applications with comments and shall forward them to the infrastructure board for approval or disapproval. The department shall award financial incentives on a cost-share basis to an eligible person whose application was approved by the infrastructure board.

2. The department shall award financial incentives to a terminal operator participating in the program as directed by the infrastructure board. In order to be eligible to participate in the program, the terminal operator must apply to the department in a manner and according to procedures required by the infrastructure board. The application must contain information required by the infrastructure board and shall at least include all of the following:

*a.* The name of the terminal operator and the address of the terminal to be improved.

*b.* A detailed description of the infrastructure to be installed, replaced, or converted.

*c.* A statement describing how the terminal is to be improved, the total estimated cost of the planned improvement, and the date when the infrastructure will be first used to store and distribute biodiesel or biodiesel blended fuel.

*d.* A statement certifying that the infrastructure shall not be used to store or dispense motor fuel other than biodiesel or biodiesel blended fuel, unless granted a waiver by the infrastructure board pursuant to this section.

3. *a.* An award of financial incentives to a participating person shall be in the form of a grant. In order to participate in the program, an eligible person must execute a cost-share agreement with the department as approved by the infrastructure board in which the person contributes a percentage of the total costs related to improving the terminal. The financial incentives awarded to the participating person shall not exceed the following:

(1) For improvements to store, blend, or dispense biodiesel fuel from B-2 or higher but not

as high as B-99, fifty percent of the actual cost of making the improvements or fifty thousand dollars, whichever is less.

(2) For improvements to store, blend, and dispense biodiesel fuel from B-99 to B-100, fifty percent of the actual cost of making the improvements or one hundred thousand dollars, whichever is less. However, a person shall not be awarded moneys under this subparagraph if the person has been awarded a total of eight hundred thousand dollars under this subparagraph during any period of time and pursuant to all cost-share agreements in which the person participates.

*b.* The infrastructure board may approve multiple awards to make improvements to a terminal so long as the total amount of the awards does not exceed the limitations provided in paragraph *"a"*.

4. A participating terminal operator shall not use the infrastructure to store or dispense motor fuel other than biodiesel or biodiesel blended fuel, unless one of the following applies:

*a.* The participating terminal operator is granted a waiver by the infrastructure board. The participating terminal operator shall store or dispense the motor fuel according to the terms and conditions of the waiver.

*b.* The renewable fuel infrastructure fund created in section 159A.16 is immediately repaid the total amount of moneys awarded to the participating terminal operator together with a monetary penalty equal to twenty-five percent of that awarded amount. The amount shall be deposited in the renewable fuel infrastructure fund created in section 159A.16.

*c.* A participating terminal operator who acts in violation of an agreement executed with the department pursuant to this section is subject to a civil penalty of not more than one thousand dollars a day for each day of the violation. The civil penalty shall be deposited into the general fund of the state.

2006 Acts, ch 1142, §31
C2007, §15G.204
2007 Acts, ch 126, §10; 2008 Acts, ch 1169, §10, 11, 30; 2011 Acts, ch 113, §55, 56
CS2011, §159A.15
Referred to in §159A.13, 159A.16

**159A.16 Renewable fuel infrastructure fund.**

1. A renewable fuel infrastructure fund is created in the state treasury under the control of the department. The infrastructure fund is separate from the general fund of the state.

2. The renewable fuel infrastructure fund is composed of moneys appropriated by the general assembly and moneys available to and obtained or accepted by the department from the United States government or private sources for placement in the infrastructure fund.

3. Moneys in the renewable fuel infrastructure fund are appropriated to the department exclusively to support and market the renewable fuel infrastructure programs as provided in sections 159A.14 and 159A.15, and as allocated in financial incentives by the renewable fuel infrastructure board created in section 159A.13. Up to fifty thousand dollars shall be allocated each fiscal year to the department to support the administration of the programs. The department may use up to one and one-half percent of the program funds to market the programs. Otherwise the moneys shall not be transferred, used, obligated, appropriated, or otherwise encumbered except to allocate as financial incentives under the programs.

4. *a.* The recapture of awards or penalties, or other repayments of moneys originating from the renewable fuel infrastructure fund shall be deposited into the infrastructure fund.

*b.* Notwithstanding section 12C.7, interest or earnings on moneys in the infrastructure fund shall be credited to the infrastructure fund.

*c.* Notwithstanding section 8.33, unencumbered and unobligated moneys remaining in the infrastructure fund at the close of each fiscal year shall not revert but shall remain available in the infrastructure fund.

2006 Acts, ch 1175, §6, 23; 2006 Acts, ch 1185, §56
C2007, §15G.205
2008 Acts, ch 1122, §2; 2009 Acts, ch 41, §18; 2011 Acts, ch 113, §44, 55, 56
CS2011, §159A.16
Referred to in §159A.11, 159A.14, 159A.15, 321.145

# CHAPTER 160

## STATE APIARIST


160.1 Appointment by secretary of agriculture.
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160.3 Right to enter premises.
160.4 Repealed by 65 Acts, ch 170, §2.
160.5 Instructions — hives — imported bees.
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160.9 Rules.
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160.12 Repealed by 65 Acts, ch 170, §5.
160.13 Annual report.
160.14 Penalties — injunctions.
160.15 Payment of expenses.
160.16 Repealed by 98 Acts, ch 1032, §10.


**160.1 Appointment by secretary of agriculture.**

There is hereby created and established within the department the office of state apiarist. The state apiarist shall be appointed by and be responsible to and under the authority of the secretary of agriculture in the issuance of all rules, the establishment of quarantines and other official acts.

[C24, 27, 31, 35, 39, §**4036;** C46, 50, 54, 58, §266.8, 266.9; C62, 66, 71, 73, 75, 77, 79, 81, §160.1]

**160.1A Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Apiary"* means a place where one or more bee colonies are maintained.
2. *"Bee"* means a honeybee belonging to the genus apis.
3. *"Colony"* means a queen bee and more than one worker bee located on beeswax combs and enclosed in a container.
4. *"Package"* means a shipping cage exclusively containing adult bees, without beeswax combs.

90 Acts, ch 1104, §1; 93 Acts, ch 21, §1, 2

Further definitions, see §159.1

**160.2 Duties.**

The state apiarist shall do all of the following:

1. Give lectures and demonstrations in the state on the production of honey, the care of the apiary, the marketing of honey, and upon other kindred subjects relative to the care of bees and the profitable production of honey.
2. Examine bees, combs, and equipment in any locality which the apiarist may suspect of being African in origin or infested with a parasite or foulbrood or any other contagious or infectious disease common to bees.
3. Regulate bees, combs, and used equipment moving across state borders.

[C24, 27, 31, 35, 39, §**4037;** C46, 50, 54, 58, §266.10; C62, 66, 71, 73, 75, 77, 79, 81, §160.2]

88 Acts, ch 1051, §1; 90 Acts, ch 1104, §2; 93 Acts, ch 21, §3

**160.3 Right to enter premises.**

In the performance of the apiarist's duties, the state apiarist or the apiarist's assistants shall have the right to enter any premises, enclosure, or buildings containing bees or bee supplies.

[C27, 31, 35, §4037-a1; C39, §**4037.1;** C46, 50, 54, 58, §266.11; C62, 66, 71, 73, 75, 77, 79, 81, §160.3]

**160.4** Repealed by 65 Acts, ch 170, § 2.

**160.5 Instructions — hives — imported bees.**

1. If upon examination the apiarist finds bees to be diseased or infested with parasites, the apiarist shall furnish the owner or person in charge of the apiary with full written

instructions as to the nature of the disease or infestation and the best methods of treatment, which information shall be furnished without cost to the owner.

2. It shall be unlawful to keep bees in any containers except hives with movable frames permitting ready examination in those counties where area clean-up inspection is in progress as may be proclaimed in official regulation.

3. A person who desires to move a colony, package, or used equipment with combs into this state shall apply to the state apiarist for a written entry permit at least sixty days prior to the proposed entry date. A statement must accompany each application for an entry permit describing each offense related to beekeeping for which the person has been subject to a penalty by a state, federal, or foreign government. The written entry permit must accompany all such shipments when they enter the state. Entry into this state without a permit is unlawful and is punishable pursuant to section 160.14. However, entry requirements of this section shall not apply to a package shipped by the United States postal service.

4. At least ten days before entry a person who has applied for an entry permit must meet both of the following conditions:

*a.* A valid Iowa certificate of inspection must be on file with the department or a valid certificate of inspection or certificate of health dated within the last sixty days must have been submitted by the state apiarist or inspector of the state of origin. A certificate must indicate the absence of any contagious diseases, parasites, or Africanized bees in the colony or package to be shipped.

*b.* A completed apiary registration form with locations of apiaries in Iowa indicated along with any fees required for nonresidents must have been submitted. Descriptions of locations shall include all of the following:

(1) The name of the landowner.

(2) Number of colonies to be kept at that location.

(3) The county, township, section number and quarter section, or street address if located within the city limits.

[C24, 27, 31, 35, 39, §**4039;** C46, 50, 54, 58, §266.13; C62, 66, 71, 73, 75, 77, 79, 81, §160.5]

88 Acts, ch 1051, §2; 90 Acts, ch 1104, §3; 93 Acts, ch 21, §4, 5; 2009 Acts, ch 41, §263

Referred to in §160.14

**160.6 Notice to treat, disinfect, remove, or destroy.**

The state apiarist shall provide a notice in writing to an owner of bees or bee equipment infested with contagious diseases, parasites, or Africanized bees to treat, disinfect, destroy, or remove a colony or equipment in a manner and by a time specified by the state apiarist in the order.

[C27, 31, 35, §4039-a1; C39, §**4039.1;** C46, 50, 54, 58, §266.14; C62, 66, 71, 73, 75, 77, 79, 81, §160.6]

93 Acts, ch 21, §6

Referred to in §160.7

**160.7 Apiarist to disinfect or destroy — costs.**

If the owner fails to comply with the notice provided in section 160.6, the state apiarist shall declare the diseased, parasite-infested or Africanized colonies a nuisance, and administer the destruction or disinfection of the bee colonies or equipment required to eliminate the source of the disease, parasites, or Africanized bees. The state apiarist shall keep an account of costs related to the destruction.

[C27, 31, 35, §4039-a2; C39, §**4039.2;** C46, 50, 54, 58, §266.15; C62, 66, 71, 73, 75, 77, 79, 81, §160.7]

93 Acts, ch 21, §7

Nuisances in general, chapter 657

**160.8 Costs certified — collected as tax.**

The state apiarist shall certify the amount of such cost to the owner and if the same is not paid to the state apiarist within sixty days, the amount shall be certified to the county auditor of the county in which the premises are located, who shall spread the same upon the tax

books which shall be a lien upon the property of the bee owner and be collected as other taxes are collected.

[C27, 31, 35, §4039-a3; C39, §**4039.3;** C46, 50, 54, 58, §266.16; C62, 66, 71, 73, 75, 77, 79, 81, §160.8]

Referred to in §331.512
Collection of taxes, chapter 445

**160.9 Rules.**

The state apiarist shall adopt rules relating to the inspection, regulation of movement, sale, and cleanup of bee colonies and used beekeeping equipment that is infested with a contagious disease, harmful parasites, or an undesirable subspecies of honey bees.

[C27, 31, 35, §4039-a4; C39, §**4039.4;** C46, 50, 54, 58, §266.17; C62, 66, 71, 73, 75, 77, 79, 81, §160.9]

88 Acts, ch 1051, §3; 93 Acts, ch 21, §8

**160.10** Repealed by 93 Acts, ch 21, § 10.

**160.11** Repealed by 98 Acts, ch 1032, § 10.

**160.12** Repealed by 65 Acts, ch 170, § 5.

**160.13 Annual report.**

Said apiarist shall also make an annual report to the secretary of agriculture, stating the number of apiaries visited, number of demonstrations held, number of lectures given, the number of examinations and inspections made, together with such other matters of general interest concerning the business of beekeeping as in the apiarist's judgment shall be of value to the public.

[C24, 27, 31, 35, 39, §**4040;** C46, 50, 54, 58, §266.21; C62, 66, 71, 73, 75, 77, 79, 81, §160.13]

**160.14 Penalties — injunctions.**

1. A person who knowingly sells, barters, gives away, moves, or allows to be moved, a diseased or parasite-infested colony, package, equipment, or combs without the consent of the state apiarist, or exposes infected honey or infected equipment to the bees, or who willfully fails or neglects to give proper treatment to a diseased or parasite-infested colony, or who interferes with the state apiarist or the apiarist's assistants in the performance of official duties or who refuses to permit the examination of bees or their destruction as provided in this chapter or violates another provision of this chapter, except as provided in subsection 2, is guilty of a simple misdemeanor.

2. A person who knowingly moves or causes to be moved into this state a colony, package, used equipment, or combs in violation of section 160.5, is guilty of a serious misdemeanor.

3. Each day a colony, package, used equipment, or combs moved into this state in violation of section 160.5 remain in this state constitutes a separate offense. A colony, package, used equipment, or combs brought into this state in violation of section 160.5 may be declared a nuisance. The department shall provide written notice to the person owning the land where the colony, package, used equipment, or combs are located, and, if known, to the person owning the colony, package, used equipment, or combs. The notice shall state that the owner of the colony, package, used equipment, or combs must remove the colony, package, used equipment, or combs from this state within five days of the notification. After the five days have lapsed the department may seize the colony, package, used equipment, or combs. The department may secure a warrant if the owner of the land objects to the seizure. The department shall maintain the seized property until a court, upon petition by the department, determines the disposition of the property. The court shall render a decision concerning the disposition of the property by the court within ten days of the filing of the petition. Upon conviction of a violation of section 160.5, a person shall forfeit all interest in property moved in violation of that section and the department may immediately destroy the property.

4. The attorney general or persons designated by the attorney general may institute suits

on behalf of the state apiarist to obtain injunctive relief to restrain and prevent violations of this chapter.

[C24, 27, 31, 35, 39, §**4041;** C46, 50, 54, 58, §266.22; C62, 66, 71, 73, 75, 77, 79, 81, §160.14]
85 Acts, ch 48, §1; 88 Acts, ch 1051, §5; 90 Acts, ch 1104, §4, 5; 93 Acts, ch 21, §9
Referred to in §160.5

**160.15 Payment of expenses.**

All expenses, except salaries, incurred by the state apiarist or the apiarist's assistants in the performance of their duties within a county shall be paid not to exceed two hundred dollars per annum for the purpose of eradication of diseases and parasites among bees. Such work of eradication shall be done in such county under the supervision of the state apiarist.

[C31, 35, §4041-c1; C39, §**4041.1;** C46, 50, 54, 58, §266.23; C62, 66, 71, 73, 75, 77, 79, 81, §160.15]
83 Acts, ch 123, §70, 209; 88 Acts, ch 1051, §6

**160.16** Repealed by 98 Acts, ch 1032, § 10.

# CHAPTER 161

## AGRICHEMICAL REMEDIATION

Repealed by 2011 Acts, ch 46, §6
Executive council to allocate moneys for payment of any outstanding claim for remediation of a contaminated site as provided in former chapter 161 as it existed when agrichemical remediation board executed a remediation agreement with the claimant; 2011 Acts, ch 46, §5

# CHAPTER 161A

## SOIL AND WATER CONSERVATION

Referred to in §159.1, 159.5, 159.6, 159.8, 161C.1, 161F.5, 175.34, 456A.33A, 457A.1, 461.33, 466B.48

This chapter not enacted as a part of this title; transferred from chapter 467A in Code 1993

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## DIVISION I

## DIVISION OF SOIL CONSERVATION

### 161A.1 Short title.

This chapter may be known and cited as the *"Soil Conservation Districts Law"*.

[C39, §**2603.02;** C46, §160.1; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.1]
C93, §161A.1

### 161A.2 Declaration of policy.

It is hereby declared to be the policy of the legislature to integrate the conservation of soil and water resources into the production of agricultural commodities to insure the long-term protection of the soil and water resources of the state of Iowa, and to encourage the development of farm management and agricultural practices that are consistent with the capability of the land to sustain agriculture, and thereby to preserve natural resources, control floods, prevent impairment of dams and reservoirs, assist and maintain

the navigability of rivers and harbors, preserve wildlife, protect the tax base, protect public lands and promote the health, safety and public welfare of the people of this state.

[C39, §**2603.03;** C46, §160.2; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.2]

86 Acts, ch 1245, §645

C93, §161A.2

Referred to in §161A.7, 161A.42

**161A.3 Definitions.**

Wherever used or referred to in this chapter, unless a different meaning clearly appears from the context:

1. *"Agency of this state"* includes the government of this state and any subdivision, agency, or instrumentality, corporate or otherwise, of the government of this state.

2. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

3. *"Commissioner"* means one of the members of the governing body of a district, elected or appointed in accordance with the provisions of this chapter.

4. *"Committee"* or *"state soil conservation committee"* means the committee established by section 161A.4.

5. *"Department"* means the department of agriculture and land stewardship.

6. *"District"* or *"soil and water conservation district"* means a governmental subdivision of this state, and a public body corporate and politic, organized for the purposes, with the powers, and subject to the restrictions in this chapter set forth.

7. *"Division"* means the division of soil conservation created within the department.

8. *"Due notice"* means notice published at least twice, with an interval of at least six days between the two publication dates, in a newspaper or other publication of general circulation within the appropriate area; or, if no such publication of general circulation be available, by posting at a reasonable number of conspicuous places within the appropriate area, such posting to include, where possible, posting at public places where it may be customary to post notices concerning county or municipal affairs generally. At any hearing held pursuant to such notice, at the time and place designated in such notice, adjournment may be made from time to time without the necessity of renewing such notice for such adjourned dates.

9. *"Government"* or *"governmental"* includes the government of this state, the government of the United States, and any subdivision, agency or instrumentality, corporate or otherwise, or either of them.

10. *"Landowner"* includes any person, firm, or corporation or any federal agency, this state or any of its political subdivisions, who shall hold title to land lying within a proposed district or a district organized under the provisions of this chapter.

11. *"Nominating petition"* means a petition filed under the provisions of section 161A.5 to nominate candidates for the office of commissioner of a soil and water conservation district.

12. *"Petition"* means a petition filed under the provisions of subsection 1 of section 161A.5 for the creation of a district.

13. *"State"* means the state of Iowa.

14. *"United States"* or *"agencies of the United States"* includes the United States of America, the United States department of agriculture natural resources conservation service, and any other agency or instrumentality, corporate or otherwise, of the United States.

[C39, §**2603.04;** C46, §160.3; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.3; 82 Acts, ch 1199, §72, 96]

86 Acts, ch 1238, §61; 86 Acts, ch 1245, §646, 647; 87 Acts, ch 23, §16; 89 Acts, ch 83, §55

C93, §161A.3

95 Acts, ch 216, §25; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201

Referred to in §161A.42, 669.2, 670.1

**161A.4 Soil conservation division — committee.**

1. The soil conservation division is established within the department to perform the functions conferred upon it in this chapter and chapters 161C, 161E, 161F, 207, and 208. The division shall be administered in accordance with the policies of the state soil conservation

committee, which shall advise the division and which shall approve administrative rules proposed by the division for the administration of this chapter and chapters 161C, 161E, 161F, 207, and 208 before the rules are adopted pursuant to section 17A.5. If a difference exists between the committee and secretary regarding the content of a proposed rule, the secretary shall notify the chairperson of the committee of the difference within thirty days from the committee's action on the rule. The secretary and the committee shall meet to resolve the difference within thirty days after the secretary provides the committee with notice of the difference.

2. In addition to other duties and powers conferred upon the division of soil conservation, the division has the following duties and powers:

*a.* To offer assistance as appropriate to the commissioners of soil and water conservation districts in carrying out any of their powers and programs.

*b.* To take notice of each district's long-range resource conservation plan established under section 161A.7, in order to keep the commissioners of each of the several districts informed of the activities and experience of all other districts, and to facilitate an interchange of advice and experience between such districts and cooperation between them.

*c.* To coordinate the programs of the soil and water conservation districts so far as this may be done by advice and consultation.

*d.* To secure the cooperation and assistance of the United States and any of its agencies, and of agencies of this state, in the work of such districts.

*e.* To disseminate information throughout the state concerning the activities and program of the soil and water conservation districts.

*f.* To render financial aid and assistance to soil and water conservation districts for the purpose of carrying out the policy stated in this chapter.

*g.* To assist each soil and water conservation district in developing a district soil and water resource conservation plan as provided under section 161A.7. The plan shall be developed according to rules adopted by the division to preserve and protect the public interest in the soil and water resources of this state for future generations and for this purpose to encourage, promote, facilitate, and where such public interest requires, to mandate the conservation and proper control of and use of the soil and water resources of this state, by measures including but not limited to the control of floods, the control of erosion by water or by wind, the preservation of the quality of water for its optimum use for agricultural, irrigation, recreational, industrial, and domestic purposes, all of which shall be presumed to be conducive to the public health, convenience, and welfare, both present and future.

*h.* To file the district soil and water resource conservation plans as part of a state soil and water resource conservation plan. The state plan shall contain on a statewide basis the information required for a district plan under this section.

*i.* To establish a position of state drainage coordinator for drainage districts and drainage and levee districts which will keep the management of those districts informed of the activities and experience of all other such districts and facilitate an interchange of advice, experience and cooperation among the districts, coordinate by advice and consultation the programs of the districts, secure the cooperation and assistance of the United States and its agencies and of the agencies of this state and other states in the work of the districts, disseminate information throughout the state concerning the activities and programs of the districts, and provide other appropriate assistance to the districts.

3. The division, in consultation with the commissioners of the soil and water conservation districts, shall conduct a biennial review to survey the availability of private soil and water conservation control contractors in each district. A report containing the results of the review shall be prepared and posted on the department's internet site.

4. A state soil conservation committee is established within the department.

*a.* The nine voting members of the committee shall be appointed by the governor subject to confirmation by the senate pursuant to section 2.32, and shall include the following:

(1) Six of the members shall be persons engaged in actual farming operations, one of whom shall be a resident of each of six geographic regions in the state, including northwest, southwest, north central, south central, northeast, and southeast Iowa, and no more than one

of whom shall be a resident of any one county. The boundaries of the geographic regions shall be established by rule.

(2) The seventh, eighth, and ninth appointive members shall be chosen by the governor from the state at large, with one appointed to be a representative of cities, one appointed to be a representative of the mining industry, and one appointee who is a farmer actively engaged in tree farming.

*b.* The committee may invite the secretary of agriculture of the United States to appoint one person to serve with the other members, and the president of the Iowa county engineers association may designate a member of the association to serve in the same manner, but these persons have no vote and shall serve in an advisory capacity only.

*c.* The following shall serve as ex officio nonvoting members of the committee:

(1) The director of the Iowa cooperative extension service in agriculture and home economics, or the director's designee.

(2) The director of the department of natural resources or the director's designee.

5. *a.* The committee shall designate its chairperson, and may change the designation. The members appointed by the governor shall serve for a period of six years. Members shall be appointed in each odd-numbered year to succeed members whose terms expire as provided by section 69.19. Appointments may be made at other times and for other periods as necessary to fill vacancies on the committee. Members shall not be appointed to serve more than two complete six-year terms. Members designated to represent the director of the department of natural resources and the director of the Iowa cooperative extension service in agriculture and home economics shall serve at the pleasure of the officer making the designation.

*b.* A majority of the voting members of the committee constitutes a quorum, and the concurrence of a majority of the voting members of the committee in any matter within their duties is required for its determination.

*c.* Members are entitled to actual expenses necessarily incurred in the discharge of their duties as members of the committee. The expenses paid to the committee members shall be paid from funds appropriated to the department. Each member of the committee may also be eligible to receive compensation as provided in section 7E.6. The committee shall provide for the execution of surety bonds for all employees and officers who are entrusted with funds or property, shall provide for the keeping of a full and accurate record of all proceedings and of all resolutions and orders issued or adopted, and shall provide for an annual audit of the accounts of receipts and disbursements.

6. *a.* The committee may perform acts, hold public hearings, and propose and approve rules pursuant to chapter 17A as necessary for the execution of its functions.

*b.* The committee shall recommend to the secretary each year a budget for the division. The secretary, at the earliest opportunity and prior to formulating a budget, shall meet with representatives of the committee to discuss the committee's recommendation.

*c.* The committee shall recommend three persons to the secretary of agriculture who shall appoint from the persons recommended an administrative director to head the division and serve at the pleasure of the secretary. After reviewing the names submitted, the secretary may request that the soil conservation committee submit additional names for consideration.

7. The committee or division may call upon the attorney general of the state for necessary legal services. The committee may delegate to its chairperson, to one or more of its members, or to one or more agents or employees, powers and duties as it deems proper. Upon request of the committee, for the purpose of carrying out any of the functions assigned the committee or the department by law, the supervising officer of any state agency, or of any state institution of learning shall, insofar as possible under available appropriations, and having due regard to the needs of the agency to which the request is directed, assign or detail the request to the staff or personnel of the agency or institution of learning, and make the special reports, surveys, or studies as the committee requests.

[C39, §**2603.05;** C46, §160.4; C50, 54, 58, 62, 66, 71, §467A.4; C73, §455A.40(3), 467A.4; C75, 77, 79, 81, §467A.4; 82 Acts, ch 1199, §73, 74, 96]

83 Acts, ch 101, §102; 85 Acts, ch 163, §13; 86 Acts, ch 1245, §648 – 650, 668; 87 Acts, ch 23, §17; 88 Acts, ch 1198, §1, 2; 89 Acts, ch 83, §56; 89 Acts, ch 106, §2

C93, §161A.4
2004 Acts, ch 1143, §1; 2007 Acts, ch 22, §43; 2009 Acts, ch 41, §59
Referred to in §159.5, 161A.3, 161A.7, 161C.1, 460.303, 461.11, 466A.1, 466B.41

## DIVISION II

## SOIL AND WATER CONSERVATION DISTRICTS

**161A.5 Soil and water conservation districts.**

1. The one hundred soil and water conservation districts* established in the manner which was prescribed by law prior to July 1, 1975 shall continue in existence with the boundaries and the names* in effect on July 1, 1975. If the existence of a district so established is discontinued pursuant to section 161A.10, a petition for reestablishment of the district or for annexation of the former district's territory to any other abutting district may be submitted to, and shall be acted upon by, the state soil conservation committee in substantially the manner provided by section 467A.5, Code 1975.

2. The governing body of each district shall consist of five commissioners elected on a nonpartisan basis for staggered four-year terms commencing on the first day of January that is not a Sunday or holiday following their election. Any eligible elector residing in the district is eligible to the office of commissioner, except that no more than one commissioner shall at any one time be a resident of any one township. A vacancy is created in the office of any commissioner who changes residence into a township where another commissioner then resides. If a commissioner is absent for sixty or more percent of monthly meetings during any twelve-month period, the other commissioners by their unanimous vote may declare the member's office vacant. A vacancy in the office of commissioner shall be filled by appointment of the state soil conservation committee until the next succeeding general election, at which time the balance of the unexpired term shall be filled as provided by section 69.12.

3. At each general election a successor shall be chosen for each commissioner whose term will expire in the succeeding January.

*a.* Nomination of candidates for the office of commissioner shall be made by petition in accordance with chapter 45, except that each candidate's nominating petition shall be signed by at least twenty-five eligible electors of the district. The petition form shall be furnished by the county commissioner of elections.

*b.* Every candidate shall file with the nomination papers an affidavit stating the candidate's name, the candidate's residence, that the person is a candidate and is eligible for the office of commissioner, and that if elected the candidate will qualify for the office. The affidavit shall also state that the candidate is aware that the candidate is disqualified from holding office if the candidate has been convicted of a felony or other infamous crime and the candidate's rights have not been restored by the governor or by the president of the United States.

*c.* The signed petitions shall be filed with the county commissioner of elections not later than 5:00 p.m. on the sixty-ninth day before the general election.

*d.* The votes for the office of district commissioner shall be canvassed in the same manner as the votes for county officers, and the returns shall be certified to the commissioners of the district. A plurality is sufficient to elect commissioners, and a primary election for the office shall not be held.

*e.* If the canvass shows that the two candidates receiving the highest and the second highest number of votes for the office of district commissioner are both residents of the same township, the board shall certify as elected the candidate who received the highest number of votes for the office and the candidate receiving the next highest number of votes for the office who is not a resident of the same township as the candidate receiving the highest number of votes.

[C39, §**2603.06;** C46, §160.5; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.5]
87 Acts, ch 23, §18; 89 Acts, ch 136, §73; 90 Acts, ch 1238, §41

C93, §161A.5
94 Acts, ch 1180, §41; 96 Acts, ch 1083, §1; 98 Acts, ch 1052, §5; 2009 Acts, ch 41, §201
Referred to in §39.21, 161A.3, 161A.15
*Established as "soil conservation districts"

**161A.6 Commissioners — general provisions.**

The commissioners of each soil and water conservation district shall convene on the first day of January that is not a Sunday or holiday in each odd-numbered year. Those commissioners whose term of office begins on that day shall take the oath of office prescribed by section 63.10. The commissioners shall then organize by election of a chairperson and a vice chairperson.

The commissioners of the respective districts shall submit to the department such statements, estimates, budgets, and other information at such times and in such manner as the department may require.

A commissioner shall not receive compensation for the commissioner's services. However, to the extent funds are available, a commissioner is entitled to receive actual expenses necessarily incurred in the discharge of the commissioner's duties, including reimbursement for mileage at the rate provided under section 70A.9 for state business use.

The commissioners may call upon the attorney general of the state for such legal services as they may require. The commissioners may delegate to their chairperson, to one or more commissioners or to one or more agents, or employees, such powers and duties as they may deem proper. The commissioners shall furnish to the division of soil conservation, upon request, copies of such ordinances, rules, regulations, orders, contracts, forms, and other documents as they shall adopt or employ, and such other information concerning their activities as it may require in the performance of its duties under this chapter.

The commissioners shall provide for the execution of surety bonds for all employees and officers who shall be entrusted with funds or property; shall provide for the keeping of a full and accurate record of all proceedings and of all resolutions, regulations, and orders issued or adopted; and shall regularly report to the division a summary of financial information regarding moneys controlled by the commissioners, which are not audited by the state, according to rules adopted by the division.

The commissioners may invite the legislative body of any municipality or county located near the territory comprised within the district to designate a representative to advise and consult with the commissioners of the district on all questions of program and policy which may affect the property, water supply, or other interests of such municipality or county.

[C39, §**2603.08;** C46, §160.6; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.6]
87 Acts, ch 23, §19
C93, §161A.6
93 Acts, ch 176, §33; 96 Acts, ch 1083, §2

**161A.7 Powers of districts and commissioners.**

1. A soil and water conservation district organized under this chapter has the following powers, in addition to others granted in other sections of this chapter:

*a.* To conduct surveys, investigations, and research relating to the character of soil erosion and erosion, floodwater, and sediment damages, and the preventive and control measures needed, to publish the results of such surveys, investigations or research, and to disseminate information concerning such preventive and control measures; provided, however, that in order to avoid duplication of research activities, no district shall initiate any research program except in cooperation with the Iowa agricultural experiment station located at Ames, Iowa, and pursuant to a cooperative agreement entered into between the Iowa agricultural experiment station and such district.

*b.* To conduct demonstrational projects within the district on lands owned or controlled by this state or any of its agencies, with the consent and cooperation of the agency administering and having jurisdiction thereof, and on any other lands within the district upon obtaining the consent of the owner or occupier of such lands or the necessary rights or interests in such lands, in order to demonstrate by example the means, methods, and measures by which

soil and soil resources may be conserved, and soil erosion in the form of soil blowing and soil washing may be prevented and controlled; provided, however, that in order to avoid duplication of agricultural extension activities, no district shall initiate any demonstrational projects, except in cooperation with the Iowa agricultural extension service whose offices are located at Ames, Iowa, and pursuant to a cooperative agreement entered into between the Iowa agricultural extension service and such district.

*c.* To carry out preventive and control measures within the district, including but not limited to crop rotations, engineering operations, methods of cultivation, the growing of vegetation, changes in use of land, and the measures listed in section 161A.2, on lands owned or controlled by this state or any of its agencies, with the consent and cooperation of the agency administering and having jurisdiction thereof, and on any other lands within the district, upon obtaining the consent of the owner or occupier of such lands or the necessary rights or interests in such lands. Any approval or permits from the council required under other provisions of law shall be obtained by the district prior to initiation of any construction activity.

*d.* To cooperate, or enter into agreements with, and within the limits of appropriations duly made available to it by law, to furnish financial or other aid to any agency, governmental or otherwise, or any owner or occupier of lands within the district, in the carrying on of erosion-control and watershed protection and flood prevention operations within the district, subject to such conditions as the commissioners may deem necessary to advance the purposes of this chapter.

*e.* To obtain options upon and to acquire, by purchase, exchange, lease, gift, grant, bequest, devise or otherwise, any property, real or personal, or rights or interests therein; to maintain, administer, and improve any properties acquired, to receive income from such properties and to expend such income in carrying out the purposes and provisions of this chapter; and to sell, lease or otherwise dispose of any of its property or interests therein in furtherance of the purposes and provisions of this chapter.

*f.* To make available on such terms as it shall prescribe, to landowners or occupiers within the district, agricultural and engineering machinery and equipment, fertilizer, lime, and such other material or equipment as will assist such landowners or occupiers to carry on operations upon their lands for the conservation of soil resources and for the prevention and control of soil erosion and for the prevention of erosion, floodwater, and sediment damages.

*g.* To construct, improve, and maintain such structures as may be necessary or convenient for the performance of any of the operations authorized in this chapter. Any approval or permits from the council required under other provisions of law shall be obtained by the district prior to initiation of any construction activity.

*h.* To develop comprehensive plans for the conservation of soil resources and for the control and prevention of soil erosion and for the prevention of erosion, floodwater, and sediment damages within the district, which plans shall specify in such detail as may be possible, the acts, procedures, performances, and avoidances which are necessary or desirable for the effectuation of such plans, including the specification of engineering operations, methods of cultivation, the growing of vegetation, cropping programs, tillage practices, and changes in use of land; and to publish such plans and information and bring them to the attention of owners and occupiers of lands within the district.

*i.* To sue and be sued in the name of the district; to have a seal, which seal shall be judicially noticed; to have perpetual succession unless terminated as hereinafter provided; to make and execute contracts and other instruments, necessary or convenient to the exercise of its powers; to make, and from time to time amend and repeal, rules not inconsistent with this chapter, to carry into effect its purposes and powers.

*j.* To accept donations, gifts, and contributions in money, services, materials, or otherwise, from the United States or any of its agencies, or from this state or any of its agencies, and to use or expend such moneys, services, materials, or other contributions in carrying on its operations.

*k.* Subject to the approval of the state soil conservation committee, to change the name of the soil and water conservation district.

*l.* To provide for the restoration of permanent soil and water conservation practices which are damaged or destroyed because of a disaster emergency as provided in section 161A.75.

*m.* To encourage local school districts to provide instruction in the importance of and in some of the basic methods of soil conservation, as a part of course work relating to conservation of natural resources and environmental awareness required in rules adopted by the state board of education pursuant to section 256.11, subsections 3 and 4, and to offer technical assistance to schools in developing such instructional programs.

*n.* To develop a soil and water resource conservation plan for the district.

(1) The district plan shall contain a comprehensive long-range assessment of soil and surface water resources in the district consistent with rules approved by the committee under section 161A.4. In developing the plan the district may receive technical support from the United States department of agriculture natural resources conservation service and the county board of supervisors in the county where the district is located. The division and the Iowa cooperative extension service in agriculture and home economics may provide technical support to the district. The support may include but is not limited to the following:

(a) Assessing the condition of soil and surface water in the district, including an evaluation of the type, amount, and quality of soil and water, the threat of soil erosion and erosion, floodwater, and sediment damages, and necessary preventative and control measures.

(b) Developing methods to maintain or improve soil and water condition.

(c) Cooperating with other state and federal agencies to carry out this support.

(2) The title page of the district plan and a notification stating where the plan may be reviewed shall be recorded with the recorder in the county in which the district is located, and updated as necessary, after the committee approves and the administrator of the division signs the district plan. The commissioners shall provide notice of the recording and may provide a copy of the approved district plan to the county board of supervisors in the county where the district is located. The district plan shall be filed with the division as part of the state soil and water resource conservation plan provided in section 161A.4.

*o.* To enter into agreements pursuant to chapter 161C with the owner or occupier of land within the district or cooperating districts, or any other private entity or public agency, in carrying out water protection practices, including district and multidistrict projects to protect this state's groundwater and surface water from point and nonpoint sources of contamination, including but not limited to agricultural drainage wells, sinkholes, sedimentation, and chemical pollutants.

2. As a condition to the extending of any benefits under this chapter to, or the performance of work upon, any lands not owned or controlled by this state or any of its agencies, the commissioners may require contributions in money, services, materials, or otherwise to any operations conferring such benefits, and may require landowners or occupiers to enter into and perform such agreements or covenants as to the permanent use of such lands as will tend to prevent or control erosion thereon.

3. The commissioners, as a condition for the receipt of any state cost-sharing funds for permanent soil conservation practices, shall require the owner of the land on which the practices are to be established to covenant and file, in the office of the soil and water conservation district of the county in which the land is located, an agreement identifying the particular lands upon which the practices for which state cost-sharing funds are to be received will be established, and providing that the project will not be removed, altered, or modified so as to lessen its effectiveness without the consent of the commissioners, obtained in advance and based on guidelines drawn up by the state soil conservation committee, for a period not to exceed twenty years after the date of receiving payment. The commissioners shall assist the division in the enforcement of this subsection. The agreement does not create a lien on the land, but is a charge personally against the owner of the land at the time of removal, alteration, or modification if an administrative order is made under section 161A.61, subsection 3.

4. No provisions with respect to the acquisition, operation, or disposition of property by other public bodies shall be applicable to a district organized hereunder unless the general assembly shall specifically so state.

5. After the formation of any district under the provisions of this chapter, all participation hereunder shall be purely voluntary, except as specifically stated herein.

[C39, §**2603.09;** C46, §160.7; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.7; 82 Acts, ch 1083, §1, ch 1220, §1]

86 Acts, ch 1238, §61; 86 Acts, ch 1245, §651; 87 Acts, ch 23, §20; 88 Acts, ch 1189, §1; 88 Acts, ch 1198, §3; 88 Acts, ch 1262, §9; 89 Acts, ch 83, §57; 92 Acts, ch 1108, §1; 92 Acts, ch 1239, §49

C93, §161A.7

93 Acts, ch 109, §1; 95 Acts, ch 216, §25; 97 Acts, ch 59, §1; 2009 Acts, ch 41, §60; 2012 Acts, ch 1095, §9

Referred to in §161A.4, 161A.61, 161A.71

Review of road construction projects, §306.50 – 306.54

**161A.8 Cooperation between districts.**

The commissioners of any two or more districts organized under the provisions of this chapter may cooperate with one another in the exercise of any or all powers conferred in this chapter.

[C39, §**2603.10;** C46, §160.8; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.8]

C93, §161A.8

**161A.9 State agencies to cooperate.**

Agencies of this state which shall have jurisdiction over, or be charged with the administration of, any state-owned lands, and of any county, or other governmental subdivision of the state, which shall have jurisdiction over, or be charged with the administration of, any county-owned or other publicly owned lands, lying within the boundaries of any district organized hereunder, may cooperate to the fullest extent with the commissioners of such districts in the effectuation of programs and operations undertaken by the commissioners under the provisions of this chapter.

[C39, §**2603.11;** C46, §160.9; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.9]

C93, §161A.9

**161A.10 Discontinuance of districts.**

At any time after five years after the organization of a district under this chapter, any twenty-five owners of land lying within the boundaries of the district, but in no case less than twenty percent of the owners of land lying within the district, may file a petition with the committee asking that the operations of the district be terminated and the existence of the district discontinued. The committee may conduct public meetings and public hearings upon the petition as necessary to assist in the consideration of the petition. Within sixty days after a petition has been received by the committee, the division shall give due notice of the holding of a referendum, shall supervise the referendum, and shall issue appropriate rules governing the conduct of the referendum. The question is to be submitted by ballots upon which the words "For terminating the existence of the ..... (name of the soil and water conservation district to be here inserted)" and "Against terminating the existence of the ..... (name of the soil and water conservation district to be here inserted)" shall be printed, with a square before each proposition and a direction to insert an X mark in the square before one or the other of the propositions as the voter favors or opposes discontinuance of the district. All owners of lands lying within the boundaries of the district are eligible to vote in the referendum. No informalities in the conduct of the referendum or in any matters relating to the referendum invalidate the referendum or the result of the referendum if notice was given substantially as provided in this section and if the referendum was fairly conducted.

When sixty-five percent of the landowners vote to terminate the existence of the district, the committee shall advise the commissioners to terminate the affairs of the district. The commissioners shall dispose of all property belonging to the district at public auction and shall pay over the proceeds of the sale to be deposited into the state treasury. The commissioners shall then file an application, duly verified, with the secretary of state for the discontinuance of the district, and shall transmit with the application the certificate of the

committee setting forth the determination of the committee that the continued operation of the district is not administratively practicable and feasible. The application shall recite that the property of the district has been disposed of and the proceeds paid over as provided in this section, and shall set forth a full accounting of the properties and proceeds of the sale. The secretary of state shall issue to the commissioners a certificate of dissolution and shall record the certificate in an appropriate book of record in the secretary of state's office.

Upon issuance of a certificate of dissolution under this section, all ordinances and regulations previously adopted and in force within the districts are of no further force and effect. All contracts previously entered into, to which the district or commissioners are parties, remain in force and effect for the period provided in the contracts. The committee is substituted for the district or commissioners as party to the contracts. The committee is entitled to all benefits and subject to all liabilities under the contracts and has the same right and liability to perform, to require performance, to sue and be sued, and to modify or terminate the contracts by mutual consent or otherwise, as the commissioners of the district would have had.

The committee shall not entertain petitions for the discontinuance of any district nor conduct referenda upon discontinuance petitions nor make determinations pursuant to the petitions in accordance with this chapter, more often than once in five years.

[C39, §**2603.12;** C46, §160.10; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.10]
86 Acts, ch 1245, §652; 87 Acts, ch 23, §21; 89 Acts, ch 106, §3
C93, §161A.10
Referred to in §161A.5

**161A.11 Report to governor.** Repealed by 2003 Acts, ch 74, § 2; 2003 Acts, ch 128, § 2.

**161A.12 Statement to department of management.**

On or before October 1 next preceding each annual legislative session, the department shall submit to the department of management, on official estimate blanks furnished for those purposes, statements and estimates of the expenditure requirements for each fiscal year, and a statement of the balance of funds, if any, available to the division, and the estimates of the division as to the sums needed for the administrative and other expenses of the division for the purposes of this chapter.

[C46, §160.12; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.12]
86 Acts, ch 1245, §654
C93, §161A.12
96 Acts, ch 1034, §6; 2012 Acts, ch 1095, §10

## DIVISION III

## SUBDISTRICTS

**161A.13 Purpose of subdistricts.**

Subdistricts of a soil and water conservation district may be formed as provided in this chapter for the purposes of carrying out watershed protection and flood prevention programs within the subdistrict but shall not be formed solely for the purpose of establishing or taking over the operation of an existing drainage district.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.13]
86 Acts, ch 1238, §61; 87 Acts, ch 23, §22; 89 Acts, ch 83, §58
C93, §161A.13

**161A.14 Petition to form.**

When the landowners in a proposed subdistrict desire that a subdistrict be organized, they shall file a petition with the commissioners of the soil and water conservation district. The area must be contiguous and in the same watershed but it shall not include any area located within the boundaries of an incorporated city. The petition shall set forth an intelligible

description by congressional subdivision, or otherwise, of the land suggested for inclusion in the subdistrict and shall state whether the special annual tax or special benefit assessments will be used, or whether the use of both is contemplated. The petition shall contain a brief statement giving the reasons for organization, and requesting that the proposed area be organized as a subdistrict, and must be signed by sixty-five percent of the landowners in the proposed subdistrict. Land already in one subdistrict cannot be included in another. The soil and water conservation district commissioners shall review the petition and if it is found adequate shall arrange for a hearing on it.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.14]
87 Acts, ch 23, §23
C93, §161A.14

**161A.15 Notice and hearing.**

Within thirty days after a petition has been filed with the soil and water conservation district commissioners, they shall fix a date, hour, and place for a hearing and direct the secretary to cause notice to be given to the owners of each tract of land, or lot, within the proposed subdistrict as shown by the transfer books of the auditor's office, and to each lienholder, or encumbrancer, of any such lands as shown by the county records, and to all other persons whom it may concern, and without naming individuals all actual occupants of land in the proposed subdistrict, of the pendency and purpose of the petition and that all objections to establishment of the subdistrict for any reason must be made in writing and filed with the secretary of the soil and water conservation district at, or before, the time set for hearing. The soil and water conservation district commissioners shall consider and determine whether the operation of the subdistrict within the defined boundaries as proposed is desirable, practicable, feasible, and of necessity in the interest of health, safety, and public welfare. All interested parties may attend the hearing and be heard. The soil and water conservation district commissioners may for good cause adjourn the hearing to a day certain which shall be announced at the time of adjournment and made a matter of record. If the soil and water conservation district commissioners determine that the petition meets the requirements set forth in this section and in section 161A.5, they shall declare that the subdistrict is duly organized and shall record such action in their official minutes together with an appropriate official name or designation for the subdistrict.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.15]
87 Acts, ch 23, §24
C93, §161A.15
2001 Acts, ch 24, §32

**161A.16 Publication of notice.**

The notice of hearing on the formation of a subdistrict shall be by publication once each week for two consecutive weeks in some newspaper of general circulation published in the county or district, the last of which shall be not less than ten days prior to the day set for the hearing on the petition. Proof of such service shall be made by affidavit of the publisher, and be on file with the secretary of the district at the time the hearing begins.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.16]
87 Acts, ch 115, §61
C93, §161A.16

**161A.17 Subdistrict in more than one district.**

If the proposed subdistrict lies in more than one soil and water conservation district, the petition may be presented to the commissioners of any one of such districts, and the commissioners of all such districts shall act jointly as a board of commissioners with respect to all matters concerning the subdistrict, including its formation. They shall organize as a single board for such purposes and shall designate its chairperson, vice chairperson, and secretary-treasurer to serve for terms of one year. Such a subdistrict shall be formed in the

same manner and has the same powers and duties as a subdistrict formed in one soil and water conservation district.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.17]
87 Acts, ch 23, §25
C93, §161A.17

**161A.18 Certification.**

Following the entry in the official minutes of the soil and water conservation district commissioners of the creation of the subdistrict, the commissioners shall certify this fact on a separate form, authentic copies of which shall be recorded with the county recorder of each county in which any portion of the subdistrict lies, and with the division of soil conservation.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.18]
87 Acts, ch 23, §26
C93, §161A.18
2001 Acts, ch 24, §33

**161A.19 Governing body.**

The commissioners of a soil and water conservation district in which the subdistrict is formed are the governing body of the subdistrict. When a subdistrict lies in more than one soil and water conservation district, the combined board of commissioners is the governing body. The governing body of the subdistrict shall appoint three trustees living within the subdistrict to assist with the administration of the subdistrict.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.19]
87 Acts, ch 23, §27
C93, §161A.19

**161A.20 Special annual tax.**

After obtaining agreements to carry out recommended soil conservation measures and proper farm plans from owners of not less than fifty percent of the lands situated in the subdistrict, a subdistrict shall have the authority to impose a special annual tax, the proceeds of which shall be used for the repayment of actual and necessary expenses incurred to organize the subdistrict, to acquire land or rights or interests therein by purchase or condemnation, repair, alteration, maintenance and operation of the present and future works of improvement within its boundaries.

On or before January 10 of each year its governing body shall make an estimate of the amount it deems necessary to be raised by such special tax for the ensuing year and transmit said estimate in dollars to the board of supervisors of the county in which the subdistrict lies.

If portions of the subdistrict are in more than one county, then the governing body, as hereinbefore designated in such event, after arriving at the estimate in dollars deemed necessary for the entire subdistrict shall ratably apportion such amount between the counties and transmit and certify the prorated portion to the respective boards of supervisors of each of the counties.

The board or boards of supervisors shall upon receipt of certification from the governing body of the district make the necessary levy on the assessed valuation of all real estate within the boundaries of the subdistrict lying within their respective county to raise said amounts, but in no event to exceed one dollar and eight cents per thousand dollars of assessed value.

The special tax levied under this section shall be collected in the same manner as other taxes with a penalty for delinquency. The moneys collected from the special tax and any delinquency penalty shall be deposited in a fund established by the governing body as provided by a resolution adopted by the governing body and delivered for filing with each appropriate county treasurer. Moneys earned as income from moneys in the fund, including as interest, shall remain in the fund until expended by the governing body according to procedures specified in the resolution. If the governing body does not adopt a resolution or deliver the resolution to the county treasurer, the moneys shall be deposited into a separate account in the county's general fund by that county treasurer. The account shall be identified

by the official name of the subdistrict and expenditures from the account shall be made on requisition of the chairperson and secretary of the governing body of the subdistrict.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §467A.20]
C93, §161A.20
2005 Acts, ch 116, §1
Referred to in §161A.22, 161A.41

**161A.21 Condemnation by subdistrict.**

A subdistrict of a soil and water conservation district may condemn land or rights or interests in the subdistrict to carry out the authorized purposes of the subdistrict.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.21]
87 Acts, ch 23, §28
C93, §161A.21

**161A.22 General powers applicable — warrants or bonds.**

A subdistrict organized under this chapter has all of the powers of a soil and water conservation district in addition to other powers granted to the subdistrict in other sections of this chapter.

The governing body of the subdistrict, upon determination that benefits from works of improvement as set forth in the watershed work plan to be installed will exceed costs thereof, and that funds needed for purposes of the subdistrict require levy of a special benefit assessment as provided in section 161A.23, in lieu of the special annual tax as provided in section 161A.20, shall record its decision to use its taxing authority and, upon majority vote of the governing body and with the approval of the state soil conservation committee, may issue warrants or bonds payable in not more than forty semiannual installments in connection with the special benefit assessment, and pledge and assign the proceeds of the special benefit assessment and other revenues of the subdistrict as security for the warrants or bonds. The warrants and bonds of indebtedness are general obligations of the subdistrict, exempt from all taxes, state and local, and are not indebtedness of the soil and water conservation district or the state of Iowa.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.22]
87 Acts, ch 23, §29
C93, §161A.22
Referred to in §422.7

## DIVISION IV

## ALTERNATE METHOD OF TAXATION FOR WATERSHED PROTECTION AND FLOOD PREVENTION

**161A.23 Agreement by fifty percent of landowners.**

1. After obtaining agreements to carry out recommended soil conservation measures and proper farm plans from owners of not less than fifty percent of the lands situated in the subdistrict, the governing body of the subdistrict shall have the authority to establish a special tax for the purpose of organization, construction, repair, alteration, enlargement, extension, and operation of present and future works of improvement within the boundaries of said subdistrict.

2. The governing body shall appoint three appraisers to assess benefits and classify the land affected by such improvements. One of such appraisers shall be a competent licensed professional engineer and two of them shall be resident landowners of the county or counties in which the subdistrict is located but not living within nor owning or operating any lands included in said subdistrict.

3. The appraisers shall take and subscribe an oath of their qualifications and to perform the duties of classification of said lands, fix the percentages, benefits and apportion and assess the costs and expenses of construction of the said improvement according to law and their

best judgment, skill, and ability. If said appraisers or any of them fail or neglect to act or perform the duties in the time and as required of them by law, the governing body of the subdistrict shall appoint others with like qualifications to take their places and perform said duties.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.23]
C93, §161A.23
2007 Acts, ch 126, §38
Referred to in §161A.22, 161A.38, 161A.41

**161A.24 Assessment for improvements.**

At the time of appointing said appraisers, the governing body shall fix the time within which said assessment, classification, and apportionment shall be made, which may be extended for good cause shown. Within twenty days after their appointment, they shall begin to inspect and classify all the lands within said district, or any change, extension, enlargement, or relocation thereof in tracts of forty acres or less according to the legal or recognized subdivisions, in a graduated scale of benefits to be numbered according to the benefit to be received by each of such tracts from such improvement, and pursue said work continuously until completed and, when completed, shall make a full, accurate, and detailed report thereof and file the same with the governing body. The lands receiving the greatest benefit shall be marked on a scale of one hundred, and those benefited in a less degree with such percentage of one hundred as the benefits received bear in proportion thereto.

The amount of benefit appraised to each forty acres of land within the subdistrict shall be determined by the improvements within said subdistrict based upon the work plan as agreed upon by the subdistrict.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.24]
C93, §161A.24
Referred to in §161A.41

**161A.25 Report of appraisers.**

In the report of the appraisers so appointed they shall specify each tract of land by proper description, and the ownership thereof, as the same appears on the transfer books in the auditor's office.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.25]
C93, §161A.25
Referred to in §161A.41

**161A.26 Hearing.**

The governing body shall fix a time for a hearing within sixty days upon receiving the report of the appraisers, and the governing body shall cause notice to be served upon each person not less than ten days before said hearing whose name appears as owner, naming that person, and also upon the person or persons in actual occupancy of any tract of land without naming them of the day and hour of such hearing, which notice shall be for the same time and served in the same manner as is provided for the establishment of a subdistrict, and shall state the amount of assessment of costs and expenses of organizing and construction apportioned to each owner upon each forty-acre tract or less, and that all objections thereto must be in writing and filed with the governing body at or before the time set for such hearing.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.26]
C93, §161A.26
Referred to in §161A.41

**161A.27 Determination by board.**

At the time fixed or at an adjourned hearing, the governing body shall hear and determine all objections filed to said report and shall fully consider the said report, and may affirm, increase, or diminish the percentage of benefits or the apportionment of costs and expenses

made in said report against any body or tract of land in said subdistrict as may appear to the board to be just and equitable.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.27]

C93, §161A.27

Referred to in §161A.41

**161A.28 Appeal.**

Any person aggrieved may appeal from any final action of the governing body in relation to any matter involving the person's rights, to the district court of the county in which the proceeding was held.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.28]

C93, §161A.28

Referred to in §161A.41

**161A.29 Intercounty subdistricts.**

In subdistricts extending into two or more counties, appeals from final orders resulting from the joint action of the several governing bodies of such subdistrict may be taken to the district court of any county into which the district extends.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.29]

C93, §161A.29

Referred to in §161A.41

**161A.30 Notice of appeal.**

All appeals shall be taken within twenty days after the date of final action or order of the governing body from which such appeal is taken by filing with the auditor a notice of appeal, designating the court to which the appeal is taken, the order or action appealed from, and stating that the appeal will come on for hearing thirty days following perfection of the appeal with allowances of additional time for good cause shown. This notice shall be accompanied by an appeal bond with sureties to be approved by the auditor conditioned to pay all costs adjudged against the appellant and to abide the orders of the court.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.30]

C93, §161A.30

Referred to in §161A.41

**161A.31 Petition filed.**

Within twenty days after perfection of notice, the appellant shall file a petition setting forth the order or final action of the governing body appealed from and the grounds of the appellant's objections and the appellant's complaint, with a copy of the appellant's claim for damages or objections filed by the appellant with the auditor. The appellant shall pay to the clerk the filing fee as provided by law in other cases. A failure to pay the filing fee or to file such petition shall be deemed a waiver of the appeal and in such case the court shall dismiss the same.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.31]

C93, §161A.31

Referred to in §161A.41

**161A.32 Assessment certified.**

When the board or boards of supervisors shall receive a certification from the governing body of the district to make the necessary assessment on the real estate within the boundaries of the subdistrict lying within their respective county, this shall be construed as final action by the governing body.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.32]

C93, §161A.32

Referred to in §161A.41

**161A.33 Assessments transmitted.**

1. The governing body upon receiving the reports from three appointed appraisers and after holding the hearings shall transmit and certify the amounts of assessments to the

respective boards of supervisors which, upon receipt of certification from the governing body of the district, make the necessary levy of such assessments as fixed by the governing body upon the land within such subdistrict. The assessments shall be levied at that time as a tax and shall bear interest at a rate not exceeding that permitted by chapter 74A from that date payable annually except as hereafter provided as to cash payments therefor within a specified time.

2. The assessment levied under this section together with any accrued interest or delinquency penalty as provided in this chapter shall be deposited in a fund established by the governing body as provided by a resolution adopted by the governing body and delivered for filing with each appropriate county treasurer. Moneys earned as income from moneys in the fund, including as interest, shall remain in the fund until expended by the governing body according to procedures specified in the resolution. If the governing body does not adopt a resolution or deliver the resolution to the county treasurer, the moneys shall be deposited into a separate account in the county's general fund by that county treasurer. The account shall be identified by the official name of the subdistrict and expenditures from the account shall be made on requisition of the chairperson and secretary of the governing body of the subdistrict.

3. At no time shall an assessment be made where the benefits accrued to the subdistrict do not exceed the cost of the improvements within the subdistrict.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.33]
C93, §161A.33
2005 Acts, ch 116, §2
Referred to in §161A.34, 161A.41, 331.552

**161A.34 Payment to county treasurer.**

1. All assessments for benefits shall be levied at one time against the property benefited and when levied and certified by the board or boards of supervisors shall be paid at the office of the county treasurer. Each person shall have the right within twenty days after the levy of assessments to pay the person's assessment in full without interest. The county treasurer shall pay the collected moneys into a fund established by the governing body or an account of the county's general fund as provided in section 161A.33.

2. If any levy of assessments is not sufficient to meet the cost and expenses of organizing and construction apportioned to each owner upon each forty-acre tract or less, additional assessments may be made on the same classification as the previous ones.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.34]
C93, §161A.34
2005 Acts, ch 116, §3
Referred to in §161A.41, 331.552

**161A.35 Installments.**

If the owner of any premises against which a levy exceeding five hundred dollars has been made and certified shall, within thirty days from the date of such levy, agree in writing in a separate agreement, that in consideration of having a right to pay the owner's assessment in installments, the owner will not make any objection as to the legality of the assessment for benefit, or the levy of the taxes against the owner's property, then such owner shall have the following options:

1. To pay one half of the amount of such assessment at the time of filing such agreement and the remaining one half shall become due and payable one year from the date of filing such agreement. All such installments shall be without interest if paid at said times, otherwise said assessments shall bear interest from the date of the levy at a rate fixed by the governing body of the subdistrict, but not exceeding that permitted by chapter 74A, payable annually, and be collected as other taxes on real estate, with like penalty for delinquency.

2. To pay such assessments in not less than ten nor more than forty equal installments, the number to be fixed by the governing body of the subdistrict and interest at the rate fixed by the governing body of the subdistrict, not exceeding that permitted by chapter 74A. The first installment of each assessment shall become due and payable at the September semiannual

tax paying date after the date of filing such agreement, unless the agreement is filed with the county treasurer less than ninety days prior to such September semiannual tax paying date, in that event, the first installment shall become due and payable at the next succeeding September semiannual tax paying date. The second and each subsequent installment shall become due and payable at the September semiannual tax paying date each year thereafter. All such installments shall be collected with interest accrued on the unpaid balance to the September semiannual tax paying date and as other taxes on real estate, with like penalty for delinquency.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.35]
C93, §161A.35
98 Acts, ch 1107, §1; 99 Acts, ch 83, §1; 2012 Acts, ch 1138, §94
Referred to in §161A.41

**161A.36 Option by appellant.**

When an owner takes an appeal from the assessment against any of the owner's land, the option to pay in installments whatever assessment is finally established against such land in said appeal shall continue, if within twenty days after the final determination of said appeal the owner shall file in the office of the auditor the owner's written election to pay in installments, and within said period pay such installments as would have matured prior to that time if no appeal had been taken, together with all accrued interest on said assessment to the last preceding interest-paying date.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.36]
C93, §161A.36
Referred to in §161A.41

**161A.37 Status of classification.**

A classification of land for watershed purposes, when finally adopted, shall remain the basis of all future assessments for the purpose of said subdistrict, except as provided in section 161A.38.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.37]
C93, §161A.37
Referred to in §161A.41

**161A.38 New classification.**

After a subdistrict has been established and the improvements thereof constructed and put in operation, if the governing body shall find that the original assessments are not equitable as a basis for the expenses of any enlargement or extension thereof which may have become necessary, they shall order a new classification of all lands in said subdistrict by resolution, and appoint three appraisers, which shall meet the same requirements as set forth in section 161A.23.

Upon the completion of the reclassification, those affected by such reclassification shall have the right to appeal as hereinabove set forth.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.38]
C93, §161A.38
Referred to in §161A.37, 161A.41

**161A.39 Benefit of whole subdistrict.**

Assessments for repair, alteration, enlargement, extension, and operation of works of improvement within the watershed district shall be a benefit to the entire subdistrict and levied as such.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.39]
C93, §161A.39
Referred to in §161A.41

**161A.40 Compensation of appraisers.**

Persons appointed to appraise and make classifications of lands shall receive such compensation as the governing body may fix and in addition thereto, the necessary expenses of transportation of said persons while engaged in their work; such compensation and

expenses shall be construed as part of the cost of the subdistrict which shall be included when considering classifications of lands within a subdistrict.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.40]

C93, §161A.40

Referred to in §161A.41

**161A.41 Election of taxing methods.**

Subdistricts organized under the provisions of this chapter shall designate in the petition which of the taxing methods will be used or may stipulate that both methods are contemplated for use. Should the governing body of the subdistrict find it desirable to change from a special annual tax to special benefit assessments it may elect to do so and shall institute proceedings described in sections 161A.23 through 161A.40 and may divert any moneys already collected under section 161A.20, for the purposes authorized in this chapter.

[C62, 66, 71, 73, 75, 77, 79, 81, §467A.41]

C93, §161A.41

## DIVISION V

## SOIL AND WATER CONSERVATION PRACTICES

### PART 1

### DUTIES AND OBLIGATIONS

**161A.42 Definitions.**

In addition to the definitions established by section 161A.3, as used in this division, unless the context otherwise requires:

1. *"Agricultural land"* has the meaning assigned that term by section 9H.1.

2. *"Conservation agreement"* means a commitment by the owner or operator of a farm unit to implement a farm unit soil conservation plan or, with the approval of the commissioners of the soil and water conservation district within which the farm unit is located, a portion of a farm unit soil conservation plan. The commitment shall be conditioned on the furnishing by the soil and water conservation district of technical or planning assistance in the establishment of, and cost sharing or other financial assistance for establishment and maintenance of the soil and water conservation practices necessary to implement the plan, or a portion of the plan.

3. *"Cost-share"* or *"cost-sharing"* means a contribution of money made by the state in order to pay a percentage of the costs related to the establishment of voluntary or mandatory practices as provided under this chapter, including but not limited to soil and water conservation practices and erosion control practices.

4. *"Erosion control practices"* means:

*a.* The construction or installation, and maintenance, of such structures or devices as are necessary to carry to a suitable outlet from the site of any building housing four or more residential units, any commercial or industrial development or any publicly or privately owned recreational or service facility of any kind, not served by a central storm sewer system, any water which:

(1) Would otherwise cause erosion in excess of the applicable soil loss limit; and

(2) Does not carry nor constitute sewage, industrial waste, or other waste as defined by section 455B.171.

*b.* The employment of temporary devices or structures, temporary seeding, fibre mats, plastic, straw, or other measures adequate to prevent erosion in excess of the applicable soil loss limits from the site of, or land directly affected by, the construction of any public or private street, road or highway, any residential, commercial, or industrial building or development, or any publicly or privately owned recreational or service facility of any kind, at all times prior to completion of such construction.

*c.* The establishment and maintenance of vegetation upon the right-of-way of any completed portion of any public street, road, or highway, or the construction or installation thereon of structures or devices, or other measures adequate to prevent erosion from the right-of-way in excess of the applicable soil loss limits.

5. *"Farm unit"* means a single contiguous tract of agricultural land, or two or more adjacent tracts of agricultural land, located within a single soil and water conservation district, upon which farming operations are being conducted by a person who owns or is purchasing or renting all of the land, or by that person's tenant or tenants. If a landowner has multiple farm tenants, the land on which farming operations are being conducted by each tenant is a separate farm unit. This definition does not prohibit land which is within a single soil and water conservation district and is owned or being purchased by the same person, or is being rented by the same tenant, from being treated as two or more farm units if the commissioners of the soil and water conservation district deem it preferable to do so.

6. *"Farm unit soil conservation plan"* means a plan jointly developed by the owner and, if appropriate, the operator of a farm unit and the commissioners of the soil and water conservation district within which that farm unit is located, identifying those permanent soil and water conservation practices and temporary soil and water conservation practices the use of which may be expected to prevent soil loss by erosion from that farm unit in excess of the applicable soil loss limit or limits. The plan shall if practicable identify alternative practices by which this objective may be attained.

7. *"Forest"* means stands of native or introduced trees containing at least two hundred trees per acre and located on privately owned land. However, a stand of fruit trees is not a forest.

8. *"Professional forester"* means a forestry graduate of an institution of higher learning, who has a minimum of two years of forest management experience.

9. *"Soil and water conservation practices"* means any of the practices designated in or pursuant to this subsection which serve to prevent erosion of soil by wind or water, in excess of applicable soil loss limits, from land used for agricultural or horticultural purposes only.

*a.* *"Permanent soil and water conservation practices"* means planting of perennial grasses, legumes, shrubs, or trees, the establishment of grassed waterways, and the construction of terraces, or other permanent soil and water practices approved by the committee.

*b.* *"Temporary soil and water conservation practices"* means planting of annual or biennial crops, use of strip-cropping, contour planting, or minimum or mulch tillage, and any other cultural practices approved by the committee.

10. *"Soil loss limit"* means the maximum amount of soil loss due to erosion by water or wind, expressed in terms of tons per acre per year, which the commissioners of the respective soil and water conservation districts determine is acceptable in order to meet the objectives expressed in section 161A.2.

11. *"State forester"* means a person employed by the department of natural resources as required by section 456A.13.

[C73, 75, 77, 79, 81, §467A.42]

86 Acts, ch 1238, §40; 86 Acts, ch 1245, §655, 656; 87 Acts, ch 23, §30; 88 Acts, ch 1134, §88; 89 Acts, ch 106, §4; 92 Acts, ch 1184, §2, 3

C93, §161A.42

94 Acts, ch 1107, §8; 2012 Acts, ch 1095, §11, 12

Referred to in §161A.44, 161A.71, 175.2, 175.36

**161A.43 Duty of property owners — liability.**

To conserve the fertility, general usefulness, and value of the soil and soil resources of this state, and to prevent the injurious effects of soil erosion, it is hereby made the duty of the owners of real property in this state to establish and maintain soil and water conservation practices or erosion control practices, as required by the regulations of the commissioners of the respective soil and water conservation districts. As used in this section, *"owners of real property in this state"* includes each state government agency, each political subdivision of the state and each agency of such a political subdivision which has under its control publicly owned land, including but not limited to agricultural land, forests, parks, the grounds of state

educational, penal and human service institutions, public highways, roads and streets, and other public rights-of-way.

A landowner shall not be liable for a claim based upon or arising out of a claim of negligent design or specification, negligent adoption of design or specification, or negligent installation, construction, or reconstruction of a soil and water conservation practice or an erosion control practice that was installed, constructed, or reconstructed in accordance with generally recognized engineering or safety standards, criteria, or design theory in existence at the time of the installation, construction, or reconstruction. A soil and water conservation practice or an erosion control practice installed, constructed, or reconstructed in compliance with rules adopted by the division and currently in effect shall be deemed to be installed, constructed, or reconstructed according to generally recognized engineering or safety standards, criteria, or design theory in existence at the time of the installation, construction, or reconstruction. A claim shall not be allowed for failure to upgrade, improve, or alter any aspect of an existing soil and water conservation practice or erosion control practice to a new, changed, or altered design standard. This paragraph does not apply to a claim based on a failure of a landowner to upgrade, improve, or alter a soil and water conservation practice or erosion control practice in violation of law. This paragraph does not apply to claims based upon gross negligence.

[C73, 75, 77, 79, 81, §467A.43]
92 Acts, ch 1184, §4; 92 Acts, ch 1239, §50
C93, §161A.43
94 Acts, ch 1023, §16
Referred to in §161A.48, 161A.74

**161A.44 Rules by commissioners — scope.**

The commissioners of each soil and water conservation district shall, with approval of and within time limits set by administrative order of the state soil conservation committee, adopt reasonable regulations as are deemed necessary to establish a soil loss limit or limits for the district and provide for the implementation of the limit or limits, and may subsequently amend or repeal their regulations as they deem necessary. The committee shall review the soil loss limit regulations adopted by the soil and water conservation districts at least once every five years, and shall recommend changes in the regulations of a soil and water conservation district which the committee deems necessary to assure that the district's soil loss limits are reasonable and attainable. The commissioners may:

1. Classify land in the district on the basis of topography, soil characteristics, current use, and other factors affecting propensity to soil erosion.

2. Establish different soil loss limits for different classes of land in the district if in their judgment and that of the state soil conservation committee a lower soil loss limit should be applied to some land than can reasonably be applied to other land in the district, it being the intent of the general assembly that no land in the state be assigned a soil loss limit that cannot reasonably be applied to such land.

3. Require the owners of real property in the district to employ either soil and water conservation practices or erosion control practices, and:

*a.* May not specify the particular practices to be employed so long as such owners voluntarily comply with the applicable soil loss limits established for the district.

*b.* May specify two or more approved soil and water conservation practices or erosion control practices, one of which shall be employed by the landowner to bring erosion from land under the landowner's control within the applicable soil loss limit of the district when an administrative order is issued to the landowner.

*c.* In no case may the commissioners require:

(1) The employment of erosion control practices as defined in section 161A.42, subsection 4, on land used in good faith for agricultural or horticultural purposes only.

(2) The employment of soil and water conservation practices or erosion control practices on that portion of any public street, road or highway completed or under construction within the corporate limits of any city, which is or will become the traveled or surfaced portion of such street, road, or highway.

(3) That any owner or operator of agricultural land refrain from fall plowing of land on which the owner or operator intends to raise a crop during the next succeeding growing season, however on those lands which are prone to excessive wind erosion the commissioners may require that reasonable temporary measures be taken to minimize the likelihood of wind erosion so long as such measures do not unduly increase the cost of operation of the farm on which the land is located. However, fall plowing of soil which is commonly known as gumbo shall always be permitted.

*d.* May require that a person under an order to employ soil and water conservation practices or erosion control practices submit up to three bids to the commissioners for the work and provide an explanation to the commissioners if a bid other than the lowest bid has been selected by that person.

[C73, 75, 77, 79, 81, §467A.44]
83 Acts, ch 45, §1; 86 Acts, ch 1245, §657; 87 Acts, ch 23, §31; 89 Acts, ch 106, §5
C93, §161A.44
Referred to in §161A.48, 161A.51, 161A.74, 461.33

**161A.45 Submission of regulations to committee — hearing.**

Regulations which the commissioners propose to adopt, amend, or repeal shall be submitted to the committee, in a form prescribed by the committee, for its approval. The committee may approve the regulations as submitted, or with amendments as it deems necessary. The commissioners shall, after approval, publish notice of hearing on the proposed regulations, as approved, in a newspaper of general circulation in the district, setting a date and time not less than ten nor more than thirty days after the publication when a hearing on the proposed regulations will be held at a specified place. The notice shall include the full text of the proposed regulations or shall state that the proposed regulations are on file and available for review at the office of the affected soil and water conservation district.

[C73, 75, 77, 79, 81, §467A.45]
86 Acts, ch 1245, §658; 87 Acts, ch 23, §32; 89 Acts, ch 106, §6
C93, §161A.45
Referred to in §161A.48, 161A.74

**161A.46 Conduct of hearing.**

At the hearing, the commissioners or their designees shall explain, in reasonable detail, the reasons why adoption, amendment, or repeal of the regulations is deemed necessary or advisable. Any landowner, or any occupant of land who would be affected by the regulations, shall be afforded an opportunity to be heard for or against the proposed regulations. At the conclusion of the hearing, the commissioners shall announce and enter of record their decision whether to adopt or modify the proposed regulations. Any modification must be approved by the committee, which may at its discretion order the commissioners to republish the regulations and hold another hearing in the manner prescribed by this chapter.

[C73, 75, 77, 79, 81, §467A.46]
86 Acts, ch 1245, §659; 89 Acts, ch 106, §7
C93, §161A.46
Referred to in §161A.48, 161A.74

**161A.47 Inspection of land on complaint.**

1. The commissioners shall inspect or cause to be inspected any land within the district to determine if land is being damaged by sediment, from soil erosion occurring on neighboring land in excess of the limits established by the district's soil erosion control regulations. If the land is privately owned, the commissioners shall make or cause to be made the inspection, upon receiving a written complaint signed by an owner or occupant of land claiming that the owner's or occupant's land is being damaged by sediment. If the land is subject to a public interest, the commissioners shall make or cause to be made the inspection upon a majority vote of commissioners at an open meeting held pursuant to chapter 21. Land is subject to a public interest if the land is publicly held, subject to an easement held by the public, or the subject of an improvement made at public expense.

2. If, after the inspection, the commissioners find that sediment damages are occurring to land which is owned or occupied by the person filing the complaint or subject to a public interest, and that excess soil erosion is occurring on neighboring land, the commissioners shall issue an administrative order to the landowner or landowners of record, and to the occupant of the land if known to the commissioners. The order shall describe the land and state as nearly as possible the extent to which soil erosion on the land exceeds the limits established by the district's regulations.

3. The order shall be delivered either by personal service or by restricted certified mail to each of the persons to whom it is directed, and shall:

*a.* In the case of erosion occurring on the site of any construction project or similar undertaking involving the removal of all or a major portion of the vegetation or other cover, exposing bare soil directly to water or wind, state a time not more than five days after service or mailing of the notice of the order when work necessary to establish or maintain erosion control practices must be commenced, and a time not more than thirty days after service or mailing of the notice of the order when the work is to be satisfactorily completed.

*b.* In all other cases, state a time not more than six months after service or mailing of the notice of the order, by which work needed to establish or maintain the necessary soil and water conservation practices or erosion control measures must be commenced, and a time not more than one year after the service or mailing of the notice of the order when the work is to be satisfactorily completed, unless the requirements of the order are superseded by the provisions of section 161A.48.

[C73, 75, 77, 79, 81, §467A.47]

87 Acts, ch 23, §33; 92 Acts, ch 1057, §1

C93, §161A.47

2009 Acts, ch 41, §202

Referred to in §161A.48, 161A.49, 161A.61, 161A.64, 161A.66, 161A.71, 161A.74

**161A.48 Mandatory establishment of soil and water conservation practices.**

1. An owner or occupant of agricultural land in this state is not required to establish any new permanent or temporary soil and water conservation practice unless cost-share or other public moneys have been specifically approved for that land and made available to the owner or occupant pursuant to section 161A.74.

2. Evidence that an application for cost-share or other public moneys, from a source or sources having authority to pay a portion of the cost of work needed to comply with an administrative order issued pursuant to section 161A.47, has been submitted to the proper officer or agency constitutes commencement of the work within the meaning of sections 161A.43 through 161A.53.

3. Upon receiving evidence of the submission of an application, the commissioners shall forward to the officer or agency to which the application was made a written request to receive notification of the disposition of the application. When notified of the approval of the application, the commissioners shall issue to the same parties who received the original administrative order, or their successors in interest, a supplementary order, to be delivered in the same manner as provided by sections 161A.43 to 161A.53 for delivery of original administrative orders. The supplementary order shall state a time, not more than six months after approval of the application for public cost-sharing funds, by which the work needed to comply with the original administrative order shall actually be commenced, and a time thereafter when the work is to be satisfactorily completed. If feasible, that time shall be within one year after the date of the supplementary order, but the owner of land on which a soil and water conservation practice is being established under this section is not required to incur a cost for the practice in any one calendar year which exceeds ten dollars per acre for each acre of land belonging to that owner and located in the county containing the land on which the required practice is being established or in counties contiguous to that county.

[C73, 75, 77, 79, 81, §467A.48]

84 Acts, ch 1192, §1; 86 Acts, ch 1245, §660; 87 Acts, ch 23, §34; 89 Acts, ch 106, §8; 90 Acts, ch 1255, §35; 90 Acts, ch 1260, §29; 91 Acts, ch 268, §238; 92 Acts, ch 1184, §5

C93, §161A.48
96 Acts, ch 1083, §3
Referred to in §161A.47, 161A.49, 161A.61, 161A.71, 161A.74

**161A.49 Petition for court order.**

The commissioners shall petition the district court for a court order requiring immediate compliance with an administrative order previously issued by the commissioners as provided in section 161A.47, if:

1. The work necessary to comply with the administrative order is not commenced on or before the date specified in such order, or in any supplementary order subsequently issued as provided in section 161A.48, unless in the judgment of the commissioners the failure to commence or complete the work as required by the administrative order is due to factors beyond the control of the person or persons to whom such order is directed and the person or persons can be relied upon to commence and complete the necessary work at the earliest possible time.

2. Such work is not being performed with due diligence, or is not satisfactorily completed by the date specified in the administrative order, or when completed does not reduce soil erosion from such land below the limits established by the soil and water conservation district's regulations.

3. The person or persons to whom the administrative order is directed advise the commissioners that they do not intend to commence or complete such work.

[C73, 75, 77, 79, 81, §467A.49]
C93, §161A.49
Referred to in §161A.48, 161A.50, 161A.74

**161A.50 Burden — court order.**

In any action brought under section 161A.49, the burden of proof shall be upon the commissioners to show that soil erosion is in fact occurring in excess of the applicable soil loss limits and that the defendant has not established or maintained soil and water conservation practices or erosion control practices in compliance with the soil and water conservation district's regulations. With respect to construction, repair, or maintenance of any public street, road, or highway, evidence that soil erosion control standards equivalent to or in excess of those currently imposed by the United States government on the project or like projects involving use of federal funds shall create a presumption of compliance with the applicable soil loss limit. Upon receiving satisfactory proof, the court shall issue an order directing the landowner or landowners to comply with the administrative order previously issued by the commissioners. The court may modify such administrative order if deemed necessary. Notice of the court order shall be given either by personal service or by restricted certified mail to each of the persons to whom the order is directed, who may within thirty days from the date of the court order appeal to the supreme court. Any person who fails to comply with a court order issued pursuant to this section within the time specified in such order, unless the order has been stayed pending an appeal, shall be deemed in contempt of court and may be punished accordingly.

[C73, 75, 77, 79, 81, §467A.50]
C93, §161A.50
Referred to in §161A.48, 161A.61, 161A.74

**161A.51 Entering on land.**

The commissioners and their authorized agents or employees may enter upon any private or public property, except private dwellings, at any reasonable time to classify land by soil sampling or other appropriate methods or to determine whether soil erosion is occurring on the property in violation of the district's regulations.

1. If the owner or occupant of any property refuses admittance, or if prior to such refusal the commissioners demonstrate the need for a warrant, the commissioners may make an application under oath or affirmation to the district court of the county in which the property is located for the issuance of a search warrant.

2. In the application the commissioners shall state that entry on the premises is mandated

by the laws of this state or that entry is needed to conduct soil sampling necessary to classify soil in the district as specified in section 161A.44, subsection 1, or to determine whether soil erosion is occurring on the property in violation of the district's regulations. The application shall describe the area or premises, give the date of the last known investigation or sampling, give the date and time of the proposed inspection, declare the need for such inspection, recite that notice of desire to make an inspection has been given to affected persons and that admission was refused if that be the fact, and state that the inspection has no purpose other than to carry out the purpose of the statute, ordinance or regulation pursuant to which the inspection is to be made.

3. The court may issue a search warrant, after examination of the applicant and any witnesses, if the court is satisfied that there is probable cause to believe the existence of the allegations in the application.

4. In soil sampling and making investigations pursuant to a warrant, the commissioners must execute the warrant in a reasonable manner within the time period specified in the warrant.

[C73, 75, 77, 79, 81, §467A.51]
C93, §161A.51
Referred to in §161A.48, 161A.74

**161A.52** Reserved.

**161A.53 Cooperation with other agencies.**

Soil and water conservation districts may enter into agreements with the federal government or an agency of the federal government, as provided by state law, or with the state of Iowa or an agency of the state, any other soil and water conservation district, or any other political subdivision of this state, for cooperation in preventing, controlling, or attempting to prevent or control soil erosion. Soil and water conservation districts may accept, as provided by state law, money disbursed for soil erosion control purposes by the federal government or an agency of the federal government, and expend the money for the purposes for which it was received.

[C73, 75, 77, 79, 81, §467A.53]
86 Acts, ch 1238, §61; 87 Acts, ch 23, §35; 89 Acts, ch 83, §59
C93, §161A.53
Referred to in §161A.48, 161A.74

**161A.54 State agency conservation plans — exemptions.**

Each state agency shall enter into an agreement with the soil and water conservation district in which the state agency has public land under its control in cultivation. The agreement shall contain a plan of the state agency to prevent soil erosion in excess of soil loss limits by the use of soil and water conservation practices and erosion control practices. This section applies to all public land which is used for horticultural or agricultural purposes. State soil conservation cost-sharing funds shall not be used on these public lands. Conservation plans required by this section shall be completed by July 1, 1986, and implementation shall occur consistent with the schedule contained in the conservation plan. Application for exemption from this section may be submitted to the appropriate soil and water conservation district. The exemption shall be granted for land upon which soil management research for the purposes of the study, evaluation, understanding and control of erosion, sedimentation and run-off water is conducted by or in conjunction with institutions governed by the board of regents.

85 Acts, ch 133, §1
CS85, §467A.54
87 Acts, ch 23, §36
C93, §161A.54

**161A.55 through 161A.60** Reserved.

**161A.61 Discretionary inspection by commissioners — actions upon certain findings.**

1. In addition to the authority granted by section 161A.47, the commissioners of a soil and water conservation district may inspect or cause to be inspected any land within the district on which they have reasonable grounds to believe that soil erosion is occurring in excess of the limits established by the district's soil erosion control regulations. If the commissioners find from an inspection conducted under authority of either section 161A.47 or this section that soil erosion is occurring on that land in excess of the applicable soil loss limits established by the district's soil erosion control regulations, they shall send notice of that finding to the landowner or landowners of record, and to the occupant of the land if known to the commissioners. The notice shall describe the land affected and shall state as nearly as possible the extent to which soil erosion from that land exceeds the applicable soil loss limits.

*a.* If the commissioners find that the excessive erosion described in the notice is not causing sediment damage to property owned or occupied by any person other than the owner or occupant of the land on which the excessive soil erosion is occurring, and that the rate of the excessive erosion is less than twice the applicable soil loss limit, the notice required by this subsection shall include or be accompanied by information regarding financial or other assistance which the commissioners are able to make available to the owner or occupant of the land to aid in achieving compliance with the applicable soil loss limits.

*b.* If the commissioners find that the excessive soil erosion described in the notice is not causing sediment damage to property owned or occupied by any person other than the owner or occupant of the land on which it is occurring, but that the erosion is occurring at a rate equal to or greater than twice the applicable soil loss limit, the notice shall so state, shall include or be accompanied by the information required by paragraph *"a"* of this subsection, and shall be delivered by personal service or by restricted certified mail to each of the persons to whom the notice is directed. A notice given under this paragraph shall also include or be accompanied by information explaining the provisions of subsection 2.

2. The commissioners of the soil and water conservation district in which a farm unit is located may petition the district court for an appropriate order with respect to that farm unit if its owner or occupant has been sent a notice by the commissioners under subsection 1, paragraph *"b"*, for three or more consecutive years. The commissioners' petition shall seek a court order which states a time not more than six months after the date of the order when the owner or occupant must commence, and a time when the owner or occupant must complete the steps necessary to comply with the order. The time allowed to complete the establishment of a temporary soil and water conservation practice employed to comply or advance toward compliance with the court's order shall be not more than one year after the date of that order, and the time allowed to complete the establishment of a permanent soil and water conservation practice employed to comply with the court's order shall be not more than five years after the date of that order. Section 161A.48 applies to a court order issued under this subsection. The steps required of the farm unit owner or operator by the court order are those which are necessary to do one of the following:

*a.* Bring the farm unit which is the subject of the order into compliance with its farm unit soil conservation plan, if such a plan had been agreed upon prior to the time the commissioners petitioned for the order.

*b.* Bring the farm unit which is the subject of the order into compliance with a plan developed for that farm unit by the commissioners, in accordance with guidelines established by the division of soil conservation, and presented to the court as a part of the commissioners' petition, if a farm unit soil conservation plan has not previously been agreed upon for that farm unit. A plan presented to the court by the commissioners under this paragraph shall specify as many alternative approved soil and water conservation practices as feasible, among which the owner or occupant of the farm unit may choose in taking the steps necessary to comply with the court's order.

*c.* Bring the farm unit which is the subject of the order into compliance with a soil conservation plan developed by the owner or occupant of that farm unit as an alternative to the proposed soil conservation plan developed by the commissioners, if the owner or

occupant so petitions the court and the court finds that the owner or occupant's plan will bring the farm unit into conformity with the applicable soil loss limits of the district.

3. The commissioners may also cause an inspection of land within the district on which they have reasonable grounds to believe that a permanent soil and water conservation practice established with public cost-sharing funds is not being properly maintained or is being altered in violation of section 161A.7, subsection 3. If the commissioners find that the practices are not being maintained or have been altered in violation of section 161A.7, subsection 3, the commissioners shall issue an administrative order to the landowner who made the unauthorized removal, alteration or modification to maintain, repair, or reconstruct the permanent soil and water conservation practices. The requirement for maintenance and repair is for the length of life as defined in section 161A.7, subsection 3. Public cost-sharing funds are not available for the work under this order. If the landowner fails to comply with the administrative order, the commissioners may petition the district court for an order compelling compliance with the order. Upon receiving satisfactory proof, the court shall issue an order directing compliance with the administrative order and may modify the administrative order. The provisions of section 161A.50 relating to notice, appeals, and contempt of court shall apply to proceedings under this subsection.

[C81, §467A.61; 82 Acts, ch 1220, §2]
87 Acts, ch 23, §37, 38
C93, §161A.61
2009 Acts, ch 41, §61; 2012 Acts, ch 1095, §13; 2013 Acts, ch 90, §32
Referred to in §161A.7
Subsection 2, unnumbered paragraph 1 amended

**161A.62 Duties of commissioners and of owners and occupants of agricultural land — restrictions on use of cost-sharing funds.**

The commissioners of each soil and water conservation district shall seek to implement or to assist in implementing the following requirements:

1. The commissioners of each soil and water conservation district shall complete preparation of a farm unit soil conservation plan for each farm unit within the district as soon as adequate funding is available to permit compliance with this requirement.

*a.* Technical assistance in the development of the farm unit soil conservation plan may be provided by the United States department of agriculture natural resources conservation service through the memorandum of understanding with the district or by the department. The commissioners shall make every reasonable effort to consult with the owner and, if appropriate, with the operator of that farm unit, and to prepare the plan in a form which is acceptable to that person or those persons.

*b.* The farm unit soil conservation plan shall be drawn up and completed without expense to the owner or operator of the farm unit, except that the owner or operator shall not be reimbursed for the value of the owner's or occupant's own time devoted to participation in the preparation of the plan.

*c.* If the commissioners' farm unit soil conservation plan is unacceptable to the owner or operator of the farm unit, that person or those persons may prepare an alternative farm unit soil conservation plan identifying permanent or temporary soil and water conservation practices which may be expected to achieve compliance with the soil loss limit or limits applicable to that farm unit, and submit that plan to the soil and water conservation district commissioners for their review.

2. Within one year after completion of a farm unit soil conservation plan for a particular farm unit which is acceptable both to the commissioners of the soil and water conservation district within which the farm unit is located and to the owner and, if appropriate, to the operator of that farm unit, the commissioners shall offer to enter into a soil conservation agreement with the owner, and also with the operator if appropriate, based on the mutually acceptable farm unit soil conservation plan.

[C81, §467A.62; 81 Acts, ch 153, §1]
86 Acts, ch 1238, §22; 87 Acts, ch 17, §10; 87 Acts, ch 23, §39

C93, §161A.62
95 Acts, ch 216, §25; 2012 Acts, ch 1095, §14, 15
Referred to in §161A.63

**161A.63 Right of purchaser of agricultural land to obtain information.**

A prospective purchaser of an interest in agricultural land located in this state is entitled to obtain from the seller, or from the office of the soil and water conservation district in which the land is located, a copy of the most recently updated farm unit soil conservation plan, developed pursuant to section 161A.62, subsection 1, which is applicable to the agricultural land proposed to be purchased. A prospective purchaser of an interest in agricultural land located in this state is entitled to obtain additional copies of the document referred to in this section from the office of the soil and water conservation district in which the land is located, promptly upon request, at a fee not to exceed the cost of reproducing them. All persons who identify themselves to the commissioners or staff of a soil and water conservation district as prospective purchasers of agricultural land in the district shall be given information, prepared in accordance with rules of the department, which clearly explains the provisions of section 161A.76.

[C81, §467A.63]
87 Acts, ch 23, §40
C93, §161A.63
2012 Acts, ch 1095, §16; 2012 Acts, ch 1138, §55

**161A.64 Erosion control plans required for certain projects.**

1. If a political subdivision has adopted a sediment control ordinance which the commissioners and the political subdivision jointly agree is at least as equally effective as the commissioners' rules in preventing erosion from exceeding the established soil loss limits, the commissioners and the political subdivision shall execute an agreement under chapter 28E allowing an agency authorized by the political subdivision to receive and file an affidavit from a person, prior to initiating a land disturbing activity in that subdivision, stating that the proposed activity will not exceed the established soil loss limits. A copy of the affidavit shall be mailed to the district as a part of the terms of the agreement. The affidavit shall be in a form prescribed by the department and made available by the district.

2. Prior to initiating a land disturbing activity in a political subdivision which has not adopted sediment control ordinances as described in subsection 1, a person engaged in the land disturbing activity shall file a signed affidavit with the soil and water conservation district that the project will not exceed the soil loss limits. The affidavit shall be in a form prescribed by the department and made available by the district.

3. For the purposes of this section, "*land disturbing activity*" means a land change such as the tilling, clearing, grading, excavating, transporting or filling of land which may result in soil erosion from water or wind and the movement of sediment and sediment related pollutants into the waters of the state or onto lands in the state but does not include the following:

*a.* Tilling, planting or harvesting of agricultural, horticultural or forest crops.

*b.* Preparation for single-family residences separately built unless in conjunction with multiple construction in subdivision development.

*c.* Minor activities such as home gardens, landscaping, repairs and maintenance work.

*d.* Surface or deep mining.

*e.* Installation of public utility lines and connections, fence posts, sign posts, telephone poles, electric poles and other kinds of posts or poles.

*f.* Septic tanks and drainage fields unless they are to serve a building whose construction is a land disturbing activity.

*g.* Construction and repair of the tracks, right-of-way, bridges, communication facilities and other related structures of a railroad.

*h.* Emergency work to protect life or property.

*i.* Disturbed land areas of less than twenty-five thousand square feet unless a political subdivision by ordinance establishes a smaller exception or establishes conditions for this exception.

*j.* The construction, relocation, alteration or maintenance of public roads by a public body.

4. If the agency authorized under subsection 1 determines that a land disturbing activity is not being conducted in compliance with the soil loss limits, it shall file a written and signed complaint with the soil and water conservation district commissioners. The complaint shall have the same effect and validity as a complaint filed by an owner or occupant of land being damaged by sediment pursuant to section 161A.47. If the affidavit is filed with the district or the political subdivision, the commissioners may proceed on their own complaint. The soil and water conservation district commissioners may issue an administrative order as provided in that section to the person conducting the land disturbing activity.

[C81, §467A.64; 81 Acts, ch 154, §1, 2]
87 Acts, ch 23, §41
C93, §161A.64

**161A.65** Reserved.

**161A.66 Procedure when commissioner is complainant.**

A soil and water conservation district commissioner who is an owner or occupant of land being damaged by sediment has the same right as any other person in like circumstances to file a complaint under section 161A.47; however, a commissioner who is the complainant shall not vote on the question whether, on the basis of the inspection made pursuant to the complaint, the commissioners shall issue an administrative order under section 161A.47.

[C81, §467A.66]
87 Acts, ch 23, §43
C93, §161A.66

**161A.67 through 161A.69** Reserved.

## PART 2

## FINANCIAL INCENTIVES

**161A.70 Establishment and purpose.**

Financial incentive programs are established within the division in order to protect the long-term productivity of the soil and water resources of the state from erosion and sediment damage, and to encourage the adoption of farm management and agricultural practices which are consistent with the capability of the land to sustain agriculture and preserve this state's natural resources.

92 Acts, ch 1184, §6
Referred to in §159.18, 161A.72

**161A.71 Conservation practices revolving loan fund.**

1. The division may establish a conservation practices revolving loan fund composed of any money appropriated by the general assembly for that purpose, and of any other moneys available to and obtained or accepted by the committee from the federal government or private sources for placement in that fund. Except as otherwise provided by subsection 3, the assets of the conservation practices revolving loan fund shall be used only to make loans directly to owners of land in this state for the purpose of establishing on that land any new permanent soil and water conservation practice which the commissioners of the soil and water conservation district in which the land is located have found is necessary or advisable to meet the soil loss limits established for that land. A loan shall not be made for establishing a permanent soil and water conservation practice on land that is subject to the restriction on state cost-sharing funds of section 161A.76. Revolving loan funds and public cost-sharing funds may be used in combination for funding a particular soil and water conservation practice. Each loan made under this section shall be for a period not to exceed ten years, shall bear no interest, and shall be repayable to the conservation

practices revolving loan fund in equal yearly installments due March 1 of each year the loan is in effect. The interest rate upon loans for which payment is delinquent shall accelerate immediately to the current legal usury limit. Applicants are eligible for no more than twenty thousand dollars in loans outstanding at any time under this program. *"Permanent soil and water conservation practices"* has the same meaning as defined in section 161A.42 and those established under this program are subject to the requirements of section 161A.7, subsection 3. Loans made under this program shall come due for payment upon sale of the land on which those practices are established.

2. The general assembly finds and declares the following:

*a.* The erosion of topsoil on agricultural land by wind and water is a serious problem within the state and one which threatens to destroy the natural resource most responsible for Iowa's prosperity.

*b.* It is necessary to the preservation of the economy and well-being of the state to encourage soil conservation practices by providing loans for permanent soil and water conservation practices on agricultural land within the state.

*c.* The use of state funds for the conservation practices revolving loan fund established under subsection 1 is in the public interest, and the purposes of this section are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned, or granted.

3. The division may:

*a.* Contract, sue and be sued, and promulgate administrative rules necessary to carry out the provisions of this section, but the committee shall not in any manner directly or indirectly pledge the credit of the state of Iowa.

*b.* Authorize payment from the conservation practices revolving loan fund and from fees for costs, commissions, attorney fees and other reasonable expenses related to and necessary for making and protecting direct loans under this section, and for the recovery of moneys loaned or the management of property acquired in connection with such loans.

4. This section does not negate the provisions of section 161A.48 that an owner or occupant of land in this state shall not be required to establish any new soil and water conservation practice unless public cost-sharing funds have been approved and are available for the land affected. However, the owner of land with respect to which an administrative order to establish soil and water conservation practices has been issued under section 161A.47 but not complied with for lack of public cost-sharing funds, may waive the right to await availability of such funds and instead apply for a loan under this section to establish any permanent soil and water conservation practices necessary to comply with the order. If a landowner does so, that loan application shall be given reasonable preference by the state soil conservation committee if there are applications for more loans under this section than can be made from the money available in the conservation practices revolving loan fund. If it is found necessary to deny an application for a soil and water conservation practices loan to a landowner who has waived the right to availability of public cost-sharing funds before complying with an administrative order issued under section 161A.47, the landowner's waiver is void.

83 Acts, ch 207, §53, 93

CS83, §467A.71

85 Acts, ch 67, §46; 85 Acts, ch 170, §1; 86 Acts, ch 1244, §58; 86 Acts, ch 1245, §661; 87 Acts, ch 23, §44; 91 Acts, ch 260, §1234

C93, §161A.71

2013 Acts, ch 15, §1

Subsection 1 amended

**161A.72 Administration.**

1. Financial incentives provided under this chapter shall be administered by the division. The incentives shall be supported with funds appropriated by the general assembly, and moneys available to or obtained by the division or the committee from public or private sources, including but not limited to the United States, other states, or private organizations.

The division shall adopt all rules consistent with chapter 17A necessary to carry out the purpose of this division as provided in section 161A.70.

2. The commissioners of a district shall, to the extent funding is available, contract with a person who is an owner or occupant of land within the district applying to establish soil and water conservation practices as provided in this chapter. Under the agreement, the person shall receive financial incentives to establish permanent soil and water conservation practices and management practices, in consideration for promising to maintain the practices according to rules adopted by the division. If the land subject to an agreement is converted to a nonagricultural use that does not require a permanent soil and water conservation practice which has been established with financial incentives, the permanent soil and water conservation practice shall not be removed until the owner pays an amount to the district, which shall be deposited into a fund established by the district for use in providing financial incentives under this chapter. The amount shall be a prorated share of the amount paid in financial incentives to establish the practice, as provided in rules adopted by the division.

92 Acts, ch 1184, §7; 96 Acts, ch 1083, §4

**161A.73 Voluntary establishment of soil and water conservation practices.**

1. The division shall establish voluntary financial incentive programs which shall provide for the following:

*a.* The allocation of cost-share moneys as financial incentives provided for the purpose of establishing permanent soil and water conservation practices, including but not limited to terraces, diversions, grade stabilization structures, grassed waterways, and critical area planting. The financial incentives shall not exceed fifty percent of the estimated cost of establishing the practices, or fifty percent of the actual cost, whichever is less.

*b.* The allocation of moneys as financial incentives provided for the purpose of establishing management practices to control soil erosion on land that is row cropped, including but not limited to no-till planting, ridge-till planting, contouring, and contour strip-cropping. The division shall by rule establish limits on the amount of incentives which shall be authorized for payment to landowners upon establishment of the practice.

*c.* The allocation of cost-share moneys as financial incentives provided to establish practices to protect watersheds above publicly owned lakes of the state from soil erosion and sediment. The financial incentives shall be awarded to watersheds which are of the highest importance based on soil loss as established by the natural resource commission pursuant to section 456A.33A. The financial incentives shall not exceed seventy-five percent of the estimated cost of establishing the practices as determined by the commissioners or seventy-five percent of the actual cost of establishing the practices, whichever is less.

*d.* The allocation of cost-share moneys as financial incentives to establish permanent grass and buffer zones, including an erosion control structure or an erosion control practice to mitigate the effects of concentrated runoff on surface water quality. The financial incentives shall not exceed one hundred percent of the estimated cost of establishing a zone, as determined by the commissioners, or one hundred percent of the actual cost of establishing the zone, whichever is less.

*e.* The allocation of cost-share moneys as financial incentives for the same purposes that are supported from the soil and water enhancement account of the resources enhancement and protection fund as provided in section 455A.19, or by the water protection practices account of the water protection fund established pursuant to section 161C.4. The financial incentives shall not exceed fifty percent of the estimated cost of establishing the practices, or fifty percent of the actual cost, whichever is less.

2. The commissioners of a district may establish voluntary financial incentive programs which shall provide for the following:

*a.* The allocation of cost-share moneys as financial incentives under a special agreement with owners of land in the district who promise to adopt a watershed conservation plan as provided by rules which shall be adopted by the division. The watershed conservation plan shall be in conjunction with the owners' respective farm unit soil conservation plans. The funding agreement must provide for the funding of a project which includes five or more

contiguous farm units which have at least five hundred acres of agricultural land and which constitutes at least seventy-five percent of the agricultural land located within a watershed or subwatershed. The financial incentives shall not exceed sixty percent of the estimated cost of the project as determined by the commissioners or sixty percent of the actual cost, whichever is less.

*b.* The allocation of cost-share moneys as financial incentives to encourage summer construction of permanent soil and water conservation practices. The practices must be constructed on or after June 15 but not later than October 15. The commissioners may also provide for the payment of moneys on a prorated basis to compensate persons for the production loss on an area disturbed by construction, according to rules which shall be adopted by the division.

3. *a.* The division may reimburse private landowners for a portion of the cost of fencing materials and installation for permanent fence used to protect forest land from domestic livestock grazing, if the division determines that the grazing has caused excessive soil loss. For purposes of this subsection, forests shall be considered as agricultural land eligible for cost-share moneys. The total expenditure of reimbursement moneys shall not exceed fifty percent of the total landowner expenditures. Expenditures for boundary and road fence construction and for repair and replacement of existing fences are not eligible for reimbursement unless the complete fence is replaced.

*b.* A landowner shall sign an agreement with the division as a condition for receiving cost-share moneys. The agreement shall provide that the landowner shall maintain the fence for a minimum of ten years and shall follow written professional forester recommendations relating to land protected by fencing. The recommendations must be approved by the state forester or the forester's designee.

*c.* A landowner who violates the maintenance agreement shall maintain, repair, or reconstruct the damaged fence, or shall pay the division an amount equal to the amount of cost-share moneys reimbursed.

*d.* The division shall adopt rules to administer this subsection, including rules relating to procedures required to receive reimbursement, and eligibility requirements such as the minimum forest acreage required, and the maximum reimbursement amount allowed.

92 Acts, ch 1184, §8; 92 Acts, ch 1239, §51, 52; 96 Acts, ch 1083, §5; 98 Acts, ch 1040, §1; 2012 Acts, ch 1095, §17

Referred to in §161A.75

**161A.74 Mandatory establishment of soil and water conservation practices — allocations.**

1. The commissioners shall allocate cost-share moneys to establish mandatory soil and water conservation practices, as provided in sections 161A.43 through 161A.53, according to the following requirements:

*a.* The financial incentives shall not exceed more than fifty percent of the estimated cost of establishing the practices as determined by the commissioners, or fifty percent of the actual cost of establishing the practices, whichever is less. However, the commissioners may allocate an amount determined by the committee for management of soil and water conservation practices, except as otherwise provided regarding land classified as agricultural land under conservation cover.

*b.* The commissioners shall establish the estimated cost of the permanent soil and water conservation practices in the district based upon one and two-tenths of the average cost of the practices installed in the district during the previous year. The average costs shall be reviewed and approved by the commissioners each year.

2. The committee shall review requirements of this section once each year. The committee may authorize commissioners in districts to condition the establishment of a mandatory soil and water conservation practice in a specific case on a higher proportion of public cost-sharing than is required by this section. The commissioners shall determine the amount of cost-sharing moneys allocated to establish a specific soil and water conservation practice in accordance with an administrative order issued pursuant to section 161A.47 by

considering the extent to which the practice will contribute benefits to the individual owner or occupant of the land on which the practice is to be established.

92 Acts, ch 1184, §9; 92 Acts, ch 1239, §53, 54

Referred to in §161A.48

**161A.75 Use of moneys for emergency repairs.**

1. The commissioners of a district may allocate moneys otherwise available for voluntary financial incentive programs as provided in section 161A.73 to provide for the restoration of permanent soil and water conservation practices which are damaged or destroyed because of a disaster emergency. In providing for the restoration, the commissioners may allocate moneys under this section for construction, reconstruction, installation, or repair projects. For each project the commissioners must determine that the allocation is necessary in order to restore permanent soil and water conservation practices in order to prevent erosion in excess of the applicable soil loss limits caused by the disaster emergency.

2. In order to allocate moneys under this section, the disaster emergency must have occurred in an area subject to a state of disaster emergency pursuant to a proclamation made by the governor as provided in section 29C.6. The commissioners shall use the moneys only to the extent that moneys from other sources, including any moneys provided by the state or federal government in response to the disaster emergency, are not adequate. The commissioners are not required to allocate the moneys on a cost-share basis.

3. Following the disaster emergency, the commissioners shall submit a report to the committee providing information regarding restoration projects and moneys allocated under this section for the projects.

97 Acts, ch 59, §2

Referred to in §161A.7

**161A.76 Cost sharing for certain lands restricted.**

1. It is the intent of this chapter that each tract of agricultural land which has not been plowed or used for growing row crops at any time within the prior fifteen years shall for purposes of this section be considered classified as agricultural land under conservation cover. If a tract of land so classified is thereafter plowed or used for growing row crops, the commissioners of the soil and water conservation district in which the land is located shall not approve use of state cost-sharing funds for establishing permanent or temporary soil and water conservation practices on that tract of land in an amount greater than one-half the amount of cost-sharing funds which would be available for that land if it were not considered classified as agricultural land under conservation cover. The restriction imposed by this section applies even if an administrative order or court order has been issued requiring establishment of soil and water conservation practices on that land. The commissioners may waive the restriction imposed by this section if they determine in advance that the purpose of plowing or row cropping land classified as land under conservation cover is to revitalize permanent pasture and that the land will revert to permanent pasture within two years after it is plowed.

2. When receiving an application for state cost-sharing funds to pay a part of the cost of establishing a permanent or temporary soil and water conservation practice, the commissioners of the soil and water conservation district to which the application is submitted shall require the applicant to state in writing whether, to the best of the applicant's knowledge, the land on which the proposed practice will be established is land considered to be classified as agricultural land under conservation cover, as defined in subsection 1. An applicant who knowingly makes a false statement of material facts or who falsely denies knowledge of material facts in completing the written statement required by this subsection commits a simple misdemeanor and, in addition to the penalty prescribed therefor by law, shall be required to repay to the department any cost-sharing funds made available to the applicant in reliance on the false statement or false denial.

[C81, §467A.65]

87 Acts, ch 23, §42

C93, §161A.76
2012 Acts, ch 1095, §18
Referred to in §161A.63, 161A.71

**161A.77 through 161A.79** Reserved.

DIVISION VI

BLUFFLANDS PROTECTION

**161A.80 Blufflands protection program and revolving fund.**

1. As used in this section, unless the context otherwise requires:

*a.* For purposes of this section only, *"bluffland"* means a cliff, headland, or hill with a broad, steep face along the channel or floodplain of the Missouri or Mississippi river and their tributaries.

*b.* *"Conservation organization"* means a nonprofit corporation incorporated in Iowa or an entity organized and operated primarily to enhance and protect natural resources in this state.

2. A blufflands protection revolving fund is created in the state treasury. All proceeds shall be divided into two equal accounts. One account shall be used for the purchase of blufflands along the Mississippi river and its tributaries and the other account shall be used for the purchase of blufflands along the Missouri river and its tributaries. The proceeds of the revolving fund are appropriated to make loans to conservation organizations which agree to purchase bluffland properties adjacent to state public lands. The department of agriculture and land stewardship, in conjunction with the department of natural resources, shall adopt rules pursuant to chapter 17A to administer the disbursement of funds. Notwithstanding section 12C.7, interest or earnings on investments made pursuant to this section or as provided in section 12B.10 shall be credited to the blufflands protection revolving fund. Notwithstanding section 8.33, unobligated or unencumbered funds credited to the blufflands protection revolving fund shall not revert at the close of a fiscal year. However, the maximum balance in the blufflands protection revolving fund shall not exceed two million five hundred thousand dollars. Any funds in excess of two million five hundred thousand dollars shall be credited to the rebuild Iowa infrastructure fund.

*a.* This section is repealed on July 1, 2015.

*b.* The principal and interest from any blufflands protection loan outstanding on July 1, 2015, and payable to the blufflands protection revolving fund, shall be paid to the administrative director of the division of soil conservation on or after July 1, 2015, pursuant to the terms of the loan agreement and shall be credited to the rebuild Iowa infrastructure fund.

98 Acts, ch 1219, §17; 99 Acts, ch 96, §16; 99 Acts, ch 204, §26, 42; 2005 Acts, ch 178, §17
Coordination with programs and projects of the loess hills alliance, §161D.7

# CHAPTER 161B

## AGRICULTURAL ENERGY MANAGEMENT

Repealed by 2004 Acts, ch 1082, §6

# CHAPTER 161C

## WATER PROTECTION PROJECTS AND PRACTICES

Referred to in §159.1, 159.5, 159.6, 161A.4, 161A.7, 461.33

This chapter not enacted as a part of this title;
transferred from chapter 467F in Code 1993


161C.1 Definitions.
161C.2 Water protection projects and practices.
161C.3 Cooperation with other agencies.
161C.4 Water protection fund.
161C.5 Organic nutrient management fund. Repealed by 2011 Acts, ch 46, §1.
161C.6 Organic nutrient management program. Repealed by 2011 Acts, ch 46, §1.
161C.7 Watershed protection.


**161C.1 Definitions.**

As used or referred to in this chapter, unless a different meaning clearly appears from the context:

1. *"Committee"* or *"state soil conservation committee"* means the committee established by section 161A.4.
2. *"Department"* means the department of agriculture and land stewardship.
3. *"District"* means a soil and water conservation district established in chapter 161A.
4. *"Division"* means the division of soil conservation created within the department.
5. *"Landowner"* includes any person, including a federal agency, this state or any of its political subdivisions, who holds title to land lying within a proposed district.
6. *"United States"* or *"agencies of the United States"* includes the United States of America, the United States department of agriculture natural resources conservation service, and any other agency or instrumentality, corporate or otherwise, of the United States.

88 Acts, ch 1189, §2
C89, §467F.1
C93, §161C.1
95 Acts, ch 216, §25

**161C.2 Water protection projects and practices.**

1. *a.* Each soil and water conservation district, alone and whenever practical in conjunction with other districts, shall carry out district-wide and multiple-district projects to support water protection practices in the district or districts, including projects to protect this state's groundwater and surface water from point and nonpoint sources of contamination, including but not limited to contamination by agricultural drainage wells, sinkholes, sedimentation, or chemical pollutants.

*b.* Any work project with an estimated cost in excess of the competitive bid threshold in section 26.3, or as established in section 314.1B, shall be undertaken as a public contract as provided in chapters 73A and 573. The local contracting organization shall designate a contracting officer and shall establish procedures to manage the contract, approve bills for payment, and review proposed change orders or amendments to the contract.

2. An owner of or occupant of land within a district may establish a water protection practice under this chapter by entering into an agreement with the district in which the owner or occupant receives financial assistance to establish water protection practices in consideration for promising to maintain the practices according to rules adopted by the division. The financial assistance may be in the form of grants, loans, or cost-sharing arrangements. An agreement shall not be binding until the assistance is specifically approved for that land and made available to the owner or occupant.

3. The division shall approve an award of financial assistance based on an application submitted by the owner or occupant of the land. The division may require a copy of the application with an evaluation of the application by the district. Each application for financial assistance shall be considered under a priority system adopted by the district for disbursement of unallocated funds. The district, under the supervision of a district

technician, shall design proposed clean water practices for which financial assistance has been obligated. The district shall determine compliance with applicable design standards and specifications. The landowner shall construct and is liable for the performance of the water protection practices on the land.

4. The division shall adopt rules necessary for the administration of this chapter, including rules relating to the approval of programs and projects, designing a project or water protection practices, the estimation of costs of a project or program, and the inspection of projects or practices being placed or maintained on the land.

88 Acts, ch 1189, §3
C89, §467F.2
C93, §161C.2
2000 Acts, ch 1068, §8; 2006 Acts, ch 1017, §22, 42, 43

**161C.3 Cooperation with other agencies.**

Soil and water conservation districts may enter into agreements with the United States, as provided by state law, or with the state of Iowa or any agency of the state, any other soil and water conservation district, or other political subdivision of this state, for cooperation in preventing, controlling, or attempting to prevent or control contamination of groundwater or surface water by point and nonpoint sources of pollution. Soil and water conservation districts may accept, as provided by state law, any money disbursed for water quality preservation purposes by the federal government or any agency of the federal government, and expend the money for the purposes for which it was received.

88 Acts, ch 1189, §4
C89, §467F.3
C93, §161C.3

**161C.4 Water protection fund.**

1. A water protection fund is created within the division. The fund is composed of money appropriated by the general assembly for that purpose, and moneys available to and obtained or accepted by the state soil conservation committee from the United States or private sources for placement in the fund. The fund shall be a revolving fund from which moneys may be used for loans, grants, administrative costs, and cost-sharing.

2. The fund shall be divided into two accounts, the water quality protection projects account and the water protection practices account. The first account shall be used to carry out water quality protection projects to protect the state's surface and groundwater from point and nonpoint sources of contamination. The second account shall be used to establish water protection practices with individual landowners including but not limited to woodland establishment and protection, establishment of native grasses and forbs, sinkhole management, agricultural drainage well management, streambank stabilization, grass waterway establishment, stream buffer strip establishment, and erosion control structure construction. Twenty-five percent of funds appropriated to the water protection practices account shall be used for woodland establishment and protection, and establishment of native grasses and forbs. Soil and water conservation district commissioners shall give priority to applications for practices that implement their soil and water resource conservation plan.

3. In administering the fund the division may:

*a.* Contract, sue and be sued, and adopt rules necessary to carry out the provisions of this section, but the division or committee shall not in any manner directly or indirectly pledge the credit of this state.

*b.* Authorize payment from the water protection fund and from fees for costs, commissions, and other reasonable expenses.

88 Acts, ch 1189, §5
C89, §467F.4
89 Acts, ch 236, §16; 91 Acts, ch 260, §1235

C93, §161C.4
95 Acts, ch 216, §36; 2009 Acts, ch 41, §62
Referred to in §161A.73, 161C.7, 455A.19

**161C.5 Organic nutrient management fund.** Repealed by 2011 Acts, ch 46, §1.
Moneys in organic nutrient management fund shall be retained by the department of agriculture and land stewardship for purposes of supporting its soil conservation division for the fiscal year beginning July 1, 2011, and ending June 30, 2012; 2011 Acts, ch 46, §2

**161C.6 Organic nutrient management program.** Repealed by 2011 Acts, ch 46, §1.

**161C.7 Watershed protection.**
1. The department of agriculture and land stewardship shall implement and administer a watershed protection program. The department of agriculture and land stewardship, in consultation with the department of natural resources, shall annually establish a prioritized list of watersheds that are of the highest importance to the state's water quality. The watershed protection program shall, to the extent practical, target for assistance those watersheds on the prioritized list. A soil and water conservation district, in cooperation with state agencies, local units of government, and private organizations, may submit an application for assistance to the department which provides a strategy for protecting soil, water quality, and other natural resources, and improving flood control in the watershed. Upon approval of an application, the department may provide a grant to the soil and water conservation district for purposes of carrying out the strategy provided in the application.
2. A watershed protection account is created within the water protection fund created in section 161C.4. Moneys credited to the account shall be distributed under the watershed protection program.
3. Administrative rules used for water quality protection projects under the water protection fund shall be used to administer the watershed protection program.
99 Acts, ch 204, §27; 2003 Acts, ch 179, §157; 2004 Acts, ch 1101, §26

# CHAPTER 161D

## LOESS HILLS AND SOUTHERN IOWA DEVELOPMENT AND CONSERVATION

SUBCHAPTER 1

LOESS HILLS DEVELOPMENT AND CONSERVATION

161D.1 Loess hills development and conservation authority created — membership and duties.
161D.2 Loess hills development and conservation fund.
161D.3 Definitions.
161D.4 Mission statement.
161D.5 Loess hills alliance created.
161D.6 Responsibilities.
161D.7 Program coordination.
161D.8 Annual report — audit.
161D.9 and 161D.10 Reserved.

SUBCHAPTER 2

SOUTHERN IOWA DEVELOPMENT AND CONSERVATION AUTHORITY

161D.11 Southern Iowa development and conservation authority created — membership and duties.
161D.12 Southern Iowa development and conservation fund.
161D.13 Annual report — audit.

## SUBCHAPTER 1

## LOESS HILLS DEVELOPMENT AND CONSERVATION

**161D.1 Loess hills development and conservation authority created — membership and duties.**
1. A loess hills development and conservation authority is created. The counties of Adams,

Adair, Audubon, Carroll, Cass, Cherokee, Crawford, Fremont, Guthrie, Harrison, Ida, Lyon, Mills, Monona, Montgomery, Page, Plymouth, Pottawattamie, Sac, Shelby, Sioux, Taylor, and Woodbury, are entitled to one voting member each on the authority, but membership or participation in projects of the authority is not required. Each member of the authority shall be appointed by the respective board of supervisors for a term to be determined by each board of supervisors, but the term shall not be for less than one year. An appointee shall serve without compensation, but an appointee may be reimbursed for actual expenses incurred while performing the duties of the authority as determined by each board of supervisors. The authority shall meet, organize, and adopt rules of procedures as deemed necessary to carry out its duties. The authority may appoint working committees that include other individuals in addition to voting members.

2. The mission of the authority is to develop and coordinate plans for projects related to the unique natural resource, rural development, and infrastructure problems of counties in the deep loess region of western Iowa. The erosion and degradation of stream channels in the deep loess soils has occurred due to historic channelization of the Missouri river and straightening stream channels of its tributaries. This erosion of land has damaged the rural infrastructure of this area, destroyed public roads and bridges, adversely impacted stream water quality and riparian habitat, and affected other public and private improvements. Stabilization of stream channels is necessary to protect the rural infrastructure in the deep loess soils area of the state. The authority shall cooperate with the division of soil conservation of the department of agriculture and land stewardship, the affected soil and water conservation districts, the department of natural resources, and the state department of transportation in carrying out its mission and duties. The authority shall also cooperate with appropriate federal agencies, including the United States environmental protection agency, the United States department of interior, and the United States department of agriculture natural resources conservation service. The authority shall make use of technical resources available through member counties and cooperating agencies.

3. The authority shall administer the loess hills development and conservation fund created under section 161D.2 and shall deposit and expend moneys in the fund for the planning, development, and implementation of development and conservation activities or measures in the member counties.

4. A hungry canyons alliance is created. The hungry canyons alliance shall be governed by a board of directors appointed as provided in its bylaws and the board shall carry out its responsibilities under the general direction of the loess hills development and conservation authority. The bylaws of the hungry canyons alliance are subject to review and approval of the loess hills development and conservation authority.

5. This subchapter is not intended to affect the authority of the department of natural resources in its acquisition, development, and management of public lands within the counties represented by the authority.

6. In matters relating to the conservation, preservation, or development of the loess hills, state agencies shall coordinate, cooperate, and consult with the loess hills development and conservation authority and its associated alliances.

93 Acts, ch 136, §1; 95 Acts, ch 216, §25; 99 Acts, ch 119, §1; 2000 Acts, ch 1111, §1, 2; 2000 Acts, ch 1154, §14; 2007 Acts, ch 211, §43

Referred to in §161D.2, 161D.3, 161D.5

**161D.2 Loess hills development and conservation fund.**

A loess hills development and conservation fund is created in the state treasury. The fund shall include a hungry canyons account and a loess hills alliance account which shall be administered by the loess hills development and conservation authority. The proceeds of the respective accounts shall be used for the purposes specified in section 161D.1 or 161D.6 as applicable. The loess hills development and conservation authority may accept gifts, bequests, other moneys including, but not limited to, state or federal moneys, and in-kind contributions for deposit in the fund. The gifts, grants, bequests from public and private sources, state and federal moneys, and other moneys received by the authority shall be deposited in the respective accounts and any interest earned shall be credited to

the respective accounts to be used for the purposes specified in section 161D.1 or 161D.6 as applicable. Notwithstanding section 8.33, any unexpended or unencumbered moneys remaining in the fund at the end of the fiscal year shall not revert to the general fund of the state, but the moneys shall remain available for expenditure by the authority in succeeding fiscal years.

93 Acts, ch 136, §2; 99 Acts, ch 119, §2
Referred to in §161D.1, 161D.3

**161D.3 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Alliance"* means the loess hills alliance created in section 161D.5.

2. *"Authority"* means the loess hills development and conservation authority created in section 161D.1.

3. *"Fund"* means the loess hills development and conservation fund created in section 161D.2.

99 Acts, ch 119, §3; 2000 Acts, ch 1154, §15

**161D.4 Mission statement.**

The mission of the loess hills alliance is to create a common vision for Iowa's loess hills, protecting special natural and cultural resources while ensuring economic viability and private property rights of the region.

99 Acts, ch 119, §4

**161D.5 Loess hills alliance created.**

1. A loess hills alliance is created. The alliance shall carry out its responsibilities under the general direction of the loess hills development and conservation authority. The alliance shall encompass the geographic region including the counties of Plymouth, Woodbury, Monona, Harrison, Pottawattamie, Mills, and Fremont. Membership and participation in projects of the alliance is not required. The alliance shall be governed by a board of directors appointed as follows:

*a.* Three members appointed by the board of supervisors of each county participating in the alliance and at least one of the appointees shall be a member of the board of supervisors of a county participating in the alliance.

*b.* Seven additional voting members who shall be persons with experience in the fields of environmental affairs, conservation, finance, development, tourism, or related fields, and who shall be appointed by the authority.

*c.* The voting members of the board of directors appointed pursuant to paragraphs *"a"* and *"b"* shall include agricultural producers owning real property within the loess hills landform.

2. Each voting member of the board of directors shall be a resident of a county which is eligible for membership in the authority pursuant to section 161D.1 and shall be appointed to a term of office as determined by the authority. The directors of the alliance shall carry out their responsibilities pursuant to bylaws approved by the authority.

99 Acts, ch 119, §5; 2000 Acts, ch 1111, §3
Referred to in §161D.3

**161D.6 Responsibilities.**

The board of directors of the alliance shall have the following responsibilities:

1. To prepare and adopt a comprehensive plan for the development and conservation of the loess hills area subject to the approval of the authority. The plan shall provide for the designation of significant scenic areas, the protection of native vegetation, the education of the public on the need for and methods of preserving the natural resources of the loess hills area, and the promotion of tourism and related business and industry in the loess hills area.

2. To apply for, accept, and expend public and private funds for planning and implementing projects, programs, and other components of the mission of the alliance subject to approval of the authority.

3. To study different options for the protection and preservation of significant historic, scenic, geologic, and recreational areas of the loess hills including but not limited to a

federal or state park, preserve, or monument designation, fee title acquisition, or restrictive easement.

4. To make recommendations to and coordinate the planning and projects of the alliance with the authority.

5. To develop and implement pilot projects for the protection of loess hills areas with the use of restrictive easements from willing sellers and fee title ownership from willing sellers subject to approval of the authority.

6. To report annually not later than January 15 to the general assembly the activities of the alliance during the preceding fiscal year including, but not limited to, its projects, funding, and expenditures.

99 Acts, ch 119, §6, 7, 9
Referred to in §161D.2

**161D.7 Program coordination.**

The department of natural resources shall coordinate the blufflands protection program with the program and projects of the loess hills alliance.

99 Acts, ch 119, §8
Blufflands protection; §161A.80

**161D.8 Annual report — audit.**

1. The authority shall submit to the department of management, the legislative services agency, and the division of soil conservation of the department of agriculture and land stewardship, on or before December 31 annually, a report including information regarding all of the following:

*a.* Its operations and accomplishments.

*b.* Its budget, receipts, and actual expenditures during the previous fiscal year, in accordance with classifications it establishes for its operating and capital accounts.

*c.* Its assets and liabilities at the end of the previous fiscal year and the status of reserve, special, and other funds.

*d.* A statement of its proposed and projected activities.

*e.* Recommendations to the governor and the general assembly, as deemed necessary.

*f.* Any other information deemed necessary.

2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress during the reporting period in attaining these goals.

3. The fund shall be subject to an annual audit by the auditor of state.

2001 Acts, ch 185, §45; 2003 Acts, ch 35, §45, 49

**161D.9 and 161D.10** Reserved.

## SUBCHAPTER 2

## SOUTHERN IOWA DEVELOPMENT AND CONSERVATION AUTHORITY

**161D.11 Southern Iowa development and conservation authority created — membership and duties.**

1. A southern Iowa development and conservation authority is created. The counties of Appanoose, Clarke, Davis, Decatur, Jefferson, Lucas, Monroe, Van Buren, Wapello, and Wayne are entitled to one voting member each on the authority, but membership or participation in projects of the authority is not required. Each member of the authority shall be appointed by the respective board of supervisors for a term to be determined by each board of supervisors, but the term shall not be for less than one year. An appointee shall serve without compensation, but an appointee may be reimbursed for actual expenses incurred while performing the duties of the authority as determined by each board of supervisors. The authority shall meet, organize, and adopt rules of procedures as deemed

necessary to carry out its duties. The authority may appoint working committees that include other individuals in addition to voting members.

2. The mission of the authority is to develop and coordinate plans for projects related to the unique natural resources, rural development, and infrastructure problems of counties in the most fragile areas of the southern Iowa drift plain. The authority's mission is established in part as a response to the erosion of soils, degradation of water resources, and the destabilization of stream channels in the fragile glacial till soils of southern Iowa that have occurred in a large part due to unchecked conversion of grassland to cropland. This land use conversion was brought about by the economic pressures of past federal agricultural policies that disregarded the fragile nature of the southern Iowa soil resource and the incompatibility of these soils with the subsidized commodities. The resulting erosion of the land has damaged the rural infrastructure of this area, destroyed public roads and bridges, adversely impacted stream water quality and riparian habitat, affected other public and private improvements, and severely threatens the potable water supply of the region. Reducing soil erosion, preventing sedimentation, and stopping nutrients and pesticides from entering water resources are all necessary to protect the rural infrastructure in the southern area of the state. Important protection measures include structural improvements and the reestablishment of grasslands for sustainable economic uses.

3. The authority shall cooperate with the division of soil conservation of the department of agriculture and land stewardship, the affected soil and water conservation districts, the department of natural resources, and the state department of transportation in carrying out its mission and duties. The authority shall also cooperate with appropriate federal agencies, including the United States environmental protection agency, the United States department of interior, and the United States department of agriculture natural resources conservation service. The authority shall make use of technical resources available through member counties and cooperating agencies.

4. The authority shall administer the southern Iowa development and conservation fund created under section 161D.12 and shall deposit and expend moneys in the fund for the planning, development, and implementation of development and conservation activities or measures in the member counties.

5. This section is not intended to affect the authority of the department of natural resources in its acquisition, development, and management of public lands within the counties represented by the authority.

99 Acts, ch 30, §1
Referred to in §161D.12

**161D.12 Southern Iowa development and conservation fund.**

A southern Iowa development and conservation fund is created in the state treasury, to be administered by the southern Iowa development and conservation authority. The proceeds of the fund shall be used for the purposes specified in section 161D.11. The southern Iowa development and conservation authority may accept gifts, bequests, other moneys including, but not limited to, state or federal moneys, and in-kind contributions for deposit in the fund. The gifts, grants, bequests from public and private sources, state and federal moneys, and other moneys received by the authority shall be deposited in the fund and any interest earned on moneys in the fund shall be credited to the fund to be used for the purposes specified in section 161D.11. Notwithstanding section 8.33, any unexpended or unencumbered moneys remaining in the fund at the end of the fiscal year shall not revert to the general fund of the state, but the moneys shall remain available for expenditure by the authority in succeeding fiscal years.

99 Acts, ch 30, §2
Referred to in §161D.11

**161D.13 Annual report — audit.**

1. The southern Iowa development and conservation authority shall submit to the department of management, the legislative services agency, and the division of soil

conservation of the department of agriculture and land stewardship, on or before December 31 annually, a report including information regarding all of the following:

*a.* Its operations and accomplishments.

*b.* Its budget, receipts, and actual expenditures during the previous fiscal year, in accordance with classifications it establishes for its operating and capital accounts.

*c.* Its assets and liabilities at the end of the previous fiscal year and the status of reserve, special, and other funds.

*d.* A statement of its proposed and projected activities.

*e.* Recommendations to the governor and the general assembly, as deemed necessary.

*f.* Any other information deemed necessary.

2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress during the reporting period in attaining these goals.

3. The southern Iowa development and conservation fund shall be subject to an annual audit by the auditor of state.

2001 Acts, ch 185, §46; 2003 Acts, ch 35, §45, 49

# CHAPTER 161E

## FLOOD AND EROSION CONTROL

Referred to in §159.6, 161A.4

This chapter not enacted as a part of this title;
transferred from chapter 467B in Code 1995


161E.1 Authority of board.
161E.2 Federal aid.
161E.3 Cooperation.
161E.4 Structures or levees.
161E.5 Maintenance cost.
161E.6 Estimate.
161E.7 Projects on private land.
161E.8 Conservation commissioners.
161E.9 Tax levy.
161E.10 Assumption of obligations.
161E.11 Highway law applicable.
161E.12 Payments from federal government.
161E.13 Allocation to secondary road funds.
161E.14 Allocation.
161E.15 Taxes canceled.


**161E.1 Authority of board.**

If a county, soil and water conservation district, subdistrict of a soil and water conservation district, political subdivision of the state, or other local agency engages or participates in a project for flood or erosion control, flood prevention, or the conservation, development, utilization, and disposal of water, in cooperation with the federal government, or a department or agency of the federal government, the counties in which the project is carried on may, through the board of supervisors, construct, operate, and maintain the project on lands under the control or jurisdiction of the county dedicated to county use, or furnish financial and other assistance in connection with the projects. Flood, soil erosion control, and watershed improvement projects are presumed to be for the protection of the tax base of the county, for the protection of public roads and lands, and for the protection of the public health, sanitation, safety, and general welfare.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.1]

86 Acts, ch 1238, §61; 87 Acts, ch 23, §45; 89 Acts, ch 83, §60

C95, §161E.1

**161E.2 Federal aid.**

A county may, in accordance with this chapter, accept federal funds for aid in a project for flood or soil erosion control, flood prevention, or the conservation, development, utilization, and disposal of water, and may cooperate with the federal government or a department or agency of the federal government, a soil and water conservation district, subdistrict of a soil and water conservation district, political subdivision of the state, or other local agency, and

the county may assume a proportion of the cost of the project as deemed appropriate, and may assume the maintenance cost of the project on lands under the control or jurisdiction of the county which will not be discharged by federal aid or grant.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.2]
86 Acts, ch 1238, §61; 87 Acts, ch 23, §46; 89 Acts, ch 83, §61
C95, §161E.2
See also §161E.12

**161E.3 Cooperation.**

The counties, soil and water conservation districts, and subdistricts of soil and water conservation districts concerned, shall advise and consult with each other, upon the request of any of them or any affected landowners, and may cooperate with each other or with other state subdivisions or instrumentalities, and affected landowners, as well as with the federal government or a department or agency of the federal government, to construct, operate, and maintain suitable projects for flood or soil erosion control, flood prevention, or the conservation, development, utilization, and disposal of water on public roads or other public lands or other land granted county use.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.3]
86 Acts, ch 1238, §61; 87 Acts, ch 23, §47; 89 Acts, ch 83, §62
C95, §161E.3

**161E.4 Structures or levees.**

When structures or levees necessary for flood or soil erosion control, flood prevention, or the conservation, development, utilization, and disposal of water, are constructed on county roads, the cost in total or in part shall be considered a part of the cost of road construction.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.4]
C95, §161E.4

**161E.5 Maintenance cost.**

If construction of projects has been completed by the soil and water conservation district, subdistricts of soil and water conservation districts, political subdivisions of the state, or other local agencies, or the federal government, or a department or agency of the federal government, on private lands under the easement granted to the county, only the cost of maintenance may be assumed by the county.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.5]
86 Acts, ch 1238, §61; 87 Acts, ch 23, §48; 89 Acts, ch 83, §63
C95, §161E.5

**161E.6 Estimate.**

In the proceedings to establish such a project the government engineer shall set forth in the engineer's report separately from other items, the amount of the cost of construction on county property and on private lands, and the engineer's estimate of the cost of the maintenance of the same.

If the plan is approved by all cooperating agencies and the project established as a flood or erosion control project the board of supervisors shall make a written record of any such cooperative arrangement and may use such part of the funds of the county now authorized by law and by this chapter as may be necessary to pay the amount agreed upon toward the construction, maintenance and cost of such project.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.6]
C95, §161E.6

**161E.7 Projects on private land.**

Any flood or soil erosion control, flood prevention, or the conservation, development, utilization, and disposal of water, projects built on private land with federal or other funds

when dedicated to the county use, shall be maintained in the same manner as its own county-owned or controlled property.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.7]

C95, §161E.7

**161E.8 Conservation commissioners.**

In counties where soil and water conservation districts exist the commissioners in said county shall be responsible for the inspection of all flood and erosion control structures built on private land under easement to the county, shall furnish such technical assistance as they may have available in making estimates of needed repairs without cost to the county, and shall report any needed repair and the nature thereof to the county board of supervisors.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.8]

C95, §161E.8

**161E.9 Tax levy.**

The county board of supervisors may annually levy a tax not to exceed six and three-fourths cents per thousand dollars of assessed value of all agricultural lands in the county, to be used for flood and erosion control, including acquisition of land or interests in land, and repair, alteration, maintenance, and operation of works of improvement on lands under the control or jurisdiction of the county as provided in this chapter.

83 Acts, ch 123, §188, 209

CS83, §467B.9

C95, §161E.9

**161E.10 Assumption of obligations.**

This chapter contemplates that actual direction of the project, or projects, and the actual work done in connection with them, will be assumed by the soil and water conservation district, a subdistrict of a soil and water conservation district, or the federal government, and that the county or other state subdivisions or instrumentalities jointly will meet the obligation required for federal cooperation and may make proper commitment for the care and maintenance of the project after its completion for the general welfare of the public and residents of the respective counties.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.10]

86 Acts, ch 1238, §61; 87 Acts, ch 23, §49; 89 Acts, ch 83, §64

C95, §161E.10

**161E.11 Highway law applicable.**

The counties in maintaining the structures or improvements made under such a project shall do so in a like manner and under like procedure as that used in the maintenance of its highways. Any cooperative agreements with other state subdivisions or instrumentalities shall conform with such an agreement as to the proportion of maintenance cost.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.11]

C95, §161E.11

**161E.12 Payments from federal government.**

Whenever there shall be payable by the federal government to counties or school districts of the state any sums of money because of the fact that such school districts or counties are entitled to a share of the receipts from the operation of the federal government of flood control projects within any county of the state, such payments shall be payable to the county treasurer of any county in which such payments become due.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.12]

C95, §161E.12

See also §161E.2

**161E.13 Allocation to secondary road funds.**

Upon receipt of any such payments or payment by the county treasurer twenty-five percent of such amount shall be credited to the secondary road funds of the counties which are principally affected by the construction of such federal flood control projects, and the board of supervisors shall determine which roads of the county are deemed to be principally affected and the amounts which shall be expended from these funds derived from the federal government on such roads.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.13]

C95, §161E.13

Referred to in §331.401

**161E.14 Allocation.**

Sixty-five percent of any such payments or payment received from the federal government shall be distributed to the general fund of the school districts of the county after the county auditor has determined the districts which are principally affected by the federal flood control project involved in an amount deemed to be the equitable share of each such district and the amount allocated to each school district shall be paid over to the treasurer of such school district.

The county auditor shall certify to the executive council of the state the amounts allocated to each school district in the previous year, on January 2 of each year. The remaining ten percent of a payment received by the county treasurer from the federal government, or as much thereof as is deemed necessary by the board of supervisors, shall be allocated to the local fire departments of the unincorporated villages, townships, and cities of the county which are principally affected by the federal flood control project involved, to be paid and prorated among them as determined by the board of supervisors. If the funds prorated to local fire departments in a county are less than ten percent of the total county share of such federal payments for a year, the amount which exceeds the prorations shall revert back to and be divided equally between the secondary road fund and the local school district fund.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.14]

88 Acts, ch 1134, §89

C95, §161E.14

Referred to in §331.401

**161E.15 Taxes canceled.**

The treasurer of any county wherein is situated any land acquired by the federal government for flood control projects is hereby authorized to cancel any taxes or tax assessments against any such land so acquired where the tax has been extended but has not become a lien thereon at the time of the acquisition thereof.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §467B.15]

C95, §161E.15

# CHAPTER 161F

## SOIL CONSERVATION AND FLOOD CONTROL DISTRICTS

Referred to in §159.6, 161A.4, 331.382, 350.4

This chapter not enacted as a part of this title;
transferred from chapter 467C in Code 1995


161F.1 Presumption of benefit.
161F.2 Board of supervisors to establish districts — strip coal mining.
161F.3 Combination of functions.
161F.4 Old districts combined.
161F.5 Approval of commissioners.
161F.6 Chapters made applicable — definitions.

**161F.1 Presumption of benefit.**

The conservation of the soil resources of the state of Iowa, the proper control of water resources of the state and the prevention of damage to property and lands through the control of floods, the drainage of surface waters or the protection of lands from overflow shall be presumed to be a public benefit and conducive to the public health, convenience and welfare and essential to the economic well-being of the state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467C.1]
C95, §161F.1

**161F.2 Board of supervisors to establish districts — strip coal mining.**

The board of supervisors of any county shall have jurisdiction, power and authority at any regular, special or adjourned session to establish, subject to the provisions of this chapter, districts having for their purpose soil conservation and the control of flood waters and to cause to be constructed as hereinafter provided, such improvements and facilities as shall be deemed essential for the accomplishment of the purpose of soil conservation and flood control. Such board shall also have jurisdiction, power and authority at any regular, special or adjourned session to establish, in the same manner that the districts hereinabove referred to are established, districts having for their purpose soil conservation in mining areas within the county, and provide that anyone engaged in removing the surface soil over any bed or strata of coal in such district for the purpose of obtaining such coal shall replace the surface soil as nearly as practicable to its original position, and provide that, upon abandonment of such removal operation, all surface soil shall be so replaced. This section shall apply only to surface soil so removed after July 4, 1949, and then only if it is essential for the accomplishment of the purpose of soil conservation and flood control within the purview of this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467C.2]
C95, §161F.2

**161F.3 Combination of functions.**

Such districts shall have the power to combine in their functions activities affecting soil conservation, flood control and drainage, or any of these objects, singly or in combination with another.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467C.3]
C95, §161F.3

**161F.4 Old districts combined.**

If any levee or drainage district or improvement established either by legal proceedings or by private parties shall desire to include in the activities of such district soil conservation or flood control projects, the board upon petition, as for the establishment of an original levee or drainage district, shall establish a new district covering and including such old district and improvement together with any additional lands deemed necessary. All outstanding indebtedness of the old levee or drainage district shall be assessed only against the lands included therein.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467C.4]
C95, §161F.4

**161F.5 Approval of commissioners.**

A district shall not be established by a board of supervisors under this chapter unless the organization of the district is approved by the commissioners of a soil and water conservation district established under chapter 161A and which is included all or in part within the district, nor shall a district be established without the approval of the department of natural resources.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467C.5; 82 Acts, ch 1199, §75, 96]
87 Acts, ch 23, §50
C95, §161F.5

**161F.6 Chapters made applicable — definitions.**

1. In the organization, operation, and financing of districts established under this chapter,

the provisions of chapter 468 shall apply and any procedure provided under chapter 468 in connection with the organization, financing, and operation of any drainage district shall apply to the organization, financing, and operation of districts organized under this chapter.

2. As used in this chapter or chapter 468:

*a.* *"Drainage"* shall be deemed to include in its meaning soil erosion and flood control or any combination of drainage, flood control, and soil erosion control.

*b.* *"Drainage certificates"* or *"drainage bonds"* shall be deemed to include certificates or bonds issued in behalf of any district organized under the provisions of this chapter.

*c.* *"Drainage district"* shall be considered to include districts having as their purpose soil conservancy or flood control or any combination thereof.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467C.6]
C95, §161F.6
2009 Acts, ch 133, §69

# CHAPTER 161G

## MISSISSIPPI RIVER BASIN HEALTHY WATERSHEDS INITIATIVE

161G.1 Definitions.
161G.2 Mississippi river basin healthy watersheds initiative fund.
161G.3 Mississippi river basin healthy watersheds initiative.

**161G.1 Definitions.**

1. *"Department"* means the department of agriculture and land stewardship.

2. *"Fund"* means the Mississippi river basin healthy watersheds initiative fund created pursuant to section 161G.2.

2010 Acts, ch 1191, §21

**161G.2 Mississippi river basin healthy watersheds initiative fund.**

1. A Mississippi river basin healthy watersheds initiative fund is created within the department.

2. The fund is composed of money appropriated by the general assembly to the fund and moneys available to and obtained or accepted by the department from the United States, the state, or any other source for placement in the fund.

3. The fund shall be used by the department to support the Mississippi river basin healthy watersheds initiative as provided in section 161G.3.

4. The moneys in the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

2010 Acts, ch 1191, §22
Referred to in §161G.1

**161G.3 Mississippi river basin healthy watersheds initiative.**

1. The department shall implement a voluntary program to assist in improving the health of the Mississippi river basin, including water quality and wildlife habitat.

2. The department shall implement the program consistent with requirements of the United States department of agriculture in its administration of the Mississippi river basin healthy watersheds initiative.

3. To the extent allowed by the United States department of agriculture, the department of agriculture and land stewardship may do all of the following:

*a.* Provide for conservation systems that manage and optimize nitrogen and phosphorus within fields to minimize runoff and reduce downstream nutrient loading.

*b.* Assist agricultural producers with a system of practices that will control soil erosion,

improve soil quality, restore and enhance wildlife habitat, and manage runoff and drainage water for improved water quality.

*c.* Avoid, control, and trap nutrient runoff and maintain agricultural productivity.

*d.* Partner with landowners to implement a range of land stewardship practices, including but not limited to conservation tillage, nutrient management, and other innovative practices.

2010 Acts, ch 1191, §23; 2012 Acts, ch 1023, §26

Referred to in §161G.2

# SUBTITLE 2

## ANIMAL INDUSTRY

Referred to in §159.1, 159.5

# CHAPTER 162

## CARE OF ANIMALS IN COMMERCIAL ESTABLISHMENTS

Referred to in §717F.4


162.1 Purpose and scope.
162.2 Definitions.
162.2A Application, issuance, and renewal of authorizations.
162.2B Fees.
162.2C Commercial establishment fund.
162.3 Operation of a pound — certificate of registration.
162.4 Operation of an animal shelter — certificate of registration.
162.4A Operation of a research facility — certificate of registration.
162.5 Operation of a pet shop — state license.
162.5A Operation of a boarding kennel — state license.
162.6 Operation of a commercial kennel — state license.
162.7 Operation of a dealer — state license or permit.
162.8 Operation of a commercial breeder — state license or permit.
162.9 Boarding kennel operator's license. Repealed by 2010 Acts, ch 1030, §26, 29.
162.9A Operation of a public auction — state license or permit.
162.10 Research facility registration. Repealed by 2010 Acts, ch 1030, §26, 29.
162.10A Commercial establishments — standard of care.
162.10B Commercial establishments — inspecting state licensees and registrants.
162.10C Commercial establishments — monitoring permittees.
162.10D Commercial establishments — disciplinary actions.
162.11 Exceptions.
162.12 Denial or revocation of license or registration.
162.12A Civil penalties.
162.13 Criminal penalties — confiscation.
162.14 Custody by animal warden.
162.15 Violation by animal warden.
162.16 Rules.
162.17 Repealed by 88 Acts, ch 1186, §16.
162.18 Fees. Repealed by 2010 Acts, ch 1030, §26, 29.
162.19 Abandoned animals destroyed.
162.20 Sterilization.


### 162.1 Purpose and scope.

1. The purpose of this chapter is to accomplish all of the following:

*a.* Insure that all dogs and cats handled by commercial establishments are provided with humane care and treatment.

*b.* Regulate the transportation, sale, purchase, housing, care, handling, and treatment of dogs and cats by persons engaged in transporting, buying, or selling them.

*c.* Provide that all vertebrate animals consigned to pet shops are provided humane care and treatment by regulating the transportation, sale, purchase, housing, care, handling, and treatment of such animals by pet shops.

*d.* Authorize the sale, trade, or adoption of only those animals which appear to be free of infectious or communicable disease.

*e.* Protect the public from zoonotic disease.

2. This chapter does not apply to livestock as defined in section 717.1 or any other agricultural animal used in agricultural production as provided in chapter 717A.

[C75, 77, 79, 81, §162.1]

96 Acts, ch 1034, §7; 2010 Acts, ch 1030, §1, 29

Referred to in §162.11

### 162.2 Definitions.

As used in this chapter, except as otherwise expressly provided:

1. *"Adequate feed"* means the provision at suitable intervals of not more than twenty-four hours or longer if the dietary requirements of the species so require, of a quantity of wholesome foodstuff suitable for the species and age, sufficient to maintain a reasonable level of nutrition in each animal. The foodstuff shall be served in a clean receptacle, dish or container.

2. *"Adequate water"* means reasonable access to a supply of clean, fresh, potable water provided in a sanitary manner or provided at suitable intervals for the species and not to exceed twenty-four hours at any interval.

3. *"Animal shelter"* means a facility which is used to house or contain dogs or cats, or both, and which is owned, operated, or maintained by an incorporated humane society, animal welfare society, society for the prevention of cruelty to animals, or other nonprofit organization devoted to the welfare, protection, and humane treatment of such animals.

4. *"Animal warden"* means any person employed, contracted, or appointed by the state, municipal corporation, or any political subdivision of the state, for the purpose of aiding in the enforcement of the provisions of this chapter or any other law or ordinance relating to the licensing of animals, control of animals or seizure and impoundment of animals and includes any peace officer, animal control officer, or other employee whose duties in whole or in part include assignments which involve the seizure or taking into custody of any animal.

5. *"Animal Welfare Act"* means the federal Animal Welfare Act, 7 U.S.C. ch. 54, and regulations promulgated by the United States department of agriculture and published in 9 C.F.R. ch. 1.

6. *"Authorization"* means a state license, certificate of registration, or permit issued or renewed by the department to a commercial establishment as provided in section 162.2A.

7. *"Boarding kennel"* means a place or establishment other than a pound or animal shelter where dogs or cats not owned by the proprietor are sheltered, fed, and watered in return for a consideration.

8. *"Commercial breeder"* means a person, engaged in the business of breeding dogs or cats, who sells, exchanges, or leases dogs or cats in return for consideration, or who offers to do so, whether or not the animals are raised, trained, groomed, or boarded by the person. A person who owns or harbors three or fewer breeding males or females is not a commercial breeder. However, a person who breeds any number of breeding male or female greyhounds for the purposes of using them for pari-mutuel wagering at a racetrack as provided in chapter 99D shall be considered a commercial breeder irrespective of whether the person sells, leases, or exchanges the greyhounds for consideration or offers to do so.

9. *"Commercial establishment"* or *"establishment"* means an animal shelter, boarding kennel, commercial breeder, commercial kennel, dealer, pet shop, pound, public auction, or research facility.

10. *"Commercial kennel"* means a kennel which performs grooming, boarding, or training services for dogs or cats in return for a consideration.

11. *"Dealer"* means any person who is engaged in the business of buying for resale or selling or exchanging dogs or cats, or both, as a principal or agent, or who claims to be so engaged.

12. *"Department"* means the department of agriculture and land stewardship.

13. *"Euthanasia"* means the humane destruction of an animal accomplished by a method that involves instantaneous unconsciousness and immediate death or by a method that involves anesthesia, produced by an agent which causes painless loss of consciousness, and death during the loss of consciousness.

14. *"Federal license"* means a license issued by the United States department of agriculture to a person classified as a dealer or exhibitor pursuant to the federal Animal Welfare Act.

15. *"Federal licensee"* means a person to whom a federal license as a dealer or exhibitor is issued.

16. *"Housing facilities"* means any room, building, or area used to contain a primary enclosure or enclosures.

17. *"Permittee"* means a commercial breeder, dealer, or public auction to whom a permit is issued by the department as a federal licensee pursuant to section 162.2A.

18. *"Person"* means person as defined in chapter 4.

19. *"Pet shop"* means an establishment where a dog, cat, rabbit, rodent, nonhuman primate, fish other than live bait, bird, or other vertebrate animal is bought, sold, exchanged, or offered for sale. However, a pet shop does not include an establishment if one of the following applies:

*a.* The establishment receives less than five hundred dollars from the sale or exchange of vertebrate animals during a twelve-month period.

*b.* The establishment sells or exchanges less than six animals during a twelve-month period.

20. *"Pound"* means a facility for the prevention of cruelty to animals operated by the state, a municipal corporation, or other political subdivision of the state for the purpose of impounding or harboring seized stray, homeless, abandoned, or unwanted dogs, cats, or other animals; or a facility operated for such a purpose under a contract with any municipal corporation or incorporated society.

21. *"Primary enclosure"* means any structure used to immediately restrict an animal to a limited amount of space, such as a room, pen, cage, or compartment.

22. *"Public auction"* means any place or location where dogs or cats, or both, are sold at auction to the highest bidder regardless of whether the dogs or cats are offered as individuals, as a group, or by weight.

23. *"Registrant"* means a pound, animal shelter, or research facility to whom a certificate of registration is issued by the department pursuant to section 162.2A.

24. *"Research facility"* means any school or college of medicine, veterinary medicine, pharmacy, dentistry, or osteopathic medicine, or hospital, diagnostic or research laboratories, or other educational or scientific establishment situated in this state concerned with the investigation of, or instruction concerning the structure or function of living organisms, the cause, prevention, control or cure of diseases or abnormal conditions of human beings or animals.

25. *"State fiscal year"* means the fiscal year described in section 3.12.

26. *"State licensee"* means any of the following:

*a.* A boarding kennel, commercial kennel, or pet shop to whom a state license is issued by the department pursuant to section 162.2A.

*b.* A commercial breeder, dealer, or public auction to whom a state license is issued in lieu of a permit by the department pursuant to section 162.2A.

27. *"Vertebrate animal"* means those vertebrate animals other than members of the equine, bovine, ovine, and porcine species, and ostriches, rheas, or emus.

[C75, 77, 79, 81, §162.2]

86 Acts, ch 1245, §611; 88 Acts, ch 1186, §1 – 4; 92 Acts, ch 1094, §1; 92 Acts, ch 1212, §6; 95 Acts, ch 43, §4; 2005 Acts, ch 3, §40; 2009 Acts, ch 133, §70; 2010 Acts, ch 1030, §2, 3, 29

Referred to in §162.11, 162.20, 165B.5, 169.5, 351.37, 717.1A, 717.2, 717.5, 717A.1, 717B.2, 717B.3, 717B.3A, 717B.4, 717B.8, 717D.3, 717F.2, 717F.7, 717F.10

Further definitions, see §159.1

**162.2A Application, issuance, and renewal of authorizations.**

1. The department shall provide for the operation of a commercial establishment by issuing or renewing an authorization, including any of the following:

*a.* A certificate of registration for a pound, animal shelter, or research facility.

*b.* A state license for a boarding kennel, commercial kennel, or pet shop.

*c.* A state license or permit for a commercial breeder, dealer, or public auction. A federal licensee must apply for and be issued either a permit or a state license in lieu of a permit.

2. A person must be issued a separate state license, certificate of registration, or permit for each commercial establishment owned or operated by the person.

3. A person must apply for the issuance or renewal of an authorization on forms and according to procedures required by rules adopted by the department. The application shall contain information required by the department, including but not limited to all of the following:

*a.* The person's name.

*b.* The person's principal office or place of business.

*c.* The name, address, and type of establishment covered by the authorization.

*d.* The person's identification number. Notwithstanding chapter 22, the department shall keep the person's tax identification number confidential except for purposes of tax administration by the department of revenue, including as provided in section 421.18.

4. The authorization expires on an annual basis as provided by the department, and must be renewed by the commercial establishment on an annual basis on or before the authorization's expiration date.

5. *a.* A commercial establishment applying for the issuance or renewal of a permit shall provide the department with proof that the person is a federal licensee.

*b.* The department shall not require that it must enter onto the premises of a commercial establishment in order to issue a permit. The department shall not require that it must enter onto the premises of a commercial establishment in order to renew a permit, unless it has reasonable cause to monitor the commercial establishment as provided in section 162.10C.

2010 Acts, ch 1030, §4, 29

Referred to in §162.2, 162.3, 162.4, 162.4A, 162.5, 162.5A, 162.6, 162.7, 162.8, 162.9A, 162.11, 162.13, 717F.1

**162.2B Fees.**

The department shall establish, assess, and collect fees as provided in this section.

1. A commercial establishment shall pay authorization fees to the department for the issuance or renewal of a certificate of registration, state license, or permit.

*a.* For the issuance or renewal of a certificate of registration, seventy-five dollars.

*b.* For the issuance or renewal of a state license or permit, one hundred seventy-five dollars. However, a commercial breeder who owns, keeps, breeds, or transports a greyhound dog for pari-mutuel wagering at a racetrack as provided in chapter 99D shall pay a different fee for the issuance or renewal of a state license as provided in rules adopted by the department.

2. The department shall retain all fees that it collects under this section for the exclusive purpose of administering and enforcing the provisions of this chapter. The fees shall be considered repayment receipts as defined in section 8.2. The general assembly shall appropriate moneys to the department each state fiscal year necessary for the administration and enforcement of this chapter.

2010 Acts, ch 1030, §5, 29

Referred to in §162.2C, 162.11

**162.2C Commercial establishment fund.**

1. A commercial establishment fund is created in the state treasury under the management and control of the department.

2. The fund shall include moneys collected by the department in fees as provided in section 162.2B and moneys appropriated by the general assembly. The fund may include other moneys available to and obtained or accepted by the department, including moneys from public or private sources.

3. Moneys in the fund are appropriated to the department and shall be used exclusively to carry out the provisions of this chapter as determined and directed by the department, and shall not require further special authorization by the general assembly.

4. *a.* Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

*b.* Notwithstanding section 8.33, moneys credited to the fund that remain unexpended or unobligated at the end of a fiscal year shall not revert to any other fund.

2010 Acts, ch 1191, §25, 26

**162.3 Operation of a pound — certificate of registration.**

A pound shall only operate pursuant to a certificate of registration issued or renewed by the department as provided in section 162.2A. A pound may sell dogs or cats under its control if sales are allowed by the department. The pound shall maintain records as required by the department in order for the department to ensure the pound's compliance with the provisions of this chapter.

[C75, 77, 79, 81, §162.3]

88 Acts, ch 1186, §5; 88 Acts, ch 1272, §12; 89 Acts, ch 296, §17; 2010 Acts, ch 1030, §6, 29

**162.4 Operation of an animal shelter — certificate of registration.**

An animal shelter shall only operate pursuant to a certificate of registration issued or renewed by the department as provided in section 162.2A. An animal shelter may sell dogs or cats if sales are allowed by the department. The animal shelter facility shall maintain records as required by the department in order for the department to ensure the animal shelter's compliance with the provisions of this chapter.

[C75, 77, 79, 81, §162.4]

88 Acts, ch 1186, §6; 2010 Acts, ch 1030, §7, 29

**162.4A Operation of a research facility — certificate of registration.**

A research facility shall only operate pursuant to a certificate of registration issued by the department as provided in section 162.2A. The research facility shall maintain records as required by the department in order for the department to ensure the research facility's compliance with the provisions of this chapter. A research facility shall not purchase a dog or cat from a commercial establishment that does not have a valid authorization issued or renewed under this chapter or a similar authorization issued or renewed by another state.

2010 Acts, ch 1030, §8, 29

Referred to in §717F.1

**162.5 Operation of a pet shop — state license.**

A pet shop shall only operate pursuant to a state license issued or renewed by the department pursuant to section 162.2A. The pet shop shall maintain records as required by the department in order for the department to ensure the pet shop's compliance with the provisions of this chapter. A pet shop shall not purchase a dog or cat from a commercial establishment that does not have a valid authorization issued or renewed under this chapter or a similar authorization issued or renewed by another state.

[C75, 77, 79, 81, §162.5]

88 Acts, ch 1186, §7; 88 Acts, ch 1272, §13; 89 Acts, ch 296, §17; 2010 Acts, ch 1030, §9, 29

Referred to in §717E.3

**162.5A Operation of a boarding kennel — state license.**

A boarding kennel shall only operate pursuant to a state license issued by the department as provided in section 162.2A. The boarding kennel shall maintain records as required by the department in order for the department to ensure the boarding kennel's compliance with the provisions of this chapter. A boarding kennel shall not purchase a dog or cat from a commercial establishment that does not have a valid authorization issued or renewed under this chapter or a similar authorization issued or renewed by another state.

2010 Acts, ch 1030, §10, 29

**162.6 Operation of a commercial kennel — state license.**

A commercial kennel shall only operate pursuant to a state license issued or renewed by the department as provided in section 162.2A. A commercial kennel shall maintain records as required by the department in order for the department to ensure the commercial kennel's compliance with the provisions of this chapter. A commercial kennel shall not purchase a dog or cat from a commercial establishment that does not have a valid authorization issued or renewed under this chapter or a similar authorization issued or renewed by another state.

[C75, 77, 79, 81, §162.6]

88 Acts, ch 1186, §8; 88 Acts, ch 1272, §14; 89 Acts, ch 15, §1; 89 Acts, ch 296, §17; 2010 Acts, ch 1030, §11, 29

**162.7 Operation of a dealer — state license or permit.**

A dealer shall only operate pursuant to a state license, or a permit, issued or renewed by the department as provided in section 162.2A. A dealer who is a state licensee shall maintain records as required by the department in order for the department to ensure compliance with the provisions of this chapter. A dealer who is a permittee may but is not required to maintain records. A dealer shall not purchase a dog or cat from a commercial establishment that does

not have a valid authorization issued or renewed under this chapter or a similar authorization issued or renewed by another state.

[C75, 77, 79, 81, §162.7]

88 Acts, ch 1186, §9; 88 Acts, ch 1272, §15; 89 Acts, ch 15, §2; 89 Acts, ch 296, §17; 2010 Acts, ch 1030, §12, 29

Referred to in §162.11

**162.8 Operation of a commercial breeder — state license or permit.**

A commercial breeder shall only operate pursuant to a state license, or a permit, issued or renewed by the department as provided in section 162.2A. A commercial breeder who is a state licensee shall maintain records as required by the department in order for the department to ensure the commercial breeder's compliance with the provisions of this chapter. A commercial breeder who is a permittee may but is not required to maintain records. A commercial breeder shall not purchase a dog or cat from a commercial establishment that does not have a valid authorization issued or renewed under this chapter or a similar authorization issued or renewed by another state.

[C75, 77, 79, 81, §162.8]

88 Acts, ch 1186, §10; 88 Acts, ch 1272, §16; 89 Acts, ch 296, §18; 2010 Acts, ch 1030, §13, 29

Referred to in §162.11

**162.9 Boarding kennel operator's license.** Repealed by 2010 Acts, ch 1030, § 26, 29. See § 162.5A.

**162.9A Operation of a public auction — state license or permit.**

A public auction shall only operate pursuant to a state license, or a permit, issued or renewed by the department as provided in section 162.2A. A public auction which is a state licensee shall maintain records as required by the department in order for the department to ensure the public auction's compliance with the provisions of this chapter. A public auction which is a permittee may but is not required to maintain records. A public auction shall not purchase a dog or cat from a commercial establishment that does not have a valid authorization issued or renewed under this chapter or a similar authorization issued or renewed by another state.

2010 Acts, ch 1030, §14, 29

Referred to in §162.11

**162.10 Research facility registration.** Repealed by 2010 Acts, ch 1030, § 26, 29. See § 162.4A.

**162.10A Commercial establishments — standard of care.**

1. *a.* A commercial establishment shall provide for a standard of care that ensures that an animal in its possession or under its control is not lacking any of the following:

(1) Adequate feed, adequate water, housing facilities, sanitary control, or grooming practices, if such lack causes adverse health or suffering.

(2) Veterinary care.

*b.* A commercial establishment, other than a research facility or pet shop, shall provide for the standard of care for dogs and cats in its possession or under its control, and a research facility or pet shop shall provide for the standard of care for vertebrate animals in its possession or under its control.

2. *a.* Except as provided in paragraph "*b*" or "*c*", a commercial establishment shall comply with rules that the department adopts to implement subsection 1. A commercial establishment shall be regulated under this paragraph "*a*" unless the person is a state licensee as provided in paragraph "*b*" or a permittee as provided in paragraph "*c*".

*b.* A state licensee who is a commercial breeder owning, breeding, transporting, or keeping a greyhound dog for pari-mutuel wagering at a racetrack as provided in chapter 99D may be required to comply with different rules adopted by the department.

*c.* A permittee is not required to comply with rules that the department adopts to

implement a standard of care as provided in subsection 1 for state licensees and registrants. The department may adopt rules regulating a standard of care for a permittee, so long as the rules are not more restrictive than required for a permittee under the Animal Welfare Act. However, the department may adopt prescriptive rules relating to the standard of care. Regardless of whether the department adopts such rules, a permittee meets the standard of care required in subsection 1 if it voluntarily complies with rules applicable to state licensees or registrants. A finding by the United States department of agriculture that a permittee complies with the Animal Welfare Act is not conclusive when determining that the permittee provides a standard of care required in subsection 1.

3. A commercial establishment fails to provide for a standard of care as provided in subsection 1 if the commercial establishment commits abuse as described in section 717B.2, neglect as described in section 717B.3, or torture as provided in section 717B.3A.

2010 Acts, ch 1030, §15, 29

Referred to in §162.10C, 162.11, 162.12A, 162.13

**162.10B Commercial establishments — inspecting state licensees and registrants.**

The department may inspect the commercial establishment of a registrant or state licensee by entering onto its business premises at any time during normal working hours. The department may inspect records required to be maintained by the state licensee or registrant as provided in this chapter. If the owner or person in charge of the commercial establishment refuses admittance, the department may obtain an administrative search warrant issued under section 808.14.

2010 Acts, ch 1030, §16, 29

**162.10C Commercial establishments — monitoring permittees.**

1. The department may monitor the commercial establishment of a permittee by entering onto its business premises at any time during normal working hours. The department shall monitor the commercial establishment for the limited purpose of determining whether the permittee is providing for a standard of care required for permittees under section 162.10A. If the owner or person in charge of the commercial establishment refuses admittance, the department may obtain an administrative search warrant issued under section 808.14.

2. In order to enter onto the business premises of a permittee's commercial establishment, the department must have reasonable cause to suspect that the permittee is not providing for the standard of care required for permittees under section 162.10A. Reasonable cause must be supported by any of the following:

*a.* An oral or written complaint received by the department by a person. The complainant must provide the complainant's name and address and telephone number. Notwithstanding chapter 22, the department's record of a complaint is confidential, unless any of the following apply:

(1) The results of the monitoring are used in a contested case proceeding as provided in chapter 17A or in a judicial proceeding.

(2) The record is sought in discovery in any administrative, civil, or criminal case.

(3) The department's record of a complaint is filed by a person other than an individual.

*b.* A report prepared by a person employed by the United States department of agriculture that requires a permittee to take action necessary to correct a breach of standard of care required of federal licensees by the Animal Welfare Act or of permittees by section 162.10A. The department is not required to dedicate any number of hours to viewing or analyzing such reports.

3. When carrying out this section, the department may cooperate with the United States department of agriculture. The department shall report any findings resulting in an enforcement action under section 162.10D to the United States department of agriculture.

2010 Acts, ch 1030, §17, 29

Referred to in §162.2A, 162.11

**162.10D Commercial establishments — disciplinary actions.**

1. The department may take disciplinary action against a person by suspending or

revoking the person's authorization for violating a provision of this chapter or chapter 717B, or who commits an unlawful practice under section 714.16.

2. The department may require an owner, operator, or employee of a commercial establishment subject to disciplinary action under subsection 1 to complete a continuing education program as a condition for retaining an authorization. This section does not prevent a person from voluntarily participating in a continuing education program.

3. The department shall administer the continuing education program by either providing direct instruction or selecting persons to provide such instruction. The department is not required to compensate persons for providing the instruction, and may require attendees to pay reasonable fees necessary to compensate the department providing the instruction or a person selected by the department to provide the instruction. The department shall, to every extent possible, select persons to provide the instruction by consulting with organizations that represent commercial establishments, including but not limited to the Iowa pet breeders association.

4. The department shall establish the criteria for a continuing education program which shall include at least three and not more than eight hours of instruction. The department shall provide for the program's beginning and ending dates. However, a person must complete the program in twelve months or less.

2010 Acts, ch 1030, §18, 29; 2010 Acts, ch 1193, §41, 80

Referred to in §162.10C, 162.11, 162.13

**162.11 Exceptions.**

1. This chapter does not apply to a federal licensee except as provided in the following:

*a.* Section 162.1, subsection 2, and sections 162.2, 162.2A, 162.2B, 162.7, 162.8, 162.9A, 162.10A, 162.10C, 162.10D, 162.12A, and 162.13.

*b.* Section 162.1, subsection 1, but only to the extent required to implement sections described in paragraph "*a*".

*c.* Section 162.16 but only to the extent required to implement sections described in paragraph "*a*".

2. This chapter does not apply to a place or establishment which operates under the immediate supervision of a duly licensed veterinarian as a hospital where animals are harbored, hospitalized, and cared for incidental to the treatment, prevention, or alleviation of disease processes during the routine practice of the profession of veterinary medicine. However, if animals are accepted by such a place, establishment, or hospital for boarding or grooming for a consideration, the place, establishment, or hospital is subject to the licensing or registration requirements applicable to a boarding kennel or commercial kennel under this chapter and the rules adopted by the secretary.

3. This chapter does not apply to a noncommercial kennel at, in, or adjoining a private residence where dogs or cats are kept for the hobby of the householder, if the dogs or cats are used for hunting, for practice training, for exhibition at shows or field or obedience trials, or for guarding or protecting the householder's property. However, the dogs or cats must not be kept for breeding if a person receives consideration for providing the breeding.

[C75, 77, 79, 81, §162.11]

88 Acts, ch 1186, §13; 2010 Acts, ch 1030, §19, 20, 29

**162.12 Denial or revocation of license or registration.**

A certificate of registration may be denied to any animal shelter, pound, or research facility and a state license may be denied to any public auction, boarding kennel, commercial kennel, pet shop, commercial breeder, or dealer, or an existing certificate of registration or state license may be revoked by the secretary if, after public hearing, it is determined that the housing facilities or primary enclosures are inadequate under this chapter or if the feeding, watering, cleaning, and housing practices at the pound, animal shelter, public auction, pet shop, boarding kennel, commercial kennel, research facility, or those practices by the commercial breeder or dealer, are not in compliance with this chapter or with the

rules adopted pursuant to this chapter. The premises of each registrant or state licensee shall be open for inspection during normal business hours.

[C75, 77, 79, 81, §162.12]

88 Acts, ch 1186, §14; 2010 Acts, ch 1030, §21, 29

Referred to in §717F.7

**162.12A Civil penalties.**

The department shall establish, impose, and assess civil penalties for violations of this chapter. The department may by rule establish a schedule of civil penalties for violations of this chapter. All civil penalties collected under this section shall be deposited into the general fund of the state.

1. *a.* A commercial establishment that operates pursuant to an authorization issued or renewed under this chapter is subject to a civil penalty of not more than five hundred dollars, regardless of the number of animals possessed or controlled by the commercial establishment, for violating this chapter. Except as provided in paragraph *"b"*, each day that a violation continues shall be deemed a separate offense.

*b.* This paragraph applies to a commercial establishment that violates a standard of care involving housing as provided in section 162.10A. The departmental official who makes a determination that a violation exists shall provide a corrective plan to the commercial establishment describing how the violation will be corrected within a compliance period of not more than fifteen days from the date of approval by the official of the corrective plan. The civil penalty shall not exceed five hundred dollars for the first day of the violation. After that day, the department shall not impose a civil penalty for the violation during the compliance period. The department shall not impose an additional civil penalty, unless the commercial establishment fails to correct the violation by the end of the compliance period. If the commercial establishment fails to correct the violation by the end of the compliance period, each day that the violation continues shall be deemed a separate offense.

2. A commercial establishment that does not operate pursuant to an authorization issued or renewed under this chapter is subject to a civil penalty of not more than one thousand dollars, regardless of the number of animals possessed or controlled by the commercial establishment, for violating this chapter. Each day that a violation continues shall be deemed a separate offense.

2010 Acts, ch 1030, §22, 29

Referred to in §162.11

**162.13 Criminal penalties — confiscation.**

1. A person who operates a commercial establishment without an authorization issued or renewed by the department as required in section 162.2A is guilty of a simple misdemeanor and each day of operation is a separate offense.

2. The failure of a person who owns or operates a commercial establishment to meet the standard of care required in section 162.10A, subsection 1, is a simple misdemeanor. The animals are subject to seizure and impoundment and may be sold or destroyed as provided by rules which shall be adopted by the department pursuant to chapter 17A. The rules shall provide for the destruction of an animal by a humane method, including by euthanasia.

3. The failure of a person who owns or operates a commercial establishment to meet the requirements of this section is also cause for the suspension or revocation of the person's authorization as provided in section 162.10D.

4. Dogs, cats, and other vertebrate animals upon which euthanasia is permitted by law may be destroyed by a person subject to this chapter or chapter 169, by a humane method, including euthanasia, as provided by rules which shall be adopted by the department pursuant to chapter 17A.

5. It is unlawful for a dealer to knowingly ship a diseased animal. A dealer violating this subsection is subject to a fine not exceeding one hundred dollars. Each diseased animal shipped in violation of this subsection is a separate offense.

[C75, 77, 79, 81, §162.13]

83 Acts, ch 149, §1; 88 Acts, ch 1186, §15; 94 Acts, ch 1103, §1; 2010 Acts, ch 1030, §23, 29

Referred to in §162.11

**162.14 Custody by animal warden.**

An animal warden, upon taking custody of any animal in the course of the warden's official duties, shall immediately make a record of the matter in the manner prescribed by the secretary and the record shall include a complete description of the animal, reason for seizure, location of seizure, the owner's name and address if known, and all license or other identification numbers, if any. Complete information relating to the disposition of the animal shall be added in the manner provided by the secretary immediately after disposition.

[C75, 77, 79, 81, §162.14]

**162.15 Violation by animal warden.**

Violation of any provision of this chapter which relates to the seizing, impoundment, and custody of an animal by an animal warden shall constitute a simple misdemeanor and each animal handled in violation shall constitute a separate offense.

[C75, 77, 79, 81, §162.15]

**162.16 Rules.**

The department shall adopt rules and promulgate forms necessary to administer and enforce the provisions of this chapter.

[C75, 77, 79, 81, §162.16]

2010 Acts, ch 1030, §24, 29

Referred to in §162.11

**162.17** Repealed by 88 Acts, ch 1186, § 16.

**162.18 Fees.** Repealed by 2010 Acts, ch 1030, § 26, 29.

**162.19 Abandoned animals destroyed.**

Whenever any animal is left with a veterinarian, boarding kennel or commercial kennel pursuant to a written agreement and the owner does not claim the animal by the agreed date, the animal shall be deemed abandoned, and a notice of abandonment and its consequences shall be sent within seven days by certified mail to the last known address of the owner. For fourteen days after mailing of the notice the owner shall have the right to reclaim the animal upon payment of all reasonable charges, and after the fourteen days the owner shall be deemed to have waived all rights to the abandoned animal. If despite diligent effort an owner cannot be found for the abandoned animal within another seven days, the veterinarian, boarding kennel, or commercial kennel may humanely destroy the abandoned animal.

Each veterinarian, boarding kennel or commercial kennel shall warn its patrons of the provisions of this section by a conspicuously posted notice or by conspicuous type in a written receipt.

[C77, 79, 81, §162.19]

**162.20 Sterilization.**

1. A pound or animal shelter shall not transfer ownership of a dog or cat by sale or adoption, unless the dog or cat is subject to sterilization. The sterilization shall involve a procedure which permanently destroys the capacity of a dog or cat to reproduce, either by the surgical removal or alteration of its reproductive organs, or by the injection or ingestion of a serum. The pound or animal shelter shall not relinquish custody until it provides for one of the following:

*a.* Sterilization performed by a veterinarian licensed pursuant to chapter 169.

*b.* The execution of an agreement with a person intended to be the permanent custodian of the dog or cat. The agreement must provide that the custodian shall have the dog or cat sterilized by a veterinarian licensed pursuant to chapter 169.

2. The pound or animal shelter maintaining custody of the dog or cat may require that a person being transferred ownership of the dog or cat reimburse the pound or animal shelter for the amount in expenses incurred by the pound or animal shelter in sterilizing the dog or

cat, if the dog or cat is sterilized prior to the transfer of ownership of the dog or cat to the person.

3. *a.* The sterilization agreement may be on a form which shall be prescribed by the department. The agreement shall contain the signature and address of the person receiving custody of the dog or cat, and the signature of the representative of the pound or animal shelter.

*b.* The sterilization shall be completed as soon as practicable, but prior to the transfer of the ownership of the dog or cat by the pound or animal shelter. The pound or animal shelter may grant an extension of the period required for the completion of the sterilization if the extension is based on a reasonable determination by a licensed veterinarian.

*c.* A pound or animal shelter shall transfer ownership of a dog or cat, conditioned upon the confirmation that the sterilization has been completed by a licensed veterinarian who performed the procedure. The confirmation shall be a receipt furnished by the office of the attending veterinarian.

*d.* A person who fails to satisfy the terms of the sterilization agreement shall return the dog or cat within twenty-four hours following receipt of a demand letter which shall be delivered to the person by the pound or animal shelter personally or by certified mail.

4. *a.* A person who does not comply with the provisions of a sterilization agreement is guilty of a simple misdemeanor.

*b.* A person who fails to return a dog or cat upon receipt of a demand letter is guilty of a simple misdemeanor.

*c.* A pound or animal shelter which knowingly fails to provide for the sterilization of a dog or cat is subject to a civil penalty of up to two hundred dollars. The department may enforce and collect civil penalties according to rules which shall be adopted by the department. Each violation shall constitute a separate offense. Moneys collected from civil penalties shall be deposited into the general fund of the state and are appropriated on July 1 of each year in equal amounts to each track licensed to race dogs to support the racing dog adoption program as provided in section 99D.27. Upon the third offense, the department may suspend or revoke a certificate of registration issued to the pound or animal shelter pursuant to this chapter. The department may bring an action in district court to enjoin a pound or animal shelter from transferring animals in violation of this section. In bringing the action, the department shall not be required to allege facts necessary to show, or tending to show, a lack of adequate remedy at law, that irreparable damage or loss will result if the action is brought at law, or that unique or special circumstances exist.

5. This section shall not apply to the following:

*a.* The return of a dog or cat to its owner by a pound or animal shelter.

*b.* The transfer of a dog or cat by a pound or animal shelter which has obtained an enforcement waiver issued by the department. The pound or shelter may apply for an annual waiver each year as provided by rules adopted by the department. The department shall grant a waiver, if it determines that the pound or animal shelter is subject to an ordinance by a city or county which includes stricter requirements than provided in this section. The department shall not charge more than ten dollars as a waiver application fee. The fees collected by the department shall be deposited in the general fund of the state.

*c.* The transfer of a dog or cat to a research facility as defined in section 162.2 or a person licensed by the United States department of agriculture as a class B dealer pursuant to 9 C.F.R. ch. 1, subch. A, pt. 2. However, a class B dealer who receives an unsterilized dog or cat from a pound or animal shelter shall either sterilize the dog or cat or transfer the unsterilized dog or cat to a research facility provided in this paragraph. The class B dealer shall not transfer a dog to a research facility if the dog is a greyhound registered with the national greyhound association and the dog raced at a track associated with pari-mutuel racing unless the class B dealer receives written approval of the transfer from a person who owned an interest in the dog while the dog was racing.

93 Acts, ch 134, §1; 2008 Acts, ch 1058, §16; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1023, §27

# CHAPTER 163

## INFECTIOUS AND CONTAGIOUS DISEASES AMONG ANIMALS

Referred to in §159.5, 159.6, 165B.2, 166A.4

Definitions applicable to chapter; see §159.1

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## SUBCHAPTER I

## GENERAL PROVISIONS

**163.1 Powers of department.**

The department shall administer and enforce the provisions of this chapter and rules adopted by the department pursuant to this chapter. In administering the provisions of this chapter, the department shall have power to do all of the following:

1. Adopt any necessary rule for the control of an infectious or contagious disease affecting animals within the state.

2. Provide for quarantining animals afflicted with an infectious or contagious disease, or that have been exposed to such disease, whether within or without the state.

3. Determine and employ the most efficient and practical means for the control of an infectious or contagious disease afflicting animals.

4. Establish, maintain, enforce, and regulate quarantine and other measures relating to the movement and care of animals that may be exposed or afflicted with an infectious or contagious disease.

5. Provide for the disinfection of suspected yards, buildings, or articles, and for the destruction of animals as may be deemed necessary by the department.

6. Enter any place where any animal is at the time located, or where it has been kept, or where the carcass of such animal may be, for the purpose of examining it in any way that may be necessary to determine whether it was or is exposed to or afflicted with an infectious or contagious disease.

7. Regulate or prohibit the arrival in, departure from, and passage through the state of animals exposed to or afflicted with an infectious or contagious disease; and in case of a violation of any such regulation or prohibition, to detain any animal at the owner's expense.

8. Regulate or prohibit the movement of animals into the state which, in the department's determination, for any reason, may be detrimental to the health of animals in the state.

9. Cooperate with and arrange for assistance from the United States department of agriculture in performing its duties under this chapter.

10. Impose civil penalties as provided in this chapter. The department may refer cases for prosecution to the attorney general.

[S13, §2538-s; C24, 27, 31, 35, 39, §**2643;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.1]

91 Acts, ch 32, §1; 2001 Acts, ch 136, §1; 2004 Acts, ch 1163, §1

**163.2 Infectious or contagious diseases.**

As provided in this chapter, unless the context otherwise requires:

1. *"Certificate of veterinary inspection"* or *"certificate"* means a legible record, made on an official form of the state of origin or the animal and plant health inspection service of the United States department of agriculture, and issued by an accredited veterinarian of the state of origin or a veterinarian in the employ of the animal and plant health inspection service, which shows that an animal listed on the form meets the health requirements of the state of destination.

2. *"Control"* means the prevention, suppression, or eradication of an infectious or contagious disease afflicting an animal within the state.

3. *"Department"* means the department of agriculture and land stewardship.

4. *"Foot and mouth disease"* means a virus of the family picornaviridae, genus aphthovirus, including any immunologically distinct serotypes.

5. *"Infectious or contagious disease"* means glanders, farcy, maladie du coit (dourine), anthrax, foot and mouth disease, scabies, classical swine fever, tuberculosis, brucellosis, vesicular exanthema, scrapie, rinderpest, avian influenza or Newcastle disease as provided in chapter 165B, pseudorabies as provided in chapter 166D, or any other transmissible, transferable, or communicable disease so designated by the department.

6. *"Move"* or *"movement"*, except as provided in subchapter III, means to ship, transport, or deliver an animal.

[C24, 27, 31, 35, 39, §**2644;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.2]

2001 Acts, ch 170, §1, 3; 2004 Acts, ch 1089, §1; 2004 Acts, ch 1163, §2; 2009 Acts, ch 133, §202; 2011 Acts, ch 84, §1, 5; 2012 Acts, ch 1095, §34

Referred to in §163A.1, 164.1, 165.1A, 166A.1, 166D.2, 172E.2, 717A.2

**163.3 Veterinary assistants.**

The secretary or the secretary's designee may appoint one or more veterinarians licensed pursuant to chapter 169 in each county as assistant veterinarians. The secretary may also

appoint such special assistants as may be necessary in cases of emergency, including as provided in section 163.3A.

[C24, 27, 31, 35, 39, §**2645;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.3]

2005 Acts, ch 151, §1

**163.3A Veterinary emergency preparedness and response.**

1. The department may provide veterinary emergency preparedness and response services necessary to prevent or control a serious threat to the public health, public safety, or the state's economy caused by the transmission of disease among livestock as defined in section 717.1 or agricultural animals as defined in section 717A.1. The services may include measures necessary to ensure that all such animals carrying disease are properly identified, segregated, treated, or destroyed as provided in this Code.

2. The services shall be performed under the direction of the department and may be part of measures authorized by the governor under a declaration or proclamation issued pursuant to chapter 29C. In such case, the department shall cooperate with the Iowa department of public health under chapter 135, and the department of homeland security and emergency management, and local emergency management agencies as provided in chapter 29C.

3. The secretary or the secretary's designee shall appoint veterinarians licensed pursuant to chapter 169 or persons in related professions or occupations who are qualified, as determined by the secretary, to serve on a voluntary basis as members of one or more veterinary emergency response teams. The secretary shall provide for the registration of persons as part of the appointment process. The secretary may cooperate with the Iowa board of veterinary medicine in implementing this section.

4. *a.* A registered member of an emergency response team who acts under the authority of the secretary shall be considered an employee of the state for purposes of defending a claim on account of damage to or loss of property or on account of personal injury or death under chapter 669. The registered member shall be afforded protection under section 669.21. The registered member shall also be considered an employee of the state for purposes of disability, workers' compensation, and death benefits under chapter 85.

*b.* The department shall provide and update a list of the registered members of each emergency response team, including the members' names and identifying information, to the department of administrative services. Upon notification of a compensable loss suffered by a registered member, the department of administrative services shall seek authorization from the executive council to pay as an expense from the appropriations addressed in section 7D.29 those costs associated with covered benefits.

2005 Acts, ch 151, §2; 2011 Acts, ch 131, §27, 158; 2013 Acts, ch 29, §47

Referred to in §163.3

Subsection 2 amended

**163.4 Powers of assistants.**

Such assistant veterinarians shall have power, under the direction of the department, to perform all acts necessary to carry out the provisions of law relating to infectious and contagious diseases among animals, and shall be furnished by the department with the necessary supplies and materials which shall be paid for out of the appropriation for the eradication of infectious and contagious diseases among animals.

[C24, 27, 31, 35, 39, §**2646;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.4]

**163.5 Oaths.**

Such assistant veterinarians shall have power to administer oaths and affirmations to appraisers acting under this and the following chapters of this subtitle.

[C24, 27, 31, 35, 39, §**2647;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.5]

Analogous provisions, §63A.2

**163.6 Slaughter facilities — blood samples.**

1. As used in this section, unless the context otherwise requires:

*a.* "*Department*" means the department of agriculture and land stewardship unless the United States department of agriculture is otherwise specified.

*b.* *"Slaughtering establishment"* means a person engaged in the business of slaughtering animals, if the person is an establishment subject to the provisions of chapter 189A which slaughters animals for meat food products as defined in section 189A.2.

2. The department may require that samples of blood be collected from animals at a slaughtering establishment in order to determine if the animals are infected with an infectious or contagious disease, according to rules adopted by the department of agriculture and land stewardship. Upon approval by the department, the collection shall be performed by either of the following:

*a.* A slaughtering establishment under an agreement executed by the department and the slaughtering establishment.

*b.* A person authorized by the department.

3. An authorized person collecting samples shall have access to areas where the animals are confined in order to collect blood samples. The department shall notify the slaughtering establishment in writing that samples of blood must be collected for analysis. The notice shall be provided in a manner required by the department.

4. In carrying out this section, a person authorized by the department to collect blood samples from animals as provided in this section shall have the right to enter and remain on the premises of the slaughtering establishment in the same manner and on the same terms as a meat inspector authorized by the department, including the right to access facilities routinely available to employees of the slaughtering establishment such as toilet and lavatory facilities, lockers, cafeterias, areas reserved for work breaks or dining, and storage facilities.

5. The slaughtering establishment shall provide a secure area for the permanent storage of equipment used to collect blood, an area reserved for collecting the blood, including the storage of blood during the collection, and a refrigerated area used to store blood samples prior to analysis. The area reserved for collecting the blood shall be adjacent to the area where the animals are killed, unless the authorized person and the slaughtering establishment select another area.

6. The department is not required to compensate a slaughtering establishment for allowing a person authorized by the department to carry out this section.

98 Acts, ch 1056, §1; 2001 Acts, ch 136, §2; 2002 Acts, ch 1119, §21; 2009 Acts, ch 41, §203

**163.7 State and federal rules.**

The rules adopted by the department regarding interstate shipments of animals shall not be in conflict with the rules of the United States department of agriculture, unless there is an outbreak of a malignant contagious disease in any locality, state, or territory, in which event the department of agriculture and land stewardship may place an embargo on such locality, state, or territory.

[C24, 27, 31, 35, 39, §**2649;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.7]

2012 Acts, ch 1095, §19

**163.8 Enforcement of rules.**

The assistant veterinarians appointed under this chapter shall enforce all rules of the department, and in so doing may call to their assistance any peace officer.

[S13, §2538-s; C24, 27, 31, 35, 39, §**2650;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.8]

**163.9 College at Ames to assist.**

The dean of the veterinary college of the Iowa state university of science and technology is authorized to use the equipment and facilities of the college in assisting the department in carrying out the provisions of this chapter.

[C24, 27, 31, 35, 39, §**2651;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.9]

**163.10 Quarantining or destroying animals.**

The department may quarantine or destroy any animal exposed to or afflicted with an infectious or contagious disease. However, cattle exposed to or infected with tuberculosis shall not be destroyed without the owner's consent, unless there are sufficient moneys to

reimburse the owner for the cattle, which may be paid as an expense authorized as provided in section 163.15, from moneys in the brucellosis and tuberculosis eradication fund created in section 165.18, or from moneys made available by the United States department of agriculture.

[C24, 27, 31, 35, 39, §**2652;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.10]
2004 Acts, ch 1163, §3; 2011 Acts, ch 131, §28, 158

**163.11 Imported animals.**

A person shall not move an animal into this state, except to a public livestock market where federal inspection of livestock is maintained, for work, breeding, or dairy purposes, unless such animal has been examined and found free from all infectious or contagious diseases.

No person shall bring in any manner into this state any cattle for dairy or breeding purposes unless such cattle have been tested within thirty days prior to date of importation by the agglutination test for contagious abortion or abortion disease, and shown to be free from such disease.

Animals for feeding purposes, however, may be brought into the state without inspection, under such regulations as the department may prescribe except that this sentence shall not apply to swine.

[C24, 27, 31, 35, 39, §**2653;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.11]
2004 Acts, ch 1163, §4
Referred to in §163.12
Additional provision, §165.36

**163.12 Freedom from disease — certificate.**

Freedom from disease as specified in section 163.11 shall be established by a certificate of veterinary inspection signed by a veterinarian acting under either the authority of the department of agriculture and land stewardship, or of the United States department of agriculture. A copy of the certificate shall be attached to the waybill accompanying a shipment, and a copy of the certificate shall be delivered to the department.

[C24, 27, 31, 35, 39, §**2654;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.12]
2004 Acts, ch 1163, §5
Referred to in §163.14

**163.13** Repealed by 2005 Acts, ch 19, § 125. See § 163.12.

**163.14 Intrastate movement.**

An animal, other than an animal to be moved for immediate slaughter, shall be inspected when required by the department, and accompanied by the certificate of veterinary inspection provided in section 163.12 when moved from a point in this state to another point within the state where federal inspection is not maintained.

[C24, 27, 31, 35, 39, §**2656;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.14]
2004 Acts, ch 1163, §6

**163.15 Indemnifying owner.**

1. If the secretary of agriculture determines that the outbreak of an infectious or contagious disease among an animal population constitutes a threat to the general welfare or the public health of the inhabitants of this state, the secretary shall formulate a program of eradication which shall include the condemnation and destroying of the animals exposed to or afflicted with the disease. The program of eradication shall provide for the indemnification of owners of the livestock under this section, if there are no other sources of indemnification. The program shall not be effective until the program has been approved by the executive council.

2. If an animal afflicted with an infectious or contagious disease is destroyed under a program of eradication as provided in this section, the owner shall be compensated according to one of the following methods:

*a.* (1) A determination of an indemnity amount as agreed to by appraisal. The determination shall be made by appraisers who shall be three competent and disinterested

persons, including one who is appointed by the department, one who is appointed by the owner, and one who is appointed by agreement of the department and the owner. The appraisers shall report their appraisal under oath to the department. The appraisers shall receive compensation and expenses as provided for by the program.

(2) A claim for an indemnity filed by the owner shall not exceed the amount agreed upon by the majority decision of the appraisers. For an animal other than registered purebred stock the indemnity amount shall be based on current market prices. For registered purebred stock, the indemnity amount may exceed market prices by not more than fifty percent. The indemnity amount shall be less any amount of indemnification that the owner might be allowed from the United States department of agriculture. An indemnity shall not be allowed for an animal if the department of agriculture and land stewardship determines that the animal has been fed raw garbage as provided in section 163.26.

(3) A claim for an indemnity by the owner and a claim for compensation and expenses by the appraisers shall be filed with the department and submitted by the secretary of agriculture to the executive council for authorization of payment of the claim as an expense from the appropriations addressed in section 7D.29.

*b*. A formula established by rule adopted by the department that is effective as determined by the department in accordance with chapter 17A and applicable upon approval of the program of eradication by the executive council. The formula shall be applicable to indemnify owners if the executive council, upon recommendation by the secretary of agriculture, determines that an animal population in this state is threatened with infection from an exceptionally contagious disease.

(1) An owner shall be paid an indemnity amount based on the formula, only if the owner elects to be paid under the formula in lieu of the determination by appointed appraisers as otherwise provided in this section.

(2) The formula shall provide for the payment of the fair market value of an animal based on market prices paid for similar animals according to categories or criteria established by the department, which may include payment based on the species, breed, type, weight, sex, age, purebred status, and condition of the animal. The department may provide for deductions based on other compensation received by the owner for the destruction of the animals. The department may exclude a claim if the person would be ineligible to receive compensation by three appointed appraisers as provided in this section.

(3) If an owner elects to be paid an indemnity amount based on a method that provides either a determination by appointed appraisers or pursuant to a formula, the owner shall not be entitled to revoke the election, unless otherwise provided by the department. An owner's decision to delay or refuse to make an election under this section shall not affect the condemnation and destruction of afflicted animals under the program of eradication.

(4) The executive council may authorize payment under the provisions of this paragraph "*b*" as an expense from the appropriations addressed in section 7D.29.

[SS15, §2538-1a – 8a; C24, 27, 31, 35, 39, §**2657;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.15]

2002 Acts, ch 1101, §1; 2004 Acts, ch 1163, §7, 8; 2011 Acts, ch 131, §29 – 32, 158

Referred to in §163.10, 163.16, 163.51

**163.16 Limitation on right to receive pay.**

Unless an animal was examined at the time of importation into the state and found free from contagious or infectious diseases as provided in this chapter, no person importing the same and no transferee who receives such animal knowing that the provisions of this chapter have been violated shall receive any compensation under section 163.15 for the destruction of such animal by the department.

[C24, 27, 31, 35, 39, §**2658;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.16]

Inspection of imported animals, §163.11

**163.17 Local boards of health.**

All local boards of health shall assist the department in the prevention, suppression, control, and eradication of contagious and infectious diseases among animals, whenever requested to do so.

[C24, 27, 31, 35, 39, §**2659;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.17]

Local boards of health, chapter 137

**163.18 False representation.**

A person shall not knowingly make a false representation about the shipment of an animal that is being or will be made, with the intent to avoid or prevent the animal's inspection that is conducted in order to determine whether the animal is free from disease.

[C24, 27, 31, 35, 39, §**2660;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.18]

2001 Acts, ch 136, §3

**163.19 Sale or exposure of infected animals.**

No owner or person having charge of any animal, knowing the same to have any infectious or contagious disease, shall sell or barter the same for breeding, dairy, work, or feeding purposes, or permit such animal to run at large or come in contact with any other animal.

[C97, §5018; C24, 27, 31, 35, 39, §**2661;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.19]

**163.20 Glanders.**

No owner or person having charge of any animal, knowing the same to be affected with glanders, shall permit such animal to be driven upon any highway, and no keeper of a public barn shall knowingly permit any animal having such disease to be stabled in such barn.

[C24, 27, 31, 35, 39, §**2662;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.20]

**163.21** Repealed by 2001 Acts, ch 136, § 10. See § 163.61.

**163.22** Repealed by 2005 Acts, ch 19, § 125.

**163.23 False certificates of veterinary inspection.**

A veterinarian shall not issue a certificate of veterinary inspection for an animal knowing that the animal described in the certificate was not the same animal from which tests were made as a basis for issuing the certificate. A veterinarian shall not otherwise falsify a certificate.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.23]

2001 Acts, ch 136, §4; 2004 Acts, ch 1163, §9

**163.24 Using false certificate.**

A person shall not conduct a transaction to import, export, or transport an animal within this state or sell or offer for sale an animal if the person uses a certificate of veterinary inspection in connection with the transaction knowing that the animal described in the certificate was not the animal from which tests were made as a basis for issuing the certificate. A person shall not otherwise use an altered or otherwise false certificate in connection with such transaction.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.24]

2001 Acts, ch 136, §5; 2004 Acts, ch 1163, §10

**163.25 Altering certificate.**

1. A person shall not remove or alter a tag or mark of identification appearing on an animal, tested or being tested for disease, if the tag or mark of identification is authorized by the department or inserted by any qualified veterinarian.

2. A person shall not falsify any of the following:

*a.* A certificate of vaccination, issued by a person authorized to vaccinate the animal.

*b.* A certificate of veterinary inspection.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.25]

2001 Acts, ch 136, §6; 2012 Acts, ch 1095, §20

## SUBCHAPTER II

## FEEDING GARBAGE TO ANIMALS

**163.26 Definition.**

For the purposes of this subchapter, *"garbage"* means putrescible animal and vegetable wastes resulting from the handling, preparation, cooking, and consumption of foods, including animal carcasses or parts. *"Garbage"* includes all waste material, by-products of a kitchen, restaurant, hotel, or slaughterhouse, every refuse accumulation of animal, fruit, or vegetable matter, liquids or otherwise, or grain not consumed, that is collected from hog sales pen floors in public stockyards. Animals or parts of animals, which are processed by slaughterhouses or rendering establishments, and which as part of the processing are heated to not less than 212 degrees Fahrenheit for thirty minutes, are not garbage for purposes of this chapter.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.26]

86 Acts, ch 1245, §612; 87 Acts, ch 115, §27; 2001 Acts, ch 136, §9; 2012 Acts, ch 1095, §21; 2013 Acts, ch 30, §38

Referred to in §163.15

Section amended

**163.27 Boiling garbage — feeding restrictions.**

1. Garbage shall not be fed to an animal unless such garbage has been heated to a temperature of two hundred twelve degrees Fahrenheit for thirty minutes, or other acceptable method, as provided by rules adopted by the department. However, this requirement shall not apply to an individual who feeds to the individual's own animals only the garbage obtained from the individual's own household.

2. A person shall not feed public or commercial garbage to swine .

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §163.27]

2006 Acts, ch 1010, §56; 2012 Acts, ch 1095, §22

**163.28 Licenses.** Repealed by 2013 Acts, ch 90, § 216.

**163.29** Repealed by 2001 Acts, ch 136, § 10. See § 163.61.

## SUBCHAPTER III

## MOVEMENT OF SWINE

Referred to in §163.2

**163.30 Swine dealer licensing and fees — swine movement.**

1. This section shall apply to all swine moved interstate and intrastate, except swine moved directly to slaughter or to a livestock market for sale directly to a slaughtering establishment for immediate slaughter.

2. When used in this subchapter:

*a.* *"Dealer"* means any person who is engaged in the business of buying for resale, or selling, or exchanging swine as a principal or agent or who claims to be so engaged, but does not include the owner or operator of a farm who does not claim to be so engaged and who sells or exchanges only those swine which have been kept by the person solely for feeding or breeding purposes.

*b.* *"Move"* or *"movement"* means to ship, transport, or deliver swine by land, water, or air, except that *"move"* or *"movement"* does not mean a relocation.

*c.* *"Relocate"* or *"relocation"* means to ship, transport, or deliver swine by land, water, or air, to different premises, if the ownership of the swine does not change, the prior and new premises are located within the state, and the shipment, transportation, or delivery between the prior and new premises occurs within the state.

*d.* *"Separate and apart"* means a manner of holding swine so as not to have physical contact with other swine on the premises.

3. A person shall not act as a dealer unless the department issues the person a dealer's license. The person must be licensed as a dealer regardless of whether the swine originate in this state or another jurisdiction or the person resides in this state or another jurisdiction. The jurisdiction may be in another state or a foreign nation.

*a.* The fee for a dealer's license is five dollars each year. A license expires on the first day of July following the date of issue. A license shall be numbered and the dealer shall retain the number from year to year.

*b.* To be issued a license, an applicant must file a surety bond with the department. The applicant shall file a standard surety bond of ten thousand dollars with the secretary named as trustee, for the use and benefit of anyone damaged by a violation of this section, except that the bond shall not be required for dealers who are bonded in the same or a greater amount than required pursuant to the federal Packers and Stockyards Act. In addition, the department may require that a licensee file evidence of financial responsibility with the department prior to a license being issued or renewed as provided in section 202C.2.

*c.* Each employee or agent doing business by buying for resale, selling, or exchanging feeder swine in the name of a licensed dealer shall be required to secure a permit issued by the department showing the person is employed by or represents a licensed dealer. All such permits shall be issued upon application forms furnished by the department at a cost of three dollars per annum, and shall expire on the first day of July following the date of issue.

*d.* A permittee shall not represent more than one dealer. Failure of a licensee or permittee to comply with this chapter or a rule made pursuant to this chapter is cause for revocation by the secretary of the permit or license after notice to the alleged offender and the holding of a hearing by the secretary. Rules shall be made in accordance with chapter 17A. A rule, the violation of which is made the basis for revocation, except temporary emergency rules, shall first have been approved after public hearing as provided in section 17A.4 after giving twenty days' notice of the hearing by mailing the notice, by ordinary mail, to every person filing a request for notice accompanied by an addressed envelope with prepaid postage. Any person may file such a request to be listed with any agency for notice for the time and place for all hearings on proposed rules, which request shall be accompanied by a remittance of five dollars. Such fee shall be added to the operating fund of the department. The listing shall expire semiannually on January 1 and July 1.

4. *a.* All swine moved shall be individually identified with a distinctive and easily discernible ear tag affixed in either ear of the animal or other identification acceptable to the department, which has been specified by rule promulgated under the department's rulemaking authority. The department shall make ear tags available at convenient locations within each county and shall sell such tags at a price not exceeding the cost to producers and others to comply with this section.

*b.* Every seller, dealer and market operator shall keep a record of the ear tag numbers, or other approved identification, and the farm of origin of swine moved by or through that person, which records shall be made available by that person to any appropriate representative of the department or the United States department of agriculture.

5. All swine moved shall be accompanied by a certificate of veterinary inspection issued by the state of origin and prepared and signed by a veterinarian. The certificate shall show the point of origin, the point of destination, individual identification, immunization status, and, when required, any movement permit number assigned to the shipment by the department. All such movement of swine shall be completed within seventy-two hours unless an extension of time for movement is granted by the department.

*a.* However, swine may be moved intrastate directly to an approved state, federal, or auction market without identification or certification, if the swine are to be identified and certificated at the state, federal, or auction market.

*b.* Registered swine for exhibition or breeding purposes which can be individually identified by an ear notch or tattoo or other method approved by the department are excepted from the identification requirement.

*c.* Native Iowa swine moved from farm to farm shall be excepted from the identification

requirement if the owner transferring possession of the feeder pigs executes a written agreement with the person taking possession of the feeder pigs. The agreement shall provide that the feeder pigs shall not be commingled with other swine for a period of thirty days. The owner transferring possession shall be responsible for making certain that the agreement is executed and for providing a copy of the agreement to the person taking possession.

6. The department may combine a certificate of veterinary inspection with a certificate of inspection required under chapter 166D.

7. The department may require issuance of movement permits on certain categories of swine moved, prior to their movement, pursuant to rules adopted by the department. The rules shall be adopted when in the judgment of the secretary, such movement would otherwise threaten or imperil the eradication of classical swine fever in Iowa.

8. All swine moved shall be quarantined separate and apart from other swine located at the Iowa farm of destination for thirty days beginning with their arrival at such premises, or if such incoming swine are not held separate and apart, all swine on such premises shall be thus quarantined, except animals moving from such premises directly to slaughter.

9. There can only be one transfer by a dealer, involving not more than two markets, prior to quarantine.

10. The use of anti-classical-swine-fever serum or antibody concentrate shall be in accordance with rules adopted by the department.

11. Any swine found by a registered veterinarian to have any infectious or contagious disease after delivery to a livestock sale barn or auction market for resale, other than for slaughter, shall be immediately returned to the consignor's premises to be quarantined separate and apart for fifteen days. Such swine shall not be moved from such premises for any purpose unless a certificate of veterinary inspection accompanies the swine's movement or unless the swine are sent to slaughter.

[C62, 66, §163.30; C71, §163.30 – 163.33; C73, 75, 77, 79, 81, §163.30]

87 Acts, ch 115, §28; 91 Acts, ch 32, §2; 97 Acts, ch 183, § 1, 13; 98 Acts, ch 1056, §2; 2003 Acts, ch 90, §1; 2003 Acts, ch 108, §41; 2004 Acts, ch 1101, §27; 2004 Acts, ch 1163, §11, 12; 2009 Acts, ch 133, §203, 204; 2010 Acts, ch 1069, §21; 2011 Acts, ch 34, §37; 2011 Acts, ch 46, §7; 2012 Acts, ch 1095, §24, 35

Referred to in §163.61, 166D.2, 166D.10, 202C.1, 202C.2

**163.31** Repealed by 2001 Acts, ch 136, § 10. See § 163.61.

**163.32 Exhibitions.**

1. As used in this section, "*exhibition*" means an exhibit, demonstration, show, or competition involving swine which occurs as follows:

*a.* As part of an event on the Iowa state fairgrounds under the control of the Iowa state fair authority under chapter 173.

*b.* A fair event under the control of a fair under chapter 174.

*c.* An event classified as an exhibition by rules adopted by the department.

2. This section applies to a swine which is moved from a premises to the location where an exhibition occurs.

3. The sponsor of an exhibition must retain a veterinarian licensed pursuant to chapter 169 to supervise the health of swine moved to the location of the exhibition. The sponsor of the exhibition shall submit an exhibition report to the department on a form and according to procedures required by the department. The exhibition report must contain information required by the department which must at least include all of the following:

*a.* The name of the exhibition and the address of its location.

*b.* The name and address of the veterinarian.

*c.* The date that the exhibition occurred.

*d.* The name and address of the owner of the swine.

*e.* The address of the premises from which the swine was moved to the exhibition. The

exhibition report must also include the address of the premises to which the swine was moved after the exhibition if such premises is a different premises.

2011 Acts, ch 84, §2, 5

Referred to in §166D.2

**163.33** Repealed by 72 Acts, ch 1046, § 4.

## SUBCHAPTER IV

## IDENTIFICATION OF SWINE CONSIGNED FOR SLAUGHTER

**163.34 Purpose.**

The purpose of this subchapter is to establish a positive means of identifying all boars, sows and stags purchased for slaughter on their arrival at the first point of concentration after such sale. The purpose of such swine identification program is to facilitate eradication of swine diseases.

[C77, §172A.15; C79, 81, §163.34]

2001 Acts, ch 136, §9

**163.35 Definitions.**

1. *"Livestock dealer, livestock market operator, or stockyard operator"* means any person engaged in the business of buying for resale, or selling, or exchanging swine as a principal or agent, or one who claims to be so engaged, but does not include the owner or operator of a farm who does not claim to be so engaged, and who sells or exchanges only those swine which have been kept by that person solely for feeding or breeding purposes.

2. *"Person"* means a person as defined in section 4.1, subsection 20.

3. *"Slaughtering establishment"* means any person engaged in the business of slaughtering live animals or receiving or buying live animals for slaughter.

4. *"Stag"* means a male swine that has formerly been used for breeding purposes but that has subsequently been castrated.

[C77, §172A.16; C79, 81, §163.35]

86 Acts, ch 1245, §613

**163.36 Identification required.**

1. All boars, sows and stags received for sale or shipment to slaughter by a livestock dealer, livestock market operator or stockyard operator shall be identified at the first point of concentration by such dealer or operator by application of a slap tattoo or other identification approved by the department.

2. All boars, sows and stags consigned directly from a farm to a slaughtering establishment shall be identified at the first point of concentration by the consignee.

[C77, §172A.17; C79, 81, §163.36]

Referred to in §163.37

**163.37 Form of identification required.**

1. The slap tattoo or other means of identification required by section 163.36 shall be in accordance with regulations of the department.

2. Each person required by section 163.36 to identify animals shall record such identification on forms specified and furnished by the department. The identification shall include the tattoo specifications, the date of application, and the name, address and county of residence of the person who owned or controlled the herd from which the animals originated.

3. Such records shall be maintained for a length of time as required by and pursuant to

chapter 305 and at the point of concentration and shall be made available for inspection by the department at reasonable times.

[C77, §172A.18; C79, 81, §163.37]

2003 Acts, ch 92, §2

**163.38 and 163.39** Reserved.

## SUBCHAPTER V

## BREEDING BULLS

**163.40 Definitions.**

As used in this subchapter:

1. *"Breeding bull"* means a male animal of dairy or beef bovine genus used for breeding purposes.

2. *"Lease"* when used as a verb means to physically deliver a breeding bull pursuant to a lease agreement.

3. *"Licensee"* means a person required to obtain a license pursuant to section 163.41.

[C79, 81, §163.40]

2000 Acts, ch 1049, §1; 2001 Acts, ch 136, §9

**163.41 License required.**

A person shall not engage in the business of leasing a breeding bull without having obtained a license from the department and registering each breeding bull as provided in this subchapter. An annual license may be obtained from the department upon application and payment of a ten-dollar fee. Each license shall expire on the first of July following the date of issue. An application shall be made on a form provided by the department and shall contain the name of the person engaged in the business of leasing breeding bulls as lessor, the address of such business, the registration number of each breeding bull, and a description as to breed, color and other distinguishing marks, leased as lessor, and such other information as the secretary of agriculture may specify by rule promulgated pursuant to chapter 17A.

For the purposes of this section, a person is engaged in the business of leasing a breeding bull within this state as lessor if the person leases any breeding bull to an Iowa resident more than once in any calendar year for a fee.

[C79, 81, §163.41]

2001 Acts, ch 136, §9

Referred to in §163.40

**163.42 Registration of breeding bulls.**

The department shall issue to each licensee a tag or an identifying mark if the lessor desires this method of identification, for each breeding bull to be leased by the licensee. Each tag or identifying mark shall have an identification number which shall be a permanent identification number for such breeding bull and, upon disposition of such animal, the licensee shall notify the department of such disposition and the name and address of the buyer if such animal is sold. When an additional breeding bull to be leased is acquired by a licensee, the department shall issue a tag or approve an identifying mark for such animal without fee. The tag or identifying mark shall be permanently attached to the breeding bull.

[C79, 81, §163.42]

Referred to in §163.43

**163.43 Certificate required.**

1. A person shall not be a party to a lease of a breeding bull within this state in which the lessor is a licensee, unless the breeding bull is accompanied by a certificate of veterinary inspection. For the purposes of this section, a breeding bull is leased within this state if it is leased to an Iowa resident.

2. The certificate of veterinary inspection shall be issued by a licensed veterinarian who examines the breeding bull and signs the certificate. The certificate shall include all of the following:

*a.* A statement that, to the best of the knowledge and belief of the veterinarian, the breeding bull is apparently free from an infectious or contagious disease.

*b.* A statement that the breeding bull has reacted negatively to a test for brucellosis conducted within six months prior to the date that the veterinarian signs the certificate.

*c.* If the breeding bull does not originate from this state, a statement providing that importing the breeding bull satisfies applicable importation requirements.

*d.* The identification number of the breeding bull as required pursuant to section 163.42.

*e.* The date that the certificate was issued.

3. The certificate of veterinary inspection shall not be valid after the term of the lease expires or after the breeding bull moves from the lessee's premises. Thereafter, a new certificate must be issued as required in this section.

4. One copy of the certificate of veterinary inspection shall be issued to the licensee who shall maintain the certificate as part of the licensee's business records. One copy of the certificate shall be issued to the lessee when the breeding bull is delivered to the lessee. A licensee shall show the certificate upon request to any person designated by the department to enforce the provisions of this section.

[C79, 81, §163.43]

2000 Acts, ch 1049, §2; 2004 Acts, ch 1163, §13

**163.44 Records of breeding bull.**

The licensee shall maintain records of each lease of a breeding bull. The records shall contain the name and address of the person to whom a breeding bull is leased, the date of each lease, and a description and the identification number of the breeding bull involved. A lessee or any agent of the department shall have the right to inspect, upon demand to the licensee, those records concerning the bull presently being leased by the lessee.

[C79, 81, §163.44]

**163.45 Denial, revocation or suspension of a license.**

The department of agriculture and land stewardship may refuse to issue or renew and may suspend or revoke a license issued under this subchapter for any violation of the provisions of this subchapter or rules adopted relating to the leasing of a breeding bull.

[C79, 81, §163.45]

2001 Acts, ch 136, §9

**163.46 Sale of semen.**

The owner of a breeding bull located within this state shall not sell the semen from that bull for the purpose of artificial insemination unless the owner is in possession of a certificate of veterinary inspection signed and issued by a licensed veterinarian within six months before the date the semen is collected. The certificate shall not be valid if the bull is moved to other premises between the date of examination and the date of collection. The certificate shall show that on the date of issue the breeding bull had been tested negative for brucellosis and, to the best knowledge and belief of the examining veterinarian, was free from any infectious or contagious disease.

[C79, 81, §163.46]

2000 Acts, ch 1049, §3; 2004 Acts, ch 1163, §14

**163.47 Exemptions.**

The provisions of this subchapter shall not apply to 4-H or future farmers of America organizations engaged in breeding programs.

[C79, 81, §163.47]

95 Acts, ch 67, §13; 2001 Acts, ch 136, §9

**163.48 through 163.50** Reserved.

## SUBCHAPTER VI

## FOOT AND MOUTH DISEASE

**163.51 Security measures.**

1. The department may establish security measures in order to control outbreaks of foot and mouth disease in this state, including by providing for the prevention, suppression, and eradication of foot and mouth disease. In administering and enforcing this section, the department may adopt rules and shall issue orders in a manner consistent with sound veterinary principles and federal law for the control of outbreaks of the disease. The department may implement the security measures by doing any of the following:

*a.* If the department determines that an animal is infected with or exposed to foot and mouth disease, or the department suspects that an animal is so infected or exposed, the department may provide for all of the following:

(1) The quarantine, condemnation, or destruction of the animal. The department may establish quarantined areas and regulate activities in the quarantined areas, including movement or relocation of animals or other property within, into, or from the quarantined areas. This section does not authorize the department to provide for the destruction of personal property other than an animal.

(2) The inspection or examination of the animal's premises in order to perform an examination or test to determine whether the animal is or was infected or exposed or whether the premises is contaminated. The department may take a blood or tissue sample of any animal on the premises.

(3) The compelling of a person who is the owner or custodian of the animal to provide information regarding the movement or relocation of the animal or the vaccination status of the animal or the herd where the animal originates. The department may issue a subpoena for relevant testimony or records as defined in section 516E.1. In the case of a failure or refusal of the person to provide testimony or records, the district court upon application of the department or the attorney general acting upon behalf of the department, may order the person to show cause why the person should not be held in contempt. The court may order the person to provide testimony or produce the record or be punished for contempt as if the person refused to testify before the court or disobeyed a subpoena issued by the court.

*b.* The department may provide for the cleaning and disinfection of real or personal property if the department determines that the property is contaminated with foot and mouth disease or suspects that the property is contaminated with foot and mouth disease.

2. *a.* If the department determines that there is a suspected outbreak of foot and mouth disease in this state, the department shall immediately notify all of the following:

(1) The governor or a designee of the governor. The notification shall contain information regarding actions being implemented or recommended in order to determine if the outbreak is genuine and measures to control a genuine outbreak.

(2) The administrative unit of the United States department of agriculture responsible for controlling outbreaks in this state.

*b.* If the department confirms an outbreak of foot and mouth disease in this state, the department shall cooperate with the governor; federal agencies, including the United States department of agriculture; and state agencies, including the department of homeland security and emergency management, in order to provide the public with timely and accurate information regarding the outbreak. The department shall cooperate with organizations representing agricultural producers in order to provide all necessary information to agricultural producers required to control the outbreak.

3. The department shall cooperate with federal agencies, including the United States department of agriculture, other state agencies and law enforcement entities, and agencies of other states. Other state agencies and law enforcement entities shall assist the department.

4. *a.* To the extent that an animal's owner would not otherwise be compensated, section 163.15 shall apply to the owner's loss of any animal destroyed under this section.

*b.* Upon the request of the executive council, the department shall develop and submit a

plan to the executive council that compensates an owner for property, other than an animal, that is inadvertently destroyed by the department as a result of the department's regulation of activities in a quarantined area. The plan shall not be implemented without the approval of at least three members of the executive council. The payment of the compensation under the plan shall be made in the same manner as provided in section 163.15. The owner may submit a claim for compensation prior to the plan's implementation. The executive council may apply the plan retroactively, but not earlier than June 1, 2001.

5. Nothing in this section limits the department's authority to regulate animals or premises under other provisions of state law, including this chapter.

2001 Acts, ch 170, §2, 3; 2002 Acts, ch 1119, §22; 2003 Acts, ch 179, §157; 2013 Acts, ch 29, §48

Subsection 2, paragraph b amended

**163.52 through 163.60** Reserved.

## SUBCHAPTER VII

## PENALTIES — INJUNCTIVE RELIEF

**163.61 Civil penalties.**

1. The department shall establish, by rule, civil penalties which may be administratively or judicially assessed. The attorney general shall cooperate with the department in the assessment and collection of civil penalties.

2. Except as provided in subsection 3, a person violating a provision of this chapter, or a rule adopted pursuant to this chapter, shall be subject to a civil penalty of at least one hundred dollars but not more than one thousand dollars. In the case of a continuing violation, each day of the continuing violation is a separate violation. However, a person shall not be subject to a civil penalty totaling more than twenty-five thousand dollars.

3. Notwithstanding the provisions of subsection 2, all of the following apply:

*a.* A person who falsifies a certificate of vaccination or certificate of veterinary inspection shall be subject to a civil penalty of not more than five thousand dollars for each reference to an animal falsified on the certificate. However, a person who falsifies a certificate issued pursuant to chapter 166D shall be subject to a civil penalty as provided in this section or section 166D.16, but not both. A person shall not be subject to a civil penalty totaling more than twenty-five thousand dollars for falsifying a certificate, regardless of the number of animals falsified on the certificate.

*b.* A person required to be licensed as a dealer pursuant to section 163.30 and who is not issued a license by the department pursuant to that section, but does business as a dealer, shall be subject to a civil penalty of at least one thousand dollars but not more than five thousand dollars. Each day that the person does business as a dealer without being issued a license constitutes a separate offense. A person shall not be subject to a civil penalty totaling more than twenty-five thousand dollars during any one year.

4. Moneys collected from civil penalties shall be deposited into the general fund of the state.

2001 Acts, ch 136, §7; 2004 Acts, ch 1095, §1, 6; 2004 Acts, ch 1163, §15; 2012 Acts, ch 1095, §25

**163.62 Injunctive relief.**

The department or the attorney general acting on behalf of the department may apply to the district court for injunctive relief in order to restrain a person from acting in violation of this chapter. In order to obtain injunctive relief, the department shall not be required to post a bond or prove the absence of an adequate remedy at law unless the court for good cause otherwise orders. The court may order any form of prohibitory or mandatory relief that is

appropriate under principles of equity, including but not limited to issuing a temporary or permanent restraining order.

2001 Acts, ch 136, §8

Referred to in §165B.4

# CHAPTER 163A

## BRUCELLOSIS CONTROL IN SWINE

Referred to in §165.18


163A.1 Definitions.
163A.2 through 163A.4 Repealed by 2012 Acts, ch 1095, § 32.
163A.5 Interstate shipments.
163A.6 Exhibition swine.
163A.7 Reactor tag.
163A.8 Swine for slaughter.
163A.9 Rules.
163A.10 Penalty.
163A.11 Educational program herds. Repealed by 2012 Acts, ch 1095, §32.
163A.12 Owner requesting test.


**163A.1 Definitions.**

As used in this chapter:

1. *"Accredited veterinarian"* means a veterinarian who is licensed by the state in which the veterinarian practices, is approved by the department of agriculture and land stewardship or the livestock sanitary authority of that state, and is accredited by the United States department of agriculture.

2. *"Brucellosis"* means the disease wherein an animal of the porcine species is infected with brucella microorganisms irrespective of the occurrence or absence of clinical symptoms of infectious abortion.

3. *"Brucellosis test"* means the test for brucellosis which is approved by the department and administered in accordance with the techniques approved by the department.

4. *"Certificate of veterinary inspection"* or *"certificate"* means the same as defined in section 163.2.

5. *"Infected animal"* or *"reactor"* means an animal which has given a positive reaction as determined by departmental standards to the brucellosis test.

6. *"Licensed veterinarian"* means a veterinarian licensed to practice in Iowa.

7. *"Negative animal"* means an animal which does not give a positive reaction to the brucellosis test.

8. *"Official brucellosis test report"* means a legible record made on an official form prescribed by the department.

9. *a.* *"Validated brucellosis-free herd"* means:

(1) A herd which has had at least one test made on all boars, sows and gilts over six months of age with no positive reactions; or

(2) A herd which has been tested pursuant to a test approved by rule of the Iowa department of agriculture and land stewardship pursuant to chapter 17A, which test is in compliance with the recommended uniform methods and rules of the animal and plant health inspection service of the United States department of agriculture.

*b.* The validation made pursuant to paragraph *"a"*, subparagraph (1), shall be in force and effect for one year from the date of the last test and shall be renewable on an annual basis by the completion of a single test on boars, sows and gilts over six months of age with no positive reactions. A validation made pursuant to paragraph *"a"*, subparagraph (2), shall be in force and effect and shall be renewable in the manner specified in the rule adopted by the Iowa department of agriculture and land stewardship.

*c.* If the Iowa department of agriculture and land stewardship adopts a rule under paragraph *"a"*, subparagraph (2), and the recommended uniform methods and rules of the animal and plant health inspection service of the United States department of agriculture are subsequently changed, the Iowa department of agriculture and land stewardship shall

not change its rule if the effect would be to make less restrictive the standards or procedures for validating a brucellosis-free herd.

[C62, 66, 71, 73, 75, 77, 79, 81, §163A.1]

86 Acts, ch 1245, §614; 2000 Acts, ch 1058, §20; 2004 Acts, ch 1163, §16

Further definitions; see §159.1

**163A.2 through 163A.4** Repealed by 2012 Acts, ch 1095, § 32.

**163A.5 Interstate shipments.**

1. Except as provided in subsection 2, breeding swine four months of age and over, entering this state for breeding or exhibition purposes, shall be accompanied by a certificate of inspection issued by an accredited veterinarian of the state of origin. The certificate shall show that such swine meet this state's entry requirements and are negative to the test for brucellosis conducted by an official laboratory of the state of origin within thirty days of entry.

2. *a.* Swine may enter the state or be exhibited without a test for brucellosis if one of the following applies:

(1) The swine are from a brucellosis-free herd as validated according to rules adopted by the department.

(2) The swine are from a state that is declared to be brucellosis-free as recognized by the department.

*b.* The swine must be accompanied by a certificate of veterinary inspection issued by an accredited veterinarian of the state of origin or a veterinarian employed by the animal and plant inspection service of the United States department of agriculture. The certificate must indicate whether the swine are from a state that is declared to be brucellosis-free. If the swine are from a brucellosis-free herd, the certificate must indicate the herd number and show that the herd has been tested within the past twelve months.

[C62, 66, 71, 73, 75, 77, 79, 81, §163A.5]

2004 Acts, ch 1163, §17

**163A.6 Exhibition swine.**

Any breeding swine four months of age and over for exhibition within this state shall meet all requirements for exhibition purposes.

[C62, 66, 71, 73, 75, 77, 79, 81, §163A.6]

2012 Acts, ch 1095, §31

**163A.7 Reactor tag.**

All swine showing a positive reaction to the brucellosis test shall be tagged in the left ear with a reactor identification tag and moved to slaughter on such form as shall be designated by the department within a thirty-day period from the date of test. The herd of origin shall be placed under immediate quarantine to be retested no sooner than thirty days or later than sixty days from the date of the test showing the positive reaction. Such quarantine shall remain in effect until a complete negative herd test is conducted on all swine intended or used for breeding purposes.

[C62, 66, 71, 73, 75, 77, 79, 81, §163A.7]

**163A.8 Swine for slaughter.**

Swine from herds under quarantine may be moved to slaughter on a form designated for this purpose and issued by the department or an accredited veterinarian.

[C62, 66, 71, 73, 75, 77, 79, 81, §163A.8]

**163A.9 Rules.**

The department may make and adopt reasonable rules for the administration and enforcement of the provisions of this chapter.

[C62, 66, 71, 73, 75, 77, 79, 81, §163A.9]

Referred to in §163A.12

**163A.10 Penalty.**

Any person who shall violate any provision of this chapter or any rule adopted thereunder by the department of agriculture and land stewardship shall be guilty of a serious misdemeanor.

[C62, 66, 71, 73, 75, 77, 79, 81, §163A.10]

**163A.11 Educational program herds.** Repealed by 2012 Acts, ch 1095, § 32.

**163A.12 Owner requesting test.**

If the owner requests the department to inspect and test breeding swine for brucellosis, and agrees to comply with the rules made by the department under section 163A.9, the department may designate a veterinarian to make an inspection and test, with the expense to be paid as provided in section 164.6 for cattle brucellosis testing, but only to the extent the funds provided in that section are not required for the cattle testing program.

[C73, 75, 77, 79, 81, S81, §163A.12; 81 Acts, ch 117, §1020]

83 Acts, ch 123, §71, 209

# CHAPTER 164

## BRUCELLOSIS — BOVINE AND DESIGNATED ANIMALS

Referred to in §165.18

See §163A.12


164.1 Definitions.
164.2 Eradication area.
164.3 Female designated animals vaccinated.
164.4 Rules.
164.5 Request for test.
164.6 Expense of test.
164.7 Copy of report provided to owner.
164.8 Test at auction premises.
164.9 Retest by order or request — expense.
164.10 Report of laboratory tests to department.
164.11 Identification mark.
164.12 Quarantined marking.
164.13 Unlawful acts.
164.14 Imported designated animals.
164.15 Quarantined designated animals.
164.16 Movement or slaughter permit.
164.17 Quarantined for slaughter permit.
164.18 Unlawful sale or purchase.
164.19 Quarantine.
164.20 Appraisal of value of bovine animals.
164.21 Indemnification of owner — determination of amount.
164.22 Moneys administered.
164.23 Repealed by 82 Acts, ch 1104, §61.
164.24 through 164.27 Repealed by 81 Acts, ch 117, §1097.
164.28 Repealed by 83 Acts, ch 123, §206, 209.
164.29 Reciprocal agreements.
164.30 Tagging designated animals received for sale or slaughter.
164.31 Penalty.


**164.1 Definitions.**

As used in this chapter:

1. *"Animal"* means a nonhuman vertebrate.

2. *"Bovine animal"* means bison or cattle.

3. *"Certificate of veterinary inspection"* or *"certificate"* means the same as defined in section 163.2.

4. *"Class free state"* means there has been no known brucellosis in bovine animals for a period of twelve months. A state is classified as class free, class A, class B, and class C, according to guidelines set forth in 9 C.F.R. § 78.1.

5. *"Condemned"* or *"reactor"* applies to a designated animal reacting to an official test conducted to determine if a designated animal is infected with brucellosis.

6. *"Designated animal"* means a bovine animal or any other species of animal that the

department by rule determines is capable of carrying and spreading brucellosis, including elk or goats.

7. *"Official calfhood vaccination"* means the vaccination of a female calf of any species of bovine animal between the ages of four months and ten months with brucella vaccine approved for that species of bovine animal by the United States department of agriculture, if the vaccination has been administered by a veterinarian according to the rules established by the department.

8. *"Official test"* means a test for brucellosis approved for a species of designated animal by the department and to the extent applicable by the United States department of agriculture which is conducted under the supervision of, or the authorization from, the department.

9. *"Owner"* includes any person owning or leasing a designated animal.

10. *"Quarantine"* means the entire herd of designated animals must be confined to a premises designated by the department, if any reactor is disclosed.

11. *"Registered purebred"* includes cattle with a certificate from herdbooks where registered.

12. *"State-approved premises"* means an area, including a feedlot or grazing area, established at the discretion of the department for the care and feeding of untested designated animals as provided by the department. However, for cattle, *"state-approved premises"* means an area where untested heifers over six months of age but under eighteen months of age are subject to care and feeding.

13. *"Veterinarian"* means a licensed accredited veterinarian authorized by the department.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §164.1]

86 Acts, ch 1036, §1 – 3; 86 Acts, ch 1245, §615; 97 Acts, ch 124, §1; 2004 Acts, ch 1163, §18

Further definitions; see §159.1

**164.2 Eradication area.**

This state is declared to be a brucellosis eradication area. An owner shall allow the owner's designated animals to be tested when ordered by the department or a representative of the department. The owner shall confine and restrain the designated animal in a suitable place so that a test can be conducted. If the owner refuses to confine and restrain the designated animal, after a reasonable time the department may employ sufficient assistance to properly confine and restrain the designated animal. The expense for obtaining assistance shall be paid by the owner.

[C66, 71, 73, 75, 77, 79, 81, §164.2]

97 Acts, ch 124, §2

**164.3 Female designated animals vaccinated.**

Native female bovine animals of any breed between the ages of four months and ten months may be officially vaccinated for brucellosis according to procedures approved by the United States department of agriculture. Native female designated animals other than bovine animals may be vaccinated as provided by rules adopted by the department. The expense of the vaccination shall be borne in the same manner as provided in section 164.6.

[C54, §164.11; C58, 62, §164.28; C66, 71, 73, 75, 77, 79, 81, §164.3]

86 Acts, ch 1036, §4; 97 Acts, ch 124, §3

**164.4 Rules.**

1. The department may adopt rules as provided in chapter 17A relating to the official testing of designated animals, the disposal by segregation and quarantine or slaughter of condemned designated animals, the operation of state-approved premises, the disinfection of the premises where designated animals are kept, the introduction of designated animals into a herd of other designated animals, the control and eradication of brucellosis, the prevention of the spread of brucellosis to designated animals in this state, and the proper enforcement of this chapter.

2. The department shall not adopt rules relating to cattle that are less restrictive than the uniform methods and rules for brucellosis eradication promulgated by the United States

department of agriculture, APHIS 91-1, as effective January 1, 1996, but may adopt rules that are more restrictive.

3. The department may implement any procedure provided in the uniform methods and rules if approved jointly by state and federal animal health officials, including but not limited to the use of quarantined pastures, quarantined feedlots, or other options permitted under the uniform methods and rules.

[C46, 50, 54, 58, 62, §164.2; C66, 71, 73, 75, 77, 79, 81, §164.4]
86 Acts, ch 1036, §5; 96 Acts, ch 1079, §8; 97 Acts, ch 124, §4
Referred to in §164.6

**164.5 Request for test.**

Upon request by the owner for a departmental inspection of the owner's designated animals for brucellosis, the department may designate a veterinarian to make an inspection of the designated animals. If authorized by the department, the veterinarian may conduct an official test on the designated animals.

[C46, 50, 54, 58, 62, §164.3; C66, 71, 73, 75, 77, 79, 81, §164.5]
97 Acts, ch 124, §5

**164.6 Expense of test.**

The expense for an inspection and official test of a designated animal other than for bovine animals shall be borne by the owner. If the designated animal is a bovine animal, and the owner agrees to comply with and carry out the provisions of this chapter and the rules adopted by the department under section 164.4, the expense of the inspection and test shall be borne by the United States department of agriculture, or by the department, or by the brucellosis and tuberculosis eradication fund or any combination of these sources.

[C46, 50, 54, 58, 62, §164.4; C66, 71, 73, 75, 77, 79, 81, §164.6]
83 Acts, ch 123, §72, 209; 97 Acts, ch 124, §6
Referred to in §163A.12, 164.3, 164.9

**164.7 Copy of report provided to owner.**

A veterinarian or the department shall provide a report to the owner of a designated animal showing the results of an official test conducted by a veterinarian. The report may be a copy of a test chart.

[C46, 50, 54, 58, 62, §164.5, 164.6; C66, 71, 73, 75, 77, 79, 81, §164.7]
97 Acts, ch 124, §7

**164.8 Test at auction premises.**

A designated animal purchased at an auction market may be officially tested on the auction market premises, in the new owner's name at the owner's request and expense. This official test must be made within twenty-four hours from the time of sale. If the test discloses reactors, the herd of origin shall be placed under quarantine.

[C66, 71, 73, 75, 77, 79, 81, §164.8]
97 Acts, ch 124, §8

**164.9 Retest by order or request — expense.**

The department may order a retest of designated animals at any time, if the department determines that a retest is necessary. In case of reactors, one retest shall be granted the owner of the designated animals by the department upon the request of the owner or owner's veterinarian before the designated animals are permanently marked as reactors. The expense of the retest of reactors shall be borne in the same manner as provided in section 164.6.

[C46, 50, 54, 58, 62, §164.7; C66, 71, 73, 75, 77, 79, 81, §164.9]
86 Acts, ch 1036, §6; 97 Acts, ch 124, §9

**164.10 Report of laboratory tests to department.**

A report of tests conducted by a laboratory under this chapter shall be made in writing to the department within seven days immediately following the completion of the tests. The

department shall supply forms for the report. The report shall be signed by the director of the laboratory or the person conducting the test.

[C46, 50, 54, 58, 62, §164.8; C66, 71, 73, 75, 77, 79, 81, §164.10]

97 Acts, ch 124, §10

**164.11 Identification mark.**

A designated animal subjected to an official test shall be plainly and permanently marked for identification in a manner authorized by the department. Native grade bovine carrying the calfhood vaccination and calves vaccinated after importation from other states shall be tattooed in the ear. Officially vaccinated purebred registered cattle must receive a vaccination tattoo and either an official vaccination tag or a purebred identification tattoo. The vaccination tattoo and the vaccination tag number or the purebred identification tattoo shall be evidenced on the official certificate of vaccination.

[C46, 50, 54, 58, 62, §164.9; C66, 71, 73, 75, 77, 79, 81, §164.11]

97 Acts, ch 124, §11

**164.12 Quarantined marking.**

A designated animal which is quarantined as a result of a test for brucellosis shall be plainly and permanently marked for identification by a veterinarian making the test in a manner authorized by the department and to the extent applicable by the United States department of agriculture.

[C46, 50, 54, 58, 62, §164.10; C66, 71, 73, 75, 77, 79, 81, §164.12]

97 Acts, ch 124, §12

**164.13 Unlawful acts.**

An owner shall not sell or transfer ownership of a designated animal, allow the commingling of designated animals belonging to two or more owners, or allow the commingling of designated animals with other designated animals under feeder quarantine on a state-approved premises, unless the commingled designated animals are accompanied by a negative brucellosis test report issued by a veterinarian, conducted within thirty days. The provisions of this section do not apply to the following:

1. Bovine animals under six months of age, spayed heifers, or steers.

2. Official vaccinates of bovine animals other than dairy cattle under twenty-four months of age or dairy cattle under twenty months of age, if not postparturient.

3. Designated animals which are consigned directly to slaughter.

4. Designated animals which are imported for exhibition purposes, if any of the following apply:

*a.* When under the test-eligible ages as provided by the department for designated animals other than bovine. For bovine the test-eligible ages are as provided in this section. The designated animal must be accompanied by an official vaccination certificate as provided by the department. A bovine animal which is six months or older must be accompanied with a vaccination certificate.

*b.* Designated animals of any age when accompanied by a report of a negative brucellosis test conducted within thirty days.

*c.* Designated animals originating from a herd in a class free state or designated animals from a brucellosis-free herd.

5. Designated animals originating from a herd in a class free state or designated animals from a certified brucellosis-free herd.

6. Designated animals moved to a state-approved premises.

[C54, 58, 62, §164.11; C66, 71, 73, 75, 77, 79, 81, §164.13]

86 Acts, ch 1036, §7; 97 Acts, ch 124, §13

**164.14 Imported designated animals.**

1. Female designated animals other than female bovine animals, which are under an age established by the department, and female bovine animals over six months and under eighteen months of age, may enter the state for feeding purposes to be consigned

to a state-approved premises under quarantine, if the female designated animals are not postparturient. The designated native female animals that have been consigned to the state-approved premises may be released from the state-approved premises if they have been any of the following:

*a.* Consigned to slaughter.

*b.* Consigned to a federally approved market.

*c.* Consigned to another quarantined premises.

*d.* Tested negative for brucellosis at the owner's expense. The test shall be made not less than sixty days after the last consignment to the premises and shall include all animals on the premises.

2. Female designated animals, other than female bovine, over an age established by the department and female bovine over eighteen months of age may enter the state if the designated animals are any of the following:

*a.* Consigned to a federally approved market.

*b.* Consigned to a slaughter plant for immediate slaughter.

*c.* Accompanied by a certificate of veterinary inspection showing a record of a negative brucellosis test, when required, accomplished within thirty days of importation.

[C54, 58, 62, §164.11(7a); C66, 71, 73, 75, 77, 79, 81, §164.14]

86 Acts, ch 1036, §8; 97 Acts, ch 124, §14; 2004 Acts, ch 1163, §19

**164.15 Quarantined designated animals.**

A designated animal shall not be brought into contact with a condemned designated animal held in quarantine. If a designated animal is added to the quarantined lot, the designated animal shall become a part of the lot and held subject to the same requirements as apply to the quarantined designated animals.

[C46, 50, 54, 58, 62, §164.12; C66, 71, 73, 75, 77, 79, 81, §164.15]

97 Acts, ch 124, §15

**164.16 Movement or slaughter permit.**

A designated animal shall not be slaughtered, have its location changed, or be moved from quarantine except as authorized by an official written permit issued by the department or by a veterinarian.

[C46, 50, 54, 58, 62, §164.13; C66, 71, 73, 75, 77, 79, 81, §164.16]

97 Acts, ch 124, §16

**164.17 Quarantined for slaughter permit.**

When a written order has been issued by the department or its authorized representative for the removal of a quarantined designated animal to slaughter, the designated animal shall be tagged and handled within fifteen days after the date of testing. Within thirty days the designated animal shall be moved and slaughtered under the direct supervision of a duly authorized agent or representative of the United States department of agriculture at a time and place designated by the department. A designated animal quarantined because of brucellosis shall be disposed of by its owner within a period not to exceed forty-five days from the date on which blood samples were drawn disclosing it as a reactor.

[C46, 50, 54, 58, 62, §164.14; C66, 71, 73, 75, 77, 79, 81, §164.17]

97 Acts, ch 124, §17

**164.18 Unlawful sale or purchase.**

A person shall not sell, offer for sale, or purchase a designated animal which is quarantined as a result of an official test, except as provided by rules adopted by the department.

[C46, 50, 54, 58, 62, §164.15; C66, 71, 73, 75, 77, 79, 81, §164.18]

97 Acts, ch 124, §18

**164.19 Quarantine.**

The department may issue any quarantine order deemed necessary for the control and eradication of brucellosis and the proper enforcement of this chapter. A lot or group of

designated animals in which reactors have been disclosed shall be under quarantine along with any designated animal from which the lot or group originated or commingled. The designated animals may be sold for slaughter under permit, or returned to their place of origin. In case of hardship the department may upon investigation of the case alter a quarantine order to the extent that the department determines that it is necessary to alleviate the hardship and protect the industry and prospective purchasers. The department shall adopt rules pursuant to chapter 17A necessary in order to administer this section.

[C46, 50, 54, 58, 62, §164.16; C66, 71, 73, 75, 77, 79, 81, §164.19]
97 Acts, ch 124, §19

**164.20 Appraisal of value of bovine animals.**

Before being slaughtered, quarantined bovine animals shall be appraised at their cash value for dairy and breeding purposes by the owner and a representative of the department, a representative of the United States department of agriculture, or by the owner and both of the representatives. If these parties cannot agree as to the amount of the appraisal, three competent and disinterested persons shall be appointed to render a final appraisal. One person shall be appointed by the department, one by the owner, and one by the first two appointed persons.

[C46, 50, 54, 58, 62, §164.18; C66, 71, 73, 75, 77, 79, 81, §164.20]
97 Acts, ch 124, §20

**164.21 Indemnification of owner — determination of amount.**

The owner of a bovine animal shall be indemnified for the bovine animal as provided in this section. The department shall certify the claim of the owner for the bovine animal slaughtered in accordance with this chapter. An infected bovine animal herd may be completely depopulated and indemnity paid when, in the opinion of the department and the veterinary service of the United States department of agriculture, the disease cannot be adequately controlled by routine testing.

The owner shall be indemnified to the extent that money is available in the brucellosis and tuberculosis eradication fund as created in section 165.18 and indemnification is also made by the United States department of agriculture. However, if the United States department of agriculture is unable to indemnify the owner, the department may indemnify the owner, if money is available.

In the case of individual payment, all cattle shall be individually appraised and the amount of indemnity shall be equal to the difference between the slaughter value and the appraisal price, less the amount of indemnity paid by the United States department of agriculture. Bison shall be appraised as if the bison are beef cattle. The total amount of indemnity paid by the brucellosis and tuberculosis eradication fund for a grade animal or a purebred animal shall not exceed two hundred dollars. However, if purebred cattle are purchased and owned for at least one year before testing and the owner can verify the actual cost, the department may further indemnify the owner. The amount of the indemnification shall not exceed five hundred fifty dollars or the actual cost of the animal when purchased, whichever is less.

[C46, 50, 54, 58, 62, §164.19; C66, 71, 73, 75, 77, 79, 81, §164.21]
83 Acts, ch 123, §73, 209; 86 Acts, ch 1036, §9; 97 Acts, ch 124, §21
Referred to in §165.18

**164.22 Moneys administered.**

All moneys appropriated by the state for carrying out the provisions of this chapter shall be administered by the department for the payment of the indemnity, salaries, and other necessary expenses.

[C46, 50, 54, 58, 62, §164.20; C66, 71, 73, 75, 77, 79, 81, §164.22]
97 Acts, ch 124, §22

**164.23** Repealed by 82 Acts, ch 1104, § 61.

**164.24 through 164.27** Repealed by 81 Acts, ch 117, § 1097.

**164.28** Repealed by 83 Acts, ch 123, § 206, 209.

**164.29 Reciprocal agreements.**

The department to every extent practical shall enter into reciprocal agreements with other states to provide that designated animals which are covered by certificates of vaccination in this state and other states may be transported and sold in interstate commerce between this state and the other states.

[C50, 54, 58, 62, §164.27; C66, 71, 73, 75, 77, 79, 81, §164.29]

97 Acts, ch 124, §23

**164.30 Tagging designated animals received for sale or slaughter.**

1. The department shall provide requirements for tagging designated animals which are received for sale or shipment to a slaughtering establishment.

*a.* Bovine animals two years of age and older received for sale or shipment to a slaughtering establishment shall be identified with a back tag issued by the department. The back tag shall be affixed to the animal as directed by the department.

*b.* A livestock trucker delivering a designated animal to an out-of-state market, livestock dealer, livestock market operator, stockyard operator, or slaughtering establishment shall identify a designated animal which is not tagged as provided in this section, at the time of taking possession or control of the designated animal. A livestock trucker may be exempted from this requirement if the designated animal's farm of origin is identified when delivered to a livestock market, stockyard, or slaughtering establishment which agrees to accept responsibility for tagging the designated animal.

2. *a.* A person required to identify a designated animal in accordance with this section shall file a report of the identification on forms and as specified by the department, including the following for bovine animals:

(1) The back-tag number and date of application.

(2) The name, address, and county of residence of the person who owned or controlled the herd from which the bovine animal originated.

(3) The type of bovine animal. If the bovine animal is cattle, the person shall identify whether the animal was a beef or dairy type.

*b.* Each report shall cover all bovine animals identified during the preceding week.

3. A person shall not remove a tag affixed to a designated animal, unless the person is authorized by the department, and removes the tag according to instructions and policies established by the department. The removal of a tag by a person who is unauthorized by the department shall be a violation of this section and subject to the penalties provided in section 164.31.

[C71, 73, 75, 77, 79, 81, §164.30]

97 Acts, ch 124, §24; 2009 Acts, ch 41, §263

**164.31 Penalty.**

A person guilty of violating a provision of this chapter is guilty of a simple misdemeanor.

[C66, §164.30; C71, 73, 75, 77, 79, 81, §164.31]

97 Acts, ch 124, §25

Referred to in §164.30

# CHAPTER 165

## ERADICATION OF BOVINE TUBERCULOSIS

Referred to in §159.5, 159.6

Definitions applicable to chapter; see §159.1


165.1 Cooperation.
165.1A Definitions.
165.2 State as accredited area.
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165.10 Examination by department.
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165.22 and 165.23 Repealed by 83 Acts, ch 123, §206, 209.
165.24 Repealed by 81 Acts, ch 117, §1097.
165.25 Repealed by 83 Acts, ch 123, §206, 209.
165.26 Permitting test.
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165.28 Preventing test.
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165.30 and 165.31 Repealed by 83 Acts, ch 123, §206, 209.
165.32 Retest.
165.33 Penalty.
165.34 Repealed by 83 Acts, ch 123, §206, 209.
165.35 Township animal board of health.
165.36 Importation of cattle.


**165.1 Cooperation.**

The department is authorized to cooperate with the United States department of agriculture for the purpose of eradicating tuberculosis from the dairy and beef breeds of cattle in the state.

[C24, 27, 31, 35, 39, §**2665;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.1]

2012 Acts, ch 1095, §26

**165.1A Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of agriculture and land stewardship.

2. *"Certificate of veterinary inspection"* or *"certificate"* means the same as defined in section 163.2.

2004 Acts, ch 1163, §20

**165.2 State as accredited area.**

1. The state of Iowa is declared to be and is established as an accredited area for the eradication of bovine tuberculosis from the dairy and breeding cattle of the state. It shall be the duty of the department to eradicate bovine tuberculosis in all of the counties of the state in the manner provided by law as it appears in this chapter. The department shall proceed with the examination, including the tuberculin test, of all such cattle as rapidly as practicable and as is consistent with efficient work, and as funds are available for paying the indemnities as provided by law.

2. An owner of dairy or breeding cattle in the state shall conform to and abide by the rules adopted by the department and rules promulgated by the United States department of agriculture. The owner shall follow instructions of the department of agriculture and land stewardship and the United States department of agriculture designed to suppress the disease, prevent its spread, and avoid reinfection of the herd.

[C24, 27, 31, 35, 39, §**2666;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.2]

86 Acts, ch 1245, §616; 2012 Acts, ch 1095, §27

**165.3 Appraisal.**

Before being tested, such animals shall be appraised at their cash value for breeding, dairy, or beef purposes by the owner and a representative of the department, or a representative of the United States department of agriculture, or by the owner and both of such representatives. If these parties cannot agree as to the amount of the appraisal, there shall be appointed three competent and disinterested persons, one by the department, one by the owner, and the third by the first two appointed, to appraise such animals, which appraisal shall be final. Every appraisal shall be under oath or affirmation and the expense of the same shall be paid by the state, except as provided in this chapter.

[C24, 27, 31, 35, 39, §**2668;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.3]

2012 Acts, ch 1095, §28

**165.4 Presence of tuberculosis.**

If, after such examination, tubercular animals are found, the department shall have authority to order such disposition of them as it considers most desirable and economical. If the department deems that a due regard for the public health warrants it, it may enter into a written agreement with the owner, subject to such conditions as it may prescribe, for the separation and quarantine of such diseased animals. Subject to such conditions, the diseased animals may continue to be used for breeding purposes.

[C24, 27, 31, 35, 39, §**2669;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.4]

Referred to in §165.5

**165.5 Nonright to receive compensation.**

Any animal retained, under section 165.4, by the owner for ninety days after it has been adjudged infected with tuberculosis shall not be made the basis of any claim for compensation against the state.

[C24, 27, 31, 35, 39, §**2670;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.5]

**165.6 Amount of indemnity.**

When breeding animals are slaughtered following any test, there shall be deducted from their appraised value the proceeds from the sale of salvage. The owner shall be paid by the state one-third of the sum remaining after the above deduction is made, but the state shall in no case pay to such owner a sum in excess of seventy-five dollars for any registered purebred animal or fifty dollars for any grade animal.

[C24, 27, 31, 35, 39, §**2671;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.6]

**165.7 Pedigree.**

The pedigree of purebred cattle shall be proved by certificate of registry from the herdbooks where registered.

[C24, 27, 31, 35, 39, §**2672;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.7]

**165.8 Right to receive pay.**

No compensation shall be paid to any person for an animal condemned for tuberculosis unless said animal, if produced in, or imported into, the state has been owned by such owner for at least six months prior to condemnation or was raised by such person.

[C24, 27, 31, 35, 39, §**2673;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.8]

**165.9 Preference in examinations.**

The department in making examinations of cattle shall give priority to applications by owners for the testing of dairy cattle from which are sold, or are offered for sale, in cities milk or milk products in liquid or condensed form.

[C24, 27, 31, 35, 39, §**2674;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.9]

**165.10 Examination by department.**

The department may at any time, on its own motion, make an examination of any herd, and in case animals are destroyed, the appraisement and payment shall be made as provided in this chapter.

[C24, 27, 31, 35, 39, §**2675;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.10]

**165.11 Records public.**

All records pertaining to animals infected with tuberculosis shall be open for public inspection and the department shall furnish such information relative thereto as may be requested.

[C24, 27, 31, 35, 39, §**2676;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.11]

**165.12 Tuberculosis-free herds.**

The department shall establish rules for determining when a herd of cattle, tested and maintained under the provisions of this chapter, the laws of the United States, and the rules of the department and regulations of the United States department of agriculture, shall be considered as tuberculosis-free. When any herd meets such requirements, the owner shall be entitled to a certificate from the department of agriculture and land stewardship showing that the herd is a tuberculosis-free accredited herd. Such certificate shall be revoked whenever the herd no longer meets the necessary requirements for an accredited herd, but the herd may be reinstated as an accredited herd upon subsequent compliance with such requirements.

[C24, 27, 31, 35, 39, §**2677;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.12]

2012 Acts, ch 1095, §29

**165.13 Tuberculin.**

The department shall have control of the sale, distribution, and use of all tuberculin in the state, and shall formulate rules for its distribution and use. Only a licensed veterinarian shall apply a tuberculin test to cattle within this state.

[C24, 27, 31, 35, 39, §**2678;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.13]

**165.14 Inspectors and assistants.**

The department may appoint one or more accredited veterinarians as inspectors for each county and one or more persons as assistants to such inspectors. Such inspectors, with the assistance of such person or persons, shall test the breeding cattle subject to test, as provided in this chapter, and shall be subject to the direction of the department in making such tests.

[C24, 27, 31, 35, 39, §**2679;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.14]

**165.15 Accredited veterinarian.**

An accredited veterinarian is one who has successfully passed an examination set by the department and the United States department of agriculture and may make tuberculin tests of accredited herds of cattle under the uniform methods and rules governing accredited herd work which are approved by the United States department of agriculture.

[C24, 27, 31, 35, 39, §**2680;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.15]

86 Acts, ch 1245, §617; 2012 Acts, ch 1095, §30

**165.16 Equipment for inspector.**

The department may furnish each inspector with the necessary tuberculin and other material, not including instruments and utensils, necessary to make the tests provided for in this chapter.

[C24, 27, 31, 35, 39, §**2681;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.16]

**165.17 Compensation.**

An inspector shall receive compensation for such testing as determined by the department.

[C24, 27, 31, 35, 39, §**2682;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.17]

See §70A.9 et seq.

**165.18 Brucellosis and tuberculosis eradication fund.**

1. A brucellosis and tuberculosis eradication fund is created in the office of the secretary of agriculture, to be used together with state and federal funds available to pay:

*a.* The indemnity and other expenses provided in this chapter.

*b.* The indemnity as set out in section 164.21 and other expenses provided in chapter 164.

*c.* The expenses of the inspection and testing program provided in chapter 163A, but only to the extent that the moneys in the fund are not required for expenses incurred under chapter 164 or this chapter.

*d.* Indemnities as provided in section 159.5, subsection 11, but only to the extent that the moneys in the fund are not required to pay expenses under chapter 163A, chapter 164, or this chapter.

2. If it appears to the secretary of agriculture that the balance in the fund on January 20 is insufficient to carry on the work in the state for the following fiscal year, the secretary shall notify the board of supervisors of each county to levy an amount sufficient to pay the expenses estimated to be incurred under subsection 1 for the following fiscal year, subject to a maximum levy of thirty-three and three-fourths cents per thousand dollars of assessed value of all taxable property in the county.

3. Not later than December 15 or June 15 of a year in which the tax is collected, the county treasurer shall transmit the amount of the tax levied and collected to the treasurer of state, who shall credit it to the brucellosis and tuberculosis eradication fund.

83 Acts, ch 123, §74, 209; 84 Acts, ch 1178, §1; 2007 Acts, ch 22, §44

Referred to in §159.5, 163.10, 164.21, 331.512, 331.559

**165.19 through 165.21** Repealed by 81 Acts, ch 117, § 1097.

**165.22 and 165.23** Repealed by 83 Acts, ch 123, § 206, 209.

**165.24** Repealed by 81 Acts, ch 117, § 1097.

**165.25** Repealed by 83 Acts, ch 123, § 206, 209.

**165.26 Permitting test.**

Every owner of dairy or breeding cattle in the state shall permit the owner's cattle to be tested for tuberculosis as provided in this chapter, and shall confine the cattle in a proper place so that the examination and test can be applied. If the owner refuses to so confine the cattle the department may employ sufficient help to properly confine them and the expense of such help shall be paid by the owner or deducted from the indemnity if any is paid. Such owner shall comply with all the requirements for the establishment and maintenance of a tuberculosis-free accredited herd.

[C24, 27, 31, 35, 39, §**2699;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.26]

**165.27 Penalty.**

Any owner of dairy or breeding cattle in the state who prevents, hinders, obstructs, or refuses to allow a veterinarian authorized by the department to conduct such tests for tuberculosis on the owner's cattle, shall be deemed guilty of a simple misdemeanor.

[S13, §2538-s; C24, 27, 31, 35, 39, §**2700;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.27]

Referred to in §165.29

**165.28 Preventing test.**

The cattle owned by any owner who violates the provisions of this chapter, or which have reacted to the tuberculin test, shall be quarantined by the department until the law is complied with. When such quarantine is established no beef or dairy products shall be sold from cattle under quarantine until the test has been applied or the quarantine released.

The accredited veterinarians appointed under this chapter shall enforce this quarantine and all of the rules of the department of agriculture and land stewardship of the state of Iowa

and of the provisions of this chapter, and in so doing may call to their assistance any peace officer of the state.

[C24, 27, 31, 35, 39, §**2701;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.28]

**165.29 Notice.**

Before any action is commenced under section 165.27, upon request of the secretary of agriculture, the board of supervisors of any county shall cause such owner to be served with a written notice of the provisions of this chapter, at least fifteen days before the commencement of the action.

[C24, 27, 31, 35, 39, §**2702;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.29]

**165.30 and 165.31** Repealed by 83 Acts, ch 123, § 206, 209.

**165.32 Retest.**

The secretary of agriculture may order a retest of any dairy or breeding cattle at any time when, in the secretary's opinion, it is necessary to do so, and shall, once in three years, order the tuberculin testing of any cattle to conform to and comply with the regulations of the federal bureau of animal industry in any county where the percentage of bovine tuberculosis has been reduced to one-half of one percent or less, subject to the provisions of this chapter with reference to the disposition or slaughtering of animals found to be reactors when given a tuberculin test. Such county shall be a modified accredited county, and it shall be unlawful for any person to transport any dairy or breeding cattle into such county unless they have been examined for tuberculosis as provided in this chapter.

[C27, 31, 35, §2704-b1; C39, §**2704.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.32]

Referred to in §165.33

**165.33 Penalty.**

Any person found guilty of violating the provisions of section 165.32 shall be deemed guilty of a simple misdemeanor.

[C31, 35, §2704-c1; C39, §**2704.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.33]

**165.34** Repealed by 83 Acts, ch 123, § 206, 209.

**165.35 Township animal board of health.**

The township trustees in such county are hereby constituted the animal board of health in their respective townships and they shall by April 1 of each year and at such other times as they shall deem advisable, make a survey and report to the department all breeding cattle brought into their respective townships from outside of the county.

[C27, 31, 35, §2704-b3; C39, §**2704.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.35]

**165.36 Importation of cattle.**

No dairy or breeding cattle shall be shipped, driven on foot, or transported, into the state of Iowa, except upon one of the following conditions:

1. That such cattle come from a herd which has been officially accredited as a tuberculosis-free accredited herd by the state from which such cattle come or by the department of agriculture of the United States; or

2. That such cattle come from an area officially declared as a modified accredited area by such state or the department of agriculture of the United States, and the herd from which they originate, if previously infected, has passed two tests free from tuberculosis; or

3. That such cattle are brought into this state under quarantine to be tuberculin tested for tuberculosis and fully examined in not less than sixty days nor more than ninety days. The test must be applied by a veterinarian accredited by the department and at the expense of the owner. Such cattle brought in under quarantine shall be accompanied by a certificate of veterinary inspection issued by a veterinarian accredited by the state from which the cattle are imported or by the animal and plant health inspection service of the United States department of agriculture showing them to be free from tuberculosis. The department of agriculture and

land stewardship shall not release its quarantine until an examination has been made and the department determines that such cattle are not afflicted with tuberculosis.

[C31, 35, §2704-c2; C39, §**2704.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §165.36]

2004 Acts, ch 1163, §21

Additional provision, §163.11

# CHAPTER 165A

## JOHNE'S DISEASE CONTROL

Referred to in §172E.3


165A.1 Definitions.
165A.2 Administration and enforcement.
165A.3 Determination of infection.
165A.4 Infected cattle.
165A.5 Enforcement — penalty.


### 165A.1 Definitions.

1. *"Concentration point"* means a location or facility where cattle are assembled for purposes of sale or resale for feeding, breeding, or slaughtering, and where contact may occur between groups of cattle from various sources. *"Concentration point"* includes a public stockyard, auction market, street market, state or federal market, untested consignment sales location, buying station, or a livestock dealer's yard, truck, or facility.

2. *"Department"* means the department of agriculture and land stewardship.

3. *"Infected"* means infected with Johne's disease as provided in section 165A.3.

4. *"Johne's disease"* means a disease caused by the bacterium mycobacterium paratuberculosis, and which is also referred to as paratuberculosis disease.

5. *"Separate and apart"* means to hold cattle so that neither the cattle nor organic material originating from the cattle has physical contact with other animals.

6. *"Slaughtering establishment"* means a slaughtering establishment operated under the provision of the federal Meat Inspection Act, 21 U.S.C. § 601 et seq., or a slaughtering establishment that has been inspected by the state.

2001 Acts, ch 101, §1; 2012 Acts, ch 1095, §46, 47

### 165A.2 Administration and enforcement.

The provisions of this chapter, including departmental rules adopted pursuant to this chapter, shall be administered and enforced by the department. The department may assess and collect civil penalties against persons in violation of this chapter as provided in section 165A.5. The attorney general may assist the department in the enforcement of this chapter.

2001 Acts, ch 101, §2

### 165A.3 Determination of infection.

The department shall adopt rules providing methods and procedures to determine whether cattle are infected, which may include detection and analysis of Johne's disease using techniques approved by the United States department of agriculture.

2001 Acts, ch 101, §3; 2012 Acts, ch 1095, §48

Referred to in §165A.1

### 165A.4 Infected cattle.

Cattle infected with Johne's disease shall be accompanied by an owner-shipper statement. A person shall not sell infected cattle other than directly to a slaughtering establishment, or to a concentration point for sale directly to a slaughtering establishment, for immediate slaughter. Cattle infected with Johne's disease that are kept at a concentration point shall be kept separate and apart.

2001 Acts, ch 101, §4; 2002 Acts, ch 1119, §23; 2012 Acts, ch 1095, §49

**165A.5 Enforcement — penalty.**

1. A person violating a provision of this chapter or any rule adopted pursuant to this chapter shall be subject to a civil penalty of at least one hundred dollars but not more than one thousand dollars. The proceeding to assess a civil penalty shall be conducted as a contested case proceeding under chapter 17A.

2. In addition to any other remedies provided, the department may file a petition in the district court seeking an injunction restraining any person from violating provisions of this chapter including a rule adopted pursuant to this chapter.

3. This section does not prevent a person from commencing a civil cause of action based on any right that the person may assert under statute or common law.

2001 Acts, ch 101, §5; 2001 Acts, ch 176, §62

Referred to in §165A.2, 172E.3

# CHAPTER 165B

## CONTROL OF PATHOGENIC VIRUSES IN POULTRY

Referred to in §163.2

165B.1 Definitions.
165B.2 Administration and enforcement.
165B.3 Determination of infection.
165B.4 Infected and exposed poultry — civil penalty — injunctive relief.
165B.5 Restricted concentration points — civil penalties.

**165B.1 Definitions.**

1. *"Concentration point"* means a location or facility where poultry originating from the same or different sources are assembled for any purpose. However, a concentration point does not include an animal feeding operation as defined in section 459.102 if the poultry are provided care and feeding for purposes of egg production or slaughter.

2. *"Department"* means the department of agriculture and land stewardship.

3. *"Law enforcement officer"* means a state patrol officer or a regularly employed member of a police force of a city or county, including but not limited to a sheriff's office, who is responsible for the prevention and detection of a crime and the enforcement of the criminal laws of this state.

4. *"Manure"* means the same as defined in section 459.102.

5. *"Pathogenic virus"* means any of the following:

*a.* A recognized serotype of the virus avian paramyxovirus which is classified as a velogenic or mesogenic strain of that virus and which may be transmitted to poultry.

*b.* A recognized serotype of the virus commonly referred to as avian influenza which may be transmitted to poultry.

6. *"Poultry"* means domesticated fowl which are chickens, ducks, or turkeys.

7. *"Separate and apart"* means to hold poultry so that neither the poultry nor organic material originating from the poultry has physical contact with other animals.

8. *"Slaughtering establishment"* means a slaughtering establishment operated under the provisions of the federal Meat Inspection Act, 21 U.S.C. § 601 et seq., or a slaughtering establishment that has been inspected by the state.

2004 Acts, ch 1089, §2; 2005 Acts, ch 35, §31

**165B.2 Administration and enforcement.**

1. *a.* The provisions of this chapter, including departmental rules adopted pursuant to this chapter, shall be administered and enforced by the department. The department shall establish, by rule, civil penalties which may be administratively or judicially assessed. The department may impose, assess, and collect the civil penalties. The attorney general or county

attorney may bring a judicial action or prosecution necessary to enforce the provisions of this chapter.

*b.* The department shall retain moneys from civil penalties that it collects under this chapter. The moneys are appropriated to the department for the administration and enforcement of this chapter. Notwithstanding section 8.33, such moneys shall not revert, but shall be retained by the department for the purposes described in this paragraph. The department shall submit a report to the chairpersons of the joint appropriations subcommittee on agriculture and natural resources by January 5 of each year. The report shall state, at a minimum, the total amount of moneys collected during the past calendar year and describe how these moneys were expended.

2. The provisions of this chapter do not limit the authority of the department, another state agency, or a political subdivision to regulate or bring an enforcement action against a person based on another provision of law, including but not limited to provisions in chapter 163, 717B, or 717D.

2004 Acts, ch 1089, §3

**165B.3 Determination of infection.**

The department may adopt rules if necessary to provide methods and procedures to determine whether poultry are infected with a pathogenic virus, which may include detection and analysis of the disease using techniques approved by the United States department of agriculture.

2004 Acts, ch 1089, §4

**165B.4 Infected and exposed poultry — civil penalty — injunctive relief.**

1. A person who is the owner or custodian of poultry infected with or exposed to a pathogenic virus shall keep the poultry separate and apart, and shall dispose of infected or exposed poultry in accordance with requirements of the department. The person shall ensure the premises where such poultry are kept are sanitized as required by the department. The person shall dispose of the poultry carcasses, eggs, or manure as provided by the department.

2. A person who violates this section is subject to a civil penalty of at least one hundred dollars but not more than one thousand dollars, as determined by the department. In the case of a continuing violation, each day of the continuing violation is a separate violation. However, a person shall not be subject to a civil penalty totaling more than twenty-five thousand dollars.

3. The department may seek injunctive relief as provided in section 163.62.

2004 Acts, ch 1089, §5

**165B.5 Restricted concentration points — civil penalties.**

1. A person shall not operate a restricted concentration point. A restricted concentration point includes, but is not limited to, all of the following:

*a.* A concentration point where poultry are sold, bartered, or offered for sale or barter, if the concentration point is part of a market where poultry are sold, bartered, or offered for sale or barter to the general public.

*b.* A concentration point where poultry are placed together as part of a contest, including but not limited to an event conducted for purposes of producing violent contact between the poultry.

2. Subsection 1 does not apply to any of the following:

*a.* A slaughtering establishment, public stockyard, livestock auction market, state or federal market, livestock buying station, or a livestock dealer's yard, truck, or facility.

*b.* A fair conducted pursuant to chapter 173 or 174.

*c.* An event sanctioned by the department.

*d.* A 4-H function.

*e.* An event sponsored or sanctioned by the Iowa turkey marketing council, the Iowa turkey federation, the national turkey federation, the Iowa poultry association, the Iowa egg council, the American egg board, or the American poultry association.

3. *a.* A person who owns or operates a restricted concentration point is subject to a civil

penalty of five thousand dollars for the first violation and twenty-five thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

*b.* A person who has a legal interest in infected poultry or has custody of infected poultry which are located at a restricted concentration point is subject to a civil penalty of five thousand dollars for the first violation and twenty-five thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

*c.* A person who transports poultry to or from a restricted concentration point is subject to a civil penalty of one thousand dollars for the first violation and five thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

*d.* A person who purchases, offers to purchase, barters, or offers to barter for poultry at a restricted concentration point is subject to a civil penalty of one hundred dollars for the first violation and one thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

*e.* A person who charges admission for entry into a restricted concentration point where a contest occurs or otherwise holds, advertises, or conducts the contest is subject to a civil penalty of one thousand dollars for the first violation and five thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

*f.* A person who attends or participates in a contest at a restricted concentration point where a contest occurs is subject to a civil penalty of one hundred dollars for the first violation and one thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

4. This subsection applies to poultry maintained at a restricted concentration point, or poultry transported to or from a restricted concentration point.

*a.* The department or a law enforcement officer may confiscate poultry before a contested case proceeding or judicial hearing is conducted to determine whether this section has been violated. If the department or a court determines that a violation of this section has occurred, the poultry are conclusively deemed to be infected with a pathogenic virus. The poultry shall be kept separate and apart until destroyed by euthanasia as defined in section 162.2.

*b.* The department shall provide that real or personal property that is exposed to the poultry shall be sanitized as required to eliminate the source of the pathogenic virus. As part of the sanitation, the department shall provide for the disposal of poultry carcasses, eggs, or manure. Upon inspection, the department shall certify that the sanitization has been performed as required by this paragraph.

*c.* The department may utilize the procedures provided in section 17A.18A in order to enforce the provisions of this section. The attorney general or county attorney may petition the district court for an expedited hearing.

*d.* The department shall be reimbursed by the owner of the poultry or property for costs required to carry out this subsection. However, if the enforcement action is brought due to the activity of a law enforcement officer of a political subdivision, the political subdivision shall be reimbursed by the owner of the poultry or property for those costs. The department or political subdivision shall certify the amount to the county auditor of any county in which the owner is a titleholder of real property. The amount shall be placed upon the tax books and shall be a lien upon the real property, and collected with interest and penalties after due, in the same manner as other unpaid property taxes.

2004 Acts, ch 1089, §6; 2004 Acts, ch 1175, §329; 2005 Acts, ch 3, §41

# CHAPTER 166

## CLASSICAL SWINE FEVER VIRUS AND SERUM

Referred to in §159.6


166.1 Definitions.
166.2 Rules.
166.3 Permit to manufacture or sell.
166.4 Application for permit.
166.5 Manufacturer's permit.
166.6 Dealer's permit.
166.7 Liability on bond.
166.8 New or additional bond.
166.9 Liability of manufacturer.
166.10 Fees.
166.11 Inspection of premises.
166.12 Manufacturer's or dealer's permit.
166.13 Revocation of permit.
166.14 Revocation by department.
166.15 Prohibited sales.
166.16 Sales — limitation.
166.17 through 166.28 Repealed by 65 Acts, ch 177, §2.
166.29 Reports by manufacturers and dealers.
166.30 and 166.31 Repealed by 65 Acts, ch 177, §2.
166.32 Repealed by 69 Acts, ch 142, §9.
166.33 Repealed by 65 Acts, ch 177, §2.
166.34 Seizure of samples.
166.35 Condemnation and destruction.
166.36 Defacing labels.
166.37 Price of virus.
166.38 Compensation.
166.39 Violations.
166.40 Repealed by 65 Acts, ch 177, §2.
166.41 Classical-swine-fever vaccine prohibited — emergency.
166.42 Biological products reserve — use.


**166.1 Definitions.**

When used in this chapter:

1. *"Biological products"* shall include and be deemed to embrace only anti-classical-swine-fever serum and viruses which are either virulent or nonvirulent, alive or dead.

2. *"Dealer"* includes every person who, for profit, sells, dispenses, or distributes, or offers to do so, either as principal or agent, biological products, except:

*a.* A manufacturer selling direct to any person licensed under this chapter to sell, dispense, or distribute such biological products.

*b.* A regularly licensed veterinarian who uses such biological products in the veterinarian's professional practice and does not use it for sale or distribution to any other person.

3. *"Manufacturer"* includes every person engaged in the preparation, at any stage of the process, of biological products, except those engaged in such preparation in any state or governmental institution.

4. *"Place of business"* is construed to mean each place or premises where biological products are sold, or where biological products are stored or kept for the purpose of sale, dispensation or distribution, or where biological products are offered for sale, dispensation or distribution.

[SS15, §2538-w12; C24, 27, 31, 35, 39, §**2705;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.1]

2005 Acts, ch 19, §34; 2012 Acts, ch 1095, §36

Further definitions; see §159.1

**166.2 Rules.**

The department shall have power to make such rules governing the manufacture, sale, and distribution of biological products as it deems necessary to maintain their potency and purity.

[SS15, §2538-w3; C24, 27, 31, 35, 39, §**2706;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.2]

**166.3 Permit to manufacture or sell.**

Every person, before engaging as a manufacturer of, or dealer in, biological products shall obtain from the department a permit for that purpose and shall be required to have a separate

permit for each place of business. A pharmacy licensed under chapter 155A shall not be required to obtain a dealer's permit to deal in biological products.

[SS15, §2538-w3; C24, 27, 31, 35, 39, §**2707;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.3]

87 Acts, ch 215, §42

**166.4 Application for permit.**

Every application for such a permit shall be made on a form provided by the department, which form shall call for such information as the department shall deem necessary, including the name and place of business of the applicant.

[SS15, §2538-w3; C24, 27, 31, 35, 39, §**2708;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.4]

**166.5 Manufacturer's permit.**

An application for a permit to manufacture biological products shall be accompanied by evidence satisfactory to the department that the applicant is the holder of a valid, unrevoked, United States department of agriculture license for the manufacture and sale of such biological products.

[C24, 27, 31, 35, 39, §**2709;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.5]

**166.6 Dealer's permit.**

An application for a permit to deal in biological products shall be accompanied by a separate bond for each place of business, with sureties to be approved by the department, in the sum of five thousand dollars for each place of business, which bond shall be conditioned:

1. To faithfully comply with all laws governing the warehousing, sale, and distribution of biological products, and with all the rules of the department relating to such biological products.

2. To indemnify any person who uses any such biological products sold by the principal and is damaged by the negligence of the principal, or any of the principal's agents, in the warehousing, handling, sale, or distribution of such biological products.

3. To pay to the state all penalties which may be adjudged against the principal.

[SS15, §2538-w3; C24, 27, 31, 35, 39, §**2710;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.6]

99 Acts, ch 114, §10

**166.7 Liability on bond.**

The principal on such bond shall be liable to every person for any damage caused by the negligence of the principal or of the principal's agents, notwithstanding the execution of the bond.

[C24, 27, 31, 35, 39, §**2711;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.7]

**166.8 New or additional bond.**

When judgment is rendered on such bond, the principal shall immediately execute and file with the department a new or additional bond, conditioned as the original bond, and in an amount to be fixed by the department, which will furnish the same amount of security that was furnished before the original bond was impaired.

[C24, 27, 31, 35, 39, §**2712;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.8]

**166.9 Liability of manufacturer.**

A manufacturer shall be liable to an injured person for all damages which occur:

1. By reason of the negligence of the manufacturer or the manufacturer's employees in the manufacture, warehousing, handling, or distribution of biological products.

2. By reason of the failure of the manufacturer, or the manufacturer's employees, to discharge any duty imposed by law, or by the rules of the department.

[C24, 27, 31, 35, 39, §**2713;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.9]

**166.10 Fees.**

Fees for permits shall be paid by the manufacturer or dealer to the department when the application for such permit is made and shall be:

1. In case of a manufacturer, twenty-five dollars for each plant at which it is proposed to manufacture biological products.

2. In case of a dealer, five dollars for each place of business, warehouse or distributing agency of the dealer.

[SS15, §2538-w3; C24, 27, 31, 35, 39, §**2714;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.10]

**166.11 Inspection of premises.**

The premises upon which the business authorized by such permit is carried on shall be subject at all times to inspection by the department. Before issuing an original permit, the department may cause the proposed premises to be inspected, and shall make such requirements regarding the physical conditions and sanitation of said premises as it may deem necessary to secure and maintain the potency and purity of the biological products. If such requirements are not complied with and maintained, the permit shall be refused or revoked as the case may be.

[SS15, §2538-w3; C24, 27, 31, 35, 39, §**2715;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.11]

**166.12 Manufacturer's or dealer's permit.**

Every permit issued to a manufacturer or dealer shall expire on the first day of July following the date of issuance. A renewal of the same shall be subject to all the conditions, including fees, that are required in the case of an original permit.

[SS15, §2538-w3; C24, 27, 31, 35, 39, §**2716;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.12]

**166.13 Revocation of permit.**

Such a permit shall be automatically revoked:

1. In case of a dealer, by the dealer's failure to execute and file with the department a new and approved bond when required by law, or by the dealer's failure to obtain a separate permit and to file a separate bond in the amount of five thousand dollars for each place of business.

2. In case of a manufacturer, by the manufacturer's ceasing to be the holder of a United States department of agriculture license for the manufacture and sale of biological products.

3. In case of either a manufacturer or dealer, for discrimination in the price at which such biological products are sold, and such permit shall not in such case be renewed for one year.

[SS15, §2538-w3; C24, 27, 31, 35, 39, §**2717;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.13]

**166.14 Revocation by department.**

Such a permit may also be revoked by the department at any time after a reasonable notice and hearing:

1. For violation of the terms, conditions, and requirements on which it was issued.

2. For violation of any law, or of any rule of the department, relating to the business authorized by such permit.

3. In case of a dealer's permit, when a judgment has been rendered on the bond, or when the security of such bond has become impaired in any other way and no new bond is given as required by the department.

[SS15, §2538-w3; C24, 27, 31, 35, 39, §**2718;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.14]

**166.15 Prohibited sales.**

No biological products shall be sold, offered for sale, distributed, or used, unless produced at a plant which, at the time of producing, held a United States department of agriculture license for the manufacture of such biological products.

[SS15, §2538-w3; C24, 27, 31, 35, 39, §**2719;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.15]

**166.16 Sales — limitation.**

A person shall not sell, distribute, use, or offer to sell, distribute, or use virulent blood or virus from classical-swine-fever-infected swine except for one or more of the following purposes:

1. For the purpose of interstate or foreign shipment of such blood or virus.
2. For the purpose of research at any biological laboratory or by any manufacturer of biological products.
3. For the purpose of testing biological products by any governmental authority or by any manufacturer of biological products.
4. For the purpose of manufacturing any biological products or for the purpose of producing immune swine to be used in the production of anti-classical-swine-fever serum.

[SS15, §2538-w5; C24, 27, 31, 35, 39, §**2720;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.16]

2012 Acts, ch 1095, §37, 38

Referred to in §166.41

**166.17 through 166.28** Repealed by 65 Acts, ch 177, § 2.

**166.29 Reports by manufacturers and dealers.**

A person holding a permit as manufacturer or dealer shall make such written reports to the department relative to biological products as it may from time to time require.

[SS15, §2538-w5; C24, 27, 31, 35, 39, §**2733;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.29]

**166.30 and 166.31** Repealed by 65 Acts, ch 177, § 2.

**166.32** Repealed by 69 Acts, ch 142, § 9.

**166.33** Repealed by 65 Acts, ch 177, § 2.

**166.34 Seizure of samples.**

The department may seize, at any time or place, for examination, samples of biological products manufactured or kept for use or sale within the state.

[S13, §2538-w6; C24, 27, 31, 35, 39, §**2738;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.34]

**166.35 Condemnation and destruction.**

The department shall have power to condemn and destroy any biological products which it deems unsafe.

[S13, §2538-w6; C24, 27, 31, 35, 39, §**2739;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.35]

**166.36 Defacing labels.**

No person shall remove or deface any label upon the bottles or packages containing any biological products or change the contents from the original container except for immediate use.

[SS15, §2538-w8; C24, 27, 31, 35, 39, §**2740;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.36]

**166.37 Price of virus.**

Persons holding permits, either as manufacturers or dealers, shall sell all biological products at a uniform price to all persons to whom sales are made. No rebate on said price shall be given, either directly or indirectly, in any manner whatsoever.

[C24, 27, 31, 35, 39, §**2741;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.37]

**166.38 Compensation.**

No licensed veterinarian shall receive, directly or indirectly, any compensation of any kind for the handling, sale, or use of any biological products, other than the veterinarian's charges for administering the same, unless the veterinarian makes known in writing the amount of such compensation, if requested to do so by the person using biological products. Any veterinarian violating this section shall be guilty of a simple misdemeanor.

[C24, 27, 31, 35, 39, §**2742;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.38]

Revocation of license, §169.13

**166.39 Violations.**

Any person who violates any provision of this chapter, or any rule of the department, or who shall hinder or attempt to hinder the department or any duly authorized agent or official thereof in the discharge of that person's duty, shall be fined in a sum not less than one hundred dollars nor more than five hundred dollars.

[S13, §2538-w7; C24, 27, 31, 35, 39, §**2743;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §166.39]

**166.40** Repealed by 65 Acts, ch 177, § 2.

**166.41 Classical-swine-fever vaccine prohibited — emergency.**

The sale or use of classical-swine-fever vaccine, except as provided in section 166.16, is prohibited and a person shall not use such a product in this state. However, in the case of an emergency as defined in section 166.42, a special permit for the use of vaccines may be issued by the secretary.

[C66, 71, 73, 75, 77, 79, 81, §166.41]

2012 Acts, ch 1095, §39

**166.42 Biological products reserve — use.**

1. The secretary may establish a reserve supply of biological products of approved modified live virus classical-swine-fever vaccine and of anti-classical-swine-fever serum or its equivalent in antibody concentrate to be used as directed by the secretary in the event of an emergency resulting from a classical-swine-fever outbreak. Vaccine and serum or antibody concentrate from the reserve supply, if used for such an emergency, shall be made available to swine producers at a price which will not result in a profit. Payment shall be made by the producer to the department and such vaccine shall be administered by a licensed practicing veterinarian. The secretary may cooperate with other states in the accumulation, maintenance and disbursement of such reserve supply of biological products. The secretary, with the advice and written consent of the state veterinarian, and the advice and written consent of the veterinarian-in-charge for Iowa of the animal and plant health inspection service — veterinary services, United States department of agriculture, shall determine when an emergency resulting from a classical-swine-fever outbreak exists.

2. The secretary is authorized to sell or otherwise dispose of classical-swine-fever vaccine and serum at such time as the state is declared a classical-swine-fever-free state by the United States department of agriculture, or if the potency of such vaccine and serum is in doubt. Money received under provisions of this section shall be paid into the state treasury.

[C71, 73, 75, 77, 79, 81, §166.42]

99 Acts, ch 96, §17; 2000 Acts, ch 1058, §21; 2012 Acts, ch 1095, §40

Referred to in §166.41

# CHAPTER 166A

## SCABIES CONTROL IN SHEEP


166A.1 Definitions.
166A.2 Sheep dealer's license.
166A.3 Injunction.
166A.4 Treatment.
166A.5 Certificate. Repealed by 2012 Acts, ch 1095, §57.
166A.6 Records kept.
166A.7 Slaughter without treatment.
166A.8 Quarantine of infected sheep.
166A.9 Scabies-free areas.
166A.10 Restraint of movement.
166A.11 Sheep entering state.
166A.12 Shearers' reports.
166A.13 Rules.
166A.14 Penalty.


**166A.1 Definitions.**

1. *"Accredited veterinarian"* means a veterinarian who is licensed by the state in which the veterinarian practices, is approved by the department of agriculture and land stewardship or the livestock sanitary authority of that state, and is accredited by the United States department of agriculture.

2. *"Approved stockyard or livestock market"* means any place where sheep are assembled for public auction, private sale, or on a commission basis which is under state or federal supervision.

3. *"Area"* means one or more counties or portions thereof.

4. *"Certificate of veterinary inspection"* or *"certificate"* means the same as defined in section 163.2.

5. *"Certified scabies-free area"* means an area in which all sheep have been inspected by a representative of the Iowa department of agriculture and land stewardship or of the animal disease eradication division of the United States department of agriculture and are found to be free of any evidence of scabies and such fact is certified to by both agencies.

6. *"Dealer"* means any person who is engaged in the business of buying for resale, selling, or exchanging sheep as a principal or agent or who claims to be so engaged but does not include employees of a dealer doing business in the name of such dealer or the owner or operator of a farm who exchanges only sheep which have been kept by that person solely for feeding or breeding purposes and does not claim to be so engaged, or as a livestock auction market acting strictly on a consignment basis.

7. *"Division"* means the animal disease eradication division of the agricultural research service of the United States department of agriculture.

8. *"Infected animal"* means an animal of the ovine species which shows clinical evidence of scabies or in which the presence of the scabies mite is demonstrated.

9. *"Scabies"* means a communicable skin disease caused by infestation with mites of the species psoroptes, sarcoptes, chorioptes or psorergates.

10. *"Treatment"* includes but is not limited to administering medication.

[C66, 71, 73, 75, 77, 79, 81, §166A.1]

86 Acts, ch 1245, §618; 2004 Acts, ch 1163, §22; 2012 Acts, ch 1095, §50

Further definitions; see §159.1

**166A.2 Sheep dealer's license.**

Any person engaged as a dealer shall be required to obtain a license from the department. The fee for such license shall be five dollars per year and all licenses shall expire on the first day of July following date of issue. Licenses shall be numbered and the dealer shall retain the number from year to year.

Applications for licenses shall be made upon blanks furnished by the department.

For good and sufficient grounds the department may refuse to grant a license to any applicant, and it may also revoke a license to any applicant for a violation of any provision of this chapter, or for the refusal or failure of any licensee to obey the lawful directions of the department.

Any person who is licensed as a sheep dealer under chapter 172A shall be exempt from this section.

[C66, 71, 73, 75, 77, 79, 81, §166A.2]

**166A.3 Injunction.**

Any person engaging in, or claiming to be in, the business of a dealer without obtaining a license may be restrained by injunction, and shall pay all costs made necessary by such procedure.

[C66, 71, 73, 75, 77, 79, 81, §166A.3]

**166A.4 Treatment.**

All breeding and feeding sheep offered for sale or exchange or otherwise moved or released from any premises, vehicle, or conveyance, shall, within ten days prior to exchange, release, or movement, be treated in an approved manner under the supervision of the department or the animal and plant health inspection service of the United States department of agriculture. When sheep are moved within or from a certified scabies-free area in this state, the sheep must be accompanied by a certificate of veterinary inspection as provided in chapter 163. The treatment shall not be required prior to such movement. Sheep may be moved from a premises to an approved facility for the purpose of treatment under such conditions as may be required by the rules of the department or the regulations of the animal and plant health inspection service of the United States department of agriculture. In addition, sheep are not required to be treated if moved to a livestock auction market until after sale. Sheep are not required to be treated if consigned directly for slaughter.

[C66, 71, 73, 75, 77, 79, 81, §166A.4]

2004 Acts, ch 1163, §23; 2012 Acts, ch 1095, §51

**166A.5 Certificate.** Repealed by 2012 Acts, ch 1095, § 57.

**166A.6 Records kept.**

Market operators and dealers in sheep shall use satisfactory treatment, approved by the department. Market operators and dealers shall maintain records which show the true origin of the sheep including name and address of the seller or consignor, number, date of receipt, date of treatment, and including all certificates, permits, waybills, and bills of lading for each consignment of sheep consigned to and leaving the market or dealer's premises. All records shall be retained for a period of one year and made available upon demand by a representative of the department.

[C66, 71, 73, 75, 77, 79, 81, §166A.6]

2012 Acts, ch 1095, §52

**166A.7 Slaughter without treatment.**

Animals may be sold for slaughter without treatment. Sheep when inspected at the market or dealer's premises and found free of scabies or no known exposure thereto, may be sold for slaughter purposes without treatment if consigned directly and immediately on a slaughter affidavit to a slaughtering establishment operating under federal, state or municipal meat inspection service.

[C66, 71, 73, 75, 77, 79, 81, §166A.7]

2012 Acts, ch 1095, §53

**166A.8 Quarantine of infected sheep.**

1. Sheep found to be infected with or exposed to scabies shall be immediately treated, as directed by and under the supervision of the department, at owner's expense. Such sheep shall remain under quarantine until released by the department, except that sheep infected with or exposed to scabies may be moved, without treatment, directly to a slaughter establishment under federal inspection, under permit from the department. No sheep shall be moved into or within the state of Iowa for any purpose except as provided in this chapter and the rules of the department, provided sheep may be moved without treatment between properties owned or rented by the owner of the sheep, if not moved from a noncertified scabies-free area to a certified scabies-free area.

2. Any person may sell or exchange sheep on the farm between November 1 and April 1 without treatment if accompanied by a certificate from a licensed veterinarian that the sheep

are free from scabies issued within ten days prior to such sale or exchange until such time as the county is declared a scabies-free area.

[C66, 71, 73, 75, 77, 79, 81, §166A.8]

2012 Acts, ch 1095, §54

**166A.9 Scabies-free areas.**

When all flocks of sheep within a county have been inspected by a representative of the department and are found to be free of scabies, the department may certify the county as a "scabies-free area."

[C66, 71, 73, 75, 77, 79, 81, §166A.9]

**166A.10 Restraint of movement.**

Sheep from noncertified scabies-free areas within this state shall not enter certified scabies-free areas unless they have been treated in an approved manner under supervision within ten days preceding movement and satisfactory evidence of treatment accompanies the shipment. However, such sheep may be moved into certified scabies-free areas if consigned directly to a stockyard market, auction market, or slaughter establishment, under federal inspection, provided the sheep are accompanied by a certificate of veterinary inspection stating number, description, consignor, and consignee.

[C66, 71, 73, 75, 77, 79, 81, §166A.10]

2004 Acts, ch 1163, §24; 2012 Acts, ch 1095, §55

**166A.11 Sheep entering state.**

1. Sheep being moved into the state for breeding or feeding purposes shall be accompanied by a certificate of veterinary inspection stating the sheep are any of the following:

*a.* From a certified scabies-free area.

*b.* Treated in an approved manner within ten days prior to movement.

2. Livestock markets, dealers, and individuals shall retain all incoming waybills and certificates for a period of one year which shall be made available to the department upon demand.

[C66, 71, 73, 75, 77, 79, 81, §166A.11]

2004 Acts, ch 1163, §25; 2012 Acts, ch 1095, §56

**166A.12 Shearers' reports.**

All persons engaged in the shearing of sheep shall immediately report any suspicion of or evidence of scabies to the department.

[C66, 71, 73, 75, 77, 79, 81, §166A.12]

**166A.13 Rules.**

The department is empowered to make and promulgate rules necessary for carrying out the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §166A.13]

**166A.14 Penalty.**

Any person, firm or partnership or corporation violating the provisions of this chapter shall be guilty of a simple misdemeanor.

[C66, 71, 73, 75, 77, 79, 81, §166A.14]

# CHAPTER 166B

## ERADICATION OF CLASSICAL SWINE FEVER


| | | | |
|---|---|---|---|
| 166B.1 | Definitions. | 166B.5 | Cooperation with United States. |
| 166B.2 | General authority. | 166B.6 | Rules. |
| 166B.3 | Appraisal and indemnification. | | |
| 166B.4 | Institution of indemnification. | 166B.7 | Judicial review. |


**166B.1 Definitions.**

As used in this chapter:

1. *"Classical swine fever"* means the contagious, infectious, and communicable disease of swine commonly known as hog cholera.

2. *"Destroy"* means condemn under state authority and slaughter or otherwise kill as a result of or pursuant to such condemnation.

3. *"Exposed"* means all swine in physical contact with a known infected herd or tended by a person having direct contact with an infected herd.

[C66, 71, 73, 75, 77, 79, 81, §166B.1]

86 Acts, ch 1245, §619; 2012 Acts, ch 1095, §41, 42

Further definitions; see §159.1

**166B.2 General authority.**

The department may destroy or require the destruction of any swine which the state veterinarian knows to be, or suspects is, affected with or exposed to classical swine fever, whenever the department finds such destruction to be necessary to prevent or reduce the danger of the spread of classical swine fever. Disposal of condemned swine shall be under the supervision of a regulatory employee. Salvage of apparently healthy marketable swine is permissible as a minimum provision and may be discontinued in favor of total herd disposition with indemnification as necessary and without such salvage in any case or at any time when it is determined by the department and the United States department of agriculture that the procedure would constitute an undue threat to the eradication program. Before being condemned and ordered to be destroyed, a positive diagnosis of classical swine fever affecting the herd must be confirmed by a state or federal laboratory or personnel approved by the department and the United States department of agriculture.

[C66, 71, 73, 75, 77, 79, 81, §166B.2]

2012 Acts, ch 1095, §43

**166B.3 Appraisal and indemnification.**

The department shall appraise any swine destroyed or ordered destroyed pursuant to this chapter at not to exceed current market value and shall indemnify the owner of such swine in an amount not to exceed two hundred dollars for purebred, inbred or hybrid or breeding swine; and not to exceed one hundred dollars for all other swine, provided that fifty percent or more of all such indemnities are paid by the United States department of agriculture.

[C66, 71, 73, 75, 77, 79, 81, §166B.3]

**166B.4 Institution of indemnification.**

It is hereby recognized and declared that indemnification for destruction of swine infected with or exposed to classical swine fever is an expression of the public policy of this state but employed only in the final stages of eradication of the disease, or as a means of preventing or minimizing its recurrence. The department shall not therefore institute an initial program of indemnification pursuant to the chapter until it is mutually agreed between the department and the United States department of agriculture that such action is necessary in order to carry out the classical-swine-fever eradication program.

[C66, 71, 73, 75, 77, 79, 81, §166B.4]

2012 Acts, ch 1095, §44

**166B.5 Cooperation with United States.**

The department may cooperate with the United States, or any department, agency or officer thereof, in the control and eradication of classical swine fever, including the sharing in payment of indemnities for swine destroyed.

[C66, 71, 73, 75, 77, 79, 81, §166B.5]

2012 Acts, ch 1095, §45

**166B.6 Rules.**

The department of agriculture and land stewardship may make, promulgate, amend, repeal, and enforce necessary rules for implementing this chapter.

[C66, 71, 73, 75, 77, 79, 81, §166B.6]

**166B.7 Judicial review.**

Judicial review of department action under this chapter may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of said Act, petitions for judicial review may be filed in the district court of the county, wherein the hogs are situated.

[C66, 71, 73, 75, 77, 79, 81, §166B.7]

2003 Acts, ch 44, §114

# CHAPTER 166C

RESERVED

# CHAPTER 166D

## PSEUDORABIES CONTROL

Referred to in §163.2, 163.30, 163.61


166D.1 Purpose — rules.
166D.2 Definitions.
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166D.8 Infected herds.
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166D.11 Vaccination and testing requirements.
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166D.16 Enforcement — penalty — certificates.


**166D.1 Purpose — rules.**

This chapter provides for measures to control the transmission and incidence, and for the eventual eradication, of pseudorabies among swine within this state. The department shall adopt rules to carry out the provisions of this chapter.

89 Acts, ch 280, §1

Referred to in §166D.10

**166D.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advisory committee"* means the state pseudorabies advisory committee composed

of swine producers and other representatives of the swine industry, appointed pursuant to section 166D.3.

2. *"Approved premises"* means a dry lot facility located in an area with confirmed cases of pseudorabies infection, which is certified by the department to receive, feed, and move or relocate infected swine as provided in section 166D.10B.

3. *"Approved premises permit"* means a permit issued by the department necessary for a person to own and operate an approved premises.

4. *"Breeding swine"* means swine over six months of age.

5. *"Certificate of inspection"* means a document approved by the United States department of agriculture or the department of agriculture and land stewardship, and issued by a licensed veterinarian prior to the interstate or intrastate movement of swine or to the relocation of swine. The certificate of inspection must state all of the following:

*a.* The number, description, and identification of the swine to be moved.

*b.* Whether the swine to be moved are known to be infected with or exposed to pseudorabies.

*c.* The farm of origin.

*d.* The purpose for moving the swine.

*e.* The point of destination of the swine.

*f.* The consignor and each consignee of the swine.

*g.* Additional information as required by state or federal law.

6. *"Certificate of veterinary inspection"* means the same as defined in section 163.2.

7. *"Cleanup plan"* means a herd cleanup plan or feeder pig cooperator herd cleanup plan as provided in section 166D.8.

8. *"Concentration point"* means a location or facility where swine are assembled for purposes of sale or resale for feeding, breeding, or slaughtering, and where contact may occur between groups of swine from various sources. *"Concentration point"* includes a public stockyard, auction market, street market, state or federal market, untested consignment sales location, buying station, or a livestock dealer's yard, truck, or facility.

9. *"Cull swine"* means mature swine fed for purposes of direct slaughter. However, *"cull swine"* does not include swine kept for purposes of breeding or reproduction.

10. *"Differentiable test"* means a laboratory procedure approved by the department to diagnose pseudorabies. The procedure must be capable of recognizing and distinguishing between vaccine-exposed and field-pseudorabies-virus-exposed swine.

11. *"Differentiable vaccinate"* means a swine which has only been exposed to a differentiable vaccine.

12. *"Differentiable vaccine"* means a vaccine which has a licensed companion differentiable test, and includes a modified-live differentiable vaccine.

13. *"Direct movement"* means movement of swine to a destination without unloading the swine in route, without contact with swine of lesser pseudorabies vaccinate status, and without contact with infected or exposed livestock.

14. *"Epidemiologist"* means a state or federal veterinarian designated to investigate and diagnose suspected pseudorabies in livestock. The epidemiologist must have had special training in the diagnosis and epidemiology of pseudorabies.

15. *"Exhibition"* means the same as defined in section 163.32.

16. *"Exposed"* means an animal that has not been kept separate and apart or isolated from livestock infected with pseudorabies, including all swine in a known infected herd.

17. *"Exposed livestock"* means livestock that have been in contact with livestock infected with pseudorabies, including all livestock in a known infected herd. However, livestock other than swine that have not been exposed to a clinical case of the disease for a period of ten consecutive days shall not be considered exposed livestock. Swine released from quarantine are no longer considered exposed.

18. *"Farm of origin"* means a location where the swine were born, or on which the swine have been located for at least ninety consecutive days immediately prior to movement.

19. *"Feeder pig"* means an immature swine fed for purposes of direct slaughter which weighs one hundred pounds or less.

20. *"Feeder pig cooperator herd"* means a swine herd not currently determined to be

pseudorabies negative, that has not experienced clinical signs of pseudorabies in the last six months, that is capable of segregating offspring at weaning into separate and apart production facilities, and has implemented an approved pseudorabies eradication plan.

21. *"Feeder swine"* means swine fed for purposes of direct slaughter, including feeder pigs and cull swine. However, *"feeder swine"* does not include swine kept for purposes of breeding or reproduction.

22. *"Fixed concentration point"* means a concentration point which is a permanent location where swine are assembled for purposes of sale and movement to a slaughtering establishment as provided in section 166D.12.

23. *"Herd"* means a group of swine as established by departmental rule.

24. *"Herd cleanup plan"* means a plan to eliminate pseudorabies from a swine herd. The plan must be developed by an epidemiologist in consultation with the herd owner and the owner's veterinary practitioner. The plan must be approved and signed by the epidemiologist, the owner, and the practitioner. The plan must be approved and filed with the department.

25. *"Herd of unknown status"* means all swine except swine which are part of a known infected herd, swine known to have been exposed to pseudorabies, or swine which are part of a noninfected herd.

26. *"Infected"* means infected with pseudorabies as determined by an epidemiologist whose diagnosis is supported by test results.

27. *"Infected herd"* means a herd that is known to contain infected swine, a herd containing swine exhibiting clinical signs of pseudorabies, or a herd that is infected according to an epidemiologist.

28. *"Inspection service"* means the animal and plant health inspection service, United States department of agriculture.

29. *"Isolation"* means separation of swine within a physical barrier in a manner to prevent swine from gaining access to swine outside the barrier, including excrement or discharges from swine outside the barrier. Swine in isolation must not share a building with a ventilation system common to other swine. Swine in isolation must not be maintained within ten feet of other swine.

30. *"Isowean feeder pig"* means a feeder pig that weighs twenty pounds or less.

31. *"Known infected herd"* means a herd in which swine have been determined by an epidemiologist to be infected.

32. *"Licensed pseudorabies vaccine"* means a pseudorabies virus vaccine produced under license from the United States secretary of agriculture under the federal Virus-Serum-Toxin Act of March 4, 1913, 21 U.S.C. § 151 et seq.

33. *"Livestock"* means swine, cattle, sheep, goats, horses, ostriches, rheas, or emus.

34. *"Monitored herd"* means a herd of swine, including a feeder swine herd, which has been determined within the past twelve months not to be infected, according to a statistical sampling.

35. *"Move"* or *"movement"* means the same as defined in section 163.30.

36. *"Noninfected herd"* means a herd which is one of the following:

*a.* A qualified pseudorabies negative herd.

*b.* A pseudorabies monitored herd.

*c.* A herd in which the animals have been individually tested negative within the past thirty days.

*d.* A herd which originates from an area with little or no incidence of pseudorabies as determined by the department based upon epidemiological studies and information relating to the area.

*e.* A qualified differentiable negative herd.

37. *"Nonvaccinate"* means a swine which has not been exposed to a pseudorabies vaccine.

38. *"Pseudorabies"* means the contagious, infectious, and communicable disease of livestock and other animals known as Aujeszky's disease, mad itch, or infectious bulbar paralysis.

39. *"Pseudorabies eradication plan"* means a written herd management program which is based on accepted statistical and epidemiological evaluation and designed to eradicate pseudorabies from the swine herds in a given area.

40. *"Qualified differentiable negative herd"* means a herd in which one hundred percent of the herd's breeding swine have been vaccinated and have reacted negatively to a differentiable test and which have been retested, as provided in this chapter.

41. *"Qualified negative herd"* means a herd in which one hundred percent of the herd's breeding swine have reacted negatively to a test, and have not been vaccinated, and which is retested as provided in this chapter.

42. *"Quarantined herd"* means a herd in which pseudorabies infected or exposed swine are bred, reared, or fed under the supervision and control of the department, as provided in section 166D.9.

43. *"Reaction"* means a result determined by an approved laboratory procedure designed to recognize pseudorabies virus infection or a nondifferentiable vaccinated animal.

44. *"Relocate"* or *"relocation"* means the same as defined in section 163.30.

45. *"Relocation record"* means a record as maintained by the owner of swine in a form and containing information as required by the rules adopted by the department, which indicates a relocation of swine as provided in section 166D.10.

46. *"Restricted movement"* means swine which are moved or relocated as provided in section 166D.10A.

47. *"Separate and apart"* means to hold swine so that neither the swine nor organic material originating from the swine has physical contact with other animals.

48. *"Slaughtering establishment"* means a slaughtering establishment operated under the provision of the federal Meat Inspection Act, 21 U.S.C. § 601 et seq., or a slaughtering establishment which has been inspected by the state.

49. *"Stage II county"* means a county designated by the department as in stage II of the national pseudorabies eradication program.

50. *"Statistical sampling"* means a test based on at least a ninety percent probability of detecting at least a ten percent incidence of positive reaction within a herd.

51. *"Test"* means a serum neutralization (SN) test, virus isolation test, ELISA test, or other test approved by the department and performed by a laboratory approved by the department.

52. *"Transportation certificate"* means a written document evidencing that the movement or relocation of swine complies with the requirements of this chapter, and which may be a transportation certificate as provided in chapter 172B, or another document approved by the department, including but not limited to one or more types of forms covering different circumstances, as prescribed by the department.

89 Acts, ch 280, §2; 90 Acts, ch 1091, §1 – 3; 92 Acts, ch 1163, §42; 95 Acts, ch 43, §5; 97 Acts, ch 183, §2 – 6, 13; 2000 Acts, ch 1110, §1 – 4, 25; 2001 Acts, ch 24, §34; 2004 Acts, ch 1163, §26; 2010 Acts, ch 1061, §37; 2011 Acts, ch 84, §3, 5

Further definitions, see §159.1

**166D.3 State pseudorabies advisory committee.**

A state pseudorabies advisory committee is established. The committee shall consist of not more than seven members who shall be appointed by the Iowa pork producers association. At least four members of the committee must be actively engaged in swine production. The members shall serve staggered terms of two years, except that the initial board members shall serve unequal terms. A person appointed to fill a vacancy for a member shall serve only for the unexpired portion of the term. A member is eligible for reappointment for three successive terms. A majority of the board constitutes a quorum and an affirmative vote of the majority of members is necessary for substantive action taken by the board. The majority shall not include any member who has a conflict of interest and a statement by a member of a conflict of interest shall be conclusive for this purpose. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the board. The advisory committee shall:

1. Inform and educate interested persons in the state, including persons involved in producing, processing, or marketing swine, regarding eradication activities under this chapter.

2. Review eradication activities under this chapter including the pseudorabies eradication programs. The committee shall make recommendations to the department and the

inspection service and may consult with state officials regarding any matter relating to pseudorabies control and eradication, including departmental rules, other state or federal regulations, program areas, the use of vaccine, testing procedures, the progress of pseudorabies eradication programs, and state and federal program standards. The committee in cooperation with the department shall report to the governor and general assembly not later than January 15 the progress of pseudorabies eradication, including recommendations.

3. Maintain communication with other states and with the national pork producers council, the livestock conservation institute, and the inspection service.

89 Acts, ch 280, §3; 2000 Acts, ch 1110, §5, 6, 25
Referred to in §166D.2

**166D.3A Departmental determination of pseudorabies prevalence.**

The department shall periodically determine the prevalence of pseudorabies in each county in a manner and according to procedures established by rules adopted by the department.

97 Acts, ch 183, §7, 13

**166D.4 and 166D.5** Repealed by 2000 Acts, ch 1110, § 22, 25.

**166D.6 Reporting of test results.**

All tests under this chapter must be taken by a test administered by a licensed veterinarian. Test samples are to be collected by or under the direction of the department and a licensed veterinarian. If the test is determined by a laboratory located outside the state of Iowa, the person whose animal has been tested shall be responsible for assuring that the result is reported to the department within fourteen days following completion of the test. Swine sampled shall be identified with a numbered metal ear tag. The department shall make the ear tags available. Ear notches or other numbered identification methods approved by the department may be used at the herd owner's expense.

Test results shall be reported on forms prescribed by the department signed by the veterinarian and transmitted to the department within fourteen days following completion of the tests. Copies shall be made available to the attending veterinarian. Upon receipt, the attending veterinarian shall provide copies to the herd owner.

89 Acts, ch 280, §6

**166D.7 Noninfected herds.**

In administering the pseudorabies eradication program, the department shall regulate noninfected herds as follows:

1. A qualified negative herd must be certified, recertified, and maintained as follows:

*a.* The herd shall be certified when all breeding swine have reacted negatively to a test. The herd must have been free from infection for thirty days prior to testing. At least ninety percent of swine in the herd must have been on the premises as a part of the herd for at least sixty days prior to testing, or swine in the herd must have been moved or relocated directly from another qualified negative herd. To remain certified, the herd must be retested and recertified each month as provided by the department. The herd shall be recertified when the greater of five head of swine or at least ten percent of the herd's breeding swine react negatively to a test.

*b.* Before being added to the herd new swine including swine returning to the herd after contact with nonherd swine, shall be isolated until the new swine react negatively to a test conducted thirty days or more after the swine has been placed in isolation. Swine from a herd of unknown status must react negatively to a test not more than thirty days prior to movement from the herd of unknown status and retested in isolation at least thirty days after movement onto the premises where the qualified negative herd is located.

*c.* Swine from another qualified negative herd may be added without isolation or testing.

*d.* The owner shall make a request to the department for approval or reapproval of a qualified negative herd when the required tests are completed. Upon satisfactory proof that all requirements have been met, the herd shall be recertified by the department.

2. A monitored herd shall be initially certified, recertified, and maintained as follows:

*a.* The herd shall be certified when a statistical sampling of the herd is determined to be noninfected.

*b.* In order to remain certified the herd must be retested and recertified as provided by the department. The herd must be recertified annually. The herd shall be recertified when a statistical sampling of the herd is determined to be noninfected within twelve months from initial certification or the most recent recertification.

*c.* A monitored herd shall not be certified or recertified, if the herd is located within a county which is designated by the department as in stage II of the national pseudorabies eradication program, unless the herd is vaccinated with a modified-live differentiable vaccine pursuant to section 166D.11 and as required by the department.

*d.* A monitored herd may receive new swine into the herd from a noninfected herd.

3. A qualified differentiable negative herd shall be certified, recertified, and maintained as follows:

*a.* The herd shall be certified when one hundred percent of breeding swine have reacted negatively to a test. The herd must have been free from infection for thirty days prior to testing. At least ninety percent of swine in the herd must have been on the premises as a part of the herd for at least sixty days prior to testing, or swine in the herd must have been directly moved or relocated from a qualified negative herd or qualified differentiable negative herd. A differentiable vaccine must be administered at intervals in accordance with the package insert for that vaccine. To remain certified, the herd must be retested and recertified as provided by the department. The herd shall be recertified when each month at least ten percent of the herd's breeding swine react negatively to a test.

*b.* Before adding to the herd new swine, including swine returning to the herd after contact with nonherd swine, the herd shall be isolated until the new swine react negatively to a test conducted thirty days or more after the swine have been placed in isolation. Swine from a herd of unknown status must react negatively to a test not more than fifteen days prior to movement from the herd of unknown status and retested in isolation at least thirty days after movement onto the premises where the qualified differentiable negative herd is located.

*c.* Swine from a qualified negative or qualified differentiable negative herd may be added without isolation or testing.

*d.* The owner shall make a request to the department for certification or recertification of a qualified differentiable negative herd when the required tests are completed. Upon satisfactory proof that all requirements have been met, the herd shall be recertified by the department.

89 Acts, ch 280, §7; 90 Acts, ch 1091, §5; 98 Acts, ch 1056, §4; 2000 Acts, ch 1110, §7 – 10, 25; 2000 Acts, ch 1232, §24, 39; 2002 Acts, ch 1119, §140; 2009 Acts, ch 133, §205

Referred to in §166D.10

**166D.8 Infected herds.**

An infected herd which is not quarantined under section 166D.9, shall either adopt a herd cleanup plan or a feeder pig cooperator herd cleanup plan.

1. *a.* A herd cleanup plan shall apply to a herd if feeder pigs are not moved from the herd. The plan shall provide for one of the following:

(1) The testing of all swine capable of being accurately diagnosed with pseudorabies and the removal of infected swine from the herd.

(2) Depopulation.

*b.* A herd cleanup plan must be implemented as follows:

(1) If the plan provides for the testing and removal of swine, all breeding swine must be tested with a differentiable test and react negatively to the test within fifteen days after the herd is classified by the department as infected. All breeding swine reacting positively to the test must be removed as provided in this section. At least thirty days after removal of the breeding swine reacting positively, all remaining breeding swine must be tested and react negatively to the test. Subsequent testing and removal must be conducted as provided in this subparagraph until all breeding swine react negatively. When all breeding swine are tested and react negatively to the test, the department shall classify the herd as a noninfected herd.

(2) The herd cleanup plan may provide for the relocation of feeder pigs or cull swine. If the plan provides for the relocation of feeder pigs, the plan must provide for the segregation of feeder pigs and identify in writing the approved premises where feeder pigs or cull swine may be relocated upon approval by the department.

2. *a.* A feeder pig cooperator herd cleanup plan shall apply to a herd if feeder pigs are moved from the herd. The plan shall include all the requirements for a herd cleanup plan. In order to be subject to a feeder pig cooperator herd cleanup plan all of the following conditions must be satisfied:

(1) There must have been no clinical signs of pseudorabies during the past thirty days.

(2) The production operation must be capable of segregating offspring at weaning into facilities separate and apart from the remainder of the herd.

*b.* The feeder pig cooperator herd cleanup plan may provide for the movement or relocation of feeder pigs or cull swine. If the feeder pig cooperator herd cleanup plan provides for the movement or relocation of feeder pigs or cull swine, the plan must identify in writing the approved premises where the feeder pigs or cull swine may be moved or relocated as provided in section 166D.10B.

3. Costs of testing and vaccination may be paid as provided in section 166D.11.

4. An infected herd not subject to a cleanup plan shall be quarantined within fifteen days of becoming a known infected herd. An infected herd which is not subject to a cleanup plan is a quarantined herd.

5. Swine which are part of a herd subject to a cleanup plan shall only be moved or relocated as required pursuant to section 166D.10. If the location where the herd is kept is an approved premises as provided in section 166D.10B, the cleanup plan shall include terms and conditions for being certified as an approved premises.

89 Acts, ch 280, §8; 98 Acts, ch 1056, §5, 6; 2000 Acts, ch 1110, §11, 25
Referred to in §166D.2, 166D.10, 166D.10B

**166D.9 Quarantined herds.**

1. Swine which are part of a quarantined herd shall only be moved by restricted movement in accordance with section 166D.10A.

2. A herd shall be released from quarantine when no animal, including livestock, on the premises shows clinical symptoms of pseudorabies. In addition one of the following must occur:

*a.* The swine have been removed from the premises, and the premises have been cleaned and disinfected under supervision of the department or the inspection service. The disinfectant shall be approved by the department or inspection service. The premises must have been maintained free of swine for thirty days. However, the epidemiologist for good cause may determine that premises shall be maintained free of swine for a period greater or less than thirty days.

*b.* Swine reacting positively to a test have been removed from the premises. Remaining swine, except suckling pigs, must be tested and react negatively to the test thirty days or more after removal of the herd's swine reacting positively to the test.

*c.* The swine reacting positively to a test have been removed from the premises. At least thirty days after removal of the positive swine, breeding swine remaining plus a random sample equaling twenty-eight of grower-finishing swine more than two months of age must react negatively to the test. While the state is in stage III or IV of the national pseudorabies program pursuant to federal regulations, the grower-finisher swine must react negatively to a test at least thirty days after reacting negatively to the last test.

3. *a.* While the state is classified in stage I, II, or III of the national pseudorabies program pursuant to federal regulations, the following requirements must be satisfied:

(1) All swine present on the date the quarantine was imposed have been removed.

(2) There must have been no clinical signs of pseudorabies in the herd for at least six months.

(3) The epidemiologist must either conduct two successive statistical samplings at least ninety days apart, or conduct statistical samplings according to rules adopted by the

department which are consistent with the national pseudorabies eradication program, which reveal no infection within the new breeding swine.

(4) The epidemiologist must either conduct two successive statistical samplings ninety days apart, or conduct statistical samplings according to rules adopted by the department which are consistent with the national pseudorabies eradication program, which reveal no infection in the herd's progeny at least four months of age.

*b.* A herd removed from quarantine under this subsection shall be tested by statistical sampling one year later, unless an epidemiologist determines that the herd must be tested earlier.

89 Acts, ch 280, §9; 90 Acts, ch 1168, §29; 97 Acts, ch 183, §8, 13; 98 Acts, ch 1056, §7; 2000 Acts, ch 1110, §12 – 14, 25; 2009 Acts, ch 41, §263

Referred to in §166D.2, 166D.8

**166D.10 Movement of swine.**

1. Except as otherwise provided in this section, a person shall not sell, lease, exhibit, loan, move, or relocate swine within the state unless the swine are accompanied by a certificate of inspection in the same manner as provided for a certificate of veterinary inspection as provided in section 163.30. The department may combine the certificate of inspection with a certificate of veterinary inspection.

2. A certificate of inspection is not required if any of the following apply:

*a.* The swine are moved to slaughter.

*b.* The swine are relocated, and all of the following apply:

(1) A transportation certificate accompanies the relocated swine.

(2) The swine's owner maintains information regarding the relocation in relocation records. The department may adopt rules excusing a person from maintaining relocation records, if the department determines that the purposes of the chapter as provided in section 166D.1 are not furthered by the requirement.

(3) A certificate of inspection, or a certificate of veterinary inspection as provided in section 163.30, has been issued for the swine within thirty days prior to the date of relocation. The department may adopt rules excusing a person from complying with this subparagraph if the department determines that the purposes of the chapter as provided in section 166D.1 are not furthered by the requirement.

(4) The swine have a current negative pseudorabies status.

*c.* A person transfers ownership of all or part of a herd, if the herd remains on the same premises. However, the herd must be tested by statistical sampling. If any part of the herd is subsequently moved or relocated, the swine must be moved or relocated in accordance with this section and sections 166D.7, 166D.8, and 166D.10A.

3. A transportation certificate accompanying swine which are relocated as provided in subsection 2, paragraph *"b"*, shall cite the relevant relocation record and certificate of inspection, or certificate of veterinary inspection. The department may provide for the examination of the relocation records on the owner's premises during normal business hours, or may require that reports containing relevant information contained in relocation records and certificates of inspection, or certificates of veterinary inspection, be periodically submitted to the department. For purposes of this section, swine production information contained in relocation records is a trade secret as provided in section 22.7, unless otherwise provided by rules adopted by the department. The department shall provide for the disclosure of confidential information only to the extent required for enforcement of this chapter, the detection and prosecution of public offenses, or to comply with a subpoena or court order. The department shall adopt rules required to administer subsection 2, paragraph *"b"*, and this subsection.

4. *a.* Except as provided in paragraph *"b"*, swine that are moved shall be individually identified as provided in section 163.30, which may include requirements for affixing ear tags to swine.

*b.* (1) Native Iowa feeder pigs moved from farm to farm within the state shall be exempted from the identification requirements of this subsection if the owner transferring possession of

the feeder pigs executes a written agreement with the person taking possession of the feeder pigs.

(a) The agreement shall provide that the feeder pigs shall not be commingled with other swine for a period of thirty days.

(b) The owner transferring possession shall be responsible for making certain that the agreement is executed and for providing a copy of the agreement to the person taking possession.

(2) Native Iowa feeder pigs that are moved shall be accompanied by a certificate of inspection, or a certificate of veterinary inspection as provided in section 163.30, unless swine are otherwise exempted from this requirement by this section.

(3) As used in this paragraph *"b"*, *"farm to farm within the state"* does not include the movement or relocation of native Iowa feeder pigs to the possession of a dealer licensed pursuant to section 163.30.

5. Swine from a herd located within this state must be moved or relocated in compliance with this section. If the swine is moved or relocated from a herd located within a county which is designated by the department as in stage II of the national pseudorabies eradication program, the swine shall not be moved or relocated unless in compliance with section 166D.11. Regardless of whether the swine is from a herd located in a stage II county, the following shall govern the movement or relocation of swine within this state:

*a.* For swine from a noninfected herd, a person shall not move swine for breeding purposes, unless one of the following applies:

(1) The swine is moved from a qualified negative herd or qualified differentiable negative herd.

(2) The swine reacts negatively to a differentiable test within thirty days prior to moving the swine.

*b.* For swine which is exposed, a person shall not move or relocate the swine, unless one of the following applies:

(1) The swine reacts negatively to a differentiable test within thirty days prior to moving or relocating the swine.

(2) The swine moves by restricted movement to either a fixed concentration point or slaughtering establishment.

*c.* For swine from a herd of unknown status, a person shall not move or relocate the swine, unless one of the following applies:

(1) The swine reacts negatively to a differentiable test within thirty days prior to moving or relocating the swine.

(2) The swine moves by restricted movement to either a fixed concentration point or slaughtering establishment. However, the swine is not required to move by restricted movement if the swine is moved from a fixed concentration point directly to another fixed concentration point or to a slaughtering establishment.

*d.* For swine which is from an infected herd, a person shall not move or relocate the swine, unless one of the following applies:

(1) If the swine is part of a cleanup plan, the following shall apply:

(a) For swine, other than feeder pigs or cull swine, which are part of a herd subject to a cleanup plan, a person shall only move swine by restricted movement to either a fixed concentration point or slaughtering establishment. A person shall not relocate the swine.

(b) For a feeder pig or cull swine which is part of a herd subject to a herd cleanup plan, a person shall only move the feeder pig or cull swine by restricted movement to either a fixed concentration point or slaughtering establishment or relocate the feeder pig or cull swine by restricted movement to an approved premises. For a feeder pig or cull swine which is part of a feeder pig cooperator herd cleanup plan, a person shall only move the feeder pig or cull swine by restricted movement to either a fixed concentration point or slaughtering establishment or move or relocate the feeder pig or cull swine by restricted movement to an approved premises. However, a person shall not move or relocate a feeder pig or cull swine to an approved premises, unless the approved premises is identified in a cleanup plan as provided in section 166D.8, or the department approves the move or relocation to another approved premises. A person shall not move or relocate a cull swine to an approved premises, unless

the cull swine reacts negatively to a test and is vaccinated with a differentiable vaccine. The test and vaccine must be administered within thirty days prior to the movement or relocation to the approved premises. A noninfected feeder pig is not required to be tested or vaccinated prior to movement or relocation to an approved premises, if the feeder pig is vaccinated upon arrival at the approved premises.

(c) For swine from a herd kept on an approved premises, a person shall only move or relocate the swine by restricted movement as provided in the cleanup plan governing the herd and terms and conditions of the certification required for the approved premises as provided in section 166D.10B.

(2) If the swine is not part of a herd that is subject to a cleanup plan because the herd is quarantined, a person shall only move the swine by restricted movement to either a fixed concentration point or slaughtering establishment.

6. Swine from a herd located outside this state must be moved into and maintained in this state in compliance with this section. A person shall not move swine into this state, except as follows:

*a.* For swine from a herd, other than a noninfected herd, the swine must be moved either to a fixed concentration point or slaughtering establishment.

*b.* For swine from a noninfected herd, the swine may be moved to a concentration point or slaughtering establishment. If the swine is not moved to a concentration point or slaughtering establishment, the following shall apply:

(1) Unless the person moves the swine into a county designated by the department as in stage II of the national pseudorabies eradication program, the following shall apply:

(a) A person shall not move swine into this state for breeding purposes, unless one of the following applies:

(i) The swine is moved from a qualified negative herd or qualified differentiable negative herd.

(ii) The swine reacts negatively to a differentiable test, within thirty days prior to moving the swine.

(b) A person shall not move a feeder swine which is moved into this state, unless the feeder swine reacts negatively to a differentiable test within thirty days prior to movement from a herd in this state.

(2) If a person moves the swine into a county which is designated by the department as in stage II of the national pseudorabies eradication program, the following shall apply:

(a) Except as provided in this subparagraph, the owner of swine shall vaccinate the swine with a modified-live differentiable vaccine, prior to moving swine into the stage II county. A person is not required to vaccinate swine prior to moving swine into the stage II county if one of the following applies:

(i) The swine is part of a herd that cannot be vaccinated under the law of the state or country in which the herd is kept immediately prior to being moved into the stage II county.

(ii) The swine is an isowean feeder pig.

(iii) The swine is moved either to a fixed concentration point or slaughtering establishment.

(b) For swine which are not vaccinated before being moved into a stage II county as provided in this paragraph, the following shall apply:

(i) For swine other than swine moved into a herd within a stage II county as an isowean feeder pig, the swine must be immediately vaccinated with a differentiable vaccine, as provided in section 166D.11. The swine shall be considered as part of a herd of unknown status, until tested negative and vaccinated.

(ii) For swine moved into a herd within a stage II county as an isowean feeder pig, the swine moved into the herd must be immediately vaccinated with a differentiable vaccine, as provided in section 166D.11. The department may require that the swine be revaccinated with a differentiable vaccine at a later date. The swine shall be considered as part of a herd of unknown status, until tested negative and vaccinated.

7. A person shall not move a swine within this state, other than to a fixed concentration point or slaughtering establishment, if the swine is vaccinated with a vaccine other than a differentiable vaccine approved by the department pursuant to section 166D.14.

8. Known infected swine moved through a fixed concentration point shall only be moved by restricted movement to a slaughtering establishment.

9. Swine moved under this section to a slaughtering establishment shall be for the exclusive purpose of slaughtering the swine. Swine moved under this section to a fixed concentration point shall be for the exclusive purpose of immediately moving the swine to a slaughtering establishment. Swine moved or relocated under this section to an approved premises shall be for the exclusive purpose of feeding the swine prior to movement or relocation to another approved premises, or movement to either a fixed concentration point or a slaughtering establishment.

89 Acts, ch 280, §10; 90 Acts, ch 1091, §6; 90 Acts, ch 1168, §30; 96 Acts, ch 1214, §30; 97 Acts, ch 183, §9 – 11, 13; 98 Acts, ch 1056, §8 – 10; 2000 Acts, ch 1110, §15, 16, 25; 2002 Acts, ch 1093, §1 – 5, 7; 2002 Acts, ch 1119, §141; 2003 Acts, ch 108, §124, 132; 2004 Acts, ch 1163, §27 – 30; 2009 Acts, ch 133, §71

Referred to in §166D.2, 166D.8, 166D.10A, 166D.10B, 166D.11

**166D.10A Restricted movement — requirements.**

1. If swine must be moved or relocated by restricted movement as provided in section 166D.10, the swine shall only be transported by direct movement.

2. *a.* If a person moves or relocates swine subject to restricted movement, the person shall only move the swine to either a fixed concentration point or slaughtering establishment or move or relocate the swine to an approved premises.

*b.* If a person receives swine subject to restricted movement, the person shall only receive the swine at either a fixed concentration point or slaughtering establishment or an approved premises.

3. Swine required to be moved or relocated by restricted movement must be accompanied by a restricted movement permit, as provided by rules which must be adopted by the department. The department shall issue a restricted movement permit to the person moving or relocating the swine. The permit shall include information required by the department, which shall at least include a description of the swine, the name and address of the owner, the name and address of the person receiving the swine, the date of movement or relocation, and the seal number as prescribed by the department, if a seal is required. The moved or relocated swine must also be accompanied by a transportation certificate and certificate of inspection, if required in section 166D.10.

4. *a.* Except as provided in this section, a vehicle moving swine under restricted movement shall contain a cargo area for the swine which shall be sealed to prevent access. The seal shall conform with requirements adopted by the department. Each seal shall be identified by number as required by the department. The vehicle shall be sealed by an accredited veterinarian at the premises where the swine are kept. The seal shall only be removed by a departmental official, an accredited veterinarian, an official of the United States department of agriculture, or the person authorized by the department to receive the swine upon arrival at the fixed concentration point, slaughtering establishment, or approved premises.

*b.* The department may adopt rules or issue an order to provide that a vehicle moving or relocating feeder swine from a herd which is subject to a cleanup plan is not required to be sealed as otherwise provided in this subsection, if the herd is kept and moved or relocated in compliance with the cleanup plan.

2000 Acts, ch 1110, §17, 25

Referred to in §166D.2, 166D.9, 166D.10, 166D.12

**166D.10B Approved premises.**

1. A person shall not maintain swine other than feeder pigs or cull swine at an approved premises.

*a.* A person shall not move or relocate swine to an approved premises, unless all of the following apply:

(1) The swine is a feeder pig or cull swine.

(2) The swine is not exposed or from a herd of unknown status.

*b.* A person shall not receive swine at an approved premises, unless the swine is one of the following:

(1) The swine is a feeder pig or cull swine.

(2) The swine is not exposed or from a herd of unknown status.

2. If swine is moved or relocated to an approved premises, the following shall apply:

*a.* A cull swine shall not be moved or relocated to an approved premises, unless the cull swine reacts negatively to a test and is vaccinated prior to the movement or relocation, as provided in section 166D.10.

*b.* A noninfected feeder pig must be vaccinated upon arrival at the approved premises.

3. Dead swine must be disposed of in accordance with chapter 167. The dead swine must be held so as to prevent animals, including wild animals and livestock, from reaching the dead swine.

4. The following shall apply to the location of an approved premises:

*a.* An approved premises shall not be located within one and one-half miles from a noninfected herd, other than a qualified negative herd or qualified differentiable negative herd.

*b.* An approved premises shall not be located within three miles from a qualified negative herd or a qualified differentiable negative herd.

*c.* An approved premises shall not be located in any of the following:

(1) A county in stage III of the national pseudorabies eradication program, as designated by the department.

(2) A county which has a zero percent prevalence of infection among all herds in the county at any time on or after March 1, 2000, regardless of whether the county subsequently has a greater than zero percent prevalence of infection among all herds in the county.

5. A feeder pig or a cull swine may be kept at the approved premises only for purposes of feeding and restricted movement as provided in section 166D.10.

6. *a.* The department must certify a location as an approved premises pursuant to rules adopted by the department. The department may adopt rules providing for the renewal, suspension, or termination of a certification. The terms and conditions of the certification shall be part of the cleanup plan required for the herd kept at the location pursuant to section 166D.8. Except as provided in this subsection, a location is certified as an approved premises, as long as all of the following apply:

(1) The approved premises complies with the requirements of this section and rules adopted by the department.

(2) The owner of the approved premises or the person managing the approved premises provides to the department during normal business hours access to the approved premises and records required by this subparagraph. Records of swine transfers must be kept for at least one year. Records of vaccinations occurring on the approved premises must be maintained by the owner for at least one year after vaccination. The records shall include information about purchases and sales, the names of buyers and sellers, the dates of transactions, and the number of swine involved in each transaction.

*b.* The department shall terminate the certification of an approved premises if the county in which the approved premises is located has a zero percent prevalence of infection among all herds in the county, not counting a herd kept at the approved premises. The department shall provide for the suspension or termination of the certification for a violation of a term or condition of the certification. When a certification is suspended, terminated, or not renewed, the location shall remain under a cleanup plan until released pursuant to the provisions of section 166D.8.

2000 Acts, ch 1110, §18, 25; 2002 Acts, ch 1119, §142

Referred to in §166D.2, 166D.8, 166D.10, 166D.11

**166D.11 Vaccination and testing requirements.**

1. A person shall not use in this state any vaccine that is not a differentiable vaccine.

2. *a.* Except as provided in this section, swine within a county which is designated by the department as in stage II of the national pseudorabies eradication program shall be

vaccinated with a modified-live differentiable vaccine. The swine located in a stage II county shall be vaccinated as follows:

(1) Except as provided in subparagraph (2), the following applies:

(a) Breeding swine shall at a minimum receive quarterly vaccinations.

(b) Feeder swine shall at a minimum receive one vaccination. The feeder swine shall be vaccinated when the feeder swine reach eight to twelve weeks of age or one hundred pounds, whichever occurs earlier.

(2) If swine are required to be vaccinated prior to or after movement, as provided in section 166D.10, to a stage II county, the swine shall be vaccinated with a modified-live differentiable vaccine as otherwise required in that section.

*b.* The department shall adopt rules or issue an order that exempts swine from being vaccinated with a modified-live vaccine, as provided in this subsection, based on any of the following:

(1) The swine is part of a qualified negative herd or a qualified differentiable negative herd.

(2) The swine belong to a herd located within a county, if all of the following apply:

(a) The county has a history of zero percent prevalence of infection among all herds in the county, regardless of whether the county currently has a higher than zero percent prevalence of infection among all herds in the county.

(b) All contiguous counties have a zero percent prevalence of infection among herds in that county, as designated by the department.

3. *a.* The person who owns the swine when the swine is required to be vaccinated under this chapter shall be solely liable for providing the vaccine and administering the vaccination. A noninfected feeder pig required to be vaccinated upon arrival at an approved premises as provided in section 166D.10B shall be vaccinated at the expense of the owner who moves the feeder pig. If the swine is transported into this state, the owner shall be deemed to be the person who owns the swine immediately prior to transportation.

*b.* This subsection does not prohibit the owner of swine from contracting with a person, including a person receiving ownership of swine moved into this state, to provide the vaccination, if the person receives fair compensation for providing the vaccination and the sale price for the swine is not increased because the owner must comply with this subsection.

4. The cost, or any segment of the cost, of purchasing a laboratory product used for testing and vaccination provided in this chapter may be paid for by federal or state funds or a combination of both. Federal or state funds shall not be paid to the owner of a vaccinated herd other than the owner of a herd vaccinated with a modified-live differentiable vaccine.

89 Acts, ch 280, §11; 90 Acts, ch 1091, §7; 2000 Acts, ch 1110, §19, 25
Referred to in §166D.7, 166D.8, 166D.10

**166D.12 Concentration points.**

A person shall not move swine through a concentration point, except as provided in this section.

1. For swine from a noninfected herd, the swine may be moved through any concentration point. All of the following shall apply:

*a.* Breeding swine must be kept separate and apart from feeder pigs.

*b.* Breeding swine must be sold first.

2. *a.* For swine other than swine from a noninfected herd, the swine shall not be moved through a concentration point other than a fixed concentration point, as required by the department. A fixed concentration point shall be used exclusively for the following:

(1) The movement of livestock other than swine.

(2) The immediate movement of swine to a slaughtering establishment.

*b.* A fixed concentration point shall never be used for the movement of swine other than to a slaughtering establishment.

*c.* (1) Except as provided in subparagraph (2), a person shall not move swine subject to restricted movement to or from a fixed concentration point or receive swine subject to restricted movement at a fixed concentration point, unless the swine is moved and received in compliance with section 166D.10A.

(2) A person may move swine from a herd of unknown status from a fixed concentration point other than by restricted movement as provided in section 166D.10A, if the person moves the swine directly to another fixed concentration point or to a slaughtering establishment.

*d.* Livestock, other than swine, moved to the fixed concentration point must be kept separate and apart.

*e.* If an infected swine, exposed swine, or swine from a herd of unknown status is moved through a fixed concentration point, the owner of the fixed concentration point shall post and maintain a sign on the premises of the fixed concentration point. The sign must be posted in a conspicuous place clearly visible to persons moving livestock through the fixed concentration point. The notice shall appear in black letters a minimum of one inch high and in the following form:

NOTICE
THIS FACILITY MAY SELL SWINE WHICH
HAVE BEEN EXPOSED TO PSEUDORABIES.
HOWEVER, ALL SWINE ARE MOVED
IMMEDIATELY TO SLAUGHTER.

89 Acts, ch 280, §12; 98 Acts, ch 1056, §11; 2000 Acts, ch 1110, §20, 25; 2001 Acts, ch 24, §35; 2002 Acts, ch 1093, §6, 7
Referred to in §166D.2

**166D.13 Exhibition of swine.**

1. Swine from an infected herd shall not be displayed or shown at any exhibition.
2. Animals infected shall not be shown or displayed at an exhibition.
3. Rules controlling exhibition movement requirements may be adopted by the department in addition to the requirements of this section.

89 Acts, ch 280, §13; 98 Acts, ch 1056, §12; 2011 Acts, ch 84, §4, 5

**166D.14 Pseudorabies immunization products.**

A person shall not use, sell, or distribute or offer to sell or distribute a pseudorabies immunization product within the state unless the products are approved by the secretary. However, the secretary shall approve a pseudorabies immunization product for purposes of product research or testing by a biological laboratory, government authority, or manufacturer of biological products if the secretary concludes that the use will not be detrimental to the state pseudorabies disease program.

Only a licensed veterinarian may buy and dispense a department-approved immunization product. The veterinarian must report information relating to the use of the product to the department, including the name and address of the owner and the number of doses used. The report shall be signed by the owner or the owner's agent. The report shall be mailed to the department immediately after the use of the product.

A differentiable vaccinate to be classified as a noninfected animal must react negatively to field strains of pseudorabies virus as determined by a companion differentiable serologic test. The swine must be identified as differentiable vaccinated animals.

89 Acts, ch 280, §14
Referred to in §166D.10

**166D.15 Tracing pseudorabies to source or destination herds.**

1. The owner of a known infected herd shall furnish to the department all of the following information:

*a.* A list of sources of feeder pigs or breeding swine during the preceding twelve months.

*b.* A list of sales of feeder pigs or breeding swine during the preceding twelve months.

2. If pseudorabies is diagnosed in breeding swine or feeder pigs which have been purchased from or sold to another swine producer within ninety days from the sale, the department may require a statistical sample of the breeding herd of the seller or buyer and a

statistical sample of the herd progeny over four months. If the owner of the herd refuses to allow the test, the herd shall be classified as a known infected herd.

3. Tests conducted pursuant to this section shall be completed at the owner's expense unless state funds are available for this purpose.

89 Acts, ch 280, §15

**166D.16 Enforcement — penalty — certificates.**

1. The provisions of this chapter including departmental rules adopted pursuant to this chapter shall be administered and enforced by the department.

2. Except as provided in this subsection, a person violating a provision of this chapter or any rule adopted pursuant to this chapter shall be subject to a civil penalty of at least one hundred dollars but not more than one thousand dollars.

*a.* A person who falsifies a certificate of inspection issued pursuant to this chapter shall be subject to a civil penalty of not more than five thousand dollars for each swine falsified on the certificate. A person shall not be subject to a civil penalty totaling more than twenty-five thousand dollars for falsifying a certificate, regardless of the number of swine falsified on the certificate.

*b.* The person who owns swine when the swine are required to be vaccinated under this chapter shall be subject to a civil penalty of two dollars for each swine which is not vaccinated as required.

3. In addition to any other remedies provided, the department may file a petition in the district court seeking an injunction restraining any person from violating provisions of this chapter including a rule adopted pursuant to this chapter.

89 Acts, ch 280, §16; 91 Acts, ch 32, §4; 92 Acts, ch 1163, §43; 2000 Acts, ch 1110, §21, 25
Referred to in §163.61

# CHAPTER 167

## USE AND DISPOSAL OF DEAD ANIMALS

Referred to in §159.6, 166D.10B

Definitions applicable to chapter; see §159.1


167.1 Scope.
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167.18 Duty to dispose of dead bodies.
167.19 Penalty.
167.20 Appropriation.
167.21 Reciprocal agreements with other states.
167.22 Chronic wasting disease.


**167.1 Scope.**

This chapter shall not apply to licensed slaughterhouses, or to the disposal, by licensed slaughterhouses, of the bodies of animals, or any part thereof, slaughtered for human food.

[C24, 27, 31, 35, 39, §**2744;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.1]

**167.2 Disposal of dead animals.**

No person shall engage in the business of disposing of the bodies of dead animals without first obtaining a license for that purpose from the department.

[C24, 27, 31, 35, 39, §**2745;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.2]

**167.3 "Disposing" defined.**

1. A person who receives from any other person the body of any dead animal for the purpose of obtaining the hide, skin, or grease from such animal, in any way whatsoever, or any part thereof, shall be deemed to be engaged in the business of disposing of the bodies of dead animals, and must be the operator or employee of a licensed disposal plant.

2. A disposal plant does not include an operation where the body of a dead animal is cremated, so long as the operation does not use the body of a dead animal for any other purpose described in subsection 1.

[C24, 27, 31, 35, 39, §**2746;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.3]
2009 Acts, ch 154, §1

**167.4 Licensing procedure — fees.**

1. The following shall apply to a person required to be licensed under this chapter:

*a.* The person shall submit an application for a license to the department in a manner and according to procedures required by the department.

*b.* The person shall include in the application information as required by the department, on forms prescribed by the department, which shall include at least all of the following:

(1) For a disposal plant, the person shall state the person's name and address, the person's proposed place of business, and the total number of vehicles to be involved in the operation.

(2) For a collection point involving the accumulation of whole animal carcasses or their parts for ultimate transportation to a disposal plant, the person's name and address, the person's proposed place of business, and the total number of vehicles to be involved in the operation.

(3) For a delivery service which transports whole animal carcasses or their parts to a disposal plant or collection point, the person's name and address, the total number of vehicles to be involved in the operation, and the location where the vehicles involved in the operation are to be maintained.

*c.* The person shall submit a separate application for each location that the person is to operate as a disposal plant, collection point, or a delivery service.

*d.* The person shall pay a license fee as follows:

(1) For a disposal plant, one hundred dollars.

(2) For a collection point, one hundred dollars. However, a person is not required to pay the license fee for a collection point which is operated by a disposal plant.

(3) For a delivery service which is not part of the operation of a disposal plant or collection point, fifty dollars.

*e.* A license issued to a person under this section shall expire on December 31 of each year. The person may renew the license by completing a renewal form as prescribed by the department in a manner and according to procedures required by the department. However, the renewal form must be submitted to the department prior to the license's expiration date. The person shall pay a renewal license fee which shall be for the same amount as the original license fee.

*f.* A person's license is subject to suspension or revocation by the department if the department determines that the person has committed a material violation of this chapter, including rules adopted by this chapter, or a term or condition of the license. The person may contest the department's action as provided in chapter 17A.

2. Fees collected pursuant to this section shall be deposited into the general fund of the state.

[C24, 27, 31, 35, 39, §**2747;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.4]
2004 Acts, ch 1162, §1; 2005 Acts, ch 3, §42; 2009 Acts, ch 133, §206
Referred to in §167.15

**167.5 Inspection of place.**

On receipt of such application, the secretary of agriculture or some person appointed by the secretary, shall at once inspect the building in which the applicant proposes to conduct such business. If the inspector finds that said building complies with the requirements of this chapter, and with the rules of the department, and that the applicant is a responsible and

suitable person, the inspector shall so certify in writing to such specific findings, and forward the same to the department.

[C24, 27, 31, 35, 39, §**2748;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.5]

**167.6** Repealed by 2004 Acts, ch 1162, § 5. See § 167.4.

**167.7 Record of licenses.**

The department shall keep a record of all licenses applied for or issued, which shall show the date of application and by whom made, the cause of all rejections, the date of issue, to whom issued, the date of expiration, and the location of the licensed business.

[C24, 27, 31, 35, 39, §**2750;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.7]

**167.8 Inspection revealing unsuitable place.**

If the inspector finds that said building does not comply with the requirements of this chapter or with the rules of the department, the inspector shall notify the applicant wherein the same fails to so comply. If within a reasonable time thereafter, to be fixed by the inspector, the specified defects are remedied, the department shall make a second inspection, and proceed therewith as in case of an original inspection. Not more than two inspections need be made under one application.

[C24, 27, 31, 35, 39, §**2751;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.8]

**167.9 and 167.10** Repealed by 2004 Acts, ch 1162, § 5. See § 167.4.

**167.11 Disposal plants — specifications.**

Each place for the carrying on of said business shall, to the satisfaction of the department, be provided with floors constructed of concrete, or some other nonabsorbent material, adequate drainage, be thoroughly sanitary, and adapted to carrying on the business.

This section shall not apply where the state building code, as adopted pursuant to section 103A.7, has been adopted or when the state building code applies throughout the state.

[C24, 27, 31, 35, 39, §**2754;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.11]

2004 Acts, ch 1086, §42

**167.12 Disposing of bodies.**

The following requirements shall be observed in the disposal of such bodies:

1. Cooking vats or tanks shall be airtight, except proper escapes for live steam.
2. Steam shall be so disposed of as not to cause unnecessary annoyance or create a nuisance.
3. The skinning and dismembering of bodies shall be done within said building.
4. The building shall be so situated and arranged, and the business therein so conducted, as not to interfere with the comfortable enjoyment of life and property.
5. Such portions of bodies as are not entirely consumed by cooking or burning shall be disposed of by burying as hereafter provided, or in such manner as the department may direct.
6. In case of disposal by burying, the burial shall be to such depth that no part of such body shall be nearer than four feet to the natural surface of the ground, and every part of such body shall be covered with quicklime, and by at least four feet of earth.
7. All bodies shall be disposed of within twenty-four hours after death.

[C24, 27, 31, 35, 39, §**2755;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.12]

**167.13 Rules.**

The department shall make such reasonable rules for the carrying on and conducting of such business as it may deem advisable, and all persons engaging in such business shall comply therewith.

[C24, 27, 31, 35, 39, §**2756;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.13]

**167.14 Annual inspection.**

The department shall inspect each place licensed under this chapter at least once each year, and as often as it deems necessary, and shall see that the licensee conducts the business in conformity to this chapter and the rules made by the department. For a failure or refusal by any licensee to obey the provisions of this chapter or said rules, the department shall suspend or revoke the license held by such licensee.

[C24, 27, 31, 35, 39, §**2757;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.14]

**167.15 Transportation of animals — carcasses, parts, or offal material.**

1. A person required to be licensed under section 167.4 shall transport a whole or part of an animal carcass or offal material according to requirements adopted by departmental rule.

*a.* The delivery vehicle's container used for loading and transporting the carcass or offal material shall be constructed according to departmental rules in a manner that prevents parts or liquids associated with the carcass or offal material from escaping during transport.

*b.* The department shall adopt rules requiring that the delivery vehicle's container be covered when transporting an animal carcass or offal material. However, this requirement shall not apply to a route delivery vehicle used primarily to transport animal carcasses from a farm to another location, unless the department issues a special order as provided in this paragraph. The department may issue such an order and require that the delivery vehicle's container be covered, if the state veterinarian determines that an animal or animal carcass on the farm has been infected or exposed to an infectious or contagious disease or that there has been an outbreak of an infectious or contagious disease in the area where the farm is located.

*c.* The person shall not overload the delivery vehicle's container with carcasses or offal material.

2. The department shall provide for the inspection of delivery vehicles used to transport carcasses or offal material, and for the inspection of disposal plants, collection points, or other locations in which carcasses or offal material is stored or processed before being delivered to a disposal plant.

[C24, 27, 31, 35, 39, §**2758;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.15]

2004 Acts, ch 1162, §2; 2005 Acts, ch 3, §43

**167.16 Driving upon premises of another.**

Vehicles when loaded with the carcass of an animal which has died of disease shall be driven directly to the place of disposal or transfer, except that the driver in so driving may stop on the highway for other like carcasses, but the driver shall not drive into the yard or upon the premises of any person unless the driver first obtains the permission of the person to do so.

[C24, 27, 31, 35, 39, §**2759;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.16]

**167.17 Disinfecting outfit.**

The driver or owner of a vehicle used in conveying animals which said driver or owner has reason to believe died of disease, shall, immediately after unloading said animals, cause the bed, box, tank or other container of such vehicle, the wheels thereof, all canvas and covers, the feet of the animals drawing said conveyance, and the outer clothing of all persons who have handled said carcasses to be disinfected with a solution of at least one part of creosol dip to four parts of water, or with some other equally effective disinfectant.

[C24, 27, 31, 35, 39, §**2760;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.17]

**167.18 Duty to dispose of dead bodies.**

1. A person who has been caring for or who owns an animal that has died shall not allow the carcass to lie about the person's premises. The carcass shall be disposed of within a reasonable time after death by composting, cooking, burying, or burning, as provided in this chapter, or by disposing of it, within the allowed time, to a person licensed to dispose of it.

2. Subsection 1 does not apply to a veterinarian, issued a valid license or a valid temporary

permit by the Iowa board of veterinary medicine as provided in chapter 169, who contains a dead animal's carcass in a manner that prevents an outbreak of disease.

[C24, 27, 31, 35, 39, §**2761;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.18]

87 Acts, ch 96, §1; 2009 Acts, ch 154, §2

**167.19 Penalty.**

A person who violates this chapter or a rule adopted by the department pursuant to this chapter is guilty of a simple misdemeanor. The person may be subject to a civil penalty of not less than one hundred dollars and not more than one thousand dollars for each violation. However, the state shall be precluded from bringing a criminal action against the person if the department has initiated a civil enforcement proceeding. Moneys collected in civil penalties shall be deposited into the general fund of the state.

[C97, §5019; C24, 27, 31, 35, 39, §**2762;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.19]

2004 Acts, ch 1162, §3

**167.20 Appropriation.**

The expense attending the inspection provided for in this chapter shall be paid from any unappropriated funds in the state treasury.

[C24, 27, 31, 35, 39, §**2763;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §167.20]

**167.21 Reciprocal agreements with other states.**

The department is authorized to enter into reciprocal agreements in behalf of this state with any one or more of the states adjacent to this state, providing for permits to be issued to rendering plants located in either state to transport carcasses to their plants over public highways of this state and the reciprocating state.

[C62, 66, 71, 73, 75, 77, 79, 81, §167.21]

**167.22 Chronic wasting disease.**

1. As used in this section *"chronic wasting disease"* means the same as defined in section 170.1.

2. Except as otherwise provided in this subsection, a person licensed under this chapter shall not transport the carcass of a deer or elk into this state if the carcass originates from an area outside this state that has a significant prevalence of chronic wasting disease as determined by the state veterinarian. In order to transport the carcass into this state, the person must obtain approval by the state veterinarian in a manner and according to procedures required by the department.

2004 Acts, ch 1162, §4, 6

# CHAPTER 168

## BABY CHICKS


| | | | |
|---|---|---|---|
| 168.1 | Definitions. | 168.5 | Requirements of dealers. |
| 168.2 | License of dealers. | 168.6 | Inspection. |
| 168.3 | Term and fee. | 168.7 | Administration of chapter. |
| 168.4 | Disposal of fees. | 168.8 | Punishment. |


**168.1 Definitions.**

For the purpose of this chapter:

1. *"Baby chicks"* shall mean all domestic fowls six weeks of age or under.

2. *"Person"* shall include an individual, partnership, a corporation, company, firm, society, association, community sales, public sale pavilions, or other holders of public auctions any place in the state, operating in the state, but the term *"person"* shall not be construed to include any person who hatches for sale one thousand chicks per year or less; and the act, omission, or conduct of any officer, agent or other person acting in a representative capacity may be

imputed to the organization or person represented, and the person acting in such capacity shall also be liable for violation of this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §168.1]

86 Acts, ch 1245, §621

Referred to in §10D.1

Further definitions; see §159.1

**168.2 License of dealers.**

Every person engaged in the business of custom hatching, producing baby chicks for sale in this state, or of selling or offering for sale baby chicks from any place located in this state shall obtain a license from the department for each establishment at which said business is conducted. Applications for such licenses shall be made upon blanks furnished by the department and shall conform to the prescribed rules of the department.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §168.2]

**168.3 Term and fee.**

The license fee shall be ten dollars per annum, and each license shall expire on July 1 after date of issue.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §168.3]

**168.4 Disposal of fees.**

All fees collected under the provisions of this chapter shall be paid into the state treasury.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §168.4]

**168.5 Requirements of dealers.**

All establishments licensed under this chapter shall:

1. Before baby chicks are delivered for sale, determine that the same are in a healthy condition.

2. Provide ample facilities for the proper care and handling of baby chicks on the premises.

3. Maintain sanitary measures such as will properly suppress and prevent the spread of contagious and infectious diseases of baby chicks.

4. When selling or delivering baby chicks to a purchaser in the state, place the same in a box, crate, coop, or other sanitary container for delivery. Each such box, crate, coop, or other container shall be plainly labeled with the name of seller and description of contents. Such description of contents shall include name of breed and variety, percent of guarantee if chicks are sold as sexed chicks, date of hatch, number of chicks, and any tests made on parent stock.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §168.5]

Referred to in §168.6

**168.6 Inspection.**

All establishments licensed under this chapter shall be subject to inspection by the department to determine that the requirements of section 168.5 are fully met. The failure to comply with section 168.5 or any of the provisions thereof shall constitute a violation of this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §168.6]

**168.7 Administration of chapter.**

The secretary of agriculture shall be charged with administration and enforcement of this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §168.7]

**168.8 Punishment.**

Any person, partnership, corporation, company, firm, society, or association who violates any provision of this chapter shall be guilty of a simple misdemeanor.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §168.8]

# CHAPTER 169

## VETERINARY PRACTICE

Referred to in §159.6, 162.13, 162.20, 163.3, 163.3A, 163.32, 167.18, 272C.1, 272C.6, 581.1A, 714H.4, 717.1A, 717.2A, 717.3, 717A.1, 717A.2, 717B.2, 717B.3A, 717B.5, 717D.3, 717F.7


169.1 Title.
169.2 Legislative purpose.
169.3 Definitions.
169.4 License requirement and exceptions.
169.4A Provision of veterinary services.
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169.6 Disclosure of confidential information.
169.7 Status of persons previously licensed.
169.8 Qualifications.
169.9 Examinations.
169.10 License by endorsement.
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169.12 License renewal.
169.13 Discipline of licensees.
169.14 Procedure for suspension or revocation.
169.15 Appeal.
169.16 Reinstatement.
169.17 Forgeries.
169.18 Fraud.
169.19 Enforcement — penalties.
169.20 Veterinary assistants.


**169.1 Title.**

This chapter shall be known as the *"Iowa Veterinary Practice Act"*.

[C79, 81, §169.1]

**169.2 Legislative purpose.**

This chapter is enacted as an exercise of the police powers of the state to promote the public health, safety, and welfare by safeguarding the people of this state against incompetent, dishonest, or unprincipled practitioners of veterinary medicine. It is declared that the right to practice veterinary medicine is a privilege conferred by legislative grant to persons possessed of the personal and professional qualifications specified in this chapter. This chapter shall be liberally construed to effect the legislative purpose.

[C79, 81, §169.2]

**169.3 Definitions.**

When used in this chapter:

1. *"Accepted livestock management practice"* includes but is not limited to: Dehorning, castration, docking, vaccination, pregnancy testing, clipping swine needle teeth, ear notching, drawing of blood, relief of bloat, draining of abscesses, branding, and other surgical acts of no greater magnitude; artificial insemination, collecting of semen, implanting of growth hormones, feeding commercial feed defined in section 198.3, or administration or prescription of drugs performed by the owner or contract-feeder thereof of livestock, a bona fide employee, or anyone rendering gratuitous assistance with respect to such livestock. Nothing contained herein shall be construed to permit any person except those persons enumerated in this subsection, to provide purportedly gratuitous assistance with regard to the treatment of animals other than advisory assistance, in return for the purchase of goods or services.

2. *"Accredited or approved college of veterinary medicine"* means any veterinary college or division of a university or college that offers the degree of doctor of veterinary medicine or its equivalent and that conforms to the standards required for accreditation or approval by the board.

3. *"Animal"* means any nonhuman primate, dog, cat, rabbit, rodent, fish, reptile, and other vertebrate or nonvertebrate life forms, living or dead, except domestic poultry.

4. *"Board"* means the Iowa board of veterinary medicine.

5. *"ECFVG certificate"* means a current certificate issued by the American veterinary medical association educational commission for foreign veterinary graduates, indicating that the holder has demonstrated knowledge and skill equivalent to that possessed by a graduate of an accredited or approved college of veterinary medicine.

6. *"Fee"* means monetary compensation given for a service consisting primarily of an act or acts described in subsection 10, paragraph *"a"*.

7. *"Licensed veterinarian"* means a person who is validly and currently licensed to practice veterinary medicine in the state of Iowa.

8. *"Owner"* means any person, association, partnership, corporation, or other legal entity in whom is vested the ownership, dominion over, or title to an animal, including one who is obligated by law to care for such animal.

9. *"Person"* means natural person or individual.

10. *"Practice of veterinary medicine"* means any of the following:

*a.* To diagnose, treat, correct, change, relieve or prevent, for a fee, any animal disease, deformity, defect, injury or other physical or mental conditions or cosmetic surgery; including the prescription or administration of any drug, medicine, biologic, apparatus, application, anesthetic, or other therapeutic or diagnostic substance or technique, for a fee; or to evaluate or correct sterility or infertility, for a fee; or to render, advise or recommend with regard to any of the above for a fee.

*b.* To represent, directly or indirectly, publicly or privately, an ability or willingness to do an act described in paragraph *"a"*.

*c.* To use any title, words, abbreviation, or letters in a manner or under circumstances which induce the belief that the person using them is qualified to do any act described in paragraph *"a"*.

11. *"Veterinarian"* means a person who has received a doctor of veterinary medicine degree or its equivalent from an accredited or approved college of veterinary medicine.

12. *"Veterinary assistant"* means an assistant employed by a licensed veterinarian as an animal technician and any other assistant the board designates by rule.

13. *"Veterinary medicine"* includes veterinary surgery, veterinary obstetrics, veterinary dentistry, and all other branches or specialties of veterinary medicine.

[S13, §2538-m; C24, 27, 31, 35, 39, §**2764, 2765;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.1, 169.2; C79, 81, §169.3]

83 Acts, ch 115, §2

Further definitions; see §159.1

**169.4 License requirement and exceptions.**

A person may not practice veterinary medicine in the state who is not a licensed veterinarian or the holder of a valid temporary permit issued by the board. This chapter shall not be construed to prohibit:

1. An employee of the federal, state, or local government from performing official duties.

2. A person who is a veterinary student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors, or working under the direct supervision of a licensed veterinarian. The board shall issue to any veterinary medicine student who attends an accredited veterinary medicine college or school and who has been certified as being competent by an instructor of such college or school to perform veterinary duties under the direction of an instructor of veterinary medicine or under the direct supervision of a licensed veterinarian, a certificate authorizing the veterinary medicine student to perform such functions.

3. A veterinarian currently licensed in another state from consulting with a licensed veterinarian in this state.

4. Any manufacturer, wholesaler, or retailer from advising with respect to or selling in the ordinary course of trade or business, drugs, feeds, including, but not limited to customer-formula feeds as defined in section 198.3, appliances, and other products used in the prevention or treatment of animal diseases.

5. The owner of an animal or the owner's bona fide employees from caring for and treating the animal in the possession of such owner except where the ownership of the animal was transferred solely for the purpose of circumventing this chapter.

6. A member of the faculty of an accredited college of veterinary medicine from performing functions in the classrooms or continuing education. However, those faculty members who have professional responsibility to the owner must be licensed. A temporary

permit may be granted for a period not to exceed two years to interns or residents who are on the staff of the college of veterinary medicine of Iowa state university of science and technology. Such permit shall be renewable annually upon the application of the dean of the college of veterinary medicine.

7. Any person from manufacturing, selling, offering for sale, or applying any pesticide, insecticide, or herbicide.

8. Any person from engaging in bona fide scientific research which reasonably requires experimentation involving animals.

9. Any veterinary assistant employed by a licensed veterinarian from performing duties other than diagnosis, prescription, or surgery under the direct supervision of such veterinarian which assistant has been issued a certificate by the board subject to section 169.20.

10. A graduate of a foreign college of veterinary medicine who is in the process of obtaining an ECFVG certificate for performing duties or actions under the direction or supervision of a licensed veterinarian.

11. Any person from advising with respect to or performing accepted livestock management practices.

12. Any person from engaging in the full-time study of the improvement of the quality of livestock.

13. Any person from performing post-mortem examinations on swine or cattle.

14. Any person from collecting or evaluating semen from livestock or poultry, or artificial insemination of livestock and poultry.

15. Any person from castrating, dehorning or branding notwithstanding section 169A.14.

[S13, §2538-a; C24, 27, 31, 35, 39, §**2766;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.3; C79, 81, §169.4]

83 Acts, ch 115, §3

**169.4A Provision of veterinary services.**

A person, including a corporation, limited liability company, or partnership, established on or after July 1, 1994, other than either a professional corporation organized under chapter 496C or a veterinarian licensed under this chapter, shall not provide veterinary medical services, own a veterinary clinic, or practice in this state, except as otherwise provided in this chapter. However, this section shall not prohibit a person from owning an interest in real property or a building where a clinic is located, if veterinary medical services or a practice is conducted by the clinic by a professional corporation or a veterinarian licensed under this chapter.

94 Acts, ch 1198, §35

**169.5 Board of veterinary medicine.**

1. *a.* The governor shall appoint, subject to confirmation by the senate pursuant to section 2.32, a board of five individuals, three of whom shall be licensed veterinarians and two of whom shall not be licensed veterinarians and shall represent the general public. The board shall be known as the Iowa board of veterinary medicine.

*b.* Each licensed veterinarian board member shall be actively engaged in veterinary medicine and shall have been so engaged for a period of five years immediately preceding appointment, the last two of which shall have been in Iowa. The representatives of the general public shall be knowledgeable in the area of animal husbandry. A member of the board shall not be employed by or have any material or financial interest in any wholesale or jobbing house dealing in supplies, equipment, or instruments used or useful in the practice of veterinary medicine.

*c.* Professional associations or societies composed of licensed veterinarians may recommend the names of potential board members to the governor, but the governor is not bound by the recommendations.

2. The members of the board shall be appointed for a term of three years, except the terms of the members of the initial board shall be rotated in such a manner that at least one member shall retire each year and a successor be appointed. The term of each member

shall commence and end as provided by section 69.19. Members shall serve no more than three terms or nine years total, whichever is less. Any vacancy in the membership of the board caused by death, resignation, removal, or otherwise, shall be filled for the period of the unexpired term in the same manner as original appointments.

3. The board shall meet at least once each year as determined by the board. Other necessary meetings may be called by the president of the board by giving proper notice. Except as provided, a majority of the board constitutes a quorum. Meetings shall be open and public except that the board may meet in closed session to prepare, approve, administer, or grade examinations, or to deliberate the qualifications of an applicant for license or the disposition of a proceeding to discipline a licensed veterinarian.

4. At its annual meeting, the board shall organize by electing a president and such other officers as may be necessary. Officers of the board serve for terms of one year and until a successor is elected, without limitation on the number of terms an officer may serve. The president shall serve as chairperson of board meetings. The person designated as the state veterinarian shall serve as secretary of the board.

5. The duties of the board shall include carrying on the correspondence of the board, keeping permanent accounts and records of all receipts and disbursements by the board and of all board proceedings, including the disposition of all applications for a license, and keeping a register of all persons currently licensed by the board. The representatives of the general public shall not prepare, grade, or otherwise administer examinations to applicants for a license to practice veterinary medicine. All board records shall be open to public inspection during regular office hours.

6. Members of the board shall set their own per diem compensation, at a rate not exceeding the per diem specified in section 7E.6 for each day actually engaged in the discharge of their duties, as well as compensation for necessary traveling and other expenses. Compensation for veterinarian members of the board shall include compensation for the time spent traveling to and from the place of conducting the examination and for a reasonable number of days for the preparation of examination and the reading of papers, in addition to the time actually spent in conducting examinations, within the limits of funds appropriated to the board.

7. Upon a three-fifths vote, the board may:

*a.* Examine and determine the qualifications and fitness of applicants for a license to practice veterinary medicine in the state.

*b.* Issue, renew, or deny issuance or renewal of licenses and temporary permits to practice veterinary medicine in this state.

*c.* Establish and publish annually a schedule of fees for licensing and registration of veterinarians. The fees shall be set by rule and shall include fees for a license to practice veterinary medicine issued upon the basis of the examination, a license granted on the basis of reciprocity, a renewal of a license to practice veterinary medicine, a certified statement that a licensee is licensed to practice in this state, and an issuance of a duplicate license when the original is lost or destroyed. The fee schedule shall be based on the board's anticipated financial requirements for the year, which shall include but not be limited to the following:

(1) Per diem, expenses, and travel of board members.

(2) Costs to the department for administration of this chapter.

*d.* Conduct investigations for the purpose of discovering violations of this chapter or grounds for disciplining licensed veterinarians.

*e.* Hold hearings on all matters properly brought before the board and administer oaths, receive evidence, make the necessary determinations, and enter orders consistent with the findings. The board may require by subpoena the attendance and testimony of witnesses and the production of papers, records, or other documentary evidence and commission depositions. An administrative law judge may be appointed pursuant to section 17A.11 to perform those functions which properly repose in an administrative law judge.

*f.* Employ full-time or part-time personnel, professional, clerical, or special, as are necessary to effectuate the provisions of this chapter.

*g.* Appoint from its own membership one or more members to act as representatives of

the board at any meeting within or without the state where such representation is deemed desirable.

*h.* Bring proceedings in the courts for the enforcement of this chapter or any regulations made pursuant to this chapter.

*i.* Adopt, amend, or repeal rules relating to the standards of conduct for, testing of, and revocation or suspension of certificates issued to veterinary assistants. However, a certificate shall not be suspended or revoked by less than a two-thirds vote of the entire board in a proceeding conducted in compliance with section 17A.12.

*j.* Adopt, amend, or repeal all rules necessary for its government and all regulations necessary to carry into effect the provision of this chapter, including the establishment and publication of standards of professional conduct for the practice of veterinary medicine.

8. The powers enumerated in subsection 7 are granted for the purpose of enabling the board to effectively supervise the practice of veterinary medicine and are to be construed liberally to accomplish this objective.

9. A person who provides veterinary medical services, owns a veterinary clinic, or practices in this state shall obtain a certificate from the board and be subject to the same standards of conduct, as provided in this chapter and rules adopted by the board, as apply to a licensed veterinarian, unless the board determines that the same standards of conduct are inapplicable. The board shall issue, renew, or deny a certificate; adopt rules relating to the standards of conduct; and take disciplinary action against the person, including suspension or revocation of a certificate, in accordance with the procedures established in section 169.14. Certification fees shall be established by the board pursuant to subsection 7, paragraph *"j"*. Fees shall be established in an amount sufficient to fully offset the costs of certification pursuant to this subsection. For the fiscal year beginning July 1, 2001, and ending June 30, 2002, the department shall retain fees collected to administer the program of certifying veterinary clinics and the fees retained are appropriated to the department for the purposes of this subsection. For the fiscal year beginning July 1, 2001, and ending June 30, 2002, notwithstanding section 8.33, fees which remain unexpended at the end of the fiscal year shall not revert to the general fund of the state but shall be available for use for the following fiscal year to administer the program. For the fiscal year beginning July 1, 2002, and succeeding fiscal years, certification fees shall be deposited in the general fund of the state and are appropriated to the department to administer the certification provisions of this subsection. This subsection shall not apply to an animal shelter, as defined in section 162.2, that provides veterinary medical services to animals in the custody of the shelter.

10. The department shall furnish the board with all articles and supplies required for the public use and necessary to enable the board to perform the duties imposed upon it by law. Such articles and supplies shall be obtained by the department in the same manner in which the regular supplies for the department are obtained, and the department shall assess the costs to the board for such articles and supplies. The board shall also reimburse the department for direct and indirect administrative costs incurred in issuing and renewing the licenses.

[S13, §2538-f, -h, -i, -j, -t; C24, 27, 31, 35, §2799-d1, -d5; C39, §**2773, 2777-2780, 2782, 2784, 2785, 2799.1, 2799.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.11, 169.15 – 169.19, 169.21, 169.22, 169.37, 169.41; C79, 81, §169.5]

83 Acts, ch 115, §4; 84 Acts, ch 1067, §23; 88 Acts, ch 1109, §17; 90 Acts, ch 1256, §31; 98 Acts, ch 1202, §32, 46; 2000 Acts, ch 1183, §1, 3; 2001 Acts, ch 24, §70, 74; 2005 Acts, ch 159, §1; 2009 Acts, ch 133, §72

**169.6 Disclosure of confidential information.**

1. A member of the board shall not disclose information relating to the following:

*a.* Criminal history or prior misconduct of the applicant.

*b.* Information relating to the contents of the examination.

*c.* Information relating to the examination results other than final score except for information about the results of an examination which is given to the person who took the examination.

2. A member of the board who willfully communicates or seeks to communicate

information in violation of subsection 1, and any person who willfully requests, obtains, or seeks to obtain such information, is guilty of a simple misdemeanor for each separate offense.

[C75, 77, §169.56; C79, 81, §169.6]

2009 Acts, ch 133, §207

**169.7 Status of persons previously licensed.**

Any person holding a valid license to practice veterinary medicine in this state on January 1, 1979 shall be recognized as a licensed veterinarian and shall be entitled to retain this status as long as licensee complies with the provisions of this chapter.

[C79, 81, §169.7]

**169.8 Qualifications.**

1. *a.* Any person desiring a license to practice veterinary medicine in this state shall make written application to the board on a form approved by the board. The application shall show that the applicant is a graduate of an accredited or approved college of veterinary medicine or the holder of an ECFVG certificate. The application shall also show such other information and proof as the board may require by rule. The application shall be accompanied by a fee in the amount established and published by the board.

*b.* If the board determines that the applicant possesses the proper qualifications, it shall admit the applicant to the next examination, or if the applicant is eligible for license without examination under section 169.10, the board may grant a license to the applicant.

*c.* If an applicant is found not qualified to take the examination or for a license without examination, the secretary of the board shall immediately notify the applicant in writing of such finding and the grounds therefor. An applicant found unqualified may request a hearing on the question of the applicant's qualification under the procedure set forth in section 169.14. Any applicant who is found not qualified shall be allowed the return of the application fee.

*d.* Based upon an applicant's education, experience, and training, the board may grant a limited license to an applicant to perform a restricted range of activities within the practice of veterinary medicine, as specified by the board.

2. *a.* The name, location, number of years of practice of the person to whom a license is issued, the number of the certificate, and the date of registration thereof shall be entered in a book kept in the office of the department of agriculture and land stewardship, to be known as the "registry book", and the same shall be open to public inspection.

*b.* When any person licensed to practice under this chapter changes residence, the board shall be notified within thirty days and such change shall be noted in the registry book.

3. Every individual licensed under this chapter shall keep the license displayed in the place at which an office is maintained.

[S13, §2538-e, -i, -j; C24, 27, 31, 35, 39, §**2767, 2768, 2775, 2776, 2786;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.4, 169.5, 169.13, 169.14, 169.23; C79, 81, §169.8]

83 Acts, ch 115, §5, 6; 90 Acts, ch 1117, §1; 2009 Acts, ch 41, §63

**169.9 Examinations.**

The board shall hold at least one examination during each year and may hold such additional examinations as it deems necessary. The secretary shall give public notice of the time and place for each examination at least ninety days in advance of the date set for the examination. A person desiring to take an examination shall make application at least thirty days before the date of the examination.

The preparation, administration, and grading of examinations shall be governed by rules prescribed by the board. Examinations shall be designed to test the examinee's knowledge of and proficiency in the subjects and techniques commonly taught in veterinary schools. To pass the examination, the examinee must demonstrate scientific and practical knowledge sufficient to establish competency to practice veterinary medicine in the judgment of the board. All examinees shall be tested by a written examination, supplemented by such oral interviews and practical demonstrations as the board may deem necessary. The board may

adopt and use the examination prepared by the national board of veterinary examiners as a part of the examination given to examinees.

After each examination, the board shall notify each examinee of the examination result, and the board shall issue licenses to the individuals successfully completing the examination. The board shall record the new licenses and issue a certificate of registration to the new licensees. Any individual failing an examination shall be admitted to any subsequent examination on payment of the application fee.

In all written examinations the identity of the individual taking the same shall not be disclosed upon the examination papers in such a way as to enable the members of the examining board to know by whom written until after the papers have been passed upon.

[S13, §2538-e, -f, -i; C24, 27, 31, 35, 39, §**2772, 2790 – 2792;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.10, 169.27 – 169.29; C79, 81, §169.9]

83 Acts, ch 115, §7

**169.10 License by endorsement.**

1. The board may issue a license to practice veterinary medicine in this state without written examination to an applicant who meets all of the following requirements:

*a.* Has graduated from an accredited college of veterinary medicine or has received a certificate from the educational commission for foreign veterinary graduates at least five years prior to application.

*b.* Has actively practiced for at least two thousand hours during the five years preceding application.

*c.* Has not previously failed and not subsequently passed a veterinary licensing examination in this state.

*d.* Holds a current license to practice veterinary medicine in another state or United States territory or province of Canada.

*e.* Is not subject to license investigation, suspension, or revocation in any state, United States territory, or province of Canada.

*f.* Provides other information and proof as the board may require by rule.

2. The board may issue a license to practice veterinary medicine in this state without written or oral examination to an applicant who meets all of the following requirements:

*a.* Holds a current certification as a diplomate of a national specialty board or college recognized by the board by rule.

*b.* Is not subject to license investigation, suspension, or revocation in any state, United States territory, or province of Canada.

*c.* Provides other information and proof as the board may require by rule.

[S13, §2538-i, -i1; C24, 27, 31, 35, 39, §**2794 – 2797;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.31 – 169.34; C79, 81, §169.10]

90 Acts, ch 1117, §2

Referred to in §169.8

**169.11 Temporary permit.**

The board may issue without examination a temporary permit to practice veterinary medicine in this state:

1. To a qualified applicant for license pending examination and the temporary permit shall expire the day after the notice of results of the first examination given after the permit is issued. The temporary permit holder should keep the secretary continually advised of the permit holder's current address.

2. To a nonresident veterinarian validly licensed in another state, territory, or district of the United States or a foreign country who pays the fee established and published by the board. Such temporary permit shall be issued for a period of no more than one hundred eighty days and no more than one permit shall be issued to a person during each calendar year.

[C79, 81, §169.11]

**169.12 License renewal.**

All licenses shall expire in multiyear intervals as determined by the board but may be renewed by registration with the board and payment of the registration renewal fee established and published by the board. Prior to expiration the secretary shall mail a notice to each licensed veterinarian that the license will expire and provide the licensee with a form for registration.

Any person who shall practice veterinary medicine after license expiration is practicing in violation of this chapter. However, a person may renew an expired license within five years of the date of its expiration by making written application for renewal and paying the current renewal fee plus all delinquent renewal fees. After five years have elapsed since the date of expiration, a license may not be renewed, and the holder must make application for a new license and take the license examination.

The board may by rule waive the payment of the registration renewal fee of a licensed veterinarian during the period when the veterinarian is on active duty with any branch of the armed services of the United States.

Any licensee who is desirous of changing residence to another state or territory shall, upon application to the department and payment of the legal fee, receive a certified statement that the licensee is a duly licensed practitioner in this state.

[S13, §2538-j; C24, 27, 31, 35, 39, §**2769, 2769.1, 2798;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.6, 169.35; C79, 81, §169.12]

Referred to in §169.13

**169.13 Discipline of licensees.**

1. The board of veterinary medicine, after due notice and hearing, may revoke or suspend a license to practice veterinary medicine if it determines that a veterinarian licensed to practice veterinary medicine is guilty of any of the following acts or offenses:

*a.* Knowingly making misleading, deceptive, untrue, or fraudulent representation in the practice of the profession.

*b.* Being convicted of a felony in the courts of this state or another state, territory, or country. Conviction as used in this paragraph includes a conviction of an offense which if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding in which a finding or verdict of guilt is made or returned, but the adjudication or guilt is either withheld or not entered. A certified copy of the final order or judgment of conviction or plea of guilty in this state or in another state is conclusive evidence.

*c.* Violating a statute or law of this state, another state, or the United States, without regard to its designation as either felony or misdemeanor, which statute or law relates to the practice of veterinary medicine.

*d.* Having the person's license to practice veterinary medicine revoked or suspended, or having other disciplinary action taken by a licensing authority of another state, territory, or country. A certified copy of the record or order of suspension, revocation, or disciplinary action is conclusive or prima facie evidence.

*e.* Knowingly aiding, assisting, procuring, or advising a person to unlawfully practice veterinary medicine.

*f.* Being adjudged mentally incompetent by a court of competent jurisdiction. The adjudication shall automatically suspend a license for the duration of the license unless the board orders otherwise.

*g.* Being guilty of a willful or repeated departure from, or the failure to conform to, the minimal standard of acceptable and prevailing practice of veterinary medicine as defined in rules adopted by the board, in which proceeding actual injury to an animal need not be established; or the committing by a veterinarian of an act contrary to honesty, justice, or good morals, whether the act is committed in the course of the practice or otherwise, and whether committed within or without this state.

*h.* Inability to practice veterinary medicine with reasonable skill and safety by reason of illness, drunkenness, excessive use of drugs, narcotics, chemicals, or other type of material or as a result of a mental or physical condition.

*i.* Willful or repeated violation of lawful rules adopted by the board or violation of a lawful order of the board, previously entered by the board in a disciplinary hearing.

2. *a.* The board, upon probable cause, may compel a veterinarian to submit to a mental or physical examination by designated physicians. Failure of a veterinarian to submit to an examination constitutes an admission to the allegations made against that veterinarian and the finding of fact and decision of the board may be entered without the taking of testimony or presentation of evidence. At reasonable intervals, a veterinarian shall be afforded an opportunity to demonstrate that the veterinarian can resume the competent practice of veterinary medicine with reasonable skill and safety to animals.

*b.* A person licensed to practice veterinary medicine who makes application for the renewal of the person's license as required by section 169.12 gives consent to submit to a mental or physical examination as provided by this paragraph when directed in writing by the board. All objections shall be waived as to the admissibility of the examining physician's testimony or examination reports on the grounds that they constitute privileged communication. The medical testimony or examination reports shall not be used against a veterinarian in another proceeding and are confidential except for other actions filed against a veterinarian to revoke or suspend that person's license.

[S13, §2538-e; C24, 27, 31, 35, 39, §**2799;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.36; C79, 81, §169.13]

83 Acts, ch 115, §8; 2009 Acts, ch 41, §64

Referred to in §169.14, 272C.3, 272C.4

**169.14 Procedure for suspension or revocation.**

A proceeding for the revocation or suspension of a license to practice veterinary medicine or to discipline a person licensed to practice veterinary medicine shall be substantially in accord with the following:

1. The board, upon its own motion or upon a verified complaint in writing, may request the department of inspections and appeals to conduct an investigation of the charges contained in the complaint. The department of inspections and appeals shall report its findings to the board, and the board may issue an order fixing the time and place for hearing if a hearing is deemed warranted. A written notice of the time and place of the hearing, together with a statement of the charges, shall be served upon the licensee at least ten days before the hearing in the manner required for the service of notice of the commencement of an ordinary action.

2. If the licensee has left the state, the notice and statement of the charges shall be so served at least twenty days before the date of the hearing, wherever the licensee may be found. If the whereabouts of the licensee is unknown, service may be had by publication as provided in the rules of civil procedure upon filing the affidavit required by those rules. If the licensee fails to appear either in person or by counsel at the time and place designated in the notice, the board shall proceed with the hearing.

3. The hearing shall be before a member or members designated by the board or before an administrative law judge appointed by the board according to the requirements of section 17A.11, subsection 1. The presiding board member or administrative law judge may issue subpoenas, administer oaths, and take or cause depositions to be taken in connection with the hearing. The member or officer shall issue subpoenas at the request and on behalf of the licensee.

4. A mechanized or stenographic record of the proceedings shall be kept. The licensee shall be given the opportunity to appear personally and by attorney, with the right to produce evidence in one's own behalf, to examine and cross-examine witnesses, and to examine documentary evidence produced against the licensee.

5. If a person refuses to obey a subpoena issued by the presiding member or administrative law judge or to answer a proper question put to that person during the hearing, the presiding member or administrative law judge may invoke the aid of a court of competent jurisdiction in requiring the attendance and testimony of that person and the production of papers. A failure to obey the order of the court may be punished by the court as a civil contempt may be punished.

6. Unless the hearing is before the entire board, a transcript of the proceeding, together

with exhibits presented, shall be considered by the entire board at the earliest practicable time. The licensee and attorney shall be given the opportunity to appear personally to present the licensee's position and arguments to the board. The board shall determine the charge upon the merits on the basis of the evidence in the record before it.

7. Upon three members of the board voting in favor of finding the licensee guilty of an act or offense specified in section 169.13, the board shall prepare written findings of fact and its decision imposing one or more of the following disciplinary measures:

*a.* Suspend the license to practice veterinary medicine for a period to be determined by the board.

*b.* Revoke the license to practice veterinary medicine.

*c.* Suspend imposition of judgment and penalty or impose the judgment and penalty, but suspend enforcement and place the veterinarian on probation. The probation ordered may be vacated upon noncompliance. The board may restore and reissue a license to practice veterinary medicine, and may impose a disciplinary or corrective measure which it might originally have imposed.

8. Judicial review of the board's action may be sought in accordance with chapter 17A.

9. The filing of a petition for review does not in itself stay execution or enforcement of board action. Upon application, the board or the review court, in appropriate cases, may order a stay pending the outcome of the review proceedings.

[C31, 35, §2799-d1, -d3, -d4, -d6; C39, §**2799.1, 2799.3, 2799.4, 2799.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.37, 169.39, 169.40, 169.42; C79, 81, §169.14]

83 Acts, ch 115, §9; 88 Acts, ch 1109, §18; 88 Acts, ch 1158, §44; 89 Acts, ch 296, §19; 98 Acts, ch 1202, §33, 46

Referred to in §169.5, 169.8, 169.20

**169.15 Appeal.**

Any party aggrieved by a decision of the board may appeal the matter to the district court as provided in section 17A.19.

[C79, 81, §169.15]

83 Acts, ch 115, §10

**169.16 Reinstatement.**

A person whose license is suspended or revoked may be relicensed or reinstated at any time by a vote of five members of the board after written application made to the board showing cause justifying relicensing or reinstatement. Examination of the applicant may be waived by the board.

[C79, 81, §169.16]

83 Acts, ch 115, §11

**169.17 Forgeries.**

Any person who shall file or attempt to file with the department or board of veterinary medicine any false or forged diploma or certificate or affidavit of identification or qualification is guilty of a fraudulent practice.

[C24, 27, 31, 35, 39, §**2803;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.43; C79, 81, §169.17]

**169.18 Fraud.**

Any person who shall present to the department or board of veterinary medicine a diploma or certificate of which the person is not the rightful owner, for the purpose of procuring a license, or who shall falsely impersonate anyone to whom a license has been granted by said department, is guilty of a fraudulent practice.

[C24, 27, 31, 35, 39, §**2804;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.44; C79, 81, §169.18]

**169.19 Enforcement — penalties.**

1. Any person who practices veterinary medicine without a currently valid license or temporary permit is guilty of a fraudulent practice. Each act of such unlawful practice shall constitute a distinct and separate offense.

2. A person who shall practice veterinary medicine without a currently valid license or temporary permit shall not receive any compensation for services so rendered.

3. The county attorney of the county in which any violation of this chapter occurs shall conduct the necessary prosecution for such violation. Notwithstanding this provision, the board of veterinary medicine or any citizen of this state may bring an action to enjoin any person from practicing veterinary medicine without a currently valid license or temporary permit. The action brought to restrain a person from engaging in the practice of veterinary medicine without possessing a license shall be brought in the name of the state of Iowa. If the court finds that the individual is violating or threatening to violate this chapter it shall enter an injunction restraining the individual from such unlawful acts.

4. The successful maintenance of an action based on any one of the remedies set forth in this section shall in no way prejudice the prosecution of an action based on any other remedy set forth in this section.

5. The department shall cooperate with the board of veterinary medicine in the enforcement of the provisions of this chapter.

[S13, §2538-l; C24, 27, 31, 35, 39, §**2805 – 2807;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §169.45 – 169.48; C79, 81, §169.19]

83 Acts, ch 115, §12; 2012 Acts, ch 1023, §157

Referred to in §331.756(31)

**169.20 Veterinary assistants.**

A veterinarian may employ certified veterinary assistants for any purpose other than diagnosis, prescription or surgery. Veterinary assistants must act under the direct supervision of a licensed veterinarian.

The board shall issue certificates to veterinary assistants who have met the educational, experience and testing requirements as the board shall specify by rule. The certificate is not a license and does not expire. The certificate may be suspended or revoked, or any other disciplinary action may be taken as specified in section 272C.3, subsection 2. All disciplinary actions shall be taken pursuant to section 169.14.

83 Acts, ch 115, §1

Referred to in §169.4

# CHAPTER 169A

## MARKING AND BRANDING OF LIVESTOCK

Referred to in §169C.3


169A.1 Definitions.
169A.2 Adoption of brand.
169A.3 Must be recorded.
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169A.13 Renewal of brand and fee.
169A.13A Branding administration fund.
169A.14 Tampering.
169A.15 Repealed by 95 Acts, ch 60, §10.
169A.16 Repealed by 96 Acts, ch 1119, §2.


**169A.1 Definitions.**

When used in this chapter:

1. *"Animal"* means a creature belonging to the bovine, caprine, equine, ovine, or porcine species; ostriches, rheas, or emus; farm deer as defined in section 170.1; or poultry.

2. *"Brand"* means an identification mark that is burned into the hide of a live animal by a hot iron or another method approved by the secretary. A brand shall include a cryo-brand.

3. *"Computer"* means the same as defined in section 22.3A.

4. *"Cryo-brand"* means a brand produced by application of extreme cold temperature.

5. *"Identification device"* means a device which when installed is designed to store information regarding an animal or the animal's owner in an electronic format which may be accessed by a computer for purposes of reading or manipulating the information.

6. *"Install"* means to place an identification device onto or beneath the hide or skin of an animal, including but not limited to fixing the device into the ear of an animal or implanting the device beneath the skin of the animal.

7. *"Livestock"* means horses, cattle, sheep, mules, or asses.

[C66, 71, 73, 75, 77, 79, 81, §187.1]
86 Acts, ch 1245, §635
C93, §169A.1
95 Acts, ch 60, §1; 98 Acts, ch 1208, §1; 2003 Acts, ch 149, §2, 23
Further definitions; see §159.1

**169A.2 Adoption of brand.**

Any person owning livestock may adopt a brand for the purpose of branding the livestock. The person shall have the exclusive right to use the brand in this state, after recording the brand as provided in sections 169A.4 and 169A.6 or 169A.9.

[C66, 71, 73, 75, 77, 79, 81, §187.2]
C93, §169A.2
95 Acts, ch 60, §2

**169A.3 Must be recorded.**

Evidence of an animal's ownership shall not be established in court by the animal's brand, unless the animal is livestock, the brand complies with the requirements of this chapter, and the brand is recorded as provided in sections 169A.4 and 169A.6 or 169A.9.

[C66, 71, 73, 75, 77, 79, 81, §187.3]
C93, §169A.3
95 Acts, ch 60, §3

**169A.4 Recording — fee.**

A person desiring to adopt a brand shall forward to the secretary a brand application on forms approved by the secretary and providing for the desired brand, together with a recording fee of twenty-five dollars. Upon receipt, the secretary shall file the application and fee, unless the brand is of record of another person or conflicts with or closely resembles the brand of another person. If the secretary determines that such brand is of record or conflicts with or closely resembles the brand of another person, the secretary shall not record it but shall return the facsimile and fee to the forwarding person. However, the secretary shall renew a conflicting brand if the brand was originally recorded prior to July 1, 1996, and the brand is renewed as provided in section 169A.13. The department may notify each owner of a conflicting brand that the owner may record a nonconflicting brand. The power of examination, approval, acceptance, or rejection shall be vested in the secretary. The secretary shall file all brands offered for record pending the examination provided for in this section. The secretary shall make such examination as promptly as possible. If the brand is accepted, the brand's ownership shall vest in the person recording it from the date of filing.

[C51, §921 – 923; R60, §1556 – 1558; C73, §1480, 1481, 3809; C97, §2335, 2336; C24, 27, 31, 35, 39, §**2977, 2978;** C46, 50, 54, 58, 62, §187.2, 187.3; C66, 71, 73, 75, 77, 79, 81, §187.4]
C93, §169A.4
96 Acts, ch 1119, §1; 2001 Acts, ch 183, §20; 2002 Acts, ch 1050, §61, 65
Referred to in §169A.2, 169A.3, 169A.5, 169A.8, 169A.13

**169A.5 Effect of record.**

The recording provided for in sections 169A.4 and 169A.6 or 169A.9 shall secure the brand to the person and shall be considered personal property of said owner.

[C66, 71, 73, 75, 77, 79, 81, §187.5]
C93, §169A.5

**169A.6 Certified copy furnished.**

As soon as the brand is recorded by the secretary, the secretary shall furnish the owner of the brand with a certified copy of the record of the brand.

[C66, 71, 73, 75, 77, 79, 81, §187.6]

C93, §169A.6

95 Acts, ch 60, §4

Referred to in §169A.2, 169A.3, 169A.5, 169A.10

**169A.7 Unlawful use of brand — penalty.**

A person shall not use any brand for branding livestock, unless the brand has been recorded as provided by this chapter. A person may use an unrecorded hot brand or an unrecorded cryo-brand, consisting only of Arabic numerals, if the person uses the unrecorded brand in conjunction with the person's recorded brand, and only for purposes of identifying animals within a herd. However, the unrecorded brand shall not be evidence of ownership. A person convicted of violating this section shall be guilty of an aggravated misdemeanor.

[C66, 71, 73, 75, 77, 79, 81, §187.7]

C93, §169A.7

95 Acts, ch 60, §5

**169A.8 Sale or assignment of brand.**

Any brand recorded as provided in section 169A.4 shall be the property of the person causing such record to be made and shall be subject to sale, assignment, transfer, devise, and descent as personal property. Instruments of writing, evidencing the sale, assignment, or transfer of such brand shall be recorded by the secretary and the fee for recording such sale, assignment, or transfer shall be in an amount established by rule of the secretary pursuant to chapter 17A, which amount shall be based upon the administrative costs of maintaining the brand program provided for by this chapter.

[C66, 71, 73, 75, 77, 79, 81, §187.8]

C93, §169A.8

**169A.9 Certified copy to new owner.**

As soon as instruments of writing evidencing the sale, assignment, or transfer of a brand have been recorded by the secretary, the secretary shall furnish such new owner one certified copy of such sale, assignment, or transfer.

[C66, 71, 73, 75, 77, 79, 81, §187.9]

C93, §169A.9

Referred to in §169A.2, 169A.3, 169A.5, 169A.10

**169A.10 Evidence of ownership — investigations.**

1. In a suit at law or equity or in any criminal proceedings in which the title to an animal is an issue, the following shall be admissible as evidence:

*a.* A certified copy of a record as provided for in section 169A.6 or 169A.9. The certified copy shall be prima facie evidence of the ownership of livestock by the person in whose name the brand is recorded.

*b.* Information stored in an identification device which identifies the owner of an animal. The information shall be prima facie evidence of the ownership of the animal, if all of the following apply:

(1) The identification device meets applicable design standards adopted by the international standard organization, or which may be adopted by the department.

(2) The identification device is installed according to manufacturer's requirements.

(3) The information is not in conflict with a certified copy of a record as provided for in section 169A.6 or 169A.9.

*c.* The results of a sheriff's investigation as provided in this section.

2. A dispute involving the custody or ownership of an animal branded or subject to electronic identification under this chapter shall be investigated, on request, by the sheriff of the county where the animal is located. The sheriff may call upon the services of an authorized person, approved by the secretary, in reading the brands on animals. The cost

of the services shall be paid by the person requesting the investigation. The results of the sheriff's investigation are a public record.

[C66, 71, 73, 75, 77, 79, 81, §187.10]
C93, §169A.10
95 Acts, ch 60, §6; 98 Acts, ch 1208, §2
Referred to in §331.653

**169A.11 Publication of brands list.**

The secretary from time to time shall publish on the internet a list of all brands on record at the time of the publication. The publication shall contain a facsimile of all brands recorded and the owner's name and post office address. The records shall be arranged in convenient form for reference.

[C66, 71, 73, 75, 77, 79, 81, §187.11]
C93, §169A.11
95 Acts, ch 60, §7; 2012 Acts, ch 1095, §60

**169A.12** Repealed by 2001 Acts, ch 183, § 23.

**169A.13 Renewal of brand and fee.**

Each owner of a brand which is recorded pursuant to section 169A.4 shall renew the brand every five years after originally recording the brand and pay a renewal fee. The amount of the renewal fee is twenty-five dollars. The secretary shall notify every owner of a brand of record at least thirty days prior to the date of the renewal period. If the owner of a brand of record does not renew the brand and pay the renewal fee within six months after it is due, the owner shall forfeit the brand and the brand shall no longer be recorded. A forfeited brand shall not be issued to any other person for five years following date of forfeiture.

[C66, 71, 73, 75, 77, 79, 81, §187.13]
C93, §169A.13
95 Acts, ch 60, §8; 96 Acts, ch 1034, §8; 2001 Acts, ch 183, §21; 2002 Acts, ch 1119, §24
Referred to in §169A.4

**169A.13A Branding administration fund.**

1. A branding administration fund is created in the state treasury under the control of the department. The fund is composed of moneys collected in fees as provided in this chapter, moneys appropriated by the general assembly, and moneys available to and obtained or accepted by the department from the United States or private sources for placement in the fund.

2. The fund is subject to warrants written by the director of the department of administrative services, drawn upon the written requisition of the department.

3. Moneys in the fund are appropriated to the department for the exclusive purpose of supporting the administration of this chapter by the department.

4. The department may adopt rules pursuant to chapter 17A to administer this section.

5. Section 8.33 shall not apply to moneys in the fund. Notwithstanding section 12C.7, moneys earned as income, including as interest, from the fund shall remain in the fund until expended as provided in this section.

2001 Acts, ch 183, §22; 2003 Acts, ch 145, §286

**169A.14 Tampering.**

1. A person shall not do any of the following to an animal:

*a.* Brand, attempt to brand, or cause to be branded livestock, without authorization from the owner.

*b.* Efface, deface, or obliterate or attempt to efface, deface, or obliterate a brand, without authorization from the owner of the livestock.

*c.* Brand, attempt to brand, or cause to be branded a recorded brand on livestock, without authorization of the owner of the brand.

*d.* Install an electronic device or remove or damage an installed electronic device, without authorization from the owner of an animal.

2. A person violating this section is guilty of a fraudulent practice as provided in chapter 714.

[C66, 71, 73, 75, 77, 79, 81, §187.14]
C93, §169A.14
98 Acts, ch 1208, §3
Referred to in §169.4

**169A.15** Repealed by 95 Acts, ch 60, § 10.

**169A.16** Repealed by 96 Acts, ch 1119, § 2.

# CHAPTER 169B

RESERVED

# CHAPTER 169C

TRESPASSING OR STRAY LIVESTOCK


| | | | |
|---|---|---|---|
| 169C.1 | Definitions. | 169C.4 | Liability. |
| 169C.2 | Custody. | 169C.5 | Satisfaction for damages. |
| 169C.3 | Notice to livestock owner. | 169C.6 | Habitual trespass. |


**169C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Aggrieved party"* means a landowner or a local authority.
2. *"County system"* means the same as defined in section 445.1.
3. *"Fence"* means a fence as described in chapter 359A which is lawful and tight as provided in that chapter, including but not limited to a partition fence. For purposes of this chapter, *"fence"* includes a fence bordering a public road.
4. *"Landowner"* means a person who holds an interest in land, including a titleholder or tenant.
5. *"Livestock"* means an animal belonging to the bovine, caprine, equine, ovine, or porcine species; ostriches, rheas, or emus; farm deer as defined in section 170.1; or poultry.
6. *"Livestock care provider"* means a person designated by a local authority to provide care to livestock which is distrained by a local authority.
7. *"Livestock owner"* means the person who holds title to livestock or who is primarily responsible for the care and feeding of the livestock as provided by the titleholder.
8. *"Local authority"* means a city as defined in section 362.2 or a county as provided in chapter 331.
9. *"Maintenance"* means the provision of shelter, food, water, or a nutritional formulation as required pursuant to chapter 717.
10. *"Public road"* means a thoroughfare and its right-of-way, whether reserved by public ownership or easement, for use by the traveling public.

97 Acts, ch 57, §1; 2003 Acts, ch 149, §3, 23; 2007 Acts, ch 64, §1; 2010 Acts, ch 1118, §1
Further definitions, see §159.1

**169C.2 Custody.**

A landowner may take custody of livestock if the livestock trespasses upon the landowner's land or strays from the livestock owner's control on a public road which adjoins the landowner's land. A local authority may take custody of the livestock as provided by the local authority. The landowner shall not transfer custody of the livestock to a person other than the livestock owner or a local authority, unless the livestock owner approves of the

transfer. A local authority shall not transfer custody of the livestock to a person other than the livestock owner or a livestock care provider.

97 Acts, ch 57, §2
Referred to in §169C.4, 169C.5

**169C.3 Notice to livestock owner.**

1. *a.* If livestock trespasses upon a landowner's land or the landowner takes custody of the livestock, the landowner shall deliver notice of the trespass or custody to the livestock owner within forty-eight hours following discovery of the trespass or taking custody of livestock which has not trespassed. If a local authority takes custody of the livestock, the local authority shall deliver notice of the custody to the livestock owner within forty-eight hours after taking custody of the livestock. The forty-eight-hour period shall exclude any time that falls on a Sunday or a holiday recognized by the state or the United States. The notice shall be made in writing and delivered by certified mail or personal service to the last known mailing address of the livestock owner.

*b.* If the aggrieved party does not know the name and address of the livestock owner, the aggrieved party shall make reasonable efforts to determine the identity of the livestock owner. The reasonable efforts shall include obtaining the name and address of the owner of the brand appearing on the livestock from the department of agriculture and land stewardship under chapter 169A. If the name and address of the livestock owner cannot be determined, the aggrieved party shall publish the notice as soon as possible at least once each week for two consecutive weeks in a newspaper having general circulation in the county where the livestock is located.

2. A notice required under this section shall at least provide all of the following:

*a.* The name and address of the landowner or local authority.

*b.* A description of the livestock and where it trespassed or strayed.

*c.* An estimate of the amount of the livestock owner's liability.

97 Acts, ch 57, §3
Referred to in §169C.4, 169C.5

**169C.4 Liability.**

1. A livestock owner shall be liable to the following persons:

*a.* To a landowner for damages caused by the livestock owner's livestock which have trespassed on the landowner's land, including but not limited to property damage and costs incurred by the landowner's custody of the livestock including maintenance costs. A livestock owner's liability is not affected by the failure of a landowner to take custody of the livestock. A livestock owner shall not be liable for damages incurred by a landowner if the livestock trespassed through a fence that was not maintained by the landowner as required pursuant to chapter 359A.

*b.* To a landowner who takes custody of livestock on a public road as provided in section 169C.2 for costs incurred by the landowner in taking custody of the livestock, including maintenance costs.

*c.* To a local authority which takes custody of livestock for costs incurred by the local authority in taking custody of the livestock, including maintenance costs.

2. An aggrieved party who fails to provide timely notice of a livestock's trespass or custody as required by section 169C.3 shall not be entitled to compensation for damages for the period of time during which the aggrieved party fails to provide timely notice.

3. A landowner is not liable for an injury or death suffered by the livestock in the landowner's custody, unless the landowner caused the injury or death. The landowner is not liable for livestock that strays from the landowner's land. An aggrieved party is not liable for livestock that strays from the control of the aggrieved party.

97 Acts, ch 57, §4; 98 Acts, ch 1100, §21, 22

**169C.5 Satisfaction for damages.**

1. *a.* After receiving notice by an aggrieved party as required by section 169C.3, the livestock owner shall pay all damages to the aggrieved party for which the livestock owner is liable.

*b.* The aggrieved party or the livestock owner may bring a civil action in order to determine the livestock owner's liability and the amount of any claim for damages. The aggrieved party or livestock owner must bring the action within thirty days following receipt or publication of the notice as required by section 169C.3. The court may join all other claims arising out of the same facts that are alleged in the claim for damages. The civil action may be heard by a district judge or a district associate judge. The civil action may be heard by the district court sitting in small claims as provided in chapter 631.

*c.* If the livestock is in the custody of an aggrieved party or livestock care provider, a rebuttable presumption arises that the livestock has trespassed or strayed from the control of the livestock owner. The rebuttable presumption shall not apply if a criminal charge has been filed involving the removal or transfer of the livestock. The burden of proof regarding all other matters of dispute shall be on the aggrieved party.

*d.* The failure of an aggrieved party to provide notice as required by section 169C.3 shall not bar the aggrieved party from being awarded a judgment, if the court determines that the livestock owner had actual knowledge that the livestock had trespassed or strayed and the name and address of the aggrieved party.

2. If a civil action is brought by the livestock owner or aggrieved party, the matter shall be heard by a court on an expedited basis. The aggrieved party shall provide for the transfer of the livestock to the livestock owner, if the livestock owner posts a bond or other security with the court in the amount of the aggrieved party's claim. If a bond or security is not posted, the aggrieved party or livestock care provider shall keep custody of and provide maintenance to the livestock. However, the livestock owner shall post the bond or other security if the matter is set for hearing more than thirty days from the date that the petition bringing the civil action is filed. The court shall order the immediate disposition of the livestock as provided in chapter 717, if the livestock is permanently distressed by disease or injury to a degree that would result in severe or prolonged suffering.

3. If a civil action is not timely brought as provided in this section, title to the livestock shall transfer to the aggrieved party thirty days following receipt of the notice by the livestock owner or the first date of the notice's publication as required pursuant to section 169C.3, if the parties fail to agree to the amount, terms, or conditions of payment or if the identity of the livestock owner cannot be determined. Title to the livestock shall transfer subject to any applicable security interests or liens.

4. A landowner is liable to the livestock owner for twice the fair market value of livestock that the landowner transfers to a person other than a local authority in violation of section 169C.2.

5. If the aggrieved party is a local authority, the local authority shall reimburse the landowner for the landowner's damages from proceeds received from the sale of the livestock, after satisfying any superior security interests or liens.

97 Acts, ch 57, §5

**169C.6 Habitual trespass.**

A habitual trespass occurs when livestock trespasses from the land where the livestock are kept onto the land of a neighboring landowner or strays from the land where the livestock are kept onto a public road, and on three or more separate occasions within the prior twelve-month period the same or different livestock kept on that land have trespassed onto the land of the same neighboring landowner or strayed from the land where the livestock are kept onto the same public road.

1. The local authority upon its own initiative or upon receipt of a complaint shall determine whether livestock are trespassing or straying from the land where the livestock are kept onto a public road, and make a record of its findings.

2. *a.* Once a habitual trespass occurs, a neighboring landowner may request that the responsible landowner of the land where the trespassing or stray livestock are kept erect or maintain a fence on the land. The neighboring landowner shall make the request to the responsible landowner in writing. The responsible landowner may compel an adjacent landowner to contribute to the erection or maintenance of the fence as provided in chapter 359A.

*b.* If the responsible landowner does not erect or maintain a fence within thirty days after receiving the request, the neighboring landowner may apply to the fence viewers as provided in chapter 359A as if the matter were a controversy between the responsible landowner and an adjacent landowner, and the matter shall be resolved by an order issued by the fence viewers, subject to appeal, as provided in chapter 359A. The neighboring landowner shall be a party to the controversy as if the neighboring party were an adjacent landowner. The neighboring landowner is not liable for erecting or maintaining the fence, unless the neighboring landowner is an adjacent landowner who is otherwise required to make a contribution under chapter 359A.

3. If the fence is not erected or maintained as required in section 359A.6, and upon the written request of the board of township trustees, the board of supervisors of the county where the fence is to be erected or maintained shall act in the same manner as the board of township trustees under that section, including by erecting or maintaining the fence, ordering payment from a defaulted party, and certifying an amount due to the county treasurer in the same manner as in section 359A.6. The amount due shall include the total costs required to erect or maintain the fence and a penalty equal to five percent of the total costs. The amount shall be placed upon the county system and collected in the same manner as ordinary taxes. Upon certification to the county treasurer, the amount assessed shall be a lien on the parcel until paid.

2007 Acts, ch 64, §2; 2010 Acts, ch 1118, §2

Referred to in §359A.22A, 445.1

# CHAPTER 170

## FARM DEER

Referred to in §481A.124, 484B.3, 484B.12, 484C.2, 484C.6, 484C.8


| | |
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**170.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Chronic wasting disease"* means the animal disease afflicting deer, elk, or moose that is a transmissible disease of the nervous system resulting in distinctive lesions in the brain and that belongs to the group of diseases that is known as transmissible spongiform encephalopathies (TSE).

2. *"Council"* means the farm deer council established pursuant to section 170.2.

3. *"Department"* means the department of agriculture and land stewardship.

4. *a.* *"Farm deer"* means an animal belonging to the cervidae family and classified as part of the dama species of the dama genus, commonly referred to as fallow deer; part of the elaphus species of the cervus genus, commonly referred to as red deer or elk; part of the virginianus species of the odocoileus genus, commonly referred to as whitetail; part of the hemionus species of the odocoileus genus, commonly referred to as mule deer; part of the nippon species of the cervus genus, commonly referred to as sika; or part of the alces species of the alces genus, commonly referred to as moose.

*b.* *"Farm deer"* does not include any unmarked free-ranging elk, whitetail, or mule deer.

*"Farm deer"* also does not include preserve whitetail which are kept on a hunting preserve as provided in chapter 484C.

5. *"Fence"* means a boundary fence which encloses farm deer within a landowner's property as required to be constructed and maintained pursuant to section 170.4.

6. *"Landowner"* means a person who holds an interest in land, including a titleholder or tenant.

2003 Acts, ch 149, §4, 23; 2005 Acts, ch 139, §1; 2012 Acts, ch 1095, §58, 59
Referred to in §10.1, 167.22, 169A.1, 169C.1, 189A.2, 423.1, 481A.1, 481A.134, 481A.135, 716.7, 716.8, 717.1

**170.1A Application of chapter.**

1. A landowner shall not keep whitetail unless the whitetail are kept as farm deer under this chapter or kept as preserve whitetail on a hunting preserve pursuant to chapter 484C.

2. This chapter authorizes the department of agriculture and land stewardship to regulate whitetail kept as farm deer. However, the department of natural resources shall regulate preserve whitetail kept on a hunting preserve pursuant to chapter 484C.

2005 Acts, ch 139, §2

**170.2 Farm deer council.**

1. A farm deer council is established within the department.

*a.* The council shall consist of not more than seven members who shall be appointed by the secretary of agriculture. All members must be actively engaged in the production of farm deer and at least four members must be actively engaged in the production of whitetail as farm deer.

*b.* The members of the council shall serve staggered terms of two years, except that the initial council members shall serve terms of unequal length. A person appointed to fill a vacancy for a member shall serve only for the unexpired portion of the term. A member is eligible for reappointment for three successive terms.

*c.* The council shall elect a chairperson and meet according to rules adopted by the council. A majority of the council constitutes a quorum and an affirmative vote of a majority of members is necessary for substantive action taken by the council. The majority shall not include any member who has a conflict of interest and a statement by a member of a conflict of interest shall be conclusive for this purpose. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the council.

*d.* A member of the council is not entitled to receive expenses incurred in the discharge of the member's duties on the council. A member is also not entitled to receive compensation as otherwise provided in section 7E.6.

2. The council shall do all of the following:

*a.* Monitor conditions relating to the production of farm deer, the processing of farm deer products, and the marketing of such products. The council shall advise the department about health issues affecting farm deer, including but not limited to chronic wasting disease, and related regulations or practices.

*b.* Advise the department about the administration and enforcement of this chapter, including but not limited to consulting with the department regarding the rules adopted under this chapter, the certification of fences, and disciplinary actions. However, the council shall not control policy decisions or direct the administration or enforcement of this chapter.

2003 Acts, ch 149, §5, 23
Referred to in §170.1, 170.3B

**170.3 Departmental jurisdiction — administration and enforcement.**

1. Farm deer are livestock as provided in this title and are principally subject to regulation by the department of agriculture and land stewardship, and also the department of natural resources as specifically provided in this chapter. The regulations adopted by the department of agriculture and land stewardship may include but are not limited to providing for the importation, transportation, and disease control of farm deer. The department of natural resources shall not require that the landowner be issued a license or permit for keeping farm deer or for the construction of a fence for keeping farm deer.

2. The department of agriculture and land stewardship and the department of natural resources shall cooperate in administering and enforcing this chapter.

2003 Acts, ch 149, §6, 23

**170.3A Chronic wasting disease control program.**

The department shall establish and administer a chronic wasting disease control program for the control of chronic wasting disease which threatens farm deer. The program shall include procedures for the inspection and testing of farm deer, responses to reported cases of chronic wasting disease, and methods to ensure that owners of farm deer may engage in the movement and sale of farm deer.

2005 Acts, ch 172, §21

Referred to in §170.3C

See also §167.22

**170.3B Farm deer administration fee.**

The department may establish a farm deer administration fee which shall be annually imposed on each landowner who keeps farm deer in this state. The amount of the fee shall not exceed two hundred dollars per year. The fee shall be collected by the department in a manner specified by rules adopted by the department after consulting with the farm deer council established in section 170.2. The collected fees shall be credited to the farm deer administration fund created pursuant to section 170.3C.

2005 Acts, ch 172, §22

Referred to in §170.3C

**170.3C Farm deer administration fund — appropriation.**

A farm deer administration fund is created in the state treasury under the control of the department.

1. The fund shall be composed of moneys appropriated by the general assembly and moneys available to and obtained or accepted by the department from the United States or private sources for placement in the fund. The fund shall include all moneys collected from the farm deer administration fee as provided in section 170.3B.

2. The moneys in the fund are appropriated exclusively to the department for the purpose of administering the chronic wasting disease control program as provided in section 170.3A.

3. Section 8.33 shall not apply to moneys credited to the fund. Notwithstanding section 12C.7, moneys earned as income or interest from the fund shall remain in the fund until expended as provided in this section.

2005 Acts, ch 172, §23

Referred to in §170.3B

**170.4 Requirements for keeping whitetail — fence certification.**

A landowner shall not keep whitetail as farm deer, unless the whitetail is kept on land which is enclosed by a fence. The fence must be constructed and maintained as prescribed by rules adopted by the department. A landowner shall not keep the whitetail unless the fence is certified in a manner and according to procedures required by the department. The fence shall be constructed and maintained to ensure that whitetail are kept in the enclosure and that other deer are excluded from the enclosure. A fence that is constructed on or after May 23, 2003, shall be at least eight feet in height above ground level. The department of agriculture and land stewardship may require that the fence is inspected and approved prior to certification. The department of natural resources may periodically inspect the fence according to appointment with the enclosure's landowner.

2003 Acts, ch 149, §7, 23

Referred to in §170.1, 170.5, 170.6, 170.8

**170.5 Requirements for releasing whitetail — property interests.**

A person shall not release whitetail kept as farm deer onto land unless the landowner complies with all of the following:

1. The landowner must notify the department of natural resources and the department of agriculture and land stewardship at least thirty days prior to first releasing the whitetail on

the land. The notice shall be provided in a manner required by the departments. The notice must at least provide all of the following:

*a.* A statement verifying that the fence which encloses the land is certified by the department of agriculture and land stewardship pursuant to section 170.4.

*b.* The landowner's name.

*c.* The location of the land enclosed by the fence.

2. The landowner shall cooperate with the department of natural resources and the department of agriculture and land stewardship to remove any whitetail from the enclosed land. However, after the thirtieth day following receipt of the notice, the state shall relinquish its property interest in any remaining whitetail that the landowner and the cooperating departments were unable to remove from the enclosed land. Any remaining whitetail existing at that time on the enclosed land, and any progeny of the whitetail, shall become property of the landowner.

2003 Acts, ch 149, §8, 23

Referred to in §170.6, 481A.130

**170.6 Disciplinary proceedings.**

1. The department of agriculture and land stewardship may suspend or revoke a certification issued pursuant to section 170.4 if the department determines that a landowner has done any of the following:

*a.* Provided false information to the department in an application for certification pursuant to section 170.4.

*b.* Failed to provide notice or access to the department of natural resources and the department of agriculture and land stewardship as required by section 170.5.

*c.* Failed to maintain a fence enclosing the land where a whitetail is kept as required in section 170.4.

*d.* Forces or lures a whitetail that is property of the state onto the enclosed land.

*e.* Restrains or inhibits a whitetail that is property of the state from leaving the enclosed land.

*f.* Takes a whitetail that is property of the state which is enclosed on the property in violation of a chapter in Title XI, subtitle 6.

2. If the department suspends a landowner's certification, the landowner shall not release additional whitetail onto the enclosed land, unless otherwise provided in the department's order for suspension. If the department revokes a landowner's certification under this section, the landowner shall provide for the disposition of the enclosed whitetail by any lawful means.

2003 Acts, ch 149, §9, 23; 2003 Acts, ch 179, §66

**170.7 Department of natural resources — investigations.**

This chapter does not prevent the department of natural resources from conducting an investigation of a violation of fish and game laws, including but not limited to a provision of Title XI, subtitle 6. The department of natural resources may obtain a warrant to search the enclosed land pursuant to chapter 808. This chapter does not prevent the department of natural resources from examining the landowner's business records according to appointment with the enclosure's landowner. The records include but are not limited to those relating to whitetail inventories, health, inspections, or shipments; and the enclosure's fencing.

2003 Acts, ch 149, §10, 23

**170.8 Penalties.**

A person is guilty of taking a whitetail in violation of section 481A.48 if the whitetail is on the land enclosed by a fence required to be certified as provided in section 170.4 and the person does any of the following:

1. Forces or lures a whitetail that is property of the state onto the enclosed land.

2. Restrains or inhibits a whitetail that is property of the state from leaving the enclosed land.

3. Takes a whitetail that is property of the state that is within the enclosure in violation of a chapter in Title XI, subtitle 6.

2003 Acts, ch 149, §11, 23

# CHAPTERS 170A to 171

RESERVED

# CHAPTER 172

FROZEN FOOD LOCKER PLANTS

Repealed by 2000 Acts, ch 1100, §2

# CHAPTER 172A

BONDING OF SLAUGHTERHOUSE OPERATORS

Referred to in §166A.2


172A.1 Definitions.
172A.2 License required.
172A.3 Application for license.
172A.4 Proof of financial responsibility required.
172A.5 Bonded packers registration.
172A.6 Low volume dealers exempt from license and bond.
172A.7 Access to records.
172A.8 Reciprocal agreements.
172A.9 Payment for livestock.
172A.10 Injunctions — criminal penalties.
172A.11 Suspension of license.
172A.12 Revocation of license.
172A.13 Rules.
172A.14 Reserved.
172A.15 through 172A.18 Transferred to §163.34 – 163.37.


**172A.1 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Agent"* means a person engaged in the buying or soliciting in this state of livestock for slaughter exclusively on behalf of a dealer or broker.

2. *"Animals"* or *"livestock"* includes cattle, calves, swine, sheep, goats, turkeys, chickens, or horses.

3. *"Dealer"* or *"broker"* means any person, other than an agent, who is engaged in this state in the business of slaughtering live animals or receiving, buying or soliciting live animals for slaughter, the meat products of which are directly or indirectly to be offered for resale or for public consumption.

4. *"Person"* means an individual, partnership, association or corporation, or any other business unit.

[C73, 75, 77, 79, 81, §172A.1]

86 Acts, ch 1245, §623; 2012 Acts, ch 1095, §61

Further definitions; see §159.1

**172A.2 License required.**

No person shall act as a dealer or broker without first being licensed. No person shall act for any dealer or broker as an agent unless such dealer or broker is licensed, has designated such agent to act in the dealer's or broker's behalf, and has notified the secretary of the designation in the dealer's or broker's application for license or has given official notice in writing of the appointment of the agent and the secretary has issued to the agent an agent's license. A dealer or broker shall be accountable and responsible for contracts made by an agent in the

course of the agent's employment. The license of an agent whose employment by the dealer or broker is terminated shall be void on the date written notice of termination is received by the secretary. The license of a dealer, broker, or agent, unless revoked, shall expire on the last day of June following the date of issue. The annual fee for the license of a dealer or broker is fifty dollars. The annual fee for an agent's license is ten dollars.

No person may be issued a license if that person previously has had a license revoked, or previously was issued a license and the secretary suspended that license, unless the order of suspension or revocation is thereafter terminated by the secretary.

[C73, 75, 77, 79, 81, §172A.2]

**172A.3 Application for license.**

Application for a license as a dealer or broker or as an agent shall be made in writing to the department. The application shall state the nature of the business, the municipal corporation, township and county, the post office address at which the business is to be conducted, and such additional information as the department may prescribe.

The applicant upon satisfying the department of the applicant's character and good faith in seeking to engage in such business and upon complying with such other requirements specified in this chapter, shall be issued by the department a license to conduct the business of a dealer, broker, or agent at the place named in the application.

[C73, 75, 77, 79, 81, §172A.3]

**172A.4 Proof of financial responsibility required.**

1. A license shall not be issued by the secretary to a dealer or broker until the applicant has furnished proof of financial responsibility as provided in this section. The proof may be in the following forms:

*a.* (1) A bond of a surety company authorized to do business in the state of Iowa in the form prescribed by and to the satisfaction of the secretary, conditioned for the payment of a judgment against the applicant furnishing the bond because of nonpayment of obligations in connection with the purchase of animals.

(a) The amount of bond for an established dealer or broker who does not maintain a business location in this state shall be not less than the nearest multiple of five thousand dollars above twice the average daily value of purchases of livestock originating in this state, handled by such applicant during the preceding twelve months or such parts thereof as the applicant was purchasing livestock. The bond of a person who does not maintain a business location in this state shall be conditioned for the payment only of those claims which arise from purchases of livestock originating in this state.

(b) The amount of bond for an established dealer or broker who maintains one or more business locations in this state shall be not less than the nearest multiple of five thousand dollars above twice the average daily value of purchases of livestock originating in this state handled by the applicant during the preceding twelve months or such parts thereof as the applicant was purchasing livestock. The bond of a person who maintains one or more business locations in this state shall be conditioned for the payment only of those claims which arise from purchases of livestock originating in this state.

(c) If a new dealer or broker not previously covered by this chapter applies for a license, the amount of bond shall be based on twice the estimated average daily value of purchases of livestock originating in this state.

(d) For the purpose of computing average daily value, two hundred sixty is deemed the number of business days in a year.

(e) Whenever a dealer or broker's weekly purchases exceed one hundred fifty percent of the dealer's or broker's average weekly volume, the department shall require additional bond in an amount determined by the department.

(2) The licensee and surety of the bond shall be held and firmly bound unto the secretary as trustee for all persons who may be damaged because of nonpayment of obligations in connection with the purchase of animals originating in this state. Any person damaged because of such nonpayment may maintain suit in the person's own behalf to recover on the bond, even though not named as a party to the bond.

(3) For purposes of this paragraph *"a"*, *"purchases of livestock originating in this state"* shall not include purchases by dealers or brokers from their subsidiaries.

*b.* A bond equivalent may be filed in lieu of a bond. The bond equivalent shall be in the form of a trust agreement and the fund of the trust shall be in the form of fully negotiable obligations of the United States or certificates of deposit insured by the federal deposit insurance corporation or the federal savings and loan insurance corporation.

(1) The trust agreement shall be in the form prescribed by the secretary and executed to the satisfaction of the secretary. The trustee of the trust agreement shall be an institution located in this state in which the funds are invested or deposited.

(2) The trust agreement shall provide as beneficiary, the secretary for the benefit of those persons damaged because of nonpayment of obligations in connection with the purchase of animals originating in this state. The fund in trust shall be an amount calculated in the exact manner as provided in paragraph *"a"*. The fund in trust shall not be subject to attachment for any other claim, or to levy of execution upon a judgment based on any other claim.

*c.* A person who is not a resident of this state and who either maintains no business location in this state or maintains one or more business locations in this state, and a person who is a resident of this state and who maintains more than one business location in this state, may submit a consolidated proof of financial responsibility. The consolidated proof of financial responsibility shall consist of a bond or a trust agreement meeting all of the requirements of this section, except that the calculation of the amount of the bond or the amount of the trust fund shall be based on the average daily value of all purchases of livestock originating in this state. A person who submits consolidated proof of financial responsibility shall maintain separate records for each business location, and shall maintain such other records respecting purchases of livestock as the secretary by rule shall prescribe.

2. *a.* Any person damaged by nonpayment of obligations or by any misrepresentation or fraud on the part of a broker or dealer may maintain an action against the broker or dealer, and the sureties on the bonds or the trustee of a trust fund. The aggregate liability of the sureties or the trust for all such damage shall not exceed the amount of the bond or trust. In the event that the aggregate claims exceed the total amount of the bond or trust, the amount payable on account of any claim shall be in the same proportion to the amount of the bond or trust as the individual claim bears to the aggregate claims.

*b.* Unless the person damaged files claim with the dealer or broker, and with the sureties or trustee, and with the department within ninety days after the date of the transaction on which the claim is based, the claimant shall be barred from maintaining an action on the bond or trust and from receiving any proceeds from the bond or trust.

3. Whenever the secretary determines that the business volume of the applicant or licensee is such as to render the bond or trust inadequate, the amount of the bond or trust shall be, upon notice, adjusted.

4. All bonds and trust agreements shall contain a provision requiring that at least thirty days' prior notice in writing be given to the secretary by the party terminating the bond or trust agreement as a condition precedent to termination.

5. *a.* Whenever a bond or a trust agreement is to be terminated by a cancellation by the surety or trustee, the secretary shall cause to be published notices of the proposed cancellation not less than ten days prior to the date the cancellation is effective. The notices shall be published as follows:

(1) In the Iowa administrative code.

(2) In a newspaper of general circulation in the county in which the licensee maintains a business location, or if the licensee maintains no business location in this state, then in the county where the licensee transacts a substantial part of the licensee's business.

(3) By general news release to all news media. Failure by the secretary to cause the publication of notice as required by this subparagraph shall not be deemed to prevent or delay the cancellation.

*b.* The termination of a bond or a trust agreement shall not release the parties from any liability arising out of the facts or transactions occurring prior to the termination date.

*c.* Trust funds shall not be withdrawn from trust by a licensee until the expiration of ninety days after the date of termination of the trust, and then only if no claims secured

by the agreement have been filed with the secretary. If any claims have been filed with the secretary, the withdrawal of funds by the licensee shall not be permitted until the claims have been satisfied or released and evidence of the satisfaction or release filed with the secretary.

[C73, 75, 77, 79, 81, §172A.4]

2009 Acts, ch 41, §65

**172A.5 Bonded packers registration.**

A dealer or broker who has a bond required by the United States department of agriculture under the Packers and Stockyards Act of 1921 as amended, 7 U.S.C. § 181 – 231, shall be exempt from the provisions of this chapter upon registration with the secretary. Registration shall be effective upon filing with the secretary a certified copy of the bond filed with the United States department of agriculture, and shall continue in effect until that bond is terminated.

[C73, 75, 77, 79, 81, §172A.5]

2010 Acts, ch 1061, §38

**172A.6 Low volume dealers exempt from license and bond.**

The license and financial responsibility provisions of this chapter do not apply to a person who is licensed as provided in chapter 137F who purchases livestock for slaughter valued at less than an average daily value of two thousand five hundred dollars during any period of the preceding twelve months. A person licensed under that chapter is subject to other provisions of this chapter, including the regulatory and penal provisions of this chapter.

The provisions of this chapter shall not apply to any other person who purchases livestock for slaughter valued at less than an average daily value of two thousand five hundred dollars based upon the preceding twelve months or such part thereof as the person was purchasing livestock.

[C73, 75, 77, 79, 81, §172A.6]

98 Acts, ch 1032, §4; 98 Acts, ch 1162, §25, 30; 2000 Acts, ch 1100, §1

**172A.7 Access to records.**

Every dealer or broker shall during all reasonable times permit an authorized representative of the department to examine all records relating to the business necessary in the enforcement of this chapter.

[C73, 75, 77, 79, 81, §172A.7]

**172A.8 Reciprocal agreements.**

The department shall have the power and authority to enter into reciprocal agreements with the authorized representatives of other federal or state jurisdictions for the exchange of information and audit reports on a cooperative basis which may assist the department in the proper administration of this chapter.

[C73, 75, 77, 79, 81, §172A.8]

**172A.9 Payment for livestock.**

1. Each dealer, or broker purchasing livestock, before the close of the next business day following either the purchase of livestock or the determination of the amount of the purchase price, whichever is later, shall transmit or deliver to the seller or the seller's duly authorized agent the full amount of the purchase price. If livestock is bought on a yield or grade and yield basis, a dealer or broker shall upon the express request in writing of the seller, transmit or deliver to the seller or the seller's duly authorized agent before the close of the next business day following such purchase or delivery, whichever is later, up to eighty percent of the estimated purchase price, and pay the remaining balance on the next business day following the determination of the purchase price.

2. Payment to the seller shall be made by cash, check, or wire transfer of funds. If payment to the seller is by check, the check shall be drawn on a bank located in this state or on a bank located in an adjacent state and in the nearest city to Iowa in which a check processing center of a federal reserve bank district is located. For the purpose of this subsection, "*wire transfer*"

means any telephonic, telegraphic, electronic, or similar communication between the bank of the purchaser and the bank of the seller which results in the transfer of funds or credits of the purchaser to an account of the seller.

3. Provisions of this section may be modified by an agreement signed by both the buyer and the seller or their duly authorized agents at the time of the sale. However, such an agreement shall not be a condition of sale unless expressly requested by the seller.

4. Failure to comply with this section shall be a violation of this chapter.

[C77, 79, 81, §172A.9]

Referred to in §172A.11

**172A.10 Injunctions — criminal penalties.**

If any person who is required by this chapter to be licensed fails to obtain the required license, or if any person who is required by this chapter to maintain proof of financial responsibility, or if any licensee fails to discontinue engaging in licensed activities when that person's license has been suspended, such failure shall be deemed a nuisance and the secretary may bring an action on behalf of the state to enjoin such nuisance. Such actions may be heard on not less than five days' notice to the person whose activities are sought to be enjoined. The failure to obtain a license when required, or the failure to maintain proof of financial responsibility shall constitute a violation of this chapter.

Any person convicted of violating any provision of this chapter shall be guilty of a serious misdemeanor.

[C73, 75, §172A.9; C77, 79, 81, §172A.10]

Nuisances in general, chapter 657

Section not amended; editorial change applied

**172A.11 Suspension of license.**

1. *a.* The secretary shall have the authority to suspend the license of any dealer or broker or agent if upon hearing it is found that the dealer or broker or agent has committed any of the following acts or omissions:

(1) Failure to submit a larger bond amount or trust fund when ordered by the secretary.

(2) Failure to pay for purchases of livestock in the manner required by section 172A.9.

*b.* An order of suspension issued by the secretary shall be effective for an indefinite period, unless and until the person establishes to the satisfaction of the secretary that the person has taken reasonable precautions to prevent a recurrence of the act or omission in the future.

2. *a.* The secretary shall have the authority temporarily to suspend without hearing the license of any licensee in any of the following circumstances:

(1) The licensee fails to maintain proof of financial responsibility, or the surety on the licensee's bond loses its authorization to issue bonds in this state, or the trustee of a trust fund loses its authorization to engage in the business of a fiduciary.

(2) Claims are filed with the secretary against the bond or trust in an aggregate amount equal to ten percent or more of the amount of the bond.

*b.* A temporary suspension shall be effective on the date of issuance of the order of suspension, and until a revocation hearing has been held and the secretary either has entered an order of revocation of the license, or has terminated the order of suspension.

[C77, 79, 81, §172A.11]

2009 Acts, ch 41, §263

**172A.12 Revocation of license.**

1. The secretary shall have the authority to revoke the license of a dealer or broker or agent upon notice and hearing if any of the following conditions exist:

*a.* Grounds exist for the temporary suspension of the license without hearing, and it is established that the person is or will be unable to meet obligations to producers of livestock when due.

*b.* The person has refused access to the secretary to the books and records of the person as required by this chapter.

*c.* Any other conditions exist which in the opinion of the secretary reasonably establish

that it would be financially detrimental to livestock producers of this state to permit the person to engage in licensed activities in this state.

2. An order of revocation shall be effective upon the issuance of the order of revocation, and until the order is rescinded by the secretary, or until the decision of the secretary is reversed by a final order of a court of this state.

[C77, 79, 81, §172A.12]

**172A.13 Rules.**

The secretary is authorized to adopt rules pursuant to chapter 17A which are reasonable and necessary for the enforcement of this chapter.

[C77, 79, 81, §172A.13]

**172A.14** Reserved.

**172A.15 through 172A.18** Transferred to § 163.34 – 163.37.

# CHAPTER 172B

## LIVESTOCK TRANSPORTATION

Referred to in §166D.2, 331.653


| | | | |
|---|---|---|---|
| 172B.1 | Definitions. | 172B.4 | Execution and retention of records. |
| 172B.2 | Transportation certificate exhibited — public offense. | 172B.5 | Authority of law enforcement officers. |
| 172B.3 | Form of certificate — substitutes. | 172B.6 | Offenses and penalties. |


**172B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Driver's license"* means any license or permit issued to a person to operate a motor vehicle on the highways.

2. *"Law enforcement officer"* means a state patrol officer, a sheriff, or other peace officer so designated by this state or by a county or municipality.

3. *"Livestock"* means and includes live cattle, swine, sheep, horses, ostriches, rheas, or emus, and the carcasses of such animals whether in whole or in part.

4. *"Owner"* means a person having legal title to livestock.

5. *"Transportation certificate"* means the document specified in section 172B.3 and includes either the standard form prescribed by the secretary, or a substitute document the use of which has been authorized by the secretary.

6. *"Transporting livestock"* means being in custody of or operating a vehicle in this state, whether or not on a highway, in which are confined one or more head of livestock. Vehicle includes a truck, trailer, and other device used for the purpose of conveying objects, whether or not the device has motive power or is attached to a vehicle with motive power at the time the livestock are confined.

[C77, 79, 81, §172B.1]

86 Acts, ch 1245, §624; 90 Acts, ch 1230, §1; 95 Acts, ch 43, §6; 98 Acts, ch 1073, §9; 98 Acts, ch 1074, §18; 2005 Acts, ch 35, §31

Further definitions; see §159.1

**172B.2 Transportation certificate exhibited — public offense.**

A person transporting livestock shall execute in the presence of a law enforcement officer, at the request of the officer, a transportation certificate. A person who fails to comply with this section commits a public offense punishable as provided in section 172B.6. A person who

fails to execute a transportation certificate upon the request of the officer fails to comply with this section even though the person possesses a transportation certificate.

[C77, 79, 81, §172B.2]

Referred to in §172B.5, 172B.6

**172B.3 Form of certificate — substitutes.**

1. *Duties of secretary.* The secretary, pursuant to chapter 17A, shall prescribe a standard form of the transportation certificate required by this chapter. Where the laws of this state or of the United States require the possession of another shipping document by a person transporting livestock, or where the industry practice of carriers requires the possession of a shipping document by a person transporting livestock, and where such a document contains all of the information other than signatures which is prescribed in subsection 2, upon application of a carrier the secretary by rule shall authorize the use of a specific document in lieu of the standard form prescribed by the secretary, but subject to any conditions the secretary may impose.

*a.* A person who is in possession of a shipping document approved by the secretary shall not be required to possess the standard form transportation certificate prescribed by the secretary, but the person may be required by a law enforcement officer to execute the standard form transportation certificate.

*b.* The form prescribed or authorized by the secretary shall be executed in triplicate, and shall be retained as provided in section 172B.4.

*c.* The secretary shall distribute, upon request, copies of the prescribed standard form to veterinarians, marketing agencies, carriers, law enforcement officers, and other persons, and may collect a fee from the recipient totaling not more than the cost of printing and postage. Nothing in this chapter shall be construed to prohibit a person from causing the reproduction of the standard form, and an accurate reproduction of a standard current form may be used as a transportation certificate for all purposes.

2. *Contents.* The transportation certificate shall contain the following information:

*a.* The date of execution of the certificate.

*b.* The name, driver's license number, and address of the owner of the livestock.

*c.* The name and address of the shipper if other than the owner.

*d.* The address of the loading point of the livestock, or the nearest post office and county.

*e.* The date of loading of the livestock.

*f.* The name and address of the purchaser, consignee, or other person receiving shipment.

*g.* The address of the destination of the livestock, or the nearest post office and county.

*h.* The name and address of the carrier or person transporting livestock.

*i.* The driver's license number of the person transporting livestock.

*j.* The vehicle registration plate number and the state of issuance.

*k.* The vehicle seal number, if any.

*l.* The form number and state of issuance of any certificate of veterinary inspection accompanying the livestock.

*m.* A description of the livestock including number, breed, sex, age, and brands, if any.

*n.* The signature of the owner or shipper, or the signature of the person transporting livestock, or the signatures of either the owner or shipper and the person transporting livestock.

[C77, 79, 81, §172B.3]

89 Acts, ch 202, §1; 90 Acts, ch 1230, §2; 98 Acts, ch 1073, §9; 2004 Acts, ch 1163, §31; 2009 Acts, ch 41, §204

Referred to in §172B.1, 172B.5

**172B.4 Execution and retention of records.**

1. *Shipper.* A person who causes the transporting of livestock shall cause to be executed and to be delivered to the person transporting livestock, at the request of that person, duplicate copies of a transportation certificate.

2. *Transporter.* A person transporting livestock who has been given a receipt by a law

enforcement officer shall retain that receipt until the person relinquishes custody of the livestock.

3. *Law enforcement officer.*

*a.* A law enforcement officer, upon requesting and receiving a transportation certificate, shall retain a copy of the certificate and shall submit the certificate to the law enforcement agency by which the officer is employed.

*b.* The law enforcement officer shall give to the person transporting livestock, in a form prescribed by the commissioner of public safety or the commissioner's designee, a receipt for the certificate given to the officer. The commissioner of public safety may authorize the use of any method of giving receipt, including endorsement by the officer on the certificate retained by the person transporting livestock. The receipt shall make the law enforcement officer issuing the receipt identifiable by other law enforcement officers.

*c.* A law enforcement officer shall not retain a copy of the certificate if the person transporting livestock has a receipt issued by another law enforcement officer.

[C77, 79, 81, §172B.4]

2008 Acts, ch 1031, §38

Referred to in §172B.3, 172B.5, 172B.6

**172B.5 Authority of law enforcement officers.**

1. *Investigation.* A law enforcement officer may stop and detain a person, whether on or off a highway, who is transporting livestock for the purpose of obtaining compliance with section 172B.2, and the officer may request the presentation or execution of a transportation certificate. The officer may examine the livestock for identification, the vehicle for the purpose of obtaining the vehicle registration plate number, and the registration of the vehicle and the driver's license of the driver or person detained. However, nothing in this chapter shall be construed to authorize any law enforcement officer to open or require the opening of the cargo compartment of any vehicle manufactured for use in carrying refrigerated cargo when both the cargo is actually under refrigeration at the time the vehicle is detained by the law enforcement officer, and the person operating the vehicle has in possession when stopped a valid transportation certificate or approved shipping document which was executed by the shipper and which identifies the cargo as processed livestock and otherwise complies with section 172B.3, subsection 2.

2. *Execution of certificate.* If the person transporting livestock does not possess a completed transportation certificate, or if in the opinion of the officer the form possessed is improper, the officer may provide the person with a blank standard form, and may request that the person execute the form, including the person's signature. The person shall be permitted to view any documents in the person's possession for the purpose of completing the form. Except as provided in section 172B.4, the officer shall retain a copy of the certificate and shall give the person a receipt for that certificate.

3. *Detention.* A law enforcement officer may detain a person transporting livestock for a reasonable period of time not to exceed thirty minutes for the purpose of verifying any information obtained by the officer.

4. *Arrest.* A detention for the purposes of subsections 1, 2 and 3 shall not constitute an arrest. If the law enforcement officer has probable cause to believe that the person transporting livestock has committed a public offense, the officer may place the person under arrest. The officer may require the person to move the vehicle to a place determined by the officer, or the officer may make other provisions for the vehicle and the livestock, as the officer shall determine. If the owner of the livestock is not available, the officer is authorized to incur reasonable expense for the care of the livestock which expense shall be charged to and paid by the owner of the livestock.

[C77, 79, 81, §172B.5]

90 Acts, ch 1230, §3; 98 Acts, ch 1073, §9

**172B.6 Offenses and penalties.**

1. A person who is convicted of violating section 172B.2 shall be guilty of a simple misdemeanor.

2. A person who makes or utters a transportation certificate with knowledge that some or all of the information contained in the certificate is false, or a person who alters, forges, or counterfeits a transportation certificate, or the receipt prescribed in section 172B.4, commits a class "C" felony.

[C77, 79, 81, §172B.6]
Referred to in §172B.2

# CHAPTER 172C

RESERVED

# CHAPTER 172D

## LIVESTOCK FEEDLOTS

Referred to in §657.8

172D.1 Definitions.
172D.2 Compliance — a defense to nuisance actions.
172D.3 Compliance with rules of the department.
172D.4 Compliance with zoning requirements.

**172D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"City"* means a municipal corporation, but not including a county, township, school district, or any special-purpose district or authority.

2. *"Department"* means the department of environmental quality in a reference to a time before July 1, 1983, the department of water, air and waste management in a reference to a time on or after July 1, 1983, and through June 30, 1986, and the department of natural resources on or after July 1, 1986, and includes any officer or agency within that department.

3. *"Established date of operation"* means the date on which a feedlot commenced operating with not more livestock than reasonably could be maintained by the physical facilities existing as of that date. If the physical facilities of the feedlot are subsequently expanded, the established date of operation for each expansion is deemed to be a separate and independent "established date of operation" established as of this date of commencement of the expanded operations, and the commencement of expanded operations shall not divest the feedlot of a previously established date of operation.

4. *"Established date of ownership"* means the date of the recording of an appropriate muniment of title establishing the ownership of realty.

5. *"Establishment cost of a feedlot"* means the cost or value of the feedlot on its established date of operation and includes the cost or value of the building, machinery, vehicles, equipment or other real or personal property used in the operation of the feedlot.

6. *"Feedlot"* means a lot, yard, corral, or other area in which livestock are confined, primarily for the purposes of feeding and growth prior to slaughter. The term does not include areas which are used for the raising of crops or other vegetation and upon which livestock are allowed to graze or feed.

7. A rule pertaining to *"feedlot design standards"* means a rule, the implementation of which, or the compliance with which, requires the expenditure of funds in excess of two percent of the establishment cost of the feedlot.

8. A rule pertaining to *"feedlot management standards"* means a rule, the implementation of which, or the compliance with which, requires the expenditure of funds not in excess of two percent of the establishment cost of the feedlot.

9. *"Livestock"* means cattle, sheep, swine, ostriches, rheas, emus, poultry, and other

animals or fowl, which are being produced primarily for use as food or food products for human consumption.

10. *"Materially affects"* means prohibits or regulates with respect to the location, or the emission of noise, effluent, odors, sewage, waste, or similar products resulting from the operation or the location or use of buildings, machinery, vehicles, equipment, or other real or personal property used in the operation, of a livestock feedlot.

11. *"Nuisance"* means and includes public or private nuisance as defined either by statute or by the common law.

12. *"Nuisance action or proceeding"* means and includes every action, claim or proceeding, whether brought at law, in equity, or as an administrative proceeding, which is based on nuisance.

13. *"Owner"* shall mean the person holding record title to real estate to include both legal and equitable interests under recorded real estate contracts.

14. *"Rule of the department"* means a rule as defined in section 17A.2 which materially affects the operation of a feedlot and which has been adopted by the department. The term includes a rule which was in effect prior to July 1, 1975. Except as specifically provided in section 172D.3, subsection 2, paragraph *"b"*, subparagraph (5) and paragraph *"c"*, subparagraph (5) nothing in this chapter shall be deemed to empower the department to make any rule.

15. *"Zoning requirement"* means a regulation or ordinance, which has been adopted by a city, county, township, school district, or any special-purpose district or authority, and which materially affects the operation of a feedlot. Nothing in this chapter shall be deemed to empower any agency described in this subsection to make any regulation or ordinance.

[C77, 79, 81, §172D.1; 82 Acts, ch 1199, §92, 96]

84 Acts, ch 1219, §7; 89 Acts, ch 83, §31; 95 Acts, ch 43, §7

Referred to in §203.1

Further definitions, see §159.1

**172D.2 Compliance — a defense to nuisance actions.**

In any nuisance action or proceeding against a feedlot brought by or on behalf of a person whose date of ownership of realty is subsequent to the established date of operation of that feedlot, proof of compliance with sections 172D.3 and 172D.4 shall be an absolute defense, provided that the conditions or circumstances alleged to constitute a nuisance are subject to regulatory jurisdiction in accordance with either section 172D.3 or 172D.4.

[C77, 79, 81, §172D.2]

**172D.3 Compliance with rules of the department.**

1. *Requirement.* A person who operates a feedlot shall comply with applicable rules of the department. The applicability of a rule of the department shall be as provided in subsection 2. A person complies with this section as a matter of law where no rule of the department exists.

2. *Applicability of rules.*

*a.* Exclusion for federally mandated requirements. This section shall apply to the department's rules except for rules required for delegation of the national pollutant discharge elimination system permit program pursuant to the federal Water Pollution Control Act, 33 U.S.C. ch. 26, as amended, and 40 C.F.R. pt. 124.

*b.* Applicability of rules of the department other than those relating to air quality under chapter 455B, division II, and chapter 459, subchapter II.

(1) A rule of the department in effect on November 1, 1976, shall apply to a feedlot with an established date of operation prior to November 1, 1976.

(2) A rule of the department shall apply to a feedlot with an established date of operation subsequent to the effective date of the rule.

(3) A rule of the department adopted after November 1, 1976, does not apply to a feedlot holding a wastewater permit from the department and having an established date of operation prior to the effective date of the rule until either the expiration of the term of the permit in

effect on the effective date of the rule, or ten years from the established date of operation of the feedlot, whichever time period is greater.

(4) A rule of the department adopted after November 1, 1976, does not apply to a feedlot not previously required to hold a wastewater permit from the department and having an established date of operation prior to the effective date of the rule for either a period of ten years from the established date of operation of the feedlot or five years from the effective date of the rule, whichever time period is greater.

(5) To achieve compliance with applicable rules the department shall issue an appropriate compliance schedule.

*c.* Applicability of rules of the department relating to air quality under chapter 455B, division II, and chapter 459, subchapter II.

(1) A rule of the department under chapter 455B, division II, in effect on November 1, 1976, shall apply to a feedlot with an established date of operation prior to November 1, 1976.

(2) A rule of the department under chapter 455B, division II, or chapter 459, subchapter II, shall apply to a feedlot with an established date of operation subsequent to the effective date of the rule.

(3) A rule of the department under chapter 455B, division II, or chapter 459, subchapter II, pertaining to feedlot management standards adopted after November 1, 1976, shall not apply to any feedlot having an established date of operation prior to the effective date of the rule until one year after the effective date of the rule.

(4) A rule of the department under chapter 455B, division II, or chapter 459, subchapter II, pertaining to feedlot design standards adopted after November 1, 1976, shall not apply to any feedlot having an established date of operation prior to the effective date of the rule for either a period of ten years from the established date of operation of the feedlot or two years from the effective date of the rule, whichever time period is greater. However, any design standard rule pertaining to the siting of any feedlot shall apply only to a feedlot with an established date of operation subsequent to the effective date of the rule.

(5) To achieve compliance with applicable rules the department shall issue an appropriate compliance schedule.

[C77, 79, 81, §172D.3]

84 Acts, ch 1219, §8; 2003 Acts, ch 108, §42; 2010 Acts, ch 1061, §39

Referred to in §172D.1, 172D.2

**172D.4 Compliance with zoning requirements.**

1. *Requirement.* A person who operates a feedlot shall comply with applicable zoning requirements. The applicability of a zoning requirement shall be as provided in subsection 2 of this section. A person complies with this section as a matter of law where no zoning requirement exists.

2. *Applicability.*

*a.* A zoning requirement shall apply to a feedlot with an established date of operation subsequent to the effective date of the zoning requirement.

*b.* A zoning requirement, other than one adopted by a city, shall not apply to a feedlot with an established date of operation prior to the effective date of the zoning requirement for a period of ten years from the effective date of that zoning requirement.

*c.* A zoning requirement which is in effect on November 1, 1976, shall apply to a feedlot with an established date of operation prior to November 1, 1976.

*d.* A zoning requirement adopted by a city shall apply to a feedlot located within an incorporated or unincorporated area which is subject to regulation by that city as of November 1, 1976, regardless of the established date of operation of the feedlot.

*e.* A zoning requirement adopted by a city shall not apply to a feedlot which becomes located within an incorporated or unincorporated area subject to regulation by that city by virtue of an incorporation or annexation which takes effect after November 1, 1976 for a period of ten years from the effective date of the incorporation or annexation.

[C77, 79, 81, §172D.4]

Referred to in §172D.2

# CHAPTER 172E

## DAIRY CATTLE SOLD FOR SLAUGHTER

172E.1 Definitions.
172E.2 Marketing practices — dairy cattle sold for slaughter.
172E.3 Penalties.

**172E.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Dairy cattle"* means cattle belonging to a breed that is used to produce milk for human consumption, including but not limited to Holstein and Jersey breeds.

2. *"Livestock"* means the same as defined in section 717.1.

3. *"Livestock market"* means any place where livestock are assembled from two or more sources for public auction, private sale, or sale on a commission basis, which is under state or federal supervision, including a livestock auction market, if such livestock are kept in the place for ten days or less.

4. *"Packer"* means a person who is engaged in the business of slaughtering livestock or receiving, purchasing, or soliciting livestock for slaughter. As used in this chapter, *"packer"* includes an agent of the packer engaged in buying or soliciting livestock for slaughter on behalf of a packer.

2001 Acts, ch 101, §6; 2001 Acts, ch 176, §63

**172E.2 Marketing practices — dairy cattle sold for slaughter.**

1. If a livestock market accepts dairy cattle upon condition that the dairy cattle are to be moved directly to slaughter, the dairy cattle shall be segregated with other livestock to be moved directly to slaughter until sold to a packer. A person shall not knowingly sell the dairy cattle to a purchaser other than to a packer at the livestock market. A person other than a packer shall not knowingly purchase the dairy cattle at the livestock market.

2. This section shall not supersede requirements relating to the movement or marketing of livestock infected with an infectious or contagious disease, including but not limited to those diseases enumerated in section 163.2.

2001 Acts, ch 101, §7; 2002 Acts, ch 1100, §1

Referred to in §172E.3

**172E.3 Penalties.**

1. The department, with assistance by the attorney general, shall have the same authority to enforce this chapter as it does under chapter 165A. A person who violates section 172E.2 is subject to the same penalties as provided in section 165A.5.

2. This section does not prevent a person from commencing a civil cause of action based on any right that the person may assert under statute or common law.

2001 Acts, ch 101, §8

# SUBTITLE 3

## AGRICULTURAL DEVELOPMENT AND MARKETING

Referred to in §159.1, 159.5

# CHAPTER 173

## STATE FAIR

Referred to in §8.32, 8A.502, 163.32, 165B.5, 174.2, 307A.2, 423.3, 717E.1, 717F.7


173.1 State fair authority.
173.1A Definitions.
173.2 Convention.
173.3 Certification of state aid associations.
173.4 Voting power — election of district directors.
173.4A State fair board districts.
173.5 Duties of the convention.
173.6 Terms of office.
173.7 Vacancies.
173.8 Compensation and expenses.
173.9 Secretary.
173.10 Salary of secretary.
173.11 Treasurer.
173.12 Salary of treasurer. Repealed by 2011 Acts, ch 131, §131, 158.
173.13 Executive committee — meetings.
173.14 Functions of the board.
173.14A General corporate powers of the authority.
173.14B Bonds and notes.
173.15 Management of state fair.
173.16 Maintenance of state fair.
173.17 Claims.
173.18 Warrants.
173.19 Examination of financial affairs.
173.20 Report.
173.21 Annual report to governor.
173.22 Iowa state fair foundation — foundation fund.
173.22A Iowa state fairgrounds trust fund.
173.23 Lien on property.
173.24 Exemption of state fair by the state's purchasing procedures.


**173.1 State fair authority.**

The Iowa state fair authority is established as a public instrumentality of the state. The authority is not an agency of state government. However, the authority is considered a state agency and its employees state employees for the purposes of chapters 17A, 20, 91B, 97B, 509A, and 669. The authority is established to conduct an annual state fair and exposition on the Iowa state fairgrounds and to conduct other interim events consistent with its rules. The powers of the authority are vested in the Iowa state fair board. The Iowa state fair board consists of the following:

1. The governor of the state, the secretary of agriculture, and the president of the Iowa state university of science and technology or their qualified representatives.

2. Two district directors from each state fair board district to be elected at a convention as provided in section 173.4.

3. A president and vice president to be elected by the state fair board from the elected directors.

4. A treasurer to be elected by the board from the elected directors.

5. A secretary to be appointed by the board who shall serve as a nonvoting member.

[S13, §1657-c; C24, 27, 31, 35, 39, §**2873;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.1; 81 Acts, ch 67, §1]

86 Acts, ch 1245, §625, 626; 87 Acts, ch 233, §225; 91 Acts, ch 248, §1, 2; 95 Acts, ch 13, §2; 98 Acts, ch 1114, §1; 2001 Acts, ch 29, §1; 2010 Acts, ch 1069, §22; 2011 Acts, ch 131, §130, 158

Referred to in §99D.13, 173.1A

**173.1A Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the Iowa state fair board as provided in section 173.1.

2. *"Convention"* means the convention held each year, to elect members of the state fair board and conduct other business of the board, as provided in section 173.2.

3. *"District director"* means a director of the Iowa state fair board who represents a state fair board district.

4. *"State fair board district"* or *"district"* means any of the six geographic regions established in section 173.4A.

2001 Acts, ch 29, §2; 2002 Acts, ch 1119, §25

**173.2 Convention.**

A convention shall be held at a time and place in Iowa to be designated by the Iowa state fair board each year, to elect members of the state fair board and conduct other business of the board. The board shall give sixty days' notice of the location of the convention to all agricultural associations and persons eligible to attend. The convention shall be composed of:

1. The members of the state fair board as then organized.

2. The president or secretary of each county or district agricultural society entitled to receive aid from the state, or a regularly elected delegate therefrom accredited in writing, who shall be a resident of the county.

3. One delegate, a resident of the county, to be appointed by the board of supervisors in each county where there is no such society, or when such society fails to report to the association of Iowa fairs in the manner provided by law as a basis for state aid. The association shall promptly report such failure to the county auditor.

[R60, §1701, 1704; C73, §1103, 1112; C97, §1653, 1661; S13, §1657-d; SS15, §1661-a; C24, 27, 31, 35, 39, §**2874;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.2; 81 Acts, ch 67, §2 – 4]

87 Acts, ch 115, §29; 96 Acts, ch 1028, §1; 98 Acts, ch 1114, §2; 99 Acts, ch 204, §28

Referred to in §173.1A, 173.3, 174.2, 174.12, 331.321

**173.3 Certification of state aid associations.**

On or before November 15 of each year, the secretary of agriculture shall certify to the secretary of the state fair board the names of the various associations, fairs, and societies which have qualified for state aid under the provisions of chapters 176A through 178, 181, 182, 186, and 352, and which are entitled to representation in the convention as provided in section 173.2.

[C24, 27, 31, 35, 39, §**2875;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.3]

90 Acts, ch 1009, §2; 98 Acts, ch 1032, §5; 2002 Acts, ch 1017, §3, 8; 2003 Acts, ch 44, §43, 116; 2004 Acts, ch 1019, §5

**173.4 Voting power — election of district directors.**

1. Except as provided in this subsection, each member present at the convention shall be entitled to not more than one vote. A member shall not vote by proxy.

2. A successor to a district director shall be elected by a majority of convention members from the same state fair board district as the district director, according to rules adopted by the convention. A member who is also a district director shall not be entitled to vote for a successor to a district director.

[S13, §1657-d; C24, 27, 31, 35, 39, §**2876;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.4]

91 Acts, ch 248, §3; 98 Acts, ch 1114, §3; 2001 Acts, ch 29, §3

Referred to in §173.1, 173.5

**173.4A State fair board districts.**

The state shall be divided into six geographic regions known as state fair board districts. The regions shall include all of the following:

1. The northwest state fair board district which shall contain all of the following counties: Buena Vista, Calhoun, Cherokee, Clay, Dickinson, Emmet, Ida, Lyon, O'Brien, Osceola, Palo Alto, Plymouth, Pocahontas, Sac, Sioux, and Woodbury.

2. The north central state fair board district which shall contain all of the following counties: Boone, Butler, Cerro Gordo, Floyd, Franklin, Grundy, Hamilton, Hancock,

Hardin, Humboldt, Kossuth, Marshall, Mitchell, Story, Tama, Webster, Winnebago, Worth, and Wright.

3. The northeast state fair board district which shall contain all of the following counties: Allamakee, Benton, Black Hawk, Bremer, Buchanan, Chickasaw, Clayton, Delaware, Dubuque, Fayette, Howard, Jackson, Jones, Linn, and Winneshiek.

4. The southwest state fair board district which shall contain the following counties: Adair, Adams, Audubon, Carroll, Cass, Crawford, Fremont, Greene, Guthrie, Harrison, Mills, Monona, Montgomery, Page, Pottawattamie, Shelby, and Taylor.

5. The south central state fair board district which shall contain the following counties: Appanoose, Clarke, Dallas, Decatur, Jasper, Lucas, Madison, Mahaska, Marion, Monroe, Polk, Poweshiek, Ringgold, Union, Warren, and Wayne.

6. The southeast state fair board district which shall contain the following counties: Cedar, Clinton, Davis, Des Moines, Henry, Iowa, Jefferson, Johnson, Keokuk, Lee, Louisa, Muscatine, Scott, Van Buren, Wapello, and Washington.

2001 Acts, ch 29, §4
Referred to in §173.1A

**173.5 Duties of the convention.**

1. The convention shall establish staggered terms of office for the elected directors. Notwithstanding section 173.6, the convention may establish terms of office for initial elected directors for more or less than two years.

2. Each year, the convention shall elect a successor to one of the two district directors whose term expires following the adjournment of the convention, as provided in section 173.4.

3. The Iowa state fair board shall present a financial report to the convention. The report is not required to include an audit, but shall provide an estimate of the accounts under the authority of the board.

[R60, §1700; C73, §1104; C97, §1654; S13, §1657-e; C24, 27, 31, 35, 39, §**2877;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.5]

91 Acts, ch 248, §4; 96 Acts, ch 1028, §2; 98 Acts, ch 1114, §4; 2001 Acts, ch 29, §5

**173.6 Terms of office.**

The term of the president and vice president of the board shall be one year. A person shall not hold the office of president for more than three consecutive years, plus any portion of a year in which the person was first elected by the board to fill a vacancy.

A member of the board who is a district director shall serve a term of two years. The term of a district director shall begin following the adjournment of the convention at which the district director was elected and shall continue until a successor is elected and qualified as provided in this chapter.

[R60, §1700; C73, §1104; C97, §1654; S13, §1657-e; C24, 27, 31, 35, 39, §**2878;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.6]

91 Acts, ch 248, §5; 98 Acts, ch 1114, §5; 99 Acts, ch 96, §18; 2001 Acts, ch 29, §6
Referred to in §173.5

**173.7 Vacancies.**

If, after the adjournment of the convention, a vacancy occurs in the office of any member of the board elected by the convention the board shall fill the vacancy by election. The elected member shall qualify at once and serve until noon of the day following the adjournment of the next convention. If, by that time, the member elected by the board will not have completed the full term for which the member's predecessor was elected, the convention shall elect a member to serve for the unexpired portion of the term. The member elected by the convention shall qualify at the same time as other members elected by the convention.

[S13, §1657-e; C24, 27, 31, 35, 39, §**2879;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.7]

91 Acts, ch 248, §6

**173.8 Compensation and expenses.**

A member of the board elected at the annual convention shall be paid a per diem as specified in section 7E.6 and shall be reimbursed for actual and necessary expenses incurred while engaged in official duties. All per diem and expense moneys paid to a member shall be paid from funds of the state fair board.

[S13, §1657-p; C24, 27, 31, 35, 39, §**2880;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.8]

90 Acts, ch 1256, §32

**173.9 Secretary.**

The board shall appoint a secretary who shall serve at the pleasure of the board. The secretary shall do all of the following:

1. Administer the policies set by the board.
2. Employ other employees and agents as the secretary deems necessary for carrying out the policies of the board and to conduct the affairs of the state fair. The secretary may fix the duties and compensation of any employees or agents with the approval of the board.
3. Keep a complete record of the annual convention and of all meetings of the board.
4. Draw all warrants on the treasurer of the board and keep a correct account of them.
5. Perform other duties as the board directs.

[R60, §1700, 1703; C73, §1104, 1107; C97, §1654, 1656; S13, §1657-k; C24, 27, 31, 35, 39, §**2881;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.9]

86 Acts, ch 1245, §627; 87 Acts, ch 233, §226; 93 Acts, ch 176, §34

**173.10 Salary of secretary.**

The compensation and employment terms of the secretary shall be set by the Iowa state fair board with the approval of the governor, taking into consideration the level of knowledge and experience of the secretary.

[S13, §1657-n; C24, 27, 31, 35, 39, §**2882;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.10]

87 Acts, ch 233, §227; 2008 Acts, ch 1191, §24

**173.11 Treasurer.**

The board shall elect a treasurer who shall hold office for one year, and the treasurer shall:

1. Keep a correct account of the receipts and disbursements of all moneys belonging to the board.
2. Make payments on all warrants signed by the president and secretary from any funds available for such purpose.
3. Administer the foundation fund under the control of the Iowa state fair foundation, as directed by the board in its capacity as the board of the Iowa state fair foundation. The treasurer shall administer the fund in accordance with procedures of the treasurer of state, and maintain a correct account of receipts and disbursements of assets of the foundation fund.

[R60, §1700; C73, §1104; C97, §1654; S13, §1657-o; C24, 27, 31, 35, 39, §**2883;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.11]

91 Acts, ch 132, §1; 91 Acts, ch 248, §7; 2011 Acts, ch 79, §3; 2012 Acts, ch 1021, §48

**173.12 Salary of treasurer.** Repealed by 2011 Acts, ch 131, § 131, 158.

**173.13 Executive committee — meetings.**

The president, vice president, and secretary shall constitute an executive committee, which shall transact such business as may be delegated to it by the board. The president may call meetings of the board or executive committee when the interests of the work require it.

[R60, §1104; C73, §1700; C97, §1654; S13, §1657-h; C24, 27, 31, 35, 39, §**2885;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.13]

**173.14 Functions of the board.**

The state fair board has the custody and control of the state fairgrounds, including the buildings and equipment on it belonging to the state, and may:

1. Hold an annual fair and exposition on those grounds. All revenue generated by the fair and any interim uses shall be retained solely by the board.

2. Prepare premium lists and establish rules of exhibitors for the fair which shall be published by the board not later than sixty days prior to the opening of the fair.

3. Grant a written permit to persons as it deems proper to sell fruit, provisions, and other lawful articles under rules the board prescribes.

4. Appoint, as the president deems necessary, security personnel and peace officers qualified according to standards adopted by the board.

5. Take and hold property by gift, devise, or bequest for fair purposes. The president, secretary, and treasurer of the board shall have custody and control of the property, subject to the action of the board. Those officers shall give bonds as required in the case of executors, to be approved by the board and filed with the secretary of state.

6. Erect and repair buildings on the grounds and make other necessary improvements.

7. Grant written permission to persons to use the fairgrounds when the fair is not in progress.

8. Take, acquire, hold, and dispose of property by deed, gift, devise, bequest, lease, or eminent domain. The title to real estate acquired under this subsection and improvements erected on the real estate shall be taken and held in the name of the state of Iowa and shall be under the custody and control of the board. In the exercise of the power of eminent domain the board shall proceed in the manner provided in chapters 6A and 6B.

9. Solicit and accept contributions from private sources for the purpose of financing and supporting the fair.

10. Make an agreement with the department of public safety to provide for security during the annual fair and exposition and interim events.

11. Administer the Iowa state fair foundation created in section 173.22 in its capacity as the board of the Iowa state fair foundation.

*a.* The board shall administer the foundation fund by authorizing all payments from the foundation fund. The board on behalf of the foundation fund may contract, sue and be sued, and adopt rules necessary to carry out the provisions of this subsection, but the board in administering the foundation fund shall not in any manner, directly or indirectly, pledge the credit of the state.

*b.* The board shall administer the Iowa state fairgrounds trust fund as trustees of an institutional endowment fund as provided in section 173.22A.

[R60, §1702; C73, §1106; C97, §1655; S13, §1657-i, -j, -r; C24, 27, 31, 35, 39, §**2886;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.14]

83 Acts, ch 195, §23; 86 Acts, ch 1244, §28; 87 Acts, ch 233, §228; 88 Acts, ch 1055, §1; 91 Acts, ch 132, §2; 91 Acts, ch 248, §8; 2011 Acts, ch 79, §4

**173.14A General corporate powers of the authority.**

The authority has all of the general corporate powers needed to carry out its purposes and duties, and to exercise its specific powers including, but not limited to, the power to:

1. Issue its negotiable bonds and notes as provided in this chapter.

2. Sue and be sued in its own name.

3. Have and alter a corporate seal.

4. Make and alter bylaws for its management consistent with this chapter.

5. Make and execute agreements, contracts, and other instruments, with any public or private entity.

6. Accept appropriations, gifts, grants, loans, or other aid from public or private entities.

7. Make, alter, and repeal rules consistent with this chapter, subject to chapter 17A.

87 Acts, ch 233, §229

**173.14B Bonds and notes.**

1. The board may issue and sell negotiable revenue bonds of the authority in

denominations and amounts as the board deems for the best interests of the fair. However, the board must first submit a list of the purposes ranked by priority and a purpose must be authorized by a constitutional majority of each house of the general assembly and approved by the governor. A purpose must be one of the following:

*a.* To acquire real estate to be devoted to uses for the fair.

*b.* To pay any expenses or costs incidental to a building or repair project.

*c.* To provide sufficient funds for the advancement of any of its corporate purposes.

2. The board may issue negotiable bonds and notes of the authority in principal amounts which are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes, and all other expenditures of the board incident to and necessary or convenient to carry out its purposes and powers, subject to authorization and approval required under subsection 1. However, the total principal amount of bonds and notes outstanding at any time under subsection 1 and this subsection shall not exceed twenty-five million dollars. The bonds and notes are deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code, chapter 554.

3. Bonds and notes are payable solely out of the moneys, assets, or revenues of the authority and as provided in the agreement with bondholders or noteholders pledging any particular moneys, assets, or revenues. Bonds or notes are not an obligation of this state or its political subdivisions other than the authority within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely from sources provided in this chapter, and the authority shall not pledge the credit or taxing power of this state or its political subdivisions other than the authority or make its debts payable out of any moneys except those of the authority.

4. Bonds shall:

*a.* State the date and series of the issue, be consecutively numbered, and state on their face that they are payable both as to principal and interest solely out of the assets of the authority and do not constitute an indebtedness of this state or its political subdivisions other than the authority within the meaning of any constitutional or statutory debt limit.

*b.* Be either registered, registered as to principal only, or in coupon form, issued in denominations as the board prescribes, fully negotiable instruments under the laws of this state, signed on behalf of the authority with the manual or facsimile signature of the president or vice president, attested by the manual or facsimile signature of the secretary, have impressed or imprinted on it the seal of the authority or facsimile of it, and coupons attached shall be signed with the facsimile signature of the president or vice president, be payable as to interest at rates and at times as the authority determines, be payable as to principal at times over a period not to exceed fifty years from the date of issuance, at places and with reserved rights of prior redemption, as the board prescribes, be sold at prices, at public or private sale, and in a manner as the board prescribes, and the board may pay all expenses, premiums, and commissions which it deems necessary or advantageous in connection with the issuance and sale; and be issued subject to the terms, conditions, and covenant providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter, as are found to be necessary by the board for the most advantageous sale, which may include, but are not limited to, covenants with the holders of the bonds as to those matters set forth in section 16.26, subsection 4, paragraph *"b"*.

5. The board may issue bonds of the authority for the purpose of refunding any bonds or notes of the authority then outstanding, including the payment of any redemption premiums and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of the bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with this chapter. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned

or realized on the investments may be returned to the authority for use by it in any lawful manner. All refunding bonds shall be issued and secured and subject to this chapter in the same manner and to the same extent as other bonds.

6. The board may issue negotiable bond anticipation notes of the authority and may renew them from time to time but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. Notes are payable from any available moneys of the authority not otherwise pledged or from the proceeds of the sale of bonds in anticipation of which the notes were issued. Notes may be issued for any corporate purpose of the authority. Notes shall be issued in the same manner as bonds and notes and the resolution of the board may contain any provisions, conditions, or limitations, not inconsistent with this subsection, which the bonds or a bond resolution of the board may contain. Notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders have all the remedies provided in this chapter for bondholders. Notes shall be as fully negotiable as bonds of the authority.

7. A copy of each pledge agreement by or to the authority, including without limitation each bond resolution, indenture of trust, or similar agreement, or any revisions or supplements to it shall be filed with the secretary of state and no further filing or other action under article 9 of the uniform commercial code as provided in chapter 554, or any other law of the state is required to perfect the security interest in the collateral or any additions to it or substitutions for it, and the lien and trust so created is binding from and after the time it is made against all parties having claims of any kind in tort, contract, or otherwise against the pledgor.

8. Members of the board and any person executing the authority's bonds, notes, or other obligations are not liable personally on the bonds, notes, or other obligations or subject to personal liability or accountability by reason of the issuance of the authority's bonds or notes.

9. The board shall publish a notice of intention to issue bonds or notes in a newspaper published and of general circulation in the state. The notice shall include a statement of the maximum amount of bonds or notes proposed to be issued, and in general, what net revenues will be pledged to pay the bonds or notes and interest on them. An action shall not be brought questioning the legality of the bonds or notes, the power of the board to issue the bonds or notes, or the legality of any proceedings in connection with the authorization or issuance of the bonds or notes after sixty days from the date of publication of the notice.

87 Acts, ch 233, §230; 91 Acts, ch 268, §228, 229; 94 Acts, ch 1198, §36; 2005 Acts, ch 3, §44

**173.15 Management of state fair.**

The board may delegate the management of the state fair to the executive committee and two or more additional members of the board; and in carrying on such fair it may employ such assistance as may be deemed necessary.

[S13, §1657-i; C24, 27, 31, 35, 39, §**2887;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.15]

**173.16 Maintenance of state fair.**

All expenses incurred in maintaining the state fairgrounds and in conducting the annual fair on it, including the compensation and expenses of the officers, members, and employees of the board, shall be recorded by the secretary and paid from the state fair receipts, unless a specific appropriation has been provided for that purpose. The board may request special capital improvement appropriations from the state and may request emergency funding from the executive council for natural disasters. The board may request that the department of transportation provide maintenance in accordance with section 307A.2, subsection 11.

In order to efficiently administer facilities and events on the state fairgrounds, and to

promote Iowa's conservation ethic, the Iowa state fair board shall handle or dispose of waste generated on the state fairgrounds under supervision of the department of natural resources.

[S13, §1657-i, -t; C24, 27, 31, 35, 39, §**2888;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.16]

87 Acts, ch 233, §231; 89 Acts, ch 311, §25; 92 Acts, ch 1239, §21; 2001 Acts, ch 7, §2; 2002 Acts, ch 1162, §36

**173.17 Claims.**

The board shall prescribe rules for the presentation and payment of claims out of the state fair receipts and other funds of the board and no claim shall be allowed which does not comply therewith.

[C24, 27, 31, 35, 39, §**2889;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.17]

**173.18 Warrants.**

No claim shall be paid by the treasurer except upon a warrant signed by the president and secretary of the board, but this section shall not apply to the payment of state fair premiums.

[S13, §1657-o; C24, 27, 31, 35, 39, §**2890;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.18]

**173.19 Examination of financial affairs.**

The auditor of state shall annually examine and report to the executive council all financial affairs of the board.

[S13, §1657-q; C24, 27, 31, 35, 39, §**2891;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.19]

96 Acts, ch 1028, §3

**173.20 Report.**

The board shall file each year with the department, at such time as the department may specify, a report containing such information relative to the state fair and exposition and the district and county fairs as the department may require.

[C24, 27, 31, 35, 39, §**2892;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.20]

**173.21 Annual report to governor.**

The board shall file with the governor each year by February 15 a report containing the following information relative to the state fair and exposition and the district and county fairs:

1. A complete account of the annual state fair and exposition.
2. The proceedings of the annual state agricultural convention.
3. The proceedings of the annual county and district fair managers convention.

[R60, §1703; C73, §1107; C97, §1656; S13, §1657-k; C24, 27, 31, 35, 39, §**2893;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §173.21]

87 Acts, ch 233, §232

**173.22 Iowa state fair foundation — foundation fund.**

1. An Iowa state fair foundation is established under the authority of the Iowa state fair board.

2. A foundation fund is created within the state treasury composed of moneys appropriated or available to and obtained or accepted by the foundation. The foundation fund shall include moneys credited to the fund as provided in section 422.12D.

3. The foundation may solicit or accept gifts, including donations and bequests. A gift, to the greatest extent possible, shall be used according to the expressed desires of the person providing the gift.

4. Moneys in the foundation fund shall be used to support foundation activities, including foundation administration, or capital projects or major maintenance improvements at the Iowa state fairgrounds or to property under the control of the board.

5. *a.* Foundation moneys credited to the foundation fund may be expended on a matching basis with public moneys or Iowa state fair authority receipts. All interest earned on moneys

in the foundation fund shall be credited to and remain in the fund. Section 8.33 does not apply to moneys in the fund.

*b.* The auditor of state shall conduct regular audits of the foundation fund and shall make a certified report relating to the condition of the foundation fund to the treasurer of the state, and to the treasurer and secretary of the state fair board.

91 Acts, ch 132, §3; 93 Acts, ch 144, §1, 6; 94 Acts, ch 1199, §3 – 6; 2011 Acts, ch 79, §5
Referred to in §173.14, 173.22A, 422.12D

**173.22A Iowa state fairgrounds trust fund.**

1. An Iowa state fairgrounds trust fund is created as an endowment fund under the authority and in the custody of the Iowa state fair board in its capacity as the board of the Iowa state fair foundation. The Iowa state fairgrounds trust fund is not part of the state treasury. The fund shall be composed exclusively of gifts accepted by the board in trust from private donors or testators. The board may accept these gifts in trust and shall fulfill its duties as trustee of gifts accepted notwithstanding section 633.63. The trust beneficiaries shall include all future attendees of events held on the Iowa state fairgrounds. The fund shall be an endowment fund to be used exclusively for the maintenance and improvement of the Iowa state fairgrounds and for no other purpose. The board shall decline any gifts not consistent with these purposes.

2. Moneys in the Iowa state fairgrounds trust fund shall not be deposited in the state treasury, but shall be held separate and apart from both the state fair's operating moneys and the state fair foundation fund established in section 173.22. The board as trustee shall hold only legal title to these moneys, which shall not form any part of the general fund of the state. The moneys shall not be subject to appropriation by the general assembly or subject to transfer pursuant to chapter 8. The moneys are not and shall not be deemed public funds for any purpose. The fund shall be an institutional endowment fund within the meaning of and subject to chapter 540A. The fund shall not be subject to audit by the auditor of state, but shall be audited annually by a certified public accountant. The annual audit shall be delivered to the auditor of state, who may include it in any further report that the auditor of state deems appropriate. However, an annual audit shall be a confidential record to the extent required in section 22.7, subsection 52. The moneys may be held in perpetuity, subject to the provisions for release or modification of restrictions on the moneys as provided in chapter 540A.

2011 Acts, ch 79, §6
Referred to in §22.7, 173.14

**173.23 Lien on property.**

The board has a prior lien upon the property of any concessionaire, exhibitor, or person, immediately upon the property being brought onto the grounds, to secure existing or future indebtedness.

87 Acts, ch 233, §233

**173.24 Exemption of state fair by the state's purchasing procedures.**

The state fair is exempt from the state system of uniform purchasing procedures. However, the board may contract with the department of administrative services to purchase any items through the state system. The board shall adopt its own system of uniform standards and specifications for purchasing.

87 Acts, ch 233, §234; 2003 Acts, ch 145, §286

# CHAPTER 174

## COUNTY AND DISTRICT FAIRS

Referred to in §21.2, 22.1, 99B.1, 163.32, 165B.5, 322.5, 331.427, 423.3, 490.1701, 717E.1, 717F.7


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174.11 Repealed by 99 Acts, ch 204, §38.
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174.15 Purchase or gift of real property — management.
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174.17 Issuance of revenue bonds — standby tax levy.
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174.19 Report of county aid.
174.20 Fraudulent entries of horses.
174.21 Violations — penalty.
174.22 Entry under changed name.
174.23 Class determined.
174.24 through 174.27 Repealed by 81 Acts, ch 117, §1097.


### 174.1 Terms defined.

For the purposes of this chapter:

1. *"Association"* means the association of Iowa fairs.

2. *"Fair"* means an organization which is incorporated under the laws of this state, including as a county or district fair or as an agricultural society, for the purpose of conducting a fair event, if all of the following apply:

*a.* The organization owns or leases at least ten acres of fairgrounds. An organization may meet the requirement of owning or leasing land, buildings, and improvements through ownership by a joint entity under chapter 28E.

*b.* The organization owns buildings and other improvements situated on the fairgrounds which have been specially constructed for purposes of conducting a fair event.

*c.* The market value of the fairgrounds and buildings and other improvements located on the fairgrounds is at least twenty-five thousand dollars.

3. *"Fair event"* means an annual gathering of the public on fairgrounds that incorporates agricultural exhibits, demonstrations, shows, or competitions that include programs or projects sponsored by 4-H clubs, future farmers of America, or the Iowa cooperative extension service in agriculture and home economics of Iowa state university. Other activities may include any of the following:

*a.* Commercial exhibits sponsored by manufacturers or other businesses.

*b.* Educational programs or exhibits sponsored by governmental entities or nonprofit organizations.

*c.* Competition in culinary arts, fine arts, or home craft arts.

4. *"Fairgrounds"* or *"grounds"* means the real estate, including land, buildings, and improvements where a fair event is conducted.

5. *"Management"* shall mean president, vice-president, secretary, or treasurer of a fair.

6. *"State aid"* means moneys appropriated by the treasurer of state to the association of Iowa fairs for payments to eligible fairs pursuant to this chapter.

[C24, 27, 31, 35, 39, §**2894;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.1]

97 Acts, ch 215, §32; 2004 Acts, ch 1019, §6 – 8; 2004 Acts, ch 1175, §366; 2010 Acts, ch 1193, §113, 114

Referred to in §87.4, 99D.13, 142D.3, 423.33, 427.1(39), 669.25, 670.7, 717D.3, 726.23

### 174.2 Powers of a fair.

A fair may annually conduct a fair event to further interest in agriculture and to encourage the improvement of agricultural commodities and products, livestock, articles of domestic

industry, implements, and other mechanical devices. It may offer and award such premiums as will induce general competition.

In addition to the powers granted in this chapter, a fair shall have the powers of a corporation not for pecuniary profit under the laws of this state and those powers enumerated in its articles of incorporation, such powers to be exercised before and after the holding of a fair event.

No salary or compensation of any kind shall be paid to the president, vice president, treasurer, or to a director of the fair for such duties. However, the president, vice president, treasurer, or a director of the fair may be reimbursed for actual expenses incurred by carrying out duties under this chapter or chapter 173, including, but not limited to attending the convention provided under section 173.2. A person claiming expenses under this paragraph shall be reimbursed to the same extent that a state employee is entitled to be reimbursed for expenses.

[R60, §1697; C73, §1109; C97, §1658; S13, §1658; C24, 27, 31, 35, 39, §**2895;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.2]

91 Acts, ch 248, §9; 2004 Acts, ch 1019, §9; 2007 Acts, ch 126, §39

Nonprofit corporations, see chapter 504

**174.3 Control of fair event and fairgrounds.**

An ordinance or resolution of a county or city shall not in any way impair the authority of a fair. The fair shall have sole and exclusive control over and management of a fair event and fairgrounds.

[C73, §1116; C97, §1664; C24, 27, 31, 35, 39, §**2896;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.3]

99 Acts, ch 204, §29; 2004 Acts, ch 1019, §10

**174.4 Permits to sell articles.**

The management of a fair may grant a written permit to a person determined proper by the management, to sell fruit, provisions, and other articles not prohibited by law, under such regulations as the management may prescribe.

[C73, §1115; C97, §1663; C24, 27, 31, 35, 39, §**2897;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.4]

2004 Acts, ch 1019, §11

**174.5** Repealed by 2004 Acts, ch 1019, § 32.

**174.6 Removal of obstructions.**

The management of a fair may order the removal of any obstruction to a fair event or on the fairgrounds, including but not limited to shows, swings, booths, tents, or vehicles.

[C73, §1116; C97, §1664; C24, 27, 31, 35, 39, §**2899;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.6]

2004 Acts, ch 1019, §12

**174.7 Refusal to remove obstructions.**

Any person owning, occupying, or using any such obstruction who shall refuse or fail to remove the same when ordered to do so by the management shall be guilty of a simple misdemeanor.

[C73, §1116; C97, §1664; C24, 27, 31, 35, 39, §**2900;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.7]

**174.8 Publication of financial statement.**

A fair shall annually publish in one newspaper of the county a financial statement of receipts and disbursements for the current year.

[R60, §1698; C73, §1110; C97, §1659; S13, §1659; C24, 27, 31, 35, 39, §**2901;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.8]

2004 Acts, ch 1019, §13

**174.8A Liability insurance.**

The association of Iowa fairs, or a fair, shall have the power to join a local government risk pool as provided in section 670.7.

2008 Acts, ch 1139, §2

**174.9 State aid.**

An eligible fair which is a member of the association of Iowa fairs as provided in the association's bylaws and which conducts a fair event shall be entitled to receive state aid as provided in this chapter. The moneys paid as state aid must be used exclusively for capital expenditures relating to the acquisition of land for fairgrounds and improvements on the fairgrounds such as the construction of new facilities and the renovation of existing facilities. In order to be eligible for state aid, a fair must file with the association of Iowa fairs on or before November 15 of each year, a statement which provides information as required by the association of Iowa fairs. The information shall at least include all of the following:

1. The amount that the fair paid in cash premiums at its fair for the current year. The statement must correspond with its published offer of premiums.

2. A statement that no part of the amount of state aid was paid for any of the following:

*a.* Entertainment venues, including but not limited to speed events.

*b.* To secure games or amusements.

*c.* Supplies, rentals, equipment, payroll, inventory, fees, or routine operating expenses.

3. A full and accurate statement of the receipts and expenditures of the fair for the current year.

4. A statement of statistical data relative to exhibits and attendance for the year.

5. A copy of the published financial statement published as required by law, together with proof of such publication showing an itemized list of premiums awarded.

[R60, §1698, 1704; C73, §1110, 1112; C97, §1659, 1661; S13, §1659; SS15, §1661-a; C24, 27, 31, 35, 39, §**2902;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.9]

96 Acts, ch 1218, §30, 31; 97 Acts, ch 215, §33, 34; 99 Acts, ch 204, §30, 31; 2004 Acts, ch 1019, §14

Referred to in §174.10

**174.10 Appropriation — availability.**

1. Any moneys appropriated for state aid shall be paid to the office of treasurer of state for allocation to the association of Iowa fairs. The association shall distribute the moneys to eligible fairs pursuant to this chapter.

2. *a.* The association shall maintain a list of each fair in a county which is a member of the association and conducts a fair event in that county as provided in this chapter. If a county has more than one fair event, the association shall list the name of each fair conducting a fair event in that county for three or more years. The association shall not make a payment to a fair under this chapter unless the fair complies with section 174.9, the name of the fair appears on the association's list, and the fair is a member in good standing according to the bylaws of the association.

*b.* The association shall prepare a report at the end of each fiscal year concerning the state aid that it received, the manner in which such aid was allocated to eligible fairs, and the manner in which the aid was expended by the fairs. The association shall submit the report to the governor and the general assembly by February 1 of each year. The association shall not use moneys appropriated for state aid, or interest earned on such moneys, for administrative or other expenses.

3. The association's board of directors shall determine the amount of state aid allocated to each eligible fair.

4. If no fair in a county is eligible to receive state aid, that county's share shall be divided equally among the eligible fairs.

[R60, §1698, 1704; C73, §1110, 1112; C97, §1661; S13, §1659; SS15, §1661-a; C24, 27, §2902; C31, 35, §2902-d1; C39, §**2902.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §174.10; 81 Acts, ch 117, §1023]

95 Acts, ch 67, §53; 96 Acts, ch 1218, §32; 97 Acts, ch 215, §35; 99 Acts, ch 204, §32; 2004 Acts, ch 1019, §15

**174.11** Repealed by 99 Acts, ch 204, § 38.

**174.12 Payment of state aid — participation by delegates.**

1. The association of Iowa fairs shall pay a fair the amount due in state aid, less one thousand dollars, as provided in this chapter. The association must certify to the treasurer that the fair is eligible under this chapter to receive the amount to be paid to the fair by the association. The association shall pay the fair the remaining one thousand dollars, if all of the following apply:

*a.* The secretary of the state fair board certifies to the association that the fair had an accredited delegate in attendance at the annual convention for the election of members of the Iowa state fair board as provided in section 173.2.

*b.* A district director of the association representing the district in which the county is located, and the director of the Iowa state fair board representing the state fair board district in which the county is located, certify to the association that the fair had an accredited delegate in attendance at at least one of the district meetings and at the association's annual meeting.

2. Any moneys appropriated in state aid remaining due to the failure of a fair to comply with this section shall be distributed equally among the eligible fairs which have qualified for state aid under this section. The treasurer of state shall allocate to the association the total amount to be paid by the association to eligible fairs under this chapter.

[R60, §1698; C73, §1110; C97, §1659; S13, §1659; C24, 27, 31, 35, 39, §**2904;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.12]

96 Acts, ch 1218, §33; 97 Acts, ch 215, §36; 99 Acts, ch 204, §33; 2004 Acts, ch 1019, §16; 2004 Acts, ch 1175, §367; 2009 Acts, ch 41, §263

**174.13 County aid.**

The board of supervisors of the county in which a fair is located may appropriate moneys to be used for purchasing fairgrounds, constructing or restoring facilities on the fairgrounds, aiding 4-H club work, and paying agricultural and livestock premiums in connection with the fair event.

[C73, §1111; C97, §1660; SS15, §1660; C24, 27, 31, 35, 39, §**2905;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §174.13; 81 Acts, ch 117, §1024; 82 Acts, ch 1104, §5]

83 Acts, ch 123, §75, 209; 85 Acts, ch 67, §19; 2004 Acts, ch 1019, §17

**174.14 Fairground aid.**

1. The board of supervisors of a county which has acquired real estate for fairgrounds and which has a fair using the fairgrounds may appropriate moneys to be used for any of the following:

*a.* The erection and repair of buildings or other permanent improvements on the fairgrounds.

*b.* The payment of debts contracted in the erection or repair and payment of agricultural and livestock premiums.

2. In addition, the net proceeds from the sale of real estate or structures or improvements on the fairgrounds shall be used for the purchase of real estate or the erection of permanent buildings and installation of improvements on new fairgrounds, or the cost of moving structures from the old fairgrounds to the new fairgrounds.

83 Acts, ch 123, §76, 209; 84 Acts, ch 1178, §2; 2004 Acts, ch 1019, §18

**174.15 Purchase or gift of real property — management.**

1. Title to land purchased or received for purposes of conducting a fair event shall be taken in the name of the county or a fair. However, the board of supervisors shall place the land under the control and management of a fair. The fair may act as agent for the county in the erection of buildings and maintenance of the fairgrounds, including the buildings and improvements constructed on the grounds. Title to new buildings or improvements shall be taken in the name of the county or a fair. However, the county is not liable for the improvements or expenditures for them.

2. Notwithstanding section 364.7, subsection 3, a city may dispose of real property by gift to a fair.

[SS15, §1660; C24, 27, 31, 35, 39, §**2907;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §174.15; 81 Acts, ch 117, §1025]

98 Acts, ch 1219, §16; 2004 Acts, ch 1019, §19; 2005 Acts, ch 19, §35; 2009 Acts, ch 92, §1

**174.16 Termination of rights of fair.**

The right of a fair to the control and management of its fairgrounds may be terminated by the board of supervisors whenever well-conducted fair events are not annually held on the fairgrounds.

[SS15, §1660; C24, 27, 31, 35, 39, §**2908;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.16]

2004 Acts, ch 1019, §20

**174.17 Issuance of revenue bonds — standby tax levy.**

1. The governing body of a fair may issue bonds payable from revenue generated by the operations of the fair event and the use or rental of the real and personal property owned or leased by the fair. The governing body of a fair shall comply with all of the following procedures in issuing such bonds:

*a.* A fair may institute proceedings for the issuance of bonds by causing a notice of the proposal to issue the bonds to be published at least once in a newspaper of general circulation within the county at least ten days prior to the meeting at which the fair proposes to take action for the issuance of the bonds. The notice shall include a statement of the amount and purpose of the bonds, the maximum rate of interest the bonds are to bear, and the right to petition for an election.

*b.* If at any time before the date fixed for taking action for the issuance of the bonds, a petition signed by three percent of the registered voters of the county is filed with the board of supervisors, asking that the question of issuing the bonds be submitted to the registered voters, the board of supervisors shall either by resolution declare the proposal to issue the bonds to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of issuing the bonds. The proposition of issuing bonds under this subsection is not approved unless the vote in favor of the proposition is equal to at least sixty percent of the vote cast. If a petition is not filed, or if a petition is filed and the proposition of issuing the bonds is approved at an election, the board of supervisors acting on behalf of the fair may proceed with the authorization and issuance of the bonds. Bonds may be issued for the purpose of refunding outstanding and previously issued bonds under this subsection without otherwise complying with the provisions of this subsection.

*c.* All bonds issued under this subsection shall be payable solely from and shall be secured by an irrevocable pledge of a sufficient portion of the net rents, profits, and income derived from the operation of the fair event and the use or rental of the real and personal property owned or leased by the fair. Bonds issued pursuant to this section shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not be subject to the provisions of any other law or charter relating to the authorization, issuance, or sale of bonds. Bonds issued under this subsection shall not limit or restrict the authority of the fair as otherwise provided by law.

2. To further secure the payment of the bonds, the board of supervisors may, by resolution, provide for the assessment of an annual levy of a standby tax upon all taxable property within the county. A copy of the resolution shall be sent to the county auditor. The revenues from the

standby tax shall be deposited in a special fund and shall be expended only for the payment of principal of and interest on the bonds issued as provided in this section, when the receipt of revenues pursuant to subsection 1 is insufficient to pay the principal and interest. If payments are necessary and made from the special fund, the amount of the payments shall be promptly repaid into the special fund from the first available revenues received which are not required for the payment of principal of or interest on bonds due. Reserves shall not be built up in the special fund in anticipation of a projected default. The board of supervisors shall adjust the annual standby tax levy for each year to reflect the amount of revenues in the special fund and the amount of principal and interest which is due in that year.

3. In order for the governing body of a fair to issue bonds under this section, the governing body must conduct a fair event that has a verifiable annual attendance of at least one hundred fifty thousand persons and annual outside gate admission revenues of at least four hundred thousand dollars.

99 Acts, ch 204, §34; 2004 Acts, ch 1019, §21, 22

**174.18** Repealed by 81 Acts, ch 117, § 1097.

**174.19 Report of county aid.**

A fair shall not receive an appropriation from a county under this chapter until the fair submits a financial statement to the county board of supervisors. The statement shall show all expenditures of moneys appropriated to the fair from the county in the previous year. The financial statement submitted to the board of supervisors shall include vouchers related to the expenditures.

[C73, §1113; C97, §1662; C24, 27, 31, 35, 39, §**2911;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.19]

91 Acts, ch 98, §1; 2004 Acts, ch 1019, §23

**174.20 Fraudulent entries of horses.**

A person shall not knowingly enter or cause to be entered any horse of any age or sex under an assumed name, or out of its proper class, to compete for any purse, prize, premium, stake, or sweepstake offered or given by any person in the state, or drive any such horse under an assumed name, or out of its proper class, where such prize, purse, premium, stake, or sweepstake is to be decided by a contest of speed.

[C97, §1665; C24, 27, 31, 35, 39, §**2912;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.20]

2004 Acts, ch 1019, §24

Referred to in §174.21

**174.21 Violations — penalty.**

Any person convicted of a violation of section 174.20 shall be guilty of a fraudulent practice.

[C97, §1666; C24, 27, 31, 35, 39, §**2913;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.21]

**174.22 Entry under changed name.**

The name of any horse for the purpose of entry for competition in any contest of speed shall not be changed after having once contested for a prize, purse, premium, stake, or sweepstake, except as provided by the code of printed rules of the fair or association under which the contest is advertised to be conducted, unless the former name is given.

[C97, §1667; C24, 27, 31, 35, 39, §**2914;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.22]

2004 Acts, ch 1019, §25

**174.23 Class determined.**

The class to which a horse belongs for the purpose of an entry in any contest of speed, as provided by the printed rules of the fair or association under which such contest is to be made, shall be determined by the public record of said horse in any such former contest.

[C97, §1668; C24, 27, 31, 35, 39, §**2915;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §174.23]

2004 Acts, ch 1019, §26

**174.24 through 174.27** Repealed by 81 Acts, ch 117, § 1097.

# CHAPTER 175

## AGRICULTURAL DEVELOPMENT

Referred to in §7C.4A, 16.1A, 16.221, 502.201

Continuation of former agricultural development authority rules, regulations, forms, orders, and directives until amended, repealed, or supplemented by the Iowa finance authority; transfer of personnel and outstanding legal obligations and rights; continuation of ongoing programs; appointment of new agricultural development board members; 2013 Acts, ch 100, §28 – 40; 2013 Acts, ch 140, §80 – 82


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**175.1 Short title.**

This chapter shall be called and may be cited as the *"Iowa Agricultural Development Act"*. [C81, §175.1]

**175.2 Definitions.**

1. As used in this chapter, unless the context otherwise requires:

*a. "Agricultural assets"* means agricultural land, depreciable agricultural property, crops, or livestock.

*b. "Agricultural improvements"* means any improvements, buildings, structures or fixtures suitable for use in farming which are located on agricultural land. *"Agricultural improvements"* includes a single-family dwelling located on agricultural land which is or will be occupied by the beginning farmer and structures attached to or incidental to the use of the dwelling.

*c. "Agricultural land"* means land suitable for use in farming.

*d.* *"Agricultural producer"* means a person that engages or wishes to engage or intends to engage in the business of producing and marketing agricultural produce in this state.

*e.* *"Authority"* means the Iowa finance authority created in section 16.1A.

*f.* *"Bankhead-Jones Farm Tenant Act"* means the Act cited as 50 Stat. 522 (1937), formerly codified as 7 U.S.C. § 1000 et seq., repealed by Pub. L. No. 87-128 (1961).

*g.* *"Beginning farmer"* means an individual, partnership, family farm corporation, or family farm limited liability company, as defined in section 9H.1, with a low or moderate net worth that engages in farming or wishes to engage in farming.

*h.* *"Beginning farmer tax credit program"* means all of the following:

(1) The agricultural assets transfer tax credit as provided in section 175.37.

(2) The custom farming contract tax credit as provided in section 175.38.

*i.* *"Board"* means the agricultural development board created in section 175.3.

*j.* *"Bonds"* means bonds issued by the authority pursuant to this chapter.

*k.* *"Conservation farm equipment"* means the specialized planters, cultivators, and tillage equipment used for reduced tillage or no-till planting of row crops.

*l.* *"Depreciable agricultural property"* means personal property suitable for use in farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the Internal Revenue Code as defined in section 422.3.

*m.* *"Executive director"* means the executive director of the Iowa finance authority appointed pursuant to section 16.6.

*n.* *"Farming"* means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing, the production of livestock, aquaculture, hydroponics, the production of forest products, or other activities designated by the authority by rules subject to chapter 17A.

*o.* *"Lending institution"* means a bank, trust company, mortgage company, national banking association, life insurance company, any state or federal governmental agency or instrumentality, including without limitation the federal land bank or any of its local associations, or any other financial institution or entity authorized to make farm operating loans in this state.

*p.* (1) *"Low or moderate net worth"* means a person's aggregate net worth calculated as a designated amount established pursuant to rules adopted by the authority and effective for one year. The designated amount shall be established by January 1 of each year by adjusting the designated amount effective on the previous December 31. The authority shall establish the designated amount in accordance with the "prices paid by farmers index" as compiled by the United States department of agriculture.

(2) *"Low or moderate net worth"* as applied to the following persons means:

(a) For an individual, an aggregate net worth of the individual and the individual's spouse and minor children of less than the designated amount.

(b) For a partnership, an aggregate net worth of all partners, including each partner's net capital in the partnership, and each partner's spouse and minor children of less than twice the designated amount. However, the aggregate net worth of each partner and that partner's spouse and minor children shall not exceed the designated amount.

(c) For a family farm corporation, an aggregate net worth of all shareholders, including the value of each shareholder's share in the family farm corporation, and each shareholder's spouse and minor children of less than twice the designated amount. However, the aggregate net worth of each shareholder and that shareholder's spouse and minor children shall not exceed the designated amount.

(d) For a family farm limited liability company, an aggregate net worth of all members, including each member's ownership interest in the family farm limited liability company, and each member's spouse and minor children of less than twice the designated amount. However, the aggregate net worth of each member and that member's spouse and minor children shall not exceed the designated amount.

*q.* *"Mortgage"* means a mortgage, mortgage deed, deed of trust, or other instrument creating a first lien, subject only to title exceptions and encumbrances acceptable to the authority, including any other mortgage liens of equal standing with or subordinate to the

mortgage loan retained by a seller or conveyed to a mortgage lender, on a fee interest in agricultural land and agricultural improvements.

*r.* *"Mortgage lender"* means a bank, trust company, mortgage company, national banking association, life insurance company, any state or federal governmental agency or instrumentality, including without limitation the federal land bank or any of its local associations, or any other financial institution or entity authorized to make mortgage loans or secured loans in this state.

*s.* *"Mortgage loan"* means a financial obligation secured by a mortgage.

*t.* *"Net worth"* means a person's total assets minus total liabilities as determined in accordance with generally accepted accounting principles with appropriate exceptions and exemptions reasonably related to an equitable determination of a person's net worth. Assets shall be valued at fair market value.

*u.* *"Note"* means a bond anticipation note or other obligation or evidence of indebtedness issued by the authority pursuant to this chapter.

*v.* *"Permanent soil and water conservation practices"* and *"temporary soil and water conservation practices"* have the same meaning as defined in section 161A.42.

*w.* *"Production item"* includes tools, machinery, or equipment principally used to produce crops or livestock.

*x.* *"Qualified beginning farmer"* means a beginning farmer who meets the requirements to participate in a beginning farmer tax credit program as provided in section 175.36A.

*y.* *"Secured loan"* means a financial obligation secured by a chattel mortgage, security agreement or other instrument creating a lien on an interest in depreciable agricultural property.

*z.* *"State agency"* means any board, commission, department, public officer, or other agency or authority of the state of Iowa.

*aa.* *"Veteran"* means the same as defined in section 35.1.

2. The authority may establish by rule further definitions applicable to this chapter and clarification of the definitions in this section, as necessary to assure eligibility for funds, insurance or guarantees available under federal laws and to carry out the public purposes of this chapter.

[C81, §175.2; 81 Acts, ch 68, §2; 82 Acts, ch 1243, §2]

83 Acts, ch 93, §1; 84 Acts, ch 1305, §23; 85 Acts, ch 15, §1, 2; 86 Acts, ch 1026, §1, 2; 86 Acts, ch 1027, §1; 86 Acts, ch 1245, §628; 87 Acts, ch 52, §1; 87 Acts, ch 169, §1; 94 Acts, ch 1118, §1 – 3; 2000 Acts, ch 1010, §1, 2; 2006 Acts, ch 1161, §1, 7; 2008 Acts, ch 1191, §51; 2012 Acts, ch 1017, §45; 2013 Acts, ch 100, §7, 8, 17; 2013 Acts, ch 125, §2, 23, 24

Referred to in §456A.38, 654.16, 654.16A

For future repeal of subsection 1, paragraphs h, w, x, and aa, effective December 31, 2017, see 2013 Acts, ch 125, §25, 28

Subsection 1, paragraphs h, w, x, and aa, take effect June 17, 2013, and apply retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

Subsection 1, paragraph e amended

Subsection 1, NEW paragraphs h and i, and former paragraphs h – j redesignated as j – l

Subsection 1, NEW paragraph m and former paragraphs k – s redesignated as n – v

Subsection 1, NEW paragraphs w and x and former paragraphs t and u redesignated as y and z

Subsection 1, NEW paragraph aa

**175.3 Agricultural development board.**

1. The powers of the agricultural development division, created within the Iowa finance authority under section 16.221, are vested in and shall be exercised by the agricultural development board as provided in section 16.221 and this section.

2. The agricultural development board is created to exercise all powers and perform all duties necessary to administer this chapter according to policies established by the Iowa finance authority. The authority shall establish policies and practices for the division and oversee its operations. The authority may review or approve decisions affecting the division or administration of this chapter, including decisions of the agricultural development board.

3. The agricultural development board consists of five members appointed by the governor. The executive director of the Iowa finance authority or the executive director's designee shall serve as an ex officio nonvoting member.

4. The appointed members of the agricultural development board shall be appointed and retain office as follows:

*a.* Not more than three members shall belong to the same political party.

*b.* As far as possible, the governor shall include within the membership persons who represent financial institutions experienced in agricultural lending, real estate sales, farmers, beginning farmers, average taxpayers, local government, soil and water conservation district officials, agricultural educators, and other persons specially interested in family farm development.

*c.* Members shall serve for staggered terms of six years beginning and ending as provided in section 69.19. A person appointed to fill a vacancy shall serve only for the unexpired portion of the member's term. A member is eligible for reappointment. An appointed member may be removed from office by the governor for misfeasance, malfeasance, willful neglect of duty, or other just cause, after notice and hearing, unless the notice and hearing is expressly waived in writing.

5. The agricultural development board shall conduct business according to all of the following:

*a.* Three appointed members constitute a quorum and the affirmative vote of a majority of the appointed members is necessary for any substantive action taken by the board. A majority of appointed members shall not include any member who has a conflict of interest and a statement by a member that the member has a conflict of interest is conclusive for this purpose. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the board.

*b.* Meetings of the board shall be held at the call of the chairperson or whenever two appointed members so request.

*c.* The appointed members shall elect a chairperson and vice chairperson annually, and other officers as they determine. The executive director of the Iowa finance authority or the executive director's designee shall serve as secretary to the board.

6. An appointed member of the agricultural development board is entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties as a member, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as a member.

7. An appointed member of the agricultural development board shall give bond as required for public officers in chapter 64.

[C81, §175.3; 82 Acts, ch 1243, §3]

83 Acts, ch 101, §32; 85 Acts, ch 15, §3; 86 Acts, ch 1026, §3; 86 Acts, ch 1027, §2; 86 Acts, ch 1245, §629; 87 Acts, ch 23, §4; 90 Acts, ch 1256, §34; 96 Acts, ch 1029, §1; 2003 Acts, ch 137, §2; 2007 Acts, ch 215, §89, 90; 2011 Acts, ch 13, §1; 2011 Acts, ch 131, §55, 158; 2013 Acts, ch 100, §9, 17

Referred to in §16.221, 175.2

Section stricken and rewritten

**175.4 Legislative findings.**

The general assembly finds and declares as follows:

1. The establishment of the authority is in all respects for the benefit of the people of the state of Iowa, for the improvement of their health and welfare and for the promotion of the economy, which are public purposes.

2. The authority will be performing an essential governmental function in the exercise of the powers and duties conferred upon it by this chapter.

3. There exists a serious problem in this state regarding the ability of nonestablished farmers to acquire agricultural land and agricultural improvements and depreciable agricultural property in order to enter farming.

4. This barrier to entry into farming is conducive to consolidation of acreage of agricultural land with fewer individuals resulting in a grave threat to the traditional family farm.

5. These conditions result in a loss in population, unemployment and a movement of persons from rural communities to urban areas accompanied by added costs to communities for creation of new public facilities and services.

6. One major cause of this condition has been recurrent shortages of funds in private channels and the high interest cost of borrowing.

7. These shortages and costs have made the sale and purchase of agricultural land to beginning farmers a virtual impossibility in many parts of the state.

8. The ordinary operations of private enterprise have not in the past corrected these conditions.

9. A stable supply of adequate funds for agricultural financing is required to encourage beginning farmers in an orderly and sustained manner and to reduce the problems described in this section.

10. Article IX, section 3, of the Constitution of the State of Iowa requires that, "The General Assembly shall encourage, by all suitable means, the promotion of intellectual, scientific, moral, and agricultural improvement," and agricultural improvement and the public good are served by a policy of facilitating access to capital by beginning farmers unable to obtain capital elsewhere in order to preserve, encourage and protect the family farm which has been the economic, political and social backbone of rural Iowa.

11. It is necessary to create an authority to encourage ownership of farms by beginning farmers by providing purchase money loans to beginning farmers who are not able to obtain adequate capital elsewhere to provide such funds and to lower costs through the use of public financing.

12. All of the purposes stated in this section are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned or granted.

13. The erosion of topsoil on agricultural land by wind and water is a serious problem within the state and one which threatens to destroy the natural resource most responsible for Iowa's prosperity.

14. It is necessary to the preservation of the economy and well-being of the state to encourage soil conservation practices by providing loans for permanent soil and water conservation practices on agricultural land within the state and for the acquisition of conservation farm equipment.

15. There exists a serious problem in this state regarding the ability of farmers to obtain affordable operating loans for reasonable and necessary expenses and cash flow requirements of farming.

16. Farming is one of the principal pursuits of the inhabitants of this state. Many other industries and pursuits, in turn, are wholly dependent upon farming.

17. The inability of farmers to obtain affordable operating loans is conducive to a general decline of the economy in this state.

18. A serious problem continues to exist in this state regarding the ability of agricultural producers to obtain, retain, restructure, or service loans or other financing on a reasonable and affordable basis for operating expenses, cash flow requirements, and capital asset acquisition or maintenance.

19. Because the Iowa economy is dependent upon the production and marketing of agricultural produce, the inability of agricultural producers to obtain, retain, restructure, or service loans or other financing on a reasonable and an affordable basis for operating expenses, cash flow requirements, or capital asset acquisition or maintenance contributes to a general decline of the state's economy.

20. The decline in the number of beef cattle production operations is a serious problem within the state, resulting in the conversion of land used for pasture to row crop production, which threatens to destroy a significant part of Iowa's agricultural base and damage the economic viability of the state.

21. It is necessary to create a program in this state to assist agricultural producers who have established or intend to establish beef cattle production operations, to obtain adequate

financing, and management assistance and training, and to convert land used for row crop production to pasture.

[C81, §175.4; 82 Acts, ch 1243, §4]

86 Acts, ch 1027, §3; 87 Acts, ch 52, §2; 87 Acts, ch 169, §2; 2013 Acts, ch 100, §10, 17; 2013 Acts, ch 125, §3, 23, 24

2013 amendment striking former subsection 18 takes effect June 17, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

Subsection 11 amended

Subsection 18 stricken and former subsections 19 – 22 renumbered as 18 – 21

**175.5 Guiding principles.**

In the performance of its duties, implementation of its powers, selection of specific programs and projects to receive its assistance under this chapter, the authority shall be guided by the following principles:

1. The authority shall not become an owner of real or depreciable property, except on a temporary basis where necessary in order to implement its programs, to protect its investments by means of foreclosure or other means, or to facilitate transfer of real or depreciable property for the use of beginning farmers.

2. The authority shall exercise diligence and care in selection of projects to receive its assistance and shall apply customary and acceptable business and lending standards in selection and subsequent implementation of the projects. The authority may delegate primary responsibility for determination and implementation of the projects to any federal governmental agency which assumes any obligation to repay the loan, either directly or by insurance or guarantee.

3. The authority shall establish a beginning farmer loan program to aid beginning farmers in the acquisition of agricultural land and improvements and depreciable agricultural property.

4. The authority shall develop programs for providing financial assistance to agricultural producers in this state.

[C81, §175.5]

86 Acts, ch 1026, §4; 2013 Acts, ch 100, §11, 17

Unnumbered paragraph 1 amended

**175.6 General powers.**

The authority has all of the general powers needed to carry out its purposes and duties, and to exercise its specific powers under this chapter including but not limited to the power to do any of the following:

1. Issue its negotiable bonds and notes as provided in this chapter in order to finance its programs.

2. Sue and be sued in its own name.

3. Have and alter a corporate seal.

4. Make and alter bylaws for its management consistent with the provisions of this chapter.

5. Make and execute agreements, contracts, and other instruments with any public or private entity, including but not limited to any federal governmental agency or instrumentality. The authority may make and execute contracts with any firm of independent certified public accountants to prepare an annual report on behalf of the authority. The authority may make and execute contracts with mortgage lenders for the servicing of mortgage and secured loans. All political subdivisions, other public agencies and state agencies may enter into contracts and otherwise cooperate with the authority.

6. Acquire, hold, improve, mortgage, lease and dispose of real and personal property, including but not limited to the power to sell at public or private sale, with or without public bidding, any property, mortgage or secured loan or other obligation held by it.

7. Procure insurance against any loss in connection with its operations and property interests, including pool insurance on any group of mortgage or secured loans.

8. Fix and collect fees and charges for its services.

9. Subject to an agreement with bondholders or noteholders, invest or deposit moneys of the authority in a manner determined by the authority, notwithstanding chapter 12B or 12C.

10. Accept appropriations, gifts, grants, loans, or other aid from public or private entities. A record of all gifts or grants, stating the type, amount and donor, shall be clearly set out in the authority's annual report along with the record of other receipts.

11. Provide to public and private entities technical assistance and counseling related to the authority's purposes.

12. In cooperation with other local, state or federal governmental agencies or instrumentalities, conduct studies of beginning farmer or agricultural producer agricultural needs, and gather and compile data useful to facilitate decision making.

13. Contract with architects, engineers, attorneys, accountants, housing construction and finance experts, and other advisors or enter into contracts or agreements for such services with local, state or federal governmental agencies.

14. Make, alter and repeal rules consistent with the provisions of this chapter, and subject to chapter 17A.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, §234.18; C81, §175.6]

84 Acts, ch 1230, §1; 87 Acts, ch 52, §3; 2012 Acts, ch 1023, §157; 2013 Acts, ch 100, §12, 17

Referred to in §175.13A

Unnumbered paragraph 1 amended

**175.7 Executive director — staff.** Repealed by 2013 Acts, ch 100, § 16, 17.

**175.8 Annual report.**

1. As part of the authority's report required in section 16.7, the authority shall detail its activities under this chapter, which shall include all of the following:

*a.* Its operations and accomplishments.

*b.* Its receipts and expenditures during the fiscal year, in accordance with the classifications it establishes for its operating and capital accounts.

*c.* Its assets and liabilities at the end of its fiscal year and the status of reserve, special and other funds.

*d.* A schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and issued during its fiscal year.

*e.* A statement of its proposed and projected activities.

*f.* Recommendations to the general assembly, as it deems necessary.

*g.* An analysis of beginning farmer needs in the state.

2. *a.* The annual report shall include all of the following:

(1) Performance goals of the authority. The report shall clearly indicate the extent of progress during the reporting period in attaining the goals.

(2) An evaluation of the success of its programs, with a special emphasis on the beginning farmer loan program as provided in section 175.12, and the beginning farmer tax credit program.

*b.* Where possible, the findings and results of its performance goals and evaluation shall be expressed in terms of number of loans, tax credits, participating qualified beginning farmers, and acres of agricultural land, including by county.

3. The executive director shall report semiannually to the general assembly's standing committees on government oversight regarding the operations of the authority.

[C81, §175.8]

2007 Acts, ch 215, §92; 2009 Acts, ch 117, §1; 2010 Acts, ch 1069, §23; 2013 Acts, ch 100, §13, 14, 17; 2013 Acts, ch 125, §4, 5, 23, 24

For future repeal of 2013 amendment to subsection 2 effective December 31, 2017, see 2013 Acts, ch 125, §25, 28

2013 amendment to subsection 2 takes effect June 17, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

With respect to amendment to subsection 1, unnumbered paragraph 1 by 2013 Acts, ch 125, §4, see Code editor's note

Section amended

**175.9 Nondiscrimination.**

1. The opportunity to acquire agricultural land and agricultural improvements and depreciable agricultural property financed or otherwise assisted by the authority, directly or

indirectly, is open to all persons regardless of race, creed, color, sex, national origin, age, physical or mental impairment, or religion.

2. The authority shall promote marketing plans for its programs under this chapter.

[C81, §175.9]

**175.10 Surplus moneys.**

Moneys declared by the authority to be surplus moneys which are not required to service bonds and notes, to pay administrative expenses of the authority or to accumulate necessary operating or loss reserves, shall be used by the authority to provide loans, grants, subsidies, and other services or assistance to beginning farmers or agricultural producers through any of the programs authorized in this chapter.

[C81, §175.10]

87 Acts, ch 52, §4

**175.11 Combination programs.**

Programs authorized in this chapter may be combined with any other programs authorized in this chapter, under chapter 16 or under a federal program in order to facilitate as far as practicable the acquisition of agricultural land and property by beginning farmers or to facilitate the implementation of permanent soil and water conservation practices and the acquisition of conservation farm equipment.

[C81, §175.11; 82 Acts, ch 1243, §5]

**175.12 Beginning farmer program.**

1. The authority shall develop a beginning farmer loan program to facilitate the acquisition of agricultural land and improvements and depreciable agricultural property by beginning farmers. The authority shall exercise the powers granted to it in this chapter in order to fulfill the goal of providing financial assistance to beginning farmers in the acquisition of agricultural land and agricultural improvements and depreciable agricultural property. The authority may participate in and cooperate with programs of the United States department of agriculture consolidated farm service agency, federal land bank or any other agency or instrumentality of the federal government or with any program of any other state agency in the administration of the beginning farmer loan program and in the making or purchasing of mortgage or secured loans pursuant to this chapter.

2. The authority may participate in any federal programs designed to assist beginning farmers or in any related federal or state programs.

3. The authority shall provide in a beginning farmer loan program that a mortgage or secured loan to or on behalf of a beginning farmer shall be provided only if the following criteria are satisfied:

*a.* The beginning farmer is a resident of the state. If the beginning farmer is a partnership, all partners shall be residents of the state. If a beginning farmer is a family farm corporation, all shareholders shall be residents of the state. If the beginning farmer is a family farm limited liability company, all members shall be residents of the state.

*b.* The agricultural land and agricultural improvements or depreciable agricultural property the beginning farmer proposes to purchase will be located in the state.

*c.* The beginning farmer has sufficient education, training, or experience in the type of farming for which the beginning farmer requests the mortgage or secured loan. If the beginning farmer is a partnership, all partners shall have sufficient education, training, or experience in the type of farming for which the beginning farmer requests the mortgage or secured loan. If the beginning farmer is a family farm corporation, all shareholders who are not minors shall have sufficient education, training, or experience in the type of farming for which the beginning farmer requests the mortgage or secured loan. If the beginning farmer is a family farm limited liability company, all members who are not minors shall have sufficient education, training, or experience in the type of farming for which the beginning farmer requests the mortgage or secured loan.

*d.* A loan to a beginning farmer for the acquisition of agricultural land and agricultural improvements does not exceed five hundred thousand dollars. A loan to a beginning

farmer for the acquisition of depreciable agricultural property does not exceed one hundred twenty-five thousand dollars.

*e.* If the loan is for the acquisition of agricultural land, the beginning farmer has or will have access to adequate working capital, farm equipment, machinery or livestock. If the loan is for the acquisition of depreciable agricultural property, the beginning farmer has or will have access to adequate working capital or agricultural land.

*f.* The beginning farmer shall materially and substantially participate in farming. If the beginning farmer is a partnership, family farm corporation, or family farm limited liability company, each partner, shareholder, or member shall materially and substantially participate in farming.

*g.* If the beginning farmer is an individual, the agricultural land and agricultural improvements shall only be used for farming by the individual, the individual's spouse, or the individual's minor children. If the beginning farmer is a partnership, family farm corporation, or family farm limited liability company, the agricultural land and agricultural improvements shall only be used for farming by any or all of the partners, shareholders, or members, including their spouses and minor children.

*h.* The beginning farmer has not previously received financing under the program for the acquisition of property similar in nature to the property for which the loan is sought. However, this restriction shall not apply if the amount previously received plus the amount of the loan sought does not exceed five hundred thousand dollars in the case of agricultural land and improvements or one hundred twenty-five thousand dollars in the case of depreciable agricultural property.

*i.* Other criteria as the authority prescribes by rule.

4. The authority may provide in a mortgage or secured loan made or purchased pursuant to this chapter that the loan may not be assumed or any interest in the agricultural land or improvements or depreciable agricultural property may not be leased, sold or otherwise conveyed without its prior written consent and may provide a due-on-sale clause with respect to the occurrence of any of the foregoing events without its prior written consent. The authority may provide by rule the grounds for permitted assumptions of a mortgage or for the leasing, sale or other conveyance of any interest in the agricultural land or improvements. However, the authority shall provide and state in a mortgage or secured loan that the authority has the power to raise the interest rate of the loan to the prevailing market rate if the mortgage or secured loan is assumed by a farmer who is already established in that field at the time of the assumption of the loan. This provision controls with respect to a mortgage loan made or purchased pursuant to this chapter notwithstanding the provisions of chapter 535.

5. The authority may participate in any interest in any mortgage or secured loan made or purchased pursuant to this chapter with a mortgage lender. The participation interest may be on a parity with the interest in the mortgage or secured loan retained by the authority, equally and ratably secured by the mortgage or securing agreement securing the mortgage or secured loan.

[C81, §175.12; 81 Acts, ch 68, §3, 4]

85 Acts, ch 15, §4, 5; 94 Acts, ch 1118, §4 – 7; 95 Acts, ch 216, §25

Referred to in §16.221, 159.18, 175.8, 175.17, 175.34, 456A.38

**175.13 Loans to beginning farmers.**

1. The authority may make mortgage or secured loans, including but not limited to mortgage or secured loans insured, guaranteed, or otherwise secured by the federal government or a federal governmental agency or instrumentality, a state agency or private mortgage insurers, to beginning farmers to provide financing for agricultural land and agricultural improvements or depreciable agricultural property.

2. Mortgage or secured loans shall contain terms and provisions, including interest rates, and be in a form established by rules of the authority. The authority may require the beginning farmer to execute a note, loan agreement or other evidence of indebtedness and furnish

additional assurances and guarantees, including insurance, reasonably related to protecting the security of the mortgage or secured loan, as the authority deems necessary.

[C81, §175.13]

Referred to in §175.34

**175.13A Financial assistance for agricultural producers.**

1. In addition to the other programs authorized pursuant to this chapter, the authority is authorized to provide any type of economic assistance directly or indirectly to agricultural producers, and may develop and implement programs including but not limited to the making of loan guarantees, interest buy-downs, grants, secured or unsecured direct loans, secondary market purchases of loans or mortgages, loans to mortgage lenders, lending institutions, other agricultural lenders as designated by rule of the authority, or entities that provide funds or credits to such lenders or institutions, to assist agricultural producers within the state. The authority may exercise any of the powers granted to it in this chapter in order to fulfill the goal of providing financial assistance to agricultural producers. The authority may participate in and cooperate with programs of any agency or instrumentality of the federal government or with programs of any other state agency in the administration of the programs to provide economic assistance to agricultural producers.

2. The authority shall provide in any program developed and implemented pursuant to this section that assistance shall be provided only if the following criteria are satisfied:

*a.* The agricultural producer is a resident of the state.

*b.* The agricultural producer's land and farm operations are located within the state.

*c.* Based upon the agricultural producer's net worth, cash flow, debt-to-asset ratio, and other criteria as prescribed by rule of the authority, the authority determines that without such assistance the agricultural producer could not reasonably be expected to be able to obtain, retain, restructure, or service loans or other financing for operating expenses, cash flow requirements, or capital acquisition and maintenance upon a reasonable and affordable basis.

*d.* Other criteria as the authority prescribes by rule.

3. The authority is granted all powers which are necessary or useful to develop and implement programs and authorizations pursuant to subsection 1. These powers include, but are not limited to:

*a.* All general powers stated in section 175.6.

*b.* The power to make or enter into or to require the making or entry into of agreements of any type, with or by any person, that are necessary to effect the purposes of this section. These agreements may include but are not limited to contracts, notes, bonds, guarantees, mortgages, loan agreements, trust indentures, reimbursement agreements, letters of credit or other liquidity or credit enhancement agreements, reserve agreements, loan or mortgage purchase agreements, buy-down agreements, grants, collateral or security agreements, insurance contracts, or other similar documents. The agreements may contain any terms and conditions which the authority determines are reasonably necessary or useful to implement the purposes of this section or which are usually included in agreements or documents between private or public persons in similar transactions.

*c.* The power to issue its bonds or notes and expend or commit moneys for the purposes set forth in subsection 1. The authority may provide in the documents authorizing its bonds or notes that their principal and interest shall be limited obligations payable solely out of the revenues derived from a specific program or source and do not constitute an indebtedness of the authority or a charge against the authority's general credit or general fund. Alternatively, the authority may provide that the principal and interest of specified bonds or notes do constitute an indebtedness of the authority and a charge against the authority's general credit or general fund.

*d.* The power to participate in any federal or other state program designed to assist agricultural producers or in related federal or state programs.

*e.* The power to require submission of evidence satisfactory to the authority of the receipt by an agricultural producer of the assistance intended under a program developed and implemented pursuant to this section. In that connection, the authority, through its

members, employees or agents, may inspect the books and records of any person receiving or involved in the provision of assistance in accordance with this section.

*f.* The power to establish by rule appropriate enforcement provisions in order to assure compliance with this section and rules adopted pursuant to this section, to seek the enforcement of such rules and the terms of any agreement or document by decree of any court of competent jurisdiction, and to require as a condition of providing assistance pursuant to this section the consent of any person receiving or involved in the provision of the assistance to the jurisdiction of the courts of this state over any enforcement proceeding.

*g.* The power to require, as a condition of the provision of assistance pursuant to this section, any representations and warranties on the part of any person receiving or involved in providing such assistance that the authority determines are reasonably necessary or useful to carry out the purposes of this section. A person receiving or involved in providing assistance pursuant to this section is liable to the authority for damages suffered by the authority by reason of a misrepresentation or the breach of a warranty.

4. All persons, public and private, are authorized to cooperate with the authority and to participate in the programs developed and implemented pursuant to this section and in accordance with the rules of the authority.

5. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 175.19, subsection 4, apply to bonds or notes issued pursuant to powers granted to the authority under this section, to reserve funds, to appropriations, and to the remedies of bondholders and noteholders except to the extent that they are inconsistent with this section.

86 Acts, ch 1026, §5; 87 Acts, ch 52, §5
Referred to in §175.34

**175.14 Loans to mortgage lenders.**

1. The authority may make and contract to make loans to mortgage lenders on terms and conditions it determines are reasonably related to protecting the security of the authority's investment and to implementing the purposes of this chapter. Mortgage lenders are authorized to borrow from the authority in accordance with the provisions of this section and the rules of the authority.

2. The authority shall require as a condition of each loan to a mortgage lender that the mortgage lender, within a reasonable period after receipt of the loan proceeds as the authority prescribes by rule, shall have entered into written commitments to make and, within a reasonable period thereafter as the authority prescribes by rule, shall have disbursed the loan proceeds in new mortgage or secured loans to beginning farmers in an aggregate principal amount of not less than the amount of the loan. New mortgage or secured loans shall have terms and conditions as the authority prescribes by rules which are reasonably related to implementing the purposes of this chapter.

3. The authority shall require the submission to it by each mortgage lender to which the authority has made a loan, of evidence satisfactory to the authority of the making of new mortgage or secured loans to beginning farmers as required by this section and in that connection may, through its members, employees or agents, inspect the books and records of a mortgage lender.

4. Compliance by a mortgage lender with the terms of its agreement with the authority with respect to the making of new mortgage or secured loans to beginning farmers may be enforced by decree of any district court of this state. The authority may require as a condition of a loan to a national banking association or a federally chartered savings and loan association, the consent of the association to the jurisdiction of courts of this state over any enforcement proceeding. The authority may also require, as a condition of a loan to a mortgage lender, agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its agreement with the authority, and the penalties shall be recoverable at the suit of the authority.

5. The authority shall require that each mortgage lender receiving a loan pursuant to this section shall issue and deliver to the authority evidence of its indebtedness to the authority which shall constitute a general obligation of the mortgage lender and shall bear a date,

mature at a time, be subject to prepayment and contain other provisions consistent with this section and reasonably related to protecting the security of the authority's investment, as the authority determines.

6. Notwithstanding any other provision of this section, the interest rate and other terms of loans to mortgage lenders made from the proceeds of an issue of bonds or notes of the authority shall be at least sufficient to assure the payment of the bonds or notes and the interest on them as they become due.

7. The authority may require that loans to mortgage lenders are additionally secured as to payment of both principal and interest by a pledge of and lien upon collateral security by special escrow funds or other forms of guarantee and in amounts and forms as the authority by resolution determines to be necessary to assure the payment of the loans and the interest as they become due. Collateral security shall consist of direct obligations of or obligations guaranteed by the United States or one of its agencies, obligations satisfactory to the authority which are issued by other federal agencies, direct obligations of or obligations guaranteed by a state or a political subdivision of a state or investment quality obligations approved by the authority.

8. The authority may require that collateral for loans be deposited with a bank, trust company or other financial institution acceptable to the authority located in this state and designated by the authority as custodian. In the absence of that requirement, each mortgage lender shall enter into an agreement with the authority containing provisions the authority deems necessary to adequately identify and maintain the collateral, service the collateral and require the mortgage lender to hold the collateral as an agent for the authority and be accountable to the authority as the trustee of an express trust for the application and disposition of the collateral and the income from it. The authority may also establish additional requirements it deems necessary with respect to the pledging, assigning, setting aside or holding of collateral and the making of substitutions for it or additions to it and the disposition of income and receipts from it.

9. The authority may require as a condition of loans to mortgage lenders any representations and warranties it determines are necessary to secure the loans and carry out the purposes of this section.

10. The authority may require the beginning farmer to satisfy conditions and requirements normally imposed by mortgage lenders in making similar loans, including but not limited to, the purchase of capital stock in the federal land bank.

11. If a provision of this section is inconsistent with a provision of law of this state governing mortgage lenders, the provision of this section controls for the purposes of this section.

[C81, §175.14]
Referred to in §175.27, 175.34

**175.15 Purchase of loans.**

1. The authority may purchase and make advance commitments to purchase mortgage or secured loans from mortgage lenders at prices and upon terms and conditions as it determines. However, the total purchase price for all mortgage or secured loans which the authority commits to purchase from a mortgage lender at any one time shall not exceed the total of the unpaid principal balances of the mortgage or secured loans purchased. Mortgage lenders are authorized to sell mortgage or secured loans to the authority in accordance with the provisions of this section and the rules of the authority.

2. The authority shall require as a condition of purchase of mortgage or secured loans from mortgage lenders that the mortgage lenders certify that the mortgage or secured loans purchased are loans made to beginning farmers. Mortgage or secured loans to be made by mortgage lenders shall have terms and conditions as the authority prescribes by rule. The authority may make a commitment to purchase mortgage or secured loans from mortgage lenders in advance of the time the loans are made by mortgage lenders. The authority shall require as a condition of a commitment that mortgage lenders certify in writing that all mortgage or secured loans represented by the commitment will be made to beginning farmers and that the mortgage lender will comply with other authority specifications.

3. The authority shall require the submission to it by each mortgage lender from which the authority has purchased loans of evidence satisfactory to the authority of the making of mortgage or secured loans to beginning farmers as required by this section and in that connection may, through its members, employees or agents, inspect the books and records of a mortgage lender.

4. Compliance by a mortgage lender with the terms of its agreement with the authority with respect to the making of mortgage or secured loans to beginning farmers may be enforced by decree of any district court of this state. The authority may require as a condition of purchase of mortgage or secured loans from any national banking association or federally chartered savings and loan association the consent of the association to the jurisdiction of courts of this state over any enforcement proceeding. The authority may also require as a condition of the purchase of mortgage or secured loans from a mortgage lender agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its agreement with the authority and the penalties shall be recoverable at the suit of the authority.

5. The authority may require as a condition of purchase of a mortgage or secured loan from a mortgage lender that the mortgage lender make representations and warranties the authority requires. A mortgage lender is liable to the authority for damages suffered by the authority by reason of the untruth of a representation or the breach of a warranty and, in the event that a representation proves to be untrue when made or in the event of a breach of warranty, the mortgage lender shall, at the option of the authority, repurchase the mortgage or secured loan for the original purchase price adjusted for amounts subsequently paid on it, as the authority determines.

6. The authority shall require the recording of an assignment of a mortgage loan purchased by it from a mortgage lender and is not required to notify the mortgagor of its purchase of the mortgage loan. The authority is not required to inspect or take possession of the mortgage documents if the mortgage lender from which the mortgage loan is purchased enters into a contract to service the mortgage loan and account to the authority for it.

7. If a provision of this section is inconsistent with another provision of law of this state governing mortgage lenders, the provision of this section controls for the purposes of this section.

[C81, §175.15]

Referred to in §175.27, 175.34

**175.16 Powers relating to loans.**

Subject to any agreement with bondholders or noteholders, the authority may renegotiate a mortgage or secured loan or a loan to a mortgage lender in default, waive a default or consent to the modification of the terms of a mortgage or secured loan or a loan to a mortgage lender, forgive or forbear all or part of a mortgage or secured loan or a loan to a mortgage lender and commence, prosecute and enforce a judgment in any action, including but not limited to a foreclosure action, to protect or enforce any right conferred upon it by law, mortgage or secured loan agreement, contract or other agreement and in connection with any action, bid for and purchase the property or acquire or take possession of it, complete, administer, pay the principal of and interest on any obligations incurred in connection with the property and dispose of and otherwise deal with the property in a manner the authority deems advisable to protect its interests.

[C81, §175.16]

**175.17 Bonds and notes.**

1. The authority may issue its negotiable bonds and notes in principal amounts which, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. The bonds and notes shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code, chapter 554.

2. Bonds and notes are payable solely and only out of the moneys, assets or revenues of the authority and as provided in the agreement with bondholders or noteholders pledging any particular moneys, assets or revenues. Bonds or notes are not an obligation of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely and only from the sources provided in this chapter, and the authority shall not pledge the credit or taxing power of this state or any political subdivision of this state other than the authority or make its debts payable out of any moneys except those of the authority.

3. Bonds and notes must be authorized by a resolution of the authority. However, a resolution authorizing the issuance of bonds or notes may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds or notes by an appropriate certificate of the authorized officer.

4. Bonds shall:

*a*. State the date and series of the issue, be consecutively numbered and state on their face that they are payable both as to principal and interest solely out of the assets of the authority and do not constitute an indebtedness of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limit.

*b*. Be either registered, registered as to principal only, or in coupon form, issued in denominations as the authority prescribes, fully negotiable instruments under the laws of this state, signed on behalf of the authority with the manual or facsimile signature of the chairperson or vice chairperson, attested by the manual or facsimile signature of the secretary, have impressed or imprinted thereon the seal of the authority or a facsimile of it, and the coupons attached shall be signed with the facsimile signature of the chairperson or vice chairperson, be payable as to interest at rates and at times as the authority determines, be payable as to principal at times over a period not to exceed fifty years from the date of issuance, at places and with reserved rights of prior redemption, as the authority prescribes, be sold at prices, at public or private sale, and in a manner as the authority prescribes, and the authority may pay all expenses, premiums and commissions which it deems necessary or advantageous in connection with the issuance and sale, and be issued under and subject to the terms, conditions and covenants providing for the payment of the principal, redemption premiums, if any, interest and other terms, conditions, covenants and protective provisions safeguarding payment, not inconsistent with this chapter, as are found to be necessary by the authority for the most advantageous sale, which may include but are not limited to covenants with the holders of the bonds as to those matters set forth in section 16.26, subsection 4, paragraph "*b*".

5. The authority may issue its bonds for the purpose of refunding any bonds or notes of the authority then outstanding, including the payment of any redemption premiums and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this chapter. The interest, income and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the authority for use by it in any lawful manner. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds.

6. The authority may issue negotiable bond anticipation notes and may renew them from time to time but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. Notes are payable from any available moneys of the authority not otherwise pledged or from the proceeds of the sale of bonds in anticipation of which the notes were issued. Notes may be issued for any corporate purpose of the authority. Notes shall be issued in the same manner as bonds and notes and the resolution authorizing them may contain any provisions, conditions or limitations, not inconsistent with the provisions of this subsection, which the bonds or a bond resolution of

the authority may contain. Notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders shall have all the remedies provided in this chapter for bondholders. Notes shall be as fully negotiable as bonds of the authority.

7. A copy of each pledge agreement by or to the authority, including without limitation each bond resolution, indenture of trust or similar agreement, or any revisions or supplements to it shall be filed with the secretary of state and no further filing or other action under article 9 of the uniform commercial code as provided in chapter 554, or any other law of the state shall be required to perfect the security interest in the collateral or any additions to it or substitutions for it and the lien and trust so created shall be binding from and after the time made against all parties having claims of any kind in tort, contract or otherwise against the pledgor.

8. Members of the authority and any person executing its bonds, notes or other obligations are not liable personally on the bonds, notes or other obligations or subject to personal liability or accountability by reason of the issuance of the authority's bonds or notes.

9. The authority shall publish a notice of intention to issue bonds or notes in a newspaper published and of general circulation in the state. The notice shall include a statement of the maximum amount of bonds or notes proposed to be issued, and in general, what net revenues will be pledged to pay the bonds or notes and interest thereon. An action shall not be brought questioning the legality of the bonds or notes or the power of the authority to issue the bonds or notes or to the legality of any proceedings in connection with the authorization or issuance of the bonds or notes after sixty days from the date of publication of the notice.

10. Bonds and notes issued by the authority for purposes of financing the beginning farmer loan program provided in section 175.12 are exempt from taxation by the state, and interest earned on the bonds and notes is deductible in determining net income for purposes of the state individual and corporate income tax under divisions II and III of chapter 422.

[C81, §175.17]

87 Acts, ch 52, §6; 89 Acts, ch 175, §1; 2005 Acts, ch 3, §45

Referred to in §175.33, 175.34, 422.7

**175.18 Reserve funds and appropriations.**

1. The authority may create and establish one or more special funds, each to be known as a "bond reserve fund" and shall pay into each bond reserve fund any moneys appropriated and made available by the state for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions of the authority authorizing their issuance and any other moneys which are available to the authority for the purpose of the fund from any other sources. Moneys held in a bond reserve fund, except as otherwise provided in this chapter, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

2. Moneys in a bond reserve fund shall not be withdrawn from it in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this section, except for the purpose of making payment when due of principal, interest, redemption premiums and the sinking fund payments with respect to the bonds for the payment of which other moneys of the authority are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the authority to other funds or accounts of the authority to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.

3. The authority shall not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the authority at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund will not be less

than the bond reserve fund requirement for the fund. For the purposes of this section, the term *"bond reserve fund requirement"* means, as of any particular date of computation, an amount of money, as provided in the resolutions of the authority authorizing the bonds with respect to which the fund is established, equal to not more than ten percent of the outstanding principal amount of bonds secured by the fund.

4. To assure the continued operation and solvency of the authority for the carrying out of its corporate purposes, provision is made in subsection 1 for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the chairperson of the authority shall, on or before July 1 of each calendar year, make and deliver to the governor a certificate stating the sum, if any, required to restore each bond reserve fund to its bond reserve fund requirement. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor may submit to both houses printed copies of a budget including any sum required to restore each bond reserve fund to its bond reserve fund requirement. Sums appropriated by the general assembly and paid to the authority pursuant to this section shall be deposited by the authority in the applicable bond reserve fund.

5. Amounts paid over to the authority by the state pursuant to the provisions of this section shall constitute and be accounted for as advances by the state to the authority and, subject to the rights of the holders of any bonds or notes of the authority, shall be repaid to the state without interest from all available operating revenues of the authority in excess of amounts required for the payment of bonds, notes or obligations of the authority, the bond reserve fund and operating expenses.

6. The authority shall cause to be delivered to the legislative fiscal committee within ninety days of the close of its fiscal year its annual report certified by an independent certified public accountant, who may be the accountant or a member of the firm of accountants who regularly audits the books and accounts of the authority selected by the authority. In the event that the principal amount of any bonds or notes deposited in a bond reserve fund is withdrawn for payment of principal or interest thereby reducing the amount of that fund to less than the bond reserve fund requirement, the authority shall immediately notify the general assembly of this event and shall take steps to restore the fund to its bond reserve fund requirement from any amounts available, other than principal of a bond issue, which are not pledged to the payment of other bonds or notes.

[C81, §175.18]

**175.19 Remedies of bondholders and noteholders.**

1. If the authority defaults in the payment of principal or interest on an issue of bonds or notes at maturity or upon call for redemption and the default continues for a period of thirty days or if the authority fails or refuses to comply with the provisions of this chapter, or defaults in an agreement made with the holders of an issue of bonds or notes, the holders of twenty-five percent in aggregate principal amount of bonds or notes of the issue then outstanding, by instrument filed in the office of the clerk of the county in which the principal office of the authority is located and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds or notes for the purposes provided in this section.

2. *a.* The authority or any trustee appointed under the indenture under which the bonds are issued may, but upon written request of the holders of twenty-five percent in aggregate principal amount of the issue of bonds or notes then outstanding shall:

(1) Enforce all rights of the bondholders or noteholders including the right to require the authority to carry out its agreements with the holders and to perform its duties under this chapter.

(2) Bring suit upon the bonds or notes.

(3) By action require the authority to account as if it were the trustee of an express trust for the holders.

(4) By action enjoin any acts or things which are unlawful or in violation of the rights of the holders.

(5) Declare all the bonds or notes due and payable and if all defaults are made good then with the consent of the holders of twenty-five percent of the aggregate principal amount of the issue of bonds or notes then outstanding, annul the declaration and its consequences.

*b*. The bondholders or noteholders may, to the extent provided in the resolution to which the bonds or notes were issued or in its agreement with the authority, enforce any of the remedies in paragraph "*a*", subparagraphs (1) through (5), or the remedies provided in such proceedings or agreements for and on their own behalf.

3. The trustee shall also have all powers necessary or appropriate for the exercise of functions specifically set forth or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.

4. Before declaring the principal of bonds or notes due and payable, the trustee shall first give thirty days' notice in writing to the governor, to the authority and to the attorney general of the state.

5. The district court has jurisdiction of any action by the trustee on behalf of bondholders or noteholders. The venue of the action shall be in the county in which the principal office of the authority is located.

[C81, §175.19; 81 Acts, ch 68, §5]
2008 Acts, ch 1031, §39
Referred to in §175.13A, 175.33, 175.34

**175.20 Agreement of the state.**

The state pledges and agrees with the holders of any bonds or notes that the state will not limit or alter the rights vested in the authority to fulfill the terms of agreements made with the holders or in any way to impair the rights and remedies of the holders until the bonds or notes together with the interest on them, plus interest on unpaid installments of interest, and all costs and expenses in connection with an action by or on behalf of the holders are fully met and discharged. The authority may include this pledge and agreement of the state in any agreement with the holders of bonds or notes.

[C81, §175.20]

**175.21 Bonds and notes as legal investments.**

Bonds and notes are securities in which public officers, state departments and agencies, political subdivisions, insurance companies and other persons carrying on an insurance business, banks, trust companies, investment companies and other persons carrying on a banking business, administrators, executors, guardians, conservators, trustees and other fiduciaries and other persons authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. The bonds and notes are also securities which may be deposited with and may be received by public officers, state departments and agencies and political subdivisions for any purpose for which the deposit of bonds or other obligations of this state is authorized.

[C81, §175.21]
2012 Acts, ch 1017, §46

**175.22 Moneys of the authority.**

1. Moneys of the authority, except as otherwise provided in this chapter, shall be paid to the authority and shall be deposited in a bank or other financial institution designated by the authority. The moneys shall be withdrawn on the order of the person authorized by the authority. Deposits shall be secured in the manner determined by the authority. The auditor of state or the auditor's legally authorized representatives may periodically examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its financial standing, and the authority shall not be required to pay a fee for the examination.

2. The authority may contract with holders of its bonds or notes as to the custody, collection, security, investment and payment of moneys of the authority, of moneys held in trust or otherwise for the payment of bonds or notes and to carry out the contract. Moneys held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds

or notes and deposits of the moneys may be secured in the same manner as moneys of the authority and banks and trust companies may give security for the deposits.

3. Subject to the provisions of any contract with bondholders or noteholders and to the approval of the director of the department of administrative services, the authority shall prescribe a system of accounts.

4. The authority shall submit to the governor, the auditor of state, the department of management, and the department of administrative services, within thirty days of its receipt, a copy of the report of every external examination of the books and accounts of the authority other than copies of the reports of examinations made by the auditor of state.

[C81, §175.22]

88 Acts, ch 1158, §46; 2003 Acts, ch 145, §286

**175.23 Limitation of liability.**

Members of the authority and persons acting in its behalf, while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out the powers and duties given in this chapter.

[C81, §175.23]

**175.24 Assistance by state officers, agencies and departments.**

State officers and state departments and agencies may render services to the authority within their respective functions as requested by the authority.

[C81, §175.24]

**175.25 Liberal interpretation.**

This chapter, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

[C81, §175.25]

**175.26 Conflicts of interest.**

The requirements and procedures for conflicts of interest by a member or employee of the authority set forth in section 16.3A shall also apply to this chapter.

[C81, §175.26]

2013 Acts, ch 100, §15, 17

Section stricken and rewritten

**175.27 Exemption from competitive bid laws.**

The authority and all contracts made by it in carrying out its public and essential governmental functions under sections 175.14 and 175.15, shall be exempt from the laws of the state which provide for competitive bids in connection with such contracts.

[C81, §175.27]

**175.28 Trust assets.**

The authority shall make application to and receive from the secretary of agriculture of the United States, or any other proper federal official, pursuant and subject to the provisions of Pub. L. No. 81-499, 64 Stat. 152 (1950), formerly codified at 40 U.S.C. § 440 et seq. (1976), all of the trust assets held by the United States in trust for the Iowa rural rehabilitation corporation now dissolved.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, §234.15; C81, §175.28]

2009 Acts, ch 41, §66

Referred to in §175.30

**175.29 Agreements.**

The authority may enter into agreements with the secretary of agriculture of the United States pursuant to Pub. L. No. 81-499 § 2(f) (1950) upon terms and conditions and for periods of time as mutually agreeable, authorizing the authority to accept, administer, expend and use in the state of Iowa all or any part of the trust assets or other funds in the state of Iowa which have been appropriated for use in carrying out the purposes of the Bankhead-Jones Farm

Tenant Act and to do any and all things necessary to effectuate and carry out the purposes of said agreements.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, §234.16; C81, §175.29]

2009 Acts, ch 41, §67

**175.30 Use of assets — insured or guaranteed loans to beginning or displaced farmers.**

1. As used in this section:

*a.* *"Beginning farmer"* includes an individual or partnership with a low or moderate net worth that became engaged in farming on or after January 1, 1982.

*b.* *"Displaced farmer"* means a person who discontinued farming on or after January 1, 1982, due to foreclosure or voluntary liquidation for financial reasons, and who was actively engaged in farming for at least one year prior to discontinuing farming.

2. The trust assets received under the application made pursuant to section 175.28 other than cash shall be taken on proper transfer or assignment from the department of human services to the authority and administered as provided in this chapter. These funds may be used for any of the purposes of this chapter, including but not limited to costs of administration and insuring or guaranteeing payment of all or a portion of loans made pursuant to this chapter.

3. *a.* Beginning August 11, 1983, the authority shall establish an insurance or guarantee loan program with those funds received pursuant to section 175.28 to the extent those funds were not committed under a program authorized by this chapter on August 11, 1983. This program shall provide for the insuring or guaranteeing of seventy-five percent of the amount of an agricultural loan, not in excess of twenty-five thousand dollars, made to a beginning or displaced farmer to provide operating moneys for farming purposes in this state.

*b.* The authority shall insure or guarantee only one such loan for each beginning or displaced farmer. The authority shall insure or guarantee a loan for only one year but with the option to extend the insurance or guarantee once for an additional year. The authority shall not insure or guarantee a loan where the ratio of the beginning or displaced farmer's liabilities, excluding the amount of the loan, to assets is greater than three to one.

*c.* Provision shall be made in the insuring or guaranteeing of a loan that only those funds set aside for this program as provided in this subsection shall be used for the payment of all or a portion of the loan insured or guaranteed. Provision shall also be made that the authority shall pay under its insurance or guarantee seventy-five percent of the actual amount of the default.

*d.* A mortgage lender which seeks to have a loan of the lender insured or guaranteed under this program shall apply to the authority for the insurance or guarantee pursuant to rules established by the authority for this purpose. This program shall not obligate the state, authority, or other agency except to the extent provided in this subsection.

*e.* The authority shall define by rule what constitutes a loan made to provide operating moneys which definition shall not include a loan made for acquisition of agricultural land or agricultural improvements, or the refinancing of an existing loan even if made for operating purposes.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, §234.17; C81, §175.30]

83 Acts, ch 96, §157, 159; 83 Acts, ch 109, §1, 2, 3; 86 Acts, ch 1078, §1; 2009 Acts, ch 41, §68

**175.31 Programs in progress.**

The authority shall complete the administration of programs in progress on July 1, 1980, to the extent that funds were committed, obligations incurred or rights accrued prior to July 1, 1980, under the programs authorized under sections 234.15 to 234.20 prior to the repeal of those sections. Moneys received under this section shall be deposited to the authority.

[C81, §175.31]

**175.32 Liability.**

The United States, the authority and the secretary of agriculture of the United States shall be held free from liability by virtue of the transfer of the assets to the authority. The authority and persons acting in its behalf, while acting within the scope of their employment or agency,

are not subject to personal liability resulting from carrying out their powers and duties under this chapter.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, §234.20; C81, §175.32]

**175.33 Additional loan program.**

1. The authority may enter into a loan agreement with a beginning farmer to finance in whole or in part the acquisition by construction or purchase of agricultural land, agricultural improvements, or depreciable agricultural property. The repayment obligation of the beginning farmer may be unsecured, or may be secured by a mortgage or security agreement or by other security as the authority deems advisable, and may be evidenced by one or more notes of the beginning farmer. The loan agreement may contain terms and conditions as the authority deems advisable.

2. The authority may issue its bonds and notes for the purposes set forth in subsection 1 and may enter into a lending agreement or purchase agreement with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. Bonds and notes must be authorized by a resolution of the authority. The authority and the bondholders or noteholders may enter into an agreement to provide for any of the following:

*a.* That the proceeds of the bonds and notes and investments thereon may be received, held, and disbursed by the bondholders or noteholders, or by a trustee or agent designated by the authority.

*b.* That the bondholders or noteholders or a trustee or agent designated by the authority, may collect, invest, and apply the amounts payable under the loan agreement or any other security instrument securing the debt obligation of the beginning farmer.

*c.* That the bondholders or noteholders may enforce the remedies provided in the loan agreement or security instrument on their own behalf without the appointment or designation of a trustee and if there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained therein, the payment or performance may be enforced in accordance with the provisions contained therein.

*d.* That if there is a default in the payment of the principal or interest on a mortgage or security instrument or a violation of an agreement contained in the mortgage or security instrument, the mortgage or security instrument may be foreclosed or enforced and any collateral sold under proceedings or actions permitted by law and a trustee under the mortgage or security agreement or the holder of any bonds or notes secured thereby may become a purchaser if it is the highest bidder.

*e.* Other terms and conditions.

3. The authority may provide in the resolution authorizing the issuance of the bonds or notes that the principal and interest shall be limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the beginning farmer, and that the principal and interest does not constitute an indebtedness of the authority or a charge against its general credit or general fund.

4. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 175.17, subsection 9 and section 175.19, subsection 4, apply to bonds or notes issued pursuant to and powers granted to the authority under this section except to the extent that they are inconsistent with this section.

[81 Acts, ch 68, §1]

Referred to in §16.221

**175.34 Soil conservation loan program.**

1. The authority shall establish a soil conservation loan program to facilitate the implementation of permanent soil and water conservation practices and the acquisition of conservation farm equipment for agricultural land within the state by making financing for this program available to credit worthy owners or operators of agricultural land within the state. The authority may provide this financing under the program by direct loans, loans to lenders, and the purchase of loans in the manner provided in sections 175.13 through

175.15, except that the financing pursuant to these sections shall not be limited to beginning farmers. In addition under the program, the authority may enter into a loan agreement with the owner or operator to finance in whole or in part the implementation of permanent soil and water conservation practices and the acquisition of conservation farm equipment for agricultural land in the state. The repayment obligation of the owner or operator may be unsecured, or may be secured by a mortgage or security agreement or by other security as the authority deems advisable, and may be evidenced by one or more notes of the owner or operator. The loan agreement may contain terms and conditions as the authority deems advisable.

2. In addition to the other conditions and criteria established for the soil conservation loan program, the following apply:

*a.* Loans made pursuant to the soil conservation loan program shall only be made to the owner or operator of a farm located within the state for which a conservation plan has been developed by the soil and water conservation district and the project for which the loan is to be made has been approved by the district. However, loans under the soil conservation loan program for implementation of a permanent soil and water conservation practice shall not be remitted to the applicant until the applicant provides evidence that payment of the permanent soil and water conservation practice is arranged for and the soil and water conservation district certifies that the practice is completed and approved.

*b.* The program and financing provided pursuant to the program shall not be limited to beginning farmers but shall be available to all credit worthy owners or operators of agricultural land within the state, however in providing financing for the acquisition of conservation farm equipment preference shall be given those owners or operators of agricultural land who have the lower net worths.

*c.* The division of soil conservation or any other state agency and the commissioners and staffs of the soil and water conservation districts may provide technical and financial assistance to the authority or in connection with the soil conservation loan program to assure the success of this program.

*d.* The amount of financing that may be provided under the soil conservation loan program shall not exceed the cost of implementing the permanent soil and water conservation practice or of acquiring the conservation farm equipment which the owner or operator is seeking to implement or acquire less any amounts the owner or operator will receive in public cost-sharing funds under chapter 161A or other provisions of state or federal law for the implementation or acquisition. However, the maximum amount of loans that an owner or operator may receive pursuant to this program shall not exceed fifty thousand dollars for permanent soil and water conservation practices and fifty thousand dollars for conservation farm equipment.

*e.* If a cooperator of a soil and water conservation district qualifies for cost sharing under a state soil conservation cost share program, the cooperator is eligible for a loan request. In granting these requests the authority shall give preference to those with the lower net worths.

3. The authority may issue its bonds and notes for the purposes set forth in subsection 1 and may enter into a lending agreement or purchase agreement with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. Bonds and notes must be authorized by a resolution of the authority. However, the authority shall not have a total principal amount of bonds and notes outstanding under this section at any time in excess of twenty-five percent of the limitation on the amount of bonds and notes at any time specified in section 175.17, subsection 1. The authority and the bondholders or noteholders may enter into an agreement to provide for any of the following:

*a.* That the proceeds of the bonds and notes and investments thereon may be received, held, and disbursed by the bondholders or noteholders, or by a trustee or agent designated by the authority.

*b.* That the bondholders or noteholders or a trustee or agent designated by the authority, may collect, invest, and apply the amounts payable under the loan agreement or any other security instrument securing the debt obligation of the owner or operator of the agricultural land.

*c.* That the bondholders or noteholders may enforce the remedies provided in the loan

agreement or security instrument on their own behalf without the appointment or designation of a trustee and if there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained therein, the payment or performance may be enforced in accordance with the provisions contained therein.

*d.* That if there is a default in the payment of the principal or interest on a mortgage or security instrument or a violation of an agreement contained in the mortgage or security instrument, the mortgage or security instrument may be foreclosed or enforced and any collateral sold under proceedings or actions permitted by law and a trustee under the mortgage or security agreement or the holder of any bonds or notes secured thereby may become a purchaser if it is the highest bidder.

*e.* Other terms and conditions.

4. The authority may provide in the resolution authorizing the issuance of the bonds or notes that the principal and interest are limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the owner or operator of the agricultural land, and that the principal and interest do not constitute an indebtedness of the authority or a charge against its general credit or general fund.

5. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 175.12, section 175.17, subsection 9 and section 175.19, subsection 4, apply to bonds or notes issued pursuant to and powers granted to the authority under this section except to the extent that they are inconsistent with this section.

[82 Acts, ch 1243, §1]

83 Acts, ch 93, §2; 87 Acts, ch 23, §5

Referred to in §16.221

**175.35 Agricultural loan assistance program.** Repealed by 2013 Acts, ch 125, § 22 – 24.

2013 repeal of this section takes effect June 17, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

**175.36 Assistance and management programs for beef cattle producers.**

1. The authority shall create and develop programs to assist agricultural producers who have established or intend to establish in this state, beef cattle production operations, including but not limited to the following assistance:

*a. Insurance or loan guarantee program.* An insurance or loan guarantee program to provide for the insuring or guaranteeing of all or part of a loan made to an agricultural producer for the acquisition of beef cattle to establish or expand a feeder cattle operation.

*b. An interest buy-down program.*

(1) The authority may contract with a participating lending institution and a qualified agricultural producer to reduce the interest rate charged on a loan for the acquisition of beef cattle breeding stock. The authority shall determine the amount that the rate is reduced, by considering the lending institution's customary loan rate for the acquisition of beef cattle breeding stock as certified to the authority by the lending institution.

(2) As part of the contract, in order to partially reimburse the lending institution for the reduction of the interest rate on the loan, the authority may agree to grant the lending institution any amount foregone by reducing the interest rate on that portion of the loan which is one hundred thousand dollars or less. However, the amount reimbursed shall not be more than the lesser of the following:

(a) Three percent per annum of the principal balance of the loan outstanding at any time for the term of the loan or within one year from the loan initiation date as defined by rules adopted by the authority, whichever is less.

(b) Fifty percent of the amount of interest foregone by the lending institution on the loan.

*c. A cost-sharing program.* The authority may contract with an agricultural producer to reimburse the producer for the cost of converting land planted to row crops to pasture suitable for beef cattle production. However, the amount reimbursed shall not be more than twenty-five dollars per acre converted, or fifty percent of the conversion costs, whichever is less. The contract shall apply to not more than one hundred fifty acres of row crop land converted to pasture. The converted land shall be utilized in beef cattle production for a

minimum of five years. The amount to be reimbursed shall be reduced by the amount that the agricultural producer receives under any other state or federal program that contributes toward the cost of converting the same land from row crops to pasture.

*d. A management assistance and training program.* The authority in cooperation with any agency or instrumentality of the federal government or with any state agency, including any state university or those associations organized for the purpose of assisting agricultural producers involved in beef cattle production, or with any farm management company if such company specializes in beef cattle production or in assisting beef cattle producers, as prescribed by rules adopted by the authority, shall establish programs to train and assist agricultural producers to effectively manage beef cattle production operations.

2. An agricultural producer shall be eligible to participate in a program established under this section only if all the following criteria are satisfied:

*a.* The agricultural producer is a resident of the state.

*b.* The agricultural producer has land or other facilities available to establish a beef cattle production operation as prescribed by rules of the authority.

*c.* The agricultural producer is an individual, partnership, or a family farm corporation as defined in section 9H.1, subsection 9.

*d.* The land or other facilities available to establish a beef cattle production operation are located within the state.

*e.* The agricultural producer has a net worth of four hundred thousand dollars or less.

*f.* The agricultural producer develops a farm unit conservation plan, as defined in section 161A.42, with the commissioners of the soil and water conservation district where the land is located within one year from the date of entering into the program, unless the authority prescribes a shorter period of time by rule.

3. The authority shall adopt rules to enforce the provisions of this section or the terms of a contract to which the authority is a party. The authority may also enforce the provisions of this section or terms of the contract by bringing an action in any court of competent jurisdiction to recover damages. As a condition of entering into the program, the authority may require that the agricultural producer consent to the jurisdiction of the courts of this state to hear any matter arising from the provisions of this section.

87 Acts, ch 169, §4; 2009 Acts, ch 41, §263

Referred to in §16.221

**175.36A Criteria for beginning farmers qualifying to participate in the beginning farmer tax credit program.**

A beginning farmer qualifies to participate in the beginning farmer tax credit program by meeting all of the following criteria:

1. Is a resident of the state. If the beginning farmer is a partnership, all partners must be residents of the state. If a beginning farmer is a family farm corporation, all shareholders must be residents of the state. If the beginning farmer is a family farm limited liability company, all members must be residents of the state.

2. Has sufficient education, training, or experience in farming. If the beginning farmer is a partnership, each partner who is not a minor must have sufficient education, training, or experience in farming. If the beginning farmer is a family farm corporation, each shareholder who is not a minor must have sufficient education, training, or experience in farming. If the beginning farmer is a family farm limited liability company, each member who is not a minor must have sufficient education, training, or experience in farming.

3. Has access to adequate working capital and production items.

4. Will materially and substantially participate in farming. If the beginning farmer is a partnership, family farm corporation, or family farm limited liability company, each partner, shareholder, or member who is not a minor must materially and substantially participate in farming.

5. Is not responsible for managing or maintaining agricultural land and other agricultural

assets that are greater than necessary to adequately support a beginning farmer as determined by the authority according to rules which shall be adopted by the authority.

2013 Acts, ch 125, §6, 23, 24

Referred to in §175.2

For future repeal of this section effective December 31, 2017, see 2013 Acts, ch 125, §25, 28

Section takes effect June 17, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

NEW section

**175.36B Administration of beginning farmer tax credit program.**

1. To every extent practicable, the authority shall administer tax credits under the beginning farmer tax credit program in a uniform manner that encourages participation by qualified beginning farmers. The authority shall determine a qualified beginning farmer's low or moderate net worth by using a single method applicable to all its programs, including the beginning farmer tax credit program.

2. The authority shall establish a due date to receive applications to participate in the beginning farmer tax credit program. The authority may establish different due dates for applications to qualify for each beginning farmer tax credit.

3. The department of revenue shall cooperate with the authority in administering the beginning farmer tax credit program.

2013 Acts, ch 125, §7, 23, 24

For future repeal of this section effective December 31, 2017, see 2013 Acts, ch 125, §25, 28

Section takes effect June 17, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

NEW section

**175.37 Agricultural assets transfer tax credit — agreement.**

1. An agricultural assets transfer tax credit is allowed under this section. The tax credit is allowed against the taxes imposed in chapter 422, division II, as provided in section 422.11M, and in chapter 422, division III, as provided in section 422.33, to facilitate the transfer of agricultural assets from a taxpayer to a qualified beginning farmer.

2. In order to qualify for the tax credit, the taxpayer must meet qualifications established by rules adopted by the authority. At a minimum, the taxpayer must comply with all of the following:

*a.* Be a person who may acquire or otherwise obtain or lease agricultural land in this state pursuant to chapter 9H or 9I. However, the taxpayer must not be a person who may acquire or otherwise obtain or lease agricultural land exclusively because of an exception provided in one of those chapters or in a provision of another chapter of this Code including but not limited to chapter 10, 10D, or 501, or section 15E.207.

*b.* Execute an agricultural assets transfer agreement with a qualified beginning farmer as provided in this section.

3. An individual may claim a tax credit under this section of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

4. The tax credit is allowed only for agricultural assets that are subject to an agricultural assets transfer agreement. The agreement shall provide for the lease of agricultural land located in this state, including any improvements and may provide for the rental of agricultural equipment as defined in section 322F.1.

*a.* The agreement shall include a lease made on a cash basis or on a commodity share basis which includes a share of the crops or livestock produced on the agricultural land. The agreement must be in writing.

*b.* The agreement shall be for at least two years, but not more than five years. The agreement or that part of the agreement providing for the lease may be renewed by the qualified beginning farmer for a term of at least two years, but not more than five years. An agreement does not include a lease or the rental of equipment intended as a security.

*c.* The agricultural transfer agreement cannot be assigned and the land subject to the agreement cannot be subleased.

5. The tax credit shall be based on the agricultural assets transfer agreement. The agreement shall be based on a cash basis or a commodity share basis or both.

*a.* For an agreement that includes a lease on a cash basis, the tax credit shall be computed as follows:

(1) If the qualified beginning farmer is not a veteran, the taxpayer may claim a tax credit equal to seven percent of the gross amount paid to the taxpayer under the agreement for each tax year that the tax credit is allowed.

(2) If the qualified beginning farmer is a veteran, the taxpayer may claim eight percent of the gross amount paid to the taxpayer under the agreement for the first year that the tax credit is allowed and seven percent of the gross amount paid to the taxpayer for each subsequent tax year that the tax credit is allowed. However, the taxpayer may only claim seven percent of the gross amount paid to the taxpayer under a renewed agreement or a new agreement executed by the same parties.

*b.* For an agreement that includes a lease on a commodity share basis, the tax credit shall be computed as follows:

(1) (a) If the qualified beginning farmer is not a veteran, the taxpayer may claim a tax credit equal to seventeen percent of the amount paid to the taxpayer from crops or animals sold under the agreement in which the payment is exclusively made from the sale of crops or animals.

(b) If the qualified beginning farmer is a veteran, the taxpayer may claim a tax credit equal to eighteen percent of the amount paid to the taxpayer from crops or animals sold under the agreement for the first tax year that the taxpayer is allowed the tax credit and seventeen percent of the amount paid to the taxpayer for each subsequent tax year that the taxpayer is allowed the tax credit. However, the taxpayer may only claim seventeen percent of the amount paid to the taxpayer from crops or animals sold for any tax year under a renewed agreement or a new agreement executed by the same parties.

(2) Notwithstanding subparagraph (1), the authority may elect an alternative method to compute a tax credit for a lease based on a crop share basis. The alternative method shall utilize a formula which uses data compiled by the United States department of agriculture. The formula shall calculate the amount of the tax credit by multiplying the average per bushel yield for the same type of grain as produced under the lease in the same county where the leased land is located by a per bushel state price established for such type of grain harvested the previous fall.

6. A tax credit in excess of the taxpayer's liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer redeems the tax credit. A tax credit shall not be transferable to any other person other than the taxpayer's estate or trust upon the taxpayer's death.

7. A taxpayer shall not claim a tax credit under this section unless a tax credit certificate issued by the authority is attached to the taxpayer's tax return for the tax year for which the tax credit is claimed. The authority must review and approve an application for a tax credit as provided by rules adopted by the authority. The application must include a copy of the agricultural assets transfer agreement. The authority may approve an application and issue a tax credit certificate to a taxpayer who has previously been allowed a tax credit under this section. The authority may require that the parties to an agricultural assets transfer agreement provide additional information as determined relevant by the authority. The authority shall review an application for a tax credit which includes the renewal of an agricultural assets transfer agreement to determine that the parties to the renewed agreement meet the same qualifications as required for an original application. The authority shall not approve an application or issue a tax credit certificate to a taxpayer for an amount in excess of fifty thousand dollars. In addition, the authority shall not approve an application or issue a certificate to a taxpayer if any of the following applies:

*a.* The taxpayer is at fault for terminating a prior agricultural assets transfer agreement as determined by the authority.

*b.* The taxpayer is any of the following:

(1) A party to a pending administrative or judicial action, including a contested case

proceeding under chapter 17A, relating to an alleged violation involving an animal feeding operation as regulated by the department of natural resources, regardless of whether the pending action is brought by the department or the attorney general.

(2) Classified as a habitual violator for a violation of state law involving an animal feeding operation as regulated by the department of natural resources.

*c.* The agricultural assets are being leased or rented at a rate which is substantially higher or lower than the market rate for similar agricultural assets leased or rented within the same community, as determined by the authority.

8. A taxpayer or the qualified beginning farmer may terminate an agricultural assets transfer agreement as provided in the agreement or by law. The taxpayer must immediately notify the authority of the termination.

*a.* If the authority determines that the taxpayer is not at fault for the termination, the authority shall not issue a tax credit certificate to the taxpayer for a subsequent tax year based on the approved application. Any prior tax credit is allowed as provided in this section. The taxpayer may apply for and be issued another tax credit certificate for the same agricultural assets as provided in this section for any remaining tax years for which a certificate was not issued.

*b.* If the authority determines that the taxpayer is at fault for the termination, any prior tax credit allowed under this section is disallowed. The amount of the tax credit shall be immediately due and payable to the department of revenue. If a taxpayer does not immediately notify the authority of the termination, the taxpayer shall be conclusively deemed at fault for the termination.

2006 Acts, ch 1161, §2, 7; 2007 Acts, ch 22, §45; 2009 Acts, ch 135, §2, 3; 2011 Acts, ch 118, §32, 89; 2013 Acts, ch 125, §8 – 17, 23, 24

Referred to in §2.48, 16.221, 175.2, 175.38, 175.39, 422.11M, 422.33

For future repeal of 2013 amendments to this section effective December 31, 2017, see 2013 Acts, ch 125, §25, 28

Former subsection 10 applied to agricultural assets transfer agreements executed on or after July 1, 2009; 2009 Acts, ch 135, §3

2013 amendments take effect June 17, 2013, and apply retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

Subsection 1 amended

Subsection 2, paragraph b amended

Subsections 4 and 5 amended

Subsection 6 stricken and former subsections 7 – 9 renumbered as 6 – 8

Subsection 7, unnumbered paragraph 1 amended

Subsection 7 paragraph c stricken and former paragraph d redesignated as c

Subsection 8, unnumbered paragraph 1 amended

Subsection 8, paragraph b amended

Former subsection 10 stricken

**175.38 Custom farming contract tax credit.**

1. A custom farming contract tax credit is allowed under this section. The tax credit is allowed against the taxes imposed in chapter 422, division II, as provided in section 422.11M, and in chapter 422, division III, as provided in section 422.33, to encourage taxpayers who are considering custom farming agricultural land located in this state to negotiate with qualified beginning farmers.

2. In order to be eligible to claim a custom farming contract tax credit, the taxpayer must meet qualifications established by rules adopted by the authority. At a minimum, the taxpayer must be a person who may acquire or otherwise obtain or lease agricultural land in the same manner as provided for a taxpayer claiming an agricultural assets transfer tax credit under section 175.37.

3. An individual may claim a custom farming contract tax credit of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

4. A custom farming contract tax credit is allowed only for the amount paid by the taxpayer to a qualified beginning farmer under a custom farming contract as provided in rules adopted by the department. The contract must provide for the production of crops located on agricultural land or the production of livestock principally located on agricultural

land. The agricultural land must be real estate and any improvements used for farming in which the taxpayer holds a legal or equitable interest.

5. The custom farming contract must provide that the taxpayer pay the qualified beginning farmer on a cash basis. The contract must be in writing for a term of not more than twelve months. The total cash payment must equal at least one thousand dollars.

6. The taxpayer must make all management decisions substantially contributing to or affecting the production of crops located on the agricultural land or the production of livestock principally located on the agricultural land. However, nothing in this paragraph prohibits a qualified beginning farmer from regularly or frequently taking part in making day-to-day operational decisions affecting production. The qualified beginning farmer must provide for all of the following:

*a.* Production items principally used to produce crops located on the agricultural land or to produce livestock principally located on the agricultural land.

*b.* Labor principally used to produce crops located on the agricultural land or to produce livestock principally located on the agricultural land. The qualified beginning farmer must personally provide such labor on a regular, continuous, and substantial basis.

7. A custom farming contract tax credit is not allowed if the taxpayer and qualified beginning farmer are related as any of the following:

*a.* Persons who hold a legal or equitable interest in the same agricultural land, including as individuals or as general partners, limited partners, shareholders, or members in the same business entity as defined in section 501A.102.

*b.* Family members related as spouse, child, stepchild, brother, or sister.

*c.* Partners in the same partnership which holds agricultural land, or shareholders in the same family farm corporation or members in the same family farm limited liability company and defined in section 9H.1.

8. A custom farming contract tax credit shall be calculated based on the gross amount paid to the qualified beginning farmer under the custom farming contract.

*a.* If the qualified beginning farmer is not a veteran, the taxpayer may claim a tax credit equal to seven percent of the gross amount paid to the qualified beginning farmer under the contract for each tax year that the tax credit is allowed.

*b.* If the qualified beginning farmer is a veteran, the taxpayer may claim a tax credit equal to eight percent of the gross amount paid to the qualified beginning farmer under the contract for the first year that the tax credit is allowed and seven percent of the gross amount paid to the qualified beginning farmer under the contract for each subsequent tax year that the tax credit is allowed. However, the taxpayer may only claim seven percent of the gross amount paid to the qualified beginning farmer under a renewed contract or a new contract executed by the same parties.

9. A custom farming contract tax credit in excess of the taxpayer's liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer redeems the tax credit. A tax credit shall not be transferable to any other person other than the taxpayer's estate or trust upon the taxpayer's death.

10. A taxpayer shall not claim a custom farming contract tax credit unless a tax credit certificate issued by the authority under this section is attached to the taxpayer's tax return for the tax year for which the tax credit is claimed. The authority must review and approve an application for a tax credit certificate as provided by rules adopted by the authority. The application must include a copy of the custom farming contract. The authority may approve an application and issue a tax credit certificate to a taxpayer who has previously been allowed a tax credit under this section. The authority may require that the parties to the contract provide additional information as determined relevant by the authority. The authority shall review an application for a tax credit certificate which includes the renewal of a contract to determine that the parties to the renewed contract meet the same qualifications as required for an original application. The authority shall not approve an application or issue a tax credit certificate to a taxpayer for an amount in excess of fifty thousand dollars. In addition, the authority shall not approve an application or issue a tax credit certificate to a taxpayer if any of the following applies:

*a.* The taxpayer is at fault for terminating another custom farming contract, as determined by the authority.

*b.* The taxpayer is party to a pending administrative or judicial action, or classified as a habitual violator in the same manner as provided in section 175.37.

*c.* The contract amount is substantially higher or lower than the market rate for a similar custom farming contract, as determined by the authority.

11. A taxpayer or the qualified beginning farmer may terminate a custom farming contract as provided in the contract or by law. The taxpayer must immediately notify the authority of the termination.

*a.* If the authority determines that the taxpayer is not at fault for the termination, the authority shall not issue a tax credit certificate to the taxpayer for a subsequent tax year based on the approved application. Any prior tax credit is allowed as provided in this section until its expiration. The taxpayer may apply for and be issued another tax credit certificate for the same agricultural land under a custom farming contract with another qualified beginning farmer.

*b.* If the authority determines that the taxpayer is at fault for the termination, any prior tax credit allowed under this section is disallowed, and the amount of the tax credit shall be immediately due and payable to the department of revenue. If a taxpayer does not immediately notify the authority of the termination, the taxpayer shall be conclusively deemed at fault for the termination.

2013 Acts, ch 125, §18, 23, 24

Referred to in §2.48, 175.2, 175.39, 422.11M, 422.33

For future repeal of this section effective December 31, 2017, see 2013 Acts, ch 125, §25, 28

Section takes effect June 17, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

NEW section

**175.39 Tax credit certificates — availability.**

1. The amount of tax credits that may be issued to support the beginning farmer tax credit program shall not in the aggregate exceed twelve million dollars in any year. Of the aggregate amount, eight million dollars is allocated to support the agricultural assets transfer tax credit as provided in section 175.37 and four million dollars is allocated to support the custom farming contract tax credit as provided in section 175.38. However, the authority's board of directors may at any time during the year adjust the allocation by adopting a resolution.

2. The authority shall issue tax certificates to support a beginning farmer tax credit on a first-come, first-served basis.

2013 Acts, ch 125, §19, 23, 24

For future repeal of this section effective December 31, 2017, see 2013 Acts, ch 125, §25, 28

Section takes effect June 17, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

NEW section

# CHAPTER 175A

## GRAPE AND WINE DEVELOPMENT

Repealed by 2010 Acts, ch 1031, §252

Expenditure of moneys in grape and wine development fund by department of agriculture and land stewardship to satisfy obligations or encumbrances incurred prior to July 1, 2010, are not affected by chapter repeal; transfer of unobligated or unencumbered moneys from grape and wine development fund created in former §175A.5 to wine gallonage tax fund created in §123.183 on June 30, 2010; 2010 Acts, ch 1031, §254

# CHAPTER 175B

## IOWA FARMERS' MARKET NUTRITION PROGRAM


175B.1 Short title.
175B.2 Definitions.
175B.3 Iowa farmers' market nutrition program — establishment and administration.
175B.4 Other programs.
175B.5 Administrative rules.


**175B.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Farmers' Market Nutrition Program Act"*.

2007 Acts, ch 84, §1

**175B.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of agriculture and land stewardship.
2. *"Federal program"* means the WIC farmers' market nutrition program and the senior farmers' market nutrition program.
3. *"Iowa farmers' market nutrition program"* means one or both of the federal programs as established and administered by the department pursuant to section 175B.3.
4. *"Senior farmers' market nutrition program"* means the federal senior farmers' market nutrition program as authorized by the federal Farm Security and Rural Investment Act of 2002, 7 U.S.C. § 3007, and provided for in 7 C.F.R. pt. 249.
5. *"WIC farmers' market nutrition program"* means the federal women, infants, and children farmers' market nutrition program as authorized by the federal Child Nutrition Act of 1966, 42 U.S.C. § 1786, and as regulated by 7 C.F.R. pt. 248.

2007 Acts, ch 84, §2

**175B.3 Iowa farmers' market nutrition program — establishment and administration.**

An Iowa farmers' market nutrition program is established.

1. The department shall administer the Iowa farmers' market nutrition program as a state agency approved by the United States department of agriculture to participate in the federal programs. The department may apply to and submit a state plan for approval by the United States department of agriculture as required to administer the Iowa farmers' market nutrition program.
2. The department and any other state agency, local government agency, or nonprofit entity participating in the federal programs shall cooperate as necessary in order to carry out the federal programs, including by entering into written agreements. The department and any other state agency shall cooperate under the auspices of the governor.

2007 Acts, ch 84, §3

Referred to in §175B.2

**175B.4 Other programs.**

Nothing in this chapter restricts the department from providing for other programs which promote the purposes of the federal programs.

2007 Acts, ch 84, §4; 2009 Acts, ch 133, §73

**175B.5 Administrative rules.**

The department shall adopt rules in order to administer the Iowa farmers' market nutrition program. If another state agency is involved in the administration of this chapter, the other state agency shall cooperate with the department in adopting its rules.

2007 Acts, ch 84, §5

Licensing of vendors at farmers' markets, see chapter 137F

# CHAPTER 176

## FARM AID ASSOCIATIONS

Repealed effective July 1, 2005, by 2002 Acts, ch 1017, §7, 8;
see chapter 504

# CHAPTER 176A

## COUNTY AGRICULTURAL EXTENSION

Referred to in §159.6, 173.3


176A.1 Short title.
176A.2 Declaration of policy.
176A.3 Definition of terms.
176A.4 Establishment — body corporate — county agricultural extension districts.
176A.5 County agricultural extension council.
176A.6 Elections.
176A.7 Terms — meetings.
176A.8 Powers and duties of county agricultural extension council.
176A.9 Limitation on powers and activities of extension council.
176A.10 County agricultural extension education tax.
176A.11 Annual levy by board of supervisors.
176A.12 County agricultural extension fund.
176A.13 Cooperation extension council — extension service.
176A.14 Extension council officers — duties.
176A.15 Consolidation of extension districts.
176A.16 General election law applicable.


**176A.1 Short title.**

This chapter may be known and cited as the *"County Agricultural Extension Law"*.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.1]

**176A.2 Declaration of policy.**

It is the policy of the legislature to provide for aid in disseminating among the people of Iowa useful and practical information on subjects relating to agriculture, home economics, and community and economic development, and to encourage the application of the information in the counties of the state through extension work to be carried on in cooperation with Iowa state university of science and technology and the United States department of agriculture as provided in the Act of Congress known as the Smith-Lever Act, adopted May 8, 1914, as amended, 38 Stat. 372 – 374, codified at 7 U.S.C. § 341 – 349.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.2]

86 Acts, ch 1245, §838; 2006 Acts, ch 1010, §57

**176A.3 Definition of terms.**

Whenever used or referred to in this chapter, unless a different meaning clearly appears from the context:

1. *"County agricultural extension council"*, hereinafter referred to as *"extension council"*, means the agency created and constituted as provided in section 176A.5.

2. *"County agricultural extension district"*, hereinafter referred to as *"extension district"*, means a governmental subdivision of this state, and a public body corporate organized in accordance with the provisions of this chapter for the purposes, with the powers, and subject to the restrictions set forth in this chapter.

3. *"Director of extension"* means the "director of Iowa state university of science and technology extension service", and shall hereinafter be referred to as *"director of extension"*.

4. *"Extension service"* means the "cooperative extension service in agriculture and home economics of Iowa state university", and shall hereinafter be referred to as *"extension service"*.

5. *"Iowa state university"* means the "Iowa state university of science and technology", and shall hereinafter be referred to as *"Iowa state university"*.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.3]

2009 Acts, ch 41, §69

**176A.4 Establishment — body corporate — county agricultural extension districts.**

Each county, except Pottawattamie, is constituted and established as a "county agricultural extension district" and shall be a public body corporate organized in accordance with the provisions of this chapter for the purposes, with the powers and subject to the restrictions hereinafter set forth. Pottawattamie county shall be divided into and constitute two districts with one district to be known as "East Pottawattamie" which shall include the following townships: Pleasant, Layton, Knox, James, Valley, Lincoln, Washington, Belknap, Center, Wright, Carson, Macedonia, Grove, Waveland; and the other "West Pottawattamie" which shall include the following townships: Rockford, Boomer, Neola, Minden, Hazel Dell, York, Crescent, Norwalk, Lake, Garner, Hardin, Kane, Lewis, Keg Creek, Silver Creek.

[C24, 27, 31, 35, 39, §**2930;** C46, 50, 54, §176.8; C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.4]

**176A.5 County agricultural extension council.**

There shall be elected in each extension district an extension council consisting of nine members. Each member of the extension council shall be a resident registered voter of the extension district.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.5]

90 Acts, ch 1149, §1; 94 Acts, ch 1169, §64

Referred to in §176A.3

**176A.6 Elections.**

An election shall be held biennially at the time of the general election in each extension district for the election of members of the extension council. All registered voters of the extension district are entitled to vote in the election.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.6]

90 Acts, ch 1149, §2; 95 Acts, ch 67, §53

Referred to in §39.21

**176A.7 Terms — meetings.**

1. Except as otherwise provided pursuant to law for members elected in 1990, the term of office of an extension council member is four years. The term shall commence on the first day of January following the date of the member's election which is not a Sunday or legal holiday.

2. Each extension council shall meet at least two times during a calendar year and at other times during the year as the council determines. The date, time, and place of each meeting shall be fixed by the council.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.7]

90 Acts, ch 1149, §3; 99 Acts, ch 133, §1

**176A.8 Powers and duties of county agricultural extension council.**

The extension councils of each extension district of the state shall have, exercise, and perform the following powers and duties:

1. To elect from their own number annually a chairperson, vice chairperson, secretary and a treasurer who shall serve and be the officers of the extension council for a term of one year, and perform the functions and duties as herein in this chapter provided.

2. To serve as an agency of the state and to manage and transact all of the business and affairs of its district and have control of all of the property acquired by it and necessary for the conduct of the business of the district for the purposes of this chapter.

3. *a.* To and shall, at least ninety days prior to the date fixed for the election of council members, appoint a nominating committee consisting of four persons who are not council members and designate the chairperson. The membership of the nominating committee shall be gender balanced. The nominating committee shall consider the geographic distribution

of potential nominees in nominating one or more resident registered voters of the extension district as candidates for election to each office to be filled at the election. To qualify for the election ballot, each nominee shall file a nominating petition signed by at least twenty-five eligible electors of the district with the county commissioner of elections at least sixty-nine days before the date of election.

*b.* To and shall also provide for the nomination by petition of candidates for election to membership on the extension council. A nominating petition shall be signed by at least twenty-five eligible electors of the extension district and shall be filed with the county commissioner of elections at least sixty-nine days before the date of the election.

4. To enter into a memorandum of understanding with the extension service setting forth the cooperative relationship between the extension service and the extension district.

5. To employ all necessary extension professional personnel from qualified nominees furnished to it and recommended by the director of extension and not to terminate the employment of any such without first conferring with the director of extension, and to employ such other personnel as it shall determine necessary for the conduct of the business of the extension district, and to fix the compensation for all such personnel in cooperation with the extension service and in accordance with the memorandum of understanding entered into with such extension service.

6. To prepare annually before March 15 a budget for the fiscal year beginning July 1 and ending the following June 30, in accordance with the provisions of chapter 24 and certify the same to the board of supervisors of the county of their extension district as required by law.

7. To and shall be responsible for the preparation and adoption of the educational program on extension work in agriculture, home economics and 4-H club work, and periodically review said program and for the carrying out of the same in cooperation with the extension service in accordance with the memorandum of understanding with said extension service.

8. To make and adopt such rules not inconsistent with the law as it may deem necessary for its own government and the transaction of the business of the extension district.

9. To fill all vacancies in its membership to serve for the unexpired term of the member creating the vacancy by appointing a resident registered voter of the extension district. However, if an unexpired term in which the vacancy occurs has more than seventy days to run after the date of the next pending election and the vacancy occurs seventy-four or more days before the election, the vacancy shall be filled at the next pending election.

10. To and shall, as soon as possible following the meeting at which the officers are elected, file in the office of the board of supervisors and of the county treasurer a certificate signed by its chairperson and secretary certifying the names, addresses and terms of office of each member, and the names and addresses of the officers of the extension council with the signatures of the officers affixed thereto, and said certificate shall be conclusive as to the organization of the extension district, its extension council, and as to its members and its officers.

11. To and shall deposit all funds received from the "county agricultural extension education fund" in a bank or banks approved by it in the name of the extension district. These receipts shall constitute a fund known as the "county agricultural extension education fund" which shall be disbursed by the treasurer of the extension council on vouchers signed by its chairperson and secretary and approved by the extension council and recorded in its minutes.

12. To expend the "county agricultural extension education fund" for salaries and travel, expense of personnel, rental, office supplies, equipment, communications, office facilities and services, and in payment of such other items as shall be necessary to carry out the extension district program; provided, however, it shall be unlawful for the county agricultural extension council to lease any office space which is occupied or used by any other farm organization or farm cooperative, and provided further, that it shall be lawful for the county agricultural extension council to lease space in a building owned or occupied by a farm organization or farm cooperative.

13. To carry over unexpended county agricultural extension education funds into the next year so that funds will be available to carry on the program until such time as moneys received

from taxes are collected by the county treasurer. However, the unencumbered funds in the county agricultural extension education fund in excess of one-half the amount expended from the fund in the previous year shall be paid over to the county treasurer. The treasurer of the extension council with the approval of the council may invest agricultural extension education funds retained by the council and not needed for current expenses in the manner authorized for treasurers of political subdivisions under section 12C.1.

14. To file with the county auditor and to publish in two newspapers of general circulation in the district before August 1 full and detailed reports under oath of all receipts, from whatever source derived, and expenditures of such county agricultural extension education fund showing from whom received, to whom paid and for what purpose for the last fiscal year.

[S13, §1683-j, -m; C24, 27, 31, 35, 39, §**2930, 2933, 2938;** C46, 50, 54, §176.8, 176.11, 176.16; C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.8]

83 Acts, ch 123, §77, 209; 87 Acts, ch 43, §5; 90 Acts, ch 1149, §4 – 6; 91 Acts, ch 129, §22; 94 Acts, ch 1169, §64; 99 Acts, ch 133, §2, 3; 2001 Acts, ch 56, §10; 2009 Acts, ch 41, §70

Referred to in §176A.9, 331.427

Section not amended; editorial change applied

**176A.9 Limitation on powers and activities of extension council.**

1. The extension council has for its sole purpose the dissemination of information, the giving of instruction and practical demonstrations on subjects relating to agriculture, home economics, and community and economic development, and the encouragement of the application of the information, instruction, and demonstrations to and by all persons in the extension district, and the imparting to the persons of information on those subjects through field demonstrations, publications, or other media.

2. The extension district, its council, or a member or an employee as a representative of either one or the other shall not engage in commercial or other private enterprises, legislative programs, nor attempt in any manner by the adoption of resolutions or otherwise to influence legislation, either state or national, or other activities not authorized by this chapter.

3. The extension council or a member or employee thereof as a representative of either the extension district or the extension council shall not give preferred services to any individual, group or organization or sponsor the programs of any group, organization or private agency other than as herein provided by this chapter.

4. The extension council may collect reasonable fees and may seek and receive grants, donations, gifts, bequests, or other moneys from public and private sources to be used for the purposes set forth in this section, and may enter into contracts to provide educational services.

5. The extension council and its employed personnel may cooperate with, give information and advice to organized and unorganized groups, but shall not promote, sponsor or engage in the organization of any group for any purpose except the promoting, organization and the development of the programs of 4-H clubs. Nothing in this chapter shall prevent the county extension council or extension agents employed by it from using or seeking opportunities to reach an audience of persons interested in agricultural extension work through the help of interested farm organizations, civic organizations or any other group: Provided, that in using or seeking such opportunities, the county extension council or agents employed by it shall make available to all groups and organizations in the county equal opportunity to cooperate in the educational extension program.

6. Members of the council shall serve without compensation, but may receive actual and necessary expenses, including in-state travel expenses at not more than the state rate, incurred in the performance of official duties other than attendance at regular local county extension council meetings. Payment shall be made from funds available pursuant to section 176A.8, subsection 12.

[SS15, §1683-e; C24, 27, 31, 35, 39, §**2929, 2931;** C46, 50, 54, §176.7, 176.9; C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.9]

86 Acts, ch 1245, §839; 98 Acts, ch 1166, §1, 2

**176A.10 County agricultural extension education tax.**

1. The extension council of each extension district shall, at a meeting held before March 15, estimate the amount of money required to be raised by taxation for financing the county agricultural extension education program authorized in this chapter. The annual tax levy and the amount of money to be raised from the levy for the county agricultural extension education fund shall not exceed the following:

*a.* (1) Except as provided in subparagraph (2), for an extension district having a population of less than thirty thousand, an annual levy of twenty and one-fourth cents per thousand dollars of the assessed valuation of the taxable property in the district up to a maximum of seventy thousand dollars for the fiscal year commencing July 1, 1985, and seventy-five thousand dollars for each subsequent fiscal year.

(2) For an extension district having a population of less than thirty thousand and as provided in subsection 2, an annual levy of thirty cents per thousand dollars of the assessed valuation of the taxable property in the district up to a maximum of eighty-seven thousand dollars payable during the fiscal year commencing July 1, 1992, and an increase of six thousand dollars in the amount payable during each subsequent fiscal year.

*b.* (1) Except as provided in subparagraph (2), for an extension district having a population of thirty thousand or more but less than fifty thousand, an annual levy of twenty and one-fourth cents per thousand dollars of the assessed valuation of the taxable property in the district up to a maximum of eighty-four thousand dollars for the fiscal year commencing July 1, 1985, and ninety thousand dollars for each subsequent fiscal year.

(2) For an extension district having a population of thirty thousand or more but less than fifty thousand and as provided in subsection 2, an annual levy of twenty and one-fourth cents per thousand dollars of the assessed valuation of the taxable property in the district up to a maximum of one hundred four thousand dollars payable during the fiscal year commencing July 1, 1992, and an increase of seven thousand dollars in the amount payable during each subsequent fiscal year.

*c.* (1) Except as provided in subparagraph (2), for an extension district having a population of fifty thousand or more but less than ninety-five thousand, an annual levy of thirteen and one-half cents per thousand dollars of the assessed valuation of the taxable property in the district up to a maximum of one hundred five thousand dollars for the fiscal year commencing July 1, 1985, and one hundred twelve thousand five hundred dollars for each subsequent fiscal year.

(2) For an extension district having a population of fifty thousand or more but less than ninety thousand and as provided in subsection 2, an annual levy of thirteen and one-half cents per thousand dollars of the assessed valuation of the taxable property in the district up to a maximum of one hundred thirty thousand five hundred dollars payable during the fiscal year commencing July 1, 1992, and an increase of nine thousand dollars in the amount payable during each subsequent fiscal year.

*d.* (1) Except as provided in subparagraph (2), for an extension district having a population of ninety-five thousand or more, an annual levy of thirteen and one-half cents per thousand dollars of the assessed valuation of the taxable property in the district up to a maximum of one hundred forty thousand dollars for the fiscal year commencing July 1, 1985, and one hundred fifty thousand dollars for each subsequent fiscal year.

(2) For an extension district having a population of ninety thousand or more but less than two hundred thousand and as provided in subsection 2, an annual levy of thirteen and one-half cents per thousand dollars of the assessed valuation of the taxable property in the district up to a maximum of one hundred eighty thousand dollars payable during the fiscal year commencing July 1, 1992, and an increase of fifteen thousand dollars in the amount payable during each subsequent fiscal year.

*e.* For an extension district having a population of two hundred thousand or more and as provided in subsection 2, an annual levy of five cents per thousand dollars of the assessed valuation of the taxable property in the district up to a maximum of two hundred thousand dollars payable during the fiscal year commencing July 1, 1992, and an increase of twenty-five thousand dollars in the amount payable during each subsequent fiscal year.

2. An extension council of an extension district may choose to be subject to the levy

and revenue limits specified in subparagraphs (2) of subsection 1, paragraphs *"a"* through *"d"*, and subsection 1, paragraph *"e"*, for the purpose of the annual levy for the fiscal year commencing July 1, 1991, which levy is payable in the fiscal year beginning July 1, 1992. Before an extension district may be subject to the levy and revenue limits specified in subparagraphs (2) of subsection 1, paragraphs *"a"* through *"d"*, and subsection 1, paragraph *"e"*, for fiscal years beginning on or after July 1, 1992, which levy is payable in fiscal years beginning on or after July 1, 1993, the question of whether the district shall be subject to the levy and revenue limits as specified in such paragraphs must be submitted to the registered voters of the district. The question shall be submitted at the time of a general election. If the question is approved by a majority of those voting on the question the levy and revenue limits specified in subparagraphs (2) of subsection 1, paragraphs *"a"* through *"d"*, and subsection 1, paragraph *"e"*, shall thereafter apply to the extension district. The question need only be approved at one general election. If a majority of those voting on the question vote against the question, the district may continue to submit the question at subsequent general elections until approved.

3. The extension council in each extension district shall comply with chapter 24.

[C24, 27, 31, 35, 39, §**2930;** C46, 50, 54, §176.8; C58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §176A.10; 81 Acts, ch 69, §1]

91 Acts, ch 156, §1; 92 Acts, ch 1212, §7; 92 Acts, ch 1246, §25; 99 Acts, ch 133, §4; 2009 Acts, ch 41, §205; 2010 Acts, ch 1069, §24; 2013 Acts, ch 30, §39

Subsection 2 amended

**176A.11 Annual levy by board of supervisors.**

The board of supervisors of each county shall annually, at the time of levying taxes for county purposes, levy the taxes necessary to raise the county agricultural extension education fund and certified to it by the extension council as provided in this chapter, but if the amount certified for such fund is in excess of the amount authorized by this chapter it shall levy only so much thereof as is authorized by this chapter.

[C24, 27, 31, 35, 39, §**2930;** C46, 50, 54, §176.8; C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.11]

**176A.12 County agricultural extension fund.**

A county agricultural extension education fund shall be established in each county and the county treasurer of each county shall keep the amount of tax levied under this chapter in that fund. Before the fifteenth day of each month, the treasurer shall notify the chairperson of the county extension council of the amount collected for this fund to the first day of that month and shall pay that amount to the treasurer of the extension council as provided in section 331.552, subsection 29.

83 Acts, ch 123, §78, 209; 84 Acts, ch 1003, §4

Referred to in §331.559

**176A.13 Cooperation extension council — extension service.**

The extension council is specifically authorized to cooperate with the extension service and the United States department of agriculture in the accomplishment of the county agricultural extension education program contemplated by this chapter, to the end that the federal funds allocated to the extension service and the county agricultural extension education fund of each district may be more efficiently used by the extension service and the extension council. The director of extension shall coordinate the county agricultural extension education program in the several extension districts.

[S13, §1683-p; C24, 27, 31, 35, 39, §**2931, 2932;** C46, 50, 54, §176.9, 176.10; C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.13]

**176A.14 Extension council officers — duties.**

1. The chairperson of the extension council shall preside at all meetings of the extension council, have authority to call special meetings of said council upon such notice as shall be fixed and determined by the extension council, and shall call special meetings of the extension council upon the written request of a majority of the members of said council, and in addition

to the duties imposed in this chapter perform and exercise the usual duties performed and exercised by a chairperson or president of a board of directors of a corporation.

2. The vice chairperson, in the absence or disability of the chairperson, or the chairperson's refusal to act, shall perform the duties imposed upon the chairperson and act in the chairperson's stead.

3. The secretary shall perform the duties usually incident to this office. The secretary shall keep the minutes of all meetings of the extension council. The secretary shall sign such instruments and papers as are required to be signed by the secretary as such in this chapter, and by the extension council from time to time.

4. The treasurer shall receive, deposit and have charge of all of the funds of the extension council and pay and disburse the same as in this chapter required, and as may be from time to time required by the extension council. The treasurer shall keep an accurate record of receipts and disbursements and submit a report thereof at such times as may be required by the extension council.

5. Each of the officers of the extension council shall perform and carry out the officer's duties as provided in this section and shall perform and carry out any other duties as required by rules adopted by the extension council as authorized in this chapter. A member of the extension council, within fifteen days after the member's election, shall take and sign the usual oath of public officers which shall be filed in the office of the county auditor of the county of the extension district. The treasurer of the extension council, within ten days after being elected and before entering upon the duties of the office, shall execute to the extension council a corporate surety bond for an amount not less than twenty thousand dollars. The bond shall be continued until the treasurer faithfully discharges the duties of the office. The bond shall be filed with the county auditor of the county of the extension district. The county auditor shall notify the chairperson of the extension council of the bond's filing in the auditor's office. The cost of the surety bond shall be paid for by the extension council.

[S13, §1683-i, -j, -m; C24, 27, 31, 35, 39, §**2933, 2934, 2938;** C46, 50, 54, §176.11, 176.12, 176.16; C58, 62, 66, 71, 73, 75, 77, 79, 81, §176A.14]

97 Acts, ch 73, §1; 98 Acts, ch 1107, §2

Referred to in §331.502

**176A.15 Consolidation of extension districts.**

Any two or more extension districts may be consolidated to form a single extension district, by resolution duly adopted by the extension council of each such extension district. Upon adoption of such resolutions providing for such consolidation, the extension councils shall do all things which may be necessary or convenient to carry into effect such consolidation. The initial extension council for such new extension district shall consist of the members of the extension councils of the consolidated extension districts. The extension council of such new extension district shall promptly elect officers as provided in this chapter, and upon such election the terms of the officers of the extension councils of the consolidated extension districts shall terminate. The extension council of the new extension district shall select a name for such district and shall file the name, together with copies of the resolution providing for such consolidation, with the recorder of each county affected thereby. The new extension district shall be regarded for all purposes as an extension district, the same as if such extension district consisted of a single county, and its extension council and officers thereof shall have all the powers and duties which now or hereafter may pertain to extension councils and officers thereof. All assets and liabilities of the consolidated extension districts shall become the assets and liabilities of the new extension district. The tax rate for the "county agricultural extension education fund" shall be the same in each county included in an extension district formed by consolidation. For the purposes of any law requiring extension districts to file any document with or certify any information to any county officer or board, an extension district formed by consolidation shall file or certify the same with or to the appropriate officer or board of each county included in the extension district. An extension district formed by consolidation may be dissolved and the original extension districts as they existed prior to such consolidation may be reestablished, by resolution duly adopted by the extension council of such extension district; and upon adoption of such

resolution, the extension council shall do all things which may be necessary or convenient to carry into effect such dissolution and the reestablishment of the original extension districts.
[C62, 66, 71, 73, 75, 77, 79, 81, §176A.15]

**176A.16 General election law applicable.**
The provisions of chapter 49 apply to the elections held pursuant to this chapter, and the county commissioner of elections has responsibility for the conducting of those elections.
[C75, 77, 79, 81, §176A.16]
90 Acts, ch 1149, §7

# CHAPTER 176B

RESERVED

# CHAPTER 177

## CROP IMPROVEMENT ASSOCIATION

Referred to in §159.6, 173.3


| | | | |
|---|---|---|---|
| 177.1 | Recognition of organization. | 177.3 | Board of directors. |
| 177.1A | Definitions. | 177.4 | Employees. |
| 177.2 | Powers and purposes. | 177.5 | Expenses of officers. |


**177.1 Recognition of organization.**
The organization existing in and incorporated under the laws of this state and known as the Iowa crop improvement association shall be entitled to the benefits of this chapter.
[C24, 27, 31, 35, 39, §**2939;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §177.1]
2008 Acts, ch 1096, §1
Referred to in §177.1A

**177.1A Definitions.**
As used in this chapter, unless the context otherwise requires:
1. *"Association"* means the Iowa crop improvement association recognized in section 177.1.
2. *"Department"* means the department of agriculture and land stewardship.
2008 Acts, ch 1096, §2

**177.2 Powers and purposes.**
The Iowa crop improvement association shall have all powers necessary to carry out the following purposes:
1. Act as the official seed certifying agency for Iowa as provided by rules adopted by the department.
2. Adopt procedures for conducting seed and plant stock certification and planting stock quality assurance, pursuant to rules adopted by the department.
3. Provide educational and leadership opportunities to influence public policy regarding crop improvement.
4. Conduct, in cooperation with Iowa state university college of agriculture and life sciences, testing and disseminate information regarding the adaptation and performance of crop cultivars.
5. Coordinate all Iowa crop improvement association activities in a manner that is consistent with environmentally sound agricultural practices.
6. Provide a mechanism for commodity identity preservation.

7. Engage in such other activities that are reasonably connected to the purposes of this section.

[C24, 27, 31, 35, 39, §**2940;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §177.2]
87 Acts, ch 225, §204; 2008 Acts, ch 1096, §3; 2009 Acts, ch 41, §71

**177.3 Board of directors.**

The Iowa crop improvement association shall be governed by a board of directors.

1. The association's articles of incorporation or bylaws shall provide for all of the following:

*a.* The organization of the board, its procedures for meeting and voting, and the election of its board members and officers.

*b.* The business of the association, which shall be transacted as provided in this chapter.

2. The board shall include all of the following members:

*a.* The secretary of agriculture or the secretary's designee.

*b.* The following persons representing the college of agriculture and life sciences at Iowa state university:

(1) The director of the agricultural experiment station.

(2) The chair of the agronomy department.

(3) The director of the seed science center.

*c.* Six persons elected by the association's voting shareholders from among its voting shareholders.

[C24, 27, 31, 35, 39, §**2941;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §177.3]
87 Acts, ch 115, §30; 2008 Acts, ch 1096, §4; 2009 Acts, ch 41, §72

**177.4 Employees.**

The Iowa crop improvement association may employ one or more competent persons to carry out the provisions of this chapter as directed by the association's board of directors. The board may employ an executive director. A person employed by the board shall receive compensation and necessary expenses incurred while engaged in the business of the association as provided by its board of directors.

[C24, 27, 31, 35, 39, §**2942;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §177.4]
2008 Acts, ch 1096, §5
Referred to in §177.5

**177.5 Expenses of officers.**

A member of the board of directors or officer of the Iowa crop improvement association other than the executive director appointed pursuant to section 177.4 shall serve without compensation. However, a member of the board of directors or officer may receive necessary expenses while engaged in the business of the association pursuant to section 7E.6, as determined by the board.

[C24, 27, 31, 35, 39, §**2943;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §177.5]
2008 Acts, ch 1096, §6

# CHAPTER 177A

## CROP PESTS

Referred to in §159.6, 173.3


| | | | |
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| 177A.1 | Short title. | 177A.13 | Quarantines — seizure and destruction. |
| 177A.2 | Definitions. | 177A.14 | Right of access. |
| 177A.3 | State entomologist. | 177A.15 | Right to hearing. |
| 177A.4 | Employees — expenses. | 177A.16 | Violations. |
| 177A.5 | Duties — public nuisances. | 177A.17 | Duty of owner — assessment of costs. |
| 177A.6 | Rules. | 177A.18 | Violations. |
| 177A.7 | Infection — eradication — notice. | 177A.19 | Harmful barberry. |
| 177A.8 | Importation — regulations. | 177A.20 | Liability of principal. |
| 177A.9 | Inspection — certificate — fees. | 177A.21 | Party plaintiff. |
| 177A.10 | Report of violations. | 177A.22 | Construction. |
| 177A.11 | Quarantine — general powers. | | |
| 177A.12 | Federal quarantine — seizures. | | |


### 177A.1 Short title.

This chapter shall be known by the short title of *"The Iowa Crop Pest Act"*.

[C27, 31, 35, §4062-b1; C39, §**4062.01;** C46, 50, 54, 58, 62, 66, 71, 73, §267.1; C75, 77, 79, 81, §177A.1]

### 177A.2 Definitions.

1. As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. For the purposes of this chapter, the following terms shall be construed, respectively, to mean:

*a. "Insect pests and diseases."* Insect pests and diseases injurious to plants and plant products, including any of the stages of development of such insect pests and diseases.

*b. "Places."* Vessels, cars, boats, trucks, automobiles, aircraft, wagons and other vehicles or carriers, whether air, land or water, buildings, docks, nurseries, greenhouses, orchards, fields, gardens, and other premises or any container where plants and plant products are grown, kept or handled.

*c. "Plants and plant products."* Trees, shrubs, vines, berry plants, greenhouse plants and all other nursery plants; forage and cereal plants, and all other parts of plants; cuttings, grafts, scions, buds, and all other parts of plants; and fruit, vegetables, roots, bulbs, seeds, wood, lumber, and all other plant products.

[C27, 31, 35, §4062-b2; C39, §**4062.02;** C46, 50, 54, 58, 62, 66, 71, 73, §267.2; C75, 77, 79, 81, §177A.2]

2000 Acts, ch 1148, §1

### 177A.3 State entomologist.

There is hereby created and established within the department of agriculture and land stewardship the office of state entomologist. The state entomologist shall be appointed by, responsible to and under the authority of the secretary of agriculture in the issuance of all rules, the establishment of quarantines and other official acts. The secretary of agriculture shall provide the state entomologist with suitable office space.

[S13, §2575-a47; C24, §4045; C27, 31, 35, §4062-b3; C39, §**4062.03;** C46, 50, 54, 58, 62, 66, 71, 73, §267.3; C75, 77, 79, 81, §177A.3; 81 Acts, ch 70, §1]

### 177A.4 Employees — expenses.

For the purpose of carrying out the provisions of this chapter, the state entomologist with the approval of the secretary of agriculture shall employ, prescribe the duties of, and fix the compensation of, such inspectors, and other employees as needed and incur such expenses as may be necessary, within the limits of appropriations made by law. The state entomologist

shall cooperate with other departments, boards and officers of the state and of the United States as far as practicable.

[S13, §2575-a47; C24, §4046; C27, 31, 35, §4062-b4; C39, §**4062.04;** C46, 50, 54, 58, 62, 66, 71, 73, §267.4; C75, 77, 79, 81, §177A.4]

2012 Acts, ch 1023, §157

**177A.5 Duties — public nuisances.**

The state entomologist shall keep informed as to known species and varieties of insect pests and diseases, the origin, locality, nature and appearance thereof, the manner in which they are disseminated, and approved methods of treatment and eradication. In the rules made pursuant to this chapter the state entomologist shall list the dangerously injurious insect pests and diseases which the entomologist shall find should be prevented from being introduced into, or disseminated within, this state in order to safeguard the plants and plant products likely to become infested or infected with such insect pests and diseases. Every such insect pest and disease listed, and every plant product infested or infected therewith, is hereby declared to be a public nuisance. Every person who has knowledge of the presence in or upon any place of any insect pest or disease so listed, shall immediately report the fact and location to the state entomologist, or the assistant state entomologist, giving such detailed information relative thereto as the person may have. Every person who deals in or engages in the sale of plants and plant products shall furnish to the state entomologist or the entomologist's inspectors, when requested, a statement of the names and addresses of the persons from whom and the localities where the person purchased or obtained such plants and plant products.

[S13, §2575-a47; C24, §4047; C27, 31, 35, §4062-b5; C39, §**4062.05;** C46, 50, 54, 58, 62, 66, 71, 73, §267.5; C75, 77, 79, 81, §177A.5]

Referred to in §177A.19

Nuisances in general, chapter 657

**177A.6 Rules.**

1. The state entomologist shall, from time to time, adopt rules for carrying out the provisions and requirements of this chapter, including rules under which the inspectors and other employees shall:

*a.* Inspect places, plants and plant products, and things and substances used or connected therewith,

*b.* Investigate, control, eradicate and prevent the dissemination of insect pests and diseases, and

*c.* Supervise or cause the treatment, cutting and destruction of plants and plant products infested or infected therewith.

2. The state entomologist, the entomologist's inspectors, employees, or other authorized agents shall have authority to enforce these rules which shall be published in the same manner as are the other rules of the department.

3. A nursery stock dealer shall not sell, offer for sale, or distribute nursery products by any method, or under any circumstances or condition, which has the capacity and tendency or effect of deceiving purchasers or prospective customers as to quantity, size, grade, kind, species, age, maturity, viability, condition, vigor, hardiness, number of times transplanted, growth ability, growth characteristics, rate of growth or time required before flowering or fruiting, price, origin or place where grown, or in any other material respect.

4. When under the provisions of this section it becomes necessary for the state entomologist to verify sizes and grades of nursery stock, or either of them, the entomologist shall use as a guide the "American Standard for Nursery Stock" as revised and approved by the American standards association, inc.

[S13, §2575-a48; C24, §4050, 4051, 4054; C27, 31, 35, §4062-b6; C39, §**4062.06;** C46, 50, 54, 58, 62, 66, 71, 73, §267.6; C75, 77, 79, 81, §177A.6]

2009 Acts, ch 41, §73

Referred to in §177A.19

**177A.7 Infection — eradication — notice.**

Whenever inspection discloses that any places, or plants or plant products, or things and substances used or connected therewith, are infested or infected with any dangerously injurious insect pest or disease listed as a public nuisance, written notice thereof shall be given the owner or person in possession or control of the place where found, who shall proceed to control, eradicate or prevent the dissemination of such insect pest or disease, and to remove, cut or destroy infested and infected plants and plant products, or things and substances used or connected therewith, as prescribed in the notice or the rules. Whenever such owner or person in possession cannot be found, or shall fail, neglect or refuse to obey the requirements of the notice and the rules, such requirements shall be carried out by the state entomologist, as required by section 177A.17.

[S13, §2575-a48; C24, §4050, 4052, 4053, 4055; C27, 31, 35, §4062-b7; C39, §**4062.07;** C46, 50, 54, 58, 62, 66, 71, 73, §267.7; C75, 77, 79, 81, §177A.7]

Referred to in §177A.19

**177A.8 Importation — regulations.**

It shall be unlawful for any person to bring or cause to be brought into this state any plant or plant product listed in the rules, unless there be plainly and legibly marked thereon or affixed thereto, or on or to the carrier, or the bundle, package, or container, in a conspicuous place, a statement or tag or device showing the names and addresses of the consignors or shippers and the consignees or persons to whom shipped, the general nature and quantity of the contents, and the name of the locality where grown, together with a certificate of inspection of the proper official of the state, territory, district, or country from which it was brought or shipped, showing that such plant or plant product was found or believed to be free from dangerously injurious insect pests and diseases, and giving any other information required by the state entomologist.

[S13, §2575-a50; C24, §4058; C27, 31, 35, §4062-b8; C39, §**4062.08;** C46, 50, 54, 58, 62, 66, 71, 73, §267.8; C75, 77, 79, 81, §177A.8]

Referred to in §177A.9, 177A.10, 177A.19

**177A.9 Inspection — certificate — fees.**

It shall be unlawful for any person to sell, give away, carry, ship, or deliver for carriage or shipment, within this state, any plants or plant products listed in the rules unless such plants or plant products have been officially inspected and a certificate issued by an inspector of the state entomologist's office stating that such plants or plant products have been inspected and found to be apparently free from dangerously injurious insect pests and diseases, and giving any other facts provided for in the rules. For the issuance of such certificate, the state entomologist may require the payment of a reasonable fee to cover the expense of such inspection and certification. Provided, that if such plants or plant products were brought into this state in compliance with section 177A.8, the certificate required by that section may be accepted in lieu of the inspection and certificate required by this section, in such cases as shall be provided for in the rules. If it shall be found at any time that a certificate of inspection, issued or accepted under the provisions of this section, is being used in connection with plants and plant products which are infested or infected with dangerously injurious insect pests or diseases or in connection with uninspected plants, its further use may be prohibited, subject to such inspection and disposition of the plants and plant products involved as may be provided for by the state entomologist. All moneys collected under the provisions of this chapter shall be turned over to the secretary who shall deposit them in the state treasury.

The fees for inspections and certifications shall not be less than twenty-five dollars nor more than five hundred dollars. Certificates shall be issued to nursery stock growers and dealers on an annual basis. Inspection and certification fees for nursery stock growers shall be twenty-five dollars plus five dollars per acre or part thereof, according to the amount of stock inspected. The inspection and certification fee for nursery stock dealers shall be twenty-five dollars. All fees shall be paid at the time of inspection or before a certificate is issued. Inspection and certification shall take place when necessary to enforce this chapter and the rules pursuant to it. Certificates issued in accordance with this chapter may be

revoked when inspection results determine that conditions violate the standards for which certification was issued.

[S13, §2575-a47, -a49; C24, §4047, 4048, 4057; C27, 31, 35, §4062-b9; C39, §**4062.09;** C46, 50, 54, 58, 62, 66, 71, 73, §267.9; C75, 77, 79, 81, §177A.9; 81 Acts, ch 70, §2]

88 Acts, ch 1272, §19

Referred to in §177A.10, 177A.19

**177A.10 Report of violations.**

Any person who receives from without the state any plant or plant product without section 177A.8 having been complied with, or who receives any plant or plant product sold, given away, carried, shipped or delivered for carriage or shipment within this state without section 177A.9 having been complied with, shall immediately inform the state entomologist or one of the entomologist's inspectors of such facts and isolate and hold the plant or plant product unopened or unused, subject to such inspection and disposition as may be provided for by the state entomologist.

[S13, §2575-a49; C24, §4057; C27, 31, 35, §4062-b10; C39, §**4062.10;** C46, 50, 54, 58, 62, 66, 71, 73, §267.10; C75, 77, 79, 81, §177A.10]

Referred to in §177A.19

**177A.11 Quarantine — general powers.**

Whenever the state entomologist shall find that there exists outside of this state any insect pest or disease, and that its introduction into this state should be prevented in order to safeguard plants and plant products in this state, the state entomologist is authorized to quarantine and promulgate quarantine restrictions covering areas within the states affected by the pest and may adopt, issue, and enforce rules supplemental to such quarantines for the control of the pest. Under such quarantines, the state entomologist or the state entomologist's authorized agents may prohibit and prevent the movement within the state without inspection, or the shipment or transportation within the state, of any agricultural or horticultural product, or any other material of any character whatsoever, capable of carrying any dangerously injurious insect pest or disease in any living state of its development; and, in the enforcement of such quarantine, may intercept, stop, and detain for official inspection any person, car, vessel, boat, truck, automobile, aircraft, wagon, vehicles or carriers or any container, material, or substance believed or known to be carrying the insect pest or plant disease in any living state of its development in violation of said quarantines or of the rules issued supplemental thereto, and may seize, possess, and destroy any agricultural or horticultural product or other material of any character whatsoever, moved, shipped, or transported in violation of such quarantines or the rules.

[S13, §2575-a48; C24, §4049; C27, 31, 35, §4062-b11; C39, §**4062.11;** C46, 50, 54, 58, 62, 66, 71, 73, §267.11; C75, 77, 79, 81, §177A.11]

Referred to in §177A.19

**177A.12 Federal quarantine — seizures.**

1. Until the secretary of agriculture of the United States shall have made a determination that a federal quarantine is necessary, and has duly established the same with reference to any dangerous plant disease or insect infestation, the state entomologist of this state is authorized to promulgate and enforce quarantine regulations prohibiting or restricting the transportation of any class of plant material or product or article into this state from any state, territory or district of the United States, when the entomologist shall have information that a dangerous plant disease or insect infestation exists in such state, territory, district, or portion thereof.

2. The state entomologist, the entomologist's inspectors or duly authorized agents are authorized to seize, destroy, or return to the point of origin any material received in this state in violation of any state quarantine established under the authority of subsection 1, or in

violation of any federal quarantine established under the authority of the Act of August 20, 1912, 37 Stat. ch 308, or any amendment to that Act.

[C27, 31, 35, §4062-b12; C39, §**4062.12;** C46, 50, 54, 58, 62, 66, 71, 73, §267.12; C75, 77, 79, 81, §177A.12]

2006 Acts, ch 1010, §58

Referred to in §177A.19

**177A.13 Quarantines — seizure and destruction.**

Whenever the state entomologist shall find that there exists in this state, or any part thereof, any dangerously injurious insect pest or plant disease, and that its dissemination should be controlled or prevented, the entomologist may institute quarantines and promulgate quarantine restrictions covering areas within the state affected by such pest or disease, and may adopt, issue and enforce rules supplemental to such quarantines for the control of this pest. Under such quarantines, the state entomologist, the entomologist's inspectors or authorized agents may prohibit and prevent the movement within the state without inspection or the shipment or transportation within this state, of any agricultural or horticultural product, or any other material of any character whatsoever, capable of carrying any dangerously injurious insect pest or disease in any living state of its development; and, in the enforcement of such quarantine, may intercept, stop, and detain for official inspection any person, car, vessel, boat, truck, automobile, aircraft, wagon, or other vehicles or carriers of any kind or character, whether air, land, or water, or any container or material believed or known to be carrying such insect pest or plant disease in any living state of its development or any such material, in violation of said quarantine or of the rules issued supplemental thereto, and may seize, possess, and destroy any agricultural or horticultural product or other material of any character whatsoever, moved, shipped, or transported in violation of such quarantines or the said rules.

The state entomologist shall give public notice of such quarantines, specifying the plants and plant products infested or infected, or likely to become infested or infected; and the movement, planting or other use of any such plant or plant product, or other thing or substance specified in such notice as likely to carry and disseminate such insect pest or disease, except under such conditions as shall be prescribed as to inspection, treatment and disposition, shall be prohibited within such area as the entomologist may designate. When the state entomologist shall find that the danger of the dissemination of such insect pest or disease has ceased to exist, the entomologist shall give public notice that the quarantine is raised.

[S13, §2575-a48; C24, §4049; C27, 31, 35, §4062-b13; C39, §**4062.13;** C46, 50, 54, 58, 62, 66, 71, 73, §267.13; C75, 77, 79, 81, §177A.13]

Referred to in §177A.19

**177A.14 Right of access.**

The state entomologist and the entomologist's authorized inspectors, employees, and agents shall have free access within reasonable hours to any farm, field, orchard, nursery, greenhouse, garden, elevator, seedhouse, warehouse, building, cellar, freight or express office or car, freight yard, truck, automobile, aircraft, wagon, vehicle, carrier, vessel, boat, container or any place which it may be necessary or desirable for such authorized agents to enter in carrying out the provisions of this chapter. It shall be unlawful to deny such access to such authorized agents or to hinder, thwart, or defeat such inspection or entrance by misrepresentation or concealment of facts or conditions, or otherwise.

[S13, §2575-a48; C24, §4049; C27, 31, 35, §4062-b14; C39, §**4062.14;** C46, 50, 54, 58, 62, 66, 71, 73, §267.14; C75, 77, 79, 81, §177A.14]

Referred to in §177A.19

**177A.15 Right to hearing.**

Any person affected by any rule made or notice given may have a review thereof by the secretary of agriculture for the purpose of having such rule or notice modified, suspended or withdrawn.

[C27, 31, 35, §4062-b15; C39, §**4062.15;** C46, 50, 54, 58, 62, 66, 71, 73, §267.15; C75, 77, 79, 81, §177A.15]

Referred to in §177A.19

**177A.16 Violations.**

Any person, partnership, association or corporation, or any combination of individuals, violating any provision of a quarantine promulgated under the authority of this chapter, or of any rules issued supplemental thereto, shall be guilty of a simple misdemeanor.

[S13, §2575-a50; C24, §4059; C27, 31, 35, §4062-b16; C39, §**4062.16;** C46, 50, 54, 58, 62, 66, 71, 73, §267.16; C75, 77, 79, 81, §177A.16]

2008 Acts, ch 1032, §106

Referred to in §177A.19

**177A.17 Duty of owner — assessment of costs.**

When treatment or destruction of an agricultural or horticultural plant or product, in field, feedlot, place of assemblage or storage, or elsewhere, or when a special type of plowing or any other agricultural or horticultural operation is required under the rules, the owner or person having charge of the plants, plant products or places, upon due notice from the state entomologist or the entomologist's authorized agents, shall take the action required within the time and in the manner designated by the notice. If the owner or person in charge refuses or neglects to obey the notice, the secretary of agriculture, or the secretary's authorized agents, may do what is required, and the secretary shall assess the expense to the owner after giving the owner legal notice and a hearing. No expense other than that incidental to normal and usual farm operations shall be so assessed. If the assessment is not paid, the secretary shall certify it to the treasurer of the proper county who shall enter it on the tax books and collect it as ordinary taxes are collected and remit it to the secretary.

[S13, §2575-a48; C24, §4055, 4056; C27, 31, 35, §4062-b17; C39, §**4062.17;** C46, 50, 54, 58, 62, 66, 71, 73, §267.17; C75, 77, 79, 81, §177A.17; 81 Acts, ch 70, §3]

Referred to in §177A.7, 177A.19, 331.559

**177A.18 Violations.**

Any person who shall violate any provision or requirement of this chapter, or of the rules made or of any notice given pursuant thereto, or who shall forge, counterfeit, deface, destroy, or wrongfully use, any certificate provided for in this chapter, or in the rules and regulations made pursuant thereto, shall be deemed guilty of a simple misdemeanor.

[S13, §2575-a50; C24, §4059; C27, 31, 35, §4062-b18; C39, §**4062.18;** C46, 50, 54, 58, 62, 66, 71, 73, §267.18; C75, 77, 79, 81, §177A.18]

Referred to in §177A.19

**177A.19 Harmful barberry.**

1. No person, firm, or corporation shall receive, ship, accept for shipment, transport, sell, offer for sale, give away, deliver, plant, or permit to exist on the person's, firm's, or corporation's premises any plant of the harmful barberry, or any plant of a species that shall be designated by the state entomologist in published regulations to be a host or carrier of a dangerous plant disease or insect pest.

2. The state entomologist and the entomologist's inspectors, and authorized agents, are hereby empowered to eradicate any such plant found growing in the state. If the owner shall refuse or neglect to eradicate such plants within ten days after receiving a written notice, the expense of such eradication shall be assessed, collected, and enforced against the premises upon which such expense was incurred as taxes are assessed, collected and enforced.

3. The term *"harmful barberry"* shall be interpreted to consist of any species of Berberis or Mahonia susceptible to infection by Puccinia graminis, commonly called black stem rust

of grain, but not including Japanese barberry (B. thunbergii), which does not propagate the rust.

4. The procedures provided in section 177A.17 and all other applicable provisions of sections 177A.5 to 177A.18 shall govern and apply to the enforcement of this section.

[C24, §4053; C27, 31, 35, §4062-b19; C39, §**4062.19;** C46, 50, 54, 58, 62, 66, 71, 73, §267.19; C75, 77, 79, 81, §177A.19]

**177A.20 Liability of principal.**

In construing and enforcing the provisions of this chapter, the act, omission, or failure of any official, agent, or other person acting for or employed by an association, partnership or corporation within the scope of the person's authority shall, in every case, also be deemed the act, omission, or failure of such association, partnership, or corporation as well as that of the person.

[C27, 31, 35, §4062-b20; C39, §**4062.20;** C46, 50, 54, 58, 62, 66, 71, 73, §267.20; C75, 77, 79, 81, §177A.20]

**177A.21 Party plaintiff.**

The secretary of agriculture, the state entomologist, or any of their inspectors or authorized agents shall be a proper party plaintiff in any action in any court of equity brought for the purpose of carrying out any of the provisions of this chapter.

[C27, 31, 35, §4062-b21; C39, §**4062.21;** C46, 50, 54, 58, 62, 66, 71, 73, §267.21; C75, 77, 79, 81, §177A.21]

**177A.22 Construction.**

This chapter shall not be so construed or enforced as to conflict in any way with any Act of Congress regulating the movement of plants and plant products in interstate or foreign commerce.

[C27, 31, 35, §4062-b22; C39, §**4062.22;** C46, 50, 54, 58, 62, 66, 71, 73, §267.22; C75, 77, 79, 81, §177A.22]

# CHAPTER 178

## STATE DAIRY ASSOCIATION

Referred to in §159.6, 173.3


| | | | |
|---|---|---|---|
| 178.1 | Recognition of organization. | 178.4 | Employees of committee. |
| 178.2 | Duties and objects of association. | 178.5 | Expenses of officers. |
| 178.3 | Executive committee. | | |


**178.1 Recognition of organization.**

The organization known as the Iowa state dairy association shall be entitled to the benefits of this chapter by filing each year with the department verified proofs of its organization, the names of its president, vice president, secretary, and treasurer, and that five hundred persons are bona fide members of said association, together with such other information as the department may require.

[C24, 27, 31, 35, 39, §**2944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §178.1]

**178.2 Duties and objects of association.**

The Iowa state dairy association shall:

1. Promote dairy test associations, shows, and sales.
2. Publish a breeders' directory.
3. Furnish such general instruction and assistance, either by institutes or otherwise, as it may deem proper, to advance the general interests of the dairy industry.

4. Make an annual report of the proceedings and expenditures to the secretary of agriculture.

[C24, 27, 31, 35, 39, §**2945;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §178.2]

**178.3 Executive committee.**

The association shall conduct its business through an executive committee which shall consist of:

1. The president and the secretary of the association.
2. The dean of the college of agriculture and life sciences of the Iowa state university of science and technology.
3. A member of the faculty of said university engaged in the teaching of dairying to be designated by said dean.
4. The secretary of agriculture or the secretary's designee.

[C24, 27, 31, 35, 39, §**2946;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §178.3]

87 Acts, ch 115, §31; 2008 Acts, ch 1032, §29

**178.4 Employees of committee.**

The executive committee may employ two or more competent persons who shall devote their entire time, under the direction of the executive committee, in carrying out the provisions of this chapter. The salary of such persons so employed shall be set by the executive committee subject to the approval of the secretary of agriculture, and such persons shall hold office at the pleasure of the executive committee.

[C24, 27, 31, 35, 39, §**2947;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §178.4]

**178.5 Expenses of officers.**

The officers of the association shall serve without compensation, but shall receive their necessary expenses while engaged in the business of the association.

[C24, 27, 31, 35, 39, §**2948;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §178.5]

# CHAPTER 179

## DAIRY INDUSTRY COMMISSION

Referred to in §8A.502, 97B.1A, 159.6


179.1 Definitions.
179.2 Commission created — suspension during national order — reactivation.
179.3 Powers and duties.
179.4 Expenditure of funds.
179.5 Excise tax — administration of moneys — appropriation.
179.5A Right to refund not subject to legal process or transfer.
179.6 Records of producers, first purchasers.
179.7 Returns filed with commission.
179.8 Payment of expenses — limitation.
179.9 Investigations by commission.
179.10 Report.
179.11 Penalties.
179.12 Repealed by 74 Acts, ch 1153, §8.
179.13 Referendum.
179.14 Influencing legislation.


**179.1 Definitions.**

As used in this chapter:

1. *"Collection period"* means a calendar year.
2. The term *"commission"* shall mean the Iowa dairy industry commission.
3. *"First purchaser"* means a person who buys milk from a producer and resells that milk or products made from the milk to another person.
4. *"Nutrition education"* means activities intended to broaden the understanding of sound nutritional principles including the role of milk in a balanced diet.

5. The term *"person"* shall mean individuals, corporations, partnerships, trusts, associations, cooperatives, and any and all other business units.

6. *"Producer"* means a person who produces milk from cows and thereafter sells the same as milk.

7. *"Promotion"* means actions including but not limited to advertising, sales, promotion, and publicity to advance the image and sales of and demand for milk.

8. *"Qualified financial institution"* means a bank or credit union as defined in section 12C.1.

9. *"Research"* means studies testing the effectiveness of market development and promotion efforts, studies relating to the nutritional value of milk and to product utilization, and other related efforts to expand demand for milk.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.1]

85 Acts, ch 126, §1 – 4; 94 Acts, ch 1146, §1; 2012 Acts, ch 1017, §47; 2012 Acts, ch 1023, §157

**179.2 Commission created — suspension during national order — reactivation.**

1. There is created an Iowa dairy industry commission, referred to in this chapter as the commission. The commission shall be composed of the secretary of agriculture or the secretary's designee, the dean of agriculture at Iowa state university of science and technology or the dean's designee, and sixteen members appointed by the secretary of agriculture as provided in this section.

2. Commissioners shall serve until their successors are duly appointed and qualify. Vacancies occurring in the membership of the commission resulting from death, inability or refusal to serve, or failure to meet the definition of a producer, shall be filled within three months of the time the vacancy occurs in the manner provided by the commission. Vacancy appointments shall be only for the remainder of the unexpired term. A commissioner shall not serve more than two consecutive full terms.

3. Appointive members of the commission shall receive a per diem as specified in section 7E.6 for each day spent on official business of the commission, not to exceed six hundred dollars per annum, and their actual necessary expenses, while engaged in commission activity.

4. When a national promotional order is established by the United States department of agriculture pursuant to the Dairy Product Stabilization Act of 1983, collection of the excise tax in section 179.5 shall be suspended for the period in which the national order is in effect. The commission shall continue to operate thereafter for only the period of time necessary to pay refunds and disburse the funds remaining in the dairy industry fund for the purposes enumerated in this chapter. Upon completion of these acts, the existence of the Iowa dairy industry commission shall be suspended. The secretary of agriculture shall certify the suspension of the commission as of a date certain to the Iowa dairy industry commission and the Iowa state dairy association. When the existence of the commission is suspended, the terms of office being served by individual commissioners shall terminate.

5. When the national promotional order expires, the period of suspension of the excise tax in section 179.5 shall terminate and the secretary of agriculture shall take the steps necessary to collect that excise tax and otherwise fulfill the duties of the commission, except that of expending funds collected under the excise tax, until those duties can be resumed by the reactivated commission. When the national promotional order expires, the period of suspension of the commission shall terminate. The secretary of agriculture shall call the first meeting of the reactivated commission. Upon reactivation, the commission shall reimburse the secretary of agriculture for expenses incurred in carrying out the duties provided in this subsection.

6. When the national dairy promotion program expires and the suspension of the Iowa dairy industry commission terminates pursuant to subsection 5, all first purchasers shall, in a manner designed to reflect their proportionate contributions to the national dairy promotion program in its most recently completed fiscal year, nominate two resident producers for each of the sixteen offices of the commission. The secretary of agriculture shall then appoint one nominee from each set of two nominees as commissioners of the reactivated Iowa dairy

industry commission. The secretary of agriculture shall stagger the terms of the reactivated commission resulting in as nearly as possible one third of the commissioners serving for one year, one third of the commissioners serving for two years, and one third of the commissioners serving for three years. After the initial staggering of terms by the secretary, commissioners shall be appointed to three-year terms.

7. After the reactivated commission has been formed, nominations for commissioners shall be made by first purchasers in a manner designed to reflect their proportionate contributions to the Iowa dairy industry commission in its most recently completed fiscal year.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.2]
84 Acts, ch 1183, §1; 85 Acts, ch 126, §5 – 8; 91 Acts, ch 258, §32

**179.3 Powers and duties.**

The powers and duties of the commission shall include the following:

1. To elect a chairperson, a secretary, and from time to time such other officers as it may deem advisable, and from time to time to adopt, rescind, modify and amend all proper and necessary rules, regulations and orders for the exercise of its power and the performance of its duties, which rules and orders shall have the force and effect of law when not inconsistent with existing laws.

2. To administer and enforce this chapter, and do and perform all acts and exercise all powers reasonably necessary to effectuate the purpose of this chapter.

3. To employ at its pleasure and discharge at its pleasure such attorneys, advertising counsel, advertising agencies, clerks and employees as it deems necessary, and to prescribe their duties and powers and fix their compensation.

4. To establish offices and incur any and all expense, and to enter into any and all contracts and agreements for the proper administration and enforcement of this chapter.

5. To report alleged violations of this chapter to the attorney general of the state of Iowa.

6. To conduct scientific research for the purpose of developing and discovering the health, food, therapeutic, dietetic, and industrial uses for products of milk or its derivatives.

7. To make in the name of the commission such advertising contracts and other agreements as it deems necessary to promote the sale and consumption of dairy products on either a state or national basis.

8. To keep accurate books, records, and accounts of all its dealings, which books, records, and accounts shall be audited annually by the auditor of state.

9. To receive, administer, disburse and account for, in addition to the funds received from the excise tax hereinafter imposed by section 179.5, all such other funds as may be voluntarily contributed to said commission for the purpose of promoting dairy products.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.3]
85 Acts, ch 126, §9

**179.4 Expenditure of funds.**

Funds collected through the excise tax are to be used for purposes of advertising and promotion, product, process, and nutrition, dietetics, and physiology research, nutrition education, public relations, research and development, and for other activities that contribute to producer efficiency and productivity. In addition, the commission shall use these funds to maintain existing markets, to make contributions to organizations working toward the purposes of this section, and to assist in the development of new or enlarged markets for milk, both domestic and foreign. The primary purpose for use of these funds is to increase consumption of milk. The commission may contract for advertising, publicity, sales promotion, research, and educational services the committee deems appropriate to further the objectives of this section.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.4]
85 Acts, ch 126, §10

**179.5 Excise tax — administration of moneys — appropriation.**

1. There is levied and imposed an excise tax on all producers within the state of three-fourths of one percent of the gross value of milk produced in the state.

2. All taxes levied and imposed under this chapter shall be deducted from the price received by the producer and shall be collected by the first purchaser, except as follows:

*a.* If the producer produces milk from cows and sells the milk directly to the consumer, the taxes shall be remitted by that producer.

*b.* If the producer sells milk to a first purchaser outside the state, the taxes are due and payable by that producer before the shipment is made, except that the commission may make agreements with extra state purchasers for the keeping of records and the collection of the taxes as necessary to secure the payment of the taxes within the time fixed by this chapter.

3. All taxes levied and imposed under this chapter and other contributions made to the dairy industry commission shall be paid to and collected by the commission within thirty days after the end of the month during which the milk was marketed. The commission shall remit the taxes and other contributions to the treasurer of the state each quarter, and at the same time render to the director of the department of administrative services an itemized and verified report showing the source from which the taxes and voluntary contributions were obtained. All taxes and voluntary contributions received, collected, and remitted shall be placed in a special fund by the treasurer of state and the director of the department of administrative services, to be known as the *"dairy industry fund"* to be used by the Iowa dairy industry commission for the purposes set out in this chapter and to administer and enforce the laws relative to this chapter. The department of administrative services shall transfer moneys from the fund to the commission for deposit into an account established by the commission in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the commission. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open. Moneys deposited in the fund and transferred to the commission as provided in this section are appropriated and shall be used for the purpose of carrying out the provisions of this chapter.

4. A person from whom the excise tax provided in this chapter is collected may, by application filed with the commission within thirty days after the collection of the tax, have the tax refunded to that person by the commission.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.5]

85 Acts, ch 126, §11; 94 Acts, ch 1146, §2; 2003 Acts, ch 145, §286

Referred to in §179.2, 179.3, 179.8

Suspension during national order; see §179.2

**179.5A Right to refund not subject to legal process or transfer.**

The right of a person to a refund under this chapter or under chapter 181, 182, 183A, 184A, 185, or 185C is not subject to execution, levy, attachment, garnishment, or other legal process, and is not transferable or assignable at law or in equity.

86 Acts, ch 1100, §1; 89 Acts, ch 137, §1

**179.6 Records of producers, first purchasers.**

Every producer shipping milk to a first purchaser outside of Iowa who is not by agreement with the commission collecting the tax imposed by this chapter, and every first purchaser within the state, and every producer distributing milk directly to the consumer, shall keep a complete and accurate record of all milk produced or purchased by the person during the period for which an excise tax levy is imposed under this chapter. The records shall be in the form and contain the information prescribed by the commission, shall be preserved by the person charged with their making for a period of two years, and shall be offered or submitted for inspection at any time upon written or oral request by the commission or its duly authorized agent or employee.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.6]

85 Acts, ch 126, §12; 86 Acts, ch 1238, §8

**179.7 Returns filed with commission.**

Every person charged by this chapter or by agreement with the commission with the keeping of records provided for in this chapter shall at the times the commission may by rule require, file with the commission a return on forms to be prescribed and furnished by the commission. Producers shall state the quantity of milk produced. First purchasers shall state the quantity of milk handled, bottled, processed, distributed, delivered to, or purchased by the person from the producers of dairy products or their agents in the state. Returns shall contain other information as the commission may require, and shall be made in triplicate, one copy of which shall be for the files of the person making the return, one copy available at the office of the person for the use of the person's patrons, and the original filed with the commission.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.7]

85 Acts, ch 126, §13; 86 Acts, ch 1238, §9

**179.8 Payment of expenses — limitation.**

No part of the expense incurred by the commission shall be paid out of moneys in the state treasury except moneys transferred to the commission from the dairy industry fund. Moneys transferred from the fund to the commission, as provided in section 179.5, shall be used for the payment of all salaries, and other expenses necessary, to carry out the provisions of this chapter. However, in no event shall the total expenses exceed the total taxes collected and transferred from the fund to the commission.

No more than five percent of the excise tax collected and received by the commission pursuant to section 179.5 shall be utilized for administrative expenses of the commission.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.8]

85 Acts, ch 126, §14; 94 Acts, ch 1146, §3

**179.9 Investigations by commission.**

The commission shall have the power to cause its authorized agents to enter upon the premises of any person charged by this chapter or by agreement with the commission with the collection of the excise tax imposed by this chapter, and to cause to be examined by any such agent any books, records, documents, or other instruments bearing upon the amount of such tax collected or to be collected by such person; provided that the commission has reasonable ground to believe that all the tax herein levied has not been collected, or if it has not been fully accounted for as herein provided.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.9]

**179.10 Report.**

The commission shall each year prepare and submit a report summarizing the activities of the commission under this chapter to the auditor of state and the secretary of agriculture. The report shall show all income, expenses, and other relevant information concerning fees collected and expended under this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.10]

85 Acts, ch 126, §15; 94 Acts, ch 1146, §4

**179.11 Penalties.**

Except as otherwise provided, any person who shall violate or aid in the violation of any of the provisions of this chapter shall be deemed guilty of a simple misdemeanor. All prosecutions for alleged violations of the provisions of this chapter shall be by the county attorney of the county in which such alleged violation occurred and shall be instituted and conducted under the direction and authority of the attorney general of the state.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §179.11]

Referred to in §331.756(34)

**179.12** Repealed by 74 Acts, ch 1153, § 8.

**179.13 Referendum.**

At a time designated by the commission within eighteen months after termination of the national promotional order made pursuant to the Dairy Product Stabilization Act of 1983, the commission shall conduct a referendum under administrative procedures prescribed by the department.

Upon signing a statement certifying to the department that the person is a bona fide producer as defined in this chapter, each producer is entitled to one vote in each referendum. When the secretary is required to determine the approval or disapproval of producers under this section, the secretary shall consider the approval or disapproval of a cooperative association of producers, engaged in a bona fide manner in marketing milk, as the approval or disapproval of the producers who are members of or contract with the cooperative association of producers. If a cooperative association elects to vote on behalf of its members, the cooperative association shall provide each producer on whose behalf the cooperative association is expressing approval or disapproval with a description of the question presented in the referendum together with a statement of the manner in which the cooperative association intends to cast its vote on behalf of the membership. The information shall inform the producer of procedures to follow to cast an individual ballot if the producer chooses to do so within the period of time established by the secretary for casting ballots. The notification shall be made at least thirty days prior to the referendum and shall include an official ballot. The ballots shall be tabulated by the secretary and the vote of the cooperative association shall be adjusted to reflect the individual votes.

The department shall count and tabulate the ballots filed during the referendum within thirty days of the close of the referendum. If from the tabulation the department determines that a majority of the total number of producers voting in the referendum favors the proposal, the excise tax provided for in this chapter shall be continued. The ballots cast pursuant to this section constitute complete and conclusive evidence for use in determinations made by the department under this chapter.

The secretary may conduct a referendum at any time after the Iowa dairy industry commission is reactivated, and shall hold a referendum on request of a representative group comprising ten percent or more of the number of producers eligible to vote, to determine whether the producers favor the termination or suspension of the excise tax. The secretary shall suspend or terminate collection of the excise tax within six months after the secretary determines that suspension or termination of the excise tax is favored by a majority of the producers voting in the referendum, and shall terminate the excise tax in an orderly manner as soon as practicable after the determination.

[C75, 77, 79, 81, §179.13]

85 Acts, ch 126, §16

**179.14 Influencing legislation.**

Neither commissioners, nor employees of the commission, shall attempt in any manner to influence legislation affecting any matters pertaining to the activities of the commission. No portion of the dairy industry fund shall be used in any manner to influence legislation or support any political candidate for public office, either directly or indirectly, or to support any political party.

[C75, 77, 79, 81, §179.14]

# CHAPTER 180

RESERVED

# CHAPTER 181

## BEEF CATTLE PRODUCERS ASSOCIATION

Referred to in §8A.502, 97B.1A, 159.6, 173.3, 179.5A


181.1 Definitions.
181.1A Recognition of organization.
181.2 Duties and objects of association.
181.3 Iowa beef industry council.
181.4 Employees of council.
181.5 Expenses of officers.
181.6 Transferred to section 181.1.
181.6A Election of council.
181.7 Research and education programs.
181.7A Commencement of federal assessment — suspension and recommencement of state assessment.
181.8 Entering premises — examining records.
181.9 and 181.10 Repealed by 2004 Acts, ch 1037, §18, 19.
181.11 Collection of state assessment.
181.12 Remission of state assessment on application.
181.13 Administration of moneys originating from state assessment — appropriation.
181.14 Notice. Repealed by 2004 Acts, ch 1037, §18, 19.
181.15 Referendum — procedures.
181.16 Moneys remaining in fund. Repealed by 2004 Acts, ch 1037, §18, 19.
181.17 Producers not members.
181.18 Rules.
181.18A Not a state agency.
181.18B Report.
181.19 Initial and special referendums.
181.19A Continuance referendum.
181.20 Misdemeanors.


**181.1 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Association"* means the Iowa beef cattle producers association.
2. *"Cattle"* means any live domesticated bovine animal regardless of age.
3. *"Council"* means the Iowa beef industry council.
4. *"Federal Act"* means the federal Beef Promotion and Research Act of 1985, 7 U.S.C. § 2901 et seq.
5. *"Federal assessment"* means an excise tax on the sale of bovine animals imposed pursuant to the federal Act.
6. *"Producer"* means any person who owns or acquires ownership of cattle. However, a person shall not be considered a producer if any of the following apply:

*a.* The person's only share in the proceeds of a sale of cattle or beef is a sales commission, handling fee, or other service fee.

*b.* The person acquired ownership of cattle to facilitate the transfer of ownership of such cattle from the seller to a third party; resold such cattle no later than ten days from the date on which the person acquired ownership; and certified as required by rules adopted by the council.

7. *"Qualified financial institution"* means a bank or credit union as defined in section 12C.1.
8. *"Records"* means books, papers, documents, accounts, agreements, memoranda, electronic records of accounts, or correspondence relating to a matter regulated under this chapter.
9. *"Secretary"* means the secretary of agriculture.
10. *"State assessment"* means an excise tax on the sale of cattle imposed pursuant to this chapter.

[C71, 73, 75, 77, 79, 81, §181.6]
86 Acts, ch 1100, §5; 94 Acts, ch 1146, §6; 97 Acts, ch 30, §2, 9
CS97, §181.1
2004 Acts, ch 1037, §1, 19; 2012 Acts, ch 1017, §48

**181.1A Recognition of organization.**

The Iowa beef cattle producers association now existing in and incorporated under the laws of this state is entitled to the benefits of this chapter by filing, each year, with the department of agriculture and land stewardship, verified proof of the names of its president,

vice president, secretary, and treasurer, together with other information required by the department of agriculture and land stewardship.

[C24, 27, 31, 35, 39, §**2949;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §181.1]
86 Acts, ch 1100, §2
CS97, §181.1A
Referred to in §181.17

**181.2 Duties and objects of association.**

The Iowa beef cattle producers association shall do all of the following:

1. Aid in the promotion of the cattle industry of the state.
2. Provide for practical and scientific instruction in the breeding and raising of cattle.
3. Make demonstrations in the feeding of cattle and publish suggestions beneficial to such business.
4. Aid and promote cattle feeding contests, shows, and sales.
5. Prepare an annual report of the proceedings and expenditures of the council as provided in section 181.18B.

[C24, 27, 31, 35, 39, §**2950;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §181.2]
94 Acts, ch 1146, §5; 2004 Acts, ch 1037, §2, 19

**181.3 Iowa beef industry council.**

1. An Iowa beef industry council of the Iowa beef cattle producers association is created. The council consists of eight members, including all of the following:

*a.* Five producers elected by the Iowa beef cattle producers association.
*b.* One livestock market representative appointed pursuant to subsection 2.
*c.* The secretary of agriculture or a designee, who shall serve as a voting ex officio member.
*d.* The dean of the college of agriculture and life sciences of Iowa state university of science and technology or a designee, who shall serve as a voting ex officio member.

2. The Iowa livestock auction market association shall nominate two livestock market representatives. The secretary of agriculture shall appoint one of the nominees or another livestock market representative of the secretary's choice, who shall serve at the pleasure of the secretary.
3. The council shall elect a chairperson, secretary, and other officers it deems necessary.
4. Except for ex officio members, vacancies in the council resulting from death, inability or refusal to serve, or failure to meet the qualifications of this chapter shall be filled by the council. If the council fails to fill a vacancy, the secretary shall fill it. Vacancy appointments shall be only for the remainder of the unexpired term.

[C24, 27, 31, 35, 39, §**2951;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §181.3]
86 Acts, ch 1100, §3; 97 Acts, ch 30, §1; 2004 Acts, ch 1037, §3, 4, 19; 2008 Acts, ch 1032, §30

**181.4 Employees of council.**

The council may employ two or more competent persons who shall devote their entire time, under the direction of the council, in carrying out the provisions of this chapter. The salary of persons so employed shall be set by the council, and the persons shall hold office at the pleasure of the council.

[C24, 27, 31, 35, 39, §**2952;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §181.4]
86 Acts, ch 1100, §4; 2004 Acts, ch 1037, §5, 19

**181.5 Expenses of officers.**

The officers of the association shall serve without compensation, but shall receive their necessary expenses while engaged in the business of the association.

[C24, 27, 31, 35, 39, §**2953;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §181.5]

**181.6** Transferred to section 181.1.

**181.6A Election of council.**

1. The Iowa beef cattle producers association shall hold an annual meeting of producers. An election shall be held at the annual meeting, as necessary, for election of producers to the council.

2. Prior to the annual meeting, the association shall appoint a nominating committee. At least sixty days prior to the annual meeting of the association, the nominating committee shall nominate two producers as candidates for each position on the council for which an election is to be held. At least forty-five days prior to the annual meeting of the association, additional candidates may be nominated by a written petition of fifty producers. Procedures governing the place of filing and the contents of the petition shall be promulgated and publicized by the council.

3. Producers attending the annual meeting of the association may vote for one nominee for each position on the council for which an election is held. Producers not attending the annual meeting of the association may vote by absentee ballot if the ballot is requested and mailed, with proper postage, to the council prior to the annual meeting of the association. For each position for which an election is held, the candidate receiving the highest number of votes shall be elected.

4. Notice of election for council membership shall be given by the council by publication in a newspaper of general circulation in the state and in any other reasonable manner as determined by the council, and shall set forth the date, time, and place of the annual meeting of the association. The council shall administer the elections, with the assistance of the secretary.

86 Acts, ch 1100, §6; 2004 Acts, ch 1037, §6, 19

**181.7 Research and education programs.**

The council shall initiate, administer, or participate in research and education programs directed toward the better and more efficient production, promotion, and utilization of cattle and the marketing of products made from cattle. The council shall provide for the methods and means that it determines are necessary to further the purposes of this section, including but not limited to any of the following:

1. Providing public relations and other promotion techniques for the maintenance of present markets.

2. Making donations to nonprofit organizations furthering the purposes of this section.

3. Assisting in the development of new or larger domestic markets for products made from cattle.

4. Assisting in the development of new or larger foreign markets for cattle and products made from cattle.

[C71, 73, 75, 77, 79, 81, §181.7]

2004 Acts, ch 1037, §7, 19

Referred to in §181.13

**181.7A Commencement of federal assessment — suspension and recommencement of state assessment.**

1. Prior to the commencement of the collection of the federal assessment, the council may seek certification as a qualified state beef council within the meaning of the federal Act.

2. The council shall suspend the state assessment upon collection of the federal assessment. The state assessment shall recommence upon the earlier of the following:

*a.* The noncollection of the federal assessment. The recommenced state assessment shall be imposed for a four-year period. Its effective date shall be the first date for which the federal assessment is not collected.

*b.* The passage of a special referendum pursuant to section 181.19 regardless of whether a federal assessment is being collected.

86 Acts, ch 1100, §7; 2004 Acts, ch 1037, §8, 19

Referred to in §181.13, 181.19

Rate of recommenced state assessment shall be fifty cents per head on all cattle sold, unless another rate is established by referendum; 2004 Acts, ch 1037, §17, 19

**181.8 Entering premises — examining records.**

The council may authorize its agents to enter at a reasonable time upon the premises of any purchaser charged by this chapter with remitting the state assessment to the council, and to examine records and other instruments relating to the collection of the state assessment. However, the council must first have reasonable grounds to believe that the state assessment has not been remitted or fully accounted for.

The council may enter into arrangements with persons purchasing cattle outside of this state for remitting the state assessment by such purchasers.

[C71, 73, 75, 77, 79, 81, §181.8]

2004 Acts, ch 1037, §9, 19

**181.9 and 181.10** Repealed by 2004 Acts, ch 1037, § 18, 19.

**181.11 Collection of state assessment.**

A state assessment imposed as provided in this chapter shall be levied and collected from the purchaser on each sale of cattle at a rate provided in this chapter. The state assessment shall be imposed on any person selling cattle and shall be deducted by the purchaser from the price paid to the seller. The purchaser, at the time of the sale, shall make and deliver to the seller a separate invoice for each sale showing the names and addresses of the seller and the purchaser, the number of cattle sold, and the date of sale. The purchaser shall forward the state assessment to the council at a time prescribed by the council, but not later than the last day of the month following the end of the prior reporting period in which the cattle are sold.

2004 Acts, ch 1037, §10, 19

Referred to in §181.15

**181.12 Remission of state assessment on application.**

A person from whom a state assessment is collected may, by written application filed with the council within sixty days after its collection, have the amount remitted to the person by the council. The information that the state assessment is refundable and the address of the council to which application for a refund may be made shall appear on the invoice of sale form supplied by the purchaser to the producer near the area on the form which shows the amount of the state assessment paid. The council shall furnish uniform application for refund forms and envelopes properly addressed to the council to each purchaser charged by this chapter with remitting the state assessment in sufficient number to make the refund forms and envelopes readily available to all producers. A purchaser charged by this chapter with remitting the state assessment shall display the application for refund forms and envelopes in a prominent position in its place of business and make them readily available to all producers.

[C71, 73, 75, 77, 79, 81, §181.12; 81 Acts, ch 71, §1]

2004 Acts, ch 1037, §11, 19

Right to refund not subject to execution or transfer; §179.5A

**181.13 Administration of moneys originating from state assessment — appropriation.**

1. All state assessments imposed under this chapter shall be paid to and collected by the council and deposited with the treasurer of state in a separate cattle promotion fund which shall be created by the treasurer of state. The department of administrative services shall transfer moneys from the fund to the council for deposit into an account established by the council in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the council. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open. From the moneys collected, deposited, and transferred to the council, in accordance with the provisions of this chapter, the council shall first pay the costs of referendums held pursuant to this chapter, the costs of collection of such state assessments, and the expenses of its agents. At least ten percent of the remaining moneys shall be remitted to the association in proportions determined by the council, for use in a manner not inconsistent with section 181.7. The remaining moneys, with approval of a majority of the council, shall be expended as

the council finds necessary to carry out the provisions and purposes of this chapter. However, in no event shall the total expenses exceed the total amount transferred from the fund for use by the council.

2. All moneys deposited in the cattle promotion fund and transferred to the council pursuant to this section are appropriated and shall be used for the administration of this chapter and for the payment of claims based upon obligations incurred in the performance of activities and functions set forth in this chapter.

3. If the state assessment is suspended as provided in section 181.7A or a continuance referendum fails to pass as provided in section 181.19A, moneys remaining in the cattle promotion fund and transferred to the council shall continue to be transferred and expended in accordance with the provisions of this chapter until exhausted.

[C71, 73, 75, 77, 79, 81, §181.13]

86 Acts, ch 1100, §8; 94 Acts, ch 1146, §7; 97 Acts, ch 30, §3; 2003 Acts, ch 145, §286; 2004 Acts, ch 1037, §12, 19; 2006 Acts, ch 1030, §17

**181.14 Notice.** Repealed by 2004 Acts, ch 1037, § 18, 19.

**181.15 Referendum — procedures.**

Upon receiving a petition to conduct a referendum as provided in section 181.19 or 181.19A, the secretary shall conduct the referendum as follows:

1. The secretary shall provide for the publication of a notice of the referendum for a period of not less than five days in a newspaper of general circulation in the state and in such other newspapers as the secretary may prescribe. The notice of referendum shall set forth the period for voting and the voting places for the referendum and the amount of the state assessment. A referendum shall not be commenced prior to fourteen days after the last day of such period of publication.

2. Each producer upon signing a statement certifying that the person is a bona fide producer shall be entitled to one vote. At the close of the referendum period, the secretary shall count and tabulate the ballots filed during the referendum period. The ballots cast in the referendum shall constitute complete and conclusive evidence for use in any determination made by the secretary under the provisions of this chapter.

3. The secretary shall tabulate the ballots to determine whether the referendum has passed. If from such tabulation the secretary determines that a majority of the total number of producers voting approves the imposition of a state assessment, the state assessment shall be imposed as provided in section 181.11 at a rate provided for in section 181.19.

4. The secretary may prescribe such additional procedures as may be necessary to conduct a referendum.

[C71, 73, 75, 77, 79, 81, §181.15]

86 Acts, ch 1195, §3; 2004 Acts, ch 1037, §13, 19

**181.16 Moneys remaining in fund.** Repealed by 2004 Acts, ch 1037, § 18, 19.

**181.17 Producers not members.**

A producer who is not a member of the Iowa beef cattle producers association shall be entitled to vote in elections of persons to be members of the council in the same manner as if the producer were a member. The members elected to the council shall elect from their number the officers referred to in section 181.1A.

[C71, 73, 75, 77, 79, 81, §181.17]

97 Acts, ch 30, §5; 2005 Acts, ch 3, §46

**181.18 Rules.**

All rules of the council heretofore or hereinafter promulgated shall be subject to the provisions of chapter 17A.

[C71, 73, 75, 77, 79, 81, §181.18]

2005 Acts, ch 3, §47

**181.18A Not a state agency.**

The Iowa beef cattle producers association is not an agency of state government.

93 Acts, ch 102, §1

**181.18B Report.**

Each year, the council shall prepare and submit a report summarizing the activities of the council under this chapter to the auditor of state and the secretary of agriculture. The report shall show all income, expenses, and other relevant information concerning fees collected and expended under this chapter.

94 Acts, ch 1146, §9; 2004 Acts, ch 1037, §14, 19

Referred to in §181.2

**181.19 Initial and special referendums.**

1. The secretary shall, upon the petition of five hundred producers, conduct an initial referendum to determine whether a state assessment is to be imposed, at a rate established by the council of not to exceed fifty cents per head on all cattle sold for any purpose.

2. The secretary shall, upon the petition of five hundred producers, conduct a special referendum to do any of the following:

*a.* Determine whether a state assessment already imposed shall be increased to a rate, established by the council, not to exceed one dollar per head on all cattle sold for any purpose.

*b.* Determine whether a state assessment suspended pursuant to section 181.7A is to be in addition to a federal assessment. The state assessment shall be imposed at a rate of fifty cents per head on all cattle sold for whatever purpose.

3. If a referendum passes, the secretary shall establish an effective date to commence the state assessment. However, the state assessment must be commenced within ninety days from the date that the secretary determines that the referendum has passed.

4. If a special referendum to increase the rate of the state assessment does not pass, the result of the special referendum shall not affect the existence or length of the state assessment in effect on the date that the special referendum was conducted.

[C75, 77, 79, 81, §181.19; 81 Acts, ch 71, §2]

86 Acts, ch 1195, §4; 97 Acts, ch 30, §6, 7; 2004 Acts, ch 1037, §15, 19

Referred to in §181.7A, 181.15

**181.19A Continuance referendum.**

1. The secretary shall, upon the petition of producers, conduct a continuance referendum to determine whether a state assessment should be renewed. The secretary must receive the petition not less than one hundred fifty and not more than two hundred forty days before the four-year anniversary of a state assessment's effective date. The petition must be signed within that period by a number of producers equal to or greater than two percent of the number of producers in this state reported in the most recent United States census of agriculture, requesting a referendum to determine whether to continue the state assessment. The referendum shall be conducted not earlier than thirty days before the four-year anniversary date of the state assessment.

2. If the secretary determines that a continuance referendum has passed, the state assessment shall continue in effect for four additional years from the anniversary of its effective date.

3. If the secretary determines that the referendum has not passed, the secretary and the council shall terminate the assessment in an orderly manner as soon as practicable after the determination. Another referendum shall not be held for at least one hundred eighty days from the date that the assessment is terminated.

4. If no valid petition for a continuance referendum is received by the secretary within the time period provided in this section, the state assessment shall continue in effect for four additional years from the anniversary of its effective date.

2004 Acts, ch 1037, §16, 19

Referred to in §181.13, 181.15

**181.20 Misdemeanors.**

Any person who shall violate or assist in the violation of any of the provisions of this chapter shall be deemed guilty of a simple misdemeanor.

[C71, 73, §181.19; C75, 77, 79, 81, §181.20]

# CHAPTER 182

## IOWA SHEEP AND WOOL PROMOTION BOARD

Referred to in §159.6, 173.3, 179.5A


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**182.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Assessment"* means an excise tax on the sale of sheep or wool as provided in this chapter.

2. *"Board"* means the Iowa sheep and wool promotion board established pursuant to section 182.5.

3. *"Concentration point"* means a location or facility where sheep are assembled for purposes of sale or resale for feeding, breeding, or slaughtering, and where contact may occur between groups of sheep from various sources. *"Concentration point"* includes a public stockyard, auction market, street market, state or federal market, untested consignment sales location, buying station, or a livestock dealer's yard, truck, or facility.

4. *"District"* means an official crop reporting district formed by the United States department of agriculture and set out in the annual farm census published by the Iowa department of agriculture and land stewardship.

5. *"First purchaser"* means a person who purchases sheep or wool from a producer.

6. *"Producer"* means a person who is actively engaged within this state in the business of producing or marketing sheep or wool and who receives income from the production of sheep or wool.

7. *"Sale"* or *"sold"* means a transaction in which the property in or to sheep or wool is transferred from the producer to a first purchaser for full or partial consideration.

8. *"Secretary"* means the secretary of agriculture.

9. *"Sheep"* means an animal of the ovine species, regardless of age, produced or marketed in this state.

10. *"Wool"* means the natural fiber produced by sheep.

85 Acts, ch 207, §1; 86 Acts, ch 1245, §631; 99 Acts, ch 50, §1 – 4; 2012 Acts, ch 1109, §1, 2, 7

Further definitions; see §159.1

**182.2 Petition for referendum election.**

Upon receipt of a petition signed by at least fifty producers in each district requesting a referendum by election to determine whether to establish the board and to impose an

assessment, the secretary shall call a referendum to be conducted within sixty days following receipt of the petition.

85 Acts, ch 207, §2; 99 Acts, ch 50, §5

**182.3 Notice of referendum.**

The secretary shall give notice of the referendum on the question of whether to establish an Iowa sheep and wool promotion board and to impose the assessment by publishing the notice for a period of not less than five days in at least one newspaper of general circulation in the state. The notice shall state the voting places, period of time for voting, and other information deemed necessary by the secretary.

A referendum shall not be commenced until five days after the last date of publication.

85 Acts, ch 207, §3

Referred to in §182.13B

**182.4 Establishment of sheep and wool promotion board — assessment — termination.**

1. Each producer who signs a statement certifying that the producer is a bona fide producer is entitled to one vote. At the close of the referendum, the secretary shall count and tabulate the ballots cast. If a majority of voters favor establishing an Iowa sheep and wool promotion board and imposing an assessment, an Iowa sheep and wool promotion board shall be established. The assessment shall be imposed commencing not more than sixty days following the referendum as determined by the Iowa sheep and wool promotion board, and shall continue until terminated by a referendum as provided in subsection 2. If a majority of the voters do not favor establishing an Iowa sheep and wool promotion board and imposing the assessment, the assessment shall not be imposed and the board shall not be established until another referendum is held under this chapter and a majority of the voters favor establishing a board and imposing the assessment. If a referendum fails, another referendum shall not be held within one hundred eighty days.

2. Upon receipt of a petition signed by at least twenty-five producers in each district requesting a referendum election to determine whether to terminate the establishment of the Iowa sheep and wool promotion board and to terminate the imposition of the assessment, the secretary shall call a referendum to be conducted within sixty days following the receipt of the petition. The petitioners shall guarantee the payment of the costs of a referendum held under this subsection. If the majority of the voters of a referendum do not favor termination, an additional referendum may be held when the secretary receives a petition signed by at least twenty-five producers in each district. However, the additional referendum shall not be held within one hundred eighty days.

85 Acts, ch 207, §4

Referred to in §182.13B

**182.5 Composition of board.**

The Iowa sheep and wool promotion board established under this chapter shall be composed of nine producers, one from each district. The dean of the college of agriculture and life sciences of Iowa state university of science and technology or the dean's representative and the secretary or the secretary's designee shall serve as ex officio nonvoting members of the board. The board shall annually elect a chairperson from its membership.

85 Acts, ch 207, §5; 2008 Acts, ch 1032, §31

Referred to in §182.1

**182.6 Nominations for initial board.**

Candidates for positions on the initial board are nominated by filing a petition with the secretary containing the signatures of at least twenty-five producers in the candidate's district qualified to vote on the referendum. Candidates shall be resident producers of the district from which they are nominated. The secretary shall receive the nominations, and shall call an election for members of the initial board within thirty days following passage of the question at the referendum election.

85 Acts, ch 207, §6

**182.7 Notice of election for directors.**

Notice of the initial election for directors of the board shall be given by the secretary by publication in a newspaper of general circulation in the state at least five days prior to the date of the election and in any other reasonable manner as determined by the secretary. The notice shall set forth the period of time for voting, voting places, and other information as the secretary deems necessary.

Notice of subsequent elections for the membership position for a district shall be given by the board by publication in a newspaper of general circulation in the district and in any other reasonable manner as determined by the board and shall set forth the period of time for voting, voting places, and other information as the board deems necessary.

85 Acts, ch 207, §7

**182.8 Terms.**

The term of office for members of the board shall be three years and no member shall serve more than two complete consecutive terms. The producers on the initial board shall determine their terms by lot, so that three producers shall serve a one-year term, three producers shall serve a two-year term, and three producers shall serve a three-year term.

85 Acts, ch 207, §8

**182.9 Subsequent membership — nominations — election.**

After the appointment of the initial board, the board shall administer subsequent elections for members of the board with the assistance of the secretary. Before the expiration of a member's term of office, the board shall appoint a nominating committee for the district represented by the member. The nominating committee shall consist of five producers who are residents of the district from which a member must be elected. The nominating committee shall nominate two resident producers as candidates for the membership position for which an election is to be held. Additional candidates may be nominated by a written petition of twenty-five resident producers. The board shall provide by rule and shall publish procedures governing the time and place of filing the nominations.

85 Acts, ch 207, §9

**182.10 Vacancies.**

The board shall by appointment fill an unexpired term if a vacancy occurs on the board. The appointee shall be a resident producer in the district having a vacancy.

85 Acts, ch 207, §10

**182.11 Purposes of board.**

The purposes of the board shall be to:

1. Enter into contracts or agreements with or make grants to recognized and qualified agencies, individuals, or organizations for the development and carrying out of research and education programs directed toward better and more efficient production, marketing, and utilization of sheep and wool and their products.

2. Provide methods and means, including, but not limited to, public relations and other promotion techniques for the maintenance of present markets.

3. Assist in development of new or larger markets, both domestic and foreign, for sheep and wool and their products.

85 Acts, ch 207, §11

Referred to in §182.18

**182.12 Powers and duties.**

The board may:

1. Administer and enforce this chapter and perform acts reasonably necessary to effectuate the purposes of this section.

2. Employ and discharge assistants and professional counsel as necessary, prescribe their duties and powers, and fix their compensation.

3. Establish offices, incur expenses, and enter into any contracts or agreements necessary to carry out the purposes of this chapter.

4. Adopt, rescind, and amend all proper and necessary rules for the exercise of its powers and duties.

5. Enter into arrangements for collection of the assessment on sheep and wool.

6. Formulate and execute assessment procedures and methods of collection.

7. Receive and investigate complaints and violations of this chapter and take necessary action.

8. Confer and cooperate with legally constituted authorities of other states and the United States.

9. Establish accounts in adequately protected financial institutions to receive, hold, and disburse board moneys.

85 Acts, ch 207, §12
Referred to in §182.13B, 182.16

**182.13 Compensation — meetings.**

Members of the board may receive payment for their actual expenses and travel in performing official board functions. Payment shall be made from amounts collected from the assessment. No member of the board shall be a salaried employee of the board or any organization or agency receiving funds from the board. The board shall meet at least once every three months, and at other times it deems necessary.

85 Acts, ch 207, §13
Referred to in §182.24

**182.13A Not a state agency.**

The Iowa sheep and wool promotion board is not an agency of state government.

93 Acts, ch 102, §2

**182.13B Assessment rate.**

1. If a majority of voters at a referendum conducted pursuant to section 182.4 approve the establishment of an Iowa sheep and wool promotion board and the imposition of an assessment, the assessment shall be imposed on wool and sheep at the following rates:

*a.* For wool, two cents imposed on each pound of wool sold by a producer.

*b.* For sheep, ten cents imposed on each head of sheep sold by a producer.

2. *a.* Notwithstanding subsection 1, upon a resolution adopted by the board, the secretary shall call a special referendum for voters to authorize increasing the assessment rate imposed on sheep as provided in this section.

*b.* The special referendum shall be conducted in the same manner as a referendum conducted upon receipt of a petition as provided in this chapter, unless otherwise provided in the board's resolution. Only producers are eligible to vote in an election and each producer is entitled to one vote.

3. The special referendum conducted pursuant to subsection 2 shall allow a voter to cast a ballot for the following two questions:

*a.* For the first question, whether to authorize an increase in the assessment rate to twenty-five cents imposed on each head of sheep.

*b.* For the second question, if the first question is approved by a majority of voters, whether to also authorize the board to increase that assessment rate by future resolution as provided in this section.

4. If a majority of voters approve the first question, twenty-five cents shall be imposed on each head of sheep sold by a producer as effectuated by the board pursuant to section 182.12.

5. If a majority of voters approve both the first and second questions, all of the following apply:

*a.* Twenty-five cents shall be imposed on each head of sheep sold by a producer as effectuated by the board pursuant to section 182.12.

*b.* The board may adopt one or more resolutions to further impose an increased assessment rate. The increased assessment rate shall be imposed on each head of sheep

sold by a producer as effectuated by the board pursuant to section 182.12. The board shall comply with all of the following:

(1) The board must wait three or more years from the effective date of the previous action imposing an increase in order to adopt a resolution. For the first increase, the effective date is the date of the special referendum. For any subsequent increase, the effective date is the date that the board last adopted a resolution imposing an increased rate as provided in this paragraph *"b"*.

(2) The board shall not adopt a resolution until it provides notice to producers of the proposed increase and an opportunity for producers to submit written or oral comments to the board regarding the proposed increase. The board may provide notice by publication in the same manner as provided in section 182.3, publication on its internet site, mail bearing a United States postal service postmark, electronic transmission, or hand-delivery.

(3) The increase in the assessment rate imposed by a resolution adopted by the board must equal five cents. However, the assessment rate imposed by a resolution of the board shall not equal more than fifty cents.

6. *a.* If a majority of voters do not authorize increasing the assessment rate pursuant to a special referendum conducted pursuant to this section, the assessment rate shall be the same as provided in subsection 1.

*b.* Not more than one special referendum shall be conducted pursuant to this section.

2012 Acts, ch 1109, §3, 6, 7

Effect of 2012 enactment of subsection 1; 2012 Acts, ch 1109, §6, 7

**182.14 Assessment.**

1. An assessment provided in this chapter shall be imposed on the producer as follows:

*a.* If the producer sells wool or sheep to the first purchaser within this state, the following shall apply:

(1) If the sale occurs at a concentration point, the assessment shall be imposed at the time of delivery. The first purchaser shall deduct the assessment from the price paid to the producer at the time of sale.

(2) If the sale does not occur at a concentration point, the producer shall deduct the assessment from the amount received from the sale and shall forward the amount deducted to the board within thirty days following each calendar quarter.

*b.* If the producer sells, ships, or otherwise disposes of wool or sheep to any person outside this state, the producer shall deduct the assessment from the amount received from the sale and shall forward the amount deducted to the board.

2. The assessment imposed by this section shall be remitted to the board not later than thirty days following each calendar quarter during which the assessment amount was deducted.

85 Acts, ch 207, §14; 99 Acts, ch 50, §6; 2000 Acts, ch 1154, §16; 2012 Acts, ch 1109, §4 – 7

Referred to in §182.16

Effect of 2012 strike of former subsection 1; 2012 Acts, ch 1109, §6, 7

**182.15 Invoice required.**

1. At the time of sale, the first purchaser shall sign and deliver to the producer separate invoices for each purchase. The invoices shall show:

*a.* The name and address of the producer and the seller, if different from the producer.

*b.* The name and address of the first purchaser.

*c.* The pounds of wool or head of sheep sold.

*d.* The date of the purchase.

*e.* The rate of withholding and the total amount of the assessment withheld.

2. Invoices shall be legibly written and shall not be altered.

85 Acts, ch 207, §15; 99 Acts, ch 50, §7; 2009 Acts, ch 41, §263

**182.16 Deposit and disbursement of funds.**

The board shall deposit amounts collected from the assessment imposed pursuant to section 182.14 in an account established pursuant to section 182.12. Expenses and

disbursements incurred and made pursuant to this chapter shall be made by voucher, draft, or check bearing the signature of a person designated by majority vote of the board.

85 Acts, ch 207, §16; 99 Acts, ch 50, §8

**182.17 Refunds.**

A producer who has paid the assessment may, by application in writing to the board, secure a refund of all or part of the amount paid. The refund shall be payable only when the application has been made to the board within sixty days after the deduction has been made by the producer or within sixty days after the remittance has been made by the first purchaser. Each application for refund by a producer shall have attached proof that the assessment was paid. The proof of the assessment paid may be in the form of a duplicate or certified copy of the purchase invoice by the purchaser.

85 Acts, ch 207, §17

Right to refund not subject to execution or transfer; §179.5A

**182.18 Use of moneys.**

1. Moneys collected under this chapter are subject to audit by the auditor of state and shall be used by the Iowa sheep and wool promotion board first for the payment of collection and refund expenses, second for payment of the costs and expenses arising in connection with conducting referendums, third for the purposes identified in section 182.11, and fourth for the cost of audits for the auditor of state. Moneys of the board remaining after a referendum is held at which a majority of the voters favor termination of the board and the assessment shall continue to be expended in accordance with this chapter until exhausted. The auditor of state may seek reimbursement for the cost of the audit.

2. The board shall not engage in any political activity, and it shall be a condition of any allocation of funds that any organization receiving funds shall not expend the funds on political activity or on any attempt to influence legislation.

85 Acts, ch 207, §18; 2010 Acts, ch 1189, §31

**182.19 Bond required.**

All persons holding positions of trust under this chapter shall give bond in the amount required by the board. The premiums for bond costs shall be paid from the moneys of the board.

85 Acts, ch 207, §19

**182.20 Examination of records.**

Persons subject to this chapter shall furnish on forms provided by the board information needed to enable the board to effectuate the policies of this chapter. For the purpose of ascertaining the correctness of a report made to the board under this chapter, the secretary may examine books, papers, records, copies of tax returns not confidential by law, and accounts, which are in the control of any person. The secretary may hold hearings, take testimony, administer oaths, subpoena witnesses, and issue subpoenas in connection with the administration of this chapter.

85 Acts, ch 207, §20

**182.21 Penalty.**

A person who willfully violates a provision of this chapter, willfully gives a false report, statement, or record required by the board, or willfully fails to furnish or render a report, statement or record required by the secretary is guilty of a simple misdemeanor.

85 Acts, ch 207, §21

**182.22 Purchasers outside Iowa.**

The secretary may enter into arrangements with first purchasers from outside Iowa for payment of the assessment.

85 Acts, ch 207, §22

**182.23 Report.**

During the period of collection of the assessment, the board in cooperation with the auditor of state shall make an annual report which shall show all income, expenses and other relevant information.

85 Acts, ch 207, §23

**182.24 Board member disclosure.**

Notwithstanding section 182.13, a member of the board may receive compensation, including a salary, from an organization or agency, including an educational institution, receiving funds from the board. If a member of the board has a pecuniary interest, either direct or indirect, in a matter considered by the board, the interest shall be disclosed by the member to the board and included in the minutes for that meeting of the board. The member having the pecuniary interest shall not participate in an action taken by the board on the matter.

88 Acts, ch 1284, §66

# CHAPTER 183

RESERVED

# CHAPTER 183A

## IOWA PORK PRODUCERS COUNCIL

Referred to in §8A.502, 97B.1A, 179.5A


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**183A.1 Definitions.**

As used in this chapter:

1. *"Assessment"* means an excise tax on the sale of porcine animals as provided in this chapter.

2. *"First purchaser"* means a person who buys porcine animals from a seller in the first instance.

3. *"Iowa pork producers council"* or *"council"* means the body established under section 183A.2.

4. *"Market development"* means research, education, and other programs directed at better and more efficient production, marketing, and utilization of pork; public relations and other promotion techniques for the maintenance of existing markets for pork, including but not limited to contributions to organizations working toward the purposes of this subsection; development of new or larger markets for pork both domestic and foreign, including but not limited to public relations and other promotion techniques; and the adoption, prevention, modification, or elimination of trade barriers which bear on the flow of pork in commercial channels.

5. *"Porcine animals"* means swine raised for slaughter, feeder pigs, or swine seedstock.

6. *"Pork"* means porcine animals and all parts of porcine animals.

7. *"Pork Promotion Act"* means the federal Pork Promotion, Research, and Consumer Information Act of 1985.

8. *"Producer"* means a person engaged in this state in the business of producing and marketing porcine animals in the previous calendar year.

9. *"Qualified financial institution"* means a bank or credit union as defined in section 12C.1.

85 Acts, ch 199, §1; 86 Acts, ch 1100, §9, 10; 86 Acts, ch 1245, §632; 94 Acts, ch 1146, §10; 2012 Acts, ch 1017, §49

Referred to in §183A.7

Further definitions; see §159.1

**183A.2 Iowa pork producers council.**

The Iowa pork producers council is created. The council consists of seven members, including two producers from each of three districts of the state designated by the secretary, and one producer from the state at large. The secretary shall appoint these members. The Iowa pork producers association may recommend the names of potential members, but the secretary is not bound by the recommendations. The secretary, the dean of the college of agriculture and life sciences of Iowa state university of science and technology, and the state veterinarian, or their designees, shall serve on the council as nonvoting ex officio members.

85 Acts, ch 199, §2; 86 Acts, ch 1100, §11; 2008 Acts, ch 1032, §32

Referred to in §183A.1, 183A.9A

**183A.3 Terms.**

The voting members of the council shall serve terms of three years, and shall not serve for more than two complete consecutive terms.

85 Acts, ch 199, §3; 86 Acts, ch 1100, §12

Referred to in §183A.9A

**183A.4 Vacancies.**

A vacancy in the voting membership of the council resulting from death, inability or refusal to serve, or failure to meet the qualifications established in this chapter, shall be filled by the council for the remainder of the unexpired term. If the council fails to fill the vacancy, the secretary shall fill it.

85 Acts, ch 199, §4; 86 Acts, ch 1100, §13

**183A.5 Duties, objects, and powers of the council.**

1. The council shall:

*a.* Aid in the promotion of the pork industry of the state.

*b.* Make an annual report of its proceedings and expenditures to the secretary.

*c.* Elect a chairperson, secretary, and other officers it deems advisable.

*d.* Administer and enforce this chapter, and do and perform all acts and exercise all powers reasonably necessary to effectuate the purposes and requirements of this chapter.

*e.* Hire and discharge employees and professional counsel as necessary, prescribe their duties and powers, and fix their compensation.

*f.* Establish offices, incur expenses, and enter into any contracts or agreements necessary to carry out the purposes of this chapter.

*g.* Report alleged violations of this chapter to the attorney general or appropriate county attorney.

*h.* Keep accurate books, records, and accounts of all its dealings.

*i.* Receive, administer, disburse and account for, in addition to the funds received from the assessment provided in this chapter, other funds voluntarily contributed to the council for the purpose of promoting the pork industry.

2. The council or its designated agent may enter into arrangements with persons purchasing Iowa produced pork outside Iowa, for collection of the assessment from those persons.

3. The council is a state agency only for the purposes of chapters 21 and 22. Chapter 17A does not apply to the council.

85 Acts, ch 199, §5; 86 Acts, ch 1100, §14, 15; 2009 Acts, ch 41, §263

**183A.6 Assessment.**

The council shall make an assessment of not less than point zero zero two nor more than point zero zero three of the gross sale price of all porcine animals. The assessment shall be point zero zero two five of the gross sale price of porcine animals until consent to an assessment has been given through the initial referendum referred to in this chapter. After approval of the initial referendum, the rate of assessment shall be determined by the council. The assessment shall be made at the time of delivery of the animals for sale, and shall be deducted by the first purchaser from the price paid to the seller. The first purchaser, at the time of sale, shall make and deliver to the seller an invoice for each purchase showing the names and addresses of the seller and the first purchaser, the number and kind of animals sold, the date of sale, and the assessment made on the sale.

Assessments shall be paid to the Iowa pork producers council or its designated agent by first purchasers at a time prescribed by the council, but not later than the last day of the month following the month in which the animals were purchased.

85 Acts, ch 199, §6; 86 Acts, ch 1100, §16

Referred to in §183A.9A

**183A.7 Administration of moneys — appropriation.**

Assessments imposed under this chapter paid to and collected by the Iowa pork producers council shall be deposited in the pork promotion fund which is established in the office of the treasurer of state. The department of administrative services shall transfer moneys from the fund to the council for deposit into an account established by the council in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the council. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open.

All moneys deposited in the pork promotion fund and transferred to the council as provided in this section are appropriated and shall be used for the administration of this chapter and for the payment of claims based upon obligations incurred in the performance of activities and functions set forth in this chapter.

From the moneys collected, deposited, and transferred to the council as provided in this chapter, the council shall first pay the costs of referendums held pursuant to this chapter. Of the moneys remaining, at least twenty-five percent shall be remitted to the national pork producers council and at least fifteen percent shall be remitted to the Iowa pork producers association, in the proportion the committee determines, for use by recipients in a manner not inconsistent with market development as defined in section 183A.1. Moneys remaining shall be spent as found necessary by the council to further carry out the provisions and purposes of this chapter.

However, in no event shall the total expenses exceed the total amount of moneys transferred from the fund for use by the council.

85 Acts, ch 199, §7; 86 Acts, ch 1100, §17; 94 Acts, ch 1146, §11; 2002 Acts, ch 1119, §143; 2003 Acts, ch 145, §286

Referred to in §183A.9A

**183A.8 Refund of assessment.**

A producer from whom the assessment has been deducted, upon written application filed with the council within thirty days after its collection, shall have that amount refunded by the council. Application forms shall be given by the council to each first purchaser when requested and the first purchaser shall make the applications available to any producer. Each application for a refund by a producer shall have attached a proof of assessment deducted. The proof of assessment deducted shall be in the form of the original or a copy of the purchase

invoice by the first purchaser. The council shall have no more than thirty days from the date the application for refund is received to remit the refund to the producer.

85 Acts, ch 199, §8; 86 Acts, ch 1076, §1

Right to refund not subject to execution or transfer; §179.5A

**183A.9 Referendum.**

At a time designated by the council within eighteen months after the termination of the collection of assessments under the Pork Promotion Act, the secretary shall conduct an initial referendum under administrative procedures prescribed by the department of agriculture and land stewardship.

Upon signing a statement certifying to the secretary that the person is a bona fide producer as defined in this chapter, each producer is entitled to one vote in each referendum. The secretary shall determine the qualification of producers under this section.

The secretary shall count and tabulate the ballots filed during the referendum within thirty days of the close of the referendum. If from the tabulation the secretary determines that a majority of the total number of producers voting in the referendum favors the assessment, the assessment provided for in the referendum shall be levied. The ballots cast pursuant to this section constitute complete and conclusive evidence for use in determinations made by the secretary under this chapter.

The secretary shall hold subsequent referendums on request of ten percent or more of the number of producers eligible to vote, to determine whether the producers favor the termination or suspension of the assessment. The secretary shall suspend or terminate collection of the assessment within six months after the secretary determines that suspension or termination of the assessment is favored by a majority of the producers voting in the referendum, and shall terminate the assessment in an orderly manner as soon as practicable after the determination.

85 Acts, ch 199, §9; 86 Acts, ch 1100, §18

**183A.9A Suspension during national order.**

1. The terms of all voting members serving on the council on January 31, 1986 terminate at the time provided in subsection 2.

2. On the date of the commencement of the collection of assessments under the Pork Promotion Act, the collection of the assessments under section 183A.6 shall be suspended. The council shall continue to operate after suspension until all refunds are paid and all funds remaining in the pork promotion fund, less a reserve for future refunds, are disbursed for the purposes enumerated in this chapter. Notwithstanding section 183A.7, the council need not retain a reserve for future referendums. Upon completion of these acts, the existence of the Iowa pork producers council is suspended. The secretary of agriculture shall certify the suspension of the council as of a date certain to the Iowa pork producers council and the Iowa pork producers association. When the existence of the council is suspended, the terms of office of council members terminate.

3. On the date of the termination of the collection of assessments under the Pork Promotion Act, the period of suspension of the assessments under subsection 2 terminates. The secretary shall collect the assessments under section 183A.6 until this duty can be resumed by the reactivated council.

4. On the date of the termination of the collection of assessments under the Pork Promotion Act, the period of suspension of the council under subsection 2 terminates. Within sixty days from this date, the secretary shall appoint voting members to the council. For purposes of section 183A.3, a voting member so appointed is deemed not to have served a previous consecutive term. The terms of office of voting members of the initial reactivated council shall be determined by lot, but members from the same district shall not serve the same terms. As nearly as possible one-third of the voting members shall serve for one year, one-third of the voting members shall serve for two years, and one-third of the voting members shall serve for three years. Subsequent voting members shall be appointed pursuant to section 183A.2.

5. The secretary shall call the first meeting of the reactivated council. Upon reactivation,

the council shall reimburse the secretary for expenses incurred in carrying out the duties provided in this section.
86 Acts, ch 1100, §19

**183A.10 Per diem and expenses.**
The members of the council shall receive a per diem as specified in section 7E.6 for each day spent on official business of the council, not to exceed six hundred dollars per annum, and their actual necessary expenses, while engaged in council activity.
85 Acts, ch 199, §10; 91 Acts, ch 258, §33

**183A.11 Audit.**
Moneys collected, deposited in the fund, and transferred to the council, as provided in this chapter shall be supervised by a certified public accountant employed by the council using generally accepted accounting principles and shall be subject to audit by the auditor of state.
85 Acts, ch 199, §11; 94 Acts, ch 1146, §12

**183A.12 Examination of books.**
Persons subject to this chapter and first purchasers shall furnish any information needed to enable the council and secretary to carry out the provisions of this chapter. For the purpose of ascertaining the correctness of any information given to the council or the secretary under this chapter, the secretary may examine books, papers, records, copies of tax returns, accounts, correspondence, contracts, or other documents and memoranda the secretary deems relevant which are in the control of any person and which are not otherwise confidential as provided by law. The secretary may hold hearings, take testimony, administer oaths, subpoena witnesses, and issue subpoenas duces tecum in connection with the administration of this chapter.
85 Acts, ch 199, §12

**183A.12A Report.**
The council shall prepare and submit a report summarizing the activities of the council under this chapter each year to the auditor of state and the secretary of agriculture. The report shall show all income, expenses, and other relevant information concerning fees collected and expended under the provisions of this chapter.
94 Acts, ch 1146, §13

**183A.13 Misdemeanors.**
A person who violates or assists in the violation of any of the provisions of this chapter is guilty of a simple misdemeanor.
85 Acts, ch 199, §13

**183A.14 Influencing legislation.**
Neither council members nor employees of the council shall attempt in any manner to influence legislation affecting any matters pertaining to the council's activities. No portion of the pork promotion fund shall be used, directly or indirectly, to influence legislation, to support any candidate for public office, or to support any political party.
85 Acts, ch 199, §14

# CHAPTER 184

## IOWA EGG COUNCIL

Referred to in §8A.502, 97B.1A


184.1 Definitions.
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184.15 Bond required.
184.16 Examination of records.
184.17 Penalty.
184.18 Purchasers outside Iowa.
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**184.1 Definitions.**

As used in this chapter, unless the context indicates otherwise:

1. *"Assessment"* means an excise tax on the sale of eggs as provided in this chapter.

2. *"Council"* means the Iowa egg council.

3. *"Egg product"* means a product produced in whole or in part from eggs or spent fowl.

4. *"Eggs"* means eggs produced from a layer-type chicken. *"Eggs"* includes shell eggs or eggs broken for further processing. However, *"eggs"* does not include any of the following:

*a.* Fertile eggs that are incubated, hatched, or used for vaccines.

*b.* Organic eggs which are produced as part of a production operation which is certified by the department pursuant to chapter 190C.

5. *"Eligible voter"* means a producer who is qualified to vote in a referendum conducted under this chapter according to the requirements of section 184.2 or 184.3.

6. *"Market development"* means programs which are directed toward any of the following:

*a.* Better and more efficient production, marketing, and utilization of eggs or egg products.

*b.* The maintenance of present markets and the development of new or larger markets for the sale of eggs or egg products.

*c.* Prevention, modification, or elimination of trade barriers which obstruct the free flow of eggs or egg products in commerce.

7. *"Processor"* means the first purchaser of eggs from a producer, or a person who both produces and processes eggs.

8. *"Producer"* means any person who owns, or contracts for the care of, thirty thousand or more layer-type chickens raised in this state.

9. *"Purchaser"* means a person who resells eggs purchased from a producer or offers for sale a product produced from the eggs for any purpose.

10. *"Qualified financial institution"* means a bank or credit union as defined in section 12C.1.

[C75, 77, 79, 81, §196A.1]

86 Acts, ch 1245, §641; 94 Acts, ch 1146, §39; 95 Acts, ch 7, §4; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §1, 2, 13

C99, §184.1

2005 Acts, ch 43, §1; 2012 Acts, ch 1017, §50

**184.2 Establishment of Iowa egg council and assessment.**

1. The secretary shall call and the department shall conduct a referendum upon the department's receipt of a petition which is signed by at least twenty producers requesting a referendum to determine whether to establish an Iowa egg council and to impose an

assessment as provided in section 184.3. The referendum shall be conducted within sixty days following receipt of the petition. The petitioners shall guarantee payment of the cost of the referendum by providing evidence of financial security as required by the department.

2. The department shall give notice of the referendum on the question whether to establish a council and to impose an assessment by publishing the notice for a period of not less than five days in at least one newspaper of general circulation in the state. The notice shall state the voting places, period of time for voting, and other information deemed necessary by the department. A referendum shall not be commenced until five days after the last date of publication.

3. *a.* Each producer who signs a statement certifying that the producer is a bona fide producer shall be an eligible voter under this section. An eligible voter is entitled to cast one vote in each referendum conducted under this section.

*b.* At the close of the referendum, the secretary shall count and tabulate the ballots cast.

(1) If a majority of eligible voters approve establishing an Iowa egg council and imposing an assessment, a council shall be established, and an assessment shall be imposed commencing not more than sixty days following the referendum as determined by the council and shall continue until eligible voters voting in a referendum held pursuant to section 184.5 vote to abolish the council and terminate the imposition of the assessment.

(2) If a majority of the voters do not approve establishing the council and imposing the assessment, the council shall not be established and an assessment shall not be imposed until another referendum is held under this chapter and a majority of the eligible voters approve establishing a council and imposing the assessment. If a referendum should fail, another referendum shall not be held within one hundred eighty days.

4. Immediately after passage of the question at the referendum, the secretary shall appoint seven members to the council in accordance with section 184.6 based on nominations made by the Iowa poultry association. The association shall nominate and the secretary shall appoint two members representing large producers, two members representing medium producers, and three members representing small producers. The department, in consultation with the association, shall determine initial classifications for small, medium, and large producers. The secretary shall complete the appointments within thirty days following passage of the question at the referendum.

[C75, 77, 79, 81, §196A.4]
95 Acts, ch 7, §5; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §3, 13
C99, §184.2
Referred to in §184.1, 184.5

**184.3 Assessment.**

1. *a.* Except as provided in paragraph *"b"*, an assessment of two and one-half cents is imposed on each thirty dozen eggs produced in this state. The assessment shall be imposed on a producer at the time of delivery to a purchaser who shall deduct the assessment from the price paid to a producer at the time of sale. The assessment shall not be refundable. The assessment is due to be paid to the council within thirty days following each calendar quarter, as provided by the council.

*b.* Upon request of the council, the secretary shall call a special referendum for producers to vote on whether to authorize an increase in the assessment to an amount that is more than two and one-half cents imposed on each thirty dozen eggs produced in this state. Notice shall be given and the special referendum shall be conducted in the manner provided in section 184.5. If a majority of the producers voting approves the increase, the council may increase the assessment for the amount approved. However, the assessment shall not exceed fifteen cents imposed on each thirty dozen eggs produced in this state.

2. If the producer sells eggs to a purchaser outside the state of Iowa, the producer shall deduct the assessment from the amount received from the sale and shall forward the amount deducted to the council within thirty days following each calendar quarter. If the producer and processor are the same person, then that person shall pay the assessment to the council within thirty days following each calendar quarter.

3. The council may charge interest on any amount of the assessment that is delinquent.

The rate of interest shall not be more than the current rate published in the Iowa administrative bulletin by the department of revenue pursuant to section 421.7. The interest amount shall be computed from the date the assessment is delinquent, unless the council designates a later date. The interest amount shall accrue for each month in which there is delinquency calculated as provided in section 421.7, and counting each fraction of a month as an entire month. The interest amount due shall become a part of the assessment due.

[C75, 77, 79, 81, §196A.15]
95 Acts, ch 7, §14
CS95, §196A.4A
98 Acts, ch 1032, §11; 98 Acts, ch 1038, §4, 13
C99, §184.3
2000 Acts, ch 1164, §1; 2003 Acts, ch 145, §286; 2005 Acts, ch 43, §2
Referred to in §184.1, 184.2, 184.13

**184.4 Invoice required.**

1. At the time of sale, the purchaser shall sign and deliver to the producer separate invoices for each purchase. The invoices shall show:

*a.* The name and address of the producer and the seller, if different from the producer.

*b.* The name and address of the purchaser.

*c.* The quantity of eggs sold.

*d.* The date of the purchase.

*e.* The rate of withholding and the total amount of assessment withheld.

2. Invoices shall be legibly written and shall not be altered.

[C75, 77, 79, 81, §196A.16]
95 Acts, ch 7, §15
CS95, §196A.4B
98 Acts, ch 1032, §11; 98 Acts, ch 1038, §13
C99, §184.4
2009 Acts, ch 41, §263

**184.5 Referendums conducted to abolish the council and terminate imposition of the assessment.**

1. A referendum may be called to abolish the council and terminate the imposition of the assessment. The secretary shall call, and the department shall conduct, the referendum upon the department's receipt of a petition requesting the referendum. The petition must be signed by at least twenty eligible voters or fifty percent of all eligible voters, whichever is greater. In order to be an eligible voter under this section, a producer must have paid an assessment in the year of the referendum. The referendum shall be conducted within sixty days following receipt of the petition. The petitioners shall guarantee payment of the cost of the referendum by providing evidence of financial security as required by the department.

2. The following procedures shall apply to a referendum conducted pursuant to this section:

*a.* The department shall publish a notice of the referendum for a period of not less than five days in at least one newspaper of general circulation in the state. The notice shall state the voting places, period of time for voting, and other information deemed necessary by the department. A referendum shall not be commenced until five days after the last date of publication.

*b.* Upon signing a statement certifying to the secretary that the producer is an eligible voter, a producer is entitled to one vote in each referendum conducted pursuant to this section. The department may conduct the referendum by mail, electronic means, or a general meeting of eligible voters. The department shall conduct the referendum and count and tabulate the ballots filed during the referendum within thirty days following the close of the referendum.

(1) If a majority of the total number of eligible voters who vote in the referendum approve the continuation of the council and the imposition of the assessment, the council and the imposition of the assessment shall continue as provided in this chapter.

(2) If a majority of the total number of eligible voters who vote in the referendum held

pursuant to this section do not approve continuing the council and the imposition of the assessment, the secretary shall terminate the collection of the assessment on the first day of the year for which the referendum was to continue. The secretary shall terminate the activities of the council in an orderly manner as soon as practicable after the determination. An additional referendum may be held as provided in section 184.2. However, the subsequent referendum shall not be held within one hundred eighty days.

95 Acts, ch 7, §6
CS95, §196A.4C
98 Acts, ch 1032, §11; 98 Acts, ch 1038, §5, 13
C99, §184.5
Referred to in §184.2, 184.3, 184.14

**184.6 Composition of council.**

The Iowa egg council established under this chapter shall be composed of seven members. Each member must be a natural person who is a resident of this state and a producer or an officer, equity owner, or employee of a producer. A producer shall not be represented by more than two members of the council. Two persons shall represent large producers, two persons shall represent medium producers, and three persons shall represent small producers. The council shall adopt rules pursuant to chapter 17A establishing classifications for large, medium, and small producers. The following persons or their designees shall serve as ex officio nonvoting members:

1. The secretary.
2. The director of the economic development authority.
3. The chairperson of the poultry science section of the department of animal science at Iowa state university of science and technology.

[C75, 77, 79, 81, §196A.5]
95 Acts, ch 7, §7; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §6, 13
C99, §184.6
2003 Acts, ch 15, §1; 2011 Acts, ch 118, §85, 89
Referred to in §184.2

**184.7 Terms and administration procedures.**

1. A person shall serve as a member on the council for a term of three years. A person may serve as a member on the council for more than one term.
2. The council shall elect a chairperson, and other officers as needed, from among its voting members.
3. A majority of voting members of the council present during a meeting shall constitute a quorum. A majority of the members present during a meeting is necessary to carry out the duties and exercise the powers of the council as provided in this chapter, unless the council requires a greater number.
4. The council shall meet at least once every three months and at other times the council determines are necessary.

95 Acts, ch 7, §8
CS95, §196A.5A
98 Acts, ch 1032, §11; 98 Acts, ch 1038, §13
C99, §184.7
99 Acts, ch 109, §1, 8

**184.8 Election and appointment procedures.**

1. The council shall appoint a committee to nominate candidates to stand for election to the council. The council may require that the committee nominate candidates to be appointed by the council to fill a vacancy in a position for the unexpired term of a member.
2. The council shall appoint a producer to fill a member's position occurring because of a vacancy on the council. The person appointed to fill the vacancy must meet the same requirements as a person elected to that position. The person shall serve for the remainder of the unexpired term.
3. The council shall provide a notice of an election for members of the council by any

means deemed reasonable by the council. The notice shall include the period of time for voting, voting places, and any other information determined necessary by the council.

95 Acts, ch 7, §9
CS95, §196A.5B
98 Acts, ch 1032, §11; 98 Acts, ch 1038, §7, 13
C99, §184.8
Referred to in §184.10

**184.9 Duties of the council — marketing.**

The council shall develop new and expand existing markets for eggs and egg products, and may provide for any of the following:

1. Increasing the utilization of eggs or egg products.
2. Increasing the awareness of the health benefits associated with the consumption of eggs or egg products.
3. Increasing the awareness of the economic benefits associated with the production and processing of eggs or egg products.

[C75, 77, 79, 81, §196A.11]
95 Acts, ch 7, §10; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §8, 13
C99, §184.9
2005 Acts, ch 43, §3

**184.9A Duties of the council — research.**

The council shall participate in research programs or projects, including by conducting or financing such programs or projects, relating to any of the following:

1. Increasing the utilization of eggs or egg products.
2. Improving the production or processing of eggs or egg products.
3. Preventing, modifying, or eliminating barriers to trade which obstruct the free flow of eggs or egg products in commerce.

2005 Acts, ch 43, §4

**184.9B Duties of the council — education.**

The council shall participate in education programs or projects, including by conducting or financing such programs or projects, as follows:

1. The council's education programs or projects may provide for any of the following:

*a.* The utilization of eggs or egg products.
*b.* The production or processing of eggs or egg products.
*c.* The safe consumption of eggs or egg products.
*d.* The prevention, modification, or elimination of barriers to trade which obstruct the free flow of eggs or egg products in commerce.
*e.* Increasing the awareness of the health benefits associated with the consumption of eggs or egg products.
*f.* Increasing the awareness of the economic benefits associated with the production and processing of eggs or egg products.

2. The council's education programs or projects may be designed to increase consumers' knowledge of the production or processing of eggs, the preparation of eggs or egg products, or the consumption of eggs or egg products.
3. As part of the council's education programs or projects, the council may provide for the dissemination of information of public interest, including but not limited to the development or publication of materials in a printed or electronic format.

2005 Acts, ch 43, §5; 2006 Acts, ch 1010, §59

**184.10 Powers of council.**

The council may perform any function that it deems necessary to carry out its purposes and duties as provided in this chapter, including but not limited to doing any of the following:

1. Employ and discharge assistants and professional counsel as necessary, prescribe their duties and powers and fix their compensation.

2. Establish offices, incur expenses and enter into any contracts or agreements necessary to carry out the purposes of this chapter.

3. Adopt, rescind and amend all proper and necessary rules for the exercise of its powers and duties.

4. Enter into arrangements for the collection of the assessment.

5. Receive gifts, rents, royalties, license fees or other moneys for deposit in the Iowa egg fund as provided in section 184.13.

6. Become a dues-paying member of an organization carrying out a purpose related to any of the following:

*a.* The production or processing of eggs or egg products.

*b.* The consumption or utilization of eggs or egg products.

7. Administer elections for members of the council and provide for the appointment of persons to fill vacancies occurring on the council, as provided in section 184.8. The department may assist the council in administering an election, upon request to the secretary by the council.

[C75, 77, 79, 81, §196A.12]
95 Acts, ch 7, §11; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §9, 10, 13
C99, §184.10
99 Acts, ch 109, §2, 3, 8; 2005 Acts, ch 43, §6 – 8

**184.11 Prohibited actions.**

The Iowa egg council shall not do any of the following:

1. Execute a contract or act as an agent of a person who executes a contract for any of the following:

*a.* Selling eggs or egg products.

*b.* Selling equipment used in the manufacturing of egg products.

2. *a.* Make any contribution of council moneys, either directly or indirectly, to any political party or organization or in support of a political candidate for public office.

*b.* Make payments to a political candidate including but not limited to a member of Congress or the general assembly for honoraria, speeches, or for any other purposes above actual and necessary expenses.

[C75, 77, 79, 81, §196A.13]
95 Acts, ch 7, §12; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §11, 13
C99, §184.11
99 Acts, ch 109, §4, 5, 8

**184.12 Compensation.**

Members of the council may receive payment for their actual expenses and travel in performing official council functions. A voting member of the council shall not be a salaried employee of the council or any organization or agency receiving moneys from the council.

[C75, 77, 79, 81, §196A.14]
95 Acts, ch 7, §13; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §13
C99, §184.12
99 Acts, ch 109, §6, 8

**184.13 Administration of moneys.**

Subject to the provisions of section 184.3, the assessment imposed by this chapter shall be remitted by the purchaser to the council not later than thirty days following each calendar quarter during which the assessment was collected. Amounts collected from the assessment shall be deposited in the office of the treasurer of state in a separate fund to be known as the Iowa egg fund. The department of administrative services shall transfer moneys from the fund to the council for deposit into an account established by the council in a qualified financial institution. The department shall transfer the moneys as provided in a resolution

adopted by the council. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open.

[C75, 77, 79, 81, §196A.17]

94 Acts, ch 1146, §40; 95 Acts, ch 209, §22; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §13

C99, §184.13

2003 Acts, ch 145, §286

Referred to in §184.10, 184.14

**184.14 Use of moneys — appropriation — audit.**

1. All moneys deposited in the Iowa egg fund and transferred to the council as provided in section 184.13 are appropriated and shall be used for the administration of this chapter and for the payment of claims based upon obligations incurred in the performance of activities and functions set forth in this chapter.

2. Moneys collected, deposited in the fund, and transferred to the council as provided in this chapter are subject to audit by the auditor of state. The auditor of state may seek reimbursement for the cost of the audit. The moneys transferred to the council shall be used by the council first for the payment of collection expenses, second for payment of the costs and expenses arising in connection with conducting referendums, third to perform the functions and carry out the duties of the council as provided in this chapter, and fourth for the cost of audits by the auditor of state. Moneys remaining after the council is abolished and the imposition of an assessment is terminated pursuant to a referendum conducted pursuant to section 184.5 shall continue to be expended in accordance with this chapter until exhausted.

[C75, 77, 79, 81, §196A.19]

86 Acts, ch 1100, §24; 89 Acts, ch 137, §3; 94 Acts, ch 1146, §41; 95 Acts, ch 7, §16; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §12, 13

C99, §184.14

2005 Acts, ch 43, §9; 2010 Acts, ch 1189, §32

**184.15 Bond required.**

The council shall provide a bond for all persons holding positions of trust under this chapter.

[C75, 77, 79, 81, §196A.21]

94 Acts, ch 1146, §42; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §13

C99, §184.15

99 Acts, ch 109, §7, 8

**184.16 Examination of records.**

Persons subject to the provisions of this chapter shall furnish on forms provided by the council any information needed to enable the council to effectuate the policies of this chapter. For the purpose of ascertaining the correctness of any report made to the council under the provisions of this chapter, the secretary may examine books, papers, records, copies of tax returns not confidential by law, and accounts, which are in the control of any person. The secretary may hold hearings, take testimony, administer oaths, subpoena witnesses, and issue subpoenas in connection with the administration of this chapter.

[C75, 77, 79, 81, §196A.22]

98 Acts, ch 1032, §11; 98 Acts, ch 1038, §13

C99, §184.16

**184.17 Penalty.**

Any person who willfully violates any provision of this chapter, willfully gives a false report, statement, or record required by the council, or willfully fails to furnish or render any report, statement or record required by the secretary shall be guilty of a simple misdemeanor.

[C75, 77, 79, 81, §196A.23]

98 Acts, ch 1032, §11; 98 Acts, ch 1038, §13

C99, §184.17

**184.18 Purchasers outside Iowa.**

The secretary may enter into arrangements with purchasers from outside Iowa for payment of the assessment.

[C75, 77, 79, 81, §196A.24]
95 Acts, ch 7, §17; 98 Acts, ch 1032, §11; 98 Acts, ch 1038, §13
C99, §184.18

**184.19 Not a state agency.**

The Iowa egg council is not an agency of state government.

93 Acts, ch 102, §3
CS93, §196A.14A
CS95, §196A.26
98 Acts, ch 1032, §11; 98 Acts, ch 1038, §13
C99, §184.19

# CHAPTER 184A

## EXCISE TAX ON TURKEYS

Referred to in §8A.502, 97B.1A, 179.5A


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**184A.1 Definitions.**

As used in this chapter, unless the context indicates otherwise:

1. *"Account"* means the turkey council account created pursuant to section 184A.4.

2. *"Council"* means the Iowa turkey marketing council established pursuant to sections 184A.1A and 184A.1B.

3. *"Fund"* means the Iowa turkey fund created pursuant to section 184A.4.

4. *"Integrator"* means any person who is both a producer and a processor.

5. *"Market development"* means research and education programs to provide better and more efficient production, marketing, and utilization of turkey and turkey products produced for resale. The programs may include, but are not limited to, supporting public relations, promotion, and research efforts. The programs may provide for all of the following:

*a.* The maintenance of present markets and the development of new or larger domestic or foreign markets.

*b.* The prevention, modification, or elimination of trade barriers which obstruct the free flow of commerce.

*c.* The education of consumers regarding the benefits of purchasing and consuming turkey products and the role of turkey producers and processors.

*d.* Participation in activities and events sponsored by the national turkey federation, and the national turkey federation research fund which provide for research and promotion regarding the production and marketing of turkeys and turkey products.

6. *"Processor"* means a person who purchases more than one thousand turkeys for slaughter each year. A processor includes an integrator.

7. *"Producer"* means a person residing within this state or outside this state who does business in this state and who raises more than five thousand turkeys for slaughter each year. A producer includes an integrator.

8. *"Qualified financial institution"* means a bank or credit union as defined in section 12C.1.

9. *"Qualified producer"* means a producer who resides within this state.

10. *"Turkey"* means a turkey raised for slaughter.

11. *"Turkey product"* means a product produced in whole or in part from a turkey.

[C73, 75, 77, 79, 81, §184A.1]

86 Acts, ch 1100, §20; 94 Acts, ch 1146, §14; 99 Acts, ch 158, §1, 18, 19; 2012 Acts, ch 1017, §51

**184A.1A Referendum conducted to establish an Iowa turkey marketing council and impose an assessment.**

1. The department shall call and conduct a referendum upon the department's receipt of a petition which is signed by at least twenty eligible voters requesting a referendum to determine whether to establish an Iowa turkey marketing council as provided in section 184A.1B and impose an assessment as provided in section 184A.2. In order to be an eligible voter under this section, a petitioner must be a qualified producer. The referendum shall be conducted by election within sixty days following receipt of the petition. The petitioners shall guarantee payment of the cost of the referendum by providing evidence of financial security as required by the department.

2. The department shall give notice of the referendum on the question whether to establish a council and to impose an assessment by publishing the notice for a period of not less than five days in at least one newspaper of general circulation in the state, and for a similar period in other newspapers as prescribed by the department. The notice shall state the voting places, period of time for voting, the manner of voting, the amount of the assessment, and other information deemed necessary by the department. A referendum shall not be commenced until five days after the last date of publication.

3. *a.* Each eligible voter who signs a statement certifying that the eligible voter is a qualified producer shall be an eligible voter under this section. An eligible voter is entitled to cast one vote in each referendum conducted under this section. The department may conduct the referendum by mail, electronic means, or a general meeting of eligible voters.

*b.* At the close of the referendum, the department shall count and tabulate the ballots cast.

(1) If a majority of eligible voters who vote in the referendum approve establishing the council and imposing an assessment, a council shall be established, and an assessment shall be imposed commencing not more than sixty days following the referendum as determined by the council. The council and assessment shall continue for five years as provided in section 184A.12.

(2) If a majority of eligible voters who vote in the referendum do not approve establishing the council and imposing the assessment, the council shall not be established and an assessment shall not be imposed until another referendum is held under this section and a majority of the eligible voters voting approve establishing a council and imposing the assessment. If a referendum should fail, another referendum shall not be held within one hundred eighty days from the date of the last referendum.

4. Within thirty days after approval at the referendum to establish a council and to impose an assessment, the department shall organize the council as provided in section 184A.1B.

99 Acts, ch 158, §2, 18, 19; 2000 Acts, ch 1058, §22

Referred to in §184A.1, 184A.2, 184A.12, 184A.12A

**184A.1B Turkey marketing council — composition and procedures.**

1. The council shall consist of the following members:

*a.* The secretary of agriculture or the secretary's designee who shall serve at the pleasure of the secretary.

*b.* Six persons appointed by the board of the Iowa turkey federation. The appointees shall be knowledgeable about the care and management of poultry. The board shall appoint and replace the appointees by election as provided by the board. An appointee shall serve on the council at the pleasure of the board.

*c.* Any number of ex officio nonvoting members appointed by the board of the Iowa turkey federation. The board shall appoint and replace the appointees by election as provided by the board. An appointee shall serve on the council at the pleasure of the board.

2. The council shall elect a chairperson, and other officers, as needed, from among its members. An officer shall serve for a term as provided by the council and may be reelected to serve subsequent terms unless otherwise provided by the council.

3. A majority of voting members of the council present during a meeting shall constitute a quorum. A majority of the voting members present during a meeting is necessary to carry out the duties and exercise the powers of the council as provided in this chapter, unless the council requires a greater number.

4. The council shall meet on the call of the chairperson or as otherwise provided by the council.

99 Acts, ch 158, §3, 18, 19
Referred to in §184A.1, 184A.1A, 184A.12A

**184A.1C Powers of the council.**

The council may do all of the following:

1. Employ, manage, and discharge assistants and professional counsel as necessary, prescribe their duties and powers, and provide for their compensation.

2. Establish offices, incur expenses, and enter into any contracts or agreements necessary to carry out the purposes of this chapter.

3. Adopt rules necessary to administer the functions of the council as provided in this chapter.

4. Enter into arrangements for the collection and deposit of the assessment.

5. Require that any administrator, employee, or other person occupying a position of trust under this chapter give bond in the amount required by the council. The premiums for bonds shall be part of the costs of collecting the assessment.

6. Receive money, including in the form of gifts, rents, royalties, or license fees which shall be deposited in the turkey council account as provided in section 184A.4.

99 Acts, ch 158, §4, 18, 19
Referred to in §184A.4

**184A.2 Assessment.**

1. If an assessment is approved by a majority of the eligible voters voting at a referendum as provided in section 184A.1A or 184A.12, all of the following shall apply:

*a.* The assessment shall be imposed on each turkey delivered for processing.

*b.* The council shall establish a rate of assessment for each turkey delivered for processing. The council may establish different rates based on attributes or characteristics of turkeys. However, a rate shall not be more than three cents for each turkey delivered for processing.

*c.* The assessment shall be imposed on the producer and collected at the time of delivery of a turkey to the processor. The assessment shall be deducted by the processor at the time of delivery from the price paid to the producer at the time of the sale to the processor. A processor shall remit assessments to the council on a monthly basis as provided by the council. The council shall deposit the remitted assessments in the Iowa turkey fund as provided in section 184A.4.

2. The council may enter into agreements with processors from outside this state for the payment of the assessment.

3. The council shall provide for a refund of an assessment according to rules adopted by the council.

[C73, 75, 77, 79, 81, §184A.2]

99 Acts, ch 158, §5, 18, 19

Referred to in §184A.1A, 184A.4, 184A.10, 184A.12, 184A.12A

Right to refund not subject to execution or transfer; §179.5A

**184A.3 Assessment documentation.**

A processor receiving turkeys for slaughter shall do all of the following:

1. At the time of payment to the producer, the processor shall sign and submit a receipt to the producer which includes the rate of assessment imposed and the amount of the assessment for all turkeys delivered for processing.

2. Within a period established by rules adopted by the council, the processor shall regularly sign and submit to the council an invoice or other records required by the council to expedite collection of the assessment. The council may require that the processor submit a separate invoice for each purchase. The invoice shall be legibly printed and shall not be altered. An invoice shall include all of the following:

*a.* The name and address of the producer and the seller, if the seller's name is different from the producer.

*b.* The name and address of the processor.

*c.* The number of turkeys sold.

*d.* The date of the delivery.

[C73, 75, 77, 79, 81, §184A.3]

99 Acts, ch 158, §6, 18, 19

**184A.4 Administration of moneys.**

1. The assessments collected by the council as provided in section 184A.2 shall be deposited in the office of the treasurer of state in a special fund known as the Iowa turkey fund. The department of administrative services shall transfer moneys from the fund to the council for deposit into the turkey council account established by the council pursuant to this section. The department shall transfer the moneys as provided in a resolution adopted by the council. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open.

2. The council shall establish a turkey council account in a qualified financial institution. The council shall provide for the deposit of all of the following into the account:

*a.* The assessment collected, deposited in the Iowa turkey fund, and transferred to the council as provided in this section.

*b.* Moneys, other than assessments, including moneys in the form of gifts, rents, royalties, or license fees received by the council pursuant to section 184A.1C.

[C73, 75, 77, 79, 81, §184A.4]

94 Acts, ch 1146, §15; 99 Acts, ch 158, §7, 18, 19; 2003 Acts, ch 145, §286

Referred to in §184A.1, 184A.1C, 184A.2, 184A.6, 184A.9

**184A.5** Repealed by 99 Acts, ch 158, § 17, 19.

**184A.6 Use of moneys.**

1. All moneys deposited in the turkey council account pursuant to section 184A.4 shall be used by the council for purposes of administering this chapter.

2. The council shall expend moneys from the account first for the payment of expenses for the collection of assessments, second for the payment of expenses related to conducting a referendum as provided in section 184A.12, and third for the cost of audits by the auditor of state as required in section 184A.9. The council shall expend remaining moneys for market

development, producer education, and the payment of refunds to producers as provided in this chapter.

[C73, 75, 77, 79, 81, §184A.6]

94 Acts, ch 1146, §16; 99 Acts, ch 158, §8, 18, 19; 2000 Acts, ch 1154, §17; 2010 Acts, ch 1189, §33

Referred to in §184A.19

**184A.7** Repealed by 94 Acts, ch 1146, § 46.

**184A.8** Repealed by 99 Acts, ch 158, § 17, 19.

**184A.9 Audit.**

Moneys required to be deposited in the turkey council account as provided in section 184A.4 shall be subject to audit by the auditor of state. The auditor of state may seek reimbursement for the cost of the audit from moneys deposited in the turkey council account.

[C73, 75, 77, 79, 81, §184A.9]

94 Acts, ch 1146, §17; 99 Acts, ch 158, §9, 18, 19; 2010 Acts, ch 1189, §34

Referred to in §184A.6

**184A.10 Referendum.**

Upon receipt of a petition signed by at least twenty-five producers requesting an initial referendum election to determine whether to impose the fee as provided in section 184A.2 the secretary shall call and conduct an initial referendum.

[C73, 75, 77, 79, 81, §184A.10]

**184A.11** Repealed by 99 Acts, ch 158, § 17, 19.

**184A.12 Referendum conducted to continue the council and the imposition of the assessment.**

1. The council shall call for a referendum to continue the council established pursuant to section 184A.1A, and to continue the assessment established pursuant to section 184A.2. The council shall call and conduct the referendum by election as provided in this section. The department shall oversee the conduct of the referendum. The referendum shall be conducted in the fifth year following the referendum establishing the council and assessment.

2. The following procedures shall apply to a referendum conducted pursuant to this section:

*a.* The council shall publish a notice of the referendum for a period of not less than five days in at least one newspaper of general circulation in the state and for a similar period in other newspapers as prescribed by the council. The notice shall state the voting places, period of time for voting, manner of voting, and other information deemed necessary by the council. A referendum shall not be commenced until five days after the last date of publication.

*b.* Upon signing a statement certifying to the council that a producer is an eligible voter, the producer is entitled to one vote in each referendum conducted pursuant to this section. In order to be an eligible voter under this section, a producer must be a qualified producer who paid an assessment in the year in which the referendum is held. The council may conduct the referendum by mail, electronic means, or a general meeting of eligible voters. The council shall conduct the referendum and count and tabulate the ballots filed during the referendum within thirty days following the close of the referendum.

(1) If a majority of eligible voters who vote in the referendum approves the continuation of the council and the imposition of the assessment, the council and the imposition of the assessment shall continue as provided in this chapter.

(2) If a majority of eligible voters who vote in the referendum does not approve continuing the council and the imposition of the assessment, the department shall terminate the collection of the assessment on the first day of the year for which the referendum was to continue. The department shall terminate the activities of the council in an orderly manner as soon as practicable after the referendum. A subsequent referendum may be held as

provided in section 184A.1A. However, the subsequent referendum shall not be held within one hundred eighty days from the date of the last referendum.

[C73, 75, 77, 79, 81, §184A.12]

99 Acts, ch 158, §10, 18, 19

Referred to in §184A.1A, 184A.2, 184A.6

**184A.12A Referendum conducted to abolish the council and terminate the imposition of the assessment.**

1. A referendum may be called to abolish the council established pursuant to sections 184A.1A and 184A.1B, and to terminate the imposition of the assessment established pursuant to section 184A.2. The department shall call and conduct the referendum upon the department's receipt of a petition requesting the referendum. The petition must be signed by at least twenty eligible voters or fifty percent of all eligible voters, whichever is greater. In order to be an eligible voter under this section, a producer must be a qualified producer who paid an assessment in the year in which the referendum is held. The referendum shall be conducted by election within sixty days following receipt of the petition. The petitioners shall guarantee payment of the cost of the referendum by providing evidence of financial security as required by the department.

2. The following procedures shall apply to a referendum conducted pursuant to this section:

*a.* The department shall publish a notice of the referendum for a period of not less than five days in at least one newspaper of general circulation in the state and for a similar period in other newspapers as prescribed by the department. The notice shall state the voting places, period of time for voting, manner of voting, and other information deemed necessary by the department. A referendum shall not be commenced until five days after the last date of publication.

*b.* Upon signing a statement certifying to the department that a producer is an eligible voter, the producer is entitled to one vote in each referendum conducted pursuant to this section. The department may conduct the referendum by mail, electronic means, or a general meeting of eligible voters. The department shall conduct the referendum and count and tabulate the ballots filed during the referendum within thirty days following the close of the referendum.

(1) If a majority of eligible voters who vote in the referendum approves the continuation of the council and the imposition of the assessment, the council and the imposition of the assessment shall continue as provided in this chapter.

(2) If a majority of eligible voters who vote in the referendum does not approve continuing the council and the imposition of the assessment, the department shall terminate the collection of the assessment on the first day of the year for which the referendum was to continue. The department shall terminate the activities of the council in an orderly manner as soon as practicable after the referendum. A subsequent referendum may be held as provided in section 184A.1A. However, the subsequent referendum shall not be held within one hundred eighty days from the date of the last referendum.

99 Acts, ch 158, §11, 18, 19

**184A.13** Repealed by 99 Acts, ch 158, § 17, 19.

**184A.14 Examination of books.**

Any person subject to the provisions of this chapter shall furnish, on forms provided by the council, information required by the council to effectuate the provisions of this chapter. In order to administer this chapter, the council may examine books, papers, records, copies of tax returns, accounts, correspondence, contracts, or other documents and memoranda that it deems relevant which are in the control of a person subject to this chapter and which are not otherwise confidential as provided by law. The council may hold hearings, take testimony,

administer oaths, subpoena witnesses, and issue subpoenas duces tecum in connection with the administration of this section.

[C73, 75, 77, 79, 81, §184A.14]

99 Acts, ch 158, §12, 18, 19

**184A.15 Misdemeanor.**

A person is guilty of a simple misdemeanor for willfully violating any provision of this chapter, or for willfully rendering or furnishing a false or fraudulent report, statement, or record required by the council.

[C73, 75, 77, 79, 81, §184A.15]

99 Acts, ch 158, §13, 18, 19

**184A.16** Repealed by 99 Acts, ch 158, § 17, 19.

**184A.17 Report.**

The council shall prepare and submit a report summarizing the activities of the council under this chapter each year to the auditor of state and the secretary of agriculture. The report shall show all income, expenses, and other relevant information concerning assessments collected and expended under the provisions of this chapter.

[C73, 75, 77, 79, 81, §184A.17]

94 Acts, ch 1146, §18; 99 Acts, ch 158, §14, 18, 19

**184A.18 Not a state agency.**

The council is not a state agency.

[C73, 75, 77, 79, 81, §184A.18]

99 Acts, ch 158, §15, 18, 19

**184A.19 Prohibited activities.**

The council shall not do any of the following:

1. Operate with a deficit or use deficit financing for administration of this chapter.
2. Expend moneys from the account in a manner that is not authorized pursuant to section 184A.6.
3. Become involved in supporting a political campaign or issue, by making a contribution of moneys from the account, either directly or indirectly, to any political party or organization or in support of a political candidate for public office. The council shall not expend the moneys to a political candidate including but not limited to a member of Congress or the general assembly for honoraria, speeches, or for any other purposes above actual and necessary expenses.

[C73, 75, 77, 79, 81, §184A.19]

99 Acts, ch 158, §16, 18, 19

# CHAPTER 185

## IOWA SOYBEAN ASSOCIATION

Referred to in §8A.502, 97B.1A, 179.5A


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**185.1 Definitions.**

As used in this chapter:

1. *"Association"* means the Iowa soybean association as recognized in section 185.1A.

2. *"Board"* means the Iowa soybean association board of directors established by this chapter.

3. *"Bushel"* means sixty pounds of soybeans by weight.

4. *"District"* means an official crop reporting district formed by the United States department of agriculture and set out in the annual farm census published by the Iowa department of agriculture and land stewardship.

5. *"First purchaser"* means a person, public or private corporation, governmental subdivision, association, cooperative, partnership, commercial buyer, dealer, or processor who purchases soybeans from a producer for the first time for any purpose except to feed it to the purchaser's livestock or to manufacture a product from the soybeans purchased for the purchaser's personal consumption.

6. *"Influencing legislation"* means the same as defined in 26 C.F.R. § 56.4911 as that section exists on July 1, 2005.

7. *"Market development"* means to engage in research and educational programs directed toward better and more efficient production and utilization of soybeans; to provide methods and means, including but not limited to, public relations and other promotion techniques for the maintenance of present markets; to provide for the development of new or larger domestic and foreign markets; and to provide for the prevention, modification, or elimination of trade barriers which obstruct the free flow of soybeans.

8. *"Marketed in this state"* refers to a sale of soybeans to a first purchaser who is a resident of or doing business in this state where actual delivery of the soybeans occurs in this state.

9. *"National assessment"* means the assessment on soybeans collected pursuant to 7 U.S.C. ch. 92.

10. *"Net market price"* means the sales price received by a producer for soybeans after adjustments for any premium or discount based on grading or quality factors.

11. *"Producer"* means a person engaged in this state in the business of producing and

marketing in the person's name at least two hundred fifty bushels of soybeans in the previous year.

12. *"Promotional order"* means an order administered pursuant to this chapter which establishes a program for the promotion, research, and market development of soybeans and provides for a state assessment to finance the program.

13. *"Qualified financial institution"* means a bank or credit union as defined in section 12C.1.

14. *"Sale"* or *"purchase"* includes but is not limited to the pledge or other encumbrance of soybeans as security for a loan extended under a federal price support loan program. Sale and actual delivery of the soybeans under the federal price support loan program occurs when the soybeans are marketed following redemption by the producer or when the soybeans are forfeited in lieu of loan repayment. If the soybeans are forfeited in lieu of repayment, the purchase price of the soybeans is the principal amount of the loan extended and the state assessment shall be collected at the time of loan settlement.

15. *"Secretary"* means the secretary of agriculture.

16. *"Soybeans"* means and includes all kinds of varieties of soybeans marketed or sold as soybeans by the producer.

17. *"State assessment"* or *"assessment"* means an excise tax on each bushel of soybeans marketed in this state which is imposed pursuant to a promotional order as provided in this chapter.

[C73, 75, 77, 79, 81, §185.1]

83 Acts, ch 22, §1, 2; 86 Acts, ch 1245, §633; 94 Acts, ch 1146, §19, 20; 2005 Acts, ch 82, §1 – 3; 2012 Acts, ch 1017, §52; 2012 Acts, ch 1023, §157

Further definitions; see §159.1

**185.1A Recognition of Iowa soybean association.**

The corporation known as the Iowa soybean association incorporated under the laws of this state shall be entitled to the benefits of this chapter by filing each year with the secretary a verified proof of its organization, the names of its officers, and any other information required by the secretary.

2005 Acts, ch 82, §4

Referred to in §185.1

**185.1B Duties and objects of the association.**

The Iowa soybean association shall aid in the promotion of the soybean industry through research, education, public relations, promotion, and market development projects and programs as directed by the board to accomplish its purposes as provided in section 185.11.

2005 Acts, ch 82, §5

**185.2 Petition for election.**

Upon receipt of a petition signed by at least five hundred producers requesting an initial referendum election to determine whether a promotional order shall be placed in effect, the secretary shall call an initial referendum election to be conducted within sixty days following receipt of the petition. Producers shall vote by written ballot in the manner provided by this chapter for referendum elections.

[C73, 75, 77, 79, 81, §185.2]

**185.3 Board established — elections.**

The Iowa soybean association board of directors shall administer this chapter.

1. *a.* The board shall consist of directors who are producers residing in Iowa at the time of the election. The directors shall be elected as follows:

(1) Four directors shall be elected from producers from the state at large.

(2) One director per district shall be elected from producers from each district in the state. However, two directors shall be elected from the producers from a district if more than an average of twenty-five million bushels of soybeans were produced in that district in the three years prior to the election.

*b.* A producer shall be entitled to vote in the election regardless of whether the producer is a member of the association.

2. The following persons shall serve on the board as nonvoting, ex officio directors:

*a.* The secretary or the secretary's designee.

*b.* The dean of the college of agriculture and life sciences of Iowa state university of science and technology or the dean's designee.

*c.* The director of the economic development authority or the director's designee.

*d.* Any other person that the board appoints.

[C73, 75, 77, 79, 81, §185.3]

2005 Acts, ch 82, §6; 2008 Acts, ch 1031, §40; 2008 Acts, ch 1032, §33; 2011 Acts, ch 118, §85, 89

**185.4** Repealed by 88 Acts, ch 1134, § 116.

**185.5 Notice of election for directors.**

Notice of elections for directors of the board in a district shall be given by the board by publication in a newspaper of general circulation in the district and in any other reasonable manner as determined by the board and shall set forth the period of time for voting, voting procedures, and other information the board deems necessary.

[C73, 75, 77, 79, 81, §185.5]

88 Acts, ch 1134, §35; 2005 Acts, ch 82, §7

**185.6 Manner of election — tie votes.**

In districts electing one director, the candidate receiving the highest number of votes shall be elected. In districts electing two directors, producers shall vote for two directors, and the two candidates receiving the highest number of votes shall be elected. If the election results in a tie vote, the board shall appoint a director from among the candidates who received the same number of votes.

[C73, 75, 77, 79, 81, §185.6]

2005 Acts, ch 82, §8

**185.7 Terms.**

A director's term shall be for three years. A director shall not serve for more than three full terms.

[C73, 75, 77, 79, 81, §185.7]

88 Acts, ch 1134, §36; 2005 Acts, ch 82, §9

**185.8 Election administration — candidate nominations.**

The board shall administer elections for its directors with the assistance of the secretary. Prior to the expiration of a director's term of office, the board shall appoint a nominating committee of five producers. The nominating committee shall nominate two resident producers as candidates for each director position for which an election is to be held. Additional candidates may be nominated by a written petition of one hundred producers. Procedures governing the time and place of filing shall be adopted and publicized by the board. A place shall not be reserved on the ballot for write-in candidates, and votes cast for write-in candidates shall not be counted.

[C73, 75, 77, 79, 81, §185.8]

88 Acts, ch 1134, §37; 2005 Acts, ch 82, §10

**185.9 Vacancies — removal.**

1. The board shall by appointment fill an unexpired term if a vacancy occurs in the board.

2. The secretary may remove a director for any reason enumerated in section 66.1A.

[C73, 75, 77, 79, 81, §185.9]

2005 Acts, ch 82, §11

**185.10 Ex officio members.** Repealed by 2005 Acts, ch 82, § 28. See § 185.3.

**185.11 Purpose of board.**

The purposes of the board shall be to:

1. Provide for research and education programs directed toward better and more efficient production, marketing, and utilization of soybeans and soybean products.

2. Provide methods and means, including, but not limited to, public relations and other promotion techniques for the maintenance of present markets.

3. Assist in development of new or larger markets, both domestic and foreign, for soybeans and soybean products.

4. Work for prevention, modification, or elimination of trade barriers which obstruct the free flow of soybeans and soybean products to market.

[C73, 75, 77, 79, 81, §185.11]

2005 Acts, ch 82, §12

Referred to in §185.1B, 185.13, 185.26, 185.29

**185.12 Officers.**

The board shall:

1. Elect a chairperson and other officers as advisable.

2. Administer this chapter, and perform all acts reasonably necessary to effectuate the purposes of this chapter.

[C73, 75, 77, 79, 81, §185.12]

**185.13 Powers and duties.**

The board shall carry out its purposes as provided in section 185.11. The board shall administer this chapter, including by doing all of the following:

1. Employ and discharge assistants and professional counsel as necessary, prescribe their duties and powers, and fix their compensation.

2. Acquire and establish offices, issue negotiable instruments, incur expenses, and enter into any contracts or agreements necessary to carry out the purposes of this chapter.

3. Adopt, rescind, and amend all proper and necessary rules for the exercise of its powers and duties.

4. Enter into arrangements for collection of the state assessment on soybeans marketed in this state.

5. Periodically review or evaluate each program conducted pursuant to this chapter to ensure that the program contributes to one of the purposes of the board.

6. Administer the soybean checkoff account as provided in section 185.26.

[C73, 75, 77, 79, 81, §185.13]

94 Acts, ch 1146, §22; 2005 Acts, ch 82, §13 – 15; 2009 Acts, ch 95, §1

**185.14 Compensation — meetings.**

Each director of the board shall receive a per diem of one hundred dollars and actual expenses in performing official board functions, notwithstanding section 7E.6. A director of the board shall not be a salaried employee of the board or any organization or agency which is receiving moneys from the board. The board shall meet at least four times each year.

[C73, 75, 77, 79, 81, §185.14]

91 Acts, ch 258, §34; 2005 Acts, ch 82, §16; 2008 Acts, ch 1046, §1

**185.15 Term of promotional order.**

A promotional order shall be effective for four years from its effective date, and upon each four-year anniversary of its effective date shall be either extended or terminated as provided in this chapter.

[C73, 75, 77, 79, 81, §185.15]

86 Acts, ch 1195, §5; 88 Acts, ch 1134, §38

**185.16 Notice of referendum.**

Notice of a referendum election to initiate or extend a promotional order shall be given by publication in a newspaper of general circulation in this state at least ten days prior to the

date of the referendum and in any other reasonable manner as may be determined by the secretary for the initial referendum and by the board for extension of the promotional order.
[C73, 75, 77, 79, 81, §185.16]

**185.17 Contents of notice.**
The notice of referendum shall set forth the period of time for voting, voting places and such other information as the secretary may deem necessary in an initial referendum. The board shall make such determinations in any subsequent referendum.
[C73, 75, 77, 79, 81, §185.17]

**185.18 Counting.**
At the close of a referendum voting period, the secretary shall count and tabulate the ballots cast during the referendum period.
[C73, 75, 77, 79, 81, §185.18]

**185.19 Effect.**
The ballots shall constitute conclusive evidence as to the validity of the promotional order.
[C73, 75, 77, 79, 81, §185.19]

**185.20 Producers only to vote.**
Only producers are eligible to vote in an election for directors or a referendum election and only in the district in which they reside. A producer shall sign an affidavit at the time of voting certifying the producer's eligibility to vote. Each qualified producer shall be entitled to one vote.
[C73, 75, 77, 79, 81, §185.20]
2005 Acts, ch 82, §17

**185.21 Assessment.**
1. A state assessment which is adopted upon the initiation of a promotional order shall be collected during the effective period of the promotional order, and shall be of no force or effect upon termination of the promotional order.
2. The state assessment shall be paid into the soybean promotion fund established in section 185.26.
3. The rate of the state assessment shall be as follows:
*a.* If the national assessment is being collected, the rate of the state assessment shall be one-quarter of one percent of the net market price of the soybeans marketed in this state.
*b.* If the national assessment is not being collected, the rate of the state assessment shall be one-half of one percent of the net market price of soybeans marketed in this state.
[C73, 75, 77, 79, 81, §185.21]
94 Acts, ch 1146, §23; 2005 Acts, ch 82, §18

**185.22 Promotional order.**
After a promotional order has been issued, the first purchaser at the time of payment for soybeans shall show the total amount of state assessment deducted from the sale on the purchase invoice.
[C73, 75, 77, 79, 81, §185.22]
2005 Acts, ch 82, §19

**185.23 Deduction of assessment.**
The state assessment shall be deducted from the purchase price of soybeans at the time of sale, and forwarded to the board by the first purchaser in the manner and at intervals determined by the board.
[C73, 75, 77, 79, 81, §185.23]
2005 Acts, ch 82, §20

**185.24 Termination of a promotional order.**

If a promotional order is not extended as determined by a referendum, the secretary and the board shall terminate the promotional order in an orderly manner as soon as practicable. After all moneys collected from the state assessment are expended, the board shall remain in existence as provided in its articles of incorporation or bylaws. The directors shall no longer be elected as required in this chapter. The ex officio directors shall no longer serve on the board. The board shall cease to administer this chapter, and the board shall no longer carry out its duties or exercise its powers as provided in this chapter. However, if a future referendum passes, the board shall be reorganized by the secretary and the directors then serving on the board shall be deemed to be the same directors who served on the board when the promotional order was terminated. The directors shall serve out their terms as though there had been no lapse of time between the two effective orders.

[C73, 75, 77, 79, 81, §185.24]

94 Acts, ch 1146, §24; 2005 Acts, ch 82, §21

Referred to in §185.25

**185.25 Special referendum — producer petition.**

Upon receipt of a petition not less than one hundred fifty nor more than two hundred forty days from a four-year anniversary of the effective date of an initial promotional order signed within that same period by a number of producers equal to or greater than one percent of the number of producers reported in the most recent United States census of agriculture, requesting a referendum to determine whether to extend the promotional order, the secretary shall call a referendum to be conducted not earlier than thirty days before the four-year anniversary date. If the secretary determines that extension of the promotional order is not favored by a majority of the producers voting in the referendum, the promotional order shall be terminated as provided in section 185.24. If the promotional order is terminated, another referendum shall not be held within one hundred eighty days. A succeeding referendum shall be called by the secretary upon the petition of a number of producers equal to or greater than one percent of the number of producers reported in the most recent United States census of agriculture requesting a referendum, who shall guarantee the costs of the referendum.

If no valid petition is received by the secretary within the time period described above, or if a petition is received but the referendum to extend the promotional order passes, the promotional order shall continue in effect for four additional years from the anniversary of its effective date.

[C73, 75, 77, 79, 81, §185.25]

86 Acts, ch 1195, §6; 94 Acts, ch 1146, §25

**185.25A Special referendum — request by the board.** Repealed by 2005 Acts, ch 82, § 28.

**185.26 Administration of moneys.**

1. The state assessment collected by the board shall be deposited in a special fund known as the soybean promotion fund, in the office of the treasurer of state. The fund may also contain any gifts or federal or state grant received by the board. Moneys collected, deposited into the fund, and transferred to the board, as provided in this chapter, shall be subject to audit by the auditor of state. The department of administrative services shall transfer moneys from the fund to the board for deposit into an account known as the soybean checkoff account which shall be established by the board in a qualified financial institution. The department shall transfer the moneys into the account as provided in a resolution adopted by the board. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open. From moneys collected, deposited, and transferred to the soybean checkoff account as provided in this section, the board shall first pay the costs of referendums, elections, and other expenses incurred in the administration of this chapter, before moneys may be expended to carry out the purposes of the board as provided in section 185.11. The board shall strictly segregate moneys in the soybean checkoff account from all other moneys of the board. Moneys in the soybean checkoff account shall

be expended by the board exclusively for carrying out the purposes of the board as provided in section 185.11. The account shall be subject to audit by the auditor of state.

2. The fiscal year of the association shall commence on October 1 and end on September 30.

[C73, 75, 77, 79, 81, §185.26]

94 Acts, ch 1146, §27; 2003 Acts, ch 145, §286; 2005 Acts, ch 82, §22; 2006 Acts, ch 1030, §18

Referred to in §185.13, 185.21, 185.29, 185.30, 185.34

**185.27 Refund of assessment.**

A producer who has sold soybeans and had the state assessment deducted from the sale price may, by application in writing to the board, secure a refund in the amount deducted. The refund shall be payable only when the application is made to the board within sixty days after the deduction. Application forms shall be given by the board to each first purchaser when requested and the first purchaser shall make the applications available to any producer. Each application for refund by a producer shall have attached thereto proof of assessment deducted. The proof of assessment may be in the form of a duplicate or certified copy of the purchase invoice by the first purchaser. The board shall have thirty days from the date the application for refund is received to remit the refund to the producer.

[C73, 75, 77, 79, 81, §185.27]

2005 Acts, ch 82, §23

Right to refund not subject to execution or transfer, §179.5A

**185.28 Use of moneys — appropriation.**

All moneys collected, deposited, and transferred to the board as provided in this chapter, are appropriated and shall be used for the administration of this chapter by the board and for the payment of claims by the board based upon obligations incurred in the performance of board activities and functions provided in this chapter.

[C73, 75, 77, 79, 81, §185.28]

94 Acts, ch 1146, §28

**185.29 Remission of remaining moneys.**

After the board has paid the costs of elections, referendum, necessary board expenses, and administrative costs, the remaining moneys collected, deposited in the fund, and transferred to the soybean checkoff account as provided in section 185.26 shall be expended by the board as is necessary to carry out its purposes as provided in section 185.11.

[C73, 75, 77, 79, 81, §185.29]

94 Acts, ch 1146, §29; 2005 Acts, ch 82, §24

**185.30 Bond.**

Every person occupying a position of trust under any provisions of this chapter shall provide a bond in an amount required by the board. The premium for the bond shall be paid out of moneys transferred from the soybean promotion fund to the board pursuant to section 185.26.

[C73, 75, 77, 79, 81, §185.30]

94 Acts, ch 1146, §30

**185.31 Penalty.**

It is a simple misdemeanor for any person to willfully violate any provision of this chapter or for any person to willfully render or furnish a false or fraudulent report, statement, or record required by the secretary.

[C73, 75, 77, 79, 81, §185.31]

**185.32 First purchaser information.**

Every first purchaser shall upon request furnish the secretary with such information as is necessary to enable the secretary and the board to carry out the provisions of this chapter. Such information shall be provided as prescribed by the secretary. The secretary may examine any records relating to the purchase, sale, storage, processing, handling,

or assessment of soybeans by any first purchaser. The secretary may hold hearings, take testimony, administer oaths, subpoena witnesses, and issue subpoenas as may be necessary for the proper administration of this chapter.

[C73, 75, 77, 79, 81, §185.32]

**185.33 Report.**

The board shall each year prepare and submit a report summarizing the activities of the board under this chapter to the auditor of state and the secretary of agriculture. The report shall show all income, expenses, and other relevant information concerning fees collected and expended under the provisions of this chapter.

[C73, 75, 77, 79, 81, §185.33]

94 Acts, ch 1146, §31

**185.34 Not a state agency.**

1. The association is not a state agency.

2. *a.* Except as provided in paragraph *"b"*, the board is not a state agency or a governmental entity as defined in section 8A.101, public employer as defined in section 20.3, or an authority or instrumentality of the state.

*b.* The board is deemed to be all of the following:

(1) A department for purposes of chapter 11.

(2) A public body for purposes of chapter 12C. Moneys deposited into the soybean checkoff account as established in section 185.26 shall be deemed to be public funds under chapter 12C.

(3) An agency for purposes of an appeal from its final decision under chapter 17A. A person who is aggrieved or adversely affected by the board's final agency action is entitled to judicial review as provided in section 17A.19.

(4) A governmental body for purposes of chapter 21.

[C73, 75, 77, 79, 81, §185.34]

2005 Acts, ch 82, §25

**185.35 Political activity — influencing legislation prohibited.**

1. Except as provided in subsection 2, all of the following shall apply:

*a.* The board shall not expend any moneys on political activity or on any attempt to influence legislation.

*b.* It shall be a condition of any allocation of moneys that an organization receives from the board, that the organization shall not expend the moneys on a political activity or on an attempt to influence legislation.

2. Subsection 1 does not apply to a communication or action taken by the board if any of the following applies:

*a.* The board may communicate or take action directed to an appropriate government official or government relating to the marketing of soybeans or soybean products to a foreign country.

*b.* The communication or action relates to the prevention, modification, or elimination of trade barriers.

2005 Acts, ch 82, §26

# CHAPTER 185A

## IOWA SOYBEAN ASSOCIATION

Repealed by 2005 Acts, ch 82, §27; see chapter 185

# CHAPTER 185B

## CORN GROWERS ASSOCIATION

185B.1 Recognition of organization.
185B.2 Duties and objects of association.

**185B.1 Recognition of organization.**

The corporation known as the Iowa corn growers association incorporated under the laws of this state shall be entitled to the benefits of this chapter by filing each year with the department verified proofs of its organization, names of its officers, and five hundred persons who are bona fide members thereof together with such other information as the department may require.

[C71, 73, 75, 77, 79, 81, §185B.1]

**185B.2 Duties and objects of association.**

The Iowa corn growers association shall:

1. Aid the promotion of corn growers and the corn industry of Iowa through education, research, marketing, transportation study, and public relations programs, and to foster research designed to develop new additional and improved uses for corn products and determine better methods of converting them to various industrial and human uses.
2. Make an annual report of the proceedings to the secretary of agriculture.

[C71, 73, 75, 77, 79, 81, §185B.2]

# CHAPTER 185C

## CORN PROMOTION BOARD

Referred to in §8A.502, 97B.1A, 179.5A

For implementation and transition provisions relating to election of directors, see 2013 Acts, ch 140, §111

185C.1 Definitions.
185C.2 Petition for election.
185C.3 Establishment of corn promotion board.
185C.4 Repealed by 88 Acts, ch 1134, §116.
185C.5 Notice of election.
185C.6 Number and election of directors.
185C.7 Terms of directors.
185C.8 Administration of elections for directors.
185C.9 Vacancies.
185C.10 Ex officio nonvoting members.
185C.11 Purposes and powers of the board.
185C.11A Financial assistance program.
185C.12 Officers.
185C.13 Powers and duties.
185C.14 Membership of board — compensation — meetings.
185C.15 Term of promotional order — automatic extension.
185C.16 Notice of referendum.
185C.17 Contents of notice.
185C.18 Counting.
185C.19 Effect.
185C.20 Producers only to vote.
185C.21 State assessment.
185C.22 State assessment on purchase invoice.
185C.23 Deduction of state assessment.
185C.24 Cancellation and suspension.
185C.25 Effective period of promotional order — termination.
185C.25A Collection of federal assessment.
185C.26 Deposit of moneys — corn promotion fund.
185C.27 Refund of assessment.
185C.28 Use of moneys — appropriation.
185C.29 Remission of excess funds.
185C.30 Bond.
185C.31 Penalty.
185C.32 First purchaser information.
185C.33 Report.
185C.34 Not a state agency.

**185C.1 Definitions.**

As used in this chapter:

1. *"Assessment"* means a state or federal assessment.
2. *"Board"* means the Iowa corn promotion board established by this chapter.

3. *"Bushel"* means fifty-six pounds of corn by weight.

4. *"Corn"* means and includes all kinds of varieties of corn marketed or sold as corn by the producer but shall not include sweet corn or popcorn or seed corn.

5. *"Director"* means a district elected director or a board elected director as provided in section 185C.6.

6. *"District"* means an official crop reporting district formed by the United States department of agriculture for use on January 1, 2013, and set out in the annual farm census published in that year by the department of agriculture and land stewardship.

7. *"Federal assessment"* means a federal excise tax or other charge which is imposed for purposes related to market development.

8. *"First purchaser"* means a person, public or private corporation, governmental subdivision, association, cooperative, partnership, commercial buyer, dealer, or processor who purchases corn from a producer for the first time for any purpose except to feed it to the purchaser's livestock or to manufacture a product from the corn purchased for the purchaser's personal consumption.

9. *"Market development"* means to engage in research and educational programs directed toward better and more efficient utilization of corn; to provide methods and means, including but not limited to, public relations and other promotion techniques for the maintenance of present markets; to provide for the development of new or larger domestic and foreign markets; and to provide for the prevention, modification, or elimination of trade barriers which obstruct the free flow of corn.

10. *"Marketed in this state"* refers to a sale of corn to a first purchaser who is a resident of or doing business in this state where actual delivery of the corn occurs in this state.

11. *"Marketing year"* means the twelve-month period beginning the first day of September and ending on the following thirty-first day of August.

12. *"Producer"* means any individual, firm, corporation, partnership, or association engaged in this state in the business of producing and marketing in their name at least two hundred fifty bushels of corn in the previous marketing year.

13. *"Promotional order"* means an order pursuant to this chapter which provides for the administration of this chapter and provides for a state assessment necessary to provide for its administration.

14. *"Qualified financial institution"* means a bank or credit union as defined in section 12C.1.

15. *"Sale"* or *"purchase"* may, to the extent determined by the board, include the pledge or other encumbrance of corn as security for a loan extended under a federal price support loan program. Actual delivery of the corn occurs when the corn is pledged or otherwise encumbered to secure the loan. The purchase price of the corn is the principal amount of the loan extended and the purchase invoice for the corn is the documentation required for extension of the loan.

16. *"Secretary"* means the secretary of agriculture.

17. *"State assessment"* means a state excise tax on each bushel of corn marketed in this state which is imposed as part of a promotional order to administer this chapter.

[C77, 79, 81, §185C.1]

83 Acts, ch 22, §3, 4; 86 Acts, ch 1245, §634; 89 Acts, ch 198, §1 – 3; 94 Acts, ch 1146, §32, 33; 2004 Acts, ch 1024, §1, 2; 2012 Acts, ch 1017, §53; 2012 Acts, ch 1023, §157; 2013 Acts, ch 140, §103, 104, 112

Further definitions; see §159.1

NEW subsection 5 and former subsections 5 – 16 renumbered as 6 – 17

Subsection 6 amended

**185C.2 Petition for election.**

Upon receipt of a petition signed by at least five hundred producers requesting an initial referendum election to determine whether a promotional order shall be placed in effect, the secretary shall call an initial referendum election to be conducted within sixty days following receipt of the petition. Producers shall vote by written ballot in the manner provided by this chapter for referendum elections.

[C77, 79, 81, §185C.2]

**185C.3 Establishment of corn promotion board.**

If a majority of the producers voting in the referendum election approve the passage of the promotional order, an Iowa corn promotion board shall be established.

[C77, 79, 81, §185C.3]

2013 Acts, ch 140, §105, 112

Referred to in §185C.6

Section amended

**185C.4** Repealed by 88 Acts, ch 1134, § 116.

**185C.5 Notice of election.**

Notice of elections for directors of the board in a district shall be given by the board by publication in a newspaper of general circulation in the district and in any other reasonable manner as determined by the board and shall set forth the period of time for voting, voting places, and other information the board deems necessary.

[C77, 79, 81, §185C.5]

88 Acts, ch 1134, §39

Referred to in §185C.6, 185C.8

**185C.6 Number and election of directors.**

The Iowa corn promotion board established pursuant to section 185C.3 shall be composed of directors elected as provided in this chapter. The directors shall include all of the following:

1. Nine district elected directors. Each such director shall be elected from a district as provided in section 185C.5, this section, and sections 185C.7 and 185C.8. A candidate receiving the highest number of votes in each district shall be elected to represent that district.

2. Three board elected directors. Each such director shall be elected by the board. The candidate receiving the highest number of votes by the board shall be elected to represent the state on at-large basis.

[C77, 79, 81, §185C.6]

2013 Acts, ch 140, §106, 112

Referred to in §185C.1, 185C.8

Section stricken and rewritten

**185C.7 Terms of directors.**

1. A director's term of office shall be for three years. A district elected director shall not serve for more than three complete consecutive terms. A board elected director shall not serve for more than one complete term of office. A district elected director who is elected as board elected director shall not serve more than a total of four terms of office, regardless of whether any of the terms of office are complete or consecutive.

2. If the board is reconstituted pursuant to section 185C.8, the terms of the directors shall be controlled by this section. However, the initial terms of the reconstituted board shall be staggered. To the extent practicable, one-third of the elected directors shall serve an initial term of one year, one-third of the elected directors shall serve an initial term of two years, and one-third of the elected directors shall serve an initial term of three years. The initial terms of board elected directors shall be determined by board directors drawing lots.

[C77, 79, 81, §185C.7]

88 Acts, ch 1134, §40; 89 Acts, ch 198, §4; 2013 Acts, ch 140, §107, 112

Referred to in §185C.6, 185C.8

Section amended

**185C.8 Administration of elections for directors.**

1. The Iowa corn promotion board shall administer elections for district elected directors of the board with the assistance of the secretary. Prior to the expiration of a director's term of office, the board shall appoint a nominating committee for the district represented by that director. The nominating committee shall consist of five producers who are residents of the district from which a director must be elected. The nominating committee shall nominate two resident producers as candidates for each director position for which an election is to be

held. Additional candidates may be nominated by a written petition of twenty-five producers. Procedures governing the time and place of filing shall be adopted and publicized by the board.

2. Following recommencement of the promotional order, or termination of the promotional order's suspension as provided in section 185C.24, the secretary shall order the reconstitution of the board. An election of district elected directors shall be held within thirty days from the date of the order. The secretary shall call for, provide for notice of, conduct, and certify the results of the election in a manner consistent with sections 185C.5 through 185C.7. Directors shall serve terms as provided in section 185C.7. Rules or procedures adopted by the board and in effect at the date of suspension shall continue in effect upon reconstitution of the board. The Iowa corn growers association may nominate two resident producers as candidates for each director position. Additional candidates may be nominated by a written petition of at least twenty-five producers.

3. The Iowa corn promotion board shall administer elections for board elected directors. Prior to the expiration of a board elected director's term of office, the board may appoint a nominating committee. In order to be eligible for nomination and election, a candidate must have previously served on the board as an elected director. An officer of the board shall certify the results of the election.

[C77, 79, 81, §185C.8]

88 Acts, ch 1134, §41; 89 Acts, ch 198, §5; 2013 Acts, ch 140, §108, 112

Referred to in §185C.6, 185C.7, 185C.24

Section amended

**185C.9 Vacancies.**

The board shall by appointment fill an unexpired term if a vacancy occurs in the board.

[C77, 79, 81, §185C.9]

**185C.10 Ex officio nonvoting members.**

The following persons shall serve on the board as ex officio, nonvoting members:

1. The secretary or the secretary's designee.

2. The dean of the college of agriculture and life sciences of Iowa state university of science and technology or the dean's designee.

3. Two representatives of first purchaser organizations appointed by the board.

[C77, 79, 81, §185C.10]

86 Acts, ch 1100, §22; 94 Acts, ch 1146, §34; 2004 Acts, ch 1024, §3; 2008 Acts, ch 1032, §34; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 140, §109, 112

Subsection 3 stricken and subsection 4 renumbered as 3

**185C.11 Purposes and powers of the board.**

1. The purposes of the board shall be to:

*a.* Provide for market development.

*b.* Provide for research and education programs directed toward better and more efficient production, marketing, and utilization of corn and corn products.

*c.* Provide methods and means, including, but not limited to, public relations and other promotion techniques for the maintenance of present markets.

*d.* Assist in development of new or larger markets, both domestic and foreign, for corn and corn products.

*e.* Work for prevention, modification, or elimination of trade barriers which obstruct the free flow of corn and corn products to market.

*f.* Promote the production and marketing of ethanol.

*g.* Administer the financial assistance program as provided in section 185C.11A.

*h.* Support education and training programs, or demonstration projects, which improve the production and marketing of corn or corn products or which improve environmental stewardship practices when producing corn.

*i.* Grant academic scholarships to full-time graduate and postgraduate students engaged in the study of areas or subjects relating to improving or increasing the production, marketing, or utilization of corn or corn products.

2. The board may carry out these purposes directly or contract with recognized and qualified persons.

[C77, 79, 81, §185C.11]

91 Acts, ch 254, §13; 2004 Acts, ch 1024, §4

Referred to in §185C.26, 185C.29

**185C.11A Financial assistance program.**

1. The board shall assist in efforts to improve the economic conditions of corn producers by providing financial assistance to eligible persons for purposes of supporting projects which expand markets for all corn produced in this state and products derived from that corn. A project must relate to any of the following:

*a.* The planning, development, construction, operation, or improvement of a new or existing value-added facility which utilizes corn or corn products.

*b.* The development, production, or utilization of a variety of corn which expresses new or specialized traits.

*c.* The development of products or the delivery of services likely to increase the profits or reduce the risks associated with corn production or marketing.

2. The board may provide financial assistance in the form of an interest loan, low-interest loan, no-interest loan, forgivable loan, loan guarantee, grant, letter of credit, equity financing, principal buy-down, interest buy-down, or a combination of these forms. The board shall not approve an application for financial assistance under this section to refinance an existing loan.

3. A person is eligible for financial assistance under this section if all of the following apply:

*a.* The financial assistance will be used to support a project that will provide a demonstrable benefit to corn producers.

*b.* The board approves a business plan submitted by the person. The business plan must demonstrate the person's managerial and technical expertise to carry out the project.

*c.* The person agrees to comply with terms and conditions of the financial assistance as determined by the board.

4. The board shall award financial assistance to an eligible person based on all of the following criteria:

*a.* The degree to which the project will benefit corn producers.

*b.* The feasibility of the project to become a viable enterprise.

*c.* The amount of the investment in the project contributed by corn producers.

*d.* The economic and technical viability of the processes to be employed.

*e.* The economic and technical viability of the products to be produced.

2004 Acts, ch 1024, §5

Referred to in §185C.11

**185C.12 Officers.**

The board shall:

1. Elect a chairperson and other officers as advisable.

2. Administer this chapter, and perform all acts reasonably necessary to effectuate the purposes of this chapter.

[C77, 79, 81, §185C.12]

**185C.13 Powers and duties.**

The board may:

1. Employ and discharge assistants and professional counsel as necessary, prescribe their duties and powers, and fix their compensation.

2. Acquire and establish offices, issue negotiable instruments, incur expenses, and enter into any contracts or agreements necessary to carry out the purposes of this chapter.

3. Adopt, rescind, and amend all proper and necessary rules for the exercise of its powers and duties.

4. Enter into arrangements for collection of the assessment on corn marketed in this state.

5. To the extent provided by federal law, be responsible for collection of receipts from the federal assessment, and for expenditure of proceeds from the federal assessment.

[C77, 79, 81, §185C.13]

89 Acts, ch 198, §6; 2009 Acts, ch 95, §2

**185C.14 Membership of board — compensation — meetings.**

1. Each director of the board shall receive a per diem of one hundred dollars and actual expenses in performing official board functions, notwithstanding section 7E.6.

2. A director of the board shall not be a salaried employee of the board or any organization or agency which is receiving funds from the board.

3. The board shall meet at least three times each year, and at such other times as deemed necessary by the board.

[C77, 79, 81, §185C.14]

91 Acts, ch 258, §35; 2009 Acts, ch 95, §3; 2013 Acts, ch 140, §110, 112

Subsection 3 amended

**185C.15 Term of promotional order — automatic extension.**

A promotional order shall be effective for four years from its effective date. Upon the date that an order is due to expire the order shall automatically be extended for an additional four years from the date that the order or last extension would otherwise expire, except as provided in section 185C.24.

[C77, 79, 81, §185C.15]

88 Acts, ch 1134, §42; 89 Acts, ch 198, §7

Referred to in §185C.25

**185C.16 Notice of referendum.**

Notice of a referendum election to initiate or terminate a promotional order shall be given by publication in a newspaper of general circulation in this state at least ten days prior to the date of the referendum and in any other reasonable manner as determined by the secretary for the initial referendum and by the board for termination of the promotional order.

[C77, 79, 81, §185C.16]

89 Acts, ch 198, §8; 90 Acts, ch 1168, §31

Referred to in §185C.25

**185C.17 Contents of notice.**

The notice of referendum shall set forth the period of time for voting, voting places and such other information as the secretary may deem necessary in an initial referendum. The board shall make such determinations in any subsequent referendum.

[C77, 79, 81, §185C.17]

Referred to in §185C.25

**185C.18 Counting.**

At the close of a referendum voting period, the secretary shall count and tabulate the ballots cast during the referendum period.

[C77, 79, 81, §185C.18]

Referred to in §185C.25

**185C.19 Effect.**

The ballots shall constitute conclusive evidence as to the validity of the promotional order.

[C77, 79, 81, §185C.19]

Referred to in §185C.25

**185C.20 Producers only to vote.**

Only producers are eligible to vote in an election for directors or a referendum election and only in the district in which they reside. A producer shall sign an affidavit furnished by the secretary at the time of voting certifying the producer's eligibility to vote. Each qualified producer shall be entitled to one vote.

[C77, 79, 81, §185C.20]

Referred to in §185C.25

**185C.21 State assessment.**

1. The board shall determine and set the state assessment rate. State assessments collected pursuant to the promotional order shall be paid into the corn promotion fund established in section 185C.26. Except as provided in subsection 2, a state assessment shall not exceed one-quarter of one cent per bushel upon corn marketed in this state. The board shall establish the effective date of a rate change.

2. Upon request of the board, the secretary shall call a special referendum for producers to vote on whether to authorize an increase in the state assessment above one-quarter of one cent per bushel, notwithstanding subsection 1. The special referendum shall be conducted as provided in this chapter for referendum elections. However, the special referendum shall not affect the existence or length of the promotional order in effect. If a majority of the producers voting in the special referendum approve the increase, the board may increase the assessment to the amount approved in the special referendum. However, a state assessment shall not exceed one cent per bushel of corn marketed in this state.

[C77, 79, 81, §185C.21]

89 Acts, ch 198, §9; 94 Acts, ch 1146, §35; 98 Acts, ch 1030, §1

**185C.22 State assessment on purchase invoice.**

After a promotional order has been issued, the first purchaser at the time of payment for corn shall show the total amount of state assessment deducted from the sale on the purchase invoice.

[C77, 79, 81, §185C.22]

89 Acts, ch 198, §10

**185C.23 Deduction of state assessment.**

The state assessment shall be deducted from the purchase price of corn at the time of sale, and forwarded to the board by the first purchaser in the manner and at intervals determined by the board.

[C77, 79, 81, §185C.23]

89 Acts, ch 198, §11

**185C.24 Cancellation and suspension.**

1. The board shall be suspended and board operations and terms of members shall cease upon either of the following events:

*a.* The state assessment is terminated pursuant to section 185C.25.

*b.* The state assessment is suspended pursuant to section 185C.25A.

2. However, notwithstanding subsection 1, the board shall continue to operate until proceeds remaining in the corn promotion fund are disbursed. Disbursement shall be made as provided for payment of moneys under section 185C.26.

3. The secretary shall order that the board be reconstituted upon either of the following events:

*a.* Recommencement of the promotional order, pursuant to section 185C.25.

*b.* Termination of the promotional order's suspension, pursuant to section 185C.25A.

4. Until the board is reconstituted under section 185C.8, the secretary has the powers to perform the duties of the board as provided in this chapter, including the collection of the state assessment at the rate in effect on the date when collection of the state assessment was terminated pursuant to section 185C.25. However, the secretary shall not expend funds from state assessment.

[C77, 79, 81, §185C.24]

89 Acts, ch 198, §12

Referred to in §185C.8, 185C.15

**185C.25 Effective period of promotional order — termination.**

1. A state assessment adopted upon the initiation of a promotional order shall be collected during the effective period of the order, and shall have no effect upon termination of the promotional order. Upon adoption or extension of the promotional order, the order shall be

effective for the period described in section 185C.15 unless the order is terminated as provided in this section or suspended as provided in section 185C.25A.

2. The secretary shall call a referendum to terminate the promotional order if all the following conditions are met:

*a.* The secretary receives a petition signed by at least five percent of the state's producers reported in the most recent United States census of agriculture.

*b.* The petition is signed by at least five percent of the state's producers residing in each of five districts according to the most recent United States census of agriculture.

*c.* The secretary receives the petition not less than one hundred fifty days from the date that the order is due to expire, but receives the petition not more than two hundred forty days before the date that the order is due to expire.

3. The secretary shall conduct the election as provided for a referendum under this chapter, including sections 185C.16 through 185C.20. If upon counting and tabulating the ballots, the secretary determines that a majority of voting producers favor termination of the state assessment, the secretary, in cooperation with the board, shall terminate the state assessment in an orderly manner as soon as practicable.

4. If the assessment is terminated, another referendum shall not be held for at least one hundred eighty days from the date that the assessment is terminated. A succeeding referendum to restore the assessment shall be called by the secretary upon petition of at least five hundred producers requesting a referendum. The petitioners shall guarantee the costs of the succeeding referendum. The secretary shall conduct the election as provided for a referendum under this chapter not later than one hundred fifty days after the secretary receives the petition. If a referendum held pursuant to this subsection is approved by producers, the promotional order shall commence no later than two hundred ten days following the date that the petition is received by the secretary.

[C77, 79, 81, §185C.25]

89 Acts, ch 198, §13

Referred to in §185C.24

**185C.25A Collection of federal assessment.**

Prior to the collection of the federal assessment, the board may approve the continued collection of the state assessment during the collection of the federal assessment. If the collection of the state assessment would be in addition to, and not an offset against, the collection of the federal assessment, the board shall suspend the collection of the state assessment. On the date of the termination or suspension of the federal assessment, the promotional order shall recommence and the suspension of the state assessment shall terminate.

89 Acts, ch 198, §14

Referred to in §185C.24, 185C.25

**185C.26 Deposit of moneys — corn promotion fund.**

A state assessment collected by the board from a sale of corn shall be deposited in the office of the treasurer of state in a special fund known as the corn promotion fund. The fund may include any gifts, rents, royalties, interest, license fees, or a federal or state grant received by the board. Moneys collected, deposited in the fund, and transferred to the board as provided in this chapter shall be subject to audit by the auditor of state. The auditor of state may seek reimbursement for the cost of the audit from moneys deposited in the fund as provided in this chapter. The department of administrative services shall transfer moneys from the fund to the board for deposit into an account established by the board in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the board. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open. From moneys collected, the board shall first pay all the direct and indirect costs incurred by the secretary and the costs of referendums, elections, and other expenses incurred in the administration of this chapter,

before moneys may be expended for the purpose of carrying out the purposes of this chapter as provided in section 185C.11.

[C77, 79, 81, §185C.26]

89 Acts, ch 198, §15; 94 Acts, ch 1146, §36; 98 Acts, ch 1030, §2; 2003 Acts, ch 145, §286; 2004 Acts, ch 1024, §6; 2010 Acts, ch 1189, §35

Referred to in §185C.21, 185C.24, 185C.27, 185C.28

**185C.27 Refund of assessment.**

A producer who has sold corn and had a state assessment deducted from the sale price, by application in writing to the board, may secure a refund in the amount deducted. The refund shall be payable only when the application shall have been made to the board within sixty days after the deduction. Application forms shall be given by the board to each first purchaser when requested and the first purchaser shall make the applications available to any producer. Each application for refund by a producer shall have attached to the application proof of the assessment deducted. The proof of assessment may be in the form of a duplicate or certified copy of the purchase invoice by the first purchaser. The board shall have thirty days from the date the application for refund is received to remit the refund to the producer. The board may provide for refunds of a federal assessment as provided by federal law. Unless inconsistent with federal law, refunds shall be made under section 185C.26.

[C77, 79, 81, §185C.27]

89 Acts, ch 198, §16

Right to refund not subject to execution or transfer, §179.5A

**185C.28 Use of moneys — appropriation.**

Moneys deposited in the corn promotion fund and transferred to the board as provided in section 185C.26, including federal moneys to the extent permitted by federal law, are appropriated and shall be used for the administration of this chapter and for the payment of claims based upon obligations incurred in the performance of activities and functions provided in this chapter.

[C77, 79, 81, §185C.28]

89 Acts, ch 198, §17; 94 Acts, ch 1146, §37

**185C.29 Remission of excess funds.**

1. After the direct and indirect costs incurred by the secretary and the costs of elections, referendums, necessary board expenses, and administrative costs have been paid, at least seventy-five percent of the remaining moneys from a state assessment deposited in the corn promotion fund shall be used to carry out the purposes of the board as provided in section 185C.11.

2. The Iowa corn promotion board shall not expend any funds on political activity, and it shall be a condition of any allocation of funds that any organization receiving funds shall not expend the funds on political activity or on any attempt to influence legislation.

[C77, 79, 81, §185C.29]

89 Acts, ch 198, §18; 2004 Acts, ch 1024, §7; 2007 Acts, ch 126, §40; 2011 Acts, ch 34, §38

**185C.30 Bond.**

Every person occupying a position of trust under any provisions of this chapter shall give bond in such amount as may be required by the board, the premium for which shall be paid out of the corn promotion fund.

[C77, 79, 81, §185C.30]

**185C.31 Penalty.**

It is a simple misdemeanor for any person to willfully violate any provision of this chapter or for any person to willfully render or furnish a false or fraudulent report, statement, or record required by the secretary.

[C77, 79, 81, §185C.31]

**185C.32 First purchaser information.**

Every first purchaser shall upon request furnish the secretary with such information as is necessary to enable the secretary and the board to carry out the provisions of this chapter. Such information shall be provided as prescribed by the secretary. The secretary may examine any records relating to the purchase or the state assessment of corn by any first purchaser. The secretary may hold hearings, take testimony, administer oaths, subpoena witnesses, and issue subpoenas as may be necessary for the proper administration of this chapter. When requested by the board, the secretary shall employ these powers in the manner requested.

[C77, 79, 81, §185C.32]

89 Acts, ch 198, §19

**185C.33 Report.**

The board shall each year prepare and submit a report summarizing the activities of the board under this chapter to the auditor of state and the secretary of agriculture. The report shall show all income, expenses, and other relevant information concerning fees collected and expended under the provisions of this chapter.

[C77, 79, 81, §185C.33]

89 Acts, ch 198, §20; 94 Acts, ch 1146, §38

**185C.34 Not a state agency.**

The Iowa corn promotion board is not a state agency.

[C77, 79, 81, §185C.34]

# CHAPTER 186

## IOWA STATE HORTICULTURE SOCIETY

Referred to in §159.6, 173.3


| | | | |
|---|---|---|---|
| 186.1 | Meetings and organization of society. | 186.3 | Affiliation with allied societies. |
| 186.2 | Horticultural exposition. | 186.4 | Annual report. |
| | | 186.5 | Appropriations. |


**186.1 Meetings and organization of society.**

The Iowa state horticulture society shall hold meetings each year, at times as it may fix, for the transaction of business. The officers and board of directors of the society shall be chosen as provided for in the constitution of the society, for the period and in the manner prescribed therein, but the secretary of agriculture or the secretary's designee shall be a member of the board of directors and of the executive committee. Any vacancy in the offices filled by the society may be filled by the executive committee for the unexpired portion of the term.

[C73, §1117; C97, §1669; C24, 27, 31, 35, 39, §**2963;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §186.1]

87 Acts, ch 115, §32; 2009 Acts, ch 41, §74

**186.2 Horticultural exposition.**

The society is authorized to hold, at such time and in such place in Iowa as it may select, a horticultural exposition, including honey products and manufactured plant products, with practical and scientific demonstrations of approved methods of crop production, grading, packing, marketing, and establishment of standard market grades pertaining to horticulture. It may delegate to its executive committee the duty and power to make and execute all plans for the holding of such an exposition.

[C24, 27, 31, 35, 39, §**2964;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §186.2]

**186.3 Affiliation with allied societies.**

The society shall encourage the affiliation with itself of societies organized for the purpose of furthering the horticultural, honey bee, or forestry interests of the state.

[C73, §1118; C97, §1670; C24, 27, 31, 35, 39, §**2965;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §186.3]

**186.4 Annual report.**

The secretary shall make an annual report to the department of agriculture and land stewardship at such time as the department may require. Such report shall contain the proceedings of the society, an account of the exposition, a summarized statement of the expenditures for the year, the general condition of horticultural, honey bee, and forestry interests throughout the state, together with such additional information as the department may require.

[C73, §1119; C97, §1671; C24, 27, 31, 35, 39, §**2966;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §186.4]

**186.5 Appropriations.**

All money appropriated by the state for the use of the Iowa state horticulture society shall be paid on the warrant of the director of the department of administrative services, upon the order of the president and secretary of said society, in such sums and at such times as may be for the interests of said society. All expenditures from state funds for the use of the Iowa state horticulture society are to be approved by the secretary of agriculture.

[C27, 31, 35, §2966-a1; C39, §**2966.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §186.5]

2003 Acts, ch 145, §286; 2009 Acts, ch 41, §75

# CHAPTERS 186A to 188

RESERVED

# SUBTITLE 4

## AGRICULTURE-RELATED PRODUCTS AND ACTIVITIES

Referred to in §159.6

# CHAPTER 189

## AGRICULTURE — GENERAL PROVISIONS

Referred to in §205.11, 205.13, 214.5, 215.6, 215.7

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## DIVISION I

## DEFINITIONS AND DUTIES

**189.1 Definitions.**

For the purpose of this subtitle, unless the context otherwise requires:

1. *"Article"* means food, commercial feed, agricultural seed, commercial fertilizer, drug, pesticide, and paint, in the sense in which they are defined in the various provisions of this subtitle.

2. *"Department"* means the department of agriculture and land stewardship, and if the department is required or authorized to do an act, the act may be performed by a regular assistant or a duly authorized agent of the department.

3. *"Official laboratory"* means a biological, chemical, or physical laboratory which performs testing or analysis pursuant to scientific procedures, to the extent the laboratory is recognized by the department as a reliable indicator of scientific results.

4. *"Package"* or *"container"*, unless otherwise defined, includes wrapper, box, carton, case, basket, can, bottle, jar, tube, cask, vessel, tub, keg, jug, barrel, tank, tank car, and other receptacles of a like nature; and the expression *"offered or exposed for sale or sold in package or wrapped form"* means the offering or exposing for sale, or selling of an article which is contained in a package or container as defined in this section.

5. *"Pasteurization"* or *"pasteurized"* means the procedure of processing milk or a milk product, in order to ensure its safety from contaminants, if the procedure of pasteurization is consistent with standards adopted by the department pursuant to section 192.102.

6. *"Person"* includes a corporation, company, firm, society, or association; and the act, omission, or conduct of any officer, agent, or other person acting in a representative capacity shall be imputed to the organization or person represented, and the person acting in that capacity shall also be liable for violations of this subtitle.

7. *"Rules"* includes regulations and orders by the department.

8. *"Secretary"* means the secretary of agriculture.

9. *"United States Pharmacopoeia"* or *"National Formulary"* means the latest revision of these publications official at the time of a transaction which is in question.

[S13, §2510-o, 3009-a; SS15, §4999-a31c; C24, 27, 31, 35, 39, §**3029;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.1]

86 Acts, ch 1245, §636; 92 Acts, ch 1163, §44; 94 Acts, ch 1023, §17; 2003 Acts, ch 69, §24, 25; 2012 Acts, ch 1095, §62, 63

Referred to in §196.1

**189.2 Duties.**

The department shall do all of the following:

1. Execute and enforce this subtitle.

2. Adopt all necessary rules, not inconsistent with law, for enforcing the provisions of this subtitle.

3. Provide educational measures and exhibits, and conduct educational campaigns as are deemed advisable in fostering and promoting the production and sale of the articles dealt with in this subtitle, in accordance with the rules adopted pursuant to this subtitle.

4. Issue from time to time, bulletins showing the results of inspections, analyses, and prosecutions under this subtitle. These bulletins shall be posted on the department's internet site.

**1.** [C97, §2515; S13, §2510-g, -t, -v4, 2528-f2, 3009-a, 4999-a31b, 5077-a22; SS15, §2515; C24, 27, 31, 35, 39, §**3030;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.2]

**2.** [S13, §4999-a18, 5077-a22; C24, 27, 31, 35, 39, §**3030;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.2]

**3.** [C97, §2515; SS15, §2515; C24, 27, 31, 35, 39, §**3030;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.2]

**4.** [S13, §2510-g, -t, -v4, 2528-f2, 3009-s, 4999-a26, -a37, 5077-a11; C24, 27, 31, 35, 39, §**3030;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.2]

83 Acts, ch 101, §33; 85 Acts, ch 67, §20; 89 Acts, ch 197, §25; 94 Acts, ch 1023, §18; 98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 69, §26; 2003 Acts, ch 145, §204; 2012 Acts, ch 1095, §64

## DIVISION II

## INSPECTION — SAMPLES

**189.3 Procuring samples.**

The department shall, for the purpose of examination or analysis, procure from time to time, or whenever the department has occasion to believe any of the provisions of this subtitle

are being violated, samples of the articles dealt with in these provisions which have been shipped into this state, offered or exposed for sale, or sold in the state.

[C97, §2521, 2524; S13, §2528-f2, 4999-a18, 5077-a11, -a22; C24, 27, 31, 35, 39, §**3031;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.3]

94 Acts, ch 1023, §19; 2003 Acts, ch 69, §27; 2012 Acts, ch 1095, §65

**189.4 Access to factories and buildings.**

The department shall have full access to all places, factories, buildings, stands, or premises, and to all wagons, auto trucks, vehicles, or cars used in the preparation, production, distribution, transportation, offering or exposing for sale, or sale of any article dealt with in this subtitle.

[C97, §2505; S13, §2528-a, 5077-a22; SS15, §2505, 2510-4a, 3009-n; C24, 27, 31, 35, 39, §**3032;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.4]

94 Acts, ch 1023, §20; 2003 Acts, ch 69, §28; 2012 Acts, ch 1095, §66

**189.5 Dealer to furnish samples.**

Upon request and tender of the selling price by the department any person who prepares, manufactures, offers or exposes for sale, or delivers to a purchaser any article dealt with in this subtitle shall furnish, within business hours, a sample of the same, sufficient in quantity for a proper analysis or examination as shall be provided by the rules of the department.

[S13, §4999-a24, 5077-a11; C24, 27, 31, 35, 39, §**3033;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.5]

94 Acts, ch 1023, §21; 2003 Acts, ch 69, §29; 2012 Acts, ch 1095, §67

**189.6 Taking of samples.**

The department may, without the consent of the owner, examine or open any package containing, or believed to contain, any article or product which it suspects may be prepared, manufactured, offered, or exposed for sale, sold, or held in possession in violation of the provisions of this subtitle, in order to secure a sample for analysis or examination, and the sample and damage to container shall be paid for at the current market price out of the contingent fund of the department.

[C97, §2521, 2526; S13, §2528-b, -f2, 5077-a11, -a22; C24, 27, 31, 35, 39, §**3034;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.6]

94 Acts, ch 1023, §22; 2003 Acts, ch 69, §30; 2012 Acts, ch 1095, §68

**189.7 Preservation of sample.**

After the sample is taken, it shall be carefully sealed and labeled with the name or brand of the article, the name of the party from whose stock it was taken, and the date and place of taking such sample. Upon request a duplicate sample, sealed and labeled in the same manner, shall be delivered to the person from whose stock the sample was taken. The label and duplicate shall be signed by the person taking the same. The method of taking samples of particular articles may be prescribed by the rules of the department.

[C97, §2521; S13, §4999-a24, 5077-a11, -a22; C24, 27, 31, 35, 39, §**3035;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.7]

2012 Acts, ch 1095, §69

**189.8 Witnesses.**

In the enforcement of the provisions of this subtitle, the department shall have power to issue subpoenas for witnesses, enforce their attendance, and examine them under oath. The witnesses shall be allowed the same fees as witnesses in district court. The fees shall be paid out of the contingent fund of the department.

[C97, §2515; SS15, §2515; C24, 27, 31, 35, 39, §**3036;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.8]

94 Acts, ch 1023, §23; 2003 Acts, ch 69, §31; 2012 Acts, ch 1095, §70

Contempts, chapter 665
Witness fees, §622.69 – 622.75

## DIVISION III

## LABELING — ADULTERATIONS

**189.9 Labeling.**

1. All articles in package or wrapped form which are required by this subtitle to be labeled, unless otherwise provided, shall be conspicuously marked in the English language in legible letters on the principal label with the following items:

*a.* The true name, brand, or trademark of the article.

*b.* The quantity of the contents in terms of weight, measure, or numerical count. Under this requirement reasonable variations shall be permitted, and small packages shall be excepted in accordance with the rules of the department.

*c.* The name and place of business of the manufacturer, packer, importer, dispenser, distributor, or dealer.

2. The above items shall be printed in such a way that there shall be a distinct contrast between the color of the letters and the background upon which printed.

[C73, §4042; C97, §2517, 4989 – 4991, 5070; S13, §2510-d, -q, -r, -v1, -v2, 2515-b – d, 2528-f, 4999-a35, 5070-a, 5077-a6; SS15, §4999-a31c; C24, 27, 31, 35, 39, §**3037;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.9]

94 Acts, ch 1023, §24; 2003 Acts, ch 69, §32; 2009 Acts, ch 41, §263; 2012 Acts, ch 1095, §71

Referred to in §189.10, 189.11, 191.1, 191.2, 196.10, 199.3, 210.12, 210.18

**189.10 Packages excepted.**

In case the size of the package or container will not permit the use of the type specified in section 189.9, the same may be reduced in size proportionately in accordance with the rules of the department.

[S13, §4999-a35; C24, 27, 31, 35, 39, §**3038;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.10]

Referred to in §191.1, 191.2, 196.10, 210.18

**189.11 Labeling of mixtures — federal requirements.**

1. In addition to the requirements of section 189.9, unless otherwise provided, articles which are mixtures, compounds, combinations, blends, or imitations shall be marked as such and immediately followed, without any intervening matter and in the same size and style of type, by the names of all the ingredients contained therein, beginning with the one present in the largest proportion.

2. Notwithstanding any other requirements of this chapter or of chapter 190, food or food products, or pesticides, labeled in conformance with the labeling requirements of the government of the United States shall be deemed to be labeled in conformance with the laws of the state of Iowa.

[S13, §2510-d, -r, -v2, 5077-a7; SS15, §4999-a31c; C24, 27, 31, 35, 39, §**3039;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.11]

2012 Acts, ch 1095, §72

Referred to in §189.12, 191.1, 191.2, 196.10, 199.3, 210.18

**189.12 Trade formulas.**

Nothing in section 189.11 shall be construed as requiring the printing of a patented or proprietary trade formula on a label.

[S13, §5077-a7; SS15, §4999-a31c; C24, 27, 31, 35, 39, §**3040;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.12]

Referred to in §191.1, 191.2, 196.10, 210.18

**189.13 False labels — defacement.**

A person shall not use any label required by this subtitle which bears any representations of any kind which are deceptive as to the true character of the article or the place of its

production, or which has been carelessly printed or marked, nor shall any person erase or deface any label required by this subtitle.

[C73, §4042; C97, §2517, 4989 – 4991; S13, §2510-s, -v3, 2515-b – d, 4999-a35, 5077-a7; SS15, §4999-a31c; C24, 27, 31, 35, 39, §**3041;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.13]

94 Acts, ch 1023, §25; 2003 Acts, ch 69, §33; 2012 Acts, ch 1095, §73
Referred to in §210.18

**189.14 Mislabeled articles.**

1. A person shall not knowingly introduce into this state, solicit orders for, deliver, transport, or have in possession with intent to sell, any article which is labeled in any other manner than that prescribed by this subtitle for the label of the article when offered or exposed for sale, or sold in package or wrapped form in this state.

2. No person shall package any liquid or semisolid product or label any such product as honey, imitation honey or honey blend, or use the word "honey" in any prominent location on the label of such product or sell or offer for sale any such product which is labeled as honey, imitation honey or honey blend or which contains a label with the word "honey" prominently displayed thereon, unless the entire product is honey as defined in section 190.1, subsection 4.

3. A person shall not package a liquid or semisolid product, or label the product, as sorghum, imitation sorghum, or sorghum blend, or use the word "sorghum" in a prominent location on the label of the product or sell or offer for sale a product labeled as sorghum, imitation sorghum, or sorghum blend or which contains a label with the word "sorghum" prominently displayed, unless the product label states that the product is sorghum syrup as defined in section 190.1, imitation sorghum, or a sorghum blend. As used in this subsection, "*imitation sorghum*" means a product that has the flavor of sorghum but contains no sorghum syrup as defined in section 190.1. "*Sorghum blend*" means a product that is not entirely sorghum syrup as defined in section 190.1.

[C73, §4042; C97, §2516, 2517, 2519, 4989 – 4991, 5070; S13, §2510-b, -q, -r, -v1, -v2, 2515-b – d, 2528-f, 4999-a20, 5070-a; SS15, §4999-a32; C24, 27, 31, 35, 39, §**3042;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.14]

89 Acts, ch 151, §1; 94 Acts, ch 1023, §26; 2003 Acts, ch 69, §34; 2012 Acts, ch 1095, §74
Referred to in §210.18

**189.15 Adulterated articles.**

A person shall not knowingly manufacture, introduce into the state, solicit orders for, sell, deliver, transport, have in possession with the intent to sell, or offer or expose for sale, any article which is adulterated according to the provisions of this subtitle.

[C73, §3901, 4042; C97, §2508, 2516, 4989 – 4991; S13, §2508, 2510-q, -r, -v1, -v2, 2515-b – d, 4999-a20; SS15, §4999-a32; C24, 27, 31, 35, 39, §**3043;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.15]

94 Acts, ch 1023, §27; 2003 Acts, ch 69, §35; 2012 Acts, ch 1095, §75
Referred to in §210.18

**189.16 Possession and control of adulterated and improperly labeled articles.**

1. Except as provided in subsection 2, a person in possession or having control of an article which is adulterated or which is improperly labeled according to the provisions of this subtitle shall be presumed to know that the article is adulterated or improperly labeled. A person's possession of an adulterated or improperly labeled article shall be prima facie evidence that the person intends to violate the provisions of this subtitle.

2. This section does not apply to the possession or control of any of the following:

*a.* Grain by a person regulated under chapter 203, 203C, or 203D.

*b.* Mining materials including coal by a person regulated under chapter 207 or 208.

*c.* A controlled substance as provided in chapter 124.

[C97, §2519, 2521; S13, §4999-a24, -a40; C24, 27, 31, 35, 39, §**3044;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §189.16]

94 Acts, ch 1023, §28; 99 Acts, ch 12, §7; 2003 Acts, ch 69, §36

Referred to in §210.18

**189.17 Confiscation or condemnation.**

Unless a procedure or method of seizure and confiscation or condemnation is otherwise provided, the secretary is hereby authorized to prohibit the entrance into channels of commerce or possession of any article found to be adulterated or improperly labeled according to the provisions of this division or rules established hereunder. Any articles found in channels of commerce or in possession by an inspector which are not in compliance with the adulteration or labeling provisions of this division shall be subject to immediate seizure by the department. Seized articles shall be condemned unless of such character that the articles can be made to conform with the provisions of this division by methods approved by the secretary. Condemned articles shall be effectively destroyed for the purpose for which they were intended by the owner of the article, or the owner's agent, under the supervision of an inspector in such manner as the secretary may prescribe.

[C71, 73, 75, 77, 79, 81, §189.17]

**189.18 Wrongful condemnation — restitution.**

A party whose article, item, commodity or product is wrongfully condemned or seized shall be entitled to maintain a cause of action against the state of Iowa, for the damage proximately caused by the wrongful condemnation or seizure. Such cause of action shall be a claim as defined in chapter 669 and shall be subject to the provisions of said chapter, notwithstanding the provisions of section 669.14.

[C71, 73, 75, 77, 79, 81, §189.18]

## DIVISION IV

## LICENSES

**189.19 Licenses.**

The following provisions apply to all licenses issued or authorized under this subtitle:

1. *Applications.* Applications for licenses shall be made upon blanks furnished by the department and shall conform to the prescribed rules of the department.

2. *Refusal and revocation.* For good and sufficient grounds the department may refuse to grant a license to any applicant; and the department may revoke a license for a violation of any provision of this subtitle or for the refusal or failure of any licensee to obey the lawful directions of the department.

3. *Expiration.* Unless otherwise provided all licenses shall expire one year from the date of issue.

[C97, §2525; S13, §2515-a; SS15, §2515-f, 3009-m; C24, 27, 31, 35, 39, §**3045;** C46, 50, 54, 58, 62, 66, §189.17; C71, 73, 75, 77, 79, 81, §189.19]

94 Acts, ch 1023, §29; 2003 Acts, ch 69, §37, 38; 2012 Acts, ch 1095, §76, 77

**189.20 Injunction.**

Any person engaging in any business for which a license is required by this subtitle, without obtaining such license, may be restrained by injunction, and shall pay all costs made necessary by such procedure.

[C24, 27, 31, 35, 39, §**3046;** C46, 50, 54, 58, 62, 66, §189.18; C71, 73, 75, 77, 79, 81, §189.20]

94 Acts, ch 1023, §30; 2003 Acts, ch 69, §39; 2012 Acts, ch 1095, §78

## DIVISION V

## OFFENSES — PENALTIES

**189.21 Penalty.**

Unless otherwise provided, any person violating any provision of this subtitle or any rule adopted by the department pursuant to such a provision, is guilty of a simple misdemeanor.

[C73, §2068, 3901; C97, §2508, 2527, 2592, 2594, 3029, 5070; S13, §2508, 2510-2a, -h, -j, -u, -v5, 2515-g, 2522, 2528-c, -f3, 2596-b, 4989-b, 4999-a25, -a39, 5070-a, 5077-a23; SS15, §2505, 2506, 3009-j, -r; C24, 27, 31, 35, 39, §**3047;** C46, 50, 54, 58, 62, 66, §189.19; C71, 73, 75, 77, 79, 81, §189.21]

94 Acts, ch 1023, §31; 2003 Acts, ch 69, §40; 2012 Acts, ch 1095, §79

**189.22 May charge more than one offense.**

In any criminal proceeding brought for violation of this subtitle, an information or indictment may charge as many offenses as it appears have been committed, and the defendant may be convicted of any or all of the offenses.

[C24, 27, 31, 35, 39, §**3048;** C46, 50, 54, 58, 62, 66, §189.20; C71, 73, 75, 77, 79, 81, §189.22]

94 Acts, ch 1023, §32

**189.23 Common carrier.**

The penalties provided in this subtitle shall not be imposed upon any common carrier for introducing into the state, or having in its possession, any article which is adulterated or improperly labeled according to the provisions of this subtitle, when the same was received by the carrier for transportation in the ordinary course of its business and without actual knowledge of its true character.

[C97, §2516; S13, §4999-a20; SS15, §4999-a32; C24, 27, 31, 35, 39, §**3049;** C46, 50, 54, 58, 62, 66, §189.21; C71, 73, 75, 77, 79, 81, §189.23]

94 Acts, ch 1023, §33; 2003 Acts, ch 69, §41; 2012 Acts, ch 1095, §80

## DIVISION VI

## ENFORCEMENT

**189.24 Report of violations.**

When it appears that any of the provisions of this subtitle have been violated, the department may certify the facts to the proper county attorney. The certification shall be accompanied with a copy of the results of any analysis, examination, or inspection the department may have made, duly authenticated by the proper person under oath, and with any additional evidence which may be in possession of the department.

[C97, §4998; S13, §4999-a19; C24, 27, 31, 35, 39, §**3050;** C46, 50, 54, 58, 62, 66, §189.22; C71, 73, 75, 77, 79, 81, §189.24]

94 Acts, ch 1023, §34; 2003 Acts, ch 69, §42; 2012 Acts, ch 1095, §81

**189.25 County attorney.**

The county attorney may at once institute the proper proceedings for the enforcement of the penalties provided in this subtitle for the violations.

[C97, §4998; S13, §2596-c, 4999-a19; C24, 27, 31, 35, 39, §**3051;** C46, 50, 54, 58, 62, 66, §189.23; C71, 73, 75, 77, 79, 81, §189.25]

94 Acts, ch 1023, §35

**189.26 Refusal to act.**

If the county attorney refuses to act, the governor may, in the governor's discretion, appoint an attorney to represent the state.

[S13, §4999-a19; C24, 27, 31, 35, 39, §**3052;** C46, 50, 54, 58, 62, 66, §189.24; C71, 73, 75, 77, 79, 81, §189.26]

**189.27 Institution of proceedings.**

In any case when it appears that any of the provisions of this subtitle have been violated, the inspector having the investigation in charge shall, when instructed by the department, file an information against the suspected party.

[C24, 27, 31, 35, 39, §**3053;** C46, 50, 54, 58, 62, 66, §189.25; C71, 73, 75, 77, 79, 81, §189.27]

94 Acts, ch 1023, §36

DIVISION VII

MISCELLANEOUS

**189.28 Goods for sale in other states.**

Any person may keep articles specifically set apart in the person's stock for sale in other states which do not comply with the provisions of this subtitle as to standards, purity, or labeling.

[S13, §4999-a20, -a40; C24, 27, 31, 35, 39, §**3054;** C46, 50, 54, 58, 62, 66, §189.26; C71, 73, 75, 77, 79, 81, §189.28]

94 Acts, ch 1023, §37; 2003 Acts, ch 69, §43; 2012 Acts, ch 1095, §82

Referred to in §196.11

**189.29 Reports by dealers.**

Every person who deals in or manufactures any of the articles dealt with in this subtitle shall make upon blanks furnished by the department such reports and furnish such statistics as may be required by the department and certify to the correctness of the same.

[C97, §2522; S13, §2522; C24, 27, 31, 35, 39, §**3055;** C46, 50, 54, 58, 62, 66, §189.27; C71, 73, 75, 77, 79, 81, §189.29]

94 Acts, ch 1023, §38; 2003 Acts, ch 69, §44; 2012 Acts, ch 1095, §83

**189.30 Contracts invalid.**

No action shall be maintained in any of the courts of the state upon any contract or sale made in violation of or with the intent to violate any provision of this subtitle by one who was knowingly a party thereto.

[C97, §2520; C24, 27, 31, 35, 39, §**3056;** C46, 50, 54, 58, 62, 66, §189.28; C71, 73, 75, 77, 79, 81, §189.30]

94 Acts, ch 1023, §39

**189.31 Fees paid into state treasury.**

All fees collected under the provisions of this subtitle shall be paid into the state treasury.

[C97, §2507; SS15, §2507, 2515-f, 3009-m; C24, 27, 31, 35, 39, §**3057;** C46, 50, 54, 58, 62, 66, §189.29; C71, 73, 75, 77, 79, 81, §189.31]

94 Acts, ch 1023, §40

# CHAPTER 189A

## MEAT AND POULTRY INSPECTION

Referred to in §163.6, 556H.1, 672.1

Poultry and domestic fowls, chapter 197


189A.1 Title.
189A.2 Definitions.
189A.3 License — fee.
189A.4 Exemptions.
189A.5 Veterinarians and inspectors.
189A.6 Health examination of employees.
189A.7 Powers of secretary of agriculture.
189A.8 Prohibited acts.
189A.9 Hours of operation.
189A.10 Fraudulent practices.
189A.11 Access by inspectors — acceptance by state agencies.
189A.12 Seizure, detention and determination.
189A.13 Rules.
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189A.16 Forgery or counterfeiting.
189A.17 Penalties.
189A.18 Humane slaughter practices.
189A.19 Bribery.
189A.20 No inspection for products inedible as human food.
189A.21 Appropriation authorized.
189A.22 Federal grants.


**189A.1 Title.**

This chapter shall be known as the *"Meat and Poultry Inspection Act"*.

[C66, 71, 73, 75, 77, 79, 81, §189A.1]

**189A.2 Definitions.**

As used in this chapter except as otherwise specified:

1. *"Adulterated"* shall apply to any livestock product or poultry product under any one or more of the following circumstances:

*a.* If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance such article shall not be considered adulterated under this clause if the quantity of such substance in or on such article does not ordinarily render it injurious to health.

*b.* (1) If it bears or contains, by reason of administration of any substance to the livestock or poultry or otherwise, any added poisonous or deleterious substance, other than one which is a pesticide chemical in or on a raw agricultural commodity; a food additive; or a color additive, which may, in the judgment of the secretary, make such article unfit for human food.

(2) If it is, in whole or in part, a raw agricultural commodity and such commodity bears or contains a pesticide chemical which is unsafe within the meaning of section 408 of the federal Food, Drug, and Cosmetic Act.

(3) If it bears or contains any food additive which is unsafe within the meaning of section 409 of the federal Food, Drug, and Cosmetic Act.

(4) If it bears or contains any color additive which is unsafe within the meaning of section 706 of the federal Food, Drug, and Cosmetic Act; however, an article which is not otherwise deemed adulterated under subparagraph (2), (3), or (4) of this paragraph shall nevertheless be deemed adulterated if use of the pesticide chemical, food additive, or color additive in or on such article is prohibited by regulations of the secretary in official establishments.

*c.* If it consists in whole or in part of any filthy, putrid, or decomposed substance or is for any other reason unsound, unhealthful, unwholesome, or otherwise unfit for human food.

*d.* If it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health.

*e.* If it is, in whole or in part, the product of an animal, including poultry, which has died otherwise than by slaughter.

*f.* If its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

*g.* If it has been intentionally subjected to radiation, unless the use of the radiation was

in conformity with a regulation or exemption in effect pursuant to section 409 of the federal Food, Drug, and Cosmetic Act.

*h.* If any valuable constituent has been in whole or in part omitted or abstracted therefrom; or if any substance has been substituted, wholly or in part therefor; or if damage or inferiority has been concealed in any manner; or if any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than it is.

*i.* If it is margarine containing animal fat and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance.

2. *"Animal food manufacturer"* means any person engaged in the business of preparing animal food, including poultry, derived wholly or in part from livestock or poultry carcasses or parts or products of such carcasses.

3. *"Broker"* means any person engaged in the business of buying or selling livestock products or poultry products on commission, or otherwise negotiating purchases or sales of such articles other than for the person's own account or as an employee of another person.

4. *"Capable of use as human food"* shall apply to any livestock or poultry carcass, or part or product of any such carcass, unless it is denatured or otherwise identified as required by regulations prescribed by the secretary to deter its use as human food, or it is naturally inedible by humans.

5. *"Container"* or *"package"* means any box, can, tin, cloth, plastic or other receptacle, wrapper, or cover.

6. *"Establishment"* means all premises where animals or poultry are slaughtered or otherwise prepared, either for custom, resale, or retail, for food purposes, meat or poultry canneries, sausage factories, smoking or curing operations, restaurants, grocery stores, brokerages, cold storage plants, and similar places.

6A. *"Farm deer"* means the same as defined in section 170.1.

7. *"Federal Food, Drug, and Cosmetic Act"* means the Act so entitled, approved June 25, 1938 (52 Stat. 1040), and Acts amendatory thereof or supplementary thereto.

8. *"Federal Meat Inspection Act"* means the Act so entitled approved March 4, 1907 (34 Stat. 1260), as amended by the Wholesome Meat Act (81 Stat. 584); *"Federal Poultry Products Inspection Act"* means the Act so entitled approved August 28, 1957 (71 Stat. 441), as amended by the Wholesome Poultry Products Act (82 Stat. 791); and *"federal Acts"* means these two federal laws.

9. *"Immediate container"* means any consumer package; or any other container in which livestock products or poultry products, not consumer packaged, are packed.

10. *"Inspector"* means an employee or official of the department authorized by the secretary or any employee or official of the government of any county or other governmental subdivision of this state, authorized by the secretary to perform any inspection functions under this chapter under an agreement between the secretary and such governmental subdivision.

11. *"Intrastate commerce"* means commerce within this state.

12. *"Label"* means a display of written, printed, or graphic matter upon any article or the immediate container, not including package liners, of any article.

13. *"Labeling"* means all labels and other written, printed, or graphic matter either upon any article or any of its containers or wrappers, or accompanying such article.

14. *"Livestock"* means a live or dead animal which is limited to cattle, sheep, swine, goats, farm deer, or which is classified as an equine including a horse or mule.

15. *"Livestock product"* means any carcass, part thereof, meat, or meat food product of any livestock.

16. *"Meat food product"* means any product capable of use as human food which is made wholly or in part from any meat or other portion of the carcass of any cattle, sheep, swine, or goats, excepting products which contain meat or other portions of such carcasses only in a relatively small proportion or historically have not been considered by consumers as products of the meat food industry, and which are exempted from definition as a meat food product by the secretary under such conditions as the secretary may prescribe to assure that the meat or other portions of such carcass contained in such product are not adulterated and that such

products are not represented as meat food products. This term as applied to food products of equines or farm deer shall have a meaning comparable to that provided in this paragraph with respect to cattle, sheep, swine, and goats.

17. *"Misbranded"* shall apply to any livestock product or poultry product under any one or more of the following circumstances:

*a.* If its labeling is false or misleading in any particular.

*b.* If it is offered for sale under the name of another food.

*c.* If it is an imitation of another food, unless its label bears, in type of uniform size and prominence, the word "imitation", and immediately thereafter the name of the food imitated.

*d.* If its container is so made, formed, or filled as to be misleading.

*e.* Unless it bears a label showing both:

(1) The name and place of business of the manufacturer, packer, or distributor.

(2) An accurate statement of the quantity of the product in terms of weight, measure, or numerical count; however, under this paragraph, exemptions as to livestock products not in containers may be established by regulations prescribed by the secretary, and under this subparagraph reasonable variations may be permitted, and exemptions as to small packages may be established for livestock products or poultry products by regulations prescribed by the secretary.

*f.* If any word, statement, or other information required by or under authority of this chapter to appear on the label or other labeling is not prominently placed thereon with such conspicuousness, as compared with other words, statements, designs, or devices in the labeling, and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

*g.* If it purports to be or is represented as a food for which a definition and standard of identity or composition has been prescribed by the regulations of the secretary under section 189A.7, unless it conforms to such definition and standard and its label bears the name of the food specified in the definition and standard and, insofar as may be required by such regulations, the common names of optional ingredients, other than spices, flavoring, and coloring, present in such food.

*h.* If it purports to be or is represented as a food for which a standard or standards of fill of container have been prescribed by regulations of the secretary under section 189A.7, and it falls below the standard of fill of container applicable thereto, unless its label bears, in such manner and form as such regulations specify, a statement that it falls below such standard.

*i.* If it is not subject to the provisions of paragraph *"g"* of this subsection, unless its label bears both:

(1) The common or usual name of the food, if any.

(2) In case it is fabricated from two or more ingredients, the common or usual name of each such ingredient; except that spices, flavorings, and colorings may, when authorized by the secretary, be designated as spices, flavorings, and colorings without naming each; however, to the extent that compliance with the requirements of this subparagraph is impracticable, or results in deception or unfair competition, exemptions shall be established by regulations promulgated by the secretary.

*j.* If it purports to be or is represented for special dietary uses, unless its label bears such information concerning its vitamin, mineral, and other dietary properties as the secretary, after consultation with the secretary of agriculture of the United States, determines to be and by regulations prescribes as necessary in order to fully inform purchasers as to its value for such uses.

*k.* If it bears or contains any artificial flavoring, artificial coloring, or chemical preservative, unless it bears labeling stating that fact; however, to the extent that compliance with the requirements of this paragraph is impracticable, exemptions shall be established by regulations promulgated by the secretary.

*l.* If it fails to bear, directly thereon and on its containers, as the secretary may by regulations prescribe, the official inspection legend and establishment number of the establishment where the product was prepared and, unrestricted by any of the foregoing, such other information as the secretary may require in such regulations to assure that it will

not have false or misleading labeling and that the public will be informed of the manner of handling required to maintain the article in a wholesome condition.

18. *"Official certificate"* means any certificate prescribed by regulations of the secretary for issuance by an inspector or other person performing official functions under this chapter.

19. *"Official device"* means any device prescribed or authorized by the secretary for use in applying any official mark.

20. *"Official establishment"* means any establishment as determined by the secretary at which inspection of the slaughter of livestock or poultry or the preparation of livestock products or poultry products is maintained under the authority of this chapter.

21. *"Official inspection legend"* means any symbol prescribed by regulations of the secretary showing that an article was inspected and passed in accordance with this chapter.

22. *"Official mark"* means the official inspection legend or any other symbol prescribed by regulations of the secretary to identify the status of any article or livestock or poultry under this chapter.

23. *"Person"* includes any individual, partnership, corporation, association, or other business unit, and any officer, agent, or employee thereof.

24. *"Pesticide chemical"*, *"food additive"*, *"color additive"*, and *"raw agricultural commodity"* shall have the same meanings for purposes of this chapter as under the federal Food, Drug, and Cosmetic Act.

25. *"Poultry"* means any domesticated bird, whether live or dead.

26. *"Poultry product"* means any poultry carcass or part thereof, or any product which is made wholly or in part from any poultry carcass or part thereof, excepting products which contain poultry ingredients only in a relatively small proportion or historically have not been considered by consumers as products of the poultry food industry, and which are exempted by the secretary from definition as a poultry product under such conditions as the secretary may prescribe to assure that the poultry ingredients in such products are not adulterated and that such products are not represented as poultry products.

27. *"Prepared"* means slaughtered, canned, salted, stuffed, rendered, boned, cut up, or otherwise manufactured or processed.

28. *"Reinspection"* includes inspection of the preparation of livestock products and poultry products, as well as re-examination of articles previously inspected.

29. *"Renderer"* means any person engaged in the business of rendering livestock or poultry carcasses, or parts or products of such carcasses, except rendering conducted under inspection or exemption under this chapter.

30. *"Shipping container"* means any container used or intended for use in packaging the product packed in an immediate container.

31. *"Veterinary inspector"* means a graduate veterinarian with appropriate training to perform the inspection functions under the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §189A.2]

86 Acts, ch 1245, §637; 95 Acts, ch 134, §1 – 3; 2003 Acts, ch 149, §12, 23

Referred to in §163.6, 189A.5, 189A.17, 717A.1

Further definitions, see §189.1

**189A.3 License — fee.**

1. No person shall operate an establishment other than a food establishment as defined in section 137F.1 without first obtaining a license from the department. The license fee for each establishment per year or any part of a year shall be:

*a.* For all meat and poultry slaughtered or otherwise prepared not exceeding twenty thousand pounds per year for sale, resale, or custom, twenty-five dollars.

*b.* For all meat and poultry slaughtered or otherwise prepared in excess of twenty thousand pounds per year for sale, resale, or custom, fifty dollars.

2. The funds shall be deposited with the department. The license year shall be from July 1 to June 30. Applications for licenses shall be in writing on forms prescribed by the department.

3. It is the objective of this chapter to provide for meat and poultry products inspection programs that will impose and enforce requirements with respect to intrastate operations

and commerce that are at least equal to those imposed and enforced under the federal Meat Inspection Act and the federal Poultry Products Inspection Act with respect to operations and transactions in interstate commerce; and the secretary is directed to administer this chapter so as to accomplish this purpose. A director of the meat and poultry inspection service shall be designated as the secretary's delegate to be the appropriate state official to cooperate with the secretary of agriculture of the United States in administration of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §189A.3]

98 Acts, ch 1162, §26, 30; 2009 Acts, ch 41, §263

Referred to in §137F.1, 189A.5, 189A.7

**189A.4 Exemptions.**

In order to accomplish the objectives of this chapter, the secretary may exempt the following types of operations from inspection:

1. Slaughtering and preparation by any person of livestock and poultry of the person's own raising exclusively for use by the person and members of the person's household, and the person's nonpaying guests and employees.

2. Any other operations which the secretary may determine would best be exempted to further the purposes of this chapter, to the extent such exemptions conform to the federal Meat Inspection Act and the federal Poultry Products Inspection Act and the regulations thereunder.

[C66, 71, 73, 75, 77, 79, 81, §189A.4]

Referred to in §189A.5

**189A.5 Veterinarians and inspectors.**

1. The secretary shall administer this chapter and may appoint a person to act as the secretary's designee in the administration of this chapter.

*a.* The secretary shall employ veterinarians licensed in the state of Iowa as veterinary inspectors.

*b.* The secretary is also authorized to employ as meat inspectors other persons who have qualified and are skilled in the inspection of meat and poultry products and any other additional employees the secretary deems necessary to carry out the provisions of this chapter. The meat inspectors shall be under the supervision of the secretary's designee or a veterinary inspector if no designee is appointed.

*c.* The secretary may also enter into contracts with qualified individuals to perform inspection services as the secretary may designate for a fee per head or per unit volume to be determined by the secretary provided the persons are not employed in an establishment in which the inspection takes place.

*d.* The secretary may utilize any employee, agent, or equipment of the department in the enforcement of this chapter, and may assign to inspectors other duties related to the acceptance of meat and poultry products.

2. In order to accomplish the objectives stated in section 189A.3 the secretary shall:

*a.* By regulations require antemortem and postmortem inspections, quarantine, segregation, and reinspections with respect to the slaughter of livestock and poultry and the preparation of livestock products and poultry products at all establishments in this state, except those exempted by section 189A.4, at which livestock or poultry are slaughtered or livestock or poultry products are prepared for human food solely for distribution in intrastate commerce.

*b.* By regulations require the identification of livestock and poultry for inspection purposes and the marking and labeling of livestock products or poultry products or their containers, or both, as "Iowa Inspected and Passed" if the products are found upon inspection to be not adulterated, and as "Iowa Inspected and Condemned" if they are found upon inspection to be adulterated; and the destruction for food purposes of all such condemned products under the supervision of an inspector.

*c.* Prohibit the entry into official establishments of livestock products and poultry products not prepared under federal inspection or inspection pursuant to this chapter and further limit

the entry of such articles and other materials into such establishments under such conditions as the secretary deems necessary to effectuate the purposes of this chapter.

*d.* By regulations require that when livestock products and poultry products leave official establishments they shall bear directly thereon or on their containers, or both, all information required by subsection 17 of section 189A.2; and require approval of all labeling and containers to be used for such products when sold or transported in intrastate commerce to assure that they comply with the requirements of this chapter.

*e.* Investigate the sanitary conditions of each establishment within paragraph *"a"* of this subsection and withdraw or otherwise refuse to provide inspection service at any such establishment where the sanitary conditions are such as to render adulterated any livestock products or poultry products prepared or handled thereat.

*f.* Prescribe regulations relating to sanitation for all establishments required to have inspection under paragraph *"a"* of this subsection.

*g.* By regulations require that both of the following classes of persons shall keep such records and for such periods as are specified in the regulations to fully and correctly disclose all transactions involved in their business, and to afford the secretary and the secretary's representatives, including representatives of other governmental agencies designated by the secretary, access to such places of business, and opportunity at all reasonable times to examine the facilities, inventory, and records thereof, to copy the records, and to take reasonable samples of the inventory upon payment of the fair market value therefor:

(1) Any person that engages in or for intrastate commerce in the business of slaughtering any livestock or poultry, or preparing, freezing, packaging or labeling, buying or selling, as a broker, wholesaler, or otherwise, transporting, or storing any livestock products or poultry products for human or animal food.

(2) Any person that engages in or for intrastate commerce in business as a renderer or in the business of buying, selling, or transporting any dead, dying, disabled, or diseased livestock or poultry or parts of the carcasses of any such animals, including poultry, that died otherwise than by slaughter.

[C66, §170.20, 189A.5, 189A.7, 189A.8, 189A.10; C71, 73, 75, 77, 79, 81, §189A.5]
87 Acts, ch 144, §1; 2009 Acts, ch 41, §206
Referred to in §189A.7, 189A.10

**189A.6 Health examination of employees.**

The operator of any establishment shall require all employees of such establishment to have a health examination by a physician and a certified health certificate for each employee shall be kept on file by the operator. The secretary may at any time require an employee of an establishment to submit to a health examination by a physician. No person suffering from any communicable disease, including any communicable skin disease, and no person with infected wounds, and no person who is a "carrier" of a communicable disease shall be employed in any capacity in an establishment. No person shall work or be employed in or about any establishment during the time in which a communicable disease exists in the home in which such person resides unless such person has obtained a certificate from a physician to the effect that no danger of public contagion or infection will result from the employment of such person in such establishment. Every person employed by an establishment and engaged in direct physical contact with meat or poultry products during its preparation, processing, or storage, shall be clean in person, wear clean washable outer garments and a suitable cap or other head covering used exclusively in such work. Only persons specifically designated by the operator of an establishment shall be permitted to touch meat or poultry products with their hands, and the persons so designated shall keep their hands scrupulously clean.

[C66, 71, 73, 75, 77, 79, 81, §189A.6]
Section not amended; editorial change applied

**189A.7 Powers of secretary of agriculture.**

In order to accomplish the objective stated in section 189A.3 the secretary may:

1. Remove inspectors from any establishment that fails to destroy condemned products as required under section 189A.5, subsection 2, paragraph *"b"*.

2. Refuse to provide inspection service under this chapter with respect to any establishment for causes specified in section 401 of the federal Meat Inspection Act or section 18 of the federal Poultry Products Inspection Act.

3. Order labeling and containers to be withheld from use if the secretary determines that the labeling is false or misleading or the containers are of a misleading size or form.

4. By regulations prescribe the sizes and style of type to be used for labeling information required under this chapter, and definitions and standards of identity or composition or standards of fill of container, consistent with federal standards, when the secretary deems such action appropriate for the protection of the public and after consultation with the secretary of agriculture of the United States.

5. By regulations prescribe conditions of storage and handling of livestock products and poultry products by persons engaged in the business of buying, selling, freezing, storing, or transporting such articles in or for intrastate commerce to assure that such articles will not be adulterated or misbranded when delivered to the consumer.

6. Require that equines be slaughtered and prepared in establishments separate from establishments where other livestock are slaughtered or their products are prepared.

7. By regulations require that every person engaged in business in or for intrastate commerce as a broker, renderer, animal food manufacturer, or wholesaler or public warehouser of livestock or poultry products, or engaged in the business of buying, selling, or transporting in intrastate commerce any dead, dying, disabled, or diseased livestock or poultry or parts of the carcasses of any such animals, including poultry, that died otherwise than by slaughter shall register with the secretary the person's name and the address of each place of business at which and all trade names under which the person conducts such business.

8. Adopt by reference or otherwise such provisions of the rules and regulations under the federal Acts, with such changes therein as the secretary deems appropriate to make them applicable to operations and transactions subject to this chapter, which shall have the same force and effect as if promulgated under this chapter, and promulgate such other rules and regulations as the secretary deems necessary for the efficient execution of the provisions of this chapter, including rules of practice providing opportunity for hearing in connection with issuance of orders under section 189A.5, subsection 2, paragraph *"e"*, and subsection 1, 2, or 3 of this section and prescribing procedures for proceedings in such cases; however, this shall not preclude a requirement that a label or container be withheld from use, or a refusal of inspection pursuant to the sections cited herein pending issuance of a final order in any such proceeding.

9. Appoint and prescribe the duties of such inspectors and other personnel as the secretary deems necessary for the efficient execution of the provisions of this chapter.

10. Cooperate with the secretary of agriculture of the United States in administration of this chapter to effectuate the purposes stated in section 189A.3; accept federal assistance for that purpose and spend public funds of this state appropriated for administration of this chapter to pay the state's proportionate share of the estimated total cost of the cooperative program.

11. Recommend to the secretary of agriculture of the United States for appointment to the advisory committees provided for in the federal Acts, such officials or employees of the Iowa meat and poultry inspection service as the secretary shall designate.

12. Serve as a representative of the governor for consultation with said secretary under paragraph "c" of section 301 of the federal Meat Inspection Act and paragraph "c" of section 5 of the federal Poultry Products Inspection Act unless the governor selects another representative.

[C71, 73, 75, 77, 79, 81, §189A.7]

2009 Acts, ch 41, §207

Referred to in §189A.2, 189A.10

**189A.8 Prohibited acts.**

1. No person shall sell, transport, offer for sale or transportation, or receive for transportation in intrastate commerce, any carcasses of horses, mules, or other equines or

parts of such carcasses, or the meat or meat food products thereof, unless they are plainly and conspicuously marked or labeled or otherwise identified as required by regulations prescribed by the secretary to show the kinds of animals from which they were derived.

2. No person shall buy, sell, transport, or offer for sale or transportation, or receive for transportation, in intrastate commerce, any livestock products or poultry products which are not intended for use as human food unless they are denatured or otherwise identified as required by the regulations of the secretary or are naturally inedible by humans.

3. No person engaged in the business of buying, selling, or transporting in intrastate commerce, dead, dying, disabled, or diseased animals, or any parts of the carcasses of any animals that died otherwise than by slaughter, shall buy, sell, transport, offer for sale or transportation, or receive for transportation in such commerce, any dead, dying, disabled, or diseased livestock or poultry or the products of any such animals that died otherwise than by slaughter, unless such transaction or transportation is made in accordance with such regulations as the secretary may prescribe to assure that such animals, or the unwholesome parts or products thereof, will be prevented from being used for human food purposes.

[C71, 73, 75, 77, 79, 81, §189A.8]

**189A.9 Hours of operation.**

The secretary may require operations at licensed establishments to be conducted during reasonable hours. The owner or operator of each licensed establishment shall keep the secretary informed in advance of intended hours of operation.

A charge shall be made for overtime inspection in excess of eight hours per day or outside assigned work schedules and also on state legal holidays.

[C66, 71, 73, 75, 77, 79, 81, §189A.9]

**189A.10 Fraudulent practices.**

1. A person commits a fraudulent practice as defined in section 714.8 if the person does any of the following:

*a.* Slaughters livestock or poultry or prepares an article produced from livestock or poultry which is capable of use as human food, at any establishment preparing the article solely for intrastate commerce, except in compliance with the requirements of this chapter.

*b.* Sells, transports, offers for sale or transportation, or receives for transportation in intrastate commerce, any article produced from livestock or poultry which is both of the following:

(1) Capable of use as human food.

(2) Adulterated or misbranded at the time of such sale, transportation, offer for sale or transportation, or receipt for transportation; or required to be inspected under this chapter unless the article has passed inspection.

*c.* Commits any act which is intended to cause or has the effect of causing an article produced from livestock or poultry to be adulterated or misbranded, if the article is capable of use as human food and is being transported or held for sale after being transported in intrastate commerce.

2. A person commits a fraudulent practice as defined in section 714.8, if the person sells, transports, offers for sale or transportation, or receives for transportation in intrastate commerce, or receives from an official establishment, any slaughtered poultry from which the blood, feathers, feet, head, or viscera have not been removed in accordance with regulations promulgated by the secretary.

3. No person shall violate any provision of the regulations or orders of the secretary under section 189A.5, subsection 2, paragraph "*g*", or section 189A.7.

[C71, 73, 75, 77, 79, 81, §189A.10]

88 Acts, ch 1036, §1; 2009 Acts, ch 41, §208

**189A.11 Access by inspectors — acceptance by state agencies.**

1. A person shall not deny access to any authorized inspectors upon the presentation of proper identification at any reasonable time to establishments and to all parts of such premises for the purposes of making inspections under this chapter.

2. When meat has been inspected and approved by the department, such inspection will be equal to federal inspection and therefore may be accepted by state agencies and political subdivisions of the state and no other inspection can be required.

*a.* An inspection of products placed in any container at any official establishment shall not be deemed to be complete until the products are sealed or enclosed therein under the supervision of an inspector.

*b.* For purposes of any inspection of products required by this chapter, inspectors authorized by the secretary shall have access at all times by day or night to every part of every establishment required to have inspection under this chapter, whether the establishment is operated or not.

[C66, 71, 73, 75, 77, 79, 81, §189A.11]

2013 Acts, ch 30, §40

Section amended

**189A.12 Seizure, detention and determination.**

Whenever any livestock or poultry product or any product exempted from the definition of a livestock or poultry product, or any dead, dying, disabled, or diseased livestock or poultry is found by any authorized representative of the secretary upon any premises where it is held for purposes of, or during or after distribution in, intrastate commerce or is otherwise subject to this chapter, and there is reason to believe that any such article is adulterated or misbranded and is capable of use as human food, or that it has not been inspected in violation of the provisions of this chapter, the federal Meat Inspection Act, the federal Poultry Products Inspection Act, or the federal Food, Drug, and Cosmetic Act, or that such article or animal has been or is intended to be distributed in violation of any such provisions, it may be detained by such representative for a period not to exceed twenty days, pending action under this section or notification of any federal authorities having jurisdiction over such article or animal, and shall not be moved by any person from the place at which it is located when so detained until released by such representative. All official marks may be required by such representative to be removed from such article or animal before it is released unless it appears to the satisfaction of the secretary that the article or animal is eligible to retain such marks.

1. Any livestock or poultry product, or any dead, dying, disabled, or diseased livestock or poultry which is being transported in intrastate commerce, or is otherwise subject to this chapter, or is held for sale in this state after such transportation, and which is or has been prepared, sold, transported, or otherwise distributed or offered or received for distribution in violation of this chapter; or is capable of use as human food and is adulterated or misbranded; or is in any other way in violation of this chapter shall be liable to be proceeded against and seized and condemned at any time on a complaint filed in the district court of the particular county within the jurisdiction of which such article or animal is found. If such article or animal is condemned it shall, after entry of the decree, be disposed of by destruction or sale as the court may direct and any proceeds, less the court costs and fees, storage fees, and other proper expenses, shall be paid into the treasury of this state, but the article or animal shall not be sold contrary to the provisions of this chapter, the federal Meat Inspection Act, the federal Poultry Products Inspection Act, or the federal Food, Drug, and Cosmetic Act; however, upon the execution and delivery of a good and sufficient bond conditioned that the article or animal shall not be sold or otherwise disposed of contrary to the provisions of this chapter or the laws of the United States, the court may direct that such article or animal be delivered to the owner thereof subject to such supervision by authorized representatives of the secretary as is necessary to insure compliance with the applicable laws. When a decree of condemnation is entered against the article or animal and it is released under bond or destroyed, court costs and fees, storage fees, and other proper expenses shall be awarded against any person intervening as claimant of the article or animal. The proceedings in such cases shall be held without a jury, except that either party may demand trial by jury of any issue of fact joined in any case, and all such proceedings shall be at the suit of and in the name of this state.

2. The provisions of this section shall in no way derogate from authority for condemnation or seizure conferred by other provisions of this chapter or other applicable laws.

[C66, 71, 73, 75, 77, 79, 81, §189A.12]

**189A.13 Rules.**

The secretary shall promulgate such rules as may be necessary for the effective administration of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §189A.13]

**189A.14 Injunctive relief.**

1. Judicial review of the action of the secretary may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

2. The district court in the county where the violation occurs may enjoin a person from violating this chapter or a regulation promulgated by the secretary pursuant to this chapter. The department may apply to the district court for the injunction. In order to obtain injunctive relief the department shall not be required to post a bond or prove the absence of an adequate remedy at law, unless the court for good cause otherwise orders. The court may order any form of prohibitory or mandatory relief that is appropriate under principles of equity, including but not limited to issuing a temporary or permanent restraining order.

[C66, 71, 73, 75, 77, 79, 81, §189A.14]

88 Acts, ch 1036, §2; 2003 Acts, ch 44, §114

**189A.15 Cooperation with other agencies.**

The secretary is hereby authorized to cooperate with all other agencies, federal and state, in order to carry out the effective administration of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §189A.15]

**189A.16 Forgery or counterfeiting.**

1. No brand manufacturer, printer, or other person shall cast, print, lithograph, or otherwise make any device containing any official mark or simulation thereof, or any label bearing any such mark or simulation, or any form of official certificate or simulation thereof, except as authorized by the secretary.

2. No person shall do any of the following:

*a.* Forge any official device, mark, or certificate.

*b.* Without authorization from the secretary, use any official device, mark, or certificate, or simulation thereof, or alter, detach, deface, or destroy any official device, mark, or certificate.

*c.* Contrary to the regulations prescribed by the secretary, fail to use, or to detach, deface, or destroy any official device, mark, or certificate.

*d.* Knowingly possess, without promptly notifying the secretary or the secretary's representative, any official device or any counterfeit, simulated, forged, or improperly altered official certificate or any device or label or any carcass of any animal, including poultry, or part or product thereof, bearing any counterfeit, simulated, forged, or improperly altered official mark.

*e.* Knowingly make any false statement in any shipper's certificate or other nonofficial or official certificate provided for in the regulations prescribed by the secretary.

*f.* Knowingly represent that any article has been inspected and passed, or exempted, under this chapter when it has not been so inspected and passed, or exempted.

[C71, 73, 75, 77, 79, 81, §189A.16]

**189A.17 Penalties.**

1. Any person who violates any provisions of this chapter for which no other criminal penalty is provided shall be guilty of a simple misdemeanor; but if such violation involves intent to defraud, or any distribution or attempted distribution of an article that is adulterated, except as defined in section 189A.2, subsection 1, paragraph "*h*" such person shall be guilty of a fraudulent practice.

2. Nothing in this chapter shall be construed as requiring the secretary to report, for

the institution of legal proceedings, minor violations of this chapter whenever the secretary believes that the public interest will be adequately served by a suitable written notice of warning.

3. The secretary shall also have power:

*a.* To gather and compile information concerning, and to investigate from time to time the organization, business, conduct, practices, and management of any person engaged in intrastate commerce, and the relation thereof to other persons.

*b.* To require persons engaged in intrastate commerce to file with the secretary in such form as the secretary may prescribe, annual or special reports or answers in writing to specific questions, furnishing to the secretary such information as the secretary may require as to the organization, business, conduct, practices, management, and relation to other persons of the person filing such reports or answers. Such reports and answers shall be made under oath, or otherwise as the secretary may prescribe, and shall be filed with the secretary within such reasonable period as the secretary may prescribe, unless additional time be granted in any case by the secretary.

4. *a.* For the purpose of this chapter the secretary may, at all reasonable times, examine and copy any documentary evidence of any person being investigated or proceeded against, and may require by subpoena the attendance and testimony of witnesses and the production of all documentary evidence of any person relating to any matter under investigation. The secretary may sign subpoenas and administer oaths and affirmations, examine witnesses, and receive evidence.

*b.* Such attendance of witnesses, and the production of such documentary evidence may be required at any designated place of hearing. In case of disobedience to a subpoena the secretary may invoke the aid of the district court having jurisdiction over the matter in requiring the attendance and testimony of witnesses and the production of documentary evidence.

*c.* The district court may, in case of failure or refusal to obey a subpoena issued herein to any person, enter an order requiring such person to appear before the secretary or to produce documentary evidence if so ordered, or to give evidence concerning the matter in question; and any failure to obey such order of the court may be punished by such court as contempt.

*d.* Upon the application of the attorney general of this state at the request of the secretary, the court shall have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this chapter or any order of the secretary pursuant thereto.

*e.* The secretary may order testimony to be taken by deposition in any proceeding or investigation pending under this chapter at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the secretary and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under the person's direction and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce documentary evidence in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the secretary as herein provided.

*f.* Witnesses summoned before the secretary shall be paid the same fees and mileage that are paid witnesses in the district court, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in such district court.

*g.* No person shall be excused from attending and testifying or from producing books, papers, schedules of charges, contracts, agreements, or other documentary evidence before the secretary or in obedience to the subpoena of the secretary, whether such subpoena be signed or issued by the secretary or the secretary's delegate, or in any cause or proceeding, criminal or otherwise, based upon or growing out of any alleged violation of this chapter for the reason that the testimony or evidence, documentary or otherwise, required of the person may tend to incriminate the person or subject the person to a penalty or forfeiture; but no person shall be prosecuted or subjected to a penalty or forfeiture for or on account of any transaction, matter, or thing concerning which the person is compelled, after having claimed the privilege against self-incrimination, to testify or produce evidence, documentary

or otherwise, except that any individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

5. *a.* Any person who neglects or refuses to attend and testify or to answer any lawful inquiry, or to produce documentary evidence, if it is in the person's power to do so, in obedience to the subpoena or lawful requirement of the secretary shall be guilty of a serious misdemeanor.

*b.* Any person who willfully makes, or causes to be made, any false entry or statement of fact in any report required to be made under this chapter, or who willfully makes, or causes to be made, any false entry in any account, record, or memorandum kept by any person subject to this chapter, or who willfully neglects or fails to make or to cause to be made, full, true, and correct entries in such accounts, records, or memoranda, of all facts and transactions pertaining to the business of such person, or who willfully leaves the jurisdiction of this state, or willfully mutilates, alters, or by any other means falsifies any documentary evidence of any person subject to this chapter or who willfully refuses to submit to the secretary or to any of the secretary's authorized agents, for the purpose of inspection and taking copies, any documentary evidence of any person subject to this chapter in the person's possession or control, shall be deemed guilty of an aggravated misdemeanor.

*c.* If a person required by this chapter to file an annual or special report fails to do so within the time fixed by the secretary for filing it, and the failure continues for thirty days after notice of default, the person shall forfeit to this state the sum of one hundred dollars for each day of the continuance of the failure, which forfeiture is payable into the treasury of this state, and is recoverable in a civil suit in the name of the state brought in the district court of the county where the person has a principal office or in the district court of any county in which the person does business. The county attorneys shall prosecute for the recovery of such forfeitures.

*d.* Any officer or employee of this state who makes public any information obtained by the secretary, without the secretary's authority, unless directed by a court, or uses any such information to the officer's or employee's advantage, shall be deemed guilty of a serious misdemeanor.

6. The requirements of this chapter shall apply to persons, establishments, animals, and articles regulated under the federal Meat Inspection Act or the federal Poultry Products Inspection Act to the extent provided for in said federal Acts and also to the extent provided in this chapter and in regulations the secretary may prescribe to promulgate this chapter.

[C66, 71, 73, 75, 77, 79, 81, §189A.17]

83 Acts, ch 123, §79, 209; 2009 Acts, ch 41, §209

Referred to in §331.424, 331.756(35)

**189A.18 Humane slaughter practices.**

Every establishment subject to the provisions of this chapter engaged in the slaughter of bovine, porcine, or ovine animals or farm deer shall slaughter all such animals in an approved humane slaughtering method. For purposes of this section an approved humane slaughtering method shall include and be limited to slaughter by shooting, electrical shock, captive bolt, or use of carbon dioxide gas prior to the animal being shackle hoisted, thrown, cast or cut; however, the slaughtering, handling or other preparation of livestock in accordance with the ritual requirements of the Jewish or any other faith that prescribes and requires a method whereby slaughter becomes effected by severance of the carotid arteries with a sharp instrument is hereby designated and approved as a humane method of slaughter under the law.

[C66, 71, 73, 75, 77, 79, 81, §189A.18]

95 Acts, ch 134, §4

**189A.19 Bribery.**

Any person who gives, pays, or offers, directly or indirectly, to any officer or employee of this state authorized to perform any of the duties prescribed by this chapter or by the regulations of the secretary, any money or other thing of value, with intent to influence said officer or employee in the discharge of any such duty, shall be deemed guilty of a felony

and, upon conviction thereof, shall be punished by a fine not less than five thousand dollars nor more than ten thousand dollars and by imprisonment in the penitentiary not less than one year nor more than three years; and any officer or employee of this state authorized to perform any of the duties prescribed by this chapter who accepts any money, gift, or other thing of value from any person, given with intent to influence the officer's or employee's official action, or who receives or accepts from any person engaged in intrastate commerce any gift, money, or other thing of value given with any purpose or intent whatsoever, shall be deemed guilty of a felony and shall, upon conviction thereof, be summarily discharged from office and shall be punished by a fine not less than one thousand dollars nor more than ten thousand dollars and by imprisonment in the penitentiary not less than one year nor more than three years.

[C71, 73, 75, 77, 79, 81, §189A.19]

**189A.20 No inspection for products inedible as human food.**

Inspection shall not be provided under this chapter at any establishment for the slaughter of livestock or poultry or the preparation of any livestock products or poultry products which are not intended for use as human food, but such articles shall, prior to their offer for sale or transportation in intrastate commerce, unless naturally inedible by humans, be denatured or otherwise identified as prescribed by regulations of the secretary to deter their use for human food.

[C71, 73, 75, 77, 79, 81, §189A.20]

**189A.21 Appropriation authorized.**

There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §189A.21]

**189A.22 Federal grants.**

All federal grants to and the federal receipts of this department are hereby appropriated for the purpose set forth in such federal grants or receipts.

[C71, 73, 75, 77, 79, 81, §189A.22]

# CHAPTER 190

## ADULTERATION OF FOODS

Referred to in §189.11, 191.2, 191.4, 192.107, 192.108, 192.146


190.1 Definitions and standards.
190.2 Additional standards — milk and dairy products.
190.3 Food adulterations.
190.4 Adulterations of dairy products.
190.5 Adulterated milk or milk products.
190.6 Adulteration with fats and oils.
190.7 Coloring imitation cheese.
190.8 Coloring vinegar.
190.9 Adulteration of candies.
190.10 Sale by false name.
190.11 Artificial sweetening — labeling.
190.12 Standards for frozen desserts.
190.13 Frozen desserts — edible containers.
190.14 Administration — milk and dairy products.
190.15 Violations — injunction.


**190.1 Definitions and standards.**

For the purpose of this subtitle, except chapters 192, 203, 203C, 203D, 207, and 208, the following definitions and standards of food are established:

1. *Butter.* Butter is the clean, nonrancid product made by gathering in any manner the fat of fresh or ripened milk or cream into a mass, with or without the addition of salt, or harmless coloring matter, and containing at least eighty percent, by weight, of milk fat.

2. *Flavoring extract.* A flavoring extract is a solution in ethyl alcohol or other suitable

medium of the sapid and odorous principles derived from an aromatic plant, or parts of the plant, with or without its coloring matter, and conforms in name to the plant used in its preparation.

*a. Almond extract.* Almond extract is the flavoring extract prepared from oil of bitter almonds, free from hydrocyanic acid, and contains not less than one percent by volume of oil of bitter almonds.

*b. Anise extract.* Anise extract is the flavoring extract prepared from oil of anise, and contains not less than three percent by volume of oil of anise.

*c. Cassia extract.* Cassia extract is the flavoring extract prepared from oil of cassia, and contains not less than two percent by volume of oil of cassia.

*d. Celery seed extract.* Celery seed extract is the flavoring extract prepared from celery seed or the oil of celery seed, or both, and contains not less than three-tenths percent by volume of oil of celery seed.

*e. Cinnamon extract.* Cinnamon extract is the flavoring extract prepared from oil of cinnamon, and contains not less than two percent by volume of oil of cinnamon.

*f. Clove extract.* Clove extract is the flavoring extract prepared from oil of cloves, and contains not less than two percent by volume of oil of cloves.

*g. Ginger extract.* Ginger extract is the flavoring extract prepared from ginger, and contains in each one hundred cubic centimeters the alcohol-soluble matters from not less than twenty grams of ginger.

*h. Lemon extract.* Lemon extract is the flavoring extract prepared from oil of lemon, or from lemon peel, or both, and contains not less than five percent by volume of oil of lemon.

*i. Terpeneless extract of lemon.* Terpeneless extract of lemon is the flavoring extract prepared by shaking oil of lemon with dilute alcohol, or other suitable medium, or by dissolving terpeneless oil of lemon in such medium, and contains not less than two-tenths percent by weight of citral derived from oil of lemon.

*j. Nutmeg extract.* Nutmeg extract is the flavoring extract prepared from oil of nutmeg, and contains not less than two percent by volume of oil of nutmeg.

*k. Orange extract.* Orange extract is the flavoring extract prepared from oil of orange, or from orange peel, or both, and contains not less than five percent by volume of oil of orange.

*l. Terpeneless extract of orange.* Terpeneless extract of orange is the flavoring extract prepared by shaking oil of orange with dilute alcohol, or other suitable medium, or by dissolving terpeneless oil of orange in such medium, and corresponds in flavoring strength to orange extract.

*m. Peppermint extract.* Peppermint extract is the flavoring extract prepared from oil of peppermint, or from peppermint, or both, and contains not less than three percent by volume of oil of peppermint.

*n. Rose extract.* Rose extract is the flavoring extract prepared from attar of roses, with or without red rose petals, and contains not less than four-tenths percent by volume of attar of roses.

*o. Savory extract.* Savory extract is the flavoring extract prepared from oil of savory, or from savory, or both, and contains not less than thirty-five hundredths percent by volume of oil of savory.

*p. Spearmint extract.* Spearmint extract is the flavoring extract prepared from oil of spearmint, or from spearmint, or both, and contains not less than three percent by volume of oil of spearmint.

*q. Star anise extract.* Star anise extract is the flavoring extract prepared from oil of star anise, and contains not less than three percent by volume of oil of star anise.

*r. Sweet basil extract.* Sweet basil extract is the flavoring extract prepared from oil of sweet basil, or from sweet basil, or both, and contains not less than one-tenth percent by volume of oil of sweet basil.

*s. Sweet marjoram extract.* Sweet marjoram extract is the flavoring extract prepared from the oil of marjoram, or from marjoram, or both, and contains not less than one percent by volume of oil of marjoram.

*t. Thyme extract.* Thyme extract is the flavoring extract prepared from oil of thyme, or from thyme, or both, and contains not less than two-tenths percent by volume of oil of thyme.

*u. Tonka extract.* Tonka extract is the flavoring extract prepared from tonka bean, with or without sugar or glycerin, and contains not less than one-tenth percent by weight of coumarin extracted from the tonka bean, together with a corresponding proportion of the other soluble matters thereof.

*v. Vanilla extract.* Vanilla extract is the flavoring extract prepared from vanilla bean, with or without sugar or glycerin, and contains in one hundred cubic centimeters the soluble matters from not less than ten grams of the vanilla bean, and contains not less than thirty percent by volume of absolute ethyl alcohol, or other suitable medium.

*w. Wintergreen extract.* Wintergreen extract is the flavoring extract prepared from oil of wintergreen, and contains not less than three percent by volume of oil of wintergreen.

3. *Food.* Food shall include any article used by humans or domestic animals for food, drink, confectionery, or condiment, or which enters into the composition of the same, whether simple, blended, mixed, or compound. The term *"blended"* shall be construed to mean a mixture of like substances.

4. *Honey.* Honey is the secretion of floral nectar collected by the honeybee and stored in wax combs constructed by the honeybee, or the liquid derived therefrom.

5. *Lard.* Lard is the fat rendered from fresh, clean, sound, fatty tissues from hogs in good health at the time of slaughter, with or without lard stearin or a hardened lard. The tissues do not include bones, detached skin, head fat, ears, tails, organs, windpipes, large blood vessels, scrap fat, skimmings, settlings, pressings and the like and are reasonably free from muscle tissue and blood.

6. *Oleomargarine.* Oleo, oleomargarine or margarine includes all substances, mixtures and compounds known as oleo, oleomargarine or margarine, or all substances, mixtures and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter.

7. *Oysters.* Oysters shall not contain ice, nor more than sixteen and two-thirds percent by weight of free liquid.

8. *Rendered pork fat.* Rendered pork fat is the fat other than lard, rendered from clean, sound carcasses, parts of carcasses, or edible organs from hogs in good health at the time of slaughter, except that stomachs, tails, bones from the head and bones from cured or cooked pork are not included. The tissues rendered are usually fresh, but may be cured, cooked, or otherwise prepared and may contain some meat food products. Rendered pork fat may be hardened by the use of lard stearin or hardened lard or rendered pork fat stearin or hardened rendered pork fat or any combination.

9. *Renovated butter.* Renovated butter is butter produced by taking original packing stock butter, or other butter, or both, and melting the same so that the milk fat can be extracted, then by mixing the said milk fat with skimmed milk, milk, cream, or some milk product, and rechurning or reworking the said mixture; or butter made by any method which produces a product commonly known as boiled, processed, or renovated butter.

10. *Sorghum syrup.* Sorghum syrup is liquid food derived by the concentration and heat treatment of the juice of sorghum cane including sorgo and sorghum vulgare. Sorghum syrup must contain not less than seventy-four percent by weight of soluble solids derived solely from juices of sorghum cane.

11. *Substitute for sugar.* Where sugar is given as one of the ingredients in a food product when the definition is established by law or by regulation, the following products may be used as optional ingredients: Dextrose (corn sugar) or corn syrup.

12. *Vinegar.* Vinegar is the product made by the alcoholic and subsequent fermentation of fruits, grain, vegetables, sugar, or syrups without the addition of any other substance and containing an acidity of not less than four percent by weight of absolute acetic acid. The product may be distilled, but when not distilled it shall not carry in solution any other substance except the extractive matter derived from the substances from which it was made.

*a. Cider or apple vinegar.* Cider or apple vinegar is a similar product made by the same process solely from the juice of apples. Such vinegar which during the course of manufacture has developed in excess of four percent acetic acid may be reduced to said strength.

*b. Corn sugar vinegar.* Corn sugar vinegar is a similar product made by the same process solely from solutions of starch sugar.

*c. Malt vinegar.* Malt vinegar is a similar product made by the same process solely from barley malt or cereals whose starch has been converted by malt.

*d. Sugar vinegar.* Sugar vinegar is a similar product made by the same process solely from sucrose.

[C73, §4042; C97, §2516, 2518, 4989 – 4991; S13, §2515-b, -d; SS15, §4999-a31, -a31c; C24, 27, 31, 35, 39, §**3058;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §190.1; 81 Acts, ch 72, §1]

88 Acts, ch 1195, §1; 89 Acts, ch 151, §2; 91 Acts, ch 74, §2, 3; 94 Acts, ch 1023, §41; 2003 Acts, ch 69, §45

Referred to in §189.14, 191.6
Further definitions, see §189.1
"Person" also defined, §191.4

**190.2 Additional standards — milk and dairy products.**

The department may establish and publish standards for foods when such standards are not fixed by law. The standards shall conform with standards for foods adopted by federal agencies including, but not limited to, the United States department of agriculture.

The department shall adopt rules specifying standards for milk and dairy products which are consistent with the "Pasteurized Milk Ordinance", as provided in chapter 192, and applicable federal standards of identity.

[S13, §4999-a18; C24, 27, 31, 35, 39, §**3059;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §190.2]

91 Acts, ch 74, §4; 98 Acts, ch 1032, §6

Section not amended; editorial change applied

**190.3 Food adulterations.**

1. For the purposes of this chapter, any food shall be deemed to be adulterated:

*a.* If any substance has been mixed or packed with it so as to reduce or injuriously affect its quality.

*b.* If any substance has been substituted to any extent.

*c.* If any valuable constituent has been removed to any extent.

*d.* If it has been mixed, colored, powdered, coated, or stained whereby damage or inferiority is concealed.

*e.* If it contains formaldehyde, sulphites or boron compound, or any poisonous or other ingredients injurious to health.

*f.* If it consists to any extent of a diseased, filthy, or decomposed animal or vegetable substance, whether manufactured or otherwise.

*g.* If it consists to any extent of an animal that has died otherwise than by slaughter.

*h.* If it is the product of or obtained from a diseased or infected animal.

*i.* If it has been damaged by freezing.

*j.* If it does not conform to the standards established by law or by the department.

2. The provisions of subsection 1, paragraphs "*a*" and "*b*", shall not apply to the addition of vitamins approved by the United States Pharmacopoeia or the removal of milk fat from milk.

[C73, §4042; C97, §4989, 4990; S13, §2515-b, -d; SS15, §4999-a31e; C24, 27, 31, 35, 39, §**3060;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §190.3]

91 Acts, ch 74, §5; 2009 Acts, ch 41, §263

Referred to in §190.4, 190.9

**190.4 Adulterations of dairy products.**

In addition to the adulterations enumerated in section 190.3, milk, cream, or skimmed milk shall be deemed to be adulterated:

1. If it contains visible dirt or is kept or placed at any time in an unclean container.

2. If obtained from a cow within fifteen days before or five days after calving.

3. If obtained from a cow stabled in an unhealthful place, or fed upon any substance in a state of putrefaction or of unhealthful nature.

4. If obtained from a cow which has consumed chemical, medicinal, or radioactive agents capable of being secreted in milk.

5. If obtained from a cow in a mastitic condition.

[C97, §4989, 4990; S13, §2515-b, -d; C24, 27, 31, 35, 39, §**3061;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §190.4]

**190.5 Adulterated milk or milk products.**

Any milk or milk product shall further be deemed to be adulterated:

1. If it bears or contains any poisonous or deleterious substance in a quantity which may render it injurious to health.

2. If it bears or contains any added poisonous or deleterious substance for which no safe tolerance has been established by state or federal regulation, or in excess of such tolerance if one has been established.

3. If it consists, in whole or in part, of any substance unfit for human consumption.

4. If it has been produced, processed, prepared, packed, or held under insanitary conditions.

5. If its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

6. If any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than it is.

[C71, 73, 75, 77, 79, 81, §190.5]

**190.6 Adulteration with fats and oils.**

No milk, cream, skimmed milk, buttermilk, condensed or evaporated milk, powdered or desiccated milk, condensed skimmed milk, ice cream, or any fluid derivatives of any of them shall be made from or have added thereto any fat or oil other than milk fat, and no product so made or prepared shall be sold, offered or exposed for sale, or possessed with the intent to sell, under any trade name or other designation of any kind. Provided however, that it shall be lawful to produce and sell a condensed or evaporated milk product in which the milk fat has been replaced by an edible vegetable fat made from soybean oil. Such a product shall be given a distinctive name to distinguish it from natural, condensed, or evaporated milk, which name shall not include the words “milk” or “milk products” or any derivative thereof, and the label under which such a product is sold at retail shall clearly state the vegetable fat content of the product.

[C24, 27, 31, 35, 39, §**3062;** C46, 50, 54, 58, 62, 66, §190.5; C71, 73, 75, 77, 79, 81, §190.6]

Section not amended; editorial change applied

**190.7 Coloring imitation cheese.**

No imitation cheese shall be colored with any substance and no such imitation cheese shall be made by mixing animal fats, vegetable oils, or other substances for the purpose or with the effect of imparting to the mixture the color of yellow cheese.

[C97, §2518; C24, 27, 31, 35, 39, §**3063;** C46, 50, 54, 58, 62, 66, §190.6; C71, 73, 75, 77, 79, 81, §190.7]

**190.8 Coloring vinegar.**

Vinegar shall not be colored with coloring matter and distilled vinegar shall not have a brown color in imitation of cider vinegar.

[SS15, §4999-a31; C24, 27, 31, 35, 39, §**3064;** C46, 50, 54, 58, 62, 66, §190.7; C71, 73, 75, 77, 79, 81, §190.8]

**190.9 Adulteration of candies.**

In addition to the adulterations enumerated in section 190.3, candy shall be deemed to be adulterated if it contains terra alba, barytes, talc, paraffin, chrome yellow, or other mineral substance.

[SS15, §4999-a31e; C24, 27, 31, 35, 39, §**3065;** C46, 50, 54, 58, 62, 66, §190.8; C71, 73, 75, 77, 79, 81, §190.9]

**190.10 Sale by false name.**

No person shall offer or expose for sale, sell, or deliver any article of food which is defined in this chapter under any other name than the one herein specified or offer or expose for sale, sell, or deliver any article of food which is not defined in this chapter under any other name than its true name, trade name, or trademark name.

[C24, 27, 31, 35, 39, §**3066;** C46, 50, 54, 58, 62, 66, §190.9; C71, 73, 75, 77, 79, 81, §190.10]

**190.11 Artificial sweetening — labeling.**

Where any approved artificial sweetening product such as saccharin or sulfamate is used by any person in the manufacture or sale of any article of food intended for human consumption, the container in which any such food or beverage is sold or offered for sale to the public shall be clearly, legibly and noticeably labeled with the name of the sweetening product used. The portion of the store, display counter, shelving, or other place where such food or beverage is displayed or offered for sale, shall be clearly and plainly identified by an appropriate sign reading "FOR DIETARY PURPOSES".

[C54, 58, 62, 66, §190.10; C71, 73, 75, 77, 79, 81, §190.11]

**190.12 Standards for frozen desserts.**

1. Frozen desserts and the pasteurized dairy ingredients used in the manufacture thereof, shall comply with the following standards:

| | | |
|---|---|---|
| Milk, cream, and fluid dairy ingredient | Temperature | Storage at 45 degrees Fahrenheit. |
| | Bacterial limit | 50,000 per milliliter |
| | Coliform limit | 10 per milliliter |
| Frozen dessert mixes, frozen desserts (plain) | Temperature | Storage at 45 degrees Fahrenheit. |
| | Bacterial limit | 50,000 per gram |
| | Coliform limit | 10 per gram |
| Dry dairy ingredient | Extra grade or better as defined by U. S. Standards for grades for the particular product. | |
| Dry powder mix | Bacterial limit | 50,000 per gram |
| | Coliform limit | 10 per gram |

2. The bacteria count and coliform determination shall not exceed these standards in three out of the last five consecutive samples taken by the regulatory agency.

3. This section shall not preclude holding mix at a higher temperature for a short period of time immediately prior to freezing where applicable to the particular manufacturing or processing practices.

4. This section shall not apply to sterilized mix in hermetically sealed containers.

5. The coliform determination for bulky flavored frozen desserts shall not be more than twenty per gram.

[C71, 73, 75, 77, 79, 81, §190.12]

2009 Acts, ch 133, §74; 2013 Acts, ch 30, §41

Subsection 1 amended

**190.13 Frozen desserts — edible containers.**

Notwithstanding any other labeling provision of the Code, frozen dessert of any kind or flavor may be dispensed and sold at retail in edible containers or as a part of any food

preparation intended for consumption without further preparation, including but not limited to the preparations commonly termed milk shakes, malted milks, sundaes, and floats.
[C71, 73, 75, 77, 79, 81, §190.13]

**190.14 Administration — milk and dairy products.**
1. The department shall administer this chapter consistent with the provisions of the "Grade 'A' Pasteurized Milk Ordinance", as provided in section 192.102.
2. The department, as provided in section 192.108, may contract with a person qualified by the department to perform inspection of dairy farms, milk plants, receiving stations, or transfer stations to ensure compliance with this chapter.
91 Acts, ch 74, §6; 94 Acts, ch 1198, §37; 97 Acts, ch 33, §4

**190.15 Violations — injunction.**
The department may restrain a person violating this chapter or a rule adopted by the department under this chapter by petitioning the district court where the violation occurs for injunctive relief. Each day that a violation continues constitutes a separate violation.
91 Acts, ch 74, §7

# CHAPTER 190A

## FARM-TO-SCHOOL PROGRAM

190A.1 Farm-to-school program.
190A.2 Farm-to-school council. Repealed by 2013 Acts, ch 129, §65.
190A.3 Goals and strategies.
190A.4 Agency cooperation.

**190A.1 Farm-to-school program.**
A farm-to-school program is established to encourage and promote the purchase of locally and regionally produced or processed food in order to improve child nutrition and strengthen local and regional farm economies.
2007 Acts, ch 215, §93

**190A.2 Farm-to-school council.** Repealed by 2013 Acts, ch 129, § 65.

**190A.3 Goals and strategies.**
1. The farm-to-school program shall seek to link elementary and secondary public and nonpublic schools in this state with Iowa farms to provide schools with fresh and minimally processed food for inclusion in school meals and snacks, encourage children to develop healthy eating habits, and provide Iowa farmers access to consumer markets.
2. The farm-to-school program may include activities that provide students with hands-on learning opportunities, such as farm visits, cooking demonstrations, and school gardening and composting programs.
3. The department of agriculture and land stewardship and the department of education shall seek to establish partnerships with public agencies and nonprofit organizations to implement a structure to facilitate communication between farmers and schools.
4. The department of agriculture and land stewardship and the department of education shall actively seek financial or in-kind contributions from organizations or persons to support the program.
2007 Acts, ch 215, §95; 2009 Acts, ch 41, §76; 2013 Acts, ch 129, §62, 63
Subsections 3 and 4 amended

**190A.4 Agency cooperation.**

The department of agriculture and land stewardship and the department of education shall provide information regarding the Iowa farm-to-school program in an electronic format on the department's internet site.

2007 Acts, ch 215, §96; 2013 Acts, ch 90, §257
Code editor directive applied

# CHAPTER 190B

## FROM FARM TO FOOD DONATION TAX CREDIT

Referred to in §422.11R, 422.33

190B.101 Definitions.
190B.102 Department of revenue — cooperation with other departments.
190B.103 From farm to food donation tax credit.
190B.104 From farm to food donation tax credit — eligibility.
190B.105 From farm to food donation tax credit — claims filed by individuals who belong to business entities.
190B.106 From farm to food donation tax credit — limits on claims.

**190B.101 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of revenue.

2. *"Tax credit"* means the from farm to food donation tax credit as established in this chapter.

2013 Acts, ch 140, §139, 147
Section takes effect July 1, 2013, and applies to tax years beginning on or after January 1, 2014; 2013 Acts, ch 140, §147
NEW section

**190B.102 Department of revenue — cooperation with other departments.**

1. This chapter shall be administered by the department of revenue.

2. The department shall adopt all rules necessary to administer this chapter.

3. The department of agriculture and land stewardship, the department of public health, the department of human services, and the department of inspections and appeals shall cooperate with the department of revenue to administer this chapter.

2013 Acts, ch 140, §140, 147
Section takes effect July 1, 2013, and applies to tax years beginning on or after January 1, 2014; 2013 Acts, ch 140, §147
NEW section

**190B.103 From farm to food donation tax credit.**

A from farm to food donation tax credit is allowed against the taxes imposed in chapter 422, divisions II and III, as provided in this chapter.

2013 Acts, ch 140, §141, 147
Section takes effect July 1, 2013, and applies to tax years beginning on or after January 1, 2014; 2013 Acts, ch 140, §147
NEW section

**190B.104 From farm to food donation tax credit — eligibility.**

In order to qualify for a from farm to food donation tax credit, all of the following must apply:

1. The taxpayer must produce the donated food commodity.

2. The taxpayer must transfer title to the donated food commodity to an Iowa food bank, or an Iowa emergency feeding organization, recognized by the department. The taxpayer shall not receive remuneration for the transfer.

3. The donated food commodity cannot be damaged or out-of-condition and declared to be unfit for human consumption by a federal, state, or local health official. A food commodity

that meets the requirements for donated foods pursuant to the federal emergency food assistance program satisfies this requirement.

4. A taxpayer claiming the tax credit shall provide documentation supporting the tax credit claim in a form and manner prescribed by the department by rule.

2013 Acts, ch 140, §142, 147
Section takes effect July 1, 2013, and applies to tax years beginning on or after January 1, 2014; 2013 Acts, ch 140, §147
NEW section

**190B.105 From farm to food donation tax credit — claims filed by individuals who belong to business entities.**

An individual may claim a from farm to food donation tax credit of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

2013 Acts, ch 140, §143, 147
Section takes effect July 1, 2013, and applies to tax years beginning on or after January 1, 2014; 2013 Acts, ch 140, §147
NEW section

**190B.106 From farm to food donation tax credit — limits on claims.**

A from farm to food donation tax credit is subject to all of the following limitations:

1. The tax credit shall not exceed a qualifying amount for the tax year that the tax credit is claimed. The qualifying amount is the lesser of the following:

*a.* Fifteen percent of the value of the commodities donated during the tax year for which the credit is claimed. The value of the commodities shall be determined in the same manner as a charitable contribution of food for federal tax purposes under section 170(e)(3)(C) of the Internal Revenue Code.

*b.* Five thousand dollars.

2. A tax credit in excess of the taxpayer's liability for the tax year is not refundable but may be credited to the tax liability for the following five years or until depleted, whichever is earlier.

3. If a tax credit is allowed, the amount of the contribution for which the tax credit is claimed shall not be deductible in determining taxable income for state tax purposes.

4. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit.

2013 Acts, ch 140, §144, 147
Section takes effect July 1, 2013, and applies to tax years beginning on or after January 1, 2014; 2013 Acts, ch 140, §147
NEW section

# CHAPTER 190C

## ORGANIC AGRICULTURAL PRODUCTS

Referred to in §184.1, 200.20

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## SUBCHAPTER 1

## DEFINITIONS

**190C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural product"* means any agricultural commodity or product, whether raw or processed, including any commodity or product derived from livestock, that is marketed in this state for human or livestock consumption.

2. *"Council"* means the organic advisory council established pursuant to section 190C.2.

3. *"Crop"* means a plant or part of a plant intended to be marketed as an agricultural product or fed to livestock.

4. *"Department"* means the department of agriculture and land stewardship.

5. *"Handler"* means a person engaged in the business of handling agricultural products, including producers who handle crops or livestock of their own production, except such term shall not include final retailers of agricultural products that do not process agricultural products.

6. *"Label"* means a display of written, printed, or graphic material on the immediate container of an agricultural product or any such material affixed to any agricultural product or affixed to a bulk container containing an agricultural product, except for package liners or a display of written, printed, or graphic material which contains only information about the weight of the product.

7. *"Livestock"* means any cattle, sheep, goats, swine, poultry, or equine animals used for food or in the production of food, fiber, feed, or other agricultural-based consumer products; wild or domesticated game; or other nonplant life, except such term shall not include aquatic animals or bees for the production of food, fiber, feed, or other agricultural-based consumer products.

8. *"National organic program"* means the program administered by the United States department of agriculture pursuant to 7 C.F.R. pt. 205, which implements the federal Organic Food Production Act of 1990, 7 U.S.C. § 6501 et seq.

9. *"Organic"* means a labeling term that refers to an agricultural product produced in accordance with this chapter.

10. *"Organic agricultural product"* means an agricultural product that is certified or otherwise qualifies as organic in accordance with the provisions of this chapter as they existed on and after May 20, 1998.

11. *"Processing"* means cooling, baking, curing, heating, drying, mixing, grinding, churning, separating, extracting, slaughtering, cutting, fermenting, distilling, eviscerating, preserving, dehydrating, freezing, chilling, or otherwise manufacturing, and includes the packaging, canning, jarring, or otherwise enclosing in a food container.

12. *"Processor"* means a person engaged in the business of processing.

13. *"Producer"* means a person who engages in the business of growing or producing food, fiber, feed, or other agricultural-based consumer products.

14. *"Regional organic association"* means a corporation authorized pursuant to section 190C.6.

15. *"Retailer"* means a person who sells agricultural products on a retail basis. *"Retailer"* includes a food establishment as defined in section 137F.1. *"Retailer"* also includes a restaurant, delicatessen, bakery, grocery store, or any retail outlet with an in-store restaurant, delicatessen, bakery, salad bar, or other eat-in or carry-out service of processed or prepared raw and ready-to-eat food.

16. *"Secretary"* means the secretary of agriculture who is the director of the department of agriculture and land stewardship.

98 Acts, ch 1205, §1, 20; 99 Acts, ch 96, §19; 2003 Acts, ch 104, §1, 21; 2003 Acts, ch 108, §43; 2003 Acts, ch 149, §13, 23

Referred to in §190C.1A, 200.3

**190C.1A Other definitions.**

For purposes of this chapter, words and phrases that are not defined in section 190C.1 shall have the same meanings as provided in 7 C.F.R. pt. 205.

2003 Acts, ch 104, §2, 21

**190C.1B General authority.**

Any provision in this chapter referring generally to compliance with the requirements of this chapter also includes compliance with requirements in rules adopted by the department pursuant to this chapter, orders issued by the department as authorized under this chapter, and the terms and conditions applicable to any certification made pursuant to this chapter.

2003 Acts, ch 104, §3, 21

## SUBCHAPTER 2

## ADMINISTRATION

**190C.2 Organic products — advisory council.**

1. An organic advisory council is established within the department. The council is composed of eleven members appointed by the governor and secretary, as provided in this section. The governor and secretary shall accept nominations from persons or organizations representing persons who serve on the council, as determined by the governor and secretary making appointments under this section.

2. The members shall serve staggered terms of four years beginning and ending as provided in section 69.19. Members appointed under this section shall be persons knowledgeable regarding the production, handling, processing, and retailing of organic agricultural products. The members of the council shall be appointed as follows:

*a.* Five persons who operate farms producing organic agricultural products. The governor shall appoint two of the persons, at least one of which shall be a producer of livestock, who may be a dairy or egg producer. The secretary shall appoint three of the persons, at least one of which shall be a producer of an agricultural commodity other than livestock. To qualify

for appointment, a person must have derived a substantial portion of the person's income, wages, or salary from the production of organic agricultural products for three years prior to appointment.

*b.* Two persons who operate businesses processing organic agricultural products. One person shall be appointed by the governor and one person shall be appointed by the secretary. To qualify for appointment, a person must have derived a substantial portion of the person's income, wages, or salary from processing organic agricultural products for three years prior to appointment.

*c.* One person appointed by the secretary, who shall be either of the following:

(1) A person who operates a business handling organic agricultural products. To qualify for appointment, a person must have derived a substantial portion of the person's income, wages, or salary from handling organic agricultural products for three years prior to appointment.

(2) A person who operates a business selling organic agricultural products. To qualify for appointment, a person must have derived a substantial portion of the person's income, wages, or salary from selling organic agricultural products on a retail basis for three years prior to appointment.

*d.* Two persons who have an educational degree and experience in agricultural or food science. One person shall be appointed by the governor and one person shall be appointed by the secretary. To qualify for appointment, a person must not have a financial interest in the production, handling, processing, or selling of organic agricultural products.

*e.* One person appointed by the governor, who represents the public interest, the natural environment, or consumers. To qualify for appointment, the person must be a member of an organization representing the public interest, consumers, or the natural environment. The person must not have a financial interest in the production, handling, processing, or selling of organic agricultural products.

3. A vacancy on the council shall be filled in the same manner as an original appointment. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. A member is eligible for reappointment. The governor may remove a member appointed by the governor and the secretary may remove a member appointed by the secretary, if the removal is based on the member's misfeasance, malfeasance, or willful neglect of duty or other just cause, after notice and hearing, unless the notice and hearing is expressly waived in writing.

4. Six members of the council constitute a quorum and the affirmative vote of a majority of the members present is necessary for any substantive action to be taken by the council. The majority shall not include any member who has a conflict of interest and a statement by a member that the member has a conflict of interest is conclusive for this purpose. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the council.

5. The members are entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

6. If a member has an interest, either direct or indirect, in a contract to which the council is or is to be a party, the member shall disclose the interest to the council in writing. The writing stating the conflict shall be set forth in the minutes of the council. The member having the interest shall not participate in any action by the council relating to the contract.

7. The council shall meet on a regular basis and at the call of the chairperson or upon the written request to the chairperson of two or more members. The department shall provide administrative support to the council.

98 Acts, ch 1205, §2, 20; 2003 Acts, ch 104, §4 – 6, 21
Referred to in §190C.1

**190C.2A Duties of the council.**

The organic advisory council shall assist the department in implementing and administering the provisions of this chapter as requested by the department. Upon request by the department, the council shall do all of the following:

1. Develop rules, policies, and procedures required to implement and administer this chapter.
2. Collect information required by the department in implementing and administering this chapter.
3. Interpret the requirements of this chapter, including rules adopted and orders issued pursuant to this chapter, and requirements of the national organic program.
4. Establish and change fees as provided in section 190C.5.
5. Provide advice regarding the most effective manner to use services provided by regional organic associations as provided in section 190C.6.
6. Provide information and expert opinions relating to organic agricultural products to the department.
7. Provide information relating to organic agricultural products to interested persons.
8. Promote organic agricultural products to consumers.

2003 Acts, ch 104, §7, 21
Referred to in §190C.3

**190C.2B Establishment and implementation of this chapter.**

1. The department shall implement and administer the provisions of this chapter for agricultural products that have been produced and handled within this state using organic methods as provided in this chapter. The department may consult with the council in implementing and administering this chapter. The department may certify agricultural products that have been produced and handled outside this state using an organic method as provided in this chapter.
2. The department may establish a state organic program as provided in 7 U.S.C. § 6501 et seq. and 7 C.F.R. pt. 205. The secretary may apply for any approval or accreditation or execute any agreement required under the national organic program in order to implement, administer, and enforce this chapter.
3. Unless prohibited by the national organic program, the attorney general may be joined as a party authorized to enforce the provisions of this chapter.
4. All provisions of this chapter shall be deemed in compliance with the national organic program, unless expressly provided otherwise by the United States department of agriculture.

2003 Acts, ch 104, §8, 21

**190C.3 Duties and powers of the department.**

In implementing the provisions of this chapter consistent with the national organic program, the department shall provide for the administration and enforcement of this chapter, including by adopting rules and issuing orders pursuant to chapter 17A. The department may adopt any part of the national organic program by reference.

1. The department shall be a state certifying agent and the department shall be the certifying agent's operation as provided in the national organic program.
2. The department may request assistance from the council as provided in section 190C.2A or from one or more regional organic associations as provided in section 190C.6.
3. *a.* The secretary may serve as the state organic program's governing state official. However, no other person shall serve in that position without approval by the secretary.

*b.* The secretary may designate a person within the department to act on the secretary's behalf in carrying out the duties of the state organic program's governing state official.

4. The department may assume enforcement obligations under the national organic program in this state for the requirements of this chapter. The department shall provide for on-site inspections. The department and the attorney general may coordinate the enforcement activities as provided in section 190C.21.

98 Acts, ch 1205, §3, 20; 2003 Acts, ch 104, §9, 21
Referred to in §190C.6

**190C.4 Administrative authority.** Repealed by 2003 Acts, ch 104, § 20, 21. See § 190C.3.

**190C.5 State fees — deposit into general fund of the state.**

1. The department acting as a state certifying agent shall establish a schedule of fees by rule.

*a.* The department shall establish the rate of fees based on an estimate of the amount of revenues from the fees required by the department to administer and enforce this chapter.

*b.* The department shall annually review the estimate and may change the rate of fees. The fees must be adjusted in order to comply with this subsection.

*c.* The fees shall be charged to persons who are certified under this chapter, including production operations and handling operations, in a manner that is consistent with the national organic program.

2. *a.* The department acting as a state certifying agent may charge additional fees for carrying out the duties of that position to the extent that the fees are consistent with the national organic program.

*b.* The secretary acting as the state organic program's governing state official may charge fees for carrying out the duties of that position to the extent consistent with the national organic program.

3. The department shall collect state fees under this chapter which shall be deposited into the general fund of the state.

98 Acts, ch 1205, §5, 20; 2003 Acts, ch 104, §10, 21; 2009 Acts, ch 41, §77

Referred to in §190C.2A

Exception for fees collected under 21 IAC ch 47, which are increased by ten percent for fiscal year beginning July 1, 2010, and ending June 30, 2011; amount representing the ten percent increase to be retained by the department for department purposes; 2010 Acts, ch 1031, §253

**190C.6 Regional organic associations.**

1. Regional organic associations may be established as provided in this section. A regional organic association must be organized as a corporation under chapter 504 which has certified members, elects its own officers and directors, and is independent from the department.

2. The department may authorize a regional organic association to assist the department in acting as a state certifying agent pursuant to section 190C.3. The regional organic association must be registered with the department. Upon request by the department, a registered regional organic association may do all of the following:

*a.* Review applications and provide applicants with technical assistance in completing applications. The department may authorize a regional organic association to process applications, including collecting and forwarding applications to the department.

*b.* Prepare a summary of an application, including materials accompanying the application, for review by the department. A regional organic association may include a recommendation for approval, modification, or disapproval of an application.

98 Acts, ch 1205, §6, 20; 2003 Acts, ch 104, §11, 21; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394

Referred to in §190C.1, 190C.2A, 190C.3

**190C.7 through 190C.11** Reserved.

**190C.12 through 190C.15** Repealed by 2003 Acts, ch 104, § 20, 21.

**190C.16 through 190C.20** Reserved.

SUBCHAPTER 3

ENFORCEMENT

**190C.21 General enforcement.**

1. The department acting as a state certifying agent and on behalf of the secretary who elects to act as the state organic program's governing state official shall enforce this chapter.

2. To the extent authorized by the national organic program, the attorney general shall

assist the department in enforcing this chapter. The department or the attorney general may commence legal proceedings in district court to enforce a provision of this chapter. If the attorney general assists the department under this section, the attorney general may commence the legal proceedings at the request of the department or upon the attorney general's own initiative.

3. This chapter does not require the department or attorney general to institute a proceeding for a minor violation if the department or attorney general concludes that the public interest will be best served by a suitable notice of warning in writing.

98 Acts, ch 1205, §11, 20; 2003 Acts, ch 104, §12, 21

Referred to in §190C.3, 190C.26

**190C.22 Investigations, complaints, inspections, and examinations.**

In enforcing the provisions of this chapter consistent with the national organic program, the department may conduct an investigation to determine if a person is complying with the requirements of this chapter. To the extent consistent with the national organic program, all of the following shall apply:

1. The department may receive a complaint from any person regarding a violation of this chapter. The department shall adopt procedures for persons filing complaints. The department shall establish procedures for processing complaints including requiring minimum information to determine the verifiability of a complaint.

2. The department may conduct inspections at times and places and to an extent that the department determines necessary in order to conclude whether there is a violation of this chapter. The department may enter upon any public or private premises during regular business hours in a manner consistent with the laws of this state and the United States, including Article I, section 8, of the Constitution of the State of Iowa, or the fourth amendment to the Constitution of the United States for purposes of carrying out an inspection.

3. The department may conduct examinations of agricultural products in order to determine if the agricultural products are in compliance with this chapter. Unless the national organic program otherwise requires, all of the following shall apply:

*a.* The methods for examination shall be the official methods adopted by the association of official agricultural chemists in all cases where methods have been adopted by the association.

*b.* A sworn statement by the state chemist or the state chemist's deputy stating the results of an analysis of a sample taken from a lot of agricultural products shall constitute prima facie evidence of the correctness of the analysis of that lot in a contested case proceeding or court proceeding.

98 Acts, ch 1205, §12, 20; 2003 Acts, ch 104, §13, 21

**190C.23 Disciplinary action.**

1. The department may take disciplinary action against a person who is certified pursuant to this chapter for noncompliance with a provision of this chapter or a willful violation of this chapter. The procedures of the disciplinary action shall be consistent with the national organic program. The disciplinary action shall proceed as provided in chapter 17A unless contrary to the national organic program. The department may do any of the following:

*a.* Issue a letter of warning or reprimand.

*b.* Suspend or revoke the person's certification.

2. Any other disciplinary action provided in the national organic program shall be implemented by the secretary acting as the state organic program's governing state official.

98 Acts, ch 1205, §13, 20; 2003 Acts, ch 104, §14, 21

**190C.24 Stop sale order.**

Unless prohibited by the national organic program, the department may issue a stop order to a person who sells, labels, or represents an agricultural product as organic in violation of this chapter.

1. The department may issue a written order to stop the sale of the agricultural product by a person in control of the agricultural product. The person named in the order shall not

sell, label, or represent the agricultural product as organic until the department determines that the agricultural product is in compliance with this chapter.

2. The department may require that the product be held at a designated place until released by the department.

3. The department or the attorney general may enforce the order by petitioning the district court in the county where the agricultural product is being sold.

4. The department shall release the agricultural product when the department issues a release order upon satisfaction that legal requirements compelling the issuance of the stop sale order are satisfied. If the person is found to have violated this chapter, the person shall pay all expenses incurred by the department in connection with the agricultural product's removal.

98 Acts, ch 1205, §14, 20; 2003 Acts, ch 104, §15, 16, 21

**190C.25 Injunctions.**

Unless prohibited by the national organic program, the department, the attorney general, an individual, a private organization or association, a county, or a city may bring an action in district court to restrain a producer, handler, or retailer from selling an agricultural product by false or misleading advertising claiming that the agricultural product is organic. A petitioner shall not be required to allege facts necessary to show, or tending to show, a lack of adequate remedy at law, or that irreparable damage or loss will result if the action is brought at law or that unique or special circumstances exist.

98 Acts, ch 1205, §15, 20; 2003 Acts, ch 104, §17, 21

**190C.26 Selling, labeling, or representing agricultural products as organic — penalties.**

A person shall not knowingly sell, label, or represent an agricultural product as organic, except in accordance with this chapter. A person who violates this section shall be subject to a civil penalty of not more than ten thousand dollars. Civil penalties shall be assessed by the district court in an action initiated by the department or attorney general as provided in section 190C.21. Unless prohibited by the national organic program, each day that the violation continues constitutes a separate violation. Civil penalties collected under this section shall be deposited in the general fund of the state.

98 Acts, ch 1205, §16, 20; 2003 Acts, ch 104, §18, 21

# CHAPTER 191

## LABELING FOODS

Referred to in §192.107, 192.108, 192.146, 210.12

See also reference in §210.12


191.1 Label requirements.
191.2 Dairy products and imitations.
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191.4 Definitions.
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191.6 Standards for oleomargarine.
191.7 Enforcement of oleomargarine law.
191.8 Baking powder and vinegar.
191.9 Administration — milk and dairy products.
191.10 Violations — injunction.


**191.1 Label requirements.**

All food offered or exposed for sale, or sold in package or wrapped form, shall be labeled on the package or container as prescribed in sections 189.9 to 189.12, inclusive, unless otherwise provided in this chapter.

[C97, §2517, 2519, 4989; S13, §2515-b, -c; SS15, §4999-a31c; C24, 27, 31, 35, 39, §**3067;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §191.1]

**191.2 Dairy products and imitations.**

The products enumerated below shall be labeled on the side or top of the container or package in which placed, kept, offered or exposed for sale, or sold as prescribed in sections 189.9 to 189.12, inclusive, except that the label shall be printed in letters not less than three-quarters inch in height and one-half inch in width and subject to the following regulations:

1. *Renovated butter.* Renovated butter shall be labeled with the words "Renovated Butter", and if offered or exposed for sale or sold in prints or rolls the wrapper of each and the container as required above shall be so labeled. If such butter is offered or exposed for sale uncovered and not in a container or package, a placard containing the required label shall be attached to the mass so as to be easily seen by the purchaser.

2. *Oleomargarine.*

*a.* No person shall sell or offer for sale, colored oleo, oleomargarine, or margarine unless — such oleo, oleomargarine, or margarine is packaged; the net weight of the contents of any package sold in a retail establishment is one pound or less; there appears on the label of the package the word "oleo", "oleomargarine", or "margarine" in type or lettering at least as large as any other type or lettering on such label, and a full and accurate statement of all the ingredients contained in such oleo, oleomargarine, or margarine; and each part of the contents of the package is contained in a wrapper which bears the word "oleo", "oleomargarine", or "margarine" in type or lettering not smaller than twenty point type.

*b.* Whenever coloring of any kind has been added it shall be clearly stated on both the inside wrapper and the outside package. The ingredients of oleo, oleomargarine, or margarine shall be listed on both the inside wrapper and outside package in the order of the amounts of ingredients in the package.

*c.* Such oleo, oleomargarine, or margarine shall contain vitamin "A" in such quantity that the finished oleo, oleomargarine, or margarine contains not less than fifteen thousand United States Pharmacopoeia units of vitamin "A" per pound, as determined by the method prescribed in the Pharmacopoeia of the United States for the total biological vitamin "A" activity.

3. *Imitation cheese.* Imitation cheese shall be labeled with the words "Imitation Cheese" on the cheese and on the package.

4. *Nonfat dry milk.* For the purposes of this chapter the product resulting from the removal of fat and water from milk and containing the lactose, milk proteins, and milk minerals in the same relative proportions as in the fresh milk from which it was made may be labeled and sold as "nonfat dry milk". It shall contain not over five percent by weight of moisture and the fat content shall not be over one and one-half percent by weight unless otherwise indicated.

5. All bottles, containers, and packages enclosing milk or milk products shall be conspicuously labeled or marked with:

*a.* The name of the contents as given in the definitions of this chapter and chapters 190 and 192.

*b.* The word "reconstituted" or "recombined" if the product is made by reconstitution or recombination.

*c.* The grade of the contents.

*d.* The word "pasteurized" if the contents are pasteurized and the identity of the plant where pasteurized.

*e.* The word "raw" if the contents are raw and the name or other identity of the producer.

*f.* The designation vitamin "D" and the number of U.S.P. units per quart in the case of vitamin "D" milk or milk products.

*g.* The volume or proportion of water to be added for recombining in the case of concentrated milk or milk products.

*h.* The words "nonfat milk solids added" and the percentage added if such solids have been added, except that this requirement shall not apply to reconstituted or recombined milk and milk products.

*i.* The words "artificially sweetened" in the name if nonnutritive or artificial sweeteners or both are used.

*j.* The common name of stabilizers, distillates, and ingredients, provided that:

(1) Only the identity of the milk producer shall be required on cans delivered to a milk plant as provided in chapter 192 which receives only grade "A" raw milk for pasteurization, and which immediately dumps, washes, and returns the cans to the milk producer.

(2) The identity of both milk producer and the grade shall be required on cans delivered to a milk plant as provided in chapter 192 which receives both grade "A" raw milk for pasteurization and ungraded raw milk and which immediately dumps, washes, and returns the cans to the milk producer.

(3) In the case of concentrated milk products, the specific name of the product shall be substituted for the generic term "concentrated milk products", e.g., "homogenized concentrated milk", "concentrated skim milk", "concentrated chocolate milk", "concentrated chocolate flavored low fat milk".

(4) In the case of flavored milk or flavored reconstituted milk, the name of the principal flavor shall be substituted for the word "flavored".

(5) In the case of cultured milk and milk products, the special type culture used may be substituted for the word "cultured", e.g., "acidophilus buttermilk", "Bulgarian buttermilk", and "yogurt".

6. All vehicles and transport tanks containing milk or milk products shall be legibly marked with the name and address of the milk plant or hauler in possession of the contents.

7. *a.* Tanks transporting raw milk and milk products to a milk plant from sources of supply not under the supervision of the secretary or authorized municipal corporation are required to be marked with the name and address of the milk plant or hauler and shall be sealed; in addition, for each such shipment, a shipping statement shall be prepared containing at least the following information:

(1) Shipper's name, address, and permit number.

(2) Permit number of hauler, if not employee of shipper.

(3) Point of origin of shipment.

(4) Tanker identity number.

(5) Name of product.

(6) Weight of product.

(7) Grade of product.

(8) Temperature of product.

(9) Date of shipment.

(10) Name of supervising health authority at the point of origin.

(11) Whether the contents are raw, pasteurized, or otherwise heat treated.

*b.* Such statement shall be prepared in triplicate and shall be kept on file by the shipper, the consignee, and the carrier for a period of six months for the information of the secretary.

8. The labeling information which is required on all bottles, containers, or packages of milk or milk products shall be in letters of an acceptable size, kind, and color satisfactory to the secretary and shall contain no marks or words which are misleading.

9. Milk and milk products are misbranded:

*a.* When their container bears or accompanies any false or misleading written, printed, or graphic matter.

*b.* When such milk and milk products do not conform to their definitions as contained in this chapter and chapters 190 and 192.

*c.* When such products are not labeled in accordance with this section.

[C97, §2517, 4989; S13, §2515-b, -c; C24, 27, 31, 35, 39, §**3068;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §191.2]

91 Acts, ch 74, §8; 92 Acts, ch 1163, §45; 2006 Acts, ch 1010, §60; 2009 Acts, ch 133, §208

**191.3 Sale of imitation products — notice to public — penalties.**

Every person owning or in charge of any place where food or drink is sold who uses or serves therein imitation cheese shall display at all times opposite each table or place of service a placard for such imitation, with the words "Imitation ..... served here", without other matter, printed in black roman letters not less than three inches in height and two inches in width, on a white card twelve by twenty-two inches in dimensions.

No person shall serve colored oleo, oleomargarine or margarine at a public eating place unless a notice that oleo, oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in a manner as to render it likely to be read and understood by the ordinary individual being served in the eating place or is printed or is otherwise set forth on the menu in type or lettering not smaller than that normally used to designate the serving of other food items or unless each separate serving bears or is accompanied by labeling identifying it as oleo, oleomargarine or margarine, or each separate serving thereof is triangular in shape.

Any person violating any provision of this section shall be guilty of a simple misdemeanor, and the person shall have all licenses issued by the state for the public eating place in which a violation occurred suspended for one year.

[C97, §2517; C24, 27, 31, 35, 39, §**3069;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §191.3]
97 Acts, ch 23, §16

**191.4 Definitions.**

1. *"Oleo"*, *"oleomargarine"*, or *"margarine"*, for purposes of this chapter, includes all substances, mixtures, and compounds known as oleo, oleomargarine, or margarine, and all substances, mixtures, and compounds which have a consistence similar to that of butter and which contain any edible oils or fats other than milk fat if made in imitation or semblance of butter. For the purposes of this chapter, colored oleo, oleomargarine, or margarine is oleo, oleomargarine, or margarine to which any color has been added.

2. *"Person"* as used in this chapter and chapters 190 and 192 means any individual, plant operator, partnership, corporation, company, firm, trustee, or association.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §191.4]
2009 Acts, ch 133, §209
See also §189.1

**191.5 Advertising oleomargarine — restrictions.**

No person, in person or by an agent, shall, by any means whatever, directly or indirectly, advertise or represent by statement, printing, writing, circular, poster, design, device, grade designation, advertisement, symbol, sound, or any combination thereof, that oleo, oleomargarine or margarine, or any brand of oleo, oleomargarine or margarine, is a dairy product for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase for consumption of oleo, oleomargarine or margarine, or any brand thereof. Whoever shall violate this provision shall be deemed guilty of a simple misdemeanor.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §191.5]

**191.6 Standards for oleomargarine.**

The department may prescribe and establish standards for oleo, oleomargarine, or margarine manufactured or sold in this state and may adopt the standards set up by regulations of the food and drug administration of the United States department of health and human services, 21 C.F.R. § 166.110, or any amendments thereto. Any standards so established shall not be contrary to or inconsistent with the provisions of section 190.1, subsection 6, entitled *"Oleomargarine"*.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §191.6]
2007 Acts, ch 22, §46; 2009 Acts, ch 133, §75

**191.7 Enforcement of oleomargarine law.**

It shall be the duty of the secretary of agriculture and the secretary's agents to enforce this chapter and of the county attorneys and of the attorney general of the state to cooperate with the secretary in the enforcement of this chapter.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §191.7]
Referred to in §331.756(36)

**191.8 Baking powder and vinegar.**

Baking powder and distilled vinegar shall show on the label the name of each ingredient from which made. Distilled vinegar shall be marked as such; and cider vinegar which, having

been in excess of the standard of acidity, has been reduced to the standard, shall have that fact indicated on the label.

[SS15, §4999-a31, -a31c; C24, 27, 31, 35, 39, §**3070;** C46, 50, §191.4; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §191.8]

**191.9 Administration — milk and dairy products.**

1. The department shall administer this chapter consistent with the provisions of the "Grade 'A' Pasteurized Milk Ordinance", as provided in section 192.102.

2. The department, as provided in section 192.108, may contract with a person qualified by the department to perform inspection of dairy farms, milk plants, receiving stations, or transfer stations to ensure compliance with this chapter.

91 Acts, ch 74, §9; 94 Acts, ch 1198, §38; 97 Acts, ch 33, §5

**191.10 Violations — injunction.**

The department may restrain a person violating this chapter or a rule adopted by the department under this chapter by petitioning the district court where the violation occurs for injunctive relief. Each day that a violation continues constitutes a separate violation.

91 Acts, ch 74, §10

# CHAPTER 191A

RESERVED

# CHAPTER 192

## GRADE "A" MILK INSPECTION

Referred to in §190.1, 190.2, 191.2, 191.4


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## GENERAL PROVISIONS

**192.1 through 192.100** Reserved.

**192.101 Short title.**
This chapter shall be known and may be cited as the "*Iowa Grade 'A' Milk Inspection Law*".
91 Acts, ch 74, §11

**192.101A Definitions.**
As used in this chapter, all terms shall have the same meaning as defined in the "Grade 'A' Pasteurized Milk Ordinance" as provided in section 192.102. However, notwithstanding the ordinance, the following definitions shall apply:
1. "*Bulk milk tanker*" means a mobile bulk container used to transport milk or fluid milk products from a dairy farm to a milk plant or from a milk plant to another milk plant, including an over-the-road semitanker or a tanker that is permanently mounted on a motor vehicle.
2. "*Milk grader*" means a person, including dairy industry milk intake personnel, other than a milk hauler, who collects a milk sample from a bulk tank or a bulk milk tanker.
3. "*Milk hauler*" means a person who takes farm samples or transports raw milk or raw milk products to or from a milk plant, receiving station, or transfer station, including a dairy industry milk field person. However, a milk hauler does not include a person who drives a bulk milk tanker, if the person does not take a milk sample or handle raw milk or raw milk products.
97 Acts, ch 94, §1; 2001 Acts, ch 129, §3; 2003 Acts, ch 44, §44; 2004 Acts, ch 1082, §12
Referred to in §194.3
Further definitions, see §189.1, 191.4(2)

**192.102 Grade "A" pasteurized milk ordinance.**
The department shall adopt, by rule, the "Grade 'A' Pasteurized Milk Ordinance, 2005 Revision", including a subsequent revision of the ordinance. If the ordinance specifies that compliance with a provision of the ordinance's appendices is mandatory, the department shall also adopt that provision. The department shall not amend the ordinance, unless the department explains each amendment and reasons for the amendment in the Iowa administrative bulletin when the rules are required to be published pursuant to chapter 17A. The department shall administer this chapter consistent with the provisions of the ordinance.
91 Acts, ch 74, §12; 94 Acts, ch 1198, §39; 97 Acts, ch 33, §6; 2001 Acts, ch 129, §4; 2003 Acts, ch 44, §45; 2004 Acts, ch 1082, §13; 2006 Acts, ch 1030, §19
Referred to in §189.1, 190.14, 191.9, 192.101A, 192.110, 194.3

**192.103 Sale of grade "A" milk to final consumer — impoundment of adulterated or misbranded milk.**
Only grade "A" pasteurized milk and milk products shall be sold to the final consumer, or to restaurants, soda fountains, grocery stores, or similar establishments; except in an emergency, the sale of pasteurized milk and milk products which have not been graded, or the grade of which is unknown, may be authorized by the secretary, in which case, such products shall be labeled "ungraded".

No person shall within the state produce, provide, sell, offer, or expose for sale, or have in possession with intent to sell, any milk or milk product which is adulterated or misbranded; except, in an emergency, the sale of pasteurized milk and milk products which have not been graded, or the grade of which is unknown, may be authorized by the secretary, in which case such products shall be labeled "ungraded".

Any adulterated or misbranded milk or milk product may be impounded by the secretary or authorized municipal corporation and disposed of in accordance with applicable laws or regulations.

[C24, 27, 31, 35, 39, §**3077;** C46, 50, 54, 58, 62, 66, §192.10; C71, 73, 75, 77, 79, 81, §192.11]
88 Acts, ch 1152, §2; 91 Acts, ch 74, §14
CS91, §192.103

**192.104 Coloring rejected milk.**

A milk hauler or a milk grader may mix a harmless coloring matter in rejected milk to prevent the rejected milk from being offered for sale.

[C54, 58, 62, 66, §192.41; C71, 73, 75, 77, 79, 81, §192.64]
CS91, §192.104
97 Acts, ch 94, §2

**192.105 and 192.106** Reserved.

PERMITS — INSPECTIONS

**192.107 Milk or milk products permit.**

A person who does not possess a permit issued by the department shall not bring, send, or receive into the state for sale, or sell, offer for sale, or store any milk or milk product as provided in this chapter and in chapters 190 and 191. However, the department may exempt from this requirement grocery stores, restaurants, soda fountains, or similar establishments where milk or a milk product is served or sold at retail, but not processed.

Only a person who complies with the requirements of this chapter and chapters 190 and 191 shall be entitled to receive and retain a permit from the department. Permits shall not be transferable with respect to persons or locations.

The department shall suspend a permit whenever there is reason to believe that a public health hazard exists, whenever the permit holder has violated any of the requirements of this chapter, chapter 190, or chapter 191, or whenever the permit holder has interfered with the department in the performance of its duties. However, where the milk or milk product involved creates, or appears to create, an imminent hazard to the public health, or in any case of a willful refusal to permit authorized inspection, the department shall serve upon the holder a written notice of intent to suspend the permit. The notice shall specify with particularity the violations in question and afford the holder such reasonable opportunity to correct such violations as may be agreed to by the parties, or in the absence of agreement, established by the secretary before making any order of suspension effective. A suspension of permit shall remain in effect until the violation has been corrected to the satisfaction of the department. As used in this section, the terms *"public health hazard"* and *"imminent hazard"* shall be defined by rules adopted by the department. The rules shall include examples of public health hazards and imminent hazards.

Upon written application of any person whose permit has been suspended, or upon application within forty-eight hours of any person who has been served with a notice of intention to suspend, and in the latter case before suspension, the department shall within seventy-two hours proceed to a hearing to ascertain the facts of such violation or interference and upon evidence presented at such hearing shall affirm, modify, or rescind the suspension or intention to suspend.

Upon repeated violation, the department may revoke a permit following reasonable notice

to the permit holder and an opportunity for a hearing. This section is not intended to preclude the institution of a court action provided in this chapter, chapter 190, or chapter 191.

The provisions of this section are intended for the regulation of the production, processing, labeling, and distribution of grade "A" milk and grade "A" milk products under sanitary requirements which are uniform throughout the state.

[C71, 73, 75, 77, 79, 81, §192.5]
91 Acts, ch 74, §13
CS91, §192.107
Referred to in §192.108, 192.109, 192.110

**192.108 Administration of the chapter — inspections required.**

The department shall administer this chapter and rules adopted pursuant to this chapter. The department is responsible for the inspection of a dairy farm, milk plant, transfer station, or receiving station to ensure compliance with this chapter and chapters 190 and 191. The department may enter into an inspection contract with a person qualified to perform inspection services if the agreement for the services is cost-effective and the quality of inspection ensures compliance with state and federal law. A person entering into an inspection contract with the department for the purpose of inspecting premises, taking samples, or testing samples, shall be deemed to be an agent of the department, and shall have the same authority under this chapter provided to the department, unless the contract specifies otherwise. The department shall review inspection services performed by a person under an inspection contract to ensure quality cost-effective inspections. If a person is acting in a manner which is inconsistent with the provisions of the applicable chapter or contract, the department may revoke the inspection contract after notice and hearing, in the manner described for permit revocation in section 192.107 and perform such acts as are necessary to enforce this chapter. Except as provided in this chapter or chapter 194, a person shall not charge a milk plant, receiving station, or transfer station a fee for inspection relating to milk or milk products.

88 Acts, ch 1152, §6
C89, §192.48
91 Acts, ch 74, §19
CS91, §192.108
97 Acts, ch 94, §3
Referred to in §190.14, 191.9, 192.110

**192.109 Certification of grade "A" label.**

The department of agriculture and land stewardship shall annually survey and certify all milk labeled grade "A" pasteurized and grade "A" raw milk for pasteurization, and, in the event a survey shows the requirements for production, processing, and distribution for such grade are not being complied with, the fact thereof shall be certified by the department to the secretary of agriculture who shall proceed with the provisions of section 192.107 for suspending the permit of the violator or who, if the secretary did not issue such permit, shall withdraw the grade "A" declared on the label.

[C71, 73, 75, 77, 79, 81, §192.31]
CS91, §192.109
2011 Acts, ch 89, §1
Continuing effectiveness of rules, regulations, forms, orders, or directives promulgated by department of public health until amended, repealed, or supplemented by department of agriculture and land stewardship; effect on administrative hearing or court proceeding arising out of pending enforcement action or cause of action or statute of limitations relating to action taken by department of public health; transfer of personnel; replacement of signs and related items; 2011 Acts, ch 89, §2

**192.110 Rating required to receive or retain a permit.**

A person shall not receive or retain a permit under section 192.107, unless both of the following conditions are satisfied:

1. The person has a pasteurized milk and milk products sanitation compliance rating of ninety percent or more as calculated according to the rating system as contained in the federal public health service publications, "Procedures Governing the Cooperative State-Public Health Service/Food and Drug Administration Program for Certification of

Interstate Milk Shippers 2003" and "Method of Making Sanitation Ratings of Milk Supplies, 2003 Revision". The applicable provisions of these publications are incorporated into this section by this reference. A copy of each publication shall be on file with the department or in the office of the person subject to an inspection contract as provided in section 192.108.

2. The facilities and equipment used to produce, store, or transport milk or milk products comply with requirements of the "Grade 'A' Pasteurized Milk Ordinance" as provided in section 192.102.

[C71, 73, 75, 77, 79, 81, §192.33; 81 Acts, ch 72, §6]

90 Acts, ch 1168, §33; 91 Acts, ch 74, §18

CS91, §192.110

93 Acts, ch 132, §1; 94 Acts, ch 1198, §40; 97 Acts, ch 33, §7; 97 Acts, ch 94, §4; 2001 Acts, ch 129, §5; 2003 Acts, ch 44, §46; 2004 Acts, ch 1082, §14

**192.111 Permit and inspection fees — deposit in general fund — appropriation.**

1. The department shall issue and renew permits under this subsection as provided by rules adopted by the department. A permit, unless earlier revoked, is valid until the second July 1 following the issuance or renewal. The department shall establish and assess the fees for the issuance and renewal of permits annually as provided in this subsection. A permit fee for the renewal period shall be due on the date that the permit expires. Except as otherwise provided in this section, all of the following shall apply:

*a.* The following persons must receive a permit from and pay an accompanying permit fee to the department:

(1) A milk plant other than a receiving station which must obtain a milk plant permit and pay a permit fee not greater than two thousand dollars.

(2) A transfer station which must obtain a transfer station permit and pay a permit fee not greater than four hundred dollars.

(3) A receiving station other than a milk plant which must obtain a receiving station permit and pay a permit fee of not greater than four hundred dollars.

(4) A milk hauler which must obtain a milk hauler permit and pay a permit fee not greater than twenty dollars.

(5) A milk grader which must obtain a milk grader permit and pay a license fee not greater than twenty dollars.

*b.* A bulk milk tanker must operate pursuant to a bulk milk tanker permit obtained from the department. The person obtaining the permit must pay a permit fee not greater than fifty dollars.

*c.* The following fees, which shall be in addition to any fee required to accompany a permit as required in this section, shall be assessed:

(1) A reinspection fee that shall be paid by a person holding a permit under this subsection for which reinspection is required as a condition of retaining the permit. The amount of the reinspection fee shall not be more than forty dollars for each such reinspection.

(2) A resealing fee that shall be paid by a person holding a milk plant permit, for resealing a milk plant's pasteurizer. The amount of the resealing fee shall not be more than one hundred dollars for each such resealing.

*d.* A person who renews a permit and submits any accompanying renewal fee under this subsection more than thirty days after the date that the renewal period expires shall pay a late fee. The amount of the late fee shall be equal to ten percent of the permit renewal fee. However, in no instance shall the late fee be less than twenty-five dollars.

2. A purchaser of milk from a grade "A" milk producer shall pay an inspection fee not greater than one point five cents per hundredweight. The fee shall be payable monthly to the department in a manner prescribed by the secretary.

3. *a.* Fees collected under this section and section 194.20 shall be deposited in the general fund of the state. All moneys deposited under this section are appropriated to the department for the costs of inspection, sampling, analysis, and other expenses necessary for the administration of this chapter and chapter 194, and shall be subject to the requirements of section 8.60.

*b.* In each fiscal year, the secretary shall calculate the balance of funds deposited under

this section by subtracting all moneys expended for the costs of inspection, sampling, analysis and other expenses necessary for the administration of this chapter and chapter 194. If the calculation shows a balance of funds deposited under this section on June 30 of any fiscal year equal to or exceeding one hundred fifty thousand dollars, the secretary shall reduce the fees provided for in subsection 2 of this section and section 194.20 for the next fiscal year in an amount which will result in an ending estimated balance of such funds for June 30 of the next fiscal year of one hundred fifty thousand dollars.

88 Acts, ch 1152, §5
C89, §192.47
91 Acts, ch 260, §1214
CS91, §192.111
92 Acts, ch 1163, §46; 93 Acts, ch 131, §5; 94 Acts, ch 1107, §38; 97 Acts, ch 94, §5; 2002 Acts, ch 1148, §1, 2, 11
Referred to in §192.113, 194.3A, 194.18, 194.20

**192.112 Regulation — milk haulers, milk graders, and bulk milk tankers.**

The department shall adopt rules pursuant to chapter 17A which provide standards for milk haulers, milk graders, and bulk milk tankers. The standards shall include, but need not be limited to, all of the following:

1. The construction of bulk milk tankers.
2. The cleaning, maintenance, and sanitization of bulk milk tankers.
3. Recordkeeping relating to the use and cleaning of bulk milk tankers.
4. Supplies needed to perform the duties of milk hauling and milk grading.
5. Proper milk hauling and milk grading procedures, including but not limited to sanitation, the examination and measurement of milk, the handling of milk, and the taking and handling of milk samples.
6. Recordkeeping required for milk haulers and milk graders.
7. Ongoing training requirements, if any, for milk haulers and milk graders.

97 Acts, ch 94, §6; 2002 Acts, ch 1148, §3, 11

**192.113 Penalties.**

1. *a.* A person shall not act as a milk hauler unless the person holds a milk hauler permit required pursuant to section 192.111. A person shall not solicit another person to act as a milk hauler or procure the services of a person to act as a milk hauler unless the person solicited or from whom the services are procured holds a milk hauler permit.

*b.* A person shall not act as a milk grader unless the person holds a milk grader permit required pursuant to section 192.111. A person shall not solicit another person to act as a milk grader or procure the services of a person to act as a milk grader unless the person solicited or from whom the services are procured holds a milk grader permit.

*c.* A person shall not operate a bulk milk tanker unless the bulk milk tanker operates pursuant to a bulk milk tanker permit required pursuant to section 192.111. A person shall not solicit another person to operate a bulk milk tanker or procure the services of a person to operate a bulk milk tanker unless the bulk milk tanker operates pursuant to a bulk milk tanker permit.

2. A person who violates this section is subject to a civil penalty of at least one hundred dollars but not more than one thousand dollars for each violation. Each day that a violation continues shall constitute a new violation. However, a person shall not be subject to a civil penalty of more than ten thousand dollars for a continuing violation. Civil penalties shall be deposited in the general fund of the state.

97 Acts, ch 94, §7; 2002 Acts, ch 1148, §4, 11
Referred to in §194.25

**192.114** Reserved.

SANITATION — LABORATORIES

**192.115 Sanitary regulations.**

Every person who deals in or manufactures dairy products or imitations thereof shall maintain the person's premises, utensils, wagons, and equipment in a clean and hygienic condition.

[C97, §2522; S13, §2522; C24, 27, 31, 35, 39, §**3078;** C46, 50, 54, 58, 62, 66, §192.11; C71, 73, 75, 77, 79, 81, §192.34]

CS91, §192.115

**192.116 Bacteriologists.**

The department of agriculture and land stewardship may employ dairy specialists or bacteriologists who shall devote their full time to the improvement of sanitation in the production, processing and marketing of dairy products. Said dairy specialists and bacteriologists shall have qualifications as to education and experience and such other requirements as the secretary may require.

[C46, 50, 54, 58, 62, 66, §192.12; C71, 73, 75, 77, 79, 81, §192.35]

CS91, §192.116

**192.117 Duties.**

Said dairy specialists and bacteriologists employed by the department shall cooperate with the dairy and food inspectors of the department and with the health departments of cities for sanitary control of the production, processing, and marketing of dairy products. The department shall provide adequate laboratory facilities for the efficient performance of their duties.

[C46, 50, 54, 58, 62, 66, §192.13; C71, 73, 75, 77, 79, 81, §192.36]

CS91, §192.117

**192.118 Certified laboratories.**

To insure uniformity in the tests and reporting, an employee certified by the United States public health service of the bacteriological laboratory of the department shall annually certify, in accordance with the United States food and drug administration publication "Evaluation of Milk Laboratories" (1995 revision), all laboratories doing work in the sanitary quality of milk and dairy products for public report. The approval by the department shall be based on the evaluation of these laboratories as to personnel training, laboratory methods used, and reporting. The results on tests made by approved laboratories shall be reported to the department on request, on forms prescribed by the secretary of agriculture, and such reports may be used by the department.

The department shall annually certify, in accordance with the United States food and drug administration publication "Evaluation of Milk Laboratories" (1995 revision), every laboratory in the state doing work in the sanitary quality of milk and dairy products for public report. The certifying officer may enter any such place at any reasonable hour to make the survey. The management of the laboratory shall afford free access to every part of the premises and render all aid and assistance necessary to enable the certifying officer to make a thorough and complete examination.

[C54, 58, 62, 66, §192.40; C71, 73, 75, 77, 79, 81, §192.63]

CS91, §192.118

91 Acts, ch 74, §21; 97 Acts, ch 94, §8

**192.119 and 192.120** Reserved.

## CONTAINERS

**192.121 Container defined.**

As used in this chapter, *"container"* means a rigid or nonrigid receptacle, including but not limited to a can, bottle, case, paper carton, cask, keg, or barrel.

[C24, 27, 31, 35, 39, §**3094;** C46, 50, 54, 58, 62, 66, §192.33; C71, 73, 75, 77, 79, 81, §192.56]
CS91, §192.121
91 Acts, ch 74, §20

**192.122 Milk bottles to be marked.**

Bottles or jars used for the sale of milk shall have clearly blown or permanently marked in the side of the bottle, the capacity of the bottle, and on the bottom of the bottle the name, initials, or certification mark of the manufacturer. The designating number shall be furnished by the department on request.

[S13, §3009-k; C24, 27, 31, 35, 39, §**3095;** C46, 50, 54, 58, 62, 66, §192.34; C71, 73, 75, 77, 79, 81, §192.57]
CS91, §192.122

**192.123 Adoption of brand.**

With the approval of the department any person who deals in or transports milk, cream, skimmed milk, buttermilk, or ice cream may adopt a distinctive mark or brand to be placed upon any container owned or used by the person, and the same may be registered with the department.

[C24, 27, 31, 35, 39, §**3096;** C46, 50, 54, 58, 62, 66, §192.35; C71, 73, 75, 77, 79, 81, §192.58]
CS91, §192.123

**192.124 Retention of marked container.**

A person shall not, without the consent of the owner, retain for a longer period than three days a container bearing a registered mark, and any person receiving such a container shall immediately return it to the owner by a common carrier. A receipt from a common carrier is prima facie evidence that the container was returned.

[C24, 27, 31, 35, 39, §**3097;** C46, 50, 54, 58, 62, 66, §192.36; C71, 73, 75, 77, 79, 81, §192.59]
CS91, §192.124
92 Acts, ch 1076, §1; 95 Acts, ch 67, §14

**192.125 Return of bottles.**

Milk and cream bottles bearing registered marks shall be returned by delivering them to the owner or the owner's agent in person or by leaving them where they may be picked up by the owner.

[C24, 27, 31, 35, 39, §**3098;** C46, 50, 54, 58, 62, 66, §192.37; C71, 73, 75, 77, 79, 81, §192.60]
CS91, §192.125

**192.126 Stray containers.**

When any person comes into possession of a container bearing a registered mark which belongs to another whose name and address the person does not know, the person shall immediately notify the department in writing, giving the size, shape, and mark of the container. Upon receipt of shipping directions from the department the person shall at once forward the container by a common carrier, collect, to the address furnished. Milk or cream bottles need not be returned when the cost of return is greater than the market value of the bottles.

[C24, 27, 31, 35, 39, §**3099;** C46, 50, 54, 58, 62, 66, §192.38; C71, 73, 75, 77, 79, 81, §192.61]
CS91, §192.126

**192.127 Registered mark.**
No person shall for any purpose use any registered mark or any container bearing such mark, or remove or alter any such mark placed upon a container without the consent of the owner.
[C24, 27, 31, 35, 39, §**3100;** C46, 50, 54, 58, 62, 66, §192.39; C71, 73, 75, 77, 79, 81, §192.62]
CS91, §192.127

**192.128 through 192.130** Reserved.

TESTING FOR MILK FAT

**192.131** Repealed by 2002 Acts, ch 1148, § 9, 11.

**192.132** Repealed by 2002 Acts, ch 1119, § 110; 2002 Acts, ch 1148, § 9, 11.

**192.133 through 192.137** Repealed by 2002 Acts, ch 1148, § 9, 11.

**192.138 through 192.140** Reserved.

COTTAGE CHEESE — BUTTER

**192.141 Grade standards for cottage cheese.**
The department may establish grade "A" standards for cottage cheese dry curd, cottage cheese, and low fat cottage cheese as a part of the ordinance required by this chapter. However, a governmental body, including the department, a county as provided in chapter 331, or a city as provided in chapter 364 shall not require a grade "A" rating for these products as a condition precedent to their sale.
[C71, 73, 75, 77, 79, 81, §192.30; 81 Acts, ch 72, §5]
88 Acts, ch 1152, §3; 90 Acts, ch 1168, §32; 91 Acts, ch 74, §15, 16, 25
CS91, §192.141

**192.142** Repealed by 2002 Acts, ch 1148, § 9, 11.

**192.143 Imitation butter.**
Imitation butter shall be sold only under the name of oleomargarine, and no person shall use in any way, in connection or association with the sale or exposure for sale or advertisement of any such product, the word "butter", "creamery", or "dairy", or the name or representation of any breed of dairy cattle, or any combination of such word or words and representation, or any other words or symbols or combination thereof commonly used in the sale of butter.
[C97, §2517; C24, 27, 31, 35, 39, §**3093;** C46, 50, 54, 58, 62, 66, §192.31; C71, 73, 75, 77, 79, 81, §192.54]
CS91, §192.143

**192.144 and 192.145** Reserved.

INJUNCTIONS

**192.146 Injunction for violations.**

A person who violates any provision of this chapter, chapter 190, or chapter 191, or a rule adopted under any of those chapters may be enjoined from continuing such violations. Each day upon which such a violation occurs constitutes a separate violation.

[C71, 73, 75, 77, 79, 81, §192.32]
91 Acts, ch 74, §17
CS91, §192.146

# CHAPTER 192A

## MARKETING OF DAIRY PRODUCTS

Repealed by 2000 Acts, ch 1091, §1

# CHAPTER 193

## RESERVED

# CHAPTER 194

## GRADES OF MILK

Referred to in §192.108, 192.111


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| 194.17 | Records. |
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| 194.20 | Inspection fees — grade "B" milk. |
| 194.21 | Bulk tanks on farms for milk. |
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**194.1 Citation of chapter.**

This chapter may be cited as the *"Iowa Grading Law for Milk Used for Manufacturing Purposes"*.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.1]

**194.2 Enforcement — rules.**

The secretary of agriculture shall enforce the provisions hereof, and to this end may adopt such rules and regulations as may appear necessary, but not inconsistent herewith.

The secretary may adopt by rule requirements recommended by the United States Department of Agriculture for the production and processing of milk for manufacturing purposes, including, but not limited to, requirements for the inspection and certification of grade "B" dairy farms and grade "B" dairy plants.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.2]
88 Acts, ch 1152, §7

**194.3 Definitions.**

For the purpose of this chapter:

1. *"Bulk milk tanker"* means all of the following:

*a.* A bulk milk tanker as defined in section 192.101A.

*b.* A vehicle that transports milk stored in milk cans.

2. *"Milk grader"* means the same as defined in section 192.101A.

3. *"Milk hauler"* means the same as defined in section 192.101A.

4. *"Milk processing plant"* means an establishment receiving milk from diverse producers, if the milk is manufactured into butter, cheese, dry milk, or other dairy products for commercial purposes.

5. *"Milk used for manufacturing purposes"* means milk or milk products manufactured into butter, cheese, ungraded dry milk, or other dairy products except milk and milk products as defined in the "Grade 'A' Pasteurized Milk Ordinance" provided in section 192.102.

6. *"Organoleptic examination or grading of milk"* means examination by the senses of sight, smell, and taste.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.3]

86 Acts, ch 1245, §639; 92 Acts, ch 1081, §1; 2002 Acts, ch 1148, §5, 11

Further definitions, see §189.1

**194.3A Permit requirements.**

1. The department shall issue and renew permits under this chapter as provided by rules adopted by the department. The following persons must receive a permit from and pay a permit fee to the department:

*a.* A milk hauler which must obtain a milk hauler permit.

*b.* A milk grader which must obtain a milk grader permit.

*c.* A bulk milk tanker which must operate pursuant to a bulk milk tanker permit.

2. The department shall provide for the issuance and renewal of permits under this section as provided by rules adopted by the department, in the same manner as provided in section 192.111. The amount of the permit fee shall be the same as provided in section 192.111. A person shall not be required to obtain a milk hauler permit, milk grader permit, or bulk milk tanker permit under this section if the person has obtained the same permit under section 192.111.

3. The department may suspend or revoke a permit issued or renewed under this section in the same manner that the department may suspend or revoke a permit issued or renewed under section 192.111.

4. A person who does any of the following is in violation of this section:

*a.* (1) Acts as a milk hauler or milk grader, unless the person holds a milk hauler permit or milk grader permit as required in this section.

(2) Solicits another person to act as a milk hauler or milk grader or procures the services of a person to act as a milk hauler or milk grader, unless the person solicited or from whom the services are procured holds a milk hauler permit or milk grader permit as required in this section.

*b.* (1) Operates a bulk milk tanker, unless the bulk milk tanker operates pursuant to a bulk milk tanker permit as required in this section.

(2) Solicits another person to operate a bulk milk tanker or procures the services of a person to operate a bulk milk tanker, unless the bulk milk tanker operates pursuant to a bulk milk tanker permit as required in this section.

2002 Acts, ch 1148, §6, 11

Referred to in §194.25

**194.4 Physical characteristics.**

All milk received at a creamery, cheese factory, or milk-processing plant shall be examined for physical characteristics, off-flavors and off-odors, including those associated with developed acidity. The condition of the raw milk shall be wholesome and characteristic of normal milk. The flavor and odor of the raw milk shall be fresh and sweet; however, slight feed flavors may be present.

Any raw milk that shows an abnormal condition including, but not limited to, curdled, ropy, clotted and bloody, or that contains extraneous matter or which shows significant bacterial deterioration, or which contains matter evidencing production from a mastitic cow; or which contains chemicals, medicines, or radioactive agents deleterious to health is unlawful milk and shall be rejected to the producer, seller, or shipper and shall not be used in the processing or manufacturing of dairy products for human consumption.

At least once within each thirty days a test shall be made of a producer's milk to determine the existence of evidence of production from mastitic cows. The secretary shall determine and adopt the standards and methods of testing the milk for this purpose. The secretary shall be guided by recommendations or regulations established by federal agencies regulating this field.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.4]
92 Acts, ch 1081, §2

**194.5 Frequency of tests.**

A test shall be made on the first purchase of milk from a new producer and at least once within each thirty-day interval thereafter. One lot of milk from each producer shall be selected at random and tested for extraneous matter by an appropriate method. The secretary shall determine and promulgate the standards and methods of testing the milk for extraneous matter. The method and standards shall be no less strict than those recommended by the agricultural marketing service, U.S. department of agriculture.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.5]

**194.6 Bacterial test.**

At least once every thirty days an estimate of the bacterial quality shall be made of each producer's milk by use of a standard plate count or an equivalent plate counting procedure in an officially designated laboratory.

For the purpose of quality improvement and payment, the following classifications of milk for bacterial estimate are applicable:

| Bacterial Estimate Classification | Standard Plate Count or Equivalent |
|---|---|
| Class 1 | Not over 100,000 per Milliliter |
| Class 2 | Not over 300,000 per Milliliter |
| Undergrade | Over 300,000 per Milliliter |

[C62, 66, 71, 73, 75, 77, 79, 81, §194.6]
84 Acts, ch 1120, §1; 92 Acts, ch 1081, §3

**194.7 Acceptable milk.**

Milk acceptable from the standpoint of organoleptic examination, containing no excessive extraneous matter and complying with class 1 or 2 for bacterial estimate shall be acceptable for use in the processing and manufacturing of dairy products for human consumption.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.7]

**194.8 Unacceptable milk.**

Milk acceptable from the standpoint of organoleptic examination, containing no excessive extraneous matter and classified in excess of three hundred thousand for bacterial estimate, may be used in the processing and manufacturing of dairy products for human consumption for a period of seven consecutive days.

After a week another quality test must be performed on the producer's milk. If two of the last four consecutive bacterial counts exceed the class 2 standard, the department shall deliver, or require the purchaser to deliver, a written notice to the producer. An additional sample shall be taken at least three days after taking the previous sample, but within twenty-one days following delivery of the notice. The department shall immediately suspend

the permit of the producer or immediately institute legal proceedings to restrain production if the class 2 standard is violated according to three of the last five bacterial counts.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.8]

84 Acts, ch 1120, §2; 92 Acts, ch 1081, §4

**194.9 Unlawful milk.**

Milk, which from the standpoint of organoleptic examination is not acceptable, or which contains excessive extraneous matter or which by three out of five bacterial estimate tests is classified in excess of three hundred thousand, or which contains material evidencing production from a mastitic cow, or which contains chemicals, medicines, or radioactive agents deleterious to health, is unlawful for the manufacture of dairy products for human consumption.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.9]

84 Acts, ch 1120, §3; 92 Acts, ch 1081, §5

Referred to in §194.18

**194.10 Milk purchased on basis of grade.**

All purchases and deliveries of milk and cream for the manufacture of dairy products shall be made on the basis of grades and definitions set forth in this chapter.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.10]

**194.11 Price differential.**

All purchasers and receivers of milk for the manufacture of dairy products for human consumption shall maintain a reasonable price differential between the grades of milk as defined by the bacterial estimate tests. This price differential shall not be less than five percent of the price for grade one milk.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.11]

**194.12 through 194.16** Repealed by 2002 Acts, ch 1148, § 9, 11.

**194.17 Records.**

Each creamery, cheese factory or milk processing plant shall maintain records of all purchases and receipts of milk from individual producers. These records must show:

1. Name of producer.
2. Date of delivery.
3. Quantity delivered.
4. Grade assigned.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.17]

**194.18 Coloring unlawful milk.**

A person who holds a milk hauler permit or a milk grader permit pursuant to section 192.111 may mix a harmless coloring matter in unlawful milk as provided in section 194.9 to prevent the unlawful milk from being processed and used in any form for human consumption.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.18]

97 Acts, ch 94, §9; 2002 Acts, ch 1148, §7, 11

**194.19** Repealed by 2002 Acts, ch 1148, § 9, 11.

**194.20 Inspection fees — grade "B" milk.**

A purchaser of milk from a grade "B" milk producer shall pay an inspection fee not greater than one-half cent per hundredweight. The fee is payable monthly to the department at a time prescribed by the department. Fees collected under this section shall be deposited and used as required in section 192.111.

88 Acts, ch 1152, §10; 91 Acts, ch 74, §22; 92 Acts, ch 1081, §8; 92 Acts, ch 1163, §47; 94 Acts, ch 1107, §43

Referred to in §192.111

**194.21 Bulk tanks on farms for milk.**

Any producer using a bulk tank for cooling and storage of milk to be used for manufacturing purposes shall have an enclosed milk room which shall conform to the standards provided by this section. The floor shall be constructed of concrete or other impervious material, maintained in good repair, and graded to provide proper drainage. The walls and ceilings of the room shall be sealed and constructed of smooth easily cleaned material. All windows shall be screened and doors shall be self-closing. It shall be well ventilated and must meet the following requirements:

1. The bulk tank shall not be located over a drain or under a ventilator.
2. The hose port shall be located in an exterior wall and fitted with a tight self-closing door.
3. A two hundred twenty volt lock type electrical connection with ground and weatherproof type receptacle and switchbox shall be provided near the hose port.
4. Each milk room shall have an adequate supply of water readily accessible with facilities for heating the water, to insure the cleaning and sanitizing of the bulk tank, utensils and equipment and the keeping of the milk room clean.
5. No lights shall be placed directly over the bulk tank.
6. The bulk tank shall be properly located in the milk room for easy access to all areas for cleaning and servicing.
7. The enforcement of this section shall be administered by the department of agriculture and land stewardship.
8. Any person violating any provisions of this section shall be guilty of a simple misdemeanor.

[C66, §192.43; C71, 73, 75, 77, 79, 81, §192.66]
CS91, §194.21

**194.22 through 194.24** Reserved.

**194.25 Violations and penalties.**

1. Except as provided in subsection 2, a person who, in person or by an agent or employee, willfully violates any requirement of this chapter shall be guilty of a simple misdemeanor.
2. A person in violation of section 194.3A is subject to the same civil penalty as applied to that person as provided in section 192.113.

[C62, 66, 71, 73, 75, 77, 79, 81, §194.20]
C89, §194.25
2002 Acts, ch 1148, §8, 11

# CHAPTER 195

RESERVED

# CHAPTER 196

## EGG HANDLERS

For transition of powers and duties from the department of inspections and appeals to the department of agriculture and land stewardship under this chapter, and for related administrative provisions, see 2011 Acts, ch 16


196.1 Definitions.
196.2 Enforcement.
196.3 Egg handler's license and fee.
196.4 Producers and hatcheries exempt.
196.5 Candling and grading capability.
196.6 Candling and grading room.
196.7 Candling and grading prior to sale.
196.8 Quality — storage.
196.9 Eggs unfit for human food.
196.10 Labeling.
196.11 Storage.
196.12 Transportation.
196.13 Records.
196.14 Penalty.


**196.1 Definitions.**

Unless the context otherwise requires:

1. *"Candling"* means the careful examination of each shell egg and the elimination of those eggs determined unfit for human consumption.

2. *"Consumer"* means a person who buys eggs for personal consumption.

3. *"Department"* means the department of agriculture and land stewardship.

4. *"Egg handler"* or *"handler"* means a person who buys or sells eggs, or uses eggs in the preparation of human food. *"Egg handler"* or *"handler"* does not include a retailer, a consumer, an establishment, or a producer who sells eggs as provided in section 196.4.

5. *"Establishment"* means any place in which eggs are offered or sold as human food for consumption by its employees, students, patrons, customers, residents, inmates or patients or as an ingredient in food offered or sold in a form ready for immediate consumption.

6. *"Grading"* means classifying each shell egg by weight and grading in accordance with egg grading standards approved by the United States government as of July 1, 1985, pursuant to the Agricultural Marketing Act of 1946, 7 U.S.C. § 1621 et seq.

7. *"Nest run eggs"* means eggs which have not been denatured, candled, graded, processed or labeled.

8. *"Package"* means the same as defined in section 189.1.

9. *"Producer"* means a person who owns layer type chickens.

10. *"Retailer"* means a person who sells eggs directly to consumers except a producer who sells eggs under the provisions of section 196.4.

[C24, 27, 31, 35, 39, §**3107;** C46, 50, 54, §196.7; C58, 62, 66, 71, 73, 75, §196.3, 196.11; C77, 79, 81, §196.1]

85 Acts, ch 195, §20; 95 Acts, ch 7, §1, 2; 2011 Acts, ch 16, §2, 5

Further definitions, see §189.1

**196.2 Enforcement.**

The department shall enforce this chapter, and may adopt rules pursuant to chapter 17A and consistent with regulations of the United States government as they exist on July 1, 1985, pursuant to the Agricultural Marketing Act of 1946, 7 U.S.C. § 1621 et seq., and the Egg Products Inspection Act of 1970, 21 U.S.C. § 1044 et seq.

[C24, 27, 31, 35, 39, §**3111;** C46, 50, 54, §196.11; C58, 62, 66, 71, 73, 75, 77, 79, 81, §196.2]

85 Acts, ch 195, §21; 95 Acts, ch 7, §3

**196.3 Egg handler's license and fee.**

1. Every egg handler shall obtain an annual license from the department. The fee for the license shall be determined on the basis of the total number of eggs purchased or handled during the preceding month of April in each calendar year as follows:

*a.* Less than one hundred twenty-five cases ..... $20.20

*b.* One hundred twenty-five cases or

more but less than two hundred fifty
cases ..... $47.25
*c.* Two hundred fifty cases or more but
less than one thousand cases ..... $67.50
*d.* One thousand cases or more but less
than five thousand cases ..... $135.00
*e.* Five thousand cases or more but less
than ten thousand cases ..... $236.25
*f.* Ten thousand cases or more ..... $337.50

2. The license shall expire one year after its date of issue. For the purpose of determining fees, a case shall be thirty dozen eggs. All fees collected shall be remitted to the treasurer of state for deposit in the general fund of the state.

3. If an egg handler is not operating during the month of April, the department shall estimate the volume of eggs purchased or handled, or both, and may revise the fee based on three months of operation.

[C24, 27, 31, 35, 39, §**3101, 3103;** C46, 50, 54, §196.1, 196.3; C58, 62, 66, 71, 73, 75, §196.4, 196.6; C77, 79, 81, §196.3]

2007 Acts, ch 215, §218

Referred to in §196.4

**196.4 Producers and hatcheries exempt.**

Producers who sell eggs produced exclusively by their own flocks directly to handlers, or to consumers, shall not be required to demonstrate to the department or the United States department of agriculture inspector their capability to perform candling and grading.

A hatchery shall obtain an egg handler's license pursuant to section 196.3 if it purchases eggs which are not used for hatching purposes.

[C24, 27, 31, 35, 39, §**3102;** C46, 50, 54, §196.2; C58, 62, 66, 71, 73, 75, §196.5; C77, 79, 81, §196.4]

Referred to in §196.1

**196.5 Candling and grading capability.**

Each person who candles and grades eggs shall demonstrate to the satisfaction of the department or the United States department of agriculture inspector, the capability to perform candling and grading.

[C24, 27, 31, 35, 39, §**3109;** C46, 50, 54, §196.9; C58, 62, 66, 71, 73, 75, §196.7, 196.8; C77, 79, 81, §196.5]

**196.6 Candling and grading room.**

An egg handler's license shall be obtained from the department for each location at which eggs will be candled and graded. Before a license is issued for each location candling eggs, the department shall make a careful survey of the premises and determine that the premises contain proper facilities for candling and grading.

[C24, 27, 31, 35, 39, §**3109;** C46, 50, 54, §196.6, 196.9; C58, 62, 66, 71, 73, 75, §196.13; C77, 79, 81, §196.6]

**196.7 Candling and grading prior to sale.**

All eggs offered for sale by an egg handler to a retailer, an establishment or a consumer, shall be candled and graded.

[C24, §3108; C27, 31, 35, §3108, 3112-b1; C39, §**3112.1;** C46, 50, 54, §196.8, 196.13; C58, 62, 66, 71, 73, 75, §196.12, 196.14; C77, 79, 81, §196.7]

**196.8 Quality — storage.**

1. All eggs offered for sale to an establishment must be no lower than United States department of agriculture consumer grade "B". From the time of candling and grading until they reach the consumer, all eggs designated for human consumption shall be held at a temperature not to exceed forty-five degrees Fahrenheit or seven degrees Celsius ambient temperature. The forty-five degrees Fahrenheit or seven degrees Celsius ambient

temperature requirement applies to any place or room in which eggs are stored, except inside a vehicle during transportation where the ambient temperature may exceed forty-five degrees Fahrenheit or seven degrees Celsius, provided the transport vehicle is equipped with refrigeration units capable of delivering air at a temperature not greater than forty-five degrees Fahrenheit or seven degrees Celsius and capable of cooling the vehicle to a temperature not greater than forty-five degrees Fahrenheit or seven degrees Celsius. All shell eggs shall be kept from freezing.

2. Notwithstanding subsection 1, eggs gathered for sale at a poultry show from fowl exhibited at the show, which show has received financial assistance from the state in prior fiscal years, shall be exempt from the storage temperature and consumer grade quality requirements contained in subsection 1.

[C27, 31, 35, §3112-b1; C39, §**3112.1;** C46, 50, 54, §196.13; C58, 62, 66, 71, 73, 75, §196.14; C77, 79, 81, §196.8]

97 Acts, ch 192, §1; 2001 Acts, ch 176, §15

**196.9 Eggs unfit for human food.**

Eggs determined to be unfit for human food under 21 U.S.C. § 1034 as amended to July 1, 1985, shall not be bought or sold or offered for purchase or sale by any person unless the eggs are denatured so that they cannot be used for human food.

[C24, 27, 31, 35, 39, §**3104, 3105, 3108;** C46, 50, 54, §196.4, 196.5, 196.8; C58, 62, 66, 71, 73, 75, §196.10; C77, 79, 81, §196.9]

85 Acts, ch 195, §22; 2010 Acts, ch 1061, §40

**196.10 Labeling.**

Sections 189.9 to 189.12 shall apply to the labeling of packaged eggs which have been candled and graded if not inconsistent with the provisions of this chapter. All cases of loose packed eggs sold in this state shall identify the egg handler's name or license number or United States department of agriculture plant number, and, the grade of the eggs contained in the case. Each carton containing eggs for retail sale in Iowa which have been candled and graded shall be marked with the grade and size of the eggs contained, the date they were packed, and the name and address of the distributor or packer.

[C24, 27, 31, 35, 39, §**3110;** C46, 50, 54, §196.10; C58, 62, 66, 71, 73, 75, §196.16; C77, 79, 81, §196.10]

**196.11 Storage.**

The provisions of section 189.28 shall not apply to eggs.

[C58, 62, 66, 71, 73, 75, §196.19; C77, 79, 81, §196.11]

**196.12 Transportation.**

Vehicles used to transport eggs from the point of production to an egg handler or between handlers shall be kept in sanitary condition and shall be enclosed. However, this section shall not apply to producers transporting their own eggs to a handler.

[C58, 62, 66, 71, 73, 75, §196.20; C77, 79, 81, §196.12]

**196.13 Records.**

Handlers shall keep a record for three years of each of their purchases and sales of eggs, including the date of the transaction, the names of the parties, the grade, or nest run, and the quantity of eggs being purchased or sold.

[C77, 79, 81, §196.13]

**196.14 Penalty.**

Any person who violates a provision of this chapter shall be guilty of a simple misdemeanor. In addition, if the offender is a handler or a retailer, the court for the third offense shall suspend the offender's license for thirty days; for the fourth and any subsequent offense, such license shall be revoked for a period of one year.

[C58, 62, 66, 71, 73, 75, §196.18; C77, 79, 81, §196.14]

# CHAPTER 196A

RESERVED

# CHAPTER 197

## POULTRY AND DOMESTIC FOWLS

Meat and poultry inspection, chapter 189A


| | | | |
|---|---|---|---|
| 197.1 | License. | 197.4 | Inspection of. |
| 197.2 | Fee. | 197.5 | Enforcement. |
| 197.3 | Record. | 197.6 | Violations. |


**197.1 License.**

Every person, partnership, or corporation engaged in the business of buying for the market, poultry or domestic fowls from the producer thereof, shall obtain a license from the department for each establishment at which said business is conducted.

The word *"producer"* as herein used shall include anyone not a licensed dealer who has acquired such poultry or domestic fowls other than through a licensed dealer.

[C27, 31, 35, §3112-b2; C39, §**3112.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §197.1]

Further definitions, see §189.1

**197.2 Fee.**

The license fee shall be three dollars per annum, and each license shall expire on March 1 after the date of issue.

[C27, 31, 35, §3112-b3; C39, §**3112.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §197.2]

**197.3 Record.**

Each licensee shall keep such records as the department shall require, as to date of purchase, name and residence of seller and number and description of such poultry or domestic fowls purchased from the producer.

[C27, 31, 35, §3112-b4; C39, §**3112.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §197.3]

**197.4 Inspection of.**

Such records as are required by the department to be kept by such licensee shall be open to inspection by any peace officer at any reasonable time.

[C27, 31, 35, §3112-b5; C39, §**3112.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §197.4]

**197.5 Enforcement.**

The department shall be charged with the duty of the enforcement of this chapter.

[C27, 31, 35, §3112-b6; C39, §**3112.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §197.5]

**197.6 Violations.**

Any person who shall violate the provisions of this chapter shall, for each offense, be deemed guilty of a simple misdemeanor.

[C27, 31, 35, §3112-b7; C39, §**3112.7;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §197.6]

# CHAPTER 198

## COMMERCIAL FEED

Referred to in §126.20, 203.1, 203C.1


198.1 Short title.
198.2 Enforcing official.
198.3 Definitions.
198.4 Licenses.
198.5 Labeling.
198.6 Misbranding.
198.7 Adulteration.
198.8 Prohibited acts.
198.9 Inspection fees and reports.
198.10 Rules.
198.11 Inspection, sampling, and analysis.
198.12 Detained commercial feeds.
198.13 Penalties.
198.14 Cooperation with other entities.
198.15 Publication.


**198.1 Short title.**

This chapter shall be known as the *"Iowa Commercial Feed Law"*.

[C66, 71, 73, 75, 77, 79, 81, §198.1]

90 Acts, ch 1165, §1

**198.2 Enforcing official.**

This chapter shall be administered by the secretary of agriculture.

[C66, 71, 73, 75, 77, 79, 81, §198.2]

**198.3 Definitions.**

For the purposes of this chapter:

1. *"Advertise"* means to present a commercial message in any medium, including but not limited to print, radio, television, sign, display, label, tag, or articulation.

2. *"Brand name"* means any word, name, symbol, or device or any combination thereof, identifying the commercial feed of a distributor and distinguishing it from that of others.

3. *"Broker"* means a person, other than a licensed manufacturer, who distributes commercial feed or commercial feed ingredients to a manufacturer.

4. *"Commercial feed"* means all materials or a combination of materials which are distributed or intended for distribution for use as feed or for mixing in feed, unless such materials are specifically exempted. Except as otherwise provided in this chapter, unmixed whole seeds and physically altered entire unmixed seeds, when such whole or physically altered seeds are not chemically changed or are not adulterated within the meaning of section 198.7, subsection 1, are exempt. The secretary by rule may exempt from this definition, or from specific provisions of this chapter, commodities such as hay, straw, stover, silage, cobs, husks, hulls and individual chemical compounds or substances when such commodities, compounds or substances are not intermixed or mixed with other materials, and are not adulterated within the meaning of section 198.7, subsection 1.

5. *"Contract feeder"* means a person who as an independent contractor, feeds commercial feed to animals pursuant to a contract whereby such commercial feed is supplied, furnished or otherwise provided to such person and whereby such person's remuneration is determined all or in part by feed consumption, mortality, profits or amount or quality of product.

6. *"Customer-formula feed"* means commercial feed which consists of a mixture of commercial feeds or feed ingredients, or both, each batch of which is manufactured according to the specific instructions of the final purchaser.

7. *"Distribute"* means either of the following:

*a.* To offer for sale, sell, exchange, or barter commercial feed.

*b.* To supply, furnish, or otherwise provide commercial feed to a contract feeder.

8. *"Distributor"* means any person who distributes.

9. *"Drug"* means any article intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in animals other than man and articles other than feed intended to affect the structure or any function of the animal body.

10. *"Feed ingredient"* means each of the constituent materials making up a commercial feed.

11. *"Label"* means a display of written, printed, or graphic matter upon or affixed to the container in which a commercial feed is distributed, or on the invoice or delivery slip with which a commercial feed is distributed.

12. *"Labeling"* means all labels and other written, printed, or graphic matter upon a commercial feed or any of its containers or wrappers or, accompanying such commercial feed.

13. *"Manufacture"* means to grind, mix or blend or further process a commercial feed for distribution.

14. *"Mineral feed"* means a commercial feed intended to supply primarily mineral elements or inorganic nutrients.

15. *"Official sample"* means a sample of feed taken by the secretary or the secretary's agent in accordance with the provisions of section 198.11, subsection 3, 5, or 6.

16. *"Percent"* or *"percentages"* means percentages by weight.

17. *"Pet"* means any domesticated animal normally maintained in or near the household of the owner thereof.

18. *"Pet food"* means any commercial feed prepared and distributed for consumption by dogs or cats.

19. *"Product name"* means the name of the commercial feed which identifies it as to kind, class, or specific use.

20. *"Specialty pet"* means any domesticated animal pet normally maintained in a cage or tank, such as, but not limited to, gerbils, hamsters, canaries, psittacine birds, mynahs, finches, tropical fish, goldfish, snakes, and turtles.

21. *"Specialty pet food"* means any commercial feed prepared and distributed for consumption by specialty pets.

22. *"Ton"* means a net weight of two thousand pounds avoirdupois.

[S13, §5077-a8; C24, 27, 31, 35, 39, §**3113;** C46, 50, 54, 58, 62, §198.1; C66, 71, 73, 75, 77, 79, 81, §198.3]

86 Acts, ch 1245, §642; 90 Acts, ch 1165, §2 – 4; 91 Acts, ch 97, §24; 98 Acts, ch 1046, §1; 2004 Acts, ch 1082, §8, 9

Referred to in §169.3, 169.4, 198.6, 198.10, 198.11, 205.8, 570A.1

Further definitions, see §189.1

**198.4 Licenses.**

1. This section shall apply to any person:

*a.* Who manufactures a commercial feed within the state.

*b.* Who distributes a commercial feed in or into the state.

*c.* Whose name appears on the label of a commercial feed as guarantor.

2. A person shall obtain a license, for each facility which distributes in or into the state, authorizing the person to manufacture or distribute commercial feed before the person engages in such activity. Any person who makes only retail sales of commercial feed which bears labeling or other approved indication that the commercial feed is from a licensed manufacturer, guarantor, or distributor who has assumed full responsibility for the tonnage inspection fee due under section 198.9 is not required to obtain a license.

3. A broker shall not distribute a commercial feed in this state without first obtaining a license from the secretary issued on forms provided by the secretary. The forms must identify the broker's name and place of business.

4. A person obtaining a license under this section shall pay to the secretary a license fee of ten dollars. Fees relating to the issuance of licenses shall be paid by July 1 of each year.

[S13, §5077-a9; C24, 27, 31, 35, 39, §**3117;** C46, 50, 54, 58, 62, §198.7; C66, 71, 73, §198.4, 198.5; C75, 77, 79, 81, §198.4]

90 Acts, ch 1165, §5; 98 Acts, ch 1046, §2; 2009 Acts, ch 41, §78

Referred to in §198.8

**198.5 Labeling.**

A commercial feed shall be labeled as follows:

1. In case of a commercial feed, except a customer-formula feed, it shall be accompanied by a label bearing the following information:

*a.* The net weight.

*b.* The product name and the brand name, if any, under which the commercial feed is distributed.

*c.* The guaranteed analysis stated in such terms as the secretary by rule determines is required to advise the user of the composition of the feed or to support claims made in the labeling. In all cases the substances or elements must be determinable by laboratory methods such as the methods published by the association of official analytical chemists.

*d.* An ingredient statement containing the common or usual name of each ingredient used in the manufacture of the commercial feed. However, the secretary by rule may permit the use of a collective term for a group of ingredients which perform a similar function, or the secretary may exempt such commercial feeds, or any group of them, from this requirement if the secretary finds that a statement is not required in the interest of consumers.

*e.* The name and principal mailing address of the manufacturer or the person responsible for distributing the commercial feed.

*f.* Adequate directions for use for all commercial feeds containing drugs and for such other feeds as the secretary may require by rule as necessary for their safe and effective use.

*g.* Such precautionary statements as the secretary by rule determines are necessary for the safe and effective use of the commercial feed.

2. In the case of a customer-formula feed, it shall be accompanied by a label, invoice, delivery slip or other shipping document, bearing the following information:

*a.* Name and address of the manufacturer.

*b.* Name and address of the purchaser.

*c.* Date of delivery.

*d.* The product name and brand name, if any, and the net weight of each commercial feed used in the mixture, and the net weight of each other ingredient used.

*e.* Adequate directions for use for all customer-formula feeds containing drugs and for such other feeds as the secretary may require by rule as necessary for their safe and effective use.

*f.* Such precautionary statements as the secretary by rule determines are necessary for the safe and effective use of the customer-formula feed.

*g.* If a drug-containing product is used, information relating to the purpose of the medication in the form of a claim statement, plus the established name of each active drug ingredient and the level of each drug used in the final mixture.

[S13, §5077-a6, -a7; SS15, §5077-a6, -a7; C24, 27, 31, 35, 39, §**3114 – 3116;** C46, 50, 54, 58, 62, §198.2, 198.5, 198.6; C66, 71, 73, § 198.6; C75, 77, 79, 81, §198.5]

90 Acts, ch 1165, §6, 7; 91 Acts, ch 97, §25

Referred to in §198.6

**198.6 Misbranding.**

A commercial feed shall be deemed to be misbranded:

1. If its labeling is false or misleading in any particular.
2. If it is distributed under the name of another commercial feed.
3. If it is not labeled as required in section 198.5.
4. If it is not a commercial feed as defined in section 198.3.
5. If any word, statement, or other information required by this chapter to appear on the label is not prominently and conspicuously placed thereon and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

[C66, 71, 73, §198.9; C75, 77, 79, 81, §198.6]

90 Acts, ch 1165, §8

**198.7 Adulteration.**

A commercial feed shall be deemed to be adulterated:

1. *a.* If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such commercial feed

shall not be considered adulterated under this subsection if the quantity of such substance in such commercial feed does not ordinarily render it injurious to health.

*b.* If it bears or contains any added poisonous, added deleterious, or added nonnutritive substance which is unsafe within the meaning of section 406 of the federal Food, Drug, and Cosmetic Act, other than one which is a pesticide chemical in or on a raw agricultural commodity or a food additive.

*c.* If it is, or it bears or contains any food additive which is unsafe within the meaning of section 409 of the federal Food, Drug, and Cosmetic Act.

*d.* If it is a raw agricultural commodity and it bears or contains a pesticide chemical which is unsafe within the meaning of section 408, subparagraph "*a*" of the federal Food, Drug, and Cosmetic Act, provided, that where a pesticide chemical has been used in or on a raw agricultural commodity in conformity with an exemption granted or a tolerance prescribed under section 408 of the federal Food, Drug, and Cosmetic Act and such raw agricultural commodity has been subjected to processing such as canning, cooking, freezing, dehydrating or milling, the residue of such pesticide chemical remaining in or on such processed feed shall not be deemed unsafe if such residue in or on the raw agricultural commodity has been removed to the extent possible in good manufacturing practice and the concentration of such residue in the processed feed is not greater than the tolerance prescribed for the raw agriculture commodity unless the feeding of such processed feed will result or is likely to result in a pesticide residue in the edible product of the animal, which is unsafe within the meaning of section 408, subparagraph "*a*" of the federal Food, Drug, and Cosmetic Act.

*e.* If it is, or it bears or contains any color additive which is unsafe within the meaning of section 706 of the federal Food, Drug, and Cosmetic Act.

*f.* If it is, or it bears or contains a new animal drug which is unsafe within the meaning of the federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 512.

2. If any valuable constituent has been in whole or in part omitted or abstracted therefrom or any less valuable substance substituted therefor.

3. If its composition or quality falls below or differs from that which it is purported or is represented to possess by its labeling.

4. If it contains a drug and the methods used in or the facilities or controls used for its manufacture, processing, or packaging do not conform to current good manufacturing practice rules promulgated by the secretary to assure that the drug meets the requirement of this chapter as to safety and has the identity and strength and meets the quality and purity characteristics which it purports or is represented to possess. In promulgating such rules, the secretary shall adopt the current good manufacturing practice regulations for medicated feed premixes and for medicated feeds established under authority of the federal Food, Drug, and Cosmetic Act, unless the secretary determines that they are not appropriate to the conditions which exist in this state.

5. If it contains viable weed seeds in amounts exceeding the limits which the secretary shall establish by rule.

[S13, §5077-a13; C24, 27, 31, 35, §3114-d2, 3126; C39, §**3114.2;** C46, 50, 54, 58, 62, §198.4, 198.13; C66, 71, 73, §198.8; C75, 77, 79, 81, §198.7]

90 Acts, ch 1165, §9

Referred to in §198.3, 198.8, 198.11

**198.8 Prohibited acts.**

It shall be unlawful for any person to:

1. Manufacture or distribute any commercial feed that is adulterated or misbranded.
2. Adulterate or misbrand any commercial feed.
3. Distribute agricultural commodities such as whole seed, hay, straw, stover, silage, cobs, husks and hulls, which are adulterated within the meaning of section 198.7, subsection 1.
4. Remove or dispose of a commercial feed in violation of an order under section 198.12.
5. Fail or refuse to obtain a license in accordance with section 198.4.
6. Violate section 198.13, subsection 6.

7. Fail to pay inspection fees and file reports as required by section 198.9.
[C75, 77, 79, 81, §198.8]
90 Acts, ch 1165, §10

**198.9 Inspection fees and reports.**

1. *a.* An inspection fee to be fixed annually by the secretary at a rate of not more than sixteen cents per ton, shall be paid on commercial feed distributed in this state by the person who first distributes the commercial feed, subject to the following:

(1) The inspection fee is not required on the first distribution, if made to a qualified buyer who, with approval from the secretary, shall become responsible for the fee.

(2) A fee shall not be paid on a commercial feed if the payment has been made by a previous distributor.

(3) A fee shall not be paid on customer-formula feeds if the inspection fee is paid on the commercial feeds which are used as components of the customer-formula feeds.

(4) A minimum semiannual fee shall be twenty dollars.

(5) A licensed manufacturer shall pay the inspection fee on commercial feed that is fed to livestock owned by the licensee.

*b.* In the case of a pet food or specialty pet food, which is distributed in this state in packages of ten pounds or less, each product shall be registered and an annual registration fee of fifty dollars for each product shall be paid by January 1 of each year in lieu of the per ton rate as provided in this subsection. The inspection fee shall apply to those same products distributed in packages of more than ten pounds.

2. *a.* Each person who is liable for the payment of such fee shall:

(1) File, not later than the last day of January and July of each year, a semiannual statement, setting forth the number of net tons of commercial feeds distributed in this state during the preceding six months and upon filing the statement shall pay the inspection fee at the rate stated in subsection 1. Inspection fees which are due and owing and have not been remitted to the secretary within fifteen days following the due date shall have a delinquency fee of ten percent of the amount due or fifty dollars, whichever is greater, added to the amount due when payment is finally made. The assessment of this delinquency fee does not prevent the department from taking other actions as provided in this chapter.

(2) Keep such records as may be necessary or required by the secretary to indicate accurately the tonnage of commercial feed distributed in this state, and the secretary shall have the right to examine such records to verify statements of tonnage.

*b.* Failure to make an accurate statement of tonnage or to pay the inspection fee or comply as provided in this section is sufficient cause for cancellation of the license of the distributor.

3. Fees collected shall be deposited in the general fund of the state and shall be subject to the requirements of section 8.60. Moneys deposited under this section shall be used for the payment of the costs of inspection, sampling, analysis, supportive research, and other expenses necessary for the administration of this chapter.

4. If there is an unencumbered balance of funds from the fees deposited under this section on June 30 of any fiscal year equal to or exceeding one hundred thousand dollars, the secretary of agriculture shall reduce the per ton fee provided for in subsection 1 for the next fiscal year in such amount as will result in an ending estimated balance of the fees deposited less costs paid for from those fees for June 30 of the next fiscal year of one hundred thousand dollars.

[S13, §5077-a10; C24, 27, 31, 35, 39, §**3118 – 3121;** C46, 50, 54, 58, 62, §198.8 – 198.12; C66, 71, 73, §198.7; C75, 77, 79, 81, §198.9]

83 Acts, ch 122, §1; 90 Acts, ch 1165, §11 – 14; 91 Acts, ch 97, §26; 91 Acts, ch 260, §1216; 93 Acts, ch 131, §7; 94 Acts, ch 1107, §45; 95 Acts, ch 42, §1; 98 Acts, ch 1032, §7; 2009 Acts, ch 41, §210

Referred to in §198.4, 198.8

**198.10 Rules.**

1. The secretary may adopt rules for commercial feeds and pet foods as specifically

authorized in this chapter and other reasonable rules necessary in order to carry out the purpose and intent of this chapter or to secure the efficient enforcement of this chapter.

2. The secretary may adopt rules to do all of the following:

*a.* Regulate the movement of cottonseed into this state or within this state, even if the cottonseed would otherwise be exempt as whole seed under section 198.3. The secretary may adopt rules prescribing standards for cottonseed consistent with regulations prescribing the quality and uses of cottonseed as promulgated by the United States food and drug administration.

*b.* Regulating the advertisement of commercial feed, including but not limited to labeling commercial feed as specifically provided in this chapter.

3. In the interest of uniformity the secretary shall adopt any rule based on regulations promulgated under the authority of the federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 et seq., provided the secretary has the authority under this chapter to adopt the rule. However, the secretary is not required to adopt such a rule if the secretary determines that the rule would be inconsistent with this chapter or not appropriate to conditions which exist in this state.

4. Before the issuance, amendment, or repeal of a rule authorized by this chapter, the secretary shall publish the proposed rule, amendment, or notice to repeal an existing rule in a manner reasonably calculated to give interested parties, including all current licensees, adequate notice, and shall afford all interested persons an opportunity to be heard, orally or in writing, within a reasonable period of time. After consideration of all views presented by interested persons, the secretary shall take appropriate action to issue the proposed rule or to amend or repeal an existing rule. However, if the secretary adopts rules based on regulations promulgated under the authority of the federal Food, Drug, and Cosmetic Act, any amendment or modification adopted by the United States secretary of health and human services shall be adopted automatically under this chapter without regard to publication of the notice required by this subsection, unless the secretary by order specifically determines that an amendment or modification shall not be adopted.

[C66, 71, 73, §198.11; C75, 77, 79, 81, §198.10]

90 Acts, ch 1165, §15; 91 Acts, ch 97, §27; 95 Acts, ch 42, §2; 2004 Acts, ch 1082, §10

**198.11 Inspection, sampling, and analysis.**

1. For the purpose of enforcement of this chapter, and in order to determine whether its provisions have been complied with, including whether or not any operations may be subject to such provisions, officers or employees duly designated by the secretary, upon presenting appropriate credentials, and a written notice to the owner, operator or agent in charge, are authorized:

*a.* To enter, during normal business hours, any factory, warehouse or establishment within the state in which commercial feeds are manufactured, processed, packed or held for distribution, or to enter any vehicle being used to transport or hold such feed.

*b.* To inspect at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, establishment or vehicle and all pertinent equipment, finished and unfinished materials, containers and labeling therein. The inspection may include the verification of only such records, and production and control procedures as may be necessary to determine compliance with the good manufacturing practice regulations established under section 198.7, subsection 4.

2. A separate notice shall be given for each such inspection, but a notice shall not be required for each entry made during the period covered by the inspection. Each such inspection shall be commenced and completed with reasonable promptness. Upon completion of the inspection, the person in charge of the facility or vehicle shall be so notified.

3. If the officer or employee making such inspection of a factory, warehouse or other establishment has obtained a sample in the course of the inspection, upon completion of the inspection and prior to leaving the premises the officer or employee shall give to the owner, operator or agent in charge a receipt describing the samples obtained.

4. If the owner of any factory, warehouse, or establishment described in subsection 1,

or the owner's agent, refuses to admit the secretary or the secretary's agent to inspect in accordance with subsections 1 and 2, the secretary may obtain from any state court a warrant directing such owner or the owner's agent to submit the premises described in such warrant to inspection.

5. For the purpose of the enforcement of this chapter, the secretary or the secretary's duly designated agent is authorized to enter upon any public or private premises including any vehicle of transport during regular business hours to have access to, and to obtain samples, and to examine records relating to distribution of commercial feeds.

6. Sampling and analysis shall be conducted in accordance with methods published by the association of official analytical chemists, or in accordance with other generally recognized methods.

7. The results of all analyses of official samples shall be forwarded by the secretary to the person named on the label. When the inspection and analysis of an official sample indicates a commercial feed has been adulterated or misbranded and upon request within thirty days following receipt of the analysis the secretary shall furnish to the licensee a portion of the sample concerned.

8. The secretary, in determining for administrative purposes whether a commercial feed is deficient in any component, shall be guided by the official sample as defined in section 198.3, and obtained and analyzed as provided for in subsections 3, 5, and 6.

[C66, 71, 73, §198.10; C75, 77, 79, 81, §198.11]

90 Acts, ch 1165, §16

Referred to in §198.3

**198.12 Detained commercial feeds.**

1. When the secretary or the secretary's authorized agent has reasonable cause to believe any lot of commercial feed is being distributed in violation of any of the provisions of this chapter or of any of the rules adopted under this chapter, the secretary or agent may issue and enforce a written or printed "withdrawal from distribution" order, warning the distributor not to dispose of the lot of commercial feed in any manner until written permission is given by the secretary or the court. The secretary shall release the lot of commercial feed so withdrawn when the provisions and rules have been complied with. If compliance is not obtained within thirty days, the secretary may begin, or upon request of the distributor shall begin, proceedings for condemnation.

2. Any lot of commercial feed not in compliance with said provisions and rules shall be subject to seizure on complaint of the secretary to a court of competent jurisdiction in the area in which said commercial feed is located. In the event the court finds the said commercial feed to be in violation of this chapter and order the condemnation of said commercial feed, it shall be disposed of in any manner consistent with the quality of the commercial feed and the laws of the state, provided, that in no instance shall the disposition of said commercial feed be ordered by the court without first giving the claimant an opportunity to apply to the court for release of said commercial feed or for permission to process or relabel said commercial feed to bring it into compliance with this chapter.

[C66, 71, 73, 75, 77, 79, 81, §198.12]

91 Acts, ch 97, §28

Referred to in §198.8

**198.13 Penalties.**

1. Any person convicted of violating any of the provisions of this chapter or who shall impede, hinder or otherwise prevent, or attempt to prevent, said secretary or the secretary's authorized agent in performance of that person's duty in connection with the provisions of this chapter, shall be guilty of a simple misdemeanor.

2. Nothing in this chapter shall be construed as requiring the secretary or the secretary's representative to:

*a.* Report for prosecution.

*b.* Institute seizure proceedings.

*c.* Issue a withdrawal from distribution order, as a result of minor violations of the chapter,

or when the secretary or representative believes the public interest will best be served by suitable notice of warning in writing.

3. It shall be the duty of each county attorney to whom any violation is reported to cause appropriate proceedings to be instituted and prosecuted in a court of competent jurisdiction without delay. Before the secretary reports a violation for such prosecution, an opportunity shall be given the distributor to present the distributor's view to the secretary.

4. The secretary may apply for and the court may grant a temporary or permanent injunction restraining any person from violating or continuing to violate any of the provisions of this chapter or any rule promulgated under the chapter notwithstanding the existence of other remedies at law. If granted, the injunction shall be issued without bond.

5. Any person adversely affected by an act, order, or ruling made pursuant to the provisions of this chapter may within forty-five days thereafter bring action in the district court for judicial review of such actions. The form of the proceeding shall be any which may be provided by statutes of this state to review decisions of administrative agencies, or in the absence or inadequacy thereof, any applicable form of legal action, including actions for declaratory judgments or writs or prohibitory or mandatory injunctions.

6. Any person who uses to the person's own advantage, or reveals to other than the secretary, or officers of the department or to the courts when relevant in any judicial proceeding, any information acquired under the authority of this chapter, concerning any method, records, formulations or processes which as a trade secret is entitled to protection, is guilty of a serious misdemeanor. This prohibition shall not be deemed as prohibiting the secretary, or the secretary's duly authorized agent, from exchanging information of a regulatory nature with appointed officials of the United States government, or of other states, who are similarly prohibited by law from revealing this information.

[C66, 71, 73, 75, 77, 79, 81, §198.13]

Referred to in §198.8, 331.756(37)

**198.14 Cooperation with other entities.**

The secretary may cooperate with and enter into agreements with governmental agencies of this state, other states, agencies of the federal government, and private associations in order to carry out the purpose and provisions of this chapter.

[C75, 77, 79, 81, §198.14]

**198.15 Publication.**

The secretary shall publish at least annually, in forms the secretary deems proper, information concerning the sales of commercial feeds, together with data on their production and use as the secretary considers advisable, and a report of the results of the analyses of official samples of commercial feeds sold within the state as compared with the analyses guaranteed on the label. However, the information concerning production and use of commercial feed shall not disclose the operations of any person.

[C66, 71, 73, §198.14; C75, 77, 79, 81, §198.15]

91 Acts, ch 97, §29

# CHAPTER 199

## AGRICULTURAL SEEDS

Referred to in §203.1


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**199.1 Definitions.**

For the purpose of this chapter or as used in labeling of seed:

1. *"Advertisement"* means all representations, other than those on the label, relating to seed within the scope of this chapter.

2. *"Agricultural seed"* means grass, forage, cereal, oil, fiber, and any other kind of crop seed commonly recognized within this state as agricultural seed, lawn seed, vegetable seed, or seed mixtures. Agricultural seed may include any additional seed the secretary designates by rules.

3. *"Certifying agency"* means an agency authorized under the laws of a state, territory, or possession to officially certify seed and which has standards and procedures approved by the United States secretary of agriculture to assure genetic purity and identity of the seed certified, or an agency of a foreign country determined by the United States secretary of agriculture to adhere to the procedures and standards for seed certification comparable to those adhered to generally by seed certifying agencies in the United States.

4. *"Coated seed"* means seed that has been encapsulated or covered with a substance other than those defined as *"inoculated seed"* or *"treated seed"*. Pelleted seed is a subclass of *"coated seed"*.

5. *"Conditioning"* means cleaning to remove chaff, sterile florets, immature seed, weed seed, inert matter, and other crop seed; scarifying; blending to obtain uniform quality; or any other operation which may change the purity or germination of the seed and require retesting to determine the quality of the seed.

6. *"Cultivar"* or *"variety"* means a cultivated subdivision of a kind of plant that may be characterized by growth habits, fruit, seed, or other characteristics, by which it can be differentiated from other plants of the same kind.

7. *"Hybrid"* means the first generation seed produced by controlled pollination of two inbred lines to produce a single cross; an inbred line and a single cross of two unrelated inbred lines to produce a three-way cross; an inbred line and a single cross of two related lines to produce a modified single cross; two single crosses to produce a double cross; an inbred line or a single cross with an open-pollinated or synthetic cultivar to produce a modified cultivar cross; or a cross of two open-pollinated or synthetic cultivars to produce a cultivar cross. The second or subsequent generation from such crosses are not hybrids. Hybrid designations shall be treated as cultivar names.

8. *"Inoculant for leguminous plants"* means a bacterial culture, or material containing bacteria, that is represented as causing the formation of nodules and aiding the growth of leguminous plants by the fixation of nitrogen.

9. *"Inoculated seed"* means seed to which has been added a substance containing the cells, spores or mycelia of microorganisms for which a claim is made.

10. *"Kind"* means one or more related species or subspecies which singly or collectively are known by one common name.

11. *"Labeling"* means all labels and other written, printed, or graphic representations,

in any form, accompanying and pertaining to seed, whether in bulk or in containers, and includes invoices.

12. *a.* *"Local governmental entity"* means any political subdivision, or any state authority which is not any of the following:

(1) The general assembly.

(2) A principal central department as enumerated in section 7E.5, or a unit of a principal central department.

*b.* *"Local governmental entity"* includes but is not limited to a county, special district, township, or city as provided in Title IX of this Code.

13. *"Local legislation"* means any ordinance, motion, resolution, amendment, regulation, or rule adopted by a local governmental entity.

14. *"Mixture"* or *"blend"* means a combination of seed of more than one kind or variety if present in excess of five percent of the whole.

15. *"Multiline cultivar"* means a planned combination of two or more near-isogenic lines of a normally self-fertilizing kind of crop.

16. *"Noxious weed seed"* shall be divided into two classes, *"primary noxious weed seed"* and *"secondary noxious weed seed"* which are defined in paragraphs *"a"* and *"b"* of this subsection. The secretary, upon the recommendation of the dean of agriculture, Iowa state university of science and technology, shall adopt as a rule, after public hearing, pursuant to chapter 17A, the list of seed classified as *"primary noxious weed seed"* and *"secondary noxious weed seed"*.

*a.* *"Primary noxious weed seed"* are the seed of perennial weeds that reproduce by seed and by underground roots or stems and which, when established, are highly destructive and difficult to control in this state by good cultural practices. For the purpose of this chapter and the sale of seed, primary noxious weeds in this state are the seeds of:

(1) Quack grass — Agropyron repens (L.) Beauv.

(2) Canada thistle — Cirsium arvense (L.) Scop.

(3) Perennial sow thistle — Sonchus arvensis L.

(4) Perennial pepper grass (hoary cress) — Cardaria draba (L.) Desv.

(5) European morning-glory (field bindweed) — Convolvulus arvensis L.

(6) Horse nettle — Solanum carolinense L.

(7) Leafy spurge — Euphorbia esula L.

(8) Russian knapweed — Centaurea repens L.

*b.* *"Secondary noxious weed seed"* are the seed of weeds that are very objectionable in fields, lawns, or gardens in this state, but can be controlled by good cultural practices. For the purpose of this chapter and the sale of seed, the secondary noxious weed seeds in this state are the seeds of:

(1) Wild carrot — Daucus carota L.

(2) Sour dock (curly dock) — Rumex crispus L.

(3) Smooth dock — Rumex altissimus Wood.

(4) Sheep sorrel (red sorrel) — Rumex acetosella L.

(5) Butterprint (velvet leaf) — Abutilon theophrasti Medic.

(6) Mustards — Brassica juncea (L.) Coss., Sinapis arvensis L. and B. nigra (L.) Koch.

(7) Cocklebur — Xanthium strumarium L.

(8) Buckhorn — Plantago lanceolata L.

(9) Dodders — Cuscuta species.

(10) Giant foxtail — Setaria faberii Herrm.

(11) Poison hemlock — Conium maculatum.

(12) Wild sunflower — Wild strain of Helianthus annus (L.).

(13) Puncture vine — Tribulus terrestris.

17. *"Permit holder"* is a person who has obtained a permit from the department as required under sections 199.15 and 199.16.

18. *"Person"* means an individual, partnership, corporation, company, society, or association.

19. *"Purity"* means the pure seed percentage by weight, exclusive of inert matter and of

other agricultural or weed seed which are distinguishable by their appearance from the crop seed in question.

20. *"Record"* means all information relating to a shipment of agricultural seed and includes a file sample of each lot of seed.

21. *"Registered seed technologist"* is a person who has attained registered membership in the society of commercial seed technologists through qualifying tests and experience as required by this society.

22. *"Tolerance"* means the allowable deviation from any figure used on a label to designate the percentage of any component or the number of seeds given for the lot in question and is based on the law of normal variation from a mean. The secretary shall prepare tables of tolerances allowable in the enforcement of this chapter and may be guided in the preparation by the regulations under the Federal Seed Act, 7 C.F.R. § 201.59 et seq.

23. *"Treated seed"* means agricultural seed that has been given an application of a substance, or subjected to a procedure, for which a claim is made or which is designed to reduce, control or repel disease organisms, insects, or other pests which attack seed or seedlings.

24. *"Vegetable seed"* means the crops which are grown in gardens or truck farms and are generally sold under the name of vegetable or herb seed in this state.

25. *"Weed seed"* means the seed of all plants listed as weeds in this chapter or listed as weeds in the rules of the department or commonly recognized as weeds in this state.

26. The Iowa secretary of agriculture shall, by rule, define the terms *"breeder"*, *"foundation"*, *"registered"*, *"certified"*, and *"inbred"*, as used in this chapter.

[S13, §5077-a14 – a17; C24, 27, 31, §3127, 3128; C35, §3137-e1; C39, §**3127, 3128, 3137.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.1, 199.5; 82 Acts, ch 1191, §1]

2005 Acts, ch 21, §2; 2009 Acts, ch 41, §211

Referred to in §199.5, 570A.1, 717A.1

Weeds, chapter 317

Further definitions, see §189.1

**199.2 Dean of agriculture as advisor.**

The dean of agriculture of Iowa state university of science and technology or the dean's designee shall be the technical advisor to the secretary in the administration of this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.2; 82 Acts, ch 1191, §2]

**199.3 Labeling of seed.**

Each container of agricultural or vegetable seed which is sold, offered for sale, exposed for sale, or transported within this state shall be labeled according to the following schedule:

1. Seed for sowing purposes shall be labeled as follows:

*a.* Agricultural or vegetable seed that is treated, inoculated, or coated shall contain a word or statement indicating that the treatment, inoculation, or coating has been done. A separate label may be used.

*b.* If treated, the label shall indicate the commonly accepted chemical or abbreviated chemical name of the applied substance or substances or a description of the type and purpose of procedure used. If the substance in the amount present with the seed is harmful to human or vertebrate animals, the label shall bear a caution statement such as "Do not use for food, feed, or oil purposes". In addition, for highly toxic substances, a poison statement or symbol shall be shown on the label.

*c.* If the seed is inoculated, the label shall indicate the month and year beyond which the inoculant is not claimed to be effective.

*d.* If the seed is coated, the label shall show the percentage by weight in the container of pure seed, inert matter, coating material, other crop seed, and weed seed. The percentage of germination shall be labeled on the basis of a determination made on at least four hundred pellets or capsules, whether or not they contain seed.

*e.* All seed in package or wrapped form which are required to be labeled, unless otherwise provided, shall conform to the requirements of sections 189.9 and 189.11.

2. Except for seed mixtures for lawn or turf purposes, agricultural seed shall bear a label indicating:

*a.* The name of the kind or kind and variety for each agricultural seed present in excess of five percent of the whole and the percentage by weight of each. If the variety of those kinds generally labeled as to variety is not stated, the label shall show the name of the kind and the words, "variety not stated". Hybrids shall be labeled as hybrids. Seed shall not be labeled or advertised under a trademark or brand name in a manner that may create the impression that the trademark or brand name is a variety name.

*b.* Lot number or other lot identification.

*c.* State or foreign country of origin, if known, of alfalfa and red clover. If the origin is unknown, the fact shall be stated.

*d.* Percentage by weight of all weed seed.

*e.* The name and rate of occurrence per unit of weight of each kind of secondary noxious weed seed present.

*f.* Percentage by weight of agricultural seed which may be designated as "other crop seed" other than those required to be named on the label.

*g.* Percentage by weight of inert matter.

*h.* (1) For each named agricultural seed:

(a) Percentage of germination, exclusive of hard seed.

(b) Percentage of hard seed, if present.

(c) The calendar month and year the test was completed to determine the percentages.

(2) Following (a) and (b), the "total germination and hard seed" may be stated as such, if desired.

*i.* Name and address of the person who labeled the seed, or who sells, offers, or exposes the seed for sale within this state.

3. For seed mixtures for lawn or turf purposes, the label shall indicate:

*a.* The word "mixed" or "mixture" along with the name of the mixture.

*b.* The heading "pure seed" and "germination" or "germ" where appropriate.

*c.* Commonly accepted name of kind or kind and variety of each turf seed component in excess of five percent of the whole, and the percentage by weight of pure seed in order of its predominance and in columnar form.

*d.* Name and percentage by weight of other agricultural seed than those required to be named on the label which shall be designated as "other crop seed". If the mixture contains no "other crop seed" that fact may be indicated by the words "contains no other crop seed".

*e.* Percentage by weight of inert matter.

*f.* Percentage by weight of all weed seed. Maximum weed seed content not to exceed one percent by weight.

*g.* The name and rate of occurrence per unit of weight of each kind of secondary noxious weed seed present.

*h.* For each turf seed named under paragraph "*c*":

(1) Percentage of germination, exclusive of hard seed.

(2) Percentage of hard seed, if present.

(3) Calendar month and year the test was completed to determine such percentages. The oldest current test date applicable to any single kind in the mixture shall appear on the label.

*i.* Name and address of the person who labeled the seed, or who sells, offers, or exposes the seed for sale within the state.

4. The labeling requirements for vegetable seed sold from containers of more than one pound shall be deemed to have been met if the seed is weighed from a properly labeled container in the presence of the purchaser. Packets of vegetable seed prepared for use in home gardens or household plantings or vegetable seed in preplanted containers, mats, tapes, or other planting devices, shall bear labels with the following information:

*a.* Name of kind and variety of seed.

*b.* Lot identification.

*c.* The year for which the seed was packed for sale or the percentage of germination and the calendar month and year the test to determine such percentage was completed.

*d.* Name and address of the person who labeled the seed or who sells, offers, or exposes the seed for sale within the state.

*e.* For seed which germinate less than the standard last established by the secretary in rules adopted under chapter 17A:

(1) Percentage of germination, exclusive of hard seed.

(2) Percentage of hard seed, if present.

(3) The words "below standard" in not less than eight point type.

*f.* For seed placed in a germination medium, mat, tape, or other device in such a way as to make it difficult to determine the quantity of seed without removing the seed from the medium, mat, tape, or device, a statement to indicate the minimum number of seed in the container.

*g.* The last date on which the variety of seed will normally germinate according to standards established by rules adopted by the department.

5. All other vegetable seed containers shall be labeled, indicating:

*a.* The name of each kind and variety present in excess of five percent and the percentage by weight of each in order of its predominance.

*b.* Lot number or other lot identification.

*c.* (1) For each named vegetable seed:

(a) Percentage germination exclusive of hard seed.

(b) Percentage of hard seed, if present.

(c) The calendar month and year the test was completed to determine such percentages.

(2) Following (a) and (b), the "total germination and hard seed" may be stated as such, if desired.

*d.* Name and address of the person who labeled the seed, or who sells, offers, or exposes the seed for sale within the state.

6. Seed sold on or from the farm, which is exempt from the permit requirements by section 199.15, shall be labeled on the basis of tests performed by the Iowa state university of science and technology seed laboratory, department of agriculture and land stewardship seed laboratory, or a commercial seed laboratory personally supervised by a registered seed technologist. Tests for labeling shall be as provided in section 199.10.

[S13, §5077-a6, -a18, -a19, -a21; C24, 27, 31, 35, 39, §**3129, 3130, 3131, 3132;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.3; 82 Acts, ch 1191, §3]

92 Acts, ch 1239, §34; 2009 Acts, ch 41, §212, 213

Referred to in §199.4, 199.9

**199.4 Sales from bulk.**

In case agricultural or vegetable seed is offered or exposed for sale in bulk or sold from bulk, the information required under section 199.3 may be supplied by a placard conspicuously displayed with the several required items thereon or a printed or written statement to be furnished to any purchaser of the seed.

[S13, §5077-a6; C24, 27, 31, 35, 39, §**3133;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.4; 82 Acts, ch 1191, §4]

**199.5 Hybrid corn.**

It is unlawful for any person to sell, offer or expose for sale, or falsely mark or tag, within the state any seed corn as hybrid unless it falls within the definition of hybrid in section 199.1.

[C35, §3137-e1; C39, §**3137.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.5; 82 Acts, ch 1191, §5]

**199.6 Inoculant for legumes.**

The container of any inoculant for leguminous plants which is sold, offered for sale, or exposed for sale within the state shall bear a label giving in the English language in legible letters the following information:

1. The kind or kinds of leguminous plants for which the contents are to be used.
2. The quantity of seed to which the contents are to be applied.
3. An expiry date after which the inoculant might be ineffective.
4. The name and place of business of the manufacturer or laboratory of origin, or

alternately of the vendor only, if the vendor accepts responsibility for the accuracy of the declarations made in subsections 1, 2, and 3 of this section.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.6]

**199.7 Certified seed.**

1. The classes of certified seed are breeder, foundation, registered, and certified and shall be recognized by the certifying agency.

2. It shall be unlawful for any person to sell, offer for sale, or expose for sale in the state:

*a.* Any agricultural seed, including seed potatoes, as a recognized class of certified seed unless:

(1) Such seed has been certified by a duly constituted state authority or state association recognized by the Iowa secretary of agriculture.

(2) Each container bears an official label approved by the certifying agency stating that the seed has met the certification requirements established by the certifying agency.

(3) Each container of the certified class of certified seed bears a label blue in color with the word "certified" thereon.

(4) Each container of the foundation and registered classes of certified seed bears a label with a color or colors approved by the certifying agency.

*b.* Any agricultural seed, including seed potatoes, with a blue label unless such seed is a class of certified seed.

[C35, §3137-g1, -g2; C39, §**3137.3, 3137.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.7; 82 Acts, ch 1191, §6]

2009 Acts, ch 41, §263

**199.8 Prohibited acts.**

1. It is unlawful for a person to sell, transport, offer for sale, expose for sale, or advertise an agricultural or vegetable seed:

*a.* Unless the test to determine the percentage of germination as required by this chapter has been completed within nine months, excluding the month of the test, immediately prior to selling, transporting, offering, exposing, or advertising for sale. A retest is not required for seed in hermetically sealed containers or packages provided they have not reached the thirty-six month expiration date.

*b.* Not labeled in accordance with the provisions of this chapter, or having a false or misleading label.

*c.* For which there has been false or misleading advertising.

*d.* Consisting of or containing primary noxious weed seed, subject to recognized tolerances.

*e.* Consisting of or containing secondary noxious weed seed per weight unit in excess of the number prescribed by rules adopted under this chapter, or in excess of the number declared on the label attached to the container of the seed or associated with the seed.

*f.* Containing more than one and one-half percent by weight of all weed seed.

*g.* If any labeling, advertising, or other representation subject to this chapter represents the seed to be certified seed or any class thereof, unless:

(1) It has been determined by a seed certifying agency that the seed conforms to standards of varietal purity and identity as to kind in compliance with the rules and regulations of the agency.

(2) The seed bears an official label issued for the seed by a seed certifying agency stating that the seed is of a specified class and a specified kind or variety.

*h.* Labeled with a variety name but not certified by an official seed certifying agency when it is a variety for which a United States certificate of plant variety protection under the Plant Variety Protection Act, 7 U.S.C. § 2321 et seq., specifies sale only as a class of certified seed. Seed from a certified lot may be labeled as to variety name and used in a blend, by or with the approval of the owner of the variety.

2. It is unlawful for a person to:

*a.* Detach, alter, deface, or destroy a label provided for in this chapter or the rules adopted

under this chapter, or to alter or substitute seed in a manner that may defeat the purpose of this chapter.

*b.* Disseminate false or misleading advertisements concerning seed subject to this chapter.

*c.* Hinder or obstruct in any way an authorized person in the performance of duties under this chapter.

*d.* Fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a "stop sale" order or tags attached thereto, except with express permission of the enforcing officer, and for the purpose specified thereby.

*e.* Use the word "trace" as a substitute for any statement which is required.

*f.* Use the word "type" in labeling in connection with the name of an agricultural seed variety.

3. It is unlawful for a person to sell, transport, offer for sale, expose for sale, or advertise screenings of any agricultural seed subject to this chapter, unless it is stated on the label if in containers or on the invoice if in bulk, that they are not intended for seeding purposes. For the purpose of this subsection, *"screenings"* includes chaff, empty florets, immature seed, weed seed, inert matter, and other materials removed by cleaning from any agricultural seed subject to this chapter.

[S13, §5077-a15; C24, 27, 31, 35, 39, §**3137;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.8; 82 Acts, ch 1191, §7]

Referred to in §199.9, 199.12

**199.9 Exemptions.**

1. Sections 199.3 and 199.8 do not apply to:

*a.* Seed or grain not intended for sowing purposes.

*b.* Seed in storage in, or consigned to, or for sale to, a seed cleaning or conditioning establishment for cleaning or conditioning; provided that any labeling or other representation which is made with respect to the unclean or unconditioned seed is subject to this chapter.

*c.* A carrier in respect to seed transported or delivered for transportation in the ordinary course of its business as a carrier provided that the carrier is not engaged in producing, conditioning, or marketing seed, and subject to this chapter.

2. A person is not subject to the penalties of this chapter for having sold, offered or exposed for sale in this state any agricultural seeds which were incorrectly labeled or represented as to kind, species, variety, or origin when those seeds cannot be identified by examination, unless the person has failed to obtain an invoice or genuine grower's declaration or other labeling information and to take other precautions as reasonable to ensure the identity. A genuine grower's declaration of variety shall affirm that the grower holds records of proof concerning parent seed such as invoices and labels.

[S13, §5077-a20; C24, 27, 31, 35, 39, §**3136;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.9; 82 Acts, ch 1191, §8]

**199.10 Testing methods — cooperation of facilities.**

1. *Testing methods when seed is for sale.* Seed lots of all kinds of agricultural seed intended for sale in this state shall be tested in accordance with the association of official seed analysts' rules for testing seed or the regulations under the Federal Seed Act. The tests required shall be:

*a.* Purity analysis.

*b.* Noxious weed examination.

*c.* Germination.

2. *Charges for testing.* Charges for seed testing by the Iowa state university or department of agriculture and land stewardship seed laboratory shall be determined by the Iowa state university laboratory. Separate fee schedules shall be published for:

*a.* Tests for seed dealers, permit holders, and farmers who plan to sell seed.

*b.* Tests for out-of-state persons.

3. *Cooperation between the Iowa state university and the department of agriculture and*

*land stewardship.* To furnish farmers and seed dealers with information as to seed quality and guide them in the proper labeling of seed for sale, these organizations shall:

*a.* Integrate seed testing so as to avoid unnecessary duplication of personnel and equipment. The department of agriculture and land stewardship seed laboratory shall be primarily concerned with seed testing for seed law enforcement purposes. The Iowa state university seed laboratory shall promote seed education and research and shall conduct service testing for farmers and seed dealers.

*b.* Exchange information which will be mutually beneficial to both agencies in matters pertaining to agricultural seed.

*c.* Guide seed testing by all individuals or organizations so as to promote uniformity of seed testing in Iowa.

[S13, §5077-a12; C24, 27, 31, 35, 39, §**3135;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.10; 82 Acts, ch 1191, §9 – 11]

85 Acts, ch 67, §21, 22

Referred to in §199.3

**199.11 Authority of the department.**

1. For the purpose of carrying out the provisions of this chapter, the department shall do all of the following:

*a.* Sample, inspect, analyze, and test agricultural seed, if the agricultural seed is transported, sold, offered, or exposed for sale within this state for sowing. The department shall perform these duties at a time and place and to an extent necessary to determine whether the agricultural seed is in compliance with this chapter. The department shall promptly notify the person who transported, sold, offered, or exposed the seed for sale, of a violation.

*b.* Adopt rules governing methods of sampling, inspecting, analyzing, testing, and examining agricultural seed. The rules shall include tolerances to be followed in the administration of this chapter, which shall be in general accord with officially prescribed practice in interstate commerce under the Federal Seed Act and other rules or regulations necessary for the efficient enforcement of this chapter.

2. For the purpose of carrying out the provisions of this chapter, the department may:

*a.* Enter upon public or private premises during regular business hours in order to have access to commercial seed, subject to this chapter and departmental rules.

*b.* Issue and enforce a written or printed *"stop sale"* order to the owner or custodian of any lot of agricultural seed which the department believes is in violation of this chapter or departmental rules. The order shall prohibit further sale of the seed until the department has evidence of compliance. However, the owner or custodian of the seed shall be permitted to remove the seed from a salesroom open to the public. Judicial review of the order may be sought in accordance with chapter 17A. However, notwithstanding chapter 17A, petitions for judicial review may be filed in the district court. This subsection does not limit the right of the department to proceed as authorized by other sections of this chapter.

*c.* Establish and maintain or make provision for seed testing facilities essential to the enforcement of this chapter. The department may employ qualified persons, and incur expenses necessary to comply with these provisions.

*d.* Cooperate with the United States department of agriculture in seed law enforcement.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.11]

92 Acts, ch 1239, §35; 93 Acts, ch 40, §1, 2

**199.12 Seizure of unlawful seed.**

Upon the recommendation of the secretary or the secretary's duly authorized agents, the court of competent jurisdiction in the area in which the seed is located shall cause the seizure and subsequent denaturing, conditioning, or destruction to prevent the use for sowing purposes of any lot of agricultural seed found to be prohibited from sale as set forth in section 199.8, provided that in no instance shall the denaturing, conditioning, or

destruction be ordered without first having given the claimant of the seed an opportunity to apply to the court for the release of the seed.

[C35, §3137-g3; C39, §**3137.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.12; 82 Acts, ch 1191, §12]

**199.13 Penalty.**

A violation of this chapter is a simple misdemeanor. The department may institute criminal or civil proceedings in a court of competent jurisdiction to enforce this chapter. When in the performance of the secretary's duties in enforcing this chapter the secretary applies to a court for a temporary or permanent injunction restraining a person from violating or continuing to violate any of the provisions of this chapter or rules adopted under this chapter, the injunction is to be issued without bond and the person restrained by the injunction shall pay the costs made necessary by the procedure.

[C35, §3137-e2; C39, §**3137.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.13; 82 Acts, ch 1191, §13]

**199.13A Local legislation — prohibition.**

1. The provisions of this chapter and rules adopted by the department pursuant to this chapter shall preempt local legislation adopted by a local governmental entity relating to the production, use, advertising, sale, distribution, storage, transportation, formulation, packaging, labeling, certification, or registration of an agricultural seed. A local governmental entity shall not adopt or continue in effect such local legislation regardless of whether a statute or a rule adopted by the department specifically preempts the local legislation. Local legislation in violation of this section is void and unenforceable.

2. This section does not apply to any of the following:

*a.* Local legislation of general applicability to commercial activity.

*b.* A motion or resolution that provides for any activity relating to agricultural seed which is owned by the local governmental entity and which is kept or used on land held by the local governmental entity.

2005 Acts, ch 21, §3

**199.14 Enforcement.**

It shall be the duty of the secretary of agriculture, and the secretary's agents, to enforce this chapter and of the county attorneys and of the attorney general of the state to cooperate with the secretary in the enforcement of this chapter.

[C35, §3137-g4; C39, §**3137.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.14]

2012 Acts, ch 1023, §157

Referred to in §331.756(38)

**199.15 Permit — fee — fraud.**

1. A person shall not sell, distribute, advertise, solicit orders for, offer or expose for sale, agricultural or vegetable seed without first obtaining from the department a permit to engage in the business. A permit is not required of persons selling seeds which have been packed and distributed by a person holding and having in force a permit. A permit is not required of persons selling or advertising seed of their own production, provided that the seed is stored or delivered to a purchaser only on or from the farm or premises where grown.

2. *a.* The fee for a new permit is ten dollars and the fee for a renewed permit is based on the gross annual sales of seeds in Iowa during the previous twelve-month period under the permit holder's label and all permits expire on the first day of July following date of issue.

*b.* Permits shall be issued subject to the following fee schedule:

| Gross sales of seeds | | Fee |
|---|---|---|
| Not more than | $ 25,000 | $30 |
| Over $25,000 but not exceeding | 50,000 | 60 |
| Over $50,000 but not exceeding | 100,000 | 90 |
| Over $100,000 but not exceeding | 200,000 | 120 |

*c.* For each additional increment of one hundred thousand dollars of sales in Iowa the fee shall increase by thirty dollars. The fee shall not exceed one thousand five hundred dollars for a permit holder.

3. After due notice given at least ten days prior to a date of hearing fixed by the secretary, the department may revoke or refuse to renew a permit issued under this section if a violation of this chapter or if intent to defraud is established. The failure to fulfill a contract to repurchase the seed crop produced from any agricultural seed, if the crop meets the requirements set forth in the contract and the standards specified in this chapter, is prima facie evidence of intent to defraud the purchaser at the time of entering into the contract. However, this does not apply when seed stock is furnished by the contractor to the grower at no cost.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §199.15; 82 Acts, ch 1191, §14]
88 Acts, ch 1272, §20; 2009 Acts, ch 41, §214
Referred to in §199.1, 199.3

**199.16 Permit holder's bond.**

It is unlawful for the permit holder to enter into a contract with a grower who purchases agricultural seed in which the permit holder agrees to repurchase the seed crop produced from the purchased seed at a price in excess of the current market price, unless the permit holder has on file with the department a bond, in a penal sum of twenty-five thousand dollars running to the state of Iowa, with sureties approved by the secretary, for the use and benefit of a person holding a repurchase contract who might have a cause of action of any nature arising from the purchase or contract. However, the aggregate liability of the surety to all purchasers of seed holding repurchase contracts shall not exceed the sum of the bond.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §199.16; 82 Acts, ch 1191, §15]
85 Acts, ch 84, §1
Referred to in §199.1

**199.17 Records and seed samples.**

A person whose name appears on the label as handling agricultural or vegetable seed subject to this chapter shall keep for a period of two years complete records of each lot of agricultural or vegetable seed handled and shall keep for one year a file sample of each lot of seed after final disposition of the lot. The records and samples pertaining to the shipments involved shall be accessible for inspection by the department during the customary business hours.

[82 Acts, ch 1191, §16]

# CHAPTER 200

## FERTILIZERS AND SOIL CONDITIONERS

Referred to in §200A.2, 455B.390


200.1 Title.
200.2 Enforcing official.
200.3 Definitions of words and terms.
200.4 Licenses.
200.5 Registration.
200.6 Labeling.
200.7 Fertilizer-pesticide mixture.
200.8 Inspection fees.
200.9 Fertilizer fees.
200.10 Inspection, sampling, and analysis.
200.11 Filler material.
200.12 False or misleading statements.
200.13 Reports and publications.
200.14 Rules.
200.15 Refusal to register, or cancellation of registration and licenses.
200.16 "Stop sale" orders.
200.17 Seizure, condemnation and sale.
200.17A Ammonium nitrate security.
200.18 Violations.
200.19 Exchanges between manufacturers.
200.20 Phosphoric acid, nitrogen, and potash requirements.
200.21 Compliance — a defense to certain nuisance actions.
200.22 Local legislation — prohibition.

**200.1 Title.**

This chapter shall be known and may be cited by the short title of *"Iowa Fertilizer Law"*.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §200.1]

**200.2 Enforcing official.**

This chapter shall be administered by the secretary of agriculture, hereinafter referred to as the secretary.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §200.2]

**200.3 Definitions of words and terms.**

When used in this chapter:

1. *"Ammonium nitrate"* means a compound that is chiefly composed of ammonium salt of nitric acid which contains not less than thirty-three percent nitrogen, one-half of which is in the ammonium form and one-half in the nitrate form.

2. The term *"anhydrous ammonia"* means the compound formed by the combination of two gaseous elements, nitrogen and hydrogen, in the proportion of one part nitrogen to three parts hydrogen by volume.

3. *"Anhydrous ammonia plant"* means a facility used for the manufacture or distribution of the compound formed by the combination of two gaseous elements, nitrogen and hydrogen, in the proportion of one part nitrogen to three parts hydrogen by volume.

4. The term *"brand"* means a term, design, or trademark used in connection with one or several grades of commercial fertilizer.

5. The term *"bulk fertilizer"* shall mean commercial fertilizer delivered to the purchaser in the solid, liquid, or gaseous state, in a nonpackaged form to which a label cannot be attached.

6. The term *"commercial fertilizer"* includes fertilizer and fertilizer materials and fertilizer-pesticide mixtures.

7. The term *"distributor"* means any person who imports, consigns, manufactures, produces, compounds, mixes, or blends commercial fertilizer, or who offers for sale, sells, barters, or otherwise distributes commercial fertilizer in this state.

8. *"Established date of operation"* means the date on which an anhydrous ammonia plant commenced operating. If the physical facilities of the plant are subsequently expanded, the established date of operation for each expansion is deemed to be a separate and independent "established date of operation" established as of the date of commencement of the expanded operations. The commencement of expanded operations does not divest the plant of a previously established date of operation.

9. *"Established date of ownership"* means the date of the recording of an appropriate instrument of title establishing the ownership of real estate.

10. The term *"fertilizer"* means any substance containing one or more recognized plant nutrient which is used for its plant nutrient content and which is designed for use and claimed to have value in promoting plant growth except unmanipulated animal and vegetable manures or calcium and magnesium carbonate materials used primarily for correcting soil acidity.

11. The term *"fertilizer material"* means any substance used as a fertilizer or for compounding a fertilizer containing one or more of the recognized plant nutrients which are used for promoting plant growth or altering plant composition.

12. The term *"grade"* means the percentages of total nitrogen, available phosphorus or $P_2O_5$ or both, and soluble potassium or $K_2O$ or both stated in whole numbers in same terms, order and percentages as in the *"guaranteed analysis"*.

13. *Guaranteed analysis:*

*a.* (1) The term *"guaranteed analysis"* shall mean the minimum percentage of plant nutrients claimed and reported as Total Nitrogen (N), Available Phosphorus (P) or $P_2O_5$ or both, Soluble Potassium (K) or $K_2O$ or both and in the following form:

| | |
|---|---|
| Total Nitrogen (N) | ..... percent |
| Available Phosphorus (P) or $P_2O_5$ or both | ..... percent |
| Soluble Potassium (K) or $K_2O$ or both | ..... percent |

(2) Registration and guarantee of water soluble phosphorus (P) or ($P_2O_5$) shall be permitted.

*b.* The term *"guaranteed analysis"*, in the form specified in paragraph *"a"*, includes:

(1) For unacidulated mineral phosphatic materials and basic slag, both total and available phosphorus or $P_2O_5$ or both and the degree of fineness. For bone tankage and other organic phosphatic materials, total phosphorus or $P_2O_5$ or both.

(2) When any additional plant nutrient elements contained in a substance as identified in subsection 10 of this section, are claimed in writing, they shall be identified in the guarantee, expressed as the element, and shall be subject to inspection and analysis in accordance with the methods and regulations that may be prescribed by the association of official agricultural chemists.

14. *"Licensee"* means a person licensed under section 200.4.

15. *"Nuisance"* means public or private nuisance as defined by statute or by the common law.

16. *"Nuisance action or proceeding"* means an action, claim or proceeding brought at law, in equity, or as an administrative proceeding, which is based on nuisance.

17. The term *"official sample"* means any sample of commercial fertilizer taken by the secretary or the secretary's agent.

18. *"Organic agricultural product"* means the same as defined in section 190C.1.

19. *"Owner"* means the person holding record title to real estate, and includes both legal and equitable interest under recorded real estate contracts.

20. The term *"percent or percentage"* means the percentage by weight.

21. The term *"person"* includes individual, partnership, association, firm, and corporation.

22. The term *"pesticide"* as used in this chapter means insecticides, miticides, nemacides, fungicides, herbicides and any other substance used in pest control.

23. *"Rule"* means a rule as defined in section 17A.2 which materially affects the operation of an anhydrous ammonia plant. The term includes a rule which was in effect prior to July 1, 1984.

24. The term *"sell"* or *"sale"* includes exchange.

25. A *"soil conditioner"* is any substance which when added to the soil or applied to plants will produce a favorable growth, yield or quality of crop or soil flora or fauna or other soil characteristics, other than a fertilizer, recognized pesticide, unmanipulated animal and vegetable manures or calcium and magnesium carbonate materials used primarily for correcting soil acidity.

26. A *"specialty fertilizer"* is a commercial fertilizer distributed primarily for nonfarm use, such as home gardens, lawns, shrubbery, flowers, golf courses, municipal parks, cemeteries, greenhouses and nurseries and may include commercial fertilizers used for research or experimental purposes.

27. The term *"ton"* means a net weight of two thousand pounds avoirdupois.

28. The term *"unmanipulated manures"* means any substances composed primarily of excreta, plant remains, or mixtures of such substances which have not been processed in any manner.

29. Words importing the singular number may extend and be applied to several persons or things, and words importing the plural number may include the singular.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §200.3]

84 Acts, ch 1269, §1; 2000 Acts, ch 1082, §1; 2005 Acts, ch 73, §1; 2009 Acts, ch 41, §263

Referred to in §200.5, 200.10, 200.12, 202.1, 570A.1, 579B.1

Further definitions, see §189.1

**200.4 Licenses.**

1. Any person who manufactures, mixes, blends, mixes to customers order, offers for sale, sells, or distributes any fertilizer or soil conditioner in Iowa must first obtain a license from the secretary of agriculture and shall pay a ten-dollar license fee for each place of manufacture or distribution from which fertilizer or soil conditioner products are sold or distributed in Iowa. Such license fee shall be paid annually on July 1 of each year.

2. Said licensee shall at all times produce an intimate and uniform mixture of fertilizers

or soil conditioners. When two or more fertilizer materials are delivered in the same load, they shall be thoroughly and uniformly mixed unless they are in separate compartments.

[C46, 50, 54, §200.2, 200.4, 200.6; C58, 62, §200.6; C66, 71, 73, 75, 77, 79, 81, §200.4]

87 Acts, ch 225, §205

Referred to in §200.3, 200.7, 200.9, 200.18

**200.5 Registration.**

1. Each brand and grade of commercial fertilizer and each soil conditioner shall be registered before being offered for sale, sold or otherwise distributed in this state; except that a commercial fertilizer formulated according to special specifications furnished by a consumer to fill the consumer's order shall not be required to be registered, but shall be labeled as provided in subsection 3 of section 200.6. The application for registration shall be submitted to the secretary on forms furnished by the secretary and shall be accompanied by a label setting forth the guaranteed analysis which shall be the same as that appearing on the registered product.

2. All registration will be permanent, provided, however, that the secretary may request a listing of products to be currently manufactured. The application shall include the following information in the following order:

*a.* Net weight, if sold in packaged form.

*b.* Name and address of the registrant.

*c.* Name of product.

*d.* Brand.

*e.* Grade.

*f.* Guaranteed analysis.

3. In addition to the information required in subsection 2 of this section, applications for registration of soil conditioners must include the name or chemical designation and percentage of content of each of the active ingredients.

4. The secretary is authorized, after public hearing, following due notice, to adopt rules regulating the labeling and registration of specialty fertilizers and other fertilizer products, when necessary in the secretary's opinion. The secretary may require any reasonable information in addition to subsection 13 of section 200.3, which is necessary and useful to the purchasers of specialty fertilizers of this state and to promote uniformity among states.

5. The secretary is authorized after public hearing, following due notice, to establish minimum acceptable levels of trace and secondary elements recognized as effective to aid crops produced in Iowa and to require such warning statements as may be deemed necessary to prevent injury to crops.

6. The secretary, whenever the secretary deems it necessary in the administration of this chapter, may require the submission of additional data about any fertilizer or product to support the claims made for it. If it appears to the secretary that the composition of the article is such as to warrant the claims made for it, and if the article, its labeling and other material required to be submitted, comply with the requirements of this chapter, the secretary shall register the product.

7. If it does not appear to the secretary that the article is such as to warrant the proposed claims for it, or if the article and its labeling and other material required to be submitted does not comply with the provision of this chapter, the secretary shall notify the registrant of the manner in which the article, labeling, or other material required to be submitted fails to comply with this chapter so as to afford the registrant an opportunity to make the necessary corrections before resubmitting the label.

8. It shall be the responsibility of the registrant to submit satisfactory evidence of favorable effects and safety of the product.

9. A distributor shall not be required to register any brand and grade of commercial fertilizer which is already registered under this chapter by another person.

10. The advisory committee created in section 206.23 shall advise and assist the secretary

on the registration of a product of commercial fertilizer or soil conditioner under the provisions of this chapter.

[S13, §2528-f, -f1; C24, 27, 31, 35, 39, §**3139 – 3141;** C46, 50, 54, 58, 62, §200.4; C66, 71, 73, 75, 77, 79, 81, §200.5]

Referred to in §200.6, 200.13

**200.6 Labeling.**

1. Any commercial fertilizer offered for sale or sold or distributed in this state in bags, or other containers, shall have placed on or affixed to the container in legibly written or printed form, the information required by subsection 2 of section 200.5; either on tags affixed to the end of the package or directly on the package.

2. If distributed in bulk, the shipment must be accompanied by a written or printed statement giving the purchaser's name and address in addition to the labeling requirement set forth in subsection 2 of section 200.5.

3. A commercial fertilizer formulated according to specifications which are furnished by a consumer prior to mixing shall be labeled to show the net weight, guaranteed analysis, and the name and address of the distributor and may show the net weight and guaranteed analysis of each of the fertilizer materials or soil conditioners used. It is the responsibility of the distributor to mix these materials uniformly and intimately so that when sampled in the prescribed manner the resulting analysis would meet the guarantee.

4. All bulk bins or intermediate storage of bulk commercial fertilizer where being offered for sale or distributed direct to the consumer shall be labeled showing brand, name and grade of product.

5. All fertilizers distributed or stored in bulk, unless in the manufacturers authorized containers shall be labeled as the responsibility of the possessor.

6. Soil conditioners shall be labeled in accordance with subsection 1 of this section and in addition shall show the name or chemical designation and content or the active ingredients.

[S13, §2528-f; C24, 27, 31, 35, 39, §**3142;** C46, 50, 54, 58, 62, §200.5; C66, 71, 73, 75, 77, 79, 81, §200.6]

Referred to in §200.5, 200.13

**200.7 Fertilizer-pesticide mixture.**

Only those persons licensed under section 200.4 shall be permitted to add pesticides to commercial fertilizers. These persons shall at all times produce a uniform mixture of fertilizer and pesticide and shall register and label their product in compliance with both chapter 206 and this chapter.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §200.7]

2001 Acts, ch 24, §36

**200.8 Inspection fees.**

1. *a.* There shall be paid by the licensee to the secretary for all commercial fertilizers and soil conditioners sold, or distributed in this state, an inspection fee to be fixed annually by the secretary of agriculture at not more than twenty cents per ton. Sales for manufacturing purposes only are hereby exempted from fees but must still be reported showing manufacturer who purchased same. Payment of said inspection fee by any licensee shall exempt all other persons, firms or corporations from the payment thereof.

*b.* On individual packages of specialty fertilizer containing twenty-five pounds or less, there shall be paid by the manufacturer in lieu of the semiannual inspection fee as set forth in this chapter, an annual registration and inspection fee of one hundred dollars for each brand and grade sold or distributed in the state. In the event that any manufacturer sells specialty fertilizer in packages of twenty-five pounds or less and also in packages of more than twenty-five pounds, this annual registration and inspection fee shall apply only to that portion sold in packages of twenty-five pounds or less, and that portion sold in packages of more than twenty-five pounds shall be subject to the same inspection fee as fixed by the secretary of agriculture as provided in this chapter.

*c.* Any person other than a manufacturer who annually offers for sale, sells, or distributes specialty fertilizer in the amount of four thousand pounds or more or applies specialty

fertilizer for compensation shall pay an annual inspection fee of thirty dollars in lieu of the semiannual inspection fee as set forth in this chapter.

2. Every licensee and any person required to pay an annual registration and inspection fee under this chapter in this state shall:

*a.* File not later than the last day of January and July of each year, on forms furnished by the secretary, a semiannual statement setting forth the number of net tons of commercial fertilizer or soil conditioners distributed in this state by grade for each county during the preceding six months' period; and upon filing such statement shall pay the inspection fee at the rate stated in subsection 1 of this section. However, in lieu of the semiannual statement by grade for each county, as hereinabove provided for, the registrant, on individual packages of specialty fertilizer containing twenty-five pounds or less, shall file not later than the last day of July of each year, on forms furnished by the secretary, an annual statement setting forth the number of net tons of specialty fertilizer distributed in this state by grade during the preceding twelve-month period.

*b.* If the tonnage report is not filed or the payment of inspection fees, or both, is not made within ten days after the last day of January and July of each year as required in paragraph "*a*" of this subsection, a penalty amounting to ten percent of the amount due, if any, shall be assessed against the licensee. In any case, the penalty shall be no less than fifty dollars. The amount of fees due, if any, and penalty shall constitute a debt and become the basis of a judgment against the licensee.

3. If there is an unencumbered balance of funds from the amount of the fees deposited in the general fund pursuant to sections 200.9 and 201A.11 on June 30 of any fiscal year equal to or exceeding three hundred fifty thousand dollars, the secretary of agriculture shall reduce the per ton fee provided for in subsection 1 and the annual license fee established pursuant to section 201A.3 for the next fiscal year in such amount as will result in an ending estimated balance of such funds for June 30 of the next fiscal year of three hundred fifty thousand dollars.

4. In addition to the fees imposed under subsection 1, a groundwater protection fee shall be imposed upon nitrogen-based fertilizer. The fee shall be based upon the percentage of actual nitrogen contained in the product. An eighty-two percent nitrogen solution shall be taxed at a rate of seventy-five cents per ton. Other nitrogen-based product formulations shall be taxed on the percentage of actual nitrogen contained in the formulations with the eighty-two percent nitrogen solution serving as the base. The fee shall be paid by each licensee registering to sell fertilizer to the secretary of agriculture. The fees collected shall be deposited in the agriculture management account of the groundwater protection fund. The secretary of agriculture shall adopt rules for the payment, filing, and collection of groundwater protection fees from licensees in conjunction with the collection of registration and inspection fees. The secretary shall, by rule, allow an exemption to the payment of this fee for fertilizers which contain trace amounts of nitrogen.

[C46, 50, 54, §200.15; C58, 62, 66, 71, 73, 75, 77, 79, 81, §200.8]

85 Acts, ch 142, §1; 87 Acts, ch 225, §206, 207; 88 Acts, ch 1169, §1; 94 Acts, ch 1107, §46; 96 Acts, ch 1096, §2, 15; 96 Acts, ch 1219, §34; 2009 Acts, ch 41, §263

Referred to in §200.9, 455E.11

**200.9 Fertilizer fees.**

Fees collected for licenses and inspection fees under sections 200.4 and 200.8, with the exception of those fees collected for deposit in the agriculture management account of the groundwater protection fund, shall be deposited in the general fund of the state and shall be subject to the requirements of section 8.60. Moneys deposited under this section to the general fund shall be used only by the department for the purpose of inspection, sampling, analysis, preparation, and publishing of reports and other expenses necessary for administration of this chapter. The secretary may assign moneys to the Iowa agricultural

experiment station for research, work projects, and investigations as needed for the specific purpose of improving the regulatory functions for enforcement of this chapter.

[C46, 50, 54, §200.15; C58, 62, 66, 71, 73, 75, 77, 79, 81, §200.9]

87 Acts, ch 225, §208; 91 Acts, ch 260, §1217; 93 Acts, ch 131, §8; 94 Acts, ch 1107, §47

Referred to in §200.8

**200.10 Inspection, sampling, and analysis.**

1. It shall be the duty of the secretary, who may act through an authorized agent, to sample, inspect, make analysis of, and test commercial fertilizers or soil conditioners distributed within this state at time and place and to such an extent as the secretary may deem necessary, to determine whether such commercial fertilizers and soil conditioners are in compliance with the provisions of this chapter. In the performance of the foregoing duty, the secretary shall counsel with the director of the Iowa agricultural experimental station in respect to the time, place and extent of sampling. The secretary individually or through an agent is authorized to enter upon any public or private premises or conveyances during regular business hours in order to have access to commercial fertilizers or soil conditioners subject to the provisions of this chapter and the rules and regulations pertaining thereto. It shall be the duty of the secretary to maintain a laboratory with the necessary equipment and to employ such employees as may be necessary to aid in the administration and enforcement of this chapter.

2. *a.* The methods of sampling and analysis shall be the official methods of the association of official agricultural chemists in all cases where methods have been adopted by the association.

*b.* The findings of the state chemist or the state chemist's deputy, as shown by the sworn statement of the results of analysis of official samples of any brand and grade of commercial fertilizer, fertilizer material or soil conditioner, shall constitute prima facie evidence of their correctness in the courts of this state, as to the particular lots sampled and analyzed.

3. The secretary, in determining for administrative purposes whether any commercial fertilizer is deficient in plant food, or soil conditioner deficient in guaranteed active ingredients, shall be guided by the official sample as defined in subsection 17 of section 200.3, and obtained and analyzed as provided for in subsection 2 of this section.

4. The results of official analysis of any commercial fertilizer or soil conditioner which has been found to be in violation of any provision of this chapter, shall be forwarded by the secretary to the registrant. Upon request, the secretary shall furnish to the registrant a portion of any sample.

[C46, 50, 54, §200.7 – 200.9; C58, 62, §200.11; C66, 71, 73, 75, 77, 79, 81, §200.10]

2009 Acts, ch 41, §263

**200.11 Filler material.**

It shall be unlawful for any person to manufacture, offer for sale or sell in this state, any commercial fertilizer, or soil conditioner containing any substance used as a filler that is injurious to crop growth or deleterious to the soil, or to use in such commercial fertilizer, or soil conditioner as a filler any substance that contains inert or useless plant food material for the purpose or with the effect of deceiving or defrauding the purchaser.

[C46, 50, 54, §200.10; C58, 62, §200.12; C66, 71, 73, 75, 77, 79, 81, §200.11]

**200.12 False or misleading statements.**

A commercial fertilizer or soil conditioner is misbranded if it does not identify substances promoting plant growth as defined in subsection 10 of section 200.3, or if it carries any false or misleading statement upon or attached to the container or stated on the invoice or delivery ticket, or if the container or on the invoice or delivery ticket or in any advertising matter whatsoever connected with, accompanying or associated with the commercial fertilizer or soil conditioner. Further, the burden of proof of the desirable effect of the product on plant growth shall be the responsibility of the registrant.

[C46, 50, 54, §200.11; C58, 62, §200.13; C66, 71, 73, 75, 77, 79, 81, §200.12]

**200.13 Reports and publications.**

The secretary shall publish at least annually, in such forms as the secretary may deem proper, information concerning the sales of commercial fertilizers, together with such data on their production and use as the secretary may consider advisable. The secretary shall report semiannually the results of the analysis based on official samples taken of commercial fertilizers sold within the state as compared with the analyses guaranteed under section 200.5 and section 200.6, together with name and address of the manufacturer or distributor of such commercial fertilizer at the time the official sample was taken. A copy of this semiannual report will be mailed by the secretary to each corresponding county extension director in the state.

[C46, 50, 54, §200.13; C58, 62, §200.14; C66, 71, 73, 75, 77, 79, 81, §200.13]

**200.14 Rules.**

1. The secretary is authorized, after public hearing, following due notice, to adopt rules setting forth minimum general safety standards for the design, construction, location, installation and operation of equipment for storage, handling, transportation by tank truck or tank trailer, and utilization of anhydrous ammonia.

*a.* The rules shall be such as are reasonably necessary for the protection and safety of the public and persons using anhydrous ammonia, and shall be in substantial conformity with the generally accepted standards of safety.

*b.* Rules that are in substantial conformity with the published standards of the agricultural ammonia institute for the design, installation and construction of containers and pertinent equipment for the storage and handling of anhydrous ammonia, shall be deemed to be in substantial conformity with the generally accepted standards of safety.

2. Anhydrous ammonia equipment shall be installed and maintained in a safe operating condition and in conformity with rules adopted by the secretary.

3. The secretary shall enforce this chapter and, after due publicity and due public hearing, may adopt such reasonable rules as may be necessary in order to carry into effect the purpose and intent and to secure the efficient administration of this chapter.

4. This chapter does not prohibit the use of storage tanks smaller than transporting tanks nor the transfer of all kinds of fertilizer including anhydrous ammonia directly from transporting tanks to implements of husbandry, if proper safety precautions are observed.

[C46, 50, 54, §200.13; C58, 62, §200.15; C66, 71, 73, 75, 77, 79, 81, §200.14]

98 Acts, ch 1004, §1, 3; 98 Acts, ch 1223, §22, 38; 99 Acts, ch 12, §8; 2009 Acts, ch 133, §76, 210

Referred to in §200.21

**200.15 Refusal to register, or cancellation of registration and licenses.**

The secretary is authorized and empowered to cancel the registration of any product of commercial fertilizer or soil conditioner or license or to refuse to register any product of commercial fertilizer or soil conditioner or refuse to license any applicant as herein provided, upon satisfactory evidence that the registrant or licensee has used fraudulent or deceptive practices or who willfully violates any provisions of this chapter or any rules and regulations promulgated thereunder: Except no registration or license shall be revoked or refused until the registrant or licensee shall have been given the opportunity to appear for a hearing by the secretary.

[C46, 50, 54, §200.11; C58, 62, §200.16; C66, 71, 73, 75, 77, 79, 81, §200.15]

**200.16 "Stop sale" orders.**

The secretary may issue and enforce a written or printed "stop sale, use or removal" order to the owner or custodian of any lot of commercial fertilizer or soil conditioner, and to hold at a designated place when the secretary finds said commercial fertilizer or soil conditioner is being offered or exposed for sale in violation of any of the provisions of this chapter or any of the rules and regulations promulgated hereunder until the law has been complied with and said commercial fertilizer or soil conditioner is released in writing by the secretary or

said violation has been otherwise legally disposed of by written authority, and all costs and expenses incurred in connection with the withdrawal have been paid.

[C58, 62, §200.17; C66, 71, 73, 75, 77, 79, 81, §200.16]

**200.17 Seizure, condemnation and sale.**

Any lot of commercial fertilizer or soil conditioner not in compliance with the provisions of this chapter shall be subject to seizure on complaint of the secretary to a court of competent jurisdiction in the county or adjoining county in which said commercial fertilizer or soil conditioner is located. In the event the court finds the said commercial fertilizer or soil conditioner to be in violation of this chapter and orders the condemnation of said commercial fertilizer or soil conditioner, it shall be disposed of in any manner consistent with the quality of the commercial fertilizer or soil conditioner and the laws of the state: Except in no instance shall the disposition of said commercial fertilizer or soil conditioner be ordered by the court without first giving the claimant an opportunity to apply to the court for release of said commercial fertilizer or soil conditioner or for permission to reprocess or relabel said commercial fertilizer or soil conditioner to bring it into compliance with this chapter.

[C58, 62, §200.18; C66, 71, 73, 75, 77, 79, 81, §200.17]

**200.17A Ammonium nitrate security.**

A licensee who sells ammonium nitrate on a retail basis shall comply with all of the following:

1. The licensee shall store the ammonium nitrate in a location which secures it from unauthorized access, and which prevents and provides for the detection of its theft.

2. A licensee shall only sell ammonium nitrate to a purchaser who presents a current official identification issued by the federal government or a state government which includes the purchaser's photograph and identifying information including the person's legal name and home address.

3. The licensee shall maintain a record of each sale of ammonium nitrate as follows:

*a.* The record shall be on a form promulgated or approved by the department. The form shall include at least all of the following:

(1) The date of sale.

(2) The quantity of ammonium nitrate purchased.

(3) The information contained in the purchaser's official identification as provided in this section. If the official identification is a driver's license, the information shall include the driver's license number. A photocopy of the purchaser's current official identification on file with the licensee shall comply with the requirements of this subparagraph.

(4) The purchaser's telephone number.

(5) The purchaser's signature.

*b.* The licensee shall maintain the record for at least two years after the date of the sale.

4. The department, a law enforcement officer as defined in section 80B.3, or an agent of the United States department of justice may examine and photocopy the record during regular business hours.

2005 Acts, ch 73, §2

Referred to in §200.18

**200.18 Violations.**

1. If it shall appear from the examination of any commercial fertilizer or soil conditioner or any anhydrous ammonia installation, equipment, or operation that any of the provisions of this chapter or the rules and regulations issued thereunder have been violated, the secretary shall cause notice of the violations to be given to the registrant, distributor, or possessor from whom said sample was taken; any person so notified shall be given opportunity to be heard under such rules and regulations as may be prescribed by the secretary. If it appears after such hearing, either in the presence or absence of the person so notified, that any of the provisions of this chapter or rules and regulations issued thereunder have been violated, the secretary may certify the facts to the proper prosecuting attorney.

2. *a.* Except as otherwise provided in this subsection, a person violating this chapter or rules adopted by the secretary pursuant to this chapter is guilty of a simple misdemeanor.

*b.* A person who tampers with, possesses, or transports anhydrous ammonia or anhydrous ammonia equipment is guilty of a serious misdemeanor under section 124.401F.

*c.* A person who intentionally presents false identification or other information required in section 200.17A in order to purchase ammonium nitrate commits a serious misdemeanor. A person who purchases ammonium nitrate from a person required to be licensed under section 200.4 with the intention of manufacturing an explosive or incendiary device or material is guilty of a class "D" felony.

3. A person who is licensed pursuant to section 200.4 who fails to comply with the requirements of section 200.17A shall be subject to disciplinary action by the department. For a first violation, the department may suspend the person's license for up to ninety days. For a subsequent violation, the department may suspend the person's license for a longer period or revoke the person's license.

4. Nothing in this chapter shall be construed as requiring the secretary or the secretary's representative to report for prosecution or for the institution of seizure proceedings minor violations of the chapter when the secretary believes that the public interest will be best served by a suitable notice of warning in writing.

5. It shall be the duty of each county attorney to whom any violation is reported, to cause appropriate proceedings to be instituted and prosecuted in a court of competent jurisdiction without delay.

6. The secretary is hereby authorized to apply for and the court to grant a temporary or permanent injunction restraining any person from violating or continuing to violate any of the provisions of this chapter or any rule or regulation promulgated under the chapter notwithstanding the existence of other remedies at law, said injunction to be issued without bond.

[C46, 50, 54, §200.11, 200.14; C58, 62, §200.19; C66, 71, 73, 75, 77, 79, 81, §200.18]
98 Acts, ch 1004, §2, 3; 99 Acts, ch 12, §9; 2005 Acts, ch 73, §3
Referred to in §331.756(39)

**200.19 Exchanges between manufacturers.**

Nothing in this chapter shall be construed to restrict or avoid sales or exchanges of commercial fertilizers or soil conditioners to each other by importers, manufacturers, or manipulators who mix fertilizer materials for sale or as preventing the free and unrestricted shipments of commercial fertilizer or soil conditioner to manufacturers or manipulators who have registered their brands as required by the provisions of this chapter.

[C46, 50, 54, §200.5, 200.12; C58, 62, §200.20; C66, 71, 73, 75, 77, 79, 81, §200.19]

**200.20 Phosphoric acid, nitrogen, and potash requirements.**

1. Except as provided in subsection 2, a person shall not sell, offer for sale, or distribute any of the following:

*a.* Phosphatic fertilizer containing less than eighteen percent available phosphoric acid ($P_2O_5$).

*b.* Nitrogen fertilizer containing less than fifteen percent total nitrogen (N).

*c.* Potash fertilizer containing less than fifteen percent soluble potash ($K_2O$).

*d.* Mixed fertilizer in which the sum of the guaranteed analysis of total nitrogen (N), available phosphoric acid ($P_2O_5$), and soluble potash ($K_2O$) totals less than twenty percent.

2. Subsection 1 shall not apply to any of the following:

*a.* A specialty fertilizer.

*b.* A fertilizer designed to be applied and ordinarily applied directly to growing plant foliage to stimulate further growth.

*c.* Compost materials to be applied on land, if any of the following apply:

(1) The land is being used to produce an agricultural commodity that is an organic agricultural product as provided in chapter 190C, including rules adopted by the department under that chapter.

(2) The land is in the transition of being used to produce an agricultural commodity that

is an organic agricultural product, pursuant to rules adopted by the department as provided in chapter 190C.

[C77, 79, 81, §200.20]

2000 Acts, ch 1082, §2

**200.21 Compliance — a defense to certain nuisance actions.**

In a nuisance action or proceeding against an anhydrous ammonia plant brought by or on behalf of the person whose established date of ownership is subsequent to the established date of operation of an anhydrous ammonia plant, proof of compliance with applicable provisions of this chapter and applicable rules adopted pursuant to section 200.14 shall be a defense to a nuisance action or proceeding.

84 Acts, ch 1269, §2

**200.22 Local legislation — prohibition.**

1. As used in this section:

*a.* "*Local governmental entity*" means any political subdivision, or any state authority which is not the general assembly or under the direction of a principal central department as enumerated in section 7E.5, including a city as defined in section 362.2, a county as provided in chapter 331, or any special purpose district.

*b.* "*Local legislation*" means any ordinance, motion, resolution, amendment, regulation, or rule adopted by a local governmental entity.

2. The provisions of this chapter and rules adopted by the department pursuant to this chapter shall preempt local legislation adopted by a local governmental entity relating to the use, sale, distribution, storage, transportation, disposal, formulation, labeling, registration, or manufacture of a fertilizer or soil conditioner. A local governmental entity shall not adopt or continue in effect local legislation relating to the use, sale, distribution, storage, transportation, disposal, formulation, labeling, registration, or manufacture of a fertilizer or soil conditioner, regardless of whether a statute or rule adopted by the department applies to preempt the local legislation. Local legislation in violation of this section is void and unenforceable.

3. This section does not apply to local legislation of general applicability to commercial activity.

94 Acts, ch 1002, §1; 94 Acts, ch 1198, §41

# CHAPTER 200A

## BULK DRY ANIMAL NUTRIENT PRODUCTS


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**200A.1 Title.**

This chapter shall be known and may be cited by the short title of "*Bulk Dry Animal Nutrient Products Law*".

98 Acts, ch 1145, §1

**200A.2 Purpose.**

The purpose of this chapter is to regulate certain bulk dry animal manure for use as a fertilizer or soil conditioner, which is unmanipulated and therefore not subject to regulation under chapter 200.

98 Acts, ch 1145, §2

**200A.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advertise"* means to present a commercial message in any medium including but not limited to print, radio, television, sign, display, label, tag, or articulation.

2. *"Bulk dry animal nutrient product"* or *"bulk product"* means a dry animal nutrient product delivered to a purchaser in bulk form to which a label cannot be attached.

3. *"Department"* means the department of agriculture and land stewardship.

4. *"Distribute"* means to offer for sale, sell, hold out for sale, exchange, barter, supply, or furnish a bulk dry animal nutrient product on a commercial basis.

5. *"Distributor"* means a person who distributes a bulk dry animal nutrient product.

6. *"Dry animal nutrient product"* means any unmanipulated animal manure composed primarily of animal excreta, if all of the following apply:

*a.* The manure contains one or more recognized plant nutrients which are used for their plant nutrient content.

*b.* The manure promotes plant growth.

*c.* The manure does not flow perceptibly under pressure.

*d.* The manure is not capable of being transported through a mechanical pumping device designed to move a liquid.

*e.* The constituent molecules of the manure do not flow freely among themselves but do show the tendency to separate under stress.

7. *"Guaranteed analysis"* means the minimum percentage of plant nutrients claimed and reported to the department pursuant to section 200A.6.

8. *"Official sample"* means any sample of a bulk dry animal nutrient product taken by the department according to procedures established by the department consistent with this chapter.

9. *"Percent"* or *"percentage"* means percentage by weight.

10. *"Purchaser"* means a person to whom a dry animal nutrient product is distributed.

11. *"Ton"* means a net weight of two thousand pounds avoirdupois.

98 Acts, ch 1145, §3; 99 Acts, ch 96, §21; 99 Acts, ch 114, §11

**200A.4 Rulemaking.**

The department shall adopt all rules necessary to administer this chapter including but not limited to rules regulating licensure, labeling, registration, distribution, and storage of bulk dry animal nutrient products. A violation of this chapter includes a violation of any rule adopted pursuant to this section as provided in chapter 17A.

98 Acts, ch 1145, §4

**200A.5 License.**

A person who distributes a bulk dry animal nutrient product in this state must first obtain a license from the department. A license application must be submitted to the department on a form furnished by the department according to procedures required by the department. A license shall expire on July 1 of each year.

98 Acts, ch 1145, §5

Referred to in §200A.8, 200A.9, 200A.12, 200A.14

**200A.6 Registration.**

1. A person shall not distribute a bulk dry animal nutrient product unless the bulk product is registered with the department under this section. The department shall register each bulk product which complies with the requirements of this chapter. If the department determines that a registration application does not comply with the requirements of this

chapter, the department shall notify the applicant of the department's determination and the reasons why the application failed to comply with the requirements of this chapter. The department shall provide the applicant with an opportunity to make the necessary corrections before resubmitting the application.

2. A registration application must be submitted to the department on a form furnished by the department according to procedures required by the department. A completed application shall include all of the following:

*a.* (1) An accompanying label setting forth the guaranteed analysis of the bulk product, in the following form:

| | |
|---|---|
| Total Nitrogen (N) | ..... percent |
| Available Phosphate (P) or $P_2O_5$ or both | ..... percent |
| Soluble Potassium (K) or $K_2O$ or both | ..... percent |

(2) Registration and guarantee of water soluble phosphate (P) or ($P_2O_5$) shall be permitted.

*b.* A description of how the distributor plans to obtain the acres necessary for proper application of the bulk product which is not distributed.

*c.* Evidence of favorable effects and safety of the bulk product necessary to satisfy the department according to rules adopted by the department.

*d.* Additional data about a bulk product necessary to support claims made about the product, if required by the department.

3. A distributor shall not be required to register any bulk product which is already registered under this chapter by another person.

4. Upon request of the department, the advisory committee created in section 206.23 may advise and assist the department regarding the registration of bulk dry animal nutrient products under the provisions of this chapter.

98 Acts, ch 1145, §6; 2009 Acts, ch 41, §263
Referred to in §200A.3, 200A.7, 200A.11, 200A.12, 200A.14

**200A.7 Distribution statement required.**

1. The distribution of a bulk dry animal nutrient product must be accompanied by a written or printed distribution statement which may be prepared on a form furnished by the department. The distribution statement shall include all of the following information:

*a.* The bulk product's guaranteed analysis in the same form as required pursuant to section 200A.6.

*b.* The name and address of the bulk product's purchaser.

*c.* A notice to the bulk product's purchaser stating the number of acres needed to apply the purchased bulk product based on the average corn yields in the county where the bulk product is to be applied.

*d.* A warning that application of a bulk product should not exceed the nitrogen levels necessary to obtain optimum crop yields for the crop being grown based on crop nitrogen usage rate factors.

2. Before transferring possession of a bulk product, the distributor shall present the purchaser with an acknowledgment for the purchaser's signature or initials indicating that the purchaser has read the distribution statement and understands the number of acres required to apply the product according to the information in the distribution statement.

98 Acts, ch 1145, §7
Referred to in §200A.12

**200A.8 Distribution reports.**

1. A person required to be licensed pursuant to section 200A.5 shall file a distribution report with the department on forms furnished by the department reporting information regarding the person's distribution of bulk products.

2. The report shall be filed with the department not later than the last day of January and

the last day of July excluding weekends and state-recognized holidays as provided in section 1C.2.

3. The report shall include all of the following:

*a.* The number of tons of bulk products distributed by the person in the state during the preceding six-month period. The report shall include the number of tons distributed to each county named in the report and the grade of the distributed bulk product.

*b.* The name and address of each purchaser and the number of tons purchased.

*c.* An inspection fee as provided in section 200A.9.

98 Acts, ch 1145, §8

Referred to in §200A.9

**200A.9 Fees.**

1. A person required to obtain a license as provided in section 200A.5 shall pay a ten dollar fee for each place from which a bulk product is distributed in this state.

2. *a.* The first person who distributes a bulk product, who is required to be licensed pursuant to section 200A.5, shall pay an inspection fee twice each year. The inspection fee shall be paid at the time of filing each distribution report as required in section 200A.8. The amount of the fee shall be calculated based on the number of tons of bulk dry animal nutrient product distributed by the person as reported in the distribution report.

*b.* The rate for inspection fees shall be established by the department not more than once each year and shall be not more than twenty cents per ton.

*c.* An inspection fee shall not be imposed upon a purchaser regardless of whether the purchaser subsequently distributes the product.

3. An inspection fee is delinquent after ten days following the date that a distribution report and fee are due as provided in section 200A.8. A delinquency penalty of not more than ten percent of the amount due shall be assessed against the person who is delinquent. However, the penalty shall be at least fifty dollars. The amount of fees and delinquency penalties due shall constitute a debt and become the basis of a judgment against the delinquent person.

98 Acts, ch 1145, §9

Referred to in §200A.8, 200A.15

**200A.10 Examinations.**

1. The department shall maintain a laboratory with the equipment and employees necessary to conduct examinations of bulk dry animal nutrient products and to effectively administer and enforce this chapter.

2. The department, or a person authorized as an agent by the department, shall examine bulk products distributed in this state. An examination may include taking samples, conducting inspections and tests, and analyzing the bulk product.

98 Acts, ch 1145, §10; 2011 Acts, ch 46, §3

**200A.11 Prohibited acts.**

1. A person shall not distribute a bulk dry animal nutrient product containing any substance used as filler material if any of the following applies:

*a.* The filler injures plant growth or is deleterious to soil.

*b.* The person distributing the bulk product misrepresents or deceives the person receiving the bulk product regarding the attributes of the filler material or its effect upon plant growth or soil condition.

2. A person shall not advertise a bulk product by making false or misleading statements regarding the bulk product.

3. A person shall not misbrand a bulk product by providing a distribution statement to a purchaser which fails to identify a substance promoting plant growth according to the bulk product's guaranteed analysis as provided in section 200A.6.

4. The burden of proof regarding a claim made by a person distributing a bulk product, including but not limited to the positive effects of the bulk product on plant growth, shall be the responsibility of the distributor.

5. A distributor shall not store a bulk product in a manner which pollutes the waters of the state.

98 Acts, ch 1145, §11

**200A.12 Enforcement.**

In enforcing this chapter the department may do any of the following:

1. *a.* Take disciplinary action concerning a registration of a bulk dry animal nutrient product as provided in section 200A.6 or the license of a person distributing a bulk product as provided in section 200A.5. The department may do any of the following:

(1) Cancel the registration or deny an application for registration.

(2) Suspend or terminate the license or deny an application for a license.

*b.* The disciplinary action must be based upon evidence satisfactory to the department that the registrant, licensee, or applicant has used fraudulent or deceptive practices in violation of this chapter or has willfully disregarded the requirements of this chapter.

2. Issue and enforce a "stop sale, use, or removal" order against the owner or distributor of any lot of a bulk product.

*a.* The order may require that the bulk product be held at a designated place until released by the department.

*b.* The department shall release the bulk product pursuant to a release order upon satisfaction that legal issues compelling the issuance of the "stop sale, use, or removal order" have been resolved and all expenses incurred by the department in connection with the bulk product's removal have been paid to the department.

3. Seize and dispose of any lot of a bulk product which is not in compliance with the provisions of this chapter upon petition to the district court in the county or adjoining county in which the bulk product is located.

*a.* If the court finds that the bulk product is in violation of this chapter, the court may order the condemnation of the bulk product. However, the court shall not order the seizure and disposition of a bulk product without first providing the owner of the bulk product with an opportunity to apply to the court for release of the bulk product, consent to reprocess the bulk product, or consent to amend a legal record to accurately describe the composition of the bulk product, including a distribution statement as provided in section 200A.7.

*b.* The department shall, as provided in the court order, dispose of the bulk product in a manner consistent with the quality of the bulk product and the laws of this state.

4. Apply to the district court in the county where a violation of this chapter occurs for a temporary or permanent injunction restraining a person from violating or continuing to violate this chapter, notwithstanding the existence of other remedies at law. The injunction shall be issued without a bond.

5. This section does not require the department to institute a proceeding for a minor violation if the department concludes that the public interest will be best served by a suitable written warning.

98 Acts, ch 1145, §12

**200A.13 Violations.**

1. A person violating a provision of this chapter is guilty of a simple misdemeanor.

2. *a.* If, after a departmental investigation, it appears that a person is in violation of this chapter, the department shall notify the person of the violation and provide the person with an opportunity to be heard under rules adopted by the department consistent with chapter 17A contested case proceedings.

*b.* If, after a hearing, the department determines that a violation has occurred, the department may report the violation to the appropriate county attorney for prosecution. The report shall include a certified copy of evidence presented during the hearing. This section does not require the department to report a minor violation for prosecution if the department concludes that the public interest will be best served by a suitable written warning.

*c.* A county attorney who receives a report of a violation from the department shall institute and prosecute the case in district court without delay.

98 Acts, ch 1145, §13

**200A.14 Exchange between producers.**

Nothing in this chapter shall be construed to restrict or prohibit any of the following:

1. The distribution of a bulk product to importers, manufacturers, or manipulators who mix bulk dry animal nutrient products for distribution.

2. The shipment of a bulk product to a person licensed as a distributor pursuant to section 200A.5 who has registered the bulk product as provided in section 200A.6.

98 Acts, ch 1145, §14

**200A.15 Use of fees.**

Fees and delinquency penalties collected by the department pursuant to this chapter, including section 200A.9, shall be deposited in the general fund of the state. However, the department may allocate moneys to the Iowa agricultural experiment station for research, work projects, and investigations as needed for the specific purpose of improving the regulatory functions to improve the enforcement of this chapter.

98 Acts, ch 1145, §15

# CHAPTER 201

RESERVED

# CHAPTER 201A

## AGRICULTURAL LIMING MATERIAL

Referred to in §8.60


201A.1 Short title.
201A.2 Definitions.
201A.3 License required.
201A.4 Labeling and advertising.
201A.5 Inspection and investigation.
201A.6 Certification of effective calcium carbonate equivalent — reporting.
201A.7 Toxic materials prohibited.
201A.8 Rules.
201A.9 Enforcement actions.
201A.10 Violations.
201A.11 Fees and appropriation.


**201A.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Agricultural Liming Material Act"*.

96 Acts, ch 1096, §3, 15

**201A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural liming material"* means a product having calcium and magnesium compounds capable of neutralizing soil acidity.

2. *"Brand"* means the term, designation, trade name, product name, or other specific designation under which individual agricultural liming material is offered for sale.

3. *"Bulk"* means material which is in a nonpackaged form.

4. *"Effective calcium carbonate equivalent"* means the acid-neutralizing capacity of an agricultural liming material.

96 Acts, ch 1096, §4, 15

**201A.3 License required.**

Agricultural liming material shall not be distributed in this state unless the manufacturer of the agricultural liming material obtains a license for each facility owned by the manufacturer

for distribution in this state. The manufacturer shall obtain the license prior to the facility's manufacture of the agricultural liming material. The license shall expire on January 1 of each year, and may be renewed for a period expiring on January 1 of the following year. The manufacturer shall apply for the license on forms prescribed and according to procedures required by the department. An application for a license, including a license renewal, must be accompanied by a license fee established by the department, which shall not exceed forty dollars.

96 Acts, ch 1096, §5, 15
Referred to in §200.8

**201A.4 Labeling and advertising.**

1. Agricultural liming material shall not be sold, offered for sale, or exposed for sale in this state unless a label accompanies the agricultural liming material which provides the following information:

*a.* The name and address of the principal office of the manufacturer or distributor.

*b.* The brand or trade name of the agricultural liming material.

*c.* The identification of the type of the agricultural liming material.

*d.* The undried net weight of the agricultural liming material.

*e.* The effective calcium carbonate equivalent of the agricultural liming material as determined according to rules adopted by the department.

2. The label must be plainly readable. If the agricultural liming material is in packaged form, the label must be affixed to the outside of the package in a conspicuous manner. The label shall be printed, stamped, or otherwise marked in a manner required by the department. If the agricultural liming material is in bulk form, the label may be contained on a delivery slip.

3. The label or advertising which provides information regarding the agricultural liming material shall not be false or misleading to the purchaser, including information relating to the quality, analysis, type, or composition of the agricultural liming material.

4. If the agricultural liming material is adulterated after it has been packaged, labeled, or loaded, but prior to delivery to a purchaser, the vendor shall provide a notice of the adulteration, which shall be placed on the agricultural liming material as an additional label as provided in this section.

5. For each brand of agricultural liming material sold in bulk, a statement shall be conspicuously posted at the location where the agricultural liming material is delivered for resale or where purchase orders for deliveries of the agricultural liming material are placed. The statement shall include the effective calcium carbonate equivalent of the agricultural liming material as determined according to rules adopted by the department.

96 Acts, ch 1096, §6, 15

**201A.5 Inspection and investigation.**

The department shall inspect agricultural liming material distributed in this state and investigate persons engaged in the business of manufacturing, distributing, selling, offering for sale, or exposing for sale agricultural liming material in this state. Inspections and investigations shall be performed as determined necessary or practicable by the department, in order to ensure compliance with this chapter. The inspection may include the sampling, analysis, and testing of agricultural liming material, as provided by rules adopted by the department. The department may enter premises of a business engaged in the manufacture, distribution, sale, offer for sale, or exposure for sale of agricultural liming material in this state. The business shall provide timely, convenient, and free access to its agricultural liming material and to its books, records, accounts, papers, documents, and any computer or other recordings relating to the business, during normal business hours. The business shall facilitate the examination and aid in the examination to every extent feasible.

96 Acts, ch 1096, §7, 15

**201A.6 Certification of effective calcium carbonate equivalent — reporting.**

The department shall certify the effective calcium carbonate equivalent for all agricultural liming material, as provided by rules adopted by the department. The department may establish a fee for analyzing samples of agricultural liming material. The department shall issue a report at least once every three months which lists the agricultural liming material certified by the department. The report shall list the manufacturers of the agricultural liming material, the locations of facilities used to manufacture the agricultural liming material, and the identification of the type of the agricultural liming material produced by the manufacturer.

96 Acts, ch 1096, §8, 15

**201A.7 Toxic materials prohibited.**

A person shall not sell, offer for sale, or expose for sale agricultural liming material which includes material which is toxic to plants, animals, human, or aquatic life, or which causes soil or water contamination, as provided by rules adopted by the department.

96 Acts, ch 1096, §9, 15

**201A.8 Rules.**

The department shall adopt rules pursuant to chapter 17A required to administer and enforce the provisions of this chapter.

96 Acts, ch 1096, §10, 15

**201A.9 Enforcement actions.**

If the department finds that agricultural liming material is being manufactured, used, sold, offered for sale, or exposed for sale in violation of this chapter, the department may enforce the provisions of this chapter by doing any of the following:

1. Issuing and enforcing a stop order to prevent the manufacture, sale, or removal of agricultural liming material. The order may require that the owner or custodian hold the agricultural liming material at a place designated in the order. The stop order shall be in writing and served upon the person owning or controlling the manufacture or sale of the agricultural liming material. The department shall provide for the termination of the stop order upon compliance with the provisions of this chapter. The termination of the stop order shall be in writing and served upon the person as provided for in the stop order. The department may place conditions upon the termination of the stop order, including the payment of reasonable expenses incurred by the department in issuing and enforcing the stop order.

2. Obtaining a court order upon petition filed in district court for the county where the agricultural liming material is being manufactured, sold, offered for sale, or exposed for sale. The court may be petitioned by the department, or, upon request by the department, the attorney general or the county attorney. The court shall hear from all parties in the case. The court may issue an order for any of the following:

*a.* The seizure of the agricultural liming material. The court shall issue an order, if the court finds that the petition is supported by facts that agricultural liming material is being manufactured, sold, offered for sale, or exposed for sale in violation of this chapter, and the agricultural liming material must be condemned because it fails to meet standards required in this chapter. If warranted, the court shall order that the agricultural liming material be disposed of in a manner provided by rules adopted by the department, which may include reprocessing or relabeling the agricultural liming material in order to ensure that it complies with this chapter. The court may provide that any party to the case dispose of the agricultural liming material.

*b.* A temporary or permanent injunction against a person violating the provisions of this chapter. The court shall issue an order, if the court finds that the petition is supported by facts that agricultural liming material is being manufactured, sold, offered for sale, or exposed for sale in violation of this chapter. In order to obtain injunctive relief, the department shall not be required to post a bond or prove the absence of an adequate remedy at law, unless the court

for good cause otherwise orders. The court may order any form of prohibitory or mandatory relief that is appropriate under principles of equity.

96 Acts, ch 1096, §11, 15

**201A.10 Violations.**

1. A person violating this chapter or rules adopted by the department under this chapter is guilty of a simple misdemeanor.

2. The department shall provide for the prosecution of a violation of this chapter by referring the violation to the county attorney in the county where the violation occurs. The department shall compile evidence of the violation for prosecution. The county attorney shall prosecute any case determined by the county attorney to be meritorious without delay. The department shall not refer a violation to the county attorney until the department provides the person subject to the violation with an opportunity to be heard by the department according to procedures adopted by the department. A right to a hearing is not a contested case proceeding as provided in chapter 17A. The department is not required to refer a minor violation to a county attorney, and may instead issue a warning to the person subject to the minor violation.

96 Acts, ch 1096, §12, 15

**201A.11 Fees and appropriation.**

Fees collected under this chapter shall be deposited in the general fund of the state and shall be subject to the requirements of section 8.60. Moneys deposited under this section to the general fund shall be used only by the department for the purpose of administering and enforcing the provisions of this chapter, including inspection, sampling, analysis, and the preparation and publishing of reports.

96 Acts, ch 1096, §13, 15

Referred to in §200.8

# CHAPTER 202

## COMMODITY PRODUCTION CONTRACTS

Referred to in §459.400


202.1 Definitions.
202.2 Production contracts governed by this chapter.
202.3 Production contracts — confidentiality prohibited.
202.4 Enforcement.
202.5 Penalties.


**202.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Active contractor"* means a person who owns a commodity that is produced by a contract producer at the contract producer's contract operation pursuant to a production contract executed pursuant to section 202.2.

2. *"Commodity"* means livestock, raw milk, or a crop.

3. *"Contract crop field"* means farmland where a crop is produced according to a production contract executed pursuant to section 202.2 by a contract producer who holds a legal interest in the farmland.

4. *"Contract livestock facility"* means an animal feeding operation as defined in section 459.102, in which livestock or raw milk is produced according to a production contract executed pursuant to section 202.2 by a contract producer who holds a legal interest in the animal feeding operation. *"Contract livestock facility"* includes a confinement feeding operation as defined in section 459.102, an open feedlot operation as defined in section 459A.102, or an area which is used for the raising of crops or other vegetation and upon which livestock is fed for slaughter or is allowed to graze or feed.

5. *"Contract operation"* means a contract livestock facility or contract crop field.

6. *"Contract producer"* means a person who holds a legal interest in a contract operation and who produces a commodity at the contract producer's contract operation under a production contract executed pursuant to section 202.2.

7. *"Contractor"* means an active contractor or a passive contractor.

8. *a.* *"Crop"* means a plant used for food, animal feed, fiber, or oil, if the plant is classified as a forage or cereal plant, including but not limited to alfalfa, barley, buckwheat, corn, flax, forage, millet, oats, popcorn, rye, sorghum, soybeans, sunflowers, wheat, and grasses used for forage or silage.

*b.* A *"crop"* does not include trees or nuts or fruit grown on trees; sod; shrubs; greenhouse plants; or plants or plant parts produced for precommercial, experimental, or research purposes.

9. *"Farmland"* means agricultural land that is suitable for use in farming as defined in section 9H.1.

10. *"Livestock"* means beef cattle, dairy cattle, sheep, or swine.

11. *"Passive contractor"* means a person who furnishes management services to a contract producer, and who does not own a commodity that is produced by the contract producer at the contract producer's contract operation according to a production contract which is executed pursuant to section 202.2.

12. *"Produce"* means to do any of the following:

*a.* Provide feed or services relating to the care and feeding of livestock. If the livestock is dairy cattle, *"produce"* includes milking the dairy cattle and storing raw milk at the contract producer's contract livestock facility.

*b.* Provide for planting, raising, harvesting, and storing a crop. *"Produce"* includes preparing the soil for planting and nurturing the crop by the application of fertilizers or soil conditioners as defined in section 200.3 or pesticides as defined in section 206.2.

13. *"Production contract"* means an oral or written agreement executed pursuant to section 202.2 that provides for the production of a commodity or the provision of management services relating to the production of a commodity by a contract producer.

99 Acts, ch 169, §2, 22 – 24; 2006 Acts, ch 1030, §20, 21

Referred to in §101.21, 459A.103, 459B.103

**202.2 Production contracts governed by this chapter.**

1. This chapter applies to a production contract that relates to the production of a commodity owned by an active contractor and produced by a contract producer at the contract producer's contract operation, if one of the following applies:

*a.* The contract is executed by an active contractor and a contract producer for the production of the commodity.

*b.* The contract is executed by an active contractor and a passive contractor for the provision of management services to the contract producer in the production of the commodity.

*c.* The contract is executed by a passive contractor and a contract producer, if all of the following apply:

(1) The contract provides for management services furnished by the passive contractor to the contract producer in the production of the commodity.

(2) The passive contractor has a contractual relationship with the active contractor involving the production of the commodity.

2. A production contract is executed when it is signed or orally agreed to by each party or by a person who is authorized by a party to act on the party's behalf.

99 Acts, ch 169, §3, 22 – 24

Referred to in §202.1

**202.3 Production contracts — confidentiality prohibited.**

1. A contractor shall not on or after May 24, 1999, enforce a provision in a production contract if the provision provides that information contained in the production contract is confidential.

2. A provision which is part of a production contract is void if the provision states that information contained in the production contract is confidential. The confidentiality provision is void whether the confidentiality provision is express or implied; oral or written; required or conditional; contained in the production contract, another production contract, or in a related document, policy, or agreement. This section does not affect other provisions of a production contract or a related document, policy, or agreement which can be given effect without the voided provision. This section does not require a party to a production contract to divulge the information in the production contract to another person.

99 Acts, ch 169, §4, 22 – 24
Referred to in §202.5, 714.8

**202.4 Enforcement.**

1. The attorney general's office is the primary agency responsible for enforcing this chapter.

2. In enforcing the provisions of this chapter, the attorney general may do all of the following:

*a.* Apply to the district court for an injunction to do any of the following:

(1) Restrain a contractor from engaging in conduct or practices in violation of this chapter.

(2) Require a contractor to comply with a provision of this chapter.

*b.* Apply to district court for the issuance of a subpoena to obtain a production contract for purposes of enforcing this chapter.

*c.* Bring an action in district court to enforce penalties provided in section 202.5, including the assessment and collection of civil penalties.

99 Acts, ch 169, §5, 22 – 24

**202.5 Penalties.**

A contractor who executes a production contract that includes a confidentiality provision in a production contract in violation of section 202.3 is guilty of a fraudulent practice as provided in section 714.8.

99 Acts, ch 169, §6, 22 – 24
Referred to in §202.4

# CHAPTER 202A

## LIVESTOCK MARKETING PRACTICES

For future repeal provisions, see 99 Acts, ch 88, §11


| | | | |
|---|---|---|---|
| 202A.1 | Definitions. | 202A.5 | Rules. |
| 202A.2 | Purchase reports — filing. | 202A.6 | Enforcement. |
| 202A.3 | Purchase notice — posting. | 202A.7 | Penalties. |
| 202A.4 | Confidentiality provisions in contracts prohibited. | | |


**202A.1 Definitions.**

1. *"Department"* means the department of agriculture and land stewardship.

2. *"Livestock"* means live cattle, swine, or sheep.

3. *"Packer"* means a person who is engaged in the business of slaughtering livestock or receiving, purchasing, or soliciting livestock for slaughter, if the meat products of the slaughtered livestock which are directly or indirectly to be offered for resale or for public consumption have a total annual value of ten million dollars or more. As used in this chapter, *"packer"* includes an agent of the packer engaged in buying or soliciting livestock for slaughter on behalf of a packer.

99 Acts, ch 88, §2, 13; 99 Acts, ch 208, §49, 74; 2002 Acts, ch 1119, §144

**202A.2 Purchase reports — filing.**

1. A packer shall file purchase reports with the department which include information relating to the purchase of livestock as required by the department. The purchase reports shall be completed in a manner prescribed by the department. The department may require that purchase reports be filed in an electronic format. A packer shall file purchase reports at times determined practicable by the department, but not later than two business days following the event being reported.

2. *a.* The information required to be reported may include but is not limited to livestock purchased, committed for delivery, or slaughtered. The information may include the volume of daily purchases and the weight, grade, and price paid for livestock, including all premiums, discounts, or adjustments. If livestock is purchased pursuant to contract, the department may require that information in the purchase report be categorized by the type of contract. The purchase reports shall allow the department to compare prices paid under contract with cash market prices.

*b.* This section does not require that information reported include future plans, events, or transactions, unless provided for by contract.

3. The department may provide for the public dissemination of information contained in purchase reports.

*a.* The department may enter into an agreement with the United States department of agriculture or any private marketing service in order to disseminate information contained in purchase reports.

*b.* The department, in consultation with the office of attorney general, shall designate information in purchase reports that reveals the identity of a packer or livestock seller as confidential pursuant to section 22.7.

99 Acts, ch 88, §3, 11, 13

Referred to in §22.7, 202A.3, 202A.5, 202A.6, 202A.7

Future repeal of section if substantially similar federal legislation or regulation is implemented; finding and order by secretary of agriculture; see 99 Acts, ch 88, §11

**202A.3 Purchase notice — posting.**

1. *a.* A packer shall post a purchase notice which includes information relating to the purchase of livestock as required by the department. The information contained in the purchase notice shall include a summary of information required to be filed in purchase reports as provided in section 202A.2.

*b.* This section does not require that information contained in a purchase notice include future plans, events, or transactions unless provided for by contract.

2. The information contained in the purchase notice shall appear in a format that can be understood by a reasonable person familiar with selling livestock. The notice shall be posted in a conspicuous place at the point of delivery in a manner prescribed by the department.

99 Acts, ch 88, §4, 13

Referred to in §202A.5, 202A.7

Future repeal of section if substantially similar federal legislation or regulation is implemented; finding and order by secretary of agriculture; see 99 Acts, ch 88, §11

**202A.4 Confidentiality provisions in contracts prohibited.**

1. A packer shall not include a provision in a contract executed on or after April 29, 1999, for the purchase of livestock providing that information contained in the contract is confidential.

2. A provision which is part of a contract for the purchase of livestock executed on and after April 29, 1999, for the purchase of livestock is void, if the provision states that information contained in the contract is confidential. The provision is void regardless of whether the confidentiality provision is express or implied; oral or written; required or conditional; contained in the contract, another contract, or in a related document, policy, or agreement. This section does not affect other provisions of a contract or a related document, policy, or agreement which can be given effect without the voided provision. This section

does not require either party to the contract to divulge the information in the contract to another person.

99 Acts, ch 88, §5, 13

Referred to in §202A.7, 714.8

**202A.5 Rules.**

1. The department, in consultation with the office of attorney general, shall adopt rules necessary in order to administer this chapter.

2. The department may establish different rules according to the species of livestock governing all of the following:

*a.* Purchase reporting requirements pursuant to section 202A.2.

*b.* Purchase notice posting requirements pursuant to section 202A.3.

99 Acts, ch 88, §6, 13

Future repeal of all or a portion of subsection 2 if substantially similar federal legislation or regulation is implemented; finding and order by secretary of agriculture; see 99 Acts, ch 88, §11

**202A.6 Enforcement.**

1. *a.* The attorney general's office is the primary agency responsible for enforcing this chapter.

*b.* The department shall notify the attorney general's office if the department has reason to believe that a violation of section 202A.2 has occurred.

2. In enforcing the provisions of this chapter, the attorney general may do all of the following:

*a.* Apply to the district court for an injunction to do any of the following:

(1) Restrain a packer from engaging in conduct or practices in violation of this chapter.

(2) Require a packer to comply with a provision of this chapter.

*b.* Apply to district court for the issuance of a subpoena to obtain contracts, documents, or other records for purposes of enforcing this chapter.

*c.* Bring an action in district court to enforce penalties provided in this chapter, including the imposition, assessment, and collection of monetary penalties.

3. The attorney general shall have access to all information reported by packers pursuant to section 202A.2, regardless of whether the information is confidential. The attorney general may use the information in order to enforce this chapter or may submit the information to a federal agency.

99 Acts, ch 88, §7, 11, 13

Future repeal of subsection 1, paragraph b, and subsection 3 if substantially similar federal legislation or regulation is implemented; finding and order by secretary of agriculture; see 99 Acts, ch 88, §11

**202A.7 Penalties.**

1. A packer who fails to file a timely, accurate, or complete purchase report as required pursuant to section 202A.2 is subject to a civil penalty of not more than five thousand dollars. Each failure by a packer to file a timely, accurate, or complete purchase report constitutes a separate violation.

2. A packer who fails to post a timely, accurate, or complete purchase notice as required pursuant to section 202A.3 is subject to a civil penalty of not more than one thousand dollars. Each failure by a packer to post a timely, accurate, or complete purchase notice constitutes a separate violation.

3. A packer who includes a confidentiality provision in a contract with a livestock seller in violation of section 202A.4 is guilty of a fraudulent practice as provided in section 714.8.

99 Acts, ch 88, §8, 11, 13

Future repeal of subsections 1 and 2 if substantially similar federal legislation or regulation is implemented; finding and order by secretary of agriculture; see 99 Acts, ch 88, §11

# CHAPTER 202B

## SWINE AND BEEF PROCESSORS

Referred to in §331.756(33)

Transferred from portions of chapter 9H in Code Supplement 2003
pursuant to Code editor directive in 2003 Acts, ch 115, §16, 19

SUBCHAPTER I

202B.101 Purpose.
202B.102 Definitions.

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SUBCHAPTER IV

202B.401 Penalties — injunctive relief.
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## SUBCHAPTER I

**202B.101 Purpose.**

The purpose of this chapter is to preserve free and private enterprise, prevent monopoly, and also to protect consumers by regulating the balance of competitive forces in beef and swine production, by enhancing the welfare of the farming community, and also by preventing processors from gaining control of beef or swine production.

2003 Acts, ch 115, §4, 16, 19

**202B.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Base price"* means the price paid for swine, delivered to the processor, before application of any premiums or discounts, and expressed in dollars per hundred pounds of hot carcass weight as calculated in the same manner as provided in 7 C.F.R. § 59.30.

2. *"Business association"* means a person organized under statute or common law in this state or another jurisdiction for purposes of engaging in a commercial activity on a profit, cooperative, or not-for-profit basis, including but not limited to a corporation or entity taxed as a corporation under the Internal Revenue Code, nonprofit corporation, cooperative association, partnership, limited partnership, limited liability company, limited liability partnership, investment company, joint stock company, joint stock association, or trust, including but not limited to a business trust.

3. *"Cash or spot market purchase"* means the purchase of swine by a processor from a seller, if the swine are slaughtered not more than fourteen days after the date that the seller and the processor agree on a date of delivery of the swine for slaughter and the base price for purchasing the swine is determined by an oral or written agreement between seller and processor executed on the day the swine are delivered for slaughter.

4. *"Cattle operation"* means a location including but not limited to a building, lot, yard, corral, or other place where cattle for slaughter are fed or otherwise maintained.

5. *"Contract feeder"* means a person owning in the applicable reporting year, as provided in section 202B.301, more than two thousand five hundred swine or five thousand head of poultry, if the swine or poultry are subject to a contract or contracts for care and feeding by a person or persons other than the owner on land which is not owned, leased, or held by the owner.

6. *"Contract for the care and feeding of swine"* means an oral or written agreement executed between a person and the owner of swine, under which the person agrees to care for and feed the owner's swine on the person's premises. A contract for the care and feeding of swine does not include an agreement for the sale or purchase of swine.

7. *"Cooperative association"* means the same as defined in section 10.1.

8. *"Indirect"* means to act or attempt to accomplish an act through an interest in a business association, through one or more affiliates or intermediaries, or by any method other than a direct approach, including by any circuitous or oblique method.

9. *"Person"* means an individual, business association, government or governmental subdivision or agency, or any other legal entity.

10. *"Processor"* means a person who alone or in conjunction with others directly or indirectly controls the manufacturing, processing, or preparation for sale of beef or pork products, including the slaughtering of cattle or swine or the manufacturing or preparation of carcasses or goods originating from the carcasses, if the beef or pork products have a total annual wholesale value of eighty million dollars or more for the person's tax year. A person shall be deemed to be a processor if any of the following apply:

*a.* The person has a threshold interest in a processor which is a business association. *"Threshold interest"* means a direct or indirect interest in the business association, calculated as follows:

(1) For a processor of beef products, the person's threshold interest begins at ten percent.

(2) For a processor of pork products, the person's threshold interest begins at ten percent for a processor of pork products having a total annual wholesale value of at least eighty million dollars and decreases to one percent for a processor of pork products having a total annual wholesale value of at least two hundred sixty million dollars. The amount of the decrease in the amount of the threshold interest shall equal one percent for each increased increment of twenty million dollars in total annual wholesale value.

*b.* The person holds an executive position in a processor of pork products or owes a processor of pork products a fiduciary duty if the processor directly or indirectly controls the processing of pork products having a total annual wholesale value of two hundred sixty million dollars or more. A person who held such an executive position or owed a fiduciary duty shall be deemed to still hold the position or owe the duty for a two-year period following the date that the person relinquishes the position or duty. An executive position in a processor organized as a business association includes but is not limited to a member of a board of directors or an officer of a corporation or cooperative association, a director or officer of a joint stock company or joint stock association, a manager of a limited liability company, a general partner of a limited partnership, or a trustee of a trust.

11. *"Qualified processor"* means a processor of pork products if all of the following apply:

*a.* (1) (a) Swine producers exercise a controlling interest in the processor. *"Controlling interest"* means actual control or the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a processor, whether through the ownership of voting securities, by contract, or otherwise.

(b) Of the total interest held by all persons in the processor, swine producers hold at least sixty percent of the interest. In addition, of the total interest held by all persons in the processor, swine producers hold at least sixty percent of interests with voting rights.

(2) Of the total interest held by all persons in the processor, all retailers hold a total of not more than twenty percent of the interest.

*b.* Another processor does not hold a direct or indirect interest in the processor. However, this paragraph does not apply to a person deemed to be a processor solely because the person holds a threshold interest in the processor.

*c.* Not less than ten percent of the swine slaughtered by the processor each day are purchased through cash or spot market purchases.

*d.* The processor makes cash or spot market purchases of swine under the same terms and conditions from both sellers of swine who hold a direct or indirect interest in the processor and sellers of swine who do not hold a direct or indirect interest in the processor. In making such cash or spot market purchases of swine, the processor shall not provide sellers of swine who hold a direct or indirect interest in the processor with a preference over sellers of swine who do not hold a direct or indirect interest in the processor.

12. *"Retailer"* means a person who is engaged in the business of selling pork products, if all of the following apply:

*a.* The pork products are sold only on a retail basis directly to the ultimate purchasers of the pork products for consumption and not for resale.

*b.* The person is not engaged in the slaughter of swine.

*c.* A processor does not have a direct or indirect interest in the person.

13. *"Swine operation"* means a location where swine are fed or otherwise maintained, including a building, lot, yard, or corral; and swine which are fed or otherwise maintained at the location.

14. *"Swine producer"* means a person who owns, controls, or operates a swine operation or who contracts for the care and feeding of swine.

2003 Acts, ch 115, §1 – 3, 10, 16, 19

Referred to in §202B.201, 202B.202, 202B.301, 203.1, 203C.1, 459.102, 459A.103, 459B.103, 579A.1

SUBCHAPTER II

**202B.201 Prohibited operations and activities — exceptions.**

1. Except as provided in subsections 2 and 3, and section 202B.202, all of the following apply:

*a.* For cattle, a processor shall not own, control, or operate a cattle operation in this state.

*b.* For swine, a processor shall not do any of the following:

(1) (a) (i) Directly or indirectly own, control, or operate a swine operation in this state.

(ii) Finance a swine operation in this state or finance a person who directly or indirectly contracts for the care and feeding of swine in this state.

(iii) Obtain a benefit of production associated with feeding or otherwise maintaining swine, by directly or indirectly assuming a morbidity or mortality production risk, if the swine are fed or otherwise maintained as part of a swine operation in this state or by a person who contracts for the care and feeding of swine in this state.

(iv) Directly or indirectly receive the net revenue derived from a swine operation in this state or from a person who contracts for the care and feeding of swine in this state.

(b) For purposes of subparagraph division (a), subparagraph subdivisions (i) and (ii), both of the following apply:

(i) *"Finance"* means an action by a processor to directly or indirectly loan money or to guarantee or otherwise act as a surety.

(ii) *"Finance"* or *"control"* does not include executing a contract for the purchase of swine by a processor, including but not limited to a contract that contains an unsecured ledger balance or other price risk sharing arrangement. *"Finance"* also does not include providing an unsecured open account or an unsecured loan, if the unsecured open account or unsecured loan is used for the purchase of feed for the swine and the outstanding amount due by the debtor does not exceed five hundred thousand dollars. However, the outstanding amount due to support a single swine operation shall not exceed two hundred fifty thousand dollars.

(2) Directly or indirectly contract for the care and feeding of swine in this state.

2. Subsection 1 shall not apply to a swine producer who holds a threshold interest in a qualified processor in the manner provided in section 202B.102, if all of the following apply:

*a.* The swine producer's threshold interest in the qualified processor is not more than ten percent.

*b.* The swine producer is not a processor. However, this paragraph does not apply to a swine producer deemed to be a processor solely because the swine producer holds a threshold interest in the qualified processor as otherwise allowed under this subsection or because the swine producer holds an executive position in the qualified processor or owes the qualified processor a fiduciary duty.

3. This section shall not preclude a processor from doing any of the following:

*a.* Contracting for the purchase of cattle or swine, provided that where the contract sets a date for delivery which is more than twenty days after the making of the contract, the contract shall do one of the following:

(1) Specify a calendar day for delivery of the cattle or swine.

(2) Specify the month for the delivery, and shall allow the farmer to set the week for the delivery within such month and the processor to set the date for delivery within such week.

*b.* Carrying on legitimate research, educational, or demonstration activities.

*c.* Owning and operating facilities to provide normal care and feeding of cattle or swine for a period not to exceed ten days immediately prior to slaughter, or for a longer period in an emergency.

[C77, 79, 81, §172C.2]

88 Acts, ch 1191, §3; 92 Acts, ch 1151, §5

C93, §9H.2

93 Acts, ch 39, §5, 6; 2000 Acts, ch 1048, §2, 3; 2002 Acts, ch 1095, §4, 10 – 12; 2003 Acts, ch 115, §5, 16, 19

CS2003, §202B.201

2009 Acts, ch 41, §79

Referred to in §202B.302, 202B.401

**202B.202 Compliance requirements.**

1. A cooperative association which is a party to a contract for the care and feeding of swine in compliance with section 9H.2 prior to May 9, 2003, and which is in violation of section 9H.2, as amended by 2003 Iowa Acts, ch 115, shall have until June 30, 2007, to comply with section 9H.2, as amended by 2003 Iowa Acts, ch 115.

Notwithstanding any provision of this section, a cooperative association shall not take an action on or after May 9, 2003, that would be in violation of section 9H.2, as amended by 2003 Iowa Acts, ch 115.

2. A processor that was in compliance with section 9H.2, Code 2001, prior to January 1, 2002, and which is in violation of section 9H.2, as amended by 2002 Acts, chapter 1095, shall have until June 30, 2006, to comply with section 9H.2, as amended by 2002 Acts, chapter 1095.

3. Notwithstanding any provision of this section, a processor shall not take an action on or after January 1, 2002, that would be in violation of section 9H.2, as amended by 2002 Acts, chapter 1095.

4. The two-year period that a person who holds an executive position in a processor or owes a processor a fiduciary duty and thus is deemed to be a processor as provided in section 202B.102, subsection 10, paragraph *"b"*, shall not apply if the person held the position or owed the duty on January 1, 2002, and relinquishes the position or duty on or before June 30, 2006.

2002 Acts, ch 1095, §5, 10 – 12

C2003, §9H.2A

2003 Acts, ch 115, §6 – 9, 16, 19

CS2003, §202B.202

Referred to in §202B.201

## SUBCHAPTER III

**202B.301 Reports by contract feeders.**

A contract feeder shall file with the secretary of state on or before March 31 of each year on forms adopted pursuant to chapter 17A and supplied by the secretary of state an annual report containing all of the following information, if applicable:

1. The name and address of the person.

2. For each county, which the contractor shall identify, the approximate total number of swine or head of poultry subject to a contract for feeding and care as described in section 202B.102, subsection 6.

3. The name and address of the purchaser of the swine or poultry.

88 Acts, ch 1191, §6

C89, §172C.5B

C93, §9H.5B

2002 Acts, ch 1095, §10 – 12; 2003 Acts, ch 115, §16, 19
CS2003, §202B.301
Referred to in §202B.102

**202B.302 Reports by processors.**

A processor shall file a report with the secretary of state on or before March 31 of each year, as follows:

1. For all processors, the report shall include all of the following:

*a.* The number of swine and the number of cattle owned and fed more than thirty days by the processor in this state during the processor's preceding tax year.

*b.* The total number of swine and the total number of cattle owned and fed more than thirty days by the processor during the processor's preceding tax year.

*c.* The number of swine and the number of cattle slaughtered in this state by the processor during the processor's preceding tax year.

*d.* The total number of swine and the total number of cattle slaughtered by the processor during the processor's preceding tax year.

*e.* The total wholesale value of beef or pork products that have been processed by the processor during the preceding tax year.

*f.* The total number of swine for which the processor has contracted for feeding as provided in section 202B.201.

2. For a qualified processor, the report shall include all of the following:

*a.* The total number of swine slaughtered each day during the qualified processor's preceding tax year.

*b.* The total number of swine slaughtered each day that are purchased through cash or spot market purchases during the qualified processor's preceding tax year.

[C77, 79, 81, §172C.9]
88 Acts, ch 1191, §7
C93, §9H.9
2000 Acts, ch 1022, §1; 2002 Acts, ch 1095, §7, 11, 12; 2003 Acts, ch 115, §16, 19
CS2003, §202B.302

**202B.303 Signing reports.**

Reports by corporations shall be signed by the president or other officer or authorized representative. Reports by limited liability companies shall be signed by a manager or other authorized representative. Reports by limited partnerships shall be signed by the president or other authorized representative of the partnership. Reports by individuals shall be signed by the individual or an authorized representative.

[C77, 79, 81, §172C.10]
C93, §9H.10
93 Acts, ch 39, §19; 2003 Acts, ch 115, §16, 19
CS2003, §202B.303

**202B.304 Duties of secretary of state.**

The secretary of state shall notify the attorney general when the secretary of state has reason to believe a violation of this chapter has occurred. It is the intent of this section that information shall be made available to members of the general assembly and appropriate committees of the general assembly in order to determine the extent of production operations being carried out in this state by contract feeders and processors and the effect of such practices upon the economy of this state. The reports of contract feeders and processors required in this chapter shall be confidential reports except as to the attorney general for review and appropriate action when necessary. The secretary of state shall assist any committee of the general assembly existing or established for the purposes of studying the effects of this chapter and the practices this chapter seeks to study and regulate.

[C77, 79, 81, §172C.14]
88 Acts, ch 1191, §9; 91 Acts, ch 172, §7
C93, §9H.14

93 Acts, ch 39, §20; 2003 Acts, ch 115, §13, 16, 19
CS2003, §202B.304

**202B.305 Additional information.**

The secretary of state shall request additional information as may be necessary or appropriate to enable the secretary of state to administer this chapter.

[C77, 79, 81, §172C.15]
C93, §9H.15
2003 Acts, ch 115, §16, 19
CS2003, §202B.305

SUBCHAPTER IV

**202B.401 Penalties — injunctive relief.**

1. The courts of this state may prevent and restrain violations of this chapter through the issuance of an injunction. The attorney general or a county attorney shall institute suits on behalf of the state to prevent and restrain violations of this chapter.

2. *a.* A processor who violates section 202B.201 is subject to a civil penalty of not more than twenty-five thousand dollars. Each day that a violation continues shall be considered a separate offense.

*b.* If the attorney general or a county attorney is the prevailing party in an action for a violation of section 202B.201, the prevailing party shall be awarded court costs and reasonable attorney fees, which shall be taxed as part of the costs of the action. If the attorney general is the prevailing party, the moneys shall be deposited in the general fund of the state. If the county is the prevailing party, the moneys shall be deposited in the general fund of the county.

[C77, 79, 81, §172C.3]
91 Acts, ch 172, §3
C93, §9H.3
2002 Acts, ch 1095, §6, 11, 12; 2003 Acts, ch 115, §16, 19
CS2003, §202B.401

**202B.402 Penalties — reports.**

Failure to timely file a report or the filing of false information is punishable by a civil penalty not to exceed one thousand dollars.

For purposes of this section a report is timely filed if the report is filed prior to May 1 of the year in which it is required to be filed.

The secretary of state shall notify a person who the secretary has reason to believe is required to file a report as provided by this chapter and who has not filed a timely report, that the person may be in violation of this section. The secretary of state shall include in the notice, a statement of the penalty which may be assessed if the required report is not filed within thirty days. The secretary of state shall refer to the attorney general any person who the secretary has reason to believe is required to report under this chapter if, after thirty days from receipt of the notice, the person has not filed the required report. The attorney general may, upon referral from the secretary of state, file an action in district court to seek the assessment of a civil penalty of one hundred dollars for each day the report is not filed.

[C77, 79, 81, §172C.11]
91 Acts, ch 172, §6
C93, §9H.11
2003 Acts, ch 115, §16, 19
CS2003, §202B.402

# CHAPTER 202C

## FEEDER PIG DEALERS

202C.1 Definitions.
202C.2 Evidence of financial responsibility — requirements.
202C.3 Surety or issuer — liability.
202C.4 Departmental rules.

**202C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Dealer"* means a person required to be licensed as a dealer pursuant to section 163.30. However, a dealer does not include a person who operates a livestock market, as defined in section 459.102.

2. *"Department"* means the department of agriculture and land stewardship.

3. *"Feeder pig"* means an immature swine fed for purposes of direct slaughter which weighs one hundred pounds or less.

4. *"Financial institution"* means a bank or savings association authorized by the laws of the United States, which is a member of the federal deposit insurance corporation, the federal savings and loan insurance corporation, or the national bank for cooperatives established in the Agricultural Credit Act, Pub. L. No. 100-233.

5. *"Purchaser"* means the owner or operator of a farm as provided in section 163.30 who is delivered feeder pigs pursuant to a sales agreement in which the owner or operator is a party.

6. *"Sales agreement"* means an oral or written contract executed between a dealer and a purchaser for the sale of feeder pigs.

2003 Acts, ch 90, §2; 2004 Acts, ch 1095, §2, 6; 2012 Acts, ch 1017, §54

**202C.2 Evidence of financial responsibility — requirements.**

1. A dealer shall provide the department with evidence of financial responsibility as required by the department. The evidence of financial responsibility shall consist of a surety bond furnished by a surety or an irrevocable letter of credit issued by a financial institution.

2. The evidence of financial responsibility shall be provided to the department before the dealer's license is issued or renewed pursuant to section 163.30.

3. The amount of the evidence of financial responsibility shall be established by rules which shall be adopted by the department. Unless the department otherwise has good cause, the rules shall be based upon the volume of sales reported by the dealer to the United States department of agriculture grain inspection, packers and stockyards administration. However, the evidence of financial responsibility shall not be for less than five thousand dollars or for more than twenty-five thousand dollars. The department may increase the amount of the evidence of financial responsibility for a dealer upon a showing of good cause.

4. The evidence of financial responsibility must be conditioned upon the dealer's faithful performance of the terms and conditions of the sales agreement. The surety's or issuer's liability extends to each such sales agreement executed while the surety bond or letter of credit is in force and until performance or the recision of the sales agreement.

5. The evidence of financial responsibility shall be continuous in nature until canceled by the surety or issuer. The surety or issuer shall provide at least ninety days' notice in writing to the dealer and the department indicating the surety's or issuer's intent to cancel the surety bond or letter of credit and the effective date of the cancellation. The dealer shall have sixty days from the date of receipt of the surety's or issuer's notice of cancellation to file a replacement. However, the surety or issuer remains liable for damages arising from sales agreements which were executed during the effective period of the evidence of financial responsibility.

2003 Acts, ch 90, §3; 2004 Acts, ch 1095, §3, 6
Referred to in §163.30

**202C.3 Surety or issuer — liability.**

1. The purchaser may bring a legal action arising from the breach of a sales agreement

against the surety on the bond or issuer on the irrevocable letter of credit in the purchaser's own name in district court to recover any damages as allowed by law. The purchaser may also be awarded interest as determined pursuant to section 668.13, beginning from the date that the sales agreement was executed. The purchaser may also be awarded court costs and reasonable attorney fees, which shall be taxed as part of the costs of the legal action.

2. The aggregate liability of the surety or issuer due to a breach of a sales agreement shall not exceed the amount of the evidence of financial responsibility.

3. A legal action brought by a purchaser against the surety on the bond or the issuer of the irrevocable letter of credit shall be brought not later than one hundred eighty days after the date that the dealer delivers the feeder pigs to the purchaser pursuant to the sales agreement.

2003 Acts, ch 90, §4; 2004 Acts, ch 1095, §4, 6

**202C.4 Departmental rules.**

The department shall adopt rules as required to administer this chapter, including but not limited to rules providing for amounts of evidence of financial responsibility, qualifications for a surety or financial institution, procedures for filing evidence of financial responsibility, including replacement bonds or letters of credit, requirements for the cancellation of the evidence of financial responsibility, and the liability of a surety or issuer after cancellation.

2003 Acts, ch 90, §5

# CHAPTER 203

## GRAIN DEALERS

Referred to in §22.7, 159.6, 189.16, 190.1, 203C.6, 203C.24, 203D.3A, 203D.4, 203D.5A, 554.7204, 669.14


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**203.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Bond"* means a bond issued by a surety company or an irrevocable letter of credit issued by a financial institution described in subsection 7.

2. *"Check"* means a paper instrument used for ordering, instructing, or authorizing a financial institution to make payment or credit a presenter's account and debit the issuer's account. *"Check"* includes instruments commonly referred to as a check, draft, share draft, or other negotiable instrument for the payment of money. An instrument may be a check even though it is described on its face by another term, such as "money order".

3. *"Credit-sale contract"* means a contract for the sale of grain pursuant to which the sale price is to be paid more than thirty days after the delivery of the grain to the buyer,

or a contract which is titled as a credit-sale contract, including but not limited to those contracts commonly referred to as deferred-payment contracts, deferred-pricing contracts, and price-later contracts.

4. *"Custom livestock feeder"* means a person who buys grain for the sole purpose of feeding it to livestock owned by another person in a feedlot as defined in section 172D.1, subsection 6, or a confinement building owned or operated by the custom livestock feeder and located in this state.

5. *"Department"* means the department of agriculture and land stewardship.

6. *"Electronic funds transfer"* means a remote electronic transmission used for ordering, instructing, or authorizing a financial institution to pay money to or credit the account of the payee and debit the account of the payer. The remote electronic transmission may be initiated by telephone, terminal, computer, or similar device.

7. *"Financial institution"* means any of the following:

*a.* A bank or savings association authorized by the laws of any other state or the United States, which is a member of the federal deposit insurance corporation.

*b.* A bank or association chartered by the farm credit system under the federal Farm Credit Act, as amended, 12 U.S.C. ch. 23.

8. *"Good cause"* means that the department has cause to believe that the net worth or current asset to current liability ratio of a grain dealer presents a danger to sellers with whom the grain dealer does business, based on evidence of any of the following:

*a.* The making of a payment by use of a check or electronic funds transfer, and a financial institution refuses payment because of insufficient moneys in a grain dealer's account.

*b.* A violation of recordkeeping requirements provided in this chapter or rules adopted pursuant to this chapter by the department.

*c.* A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer based on a statistical model provided in section 203.22.

9. *"Grain"* means any grain for which the United States department of agriculture has established standards pursuant to the United States Grain Standards Act, 7 U.S.C. ch. 3.

10. *"Grain dealer"* means a person who cumulatively purchases at least one thousand bushels of grain from producers during any calendar month, if such grain is delivered within or into this state for purposes of resale, milling, or processing in this state. However, *"grain dealer"* does not include any of the following:

*a.* A producer of grain who is buying grain for the producer's own use as seed or feed.

*b.* A person solely engaged in buying grain future contracts on the board of trade.

*c.* A person who purchases grain only for sale in a feed regulated under chapter 198.

*d.* A person who purchases grain only from grain dealers licensed under this chapter.

*e.* A person engaged in the business of selling agricultural seeds regulated by chapter 199.

*f.* A person buying grain only as a farm manager.

*g.* An executor, administrator, trustee, guardian, or conservator of an estate.

*h.* A custom livestock feeder.

*i.* A cooperative organized under chapter 501 or 501A, if the cooperative only purchases grain from its members who are producers or from a licensed grain dealer, and the cooperative does not resell that grain.

*j.* A limited liability company as defined in section 489.102 that meets all of the following requirements:

(1) The majority of voting rights in the limited liability company are held by its members who are producers.

(2) The purpose of the limited liability company is to produce renewable fuel as defined in section 214A.1.

(3) The limited liability company only purchases grain from its members who are producers or from a licensed grain dealer.

(4) The limited liability company does not resell grain that it purchases.

11. *"Person"* means the same as defined in section 4.1 and includes a business association as defined in section 202B.102 or joint or common venture regardless of whether it is organized under a chapter of the Code.

12. *"Producer"* means the owner, tenant, or operator of land in this state who has an interest in and receives all or a part of proceeds from the sale of grain produced on that land.

13. *"Seller"* means a person who sells grain which the person has produced or caused to be produced to a licensed grain dealer, and includes a person who executes a credit-sale contract as a seller.

14. *"United States Warehouse Act"* means the United States Warehouse Act, 7 U.S.C. ch. 10.

15. *"Warehouse operator"* means the same as defined in section 203C.1.

[C75, 77, 79, 81, §542.1; 81 Acts, ch 180, §1 – 3]

85 Acts, ch 80, §1, 2; 86 Acts, ch 1006, §1; 86 Acts, ch 1152, §1, 2; 86 Acts, ch 1245, §669; 87 Acts, ch 147, §1; 89 Acts, ch 143, §1001; 92 Acts, ch 1239, §55

C93, §203.1

95 Acts, ch 28, §1; 96 Acts, ch 1010, §2; 99 Acts, ch 106, §1 – 3; 2001 Acts, ch 36, §1, 2; 2003 Acts, ch 69, §1, 2, 46; 2004 Acts, ch 1038, §1; 2005 Acts, ch 135, §106; 2007 Acts, ch 22, §47; 2008 Acts, ch 1083, §1, 2; 2008 Acts, ch 1162, §133, 154, 155; 2012 Acts, ch 1017, §55; 2012 Acts, ch 1095, §85, 86

Referred to in §10.1, 203C.1, 203D.1, 714.8, 715A.2

**203.2 Powers and duties of the department.**

The department may exercise general supervision over the business operations of grain dealers. The supervisory and regulatory powers authorized by this chapter shall be the responsibility of the warehouse bureau of the department. The department may inspect or cause to be inspected any grain dealer operating in this state and may require the filing of reports pertaining to the operation of the dealer's business. The department shall adopt rules to provide for the efficient administration and regulation of the provisions of this chapter, and may designate an employee of the department to act for the department in any details connected with such administration, including the issuance of licenses and approval of grain dealers' bonds in the name of the department.

[C75, 77, 79, 81, §542.2]

89 Acts, ch 143, §101

C93, §203.2

**203.2A Grain purchasers who are not licensed grain dealers — special notice requirements.**

1. This section applies to a person who is not required to be issued a license as a grain dealer pursuant to section 203.3. The person shall not purchase grain from a producer for purposes of resale, milling, feeding, or processing.

2. Subsection 1 does not apply to any of the following:

*a.* A person who purchases less than fifty thousand bushels of grain from all producers in the twelve months prior to purchasing grain from the producer.

*b.* A person who provides notice to the producer as provided in subsection 3.

3. *a.* The notice must be in the following form:

Attention to Producers:

The person purchasing this grain is not a licensed grain dealer and this is not a covered transaction eligible for indemnification from the grain dealers and sellers indemnity fund as provided in Iowa Code section 203D.3

*b.* The notice must be provided to the producer prior to or at the time of the purchase. The notice may appear on a separate statement or as part of a document received by the producer, including a contract or receipt, as required by the department.

*c.* The notice must appear in a printed boldface font in at least ten point type.

99 Acts, ch 106, §4; 2012 Acts, ch 1095, §87

**203.3 License required — financial responsibility.**

1. A person shall not engage in the business of a grain dealer in this state without having obtained a license issued by the department.

2. The type of license required shall be determined as follows:

*a.* A class 1 license is required if the grain dealer purchases any grain by credit-sale contract, or if the value of grain purchased by the grain dealer from producers during the grain dealer's previous fiscal year exceeds five hundred thousand dollars. Any other grain dealer may elect to be licensed as a class 1 grain dealer.

*b.* A class 2 license is required for any grain dealer not holding a class 1 license. A class 2 licensee whose purchases from producers during a fiscal year exceed a limit of five hundred thousand dollars in value shall file within thirty days of the date the limit is reached a complete application for a class 1 license. If a class 1 license is denied, the person immediately shall cease doing business as a grain dealer.

3. An application for a license to engage in business as a grain dealer shall be filed with the department and shall be in a form prescribed by the department. The application shall include the name of the applicant, its principal officers if the applicant is a corporation or the active members of a partnership if the applicant is a partnership and the location of the principal office or place of business of the applicant. A separate license shall be required for each location at which records are maintained for transactions of the grain dealer. The application shall be accompanied by a complete financial statement of the applicant setting forth the assets, liabilities and the net worth of the applicant. The financial statement must be prepared according to generally accepted accounting principles. Assets shall be shown at original cost less depreciation. Upon a written request filed with the department, the department or a designated employee may allow asset valuations in accordance with a competent appraisal. Unpriced contracts shall be shown as a liability and valued at the applicable current market price of grain as of the date the financial statement is prepared.

4. In order to receive and retain a class 1 license the following conditions must be satisfied:

*a.* The grain dealer shall have and maintain a net worth of at least seventy-five thousand dollars, or maintain a deficiency bond or an irrevocable letter of credit in the amount of two thousand dollars for each one thousand dollars or fraction thereof of net worth deficiency. However, a person shall not be licensed as a class 1 grain dealer if the person has a net worth of less than thirty-seven thousand five hundred dollars.

*b.* The grain dealer shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a grain dealer submit more than one such unqualified opinion per year. The grain dealer, except as provided in section 203.15, may elect to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause. A grain dealer shall submit financial statements to the department in addition to those required in this paragraph if the department determines that it is necessary to verify the grain dealer's financial status or compliance with this subsection.

*c.* A grain dealer shall submit a report to the department according to procedures required by the department, if the grain dealer provides a bond based in part on the number of bushels of unpaid grain purchased by the grain dealer, as provided in rules adopted by the department, in order to satisfy the current assets to current liabilities ratio requirement of this section. The report shall contain information required by the department, including the number of bushels of unpaid grain purchased by the grain dealer. The grain dealer shall submit the report not

more than once each month. However, the department may require that a grain dealer submit a report on a more frequent basis, if the department has good cause.

*d.* The grain dealer shall have and maintain current assets equal to at least one hundred percent of current liabilities or provide a bond under the following conditions:

(1) A grain dealer with current assets equal to at least fifty percent of current liabilities shall provide a bond of two thousand dollars for each one thousand dollars or fraction of one thousand dollars of current assets that the grain dealer is lacking to meet the minimum requirement. After the amount of the bond equals one million dollars, the grain dealer may elect to base the remainder of the amount of the bond on the number of bushels of unpaid grain being purchased by the grain dealer, as provided for by rules which shall be adopted by the department. The remaining amount shall equal two thousand dollars for each one thousand dollars of the highest amount of bushels of unpaid grain purchased by the grain dealer during each month.

(2) A grain dealer with current assets equal to less than fifty percent of current liabilities shall provide a bond of two thousand dollars for each one thousand dollars or fraction of one thousand dollars of current assets that the grain dealer is lacking to meet the minimum requirement. However, the bond shall not be used for longer than thirty consecutive days in a twelve-month period.

5. In order to receive and retain a class 2 license the following conditions must be satisfied:

*a.* The grain dealer shall have and maintain a net worth of at least thirty-seven thousand five hundred dollars, or maintain a deficiency bond or an irrevocable letter of credit in the amount of two thousand dollars for each one thousand dollars or fraction thereof of net deficiency. However, a person shall not be licensed as a class 2 grain dealer if the person has a net worth of less than seventeen thousand five hundred dollars.

*b.* The grain dealer shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a grain dealer submit more than one such unqualified opinion per year. The grain dealer may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause. A grain dealer shall submit financial statements to the department in addition to those required in this paragraph if the department determines that it is necessary to verify the grain dealer's financial status or compliance with this section.

*c.* A grain dealer shall submit a report to the department according to procedures required by the department, if the grain dealer provides a bond based in part on the number of bushels of unpaid grain purchased by the grain dealer, as provided in rules adopted by the department, in order to satisfy the current assets to current liabilities ratio requirement of this section. The report shall contain information required by the department, including the number of bushels of unpaid grain purchased by the grain dealer. The grain dealer shall submit the report not more than once each month. However, the department may require that a grain dealer submit a report on a more frequent basis, if the department has good cause.

*d.* The grain dealer shall have and maintain current assets equal to at least one hundred percent of current liabilities or provide a bond under the following conditions:

(1) A grain dealer with current assets equal to at least fifty percent of current liabilities shall provide a bond of two thousand dollars for each one thousand dollars or fraction of one thousand dollars of current assets that the grain dealer is lacking to meet the minimum requirement. After the amount of the bond equals one million dollars, the grain dealer may elect to base the remainder of the amount of the bond on the number of bushels of unpaid grain being purchased by the grain dealer, as provided for by rules which shall be adopted

by the department. The remaining amount shall equal two thousand dollars for each one thousand dollars of the highest amount of bushels of unpaid grain purchased by the grain dealer during each month.

(2) A grain dealer with current assets equal to less than fifty percent of current liabilities shall provide a bond of two thousand dollars for each one thousand dollars or fraction of one thousand dollars of current assets that the grain dealer is lacking to meet the minimum requirement. However, the bond shall not be used for longer than thirty consecutive days in a twelve-month period.

6. The department shall adopt rules relating to the form and time of filing of financial statements. The department may require additional information or verification with respect to the financial resources of the applicant and the applicant's ability to pay producers for grain purchased from them.

7. *a.* When the net worth or current ratio of a licensee in good standing is less than that required by this section, the grain dealer shall correct the deficiency or file a deficiency bond or an irrevocable letter of credit within thirty days of written notice by the department. Unless the deficiency is corrected or the deficiency bond or irrevocable letter of credit is filed within thirty days, the grain dealer license shall be suspended.

*b.* If the department finds that the welfare of grain producers requires emergency action, and incorporates a finding to that effect in its order, immediate suspension of a license may be ordered notwithstanding the thirty-day period otherwise allowed by paragraph "*a*".

8. A deficiency bond or irrevocable letter of credit filed with the department pursuant to this section shall not be canceled by the issuer on less than ninety days' notice by certified mail to the secretary of agriculture and the principal.

[C75, 77, 79, 81, §542.3; 81 Acts, ch 180, §4; 82 Acts, ch 1093, §1]

83 Acts, ch 18, §1; 83 Acts, ch 54, §1; 83 Acts, ch 175, §1, 2; 84 Acts, ch 1224, §1; 85 Acts, ch 234, §1, 2; 86 Acts, ch 1152, §3, 4; 87 Acts, ch 147, §2, 3; 89 Acts, ch 143, §201, 202, 301, 302, 401, 402; 92 Acts, ch 1239, §56, 57

C93, §203.3

94 Acts, ch 1086, §1 – 4; 2008 Acts, ch 1083, §3, 4

Referred to in §203.2A, 203.4, 203.6, 203.8, 203.9, 203.11, 203.11B, 203.12B, 203.15, 203D.1

**203.4 Participation in indemnity fund required.**

A grain dealer licensed or required to be licensed pursuant to section 203.3 shall participate in and comply with the grain depositors and sellers indemnity fund provided in chapter 203D.

[C75, 77, 79, 81, §542.4; 81 Acts, ch 180, §5]

86 Acts, ch 1006, §2; 86 Acts, ch 1152, §5

C93, §203.4

2003 Acts, ch 69, §3

**203.5 License.**

1. *a.* Upon the filing of an application on a form prescribed by the department and compliance with the terms and conditions of this chapter including rules of the department, the department shall issue the applicant a grain dealer's license. The license expires at the end of the third calendar month following the close of the grain dealer's fiscal year. A grain dealer's license may be renewed annually by filing a renewal application on a form prescribed by the department. An application for renewal must be received by the department on or before the end of the third calendar month following the close of the grain dealer's fiscal year.

*b.* The department shall not issue a grain dealer's license unless the applicant pays all of the following fees:

(1) For the issuance of a license, all of the following:

(a) A license fee imposed under section 203.6.

(b) A participation fee imposed under section 203D.3A, and any delinquent participation fee imposed under a previous license as provided in that section.

(2) For the renewal of a license, all of the following:

(a) A renewal fee imposed under section 203.6.

(b) A participation fee imposed under section 203D.3A, and any delinquent participation fee as provided in that section.

(c) A per-bushel fee as provided in section 203D.3A, and any delinquent per-bushel fee and penalty as provided in that section.

2. The department shall notify a licensed grain dealer of any delinquency in the payment of a participation fee or per-bushel fee as provided in section 203D.3A. The department shall suspend the grain dealer's license thirty days after delivering the notice unless the licensed grain dealer pays the delinquent fee.

3. The department may suspend or revoke the license of a grain dealer who discounts the purchase price paid for grain nominally for the participation fee or per-bushel fee as provided in section 203D.3A while that fee is not in effect.

4. A grain dealer license which has expired may be reinstated by the department upon receipt of a proper renewal application, the renewal fee and a reinstatement fee as provided in section 203.6, and any delinquent participation fee or per-bushel fee and penalty as provided in section 203D.3A. The applicant must file the renewal application and pay the fees and penalty to the department within thirty days from the date of expiration of the grain dealer license.

5. The department may cancel a license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter.

6. *a.* The department shall refund a fee paid by an applicant to the department under this section if the department does not issue or renew a grain dealer's license.

*b.* The department shall prorate a fee paid by an applicant to the department under this section for the issuance or renewal of a license for less than a full year.

7. The department may deny a license to an applicant if the applicant has had a license issued under this chapter or chapter 203C revoked within the past three years, the applicant has been convicted of a felony involving a violation of this chapter or chapter 203C, or the applicant is owned or controlled by a person who has had a license so revoked or who has been so convicted.

8. The department may deny a license to an applicant if any of the following apply:

*a.* The applicant has caused liability to the Iowa grain depositors and sellers indemnity fund in regard to a license issued under this chapter or chapter 203C, and the liability has not been discharged, settled, or satisfied.

*b.* The applicant is owned or controlled by a person who has caused liability to the fund through operations under a license issued under this chapter or chapter 203C and the liability has not been discharged, settled, or satisfied.

[C75, 77, 79, 81, §542.5; 81 Acts, ch 180, §6]

84 Acts, ch 1100, §1; 89 Acts, ch 143, §701; 92 Acts, ch 1239, §58

C93, §203.5

2003 Acts, ch 69, §47; 2007 Acts, ch 22, §48; 2010 Acts, ch 1082, §1; 2012 Acts, ch 1095, §88

Referred to in §203.10, 203D.3A, 203D.5

**203.6 Fees.**

The department shall charge the following fees for deposit in the general fund:

1. *a.* For the issuance or renewal of a license required under section 203.3, and for any inspection of a grain dealer, the fee shall be determined on the basis of all bushels of grain purchased during the grain dealer's previous fiscal year according to the grain dealer's financial statement required in section 203.3. The fee shall be calculated according to the following schedule:

(1) If the total number of bushels purchased is thirty-five thousand or less, the license fee is sixty-six dollars and the inspection fee is eighty-three dollars.

(2) If the total number of bushels purchased is more than thirty-five thousand, but not more than two hundred fifty thousand, the license fee is one hundred sixteen dollars and the inspection fee is one hundred twenty-five dollars.

(3) If the total number of bushels purchased is more than two hundred fifty thousand, but not more than five hundred thousand, the license fee is one hundred sixty-six dollars and the inspection fee is one hundred ninety-one dollars.

(4) If the total number of bushels purchased is more than five hundred thousand, but not more than one million, the license fee is two hundred ninety-one dollars and the inspection fee is two hundred forty-nine dollars.

(5) If the total number of bushels purchased is more than one million, but not more than one million eight hundred fifty thousand, the license fee is four hundred ninety-eight dollars and the inspection fee is three hundred seven dollars.

(6) If the total number of bushels purchased is more than one million eight hundred fifty thousand, but not more than three million two hundred thousand, the license fee is seven hundred six dollars and the inspection fee is three hundred seventy-four dollars.

(7) If the total number of bushels purchased is more than three million two hundred thousand, the license fee is nine hundred fifty-five dollars and the inspection fee is four hundred forty dollars.

*b.* If the applicant did not purchase grain in the applicant's previous fiscal year, the applicant shall pay the fee specified in paragraph *"a"*, subparagraph (1). If during the licensee's fiscal year the number of bushels of grain actually purchased exceeds thirty-five thousand, the licensee shall notify the department and the license and inspection fee shall be adjusted accordingly. Subsequent adjustments shall be made as necessary. An applicant may elect licensing in any category of this subsection. Fees for new licenses issued for less than a full year shall be prorated from the date of application.

2. For an amendment to a license, the fee is ten dollars.

3. For a duplicate license, the fee is five dollars.

4. For reinstatement of a license the fee is fifty dollars.

[C75, 77, 79, 81, §542.6; 81 Acts, ch 180, §7, 32]
83 Acts, ch 18, §2; 83 Acts, ch 175, §3, 4; 84 Acts, ch 1100, §2; 92 Acts, ch 1239, §59
C93, §203.6
2009 Acts, ch 41, §215
Referred to in §203.5

**203.7 Posting of license.**

The grain dealer's license shall be posted in a conspicuous location in the place of business. A grain dealer's license is not transferable.

[C75, 77, 79, 81, §542.7; 81 Acts, ch 180, §8]
83 Acts, ch 18, §3
C93, §203.7

**203.8 Payment.**

1. *a.* A grain dealer licensed or required to be licensed pursuant to section 203.3 shall pay the purchase price to the seller for grain upon delivery or demand by the seller, but not later than thirty days after delivery by the seller unless in accordance with the terms of a credit-sale contract that satisfies the requirements of this chapter. The department shall adopt rules for payment by check and electronic funds transfer.

*b.* A grain dealer licensed or required to be licensed pursuant to section 203.3 shall not hold a check for the purchase of grain more than five days after the grain dealer issues a check to the seller. After that date, the grain dealer shall deliver the check in person or by mail to the seller's last known address.

2. As used in this section:

*a.* *"Delivery"* means the transfer of title to and possession of grain by a seller to a grain dealer or to another person in accordance with the agreement of the seller and the grain dealer.

*b.* *"Payment"* means the actual payment or tender of payment by a grain dealer to a seller of the agreed purchase price, or in the case of disputes as to sales of grain, the undisputed

portion of the purchase price without reduction for any separate claim of the grain dealer against the seller.

[C75, 77, 79, 81, §542.8; 81 Acts, ch 180, §9]

C93, §203.8

96 Acts, ch 1030, §1; 2003 Acts, ch 69, §4

Referred to in §203.12B

See §203.15

**203.9 Inspection of premises and records — reconstruction of records.**

1. The department may inspect the premises used by any grain dealer in the conduct of the dealer's business at any time. The department may inspect a grain dealer's records that pertain to grain transactions during ordinary business hours. The department shall inspect a grain dealer's records at least once each eighteen-month period without justification. The department shall prioritize inspections based on the system provided in section 203.22. The department may use a risk rating produced by a statistical model provided in section 203.22 as justification to conduct an inspection. A transporter of grain in transit shall possess bills of lading or other documents covering the grain, and shall present them to any law enforcement officer on demand. If there is justification to believe that a grain dealer is engaged without a license as required pursuant to section 203.3, the department may inspect the grain dealer's records which pertain to grain transactions at any time.

2. If a grain dealer does not maintain a place of business in this state, the department is not required to inspect the grain dealer's records. A grain dealer shall submit the grain dealer's records relating to grain transactions occurring within this state to the department for purposes of an inspection as provided in this section at any reasonable time and place, including the offices of the department during regular business hours, as ordered by the department.

3. A grain dealer shall keep complete and accurate records. A grain dealer shall keep records for the previous six years. If the grain dealer's records are incomplete or inaccurate, the department may reconstruct the grain dealer's records in order to determine whether the grain dealer is in compliance with the provisions of this chapter. The department may charge the grain dealer the actual cost for reconstructing the grain dealer's records, which shall be considered repayment receipts as defined in section 8.2.

4. The department may suspend or revoke the license of a grain dealer for failing to consent to a departmental inspection or cooperate with the department during an inspection as provided in this chapter.

[C75, 77, 79, 81, §542.9; 81 Acts, ch 180, §10]

84 Acts, ch 1224, §2; 86 Acts, ch 1152, §6; 89 Acts, ch 143, §101; 92 Acts, ch 1239, §60

C93, §203.9

2003 Acts, ch 69, §5; 2012 Acts, ch 1095, §89

Referred to in §203.11, 203.15, 203.22

**203.10 Action affecting a license.**

1. The cessation of a grain dealer's license occurs from any of the following:

*a.* The revocation of the license by the department as provided in subsection 2.

*b.* The cancellation of the license as provided in section 203.5.

*c.* The expiration of the license according to the terms of the license as provided in this chapter, including a rule adopted in accordance with this chapter pursuant to chapter 17A.

2. The department may issue an order to suspend or revoke the license of a grain dealer who violates a provision of this chapter, including a rule adopted in accordance with this chapter, pursuant to chapter 17A.

[C75, 77, 79, 81, §542.10]

86 Acts, ch 1152, §7; 89 Acts, ch 143, §101

C93, §203.10

2003 Acts, ch 69, §6; 2012 Acts, ch 1095, §90; 2013 Acts, ch 90, §33

Referred to in §203.12B, 203D.6

Subsection 1, paragraph c amended

**203.11 Penalties — injunctions.**

1. A person who knowingly submits false information to or knowingly withholds information from the department or any of its employees when required to be submitted or maintained under this chapter, commits a fraudulent practice.

2. *a.* Except as provided in paragraph *"b"*, a person commits a serious misdemeanor if the person does any of the following:

(1) Engages in business as a grain dealer without a license as required in section 203.3.

(2) Obstructs an inspection of the person's business premises or records required to be kept by a grain dealer pursuant to section 203.9.

(3) Uses a scale ticket or credit-sale contract in violation of this chapter or a requirement established by the department under this chapter.

*b.* A person who commits an offense specified in paragraph *"a"* after having been found guilty of the same offense commits an aggravated misdemeanor.

3. Except as provided in subsections 1 and 2, a person who violates any provision of this chapter commits a simple misdemeanor. With respect to a continuing violation, each day that the violation continues is a separate offense.

4. A person in violation of this chapter, or in violation of chapter 714 or 715A, which violation involves the business of a grain dealer, is subject to prosecution by the county attorney in the county where the business is located. However, if the county attorney fails to initiate prosecution within thirty days and upon request by the department, the attorney general may initiate and carry out the prosecution in cooperation, if possible, with the county attorney. The person in violation may be restrained by an injunction in an action brought by the department or the attorney general upon request by the department.

[C75, 77, 79, 81, §542.11; 81 Acts, ch 180, §11]
92 Acts, ch 1239, §61
C93, §203.11
2003 Acts, ch 69, §7

**203.11A Civil penalties.**

1. The department shall establish, by rule, civil penalties which may be administratively or judicially assessed against a grain dealer for a violation of this chapter.

2. The amount of a civil penalty shall not exceed one thousand five hundred dollars. Each day that a violation continues shall constitute a separate violation. The amount of the civil penalty that may be assessed in a case shall not exceed the amount recommended by the grain industry peer review panel established pursuant to section 203.11B. Moneys collected in civil penalties by the department or the attorney general shall be deposited in the general fund of the state.

3. A civil penalty may be administratively assessed only after an opportunity for a contested case hearing under chapter 17A. The department may be represented in an administrative hearing or judicial proceeding by the attorney general. A civil penalty shall be paid within thirty days from the date that an order or judgment for the penalty becomes final. When a person against whom a civil penalty is administratively assessed under this section seeks timely judicial review of an order imposing the penalty as provided under chapter 17A, the order is not final until all judicial review processes are completed. When a person against whom a civil penalty is judicially assessed under this section seeks a timely appeal of judgment, the judgment is not final until the right of appeal is exhausted.

4. A person who fails to timely pay a civil penalty as provided in this section shall pay, in addition to the penalty, interest at the rate of one and one-half percent of the unpaid balance of the assessed penalty for each month or part of a month that the penalty remains unpaid.

99 Acts, ch 106, §5
Referred to in §203.11B

**203.11B Grain industry peer review panel.**

1. The department shall establish a grain industry peer review panel to assist the department in assessing civil penalties pursuant to this section and section 203C.36A. The secretary of agriculture shall appoint to the panel the following members:

*a.* Two natural persons who are grain dealers licensed under this chapter and actively engaged in the grain dealer business.

*b.* Two natural persons who are warehouse operators licensed pursuant to chapter 203C and actively engaged in the grain warehouse business.

*c.* One natural person who is a producer actively engaged in grain farming.

2. *a.* The members appointed pursuant to this section shall serve four-year terms beginning and ending as provided in section 69.19. However, the secretary of agriculture shall appoint initial members to serve for less than four years to ensure that members serve staggered terms. A member is eligible for reappointment. A vacancy on the panel shall be filled for the unexpired portion of the regular term in the same manner as regular appointments are made.

*b.* The panel shall elect a chairperson who shall serve for a term of one year. The panel shall meet on a regular basis and at the call of the chairperson or upon the written request to the chairperson of three or more members. Three members constitute a quorum and the affirmative vote of a majority of the members present is necessary for any substantive action to be taken by the panel. The majority shall not include any member who has a conflict of interest and a statement by a member that the member has a conflict of interest is conclusive for this purpose. A vacancy in the membership does not impair the duties of the panel.

*c.* Notwithstanding section 7E.6, the members shall only receive reimbursement for actual expenses for performance of their official duties, as provided by the department.

*d.* The panel shall be staffed by employees of the department.

3. The panel may propose a schedule of civil penalties for minor and serious violations of this chapter and chapter 203C. The department may adopt rules based on the recommendations of the panel as approved by the secretary of agriculture.

4. *a.* The panel shall review cases of grain dealers regulated under this chapter and warehouse operators regulated under chapter 203C who are subject to civil penalties as provided in section 203.11A or 203C.36A. A review shall be performed upon the request of the department or the person subject to the civil penalty.

*b.* The department shall present reports to the panel in regard to investigations of cases under review which may result in the assessment of a civil penalty against a person. The reports may be reviewed by the panel in closed session pursuant to section 21.5, and are confidential records. In presenting the reports, the department shall make available to the panel records of persons which are otherwise confidential under section 22.7, 203.16, or 203C.24. The panel members shall maintain the confidentiality of records made available to the panel. However, a determination to assess a civil penalty against a person shall be made exclusively by the department.

*c.* The panel may establish procedures for the review and establish a system of prioritizing cases for review, consistent with rules adopted by the department. The department shall adopt rules establishing a period for the review and response by the panel which must be completed prior to a contested case hearing under chapter 17A. A hearing shall not be delayed after the required period for review and response, except as provided in chapter 17A or the Iowa rules of civil procedure. The rules adopted by the department may exclude review of minor violations. The review may also include the manner of assessing and collecting the civil penalty.

*d.* The findings and recommendations of the panel shall be included in a response delivered to the department and the person subject to the civil penalty. The response may include a recommendation that a proposed civil penalty be modified or suspended, that an alternative method of collection be instituted, or that conditions be placed upon the license of a grain dealer as provided in section 203.3 or the license of a warehouse operator as provided in section 203C.6.

5. This section does not apply to an action by the department for a license suspension or revocation. This section also does not require a review or response if the case is subject to criminal prosecution or involves a petition seeking injunctive relief.

6. A response by the panel may be used as evidence in an administrative hearing or in

a civil or criminal case except to the extent that information contained in the response is considered confidential pursuant to section 22.7, 203.16, or 203C.24.

99 Acts, ch 106, §6; 2008 Acts, ch 1083, §5
Referred to in §203.11A, 203.16, 203C.24, 203C.36A

**203.12 Claims — cessation of a license and notice of license revocation.**

1. Upon the cessation of a grain dealer license by revocation, cancellation, or expiration, any claim for the purchase price of grain against the grain dealer shall be made in writing and filed with the grain dealer and with the issuer of a deficiency bond or of an irrevocable letter of credit and with the department within one hundred twenty days after the date of the cessation. A failure to make this timely claim relieves the issuer and the grain depositors and sellers indemnity fund provided in chapter 203D of all obligations to the claimant.

2. Upon the revocation of a grain dealer license, the department shall cause notice of the revocation to be published once each week for two consecutive weeks in a newspaper of general circulation within the state of Iowa and in a newspaper of general circulation within the county of the grain dealer's principal place of business when that dealer's principal place of business is located in the state of Iowa. The notice shall state the name and address of the grain dealer and the effective date of revocation. The notice shall also state that any claims against the grain dealer shall be made in writing and sent by ordinary mail or delivered personally within one hundred twenty days after revocation to the grain dealer, to the issuer of a deficiency bond or of an irrevocable letter of credit, and to the department, and the notice shall state that the failure to make a timely claim does not relieve the grain dealer from liability to the claimant.

[C79, 81, §542.12]
86 Acts, ch 1152, §8
C93, §203.12
2012 Acts, ch 1095, §91
Referred to in §203D.6

**203.12A Lien on grain dealer assets.**

1. *a.* As used in this section:

(1) *"Grain dealer assets"* includes proceeds received or due a grain dealer upon the sale, including exchange, collection, or other disposition, of grain sold by the grain dealer. *"Grain dealer assets"* also includes any other funds or property of the grain dealer which can be directly traced as being from the sale of grain by the grain dealer, or which were utilized in the business operation of the grain dealer.

(2) *"Proceeds"* means noncash and cash proceeds as defined in section 554.9102.

*b.* A court, upon petition by an affected party, may order that claimed grain dealer assets are not grain dealer assets as defined in this section. The burden of proof shall be upon the petitioner to establish that the assets are not grain dealer assets as defined in this section.

2. A statutory lien is imposed on all grain dealer assets in favor of sellers who have surrendered warehouse receipts or other written evidence of ownership as part of a grain sale transaction or who possess written evidence of the sale of grain to a grain dealer, without receiving full payment for the grain.

3. The lien shall arise at the time of surrender of warehouse receipts or other written evidence of ownership as part of a grain sale transaction or the time of delivery of the grain for sale, and shall terminate when the liability of the grain dealer to the seller has been discharged. The lien of all sellers is hereby assigned to the Iowa grain indemnity fund board, on behalf of the grain depositors and sellers indemnity fund.

4. To perfect the lien, the Iowa grain indemnity fund board must file a lien statement with the office of the secretary of state. The lien statement is valid only if filed on or after the date of suspension but not later than sixty days after the incurrence date as provided in section 203D.6. The lien statement shall disclose the name of the grain dealer, the address of the dealer's principal place of business, a description of identifiable grain dealer assets, and the amount of the lien. The lien amount shall be the board's estimate of the final cost of reimbursing the grain depositors and sellers indemnity fund for the payment of claims

against the fund resulting from the breach of the grain dealer's obligations. The board shall correct the amount not later than one hundred eighty days following the incurrence date. A court, upon petition by an affected person, may correct the amount. The board shall have the burden of proving that the amount is an accurate estimate.

5. The Iowa grain indemnity fund board, upon written demand of the grain dealer, shall file a termination statement with the secretary of state, if after one hundred eighty days from the date that the lien is perfected the grain dealer's license has not ceased by revocation, cancellation, or expiration. Upon filing the termination statement, the lien becomes unperfected. The board shall also deliver a copy of the termination statement to the grain dealer.

6. The secretary of state shall note the filing of a lien statement under this section in a manner provided by chapter 554, the uniform commercial code. The secretary shall note the filing of a termination statement with the lien statement.

7. A lien statement filed under this section shall be a security interest perfected under chapter 554 and subject to the same priority as provided under section 554.9322.

8. If the grain dealer is also licensed under chapter 203C, and in the event the department is appointed as a receiver under section 203C.3, assets under the authority of the receiver are free from this statutory lien. However, if there are receivership assets in excess of those necessary to fully reimburse depositors, the perfected lien will attach to those excess assets.

9. *a.* The board may enforce the lien in the manner provided in chapter 554, article 9, part 6, for the enforcement of security interests. If, upon enforcement of the lien, the lien amount is satisfied in full without exhaustion of the grain dealer assets, the remaining assets shall be returned to the grain dealer or, if there are competing claims to those remaining assets by other creditors, shall place those assets in the custody of the district court and implead the known creditors.

*b.* For purposes of enforcement of the lien, the board is deemed to be the secured party and the grain dealer is deemed to be the debtor, and each has the respective rights and duties of a secured party and a debtor as provided in chapter 554, article 9, part 6. If a right or duty under chapter 554, article 9, part 6, is contingent upon the existence of express language in a security agreement, or may be waived by express language in a security agreement, the requisite language is deemed not to exist for purposes of enforcement of the lien created by this section.

10. Actions relating to this section shall be brought in the district court in the county in which the grain dealer's primary place of business is located or in Polk county.

92 Acts, ch 1239, §62; 2000 Acts, ch 1149, §163, 187; 2009 Acts, ch 133, §211; 2012 Acts, ch 1095, §92

Referred to in §203.12B, 203D.5A

**203.12B Appointment of department as receiver.**

1. As used in this section:

*a.* *"Grain dealer assets"* means the same as defined in section 203.12A, including any proceeds from a deficiency bond or irrevocable letter of credit, or any insurance policy relating to those assets.

*b.* *"Interested seller"* means a person who delivers or has delivered grain to a grain dealer who has not been paid as provided in section 203.8 or according to the terms of a credit-sale contract breached by the grain dealer.

*c.* *"Issuer"* means a person who issues a deficiency bond or an irrevocable letter of credit pursuant to section 203.3, or an issuer of grain assets.

2. *a.* The department may file a verified petition in district court requesting that the department be appointed as a receiver, and the district court shall appoint the department as receiver, in order to protect interested sellers, if any of the following apply:

(1) The grain dealer's license is revoked or suspended under section 203.10.

(2) There is evidence that the grain dealer has engaged or is engaging in business under this chapter without obtaining a license as required pursuant to section 203.3.

*b.* Upon being appointed as a receiver, the department shall take custody and provide for the disposition of the grain dealer assets of the grain dealer under the supervision of the court.

(1) The petition shall be filed in the county in which the grain dealer maintains its principal place of business in this state. The court may issue ex parte any temporary order as it determines necessary to preserve or protect the grain dealer assets and the rights of interested sellers.

(2) The petition shall be accompanied by the department's plan for disposition of grain dealer assets which shall provide terms as may be necessary to preserve or protect the grain dealer assets and the rights of interested sellers, less expenses incurred by the department in connection with the receivership. The plan may provide for the delivery or sale of grain as provided in section 203C.4. The plan may provide for the operation of the business of the grain dealer on a temporary basis and any other course of action or procedure which will serve the interests of interested sellers.

(3) The petition shall be filed with the clerk of the district court who shall set a date for a hearing in the same manner as provided in section 203C.3.

(4) Copies of the petition, the notice of hearing, and the department's plan of disposition shall be delivered to the following:

(a) The grain dealer and each issuer who shall receive copies delivered in the manner required for service of an original notice.

(b) Interested sellers as determined by the department who shall receive copies delivered by ordinary mail.

(5) The failure of a person to receive the required notification shall not invalidate the proceedings on the petition or any part of the petition for the appointment of the department as the receiver.

(6) A person is not a party to the action unless admitted by the court upon application.

3. When appointed as a receiver, the department shall publish notice of the appointment in the same manner provided in section 203C.3.

4. The department may employ or appoint a person to appear on behalf of the department in any proceedings before the court as provided in section 203C.3.

5. An action of the department shall not be subject to the provisions of chapter 17A. A person employed or appointed by the department as receiver shall be deemed to be an employee of the state as defined in section 669.2. Chapter 669 is applicable to any claim as defined in section 669.2 against the person carrying out the duties of the department acting as receiver.

6. When the department is appointed as a receiver, the issuer shall be joined as a party, and may be ordered by the court to pay indemnification proceeds, and shall be discharged from further liability as provided in section 203C.4. The department shall provide notice to interested sellers within one hundred twenty days after the date of appointment. A failure of a person to file a timely claim as provided by the department shall defeat the claim, except to the extent of any excess grain dealer assets remaining after all timely claims are paid in full.

7. If the court approves the sale of grain, the department shall employ or appoint a merchandiser who shall enjoy the same status, exercise the same powers, and receive compensation to the same extent as a merchandiser employed or appointed pursuant to section 203C.4. A person employed or appointed as a merchandiser must meet the following requirements:

*a.* Be experienced or knowledgeable in the operation of grain dealers as provided in this chapter.

*b.* Be experienced or knowledgeable in the marketing of grain.

*c.* Not have had a grain dealer's license issued pursuant to section 203.3 suspended or revoked as provided in section 203.10.

*d.* Not have any pecuniary interest in the grain dealer assets of the grain dealer and not have a business relationship with the grain dealer.

8. The sale of the grain shall proceed in the same manner as grain sold pursuant to section 203C.4. The department may, with the approval of the court, continue the operation of all or any part of the business of the grain dealer on a temporary basis and take any other course of action or procedure which will serve the interests of interested sellers. The department is entitled to reimbursement out of grain dealer assets for costs directly attributable to the receivership. The department shall be reimbursed from the grain dealer

assets in the same manner as provided in section 203C.4. If the approved plan of disposition requires a distribution of cash proceeds, the department shall submit to the court a proposed plan of distribution of those proceeds. The plan shall be approved and executed and the department shall be discharged and the receivership terminated in the same manner as provided in section 203C.4.

96 Acts, ch 1030, §2; 2009 Acts, ch 41, §216; 2012 Acts, ch 1095, §93

**203.13 Enforcement officers.** Repealed by 2003 Acts, ch 69, § 21.

**203.14 No obligation of state.**

Nothing in this chapter shall be construed to imply any guarantee or obligation on the part of the state of Iowa, or any of its agencies, employees or officials, either elective or appointive, in respect to any agreement or undertaking to which the provisions of this chapter relate.

[C79, 81, §542.14]

C93, §203.14

**203.15 Credit-sale contracts.**

A grain dealer shall not purchase grain by a credit-sale contract except as provided in this section.

1. The grain dealer shall be licensed pursuant to section 203.3. All of the following shall apply to a grain dealer required to be licensed under that section who purchases grain by credit-sale contract:

*a.* The grain dealer shall give written notice to the department prior to engaging in the purchase of grain by credit-sale contract. The notice shall contain information required by the department.

*b.* All credit-sale contract forms in the possession of the grain dealer shall have been permanently and consecutively numbered at the time of printing of the forms. The grain dealer shall maintain an accurate record of all credit-sale contract forms and numbers obtained by that dealer. The record shall include the disposition of each numbered form, whether by execution, destruction, or otherwise.

*c.* The grain dealer who purchases grain by credit-sale contract shall maintain records as required by the department in compliance with this section.

2. In addition to other information as may be required, a credit-sale contract shall contain or provide for all of the following:

*a.* The seller's name and address.

*b.* The conditions of delivery.

*c.* The amount and kind of grain delivered.

*d.* The price per bushel or basis of value.

*e.* The date payment is to be made.

*f.* The duration of the credit-sale contract, which shall not exceed twelve months from the date the contract is executed.

3. Title to all grain sold by a credit-sale contract is in the purchasing grain dealer as of the time the contract is executed, unless the contract provides otherwise. The contract must be signed and dated by both parties and executed in duplicate. One copy shall be retained by the grain dealer and one copy shall be delivered to the seller. Upon the cessation of the grain dealer's license by revocation, cancellation, or expiration, the payment date for all credit-sale contracts shall be advanced to a date not later than thirty days after the effective date of the cessation, and the purchase price for all unpriced grain shall be determined as of the effective date of the cessation in accordance with all other provisions of the contract. However, if the business of the grain dealer is sold to another licensed grain dealer, credit-sale contracts may be assigned to the purchaser of the business.

4. *a.* A grain dealer shall not purchase grain on credit-sale contract during any time period in which the grain dealer fails to maintain fifty cents of net worth for each outstanding bushel of grain purchased under credit. The grain dealer may maintain a deficiency bond or an irrevocable letter of credit in the amount of two thousand dollars for each one thousand dollars or fraction thereof of deficiency in net worth.

*b.* A grain dealer who is also a warehouse operator licensed by the department under chapter 203C or the United States department of agriculture under the United States Warehouse Act, and who does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department or the United States department of agriculture shall not purchase grain on credit-sale contract to correct the shortage of grain.

*c.* (1) A grain dealer must meet at least either of the following conditions:

(a) The grain dealer's last financial statement required to be submitted to the department pursuant to section 203.3 is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state.

(b) The grain dealer files a bond with the department in the amount of one hundred thousand dollars payable to the department.

(2) (a) The bond filed with the department under this paragraph shall be used to indemnify sellers for losses resulting from a breach of a credit-sale contract as provided by rules adopted by the department. The rules shall include but are not limited to procedures and criteria for providing notice, filing claims, valuing losses, and paying claims. The bond provided in this paragraph shall be in addition to any other bond required in this chapter.

(b) The bond shall not be canceled by the issuer on less than ninety days' notice by certified mail to the department and the principal. However, if an adequate replacement bond is filed with the department, the department may authorize the cancellation of the original bond before the end of the ninety-day period.

(c) If an adequate replacement bond is not received by the department within sixty days of the issuance of the notice of cancellation, the department shall suspend the grain dealer's license. The department shall cause an inspection of the licensed grain dealer immediately at the end of the sixty-day period. If a replacement bond is not filed within another thirty days following the suspension, the department shall revoke the grain dealer's license .

(3) When a license is revoked, the department shall provide notice of the revocation by ordinary mail to the last known address of each holder of an outstanding credit-sale contract and all known sellers.

5. The department may suspend the right of a grain dealer to purchase grain by credit-sale contract based on any of the following conditions:

*a.* The grain dealer who is also a warehouse operator licensed by the department under chapter 203C or the United States department of agriculture under the United States Warehouse Act does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department or the United States department of agriculture.

*b.* The grain dealer who is also a warehouse operator licensed by the department under chapter 203C or the United States department of agriculture under the United States Warehouse Act issues back to the grain dealer a warehouse receipt for purposes of providing collateral, if the grain which is the subject of the warehouse receipt was purchased on credit and is unpaid for by the grain dealer.

*c.* The grain dealer fails to maintain requirements relating to net worth or fails to maintain a ratio of current assets to current liabilities, as required in section 203.3.

*d.* The grain dealer violates this section.

*e.* The grain dealer's total liabilities are greater than seventy-five percent of the grain dealer's total assets.

*f.* The grain dealer has made payment by use of a check or electronic funds transfer, and a financial institution refuses payment because of insufficient funds in a grain dealer's account.

*g.* The department discovers that a grain dealer has delayed payment for grain purchased since the department last inspected the grain dealer pursuant to section 203.9.

6. A grain dealer who purchases grain by credit-sale contract shall obtain from the seller a signed acknowledgment stating that the seller has received notice that grain purchased by credit-sale contract is not protected by the grain depositors and sellers indemnity fund. The form for the acknowledgment shall be prescribed by the department, and the licensed grain dealer and the seller shall each be provided a copy.

[C71, 73, 75, 77, §543.17; C79, 81, §542.8, 543.17; 81 Acts, ch 180, §12]

C83, §542.15
85 Acts, ch 234, §3; 86 Acts, ch 1152, §9; 87 Acts, ch 147, §4; 89 Acts, ch 143, §403; 92 Acts, ch 1239, §63, 64
C93, §203.15
99 Acts, ch 106, §7; 2003 Acts, ch 69, §8 – 11; 2008 Acts, ch 1083, §6, 7; 2009 Acts, ch 41, §80; 2009 Acts, ch 133, §212; 2012 Acts, ch 1095, §94 – 98
Referred to in §203.3, 203D.1

**203.16 Confidentiality of records.**

Notwithstanding chapter 22, all financial statements of grain dealers under this chapter shall be kept confidential by the department and its agents and employees and are not subject to disclosure except as follows:

1. Upon waiver by the licensee.
2. In actions or administrative proceedings commenced under this chapter or chapter 203C.
3. Disclosure to the Iowa grain indemnity fund board in regard to licensees who present liability to the fund.
4. When required by subpoena or court order.
5. Disclosure to law enforcement agencies in regard to the detection and prosecution of public offenses.
6. When released to a bonding company approved by the department, or released to the United States department of agriculture or any of its divisions.
7. Where released at the request of the Iowa accountancy examining board for licensee review and discipline in accordance with chapters 272C and 542 and subject to the confidentiality requirements of section 272C.6.
8. Disclosure to the grain industry peer review panel as provided in section 203.11B.

[81 Acts, ch 180, §13]
C83, §542.16
83 Acts, ch 101, §1; 89 Acts, ch 143, §601
C93, §203.16
99 Acts, ch 106, §8; 2001 Acts, ch 55, §23, 38
Referred to in §203.11B, 203D.4

**203.17 Documents and records.**

1. The department may adopt rules specifying the form, content, use, and maintenance of documents issued by a grain dealer under this chapter including but not limited to scale tickets, settlement sheets, daily position records, and credit-sale contracts. The department may adopt rules for both printed and electronic documents, including rules for the transmission, receipt, authentication, and archiving of electronically generated or stored documents.
2. All scale ticket forms in the possession of a grain dealer shall have been permanently and consecutively numbered at the time of printing. A grain dealer shall maintain an accurate record of all scale ticket numbers. The record shall include the disposition of each numbered form, whether issued, destroyed, or otherwise disposed of.

[81 Acts, ch 180, §14]
C83, §542.17
C93, §203.17
2003 Acts, ch 69, §12; 2008 Acts, ch 1083, §8

**203.18** Reserved.

**203.19 Cooperative agreements.**

1. Notwithstanding the other provisions of this chapter, the department may enter into cooperative agreements with other states for the purpose of making available to those states the information acquired under the bonding, licensing, and examination procedures of this chapter.
2. If a cooperative agreement is in effect under this section, the indemnification

requirements of this chapter may be satisfied by filing with the department evidence of a bond or an irrevocable letter of credit on file with a state or of participation in an indemnity fund in a state with which Iowa has a cooperative agreement as provided for by this section.

3. *a.* Indemnification proceeds shall be copayable to the state of Iowa for the benefit of sellers of grain under this chapter.

*b.* Indemnification proceeds required by this chapter may be made copayable to any state with whom this state has entered into contracts or agreements as authorized by this section, for the benefit of sellers of grain in that state.

[81 Acts, ch 180, §16]
C83, §542.19
86 Acts, ch 1152, §11
C93, §203.19
2009 Acts, ch 41, §263; 2010 Acts, ch 1069, §25

**203.20 Shrinkage adjustments — disclosures — penalties.**

1. A person who, in connection with the receipt of corn or soybeans for storage, processing, or sale, adjusts the scale weight of the grain to compensate for the moisture content of the grain shall compute the amount of the adjustment by multiplying the scale weight of the grain by that factor which results in a rate of adjustment of one and eighteen hundredths percent of weight per one percent of moisture content. The use of any rate of weight adjustment for moisture content other than the one prescribed by this subsection is a fraudulent practice. The person shall post on the business premises in a conspicuous place notice of the rate of adjustment for moisture content that is prescribed by this subsection. Failure to make this disclosure is a simple misdemeanor.

2. A person who, in connection with the receipt of grain for storage, processing or sale, adjusts the quantity of the grain received to compensate for losses to be incurred during the handling, processing, or storage of the grain shall post on the business premises in a conspicuous place notice of the rate of adjustment to be made for this shrinkage. Failure to make the required disclosure is a simple misdemeanor.

3. A person who adjusts the scale weight of corn or soybeans both for moisture content and for handling, processing, or storage losses may combine the two adjustment factors into a single factor and may use this resulting factor to compute the amount of weight adjustment in connection with storage, processing, or sale transactions, provided that the person shall post on the business premises in a conspicuous place a notice that discloses the moisture shrinkage factor prescribed by subsection 1, the handling shrinkage factor to be imposed, and the single factor that results from combining these factors. Failure to make the required disclosure is a simple misdemeanor.

[81 Acts, ch 180, §17]
C83, §542.20
C93, §203.20

**203.21** Reserved.

**203.22 Prioritization of inspections of grain dealers.**

The department shall develop a system to prioritize the inspections of grain dealers provided in section 203.9. The system of prioritization shall be computed each year based on the risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer. The department shall compute the risk by utilizing an available statistical model to measure the financial condition of grain dealers, and especially grain dealers who execute credit-sale contracts. Procedures for utilizing the statistical model shall be adopted by department rules. The statistical model shall be used to provide risk ratings. A risk rating shall be used as a factor by the department to prioritize its inspection schedule. The department may use a risk rating produced by the statistical model as justification to inspect the grain dealer at any time. A substantial risk of loss to the grain

depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer based on the statistical model shall be good cause.

92 Acts, ch 1239, §65

Referred to in §203.1, 203.9

# CHAPTER 203A

## GRAIN BARGAINING AGENTS

Repealed by 2003 Acts, ch 69, §50

# CHAPTER 203B

## RESERVED

# CHAPTER 203C

## WAREHOUSES FOR AGRICULTURAL PRODUCTS

Referred to in §22.7, 159.6, 189.16, 190.1, 203.5, 203.11B, 203.12A, 203.15, 203.16, 203D.4, 203D.5A, 554.7204, 579B.4, 669.14

This chapter not enacted as a part of this title;
transferred from chapter 543 in Code 1993


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203C.38 No obligation of state.
203C.39 Grain stored in another warehouse.
203C.40 Prioritization of inspections of warehouse operators.

**203C.1 Definitions.**

As used in this chapter:

1. *"Agricultural product"* shall mean any product of agricultural activity suitable for storage in quantity, including refined or unrefined sugar and canned agricultural products and shall also mean any product intended for consumption in the production of other agricultural products, such as stock salt, binding twine, bran, cracked corn, soybean meal, commercial feeds, and cottonseed meal.

2. *"Bond"* means a bond issued by a surety company or an irrevocable letter of credit issued by a financial institution.

3. *"Bulk grain"* shall mean grain which is not contained in sacks.

4. *"Check"* means the same as defined in section 203.1.

5. *"Credit-sale contract"* means the same as defined in section 203.1.

6. *"Department"* means the department of agriculture and land stewardship.

7. *"Depositor"* means any person who deposits an agricultural product in a warehouse for storage, handling, or shipment, or who is the owner or legal holder of an outstanding warehouse receipt, or who is lawfully entitled to possession of the agricultural product.

8. *"Electronic funds transfer"* means the same as defined in section 203.1.

9. *"Financial institution"* means the same as defined in section 203.1.

10. *"Good cause"* means that the department has cause to believe that the net worth or current asset to current liability ratio of a warehouse operator presents a danger to depositors with whom the warehouse operator does business, based on evidence of any of the following:

*a.* The making of a payment by use of a check or electronic funds transfer, and a financial institution refuses payment because of insufficient funds in the warehouse operator's account.

*b.* A violation of recordkeeping requirements provided in this chapter or rules adopted pursuant to this chapter by the department.

*c.* A quality or quantity shortage in the warehouse facility.

*d.* A high risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator based on a statistical model provided in section 203C.40.

11. *"Grain"* means the same as defined in section 203.1.

12. *"Grain bank"* means grain owned by a depositor and held temporarily by the warehouse operator for use in the formulation of feed or to be processed and returned to the depositor on demand.

13. *"Grain Standards Act"* means the United States Grain Standards Act, 7 U.S.C. ch. 3.

14. *"Incidental warehouse operator"* means a person regulated under chapter 198 whose grain storage capacity does not exceed twenty-five thousand bushels which is used exclusively for grain owned or grain which will be returned to the depositor for use in a feeding operation or as an ingredient in a feed.

15. *"Incidental warehouse operator's obligation"* means a sufficient quantity and quality of grain to cover company owned grain and deposits of grain for which actual payment has not been made.

16. *"License"* means a license issued under this chapter.

17. *"Licensed warehouse"* shall mean a warehouse for the operation of which the department has issued a license in accordance with the provisions of section 203C.6.

18. *"Licensed warehouse operator"* shall mean a warehouse operator who has obtained a license for the operation of a warehouse under the provisions of section 203C.6.

19. *"Official grain standards"* means the standards of quality and condition of grain which establishes the grade, fixed and established by the secretary of agriculture under the Grain Standards Act.

20. *"Open storage"* means grain or agricultural products which are received by a warehouse operator from a depositor for which warehouse receipts have not been issued or a purchase made and the records documented accordingly.

21. *"Person"* means the same as defined in section 4.1 and includes a business association as defined in section 202B.102 or a joint or common venture regardless of whether it is organized under a chapter of the Code.

22. *"Receiving and loadout charge"* shall mean the charge made by the warehouse operator for receiving grain into and loading grain from the warehouse, exclusive of the warehouse operator's other charges.

23. *"Scale weight ticket"* means a load slip or other evidence, other than a receipt, given to a depositor by a warehouse operator licensed under this chapter upon initial delivery of the agricultural product to the warehouse.

24. *"Station"* means a warehouse located more than three miles from the central office of the warehouse.

25. *"Storage"* means any grain or other agricultural products that have been received and have come under care, custody or control of a warehouse operator either for the depositor for which a contract of purchase has not been negotiated or for the warehouse operator operating the facility.

26. *"United States Warehouse Act"* means the same as defined in section 203.1.

27. *"Unlicensed warehouse operator"* means a warehouse operator who retains grain in the warehouse not to exceed thirty days and is not licensed under the provisions of this chapter or the United States Warehouse Act.

28. *"Warehouse"* shall mean any building, structure, or other protected enclosure in this state used or usable for the storage of agricultural products. Buildings used in connection with the operation of the warehouse shall be deemed to be a part of the warehouse.

29. *"Warehouse operator"* means a person engaged in the business of operating or controlling a warehouse for the storing, shipping, handling or processing of agricultural products, but does not include an incidental warehouse operator.

30. *"Warehouse operator's obligation"* means a sufficient quantity and quality of grain or other products for which a warehouse operator is licensed including company owned grain and grain of depositors as the warehouse operator's records indicate. For an unlicensed warehouse operator it means a sufficient quantity and quality of grain to cover company owned grain and all deposits of grain for which actual payment has not been made.

[C24, 27, 31, §9719; C35, §9751-g1; C39, §**9751.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.1; 81 Acts, ch 180, §18]

86 Acts, ch 1006, §3; 86 Acts, ch 1152, §12, 13; 86 Acts, ch 1245, §671; 89 Acts, ch 143, §1002, 1101; 92 Acts, ch 1239, §66

C93, §203C.1

95 Acts, ch 28, §2; 99 Acts, ch 106, §9 – 11; 2003 Acts, ch 69, §13 – 16; 2008 Acts, ch 1083, §9; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1082, §2; 2012 Acts, ch 1095, §99 – 101

Referred to in §203.1, 203D.1

**203C.2 Duties and powers of the department — operator recordkeeping.**

1. The department shall administer this chapter and may exercise general supervision over the storage, warehousing, classifying according to grade or otherwise, weighing, and certification of agricultural products.

2. The department may inspect or cause to be inspected any warehouse including warehouse records as provided in this section. Inspections may be made at times and for purposes as the department determines. Except as provided in section 203C.6, the department shall inspect every licensed warehouse and its contents once every twelve months. The department shall prioritize inspections based on the system provided in section 203C.40. The department may require the filing of reports relating to a warehouse or its operation.

*a.* A licensed warehouse operator operating a licensed warehouse shall provide for complete and correct recordkeeping. The records shall account for the storage and withdrawal of all agricultural products handled in each warehouse which the warehouse operator is licensed to operate. The records shall include all original and duplicate receipts issued by, returned to, and canceled by the warehouse operator. A licensed warehouse operator shall keep records for the previous six years. If the licensed warehouse operator's records are incomplete or inaccurate, the department may reconstruct the warehouse operator's records in order to determine whether the warehouse operator is in compliance

with the provisions of this chapter. The department may charge the licensed warehouse operator the actual cost for reconstructing the warehouse operator's records.

*b.* If upon inspection of a warehouse a deficiency is found to exist as to the quantity or quality of agricultural products stored, as indicated on the warehouse operator's books and records according to official grain standards, the department may require an employee of the department to remain at the licensed warehouse and supervise all operations involving agricultural products stored there under this chapter until the deficiency is corrected. The charge for the cost of maintaining an employee of the department at a warehouse to supervise the correction of a deficiency is one hundred fifty dollars per day.

3. The department may make available to the United States government, or any of its agencies, including the commodity credit corporation, the results of inspections made and inspection reports submitted to it by employees of the department, upon payment to it of charges as determined by the department, but the charges shall not be less than the actual cost of services rendered, as determined by the department. The department may enter into contracts and agreements for such purpose and shall keep a record of all money thus received.

4. The department may classify any warehouse in accordance with its suitability for the storage of agricultural products and shall specify in any license issued for the operation of a warehouse the only type or types and the quantity of agricultural products which may be stored in the warehouse. The department may prescribe, within the limitations of this chapter, the duties of licensed warehouse operators with respect to the care of and responsibility for the contents of licensed warehouses. Grain grades shall be determined under the official grain standards. The department may from time to time publish data in connection with the administration of this chapter as may be of public interest.

5. Moneys received by the department in administering this section shall be considered repayment receipts as defined in section 8.2.

[C24, 27, 31, §9739, 9744, 9750; C35, §9751-g22, -g27, -g32; C39, §**9751.22, 9751.27, 9751.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.2; 81 Acts, ch 180, §19]

84 Acts, ch 1100, §3; 86 Acts, ch 1152, §14; 92 Acts, ch 1239, §67

C93, §203C.2

2003 Acts, ch 69, §17

Referred to in §203C.36, 203C.40

**203C.3 Appointment of department as receiver.**

1. The department in its discretion may, following summary suspension of a license under section 203C.10, or following a suspension or revocation of a license as otherwise provided in section 203C.10 or 203C.11, file a verified petition in the district court requesting that the department be appointed as a receiver to take custody of commodities stored in the licensee's warehouse and to provide for the disposition of those assets in the manner provided in this chapter and under the supervision of the court. The petition shall be filed in the county in which the warehouse is located. The district court shall appoint the department as receiver. Upon the filing of the petition the court shall issue ex parte such temporary orders as may be necessary to preserve or protect the assets in receivership, or the value thereof, and the rights of depositors, until a plan of disposition is approved.

2. A petition filed by the department under subsection 1 shall be accompanied by the department's plan for disposition of stored commodities. The plan may provide for the pro rata delivery of part or all of the stored commodities to depositors holding warehouse receipts or unpriced scale weight tickets, or may provide for the sale under the supervision of the department of part or all of the stored commodities for the benefit of those depositors, or may provide for any combination thereof, as the department in its discretion determines to be necessary to minimize losses.

3. When a petition is filed by the department under subsection 1 the clerk of court shall set a date for hearing on the department's proposed plan of disposition at a time not less than ten nor more than fifteen days after the date the petition is filed. Copies of the petition, the notice of hearing, and the department's plan of disposition shall be served upon the licensee and upon the issuer of a deficiency bond or of an irrevocable letter of credit pursuant to section 203C.6 in the manner required for service of an original notice. A delay in effecting service

upon the licensee or issuer is not cause for denying the appointment of a receiver and is not grounds for invalidating any action or proceeding in connection with the appointment.

4. The department shall cause a copy of each of the documents served upon the licensee under subsection 3 to be mailed by ordinary mail to every person holding a warehouse receipt or unpriced scale weight ticket issued by the licensee, as determined by the records of the licensee or the records of the department. The failure of any person referred to in this subsection to receive the required notification shall not invalidate the proceedings on the petition for the appointment of a receiver or any portion thereof. Persons referred to in this subsection are not parties to the action unless admitted by the court upon application therefor.

5. When appointed as a receiver under this chapter, the department shall cause notification of the appointment to be published once each week for two consecutive weeks in a newspaper of general circulation in each of the counties in which the licensee maintains a business location, and in a newspaper of general circulation in this state.

6. The department may designate an employee of the department to appear on behalf of the department in any proceedings before the court with respect to the receivership, and to exercise the functions of the department as receiver under this section and section 203C.4, except that the department shall determine whether or not to petition for appointment as receiver, shall approve the proposed plan for disposition of stored commodities, shall approve the proposed plan for distribution of any cash proceeds, and shall approve the proposed final report.

7. The actions of the department in connection with petitioning for appointment as a receiver, and all actions pursuant to such appointment shall not be subject to the provisions of the administrative procedure Act.

8. A person employed or appointed by the department and carrying out the duties of the department acting as receiver under this chapter shall be deemed to be an employee of the state as defined in section 669.2. Chapter 669 is applicable to any claim as defined in section 669.2 against the person carrying out the duties of the department acting as receiver.

[C79, 81, §543.3]

86 Acts, ch 1152, §15; 89 Acts, ch 143, §501

C93, §203C.3

Referred to in §203.12A, 203.12B, 203C.12A, 602.8102(76)

**203C.4 Powers and duties of receiver.**

1. When the department is appointed as receiver under this chapter the issuer of a deficiency bond or of an irrevocable letter of credit pursuant to section 203C.6 shall be joined as a party defendant by the department. If required by the court, the issuer shall pay the indemnification proceeds or so much thereof as the court finds necessary into the court, and when so paid the issuer shall be absolutely discharged from any further liability under the bond or irrevocable letter of credit to the extent of the payment.

2. When appointed as receiver under this chapter the department is authorized to give notice in the manner specified by the court to persons holding warehouse receipts or other evidence of deposit issued by the licensee to file their claims within one hundred twenty days after the date of appointment. Failure to timely file a claim shall defeat the claim with respect to the issuer of a deficiency bond or of an irrevocable letter of credit, grain depositors and sellers indemnity fund created in chapter 203D, and any commodities or proceeds from the sale of commodities, except to the extent of any excess commodities or proceeds of sale remaining after all timely claims are paid in full.

3. When the court approves the sale of commodities, the department shall employ a merchandiser to effect the sale of those commodities. A person employed or appointed as a merchandiser is deemed to be an employee of the state as defined in section 669.2 and chapter 669 is applicable to any claim as defined in section 669.2 against the person acting as a merchandiser. A person employed as a merchandiser must meet the following requirements:

*a.* The person shall be experienced or knowledgeable in the operation of warehouses

licensed under this chapter; and if the person has ever held a license issued under this chapter, the person shall never have had that license suspended or revoked.

*b.* The person shall be experienced or knowledgeable in the marketing of agricultural products.

*c.* The person shall not be the holder of a warehouse receipt or scale weight ticket issued by the licensee, and shall not have a claim against the licensee whether as a secured or unsecured creditor, and otherwise shall not have any pecuniary interest in the licensee or the licensee's business. The merchandiser shall be entitled to reasonable compensation as determined by the department, payable out of funds appropriated for operating expenses of the department. A sale of commodities shall be made in a commercially reasonable manner and under the supervision of the warehouse bureau of the department. The department shall provide for the payment out of appropriations to the department of all expenses incurred in handling and disposing of commodities. The department shall have authority to sell the commodities, any provision of chapter 554 to the contrary notwithstanding, and any commodities so sold shall be free of all liens and other encumbrances.

4. The plan of disposition, as approved by the court, shall provide for the distribution of the stored commodities, or the proceeds from the sale of commodities, or the proceeds from any insurance policy, deficiency bond, or irrevocable letter of credit, less expenses incurred by the department in connection with the receivership, to depositors as their interests are determined. Distribution shall be without regard to any setoff, counterclaim, or storage lien or charge.

5. The department may, with the approval of the court, continue the operation of all or any part of the business of the licensee on a temporary basis and take any other course of action or procedure which will serve the interests of the depositors.

6. The department is entitled to reimbursement out of commodities or proceeds held in receivership for all expenses incurred as court costs or in handling and disposing of stored commodities, and for all other costs directly attributable to the receivership. The right of reimbursement of the department is prior to any claims against the commodities or proceeds of sales of commodities, and constitutes a claim against a deficiency bond or irrevocable letter of credit.

7. If the approved plan of disposition requires a distribution of cash proceeds, the department shall submit to the court a proposed plan of distribution of those proceeds. Upon notice and hearing as required by the court, the court shall accept or modify the proposed plan. When the plan is approved by the court and executed by the department, the department shall be discharged and the receivership terminated.

8. At the termination of the receivership the department shall file a final report containing the details of its actions, together with such additional information as the court may require.

[C79, 81, §543.4]

86 Acts, ch 1152, §16; 87 Acts, ch 147, §5; 89 Acts, ch 143, §101, 502

C93, §203C.4

Referred to in §203.12B, 203C.3

**203C.5 Rules — documents and forms.**

1. The department shall adopt rules as it deems necessary for the efficient administration of this chapter, and may designate an employee or officer of the department to act for the department in any details connected with administration, including the issuance of licenses and approval of deficiency bonds or irrevocable letters of credit in the name of the department, but not including matters requiring a public hearing or suspension or revocation of licenses.

2. *a.* The department may adopt rules specifying the form, content, and use of documents issued by a warehouse operator under this chapter including but not limited to scale tickets, warehouse receipts, settlement sheets, and daily position records. The department may adopt rules for both printed and electronic documents, including rules for the transmission, receipt, authentication, and archiving of electronically generated or stored documents.

*b.* All scale ticket forms and warehouse receipt forms in the possession of a warehouse operator shall have been permanently and consecutively numbered at the time of printing. A

warehouse operator shall maintain an accurate record of the numbers of these documents. The record shall include the disposition of each form, whether issued, destroyed, or otherwise disposed of. The department may by rule require this use of prenumbered forms and recording for documents other than scale tickets and warehouse receipts.

[C24, 27, 31, §9721; C35, §9751-g3; C39, §**9751.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §543.3; C79, 81, §543.5; 81 Acts, ch 180, §20]

86 Acts, ch 1152, §17

C93, §203C.5

2008 Acts, ch 1083, §10

Referred to in §203C.6

**203C.6 Issuance of license and financial responsibility.**

1. The department, upon application to it, may issue to a warehouse operator or to a person about to become a warehouse operator a license for the operation of a warehouse in accordance with this chapter and the rules adopted by the department under section 203C.5. A single license to operate two or more warehouses located anywhere within the state may be issued.

2. The type of license required shall be determined as follows:

*a.* A class 1 license is required if the storage capacity of a warehouse is more than one hundred thousand bushels.

*b.* A class 2 license is required for a warehouse that is not required to have a class 1 license.

3. An application for a warehouse license shall be accompanied by a complete financial statement of the applicant setting forth the assets, liabilities and net worth of the applicant. The financial statement must be prepared according to generally accepted accounting principles. Assets shall be shown at original cost less depreciation. Upon written request, the department may allow asset valuations in accordance with a competent appraisal. Unpriced contracts shall be shown as a liability and valued at the applicable current market price of grain as of the date the financial statement is prepared.

4. In order to receive and retain a class 1 license, the following conditions must be satisfied:

*a.* The warehouse operator shall have and maintain a net worth of at least twenty-five cents per bushel of warehouse capacity, or maintain a deficiency bond or an irrevocable letter of credit in the amount of two thousand dollars for each one thousand dollars or fraction thereof of net worth deficiency. However, a person shall not be licensed as a class 1 warehouse operator if the person has a net worth of less than twenty-five thousand dollars.

*b.* The warehouse operator shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a warehouse operator submit more than one such unqualified opinion per year. The warehouse operator may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause. A warehouse operator shall submit financial statements to the department in addition to those required in this paragraph if the department determines that it is necessary to verify the warehouse operator's financial status or compliance with this subsection.

5. In order to receive and maintain a class 2 license, the following conditions must be satisfied:

*a.* The warehouse operator shall have and maintain a net worth of at least twenty-five cents per bushel of warehouse capacity, or maintain a deficiency bond or an irrevocable letter

of credit in the amount of two thousand dollars for each one thousand dollars or fraction thereof of net worth deficiency. However, a person shall not be licensed as a class 2 warehouse operator if the person has a net worth of less than ten thousand dollars.

*b.* The warehouse operator shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a warehouse operator submit more than one such unqualified opinion per year. The warehouse operator may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause. A warehouse operator shall submit financial statements to the department in addition to those required in this paragraph if the department determines that it is necessary to verify the warehouse operator's financial status or compliance with this subsection.

6. The department may adopt rules governing the timing and form of financial statements to be submitted to it. The department may require additional information or verification with respect to the financial resources of the applicant or licensee and the applicant's or licensee's ability to maintain the quantity and quality of stored grain.

7. The department may deny a license to an applicant if the applicant has had a license issued under chapter 203 or this chapter revoked within the past three years, the applicant has been convicted of a felony involving violations of chapter 203 or this chapter, or the applicant is owned or controlled by a person who has had a license so revoked or who has been so convicted.

8. The department may deny a license to an applicant if any of the following apply:

*a.* The applicant has caused liability to the Iowa grain depositors and sellers indemnity fund through operations under a license issued under this chapter or chapter 203, and the liability has not been discharged, settled, or satisfied.

*b.* The applicant is owned or controlled by a person who has caused liability to the fund through operations under a license issued under this chapter or chapter 203, and the liability has not been discharged, settled, or satisfied.

9. A deficiency bond or irrevocable letter of credit filed with the department pursuant to this section shall not be canceled by the issuer on less than one hundred twenty days' notice by certified mail to the department and the principal.

[C24, 27, 31, §9722; C35, §9751-g4; C39, §**9751.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §543.4; C79, 81, §543.6; 81 Acts, ch 180, §21]

86 Acts, ch 1152, §18, 19; 87 Acts, ch 147, §6, 7; 88 Acts, ch 1134, §98; 89 Acts, ch 143, §303, 304, 702, 801, 802; 92 Acts, ch 1239, §69, 70

C93, §203C.6

2003 Acts, ch 69, §48; 2007 Acts, ch 22, §49; 2008 Acts, ch 1083, §11, 12; 2012 Acts, ch 1095, §102

Referred to in §203.11B, 203C.1, 203C.2, 203C.3, 203C.4, 203C.7, 203C.11, 203C.36, 203C.39

**203C.7 Application for the issuance or renewal of a license.**

1. Each application for the issuance of a license shall be in writing on a form prescribed by the department, subscribed and sworn to by the applicant or a duly authorized representative of the applicant. In addition to any other information required by rule of the department the application shall include all of the following:

*a.* The name of the person making the application, the names of all partners if the applicant is a partnership, and the names and titles of the principal officers or managers

if the applicant is a legal entity including but not limited to a limited partnership, limited liability partnership, limited liability company, corporation, or cooperative association.

*b.* The principal office or place of business of the applicant.

*c.* A general description of each warehouse as to storage capacity, type of construction, mechanical equipment, if any, and condition.

*d.* The approximate location of each warehouse.

*e.* The type and quantity of agricultural product, or products intended to be stored in each warehouse.

*f.* A complete financial statement for use of the department in the administration of this chapter, as required by section 203C.6.

*g.* A tariff on a form to be prescribed by the department for storage, receiving, and loadout charges.

2. Each application for the renewal of a license shall be in writing and include information required by the department, including changes to information required in subsection 1.

[C24, 27, 31, §9722; C35, §9751-g4; C39, §**9751.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §543.5; C79, 81, §543.7]

89 Acts, ch 143, §803

C93, §203C.7

2010 Acts, ch 1082, §3

Referred to in §203C.9, 203C.37, 203D.3A, 203D.5

**203C.8 License to specify type and quantity of products which may be stored.**

The department shall determine with respect to each application for a license whether the warehouse or warehouses described in the application is or are suitable for the proper and safe storage of the particular agricultural product or products intended to be stored therein in the quantities specified in the application, provided that no warehouse shall be found to be suitable and safe for the storage of bulk grain unless such warehouse is equipped with a fixed or portable mechanical device of a type in common use as an adjunct to the movement of bulk grain. Each license issued for the operation of a single warehouse shall specify the type or types and quantities of agricultural products which may be stored in such warehouse. Each license issued to a warehouse operator for the operation of two or more warehouses shall specify with respect to each warehouse the type or types and quantities of agricultural product which may be stored in such warehouse. It shall be unlawful for any licensed warehouse operator to accept for storage or to store in any licensed warehouse any agricultural product or products other than the type or types and quantities specified in the license for the operation of such warehouse.

[C24, 27, 31, §9722; C35, §9751-g4; C39, §**9751.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §543.6; C79, 81, §543.8; 81 Acts, ch 180, §22]

C93, §203C.8

Referred to in §203D.5

**203C.9 Amendment of license.**

The department is authorized, upon its own motion, or upon receipt of written application, to amend any license previously issued by it, to change or modify the provisions as to the type and quantity of agricultural products which may be stored in the warehouse or warehouses in respect to which the license was originally issued. Application for amendments to licenses shall include the same information, except as to the financial condition of the applicant, as required by section 203C.7 to be included in an original application. Applications for amendments of licenses shall be considered by the department on the same basis as applications for original licenses, and except as otherwise provided in this chapter, a license when amended shall have the same status, as of the date of the amendment, as though originally issued as amended.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §543.8; C79, 81, §543.9]

C93, §203C.9

**203C.10 Action affecting a license.**

1. The cessation of a warehouse operator's license occurs from any of the following:

*a.* The revocation of the license by the department as provided in subsection 2.

*b.* The cancellation of the license as provided in section 203C.37.

*c.* The expiration of the license according to the terms of the license as provided in this chapter, including a rule adopted in accordance with this chapter pursuant to chapter 17A.

2. The department may issue an order to suspend or revoke the license of a warehouse operator who violates a provision of this chapter, including a rule adopted in accordance with this chapter, pursuant to chapter 17A.

3. The department may suspend or revoke the license of a warehouse operator for failing to consent to a departmental inspection or cooperate with the department during an inspection as provided by this chapter.

[C24, 27, 31, §9747; C35, §9751-g29; C39, §**9751.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.10]

89 Acts, ch 143, §101

C93, §203C.10

98 Acts, ch 1202, §34, 46; 2003 Acts, ch 69, §18; 2012 Acts, ch 1095, §103; 2013 Acts, ch 90, §34

Referred to in §203C.3, 203D.6

Subsection 1, paragraph c amended

**203C.11 Suspension or revocation for insufficient evidence of financial responsibility — notice.**

1. The department shall proceed under section 203C.15 if it has cause to believe that a licensed warehouse operator does not provide for and carry an insurance policy as required in that section.

2. If the department determines that the net worth of a licensed warehouse operator is not in compliance with the requirements of section 203C.6, the department shall issue a notice to the warehouse operator and shall suspend the warehouse operator's license if the warehouse operator does not provide evidence of compliance within thirty days of the issuance of the notice. The department shall inspect the warehouse at the end of the thirty-day period. If evidence of compliance is not provided within sixty days of the issuance of the notice, the department shall revoke the warehouse operator's license, and shall again inspect the warehouse. If a license is revoked, the department shall give notice of the revocation to each holder of an outstanding warehouse receipt and to all known persons who have grain retained in open storage. The revocation notice shall state that the grain must be removed from the warehouse not later than the thirtieth day after the issuance of the revocation notice. The revocation notice shall be sent by ordinary mail to the last known address of each person having grain in storage as provided in this subsection. The department shall conduct a final inspection of the warehouse at the end of the thirty-day period following the issuance of the revocation notice.

3. When the department receives notice that a deficiency bond or irrevocable letter of credit is being canceled by the issuer, and determines that upon the cancellation the warehouse operation will not be in compliance with section 203C.6, the department shall suspend the warehouse operator's license if a new deficiency bond or irrevocable letter of credit is not received by the department within sixty days of receipt by the department of the notice of cancellation. If a new deficiency bond or irrevocable letter of credit is not received by the department within thirty days following suspension, the warehouse operator's license shall be revoked. When a license is revoked, the department shall notify each holder of an outstanding warehouse receipt and all known persons who have grain retained in open storage of the revocation, and shall further notify each receipt holder and all known persons who have grain retained in open storage that the grain must be removed from the warehouse not later than the thirtieth day following revocation. The notice shall be sent by ordinary mail to the last known address of each person having grain in storage as provided in this subsection.

[C24, 27, 31, §9748; C35, §9751-g30; C39, §**9751.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.11; 81 Acts, ch 180, §23; 82 Acts, ch 1093, §2]

86 Acts, ch 1006, §4; 86 Acts, ch 1152, §20, 21

C93, §203C.11
2012 Acts, ch 1095, §104
Referred to in §203C.3

**203C.12 Participation in fund required.**

A person licensed to operate a warehouse under this chapter shall participate in and comply with the grain depositors and sellers indemnity fund provided in chapter 203D.

[C24, 27, 31, §9723; C35, §9751-g5; C39, §**9751.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.12]
86 Acts, ch 1152, §22
C93, §203C.12

**203C.12A Lien on warehouse operator assets.**

1. A statutory lien is imposed on all warehouse operator assets in favor of depositors possessing warehouse receipts covering grain stored by the warehouse operator and depositors with written evidence of ownership other than warehouse receipts disclosing a storage obligation of a warehouse operator.

2. *"Warehouse operator assets"* includes proceeds received or due a warehouse operator upon the sale, including exchange, collection, or other disposition, of grain sold by the warehouse operator. As used in this section, *"proceeds"* means noncash and cash proceeds as defined in section 554.9102. *"Warehouse operator assets"* also includes storage payments received or due to a warehouse operator, grain owned by the warehouse operator, and any other funds or property of the warehouse operator which can be directly traced as being from the sale of grain by the warehouse operator, or which were utilized in the business operation of the warehouse operator. A court, upon petition by an affected party, may order that claimed warehouse operator assets are not warehouse operator assets as defined in this section. The burden of proof shall be upon the petitioner to establish that the assets are not warehouse operator assets as defined in this section.

3. The lien shall arise at the commencement of the storage obligation, and shall terminate when the liability of the warehouse operator to the depositor has been discharged. The lien of all depositors is hereby assigned to the Iowa grain indemnity fund board, on behalf of the grain depositors and sellers indemnity fund.

4. To perfect the lien, the Iowa grain indemnity fund board must file a lien statement with the office of the secretary of state. The lien statement is valid only if filed on or after the date of suspension but not later than sixty days after the incurrence date as provided in section 203D.6. The lien statement shall disclose the name of the warehouse operator, the address of the warehouse operator's principal place of business, a description of identifiable warehouse operator assets, and the amount of the lien. The lien amount shall be the board's estimate of the final cost of reimbursing the grain depositors and sellers indemnity fund for the payment of claims made against the fund resulting from the breach of the warehouse operator's obligations. The board shall correct the amount not later than one hundred eighty days following the incurrence date. A court, upon petition by an affected person, may correct the amount. The board shall have the burden of proving that the amount is an accurate estimate.

5. The Iowa grain indemnity fund board shall upon written demand of the warehouse operator file a termination statement with the secretary of state, if after one hundred eighty days from the date that the lien is perfected the warehouse operator's license has not ceased by revocation, cancellation, or expiration. Upon filing the termination statement, the lien becomes unperfected. The board shall also deliver a copy of the termination statement to the warehouse operator.

6. The secretary of state shall note the filing of a lien statement under this section in a manner provided by chapter 554, the uniform commercial code. The secretary shall note the filing of a termination statement with the lien statement.

7. A lien statement filed under this section shall be a security interest perfected under chapter 554 and subject to the same priority as provided under section 554.9322.

8. In the event the department is appointed as a receiver under section 203C.3, assets

under the authority of the receiver are free from this statutory lien. However, if there are receivership assets in excess of those necessary to fully reimburse depositors, the perfected lien will attach to those excess assets.

9. *a.* The Iowa grain indemnity fund board may enforce the lien in the manner provided in chapter 554, article 9, part 6, for the enforcement of security interests. If, upon enforcement of the lien, the lien amount is satisfied in full without exhaustion of the warehouse operator assets, the remaining assets shall be returned to the warehouse operator or, if there are competing claims to those remaining assets by other creditors, those assets shall be placed in the custody of the district court and the known creditors impleaded.

*b.* For purposes of enforcement of the lien, the board is deemed to be the secured party and the warehouse operator is deemed to be the debtor, and each has the respective rights and duties of a secured party and a debtor as provided in chapter 554, article 9, part 6. If a right or duty under chapter 554, article 9, part 6, is contingent upon the existence of express language in a security agreement, or may be waived by express language in a security agreement, the requisite language is deemed not to exist for purposes of enforcement of the lien created by this section.

10. Actions relating to this section shall be brought in the district court in the county in which the warehouse operator's primary place of business is located or in Polk county.

92 Acts, ch 1239, §71; 2000 Acts, ch 1149, §164, 187; 2009 Acts, ch 41, §263; 2012 Acts, ch 1095, §105

Referred to in §203D.5A

**203C.13 Form and amount of evidence of financial responsibility.**

1. A warehouse operator who stores only agricultural products other than bulk grain shall have and maintain a net worth of at least ten percent of the value of the warehouse capacity, or maintain a deficiency bond or an irrevocable letter of credit in the amount of two thousand dollars for each one thousand dollars or fraction thereof of net worth deficiency. However, a person shall not be eligible for a license to store only agricultural products other than bulk grain if the person has a net worth of less than ten thousand dollars.

2. If the agricultural product or products intended to be stored by the warehouse operator, as specified in the application for a license or amended license, are other than bulk grain, the quantity of such product intended to be stored shall be valued at the fair market price on the date of filing the application, and the minimum amount of bond shall be determined with reference to such value as follows:

*a.* For intended storage of such products of a value less than twenty thousand dollars the minimum amount of the bond shall be three thousand dollars, plus one thousand dollars for each two thousand dollars, or fraction thereof, of value in excess of six thousand dollars up to twenty thousand dollars.

*b.* For intended storage of such products of a value not less than twenty thousand dollars and not more than fifty thousand dollars the minimum amount of the bond shall be ten thousand dollars plus one thousand dollars for each three thousand dollars, or fraction thereof, of value in excess of twenty thousand dollars up to fifty thousand dollars.

*c.* For intended storage of such products of a value not less than fifty thousand dollars the minimum amount of the bond shall be twenty thousand dollars plus one thousand dollars for each five thousand dollars, or fraction thereof, of value in excess of fifty thousand dollars.

3. A bond, deficiency bond, or irrevocable letter of credit on agricultural products other than bulk grain shall not be canceled by the issuer on less than one hundred twenty days' notice by certified mail to the department and the principal. When the department receives notice from an issuer that it has canceled the bond, deficiency bond, or irrevocable letter of credit on agricultural products other than bulk grain of a warehouse operator, the department shall suspend the warehouse operator's authorization to store or accept for storage agricultural products other than bulk grain if a new bond, deficiency bond, or irrevocable letter of credit is not received by the department within sixty days of the issuance of the notice of cancellation. The department shall conduct an inspection of the licensee's warehouse immediately at the end of the sixty-day period. If a new bond, deficiency bond, or irrevocable letter of credit is not provided within ninety days of the issuance of the notice

of cancellation, the department shall revoke the warehouse operator's authorization to store or accept for storage agricultural products other than bulk grain. The department shall conduct a further inspection of the licensee's warehouse after the ninety-day period. When an authorization to store or accept for storage agricultural products other than bulk grain is revoked, the department shall give notice of the revocation to all known persons who have agricultural products other than bulk grain in storage, and shall notify them that the agricultural products other than bulk grain must be removed from the warehouse not later than one hundred twenty days after the issuance of the notice of cancellation. The revocation notice shall be sent by ordinary mail to the last known address of each person having agricultural products other than bulk grain in storage. The department shall cause a final inspection of the licensee's warehouse after the end of the one hundred twenty-day period.

[C24, 27, 31, §9725; C35, §9751-g6; C39, §**9751.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.13]

86 Acts, ch 1006, §5; 86 Acts, ch 1152, §23, 24

C93, §203C.13

2012 Acts, ch 1095, §106

**203C.14 Suit — claims — notice of revocation.**

1. A person injured by the breach of an obligation of a warehouse operator, for the performance of which a bond on agricultural products other than bulk grain, a deficiency bond, or an irrevocable letter of credit has been given under any of the provisions of this chapter, may sue on the bond on agricultural products other than bulk grain, deficiency bond, or irrevocable letter of credit in the person's own name in a court of competent jurisdiction to recover any damages the person has sustained by reason of the breach.

2. *a.* Upon the cessation of a warehouse operator's license due to revocation, cancellation, or expiration, a claim against the warehouse operator arising under this chapter shall be made in writing with the warehouse operator, with the issuer of a bond on agricultural products other than bulk grain, a deficiency bond, or an irrevocable letter of credit, and, if the claim relates to bulk grain, with the department. The claim must be made within one hundred twenty days after the cessation of the license. The failure to make a timely claim relieves the issuer and, if the claim relates to bulk grain, the grain depositors and sellers indemnity fund provided in chapter 203D of all obligations to the claimant.

*b.* Upon revocation of a warehouse license, the department shall cause notice of the revocation to be published once each week for two consecutive weeks in a newspaper of general circulation in each of the counties in which the licensee maintains a business location and in a newspaper of general circulation within the state. The notice shall state the name and address of the warehouse operator and the effective date of revocation. The notice shall also state that any claims against the warehouse operator shall be made in writing and sent by ordinary mail to the warehouse operator, to the issuer of a bond on agricultural products other than bulk grain, deficiency bond, or an irrevocable letter of credit, and to the department within one hundred twenty days after revocation, and the notice shall state that the failure to make a timely claim does not relieve the warehouse operator from liability to the claimant.

*c.* This subsection does not apply if a receiver is appointed as provided in this chapter pursuant to a petition which is filed by the department prior to the expiration of one hundred twenty days after cessation of warehouse operator's license.

[C24, 27, 31, §9749; C35, §9751-g31; C39, §**9751.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.14]

86 Acts, ch 1152, §25

C93, §203C.14

2012 Acts, ch 1095, §107; 2012 Acts, ch 1138, §56

Referred to in §203D.6

**203C.15 Insurance required — exception.**

1. A warehouse operator shall maintain insurance coverage as provided in this section.

In order to maintain insurance coverage, all agricultural products in storage in a licensed warehouse and all agricultural products which have been deposited temporarily in a licensed warehouse pending storage or for purposes other than storage, shall be kept fully insured by the warehouse operator as provided in this section for the current value of the agricultural products against loss by fire, inherent explosion, windstorm, or any other similar catastrophe designated by rules which may be adopted by the department.

2. The insurance coverage required in subsection 1 shall be carried by one or more insurance companies. Such an insurance company must be all of the following:

*a.* Organized or operating under the laws of this state or authorized by the laws of this state to do business in this state.

*b.* An insurer of agricultural products in this state as provided in subsection 1.

3. Insurance coverage may be terminated by its expiration without renewal, or canceled by the insurance company on its own volition or as a result of an action or inaction by the insured licensed warehouse operator.

4. A licensed warehouse operator shall be responsible for providing the department with all of the following:

*a.* Evidence of insurance coverage as required in subsection 2 that is an insurance policy or other document approved by the department which evidences property and casualty insurance.

*b.* Proof of insurance which verifies that evidence of insurance coverage submitted by a licensed warehouse operator complies with subsection 1.

5. A warehouse operator must submit evidence of insurance coverage with the department as required by the department. The department must approve the evidence of insurance coverage before the department files it. A warehouse operator shall not be issued a license or retain a license unless evidence of insurance coverage is on file with the department.

6. The department may demand proof of insurance coverage by the licensed warehouse operator, regardless of whether the department has previously approved proof of insurance or approved or filed evidence of insurance coverage. The demand must be in writing and must explain the department's enforcement action resulting from the warehouse operator's noncompliance.

*a.* The licensed warehouse operator may comply with the demand by doing any of the following:

(1) Assuring the department that existing evidence of insurance coverage filed with the department complies with the requirements of this section.

(2) Obtaining additional or new insurance coverage. The licensed warehouse operator must submit and the department must approve and file the supplemental or new evidence of insurance coverage necessary to comply with the requirements of this section.

*b.* If the licensed warehouse operator fails to comply with the requirements of the demand letter as set out in paragraph *"a"*, the department shall take enforcement action as follows:

(1) Thirty days after delivering the demand letter to the licensed warehouse operator, the department shall suspend the warehouse license.

(2) Forty days after delivering the demand letter to the licensed warehouse operator, the department shall revoke the warehouse license.

*c.* The department may inspect a licensed warehouse at any time.

*d.* The department shall terminate an enforcement action as provided in paragraph *"b"*, if the licensed warehouse operator submits any proof of insurance or supplemental or new evidence of insurance which the department approves. However, this paragraph *"d"* applies only if the licensed warehouse operator submits the proof of insurance or evidence of insurance prior to the effective date of the revocation.

7. An insurance company shall not cancel insurance coverage unless any of the following applies:

*a.* The insurance company provides the department and the licensed warehouse operator with at least ninety days' notice of cancellation by mail.

*b.* The insurance coverage is renewed or replaced by the licensed warehouse operator, and the department has approved and filed the evidence of insurance coverage at the time that the department would have received the mailed notice of cancellation.

8. The department shall take enforcement action against a licensed warehouse whose insurance coverage has been terminated by cancellation or expiration.

*a.* The department shall suspend the warehouse license. The suspension shall take effect on the date that the insurance coverage terminates. However, the department shall terminate the suspension if the licensed warehouse operator submits proof of insurance or any renewed or new evidence of insurance coverage to the department. In addition, all of the following requirements apply:

(1) The department must receive the proof of insurance or evidence of insurance coverage within ten days after the effective date of the suspension.

(2) The department must approve the proof of insurance or evidence of insurance coverage.

*b.* The department shall revoke the warehouse license. The revocation shall take effect eleven days after the effective date of the suspension, unless the suspension is terminated as provided in paragraph "*a*".

9. When a license is revoked, the department shall notify each holder of an outstanding warehouse receipt and all known persons who have grain retained in open storage of the revocation. The department shall further notify each receipt holder and all known persons who have grain retained in open storage that the grain must be removed from the warehouse not later than the thirtieth day following the revocation. The notice shall be sent by ordinary mail to the last known address of each person having grain in storage as provided in this subsection.

10. Claimants against the insurance have precedence in the following order:

*a.* Holders of warehouse receipts other than the warehouse operator and owners of bulk grain other than the warehouse operator.

*b.* Owners of all other agricultural products as their interests appear.

*c.* Warehouse operators who have warehouse receipts.

*d.* Warehouse operators owners of bulk grain.

11. However, notwithstanding the insurance requirements set forth in this section, a licensed warehouse may exclude from the insurance coverage stored grain to which title is fully vested in the United States government or any of its subdivisions or agencies, provided that the licensed warehouse has on file with the United States government or any of its subdivisions or agencies a current and accepted uninsured storage rate under the provisions of their uniform grain storage agreement. The licensed warehouse shall file a copy of the current uninsured tariff rate with the department immediately upon acceptance of the uninsured rate by the United States government or any of its subdivisions or agencies.

[C24, 27, 31, §9725; C35, §9751-g7; C39, §**9751.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.15]

86 Acts, ch 1006, §6; 86 Acts, ch 1103, §1; 86 Acts, ch 1152, §26; 89 Acts, ch 143, §804

C93, §203C.15

2009 Acts, ch 41, §217; 2012 Acts, ch 1095, §108 – 110; 2013 Acts, ch 30, §42

Referred to in §203C.11

Subsection 6, paragraph a, unnumbered paragraph 1 amended

**203C.16 License required for the storage of bulk grain.**

A person other than a licensed warehouse operator shall not place in storage or accept for storage any bulk grain. A person shall not place bulk grain in storage in a warehouse other than a licensed warehouse. This section shall not apply to any of the following:

1. The acceptance and storage of bulk grain by a person bonded and licensed under the United States Warehouse Act.

2. The storage of bulk grain by a person who owns all the stored bulk grain.

3. *a.* The storage of bulk grain by more than one person, if all of the following apply:

(1) The bulk grain was jointly produced by all persons storing the grain.

(2) The bulk grain is stored on the property owned or leased by one of the persons jointly producing the grain.

(3) No person other than persons jointly producing the grain owns the stored bulk grain.

*b.* As used in this subsection, *"jointly produced"* includes but is not limited to grain owned by a landlord who receives a share of agricultural products as rent.

[C24, 27, 31, §9722, 9724; C35, §9751-g2; C39, §**9751.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.16]

C93, §203C.16

94 Acts, ch 1113, §1; 2012 Acts, ch 1095, §111; 2013 Acts, ch 90, §35

Subsection 3 amended

**203C.17 Receiving bulk grain at licensed and unlicensed warehouses.**

1. Any grain which has been received at any licensed warehouse for which the actual sale price is not fixed and proper documentation made or payment made shall be construed to be grain held for storage within the meaning of this chapter. Grain may be held in open storage or placed on warehouse receipt. A warehouse receipt shall be issued for all grain held in open storage within one year from the date of delivery to the warehouse, unless the depositor has signed a statement that the depositor does not desire a warehouse receipt. A warehouse receipt shall be issued upon request by the depositor. The warehouse operator's tariff shall apply for any grain that is retained in open storage or under warehouse receipt.

2. Bulk grain deposited with a licensed warehouse operator for processing, cleaning, drying, shipping for the account of the depositor or any other purpose shall be removed within thirty days or such grain shall be determined as stored grain and the warehouse operator's tariff charges shall apply.

3. Grain received on a scale ticket which fails to have the price fixed and properly documented on the records of the warehouse operator shall be construed to be in open storage.

4. All bulk grain whether open storage or having been placed on warehouse receipt is covered by the grain depositors and sellers indemnity fund created in chapter 203D.

5. Any grain which has been received at any unlicensed warehouse and for which the actual sale price has not been fixed and payment made within thirty days from receipt of the grain, unless covered by a credit-sale contract, shall be construed to be unlawful storage within the meaning of this chapter. Bulk grain received at any unlicensed warehouse for any other purpose must either be returned to the depositor or disposed of by order of the depositor within thirty days from date of actual deposit of the bulk grain.

6. If the depositor of bulk grain in an unlicensed warehouse fails to sell the grain or orders other disposition of the grain, the warehouse operator may purchase the grain, if otherwise allowed by law, on the thirtieth day after deposit at not less than the local market price at the close of business on the thirtieth day or return the grain to the depositor by the thirtieth day.

7. A licensed warehouse operator who does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department shall not purchase grain on credit-sale contract to correct the shortage of grain. A licensed warehouse operator shall not issue a warehouse receipt for purposes of providing collateral, if the grain which is the subject of the warehouse receipt was purchased by credit-sale contract and is unpaid for by the warehouse operator.

8. *a.* At least once each year, a licensed warehouse operator shall send a statement to each holder of a warehouse receipt covering grain stored at the licensed warehouse operator's licensed warehouse for more than one year. The statement shall be delivered in person or mailed to the holder's last known address. The statement shall show the amount of all grain stored pursuant to a warehouse receipt for such warehouse receipt holder and the amount of any storage charges held by the licensed warehouse operator against that grain.

*b.* The failure to prepare a statement required by this subsection is a simple misdemeanor.

*c.* A violation of this section shall not constitute grounds for the suspension or revocation of a warehouse operator's license.

[C24, 27, 31, §9730; C35, §9751- g12; C39, §**9751.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.17; 81 Acts, ch 180, §24]

86 Acts, ch 1152, §27; 92 Acts, ch 1239, §72, 73

C93, §203C.17
99 Acts, ch 106, §12; 2007 Acts, ch 30, §45, 46, 80; 2009 Acts, ch 41, §218; 2012 Acts, ch 1095, §112
See §203.15

**203C.18 Warehouse receipts — issuance, printing, and electronic filing.**

1. For all agricultural products that become storage in a licensed warehouse, warehouse receipts signed by the licensed warehouse operator or the operator's authorized agent shall be issued by the licensed warehouse operator. Such warehouse receipts shall be in the form required or permitted by uniform commercial code, sections 554.7202 and 554.7204, provided, however, that each receipt issued for agricultural products, in addition to the matters specified in uniform commercial code, section 554.7202, shall embody in its written or printed terms:

*a.* The receiving and loadout charges which will be made by the warehouse operator.

*b.* The grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made; provided that such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated; provided, further, that until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the secretary of agriculture of the United States.

*c.* A statement that the receipt is issued subject to this chapter.

*d.* Such other terms and conditions as may be required by rules of the department.

2. Warehouses that are not licensed pursuant to this chapter or by the United States government shall not issue warehouse receipts for agricultural products.

3. A form for a warehouse receipt shall only be printed by a person approved by the department. A form for a warehouse receipt shall be printed in accordance with specifications set forth by the department. A warehouse operator shall surrender to the department all forms for warehouse receipts that are unused at the time that the warehouse operator's license is suspended or ceases due to revocation, cancellation, or expiration. The warehouse operator shall surrender the warehouse receipts in a manner required by the department.

4. The department may adopt rules to allow for the issuance of electronic warehouse receipts by a provider who is a person approved by the department to maintain a secure electronic central filing system of electronic records including warehouse receipts and who is independent of an outside influence or bias in action or appearance.

[C24, 27, 31, §9736, 9737; C35, §9751-g17, 9751-g18; C39, §**9751.17, 9751.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.18; 81 Acts, ch 180, §25]
86 Acts, ch 1152, §28
C93, §203C.18
2007 Acts, ch 30, §45, 46, 81; 2009 Acts, ch 133, §77; 2012 Acts, ch 1095, §113, 114
Referred to in §203C.20

**203C.19 Rights and obligations with respect to warehouse receipts — lost receipts.**

1. Insofar as not inconsistent with the provisions of this chapter, original or duplicate receipts issued by licensed warehouse operators shall be deemed to have been issued under the provisions of uniform commercial code, chapter 554, article 7.

2. Duplicates and releases for lost, destroyed, or stolen warehouse receipts may be issued only in accordance with the provisions of sections 554.7601 and 554.7601A.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.19]
C93, §203C.19
2007 Acts, ch 30, §45, 46, 82
Referred to in §203C.20

**203C.20 Receipt by warehouse operator to self.**

A licensed warehouse operator may issue a warehouse receipt for agricultural products owned by the warehouse operator and dispose of the title to or interest in such products through the medium of such receipt. Such receipt shall be of the same standing as though it had been issued to a person other than the licensed warehouse operator upon a rightful deposit of the products by such other person. Sections 203C.18 and 203C.19 shall be applicable to any such receipt.

[C71, 73, 75, 77, 79, 81, §543.20]
C93, §203C.20

**203C.21 and 203C.22** Reserved.

**203C.23 Warehouse operator's obligation.**

1. A warehouse operator shall maintain at all times sufficient quantity and quality of grain or other agricultural products to cover the warehouse operator's obligation. A warehouse operator shall not at any time have less grain or other agricultural products in the warehouse than the obligations to depositors, as determined by an investigation of the warehouse operator's records.

2. An incidental warehouse operator shall maintain at all times sufficient quantity and quality of grain to cover the incidental warehouse operator's obligation. An incidental warehouse operator shall not at any time have less grain in a warehouse than the obligations to depositors, as determined by an investigation of the incidental warehouse operator's records.

[81 Acts, ch 180, §29]
C83, §543.23
C93, §203C.23
99 Acts, ch 106, §13

**203C.24 Confidentiality of records.**

Notwithstanding the provisions of chapter 22, all financial statements of warehouse operators under this chapter shall be kept confidential by the department and its agents and employees and are not subject to disclosure except as follows:

1. Upon waiver by the licensee.
2. In actions or administrative proceedings commenced under this chapter or chapter 203.
3. Disclosure to the Iowa grain indemnity fund board in regard to licensees who present liability to the fund.
4. When required by subpoena or other court orders.
5. Disclosure to law enforcement agencies in regards to the detection and prosecution of public offenses.
6. Where released to a bonding company approved by the department or to the United States department of agriculture or any of their divisions.
7. Where released at the request of the Iowa accountancy examining board for licensee review and discipline in accordance with chapters 272C and 542 and subject to the confidentiality requirements of section 272C.6.
8. Disclosure to the grain industry peer review panel as provided in section 203.11B.

[81 Acts, ch 180, §30]
C83, §543.24
83 Acts, ch 104, §2; 89 Acts, ch 143, §602
C93, §203C.24
99 Acts, ch 106, §14; 2001 Acts, ch 55, §24, 38
Referred to in §203.11B, 203D.4

**203C.25 Shrinkage adjustments — disclosures — penalties.**

1. A person who, in connection with the receipt of corn or soybeans for storage, processing, or sale, adjusts the scale weight of the grain to compensate for the moisture content of the grain shall compute the amount of the adjustment by multiplying the scale

weight of the grain by that factor which results in a rate of adjustment of one and eighteen hundredths percent of weight per one percent of moisture content. The use of any rate of weight adjustment for moisture content other than the one prescribed by this subsection is a fraudulent practice. The person shall post on the business premises in a conspicuous place notice of the rate of adjustment for moisture content that is prescribed by this subsection. Failure to make this disclosure is a simple misdemeanor.

2. A person who, in connection with the receipt of grain for storage, processing or sale, adjusts the quantity of the grain received to compensate for losses to be incurred during the handling, processing, or storage of the grain shall post on the business premises in a conspicuous place notice of the rate of adjustment to be made for this shrinkage. Failure to make the required disclosure is a simple misdemeanor.

3. A person who adjusts the scale weight of corn or soybeans both for moisture content and for handling, processing, or storage losses may combine the two adjustment factors into a single factor and may use this resulting factor to compute the amount of weight adjustment in connection with storage, processing, or sale transactions, provided that the person shall post on the business premises in a conspicuous place a notice that discloses the moisture shrinkage factor prescribed by subsection 1, the handling shrinkage factor to be imposed, and the single factor that results from combining these factors. Failure to make the required disclosure is a simple misdemeanor.

[81 Acts, ch 180, §31]
C83, §543.25
C93, §203C.25

**203C.26** Reserved.

**203C.27 Discrimination.** Repealed by 2012 Acts, ch 1095, § 117.

**203C.28 Tariff rates.**

A warehouse operator shall, at the time of application for a license, file a tariff with the department which shall contain rates to be charged for receiving, storage, and load-out of grain. The tariff shall be posted in a conspicuous place at the place of business of the licensee in a form prescribed by the department and shall become effective at the time the license becomes effective.

Storage charges shall commence on the date of delivery to the warehouse. Storage, receiving, or load-out charges other than those specified in the tariff may be made if the charge is required by the terms of a written contract with the United States government or any of its subdivisions or agencies.

Grain deposited with the warehouse for the sole purpose of processing and redelivery to the depositor is subject only to the charges listed under the grain bank section of the tariff. Drying and cleaning of grain shall not be construed as processing.

A tariff may be amended at any time and is effective immediately, except that grain in store on the effective date of a storage charge increase does not assume the increased rate until the subsequent anniversary date of deposit. Any decrease in storage rates shall be effective immediately and shall be applicable to all grain in store on the effective date of the decrease.

A warehouse operator may file with the department and publish the supplemental tariff applicable only to grain meeting special descriptive standards or characteristics as set forth in the supplemental tariff. A supplemental tariff shall be in a form prescribed by the department and be posted adjacent to the warehouse tariff.

All tariff charges shall be nondiscriminatory within classes.

[C24, 27, 31, §9737; C35, §9751-g18; C39, §**9751.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.28]
86 Acts, ch 1103, §2
C93, §203C.28

**203C.29** Reserved.

**203C.30 Inspecting and grading.**

Grain or any other fungible agricultural product stored in a warehouse licensed under this chapter for which no separate compartment is provided, and its identity preserved, shall be inspected and graded.

[C24, 27, 31, §9733; C35, §9751-g14; C39, §**9751.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.30]

C93, §203C.30

2012 Acts, ch 1095, §115

**203C.31 and 203C.32** Reserved.

**203C.33 Fees.**

1. The department shall charge the following fees for deposit in the general fund:

*a.* For the issuance or renewal of a warehouse license, the fee shall be determined on the basis of the storage capacity in bushels of grain as follows:

(1) If the total storage capacity is one hundred thousand bushels or less, the fee is fifty-eight dollars.

(2) If the total storage capacity is more than one hundred thousand bushels, but not more than seven hundred fifty thousand bushels, the fee is one hundred twenty-five dollars.

(3) If the total storage capacity is more than seven hundred fifty thousand bushels, but not more than one million five hundred thousand bushels, the fee is one hundred ninety-one dollars.

(4) If the total storage capacity is more than one million five hundred thousand bushels, but not more than three million bushels, the fee is two hundred forty-nine dollars.

(5) If the total storage capacity is more than three million bushels, but not more than four million seven hundred fifty thousand bushels, the fee is three hundred seven dollars.

(6) If the total storage capacity is more than four million seven hundred fifty thousand bushels, but not more than nine million five hundred thousand bushels, the fee is three hundred seventy-four dollars.

(7) If the total storage capacity is more than nine million five hundred thousand bushels, the fee is four hundred forty dollars.

*b.* For the issuance or renewal of a warehouse license for the storage of products other than bulk grain, the fee shall be determined as follows:

(1) For intended storage of products of a value of one hundred thousand dollars or less, a fee of sixty dollars.

(2) For intended storage of products of a value greater than one hundred thousand dollars but not greater than three hundred thousand dollars, a fee of one hundred dollars.

(3) For intended storage of products of a value in excess of three hundred thousand dollars, a fee of two hundred dollars.

*c.* For each inspection of a warehouse or station for the purpose of licensing, a fee of twenty-five dollars, and for each additional warehouse or station under the same license, a fee of ten dollars.

*d.* For each amendment of a license, a fee of ten dollars.

*e.* For each amendment of a tariff, a fee of ten dollars.

*f.* For a duplicate license, a fee of five dollars.

*g.* For the reinstatement of a license, a fee of fifty dollars.

2. Fees for new licenses issued for less than a year shall be prorated from the date of application.

[C24, 27, 31, §9726; C35, §9751-g9; C39, §**9751.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.33; 81 Acts, ch 180, §26, 32]

83 Acts, ch 175, §3, 4; 84 Acts, ch 1100, §4; 92 Acts, ch 1239, §74

C93, §203C.33

2009 Acts, ch 133, §213

Referred to in §203C.37, 203D.3A

**203C.34 Display of license.**

Every warehouse operator's license issued under this chapter shall be conspicuously displayed in the office of the warehouse for the operation of which the license has been issued.

[C24, 27, 31, §9728; C35, §9751-g10; C39, §**9751.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.34]

86 Acts, ch 1152, §29

C93, §203C.34

**203C.35 Licensed warehouse operator to keep records.** Repealed by 2003 Acts, ch 69, § 22.

**203C.36 Penalties — injunction.**

1. A person who knowingly withholds information from or knowingly submits false information to the department or any of its employees in a record required to be maintained or submitted to the department under this chapter commits a fraudulent practice as provided in chapter 714.

2. *a.* Except as provided in paragraph "*b*", a person commits a serious misdemeanor if the person does any of the following:

(1) Engages in business as a warehouse operator without a license as required in section 203C.6.

(2) Obstructs the inspection of the person's business premises or records required to be kept by a licensed warehouse operator pursuant to section 203C.2.

(3) Uses a scale ticket, warehouse receipt, or other document in violation of this chapter or requirements established by the department under this chapter.

*b.* A person who commits an offense specified in paragraph "*a*" after having been found guilty of the same offense commits an aggravated misdemeanor.

3. Except as provided in subsections 1 and 2, a person who violates any provision of this chapter commits a simple misdemeanor. With respect to a continuing violation, each day that the violation continues is a separate offense.

4. A person in violation of this chapter, or in violation of chapter 714 or 715A, which violation involves the business of a warehouse operator, is subject to prosecution by the county attorney in the county where the business is located. However, if the county attorney fails to initiate prosecution within thirty days, and upon request by the department, the attorney general may initiate and carry out the prosecution in cooperation, if possible, with the county attorney. The person in violation may be restrained by injunction in an action brought by the department or the attorney general upon request by the department.

[C24, 27, 31, §9751; C35, §9751-g33; C39, §**9751.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §543.36; 81 Acts, ch 180, §27]

92 Acts, ch 1239, §75

C93, §203C.36

2003 Acts, ch 69, §19

**203C.36A Civil penalties.**

1. The department shall establish, by rule, civil penalties which may be administratively or judicially assessed against a warehouse operator for a violation of this chapter.

2. The amount of a civil penalty shall not exceed one thousand five hundred dollars. Each day that a violation continues shall constitute a separate violation. The amount of the civil penalty that may be assessed in an administrative case shall not exceed the amount recommended by the grain industry peer review panel established pursuant to section 203.11B. Moneys collected in civil penalties by the department or the attorney general shall be deposited in the general fund of the state.

3. A civil penalty may be administratively assessed only after an opportunity for a contested case hearing under chapter 17A. The department may be represented in an administrative hearing or judicial proceeding by the attorney general. A civil penalty shall be paid within thirty days from the date that an order or judgment for the penalty becomes

final. When a person against whom a civil penalty is administratively assessed under this section seeks timely judicial review of an order imposing the penalty as provided under chapter 17A, the order is not final until all judicial review processes are completed. When a person against whom a civil penalty is judicially assessed under this section seeks a timely appeal of judgment, the judgment is not final until the right of appeal is exhausted.

4. A person who fails to timely pay a civil penalty as provided in this section shall pay, in addition to the penalty, interest at the rate of one and one-half percent of the unpaid balance of the assessed penalty for each month or part of a month that the penalty remains unpaid.

99 Acts, ch 106, §15

Referred to in §203.11B

**203C.37 Issuance of a license and payment of fees.**

1. *a.* Upon the filing of an application pursuant to section 203C.7 and compliance with the terms and conditions of this chapter including rules of the department, the department shall issue the applicant a warehouse operator's license. The license expires at the end of the third calendar month following the close of the warehouse operator's fiscal year. A warehouse operator's license may be renewed annually by the filing of a renewal application on a form prescribed by the department pursuant to section 203C.7. An application for renewal must be received by the department on or before the end of the third calendar month following the close of the warehouse operator's fiscal year.

*b.* The department shall not approve an application for the issuance or renewal of a warehouse operator's license unless the applicant pays all of the following fees:

(1) For the issuance of a license, all of the following:

(a) A license fee imposed under section 203C.33.

(b) A participation fee imposed under section 203D.3A, and any delinquent participation fee imposed under a previous license as provided in that section.

(2) For the renewal of a license, all of the following:

(a) A renewal fee imposed under section 203C.33.

(b) A participation fee imposed under section 203D.3A, and any delinquent participation fee as provided in that section.

2. The failure of a warehouse operator to file a renewal application and to pay a renewal fee as provided for in section 203C.33 and any delinquent participation fee as provided in section 203D.3A, on or before the end of the third calendar month following the close of the licensee's fiscal year shall cause a license to expire.

3. A warehouse license that has expired may be reinstated by the department upon receipt of a proper renewal application, the renewal fee and the reinstatement fee as provided for in section 203C.33, and any delinquent participation fee as provided in section 203D.3A. The applicant must file the renewal application and pay the fees to the department within thirty days from the date that the warehouse license expires.

4. The department may cancel the license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter.

5. *a.* The department shall refund a fee paid by a person to the department under this section if the department does not issue the person a license or renew the person's license.

*b.* The department shall prorate a fee paid by a person to the department under this section for the issuance or renewal of a license for less than a full year.

[C71, 73, 75, 77, 79, 81, §543.37; 81 Acts, ch 180, §28]

84 Acts, ch 1100, §5; 92 Acts, ch 1239, §76

C93, §203C.37

2010 Acts, ch 1082, §4; 2011 Acts, ch 34, §159, 170

Referred to in §203C.10, 203D.3A, 203D.5

**203C.38 No obligation of state.**

Nothing in this chapter shall be construed to imply any guarantee or obligation on the part of the state of Iowa, or any of its agencies, employees or officials, either elective or appointive, in respect of any agreement or undertaking to which the provisions of this chapter relate.

[C71, 73, 75, 77, 79, 81, §543.38]

C93, §203C.38

**203C.39 Grain stored in another warehouse.**

A licensed warehouse operator may store grain in an alternative warehouse located in Iowa or another state as provided in this section.

1. *a.* The alternative warehouse located in Iowa must be another licensed warehouse or a warehouse licensed pursuant to the United States Warehouse Act.

*b.* The alternative warehouse located in another state must be licensed pursuant to the applicable laws of the state in which the alternative warehouse is located or the United States Warehouse Act. A warehouse operator shall not store grain in an alternative warehouse located in another state, unless approved in writing by the department in a manner required by the department.

2. In storing grain in an alternative warehouse under subsection 1, all of the following requirements apply:

*a.* The warehouse operator must obtain from such warehouse operator a nonnegotiable warehouse receipt and such receipt must show clearly the following notation:

Held in trust for depositors of (name of original receiving warehouse).

*b.* When the licensed warehouse operator begins to use the alternative warehouse, the licensed warehouse operator must have sufficient net worth under section 203C.6 or provide a deficiency bond or an irrevocable letter of credit to cover the increase in the licensed warehouse operator's gross capacity.

3. A licensed warehouse operator may transfer grain for storage to another licensed warehouse operator while the warehouse operator receiving such grain has grain stored elsewhere under the provisions of this section.

[C71, 73, 75, 77, 79, 81, §543.39]

86 Acts, ch 1152, §30; 89 Acts, ch 143, §1102

C93, §203C.39

2003 Acts, ch 69, §20; 2012 Acts, ch 1095, §116

**203C.40 Prioritization of inspections of warehouse operators.**

The department shall develop a system to prioritize the inspections of warehouse operators provided in section 203C.2. The system of prioritization shall be computed each year based on the risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator. The department shall compute the risk by utilizing an available statistical model to measure the financial condition of warehouse operators. Procedures for utilizing the statistical model shall be adopted by department rules. The statistical model shall be used to provide risk ratings. A risk rating shall be used as a factor by the department to prioritize its inspection schedule. The department may inspect a warehouse operator at any time based on a risk of loss to the fund according to the risk rating. A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator based on the statistical model shall be good cause.

92 Acts, ch 1239, §77

Referred to in §203C.1, 203C.2

# CHAPTER 203D

## GRAIN DEPOSITORS AND SELLERS INDEMNIFICATION

Referred to in §159.6, 189.16, 190.1, 203.4, 203.12, 203C.4, 203C.12, 203C.14, 203C.17, 554.7204, 669.14

This chapter not enacted as a part of this title;
transferred from chapter 543A in Code 1993


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**203D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the Iowa grain indemnity fund board created in section 203D.4.
2. *"Credit-sale contract"* means the same as defined in section 203.1.
3. *"Department"* means the department of agriculture and land stewardship.
4. *"Depositor"* means a person who deposits grain in a licensed warehouse for storage, handling, or shipment, or who is the owner or legal holder of an outstanding warehouse receipt issued by a licensed warehouse, or who is lawfully entitled to possession of the grain.
5. *"First point of sale"* means the initial transfer of title to grain from a person who has produced the grain or caused the grain to be produced to the first purchaser of the grain for consideration, conditional or otherwise, in any manner or by any means.
6. *"Fund"* means the grain depositors and sellers indemnity fund created in section 203D.3.
7. *"Grain"* means the same as defined in section 203.1.
8. *"Grain dealer"* means the same as defined in section 203.1.
9. *"Licensed grain dealer"* means a person who has obtained a license to engage in the business of a grain dealer pursuant to section 203.3.
10. *"Licensed warehouse"* means the same as defined in section 203C.1.
11. *"Licensed warehouse operator"* means the same as in section 203C.1.
12. *"Licensee"* means a licensed grain dealer or licensed warehouse operator.
13. *"Loss"* means the amount of a claim held by a seller or depositor against a grain dealer or warehouse operator which has not been recovered through other legal and equitable remedies including the liquidation of assets.
14. *"Purchased grain"* means grain which is entered in the company-owned paid position as evidenced on the grain dealer's daily position record.
15. *"Seller"* means a person who sells grain which the person has produced or caused to be produced to a licensed grain dealer, but excludes a person who executes a credit-sale contract as a seller as provided in section 203.15. However, *"seller"* does not include any of the following:

*a.* A person licensed as a grain dealer in any jurisdiction who sells grain to a licensed grain dealer.

*b.* A person who sells grain that is not produced in this state unless such grain is delivered to a licensed grain dealer at a location in this state as the first point of sale.

16. *"Warehouse operator"* means the same as defined in section 203C.1.

86 Acts, ch 1152, §31
C87, §543A.1
87 Acts, ch 147, §8 – 10; 89 Acts, ch 143, §901, 902
C93, §203D.1
2008 Acts, ch 1083, §13, 14; 2009 Acts, ch 41, §81; 2009 Acts, ch 133, §78; 2010 Acts, ch 1082, §5; 2011 Acts, ch 34, §39; 2012 Acts, ch 1095, §118

**203D.2 Persons participating in fund.**

All licensed grain dealers and licensed warehouse operators shall participate in the fund.

86 Acts, ch 1152, §32
C87, §543A.2
87 Acts, ch 147, §11
C93, §203D.2

**203D.3 Grain depositors and sellers indemnity fund.**

1. The grain depositors and sellers indemnity fund is created in the state treasury as a separate account. The general fund of the state is not liable for claims presented against the fund under section 203D.6.

2. The fund consists of all of the following:

*a.* Participation fees paid to the department by licensed grain dealers and persons applying to be issued a grain dealer's license as provided in section 203D.3A.

*b.* Participation fees paid to the department by licensed warehouse operators and persons applying to be issued a warehouse operator's license as provided in section 203D.3A.

*c.* Per-bushel fees paid to the department by licensed grain dealers as provided in section 203D.3A.

*d.* Delinquency penalties.

*e.* Amounts collected by the state pursuant to legal action on behalf of the fund.

*f.* Interest, earnings on investments, property, or securities acquired through the use of moneys in the fund.

3. The fiscal year of the fund begins July 1 and ends on June 30. Fiscal quarters of the fund begin July 1, October 1, January 1, and April 1. The finances of the fund shall be calculated on an accrual basis in accordance with generally accepted accounting principles.

4. The moneys collected under this section and deposited in the fund shall be used exclusively to indemnify depositors and sellers as provided in section 203D.6 and to pay the administrative costs of this chapter.

5. All disbursements from the fund shall be paid by the treasurer of state pursuant to vouchers authorized by the department.

6. The administrative costs of this chapter shall be paid from the fund after approval of the costs by the board.

86 Acts, ch 1152, §33
C87, §543A.3
87 Acts, ch 147, §12 – 15; 88 Acts, ch 1148, §3; 89 Acts, ch 143, §903 – 905
C93, §203D.3
2008 Acts, ch 1083, §15; 2009 Acts, ch 133, §79; 2010 Acts, ch 1082, §6, 7
Referred to in §203.2A, 203D.1, 203D.3A, 203D.5

**203D.3A Fees.**

The department shall collect fees as provided in this section, if established by the board pursuant to section 203D.5, at rates determined by the board as provided in that section. A person required to pay a fee shall use forms and deliver the payment to the department as required by the department.

1. *a.* A person who applies for the issuance of a new license as a grain dealer pursuant to section 203.5 or a warehouse operator pursuant to sections 203C.7 and 203C.33 shall pay the department an initial participation fee as part of the application.

(1) In calculating the amount of the initial participation fee, an applicant for a license shall be deemed a licensee paying the full amount of the participation fee owing on the licensee's first anniversary date as provided in paragraph "*b*". The department must be satisfied that the applicant is calculating the amount due in good faith and using the best information available.

(2) If the department issues the license, the licensee shall recalculate the participation fee when making a payment on the licensee's first installment date as provided in paragraph "*b*". The licensee may notify the department of any overpayment and shall notify the department of any underpayment by the licensee's first installment date in a manner and according to

procedures required by the department. The department shall refund any overpayment to the licensee and the licensee shall pay any additional amount resulting from an underpayment.

*b.* A licensee shall pay a participation fee on four successive installment dates, with each installment date occurring on the last date of the fund's fiscal quarter as provided in section 203D.3. The licensee shall pay twenty-five percent of the total participation fee assessed on each installment date. However, nothing in this subsection prevents a licensee from paying the participation fee on an accelerated basis. A licensee shall pay the first installment on the last date of the fund's fiscal quarter immediately following the licensee's anniversary date.

(1) For a licensed grain dealer, the anniversary date is the last date to apply for the renewal of the grain dealer's license before the license expires as provided in section 203.5.

(2) For a licensed warehouse operator, the anniversary date is the last date to apply for the renewal of the warehouse operator's license before the license expires as provided in section 203C.37.

*c.* A licensee is delinquent if the licensee fails to submit the payment when due or if, upon examination, an underpayment of the fee is found by the department.

*d.* A licensee shall not pass on the cost of a participation fee to sellers. The department may suspend or revoke the license of a grain dealer for passing on the cost, as provided in chapter 203.

2. *a.* A per-bushel fee shall be assessed on all purchased grain. However, if the grain dealer provides documentation regarding the transaction satisfactory to the department, the following transactions shall be excluded from the per-bushel fee:

(1) Grain purchased from the United States government or any of its subdivisions or agencies.

(2) Grain purchased from a person licensed as a grain dealer in any jurisdiction.

(3) Grain purchased under a credit-sale contract.

*b.* The grain dealer shall forward the per-bushel fee to the department on a quarterly basis in the manner and using the forms prescribed by the department. A licensee is delinquent if the licensee fails to submit the full fee or quarterly forms when due or if, upon examination, an underpayment of the fee is found by the department. The grain dealer is subject to a penalty of ten dollars for each day the grain dealer is delinquent or an amount equal to the amount of the deficiency, whichever is less. However, a licensee who fails to submit the full fee or quarterly forms when due, is subject to a minimum payment of ten dollars. The department may establish and apply a margin of error in determining whether a grain dealer is delinquent. The per-bushel fee shall be collected only once on each bushel of grain.

*c.* A grain dealer may choose to pass on the cost of a per-bushel fee to the sellers by an itemized discount noted on the settlement sheet. However, if the per-bushel fee is not in effect, no grain dealer shall make such a discount on the purchase of grain. A discount made nominally for the per-bushel fee while the fee is not in effect is grounds for license suspension or revocation under chapter 203.

2010 Acts, ch 1082, §8

Referred to in §203.5, 203C.37, 203D.3, 203D.5

**203D.4 Indemnity fund board.**

1. The Iowa grain indemnity fund board is established to advise the department on matters relating to the fund and to perform the duties provided it in this chapter. The board is composed of the secretary of agriculture or a designee who shall serve as president; the state treasurer or a designee who shall serve as treasurer; a representative of the banking industry appointed by the governor, who shall be selected from a list of three nominations made by the secretary of agriculture; and four representatives of the grain industry appointed by the governor, subject to confirmation by the senate, two of whom shall be representatives of producers and who shall be actively participating producers, and two of whom shall be representatives of licensed grain dealers and licensed warehouse operators and who shall be actively participating licensed grain dealers and licensed warehouse operators, each of whom shall be selected from a list of three nominations made by the secretary of agriculture. The term of membership of the banking industry representative and the grain industry representatives is three years, and the representatives are eligible for reappointment.

However, of the grain industry representatives, only actively participating producers, and grain dealers and warehouse operators are eligible for reappointment. The banking industry representative and the grain industry representatives are entitled to a per diem as specified in section 7E.6 for each day spent in the performance of the duties of the board, plus actual expenses incurred in the performance of those duties. Four members of the board constitute a quorum, and the affirmative vote of four members is necessary for any action taken by the board, except that a lesser number may adjourn a meeting. A vacancy in the membership of the board does not impair the rights of a quorum to exercise all the rights and perform all the duties of the board.

2. The duties of the board include the review and determination of claims, and the review and approval of administrative costs of the fund. To carry out these duties, the board has the power to adopt rules regarding its organization and procedures for determining claims. Further, the board shall approve rules proposed by the department for the administration of the per-bushel fee prior to their adoption by the department. The board may provide comment and advice to the department in regard to the department's administration of chapters 203 and 203C where the department's policies and rules may affect the exposure of the fund to liability. However, the board shall not become actively involved in a determination by the department as to whether disciplinary action is to be taken against a particular licensee. The board is not a forum for review or appeal in regard to any particular action taken by the department against a licensee.

3. The department through the grain warehouse bureau shall perform the administrative functions necessary for the operation of the board and the fund. Administrative costs approved by the board shall be paid from the fund. The rules of the department shall contain the rules of the board adopted for its organization and its procedures. The department shall adopt rules for the administration of the per-bushel fee upon the board's approval of the rules proposed by the department. The secretary of agriculture, as president of the board as well as head of the department of agriculture and land stewardship, shall administer the department so as to minimize the risk of loss to the fund while protecting interests of depositors and sellers of grain. Policies and rules for the administration of chapters 203 and 203C which, as determined by the secretary of agriculture, may affect the exposure of the fund, shall be presented to the board for comment prior to their adoption by the department. The department shall make reports to the board in regard to licensee investigations which may result in disciplinary action against a licensee and exposure of the fund. The reports may be discussed by the board in closed session pursuant to section 21.5, and are confidential. In making the report, the department shall make available to the board records of licensees which are otherwise confidential under section 22.7, 203.16, or 203C.24. However, a determination to take disciplinary action against a particular licensee shall be made exclusively by the department. A report to the board is not a prerequisite to disciplinary action against a licensee. Review of any action against a licensee, whether or not relating to the fund, shall be made exclusively through the department.

86 Acts, ch 1152, §34
C87, §543A.4
87 Acts, ch 147, §16; 89 Acts, ch 143, §906; 90 Acts, ch 1256, §49
C93, §203D.4
2008 Acts, ch 1083, §16; 2010 Acts, ch 1121, §2
Referred to in §203D.1
Confirmation, see §2.32

**203D.5 Fees — imposition, adjustment, or waiver.**

1. The board shall annually review the debits of and credits to the grain depositors and sellers indemnity fund created in section 203D.3 and shall determine whether to impose the participation fee and per-bushel fee as provided in section 203D.3A, make adjustments to the fees effective on the previous July 1, or waive the fees as necessary to comply with this section. The board shall make the determination not later than May 1 of each year. The board shall impose the fees or adjust the fees effective on the previous July 1 in accordance with chapter 17A. The imposition or adjustment of the fees shall become effective as follows:

*a.* For the participation fee, on the following July 1. However, the licensee shall continue to pay the participation fee at the rate in effect on the prior July 1, until the licensee has paid the amount owing.

*b.* For a per-bushel fee, on the following July 1.

2. *a.* Except as provided in paragraph "*b*", the rate of a participation fee owed by a licensee shall be calculated as follows:

(1) For a licensed grain dealer, not more than fourteen thousandths of a cent per bushel assessed on all purchased grain entered in the company-owned paid position during the grain dealer's last fiscal year at each location at which records are maintained for transactions of the grain dealer, as determined according to information submitted by the grain dealer to the department for the issuance or renewal of a license as provided in section 203.5.

(2) For a licensed warehouse operator, not more than fourteen thousandths of a cent per bushel of bulk grain storage capacity for each warehouse licensed pursuant to section 203C.8 or five hundred dollars, whichever is less. The participation fee shall be determined using information provided to the department by the warehouse operator applying for the issuance or renewal of a license as provided in sections 203C.7 and 203C.37.

*b.* A licensee shall pay a participation fee of at least fifty dollars.

3. The rate of the per-bushel fee shall not exceed one-quarter cent per bushel assessed on all purchased grain.

4. If, at the end of any three-month period, the assets of the fund exceed eight million dollars, less any encumbered balances or pending or unsettled claims, all of the following apply:

*a.* The participation fee shall be waived and shall not be assessable or owing for the following fiscal year of the fund. However, the licensee shall continue to pay any owing participation fee that was in effect on the prior July 1.

*b.* The per-bushel fee shall be waived and shall not be assessable or owing.

5. The board shall reinstate the fees as provided in this section if the assets of the fund, less any unencumbered balances or pending or unsettled claims, are three million dollars or less.

86 Acts, ch 1152, §35
C87, §543A.5
87 Acts, ch 147, §17; 88 Acts, ch 1148, §4; 89 Acts, ch 143, §907
C93, §203D.5
2009 Acts, ch 17, §1, 6; 2009 Acts, ch 133, §229; 2010 Acts, ch 1082, §9
Referred to in §203D.3A

**203D.5A Lien on licensee's assets.**

The board may enforce a lien attached to assets held by a licensee under chapter 203 or 203C. The lien shall be perfected and enforced pursuant to section 203.12A or 203C.12A.

92 Acts, ch 1239, §78

**203D.6 Claims against fund.**

1. *Persons who may file claims.* A depositor or seller may file a claim with the department for indemnification of a loss from the grain depositors and sellers indemnity fund. A claim shall be filed in the manner prescribed by the board.

2. *Time of filing claim.*

*a.* As used in this subsection, an incurrence date is when either of the following occurs:

(1) The cessation of the license of the grain dealer as described in section 203.10 or warehouse operator as described in section 203C.10.

(2) The filing of a petition in bankruptcy by a licensed grain dealer or licensed warehouse operator.

*b.* To be timely, a claim must be filed within a claim period beginning on either incurrence date and ending one hundred twenty days after that incurrence date, regardless of whether a previous claim period has expired.

3. *Notice.* The department shall cause notice of the opening of the claim period to be published once each week for two consecutive weeks in a newspaper of general circulation in

each of the counties in which the licensee maintains a business location and in a newspaper of general circulation within the state. The notice shall state the name and address of the licensee and the claim incurrence date. The notice shall also state that any claims against the fund on account of the licensee shall be sent by ordinary mail to the department within one hundred twenty days after the incurrence date, and that the failure to make a timely claim relieves the fund from liability to the claimant. This notice may be incorporated by the department with a notice required by section 203.12 or 203C.14.

4. *Determination of eligible claims.* The board shall determine a claim to be eligible for payment from the fund if the board finds all of the following:

*a.* That the claim was timely filed.

*b.* That the incurrence date was on or after May 15, 1986.

*c.* That the claimant qualifies as a depositor or seller.

*d.* That the claim derives from a covered transaction. For purposes of this paragraph, a claim derives from a covered transaction if the claimant is a seller who transferred title to the grain to a licensed grain dealer other than by credit-sale contract within six months of the incurrence date for a claim period as provided in subsection 2, or if the claimant is a depositor who delivered the grain to a licensed warehouse operator.

*e.* That there is adequate documentation to establish the existence of a claim and to determine the amount of the loss.

*f.* A claim has not been paid for the same loss.

5. *Value of loss — warehouse claims.* The board shall determine the dollar value of a claim incurred by a depositor holding a warehouse receipt or a scale weight ticket for grain that the depositor delivered for storage to the licensed warehouse operator. If the department has been appointed by the court as receiver of the grain assets of the warehouse operator, the value shall be presumed to be as stated in the plan of disposition approved by the court. If the warehouse operator has filed a petition in bankruptcy, the value shall be presumed to be based upon the fair market price, free-on-board from the site of the warehouse operator, being paid to producers for grain by the grain terminal operator nearest the warehouse operator on the date the petition was filed. If there is neither a department receivership nor a bankruptcy filing, the value shall be presumed to be based upon the fair market price, free-on-board from the site of the warehouse operator, being paid to producers for grain by the grain terminal operator nearest the warehouse operator on the date of license revocation or cancellation. If more than one date applies to a claim, the board may choose between the two. However, the board may accept an alternative valuation of a claim upon a showing of just cause by the depositor or department. All depositors filing claims under this section shall be bound by the value determined by the board. The value of the loss is the outstanding balance on the validated claim at time of payment from the fund.

6. *Value of loss — grain dealer claims.* The dollar value of a claim incurred by a seller who has sold grain or delivered grain for sale or exchange and who is a creditor of the licensed grain dealer for all or part of the value of the grain shall be based on the amount stated on the obligation on the date of the sale. If the sold grain was unpriced, the value of a claim shall be presumed to be based upon the fair market price, free-on-board from the site of the grain dealer, being paid to producers for grain by the grain terminal operator nearest the grain dealer on the date of the license revocation or cancellation or the filing of a petition in bankruptcy. If more than one date applies to a claim, the board may choose between the two. However, the board may accept an alternative valuation of a claim upon a showing of just cause by the seller or department. All sellers filing claims under this section shall be bound by the value determined by the board. The value of the loss is the outstanding balance on the validated claim at the time of payment from the fund.

7. *Procedure — appeal.* The board, through the department, shall provide for notice to each depositor and seller upon its determination of eligibility and value of loss. Within twenty days of the notice, the depositor or seller may request a hearing for the review of either determination. The request shall be made in the manner provided by the board. The hearing and any further appeal shall be conducted as a contested case subject to chapter 17A. A depositor or seller whose claim has been refused by the board may appeal the refusal to either

the district court of Polk county or the district court of the county in which the depositor or seller resides.

8. *Payment of claims.* Upon a determination that the claim is eligible for payment, the board shall provide for payment of ninety percent of the loss, as determined under subsection 5, but not more than three hundred thousand dollars per claimant. If at any time the board determines that there are insufficient funds to make payment of all claims, the board may order that payment be deferred on specified claims. The department, upon the board's instruction, shall hold those claims for payment until the board determines that the fund again contains sufficient assets.

9. *Subrogation of fund.* In the event of payment of a loss under this section, the fund is subrogated to the extent of the amount of any payments to all rights, powers, privileges, and remedies of the depositor or seller against any person regarding the loss. The depositor or seller shall render all necessary assistance to aid the department and the board in securing the rights granted in this section. No action or claim initiated by a depositor or seller and pending at the time of payment from the fund shall be compromised or settled without the consent of the board.

10. *Time limitation on claims.*

*a.* A claim shall expire if five years after the board determines that the claim is eligible, the claimant has failed to do any of the following:

(1) Provide for the fund's subrogation or has failed to render all necessary assistance to aid the department and the board in securing the department's rights of subrogation as required in this section.

(2) Failed to provide necessary documentation or information required by the board in order to process the claim.

*b.* The fund shall not be liable for the payment of an expired claim.

86 Acts, ch 1152, §36
C87, §543A.6
87 Acts, ch 147, §18, 19; 89 Acts, ch 143, §908
C93, §203D.6
2008 Acts, ch 1083, §17 – 19; 2009 Acts, ch 17, §2 – 6; 2012 Acts, ch 1095, §119
Referred to in §203.12A, 203C.12A, 203D.3
For conditions and time limitation on payment of claims determined to be eligible on or before July 1, 2008, see 2008 Acts, ch 1083, §20
2009 amendments to this section take effect March 19, 2009, and apply retroactively to October 1, 2008; 2009 Acts, ch 17, §6

**203D.7 No obligation of state.**

This chapter does not imply any guarantee or obligation on the part of the state of Iowa, or any of its agencies, employees, or officials, either elective or appointive, in respect of any agreement or undertaking to which this chapter relates.

86 Acts, ch 1152, §37
C87, §543A.7
C93, §203D.7

# CHAPTERS 204 to 204B

RESERVED

# CHAPTER 205

## SALE AND DISTRIBUTION OF POISONS

Referred to in §155A.6, 155A.6A, 155A.6B, 155A.13A, 155A.17, 155A.26, 155A.42, 159.6


| | | | |
|---|---|---|---|
| 205.1 | Sale of abortifacients. | 205.7 | Labeling poisons. |
| 205.2 | Exception. | 205.8 | Certain sales excepted. |
| 205.3 | Prescriptions. | 205.9 | Prohibited sales. |
| 205.4 | Wood or denatured alcohol. | 205.10 | False representations. |
| 205.5 | Regulations as to sales of certain poisons. | 205.11 | Enforcement. |
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**205.1 Sale of abortifacients.**

No person shall sell, offer or expose for sale, deliver, give away, or have in the person's possession with intent to sell, except upon the original written prescription of a licensed physician, dentist, or veterinarian, any cotton root, ergot, oil of tansy, oil of savin, or derivatives of any of said drugs.

[C51, §2728; R60, §4374; C73, §4038; C97, §2593; S13, §2593, 2596-a; C24, 27, 31, 35, 39, §**3170;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.1]

Referred to in §205.2

**205.2 Exception.**

The requirements of section 205.1 that certain drugs shall be furnished only upon written prescription, shall not apply to the sale of such drugs to persons who wholesale or retail the same, nor to any licensed physician, dentist, or veterinarian for use in the practice of that person's profession.

[S13, §2596-a; C24, 27, 31, 35, 39, §**3171;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.2]

**205.3 Prescriptions.**

A person shall not fill a prescription for a drug required by chapter 124 or this chapter to be furnished only upon written prescription unless the prescription is ordered for a medical, dental, or veterinary purpose only.

[S13, §2596-a; C24, 27, 31, 35, 39, §**3172;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.3]

85 Acts, ch 73, §1

**205.4 Wood or denatured alcohol.**

No person shall have in the person's possession or dispose of in any manner any article intended for use of humans or domestic animals, for internal or external use, for cosmetic purposes, for inhalation, or for perfumes, which contains methyl (wood) alcohol, crude or refined, or completely denatured alcohol. Nothing in this section shall be construed to apply to specially denatured alcohols the formula of which has been approved and the manufacture and use regulated by the federal government.

[S13, §4999-a36; C24, 27, 31, 35, 39, §**3173;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.4]

**205.5 Regulations as to sales of certain poisons.**

It shall be unlawful for any person except a licensed pharmacist to sell at retail any of the poisons enumerated in this section: Ammoniated mercury, mercury bichloride, red mercuric iodide, and other poisonous salts and compounds of mercury; salts and compounds of arsenic; salts of antimony; salts of barium except the sulphate; salts of thallium; hydrocyanic acid and its salts; chromic, glacial acetic, and picric acids; chloral hydrate, croton oil, creosol, chloroform, dinitrophenol, ether, oil of bitter almonds, phenol, phosphorus and sodium fluoride; aconitine, arecoline, atropine, brucine, homatropine,

hyoscyamine, nicotine, strychnine, and the salts of these alkaloids; aconite, belladonna, cantharides, digitalis, nux vomica, veratrum, and the preparations of these poisonous drugs.

[C51, §2728; R60, §4374; C73, §4038; C97, §2593; S13, §2593; C24, 27, 31, 35, 39, §**3174;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.5]

2001 Acts, ch 24, §37

Referred to in §205.6, 205.7, 205.8, 205.9, 205.10

**205.6 Poison register.**

It shall be unlawful for any pharmacist to sell at retail any of the poisons enumerated in section 205.5 unless the pharmacist ascertains that the purchaser is aware of the character of the drug and the purchaser represents that it is to be used for a proper purpose and every sale of any poison enumerated in section 205.5 shall be entered in a book kept for that purpose, to be known as a "Poison Register" and the same shall show the date of the sale, the name and address of the purchaser, the name of the poison, the purpose for which it was represented to be purchased, and the name of the natural person making the sale, which book or books shall be open for inspection by the board of pharmacy, or any magistrate or peace officer of this state, and preserved for at least five years after the date of the last sale therein recorded.

[C97, §2593; S13, §2593; C24, 27, 31, 35, 39, §**3175;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.6]

2007 Acts, ch 10, §160

Referred to in §205.8, 205.9

**205.7 Labeling poisons.**

Except as otherwise provided, it shall be unlawful to vend, sell, dispense, or give away any poison enumerated in section 205.5, or sodium chlorate or crude carbolic acid, or any other potent poisons, without affixing to the bottle, box, vessel, or package containing the same, a label containing the name of the poison either printed or plainly written, and the word "Poison" printed in red ink, and the name and place of business of the distributor, manufacturer, wholesaler or dealer; and every package or container which contains ammonia water, concentrated lye, denatured alcohol, formaldehyde, benzol, carbon tetrachloride, commercial hydrochloric, nitric, sulphuric or oxalic acids, shall be labeled with the name of the poison, which label shall bear the name and place of business of the distributor, manufacturer, wholesaler, or dealer, the most available antidote and the word "Poison" printed in red ink in a conspicuous place thereon.

[C51, §2728; R60, §4374; C73, §4038; C97, §2588, 2593, 4976; S13, §2593; SS15, §2588; C24, 27, 31, 35, 39, §**3176;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.7]

Referred to in §205.8

**205.8 Certain sales excepted.**

Nothing in sections 205.5 to 205.7 shall apply:

1. To proprietary medicines, provided they are not in themselves poisonous and are sold in original unbroken packages.

2. To the filling of prescriptions from or the sale to licensed physicians, dentists, or veterinarians or sales to another pharmacist or to hospitals; or to drugs dispensed by licensed physicians, dentists, or veterinarians, as an incident to the practice of their professions.

3. To insecticides and fungicides as defined in chapter 206 and commercial feeds as defined in section 198.3, provided same be labeled in accordance with said section and sold in original unbroken packages, provided, however, that stock dips and fly sprays may be sold in bulk or otherwise and the vessel or container need not have printed on the label the most available antidote.

4. To any proprietary preparation intended for use in destroying mice, rats, gophers or other lower animals, provided same is sold in original unbroken packages and bears the word "Poison", the most available antidote, and the name of the manufacturer.

[C97, §2593; S13, §2593; C24, 27, 31, 35, 39, §**3177;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.8]

**205.9 Prohibited sales.**

It shall be unlawful for any person in this state to sell or deliver any poison to any person known to be of unsound mind or under the influence of intoxicants, and it shall likewise be unlawful for any person in this state to sell or deliver any poison enumerated in section 205.5 to any minor under sixteen years of age except upon a written order signed by some responsible person known to the person selling or delivering the same, which said written order shall contain all of the information required to be entered in the poison register under the provisions of section 205.6.

[C27, 31, 35, §3177-b1; C39, §**3177.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.9]

**205.10 False representations.**

Any person who obtains any poison enumerated in section 205.5 under a false name or statement shall be guilty of a fraudulent practice.

[C51, §2728; R60, §4374; C73, §4038; C97, §2593; S13, §2593; C24, 27, 31, 35, 39, §**3178;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.10]

**205.11 Enforcement.**

The provisions of this chapter and chapters 124 and 126 shall be administered and enforced by the board of pharmacy. In discharging any duty or exercising any power under those chapters, the board of pharmacy shall be governed by all the provisions of chapter 189, which govern the department of agriculture and land stewardship when discharging a similar duty or exercising a similar power with reference to any of the articles dealt with in this subtitle, to the extent that chapter 189 is not inconsistent with this chapter and chapters 124 and 126.

[C24, 27, 31, 35, 39, §**3179;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.11]

89 Acts, ch 197, §27; 2007 Acts, ch 10, §161

**205.12 Chemical analysis of drugs.**

Any chemical analysis deemed necessary by the board of pharmacy in the enforcement of this chapter and chapters 124 and 126 shall be made by the department of agriculture and land stewardship when requested by the board of pharmacy.

[C24, 27, 31, 35, 39, §**3180;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.12]

89 Acts, ch 197, §28; 2007 Acts, ch 10, §162

**205.13 Applicability of other statutes.**

Insofar as applicable, the provisions of chapter 189 shall apply to the articles dealt with in this chapter and chapters 124 and 126. The powers vested in the department of agriculture and land stewardship by chapter 189 shall be deemed for the purpose of this chapter and chapters 124 and 126 to be vested in the board of pharmacy.

[C24, 27, 31, 35, 39, §**3181;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §205.13]

89 Acts, ch 197, §29; 2007 Acts, ch 10, §163

# CHAPTER 206

## PESTICIDES

Referred to in §200.7, 205.8, 455B.390, 455B.491

See also reference in §200.7


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**206.1 Title of Act.**

This chapter shall be known and may be cited as the "*Pesticide Act of Iowa*".

[C66, 71, 73, 75, 77, 79, 81, §206.1]

**206.2 Definitions.**

When used in this chapter:

1. The term "*active ingredient*" means:

*a.* In the case of a pesticide other than a plant growth regulator, defoliant or desiccant, an ingredient which will prevent, destroy, repel, or mitigate insects, nematodes, fungi, rodents, weeds, or other pests.

*b.* In the case of a plant growth regulator, an ingredient which, through physiological action, will accelerate or retard the rate of growth or rate of maturation or otherwise alter the behavior of ornamental or crop plants or the produce thereof.

*c.* In the case of a defoliant, an ingredient which will cause the leaves or foliage to drop from a plant.

*d.* In the case of a desiccant, an ingredient which will artificially accelerate the drying of plant tissue.

2. The term "*adulterated*" shall apply to any pesticide if its strength or purity falls below the professed standard or quality as expressed on labeling or under which it is sold, or if any substance has been substituted wholly or in part for the article, or if any valuable constituent of the article has been wholly or in part abstracted.

3. The term "*antidote*" means the most practical immediate treatment in case of poisoning and includes first aid treatment.

4. "*Certified applicator*" means any individual who is certified under this chapter as authorized to use any pesticide.

5. "*Certified commercial applicator*" means a pesticide applicator or individual who applies or uses a pesticide or device on any property of another for compensation.

6. "*Certified private applicator*" means a certified applicator who uses or supervises the use of any pesticide which is classified for restricted use on property owned or rented by the applicator or the applicator's employer or, if applied without compensation other than

trading of personal services between producers of agricultural commodities, on the property of another person.

7. *"Chlordane"* means 1,2,4,5,6,7,8,8-octachloro-4,7-methano-3a,4,7,7a-tetrahydroindane; Octa klor: 1068; Velsicol 1068; Dowklor.

8. *"Commercial applicator"* means a person, corporation, or employee of a person or corporation who enters into a contract or an agreement for the sake of monetary payment and agrees to perform a service by applying a pesticide but does not include a farmer trading work with another, a person employed by a farmer not solely as a pesticide applicator who applies pesticide as an incidental part of the person's general duties, or a person who applies pesticide as an incidental part of a custom farming operation.

9. *"Department"* means the department of agriculture and land stewardship.

10. The term *"device"* means any instrument or contrivance intended for trapping, destroying, repelling, or mitigating insects, birds, or rodents or destroying, repelling, or mitigating fungi, nematodes, weeds or such other pests as may be designated by the secretary, but not including equipment used for the application of pesticides when sold separately therefrom.

11. The term *"distribute"* means to offer for sale, hold for sale, sell, barter, or supply pesticides in this state.

12. *"Financial institution"* means a bank or savings association authorized by the laws of the United States, which is a member of the federal deposit insurance corporation or the federal savings and loan insurance corporation.

13. The term *"hazard"* means a probability that a given pesticide will have an adverse effect on man or the environment in a given situation, the relative likelihood of danger or ill effect being dependent on a number of interrelated factors present at any given time.

14. The term *"inert ingredient"* means an ingredient which is not an active ingredient.

15. The term *"ingredient statement"* means either:

*a.* A statement of the name and percentage by weight of each active ingredient, together with the total percentage of the inert ingredients, in the pesticide.

*b.* When the pesticide contains arsenic in any form, the ingredient statement shall also include percentages of total and water soluble arsenic, each calculated as elemental arsenic.

16. The term *"label"* means the written, printed, or graphic matter on, or attached to, the pesticide or device, or the immediate container thereof, and the outside container or wrapper of the retail package, if any there be, of the pesticide or device.

17. The term *"labeling"* means all labels and other written, printed or graphic matter:

*a.* Upon the pesticide or device or any of its containers or wrappers.

*b.* Accompanying the pesticide or device at any time.

*c.* To which reference is made on the label or in literature accompanying the pesticide or device, except when accurate, nonmisleading reference is made to current official publications of the United States department of agriculture or interior, the United States public health service, the state agricultural experiment stations, the Iowa state university, the Iowa department of public health, the department of natural resources, or other similar federal institutions or official agencies of this state or other states authorized by law to conduct research in the field of pesticides.

18. The term *"misbranded"* shall apply:

*a.* To any pesticide or device if its labeling bears any statement, design or graphic representation relative thereto or to its ingredients which is false or misleading in any particular.

*b.* To any pesticide:

(1) If it is an imitation of or is offered for sale under the name of another pesticide.

(2) If its labeling bears any reference to registration under this chapter, when not so registered.

(3) If the labeling accompanying it does not contain directions for use which are necessary and if complied with adequate for the protection of the public.

(4) If the label does not contain a warning or caution statement which may be necessary and if complied with adequate to prevent injury to living persons and other vertebrate animals.

(5) If the label does not bear an ingredient statement on that part of the immediate container and on the outside container or wrapper, if there is to be one, through which the ingredient statement on the immediate container cannot be clearly read, of the retail package which is presented or displayed under customary conditions of purchase.

(6) If any word, statement, or other information required by or under authority of this chapter to appear on the label or labeling is not prominently placed thereon with such conspicuousness as compared with other words, statements, designs, or graphic matter in the labeling and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(7) If in the case of an insecticide, nematocide, fungicide, or herbicide when used as directed or in accordance with commonly recognized practice it shall be injurious to living persons or other vertebrate animals, or vegetation, except weeds, to which it is applied, or to the person applying such pesticide.

(8) If in the case of a plant growth regulator, defoliant, or desiccant when used as directed it shall be injurious to living man or other vertebrate animals, or vegetation to which it is applied, or to the person applying such pesticide; provided, that physical or physiological effects on plants or parts thereof shall not be deemed to be injury, when this is the purpose for which the plant growth regulator, defoliant, or desiccant was applied, in accordance with the label claims and recommendations.

19. The term *"permit"* means a written certificate, issued by the secretary or the secretary's agent under rules adopted by the department authorizing the use of certain state restricted use pesticides.

20. The term *"person"* means any individual, partnership, association, corporation, or organized group of persons whether incorporated or not.

21. The term *"pesticide"* shall mean *(a)* any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating directly or indirectly any insects, rodents, nematodes, fungi, weeds, and other forms of plant or animal life or viruses, except viruses on or in living persons, which the secretary shall declare to be a pest, and *(b)* any substances intended for use as a plant growth regulator, defoliant, or desiccant.

22. The term *"pesticide dealer"* means any person who distributes restricted use pesticides; pesticide for use by commercial or public pesticide applicators; or general use pesticides labeled for agricultural or lawn and garden use with the exception of dealers whose gross annual pesticide sales are less than ten thousand dollars for each business location owned or operated by the dealer.

23. The term *"plant growth regulator"* means any substance or mixture of substances intended, through physiological action, for accelerating or retarding the rate of growth or rate of maturation, or for otherwise altering the behavior of ornamental or crop plants or the produce thereof, but shall not include substances to the extent that they are intended as plant nutrients, trace elements, nutritional chemicals, plant inoculants, and soil amendments.

24. *"Poison control center"* means an entity existing as part of a hospital licensed under chapter 135B which is an institutional member of the American association of poison control centers.

25. *a.* *"Public applicator"* means an individual who applies pesticides as an employee of a state agency, county, municipal corporation, or other governmental agency.

*b.* *"Public applicator"* does not include an employee who works only under the direct supervision of a public applicator.

26. The term *"registrant"* means the person registering any pesticide or device or who has obtained a certificate of license from the department pursuant to the provisions of this chapter.

27. The term *"restricted use pesticide"* means any pesticide restricted as to use by rule of the secretary as adopted under section 206.20.

28. *"State restricted use pesticide"* means a pesticide which is restricted for sale, use, or distribution under section 206.20.

29. *"Toxic to humans"* means not generally recognized as safe as provided by the United States food and drug administration pursuant to 21 C.F.R. pt. 182.

30. The term *"under the direct supervision of"* means the act or process whereby the

application of a pesticide is made by a competent person acting under the instructions and control of a certified applicator or a state licensed commercial applicator who is available if and when needed, even though such certified applicator is not physically present at the time and place the pesticide is applied.

31. The term "*unreasonable adverse effects on the environment*" means any unreasonable risk to man or the environment, taking into account the economic, social and environmental costs and benefits of the use of any pesticide.

[C24, 27, 31, 35, 39, §**3182;** C46, 50, 54, 58, 62, §206.1; C66, 71, 73, 75, 77, 79, 81, §206.2]

83 Acts, ch 101, §34; 86 Acts, ch 1245, §643; 87 Acts, ch 225, §209 – 213; 87 Acts, ch 177, §1; 88 Acts, ch 1197, §1; 91 Acts, ch 124, §2; 92 Acts, ch 1020, §1; 92 Acts, ch 1112, §1; 95 Acts, ch 172, §1; 2003 Acts, ch 86, §1, 3; 2012 Acts, ch 1017, §56; 2012 Acts, ch 1095, §120, 131

Referred to in §202.1, 206.31, 455B.491, 570A.1, 579B.1

Further definitions, see §189.1

**206.3 Examination and orders.**

The examination of pesticides and those products to which pesticides have been applied for the content of pesticide residues shall be made under the direction of the secretary, or the secretary's authorized representative, for the purpose of determining whether they comply with the requirements of this chapter and rules adopted under this chapter. If it shall appear from such examination that a pesticide fails to comply with the provisions of this chapter, and the secretary, or the secretary's authorized representative, contemplates instituting criminal proceedings against any person, the secretary or representative shall cause notice to be given to such person. Any person so notified shall be given an opportunity to present the person's views, either orally or in writing, with regard to such contemplated proceedings and if thereafter in the opinion of the secretary, or authorized representative, it shall appear that the provisions of the chapter have been violated by such person, then the secretary or authorized representative may refer the facts to the county attorney for the county in which the violation shall have occurred with a copy of the results of the analysis or the examination of such article; provided, however, that nothing in this chapter shall be construed as requiring the secretary or representative to report for prosecution or for the institution of proceedings in minor violations of the chapter whenever the secretary or representative believes that the public interests will be best served by a suitable notice of warning in writing.

[C66, 71, 73, §206.7; C75, 77, 79, 81, §206.3]

**206.4 Classification of licenses.**

1. The secretary may classify or subclassify certifications or licenses to be issued under this chapter. Each classification shall be subject to separate testing procedures and requirements. However, no person shall be required to pay an additional license fee if such person desires to be licensed in one or all of the license classifications provided for by the secretary under the authority of this section.

2. The secretary in promulgating rules under this chapter shall prescribe standards for the certification of applicators of pesticides. In determining these standards the secretary shall take into consideration standards of the United States environmental protection agency and is authorized to adopt by rule these standards.

[C75, 77, 79, 81, §206.4]

**206.5 Certification requirements — rules.**

1. A commercial or public applicator shall not apply any pesticide and a person shall not apply any restricted use pesticide without first complying with the certification requirements of this chapter and such other restrictions as determined by the secretary.

2. *a.* A commercial applicator shall pay a seventy-five dollar fee for a three-year certification. A public applicator or a private applicator shall pay a fifteen dollar fee for a three-year certification.

*b.* To be initially certified as a commercial, public, or private applicator, a person must complete an educational program which shall consist of an examination required to be passed by the person. After initial certification the commercial, public, or private applicator

must renew the certification by completing the educational program which shall consist of either an examination or continuing instructional courses. The commercial, public, or private applicator must pass the examination each third year following initial certification or may elect to attend two hours of continuing instructional courses each year.

3. A commercial, public, or private applicator is not required to be certified to apply pesticides for a period of twenty-one days from the date of initial employment if the commercial, public, or private applicator is under the direct supervision of a certified applicator. For the purposes of this section, *"under the direct supervision of"* means that the application of a pesticide is made by a competent person acting under the instructions and control of a certified applicator who is physically present, by being in sight or hearing distance of the supervised person.

4. A commercial applicator who applies pesticides to agricultural land may, in lieu of the requirement of direct supervision, elect to be exempt from the certification requirements for a commercial applicator for a period of twenty-one days, if the applicator meets the requirements of a private applicator.

5. A person employed by a farmer not solely as a pesticide applicator who applies restricted use pesticides as an incidental part of the person's general duties or a person who applies restricted use pesticides as an incidental part of a custom farming operation is required to meet the certification requirements of a private applicator.

6. An employee of a food processing and distribution establishment is exempt from the certification requirements of this section provided that at least one person holding a supervisory position is certified and provided that the employer provides a program, approved by the department, for training, testing, and certification of personnel who apply, as an incidental part of their duties, any pesticide on property owned or rented by the employer. The secretary shall adopt rules to administer the provisions of this paragraph.

7. *a.* The secretary shall adopt, by rule, requirements for the examination, reexamination, and certification of applicants.

*b.* The department shall adopt rules providing for the program requirements which may include the safe handling, application, and storage of pesticides, the correct calibration of equipment used for the application of pesticides, and the effects of pesticides upon the groundwater.

(1) The department shall adopt by rule criteria for allowing a person required to be certified to complete either a written or oral examination.

(2) The department shall administer the instructional courses, by either teaching the courses or selecting persons to teach the courses, according to criteria as provided by rules adopted by the department. The department shall, to the extent possible, select persons to teach the courses in each county. The department is not required to compensate persons selected to teach the courses. In selecting persons, the department shall rely upon organizations interested in the application of pesticides, including associations representing pesticide applicators and associations representing agricultural producers.

(3) The Iowa cooperative extension service in agriculture and home economics of Iowa state university of science and technology shall cooperate with the department in administering the instructional courses. The Iowa cooperative extension service may teach courses, train persons selected to teach courses, or distribute informational materials to persons teaching the courses.

*c.* The secretary shall also adopt rules which allow for an exemption from certification for a person who uses certain services and is not solely a pesticide applicator, but who uses the services as an incidental part of the person's duties.

[C75, 77, 79, 81, §206.5]

87 Acts, ch 225, §214; 88 Acts, ch 1169, §2; 88 Acts, ch 1197, §2; 89 Acts, ch 296, §20; 92 Acts, ch 1112, §2; 93 Acts, ch 176, §35, 36; 95 Acts, ch 172, §2; 2009 Acts, ch 41, §83; 2012 Acts, ch 1095, §121 – 123

Referred to in §206.6, 206.10, 206.23A

Certification issued to a commercial or public applicator prior to July 1, 2012, shall expire according to text of this section existing immediately prior to that date; 2012 Acts, ch 1095, §125

**206.6 License for commercial applicators.**

1. *Commercial applicator.* No person shall engage in the business of applying pesticides to the lands or property of another at any time without being licensed by the secretary. The secretary shall require an annual license fee of not more than twenty-five dollars for each license. Application for a license shall be made in writing to the department on a designated form obtained from the department. Each application for a license shall contain information regarding the applicant's qualifications and proposed operations, license classification or classifications for which the applicant is applying.

2. *Nonresident applicator.* Any nonresident applying for a license under this chapter to operate in the state shall file a written power of attorney designating the secretary of state as the agent of such nonresident upon whom service of process may be had in the event of any suit against said nonresident person, and such power of attorney shall be so prepared and in such form as to render effective the jurisdiction of the courts of this state over such nonresident applicants. A nonresident who has a duly appointed resident agent upon whom process may be served as provided by law shall not be required to designate the secretary of state as such agent. The secretary of state shall be allowed such fees as provided by law for designating resident agents. The secretary shall be furnished with a copy of such designation of the secretary of state or of a resident agent, such copy to be certified by the secretary of state.

3. *Examination for commercial applicator license.* The secretary of agriculture shall not issue a commercial applicator license until the individual engaged in or managing the pesticide application business and employed by the business to apply pesticides is certified by passing an examination to demonstrate to the secretary the individual's knowledge of how to apply pesticides under the classifications the individual has applied for, and the individual's knowledge of the nature and effect of pesticides the individual may apply under such classifications. The applicant successfully completing the certification requirement shall be a licensed commercial applicator.

4. *Renewal of applicant's license.* The secretary of agriculture shall renew any applicant's license under the classifications for which such applicant is licensed, provided that all of the applicant's personnel who apply pesticides are certified commercial applicators.

5. *Issue commercial applicator license.*

*a.* The secretary shall approve an application and issue a commercial applicator license to the applicant as follows:

(1) The applicant is qualified as found by the secretary to apply pesticides in the classifications for which the applicant has applied.

(2) The applicant must furnish to the department evidence of financial responsibility as required under section 206.13.

(3) An applicant applying for a license to engage in aerial application of pesticides must demonstrate compliance with the requirements of the federal aviation administration, the United States department of transportation, and any other applicable federal or state laws or regulations to operate the equipment described in the application.

*b.* The secretary shall adopt by rule, additional requirements for issuing a license to a person who is a nonresident of this state engaged in the aerial application of pesticides, which may include but is not limited to conditions for the operation of the aircraft and the application of the pesticides under the supervision of a person who is a resident of this state and licensed as a commercial applicator under this section or as a pesticide dealer under section 206.8. The secretary shall not adopt rules concerning the operation of aircraft when a nonresident person is not engaged in the commercial application of pesticides.

*c.* The secretary shall issue a commercial applicator license limited to the classifications for which the applicant is qualified, which shall expire as provided in section 206.5, unless it has been revoked or suspended by the secretary for cause. The secretary may limit the license of the applicant to the use of certain pesticides, or to certain areas, or to certain types of equipment if the applicant is only so qualified. If a license is not issued as applied for, the secretary shall inform the applicant in writing of the reasons.

6. *Public applicator.*

*a.* All state agencies, counties, municipal corporations, and any other governmental agency shall be subject to the provisions of this chapter and rules adopted thereunder concerning the application of pesticides.

*b.* Public applicators for agencies listed in this subsection shall be subject to certification requirements as provided for in this section. The public applicator license shall be valid only when such applicator is acting as an applicator applying pesticides used by such entities. Government research personnel shall be exempt from this licensing requirement when applying pesticides only to experimental plots. Public agencies or municipal corporations licensed pursuant to this section shall be licensed public applicators.

*c.* Such agencies and municipal corporations shall be subject to legal recourse by any person damaged by such application of any pesticide, and such action may be brought in the county where the damage or some part thereof occurred.

[C66, 71, 73, §206.5; C75, 77, 79, 81, §206.6]

83 Acts, ch 101, §35, 36; 87 Acts, ch 225, §215 – 217; 2008 Acts, ch 1045, §1 – 3; 2009 Acts, ch 133, §80; 2012 Acts, ch 1095, §124, 126

Referred to in §206.13, 206.17, 206.18, 206.23A, 558A.4

**206.7 Certified applicators.**

1. *Requirement for certification.* A commercial or public applicator shall not apply any pesticide without first complying with the certification standards.

2. *Certification standards.* Certification standards shall be adopted by the secretary to determine the individual's competence with respect to the application and handling of the restricted use pesticides. In determining these standards, the secretary shall take into consideration the standards of the United States environmental protection agency.

3. *Reasons for not qualifying.* If the secretary does not qualify the applicator under this section the secretary shall inform the applicant in writing of the reasons therefor.

[C75, 77, 79, 81, §206.7]

87 Acts, ch 225, §218

Referred to in §206.17

**206.8 Pesticide dealer license.**

1. It shall be unlawful for any person to act in the capacity of a pesticide dealer, or advertise as, or assume to act as a pesticide dealer at any time without first having obtained a license from the secretary which shall expire at the end of the calendar year of issue. A license shall be required for each location or outlet located within this state from which such pesticides are distributed. Any manufacturer, registrant, or distributor who has no pesticide dealer outlet licensed within this state and who distributes such pesticides directly into this state shall obtain a pesticide dealer license for the manufacturer's, registrant's, or distributor's principal out-of-state location or outlet.

2. The annual license fee for a pesticide dealer is due and payable by June 30 of each year to the department. The annual license fee is based on the gross retail sales of all pesticides sold for use in this state by the dealer in the previous year. The license fee shall be set as follows:

*a.* (1) A pesticide dealer with less than one hundred thousand dollars in gross retail pesticide sales shall have the option to pay a license fee based on one-tenth of one percent of the gross retail pesticide sales in the previous year or to pay a license fee according to the following:

(a) Twenty-five dollars, if the annual gross retail pesticide sales are less than twenty-five thousand dollars.

(b) Fifty dollars, if the annual gross retail pesticide sales are twenty-five thousand dollars or more but less than fifty thousand dollars.

(c) Seventy-five dollars, if the annual gross retail pesticide sales are fifty thousand dollars or more but less than seventy-five thousand dollars.

(d) One hundred dollars, if the annual gross retail pesticide sales are seventy-five thousand dollars or more but less than one hundred thousand dollars.

(2) The secretary shall provide for a three-month grace period for licensure and shall

impose a late fee of ten dollars upon the licensure of a dealer applying for licensure during the month of October, a late fee of fifteen dollars upon the licensure of a dealer applying for licensure during the month of November, a late fee of twenty-five dollars upon the licensure of a dealer applying for licensure during the month of December, and a late fee of twenty-five dollars upon the licensure of a dealer applying for licensure for each month after the month of December.

*b.* (1) A pesticide dealer with one hundred thousand dollars or more in gross retail pesticide sales shall pay a license fee based on one-tenth of one percent of the gross retail pesticide sales in the previous year.

(2) The secretary shall provide for a three-month grace period for licensure and shall impose a late fee of two percent of the license fee upon the licensure of a dealer applying for licensure during the month of October, a late fee of four percent of the license fee upon the licensure of a dealer applying for licensure during the month of November, a late fee of five percent of the license fee upon the licensure of a dealer applying for licensure during the month of December, and a late fee of five percent upon the licensure of a dealer applying for licensure for each month after the month of December.

3. Up to twenty-five dollars of each annual license fee shall be retained by the department for administration of the program, and the remaining moneys collected shall be deposited in the agriculture management account of the groundwater protection fund.

4. Application for a license required for manufacturers and distributors who are not engaged in the retail sale of pesticides shall be accompanied by a twenty-five dollar fee for each business location within the state required to be licensed, and shall be on a form prescribed by the secretary.

5. This section does not apply to either of the following:

*a.* A pesticide applicator who applies pesticides which are owned and furnished to the pesticide applicator by another person, if the pesticide applicator does not charge for the sale of the pesticides.

*b.* A federal, state, county, or municipal governmental entity which provides pesticides only for its own programs.

[C75, 77, 79, 81, §206.8]

87 Acts, ch 225, §219, 220; 88 Acts, ch 1156, §1; 91 Acts, ch 89, §1; 93 Acts, ch 176, §37; 2009 Acts, ch 41, §84; 2012 Acts, ch 1095, §127

Referred to in §206.6, 206.10, 206.12, 455E.11

**206.9 Cooperative agreements.**

The secretary may cooperate, receive grants-in-aid, and enter into agreements with any agency of the federal government, of this state or its subdivisions, or with any agency of another state, or trade associations to obtain assistance in the implementation of this chapter and to do all of the following:

1. Secure uniformity of regulations.

2. Cooperate in the enforcement of the federal pesticide control laws through the use of state or federal personnel and facilities and to implement cooperative enforcement programs.

3. Contract for monitoring pesticides for the national plan.

4. Prepare and submit state plans to meet federal certification standards.

5. Regulate certified applicators.

6. Develop, in conjunction with the Iowa cooperative extension service in agriculture and home economics, courses available to the public regarding pesticide best management practices.

[C66, 71, 73, §206.11; C75, 77, 79, 81, §206.9]

87 Acts, ch 225, §221

**206.10 License renewals — delinquent fee.**

1. If the application for renewal of a license provided for in this chapter is not filed prior to the first of January in any year, a delinquent fee of twenty-five percent shall be assessed and added to the original fee and shall be paid by the applicant before the renewal license is issued. A delinquent fee does not apply if the applicant furnishes an affidavit certifying that

the applicant has not applied pesticides after the expiration of the applicant's license. All licenses issued under this chapter expire December 31 each year.

2. Subsection 1 does not apply to any of the following:

*a.* A license issued to a pesticide dealer that expires as provided in section 206.8.

*b.* A certificate issued to a certified applicator that expires as provided in section 206.5.

[C75, 77, 79, 81, §206.10]

91 Acts, ch 89, §2; 2012 Acts, ch 1095, §128

**206.11 Distribution or sale of pesticides.**

1. It shall be unlawful for any person to distribute, give, sell, or offer for sale within this state or deliver for transportation or transport in intrastate commerce or between points within this state through any point outside this state any of the following:

*a.* Any pesticide which has not been registered pursuant to the provisions of section 206.12.

*b.* Any pesticide, if any of the claims made for it, or if any of the directions for its use, differ in substance from the representations made in connection with its registration.

*c.* Any pesticide if the composition thereof differs from its composition as represented in connection with its registration, unless within the discretion of the secretary, or the secretary's authorized representative, a change in the labeling or formula of a pesticide within a registration period, has been authorized, without requiring a reregistration of the product.

*d.* Any pesticide, unless it is in the registrant's or the manufacturer's unbroken immediate container, and there is affixed to such container, and to the outside container or wrapper of the retail package, if there be one through which the required information on the immediate container cannot be clearly read, a label bearing the following:

(1) The name and address of the manufacturer, registrant, or person for whom manufactured.

(2) The name, brand, or trademark of said article.

(3) The net weight or measure of the contents subject, however, to such reasonable variations as the secretary may permit.

(4) An ingredient statement as required in section 206.12.

(5) The date of manufacture of products found by the secretary to be subject to deterioration because of age.

*e.* Any pesticide which contains any substance or substances in quantities highly toxic to humans; determined as provided in section 206.12, unless the label shall bear, in addition to any other matter required by this chapter:

(1) The skull and cross-bones.

(2) The word "poison" prominently, in red, on a background of distinctly contrasting color.

(3) A statement of an antidote for the pesticide.

(4) Instructions for safe disposal of the container when the used container is found by the secretary after public hearing to be hazardous to humans or other vertebrate animals.

*f.* Any standard lead arsenate, basic lead arsenate, calcium arsenate, magnesium arsenate, zinc arsenate, zinc arsenite, sodium fluoride, sodium fluosilicate and barium fluosilicate unless such pesticides have been distinctly colored or discolored as provided by regulations issued in accordance with this chapter, or any other white powder which the secretary, or the secretary's authorized representatives, after investigation of and after public hearing on the necessity for such action for the protection of the public health and the feasibility of such coloration or discoloration, shall, by regulation, require to be distinctly colored or discolored; unless it has been so colored or discolored; provided, that the secretary, or authorized representative, may exempt any pesticide to the extent that it is intended for a particular use or uses from the coloring or discoloring required or authorized by this section if the secretary or representative determines that such coloring or discoloring for such use or uses is not necessary for the protection of the public health or safety.

*g.* Any pesticide which is adulterated or misbranded.

2. It shall be unlawful:

*a.* For any person to detach, alter, deface, or destroy in whole or in part, any label or

labeling provided for in this chapter or the rules promulgated hereunder, or to add any substance to, or take any substance from a pesticide in a manner that may defeat the purpose of this chapter.

*b.* For any person to use for the person's own advantage or to reveal, other than to the secretary, or officials or employees of the state or officials or employees of the United States department of agriculture, or other federal agencies, or to the courts in response to a subpoena, or to physicians, and in emergencies to pharmacists and other qualified persons for use in the preparation of antidotes, in accordance with such directions as the secretary may prescribe, any information relative to formulae of products acquired by authority of section 206.12.

*c.* For any person to interfere in any way with the secretary or the secretary's duly authorized agents in carrying out the duties imposed by this chapter.

3. It shall be unlawful:

*a.* To distribute any restricted use pesticide to any person who is required by law or rules promulgated under such law to be certified to use or purchase such restricted pesticides unless such person or the person's agent, to whom distribution is made, is certified to use or purchase such restricted pesticide. Subject to conditions established by the secretary such certification may be obtained immediately prior to distribution from any person designated by the secretary.

*b.* For any person to use or cause to be used any pesticide contrary to its labeling or to rules of the state of Iowa if those rules differ from or further restrict the usage.

*c.* For any person to handle, transport, store, display, or distribute pesticides in such a manner as to endanger human beings and their environment or to endanger food, feed, or any other products that may be transported, stored, displayed or distributed with such pesticides.

*d.* For any person to dispose of, discard, or store any pesticides or pesticide containers in such a manner as to cause injury to humans, vegetation, crops, livestock, wildlife, pollinating insects or to pollute any water supply or waterway.

4. The secretary may suspend an applicator's license pending inquiry, and, after opportunity for a hearing, to be held within ten days, may deny, suspend, revoke or modify any provision of any license, permit or certification issued under this chapter, if the secretary finds that the applicant or the holder of a license, permit or certification has committed any of the following acts, each of which is declared to be a violation of this chapter. However, any licensed or unlicensed person shall be subject to the penalties provided for by section 206.22.

*a.* Made a pesticide recommendation or application inconsistent with the labeling.

*b.* Applied known ineffective or improper materials.

*c.* Operated faulty or unsafe equipment.

*d.* Operated in a faulty, careless or negligent manner.

*e.* Neglected or, after notice, refused to comply with the provisions of this chapter, the rules adopted hereunder, or of any lawful order of the secretary.

*f.* Refused or neglected to keep and maintain the records required by this chapter, or to make reports when and as required.

*g.* Made false or fraudulent records, invoice or reports.

*h.* Refused or neglected to comply with any limitations or restrictions on or in a duly issued license, permit or certification.

*i.* Aided or abetted a licensed or an unlicensed person to evade the provisions of this chapter, conspired with such a licensed or an unlicensed person to evade the provisions of this chapter, or allowed one's license, permit or certification to be used by another person.

*j.* Made false or misleading statements during or after an inspection concerning any infestation or infection of pests found on land.

*k.* Impersonated any federal, state, county or city inspector or official.

[C97, §2588; SS15, §2588; C24, 27, 31, 35, 39, §**3183, 3184;** C46, 50, 54, 58, 62, §206.2, 206.3; C66, 71, 73, §206.3; C75, 77, 79, 81, §206.11]

2012 Acts, ch 1095, §132

Referred to in §206.18, 206.22

**206.12 Registration.**

1. Every pesticide which is distributed, sold, or offered for sale for use within this state or delivered for transportation or transported in intrastate commerce between points within the state through any point outside this state shall be registered with the department of agriculture and land stewardship. All registration of products shall expire on the thirty-first day of December following date of issuance, unless such registration shall be renewed annually, in which event expiration date shall be extended for each year of renewal registration, or until otherwise terminated; provided that:

*a.* For the purpose of this chapter, fertilizers in mixed fertilizer-pesticide formulations shall be considered as inert ingredients.

*b.* Within the discretion of the secretary, or the secretary's authorized representative, a change in the labeling or formulae of a pesticide may be made within the current period of registration, without requiring a reregistration of the product, provided the name of the item is not changed.

*c.* The secretary shall provide for a three-month grace period for registration.

2. The registrant shall file with the department a statement containing:

*a.* The name and address of the registrant and the name and address of the person whose name will appear on the label, if other than the registrant.

*b.* The name of the pesticide.

*c.* A complete copy of the labeling accompanying the pesticide and a statement of all claims made and to be made for it including directions for use.

*d.* A full description of the tests made and results thereof upon which the claims are based, if requested by the secretary. In the case of renewal or reregistration, a statement may be required only with respect to information which is different from that furnished when the pesticide was registered or last reregistered.

3. The registrant, before selling or offering for sale any pesticide for use in this state, shall register each brand and grade of such pesticide with the secretary upon forms furnished by the secretary, and the secretary shall set the registration fee annually at one-fifth of one percent of gross sales within this state with a minimum fee of two hundred fifty dollars and a maximum fee of three thousand dollars for each and every brand and grade to be offered for sale in this state except as otherwise provided. The annual registration fee for products with gross annual sales in this state of less than one million five hundred thousand dollars shall be the greater of two hundred fifty dollars or one-fifth of one percent of the gross annual sales as established by affidavit of the registrant. The secretary shall adopt by rule exemptions to the minimum fee. Fifty dollars of each fee collected shall be deposited in the general fund of the state, shall be subject to the requirements of section 8.60, and shall be used only for the purpose of enforcing the provisions of this chapter and the remainder of each fee collected shall be placed in the agriculture management account of the groundwater protection fund.

4. The secretary, whenever the secretary deems it necessary in the administration of this chapter, may require the submission of the complete formula of any pesticide. If it appears to the secretary that the composition of the article is such as to warrant the proposed claims for it and if the article and its labeling and other material required to be submitted comply with the requirements of this chapter, the secretary shall register the article.

5. If it does not appear to the secretary that the article is such as to warrant the proposed claims for it or if the article and its labeling and other material required to be submitted do not comply with the provisions of this chapter, the secretary shall notify the registrant of the manner in which the article, labeling, or other material required to be submitted fail to comply with this chapter so as to afford the registrant an opportunity to make the necessary corrections.

6. Notwithstanding any other provisions of this chapter, registration is not required in the case of a pesticide shipped from one plant within this state to another plant within this state operated by the same person.

7. *a.* Each licensee under section 206.8 shall file an annual report at the time of application for licensure with the secretary of agriculture in a form specified by the secretary of agriculture and which includes the following information:

(1) The gross retail sales of all pesticides sold at retail for use in this state by a licensee

with one hundred thousand dollars or more in gross retail sales of the pesticides sold for use in this state.

(2) The individual label name and dollar amount of each pesticide sold at retail for which gross retail sales of the individual pesticide are three thousand dollars or more.

*b.* A person who is subject to the household hazardous materials permit requirements, and whose gross annual retail sales of pesticides are less than ten thousand dollars for each business location owned or operated by the person, shall report annually, the individual label name of an individual pesticide for which annual gross retail sales are three thousand dollars or more. The information shall be submitted on a form provided to household hazardous materials permittees by the department of natural resources, and the department of natural resources shall remit the forms to the department of agriculture and land stewardship.

*c.* Notwithstanding the reporting requirements of this section, the secretary of agriculture may, upon recommendation of the advisory committee created pursuant to section 206.23, and if the committee declares a pesticide to be a pesticide of special concern, require the reporting of annual gross retail sales of a pesticide.

*d.* A person who sells feed which contains a pesticide as an integral part of the feed mixture shall not be subject to the reporting requirements of this section. However, a person who manufactures feed which contains a pesticide as an integral part of the feed mixture shall be subject to the licensing requirements of section 206.8.

*e.* The information collected and included in the report required under this section shall remain confidential. Public reporting concerning the information collected shall be performed in a manner which does not identify a specific brand name in the report.

[C66, 71, 73, §206.4; C75, 77, 79, 81, §206.12]

87 Acts, ch 225, §222, 223; 88 Acts, ch 1156, §2 – 4; 90 Acts, ch 1133, §1; 91 Acts, ch 89, §3; 91 Acts, ch 124, §3; 91 Acts, ch 260, §1218; 93 Acts, ch 131, §9; 94 Acts, ch 1107, §49; 2000 Acts, ch 1066, §41; 2009 Acts, ch 41, §85; 2012 Acts, ch 1095, §133 – 135

Referred to in §206.11, 206.16, 206.22, 455E.11

**206.13 Evidence of financial responsibility required by commercial applicator.**

1. The department shall not issue a commercial applicator's license as required in section 206.6 until the applicant has furnished evidence of financial responsibility with the department. The evidence of financial responsibility shall consist of a surety bond, a liability insurance policy, or an irrevocable letter of credit issued by a financial institution. The department may accept a certification of the evidence of financial responsibility. The evidence of financial responsibility shall pay the amount that the beneficiary is legally obligated to pay as damages caused by the pesticide operations of the applicant. However, the evidence of financial responsibility does not apply to damages or an injury which is expected or intended from the standpoint of the beneficiary. A liability insurance policy shall be subject to the insurer's policy provisions filed with and approved by the commissioner of insurance. The evidence of financial responsibility need not apply to damages or injury to agricultural crops, plants, or land being worked upon by the applicant.

2. The amount of the evidence of financial responsibility as provided for in this section shall be not less than one hundred thousand dollars for property damage and public liability insurance, each separately, or liability insurance with limits of one hundred thousand dollars per occurrence and three hundred thousand dollars annual aggregate. The evidence of financial responsibility shall be maintained at not less than that amount at all times during the licensed period. The department shall be notified ten days prior to any reduction in the surety bond or liability insurance made at the request of the applicant or cancellation of the surety bond by the surety or the liability insurance by the insurer. The department shall be notified ninety days prior to any reduction of the amount of the irrevocable letter of credit at the request of the applicant or the cancellation of the irrevocable letter of credit by the financial institution. The total and aggregate liability of the surety, insurer, or financial

institution for all claims shall be limited to the face of the surety bond, liability insurance policy, or irrevocable letter of credit.

[C75, 77, 79, 81, §206.13]

2003 Acts, ch 86, §2, 3; 2012 Acts, ch 1095, §129; 2013 Acts, ch 15, §10, 11

Referred to in §206.6

Subsection 2 amended

**206.14 Reports of pesticide accidents, incidents or loss.**

1. The secretary may by rule require the reporting of significant pesticide accidents or incidents to a designated state agency.

2. Any person claiming damages from a pesticide application shall have filed with the secretary on a form prescribed by the secretary a written statement claiming that the person has been damaged.

*a.* This report shall have been filed within sixty days after the alleged date that damages occurred. If a growing crop is alleged to have been damaged, the report must be filed prior to the time that twenty-five percent of the crop has been harvested. Such statement shall contain, but shall not be limited to the name of the person allegedly responsible for the application of said pesticide, the name of the owner or lessee of the land on which the crop is grown and for which damage is alleged to have occurred, and the date on which the alleged damage occurred.

*b.* The secretary shall prepare a form to be furnished to persons to be used in such cases and such form shall contain such other requirements as the secretary may deem proper. The secretary shall, upon receipt of such statement, notify the licensee and the owner or lessee of the land or other person who may be charged with the responsibility of the damages claimed, and furnish copies of such statements as may be requested. The secretary shall inspect damages whenever possible and when the secretary determines that the complaint has sufficient merit the secretary shall make such information available to the person claiming damage and to the person who is alleged to have caused the damage.

3. The filing of such a report or failure to give notice shall not preclude recovery in an action for damages and shall not affect the limitations of actions set forth in chapter 614. Nothing herein shall prohibit an action for damages for bodily injury or death to any person.

*a.* The filing of such report or the failure to file such a report shall not be a violation of this chapter. However, if the person failing to file such report is the only one injured from such use or application of a pesticide by others, the secretary may, when in the public interest, refuse to hold a hearing for the denial, suspension or revocation of a license or permit issued under this chapter until such report is filed.

*b.* Where damage is alleged to have occurred, the claimant shall permit the secretary, the licensee and the licensee's representatives, such as surety or insurer, to observe within reasonable hours the lands or nontarget organism alleged to have been damaged in order that such damage may be examined. Failure of the claimant to permit such observation and examination of the damaged lands shall automatically bar the claim against the licensee.

4. The secretary shall require, by rule, that veterinarians licensed and practicing veterinary medicine in the state promptly report to the department a case of domestic livestock poisoning or suspected poisoning by agricultural chemicals.

[C73, §206.13, 455B.102; C75, 77, §206.14, 455B.102; C79, §206.14, 455B.132; C81, §206.14]

Referred to in §139A.21

**206.15 Licensee to keep records.**

The secretary shall require commercial applicators and certified commercial applicators to maintain records with respect to application of pesticides. Such relevant information as the secretary may deem necessary may be specified by regulation. Such records shall be kept for a period of three years from the date of the application of the pesticide to which such records refer, and the secretary shall, upon request in writing, be furnished with a copy of such records forthwith.

[C75, 77, 79, 81, §206.15]

**206.16 Confiscation.**

1. Any pesticide or device that is distributed, sold, or offered for sale within this state or delivered for transportation or transported in intrastate commerce or between points within this state through any point outside this state shall be liable to be proceeded against in any district court in any county of the state where it may be found and seized for confiscation by condemnation.

*a.* In the case of a pesticide:

(1) If it is adulterated or misbranded.

(2) If it has not been registered under the provisions of section 206.12.

(3) If it fails to bear on its label the information required by this chapter.

(4) If it is a white powder pesticide and is not colored as required under this chapter.

*b.* In the case of a device, if it is misbranded.

2. If the article is condemned, it shall, after entry of decree, be disposed of by destruction or sale as the court may direct and the proceeds if such article is sold, less legal costs, shall be paid to the state treasurer; provided, that the article shall not be sold contrary to the provisions of this chapter; and, provided further, that upon payment of costs and execution and delivery of a good and sufficient bond conditioned that the article shall not be disposed of unlawfully, the court may direct that said article be delivered to the owner thereof for relabeling or reprocessing as the case may be.

3. When a decree of condemnation is entered against the article, court costs and fees and storage and other proper expenses shall be awarded against the person, if any, intervening as claimant of the article.

4. When the secretary has reasonable cause to believe a pesticide or device is being distributed, stored, transported, or used in violation of any of the provisions of this chapter, or of any of the prescribed rules under this chapter, the secretary may issue and serve a written "stop sale, use, or removal" order upon the owner or custodian of any such pesticide or device. If the owner or custodian is not available for service of the order, the secretary may attach the order to the pesticide or device and notify the registrant. The pesticide or device shall not be sold, used, or removed until the provisions of this chapter have been complied with and the pesticide or device has been released in writing under conditions specified by the secretary or the violation has been otherwise disposed of as provided in this chapter by a court of competent jurisdiction.

[C66, 71, 73, §206.10; C75, 77, 79, 81, §206.16]

Referred to in §206.23A

**206.17 Reciprocal agreement.**

The secretary may waive all or part of the examination requirements provided for in sections 206.6 and 206.7 on a reciprocal basis with any other state which has substantially the same standards.

[C75, 77, 79, 81, §206.17]

**206.18 Exception to penalties.**

1. The penalties provided for violations of section 206.11, subsection 1, shall not apply to:

*a.* Any carrier while lawfully engaged in transporting a pesticide within this state, if such carrier shall, upon request, permit the secretary or the secretary's designated agent to copy all records showing the transactions in and movement of the articles.

*b.* Public officials of this state and the federal government engaged in the performance of their official duties.

*c.* The manufacturer or shipper of a pesticide for experimental use only:

(1) By or under the supervision of an agency of this state or of the federal government authorized by law to conduct research in the field of pesticides.

(2) By others if the pesticide is not sold and if the container thereof is plainly and conspicuously marked "For experimental use only — not to be sold", together with the manufacturer's name and address; provided, however, that if a written permit has been obtained from the secretary, pesticides may be sold for experimental purposes subject to such restrictions and conditions as may be set forth in the permit.

2. No article shall be deemed in violation of this chapter when intended solely for export to a foreign country, and when prepared or packed according to the specifications or directions of the purchaser. If not so exported, all the provisions of this chapter shall apply.

3. The provisions of section 206.6 relating to licenses and requirements for their issuance shall not apply to any farmer applying pesticides for the farmer or with ground equipment or manually for the farmer's neighbors; provided, that:

*a.* The farmer operates farm property and operates and maintains pesticide application equipment primarily for the farmer's own use;

*b.* The farmer is not regularly engaged in the business of applying pesticides for hire amounting to a principal or regular occupation and that the farmer shall not publicly claim to be a pesticide applicator;

*c.* The farmer operates the pesticide application equipment only in the vicinity of the farmer's own property and for the accommodation of the farmer's neighbors.

4. The licensing requirements of section 206.6 shall not apply to persons using hand-powered or self-propelled equipment not exceeding seven and one-half horsepower as determined by rules promulgated by the department to apply pesticides to lawns, or to ornamental shrubs and trees not in excess of twelve feet high, as an incidental part of taking care of household lawns and yards provided, that such persons shall not publicly hold themselves out as being in the business of applying pesticides, and that such persons do not apply restricted use pesticides or state restricted use pesticides, restricted to use only by certified applicators.

5. The provisions of section 206.6 relating to licenses and requirements for their issuance shall not apply to a doctor of veterinary medicine applying pesticides to animals during the normal course of veterinary practice; provided that the veterinarian is not regularly engaged in the business of applying pesticides for hire amounting to a principal or regular occupation or does not publicly claim to be a pesticide applicator; and that the veterinarian does not apply restricted use pesticides, or state restricted use pesticides, restricted to use by certified applicators only.

[C66, 71, 73, §206.8; C75, 77, 79, 81, §206.18]

**206.19 Rules.**

The department shall, by rule, after public hearing following due notice:

1. Declare as a pest any form of plant or animal life or virus which is unduly injurious to plants, humans, domestic animals, articles, or substances.

2. Determine the proper use of pesticides including but not limited to their formulations, times and methods of application, and other conditions of use.

3. Determine in cooperation with municipalities, the proper notice to be given by a commercial or public applicator to occupants of adjoining properties in urban areas prior to or after the exterior application of pesticides, and establish a schedule to determine the periods of application least harmful to living beings. The rules shall provide that a commercial or public applicator must provide notice only if an occupant requests that the commercial or public applicator provide the occupant notice in a timely manner prior to the application. The request shall include the name and address of the occupant, a telephone number of a location where the occupant may be contacted during normal business hours and evening hours, and the address of each property that adjoins the occupant's property. The notification shall expire on December 31 of each year, or the date when the occupant no longer occupies the property, whichever is earlier. Municipalities shall cooperate with the department by reporting infractions and in implementing this subsection.

4. Adopt rules providing guidelines for public bodies to notify adjacent property occupants regarding the application of herbicides to noxious weeds or other undesirable vegetation within highway rights-of-way.

5. *a.* Establish, assess, and collect civil penalties for violations by commercial applicators. In determining the amount of the civil penalty, the department shall consider all of the following factors:

(1) The willfulness of the violation.

(2) The actual or potential danger of injury to the public health or safety, or damage to the environment caused by the violation.

(3) The actual or potential cost of the injury or damage caused by the violation to the public health or safety, or to the environment.

(4) The actual or potential cost incurred by the department in enforcing this chapter and rules adopted pursuant to this chapter against the violator.

(5) The remedial action required of the violator.

(6) The violator's previous history of complying with orders or decisions of the department.

*b.* The amount of the civil penalty shall not exceed five hundred dollars for each offense.

[C66, §206.6; C71, §206.6, 206.12; C73, §206.12, 455B.102; C75, 77, §206.19, 455B.102; C79, §206.19, 455B.132; C81, §206.19]

87 Acts, ch 177, §2; 87 Acts, ch 225, §224; 88 Acts, ch 1118, §2; 93 Acts, ch 130, §1; 95 Acts, ch 172, §3; 2009 Acts, ch 41, §263

Referred to in §206.23A

**206.20 Restricted use pesticides classified.**

The secretary shall determine, by rule, the pesticides to be classified as restricted use pesticides. In determining these rules the secretary shall take into consideration the pesticides classified as restricted use by the United States environmental protection agency and is authorized to adopt by reference these classifications.

[C75, 77, 79, 81, §206.20]

87 Acts, ch 177, §3; 88 Acts, ch 1118, §3

Referred to in §206.2

**206.21 Secretary of agriculture — duties.**

1. The secretary is authorized, after public hearing following due notice, to make appropriate rules for carrying out the provisions of this chapter, including rules providing for the collection and chemical examination of samples of pesticides or devices.

2. *a.* The secretary, including the secretary's authorized agents, inspectors, or employees, may enter into or upon any place during reasonable business hours in order to do any of the following:

(1) Take periodic random samples for chemical examinations of pesticides and devices.

(2) Open any bundle, package or other container containing or believed to contain a pesticide in order to determine whether the pesticide or device complies with the requirements of this chapter.

(3) Monitor the use of or review the pesticide application.

*b.* Methods of analysis shall be those currently used by the association of official agricultural chemists.

3. The secretary of agriculture, in cooperation with the advisory committee created pursuant to section 206.23, shall designate areas with a history of concerns regarding nearby pesticide applications as pesticide management areas. The secretary shall adopt rules for designating pesticide management areas.

[C66, 71, 73, §206.6; C75, 77, 79, 81, §206.21]

87 Acts, ch 225, §225; 2012 Acts, ch 1095, §136

**206.22 Penalties.**

1. Any person violating section 206.11, subsection 1, paragraph "*a*", shall be guilty of a simple misdemeanor.

2. Any person violating any provision of this chapter other than section 206.11, subsection 1, paragraph "*a*", shall be guilty of a serious misdemeanor; provided, that any offense committed more than five years after a previous conviction shall be considered a first offense; and provided, further, that in any case where a registrant was issued a warning by the secretary pursuant to the provisions of this chapter, such registrant shall upon conviction of a violation of any provision of this chapter other than section 206.11, subsection 1, paragraph "*a*", be guilty of a serious misdemeanor; and the registration of the article with reference to which the violation occurred shall terminate automatically. An

article, the registration of which has been terminated, may not again be registered unless the article, its labeling, and other material required to be submitted appear to the secretary to comply with all the requirements of this chapter.

3. Notwithstanding any other provisions of the section, in case any person, with intent to defraud, uses or reveals information relative to formulae of products acquired under authority of section 206.12, the person shall be guilty of a serious misdemeanor.

[C66, 71, 73, §206.9; C75, 77, 79, 81, §206.22]

92 Acts, ch 1112, §3; 95 Acts, ch 172, §4

Referred to in §206.11

**206.23 Advisory committee created — duties.**

1. An advisory committee to the secretary is created. The advisory committee shall have the following members:

*a.* The dean, college of veterinary medicine, Iowa state university of science and technology, or the dean's designee;

*b.* The dean, university of Iowa college of medicine, or the dean's designee;

*c.* An entomologist, botanist, geneticist, horticulturist, agronomist and two persons representing the general public appointed by the secretary. Appointive members of the advisory committee shall serve terms of four years.

2. The advisory committee shall assist the secretary in obtaining scientific data and coordinating agricultural chemical regulatory, enforcement, research, and educational functions of the state. The advisory committee shall recommend rules regarding the sale, use, or disuse of agricultural chemicals to the secretary.

3. The advisory committee shall adopt rules relating to its procedures, and meetings under the general supervision of the secretary.

4. The members of the advisory committee shall be reimbursed for actual and necessary expenses incurred by them in the discharge of their official duties.

[C81, §206.23]

2001 Acts, ch 74, §8

Referred to in §200.5, 200A.6, 206.12, 206.21, 455B.491

**206.23A Commercial pesticide applicator peer review panel.**

1. The department shall establish a commercial pesticide applicator peer review panel to assist the department in assessing or collecting a civil penalty pursuant to section 206.19. The secretary shall appoint the following members:

*a.* A person actively engaged in the business of applying pesticides by use of an aircraft and who is licensed as an aerial commercial applicator in this state pursuant to section 206.6.

*b.* A person actively engaged in the business of applying pesticides in urban areas on lawns and gardens, and who is licensed as a commercial applicator pursuant to section 206.6.

*c.* A person actively engaged in the business of applying pesticides within structures used for residential or commercial purposes, and who is licensed as a commercial applicator pursuant to section 206.6.

*d.* A person actively engaged in the business of applying pesticides on agricultural land used for farming and who is licensed as a commercial applicator pursuant to section 206.6.

*e.* A person certified as a public applicator pursuant to section 206.5.

2. *a.* The members appointed pursuant to this section shall serve four-year terms beginning and ending as provided in section 69.19. However, the secretary shall appoint initial members to serve for less than four years to ensure that members serve staggered terms. A member is eligible for reappointment. A vacancy on the panel shall be filled for the unexpired portion of the regular term in the same manner as regular appointments are made.

*b.* The panel shall elect a chairperson who shall serve for a term of one year. The panel shall meet on a regular basis and at the call of the chairperson or upon the written request to the chairperson of two or more members. Three voting members constitute a quorum and the affirmative vote of a majority of the members present is necessary for any substantive action to be taken by the panel. The majority shall not include any member who has a conflict of

interest and a statement by a member that the member has a conflict of interest is conclusive for this purpose. A vacancy in the membership does not impair the duties of the panel.

*c.* Notwithstanding section 7E.6, the members shall only receive reimbursement for actual expenses for performance of their official duties, as provided by the department.

*d.* The panel shall be staffed by the department.

3. The panel shall make recommendations to the department regarding the establishment of civil penalties and procedures to assess and collect penalties, as provided in section 206.19. The panel may propose a schedule of penalties for minor and serious violations. The department may adopt rules based on the recommendations of the panel as approved by the secretary.

4. The panel shall review cases of persons required to be licensed as commercial applicators who are subject to civil penalties as provided in section 206.19 according to rules adopted by the department. A review shall be performed upon request by the secretary or the person subject to the civil penalty. The panel may establish procedures for the review and establish a system of prioritizing cases for review, consistent with rules adopted by the department. The rules may exclude review of minor violations. The review may also include the manner of assessing and collecting the civil penalty. The findings and recommendations of the panel shall be included in a response delivered to the department and the person subject to the penalty. The response may include a recommendation that a proposed civil penalty be modified or suspended, that an alternative method of collection be instituted, or that conditions be placed upon the license of a commercial applicator.

5. The department shall adopt rules establishing a period for the review and response by the panel which must be completed prior to a contested case hearing under chapter 17A. A hearing shall not be delayed after the required period for review and response, except as provided in chapter 17A.

6. This section does not apply to a license revocation proceeding. This section does not require the department to delay the prosecution of a case if immediate action is necessary to reduce the risk of harm to the environment or public health or safety. This section also does not require a review or response if the department refers a violation of this chapter for criminal prosecution, or for an action involving a stop order issued pursuant to section 206.16. The department shall consider any available response by the panel, but is not required to change findings of an investigation, a penalty sought to be assessed, or a manner of collection.

7. An available response by the panel may be used as evidence in an administrative hearing, or a civil or criminal case, except to the extent that information is considered confidential pursuant to section 22.7.

93 Acts, ch 130, §2

**206.24 Agricultural initiative.**

A program of education and demonstration in the area of the agricultural use of fertilizers and pesticides shall be initiated by the secretary of agriculture on July 1, 1987. The secretary shall coordinate the activities of the state regarding this program.

Education and demonstration programs shall promote the widespread adoption of management practices which protect groundwater. The programs may include but are not limited to programs targeted toward the individual farm owner or operator, high school and college students, and groundwater users, in the areas of best management practices, current research findings, and health impacts. Emphasis shall be given to programs which enable these persons to demonstrate best management practices to their peers.

87 Acts, ch 225, §226

**206.25 Pesticide containers disposal.**

The department of agriculture and land stewardship, in cooperation with the department of natural resources, shall develop a program for handling used pesticide containers which reflects the state solid waste management policy.

87 Acts, ch 225, §227; 2002 Acts, ch 1162, §37

**206.26 through 206.30** Reserved.

**206.31 Application of pesticides for structural pest control.**

1. *Definitions.* Notwithstanding section 206.2, as used in this chapter with regard to the application of pesticides used for structural pest control:

*a.* *"Commercial applicator"* means a person, or employee of a person, who enters into a contract or an agreement for the sake of monetary payment and agrees to perform a service by applying a pesticide or servicing a device but shall not include a farmer trading work with another.

*b.* *"Public applicator"* means an individual who applies pesticides as an employee of a state agency, county, municipal corporation, or other governmental agency.

*c.* *"Structural pest control"* means controlling any pests in, on, or around food handling establishments; human dwellings; institutions such as schools and hospitals; industrial establishments, including warehouses and grain elevators; and any other structures in adjacent areas.

2. *Additional certification requirements.*

*a.* A person shall not apply a restricted use pesticide used for structural pest control without first complying with the certification requirements of this chapter and other restrictions as determined by the secretary.

*b.* The secretary shall require applicants for certification as commercial or public applicators of pesticides applied for structural pest control to take and pass a written test.

3. *Examination for commercial applicator license.* The secretary of agriculture shall not issue a commercial applicator license for applying pesticides for structural pest control until the individual engaged in or managing the pesticide application business or employed by the business is certified by passing an examination to demonstrate to the secretary the individual's knowledge of how to apply pesticides under the classifications the individual has applied for, and the individual's knowledge of the nature and effect of pesticides the individual may apply under such classifications.

4. *Renewal of applicant's license.* The secretary of agriculture shall renew an applicant's license for applying pesticides for structural pest control under the classifications for which the applicant is licensed, provided that all of the applicant's personnel who apply pesticides for structural pest control have also been certified.

5. *Rules and fee.* The secretary shall adopt by rule, pursuant to chapter 17A, requirements for the examination and certification of the applicants and set a fee of not more than five dollars for certification.

87 Acts, ch 177, §4; 88 Acts, ch 1118, §4; 88 Acts, ch 1197, §3; 2009 Acts, ch 41, §263

**206.32 Chlordane — prohibition.**

1. A person shall not offer for sale, sell, purchase, apply, or use chlordane in this state, on or after January 1, 1989.

2. The department, working in conjunction with the department of natural resources, shall identify existing stocks of chlordane, shall formulate recommendations for the safe disposal of existing stocks of chlordane, and shall make those recommendations available to the owners of existing stocks of chlordane.

88 Acts, ch 1118, §1

**206.33 Daminozide — prohibition.**

A person shall not offer for sale, sell, purchase, apply, or use a pesticide containing daminozide in this state if the pesticide is sold, purchased, applied, or used for purposes of enhancing or improving a product produced to be consumed.

89 Acts, ch 127, §1; 90 Acts, ch 1260, §24

**206.34 Local legislation — prohibition.**

1. As used in this section:

*a.* *"Local governmental entity"* means any political subdivision, or any state authority which is not the general assembly or under the direction of a principal central department as enumerated in section 7E.5, including a city as defined in section 362.2, a county as provided in chapter 331, or any special purpose district.

*b.* *"Local legislation"* means any ordinance, motion, resolution, amendment, regulation, or rule adopted by a local governmental entity.

2. The provisions of this chapter and rules adopted by the department pursuant to this chapter shall preempt local legislation adopted by a local governmental entity relating to the use, sale, distribution, storage, transportation, disposal, formulation, labeling, registration, or manufacture of a pesticide. A local governmental entity shall not adopt or continue in effect local legislation relating to the use, sale, distribution, storage, transportation, disposal, formulation, labeling, registration, or manufacture of a pesticide, regardless of whether a statute or rule adopted by the department applies to preempt the local legislation. Local legislation in violation of this section is void and unenforceable.

3. This section does not apply to local legislation of general applicability to commercial activity.

94 Acts, ch 1002, §2; 94 Acts, ch 1198, §42

# CHAPTER 206A

RESERVED

# CHAPTER 207

## COAL MINING

Referred to in §159.6, 161A.4, 189.16, 190.1, 557C.2

This chapter not enacted as a part of this title;
transferred from chapter 83 in Code 1993


207.1 Policy.
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207.3 Mining license.
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207.19 Surface effects of underground coal mining operations.
207.20 Authority to enter into cooperative agreements.
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207.25 Additional duties and powers of the division.
207.26 Mining operations not subject to this chapter.
207.27 Experimental practices.
207.28 Employee protection.
207.29 Powers and authority of division.


**207.1 Policy.**

1. It is the policy of this state to provide for the rehabilitation and conservation of land affected by coal mining and preserve natural resources, protect and perpetuate the taxable value of property, and protect and promote the health, safety, and general welfare of the people of this state.

2. The general assembly finds and declares that because the federal Surface Mining Control and Reclamation Act of 1977, Pub. L. No. 95-87, codified at 30 U.S.C. ch. 25, subch. IV, provides for a permit system to regulate the mining of coal and reclamation of the mining sites and provides that permits may be issued by states which are authorized to implement

the provisions of that Act, it is in the interest of the people of Iowa to enact the provisions of this chapter in order to authorize the state to implement the provisions of the federal Surface Mining Control and Reclamation Act of 1977 and federal regulations and guidelines issued pursuant to that Act.

[C79, §83A.12(2); C81, §83.1]

C93, §207.1

2006 Acts, ch 1010, §61; 2011 Acts, ch 34, §40

**207.2 Definitions.**

As used in this chapter, unless context otherwise requires:

1. *"Administrator"* means the division administrator of the division of soil conservation or a designee.

2. *"Committee"* means the state soil conservation committee.

3. *"Division"* means the division of soil conservation within the department of agriculture and land stewardship.

4. *"Fund"* means the abandoned mine reclamation fund established pursuant to this chapter.

5. *"Imminent danger to the health and safety of the public"* means the existence of a condition or practice, or a violation of a permit or other requirement of this chapter in a coal mining and reclamation operation, which could reasonably be expected to cause substantial physical harm to persons outside the permit area before it can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose the person's self to the danger during the time necessary for abatement.

6. *"Mine"* means an underground mine operation or surface mine operation developed and operated for the purpose of extracting coal.

7. *"Operator"* means a person engaged in coal mining who removes or intends to remove more than fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in one location.

8. *"Permit"* means a permit to conduct surface coal mining and reclamation operations issued by the division.

9. *"Permit area"* means the area of land indicated on the approved map submitted with the operator's application.

10. *"Prime farmland"* means the same as prescribed by the United States department of agriculture pursuant to 7 C.F.R. § 657.5(a).

11. *"Secretary"* means the United States secretary of the interior or a designee.

12. *"State program"* means the procedures for regulating coal mining and reclamation operations established by this chapter.

13. *"Surface coal mining and reclamation operations"* means surface coal mining operations and all activities necessary and incident to the reclamation of such operations after the effective date of this chapter.

14. *"Surface coal mining operations"* means both:

*a.* Activities conducted on the surface of lands in connection with a surface coal mine or surface operations and surface impacts incident to an underground coal mine subject to the requirements of this chapter. However, these activities do not include the extraction of coal incidental to the extraction of other minerals if coal does not exceed sixteen and two-thirds percent of the tonnage of minerals removed for purposes of commercial use or sale or include coal explorations subject to this chapter.

*b.* The areas upon which such activities occur or where such activities disturb the natural land surface.

15. *"Unwarranted failure to comply"* means the failure of an operator to prevent the occurrence of or abate a violation of a permit or a requirement of this chapter due to indifference, lack of diligence, or lack of reasonable care.

[C81, §83.2]

86 Acts, ch 1245, §601

C93, §207.2
2012 Acts, ch 1095, §137; 2013 Acts, ch 90, §36
Subsection 10 amended

**207.3 Mining license.**

1. A person shall not engage in a surface coal mining operation without first obtaining a license from the division. Licenses shall be issued upon application submitted on a form provided by the division and accompanied by a fee of fifty dollars. An applicant shall furnish on the form information necessary to identify the applicant. Licenses expire on December 31 following the date of issuance and shall be renewed by the division upon application submitted within thirty days prior to the expiration date and accompanied by a fee of ten dollars.

2. The division may, after notification to the committee, commence proceedings to suspend, revoke, or refuse to renew a license of a licensee for repeated or willful violation of any of the provisions of this chapter or of the federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. § 801 et seq.

3. The hearing shall be held pursuant to chapter 17A not less than fifteen nor more than thirty days after the mailing or service of the notice. If the licensee is found to have willfully or repeatedly violated any of the provisions of this chapter or of the federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. § 801 et seq., the committee may affirm or modify the proposed suspension, revocation, or refusal to renew the license.

4. Suspension or revocation of a license shall become effective thirty days after the mailing or service of the decision to the licensee. If the committee finds the license should not be renewed, the renewal fee shall be refunded and the license shall expire on the expiration date or thirty days after mailing or service of the decision to the licensee, whichever is later.

[C79, §83A.12(1); C81, §83.3]
C93, §207.3
2011 Acts, ch 34, §41

**207.4 Mine site permit.**

1. Prior to beginning mining or removal of overburden at mining site, an operator shall obtain a permit from the division for the site. Application for a permit shall be made upon a form provided by the division. The permit fee shall be established by the division in an amount not to exceed the cost of administering the permit provisions of this chapter.

The application shall include, but not be limited to:

*a.* A legal description of the land where the site is located and the estimated number of acres affected.

*b.* A statement explaining the authority of the applicant's legal right to operate a mine on the land.

*c.* A reclamation plan meeting the requirements of this chapter.

*d.* A determination by an appropriate state or federal agency of the probable hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity, and quality of water in surface and groundwater systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding areas so that an assessment can be made by the division of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability. If the division finds that the probable total annual production at all locations of a coal mining operator will not exceed one hundred thousand tons, the determination of probable hydrologic consequences and a statement of the result of test borings on core samplings which the division may require shall upon the written request of the operator be performed by a qualified public or private laboratory designated by the division and the cost of the preparation of the determination and statement shall be assumed by the division.

2. All permits issued pursuant to the requirements of this chapter shall be issued for a term not to exceed five years. If the applicant demonstrates that a specified longer term is reasonably needed to allow the applicant to obtain necessary financing for equipment and

the opening of the operation and if the application is full and complete for the longer term, the division may grant a permit for the longer term. A successor in interest to a permittee who applies for a new permit within thirty days of succeeding to the interest and is able to continue the bond coverage may continue coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until the successor's application is granted or denied.

3. A permit terminates if the permittee has not commenced the coal mining operations covered by the permit within three years of its issuance. However, the division may grant reasonable extensions of time upon a showing that the extensions are necessary because of litigation precluding the commencement or threatening substantial economic loss to the permittee or because of conditions beyond the control and without the fault or negligence of the permittee. If a coal lease is issued under the federal Mineral Leasing Act, as amended, extensions of time may not extend beyond the period allowed for diligent development in accordance with section 7 of that Act. If coal is to be mined for use in a synthetic fuel facility or specific major electric generating facility, the permittee is deemed to have commenced mining operations when the construction of the synthetic fuel or generating facility is initiated.

4. A valid permit carries the right of successive renewal upon expiration within the boundaries of the existing permit. On application for renewal the burden shall be on the opponents of approval. Upon application the renewal shall be issued unless the division establishes any of the following:

*a.* The terms and conditions of the existing permit are not being satisfactorily met.

*b.* The present coal mining and reclamation operation is not in compliance with the environmental protection standards of this chapter.

*c.* The renewal requested substantially jeopardizes the operator's continuing responsibility on existing permit areas.

*d.* The operator has not shown that the performance bond for the operation and any additional bond the division may require will continue in full force and effect for the renewal requested.

*e.* Additional revised or updated information required by the division has not been provided.

5. A permit renewal shall be for a term not to exceed the period of the original permit.

Application for renewal shall be made at least one hundred twenty days prior to the expiration of the permit. Prior to the approval of a renewal of permit the division shall provide notice to the appropriate public authorities.

[C81, §83.4]

C93, §207.4

Mine site permit fee set at fifteen dollars per site acre; 88 Acts, ch 1272, §4

**207.5 Public notice and hearing.**

1. An applicant for a coal mining and reclamation permit or its renewal shall file a copy of the application for public inspection with the county recorder of each county where the mining is proposed to occur.

2. An applicant for a coal mining and reclamation permit or its renewal shall submit to the division a copy of the applicant's advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission the advertisement shall be placed by the applicant in a local newspaper of general circulation in the locality of the proposed mine weekly for four consecutive weeks. The division shall notify various local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies where the proposed mining will take place, informing them of the operator's intention to mine a particularly described tract of land, indicating the application number and where a copy of the proposed mining and reclamation plan may be inspected. They may submit written comments within a reasonable period established by the division on the effect of the proposed operation on the environment within their area of responsibility. The comments shall immediately be transmitted to the applicant and shall be made available to the public at the same locations as the mining permit application.

3. A person having an interest which is or may be adversely affected or a federal, state,

or local governmental agency may file written objections to the proposed initial or revised application for a permit for coal mining and reclamation operation with the division within sixty days after the last publication of the advertisement. The objections shall immediately be transmitted to the applicant and shall be made available to the public. If objections are filed and an informal conference requested within a reasonable time, the division shall hold an informal conference in the locality of the proposed mining operations and shall publish the date, time and location in a newspaper of general circulation in the locality at least two weeks prior to the scheduled conference date. Upon request by an interested party, the division may arrange with the applicant access to the proposed mining area for the purpose of gathering information relevant to the proceeding. An electronic or stenographic record shall be made of the conference proceeding, unless waived by all parties. The record shall be maintained and shall be accessible to the parties until final release of the applicant's performance bond. If all parties requesting the informal conference stipulate agreement prior to the conference and withdraw their request, the conference need not be held.

4. An application for a permit shall show a certificate issued by an insurance company authorized to do business in this state certifying that the applicant has a public liability insurance policy in force for that mining and reclamation operation or evidence satisfactory to the division that the applicant has an adequate self-insurance plan. The policy or self-insurance plan shall provide for personal injury and property damage protection adequate to compensate persons entitled to compensation because of damage as a result of coal mining and reclamation operations including use of explosives. The policy or self-insurance plan shall be maintained in full force and effect during the terms of the permit, any renewal and all reclamation operations.

[C81, §83.5]
C93, §207.5

**207.6 Blasting plan required.**

1. An application for a permit shall contain a blasting plan which outlines the procedures and standards by which the operator will meet the requirements of the division.

2. The division may promulgate rules requiring the training, examination, and certification of persons engaging in or directly responsible for blasting or use of explosives in coal mining operations.

[C81, §83.6]
C93, §207.6

**207.7 Environmental protection performance standards.**

The division shall adopt rules for environmental protection performance standards that are consistent with federal regulations authorized under the federal Surface Mining Control and Reclamation Act and amendments to that Act.

[C77, 79, §83A.31; C81, §83.7]
87 Acts, ch 47, §1
C93, §207.7
Referred to in §207.9, 207.10, 207.16, 207.18, 207.27

**207.8 Determining if land is unsuitable for mining.**

1. The division by rule shall designate a site unsuitable for coal mining if the division determines on the basis of an application or petition that reclamation as required by this chapter is not technologically and economically feasible and may designate a site unsuitable for coal mining if such operations will:

*a.* Be incompatible with existing state or local land use plans or programs.

*b.* Affect fragile or historic lands in which the operations could result in significant damage to important historic, cultural, scientific, or esthetic values or natural systems.

*c.* Affect renewable resource lands in which such operations could result in a substantial loss or reduction of long range productivity of water supply or of food or fiber products, and such lands to include aquifers and aquifer recharge areas.

*d.* Affect natural hazards lands in which such operations could substantially endanger life

and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

2. The requirements of this section do not apply to lands on which coal mining operations are being conducted as of August 3, 1977, or under a permit issued pursuant to this chapter or pursuant to section 83A.12, Code 1979, or where substantial legal and financial commitments in an operation were in existence prior to January 4, 1977.

3. Prior to designating a land area as unsuitable for coal mining operations, the division shall prepare a detailed statement on the potential coal resources of the area, the demand for coal resources, and the impact of the designation on the environment, the economy, and the supply of coal.

4. A person having an interest which is or may be adversely affected may petition the division to have an area designated or to have the designation terminated. The petition shall contain allegations of facts with supporting evidence tending to establish the allegations. Within ten months after receipt of the petition the division shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of the hearing. After a person has filed a petition and before the hearing, any person may intervene by filing allegations. Within sixty days after the hearing, the division shall issue and furnish to the petitioner and any other party to the hearing a written decision regarding the petition and the reasons. If all the petitioners stipulate agreement prior to the hearing and withdraw their request, the hearing need not be held.

5. Subject to valid existing rights, coal mining operations, except those which exist on the effective date of this chapter, shall not be permitted on any of the following:

*a.* Lands within the boundaries of units of the national park systems, the national system of trails, the national wilderness preservation system, the national wildlife refuge systems, the wild and scenic rivers system, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and national recreation areas designated by Act of Congress.

*b.* Lands which will adversely affect any publicly owned park or places included in the national register of historic sites unless approved jointly by the division and the federal, state, or local agency with jurisdiction over the park or the historic site.

*c.* Within one hundred feet of the outside right-of-way line of a public road, except where mine access roads or haulage roads join the right-of-way line and except that the division may permit such roads to be relocated or the area affected to lie within one hundred feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interests of the public and the landowners affected thereby will be protected.

*d.* Within three hundred feet of an occupied dwelling or a privately owned building, unless waived by the owner, or within three hundred feet of a public building, school, church, community, or institutional building, public park, or within one hundred feet of a cemetery.

[C77, 79, §83A.13; C81, §83.8]

C93, §207.8

2006 Acts, ch 1010, §62

**207.9 Permit approval or denial.**

1. Upon the basis of a complete mining application and reclamation plan or a revision or renewal, the division shall grant, require modification of, or deny the application for a permit in a reasonable time set by the division and notify the applicant in writing. The applicant shall have the burden of establishing that the application is in compliance with all the requirements of this chapter. Within ten days after granting of a permit, the division shall notify the political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

2. A permit or revision application shall not be approved unless the application affirmatively demonstrates and the division finds in writing on the basis of the application or other information documented in the approval, and made available to the applicant, the following:

*a.* The permit application is accurate, complete and in compliance with all the requirements of this chapter.

*b.* The applicant has demonstrated that reclamation as required by this chapter and the state program can be accomplished under the reclamation plan contained in the permit application.

*c.* The division has assessed the probable cumulative impact of all anticipated mining in the area on the hydrologic balance and the proposed operation has been designed to prevent material damage to hydrologic balance outside permit area.

*d.* The area proposed to be mined is not included within an area designated unsuitable for coal mining or is not within an area proposed for such designation.

*e.* If the private mineral estate has been severed from the private surface estate, the applicant has submitted any of the following:

(1) The written consent of the surface owner to the extraction of coal.

(2) A conveyance that expressly grants or reserves the right to extract the coal by surface mining.

(3) If the conveyance does not expressly grant the right to extract coal by surface mining methods, the surface-subsurface legal relationship as determined in accordance with state law. This chapter does not authorize the division to adjudicate property rights disputes.

3. The applicant shall file with the permit application a schedule listing any and all notices of violations of this chapter and any law or rule of the federal or a state government pertaining to air or water environmental protection incurred by the applicant in connection with a coal mining operation during the three previous years. The schedule shall also indicate the final resolution of the notice of violation. If any information available to the division indicates that a coal mining operation owned or controlled by the applicant is currently in violation of this chapter or the other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority which has jurisdiction over the violation and the permit shall not be issued to an applicant after a finding by the division after an opportunity for a hearing that the applicant, or the operator specified in the application, controls or has controlled mining operations with a demonstrated pattern of willful violations of this chapter.

4. If the area proposed to be mined contains prime farmland, the division shall, after consultation with the United States secretary of agriculture, and pursuant to regulations issued by the secretary with the concurrence of the secretary of agriculture, grant a permit to mine on prime farmland if the division finds in writing that the operator has the technological capability to restore such mined area, within a reasonable time, to equivalent or higher levels of yield as nonmined prime farmland in the surrounding area under equivalent levels of management and can meet the soil reconstruction standards established by section 207.7. Any operator who mines coal on agricultural land shall restore such mined area, within a reasonable time, to equivalent or higher levels of yield as nonmined agricultural land of similar quality in the surrounding area under equivalent levels of management.

5. Within sixty days a person having an interest which is or may be adversely affected may appeal to the committee the decision of the division granting or denying a permit as a contested case under chapter 17A.

[C81, §83.9]

C93, §207.9

**207.10 Performance bond requirement.**

1. After a permit application has been approved but before issuance, the applicant shall file with the division, on a form furnished by the division, a bond for performance payable to the state and conditioned upon faithful performance by the operator of all requirements of this chapter and all rules adopted by the division pursuant to this chapter.

2. The bond shall be signed by the operator as principal and by a corporate surety licensed to do business in Iowa as surety. In lieu of a bond, the operator may deposit cash, or government securities, or certificates of deposit or letters of credit with the division on the same conditions as for filing of bonds.

3. The amount of the bond or other security required to be filed with the division shall be equal to the estimated cost of reclamation of the site if performed by the division. The

estimated cost of reclamation of each individual site shall be determined by the division on the basis of relevant factors. The division may require each applicant to furnish information necessary to estimate the cost of reclamation. The amount of the bond or other security may be increased or reduced as the permitted operation changes, or when the cost of future reclamation changes. However, the bond amount shall not be less than ten thousand dollars.

4. Liability under the bond shall be for the duration of the coal mining and reclamation operation and for a period coincident with operator's responsibility for revegetation requirements in the rules promulgated under section 207.7.

5. If the license to do business in Iowa of a surety of a bond filed with the division is suspended or revoked, the operator, within thirty days after receiving notice from the division, shall substitute another surety. If the operator fails to make substitution, the division may suspend the operator's authorization to conduct mining on the site covered by the bond until substitution has been made. The commissioner of insurance shall notify the division whenever the license of any surety providing bond for an operator is suspended or revoked.

6. Notwithstanding sections 12C.7, subsection 2, and 666.3, the interest or earnings on investments or time deposits of the proceeds of a performance bond forfeited to the division, cash deposited under subsection 2, any funds provided for the abandoned mine reclamation program under section 207.21 and any civil penalties collected pursuant to sections 207.14 and 207.15 shall be credited to the payment of costs and administrative expenses associated with the reclamation, restoration or abatement activities of the division. The division may expend funds credited to it under this subsection to conduct reclamation activities on any areas disturbed by coal mining not subject to a presently valid permit to conduct surface mining.

[C81, §83.10]
85 Acts, ch 140, §1
C93, §207.10
Referred to in §207.14

**207.11 Political subdivision engaged in mining.**

An agency or political subdivision of the state or a publicly owned utility or corporation of a political subdivision which engages or intends to engage in coal mining shall meet all requirements of this chapter.

[C81, §83.11]
C93, §207.11

**207.12 Revision of permits.**

1. *a.* An operator may apply for a revision or cancellation of a permit. The application shall be submitted by the operator on a form provided by the division, and shall contain information as required by the division.

*b.* The division shall establish rules for determining the scale or extent of a revision request to which all permit application information requirements and procedures including notice and hearings, shall apply. Revisions which propose significant alterations in the reclamation plan shall be subject to notice and hearing requirements.

2. An application for a revision of a permit shall not be approved unless the division finds that reclamation as required by this chapter can be accomplished under the revised reclamation plan.

3. Extensions to the area covered by the permit except incidental boundary revisions must be made subject to the requirements for an application for new permit.

4. If the application is to cancel the permit as it pertains to any or all of the unmined part of a site, the division shall, after ascertaining that overburden has not been disturbed or deposited on the land, order release of the bond or the security posted on that portion of the land being removed from the permit and cancel or amend the operator's permit to conduct mining on the site. Land where overburden has been disturbed or deposited shall not be removed from a permit or released from bond or security under this section.

5. A transfer, assignment, or sale of the rights granted under a permit shall not be made without the written approval of the division.

6. Fees for revision or cancellation shall be determined by the division but shall not exceed the cost of administering revisions or cancellations of permits as authorized under this section.

7. The division shall review outstanding permits within a time limit prescribed by rule and may require reasonable revision or modification of the permit provisions during the term of the permit. However, the revision or modification shall be based upon a written finding and subject to notice and hearing requirements established by the division.

[C81, §83.12]
C93, §207.12
2009 Acts, ch 41, §263

**207.13 Inspections and monitoring.**

1. *a.* The division shall make inspections of any mining and reclamation operations as are necessary to evaluate the administration of this chapter and authorized representatives of the division shall have a right to entry at any mining and reclamation operation. If the operator refuses to consent to the inspection, the division shall request the attorney general to immediately obtain a warrant for the inspection.

*b.* The division shall determine what records and other information shall be maintained and furnished to the division by the operators for the effective administration of this chapter.

2. The inspections by the division shall:

*a.* Occur at a frequency of one complete inspection per calendar quarter and at least one partial inspection on an irregular basis in those months where a complete inspection is not performed.

*b.* Occur without prior notice to the permittee, agents or employees except for necessary on-site meetings with the permittee.

*c.* Include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this chapter.

3. If the division has reason to believe that an operator is in violation of a requirement of this chapter or a permit condition, the division shall immediately order an inspection of the coal mining operation within ten days of receiving notice of the alleged violation.

4. An operator shall conspicuously maintain a clearly visible sign at the entrances to the mining and reclamation operation which sets forth the name, business address, permit number and phone number of the operator.

5. Each inspector shall immediately inform the operator in writing of each violation, and shall report in writing any violation to the division.

6. Copies of any record, reports, inspection materials, or information obtained under this section by the division shall be made immediately available to the public at central and sufficient locations in the area of mining so that they are conveniently available to residents in the areas of mining.

7. An employee of the division performing any function or duty under this chapter shall not have a direct or indirect financial interest in any mining operation.

[C81, §83.13]
C93, §207.13
2002 Acts, ch 1050, §20; 2009 Acts, ch 41, §263

**207.14 Enforcement.**

1. *a.* When on the basis of an inspection, the administrator determines that a condition or practice exists which creates an imminent danger to the health or safety of the public or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the administrator shall immediately order a cessation of coal mining and reclamation operations to the extent necessary until the administrator determines that the condition, practice, or violation has been abated, or until the order is modified, vacated, or terminated by the division pursuant to procedures set out in this section.

*b.* If the administrator finds that the ordered cessation will not completely abate the

imminent danger to health or safety of the public or the significant imminent environmental harm, the administrator shall require the operator to take whatever steps the administrator deems necessary to abate the imminent danger or the significant environmental harm.

2. *a.* When on the basis of an inspection, the administrator determines that any operator is in violation of any requirement of this chapter or permit condition, but the violation does not create an imminent danger to the health or safety of the public or cannot be reasonably expected to cause significant, imminent environmental harm, the administrator shall issue a notice to the operator fixing a reasonable time but not more than ninety days for the abatement of the violation and providing opportunity for public hearing.

*b.* If upon expiration of the time as fixed the administrator finds in writing that the violation has not been abated, the administrator, notwithstanding sections 17A.18 and 17A.18A, shall immediately order a cessation of coal mining and reclamation operations relating to the violation until the order is modified, vacated, or terminated by the administrator pursuant to procedures outlined in this section. In the order of cessation issued by the administrator under this subsection, the administrator shall include the steps necessary to abate the violation in the most expeditious manner possible.

3. When on the basis of an inspection the administrator determines that a pattern of violations of the requirements of this chapter or any permit conditions exists or has existed, and if the administrator also finds that the violations are willful or caused by the unwarranted failure of the operator to comply with any requirements of this chapter or any permit conditions, the administrator shall immediately issue an order to the operator to show cause as to why the permit should not be suspended or revoked and the bond or security forfeited, and shall provide opportunity for a hearing as a contested case pursuant to chapter 17A. Upon the operator's failure to show cause, the administrator shall immediately suspend or revoke the permit.

4. *a.* A permittee may request in writing an appeal to the committee of a decision made in a hearing under subsection 3 within thirty days of the decision. The committee shall review the record made in the contested case hearing, and may hear additional evidence upon a showing of good cause for failure to present the evidence in the hearing, or if evidence concerning events occurring after the hearing is deemed relevant to the proceeding. However, the committee shall not review a decision in a proceeding if the division seeks to collect a civil penalty pursuant to section 207.15, and those decisions are final agency actions subject to direct judicial review as provided in chapter 17A.

*b.* The contested case hearing shall be scheduled within thirty days of receipt of the request by the division. If the decision in the contested case is to revoke the permit, the permittee shall be given a specific period to complete reclamation, or the attorney general shall be requested to institute bond forfeiture proceedings.

5. In any administrative proceeding under this chapter or judicial review, the amount of all reasonable costs and expenses, including reasonable attorney fees incurred by a person in connection with the person's participation in the proceedings or judicial review, may be assessed against either party as the court in judicial review or the committee in administrative proceedings deems proper.

6. Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the operator or an agent and all notices and orders shall be in writing and signed. A notice or order issued pursuant to this section may be modified, vacated, or terminated by the administrator. Any notice or order issued pursuant to this section which requires cessation of mining by the operator expires within thirty days of actual notice to the operator unless a public hearing is held at or near the site so that any viewings of the site can be conducted during the course of the hearing.

7. *a.* A permittee issued a notice or order under this section or any person having an interest which is or may be adversely affected by the notice or order or by its modification, vacation, or termination may apply to the committee for review within thirty days of receipt

of the notice or order or within thirty days of its modification, vacation, or termination. The review shall be treated as a contested case under chapter 17A.

*b.* Pending completion of any investigation or hearings required by this section, the applicant may file with the division a written request that the administrator grant temporary relief from any notice or order issued under this section together with a detailed statement giving reasons for granting such relief.

*c.* The administrator shall issue an order or decision granting or denying the request for relief within five days of its receipt. The administrator may grant such relief under such conditions as the administrator may prescribe if all of the following occur:

(1) A hearing has been held in the locality of the permit area in which all parties were given an opportunity to be heard. The hearing need not be held as a contested case under chapter 17A.

(2) The applicant shows that there is substantial likelihood that the findings of the committee will be favorable to the applicant.

(3) Such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

8. At the request of the division, the attorney general shall institute any legal proceedings, including an action for an injunction or a temporary injunction necessary to enforce the penalty provisions of this chapter or to obtain compliance with this chapter. Injunctive relief may be requested to enforce a cessation order issued by the administrator pending a hearing pursuant to subsection 4.

9. When on the basis of an inspection, or other information available to the division, the administrator has reasonable cause to believe that the operator is unable to complete reclamation of all or a portion of the permit area as required by law, the administrator shall issue an order to the operator to show cause as to why all or a portion of the performance bond required by section 207.10 should not be revoked.

[C81, §83.14; 82 Acts, ch 1119, §1, 2]
85 Acts, ch 140, §2 – 4
C93, §207.14
98 Acts, ch 1202, §35, 46; 2009 Acts, ch 41, §219
Referred to in §207.10, 207.15

**207.15 Penalties.**

1. *a.* (1) A person who violates a permit condition, a provision of this chapter, or a rule or order issued under this chapter is subject to a civil penalty not to exceed five thousand dollars per day for each day of violation.

(2) If a violation results in the issuance of a cessation order, a civil penalty shall be imposed. The penalty shall not exceed five thousand dollars for each day of violation.

*b.* In determining the amount of the penalty, consideration shall be given to the operator's history of previous violations at the particular mining operation, the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public, whether the operator was negligent, and the demonstrated good faith of the operator charged in attempting to achieve rapid compliance after notification of the violation.

*c.* An operator who fails to correct a violation for which a notice or order has been issued within the period permitted for its correction shall be required to pay a civil penalty of not less than seven hundred fifty dollars for each day during which the failure or violations continue.

2. *a.* If a notice or order has been issued, the division may assess a recommended penalty in accordance with a schedule established by rule. The person to whom the notice or order was issued may submit written information within fifteen days of the notice or order to be considered by the division. The division shall serve the assessment by certified mail, return receipt requested, within thirty days of issuance of the notice or order. The division may reassess any penalty if necessary to account for facts not reasonably available on the date of issuance of the assessment. A person may consent to a penalty assessment by paying the penalty without resort to judicial proceedings.

*b.* If a violation results in the issuance of a cessation order pursuant to section 207.14 the division shall assess a penalty.

3. A contested case hearing may be requested pursuant to section 207.14, subsection 4, to review a notice, order, or penalty assessment. A person to whom a penalty assessment has been issued may request a contested case hearing solely for review of the amount of the penalty. A penalty assessment is final if a request for review is not made in a timely manner.

4. Judicial review of any action of the division shall be in accordance with chapter 17A. Judicial review of a penalty assessment shall not be permitted unless the petitioner has posted a bond equal to the amount of the assessed penalty in the district court or has placed the proposed amount in an interest-bearing escrow fund approved by the division.

5. If a violation results in a cessation order pursuant to section 207.14, the attorney general, at the request of the division, shall institute a civil action in district court for injunctive relief.

6. Notwithstanding section 17A.20, an appeal bond shall be required for an appeal of a judgment assessing a civil penalty.

7. A person who willfully and knowingly violates a condition of a permit or any other provision of this chapter, or makes a false statement, representation, or certification, or knowingly fails to make a statement, representation, or certification in an application, record, report, plan, or other document filed or required to be maintained pursuant to this chapter or any order or decision of this chapter, shall be guilty of a serious misdemeanor and notwithstanding section 903.1 the maximum fine shall be ten thousand dollars.

8. Whenever a corporate operator violates a condition of a permit or any other provision of this chapter or fails or refuses to comply with any provision of this chapter, a director, officer, or agent of that corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties or criminal fines and imprisonment that may be imposed upon a person under this section.

9. An employee of the division performing any function or duty under this chapter who knowingly and willfully has a direct or indirect financial interest in any coal mining operation shall be guilty of a serious misdemeanor and notwithstanding section 903.1 the maximum fine shall be two thousand five hundred dollars.

[C81, §83.15]
84 Acts, ch 1153, §1, 2; 85 Acts, ch 140, §5
C93, §207.15
2009 Acts, ch 133, §81
Referred to in §207.10, 207.14, 207.18

**207.16 Release of performance bonds or deposits.**

1. Each operator upon completion of any reclamation work required by this chapter shall apply to the division in writing for approval of the work. The division shall promulgate rules consistent with Pub. L. No. 95-87, § 519, codified at 30 U.S.C. § 1269, regarding procedures and requirements to release performance bonds or deposits.

2. The division may release in whole or part the bonds or deposits if the division is satisfied the reclamation covered by the bonds or deposits or portions thereof has been accomplished as required by this chapter according to stages determined by the division by rule. When the operator has completed successfully all surface coal mining and reclamation activities, the remaining portion of the bond shall be released upon the expiration of the period specified for operator responsibility in the rules promulgated pursuant to section 207.7. A bond shall not be fully released until all reclamation requirements of this chapter are fully met.

3. A person with a valid legal interest which might be adversely affected by release of the bond or a federal, state, or local governmental agency which has jurisdiction by law or special expertise with respect to any environmental, social, or economic impact involved in the operation, or which is authorized to develop and enforce environmental standards with respect to such operations may file written objections to the proposed release from bond to the division within sixty days after the last publication as required by rule of a notice of a request for bond release by the operator. If written objections are filed and a hearing is requested, the division shall inform all the interested parties of the time and place of the hearing, and

hold a public hearing as a contested case in the locality of the coal mining operation or at the state capital, at the request of the objectors, within thirty days of the request. The date, time, and location shall be advertised by the division in a newspaper of general circulation in the locality for two consecutive weeks.

[C81, §83.16]

C93, §207.16

2006 Acts, ch 1010, §63; 2011 Acts, ch 34, §42

**207.17 Citizen suits.**

1. A person having an interest which is or may be adversely affected may commence a civil action on the person's own behalf to compel compliance with this chapter as follows:

*a.* Against the division or any other governmental agency or subdivision which is alleged to be in violation of the provisions of this chapter or of any rule, order or permit issued or against any other person who is alleged to be in violation of any rule, order or permit issued pursuant to this chapter.

*b.* Against the division where there is alleged a failure of the division to perform any act or duty required under this chapter. The suit shall be filed in the county where the mining operation is or, if against the division, in the district court for Polk county or the county of the petitioner's residence.

2. An action shall not be commenced:

*a.* Under subsection 1, paragraph *"a"* of this section until sixty days after the plaintiff has given notice in writing of the violation to the division and to any alleged violator, or if the state has commenced and is diligently prosecuting a civil action against that operator for compliance with the provisions of this chapter; however, the person may intervene in the action as a matter of right.

*b.* Under subsection 1, paragraph *"b"* of this section until sixty days after the plaintiff has given notice in writing to the division in the manner provided by rule; however, if the violation or order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff, the action may be brought immediately after giving notice.

3. The division may intervene in any action under this section.

4. The court, in issuing a final order in an action brought pursuant to subsection 1 of this section, may award costs of litigation including attorney and expert witness fees to any party.

5. This section does not restrict a right which any person or class may have under a statute or common law to seek enforcement of any of the provisions of this chapter or to seek any other relief. The availability of judicial review of the actions of the division shall not restrict any rights established by this section.

6. A person whose person or property is injured through the violation by any operator of a rule, order, or permit issued pursuant to this chapter may bring an action for damages including reasonable attorney and expert witness fees only in the county in which the coal mining operation complained of is located. This subsection shall not affect the rights or limits under workers' compensation as provided in chapter 85.

[C81, §83.17]

C93, §207.17

**207.18 Coal exploration permits.**

1. A coal exploration operation in this state which substantially disturbs the natural land surface shall be conducted in accordance with exploration rules issued by the division. The rules shall include at a minimum the following:

*a.* The requirement that prior to conducting an exploration the person must file with the division a notice of intention to explore describing the exploration area and the period of exploration.

*b.* Provisions for reclamation of the lands disturbed by the exploration in accordance with the environmental performance standards mandated by section 207.7.

2. Information submitted to the division pursuant to this section and determined by the division, following consultation with the person submitting the information, to be confidential

concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the person intending to explore the described area shall not be available for public examination.

3. A person who conducts coal exploration activities which substantially disturb the natural land surface in violation of this section shall be subject to the provisions of section 207.15.

4. An operator shall not remove more than fifty tons of coal pursuant to an exploration permit without the specific written approval of the division.

[C81, §83.18]
C93, §207.18

**207.19 Surface effects of underground coal mining operations.**

1. The provisions of this chapter shall be applicable to surface operations and surface impacts incident to an underground coal mine with such modifications to the permit application requirements, permit approval or denial procedures, and bond requirements as are necessary to accommodate the distinct difference between surface and underground coal mining. The division shall promulgate such modifications in its rules to allow for such distinct differences and still fulfill the purposes of this chapter and be consistent with the requirements of Pub. L. No. 95-87, § 516, codified at 30 U.S.C. § 1266, and the permanent regulations issued pursuant to that Act.

2. In order to protect the stability of the land, the division shall suspend underground coal mining under urbanized areas, cities, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams if the administrator finds imminent danger to inhabitants of the urbanized areas, cities, and communities.

[C81, §83.19]
C93, §207.19
2006 Acts, ch 1010, §64; 2011 Acts, ch 34, §43

**207.20 Authority to enter into cooperative agreements.**

The division may enter into a cooperative agreement with the secretary to provide for the division to regulate mining and reclamation operations on federal lands within the state. If the division enters into a cooperative agreement with the secretary under this section, such agreement shall be conducted according to the provisions of chapter 28E.

[C81, §83.20]
C93, §207.20
Referred to in §207.27

**207.21 Abandoned mine reclamation program.**

1. The division shall participate in the abandoned mine reclamation program under Pub. L. No. 95-87, Tit. IV, codified at 30 U.S.C. ch. 25, subch. IV. There is established an abandoned mine reclamation fund under the control of the division.

2. *a.* Lands and water eligible for reclamation or drainage abatement expenditures under this section include the following:

(1) Lands which were mined for coal or affected by such mining, waste banks, coal processing, or other coal mining processes, and abandoned or left in an inadequate reclamation status prior to August 3, 1977, and for which there is no continuing reclamation responsibility under state or federal laws.

(2) Coal lands and water damaged by coal mining processes and abandoned after August 3, 1977, if they were mined for coal or affected by coal mining processes and if either of the following occurred:

(a) The mining occurred and the site was left in either an unreclaimed or inadequately reclaimed condition between August 4, 1977, and April 10, 1981, and any moneys for reclamation or abatement that are available pursuant to a bond or other form of financial guarantee or from any other source are not sufficient to provide for adequate reclamation or abatement at the site.

(b) The mining occurred and the site was left in either an unreclaimed or inadequately

reclaimed condition between August 4, 1977, and November 5, 1990, and the surety of the mining operator became insolvent during that period and, as of November 5, 1990, moneys immediately available from proceedings relating to the insolvency or from any financial guarantee or other source are not sufficient to provide for adequate reclamation or abatement at the site.

*b.* If requested by the governor, the division may fill voids and seal tunnels, shafts, and entryways resulting from any previous noncoal mining operation, and may reclaim surface impacts of any such noncoal underground or surface mines that were mined prior to August 3, 1977, and which constitute an extreme danger to the public health, safety, general welfare, or property. Sites and areas designated for remedial action pursuant to the federal Uranium Mill Tailings Radiation Control Act of 1978, 42 U.S.C. § 7901 et seq., or which have been listed for remedial action pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq., are not eligible for expenditures under this section.

3. Expenditure of moneys from the abandoned mine reclamation fund on eligible lands and water for the purpose of this program shall reflect the following priorities in the order stated:

*a.* The protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices.

*b.* The protection of public health, safety, and general welfare from adverse effects of coal mining practices.

*c.* The restoration of land and water resources and the environment previously degraded by adverse effects of coal mining practices including measures for the conservation and development of soil, water, excluding channelization, woodland, fish and wildlife, recreation resources, and agricultural productivity.

*d.* The protection, repair, replacement, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities adversely affected by coal mining practices.

*e.* The development of publicly owned land adversely affected by coal mining practices including land acquired as provided in this section for recreation and historic purposes, conservation, and reclamation purposes and open space benefits.

4. *a.* The division shall submit to the secretary a state reclamation plan and annual projects to carry out the purposes of this program. The plan shall generally identify the areas to be reclaimed, the purposes for which the reclamation is proposed, the relationship of the lands to be reclaimed and the proposed reclamation to surrounding areas, the specific criteria for ranking and identifying projects to be funded, and the legal authority and programmatic capability to perform such work in conformance with the provisions of Pub. L. No. 95-87, Tit. IV, codified at 30 U.S.C. ch. 25, subch. IV.

*b.* The division may annually submit to the secretary an application with such information as determined by the secretary for the support of the state program and implementation of specific reclamation projects.

*c.* The costs for each proposed project under this program shall include actual construction costs, actual operation and maintenance costs of permanent facilities, planning and engineering costs, construction and inspection costs, and other necessary administrative expenses.

*d.* The division shall prepare and submit annual and other reports as required by the secretary.

5. The division in participating in the abandoned mine reclamation program under Pub. L. No. 95-87, Tit. IV, codified at 30 U.S.C. ch. 25, subch. IV, shall have the following additional powers:

*a.* To engage in any work and to do all things necessary or expedient, including promulgation of rules, to implement and administer the provisions of this program.

*b.* To engage in cooperative projects with any other governmental unit provided that such cooperative projects shall be under a cooperative agreement conducted according to the provisions of chapter 28E.

*c.* To request the attorney general to seek injunctive relief to restrain any interference with the exercise of the right to enter or to conduct work under this program.

*d.* To construct and operate a plant or plants for the control and treatment of water pollution resulting from mine drainage. The extent of this control and treatment may be dependent upon the ultimate use of the water. The construction of a plant or plants may include major interceptors and other facilities appurtenant to the plant.

[C81, §83.21]

C93, §207.21

97 Acts, ch 115, §1, 2; 2010 Acts, ch 1061, §180; 2011 Acts, ch 34, §44 – 46

Referred to in §207.10

**207.22 Acquisition and reclamation of land.**

1. *a.* The division, pursuant to a state program approved by the secretary, may take action as provided in paragraph *"b"* of this subsection if it finds all of the following:

(1) Land or water resources have been adversely affected by past coal mining practices.

(2) The adverse effects are at a stage where in the public interest action to restore, reclaim, abate, control, or prevent should be taken.

(3) The owners of the land or water resources where entry must be made to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining practices are not known or readily available, or will not give permission for the United States, this state, political subdivisions, their agents, employees, or contractors to enter upon such property to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining practices.

*b.* Upon giving notice by mail to the owners if known or by posting notice upon the premises and advertising once in a local newspaper of general circulation if not known, the division may enter upon the property adversely affected by past coal mining practices and any other property to have access to the property to do all things necessary or expedient to restore, reclaim, abate, control, or prevent the adverse effects. The entry shall be construed as an exercise of the police power for the protection of public health, safety, and general welfare and not as an act of condemnation of property or trespass. The moneys expended for the work and the benefits accruing to the property shall be chargeable against such property and shall mitigate or offset any claim on or any action brought by an owner of any interest in the property for any alleged damages because of the entry. This provision does not create new rights of action or eliminate existing immunities.

2. The division may enter upon a property for the purpose of conducting studies or exploratory work to determine the existence of adverse effects of past coal mining practices and to determine the feasibility of restoration, reclamation, abatement, control, or prevention of such adverse effects. The entry shall be construed as an exercise of the police power for the protection of public health, safety, and general welfare and not as an act of condemnation of property or trespass.

3. The division pursuant to an approved state program may acquire any land, by purchase, donation, or condemnation, which is adversely affected by past coal mining practices if the secretary determines that acquisition of the land is necessary to successful reclamation and that:

*a.* The acquired land, after restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices, will serve recreation and historic purposes, conservation and reclamation purposes or provide open spaces benefits and that permanent facilities such as a treatment plant or a relocated stream channel will be constructed on the land for the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices; or

*b.* Acquisition of coal refuse disposal sites and all coal refuse thereon will serve the purposes of Pub. L. No. 95-87, Tit. IV, codified at 30 U.S.C. ch. 25, subch. IV, or that public ownership is desirable to meet emergency situations and prevent recurrences of the adverse effect of past coal mining practices.

4. Title to all lands acquired pursuant to this section shall be in the name of this state. The price paid for land acquired under this section shall reflect the market value of the land as adversely affected by past coal mining practices.

5. If land acquired pursuant to this section is deemed to be suitable for industrial, commercial, agricultural, residential, or recreational development, the division with authorization from the secretary may sell the land by public sale under a system of competitive bidding, at not less than fair market value and under rules promulgated to insure that the lands are put to proper use consistent with local land use plans.

6. The division if requested after appropriate public notice shall hold a public hearing with the appropriate notice, in the county of the lands acquired pursuant to this section. The hearings shall be held at a time that affords local citizens and governments the maximum opportunity to participate in the decision concerning the use or disposition of the lands.

7. The division may cooperate with the secretary in acquiring land by purchase, donation, or condemnation to assist the housing of people disabled as the result of employment in the mines or incidental work, persons displaced by acquisition of land pursuant to this section, or persons dislocated as the result of adverse effects of coal mining practices which constitute an emergency as determined by the secretary. The fund provided under this section shall not be used to pay the actual construction costs of housing.

[C81, §83.22]

C93, §207.22

2002 Acts, ch 1119, §145; 2010 Acts, ch 1061, §180; 2011 Acts, ch 34, §47; 2011 Acts, ch 131, §56, 158

**207.23 Liens.**

1. Within six months after the completion of a project to restore, reclaim, abate, control, or prevent adverse effects of past coal mining practices on privately owned land, the division shall itemize the money expended on the project and may file a lien statement in the office of the district court clerk of each county in which a portion of the property affected by the project is located, together with a notarized appraisal by an independent appraiser of the value of the land before the restoration, reclamation, abatement, control, or prevention of adverse effects of past mining practices if the money so expended results in a significant increase in property value. A copy of the lien statement and the appraisal, if required, shall be served upon affected property owners in the manner provided for service of an original notice. The lien shall not exceed the amount determined by the appraiser to be the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of adverse effects of past coal mining practices. A lien shall not be filed in accordance with this subsection against the property of a person who owned the surface prior to May 2, 1977, and who neither consented to, participated in, nor exercised control over the mining operation which necessitated the reclamation performed.

2. The owner of property to which the lien attaches may petition the court within sixty days after receipt of service of the lien statement, to determine the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices. The amount found to be the increase in value of the property shall constitute the amount of the lien and shall be recorded in the office of the district court in each county in which the owner's property is located. A party aggrieved by the decision may appeal as provided by law.

3. The lien provided in this section has priority over all other liens or security interests which have attached to the property, whenever those liens may have arisen, except liens of real estate taxes imposed upon the property.

[C81, §83.23]

C93, §207.23

97 Acts, ch 115, §3, 4; 2012 Acts, ch 1105, §1, 27, 28; 2012 Acts, ch 1138, §13

2012 amendment to subsection 1 takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1105, §27, 28; 2012 Acts, ch 1138, §13

**207.24 Water rights and replacement.**

This chapter shall not be construed as affecting the right of any person's interest in water resources affected by a mining operation.

The operator of a mine shall replace the water supply of an owner of interest in real property who obtains all or part of the owner's supply of water for any legitimate use from an underground or surface source if the supply has been affected by contamination, diminution, or interruption proximately resulting from the mine operation.

[C81, §83.24]

C93, §207.24

**207.25 Additional duties and powers of the division.**

In addition to the duties and powers conferred upon the division, it shall have the power to prescribe by rule the necessary procedures and requirements of operators to carry out the purpose and provisions of this chapter.

[C81, §83.25]

C93, §207.25

**207.26 Mining operations not subject to this chapter.**

The provisions of this chapter shall not apply to any of the following activities:

1. The extraction of coal by a landowner for the landowner's own noncommercial use from land owned or leased by the landowner.

2. The extraction of coal as an incidental part of federal, state or local government-financed highway or other construction under rules promulgated by the division.

[C81, §83.26]

88 Acts, ch 1022, §1

C93, §207.26

**207.27 Experimental practices.**

In order to encourage advances in mining and reclamation practices or to allow post-mining land use for industrial, commercial, agricultural, residential, or public use including recreational facilities, the division with approval by the secretary may authorize departures in individual cases on an experimental basis from the environmental protection performance standards promulgated under sections 207.7 and 207.20 if the experimental practices are potentially as environmentally protective, during and after mining operations, as those required by promulgated standards, the mining operations approved for particular land use or other purposes are not larger or more numerous than necessary to determine the effectiveness and economic feasibility of the experimental practices, and the experimental practices do not reduce the protection afforded public health and safety below that provided by promulgated standards.

[C81, §83.27]

C93, §207.27

**207.28 Employee protection.**

1. A person shall not discharge, or in any other way discriminate against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this chapter, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this chapter.

2. Any employee or a representative of employees who believes that the employee or representative has been fired or discriminated against by a person in violation of subsection 1 of this section may, within thirty days after the alleged violation occurs, apply to the administrator for a review as provided by rule of the firing or alleged discrimination.

[C81, §83.28]

C93, §207.28

**207.29 Powers and authority of division.**

The division may engage in any work and do all things necessary or expedient, including adoption of rules, to implement and administer the provisions of an abandoned mine reclamation program.

97 Acts, ch 115, §5

# CHAPTER 208

## MINES

Referred to in §159.6, 161A.4, 189.16, 190.1

This chapter not enacted as a part of this title; transferred from chapter 83A in Code 1993


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208.29 and 208.30 Repealed by 96 Acts, ch 1043, §20.


**208.1 Policy.**

It is the policy of this state to provide for the reclamation and conservation of land affected by the mining of gypsum, clay, stone, sand, gravel, or other ores or mineral solids, except coal, and thereby to preserve natural resources, protect and perpetuate the taxable value of property, and protect and promote the health, safety and general welfare of the people of this state.

[C71, 73, 75, 77, 79, 81, §83A.1]

85 Acts, ch 137, §1

C93, §208.1

96 Acts, ch 1043, §1

**208.2 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means the administrator of the division of soil conservation or a designee.

2. *"Affected land"* means the area of land from which overburden has been removed or upon which overburden has been deposited or land which has otherwise been disturbed, changed, influenced, or altered in any way in the course of mining, including processing and stockpile areas but not including roads.

3. *"Committee"* means the state soil conservation committee.

4. *"Division"* means the division of soil conservation within the department of agriculture and land stewardship.

5. *"Exploration"* means the mining of limited amounts of any mineral to determine the location, quantity, or quality of the mineral deposit.

6. *"Highwall"* means the unexcavated face of exposed overburden and mineral in a surface mine.

7. *"Mine"* or *"mine site"* means a site where mining is being conducted or has been conducted in the past.

8. *"Mineral"* means gypsum, clay, stone, sand, gravel, or other ores or mineral solids, except coal.

9. *"Mining"* means the excavation of gypsum, clay, stone, sand, gravel, or other ores or mineral solids, except coal, for sale or for processing or consumption in the regular operation of a business and shall include surface mining and underground mining.

10. *"Mining operation"* means activities conducted by an operator on a mine site relative to the excavation of minerals and shall include disturbing overburden, excavation, and processing of minerals, stockpiling and removal of minerals from a site, and all reclamation activities conducted on a mine site.

11. *"Operator"* means any person, firm, partnership, corporation, or political subdivision engaged in and controlling a mining operation.

12. *"Overburden"* means all of the earth and other materials which lie above natural mineral deposits and includes all earth and other materials disturbed from their natural state in the process of mining.

13. *"Pit floor"* or *"quarry floor"* means the lower limit of a surface excavation to extract minerals.

14. *"Political subdivision"* means any county, district, city, or other public agency within the state of Iowa.

15. *"Reclamation"* means the process of restoring disturbed lands to the premined uses of the lands or other productive uses.

16. *"Surface mining"* means mining by removing the overburden lying above the natural deposits and excavating directly from the natural deposits exposed, or by excavating directly from deposits lying exposed in their natural state and shall include dredge operations conducted in or on natural waterways or artificially created waterways within the state.

17. *"Topsoil"* means the natural medium located at the land surface with favorable characteristics for the growth of vegetation.

18. *"Underground mining"* means mining by digging or constructing access tunnels, adits, ramps, or shafts and excavating directly from the natural mineral deposits exposed.

[C24, 27, 31, 35, 39, §**1244;** C46, 50, 54, 58, 62, 66, §82.27; C71, 73, §82.27, 83A.2; C75, 77, 79, 81, §83A.2]

85 Acts, ch 137, §2 – 5; 86 Acts, ch 1245, §602, 2050

C93, §208.2

96 Acts, ch 1043, §2

Referred to in §208.7

**208.3 through 208.6** Reserved.

**208.7 Mining license.**

An operator shall not engage in mining as defined by section 208.2 without first obtaining a license from the division. Licenses shall be issued upon approval by the division following application by the operator. Applications shall be submitted on a form provided by the division and shall be accompanied by a fee of fifty dollars. Each applicant shall be required to furnish on the form information necessary to identify the applicant. Licenses shall expire on December 31 of each year and shall be renewed by the division upon application submitted within thirty days prior to the expiration date and accompanied by a fee of ten dollars. However, a political subdivision shall not be required to pay a license application or renewal fee.

[C39, §**1242.5**; C46, 50, 54, 58, 62, 66, §82.22; C71, 73, §82.22, 83A.7; C75, 77, 79, 81, §83A.7]

C93, §208.7

96 Acts, ch 1043, §3

Referred to in §208.14

**208.8 Suspension, revocation, or refusal to issue license.**

1. The division may, for repeated or willful violation of any of the provisions of this chapter, initiate an action to suspend, revoke, or refuse to issue a mining license.

2. The division shall, by certified mail or personal service, serve on the operator notice in writing of the charges and grounds upon which the license is to be suspended, revoked, or will not be issued. The notice shall include the time and the place at which a hearing shall be held before the committee, a subcommittee appointed by the committee, or the committee's designee, to determine whether to suspend, revoke, or refuse to issue the license. The hearing shall be not less than fifteen nor more than thirty days after the mailing or service of the notice.

3. An operator whose license the division proposes to suspend, revoke, or refuse to issue has the right to counsel and may produce witnesses and present statements, documents, and other information in the operator's behalf at the hearing.

4. If after full investigation and hearing the operator is found to have willfully or repeatedly violated any of the provisions of this chapter, the committee or subcommittee may affirm or modify the proposed suspension, revocation, or refusal to issue the license.

5. When the committee or subcommittee finds that a license should be suspended or revoked or should not be issued, the division shall so notify the operator in writing by certified mail or by personal service.

*a.* The suspension or revocation of a license shall become effective thirty days after notice to the operator.

*b.* If the license or renewal fee has been paid and the committee or subcommittee finds that the license should not be issued, then the license shall expire thirty days after notice to the operator.

6. An action by the committee or subcommittee to affirm or modify the proposed suspension, revocation, or refusal to issue a license constitutes a final agency action for purposes of judicial review pursuant to section 208.11 and chapter 17A.

[C71, 73, 75, 77, 79, 81, §83A.8]
85 Acts, ch 137, §8
C93, §208.8
96 Acts, ch 1043, §4

**208.9 Registering mine site.**

1. At least seven days before beginning mining or removal of overburden at a mine site not previously registered, an operator engaging, or preparing to engage, in mining in this state shall register the mine site with the division. Application for registration shall be made upon a form provided by the division and shall be accompanied by a bond or security as provided by section 208.14. A registration renewal shall be filed annually. Application for renewal of registration shall be on a form provided by the division. The registration and registration cancellation fees shall be established by the division in an amount not to exceed the cost of administering the provisions of this chapter. The application shall include a description of the tract or tracts of land where the site is located and the estimated number of acres at the site to be affected by the mine. The description shall include the section, township, range, and county in which the land is located and shall otherwise describe the land with sufficient certainty to determine the location and to distinguish the land to be registered from other lands. The application shall include a statement explaining the authority of the applicant's legal right to operate a mine on the land.

2. A mine site registered pursuant to this chapter shall have a clearly visible sign which identifies the mining operation. Failure to post and maintain a sign as required by this subsection, within thirty days after notice from the division, invalidates the registration.

3. The division shall automatically invalidate all registrations of an operator who fails to renew the operator's mining license within a time period set by the division, who has been denied license renewal by the committee or subcommittee, or whose license has been suspended or revoked by the committee or subcommittee.

[C71, 73, 75, 77, 79, 81, §83A.9]
85 Acts, ch 137, §9

C93, §208.9
96 Acts, ch 1043, §5
Referred to in §208.15, 208.16

**208.10 Violation — enforcement.**

1. The administrator may issue an order directing the operator to desist in an activity or practice which constitutes a violation of any provision of this chapter or any rules adopted by the division, or to take such corrective action as may be necessary to ensure that the violation will cease. If corrective measures sought by the division are not commenced within the time period designated in the order, the division may refer the violation to the attorney general for further action.

2. The operator may contest an order issued under this section through contested case proceedings pursuant to chapter 17A by filing with the administrator a notice of appeal within thirty days of receipt of the order for review by the division.

3. At the request of the division, the attorney general shall institute any legal proceedings, including an action for a civil penalty, injunction, or temporary injunction, necessary to enforce the provisions of this chapter or to obtain compliance with this chapter. Action by the attorney general may be taken in lieu of or in conjunction with any administrative action by the division.

4. Falsification of information required to be submitted under this chapter is a violation of this chapter.

[C71, 73, 75, 77, 79, 81, §83A.10]
C93, §208.10
96 Acts, ch 1043, §6
Referred to in §208.10A

**208.10A Penalties.**

1. Any person who violates an order issued pursuant to section 208.10 shall be subject to an administrative penalty determined by the division not to exceed five thousand dollars per violation.

*a.* The division shall establish, by rule, a schedule or range of administrative penalties. The schedule shall provide procedures and criteria for the assessment of these penalties.

*b.* Administrative penalties may be assessed in lieu of or in conjunction with any action initiated by the attorney general on behalf of the division.

*c.* All penalties shall be paid within thirty days of the date that the order assessing the penalty becomes final. An operator who fails to pay an administrative penalty assessed by a final order of the division shall pay, in addition, interest at the rate of one and one-half percent of the unpaid balance of the assessed penalty for each month or part of a month that the penalty remains unpaid.

*d.* The attorney general shall, at the request of the division, institute proceedings to recover all penalties assessed.

2. If any person violates a provision of this chapter, or any rule or order adopted by the division pursuant to this chapter, the division may notify the attorney general who shall institute a civil action in district court for injunctive relief and for the assessment of a civil penalty not to exceed ten thousand dollars per violation.

3. Penalties, bond reversions, and bond forfeitures collected under the provisions of this chapter or any rule adopted by the division pursuant to this chapter shall be deposited in an interest-bearing account and may be used for the cost and administrative expenses of reclamation or rehabilitation activities for any mine site as deemed necessary and appropriate by the division.

96 Acts, ch 1043, §7

**208.11 Judicial review.**

Judicial review of the action of the committee or division may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C71, 73, 75, 77, 79, 81, §83A.11]
C93, §208.11
2003 Acts, ch 44, §114
Referred to in §208.8

**208.12** Reserved.

**208.13** Repealed by 96 Acts, ch 1043, § 20.

**208.14 Bond.**

The application for registration shall be accompanied by a bond or security as required under section 208.23 or 208.24. After ascertaining that the applicant is licensed under section 208.7 and is not in violation of this chapter with respect to any mine site previously registered with the division, the division shall register the mine site and shall issue the applicant written authorization to operate a mine.

[C71, 73, 75, 77, 79, 81, §83A.14]
85 Acts, ch 137, §13
C93, §208.14
Referred to in §208.9, 208.16, 208.24

**208.15 Amendment or cancellation.**

An operator may at any time apply for amendment or cancellation of registration of any site. The application for amendment or cancellation of registration shall be submitted by the operator on a form provided by the division and shall identify as required under section 208.9 the tract or tracts of land to be added to or removed from registration. If the application is for an increase in the area of a registered site, the application shall be processed in the same manner as an application for original registration. If the application is to cancel registration of any or all of the unmined part of a site, the division shall after ascertaining that no overburden has been disturbed or deposited on the land order release of the bond or the security posted on the land being removed from registration and cancel or amend the operator's written authorization to conduct mining on the site. Fees for amendment or cancellation of registration shall be determined as provided in section 208.9. No land where overburden has been disturbed or deposited shall be removed from registration or released from bond or security under this section.

[C71, 73, 75, 77, 79, 81, §83A.15]
C93, §208.15
96 Acts, ch 1043, §8
Referred to in §208.23, 208.24

**208.16 Transfer to new operator.**

1. If control of a mine site registered pursuant to section 208.9 is acquired by an operator other than the operator holding authorization to conduct mining on the site, the new operator shall within thirty days apply for registration of the site. The application shall be made and processed as provided under sections 208.9 and 208.14. The former operator's bond or security shall not be released until the new operator's bond or security has been accepted by the division.

2. The division may establish procedures for transferring the responsibility for reclamation of a mine site to a state agency or political subdivision, or to a private entity, which intends to use the site for other purposes. The division, with agreement from the receiving agency or subdivision, or from a private entity, to complete adequate reclamation,

may approve the transfer of responsibility, release the bond or security, and terminate or amend the operator's authorization to conduct mining on the site.

[C71, 73, 75, 77, 79, 81, §83A.16]
C93, §208.16
96 Acts, ch 1043, §9; 2004 Acts, ch 1175, §228
Referred to in §208.17

**208.17 Reclamation requirements.**

1. An operator authorized under this chapter to operate a mine, after completion of mining operations and within the time specified in section 208.19, shall:

*a.* Grade affected lands to slopes having a maximum of one foot vertical rise for each four feet of horizontal distance. Where the original topography of the affected land was steeper than one foot of vertical rise for each four feet of horizontal distance, the affected lands may be graded to blend with the surrounding terrain. However, water impoundments, pit or quarry floors, and highwalls are not subject to the requirements of this paragraph.

*b.* Stabilize and revegetate affected lands, except for water impoundments and pit or quarry floors as approved by the division before the release of the bond as provided in section 208.19.

*c.* Properly dispose of all mine-related debris, junk, waste materials, old equipment, and other materials of similar or like nature, within the registration boundaries of the site.

2. Notwithstanding subsection 1, overburden piles where deposition has not occurred for a period of twelve months shall be stabilized and revegetated.

3. Topsoil that is a part of overburden shall not be destroyed or buried in the process of mining.

4. The division may grant a variance from the requirements of subsections 1 and 2.

5. A bond or security posted under this chapter to assure reclamation of affected lands shall not be released until all of the reclamation work required by this section has been performed in accordance with this chapter and division rules, except when a replacement bond or security is posted by a new operator or responsibility is transferred under section 208.16.

[C71, 73, 75, 77, 79, 81, §83A.17]
85 Acts, ch 137, §14
C93, §208.17
96 Acts, ch 1043, §10
Referred to in §208.19, 208.23, 208.28

**208.18 Periodic reports.**

An operator shall file with the division a periodic report for each mine site under registration.

1. The report shall make reference to the most recent registration of the mine site and shall show:

*a.* The location and extent of all surface land area on the mine site affected by mining during the period covered by the report.

*b.* The extent to which removal of mineral products from all or any part of the affected lands has been completed.

2. The report shall be filed not later than twelve months after original registration of the site and prior to the expiration of each subsequent twelve-month period. A report shall also be filed within thirty days after completion of all mining operations at the site regardless of the date of the last preceding report. Forms for the filing of periodic reports required by this section shall be provided by the division.

[C71, 73, 75, 77, 79, 81, §83A.18]
85 Acts, ch 137, §15
C93, §208.18
96 Acts, ch 1043, §11
Referred to in §208.19

**208.19 Reclamation schedule.**

An operator of a mine shall reclaim affected lands according to a schedule established by the division, but within a period not to exceed three years, after the filing of a report required under section 208.18 indicating the mining of any part of a site has been completed.

For certain postmining land uses, such as a sanitary landfill, the division may allow an extended reclamation period.

An operator, upon completion of any reclamation work required by section 208.17, shall apply to the division in writing for approval of the work. The division shall within a reasonable time determined by divisional rule inspect the completed reclamation work. Upon determination by the division that the operator has satisfactorily completed all required reclamation work on the land included in the application, the division shall release the bond or security on the reclaimed land, shall remove the land from registration, and shall terminate or amend as necessary the operator's authorization to conduct mining on the site.

[C71, 73, 75, 77, 79, 81, §83A.19]
85 Acts, ch 137, §16; 87 Acts, ch 115, §11
C93, §208.19
96 Acts, ch 1043, §12
Referred to in §208.17, 208.20, 208.24

**208.20 Extension of time.**

The time for completion of reclamation work may be extended upon presentation by the operator of evidence satisfactory to the division that reclamation of affected land cannot be completed within the time specified by section 208.19.

[C71, 73, 75, 77, 79, 81, §83A.20]
85 Acts, ch 137, §17
C93, §208.20
96 Acts, ch 1043, §13

**208.21 Political subdivision engaged in mining.**

Any political subdivision of the state of Iowa which engages or intends to engage in mining shall meet all requirements of this chapter except the subdivision shall not be required to post bond or security on registered land and shall not be required to pay licensing fees.

[C71, 73, 75, 77, 79, 81, §83A.21]
C93, §208.21
96 Acts, ch 1043, §14

**208.22** Repealed by 96 Acts, ch 1043, § 20.

**208.23 Form of bond.**

1. A bond filed with the division by an operator pursuant to this chapter shall be in a form prescribed by the division, payable to the state of Iowa, and conditioned upon faithful performance by the operator of all requirements of this chapter and all rules adopted by the division pursuant to this chapter. The bond shall be signed by the operator as principal and by a corporate surety licensed to do business in Iowa as surety. In lieu of a bond, the operator may deposit cash or certificates of deposit with the division on the same conditions as prescribed by this section for filing of bonds. The amount of the bond required to be filed with an application for registration of a mining site, or to increase the area of a site previously registered, shall be equal to the cost of reclaiming the site as required under section 208.17 and estimated by the division.

2. The estimated cost of reclamation of each individual site shall be determined by the division on the basis of the requirements of this chapter and other relevant factors including, but not limited to, topography of the site, mining methods being employed, depth and composition of overburden, depth of the mineral deposit being mined, and cost of administration. The division may require an operator to furnish information necessary to estimate the cost of reclaiming the site. The amount of the bond may be increased or

reduced from time to time as determined necessary and appropriate by the division or in accordance with section 208.15.

[C71, 73, 75, 77, 79, 81, §83A.23]
85 Acts, ch 137, §18
C93, §208.23
96 Acts, ch 1043, §15
Referred to in §208.14, 208.24

**208.24 Single bond for multiple sites.**

An operator who registers with the division two or more mine sites may elect, at the time the second or a subsequent site is registered, to post a single bond in lieu of separate bonds on each site. A single bond so posted shall be in an amount equal to the estimated cost of reclaiming all sites the operator has registered, determined as provided in section 208.23. The penalty of a single bond on two or more mine sites may be increased or decreased from time to time in accordance with sections 208.14, 208.15, and 208.19. When an operator elects to post a single bond in lieu of separate bonds previously posted on individual sites, the separate bonds shall not be released until the new bond has been accepted by the division.

[C71, 73, 75, 77, 79, 81, §83A.24]
85 Acts, ch 137, §19
C93, §208.24
96 Acts, ch 1043, §16
Referred to in §208.14

**208.25 Cancellation of bond.**

No bond filed with the division by an operator pursuant to this chapter may be canceled by the surety without at least ninety days' notice to the division. If the license to do business in Iowa of any surety of a bond filed with the division is suspended or revoked, the operator, within thirty days after receiving notice thereof from the division, shall substitute for the surety a corporate surety licensed to do business in Iowa. Upon failure of the operator to make substitution of surety as herein provided, the division shall have the right to suspend the operator's authorization to conduct mining on the site covered by the bond until substitution has been made. The commissioner of insurance shall notify the division whenever the license of any surety to do business in Iowa is suspended or revoked.

[C71, 73, 75, 77, 79, 81, §83A.25]
C93, §208.25
96 Acts, ch 1043, §17

**208.26 Rules — inspection of site.**

The division may adopt rules to implement the provisions of this chapter. The administrator or the administrator's designee may enter at all times upon any mine site or suspected mine site for the purpose of determining whether the operator is or has been complying with the provisions of this chapter. All operators shall cooperate with the division in seeking methods of operation which will cause minimum disruption to the land and property adjoining a mining operation.

[C71, 73, 75, 77, 79, 81, §83A.26]
C93, §208.26
96 Acts, ch 1043, §18

**208.27** Repealed by 96 Acts, ch 1043, § 20.

**208.28 Forfeiture of bond — licensure restrictions.**

1. The attorney general, upon request of the division, shall institute proceedings for forfeiture of the bond posted by an operator to guarantee reclamation of a site where the operator is in violation of any of the provisions of this chapter or any rule adopted by the division pursuant to this chapter. The division shall have the power to reclaim as required by section 208.17 any mined land with respect to which a bond has been forfeited, using

the proceeds of the forfeiture to pay for the necessary reclamation work and associated administrative costs.

2. If the proceeds from bond forfeiture proceedings are insufficient to fully satisfy the estimated cost of reclaiming disturbed lands as required under section 208.17 and division rules, the operator shall be liable for remaining costs. The division may complete, or authorize completion of, the necessary reclamation and may authorize the attorney general to bring a civil action to recover from the operator all actual or estimated costs of reclamation in excess of the amount forfeited or require the operator to complete reclamation.

3. If the amount of bond forfeited exceeds the amount necessary to complete reclamation, the unused funds shall be returned to the operator or the surety, as appropriate.

[C71, 73, 75, 77, 79, 81, §83A.28]
85 Acts, ch 137, §20
C93, §208.28
96 Acts, ch 1043, §19

**208.29 and 208.30** Repealed by 96 Acts, ch 1043, § 20.

# CHAPTER 208A

## MOTOR VEHICLE ANTIFREEZE


| | | | |
|---|---|---|---|
| 208A.1 | Definitions. | 208A.7 | List of approved brands. |
| 208A.2 | What deemed adulterated. | 208A.8 | Advertising restricted. |
| 208A.3 | What deemed misbranded. | 208A.9 | Prosecution. |
| 208A.4 | Inspection by department. | 208A.10 | Fees remitted. |
| 208A.5 | Samples — analysis. | 208A.11 | Penalty. |
| 208A.6 | Rules. | 208A.12 | Citation of chapter. |


**208A.1 Definitions.**

As used in this chapter, unless the context or subject matter otherwise requires:

1. *"Antifreeze"* shall include all substances and preparations intended for use as the cooling medium, or to be added to the cooling liquid, in the cooling system of internal combustion engines to prevent freezing of the cooling liquid or to lower its freezing point.

2. *"Person"* shall include individuals, partnerships, corporations, companies, and associations.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.1]
2013 Acts, ch 90, §37
Section amended

**208A.2 What deemed adulterated.**

An antifreeze shall be deemed to be adulterated if either of the following apply:

1. It consists in whole or in part of any substance which will render it injurious to the cooling system of an internal combustion engine or will make the operation of the engine dangerous to the user.

2. Its strength, quality, or purity falls below the standard of strength, quality, or purity under which it is sold.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.2]
2013 Acts, ch 90, §38
Section amended

**208A.3 What deemed misbranded.**

An antifreeze shall be deemed to be misbranded if either of the following apply:

1. Its labeling is false or misleading in any particular.

2. In package form it does not bear a label containing the name and place of business of

the manufacturer, packer, seller, or distributor and an accurate statement of the quantity of the contents in terms of weight or measure on the outside of the package.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.3]

2013 Acts, ch 90, §39

Section amended

**208A.4 Inspection by department.**

Before any antifreeze shall be sold, exposed for sale, or held with intent to sell within this state, a sample thereof must be inspected by the department of agriculture and land stewardship. Upon application of the manufacturer, packer, seller or distributor and the payment of a fee of twenty dollars for each brand of antifreeze submitted, the department shall inspect the antifreeze submitted. If the antifreeze is not adulterated or misbranded, if it meets the standards of the department, and is not in violation of this chapter, the department shall give the applicant a written permit authorizing the sale of such antifreeze in this state until the formula or labeling of the antifreeze is changed in any manner.

If the department shall at a later date find that the product to be sold, exposed for sale or held with intent to sell has been materially altered or adulterated, a change has been made in the name, brand or trademark under which the antifreeze is sold, or it violates the provisions of this chapter, the department shall notify the applicant and the permit shall be canceled forthwith.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.4]

**208A.5 Samples — analysis.**

The department shall enforce the provisions of this chapter by inspections, chemical analysis, or any other appropriate methods. All samples for inspection or analysis shall be taken from stocks in the state or intended for sale in the state or the department through its agents may call upon the manufacturer or distributor applying for an inspection of an antifreeze to supply such samples thereof for analysis. The department, through its agents, shall have free access by legal means during business hours to all places of business, buildings, vehicles, cars and vessels used in the manufacture, transportation, sale or storage of any antifreeze, and it may open by legal means any box, carton, parcel, or package, containing or supposed to contain any antifreeze and may take therefrom samples for analysis.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.5]

**208A.6 Rules.**

The department shall have authority to promulgate such rules as are necessary to promptly and effectively enforce the provisions of this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.6]

**208A.7 List of approved brands.**

The department may furnish upon request a list of the brands and trademarks of antifreeze inspected by the department during the calendar year which have been found to be in accord with this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.7]

**208A.8 Advertising restricted.**

No advertising literature relating to any antifreeze sold or to be sold in this state shall contain any statement that the antifreeze advertised for sale has met the requirements of the department until such antifreeze has been given the laboratory test and inspection of the department, and found to meet all the standard requirements and not to be in violation of this chapter. Then such statement may be contained in any advertising literature where such brand or trademark of antifreeze is being advertised for sale, and such statement may be used on all regular containers of such antifreeze.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.8]

**208A.9 Prosecution.**

Whenever the department shall discover any antifreeze is being sold or has been sold in violation of this chapter, the facts shall be furnished to the attorney general who shall institute proper proceedings.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.9]

**208A.10 Fees remitted.**

All fees provided for in this chapter shall be collected by the secretary of agriculture and shall be deposited in the general fund of the state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.10]

91 Acts, ch 260, §1219

**208A.11 Penalty.**

If any person, partnership, corporation, or association shall violate the provisions of this chapter, such person, partnership, corporation or association shall be deemed guilty of a simple misdemeanor and, upon conviction thereof, the department may after due hearing cancel registration.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.11]

**208A.12 Citation of chapter.**

This chapter may be cited as the *"Iowa Antifreeze Act"*.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §208A.12]

# CHAPTER 209

RESERVED

# CHAPTER 210

STANDARD WEIGHTS AND MEASURES


210.1 Standard established.
210.2 Length and surface measure.
210.3 Land measure.
210.4 Weight.
210.5 Liquids.
210.6 Dry measure.
210.7 Bottomless measure.
210.8 Sales of dry commodities.
210.9 Drugs and section comb honey exempted.
210.10 Bushel measure.
210.11 Sale of fruits and vegetables by dry measure.
210.12 Sale of fruits and vegetables in baskets.
210.13 Berry boxes and climax baskets.
210.14 Hop boxes.
210.15 Milk and cream bottles or containers.
210.16 Flour.
210.17 Mason work or stone.
210.18 Sales to be by standard weight or measure — labeling.
210.19 Standard weight of bread.
210.20 Wrapper.
210.21 Violations.
210.22 "Person" defined.
210.23 Exception.
210.24 Enforcement — rules and regulations.
210.25 Weighing bread.
210.26 Measuring saw logs.


**210.1 Standard established.**

The weights and measures which have been presented by the department to the United States national institute of standards and technology and approved, standardized, and

certified by the institute in accordance with the laws of the Congress of the United States shall be the standard weights and measures throughout the state.

[C51, §937; R60, §1775; C73, §2037; C97, §3009; S13, §3009-c; C24, 27, 31, 35, 39, §**3227;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.1]

90 Acts, ch 1045, §3

Referred to in §210.2, 210.4, 210.5, 210.6

**210.2 Length and surface measure.**

The unit or standard measure of length and surface from which all other measures of extension shall be derived and ascertained, whether they be lineal, superficial, or solid, shall be the standard yard secured in accordance with the provisions of section 210.1. It shall be divided into three equal parts called feet, and each foot into twelve equal parts called inches, and for the measure of cloth and other commodities commonly sold by the yard it may be divided into halves, quarters, eighths, and sixteenths. The rod, pole, or perch shall contain five and one-half such yards, and the mile, one thousand seven hundred sixty such yards.

[C51, §937; R60, §1775; C73, §2038 – 2040; C97, §3010; S13, §3009-d; C24, 27, 31, 35, 39, §**3228;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.2]

**210.3 Land measure.**

The acre for land measure shall be measured horizontally and contain ten square chains and be equivalent in area to a rectangle sixteen rods in length and ten rods in breadth, six hundred and forty such acres being contained in a square mile. The chain for measuring land shall be twenty-two yards long, and be divided into one hundred equal parts, called links.

[C73, §2041; C97, §3011; S13, §3009-d; C24, 27, 31, 35, 39, §**3229;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.3]

**210.4 Weight.**

The units or standards of weight from which all other weights shall be derived and ascertained shall be the standard avoirdupois and troy weights secured in accordance with the provisions of section 210.1. The avoirdupois pound, which bears to the troy pound the ratio of seven thousand to five thousand seven hundred sixty, shall be divided into sixteen equal parts called ounces; the hundred-weight shall consist of one hundred avoirdupois pounds, and twenty hundred-weight shall constitute a ton. The troy ounce shall be equal to the twelfth part of a troy pound.

[C51, §938; R60, §1776; C73, §2042, 2043; C97, §3012; S13, §3009-e; C24, 27, 31, 35, 39, §**3230;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.4]

**210.5 Liquids.**

The unit or standard measure of capacity for liquids from which all other measures of liquids shall be derived and ascertained shall be the standard gallon secured in accordance with the provisions of section 210.1. The gallon shall be divided by continual division by the number two so as to make half-gallons, quarts, pints, half-pints, and gills. The barrel shall consist of thirty-one and one-half gallons, and two barrels shall constitute a hogshead.

[C73, §2044, 2045; C97, §3013; S13, §3009-g; C24, 27, 31, 35, 39, §**3231;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.5]

**210.6 Dry measure.**

The unit or standard measure of capacity for substances not liquids from which all other measures of such substances shall be derived and ascertained shall be the standard half-bushel secured in accordance with the provisions of section 210.1. The peck, half-peck, quarter-peck, quart, pint, and half-pint measures for measuring commodities which are not liquids, shall be derived from the half-bushel by successively dividing the cubic inch capacity of that measure by two.

[C73, §2046, 2047; C97, §3014; S13, §3009-f; C24, 27, 31, 35, 39, §**3232;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.6]

**210.7 Bottomless measure.**

Bottomless dry measures shall not be used unless they conform in shape to the United States standard dry measures.

[SS15, §3009-j; C24, 27, 31, 35, 39, §**3233;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.7]

**210.8 Sales of dry commodities.**

All dry commodities unless bought or sold in package or wrapped form shall be bought or sold only by the standard weight or measure herein established, or by numerical count, unless the parties otherwise agree in writing, except as provided in sections 210.9 to 210.12.

[SS15, §3009-j; C24, 27, 31, 35, 39, §**3234;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.8]

Referred to in §210.9

**210.9 Drugs and section comb honey exempted.**

The requirements of section 210.8 shall not apply to drugs or section comb honey.

[SS15, §3009-j; C24, 27, 31, 35, 39, §**3235;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.9]

Referred to in §210.8

**210.10 Bushel measure.**

When any of the commodities enumerated in this section shall be sold by the bushel or fractional part thereof, except when sold in a United States standard container or as provided in sections 210.11 and 210.12, the measure shall be determined by avoirdupois weight and shall be computed as follows:

| *Commodities* | *Pounds* |
|---|---|
| Apples | 48 |
| Apples, dried | 24 |
| Alfalfa seed | 60 |
| Barley | 48 |
| Beans, green, unshelled | 56 |
| Beans, dried | 60 |
| Beans, lima | 56 |
| Beets | 56 |
| Blue grass seed | 14 |
| Bran | 20 |
| Bromus inermis | 14 |
| Broom corn seed | 50 |
| Buckwheat | 48 |
| Carrots | 50 |
| Castor beans, shelled | 50 |
| Charcoal | 20 |
| Cherries | 40 |
| Clover seed | 60 |
| Coal | 80 |
| Coke | 40 |
| Corn on the cob (field) | 70 |
| Corn in the ear, unhusked (field) | 75 |
| Corn, shelled (field) | 56 |
| Corn meal | 48 |
| Cucumbers | 48 |
| Emmer | 40 |
| Flaxseed | 56 |
| Grapefruit | 48 |
| Grapes, with stems | 40 |

| | |
|---|---|
| Hempseed | 44 |
| Hickory nuts, hulled | 50 |
| Hungarian grass seed | 50 |
| Kaffir corn | 56 |
| Lemons | 48 |
| Lime | 80 |
| Millet seed | 50 |
| Oats | 32 |
| Onions | 52 |
| Onion top sets | 28 |
| Onion bottom sets | 32 |
| Oranges | 48 |
| Orchard grass seed | 14 |
| Osage orange seed | 32 |
| Parsnips | 45 |
| Peaches | 48 |
| Peaches, dried | 33 |
| Peanuts | 22 |
| Pears | 45 |
| Peas, green, unshelled | 50 |
| Peas, dried | 60 |
| Plums | 48 |
| Popcorn, on the cob | 70 |
| Popcorn, shelled | 56 |
| Potatoes | 60 |
| Quinces | 48 |
| Rape seed | 50 |
| Redtop seed | 14 |
| Rutabagas | 60 |
| Rye | 56 |
| Salt | 80 |
| Sand | 130 |
| Shorts | 20 |
| Sorghum saccharatum seed | 50 |
| Soybeans | 60 |
| Spelt | 40 |
| Sweet corn | 50 |
| Sweet potatoes | 50 |
| Timothy seed | 45 |
| Tomatoes | 50 |
| Turnips | 55 |
| Walnuts, hulled | 50 |
| Wheat | 60 |
| All root crops not specified above | 50 |

[C51, §940; R60, §1778, 1781 – 1784; C73, §2049; C97, §3016; S13, §3009-h; C24, 27, 31, 35, 39, §**3236;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.10]

Referred to in §210.8, 717A.1

**210.11 Sale of fruits and vegetables by dry measure.**

Blackberries, blueberries, cranberries, currants, gooseberries, raspberries, cherries, strawberries, and similar berries, also onion sets in quantities of one peck or less, may be sold by the quart, pint, or half-pint, dry measure.

[SS15, §3009-i; C24, 27, 31, 35, 39, §**3237;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.11]

Referred to in §210.8, 210.10

**210.12 Sale of fruits and vegetables in baskets.**

Grapes, other fruits, and vegetables may be sold in climax baskets; but when said commodities are sold in such manner and the containers are labeled with the net weight of the contents in accordance with the provisions of section 189.9, all the provisions of chapter 191 shall be deemed to have been complied with.

[C24, 27, 31, 35, 39, §**3238;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.12]

2007 Acts, ch 126, §41

Referred to in §210.8, 210.10

**210.13 Berry boxes and climax baskets.**

Berry boxes sold, used, or offered or exposed for sale shall have an interior capacity of one quart, pint, or half-pint dry measure. Climax baskets sold, used, or offered or exposed for sale shall be of the standard size fixed below:

1. Two-quart basket: Length of bottom piece, nine and one-half inches; width of bottom piece, three and one-half inches; thickness of bottom piece, three-eighths of an inch; height of basket, three and seven-eighths inches, outside measurement; top of basket, length eleven inches, and width five inches, outside measurement; basket to have a cover five by eleven inches, when a cover is used.

2. Four-quart basket: Length of bottom piece, twelve inches; width of bottom piece, four and one-half inches; thickness of bottom piece, three-eighths of an inch; height of basket, four and eleven-sixteenths inches, outside measurement; top of basket, length fourteen inches, width six and one-fourth inches, outside measurement; basket to have cover six and one-fourth inches by fourteen inches, when cover is used.

3. Twelve-quart basket: Length of bottom piece, sixteen inches; width of bottom piece, six and one-half inches; thickness of bottom piece, seven-sixteenths of an inch, outside measurement; top of basket, length nineteen inches, height of basket, seven and one-sixteenth inches, width nine inches, outside measurement; basket to have cover nine inches by nineteen inches, when cover is used.

[SS15, §3009-i; C24, 27, 31, 35, 39, §**3239;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.13]

**210.14 Hop boxes.**

The standard box used in packing hops shall be thirty-six inches long, eighteen inches wide, and twenty-three and one-fourth inches deep, inside measurement.

[C73, §2051; C97, §3018; C24, 27, 31, 35, 39, §**3240;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.14]

**210.15 Milk and cream bottles or containers.**

The standard bottle or container used for the sale of milk and cream shall be of a capacity of one gallon, one-half gallon, three pints, one quart, one pint, one-half pint, one-third quart, one gill, filled full to the bottom of the lip.

[S13, §3009-k; C24, 27, 31, 35, 39, §**3241;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.15]

**210.16 Flour.**

The standard weights of flour when sold in package form shall be as follows: Two, five, ten, twenty-five, fifty, or one hundred pounds.

[C24, 27, 31, 35, 39, §**3242;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.16]

**210.17 Mason work or stone.**

The perch of mason work or stone shall consist of twenty-five feet, cubic measure.

[C51, §939; R60, §1777; C73, §2050; C97, §3017; C24, 27, 31, 35, 39, §**3243;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.17]

**210.18 Sales to be by standard weight or measure — labeling.**

All commodities bought or sold by weight or measure shall be bought or sold only by the standards established by this chapter, unless the vendor and vendee otherwise agree. Sales by weight shall be by avoirdupois weight unless troy weight is agreed upon by the vendor and vendee.

All commodities bought or sold in package form shall be labeled in compliance with the general provisions for labeling provided for in sections 189.9 to 189.16, unless otherwise provided for in this chapter.

[SS15, §3009-j; C24, 27, 31, 35, 39, §**3244;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.18]

**210.19 Standard weight of bread.**

The standard loaf of bread shall weigh one pound, avoirdupois weight. All bread manufactured, procured, made or kept for the purpose of sale, offered or exposed for sale, or sold in the form of loaves, shall be one of the following standard weights and no other, namely: Three-quarters pound, one pound, one and one-quarter pound, one and one-half pound, or multiples of one pound, avoirdupois weight; and provided further, that the provisions of this section shall not apply to biscuits, buns, crackers, rolls or to what is commonly known as *"stale"* bread and sold as such, in case the seller shall, at the time of sale, expressly state to the buyer that the bread so sold is *"stale"* bread. In case of twin or multiple loaves, the weight specified in this section shall apply to the combined weight of the two units.

[C27, 31, 35, §3244-b1; C39, §**3244.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.19]
Referred to in §210.21, 210.23, 210.24

**210.20 Wrapper.**

There shall be printed upon the wrapper of each loaf of bread in plain conspicuous type, the name and address of the manufacturer and the weight of the loaf in terms of one of the standard weights herein specified.

[C27, 31, 35, §3244-b2; C39, §**3244.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.20]
Referred to in §210.21, 210.23, 210.24

**210.21 Violations.**

It shall be unlawful for any person to manufacture, procure, or keep for the purpose of sale, offer or expose for sale, or sell bread in the form of loaves which are not of one of the weights specified in section 210.19 or violate the rules of the secretary of agriculture pertaining thereto. Any person who, in person or by a servant, or agent, or as the servant or agent of another, shall violate any of the provisions of sections 210.19 to 210.25, shall be guilty of a simple misdemeanor.

[C27, 31, 35, §3244-b3; C39, §**3244.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.21]
Referred to in §210.22, 210.23, 210.24

**210.22 "Person" defined.**

The word *"person"* as used in section 210.21 shall be construed to import both the plural and the singular, as the case demands, and shall include corporations, companies, societies, and associations.

[C27, 31, 35, §3244-b4; C39, §**3244.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.22]
Referred to in §210.21, 210.23, 210.24

**210.23 Exception.**

Any person engaged in home baking is exempt from the provisions of sections 210.19 to 210.22.

[C27, 31, 35, §3244-b5; C39, §**3244.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.23]
Referred to in §210.21, 210.24

**210.24 Enforcement — rules and regulations.**

The secretary of agriculture shall enforce the provisions of sections 210.19 to 210.25. The secretary shall make rules for the enforcement of the provisions of said sections not

inconsistent therewith, and such rules and regulations shall include reasonable variations and tolerances.

[C27, 31, 35, §3244-b6; C39, §**3244.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.24]
Referred to in §210.21

**210.25 Weighing bread.**

Bread when weighed for inspection shall be weighed in the manufacturer's plant when said bread is wrapped ready for delivery, and bread coming into the state from an adjoining state when weighed for inspection shall be weighed in the packages, containers, vehicles, or trucks of the manufacturer at the time when said bread crosses the state line, or at the first point of stop for sale or delivery of said bread after crossing the Iowa state line, and the weight shall be determined by averaging the weight of not less than fifteen loaves picked at random from any given lot.

[C35, §3244-f1; C39, §**3244.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §210.25]
Referred to in §210.21, 210.24

**210.26 Measuring saw logs.**

The Scribner decimal "C" log rule is hereby adopted as the standard log rule for determining the board-foot content of saw logs; and all contracts hereafter entered into for the cutting, purchase and sale of saw logs shall be deemed to be made on the basis of such standard rule unless some other method is specifically agreed upon.

[C62, 66, 71, 73, 75, 77, 79, 81, §210.26]

# CHAPTER 211

RESERVED

# CHAPTER 212

SALES OF CERTAIN COMMODITIES FROM BULK


| | | | |
|---|---|---|---|
| 212.1 | Coal, charcoal, and coke. | 212.4 | Sales without delivery. |
| 212.2 | Delivery tickets required. | 212.5 | Repealed by 67 Acts, ch 190, §1. |
| 212.3 | Disposition of delivery tickets. | 212.6 | Inspection of vehicles. |


**212.1 Coal, charcoal, and coke.**

No person shall sell, offer or expose for sale any coal, charcoal, or coke in any other manner than by weight, or represent any of said commodities as being the product of any county, state, or territory, except that in which mined or produced, or represent that said commodities contain more British thermal units than are present therein.

[S13, §3009-l; C24, 27, 31, 35, 39, §**3245;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §212.1]

**212.2 Delivery tickets required.**

No person shall deliver any bulk commodities, other than liquids, by vehicle unless otherwise provided for without each such delivery being accompanied by duplicate delivery tickets, on each of which shall be written in ink or other indelible substance the actual weight distinctly expressed in pounds or kilograms of the gross weight of the load, the tare of the delivery vehicle, and the net amount in weight of the commodity or, if the commodity is weighed by hopper scale or belt conveyor, the net weight of the commodity expressed in pounds or kilograms without expression of the tare of the delivery vehicle or the gross weight of the load. The delivery ticket shall display the names of the purchaser and the dealer from whom purchased.

[S13, §3009-l; C24, 27, 31, 35, 39, §**3246;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §212.2]

**212.3 Disposition of delivery tickets.**

One of said duplicate tickets shall be delivered to the vendee and the other one shall be returned to the vendor. Upon demand of the department the person in charge of the load shall surrender one of said duplicate tickets to the person making such demand. If said ticket is retained an official weight slip shall be delivered by said department to the vendee or the vendee's agent.

[S13, §3009-l; C24, 27, 31, 35, 39, §**3247;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §212.3]

**212.4 Sales without delivery.**

When the vendee carries away the commodity purchased, a delivery ticket, showing the actual number of pounds received by the vendee, shall be issued to the vendee by the vendor.

[S13, §3009-l; C24, 27, 31, 35, 39, §**3248;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §212.4]

**212.5** Repealed by 67 Acts, ch 190, § 1.

**212.6 Inspection of vehicles.**

The department may stop any wagon, auto truck, or other vehicle loaded with any commodity being bought, offered or exposed for sale, or sold, and compel the person having charge of the same to bring the load to a scale designated by said department and weighed for the purpose of determining the true net weight of the commodity.

[S13, §3009-l; SS15, §3009-n; C24, 27, 31, 35, 39, §**3250;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §212.6]

# CHAPTER 213

## STATE METROLOGIST


| | | | |
|---|---|---|---|
| 213.1 | State metrologist. | 213.4 | through 213.6 Repealed by 98 Acts, ch 1032, §10. |
| 213.2 | Physical standards. | | |
| 213.3 | Testing weights and measures. | 213.7 | Expenses. |


**213.1 State metrologist.**

The department may designate one of its assistants to act as state metrologist of weights and measures. All weights and measures sealed by the state metrologist shall be impressed with the word "Iowa."

[C73, §2053 – 2055; C97, §3020; S13, §3009-b; C24, 27, 31, 35, 39, §**3251;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §213.1]

2013 Acts, ch 15, §2

Section amended

**213.2 Physical standards.**

Weights and measures, which conform to the standards of the United States national institute of standards and technology existing as of January 1, 1979, that are traceable to the United States standards supplied by the federal government or approved as being in compliance with its standards by the national bureau of standards shall be the state primary standard of weights and measures. Such weights and measures shall be verified upon initial receipt of same and as often as deemed necessary by the secretary of agriculture. The secretary may provide for the alteration in the state primary standard of weights and measures in order to maintain traceability with the standard of the United States national institute of standards and technology. All such alterations shall be made pursuant to rules promulgated by the secretary in accordance with chapter 17A.

[C73, §2053, 2054; C97, §3020; S13, §3009-b; C24, 27, 31, 35, 39, §**3252;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §213.2]

90 Acts, ch 1045, §3; 2012 Acts, ch 1095, §145

**213.3 Testing weights and measures.**

Upon written request of any citizen, firm, or corporation, city or county, or educational institution of the state made to the department, a test or calibration of any weights, measures, weighing or measuring devices, and instruments or apparatus to be used as standards shall be made.

[S13, §3009-b; C24, 27, 31, 35, 39, §**3253;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §213.3]

**213.4 through 213.6** Repealed by 98 Acts, ch 1032, § 10.

**213.7 Expenses.**

All expenses directly incurred in furnishing the several cities with standards, or in comparing those that may be in their possession, shall be borne by said cities.

[C73, §2061; C97, §3024; C24, 27, 31, 35, 39, §**3257;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §213.7]

# CHAPTER 214

## COMMERCIAL WEIGHING AND MEASURING DEVICES — MOTOR FUEL PUMPS

Referred to in §323.1, 323.3


214.1 Definitions.
214.2 License.
214.3 Fee.
214.4 Tagging of equipment.
214.5 Inspection stickers.
214.6 Oath of weighmasters.
214.7 Registers.
214.8 Penalty.
214.9 Self-service motor fuel pumps.
214.10 Rules.
214.11 Inspections — recalibrations — penalty.
214.12 Repealed by 80 Acts, ch 1054, §20.


**214.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Biodiesel"*, *"biodiesel fuel"*, *"biofuel"*, *"ethanol"*, *"motor fuel"*, *"retail dealer"*, *"retail motor fuel site"*, and *"wholesale dealer"* mean the same as defined in section 214A.1.

2. *"Commercial weighing and measuring device"* or *"device"* means the same as defined in section 215.26.

3. *"Motor fuel blender pump"* or *"blender pump"* means a motor fuel meter that dispenses a type of motor fuel that is blended from two or more different types of motor fuels and which may dispense more than one type of blended motor fuel.

4. *"Motor fuel pump"* means a meter or similar commercial weighing and measuring device used to measure and dispense motor fuel originating from a motor fuel storage tank, on a retail basis.

5. *"Motor fuel storage tank"* or *"storage tank"* means an aboveground or belowground container that is a fixture used to store an accumulation of motor fuel.

[C73, §2065; C97, §3027; SS15, §3009-m; C24, 27, 31, 35, 39, §**3258;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §214.1]

80 Acts, ch 1054, §20; 87 Acts, ch 93, §1, 2; 90 Acts, ch 1084, §1; 2006 Acts, ch 1142, §2, 26; 2008 Acts, ch 1169, §12, 30; 2012 Acts, ch 1095, §146, 147

Referred to in §159A.11, 214A.1, 323.1, 422.11N, 422.11O, 422.11P, 422.11Y, 452A.2, 455G.31

Further definitions, see §189.1

**214.2 License.**

A person who uses or displays for use any commercial weighing and measuring device, as defined in section 215.26, shall secure a license from the department.

[SS15, §3009-m; C24, 27, 31, 35, 39, §**3259;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §214.2]

87 Acts, ch 93, §3; 90 Acts, ch 1084, §2

**214.3 Fee.**

1. The license for inspection of a commercial weighing and measuring device shall expire on December 31 of each year, and for a motor fuel pump on June 30 of each year. The amount of the fee due for each license shall be as provided in subsection 3, except that the fee for a motor fuel pump shall be four dollars and fifty cents if paid within one month from the date the license is due.

2. The license inspection fee on a commercial weighing and measuring device is due the day the device is placed into service. A license inspection fee shall be charged to the person owning or operating a commercial weighing and measuring device inspected in accordance with the class or section for devices as established by handbook 44 of the United States national institute of standards and technology.

3. The fee due under this section for a commercial weighing and measuring device shall be as follows:

*a.* Class S-IIIL.

(1) Railroad track scales, one hundred six dollars and fifty cents.

(2) Other scales.

(a) 500 to 1,000 pounds capacity, sixteen dollars and fifty cents.

(b) 1,001 to 30,000 pounds capacity, thirty-one dollars and fifty cents.

(c) 30,001 to 50,000 pounds capacity, sixty-one dollars and fifty cents.

(d) 50,001 pounds capacity or more, eighty-four dollars.

(3) A minimum fee of forty-six dollars and fifty cents shall be charged for each vehicle or livestock scale.

*b.* Class S-II and S-III, nine dollars.

(1) Bench scale, nine dollars.

(2) Counter scale, nine dollars.

(3) Portable platform scale, nine dollars.

(4) Livestock monorail scale, nine dollars.

(5) Single animal scale, nine dollars.

(6) Grain test scale, nine dollars.

(7) Precious metal and gems scale, nine dollars.

(8) Postal scale, nine dollars.

*c.* (1) Grain moisture meters, twenty-four dollars.

(2) Additional meters at the same location, sixteen dollars and fifty cents.

*d.* Class M-I. One hundred-gallon prover.

(1) Bulk meters, nine dollars.

(2) Bulk liquid petroleum gas meters, fifty-two dollars and fifty cents.

(3) Bulk refined fuel meters, nine dollars.

(4) Mass flow meters, nine dollars.

*e.* Class M-II. Five-gallon prover.

(1) Slow flow meters, nine dollars.

(2) Retail motor fuel pump, nine dollars.

[SS15, §3009-m; C24, 27, 31, 35, 39, §**3260;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §214.3]

87 Acts, ch 93, §4; 88 Acts, ch 1272, §21; 90 Acts, ch 1084, §3; 92 Acts, ch 1239, §36, 37; 2006 Acts, ch 1142, §83

Referred to in §214.4, 215A.9

**214.4 Tagging of equipment.**

1. If the department does not receive payment of the license fee required pursuant to

section 214.3 within one month from the due date, the department shall send a notice to the owner or operator of the device. The notice shall be delivered by certified mail. The notice shall state all of the following:

*a.* The owner or operator is delinquent in the payment of the required fee.

*b.* The owner or operator has fifteen days after receipt of the notice to pay the license fee required pursuant to section 214.3.

*c.* If the department does not receive payment of the license fee as required, the department may summarily tag and remove from service the commercial weighing and measuring device.

2. If the license fee is not received by the department within fifteen days after receipt of the notice by the owner or operator of the commercial weighing and measuring device, the department may tag and remove from service the device for which the license fee has not been paid.

94 Acts, ch 1198, §43

**214.5 Inspection stickers.**

For each commercial weighing and measuring device licensed, the department shall issue an inspection sticker, which shall not exceed two inches by two inches in size. The inspection sticker shall be displayed prominently on the front of the commercial weighing and measuring device and the defacing or wrongful removal of the sticker shall be punished as provided in chapter 189. Absence of an inspection sticker is prima facie evidence that the commercial weighing and measuring device is being operated contrary to law.

[SS15, §3009-m; C24, 27, 31, 35, 39, §**3262;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §214.5]

87 Acts, ch 93, §5; 90 Acts, ch 1084, §4

**214.6 Oath of weighmasters.**

All persons keeping a commercial weighing and measuring device, before entering upon their duties as weighmasters, shall be sworn before some person having authority to administer oaths, to keep their device correctly balanced, to make true weights, and to render a correct account to the person having weighing done.

[C73, §2065; C97, §3027; C24, 27, 31, 35, 39, §**3263;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §214.6]

2007 Acts, ch 126, §42

Referred to in §214.8

**214.7 Registers.**

Weighmasters are required to make true weights and keep a correct register of all weighing done by them, giving the amount of each weight, date thereof, and the name of the person or persons for whom done, and give, upon demand, to any person having weighing done, a certificate showing the weight, date, and for whom weighed.

[C73, §2066, 2067; C97, §3028; C24, 27, 31, 35, 39, §**3264;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §214.7]

Referred to in §214.8

**214.8 Penalty.**

Any weighmaster violating any of the provisions of sections 214.6 and 214.7, shall be guilty of a simple misdemeanor, and be liable to the person injured for all damages sustained.

[C73, §2068; C97, §3029; C24, 27, 31, 35, 39, §**3265;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §214.8]

**214.9 Self-service motor fuel pumps.**

A self-service motor fuel pump located at a retail motor fuel site may be equipped with an automatic latch-open device on the fuel dispensing hose nozzle only if the nozzle valve is the automatic closing type.

[C81, §214.9]

87 Acts, ch 93, §6; 2006 Acts, ch 1142, §83; 2008 Acts, ch 1169, §13, 30

**214.10 Rules.**

The department of agriculture and land stewardship may promulgate rules pursuant to chapter 17A as necessary to promptly and effectively enforce the provisions of this chapter.

[C81, §214.10]

**214.11 Inspections — recalibrations — penalty.**

1. The department shall provide for annual inspections of all motor fuel pumps, including but not limited to motor fuel blender pumps, licensed under this chapter. Inspections shall be for the purpose of determining the accuracy of the pumps' measuring mechanisms, and for such purpose the department's inspectors may enter upon the premises of any wholesale dealer or retail dealer, as they are defined in section 214A.1, of motor fuel or fuel oil within this state. Upon completion of an inspection, the inspector shall affix the department's seal to the measuring mechanism of the motor fuel pump. The seal shall be appropriately marked, dated, and recorded by the inspector. If the owner of an inspected and sealed motor fuel pump is registered with the department as a servicer in accordance with section 215.23, or employs a person so registered as a servicer, the owner or other servicer may open the motor fuel pump, break the department's seal, recalibrate the measuring mechanism if necessary, and reseal the motor fuel pump as long as the department is notified of the recalibration within forty-eight hours, on a form provided by the department.

2. A person violating a provision of this section is, upon conviction, guilty of a simple misdemeanor.

87 Acts, ch 93, §7; 2006 Acts, ch 1142, §83; 2012 Acts, ch 1095, §148

**214.12** Repealed by 80 Acts, ch 1054, § 20.

# CHAPTER 214A

## MOTOR FUEL

Referred to in §323.1, 323.4A

Department of agriculture and land stewardship to establish and administer programs for auditing motor fuel production and processing, motor fuel screening and testing, and inspection of motor fuel sold by dealers; 2006 Acts, ch 1175, §22; 2008 Acts, ch 1189, §16; 2009 Acts, ch 175, §3; 2010 Acts, ch 1191, §3; 2011 Acts, ch 128, §3, 48, 60; 2012 Acts, ch 1135, §3; 2013 Acts, ch 132, §3, 29


214A.1 Definitions.
214A.2 Tests and standards.
214A.2A Kerosene.
214A.2B Laboratory for motor fuel and biofuels.
214A.3 Advertising.
214A.4 Intrastate shipments.
214A.5 Documentation.
214A.6 Department tests — fee. Repealed by 2005 Acts, ch 159, §2.
214A.7 Department inspection — samples tested.
214A.8 Prohibition.
214A.9 Poster showing analysis. Repealed by 2013 Acts, ch 15, §9.
214A.10 Transfer pipes.
214A.11 Penalties.
214A.12 Industrial petroleum — permits.
214A.13 Chemists — employment of.
214A.14 Appropriation.
214A.15 Gasoline receptacles.
214A.16 Notice of renewable fuel — decal.
214A.17 Documentation in transactions.
214A.18 MTBE prohibition.
214A.19 Demonstration grants authorized.
214A.20 Limitation on liability.


**214A.1 Definitions.**

The following definitions shall apply to the various terms used in this chapter:

1. *"Advertise"* means to present a commercial message in any medium, including but not limited to print, radio, television, sign, display, label, tag, or articulation.

2. *"A.S.T.M. international"* means the American society for testing and materials international.

3. *"Biodiesel"* means a renewable fuel comprised of mono-alkyl esters of long-chain fatty acids derived from vegetable oils or animal fats, which meets the standards provided in section 214A.2.

4. *"Biodiesel blended fuel"* means a blend of biodiesel with petroleum-based diesel fuel which meets the standards, including separately the standard for its biodiesel component, provided in section 214A.2.

5. *"Biodiesel fuel"* means biodiesel or biodiesel blended fuel.

6. *"Biofuel"* means ethanol or biodiesel.

7. *"Dealer"* means a wholesale dealer or retail dealer.

8. *"Diesel fuel"* means any liquid, other than gasoline, which is suitable for use as a fuel in a diesel fuel powered engine, including but not limited to a motor vehicle, equipment as defined in section 322F.1, or a train. Diesel fuel includes a liquid product prepared, advertised, offered for sale, or sold for use as, or commonly and commercially used as, motor fuel for use in an internal combustion engine and ignited by pressure without the presence of an electric spark. Diesel fuel must meet the standards provided in section 214A.2.

9. *"Distributor"* means the same as defined in section 452A.2.

10. *"E-85 gasoline"* or *"E-85"* means ethanol blended gasoline formulated with a percentage of between seventy and eighty-five percent by volume of ethanol, if the formulation meets the standards provided in section 214A.2.

11. *"Ethanol"* means ethyl alcohol that is to be blended with gasoline if it meets the standards provided in section 214A.2.

12. *"Ethanol blended gasoline"* means a formulation of gasoline which is a liquid petroleum product blended with ethanol, if the formulation meets the standards provided in section 214A.2.

13. *"Gasoline"* means any liquid product prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, motor fuel for use in a spark-ignition, internal combustion engine, and which meets the specifications provided in section 214A.2.

14. *"Marketer"* means a dealer, distributor, nonrefiner biofuel manufacturer, or supplier.

15. *"Motor fuel"* means a substance or combination of substances which is intended to be or is capable of being used for the purpose of operating an internal combustion engine, including but not limited to a motor vehicle, and is kept for sale or sold for that purpose.

16. *"Motor fuel pump"* and *"motor fuel blender pump"* or *"blender pump"* means the same as defined in section 214.1.

17. *"Motor fuel storage tank"* means the same as defined in section 214.1.

18. *"MTBE"* means methyl tertiary butyl ether.

19. *"Nonrefiner biofuel manufacturer"* means the same as defined in section 452A.2.

20. *"Oxygenate"* means oxygen-containing compounds, including but not limited to alcohols, ethers, or ethanol.

21. *"Pipeline company"* means the same as defined in section 479B.2.

22. *"Refiner"* means a person engaged in the refining of crude oil to produce motor fuel, and includes any affiliate of such person.

23. *"Renewable fuel"* means a combustible liquid derived from grain starch, oilseed, animal fat, or other biomass; or produced from a biogas source, including any nonfossilized decaying organic matter which is capable of powering machinery, including but not limited to an engine or power plant. Renewable fuel includes but is not limited to biofuel, ethanol blended gasoline, or biodiesel blended fuel meeting the standards provided in section 214A.2.

24. *"Retail dealer"* means a person engaged in the business of storing and dispensing motor fuel from a motor fuel pump for sale on a retail basis, regardless of whether the motor fuel pump is located at a retail motor fuel site including a permanent or mobile location.

25. *"Retail motor fuel site"* means a geographic location in this state where a retail dealer sells and dispenses motor fuel on a retail basis.

26. *"Sell"* means to sell or to offer for sale.

27. *"Standard ethanol blended gasoline"* means ethanol blended gasoline for use in gasoline-powered vehicles not required to be flexible fuel vehicles, that meets the requirements of section 214A.2.

28. *"Supplier"* means the same as defined in section 452A.2.
29. *"Terminal"* means the same as defined in section 452A.2.
30. *"Terminal operator"* means the same as defined in section 452A.2.
31. *"Terminal owner"* means the same as defined in section 452A.2.
32. *"Unleaded gasoline"* means gasoline, including ethanol blended gasoline, if all of the following applies:
*a.* It has an octane number of not less than eighty-seven as provided in section 214A.2.
*b.* Lead or phosphorus compounds have not been intentionally added to it.
*c.* It does not contain more than thirteen thousandths grams of lead per liter and not more than thirteen ten-thousandths grams of phosphorus per liter.
33. *"Wholesale dealer"* means a person, other than a retail dealer, who operates a place of business where motor fuel is stored and dispensed for sale in this state, including a permanent or mobile location.
[C31, 35, §5093-d1; C39, §**5095.01;** C46, 50, 54, 58, 62, 66, 71, §323.1; C73, 75, 77, 79, 81, §214A.1]
85 Acts, ch 76, §1; 86 Acts, ch 1146, §1; 86 Acts, ch 1245, §644; 89 Acts, ch 75, §1; 2000 Acts, ch 1224, §27; 2004 Acts, ch 1086, §106; 2006 Acts, ch 1142, §3 – 5, 83; 2008 Acts, ch 1169, §14 – 16, 30; 2010 Acts, ch 1031, §245, 246; 2013 Acts, ch 15, §3; 2013 Acts, ch 90, §40; 2013 Acts, ch 127, §2
Referred to in §8A.362, 159A.2, 159A.3, 159A.11, 203.1, 214.1, 214.11, 216B.3, 260C.19A, 262.25A, 279.34, 307.20, 307.21, 323.1, 323A.1, 331.908, 364.20, 422.11N, 422.11O, 422.11P, 422.11Y, 423.3, 452A.2, 452A.3, 452A.6, 452A.32, 455G.31, 714.7D, 904.312A
Further definitions, see §189.1
NEW subsection 9 and former subsections 9 – 12 renumbered as 10 – 13
NEW subsection 14 and former subsections 13 and 14 renumbered as 15 and 16
Subsection 17 stricken and former subsections 15 and 16 renumbered as 17 and 18
NEW subsection 19 and former subsection 18 renumbered as 20
NEW subsections 21 and 22 and former subsections 19 – 22 renumbered as 23 – 26
Former subsection 23 amended and renumbered as 27
NEW subsections 28 - 31 and former subsections 24 and 25 renumbered as 32 and 33

**214A.2 Tests and standards.**
1. The department shall adopt rules pursuant to chapter 17A for carrying out this chapter. The rules may include but are not limited to specifications relating to motor fuel, including but not limited to renewable fuel such as ethanol blended gasoline, biodiesel, biodiesel blended fuel, and motor fuel components such as an oxygenate. In the interest of uniformity, the department shall adopt by reference other specifications relating to tests and standards for motor fuel, including renewable fuel and motor fuel components, established by the United States environmental protection agency and A.S.T.M. international.
2. Octane number shall conform to the average of values obtained from the A.S.T.M. international D2699 research method and the A.S.T.M. international D2700 motor method.
*a.* Octane number for regular grade unleaded gasoline shall follow the specifications of A.S.T.M. international but shall not be less than eighty-seven.
*b.* Octane number for premium grade unleaded gasoline shall follow the specifications of A.S.T.M. international but shall not be less than ninety.
3. *a.* For motor fuel advertised for sale or sold as gasoline by a dealer, the motor fuel must meet requirements for that type of motor fuel and its additives established by the United States environmental protection agency including as provided under 42 U.S.C. § 7545.
*b.* If the motor fuel is advertised for sale or sold as ethanol blended gasoline, the motor fuel must comply with departmental standards which shall meet all of the following requirements:
(1) Ethanol must be an agriculturally derived ethyl alcohol that meets A.S.T.M. international specification D4806 for denatured fuel ethanol for blending with gasoline for use as automotive spark-ignition engine fuel, or a successor A.S.T.M. international specification, as established by rules adopted by the department.
(2) Gasoline blended with ethanol must meet requirements established by rules adopted in part or in whole based on A.S.T.M. international specification D4814.
(3) For ethanol blended gasoline, at least nine percent by volume must be fuel grade ethanol. In addition, the following applies:
(a) For the period beginning on September 16 and ending on May 31 of each year, the

state grants a waiver of one pound per square inch from the A.S.T.M. international D4814 Reid vapor pressure requirement.

(b) For the period beginning on June 1 and ending on September 15 of each year the United States environmental protection agency must grant a one pound per square inch waiver for ethanol blended conventional gasoline with at least nine but not more than ten percent by volume of ethanol pursuant to 40 C.F.R. § 80.27.

(4) For standard ethanol blended gasoline, it must be ethanol blended gasoline classified as any of the following:

(a) From E-9 to E-15, if the ethanol blended gasoline meets the standards for that classification as otherwise provided in this paragraph *"b"*.

(b) Higher than E-15, if authorized by the department pursuant to approval for the use of that classification of ethanol blended gasoline in this state by the United States environmental protection agency, by granting a waiver or the adoption of regulations.

(5) E-85 gasoline must be an agriculturally derived ethyl alcohol that meets A.S.T.M. international specification D5798, described as a fuel blend for use in ground vehicles with automotive spark-ignition engines, or a successor A.S.T.M. international specification, as established by rules adopted by the department.

4. *a.* For motor fuel advertised for sale or sold as diesel fuel by a dealer, the motor fuel must meet requirements for that type of motor fuel and its additives established by the United States environmental protection agency including as provided under 42 U.S.C. § 7545.

*b.* If the motor fuel is advertised for sale or sold as biodiesel or biodiesel blended fuel, the motor fuel must comply with departmental standards which shall comply with specifications adopted by A.S.T.M. international for biodiesel or biodiesel blended fuel, to every extent applicable as determined by rules adopted by the department.

(1) Biodiesel must conform to A.S.T.M. international specification D6751 or a successor A.S.T.M. international specification as established by rules adopted by the department. The specification shall apply to biodiesel before it leaves its place of manufacture.

(2) At least one percent of biodiesel blended fuel by volume must be biodiesel.

(3) The biodiesel may be blended with diesel fuel whose sulfur, aromatic, lubricity, and cetane levels do not comply with A.S.T.M. international specification D975 grades 1-D or 2-D, low sulfur 1-D or 2-D, or ultra-low sulfur grades 1-D or 2-D, provided that the finished biodiesel blended fuel meets A.S.T.M. international specification D975 or a successor A.S.T.M. international specification as established by rules adopted by the department.

(4) Biodiesel blended fuel classified as B-6 or higher but not higher than B-20 must conform to A.S.T.M. international specification D7467 or a successor A.S.T.M. international specification as established by rules adopted by the department.

5. Ethanol blended gasoline shall be designated E-xx where "xx" is the volume percent of ethanol in the ethanol blended gasoline and biodiesel fuel shall be designated B-xx where "xx" is the volume percent of biodiesel.

6. Motor fuel shall not contain more than trace amounts of MTBE, as provided in section 214A.18.

[C31, 35, §5093-d2; C39, §**5095.02;** C46, 50, 54, 58, 62, 66, 71, §323.2; C73, 75, 77, 79, 81, §214A.2; 82 Acts, ch 1131, §1, ch 1170, §1]

84 Acts, ch 1083, §1; 85 Acts, ch 76, §2 – 5; 85 Acts, ch 195, §23; 89 Acts, ch 75, §2; 90 Acts, ch 1252, §14; 91 Acts, ch 87, §1; 2000 Acts, ch 1224, §28; 2003 Acts, ch 167, §1, 4; 2004 Acts, ch 1086, §106; 2006 Acts, ch 1142, §6 – 8, 83; 2006 Acts, ch 1175, §8, 23; 2008 Acts, ch 1169, §17, 18, 30; 2009 Acts, ch 41, §263; 2009 Acts, ch 179, §118; 2010 Acts, ch 1031, §247; 2011 Acts, ch 113, §1; 2013 Acts, ch 15, §4 – 6

Referred to in §159A.12, 214A.1, 214A.2B, 214A.3, 214A.4, 214A.5, 214A.7, 214A.8, 214A.16, 214A.20, 216B.3, 260C.19A, 262.25A, 307.21, 323.1, 422.11O, 422.11P, 422.11Y, 423.4, 452A.12, 455G.31, 904.312A

Subsection 2, paragraphs a and b stricken and paragraphs c and d redesignated as a and b

Subsection 3, paragraph b, subparagraphs (2) and (4) amended

**214A.2A Kerosene.**

1. Fuel which is sold or is kept, offered, or exposed for sale as kerosene shall be labeled as kerosene. The label shall include the word "kerosene" and a designation as either "K1"

or "K2", and shall indicate that the kerosene is in compliance with the standard specification adopted by A.S.T.M. international specification D3699 (1982).

2. A product commonly known as kerosene and a distillate or a petroleum product of lower gravity (Baume scale), when not used to propel a motor vehicle or for compounding or combining with a motor fuel, are exempt from this chapter except as provided in this section.

86 Acts, ch 1146, §2; 2006 Acts, ch 1142, §9

**214A.2B Laboratory for motor fuel and biofuels.**

A laboratory for motor fuel and biofuels is established at a community college which is engaged in biofuels testing on July 1, 2007, and which testing includes but is not limited to B-20 biodiesel fuel testing for motor trucks and the ability of biofuels to meet A.S.T.M. international standards. The laboratory shall conduct testing of motor fuel sold in this state and biofuel which is blended in motor fuel in this state to ensure that the motor fuel or biofuels meet the requirements in section 214A.2.

2007 Acts, ch 215, §97; 2008 Acts, ch 1032, §35, 108; 2008 Acts, ch 1169, §19, 30

**214A.3 Advertising.**

1. For all motor fuel, a person shall not knowingly do any of the following:

*a.* Advertise the sale of any motor fuel which does not meet the standards provided in section 214A.2.

*b.* Falsely advertise the quality or kind of any motor fuel or a component of motor fuel.

*c.* Add a coloring matter to the motor fuel which misleads a person who is purchasing the motor fuel about the quality of the motor fuel.

2. For a renewable fuel, all of the following apply:

*a.* A person shall not knowingly falsely advertise that a motor fuel is a renewable fuel or is not a renewable fuel.

*b.* (1) Ethanol blended gasoline sold by a dealer shall be designated according to its classification as provided in section 214A.2. However, a person advertising E-9 or E-10 gasoline may only designate it as ethanol blended gasoline. A person advertising ethanol blended gasoline formulated with a percentage of between seventy and eighty-five percent by volume of ethanol shall designate it as E-85. A person shall not knowingly falsely advertise ethanol blended gasoline by using an inaccurate designation in violation of this subparagraph.

(2) A person shall not knowingly falsely advertise biodiesel fuel by using an inaccurate designation as provided in section 214A.2.

[C31, 35, §5093-d3; C39, §**5095.03;** C46, 50, 54, 58, 62, 66, 71, §323.3; C73, 75, 77, 79, 81, §214A.3]

89 Acts, ch 75, §3; 2006 Acts, ch 1142, §10; 2008 Acts, ch 1169, §20, 30; 2009 Acts, ch 179, §119

**214A.4 Intrastate shipments.**

A wholesale dealer or retail dealer shall not receive or sell or hold for sale, within this state, any motor fuel or oxygenate for which specifications are prescribed in this chapter, unless the dealer first secures from the refiner or producer of the motor fuel or oxygenate, a statement, verified by the oath of a competent chemist employed by or representing the refiner or producer, showing the true standards and tests of the motor fuel or oxygenate, obtained by the methods referred to in section 214A.2. The verified tests are required and must accompany the bill of lading or shipping documents representing the shipment of the motor fuel or oxygenate into this state before the shipment can be received and unloaded.

[C31, 35, §5093-d4; C39, §**5095.04;** C46, 50, 54, 58, 62, 66, 71, §323.4; C73, 75, 77, 79, 81, §214A.4]

89 Acts, ch 75, §4; 2006 Acts, ch 1142, §83

**214A.5 Documentation.**

1. A wholesale dealer or retail dealer shall, when making a sale of motor fuel, give to a purchaser upon demand a sales slip.

2. A wholesale dealer selling ethanol blended gasoline or biodiesel blended fuel to a purchaser shall provide the purchaser with a statement indicating its designation as provided in section 214A.2. The statement may be on the sales slip provided in this section or a similar document, including but not limited to a bill of lading or invoice.

[C31, 35, §5093-d5; C39, §**5095.05;** C46, 50, 54, 58, 62, 66, 71, §323.5; C73, 75, 77, 79, 81, §214A.5]

89 Acts, ch 75, §5; 2006 Acts, ch 1142, §11, 83; 2006 Acts, ch 1175, §18, 23; 2009 Acts, ch 179, §120

**214A.6 Department tests — fee.** Repealed by 2005 Acts, ch 159, § 2.

**214A.7 Department inspection — samples tested.**

The department shall, from time to time, make or cause to be made tests of any motor fuel or biofuel which is being sold, or held or offered for sale within this state. A departmental inspector may enter upon the premises of a dealer and take from any container a sample of the motor fuel or biofuel, not to exceed one gallon. The sample shall be sealed and appropriately marked or labeled by the inspector and delivered to the department. The department shall make, or cause to be made, complete analyses or tests of the motor fuel or biofuel by the methods specified in section 214A.2.

[C31, 35, §5093-d7; C39, §**5095.07;** C46, 50, 54, 58, 62, 66, 71, §323.7; C73, 75, 77, 79, 81, §214A.7]

89 Acts, ch 75, §7; 2006 Acts, ch 1142, §12, 83; 2006 Acts, ch 1175, §9, 18, 23; 2013 Acts, ch 15, §7

Section amended

**214A.8 Prohibition.**

A dealer shall not knowingly sell motor fuel or biofuel in the state that fails to meet applicable standards as provided in section 214A.2.

[C31, 35, §5093-d8; C39, §**5095.08;** C46, 50, 54, 58, 62, 66, 71, §323.8; C73, 75, 77, 79, 81, §214A.8]

89 Acts, ch 75, §8; 2006 Acts, ch 1142, §13, 83

**214A.9 Poster showing analysis.** Repealed by 2013 Acts, ch 15, § 9.

**214A.10 Transfer pipes.**

A wholesale dealer, retail dealer, or other person shall not, within this state, use the same pipeline for transferring motor fuel, including gasoline, or oxygenate from one container to another, if the pipeline is used for transferring kerosene or other flammable product used for open flame illuminating or heating purposes.

[C31, 35, §5093-d10; C39, §**5095.10;** C46, 50, 54, 58, 62, 66, 71, §323.10; C73, 75, 77, 79, 81, §214A.10]

89 Acts, ch 75, §9; 92 Acts, ch 1163, §48; 2006 Acts, ch 1142, §83

**214A.11 Penalties.**

1. Except as provided in subsection 2, a person who violates a provision of this chapter is guilty of a serious misdemeanor. Each day that a continuing violation occurs shall be considered a separate offense.

2. The state may proceed against a person who violates this chapter by initiating an alternative civil enforcement action in lieu of a prosecution. The alternative civil enforcement action may be brought against the person as a contested case proceeding by the department under chapter 17A or as a civil judicial proceeding by the attorney general upon referral by the department. The department may impose, assess, and collect the civil penalty. The civil penalty shall be for at least one hundred dollars but not more than one thousand dollars for each violation. Each day that a continuing violation occurs shall be considered a separate offense.

*a.* Except as provided in paragraph "*b*", the state is precluded from prosecuting a violation

pursuant to subsection 1 if the state is a party in the alternative civil enforcement action, the department has made a final decision in the contested case proceeding, or a court has entered a final judgment.

*b.* If a party to an alternative civil enforcement action fails to pay the civil penalty to the department within thirty days after the party has exhausted the party's administrative remedies and the party has not sought judicial review in accordance with section 17A.19, the department may order that its final decision be vacated. When the department's final decision is vacated, the state may initiate a criminal prosecution, but shall be precluded from bringing an alternative civil enforcement action. If a party to an alternative civil enforcement action fails to pay the civil penalty within thirty days after a court has entered a final judgment, the department may request that the attorney general petition the court to vacate its final judgment. When the court's judgment has been vacated, the state may initiate a criminal prosecution, but shall be precluded from bringing an alternative civil enforcement action.

[C31, 35, §5093-d11; C39, §**5095.11;** C46, 50, 54, 58, 62, 66, 71, §323.11; C73, 75, 77, 79, 81, §214A.11]

2006 Acts, ch 1142, §14

**214A.12 Industrial petroleum — permits.**

Any wholesale dealer as herein defined may apply to the department for a permit to make importations of petroleum products for industrial use only and not intended to be used for internal combustion engines, on a form to be supplied by the department, and upon receiving such permission may make importations of petroleum products for industrial use only, exempt from the specifications of this chapter.

[C31, 35, §5093-d12; C39, §**5095.12;** C46, 50, 54, 58, 62, 66, 71, §323.12; C73, 75, 77, 79, 81, §214A.12]

**214A.13 Chemists — employment of.**

The secretary of agriculture shall employ one or more chemists and incur such other expense as shall be necessary for the purpose of carrying into effect the provisions of this chapter.

[C31, 35, §5093-d13; C39, §**5095.13;** C46, 50, 54, 58, 62, 66, 71, §323.13; C73, 75, 77, 79, 81, §214A.13]

**214A.14 Appropriation.**

There is hereby appropriated out of any funds in the state treasury not otherwise appropriated funds sufficient to pay the expenses incurred as authorized by this chapter.

[C31, 35, §5093-d14; C39, §**5095.14;** C46, 50, 54, 58, 62, 66, 71, §323.14; C73, 75, 77, 79, 81, §214A.14]

**214A.15 Gasoline receptacles.**

A person shall not place gasoline or any other petroleum product for public use having a flash point below 100 degrees Fahrenheit into any can, cask, barrel or other similar receptacle having a capacity in excess of one pint unless the same is painted bright red and is plainly marked with the word "gasoline" or with the warning "flammable — keep fire away" in contrasting letters of a height equal to at least one-tenth of the smallest dimension of such container. Gasoline or other petroleum products having a flash point below 100 degrees Fahrenheit shall not be placed in bottles and plastic containers except those bottles and plastic containers which are approved by the state fire marshal and which are conspicuously posted with such approval. This section shall not apply to vehicle cargo or supply tanks nor to underground storage nor to storage tanks from which such liquids are withdrawn for manufacturing or agricultural purposes, or are loaded into vehicle cargo tanks, but all outlet faucets or valves from such excepted containers shall be suitably tagged to indicate the nature of the product to be withdrawn from such containers.

[C97, §2505; S13, §2510-1a, -2a, -j, -k; SS15, §2505; C24, 27, 31, 35, 39, §**3194 – 3196;** C46, §208.4 – 208.6; C50, 54, 58, 62, 66, 71, 73, 75, §208.6; C77, 79, 81, §214A.15]

**214A.16 Notice of renewable fuel — decal.**

1. *a.* If ethanol blended gasoline is sold from a motor fuel pump, the motor fuel pump shall have affixed a decal identifying the ethanol blended gasoline.

*b.* If the motor fuel pump dispenses ethanol blended gasoline classified as E-11 to E-15 for use in gasoline-powered vehicles not required to be flexible fuel vehicles, the motor fuel pump shall have affixed a decal as prescribed by the United States environmental protection agency.

*c.* If the motor fuel pump dispenses ethanol blended gasoline classified as higher than standard ethanol blended gasoline pursuant to section 214A.2, the decal shall contain the following notice:

FOR FLEXIBLE FUEL VEHICLES ONLY.

*d.* If biodiesel fuel is sold from a motor fuel pump, the motor fuel pump shall have affixed a decal identifying the biodiesel fuel as provided in 16 C.F.R. pt. 306.

2. The design and location of the decal shall be prescribed by rules adopted by the department. A decal identifying a renewable fuel shall be consistent with standards adopted pursuant to section 159A.6. The department may approve an application to place a decal in a special location on a pump or container or use a decal with special lettering or colors, if the decal appears clear and conspicuous to the consumer. The application shall be made in writing pursuant to procedures adopted by the department.

[82 Acts, ch 1170, §2]

85 Acts, ch 76, §6; 89 Acts, ch 296, §21; 91 Acts, ch 254, §14; 94 Acts, ch 1119, §23; 2000 Acts, ch 1224, §29; 2006 Acts, ch 1142, §83; 2008 Acts, ch 1169, §21, 30; 2009 Acts, ch 179, §121; 2013 Acts, ch 15, §8

Referred to in §159A.6

Subsection 1 amended

**214A.17 Documentation in transactions.**

Upon any delivery of motor fuel to a retailer, the invoice, bill of lading, shipping or other documentation shall disclose the presence, type, and amount of oxygenates over one percent by weight contained in the fuel.

85 Acts, ch 76, §7; 2006 Acts, ch 1142, §83

**214A.18 MTBE prohibition.**

1. A person shall not do any of the following:

*a.* Sell motor fuel containing more than trace amounts of MTBE in this state.

*b.* Store motor fuel containing more than trace amounts of MTBE in a motor fuel storage tank located in this state.

2. As used in this section, *"trace amounts"* means not more than one-half of one percent by volume.

2000 Acts, ch 1224, §30; 2006 Acts, ch 1142, §83

Referred to in §214A.2

**214A.19 Demonstration grants authorized.**

1. The department of natural resources, conditioned upon the availability of funds, is authorized to award demonstration grants to persons who purchase vehicles which operate on alternative fuels, including but not limited to E-85 gasoline, biodiesel, compressed natural gas, electricity, solar energy, or hydrogen. A grant shall be for the purpose of conducting research connected with the fuel or the vehicle, and not for the purchase of the vehicle itself, except that the money may be used for the purchase of the vehicle if all of the following conditions are satisfied:

*a.* The department retains the title to the vehicle.

*b.* The vehicle is used for continuing research.

*c.* If the vehicle is sold or when the research related to the vehicle is completed, the proceeds of the sale of the vehicle shall be used for additional research.

2. The governor shall seek the cooperation of the governors of other states willing to

cooperate to establish an alternative fuels consortium. The purposes of the consortium may include, but are not limited to, coordinating the research, production, and marketing of alternative fuels within the participating states. The consortium may also coordinate presentation of consortium policy on alternative fuels to automakers and federal regulatory authorities.

90 Acts, ch 1252, §15; 2006 Acts, ch 1142, §77

**214A.20 Limitation on liability.**

1. A retail dealer or other marketer, pipeline company, refiner, terminal operator, or terminal owner is not liable for damages caused by the use of incompatible motor fuel dispensed at the retail dealer's retail motor fuel site, if all of the following apply:

*a.* The incompatible motor fuel complies with the specifications for a type of motor fuel as provided in section 214A.2.

*b.* The incompatible motor fuel is selected by the end consumer of the motor fuel.

*c.* The incompatible motor fuel is dispensed from a motor fuel pump that correctly labels the type of fuel dispensed.

2. For purposes of this section, a motor fuel is incompatible with a motor according to the manufacturer of the motor.

2011 Acts, ch 113, §2; 2013 Acts, ch 127, §3

Subsection 1 amended

# CHAPTER 215

## INSPECTION OF WEIGHTS AND MEASURES


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215.24 Rules.
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**215.1 Inspections.**

The department shall regularly inspect all commercial weighing and measuring devices, and when a complaint is made to the department that any false or incorrect weights or measures are being made, the department shall inspect the commercial weighing and measuring devices which caused the complaint. The department may inspect prepackaged goods to determine the accuracy of their recorded weights.

[S13, §3009-o; SS15, §3009-n; C24, 27, 31, 35, 39, §**3266;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.1]

2012 Acts, ch 1095, §138

**215.2 Special inspection request — fees.**

The fee for special tests, including but not limited to, using state inspection equipment, for the calibration, testing, certification, or repair of a commercial weighing and measuring device shall be paid by the servicer or person requesting the special test in accordance with the following schedule:

1. Class S, scales, seventy-five dollars per hour.
2. Class M, meters, fifty-two dollars and fifty cents per hour.

[SS15, §3009-n; C24, 27, 31, 35, 39, §**3267;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.2]

88 Acts, ch 1272, §22; 90 Acts, ch 1084, §5; 92 Acts, ch 1239, §38

Annual license fees; §214.3

**215.3 Payment by party complaining.**

If an inspection is made upon the complaint of a person other than the owner of the commercial weighing and measuring device, and upon examination the commercial weighing and measuring device is found by the department to be accurate for commercial weighing and measuring, the inspection fee for such inspection shall be paid by the person making the complaint.

[SS15, §3009-n; C24, 27, 31, 35, 39, §**3268;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.3]

90 Acts, ch 1084, §6

**215.4 Tag for inaccurate or incorrect device — reinspection — fee.**

A commercial weighing and measuring device found to be inaccurate or incorrect upon inspection by the department shall be rejected or tagged "condemned until repaired" and the "licensed for commercial use" inspection sticker shall be removed. If notice is received by the department that the device has been repaired and upon reinspection the device is found to be accurate or correct, the license fee shall not be charged for the reinspection. However, a second license fee shall be charged if upon reinspection the device is found to be inaccurate. The device shall be tagged "condemned" and removed from service if a third reinspection fails.

[SS15, §3009-n; C24, 27, 31, 35, 39, §**3269;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.4]

90 Acts, ch 1084, §7; 2012 Acts, ch 1095, §139

**215.5 Confiscation of scales.**

The department may seize without warrant and confiscate any incorrect scales, weights, or measures, or any weighing apparatus or part thereof which do not conform to the state standards or upon which the license fee has not been paid. If any weighing or measuring apparatus or part thereof be found out of order the same may be tagged by the department "condemned until repaired", which tag shall not be altered or removed until said apparatus is properly repaired.

[S13, §3009-q; C24, 27, 31, 35, 39, §**3270;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.5]

**215.6 False weights or measures.**

If any person engaged in the purchase or sale of any commodity by weight or measurement, or in the employment of labor where the price thereof is to be determined by weight or measurement of the articles upon which such labor is bestowed, has in the person's possession any inaccurate scales, weights, or measures, or other apparatus for determining the quantity of any commodity, which do not conform to the standard weights and measures, the person shall be punished as provided in chapter 189.

[SS15, §3009-p; C24, 27, 31, 35, 39, §**3271;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.6]

**215.7 Transactions by false weights or measures.**

A person shall be deemed to have violated the provisions of this chapter and shall be punished as provided in chapter 189, if any of the following apply:

1. The person sells, trades, delivers, charges for, or claims to have delivered to a purchaser an amount of any commodity which is less in weight or measure than that which is asked for, agreed upon, claimed to have been delivered, or noted on the delivery ticket.

2. The person makes a settlement for or enters a credit, based upon any false weight or measurement, for any commodity purchased.

3. The person makes a settlement for or enters a credit, based upon any false weight or measurement, for any labor where the price of producing or mining is determined by weight or measure.

4. The person records a false weight or measurement upon the weight ticket or book.

[SS15, §3009-j; C24, 27, 31, 35, 39, §**3272;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.7]

2012 Acts, ch 1095, §140; 2013 Acts, ch 90, §41

Referred to in §215.8

Subsection 2 amended

**215.8 Reasonable variations.**

In enforcing the provisions of section 215.7 reasonable variations shall be permitted and exemptions as to small packages shall be established by rules of the department.

[SS15, §3009-j; C24, 27, 31, 35, 39, §**3273;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.8]

**215.9 Power of political subdivision limited.**

A commodity weighed upon any scale bearing a sticker issued by the department shall not be required to be reweighed as required by ordinance of any political subdivision including but not limited to a city, nor shall a commodity's sale, at the weights so ascertained, and because thereof, be, by such ordinance, prohibited or restricted.

[SS15, §3009-m; C24, 27, 31, 35, 39, §**3274;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.9]

2012 Acts, ch 1095, §141

**215.10 Installation of new scales.**

It shall be unlawful to install a scale, used for commercial purposes in this state, unless the scale is so installed that it is easily accessible for inspection and testing by equipment of the department and with due regard to the scale's size and capacity. Every scale manufacturer or dealer shall, upon selling a scale of the above types in Iowa, submit to the department upon forms provided by the department, the make, capacity of the scale, the date of sale, and the date and location of its installation.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.10]

**215.11 Dial visible to public.**

The weight indicating dial or beams on counter scales used to weigh articles sold at retail shall be so located that the reading dial indicating the weight shall at all times be visible to the public.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.11]

**215.12 Bond of scale repairers.**

Any person, firm, or corporation engaging in any scale repair work for hire in this state shall first file with the department a bond of the form required by chapter 64 in the sum of one thousand dollars conditioned to guarantee the quality and faithful performance of the assumed task and providing for liquidated damages for failure to perform such conditions. Such person, firm, or corporation, on depositing with the department a bond in the amount of one thousand dollars shall be furnished a certificate authorizing them to do what is known as scale repair work, or installation of new scales in the state of Iowa. This certificate shall be valid until revoked by the secretary of agriculture.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.12]

**215.13 Graduations on beam.**

All new weigh beams or dials on what is known as livestock scales used for determining the weight in buying or selling livestock shall be in not over five-pound graduations.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.13]

**215.14 Approval by department.**

A commercial weighing and measuring device shall not be installed in this state unless approved by the department.

1. A pit type scale or any other scale installed in a pit, regardless of capacity, that is installed on or after July 1, 1990, shall have a clearance of not less than four feet from the finished floor line of the scale to the bottom of the "I" beam of the scale bridge. Livestock shall not be weighed on any scale other than a livestock scale or pit type scale.

2. An electronic pitless scale shall be placed on concrete footings with concrete floor. The concrete floor shall allow for adequate drainage away from the scale as required by the department. There shall be a clearance of not less than eight inches between the weigh bridge and the concrete floor to facilitate inspection and cleaning.

3. Before approval by the department, the specifications for a commercial weighing and measuring device shall be furnished to the purchaser of the device by the manufacturer. The approval shall be based upon the recommendation of the United States national institute of standards and technology.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.14]

90 Acts, ch 1045, §1; 2003 Acts, 1st Ex, ch 2, §16, 209; 2012 Acts, ch 1095, §142

**215.15 Scale pit.**

Scale pit shall have proper room for inspector or service person to repair or inspect scale. Scale pit shall remain dry at all times and adequate drainage shall be provided for the purpose of inspecting and cleaning.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.15]

**215.16 Weighing beyond capacity.**

It shall be unlawful for any person, firm, or corporation to use such a scale for weighing commodities the gross weight of which is greater than the factory rated scale capacity. The capacity of the scale shall be stamped by the manufacturer on each weigh beam or dial. The capacity of the scale shall be posted so as to be visible to the public.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.16]

**215.17 Test weights to be used.**

1. A person engaged in scale repair work for hire shall use only test weights sealed by the department in determining the effectiveness of repair work and the test weights shall be sealed as to their accuracy once each year. However, a person shall not claim to be an official scale inspector and shall not use the test weights except to determine the accuracy of scale repair work done by the person and the person shall not be entitled to a fee for their use. A fee shall be charged and collected at time of inspection for the inspection of such weights as follows:

| | |
|---|---|
| All weights up to and including 25 pounds.....$ | 1.10 each |
| Over 25 pounds capacity, up to and including 50 pounds..... | 2.25 each |
| Over 50 pounds capacity, up to and including 100 pounds..... | 3.00 each |
| Over 100 pounds capacity, up to and including 500 pounds..... | 4.50 each |
| Over 500 pounds capacity, up to and including 1,000 pounds..... | 7.50 each |

2. The fee for all tank calibrations shall be as follows:

| | |
|---|---|
| 100 gallons up to and including 300 gallons | $ 4.50 |
| 301 gallons up to and including 500 gallons | 7.50 |
| 501 gallons up to and including 1,000 gallons | 11.25 |
| 1,001 gallons up to and including 2,000 gallons | 15.00 |
| 2,001 gallons up to and including 3,000 gallons | 18.00 |
| 3,001 gallons up to and including 4,000 gallons | 21.00 |
| 4,001 gallons up to and including 5,000 gallons | 24.00 |
| 5,001 gallons up to and including 6,000 gallons | 27.00 |
| 6,001 gallons up to and including 7,000 gallons | 30.00 |
| 7,001 gallons and up | 37.50 |

3. Calibration shall not be required of a tank which is not used for the purpose of measuring, or which is equipped with a meter, and vehicle tanks loaded from meters and carrying a printed ticket showing gallonage shall not be required to be calibrated.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.17]
92 Acts, ch 1239, §39; 2010 Acts, ch 1061, §41

**215.18 Specifications and tolerances.**

The specifications, tolerances, and other technical requirements for commercial, law enforcement, data gathering, and other weighing and measuring devices, as adopted by the national conference on weights and measures and published in the national institute of standards and technology handbook 44, specifications, tolerances, and other technical requirements for weighing and measuring devices, shall apply to weighing and measuring devices in this state, except insofar as modified or rejected by rule and shall be observed in all inspections and tests.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §215.18]
90 Acts, ch 1084, §8
Referred to in §215A.3

**215.19 Automatic recorders on scales.**

Except for scales used by packers slaughtering fewer than one hundred twenty head of livestock per day, all scales with a capacity over five hundred pounds, which are used for commercial purposes in the state of Iowa, and installed after January 1, 1981, shall be equipped with either a type-registering weigh beam, a dial with a mechanical ticket printer, an automatic weight recorder, or some similar device which shall be used for printing or stamping the weight values on scale tickets.

[C66, 71, 73, 75, 77, 79, 81, §215.19]
Referred to in §327D.130

**215.20 Liquid petroleum gas measurement.**

1. All liquefied petroleum gas, including but not limited to propane, butane, and mixtures of them, shall be kept, offered, exposed for sale, or sold by the pound, metered cubic foot of vapor, defined as one cubic foot at sixty degrees Fahrenheit, or by the gallon, defined as two hundred thirty-one cubic inches at sixty degrees Fahrenheit.

2. All metered sales exceeding one hundred gallons shall be corrected to a temperature of sixty degrees Fahrenheit through use of an approved meter with a sealed automatic compensation mechanism. All sale tickets for sales exceeding one hundred gallons shall

show the stamped delivered gallons and shall state that the temperature correction was automatically made.

3. A reasonable tolerance within a maximum of plus or minus one percent shall be allowed on liquid petroleum gas meters licensed for commercial use in this state.

[C66, 71, 73, 75, 77, 79, 81, §215.20]

88 Acts, ch 1272, §23; 90 Acts, ch 1084, §9

**215.21 Individual carcass weights.**

With payment for each purchase of livestock except poultry bought on a carcass weight or grade and yield basis, each packer shall provide the seller with one statement displaying the individual carcass weights of all the animals sold.

[C81, §215.21]

**215.22 Packer-monorail scale.**

The speed of a monorail scale operation used by a packer shall not exceed the manufacturer's recommendation or specifications for accurate weighing under normal, in-use operating conditions. The operational speed shall be permanently marked on the indicating element. Adequate measures shall be provided whereby testing and inspections can be conducted under normal in-use conditions. Tare weights for trolleys or gambrels shall be registered with the department. The registered tare adjustment on the indicating element shall be sealed or pinned.

[C81, §215.22]

**215.23 Servicer's license.**

A servicer shall not install, service, or repair a commercial weighing or measuring device until the servicer has demonstrated that the servicer has available adequate testing equipment, and that the servicer possesses a working knowledge of all devices the servicer intends to install or repair and of all appropriate weights, measures, statutes, and rules, as evidenced by passing a qualifying examination to be conducted by the department and obtaining a license. The secretary of agriculture shall establish by rule pursuant to chapter 17A, requirements for and contents of the examination. In determining these qualifications, the secretary shall consider the specifications of the United States national institute of standards and technology, handbook forty-four, "Specifications, tolerances, and technical requirements for commercial weighing and measuring devices", or the current successor or equivalent specifications adopted by the United States national institute of standards and technology. The secretary shall require an annual license fee of not more than five dollars for each license. Each license shall expire one year from date of issuance.

[C81, §215.23]

90 Acts, ch 1045, §2

Referred to in §214.11

**215.24 Rules.**

The department of agriculture and land stewardship may promulgate rules pursuant to chapter 17A as necessary to promptly and effectively enforce the provisions of this chapter.

[C81, §215.24]

**215.25 Railroad track scales.**

The department shall inspect the railroad track scales referred to in section 327D.127. The department may adopt rules establishing standards for the scales. The rules may include but are not limited to safety standards, accuracy and the style and content of forms and certificates to be used for weighing.

[C81, §215.25]

**215.26 Definitions.**

As used in this chapter:

1. *"Commercial weighing and measuring device"* means a weight or measure or weighing

or measuring device used to establish size, quantity, area or other quantitative measurement of a commodity sold by weight or measurement, or where the price to be paid for producing the commodity is based upon the weight or measurement of the commodity. The term includes an accessory attached to or used in connection with a commercial weighing or measuring device when the accessory is so designed or installed that its operation may affect the accuracy of the device. *"Commercial weighing and measuring device"* includes a public scale or a commercial scanner.

2. *"Department"* means the department of agriculture and land stewardship.

3. *"Liquefied petroleum gas"* means liquids that do not remain in a liquid state at atmospheric pressures and temperatures composed predominantly of any of the following hydrocarbons, or mixtures of hydrocarbons: propane, propylene, butanes including normal butane or isobutane, and butylenes.

4. *"Packer"* means a person engaged in the business of any of the following:

*a.* Buying livestock in commerce for purposes of slaughter;

*b.* Manufacturing or preparing meats or meat food products for sale or shipment in commerce;

*c.* Marketing meats, meat food products, or livestock products in an unmanufactured form acting as a wholesale broker, dealer, or distributor in commerce.

5. *"Service agency"* means an individual, firm or corporation which holds itself out to the public as having servicers available to install, service or repair a weighing or measuring device for hire.

6. *"Servicer"* means an individual employed by a service agency who installs, services or repairs a commercial weighing or measuring device for hire, commission or salary.

[C81, §215.26]

90 Acts, ch 1084, §10, 11; 2007 Acts, ch 126, §43; 2012 Acts, ch 1095, §143, 144

Referred to in §214.1, 214.2

# CHAPTER 215A

## MOISTURE-MEASURING DEVICES


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**215A.1 Definitions.**

As used in this chapter:

1. *"Agricultural products"* means any product of agricultural activity which is tested for moisture content when offered for sale, processing, or storage.

2. *"Department"* means the Iowa department of agriculture and land stewardship.

3. *"Moisture-measuring devices"* means any device or instrument used by any person in proving or ascertaining the moisture content of agricultural products.

4. *"Person"* means an individual, corporation, partnership, cooperative association, or two or more persons having a joint or common interest in the same venture and shall include the United States, the state, or any subdivision of either.

5. *"Secretary"* means the secretary of agriculture.

[C71, 73, 75, 77, 79, 81, §215A.1]

2012 Acts, ch 1023, §157

Further definitions, see §189.1

**215A.2 Inspection by department.**

The department shall inspect or cause to be inspected at least annually every moisture-measuring device used in commerce in this state, except those belonging to the United States or the state, or any subdivision of either, except as herein provided. The department may inspect or cause to be inspected at the convenience of the department any moisture-measuring device upon a request in writing from the owner thereof.

[C71, 73, 75, 77, 79, 81, §215A.2]

**215A.3 Rules adopted — hearing.**

The department is charged with the enforcement of this chapter and, after due publicity and due public hearing, is empowered to establish rules, regulations, specifications, standards, and tests as necessary in order to secure the efficient administration of this chapter. Publicity concerning the public hearing shall be reasonably calculated to give interested parties adequate notice and adequate opportunity to be heard. In establishing such rules, regulations, specifications, standards, and tests the department may use the specifications and tolerances established in section 215.18, and shall use the specifications and tolerances established by the United States department of agriculture as of November 15, 1971, in chapter XII of GR instruction 916-6, equipment manual, used by the United States department of agriculture grain inspection, packers and stockyards administration. The department may from time to time publish such data in connection with the administration of this chapter as may be of public interest.

[C71, 73, 75, 77, 79, 81, §215A.3]

95 Acts, ch 216, §25

**215A.4 Officer assigned to act.**

The department may at its discretion designate an employee or officer of the department to act for the department in any details connected with the administration of this chapter.

[C71, 73, 75, 77, 79, 81, §215A.4]

**215A.5 Marking with seal.**

If an inspection or comparative test reveals that the moisture-measuring device being inspected or tested conforms to the standards and specifications established by the department, the department shall cause the same to be marked with an appropriate seal. Any moisture-measuring device which upon inspection is found not to conform with the specifications and standards established by the department shall be marked with an appropriate seal showing such device to be defective, which seal shall not be altered or removed until said moisture-measuring device is properly repaired and reinspected. The owner or user of such device shall be notified of such defective condition by the department or its properly designated employees on an inspection form prepared by the department.

[C71, 73, 75, 77, 79, 81, §215A.5]

Referred to in §215A.6, 215A.9

**215A.6 Procedure when device rejected.**

1. Any defective moisture-measuring device, while so marked, sealed, or tagged, as provided in section 215A.5, may be used to ascertain the moisture content of agricultural products offered for sale, processing, or storage, only under the following conditions:

*a.* The person shall keep a record, open to inspection, of every commercial sample of agricultural products inspected by the tagged device, showing that an adjustment was made on all such agricultural products tested.

*b.* The device shall be repaired to comply with section 215A.5 within a period of thirty days, and the department thereupon notified.

2. If, upon reinspection, the device is again rejected under the provisions of section 215A.5, such device shall be sealed and shall not be used until repaired and reinspected.

[C71, 73, 75, 77, 79, 81, §215A.6]

2009 Acts, ch 41, §263

**215A.7 Located where visible to public.**

Every device used to ascertain the moisture content of agricultural products offered for sale, processing, or storage shall be used in a location visible to the general public and the detailed procedure for operating a moisture-measuring device shall be displayed in a conspicuous place close to the moisture-measuring device.

[C71, 73, 75, 77, 79, 81, §215A.7]

**215A.8 Untested devices not to be used — exception.**

No person shall use or cause to be used any grain moisture-measuring device which has not been inspected and approved for use by the department; except, a newly purchased grain moisture-measuring device may be used prior to regular inspection and approval if the user of such device has given notice to the department of the purchase and before use of such new device.

[C71, 73, 75, 77, 79, 81, §215A.8]

**215A.9 Inspection fee.**

The department shall charge, assess, and cause to be collected at the time of inspection an inspection fee in accordance with the fee schedule established pursuant to section 214.3, subsection 3.

A fee of fifteen dollars shall be charged for each device subject to reinspection under section 215A.5. All moneys received by the department under the provisions of this chapter shall be handled in the same manner as *"repayment receipts"* as defined in chapter 8, and shall be used for the administration and enforcement of the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §215A.9]

90 Acts, ch 1084, §12; 92 Acts, ch 1239, §40

**215A.10 Penalty.**

Every person who uses or causes to be used a moisture-measuring device in commerce with knowledge that such device has not been inspected and approved by the department in accordance with the provisions of this chapter shall be guilty of a simple misdemeanor.

[C71, 73, 75, 77, 79, 81, §215A.10]

# TITLE VI

## HUMAN SERVICES

# SUBTITLE 1

## SOCIAL JUSTICE AND HUMAN RIGHTS

# CHAPTER 216

## CIVIL RIGHTS COMMISSION

Referred to in §2.11, 2.42, 19B.12, 22.7, 256F.4, 261E.9, 422.11S, 422.12, 602.1401, 614.8, 679C.115, 729A.5

This chapter not enacted as a part of this title;
transferred from chapter 601A in Code 1993
See also chapters 729 and 729A


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**216.1 Citation.**

This chapter may be known and may be cited as the *"Iowa Civil Rights Act of 1965"*.

[C66, 71, §105A.1; C73, 75, 77, 79, 81, §601A.1]

C93, §216.1

**216.2 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Commission"* means the Iowa state civil rights commission created by this chapter.

2. *"Commissioner"* means a member of the commission.

3. *"Court"* means the district court in and for any judicial district of the state of Iowa or any judge of the court if the court is not in session at that time.

4. *"Covered multifamily dwelling"* means any of the following:

*a.* A building consisting of four or more dwelling units if the building has one or more elevators.

*b.* The ground floor units of a building consisting of four or more dwelling units.

5. *"Disability"* means the physical or mental condition of a person which constitutes a substantial disability, and the condition of a person with a positive human immunodeficiency virus test result, a diagnosis of acquired immune deficiency syndrome, a diagnosis of acquired immune deficiency syndrome-related complex, or any other condition related to acquired immune deficiency syndrome. The inclusion of a condition related to a positive human immunodeficiency virus test result in the meaning of *"disability"* under the provisions of this chapter does not preclude the application of the provisions of this chapter to conditions resulting from other contagious or infectious diseases.

6. *"Employee"* means any person employed by an employer.

7. *"Employer"* means the state of Iowa or any political subdivision, board, commission, department, institution, or school district thereof, and every other person employing employees within the state.

8. *"Employment agency"* means any person undertaking to procure employees or opportunities to work for any other person or any person holding itself to be equipped to do so.

9. *a. "Familial status"* means one or more individuals under the age of eighteen domiciled with one of the following:

(1) A parent or another person having legal custody of the individual or individuals.

(2) The designee of the parent or the other person having custody of the individual or individuals, with the written permission of the parent or other person.

(3) A person who is pregnant or is in the process of securing legal custody of the individual or individuals.

*b. "Familial status"* also means a person who is pregnant or who is in the process of securing legal custody of an individual who has not attained the age of eighteen years.

10. *"Gender identity"* means a gender-related identity of a person, regardless of the person's assigned sex at birth.

11. *"Labor organization"* means any organization which exists for the purpose in whole or in part of collective bargaining, of dealing with employers concerning grievances, terms, or conditions of employment, or of other mutual aid or protection in connection with employment.

12. *"Person"* means one or more individuals, partnerships, associations, corporations, legal representatives, trustees, receivers, and the state of Iowa and all political subdivisions and agencies thereof.

13. *a. "Public accommodation"* means each and every place, establishment, or facility of whatever kind, nature, or class that caters or offers services, facilities, or goods for a fee or charge to nonmembers of any organization or association utilizing the place, establishment, or facility, provided that any place, establishment, or facility that caters or offers services, facilities, or goods to the nonmembers gratuitously shall be deemed a public accommodation if the accommodation receives governmental support or subsidy. Public accommodation shall not mean any bona fide private club or other place, establishment, or facility which is by its nature distinctly private, except when such distinctly private place, establishment, or facility caters or offers services, facilities, or goods to the nonmembers for fee or charge or gratuitously, it shall be deemed a public accommodation during such period.

*b. "Public accommodation"* includes each state and local government unit or tax-supported district of whatever kind, nature, or class that offers services, facilities, benefits, grants or goods to the public, gratuitously or otherwise. This paragraph shall not be construed by negative implication or otherwise to restrict any part or portion of the preexisting definition of the term *"public accommodation"*.

14. *"Sexual orientation"* means actual or perceived heterosexuality, homosexuality, or bisexuality.

15. *"Unfair practice"* or *"discriminatory practice"* means those practices specified as unfair or discriminatory in sections 216.6, 216.6A, 216.7, 216.8, 216.8A, 216.9, 216.10, 216.11, and 216.11A.

[C66, 71, §105A.2; C73, 75, 77, 79, 81, §601A.2]

84 Acts, ch 1096, §1; 88 Acts, ch 1236, §1; 89 Acts, ch 205, §1; 91 Acts, ch 184, §1; 92 Acts, ch 1129, §1 – 3

C93, §216.2
94 Acts, ch 1023, §42; 95 Acts, ch 129, §2; 96 Acts, ch 1129, §113; 2007 Acts, ch 191, §1; 2009 Acts, ch 96, §1

**216.3 Commission appointed.**

The Iowa state civil rights commission shall consist of seven members appointed by the governor subject to confirmation by the senate. Appointments shall be made to provide geographical area representation insofar as practicable. No more than four members of the commission shall belong to the same political party. Members appointed to the commission shall serve for four-year staggered terms beginning and ending as provided by section 69.19.

Vacancies on the commission shall be filled by the governor by appointment for the unexpired part of the term of the vacancy. Any commissioner may be removed from office by the governor for cause.

The governor subject to confirmation by the senate shall appoint a director who shall serve as the executive officer of the commission.

[C66, 71, §105A.3; C73, 75, 77, 79, 81, §601A.3]
C93, §216.3
Confirmation, see §2.32

**216.4 Compensation and expenses — rules.**

Commissioners shall be paid a per diem as specified in section 7E.6 and shall be reimbursed for actual and necessary expenses incurred while on official commission business. All per diem and expense moneys paid to commissioners shall be paid from funds appropriated to the commission. The commission shall adopt, amend or rescind rules as necessary for the conduct of its meetings. A quorum shall consist of four commissioners.

[C66, 71, §105A.4; C73, 75, 77, 79, 81, §601A.4]
90 Acts, ch 1256, §51
C93, §216.4

**216.5 Powers and duties.**

The commission shall have the following powers and duties:

1. To prescribe the duties of a director and appoint and prescribe the duties of such investigators and other employees and agents as the commission shall deem necessary for the enforcement of this chapter.

2. To receive, investigate, mediate, and finally determine the merits of complaints alleging unfair or discriminatory practices.

3. To investigate and study the existence, character, causes, and extent of discrimination in public accommodations, employment, apprenticeship programs, on-the-job training programs, vocational schools, credit practices, and housing in this state and to attempt the elimination of such discrimination by education and conciliation.

4. To seek a temporary injunction against a respondent when it appears that a complainant may suffer irreparable injury as a result of an alleged violation of this chapter. A temporary injunction may only be issued ex parte, if the complaint filed with the commission alleges discrimination in housing. In all other cases a temporary injunction may be issued only after the respondent has been notified and afforded the opportunity to be heard.

5. To hold hearings upon any complaint made against a person, an employer, an employment agency, or a labor organization, or the employees or members thereof, to subpoena witnesses and compel their attendance at such hearings, to administer oaths and take the testimony of any person under oath, and to compel such person, employer, employment agency, or labor organization, or employees or members thereof to produce for examination any books and papers relating to any matter involved in such complaint. The commission shall issue subpoenas for witnesses in the same manner and for the same purposes on behalf of the respondent upon the respondent's request. Such hearings may be held by the commission, by any commissioner, or by any hearing examiner appointed by the commission. If a witness either fails or refuses to obey a subpoena issued by the commission, the commission may petition the district court having jurisdiction for issuance

of a subpoena and the court shall in a proper case issue the subpoena. Refusal to obey such subpoena shall be subject to punishment for contempt.

6. To issue such publications and reports of investigations and research as in the judgment of the commission shall tend to promote goodwill among the various racial, religious, and ethnic groups of the state and which shall tend to minimize or eliminate discrimination in public accommodations, employment, apprenticeship and on-the-job training programs, vocational schools, or housing because of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, ancestry, or disability.

7. To prepare and transmit to the governor and to the general assembly from time to time, but not less often than once each year, reports describing its proceedings, investigations, hearings conducted and the outcome thereof, decisions rendered, and the other work performed by the commission.

8. To make recommendations to the general assembly for such further legislation concerning discrimination because of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, ancestry, or disability as it may deem necessary and desirable.

9. To cooperate, within the limits of any appropriations made for its operation, with other agencies or organizations, both public and private, whose purposes are consistent with those of this chapter, and in the planning and conducting of programs designed to eliminate racial, religious, cultural, and intergroup tensions.

10. To adopt, publish, amend, and rescind regulations consistent with and necessary for the enforcement of this chapter.

11. To receive, administer, dispense and account for any funds that may be voluntarily contributed to the commission and any grants that may be awarded the commission for furthering the purposes of this chapter.

12. To defer a complaint to a local civil rights commission under commission rules promulgated pursuant to chapter 17A.

13. To issue subpoenas and order discovery as provided by this section in aid of investigations and hearings of alleged unfair or discriminatory housing or real property practices. The subpoenas and discovery may be ordered to the same extent and are subject to the same limitations as subpoenas and discovery in a civil action in district court.

14. To defer proceedings and refer a complaint to a local commission that has been recognized by the United States department of housing and urban development as having adopted ordinances providing fair housing rights and remedies that are substantially equivalent to those granted under federal law.

15. To utilize volunteers to aid in the conduct of the commission's business including case processing functions such as intake, screening, investigation, and mediation.

[C66, 71, §105A.5; C73, 75, 77, 79, 81, §601A.5]
86 Acts, ch 1245, §1991; 91 Acts, ch 184, §2
C93, §216.5
95 Acts, ch 129, §3, 4; 2007 Acts, ch 191, §2

**216.6 Unfair employment practices.**

1. It shall be an unfair or discriminatory practice for any:

*a.* Person to refuse to hire, accept, register, classify, or refer for employment, to discharge any employee, or to otherwise discriminate in employment against any applicant for employment or any employee because of the age, race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability of such applicant or employee, unless based upon the nature of the occupation. If a person with a disability is qualified to perform a particular occupation, by reason of training or experience, the nature of that occupation shall not be the basis for exception to the unfair or discriminating practices prohibited by this subsection.

*b.* Labor organization or the employees, agents, or members thereof to refuse to admit to membership any applicant, to expel any member, or to otherwise discriminate against any applicant for membership or any member in the privileges, rights, or benefits of such

membership because of the age, race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability of such applicant or member.

*c.* Employer, employment agency, labor organization, or the employees, agents, or members thereof to directly or indirectly advertise or in any other manner indicate or publicize that individuals of any particular age, race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability are unwelcome, objectionable, not acceptable, or not solicited for employment or membership unless based on the nature of the occupation.

(1) If a person with a disability is qualified to perform a particular occupation by reason of training or experience, the nature of that occupation shall not be the basis for exception to the unfair or discriminating practices prohibited by this subsection.

(2) An employer, employment agency, or their employees, servants, or agents may offer employment or advertise for employment to only persons with disabilities, when other applicants have available to them other employment compatible with their ability which would not be available to persons with disabilities because of their disabilities. Any such employment or offer of employment shall not discriminate among persons with disabilities on the basis of race, color, creed, sex, sexual orientation, gender identity, or national origin.

*d.* Person to solicit or require as a condition of employment of any employee or prospective employee a test for the presence of the antibody to the human immunodeficiency virus or to affect the terms, conditions, or privileges of employment or terminate the employment of any employee solely as a result of the employee obtaining a test for the presence of the antibody to the human immunodeficiency virus. An agreement between an employer, employment agency, labor organization, or their employees, agents, or members and an employee or prospective employee concerning employment, pay, or benefits to an employee or prospective employee in return for taking a test for the presence of the antibody to the human immunodeficiency virus, is prohibited. The prohibitions of this paragraph do not apply if the state epidemiologist determines and the director of public health declares through the utilization of guidelines established by the center for disease control of the United States department of health and human services, that a person with a condition related to acquired immune deficiency syndrome poses a significant risk of transmission of the human immunodeficiency virus to other persons in a specific occupation.

2. Employment policies relating to pregnancy and childbirth shall be governed by the following:

*a.* A written or unwritten employment policy or practice which excludes from employment applicants or employees because of the employee's pregnancy is a prima facie violation of this chapter.

*b.* Disabilities caused or contributed to by the employee's pregnancy, miscarriage, childbirth, and recovery therefrom are, for all job-related purposes, temporary disabilities and shall be treated as such under any health or temporary disability insurance or sick leave plan available in connection with employment. Written and unwritten employment policies and practices involving matters such as the commencement and duration of leave, the availability of extensions, the accrual of seniority, and other benefits and privileges, reinstatement, and payment under any health or temporary disability insurance or sick leave plan, formal or informal, shall be applied to a disability due to the employee's pregnancy or giving birth, on the same terms and conditions as they are applied to other temporary disabilities.

*c.* Disabilities caused or contributed to by legal abortion and recovery therefrom are, for all job-related purposes, temporary disabilities and shall be treated as such under any temporary disability or sick leave plan available in connection with employment. Written and unwritten employment policies and practices involving matters such as the commencement and duration of leave, the availability of extensions, the accrual of seniority, and other benefits and privileges, reinstatement, and payment under any temporary disability insurance or sick leave plan, formal or informal, shall be applied to a disability due to legal abortion on the same terms and conditions as they are applied to other temporary disabilities. The employer may elect to exclude health insurance coverage for abortion from

a plan provided by the employer, except where the life of the mother would be endangered if the fetus were carried to term or where medical complications have arisen from an abortion.

*d.* An employer shall not terminate the employment of a person disabled by pregnancy because of the employee's pregnancy.

*e.* Where a leave is not available or a sufficient leave is not available under any health or temporary disability insurance or sick leave plan available in connection with employment, the employer of the pregnant employee shall not refuse to grant to the employee who is disabled by the pregnancy a leave of absence if the leave of absence is for the period that the employee is disabled because of the employee's pregnancy, childbirth, or related medical conditions, or for eight weeks, whichever is less. However, the employee must provide timely notice of the period of leave requested and the employer must approve any change in the period requested before the change is effective. Before granting the leave of absence, the employer may require that the employee's disability resulting from pregnancy be verified by medical certification stating that the employee is not able to reasonably perform the duties of employment.

3. This section shall not prohibit discrimination on the basis of age if the person subject to the discrimination is under the age of eighteen years, unless that person is considered by law to be an adult.

4. Notwithstanding the provisions of this section, a state or federal program designed to benefit a specific age classification which serves a bona fide public purpose shall be permissible.

5. This section shall not apply to age discrimination in bona fide apprenticeship employment programs if the employee is over forty-five years of age.

6. This section shall not apply to:

*a.* Any employer who regularly employs less than four individuals. For purposes of this subsection, individuals who are members of the employer's family shall not be counted as employees.

*b.* The employment of individuals for work within the home of the employer if the employer or members of the employer's family reside therein during such employment.

*c.* The employment of individuals to render personal service to the person of the employer or members of the employer's family.

*d.* Any bona fide religious institution or its educational facility, association, corporation, or society with respect to any qualifications for employment based on religion, sexual orientation, or gender identity when such qualifications are related to a bona fide religious purpose. A religious qualification for instructional personnel or an administrative officer, serving in a supervisory capacity of a bona fide religious educational facility or religious institution, shall be presumed to be a bona fide occupational qualification.

[C66, 71, §105A.7; C73, §601A.7; C75, 77, 79, 81, §601A.6]

87 Acts, ch 201, §1; 88 Acts, ch 1236, §2

C93, §216.6

96 Acts, ch 1129, §27, 113; 2007 Acts, ch 191, §3, 4; 2009 Acts, ch 41, §220

Referred to in §216.2, 400.8

See also §139A.13A, 915.23

**216.6A Additional unfair or discriminatory practice — wage discrimination in employment.**

1. *a.* The general assembly finds that the practice of discriminating against any employee because of the age, race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability of such employee by paying wages to such employee at a rate less than the rate paid to other employees does all of the following:

(1) Unjustly discriminates against the person receiving the lesser rate.

(2) Leads to low employee morale, high turnover, and frequent labor unrest.

(3) Discourages employees paid at lesser wage rates from training for higher level jobs.

(4) Curtails employment opportunities, decreases employees' mobility, and increases labor costs.

(5) Impairs purchasing power and threatens the maintenance of an adequate standard of living by such employees and their families.

(6) Prevents optimum utilization of the state's available labor resources.

(7) Threatens the well-being of citizens of this state and adversely affects the general welfare.

*b.* The general assembly declares that it is the policy of this state to correct and, as rapidly as possible, to eliminate, discriminatory wage practices based on age, race, creed, color, sex, sexual orientation, gender identity, national origin, religion, and disability.

2. *a.* It shall be an unfair or discriminatory practice for any employer or agent of any employer to discriminate against any employee because of the age, race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability of such employee by paying wages to such employee at a rate less than the rate paid to other employees who are employed within the same establishment for equal work on jobs, the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions. An employer or agent of an employer who is paying wages to an employee at a rate less than the rate paid to other employees in violation of this section shall not remedy the violation by reducing the wage rate of any employee.

*b.* For purposes of this subsection, an unfair or discriminatory practice occurs when a discriminatory pay decision or other practice is adopted, when an individual becomes subject to a discriminatory pay decision or other practice, or when an individual is affected by application of a discriminatory pay decision or other practice, including each time wages, benefits, or other compensation is paid, resulting in whole or in part from such a decision or other practice.

3. It shall be an affirmative defense to a claim arising under this section if any of the following applies:

*a.* Payment of wages is made pursuant to a seniority system.

*b.* Payment of wages is made pursuant to a merit system.

*c.* Payment of wages is made pursuant to a system which measures earnings by quantity or quality of production.

*d.* Pay differential is based on any other factor other than the age, race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability of such employee.

4. This section shall not apply to any employer who regularly employs less than four individuals. For purposes of this subsection, individuals who are members of the employer's family shall not be counted as employees.

2009 Acts, ch 96, §2; 2010 Acts, ch 1069, §26

Referred to in §216.2, 216.15

**216.7 Unfair practices — accommodations or services.**

1. It shall be an unfair or discriminatory practice for any owner, lessee, sublessee, proprietor, manager, or superintendent of any public accommodation or any agent or employee thereof:

*a.* To refuse or deny to any person because of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability the accommodations, advantages, facilities, services, or privileges thereof, or otherwise to discriminate against any person because of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability in the furnishing of such accommodations, advantages, facilities, services, or privileges.

*b.* To directly or indirectly advertise or in any other manner indicate or publicize that the patronage of persons of any particular race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability is unwelcome, objectionable, not acceptable, or not solicited.

2. This section shall not apply to:

*a.* Any bona fide religious institution with respect to any qualifications the institution may impose based on religion, sexual orientation, or gender identity when such qualifications are related to a bona fide religious purpose.

*b.* The rental or leasing to transient individuals of less than six rooms within a single

housing accommodation by the occupant or owner of such housing accommodation if the occupant or owner or members of that person's family reside therein.

[C97, §5008; C24, 27, 31, 35, 39, §**13251;** C46, 50, 54, 58, §735.1; C66, 71, §105A.6; C73, §601A.6; C75, 77, 79, 81, §601A.7]

C93, §216.7

2007 Acts, ch 191, §5, 6

Referred to in §123.32, 216.2

**216.8 Unfair or discriminatory practices — housing.**

1. It shall be an unfair or discriminatory practice for any person, owner, or person acting for an owner, of rights to housing or real property, with or without compensation, including but not limited to persons licensed as real estate brokers or salespersons, attorneys, auctioneers, agents or representatives by power of attorney or appointment, or any person acting under court order, deed of trust, or will:

*a.* To refuse to sell, rent, lease, assign, sublease, refuse to negotiate, or to otherwise make unavailable, or deny any real property or housing accommodation or part, portion, or interest therein, to any person because of the race, color, creed, sex, sexual orientation, gender identity, religion, national origin, disability, or familial status of such person.

*b.* To discriminate against any person because of the person's race, color, creed, sex, sexual orientation, gender identity, religion, national origin, disability, or familial status, in the terms, conditions, or privileges of the sale, rental, lease assignment, or sublease of any real property or housing accommodation or any part, portion, or interest in the real property or housing accommodation or in the provision of services or facilities in connection with the real property or housing accommodation.

*c.* To directly or indirectly advertise, or in any other manner indicate or publicize that the purchase, rental, lease, assignment, or sublease of any real property or housing accommodation or any part, portion, or interest therein, by persons of any particular race, color, creed, sex, sexual orientation, gender identity, religion, national origin, disability, or familial status is unwelcome, objectionable, not acceptable, or not solicited.

*d.* To discriminate against the lessee or purchaser of any real property or housing accommodation or part, portion, or interest of the real property or housing accommodation, or against any prospective lessee or purchaser of the property or accommodation, because of the race, color, creed, religion, sex, sexual orientation, gender identity, disability, age, or national origin of persons who may from time to time be present in or on the lessee's or owner's premises for lawful purposes at the invitation of the lessee or owner as friends, guests, visitors, relatives, or in any similar capacity.

2. For purposes of this section, "*person*" means one or more individuals, corporations, partnerships, associations, labor organizations, legal representatives, mutual companies, joint stock companies, trusts, unincorporated organizations, trustees, trustees in cases under Tit. 11 of the United States Code, receivers, and fiduciaries.

[C71, §105A.13; C73, §601A.13; C75, 77, 79, 81, §601A.8]

89 Acts, ch 205, §2; 92 Acts, ch 1129, §4

C93, §216.8

2007 Acts, ch 191, §7; 2009 Acts, ch 41, §86

Referred to in §216.2, 216.11A, 216.12, 216.12A, 216.15A, 216.16A

**216.8A Additional unfair or discriminatory practices — housing.**

1. A person shall not induce or attempt to induce another person to sell or rent a dwelling by representations regarding the entry or prospective entry into a neighborhood of a person of a particular race, color, creed, sex, sexual orientation, gender identity, religion, national origin, disability, or familial status.

2. A person shall not represent to a person of a particular race, color, creed, sex, sexual orientation, gender identity, religion, national origin, disability, or familial status that a dwelling is not available for inspection, sale, or rental when the dwelling is available for inspection, sale, or rental.

3. *a.* A person shall not discriminate in the sale or rental or otherwise make unavailable or deny a dwelling to a buyer or renter because of a disability of any of the following persons:

(1) That buyer or renter.

(2) A person residing in or intending to reside in that dwelling after it is sold, rented, or made available.

(3) A person associated with that buyer or renter.

*b.* A person shall not discriminate against another person in the terms, conditions, or privileges of sale or rental of a dwelling or in the provision of services or facilities in connection with the dwelling because of a disability of any of the following persons:

(1) That person.

(2) A person residing in or intending to reside in that dwelling after it is sold, rented, or made available.

(3) A person associated with that person.

*c.* For the purposes of this subsection only, discrimination includes any of the following circumstances:

(1) A refusal to permit, at the expense of the person with a disability, reasonable modifications of existing premises occupied or to be occupied by the person if the modifications are necessary to afford the person full enjoyment of the premises. However, it is not discrimination for a landlord, in the case of a rental and where reasonable to do so, to condition permission for a modification on the renter's agreement to restore the interior of the premises to the condition that existed before the modification, reasonable wear and tear excepted.

(2) A refusal to make reasonable accommodations in rules, policies, practices, or services, when the accommodations are necessary to afford the person equal opportunity to use and enjoy a dwelling.

(3) In connection with the design and construction of covered multifamily dwellings for first occupancy after January 1, 1992, a failure to design and construct those dwellings in a manner that meets the following requirements:

(a) The public use and common use portions of the dwellings are readily accessible to and usable by persons with disabilities.

(b) All doors designed to allow passage into and within all premises within the dwellings are sufficiently wide to allow passage by persons with disabilities in wheelchairs.

(c) All premises within the dwellings contain the following features of adaptive design:

(i) An accessible route into and through the dwelling.

(ii) Light switches, electrical outlets, thermostats, and other environmental controls in accessible locations.

(iii) Reinforcements in bathroom walls to allow later installation of grab bars.

(iv) Usable kitchens and bathrooms so that a person in a wheelchair can maneuver about the space.

*d.* Compliance with the appropriate requirements of the American national standard for buildings and facilities providing accessibility and usability for persons with disabilities, commonly cited as "ANSI A 117.1", satisfies the requirements of paragraph "*c*", subparagraph (3), subparagraph division (c).

*e.* Nothing in this subsection requires that a dwelling be made available to a person whose tenancy would constitute a direct threat to the health or safety of other persons or whose tenancy would result in substantial physical damage to the property of others.

4. *a.* A person whose business includes engaging in residential real estate related transactions shall not discriminate against a person in making a residential real estate related transaction available or in terms or conditions of a residential real estate related transaction because of race, color, creed, sex, sexual orientation, gender identity, religion, national origin, disability, or familial status.

*b.* For the purpose of this subsection, "*residential real estate related transaction*" means any of the following:

(1) To make or purchase loans or provide other financial assistance to purchase, construct, improve, repair, or maintain a dwelling, or to secure residential real estate.

(2) To sell, broker, or appraise residential real estate.

5. A person shall not deny another person access to, or membership or participation in, a multiple-listing service, real estate brokers' organization or other service, organization, or facility relating to the business of selling or renting dwellings, or discriminate against a person in terms or conditions of access, membership, or participation in such organization because of race, color, creed, sex, sexual orientation, gender identity, religion, national origin, disability, or familial status.

91 Acts, ch 184, §3
CS91, §601A.8A
C93, §216.8A
96 Acts, ch 1129, §28, 113; 2007 Acts, ch 191, §8 – 10; 2009 Acts, ch 41, §263; 2009 Acts, ch 133, §82
Referred to in §216.2, 216.11A, 216.12, 216.12A, 216.15A, 216.16A

**216.9 Unfair or discriminatory practices — education.**

1. It is an unfair or discriminatory practice for any educational institution to discriminate on the basis of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability in any program or activity. Such discriminatory practices shall include but not be limited to the following practices:

*a.* Exclusion of a person or persons from participation in, denial of the benefits of, or subjection to discrimination in any academic, extracurricular, research, occupational training, or other program or activity except athletic programs;

*b.* Denial of comparable opportunity in intramural and interscholastic athletic programs;

*c.* Discrimination among persons in employment and the conditions of employment;

*d.* On the basis of sex, the application of any rule concerning the actual or potential parental, family or marital status of a person, or the exclusion of any person from any program or activity or employment because of pregnancy or related conditions dependent upon the physician's diagnosis and certification.

2. For the purpose of this section, "*educational institution*" includes any preschool, elementary or secondary school, community college, area education agency, or postsecondary college or university and their governing boards. This section does not prohibit an educational institution from maintaining separate toilet facilities, locker rooms, or living facilities for the different sexes so long as comparable facilities are provided. Nothing in this section shall be construed as prohibiting any bona fide religious institution from imposing qualifications based on religion, sexual orientation, or gender identity when such qualifications are related to a bona fide religious purpose or any institution from admitting students of only one sex.

[C79, 81, §601A.9]
85 Acts, ch 214, §1; 86 Acts, ch 1245, §1496; 90 Acts, ch 1253, §121
C93, §216.9
2007 Acts, ch 191, §11, 12; 2008 Acts, ch 1032, §36
Referred to in §216.2, 260C.5

**216.10 Unfair credit practices.**

1. It shall be an unfair or discriminatory practice for any:

*a.* Creditor to refuse to enter into a consumer credit transaction or impose finance charges or other terms or conditions more onerous than those regularly extended by that creditor to consumers of similar economic backgrounds because of age, color, creed, national origin, race, religion, marital status, sex, sexual orientation, gender identity, physical disability, or familial status.

*b.* Person authorized or licensed to do business in this state pursuant to chapter 524, 533, 536, or 536A to refuse to loan or extend credit or to impose terms or conditions more onerous than those regularly extended to persons of similar economic backgrounds because of age, color, creed, national origin, race, religion, marital status, sex, sexual orientation, gender identity, physical disability, or familial status.

*c.* Creditor to refuse to offer credit life or health and accident insurance because of color, creed, national origin, race, religion, marital status, age, physical disability, sex, sexual

orientation, gender identity, or familial status. Refusal by a creditor to offer credit life or health and accident insurance based upon the age or physical disability of the consumer shall not be an unfair or discriminatory practice if such denial is based solely upon bona fide underwriting considerations not prohibited by Title XIII, subtitle 1.

2. The provisions of this section shall not be construed by negative implication or otherwise to narrow or restrict any other provisions of this chapter.

[C75, 77, §601A.9; C79, 81, §601A.10]
90 Acts, ch 1212, §1
C93, §216.10
2007 Acts, ch 191, §13; 2012 Acts, ch 1017, §57
Referred to in §216.2
See also §507B.4 and 537.3311

**216.11 Aiding, abetting, or retaliation.**

It shall be an unfair or discriminatory practice for:

1. Any person to intentionally aid, abet, compel, or coerce another person to engage in any of the practices declared unfair or discriminatory by this chapter.

2. Any person to discriminate or retaliate against another person in any of the rights protected against discrimination by this chapter because such person has lawfully opposed any practice forbidden under this chapter, obeys the provisions of this chapter, or has filed a complaint, testified, or assisted in any proceeding under this chapter.

[C66, 71, §105A.8; C73, §601A.8; C75, 77, §601A.10; C79, 81, §601A.11]
91 Acts, ch 94, §1
C93, §216.11
Referred to in §216.2, 216.15A, 216.16A

**216.11A Interference, coercion, or intimidation.**

It shall be unlawful to coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, on account of the person having exercised or enjoyed, or on account of the person having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by section 216.8, 216.8A, or 216.15A.

91 Acts, ch 184, §4
CS91, §601A.11A
92 Acts, ch 1129, §5
C93, §216.11A
Referred to in §216.2, 216.15A, 216.16A

**216.12 Exceptions.**

1. The provisions of sections 216.8 and 216.8A shall not apply to:

*a.* Any bona fide religious institution with respect to any qualifications it may impose based on religion, sexual orientation, or gender identity, when the qualifications are related to a bona fide religious purpose unless the religious institution owns or operates property for a commercial purpose or membership in the religion is restricted on account of race, color, or national origin.

*b.* The rental or leasing of a dwelling in a building which contains housing accommodations for not more than two families living independently of each other, if the owner resides in one of the housing accommodations.

*c.* The rental or leasing of less than four rooms within a single dwelling by the occupant or owner of the dwelling, if the occupant or owner resides in the dwelling.

*d.* Discrimination on the basis of familial status involving dwellings provided under any state or federal program specifically designed and operated to assist elderly persons, as defined in the state or federal program that the commission determines to be consistent with determinations made by the United States secretary of housing and urban development, and housing for older persons. As used in this paragraph, *"housing for older persons"* means housing communities consisting of dwellings intended for either of the following:

(1) For eighty percent occupancy by at least one person fifty-five years of age or older per unit, and providing significant facilities and services specifically designed to meet the

physical or social needs of the persons and the housing facility must publish and adhere to policies and procedures which demonstrate an intent by the owner or manager to provide housing for persons fifty-five years of age or older.

(2) For and occupied solely by persons sixty-two years of age or older.

*e.* The rental or leasing of a housing accommodation in a building which contains housing accommodations for not more than four families living independently of each other, if the owner resides in one of the housing accommodations for which the owner qualifies for the homestead tax credit under section 425.1.

*f.* Discrimination on the basis of sex involving the rental, leasing, or subleasing of a dwelling within which residents of both sexes would be forced to share a living area.

2. The exceptions to the requirements of sections 216.8 and 216.8A provided for dwellings specified in subsection 1, paragraphs *"b"*, *"c"*, and *"e"*, do not apply to advertising related to those dwellings.

[C71, §105A.14; C73, §601A.14; C75, 77, §601A.11; C79, 81, §601A.12]
89 Acts, ch 205, §3, 4; 91 Acts, ch 184, §5 – 7; 92 Acts, ch 1129, §6 – 9
C93, §216.12
95 Acts, ch 129, §5 – 7; 2007 Acts, ch 191, §14

**216.12A Additional housing exception.**

Sections 216.8 and 216.8A do not prohibit a person engaged in the business of furnishing appraisals of real estate from taking into consideration factors other than race, color, creed, sex, sexual orientation, gender identity, religion, national origin, disability, or familial status in appraising real estate.

91 Acts, ch 184, §8
CS91, §601A.12A
92 Acts, ch 1129, §10
C93, §216.12A
2007 Acts, ch 191, §15

**216.13 Exceptions for retirement plans, abortion coverage, life, disability, and health benefits.**

The provisions of this chapter relating to discrimination because of age do not apply to a retirement plan or benefit system of an employer unless the plan or system is a mere subterfuge adopted for the purpose of evading this chapter.

1. However, a retirement plan or benefit system shall not require the involuntary retirement of a person under the age of seventy because of that person's age. This paragraph does not prohibit the following:

*a.* The involuntary retirement of a person who has attained the age of sixty-five and has for the two prior years been employed in a bona fide executive or high policymaking position and who is entitled to an immediate, nonforfeitable annual retirement benefit from a pension, profit-sharing, savings, or deferred compensation plan of the employer which equals twenty-seven thousand dollars. This retirement benefit test may be adjusted according to the regulations prescribed by the United States secretary of labor pursuant to Pub. L. No. 95-256, section 3.

*b.* The involuntary retirement of a person covered by a collective bargaining agreement which was entered into by a labor organization and was in effect on September 1, 1977. This exemption does not apply after the termination of that agreement or January 1, 1980, whichever first occurs.

2. A health insurance program provided by an employer may exclude coverage of abortion, except where the life of the mother would be endangered if the fetus were carried to term or where medical complications have arisen from an abortion.

3. An employee welfare plan may provide life, disability or health insurance benefits which vary by age based on actuarial differences if the employer contributes equally for all

the participating employees or may provide for employer contributions differing by age if the benefits for all the participating employees do not vary by age.

[C71, §105A.15; C73, §601A.15; C75, 77, §601A.12; C79, 81, §601A.13]
84 Acts, ch 1011, §1
C93, §216.13
2006 Acts, ch 1010, §65

**216.14 Promotion or transfer.**

After a person with a disability is employed, the employer shall not be required under this chapter to promote or transfer the person to another job or occupation, unless, prior to the transfer, the person with the disability, by training or experience, is qualified for the job or occupation. Any collective bargaining agreement between an employer and labor organization shall contain this section as part of the agreement.

[C73, §601A.16; C75, 77, §601A.13; C79, 81, §601A.14]
C93, §216.14
96 Acts, ch 1129, §29

**216.15 Complaint — hearing.**

1. Any person claiming to be aggrieved by a discriminatory or unfair practice may, in person or by an attorney, make, sign, and file with the commission a verified, written complaint which shall state the name and address of the person, employer, employment agency, or labor organization alleged to have committed the discriminatory or unfair practice of which complained, shall set forth the particulars thereof, and shall contain such other information as may be required by the commission. The commission, a commissioner, or the attorney general may in like manner make, sign, and file such complaint.

2. Any place of public accommodation, employer, labor organization, or other person who has any employees or members who refuse or threaten to refuse to comply with the provisions of this chapter may file with the commission a verified written complaint in triplicate asking the commission for assistance to obtain their compliance by conciliation or other remedial action.

3. *a.* After the filing of a verified complaint, a true copy shall be served within twenty days on the person against whom the complaint is filed, except as provided in subsection 4. An authorized member of the commission staff shall make a prompt investigation and shall issue a recommendation to an administrative law judge employed either by the commission or by the division of administrative hearings created by section 10A.801, who shall then issue a determination of probable cause or no probable cause.

*b.* For purposes of this chapter, an administrative law judge issuing a determination of probable cause or no probable cause under this section is exempt from section 17A.17.

*c.* If the administrative law judge concurs with the investigating official that probable cause exists regarding the allegations of the complaint, the staff of the commission shall promptly endeavor to eliminate the discriminatory or unfair practice by conference, conciliation, and persuasion. If the administrative law judge finds that no probable cause exists, the administrative law judge shall issue a final order dismissing the complaint and shall promptly mail a copy to the complainant and to the respondent. A finding of probable cause shall not be introduced into evidence in an action brought under section 216.16.

*d.* The commission staff must endeavor to eliminate the discriminatory or unfair practice by conference, conciliation, and persuasion for a period of thirty days following the initial conciliation meeting between the respondent and the commission staff after a finding of probable cause. After the expiration of thirty days, the director may order the conciliation conference and persuasion procedure provided in this section to be bypassed when the director determines the procedure is unworkable by reason of past patterns and practices of the respondent, or a statement by the respondent that the respondent is unwilling to continue with the conciliation. The director must have the approval of a commissioner before bypassing the conciliation, conference and persuasion procedure. Upon the bypassing of conciliation, the director shall state in writing the reasons for bypassing.

4. *a.* The commission may permit service of a complaint on a respondent by regular or

electronic mail. If the respondent does not respond to the service by regular or electronic mail after ninety days, the commission shall serve the complaint on the respondent by certified mail within twenty days after the expiration of the ninety-day response period to service by regular or electronic mail.

*b.* The commission may also permit a party to file a response to a complaint, a document, information, or other material, by electronic mail.

*c.* The commission may issue a notice, determination, order, subpoena, request, correspondence, or any other document issued by the commission, by electronic mail.

5. The members of the commission and its staff shall not disclose the filing of a complaint, the information gathered during the investigation, or the endeavors to eliminate such discriminatory or unfair practice by mediation, conference, conciliation, and persuasion, unless such disclosure is made in connection with the conduct of such investigation.

6. When the director is satisfied that further endeavor to settle a complaint by conference, conciliation, and persuasion is unworkable and should be bypassed, and the thirty-day period provided for in subsection 3 has expired without agreement, the director with the approval of a commissioner, shall issue and cause to be served a written notice specifying the charges in the complaint as they may have been amended and the reasons for bypassing conciliation, if the conciliation is bypassed, and requiring the respondent to answer the charges of the complaint at a hearing before the commission, a commissioner, or a person designated by the commission to conduct the hearing, hereafter referred to as the administrative law judge, and at a time and place to be specified in the notice.

7. The case in support of such complaint shall be presented at the hearing by one of the commission's attorneys or agents. The investigating official shall not participate in the hearing except as a witness nor participate in the deliberations of the commission in such case.

8. The hearing shall be conducted in accordance with the provisions of chapter 17A for contested cases. The burden of proof in such a hearing shall be on the commission.

9. If upon taking into consideration all of the evidence at a hearing, the commission determines that the respondent has engaged in a discriminatory or unfair practice, the commission shall state its findings of fact and conclusions of law and shall issue an order requiring the respondent to cease and desist from the discriminatory or unfair practice and to take the necessary remedial action as in the judgment of the commission will carry out the purposes of this chapter. A copy of the order shall be delivered to the respondent, the complainant, and to any other public officers and persons as the commission deems proper.

*a.* For the purposes of this subsection and pursuant to the provisions of this chapter "remedial action" includes but is not limited to the following:

(1) Hiring, reinstatement or upgrading of employees with or without pay. Interim earned income and unemployment compensation shall operate to reduce the pay otherwise allowable.

(2) Admission or restoration of individuals to a labor organization, admission to or participation in a guidance program, apprenticeship training program, on-the-job training program or other occupational training or retraining program, with the utilization of objective criteria in the admission of individuals to such programs.

(3) Admission of individuals to a public accommodation or an educational institution.

(4) Sale, exchange, lease, rental, assignment or sublease of real property to an individual.

(5) Extension to all individuals of the full and equal enjoyment of the advantages, facilities, privileges, and services of the respondent denied to the complainant because of the discriminatory or unfair practice.

(6) Reporting as to the manner of compliance.

(7) Posting notices in conspicuous places in the respondent's place of business in form prescribed by the commission and inclusion of notices in advertising material.

(8) Payment to the complainant of damages for an injury caused by the discriminatory or unfair practice which damages shall include but are not limited to actual damages, court costs and reasonable attorney fees.

(9) For an unfair or discriminatory practice relating to wage discrimination pursuant to section 216.6A, payment to the complainant of damages for an injury caused by the

discriminatory or unfair practice which damages shall include but are not limited to court costs, reasonable attorney fees, and either of the following:

(a) An amount equal to two times the wage differential paid to another employee compared to the complainant for the period of time for which the complainant has been discriminated against.

(b) In instances of willful violation, an amount equal to three times the wage differential paid to another employee as compared to the complainant for the period of time for which the complainant has been discriminated against.

*b.* In addition to the remedies provided in the preceding provisions of this subsection, the commission may issue an order requiring the respondent to cease and desist from the discriminatory or unfair practice and to take such affirmative action as in the judgment of the commission will carry out the purposes of this chapter as follows:

(1) In the case of a respondent operating by virtue of a license issued by the state or a political subdivision or agency, if the commission, upon notice to the respondent with an opportunity to be heard, determines that the respondent has engaged in a discriminatory or unfair practice and that the practice was authorized, requested, commanded, performed or knowingly or recklessly tolerated by the board of directors of the respondent or by an officer or executive agent acting within the scope of the officer's or agent's employment, the commission shall so certify to the licensing agency. Unless the commission finding of a discriminatory or unfair practice is reversed in the course of judicial review, the finding of discrimination is binding on the licensing agency. If a certification is made pursuant to this subsection, the licensing agency may initiate licensee disciplinary procedures.

(2) In the case of a respondent who is found by the commission to have engaged in a discriminatory or unfair practice in the course of performing under a contract or subcontract with the state or political subdivision or agency, if the practice was authorized, requested, commanded, performed, or knowingly or recklessly tolerated by the board of directors of the respondent or by an officer or executive agent acting within the scope of the officer's or agent's employment, the commission shall so certify to the contracting agency. Unless the commission's finding of a discriminatory or unfair practice is reversed in the course of judicial review, the finding of discrimination is binding on the contracting agency.

(3) Upon receiving a certification made under this subsection, a contracting agency may take appropriate action to terminate a contract or portion thereof previously entered into with the respondent, either absolutely or on condition that the respondent carry out a program of compliance with the provisions of this chapter; and assist the state and all political subdivisions and agencies thereof to refrain from entering into further contracts.

*c.* The election of an affirmative order under paragraph "*b*" of this subsection shall not bar the election of affirmative remedies provided in paragraph "*a*" of this subsection.

10. *a.* The terms of a conciliation or mediation agreement reached with the respondent may require the respondent to refrain in the future from committing discriminatory or unfair practices of the type stated in the agreement, to take remedial action as in the judgment of the commission will carry out the purposes of this chapter, and to consent to the entry in an appropriate district court of a consent decree embodying the terms of the conciliation or mediation agreement. Violation of such a consent decree may be punished as contempt by the court in which it is filed, upon a showing by the commission of the violation at any time within six months of its occurrence. At any time in its discretion, the commission may investigate whether the terms of the agreement are being complied with by the respondent.

*b.* Upon a finding that the terms of the conciliation or mediation agreement are not being complied with by the respondent, the commission shall take appropriate action to assure compliance.

11. If, upon taking into consideration all of the evidence at a hearing, the commission finds that a respondent has not engaged in any such discriminatory or unfair practice, the commission shall issue an order denying relief and stating the findings of fact and conclusions of the commission, and shall cause a copy of the order dismissing the complaint to be served on the complainant and the respondent.

12. The commission shall establish rules to govern, expedite, and effectuate the procedures established by this chapter and its own actions thereunder.

13. Except as provided in section 614.8, a claim under this chapter shall not be maintained unless a complaint is filed with the commission within three hundred days after the alleged discriminatory or unfair practice occurred.

14. The commission or a party to a complaint may request mediation of the complaint at any time during the commission's processing of the complaint. If the complainant and respondent participate in mediation, any mediation agreement may be enforced pursuant to this section. Mediation may be discontinued at the request of any party or the commission.

[C66, 71, §105A.9; C73, §601A.9; C75, 77, §601A.14; C79, 81, §601A.15]

88 Acts, ch 1109, §27, 28

C93, §216.15

95 Acts, ch 129, §8 – 11; 98 Acts, ch 1202, §36, 46; 2005 Acts, ch 23, §1 – 3; 2007 Acts, ch 110, §1; 2008 Acts, ch 1028, §1; 2009 Acts, ch 96, §3; 2009 Acts, ch 178, §25, 26

Referred to in §216.15A, 216.16, 216.16A, 216.17

**216.15A Additional proceedings — housing discrimination.**

1. *a.* The commission may join a person not named in the complaint as an additional or substitute respondent if in the course of the investigation, the commission determines that the person should be alleged to have committed a discriminatory housing or real estate practice.

*b.* In addition to the information required in the notice, the commission shall include in a notice to a respondent joined under this subsection an explanation of the basis for the determination under this subsection that the person is properly joined as a respondent.

2. *a.* The commission shall, during the period beginning with the filing of a complaint and ending with the filing of a charge or a dismissal by the commission, to the extent feasible, engage in mediation with respect to the complaint.

*b.* A mediation agreement is an agreement between a respondent and the complainant and is subject to commission approval.

*c.* A mediation agreement may provide for binding arbitration or other method of dispute resolution. Dispute resolution that results from a mediation agreement may authorize appropriate relief, including monetary relief.

*d.* A mediation agreement shall be made public unless the complainant and respondent agree otherwise, and the commission determines that disclosure is not necessary to further the purposes of this chapter relating to unfair or discriminatory practices in housing or real estate.

*e.* The proceedings or results of mediation shall not be made public or used as evidence in a subsequent proceeding under this chapter without the written consent of the persons who are party to the mediation.

*f.* After the completion of the commission's investigation, the commission shall make available to the aggrieved person and the respondent information derived from the investigation and the final investigation report relating to that investigation.

*g.* When the commission has reasonable cause to believe that a respondent has breached a mediation agreement, the commission shall refer this matter to an assistant attorney general with a recommendation that a civil action be filed for the enforcement of the agreement. The assistant attorney general may commence a civil action in the appropriate district court not later than the expiration of ninety days after referral of the breach.

3. *a.* If the commission concludes, following the filing of a complaint, that prompt judicial action is necessary to carry out the purposes of this chapter relating to unfair or discriminatory housing or real estate practices, the commission may authorize a civil action for appropriate temporary or preliminary relief pending final disposition of the complaint.

*b.* On receipt of the commission's authorization, the attorney general shall promptly file the action.

*c.* A temporary restraining order or other order granting preliminary or temporary relief under this section is governed by the applicable Iowa rules of civil procedure.

*d.* The filing of a civil action under this section does not affect the initiation or continuation of administrative proceedings in regard to an administrative hearing.

4. *a.* The commission shall prepare a final investigative report.

*b.* A final report under this section may be amended by the commission if additional evidence is discovered.

5. *a.* The commission shall determine based on the facts whether probable cause exists to believe that a discriminatory housing or real estate practice has occurred or is about to occur.

*b.* The commission shall make its determination under paragraph "*a*" not later than one hundred days after a complaint is filed unless any of the following applies:

(1) It is impracticable to make the determination within that time period.

(2) The commission has approved a mediation agreement relating to the complaint.

*c.* If it is impracticable to make the determination within the time period provided by paragraph "*b*", the commission shall notify the complainant and respondent in writing of the reasons for the delay.

*d.* If the commission determines that probable cause exists to believe that a discriminatory housing or real estate practice has occurred or is about to occur, the commission shall immediately issue a determination unless the commission determines that the legality of a zoning or land use law or ordinance is involved as provided in subsection 7.

6. *a.* A determination issued under subsection 5 must include all of the following:

(1) Must consist of a short and plain statement of the facts on which the commission has found probable cause to believe that a discriminatory housing or real estate practice has occurred or is about to occur.

(2) Must be based on the final investigative report.

(3) Need not be limited to the facts or grounds alleged in the complaint.

*b.* Not later than twenty days after the commission issues a determination, the commission shall send a copy of the determination with information concerning the election under section 216.16A to all of the following persons:

(1) Each respondent, together with a notice of the opportunity for a hearing as provided under subsection 10.

(2) Each aggrieved person on whose behalf the complaint was filed.

7. If the commission determines that the matter involves the legality of a state or local zoning or other land use ordinance, the commission shall not issue a determination and shall immediately refer the matter to the attorney general for appropriate action.

8. *a.* If the commission determines that no probable cause exists to believe that a discriminatory housing or real estate practice has occurred or is about to occur, the commission shall promptly dismiss the complaint.

*b.* The commission shall make public disclosure of each dismissal under this section.

9. The commission shall not issue a determination under this section regarding an alleged discriminatory housing or real estate practice after the beginning of the trial of a civil action commenced by the aggrieved party under federal or state law seeking relief with respect to that discriminatory housing or real estate practice.

10. *a.* If a timely election is not made under section 216.16A, the commission shall provide for a hearing on the charges in the complaint.

*b.* Except as provided by paragraph "*c*", the hearing shall be conducted in accordance with chapter 17A for contested cases.

*c.* A hearing under this section shall not be continued regarding an alleged discriminatory housing or real estate practice after the beginning of the trial of a civil action commenced by the aggrieved person under federal or state law seeking relief with respect to that discriminatory housing or real estate practice.

11. *a.* If the commission determines at a hearing under subsection 10 that a respondent has engaged or is about to engage in a discriminatory housing or real estate practice, the commission may order the appropriate relief, including actual damages, reasonable attorney fees, court costs, and other injunctive or equitable relief.

*b.* To vindicate the public interest, the commission may assess a civil penalty against the respondent in an amount that does not exceed the following applicable amount:

(1) Ten thousand dollars if the respondent has not been adjudged by the order of the commission or a court to have committed a prior discriminatory housing or real estate practice.

(2) Except as provided by paragraph "*c*", twenty-five thousand dollars if the respondent

has been adjudged by order of the commission or a court to have committed one other discriminatory housing or real estate practice during the five-year period ending on the date of the filing of the complaint.

(3) Except as provided by paragraph "*c*", fifty thousand dollars if the respondent has been adjudged by order of the commission or a court to have committed two or more discriminatory housing or real estate practices during the seven-year period ending on the date of the filing of the complaint.

*c.* If the acts constituting the discriminatory housing or real estate practice that is the object of the complaint are committed by the same natural person who has been previously adjudged to have committed acts constituting a discriminatory housing or real estate practice, the civil penalties in paragraph "*b*", subparagraphs (2) and (3) may be imposed without regard to the period of time within which any other discriminatory housing or real estate practice occurred.

*d.* At the request of the commission, the attorney general shall initiate legal proceedings to recover a civil penalty due under this section. Funds collected under this section shall be paid to the treasurer of state for deposit in the state treasury to the credit of the general fund.

12. This section applies only to the following:

*a.* Complaints which allege a violation of the prohibitions contained in section 216.8 or 216.8A.

*b.* Complaints which allege a violation of section 216.11 or 216.11A arising out of alleged violations of the prohibitions contained in section 216.8 or 216.8A.

13. If a provision of this section applies under the terms of subsection 12, and the provision of this section conflicts with a provision of section 216.15, then the provision contained within this section shall prevail. Similarly, if a provision of section 216.16A or 216.17A conflicts with a provision of section 216.16 or 216.17, then the provision contained in section 216.16A or 216.17A shall prevail.

91 Acts, ch 184, §9
CS91, §601A.15A
92 Acts, ch 1129, §11, 12; 92 Acts, ch 1163, §108
C93, §216.15A
2001 Acts, ch 24, §38
Referred to in §216.11A, 216.16A, 216.17, 216.17A

**216.15B Formal mediation — confidentiality.**

1. A mediator may be designated in writing by the commission to conduct formal mediation of a complaint filed under this chapter. The written designation must specifically refer to this section.

2. If formal mediation is conducted by a mediator pursuant to this section, the confidentiality of all mediation communications is protected as provided in section 679C.108.

95 Acts, ch 129, §12; 98 Acts, ch 1062, §10; 99 Acts, ch 114, §12; 2001 Acts, ch 71, §1; 2005 Acts, ch 68, §3
Referred to in §22.7

**216.16 Sixty-day administrative release.**

1. A person claiming to be aggrieved by an unfair or discriminatory practice must initially seek an administrative relief by filing a complaint with the commission in accordance with section 216.15. This provision also applies to persons claiming to be aggrieved by an unfair or discriminatory practice committed by the state or an agency or political subdivision of the state, notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A.

2. After the proper filing of a complaint with the commission, a complainant may subsequently commence an action for relief in the district court if all of the following conditions have been satisfied:

*a.* The complainant has timely filed the complaint with the commission as provided in section 216.15, subsection 13.

*b.* The complaint has been on file with the commission for at least sixty days and the commission has issued a release to the complainant pursuant to subsection 3.

3. *a.* Upon a request by the complainant, and after the expiration of sixty days from the timely filing of a complaint with the commission, the commission shall issue to the complainant a release stating that the complainant has a right to commence an action in the district court. A release under this subsection shall not be issued if any of the following apply:

(1) A finding of no probable cause has been made on the complaint by the administrative law judge charged with that duty under section 216.15, subsection 3.

(2) A conciliation agreement has been executed under section 216.15.

(3) The commission has served notice of hearing upon the respondent pursuant to section 216.15, subsection 6.

(4) The complaint is closed as an administrative closure and two years have elapsed since the issuance date of the closure.

*b.* Notwithstanding section 216.15, subsection 5, a party may obtain a copy of all documents contained in a case file where the commission has issued a release to the complainant pursuant to this subsection.

4. An action authorized under this section is barred unless commenced within ninety days after issuance by the commission of a release under subsection 3. If a complainant obtains a release from the commission under subsection 3, the commission is barred from further action on that complaint.

5. Venue for an action under this section shall be in the county in which the respondent resides or has its principal place of business, or in the county in which the alleged unfair or discriminatory practice occurred.

6. The district court may grant any relief in an action under this section which is authorized by section 216.15, subsection 9, to be issued by the commission. The district court may also award the respondent reasonable attorney fees and court costs when the court finds that the complainant's action was frivolous.

7. It is the legislative intent of this chapter that every complaint be at least preliminarily screened during the first one hundred twenty days.

8. This section does not authorize administrative closures if an investigation is warranted.

[C79, 81, §601A.16]

84 Acts, ch 1096, §2; 85 Acts, ch 197, §10; 86 Acts, ch 1245, §263; 88 Acts, ch 1109, §29; 90 Acts, ch 1040, §1, 2

C93, §216.16

2003 Acts, ch 44, §114; 2009 Acts, ch 41, §221; 2009 Acts, ch 133, §83

Referred to in §216.15, 216.15A, 216.19

For provision governing conflicts between this section and section 216.16A, see §216.15A, subsection 13

**216.16A Civil action elected — housing.**

1. *a.* A complainant, a respondent, or an aggrieved person on whose behalf the complaint was filed may elect to have the charges asserted in the complaint decided in a civil action as provided by section 216.17A.

*b.* The election must be made not later than twenty days after the date of receipt by the electing person of service under section 216.15A, subsection 5, or in the case of the commission, not later than twenty days after the date the determination was issued.

*c.* The person making the election shall give notice to the commission and to all other complainants and respondents to whom the election relates.

*d.* The election to have the charges of a complaint decided in a civil action as provided in paragraph "*a*" is only available if one of the following is alleged:

(1) It is alleged that there has been a violation of section 216.8 or 216.8A.

(2) It is alleged that there has been a violation of section 216.11 or 216.11A arising out of an alleged violation of the prohibitions contained in section 216.8 or 216.8A.

2. *a.* An aggrieved person may file a civil action in district court not later than two years after the occurrence of the termination of an alleged discriminatory housing or real estate practice, or the breach of a mediation agreement entered into under this chapter, whichever occurs last, to obtain appropriate relief with respect to the discriminatory housing or real estate practice or breach.

*b.* The two-year period does not include any time during which an administrative hearing under this chapter is pending with respect to a complaint or charge based on the discriminatory housing or real estate practice. This subsection does not apply to actions arising from a breach of a mediation agreement.

*c.* An aggrieved person may file an action under this subsection whether or not a discriminatory housing or real estate complaint has been filed under section 216.15, and without regard to the status of any discriminatory housing or real estate complaint filed under that section.

*d.* If the commission has obtained a mediation agreement with the consent of an aggrieved person, the aggrieved person shall not file an action under this subsection with respect to the alleged discriminatory practice that forms the basis for the complaint except to enforce the terms of the agreement.

*e.* An aggrieved person shall not file an action under this subsection with respect to an alleged discriminatory housing or real estate practice that forms the basis of a charge issued by the commission if the commission has begun a hearing on the record under this chapter with respect to the charge.

*f.* In an action filed in district court under this subsection, the court may, upon a finding of discrimination, order any of the remedies provided for in section 216.17A, subsection 6.

91 Acts, ch 184, §10
CS91, §601A.16A
92 Acts, ch 1129, §13, 14
C93, §216.16A
95 Acts, ch 129, §13, 14
Referred to in §216.15A, 216.17A

**216.17 Judicial review — enforcement.**

1. *a.* Judicial review of the actions of the commission may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of said Act, petition for judicial review may be filed in the district court in which an enforcement proceeding under subsection 2 may be brought.

*b.* For purposes of the time limit for filing a petition for judicial review under the Iowa administrative procedure Act, chapter 17A, specified by section 17A.19, the issuance of a final decision of the commission under this chapter occurs on the date notice of the decision is mailed to the parties.

*c.* Notwithstanding the time limit provided in section 17A.19, subsection 3, a petition for judicial review of no-probable-cause decisions and other final agency actions which are not of general applicability must be filed within thirty days of the issuance of the final agency action.

2. The commission may obtain an order of court for the enforcement of commission orders in a proceeding as provided in this section. Such an enforcement proceeding shall be brought in the district court of the district in the county in which the alleged discriminatory or unfair practice which is the subject of the commission's order was committed, or in which any respondent required in the order to cease or desist from a discriminatory or unfair practice or to take other affirmative action, resides, or transacts business.

3. Such an enforcement proceeding shall be initiated by the filing of a petition in such court and the service of a copy thereof upon the respondent. Thereupon the commission shall file with the court a transcript of the record of the hearing before it. The court shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript an order enforcing, modifying, and enforcing as so modified, or setting aside the order of the commission, in whole or in part.

4. An objection that has not been urged before the commission shall not be considered by the court in an enforcement proceeding, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

5. Any party to the enforcement proceeding may move the court to remit the case to the commission in the interests of justice for the purpose of adducing additional specified and

material evidence and seeking findings thereof, providing such party shall show reasonable grounds for the failure to adduce such evidence before the commission.

6. In the enforcement proceeding the court shall determine its order on the same basis as it would in a proceeding reviewing commission action under section 17A.19.

7. The commission's copy of the testimony shall be available to all parties for examination at all reasonable times, without cost, and for the purpose of judicial review of the commission's orders.

8. The commission may appear in court by its own attorney.

9. Petitions filed under this section shall be heard expeditiously and determined upon the transcript filed without requirement for printing.

10. If no proceeding to obtain judicial review is instituted within thirty days from the issuance of an order of the commission under section 216.15 or 216.15A, the commission may obtain an order of the court for the enforcement of the order upon showing that respondent is subject to the jurisdiction of the commission and resides or transacts business within the county in which the petition for enforcement is brought.

[C66, 71, §105A.10; C73, §601A.10; C75, 77, §601A.15; C79, 81, §601A.17]

83 Acts, ch 57, §1; 92 Acts, ch 1129, §15

C93, §216.17

98 Acts, ch 1202, §37, 46; 2003 Acts, ch 44, §114; 2005 Acts, ch 23, §4; 2009 Acts, ch 41, §263

Referred to in §216.15A, 216.19

For provision governing conflicts between this section and section 216.17A, see §216.15A, subsection 13

**216.17A Civil proceedings — housing.**

1. *a.* If timely election is made under section 216.16A, subsection 1, the commission shall authorize, and not later than thirty days after the election is made, the attorney general shall file a civil action on behalf of the aggrieved person in a district court seeking relief.

*b.* Venue for an action under this section is in the county in which the respondent resides or has its principal place of business, or in the county in which the alleged discriminatory housing or real estate practice occurred.

*c.* An aggrieved person may intervene in the action.

*d.* If the district court finds that a discriminatory housing or real estate practice has occurred or is about to occur, the district court may grant as relief any relief that a court may grant in a civil action under subsection 6.

*e.* If monetary relief is sought for the benefit of an aggrieved person who does not intervene in the civil action, the district court shall not award the monetary relief if that aggrieved person has not complied with discovery orders entered by the district court.

2. A commission order under section 216.15A, subsection 11, and a commission order that has been substantially affirmed by judicial review, do not affect a contract, sale, encumbrance, or lease that was consummated before the commission issued the order and involved a bona fide purchaser, encumbrancer, or tenant who did not have actual notice of the charge issued under this chapter.

3. If the commission issues an order with respect to a discriminatory housing practice that occurred in the course of a business subject to a licensing or regulation by a governmental agency, the commission, not later than thirty days after the date of issuance of the order, shall do all of the following:

*a.* Send copies of the findings and the order to the governmental agency.

*b.* Recommend to the governmental agency appropriate disciplinary action.

4. If the commission issues an order against a respondent against whom another order was issued within the preceding five years under section 216.15A, subsection 11, the commission shall send a copy of each order issued under that section to the attorney general.

5. On application by a person alleging a discriminatory housing practice or by a person against whom a discriminatory practice is alleged, the district court may appoint an attorney for the person.

6. In an action under subsection 1 and section 216.16A, subsection 2, if the district court finds that a discriminatory housing or real estate practice has occurred or is about to occur, the district court may award or issue to the plaintiff one or more of the following:

*a.* Actual and punitive damages.

*b.* Reasonable attorney's fees.

*c.* Court costs.

*d.* Subject to subsection 7, any permanent or temporary injunction, temporary restraining order, or other order, including an order enjoining the defendant from engaging in the practice or ordering appropriate affirmative action.

7. Relief granted under this section does not affect a contract, sale, encumbrance, or lease that was consummated before the granting of the relief and involved a bona fide purchaser, encumbrancer, or tenant who did not have actual notice of the filing of a complaint under this chapter or a civil action under this section.

8. *a.* On the request of the commission, the attorney general may intervene in an action under section 216.16A, subsection 2, if the commission certifies that the case is of general public importance.

*b.* The attorney general may obtain the same relief available to the attorney general under subsection 9.

9. *a.* On the request of the commission, the attorney general may file a civil action in district court for appropriate relief if the commission has reasonable cause to believe that any of the following applies:

(1) A person is engaged in a pattern or practice of resistance to the full enjoyment of any housing right granted by this chapter.

(2) A person has been denied any housing right granted by this chapter and that denial raises an issue of general public importance.

*b.* In an action under this subsection and subsection 8, the district court may do any of the following:

(1) Order preventive relief, including a permanent or temporary injunction, restraining order, or other order against the person responsible for a violation of housing rights as necessary to assure the full enjoyment of the housing rights granted by this chapter.

(2) Order another appropriate relief, including the awarding of monetary damages, reasonable attorney's fees, and court costs.

(3) To vindicate the public interest, assess a civil penalty against the respondent in an amount that does not exceed any of the following:

(a) Fifty thousand dollars for a first violation.

(b) One hundred thousand dollars for a second or subsequent violation.

*c.* A person may intervene in an action under this section if the person is any of the following:

(1) An aggrieved person to the discriminatory housing or real estate practice.

(2) A party to a mediation agreement concerning the discriminatory housing or real estate practice.

10. The attorney general, on behalf of the commission or other party at whose request a subpoena is issued, may enforce the subpoena in appropriate proceedings in district court.

11. A court in a civil action brought under this section or the commission in an administrative hearing under section 216.15A, subsection 11, may award reasonable attorney's fees to the prevailing party and assess court costs against the nonprevailing party.

91 Acts, ch 184, §11
CS91, §601A.17A
92 Acts, ch 1129, §16, 17
C93, §216.17A
95 Acts, ch 129, §15 – 17
Referred to in §216.15A, 216.16A

**216.18 Rules of construction.**

1. This chapter shall be construed broadly to effectuate its purposes.

2. This chapter shall not be construed to allow marriage between persons of the same sex, in accordance with chapter 595.

[C66, 71, §105A.11; C73, §601A.11; C75, 77, §601A.16; C79, 81, §601A.18]
C93, §216.18
2009 Acts, ch 133, §192

**216.18A Construction of chapter — marriage.** Transferred to § 216.18, subsection 2; 2009 Acts, ch 133, § 192.

**216.19 Local laws implementing this chapter.**

1. All cities shall, to the extent possible, protect the rights of the citizens of this state secured by the Iowa civil rights Act. Nothing in this chapter shall be construed as indicating any of the following:

*a.* An intent on the part of the general assembly to occupy the field in which this chapter operates to the exclusion of local laws not inconsistent with this chapter that deal with the same subject matter.

*b.* An intent to prohibit an agency or commission of local government having as its purpose the investigation and resolution of violations of this chapter from developing procedures and remedies necessary to insure the protection of rights secured by this chapter.

*c.* Limiting a city or local government from enacting any ordinance or other law which prohibits broader or different categories of unfair or discriminatory practices.

2. A city with a population of twenty-nine thousand, or greater, shall maintain an independent local civil rights agency or commission consistent with commission rules adopted pursuant to chapter 17A. An agency or commission for which a staff is provided shall have control over such staff. A city required to maintain a local civil rights agency or commission shall structure and adequately fund the agency or commission in order to effect cooperative undertakings with the Iowa civil rights commission and to aid in effectuating the purposes of this chapter.

3. An agency or commission of local government and the Iowa civil rights commission shall cooperate in the sharing of data and research, and coordinating investigations and conciliations in order to expedite claims of unlawful discrimination and eliminate needless duplication. The Iowa civil rights commission may enter into cooperative agreements with any local agency or commission to effectuate the purposes of this chapter. Such agreements may include technical and clerical assistance and reimbursement of expenses incurred by the local agency or commission in the performance of the agency's or commission's duties if funds for this purpose are appropriated by the general assembly.

4. The Iowa civil rights commission may designate an unfunded local agency or commission as a referral agency. A local agency or commission shall not be designated a referral agency unless the ordinance creating it provides the same rights and remedies as are provided in this chapter. The Iowa civil rights commission shall establish by rules the procedures for designating a referral agency and the qualifications to be met by a referral agency.

5. The Iowa civil rights commission may adopt rules establishing the procedures for referral of complaints. A referral agency may refuse to accept a case referred to it by the Iowa civil rights commission if the referral agency is unable to effect proper administration of the complaint. It shall be the burden of the referral agency to demonstrate that it is unable to properly administer that complaint.

6. A complainant who files a complaint with a referral agency having jurisdiction shall be prohibited from filing a complaint with the Iowa civil rights commission alleging violations based upon the same acts or practices cited in the original complaint; and a complainant who files a complaint with the commission shall be prohibited from filing a complaint with the referral agency alleging violations based upon the same acts or practices cited in the original complaint. However, the Iowa civil rights commission in its discretion may refer a complaint filed with the commission to a referral agency having jurisdiction over the parties for investigation and resolution; and a referral agency in its discretion may refer a complaint filed with that agency to the commission for investigation and resolution.

7. A final decision by a referral agency shall be subject to judicial review as provided in section 216.17 in the same manner and to the same extent as a final decision of the Iowa civil rights commission.

8. The referral of a complaint by the Iowa civil rights commission to a referral agency or by a referral agency to the Iowa civil rights commission shall not affect the right of a complainant to commence an action in the district court under section 216.16.

[C66, 71, §105A.12; C73, §601A.12; C75, 77, §601A.17; C79, 81, §601A.19]
90 Acts, ch 1166, §1
C93, §216.19
2009 Acts, ch 133, §214

**216.20 Effect on other law.**

1. This chapter does not affect:

*a.* A reasonable local or state restriction on the maximum number of occupants permitted to occupy a dwelling.

*b.* Tenancy of an individual that would constitute a direct threat to the health or safety of other individuals or tenancy that would result in substantial physical damage to the property of others.

2. This chapter does not affect a requirement of nondiscrimination in other state or federal law.

91 Acts, ch 184, §12
CS91, §601A.20
92 Acts, ch 1129, §18
C93, §216.20

**216.21 Documents to attorney or party.**

If a party is represented by an attorney during the proceedings of the commission, with permission of the attorney for the party or of the party, the commission shall provide copies of all relevant documents including an order or decision to either the attorney for the party or the party, but not to both.

2009 Acts, ch 178, §27

# CHAPTER 216A

## DEPARTMENT OF HUMAN RIGHTS

Referred to in §11.6, 256F.4, 261E.9

For transition provisions concerning the reorganization of the department of human rights, see 2010 Acts, ch 1031, §169, 170

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## SUBCHAPTER 1

## ADMINISTRATION

**216A.1 Department of human rights — purpose.**

1. A department of human rights is created, with the following divisions and offices:

*a.* Division of community advocacy and services, with the following offices:

(1) Office of Latino affairs.
(2) Office on the status of women.
(3) Office of persons with disabilities.
(4) Office of deaf services.
(5) Office on the status of African Americans.
(6) Office of Asian and Pacific Islander affairs.
(7) Office of Native American affairs.

*b.* Division of community action agencies.

*c.* Division of criminal and juvenile justice planning.

2. The purpose of the department is to ensure basic rights, freedoms, and opportunities for all by empowering underrepresented Iowans and eliminating economic, social, and cultural barriers.

86 Acts, ch 1245, §1201
C87, §601K.1
87 Acts, ch 115, §70; 88 Acts, ch 1277, §27; 89 Acts, ch 83, §78; 90 Acts, ch 1180, §2; 91 Acts, ch 50, §2; 91 Acts, ch 109, §8
C93, §216A.1
2004 Acts, ch 1020, §2; 2008 Acts, ch 1184, §38; 2010 Acts, ch 1031, §101, 170
Referred to in §7E.5
See also §7E.5(1s), 7E.6
Minority impact statements, see §2.56, 8.11

**216A.2 Appointment of department director, deputy director, and administrators — duties.**

1. The governor shall appoint a director of the department of human rights, subject to confirmation by the senate pursuant to section 2.32. The department director shall serve at the pleasure of the governor and is exempt from the merit system provisions of chapter 8A, subchapter IV. The governor shall set the salary of the department director within the ranges set by the general assembly.

2. The director is the chief administrative officer of the department and in that capacity administers the programs and services of the department in compliance with applicable federal and state laws and regulations. The duties of the director include preparing a budget, establishing an internal administrative structure, and employing personnel.

3. The department director shall appoint the administrators of the divisions within the department and all other personnel deemed necessary for the administration of this chapter. The department director shall establish the duties of the administrators of the divisions within the department.

4. The department director shall do all of the following:

*a.* Manage the internal operations of the department and establish guidelines and procedures to promote the orderly and efficient administration of the department.

*b.* Prepare a budget for the department, subject to the budget requirements pursuant to chapter 8, for approval by the board.

*c.* Coordinate and supervise personnel services and shared administrative support services to assure maximum support and assistance to the divisions.

*d.* Serve as an ex officio member of all commissions or councils within the department.

*e.* Serve as an ex officio, nonvoting member of the human rights board.

*f.* Solicit and accept gifts and grants on behalf of the department and each commission or council and administer such gifts and grants in accordance with the terms thereof.

*g.* Enter into contracts with public and private individuals and entities to conduct the business and achieve the objectives of the department and each commission or council.

*h.* Issue an annual report to the governor and general assembly no later than November 1 of each year concerning the operations of the department. However, the division of criminal and juvenile justice planning and the division of community action agencies shall submit annual reports as specified in this chapter.

*i.* Seek to implement the comprehensive strategic plan approved by the board under section 216A.3.

86 Acts, ch 1245, §1202

C87, §601K.2

88 Acts, ch 1158, §95; 90 Acts, ch 1180, §3

C93, §216A.2

95 Acts, ch 212, §9; 99 Acts, ch 201, §10, 11; 2003 Acts, ch 145, §205; 2010 Acts, ch 1031, §102, 170

Referred to in §216A.133

Employees other than the director shall not be appointed by the governor; previously appointed employees to be retained subject to the merit and state human resource management systems; 2010 Acts, ch 1031, § 169, 170

**216A.3 Human rights board.**

1. A human rights board is created within the department of human rights.

2. The board shall consist of sixteen members, including eleven voting members and five nonvoting members and determined as follows:

*a.* The voting members shall consist of nine voting members selected by each of the permanent commissions within the department, and two voting members, appointed by the governor. For purposes of this paragraph *"a"*, *"permanent commissions"* means the commission of Latino affairs, commission on the status of women, commission of persons with disabilities, commission on community action agencies, commission of deaf services, criminal and juvenile justice planning advisory council, commission on the status of African Americans, commission of Asian and Pacific Islander affairs, and commission of Native American affairs. The term of office for voting members is four years.

*b.* The nonvoting members shall consist of the department director, two state representatives, one appointed by the speaker of the house of representatives and one by the minority leader of the house of representatives, and two state senators, one appointed by the majority leader of the senate and one by the minority leader of the senate.

3. A majority of the voting members of the board shall constitute a quorum, and the affirmative vote of two-thirds of the voting members present is necessary for any substantive action taken by the board. The board shall select a chairperson from the voting members of the board. The board shall meet not less than four times a year.

4. The board shall have the following duties:

*a.* Develop and monitor implementation of a comprehensive strategic plan to remove barriers for underrepresented populations and, in doing so, to increase Iowa's productivity and inclusivity, including performance measures and benchmarks.

*b.* Approve, disapprove, amend, or modify the budget recommended by the department director for the operation of the department, subject to the budget requirements pursuant to chapter 8.

*c.* Adopt administrative rules pursuant to chapter 17A, upon the recommendation of the department director, for the operation of the department.

*d.* By November 1 of each year, approve the department report to the general assembly and the governor that covers activities during the preceding fiscal year.

86 Acts, ch 1245, §1203
C87, §601K.3
88 Acts, ch 1277, §28; 90 Acts, ch 1180, §4
C93, §216A.3
2010 Acts, ch 1031, §103, 170; 2010 Acts, ch 1189, §44; 2013 Acts, ch 140, §18
Referred to in §216A.2
Subsection 3 amended

**216A.4 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Board"* means the human rights board.
2. *"Department"* means the department of human rights.
3. *"Department director"* means the director of the department of human rights.
4. *"Underrepresented"* means the historical marginalization of populations or groups in the United States and Iowa, including but not limited to African Americans, Asian and Pacific Islanders, persons who are deaf or hard of hearing, persons with disabilities, Latinos, Native Americans, women, persons who have low socioeconomic status, at-risk youth, and adults or juveniles with a criminal history.

86 Acts, ch 1245, §1204
C87, §601K.4
90 Acts, ch 1180, §5
C93, §216A.4
2010 Acts, ch 1031, §104, 170

**216A.5** Repealed by 97 Acts, ch 52, § 1.

**216A.6 Confidentiality of individual client advocacy records.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Advocacy services"* means services in which a department staff member writes or speaks in support of a client or a client's cause or refers a person to another service to help alleviate or solve a problem.

*b.* *"Individual client advocacy records"* means those files or records which pertain to problems divulged by a client to the department or any related papers or records which are released to the department about a client for the purpose of assisting the client.

2. Information pertaining to clients receiving advocacy services shall be held confidential, including but not limited to the following:

*a.* Names and addresses of clients receiving advocacy services.

*b.* Information about a client reported on the initial advocacy intake form and all documents, information, or other material relating to the advocacy issues or to the client which could identify the client, or divulge information about the client.

*c.* Information concerning the social or economic conditions or circumstances of particular clients who are receiving or have received advocacy services.

*d.* Department, or division, or office evaluations of information about a person seeking or receiving advocacy services.

*e.* Medical or psychiatric data, including diagnoses and past histories of disease or disability, concerning a person seeking or receiving advocacy services.

*f.* Legal data, including records which represent or constitute the work product of an attorney, which are related to a person seeking or receiving advocacy services.

3. Information described in subsection 2 shall not be disclosed or used by any person or agency except for purposes of administration of advocacy services, and shall not be disclosed to or used by a person or agency outside the department except upon consent of the client as evidenced by a signed release.

4. This section does not restrict the disclosure or use of information regarding the cost, purpose, number of clients served or assisted, and results of an advocacy program

administered by the department, and other general and statistical information, so long as the information does not identify particular clients or persons provided with advocacy services.

88 Acts, ch 1106, §1
C89, §601K.6
C93, §216A.6
2011 Acts, ch 34, §48

**216A.7 Access to information.**

Upon request of the director or a commission, council, or administrator of a division of the department, all boards, agencies, departments, and offices of the state shall make available nonconfidential information, records, data, and statistics which are relevant to the populations served by the offices, councils, and commissions of the department.

2010 Acts, ch 1031, §105, 170

**216A.8 through 216A.10** Reserved.

SUBCHAPTER 2

LATINO AFFAIRS

**216A.11 Definitions.**

For purposes of this subchapter, unless the context otherwise requires:

1. *"Commission"* means the commission of Latino affairs.
2. *"Office"* means the office of Latino affairs of the department of human rights.

86 Acts, ch 1245, §1205
C87, §601K.11
90 Acts, ch 1180, §6
C93, §216A.11
2010 Acts, ch 1031, §106, 107, 170

**216A.12 Commission of Latino affairs established.**

1. The commission of Latino affairs consists of seven members, appointed by the governor, and subject to confirmation by the senate pursuant to section 2.32. Commission members shall be appointed in compliance with sections 69.16 and 69.16A. Commission members shall reside in the state.

2. The members of the commission shall be appointed during the month of June and shall serve for staggered four-year terms which shall begin and end pursuant to section 69.19. Members appointed shall continue to serve until their respective successors are appointed. Vacancies in the membership of the commission shall be filled by the original appointing authority and in the manner of the original appointments. Members shall receive actual expenses incurred while serving in their official capacity. Members may also be eligible to receive compensation as provided in section 7E.6.

3. The commission shall select from its membership a chairperson and other officers as it deems necessary and shall meet at least quarterly each fiscal year. A majority of the members currently appointed to the commission shall constitute a quorum, and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter, and a statement by the member of a conflict of interest shall be conclusive for this purpose.

86 Acts, ch 1245, §1206
C87, §601K.12
87 Acts, ch 115, §71; 90 Acts, ch 1180, §7; 91 Acts, ch 50, §1
C93, §216A.12
2010 Acts, ch 1031, §108, 170; 2010 Acts, ch 1189, §45

**216A.13 Commission of Latino affairs — duties.**

The commission shall have the following duties:

1. Study the opportunities for and changing needs of the Latino population of this state.
2. Serve as liaison between the department of human rights and the public, sharing information and gathering constituency input.
3. Recommend to the board the adoption of rules pursuant to chapter 17A as it deems necessary.
4. Recommend legislative and executive action to the governor and general assembly.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

86 Acts, ch 1245, §1207
C87, §601K.13
C93, §216A.13
2010 Acts, ch 1031, §109, 170
See also §216A.15

**216A.14 Office of Latino affairs — duties.**

The office of Latino affairs is established and shall do the following:

1. Serve as the central permanent agency to advocate for Latino persons.
2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of Latino persons in participating fully in the economic, social, and cultural life of the state, and by providing direct assistance to those who request it.
3. Develop, coordinate, and assist other public organizations which serve Latino persons.
4. Serve as an information clearinghouse on programs and agencies operating to assist Latino persons.

86 Acts, ch 1245, §1208
C87, §601K.14
90 Acts, ch 1180, §8
C93, §216A.14
2010 Acts, ch 1031, §110, 170

**216A.15 Duties.**

The commission shall:

1. Study the opportunities for and changing needs of the Latino population of this state.
2. Serve as liaison between the office and the public, sharing information and gathering constituency input.
3. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the commission and office.
4. Recommend to the department director policies and programs for the office.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

86 Acts, ch 1245, §1209
C87, §601K.15
90 Acts, ch 1180, §9
C93, §216A.15
2004 Acts, ch 1062, §1; 2010 Acts, ch 1031, §111, 170
See also §216A.13

**216A.16 and 216A.17** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.18 through 216A.30** Reserved.

SUBCHAPTER 3

**216A.31 through 216A.50** Reserved.

## SUBCHAPTER 4

## STATUS OF WOMEN

**216A.51 Definitions.**

For purposes of this subchapter, unless the context otherwise requires:

1. *"Commission"* means the commission on the status of women.
2. *"Office"* means the office on the status of women of the department of human rights.

86 Acts, ch 1245, §1221
C87, §601K.51
87 Acts, ch 115, §2
C93, §216A.51
2010 Acts, ch 1031, §112, 113, 170

**216A.52 Office on the status of women.**

The office on the status of women is established, and shall do the following:

1. Serve as the central permanent agency to advocate for women and girls.
2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of women and girls in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.
3. Serve as a clearinghouse on programs and agencies operating to assist women and girls.
4. Develop, coordinate, and assist other public or private organizations which serve women and girls.

86 Acts, ch 1245, §1222
C87, §601K.52
88 Acts, ch 1150, §2; 90 Acts, ch 1223, §30
C93, §216A.52
2010 Acts, ch 1031, §114, 170

**216A.53 Commission on the status of women established.**

1. The commission on the status of women is established and shall consist of seven voting members who shall be appointed by the governor, subject to confirmation by the senate pursuant to section 2.32, and shall represent a cross section of the citizens of the state. All members shall reside in the state.
2. The term of office for voting members is four years. Terms shall be staggered. Members whose terms expire may be reappointed. Vacancies in voting membership positions on the commission shall be filled for the unexpired term in the same manner as the original appointment. Voting members of the commission may receive a per diem as specified in section 7E.6 and shall be reimbursed for actual expenses incurred while serving in their official capacity, subject to statutory limits.
3. Members of the commission shall appoint a chairperson and vice chairperson and any other officers as the commission deems necessary. The commission shall meet at least quarterly during each fiscal year. A majority of the voting members currently appointed to the commission shall constitute a quorum. A quorum of the members shall be required for the conduct of business of the commission, and the affirmative vote of a majority of the currently appointed voting members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter, and a statement by the member of a conflict of interest shall be conclusive for this purpose.

86 Acts, ch 1245, §1223
C87, §601K.53
88 Acts, ch 1150, §3
C93, §216A.53
2008 Acts, ch 1156, §27, 58; 2010 Acts, ch 1031, §115, 170

**216A.54 Commission powers and duties.**
The commission shall have the following powers and duties:
1. Study the opportunities for and changing needs of the women and girls of this state.
2. Serve as liaison between the office and the public, sharing information and gathering constituency input.
3. Recommend to the board the adoption of rules pursuant to chapter 17A as it deems necessary for the commission and office.
4. Recommend legislative and executive action to the governor and general assembly.
5. Establish advisory committees, work groups, or other coalitions as appropriate.
86 Acts, ch 1245, §1224
C87, §601K.54
88 Acts, ch 1150, §4; 90 Acts, ch 1256, §52
C93, §216A.54
2010 Acts, ch 1031, §116, 170

**216A.55 through 216A.60** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.61 through 216A.70** Reserved.

SUBCHAPTER 5

PERSONS WITH DISABILITIES

**216A.71 Definitions.**
For purposes of this subchapter, unless the context otherwise requires:
1. *"Commission"* means the commission of persons with disabilities.
2. *"Office"* means the office of persons with disabilities of the department of human rights.
86 Acts, ch 1245, §1231
C87, §601K.71
C93, §216A.71
95 Acts, ch 212, §10; 99 Acts, ch 201, §12; 2010 Acts, ch 1031, §117, 118, 170

**216A.72 Office of persons with disabilities.**
The office of persons with disabilities is established, and shall do all of the following:
1. Serve as the central permanent agency to advocate for persons with disabilities.
2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of persons with disabilities in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.
3. Develop, coordinate, and assist other public or private organizations which serve persons with disabilities.
4. Serve as an information clearinghouse on programs and agencies operating to assist persons with disabilities.
86 Acts, ch 1245, §1232
C87, §601K.72
C93, §216A.72
2010 Acts, ch 1031, §119, 170

**216A.73 Ex officio members.** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.74 Commission of persons with disabilities established.**
1. The commission of persons with disabilities is established and shall consist of seven voting members appointed by the governor, subject to confirmation by the senate pursuant to section 2.32. A majority of the commission shall be persons with disabilities. All members shall reside in the state.
2. Members of the commission shall serve four-year staggered terms which shall begin

and end pursuant to section 69.19. Members whose terms expire may be reappointed. Vacancies on the commission shall be filled for the unexpired term in the same manner as the original appointment. Voting members shall receive actual expenses incurred while serving in their official capacity, subject to statutory limits. Voting members may also be eligible to receive compensation as provided in section 7E.6.

3. Members of the commission shall appoint a chairperson. The commission shall meet at least quarterly during each fiscal year. A majority of the voting members currently appointed to the commission shall constitute a quorum. A quorum shall be required for the conduct of business of the commission, and the affirmative vote of a majority of the currently appointed voting members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter, and a statement by the member of a conflict of interest shall be conclusive for this purpose.

86 Acts, ch 1245, §1234
C87, §601K.74
C93, §216A.74
2010 Acts, ch 1031, §120, 170

**216A.75 Commission powers and duties.**

The commission shall have the following powers and duties:

1. Study the opportunities for and changing needs of persons with disabilities in this state.
2. Serve as liaisons between the office and the public, sharing information and gathering constituency input.
3. Recommend to the board the adoption of rules pursuant to chapter 17A as it deems necessary for the commission and office.
4. Recommend legislative and executive action to the governor and general assembly.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

86 Acts, ch 1245, §1235
C87, §601K.75
C93, §216A.75
2010 Acts, ch 1031, §121, 170

**216A.76 through 216A.79** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.80 through 216A.90** Reserved.

## SUBCHAPTER 6

## DIVISION OF COMMUNITY ACTION AGENCIES

**216A.91 Definitions.**

For purposes of this subchapter, unless the context otherwise requires:

1. *"Administrator"* means the administrator of the division of community action agencies of the department of human rights.
2. *"Commission"* means the commission on community action agencies.
3. *"Community action agency"* means a public agency or a private nonprofit agency which is authorized under its charter or bylaws to receive funds to administer community action programs and is designated by the governor to receive and administer the funds.
4. *"Community action program"* means a program conducted by a community action agency which includes projects to provide a range of services to improve the conditions of poverty in the area served by the community action agency.
5. *"Delegate agency"* means a subgrantee or contractor selected by the community action agency.
6. *"Division"* means the division of community action agencies of the department of human rights.

86 Acts, ch 1245, §1240

C87, §601K.91
90 Acts, ch 1242, §1
C93, §216A.91
Referred to in §23A.2, 256I.8

**216A.92 Division of community action agencies.**

1. The division of community action agencies is established. The purpose of the division of community action agencies is to strengthen, supplement, and coordinate efforts to develop the full potential of each citizen by recognizing certain community action agencies and supporting certain community-based programs delivered by community action agencies.

2. The division shall do all of the following:

*a.* Provide financial assistance for community action agencies to implement community action programs, as permitted by the community service block grant and subject to the funding made available for the program.

*b.* Administer the community services block grant, the low-income energy assistance block grants, department of energy funds for weatherization, and other possible funding sources. If a political subdivision is the community action agency, the financial assistance shall be allocated to the political subdivision.

*c.* Implement accountability measures for its programs and require regular reporting on the measures by the community action agencies.

*d.* Issue an annual report to the governor and general assembly by July 1 of each year.

86 Acts, ch 1245, §1241
C87, §601K.92
90 Acts, ch 1242, §2
C93, §216A.92
2010 Acts, ch 1031, §122, 170

**216A.92A Commission established.**

1. The commission on community action agencies is created, composed of nine members appointed by the governor, subject to confirmation by the senate. The membership of the commission shall reflect the composition of local community action agency boards as follows:

*a.* One-third of the members shall be elected officials.

*b.* One-third of the members shall be representatives of business, industry, labor, religious, welfare, and educational organizations, or other major interest groups.

*c.* One-third of the members shall be persons who, according to federal guidelines, have incomes at or below one hundred eighty-five percent of poverty level.

2. Commission members shall serve three-year terms which shall begin and end pursuant to section 69.19, and shall serve the entire term even if the member experiences a change in the status which resulted in their appointment under subsection 1. Vacancies on the commission shall be filled for the remainder of the term of the original appointment. Members whose terms expire may be reappointed. Members of the commission shall receive actual expenses for their services. Members may also be eligible to receive compensation as provided in section 7E.6. Members as specified under subsection 1, paragraph "*c*", however, shall receive per diem compensation as provided in section 7E.6 and actual expenses. The membership of the commission shall also comply with the political party affiliation and gender balance requirements of sections 69.16 and 69.16A.

3. The commission shall select from its membership a chairperson and other officers as it deems necessary. The commission shall meet no less than four times per year. A majority of the members of the commission shall constitute a quorum.

90 Acts, ch 1242, §3
C91, §601K.92A
92 Acts, ch 1237, §13
C93, §216A.92A
99 Acts, ch 201, §13; 2010 Acts, ch 1031, §123, 124, 170
Referred to in §541A.5
Confirmation, see §2.32

**216A.92B Commission powers and duties.**

The commission shall have the following powers and duties:

1. Recommend to the board the adoption of rules pursuant to chapter 17A as it deems necessary for the commission and division.

2. Supervise the collection of data regarding the scope of services provided by the community action agencies.

3. Serve as liaisons between the division and the public, sharing information and gathering constituency input.

4. Make recommendations to the governor and the general assembly for executive and legislative action designed to improve the status of low-income persons in the state.

5. Establish advisory committees, work groups, or other coalitions as appropriate.

90 Acts, ch 1242, §4
C91, §601K.92B
C93, §216A.92B
2010 Acts, ch 1031, §125, 170

**216A.93 Establishment of community action agencies.**

The division shall recognize and assist in the designation of certain community action agencies to assist in the delivery of community action programs. These programs shall include but not be limited to outreach, community services block grant, low-income energy assistance, and weatherization programs. If a community action agency is in effect and currently serving an area, that community action agency shall become the designated community action agency for that area. If any geographic area of the state ceases to be served by a designated community action agency, the division may solicit applications and assist the governor in designating a community action agency for that area in accordance with current community services block grant requirements.

86 Acts, ch 1245, §1242
C87, §601K.93
C93, §216A.93
2010 Acts, ch 1031, §126, 170
Referred to in §423.3

**216A.94 Community action agency board.**

1. A recognized community action agency shall be governed by a board of directors composed of at least nine members. The board membership shall be as follows:

*a.* One-third of the members of the board shall be elected public officials currently holding office or their representatives. However, if the number of elected officials available and willing to serve is less than one-third of the membership of the board, the membership of the board consisting of appointive public officials may be counted as fulfilling the requirement that one-third of the members of the board be elected public officials.

*b.* At least one-third of the members of the board shall be chosen in accordance with procedures established by the community action agency to assure representation of the poor in an area served by the agency.

*c.* The remainder of the members of the board shall be members of business, industry, labor, religious, welfare, education, or other major groups or interests in the community.

2. Notwithstanding subsection 1, a public agency shall establish an advisory board to assist the governing board in meeting the requirements of section 216A.95. The advisory board shall be composed of the same type of membership as a board of directors for community action agencies under subsection 1. In addition, the advisory board of the community action agency shall have the sole authority to determine annual program budget requests.

86 Acts, ch 1245, §1243
C87, §601K.94
87 Acts, ch 115, §73; 90 Acts, ch 1242, §5
C93, §216A.94
93 Acts, ch 56, §1; 2010 Acts, ch 1031, §127, 170

**216A.95 Duties of board.**

1. The governing board or advisory board shall fully participate in the development, planning, implementation, and evaluation of programs to serve low-income communities.

2. The governing board may:

*a.* Own, purchase, and dispose of property necessary for the operation of the community action agency.

*b.* Receive and administer funds and contributions from private or public sources which may be used to support community action programs.

*c.* Receive and administer funds from a federal or state assistance program pursuant to which a community action agency could serve as a grantee, a contractor, or a sponsor of a project appropriate for inclusion in a community action program.

86 Acts, ch 1245, §1244
C87, §601K.95
C93, §216A.95
2010 Acts, ch 1031, §128, 170
Referred to in §216A.94

**216A.96 Duties of community action agency.**

A community action agency shall:

1. Plan and implement strategies to alleviate the conditions of poverty and encourage self-sufficiency for citizens in its service area and in Iowa. In doing so, an agency shall plan for a community action program by establishing priorities among projects, activities, and areas to provide for the most efficient use of possible resources.

2. Obtain and administer assistance from available sources on a common or cooperative basis, in an attempt to provide additional opportunities to low-income persons.

3. Establish effective procedures by which the concerned low-income persons and area residents may influence the community action programs affecting them by providing for methods of participation in the implementation of the community action programs and by providing technical support to assist persons to secure assistance available from public and private sources.

4. Encourage and support self-help, volunteer, business, labor, and other groups and organizations to assist public officials and agencies in supporting a community action program by providing private resources, developing new employment opportunities, encouraging investments in areas of concentrated poverty, and providing methods by which low-income persons can work with private organizations, businesses, and institutions in seeking solutions to problems of common concern.

86 Acts, ch 1245, §1245
C87, §601K.96
C93, §216A.96
2010 Acts, ch 1031, §129, 130, 170; 2011 Acts, ch 34, §49

**216A.97 Administration.**

A community action agency may administer the components of a community action program when the program is consistent with plans and purposes and applicable law. The community action programs may be projects which are eligible for assistance from any source. The programs shall be developed to meet local needs and may be designed to meet eligibility standards of a federal or state program.

86 Acts, ch 1245, §1246
C87, §601K.97
C93, §216A.97
2010 Acts, ch 1031, §131, 170; 2011 Acts, ch 34, §50

**216A.98 Audit.**

Each community action agency shall be audited annually but shall not be required to obtain a duplicate audit to meet the requirements of this section. In lieu of an audit by the auditor of state, the community action agency may contract with or employ a certified public accountant

to conduct the audit, pursuant to the applicable terms and conditions prescribed by sections 11.6, 11.14, and 11.19 and an audit format prescribed by the auditor of state. Copies of each audit shall be furnished to the division in a manner prescribed by the division.

86 Acts, ch 1245, §1247
C87, §601K.98
89 Acts, ch 264, §9
C93, §216A.98
2010 Acts, ch 1031, §132, 170; 2011 Acts, ch 75, §36

**216A.99 Allocation of financial assistance.**

The administrator shall provide financial assistance for community action agencies to implement community action programs, as permitted by the community service block grant, administer the low-income energy assistance block grants, department of energy funds for weatherization received in Iowa, and other possible funding sources.

If a political subdivision is the agency, the financial assistance shall be allocated to the political subdivision.

86 Acts, ch 1245, §1248
C87, §601K.99
C93, §216A.99

**216A.100** Reserved.

**216A.101 Emergency weatherization fund.** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.102 Energy crisis fund.**

1. An energy crisis fund is created in the state treasury. Moneys deposited in the fund shall be used to assist low-income families who qualify for the low-income home energy assistance program to avoid loss of essential heating.

2. The fund may receive moneys including, but not limited to, the following:

*a.* Moneys appropriated by the general assembly for the fund.

*b.* After July 1, 1988, unclaimed patronage dividends of electric cooperative corporations or associations shall be applied to the fund following the time specified in section 556.12 for claiming the dividend from the holder.

*c.* The fund may also receive contributions from customer contribution funds established under section 476.66.

3. Under rules developed by the division of community action agencies of the department of human rights and adopted by the board, the fund may be used to negotiate reconnection of essential utility services with the energy provider.

88 Acts, ch 1175, §6
C89, §601K.102
91 Acts, ch 270, §6
C93, §216A.102
2002 Acts, ch 1119, §146; 2008 Acts, ch 1126, §14, 33; 2010 Acts, ch 1031, §133, 170

**216A.103 Iowa affordable heating program established.** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.104 Energy utility assessment and resolution program.**

1. The general assembly finds that provision of assistance to prevent utility disconnections will also prevent the development of public health risks due to such disconnections. The division shall establish an energy utility assessment and resolution program administered by each community action agency for persons with low incomes who have or need a deferred payment agreement or are in need of an emergency fuel delivery to address home energy utility costs.

2. A person must meet all of the following requirements to be eligible for the program:

*a.* The person is eligible for the federal low-income home energy assistance program.

*b.* The person is a residential customer of an energy utility approved for the program by the division.

*c.* The person has or is in need of a deferred payment agreement to address the person's home energy utility costs.

*d.* The person is able to maintain or regain residential energy utility service in the person's own name.

*e.* The person provides the information necessary to determine the person's eligibility for the program.

*f.* The person complies with other eligibility requirements adopted in rules by the division.

3. The program components shall include but are not limited to all of the following:

*a.* Analysis of a program participant's current financial situation.

*b.* Review of a program participant's resource and money management options.

*c.* Skills development and assistance for a program participant in negotiating a deferred payment agreement with the participant's energy utility.

*d.* Development of a written household energy affordability plan.

*e.* Provision of energy conservation training and assistance.

*f.* A requirement that a program participant must make uninterrupted, regular utility payments while participating in the program.

2007 Acts, ch 218, §136; 2010 Acts, ch 1031, §134, 170

**216A.105 and 216A.106** Reserved.

**216A.107 Family development and self-sufficiency — council and grant program.**

1. A family development and self-sufficiency council is established within the department of human rights. The council shall consist of the following persons:

*a.* The director of the department of human services or the director's designee.

*b.* The director of the department of public health or the director's designee.

*c.* The administrator of the division of community action agencies of the department of human rights or the administrator's designee.

*d.* The director of the school of social work at the university of Iowa or the director's designee.

*e.* The dean of the college of human sciences at Iowa state university or the dean's designee.

*f.* Two recipients or former recipients of the family investment program, selected by the other members of the council.

*g.* One recipient or former recipient of the family investment program who is a member of a racial or ethnic minority, selected by the other members of the council.

*h.* One member representing providers of services to victims of domestic violence, selected by the other members of the council.

*i.* The head of the department of design, textiles, gerontology, and family studies at the university of northern Iowa or that person's designee.

*j.* The director of the department of education or the director's designee.

*k.* The director of the department of workforce development or the director's designee.

*l.* Two persons representing the business community, selected by the other members of the council.

*m.* Two members from each chamber of the general assembly serving as ex officio, nonvoting members. The two members of the senate shall be appointed one each by the majority leader and the minority leader of the senate. The two members of the house of representatives shall be appointed one each by the speaker and the minority leader of the house of representatives.

2. Unless otherwise provided by law, terms of members, election of officers, and other procedural matters shall be as determined by the council. A quorum shall be required for the conduct of business of the council, and the affirmative vote of a majority of the currently appointed voting members is necessary for any substantive action taken by the council. A member shall not vote on any action if the member has a conflict of interest on the matter, and a statement by the member of a conflict of interest shall be conclusive for this purpose.

3. The family development and self-sufficiency council shall do all of the following:

*a.* Identify the factors and conditions that place Iowa families at risk of dependency upon the family investment program. The council shall seek to use relevant research findings and national and Iowa-specific data on the family investment program.

*b.* Identify the factors and conditions that place Iowa families at risk of family instability. The council shall seek to use relevant research findings and national and Iowa-specific data on family stability issues.

*c.* Subject to the availability of funds for this purpose, award grants to public or private organizations for provision of family development services to families at risk of dependency on the family investment program or of family instability. Not more than five percent of any funds appropriated by the general assembly for the purposes of this lettered paragraph may be used for staffing and administration of the grants. Grant proposals for the family development and self-sufficiency grant program shall include the following elements:

(1) Designation of families to be served that meet one or more criteria for being at risk of dependency on the family investment program or of family instability, and agreement to serve clients that are referred by the department of human services from the family investment program which meet the criteria. The criteria may include but are not limited to factors such as educational level, work history, family structure, age of the youngest child in the family, previous length of stay on the family investment program, and participation in the family investment program or the foster care program while the head of a household was a child. Grant proposals shall also establish the number of families to be served under the grant.

(2) Designation of the services to be provided for the families served, including assistance regarding job-seeking skills, family budgeting, nutrition, self-esteem, methamphetamine education, health and hygiene, child rearing, child education preparation, and goal setting. Grant proposals shall indicate the support groups and support systems to be developed for the families served during the transition between the need for assistance and self-sufficiency.

(3) Designation of the manner in which other needs of the families will be provided for, including but not limited to child care assistance, transportation, substance abuse treatment, support group counseling, food, clothing, and housing.

(4) Designation of the process for training of the staff which provides services, and the appropriateness of the training for the purposes of meeting family development and self-sufficiency goals of the families being served.

(5) Designation of the support available within the community for the program and for meeting subsequent needs of the clients, and the manner in which community resources will be made available to the families being served.

(6) Designation of the manner in which the program will be subject to audit and to evaluation.

(7) Designation of agreement provisions for tracking and reporting performance measures developed pursuant to paragraph *"d"*.

*d.* Develop appropriate performance measures for the grant program to demonstrate how the program helps families achieve self-sufficiency.

*e.* Seek to enlist research support from the Iowa research community in meeting the duties outlined in paragraphs *"a"* through *"d"*.

*f.* Seek additional support for the funding of grants under the program, including but not limited to funds available through the federal government in serving families at risk of long-term welfare dependency, and private foundation grants.

*g.* Make recommendations to the governor and the general assembly on the effectiveness of programs in Iowa and throughout the country that provide family development services that lead to self-sufficiency for families at risk of welfare dependency.

4. *a.* The division shall administer the family development and self-sufficiency grant program. The department of human services shall disclose to the division confidential information pertaining to individuals receiving services under the grant program, as authorized under section 217.30. The division and the department of human services shall share information and data necessary for tracking performance measures of the family development and self-sufficiency grant program, for referring families participating in the promoting independence and self-sufficiency through employment job opportunities

and basic skills (PROMISE JOBS) program under section 239B.17 and related activities and programs to the grant program, and for meeting federal reporting requirements. The division and the department of human services may by mutual agreement, as specified in the memorandum of agreement entered into in accordance with paragraph *"b"*, add to or delete from the initial shared information items listed in this lettered paragraph. The initial shared information shall include but is not limited to all of the following:

(1) Family enrollments and exits to and from each of the programs.

(2) Monthly reports of individual participant activity in PROMISE JOBS components that are countable work activities according to federal guidelines applicable to those components.

(3) Aggregate grant program participant activity in all PROMISE JOBS program components.

(4) Work participation rates for grant program participants who were active family investment program participants.

(5) The average hourly wage of grant program participants who left the family investment program.

(6) The percentage of grant program participants who exited from the grant program at or after the time family investment program participation ended and did not reenroll in the family investment program for at least one year.

*b.* The division shall develop a memorandum of agreement with the department of human services to share outcome data and coordinate referrals and delivery of services to participants in the family investment program under chapter 239B and the grant program and other shared clients and shall provide the department of human services with information necessary for compliance with federal temporary assistance for needy families block grant state plan and reporting requirements, including but not limited to financial and data reports.

*c.* To the extent that the family development and self-sufficiency grant program is funded by the federal temporary assistance for needy families block grant and by the state maintenance of efforts funds appropriated in connection with the block grant, the division shall comply with all federal requirements for the block grant. The division is responsible for payment of any federal penalty imposed that is attributable to the grant program and shall receive any federal bonus payment attributable to the grant program.

*d.* The division shall ensure that expenditures of moneys appropriated to the department of human services from the general fund of the state for the family development and self-sufficiency grant program are eligible to be considered as state maintenance of effort expenditures under federal temporary assistance for needy families block grant requirements.

*e.* The commission shall consider the recommendations of the council in adopting rules pertaining to the grant program.

*f.* The division shall submit to the governor and general assembly on or before November 30 following the end of each state fiscal year, a report detailing performance measure and outcome data evaluating the family development and self-sufficiency grant program for the fiscal year that just ended.

2008 Acts, ch 1072, §1; 2010 Acts, ch 1031, §135, 170

Referred to in §232.69, 239B.8

Legislative appointments, see §69.16B

**216A.108 through 216A.110** Reserved.

SUBCHAPTER 7

DEAF SERVICES

**216A.111 Definitions.**

For purposes of this subchapter, unless the context otherwise requires:

1. *"Commission"* means the commission of deaf services.

2. *"Office"* means the office of deaf services of the department of human rights.
86 Acts, ch 1245, §1250
C87, §601K.111
C93, §216A.111
2010 Acts, ch 1031, §136, 137, 170

**216A.112 Office of deaf services.**
The office of deaf services is established, and shall do all of the following:
1. Serve as the central permanent agency to advocate for persons who are deaf or hard of hearing.
2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of persons who are deaf or hard of hearing in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.
3. Develop, coordinate, and assist other public or private organizations which serve persons who are deaf or hard of hearing.
4. Serve as an information clearinghouse on programs and agencies operating to assist persons who are deaf or hard of hearing.
86 Acts, ch 1245, §1251
C87, §601K.112
87 Acts, ch 58, §1; 87 Acts, ch 115, §74
C93, §216A.112
93 Acts, ch 75, §3; 95 Acts, ch 212, §11; 2010 Acts, ch 1031, §138, 170

**216A.113 Deaf services commission established.**
1. The commission of deaf services is established, and shall consist of seven voting members appointed by the governor, subject to confirmation by the senate pursuant to section 2.32. Membership of the commission shall include at least four members who are deaf and who cannot hear human speech with or without use of amplification and at least one member who is hard of hearing. All members shall reside in Iowa.
2. Members of the commission shall serve four-year staggered terms which shall begin and end pursuant to section 69.19. Members whose terms expire may be reappointed. Vacancies on the commission may be filled for the remainder of the term in the same manner as the original appointment. Members shall receive actual expenses incurred while serving in their official capacity, subject to statutory limits. Members may also be eligible to receive compensation as provided in section 7E.6.
3. Members of the commission shall appoint a chairperson and vice chairperson and other officers as the commission deems necessary. The commission shall meet at least quarterly during each fiscal year. A majority of the members currently appointed to the commission shall constitute a quorum. A quorum shall be required for the conduct of business of the commission, and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter, and a statement by the member of a conflict of interest shall be conclusive for this purpose.
86 Acts, ch 1245, §1252
C87, §601K.113
C93, §216A.113
2010 Acts, ch 1031, §139, 170; 2010 Acts, ch 1193, §42, 80

**216A.114 Commission powers and duties.**
The commission shall have the following powers and duties:
1. Study the changing needs and opportunities for the deaf and hard-of-hearing people in this state.
2. Serve as a liaison between the office and the public, sharing information and gathering constituency input.

3. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the commission and office.
4. Recommend legislative and executive action to the governor and general assembly.
5. Establish advisory committees, work groups, or other coalitions as appropriate.
86 Acts, ch 1245, §1253
C87, §601K.114
87 Acts, ch 115, §75; 89 Acts, ch 54, §1
C93, §216A.114
93 Acts, ch 75, §4; 2003 Acts, ch 145, §286; 2010 Acts, ch 1031, §140, 170

**216A.115 through 216A.117** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.118 through 216A.120** Reserved.

SUBCHAPTER 8

**216A.121 Iowa Abraham Lincoln bicentennial commission.** Repealed by its own terms; 2007 Acts, ch 99, § 1.

**216A.122 through 216A.130** Reserved.

SUBCHAPTER 9

DIVISION OF CRIMINAL AND JUVENILE
JUSTICE PLANNING

**216A.131 Definitions.**
For the purpose of this subchapter, unless the context otherwise requires:
1. *"Administrator"* means the administrator of the division of criminal and juvenile justice planning.
2. *"Board"* means the public safety advisory board.
3. *"Council"* means the criminal and juvenile justice planning advisory council.
4. *"Division"* means the division of criminal and juvenile justice planning.
88 Acts, ch 1277, §14
C89, §601K.131
90 Acts, ch 1124, §1
C93, §216A.131
2010 Acts, ch 1193, §151

**216A.131A Division of criminal and juvenile justice planning.**
The division of criminal and juvenile justice planning is established to fulfill the responsibilities of this subchapter, including the duties specified in sections 216A.135, 216A.136, 216A.137, 216A.138, and 216A.139.
2010 Acts, ch 1031, §141, 170

**216A.132 Council established — terms — compensation.**
1. A criminal and juvenile justice planning advisory council is established consisting of twenty-three members who shall all reside in the state.
*a.* The governor shall appoint seven members each for a four-year term beginning and ending as provided in section 69.19 and subject to confirmation by the senate as follows:
(1) Three persons, each of whom is a county supervisor, county sheriff, mayor, nonsupervisory police officer, or a chief of police of a department with less than eleven police officers.

(2) Two persons who are knowledgeable about Iowa's juvenile justice system.

(3) One person who represents the general public and is not employed in any law enforcement, judicial, or corrections capacity.

(4) One person who is either a crime victim, or who represents a crime victim organization.

*b.* The departments of human services, corrections, and public safety, the office on the status of African Americans, the department of public health, the chairperson of the board of parole, the attorney general, the state public defender, and the governor's office of drug control policy shall each designate a person to serve on the council.

*c.* (1) The chief justice of the supreme court shall designate one member who is a district judge and one member who is either a district associate judge or associate juvenile judge. The members appointed pursuant to this subparagraph shall serve as ex officio, nonvoting members for four-year terms beginning and ending as provided in section 69.19, unless the member ceases to serve as a judge.

(2) The chairperson and ranking member of the senate committee on judiciary shall be ex officio, nonvoting members. In alternating two-year terms, beginning and ending as provided in section 69.16B, the chairperson and ranking member of the house committee on judiciary or of the house committee on public safety shall be ex officio, nonvoting members, with the chairperson and ranking member of the house committee on public safety serving during the term beginning in January 2011.

*d.* The Iowa county attorneys association shall designate a person to serve on the council.

2. Members of the council shall receive reimbursement from the state for actual and necessary expenses incurred in the performance of their official duties. Members may also be eligible to receive compensation as provided in section 7E.6.

3. Members of the council shall appoint a chairperson and vice chairperson and other officers as the council deems necessary. A majority of the voting members currently appointed to the council shall constitute a quorum. A quorum shall be required for the conduct of business of the council and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the council. A member shall not vote on any action if the member has a conflict of interest on the matter, and a statement by the member of a conflict of interest shall be conclusive for this purpose.

88 Acts, ch 1277, §15

C89, §601K.132

90 Acts, ch 1124, §2

C93, §216A.132

2006 Acts, ch 1010, §66; 2007 Acts, ch 22, §51; 2008 Acts, ch 1085, §1, 2; 2008 Acts, ch 1156, §28, 58; 2010 Acts, ch 1031, §142 – 144, 170; 2010 Acts, ch 1193, §152; 2012 Acts, ch 1138, §110

Confirmation, see §2.32

**216A.133 Duties.**

The council shall do all of the following:

1. Identify issues and analyze the operation and impact of present criminal and juvenile justice policy and make recommendations for policy changes.

2. Coordinate with data resource agencies to provide data and analytical information to federal, state, and local governments, and assist agencies in the use of criminal and juvenile justice data.

3. Report criminal and juvenile justice system needs to the governor, the general assembly, and other decision makers to improve the criminal and juvenile justice system.

4. Provide technical assistance upon request to state and local agencies.

5. Administer federal funds and funds appropriated by the state or that are otherwise available in compliance with applicable laws, regulations, and other requirements for purposes of study, research, investigation, planning, and implementation in the areas of criminal and juvenile justice.

6. Make grants to cities, counties, and other entities pursuant to applicable law.

7. Maintain an Iowa correctional policy project as provided in section 216A.137.

8. Determine members of the public safety advisory board pursuant to section 216A.133A.
9. Provide input to the department director in the development of budget recommendations for the division.
10. Coordinate with the administrator to develop and make recommendations to the department director pursuant to section 216A.2.
11. Serve as liaison between the division and the public, sharing information and gathering constituency input.
12. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the council and division.
13. Recommend legislative and executive action to the governor and general assembly.
14. Establish advisory committees, work groups, or other coalitions as appropriate.
15. Establish advisory committees to study special issues.
88 Acts, ch 1277, §16
C89, §601K.133
90 Acts, ch 1124, §3; 92 Acts, ch 1231, §47
C93, §216A.133
2010 Acts, ch 1031, §145, 146, 170; 2010 Acts, ch 1193, §153, 154

**216A.133A Public safety advisory board — duties.**
1. A public safety advisory board is established whose membership shall be determined by the criminal and juvenile justice planning advisory council and shall consist of current members of the council. Any actions taken by the board shall be considered separate and distinct from the council.
2. The purpose of the board is to provide the general assembly with an analysis of current and proposed criminal code provisions.
3. The duties of the board shall consist of the following:
*a.* Reviewing and making recommendations relating to current sentencing provisions. In reviewing such provisions the board shall consider the impact on all of the following:
(1) Potential disparity in sentencing.
(2) Truth in sentencing.
(3) Victims.
(4) The proportionality of specific sentences.
(5) Sentencing procedures.
(6) Costs associated with the implementation of criminal code provisions, including costs to the judicial branch, department of corrections, and judicial district departments of correctional services, costs for representing indigent defendants, and costs incurred by political subdivisions of the state.
(7) Best practices related to the department of corrections including recidivism rates, safety and efficient use of correctional staff, and compliance with correctional standards set by the federal government and other jurisdictions.
(8) Best practices related to the Iowa child death review team established in section 135.43 and the Iowa domestic abuse death review team established in section 135.109.
*b.* Reviewing and making recommendations relating to proposed legislation, in accordance with paragraph "*a*", as set by rule by the general assembly or as requested by the executive or judicial branch proposing such legislation.
*c.* Providing expertise and advice to the legislative services agency, the department of corrections, the judicial branch, and others charged with formulating fiscal, correctional, or minority impact statements.
*d.* Reviewing data supplied by the division, the department of management, the legislative services agency, the Iowa supreme court, and other departments or agencies for the purpose of determining the effectiveness and efficiency of the collection of such data.
4. The board may call upon any department, agency, or office of the state, or any political subdivision of the state, for information or assistance as needed in the performance of its duties. The information or assistance shall be furnished to the extent that it is within the resources and authority of the department, agency, office, or political subdivision. This

section does not require the production or opening of any records which are required by law to be kept private or confidential.

5. The board shall report to the general assembly's standing committees on government oversight all sources of funding by December 1 of each year.

6. Membership on the board shall be bipartisan as provided in section 69.16 and gender balanced as provided in section 69.16A.

7. Meetings of the board shall be open to the public as provided in chapter 21.

8. Members of the board shall receive reimbursement from the state for actual and necessary expenses incurred in the performance of their official duties. Members may also be eligible to receive compensation as provided in section 7E.6.

2010 Acts, ch 1193, §155; 2011 Acts, ch 34, §51
Referred to in §216A.133

**216A.134 Administrator.** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.135 Plan and report.**

Beginning in 1989, and every five years thereafter, the division shall develop a twenty-year criminal and juvenile justice plan for the state which shall include ten-year, fifteen-year, and twenty-year goals and a comprehensive five-year plan for criminal and juvenile justice programs. The five-year plan shall be updated annually and each twenty-year plan and annual updates of the five-year plan shall be submitted to the governor and the general assembly by December 1.

Beginning in 1992, the division shall include in the plans, updates, and reports required by this section an identification and evaluation of existing juvenile treatment programs based upon quantifiable goals established by the division, utilizing its existing computer capacity and access.

88 Acts, ch 1277, §18
C89, §601K.135
92 Acts, ch 1231, §48
C93, §216A.135
2010 Acts, ch 1193, §156
Referred to in §216A.131A, 216A.137

**216A.136 Statistical analysis center — access to records.**

The division shall maintain an Iowa statistical analysis center for the purpose of coordinating with data resource agencies to provide data and analytical information to federal, state, and local governments, and assist agencies in the use of criminal and juvenile justice data. Notwithstanding any other provision of state law, unless prohibited by federal law or regulation, the division shall be granted access, for purposes of research and evaluation, to criminal history records, official juvenile court records, juvenile court social records, and any other data collected or under control of the board of parole, department of corrections, department of workforce development, district departments of correctional services, department of human services, judicial branch, and department of public safety. However, intelligence data and peace officer investigative reports maintained by the department of public safety shall not be considered data for the purposes of this section. Any record, data, or information obtained by the division under this section and the division itself is subject to the federal and state confidentiality laws and regulations which are applicable to the original record, data, or information obtained by the division and to the original custodian of the record, data, or information. The access shall include but is not limited to all of the following:

1. Juvenile court records and all other information maintained under sections 232.147 through 232.153.
2. Child abuse information under sections 235A.15 through 235A.19.
3. Dependent adult abuse records maintained under chapter 235B.
4. Criminal history data maintained under chapter 692.
5. Sex offender registry information maintained under chapter 692A.
6. Presentence investigation reports maintained under section 901.4.

7. Corrections records maintained under sections 904.601 and 904.602.
8. Community-based correctional program records maintained under chapter 905.
9. Parole records maintained under chapter 906.
10. Deferred judgment, deferred or suspended sentence, and probation records maintained under chapter 907.
11. Violation of parole or probation records maintained under chapter 908.
12. Fines and victim restitution records maintained under chapters 909 and 910.
13. Employment records maintained under section 96.11.

88 Acts, ch 1277, §19
C89, §601K.136
90 Acts, ch 1124, §4
C93, §216A.136
96 Acts, ch 1150, §2; 96 Acts, ch 1193, §3, 4; 98 Acts, ch 1047, §18; 2008 Acts, ch 1085, §3, 4
Referred to in §216A.131A

**216A.137 Correctional policy project.**

The division shall maintain an Iowa correctional policy project for the purpose of conducting analyses of major correctional issues affecting the criminal and juvenile justice system. The council shall identify and prioritize the issues and studies to be addressed by the division through this project and shall report project plans and findings annually along with the report required in section 216A.135. Issues and studies to be considered by the council shall include, but are not limited to a review of the information systems available to assess corrections trends and program effectiveness, the development of an evaluation plan for assessing the impact of corrections expenditures, a study of the desirability and feasibility of changing the state's sentencing practices, a public opinion survey to assess the public's view of possible changes in current corrections practices, and the development of parole guidelines.

The division may form subcommittees for the purpose of addressing major correctional issues affecting the criminal and juvenile justice system. The division shall establish a subcommittee to address issues specifically affecting the juvenile justice system.

90 Acts, ch 1124, §5
C91, §601K.137
C93, §216A.137
Referred to in §216A.131A, 216A.133

**216A.138 Multiagency database concerning juveniles.**

1. The division shall coordinate the development of a multiagency database to track the progress of juveniles through various state and local agencies and programs. The division shall develop a plan which utilizes existing databases, including the Iowa court information system, the federally mandated national adoption and foster care information system, and the other state and local databases pertaining to juveniles, to the extent possible.

2. The department of human services, department of corrections, judicial branch, department of public safety, department of education, local school districts, and other state agencies and political subdivisions shall cooperate with the division in the development of the plan.

3. The database shall be designed to track the progress of juveniles in various programs, evaluate the experiences of juveniles, and evaluate the success of the services provided.

4. The division shall develop the plan within the context of existing federal privacy and confidentiality requirements. The plan shall build upon existing resources and facilities to the extent possible.

5. The plan shall include proposed guidelines for the sharing of information by case management teams, consisting of designated representatives of various state and local agencies and political subdivisions to coordinate the delivery of services to juveniles under the jurisdiction of the juvenile court. The guidelines shall be developed to structure and improve the information-sharing procedures of case management teams established pursuant to any applicable state or federal law or approved by the juvenile court with respect

to a juvenile who is the recipient of the case management team services. The plan shall also contain proposals for changes in state laws or rules to facilitate the exchange of information among members of case management teams.

6. The plan shall include development of a resource guide outlining successful programs and practices established within this state which are designed to promote positive youth development and that assist delinquent and other at-risk youth in overcoming personal and social problems. The guide shall be made publicly available.

7. If the division has insufficient funds and resources to implement this section, the division shall determine what, if any, portion of this section may be implemented, and the remainder of this section shall not apply.

92 Acts, ch 1231, §49; 97 Acts, ch 126, §9; 98 Acts, ch 1047, §19; 2010 Acts, ch 1031, §147, 170

Referred to in §216A.131A

**216A.139 Sex offender research council.**

1. The division shall establish and maintain a council to study and make recommendations for treating and supervising adult and juvenile sex offenders in institutions, community-based programs, and in the community.

2. The voting members of the council shall include one representative of each of the following:

*a.* The department of corrections.

*b.* The department of human services.

*c.* The department of public safety.

*d.* The state public defender.

*e.* The department of public health.

*f.* The juvenile court appointed by the judicial branch.

*g.* A judicial district department of correctional services.

*h.* The board of parole.

*i.* The department of justice.

*j.* The Iowa county attorneys association.

*k.* The American civil liberties union of Iowa.

*l.* The Iowa state sheriffs' and deputies' association.

*m.* The Iowa coalition against sexual assault.

3. In addition to the voting members, the council membership shall include four members of the general assembly with one member designated by each of the following: the majority leader of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives. A legislative member serves for a term as provided in section 69.16B in an ex officio, nonvoting capacity.

4. The council shall study the following:

*a.* The effectiveness of electronically monitoring sex offenders.

*b.* The cost and effectiveness of special sentences pursuant to chapter 903B.

*c.* Risk assessment models created for sex offenders.

*d.* Determining the best treatment programs available for sex offenders and the efforts of Iowa and other states to implement treatment programs.

*e.* The efforts of Iowa and other states to prevent sex abuse-related crimes including child sex abuse.

*f.* Any other issues the council deems necessary, including but not limited to computer and internet sex-related crimes, sex offender case management, best practices for sex offender supervision, the sex offender registry, and the effectiveness of safety zones.

5. The council shall submit a report, beginning January 15, 2009, and every year thereafter by January 15, to the governor and general assembly regarding actions taken, issues studied, and council recommendations.

6. Members of the council shall receive actual and necessary expenses incurred while attending any meeting of the council and may also be eligible to receive compensation as provided in section 7E.6. All expense moneys paid to the nonlegislative members shall be paid

from funds appropriated to the division. Legislative members shall receive compensation as provided in sections 2.10 and 2.12.

7. Vacancies shall be filled by the original appointing authority in the manner of the original appointments.

2008 Acts, ch 1085, §5; 2009 Acts, ch 106, §5, 6, 14

Referred to in §216A.131A

2009 amendment to subsection 2 and new subsection 3 apply to legislative appointees named before, on, or after May 18, 2009, and to appointments subject to senate confirmation on or after May 18, 2009; 2009 Acts, ch 106, §14

**216A.140 Iowa collaboration for youth development council — state of Iowa youth advisory council.**

1. *Definitions.* For the purposes of this section, unless the context otherwise requires:

*a.* *"Youth"* means children and young persons who are ages six through twenty-one years.

*b.* *"Youth advisory council"* means the state of Iowa youth advisory council created by this section.

*c.* *"Youth development council"* means the Iowa collaboration for youth development council created by this section.

2. *Collaboration council created.* An Iowa collaboration for youth development council is created as an alliance of state agencies that address the needs of youth in Iowa.

3. *Purpose.* The purpose of the youth development council is to improve the lives and futures of Iowa's youth by doing all of the following:

*a.* Adopting and applying positive youth development principles and practices at the state and local levels.

*b.* Increasing the quality, efficiency, and effectiveness of opportunities and services and other supports for youth.

*c.* Improving and coordinating state youth policy and programs across state agencies.

4. *Vision statement.* All youth development activities addressed by the youth development council shall be aligned around the following vision statement: "All Iowa youth will be safe, healthy, successful, and prepared for adulthood."

5. *Membership.* The youth development council membership shall be determined by the council itself and shall include the directors or chief administrators, or their designees, from the following state agencies and programs:

*a.* Child advocacy board.

*b.* Iowa commission on volunteer service in the office of the governor.

*c.* Department of education.

*d.* Department of human rights.

*e.* Department of human services.

*f.* Department of public health.

*g.* Department of workforce development.

*h.* Governor's office of drug control policy.

*i.* Iowa cooperative extension service in agriculture and home economics.

*j.* Early childhood Iowa office in the department of management.

6. *Procedure.* Except as otherwise provided by law, the youth development council shall determine its own rules of procedure and operating policies, including but not limited to terms of members. The youth development council may form committees or subgroups as necessary to achieve its purpose.

7. *Duties.* The youth development council's duties shall include but are not limited to all of the following:

*a.* Study, explore, and plan for the best approach to structure and formalize the functions and activities of the youth development council to meet its purpose, and make formal recommendations for improvement to the governor and general assembly.

*b.* Review indicator data and identify barriers to youth success and develop strategies to address the barriers.

*c.* Coordinate across agencies the state policy priorities for youth.

*d.* Strengthen partnerships with the nonprofit and private sectors to gather input, build consensus, and maximize use of existing resources and leverage new resources to improve the lives of youth and their families.

*e.* Oversee the activities of the youth advisory council.

*f.* Seek input from and engage the youth advisory council in the development of more effective policies, practices, and programs to improve the lives and futures of youth.

*g.* Report annually by February 1 to the governor and general assembly.

8. *State of Iowa youth advisory council.* A state of Iowa youth advisory council is created to provide input to the governor, general assembly, and state and local policymakers on youth issues.

*a.* The purpose of the youth advisory council is to foster communication among a group of engaged youth and the governor, general assembly, and state and local policymakers regarding programs, policies, and practices affecting youth and families; and to advocate for youth on important issues affecting youth.

*b.* The youth advisory council shall consist of no more than twenty-one youth ages fourteen through twenty years who reside in Iowa. Membership shall be for two-year staggered terms. The department director, or the director's designee, shall select council members using an application process. The department director or the director's designee shall strive to maintain a diverse council membership and shall take into consideration race, ethnicity, disabilities, gender, and geographic location of residence of the applicants.

*c.* Except as otherwise provided by law, the youth advisory council shall determine its own rules of procedure and operating policies, subject to approval by the department director or the director's designee.

*d.* The youth advisory council shall meet at least quarterly.

9. *Lead agency.* The lead agency for support of the Iowa collaboration for youth development council and the state of Iowa youth advisory council is the department. The department shall coordinate activities and, with funding made available to it for such purposes, provide staff support for the youth development council and the youth advisory council.

2009 Acts, ch 53, §1; 2009 Acts, ch 179, §35; 2010 Acts, ch 1031, §295

## SUBCHAPTER 10

## STATUS OF AFRICAN AMERICANS

**216A.141 Definitions.**

For purposes of this subchapter, unless the context otherwise requires:

1. *"Commission"* means the commission on the status of African Americans.

2. *"Office"* means the office on the status of African Americans of the department of human rights.

88 Acts, ch 1201, §1
C89, §601K.141
91 Acts, ch 50, §3
C93, §216A.141
2010 Acts, ch 1031, §148, 149, 170

**216A.142 Commission on the status of African Americans established.**

1. The commission on the status of African Americans is established and shall consist of seven members appointed by the governor, subject to confirmation by the senate. All members shall reside in Iowa. At least five members shall be individuals who are African American.

2. Terms of office are staggered four-year terms. Members whose terms expire may be reappointed. Vacancies on the commission shall be filled for the remainder of the term of and in the same manner as the original appointment. The commission shall meet quarterly and may hold special meetings on the call of the chairperson. The members of the commission shall be reimbursed for actual expenses while engaged in their official duties. Members may also be eligible to receive compensation as provided in section 7E.6.

3. Members of the commission shall appoint a chairperson and vice chairperson and other officers as the commission deems necessary. A majority of members of the commission shall constitute a quorum. A quorum shall be required for the conduct of business of the commission, and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter, and a statement by the member of a conflict of interest shall be conclusive for this purpose.

88 Acts, ch 1201, §2
C89, §601K.142
91 Acts, ch 50, §4
C93, §216A.142
2010 Acts, ch 1031, §150, 170
Confirmation, see §2.32

**216A.143 Commission powers and duties.**

The commission shall have the following powers and duties:

1. Study the opportunities for and changing needs of the African American community in this state.
2. Serve as liaison between the office and the public, sharing information and gathering constituency input.
3. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the commission and office.
4. Recommend executive and legislative action to the governor and general assembly.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

88 Acts, ch 1201, §3
C89, §601K.143
C93, §216A.143
95 Acts, ch 69, §1; 2010 Acts, ch 1031, §151, 170

**216A.144 and 216A.145** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.146 Office on the status of African Americans.**

The office on the status of African Americans is established and shall do the following:

1. Serve as the central permanent agency to advocate for African Americans.
2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of African Americans in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.
3. Develop, coordinate, and assist other public or private organizations which serve African Americans.
4. Serve as an information clearinghouse on programs and agencies operating to assist African Americans.

88 Acts, ch 1201, §6
C89, §601K.146
91 Acts, ch 50, §6
C93, §216A.146
2003 Acts, ch 145, §286; 2010 Acts, ch 1031, §152, 170

**216A.147 through 216A.149** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.150** Reserved.

## SUBCHAPTER 11

## ASIAN AND PACIFIC ISLANDER AFFAIRS

**216A.151 Definitions.**

For purposes of this subchapter, unless the context otherwise requires:

1. *"Asian and Pacific Islander"* means an individual from any of the countries of Asia or islands of the Pacific.

2. *"Commission"* means the commission of Asian and Pacific Islander affairs.

3. *"Office"* means the office of Asian and Pacific Islander affairs of the department of human rights.

2004 Acts, ch 1020, §3; 2010 Acts, ch 1031, §153 – 155, 170

**216A.152 Commission of Asian and Pacific Islander affairs established.**

1. The commission of Asian and Pacific Islander affairs is established and shall consist of seven members appointed by the governor, subject to confirmation by the senate. Members shall be appointed representing every geographical area of the state and ethnic groups of Asian and Pacific Islander heritage. All members shall reside in Iowa.

2. Terms of office are four years and shall begin and end pursuant to section 69.19. Members whose terms expire may be reappointed. Vacancies on the commission may be filled for the remainder of the term of and in the same manner as the original appointment. Members shall receive actual expenses incurred while serving in their official capacity, subject to statutory limits. Members may also be eligible to receive compensation as provided in section 7E.6.

3. Members of the commission shall appoint a chairperson and vice chairperson and other officers as the commission deems necessary. The commission shall meet at least quarterly during each fiscal year. A majority of the members of the commission shall constitute a quorum. A quorum shall be required for the conduct of business of the commission, and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter, and a statement by the member of a conflict of interest shall be conclusive for this purpose.

2004 Acts, ch 1020, §4; 2010 Acts, ch 1031, §156, 170

Confirmation, see §2.32

**216A.153 Commission powers and duties.**

The commission shall have the following powers and duties:

1. Study the opportunities for and changing needs of the Asian and Pacific Islander persons in this state.

2. Serve as liaison between the office and the public, sharing information and gathering constituency input.

3. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the commission and office.

4. Recommend legislative and executive action to the governor and general assembly.

5. Establish advisory committees, work groups, or other coalitions as appropriate.

2004 Acts, ch 1020, §5; 2010 Acts, ch 1031, §157, 170

**216A.154 Office of Asian and Pacific Islander affairs.**

The office of Asian and Pacific Islander affairs is established and shall do the following:

1. Serve as the central permanent agency to advocate for Iowans of Asian and Pacific Islander heritage.

2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of Iowans of Asian and Pacific Islander heritage in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.

3. Develop, coordinate, and assist other public or private organizations which serve Iowans of Asian and Pacific Islander heritage.

4. Serve as an information clearinghouse on programs and agencies operating to assist Iowans of Asian and Pacific Islander heritage.

2004 Acts, ch 1020, §6; 2010 Acts, ch 1031, §158, 170

**216A.155 through 216A.160** Repealed by 2010 Acts, ch 1031, § 168, 170.

SUBCHAPTER 12

NATIVE AMERICAN AFFAIRS

**216A.161 Definitions.**

For purposes of this subchapter, unless the context otherwise requires:

1. *"Commission"* means the commission of Native American affairs.
2. *"Office"* means the office of Native American affairs of the department of human rights.
3. *"Tribal government"* means the governing body of a federally recognized Indian tribe.

2008 Acts, ch 1184, §39; 2010 Acts, ch 1031, §159 – 161, 170

**216A.162 Establishment — purpose.**

1. A commission of Native American affairs is established consisting of eleven voting members appointed by the governor, subject to confirmation by the senate.

2. The purpose of the commission shall be to work in concert with Native American groups and Native Americans in this state to advance the interests of Native Americans in the areas of human rights, access to justice, economic equality, and the elimination of discrimination.

3. The members of the commission shall be as follows:

*a.* Seven public members appointed in compliance with sections 69.16 and 69.16A who shall be appointed with consideration given to the geographic residence of the member and the population density of Native Americans within the vicinity of the geographic residence of a member. Of the seven public members appointed, at least one shall be a Native American who is an enrolled tribal member living on a tribal settlement or reservation in Iowa and whose tribal government is located in Iowa.

*b.* Four members selected by and representing tribal governments.

*c.* All members of the commission shall be residents of Iowa.

4. Members of the commission shall appoint one of their members to serve as chairperson and may appoint such other officers as the commission deems necessary. The commission shall meet at least four times per year and shall hold special meetings on the call of the chairperson. The members of the commission shall be reimbursed for actual expenses while engaged in their official duties. A member may also be eligible to receive compensation as provided in section 7E.6. A majority of the members of the commission shall constitute a quorum. A quorum shall be required for the conduct of business of the commission, and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter, and a statement by the member of a conflict of interest shall be conclusive for this purpose.

2008 Acts, ch 1184, §40; 2008 Acts, ch 1191, §52, 53; 2010 Acts, ch 1031, §162, 163, 170

Confirmation, see §2.32

**216A.163 Term of office.**

Five of the members appointed to the initial commission shall be designated by the governor to serve two-year terms, and six shall be designated by the governor to serve four-year terms. Succeeding appointments shall be for a term of four years. Vacancies in the membership shall be filled for the remainder of the term of the original appointment.

2008 Acts, ch 1184, §41

**216A.164 Meetings of the commission.** Repealed by 2010 Acts, ch 1031, § 168, 170.

**216A.165 Duties.**

The commission shall have all powers necessary to carry out the functions and duties specified in this subchapter and shall do all of the following:

1. Study the opportunities for and changing needs of Native American persons in this state.
2. Serve as a liaison between the department and the public, sharing information and gathering constituency input.
3. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the commission and office.
4. Recommend legislative and executive action to the governor and general assembly.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

2008 Acts, ch 1184, §43; 2008 Acts, ch 1191, §54; 2010 Acts, ch 1031, §164, 170

**216A.166 Office of Native American affairs.**

The office of Native American affairs is established and shall do the following:

1. Serve as the central permanent agency to advocate for Native Americans.
2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of Native Americans in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.
3. Develop, coordinate, and assist other public or private organizations which serve Native Americans.
4. Serve as an information clearinghouse on programs and agencies operating to assist Native Americans.

2008 Acts, ch 1184, §44; 2008 Acts, ch 1191, §55; 2010 Acts, ch 1031, §165, 170

**216A.167 Limitations on authority.**

1. The commission and office shall not have the authority to do any of the following:

*a.* Implement or administer the duties of the state of Iowa under the federal Indian Gaming Regulatory Act, shall not have any authority to recommend, negotiate, administer, or enforce any agreement or compact entered into between the state of Iowa and Indian tribes located in the state pursuant to section 10A.104, and shall not have any authority relative to Indian gaming issues.

*b.* Administer the duties of the state under the federal National Historic Preservation Act, the federal Native American Graves Protection and Repatriation Act, and chapter 263B. The commission shall also not interfere with the advisory role of a separate Indian advisory council or committee established by the state archeologist by rule for the purpose of consultation on matters related to ancient human skeletal remains and associated artifacts.

2. This subchapter shall not diminish or inhibit the right of any tribal government to interact directly with the state or any of its departments or agencies for any purpose which a tribal government desires to conduct its business or affairs as a sovereign governmental entity.

2008 Acts, ch 1184, §45; 2010 Acts, ch 1031, §166, 167, 170

**216A.168 through 216A.170** Repealed by 2010 Acts, ch 1031, § 168, 170.

# CHAPTER 216B

## DEPARTMENT FOR THE BLIND

Referred to in §7E.5

This chapter not enacted as a part of this title;
transferred from chapter 601L in Code 1993


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|---|---|---|---|
| 216B.1 | Definitions. | 216B.5 | Commission employees. |
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| 216B.4 | Federal aid. | 216B.8 | Contract bids. |


**216B.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Commission"* means the commission for the blind.
2. *"Department"* means the department for the blind.
3. *"Director"* means the director of the department for the blind.

86 Acts, ch 1245, §1256
C87, §601K.121
88 Acts, ch 1277, §29, 31
C89, §601L.1
C93, §216B.1

**216B.2 Commission created.**

The commission for the blind is established consisting of three members appointed by the governor, subject to confirmation by the senate. Members of the commission shall serve three-year terms beginning and ending as provided in section 69.19. The commission shall adopt rules concerning programs and services for blind persons provided under this chapter.

Commission members shall be reimbursed for actual expenses incurred in performance of their duties. Members may also be eligible to receive compensation as provided in section 7E.6. The members of the commission shall appoint officers for the commission. A majority of the members of the commission shall constitute a quorum.

86 Acts, ch 1245, §1257
C87, §601K.122
88 Acts, ch 1277, §31
C89, §601L.2
C93, §216B.2
99 Acts, ch 96, §23
Confirmation, see §2.32

**216B.3 Commission duties.**

The commission shall:

1. Prepare and maintain a complete register of the blind of the state which shall describe the condition, cause of blindness, ability to receive education and industrial training, and other facts the commission deems of value.
2. Assist in marketing of products of blind workers of the state.
3. Ameliorate the condition of the blind by promoting visits to them in their homes for the purpose of instruction and by other lawful methods as the commission deems expedient.
4. Make inquiries concerning the causes of blindness to ascertain what portion of cases are preventable, and cooperate with the other organized agents of the state in the adoption and enforcement of proper preventive measures.
5. Provide for suitable vocational training if the commission deems it advisable and necessary. The commission may establish workshops for the employment of the blind, paying suitable wages for work under the employment. The commission may provide or pay for, during their training period, the temporary lodging and support of persons receiving vocational training. The commission may use receipts or earnings that accrue from the operation of workshops as provided in this chapter, but a detailed statement of receipts

or earnings and expenditures shall be made monthly to the director of the department of management.

6. Establish, manage, and control a special training, orientation, and adjustment center or centers for the blind. Training in the centers shall be limited to persons who are sixteen years of age or older, and the department shall not provide or cause to be provided any academic education or training to children under the age of sixteen except that the commission may provide library services to these children. The commission may provide for the maintenance, upkeep, repair, and alteration of the buildings and grounds designated as centers for the blind including the expenditure of funds appropriated for that purpose. Nonresidents may be admitted to Iowa centers for the blind as space is available, upon terms determined by rule.

7. Establish and maintain offices for the department and commission.

8. Accept gifts, grants, devises, or bequests of real or personal property from any source for the use and purposes of the department. Notwithstanding sections 8.33 and 12C.7, the interest accrued from moneys received under this section shall not revert to the general fund of the state.

9. Provide library services to persons who are blind and persons with disabilities.

10. Act as a bureau of information and industrial aid for the blind, such as assisting the blind in finding employment.

11. Be responsible for the budgetary and personnel decisions for the department and commission.

12. Manage and control the property, both real and personal, belonging to the department. The commission shall, according to the schedule established in this subsection, when the price is reasonably competitive and the quality as intended, purchase soybean-based inks and plastic products with recycled content, including but not limited to plastic garbage can liners. For purposes of this subsection, *"recycled content"* means that the content of the product contains a minimum of thirty percent postconsumer material.

*a.* By July 1, 1991, one hundred percent of the purchases of inks which are used for newsprint paper for printing services performed internally or contracted for by the commission shall be soybean-based.

*b.* By July 1, 1995, a minimum of ten percent of the purchases of garbage can liners made by the commission shall be plastic garbage can liners with recycled content. The percentage purchased shall increase by ten percent annually until fifty percent of the purchases of garbage can liners are plastic garbage can liners with recycled content.

*c.* By July 1, 1993, one hundred percent of the purchases of inks, other than inks which are used for newsprint printing services, and which are used internally or contracted for by the commission, shall be soybean-based to the extent formulations for such inks are available.

*d.* The commission shall report to the general assembly on February 1 of each year, the following:

(1) A listing of plastic products which are regularly purchased by the commission for which recycled content product alternatives are available, including the cost of the plastic products purchased and the cost of the recycled content product alternatives.

(2) Information relating to soybean-based inks and plastic garbage can liners with recycled content regularly purchased by the commission, including the cost of purchasing soybean-based inks and plastic garbage can liners with recycled content and the percentages of soybean-based inks and plastic garbage can liners with recycled content that have been purchased.

*e.* The department of natural resources shall review the procurement specifications currently used by the commission to eliminate, wherever possible, discrimination against the procurement of products manufactured with recycled content and soybean-based inks.

*f.* The department of natural resources shall assist the commission in locating suppliers of products with recycled content and soybean-based inks, and collecting data on recycled content and soybean-based ink purchases.

*g.* The commission, in conjunction with the department of natural resources, shall adopt rules to carry out the provisions of this section.

*h.* The department of natural resources shall cooperate with the commission in all phases of implementing this section.

13. The commission shall, whenever technically feasible, purchase and use degradable loose foam packing material manufactured from grain starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources. For the purposes of this subsection, *"packing material"* means material, other than an exterior packing shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

14. Purchase and use recycled printing and writing paper in accordance with the schedule established in section 8A.315; establish a wastepaper recycling program in accordance with the recommendations made by the department of natural resources and requirements of section 8A.329; and, in accordance with section 8A.311, require product content statements and compliance with requirements regarding contract bidding.

15. Develop a plan to provide telephone yellow pages information without charge to persons declared to be blind under the standards in section 422.12, subsection 2, paragraph "*a*", subparagraph (5). The department may apply for federal funds to support the service. The program shall be limited in scope by the availability of funds.

16. *a.* A gasoline-powered motor vehicle purchased by the commission shall not operate on gasoline other than ethanol blended gasoline as defined in section 214A.1. A diesel-powered motor vehicle purchased by the commission shall not operate on diesel fuel other than biodiesel fuel as defined in section 214A.1, if commercially available. A state issued credit card shall not be valid to purchase gasoline other than ethanol blended gasoline or to purchase diesel fuel other than biodiesel fuel, if commercially available. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline or biodiesel fuel, as applicable. However, the sticker is not required to be affixed to an unmarked vehicle used for purposes of providing law enforcement or security.

*b.* Of all new passenger vehicles and light pickup trucks purchased by the commission, a minimum of ten percent of all such vehicles and trucks purchased shall be equipped with engines which utilize alternative methods of propulsion, including but not limited to any of the following:

(1) A flexible fuel which is any of the following:

(a) E-85 gasoline as provided in section 214A.2.

(b) B-20 biodiesel blended fuel as provided in section 214A.2.

(c) A renewable fuel approved by the office of renewable fuels and coproducts pursuant to section 159A.3.

(2) Compressed or liquefied natural gas.

(3) Propane gas.

(4) Solar energy.

(5) Electricity.

*c.* The provisions of paragraph "*b*" do not apply to vehicles and trucks purchased and directly used for law enforcement or off-road maintenance work.

17. Comply with the requirements for the purchase of lubricating oils, industrial oils, greases, and hydraulic fluids as established pursuant to section 8A.316.

18. Give preference to purchasing designated biobased products in the same manner as provided in section 8A.317.

19. Plan, establish, administer, and promote a statewide program to provide audio news and information services to blind or visually impaired persons residing in this state.

*a.* The commission may enter into necessary contracts and arrangements with the national federation for the blind to provide for the delivery of newspapers over the telephone, furnished by the national federation for the blind.

*b.* The commission may enter into necessary contracts and arrangements with the Iowa radio reading information service for the blind and print handicapped to provide for the delivery of newspapers, magazines, and other printed materials over the radio, furnished by the Iowa radio reading information service for the blind and print handicapped.

86 Acts, ch 1244, §61

C87, §601K.123
88 Acts, ch 1185, §4; 88 Acts, ch 1277, §31
C89, §601L.3
89 Acts, ch 83, §79; 89 Acts, ch 272, §39; 90 Acts, ch 1237, §5, 6; 91 Acts, ch 97, §59; 91 Acts, ch 194, §8; 91 Acts, ch 254, §23; 92 Acts, ch 1095, §4
C93, §216B.3
93 Acts, ch 26, §2; 93 Acts, ch 176, §38; 94 Acts, ch 1119, §24; 95 Acts, ch 44, §1; 95 Acts, ch 62, §2; 96 Acts, ch 1129, §30; 98 Acts, ch 1082, §3; 99 Acts, ch 114, §14; 99 Acts, ch 121, §8; 2000 Acts, ch 1109, §3; 2003 Acts, ch 145, §207; 2004 Acts, ch 1176, §10; 2006 Acts, ch 1142, §59, 60; 2007 Acts, ch 22, §52; 2008 Acts, ch 1104, §3; 2008 Acts, ch 1169, § 37, 42; 2009 Acts, ch 41, §222; 2009 Acts, ch 133, §230; 2010 Acts, ch 1079, §1
Referred to in §8A.302, 8A.321, 8A.322

**216B.4 Federal aid.**

1. The director may accept financial aid from the government of the United States for carrying out rehabilitation and physical restoration of the blind and for providing library, news, and information services to persons who are blind and persons with disabilities.

2. A contribution or grant shall not be accepted if a condition is attached to it for its use or administration other than that it be used for assistance to the blind.

86 Acts, ch 1245, §1258
C87, §601K.124
88 Acts, ch 1277, §31
C89, §601L.4
C93, §216B.4
96 Acts, ch 1129, §31; 2002 Acts, ch 1119, §28; 2004 Acts, ch 1176, §11; 2010 Acts, ch 1079, §2

**216B.5 Commission employees.**

The commission may employ staff who shall be qualified by experience to assume the responsibilities of the offices. The director shall be the administrative officer of the commission and shall be responsible for implementing policy set by the commission. The director shall carry out programs and policies as determined by the commission.

86 Acts, ch 1245, §1259
C87, §601K.125
88 Acts, ch 1277, §31
C89, §601L.5
C93, §216B.5

**216B.6 Powers.**

The commission shall have all powers necessary to carry out the functions and duties specified in this chapter, including, but not limited to the power to establish advisory committees on special studies, to solicit and accept gifts and grants, to adopt rules according to chapter 17A for the commission and department, and to contract with public and private groups to conduct its business. All departments, divisions, agencies, and offices of the state shall make available upon request of the commission information which is pertinent to the subject matter of the study and which is not by law confidential.

86 Acts, ch 1245, §1260
C87, §601K.126
88 Acts, ch 1277, §31
C89, §601L.6
C93, §216B.6
99 Acts, ch 96, §24

**216B.7 Report.**

The commission shall make a detailed report of its activities, studies, conclusions and recommendations to the general assembly not later than February 15 of each odd-numbered year.

86 Acts, ch 1245, §1261
C87, §601K.127
88 Acts, ch 1277, §31
C89, §601L.7
C93, §216B.7

**216B.8 Contract bids.**

A bidder awarded a contract with the department shall disclose the names of all subcontractors, who will work on the project being bid, within forty-eight hours after the award of the contract. If a subcontractor named by a bidder awarded a contract is replaced, or if the cost of work to be done by a subcontractor is reduced, the bidder shall disclose the name of the new subcontractor or the amount of the reduced cost.

90 Acts, ch 1161, §5
C91, §601L.8
C93, §216B.8

# CHAPTER 216C

## RIGHTS OF PERSONS WITH DISABILITIES

This chapter not enacted as a part of this title;
transferred from chapter 601D in Code 1993


216C.1 Participation by persons with disabilities.
216C.2 Public employment.
216C.3 Free use of public facilities.
216C.4 Accommodations.
216C.5 Use of guide dogs.
216C.6 Failure to use cane or dog not negligence.
216C.7 Penalty for denying rights.
216C.8 White cane safety day.
216C.9 Curb ramps and sloped areas for persons with disabilities.
216C.10 Use of hearing dog.
216C.11 Service dogs and assistive animals.


**216C.1 Participation by persons with disabilities.**

1. It is the policy of this state to encourage and enable persons who are blind or partially blind and persons with disabilities to participate fully in the social and economic life of the state and to engage in remunerative employment.

2. To encourage participation by persons with disabilities, it is the policy of this state to ensure compliance with federal requirements concerning persons with disabilities.

[C71, §93B.1; C73, 75, 77, 79, 81, §601D.1]
C93, §216C.1
93 Acts, ch 95, §6; 96 Acts, ch 1129, §32; 2010 Acts, ch 1079, §3

**216C.2 Public employment.**

Persons who are blind or partially blind and persons with disabilities shall be employed in the state service, the service of the political subdivisions of the state, the public schools, and all other employment supported in whole or in part by public funds, on the same terms and conditions as other persons, unless it is shown that the particular disability prevents the performance of the work required.

[C71, §93B.2; C73, 75, 77, 79, 81, §601D.2]
C93, §216C.2
96 Acts, ch 1129, §33; 2010 Acts, ch 1079, §4
Referred to in §331.324

**216C.3 Free use of public facilities.**

Persons who are blind or partially blind and persons with disabilities have the same right as other persons to the full and free use of the streets, highways, sidewalks, walkways, public buildings, public elevators, public facilities, and other public places.

[C62, 66, §351.31; C71, §93B.3; C73, 75, 77, 79, 81, §601D.3]
C93, §216C.3
96 Acts, ch 1129, §34; 2010 Acts, ch 1079, §5
Referred to in §216C.5, 216C.10, 216C.11

**216C.4 Accommodations.**

Persons who are blind or partially blind and persons with disabilities are entitled to full and equal accommodations, facilities, and privileges of all common carriers, airplanes, motor vehicles, railroad trains, motorbuses, streetcars, boats, other public conveyances or modes of transportation, hotels, lodging places, eating places, places of public accommodation, amusement, or resort, and other places to which the general public is invited, subject only to the conditions and limitations established by law and applicable alike to all persons.

[C71, §93B.4; C73, 75, 77, 79, 81, §601D.4]
C93, §216C.4
96 Acts, ch 1129, §35; 2010 Acts, ch 1079, §6
Referred to in §216C.5, 216C.10, 216C.11

**216C.5 Use of guide dogs.**

Every blind or partially blind person shall have the right to be accompanied by a guide dog, under control and especially trained for the purpose, in any of the places listed in sections 216C.3 and 216C.4 without being required to make additional payment for the guide dog. A landlord shall waive lease restrictions on the keeping of a guide dog for a blind person. The blind person is liable for damage done to the premises or facilities by a guide dog.

[C62, 66, §351.30; C71, §93B.5; C73, 75, 77, 79, 81, §601D.5]
83 Acts, ch 46, §3
C93, §216C.5

**216C.6 Failure to use cane or dog not negligence.**

A blind or partially blind pedestrian not carrying a cane or using a guide dog in any place shall have all of the rights and privileges conferred by law upon other persons, and the failure of a blind or partially blind pedestrian to carry a cane or to use a guide dog in any place shall not be held to constitute or be evidence of contributory negligence.

[C71, §93B.6; C73, 75, 77, 79, 81, §601D.6]
C93, §216C.6

**216C.7 Penalty for denying rights.**

Any person, firm, or corporation, or the agent of any person, firm, or corporation, who denies or interferes with the rights of any person under this chapter shall be guilty of a simple misdemeanor.

[C62, 66, §351.32; C71, §93B.7; C73, 75, 77, 79, 81, §601D.7]
C93, §216C.7

**216C.8 White cane safety day.**

The governor shall annually take suitable public notice of October 15 as "White Cane Safety Day". The governor shall issue a proclamation commenting upon the significance of the white cane; calling upon the citizens to observe the provisions of this chapter and sections 321.332 and 321.333 and to take precautions necessary for the safety of persons with disabilities; reminding the citizens of the policies herein declared and urging the citizens to cooperate in giving effect to them; and emphasizing the need of the citizens to be aware of the presence of

persons with disabilities in the community and to offer assistance to persons with disabilities upon appropriate occasions.

[C71, §93B.8; C73, 75, 77, 79, 81, §601D.8]
C93, §216C.8
96 Acts, ch 1129, §36

**216C.9 Curb ramps and sloped areas for persons with disabilities.**

1. If a street, road, or highway in this state is newly built or reconstructed, a curb ramp or sloped area shall be constructed or installed at each intersection of the street, road, or highway with a sidewalk or path. If a sidewalk or path in this state is newly built or reconstructed, a curb ramp or sloped area shall be constructed or installed at each intersection of the sidewalk or path with a street, highway, or road.

2. Curb ramps and sloped areas that are required pursuant to this section shall be constructed or installed in compliance with applicable federal requirements adopted in accordance with the federal Americans With Disabilities Act, including but not limited to the guidelines issued by the federal architectural and transportation barriers compliance board.

[C75, 77, 79, 81, §601D.9]
C93, §216C.9
93 Acts, ch 95, §7; 96 Acts, ch 1129, §37; 2010 Acts, ch 1079, §7; 2010 Acts, ch 1193, §43
Referred to in §331.361

**216C.10 Use of hearing dog.**

1. A deaf or hard-of-hearing person has the right to be accompanied by a hearing dog, under control and especially trained to assist the deaf or hard-of-hearing by responding to sound, in any place listed in sections 216C.3 and 216C.4 without being required to make additional payment for the hearing dog. A landlord shall waive lease restrictions on the keeping of dogs for a deaf or hard-of-hearing person with a hearing dog. The deaf or hard-of-hearing person is liable for damage done to any premises or facility by a hearing dog.

2. A person who denies or interferes with the right of a deaf or hard-of-hearing person under this section is, upon conviction, guilty of a simple misdemeanor.

86 Acts, ch 1245, §1263
C87, §601D.10
C93, §216C.10
93 Acts, ch 75, §5; 2010 Acts, ch 1079, §8

**216C.11 Service dogs and assistive animals.**

1. For purposes of this section, *"service dog"* means a dog specially trained to assist a person with a disability, whether described as a service dog, a support dog, an independence dog, or otherwise. *"Assistive animal"* means a simian or other animal specially trained or in the process of being trained to assist a person with a disability.

2. A person with a disability, a person assisting a person with a disability by controlling a service dog or an assistive animal, or a person training a service dog or an assistive animal has the right to be accompanied by a service dog or an assistive animal, under control, in any of the places listed in sections 216C.3 and 216C.4 without being required to make additional payment for the service dog or assistive animal. A landlord shall waive lease restrictions on the keeping of animals for the service dog or assistive animal of a person with a disability. The person is liable for damage done to any premises or facility by a service dog or assistive animal.

3. A person who knowingly denies or interferes with the right of a person under this section is, upon conviction, guilty of a simple misdemeanor.

88 Acts, ch 1067, §1
C89, §601D.11
91 Acts, ch 69, §1
C93, §216C.11
96 Acts, ch 1129, §113; 2009 Acts, ch 163, §1; 2010 Acts, ch 1069, §27; 2010 Acts, ch 1079, §9
Referred to in §717F.1

# CHAPTER 216D

## OPERATION OF FOOD SERVICE IN PUBLIC BUILDINGS

Referred to in §331.361

This chapter not enacted as a part of this title;
transferred from chapter 601C in Code 1993

216D.1 Public policy.
216D.2 Definitions.
216D.3 Agreement with commission for blind.
216D.4 Other public buildings.

**216D.1 Public policy.**

It is the policy of this state to provide maximum opportunities for training blind persons, helping them to become self-supporting and demonstrating their capabilities. This chapter shall be construed to carry out this policy.

[C71, §93C.1; C73, 75, 77, 79, 81, §601C.1]
C93, §216D.1

**216D.2 Definitions.**

For the purposes of this chapter:

1. *"Food service"* includes restaurant, cafeteria, snack bar, vending machines for food and beverages, and goods and services customarily offered in connection with any of these.

2. *"Public office building"* means the state capitol, all county courthouses, all city halls, and all buildings used primarily for governmental offices of the state or any county or city. It does not include public schools or buildings at institutions of the state board of regents or the state department of human services.

[C71, §93C.2; C73, 75, 77, 79, 81, S81, §601C.2; 81 Acts, ch 117, §1095]
83 Acts, ch 96, §157, 159
C93, §216D.2
94 Acts, ch 1173, §9

**216D.3 Agreement with commission for blind.**

A governmental agency which proposes to operate or continue a food service in a public office building shall first attempt in good faith to make an agreement for the commission for the blind to operate the food service without payment of rent. The governmental agency shall not offer or grant to any other party a contract or concession to operate such food service unless the governmental agency determines in good faith that the commission for the blind is not willing to or cannot satisfactorily provide such food service. This chapter shall not impair any valid contract existing on July 1, 1969, and shall not preclude renegotiation of such contract on the same terms and with the same parties.

[C71, §93C.3; C73, 75, 77, 79, 81, §601C.3]
C93, §216D.3
Referred to in §216D.4

**216D.4 Other public buildings.**

With respect to all state, county, municipal, and school buildings which are not subject to section 216D.3, the governmental agency in charge of the building shall consider allowing the commission for the blind to operate any existing or proposed food service in the building, and shall discuss such operation with the commission for the blind upon its request.

[C71, §93C.4; C73, 75, 77, 79, 81, §601C.4]
C93, §216D.4

# CHAPTER 216E

## ASSISTIVE DEVICES


216E.1 Definitions.
216E.2 Express warranties.
216E.3 Assistive device replacement or refund.
216E.4 Manufacturer's duty to provide reimbursement or a loaner for temporary replacement of assistive devices — penalties.
216E.5 Nonconformity disclosure requirement.
216E.6 Remedies.
216E.7 Exemptions.


**216E.1 Definitions.**

As used in this chapter, unless the context otherwise provides:

1. *"Assistive device"* means any item, piece of equipment, or product system which is purchased, or whose transfer is accepted in this state, and which is used to increase, maintain, or improve the functional capabilities of individuals with disabilities concerning a major life activity. *"Assistive device"* does not mean any medical device, surgical device, or organ implanted or transplanted into or attached directly to an individual. *"Assistive device"* does not mean any device for which a certificate of title is issued by the state department of transportation but does mean any item, piece of equipment, or product system otherwise meeting the definition of *"assistive device"* that is incorporated, attached, or included as a modification in or to such a certificated device.

2. *"Assistive device dealer"* means a person who is in the business of selling assistive devices.

3. *"Assistive device lessor"* means a person who leases assistive devices to consumers, or who holds the lessor's rights, under a written lease.

4. *"Collateral costs"* means expenses incurred by a consumer in connection with the repair of a nonconformity, including the cost of shipping, sales tax, and of obtaining an alternative assistive device.

5. *"Consumer"* means any one of the following:

*a.* The purchaser of an assistive device, if the assistive device was purchased from an assistive device dealer or manufacturer for purposes other than resale.

*b.* A person to whom the assistive device is transferred for purposes other than resale, if the transfer occurs before the expiration of an express warranty applicable to the assistive device.

*c.* A person who may enforce the warranty.

*d.* A person who leases an assistive device from an assistive device lessor under a written lease.

6. *"Demonstrator"* means an assistive device used primarily for the purpose of demonstration to the public.

7. *"Early termination costs"* means any expense or obligation that an assistive device lessor incurs as a result of both the termination of a written lease before the termination date set forth in the lease and the return of an assistive device to the manufacturer. *"Early termination costs"* includes a penalty for prepayment under a finance arrangement.

8. *"Early termination savings"* means any expense or obligation that an assistive device lessor avoids as a result of both the termination of a written lease before the termination date set forth in the lease and the return of an assistive device to a manufacturer which shall include an interest charge that the assistive device lessor would have paid to finance the assistive device or, if the assistive device lessor does not finance the assistive device, the difference between the total payments remaining for the period of the lease term remaining after the early termination and the present value of those remaining payments at the date of the early termination.

9. *"Loaner"* means an assistive device, provided free of charge to the consumer, for use by the consumer, that need not be new or be identical to, or have functional capabilities equal

to or greater than, those of the original assistive device, but that meets all of the following conditions:

*a.* The loaner is in good working order.

*b.* The loaner performs, at a minimum, the most essential functions of the original assistive device, in light of the disabilities of the consumer.

*c.* Any differences between the loaner and the original assistive device do not create a threat to the consumer's health or safety.

10. *"Major life activity"* includes functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, or working.

11. *"Manufacturer"* means a person who manufactures or assembles assistive devices and agents of that person, including an importer, a distributor, a factory branch, distributor branch, and any warrantors of the assistive device, but does not include an assistive device dealer or assistive device lessor.

12. *"Nonconformity"* means any defect, malfunction, or condition which substantially impairs the use, value, or safety of an assistive device or any of its component parts, but does not include a condition, defect, or malfunction that is the result of abuse, neglect, or unauthorized modification or alteration of the assistive device by the consumer.

13. *"Reasonable attempt to repair"* means any of the following occurring within the terms of an express warranty applicable to a new assistive device or within one year after first delivery of the assistive device to a consumer, whichever is sooner:

*a.* The manufacturer, assistive device lessor, or any of the manufacturer's authorized assistive device dealers accepts return of the new assistive device for repair at least two times.

*b.* The manufacturer, assistive device lessor, or any of the manufacturer's authorized assistive device dealers places the assistive device out of service for an aggregate of at least thirty cumulative days because of warranty nonconformities.

98 Acts, ch 1042, §1; 2006 Acts, ch 1159, §9, 10

Referred to in §321.1

**216E.2 Express warranties.**

1. A manufacturer or assistive device lessor who sells or leases an assistive device to a consumer, either directly or through an assistive device dealer, shall furnish the consumer with an express warranty for the assistive device, warranting the assistive device to be free of any nonconformity. The duration of the express warranty shall be not less than one year after first delivery of the assistive device to the consumer. If a manufacturer fails to furnish an express warranty as required by this section, the assistive device shall be covered by an express warranty as if the manufacturer had furnished an express warranty to the consumer as required by this section.

2. An express warranty does not take effect until the consumer takes possession of the new assistive device.

98 Acts, ch 1042, §2

**216E.3 Assistive device replacement or refund.**

1. If an assistive device does not conform to an applicable express warranty and the consumer reports the nonconformity to the manufacturer, the assistive device lessor, or any of the manufacturer's authorized assistive device dealers, and makes the assistive device available for repair before one year after first delivery of the device to the consumer or within the period of the express warranty if the warranty is longer than one year, a reasonable attempt to repair the nonconformity shall be made.

2. If, after a reasonable attempt to repair, the nonconformity is not repaired, the manufacturer shall carry out the requirements of either paragraph *"a"* or *"b"* upon the request of a consumer.

*a.* The manufacturer shall provide for a refund by doing one of the following:

(1) If the assistive device was purchased by the consumer, accept return of the assistive device and refund to the consumer and to any holder of perfected security interest in the consumer's assistive device, as the holder's interest may appear, the full purchase price plus

any finance charge paid by the consumer at the point of sale and collateral costs, less a reasonable allowance for use.

(2) If the assistive device was leased by the consumer, accept return of the assistive device, refund to the assistive device lessor and to any holder of a perfected security interest in the assistive device, as the holder's interest may appear, the current value of the written lease and refund to the consumer the amount that the consumer paid under the written lease plus any collateral costs, less a reasonable allowance for use. The manufacturer shall have a cause of action against the dealer or lessor for reimbursement of any amount that the manufacturer pays to a consumer which exceeds the net price received by the manufacturer for the assistive device.

*b.* The manufacturer shall provide a comparable new assistive device or offer a refund to the consumer if the consumer does any one of the following:

(1) Offers to transfer possession of the assistive device to the manufacturer. No later than thirty days after that offer, the manufacturer shall provide the consumer with the comparable new assistive device or a refund. When the manufacturer provides the new assistive device or refund, the consumer shall return the assistive device having the nonconformity to the manufacturer, along with any endorsements necessary to transfer legal possession to the manufacturer.

(2) Offers to return the assistive device to the manufacturer. No later than thirty days after the offer, the manufacturer shall provide a refund to the consumer. When the manufacturer provides a refund, the consumer shall return the assistive device having the nonconformity to the manufacturer.

(3) Offers to transfer possession of a leased assistive device to the manufacturer. No later than thirty days after the offer, the manufacturer shall provide a refund to the assistive device lessor. When the manufacturer provides the refund, the assistive device lessor shall provide to the manufacturer any endorsements necessary to transfer legal possession to the manufacturer.

3. Under the provisions of this section, the current value of the written lease equals the total amount for which that lease obligates the consumer during the period of the lease remaining after its early termination, plus the assistive device lessor's early termination costs and the value of the assistive device at the lease expiration date if the lease sets forth that value, less the assistive device lessor's early termination savings.

4. Under the provisions of this section, a reasonable allowance for use shall not exceed the amount obtained by multiplying the total amount for which the written lease obligates the consumer by a fraction, the denominator of which is one thousand eight hundred twenty-five and the numerator of which is the number of days that the consumer used the assistive device before first reporting the nonconformity to the manufacturer, assistive device lessor, or assistive device dealer.

5. A person shall not enforce a lease against a consumer after the consumer receives a refund.

98 Acts, ch 1042, §3

**216E.4 Manufacturer's duty to provide reimbursement or a loaner for temporary replacement of assistive devices — penalties.**

1. Whenever an assistive device covered by a manufacturer's express warranty is tendered by a consumer to the dealer from whom the assistive device was purchased or exchanged for the repair of any defect, malfunction, or nonconformity to which the warranty is applicable, the manufacturer shall provide the consumer, at the consumer's choice, for the duration of the repair period, either a rental assistive device reimbursement of up to twenty dollars per day, or a loaner, without cost to the consumer, if a loaner is reasonably available or obtainable by the manufacturer, assistive device lessor, or assistive device dealer, if any of the following applies:

*a.* The repair period exceeds ten working days, including the day on which the device is tendered to the manufacturer or an assistive device dealer designated by the manufacturer for repairs. If the assistive device dealer does not tender the assistive device to the manufacturer in a timely enough manner for the manufacturer to make the repairs within

ten days, the manufacturer shall have a cause of action against the assistive device dealer for reimbursement of any penalties that the manufacturer must pay.

*b*. The nonconformity is the same for which the assistive device has been tendered to the assistive device dealer for repair on at least two previous occasions.

2. The provisions of this section regarding a manufacturer's duty shall apply for the period of the applicable express warranty, or until the date any repair required by the warranty is completed and the assistive device is returned to the consumer with the nonconformity eliminated, whichever is later, even if the assistive device is returned after the end of the warranty period.

98 Acts, ch 1042, §4

**216E.5 Nonconformity disclosure requirement.**

An assistive device returned by a consumer or assistive device lessor in this state or any other state for nonconformity shall not be sold or leased again in this state unless full written disclosure of the reason for return is made to any prospective buyer or lessee by the manufacturer, assistive device dealer, or assistive device lessor.

98 Acts, ch 1042, §5

**216E.6 Remedies.**

1. This chapter shall not limit rights or remedies available to a consumer under any other law.

2. Any waiver of rights by a consumer under this chapter is void.

3. In addition to pursuing any other remedy, a consumer may bring an action to recover any damages caused by a violation of this chapter. The court shall award a consumer who prevails in such an action no more than three times the amount of any pecuniary loss, together with costs and reasonable attorney fees, and any equitable relief that the court determines is appropriate.

98 Acts, ch 1042, §6

**216E.7 Exemptions.**

This chapter does not apply to a hearing aid sold, leased, or transferred to a consumer by an audiologist licensed under chapter 154F, or a hearing aid dispenser licensed under chapter 154A, if the audiologist or dispenser provides either an express warranty for the hearing aid or provides for service and replacement of the hearing aid.

98 Acts, ch 1042, §7; 2005 Acts, ch 3, §49; 2009 Acts, ch 41, §87; 2009 Acts, ch 133, §84

# SUBTITLE 2

## HUMAN SERVICES — INSTITUTIONS

Referred to in §714.8

# CHAPTER 217

## DEPARTMENT OF HUMAN SERVICES

Referred to in §252B.9

SUBCHAPTER I

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SUBCHAPTER II

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## SUBCHAPTER I

## GENERAL PROVISIONS

### 217.1 Programs of department.

There is established a department of human services to administer programs designed to improve the well-being and productivity of the people of the state of Iowa. The department shall concern itself with the problems of human behavior, adjustment, and daily living through the administration of programs of family, child, and adult welfare, economic assistance including costs of medical care, rehabilitation toward self-care and support, delinquency prevention and control, treatment and rehabilitation of juvenile offenders, care

and treatment of persons with mental illness or an intellectual disability, and other related programs as provided by law.

[C71, 73, 75, 77, 79, 81, §217.1]

83 Acts, ch 96, §63, 159; 96 Acts, ch 1129, §38; 2012 Acts, ch 1019, §20

Referred to in §7E.5

Department to develop and implement strategies to increase efficiencies by reducing paperwork, decreasing staff time, and providing more streamlined services; annual progress report to joint appropriations subcommittee on health and human services; 2010 Acts, ch 1031, §335

**217.2 Council on human services.**

1. *a.* There is created within the department of human services a council on human services which shall act in a policymaking and advisory capacity on matters within the jurisdiction of the department. The council shall consist of seven voting members appointed by the governor subject to confirmation by the senate. Appointments shall be made on the basis of interest in public affairs, good judgment, and knowledge and ability in the field of human services. Appointments shall be made to provide a diversity of interest and point of view in the membership and without regard to religious opinions or affiliations. The voting members of the council shall serve for six-year staggered terms.

*b.* Each term of a voting member shall commence and end as provided by section 69.19.

*c.* All voting members of the council shall be electors of the state of Iowa. No more than four members shall belong to the same political party and no more than two members shall, at the time of appointment, reside in the same congressional district. At least one member of the council shall be a member of a county board of supervisors at the time of appointment to the council. Vacancies occurring during a term of office shall be filled in the same manner as the original appointment for the balance of the unexpired term subject to confirmation by the senate.

2. In addition to the voting members described in subsection 1, the membership of the council shall include four legislators as ex officio, nonvoting members. The four legislators shall be appointed one each by the majority leader of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives for terms as provided in section 69.16B.

[C71, 73, 75, 77, 79, 81, §217.2; 81 Acts, ch 78, §20, 21]

83 Acts, ch 96, §157, 159; 2009 Acts, ch 115, §1

Confirmation, see §2.32

**217.3 Duties of council.**

The council on human services shall:

1. Organize annually and select a chairperson and vice chairperson.

2. Adopt and establish policy for the operation and conduct of the department of human services, subject to any guidelines which may be adopted by the general assembly, and the implementation of all services and programs thereunder.

3. Report immediately to the governor any failure by the director or any administrator of the department of human services to carry out any of the policy decisions or directives of the council.

4. Approve the budget of the department of human services prior to submission to the governor. Prior to approval of the budget, the council shall publicize and hold a public hearing to provide explanations and hear questions, opinions, and suggestions regarding the budget. Invitations to the hearing shall be extended to the governor, the governor-elect, the director of the department of management, and other persons deemed by the council as integral to the budget process. The budget materials submitted to the governor shall include a review of options for revising the medical assistance program made available by federal action or by actions implemented by other states as identified by the department, the medical assistance advisory council and the executive committee of the medical assistance advisory council created in section 249A.4B, and by county representatives. The review shall address what potential revisions could be made in this state and how the changes would be beneficial to Iowans.

5. Insure that all programs administered or services rendered by the department directly

to any citizen or through a local board of welfare to any citizen are coordinated and integrated so that any citizen does not receive a duplication of services from various departments or local agencies that could be rendered by one department or local agency. If the council finds that such is not the case, it shall hear and determine which department or local agency shall provide the needed service or services and enter an order of their determination by resolution of the council which must be concurred in by at least a majority of the members. Thereafter such order or resolution of the council shall be obeyed by all state departments and local agencies to which it is directed.

6. Adopt all necessary rules recommended by the director or administrators of divisions hereinafter established prior to their promulgation pursuant to chapter 17A.

7. Approve the establishment of any new division or reorganization, consolidation or abolition of any established division prior to the same becoming effective.

8. Recommend to the governor the names of individuals qualified for the position of director of human services when a vacancy exists in the office.

[C71, 73, 75, 77, 79, 81, §217.3]

83 Acts, ch 96, §157, 159; 89 Acts, ch 283, §18; 95 Acts, ch 205, §36; 98 Acts, ch 1155, §7; 2005 Acts, ch 120, §1

Referred to in §225C.6, 249A.4B

**217.3A Advisory committees.**

1. *General.* The council on human services shall establish and utilize the advisory committees identified in this section and may establish and utilize other advisory committees. The council shall establish appointment provisions, membership terms, operating guidelines, and other operational requirements for committees established pursuant to this section.

2. *Child abuse prevention.* The council shall establish a child abuse prevention program advisory committee to support the child abuse prevention program implemented in accordance with section 235A.1. The duties of the advisory committee shall include all of the following:

*a.* Advise the director of human services and the administrator of the division of the department of human services responsible for child and family programs regarding expenditures of funds received for the child abuse prevention program.

*b.* Review the implementation and effectiveness of legislation and administrative rules concerning the child abuse prevention program.

*c.* Recommend changes in legislation and administrative rules to the general assembly and the appropriate administrative officials.

*d.* Require reports from state agencies and other entities as necessary to perform its duties.

*e.* Receive and review complaints from the public concerning the operation and management of the child abuse prevention program.

*f.* Approve grant proposals.

3. *Child support.*

*a.* The council shall establish a child support advisory committee.

(1) Members of the advisory committee shall include at least one district judge and representatives of custodial parent groups, noncustodial parent groups, the general assembly, the office of ombudsman, the Iowa state bar association, the Iowa county attorneys association, and other constituencies which have an interest in child support enforcement issues, appointed by the respective entity.

(2) The legislative members of the advisory committee shall be appointed as follows: one senator each by the majority leader of the senate, after consultation with the president of the senate, and by the minority leader of the senate, and one member of the house of representatives each by the speaker of the house of representatives, after consultation with the majority leader of the house of representatives, and by the minority leader of the house of representatives.

*b.* The legislative members of the advisory committee shall serve for terms as provided in section 69.16B. Appointments shall comply with sections 69.16 and 69.16A. Vacancies shall be filled by the original appointing authority and in the manner of the original appointments.

*c.* The child support advisory committee shall assist the department in all of the following activities:

(1) Review of existing child support guidelines and recommendations for revision.

(2) Examination of the operation of the child support system to identify program improvements or enhancements which would increase the effectiveness of securing parental support and parental involvement.

(3) Recommendation of legislation which would clarify and improve state law regarding support for children.

*d.* The committee shall receive input from the public regarding any child support issues.

4. *Child welfare.*

*a.* The council shall establish a child welfare advisory committee to advise the department of human services on programmatic and budgetary matters related to the provision or purchase of child welfare services. The committee shall meet to review departmental budgets, policies, and programs, and proposed budgets, policies, and programs, and to make recommendations and suggestions to make the state child welfare budget, programs, and policies more effective in serving families and children.

*b.* The membership of the advisory committee shall include representatives of child welfare service providers, juvenile court services, the Iowa foster and adoptive parent association, the child advocacy board, the coalition for family and children's services in Iowa, children's advocates, service consumers, and others who have training or knowledge related to child welfare services. In addition, four members shall be legislators, all serving as ex officio, nonvoting members, with one each appointed by the speaker of the house of representatives, the minority leader of the house of representatives, the majority leader of the senate, and the minority leader of the senate. The director of human services and the administrator of the division of the department of human services responsible for child welfare services, or their designees, shall also be ex officio, nonvoting members, and shall serve as resource persons to the advisory committee.

2010 Acts, ch 1031, §391; 2013 Acts, ch 10, §29
Subsection 3, paragraph a, subparagraph (1) amended

**217.4 Meetings of council.**

The council shall meet at least monthly. Additional meetings shall be called by the chairperson or upon written request of any three members thereof as necessary to carry out the duties of the council. The chairperson shall preside at all meetings or in the absence of the chairperson the vice chairperson shall preside. The members of the council shall be paid a per diem as specified in section 7E.6 and their reasonable and necessary expenses.

[C71, 73, 75, 77, 79, 81, §217.4]
90 Acts, ch 1256, §36
Mileage expense rate, see §70A.9

**217.5 Director of human services.**

The chief administrative officer for the department of human services is the director of human services. The director shall be appointed by the governor subject to confirmation by the senate and shall serve at the pleasure of the governor. The governor shall fill a vacancy in this office in the same manner as the original appointment was made. The director shall be selected primarily for administrative ability.

The director shall not be selected on the basis of political affiliation and shall not engage in political activity while holding this position.

[C71, 73, 75, 77, 79, 81, §217.5]
83 Acts, ch 96, §157, 159; 88 Acts, ch 1134, §43
Confirmation, see §2.32

**217.6 Rules and regulations — organization of department.**

1. The director is hereby authorized to recommend to the council for adoption such rules and regulations as are necessary to carry into practice the programs of the various divisions and to establish such divisions and to assign or reassign duties, powers, and responsibilities within the department, all with the approval of the council on human services, within the

department as the director deems necessary and appropriate for the proper administration of the duties, functions and programs with which the department is charged. Any action taken, decision made, or administrative rule adopted by any administrator of a division may be reviewed by the director. The director, upon such review, may affirm, modify, or reverse any such action, decision, or rule.

2. The rules and regulations adopted for the public benefits and programs administered by the department of human services shall apply the residency eligibility restrictions required by federal and state law.

3. The director shall organize the department of human services into divisions to carry out in efficient manner the intent of this chapter. The department of human services may be initially divided into the following divisions of responsibility: the division of child and family services, the division of mental health and disability services, the division of administration, and the division of planning, research and statistics.

4. If the department of human services requires or requests a service consumer, service provider, or other person to maintain required documentation in electronic form, the department shall accept such documentation submitted by electronic means and shall not require a physical copy of the documentation unless required by state or federal law.

[C71, 73, 75, 77, 79, 81, §217.6; 81 Acts, ch 78, §20, 22]

83 Acts, ch 96, §64, 159; 94 Acts, ch 1170, §27; 2006 Acts, ch 1115, §21; 2010 Acts, ch 1031, §406; 2011 Acts, ch 34, §52; 2011 Acts, ch 122, §19, 23

**217.7 Administrators of divisions.**

The director may appoint an administrator of each of the divisions. The administrators shall be selected on the basis of their particular professional qualifications, education, and background relative to the assigned responsibilities of their divisions.

[C71, 73, 75, 77, 79, 81, §217.7]

88 Acts, ch 1134, §44

**217.8 Division of child and family services.**

The administrator of the division of child and family services shall be qualified by training, experience, and education in the field of welfare and social problems. The administrator is charged with the administration of programs involving neglected, dependent, and delinquent children, child welfare, family investment program, and aid to persons with disabilities and shall administer and be in control of other related programs established for the general welfare of families, adults, and children as directed by the director.

[C50, 54, 58, 62, 66, §218.79; C71, 73, 75, 77, 79, 81, §217.8; 81 Acts, ch 27, §2; 82 Acts, ch 1260, §17]

90 Acts, ch 1239, §3; 93 Acts, ch 97, §24; 96 Acts, ch 1129, §113

**217.9 Additional duties.**

The administrator of the division of child and family services may have the additional following duties, powers and responsibilities:

1. Develop a program of basic education, recreation, vocational training and guidance for social adjustment.

2. Administer programs and statutes involved with child placement, employment and supervision of state boards.

3. Prepare a budget and such report or reports as required by law or as directed by the director.

4. Develop a program in corrective institutions for juveniles designed to rehabilitate the inmates and patients and institute a program of placement and parole supervision for all parolees of said corrective institutions for juveniles.

[C50, 54, 58, 62, 66, §218.80; C71, 73, 75, 77, 79, 81, §217.9]

**217.9A** Repealed by 98 Acts, ch 1206, § 19.

**217.10 Administrator of division of mental health and disability services.**

The administrator of the division of mental health and disability services shall be qualified as provided in section 225C.3, subsection 3. The administrator's duties are enumerated in section 225C.4.

[C50, 54, 58, 62, 66, §218.75; C71, 73, 75, 77, 79, 81, §217.10; 81 Acts, ch 78, §20, 23, 50]
94 Acts, ch 1170, §28; 2006 Acts, ch 1115, §22

**217.11 and 217.12** Repealed by 2008 Acts, ch 1072, § 6. See § 216A.107.

**217.13 Department to provide certain volunteer services — volunteer liability.**

1. The department of human services shall establish volunteer programs designed to enhance the services provided by the department. Roles for volunteers may include but shall not be limited to parent aides, friendly visitors, commodity distributors, clerical assistants, medical transporters, and other functions to complement and supplement the department's work with clients. Roles for volunteers shall include conservators and guardians. The department shall adopt rules for programs which are established.

2. *a.* The director shall appoint a coordinator of volunteer services to oversee the provision of services of volunteer conservators and guardians on a volunteer basis to individuals in this state requiring such services. The coordinator, after consulting with personnel assigned to the district of the department, shall recommend to the director how best to serve the needs of individuals in need of the services of a guardian or conservator. Where possible, the coordinator shall recommend that the services be provided on a multicounty basis.

*b.* The coordinator shall cooperate with the administrators of the divisions of the department in providing these services and shall seek out alternative sources for providing the services required under this section.

3. All volunteers registered with the department and in compliance with departmental rules are considered state employees for purposes of chapter 669. However, this section does not except a conservator or guardian from an action brought under section 658.1A or 658.3. This section does not relieve a guardian or conservator from duties under chapter 633.

88 Acts, ch 1170, §1; 2005 Acts, ch 175, §91

**217.14** Repealed by 83 Acts, ch 96, § 156, 159.

**217.15 Administrator of division of administration.**

The administrator of the division of administration shall be qualified in the general field of governmental administration with special training and experience in the areas of competitive bidding, contract letting, accounting and budget preparation.

[C71, 73, 75, 77, 79, 81, §217.15]

**217.16 Cooperation with other divisions.**

The administrator of the division of administration shall cooperate with the administrators of the other divisions of the department of human services, assist them and the director of the department in the preparation of annual budgets and such other like reports as may be requested by the director or required by law.

[C71, 73, 75, 77, 79, 81, §217.16]
83 Acts, ch 96, §157, 159

**217.17 Administrator of division of planning.**

The administrator of the division of planning, research, and statistics shall be qualified in the general field of governmental planning with special training and experience in the areas of preparation and development of plans for future efficient reorganization and administration of government social functions. The administrator of the division of planning, research, and statistics shall cooperate with the administrators of the other divisions of the department of human services, assisting them and the director of the department in their planning, research, and statistical problems. The administrator of the division of planning,

research, and statistics shall assist the administrators, director, and the council on human services by proposing administrative and organizational changes at both the state and local level to provide more efficient and integrated social services to the citizens of this state. The planning, research, and statistical operations now forming an integral part of the present state functions assigned to the administrators of this department along with their future needs in this regard are all assigned to and shall be administered by the administrator of the division.

[C71, 73, 75, 77, 79, 81, §217.17]

83 Acts, ch 96, §65, 159; 2013 Acts, ch 90, §42

Section amended

**217.18 Official seal.**

The department shall have an official seal with the words "Iowa Department of Human Services" and such other design as the department prescribes engraved thereon. Every commission, order or other paper of an official nature executed by the department may be attested with such seal.

[S13, §2727-a1; SS15, §2727-a3; C24, 27, 31, 35, 39, §**3281;** C46, 50, 54, 58, 62, 66, §217.8; C71, 73, 75, 77, 79, 81, §217.18]

83 Acts, ch 96, §157, 159

**217.19 Expenses.**

1. The director of said department, the director's staff, assistants and employees shall, in addition to salary, receive their necessary traveling expenses by the nearest traveled and practicable route, when engaged in the performance of official business.

2. The department of administrative services shall work with the department of human services to develop and implement an expense policy applicable to the members of a board, commission, committee, or other body under the auspices of the department of human services who meet the income requirements for payment of per diem in accordance with section 7E.6, subsection 2. The policy shall allow for the payment of the member's expenses to be addressed through use of direct billings, travel purchase card, prepaid expenses, or other alternative means of addressing the expenses in lieu of reimbursement of the member.

[S13, §2727-a5; C24, 27, 31, 35, 39, §**3282;** C46, 50, 54, 58, 62, 66, §217.9; C71, 73, 75, 77, 79, 81, §217.19]

2008 Acts, ch 1187, §113

**217.20 Trips to other states.** Repealed by 2011 Acts, ch 127, § 56, 89. See § 8A.512A.

**217.21 Annual report.**

The department shall, annually, at the time provided by law make a report to the governor and general assembly, and cover therein the annual period ending with June 30 preceding, which report shall embrace:

1. An itemized statement of its expenditures concerning each program under its administration.

2. Adequate and complete statistical reports for the state as a whole concerning all payments made under its administration.

3. Such recommendations as to changes in laws under its administration as the director may deem necessary.

4. The observations and recommendations of the director and the council on human services relative to the programs of the department.

5. Such other information as the director or council on human services may deem advisable, or which may be requested by the governor or by the general assembly.

[S13, §2727-a9, -a12, -a16, -a34; SS15, §2727-a3; C24, 27, 31, 35, 39, §**3285;** C46, 50, 54, 58, 62, 66, §217.11; C71, 73, 75, 77, 79, 81, §217.21]

83 Acts, ch 96, §157, 159

**217.22** Repealed by 83 Acts, ch 96, § 156, 159.

**217.23 Personnel — merit system — reimbursement for damaged property.**

1. The director of human services or the director's designee, shall employ such personnel as are necessary for the performance of the duties and responsibilities assigned to the department. All employees shall be selected on a basis of fitness for the work to be performed with due regard to training and experience and shall be subject to the provisions of chapter 8A, subchapter IV.

2. The department may expend moneys from the support allocation of the department as reimbursement for replacement or repair of personal items of the department's employees damaged or destroyed by clients of the department during the employee's tour of duty. However, the reimbursement shall not exceed three hundred dollars for each item. The department shall establish rules in accordance with chapter 17A to carry out the purpose of this section.

[C75, 77, 79, 81, §217.23]

85 Acts, ch 253, §7; 2003 Acts, ch 145, §208; 2007 Acts, ch 218, §37

**217.24 Payment by electronic funds transfer.**

The department of human services shall continue expanding the practice of making payments to program participants and vendors by means of electronic funds transfer. The department shall seek the capacity for making payment by such means for all programs administered by the department.

2010 Acts, ch 1031, §407

**217.25 through 217.29** Reserved.

**217.30 Confidentiality of records — report of recipients.**

1. The following information relative to individuals receiving services or assistance from the department shall be held confidential:

*a.* Names and addresses of individuals receiving services or assistance from the department, and the types of services or amounts of assistance provided, except as otherwise provided in subsection 4.

*b.* Information concerning the social or economic conditions or circumstances of particular individuals who are receiving or have received services or assistance from the department.

*c.* Agency evaluations of information about a particular individual.

*d.* Medical or psychiatric data, including diagnosis and past history of disease or disability, concerning a particular individual.

2. Information described in subsection 1 shall not be disclosed to or used by any person or agency except for purposes of administration of the programs of services or assistance, and shall not in any case, except as otherwise provided in subsection 4, paragraph "*b*", be disclosed to or used by persons or agencies outside the department unless they are subject to standards of confidentiality comparable to those imposed on the department by this section.

3. Nothing in this section shall restrict the disclosure or use of information regarding the cost, purpose, number of persons served or assisted by, and results of any program administered by the department, and other general and statistical information, so long as the information does not identify particular individuals served or assisted.

4. *a.* The general assembly finds and determines that the use and disclosure of information as provided in this subsection are for purposes directly connected with the administration of the programs of services and assistance referred to in this section and are essential for their proper administration.

*b.* Confidential information described in subsection 1, paragraphs "*a*", "*b*", and "*c*", shall be disclosed to public officials for use in connection with their official duties relating to law enforcement, audits and other purposes directly connected with the administration of such programs, upon written application to and with approval of the director or the director's designee. Confidential information described in subsection 1, paragraphs "*a*", "*b*", and "*c*", shall also be disclosed to public officials for use in connection with their official duties relating

to the support and protection of children and families, upon written application to and with the approval of the director or the director's designee.

*c.* It shall be unlawful for any person to solicit, disclose, receive, use, or to authorize or knowingly permit, participate in, or acquiesce in the use of any information obtained from any such report or record for commercial or political purposes.

*d.* If approved by the director of human services or the director's designee pursuant to a written request, the department shall disclose information described in subsection 1 to other state agencies or to any other person who is not subject to the provisions of chapter 17A and is providing services to recipients under chapter 239B who are participating in the promoting independence and self-sufficiency through employment job opportunities and basic skills program, if necessary for the recipients to receive the services.

*e.* Information described in subsection 1, paragraphs "*a*", "*b*", and "*c*", is subject to disclosure in accordance with section 235A.15, subsection 10.

5. If it is definitely established that any provision of this section would cause any of the programs of services or assistance referred to in this section to be ineligible for federal funds, such provision shall be limited or restricted to the extent which is essential to make such program eligible for federal funds. The department shall adopt, pursuant to chapter 17A, any rules necessary to implement this subsection.

6. The provisions of this section shall apply to recipients of assistance under chapter 252. The reports required to be prepared by the department under this section shall, with respect to such assistance or services, be prepared by the person or officer charged with the oversight of the poor.

7. Violation of this section shall constitute a serious misdemeanor.

8. The provisions of this section shall take precedence over section 17A.12, subsection 7.

[C39, §**3828.047;** C46, 50, 54, 58, §239.10, 241.25, 249.44; C62, 66, §239.10, 241.25, 241A.16, 249.44, 249A.18; C71, 73, §239.10, 241.25, 241A.16, 249.44, 249A.8; C75, 77, 79, 81, §217.30]

93 Acts, ch 54, §1; 93 Acts, ch 97, §8; 97 Acts, ch 41, §32; 2000 Acts, ch 1088, §1; 2000 Acts, ch 1123, §1; 2004 Acts, ch 1153, §1; 2008 Acts, ch 1072, §2; 2013 Acts, ch 90, §43

Referred to in §135G.12, 135H.13, 216A.107, 217.31, 232.71D, 235A.15, 235A.17, 235A.24, 237.9, 237.21, 239B.8, 299.13

For requirement to make available requested record of reasons for excluding child from attending a hearing or meeting, see §232.91

Subsection 2 amended

**217.31 Action for damages.**

Any person may institute a civil action for damages under chapter 669 or to restrain the dissemination of confidential records set out in section 217.30, subsection 1, paragraph "*b*", "*c*", or "*d*", in violation of that section, and any person, agency or governmental body proven to have disseminated or to have requested and received confidential records in violation of section 217.30, subsection 1, paragraph "*b*", "*c*", or "*d*", shall be liable for actual damages and exemplary damages for each violation and shall be liable for court costs, expenses, and reasonable attorney fees incurred by the party bringing the action. In no case shall the award for damages be less than one hundred dollars.

Any reasonable grounds that a public employee has violated any provision of section 217.30 shall be grounds for immediate removal from access of any kind to confidential records or suspension from duty without pay.

[C75, 77, 79, 81, §217.31]

2013 Acts, ch 90, §44

Unnumbered paragraph 2 amended

**217.32 Office space in county.**

Where the department of human services assigns personnel to an office located in a county for the purpose of performing in that county designated duties and responsibilities assigned by law to the department, it shall be the responsibility of the county to provide and maintain the necessary office space and office supplies and equipment for the personnel so assigned in the same manner as if they were employees of the county. The department shall at least annually, or more frequently if the department so elects, reimburse the county for a portion, designated by law, of the cost of maintaining office space and providing supplies and equipment as required by this section, and also for a similar portion of the cost of

providing the necessary office space if in order to do so it is necessary for the county to lease office space outside the courthouse or any other building owned by the county. The portion of the foregoing costs reimbursed to the county under this section shall be equivalent to the proportion of those costs which the federal government authorizes to be paid from available federal funds, unless the general assembly directs otherwise when appropriating funds for support of the department.

[C75, 77, 79, 81, §217.32]

83 Acts, ch 96, §157, 159

**217.33 Legal services.**

The director of human services pursuant to a state plan funded in part by the federal government may provide services for eligible persons by contract with nonprofit legal aid organizations.

[C77, 79, 81, §217.33]

83 Acts, ch 96, §157, 159

**217.34 Debt setoff.**

The investigations division of the department of inspections and appeals and the department of human services shall provide assistance to set off against a person's or provider's income tax refund or rebate any debt which has accrued through written contract, nonpayment of premiums pursuant to section 249A.3, subsection 2, paragraph "*a*", subparagraph (1), subrogation, departmental recoupment procedures, or court judgment and which is in the form of a liquidated sum due and owing the department of human services. The department of inspections and appeals, with approval of the department of human services, shall adopt rules under chapter 17A necessary to assist the department of administrative services in the implementation of the setoff under section 8A.504 in regard to money owed to the state for public assistance overpayments or nonpayment of premiums as specified in this section. The department of human services shall adopt rules under chapter 17A necessary to assist the department of administrative services in the implementation of the setoff under section 8A.504, in regard to collections by the child support recovery unit and the foster care recovery unit.

83 Acts, ch 96, §160; 83 Acts, ch 153, §2; 89 Acts, ch 250, §1; 2003 Acts, ch 145, §209; 2011 Acts, ch 120, §2; 2013 Acts, ch 138, §122, 127

2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 138, §127

Section amended

**217.35 Fraud and recoupment activities.**

Notwithstanding the requirement for deposit of recovered moneys under section 239B.14, recovered moneys generated through fraud and recoupment activities are appropriated to the department of human services to be used for additional fraud and recoupment activities performed by the department of human services or the department of inspections and appeals. The department of human services may use the recovered moneys appropriated to add not more than five full-time equivalent positions, in addition to those funded by annual appropriations. The appropriation of the recovered moneys is subject to both of the following conditions:

1. The director of human services determines that the investment can reasonably be expected to increase recovery of assistance paid in error, due to fraudulent or nonfraudulent actions, in excess of the amount recovered in the previous fiscal year.

2. The amount expended for the additional fraud and recoupment activities shall not exceed the amount of the projected increase in assistance recovered.

2005 Acts, ch 175, §92

**217.36 Distribution of earned income tax credit information.**

1. The department shall ensure that educational materials relating to the federal and state earned income tax credits are provided in accordance with this section to each household receiving assistance or benefits under:

*a.* The hawk-i program under chapter 514I.

*b.* The family investment program under chapter 239B.

*c.* The medical assistance Act under chapter 249A.

*d.* The food programs defined in section 234.1 which are administered by the department.

*e.* Any other appropriate programs administered by, or under the oversight of, the department of human services.

2. The department shall, by mail or through the internet, provide a household described in subsection 1 with access to:

*a.* Internal revenue service publications relating to the federal earned income tax credit.

*b.* Department of revenue publications relating to the state earned income tax credit.

*c.* Information prepared by tax preparers who provide volunteer or free federal or state income tax preparation services to low-income and other eligible persons and who are located in close geographic proximity to the person.

3. In January of each year, the department or a representative of the department shall mail to each household described in subsection 1 information about the federal and state earned income tax credit that provides the household with referrals to the resources described in subsection 2.

4. The mailings required by the department under this section do not have to be made as a separate mailing but may be included in existing mailings being made to the appropriate households.

2008 Acts, ch 1157, §1

**217.37** Repealed by 91 Acts, ch 258, § 72.

**217.38 Restitution to individuals of Japanese ancestry.**

Notwithstanding any other law of this state, payments paid to an eligible individual of Japanese ancestry under section 105 of the Civil Liberties Act of 1988, Pub. L. No. 100-383, Tit. I, shall not be considered as income or an asset for determining the eligibility for state or local government benefit or entitlement programs. The proceeds are not subject to recoupment for the receipt of governmental benefits or entitlements and liens, except liens for child support, are not enforceable against these sums for any reason.

89 Acts, ch 285, §1; 2010 Acts, ch 1061, §180

**217.39 Persecuted victims of World War II — reparations — heirs.**

Notwithstanding any other law of this state, payments paid to and income from lost property of a victim of persecution for racial, ethnic, or religious reasons by Nazi Germany or any other Axis regime or as an heir of such victim which is exempt from state income tax as provided in section 422.7, subsection 35, shall not be considered as income or an asset for determining the eligibility for state or local government benefit or entitlement programs. The proceeds are not subject to recoupment for the receipt of governmental benefits or entitlements, and liens, except liens for child support, are not enforceable against these sums for any reason.

2000 Acts, ch 1103, §1, 3

**217.40 Training for guardians and conservators.**

The department of human services, or a person designated by the director, shall establish training programs designed to assist all duly appointed guardians and conservators in understanding their fiduciary duties and liabilities, the special needs of the ward, and how to best serve the ward and the ward's interests.

89 Acts, ch 178, §2

**217.41 Refugee services foundation.**

1. The department of human services shall cause a refugee services foundation to be created for the sole purpose of engaging in refugee resettlement activities to promote the welfare and self-sufficiency of refugees who live in Iowa and who are not citizens of the United States. The foundation may establish an endowment fund to assist in the financing of its activities. The foundation shall be incorporated under chapter 504.

2. The foundation shall be created in a manner so that donations and bequests to the foundation qualify as tax deductible under federal and state income tax laws. The foundation is not a state agency and shall not exercise sovereign power of the state. The state is not liable for any debts of the foundation.

3. The refugee services foundation shall have a board of directors of five members. One member shall be appointed by the governor and four members shall be appointed by the director of human services. Members of the board shall serve three-year terms beginning on July 1, and ending on June 30. A vacancy on the board shall be filled in the same manner as the original appointment for the remainder of the term. Not more than two members appointed by the director of human services shall be of the same gender or of the same political party.

4. The refugee services foundation may accept and administer trusts deemed by the board to be beneficial. Notwithstanding section 633.63, the foundation may act as trustee of such a trust.

2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §146; 2005 Acts, ch 3, §50

**217.41A Electronic health records system task force.** Repealed by 2008 Acts, ch 1188, § 28. See § 135.156.

## SUBCHAPTER II

## FIELD SERVICES ORGANIZATION

**217.42 Service areas — offices.**

1. The organizational structure to deliver the department's field services shall be based upon service areas designated by the department. The service areas shall serve as a basis for providing field services to persons residing in the counties comprising the service area.

2. The department shall maintain an office in each county. Based on the annual appropriations for field operations, the department shall strive to maintain a full-time presence in each county. If it is not possible to maintain a full-time presence in each county, the department shall provide staff based on its caseweight system to assure the provision of services. The department shall consult with the county boards of supervisors of those counties regarding staffing prior to any modification of office hours.

3. A county or group of counties may voluntarily enter into a chapter 28E agreement with the department to provide funding or staff persons to deliver field services in county offices. The agreement shall cover the full fiscal year but may be revised by mutual consent.

92 Acts, ch 1079, §1; 2001 Acts, 2nd Ex, ch 4, §1, 9; 2010 Acts, ch 1031, §296, 401, 402

**217.43 Service area advisory boards — location of county offices.**

1. The department shall establish a service area advisory board in each service area. Each of the county boards of supervisors of the counties comprising the service area shall appoint two service area advisory board members. The following requirements apply to the appointments made by a county board of supervisors: the membership shall be appointed in accordance with section 69.16, relating to political affiliation, and section 69.16A, relating to gender balance; not more than one of the members shall be a member of the board of supervisors; and appointments shall be made on the basis of interest in maintaining and improving service delivery. Appointments shall be made a part of the regular proceedings of the board of supervisors and shall be filed with the county auditor and the service area manager. A vacancy on the board shall be filled in the same manner as the original appointment. The boards of supervisors shall develop and agree to other organizational provisions involving the advisory board, including reporting requirements.

2. The purpose of the advisory boards is to improve communication and coordination between the department and the counties and to advise the department regarding maintenance and improvement of service delivery in the counties and communities comprising the service areas.

3. The department shall determine the community in which each county office will be

located. The county board of supervisors shall determine the location of the office space for the county office. The county board of supervisors shall make reasonable efforts to collocate the office with other state and local government or private entity offices in order to maintain the offices in a cost-effective location that is convenient to the public.

92 Acts, ch 1079, §2; 93 Acts, ch 54, §2; 2001 Acts, 2nd Ex, ch 4, §2, 9

Referred to in §251.3, 251.5, 252.6, 331.321

Emergency relief duties of service area advisory board, see §251.5

**217.44 Service areas — employee and volunteer record checks.**

1. The department shall conduct criminal and child and dependent adult abuse record checks of persons who are potential employees, employees, potential volunteers, and volunteers in service area offices in a position having direct contact with the department's clients. The record checks shall be performed in this state and the department may conduct these checks in other states. If the department determines that a person has been convicted of a crime or has a record of founded child or dependent adult abuse, the department shall perform an evaluation to determine whether the crime or founded abuse warrants prohibition of the person's employment or participation as a volunteer. The record checks and evaluation shall be performed in accordance with procedures adopted for this purpose by the department.

2. In an evaluation, the department shall consider the nature and seriousness of the crime or founded child or dependent adult abuse in relation to the position sought or held, the time elapsed since the commission of the crime or founded abuse, the circumstances under which the crime or founded abuse was committed, the degree of rehabilitation, the likelihood that the person will commit the crime or founded abuse again, and the number of crimes or founded abuses committed by the person involved.

3. The department may permit a person who is evaluated to be employed or to participate as a volunteer if the person complies with the department's conditions relating to employment or participation as a volunteer which may include completion of additional training.

4. If the department determines that the person has committed a crime or has a record of founded child or dependent adult abuse which warrants prohibition of employment or participation as a volunteer, the person shall not be employed by or participate as a volunteer in a department service area office in a position having direct contact with the department's clients.

2000 Acts, ch 1112, §52; 2001 Acts, 2nd Ex, ch 4, §3, 9

# CHAPTER 217A

## PARENTAL INVOLVEMENT

Repealed by 2006 Acts, ch 1030, §87

# CHAPTER 218

## INSTITUTIONS GOVERNED BY HUMAN SERVICES DEPARTMENT


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218.59 through 218.63 Reserved.
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218.84 Abstracting claims and keeping accounts.
218.85 Uniform system of accounts.
218.86 Abstract of claims.
218.87 Warrants issued by director of the department of administrative services.
218.88 Institutional payrolls.
218.89 Abstracts of payrolls. Repealed by 2003 Acts, ch 145, §291.
218.90 and 218.91 Repealed by 83 Acts, ch 96, §156, 159.
218.92 Patients with dangerous mental disturbances.
218.93 Consultants for director or administrators.
218.94 Director may buy and sell real estate — options.
218.95 Synonymous terms.
218.96 Gifts, grants and devises.
218.97 Reserved.
218.98 Canteen maintained.
218.99 Counties to be notified of patients' personal accounts.
218.100 Central warehouse and supply depot.
218.101 Repealed by 81 Acts, ch 75, §4.

**218.1 Institutions controlled.**

The director of human services shall have the general and full authority given under statute to control, manage, direct, and operate the following institutions under the director's jurisdiction, and may at the director's discretion assign the powers and authorities given the director by statute to any one of the deputy directors, division administrators, or officers or employees of the divisions of the department of human services:

1. Glenwood state resource center.
2. Woodward state resource center.
3. Mental health institute, Cherokee, Iowa.
4. Mental health institute, Clarinda, Iowa.
5. Mental health institute, Independence, Iowa.
6. Mental health institute, Mount Pleasant, Iowa.
7. State training school.
8. Iowa juvenile home.

9. Other facilities not attached to the campus of the main institution as program developments require.

[S13, §2727-a8, -a77; SS15, §2713-n2, 2727-a96; C24, 27, 31, 35, 39, §**3287;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.1; 81 Acts, ch 73, §1; 82 Acts, ch 1260, §18]

83 Acts, ch 96, §66, 157, 159; 83 Acts, ch 101, §37; 92 Acts, ch 1140, §21; 2000 Acts, ch 1112, §1, 45

Referred to in §218.2, 218.3, 218.4, 218.13, 218.42, 218.58, 222.2, 225C.13, 226.47, 227.19, 229.1, 230.34, 232.69, 237.4, 280.16, 282.33, 357H.1, 708.3A, 709.16

**218.2 Powers of governor — report of abuses.**

Nothing contained in section 218.1 shall limit the general supervisory or examining powers vested in the governor by the laws or Constitution of the State of Iowa, or legally vested by the governor in any committee appointed by the governor.

The administrator to whom primary responsibility of a particular institution has been assigned shall make reports to the director of human services as are requested by the director and the director shall report, in writing, to the governor any abuses found to exist in any of the institutions.

[S13, §2727-a9, -a18; C24, 27, 31, 35, 39, §**3288, 3289;** C46, 50, 54, 58, 62, 66, §218.2, 218.3; C71, 73, 75, 77, 79, 81, §218.2]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1112, §2; 2006 Acts, ch 1010, §67

**218.3 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Administrator"* means the person to whom the director of human services has assigned power and authority over an institution in accordance with section 218.1.

2. *"Institution"* means an institution listed in section 218.1.

[C71, 73, 75, 77, 79, 81, §218.3; 81 Acts, ch 78, §20, 24; 82 Acts, ch 1260, §19]

83 Acts, ch 96, §67, 157, 159; 83 Acts, ch 101, §38; 91 Acts, ch 258, §36; 94 Acts, ch 1170, §29; 2000 Acts, ch 1112, §3

**218.4 Recommendation for rules.**

The administrators of particular institutions shall recommend to the council on human services for adoption such rules not inconsistent with law as they may deem necessary for the discharge of their duties, the management of each of such institutions, the admission of residents thereto and the treatment, care, custody, education and discharge of residents. It is made the duty of the particular administrators to establish rules by which danger to life and property from fire will be minimized. In the discharge of their duties and in the enforcement of their rules, they may require any of their appointees to perform duties in addition to those required by statute.

Rules adopted by the council shall be uniform and shall apply to all institutions under the particular administrator and to all other institutions under the administrator's jurisdiction, and the primary rules for use in institutions where persons with mental illness are served shall, unless otherwise indicated, uniformly apply to county or private hospitals in which persons with mental illness are served, but the rules shall not interfere with proper medical treatment administered to patients by competent physicians. Annually, signed copies of the rules shall be sent to the superintendent of each institution or hospital under the control or supervision of a particular administrator and copies shall also be sent to the clerk of each district court, the chairperson of the board of supervisors of each county and, as appropriate, to the officer in charge of institutions or hospitals caring for persons with mental illness in each county who shall be responsible for seeing that the rules are posted in each institution or hospital in a prominent place. The rules shall be kept current to meet the public need and shall be revised and published annually.

The state fire marshal shall cause to be made an annual inspection of all the institutions

listed in section 218.1 and shall make written report thereof to the particular administrator of the state department of human services in control of such institution.

[S13, §2727-a30, -a48, 5718-a3; SS15, §2727-a50, -a96; C24, 27, 31, 35, 39, §**3290;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.4]

83 Acts, ch 96, §157, 159, 160; 94 Acts, ch 1170, §30; 2000 Acts, ch 1112, §4

**218.5 Fire protection contracts.**

The administrators shall have power to enter into contracts with the governing body of any city or other municipal corporation for the protection from fire of any property under the administrators' primary control, located in any municipal corporation or in territory contiguous to the municipal corporation, upon terms as may be agreed upon.

[C31, 35, §3290-d1; C39, §**3290.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.5]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1112, §5

**218.6 Transfer of appropriations made to institutions.**

Notwithstanding section 8.39, subsection 1, without the prior written consent and approval of the governor and the director of the department of management, the director of human services may transfer funds between the appropriations made for the same type of institution, listed as follows:

1. The state resource centers.
2. The state mental health institutes.
3. The state juvenile institutions consisting of the state training school and the Iowa juvenile home.

2005 Acts, ch 175, §93

**218.7 and 218.8** Reserved.

**218.9 Appointment of superintendents.**

The administrator in charge of an institution, subject to the approval of the director of human services, shall appoint the superintendent of the institution.

The superintendent or warden shall have immediate custody and control, subject to the orders and policies of the division administrator in charge of the institution, of all property used in connection with the institution except as provided in this chapter. The tenure of office shall be at the pleasure of the appointing authority. The appointing authority may transfer a superintendent or warden from one institution to another.

[S13, §2727-a24; C24, 27, 31, 35, 39, §**3292;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.9; 81 Acts, ch 27, §3, ch 73, §2, ch 78, §20, 25; 82 Acts, ch 1260, §20]

83 Acts, ch 96, §68, 157, 159; 83 Acts, ch 101, §39; 84 Acts, ch 1277, §17; 90 Acts, ch 1239, §4; 94 Acts, ch 1170, §31; 2000 Acts, ch 1112, §6

**218.10 Subordinate officers and employees.**

The administrator in charge of a particular institution, with the consent and approval of the director of human services, shall determine the number of subordinate officers and employees for the institution. Subject to this chapter, the officers and employees shall be appointed and discharged by the superintendent or business manager pursuant to chapter 8A, subchapter IV. The superintendent shall keep, in the record of each subordinate officer and employee, the date of employment, the compensation, and the date of each discharge, and the reasons for discharge.

[S13, §2727-a37; SS15, §2713-n2, 2727-a96; C24, 27, 31, 35, 39, §**3293;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.10]

83 Acts, ch 96, §157, 159; 86 Acts, ch 1245, §260; 2000 Acts, ch 1112, §7; 2003 Acts, ch 145, §210

**218.11 Interagency case information service.** Repealed by 2013 Acts, ch 19, § 2.

**218.12 Bonds.**

The administrator in charge of any particular institution shall require each officer and any employee of such administrator and of every institution under the administrator's control who may be charged with the custody or control of any money or property belonging to the state to give an official bond, properly conditioned, and signed by sufficient sureties in a sum to be fixed by the administrator, which bond shall be approved by the administrator, and filed in the office of the secretary of state.

[S13, §2727-a31; C24, 27, 31, 35, 39, §**3295;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.12]

**218.13 Record checks.**

1. For the purposes of this section, unless the context otherwise requires:

*a.* *"Department"* means the department of human services.

*b.* *"Institution"* means an institution controlled by the department as described in section 218.1.

*c.* *"Resident"* means a person committed or admitted to an institution.

2. If a person is being considered for employment involving direct responsibility for a resident or with access to a resident when the resident is alone, or if a person will reside in a facility utilized by an institution, and if the person has been convicted of a crime or has a record of founded child or dependent adult abuse, the department shall perform an evaluation to determine whether the crime or founded abuse warrants prohibition of employment or residence in the facility. The department shall conduct criminal and child and dependent adult abuse record checks of the person in this state and may conduct these checks in other states. The investigation and evaluation shall be performed in accordance with procedures adopted for this purpose by the department.

3. If the department determines that a person, who is employed by an institution or resides in a facility utilized by an institution, has been convicted of a crime or has a record of founded child or dependent adult abuse, the department shall perform an evaluation to determine whether prohibition of the person's employment or residence is warranted. The evaluation shall be performed in accordance with procedures adopted for this purpose by the department.

4. In an evaluation, the department shall consider the nature and seriousness of the crime or founded child or dependent adult abuse in relation to the position sought or held, the time elapsed since the commission of the crime or founded abuse, the circumstances under which the crime or founded abuse was committed, the degree of rehabilitation, the likelihood that the person will commit the crime or founded abuse again, and the number of crimes or founded abuses committed by the person involved. The department may permit a person who is evaluated to be employed or reside or to continue employment or residence if the person complies with the department's conditions relating to employment or residence which may include completion of additional training.

5. If the department determines that the person has committed a crime or has a record of founded child or dependent adult abuse which warrants prohibition of employment or residence, the person shall not be employed by an institution or reside in a facility utilized by an institution.

91 Acts, ch 138, §3; 97 Acts, ch 169, §12

Referred to in §218.64, 235A.15

**218.14 Dwelling of superintendent or other employee.**

1. The administrator having control over an institution may, with consent of the director of human services, furnish the superintendent of the institution, in addition to salary, with a dwelling or with appropriate quarters in lieu of the dwelling, or the administrator may compensate the superintendent of the institution in lieu of furnishing a dwelling or quarters. If the superintendent of the institution is furnished with a dwelling or quarters, either of which is owned by the state, the superintendent may also be furnished with water, heat, and electricity.

2. The administrator having control over an institution may furnish assistant

superintendents or other employees, or both, with a dwelling or with appropriate quarters, owned by the state. The assistant superintendent or employee, who is so furnished, shall pay rent for the dwelling or quarters in an amount to be determined by the superintendent of the institution, which shall be the fair market rental value of the dwelling or quarters. If an assistant superintendent or employee is furnished with a dwelling or quarters, either of which is owned by the state, the assistant superintendent or employee may also be furnished with water, heat, and electricity. However, the furnishing of these utilities shall be considered in determining the fair market rental value of the dwelling or quarters.

[S13, §2727-a38; SS15, §2713-n2, 2727-a96, 5717; C24, 27, 31, 35, 39, §**3297, 3746;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §218.14, 246.7; C81, §218.14]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1112, §8

Referred to in §35D.13

Similar provisions, see §35D.13 and 904.305

**218.15 Salaries — how paid.**

The salaries and wages shall be included in the semimonthly payrolls and paid in the same manner as other expenses of the several institutions.

[S13, §2727-a38; C24, 27, 31, 35, 39, §**3298;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.15]

**218.16** Reserved.

**218.17 Authorized leave.**

Vacations and sick leave with pay as authorized in section 70A.1 shall only be taken at such times as the superintendent or the business manager in charge of an officer or employee, as the case may be, may direct, and only after written authorization by the superintendent or business manager, and for the number of days specified in the authorization. A copy of the authorization shall be attached to the institution's copy of the payroll of the institution, for audit purposes, for the period during which the vacation was taken, and the semimonthly payroll shall show the number of days the person was absent under the authorization.

[S13, §2727-a74c, -a74d; C24, 27, 31, 35, 39, §**3300;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.17]

2000 Acts, ch 1112, §9

**218.18** Repealed by 90 Acts, ch 1129, § 2.

**218.19 Districts.**

The administrator having control over a type of institution shall, from time to time, divide the state into districts from which the type of institution may receive residents. The particular administrator shall promptly notify the proper county or judicial officers of all changes in the districts.

[S13, §2727-a21; C24, 27, 31, 35, 39, §**3302;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.19]

83 Acts, ch 96, §159, 160; 2000 Acts, ch 1112, §10

**218.20 Place of commitments — transfers.**

Commitments, unless otherwise permitted by the administrator having control over an institution, shall be to the institution located in the district embracing the county from which the commitment is issued. An administrator may, at the expense of the state, transfer a resident of one institution to another like institution.

[S13, §2727-a26; C24, 27, 31, 35, 39, §**3303;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.20]

83 Acts, ch 96, §159, 160; 2000 Acts, ch 1112, §11

**218.21 Record of residents.**

The administrator of the department of human services in control of a state institution shall, as to every person committed to any of said institutions, keep the following record: Name,

residence, sex, age, nativity, occupation, civil condition, date of entrance or commitment, date of discharge, whether a discharge was final, condition of the person when discharged, the name of the institutions from which and to which such person has been transferred, and, if dead, the date, and cause of death.

[S13, §2727-a22; C24, 27, 31, 35, 39, §**3304;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.21]

83 Acts, ch 96, §157, 159, 160

Referred to in §218.22

**218.22 Record privileged.**

Except with the consent of the administrator in charge of an institution, or on an order of a court of record, the record provided in section 218.21 shall be accessible only to the administrator of the division of the department of human services in control of such institution, the director of the department of human services and to assistants and proper clerks authorized by such administrator or the administrator's director. The administrator of the division of such institution is authorized to permit the division of library services of the department of education and the historical division of the department of cultural affairs to copy or reproduce by any photographic, photostatic, microfilm, microcard or other process which accurately reproduces a durable medium for reproducing the original and to destroy in the manner described by law such records of residents designated in section 218.21.

[S13, §2727-a22; C24, 27, 31, 35, 39, §**3305;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.22]

83 Acts, ch 96, §157, 159, 160; 93 Acts, ch 48, §11; 2011 Acts, ch 132, §40, 106

**218.23 Reports to administrator.**

The superintendent of an institution shall, within ten days after the commitment or entrance of a person to the institution, cause a true copy of the person's entrance record to be made and forwarded to the administrator in control of the institution. When a patient or resident leaves, or is discharged, or transferred, or dies in an institution, the superintendent or person in charge shall within ten days after that date send the information to the office of the institution's administrator on forms which the administrator prescribes.

[S13, §2727-a22; C24, 27, 31, 35, 39, §**3306;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.23]

83 Acts, ch 96, §159, 160; 2000 Acts, ch 1112, §12

**218.24 Questionable commitment.**

The superintendent is required to immediately notify the administrator in control of the superintendent's particular institution if there is any question as to the propriety of the commitment or detention of any person received at such institution, and said administrator, upon such notification, shall inquire into the matter presented, and take such action as may be deemed proper in the premises.

[S13, §2727-a29; C24, 27, 31, 35, 39, §**3307;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.24]

**218.25 Religious beliefs.**

The superintendent of an institution, receiving a person committed to the institution, shall inquire of the person as to the person's religious preference and enter the preference in the book kept for the purpose, and cause the person to sign the book.

[S13, §5718-a1; C24, 27, 31, 35, 39, §**3308;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.25]

2000 Acts, ch 1112, §13

**218.26 Religious worship.**

Any such resident, during the time of the resident's detention, shall be allowed, for at least one hour on each Sunday and in times of extreme sickness, and at such other suitable and reasonable times as is consistent with proper discipline in said institution, to receive spiritual

advice, instruction, and ministration from any recognized member of the clergy of the church or denomination which represents the resident's religious belief.

[S13, §5718-a1, -a2; C24, 27, 31, 35, 39, §**3309;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.26]

83 Acts, ch 96, §159, 160

**218.27 Religious belief of minors.**

In case such resident is a minor and has formed no choice, the minor's preference may, at any time, be expressed by the minor with the approval of parents or guardian, if the minor has any such.

[S13, §5718-a3; C24, 27, 31, 35, 39, §**3310;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.27]

83 Acts, ch 96, §159, 160

**218.28 Investigation.**

The administrator of the department of human services in control of a particular institution or the administrator's authorized officer or employee shall visit, and minutely examine, at least once in six months, and more often if necessary or required by law, the institutions under such administrator's control, and the financial condition and management thereof.

[S13, §2727-a10, -a19; C24, 27, 31, 35, 39, §**3311;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.28]

83 Acts, ch 96, §157, 159; 2005 Acts, ch 3, §51

**218.29 Scope of investigation.**

The administrator of the department of human services in control of a particular institution or the administrator's authorized officer or employee shall, during such investigation and as far as possible, see every resident of each institution, especially those admitted since the preceding visit, and shall give such residents as may require it, suitable opportunity to converse with such administrator or authorized officer or employee apart from the officers and attendants.

[S13, §2727-a19; C24, 27, 31, 35, 39, §**3312;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.29]

83 Acts, ch 96, §157, 159

**218.30 Investigation of other institutions.**

The administrators to whom control of institutions has been assigned, or their authorized officers or employees, may investigate charges of abuse, neglect, or mismanagement on the part of an officer or employee of a private institution which is subject to the administrator's particular supervision or control. The administrator who has been assigned to have authority over the state mental health institutes, or the administrator's authorized officer or employee, shall also investigate charges concerning county care facilities in which persons with mental illness are served.

[S13, §2727-a74b; C24, 27, 31, 35, 39, §**3313;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.30]

83 Acts, ch 96, §157, 159; 94 Acts, ch 1170, §32; 2000 Acts, ch 1112, §14

**218.31 Witnesses.**

In aid of any investigation the administrator shall have the power to summon and compel the attendance of witnesses; to examine the same under oath, which the administrator shall have power to administer; to have access to all books, papers, and property material to such investigation, and to order the production of any other books or papers material thereto. Witnesses other than those in the employ of the state shall be entitled to the same fees as in civil cases in the district court.

[S13, §2727-a10; C24, 27, 31, 35, 39, §**3314;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.31]

Referred to in §218.32

Witness fees, §622.69 – 622.75

**218.32 Contempt.**

Any person failing or refusing to obey the orders of the administrator issued under section 218.31, or to give or produce evidence when required, shall be reported by the administrator to the district court in the county where the offense occurs, and shall be dealt with by the court as for contempt of court.

[S13, §2727-a10; C24, 27, 31, 35, 39, §**3315;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.32]

Contempts, chapter 665

**218.33 Transcript of testimony.**

The particular administrator involved shall cause the testimony taken at such investigation to be transcribed and filed in the administrator's office at the seat of government within ten days after the same is taken, or as soon thereafter as practicable, and when so filed the same shall be open for the inspection of any person.

[S13, §2727-a10; C24, 27, 31, 35, 39, §**3316;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.33]

**218.34 through 218.39** Repealed by 78 Acts, ch 1104, § 3.

**218.40 Services required.**

Residents of said institutions subject to the provisions hereinafter provided, may be required to render any proper and reasonable service either in the institutions proper or in the industries established in connection therewith.

[S13, §2727-a51; SS15, §5718-a11; C24, 27, 31, 35, 39, §**3323;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.40]

83 Acts, ch 96, §159, 160

**218.41 Custody.**

When a resident of an institution is so working outside the institution proper, the resident shall be deemed at all times in the actual custody of the head of the institution.

[SS15, §5718-a11; C24, 27, 31, 35, 39, §**3324;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.41]

83 Acts, ch 96, §159, 160

**218.42 Wages of residents.**

If a resident performs services for the state at an institution listed in section 218.1, the administrator in control of the institution shall pay the resident a wage in accordance with federal wage and hour requirements. However, the wage amount shall not exceed the amount of the prevailing wage paid in the state for a like service or its equivalent.

[SS15, §5718-a11a; C24, 27, 31, 35, 39, §**3325;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.42]

83 Acts, ch 96, §159, 160; 95 Acts, ch 82, §1

**218.43 Deduction to pay court costs.**

If such wage be paid, the administrator in control of such institution may deduct therefrom an amount sufficient to pay all or a part of the costs taxed to such resident by reason of the resident's commitment to said institution. In such case the amount so deducted shall be forwarded to the clerk of the district court or proper official.

[SS15, §5718-a11a; C24, 27, 31, 35, 39, §**3326;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.43]

83 Acts, ch 96, §159, 160

**218.44 Wages paid to dependent — deposits.**

If such wage be paid, the administrator in control of such institution may pay all or any part of the same directly to any dependent of such resident, or may deposit such wage to the account of such resident, or may so deposit part thereof and allow the resident a portion for

the resident's own personal use, or may pay to the county of commitment all or any part of the resident's care, treatment or subsistence while at said institution from any credit balance accruing to the account of said resident.

[SS15, §5718-a11a; C24, 27, 31, 35, 39, §**3327;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.44]

83 Acts, ch 96, §159, 160

**218.45 Conferences.**

Quarterly conferences of the superintendents of the institutions shall be held with the administrator in control of the institutions at Des Moines or at institutions under the administrator's jurisdiction, for the consideration of all matters relative to the management of the institutions. Full minutes of the conferences shall be preserved in the records of the administrator. The administrator in control may cause papers on appropriate subjects to be prepared and read at the conferences.

[S13, §2727-a20; C24, 27, 31, 35, 39, §**3328;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.45]

2000 Acts, ch 1112, §15

**218.46 Scientific investigation.**

1. The administrator who is in charge of an institution shall encourage the scientific investigation, on the part of the superintendent and medical staff of the institution, as to the most successful methods of institutional management and treating the persons committed to the institution. In addition, the administrator shall procure and furnish to the superintendent and medical staff information relative to such management and treatment and, from time to time, publish bulletins and reports of scientific and clinical work done in that type of institution.

2. The administrators of such state institutions are authorized to provide services and facilities for the scientific observation, rechecking, and treatment of persons with mental illness within the state. Application by, or on behalf of, any person for such services and facilities shall be made to the administrator in charge of the particular institution involved and shall be made on forms furnished by such administrator. The time and place of admission of any person to outpatient or clinical services and facilities for scientific observation, rechecking and treatment and the use of such services and facilities for the benefit of persons who have already been hospitalized for psychiatric evaluation and appropriate treatment or involuntarily hospitalized as seriously mentally ill shall be in accordance with rules and regulations adopted by the administrator in control of the particular institution involved.

[S13, §2727-a27; C24, 27, 31, 35, 39, §**3329;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.46]

83 Acts, ch 96, §157, 159; 96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §16

Publications; §7A.27

**218.47 Monthly report.**

The superintendent or business manager of each institution shall, on the first day of each month, account to the administrator in control of the particular institution for all state funds received during the preceding month, and, at the same time, remit the accounting to the treasurer of state.

[S13, §2727-a40; C24, 27, 31, 35, 39, §**3330;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.47]

2000 Acts, ch 1112, §17

**218.48 Annual reports.**

The superintendent or business manager of each institution shall make an annual report to the administrator in control of the particular institution and include in the report a detailed and accurate inventory of the stock and supplies on hand, and their amount and value, under the following headings: livestock, farm produce on hand, vehicles, agricultural implements, machinery, mechanical fixtures, real estate, furniture, and bedding in residents' department,

state property in superintendent's department, clothing, dry goods, provisions and groceries, drugs and medicine, fuel, library, and all other state property under appropriate headings to be determined by the particular administrator involved.

[S13, §2705-b, 2727-a32; C24, 27, 31, 35, 39, §**3331;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.48]

2000 Acts, ch 1112, §18

**218.49 Contingent fund.**

The administrator in control of an institution may permit the superintendent or the business manager of each institution to retain a stated amount of funds under the superintendent's or business manager's supervision as a contingent fund for the payment of freight, postage, commodities purchased on authority of the particular superintendent or business manager involved on a cash basis, salaries, and bills granting discount for cash.

[SS15, §2727-a44; C24, 27, 31, 35, 39, §**3332;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.49]

2000 Acts, ch 1112, §19

**218.50 Requisition for contingent fund.**

If necessary, the director of the department of human services shall make proper requisition upon the director of the department of administrative services for a warrant on the state treasurer to secure the said contingent fund for each institution.

[SS15, §2727-a44; C24, 27, 31, 35, 39, §**3333;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.50]

83 Acts, ch 96, §157, 159; 2003 Acts, ch 145, §286

**218.51 Monthly reports of contingent fund.**

A monthly report of the status of such contingent fund shall be submitted by the proper officer of said institution to the administrator in control of the institution involved and such rules as such administrator may establish.

[SS15, §2727-a44; C24, 27, 31, 35, 39, §**3334;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.51]

**218.52 Supplies — competition.**

The administrator in control of a state institution shall, in the purchase of supplies, afford all reasonable opportunity for competition, and shall give preference to local dealers and Iowa producers when such can be done without loss to the state.

[S13, §2727-a46; SS15, §2727-a50; C24, 27, 31, 35, 39, §**3335;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.52]

Preference to Iowa products, §8A.311, 73.1 et seq.

**218.53 Dealers may file addresses.**

Jobbers or others desirous of selling supplies shall, by filing with the administrator in control of a state institution a memorandum showing their address and business, be afforded an opportunity to compete for the furnishing of supplies, under such rules as such administrator may prescribe.

[SS15, §2727-a50; C24, 27, 31, 35, 39, §**3336;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.53]

**218.54 Samples preserved.**

When purchases are made by sample, the same shall be properly marked and retained until after an award or delivery of such items is made.

[SS15, §2727-a50; C24, 27, 31, 35, 39, §**3337;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.54]

**218.55 Purchase from an institution.**

An administrator may purchase supplies of any institution under the administrator's control, for use in any other institution under the administrator's control, and reasonable payment for the supplies shall be made as in the case of other purchases.

[S13, §2727-a47; C24, 27, 31, 35, 39, §**3338;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.55]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1112, §20

**218.56 Purchase of supplies — vendor warrants.**

The administrators shall, from time to time, adopt and make of record, rules and regulations governing the purchase of all articles and supplies needed at the various institutions under their control, and the form and verification of vouchers for such purchases.

The department of human services shall mail vendor warrants for the department of corrections.

[S13, §2727-a41, -a42, -a49; C24, 27, 31, 35, 39, §**3339;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.56]

90 Acts, ch 1247, §4

**218.57 Combining appropriations.**

The director of the department of administrative services may combine the balances carried in all specific appropriations into a special account for each institution under the control of a particular administrator, except that the support fund for each institution shall be carried as a separate account.

[S13, §2727-a43; C24, 27, 31, 35, 39, §**3344;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.57]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1112, §21; 2003 Acts, ch 145, §286

**218.58 Construction, repair, and improvement projects — emergencies.**

The department shall work with the department of administrative services to accomplish the following responsibilities:

1. The department shall prepare and submit to the director of the department of management, as provided in section 8.23, a multiyear construction program including estimates of the expenditure requirements for the construction, repair, or improvement of buildings, grounds, or equipment at the institutions listed in section 218.1.

2. The director shall have plans and specifications prepared by the department of administrative services for authorized construction, repair, or improvement projects costing over the competitive bid threshold in section 26.3, or as established in section 314.1B. An appropriation for a project shall not be expended until the department of administrative services has adopted plans and specifications and has completed a detailed estimate of the cost of the project, prepared under the supervision of a registered architect or licensed professional engineer. Plans and specifications shall not be adopted and a project shall not proceed if the project would require an expenditure of money in excess of the appropriation.

3. The department of administrative services shall comply with the competitive bid procedures in chapter 26 to let all contracts under chapter 8A, subchapter III, for authorized construction, repair, or improvement of departmental buildings, grounds, or equipment.

4. If the director of the department of human services and the director of the department of administrative services determine that emergency repairs or improvements estimated to cost more than the competitive bid threshold in section 26.3, or as established in section 314.1B are necessary to assure the continued operation of a departmental institution, the requirements of subsections 2 and 3 for preparation of plans and specifications and competitive procurement procedures are waived. A determination of necessity for waiver by the director of the department of human services and the director of the department of administrative services shall be in writing and shall be entered in the project record for emergency repairs or improvements. Emergency repairs or improvements shall be accomplished using plans and specifications and competitive quotation or bid procedures, as applicable, to the greatest extent possible, considering the necessity for rapid completion

of the project. A waiver of the requirements of subsections 2 and 3 does not authorize an expenditure in excess of an amount otherwise authorized for the repair or improvement.

5. A claim for payment relating to a project shall be itemized on a voucher form pursuant to section 8A.514, certified by the claimant and the architect or engineer in charge, and audited and approved by the department of administrative services. Upon approval by the department of administrative services, the director of the department of administrative services shall draw a warrant to be paid by the treasurer of state from funds appropriated for the project. A partial payment made before completion of the project does not constitute final acceptance of the work or a waiver of any defect in the work.

6. Subject to the prior approval of the administrator in control of a departmental institution, minor projects costing five thousand dollars or less may be authorized and completed by the executive head of the institution through the use of day labor. A contract is not required if a minor project is to be completed with the use of resident labor.

84 Acts, ch 1256, §1; 86 Acts, ch 1245, §314; 2003 Acts, ch 145, §211, 286; 2006 Acts, ch 1017, §23, 42, 43; 2007 Acts, ch 126, §44

**218.59 through 218.63** Reserved.

**218.64 Investigation of death.**

1. For the purposes of this section, unless the context otherwise requires, "*institution*" and "*resident*" mean the same as defined in section 218.13.

2. Upon the death of a resident of an institution, the county medical examiner shall conduct a preliminary investigation of the death as provided in section 331.802. The cost of the preliminary investigation shall be paid by the department of human services.

2008 Acts, ch 1187, §134

Referred to in §222.12, 226.34, 331.802

**218.65 Property of deceased resident.**

The superintendent or business manager of each institution shall, upon the death of any resident or patient, immediately take possession of all property of the deceased left at the institution, and deliver the property to the duly appointed and qualified representative of the deceased.

[S13, §2727-a72; C24, 27, 31, 35, 39, §**3352;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.65]

83 Acts, ch 96, §159, 160; 2000 Acts, ch 1112, §22

**218.66 Property of small value.**

If administration be not granted within one year from the date of the death of the decedent, and the value of the estate of decedent is so small as to make the granting of administration inadvisable, then delivery of the money and other property left by the decedent may be made to the surviving spouse and heirs of the decedent.

[S13, §2727-a72; C24, 27, 31, 35, 39, §**3353;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.66]

**218.67 Estate administrator not identified.**

If an estate administrator is not identified within one year from the death of a decedent in an institution, and a surviving spouse or heir is not known, the superintendent of the institution may convert all the decedent's property into cash and in so doing the superintendent shall have the powers possessed by a general administrator of an estate.

[S13, §2727-a72; C24, 27, 31, 35, 39, §**3354;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.67]

2000 Acts, ch 1112, §23

**218.68 Money deposited with treasurer of state.**

Said money shall be transmitted to the treasurer of state as soon after one year after the death of the intestate as practicable, and be credited to the support fund of the institution of which the intestate was a resident.

[S13, §2727-a72; C24, 27, 31, 35, 39, §**3355;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.68]

83 Acts, ch 96, §159, 160

Referred to in §218.69

**218.69 Permanent record.**

A complete permanent record of the money transmitted to the treasurer of state under section 218.68, showing by whom and with whom it was left, its amount, the date of the death of the owner, the owner's reputed place of residence before the owner became a resident of the institution, the date on which it was transmitted to the state treasurer, and any other facts which may tend to identify the intestate and explain the case, shall be kept by the superintendent of the institution or business manager, as the case may be, and a transcript of the record shall be sent to, and kept by, the treasurer of state.

[S13, §2727-a72; C24, 27, 31, 35, 39, §**3356;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.69]

83 Acts, ch 96, §159, 160; 2000 Acts, ch 1112, §24

**218.70 Payment to party entitled.**

Said money shall be paid, at any time within ten years from the death of the intestate, to any person who is shown to be entitled thereto. Payment shall be made from the state treasury out of the support fund of such institution in the manner provided for the payment of other claims from that fund.

[S13, §2727-a73, -a74; C24, 27, 31, 35, 39, §**3357;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.70]

**218.71** Reserved.

**218.72 Temporary quarters in emergency.**

In case the buildings at any institution under the control of an administrator are destroyed or rendered unfit for habitation by reason of fire, storms, or other like causes, to such an extent that the residents cannot be housed and cared for, the administrator shall make temporary provision for the housing and care of the residents at some other place in the state. Like provision may be made in case any pestilence breaks out among the residents. The reasonable cost of the change, including transfer of residents, shall be paid from any money in the state treasury not otherwise appropriated.

[C51, §3143; R60, §5156; C73, §4795; C97, §5693; SS15, §2713-n18; C24, 27, 31, 35, 39, §**3359;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.72]

83 Acts, ch 96, §157, 159, 160; 2000 Acts, ch 1112, §25

**218.73 through 218.77** Reserved.

**218.78 Institutional receipts deposited.**

1. All institutional receipts of the department of human services, including funds received from client participation at the state resource centers under section 222.78 and at the state mental health institutes under section 230.20, shall be deposited in the general fund except for reimbursements for services provided to another institution or state agency, for receipts deposited in the revolving farm fund under section 904.706, for deposits into the medical assistance fund under section 249A.11, and rentals charged to employees or others for room, apartment, or house and meals, which shall be available to the institutions.

2. If approved by the director of human services, the department may use appropriated funds for the granting of educational leave.

[C77, 79, 81, §218.78, 218.101; 81 Acts, ch 11, §14, ch 75, §2]

83 Acts, ch 96, §157, 159; 85 Acts, ch 146, §1; 88 Acts, ch 1249, §5; 2000 Acts, ch 1112, §51; 2005 Acts, ch 167, §30, 66; 2010 Acts, ch 1141, §24

**218.79 through 218.82** Reserved.

**218.83 Administrative improvement.**

The director of human services and the administrators assigned to have authority over the institutions shall cooperate with any department or agency of the state government in any manner, including the exchange of employees, calculated to improve administration of the affairs of the institutions.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.83]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1112, §26

**218.84 Abstracting claims and keeping accounts.**

The director of the department of human services shall have sole charge of abstracting and certifying claims for payment and the keeping of a central system of accounts in institutions under the director's control.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.84]

83 Acts, ch 96, §157, 159

**218.85 Uniform system of accounts.**

The director of human services through the administrators in control of the institutions shall install in all the institutions the most modern, complete, and uniform system of accounts, records, and reports possible. The system shall be prescribed by the director of the department of administrative services as authorized in section 8A.502, subsection 13, and, among other matters, shall clearly show the detailed facts relative to the handling and uses of all purchases.

[S13, §2727-a13; C24, 27, 31, 35, 39, §**3286;** C46, §217.12; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.85]

83 Acts, ch 96, §157, 159; 89 Acts, ch 284, §5; 2000 Acts, ch 1112, §27; 2003 Acts, ch 145, §212

Requirement of auditor of state, §11.5

**218.86 Abstract of claims.**

Vouchers for expenditures other than salaries shall be submitted to the director of the department of administrative services, who shall prepare in triplicate an abstract of claims submitted showing the name of the claimant and the institutions and institutional fund on account of which the payment is made. The claims and abstracts of claims shall be returned to the director of the department of human services where the correctness of the abstracts shall be certified by the director. The original abstract shall be delivered to the director of the department of administrative services, the duplicate to be retained in the office of the director of the department of human services and the triplicate forwarded to the proper institution to be retained as a record of claims paid.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.86]

94 Acts, ch 1107, §9; 2003 Acts, ch 145, §286

Referred to in §218.100

**218.87 Warrants issued by director of the department of administrative services.**

Upon such certificate the director of the department of administrative services shall, if the institution named has sufficient funds, issue the director's warrants upon the state treasurer, for the amounts and to the claimants indicated thereon. The director of the department

of administrative services shall deliver the warrants thus issued to the director of human services, who will cause same to be transmitted to the payees thereof.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.87]

2003 Acts, ch 145, §286

Referred to in §218.100

**218.88 Institutional payrolls.**

At the close of each pay period, the superintendent or business manager of each institution shall prepare and forward to the director of human services a semimonthly payroll which shall show the name of each officer and employee, the semimonthly pay, time paid for, the amount of pay, and any deductions. A substitute shall not be permitted to receive compensation in the name of the employee for whom the substitute is acting.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §218.88]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1112, §28

Referred to in §218.100

**218.89 Abstracts of payrolls.** Repealed by 2003 Acts, ch 145, § 291.

**218.90 and 218.91** Repealed by 83 Acts, ch 96, § 156, 159.

**218.92 Patients with dangerous mental disturbances.**

When a patient in a state resource center for persons with an intellectual disability, a state mental health institute, or another institution under the administration of the department of human services has become so mentally disturbed as to constitute a danger to self, to other patients or staff of the institution, or to the public, and the institution cannot provide adequate security, the administrator in charge of the institution, with the consent of the director of the Iowa department of corrections, may order the patient to be transferred to the Iowa medical and classification center, if the superintendent of the institution from which the patient is to be transferred, with the support of a majority of the medical staff, recommends the transfer in the interest of the patient, other patients, or the public. If the patient transferred was hospitalized pursuant to sections 229.6 to 229.15, the transfer shall be promptly reported to the court that ordered the hospitalization of the patient, as required by section 229.15, subsection 5. The Iowa medical and classification center has the same rights, duties, and responsibilities with respect to the patient as the institution from which the patient was transferred had while the patient was hospitalized in the institution. The cost of the transfer shall be paid from the funds of the institution from which the transfer is made.

[C62, 66, 71, 73, 75, 77, 79, 81, §218.92; 82 Acts, ch 1100, §5]

83 Acts, ch 96, §69, 159; 89 Acts, ch 83, §34; 94 Acts, ch 1170, §33; 96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §29, 51; 2012 Acts, ch 1019, §21

See also §226.30

**218.93 Consultants for director or administrators.**

The director of human services or the administrators in control of the institutions are authorized to secure the services of consultants to furnish advice on administrative, professional, or technical problems to the director or the administrators, their employees, or employees of institutions under their jurisdiction or to provide in-service training and instruction for the employees. The director and administrators are authorized to pay the consultants at a rate to be determined by them from funds under their control or from any institutional funding under their jurisdiction as the director or administrator may determine.

[C62, 66, 71, 73, 75, 77, 79, 81, §218.93]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1112, §30

**218.94 Director may buy and sell real estate — options.**

The director of the department of human services shall have full power to secure options to purchase real estate, to acquire and sell real estate, and to grant utility easements, for the proper uses of said institutions. Real estate shall be acquired and sold and utility easements granted, upon such terms and conditions as the director may determine. Upon sale of the

real estate, the proceeds shall be deposited with the treasurer of state and credited to the general fund of the state. There is hereby appropriated from the general fund of the state a sum equal to the proceeds so deposited and credited to the general fund of the state to the department of human services, which may be used to purchase other real estate or for capital improvements upon property under the director's control.

The costs incident to securing of options, acquisition and sale of real estate and granting of utility easements, including, but not limited to, appraisals, invitations for offers, abstracts, and other necessary costs, may be paid from moneys appropriated for support and maintenance to the institution at which such real estate is located. Such fund shall be reimbursed from the proceeds of the sale.

[C62, 66, 71, 73, 75, 77, 79, 81, §218.94]

83 Acts, ch 96, §157, 159; 86 Acts, ch 1244, §29

**218.95 Synonymous terms.**

1. For purposes of construing the provisions of this and the following subtitles of this title and chapters 16, 35B, 347B, 709A, 904, 913, and 914 relating to persons with mental illness and reconciling these provisions with other former and present provisions of statute, the following terms shall be considered synonymous:

*a.* *"Mentally ill"* and *"insane"*, except that the hospitalization or detention of any person for treatment of mental illness shall not constitute a finding or create a presumption that the individual is legally insane in the absence of a finding of incompetence made pursuant to section 229.27.

*b.* *"Parole"* and *"convalescent leave"*.

*c.* *"Resident"* and *"patient"*.

*d.* *"Escape"* and *"depart without proper authorization"*.

*e.* *"Warrant"* and *"order of admission"*.

*f.* *"Escapee"* and *"patient"*.

*g.* *"Sane"* and *"in good mental health"*.

*h.* *"Asylum"* and *"hospital"*.

*i.* *"Commitment"* and *"admission"*.

2. It is hereby declared to be the policy of the general assembly that words which have come to have a degrading meaning shall not be employed in institutional records having reference to persons with various mental conditions and that in all records pertaining to persons with various mental conditions the less discriminatory of the foregoing synonyms shall be employed.

[C62, 66, 71, 73, 75, 77, 79, 81, §218.95]

83 Acts, ch 96, §159, 160; 96 Acts, ch 1129, §39; 2009 Acts, ch 41, §263

**218.96 Gifts, grants and devises.**

The director of the department of human services is authorized to accept gifts, grants, devises or bequests of real or personal property from the federal government or any source. The director may exercise such powers with reference to the property so accepted as may be deemed essential to its preservation and the purposes for which given, devised or bequeathed.

[C62, 66, 71, 73, 75, 77, 79, 81, §218.96]

83 Acts, ch 96, §157, 159

**218.97** Reserved.

**218.98 Canteen maintained.**

The administrators in control of the institutions may maintain a canteen at any institution under their jurisdiction and control for the sale to persons residing in the institution of toilet articles, candy, tobacco products, notions, and other sundries, and may provide the necessary facilities, equipment, personnel, and merchandise for such sale. The administrators shall specify what commodities will be sold in the canteen. The department may establish and

maintain a permanent operating fund for each canteen. The fund shall consist of the receipts from the sale of commodities at the canteen.

[C62, 66, 71, 73, 75, 77, 79, 81, §218.98]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1112, §31

**218.99 Counties to be notified of patients' personal accounts.**

The administrator in control of a state institution shall direct the business manager of each institution under the administrator's jurisdiction which is mentioned in section 331.424, subsection 1, paragraph "*a*", subparagraphs (1) and (2), and for which services are paid under section 331.424A, to quarterly inform the county of residence of any patient or resident who has an amount in excess of two hundred dollars on account in the patients' personal deposit fund and the amount on deposit. The administrators shall direct the business manager to further notify the county of residence at least fifteen days before the release of funds in excess of two hundred dollars or upon the death of the patient or resident. If the patient or resident has no residency in this state or the person's residency is unknown so that the person is deemed to be a state case, notice shall be made to the director of human services and the administrator in control of the institution involved.

[C66, 71, 73, 75, 77, 79, 81, S81, §218.99; 81 Acts, ch 117, §1026]

83 Acts, ch 96, §157, 159, 160; 83 Acts, ch 123, §80, 209; 95 Acts, ch 206, §6, 12; 97 Acts, ch 169, §1; 98 Acts, ch 1100, §23; 2000 Acts, ch 1112, §32; 2004 Acts, ch 1090, §33; 2010 Acts, ch 1061, §165; 2012 Acts, ch 1120, §68, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**218.100 Central warehouse and supply depot.**

The department of human services shall establish a fund for maintaining and operating a central warehouse as a supply depot and distribution facility for surplus government products, carload canned goods, paper products, other staples, and such other items as determined by the department. The fund shall be permanent and shall be composed of the receipts from the sales of merchandise, recovery of handling, operating and delivery charges of such merchandise, and from the funds contributed by the institutions now in a contingent fund being used for this purpose. All claims for purchases of merchandise, operating, and salary expenses shall be subject to the provisions of sections 218.86 to 218.88.

[C71, 73, 75, 77, 79, 81, §218.100]

83 Acts, ch 96, §157, 159; 2003 Acts, ch 145, §213

Legislative intent that upon completion of the central warehouse and supply depot of the department of corrections pursuant to §904.118A, the department of human services cease utilizing the central warehouse and supply depot established under this section; 2008 Acts, ch 1180, §19

**218.101** Repealed by 81 Acts, ch 75, § 4.

# CHAPTER 219

## STATE MEDICAL INSTITUTION

Repealed by 2010 Acts, ch 1141, §28

# SUBTITLE 3

## MENTAL HEALTH

Referred to in §714.8

# CHAPTER 220

RESERVED

# CHAPTER 220A

INTERAGENCY INFORMATION SERVICE
ON PERSONS WITH MENTAL DISABILITIES

Repealed by 2013 Acts, ch 19, §3

# CHAPTER 221

INTERSTATE MENTAL HEALTH COMPACT

Referred to in §331.394


| | | | |
|---|---|---|---|
| 221.1 | Mental health compact enacted. | 221.4 | Payments. |
| 221.2 | Administrator. | 221.5 | Consultation. |
| 221.3 | Supplementary agreements. | 221.6 | Distribution of compact. |


**221.1 Mental health compact enacted.**

The interstate compact on mental health is hereby enacted into law and entered into by this state with all other states legally joining therein in the form substantially as follows, and the contracting states solemnly agree that:

1. *Article I.* The party states find that the proper and expeditious treatment of the mentally ill and mentally deficient can be facilitated by cooperative action, to the benefit of the patients, their families, and society as a whole. Further, the party states find that the necessity of and desirability for furnishing such care and treatment bears no primary relation to the residence or citizenship of the patient but that, on the contrary, the controlling factors of community safety and humanitarianism require that facilities and services be made available for all who are in need of them. Consequently, it is the purpose of this compact and of the party states to provide the necessary legal basis for the institutionalization or other appropriate care and treatment of the mentally ill and mentally deficient under a system that recognizes the paramount importance of patient welfare and to establish the responsibilities of the party states in terms of such welfare.

2. *Article II.* As used in this compact:

*a.* *"Sending state"* shall mean a party state from which a patient is transported pursuant to the provisions of the compact or from which it is contemplated that a patient may be so sent.

*b.* *"Receiving state"* shall mean a party state to which a patient is transported pursuant to the provisions of the compact or to which it is contemplated that a patient may be so sent.

*c.* "*Institution*" shall mean any hospital or other facility maintained by a party state or political subdivision thereof for the care and treatment of mental illness or mental deficiency.

*d.* *"Patient"* shall mean any person subject to or eligible as determined by the laws of the sending state, for institutionalization or other care, treatment, or supervision pursuant to the provisions of this compact.

*e.* *"After-care"* shall mean care, treatment and services provided a patient, as defined herein, on convalescent status or conditional release.

*f.* *"Mental illness"* shall mean mental disease to such extent that a person so afflicted requires care and treatment for the person's own welfare, or the welfare of others, or of the community.

*g.* *"Mental deficiency"* shall mean mental deficiency as defined by appropriate clinical authorities to such extent that a person so afflicted is incapable of managing the person and the person's affairs, but shall not include mental illness as defined herein.

*h.* *"State"* shall mean any state, territory or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

3. *Article III.*

*a.* Whenever a person physically present in any party state shall be in need of institutionalization by reason of mental illness or mental deficiency, the person shall be eligible for care and treatment in an institution in that state irrespective of the person's residence, settlement or citizenship qualifications.

*b.* The provisions of paragraph *"a"* of this article to the contrary notwithstanding, any patient may be transferred to an institution in another state whenever there are factors based upon clinical determinations indicating that the care and treatment of said patient would be facilitated or improved thereby. Any such institutionalization may be for the entire period of care and treatment or for any portion or portions thereof. The factors referred to in this paragraph shall include the patient's full record with due regard for the location of the patient's family, character of the illness and probable duration thereof, and such other factors as shall be considered appropriate.

*c.* No state shall be obliged to receive any patient pursuant to the provisions of paragraph *"b"* of this article unless the sending state has given advance notice of its intention to send the patient; furnished all available medical and other pertinent records concerning the patient; given the qualified medical or other appropriate clinical authorities of the receiving state an opportunity to examine the patient if said authorities so wish; and unless the receiving state shall agree to accept the patient.

*d.* In the event that the laws of the receiving state establish a system of priorities for the admission of patients, an interstate patient under this compact shall receive the same priority as a local patient and shall be taken in the same order and at the same time that the interstate patient would be taken if the interstate patient were a local patient.

*e.* Pursuant to this compact, the determination as to the suitable place of institutionalization for a patient may be reviewed at any time and such further transfer of the patient may be made as seems likely to be in the best interest of the patient.

4. *Article IV.*

*a.* Whenever, pursuant to the laws of the state in which a patient is physically present, it shall be determined that the patient should receive after-care or supervision, such care or supervision may be provided in a receiving state. If the medical or other appropriate clinical authorities having responsibility for the care and treatment of the patient in the sending state shall have reason to believe that after-care in another state would be in the best interest of the patient and would not jeopardize the public safety, they shall request the appropriate authorities in the receiving state to investigate the desirability of affording the patient such after-care in said receiving state, and such investigation shall be made with all reasonable speed. The request for investigation shall be accompanied by complete information concerning the patient's intended place of residence and the identity of the person in whose charge it is proposed to place the patient, the complete medical history of the patient, and such other documents as may be pertinent.

*b.* If the medical or other appropriate clinical authorities having responsibility for the care and treatment of the patient in the sending state and the appropriate authorities in the receiving state find that the best interest of the patient would be served thereby, and if the public safety would not be jeopardized thereby, the patient may receive after-care or supervision in the receiving state.

*c.* In supervising, treating, or caring for a patient on after-care pursuant to the terms of

this article, a receiving state shall employ the same standards of visitation, examination, care, and treatment that it employs for similar local patients.

5. *Article V.* Whenever a dangerous or potentially dangerous patient escapes from an institution in any party state, that state shall promptly notify all appropriate authorities within and without the jurisdiction of the escape in a manner reasonably calculated to facilitate the speedy apprehension of the escapee. Immediately upon the apprehension and identification of any such dangerous or potentially dangerous patient, the patient shall be detained in the state where found pending disposition in accordance with law.

6. *Article VI.* The duly accredited officers of any state party to this compact, upon the establishment of their authority and the identity of the patient, shall be permitted to transport any patient being moved pursuant to this compact through any and all states party to this compact, without interference.

7. *Article VII.*

*a.* No person shall be deemed a patient of more than one institution at any given time. Completion of transfer of any patient to an institution in a receiving state shall have the effect of making the person a patient of the institution in the receiving state.

*b.* The sending state shall pay all costs of and incidental to the transportation of any patient pursuant to this compact, but any two or more party states may, by making a specific agreement for that purpose, arrange for a different allocation of costs as among themselves.

*c.* No provision of this compact shall be construed to alter or affect any internal relationships among the departments, agencies and officers of and in the government of a party state, or between a party state and its subdivisions, as to the payment of costs, or responsibilities therefor.

*d.* Nothing in this compact shall be construed to prevent any party state or subdivision thereof from asserting any right against any person, agency or other entity in regard to costs for which such party state or subdivision thereof may be responsible pursuant to any provision of this compact.

*e.* Nothing in this compact shall be construed to invalidate any reciprocal agreement between a party state and a nonparty state relating to institutionalization, care or treatment of the mentally ill or mentally deficient, or any statutory authority pursuant to which such agreements may be made.

8. *Article VIII.*

*a.* Nothing in this compact shall be construed to abridge, diminish, or in any way impair the rights, duties, and responsibilities of any patient's guardian on the guardian's own behalf or in respect of any patient for whom the guardian may serve, except that where the transfer of any patient to another jurisdiction makes advisable the appointment of a supplemental or substitute guardian, any court of competent jurisdiction in the receiving state may make such supplemental or substitute appointment and the court which appointed the previous guardian shall upon being duly advised of the new appointment, and upon the satisfactory completion of such accounting and other acts as such court may by law require, relieve the previous guardian of power and responsibility to whatever extent shall be appropriate in the circumstances; provided, however, that in the case of any patient having settlement in the sending state, the court of competent jurisdiction in the sending state shall have the sole discretion to relieve a guardian appointed by it or continue the guardian's power and responsibility, whichever it shall deem advisable. The court in the receiving state may, in its discretion, confirm or reappoint the person or persons previously serving as guardian in the sending state in lieu of making a supplemental or substitute appointment.

*b.* The term "*guardian*" as used in paragraph "*a*" of this article shall include any guardian, trustee, legal committee, conservator, or other person or agency however denominated who is charged by law with power to act for or responsibility for the person or property of a patient.

9. *Article IX.*

*a.* No provision of this compact except article V shall apply to any person institutionalized while under sentence in a penal or correctional institution or while subject to trial on a criminal charge, or whose institutionalization is due to the commission of an offense for which, in the absence of mental illness or mental deficiency, said person would be subject to incarceration in a penal or correctional institution.

*b.* To every extent possible, it shall be the policy of states party to this compact that no patient shall be placed or detained in any prison, jail or lockup, but such patient shall, with all expedition, be taken to a suitable institutional facility for mental illness or mental deficiency.

10. *Article X.*

*a.* Each party state shall appoint a "compact administrator" who, on behalf of the compact administrator's state, shall act as general coordinator of activities under the compact in the administrator's state and who shall receive copies of all reports, correspondence, and other documents relating to any patient processed under the compact by the administrator's state either in the capacity of sending or receiving state. The compact administrator or the administrator's duly designated representative shall be the official with whom other party states shall deal in any matter relating to the compact or any patient processed thereunder.

*b.* The compact administrators of the respective party states shall have power to promulgate reasonable rules and regulations to carry out more effectively the terms and provisions of this compact.

11. *Article XI.* The duly constituted administrative authorities of any two or more party states may enter into supplementary agreements for the provision of any service or facility or for the maintenance of any institution on a joint or cooperative basis whenever the states concerned shall find that such agreements will improve services, facilities, or institutional care and treatment in the fields of mental illness or mental deficiency. No such supplementary agreement shall be construed so as to relieve any party state of any obligation which it otherwise would have under other provisions of this compact.

12. *Article XII.* This compact shall enter into full force and effect as to any state when enacted by it into law and such state shall thereafter be a party thereto with any and all states legally joining therein.

13. *Article XIII.*

*a.* A state party to this compact may withdraw therefrom by enacting a statute repealing the same. Such withdrawal shall take effect one year after notice thereof has been communicated officially and in writing to the governors and compact administrators of all other party states. However, the withdrawal of any state shall not change the status of any patient who has been sent to said state or sent out of said state pursuant to the provisions of the compact.

*b.* Withdrawal from any agreement permitted by article VII, paragraph "*b*", as to costs or from any supplementary agreement made pursuant to article XI shall be in accordance with the terms of such agreement.

14. *Article XIV.* This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the Constitution of any party state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the Constitution of any state party thereto, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

[C66, 71, 73, 75, 77, 79, 81, §218A.1]
C93, §221.1
2008 Acts, ch 1032, §201

**221.2 Administrator.**

Pursuant to the compact, the administrator of the division of mental health and disability services of the department of human services shall be the compact administrator. The compact administrator may cooperate with all departments, agencies, and officers of this state and its subdivisions in facilitating the proper administration of the compact and of any supplementary agreement entered into by this state under the compact.

[C66, 71, 73, 75, 77, 79, 81, §218A.2; 81 Acts, ch 78, §20, 26]
83 Acts, ch 96, §157, 159

C93, §221.2
94 Acts, ch 1170, §34; 2006 Acts, ch 1115, §23

**221.3 Supplementary agreements.**
The compact administrator is hereby authorized and empowered to enter into supplementary agreements with appropriate officials of other states pursuant to articles VII and XI of the compact. In the event that such supplementary agreements shall require or contemplate the use of any institution or facility of this state or require or contemplate the provisions of any service by this state, no such agreement shall have force or effect until approved by the head of the department or agency under whose jurisdiction said institution or facility is operated or whose department or agency will be charged with the rendering of such service.
[C66, 71, 73, 75, 77, 79, 81, §218A.3]
C93, §221.3

**221.4 Payments.**
The compact administrator, subject to the approval of the director of the department of human services, may make or arrange for any payments necessary to discharge any financial obligations imposed upon this state by the compact or by any supplementary agreement entered into thereunder.
[C66, 71, 73, 75, 77, 79, 81, §218A.4]
83 Acts, ch 96, §157, 159
C93, §221.4

**221.5 Consultation.**
The compact administrator is hereby directed to consult with the immediate family of our proposed transferee and, in the case of a proposed transferee from an institution in this state to an institution in another party state, to take no final action without approval of the district court of the county of admission or commitment.
[C66, 71, 73, 75, 77, 79, 81, §218A.5]
C93, §221.5

**221.6 Distribution of compact.**
Duly authorized copies of this chapter shall, upon its approval be transmitted by the secretary of state to the governor of each state, the attorney general and the administrator of general services of the United States, and the council of state governments.
[C66, 71, 73, 75, 77, 79, 81, §218A.6]
C93, §221.6

# CHAPTER 222

## PERSONS WITH AN INTELLECTUAL DISABILITY

Referred to in §225C.6, 232.51, 235B.2, 235B.3, 235E.1, 235E.2, 252.16, 252.23, 331.381, 331.394


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**222.1 Purpose of state resource centers.**

1. The Glenwood state resource center and the Woodward state resource center are established and shall be maintained as the state's regional resource centers for the purpose of providing treatment, training, instruction, care, habilitation, and support of persons with an intellectual disability or other disabilities in this state, and providing facilities, services, and other support to the communities located in the region being served by a state resource center. In addition, the state resource centers are encouraged to serve as a training resource for community-based program staff, medical students, and other participants in professional education programs. A resource center may request the approval of the council on human services to change the name of the resource center for use in communication with the public, in signage, and in other forms of communication.

2. A special intellectual disability unit may be maintained at one of the state mental health institutes for the purposes set forth in sections 222.88 to 222.91.

[S13, §2727-a93, -a95; SS15, §2727-a93, -a96; C24, 27, 31, 35, 39, §**3465, 3468;** C46, 50, 54, 58, 62, §223.1, 223.4; C66, 71, 73, 75, 77, 79, 81, §222.1]

95 Acts, ch 82, §6; 98 Acts, ch 1155, §8; 2000 Acts, ch 1112, §46; 2012 Acts, ch 1019, §22

Referred to in §222.73

**222.2 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means the person assigned by the director of human services, in accordance with section 218.1, to control the state resource centers.
2. *"Auditor"* means the county auditor or the auditor's designee.
3. *"Central point of coordination process"* means the same as defined in section 331.440.*
4. *"Department"* means the department of human services.
5. *"Intellectual disability"* means the same as defined in section 4.1.
6. *"Special unit"* means a special intellectual disability unit established at a state mental health institute pursuant to sections 222.88 to 222.91.
7. *"State resource centers"* or *"resource centers"* means the Glenwood state resource center and the Woodward state resource center.
8. *"Superintendents"* means the superintendents of the state resource centers.

[C97, §2699; C24, 27, 31, 35, 39, §**3411;** C46, 50, 54, 58, 62, §222.1; C66, 71, 73, 75, 77, 79, 81, §222.2; 81 Acts, ch 78, §20, 30]

83 Acts, ch 96, §157, 159; 94 Acts, ch 1170, §35; 96 Acts, ch 1183, §1; 97 Acts, ch 169, §14; 2000 Acts, ch 1112, §47 – 50; 2001 Acts, ch 155, §14; 2004 Acts, ch 1090, §33; 2012 Acts, ch 1019, §23

*Section 331.440 is repealed; corrective legislation is pending
Section not amended; footnote added

**222.3 Superintendents.**

The administrator shall appoint a qualified superintendent for each of the resource centers who shall receive such salary as the administrator shall determine.

[SS15, §2727-a96; C24, 27, 31, 35, 39, §**3466;** C46, 50, 54, 58, 62, §223.2; C66, 71, 73, 75, 77, 79, 81, §222.3]

2000 Acts, ch 1112, §51

**222.4 Duties.**

The superintendents shall:

1. Perform all duties required by law and by the administrator not inconsistent with law.
2. Oversee and insure individual treatment and professional care of each patient in the resource centers.
3. Maintain a full and complete record of the condition of each patient in the resource centers.
4. Have custody, control, and management of all patients in such manner as deemed best subject to the regulations of the administrator.

[SS15, §2727-a96; C24, 27, 31, 35, 39, §**3467;** C46, 50, 54, 58, 62, §223.3; C66, 71, 73, 75, 77, 79, 81, §222.4]

2000 Acts, ch 1112, §51

Referred to in §222.90

**222.5 Preadmission diagnostic evaluation.**

No person shall be eligible for admission to a resource center or a special unit until a preadmission diagnostic evaluation has been made by a resource center or a special unit which confirms or establishes the need for admission.

[C24, 27, 31, 35, 39, §**3444;** C46, 50, 54, 58, 62, §222.34; C66, 71, 73, 75, 77, 79, 81, §222.5]

2000 Acts, ch 1112, §51

**222.6 State districts.**

The administrator shall divide the state into two districts in such manner that one of the resource centers shall be located within each of the districts. Such districts may from time to time be changed. After such districts have been established, the administrator shall notify all boards of supervisors, county auditors, and clerks of the district courts of the action. Thereafter, unless the administrator otherwise orders, all admissions or commitments of persons with an intellectual disability from a district shall be to the resource center located within such district.

[C24, 27, 31, 35, 39, §**3476;** C46, 50, 54, 58, 62, §223.10; C66, 71, 73, 75, 77, 79, 81, §222.6]
96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §51; 2012 Acts, ch 1019, §24
For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §17, 35
Section not amended; footnote added

**222.7 Transfers.**

The administrator may transfer patients from one state resource center to the other and may at any time transfer patients from the resource centers to the hospitals for persons with mental illness, or transfer patients in the resource centers to a special unit or vice versa. The administrator may also transfer patients from a hospital for persons with mental illness to a resource center if:

1. In the case of a patient who entered the hospital for persons with mental illness voluntarily, consent is given in advance by the patient or, if the patient is a minor or is incompetent, the person responsible for the patient.

2. In the case of a patient hospitalized pursuant to sections 229.6 to 229.15, the consent of the court which hospitalized the patient is obtained in advance, rather than afterward as otherwise permitted by section 229.15, subsection 4.

[SS15, §2727-a96; C24, 27, 31, 35, 39, §**3456, 3472, 3477;** C46, 50, 54, 58, 62, §222.46, 223.8, 223.11; C66, 71, 73, 75, 77, 79, 81, §222.7]
83 Acts, ch 96, §71, 159; 96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §51
Referred to in §226.8

**222.8 Communications by patients.**

Persons admitted to the resource centers or a special unit shall have all reasonable opportunity and facility for communication with their friends. Such persons shall be permitted to write and send letters, provided the letters contain nothing of an offensive character. Letters written by any patient to the administrator or to any state or county official shall be forwarded unopened.

[C24, 27, 31, 35, 39, §**3445;** C46, 50, 54, 58, 62, §222.35; C66, 71, 73, 75, 77, 79, 81, §222.8]
2000 Acts, ch 1112, §51

**222.9 Unauthorized departures.**

If any person with an intellectual disability shall depart without proper authorization from a resource center or a special unit, it shall be the duty of the superintendent and the superintendent's assistants and all peace officers of any county in which such patient may be found to take and detain the patient without a warrant or order and to immediately report such detention to the superintendent who shall immediately provide for the return of such patient to the resource center or special unit.

[C24, 27, 31, 35, 39, §**3460;** C46, 50, 54, 58, 62, §222.50; C66, 71, 73, 75, 77, 79, 81, §222.9]
96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §51; 2012 Acts, ch 1019, §25

**222.10 Duty of peace officer.**

When any person with an intellectual disability departs without proper authority from an institution in another state and is found in this state, any peace officer in any county in which such patient is found may take and detain the patient without warrant or order and shall report such detention to the administrator. The administrator shall provide for the return of the patient to the authorities in the state from which the unauthorized departure was made. Pending return, such patient may be detained temporarily at one of the institutions of this state governed by the administrator or by the administrator of the division of child and family

services of the department of human services. The provisions of this section relating to the administrator shall also apply to the return of other nonresident persons with an intellectual disability having legal residency outside the state of Iowa.

[C58, 62, §222.55; C66, 71, 73, 75, 77, 79, 81, §222.10]

83 Acts, ch 96, §157, 159; 96 Acts, ch 1129, §113; 2012 Acts, ch 1019, §26; 2012 Acts, ch 1120, §69, 130

2012 amendment to this section by 2012 Acts, ch 1120, §69, takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.11 Expense.**

All actual and necessary expenses incurred in the taking into protective custody, restraint, and transportation of such patients to the resource centers shall be paid on itemized vouchers, sworn to by the claimants, and approved by the superintendent and the administrator from any money in the state treasury not otherwise appropriated.

[C24, 27, 31, 35, 39, §**3461;** C46, 50, 54, 58, 62, §222.51; C66, 71, 73, 75, 77, 79, 81, §222.11]

2000 Acts, ch 1112, §51

**222.12 Deaths investigated.**

1. Upon the death of a patient of a resource center or special unit, a preliminary investigation of the death shall be conducted as required by section 218.64 by the county medical examiner as provided in section 331.802. Such a preliminary investigation shall also be conducted in the event of a sudden or mysterious death of a patient in a private institution for persons with an intellectual disability. The chief administrative officer of any private institution may request an investigation of the death of any patient by the county medical examiner.

2. Notice of the death of the patient, and the cause of death, shall be sent to the county board of supervisors and to the judge of the court that had jurisdiction over a committed patient. The fact of death with the time, place, and alleged cause shall be entered upon the docket of the court.

3. The parent, guardian, or other person responsible for the admission of a patient to a private institution for persons with an intellectual disability may also request such a preliminary investigation by the county medical examiner in the event of the death of the patient that is not sudden or mysterious. The person or persons making the request are liable for the expense of such preliminary investigation and payment for the expense may be required in advance.

[C24, 27, 31, 35, 39, §**3447;** C46, 50, 54, 58, 62, §222.37; C66, 71, 73, 75, 77, 79, 81, §222.12]

96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §51; 2008 Acts, ch 1187, §135; 2012 Acts, ch 1019, §27

For future amendment to subsection 2, effective July 1, 2014, see 2013 Acts, ch 130, §18, 35

Section not amended; footnote added

**222.13 Voluntary admissions.**

1. If an adult person is believed to be a person with an intellectual disability, the adult person or the adult person's guardian may submit a request in writing through the central point of coordination process* for the county board of supervisors of the adult person's county of residence to apply to the superintendent of any state resource center for the voluntary admission of the adult person either as an inpatient or an outpatient of the resource center. The board of supervisors shall, on forms prescribed by the department's administrator, apply to the superintendent of the resource center in the district for the admission of the adult person to the resource center. An application for admission to a special unit of any adult person believed to be in need of any of the services provided by the special unit under section 222.88 may be made in the same manner, upon request of the adult person or the adult person's guardian. The superintendent shall accept the application if a preadmission diagnostic evaluation, performed through the central point of coordination process,* confirms or establishes the need for admission, except that an application shall not be accepted if the institution does not have adequate facilities available or if the acceptance will result in an overcrowded condition.

2. If the resource center has no appropriate program for the treatment of an adult or minor person with an intellectual disability applying under this section or section 222.13A, the board of supervisors shall arrange for the placement of the person in any public or private facility within or without the state, approved by the director of the department of human services, which offers appropriate services for the person, as determined through the central point of coordination process.*

3. Upon applying for admission of an adult or minor person to a resource center, or a special unit, or upon arranging for the placement of the person in a public or private facility, the board of supervisors shall make a full investigation into the financial circumstances of that person and those liable for that person's support under section 222.78 to determine whether or not any of them are able to pay the expenses arising out of the admission of the person to a resource center, special treatment unit, or public or private facility. If the board finds that the person or those legally responsible for the person are presently unable to pay the expenses, the board shall direct that the expenses be paid by the county. The board may review its finding at any subsequent time while the person remains at the resource center, or is otherwise receiving care or treatment for which this chapter obligates the county to pay. If the board finds upon review that the person or those legally responsible for the person are presently able to pay the expenses, the finding shall apply only to the charges incurred during the period beginning on the date of the review and continuing thereafter, unless and until the board again changes its finding. If the board finds that the person or those legally responsible for the person are able to pay the expenses, the board shall direct that the charges be so paid to the extent required by section 222.78, and the county auditor shall be responsible for the collection of the charges.

[C24, 27, 31, 35, 39, §**3464, 3477.2;** C46, 50, 54, 58, 62, §222.54, 223.13; C66, 71, 73, 75, 77, 79, 81, §222.13]

83 Acts, ch 96, §157, 159; 95 Acts, ch 82, §7; 96 Acts, ch 1183, §2; 97 Acts, ch 169, §2; 2000 Acts, ch 1112, §51; 2004 Acts, ch 1090, §33; 2012 Acts, ch 1019, §28; 2012 Acts, ch 1120, §70, 130; 2013 Acts, ch 90, §45

Referred to in §222.14, 222.15, 222.31, 222.59, 331.381, 331.502

*Section 331.440, which implements the central point of coordination process, is repealed; corrective legislation is pending

2012 amendment to subsection 1 by 2012 Acts, ch 1120, §70, takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Subsection 1 amended

**222.13A Voluntary admissions — minors.**

1. If a minor is believed to be a person with an intellectual disability, the minor's parent, guardian, or custodian may request the county board of supervisors to apply for admission of the minor as a voluntary patient in a state resource center. If the resource center does not have appropriate services for the minor's treatment, the board of supervisors may arrange for the admission of the minor in a public or private facility within or without the state, approved by the director of human services, which offers appropriate services for the minor's treatment.

2. Upon receipt of an application for voluntary admission of a minor, the board of supervisors shall provide for a preadmission diagnostic evaluation of the minor to confirm or establish the need for the admission. The preadmission diagnostic evaluation shall be performed by a person who meets the qualifications of a qualified intellectual disability professional who is designated through the central point of coordination process.*

3. During the preadmission diagnostic evaluation, the minor shall be informed both orally and in writing that the minor has the right to object to the voluntary admission. If the preadmission diagnostic evaluation determines that the voluntary admission is appropriate but the minor objects to the admission, the minor shall not be admitted to the state resource center unless the court approves of the admission. A petition for approval of the minor's admission may be submitted to the juvenile court by the minor's parent, guardian, or custodian.

4. As soon as practicable after the filing of a petition for approval of the voluntary admission, the court shall determine whether the minor has an attorney to represent the minor in the proceeding. If the minor does not have an attorney, the court shall assign to the minor an attorney. If the minor is unable to pay for an attorney, the attorney shall

be compensated by the county at an hourly rate to be established by the county board of supervisors in substantially the same manner as provided in section 815.7.

5. The court shall order the admission of a minor who objects to the admission, only after a hearing in which it is shown by clear and convincing evidence that both of the following circumstances exist:

*a.* The minor needs and will substantially benefit from treatment or habilitation.

*b.* A placement which involves less restriction of the minor's liberties for the purposes of treatment or habilitation is not feasible.

95 Acts, ch 82, §8; 96 Acts, ch 1183, §3; 99 Acts, ch 135, §15; 2000 Acts, ch 1112, §51; 2004 Acts, ch 1090, §33; 2012 Acts, ch 1019, §29

Referred to in §222.13, 222.15, 222.59

*Section 331.440, which implements the central point of coordination process, is repealed; corrective legislation is pending

Section not amended; footnote added

**222.14 Care by county pending admission.**

If the institution is unable to receive a patient, the superintendent shall notify the county board of supervisors of the county from which the application in behalf of the prospective patient was made of the time when such person may be received. Until such time as the patient is able to be received by the institution, or when application has been made for admission to a public or private facility as provided in section 222.13 and the application is pending, the care of said person shall be provided as arranged by the county board of supervisors.

[C24, 27, 31, 35, 39, §**3433;** C46, 50, 54, 58, 62, §222.23; C66, 71, 73, 75, 77, 79, 81, §222.14]

Referred to in §331.381

**222.15 Discharge of patients admitted voluntarily.**

This section applies to any person who was voluntarily admitted to a state resource center or other facility in accordance with the provisions of section 222.13 or 222.13A. Except as otherwise provided by this section, if the person or the person's parent, guardian, or custodian submits a written request for the person's release, the person shall be immediately released.

1. If the person is an adult and was admitted pursuant to an application by the person or the person's guardian and the request for release is made by a different person, the release is subject to the agreement of the person voluntarily admitted or the person's guardian, if the guardian submitted the application.

2. If the person is a minor who was admitted pursuant to the provisions of section 222.13A, the person's release prior to becoming eighteen years of age is subject to the consent of the person's parent, guardian, or custodian, or to the approval of the court if the admission was approved by the court.

3. *a.* If the administrator of the facility in which the patient is admitted certifies that in the administrator's opinion the release of the person would be contrary to the safety of the person or the community, the release may be postponed by a court order. The administrator's certification shall be filed with the clerk of the district court for the county in which the facility is located no later than one day following the submission of the written request for release. The period of postponement shall be the period of time the court determines necessary to permit the commencement of judicial proceedings for the person's involuntary commitment. The period of postponement shall not exceed five days unless the period of postponement is extended by court order for good cause shown.

*b.* If a petition for the person's involuntary commitment is timely filed, the administrator may detain the person in the facility and provide treatment until disposition of the petition. The treatment shall be limited to that necessary to preserve the person's life or to appropriately control behavior by the person which is likely to result in physical injury to

the person or to others if allowed to continue. The administrator shall not otherwise provide treatment to the person without the person's consent.

[SS15, §2727-a96; C24, 27, 31, 35, 39, §**3473;** C46, 50, 54, 58, 62, §223.9; C66, 71, 73, 75, 77, 79, 81, §222.15]

95 Acts, ch 82, §9; 2000 Acts, ch 1112, §51

Referred to in §222.59

For future strike of subsection 3, effective July 1, 2014, see 2013 Acts, ch 130, §19, 35

Section not amended; footnote added

**222.16 Petition for adjudication of intellectual disability.**

A petition for the adjudication of a person as having an intellectual disability within the meaning of this chapter may, with the permission of the court, be filed without fee against a person with the clerk of the district court of the county or city in which the person who is alleged to have an intellectual disability resides or is found. The petition may be filed by any relative of the person, by a guardian, or by any reputable citizen of the county where the person who is alleged to have an intellectual disability resides or is found.

Commitment of a person pursuant to section 222.31 does not constitute a finding or raise a presumption that the person is incompetent to vote. The court shall make a separate determination as to the person's competency to vote. The court shall find a person incompetent to vote only upon determining that the person lacks sufficient mental capacity to comprehend and exercise the right to vote.

[C24, 27, 31, 35, 39, §**3413;** C46, 50, 54, 58, 62, §222.3; C66, 71, 73, 75, 77, 79, 81, §222.16]

96 Acts, ch 1129, §44; 98 Acts, ch 1185, §6; 2012 Acts, ch 1019, §30

For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35

Section not amended; footnote added

**222.16A Judicial proceedings.**

1. The chief judge of a judicial district may appoint one or more judicial hospitalization referees for each county in the district to discharge the duties imposed on the court by this chapter. The judicial hospitalization qualification provisions of section 229.21 shall apply to referees appointed under this section in performing duties pursuant to this chapter. An order or findings by a referee pursuant to this chapter may be appealed to a judge of the district court by filing notice with the clerk of the district court within seven days after the findings or order is made, and hearing by the district court shall be de novo. The court shall schedule a hearing before a district judge at the earliest practicable time.

2. The juvenile court has exclusive original jurisdiction in any court proceedings concerning a minor pursuant to this chapter.

95 Acts, ch 82, §10

For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35

Section not amended; footnote added

**222.17 Allegations verified.**

The petition shall be verified by affidavit, may be filed on information or belief, and shall:

1. Allege that such person has an intellectual disability within the meaning of this chapter.

2. Allege that the filing of the petition is conducive to the welfare of such person and of the community.

3. List the name and residence of all known persons supervising, caring for, or supporting such person, or assuming, or under obligation to do so.

4. List the name and residence, if known, of the parents of such person and of all other persons legally chargeable with the supervision, care, or support of such person.

5. List the names of all obtainable witnesses known to the petitioner by which the allegations of the petition may be established.

6. State whether such person has been examined by a qualified physician with a view of determining the person's mental condition.

[C24, 27, 31, 35, 39, §**3414, 3415;** C46, 50, 54, 58, 62, §222.4, 222.5; C66, 71, 73, 75, 77, 79, 81, §222.17]

2012 Acts, ch 1019, §31

For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35

Section not amended; footnote added

**222.18 County attorney to appear.**

The county attorney shall, if requested, appear on behalf of any petitioner for the commitment of a person alleged to have an intellectual disability under this chapter, and on behalf of all public officials and superintendents in all matters pertaining to the duties imposed upon them by this chapter.

Upon the filing of the petition, the court shall enter an order directing the county attorney of the county in which the person who is alleged to have an intellectual disability resides to make a full investigation regarding the financial condition of that person and of those persons legally liable for that person's support under section 222.78.

[C24, 27, 31, 35, 39, §**3412;** C46, 50, 54, 58, 62, §222.2; C66, 71, 73, 75, 77, 79, 81, §222.18]
84 Acts, ch 1299, §1; 96 Acts, ch 1129, §45; 2012 Acts, ch 1019, §32
Referred to in §331.756(42)
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.19 Party respondents.**

The following persons, in addition to the person alleged to have an intellectual disability, shall be made party respondents if the persons reside in this state and their names and residences are known:

1. The parent or parents of said principal person.
2. The person with whom said principal person is living.
3. The person or persons assuming to give the principal respondent care and attention.
4. The guardian, if there be such, of the person or property of the principal respondent.

[C24, 27, 31, 35, 39, §**3416;** C46, 50, 54, 58, 62, §222.6; C66, 71, 73, 75, 77, 79, 81, §222.19]
2012 Acts, ch 1019, §33
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.20 Notice served.**

Notice of the pendency of said petition and of the time and place of hearing thereon shall be served upon all respondents who are residents of the county in which the petition is filed, in the manner in which the original notices are served. The court shall by written order direct the manner and time of service on all other parties. No notice need be served on those who are personally before the court.

[C24, 27, 31, 35, 39, §**3417;** C46, 50, 54, 58, 62, §222.7; C66, 71, 73, 75, 77, 79, 81, §222.20]
Manner of service, R.C.P. 1.302 – 1.315
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.21 Order requiring attendance.**

If the person alleged to have an intellectual disability is not before the court, the court may issue an order requiring the person who has the care, custody, and control of the person who is alleged to have an intellectual disability to bring the person into court at the time and place stated in the order.

[C24, 27, 31, 35, 39, §**3417;** C46, 50, 54, 58, 62, §222.7; C66, 71, 73, 75, 77, 79, 81, §222.21]
96 Acts, ch 1129, §46; 2012 Acts, ch 1019, §34
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.22 Time of appearance.**

The time of appearance shall not be less than five days after completed service unless the court orders otherwise. Appearance on behalf of the person who is alleged to have an intellectual disability may be made by any citizen of the county or by any relative. The district court shall assign counsel for the person who is alleged to have an intellectual disability. Counsel shall prior to proceedings personally consult with the person who is alleged to have an intellectual disability unless the judge appointing counsel certifies that in the judge's opinion, consultation shall serve no useful purpose. The certification shall be made a part of the record. An attorney assigned by the court shall be compensated by the

county at an hourly rate to be established by the county board of supervisors in substantially the same manner as provided in section 815.7.

[C24, 27, 31, 35, 39, §**3418;** C46, 50, 54, 58, 62, §222.8; C66, 71, 73, 75, 77, 79, 81, §222.22]
96 Acts, ch 1129, §47; 99 Acts, ch 135, §16; 2012 Acts, ch 1019, §35
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.23 Persons to be present.**

At any hearing for commitment under this chapter, the person whose commitment is sought, the person's appointed counsel, the person's own attorney, if any, and any physician or psychologist whose testimony is to be made a part of the record shall be present unless the presiding judge shall determine that the presence will not be in the best interest of the person whose commitment is sought. Such determination shall be made a part of the record.

[C66, 71, 73, 75, 77, 79, 81, §222.23]
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.24 When held.**

The hearing may be heard in term time or in vacation. The petition shall be taken as confessed by all respondents, except the principal person, who are duly served and who do not appear at the time required by the notice.

[C24, 27, 31, 35, 39, §**3419;** C46, 50, 54, 58, 62, §222.9; C66, 71, 73, 75, 77, 79, 81, §222.24]
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.25 Custody pending hearing.**

Pending final hearing, the court may at any time after the filing of the petition and on satisfactory showing that it is in the best interest of the person who is alleged to have an intellectual disability and of the community that the person be at once taken into custody, or that service of notice will be ineffectual if the person is not taken into custody, issue an order for the immediate production of the person before the court. In such case, the court may make any proper order for the custody or confinement of the person as will protect the person and the community and insure the presence of the person at the hearing. The person shall not be confined with those accused or convicted of crime.

[C24, 27, 31, 35, 39, §**3420;** C46, 50, 54, 58, 62, §222.10; C66, 71, 73, 75, 77, 79, 81, §222.25]
96 Acts, ch 1129, §48; 2012 Acts, ch 1019, §36
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.26 Hearing in equity.**

The hearing on the allegations of the petition shall be as in equity proceedings. Answers to allegations shall not be required but may be filed. The court may require the petitioner to answer under oath such interrogatories as may be propounded by said court.

[C24, 27, 31, 35, 39, §**3421, 3422;** C46, 50, 54, 58, 62, §222.11, 222.12; C66, 71, 73, 75, 77, 79, 81, §222.26]
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.27 Hearing in public.**

Hearings shall be public, unless otherwise requested by the parent, guardian, or other person having custody of the person with an intellectual disability, or if the judge considers a closed hearing in the best interests of the person with an intellectual disability.

[C24, 27, 31, 35, 39, §**3423;** C46, 50, 54, 58, 62, §222.13; C66, 71, 73, 75, 77, 79, 81, §222.27]
96 Acts, ch 1129, §113; 2012 Acts, ch 1019, §37; 2013 Acts, ch 90, §46
For future repeal of this section, effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section amended

**222.28 Commission to examine.**

The court may, at or prior to the final hearing, appoint a commission of one qualified physician and one qualified psychologist, designated through the central point of

coordination process,* who shall make a personal examination of the person alleged to have an intellectual disability for the purpose of determining the mental condition of the person.

[C24, 27, 31, 35, 39, §**3424;** C46, 50, 54, 58, 62, §222.14; C66, 71, 73, 75, 77, 79, 81, §222.28]
96 Acts, ch 1183, §4; 2004 Acts, ch 1090, §33; 2012 Acts, ch 1019, §38
Referred to in §222.31
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
*Section 331.440, which implements the central point of coordination process, is repealed; corrective legislation is pending
Section not amended; footnotes added

**222.29 Report.**

Said commission shall report in writing to the court the facts attending the mental condition of said person, its conclusion based thereon, and its recommendations concerning such person. The commission shall also report to the court sworn answers to such questions as may be required by the court. Such reports shall be filed with the clerk of the court.

[C24, 27, 31, 35, 39, §**3425;** C46, 50, 54, 58, 62, §222.15; C66, 71, 73, 75, 77, 79, 81, §222.29]
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.30 Ruling on report.**

No objections or exceptions need be made to said report. The court may set the report aside, and may order a new examination by the same or by a new commission, or may make such findings of fact in lieu of said report as may be justified by the evidence before the court.

[C24, 27, 31, 35, 39, §**3426;** C46, 50, 54, 58, 62, §222.16; C66, 71, 73, 75, 77, 79, 81, §222.30]
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.31 Commitment — liability for charges.**

1. If in the opinion of the court, or of a commission as authorized in section 222.28, the person has an intellectual disability within the meaning of this chapter and the court determines that it will be conducive to the welfare of that person and of the community to commit the person to a proper institution for treatment, training, instruction, care, habilitation, and support, and that services or support provided to the family of such a person who is a child will not enable the family to continue to care for the child in the child's home, the court shall by proper order:

*a.* Commit the person to any public or private facility within or without the state, approved by the director of the department of human services. If the person has not been examined by a commission as appointed in section 222.28, the court shall, prior to issuing an order of commitment, appoint such a commission to examine the person for the purpose of determining the mental condition of the person. No order of commitment shall be issued unless the commission shall recommend that such order be issued and the private institution to which the person is to be committed shall advise the court that it is willing to receive the person.

*b.* (1) Commit the person to the state resource center designated by the administrator to serve the county in which the hearing is being held, or to a special unit. The court shall, prior to issuing an order of commitment, request that a diagnostic evaluation of the person be made by a person qualified to perform the diagnostic evaluation. The cost of the evaluation shall be defrayed by the committed person's county of residence unless otherwise ordered by the court. The cost of the evaluation to be charged may be equal to but shall not exceed the actual cost of the evaluation. An order of commitment shall not be issued unless the superintendent of the institution recommends that the order be issued and advises the court that adequate facilities for the care of the person are available.

(2) The court shall examine the report of the county attorney filed pursuant to section 222.13, and if the report shows that neither the person nor those liable for the person's support under section 222.78 are presently able to pay the charges rising out of the person's care in a resource center, or special treatment unit, shall enter an order stating that finding and directing that the charges be paid by the person's county of residence. The court may, upon request of the board of supervisors, review its finding at any subsequent time while the person remains at the resource center, or is otherwise receiving care or treatment for which this chapter obligates the county to pay. If the court finds upon review that the person or those

legally responsible for the person are presently able to pay the expenses, that finding shall apply only to the charges incurred during the period beginning on the date of the board's request for the review and continuing thereafter, unless and until the court again changes its finding. If the court finds that the person, or those liable for the person's support, are able to pay the charges, the court shall enter an order directing that the charges be so paid to the extent required by section 222.78.

2. In its order, the court shall include a finding as to whether the person has sufficient mental capacity to comprehend and exercise the right to vote.

[C24, 27, 31, 35, 39, §**3428;** C46, 50, 54, 58, 62, §222.18; C66, 71, 73, 75, 77, 79, 81, §222.31]

83 Acts, ch 96, §157, 159; 83 Acts, ch 123, §81, 209; 84 Acts, ch 1299, §2, 3; 85 Acts, ch 67, §23; 92 Acts, ch 1229, §2; 98 Acts, ch 1185, §7; 2000 Acts, ch 1112, §51; 2009 Acts, ch 133, §215; 2012 Acts, ch 1019, §39; 2012 Acts, ch 1120, §71, 130

Referred to in §48A.2, 222.16, 222.36, 222.59

For future repeal of this section, effective July 1, 2014, see 2013 Acts, ch 130, §34, 35

2012 amendment to subsection 1, paragraph b, subparagraph (1) takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Subsection 1, paragraph b, subparagraph (1) amended

**222.32 Committed person under jurisdiction of court.**

Any person committed to any private institution shall remain under the jurisdiction of the court and the order of commitment may at any time be set aside or modified by changing the place of commitment or terminating the commitment and appointing a guardian in lieu thereof.

[C24, 27, 31, 35, 39, §**3429;** C46, 50, 54, 58, 62, §222.19; C66, 71, 73, 75, 77, 79, 81, §222.32]

For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35

Section not amended; footnote added

**222.33** Repealed by 84 Acts, ch 1299, § 19.

**222.34 Guardianship proceedings.**

If a guardianship is proposed for a person with an intellectual disability, guardianship proceedings shall be initiated and conducted as provided in chapter 633.

[C24, 27, 31, 35, 39, §**3431;** C46, 50, 54, 58, 62, §222.21; C66, 71, 73, 75, 77, 79, 81, §222.34]

84 Acts, ch 1299, §4; 96 Acts, ch 1129, §113; 2012 Acts, ch 1019, §40

**222.35** Repealed by 84 Acts, ch 1299, § 19.

**222.36 Custody pending admission.**

If a resource center or a special unit is unable to immediately receive a person committed under section 222.31, subsection 1, paragraph "*b*", the superintendent shall notify the court of the time when such person may be received. In the meantime, said person shall be cared for under such order as the court may enter.

[C24, 27, 31, 35, 39, §**3433;** C46, 50, 54, 58, 62, §222.23; C66, 71, 73, 75, 77, 79, 81, §222.36]

2000 Acts, ch 1112, §51; 2009 Acts, ch 133, §216

For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35

Section not amended; footnote added

**222.37 Order to deliver committed person.**

Upon the entry of an order of commitment, the clerk shall deliver to a suitable person designated by the court, an order of commitment and a duplicate thereof commanding such person to immediately deliver the committed person to the institution, resource center, or special unit, as designated by the court.

[C24, 27, 31, 35, 39, §**3434;** C46, 50, 54, 58, 62, §222.24; C66, 71, 73, 75, 77, 79, 81, §222.37]

2000 Acts, ch 1112, §51

Referred to in §602.8102(36)

For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35

Section not amended; footnote added

**222.38 Delivery of person to institution, resource center, or special unit.**

The court may, for the purpose of committing a person direct the clerk to authorize the employment of one or more assistants. If a person with an intellectual disability is taken to an institution, resource center, or special unit, at least one attendant shall be of the same sex.

[C24, 27, 31, 35, 39, §**3435;** C46, 50, 54, 58, 62, §222.25; C66, 71, 73, 75, 77, 79, 81, §222.38]
85 Acts, ch 99, §3; 96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §51; 2012 Acts, ch 1019, §41
Referred to in §602.8102(36)
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.39 Receipt acknowledged by superintendent.**

The superintendent of the institution, resource center, or special unit on the order of commitment shall acknowledge receipt for said person. The duplicate order shall be left with the superintendent and shall be sufficient authority to restrain and care for said committed person.

[C24, 27, 31, 35, 39, §**3436;** C46, 50, 54, 58, 62, §222.26; C66, 71, 73, 75, 77, 79, 81, §222.39]
2000 Acts, ch 1112, §51
Referred to in §602.8102(36)
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.40 Filing order with clerk.**

The person executing said order shall make due return thereon of the person's doings and forthwith file the same with the clerk.

[C24, 27, 31, 35, 39, §**3437;** C46, 50, 54, 58, 62, §222.27; C66, 71, 73, 75, 77, 79, 81, §222.40]
Referred to in §602.8102(36)
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.41 Exclusive method of discharge.**

No person committed under this chapter shall be discharged from the institution, resource center, or special unit except as provided in this chapter. Nothing in this chapter shall abridge the right of petition for a writ of habeas corpus.

[C24, 27, 31, 35, 39, §**3438;** C46, 50, 54, 58, 62, §222.28; C66, 71, 73, 75, 77, 79, 81, §222.41]
2000 Acts, ch 1112, §51
Constitutional provision, Iowa Constitution, Art. I, §13
Habeas corpus, chapter 663
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.42 Petition for discharge.**

A petition for the discharge of a person who has been committed to an institution, a resource center, or a special unit under this chapter or to vary such order of commitment may at any time after six months from the date of such commitment be filed by the person committed or by any reputable person. If the commitment be to a private institution, the petition shall be filed with the court ordering such commitment. If the commitment be to a resource center or a special unit, the petition shall be filed in the proper court of the county where the institution is situated.

[C24, 27, 31, 35, 39, §**3439;** C46, 50, 54, 58, 62, §222.29; C66, 71, 73, 75, 77, 79, 81, §222.42]
2000 Acts, ch 1112, §51
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.43 Grounds.**

1. Discharges and modifications of orders may be made on any of the following grounds:

*a.* That the person adjudged to have an intellectual disability does not have an intellectual disability.

*b.* That the person adjudged to have an intellectual disability has improved as to be capable of self-care.

*c.* That the relatives or friends of the person with an intellectual disability are able and willing to support and care for the person with an intellectual disability and request the

person's discharge, and in the judgment of the superintendent of the institution or resource center having charge of the person, no harmful consequences are likely to follow such discharge.

*d.* That, for any other cause, said discharge should be made or such modification should be entered.

2. Petitions for discharge or modification of an order of commitment to a special unit may be made upon any of the foregoing grounds, when applicable.

[C24, 27, 31, 35, 39, §**3440;** C46, 50, 54, 58, 62, §222.30; C66, 71, 73, 75, 77, 79, 81, §222.43]
96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §51; 2009 Acts, ch 41, §263; 2012 Acts, ch 1019, §42
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.44 Notice to superintendent.**

Notice of the hearing for discharge or modification of orders shall be served on the superintendent of the institution, resource center, or special unit, and on such parties as the court may find from the record are interested.

[C24, 27, 31, 35, 39, §**3441;** C46, 50, 54, 58, 62, §222.31; C66, 71, 73, 75, 77, 79, 81, §222.44]
2000 Acts, ch 1112, §51
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.45 Power of court.**

On the hearing, the court may discharge the person with an intellectual disability from all supervision, control, and care, or may transfer the person from a public institution to a private institution, or vice versa, or transfer the person from a special unit to a resource center, or vice versa, as the court deems appropriate under all the circumstances. If the person has been determined to lack the mental capacity to vote, the court shall include in its order a finding that this determination remains in force or is revoked.

[C24, 27, 31, 35, 39, §**3442;** C46, 50, 54, 58, 62, §222.32; C66, 71, 73, 75, 77, 79, 81, §222.45]
84 Acts, ch 1299, §5; 96 Acts, ch 1129, §113; 98 Acts, ch 1185, §8; 2000 Acts, ch 1112, §51; 2012 Acts, ch 1019, §43
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.46 No bar to future petitions.**

The denial of one petition for discharge or modification shall be no bar to another on the same or different grounds within a reasonable time thereafter, such reasonable time to be determined by the court.

[C24, 27, 31, 35, 39, §**3443;** C46, 50, 54, 58, 62, §222.33; C66, 71, 73, 75, 77, 79, 81, §222.46]
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.47 Penalty for false petition of commitment.**

Any person who shall maliciously seek to have any person adjudged as a person with an intellectual disability, knowing that such person does not have an intellectual disability, shall be guilty of a fraudulent practice.

[C24, 27, 31, 35, 39, §**3448;** C46, 50, 54, 58, 62, §222.38; C66, 71, 73, 75, 77, 79, 81, §222.47]
2012 Acts, ch 1019, §44
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.48 Fees for witnesses.**

The fees for attendance of witnesses and execution of legal process shall be the same as are allowed by law for similar service in other cases. For service as commissioner, a reasonable sum as determined by the court and the actual and necessary traveling expenses shall be allowed.

[C24, 27, 31, 35, 39, §**3449;** C46, 50, 54, 58, 62, §222.39; C66, 71, 73, 75, 77, 79, 81, §222.48]
Fees, §331.655, 622.69 – 622.75

For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.49 Costs paid.**

The costs of proceedings shall be paid by the county or the state, as determined in accordance with section 222.60, unless otherwise ordered by the court. When the person alleged to have an intellectual disability is found not to have an intellectual disability, the court shall render judgment for such costs against the person filing the petition except when the petition is filed by order of court.

[C24, 27, 31, 35, 39, §**3450;** C46, 50, 54, 58, 62, §222.40; C66, 71, 73, 75, 77, 79, 81, §222.49]
2012 Acts, ch 1019, §45; 2012 Acts, ch 1120, §72, 130
For future repeal of this section, effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
2012 amendment to this section by 2012 Acts, ch 1120, §72, takes effect July 1, 2013; 2012 Acts, ch 1120, §130
Section amended

**222.50 County of residence or state to pay.**

When the proceedings are instituted in a county in which the person who is alleged to have an intellectual disability was found but which is not the county of residence of the person, and the costs are not taxed to the petitioner, the person's county of residence or the state, as determined in accordance with section 222.60, shall, on presentation of a properly itemized bill for such costs, repay the costs to the former county.

[C24, 27, 31, 35, 39, §**3451;** C46, 50, 54, 58, 62, §222.41; C66, 71, 73, 75, 77, 79, 81, §222.50]
96 Acts, ch 1129, §49; 2012 Acts, ch 1019, §46; 2012 Acts, ch 1120, §73, 130
Referred to in §331.502
2012 amendment to this section by 2012 Acts, ch 1120, §73, takes effect July 1, 2013; 2012 Acts, ch 1120, §130
Section amended

**222.51 Costs collected.**

Costs incident to the hearings and commitment of a person with an intellectual disability to an institution, a resource center, or a special unit may be collected from the person with an intellectual disability and from all persons legally chargeable with the support of the person with an intellectual disability.

[C24, 27, 31, 35, 39, §**3452;** C46, 50, 54, 58, 62, §222.42; C66, 71, 73, 75, 77, 79, 81, §222.51]
84 Acts, ch 1299, §6; 96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §51; 2012 Acts, ch 1019, §47
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.52 Proceedings against delinquent — hearing on intellectual disability.**

When in proceedings against an alleged delinquent or dependent child, the court is satisfied from any evidence that such child has an intellectual disability, the court may order a continuance of such proceeding, and may direct an officer of the court or some other proper person to file a petition against such child permitted under the provisions of this chapter. Pending hearing of the petition the court may by order provide proper custody for the child.

[C24, 27, 31, 35, 39, §**3453;** C46, 50, 54, 58, 62, §222.43; C66, 71, 73, 75, 77, 79, 81, §222.52]
2012 Acts, ch 1019, §48
Referred to in §222.53, 222.54

**222.53 Conviction — suspension.**

If on the conviction in the district court of any person for any crime or for any violation of any municipal ordinance, or if on the determination in the court that a child is dependent, neglected, or delinquent and it appears from any evidence presented to the court before sentence, that such person has an intellectual disability within the meaning of this chapter, the court may suspend sentence or order, and may order any officer of the court or some other proper person to file a petition permitted under the provisions of this chapter against

such person. Pending hearing of the petition, the court shall provide for the custody of such person as directed in section 222.52.

[C24, 27, 31, 35, 39, §**3454;** C46, 50, 54, 58, 62, §222.44; C66, 71, 73, 75, 77, 79, 81, §222.53]
2012 Acts, ch 1019, §49
Referred to in §222.54

**222.54 Procedure after hearing.**

Should it be found under sections 222.52 and 222.53 that such person does not have an intellectual disability, the court shall proceed with the original proceedings as though no petition had been filed.

[C24, 27, 31, 35, 39, §**3455;** C46, 50, 54, 58, 62, §222.45; C66, 71, 73, 75, 77, 79, 81, §222.54]
2012 Acts, ch 1019, §50
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.55 Procedure regarding a person with mental illness.**

If it appears at any time that a person has under the provisions of this chapter been committed to a private institution and should be evaluated and treated in a hospital for persons with mental illness, the person may be hospitalized under any of the provisions of sections 229.2 to 229.15.

[C24, 27, 31, 35, 39, §**3457;** C46, 50, 54, 58, 62, §222.47; C66, 71, 73, 75, 77, 79, 81, §222.55]
84 Acts, ch 1299, §7; 96 Acts, ch 1129, §113
Hospitalization of persons with mental illness, chapter 229
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.56 Transfer to institution for persons with an intellectual disability.**

When the mental condition of a person in a private institution for persons with mental illness is found to be such that the patient should be transferred to an institution for persons with an intellectual disability, the person may be proceeded against under this chapter.

[C24, 27, 31, 35, 39, §**3458;** C46, 50, 54, 58, 62, §222.48; C66, 71, 73, 75, 77, 79, 81, §222.56]
84 Acts, ch 1299, §8; 96 Acts, ch 1129, §113; 2012 Acts, ch 1019, §51
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.57 Court records.**

Each court having jurisdiction under this chapter shall keep a separate docket of proceedings in which shall be made such entries as shall, together with the papers filed, preserve a complete and perfect record of each case. The original petitions, writs, and returns made thereto and the reports of commissions shall be filed with the clerk of the court.

[C24, 27, 31, 35, 39, §**3462;** C46, 50, 54, 58, 62, §222.52; C66, 71, 73, 75, 77, 79, 81, §222.57]
Referred to in §602.8102(37)
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.58 Administrator to keep record.**

The administrator shall keep a record of all persons adjudged to have an intellectual disability and of the orders respecting such persons by the courts throughout the state. Copies of such orders shall be furnished by the clerk of the court without the administrator's application therefor.

[C24, 27, 31, 35, 39, §**3463;** C46, 50, 54, 58, 62, §222.53; C66, 71, 73, 75, 77, 79, 81, §222.58]
2012 Acts, ch 1019, §52
For future repeal of this section effective July 1, 2014, see 2013 Acts, ch 130, §34, 35
Section not amended; footnote added

**222.59 Alternative to state resource center placement.**

1. Upon receiving a request from an authorized requester, the superintendent of a state resource center shall coordinate with the central point of coordination process* in assisting the requester in identifying available community-based services as an alternative to continued placement of a patient in the state resource center. For the purposes of this

section, *"authorized requester"* means the parent, guardian, or custodian of a minor patient, the guardian of an adult patient, or an adult patient who does not have a guardian. The assistance shall identify alternatives to continued placement which are appropriate to the patient's needs and shall include but are not limited to any of the following:

*a.* Providing information on currently available services that are an alternative to residence in the state resource center.

*b.* Referring the patient to an appropriate case management agency or other provider of service.

2. If a patient was admitted pursuant to section 222.13 or section 222.13A and the patient wishes to be placed outside of the state resource center, the discharge for the placement shall be made in accordance with the provisions of section 222.15.

3. If a patient was involuntarily committed, a petition for approval of a proposed placement outside the state resource center shall be filed, by the authorized requester or the superintendent of the state resource center where the patient is placed, with the court which made the commitment with either of the following recommendations for the court's consideration:

*a.* That the patient's commitment is no longer necessary and should be discontinued.

*b.* That the patient's commitment is still appropriate but the patient should be transferred to another public or private facility in accordance with the provisions of section 222.31, subsection 1, paragraph *"a"*.

[C97, §2698; C24, 27, 31, 35, 39, §**3405, 3446;** C46, §221.4; C46, 50, 54, 58, 62, §222.36, 223.19; C66, 71, 73, 75, 77, 79, 81, §222.59]

83 Acts, ch 96, §157, 159; 90 Acts, ch 1271, §1502; 95 Acts, ch 82, §11; 96 Acts, ch 1183, §5; 2000 Acts, ch 1112, §51; 2004 Acts, ch 1090, §33; 2009 Acts, ch 133, §217

Referred to in §331.381

For future strike of subsection 3, effective July 1, 2014, see 2013 Acts, ch 130, §20, 35

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

Section not amended; footnotes added

**222.60 Costs paid by county or state — diagnosis and evaluation.**

1. All necessary and legal expenses for the cost of admission or commitment or for the treatment, training, instruction, care, habilitation, support and transportation of persons with an intellectual disability, as provided for in the county management plan provisions implemented pursuant to section 331.439, subsection 1,* in a state resource center, or in a special unit, or any public or private facility within or without the state, approved by the director of human services, shall be paid by either:

*a.* The person's county of residence.

*b.* The state when the person is a resident in another state or in a foreign country or the residence is unknown. The payment responsibility shall be deemed to be a state case.

2. *a.* Prior to a county of residence approving the payment of expenses for a person under this section, the county may require that the person be diagnosed to determine if the person has an intellectual disability or that the person be evaluated to determine the appropriate level of services required to meet the person's needs relating to an intellectual disability. The diagnosis and the evaluation may be performed concurrently and shall be performed by an individual or individuals approved by the county who are qualified to perform the diagnosis or the evaluation. Following the initial approval for payment of expenses, the county may require that an evaluation be performed at reasonable time periods.

*b.* The cost of a county-required diagnosis and an evaluation is at the county's expense. For a state case, the state may apply the diagnosis and evaluation provisions of this subsection at the state's expense.

*c.* A diagnosis or an evaluation under this section may be part of a county's central point of coordination process under section 331.440,* provided that a diagnosis is performed only by an individual qualified as provided in this section.

3. *a.* A diagnosis of an intellectual disability under this section shall be made only when the onset of the person's condition was prior to the age of eighteen years and shall be based on an assessment of the person's intellectual functioning and level of adaptive skills. The diagnosis shall be made by an individual who is a psychologist or psychiatrist who is

professionally trained to administer the tests required to assess intellectual functioning and to evaluate a person's adaptive skills.

*b.* A diagnosis of an intellectual disability shall be made in accordance with the criteria provided in the diagnostic and statistical manual of mental disorders, published by the American psychiatric association, as provided in the definition of intellectual disability in section 4.1.

[C39, §**3477.3, 3477.4, 3477.7;** C46, 50, 54, 58, 62, §223.14, 223.15, 223.18; C66, 71, 73, 75, 77, 79, 81, §222.60]

83 Acts, ch 96, §157, 159; 95 Acts, ch 82, §12; 95 Acts, ch 190, §1; 95 Acts, ch 206, §13; 2000 Acts, ch 1112, §51; 2004 Acts, ch 1090, §33; 2009 Acts, ch 41, §223; 2012 Acts, ch 1019, §53 – 55; 2012 Acts, ch 1120, §74, 75, 130

Referred to in §222.49, 222.50, 222.65, 222.77, 222.78, 249A.12, 331.381
For future amendment to subsection 1, unnumbered paragraph 1, effective July 1, 2014, see 2013 Acts, ch 130, §21, 35
*Sections 331.439 and 331.440 are repealed; corrective legislation is pending
2012 amendments to subsections 1 and 2 by 2012 Acts, ch 1120, §74, 75, take effect July 1, 2013; 2012 Acts, ch 1120, §130
Subsections 1 and 2 amended

**222.60A Cost of assessment.**

Notwithstanding any provision of this chapter to the contrary, any amount attributable to any fee assessed pursuant to section 249A.21 that would otherwise be the liability of any county shall be paid by the state. The department may transfer funds from the appropriation for medical assistance to pay any amount attributable to any fee assessed pursuant to section 249A.21 that is a liability of the state.

2004 Acts, ch 1085, §3, 10, 11

Referred to in §331.381

**222.61 Residency determined.**

When a county receives an application on behalf of any person for admission to a resource center or a special unit or when a court issues an order committing any person to a resource center or a special unit, the board of supervisors shall refer the determination of residency to the central point of coordination process* to determine and certify that the residence of the person is in one of the following:

1. In the county in which the application is received or in which the court is located.
2. In some other county of the state.
3. In another state or in a foreign country.
4. Unknown.

[C66, 71, 73, 75, 77, 79, 81, §222.61]

97 Acts, ch 169, §3; 2000 Acts, ch 1112, §51; 2004 Acts, ch 1090, §33, 37; 2012 Acts, ch 1120, §76, 130

Referred to in §331.381, 331.502
For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §22, 35
*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending
2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130
Section amended

**222.62 Residency in another county.**

When the board of supervisors determines through the central point of coordination process* that the residency of the person is other than in the county in which the application is received, the determination shall be certified to the superintendent of the resource center or the special unit where the person is a patient. The certification shall be accompanied by a copy of the evidence supporting the determination. The superintendent shall charge the expenses already incurred and unadjusted, and all future expenses of the patient, to the county certified to be the county of residency.

[C66, 71, 73, 75, 77, 79, 81, §222.62]

97 Acts, ch 169, §4; 2000 Acts, ch 1112, §51; 2004 Acts, ch 1090, §33, 38; 2012 Acts, ch 1120, §77, 130

Referred to in §331.381, 331.502
*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending
2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130
Section amended

**222.63 Finding of residency — objection.**

A board of supervisors' certification utilizing the central point of coordination process* that a person's residency is in another county shall be sent to the auditor of the county of residence. The certification shall be accompanied by a copy of the evidence supporting the determination. The auditor of the county of residence shall submit the certification to the board of supervisors of the auditor's county and it shall be conclusively presumed that the patient has residency in that county unless that county disputes the determination of residency as provided in section 331.394.

[C66, 71, 73, 75, 77, 79, 81, §222.63]

2004 Acts, ch 1090, §33, 39; 2012 Acts, ch 1120, §78, 130

Referred to in §331.381, 331.502

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.64 Foreign state or country or unknown residency.**

If the residency of the person is determined by a county or the state to be in a foreign state or country or is determined to be unknown, the county or the state shall certify the determination to the administrator. The certification shall be accompanied by a copy of the evidence supporting the determination. The care of the person shall be as arranged by the county or the state or by an order as the court may enter. Application for admission or order of commitment may be made pending investigation by the administrator.

[C66, 71, 73, 75, 77, 79, 81, §222.64]

97 Acts, ch 169, §5; 2004 Acts, ch 1090, §33, 40; 2012 Acts, ch 1120, §79, 130

Referred to in §331.381, 331.502

For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §23, 35

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.65 Investigation.**

If an application is made for placement of a person in a state resource center or special unit, the department's administrator shall immediately investigate the residency of the person and proceed as follows:

1. If the administrator concurs with a certified determination as to residency of the person so that the person is deemed a state case under section 222.60, the administrator shall cause the person either to be transferred to a resource center or a special unit or to be transferred to the place of foreign residency.

2. If the administrator disputes a certified determination of residency, the administrator shall order the person transferred to a state resource center or a special unit until the dispute is resolved.

3. If the administrator disputes a certified determination of residency, the administrator shall utilize the procedure provided in section 331.394 to resolve the dispute. A determination of the person's residency status made pursuant to section 331.394 is conclusive.

[C66, 71, 73, 75, 77, 79, 81, §222.65]

2000 Acts, ch 1112, §51; 2004 Acts, ch 1090, §41; 2012 Acts, ch 1120, §80, 130

Referred to in §331.381, 331.502

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.66 Transfers — state cases — expenses.**

1. The transfer to a resource center or a special unit or to the place of residency of a person with an intellectual disability who has no residence in this state or whose residency is unknown, shall be made in accordance with such directions as shall be prescribed by the administrator and when practicable by employees of the state resource center or the special unit. The actual and necessary expenses of such transfers shall be paid by the department on itemized vouchers sworn to by the claimants and approved by the administrator and the approved amount is appropriated to the department from any funds in the state treasury not otherwise appropriated.

2. The case of a person with an intellectual disability who is determined to have no residence in this state or whose residence is unknown shall be considered a state case.

[C66, 71, 73, 75, 77, 79, 81, §222.66]

96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §51; 2012 Acts, ch 1019, §56; 2012 Acts, ch 1120, §81, 130

Referred to in §331.381, 331.502

2012 amendment to this section by 2012 Acts, ch 1120, §81, takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.67 Charge on finding of residency.**

If a person has been received into a resource center or a special unit as a patient whose residency is unknown and the administrator determines that the residency of the patient was at the time of admission or commitment in a county of this state, the administrator shall certify the determination and charge all legal costs and expenses pertaining to the admission or commitment and support of the patient to the county of residence. The certification shall be sent to the county of residence. The certification shall be accompanied by a copy of the evidence supporting the determination. If the person's residency status has been determined in accordance with section 331.394, the legal costs and expenses shall be charged to the county or as a state case in accordance with that determination. The costs and expenses shall be collected as provided by law in other cases.

[C66, 71, 73, 75, 77, 79, 81, §222.67]

2000 Acts, ch 1112, §51; 2004 Acts, ch 1090, §42; 2012 Acts, ch 1120, §82, 130

Referred to in §331.381

For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §24, 35

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.68 Costs paid in first instance.**

All necessary and legal expenses for the cost of admission or commitment of a person to a resource center or a special unit when the person's residency is found to be in another county of this state shall in the first instance be paid by the county from which the person was admitted or committed. The county of residence shall reimburse the county which pays for all such expenses. If a county fails to make such reimbursement within forty-five days following submission of a properly itemized bill to the county of residence, a penalty of not greater than one percent per month on and after forty-five days from submission of the bill may be added to the amount due.

[C24, 27, 31, 35, 39, §**3451;** C46, 50, 54, 58, 62, §222.41; C66, 71, 73, 75, 77, 79, 81, §222.68]

98 Acts, ch 1218, §68; 2000 Acts, ch 1112, §51; 2012 Acts, ch 1120, §83, 130

Referred to in §331.381

For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §25, 35

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.69 Payment by state.**

The amount necessary to pay the necessary and legal expenses of admission or commitment of a person to a resource center or a special unit when the person's residence is outside this state or is unknown is appropriated to the department from any money in the state treasury not otherwise appropriated. Such payments shall be made by the department on itemized vouchers executed by the auditor of the county from which the expenses have been paid and approved by the administrator.

[C66, 71, 73, 75, 77, 79, 81, §222.69]

2000 Acts, ch 1112, §51; 2012 Acts, ch 1120, §84, 130

Referred to in §331.381, 331.502

For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §26, 35

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.70 Residency disputes.**

If a dispute arises between counties or between the department and a county as to the residency of a person admitted or committed to a resource center, a special unit, or a community-based service, the dispute shall be resolved as provided in section 331.394.

[C66, 71, 73, 75, 77, 79, 81, §222.70]

94 Acts, ch 1170, §1; 2000 Acts, ch 1112, §51; 2004 Acts, ch 1090, §43; 2012 Acts, ch 1120, §85, 130

Referred to in §331.381

For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §27, 35

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.71 and 222.72** Repealed by 2004 Acts, ch 1090, § 55.

**222.73 Billing of patient charges — computation of actual costs — cost settlement.**

1. The superintendent of each resource center and special unit shall compute by February 1 the average daily patient charge and outpatient treatment charges for which each county will be billed for services provided to patients chargeable to the county during the fiscal year beginning the following July 1. The department shall certify the amount of the charges and notify the counties of the billing charges.

*a.* The superintendent shall compute the average daily patient charge for a resource center or special unit for services provided in the following fiscal year, in accordance with generally accepted accounting procedures, by totaling the expenditures of the resource center or special unit for the immediately preceding calendar year, by adjusting the expenditures by a percentage not to exceed the percentage increase in the consumer price index for all urban consumers for the immediately preceding calendar year, and by dividing the adjusted expenditures by the total inpatient days of service provided during the immediately preceding calendar year.

*b.* The department shall compute the outpatient treatment charges, in accordance with generally accepted accounting procedures, on the basis of the actual cost of the outpatient treatment provided during the immediately preceding calendar year.

2. *a.* The superintendent shall certify to the department the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and outpatient treatment charges computed pursuant to subsection 1, and the number of inpatient days and outpatient treatment service units chargeable to the county. The billings to a county of residence are subject to adjustment for all of the following circumstances:

(1) The county billing for a patient shall be reduced by the amount received for the patient's care from a source other than state appropriated funds.

(2) If more than twenty percent of the cost of a patient's care is initially paid from a source other than state appropriated funds, the amount paid shall be subtracted from the average per-patient-per-day cost of that patient's care and the patient's county shall be billed for the full balance of the cost so computed.

(3) The county of a patient who is eligible for reimbursement under the medical assistance program shall be responsible for the costs which are not reimbursed by the medical assistance program, regardless of the level of care provided to the patient.

(4) A county shall be responsible for eighty percent of the cost of care of a patient who is not eligible for reimbursement under the medical assistance program.

(5) The billings for counties shall be credited with one hundred percent of the client participation for patients eligible for medical assistance in the calculation of the per diem rate for patients.

(6) A county shall not be billed for the cost of a patient unless the patient's admission is authorized through the applicable central point of coordination process.* The state resource center and the county shall work together to locate appropriate alternative placements and services, and to educate patients and the family members of patients regarding such alternatives.

*b.* The per diem costs billed to each county shall not exceed the per diem costs billed

to the county in the fiscal year beginning July 1, 1996. However, the per diem costs billed to a county may be adjusted in a fiscal year to reflect increased costs to the extent of the percentage increase in the total of county fixed budgets pursuant to the allowed growth factor adjustment authorized by the general assembly for that fiscal year in accordance with section 331.439.**

3. The superintendent shall compute in January the actual per-patient-per-day cost for each resource center or special unit for the immediately preceding calendar year, in accordance with generally accepted accounting procedures, by totaling the actual expenditures of the resource center or special unit for the calendar year and by dividing the total actual expenditures by the total inpatient days of service provided during the calendar year.

4. The department shall certify to the counties by February 1 the actual per-patient-per-day costs, as computed pursuant to subsection 3, and the actual costs owed by each county for the immediately preceding calendar year for patients chargeable to the county. If the actual costs owed by the county are greater than the charges billed to the county pursuant to subsection 2, the department shall bill the county for the difference with the billing for the quarter ending June 30. If the actual costs owed by the county are less than the charges billed to the county pursuant to subsection 2, the department shall credit the county for the difference starting with the billing for the quarter ending June 30.

5. A superintendent of a resource center or special unit may request that the director of human services enter into a contract with a person for the resource center or special unit to provide consultation or treatment services or for fulfilling other purposes which are consistent with the purposes stated in section 222.1. The contract provisions shall include charges which reflect the actual cost of providing the services. Any income from a contract authorized under this subsection may be retained by the resource center or special unit to defray the costs of providing the services or fulfilling the other purposes. Except for a contract voluntarily entered into by a county under this subsection, the costs or income associated with a contract authorized under this subsection shall not be considered in computing charges and per diem costs in accordance with the provisions of subsections 1 through 4.

[SS15, §2727-a96; C24, 27, 31, 35, 39, §**3469;** C46, 50, 54, 58, 62, §223.5; C66, 71, 73, 75, 77, 79, 81, §222.73]

86 Acts, ch 1169, §1; 88 Acts, ch 1249, §6; 88 Acts, ch 1276, §38; 95 Acts, ch 82, §4; 96 Acts, ch 1183, §6 – 8; 98 Acts, ch 1155, §9; 2000 Acts, ch 1112, §51; 2001 Acts, ch 155, §15 – 17; 2004 Acts, ch 1090, §33; 2009 Acts, ch 41, §263; 2012 Acts, ch 1120, §86, 130

Referred to in §222.74, 331.381

For the period beginning October 1, 2008, and ending September 30, 2010, or the period for which funding from the federal American Recovery and Reinvestment Act of 2009 can be used, per diem amounts billed to counties may be adjusted downward to comply with the federal Act; 2009 Acts, ch 182, §58, 59

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

**Section 331.439 is repealed; corrective legislation is pending

2012 amendment to subsection 2, paragraph a, unnumbered paragraph 1, takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Subsection 2, paragraph a, unnumbered paragraph 1 amended

**222.74 Duplicate to county.**

When certifying to the department amounts to be charged against each county as provided in section 222.73, the superintendent shall send to the county auditor of each county against which the superintendent has so certified any amount, a duplicate of the certification statement. The county auditor upon receipt of the duplicate certification statement shall enter it to the credit of the state in the ledger of state accounts, and shall immediately issue a notice to the county treasurer authorizing the treasurer to transfer the amount from the county fund to the general state revenue. The county treasurer shall file the notice as authority for making the transfer and shall include the amount transferred in the next remittance of state taxes to the treasurer of state, designating the fund to which the amount belongs.

[C66, 71, 73, 75, 77, 79, 81, §222.74]

83 Acts, ch 123, §82, 209; 2001 Acts, ch 155, §18

Referred to in §222.75, 331.381, 331.502

**222.75 Delinquent payments — penalty.**

If a county fails to pay a billed charge within forty-five days from the date the county auditor received the certification statement from the superintendent pursuant to section 222.74, the department may charge the delinquent county a penalty of not greater than one percent per month on and after forty-five days from the date the county auditor received the certification statement until paid.

[C66, 71, 73, 75, 77, 79, 81, §222.75]

98 Acts, ch 1218, §69; 2001 Acts, ch 155, §19

Referred to in §331.381

**222.76** Repealed by 81 Acts, ch 117, § 1097.

**222.77 Patients on leave.**

The cost of support of patients placed on convalescent leave or removed as a habilitation measure from a resource center, or a special unit, except when living in the home of a person legally bound for the support of the patient, shall be paid by the county of residence or the state as provided in section 222.60.

[C66, 71, 73, 75, 77, 79, 81, S81, §222.77; 81 Acts, ch 117, §1027]

83 Acts, ch 123, §83, 209; 2000 Acts, ch 1112, §51; 2012 Acts, ch 1120, §87, 130

Referred to in §222.78, 331.381

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.78 Parents and others liable for support.**

1. The father and mother of any patient admitted or committed to a resource center or to a special unit, as either an inpatient or an outpatient, and any person, firm, or corporation bound by contract made for support of the patient are liable for the support of the patient. The patient and those legally bound for the support of the patient shall be liable to the county or state, as applicable, for all sums advanced in accordance with the provisions of sections 222.60 and 222.77.

2. The liability of any person, other than the patient, who is legally bound for the support of a patient who is under eighteen years of age in a resource center or a special unit shall not exceed the average minimum cost of the care of a normally intelligent minor without a disability of the same age and sex as the minor patient. The administrator shall establish the scale for this purpose but the scale shall not exceed the standards for personal allowances established by the state division under the family investment program. The father or mother shall incur liability only during any period when the father or mother either individually or jointly receive a net income from whatever source, commensurate with that upon which they would be liable to make an income tax payment to this state. The father or mother of a patient shall not be liable for the support of the patient upon the patient attaining eighteen years of age. Nothing in this section shall be construed to prevent a relative or other person from voluntarily paying the full actual cost as established by the administrator for caring for the patient with an intellectual disability.

[C39, §**3477.5;** C46, 50, 54, 58, 62, §223.16, 223.20; C66, 71, 73, 75, 77, 79, 81, §222.78]

93 Acts, ch 97, §27; 98 Acts, ch 1218, §70; 2000 Acts, ch 1112, §51; 2012 Acts, ch 1019, §57; 2012 Acts, ch 1120, §88, 130

Referred to in §218.78, 222.13, 222.18, 222.31, 222.79, 222.80, 222.81, 222.82, 226.8, 234.39, 331.381

For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §28, 35

2012 amendment to this section by 2012 Acts, ch 1120, §88, takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.79 Certification statement presumed correct.**

In actions to enforce the liability imposed by section 222.78, the superintendent or the county of residence, as applicable, shall submit a certification statement stating the sums charged, and the certification statement shall be considered presumptively correct.

[C66, 71, 73, 75, 77, 79, 81, §222.79]

2001 Acts, ch 155, §20; 2012 Acts, ch 1120, §89, 130

Referred to in §331.381

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.80 Liability to county or state.**

A person admitted or committed to a county institution or home or admitted or committed at county or state expense to a private hospital, sanitarium, or other facility for treatment, training, instruction, care, habilitation, and support as a patient with an intellectual disability shall be liable to the county or state, as applicable, for the reasonable cost of the support as provided in section 222.78.

[C66, 71, 73, 75, 77, 79, 81, §222.80]

96 Acts, ch 1129, §50; 2012 Acts, ch 1019, §58; 2012 Acts, ch 1120, §90, 130

Referred to in §331.381

For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §29, 35

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.81 Claim against estate.**

The total amount of liability provided in section 222.78 shall be allowed as a claim of the sixth class against the estate of the person or against the estate of the father or mother of such person.

[C66, 71, 73, 75, 77, 79, 81, §222.81]

Referred to in §331.381

**222.82 Collection of liabilities and claims.**

If liabilities and claims exist as provided in section 222.78 or other provision of this chapter, the county of residence or the state, as applicable, may proceed as provided in this section. If the liabilities and claims are owed to a county of residence, the county's board of supervisors may direct the county attorney to proceed with the collection of the liabilities and claims as a part of the duties of the county attorney's office when the board of supervisors deems such action advisable. If the liabilities and claims are owed to the state, the state shall proceed with the collection. The board of supervisors or the state, as applicable, may compromise any and all liabilities to the county or state arising under this chapter when such compromise is deemed to be in the best interests of the county or state. Any collections and liens shall be limited in conformance to section 614.1, subsection 4.

[C39, §**3477.6;** C46, 50, 54, 58, 62, §223.17; C66, 71, 73, 75, 77, 79, 81, §222.82]

2012 Acts, ch 1120, §91, 130

Referred to in §331.381, 331.756(43)

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.83 Nonresident patients.**

The estates of all nonresident patients who are provided treatment, training, instruction, care, habilitation, and support in or by a resource center or a special unit, and all persons legally bound for the support of such persons, shall be liable to the state for the reasonable value of such services. The certificate of the superintendent of the resource center or special unit in which any nonresident is or has been a patient, showing the amounts drawn from the state treasury or due therefrom as provided by law on account of such nonresident patient, shall be presumptive evidence of the reasonable value of such services furnished such patient by the resource center or special unit.

[C66, 71, 73, 75, 77, 79, 81, §222.83]

2000 Acts, ch 1112, §51

**222.84 Patients' personal deposit fund.**

There is hereby established at each resource center and special unit a fund which shall be known as the "patients' personal deposit fund"; provided that in the case of a special unit, the director may direct that the patients' personal deposit fund be maintained and administered as a part of the fund established, pursuant to sections 226.43 to 226.46, by the mental health institute where the special unit is located.

[C66, 71, 73, 75, 77, 79, 81, §222.84]

2000 Acts, ch 1112, §51

**222.85 Deposit of moneys — exception to guardians.**

Any funds coming into the possession of the superintendent or any employee of a resource center or special unit belonging to any patient in that institution shall be deposited in the name of the patient in the patients' personal deposit fund, except that if a guardian of the property has been appointed for the person, the guardian shall have the right to demand and receive such funds. Funds belonging to a patient deposited in the patients' personal deposit fund may be used for the purchase of personal incidentals, desires, and comforts for the patient.

Money paid to a resource center from any source other than state appropriated funds and intended to pay all or a portion of the cost of care of a patient, which cost would otherwise be paid from state or county funds or from the patient's own funds, shall not be deemed money belonging to the patient for the purposes of this section.

[C66, 71, 73, 75, 77, 79, 81, §222.85]

2000 Acts, ch 1112, §51

**222.86 Payment for care from fund.**

If a patient is not receiving medical assistance under chapter 249A and the amount in the account of any patient in the patients' personal deposit fund exceeds two hundred dollars, the business manager of the resource center or special unit may apply any amount of the excess to reimburse the county of residence or the state for liability incurred by the county or the state for the payment of care, support, and maintenance of the patient, when billed by the county or state, as applicable.

[C66, 71, 73, 75, 77, 79, 81, S81, §222.86; 81 Acts, ch 11, §15]

2000 Acts, ch 1112, §51; 2012 Acts, ch 1120, §92, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**222.87 Deposit in bank.**

The business manager shall deposit the patients' personal deposit fund in a commercial account of a bank of reputable standing. When deposits in the commercial account exceed average monthly withdrawals, the business manager may deposit the excess at interest. The savings account shall be in the name of the patients' personal deposit fund and interest paid thereon may be used for recreational purposes for the patients at the resource center or special unit.

[C66, 71, 73, 75, 77, 79, 81, §222.87]

2000 Acts, ch 1112, §51

**222.88 Special intellectual disability unit.**

The director of human services may organize and establish a special intellectual disability unit at an existing institution which may provide:

1. Psychiatric and related services to children with an intellectual disability and adults who are also emotionally disturbed or otherwise mentally ill.

2. Specific programs to meet the needs of such other special categories of persons with an intellectual disability as may be designated by the director.

3. Appropriate diagnostic evaluation services.

[C71, 73, 75, 77, 79, 81, §222.88]

83 Acts, ch 96, §157, 159; 96 Acts, ch 1129, §51, 113; 2012 Acts, ch 1019, §59

Referred to in §222.1, 222.2, 222.13, 222.91

**222.89 Location — staff and personnel.**

The director may:

1. Designate a portion of the physical facilities of one of the mental health institutes to be occupied by the offices and facilities of the special unit.

2. Determine the extent to which the special unit may effectively utilize services of the mental health institute staff, and what staff personnel should be employed for and assigned specifically to the special unit.

[C71, 73, 75, 77, 79, 81, §222.89]

Referred to in §222.1, 222.2

**222.90 Superintendent.**

The director shall appoint a qualified superintendent of the special unit. The superintendent shall employ all staff personnel to be assigned specifically to the special unit, and shall have the same duties with respect to the special unit as are imposed upon superintendents of resource centers by section 222.4.

[C71, 73, 75, 77, 79, 81, §222.90]

2000 Acts, ch 1112, §51

Referred to in §222.1, 222.2

**222.91 Direct referral to special unit.**

In addition to any other manner of referral, admission, or commitment to the special unit provided for by this chapter, persons may be referred directly to the special unit by courts, law enforcement agencies, or state penal or correctional institutions for services under subsection 2 of section 222.88; but persons so referred shall not be admitted or committed unless a preadmission diagnostic evaluation indicates that the person would benefit from such services, and the admission or commitment of the person to the special unit would not cause the special unit's patient load to exceed its capacity.

[C71, 73, 75, 77, 79, 81, §222.91]

Referred to in §222.1, 222.2

For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §30, 35

Section not amended; footnote added

**222.92 Net general fund appropriation — state resource centers.**

1. The department shall operate the state resource centers on the basis of net appropriations from the general fund of the state. The appropriation amounts shall be the net amounts of state moneys projected to be needed for the state resource centers for the fiscal year of the appropriations. The purpose of utilizing net appropriations is to encourage the state resource centers to operate with increased self-sufficiency, to improve quality and efficiency, and to support collaborative efforts between the state resource centers and counties and other providers of funding for the services available from the state resource centers. The state resource centers shall not be operated under the net appropriations in a manner that results in a cost increase to the state or in cost shifting between the state, the medical assistance program, counties, or other sources of funding for the state resource centers.

2. The net appropriation made for a state resource center may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for purposes of cash flow management, a state resource center may temporarily draw more than the amount appropriated, provided the amount appropriated is not exceeded at the close of the fiscal year.

3. Subject to the approval of the department, except for revenues segregated as provided in section 249A.11, revenues received that are attributed to a state resource center for a fiscal year shall be credited to the state resource center's account and shall be considered repayment receipts as defined in section 8.2, including but not limited to all of the following:

*a.* Moneys received by the state from billings to counties.

*b.* The federal share of medical assistance program revenue received under chapter 249A.

*c.* Federal Medicare program payments.

*d.* Moneys received from client financial participation.

*e.* Other revenues generated from current, new, or expanded services that the state resource center is authorized to provide.

4. For purposes of allocating moneys to the state resource centers from the salary adjustment fund created in section 8.43, the state resource centers shall be considered to be funded entirely with state moneys.

5. Notwithstanding section 8.33, up to five hundred thousand dollars of a state resource center's revenue that remains unencumbered or unobligated at the close of the fiscal year

shall not revert but shall remain available for expenditure for purposes of the state resource center until the close of the succeeding fiscal year.

2005 Acts, ch 175, §94; 2012 Acts, ch 1120, §93, 130

2012 amendment to subsection 3, paragraph a, takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Subsection 3, paragraph a amended

**222.93** Repealed by 85 Acts, ch 146, § 4.

# CHAPTERS 223 to 224B

RESERVED

# CHAPTER 225

## PSYCHIATRIC HOSPITAL

Referred to in §229.1


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225.3 Under control of state board of regents.
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225.6 Repealed by 76 Acts, ch 1136, §26.
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225.32 Report and order to accompany patient.
225.33 Death of patient — disposal of body.
225.34 Repealed by 96 Acts, ch 1215, §59.
225.35 Expense collected.
225.36 through 225.42 Repealed by 75 Acts, ch 139, §82.
225.43 through 225.45 Repealed by 77 Acts, ch 44, §1.


**225.1 Establishment.**

There shall be established a state psychiatric hospital, especially designed, kept, and administered for the care, observation, and treatment of those persons who are afflicted with abnormal mental conditions.

[C24, 27, 31, 35, §3954; C39, §**3482.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.1]

**225.2 Name — location.**

It shall be known as the state psychiatric hospital, and shall be located at Iowa City, and integrated with the university of Iowa college of medicine and university hospital of the state university of Iowa.

[C24, 27, 31, 35, §3955; C39, §**3482.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.2]
2001 Acts, ch 74, §9

**225.3 Under control of state board of regents.**

The state board of regents shall have full power to manage, control, and govern the said hospital the same as other institutions already under its control.

[C24, 27, 31, 35, §3957; C39, §**3482.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.3]

**225.4** Repealed by 76 Acts, ch 1136, § 26.

**225.5 Cooperation of hospitals.**

The medical director of the state psychiatric hospital shall seek to bring about systematic cooperation between the several state hospitals for persons with mental illness and the state psychiatric hospital.

[C24, 27, 31, 35, §3959; C39, §**3482.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.5]
96 Acts, ch 1129, §113

**225.6** Repealed by 76 Acts, ch 1136, § 26.

**225.7 Classes of patients.**

Patients admitted to the said state psychiatric hospital shall be divided into four classes:

1. Voluntary private patients.
2. Committed private patients.
3. Voluntary public patients.
4. Committed public patients.

[C24, 27, 31, 35, §3961; C39, §**3482.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.7]

**225.8 Maintenance.**

All voluntary private patients and committed private patients shall be kept and maintained without expense to the state, and the voluntary public patients and committed public patients shall be kept and maintained by the state.

[C24, 27, 31, 35, §3962; C39, §**3482.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.8]

**225.9 Voluntary private patients.**

Voluntary private patients may be admitted in accordance with the regulations to be established by the state board of regents, and their care, nursing, observation, treatment, medicine, and maintenance shall be without expense to the state. However, the charge for such care, nursing, observation, treatment, medicine, and maintenance shall not exceed the cost of the same to the state. The physicians on the hospital staff may charge such patients for their medical services under such rules, regulations and plan therefor as approved by the state board of regents.

[C24, 27, 31, 35, §3963; C39, §**3482.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.9]

**225.10 Voluntary public patients.**

Persons suffering from mental diseases may be admitted to the state psychiatric hospital as voluntary public patients if a physician authorized to practice medicine or osteopathic medicine in the state of Iowa files information with the board of supervisors of the person's county of residence or the board's designee, stating all of the following:

1. That the physician has examined the person and finds that the person is suffering from some abnormal mental condition that can probably be remedied by observation, treatment, and hospital care.

2. That the physician believes it would be appropriate for the person to enter the state psychiatric hospital for that purpose and that the person is willing to do so.

3. That neither the person nor those legally responsible for the person are able to provide the means for the observation, treatment, and hospital care.

[C24, 27, 31, 35, §3964; C39, §**3482.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.10]
2006 Acts, ch 1059, §1; 2008 Acts, ch 1088, §141; 2013 Acts, ch 90, §47
Referred to in §225.12, 225.16, 225.30
Additional information blanks; §225.30
Section amended

**225.11 Initiating commitment procedures.**

When a court finds upon completion of a hearing held pursuant to section 229.12 that the contention that a respondent is seriously mentally impaired has been sustained by clear and convincing evidence, and the application filed under section 229.6 also contends or the court otherwise concludes that it would be appropriate to refer the respondent to the state psychiatric hospital for a complete psychiatric evaluation and appropriate treatment pursuant to section 229.13, the judge may order that a financial investigation be made in the manner prescribed by section 225.13. If the costs of a respondent's evaluation or treatment are payable in whole or in part by a county, an order under this section shall be for referral of the respondent through the central point of coordination process* for an evaluation and referral of the respondent to an appropriate placement or service, which may include the state psychiatric hospital for additional evaluation or treatment. For purposes of this chapter, "*central point of coordination process*" means the same as defined in section 331.440.*

[C77, 79, 81, §225.11]
96 Acts, ch 1183, §9; 2004 Acts, ch 1090, §33
Referred to in §225.17
*Section 331.440, which implements the central point of coordination process, is repealed; corrective legislation is pending
Section not amended; footnote added

**225.12 Voluntary public patient — physician's report.**

A physician filing information under section 225.10 shall include a written report to the county board of supervisors or the board's designee, giving a history of the case as will be likely to aid in the observation, treatment, and hospital care of the person named in the information and describing the history in detail.

[C24, 27, 31, 35, §3966; C39, §**3482.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.12]
2002 Acts, ch 1119, §29; 2006 Acts, ch 1059, §2

**225.13 Financial condition.**

The county board of supervisors or the board's designee is responsible for investigating the financial condition of a person being admitted to the state psychiatric hospital and of those legally responsible for the person's support.

[C24, 27, 31, 35, §3967; C39, §**3482.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.13]
2006 Acts, ch 1059, §3
Referred to in §225.11, 225.14, 225.16, 225.25

**225.14 Patient costs.**

If it is determined through the financial condition investigation made pursuant to section 225.13 that a person is a committed or voluntary private patient, the person or those legally responsible for the person's support are liable for expenses as provided in section 225.22. The costs of a committed or voluntary public patient shall be paid by the state as provided in section 225.28.

[C24, 27, 31, 35, §3968; C39, §**3482.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.14]
2006 Acts, ch 1059, §4

**225.15 Examination and treatment.**

When a respondent arrives at the state psychiatric hospital, the admitting physician shall examine the respondent and determine whether or not, in the physician's judgment, the respondent is a fit subject for observation, treatment, and hospital care. If, upon

examination, the physician decides that the respondent should be admitted to the hospital, the respondent shall be provided a proper bed in the hospital. The physician who has charge of the respondent shall proceed with observation, medical treatment, and hospital care as in the physician's judgment are proper and necessary, in compliance with sections 229.13 to 229.16. After the respondent's admission, the observation, medical treatment, and hospital care of the respondent may be provided by a mental health professional, as defined in section 228.1, who is licensed as a physician, advanced registered nurse practitioner, or physician assistant.

A proper and competent nurse shall also be assigned to look after and care for the respondent during observation, treatment, and care. Observation, treatment, and hospital care under this section which are payable in whole or in part by a county shall only be provided as determined through the central point of coordination process.*

[C24, 27, 31, 35, §3969; C39, §**3482.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.15]
96 Acts, ch 1183, §10; 2004 Acts, ch 1090, §33; 2012 Acts, ch 1120, §55
Referred to in §225.16, 225.17
*Section 331.440, which implements the central point of coordination process, is repealed; corrective legislation is pending
Section not amended; footnote added

**225.16 Voluntary public patients — admission.**

1. If the county board of supervisors or the board's designee finds from the physician's information which was filed under the provisions of section 225.10 that it would be appropriate for the person to be admitted to the state psychiatric hospital, and the report of the county board of supervisors or the board's designee made pursuant to section 225.13 shows that the person and those who are legally responsible for the person are not able to pay the expenses incurred at the hospital, or are able to pay only a part of the expenses, the person shall be considered to be a voluntary public patient and the board of supervisors shall direct that the person shall be sent to the state psychiatric hospital at the state university of Iowa for observation, treatment, and hospital care.

2. When the patient arrives at the hospital, the patient shall be cared for in the same manner as is provided for committed public patients in section 225.15.

[C24, 27, 31, 35, §3970; C39, §**3482.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.16]
2006 Acts, ch 1059, §5

**225.17 Committed private patient — treatment.**

1. If the judge of the district court finds pursuant to section 225.11 that the respondent is an appropriate subject for placement at the state psychiatric hospital, and that the respondent, or those legally responsible for the respondent, are able to pay the expenses associated with the placement, the judge shall enter an order directing that the respondent shall be sent to the state psychiatric hospital at the state university of Iowa for observation, treatment, and hospital care as a committed private patient.

2. When the respondent arrives at the hospital, the respondent shall receive the same treatment as is provided for committed public patients in section 225.15, in compliance with sections 229.13 to 229.16. However, observation, treatment, and hospital care under this section of a respondent whose expenses are payable in whole or in part by a county shall only be provided as determined through the central point of coordination process.*

[C24, 27, 31, 35, §3971; C39, §**3482.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.17]
96 Acts, ch 1183, §11; 2004 Acts, ch 1090, §33; 2006 Acts, ch 1059, §6
*Section 331.440, which implements the central point of coordination process, is repealed; corrective legislation is pending
Section not amended; footnote added

**225.18 Attendants.**

The county board of supervisors or the board's designee may appoint a person to accompany the committed public patient or the voluntary public patient or the committed private patient from the place where the patient may be to the state psychiatric hospital, or to accompany the patient from the hospital to a place as may be designated by the county.

If a patient is moved pursuant to this section, at least one attendant shall be of the same gender as the patient.

[C24, 27, 31, 35, §3974; C39, §**3482.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.18]
85 Acts, ch 99, §4; 2006 Acts, ch 1059, §7

**225.19 Compensation for attendant.**

An individual appointed by the county board of supervisors or the board's designee to accompany a person to or from the hospital or to make an investigation and report on any question involved in the matter shall receive three dollars per day for the time actually spent in making the investigation and actual necessary expenses incurred in making the investigation or trip. This section does not apply to an appointee who receives fixed compensation or a salary.

[C24, 27, 31, 35, §3975; C39, §**3482.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.19]
2006 Acts, ch 1059, §8
Referred to in §225.21

**225.20 Compensation for physician.** Repealed by 2006 Acts, ch 1059, § 14.

**225.21 Compensation claims — filing — approval.**

The person making claim to compensation under section 225.19 shall file the claim in the office of the county auditor. The claim is subject to review and approval by the board of supervisors or the board's designee.

[C24, 27, 31, 35, §3977; C39, §**3482.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.21; 82 Acts, ch 1104, §6]
83 Acts, ch 123, §84, 209; 2006 Acts, ch 1059, §9
Referred to in §225.24

**225.22 Liability of private patients — payment.**

Every committed private patient, if the patient has an estate sufficient for that purpose, or if those legally responsible for the patient's support are financially able, shall be liable to the county and state for all expenses paid by them in behalf of such patient. All bills for the care, nursing, observation, treatment, medicine, and maintenance of such patients shall be paid by the director of the department of administrative services in the same manner as those of committed and voluntary public patients as provided in this chapter, unless the patient or those legally responsible for the patient make such settlement with the state psychiatric hospital.

[C24, 27, 31, 35, §3978; C39, §**3482.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.22]
2003 Acts, ch 145, §286
Referred to in §225.14

**225.23 Collection for treatment.**

If the bills for a committed or voluntary private patient are paid by the state, the state psychiatric hospital shall file a certified copy of the claim for the bills with the department of administrative services. The department shall proceed to collect the claim in the name of the state psychiatric hospital.

[C24, 27, 31, 35, §3979; C39, §**3482.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.23]
2003 Acts, ch 145, §286; 2006 Acts, ch 1059, §10; 2012 Acts, ch 1120, §94, 130
Referred to in §225.35, 331.502
2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130
Section amended

**225.24 Collection of preliminary expense.**

Unless a committed private patient or those legally responsible for the patient's support offer to settle the amount of the claims, the county auditor of the person's county of residence shall collect, by action if necessary, the amount of all claims for per diem and expenses that have been approved by the county board of supervisors or the board's designee and paid by

the county as provided under section 225.21. Any amount collected shall be credited to the county treasury.

[C24, 27, 31, 35, §3980; C39, §**3482.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.24]
2006 Acts, ch 1059, §11
Referred to in §225.35, 331.502

**225.25 Commitment of private patient as public.**

If a patient is committed to the state psychiatric hospital as a private patient and after admission it is determined through an investigation made pursuant to section 225.13 that the person is a public patient, the expense of keeping and maintaining the patient from the date of the filing of the information upon which the order is made shall be paid by the state.

[C24, 27, 31, 35, §3981; C39, §**3482.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.25]
2006 Acts, ch 1059, §12

**225.26 Private patients — disposition of funds.**

All moneys collected from private patients shall be used for the support of the said hospital.

[C24, 27, 31, 35, §3982; C39, §**3482.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.26]

**225.27 Discharge — transfer.**

The state psychiatric hospital may, at any time, discharge any patient as recovered, as improved, or as not likely to be benefited by further treatment. If the patient being so discharged was involuntarily hospitalized, the hospital shall notify the committing judge or court of the discharge as required by section 229.14 or section 229.16, whichever is applicable. Upon receiving the notification, the court shall issue an order confirming the patient's discharge from the hospital or from care and custody, as the case may be, and shall terminate the proceedings pursuant to which the order was issued. The court or judge shall, if necessary, appoint a person to accompany the discharged patient from the state psychiatric hospital to such place as the hospital or the court may designate, or authorize the hospital to appoint such attendant.

[C24, 27, 31, 35, §3983; C39, §**3482.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.27]
2001 Acts, ch 155, §41

**225.28 Appropriation.**

The state shall pay to the state psychiatric hospital, out of any money in the state treasury not otherwise appropriated, all expenses for the administration of the hospital, and for the care, treatment, and maintenance of committed and voluntary public patients therein, including their clothing and all other expenses of the hospital for the public patients. The bills for the expenses shall be rendered monthly in accordance with rules agreed upon by the director of the department of administrative services and the state board of regents.

[C24, 27, 31, 35, §3984; C39, §**3482.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.28]
2003 Acts, ch 145, §286
Referred to in §225.14

**225.29** Repealed by 76 Acts, ch 1136, § 26.

**225.30 Blanks — audit.**

The medical faculty of the university of Iowa college of medicine shall prepare blanks containing such questions and requiring such information as may be necessary and proper to be obtained by the physician who examines a person or respondent whose referral to the state psychiatric hospital is contemplated. A judge may request that a physician who examines a respondent as required by section 229.10 complete such blanks in duplicate in the course of the examination. A physician who proposes to file information under section 225.10 shall obtain and complete such blanks in duplicate and file them with the information. The blanks shall be printed by the state and a supply of the blanks shall be made available to counties.

The director of the department of administrative services shall audit, allow, and pay the cost of the blanks as other bills for public printing are allowed and paid.

[C24, 27, 31, 35, §3986, 3987; C39, §**3482.30, 3482.31;** C46, 50, 54, 58, 62, 66, 71, 73, §225.30; C75, §225.30, 225.31; C77, 79, 81, §225.30]

2001 Acts, ch 74, §10; 2002 Acts, ch 1119, §30; 2003 Acts, ch 145, §286; 2006 Acts, ch 1059, §13

**225.31** Repealed by 75 Acts, ch 139, § 82.

**225.32 Report and order to accompany patient.**

One of the duplicate reports shall be sent to the state psychiatric hospital with the patient, together with a certified copy of the order of the court.

[C24, 27, 31, 35, §3988; C39, §**3482.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.32]

**225.33 Death of patient — disposal of body.**

In the event that a committed public patient or a voluntary public patient or a committed private patient should die while at the state psychiatric hospital or at the university hospital, the state psychiatric hospital shall have the body prepared for shipment in accordance with the rules prescribed by the state board of health for shipping such bodies; and it shall be the duty of the state board of regents to make arrangements for the embalming and such other preparation as may be necessary to comply with the rules and for the purchase of suitable caskets.

[C24, 27, 31, 35, §3989; C39, §**3482.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.33]

2001 Acts, ch 74, §11

**225.34** Repealed by 96 Acts, ch 1215, § 59.

**225.35 Expense collected.**

In the event that the said person is a committed private patient, it shall be the duty of the county auditor of the proper county to proceed to collect all of such expenses, in accordance with the provisions of sections 225.23 and 225.24.

[C24, 27, 31, 35, §3991; C39, §**3482.35;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §225.35]

Referred to in §331.502

**225.36 through 225.42** Repealed by 75 Acts, ch 139, § 82.

**225.43 through 225.45** Repealed by 77 Acts, ch 44, § 1.

# CHAPTER 225A

RESERVED

# CHAPTER 225B

## PREVENTION OF DISABILITIES

Future repeal of chapter; see §225B.8


225B.1 Findings and intent.
225B.2 Definitions.
225B.3 Prevention of disabilities policy council established — membership — duties.
225B.4 Technical assistance committee to the prevention policy council established — membership — duties.
225B.5 State agencies — cooperative efforts.
225B.6 Evaluation.
225B.7 Implementation.
225B.8 Repeal.


**225B.1 Findings and intent.**

1. The general assembly finds that:

*a.* Thousands of Iowans are affected by a developmental disability which is a disability that arises before age twenty-two and is of sufficient severity to affect an individual's ability to participate as an independent, productive member of the community. Many other Iowans experience less severe mental or physical disabilities or disabilities which occur in their adult years which require specialized services. Many disabilities are due to conditions that are preventable or could be minimized if recognized or treated early. Preventing disabilities would result in a substantial savings to the state both in terms of human potential and public funds.

*b.* There is a need for a coordinated and comprehensive prevention of disabilities effort in the state. Many state departments and private organizations are involved in prevention activities but there is no unified prevention strategy or ongoing coordination in the planning, implementation, and evaluation of prevention of disabilities activities in the state.

2. It is the intent of the general assembly to establish a system to coordinate prevention of disability activities among the state departments and to assist the governor and the general assembly in determining priorities and establishing policies for the prevention of disabilities.

91 Acts, ch 169, §1

**225B.2 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Committee"* means the technical assistance committee to the council.

2. *"Council"* means the prevention of disabilities policy council.

3. *"Disability"* means a mental or physical impairment that results in significant functional limitation in one or more areas of major life activity and in the need for specialized care, treatment, or training services of extended duration.

4. *"Prevention activities"* means activities that attempt to eliminate the occurrence of the disability, reduce the prevalence of the disability in the community, identify a problem early and use intervention at the outset to eliminate the potential for abnormality, or minimize the long-term disability or mitigate the effects of the disability.

91 Acts, ch 169, §2

**225B.3 Prevention of disabilities policy council established — membership — duties.**

1. A prevention of disabilities policy council is established to provide oversight in the development and operation of a coordinated prevention of disabilities system. The council shall consist of the following members:

*a.* Two members of the senate appointed by the senate majority leader and minority leader and two members of the house of representatives appointed by the speaker of the house and the house minority leader.

*b.* Three providers of disability prevention services, recommended by the Iowa developmental disabilities council, appointed by the governor, and confirmed by the senate.

*c.* Three persons with expertise in priority prevention areas, recommended by the Iowa developmental disabilities council, appointed by the governor, and confirmed by the senate.

*d.* Three persons with disabilities or family members of a person with disabilities, recommended by the Iowa developmental disabilities council, appointed by the governor, and confirmed by the senate.

2. Members of the council appointed by the governor shall serve three-year staggered terms. Members of the general assembly appointed to the council shall serve two-year terms and shall serve as ex officio, nonvoting members. Vacancies on the council shall be filled in the same manner as original appointments. Members are entitled to reimbursement of actual expenses incurred in performance of their official duties.

3. The council shall do all of the following:

*a.* Oversee the planning, implementation, and evaluation of a coordinated strategy for the prevention of disabilities among state departments which is based upon the Iowa state plan for the prevention of developmental disabilities of 1988.

*b.* Promote cooperative and complementary planning among the public, private, and volunteer sectors involved in prevention activities and research regarding disabilities.

*c.* Develop and implement a system to measure the outcome and assess the overall impact of the prevention efforts of the state.

*d.* Encourage research into the causes and prevention of disabling conditions.

*e.* Promote professional and provider training in state-of-the-art prevention of disabilities measures.

*f.* Recommend policy and priorities for the prevention of disabilities.

*g.* Adopt rules to implement this chapter.

*h.* Seek and apply for federal grants and private foundation funding to support the responsibilities of the council. The council shall also seek in-kind and other private contributions to fulfill the federal matching funds requirements for the purpose of section 225B.7.

*i.* Submit to the governor and the general assembly by November 1, 1992, and annually on November 1 thereafter, a report that includes all of the following:

(1) A continuum of cost-effective prevention of disability activities.

(2) A listing of existing activities and the state agency responsible for the activities.

(3) Recommendations to coordinate the planning, delivery, and evaluation of existing activities.

(4) Recommendations to address the lack of prevention of disability activities.

(5) Recommendations to measure the outcomes and assess the overall impacts of the state's prevention of disability efforts.

(6) Recommendations to promote cooperative planning among the public, private, and volunteer sectors and to increase public-private partnership involvement in prevention of disability activities.

(7) A review of existing research and personnel training programs.

(8) Priorities for disability prevention activities in the state.

(9) Recommendations for legislative, administrative, or budgetary changes.

4. The council shall meet at least six times during the year. A majority of the members of the council constitutes a quorum, and a majority of the council is necessary to act on matters within the purview of the council.

91 Acts, ch 169, §3; 2001 Acts, ch 74, §12; 2012 Acts, ch 1023, §28
Confirmation, see §2.32

**225B.4 Technical assistance committee to the prevention policy council established — membership — duties.**

1. A technical assistance committee to the prevention of disabilities policy council is established and shall consist of the following members:

*a.* The director of the department of human services, or the director's designee.

*b.* The director of the Iowa department of public health, or the director's designee.

*c.* The director of the department of education, or the director's designee.

*d.* The director of the department of natural resources, or the director's designee.

*e.* The director of the state department of transportation, or the director's designee.
*f.* The commissioner of the department of public safety, or the commissioner's designee.
*g.* The director of the department of human rights, or the director's designee.
*h.* The president of Iowa state university of science and technology, or the president's designee.
*i.* The president of the university of Iowa, or the president's designee.
*j.* The president of the university of northern Iowa, or the president's designee.
2. The technical assistance committee shall do all of the following:
*a.* Provide technical assistance to the council in developing a prevention of disabilities coordination system.
*b.* Establish policies to facilitate the development, implementation, and evaluation of the prevention of disabilities coordination system.
*c.* Recommend prevention of disability priorities to the council.
3. The committee shall meet as needed to assist the council.
4. Members are entitled to reimbursement of actual expenses incurred in performance of their official duties.
91 Acts, ch 169, §4

**225B.5 State agencies — cooperative efforts.**
The departments represented by the committee shall cooperate with the council in collecting and sharing pertinent data, and in developing, implementing, and evaluating the prevention of disabilities coordination system.
91 Acts, ch 169, §5

**225B.6 Evaluation.**
The prevention coordination system and the council are subject to review and evaluation by the governor and the general assembly.
91 Acts, ch 169, §6

**225B.7 Implementation.**
The prevention coordination system and the activities of the council shall be implemented as resources are made available.
91 Acts, ch 169, §7; 2001 Acts, ch 74, §13; 2002 Acts, ch 1119, §31
Referred to in §225B.3

**225B.8 Repeal.**
This chapter is repealed July 1, 2015.
2000 Acts, ch 1228, §40, 46; 2001 Acts, ch 191, §36; 2006 Acts, ch 1184, §105; 2011 Acts, ch 129, §89, 156; 2012 Acts, ch 1133, §96

# CHAPTER 225C

## MENTAL HEALTH AND DISABILITY SERVICES

Referred to in §230A.101, 331.389, 423.3

County participation in funding for services to persons with disabilities; §249A.26, 331.388 – 331.398

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## SUBCHAPTER I

## GENERAL PROVISIONS

**225C.1 Findings and purpose.**

1. The general assembly finds that services to persons with mental illness, an intellectual

disability, developmental disabilities, or brain injury are provided in many parts of the state by highly autonomous community-based service providers working cooperatively with state and county officials. However, the general assembly recognizes that heavy reliance on property tax funding for mental health and intellectual disability services has enabled many counties to exceed minimum state standards for the services resulting in an uneven level of services around the state. Consequently, greater efforts should be made to ensure close coordination and continuity of care for those persons receiving publicly supported disability services in Iowa. It is the purpose of this chapter to continue and to strengthen the services to persons with disabilities now available in the state of Iowa, to make disability services conveniently available to all persons in this state upon a reasonably uniform financial basis, and to assure the continued high quality of these services.

2. It is the intent of the general assembly that the service system for persons with disabilities emphasize the ability of persons with disabilities to exercise their own choices about the amounts and types of services received; that all levels of the service system seek to empower persons with disabilities to accept responsibility, exercise choices, and take risks; that disability services are individualized, provided to produce results, flexible, and cost-effective; and that disability services be provided in a manner which supports the ability of persons with disabilities to live, learn, work, and recreate in communities of their choice.

[81 Acts, ch 78, §1, 20]

94 Acts, ch 1170, §10; 2006 Acts, ch 1115, §2; 2012 Acts, ch 1019, §60

Referred to in §225C.6B, 225C.7

**225C.2 Definitions.**

As used in this chapter:

1. *"Administrator"* means the administrator of the division.
2. *"Central point of coordination process"* means the same as defined in section 331.440.*
3. *"Commission"* means the mental health and disability services commission.
4. *"Department"* means the department of human services.
5. *"Director"* means the director of human services.
6. *"Disability services"* means services and other support available to a person with mental illness, an intellectual disability or other developmental disability, or brain injury.
7. *"Division"* means the division of mental health and disability services of the department.
8. *"Mental health and disability services region"* means a mental health and disability services region formed in accordance with section 331.389.
9. *"Mental health and disability services regional service system"* means the mental health and disability service system for a mental health and disability services region.
10. *"Person with a disability"* means a person with mental illness, an intellectual disability or other developmental disability, or brain injury.
11. *"Regional administrator"* means the same as defined in section 331.388.

[S81, §225C.1; 81 Acts, ch 78, §2, 20; 82 Acts, ch 1117, §1, 2]

83 Acts, ch 96, §157, 159; 94 Acts, ch 1170, §11; 96 Acts, ch 1183, §12; 2004 Acts, ch 1090, §4, 33; 2006 Acts, ch 1115, §3, 24; 2010 Acts, ch 1031, §382; 2012 Acts, ch 1019, §61; 2012 Acts, ch 1120, §1, 20, 21

Referred to in §230A.102, 331.388

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

Subsections 8, 9, and 11 take effect July 1, 2013, but apply earlier for purposes of adopting rules that are to take effect on or after that date; 2012 Acts, ch 1120, §20, 21

NEW subsections 8 and 9 and former subsection 8 renumbered as 10

NEW subsection 11

**225C.3 Division of mental health and disability services — state mental health authority.**

1. The division is designated the state mental health authority as defined in 42 U.S.C. § 201(m) (1976) for the purpose of directing the benefits of the National Mental Health Act, 42 U.S.C. § 201 et seq. This designation does not preclude the board of regents from authorizing or directing any institution under its jurisdiction to carry out educational, prevention, and research activities in the areas of mental health and intellectual disability. The division may contract with the board of regents or any institution under the board's jurisdiction to perform any of these functions.

2. The division is designated the state developmental disabilities agency for the purpose of directing the benefits of the Developmental Disabilities Services and Facilities Construction Act, 42 U.S.C. § 6001 et seq.

3. The division is administered by the administrator. The administrator of the division shall be qualified in the general field of mental health, intellectual disability, or other disability services, and preferably in more than one field. The administrator shall have at least five years of experience as an administrator in one or more of these fields.

**1, 2.** [C66, 71, 73, 75, 77, §225B.1; C79, 81, §225B.2; S81, §225C.2; 81 Acts, ch 78, §3, 20]

**3.** [C50, 54, 58, 62, 66, §218.75; C71, 73, 75, 77, 79, 81, §217.10; S81, §225C.2; 81 Acts, ch 78, §3, 20]

94 Acts, ch 1170, §12; 2006 Acts, ch 1115, §34; 2012 Acts, ch 1019, §62

Referred to in §217.10

**225C.4 Administrator's duties.**

1. To the extent funding is available, the administrator shall perform the following duties:

*a.* Prepare and administer the comprehensive mental health and disability services plan as provided in section 225C.6B, including state mental health and intellectual disability plans for the provision of disability services within the state and the state developmental disabilities plan. The administrator shall take into account any related planning activities implemented by the Iowa department of public health, the state board of regents or a body designated by the board for that purpose, the department of management or a body designated by the director of the department for that purpose, the department of education, the department of workforce development and any other appropriate governmental body, in order to facilitate coordination of disability services provided in this state. The state mental health and intellectual disability plans shall be consistent with the state health plan, and shall take into account mental health and disability services regional service system management plans.

*b.* Assist mental health and disability services region governing boards and regional administrators in planning for community-based disability services.

*c.* Emphasize the provision of evidence-based outpatient and community support services by community mental health centers and local intellectual disability providers as a preferable alternative to acute inpatient services and services provided in large institutional settings.

*d.* Encourage and facilitate coordination of disability services with the objective of developing and maintaining in the state a disability service delivery system to provide disability services to all persons in this state who need the services, regardless of the place of residence or economic circumstances of those persons. The administrator shall work with the commission and other state agencies, including but not limited to the departments of corrections, education, and public health and the state board of regents, to develop and implement a strategic plan to expand access to qualified mental health workers across the state.

*e.* Encourage and facilitate applied research and preventive educational activities related to causes and appropriate treatment for disabilities. The administrator may designate, or enter into agreements with, private or public agencies to carry out this function.

*f.* Coordinate community-based services with those of the state mental health institutes and state resource centers.

*g.* Administer state programs regarding the care, treatment, and supervision of persons with mental illness or an intellectual disability, except the programs administered by the state board of regents.

*h.* Administer and distribute state appropriations in connection with the mental health and disability regional services fund established by section 225C.7A.

*i.* Act as compact administrator with power to effectuate the purposes of interstate compacts on mental health.

*j.* Establish and maintain a data collection and management information system oriented to the needs of patients, providers, the department, and other programs or facilities in accordance with section 225C.6A. The system shall be used to identify, collect, and analyze service outcome and performance measures data in order to assess the effects of the services on the persons utilizing the services. The administrator shall annually submit to the

commission information collected by the department indicating the changes and trends in the disability services system. The administrator shall make the outcome data available to the public.

*k.* Prepare a division budget and reports of the division's activities.

*l.* Establish suitable agreements with other state agencies to encourage appropriate care and to facilitate the coordination of disability services.

*m.* Provide consultation and technical assistance to patients' advocates appointed pursuant to section 229.19, in cooperation with the judicial branch and the certified volunteer long-term care ombudsmen certified pursuant to section 231.45.

*n.* Provide technical assistance to agencies and organizations, to aid them in meeting standards which are established, or with which compliance is required, under statutes administered by the administrator, including but not limited to chapters 227 and 230A.

*o.* Recommend to the commission minimum accreditation standards for the maintenance and operation of community mental health centers, services, and programs under section 230A.110. The administrator's review and evaluation of the centers, services, and programs for compliance with the adopted standards shall be as provided in section 230A.111.

*p.* Recommend to the commission minimum standards for supported community living services. The administrator shall review and evaluate the services for compliance with the adopted standards.

*q.* In cooperation with the department of inspections and appeals, recommend minimum standards under section 227.4 for the care of and services to persons with mental illness or an intellectual disability residing in county care facilities. The administrator shall also cooperate with the department of inspections and appeals in recommending minimum standards for care of and services provided to persons with mental illness or an intellectual disability living in a residential care facility regulated under chapter 135C.

*r.* In cooperation with the Iowa department of public health, recommend minimum standards for the maintenance and operation of public or private facilities offering disability services, which are not subject to licensure by the department or the department of inspections and appeals.

*s.* Provide technical assistance concerning disability services and funding to mental health and disability services region governing boards and regional administrators.

*t.* Coordinate with the mental health planning and advisory council created pursuant to 42 U.S.C. § 300x-3 to ensure the council membership includes representation by a military veteran who is knowledgeable concerning the behavioral and mental health issues of veterans.

*u.* Enter into performance-based contracts with regional administrators as described in section 331.390. A performance-based contract shall require a regional administrator to fulfill the statutory and regulatory requirements of the regional service system under this chapter and chapter 331. A failure to fulfill the requirements may be addressed by remedies specified in the contract, including but not limited to suspension of contract payments or cancellation of the contract. The contract provisions may include but are not limited to requirements for the regional service system to attain outcomes within a specified range of acceptable performance in any of the following categories:

(1) Access standards for the required core services.

(2) Penetration rates for serving the number of persons expected to be served.

(3) Utilization rates for inpatient and residential treatment.

(4) Readmission rates for inpatient and residential treatment.

(5) Employment of the persons receiving services.

(6) Administrative costs.

(7) Data reporting.

(8) Timely and accurate claims processing.

*v.* Provide information through the internet concerning waiting lists for services implemented by mental health and disability services regions.

2. The administrator may:

*a.* Apply for, receive, and administer federal aids, grants, and gifts for purposes relating to disability services or programs.

*b.* Establish and supervise suitable standards of care, treatment, and supervision for persons with disabilities in all institutions under the control of the director of human services.

*c.* Appoint professional consultants to furnish advice on any matters pertaining to disability services. The consultants shall be paid as provided by an appropriation of the general assembly.

*d.* Administer a public housing unit within a bureau of the division to apply for, receive, and administer federal assistance, grants, and other public or private funds for purposes related to providing housing in accordance with section 225C.45.

[C50, 54, 58, 62, 66, §218.76; C71, 73, 75, 77, 79, 81, §217.11, 217.12; S81, §225C.3; 81 Acts, ch 78, §4, 20]

83 Acts, ch 96, §157, 159; 85 Acts, ch 122, §1; 90 Acts, ch 1204, §45; 92 Acts, ch 1128, §1; 94 Acts, ch 1170, §13; 95 Acts, ch 82, §2, 13; 95 Acts, ch 206, §7, 12; 96 Acts, ch 1186, §23; 98 Acts, ch 1047, §20; 99 Acts, ch 129, §9; 99 Acts, ch 160, §2, 3; 2000 Acts, ch 1112, §33, 51; 2006 Acts, ch 1115, §4, 5; 2010 Acts, ch 1031, §374; 2010 Acts, ch 1106, §1; 2012 Acts, ch 1019, §63; 2012 Acts, ch 1120, §2, 3, 20, 21; 2013 Acts, ch 18, §15; 2013 Acts, ch 90, §48; 2013 Acts, ch 140, §187, 189

Referred to in §217.10, 225C.6B, 225C.52, 331.390

2012 amendments to subsection 1, paragraphs a, b, c, f, h, q, and s, and new paragraphs u and v, enacted in 2012 Acts, ch 1120, §2, 3, take effect July 1, 2013, but apply earlier for purposes of adopting rules that are to take effect on or after that date; 2012 Acts, ch 1120, §20, 21

Subsection 1, paragraphs a, b, c, f, h, j, m, o, q, and s amended

Subsection 1, NEW paragraphs u and v

**225C.5 Mental health and disability services commission.**

1. A mental health and disability services commission is created as the state policy-making body for the provision of services to persons with mental illness, an intellectual disability, other developmental disabilities, or brain injury. The commission's voting members shall be appointed to three-year staggered terms by the governor and are subject to confirmation by the senate. Commission members shall be appointed on the basis of interest and experience in the fields of mental health, intellectual disability, other developmental disabilities, and brain injury, in a manner so as to ensure adequate representation from persons with disabilities and individuals knowledgeable concerning disability services. The department shall provide staff support to the commission, and the commission may utilize staff support and other assistance provided to the commission by other persons. The commission shall meet at least four times per year. The membership of the commission shall consist of the following persons who, at the time of appointment to the commission, are active members of the indicated groups:

*a.* Three members shall be members of a county board of supervisors selected from nominees submitted by the county supervisor affiliate of the Iowa state association of counties.

*b.* Two members shall be selected from nominees submitted by the director.

*c.* One member shall be an active board member of a community mental health center selected from nominees submitted by the Iowa association of community providers.

*d.* One member shall be an active board member of an agency serving persons with a developmental disability selected from nominees submitted by the Iowa association of community providers.

*e.* One member shall be a board member or employee of a provider of mental health or developmental disabilities services to children.

*f.* Two members shall be administrators of the central point of coordination process established in accordance with section 331.440* selected from nominees submitted by the community services affiliate of the Iowa state association of counties.

*g.* One member shall be selected from nominees submitted by the state's council of the association of federal, state, county, and municipal employees.

*h.* Three members shall be service consumers or family members of service consumers. Of these members, one shall be a service consumer, one shall be a parent of a child service consumer, and one shall be a parent or other family member of a person admitted to and living at a state resource center.

*i.* Two members shall be selected from nominees submitted by service advocates. Of these

members, one shall be an active member of a statewide organization for persons with brain injury.

*j.* One member shall be an active board member of an agency serving persons with a substance abuse problem selected from nominees submitted by the Iowa behavioral health association.

*k.* One member shall be a military veteran who is knowledgeable concerning the behavioral and mental health issues of veterans.

*l.* In addition to the voting members, the membership shall include four members of the general assembly with one member designated by each of the following: the majority leader of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives. A legislative member serves for a term as provided in section 69.16B in an ex officio, nonvoting capacity and is eligible for per diem and expenses as provided in section 2.10.

2. The three-year terms shall begin and end as provided in section 69.19. Vacancies on the commission shall be filled as provided in section 2.32. A member shall not be appointed for more than two consecutive three-year terms.

3. Members of the commission shall qualify by taking the oath of office prescribed by law for state officers. At its first meeting of each year, the commission shall organize by electing a chairperson and a vice chairperson for terms of one year. Commission members are entitled to a per diem as specified in section 7E.6 and reimbursement for actual and necessary expenses incurred while engaged in their official duties, to be paid from funds appropriated to the department.

[C66, 71, 73, 75, 77, §225B.2, 225B.3, 225B.6; C79, 81, §225B.3; S81, §225C.4; 81 Acts, ch 78, §5, 20]

90 Acts, ch 1256, §39; 94 Acts, ch 1170, §14; 2002 Acts, ch 1146, §1; 2002 Acts, 2nd Ex, ch 1003, §238, 262; 2003 Acts, ch 101, §3, 4; 2004 Acts, ch 1090, §5, 33; 2008 Acts, ch 1156, §30, 58; 2008 Acts, ch 1187, §51; 2009 Acts, ch 106, §7, 14; 2010 Acts, ch 1031, §383; 2010 Acts, ch 1106, §2; 2011 Acts, ch 34, §53; 2012 Acts, ch 1019, §64

Referred to in §135C.23, 227.4, 331.388

Confirmation, see §2.32

*Section 331.440 is repealed; corrective legislation is pending

Section not amended; footnote added

**225C.6 Duties of commission.**

1. To the extent funding is available, the commission shall perform the following duties:

*a.* Advise the administrator on the administration of the overall state disability services system.

*b.* Pursuant to recommendations made for this purpose by the administrator, adopt necessary rules pursuant to chapter 17A which relate to disability programs and services, including but not limited to definitions of each disability included within the term *"disability services"* as necessary for purposes of state, county, and regional planning, programs, and services.

*c.* Adopt standards for community mental health centers, services, and programs as recommended under section 230A.110. The administrator shall determine whether to grant, deny, or revoke the accreditation of the centers, services, and programs.

*d.* Adopt standards for the provision under medical assistance of individual case management services.

*e.* Unless another governmental body sets standards for a service available to persons with disabilities, adopt state standards for that service. The commission shall review the licensing standards used by the department of human services or department of inspections and appeals for those facilities providing disability services.

*f.* Assure that proper reconsideration and appeal procedures are available to persons aggrieved by decisions, actions, or circumstances relating to accreditation.

*g.* Adopt necessary rules for awarding grants from the state and federal government as well as other moneys that become available to the division for grant purposes.

*h.* Annually submit to the governor and the general assembly:

(1) A report concerning the activities of the commission.

(2) Recommendations formulated by the commission for changes in law.

*i.* By January 1 of each odd-numbered year, submit to the governor and the general assembly an evaluation of:

(1) The extent to which services to persons with disabilities are actually available to persons in each county in the state and the quality of those services.

(2) The effectiveness of the services being provided by disability service providers in this state and by each of the state mental health institutes established under chapter 226 and by each of the state resource centers established under chapter 222.

*j.* Advise the administrator, the council on human services, the governor, and the general assembly on budgets and appropriations concerning disability services.

*k.* Coordinate activities with the Iowa developmental disabilities council and the mental health planning council, created pursuant to federal law. The commission shall work with other state agencies on coordinating, collaborating, and communicating concerning activities involving persons with disabilities.

*l.* Pursuant to a recommendation made by the administrator, identify basic financial eligibility standards for the disability services provided by a mental health and disability services region. The initial standards shall be as specified in chapter 331.

*m.* Identify disability services outcomes and indicators to support the ability of eligible persons with a disability to live, learn, work, and recreate in communities of the persons' choice. The identification duty includes but is not limited to responsibility for identifying, collecting, and analyzing data as necessary to issue reports on outcomes and indicators at the county and state levels.

2. Notwithstanding section 217.3, subsection 6, the commission may adopt the rules authorized by subsection 1, pursuant to chapter 17A, without prior review and approval of those rules by the council on human services.

3. If the executive branch creates a committee, task force, council, or other advisory body to consider disability services policy or program options involving children or adult consumers, the commission is designated to receive and consider any report, findings, recommendations, or other work product issued by such body. The commission may address the report, findings, recommendations, or other work product in fulfilling the commission's functions and to advise the department, council on human services, governor, and general assembly concerning disability services.

4. *a.* The department shall coordinate with the department of inspections and appeals in the establishment of facility-based and community-based, subacute mental health services.

*b.* A person shall not provide community-based, subacute mental health services unless the person has been accredited to provide the services. The commission shall adopt standards for subacute mental health services and for accreditation of providers of community-based, subacute mental health services.

*c.* As used in this subsection, *"subacute mental health services"* means all of the following:

(1) A comprehensive set of wraparound services for persons who have had or are at imminent risk of having acute or crisis mental health symptoms that do not permit the persons to remain in or threatens removal of the persons from their home and community, but who have been determined by a mental health professional and a licensed health care professional, subject to the professional's scope of practice, not to need inpatient acute hospital services. For the purposes of this subparagraph, *"mental health professional"* means the same as defined in section 228.1 and *"licensed health care professional"* means a person licensed under chapter 148 to practice medicine and surgery or osteopathic medicine and surgery, an advanced registered nurse practitioner licensed under chapter 152 or 152E and registered with the board of nursing, or a physician assistant licensed to practice under the supervision of a physician as authorized in chapters 147 and 148C.

(2) Intensive, recovery-oriented treatment and monitoring of the person with direct or remote access to a psychiatrist or advanced registered nurse practitioner.

(3) An outcome-focused, interdisciplinary approach designed to return the person to living successfully in the community.

(4) Services that may be provided in a wide array of settings ranging from the person's home to a facility providing subacute mental health services.

(5) Services that are time limited to not more than ten days or another time period determined in accordance with rules adopted for this purpose.

*d.* Subacute mental health services and the standards for the services shall be established in a manner that allows for accessing federal Medicaid funding.

[C66, 71, 73, 75, 77, §225B.4, 225B.7; C79, 81, §225B.3(2); S81, §225C.5; 81 Acts, ch 78, §6, 20]

83 Acts, ch 96, §157, 159; 88 Acts, ch 1245, §1; 94 Acts, ch 1170, §15; 98 Acts, ch 1181, §15; 99 Acts, ch 160, §4, 5; 2000 Acts, ch 1112, §51; 2001 Acts, ch 74, §14; 2001 Acts, ch 155, §28; 2002 Acts, ch 1146, §2, 3, 25; 2006 Acts, ch 1115, §6, 13; 2007 Acts, ch 218, §118; 2010 Acts, ch 1031, §375; 2011 Acts, ch 34, §54; 2012 Acts, ch 1023, §29; 2012 Acts, ch 1120, §4, 5, 20, 21, 56; 2013 Acts, ch 90, §49

Referred to in §135G.1, 225C.6B, 225C.28A, 225C.52, 249A.31, 331.397

2012 amendments to subsection 1, paragraphs b and l, take effect July 1, 2013, but apply earlier for purposes of adopting rules that are to take effect on or after that date; 2012 Acts, ch 1120, §20, 21

Subsection 1, paragraphs b and c amended

Subsection 1, paragraph l stricken and rewritten

**225C.6A Disability services system central data repository.**

1. The department shall do the following relating to data concerning the disability services system in the state:

*a.* Plan, collect, and analyze data as necessary to issue cost estimates for serving additional populations and providing core disability services statewide. The department shall maintain compliance with applicable federal and state privacy laws to ensure the confidentiality and integrity of individually identifiable disability services data. The department may periodically assess the status of the compliance in order to assure that data security is protected.

*b.* Implement a central data repository under this section for collecting and analyzing state, county and region, and private contractor data. The department shall establish a client identifier for the individuals receiving services.

*c.* Consult on an ongoing basis with regional administrators, service providers, and other stakeholders in implementing the central data repository and operations of the repository. The consultation shall focus on minimizing the state and local costs associated with operating the repository.

*d.* Engage with other state and local government and nongovernmental entities operating the Iowa health information network under chapter 135 and other data systems that maintain information relating to individuals with information in the central data repository in order to integrate data concerning individuals.

2. A county or region shall not be required to utilize a uniform data operational or transactional system. However, the system utilized shall have the capacity to exchange information with the department, counties and regions, contractors, and others involved with services to persons with a disability who have authorized access to the central data repository. The information exchanged shall be labeled consistently and share the same definitions. Each regional administrator shall regularly report to the department the following information for each individual served: demographic information, expenditure data, and data concerning the services and other support provided to each individual, as specified by the department.

3. The outcome and performance measures applied to the regional service system shall utilize measurement domains. The department may identify other measurement domains in consultation with system stakeholders to be utilized in addition to the following initial set of measurement domains:

*a.* Access to services.

*b.* Life in the community.

*c.* Person-centeredness.

*d.* Health and wellness.

*e.* Quality of life and safety.

*f.* Family and natural supports.

4. *a.* The processes used for collecting outcome and performance measures data shall

include but are not limited to direct surveys of the individuals and families receiving services and the providers of the services. The department shall involve a workgroup of persons who are knowledgeable about both the regional service system and survey techniques to implement and maintain the processes. The workgroup shall conduct an ongoing evaluation for the purpose of eliminating the collection of information that is not utilized. The surveys shall be conducted with a conflict-free approach in which someone other than a provider of services surveys an individual receiving the services.

*b.* The outcome and performance measures data shall encompass and provide a means to evaluate both the regional services and the services funded by the medical assistance program provided to the same service populations.

*c.* The department shall develop and implement an internet-based approach with graphical display of information to provide outcome and performance measures data to the public and those engaged with the regional service system.

*d.* The department shall include any significant costs for collecting and interpreting outcome and performance measures and other data in the department's operating budget.

2004 Acts, ch 1090, §34; 2006 Acts, ch 1159, §1, 3; 2007 Acts, ch 218, §87, 92; 2010 Acts, ch 1031, §376; 2013 Acts, ch 19, §1; 2013 Acts, ch 140, §188

Referred to in §225C.4, 225C.52

Proposed amendments by 2012 Acts, ch 1120, §6, 7, and 95, repealed by 2013 Acts, ch 140, §190

See Code editor's note on simple harmonization

Section amended

**225C.6B Mental health and disability services system — legislative intent — comprehensive plan — state and regional service systems.**

1. *Intent.*

*a.* The general assembly intends for the state to implement a comprehensive, continuous, and integrated state mental health and disability services plan in accordance with the requirements of sections 225C.4 and 225C.6 and other provisions of this chapter, by increasing the department's responsibilities in the development, funding, oversight, and ongoing leadership of mental health and disability services in this state.

*b.* In order to further the purposes listed in section 225C.1 and in other provisions of this chapter, the general assembly intends that efforts focus on the goal of making available a comprehensive array of high-quality, evidence-based consumer and family-centered mental health and disability services and other support in the least restrictive, community-based setting appropriate for a consumer.

*c.* In addition, it is the intent of the general assembly to promote policies and practices that achieve for consumers the earliest possible detection of mental health problems and the need for disability services and for early intervention; to stress that all health care programs address mental health disorders with the same urgency as physical health disorders; to promote the policies of all public programs that serve adults and children with mental disorders or with a need for disability services, including but not limited to child welfare, Medicaid, education, housing, criminal and juvenile justice, substance abuse treatment, and employment services; to consider the special mental health and disability services needs of adults and children; and to promote recovery and resiliency as expected outcomes for all consumers.

2. *Comprehensive plan.* The division shall develop a comprehensive written five-year state mental health and disability services plan with annual updates and readopt the plan every five years. The plan shall describe the key components of the state's mental health and disability services system, including the services that are community-based, state institution-based, or regional or state-based. The five-year plan and each update shall be submitted annually to the commission on or before October 30 for review and approval.

3. *State and regional disability service systems.* The publicly financed disability services for persons with mental illness, intellectual disability or other developmental disability, or brain injury in this state shall be provided by the department and the counties operating together as regions. The financial and administrative responsibility for such services is as follows:

*a.* Disability services for children and adults that are covered under the medical assistance program pursuant to chapter 249A are the responsibility of the state.

*b.* Adult mental health and intellectual disability services that are not covered under the medical assistance program are the responsibility of the county-based regional service system.

2007 Acts, ch 218, §93; 2010 Acts, ch 1031, §377, 378; 2012 Acts, ch 1120, §8, 20, 21

Referred to in §225C.4

Subsection 3 takes effect July 1, 2013, but applies earlier for purposes of adopting rules to take effect on or after that date; 2012 Acts, ch 1120, §20, 21

NEW subsection 3

**225C.6C Regional service system — regulatory requirements.**

1. The departments of inspections and appeals, human services, and public health shall comply with the requirements of this section in their efforts to improve the regulatory requirements applied to the mental health and disability regional service system administration and service providers.

2. The three departments shall work together to establish a process to streamline accreditation, certification, and licensing standards applied to the regional service system administration and service providers.

3. The departments of human services and inspections and appeals shall jointly review the standards and inspection process applicable to residential care facilities.

4. The three departments shall do all of the following in developing regulatory requirements applicable to the regional service system administration and service providers:

*a.* Consider the costs to administrators and providers in the development of quality monitoring efforts.

*b.* Implement the use of uniform, streamlined, and statewide cost reporting standards and tools by the regional service system and the department of human services.

*c.* Make quality monitoring information, including services, quality, and location information, easily available and understandable to all citizens.

*d.* Establish standards that are clearly understood and are accompanied by interpretive guidelines to support understanding by those responsible for applying the standards.

*e.* Develop a partnership with providers in order to improve the quality of services and develop mechanisms for the provision of technical assistance.

*f.* Develop consistent data collection efforts based on statewide standards and make information available to all providers. The efforts under this paragraph shall be made with representatives of the Iowa state association of counties.

*g.* Evaluate existing provider qualification and monitoring efforts to identify duplication and gaps, and align the efforts with valued outcomes.

*h.* Streamline and enhance existing standards.

*i.* Consider allowing providers to seek accreditation from a national accrediting body in lieu of state accreditation or certification.

2012 Acts, ch 1120, §28

**225C.7 Mental health and developmental disabilities community services fund.**

1. A mental health and developmental disabilities community services fund is established in the office of the treasurer of state under the authority of the department, which shall consist of the amounts appropriated to the fund by the general assembly for each fiscal year. Before completion of the department's budget estimate as required by section 8.23, the department shall determine and include in the estimate the amount which should be appropriated to the fund for the forthcoming fiscal period in order to implement the purpose stated in section 225C.1.

2. Moneys appropriated to the fund shall be allocated to counties for funding of community-based mental health, intellectual disability, developmental disabilities, and brain injury services in the manner provided in the appropriation to the fund. If the allocation methodology includes a population factor, the most recent population estimates issued by the United States bureau of the census shall be applied.

3. If a county has not established or is not affiliated with a community mental health

center under chapter 230A, the county shall expend a portion of the money received under this appropriation to contract with a community mental health center to provide mental health services to the county's residents. If such a contractual relationship is unworkable or undesirable, the commission may waive the expenditure requirement. However, if the commission waives the requirement, the commission shall address the specific concerns of the county and shall attempt to facilitate the provision of mental health services to the county's residents through an affiliation agreement or other means.

4. *a.* A county is entitled to receive money from the fund if that county raised by county levy and expended for mental health, intellectual disability, and developmental disabilities services, in the preceding fiscal year, an amount of money at least equal to the amount so raised and expended for those purposes during the fiscal year beginning July 1, 1980.

*b.* With reference to the fiscal year beginning July 1, 1980, money *"raised by county levy and expended for mental health, intellectual disability, and developmental disabilities services"* means the county's maintenance of effort determined by using the general allocation application for the state community mental health and mental retardation services fund under section 225C.10, subsection 1, Code 1993. The department, with the agreement of each county, shall establish the actual amount expended by each county for persons with mental illness, an intellectual disability, or a developmental disability in the fiscal year which began on July 1, 1980, and this amount shall be deemed each county's maintenance of effort.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.17; S81, §225C.6; 81 Acts, ch 78, §7, 20]

94 Acts, ch 1170, §16; 97 Acts, ch 169, §7; 2004 Acts, ch 1090, §6; 2007 Acts, ch 218, §77; 2012 Acts, ch 1019, §65

Referred to in §135.180, 230A.107

**225C.7A Mental health and disability regional services fund.**

1. A mental health and disability regional services fund is created in the office of the treasurer of state under the authority of the department, which shall consist of the amounts appropriated to the fund by the general assembly for each fiscal year. Before completion of the department's budget estimate as required by section 8.23, the director of human services, in consultation with the commission, shall determine and include in the estimate the amount, which in order to address the increase in the costs of providing services, should be appropriated to the fund for the succeeding fiscal year.

2. The department shall distribute the moneys appropriated from the fund to mental health and disability services regions for funding of disability services in accordance with performance-based contracts with the regions and in the manner provided in the appropriations. If the allocation methodology includes a population factor, the definition of "*population*" in section 331.388 shall be applied.

2012 Acts, ch 1120, §9, 20, 21

Referred to in §225C.4, 331.391, 331.398

Section takes effect July 1, 2013, but applies earlier for purposes of adopting rules to take effect on or after that date; 2012 Acts, ch 1120, §20, 21

NEW section

**225C.8 Legal settlement dispute resolution.** Repealed by 2012 Acts, ch 1120, § 129, 130. See § 331.394.

Section repeal by 2012 Acts, ch 1120, §129 is effective July 1, 2013; 2012 Acts, ch 1120, §130

**225C.9 through 225C.11** Repealed by 94 Acts, ch 1170, § 54.

**225C.12 Partial reimbursement to counties for local inpatient mental health care and treatment.**

1. A county which pays, from county funds budgeted under section 331.424A, the cost of care and treatment of a person with mental illness who is admitted pursuant to a preliminary diagnostic evaluation under sections 225C.14 to 225C.17 for treatment as an inpatient of a hospital facility, other than a state mental health institute, which has a designated mental health program and is a hospital accredited by the accreditation program for hospital facilities of the joint commission on accreditation of health care organizations, is entitled to reimbursement from the state for a portion of the daily cost so incurred by the county.

However, a county is not entitled to reimbursement for a cost incurred in connection with the hospitalization of a person who is eligible for medical assistance under chapter 249A, or who is entitled to have care or treatment paid for by any other third-party payor, or who is admitted for preliminary diagnostic evaluation under sections 225C.14 to 225C.17. The amount of reimbursement for the cost of treatment of a local inpatient to which a county is entitled, on a per-patient-per-day basis, is an amount equal to twenty percent of the average of the state mental health institutes' individual average daily patient costs in the most recent calendar quarter for the program in which the local inpatient would have been served if the patient had been admitted to a state mental health institute.

2. A county may claim reimbursement by filing with the administrator a claim in a form prescribed by the administrator by rule. Claims may be filed on a quarterly basis, and when received shall be verified as soon as reasonably possible by the administrator. The administrator shall certify to the director of the department of administrative services the amount to which each county claiming reimbursement is entitled, and the director of the department of administrative services shall issue warrants to the respective counties drawn upon funds appropriated by the general assembly for the purpose of this section. A county shall place funds received under this section in the county mental health, intellectual disability, and developmental disabilities services fund created under section 331.424A.* If the appropriation for a fiscal year is insufficient to pay all claims arising under this section, the director of the department of administrative services shall prorate the funds appropriated for that year among the claimant counties so that an equal proportion of each county's claim is paid in each quarter for which proration is necessary.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.16, 227.18; S81, §225C.11; 81 Acts, ch 78, §12, 20, ch 117, §1028]

96 Acts, ch 1129, §113; 96 Acts, ch 1183, §13; 2003 Acts, ch 145, §286; 2012 Acts, ch 1019, §66

*The "county mental health and disabilities services fund" probably intended; corrective legislation is pending
Section not amended; footnote added

**225C.13 Authority to establish and lease facilities.**

1. The administrator assigned, in accordance with section 218.1, to control the state mental health institutes and the state resource centers may enter into agreements under which a facility or portion of a facility administered by the administrator is leased to a department or division of state government, a county or group of counties, or a private nonprofit corporation organized under chapter 504. A lease executed under this section shall require that the lessee use the leased premises to deliver either disability services or other services normally delivered by the lessee.

2. The division administrator may work with the appropriate administrator of the department's institutions to establish mental health and intellectual disability services for all institutions under the control of the director of human services and to establish an autism unit, following mutual planning and consultation with the medical director of the state psychiatric hospital, at an institution or a facility administered by the department to provide psychiatric and related services and other specific programs to meet the needs of autistic persons, and to furnish appropriate diagnostic evaluation services.

[S81, §225C.12; 81 Acts, ch 78, §14, 20]

94 Acts, ch 1170, §17; 2000 Acts, ch 1112, §34; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2006 Acts, ch 1115, §25; 2012 Acts, ch 1019, §67

**225C.14 Preliminary diagnostic evaluation.**

1. Except in cases of medical emergency, a person shall be admitted to a state mental health institute as an inpatient only after a preliminary diagnostic evaluation performed through the central point of coordination process* has confirmed that the admission is appropriate to the person's mental health needs, and that no suitable alternative method of providing the needed services in a less restrictive setting or in or nearer to the person's home community is currently available. If provided for through the central point of coordination process,* the evaluation may be performed by a community mental health center or by an

alternative diagnostic facility. The policy established by this section shall be implemented in the manner and to the extent prescribed by sections 225C.15, 225C.16 and 225C.17.

2. As used in this section and sections 225C.15, 225C.16 and 225C.17, the term *"medical emergency"* means a situation in which a prospective patient is received at a state mental health institute in a condition which, in the opinion of the chief medical officer, or that officer's physician designee, requires the immediate admission of the person notwithstanding the policy stated in subsection 1.

[C79, 81, §225B.4; S81, §225C.13; 81 Acts, ch 78, §15, 20]

94 Acts, ch 1170, §18; 96 Acts, ch 1183, §14; 2004 Acts, ch 1090, §33

Referred to in §225C.12, 225C.15, 225C.16, 331.382

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

Section not amended; footnote added

**225C.15 County implementation of evaluations.**

The board of supervisors of a county shall, no later than July 1, 1982, require that the policy stated in section 225C.14 be followed with respect to admission of persons from that county to a state mental health institute. A community mental health center which is supported, directly or in affiliation with other counties, by that county may perform the preliminary diagnostic evaluations for that county, unless the performance of the evaluations is not covered by the agreement entered into by the county and the center, and the center's director certifies to the board of supervisors that the center does not have the capacity to perform the evaluations, in which case the board of supervisors shall proceed under section 225C.17.

[C79, 81, §225B.5; S81, §225C.14; 81 Acts, ch 78, §16, 20]

96 Acts, ch 1183, §15; 2013 Acts, ch 90, §50

Referred to in §225C.12, 225C.14, 331.382

Section amended

**225C.16 Referrals for evaluation.**

1. The chief medical officer of a state mental health institute, or that officer's physician designee, shall advise a person residing in that county who applies for voluntary admission, or a person applying for the voluntary admission of another person who resides in that county, in accordance with section 229.41, that the board of supervisors has implemented the policy stated in section 225C.14, and shall advise that a preliminary diagnostic evaluation of the prospective patient be sought, if that has not already been done. This subsection does not apply when voluntary admission is sought in accordance with section 229.41 under circumstances which, in the opinion of the chief medical officer or that officer's physician designee, constitute a medical emergency.

2. The clerk of the district court in that county shall refer a person applying for authorization for voluntary admission, or for authorization for voluntary admission of another person, in accordance with section 229.42, to the appropriate entity designated through the central point of coordination process* of the person's county of residence under section 225C.14 for the preliminary diagnostic evaluation unless the applicant furnishes a written statement from the appropriate entity which indicates that the evaluation has been performed and that the person's admission to a state mental health institute is appropriate. This subsection does not apply when authorization for voluntary admission is sought under circumstances which, in the opinion of the chief medical officer or that officer's physician designee, constitute a medical emergency.

3. Judges of the district court in that county or the judicial hospitalization referee appointed for that county shall so far as possible arrange for the entity designated through the central point of coordination process* under section 225C.14 to perform a prehearing examination of a respondent required under section 229.8, subsection 3, paragraph *"b"*.

4. The chief medical officer of a state mental health institute shall promptly submit to the appropriate entity designated through the central point of coordination process* under section 225C.14 a report of the voluntary admission of a patient under the medical emergency clauses of subsections 1 and 2. The report shall explain the nature of the emergency which

necessitated the admission of the patient without a preliminary diagnostic evaluation by the designated entity.

[C79, 81, §225B.6; S81, §225C.15; 81 Acts, ch 78, §17, 20]

96 Acts, ch 1183, §16; 2004 Acts, ch 1090, §33; 2012 Acts, ch 1120, §96, 130

Referred to in §225C.12, 225C.14, 331.382, 602.8102(39)

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

2012 amendment to subsection 2 takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Subsection 2 amended

**225C.17 Alternative diagnostic facility.**

If a county is not served by a community mental health center having the capacity to perform the required preliminary diagnostic evaluations, the board of supervisors shall arrange for the evaluations to be performed by an alternative diagnostic facility for the period until the county is served by a community mental health center with the capacity to provide that service. An alternative diagnostic facility may be the outpatient service of a state mental health institute or any other mental health facility or service able to furnish the requisite professional skills to properly perform a preliminary diagnostic evaluation of a person whose admission to a state mental health institute is being sought or considered on either a voluntary or an involuntary basis.

[C79, 81, §225B.7; S81, §225C.16; 81 Acts, ch 78, §18, 20]

Referred to in §225C.12, 225C.14, 225C.15, 331.382

**225C.18 Mental health and developmental disabilities regional planning councils.**

1. A county may participate in a mental health and developmental disabilities regional planning council. The region encompassed by a planning council shall be determined by the counties participating in the planning council.

2. The boards of supervisors of the counties comprising the planning council shall determine the size and membership of the planning council.

3. A planning council may perform the following tasks:

*a.* Develop a planning process and plan for services to persons with disabilities residing in the region. Planning shall encompass a five-year time span and shall be annually updated. The plans shall be submitted to the boards of supervisors of the counties in the region and to the commission.

*b.* Recommend the expenditure of all state and county funds, and to the extent possible, federal funds for disability services within the region.

*c.* Provide for input into the planning process by the public and service consumers, providers, and funders.

*d.* Work with staff assigned to the planning council to perform needs assessments, plan development, and to work with consumers, providers, and funders, and fulfill other necessary functions.

*e.* Make recommendations to the county boards of supervisors associated with the planning area and to the commission, concerning disability services and related budget issues.

*f.* Perform other duties at the request of the counties comprising the region and of the commission.

4. The provisions of this section relating to services to persons with disabilities are not intended as and shall not be construed as a requirement to provide services.

94 Acts, ch 1170, §19; 97 Acts, ch 169, §8 – 11

**225C.19 Emergency mental health crisis services system.**

1. For the purposes of this section:

*a.* *"Emergency mental health crisis services provider"* means a provider accredited or approved by the department to provide emergency mental health crisis services.

*b.* *"Emergency mental health crisis services system"* or *"services system"* means a coordinated array of crisis services for providing a response to assist an individual adult or child who is experiencing a mental health crisis or who is in a situation that is reasonably likely to cause the individual to have a mental health crisis unless assistance is provided.

2. *a.* The division shall implement an emergency mental health crisis services system in

consultation with counties, and community mental health centers and other mental health and social service providers, in accordance with this section.

*b.* The purpose of the services system is to provide a statewide array of time-limited intervention services to reduce escalation of crisis situations, relieve the immediate distress of individuals experiencing a crisis situation, reduce the risk of individuals in a crisis situation doing harm to themselves or others, and promote timely access to appropriate services for those who require ongoing mental health services.

*c.* The services system shall be available twenty-four hours per day, seven days per week to any individual who is in or is determined by others to be in a crisis situation, regardless of whether the individual has been diagnosed with a mental illness or a co-occurring mental illness and substance abuse disorder. The system shall address all ages, income levels, and health coverage statuses.

*d.* The goals of an intervention offered by a provider under the services system shall include but are not limited to symptom reduction, stabilization of the individual receiving the intervention, and restoration of the individual to a previous level of functioning.

*e.* The elements of the services system shall be specified in administrative rules adopted by the commission.

3. The services system elements shall include but are not limited to all of the following:

*a.* Standards for accrediting or approving emergency mental health crisis services providers. Such providers may include but are not limited to a community mental health center, a provider approved in a waiver adopted by the commission to provide services to a county in lieu of a community mental health center, a unit of the department or other state agency, a county, or any other public or private provider who meets the accreditation or approval standards for an emergency mental health crisis services provider.

*b.* Identification by the division of geographic regions, service areas, or other means of distributing and organizing the emergency mental health crisis services system to ensure statewide availability of the services.

*c.* Coordination of emergency mental health crisis services with all of the following:

(1) The district and juvenile courts.

(2) Law enforcement.

(3) Judicial district departments of correctional services.

(4) County central point of coordination processes.*

(5) Other mental health, substance abuse, and co-occurring mental illness and substance abuse services available through the state and counties to serve both children and adults.

*d.* Identification of basic services to be provided through each accredited or approved emergency mental health crisis services provider which may include but are not limited to face-to-face crisis intervention, stabilization, support, counseling, preadmission screening for individuals who may require psychiatric hospitalization, transportation, and follow-up services.

*e.* Identification of operational requirements for emergency mental health crisis services provider accreditation or approval which may include providing a telephone hotline, mobile crisis staff, collaboration protocols, follow-up with community services, information systems, and competency-based training.

4. The division shall initially implement the program through a competitive block grant process. The implementation shall be limited to the extent of the appropriations provided for the program.

2008 Acts, ch 1187, §52; 2009 Acts, ch 41, §88

Appropriation of funds for implementation of system beginning January 1, 2009; 2008 Acts, ch 1187, §9; 2009 Acts, ch 182, §72, 87

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

Section not amended; footnote added

**225C.20 Responsibilities of counties for individual case management services.**

Individual case management services funded under medical assistance shall be provided by the department except when a county or a consortium of counties contracts with the department to provide the services. A county or consortium of counties may contract to be the provider at any time and the department shall agree to the contract so long as the contract meets the standards for case management adopted by the department. The county

or consortium of counties may subcontract for the provision of case management services so long as the subcontract meets the same standards. A county board of supervisors may change the provider of individual case management services at any time. If the current or proposed contract is with the department, the county board of supervisors shall provide written notification of a change at least ninety days before the date the change will take effect.

88 Acts, ch 1245, §7; 89 Acts, ch 283, §20; 93 Acts, ch 172, §31; 2000 Acts, ch 1112, §53, 58

**225C.21 Supported community living services.**

1. As used in this section, *"supported community living services"* means services provided in a noninstitutional setting to adult persons with mental illness, an intellectual disability, or developmental disabilities to meet the persons' daily living needs.

2. The commission shall adopt rules pursuant to chapter 17A establishing minimum standards for supported community living services. The administrator shall determine whether to grant, deny, or revoke approval for any supported community living service.

3. Approved supported community living services may receive funding from the state, federal and state social services block grant funds, and other appropriate funding sources, consistent with state legislation and federal regulations. The funding may be provided on a per diem, per hour, or grant basis, as appropriate.

85 Acts, ch 141, §1; 91 Acts, ch 38, §1

CS85, §225C.19

C89, §225C.21

94 Acts, ch 1170, §20; 96 Acts, ch 1129, §52; 98 Acts, ch 1181, §12; 99 Acts, ch 160, §6; 2010 Acts, ch 1031, §379; 2012 Acts, ch 1019, §68

Referred to in §135C.6

**225C.22** Repealed by 89 Acts, ch 320, § 13.

**225C.23 Brain injury recognized as disability.**

1. The department of human services, the Iowa department of public health, the department of education and its divisions of special education and vocational rehabilitation services, the department of human rights and its division for persons with disabilities, the department for the blind, and all other state agencies which serve persons with brain injuries, shall recognize brain injury as a distinct disability and shall identify those persons with brain injuries among the persons served by the state agency.

2. For the purposes of this section, *"brain injury"* means the same as defined in section 135.22.

88 Acts, ch 1219, §2; 94 Acts, ch 1068, §7; 94 Acts, ch 1109, §3; 99 Acts, ch 141, §30; 2012 Acts, ch 1120, §67

**225C.24** Repealed by 90 Acts, ch 1012, § 1, 2.

## SUBCHAPTER II

## BILL OF RIGHTS

**225C.25 Short title.**

Sections 225C.25 through 225C.28B shall be known as "the bill of rights and service quality standards of persons with an intellectual disability, developmental disabilities, brain injury, or chronic mental illness".

85 Acts, ch 249, §2; 92 Acts, ch 1241, §63; 2012 Acts, ch 1019, §69

Referred to in §225C.29

**225C.26 Scope.**

These rights and service quality standards apply to any person with an intellectual disability, a developmental disability, brain injury, or chronic mental illness who receives services which

are funded in whole or in part by public funds or services which are permitted under Iowa law.

85 Acts, ch 249, §3; 92 Acts, ch 1241, §64; 2012 Acts, ch 1019, §70
Referred to in §135C.2, 225C.25, 225C.29

**225C.27 Purpose.** Repealed by 2010 Acts, ch 1031, § 381.

**225C.28** Repealed by 92 Acts, ch 1241, § 79.

**225C.28A Service quality standards.**

As the state participates more fully in funding services and other support to persons with an intellectual disability, developmental disabilities, brain injury, or chronic mental illness, it is the intent of the general assembly that the state shall seek to attain the following quality standards in the provision of the services:

1. Provide comprehensive evaluation and diagnosis adapted to the cultural background, primary language, and ethnic origin of the person.
2. Provide an individual treatment, habilitation, and program plan.
3. Provide treatment, habilitation, and program services that are individualized, provided to produce results, flexible, and cost-effective, as appropriate.
4. Provide periodic review of the individual plan.
5. Provide for the least restrictive environment and age-appropriate services.
6. Provide appropriate training and employment opportunities so that the person's ability to contribute to and participate in the community is maximized.
7. Provide an ongoing process to determine the degree of access to and the effectiveness of the services and other support in achieving the disability services outcomes and indicators identified by the commission pursuant to section 225C.6.

92 Acts, ch 1241, §66; 2006 Acts, ch 1115, §8; 2012 Acts, ch 1019, §71
Referred to in §225C.25, 225C.29

**225C.28B Rights of persons with an intellectual disability, developmental disabilities, brain injury, or chronic mental illness.**

All of the following rights shall apply to a person with an intellectual disability, a developmental disability, brain injury, or chronic mental illness:

1. *Wage protection.* A person with an intellectual disability, a developmental disability, brain injury, or chronic mental illness engaged in work programs shall be paid wages commensurate with the going rate for comparable work and productivity.
2. *Insurance protection.* Pursuant to section 507B.4, subsection 3, paragraph "*g*", a person or designated group of persons shall not be denied insurance coverage by reason of an intellectual disability, a developmental disability, brain injury, or chronic mental illness.
3. *Due process.* A person with an intellectual disability, a developmental disability, brain injury, or chronic mental illness retains the right to citizenship in accordance with the laws of the state.
4. *Participation in planning activities.* If an individual treatment, habilitation, and program plan is developed for a person with an intellectual disability, a developmental disability, brain injury, or chronic mental illness, the person has the right to participate in the formulation of the plan.

92 Acts, ch 1241, §67; 2012 Acts, ch 1019, §72; 2012 Acts, ch 1023, §148
Referred to in §225C.25, 225C.29

**225C.29 Compliance.**

Except for a violation of section 225C.28B, subsection 2, the sole remedy for violation of a rule adopted by the commission to implement sections 225C.25 through 225C.28B shall be by a proceeding for compliance initiated by request to the division pursuant to chapter 17A. Any decision of the division shall be in accordance with due process of law and is subject to appeal to the Iowa district court pursuant to sections 17A.19 and 17A.20 by any aggrieved party. Either the division or a party in interest may apply to the Iowa district court for an order to enforce the decision of the division. Any rules adopted by the commission to

implement sections 225C.25 through 225C.28B do not create any right, entitlement, property or liberty right or interest, or private cause of action for damages against the state or a political subdivision of the state or for which the state or a political subdivision of the state would be responsible. Any violation of section 225C.28B, subsection 2, shall solely be subject to the enforcement by the commissioner of insurance and penalties granted by chapter 507B for a violation of section 507B.4, subsection 3, paragraph *"g"*.

85 Acts, ch 249, §6; 92 Acts, ch 1241, §68; 92 Acts, ch 1247, §17; 2012 Acts, ch 1023, §149

**225C.30 and 225C.31** Reserved.

**225C.32 Plan appeals process.**

The department shall establish an appeals process by which a mental health, intellectual disability, and developmental disabilities coordinating board or an affected party may appeal a decision of the department or of the coordinating board.

88 Acts, ch 1245, §8; 2012 Acts, ch 1019, §73

**225C.33 and 225C.34** Reserved.

## SUBCHAPTER III

## FAMILY SUPPORT SUBSIDY

**225C.35 Definitions.**

For purposes of this subchapter, unless the context otherwise requires:

1. *"Department"* means the department of human services.
2. *"Family"* means a family member and the parent or legal guardian of the family member.
3. *"Family member"* means a person less than eighteen years of age who by educational determination has a moderate, severe, or profound educational disability or special health care needs or who otherwise meets the definition of developmental disability in the federal Developmental Disabilities Act, section 102(5), as codified in 42 U.S.C. § 6001(5). The department shall adopt rules establishing procedures for determining whether a child has a developmental disability.
4. *"Legal guardian"* means a person appointed by a court to exercise powers over a family member.
5. *"Medical assistance"* means payment of all or part of the care authorized to be provided pursuant to chapter 249A.
6. *"Parent"* means a biological or adoptive parent.
7. *"Supplemental security income"* means financial assistance provided to individuals pursuant to Tit. XVI of the federal Social Security Act, 42 U.S.C. § 1381 – 1383c.

88 Acts, ch 1122, §2; 90 Acts, ch 1114, §1; 96 Acts, ch 1129, §113; 2009 Acts, ch 41, §89
Referred to in §225C.37

**225C.36 Family support subsidy program.**

A family support subsidy program is created as specified in this subchapter. The purpose of the family support subsidy program is to keep families together by defraying some of the special costs of caring for a family member at home. The department shall adopt rules to implement the purposes of this section and sections 225C.37 through 225C.42 which assure that families retain the greatest possible flexibility in determining appropriate use of the subsidy.

88 Acts, ch 1122, §3; 90 Acts, ch 1114, §2; 2009 Acts, ch 41, §90
Referred to in §225C.49

**225C.37 Program specifications rules.**

1. A parent or legal guardian of a family member may apply to the local office of the department for the family support subsidy program. The application shall include:

*a.* A statement that the family resides in a county of this state.

*b.* Verification that the family member meets the definitional requirements of section 225C.35, subsection 3. Along with the verification, the application shall identify an age when the family member's eligibility for the family support subsidy under such definitional requirements will end. The age identified is subject to approval by the department.

*c.* A statement that the family member resides, or is expected to reside, with the parent or legal guardian of the family member or, on a temporary basis, with another relative of the family member.

*d.* A statement that if the child receives medical assistance, then the family support subsidy shall only be used for the cost of a service which is not covered by medical assistance. The family may receive welfare assistance for which the family is eligible.

*e.* Verification that the net taxable income for the family for the calendar year immediately preceding the date of application did not exceed forty thousand dollars unless it can be verified that the estimated net taxable income for the family for the year in which the application is made will be less than forty thousand dollars.

2. Within the limits set by the appropriation for this purpose, the department shall approve or disapprove the application based on the family support services plan which identifies the needs of the child and the family and the eligibility criteria required to be included in the application under subsection 1, paragraphs "*a*" through "*e*", and shall notify the parent or legal guardian of the decision.

3. Effective July 1, 2010, the department shall not accept new applications for the family support subsidy program and shall not approve pending applications for the program. Subsidy termination or application denial relating to family members enrolled in the family support subsidy program as of July 1, 2010, is subject to section 225C.40.

88 Acts, ch 1122, §4; 90 Acts, ch 1039, §13; 90 Acts, ch 1114, §3; 2006 Acts, ch 1159, §11; 2009 Acts, ch 41, §263; 2010 Acts, ch 1031, §403

Referred to in §225C.36, 225C.40

**225C.38 Payment — amount — reports.**

1. If an application for a family support subsidy is approved by the department:

*a.* A family support subsidy shall be paid to the parent or legal guardian on behalf of the family member. An approved subsidy shall be payable as of the first of the next month after the department approves the written application.

*b.* A family support subsidy shall be used to meet the special needs of the family. This subsidy is intended to complement but not supplant public assistance or social service benefits based on economic need, available through governmental programs or other means available to the family.

*c.* Except as provided in section 225C.41, a family support subsidy for a fiscal year shall be in an amount determined by the department. The parent or legal guardian receiving a family support subsidy may elect to receive a payment amount which is less than the amount determined in accordance with this paragraph.

2. The department shall administer the family support subsidy program and the payments made under the program as follows:

*a.* In each fiscal year, the department shall establish a figure for the number of family members for whom a family support subsidy shall be provided at any one time during the fiscal year. The figure shall be established by dividing the amount appropriated by the general assembly for family support subsidy payments during the fiscal year by the family support subsidy payment amount established in subsection 1, paragraph "*c*".

*b.* On or before July 15 in each fiscal year, the department shall approve the provision of a number of family support subsidies equal to the figure established in paragraph "*a*". During any thirty-day period, the number of family members for whom a family support subsidy is provided shall not be less than this figure.

*c.* Unless there are exceptional circumstances and the family requests and receives approval from the department for an exception to policy, a family is not eligible to receive the family support subsidy if any of the following are applicable to the family or the family member for whom the application was submitted:

(1) The family member is a special needs child who was adopted by the family and the family is receiving financial assistance under section 600.17.

(2) Medical assistance home and community-based waiver services are provided for the family member and the family lives in a county in which comprehensive family support program services are available.

(3) Medical assistance home and community-based waiver services are provided for the family member under a consumer choices option.

3. The parent or legal guardian who receives a family support subsidy shall report, in writing, the following information to the department:

*a.* Not less than annually, a statement that the family support subsidy was used to meet the special needs of the family.

*b.* The occurrence of any event listed in section 225C.40.

*c.* A request to terminate the family support subsidy.

88 Acts, ch 1122, §5; 91 Acts, ch 38, §2, 3; 98 Acts, ch 1218, §71; 2006 Acts, ch 1159, §12, 13, 29; 2013 Acts, ch 138, §86
Referred to in §225C.36, 225C.40
Subsection 1, paragraph c amended

**225C.39 Subsidy payments not alienable.**

Family support subsidy payments shall not be alienable by action, including but not limited to, assignment, sale, garnishment, or execution, and in the event of bankruptcy shall not pass to or through a trustee or any other person acting on behalf of creditors.

88 Acts, ch 1122, §6
Referred to in §225C.36

**225C.40 Termination or denial of subsidy — hearing.**

1. The family support subsidy shall terminate if any of the following occur:

*a.* The family member dies.

*b.* The family no longer meets the eligibility criteria in section 225C.37.

*c.* The family member attains the age of eighteen years.

*d.* The family member is no longer eligible for special education pursuant to section 256B.9, subsection 1, paragraph "*c*" or "*d*".

2. The family support subsidy may be terminated by the department if a report required by section 225C.38, subsection 3, is not timely made or a report required by section 225C.38, subsection 3, paragraph "*a*", contains false information.

3. If an application for a family support subsidy is denied, the family member end-of-eligibility age identified in the application is not approved by the department, or a family support subsidy is terminated by the department, the parent or legal guardian of the affected family member may request, in writing, a hearing before an impartial hearing officer.

4. If a family appeals the termination of a family member who has attained the age of eighteen years, family support subsidy payments for that family member shall be withheld pending resolution of the appeal.

88 Acts, ch 1122, §7; 2006 Acts, ch 1159, §14; 2008 Acts, ch 1187, §114
Referred to in §225C.36, 225C.37, 225C.38

**225C.41 Appropriations.**

Family support subsidy payments shall be paid from funds appropriated by the general assembly for this purpose.

Notwithstanding section 8.33, funds remaining unexpended on June 30 of any fiscal year shall not revert to the general fund of the state but shall remain available to provide family support subsidy payments or to expand the comprehensive family support program in the succeeding fiscal year.

88 Acts, ch 1122, §8; 91 Acts, ch 38, §4; 2006 Acts, ch 1159, §15
Referred to in §225C.36, 225C.38

**225C.42 Annual evaluation of program.**

1. The department shall conduct an annual evaluation of the family support subsidy

program and shall submit the evaluation report with recommendations to the governor and general assembly. The report shall be submitted on or before October 30 and provide an evaluation of the latest completed fiscal year.

2. The evaluation content shall include but is not limited to all of the following items:

*a.* A statement of the number of children and families served by the program during the period and the number remaining on the waiting list at the end of the period.

*b.* A description of the children and family needs to which payments were applied.

*c.* An analysis of the extent to which payments enabled children to remain in their homes. The analysis shall include but is not limited to all of the following items concerning children affected by the payments: the number and percentage of children who remained with their families; the number and percentage of children who returned to their home from an out-of-home placement and the type of placement from which the children returned; and the number of children who received an out-of-home placement during the period and the type of placement.

*d.* An analysis of parent satisfaction with the program.

*e.* An analysis of efforts to encourage program participation by eligible families.

*f.* The results of a survey of families participating in the program in order to assess the adequacy of subsidy payment amounts and the degree of unmet need for services and supports.

3. The evaluation content may include any of the following items:

*a.* An overview of the reasons families voluntarily terminated participation in the family support subsidy program and the involvement of the department in offering suitable alternatives.

*b.* The geographic distribution of families receiving subsidy payments.

*c.* An overview of problems encountered by families in applying for the program, including obtaining documentation of eligibility.

88 Acts, ch 1122, §9; 91 Acts, ch 38, §5; 2004 Acts, ch 1116, §1, 2; 2005 Acts, ch 19, §36; 2006 Acts, ch 1159, §16, 28; 2013 Acts, ch 138, §87

Referred to in §225C.36

Subsection 1 amended

**225C.43 and 225C.44** Reserved.

## SUBCHAPTER IV

## PUBLIC HOUSING UNIT

**225C.45 Public housing unit.**

1. The administrator may establish a public housing unit within a bureau of the division to apply for, receive, and administer federal assistance, grants, and other public or private funds for purposes related to providing housing.

2. In implementing the public housing unit, the division may do all of the following:

*a.* Prepare, implement, and operate housing projects and provide for the construction, improvement, extension, alteration, or repair of a housing project under the division's jurisdiction.

*b.* Develop and implement studies, conduct analyses, and engage in research concerning housing and housing needs. The information obtained from these activities shall be made available to the public and to the building, housing, and supply industries.

*c.* Cooperate with the Iowa finance authority and participate in any of the authority's programs. Use any funds obtained pursuant to subsection 1 to participate in the authority's programs. The division shall comply with rules adopted by the authority as the rules apply to the housing activities of the division.

3. In accepting contributions, grants, or other financial assistance from the federal government relating to a housing activity of the division, including construction, operation,

or maintenance, or in managing a housing project or undertaking constructed or owned by the federal government, the division may do any of the following:

*a.* Comply with federally required conditions or enter into contracts or agreements as may be necessary, convenient, or desirable.

*b.* Take any other action necessary or desirable in order to secure the financial aid or cooperation of the federal government.

*c.* Include in a contract with the federal government for financial assistance any provision which the federal government may require as a condition of the assistance that is consistent with the provisions of this section.

4. The division shall not proceed with a housing project pursuant to this section, unless both of the following conditions are met:

*a.* A study for a report which includes recommendations concerning the housing available within a community is publicly issued by the division. The study shall be included in the division's recommendations for a housing project.

*b.* The division's recommendations are approved by a majority of the city council or board of supervisors with jurisdiction over the geographic area affected by the recommendations.

5. Property acquired or held pursuant to this section is public property used for essential public purposes and is declared to be exempt from any tax or special assessment of the state or any state public body as defined in section 403A.2. In lieu of taxes on the property, the division may agree to make payments to the state or a state public body, including but not limited to the division, as the division finds necessary to maintain the purpose of providing low-cost housing in accordance with this section.

6. Any property owned or held by the division pursuant to this section is exempt from levy and sale by execution. An execution or other judicial process shall not be issued against the property and a judgment against the division shall not be a lien or charge against the property. However, the provisions of this subsection shall not apply to or limit the right of the federal government to pursue any remedies available under this section. The provisions of this subsection shall also not apply to or limit the right of an obligee to take either of the following actions:

*a.* Foreclose or otherwise enforce a mortgage or other security executed or issued pursuant to this section.

*b.* Pursue remedies for the enforcement of a pledge or lien on rents, fees, or revenues.

7. In any contract with the federal government to provide annual payments to the division, the division may obligate itself to convey to the federal government possession of or title to the housing project in the event of a substantial default as defined in the contract and with respect to the covenant or conditions to which the division is subject. The obligation shall be specifically enforceable and shall not constitute a mortgage. The contract may also provide that in the event of a conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the housing project and funds in accordance with the terms of the contract. However, the contract shall require that, as soon as is practicable after the federal government is satisfied that all defaults with respect to the housing project are cured and the housing project will be operated in accordance with the terms of the contract, the federal government shall reconvey the housing project to the division.

8. The division shall not undertake a housing project pursuant to this section until a public hearing has been held. At the hearing, the division shall notify the public of the proposed project's name, location, number of living units proposed, and approximate cost. Notice of the public hearing shall be published at least once in a newspaper of general circulation at least fifteen days prior to the date set for the hearing.

92 Acts, ch 1128, §2; 94 Acts, ch 1170, §21; 95 Acts, ch 82, §3

Referred to in §225C.4

## SUBCHAPTER V

## FAMILY SUPPORT SERVICES

Legislative findings, 94 Acts, ch 1041, §1

**225C.46 Personal assistance services program.** Repealed by 2006 Acts, ch 1159, § 27.

**225C.47 Comprehensive family support program.**

1. For the purposes of this section, unless the context otherwise requires:

*a.* (1) *"Family"* means a group of interdependent persons living in the same household. A family consists of an individual with a disability and any of the following:

(a) The individual's parent.

(b) The individual's sibling.

(c) The individual's grandparent, aunt, or uncle.

(d) The individual's legal custodian.

(e) A person who is providing short-term foster care to the individual subject to a case permanency plan which provides for reunification between the individual and the individual's parent.

(2) *"Family"* does not include a person who is employed to provide services to an individual with a disability in an out-of-home setting, including but not limited to a hospital, nursing facility, personal care home, board and care home, group foster care home, or other institutional setting.

*b.* *"Individual with a disability"* means an individual who is less than twenty-two years of age and meets the definition of developmental disability in 42 U.S.C. § 6001.

*c.* *"Services and support"* means services or other assistance intended to enable an individual with a disability to control the individual's environment, to remain living with the individual's family, to function more independently, and to increase the integration of the individual into the individual's community. Services and support may include but are not limited to funding for purchase of equipment, respite care, supplies, assistive technology, and payment of other costs attributable to the individual's disability which are identified by the individual's family.

2. A comprehensive family support program is created in the department of human services to provide a statewide system of services and support to eligible families. The program shall be implemented in a manner which enables a family member of an individual with a disability to identify the services and support needed to enable the individual to reside with the individual's family, to function more independently, and to increase the individual's integration into the community.

3. Eligibility for the comprehensive family support program is limited to families who meet all the following conditions:

*a.* The family resides in the state of Iowa.

*b.* The family includes an individual with a disability.

*c.* The family expresses an intent for the family member who is an individual with a disability to remain living in the family's home.

*d.* The family's taxable income is less than sixty thousand dollars in the most recently completed tax year.

4. A family may apply to the department or to a family support center developed pursuant to this section for assistance under the comprehensive family support program. The department or family support center shall determine eligibility for the program in accordance with the provisions of this section.

5. The department shall design the program. The department shall adopt rules to implement the program which provide for all of the following:

*a.* (1) An application process incorporating the eligibility determination processes of other disability services programs to the extent possible.

(2) Eligible families maintain control of decisions which affect the families' children who are individuals with a disability.

*b.* (1) Existing local agencies are utilized to provide facilities and a single entry point for comprehensive family support program applicants.

(2) Services and support are provided in a timely manner and emergency access to needed services and support is provided.

*c.* Technical assistance is provided to service and support providers and users.

*d.* State, regional, and local media are utilized to publicize the family support program.

*e.* A process is available to appeal the department's or family support center's decisions involving families that apply for the comprehensive family support program and are denied services and support under the comprehensive family support program. The department shall make reasonable efforts to utilize telecommunications so that a family initiating an appeal may complete the appeal process in the family's local geographic area.

*f.* (1) Identification of the services and support and service provider components included in the comprehensive family support program.

(2) Upon request by a family member, provision of assistance in locating a service provider.

*g.* Identification of payment for services and support directly to families, by voucher, or by other appropriate means to maintain family control over decision making.

*h.* Implementation of the program in accordance with the funding appropriated for the program.

*i.* The utilization of a voucher system for payment provisions for the family support center component of the program developed under subsection 7.

6. Services and support provided under the comprehensive family support program shall not be used to supplant other services and support available to a family of an individual with disabilities but shall be used to meet family needs that would not be met without the program.

7. The comprehensive family support program shall include a family support center component developed by the department in accordance with this subsection. Under the component, a family member of an individual with a disability shall be assisted by a family support center in identifying the services and support to be provided to the family under the family support subsidy program or the comprehensive family support program. The identification of services and support shall be based upon the specific needs of the individual and the individual's family which are not met by other service programs available to the individual and the individual's family.

94 Acts, ch 1041, §3; 96 Acts, ch 1084, §1 – 5; 2006 Acts, ch 1159, §17 – 21; 2013 Acts, ch 138, §88

Referred to in §225C.49

Subsection 5, unnumbered paragraph 1 amended

**225C.48 Comprehensive family support council.** Repealed by 2013 Acts, ch 138, § 105.

**225C.49 Departmental duties concerning services to individuals with a disability.**

1. The department shall provide coordination of the programs administered by the department which serve individuals with a disability and the individuals' families, including but not limited to the following juvenile justice and child welfare services: family-centered services described under section 232.102, decategorization of child welfare funding provided for under section 232.188, and foster care services paid under section 234.35, subsection 3. The department shall regularly review administrative rules associated with such programs and make recommendations to the council on human services, governor, and general assembly for revisions to remove barriers to the programs for individuals with a disability and the individuals' families including the following:

*a.* Eligibility prerequisites which require declaring the individual at risk of abuse, neglect, or out-of-home placement.

*b.* Time limits on services which restrict addressing ongoing needs of individuals with a disability and their families.

2. The department shall coordinate the department's programs and funding utilized by individuals with a disability and their families with other state and local programs and funding directed to individuals with a disability and their families.

3. In implementing the provisions of this section, the department shall do all of the following:

*a.* Compile information concerning services and other support available to individuals with a disability and their families. Make the information available to individuals with a disability and their families and department staff.

*b.* Utilize internal training resources or contract for additional training of staff concerning the information under paragraph *"a"* and training of families and individuals as necessary to implement the family support subsidy and comprehensive family support programs under this chapter.

4. The department shall designate one individual whose sole duties are to provide central coordination of the programs under sections 225C.36 and 225C.47 and to oversee development and implementation of the programs.

96 Acts, ch 1084, §7; 2006 Acts, ch 1159, §23, 24; 2007 Acts, ch 172, §8; 2013 Acts, ch 138, §89

Subsection 4 amended

**225C.50** Reserved.

## SUBCHAPTER VI

## MENTAL HEALTH SERVICES SYSTEM FOR CHILDREN AND YOUTH

**225C.51 Definitions.**

For the purposes of this subchapter:

1. *"Child"* or *"children"* means a person or persons under eighteen years of age.

2. *"Children's system"* or *"mental health services system for children and youth"* means the mental health services system for children and youth implemented pursuant to this subchapter.

3. *"Functional impairment"* means difficulties that substantially interfere with or limit a person from achieving or maintaining one or more developmentally appropriate social, behavioral, cognitive, communicative, or adaptive skills and that substantially interfere with or limit the person's role or functioning in family, school, or community activities. *"Functional impairment"* includes difficulties of episodic, recurrent, and continuous duration. *"Functional impairment"* does not include difficulties resulting from temporary and expected responses to stressful events in a person's environment.

4. *"Other qualifying mental health disorder"* means a mental health crisis or any diagnosable mental health disorder that is likely to lead to mental health crisis unless there is an intervention.

5. *"Serious emotional disturbance"* means a diagnosable mental, behavioral, or emotional disorder of sufficient duration to meet diagnostic criteria specified within the most current diagnostic and statistical manual of mental disorders published by the American psychiatric association that results in a functional impairment. *"Serious emotional disturbance"* does not include substance use and developmental disorders unless such disorders co-occur with such a diagnosable mental, behavioral, or emotional disorder.

6. *"Youth"* means a person eighteen years of age or older but under twenty-two years of age who met the criteria for having a serious emotional disturbance prior to the age of eighteen.

2008 Acts, ch 1187, §53; 2009 Acts, ch 41, §91, 92

**225C.52 Mental health services system for children and youth — purpose.**

1. Establishing a comprehensive community-based mental health services system for children and youth is part of fulfilling the requirements of the division and the commission to facilitate a comprehensive, continuous, and integrated state mental health and disability

services plan in accordance with sections 225C.4, 225C.6, and 225C.6A, and other provisions of this chapter. The purpose of establishing the children's system is to improve access for children and youth with serious emotional disturbances and youth with other qualifying mental health disorders to mental health treatment, services, and other support in the least restrictive setting possible so the children and youth can live with their families and remain in their communities. The children's system is also intended to meet the needs of children and youth who have mental health disorders that co-occur with substance abuse, intellectual disability, developmental disabilities, or other disabilities. The children's system shall emphasize community-level collaborative efforts between children and youth and the families and the state's systems of education, child welfare, juvenile justice, health care, substance abuse, and mental health.

2. The goals and outcomes desired for the children's system shall include but are not limited to all of the following:

*a.* Identifying the mental health needs of children and youth.

*b.* Performing comprehensive assessments of children and youth that are designed to identify functional skills, strengths, and services needed.

*c.* Providing timely access to available treatment, services, and other support.

*d.* Offering information and referral services to families to address service needs other than mental health.

*e.* Improving access to needed mental health services by allowing children and youth to be served with their families in the community.

*f.* Preventing or reducing utilization of more costly, restrictive care by reducing the unnecessary involvement of children and youth who have mental health needs and their families with law enforcement, the corrections system, and detention, juvenile justice, and other legal proceedings; reducing the involvement of children and youth with child welfare services or state custody; and reducing the placement of children and youth in the state juvenile institutions, state mental health institutes, or other public or private residential psychiatric facilities.

*g.* Increasing the number of children and youth assessed for functional skill levels.

*h.* Increasing the capacity to develop individualized, strengths-based, and integrated treatment plans for children, youth, and families.

*i.* Promoting communications with caregivers and others about the needs of children, youth, and families engaged in the children's system.

*j.* Developing the ability to aggregate data and information, and to evaluate program, service, and system efficacy for children, youth, and families being served on a local and statewide basis.

*k.* Implementing and utilizing outcome measures that are consistent with but not limited to the national outcomes measures identified by the substance abuse and mental health services administration of the United States department of health and human services.

*l.* Identifying children and youth whose mental health or emotional condition, whether chronic or acute, represents a danger to themselves, their families, school students or staff, or the community.

2008 Acts, ch 1187, §54; 2010 Acts, ch 1031, §380; 2012 Acts, ch 1019, §74

**225C.53 Role of department and division — transition to adult system.**

1. The department is the lead agency responsible for the development, implementation, oversight, and management of the mental health services system for children and youth in accordance with this chapter. The department's responsibilities shall be fulfilled by the division.

2. The division's responsibilities relating to the children's system include but are not limited to all of the following:

*a.* Ensuring that the rules adopted for the children's system provide that, within the limits of appropriations for the children's system, children and youth shall not be inappropriately denied necessary mental health services.

*b.* Establishing standards for the provision of home and community-based mental health treatment, services, and other support under the children's system.

*c.* Identifying and implementing eligibility criteria for the treatment, services, and other support available under the children's system.

*d.* Ongoing implementation of recommendations identified through children's system improvement efforts.

3. An adult person who met the criteria for having a serious emotional disturbance prior to the age of eighteen may qualify to continue services through the adult mental health system.

2008 Acts, ch 1187, §55

**225C.54 Mental health services system for children and youth — initial implementation.**

1. The mental health services system for children and youth shall be initially implemented by the division commencing with the fiscal year beginning July 1, 2008. The division shall begin implementation by utilizing a competitive bidding process to allocate state block grants to develop services through existing community mental health centers, providers approved in a waiver adopted by the commission to provide services to a county in lieu of a community mental health center, and other local service partners. The implementation shall be limited to the extent of the appropriations provided for the children's system.

2. In order to maximize federal financial participation in the children's system, the division and the department's Medicaid program staff shall analyze the feasibility of leveraging existing Medicaid options, such as expanding the home and community-based services waiver for children's mental health services, reviewing the feasibility of implementing other Medicaid options such as the federal Tax Equity and Financial Responsibility Act of 1982 (TEFRA) option for children with severe mental illness or emotional disturbance and Medicaid administrative funding, and determining the need for service enhancements through revisions to the Medicaid state plan and the federal state children's health insurance program and the healthy and well kids in Iowa program.

3. Initial block grants shall support a wide range of children, youth, and family services and initiatives including but not limited to school-based mental health projects, system reviews providing service gap analysis, status studies of the mental health needs of children and youth in representative areas of the state, and mental health assessment capacity development based in public and nonpublic schools and clinical settings using standard functional assessment tools. The purpose of developing the assessment capacity is to determine children's and youths' degree of impairment in daily functioning due to emotional, behavioral, psychological, psychiatric, or substance use problems.

4. The initial block grants may also support an array of programs and services including but not limited to mobile crisis intervention services, or other support intended to prevent more intensive or inpatient interventions, skills training, intensive care coordination, and cognitive-behavioral and multisystemic family therapy. In addition, support may be provided for prevention-oriented services including mental health consultations regarding home visits, child welfare, juvenile justice, and maternal and child health services, and consultation for preschool programs.

5. The division shall report regularly to the commission, general assembly, and governor concerning the implementation status of the children's system, including but not limited to an annual report submitted each January. The report may address funding requirements and statutory amendments necessary to further develop the children's system.

2008 Acts, ch 1187, §56

Appropriation of funds for implementation of system beginning January 1, 2009; 2008 Acts, ch 1187, §9; 2009 Acts, ch 182, §72, 87

# CHAPTER 225D

## AUTISM SUPPORT PROGRAM

225D.1 Definitions.
225D.2 Autism support program — fund.

**225D.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Applied behavioral analysis"* means the design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior or to prevent loss of attained skill or function, including the use of direct observation, measurement, and functional analysis of the relations between environment and behavior.

2. *"Autism"* means autism spectrum disorders as defined in section 514C.28.

3. *"Autism service provider"* means a person providing applied behavioral analysis, who meets all of the following criteria:

*a.* Is certified as a behavior analyst by the behavior analyst certification board or is a health professional licensed under chapter 147.

*b.* Is approved as a member of the provider network by the department.

4. *"Autism support fund"* or *"fund"* means the autism support fund created in section 225D.2.

5. *"Clinically relevant"* means medically necessary and resulting in the development, maintenance, or restoration, to the maximum extent practicable, of the functioning of an individual.

6. *"Department"* means the department of human services.

7. *"Diagnostic assessment of autism"* means medically necessary assessment, evaluations, or tests performed by a licensed child psychiatrist, developmental pediatrician, or clinical psychologist.

8. *"Eligible individual"* means a child less than nine years of age who has been diagnosed with autism based on a diagnostic assessment of autism, is not otherwise eligible for coverage for applied behavioral analysis treatment under the medical assistance program, section 514C.28, or private insurance coverage, and whose household income does not exceed four hundred percent of the federal poverty level.

9. *"Federal poverty level"* means the most recently revised poverty income guidelines published by the United States department of health and human services.

10. *"Household income"* means household income as determined using the modified adjusted gross income methodology pursuant to section 2002 of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148.

11. *"Medical assistance"* or *"Medicaid"* means assistance provided under the medical assistance program pursuant to chapter 249A.

12. *"Regional autism assistance program"* means the regional autism assistance program created in section 256.35.

13. *"Treatment plan"* means a plan for the treatment of autism developed by a licensed physician or licensed psychologist pursuant to a comprehensive evaluation or reevaluation performed in consultation with the patient and the patient's representative.

2013 Acts, ch 138, §82, 85
NEW section

**225D.2 Autism support program — fund.**

1. The department shall implement an autism support program beginning January 1, 2014, to provide payment for the provision of applied behavioral analysis treatment for eligible individuals. The department shall adopt rules, including standards and guidelines pursuant to chapter 17A to implement and administer the program. In adopting the rules, standards, and guidelines for the program, the department shall consult with and incorporate the recommendations of an expert panel convened by the regional autism assistance program to provide expert opinion on clinically relevant practices and guidance on program implementation and administration. The expert panel shall consist of families of individuals with autism; educational, medical, and human services specialists, professionals, and providers; and others with interest in or expertise related to autism. The program shall be implemented and administered in a manner so that payment for services is available throughout the state, including in rural and under-resourced areas.

2. At a minimum, the rules, standards, and guidelines for the program shall address all of the following:

*a.* A maximum annual benefit amount for an eligible individual of thirty-six thousand dollars.

*b.* A maximum of twenty-four months of applied behavioral analysis treatment.

*c.* Notwithstanding the age limitation for an eligible individual, a provision that if an eligible individual reaches nine years of age prior to completion of the maximum applied behavioral analysis treatment period specified in paragraph *"b"*, the individual may complete such treatment in accordance with the individual's treatment plan, not to exceed the maximum treatment period.

*d.* A graduated schedule for cost-sharing by an eligible individual based on a percentage of the total benefit amount expended for the eligible individual, annually. Cost-sharing shall be applicable to eligible individuals with household incomes at or above two hundred percent of the federal poverty level in incrementally increased amounts up to a maximum of ten percent. The rules shall provide a financial hardship exemption from payment of the cost-sharing based on criteria established by rule of the department.

*e.* Application, approval, compliance, and appeal processes for eligible individuals as necessary to operate and manage the program.

*f.* Enrollment, renewal, and reimbursement of claims provisions for autism service providers participating in the program.

*g.* A requirement of family engagement and participation as part of the eligible individual's treatment plan.

*h.* A requirement that the autism service provider coordinate interventions with the school in which the eligible individual is enrolled.

*i.* A requirement that the administrator of the program utilize the regional autism assistance program to coordinate interventions between eligible individuals and their families receiving support through the autism support program with appropriate medical, educational, and treatment providers, including integrated health homes. The regional autism assistance program shall provide for family navigation and coordination and integration of services through the statewide system of regional child health specialty clinics, utilizing the community child health team model. As necessitated by the availability of resources in the community where services are delivered, telehealth may be used in delivering and coordinating interventions with appropriate providers. To the extent available and accessible to an eligible individual, the eligible individual shall be enrolled in an integrated health home that is an approved provider enrolled in the medical assistance program. Health home services that are covered services under the medical assistance program shall be reimbursed under the autism support program at rates consistent with those established under the medical assistance program.

*j.* Requirements related to review of treatment plans, which may require review once every six months, subject to utilization review requirements established by rule. A more or less frequent review may be agreed upon by the eligible individual and the licensed physician or licensed psychologist developing the treatment plan.

*k.* Recognition of the results of a diagnostic assessment of autism as valid for a period of not less than twelve months, unless a licensed physician or licensed psychologist determines that a more frequent assessment is necessary.

3. Moneys in the autism support fund created under subsection 5 shall be expended only for eligible individuals who are not eligible for coverage for applied behavioral analysis treatment under the medical assistance program, section 514C.28, or private insurance. Payment for applied behavioral analysis treatment through the fund shall be limited to only applied behavioral analysis treatment that is clinically relevant and only to the extent approved under the guidelines established by rule of the department.

4. This section shall not be construed as granting an entitlement for any program, service, or other support for eligible individuals. Any state obligation to provide a program, service, or other support pursuant to this section is limited to the extent of the funds appropriated for the purposes of the program. The department may establish a waiting list or terminate participation of eligible individuals if the department determines that moneys in the autism support fund are insufficient to cover future claims for reimbursement beyond ninety days.

5. *a.* An autism support fund is created in the state treasury under the authority of the

department. Moneys appropriated to and all other moneys specified for deposit in the fund shall be deposited in the fund and used for the purposes of the program.

*b.* The department shall adopt rules pursuant to chapter 17A to administer the fund and reimbursements made from the fund.

*c.* Moneys in the fund are appropriated to the department and shall be used by the department for the purposes of the autism support program. The department shall be the administrator of the fund for auditing purposes.

*d.* The department shall submit an annual report to the governor and the general assembly no later than January 1 of each year that includes but is not limited to all of the following:

(1) The total number of applications received under the program for the immediately preceding fiscal year.

(2) The number of applications approved and the total amount of funding expended for reimbursements under the program in the immediately preceding fiscal year.

(3) The cost of administering the program in the immediately preceding fiscal year.

(4) The number of eligible individuals on a waiting list, if any, and the amount of funding necessary to reduce the existing waiting list.

(5) Recommendations for any changes to the program.

2013 Acts, ch 138, §83, 85
Referred to in §225D.1
Partial item veto applied
NEW section

# CHAPTER 226

## STATE MENTAL HEALTH INSTITUTES

Referred to in §21.5, 125.2, 225C.6, 229.1, 229.38, 229.42, 252.16, 476B.1


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GENERAL PROVISIONS

**226.1 Official designation.**

1. The state hospitals for persons with mental illness shall be designated as follows:

*a.* Mental Health Institute, Mount Pleasant, Iowa.

*b.* Mental Health Institute, Independence, Iowa.

*c.* Mental Health Institute, Clarinda, Iowa.

*d.* Mental Health Institute, Cherokee, Iowa.

2. *a.* The purpose of the mental health institutes is to operate as regional resource centers providing one or more of the following:

(1) Treatment, training, care, habilitation, and support of persons with mental illness or a substance abuse problem.

(2) Facilities, services, and other support to the communities located in the region being served by a mental health institute so as to maximize the usefulness of the mental health institutes while minimizing overall costs.

(3) A unit for the civil commitment of sexually violent predators committed to the custody of the director of human services pursuant to chapter 229A.

*b.* In addition, the mental health institutes are encouraged to act as a training resource for community-based program staff, medical students, and other participants in professional education programs.

3. A mental health institute may request the approval of the council on human services to change the name of the institution for use in communication with the public, in signage, and in other forms of communication.

[R60, §1471; C73, §1383; C97, §2253; S13, §2253-a; C24, 27, 31, 35, 39, §**3483;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.1]

96 Acts, ch 1129, §113; 98 Acts, ch 1155, §10; 2001 Acts, 2nd Ex, ch 6, §33, 37; 2009 Acts, ch 41, §263

Referred to in §230.20

Unit for civil commitment of sexually violent predators located at the mental health institute at Cherokee; 2002 Acts, 2nd Ex, ch 1003, §131

**226.2 Qualifications of superintendent.**

The superintendent of each institute must be qualified by experience and training in the administration of human service programs. A physician shall not serve as both superintendent and business manager. A hospital administrator or other person qualified in business management appointed superintendent may also be designated to perform the duties of business manager without additional compensation. A physician appointed superintendent shall be designated clinical director and shall perform the duties imposed on the superintendent by section 226.6, subsection 1, and such other duties of the superintendent as must by their nature be performed by a physician.

[R60, §1430, 1474; C73, §1386, 1391; C97, §2255, 2258; C24, 27, 31, 35, 39, §**3484;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.2; 81 Acts, ch 79, §1]

**226.3 Assistant physicians.**

The assistant physicians shall be of such character and qualifications as to be able to perform the ordinary duties of the superintendent during the superintendent's absence or inability to act.

[R60, §1432; C73, §1394; C97, §2260; C24, 27, 31, 35, 39, §**3485;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.3]

**226.4 Salary of superintendent.**

The salary of the superintendent of each hospital shall be determined by the administrator.

[R60, §1469, 1496; C97, §2258; C24, 27, 31, 35, 39, §**3486;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.4]

Administrator, §226.47

**226.5 Superintendent as witness.**

The superintendents and assistant physicians of said hospitals, when called as witnesses in any court, shall be paid the same mileage which other witnesses are paid and in addition thereto shall be paid a fee of twenty-five dollars per day, said fee to revert to the support fund of the hospital the superintendent or assistant physician serves.

[C73, §1429; C97, §2293; C24, 27, 31, 35, 39, §**3487;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.5]

Mileage, §622.69

**226.6 Duties of superintendent.**

The superintendent shall:

1. Have the control of the medical, mental, moral, and dietetic treatment of the patients in the superintendent's custody subject to the approval of the administrator.

2. Require all subordinate officers and employees to perform their respective duties.

3. Have an official seal with the name of the hospital and the word "Iowa" thereon and affix the same to all notices, orders of discharge, or other papers required to be given by the superintendent.

4. Keep proper books in which shall be entered all moneys and supplies received on account of any patient and a detailed account of the disposition of the same.

[R60, §1430, 1431; C73, §1391, 1393, 1430; C97, §2258, 2294; C24, 27, 31, 35, 39, §**3488;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.6]

Referred to in §226.2

**226.7 Order of receiving patients.**

1. *a.* Preference in the reception of patients into said hospitals shall be exercised in the following order:

(1) Cases of less duration than one year.

(2) Chronic cases, where the disease is of more than one-year duration, presenting the most favorable prospect for recovery.

(3) Those for whom application has been longest on file, other things being equal.

*b.* Where cases are equally meritorious in all other respects, the indigent shall have the preference.

2. If the district court commits a patient to a state mental health institute and a bed for the patient is not available, the institute shall assist the court in locating an alternative placement for the patient.

[R60, §1438; C73, §1422; C97, §2286; C24, 27, 31, 35, 39, §**3489;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.7]

92 Acts, ch 1241, §69; 2009 Acts, ch 41, §263

**226.8 Persons with an intellectual disability not receivable — exception.**

A person who has an intellectual disability, as defined in section 4.1, shall not be admitted, or transferred pursuant to section 222.7, to a state mental health institute unless a professional diagnostic evaluation indicates that such person will benefit from psychiatric treatment or from some other specific program available at the mental health institute to which it is proposed to admit or transfer the person. Charges for the care of any person with an intellectual disability admitted to a state mental health institute shall be made by the institute in the manner provided by chapter 230, but the liability of any other person

to any county for the cost of care of such person with an intellectual disability shall be as prescribed by section 222.78.

[R60, §1468, 1491; C73, §1434; C97, §2298; C24, 27, 31, 35, 39, §**3490;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.8]

96 Acts, ch 1129, §113; 2012 Acts, ch 1019, §75

**226.9 Custody of patient.**

The superintendent, upon the receipt of a duly executed order of admission of a patient into the hospital for persons with mental illness, pursuant to section 229.13, shall take such patient into custody and restrain the patient as provided by law and the rules of the administrator, without liability on the part of such superintendent and all other officers of the hospital to prosecution of any kind on account thereof, but no person shall be detained in the hospital who is found by the superintendent to be in good mental health.

[C73, §1411; C97, §2278; C24, 27, 31, 35, 39, §**3491;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.9]

96 Acts, ch 1129, §113

**226.9A Custody of juvenile patients.**

Effective January 1, 1991, a juvenile who is committed to a state mental health institute shall not be placed in a secure ward with adults.

89 Acts, ch 283, §21

**226.9B Net general fund appropriation — psychiatric medical institution for children.**

1. The psychiatric medical institution for children beds operated by the state at the state mental health institute at Independence, as authorized in section 135H.6, shall operate on the basis of a net appropriation from the general fund of the state. The allocation made by the department from the annual appropriation to the state mental health institute at Independence for the purposes of the beds shall be the net amount of state moneys projected to be needed for the beds for the fiscal year of the appropriation.

2. Revenues received that are attributed to the psychiatric medical institution for children beds during a fiscal year shall be credited to the mental health institute's account and shall be considered repayment receipts as defined in section 8.2, including but not limited to all of the following:

*a.* The federal share of medical assistance program revenue received under chapter 249A.

*b.* Moneys received through client financial participation.

*c.* Other revenues directly attributable to the psychiatric medical institution for children beds.

2005 Acts, ch 175, §95

**226.9C Net general fund appropriation — dual diagnosis program.**

1. The state mental health institute at Mount Pleasant shall operate the dual diagnosis mental health and substance-related disorder treatment program on a net budgeting basis in which fifty percent of the actual per diem and ancillary services costs are chargeable to the patient's county of residence or as a state case, as appropriate. Subject to the approval of the department, revenues attributable to the dual diagnosis program for each fiscal year shall be deposited in the mental health institute's account and are appropriated to the department for the dual diagnosis program, including but not limited to all of the following revenues:

*a.* Moneys received by the state from billings to counties under section 230.20.

*b.* Moneys received from billings to the Medicare program.

*c.* Moneys received from a managed care contractor providing services under contract with the department or any private third-party payor.

*d.* Moneys received through client participation.

*e.* Any other revenues directly attributable to the dual diagnosis program.

2. The following additional provisions are applicable in regard to the dual diagnosis program:

*a.* A county may split the charges between the county's mental health, intellectual

disability, and developmental disabilities services fund* created pursuant to section 331.424A and the county's budget for substance abuse expenditures.

*b.* If an individual is committed to the custody of the department of corrections at the time the individual is referred for dual diagnosis treatment, the department of corrections shall be charged for the costs of treatment.

*c.* (1) Prior to an individual's admission for dual diagnosis treatment, the individual shall have been prescreened. The person performing the prescreening shall be either the mental health professional, as defined in section 228.1, who is contracting with the county central point of coordination process** to provide the prescreening or a mental health professional with the requisite qualifications. A mental health professional with the requisite qualifications shall meet all of the following qualifications: is a mental health professional as defined in section 228.1, is an alcohol and drug counselor certified by the nongovernmental Iowa board of substance abuse certification, and is employed by or providing services for a facility, as defined in section 125.2.

(2) Prior to an individual's admission for dual diagnosis treatment, the individual shall have been screened through a county's central point of coordination process implemented pursuant to section 331.440** to determine the appropriateness of the treatment.

*d.* A county shall not be chargeable for the costs of treatment for an individual enrolled in and authorized by or decertified by a managed behavioral care plan under the medical assistance program.

*e.* Notwithstanding section 8.33, state mental health institute revenues related to the dual diagnosis program that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available up to the amount which would allow the state mental health institute to meet credit obligations owed to counties as a result of year-end per diem adjustments for the dual diagnosis program.

2005 Acts, ch 175, §96; 2011 Acts, ch 121, §51, 62; 2012 Acts, ch 1019, §76; 2012 Acts, ch 1021, §49; 2012 Acts, ch 1120, §97, 130

*Mental health and disability services fund probably intended; corrective legislation is pending

**Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

2012 amendment to subsection 1, unnumbered paragraph 1, takes effect July 1, 2013; 2012 Acts, ch 1120, §130 Subsection 1, unnumbered paragraph 1 amended

**226.10 Equal treatment.**

The patients of the state mental health institutes, according to their different conditions of mind and body, and their respective needs, shall be provided for and treated with equal care. If in addition to mental illness a patient has a co-occurring intellectual disability, brain injury, or substance abuse disorder, the care provided shall also address the co-occurring needs.

[C73, §1420; C97, §2284; C24, 27, 31, 35, 39, §**3492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.10]

2012 Acts, ch 1120, §64

**226.11 Special care permitted.**

Patients may have such special care as may be agreed upon with the superintendent, if the friends or relatives of the patient will pay the expense thereof. Charges for such special care and attendance shall be paid quarterly in advance.

[C73, §1420, 1421; C97, §2284, 2285; C24, 27, 31, 35, 39, §**3493;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.11]

**226.12 Monthly reports.**

The administrator shall assure that the superintendent of each institute provides monthly reports concerning the programmatic, environmental, and fiscal condition of the institute. The administrator or the administrator's designee shall periodically visit each institute to validate the information.

[C73, §1435, 1441; C97, §2299; SS15, §2727-a11; C24, 27, 31, 35, 39, §**3494;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.12]

91 Acts, ch 38, §6

**226.13 Patients allowed to write.**

The name and address of the administrator shall be kept posted in every ward in each hospital. Every patient shall be allowed to write once a week what the patient pleases to said administrator and to any other person. The superintendent may send letters addressed to other parties to the administrator for inspection before forwarding them to the individual addressed.

[C73, §1436; C97, §2300; C24, 27, 31, 35, 39, §**3495;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.13]

**226.14 Writing material.**

Every patient shall be furnished by the superintendent or party having charge of such person, at least once in each week, with suitable materials for writing, enclosing, sealing, and mailing letters, if the patient requests and uses the same.

[C73, §1437; C97, §2301; C24, 27, 31, 35, 39, §**3496;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.14]

**226.15 Letters to administrator.**

The superintendent or other officer in charge of a patient shall, without reading the same, receive all letters addressed to the administrator, if so requested, and shall properly mail the same, and deliver to such patient all letters or other writings addressed to the patient. Letters written to the person so confined may be examined by the superintendent, and if, in the superintendent's opinion, the delivery of such letters would be injurious to the person so confined, the superintendent shall return the letters to the writer with the superintendent's reasons for not delivering them.

[C73, §1438; C97, §2302; C24, 27, 31, 35, 39, §**3497;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.15]

**226.16 Unauthorized departure and retaking.**

It shall be the duty of the superintendent and of all other officers and employees of any of said hospitals, in case of the unauthorized departure of any involuntarily hospitalized patient, to exercise all due diligence to take into protective custody and return said patient to the hospital. A notification by the superintendent of such unauthorized departure to any peace officer of the state or to any private person shall be sufficient authority to such officer or person to take and return such patient to the hospital.

[R60, §1445; C73, §1423; C97, §2287; S13, §2287; C24, 27, 31, 35, 39, §**3498;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.16]

**226.17 Expense attending retaking.**

All actual and necessary expenses incurred in the taking into protective custody, restraint, and return to the hospital of the patient shall be paid on itemized vouchers, sworn to by the claimants and approved by the business manager and the administrator, from any money in the state treasury not otherwise appropriated.

[R60, §1445; C73, §1423; C97, §2287; S13, §2287; C24, 27, 31, 35, 39, §**3499;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.17]

**226.18 Investigation as to mental health.**

The administrator may investigate the mental condition of any patient and shall discharge any person, if, in the administrator's opinion, such person is not mentally ill, or can be cared for after such discharge without danger to others, and with benefit to the patient; but in determining whether such patient shall be discharged, the recommendation of the superintendent shall be secured. If the administrator orders the discharge of an involuntarily hospitalized patient, the discharge shall be by the procedure prescribed in section 229.16. The power to investigate the mental condition of a patient is merely permissive, and does

not repeal or alter any statute respecting the discharge or commitment of patients of the state hospitals.

[S13, §2727-a25; C24, 27, 31, 35, 39, §**3500;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.18]

**226.19 Discharge — certificate.**

1. Every patient shall be discharged in accordance with the procedure prescribed in section 229.3 or section 229.16, whichever is applicable, immediately on regaining the patient's good mental health.

2. If a patient's care is the financial responsibility of the state or a county, as part of the patient's discharge planning the state mental health institute shall provide assistance to the patient in obtaining eligibility for the federal state supplemental security income program.

[R60, §1485; C73, §1424; C97, §2288; C24, 27, 31, 35, 39, §**3501;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.19]

2005 Acts, ch 175, §97; 2006 Acts, ch 1010, §68

**226.20 and 226.21** Repealed by 75 Acts, ch 139, § 82.

**226.22 Clothing furnished.**

Upon such discharge the business manager shall furnish such person, unless otherwise supplied, with suitable clothing and a sum of money not exceeding twenty dollars, which shall be charged with the other expenses of such patient in the hospital.

[R60, §1485; C73, §1424; C97, §2288; C24, 27, 31, 35, 39, §**3504;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.22]

**226.23 Convalescent leave of patients.**

Upon the recommendation of the superintendent and in accordance with section 229.15, subsection 5, in the case of an involuntary patient, the administrator may place on convalescent leave said patient for a period not to exceed one year, under such conditions as are prescribed by said administrator.

[C73, §1424; C97, §2288; C24, 27, 31, 35, 39, §**3505;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.23]

**226.24 and 226.25** Repealed by 75 Acts, ch 139, § 82.

**226.26 Dangerous patients.**

The administrator, on the recommendation of the superintendent, and on the application of the relatives or friends of a patient who is not cured and who cannot be safely allowed to go at liberty, may release the patient when fully satisfied that the relatives or friends will provide and maintain all necessary supervision, care, and restraint over the patient. If the patient being released was involuntarily hospitalized, the consent of the district court which ordered the patient's hospitalization placement shall be obtained in advance in substantially the manner prescribed by section 229.14.

[R60, §1482; C73, §1408; C97, §2276; C24, 27, 31, 35, 39, §**3508;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.26]

2001 Acts, ch 155, §42

**226.27 Patient accused or acquitted of crime or awaiting judgment.**

If a patient was committed to a state hospital for evaluation or treatment under chapter 812 or the rules of criminal procedure, further proceedings shall be had under chapter 812 or the applicable rule when the evaluation has been completed or the patient has regained mental capacity, as the case may be.

[R60, §1460; C73, §1413; C97, §2280; C24, 27, 31, 35, 39, §**3509;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.27]

84 Acts, ch 1323, §1

**226.28 and 226.29** Repealed by 84 Acts, ch 1323, § 7.

**226.30 Transfer of dangerous patients.**

When a patient of any hospital for persons with mental illness becomes incorrigible, and unmanageable to such an extent that the patient is dangerous to the safety of others in the hospital, the administrator may apply in writing to the district court or to any judge thereof, of the county in which the hospital is situated, for an order to transfer the patient to the Iowa medical and classification center and if the order is granted the patient shall be so transferred. The county attorney of the county shall appear in support of the application on behalf of the administrator.

[C24, 27, 31, 35, 39, §**3512;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.30; 82 Acts, ch 1100, §6]

96 Acts, ch 1129, §113

Referred to in §226.31, 331.756(45)

See also §218.92

**226.31 Examination by court — notice.**

Before granting the order authorized in section 226.30 the court or judge shall investigate the allegations of the petition and before proceeding to a hearing on the allegations shall require notice to be served on the attorney who represented the patient in any prior proceedings under sections 229.6 to 229.15 or the advocate appointed under section 229.19, or in the case of a patient who entered the hospital voluntarily, on any relative, friend, or guardian of the person in question of the filing of the application. At the hearing the court or judge shall appoint a guardian ad litem for the person, if the court or judge deems such action necessary to protect the rights of the person. The guardian ad litem shall be a practicing attorney.

[C24, 27, 31, 35, 39, §**3513;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.31]

90 Acts, ch 1271, §1503

**226.32 Overcrowded conditions.**

The administrator shall order the discharge or removal from the hospital of incurable and harmless patients whenever it is necessary to make room for recent cases. If a patient who is to be so discharged entered the hospital voluntarily, the administrator shall notify the auditor of the county interested at least ten days in advance of the day of actual discharge.

[R60, §1483; C73, §1425; C97, §2289; C24, 27, 31, 35, 39, §**3514;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.32]

Referred to in §226.33

**226.33 Notice to court.**

When a patient who was hospitalized involuntarily and who has not fully recovered is discharged from the hospital by the administrator under section 226.32, notice of the order shall at once be sent to the court which ordered the patient's hospitalization, in the manner prescribed by section 229.14.

[R60, §1484; C73, §1426; C97, §2290; C24, 27, 31, 35, 39, §**3515;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.33]

2001 Acts, ch 155, §43

**226.34 Investigation of death — notice.**

1. Upon the death of a patient, the county medical examiner shall conduct a preliminary investigation as required by section 218.64, in accordance with section 331.802.

2. If a patient in a mental health institute dies from any cause, the superintendent of the institute shall within three days of the date of death, send by certified mail a written notice of death to all of the following:

*a.* The decedent's nearest relative.

*b.* The clerk of the district court of the county from which the patient was committed.

*c.* The sheriff of the county from which the patient was committed.

[C73, §1439; C97, §2303; C24, 27, 31, 35, 39, §**3516;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §226.34]

2008 Acts, ch 1187, §136

**226.35 through 226.39** Repealed by 74 Acts, ch 1131, § 51.

**226.40 Emergency patients.**

In case of emergency disaster, with the infliction of numerous casualties among the civilian population, the mental health institutes are authorized to accept sick and wounded persons without commitment or any other formalities.

[C62, 66, 71, 73, 75, 77, 79, 81, §226.40]

**226.41 Charge permitted.**

The hospital is authorized to make a charge for these patients, in the manner now provided by law and subject to the changes hereinafter provided.

[C62, 66, 71, 73, 75, 77, 79, 81, §226.41]

**226.42 Emergency powers of superintendents.**

In case the mental health institutes lose contact with the statehouse, due to enemy action or otherwise, the superintendents of the institutes are hereby delegated the following powers and duties:

1. May collect moneys due the state treasury from the counties and from responsible persons or other relatives, these funds to be collected monthly, instead of quarterly, and to be deposited for use in operating the institutes.

2. The superintendent shall have the power to requisition supplies, such as food, fuel, drugs and medical equipment, from any source available, in the name of the state, with the power to enter into contracts binding the state for payment at an indefinite future time.

3. The superintendent shall be authorized to employ personnel in all categories and for whatever remuneration the superintendent deems necessary, without regard to existing laws, rules or regulations, in order to permit the institute to continue its old functions, as well as meet its additional responsibilities.

[C62, 66, 71, 73, 75, 77, 79, 81, §226.42]

PATIENTS' PERSONAL FUNDS

**226.43 Fund created.**

There is hereby established at each hospital a fund known as the *"patients' personal deposit fund"*.

[C66, 71, 73, 75, 77, 79, 81, §226.43]

Referred to in §222.84

**226.44 Deposits.**

Any funds, including social security benefits, coming into the possession of the superintendent or any employee of the hospital belonging to any patient in that hospital, shall be deposited in the name of that patient in the patients' personal deposit fund, except that if a guardian of the property of that patient has been appointed, the guardian shall have the right to demand and receive such funds. Funds belonging to a patient deposited in the patients' personal deposit fund may be used for the purchase of personal incidentals, desires and comforts for the patient.

[C66, 71, 73, 75, 77, 79, 81, §226.44]

Referred to in §222.84

**226.45 Reimbursement to county or state.**

If a patient is not receiving medical assistance under chapter 249A and the amount to the account of any patient in the patients' personal deposit fund exceeds two hundred dollars, the business manager of the hospital may apply any of the excess to reimburse the county of residence or the state for a state case for liability incurred by the county or the state for the payment of care, support and maintenance of the patient, when billed by the county of residence or by the administrator for a state case.

[C66, 71, 73, 75, 77, 79, 81, S81, §226.45; 81 Acts, ch 11, §16]

2012 Acts, ch 1120, §98, 130

Referred to in §222.84

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**226.46 Deposit of fund.**

The business manager shall deposit the patients' personal deposit fund in a commercial account of a bank of reputable standing. When deposits in the commercial account exceed average monthly withdrawals, the business manager may deposit the excess at interest. The savings account shall be in the name of the patients' personal deposit fund and interest paid thereon may be used for recreational purposes at the hospital.

[C66, 71, 73, 75, 77, 79, 81, §226.46]

Referred to in §222.84

**226.47 Administrator defined.**

For the purpose of this chapter, *"administrator"* means the person assigned, in accordance with section 218.1, to control the state mental health institutes.

[C71, 73, 75, 77, 79, 81, §226.47; 81 Acts, ch 78, §20, 31]

83 Acts, ch 96, §157, 159; 94 Acts, ch 1170, §36; 2000 Acts, ch 1112, §35

# CHAPTER 227

## FACILITIES FOR PERSONS WITH MENTAL ILLNESS OR AN INTELLECTUAL DISABILITY

Referred to in §225C.4, 229.38, 331.381


227.1 Supervision.
227.2 Inspection.
227.3 Residents to have hearing.
227.4 Standards for care of persons with mental illness or an intellectual disability in county care facilities.
227.5 Reserved.
227.6 Removal of residents.
227.7 Cost — collection from county.
227.8 Notification to guardians.
227.9 Investigating mental health.
227.10 Transfers from county or private institutions.
227.11 Transfers from state hospitals.
227.12 Difference of opinion.
227.13 Discharge of transferred patient.
227.14 Caring for persons with mental illness from other counties.
227.15 Authority to confine in hospital.
227.16 through 227.18 Repealed by 81 Acts, ch 78, §51.
227.19 Administrator defined.


**227.1 Supervision.**

All county and private institutions wherein persons with mental illness are kept shall be under the supervision of the administrator.

[S13, §2727-a58; C24, 27, 31, 35, 39, §**3517;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.1]

96 Acts, ch 1129, §113

**227.2 Inspection.**

1. The director of inspections and appeals shall make, or cause to be made, at least one licensure inspection each year of every county care facility. Either the administrator

of the division or the director of inspections and appeals, in cooperation with each other, upon receipt of a complaint or for good cause, may make, or cause to be made, a review of a county care facility or of any other private or county institution where persons with mental illness or an intellectual disability reside. A licensure inspection or a review shall be made by a competent and disinterested person who is acquainted with and interested in the care of persons with mental illness and persons with an intellectual disability. The objective of a licensure inspection or a review shall be an evaluation of the programming and treatment provided by the facility. After each licensure inspection of a county care facility, the person who made the inspection shall consult with the county authorities on plans and practices that will improve the care given patients and shall make recommendations to the administrator of the division and the director of public health for coordinating and improving the relationships between the administrators of county care facilities, the administrator of the division, the director of public health, the superintendents of state mental health institutes and resource centers, community mental health centers, and other cooperating agencies, to cause improved and more satisfactory care of patients. A written report of each licensure inspection of a county care facility under this section shall be filed with the administrator of the division and the director of public health and shall include:

*a.* The capacity of the institution for the care of residents.

*b.* The number, sex, ages, and primary diagnoses of the residents.

*c.* The care of residents, their food, clothing, treatment plan, employment, and opportunity for recreational activities and for productive work intended primarily as therapeutic activity.

*d.* The number, job classification, sex, duties, and salaries of all employees.

*e.* The cost to the state or county of maintaining residents in a county care facility.

*f.* The recommendations given to and received from county authorities on methods and practices that will improve the conditions under which the county care facility is operated.

*g.* Any failure to comply with standards adopted under section 227.4 for care of persons with mental illness and persons with an intellectual disability in county care facilities, which is not covered in information submitted pursuant to paragraphs "*a*" to "*f*", and any other matters which the director of public health, in consultation with the administrator of the division, may require.

2. A copy of the written report prescribed by subsection 1 shall be furnished to the county board of supervisors, to the county mental health and intellectual disability coordinating board or to its advisory board if the county board of supervisors constitutes ex officio the coordinating board, to the administrator of the county care facility inspected and to its certified volunteer long-term care ombudsman, and to the department on aging.

3. The department of inspections and appeals shall inform the administrator of the division of an action by the department to suspend, revoke, or deny renewal of a license issued by the department of inspections and appeals to a county care facility, and the reasons for the action.

4. In addition to the licensure inspections required or authorized by this section, the administrator of the division shall cause to be made an evaluation of each person cared for in a county care facility at least once each year by one or more qualified mental health, intellectual disability, or medical professionals, whichever is appropriate.

*a.* It is the responsibility of the state to secure the annual evaluation for each person who is on convalescent leave or who has not been discharged from a state mental health institute. It is the responsibility of the county to secure the annual evaluation for all other persons with mental illness in the county care facility.

*b.* It is the responsibility of the state to secure the annual evaluation for each person who is on leave and has not been discharged from a state resource center. It is the responsibility of the county to secure the annual evaluation for all other persons with an intellectual disability in the county care facility.

*c.* It is the responsibility of the county to secure an annual evaluation of each resident of a county care facility to whom neither paragraph "*a*" nor paragraph "*b*" is applicable.

5. The evaluations required by subsection 4 shall include an examination of each person which shall reveal the person's condition of mental and physical health and the likelihood

of improvement or discharge and other recommendations concerning the care of those persons as the evaluator deems pertinent. One copy of the evaluation shall be filed with the administrator of the division and one copy shall be filed with the administrator of the county care facility.

[S13, §2727-a59; C24, 27, 31, 35, 39, §**3518;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §227.2; 81 Acts, ch 78, §20, 32]

96 Acts, ch 1129, §53 – 55; 99 Acts, ch 129, §10; 2000 Acts, ch 1112, §51; 2009 Acts, ch 23, §11; 2012 Acts, ch 1019, §77; 2013 Acts, ch 18, §16

Referred to in §227.3, 229.15

Subsection 2 amended

**227.3 Residents to have hearing.**

The inspector conducting any licensure inspection or review under section 227.2 shall give each resident an opportunity to converse with the inspector out of the hearing of any officer or employee of the institution, and shall fully investigate all complaints and report the result in writing to the administrator of the division. The administrator before acting on the report adversely to the institution, shall give the persons in charge a copy of the report and an opportunity to be heard.

[S13, §2727-a60; C24, 27, 31, 35, 39, §**3519;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §227.3; 81 Acts, ch 78, §20, 33]

**227.4 Standards for care of persons with mental illness or an intellectual disability in county care facilities.**

The administrator, in cooperation with the department of inspections and appeals, shall recommend and the mental health and disability services commission created in section 225C.5 shall adopt standards for the care of and services to persons with mental illness or an intellectual disability residing in county care facilities. The standards shall be enforced by the department of inspections and appeals as a part of the licensure inspection conducted pursuant to chapter 135C. The objective of the standards is to ensure that persons with mental illness or an intellectual disability who are residents of county care facilities are not only adequately fed, clothed, and housed, but are also offered reasonable opportunities for productive work and recreational activities suited to their physical and mental abilities and offering both a constructive outlet for their energies and, if possible, therapeutic benefit. When recommending standards under this section, the administrator shall designate an advisory committee representing administrators of county care facilities, county mental health and developmental disabilities regional planning councils, and county care facility certified volunteer long-term care ombudsmen to assist in the establishment of standards.

[S81, §227.4; 81 Acts, ch 78, §20, 34]

85 Acts, ch 122, §2; 94 Acts, ch 1170, §37; 99 Acts, ch 129, §11; 2004 Acts, ch 1090, §7; 2005 Acts, ch 175, §98; 2010 Acts, ch 1031, §389; 2012 Acts, ch 1019, §78; 2013 Acts, ch 18, §17

Referred to in §225C.4, 227.2

Section amended

**227.5** Reserved.

**227.6 Removal of residents.**

If a county care facility fails to comply with rules and standards adopted under this chapter, the administrator may remove all persons with mental illness and all persons with an intellectual disability cared for in the county care facility at public expense, to the proper state mental health institute or resource center, or to some private or county institution or hospital for the care of persons with mental illness or an intellectual disability that has complied with the rules prescribed by the administrator. Residents being transferred to a state mental health institute or resource center shall be accompanied by an attendant or attendants sent from the institute or resource center. If a resident is transferred under this section, at least one attendant shall be of the same sex. If the administrator finds that the needs of residents with mental illness and residents with an intellectual disability of any

other county or private institution are not being adequately met, those residents may be removed from that institution upon order of the administrator.

[S13, §2727-a63; C24, 27, 31, 35, 39, §**3522;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §227.6; 81 Acts, ch 78, §20, 35]

90 Acts, ch 1204, §46; 96 Acts, ch 1129, §56; 2000 Acts, ch 1112, §51; 2012 Acts, ch 1019, §79

Referred to in §229.15

**227.7 Cost — collection from county.**

The cost of such removal, including all expenses of said attendant, shall be certified by the superintendent of the hospital receiving the patient, to the director of the department of administrative services, who shall draw a warrant upon the treasurer of state for said sum, which shall be credited to the support fund of said hospital and charged against the general revenues of the state and collected by the director of the department of administrative services from the county which sent said patient to said institution.

[S13, §2727-a63; C24, 27, 31, 35, 39, §**3523;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.7]

2003 Acts, ch 145, §286

Referred to in §227.10

**227.8 Notification to guardians.**

The administrator shall notify the guardian, or one or more of the relatives, of patients kept at private expense, of all violations of said rules by said private or county institutions, and of the action of the administrator as to all other patients.

[S13, §2727-a63; C24, 27, 31, 35, 39, §**3524;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.8]

**227.9 Investigating mental health.**

Should the administrator believe that any person in any such county or private institution is in good mental health, or illegally restrained of liberty, the administrator shall institute and prosecute proceedings in the name of the state, before the proper officer, board, or court, for the discharge of such person.

[S13, §2727-a63; C24, 27, 31, 35, 39, §**3525;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.9]

**227.10 Transfers from county or private institutions.**

Patients who have been admitted at public expense to any institution to which this chapter is applicable may be involuntarily transferred to the proper state hospital for persons with mental illness in the manner prescribed by sections 229.6 to 229.13. The application required by section 229.6 may be filed by the administrator of the division or the administrator's designee, or by the administrator of the institution where the patient is then being maintained or treated. If the patient was admitted to that institution involuntarily, the administrator of the division may arrange and complete the transfer, and shall report it as required of a chief medical officer under section 229.15, subsection 5. The transfer shall be made at county expense, and the expense recovered, as provided in section 227.7. However, transfer under this section of a patient whose expenses are payable in whole or in part by a county is subject to an authorization for the transfer through the central point of coordination process.*

[S13, §2727-a64; C24, 27, 31, 35, 39, §**3526;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.10]

96 Acts, ch 1129, §113; 96 Acts, ch 1183, §17; 2004 Acts, ch 1090, §33

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

Section not amended; footnote added

**227.11 Transfers from state hospitals.**

A county chargeable with the expense of a patient in a state hospital for persons with mental illness shall transfer the patient to a county or private institution for persons with mental illness that is in compliance with the applicable rules when the administrator of the division or

the administrator's designee orders the transfer on a finding that the patient is suffering from chronic mental illness or from senility and will receive equal benefit by being so transferred. A county shall transfer to its county care facility any patient in a state hospital for persons with mental illness upon request of the superintendent of the state hospital in which the patient is confined pursuant to the superintendent's authority under section 229.15, subsection 5, and approval by the board of supervisors of the county of the patient's residence. In no case shall a patient be thus transferred except upon compliance with section 229.14A or without the written consent of a relative, friend, or guardian if such relative, friend, or guardian pays the expense of the care of such patient in a state hospital. Patients transferred to a public or private facility under this section may subsequently be placed on convalescent or limited leave or transferred to a different facility for continued full-time custody, care, and treatment when, in the opinion of the attending physician or the chief medical officer of the hospital from which the patient was so transferred, the best interest of the patient would be served by such leave or transfer. For any patient who is involuntarily committed, any transfer made under this section is subject to the placement hearing requirements of section 229.14A.

[S13, §2727-a64; C24, 27, 31, 35, §3527, 3528; C39, §**3527;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.11]

96 Acts, ch 1129, §113; 2001 Acts, ch 155, §44

Referred to in §230.15, 331.381

**227.12 Difference of opinion.**

When a difference of opinion exists between the administrator of the division and the authorities in charge of any private or county hospital in regard to the removal of a patient or patients as herein provided, the matter shall be submitted to the district court of the county in which such hospital is situated and shall be summarily tried as an equitable action, and the judgment of the district court shall be final.

[S13, §2727-a68; C24, 27, 31, 35, 39, §**3529;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.12]

**227.13 Discharge of transferred patient.**

Patients transferred from a state hospital to such county or private institutions shall not be discharged, when not cured, without the consent of the administrator of the division.

[S13, §2727-a64; C24, 27, 31, 35, 39, §**3530;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.13]

**227.14 Caring for persons with mental illness from other counties.**

Boards of supervisors of counties having no proper facilities for caring for persons with mental illness may, with the consent of the administrator of the division, provide for such care at the expense of the county in any convenient and proper county or private institution for persons with mental illness which is willing to receive them.

[S13, §2727-a65; C24, 27, 31, 35, 39, §**3531;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.14]

96 Acts, ch 1129, §113

Referred to in §331.381

**227.15 Authority to confine in hospital.**

No person shall be involuntarily confined and restrained in any private institution or hospital or county hospital or other general hospital with a psychiatric ward for the care or treatment of persons with mental illness, except by the procedure prescribed in sections 229.6 to 229.15.

[S13, §2727-a66; C24, 27, 31, 35, 39, §**3532;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §227.15]

96 Acts, ch 1129, §113

**227.16 through 227.18** Repealed by 81 Acts, ch 78, § 51.

**227.19 Administrator defined.**

For the purpose of this chapter, *"administrator"* or *"administrator of the division"* means the person assigned, in accordance with section 218.1, to control the state mental health institutes or that person's designee.

[C71, 73, 75, 77, 79, 81, S81, §227.19; 81 Acts, ch 78, §20, 36]
83 Acts, ch 96, §157, 159; 94 Acts, ch 1170, §38; 2000 Acts, ch 1112, §36

# CHAPTER 228

## DISCLOSURE OF MENTAL HEALTH AND PSYCHOLOGICAL INFORMATION

Referred to in §235A.15, 331.394


228.1 Definitions.
228.2 Mental health information disclosure prohibited — exceptions — record of disclosure.
228.3 Voluntary disclosures.
228.4 Revocation of disclosure authorization.
228.5 Administrative disclosures.
228.6 Compulsory disclosures.
228.7 Disclosures for claims administration and peer review — safeguards — penalty.
228.8 Disclosures to family members.
228.9 Disclosure of psychological test material.


**228.1 Definitions.**

As used in this chapter:

1. *"Administrative information"* means an individual's name, identifying number, age, sex, address, dates and character of professional services provided to the individual, fees for the professional services, third-party payor name and payor number of a patient, if known, name and location of the facility where treatment is received, the date of the individual's admission to the facility, and the name of the individual's attending physician or attending mental health professional.

2. *"Data collector"* means a person, other than a mental health professional or an employee of or agent for a mental health facility, who regularly assembles or evaluates mental health information.

3. *"Diagnostic information"* means a therapeutic characterization of the type found in the diagnostic and statistical manual of mental disorders of the American psychiatric association or in a comparable professionally recognized diagnostic manual.

4. *"Mental health facility"* means a community mental health center, hospital, clinic, office, health care facility, infirmary, or similar place in which professional services are provided.

5. *"Mental health information"* means oral, written, or recorded information which indicates the identity of an individual receiving professional services and which relates to the diagnosis, course, or treatment of the individual's mental or emotional condition.

6. *"Mental health professional"* means an individual who has either of the following qualifications:

*a.* The individual meets all of the following requirements:

(1) The individual holds at least a master's degree in a mental health field, including but not limited to psychology, counseling and guidance, nursing, and social work, or is an advanced registered nurse practitioner, a physician assistant, or a physician and surgeon or an osteopathic physician and surgeon.

(2) The individual holds a current Iowa license if practicing in a field covered by an Iowa licensure law.

(3) The individual has at least two years of post-degree clinical experience, supervised by another mental health professional, in assessing mental health needs and problems and in providing appropriate mental health services.

*b.* The individual holds a current Iowa license if practicing in a field covered by an Iowa licensure law and is a psychiatrist, an advanced registered nurse practitioner who holds a

national certification in psychiatric mental health care registered by the board of nursing, a physician assistant practicing under the supervision of a psychiatrist, or an individual who holds a doctorate degree in psychology and is licensed by the board of psychology.

7. *"Peer review organization"* means a utilization and quality control peer review organization that has a contract with the federal secretary of health and human services pursuant to Tit. XI, part B, of the federal Social Security Act to review health care services paid for in whole or in part under the Medicare program established by Tit. XVIII of the federal Social Security Act, or another organization of licensed health care professionals performing utilization and quality control review functions.

8. *"Professional services"* means diagnostic or treatment services for a mental or emotional condition provided by a mental health professional.

9. *"Self-insured employer"* means a person which provides accident and health benefits or medical, surgical, or hospital benefits on a self-insured basis to its own employees or to employees of an affiliated company or companies and which does not otherwise provide accident and health benefits or medical, surgical, or hospital benefits.

10. *"Third-party payor"* means a person which provides accident and health benefits or medical, surgical, or hospital benefits, whether on an indemnity, reimbursement, service, or prepaid basis, including but not limited to, insurers, nonprofit health service corporations, health maintenance organizations, governmental agencies, and self-insured employers.

86 Acts, ch 1082, §1; 88 Acts, ch 1226, §2, 3; 95 Acts, ch 120, §2; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1079, §5

Referred to in §125.12, 125.82, 125.86, 135G.1, 225.15, 225C.6, 226.9C, 229.1, 229.15, 229.24, 230A.108, 235A.17, 331.394

**228.2 Mental health information disclosure prohibited — exceptions — record of disclosure.**

1. Except as specifically authorized in section 228.3, 228.5, 228.6, 228.7, or 228.8, a mental health professional, data collector, or employee or agent of a mental health professional, of a data collector, or of or for a mental health facility shall not disclose or permit the disclosure of mental health information.

2. *a.* Upon disclosure of mental health information pursuant to section 228.3, 228.5, 228.6, 228.7, or 228.8, the person disclosing the mental health information shall enter a notation on and maintain the notation with the individual's record of mental health information, stating the date of the disclosure and the name of the recipient of mental health information.

*b.* The person disclosing the mental health information shall give the recipient of the information a statement which informs the recipient that disclosures may only be made pursuant to the written authorization of an individual or an individual's legal representative, or as otherwise provided in this chapter, that the unauthorized disclosure of mental health information is unlawful, and that civil damages and criminal penalties may be applicable to the unauthorized disclosure of mental health information.

3. A recipient of mental health information shall not disclose the information received, except as specifically authorized for initial disclosure in section 228.3, 228.5, 228.6, 228.7, or 228.8. However, mental health information may be transferred at any time to another facility, physician, or mental health professional in cases of a medical emergency or if the individual or the individual's legal representative requests the transfer in writing for the purposes of receipt of medical or mental health professional services, at which time the requirements of subsection 2 shall be followed.

86 Acts, ch 1082, §2; 88 Acts, ch 1226, §4, 5; 90 Acts, ch 1079, §2; 2009 Acts, ch 41, §263

Referred to in §228.5

See also §622.10

**228.3 Voluntary disclosures.**

1. An individual eighteen years of age or older or an individual's legal representative may consent to the disclosure of mental health information relating to the individual by a mental health professional, data collector, or employee or agent of a mental health professional, of a data collector, or of or for a mental health facility, by signing a voluntary written authorization. The authorization shall:

*a.* Specify the nature of the mental health information to be disclosed, the persons or type

of persons authorized to disclose the information, and the purposes for which the information may be used both at the time of the disclosure and in the future.

*b.* Advise the individual of the individual's right to inspect the disclosed mental health information at any time.

*c.* State that the authorization is subject to revocation and state the conditions of revocation.

*d.* Specify the length of time for which the authorization is valid.

*e.* Contain the date on which the authorization was signed.

2. A copy of the authorization shall:

*a.* Be provided to the individual or to the legal representative of the individual authorizing the disclosure.

*b.* Be included in the individual's record of mental health information.

86 Acts, ch 1082, §3; 88 Acts, ch 1226, §6, 7, 9

Referred to in §228.2, 228.9

**228.4 Revocation of disclosure authorization.**

An individual or an individual's legal representative may revoke a prior authorization by providing a written revocation to the recipient named in the authorization and to the mental health professional, data collector, or employee or agent of a mental health professional, of a data collector, or of or for a mental health facility previously authorized to disclose the mental health information. The revocation is effective upon receipt of the written revocation by the person previously authorized to disclose the mental health information. After the effective revocation date, mental health information shall not be disclosed pursuant to the revoked authorization. However, mental health information previously disclosed pursuant to the revoked authorization may be used for the purposes stated in the original written authorization.

86 Acts, ch 1082, §4

**228.5 Administrative disclosures.**

1. An individual or an individual's legal representative shall be informed that mental health information relating to the individual may be disclosed to employees or agents of or for the same mental health facility or to other providers of professional services or their employees or agents if and to the extent necessary to facilitate the provision of administrative and professional services to the individual.

2. *a.* If an individual eighteen years of age or older or an individual's legal representative has received a written notification that a fee is due a mental health professional or a mental health facility and has failed to arrange for payment of the fee within a reasonable time after the notification, the mental health professional or mental health facility may disclose administrative information necessary for the collection of the fee to a person or agency providing collection services.

*b.* If a civil action is filed for the collection of the fee, additional mental health information shall not be disclosed in the litigation, except to the extent necessary to respond to a motion of the individual or the individual's legal representative for greater specificity or to dispute a defense or counterclaim.

3. A mental health professional or an employee of or agent for a mental health facility may disclose mental health information if necessary for the purpose of conducting scientific and data research, management audits, or program evaluations of the mental health professional or mental health facility, to persons who have demonstrated and provided written assurances of their ability to ensure compliance with the requirements of this chapter. The persons shall not identify, directly or indirectly, an individual in any report of the research, audits, or evaluations, or otherwise disclose individual identities in any manner. A disclosure under this section is not subject to the requirements of section 228.2, subsection 2, with the exception that a person receiving mental health information under this section shall be provided a statement prohibiting redisclosure of information unless otherwise authorized by this chapter.

4. Mental health information relating to an individual may be disclosed to other providers

of professional services or their employees or agents if and to the extent necessary to facilitate the provision of administrative and professional services to the individual.

86 Acts, ch 1082, §5; 88 Acts, ch 1226, §8; 96 Acts, ch 1213, §33, 34; 2009 Acts, ch 41, §263
Referred to in §228.2

**228.6 Compulsory disclosures.**

1. A mental health professional or an employee of or agent for a mental health facility may disclose mental health information if and to the extent necessary, to meet the requirements of section 229.24, 229.25, 230.20, 230.21, 230.25, 230.26, 230A.108, 232.74, or 232.147, or to meet the compulsory reporting or disclosure requirements of other state or federal law relating to the protection of human health and safety.

2. Mental health information acquired by a mental health professional pursuant to a court-ordered examination may be disclosed pursuant to court rules.

3. Mental health information may be disclosed by a mental health professional if and to the extent necessary, to initiate or complete civil commitment proceedings under chapter 229.

4. *a.* Mental health information may be disclosed in a civil or administrative proceeding in which an individual eighteen years of age or older or an individual's legal representative or, in the case of a deceased individual, a party claiming or defending through a beneficiary of the individual, offers the individual's mental or emotional condition as an element of a claim or a defense.

*b.* Mental health information may be disclosed in a criminal proceeding pursuant to section 622.10, subsection 4.

5. An individual eighteen years of age or older or an individual's legal representative or any other party in a civil, criminal, or administrative action, in which mental health information has been or will be disclosed, may move the court to denominate, style, or caption the names of all parties as "JOHN OR JANE DOE" or otherwise protect the anonymity of all of the parties.

86 Acts, ch 1082, §6; 2011 Acts, ch 8, §1, 3; 2013 Acts, ch 90, §51
Referred to in §228.2, 237.21
Subsection 1 amended

**228.7 Disclosures for claims administration and peer review — safeguards — penalty.**

1. Mental health information may be disclosed, in accordance with the prior written consent of the patient or the patient's legal representative, by a mental health professional, data collector, or employee or agent of a mental health professional, a data collector, or a mental health facility to a third-party payor or to a peer review organization if the third-party payor or the peer review organization has filed a written statement with the commissioner of insurance in which the filer agrees to:

*a.* Instruct its employees and agents to maintain the confidentiality of mental health information and of the penalty for unauthorized disclosure.

*b.* Comply with the limitations on use and disclosure of the information specified in subsection 2 of this section.

*c.* Destroy the information when it is no longer needed for the purposes specified in subsection 2 of this section.

2. *a.* An employee or agent of a third-party payor or of a peer review organization shall not use mental health information or disclose mental health information to any person, except to the extent necessary to administer claims submitted or to be submitted for payment to the third-party payor, to conduct a utilization and quality control review of mental health care services provided or proposed to be provided, to conduct an audit of claims paid, or as otherwise authorized by law.

*b.* Employees of a self-insured employer, and agents of a self-insured employer which have not filed a statement with the commissioner of insurance pursuant to subsection 1, shall not be granted routine or ongoing access to mental health information unless the employees or agents have signed a statement indicating that they are aware that the information shall not be used or disclosed except as provided in this subsection and that they are aware of the penalty for unauthorized disclosure.

3. An employee or agent of a third-party payor or a peer review organization who willfully

uses or discloses mental health information in violation of subsection 2 of this section is guilty of a serious misdemeanor, and, notwithstanding section 903.1, the sentence for a person convicted under this subsection is a fine not to exceed five hundred dollars in the case of a first offense, and not to exceed five thousand dollars in the case of each subsequent offense.

88 Acts, ch 1226, §1; 2009 Acts, ch 41, §263
Referred to in §228.2

**228.8 Disclosures to family members.**

1. A mental health professional or an employee of or agent for a mental health facility may disclose mental health information to the spouse, parent, adult child, or adult sibling of an individual who has chronic mental illness, if all of the following conditions are met:

*a.* The disclosure is necessary to assist in the provision of care or monitoring of the individual's treatment.

*b.* The spouse, parent, adult child, or adult sibling is directly involved in providing care to or monitoring the treatment of the individual.

*c.* The involvement of the spouse, parent, adult child, or adult sibling is verified by the individual's attending physician, attending mental health professional, or a person other than the spouse, parent, adult child, or adult sibling who is responsible for providing treatment to the individual.

2. A request for mental health information by a person authorized to receive such information under this section shall be in writing, except in an emergency as determined by the mental health professional verifying the involvement of the spouse, parent, adult child, or adult sibling.

3. Unless the individual has been adjudged incompetent, the person verifying the involvement of the spouse, parent, adult child, or adult sibling shall notify the individual of the disclosure of the individual's mental health information under this section.

4. Mental health information disclosed under this section is limited to the following:

*a.* A summary of the individual's diagnosis and prognosis.

*b.* A listing of the medication which the individual has received and is receiving and the individual's record of compliance in taking medication prescribed for the previous six months.

*c.* A description of the individual's treatment plan.

90 Acts, ch 1079, §1
Referred to in §228.2

**228.9 Disclosure of psychological test material.**

Except as otherwise provided in this section, a person in possession of psychological test material shall not disclose the material to any other person, including the individual who is a subject of the test. In addition, the test material shall not be disclosed in any administrative, judicial, or legislative proceeding. However, upon the request of an individual who is the subject of a test, all records associated with a psychological test of that individual shall be disclosed to a psychologist licensed pursuant to chapter 154B designated by the individual. An individual's request for the records shall be in writing and shall comply with the requirements of section 228.3, relating to voluntary disclosures of mental health information, except that the individual shall not have the right to inspect the test materials.

94 Acts, ch 1159, §1

# CHAPTER 229

## HOSPITALIZATION OF PERSONS WITH MENTAL ILLNESS

Referred to in §125.75, 228.6, 229A.1, 230.6, 230.7, 232.49, 232.51, 232.52, 235B.2, 235B.3, 235E.1, 235E.2, 237.15, 331.381, 331.394, 602.6306, 602.6405, 602.8102(41), 902.10

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229.45 Provision of summary of procedures to applicant in involuntary commitment.
229.46 through 229.49 Reserved.
229.50 through 229.53 Repealed by 82 Acts, ch 1212, §28.

**229.1 Definitions.**

As used in this chapter, unless the context clearly requires otherwise:

1. *"Administrator"* means the administrator of the department of human services assigned, in accordance with section 218.1, to control the state mental health institutes, or that administrator's designee.

2. *"Auditor"* means the county auditor or the auditor's designee.

3. *"Central point of coordination process"* means the same as defined in section 331.440.*

4. *"Chemotherapy"* means treatment of an individual by use of a drug or substance which cannot legally be delivered or administered to the ultimate user without a physician's prescription or medical order.

5. *"Chief medical officer"* means the medical director in charge of a public or private hospital, or that individual's physician-designee. This chapter does not negate the authority otherwise reposed by law in the respective superintendents of each of the state hospitals for persons with mental illness, established by chapter 226, to make decisions regarding the appropriateness of admissions or discharges of patients of that hospital, however it is the intent of this chapter that if the superintendent is not a licensed physician the decisions by the superintendent shall be corroborated by the chief medical officer of the hospital.

6. *"Clerk"* means the clerk of the district court.

7. *"Hospital"* means either a public hospital or a private hospital.

8. *"Licensed physician"* means an individual licensed under the provisions of chapter 148 to practice medicine and surgery or osteopathic medicine and surgery.

9. *"Mental health professional"* means the same as defined in section 228.1.

10. *"Mental illness"* means every type of mental disease or mental disorder, except that it does not refer to an intellectual disability as defined in section 4.1, or to insanity, diminished responsibility, or mental incompetency as the terms are defined and used in the Iowa criminal code or in the rules of criminal procedure, Iowa court rules.

11. *"Patient"* means a person who has been hospitalized or ordered hospitalized to receive treatment pursuant to section 229.14.

12. *"Private hospital"* means any hospital or institution not directly supported by public funds, or a part thereof, which is equipped and staffed to provide inpatient care to persons with mental illness.

13. *"Psychiatric advanced registered nurse practitioner"* means an individual currently licensed as a registered nurse under chapter 152 or 152E who holds a national certification in psychiatric mental health care and who is registered with the board of nursing as an advanced registered nurse practitioner.

14. *"Public hospital"* means:

*a.* A state mental health institute established by chapter 226; or

*b.* The state psychiatric hospital established by chapter 225; or

*c.* Any other publicly supported hospital or institution, or part of such hospital or institution, which is equipped and staffed to provide inpatient care to persons with mental illness, except the Iowa medical and classification center established by chapter 904.

15. *"Respondent"* means any person against whom an application has been filed under section 229.6, but who has not been finally ordered committed for full-time custody, care, and treatment in a hospital.

16. *"Serious emotional injury"* is an injury which does not necessarily exhibit any physical characteristics, but which can be recognized and diagnosed by a licensed physician or other mental health professional and which can be causally connected with the act or omission of a person who is, or is alleged to be, mentally ill.

17. *"Seriously mentally impaired"* or *"serious mental impairment"* describes the condition of a person with mental illness and because of that illness lacks sufficient judgment to make responsible decisions with respect to the person's hospitalization or treatment, and who because of that illness meets any of the following criteria:

*a.* Is likely to physically injure the person's self or others if allowed to remain at liberty without treatment.

*b.* Is likely to inflict serious emotional injury on members of the person's family or others who lack reasonable opportunity to avoid contact with the person with mental illness if the person with mental illness is allowed to remain at liberty without treatment.

*c.* Is unable to satisfy the person's needs for nourishment, clothing, essential medical care, or shelter so that it is likely that the person will suffer physical injury, physical debilitation, or death.

[R60, §1468; C73, §1434; C97, §2298; C24, 27, 31, 35, 39, §**3580;** C46, 50, 54, 58, 62, 66, §229.40; C71, 73, 75, §229.40, 229.44; C77, §229.1, 229.44; C79, 81, §229.1; 82 Acts, ch 1100, §7]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1323, §2; 85 Acts, ch 21, §35; 87 Acts, ch 90, §1; 89 Acts, ch 275, §1; 95 Acts, ch 24, §1; 96 Acts, ch 1035, §12; 96 Acts, ch 1129, §57, 113; 96 Acts, ch 1183, §18; 97 Acts, ch 169, §15; 2000 Acts, ch 1112, §37; 2002 Acts, ch 1119, §107; 2004 Acts, ch 1090, §33; 2008 Acts, ch 1082, §4; 2008 Acts, ch 1088, §112; 2011 Acts, ch 121, §52, 62; 2012 Acts, ch 1019, §80; 2012 Acts, ch 1079, §6 – 8

Referred to in §125.75, 229.6

*Section 331.440 is repealed; corrective legislation is pending

Section not amended; footnote added

**229.1A Legislative intent.**

As mental illness is often a continuing condition which is subject to wide and unpredictable changes in condition and fluctuations in reoccurrence and remission, this chapter shall be liberally construed to give recognition to these medical facts.

89 Acts, ch 275, §2

**229.1B Central point of coordination process.***

Notwithstanding any provision of this chapter to the contrary, any person whose hospitalization expenses are payable in whole or in part by a county shall be subject to all requirements of the central point of coordination process.*

96 Acts, ch 1183, §19; 2004 Acts, ch 1090, §33

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

Section not amended; footnote added

**229.2 Application for voluntary admission — authority to receive voluntary patients.**

1. *a.* An application for admission to a public or private hospital for observation, diagnosis, care, and treatment as a voluntary patient may be made by any person who is mentally ill or has symptoms of mental illness.

*b.* In the case of a minor, the parent, guardian, or custodian may make application for admission of the minor as a voluntary patient.

(1) Upon receipt of an application for voluntary admission of a minor, the chief medical officer shall provide separate prescreening interviews and consultations with the parent, guardian or custodian and the minor to assess the family environment and the appropriateness of the application for admission.

(2) During the interview and consultation the chief medical officer shall inform the minor orally and in writing that the minor has a right to object to the admission. If the chief medical officer of the hospital to which application is made determines that the admission is appropriate but the minor objects to the admission, the parent, guardian or custodian must petition the juvenile court for approval of the admission before the minor is actually admitted.

(3) As soon as is practicable after the filing of a petition for juvenile court approval of the admission of the minor, the juvenile court shall determine whether the minor has an attorney to represent the minor in the hospitalization proceeding, and if not, the court shall assign to the minor an attorney. If the minor is financially unable to pay for an attorney, the attorney shall be compensated by the county at an hourly rate to be established by the county board of supervisors in substantially the same manner as provided in section 815.7.

(4) The juvenile court shall determine whether the admission is in the best interest of the minor and is consistent with the minor's rights.

(5) The juvenile court shall order hospitalization of a minor, over the minor's objections, only after a hearing in which it is shown by clear and convincing evidence that:

(a) The minor needs and will substantially benefit from treatment.

(b) No other setting which involves less restriction of the minor's liberties is feasible for the purposes of treatment.

(6) Upon approval of the admission of a minor over the minor's objections, the juvenile court shall appoint an individual to act as an advocate representing the interests of the minor in the same manner as an advocate representing the interests of patients involuntarily hospitalized pursuant to section 229.19.

2. Upon receiving an application for admission as a voluntary patient, made pursuant to subsection 1:

*a.* The chief medical officer of a public hospital shall receive and may admit the person whose admission is sought, subject in cases other than medical emergencies to availability of suitable accommodations and to the provisions of sections 229.41 and 229.42.

*b.* The chief medical officer of a private hospital may receive and may admit the person whose admission is sought.

[R60, §1480; C73, §1399; C97, §2264; C24, 27, 31, 35, 39, §**3544;** C46, §229.1; C50, 54, 58, 62, 66, 71, 73, 75, §229.1, 229.41; C77, 79, 81, §229.2]

87 Acts, ch 90, §2; 99 Acts, ch 135, §17; 2009 Acts, ch 41, §263

Referred to in §222.55, 229.4, 229.6A, 229.41

**229.2A Dual filings.** Repealed by 2013 Acts, ch 130, § 55.

**229.3 Discharge of voluntary patients.**

Any voluntary patient who has recovered, or whose hospitalization the chief medical officer of the hospital determines is no longer advisable, shall be discharged. Any voluntary patient may be discharged if to do so would in the judgment of the chief medical officer contribute to the most effective use of the hospital in the care and treatment of that patient and of other persons with mental illness.

[C77, 79, 81, §229.3]

96 Acts, ch 1129, §113

Referred to in §222.55, 226.19

**229.4 Right to release on application.**

A voluntary patient who requests release or whose release is requested, in writing, by the patient's legal guardian, parent, spouse or adult next of kin shall be released from the hospital forthwith, except that:

1. If the patient was admitted on the patient's own application and the request for release is made by some other person, release may be conditioned upon the agreement of the patient.

2. If the patient is a minor who was admitted on the application of the patient's parent, guardian or custodian pursuant to section 229.2, subsection 1, the patient's release prior to becoming eighteen years of age may be conditioned upon the consent of the parent, guardian or custodian, or upon the approval of the juvenile court if the admission was approved by the juvenile court; and

3. If the chief medical officer of the hospital, not later than the end of the next secular day on which the office of the clerk of the district court for the county in which the hospital is located is open and which follows the submission of the written request for release of the patient, files with that clerk a certification that in the chief medical officer's opinion the patient is seriously mentally impaired, the release may be postponed for the period of time the court determines is necessary to permit commencement of judicial procedure for involuntary hospitalization. That period of time may not exceed five days, exclusive of days on which the clerk's office is not open unless the period of time is extended by order of a district court judge for good cause shown. Until disposition of the application for involuntary hospitalization of the patient, if one is timely filed, the chief medical officer may detain the patient in the hospital and may provide treatment which is necessary to preserve the patient's life, or to appropriately control behavior by the patient which is likely to result in physical injury to the patient or to others if allowed to continue, but may not otherwise provide treatment to the patient without the patient's consent.

[C50, 54, 58, 62, 66, 71, 73, 75, §229.41; C77, 79, 81, §229.4]

Referred to in §222.55, 229.23

**229.5 Departure without notice.**

If a voluntary patient departs from the hospital without notice, and in the opinion of the chief medical officer the patient is seriously mentally impaired, the chief medical officer may file an application on the departed voluntary patient pursuant to section 229.6, and request that an order for immediate custody be entered by the court pursuant to section 229.11.

[C77, 79, 81, §229.5]

2013 Acts, ch 130, §42

Referred to in §222.55

Section amended

**229.5A Preapplication screening assessment — program.**

Prior to filing an application pursuant to section 229.6, the clerk of the district court or the clerk's designee shall inform the interested person referred to in section 229.6, subsection 1, about the option of requesting a preapplication screening assessment through a preapplication screening assessment program, if available. The state court administrator shall prescribe practices and procedures for implementation of the preapplication screening assessment program.

2012 Acts, ch 1079, §9; 2013 Acts, ch 130, §43

Referred to in §222.55, 229.6, 602.1209

Section amended

**229.6 Application for order of involuntary hospitalization.**

1. Proceedings for the involuntary hospitalization of an individual pursuant to this chapter or for the involuntary commitment or treatment of a person with a substance-related disorder to a facility pursuant to chapter 125 may be commenced by any interested person by filing a verified application with the clerk of the district court of the county where the respondent is presently located, or which is the respondent's place of residence. The clerk, or the clerk's designee, shall assist the applicant in completing the application.

2. The application shall:

*a.* State the applicant's belief that the respondent is a person who presents a danger to self or others and lacks judgmental capacity due to either of the following:

(1) A substance-related disorder as defined in section 125.2.

(2) A serious mental impairment as defined in section 229.1.

*b.* State facts in support of each belief described in paragraph "*a*".

*c.* Be accompanied by any of the following:

(1) A written statement of a licensed physician in support of the application.

(2) One or more supporting affidavits otherwise corroborating the application.

(3) Corroborative information obtained and reduced to writing by the clerk or the clerk's designee, but only when circumstances make it infeasible to comply with, or when the clerk considers it appropriate to supplement the information supplied pursuant to, either subparagraph (1) or (2).

3. Prior to the filing of an application pursuant to this section, the clerk or the clerk's designee shall inform the interested person referred to in subsection 1 about the option of requesting a preapplication screening assessment pursuant to section 229.5A.

4. The supreme court shall prescribe rules and establish forms as necessary to carry out the provisions of this section.

[R60, §1480; C73, §1399; C97, §2264; C24, 27, 31, 35, 39, §**3544;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §229.1; C77, 79, 81, §229.6]

2012 Acts, ch 1079, §10; 2013 Acts, ch 130, §44

Referred to in §218.92, 222.7, 222.55, 225.11, 226.31, 227.10, 227.15, 229.1, 229.5, 229.5A, 229.6A, 229.7, 229.8, 229.9, 229.19, 229.21, 229.22, 229.24, 229.26, 229.27, 229.38

Summary of involuntary commitment procedures available from clerk; see §229.45

Section amended

**229.6A Hospitalization of minors — jurisdiction — due process.**

1. Notwithstanding section 229.11, the juvenile court has exclusive original jurisdiction in proceedings concerning a minor for whom an application is filed under section 229.6 or for whom an application for voluntary admission is made under section 229.2, subsection 1, to which the minor objects. In proceedings under this chapter concerning a minor, notwithstanding section 229.11, the term "*court*", "*judge*", or "*clerk*" means the juvenile court, judge, or clerk.

2. The procedural requirements of this chapter are applicable to minors involved in hospitalization proceedings pursuant to subsection 1 and placement proceedings pursuant to section 229.14A.

3. It is the intent of this chapter that when a minor is involuntarily or voluntarily hospitalized or hospitalized with juvenile court approval over the minor's objection the minor's family shall be included in counseling sessions offered during the minor's stay in a hospital when feasible. Prior to the discharge of the minor the juvenile court may, after

a hearing, order that the minor's family be evaluated and therapy ordered if necessary to facilitate the return of the minor to the family setting.

87 Acts, ch 90, §3; 92 Acts, ch 1124, §2; 2001 Acts, ch 155, §29; 2013 Acts, ch 130, §45
Referred to in §218.92, 222.7, 222.55, 226.31, 227.10, 227.15, 229.19, 229.22, 229.24, 229.26, 229.38, 602.6405
Subsection 1 amended

**229.7 Service of notice upon respondent.**

Upon the filing of an application pursuant to section 229.6, the clerk shall docket the case and immediately notify a district court judge, district associate judge, or magistrate who is admitted to the practice of law in this state, who shall review the application and accompanying documentation. If the application is adequate as to form, the court may set a time and place for a hearing on the application, if feasible, but the hearing shall not be held less than forty-eight hours after notice to the respondent unless the respondent waives such minimum prior notice requirement. The court shall direct the clerk to send copies of the application and supporting documentation, together with a notice informing the respondent of the procedures required by this chapter, to the sheriff or the sheriff's deputy for immediate service upon the respondent. If the respondent is taken into custody under section 229.11, service of the application, documentation and notice upon the respondent shall be made at the time the respondent is taken into custody.

[R60, §1480; C73, §1400; C97, §2265; C24, 27, 31, 35, 39, § **3545;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §229.2; C77, 79, 81, §229.7]

91 Acts, ch 108, §4; 2013 Acts, ch 130, §46
Referred to in §218.92, 222.7, 222.55, 226.31, 227.10, 227.15, 229.19, 229.21, 229.22, 229.24, 229.26, 229.38, 229.45, 331.653
Section amended

**229.8 Procedure after application is filed.**

As soon as practicable after the filing of an application pursuant to section 229.6, the court shall:

1. Determine whether the respondent has an attorney who is able and willing to represent the respondent in the hospitalization proceeding, and if not, whether the respondent is financially able to employ an attorney and capable of meaningfully assisting in selecting one. In accordance with those determinations, the court shall if necessary allow the respondent to select, or shall assign to the respondent, an attorney. If the respondent is financially unable to pay an attorney, the attorney shall be compensated by the county at an hourly rate to be established by the county board of supervisors in substantially the same manner as provided in section 815.7.

2. Cause copies of the application and supporting documentation to be sent to the county attorney or the county attorney's attorney-designate for review.

3. Issue a written order which shall:

*a.* If not previously done, set a time and place for a hospitalization hearing, which shall be at the earliest practicable time not less than forty-eight hours after notice to the respondent, unless the respondent waives such minimum prior notice requirement; and

*b.* Order an examination of the respondent, prior to the hearing, by one or more licensed physicians who shall submit a written report on the examination to the court as required by section 229.10.

[C73, §1400; C97, §2265; C24, 27, 31, 35, 39, §**3548, 3549;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §229.5, 229.6; C77, 79, 81, §229.8]

99 Acts, ch 135, §18; 2013 Acts, ch 130, §47
Referred to in §218.92, 222.7, 222.55, 225C.16, 226.31, 227.10, 227.15, 229.9, 229.9A, 229.14A, 229.19, 229.21, 229.22, 229.24, 229.26, 229.38
Unnumbered paragraph 1 amended

**229.9 Respondent's attorney informed.**

The court shall direct the clerk to furnish at once to the respondent's attorney copies of the application filed pursuant to section 229.6 and the supporting documentation, and of the court's order issued pursuant to section 229.8, subsection 3. If the respondent is taken into custody under section 229.11, the attorney shall also be advised of that fact. The respondent's

attorney shall represent the respondent at all stages of the proceedings, and shall attend the hospitalization hearing.

[C77, 79, 81, §229.9]

2013 Acts, ch 130, §48

Referred to in §218.92, 222.7, 222.55, 226.31, 227.10, 227.15, 229.19, 229.21, 229.22, 229.24, 229.26, 229.38

Section amended

**229.9A Advocate informed.**

The court shall direct the clerk to furnish the advocate of the respondent's county of residence with a copy of application and any order issued pursuant to section 229.8, subsection 3. The advocate may attend the hospitalization hearing of any respondent for whom the advocate has received notice of a hospitalization hearing.

94 Acts, ch 1027, §1; 2012 Acts, ch 1120, §99, 130

Referred to in §218.92, 222.7, 222.55, 226.31, 227.10, 227.15, 229.19, 229.21, 229.22, 229.24, 229.26, 229.38

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**229.10 Physicians' examination — report.**

1. *a.* An examination of the respondent shall be conducted by one or more licensed physicians, as required by the court's order, within a reasonable time. If the respondent is detained pursuant to section 229.11, subsection 1, paragraph "*b*", the examination shall be conducted within twenty-four hours. If the respondent is detained pursuant to section 229.11, subsection 1, paragraph "*a*" or "*c*", the examination shall be conducted within forty-eight hours. If the respondent so desires, the respondent shall be entitled to a separate examination by a licensed physician of the respondent's own choice. The reasonable cost of the examinations shall, if the respondent lacks sufficient funds to pay the cost, be paid from county funds upon order of the court.

*b.* Any licensed physician conducting an examination pursuant to this section may consult with or request the participation in the examination of any mental health professional, and may include with or attach to the written report of the examination any findings or observations by any mental health professional who has been so consulted or has so participated in the examination.

*c.* If the respondent is not taken into custody under section 229.11, but the court is subsequently informed that the respondent has declined to be examined by the licensed physician or physicians pursuant to the court order, the court may order such limited detention of the respondent as is necessary to facilitate the examination of the respondent by the licensed physician or physicians.

2. A written report of the examination by the court-designated physician or physicians shall be filed with the clerk prior to the time set for hearing. A written report of any examination by a physician chosen by the respondent may be similarly filed. The clerk shall immediately:

*a.* Cause the report or reports to be shown to the judge who issued the order; and

*b.* Cause the respondent's attorney to receive a copy of the report of the court-designated physician or physicians.

3. If the report of the court-designated physician or physicians is to the effect that the individual is not seriously mentally impaired, the court may without taking further action terminate the proceeding and dismiss the application on its own motion and without notice.

4. If the report of the court-designated physician or physicians is to the effect that the respondent is seriously mentally impaired, the court shall schedule a hearing on the application as soon as possible. The hearing shall be held not more than forty-eight hours after the report is filed, excluding Saturdays, Sundays and holidays, unless an extension for good cause is requested by the respondent, or as soon thereafter as possible if the court considers that sufficient grounds exist for delaying the hearing.

[C77, 79, 81, §229.10]

2006 Acts, ch 1116, §2; 2009 Acts, ch 41, §224; 2012 Acts, ch 1079, §11

Referred to in §218.92, 222.7, 222.55, 225.30, 226.31, 227.10, 227.15, 229.8, 229.14, 229.19, 229.21, 229.22, 229.24, 229.26, 229.38

**229.11 Judge may order immediate custody.**

1. If the applicant requests that the respondent be taken into immediate custody and the judge, upon reviewing the application and accompanying documentation, finds probable cause to believe that the respondent has a serious mental impairment and is likely to injure the respondent or other persons if allowed to remain at liberty, the judge may enter a written order directing that the respondent be taken into immediate custody by the sheriff or the sheriff's deputy and be detained until the hospitalization hearing. The hospitalization hearing shall be held no more than five days after the date of the order, except that if the fifth day after the date of the order is a Saturday, Sunday, or a holiday, the hearing may be held on the next succeeding business day. If the expenses of a respondent are payable in whole or in part by a county, for a placement in accordance with paragraph "*a*", the judge shall give notice of the placement to the central point of coordination process,* and for a placement in accordance with paragraph "*b*" or "*c*", the judge shall order the placement in a hospital or facility designated through the central point of coordination process.* The judge may order the respondent detained for the period of time until the hearing is held, and no longer, in accordance with paragraph "*a*", if possible, and if not then in accordance with paragraph "*b*", or, only if neither of these alternatives is available, in accordance with paragraph "*c*". Detention may be:

*a.* In the custody of a relative, friend or other suitable person who is willing to accept responsibility for supervision of the respondent, and the respondent may be placed under such reasonable restrictions as the judge may order including but not limited to restrictions on or a prohibition of any expenditure, encumbrance or disposition of the respondent's funds or property; or

*b.* In a suitable hospital the chief medical officer of which shall be informed of the reasons why immediate custody has been ordered and may provide treatment which is necessary to preserve the respondent's life, or to appropriately control behavior by the respondent which is likely to result in physical injury to the respondent or to others if allowed to continue, but may not otherwise provide treatment to the respondent without the respondent's consent; or

*c.* In the nearest facility in the community which is licensed to care for persons with mental illness or substance abuse, provided that detention in a jail or other facility intended for confinement of those accused or convicted of crime shall not be ordered.

2. The clerk shall furnish copies of any orders to the respondent and to the applicant if the applicant files a written waiver signed by the respondent.

[C77, 79, 81, §229.11]

89 Acts, ch 275, §3; 92 Acts, ch 1072, §3; 92 Acts, ch 1165, §2; 96 Acts, ch 1183, §20; 2004 Acts, ch 1090, §33; 2009 Acts, ch 41, §225

Referred to in §218.92, 222.7, 222.55, 226.31, 227.10, 227.15, 229.5, 229.6A, 229.7, 229.9, 229.10, 229.12, 229.14, 229.17, 229.18, 229.19, 229.21, 229.22, 229.23, 229.24, 229.26, 229.38, 229.45, 331.653

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

Section not amended; footnote added

**229.12 Hearing procedure.**

1. At the hospitalization hearing, evidence in support of the contentions made in the application shall be presented by the county attorney. During the hearing the applicant and the respondent shall be afforded an opportunity to testify and to present and cross-examine witnesses, and the court may receive the testimony of any other interested person. The respondent has the right to be present at the hearing. If the respondent exercises that right and has been medicated within twelve hours, or such longer period of time as the court may designate, prior to the beginning of the hearing or an adjourned session thereof, the judge shall be informed of that fact and of the probable effects of the medication upon convening of the hearing.

2. All persons not necessary for the conduct of the proceeding shall be excluded, except that the court may admit persons having a legitimate interest in the proceeding and shall permit the advocate from the respondent's county of residence to attend the hearing. Upon motion of the county attorney, the judge may exclude the respondent from the hearing during the testimony of any particular witness if the judge determines that witness's testimony is likely to cause the respondent severe emotional trauma.

3. *a.* The respondent's welfare shall be paramount and the hearing shall be conducted in as informal a manner as may be consistent with orderly procedure, but consistent therewith the issue shall be tried as a civil matter. Such discovery as is permitted under the Iowa rules of civil procedure shall be available to the respondent. The court shall receive all relevant and material evidence which may be offered and need not be bound by the rules of evidence. There shall be a presumption in favor of the respondent, and the burden of evidence in support of the contentions made in the application shall be upon the applicant.

*b.* The licensed physician or mental health professional who examined the respondent shall be present at the hearing unless the court for good cause finds that the licensed physician's or mental health professional's presence or testimony is not necessary. The applicant, respondent, and the respondent's attorney may waive the presence or the telephonic appearance of the licensed physician or mental health professional who examined the respondent and agree to submit as evidence the written report of the licensed physician or mental health professional. The respondent's attorney shall inform the court if the respondent's attorney reasonably believes that the respondent, due to diminished capacity, cannot make an adequately considered waiver decision. *"Good cause"* for finding that the testimony of the licensed physician or mental health professional who examined the respondent is not necessary may include but is not limited to such a waiver. If the court determines that the testimony of the licensed physician or mental health professional is necessary, the court may allow the licensed physician or the mental health professional to testify by telephone.

*c.* If upon completion of the hearing the court finds that the contention that the respondent is seriously mentally impaired has not been sustained by clear and convincing evidence, it shall deny the application and terminate the proceeding.

4. If the respondent is not taken into custody under section 229.11, but the court subsequently finds good cause to believe that the respondent is about to depart from the jurisdiction of the court, the court may order such limited detention of the respondent as is authorized by section 229.11 and is necessary to insure that the respondent will not depart from the jurisdiction of the court without the court's approval until the proceeding relative to the respondent has been concluded.

5. The clerk shall furnish copies of any orders to the respondent and to the applicant if the applicant files a written waiver signed by the respondent.

[R60, §1480; C73, §1400; C97, §2265; C24, 27, 31, 35, 39, §**3547**; C46, 50, 54, 58, 62, 66, 71, 73, 75, §229.4; C77, 79, 81, §229.12]

89 Acts, ch 275, §4; 94 Acts, ch 1027, §2; 2006 Acts, ch 1116, §3; 2006 Acts, ch 1159, §31; 2009 Acts, ch 41, §226; 2012 Acts, ch 1079, §12; 2012 Acts, ch 1120, §100, 130

Referred to in §218.92, 222.7, 222.55, 225.11, 226.31, 227.10, 227.15, 229.14, 229.19, 229.21, 229.22, 229.24, 229.26, 229.38, 331.756(46), 602.8103

2012 amendment to subsection 2, by 2012 Acts, ch 1120, §100, takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Subsection 2 amended

**229.13 Evaluation order — treatment — unauthorized departure or failure to appear.**

1. If upon completion of the hospitalization hearing the court finds by clear and convincing evidence that the respondent has a serious mental impairment, the court shall order the respondent committed as expeditiously as possible for a complete psychiatric evaluation and appropriate treatment as follows:

*a.* The court shall order a respondent whose expenses are payable in whole or in part by a county placed under the care of an appropriate hospital or facility designated through the central point of coordination process* on an inpatient or outpatient basis.

*b.* The court shall order any other respondent placed under the care of an appropriate hospital or facility licensed to care for persons with mental illness or substance abuse on an inpatient or outpatient basis.

2. The court shall provide notice to the respondent and the respondent's attorney of the placement order under subsection 1. The court shall advise the respondent and the respondent's attorney that the respondent has a right to request a placement hearing held in accordance with the requirements of section 229.14A.

3. If the respondent is ordered at a hearing to undergo outpatient treatment, the outpatient

treatment provider must be notified and agree to provide the treatment prior to placement of the respondent under the treatment provider's care.

4. The court shall furnish to the chief medical officer of the hospital or facility at the time the respondent arrives at the hospital or facility for inpatient or outpatient treatment a written finding of fact setting forth the evidence on which the finding is based. If the respondent is ordered to undergo outpatient treatment, the order shall also require the respondent to cooperate with the treatment provider and comply with the course of treatment.

5. The chief medical officer of the hospital or facility at which the respondent is placed shall report to the court no more than fifteen days after the respondent is placed, making a recommendation for disposition of the matter. An extension of time may be granted, not to exceed seven days upon a showing of cause. A copy of the report shall be sent to the respondent's attorney, who may contest the need for an extension of time if one is requested. An extension of time shall be granted upon request unless the request is contested, in which case the court shall make such inquiry as it deems appropriate and may either order the respondent's release from the hospital or facility or grant an extension of time for psychiatric evaluation. If the chief medical officer fails to report to the court within fifteen days after the individual is placed under the care of the hospital or facility, and an extension of time has not been requested, the chief medical officer is guilty of contempt and shall be punished under chapter 665. The court shall order a rehearing on the application to determine whether the respondent should continue to be detained at or placed under the care of the hospital or facility.

6. If, after placement of a respondent in or under the care of a hospital or other suitable facility for inpatient treatment, the respondent departs from the hospital or facility or fails to appear for treatment as ordered without prior proper authorization from the chief medical officer, upon receipt of notification of the respondent's departure or failure to appear by the chief medical officer, a peace officer of the state shall without further order of the court exercise all due diligence to take the respondent into protective custody and return the respondent to the hospital or facility.

[R60, §1479; C73, §1401; C97, §2266; C24, 27, 31, 35, 39, §**3552, 3553;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §229.9, 229.10; C77, 79, 81, §229.13]

90 Acts, ch 1020, §3; 91 Acts, ch 108, §5; 92 Acts, ch 1165, §3; 96 Acts, ch 1183, §21; 2001 Acts, ch 155, §30; 2004 Acts, ch 1090, §33; 2013 Acts, ch 90, §52

Referred to in §218.92, 222.7, 222.55, 225.11, 225.15, 225.17, 226.9, 226.31, 227.10, 227.15, 229.14, 229.14A, 229.14B, 229.17, 229.18, 229.19, 229.21, 229.22, 229.23, 229.24, 229.26, 229.27, 229.38, 229.44, 229.45, 230.5

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

Subsection 5 amended

**229.14 Chief medical officer's report.**

1. The chief medical officer's report to the court on the psychiatric evaluation of the respondent shall be made not later than the expiration of the time specified in section 229.13. At least two copies of the report shall be filed with the clerk, who shall dispose of them in the manner prescribed by section 229.10, subsection 2. The report shall state one of the four following alternative findings:

*a.* That the respondent does not, as of the date of the report, require further treatment for serious mental impairment. If the report so states, the court shall order the respondent's immediate release from involuntary hospitalization and terminate the proceedings.

*b.* That the respondent is seriously mentally impaired and in need of full-time custody, care and inpatient treatment in a hospital, and is considered likely to benefit from treatment. The report shall include the chief medical officer's recommendation for further treatment.

*c.* That the respondent is seriously mentally impaired and in need of treatment, but does not require full-time hospitalization. If the report so states, it shall include the chief medical officer's recommendation for treatment of the respondent on an outpatient or other appropriate basis.

*d.* The respondent is seriously mentally impaired and in need of full-time custody and care, but is unlikely to benefit from further inpatient treatment in a hospital. The report shall include the chief medical officer's recommendation for an appropriate alternative placement for the respondent.

2. Following receipt of the chief medical officer's report under subsection 1, paragraph "*b*", "*c*", or "*d*", the court shall issue an order for appropriate treatment as follows:

*a.* For a respondent whose expenses are payable in whole or in part by a county, placement as designated through the central point of coordination process* in the care of an appropriate hospital or facility on an inpatient or outpatient basis, or other appropriate treatment, or in an appropriate alternative placement.

*b.* For any other respondent, placement in the care of an appropriate hospital or facility on an inpatient or outpatient basis, or other appropriate treatment, or an appropriate alternative placement.

*c.* For a respondent who is an inmate in the custody of the department of corrections, the court may order the respondent to receive mental health services in a correctional program.

*d.* If the court orders treatment of the respondent on an outpatient or other appropriate basis as described in the chief medical officer's report pursuant to subsection 1, paragraph "*c*", the order shall provide that, should the respondent fail or refuse to submit to treatment in accordance with the court's order, the court may order that the respondent be taken into immediate custody as provided by section 229.11 and, following notice and hearing held in accordance with the procedures of section 229.12, may order the respondent treated on an inpatient basis requiring full-time custody, care, and treatment in a hospital until such time as the chief medical officer reports that the respondent does not require further treatment for serious mental impairment or has indicated the respondent is willing to submit to treatment on another basis as ordered by the court. If a patient is transferred for treatment to another provider under this paragraph, the treatment provider who will be providing the outpatient or other appropriate treatment shall be provided with copies of relevant court orders by the former treatment provider.

[C77, 79, 81, §229.14; 82 Acts, ch 1228, §1]

90 Acts, ch 1020, §4; 91 Acts, ch 219, §2; 92 Acts, ch 1165, §4; 2001 Acts, ch 155, §31; 2002 Acts, ch 1119, §32; 2004 Acts, ch 1090, §33

Referred to in §218.92, 222.7, 222.55, 225.15, 225.17, 225.27, 226.26, 226.31, 226.33, 227.15, 229.1, 229.14A, 229.14B, 229.15, 229.16, 229.17, 229.19, 229.21, 229.23, 229.26, 229.27, 229.28, 229.38, 229.44

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

Section not amended; footnote added

**229.14A Placement order — notice and hearing.**

1. With respect to a chief medical officer's report made pursuant to section 229.14, subsection 1, paragraph "*b*", "*c*", or "*d*", or any other provision of this chapter related to involuntary commitment for which the court issues a placement order or a transfer of placement is authorized, the court shall provide notice to the respondent and the respondent's attorney or mental health advocate pursuant to section 229.19 concerning the placement order and the respondent's right to request a placement hearing to determine if the order for placement or transfer of placement is appropriate.

2. The notice shall provide that a request for a placement hearing must be in writing and filed with the clerk within seven days of issuance of the placement order.

3. A request for a placement hearing may be signed by the respondent, the respondent's next friend, guardian, or attorney.

4. The court, on its own motion, may order a placement hearing to be held.

5. *a.* A placement hearing shall be held no sooner than four days and no later than seven days after the request for the placement hearing is filed unless otherwise agreed to by the parties.

*b.* The respondent may be transferred to the placement designated by the court's placement order and receive treatment unless a request for hearing is filed prior to the transfer. If the request for a placement hearing is filed prior to the transfer, the court shall determine where the respondent shall be detained and treated until the date of the hearing.

*c.* If the respondent's attorney has withdrawn pursuant to section 229.19, the court shall appoint an attorney for the respondent in the manner described in section 229.8, subsection 1.

6. Time periods shall be calculated for the purposes of this section excluding weekends and official holidays.

7. If a respondent's expenses are payable in whole or in part by a county through the central point of coordination process,* notice of a placement hearing shall be provided to the county attorney and the county's central point of coordination process* administrator. At the hearing, the county may present evidence regarding appropriate placement.

8. In a placement hearing, the court shall determine a placement for the respondent in accordance with the requirements of section 229.23, taking into consideration the evidence presented by all the parties.

9. A placement made pursuant to an order entered under section 229.13 or 229.14 or this section shall be considered to be authorized through the central point of coordination process.*

2001 Acts, ch 155, §33, 40; 2004 Acts, ch 1090, §33

Referred to in §218.92, 222.7, 222.55, 225.15, 225.17, 226.31, 227.11, 227.15, 229.6A, 229.13, 229.15, 229.17, 229.21, 229.26, 229.38

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

Section not amended; footnote added

**229.14B Escape from custody.**

A person who is placed in a hospital or other suitable facility for evaluation under section 229.13 or who is required to remain hospitalized for treatment under section 229.14 shall remain at that hospital or facility unless discharged or otherwise permitted to leave by the court or the chief medical officer of the hospital or facility. If a person placed at a hospital or facility or required to remain at a hospital or facility leaves the facility without permission or without having been discharged, the chief medical officer may notify the sheriff of the person's absence and the sheriff shall take the person into custody and return the person promptly to the hospital or facility.

92 Acts, ch 1072, §4

C93, §229.14A

2001 Acts, ch 155, §32, 40

CS2001, §229.14B

Referred to in §218.92, 222.7, 222.55, 225.15, 225.17, 226.31, 227.15, 229.17, 229.21, 229.26, 229.38

**229.15 Periodic reports required.**

1. Not more than thirty days after entry of an order for continued hospitalization of a patient under section 229.14, subsection 1, paragraph *"b"*, and thereafter at successive intervals of not more than sixty days continuing so long as involuntary hospitalization of the patient continues, the chief medical officer of the hospital shall report to the court which entered the order. The report shall be submitted in the manner required by section 229.14, shall state whether the patient's condition has improved, remains unchanged, or has deteriorated, and shall indicate if possible the further length of time the patient will be required to remain at the hospital. The chief medical officer may at any time report to the court a finding as stated in section 229.14, subsection 1, and the court shall act upon the finding as required by section 229.14, subsection 2.

2. Not more than sixty days after the entry of a court order for treatment of a patient pursuant to a report issued under section 229.14, subsection 1, paragraph *"c"*, and thereafter at successive intervals as ordered by the court but not to exceed ninety days so long as that court order remains in effect, the medical director of the facility or the psychiatrist or psychiatric advanced registered nurse practitioner treating the patient shall report to the court which entered the order. The report shall state whether the patient's condition has improved, remains unchanged, or has deteriorated, and shall indicate if possible the further length of time the patient will require treatment by the facility. If at any time the patient without good cause fails or refuses to submit to treatment as ordered by the court, the medical director shall at once so notify the court, which shall order the patient hospitalized as provided by section 229.14, subsection 2, paragraph *"d"*, unless the court finds that the failure or refusal was with good cause and that the patient is willing to receive treatment as provided in the court's order, or in a revised order if the court sees fit to enter one. If at any time the medical director reports to the court that in the director's opinion the patient requires full-time custody, care, and treatment in a hospital, and the patient is willing to be admitted voluntarily to the hospital for these purposes, the court may enter an order

approving hospitalization for appropriate treatment upon consultation with the chief medical officer of the hospital in which the patient is to be hospitalized. If the patient is unwilling to be admitted voluntarily to the hospital, the procedure for determining involuntary hospitalization, as set out in section 229.14, subsection 2, paragraph "*d*", shall be followed.

3. *a.* A psychiatric advanced registered nurse practitioner treating a patient previously hospitalized under this chapter may complete periodic reports pursuant to this section on the patient if the patient has been recommended for treatment on an outpatient or other appropriate basis pursuant to section 229.14, subsection 1, paragraph "*c*".

*b.* An advanced registered nurse practitioner who is not certified as a psychiatric advanced registered nurse practitioner but who meets the qualifications set forth in the definition of a mental health professional in section 228.1, may complete periodic reports pursuant to paragraph "*a*".

4. When a patient has been placed in an alternative facility other than a hospital pursuant to a report issued under section 229.14, subsection 1, paragraph "*d*", a report on the patient's condition and prognosis shall be made to the court which placed the patient, at least once every six months, unless the court authorizes annual reports. If an evaluation of the patient is performed pursuant to section 227.2, subsection 4, a copy of the evaluation report shall be submitted to the court within fifteen days of the evaluation's completion. The court may in its discretion waive the requirement of an additional report between the annual evaluations. If the administrator exercises the authority to remove residents from a county care facility or other county or private institution under section 227.6, the administrator shall promptly notify each court which placed in that facility any resident so removed.

5. *a.* When in the opinion of the chief medical officer the best interest of a patient would be served by a convalescent or limited leave, the chief medical officer may authorize the leave and, if authorized, shall promptly report the leave to the court. When in the opinion of the chief medical officer the best interest of a patient would be served by a transfer to a different hospital for continued full-time custody, care, and treatment, the chief medical officer shall promptly send a report to the court. The court shall act upon the report in accordance with section 229.14A.

*b.* This subsection shall not be construed to add to or restrict the authority otherwise provided by law for transfer of patients or residents among various state institutions administered by the department of human services. If a patient is transferred under this subsection, the treatment provider to whom the patient is transferred shall be provided with copies of relevant court orders by the former treatment provider.

6. Upon receipt of any report required or authorized by this section the court shall furnish a copy to the patient's attorney, or alternatively to the advocate appointed as required by section 229.19. The court shall examine the report and take the action thereon which it deems appropriate. Should the court fail to receive any report required by this section or section 229.14 at the time the report is due, the court shall investigate the reason for the failure to report and take whatever action may be necessary in the matter.

[C77, 79, 81, §229.15; 81 Acts, ch 78, §20, 37; 82 Acts, ch 1228, §2]

83 Acts, ch 96, §157, 159; 92 Acts, ch 1165, §5; 2000 Acts, ch 1112, §38; 2001 Acts, ch 155, §34, 35; 2008 Acts, ch 1082, §5, 6; 2009 Acts, ch 133, §85; 2011 Acts, ch 121, §53, 62; 2013 Acts, ch 90, §53

Referred to in §218.92, 222.7, 222.55, 225.15, 225.17, 226.23, 226.31, 227.10, 227.11, 227.15, 229.17, 229.19, 229.21, 229.26, 229.29, 229.38, 229.43

Subsection 3, paragraph b amended

**229.16 Discharge and termination of proceeding.**

When the condition of a patient who is hospitalized pursuant to a report issued under section 229.14, subsection 1, paragraph "*b*", or is receiving treatment pursuant to a report issued under section 229.14, subsection 1, paragraph "*c*", or is in full-time care and custody pursuant to a report issued under section 229.14, subsection 1, paragraph "*d*", is such that in the opinion of the chief medical officer the patient no longer requires treatment or care for serious mental impairment, the chief medical officer shall tentatively discharge the patient and immediately report that fact to the court which ordered the patient's hospitalization or care and custody. Upon receiving the report, the court shall issue an order confirming the

patient's discharge from the hospital or from care and custody, as the case may be, and shall terminate the proceedings pursuant to which the order was issued. Copies of the order shall be sent by regular mail to the hospital, the patient, and the applicant if the applicant has filed a written waiver signed by the patient.

[C77, 79, 81, §229.16]

89 Acts, ch 275, §5; 99 Acts, ch 144, §2; 2001 Acts, ch 155, §36

Referred to in §225.15, 225.17, 225.27, 226.18, 226.19, 229.17, 229.21, 229.26

**229.17 Status of respondent during appeal.**

If a respondent appeals to the supreme court from a finding that the contention the respondent is seriously mentally impaired has been sustained, and the respondent was previously ordered taken into immediate custody under section 229.11 or has been hospitalized for psychiatric evaluation and appropriate treatment under section 229.13 before the court is informed of intent to appeal its finding, the respondent shall remain in custody as previously ordered by the court, the time limit stated in section 229.11 notwithstanding, or shall remain in the hospital subject to compliance by the hospital with sections 229.13 to 229.16, as the case may be, unless the supreme court orders otherwise. If a respondent appeals to the supreme court regarding a placement order, the respondent shall remain in placement unless the supreme court orders otherwise.

[C77, 79, 81, §229.17]

2001 Acts, ch 155, §37

Referred to in §229.21, 229.26

**229.18 Status of respondent if hospitalization is delayed.**

When the court directs that a respondent who was previously ordered taken into immediate custody under section 229.11 be placed in a hospital for psychiatric evaluation and appropriate treatment under section 229.13, and no suitable hospital can immediately admit the respondent, the respondent shall remain in custody as previously ordered by the court, the time limit stated in section 229.11 notwithstanding, until a suitable hospital can admit the respondent. The court shall take appropriate steps to expedite the admission of the respondent to a suitable hospital at the earliest feasible time.

[R60, §1436; C73, §1403; C97, §2271; S13, §2271; C24, 27, 31, 35, 39, §**3564;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §229.24; C77, 79, 81, §229.18]

Referred to in §229.21, 229.26

**229.19 Advocates — duties — compensation — state and county liability.**

1. *a.* In each county with a population of three hundred thousand or more inhabitants the board of supervisors shall appoint an individual who has demonstrated by prior activities an informed concern for the welfare and rehabilitation of persons with mental illness, and who is not an officer or employee of the department of human services nor of any agency or facility providing care or treatment to persons with mental illness, to act as an advocate representing the interests of patients involuntarily hospitalized by the court, in any matter relating to the patients' hospitalization or treatment under section 229.14 or 229.15. In each county with a population of under three hundred thousand inhabitants, the chief judge of the judicial district encompassing the county shall appoint the advocate.

*b.* The court or, if the advocate is appointed by the county board of supervisors, the board shall assign the advocate appointed from a patient's county of residence to represent the interests of the patient. If a patient has no county of residence or the patient is a state case, the court or, if the advocate is appointed by the county board of supervisors, the board shall assign the advocate appointed from the county where the hospital or facility is located to represent the interests of the patient.

*c.* The advocate's responsibility with respect to any patient shall begin at whatever time the attorney employed or appointed to represent that patient as respondent in hospitalization proceedings, conducted under sections 229.6 to 229.13, reports to the court that the attorney's services are no longer required and requests the court's approval to withdraw as counsel for that patient. However, if the patient is found to be seriously mentally impaired at the hospitalization hearing, the attorney representing the patient shall automatically be relieved

of responsibility in the case and an advocate shall be assigned to the patient at the conclusion of the hearing unless the attorney indicates an intent to continue the attorney's services and the court so directs. If the court directs the attorney to remain on the case, the attorney shall assume all the duties of an advocate. The clerk shall furnish the advocate with a copy of the court's order approving the withdrawal and shall inform the patient of the name of the patient's advocate.

*d.* With regard to each patient whose interests the advocate is required to represent pursuant to this section, the advocate's duties shall include all of the following:

(1) To review each report submitted pursuant to sections 229.14 and 229.15.

(2) If the advocate is not an attorney, to advise the court at any time it appears that the services of an attorney are required to properly safeguard the patient's interests.

(3) To be readily accessible to communications from the patient and to originate communications with the patient within five days of the patient's commitment.

(4) To visit the patient within fifteen days of the patient's commitment and periodically thereafter.

(5) To communicate with medical personnel treating the patient and to review the patient's medical records pursuant to section 229.25.

(6) To file with the court quarterly reports, and additional reports as the advocate feels necessary or as required by the court, in a form prescribed by the court. The reports shall state what actions the advocate has taken with respect to each patient and the amount of time spent.

(7) To utilize the related best practices for the duties identified in this paragraph *"d"* developed and promulgated by the judicial council.

*e.* An advocate may also be appointed pursuant to this section for an individual who has been diagnosed with a co-occurring mental illness and substance-related disorder.

2. The hospital or facility to which a patient is committed shall grant all reasonable requests of the advocate to visit the patient, to communicate with medical personnel treating the patient, and to review the patient's medical records pursuant to section 229.25. An advocate shall not disseminate information from a patient's medical records to any other person unless done for official purposes in connection with the advocate's duties pursuant to this chapter or when required by law.

3. The court or, if the advocate is appointed by the county board of supervisors, the board shall prescribe reasonable compensation for the services of the advocate. The compensation shall be based upon the reports filed by the advocate with the court. The advocate's compensation shall be paid by the county in which the court is located, either on order of the court or, if the advocate is appointed by the county board of supervisors, on the direction of the board. If the advocate is appointed by the court, the advocate is an employee of the state for purposes of chapter 669. If the advocate is appointed by the county board of supervisors, the advocate is an employee of the county for purposes of chapter 670. If the patient or the person who is legally liable for the patient's support is not indigent, the board shall recover the costs of compensating the advocate from that person. If that person has an income level as determined pursuant to section 815.9 greater than one hundred percent but not more than one hundred fifty percent of the poverty guidelines, at least one hundred dollars of the advocate's compensation shall be recovered in the manner prescribed by the county board of supervisors. If that person has an income level as determined pursuant to section 815.9 greater than one hundred fifty percent of the poverty guidelines, at least two hundred dollars of the advocate's compensation shall be recovered in substantially the same manner prescribed by the county board of supervisors as provided in section 815.9.

[C77, 79, 81, §229.19]

83 Acts, ch 96, §157, 159; 83 Acts, ch 123, §85, 209; 85 Acts, ch 62, §1; 87 Acts, ch 57, §1; 93 Acts, ch 83, §1; 94 Acts, ch 1173, §10; 96 Acts, ch 1129, §113; 99 Acts, ch 135, §19; 2006 Acts, ch 1030, §22; 2007 Acts, ch 22, §53, 54; 2007 Acts, ch 86, §3; 2012 Acts, ch 1079, §13, 14; 2012 Acts, ch 1120, §101, 130

Referred to in §225C.4, 226.31, 229.2, 229.14A, 229.15, 229.21, 229.26

2012 amendment to subsection 1, paragraph b, by 2012 Acts, ch 1120, §101, takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Subsection 1, paragraph b amended

**229.20** Repealed by 84 Acts, ch 1323, § 7.

**229.21 Judicial hospitalization referee — appeals to district court.**

1. The chief judge of each judicial district may appoint at least one judicial hospitalization referee for each county within the district. The judicial hospitalization referee shall be an attorney, licensed to practice law in this state, who shall be chosen with consideration to any training, experience, interest, or combination of those factors, which are pertinent to the duties of the office. The referee shall hold office at the pleasure of the chief judge of the judicial district and receive compensation at a rate fixed by the supreme court. If the referee expects to be absent for any significant length of time, the referee shall inform the chief judge who may appoint a temporary substitute judicial hospitalization referee having the qualifications set forth in this subsection.

2. When an application for involuntary hospitalization or for involuntary commitment or treatment of persons with substance-related disorders under section 229.6 or 125.75 is filed with the clerk of the district court in any county for which a judicial hospitalization referee has been appointed, and no district judge, district associate judge, or magistrate who is admitted to the practice of law in this state is accessible, the clerk shall immediately notify the referee in the manner required by section 229.7 or section 125.77. The referee shall discharge all of the duties imposed upon the court by sections 229.7 to 229.22 or sections 125.75 to 125.94 in the proceeding so initiated. Subject to the provisions of subsection 4, orders issued by a referee, in discharge of duties imposed under this section, shall have the same force and effect as if ordered by a district judge. However, any commitment to a facility regulated and operated under chapter 135C shall be in accordance with section 135C.23.

3. *a.* Any respondent with respect to whom the magistrate or judicial hospitalization referee has found the contention that the respondent is seriously mentally impaired or a person with a substance-related disorder sustained by clear and convincing evidence presented at a hearing held under section 229.12 or section 125.82, may appeal from the magistrate's or referee's finding to a judge of the district court by giving the clerk notice in writing, within ten days after the magistrate's or referee's finding is made, that an appeal is taken. The appeal may be signed by the respondent or by the respondent's next friend, guardian, or attorney.

*b.* An order of a magistrate or judicial hospitalization referee with a finding that the respondent is seriously mentally impaired or a person with a substance-related disorder shall include the following notice, located conspicuously on the face of the order:

NOTE: The respondent may appeal from this order to a judge of the district court by giving written notice of the appeal to the clerk of the district court within ten days after the date of this order. The appeal may be signed by the respondent or by the respondent's next friend, guardian, or attorney. For a more complete description of the respondent's appeal rights, consult section 229.21 of the Code of Iowa or an attorney.

*c.* When appealed, the matter shall stand for trial de novo. Upon appeal, the court shall schedule a hospitalization or commitment hearing before a district judge at the earliest practicable time.

*d.* Any respondent with respect to whom the magistrate or judicial hospitalization referee has held a placement hearing and has entered a placement order may appeal the order to a judge of the district court. The request for appeal must be given to the clerk in writing within ten days of the entry of the magistrate's or referee's order. The request for appeal shall be signed by the respondent, or the respondent's next friend, guardian, or attorney.

4. If the appellant is in custody under the jurisdiction of the district court at the time of service of the notice of appeal, the appellant shall be discharged from custody unless an order that the appellant be taken into immediate custody has previously been issued under section 229.11 or section 125.81, in which case the appellant shall be detained as provided in that section until the hospitalization or commitment hearing before the district judge. If the appellant is in the custody of a hospital or facility at the time of service of the notice

of appeal, the appellant shall be discharged from custody pending disposition of the appeal unless the chief medical officer, not later than the end of the next secular day on which the office of the clerk is open and which follows service of the notice of appeal, files with the clerk a certification that in the chief medical officer's opinion the appellant is seriously mentally ill or a person with a substance-related disorder. In that case, the appellant shall remain in custody of the hospital or facility until the hospitalization or commitment hearing before the district court.

5. The hospitalization or commitment hearing before the district judge shall be held, and the judge's finding shall be made and an appropriate order entered, as prescribed by sections 229.12 and 229.13 or sections 125.82 and 125.83. If the judge orders the appellant hospitalized or committed for a complete psychiatric or substance abuse evaluation, jurisdiction of the matter shall revert to the judicial hospitalization referee.

[C97, §2267, 2268; C24, 27, 31, 35, 39, §**3560, 3561;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §229.17, 229.18; C77, 79, 81, §229.21; 82 Acts, ch 1212, §27]

85 Acts, ch 195, §25; 87 Acts, ch 190, §2; 90 Acts, ch 1085, §20; 91 Acts, ch 108, §6; 92 Acts, ch 1165, §6; 98 Acts, ch 1181, §23; 99 Acts, ch 144, §3, 4; 2001 Acts, ch 155, §38; 2011 Acts, ch 121, §54 – 56, 62; 2013 Acts, ch 130, §49

Referred to in §97B.1A, 125.90, 222.16A

Subsection 2 amended

**229.22 Hospitalization — emergency procedure.**

1. The procedure prescribed by this section shall be used when it appears that a person should be immediately detained due to serious mental impairment, but an application has not been filed naming the person as the respondent pursuant to section 229.6, and the person cannot be ordered into immediate custody and detained pursuant to section 229.11.

2. *a.* (1) In the circumstances described in subsection 1, any peace officer who has reasonable grounds to believe that a person is mentally ill, and because of that illness is likely to physically injure the person's self or others if not immediately detained, may without a warrant take or cause that person to be taken to the nearest available facility or hospital as defined in section 229.11, subsection 1, paragraphs *"b"* and *"c"*. A person believed mentally ill, and likely to injure the person's self or others if not immediately detained, may be delivered to a facility or hospital by someone other than a peace officer.

(2) Upon delivery of the person believed mentally ill to the facility or hospital, the examining physician, examining physician assistant, or examining psychiatric advanced registered nurse practitioner may order treatment of that person, including chemotherapy, but only to the extent necessary to preserve the person's life or to appropriately control behavior by the person which is likely to result in physical injury to that person or others if allowed to continue.

(3) The peace officer who took the person into custody, or other party who brought the person to the facility or hospital, shall describe the circumstances of the matter to the examining physician, examining physician assistant, or examining psychiatric advanced registered nurse practitioner. If the person is a peace officer, the peace officer may do so either in person or by written report.

(4) If the examining physician, examining physician assistant, or examining psychiatric advanced registered nurse practitioner finds that there is reason to believe that the person is seriously mentally impaired, and because of that impairment is likely to physically injure the person's self or others if not immediately detained, the examining physician, examining physician assistant, or examining psychiatric advanced registered nurse practitioner shall at once communicate with the nearest available magistrate as defined in section 801.4, subsection 10. For purposes of this subparagraph, the findings of the examining physician assistant must be approved by the examining physician assistant's supervising physician before the examining physician assistant communicates with the nearest available magistrate.

(5) The magistrate shall, based upon the circumstances described by the examining physician, examining physician assistant, or examining psychiatric advanced registered nurse practitioner, give the examining physician, examining physician assistant, or

examining psychiatric advanced registered nurse practitioner oral instructions either directing that the person be released forthwith or authorizing the person's detention in an appropriate facility. A peace officer from the law enforcement agency that took the person into custody, if available, during the communication with the magistrate, may inform the magistrate that an arrest warrant has been issued for or charges are pending against the person and request that any oral or written order issued under this subsection require the facility or hospital to notify the law enforcement agency about the discharge of the person prior to discharge. The magistrate may also give oral instructions and order that the detained person be transported to an appropriate facility.

*b*. If the magistrate orders that the person be detained, the magistrate shall, by the close of business on the next working day, file a written order with the clerk in the county where it is anticipated that an application may be filed under section 229.6. The order may be filed by facsimile if necessary. A peace officer from the law enforcement agency that took the person into custody, if no request was made under paragraph "*a*", may inform the magistrate that an arrest warrant has been issued for or charges are pending against the person and request that any written order issued under this paragraph require the facility or hospital to notify the law enforcement agency about the discharge of the person prior to discharge. The order shall state the circumstances under which the person was taken into custody or otherwise brought to a facility or hospital, and the grounds supporting the finding of probable cause to believe that the person is seriously mentally impaired and likely to injure the person's self or others if not immediately detained. The order shall also include any law enforcement agency notification requirements if applicable. The order shall confirm the oral order authorizing the person's detention including any order given to transport the person to an appropriate facility or hospital. A peace officer from the law enforcement agency that took the person into custody may also request an order, separate from the written order, requiring the facility or hospital to notify the law enforcement agency about the discharge of the person prior to discharge. The clerk shall provide a copy of the written order or any separate order to the chief medical officer of the facility or hospital to which the person was originally taken, to any subsequent facility to which the person was transported, and to any law enforcement department or ambulance service that transported the person pursuant to the magistrate's order.

*c*. If an arrest warrant has been issued for or charges are pending against the person, but no court order exists requiring notification to a law enforcement agency under paragraph "*a*" or "*b*", and if the peace officer delivers the person to a facility or hospital and the peace officer notifies the facility or hospital in writing on a form prescribed by the department of public safety that the facility or hospital notify the law enforcement agency about the discharge of the person prior to discharge, the facility or hospital shall do all of the following:

(1) Notify the dispatch of the law enforcement agency that employs the peace officer by telephone prior to the discharge of the person from the facility or hospital.

(2) Notify the law enforcement agency that employs the peace officer by electronic mail prior to the discharge of the person from the facility or hospital.

3. The chief medical officer of the facility or hospital shall examine and may detain and care for the person taken into custody under the magistrate's order for a period not to exceed forty-eight hours from the time such order is dated, excluding Saturdays, Sundays and holidays, unless the order is sooner dismissed by a magistrate. The facility or hospital may provide treatment which is necessary to preserve the person's life, or to appropriately control behavior by the person which is likely to result in physical injury to the person's self or others if allowed to continue, but may not otherwise provide treatment to the person without the person's consent. The person shall be discharged from the facility or hospital and released from custody not later than the expiration of that period, unless an application is sooner filed with the clerk pursuant to section 229.6. Prior to such discharge the facility or hospital shall, if required by this section, notify the law enforcement agency requesting such notification about the discharge of the person. The law enforcement agency shall retrieve the person no later than six hours after notification from the facility or hospital but in no circumstances shall the detention of the person exceed the period of time prescribed for detention by this subsection. The detention of any person by the procedure and not in

excess of the period of time prescribed by this section shall not render the peace officer, physician, facility, or hospital so detaining that person liable in a criminal or civil action for false arrest or false imprisonment if the peace officer, physician, facility, or hospital had reasonable grounds to believe the person so detained was mentally ill and likely to physically injure the person's self or others if not immediately detained, or if the facility or hospital was required to notify a law enforcement agency by this section, and the law enforcement agency requesting notification prior to discharge retrieved the person no later than six hours after the notification, and the detention prior to the retrieval of the person did not exceed the period of time prescribed for detention by this subsection.

4. The cost of hospitalization at a public hospital of a person detained temporarily by the procedure prescribed in this section shall be paid in the same way as if the person had been admitted to the hospital by the procedure prescribed in sections 229.6 to 229.13.

5. The department of public safety shall prescribe the form to be used when a law enforcement agency desires notification under this section from a facility or hospital prior to discharge of a person admitted to the facility or hospital and for whom an arrest warrant has been issued or against whom charges are pending. The form shall be consistent with all laws, regulations, and rules relating to the confidentiality or privacy of personal information or medical records, including but not limited to the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, and regulations promulgated in accordance with that Act and published in 45 C.F.R. pts. 160-64.

6. A facility or hospital, which has been notified by a peace officer or a law enforcement agency by delivery of a form as prescribed by the department of public safety indicating that an arrest warrant has been issued for or charges are pending against a person admitted to the facility or hospital, that does not notify the law enforcement agency about the discharge of the person as required by subsection 2, paragraph "*c*", shall pay a civil penalty as provided in section 805.8C, subsection 8.

[C77, 79, 81, §229.22]

95 Acts, ch 24, §2; 2003 Acts, ch 68, §3, 4; 2009 Acts, ch 41, §227; 2010 Acts, ch 1103, §1, 2; 2011 Acts, ch 34, §55; 2012 Acts, ch 1079, §15; 2013 Acts, ch 90, §54; 2013 Acts, ch 130, §50, 51

Referred to in §229.21, 229.23, 229.24, 602.6405, 805.8C(8)
Subsection 2, paragraphs a and b amended
Subsection 3 amended

**229.23 Rights and privileges of hospitalized persons.**

Every person who is hospitalized or detained under this chapter shall have the right to:

1. Prompt evaluation, necessary psychiatric services, and additional care and treatment as indicated by the patient's condition. A comprehensive, individualized treatment plan shall be timely developed following issuance of the court order requiring involuntary hospitalization. The plan shall be consistent with current standards appropriate to the facility to which the person has been committed and with currently accepted standards for psychiatric treatment of the patient's condition, including chemotherapy, psychotherapy, counseling and other modalities as may be appropriate.

2. The right to refuse treatment by shock therapy or chemotherapy, unless the use of these treatment modalities is specifically consented to by the patient's next of kin or guardian. The patient's right to refuse treatment by chemotherapy shall not apply during any period of custody authorized by section 229.4, subsection 3, section 229.11 or section 229.22, but this exception shall extend only to chemotherapy treatment which is, in the chief medical officer's judgment, necessary to preserve the patient's life or to appropriately control behavior by the person which is likely to result in physical injury to that person or others if allowed to continue. The patient's right to refuse treatment by chemotherapy shall also not apply during any period of custody authorized by the court pursuant to section 229.13 or 229.14. In any other situation in which, in the chief medical officer's judgment, chemotherapy is appropriate for the patient but the patient refuses to consent thereto and there is no next of kin or guardian to give consent, the chief medical officer may request an order authorizing treatment of the patient by chemotherapy from the district court which ordered the patient's hospitalization.

3. In addition to protection of the person's constitutional rights, enjoyment of other legal,

medical, religious, social, political, personal and working rights and privileges which the person would enjoy if the person were not so hospitalized or detained, so far as is possible consistent with effective treatment of that person and of the other patients of the hospital. If the patient's rights are restricted, the physician's direction to that effect shall be noted on the patient's record. The department of human services shall, in accordance with chapter 17A establish rules setting forth the specific rights and privileges to which persons so hospitalized or detained are entitled under this section, and the exceptions provided by section 17A.2, subsection 11, paragraphs *"a"* and *"k"*, shall not be applicable to the rules so established. The patient or the patient's next of kin or friend shall be advised of these rules and be provided a written copy upon the patient's admission to or arrival at the hospital.

[C77, 79, 81, §229.23]

83 Acts, ch 96, §157, 159; 89 Acts, ch 275, §6

Referred to in §229.14A

**229.24 Records of involuntary hospitalization proceeding to be confidential.**

1. All papers and records pertaining to any involuntary hospitalization or application pursuant to section 229.6 of any person under this chapter, whether part of the permanent record of the court or of a file in the department of human services, are subject to inspection only upon an order of the court for good cause shown.

2. If authorized in writing by a person who has been the subject of any proceeding or report under sections 229.6 to 229.13 or section 229.22, or by the parent or guardian of that person, information regarding that person which is confidential under subsection 1 may be released to any designated person.

3. If all or part of the costs associated with hospitalization of an individual under this chapter are chargeable to a county of residence, the clerk of the district court shall provide to the county of residence and to the county in which the hospitalization order is entered the following information pertaining to the individual which would be confidential under subsection 1:

*a.* Administrative information, as defined in section 228.1.

*b.* An evaluation order under this chapter and the location of the individual's placement under the order.

*c.* A hospitalization or placement order under this chapter and the location of the individual's placement under the order.

*d.* The date, location, and disposition of any hearing concerning the individual held under this chapter.

*e.* Any payment source available for the costs of the individual's care.

4. This section shall not prohibit any of the following:

*a.* A hospital from complying with the requirements of this chapter and of chapter 230 relative to financial responsibility for the cost of care and treatment provided a patient in that hospital or from properly billing any responsible relative or third-party payer for such care or treatment.

*b.* A court or the department of public safety from forwarding to the federal bureau of investigation information that a person has been disqualified from possessing, shipping, transporting, or receiving a firearm pursuant to section 724.31.

[C77, 79, 81, §229.24]

83 Acts, ch 96, §157, 159; 95 Acts, ch 120, §3; 96 Acts, ch 1183, §22; 2002 Acts, ch 1146, §4; 2004 Acts, ch 1090, §8; 2010 Acts, ch 1031, §362; 2010 Acts, ch 1178, §1, 2, 19; 2012 Acts, ch 1120, §102, 130; 2013 Acts, ch 130, §52

Referred to in §228.6, 230.20

2012 amendment to subsection 3, unnumbered paragraph 1, takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Subsection 1 amended

Subsection 3, unnumbered paragraph 1 amended

**229.25 Medical records to be confidential — exceptions.**

1. *a.* The records maintained by a hospital or other facility relating to the examination, custody, care and treatment of any person in that hospital or facility pursuant to this

chapter shall be confidential, except that the chief medical officer shall release appropriate information under any of the following circumstances:

(1) The information is requested by a licensed physician, attorney or advocate who provides the chief medical officer with a written waiver signed by the person about whom the information is sought.

(2) The information is sought by a court order.

(3) The person who is hospitalized or that person's guardian, if the person is a minor or is not legally competent to do so, signs an informed consent to release information. Each signed consent shall designate specifically the person or agency to whom the information is to be sent, and the information may be sent only to that person or agency.

*b.* Such records may be released by the chief medical officer when requested for the purpose of research into the causes, incidence, nature and treatment of mental illness, however information shall not be provided in a way that discloses patients' names or which otherwise discloses any patient's identity.

2. When the chief medical officer deems it to be in the best interest of the patient and the patient's next of kin to do so, the chief medical officer may release appropriate information during a consultation which the hospital or facility shall arrange with the next of kin of a voluntary or involuntary patient, if requested by the patient's next of kin.

[C77, 79, 81, §229.25; 82 Acts, ch 1135, §1]

89 Acts, ch 275, §7; 2009 Acts, ch 41, §263

Referred to in §228.6, 229.19

**229.26 Exclusive procedure for involuntary hospitalization.**

Sections 229.6 through 229.19 constitute the exclusive procedure for involuntary hospitalization of persons by reason of serious mental impairment in this state, except that this chapter does not negate the provisions of section 904.503 relating to transfer of prisoners with mental illness to state hospitals for persons with mental illness and does not apply to commitments of persons under chapter 812 or the rules of criminal procedure, Iowa court rules, or negate the provisions of section 232.51 relating to disposition of children with mental illness or an intellectual disability.

[C77, 79, 81, §229.26]

84 Acts, ch 1323, §3; 85 Acts, ch 21, §36; 87 Acts, ch 90, §4; 88 Acts, ch 1134, §45; 96 Acts, ch 1129, §58; 2002 Acts, ch 1119, §108; 2003 Acts, ch 108, §125, 132; 2012 Acts, ch 1019, §81

**229.27 Hospitalization not to equate with incompetency — procedure for finding incompetency due to mental illness.**

1. Hospitalization of a person under this chapter, either voluntarily or involuntarily, does not constitute a finding of nor equate with nor raise a presumption of incompetency, nor cause the person so hospitalized to be deemed a person of unsound mind nor a person under legal disability for any purpose, including but not limited to any circumstances to which sections 6B.15, 447.7, section 488.603, subsection 6, paragraph "c", sections 488.704, 597.6, 600B.21, 614.8, 614.19, 614.22, 614.24, 614.27, and 633.244 are applicable.

2. The applicant may, in initiating a petition under section 229.6 or at any subsequent time prior to conclusion of the involuntary hospitalization proceeding, also petition the court for a finding that the person is incompetent by reason of mental illness. The test of competence for the purpose of this section shall be whether the person possesses sufficient mind to understand in a reasonable manner the nature and effect of the act in which the person is engaged; the fact that a person is mentally ill and in need of treatment for that illness but because of the illness lacks sufficient judgment to make responsible decisions with respect to the person's hospitalization or treatment does not necessarily mean that that person is incapable of transacting business on any subject.

3. A hearing limited to the question of the person's competence and conducted in substantially the manner prescribed in sections 633.552 to 633.556 shall be held when:

*a.* The court is petitioned or proposes upon its own motion to find incompetent by reason of mental illness a person whose involuntary hospitalization has been ordered under section 229.13 or 229.14, and who contends that the person is not incompetent; or

*b.* A person previously found incompetent by reason of mental illness under subsection 2 petitions the court for a finding that the person is no longer incompetent and, after notice to the applicant who initiated the petition for hospitalization of the person and to any other party as directed by the court, an objection is filed with the court. The court may order a hearing on its own motion before acting on a petition filed under this paragraph. A petition by a person for a finding that the person is no longer incompetent may be filed at any time without regard to whether the person is at that time hospitalized for treatment of mental illness.

4. Nothing in this chapter shall preclude use of any other procedure authorized by law for declaring any person legally incompetent for reasons which may include mental illness, without regard to whether that person is or has been hospitalized for treatment of mental illness.

[C77, 79, 81, §229.27; 82 Acts, ch 1103, §1109]

91 Acts, ch 93, §1; 96 Acts, ch 1034, §9; 98 Acts, ch 1181, §24; 2004 Acts, ch 1175, §368, 400; 2004 Acts, ch 1021, §118, 119; 2004 Acts, ch 1175, §369, 400; 2013 Acts, ch 130, §53

Referred to in §4.1, 218.95, 229.39

Subsection 2 amended

**229.28 Hospitalization in certain federal facilities.**

1. When a court finds that the contention that a respondent is seriously mentally impaired has been sustained or proposes to order continued hospitalization of any person, or an alternative placement, as described under section 229.14, subsection 1, paragraph "*b*" or "*d*", and the court is furnished evidence that the respondent or patient is eligible for care and treatment in a facility operated by the United States department of veterans affairs or another agency of the United States government and that the facility is willing to receive the respondent or patient, the court may so order.

*a.* The respondent or patient, when so hospitalized or placed in a facility operated by the United States department of veterans affairs or another agency of the United States government within or outside of this state, shall be subject to the rules of the United States department of veterans affairs or other agency, but shall not thereby lose any procedural rights afforded the respondent or patient by this chapter.

*b.* The chief officer of the facility shall have, with respect to the person so hospitalized or placed, the same powers and duties as the chief medical officer of a hospital in this state would have in regard to submission of reports to the court, retention of custody, transfer, convalescent leave or discharge.

2. Jurisdiction is retained in the court to maintain surveillance of the person's treatment and care, and at any time to inquire into that person's mental condition and the need for continued hospitalization or care and custody.

[C27, 31, 35, §3562-b1; C39, §**3562.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §229.20; C77, 79, 81, §229.28]

2001 Acts, ch 155, §39; 2009 Acts, ch 26, §10

Referred to in §229.30

**229.29 Transfer to certain federal facilities.**

1. Upon receipt of a certificate stating that any person involuntarily hospitalized under this chapter is eligible for care and treatment in a facility operated by the United States department of veterans affairs or another agency of the United States government which is willing to receive the person without charge to the state of Iowa or any county in the state, the chief medical officer may transfer the person to that facility. Upon so doing, the chief medical officer shall notify the court which ordered the person's hospitalization in the same manner as would be required in the case of a transfer under section 229.15, subsection 5, and the person transferred shall be entitled to the same rights as the person would have under that subsection.

2. No person shall be transferred under this section who is confined pursuant to conviction of a public offense or whose hospitalization was ordered upon contention of incompetence

to stand trial by reason of mental illness, without prior approval of the court which ordered that person's hospitalization.

[C27, 31, 35, §3562-b1; C39, §**3562.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §229.20; C77, 79, 81, §229.29]

2009 Acts, ch 26, §11

**229.30 Orders of courts in other states.**

A judgment or order of hospitalization or commitment by a court of competent jurisdiction of another state or the District of Columbia, under which any person is hospitalized or placed in a facility operated by the United States department of veterans affairs or another agency of the United States government, shall have the same force and effect with respect to that person while the person is in this state as the judgment or order would have if the person were in the jurisdiction of the court which issued it. That court shall be deemed to have retained jurisdiction of the person so hospitalized or placed for the purpose of inquiring into that person's mental condition and the need for continued hospitalization or care and custody, as do courts in this state under section 229.28. Consent is hereby given to the application of the law of the state or district in which is situated the court which issued the judgment or order as regards authority of the chief officer of any facility, operated in this state by the United States department of veterans affairs or another agency of the United States government, to retain custody, transfer, place on convalescent leave or discharge the person so hospitalized or committed.

[C27, 31, 35, §3562-b1; C39, §**3562.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §229.20; C77, 79, 81, §229.30]

2009 Acts, ch 26, §12

**229.31 Commission of inquiry.**

A sworn complaint, alleging that a named person is not seriously mentally impaired and is unjustly deprived of liberty in any hospital in the state, may be filed by any person with the clerk of the district court of the county in which such named person is so confined, or of the county in which such named person is a resident. Upon receiving the complaint, a judge of that court shall appoint a commission of not more than three persons to inquire into the truth of the allegations. One of the commissioners shall be a physician and if additional commissioners are appointed, one of the additional commissioners shall be a lawyer.

[C73, §1442; C97, §2304; C24, 27, 31, 35, 39, §**3571;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §229.31]

2012 Acts, ch 1120, §103, 130

Referred to in §229.36

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**229.32 Duty of commission.**

Said commission shall at once proceed to the place where said person is confined and make a thorough and discreet examination for the purpose of determining the truth of said allegations and shall promptly report its findings to said judge in writing. Said report shall be accompanied by a written statement of the case signed by the chief medical officer of the hospital in which the person is confined.

[C73, §1442; C97, §2304; C24, 27, 31, 35, 39, §**3572;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §229.32]

Referred to in §229.36

**229.33 Hearing.**

If, on such report and statement, and the hearing of testimony if any is offered, the judge shall find that such person is not seriously mentally impaired, the judge shall order the

person's discharge; if the contrary, the judge shall so state, and authorize the continued detention of the person, subject to all applicable requirements of this chapter.

[C73, §1442; C97, §2304; C24, 27, 31, 35, 39, §**3573;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §229.33]

97 Acts, ch 23, §17

Referred to in §229.36

**229.34 Finding and order filed.**

The finding and order of the judge, with the report and other papers, shall be filed in the office of the clerk of the court where the complaint was filed. Said clerk shall enter a memorandum thereof on the appropriate record, and forthwith notify the chief medical officer of the hospital of the finding and order of the judge, and the chief medical officer shall carry out the order.

[C73, §1442; C97, §2304; C24, 27, 31, 35, 39, §**3574;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §229.34]

Referred to in §229.36

**229.35 Compensation — payment.**

Said commissioners shall be entitled to their necessary expenses and a reasonable compensation, to be allowed by the judge, who shall certify the same to the director of the department of administrative services who shall thereupon draw the proper warrants on any funds in the state treasury not otherwise appropriated. The applicant shall pay said costs and expenses if the judge shall so order on a finding that the complaint was filed without probable cause.

[C73, §1442; C97, §2304; C24, 27, 31, 35, 39, §**3575;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §229.35]

2003 Acts, ch 145, §286

Referred to in §8.59, 229.36

Appropriation limited for fiscal years beginning on or after July 1, 1993; see §8.59

**229.36 Limitation on proceedings.**

The proceeding authorized in sections 229.31 to 229.35, inclusive, shall not be had more often than once in six months regarding the same person; nor regarding any patient within six months after the patient's admission to the hospital.

[C73, §1443; C97, §2305; C24, 27, 31, 35, 39, §**3576;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §229.36]

2005 Acts, ch 3, §52

**229.37 Habeas corpus.**

All persons confined as seriously mentally impaired shall be entitled to the benefit of the writ of habeas corpus, and the question of serious mental impairment shall be decided at the hearing. If the judge shall decide that the person is seriously mentally impaired, such decision shall be no bar to the issuing of the writ a second time, whenever it shall be alleged that such person is no longer seriously mentally impaired.

[R60, §1441; C73, §1444; C97, §2306; C24, 27, 31, 35, 39, §**3577;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §229.37]

Constitutional provision, Iowa Constitution, Art. I, §13

Habeas corpus, chapter 663

**229.38 Cruelty or official misconduct.**

If any person having the care of a person with mental illness who has voluntarily entered a hospital or other facility for treatment or care, or who is responsible for psychiatric examination care, treatment, and maintenance of any person involuntarily hospitalized under sections 229.6 to 229.15, whether in a hospital or elsewhere, with or without proper authority, shall treat such patient with unnecessary severity, harshness, or cruelty, or in any way abuse the patient or if any person unlawfully detains or deprives of liberty any person with mental illness or any person who is alleged to have mental illness, or if any officer required by the provisions of this chapter and chapters 226 and 227, to perform any act shall

willfully refuse or neglect to perform the same, the offending person shall, unless otherwise provided, be guilty of a serious misdemeanor.

[C73, §1415, 1416, 1440, 1445; C97, §2307; C24, 27, 31, 35, 39, §**3578;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §229.38]

96 Acts, ch 1129, §59

**229.39 Status of persons hospitalized under former law.**

1. Each person admitted or committed to a hospital for treatment of mental illness on or before December 31, 1975 who remained so hospitalized, or was on convalescent leave or was receiving care in another facility on transfer from such hospitalization, on or after January 1, 1976 shall be considered to have been hospitalized under this chapter, and its provisions shall apply to each such person on and after the effective date of this section, except as otherwise provided by subsection 3.

2. Hospitalization of a person for treatment of mental illness, either voluntary or involuntary, on or before December 31, 1975 does not constitute a finding nor equate with nor raise a presumption of incompetency, nor cause the person hospitalized to be deemed a person of unsound mind nor a person under legal disability for any purpose, including but not limited to the circumstances enumerated in section 229.27, subsection 1. This subsection does not invalidate any specific declaration of incompetence of a person hospitalized if the declaration was made pursuant to a separate procedure authorized by law for that purpose, and did not result automatically from the person's hospitalization.

3. Where a person was hospitalized involuntarily for treatment of mental illness on or before December 31, 1975 and remained so hospitalized, or was on convalescent leave or was receiving care in another facility on transfer from such hospitalization, on or after January 1, 1976, but was subsequently discharged prior to July 1, 1978, this section shall not be construed to require:

*a.* The filing after July 1, 1978, of any report relative to that person's status which would have been required to be filed prior to said date if that person had initially been hospitalized under this chapter as amended by 1975 Iowa Acts, ch. 139, sections 1 to 30.

*b.* That legal proceedings be taken under this chapter, as so amended, to clarify the status of the person so hospitalized, unless that person or the district court considers such proceedings necessary in a particular case to appropriately conclude the matter.

[C79, 81, §229.39]

2011 Acts, ch 34, §56

**229.40 Rules for proceedings.**

Proceedings under this chapter are subject to rules prescribed by the supreme court under section 602.4201.

[C79, 81, §229.40]

83 Acts, ch 186, §10053, 10201

Rules adopted by the Supreme Court are published in the compilation "Iowa Court Rules"

**229.41 Voluntary admission.**

Persons making application pursuant to section 229.2 on their own behalf or on behalf of another person who is under eighteen years of age, if the person whose admission is sought is received for observation and treatment on the application, shall be required to pay the costs of hospitalization at rates established by the administrator. The costs may be collected weekly in advance and shall be payable at the business office of the hospital. The collections shall be remitted to the department of human services monthly to be credited to the general fund of the state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §229.41]

2000 Acts, ch 1112, §39; 2001 Acts, ch 155, §21

Referred to in §225C.16, 229.2, 229.42

**229.42 Costs paid by county.**

1. If a person wishing to make application for voluntary admission to a mental hospital established by chapter 226 is unable to pay the costs of hospitalization or those responsible

for the person are unable to pay the costs, application for authorization of voluntary admission must be made through a central point of coordination process* before application for admission is made to the hospital. The person's county of residence shall be determined through the central point of coordination process* and if the admission is approved through the central point of coordination process,* the person's admission to a mental health hospital shall be authorized as a voluntary case. The authorization shall be issued on forms provided by the administrator. The costs of the hospitalization shall be paid by the county of residence to the department of human services and credited to the general fund of the state, provided that the mental health hospital rendering the services has certified to the county auditor of the county of residence the amount chargeable to the county and has sent a duplicate statement of the charges to the department of human services. A county shall not be billed for the cost of a patient unless the patient's admission is authorized through the central point of coordination process.* The mental health institute and the county shall work together to locate appropriate alternative placements and services, and to educate patients and family members of patients regarding such alternatives.

2. All the provisions of chapter 230 shall apply to such voluntary patients so far as is applicable.

3. The provisions of this section and of section 229.41 shall apply to all voluntary inpatients or outpatients receiving mental health services either away from or at the institution.

4. If a county fails to pay the billed charges within forty-five days from the date the county auditor received the certification statement from the superintendent, the department of human services shall charge the delinquent county the penalty of one percent per month on and after forty-five days from the date the county received the certification statement until paid. The penalties received shall be credited to the general fund of the state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §229.42]

96 Acts, ch 1183, §23; 97 Acts, ch 169, §6; 98 Acts, ch 1218, §73; 2001 Acts, ch 155, §22; 2002 Acts, ch 1050, §21; 2004 Acts, ch 1090, §33; 2012 Acts, ch 1120, §104, 130

Referred to in §225C.16, 229.2, 331.381, 331.502

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**229.43 Nonresident patients.**

The administrator may place patients of mental health institutes who are nonresidents on convalescent leave to a private sponsor or in a health care facility licensed under chapter 135C, when in the opinion of the administrator the placement is in the best interests of the patient and the state of Iowa. If the patient was involuntarily hospitalized, the district court which ordered hospitalization of the patient must be informed when the patient is placed on convalescent leave, as required by section 229.15, subsection 5.

[C24, 27, 31, 35, 39, §**3446;** C46, 50, 54, 58, 62, §222.36; C66, 71, 73, 75, 77, 79, 81, §229.43]

2000 Acts, ch 1112, §40; 2012 Acts, ch 1120, §105, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**229.44 Venue.**

1. Venue for hospitalization proceedings shall be in the county where the respondent is found, unless the matter is transferred pursuant to Iowa court rule 12.15 for the involuntary hospitalization of persons with mental illness, in which case venue shall be in the county where the matter is transferred for hearing.

2. After an order is entered pursuant to section 229.13 or 229.14, the court may transfer proceedings to the court of any county having venue at any further stage in the proceeding as follows:

*a.* When it appears that the best interests of the respondent or the convenience of the parties will be served by a transfer, the court may transfer the case to the court of the county of the respondent's residence.

*b.* When it appears that the best interests of the respondent or the convenience of the

parties will be served by a transfer, the court may transfer the case to the court of the county where the respondent is found.

3. If a proceeding is transferred, the court shall contact the court in the county which is to be the recipient of the transfer before entering the order to transfer the case. The court shall then transfer the case by ordering a transfer of the matter to the recipient county, by ordering a continuance of the matter in the transferring county, and by forwarding to the clerk of the receiving court a certified copy of all papers filed, together with the order of transfer. The referee of the receiving court may accept the filings of the transferring court or may direct the filing of a new application and may hear the case anew.

92 Acts, ch 1165, §7; 96 Acts, ch 1079, §9; 96 Acts, ch 1129, §113

**229.45 Provision of summary of procedures to applicant in involuntary commitment.**

The department of human services, in consultation with the office of attorney general, shall develop a summary of the procedures involved in an involuntary commitment and information concerning the participation of an applicant in the proceedings. The summary shall be provided by the department, at the department's expense, to the clerks of the district court who shall make the summary available to all applicants prior to the filing of a verified application, or to any other person upon request, and who shall attach a copy of the summary to the notice of hearing which is served upon the respondent under section 125.77 or 229.7. The summary may include, but is not limited to, the following:

1. The statutory criteria for ordering that a person be involuntarily committed under chapter 125 or sections 229.11 and 229.13.

2. A description of the hearing process.

3. An explanation of the applicant's right to testify and examples of the kinds of relevant information which may be introduced at the hearing.

4. An explanation of the duties of the county attorney in civil commitment proceedings.

94 Acts, ch 1024, §1

**229.46 through 229.49** Reserved.

**229.50 through 229.53** Repealed by 82 Acts, ch 1212, § 28.

# CHAPTER 229A

## COMMITMENT OF SEXUALLY VIOLENT PREDATORS

Referred to in §13B.4, 81.2, 158.2, 226.1, 235A.15, 235A.18, 692A.114, 811.1, 815.9, 815.10, 815.11, 901A.2, 915.45

Notice to victims of discharge of committed person, see §915.45


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**229A.1 Legislative findings.**

The general assembly finds that a small but extremely dangerous group of sexually violent predators exists which is made up of persons who do not have a mental disease or defect that renders them appropriate for involuntary treatment pursuant to the treatment provisions for mentally ill persons under chapter 229, since that chapter is intended to provide short-term treatment to persons with serious mental disorders and then return them to the community. In contrast to persons appropriate for civil commitment under chapter 229, sexually violent predators generally have antisocial personality features that are unamenable to existing mental illness treatment modalities and that render them likely to engage in sexually violent behavior. The general assembly finds that sexually violent predators' likelihood of engaging in repeat acts of predatory sexual violence is high and that the existing involuntary commitment procedure under chapter 229 is inadequate to address the risk these sexually violent predators pose to society.

The general assembly further finds that the prognosis for rehabilitating sexually violent predators in a prison setting is poor, because the treatment needs of this population are very long-term, and the treatment modalities for this population are very different from the traditional treatment modalities available in a prison setting or for persons appropriate for commitment under chapter 229. Therefore, the general assembly finds that a civil commitment procedure for the long-term care and treatment of the sexually violent predator is necessary. The procedures regarding sexually violent predators should reflect legitimate public safety concerns, while providing treatment services designed to benefit sexually violent predators who are civilly committed. The procedures should also reflect the need to protect the public, to respect the needs of the victims of sexually violent offenses, and to encourage full, meaningful participation of sexually violent predators in treatment programs.

98 Acts, ch 1171, §1; 2002 Acts, ch 1139, §1, 27

**229A.2 Definitions.**

As used in this chapter:

1. *"Agency with jurisdiction"* means an agency which has custody of or releases a person serving a sentence or term of confinement or is otherwise in confinement based upon a lawful order or authority, and includes but is not limited to the department of corrections, the department of human services, a judicial district department of correctional services, and the Iowa board of parole.

2. *"Appropriate secure facility"* means a state facility that is designed to confine but not necessarily to treat a sexually violent predator.

3. *"Discharge"* means an unconditional discharge from the sexually violent predator program. A person released from a secure facility into a transitional release program or released with or without supervision is not considered to be discharged.

4. *"Likely to engage in predatory acts of sexual violence"* means that the person more likely than not will engage in acts of a sexually violent nature. If a person is not confined at the time that a petition is filed, a person is *"likely to engage in predatory acts of sexual violence"* only if the person commits a recent overt act.

5. *"Mental abnormality"* means a congenital or acquired condition affecting the emotional or volitional capacity of a person and predisposing that person to commit sexually violent offenses to a degree which would constitute a menace to the health and safety of others.

6. *"Predatory"* means acts directed toward a person with whom a relationship has been established or promoted for the primary purpose of victimization.

7. *"Recent overt act"* means any act that has either caused harm of a sexually violent nature or creates a reasonable apprehension of such harm.

8. *"Safekeeper"* means a person who is confined in an appropriate secure facility pursuant to this chapter but who is not subject to an order of commitment pursuant to this chapter.

9. *"Sexually motivated"* means that one of the purposes for commission of a crime is the purpose of sexual gratification of the perpetrator of the crime.

10. *"Sexually violent offense"* means:

*a.* A violation of any provision of chapter 709.

*b.* A violation of any of the following if the offense involves sexual abuse, attempted sexual abuse, or intent to commit sexual abuse:

(1) Murder as defined in section 707.1.

(2) Kidnapping as defined in section 710.1.

(3) Burglary as defined in section 713.1.

(4) Child endangerment under section 726.6, subsection 1, paragraph *"e"*.

*c.* Sexual exploitation of a minor in violation of section 728.12, subsection 1.

*d.* Pandering involving a minor in violation of section 725.3, subsection 2.

*e.* An offense involving an attempt or conspiracy to commit any offense referred to in this subsection.

*f.* An offense under prior law of this state or an offense committed in another jurisdiction which would constitute an equivalent offense under paragraphs *"a"* through *"e"*.

*g.* Any act which, either at the time of sentencing for the offense or subsequently during civil commitment proceedings pursuant to this chapter, has been determined beyond a reasonable doubt to have been sexually motivated.

11. *"Sexually violent predator"* means a person who has been convicted of or charged with a sexually violent offense and who suffers from a mental abnormality which makes the person likely to engage in predatory acts constituting sexually violent offenses, if not confined in a secure facility.

12. *"Transitional release"* means a conditional release from a secure facility operated by the department of human services with the conditions of such release set by the court or the department of human services.

98 Acts, ch 1171, §2; 99 Acts, ch 61, §1, 14; 2002 Acts, ch 1139, §2, 27; 2007 Acts, ch 91, §1; 2010 Acts, ch 1074, §1

Referred to in §692A.101, 901A.1

**229A.3 Notice of discharge of sexually violent predator — immunity from liability — multidisciplinary team — prosecutor's review committee — assessment of person.**

1. When it appears that a person who is confined may meet the definition of a sexually violent predator, the agency with jurisdiction shall give written notice to the attorney general and the multidisciplinary team established in subsection 4, no later than ninety days prior to any of the following events:

*a.* The anticipated discharge of a person who has been convicted of a sexually violent offense from total confinement, except that in the case of a person who is returned to prison for no more than ninety days as a result of revocation of parole, written notice shall be given as soon as practicable following the person's readmission to prison.

*b.* The discharge of a person who has been charged with a sexually violent offense and who has been determined to be incompetent to stand trial pursuant to chapter 812.

*c.* The discharge of a person who has been found not guilty by reason of insanity of a sexually violent offense.

2. If notice is given under subsection 1, the agency with jurisdiction shall inform the attorney general and the multidisciplinary team established in subsection 4, of both of the following:

*a.* The person's name, identifying factors, anticipated future residence, and offense history.

*b.* Documentation of any institutional evaluation and any treatment received.

3. The agency with jurisdiction, its employees, officials, members of the multidisciplinary team established in subsection 4, members of the prosecutor's review committee appointed as provided in subsection 5, and individuals contracting, appointed, or volunteering to perform services under this section shall be immune from liability for any good-faith conduct under this section.

4. The director of the department of corrections shall establish a multidisciplinary team which may include individuals from other state agencies to review available records of each person referred to such team pursuant to subsection 1. The team, within thirty days of receiving notice, shall assess whether or not the person meets the definition of a sexually violent predator. The team shall notify the attorney general of its assessment.

5. The attorney general shall appoint a prosecutor's review committee to review the records of each person referred to the attorney general pursuant to subsection 1. The prosecutor's review committee shall assist the attorney general in the determination of whether or not the person meets the definition of a sexually violent predator. The assessment of the multidisciplinary team shall be made available to the attorney general and the prosecutor's review committee.

98 Acts, ch 1171, §3

Referred to in §229A.5A, 229A.14

**229A.4 Petition, time, contents.**

1. If it appears that a person presently confined may be a sexually violent predator and the prosecutor's review committee has determined that the person meets the definition of a sexually violent predator, the attorney general may file a petition alleging that the person is a sexually violent predator and stating sufficient facts to support such an allegation.

2. A prosecuting attorney of the county in which the person was convicted or charged, or the attorney general if requested by the prosecuting attorney, may file a petition alleging that a person is a sexually violent predator and stating sufficient facts to support such an allegation, if it appears that a person who has committed a recent overt act meets any of the following criteria:

*a.* The person was convicted of a sexually violent offense and has been discharged after the completion of the sentence imposed for the offense.

*b.* The person was charged with, but was acquitted of, a sexually violent offense by reason of insanity and has been released from confinement or any supervision.

*c.* The person was charged with, but was found to be incompetent to stand trial for, a sexually violent offense and has been released from confinement or any supervision.

98 Acts, ch 1171, §4; 99 Acts, ch 61, §2, 14

Referred to in §229A.5, 229A.6

**229A.5 Person taken into custody, determination of probable cause, hearing, evaluation.**

1. Upon filing of a petition under section 229A.4, the court shall make a preliminary determination as to whether probable cause exists to believe that the person named in the petition is a sexually violent predator. Upon a preliminary finding of probable cause, the court shall direct that the person named in the petition be taken into custody and that the person be served with a copy of the petition and any supporting documentation and notice of the procedures required by this chapter. If the person is in custody at the time of the filing of the petition, the court shall determine whether a transfer of the person to an appropriate secure facility is appropriate pending the outcome of the proceedings or whether the custody order should be delayed until the date of release of the person.

2. Within seventy-two hours after being taken into custody or being transferred to an appropriate secure facility, a hearing shall be held to determine whether probable cause exists to believe the detained person is a sexually violent predator. The hearing may be waived by the respondent. The hearing may be continued upon the request of either party and a showing of good cause, or by the court on its own motion in the due administration of justice, and if

the respondent is not substantially prejudiced. At the probable cause hearing, the detained person shall have the following rights:

*a.* To be provided with prior notice of date, time, and location of the probable cause hearing.

*b.* To respond to the preliminary finding of probable cause.

*c.* To appear in person at the hearing.

*d.* To be represented by counsel.

*e.* To present evidence on the respondent's own behalf.

*f.* To cross-examine witnesses who testify against the respondent.

*g.* To view and copy all petitions and reports in the possession of the court.

3. At the hearing, the rules of evidence do not apply, and the state may rely solely upon the petition filed under subsection 1, but the state may also supplement the petition with additional documentary evidence or live testimony.

4. At the conclusion of the hearing, the court shall enter an order which does both of the following:

*a.* Verifies the respondent's identity.

*b.* Determines whether probable cause exists to believe that the respondent is a sexually violent predator.

5. If the court determines that probable cause does exist, the court shall direct that the respondent be transferred to an appropriate secure facility for an evaluation as to whether the respondent is a sexually violent predator. The evaluation shall be conducted by a person deemed to be professionally qualified to conduct such an examination.

98 Acts, ch 1171, §5; 99 Acts, ch 61, §3, 4, 14; 2002 Acts, ch 1139, §3, 27

Referred to in §229A.5B, 229A.5C, 229A.6A, 229A.7, 229A.12A, 811.1

**229A.5A Powers of investigative personnel before a petition is filed.**

1. The prosecuting attorney or attorney general is authorized upon the occurrence of a recent overt act, or upon receiving written notice pursuant to section 229A.3, or before the filing of a petition under this chapter, to subpoena and compel the attendance of witnesses, examine the witnesses under oath, and require the production of documentary evidence for inspection, reproduction, or copying. Except as otherwise provided by this section, the prosecuting attorney or attorney general shall have the same powers and limitations, subject to judicial oversight and enforcement, as provided by this chapter and by the Iowa rules of civil procedure. Any person compelled to appear under a demand for oral testimony under this section may be accompanied, represented, and advised by counsel at the person's own expense.

2. The examination of all witnesses under this section shall be conducted by the prosecuting attorney or attorney general before an officer authorized to administer oaths under section 63A.1. The testimony shall be taken by a certified shorthand reporter or by a sound recording device and shall be transcribed or otherwise preserved in the same manner as provided for the preservation of depositions under the Iowa rules of civil procedure. The prosecuting attorney or attorney general may exclude from the examination all persons except the witness, witness's counsel, the officer before whom the testimony is to be taken, law enforcement officials, and a certified shorthand reporter. Prior to oral examination, the person shall be advised by the prosecuting attorney or attorney general of the person's right to refuse to answer any questions on the basis of the privilege against self-incrimination. The examination shall be conducted in a manner consistent with the rules dealing with the taking of depositions.

99 Acts, ch 61, §5, 14; 2000 Acts, ch 1058, §23

**229A.5B Escape from custody — penalty.**

1. A person who is detained pursuant to section 229A.5 or is subject to an order of civil commitment under this chapter shall remain in custody unless released by court order or discharged under section 229A.8 or 229A.10. A person who has been placed in a transitional release program or who is under release with or without supervision is considered to be in custody. A person in custody under this chapter shall not do any of the following:

*a.* Leave or attempt to leave a facility without the accompaniment of authorized personnel or leave or attempt to leave a facility without authorization.

*b.* Knowingly and voluntarily be absent from a place where the person is required to be present.

*c.* Leave or attempt to leave the custody of personnel transporting or guarding the person while the person is away from a facility.

2. A person who violates subsection 1 commits a simple misdemeanor or may be subject to punishment for contempt.

3. If a person commits a violation of subsection 1 and remains unconfined, the attorney general or the chief law enforcement officer of the political subdivision where the violation occurs may make a public announcement that the person is unconfined and may provide relevant information about the person to the community. The attorney general may also notify a victim or the family of a victim of the person that the person is unconfined.

4. This section shall not be construed to prohibit the use of other lawful means for the return of the person.

2001 Acts, ch 27, §1; 2002 Acts, ch 1139, §4, 27

Referred to in §229A.8A

**229A.5C Criminal offenses committed while detained or subject to an order of commitment.**

1. If a person who is detained pursuant to section 229A.5 or who is subject to an order of civil commitment under this chapter commits a public offense, the civil commitment proceedings or treatment process shall be suspended until the criminal proceedings, including any term of confinement, are completed. The person shall also not be eligible for bail pursuant to section 811.1.

2. Upon the filing of a complaint, indictment, or information, the person shall be transferred to the county jail in the county where the public offense occurred until the criminal proceedings have been completed. If the person is sentenced to a term of confinement in a county jail, the person shall serve the sentence at the county jail. If the person is sentenced to the custody of the director of the department of corrections, the person shall serve the sentence at a correctional institution.

3. A person who is subject to an order of civil commitment under this chapter shall not be released from jail or paroled or released to a facility or program located outside the county jail or correctional institution other than to a secure facility operated by the department of human services.

4. A person who committed a public offense while in a transitional release program or on release with or without supervision may be returned to a secure facility operated by the department of human services upon completion of any term of confinement that resulted from the commission of the public offense.

5. If the civil commitment proceedings for a person are suspended due to the commission of a public offense by the person, the ninety-day trial demand lapses. Upon completion of any term of confinement that resulted from the commission of the public offense, a new ninety-day trial demand automatically begins.

2002 Acts, ch 1139, §5, 27

**229A.5D Medical treatment.**

A safekeeper is entitled to necessary medical treatment.

2002 Acts, ch 1139, §6, 27

**229A.6 Counsel and experts, indigent persons.**

1. A respondent to a petition alleging the person to be a sexually violent predator shall be entitled to the assistance of counsel upon the filing of the petition under section 229A.4 and, if the respondent is indigent, the court shall appoint counsel to assist the respondent at state expense.

2. If a respondent is subjected to an examination under this chapter, the respondent may retain experts or professional persons to perform an independent examination on

the respondent's behalf. If the respondent wishes to be examined by a qualified expert or professional person of the respondent's own choice, the examiner of the respondent's choice shall be given reasonable access to the respondent for the purpose of the examination, as well as access to all relevant medical and psychological records and reports. If the respondent is indigent, the court, upon the respondent's request, shall determine whether the services are necessary and the reasonable compensation for the services. If the court determines that the services are necessary and the requested compensation for the services is reasonable, the court shall assist the respondent in obtaining an expert or professional person to perform an examination or participate in the trial on the respondent's behalf. The court shall approve payment for such services upon the filing of a certified claim for compensation supported by a written statement specifying the time expended, services rendered, expenses incurred on behalf of the respondent, and compensation received in the same case or for the same services from any other source.

98 Acts, ch 1171, §6

**229A.6A Transport orders.**

1. A person who has been detained prior to trial pursuant to section 229A.5 or who has been civilly committed may be transported for the following purposes:

*a.* To trial and any other court proceedings if the court has authorized a transport order. A transport order may only be requested by the court, the person's attorney, or the attorney general. Transportation shall be provided by the sheriff of the county in which the action has been brought, unless the court specifies otherwise or the parties agree to a different transportation arrangement. If a transport order is not authorized, the person may appear at any court proceedings other than trial by telephone or electronic means.

*b.* To a medical facility for medical treatment, if necessary medical treatment is not available at the facility where the person is confined. A transport order is not required to transport the person for medical treatment. However, the person is not entitled to choose the medical facility where treatment is to be obtained or the medical personnel to provide the treatment. Transportation of a committed person shall be provided by the sheriff of the county in which the person is confined if requested by the department of human services.

*c.* To a medical, psychological, or psychiatric evaluation. A person shall not be transported to another facility for evaluation without a court order. When a transportation order is requested under this paragraph, notice must be provided to the opposing party, and the opposing party must be given a reasonable amount of time to object to the issuance of such an order. The cost of the transportation shall be paid by the party who requests the order.

*d.* To a facility for placement or treatment in a transitional release program or for release with or without supervision. A transport order is not required under this paragraph.

2. This section shall not be construed to grant a person the right to personally appear at all court proceedings under this chapter.

2002 Acts, ch 1139, §7, 27

**229A.7 Trial, determination, commitment procedure, chapter 28E agreements, mistrials.**

1. If the person charged with a sexually violent offense has been found incompetent to stand trial and the person is about to be released pursuant to chapter 812, or if a petition has been filed seeking the person's commitment under this chapter, the court shall first hear evidence and determine whether the person did commit the act or acts charged. At the hearing on this issue, the rules of evidence applicable in criminal cases shall apply, and all constitutional rights available to defendants at criminal trials, other than the right not to be tried while incompetent, shall apply. After hearing evidence on this issue, the court shall make specific findings on whether the person did commit the act or acts charged, the extent to which the person's incompetence affected the outcome of the hearing, including its effect on the person's ability to consult with and assist counsel and to testify on the person's own behalf, the extent to which the evidence could be reconstructed without the assistance of the person, and the strength of the prosecution's case. If, after the conclusion of the hearing on

this issue, the court finds, beyond a reasonable doubt, that the person did commit the act or acts charged, the court shall enter a final order, appealable by the person, on that issue, and may proceed to consider whether the person should be committed pursuant to this chapter.

2. If a person has been found not guilty by reason of insanity, the court shall determine whether the acts charged were proven as a matter of law. If as a matter of law the finding of not guilty by reason of insanity requires a finding that the underlying elements of the charged offense were proven, then no further fact-finding is required. If as a matter of law the finding of not guilty by reason of insanity does not require a finding that the underlying elements of the charged offense be proven, the case shall proceed in the same manner as if the person were found to be incompetent to stand trial as provided in subsection 1.

3. Within ninety days after either the entry of the order waiving the probable cause hearing or completion of the probable cause hearing held under section 229A.5, the court shall conduct a trial to determine whether the respondent is a sexually violent predator. The respondent or the attorney for the respondent may waive the ninety-day trial requirement as provided in this section; however, the respondent or the attorney for the respondent may reassert a demand and the trial shall be held within ninety days from the date of filing the demand with the clerk of court. The trial may be continued upon the request of either party and a showing of good cause, or by the court on its own motion in the due administration of justice, and when the respondent will not be substantially prejudiced. In determining what constitutes good cause, the court shall consider the length of the pretrial detention of the respondent.

4. The respondent, the attorney general, or the judge shall have the right to demand that the trial be before a jury. Such demand for the trial to be before a jury shall be filed, in writing, at least ten days prior to trial. If no demand is made, the trial shall be before the court. Except as otherwise provided, the Iowa rules of evidence and the Iowa rules of civil procedure shall apply to all civil commitment proceedings initiated pursuant to this chapter.

5. *a.* At trial, the court or jury shall determine whether, beyond a reasonable doubt, the respondent is a sexually violent predator. If the case is before a jury, the verdict shall be unanimous that the respondent is a sexually violent predator.

*b.* If the court or jury determines that the respondent is a sexually violent predator, the respondent shall be committed to the custody of the director of the department of human services for control, care, and treatment until such time as the person's mental abnormality has so changed that the person is safe to be placed in a transitional release program or discharged. The determination may be appealed.

6. If the court or jury determines that the respondent is a sexually violent predator, the court shall order the respondent to submit a DNA sample for DNA profiling pursuant to section 81.4.

7. The control, care, and treatment of a person determined to be a sexually violent predator shall be provided at a facility operated by the department of human services. At all times prior to placement in a transitional release program or release with or without supervision, persons committed for control, care, and treatment by the department of human services pursuant to this chapter shall be kept in a secure facility and those patients shall be segregated at all times from any other patient under the supervision of the department of human services. A person committed pursuant to this chapter to the custody of the department of human services may be kept in a facility or building separate from any other patient under the supervision of the department of human services. The department of human services may enter into a chapter 28E agreement with the department of corrections or other appropriate agency in this state or another state for the confinement of patients who have been determined to be sexually violent predators. Patients who are in the custody of the director of the department of corrections pursuant to a chapter 28E agreement and who have not been placed in a transitional release program or released with or without supervision shall be housed and managed separately from criminal offenders in the custody of the director of the department of corrections, and except for occasional instances of supervised incidental contact, shall be segregated from those offenders.

8. If the court makes the determination or the jury determines that the respondent is not a sexually violent predator, the court shall direct the respondent's release. Upon release,

the respondent shall comply with any requirements to register as a sex offender as provided in chapter 692A. Upon a mistrial, the court shall direct that the respondent be held at an appropriate secure facility until another trial is conducted. Any subsequent trial following a mistrial shall be held within ninety days of the previous trial, unless such subsequent trial is continued or the ninety days are waived as provided in subsection 3.

98 Acts, ch 1171, §7; 99 Acts, ch 61, §6, 7, 14; 2000 Acts, ch 1058, §24; 2002 Acts, ch 1139, §8, 9, 27; 2004 Acts, ch 1060, §1, 2; 2004 Acts, ch 1084, §2; 2005 Acts, ch 158, §11, 19; 2009 Acts, ch 41, §228

Referred to in §81.1

**229A.8 Annual examinations and review — discharge or transitional release petitions by persons committed.**

1. Upon civil commitment of a person pursuant to this chapter, a rebuttable presumption exists that the commitment should continue. The presumption may be rebutted when facts exist to warrant a hearing to determine whether a committed person no longer suffers from a mental abnormality which makes the person likely to engage in predatory acts constituting sexually violent offenses if discharged, or the committed person is suitable for placement in a transitional release program.

2. A person committed under this chapter shall have a current examination of the person's mental abnormality made once every year. The person may retain, or if the person is indigent and so requests, the court may appoint a qualified expert or professional person to examine such person, and such expert or professional person shall be given access to all records concerning the person.

3. The annual report shall be provided to the court that committed the person under this chapter. The court shall conduct an annual review and, if warranted, set a final hearing on the status of the committed person. The annual review may be based only on written records.

4. Nothing contained in this chapter shall prohibit the person from otherwise petitioning the court for discharge or placement in a transitional release program at the annual review. The director of human services shall provide the committed person with an annual written notice of the person's right to petition the court for discharge or placement in a transitional release program without authorization from the director. The notice shall contain a waiver of rights. The director shall forward the notice and waiver form to the court with the annual report.

5. The following provisions apply to an annual review:

*a.* The committed person shall have a right to have an attorney represent the person but the person is not entitled to be present at the hearing, if a hearing is held.

*b.* The Iowa rules of evidence do not apply.

*c.* The committed person may waive an annual review or may stipulate that the commitment should continue for another year.

*d.* The court shall review the annual report of the state and the report of any qualified expert or professional person retained by or appointed for the committed person and may receive arguments from the attorney general and the attorney for the committed person if either requests a hearing. The request for a hearing must be in writing, within thirty days of the notice of annual review being provided to counsel for the committed person, or on motion by the court. Such a hearing may be conducted in writing without any attorneys present.

*e.* (1) The court shall consider all evidence presented by both parties at the annual review. The burden is on the committed person to prove by a preponderance of the evidence that there is relevant and reliable evidence to rebut the presumption of continued commitment, which would lead a reasonable person to believe a final hearing should be held to determine either of the following:

(a) The mental abnormality of the committed person has so changed that the person is not likely to engage in predatory acts constituting sexually violent offenses if discharged.

(b) The committed person is suitable for placement in a transitional release program pursuant to section 229A.8A.

(2) If the committed person shows by a preponderance of the evidence that a final hearing should be held on either determination under subparagraph (1), subparagraph division (a)

or (b), or both, the court shall set a final hearing within sixty days of the determination that a final hearing be held.

*f.* If at the time for the annual review the committed person has filed a petition for discharge or placement in a transitional release program with authorization from the director of human services, the court shall set a final hearing within ninety days of the authorization by the director, and no annual review shall be held.

*g.* If the committed person has not filed a petition, or has filed a petition for discharge or for placement in a transitional release program without authorization from the director of human services, the court shall first conduct the annual review as provided in this subsection.

*h.* Any petition can summarily be dismissed by the court as provided in section 229A.11.

*i.* If at the time of the annual review the committed person is in a secure facility and not in the transitional release program, the state shall have the right to demand that both determinations in paragraph "*e*" be submitted to the court or jury.

6. The following provisions shall apply to a final hearing:

*a.* The committed person shall be entitled to an attorney and is entitled to the benefit of all constitutional protections that were afforded the person at the original commitment proceeding. The committed person shall be entitled to a jury trial, if such a demand is made in writing and filed with the clerk of court at least ten days prior to the final hearing.

*b.* The committed person shall have the right to have experts evaluate the person on the person's behalf. The court shall appoint an expert if the person is indigent and requests an appointment.

*c.* The attorney general shall represent the state and shall have a right to demand a jury trial. The jury demand shall be filed, in writing, at least ten days prior to the final hearing.

*d.* The burden of proof at the final hearing shall be upon the state to prove beyond a reasonable doubt either of the following:

(1) The committed person's mental abnormality remains such that the person is likely to engage in predatory acts that constitute sexually violent offenses if discharged.

(2) The committed person is not suitable for placement in a transitional release program pursuant to section 229A.8A.

*e.* If the director of human services has authorized the committed person to petition for discharge or for placement in a transitional release program and the case is before a jury, testimony by a victim of a prior sexually violent offense committed by the person is not admissible. If the director has not authorized the petition or the case is before the court, testimony by a victim of a sexually violent offense committed by the person may be admitted.

*f.* If a mistrial is declared, the confinement or placement status of the committed person shall not change. After a mistrial has been declared, a new trial must be held within ninety days of the mistrial.

7. The state and the committed person may stipulate to a transfer to a transitional release program if the court approves the stipulation.

98 Acts, ch 1171, §8; 2002 Acts, ch 1139, §10, 27; 2009 Acts, ch 41, §229; 2009 Acts, ch 116, §1

Referred to in §229A.5B, 229A.9A

**229A.8A Transitional release.**

1. The department of human services is authorized to establish a transitional release program and provide control, care, and treatment, and supervision of committed persons placed in such a program.

2. A committed person is suitable for placement in the transitional release program if the court finds that all of the following apply:

*a.* The committed person's mental abnormality is no longer such that the person is a high risk to reoffend.

*b.* The committed person has achieved and demonstrated significant insights into the person's sex offending cycle.

*c.* The committed person has accepted responsibility for past behavior and understands the impact sexually violent crimes have upon a victim.

*d.* A detailed relapse prevention plan has been developed and accepted by the treatment

provider which is appropriate for the committed person's mental abnormality and sex offending history.

*e.* No major discipline reports have been issued for the committed person for a period of six months.

*f.* The committed person is not likely to escape or attempt to escape custody pursuant to section 229A.5B.

*g.* The committed person is not likely to engage in predatory acts constituting sexually violent offenses while in the program.

*h.* The placement is in the best interest of the committed person.

*i.* The committed person has demonstrated a willingness to agree to and abide by all rules of the program.

3. If the committed person does not agree to the conditions of release, the person is not eligible for the transitional release program.

4. A committed person who refuses to register as a sex offender is not eligible for placement in a transitional release program.

5. Committed persons in the transitional release program are not necessarily required to be segregated from other persons.

6. The department of human services shall be responsible for establishing and implementing the rules and directives regarding the location of the transitional release program, staffing needs, restrictions on confinement and the movement of committed persons, and for assessing the progress of committed persons in the program. The court may also impose conditions on a committed person placed in the program.

7. The department of human services may contract with other government or private agencies, including the department of corrections, to implement and administer the transitional release program.

2002 Acts, ch 1139, §11, 27; 2003 Acts, ch 44, §47; 2004 Acts, ch 1175, §463, 468
Referred to in §229A.8

**229A.8B Violations of transitional release.**

1. The treatment staff in a transitional release program may remove the committed person from the program for a violation of any rule or directive, and return the person to a secure facility. The treatment staff may request the district court to issue an emergency ex parte order directing any law enforcement officer to take the committed person into custody so that the person can be returned to a secure facility. The request for an ex parte order may be made orally or by telephone, but the original written request or a facsimile copy of the original request shall be filed with the clerk of court no later than four-thirty p.m. on the next business day the office of the clerk of court is open.

2. If a committed person absconds from a transitional release program in violation of the rules or directives, a presumption arises that the person poses a risk to public safety. The department of human services, in cooperation with local law enforcement agencies, may make a public announcement about the absconder. The public announcement may include a description of the committed person, that the person is in transitional release from the sexually violent predator program, and any other information important to public safety.

3. Upon the return of the committed person to a secure facility, the director of human services or the director's designee shall notify the court that issued the ex parte order that the absconder has been returned to a secure facility, and the court shall set a hearing within five days to determine if a violation occurred. If a court order was not issued, the director or the director's designee shall contact the nearest district court with jurisdiction to set a hearing to determine whether a violation of the rules or directives occurred. The court shall schedule a hearing within five days of receiving notice that the committed person has been returned from the transitional release program to a secure facility.

4. At the hearing, the burden shall be upon the attorney general to show by a preponderance of the evidence that a violation of the rules or directives occurred. The hearing shall be to the court.

5. If the court determines a violation occurred, the court shall either order the committed person to be returned to the transitional release program or to be confined in a secure

facility. The court may impose further conditions upon the committed person if returned to the transitional release program. If the court determines no violation occurred, the committed person shall be returned to the transitional release program.

2002 Acts, ch 1139, §12, 27

**229A.9 Detention and commitment to conform to constitutional requirements.**

The involuntary detention or commitment of persons under this chapter shall conform to constitutional requirements for care and treatment.

98 Acts, ch 1171, §9

**229A.9A Release with or without supervision.**

1. In any proceeding under section 229A.8, the court may order the committed person released with or without supervision if any of the following apply:

*a.* The attorney general stipulates to the release with or without supervision.

*b.* The court or jury has determined that the person should be discharged from the program, but the court has determined it is in the best interest of the community to order release with or without supervision before the committed person is discharged.

2. If release with or without supervision is ordered, the department of human services shall prepare within thirty days of the order of the court a release plan addressing the person's needs for counseling, medication, community support services, residential services, vocational services, alcohol or other drug abuse treatment, sex offender treatment, or any other treatment or supervision necessary.

3. The court shall set a hearing on the release plan prepared by the department of human services before the committed person is released from a secure facility or a transitional release program.

4. If the court orders release with supervision, the court shall order supervision by an agency with jurisdiction that is familiar with the placement of criminal offenders in the community. The agency with jurisdiction shall be responsible for initiating proceedings for violations of the release plan as provided in section 229A.9B. If the court orders release without supervision, the agency with jurisdiction shall also be responsible for initiating proceedings for any violations of the release plan as provided in section 229A.9B.

5. A committed person may not petition the court for release with or without supervision.

6. A committed person released with or without supervision is not considered discharged from civil commitment under this chapter.

7. After being released with or without supervision, the person may petition the court for discharge as provided in section 229A.8.

8. The court shall retain jurisdiction over the committed person who has been released with or without supervision until the person is discharged from the program. The department of human services shall not be held liable for any acts committed by a committed person who has been ordered released with or without supervision.

2002 Acts, ch 1139, §13, 27

**229A.9B Violations of release with or without supervision.**

1. If a committed person violates the release plan, the agency with jurisdiction over the person may request the district court to issue an emergency ex parte order directing any law enforcement officer to take the person into custody so that the person can be returned to a secure facility. The request for an ex parte order may be made orally or by telephone, but the original written request or a facsimile copy of the request shall be filed with the clerk of court no later than four-thirty p.m. on the next business day the office of the clerk of court is open.

2. If a committed person has absconded in violation of the conditions of the person's release plan, a presumption arises that the person poses a risk to public safety. The department of human services or contracting agency, in cooperation with local law enforcement agencies, may make a public announcement about the absconder. The public announcement may include a description of the committed person, that the committed person is on release with or without supervision from the sexually violent predator program, and any other information pertinent to public safety.

3. Upon the return of the committed person to a secure facility, the director of human services or the director's designee shall notify the court that issued the ex parte order that the committed person has been returned to a secure facility, and the court shall set hearing within five days to determine if a violation occurred. If a court order was not issued, the director or the director's designee shall contact the nearest district court with jurisdiction to set a hearing to determine whether a violation of the conditions of the release plan occurred. The court shall schedule a hearing within five days of receiving notice that the committed person has been returned to a secure facility.

4. At the hearing, the burden shall be upon the attorney general to show by a preponderance of the evidence that a violation of the release plan occurred.

5. If the court determines a violation occurred, the court shall receive release recommendations from the department of human services and either order that the committed person be returned to release with or without supervision or placed in a transitional release program, or be confined in a secure facility. The court may impose further conditions upon the committed person if returned to release with or without supervision or placed in the transitional release program. If the court determines no violation occurred, the committed person shall be returned to release with or without supervision.

2002 Acts, ch 1139, §14, 27

Referred to in §229A.9A

**229A.10 Petition for discharge — procedure.**

1. If the director of human services determines that the person's mental abnormality has so changed that the person is not likely to engage in predatory acts that constitute sexually violent offenses if discharged, the director shall authorize the person to petition the court for discharge. The petition shall be served upon the court and the attorney general. The court, upon receipt of the petition for discharge, shall order a hearing within thirty days. The attorney general shall represent the state, and shall have the right to have the petitioner examined by an expert or professional person of the attorney general's choice. The hearing shall be before a jury if demanded by either the petitioner or the attorney general. If the attorney general objects to the petition for discharge, the burden of proof shall be upon the attorney general to show beyond a reasonable doubt that the petitioner's mental abnormality or personality disorder remains such that the petitioner is likely to engage in predatory acts that constitute sexually violent offenses if discharged.

2. Upon a finding that the state has failed to meet its burden of proof under this section, the court shall authorize the committed person to be discharged.

98 Acts, ch 1171, §10; 99 Acts, ch 61, §8, 14; 2002 Acts, ch 1139, §15, 27; 2003 Acts, ch 44, §48

Referred to in §229A.5B

**229A.11 Subsequent discharge or transitional release petitions — limitations.**

Nothing in this chapter shall prohibit a person from filing a petition for discharge or placement in a transitional release program, pursuant to this chapter. However, if a person has previously filed a petition for discharge or for placement in a transitional release program without the authorization of the director of human services, and the court determines either upon review of the petition or following a hearing that the petition was frivolous or that the petitioner's condition had not so changed that the person was not likely to engage in predatory acts constituting sexually violent offenses if discharged, or was not suitable for placement in the transitional release program, then the court shall summarily deny the subsequent petition unless the petition contains facts upon which a court could find the condition of the petitioner had so changed that a hearing was warranted. Upon receipt of a first or subsequent petition from a committed person without the director's authorization, the court shall endeavor whenever possible to review the petition and determine if the petition is based upon frivolous grounds. If the court determines that a petition is frivolous, the court shall dismiss the petition without a hearing.

98 Acts, ch 1171, §11; 2002 Acts, ch 1139, §16, 27

Referred to in §229A.8

**229A.12 Director of human services — responsibility for costs — reimbursement.**

The director of human services shall be responsible for all costs relating to the evaluation, treatment, and services provided to a person that are incurred after the person is committed to the director's custody after the court or jury determines that the respondent is a sexually violent predator and pursuant to commitment under any provision of this chapter. If placement in a transitional release program or supervision is ordered, the director shall also be responsible for all costs related to the transitional release program or to the supervision and treatment of any person. Reimbursement may be obtained by the director from the patient and any person legally liable or bound by contract for the support of the patient for the cost of confinement or of care and treatment provided. To the extent allowed by the United States social security administration, any benefit payments received by the person pursuant to the federal Social Security Act shall be used for the costs incurred. As used in this section, *"any person legally liable"* does not include a political subdivision.

98 Acts, ch 1171, §12; 98 Acts, ch 1181, §26; 99 Acts, ch 61, §9, 14; 2002 Acts, ch 1139, §17, 27; 2005 Acts, ch 175, §99

**229A.12A Director of the department of corrections — responsibility for safekeeper.**

The director of the department of corrections shall have authority, once a person is detained pursuant to section 229A.5, to make a determination as to the appropriate secure facility within the department of corrections in which the safekeeper is to be placed, taking into consideration the safekeeper's medical needs and ability to interact with offenders who have been committed to the custody of the director of the department of corrections. The director has authority to determine the safekeeper's degree of segregation from offenders, including whether total segregation is appropriate under the circumstances or whether the safekeeper should be permitted to participate in normal confinement activities in the presence of offenders.

2002 Acts, ch 1139, §18, 27

**229A.13 Severability.**

If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provisions or application and, to this end, the provisions of this chapter are severable.

98 Acts, ch 1171, §14

**229A.14 Release of confidential or privileged information and records.**

Notwithstanding any provision in the Code regarding confidentiality to the contrary, any relevant information and records which would otherwise be confidential or privileged, except information subject to attorney-client privilege and attorney work product, shall be released to the agency with jurisdiction or the attorney general for the purpose of meeting the notice requirement provided in section 229A.3 and determining whether a person is or continues to be a sexually violent predator.

98 Acts, ch 1171, §15; 2002 Acts, ch 1139, §19, 27

**229A.15 Court records — sealed and opened by court order.**

Any psychological reports, drug and alcohol reports, treatment records, reports of any diagnostic center, medical records, or victim impact statements which have been submitted to the court or admitted into evidence under this chapter shall be part of the record but shall be sealed and opened only on order of the court.

98 Acts, ch 1171, §16

**229A.15A Civil protective order.**

A victim of a crime that was committed before the filing of a petition under this chapter by a safekeeper or by a person subjected to an order of civil commitment pursuant to this chapter,

may obtain a protective order against the safekeeper or person using the procedures set out in section 915.22.

2002 Acts, ch 1139, §20, 27

**229A.15B Rulemaking authority.**

The department of human services shall adopt rules pursuant to chapter 17A necessary to administer this chapter.

2002 Acts, ch 1139, §21, 27

**229A.16 Short title.**

This chapter shall be known and may be cited as the *"Sexually Violent Predator Act"*.

98 Acts, ch 1171, §17

# CHAPTER 230

## SUPPORT OF PERSONS WITH MENTAL ILLNESS

Referred to in §125.43, 226.8, 229.24, 229.42, 252.23, 331.381, 331.394, 904.201


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**230.1 Liability of county and state.**

1. The necessary and legal costs and expenses attending the taking into custody, care, investigation, admission, commitment, and support of a person with mental illness admitted or committed to a state hospital shall be paid by a county or by the state as follows:

*a.* If the person is eighteen years of age or older, by the person's county of residence.

*b.* By the state as a state case if such person has no residence in this state, if the person's residence is unknown, or if the person is under eighteen years of age.

2. The county of residence of any person with mental illness who is a patient of any state institution shall be the person's county of residence existing at the time of admission to the institution.

3. A county of residence is not liable for costs and expenses associated with a person with mental illness unless the costs and expenses are for services and other support authorized for the person through the central point of coordination process.* For the purposes of

this chapter, *"central point of coordination process"* means the same as defined in section 331.440.*

[C73, §1402; C97, §2270; S13, §2270; C24, 27, 31, 35, 39, §**3581;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.1]

96 Acts, ch 1129, §113; 96 Acts, ch 1183, §24; 98 Acts, ch 1181, §6, 7, 10; 2004 Acts, ch 1090, §33; 2012 Acts, ch 1120, §106, 130

*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending
2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130
Section amended

**230.2 Finding of residence.**

If a person's residency status is disputed, the residency shall be determined in accordance with section 331.394. Otherwise, the district court may, when the person is ordered placed in a hospital for psychiatric examination and appropriate treatment, or as soon thereafter as the court obtains the proper information, determine and enter of record whether the residence of the person is in a county or the person is deemed to be a state case, as follows:

1. In the county from which the person was placed in the hospital.
2. In another county of the state.
3. In a foreign state or country and deemed to be a state case.
4. Unknown and deemed to be a state case.

[C24, 27, 31, 35, 39, §**3582;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.2]

2004 Acts, ch 1090, §44; 2012 Acts, ch 1120, §107, 130

Referred to in §230.4, 230.5
Acquisition of legal settlement; see §252.16
2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130
Section amended

**230.3 Certification of residence.**

If a person's county of residence is determined by the county's central point of coordination process* to be in another county of this state, the county making the determination shall certify the determination to the superintendent of the hospital to which the person is admitted or committed. The certification shall be accompanied by a copy of the evidence supporting the determination. Upon receiving the certification, the superintendent shall charge the expenses already incurred and unadjusted, and all future expenses of the person, to the county determined to be the county of residence.

[C73, §1417; C97, §2281; C24, 27, 31, 35, 39, §**3583;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.3]

2004 Acts, ch 1090, §33, 45; 2012 Acts, ch 1120, §108, 130

Referred to in §230.4, 230.5, 331.502
*Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending
2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130
Section amended

**230.4 Certification to debtor county.**

A determination of a person's county of residence made in accordance with section 230.2 or 230.3 shall be sent by the court or the county to the county auditor of the county of residence. The certification shall be accompanied by a copy of the evidence supporting the determination. The auditor shall provide the certification to the board of supervisors of the auditor's county, and it shall be conclusively presumed that the person has residence in the notified county unless that county disputes the finding of residence as provided in section 331.394.

[C73, §1402; C97, §2270; S13, §2270; C24, 27, 31, 35, 39, §**3584;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.4]

2004 Acts, ch 1090, §46; 2012 Acts, ch 1120, §109, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130
Section amended

**230.5 Nonresidents.**

If a person's residence is determined in accordance with section 230.2 or 230.3 to be in a foreign state or country, or is unknown, the court or the county shall immediately certify the

determination to the department's administrator. The certification shall be accompanied by a copy of the evidence supporting the determination. A court order issued pursuant to section 229.13 shall direct that the patient be hospitalized at the appropriate state hospital for persons with mental illness.

[C73, §1402; C97, §2270; S13, §2270, 2727-a28a; C24, 27, 31, 35, 39, §**3585;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.5]

96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §41; 2004 Acts, ch 1090, §47; 2012 Acts, ch 1120, §110, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**230.6 Investigation by administrator.**

The administrator shall immediately investigate the residency of a patient and proceed as follows:

1. If the administrator concurs with a certified determination of residency concerning the patient, the administrator shall cause the patient either to be transferred to a state hospital for persons with mental illness at the expense of the state, or to be transferred, with approval of the court as required by chapter 229 to the place of foreign residence.

2. If the administrator disputes a certified legal residency determination, the administrator shall order the patient to be maintained at a state hospital for persons with mental illness at the expense of the state until the dispute is resolved.

3. If the administrator disputes a residency determination, the administrator shall utilize the procedure provided in section 331.394 to resolve the dispute. A determination of the person's residency status made pursuant to section 331.394 is conclusive.

[S13, §2727-a28a; C24, 27, 31, 35, 39, §**3586;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.6]

96 Acts, ch 1129, §113; 97 Acts, ch 23, §18; 2004 Acts, ch 1090, §48; 2012 Acts, ch 1120, §111, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**230.7 Transfer of nonresidents.**

Upon determining that a patient in a state hospital who has been involuntarily hospitalized under chapter 229 or admitted voluntarily at public expense was not a resident of this state at the time of the involuntary hospitalization or admission, the administrator may cause that patient to be conveyed to the patient's place of residence. However, a transfer under this section may be made only if the patient's condition so permits and other reasons do not render the transfer inadvisable. If the patient was involuntarily hospitalized, prior approval of the transfer must be obtained from the court which ordered the patient hospitalized.

[C73, §1419; C97, §2283; S13, §2283, 2727-a28a; C24, 27, 31, 35, 39, §**3587;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.7]

97 Acts, ch 23, §19

**230.8 Transfers of persons with mental illness — expenses.**

The transfer to any state hospitals or to the places of their residence of persons with mental illness who have no residence in this state or whose residence is unknown and deemed to be a state case, shall be made according to the directions of the administrator, and when practicable by employees of the state hospitals. The actual and necessary expenses of such transfers shall be paid on itemized vouchers sworn to by the claimants and approved by the administrator, and the amount of the expenses is appropriated to the department from any funds in the state treasury not otherwise appropriated.

[S13, §2308-a, 2727-a28b; C24, 27, 31, 35, 39, §**3588;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.8]

96 Acts, ch 1129, §113; 2012 Acts, ch 1120, §112, 130

Referred to in §8.59, 230.31

Appropriation limited for fiscal years beginning on or after July 1, 1993; see §8.59

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**230.9 Subsequent discovery of residence.**

If, after a person has been received by a state hospital for persons with mental illness as a state case patient whose residence is supposed to be outside this state, the administrator determines that the residence of the person was, at the time of admission or commitment, in a county of this state, the administrator shall certify the determination and charge all legal costs and expenses pertaining to the admission or commitment and support of the person to the county of residence. The certification shall be sent to the county of residence. The certification shall be accompanied by a copy of the evidence supporting the determination. The costs and expenses shall be collected as provided by law in other cases. If the person's residency status has been determined in accordance with section 331.394, the legal costs and expenses shall be charged to the county of residence or as a state case in accordance with that determination.

[S13, §2727-a28a; C24, 27, 31, 35, 39, §**3589;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.9]

96 Acts, ch 1129, §113; 2004 Acts, ch 1090, §49; 2012 Acts, ch 1120, §113, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**230.10 Payment of costs.**

All legal costs and expenses attending the taking into custody, care, investigation, and admission or commitment of a person to a state hospital for persons with mental illness under a finding that the person has residency in another county of this state shall be charged against the county of residence.

[S13, §2308-a; C24, 27, 31, 35, 39, §**3590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.10]

87 Acts, ch 36, §1; 96 Acts, ch 1129, §113; 2012 Acts, ch 1120, §114, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**230.11 Recovery of costs from state.**

Costs and expenses attending the taking into custody, care, and investigation of a person who has been admitted or committed to a state hospital, United States department of veterans affairs hospital, or other agency of the United States government, for persons with mental illness and who has no residence in this state or whose residence is unknown, including cost of commitment, if any, shall be paid as a state case as approved by the administrator. The amount of the costs and expenses approved by the administrator is appropriated to the department from any money in the state treasury not otherwise appropriated, on itemized vouchers executed by the auditor of the county which has paid them, and approved by the administrator.

[S13, §2308-a; C24, 27, 31, 35, 39, §**3591;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.11]

96 Acts, ch 1129, §113; 2009 Acts, ch 26, §13; 2012 Acts, ch 1120, §115, 130

Referred to in §8.59, 331.502

Appropriation limited for fiscal years beginning on or after July 1, 1993; see §8.59

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**230.12 Residency disputes.**

If a dispute arises between different counties or between the administrator and a county as to the residence of a person admitted or committed to a state hospital for persons with mental illness, the dispute shall be resolved as provided in section 331.394.

[C73, §1418; C97, §2270, 2282; S13, §2270; C24, 27, 31, 35, 39, §**3592;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.12]

91 Acts, ch 267, §141; 94 Acts, ch 1170, §4; 95 Acts, ch 119, §1, 5; 96 Acts, ch 1129, §113; 2004 Acts, ch 1090, §50; 2012 Acts, ch 1120, §116, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**230.13 and 230.14** Repealed by 2004 Acts, ch 1090, § 55.

**230.15 Personal liability.**

1. A person with mental illness and a person legally liable for the person's support remain liable for the support of the person with mental illness as provided in this section. Persons legally liable for the support of a person with mental illness include the spouse of the person, any person bound by contract for support of the person, and, with respect to persons with mental illness under eighteen years of age only, the father and mother of the person. The county auditor, subject to the direction of the board of supervisors, shall enforce the obligation created in this section as to all sums advanced by the county. The liability to the county incurred by a person with mental illness or a person legally liable for the person's support under this section is limited to an amount equal to one hundred percent of the cost of care and treatment of the person with mental illness at a state mental health institute for one hundred twenty days of hospitalization. This limit of liability may be reached by payment of the cost of care and treatment of the person with mental illness subsequent to a single admission or multiple admissions to a state mental health institute or, if the person is not discharged as cured, subsequent to a single transfer or multiple transfers to a county care facility pursuant to section 227.11. After reaching this limit of liability, a person with mental illness or a person legally liable for the person's support is liable to the county for the care and treatment of the person with mental illness at a state mental health institute or, if transferred but not discharged as cured, at a county care facility in an amount not in excess of the average minimum cost of the maintenance of an individual who is physically and mentally healthy residing in the individual's own home, which standard shall be established and may from time to time be revised by the department of human services. A lien imposed by section 230.25 shall not exceed the amount of the liability which may be incurred under this section on account of a person with mental illness.

2. A person with a substance-related disorder is legally liable for the total amount of the cost of providing care, maintenance, and treatment for the person with a substance-related disorder while a voluntary or committed patient. When a portion of the cost is paid by a county, the person with a substance-related disorder is legally liable to the county for the amount paid. The person with a substance-related disorder shall assign any claim for reimbursement under any contract of indemnity, by insurance or otherwise, providing for the person's care, maintenance, and treatment in a state hospital to the state. Any payments received by the state from or on behalf of a person with a substance-related disorder shall be in part credited to the county in proportion to the share of the costs paid by the county.

3. Nothing in this section shall be construed to prevent a relative or other person from voluntarily paying the full actual cost or any portion of the care and treatment of any person with mental illness or a substance-related disorder as established by the department of human services.

[R60, §1488; C73, §1433; C97, §2297; C24, 27, 31, 35, 39, §**3595;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.15; 82 Acts, ch 1260, §114 – 116]

83 Acts, ch 96, §157, 159; 86 Acts, ch 1001, §17; 90 Acts, ch 1085, §21; 96 Acts, ch 1129, §60; 2011 Acts, ch 121, §57, 62; 2013 Acts, ch 30, §43

Referred to in §230.16, 230.25, 234.39, 331.502

Section amended

**230.16 Presumption.**

In actions to enforce the liability imposed by section 230.15, the certificate from the superintendent to the county auditor stating the sums charged in such cases, shall be presumptively correct.

[R60, §1488; C73, §1433; C97, §2297; C24, 27, 31, 35, 39, §**3596;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.16]

**230.17 Board may compromise lien.**

The board of supervisors is hereby empowered to compromise any and all liabilities to the county, created by this chapter, when such compromise is deemed to be for the best interests of the county.

[C73, §1433; C97, §2297; C24, 27, 31, 35, 39, §**3597;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.17]

**230.18 Expense in county or private hospitals.**

The estates of persons with mental illness who may be treated or confined in any county hospital or home, or in any private hospital or sanatorium, and the estates of persons legally bound for their support, shall be liable to the county for the reasonable cost of such support.

[R60, §1488; C73, §1433; C97, §2297; C24, 27, 31, 35, 39, §**3598;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.18]

96 Acts, ch 1129, §113

**230.19 Nonresidents liable to state — presumption.**

The estates of all nonresident patients provided for and treated in state hospitals for persons with mental illness in this state, and all persons legally bound for the support of such patients, shall be liable to the state for the reasonable value of the care, maintenance, and treatment of such patients while in such hospitals. The certificate of the superintendent of the state hospital in which any nonresident is or has been a patient, showing the amounts drawn from the state treasury or due therefrom as provided by law on account of such nonresident patient, shall be presumptive evidence of the reasonable value of the care, maintenance, and treatment furnished such patient.

[S13, §2297-a; C24, 27, 31, 35, 39, §**3599;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.19]

96 Acts, ch 1129, §113

**230.20 Billing of patient charges — computation of actual costs — cost settlement.**

1. The superintendent of each mental health institute shall compute by February 1 the average daily patient charges and other service charges for which each county will be billed for services provided to patients chargeable to the county during the fiscal year beginning the following July 1. The department shall certify the amount of the charges and notify the counties of the billing charges.

*a.* The superintendent shall separately compute by program the average daily patient charge for a mental health institute for services provided in the following fiscal year, in accordance with generally accepted accounting procedures, by totaling the expenditures of the program for the immediately preceding calendar year, by adjusting the expenditures by a percentage not to exceed the percentage increase in the consumer price index for all urban consumers for the immediately preceding calendar year, and by dividing the adjusted expenditures by the total inpatient days of service provided in the program during the immediately preceding calendar year. However, the superintendent shall not include the following in the computation of the average daily patient charge:

(1) The costs of food, lodging, and other maintenance provided to persons not patients of the hospital.

(2) The costs of certain direct medical services identified in administrative rule, which may include but need not be limited to X-ray, laboratory, and dental services.

(3) The costs of outpatient and state placement services.

(4) The costs of the psychiatric residency program.

(5) The costs of the chaplain intern program.

*b.* The department shall compute the direct medical services, outpatient, and state placement services charges, in accordance with generally accepted accounting procedures, on the basis of the actual cost of the services provided during the immediately preceding calendar year. The direct medical services, outpatient, and state placement services shall be billed directly against the patient who received the services.

2. *a.* The superintendent shall certify to the department the billings to each county for

services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and other service charges computed pursuant to subsection 1, and the number of inpatient days and other service units chargeable to the county. However, a county billing shall be decreased by an amount equal to reimbursement by a third party payor or estimation of such reimbursement from a claim submitted by the superintendent to the third party payor for the preceding calendar quarter. When the actual third party payor reimbursement is greater or less than estimated, the difference shall be reflected in the county billing in the calendar quarter the actual third party payor reimbursement is determined.

*b*. The per diem costs billed to each county shall not exceed the per diem costs billed to the county in the fiscal year beginning July 1, 1996. However, the per diem costs billed to a county may be adjusted annually to reflect increased costs to the extent of the percentage increase in the total of county fixed budgets pursuant to the allowed growth factor adjustment authorized by the general assembly for the fiscal year in accordance with section 331.439.*

3. The superintendent shall compute in January the actual per-patient-per-day cost for each mental health institute for the immediately preceding calendar year, in accordance with generally accepted accounting procedures, by totaling the actual expenditures of the mental health institute for the calendar year and by dividing the total actual expenditures by the total inpatient days of service provided during the calendar year.

4. The department shall certify to the counties by February 1 the actual per-patient-per-day costs, as computed pursuant to subsection 3, and the actual costs owed by each county for the immediately preceding calendar year for patients chargeable to the county. If the actual costs owed by the county are greater than the charges billed to the county pursuant to subsection 2, the department shall bill the county for the difference with the billing for the quarter ending June 30. If the actual costs owed by the county are less than the charges billed to the county pursuant to subsection 2, the department shall credit the county for the difference starting with the billing for the quarter ending June 30.

5. An individual statement shall be prepared for a patient on or before the fifteenth day of the month following the month in which the patient leaves the mental health institute, and a general statement shall be prepared at least quarterly for each county to which charges are made under this section. Except as otherwise required by sections 125.33 and 125.34, the general statement shall list the name of each patient chargeable to that county who was served by the mental health institute during the preceding month or calendar quarter, the amount due on account of each patient, and the specific dates for which any third party payor reimbursement received by the state is applied to the statement and billing, and the county shall be billed for eighty percent of the stated charge for each patient specified in this subsection. The statement prepared for each county shall be certified by the department and a duplicate statement shall be mailed to the auditor of that county.

6. All or any reasonable portion of the charges incurred for services provided to a patient, to the most recent date for which the charges have been computed, may be paid at any time by the patient or by any other person on the patient's behalf. Any payment made by the patient or other person, and any federal financial assistance received pursuant to Tit. XVIII or XIX of the federal Social Security Act for services rendered to a patient, shall be credited against the patient's account and, if the charges paid as described in this subsection have previously been billed to a county, reflected in the mental health institute's next general statement to that county.

7. A superintendent of a mental health institute may request that the director of human services enter into a contract with a person for the mental health institute to provide consultation or treatment services or for fulfilling other purposes which are consistent with the purposes stated in section 226.1. The contract provisions shall include charges which reflect the actual cost of providing the services or fulfilling the other purposes. Any income from a contract authorized under this subsection may be retained by the mental health institute to defray the costs of providing the services. Except for a contract voluntarily entered into by a county under this subsection, the costs or income associated with a contract authorized under this subsection shall not be considered in computing charges and per diem costs in accordance with the provisions of subsections 1 through 6 of this section.

8. The department shall provide a county with information, which is not otherwise confidential under law, in the department's possession concerning a patient whose cost of care is chargeable to the county, including but not limited to the information specified in section 229.24, subsection 3.

[R60, §1487; C73, §1428; C97, §2292; S13, §2292; C24, 27, 31, 35, 39, §**3600;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §230.20; 81 Acts, ch 78, §20, 38, 39]

83 Acts, ch 96, §157, 159; 86 Acts, ch 1169, §2; 87 Acts, ch 37, §1; 88 Acts, ch 1249, §9; 88 Acts, ch 1276, §39; 95 Acts, ch 82, §5; 95 Acts, ch 120, §4; 96 Acts, ch 1183, §25, 26; 98 Acts, ch 1155, §11; 2001 Acts, ch 155, §23 – 25; 2005 Acts, ch 167, §31, 32, 66; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1141, §25, 26

Referred to in §218.78, 226.9C, 228.6, 230.21, 230.22, 904.201

*Section 331.439 is repealed; corrective legislation is pending

Section not amended; footnote added

**230.21 Duty of county auditor and treasurer.**

The county auditor, upon receipt of the duplicate statement required by section 230.20, shall enter it to the credit of the state in the ledger of state accounts, shall furnish to the board of supervisors a list of the names of the persons so certified, and at once issue a notice authorizing the county treasurer to transfer the amount billed to the county by the statement, from the county to the general state revenue, which notice shall be filed by the treasurer as authority for making the transfer. The auditor shall promptly remit the amount so transferred to the treasurer of state, designating the fund to which it belongs.

[R60, §1487; C73, §1428; C97, §2292; S13, §2292; C24, 27, 31, 35, 39, §**3601**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.21]

83 Acts, ch 123, §86, 209

Referred to in §228.6, 230.25, 331.502, 331.552

**230.22 Penalty.**

Should any county fail to pay the amount billed by a statement submitted pursuant to section 230.20 within forty-five days from the date the statement is received by the county, the department shall charge the delinquent county the penalty of one percent per month on and after forty-five days from the date the statement is received by the county until paid. Provided, however, that the penalty shall not be imposed if the county has notified the department of error or questionable items in the billing, in which event, the department shall suspend the penalty only during the period of negotiation.

[C97, §2292; S13, §2292; C24, 27, 31, 35, 39, §**3602;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.22]

98 Acts, ch 1218, §74; 2001 Acts, ch 155, §26

Referred to in §331.502

**230.23 and 230.24** Repealed by 81 Acts, ch 117, § 1097.

**230.25 Financial investigation by supervisors.**

1. Upon receipt from the county auditor of the list of names furnished pursuant to section 230.21, the board of supervisors shall make an investigation to determine the ability of each person whose name appears on the list, and also the ability of any person liable under section 230.15 for the support of that person, to pay the expenses of that person's hospitalization. If the board finds that neither the hospitalized person nor any person legally liable for the person's support is able to pay those expenses, they shall direct the county auditor not to index the names of any of those persons as would otherwise be required by section 230.26. However the board may review its finding with respect to any person at any subsequent time at which another list is furnished by the auditor upon which that person's name appears. If the board finds upon review that that person or those legally liable for the person's support are presently able to pay the expenses of that person's hospitalization, that finding shall apply only to charges stated upon the certificate from which the list was drawn up and any subsequent charges similarly certified, unless and until the board again changes its finding.

2. All liens created under section 230.25, as that section appeared in the Code of 1975

and prior editions of the Code, are abolished effective January 1, 1977, except as otherwise provided by subsection 1. The board of supervisors of each county shall, as soon as practicable after July 1, 1976, review all liens resulting from the operation of said section 230.25, Code 1975, and make a determination as to the ability of the person against whom the lien exists to pay the charges represented by the lien, and if they find that the person is able to pay those charges they shall direct the county attorney of that county to take immediate action to enforce the lien. If action is commenced under this section on any lien prior to the effective date of the abolition thereof, that lien shall not be abolished but shall continue until the action is completed. The board of supervisors shall release any such lien when the charge on which the lien is based is fully paid or is compromised and settled by the board in such manner as its members deem to be in the best interest of the county, or when the estate affected by the lien has been probated and the proceeds allowable have been applied on the lien.

[C39, §**3604.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.25]

Referred to in §228.6, 230.15, 230.30, 331.381, 331.502, 331.756(47)

**230.26 Auditor to keep record.**

The auditor of each county shall keep an accurate account of the cost of the maintenance of any patient kept in any institution as provided for in this chapter and keep an index of the names of the persons admitted or committed from such county. The name of the husband or the wife of such person designating such party as the spouse of the person admitted or committed shall also be indexed in the same manner as the names of the persons admitted or committed are indexed. The book shall be designated as an account book or index, and shall have no reference in any place to a lien.

[C39, §**3604.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.26]

Referred to in §228.6, 230.25, 331.502, 331.508

**230.27 Board and county attorney to collect.**

It shall be the duty of the board of supervisors to collect said claims and direct the county attorney to proceed with the collection of said claims as a part of the duties of the county attorney's office.

[C39, §**3604.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.27]

Referred to in §331.381, 331.756(47)

**230.28 and 230.29** Repealed by 76 Acts, ch 1104, § 17.

**230.30 Claim against estate.**

On the death of a person receiving or who has received assistance under the provisions of this chapter, and whom the board has previously found, under section 230.25, is able to pay there shall be allowed against the estate of such decedent a claim of the sixth class for that portion of the total amount paid for that person's care which exceeds the total amount of all claims of the first through the fifth classes, inclusive, as defined in section 633.425, which are allowed against that estate.

[C39, §**3604.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §230.30]

**230.31 Departers from other states.**

If a person with mental illness departs without proper authority from an institution in another state and is found in this state, a peace officer in the county in which the patient is found may take and detain the patient without order and shall report the detention to the administrator who shall provide for the return of the patient to the authorities of the state where the unauthorized leave was made. Pending such return, the patient may be detained temporarily at one of the institutions of this state under the control of the administrator or any other administrator of the department of human services. Expenses incurred under this section shall be paid in the same manner as is provided for transfers in section 230.8.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §230.31]

83 Acts, ch 96, §157, 159; 96 Acts, ch 1129, §113; 2000 Acts, ch 1112, §42

**230.32 Support of nonresident patients on leave.**

The cost of support of patients without residence in this state, who are placed on convalescent leave or removed from a state mental institute to any health care facility licensed under chapter 135C for rehabilitation purposes, shall be paid from the hospital support fund and shall be charged on abstract in the same manner as state inpatients, until such time as the patient becomes self-supporting or qualifies for support under existing statutes.

[C66, 71, 73, 75, 77, 79, 81, §230.32]

2012 Acts, ch 1120, §117, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**230.33 Reciprocal agreements.**

The administrator may enter into agreements with other states, through their duly constituted authorities, to effect the reciprocal return of persons with mental illness and persons with an intellectual disability to the contracting states, and to effect the reciprocal supervision of persons on convalescent leave.

However, in the case of a proposed transfer of a person with mental illness or an intellectual disability from this state, final action shall not be taken without the approval either of the commission of hospitalization, or of the district court, of the county of admission or commitment.

[C66, 71, 73, 75, 77, 79, 81, §230.33]

96 Acts, ch 1129, §61; 2000 Acts, ch 1112, §43; 2012 Acts, ch 1019, §82; 2013 Acts, ch 90, §55

Unnumbered paragraph 2 amended

**230.34 Definitions.**

1. As used in this chapter, *"administrator"* means the administrator of the department of human services assigned, in accordance with section 218.1, to control the state mental health institutes, or that administrator's designee.

2. As used in this chapter, *"auditor"* means the county auditor or the auditor's designee.

3. As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

4. As used in this chapter, unless the context otherwise requires, *"department"* means the department of human services.

[C71, 73, 75, 77, 79, 81, §230.34; 81 Acts, ch 78, §20, 40]

83 Acts, ch 96, §157, 159; 94 Acts, ch 1170, §39; 97 Acts, ch 169, §16; 2000 Acts, ch 1112, §44; 2000 Acts, ch 1148, §1; 2001 Acts, ch 155, §27

**230.35 Releasing liens.**

A lien obtained pursuant to an action to collect any claim arising under this chapter shall be released by the board of supervisors when the claim or claims on which the lien is based have been fully paid or compromised and settled by the board, or when the estate of which the real estate subject to the lien is a part has been probated and the proceeds allowable have been applied to the claim or claims on which the lien is based.

[C79, 81, §230.35]

Referred to in §331.381

# CHAPTER 230A

## COMMUNITY MENTAL HEALTH CENTERS

Referred to in §11.6, 225C.4, 225C.7, 232.78, 232.83, 235A.15, 331.382

For provisions concerning the continuing operation of community mental health centers under requirements of this chapter, Code 2011, until rules adoption process and related transition provisions are completed, see 2011 Acts, ch 121, §23


230A.1 through 230A.18 Repealed by 2011 Acts, ch 121, §22, 23.
230A.101 Services system roles.
230A.102 Definitions.
230A.103 Designation of community mental health centers.
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230A.105 Target population — eligibility.
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230A.108 Administrative, diagnostic, and demographic information.
230A.109 Funding — legislative intent.
230A.110 Standards.
230A.111 Review and evaluation.


**230A.1 through 230A.18** Repealed by 2011 Acts, ch 121, § 22, 23.

**230A.101 Services system roles.**

1. The role of the department of human services, through the division of the department designated as the state mental health authority with responsibility for state policy concerning mental health and disability services, is to develop and maintain policies for the mental health and disability services system. The policies shall address the service needs of individuals of all ages with disabilities in this state, regardless of the individuals' places of residence or economic circumstances, and shall be consistent with the requirements of chapter 225C and other applicable law.

2. The role of community mental health centers in the mental health and disability services system is to provide an organized set of services in order to adequately meet the mental health needs of this state's citizens based on organized catchment areas.

2011 Acts, ch 121, §11, 23

**230A.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"*, *"commission"*, *"department"*, *"disability services"*, and *"division"* mean the same as defined in section 225C.2.

2. *"Catchment area"* means a community mental health center catchment area identified in accordance with this chapter.

3. *"Community mental health center"* or *"center"* means a community mental health center designated in accordance with this chapter.

2011 Acts, ch 121, §12, 23

**230A.103 Designation of community mental health centers.**

1. The division, subject to agreement by any community mental health center that would provide services for the catchment area and approval by the commission, shall designate at least one community mental health center under this chapter for addressing the mental health needs of the county or counties comprising the catchment area. The designation process shall provide for the input of potential service providers regarding designation of the initial catchment area or a change in the designation.

2. The division shall utilize objective criteria for designating a community mental health center to serve a catchment area and for withdrawing such designation. The commission shall adopt rules outlining the criteria. The criteria shall include but are not limited to provisions for meeting all of the following requirements:

*a.* An appropriate means shall be used for determining which prospective designee is best able to serve all ages of the targeted population within the catchment area with minimal or no service denials.

*b.* An effective means shall be used for determining the relative ability of a prospective

designee to appropriately provide mental health services and other support to consumers residing within a catchment area as well as consumers residing outside the catchment area. The criteria shall address the duty for a prospective designee to arrange placements outside the catchment area when such placements best meet consumer needs and to provide services within the catchment area to consumers who reside outside the catchment area when the services are necessary and appropriate.

3. The board of directors for a designated community mental health center shall enter into an agreement with the division. The terms of the agreement shall include but are not limited to all of the following:

*a.* The period of time the agreement will be in force.

*b.* The services and other support the center will offer or provide for the residents of the catchment area.

*c.* The standards to be followed by the center in determining whether and to what extent the persons seeking services from the center shall be considered to be able to pay the costs of the services.

*d.* The policies regarding availability of the services offered by the center to the residents of the catchment area as well as consumers residing outside the catchment area.

*e.* The requirements for preparation and submission to the division of annual audits, cost reports, program reports, performance measures, and other financial and service accountability information.

4. This section does not limit the authority of the board or the boards of supervisors of any county or group of counties to continue to expend money to support operation of a center.

2011 Acts, ch 121, §13, 23

**230A.104 Catchment areas.**

1. The division shall collaborate with affected counties in identifying community mental health center catchment areas in accordance with this section.

2. *a.* Unless the division has determined that exceptional circumstances exist, a catchment area shall be served by one community mental health center. The purpose of this general limitation is to clearly designate the center responsible and accountable for providing core mental health services to the target population in the catchment area and to protect the financial viability of the centers comprising the mental health services system in the state.

*b.* A formal review process shall be used in determining whether exceptional circumstances exist that justify designating more than one center to serve a catchment area. The criteria for the review process shall include but are not limited to a means of determining whether the catchment area can support more than one center.

*c.* Criteria shall be provided that would allow the designation of more than one center for all or a portion of a catchment area if designation or approval for more than one center was provided by the division as of October 1, 2010. The criteria shall require a determination that all such centers would be financially viable if designation is provided for all.

2011 Acts, ch 121, §14, 23

**230A.105 Target population — eligibility.**

1. The target population residing in a catchment area to be served by a community mental health center shall include but is not limited to all of the following:

*a.* Individuals of any age who are experiencing a mental health crisis.

*b.* Individuals of any age who have a mental health disorder.

*c.* Adults who have a serious mental illness or chronic mental illness.

*d.* Children and youth who are experiencing a serious emotional disturbance.

*e.* Individuals described in paragraph *"a"*, *"b"*, *"c"*, or *"d"* who have a co-occurring disorder, including but not limited to substance abuse, intellectual disability, a developmental disability, brain injury, autism spectrum disorder, or another disability or special health care need.

2. Specific eligibility criteria for members of the target population shall be identified in

administrative rules adopted by the commission. The eligibility criteria shall address both clinical and financial eligibility.

2011 Acts, ch 121, §15, 23; 2013 Acts, ch 90, §56
Subsection 1, paragraph e amended

**230A.106 Services offered.**

1. A community mental health center designated in accordance with this chapter shall offer core services and support addressing the basic mental health and safety needs of the target population and other residents of the catchment area served by the center and may offer other services and support. The core services shall be identified in administrative rules adopted by the commission for this purpose.

2. The initial core services identified shall include all of the following:

*a. Outpatient services.* Outpatient services shall consist of evaluation and treatment services provided on an ambulatory basis for the target population. Outpatient services include psychiatric evaluations, medication management, and individual, family, and group therapy. In addition, outpatient services shall include specialized outpatient services directed to the following segments of the target population: children, elderly, individuals who have serious and persistent mental illness, and residents of the service area who have been discharged from inpatient treatment at a mental health facility. Outpatient services shall provide elements of diagnosis, treatment, and appropriate follow-up. The provision of only screening and referral services does not constitute outpatient services.

*b. Twenty-four-hour emergency services.* Twenty-four-hour emergency services shall be provided through a system that provides access to a clinician and appropriate disposition with follow-up documentation of the emergency service provided. A patient shall have access to evaluation and stabilization services after normal business hours. The range of emergency services that shall be available to a patient may include but are not limited to direct contact with a clinician, medication evaluation, and hospitalization. The emergency services may be provided directly by the center or in collaboration or affiliation with other appropriately accredited providers.

*c. Day treatment, partial hospitalization, or psychosocial rehabilitation services.* Day treatment, partial hospitalization, or psychosocial rehabilitation services shall be provided as structured day programs in segments of less than twenty-four hours using a multidisciplinary team approach to develop treatment plans that vary in intensity of services and the frequency and duration of services based on the needs of the patient. These services may be provided directly by the center or in collaboration or affiliation with other appropriately accredited providers.

*d. Admission screening for voluntary patients.* Admission screening services shall be available for patients considered for voluntary admission to a state mental health institute to determine the patient's appropriateness for admission.

*e. Community support services.* Community support services shall consist of support and treatment services focused on enhancing independent functioning and assisting persons in the target population who have a serious and persistent mental illness to live and work in their community setting, by reducing or managing mental illness symptoms and the associated functional disabilities that negatively impact such persons' community integration and stability.

*f. Consultation services.* Consultation services may include provision of professional assistance and information about mental health and mental illness to individuals, service providers, or groups to increase such persons' effectiveness in carrying out their responsibilities for providing services. Consultations may be case-specific or program-specific.

*g. Education services.* Education services may include information and referral services regarding available resources and information and training concerning mental health, mental illness, availability of services and other support, the promotion of mental health, and the prevention of mental illness. Education services may be made available to individuals, groups, organizations, and the community in general.

3. A community mental health center shall be responsible for coordinating with associated

services provided by other unaffiliated agencies to members of the target population in the catchment area and to integrate services in the community with services provided to the target population in residential or inpatient settings.

2011 Acts, ch 121, §16, 23; 2012 Acts, ch 1021, §50

**230A.107 Form of organization.**

1. Except as authorized in subsection 2, a community mental health center designated in accordance with this chapter shall be organized and administered as a nonprofit corporation.

2. A for-profit corporation, nonprofit corporation, or county hospital providing mental health services to county residents pursuant to a waiver approved under section 225C.7, subsection 3, Code 2011, as of October 1, 2010, may also be designated as a community mental health center.

2011 Acts, ch 121, §17, 23

**230A.108 Administrative, diagnostic, and demographic information.**

Release of administrative and diagnostic information, as defined in section 228.1, and demographic information necessary for aggregated reporting to meet the data requirements established by the division, relating to an individual who receives services from a community mental health center, may be made a condition of support of that center by the division.

2011 Acts, ch 121, §18, 23

Referred to in §228.6

**230A.109 Funding — legislative intent.**

1. It is the intent of the general assembly that public funding for community mental health centers designated in accordance with this chapter shall be provided as a combination of all funding sources.

2. It is the intent of the general assembly that the state funding provided to centers be a sufficient amount for the core services and support addressing the basic mental health and safety needs of the residents of the catchment area served by each center to be provided regardless of individual ability to pay for the services and support.

3. While a community mental health center must comply with the core services requirements and other standards associated with designation, provision of services is subject to the availability of a payment source for the services.

2011 Acts, ch 121, §19, 23

**230A.110 Standards.**

1. The division shall recommend and the commission shall adopt standards for designated community mental health centers and comprehensive community mental health programs, with the overall objective of ensuring that each center and each affiliate providing services under contract with a center furnishes high-quality mental health services within a framework of accountability to the community it serves. The standards adopted shall conform with federal standards applicable to community mental health centers and shall be in substantial conformity with the applicable behavioral health standards adopted by the joint commission, formerly known as the joint commission on accreditation of health care organizations, or other recognized national standards for evaluation of psychiatric facilities unless in the judgment of the division, with approval of the commission, there are sound reasons for departing from the standards.

2. When recommending standards under this section, the division shall designate an advisory committee representing boards of directors and professional staff of designated community mental health centers to assist in the formulation or revision of standards. The membership of the advisory committee shall include representatives of professional and nonprofessional staff and other appropriate individuals.

3. The standards recommended under this section shall include requirements that each community mental health center designated under this chapter do all of the following:

*a.* Maintain and make available to the public a written statement of the services the center offers to residents of the catchment area being served. The center shall employ or contract

for services with affiliates to employ staff who are appropriately credentialed or meet other qualifications in order to provide services.

*b.* If organized as a nonprofit corporation, be governed by a board of directors which adequately represents interested professions, consumers of the center's services, socioeconomic, cultural, and age groups, and various geographical areas in the catchment area served by the center. If organized as a for-profit corporation, the corporation's policy structure shall incorporate such representation.

*c.* Arrange for the financial condition and transactions of the community mental health center to be audited once each year by the auditor of state. However, in lieu of an audit by the auditor of state, the local governing body of a community mental health center organized under this chapter may contract with or employ certified public accountants to conduct the audit, pursuant to the applicable terms and conditions prescribed by sections 11.6 and 11.19 and audit format prescribed by the auditor of state. Copies of each audit shall be furnished by the auditor or accountant to the administrator of the division of mental health and disability services.

*d.* Comply with the accreditation standards applicable to the center.

2011 Acts, ch 121, §20, 23; 2012 Acts, ch 1120, §29; 2013 Acts, ch 90, §57
Referred to in §225C.4, 225C.6, 331.321
Subsection 3, paragraph c amended

**230A.111 Review and evaluation.**

1. The review and evaluation of designated centers shall be performed through a formal accreditation review process as recommended by the division and approved by the commission. The accreditation process shall include all of the following:

*a.* Specific time intervals for full accreditation reviews based upon levels of accreditation.

*b.* Use of random or complaint-specific, on-site limited accreditation reviews in the interim between full accreditation reviews, as a quality review approach. The results of such reviews shall be presented to the commission.

*c.* Use of center accreditation self-assessment tools to gather data regarding quality of care and outcomes, whether used during full or limited reviews or at other times.

2. The accreditation process shall include but is not limited to addressing all of the following:

*a.* Measures to address centers that do not meet standards, including authority to revoke accreditation.

*b.* Measures to address noncompliant centers that do not develop a corrective action plan or fail to implement steps included in a corrective action plan accepted by the division.

*c.* Measures to appropriately recognize centers that successfully complete a corrective action plan.

*d.* Criteria to determine when a center's accreditation should be denied, revoked, suspended, or made provisional.

2011 Acts, ch 121, §21, 23
Referred to in §225C.4

# SUBTITLE 4

## ELDERS

Referred to in §714.8

# CHAPTER 231

## DEPARTMENT ON AGING — OLDER IOWANS


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## SUBCHAPTER I

## FINDINGS, POLICY, AND DEFINITIONS

**231.1 Short title.**

This chapter, entitled the "*Older Iowans Act*", sets forth the state's commitment to its older individuals, their dignity, independence, and rights.

86 Acts, ch 1245, §1001
C87, §249D.1
C93, §231.1
2009 Acts, ch 23, §12

**231.2 Legislative findings and declaration.**

The general assembly finds and declares that:

1. Iowa's older individuals constitute a fundamental resource which has been undervalued, and the means must be found to recognize and use the competence, wisdom, and experience of such older individuals for the benefit of all Iowans.
2. The number of persons in this state age sixty and older is increasing rapidly, and of these older individuals, the number of women, minorities, and persons eighty-five years of age or older is increasing at an even greater rate.
3. The social and health problems of older individuals and their caregivers are compounded by a lack of access to existing services and by the unavailability of a complete range of services in all areas of the state.
4. The ability of older individuals to maintain self-sufficiency and to live their lives with dignity, productivity, and creativity is a matter of profound importance and concern for this state.

86 Acts, ch 1245, §1002
C87, §249D.2
C93, §231.2
2009 Acts, ch 23, §13

**231.3 State policy and objectives.**

The general assembly declares that it is the policy of the state to work toward attainment of the following objectives for Iowa's older individuals:

1. An adequate income.
2. Access to physical and mental health care without regard to economic status.
3. Suitable housing that reflects the needs of older people.
4. Full restorative services for those who require institutional care, and a comprehensive array of home and community-based, long-term care services adequate to sustain older people in their communities and, whenever possible, in their homes, including support for caregivers.
5. Pursuit of meaningful activity within the widest range of civic, cultural, educational, recreational, and employment opportunities.
6. Suitable community transportation systems to assist in the attainment of independent movement.
7. Freedom, independence, and the free exercise of individual initiative in planning and managing their own lives.
8. Freedom from abuse, neglect, and exploitation.

86 Acts, ch 1245, §1003
C87, §249D.3
C93, §231.3
2003 Acts, ch 141, §1; 2005 Acts, ch 45, §2; 2009 Acts, ch 23, §14
Referred to in §16.183

**231.4 Definitions.**

1. For purposes of this chapter, unless the context otherwise requires:

*a.* *"Administrative action"* means an action or decision made by an owner, employee, or agent of a long-term care facility, assisted living program, elder group home, or by a governmental agency, which affects the service provided to residents or tenants covered in this chapter.

*b.* *"Assisted living program"* means a program which provides assisted living as defined pursuant to section 231C.2 and which is certified under chapter 231C.

*c.* *"Certified volunteer long-term care ombudsman"* or *"certified volunteer"* means a volunteer long-term care ombudsman certified pursuant to section 231.45.

*d.* *"Commission"* means the commission on aging.

*e.* *"Department"* means the department on aging.

*f.* *"Director"* means the director of the department on aging.

*g.* *"Elder group home"* means elder group home as defined in section 231B.1 which is certified under chapter 231B.

*h.* *"Equivalent support"* means in-kind contributions of services, goods, volunteer support time, administrative support, or other support reasonably determined by the department as equivalent to a dollar amount.

*i.* *"Federal Act"* means the Older Americans Act of 1965, 42 U.S.C. § 3001 et seq., as amended.

*j.* *"Home and community-based services"* means a continua of services available in an individual's home or community which include but are not limited to case management, homemaker, home health aide, personal care, adult day, respite, home delivered meals, nutrition counseling, and other medical and social services which contribute to the health and well-being of individuals and their ability to reside in a home or community-based care setting.

*k.* *"Legal representative"* means a tenant's legal representative as defined in section 231B.1 or 231C.2, or a guardian, conservator, or attorney in fact of a resident.

*l.* *"Long-term care facility"* means a long-term care unit of a hospital or a facility licensed under section 135C.1 whether the facility is public or private.

*m.* *"Long-term care ombudsman"* means an advocate for residents and tenants of long-term care facilities, assisted living programs, and elder group homes who carries out duties as specified in this chapter.

*n.* *"Older individual"* means an individual who is sixty years of age or older.

*o.* *"Options counseling"* means a service involving an interactive process, which may include a needs assessment, directed by the recipient individual and which may include other participants of the individual's choosing and the individual's legal representative, in which the individual receives guidance to make informed choices about long-term living services and supports in order to sustain independent living.

*p.* *"Resident"* means an individual residing in a long-term care facility, excluding facilities licensed primarily to serve persons with an intellectual disability or mental illness.

*q.* *"Tenant"* means an individual who receives assisted living services through an assisted living program or an individual who receives elder group home services through an elder group home.

*r.* *"Unit of general purpose local government"* means the governing body of a city, county, township, metropolitan area, or region within the state that has a population of one hundred thousand or more, that is recognized for areawide planning, and that functions as a political subdivision of the state whose authority is general and not limited to only one function or combination of related functions, or a tribal organization.

2. For the purposes of this chapter, *"aging and disability resource center"*, *"area agency on aging"*, *"focal point"*, *"greatest economic need"*, *"greatest social need"*, *"planning and service area"*, and *"tribal organization"* mean as those terms are defined in the federal Act.

86 Acts, ch 1245, §1004

C87, §249D.4

C93, §231.4
2003 Acts, ch 141, §2; 2005 Acts, ch 45, §3; 2009 Acts, ch 23, §15; 2010 Acts, ch 1062, §3, 4; 2011 Acts, ch 25, §143; 2012 Acts, ch 1019, §83; 2012 Acts, ch 1086, §2, 3; 2013 Acts, ch 18, §18
Referred to in §235B.6
Subsection 1 amended

**231.5 through 231.10** Reserved.

SUBCHAPTER II

COMMISSION ON AGING

**231.11 Commission established.**
The commission on aging is established which shall consist of eleven members. One member each shall be appointed by the president of the senate, after consultation with the majority leader of the senate, and by the minority leader of the senate, from the members of the senate to serve as ex officio, nonvoting members. One member each shall be appointed by the speaker of the house of representatives and by the minority leader of the house of representatives, from the members of the house of representatives to serve as ex officio, nonvoting members. Seven members shall be appointed by the governor subject to confirmation by the senate. Not more than a simple majority of the governor's appointees shall belong to the same political party. At least four of the seven members appointed by the governor shall be fifty-five years of age or older when appointed.
86 Acts, ch 1245, §1005
C87, §249D.11
90 Acts, ch 1223, §22
C93, §231.11
2008 Acts, ch 1156, §32, 58; 2009 Acts, ch 23, §16
Confirmation, see §2.32

**231.12 Terms.**
All members of the commission appointed by the governor shall be appointed for terms of four years, with staggered expiration dates. The terms of office of members appointed by the governor shall commence and end as provided by section 69.19. Legislative members of the commission shall serve terms of office as provided in section 69.16B. A vacancy on the commission shall be filled for the unexpired term of the vacancy in the same manner as the original appointment was made. If a legislative member ceases to be a member of the general assembly the legislative member may continue to serve until a successor is appointed.
86 Acts, ch 1245, §1006
C87, §249D.12
88 Acts, ch 1134, §59
C93, §231.12
2008 Acts, ch 1156, §33, 58

**231.13 Meetings — officers.**
Members of the commission shall elect from the commission's membership a chairperson, and other officers as commission members deem necessary, who shall serve for a period of two years. The commission shall meet at regular intervals at least four times each year and may hold special meetings at the call of the chairperson or at the request of a majority of the commission membership. The commission shall meet at the seat of government or such other place as the commission may designate. Members shall be paid a per diem as specified in section 7E.6 and shall receive reimbursement for actual expenses for their official duties.
86 Acts, ch 1245, §1007
C87, §249D.13
90 Acts, ch 1256, §42

C93, §231.13
2003 Acts, ch 141, §3

**231.14 Commission duties and authority.**

1. The commission is the policymaking body of the sole state agency responsible for administration of the federal Act. The commission shall:

*a.* Approve state and area plans on aging.

*b.* Adopt policies to coordinate state activities related to the purposes of this chapter.

*c.* Serve as an effective and visible advocate for older individuals by establishing policies for reviewing and commenting upon all state plans, budgets, and policies which affect older individuals and for providing technical assistance to any agency, organization, association, or individual representing the needs of older individuals.

*d.* Divide the state into distinct planning and service areas after considering the geographical distribution of older individuals in the state, the incidence of the need for supportive services, nutrition services, multipurpose senior centers, and legal services, the distribution of older individuals who have low incomes residing in such areas, the distribution of resources available to provide such services or centers, the boundaries of existing areas within the state which are drawn for the planning or administration of supportive services programs, the location of units of general purpose, local government within the state, and any other relevant factors.

*e.* Designate for each planning and service area a public or private nonprofit agency or organization as the area agency on aging for that area. The commission may revoke the designation of an area agency on aging pursuant to section 231.32.

*f.* Adopt policies to assure that the department will take into account the views of older individuals in the development of policy.

*g.* Adopt a formula for the distribution of federal Act and state funds taking into account, to the maximum extent feasible, the best available data on the geographic distribution of older individuals in the state, and publish the formula for review and comment.

*h.* Adopt policies and measures to assure that preference will be given to providing services to older individuals with the greatest economic or social needs, with particular attention to low-income minority older individuals, older individuals with limited English proficiency, and older individuals residing in rural areas.

*i.* Adopt policies to administer state programs authorized by this chapter.

*j.* Adopt policies and administrative rules pursuant to chapter 17A that support the capabilities of the area agencies on aging and the aging and disabilities resource centers to serve older individuals and persons with disabilities experiencing Alzheimer's disease or related dementias.

2. The commission shall adopt administrative rules pursuant to chapter 17A to administer the duties specified in this chapter and in all other chapters under the department's jurisdiction.

86 Acts, ch 1245, §1008
C87, §249D.14
88 Acts, ch 1073, §1
C93, §231.14
2003 Acts, ch 141, §4; 2005 Acts, ch 45, §4, 5; 2009 Acts, ch 23, §17; 2009 Acts, ch 41, §263; 2012 Acts, ch 1086, §4, 5

**231.15 through 231.20** Reserved.

## SUBCHAPTER III

## DEPARTMENT ON AGING

**231.21 Department on aging.**

An Iowa department on aging is established which shall administer this chapter under the policy direction of the commission on aging. The department on aging shall be administered by a director.

86 Acts, ch 1245, §1009
C87, §249D.21
C93, §231.21
2009 Acts, ch 23, §18
Referred to in §7E.5, 231E.3

**231.22 Director — assistant director.**

1. The governor, subject to confirmation by the senate, shall appoint a director of the department on aging who shall, subject to chapter 8A, subchapter IV, employ and direct staff as necessary to carry out the powers and duties created by this chapter. The director shall serve at the pleasure of the governor. However, the director is subject to reconfirmation by the senate as provided in section 2.32, subsection 4. The governor shall set the salary for the director within the range set by the general assembly.

2. The director shall have the following qualifications and training:

*a.* Training in the field of gerontology, social work, public health, public administration, or other related fields.

*b.* Direct experience or extensive knowledge of programs and services related to older individuals.

*c.* Demonstrated understanding and concern for the welfare of older individuals.

*d.* Demonstrated competency and recent working experience in an administrative, supervisory, or management position.

3. The director may appoint an assistant director who shall be in charge of the department in the absence of the director. The appointment shall be based on the appointee's training, experience, and capabilities.

86 Acts, ch 1245, §1010
C87, §249D.22
C93, §231.22
2003 Acts, ch 145, §214; 2008 Acts, ch 1031, §107; 2009 Acts, ch 23, §19; 2012 Acts, ch 1086, §6

**231.23 Department on aging — duties and authority.**

The department on aging director shall:

1. Develop and administer a state plan on aging.

2. Assist the commission in the review and approval of area plans.

3. Pursuant to commission policy, coordinate state activities related to the purposes of this chapter and all other chapters under the department's jurisdiction.

4. Advocate for older individuals by reviewing and commenting upon all state plans, budgets, laws, rules, regulations, and policies which affect older individuals and by providing technical assistance to any agency, organization, association, or individual representing the needs of older individuals.

5. Assist the commission in dividing the state into distinct planning and service areas.

6. Assist the commission in designating for each area a public or private nonprofit agency or organization as the area agency on aging for that area.

7. Pursuant to commission policy, take into account the views of older Iowans.

8. Assist the commission in adopting a formula for the distribution of funds available from the federal Act and state appropriations and allocations.

9. Assist the commission in assuring that preference will be given to providing services to older individuals with the greatest economic or social needs, with particular attention to

low-income minority older individuals, older individuals with limited English proficiency, and older individuals residing in rural areas.

10. Assist the commission in developing, adopting, and enforcing administrative rules, by issuing necessary forms and procedures.

11. Apply for, receive, and administer grants, devises, donations, gifts, or bequests of real or personal property from any source to conduct projects consistent with the purposes of the department. Notwithstanding section 8.33, moneys received by the department pursuant to this section are not subject to reversion to the general fund of the state.

12. Administer state authorized programs.

13. Establish a procedure for an area agency on aging to use in selection of members of the agency's board of directors. The selection procedure shall be incorporated into the bylaws of the board of directors.

86 Acts, ch 1245, §1011

C87, §249D.23

C93, §231.23

2003 Acts, ch 141, §5; 2005 Acts, ch 45, §6; 2006 Acts, ch 1184, §106; 2007 Acts, ch 81, §1; 2009 Acts, ch 23, §20, 21; 2012 Acts, ch 1086, §7

Referred to in §231.33

Three-year pilot project to train, recruit, and oversee volunteers to assist courts in monitoring guardianships and conservatorships and to provide assistance to guardians and conservators; 2013 Acts, ch 138, §52

Section not amended; footnote added

**231.23A Programs and services.**

The department on aging shall provide or administer, but is not limited to providing or administering, all of the following programs and services:

1. Services for older individuals including but not limited to home and community-based services such as adult day, assessment and intervention, transportation, chore, counseling, homemaker, material aid, personal care, reassurance, respite, visitation, caregiver support, emergency response system, mental health outreach, and home repair as defined by the department in the most current version of the department's reporting manual and pursuant to the federal Act and regulations.

2. The older American community service employment program.

3. The case management program for frail elders.

4. The aging and disability resource center program.

5. The legal assistance development program.

6. The nutrition and health promotion program.

7. Administration relating to the area agencies on aging.

8. Elder abuse prevention, detection, intervention, and awareness including neglect and exploitation.

9. Other programs and services authorized by law.

2003 Acts, ch 141, §6; 2005 Acts, ch 42, §5; 2005 Acts, ch 45, §7; 2006 Acts, ch 1010, §69; 2009 Acts, ch 23, §22; 2010 Acts, ch 1062, §5; 2012 Acts, ch 1086, §8; 2013 Acts, ch 18, §19, 20

Prevention of elder abuse, neglect, and exploitation program, see §231.56A

Subsection 2 amended

Subsection 7 stricken and former subsections 8 – 10 renumbered as 7 – 9

**231.24 Certified retirement communities.** Repealed by 2012 Acts, ch 1086, § 16.

**231.25 through 231.30** Reserved.

## SUBCHAPTER IV

## PLANNING AND SERVICE DELIVERY

**231.31 State plan on aging.**

The department on aging shall develop, and submit to the commission on aging for approval, a multiyear state plan on aging. The state plan on aging shall meet all applicable federal requirements.

86 Acts, ch 1245, §1012
C87, §249D.31
C93, §231.31
2003 Acts, ch 141, §7; 2009 Acts, ch 23, §23

**231.32 Criteria for designation of area agencies on aging.**

1. The commission shall designate an area agency on aging for each planning and service area. The commission shall continue the designation until an area agency on aging's designation is removed for cause as determined by the commission, until the agency voluntarily withdraws as an area agency on aging, or until a change in the designation of planning and service areas or area agencies on aging is required by state or federal law. In that event, the commission shall proceed in accordance with subsections 2, 3, and 4. Designated area agencies on aging shall comply with the requirements of the federal Act.

2. The commission shall designate an area agency to serve each planning and service area, after consideration of the views offered by units of general purpose local government. An area agency may be:

*a.* An established office of aging which is operating within a planning and service area designated by the commission.

*b.* Any office or agency of a unit of general purpose local government, which is designated to function only for the purpose of serving as an area agency on aging by the chief elected official of such unit.

*c.* Any office or agency designated by the appropriate chief elected officials of any combination of units of general purpose local government to act only on behalf of such combination for such purpose.

*d.* Any public or nonprofit private agency in a planning and service area or any separate organizational unit within such agency which is under the supervision or direction for this purpose of the department on aging and which can and will engage only in the planning or provision of a broad range of supportive services or nutrition services within the planning and service area.

3. When the commission designates a new area agency on aging the commission shall give the right of first refusal to a unit of general purpose local government if:

*a.* Such unit can meet the requirements of subsection 1.

*b.* The boundaries of such a unit and the boundaries of the area are reasonably contiguous.

4. Each area agency shall provide assurance, determined adequate by the commission, that the area agency has the ability to develop an area plan and to carry out, directly or through contractual or other arrangements, a program in accordance with the plan within the planning and service area. In designating an area agency on aging within the planning and service area, the commission shall give preference to an established office of aging, unless the commission finds that no such office within the planning and service area has the capacity to carry out the area plan.

5. Upon designation, an area agency on aging shall be considered an instrumentality of the state and shall adhere to all state and federal mandates applicable to an instrumentality of the state.

86 Acts, ch 1245, §1013
C87, §249D.32

C93, §231.32

2003 Acts, ch 141, §8; 2009 Acts, ch 23, §24; 2009 Acts, ch 41, §230; 2009 Acts, ch 133, §218, 219; 2010 Acts, ch 1069, §66, 147; 2012 Acts, ch 1028, §1, 3; 2013 Acts, ch 18, §21

Referred to in §231.14

NEW subsection 5

**231.33 Area agencies on aging duties.**

Each area agency on aging shall:

1. Develop and administer an area plan on aging.

2. Assess the types and levels of services needed by older individuals and their caregivers in the planning and service area, and the effectiveness of other public or private programs serving those needs.

3. Enter into subgrants or contracts to provide services under the plan.

4. Provide technical assistance as needed, document quarterly monitoring, and provide a written report of an annual on-site assessment of all service providers funded by the area agency.

5. Coordinate the administration of its plan with federal programs and with other federal, state, and local resources in order to develop a comprehensive and coordinated service system.

6. Establish an advisory council.

7. Give preference in the delivery of services under the area plan to older individuals with the greatest economic or social need, with particular attention to low-income minority older individuals, older individuals with limited English proficiency, and older individuals residing in rural areas.

8. Assure that older individuals and their caregivers in the planning and service area have reasonably convenient access to information and assistance services.

9. Provide adequate and effective opportunities for older individuals to express their views to the area agency on policy development and program implementation under the area plan.

10. Designate community focal points.

11. Conduct outreach efforts to identify older individuals with the greatest economic or social needs, with particular attention to low-income minority older individuals, older individuals with limited English proficiency, and older individuals residing in rural areas, and inform them of the availability of services under the area plan.

12. Develop and publish the methods that the agency uses to establish preferences and priorities for services.

13. Submit all fiscal and performance reports in accordance with the policies of the commission.

14. Monitor, evaluate, and comment on laws, rules, regulations, policies, programs, hearings, levies, and community actions which significantly affect the lives of older individuals.

15. Conduct public hearings on the needs of older individuals and their caregivers.

16. Represent the interests of older individuals and their caregivers to public officials, public and private agencies, or organizations.

17. Coordinate planning with other agencies and organizations to promote new or expanded benefits and opportunities for older individuals.

18. Coordinate planning with other agencies for assuring the safety of older individuals in a natural disaster or other safety threatening situation.

19. Incorporate into the bylaws of the area agency's board of directors and comply with the procedure established by the department for selection of members to the board of directors as provided in section 231.23.

20. Provide the opportunity for older individuals residing in the planning and service area to offer substantive suggestions regarding the employment practices of the area agency on aging.

21. Comply with all applicable requirements of the Iowa public employees' retirement system established pursuant to chapter 97B. Notwithstanding any provision to the contrary, an employee of an area agency on aging that was enrolled in an alternative qualified plan

prior to July 1, 2012, may continue participation in that alternative qualified plan in lieu of mandatory participation in the Iowa public employees' retirement system.

86 Acts, ch 1245, §1014
C87, §249D.33
89 Acts, ch 241, §6
C93, §231.33
99 Acts, ch 129, §12; 2003 Acts, ch 141, §9; 2005 Acts, ch 45, §8, 9; 2006 Acts, ch 1184, §107; 2007 Acts, ch 218, §38; 2009 Acts, ch 23, §25; 2010 Acts, ch 1192, §51, 73; 2012 Acts, ch 1086, §9; 2013 Acts, ch 18, §22; 2013 Acts, ch 138, §48, 54, 55
The portion of subsection 21 relating to employees enrolled in alternative qualified plans prior to July 1, 2012, takes effect June 20, 2013, and applies retroactively to July 1, 2012; 2013 Acts, ch 138, §54, 55
NEW subsection 21

**231.34 Limitation of funds used for administrative purposes.**

Of the state funds appropriated or allocated to the department for programs of the area agencies on aging, not more than seven and one-half percent of the total amount shall be used for area agencies on aging administrative purposes.

2005 Acts, ch 175, §100

**231.35 through 231.40** Reserved.

## SUBCHAPTER V

## LONG-TERM CARE OMBUDSMAN

**231.41 Purpose.**

The purpose of this subchapter is to establish and provide for the operation of the office of long-term care ombudsman; to carry out, through the office, a state long-term care ombudsman program within the department in accordance with the requirements of the federal Act; and to adopt the supporting federal regulations and guidelines for its operation.

86 Acts, ch 1245, §1015
C87, §249D.41
C93, §231.41
2003 Acts, ch 141, §10; 2009 Acts, ch 23, §26; 2010 Acts, ch 1062, §6; 2013 Acts, ch 18, §23
Section amended

**231.42 Office of long-term care ombudsman — duties — penalties for violations.**

1. *Office established.* The office of long-term care ombudsman is established within the department, in accordance with the federal Act, and state law. The office shall consist of the state long-term care ombudsman, any local long-term care ombudsmen, and any certified volunteer long-term care ombudsmen.

2. *State long-term care ombudsman.* The director of the department shall appoint the state long-term care ombudsman who shall do all of the following:

*a.* Establish and implement a statewide confidential uniform reporting system for receiving, analyzing, referring, investigating, and resolving complaints about administrative actions and the health, safety, welfare, and rights of residents or tenants of long-term care facilities, assisted living programs, and elder group homes, excluding facilities licensed primarily to serve persons with an intellectual disability or mental illness.

*b.* Publicize the office of long-term care ombudsman and provide information and education to consumers, the public, and other agencies about issues related to long-term care in Iowa.

*c.* Monitor the development and implementation of federal, state, and local laws, regulations, and policies that relate to long-term care in Iowa.

*d.* Annually report to the governor and general assembly on the activities of the office and make recommendations for improving the health, safety, welfare, and rights of residents and tenants.

*e.* Cooperate with persons and public or private agencies with regard to, and participate in, inquiries, meetings, or studies that may lead to improvements in the health, safety, welfare, and rights of residents and tenants.

3. *Local long-term care ombudsmen.* The local long-term care ombudsmen established pursuant to this section shall do all of the following:

*a.* Accept, investigate, verify, and work to resolve complaints relating to any action or inaction that may adversely affect the health, safety, welfare, or rights of residents or tenants.

*b.* Provide information about long-term care, the rights of residents and tenants, payment sources for care, and selection of a long-term care facility, assisted living program, or elder group home to providers, consumers, family members, volunteers, and the public.

*c.* Make referrals to appropriate licensing, certifying, and enforcement agencies to assure appropriate investigation of abuse complaints and corrective actions.

*d.* Assist in the training and education of certified volunteers associated with the office of long-term care ombudsman.

*e.* Make noncomplaint-related visits to long-term care facilities, assisted living programs, and elder group homes to observe daily routines, meals, and activities, and work to resolve complaints if any are identified during these visits.

4. *Referrals of abuse, neglect, or exploitation.*

*a.* If abuse, neglect, or exploitation of a resident or tenant is suspected, the state or a local long-term care ombudsman shall, with the permission of the resident or tenant as applicable under federal law, make an immediate referral to the department of inspections and appeals, the department of human services, the department on aging, or the appropriate law enforcement agency, as applicable. The state or a local long-term care ombudsman shall cooperate, if requested, with the department of inspections and appeals, department of human services, department on aging, or any law enforcement agency pursuant to any investigation of such abuse, neglect, or exploitation.

*b.* If the department of inspections and appeals responds to a complaint referred by the state or a local long-term care ombudsman against a long-term care facility, assisted living program, elder group home, or an employee of such entity, copies of related inspection reports, plans of correction, and notice of any citations and sanctions levied against the facility, program, or home shall be forwarded to the office of long-term care ombudsman.

5. *Access to long-term care facility, assisted living program, or elder group home and residents and tenants.* The state or a local long-term care ombudsman or a certified volunteer may enter any long-term care facility, assisted living program, or elder group home at any time with or without prior notice or complaint and shall be granted access to residents and tenants at all times for the purpose of carrying out the duties specified in this section. As used in this section, "*access*" means the right to do all of the following:

*a.* Enter any long-term care facility, assisted living program, or elder group home and provide identification.

*b.* Seek consent from the resident, tenant, or legal representative to communicate privately and without restriction with any resident, tenant, or legal representative.

*c.* Communicate privately and without restriction with any resident, tenant, or legal representative.

*d.* Review the medical, social, or other records of a resident or tenant.

*e.* Observe all resident or tenant areas of a long-term care facility, assisted living program, or elder group home except the living area of any resident or tenant who protests the observation.

6. *Access to medical and social records.*

*a.* The state or a local long-term care ombudsman shall have access to the medical and social records of a resident or tenant, if any of the following applies:

(1) The state or local long-term care ombudsman or certified volunteer long-term care ombudsman has the permission of the resident or tenant, or the legal representative of the resident or tenant.

(2) The resident or tenant is unable to consent to the access and has no legal representative.

(3) Access to the records is necessary to investigate a complaint if all of the following apply:

(a) A legal representative of the resident or tenant refuses to give the permission.

(b) The state or local long-term care ombudsman or a certified volunteer long-term care ombudsman has reasonable cause to believe that the legal representative is not acting in the best interest of the resident or tenant.

(c) The local long-term care ombudsman or a certified volunteer long-term care ombudsman obtains the approval of the state long-term care ombudsman.

*b.* Records may be reproduced by the state or a local long-term care ombudsman.

*c.* Upon request of the state or a local long-term care ombudsman, a long-term care facility, assisted living program, or elder group home shall provide the name, address, and telephone number of the legal representative or next of kin of any resident or tenant.

*d.* A long-term care facility, assisted living program, or elder group home or personnel of such a facility, program, or home who discloses records in compliance with this section and the procedures adopted pursuant to this section shall not be liable for such disclosure.

7. *Access to administrative records.*

*a.* Pursuant to the federal Act, the state or a local long-term care ombudsman or a certified volunteer shall have access to the administrative records, policies, and documents of the long-term care facility, assisted living program, or elder group home, which are accessible to residents, tenants, or the general public.

*b.* Pursuant to the federal Act, the state or a local long-term care ombudsman or a certified volunteer shall have access to, and upon request, copies of, all licensing and certification records maintained by the state with respect to a long-term care facility, assisted living program, or elder group home.

8. *Interference prohibited — penalties.*

*a.* An officer, owner, director, or employee of a long-term care facility, assisted living program, or elder group home who intentionally prevents, interferes with, or attempts to impede the work of the state or a local long-term care ombudsman or a certified volunteer is subject to a penalty imposed by the director of not more than one thousand five hundred dollars for each violation. If the director imposes a penalty for a violation under this paragraph, no other state agency shall impose a penalty for the same interference violation. Any moneys collected pursuant to this subsection shall be deposited in the general fund of the state.

*b.* The office of long-term care ombudsman shall adopt rules specifying procedures for notice and appeal of penalties imposed pursuant to this subsection.

*c.* The director, in consultation with the office of long-term care ombudsman, shall notify the county attorney of the county in which the long-term care facility, assisted living program, or elder group home is located, or the attorney general, of any violation of this subsection.

9. *Retaliation prohibited — penalties.* An officer, owner, director, or employee of a long-term care facility, assisted living program, or elder group home shall not retaliate against any person for having filed a complaint with, or provided information to, the state or a local long-term care ombudsman or a certified volunteer. A person who retaliates or discriminates in violation of this subsection is guilty of a simple misdemeanor.

10. *Change in operations.* A long-term care facility, assisted living program, or elder group home shall inform the office of long-term care ombudsman in writing at least thirty days prior to any change in operations, programs, services, licensure, or certification that affects residents or tenants, including but not limited to the intention to close, decertify, or change ownership. In an emergency situation, or when a long-term care facility, assisted living program, or elder group home is evacuated, the department of inspections and appeals shall notify the office of long-term care ombudsman.

11. *Immunity.* The state or a local long-term care ombudsman, certified volunteer, or any representative of the office participating in the good faith performance of their official duties shall have immunity from any civil or criminal liability that otherwise might result by reason of taking, investigating, or pursuing a complaint under this section.

12. *Confidentiality.*

*a.* Information relating to any complaint made to or investigation by the state or a local

long-term care ombudsman or certified volunteer that discloses the identity of a complainant, resident, or tenant; information related to a resident's or tenant's social or medical records; or files maintained by the state long-term care ombudsman program that disclose the identity of a complainant, resident, or tenant, shall remain confidential and shall not be disclosed unless any of the following applies:

(1) The complainant, resident, tenant, or a legal representative consents to the disclosure and the consent is given in writing.

(2) The complainant, resident, or tenant gives consent orally and the consent is documented contemporaneously in a writing made by the state long-term care ombudsman or a local long-term care ombudsman.

(3) The disclosure is required by a court order.

*b.* The department shall adopt rules pursuant to chapter 17A to administer this subsection.

13. *Posting of state long-term care ombudsman information.* Every long-term care facility, assisted living program, and elder group home shall post information in a prominent location that includes the name, address, and telephone number, and a brief description of the services provided by the office of long-term care ombudsman. The information posted shall be approved or provided by the office of long-term care ombudsman.

86 Acts, ch 1245, §1016
C87, §249D.42
C93, §231.42
99 Acts, ch 129, §13; 2003 Acts, ch 141, §11; 2005 Acts, ch 45, §10; 2009 Acts, ch 23, §27 – 29; 2009 Acts, ch 41, §93; 2010 Acts, ch 1062, §7; 2012 Acts, ch 1019, §84; 2013 Acts, ch 18, §24
Referred to in §22.7, 135C.1, 231.45, 231B.1, 231C.2
Section amended

**231.43 Authority and responsibilities of the commission.** Repealed by 2010 Acts, ch 1062, § 10.

**231.44 Resident advocate committee — duties — disclosure — liability.** Repealed by 2013 Acts, ch 18, § 34.

**231.45 Certified volunteer long-term care ombudsman program.**

1. The department shall establish a certified volunteer long-term care ombudsman program in accordance with the federal Act to provide assistance to the state and local long-term care ombudsmen.

2. The department shall develop and implement a certification process for volunteer long-term care ombudsmen including but not limited to an application process, provision for background checks, classroom or on-site training, orientation, and continuing education.

3. Unless specifically excluded, the provisions of section 231.42 relating to local long-term care ombudsmen shall apply to certified volunteer long-term care ombudsmen.

4. The department shall adopt rules pursuant to chapter 17A to administer this section.

2012 Acts, ch 1133, §97; 2013 Acts, ch 18, §25
Referred to in §135C.1, 225C.4, 231.4
Section amended

**231.46 through 231.50** Reserved.

## SUBCHAPTER VI

## PROGRAMS

**231.51 Older American community service employment program.**

1. The department shall direct and administer the older American community service employment program as authorized by the federal Act in coordination with the department of workforce development.

2. The purpose of the program is to foster individual economic self-sufficiency and to increase the number of participants placed in unsubsidized employment in the public and private sectors while maintaining the community service focus of the program.

3. Funds appropriated to the department from the United States department of labor shall be distributed to subgrantees in accordance with federal requirements.

4. The department shall require such uniform reporting and financial accounting by subgrantees as may be necessary to fulfill the purposes of this section.

86 Acts, ch 1245, §1019
C87, §249D.51
C93, §231.51
96 Acts, ch 1186, §23; 2002 Acts, ch 1058, §1; 2005 Acts, ch 45, §13; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 18, §26
Subsections 1, 3, and 4 amended

**231.52 Senior internship program.** Repealed by 2013 Acts, ch 18, § 34.

**231.53 Coordination with Workforce Investment Act.**

The older American community service employment program shall be coordinated with the federal Workforce Investment Act administered by the department of workforce development.

2002 Acts, ch 1058, §3; 2009 Acts, ch 23, §33; 2013 Acts, ch 18, §27
Section amended

**231.54** Repealed by 2003 Acts, ch 141, § 16.

**231.55** Repealed by 2005 Acts, ch 42, § 6. See § 15H.2.

**231.56 Services and programs.**

The department shall administer services and programs that allow older individuals to secure and maintain maximum independence and dignity in a home environment that provides for self-care with appropriate supportive services, assist in removing individual and social barriers to economic and personal independence for older individuals, provide a continuum of care for older individuals and individuals with disabilities, and secure the opportunity for older individuals to receive managed in-home and community-based long-term care services. Funds appropriated for this purpose shall be allocated based on administrative rules adopted by the commission. The department shall require such records as needed to administer this section.

86 Acts, ch 1245, §1024
C87, §249D.56
C93, §231.56
2005 Acts, ch 45, §14; 2009 Acts, ch 23, §34; 2012 Acts, ch 1086, §11; 2013 Acts, ch 90, §58
Section amended

**231.56A Prevention of elder abuse, neglect, and exploitation program.**

1. The department shall administer the prevention of elder abuse, neglect, and exploitation program in accordance with the requirements of the federal Act. The purpose of the program is to carry out activities for intervention in, investigation of, and response to elder abuse, neglect, and exploitation including financial exploitation.

2. The department shall adopt rules to implement this section.

2003 Acts, ch 98, §1; 2003 Acts, ch 179, §67; 2009 Acts, ch 23, §35; 2012 Acts, ch 1086, §12; 2013 Acts, ch 18, §28
Section amended

**231.57 Coordination of advocacy.**

The department shall administer a program for the coordination of information and assistance provided within the state to assist older individuals and their caregivers in obtaining and protecting their rights and benefits. State and local agencies providing

information and assistance to older individuals and their caregivers in seeking their rights and benefits shall cooperate with the department in administering this program.

86 Acts, ch 1245, §1025
C87, §249D.57
C93, §231.57
2003 Acts, ch 141, §13; 2009 Acts, ch 23, §36

**231.58 Long-term living coordination.**

The director may convene meetings, as necessary, of the director and the directors of human services, public health, and inspections and appeals, to assist in the coordination of policy, service delivery, and long-range planning relating to the long-term living system and older Iowans in the state. The group may consult with individuals, institutions and entities with expertise in the area of the long-term living system and older Iowans, as necessary, to facilitate the group's efforts.

86 Acts, ch 1245, §1026
C87, §249D.58
89 Acts, ch 52, §1
C93, §231.58
2000 Acts, ch 1004, §13, 22; 2003 Acts, ch 141, §14; 2003 Acts, ch 145, §215; 2005 Acts, ch 45, §15; 2008 Acts, ch 1156, §34, 58; 2009 Acts, ch 23, §37, 38; 2009 Acts, ch 182, §90

**231.59 and 231.60** Repealed by 2003 Acts, ch 141, § 16.

**231.61** Repealed by 2003 Acts, ch 165, § 20. See chapter 231D.

**231.62 Alzheimer's disease services and assistance.**

Pursuant to the federal Act, the department shall direct the area agencies on aging to use outreach efforts to identify older individuals with Alzheimer's disease and related disorders and to establish supportive services for those individuals and their families. The department shall regularly review trends and initiatives to address the long-term living needs of Iowans to determine how the needs of persons with Alzheimer's disease and related disorders can be appropriately met.

2008 Acts, ch 1140, §2; 2011 Acts, ch 34, §57; 2012 Acts, ch 1086, §13

**231.63 End-of-life care information.** Repealed by 2012 Acts, ch 1086, § 16.

**231.64 Aging and disability resource center.**

1. The aging and disability resource center shall be administered by the department consistent with the federal Act. The department shall designate area agencies on aging to establish, in consultation with other stakeholders including organizations representing the disability community, a coordinated system for providing all of the following:

*a.* Comprehensive information, referral, and assistance regarding the full range of available public and private long-term care programs, options, service providers, and resources within a community, including information on the availability of integrated long-term care.

*b.* Options counseling to assist individuals in assessing their existing or anticipated long-term care needs and developing and implementing a plan for long-term care designed to meet their specific needs and circumstances. The plan for long-term care may include support with person-centered care transitions to assist consumers and family caregivers with transitions between home and care settings.

*c.* Consumer access to the range of publicly-supported long-term care programs for which consumers may be eligible, by serving as a convenient point of entry for such programs.

2. The aging and disability resource center shall assist older individuals, persons with disabilities age eighteen or older, family caregivers, and people who inquire about or request

assistance on behalf of members of these groups, as they seek long-term care living services and community supports.

2009 Acts, ch 23, §39; 2012 Acts, ch 1086, §14; 2013 Acts, ch 18, §29; 2013 Acts, ch 140, §19
See Code editor's note on simple harmonization
Section amended

**231.65 Legal assistance development program.**

A legal assistance development program shall be administered by the department in accordance with the requirements of the federal Act. The purpose of the program is to provide leadership for improving the quality and quantity of legal advocacy assistance as a means of ensuring a comprehensive elder rights system for Iowa's older individuals. The extent of implementation of this program shall be based on available resources.

2009 Acts, ch 23, §40

**231.66 Nutrition and health promotion program.**

A nutrition and health promotion program shall be administered by the department, in accordance with the requirements of the federal Act, including congregate and home-delivered nutrition programs, nutrition screening, nutrition education, nutrition counseling, and evidence-based health promotion programs to promote health and well-being, reduce food insecurity, promote socialization, and maximize independence of older individuals.

2009 Acts, ch 23, §41; 2012 Acts, ch 1086, §15

# CHAPTER 231A

## ELDER FAMILY HOMES

Repealed by 2003 Acts, ch 166, §28

# CHAPTER 231B

## ELDER GROUP HOMES

Referred to in §135C.33, 231.4, 235E.2, 483A.24


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231B.19 Resident advocate committees. Repealed by 2013 Acts, ch 18, §34.
231B.20 Nursing assistant and medication aide — certification.
231B.21 Medication setup — administration and storage of medications.

**231B.1 Definitions.**

1. *"Department"* means the department of inspections and appeals or the department's designee.

2. *"Elder"* means a person sixty years of age or older.

3. *"Elder group home"* means a single-family residence that is operated by a person who is providing room, board, and personal care and may provide health-related services to three through five elders who are not related to the person providing the service within the third degree of consanguinity or affinity, and which is staffed by an on-site manager twenty-four hours per day, seven days per week.

4. *"Governmental unit"* means the state, or any county, municipality, or other political subdivision or any department, division, board, or other agency of any of these entities.

5. *"Health-related care"* means services provided by a registered nurse or a licensed practical nurse, on a part-time or intermittent basis, and services provided by other licensed health care professionals, on a part-time or intermittent basis.

6. *"Medication setup"* means assistance with various steps of medication administration to support a tenant's autonomy, which may include but is not limited to routine prompting, cueing and reminding, opening containers or packaging at the direction of the tenant, reading instructions or other label information, or transferring medications from the original container into suitable medication dispensing containers, reminder containers, or medication cups.

7. *"Occupancy agreement"* means a written agreement entered into between an elder group home and a tenant that clearly describes the rights and responsibilities of the elder group home and the tenant, and other information required by rule. *"Occupancy agreement"* may include a separate signed lease and signed service agreement.

8. *"Personal care"* means assistance with the essential activities of daily living which may include but are not limited to transferring, bathing, personal hygiene, dressing, grooming, and housekeeping that are essential to the health and welfare of a tenant.

9. *"Tenant"* means an individual who receives elder group home services through a certified elder group home.

10. *"Tenant advocate"* means the office of long-term care ombudsman established in section 231.42.

11. *"Tenant's legal representative"* means a person appointed by the court to act on behalf of a tenant, or a person acting pursuant to a power of attorney.

93 Acts, ch 72, §2; 2003 Acts, ch 166, §3; 2005 Acts, ch 62, §1; 2007 Acts, ch 215, §135; 2013 Acts, ch 18, §30

Referred to in §142D.2, 144C.2, 144D.1, 231.4, 235E.1

Subsection 10 amended

**231B.1A Findings — purpose.**

1. The general assembly finds that elder group homes are an important part of the long-term care continua in this state. Elder group homes emphasize the independence and dignity of the individual while providing housing in a cost-effective manner.

2. The purposes of establishing and regulating elder group homes include all of the following:

*a.* To encourage the establishment and maintenance of a safe and homelike environment for individuals of all income levels who require assistance with personal care to live independently but who require health-related care only on a part-time or intermittent basis.

*b.* To establish standards for elder group homes that allow flexibility in design, which promotes a model of service delivery by focusing on individual independence, needs and desires, and consumer-driven quality of service.

*c.* To encourage public participation in the development of elder group home programs for individuals of all income levels.

2005 Acts, ch 62, §2; 2007 Acts, ch 215, §136

**231B.2 Certification of elder group homes — rules.**

1. The department shall establish by rule, in accordance with chapter 17A, minimum

standards for certification and monitoring of elder group homes. The department may adopt by reference, with or without amendment, nationally recognized standards and rules for elder group homes. The standards and rules shall be formulated in consultation with affected state agencies and affected industry, professional, and consumer groups; shall be designed to accomplish the purposes of this chapter; and shall include but not be limited to rules relating to all of the following:

*a.* Provisions to ensure, to the greatest extent possible, the health, safety, well-being, and appropriate treatment of tenants.

*b.* Requirements that elder group homes furnish the department with specified information necessary to administer this chapter. All information related to the provider application for an elder group home presented to the department shall be considered a public record pursuant to chapter 22.

*c.* Standards for tenant evaluation or assessment, which may vary in accordance with the nature of the services provided or the status of the tenant.

*d.* Provisions for granting short-term waivers for tenants who exceed occupancy criteria.

2. Each elder group home operating in this state shall be certified by the department.

3. The owner or manager of a certified elder group home shall comply with the rules adopted by the department for an elder group home. A person, including a governmental unit, shall not represent an elder group home to the public as an elder group home or as a certified elder group home unless and until the program is certified pursuant to this chapter.

4. *a.* Services provided by a certified elder group home may be provided directly by staff of the elder group home, by individuals contracting with the elder group home to provide services, or by individuals employed by the tenant or with whom the tenant contracts if the tenant agrees to assume the responsibility and risk of the employment or the contractual relationship.

*b.* If a tenant is terminally ill and has elected to receive hospice services under the federal Medicare program from a Medicare-certified hospice program, the elder group home and the Medicare-certified hospice program shall enter into a written agreement under which the hospice program retains professional management responsibility for those services.

5. The department may enter into contracts to provide certification and monitoring of elder group homes. The department shall:

*a.* Have full access at reasonable times to all records, materials, and common areas pertaining to the provision of services and care to the tenants of a program during certification, monitoring, and complaint investigations of programs seeking certification, currently certified, or alleged to be uncertified.

*b.* With the consent of the tenant, visit the tenant's unit.

6. A department, agency, or officer of this state or of any governmental unit shall not pay or approve for payment from public funds any amount to an elder group home for an actual or prospective tenant, unless the program holds a current certificate issued by the department and meets all current requirements for certification.

7. The department shall adopt rules regarding the conducting or operating of another business or activity in the distinct part of the physical structure in which the elder group home is operated, if the business or activity serves persons who are not tenants. The rules shall be developed in consultation with affected state agencies and affected industry, professional, and consumer groups.

8. An elder group home shall comply with section 135C.33.

9. The department shall conduct training sessions for personnel responsible for conducting monitoring evaluations and complaint investigations of elder group homes.

10. Certification shall be for two years unless revoked for good cause by the department.

93 Acts, ch 72, §3; 99 Acts, ch 129, §16; 2003 Acts, ch 166, §4, 5; 2005 Acts, ch 62, §3; 2006 Acts, ch 1010, §70; 2007 Acts, ch 215, §137 – 141

**231B.3 Referral to uncertified elder group home prohibited.**

1. A person shall not place, refer, or recommend the placement of another person in an elder group home that is not certified pursuant to this chapter.

2. A person who has knowledge that an elder group home is operating without

certification shall report the name and address of the home to the department. The department shall investigate a report made pursuant to this section.

93 Acts, ch 72, §4; 2003 Acts, ch 166, §6; 2007 Acts, ch 215, §142

**231B.4 Zoning — fire and safety standards.**

An elder group home shall be located in an area zoned for single-family or multiple-family housing or in an unincorporated area and shall be constructed in compliance with applicable local housing codes and the rules adopted for the special classification by the state fire marshal. In the absence of local building codes, the facility shall comply with the state plumbing code established pursuant to section 135.11 and the state building code established pursuant to section 103A.7 and the rules adopted for the special classification by the state fire marshal. The rules adopted for the special classification by the state fire marshal regarding second floor occupancy shall be adopted in consultation with the department and shall take into consideration the mobility of the tenants.

93 Acts, ch 72, §5; 2005 Acts, ch 62, §4; 2007 Acts, ch 215, §143

Referred to in §335.33, 414.31

**231B.5 Written occupancy agreement required.**

1. An elder group home shall not operate in this state unless a written occupancy agreement, as prescribed in subsection 2, is executed between the elder group home and each tenant or the tenant's legal representative prior to the tenant's occupancy, and unless the elder group home operates in accordance with the terms of the occupancy agreement. The elder group home shall deliver to the tenant or the tenant's legal representative a complete copy of the occupancy agreement and all supporting documents and attachments and shall deliver, at least thirty days prior to any changes, a written copy of changes to the occupancy agreement if any changes to the copy originally delivered are subsequently made, unless otherwise provided in this section.

2. An elder group home occupancy agreement shall clearly describe the rights and responsibilities of the tenant and the elder group home. The occupancy agreement shall also include but is not limited to inclusion of all of the following information in the body of the agreement or in the supporting documents and attachments:

*a.* A description of all fees, charges, and rates describing tenancy and basic services covered, and any additional and optional services and their related costs.

*b.* A statement regarding the impact of the fee structure on third-party payments, and whether third-party payments and resources are accepted by the elder group home.

*c.* The procedure followed for nonpayment of fees.

*d.* Identification of the party responsible for payment of fees and identification of the tenant's legal representative, if any.

*e.* The term of the occupancy agreement.

*f.* A statement that the elder group home shall notify the tenant or the tenant's legal representative, as applicable, in writing at least thirty days prior to any change being made in the occupancy agreement with the following exceptions:

(1) When the tenant's health status or behavior constitutes a substantial threat to the health or safety of the tenant, other tenants, or others, including when the tenant refuses to consent to relocation.

(2) When an emergency or a significant change in the tenant's condition results in the need for the provision of services that exceed the type or level of services included in the occupancy agreement and the necessary services cannot be safely provided by the elder group home.

*g.* A statement that all tenant information shall be maintained in a confidential manner to the extent required under state and federal law.

*h.* Occupancy, involuntary transfer, and transfer criteria and procedures, which ensure a safe and orderly transfer.

*i.* The internal appeals process provided relative to an involuntary transfer.

*j.* The program's policies and procedures for addressing grievances between the elder group home and the tenants, including grievances relating to transfer and occupancy.

*k.* A statement of the prohibition against retaliation as prescribed in section 231B.13.

*l.* The emergency response policy.

*m.* The staffing policy which specifies if nurse delegation will be used, and how staffing will be adapted to meet changing tenant needs.

*n.* The refund policy.

*o.* A statement regarding billing and payment procedures.

3. Occupancy agreements and related documents executed by each tenant or tenant's legal representative shall be maintained by the elder group home from the date of execution until three years from the date the occupancy agreement is terminated. A copy of the most current occupancy agreement shall be provided to members of the general public, upon request. Occupancy agreements and related documents shall be made available for on-site inspection to the department upon request and at reasonable times.

2005 Acts, ch 62, §5; 2007 Acts, ch 215, §144

**231B.6 Involuntary transfer.**

1. If an elder group home initiates the involuntary transfer of a tenant and the action is not a result of a monitoring evaluation or complaint investigation by the department, and if the tenant or tenant's legal representative contests the transfer, the following procedure shall apply:

*a.* The elder group home shall notify the tenant or tenant's legal representative, in accordance with the occupancy agreement, of the need to transfer, the reason for the transfer, and the contact information of the tenant advocate.

*b.* The elder group home shall provide the tenant advocate with a copy of the notification to the tenant.

*c.* The tenant advocate shall offer the notified tenant or tenant's legal representative assistance with the program's internal appeals process. The tenant is not required to accept the assistance of the tenant advocate.

*d.* If, following the internal appeals process, the elder group home upholds the transfer decision, the tenant or the tenant's legal representative may utilize other remedies authorized by law to contest the transfer.

2. The department, in consultation with affected state agencies and affected industry, professional, and consumer groups, shall establish by rule, in accordance with chapter 17A, procedures to be followed, including the opportunity for hearing, when the transfer of a tenant results from a monitoring evaluation or complaint investigation conducted by the department.

2005 Acts, ch 62, §6; 2007 Acts, ch 215, §145, 146

**231B.7 Complaints.**

1. Any person with concerns regarding the operations or service delivery of an elder group home may file a complaint with the department. The name of the person who files a complaint with the department and any personal identifying information of the person or any tenant identified in the complaint shall be kept confidential and shall not be subject to discovery, subpoena, or other means of legal compulsion for its release to a person other than department employees involved with the complaint.

2. The department shall establish procedures for the disposition of complaints received in accordance with this section.

2005 Acts, ch 62, §7; 2007 Acts, ch 215, §147

**231B.8 Informal review.**

1. If an elder group home contests the findings of regulatory insufficiencies of a monitoring evaluation or complaint investigation, the program shall submit written information, demonstrating that the program was in compliance with the applicable requirement at the time of the monitoring evaluation or complaint investigation of the regulatory insufficiencies, to the department for review.

2. The department shall review the written information submitted within ten working days of the receipt of the information. At the conclusion of the review, the department may affirm,

modify, or dismiss the regulatory insufficiencies. The department shall notify the program in writing of the decision to affirm, modify, or dismiss the regulatory insufficiencies, and the reasons for the decision.

3. In the case of a complaint investigation, the department shall also notify the complainant, if known, of the decision and the reasons for the decision.

2005 Acts, ch 62, §8; 2007 Acts, ch 215, §148

**231B.9 Public disclosure of findings.**

Upon completion of a monitoring evaluation or complaint investigation of an elder group home by the department pursuant to this chapter, including the conclusion of informal review, the department's final findings with respect to compliance by the elder group home with requirements for certification shall be made available to the public in a readily available form and place. Other information relating to an elder group home that is obtained by the department which does not constitute the department's final findings from a monitoring evaluation or complaint investigation of the elder group home shall not be made available to the public except in proceedings involving the denial, suspension, or revocation of a certificate under this chapter.

2005 Acts, ch 62, §9; 2007 Acts, ch 215, §149; 2008 Acts, ch 1048, §1, 4

**231B.10 Denial, suspension, or revocation — conditional operation.**

1. The department may deny, suspend, or revoke a certificate in any case where the department finds that there has been a substantial or repeated failure on the part of the elder group home to comply with this chapter or minimum standards adopted under this chapter or for any of the following reasons:

*a.* Appropriation or conversion of the property of an elder group home tenant without the tenant's written consent or the written consent of the tenant's legal representative.

*b.* Permitting, aiding, or abetting the commission of any illegal act in the elder group home.

*c.* Obtaining or attempting to obtain or retain a certificate by fraudulent means, misrepresentation, or by submitting false information.

*d.* Habitual intoxication or addiction to the use of drugs by the applicant, administrator, executive director, manager, or supervisor of the elder group home.

*e.* Securing the devise or bequest of the property of a tenant of an elder group home by undue influence.

*f.* Founded dependent adult abuse as defined in section 235B.2.

*g.* In the case of any officer, member of the board of directors, trustee, or designated manager of the elder group home or any stockholder, partner, or individual who has greater than a five percent equity interest in the elder group home, having or having had an ownership interest in an elder group home, assisted living or adult day services program, home health agency, residential care facility, or licensed nursing facility in this or any state which has been closed due to removal of program, agency, or facility licensure or certification or involuntary termination from participation in either the medical assistance or Medicare programs, or having been found to have failed to provide adequate protection or services for tenants to prevent abuse or neglect.

*h.* In the case of a certificate applicant or an existing certified owner or operator who is an entity other than an individual, the person is in a position of control or is an officer of the entity and engages in any act or omission proscribed by this chapter.

*i.* For any other reason as provided by law or administrative rule.

2. The department may as an alternative to denial, suspension, or revocation conditionally issue or continue a certificate dependent upon the performance by the elder group home of reasonable conditions within a reasonable period of time as set by the department so as to permit the program to commence or continue the operation of the elder group home pending full compliance with this chapter or the rules adopted pursuant to this chapter. If the elder group home does not make diligent efforts to comply with the conditions prescribed, the department may, under the proceedings prescribed by this chapter, deny, suspend, or revoke

the certificate. An elder group home shall not be operated on a conditional certificate for more than one year.

2005 Acts, ch 62, §10; 2006 Acts, ch 1030, §23; 2007 Acts, ch 215, §150, 151

**231B.11 Notice — appeal — emergency provisions.**

1. The denial, suspension, or revocation of a certificate shall be effected by delivering to the applicant or certificate holder by restricted certified mail or by personal service a notice setting forth the particular reasons for such action. Such denial, suspension, or revocation shall become effective thirty days after the mailing or service of the notice, unless the applicant or certificate holder, within such thirty-day period, requests a hearing, in writing, of the department, in which case the notice shall be deemed to be suspended.

2. The denial, suspension, or revocation of a certificate may be appealed in accordance with rules adopted by the department in accordance with chapter 17A.

3. When the department finds that an imminent danger to the health or safety of a tenant of an elder group home exists which requires action on an emergency basis, the department may direct removal of all tenants of the elder group home and suspend the certificate prior to a hearing.

2005 Acts, ch 62, §11; 2007 Acts, ch 215, §152

**231B.12 Department notified of casualties.**

The department shall be notified within twenty-four hours, by the most expeditious means available, of any accident causing substantial injury or death to a tenant, and any substantial fire or natural or other disaster occurring at or near an elder group home.

2005 Acts, ch 62, §12; 2007 Acts, ch 215, §153

**231B.13 Retaliation by elder group home prohibited.**

An elder group home shall not discriminate or retaliate in any way against a tenant, a tenant's family, or an employee of the elder group home who has initiated or participated in any proceeding authorized by this chapter. An elder group home that violates this section is subject to a penalty as established by administrative rule in accordance with chapter 17A, to be assessed and collected by the department, paid into the state treasury, and credited to the general fund of the state.

2005 Acts, ch 62, §13; 2006 Acts, ch 1010, §71; 2007 Acts, ch 215, §154

Referred to in §231B.5

**231B.14 Civil penalties.**

The department may establish by rule, in accordance with chapter 17A, civil penalties for the following violations by an elder group home:

1. Noncompliance with any regulatory requirements which presents an imminent danger or a substantial probability of resultant death or physical harm to a tenant.

2. Following receipt of notice from the department, continued failure or refusal to comply within a prescribed time frame with regulatory requirements that have a direct relationship to the health, safety, or security of elder group home tenants.

3. Preventing or interfering with or attempting to impede in any way any duly authorized representative of the department in the lawful enforcement of this chapter or of the rules adopted pursuant to this chapter. As used in this subsection, *"lawful enforcement"* includes but is not limited to:

*a.* Contacting or interviewing any tenant of an elder group home in private at any reasonable hour and without advance notice.

*b.* Examining any relevant records of an elder group home.

*c.* Preserving evidence of any violation of this chapter or of the rules adopted pursuant to this chapter.

2005 Acts, ch 62, §14; 2007 Acts, ch 215, §155, 156

**231B.15 Criminal penalties and injunctive relief.**

A person establishing, conducting, managing, or operating an elder group home without a certificate is guilty of a serious misdemeanor. Each day of continuing violation after conviction or notice from the department by certified mail of a violation shall be considered a separate offense. A person establishing, conducting, managing, or operating an elder group home without a certificate may be temporarily or permanently restrained by a court of competent jurisdiction from such activity in an action brought by the state.

2005 Acts, ch 62, §15; 2007 Acts, ch 215, §157

**231B.16 Coordination of the long-term care system — transitional provisions.**

1. A hospital licensed pursuant to chapter 135B, a health care facility licensed pursuant to chapter 135C, an assisted living program certified pursuant to chapter 231C, or an adult day services program certified pursuant to chapter 231D may operate an elder group home, if the elder group home is certified pursuant to this chapter.

2. This chapter shall not be construed to require that a facility licensed as a different type of facility also comply with the requirements of this chapter, unless the facility is represented to the public as an elder group home.

3. A certified elder group home that complies with the requirements of this chapter shall not be required to be licensed or certified as a different type of facility, unless the elder group home is represented to the public as another type of facility.

2005 Acts, ch 62, §16

**231B.17 Iowa elder group home fees.**

1. The department shall collect elder group home certification and related fees. Fees collected and retained pursuant to this section shall be deposited in the general fund of the state.

2. The following certification and related fees shall apply to elder group homes:

*a.* For a two-year initial certification, seven hundred fifty dollars.

*b.* For a two-year recertification, one thousand dollars.

*c.* For a blueprint plan review, nine hundred dollars.

*d.* For an optional preliminary plan review, five hundred dollars.

2005 Acts, ch 62, §17; 2007 Acts, ch 215, §158

**231B.18 Application of landlord and tenant Act.**

Chapter 562A, the uniform residential landlord and tenant Act, shall apply to elder group homes under this chapter.

2005 Acts, ch 62, §18

**231B.19 Resident advocate committees.** Repealed by 2013 Acts, ch 18, § 34.

**231B.20 Nursing assistant and medication aide — certification.**

The department, in cooperation with other appropriate agencies, shall establish a procedure to allow nursing assistants or medication aides to claim work within an elder group home as credit toward sustaining the nursing assistant's or medication aide's certification.

2005 Acts, ch 62, §20; 2007 Acts, ch 215, §159

**231B.21 Medication setup — administration and storage of medications.**

1. An elder group home may provide for medication setup if requested by a tenant or the tenant's legal representative. If medication setup is provided following such request, the elder group home shall be responsible for the specific task requested and the tenant shall retain responsibility for those tasks not requested to be provided.

2. If medications are administered or stored by an elder group home, or if the elder group home provides for medication setup, all of the following shall apply:

*a.* If administration of medications is delegated to the elder group home by the tenant or tenant's legal representative, the medications shall be administered by a registered nurse,

licensed practical nurse, or advanced registered nurse practitioner licensed or registered in Iowa or by the individual to whom such licensed or registered individuals may properly delegate administration of medications.

*b.* Medications, other than those self-administered by the tenant or provided through medication setup, shall be stored in locked storage that is not accessible to persons other than employees responsible for administration or storage of medications.

*c.* Medications shall be labeled and maintained in compliance with label instructions and state and federal law.

*d.* A person, other than a person authorized to prescribe prescription drugs under state and federal law, shall not alter the prescription of a tenant.

*e.* Medications shall be stored in their originally received containers.

*f.* If medication setup is provided by the elder group home at the request of the tenant or tenant's legal representative, or if medication administration is delegated to the elder group home by the tenant or tenant's legal representative, appropriate staff of the elder group home may transfer the medications in the tenant's presence from the original prescription container to medication dispensing containers, reminder containers, or medication cups.

*g.* Elder group home assistance with medication administration as specified in the occupancy agreement shall not require the elder group home to provide assistance with the storage of medications.

2005 Acts, ch 62, §21

# CHAPTER 231C

## ASSISTED LIVING PROGRAMS

Referred to in §105.11, 135C.33, 144C.2, 231.4, 231B.16, 231D.16, 235E.2, 483A.24, 514H.1

Retirement facilities, see chapter 523D


231C.1 Findings, purpose, and intent.
231C.2 Definitions.
231C.3 Certification of assisted living programs.
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231C.4 Fire and safety standards.
231C.5 Written occupancy agreement required.
231C.5A Assessment of tenants — program eligibility.
231C.6 Involuntary transfer.
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231C.8 Exit interview — issuance of findings.
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231C.9A Informal conference — formal contest — judicial review.
231C.10 Denial, suspension, or revocation — conditional operation.
231C.11 Notice — appeal — emergency provisions.
231C.11A Voluntary cessation of program operations — decertification.
231C.12 Department notified of casualties.
231C.13 Retaliation by assisted living program prohibited.
231C.14 Civil penalties.
231C.15 Criminal penalties and injunctive relief.
231C.16 Nursing assistant and medication aide — certification.
231C.16A Medication setup — administration and storage of medications.
231C.17 Coordination of the long-term care system — transitional provisions.
231C.18 Iowa assisted living fees.
231C.19 Application of landlord and tenant Act.
231C.20 Limitation on penalties.


**231C.1 Findings, purpose, and intent.**

1. The general assembly finds that assisted living is an important part of the long-term care continua in this state. Assisted living emphasizes the independence and dignity of the individual while providing services in a cost-effective manner.

2. The purposes of establishing an assisted living program include all of the following:

*a.* To encourage the establishment and maintenance of a safe and homelike environment

for individuals of all income levels who require assistance to live independently but who do not require health-related care on a continuous twenty-four-hour per day basis.

*b.* To establish standards for assisted living programs that allow flexibility in design which promotes a social model of service delivery by focusing on independence, individual needs and desires, and consumer-driven quality of service.

*c.* To encourage public participation in the development of assisted living programs for individuals of all income levels.

3. It is the intent of the general assembly that the department promote a social model for assisted living programs and a consultative process to assist with compliance by assisted living programs.

96 Acts, ch 1192, §1; 2003 Acts, ch 166, §7; 2005 Acts, ch 60, §1, 2, 21; 2007 Acts, ch 215, §160

**231C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Adult day services"* means adult day services as defined in section 231D.1.

2. *"Assisted living"* means provision of housing with services which may include but are not limited to health-related care, personal care, and assistance with instrumental activities of daily living to three or more tenants in a physical structure which provides a homelike environment. *"Assisted living"* also includes encouragement of family involvement, tenant self-direction, and tenant participation in decisions that emphasize choice, dignity, privacy, individuality, shared risk, and independence. *"Assisted living"* includes the provision of housing and assistance with instrumental activities of daily living only if personal care or health-related care is also included. *"Assisted living"* includes twenty-four hours per day response staff to meet scheduled and unscheduled or unpredictable needs in a manner that promotes maximum dignity and independence and provides supervision, safety, and security.

3. *"Assisted living program"* or *"program"* means an entity that provides assisted living.

4. *"Department"* means the department of inspections and appeals or the department's designee.

5. *"Governmental unit"* means the state, or any county, municipality, or other political subdivision or any department, division, board, or other agency of any of these entities.

6. *"Health-related care"* means services provided by a registered nurse or a licensed practical nurse, on a part-time or intermittent basis, and services provided by other licensed health care professionals, on a part-time or intermittent basis.

7. *"Instrumental activities of daily living"* means those activities that reflect the tenant's ability to perform household and other tasks necessary to meet the tenant's needs within the community, which may include but are not limited to shopping, cooking, housekeeping, chores, and traveling within the community.

8. *"Medication setup"* means assistance with various steps of medication administration to support a tenant's autonomy, which may include but is not limited to routine prompting, cueing and reminding, opening containers or packaging at the direction of the tenant, reading instructions or other label information, or transferring medications from the original container into suitable medication dispensing containers, reminder containers, or medication cups.

9. *"Occupancy agreement"* means a written agreement entered into between an assisted living program and a tenant that clearly describes the rights and responsibilities of the assisted living program and a tenant, and other information required by rule. *"Occupancy agreement"* may include a separate signed lease and signed service agreement.

10. *"Personal care"* means assistance with the essential activities of daily living which may include but are not limited to transferring, bathing, personal hygiene, dressing, grooming, and housekeeping that are essential to the health and welfare of the tenant.

11. *"Recognized accrediting entity"* means a nationally recognized accrediting entity that the department recognizes as having specific assisted living program standards equivalent to the standards established by the department for assisted living programs.

12. *"Significant change"* means a major decline or improvement in the tenant's status which does not normally resolve itself without further interventions by staff or by

implementing standard disease-related clinical interventions that have an impact on the tenant's mental, physical, or functional health status.

13. *"Substantial compliance"* means a level of compliance with this chapter and rules adopted pursuant to this chapter such that any identified insufficiencies pose no greater risk to tenant health or safety than the potential for causing minimal harm. *"Substantial compliance"* constitutes compliance with the rules of this chapter.

14. *"Tenant"* means an individual who receives assisted living services through a certified assisted living program.

15. *"Tenant advocate"* means the office of long-term care ombudsman established in section 231.42.

16. *"Tenant's legal representative"* means a person appointed by the court to act on behalf of a tenant or a person acting pursuant to a power of attorney.

96 Acts, ch 1192, §2; 2000 Acts, ch 1004, §14, 22; 2003 Acts, ch 165, §19; 2003 Acts, ch 166, §8, 9; 2005 Acts, ch 60, §3 – 5, 21; 2005 Acts, ch 179, §121; 2007 Acts, ch 215, §161; 2009 Acts, ch 156, §11; 2011 Acts, ch 83, §1; 2013 Acts, ch 18, §31

Referred to in §142D.2, 144D.1, 231.4, 231C.11A

Subsection 15 amended

**231C.3 Certification of assisted living programs.**

1. The department shall establish by rule in accordance with chapter 17A minimum standards for certification and monitoring of assisted living programs. The department may adopt by reference with or without amendment, nationally recognized standards and rules for assisted living programs. The rules shall include specification of recognized accrediting entities and provisions related to dementia-specific programs. The standards and rules shall be formulated in consultation with affected state agencies and affected industry, professional, and consumer groups; shall be designed to accomplish the purposes of this chapter; and shall include but are not limited to rules relating to all of the following:

*a.* Provisions to ensure, to the greatest extent possible, the health, safety, and well-being and appropriate treatment of tenants.

*b.* Requirements that assisted living programs furnish the department with specified information necessary to administer this chapter. All information related to a provider application for an assisted living program submitted to the department shall be considered a public record pursuant to chapter 22.

*c.* Standards for tenant evaluation or assessment, and service plans, which may vary in accordance with the nature of the services provided or the status of the tenant. When a tenant needs personal care or health-related care, the service plan shall be updated within thirty days of occupancy and as needed with significant change, but not less than annually.

*d.* Provisions for granting short-term waivers for tenants who exceed occupancy criteria.

2. Each assisted living program operating in this state shall be certified by the department. If an assisted living program is voluntarily accredited by a recognized accrediting entity, the department shall certify the assisted living program on the basis of the voluntary accreditation. An assisted living program that is certified by the department on the basis of voluntary accreditation shall not be subject to payment of the certification fee prescribed in section 231C.18, but shall be subject to an administrative fee as prescribed by rule. An assisted living program certified under this section is exempt from the requirements of section 135.63 relating to certificate of need requirements.

3. The owner or manager of a certified assisted living program shall comply with the rules adopted by the department for an assisted living program. A person including a governmental unit shall not represent an assisted living program to the public as an assisted living program or as a certified assisted living program unless and until the program is certified pursuant to this chapter.

4. *a.* Services provided by a certified assisted living program may be provided directly by staff of the assisted living program, by individuals contracting with the assisted living program to provide services, or by individuals employed by the tenant or with whom the tenant contracts if the tenant agrees to assume the responsibility and risk of the employment or the contractual relationship.

*b.* If a tenant is terminally ill and has elected to receive hospice services under the federal Medicare program from a Medicare-certified hospice program, the assisted living program and the Medicare-certified hospice program shall enter into a written agreement under which the hospice program retains professional management responsibility for those services.

5. The department may enter into contracts to provide certification and monitoring of assisted living programs. The department shall:

*a.* Have full access at reasonable times to all records, materials, and common areas pertaining to the provision of services and care to the tenants of a program during certification, monitoring, and complaint investigations of programs seeking certification, currently certified, or alleged to be uncertified.

*b.* With the consent of the tenant, visit the tenant's unit.

*c.* Require that the recognized accrediting entity providing accreditation for a program provide copies to the department of all materials related to the accreditation, monitoring, and complaint process.

6. The department may also establish by rule in accordance with chapter 17A minimum standards for subsidized and dementia-specific assisted living programs. The rules shall be formulated in consultation with affected state agencies and affected industry, professional, and consumer groups.

7. A department, agency, or officer of this state or of any governmental unit shall not pay or approve for payment from public funds any amount to an assisted living program for an actual or prospective tenant, unless the program holds a current certificate issued by the department and meets all current requirements for certification.

8. The department shall adopt rules regarding the conducting or operating of another business or activity in the distinct part of the physical structure in which the assisted living program is provided, if the business or activity serves nontenants. The rules shall be developed in consultation with affected state agencies and affected industry, professional, and consumer groups.

9. An assisted living program shall comply with section 135C.33.

10. The department shall conduct training sessions for personnel responsible for conducting monitoring evaluations and complaint investigations of assisted living programs.

11. Certification of an assisted living program shall be for two years unless certification is revoked for good cause by the department.

96 Acts, ch 1192, §3; 2003 Acts, ch 166, §10; 2005 Acts, ch 60, §6 – 10, 21; 2006 Acts, ch 1010, §72; 2007 Acts, ch 215, §162 – 166; 2009 Acts, ch 156, §12

Referred to in §235E.1

**231C.3A Monitoring — conflicts of interest.**

1. Any of the following circumstances disqualifies a monitor from inspecting a particular assisted living program under this chapter:

*a.* The monitor currently works or, within the past two years, has worked as an employee or employment agency staff at the program, or as an officer, consultant, or agent for the program to be monitored.

*b.* The monitor has any financial interest or any ownership interest in the program. For purposes of this paragraph, indirect ownership, such as through a broad-based mutual fund, does not constitute financial or ownership interest.

*c.* The monitor has an immediate family member who has a relationship with the program as described in paragraph *"a"* or *"b"*.

*d.* The monitor has an immediate family member who currently resides in the program.

2. For purposes of this section, *"immediate family member"* means a husband or wife; natural or adoptive parent, child, or sibling; stepparent, stepchild, or stepsibling; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; or grandparent or grandchild.

2009 Acts, ch 156, §13

**231C.4 Fire and safety standards.**

The state fire marshal shall adopt rules, in coordination with the department, relating to the certification and monitoring of the fire and safety standards of certified assisted living programs.

96 Acts, ch 1192, §4; 97 Acts, ch 23, §21; 2003 Acts, ch 166, §11; 2007 Acts, ch 215, §167

**231C.5 Written occupancy agreement required.**

1. An assisted living program shall not operate in this state unless a written occupancy agreement, as prescribed in subsection 2, is executed between the assisted living program and each tenant or the tenant's legal representative, prior to the tenant's occupancy, and unless the assisted living program operates in accordance with the terms of the occupancy agreement. The assisted living program shall deliver to the tenant or the tenant's legal representative a complete copy of the occupancy agreement and all supporting documents and attachments and shall deliver, at least thirty days prior to any changes, a written copy of changes to the occupancy agreement if any changes to the copy originally delivered are subsequently made.

2. An assisted living program occupancy agreement shall clearly describe the rights and responsibilities of the tenant and the program. The occupancy agreement shall also include but is not limited to inclusion of all of the following information in the body of the agreement or in the supporting documents and attachments:

*a.* A description of all fees, charges, and rates describing tenancy and basic services covered, and any additional and optional services and their related costs.

*b.* (1) A statement regarding the impact of the fee structure on third-party payments, and whether third-party payments and resources are accepted by the assisted living program.

(2) The occupancy agreement shall specifically include a statement regarding each of the following:

(a) Whether the program requires disclosure of a tenant's personal financial information for occupancy or continued occupancy.

(b) The program's policy regarding the continued tenancy of a tenant following exhaustion of private resources.

(c) Contact information for the department of human services and the senior health insurance information program to assist tenants in accessing third-party payment sources.

*c.* The procedure followed for nonpayment of fees.

*d.* Identification of the party responsible for payment of fees and identification of the tenant's legal representative, if any.

*e.* The term of the occupancy agreement.

*f.* A statement that the assisted living program shall notify the tenant or the tenant's legal representative, as applicable, in writing at least thirty days prior to any change being made in the occupancy agreement with the following exceptions:

(1) When the tenant's health status or behavior constitutes a substantial threat to the health or safety of the tenant, other tenants, or others, including when the tenant refuses to consent to relocation.

(2) When an emergency or a significant change in the tenant's condition results in the need for the provision of services that exceed the type or level of services included in the occupancy agreement and the necessary services cannot be safely provided by the assisted living program.

*g.* A statement that all tenant information shall be maintained in a confidential manner to the extent required under state and federal law.

*h.* Occupancy, involuntary transfer, and transfer criteria and procedures, which ensure a safe and orderly transfer.

*i.* The internal appeals process provided relative to an involuntary transfer.

*j.* The program's policies and procedures for addressing grievances between the assisted living program and the tenants, including grievances relating to transfer and occupancy.

*k.* A statement of the prohibition against retaliation as prescribed in section 231C.13.

*l.* The emergency response policy.

*m.* The staffing policy which specifies if nurse delegation will be used, and how staffing will be adapted to meet changing tenant needs.

*n.* In dementia-specific assisted living programs, a description of the services and programming provided to meet the life skills and social activities of tenants.

*o.* The refund policy.

*p.* A statement regarding billing and payment procedures.

3. Occupancy agreements and related documents executed by each tenant or the tenant's legal representative shall be maintained by the assisted living program in program files from the date of execution until three years from the date the occupancy agreement is terminated. A copy of the most current occupancy agreement shall be provided to members of the general public, upon request. Occupancy agreements and related documents shall be made available for on-site inspection to the department upon request and at reasonable times.

96 Acts, ch 1192, §5; 2003 Acts, ch 166, §12; 2005 Acts, ch 60, §11, 21; 2007 Acts, ch 215, §168; 2011 Acts, ch 83, §2

**231C.5A Assessment of tenants — program eligibility.**

An assisted living program receiving reimbursement through the medical assistance program under chapter 249A shall assist the department of veterans affairs in identifying, upon admission of a tenant, the tenant's eligibility for benefits through the United States department of veterans affairs. The assisted living program shall also assist the commission of veterans affairs in determining such eligibility for tenants residing in the program on July 1, 2009. The department of inspections and appeals, in cooperation with the department of human services, shall adopt rules to administer this section, including a provision that ensures that if a tenant is eligible for benefits through the United States department of veterans affairs or other third-party payor, the payor of last resort for reimbursement to the assisted living program is the medical assistance program. The rules shall also require the assisted living program to request information from a tenant or tenant's personal representative regarding the tenant's veteran status and to report to the department of veterans affairs only the names of tenants identified as potential veterans along with the names of their spouses and any dependents. Information reported by the assisted living program shall be verified by the department of veterans affairs.

2009 Acts, ch 84, §1

**231C.6 Involuntary transfer.**

1. If an assisted living program initiates the involuntary transfer of a tenant and the action is not a result of a monitoring evaluation or complaint investigation by the department, and if the tenant or the tenant's legal representative contests the transfer, the following procedure shall apply:

*a.* The assisted living program shall notify the tenant or the tenant's legal representative, in accordance with the occupancy agreement, of the need to transfer, the reason for the transfer, and the contact information of the tenant advocate.

*b.* The assisted living program shall provide the tenant advocate with a copy of the notification to the tenant.

*c.* The tenant advocate shall offer the notified tenant or the tenant's legal representative assistance with the program's internal appeals process. The tenant is not required to accept the assistance of the tenant advocate.

*d.* If, following the internal appeals process, the assisted living program upholds the transfer decision, the tenant or the tenant's legal representative may utilize other remedies authorized by law to contest the transfer.

2. The department, in consultation with affected state agencies and affected industry, professional, and consumer groups, shall establish, by rule in accordance with chapter 17A, procedures to be followed, including the opportunity for hearing, when the transfer of a tenant results from a monitoring evaluation or complaint investigation conducted by the department.

2000 Acts, ch 1222, §13, 17; 2003 Acts, ch 166, §13; 2005 Acts, ch 60, §12, 21; 2007 Acts, ch 215, §169, 170

**231C.7 Complaints.**

1. Any person with concerns regarding the operations or service delivery of an assisted living program may file a complaint with the department. The name of the person who files a complaint with the department and any personal identifying information of the person or any tenant identified in the complaint shall be kept confidential and shall not be subject to discovery, subpoena, or other means of legal compulsion for its release to a person other than department employees involved with the complaint.

2. The department shall establish procedures for the disposition of complaints received in accordance with this section.

2003 Acts, ch 166, §14; 2007 Acts, ch 215, §171

**231C.8 Exit interview — issuance of findings.**

1. The department shall provide an assisted living program an exit interview at the conclusion of a monitoring evaluation or complaint investigation, and the department shall inform the program's representative of all issues and areas of concern related to the insufficient practices. The department may conduct the exit interview in person or by telephone, and the department shall provide a second exit interview if any additional issues or areas of concern are identified. The program shall have two working days from the date of the exit interview to submit additional or rebuttal information to the department.

2. The department shall issue the final findings of a monitoring evaluation or complaint investigation within ten working days after completion of the on-site monitoring evaluation or complaint investigation. The final findings shall be served upon the program personally, by electronic mail, or by certified mail.

2003 Acts, ch 166, §15; 2005 Acts, ch 60, §13, 21; 2007 Acts, ch 215, §172; 2013 Acts, ch 26, §4, 7

2013 amendment takes effect July 1, 2013, and applies to assisted living programs desiring to request an informal conference on or after January 1, 2014; 2013 Acts, ch 26, §7

Section stricken and rewritten

**231C.9 Public disclosure of findings.**

Upon completion of a monitoring evaluation or complaint investigation of an assisted living program by the department pursuant to this chapter, the department's final findings with respect to compliance by the assisted living program with requirements for certification shall be made available to the public in a readily available form and place. Other information relating to an assisted living program that is obtained by the department which does not constitute the department's final findings from a monitoring evaluation or complaint investigation of the assisted living program shall not be made available to the public except in proceedings involving the denial, suspension, or revocation of a certificate under this chapter.

2003 Acts, ch 166, §16; 2005 Acts, ch 60, §14, 21; 2007 Acts, ch 215, §173; 2008 Acts, ch 1048, §2, 4; 2013 Acts, ch 26, §5, 7

2013 amendment takes effect July 1, 2013, and applies to assisted living facilities desiring to request an informal conference on or after January 1, 2014; 2013 Acts, ch 26, §7

Section amended

**231C.9A Informal conference — formal contest — judicial review.**

1. Within twenty business days after issuance of the final findings, the assisted living program shall notify the director if the program desires to contest the findings and request an informal conference.

2. The department shall provide an independent reviewer to hold an informal conference with an assisted living program within ten working days after receiving a request from the program pursuant to subsection 1. At the conclusion of the informal conference, the independent reviewer may affirm, modify, or dismiss a contested regulatory insufficiency. The independent reviewer shall state in writing the specific reasons for the affirmation, modification, or dismissal and immediately transmit copies of the statement to the department and to the program.

3. An independent reviewer shall be licensed as an attorney in the state of Iowa and shall not be employed or have been employed by the department in the past eight years or have

appeared in front of the department on behalf of an assisted living program in the past eight years. Preference shall be given to an attorney with background knowledge, experience, or training in long-term care. The department may issue a request for proposals to enter into a contract for the purpose of providing one or more independent reviewers for informal conferences.

4. An assisted living program that desires to further contest an affirmed or modified regulatory insufficiency may do so in the manner provided by chapter 17A for contested cases. The program shall give notice of intent to formally contest a regulatory insufficiency, in writing, to the department within five days after receipt of the written decision of the independent reviewer. The formal hearing shall be conducted in accordance with chapter 17A and rules adopted by the department.

5. An assisted living program that has exhausted all adequate administrative remedies and is aggrieved by the final action of the department may petition for judicial review in the manner provided by chapter 17A.

2013 Acts, ch 26, §6, 7

Section takes effect July 1, 2013, and applies to assisted living facilities desiring to request an informal conference on or after January 1, 2014; 2013 Acts, ch 26, §7

NEW section

**231C.10 Denial, suspension, or revocation — conditional operation.**

1. The department may deny, suspend, or revoke a certificate in any case where the department finds that there has been a substantial or repeated failure on the part of the assisted living program to comply with this chapter or the rules, or minimum standards adopted under this chapter, or for any of the following reasons:

*a.* Appropriation or conversion of the property of an assisted living program tenant without the tenant's written consent or the written consent of the tenant's legal representative.

*b.* Permitting, aiding, or abetting the commission of any illegal act in the assisted living program.

*c.* Obtaining or attempting to obtain or retain a certificate by fraudulent means, misrepresentation, or by submitting false information.

*d.* Habitual intoxication or addiction to the use of drugs by the applicant, administrator, executive director, manager, or supervisor of the assisted living program.

*e.* Securing the devise or bequest of the property of a tenant of an assisted living program by undue influence.

*f.* Failure to protect tenants from dependent adult abuse as defined in section 235E.1.

*g.* In the case of any officer, member of the board of directors, trustee, or designated manager of the program or any stockholder, partner, or individual who has greater than a five percent equity interest in the program, having or having had an ownership interest in an assisted living program, adult day services program, elder group home, home health agency, residential care facility, or licensed nursing facility in any state which has been closed due to removal of program, agency, or facility licensure or certification or involuntary termination from participation in either the medical assistance or Medicare programs, or having been found to have failed to provide adequate protection or services for tenants to prevent abuse or neglect.

*h.* In the case of a certificate applicant or an existing certified owner or operator who is an entity other than an individual, the person is in a position of control or is an officer of the entity and engages in any act or omission proscribed by this chapter.

*i.* For any other reason as provided by law or administrative rule.

2. The department may as an alternative to denial, suspension, or revocation conditionally issue or continue a certificate dependent upon the performance by the assisted living program of reasonable conditions within a reasonable period of time as set by the department so as to permit the program to commence or continue the operation of the program pending substantial compliance with this chapter or the rules adopted pursuant to this chapter. If the assisted living program does not make diligent efforts to comply with the conditions prescribed, the department may, under the proceedings prescribed by this chapter, suspend

or revoke the certificate. An assisted living program shall not be operated on a conditional certificate for more than one year.

2003 Acts, ch 166, §17; 2005 Acts, ch 60, §15, 21; 2006 Acts, ch 1030, §24; 2007 Acts, ch 215, §174, 175; 2009 Acts, ch 156, §14, 15

**231C.11 Notice — appeal — emergency provisions.**

1. The denial, suspension, or revocation of a certificate shall be effected by delivering to the applicant or certificate holder by restricted certified mail or by personal service a notice setting forth the particular reasons for such action. Such denial, suspension, or revocation shall become effective thirty days after the mailing or service of the notice, unless the applicant or certificate holder, within such thirty-day period, requests a hearing, in writing, of the department, in which case the notice shall be deemed to be suspended.

2. The denial, suspension, or revocation of a certificate may be appealed in accordance with rules adopted by the department in accordance with chapter 17A.

3. When the department finds that an imminent danger to the health or safety of tenants of an assisted living program exists which requires action on an emergency basis, the department may direct removal of all tenants of an assisted living program and suspend the certificate prior to a hearing.

2003 Acts, ch 166, §18; 2007 Acts, ch 215, §176

**231C.11A Voluntary cessation of program operations — decertification.**

1. The department shall adopt rules regarding the voluntary cessation of program operations of an assisted living program, including decertification. The rules shall address notification of the tenants, tenant legal representatives, the department, and the tenant advocate at least ninety days prior to the anticipated date of cessation of program operations; the requirements for the safe and orderly transfer or transition of all tenants; and monitoring of the program during the process and after cessation of program operations.

2. Within seven days following provision of notice of cessation of program operations, the assisted living program shall hold a meeting and invite all tenants, tenant legal representatives, families of tenants, representatives of the department, and the tenant advocate to discuss the pending cessation of the program and to answer any questions. The department and the tenant advocate shall have access to attend the meeting and provide information to the tenants regarding their legal rights.

3. The tenant advocate shall monitor the decertification process and shall undertake any investigations necessary to ensure that the rights of tenants are protected during the process and after cessation of program operations. The tenant advocate shall assist tenants during the transition, including assisting tenants in finding necessary and appropriate service providers if the assisted living program is unable to provide such necessary and appropriate services during the transition period. The assisted living program shall cooperate with the tenant advocate by providing contact information for service providers within a thirty-mile radius of the program.

4. Following cessation of program operations and decertification, the department shall retain authority to monitor the decertified program to ensure that the entity does not continue to act as an uncertified assisted living program or other unlicensed, uncertified, or unregistered entity otherwise regulated by the state following decertification. If a decertified assisted living program continues to or subsequently acts in a manner that meets the definition of assisted living pursuant to section 231C.2, the decertified program is subject to the criminal penalties and injunctive relief provisions of section 231C.15, and any other penalties applicable by law.

2011 Acts, ch 83, §3

**231C.12 Department notified of casualties.**

The department shall be notified no later than the next working day, by the most expeditious means available, of any accident causing major injury or death, and any substantial fire or natural or other disaster occurring at or near an assisted living program.

2003 Acts, ch 166, §19; 2007 Acts, ch 215, §177; 2009 Acts, ch 156, §16

**231C.13 Retaliation by assisted living program prohibited.**

An assisted living program shall not discriminate or retaliate in any way against a tenant, tenant's family, or an employee of the program who has initiated or participated in any proceeding authorized by this chapter. An assisted living program that violates this section is subject to a penalty as established by administrative rule in accordance with chapter 17A, to be assessed and collected by the department, paid into the state treasury, and credited to the general fund of the state.

2003 Acts, ch 166, §20; 2006 Acts, ch 1010, §73; 2007 Acts, ch 215, §178

Referred to in §231C.5

**231C.14 Civil penalties.**

1. The department may establish by rule, in accordance with chapter 17A, civil penalties for the following violations by an assisted living program:

*a.* Noncompliance with any regulatory requirements which presents an imminent danger or a substantial probability of resultant death or physical harm to a tenant.

*b.* Following receipt of notice from the department, continued failure or refusal to comply within a prescribed time frame with regulatory requirements that have a direct relationship to the health, safety, or security of program tenants.

*c.* Preventing or interfering with or attempting to impede in any way any duly authorized representative of the department in the lawful enforcement of this chapter or of the rules adopted pursuant to this chapter. As used in this paragraph, *"lawful enforcement"* includes but is not limited to:

(1) Contacting or interviewing any tenant of an assisted living program in private at any reasonable hour and without advance notice.

(2) Examining any relevant records of an assisted living program.

(3) Preserving evidence of any violation of this chapter or of the rules adopted pursuant to this chapter.

2. If a program assessed a penalty does not request a formal hearing pursuant to chapter 17A or withdraws its request for a formal hearing within thirty days of the date the penalty was assessed, the penalty shall be reduced by thirty-five percent, if the penalty is paid within thirty days of the issuance of a demand letter issued by the department. The demand letter, which includes the civil penalty, shall include a statement to this effect.

2003 Acts, ch 166, §21; 2005 Acts, ch 60, §16, 21; 2007 Acts, ch 215, §179, 180; 2009 Acts, ch 156, §17

**231C.15 Criminal penalties and injunctive relief.**

A person establishing, conducting, managing, or operating any assisted living program without a certificate is guilty of a serious misdemeanor. Each day of continuing violation after conviction or notice from the department by certified mail of a violation shall be considered a separate offense or chargeable offense. A person establishing, conducting, managing, or operating an assisted living program without a certificate may be temporarily or permanently restrained by a court of competent jurisdiction from such activity in an action brought by the state.

2003 Acts, ch 166, §22; 2005 Acts, ch 60, §17, 21; 2007 Acts, ch 215, §181

Referred to in §231C.11A

**231C.16 Nursing assistant and medication aide — certification.**

The department, in cooperation with other appropriate agencies, shall establish a procedure to allow nursing assistants or medication aides to claim work within an assisted living program as credit toward sustaining the nursing assistant's or medication aide's certification.

2003 Acts, ch 166, §23; 2007 Acts, ch 215, §182

**231C.16A Medication setup — administration and storage of medications.**

1. An assisted living program may provide for medication setup if requested by a tenant or the tenant's legal representative. If medication setup is provided following such request,

the program shall be responsible for the specific task requested and the tenant shall retain responsibility for those tasks not requested to be provided.

2. If medications are administered or stored by an assisted living program, or if the assisted living program provides for medication setup, all of the following shall apply:

*a.* If administration of medications is delegated to the program by the tenant or tenant's legal representative, the medications shall be administered by a registered nurse, licensed practical nurse, or advanced registered nurse practitioner licensed or registered in Iowa or by the individual to whom such licensed or registered individuals may properly delegate administration of medications.

*b.* Medications, other than those self-administered by the tenant or provided through medication setup, shall be stored in locked storage that is not accessible to persons other than employees responsible for administration or storage of medications.

*c.* Medications shall be labeled and maintained in compliance with label instructions and state and federal law.

*d.* A person, other than a person authorized to prescribe prescription drugs under state and federal law, shall not alter the prescription of a tenant.

*e.* Medications shall be stored in their originally received containers.

*f.* If medication setup is provided by the program at the request of the tenant or tenant's legal representative, or if medication administration is delegated to the program by the tenant or tenant's legal representative, appropriate staff of the program may transfer the medications in the tenant's presence from the original prescription container to medication dispensing containers, reminder containers, or medication cups.

*g.* Program assistance with medication administration as specified in the occupancy agreement shall not require the program to provide assistance with the storage of medications.

2005 Acts, ch 60, §18, 21

**231C.17 Coordination of the long-term care system — transitional provisions.**

1. A hospital licensed pursuant to chapter 135B, a health care facility licensed pursuant to chapter 135C, or an adult day services program certified pursuant to chapter 231D may operate an assisted living program if the assisted living program is certified pursuant to this chapter.

2. This chapter shall not be construed to require that a facility licensed as a different type of facility also comply with the requirements of this chapter, unless the facility is represented to the public as a certified assisted living program.

3. A certified assisted living program that complies with the requirements of this chapter shall not be required to be licensed or certified as a different type of facility, unless the facility is represented to the public as another type of facility.

4. *a.* A continuing care retirement community, as defined in section 523D.1, may provide limited personal care services and emergency response services to its independent living tenants if all of the following conditions are met:

(1) The provision of such personal care services or emergency response services does not result in inadequate staff coverage to meet the service needs of all tenants of the continuing care retirement community.

(2) The staff providing the personal care or emergency response services is trained or qualified to the extent necessary to provide such services.

(3) The continuing care retirement community documents the date, time, and nature of the personal care or emergency response services provided.

(4) Emergency response services are only provided in situations which constitute an urgent need for immediate action or assistance due to unforeseen circumstances.

*b.* This subsection shall not be construed to prohibit an independent living tenant of a continuing care retirement community from contracting with a third party for personal care or emergency response services.

2003 Acts, ch 166, §24; 2003 Acts, 1st Ex, ch 2, §17, 33; 2005 Acts, ch 60, §19, 21; 2009 Acts, ch 41, §263

**231C.18 Iowa assisted living fees.**

1. The department shall collect assisted living program certification and related fees. An assisted living program that is certified by the department on the basis of voluntary accreditation by a recognized accrediting entity shall not be subject to payment of the certification fee, but shall be subject to an administrative fee as prescribed by rule. Fees collected and retained pursuant to this section shall be deposited in the general fund of the state.

2. The following certification and related fees shall apply to assisted living programs:

*a.* For a two-year initial certification, seven hundred fifty dollars.

*b.* For a two-year recertification, one thousand dollars.

*c.* For a blueprint plan review, nine hundred dollars.

*d.* For an optional preliminary plan review, five hundred dollars.

*e.* For accreditation via a national body of accreditation, one hundred twenty-five dollars.

2003 Acts, ch 166, §25; 2005 Acts, ch 60, §20, 21; 2007 Acts, ch 215, §183

Referred to in §231C.3

**231C.19 Application of landlord and tenant Act.**

Chapter 562A, the uniform residential landlord and tenant Act, shall apply to assisted living programs under this chapter.

2003 Acts, ch 166, §26

**231C.20 Limitation on penalties.**

The department shall not impose duplicate civil penalties for the same set of facts and circumstances. All monitoring revisits by the department shall review the program prospectively from the date of the plan of correction to determine compliance.

2009 Acts, ch 156, §18

# CHAPTER 231D

## ADULT DAY SERVICES

Referred to in §105.11, 231B.16, 231C.17, 235E.2, 483A.24


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**231D.1 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Adult day services"*, *"adult day services program"*, or *"program"* means an organized program providing a variety of health-related care, social services, and other related support services for sixteen hours or less in a twenty-four-hour period to two or more persons with a functional impairment on a regularly scheduled, contractual basis.

2. *"Contractual agreement"* means a written agreement entered into between an adult day services program and a participant that clearly describes the rights and responsibilities of the adult day services program and the participant, and other information required by rule.

3. *"Department"* means the department of inspections and appeals.

4. *"Functional impairment"* means a psychological, cognitive, or physical impairment creating the inability to perform personal and instrumental activities of daily living and associated tasks necessitating some form of supervision or assistance or both.

5. *"Governmental unit"* means the state, or any county, municipality, or other political subdivision or any department, division, board, or other agency of any of these entities.

6. *"Health-related care"* means services provided by a registered nurse or a licensed practical nurse, on a part-time or intermittent basis, and services provided by other licensed health care professionals, on a part-time or intermittent basis.

7. *"Medication setup"* means assistance with various steps of medication administration to support a participant's autonomy, which may include but is not limited to routine prompting, cueing and reminding, opening containers or packaging at the direction of the participant, reading instructions or other label information, or transferring medications from the original container into suitable medication dispensing containers, reminder containers, or medication cups.

8. *"Participant"* means an individual who is the recipient of services provided by an adult day services program.

9. *"Participant's legal representative"* means a person appointed by the court to act on behalf of a participant, or a person acting pursuant to a power of attorney.

10. *"Personal care"* means assistance with the essential activities of daily living which may include but are not limited to transferring, bathing, personal hygiene, dressing, grooming, and housekeeping that are essential to the health and welfare of a participant.

11. *"Recognized accrediting entity"* means a nationally recognized accrediting entity that the department recognizes as having specific adult day services program standards equivalent to the standards established by the department for adult day services.

12. *"Social services"* means services relating to the psychological and social needs of the individual in adjusting to participating in an adult day services program, and minimizing the stress arising from that circumstance.

13. *"Supervision"* means direct oversight and inspection of the act of accomplishing a function or activity.

2003 Acts, ch 165, §1; 2005 Acts, ch 61, §1, 17; 2007 Acts, ch 215, §184
Referred to in §135C.1, 142D.2, 144C.2, 231C.2, 231D.3A, 235E.1

**231D.2 Purpose — rules.**

1. The purpose of this chapter is to promote and encourage adequate and safe care for adults with functional impairments.

2. The department shall establish, by rule in accordance with chapter 17A, a program for certification and monitoring of and complaint investigations related to adult day services programs. The department, in establishing minimum standards for adult day services programs, may adopt by rule in accordance with chapter 17A, nationally recognized standards for adult day services programs. The rules shall include specification of recognized accrediting entities. The rules shall include a requirement that sufficient staffing be available at all times to fully meet a participant's identified needs. The rules shall include a requirement that no fewer than two staff persons who monitor participants as indicated in each participant's service plan shall be awake and on duty during the hours of operation when two or more participants are present. The rules and minimum standards adopted shall be formulated in consultation with affected state agencies and affected industry, professional, and consumer groups and shall be designed to accomplish the purpose of this chapter.

3. The department may establish by administrative rule, in accordance with chapter 17A, specific rules related to minimum standards for dementia-specific adult day services programs. The rules shall be formulated in consultation with affected state agencies and affected industry, professional, and consumer groups.

2003 Acts, ch 165, §2; 2005 Acts, ch 61, §2, 17; 2007 Acts, ch 215, §185, 186

**231D.3 Certification required.**

1. A person or governmental unit acting severally or jointly with any other person or governmental unit shall not establish or operate an adult day services program and shall not represent an adult day services program to the public as certified unless and until the program is certified pursuant to this chapter. If an adult day services program is voluntarily accredited by a recognized accrediting entity with specific adult day services standards, the department shall accept voluntary accreditation as the basis for certification by the department. The owner or manager of a certified adult day services program shall comply with the rules adopted by the department for an adult day services program.

2. An adult day services program may provide any type of adult day services for which the program is certified. An adult day services program shall provide services and supervision commensurate with the needs of the participants. An adult day services program shall not provide services to individuals requiring a level or type of services for which the program is not certified and services provided shall not exceed the level or type of services for which the program is certified.

3. An adult day services program that has been certified by the department shall not alter the program, operation, or adult day services for which the program is certified in a manner that affects continuing certification without prior approval of the department. The department shall specify, by rule, alterations that are subject to prior approval.

4. A department, agency, or officer of this state or of any governmental unit shall not pay or approve for payment from public funds any amount to an adult day services program for an actual or prospective participant, unless the program holds a current certificate issued by the department and meets all current requirements for certification.

5. The department shall adopt rules regarding the conducting or operating of another business or activity in the distinct part of the physical structure in which the adult day services program is provided, if the business or activity serves persons who are not participants. The rules shall be developed in consultation with affected state agencies and affected industry, professional, and consumer groups.

6. The department shall conduct training sessions for personnel responsible for conducting monitoring evaluations and complaint investigations of adult day services programs.

7. Beginning January 1, 2013, certification of an adult day services program shall be for three years unless revoked for good cause by the department.

2003 Acts, ch 165, §3; 2005 Acts, ch 61, §3, 4, 17; 2007 Acts, ch 215, §187; 2013 Acts, ch 55, §1, 3, 4

2013 amendment to subsection 7 takes effect April 24, 2013, and applies retroactively to January 1, 2013; any initial certification or recertification issued on or after January 1, 2013, and prior to April 24, 2013, shall be extended to reflect a three-year period; 2013 Acts, ch 55, §3, 4

Subsection 7 amended

**231D.3A Exception.**

An entity certified by the centers for Medicare and Medicaid services of the United States department of health and human services as a federal program of all-inclusive care for the elderly shall not be required to be certified as an adult day services program under this chapter. A program of all-inclusive care for the elderly, as used in this section, shall not identify itself or hold itself out to be an adult day services program as defined in section 231D.1.

2012 Acts, ch 1035, §1; 2013 Acts, ch 30, §44

Section amended

**231D.4 Application and fees.**

1. Certificates for adult day services programs shall be obtained from the department. Applications shall be upon such forms and shall include such information as the department may reasonably require, which may include affirmative evidence of compliance with applicable statutes and local ordinances. Each application for certification shall be accompanied by the appropriate fee.

2. *a.* The department shall collect adult day services certification fees. The fees shall be deposited in the general fund of the state.

*b.* The following certification and related fees shall apply to adult day services programs:

(1) Beginning January 1, 2013, for a three-year initial certification, seven hundred fifty dollars.

(2) Beginning January 1, 2013, for a three-year recertification, one thousand dollars.

(3) For a blueprint review, nine hundred dollars.

(4) For an optional preliminary plan review, five hundred dollars.

(5) For certification via a national body of accreditation, one hundred twenty-five dollars.

2003 Acts, ch 165, §4; 2005 Acts, ch 61, §5, 17; 2007 Acts, ch 215, §188, 189; 2013 Acts, ch 55, §2, 3, 4

2013 amendments to subsection 2, paragraph b, subparagraphs (1) and (2), take effect April 24, 2013, and apply retroactively to January 1, 2013; any initial certification or recertification issued on or after January 1, 2013, and prior to April 24, 2013, shall be extended to reflect a three-year period; 2013 Acts, ch 55, §3, 4

Subsection 2, paragraph b, subparagraphs (1) and (2) amended

**231D.5 Denial, suspension, or revocation.**

1. The department may deny, suspend, or revoke certification if the department finds that there has been a substantial or repeated failure on the part of the adult day services program to comply with this chapter or the rules or minimum standards adopted pursuant to this chapter, or for any of the following reasons:

*a.* Appropriation or conversion of the property of a participant without the participant's written consent or the written consent of the participant's legal representative.

*b.* Permitting, aiding, or abetting the commission of any illegal act in the adult day services program.

*c.* Obtaining or attempting to obtain or retain certification by fraudulent means, misrepresentation, or by submitting false information.

*d.* Habitual intoxication or addiction to the use of drugs by the applicant, owner, manager, or supervisor of the adult day services program.

*e.* Securing the devise or bequest of the property of a participant by undue influence.

*f.* Failure or neglect to maintain a required continuing education and training program for all personnel employed in the adult day services program.

*g.* Founded dependent adult abuse as defined in section 235B.2.

*h.* In the case of any officer, member of the board of directors, trustee, or designated manager of the program or any stockholder, partner, or individual who has greater than a five percent equity interest in the program, having or having had an ownership interest in an adult day services program, assisted living program, elder group home, home health agency, residential care facility, or licensed nursing facility in any state which has been closed due to removal of program, agency, or facility licensure or certification or involuntary termination from participation in either the medical assistance or Medicare programs, or having been found to have failed to provide adequate protection or services for participants to prevent abuse or neglect.

*i.* In the case of a certificate applicant or an existing certified owner or operator who is an entity other than an individual, the person is in a position of control or is an officer of the entity and engages in any act or omission proscribed by this chapter.

*j.* In the case of an application by an existing certificate holder for a new or newly acquired adult day services program, the department may deny certification on the basis of continuing or repeated failure of the certificate holder to operate any previously certified adult day services program in compliance with this chapter or of the rules adopted pursuant to this chapter.

*k.* For any other reason as provided by law or administrative rule.

2. In the case of a certificate applicant or existing certificate holder which is an entity other than an individual, the department may deny, suspend, or revoke a certificate if any

individual who is in a position of control or is an officer of the entity engages in any act or omission proscribed by this section.

2003 Acts, ch 165, §5; 2005 Acts, ch 61, §6, 17; 2006 Acts, ch 1030, §25; 2007 Acts, ch 215, §190, 191; 2008 Acts, ch 1031, § 41; 2008 Acts, ch 1032, §37

Referred to in §231D.7

**231D.6 Notice — appeal — emergency provisions.**

1. The denial, suspension, or revocation of a certificate shall be effected by delivering to the applicant or certificate holder by restricted certified mail or by personal service a notice setting forth the particular reasons for the action. The denial, suspension, or revocation shall become effective thirty days after the mailing or service of the notice, unless the applicant or certificate holder, within the thirty-day period, requests a hearing, in writing, of the department, in which case the notice shall be deemed to be suspended.

2. The denial, suspension, or revocation of a certificate may be appealed in accordance with rules adopted by the department in accordance with chapter 17A.

3. When the department finds that an immediate danger to the health or safety of participants in an adult day services program exists which requires action on an emergency basis, the department may direct the removal of all participants in the adult day services program and suspend the certificate prior to a hearing.

2003 Acts, ch 165, §6; 2005 Acts, ch 61, §7, 17; 2007 Acts, ch 215, §192

**231D.7 Conditional operation.**

The department may, as an alternative to denial, suspension, or revocation of certification under section 231D.5, conditionally issue or continue certification dependent upon the performance by the adult day services program of reasonable conditions within a reasonable period of time as prescribed by the department so as to permit the program to commence or continue the operation of the program pending full compliance with this chapter or the rules adopted pursuant to this chapter. If the adult day services program does not make diligent efforts to comply with the conditions prescribed, the department may, under the proceedings prescribed by this chapter, suspend or revoke the certificate. An adult day services program shall not be operated under conditional certification for more than one year.

2003 Acts, ch 165, §7; 2007 Acts, ch 215, §193

**231D.8 Department notified of casualties.**

The department shall be notified within twenty-four hours, by the most expeditious means available, of any accident causing substantial injury or death, and any substantial fire or natural or other disaster occurring at or near an adult day services program.

2003 Acts, ch 165, §8; 2007 Acts, ch 215, §194

**231D.9 Complaints and confidentiality.**

1. A person with concerns regarding the operations or service delivery of an adult day services program may file a complaint with the department. The name of the person who files a complaint with the department and any personal identifying information of the person or any participant identified in the complaint shall be kept confidential and shall not be subject to discovery, subpoena, or other means of legal compulsion for its release to a person other than employees of the department involved in the investigation of the complaint.

2. The department shall establish procedures for the disposition of complaints received in accordance with this section.

2003 Acts, ch 165, §9; 2005 Acts, ch 61, §8, 17; 2007 Acts, ch 215, §195

Referred to in §231D.12

**231D.9A Informal review.**

1. If an adult day services program contests the findings of regulatory insufficiencies of a monitoring evaluation or complaint investigation, the program shall submit written information, demonstrating that the program was in compliance with the applicable requirement at the time of the monitoring evaluation or complaint investigation, to the department for review.

2. The department shall review the written information submitted within ten working days of the receipt of the information. At the conclusion of the review, the department may affirm, modify, or dismiss the regulatory insufficiencies. The department shall notify the program in writing of the decision to affirm, modify, or dismiss the regulatory insufficiencies, and the reasons for the decision.

3. In the case of a complaint investigation, the department shall also notify the complainant, if known, of the decision and the reasons for the decision.

2005 Acts, ch 61, §9, 17; 2007 Acts, ch 215, §196

**231D.10 Public disclosure of findings.**

Upon completion of a monitoring evaluation or complaint investigation of an adult day services program by the department pursuant to this chapter, including the conclusion of informal review, the department's final findings with respect to compliance by the adult day services program with requirements for certification shall be made available to the public in a readily available form and place. Other information relating to an adult day services program that is obtained by the department which does not constitute the department's final findings from a monitoring evaluation or complaint investigation of the adult day services program shall not be made available to the public except in proceedings involving the denial, suspension, or revocation of a certificate under this chapter.

2003 Acts, ch 165, §10; 2005 Acts, ch 61, §10, 17; 2007 Acts, ch 215, §197; 2008 Acts, ch 1048, §3, 4

**231D.11 Penalties.**

1. A person establishing, conducting, managing, or operating an adult day services program without a certificate is guilty of a serious misdemeanor. Each day of continuing violation after conviction or notice from the department by certified mail of a violation shall be considered a separate offense or chargeable offense. A person establishing, conducting, managing, or operating an adult day services program without a certificate may be temporarily or permanently restrained by a court of competent jurisdiction from such activity in an action brought by the state.

2. A civil penalty, as established by rule, may apply in any of the following situations:

*a.* Program noncompliance with one or more regulatory requirements has caused or is likely to cause harm, serious injury, threat, or death to a participant.

*b.* Program failure or refusal to comply with regulatory requirements within prescribed time frames.

*c.* Preventing or interfering with or attempting to impede in any way any duly authorized representative of the department in the lawful enforcement of this chapter or of the rules adopted pursuant to this chapter. As used in this paragraph, *"lawful enforcement"* includes but is not limited to:

(1) Contacting or interviewing any participant in an adult day services program in private at any reasonable hour and without advance notice.

(2) Examining any relevant records of an adult day services program.

(3) Preserving evidence of any violation of this chapter or of the rules adopted pursuant to this chapter.

2003 Acts, ch 165, §11; 2005 Acts, ch 61, §11, 17; 2007 Acts, ch 215, §198, 199

**231D.12 Retaliation by adult day services program prohibited.**

1. An adult day services program shall not discriminate or retaliate in any way against a participant, participant's family, or an employee of the program who has initiated or participated in any proceeding authorized by this chapter. An adult day services program that violates this section is subject to a penalty as established by administrative rule, to be assessed and collected by the department, paid into the state treasury, and credited to the general fund of the state.

2. Any attempt to discharge a participant from an adult day services program by whom or upon whose behalf a complaint has been submitted to the department under section 231D.9, within ninety days after the filing of the complaint or the conclusion of any proceeding

resulting from the complaint, shall raise a rebuttable presumption that the action was taken by the program in retaliation for the filing of the complaint, except in situations in which the participant is discharged due to changes in health status which exceed the level of care offered by the adult day services program or in other situations as specified by rule.

2003 Acts, ch 165, §12; 2005 Acts, ch 61, §12, 17; 2006 Acts, ch 1010, §74; 2007 Acts, ch 215, §200

Referred to in §231D.17

**231D.13 Nursing assistant and medication aide — certification.**

The department, in cooperation with other appropriate agencies, shall establish a procedure to allow nursing assistants or medication aides to claim work within adult day services programs as credit toward sustaining the nursing assistant's or medication aide's certification.

2003 Acts, ch 165, §13; 2007 Acts, ch 215, §201

**231D.13A Medication setup — administration and storage of medications.**

1. An adult day services program may provide for medication setup if requested by a participant or the participant's legal representative. If medication setup is provided following such request, the program shall be responsible for the specific task requested and the participant shall retain responsibility for those tasks not requested to be provided.

2. If medications are administered or stored by an adult day services program, or if the adult day services program provides for medication setup, all of the following shall apply:

*a.* If administration of medications is delegated to the program by the participant or the participant's legal representative, the medications shall be administered by a registered nurse, licensed practical nurse, or advanced registered nurse practitioner licensed or registered in Iowa or by the individual to whom such licensed or registered individuals may properly delegate administration of medications.

*b.* Medications, other than those self-administered by the participant or provided through medication setup, shall be stored in locked storage that is not accessible to persons other than employees responsible for administration or storage of medications.

*c.* Medications shall be labeled and maintained in compliance with label instructions and state and federal law.

*d.* A person, other than a person authorized to prescribe prescription drugs under state and federal law, shall not alter the prescription of a participant.

*e.* Medications shall be stored in their originally received containers.

*f.* If medication setup is provided by the program at the request of the participant or the participant's legal representative, or if medication administration is delegated to the program by the participant or the participant's legal representative, appropriate staff of the program may transfer the medications in the participant's presence from the original prescription container to medication dispensing containers, reminder containers, or medication cups.

*g.* Program assistance with medication administration as specified in the contractual agreement shall not require the program to provide assistance with the storage of medications.

2005 Acts, ch 61, §13, 17

**231D.14 Criminal records investigation check.**

An adult day services program shall comply with section 135C.33.

2003 Acts, ch 165, §14

**231D.15 Fire and safety standards.**

The state fire marshal shall adopt rules, in coordination with the department, relating to the certification and monitoring of the fire and safety standards of adult day services programs.

2003 Acts, ch 165, §15; 2007 Acts, ch 215, §202

**231D.16 Transition provision.**

1. Adult day services programs that are serving at least two but not more than five persons

and that are not voluntarily accredited by a recognized accrediting entity prior to July 1, 2003, shall comply with this chapter by June 30, 2005.

2. A hospital licensed pursuant to chapter 135B, a health care facility licensed pursuant to chapter 135C, or an assisted living program certified pursuant to chapter 231C may operate an adult day services program if the adult day services program is certified pursuant to this chapter.

3. A certified adult day services program that complies with the requirements of this chapter shall not be required to be licensed or certified as another type of facility, unless the facility is represented to the public as another type of facility.

2003 Acts, ch 165, §16; 2005 Acts, ch 61, §14, 17

**231D.17 Written contractual agreement required.**

1. An adult day services program shall not operate in this state unless a written contractual agreement is executed between the adult day services program and each participant or the participant's legal representative prior to the participant's admission to the program, and unless the adult day services program operates in accordance with the terms of the written contractual agreement. The adult day services program shall deliver to the participant or the participant's legal representative a complete copy of the written contractual agreement and all supporting documents and attachments, prior to the participant's admission to the program, and shall also deliver a written copy of changes to the written contractual agreement, if any changes to the copy originally delivered are subsequently made, at least thirty days prior to any changes, unless otherwise provided in this section.

2. An adult day services program written contractual agreement shall clearly describe the rights and responsibilities of the participant and the program. The written contractual agreement shall also include but is not limited to inclusion of all of the following information in the body of the agreement or in the supporting documents and attachments:

*a.* A description of all fees, charges, and rates describing admission and basic services covered, and any additional and optional services and their related costs.

*b.* A statement regarding the impact of the fee structure on third-party payments, and whether third-party payments and resources are accepted by the adult day services program.

*c.* The procedure followed for nonpayment of fees.

*d.* Identification of the party responsible for payment of fees and identification of the participant's legal representative, if any.

*e.* The term of the written contractual agreement.

*f.* A statement that the adult day services program shall notify the participant or the participant's legal representative, as applicable, in writing at least thirty days prior to any change being made in the written contractual agreement, with the following exceptions:

(1) When the participant's health status or behavior constitutes a substantial threat to the health or safety of the participant, other participants, or others, including when the participant refuses to consent to discharge.

(2) When an emergency or a significant change in the participant's condition results in the need for the provision of services that exceed the type or level of services included in the written contractual agreement and the necessary services cannot be safely provided by the adult day services program.

*g.* A statement that all participant information shall be maintained in a confidential manner to the extent required under state and federal law.

*h.* Discharge, involuntary transfer, and transfer criteria and procedures, which ensure a safe and orderly transfer.

*i.* The internal appeals process provided relative to an involuntary transfer.

*j.* The program's policies and procedures for addressing grievances between the adult day services program and the participants, including grievances relating to transfer and occupancy.

*k.* A statement of the prohibition against retaliation as prescribed in section 231D.12.

*l.* The emergency response policy.

*m.* The staffing policy which specifies staff is available during all times of program

operation, if nurse delegation will be used, and how staffing will be adapted to meet changing participant needs.

*n.* In dementia-specific adult day services programs, a description of the services and programming provided to meet the life skills and social activities of participants.

*o.* The refund policy.

*p.* A statement regarding billing and payment procedures.

3. Written contractual agreements and related documents executed by each participant or participant's legal representative shall be maintained by the adult day services program in program files from the date of execution until three years from the date the written contractual agreement is terminated. A copy of the most current written contractual agreement shall be provided to members of the general public, upon request. Written contractual agreements and related documents shall be made available for on-site inspection to the department upon request and at reasonable times.

2005 Acts, ch 61, §15, 17; 2007 Acts, ch 215, §203

**231D.18 Involuntary transfer.**

1. If an adult day services program initiates the involuntary transfer of a participant and the action is not a result of a monitoring evaluation or complaint investigation by the department, and if the participant or participant's legal representative contests the transfer, the following procedure shall apply:

*a.* The adult day services program shall notify the participant or participant's legal representative, in accordance with the written contractual agreement, of the need to transfer and the reason for the transfer.

*b.* If, following the internal appeals process, the adult day services program upholds the transfer decision, the participant or participant's legal representative may utilize other remedies authorized by law to contest the transfer.

2. The department, in consultation with affected state agencies and affected industry, professional, and consumer groups, shall establish by rule, in accordance with chapter 17A, procedures to be followed, including the opportunity for hearing, when the transfer of a participant results from a monitoring evaluation or complaint investigation conducted by the department.

2005 Acts, ch 61, §16, 17; 2007 Acts, ch 215, §204, 205

# CHAPTER 231E

## SUBSTITUTE DECISION MAKER ACT

Referred to in §633.63

Appropriation of funds for continuation of program; 2008 Acts, ch 1187, §1


231E.1 Title.
231E.2 Office of substitute decision maker — findings and intent.
231E.3 Definitions.
231E.4 State office of substitute decision maker — established — duties — department rules.
231E.5 Local office of substitute decision maker — requirements for state and local substitute decision makers.
231E.6 Court-initiated or petition-initiated appointment of state or local substitute decision maker — guardianship or conservatorship — discharge.
231E.7 Substitute decision maker-initiated appointment — interventions.
231E.8 Provisions applicable to all appointments and designations — discharge.
231E.9 Fees — appropriated.
231E.10 Conflicts of interest — limitations.
231E.11 Duty of attorney general, county attorney, or other counsel.
231E.12 Liability.
231E.13 Implementation.

**231E.1 Title.**

This chapter shall be known and may be cited as the *"Iowa Substitute Decision Maker Act"*.

2005 Acts, ch 175, §130

**231E.2 Office of substitute decision maker — findings and intent.**

1. *a.* The general assembly finds that many adults in this state are unable to meet essential requirements to maintain their physical health or to manage essential aspects of their financial resources and are in need of substitute decision-making services. However, a willing and responsible person may not be available to serve as a private substitute decision maker or the adult may not have adequate income or resources to compensate a private substitute decision maker.

*b.* The general assembly further finds that a process should exist to assist individuals in finding alternatives to substitute decision-making services and less intrusive means of assistance before an individual's independence or rights are limited.

*c.* The general assembly further finds that a substitute decision maker may be necessary to finalize a person's affairs after death when there is no willing and appropriate person available to serve as the person's personal representative.

2. *a.* It is, therefore, the intent of the general assembly to establish a state office of substitute decision maker and authorize the establishment of local offices of substitute decision maker to provide substitute decision-making services to adults and their estates after their deaths, when no private substitute decision maker is available.

*b.* It is also the intent of the general assembly that the office of substitute decision maker provide assistance to both public and private substitute decision makers throughout the state in securing necessary services for their wards, principals, clients, and decedents and to assist substitute decision makers, wards, principals, clients, courts, and attorneys in the orderly and expeditious handling of substitute decision-making proceedings.

2005 Acts, ch 175, §131

**231E.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Client"* means an individual for whom a representative payee is appointed.
2. *"Commission"* means the commission on aging.
3. *"Conservator"* means conservator as defined in section 633.3.
4. *"Court"* means court as defined in section 633.3.
5. *"Decedent"* means the individual for whom an estate is administered or executed.
6. *"Department"* means the department on aging established in section 231.21.
7. *"Director"* means the director of the department on aging.
8. *"Estate"* means estate as defined in section 633.3.
9. *"Guardian"* means guardian as defined in section 633.3.
10. *"Incompetent"* means incompetent as defined in section 633.3.
11. *"Local office"* means a local office of substitute decision maker.
12. *"Local substitute decision maker"* means an individual under contract with the department to act as a substitute decision maker.
13. *"Personal representative"* means personal representative as defined in section 633.3.
14. *"Planning and service area"* means a geographic area of the state designated by the commission for the purpose of planning, developing, delivering, and administering services for elders.
15. *"Power of attorney"* means a durable power of attorney for health care as defined in section 144B.1 or a power of attorney that becomes effective upon the disability of the principal as described in section 633B.1.
16. *"Principal"* means an individual for whom a power of attorney is established.
17. *"Representative payee"* means an individual appointed by a government entity to receive funds on behalf of a client pursuant to federal regulation.
18. *"State agency"* means any executive department, commission, board, institution, division, bureau, office, agency, or other executive entity of state government.
19. *"State office"* means the state office of substitute decision maker.

20. *"State substitute decision maker"* means the administrator of the state office of substitute decision maker.

21. *"Substitute decision maker"* means a guardian, conservator, representative payee, attorney in fact under a power of attorney, or personal representative.

22. *"Substitute decision making"* or *"substitute decision-making services"* means the provision of services of a guardian, conservator, representative payee, attorney in fact under a power of attorney, or personal representative.

23. *"Ward"* means the individual for whom a guardianship or conservatorship is established.

2005 Acts, ch 38, §54; 2005 Acts, ch 175, §132; 2009 Acts, ch 23, §43
Referred to in §235B.6, 633.63

**231E.4 State office of substitute decision maker — established — duties — department rules.**

1. A state office of substitute decision maker is established within the department to create and administer a statewide network of substitute decision makers who provide substitute decision-making services if other substitute decision makers are not available to provide the services.

2. The director shall appoint an administrator of the state office who shall serve as the state substitute decision maker. The state substitute decision maker shall be qualified for the position by training and expertise in substitute decision-making law and shall be licensed to practice law in Iowa. The state substitute decision maker shall also have knowledge of social services available to meet the needs of persons adjudicated incompetent or in need of substitute decision making.

3. The state office shall do all of the following:

*a.* Select persons through a request for proposals process to establish local offices of substitute decision maker in each of the planning and service areas. Local offices shall be established statewide on or before July 1, 2015.

*b.* Monitor and terminate contracts with local offices based on criteria established by rule of the department.

*c.* Retain oversight responsibilities for all local substitute decision makers.

*d.* Act as substitute decision maker if a local office is not available to so act.

*e.* Work with the department of human services, the Iowa department of public health, the Iowa developmental disabilities council, and other agencies to establish a referral system for the provision of substitute decision-making services.

*f.* Develop and maintain a current listing of public and private services and programs available to assist wards, principals, clients, personal representatives, and their families and establish and maintain relationships with public and private entities to assure the availability of effective substitute decision-making services for wards, principals, clients, and estates.

*g.* Provide information and referrals to the public regarding substitute decision-making services.

*h.* Provide personal representatives for estates where a person is not available for that purpose.

*i.* Maintain statistical data on the local offices including various methods of funding, the types of services provided, and the demographics of the wards, principals, clients, and decedents and report to the general assembly on or before November 1, annually, regarding the local offices and recommend any appropriate legislative action.

*j.* Develop, in cooperation with the judicial council as established in section 602.1202, a substitute decision-maker education and training program. The program may be offered to both public and private substitute decision makers. The state office shall establish a curriculum committee, which includes but is not limited to probate judges, to develop the education and training program. The state office shall be the sole authority for certifying additional curriculum trainers.

4. The state office may do any of the following:

*a.* Accept and receive gifts, grants, or donations from any public or private entity in support of the state office. Such gifts, grants, or donations shall be appropriated pursuant to

section 231E.9. Notwithstanding section 8.33, moneys retained by the department pursuant to this section shall not be subject to reversion to the general fund of the state.

*b.* Accept the services of individual volunteers and volunteer organizations. Volunteers and volunteer organizations utilized by the state office shall not provide direct substitute decision-making services.

*c.* Employ staff necessary to administer the state office and enter into contracts as necessary.

5. The department shall provide administrative support to the state office.

6. The department shall adopt rules in accordance with chapter 17A necessary to create and administer the state and local offices, relating to but not limited to all of the following:

*a.* An application and intake process and standards for receipt of substitute decision-making services from the state or a local office.

*b.* A process for the removal or termination of the state or a local substitute decision maker.

*c.* An ideal range of staff-to-client ratios for the state and local substitute decision makers.

*d.* Minimum training and experience requirements for professional staff and volunteers.

*e.* A fee schedule. The department may establish by rule a schedule of reasonable fees for the costs of substitute decision-making services provided under this chapter. The fee schedule established may be based upon the ability of the ward, principal, client, or estate to pay for the services but shall not exceed the actual cost of providing the services. The state office or a local office may waive collection of a fee upon a finding that collection is not economically feasible. The rules may provide that the state office or a local office may investigate the financial status of a ward, principal, client, or estate that requests substitute decision-making services or for whom or which the state or a local substitute decision maker has been appointed for the purpose of determining the fee to be charged by requiring the ward, principal, client, or estate to provide any written authorizations necessary to provide access to records of public or private sources, otherwise confidential, needed to evaluate the individual's or estate's financial eligibility. The rules may also provide that the state or a local substitute decision maker may, upon request and without payment of fees otherwise required by law, obtain information necessary to evaluate the individual's or estate's financial eligibility from any office of the state or of a political subdivision or agency of the state that possesses public records. In estate proceedings, the state or local decision maker shall be compensated pursuant to chapter 633, division III, part 8.

*f.* Standards and performance measures for evaluation of local offices.

*g.* Recordkeeping and accounting procedures to ensure that the state office and local offices maintain confidential, accurate, and up-to-date financial, case, and statistical records. The rules shall require each local office to file with the state office, on an annual basis, an account of all public and private funds received and a report regarding the operations of the local office for the preceding fiscal year.

*h.* Procedures for the sharing of records held by the court or a state agency with the state office, which are necessary to evaluate the state office or local offices, to assess the need for additional substitute decision makers, or to develop required reports.

2005 Acts, ch 175, §133; 2009 Acts, ch 23, §44 – 46; 2012 Acts, ch 1023, §30

**231E.5 Local office of substitute decision maker — requirements for state and local substitute decision makers.**

1. The state substitute decision maker shall select persons to provide local substitute decision-making services in each of the planning and service areas, based upon a request for proposals process developed by the department.

2. The local office shall comply with all requirements established for the local office by the department and shall do all of the following:

*a.* Maintain a staff of professionally qualified individuals to carry out the substitute decision-making functions.

*b.* Identify client needs and local resources to provide necessary support services to recipients of substitute decision-making services.

*c.* Collect program data as required by the state office.

*d.* Meet standards established for the local office.

*e.* Comply with minimum staffing requirements and caseload restrictions.

*f.* Conduct background checks on employees and volunteers.

*g.* With regard to a proposed ward, the local office shall do all of the following:

(1) Determine the most appropriate form of substitute decision making needed, if any, giving preference to the least restrictive alternative.

(2) Determine whether the needs of the proposed ward require the appointment of a guardian or conservator.

(3) Assess the financial resources of the proposed ward based on the information supplied to the local office at the time of the determination.

(4) Inquire and, if appropriate, search to determine whether any other person may be willing and able to serve as the proposed ward's guardian or conservator.

(5) Determine the form of guardianship or conservatorship to request of a court, if any, giving preference to the least restrictive form.

(6) If determined necessary, file a petition for the appointment of a guardian or conservator pursuant to chapter 633.

*h.* With regard to an estate, the local office may appoint a personal representative to file a petition to open an estate who shall do all of the following:

(1) Retain legal counsel as described in section 231E.11 to be compensated from the proceeds of the estate pursuant to chapter 633, division III, part 8.

(2) Liquidate all assets of the estate.

(3) Distribute the assets of the estate pursuant to chapter 633, division VII, parts 7 and 8, and other applicable provisions of law.

3. A local office may do any of the following:

*a.* Contract for or arrange for provision of services necessary to carry out the duties of a local substitute decision maker.

*b.* Accept the services of volunteers or consultants and reimburse them for necessary expenses.

*c.* Employ staff and delegate to members of the staff the powers and duties of the local substitute decision maker. However, the local office shall retain responsibility for the proper performance of the delegated powers and duties. All delegations shall be to persons who meet the eligibility requirements of the specific type of substitute decision maker.

4. An individual acting as the state or a local substitute decision maker shall comply with applicable requirements for guardians, conservators, or personal representatives pursuant to chapter 633, attorneys in fact under a power of attorney pursuant to chapter 633 or a durable power of attorney for health care pursuant to chapter 144B, or representative payees pursuant to federal law and regulations.

5. Notwithstanding any provision to the contrary, an individual acting as the state or a local substitute decision maker shall not be subject to the posting of a bond pursuant to chapter 633. An individual acting as the state or a local substitute decision maker shall complete at least eight hours of training annually as certified by the department.

2005 Acts, ch 175, §134

**231E.6 Court-initiated or petition-initiated appointment of state or local substitute decision maker — guardianship or conservatorship — discharge.**

1. The court may appoint on its own motion or upon petition of any person, the state office or local office of substitute decision maker, to serve as guardian or conservator for any proposed ward in cases in which the court determines that the proceeding will establish the least restrictive form of substitute decision making suitable for the proposed ward and if the proposed ward meets all of the following criteria:

*a.* Is a resident of the planning and service area in which the local office is located from which services would be provided or is a resident of the state, if the state office would provide the services.

*b.* Is eighteen years of age or older.

*c.* Does not have suitable family or another appropriate entity willing and able to serve as guardian or conservator.

*d.* Is incompetent.

*e.* Is an individual for whom guardianship or conservatorship services are the least restrictive means of meeting the individual's needs.

2. For all appointments made pursuant to this section, notice shall be provided to the state office or local office of substitute decision maker prior to appointment. For appointments made pursuant to this section, the state office or local office of substitute decision maker shall only accept appointments made pursuant to the filing of an involuntary petition for appointment of a conservator or guardianship pursuant to chapter 633.

2005 Acts, ch 175, §135; 2009 Acts, ch 23, §47

Referred to in §231E.8

**231E.7 Substitute decision maker-initiated appointment — interventions.**

The state office or local office may on its own motion or at the request of the court intervene in a guardianship or conservatorship proceeding if the state office or local office or the court considers the intervention to be justified because of any of the following:

1. An appointed guardian or conservator is not fulfilling prescribed duties or is subject to removal under section 633.65.

2. A willing and qualified guardian or conservator is not available.

3. The best interests of the ward require the intervention.

2005 Acts, ch 175, §136; 2009 Acts, ch 23, §48

Referred to in §231E.8

**231E.8 Provisions applicable to all appointments and designations — discharge.**

1. The court shall only appoint or intervene on its own motion or act upon the petition of any person under section 231E.6 or 231E.7 if such appointment or intervention would comply with staffing ratios established by the department and if sufficient resources are available to the state office or local office. Notice of the proposed appointment shall be provided to the state office or local office prior to the granting of such appointment.

2. The state office or local office shall maintain reasonable personal contact with each ward, principal, or client for whom the state office or local office is appointed or designated in order to monitor the ward's, principal's, or client's care and progress. For any estates in which the state office or local office is involved, the state office or local office shall move estate proceedings forward in a reasonable and expeditious manner and shall monitor the progress of any legal counsel retained on a regular basis.

3. Notwithstanding any provision of law to the contrary, the state office or local office appointed by the court or designated under a power of attorney document may access all confidential records concerning the ward or principal for whom the state office or local office is appointed or designated, including medical records and abuse reports.

4. In any proceeding in which the state or local office is appointed or is acting as guardian or conservator, the court shall waive court costs or filing fees, if the state office or local office certifies to the court that the state office or local office has waived its fees in their entirety based upon the ability of the ward to pay for the services of the state office or local office. In any estate proceeding, the court costs shall be paid in accordance with chapter 633, division VII, part 7.

5. The state or a local substitute decision maker shall be subject to discharge or removal, by the court, on the grounds and in the manner in which other guardians, conservators, or personal representatives are discharged or removed pursuant to chapter 633.

6. The state or a local substitute decision maker may petition to be removed as guardian or conservator. A petition for removal shall be granted for any of the following reasons:

*a.* The ward displays assaultive or aggressive behavior that causes the substitute decision maker to fear for their personal safety.

*b.* The ward refuses the services of the substitute decision maker.

*c.* The ward refuses to have contact with the substitute decision maker.

*d.* The ward moves out of Iowa.

7. An appointment nominating the state office or a local office under a power of

attorney shall not take effect unless the nominated state or local office has consented to the appointment in writing.

2005 Acts, ch 175, §137; 2009 Acts, ch 23, §49

**231E.9 Fees — appropriated.**

Fees received by the state office and by local offices for services provided as state or local substitute decision maker shall be deposited in the general fund of the state and the amounts received are appropriated to the department for the purposes of administering this chapter.

2005 Acts, ch 175, §138

Referred to in §231E.4

**231E.10 Conflicts of interest — limitations.**

Notwithstanding section 633.63 or any other provision to the contrary, a local substitute decision maker shall not provide direct services to or have an actual or the appearance of any conflict of interest relating to any individual for whom the local substitute decision maker acts in a substitute decision-making capacity unless such provision of direct services or the appearance of a conflict of interest is approved and monitored by the state office in accordance with rules adopted by the department.

2005 Acts, ch 175, §139

**231E.11 Duty of attorney general, county attorney, or other counsel.**

1. The attorney general shall advise the state office on legal matters and represent the state office in legal proceedings.

2. Upon the request of the attorney general, a county attorney may represent the state office or a local office in connection with the filing of a petition for appointment as guardian or conservator and with routine, subsequent appearances.

3. A local attorney experienced in probate matters may represent the personal representative for all routine matters associated with probating an estate.

2005 Acts, ch 175, §140

Referred to in §231E.5

**231E.12 Liability.**

All employees and volunteers of the state office and local offices operating under this chapter and other applicable chapters and pursuant to rules adopted under this and other applicable chapters are considered employees of the state and state volunteers for the purposes of chapter 669 and shall be afforded protection under section 669.21 or 669.24, as applicable. This section does not relieve a guardian or conservator from performing duties prescribed under chapter 633.

2005 Acts, ch 175, §141

**231E.13 Implementation.**

Implementation of this chapter is subject to availability of funding as determined by the department. The department shall notify the Code editor upon implementation of this chapter.

2005 Acts, ch 175, §142

Code editor notified by director of department regarding use of funds contained in 2007 Acts, ch 218, §1, for proposed implementation of chapter on October 1, 2007; continuation of program funding, see 2008 Acts, ch 1187, §1

# CHAPTER 231F

## LONG-TERM LIVING SYSTEM

231F.1 Intent for Iowa's long-term living system.

**231F.1 Intent for Iowa's long-term living system.**

1. The general assembly finds and declares that the intent for Iowa's long-term living system is to ensure all Iowans access to an extensive range of high-quality, affordable, and cost-effective long-term living options that maximize independence, choice, and dignity for consumers.

2. The long-term living system should be comprehensive, offering multiple services and support in home, community-based, and facility-based settings; should utilize a uniform assessment process to ensure that such services and support are delivered in the most integrated and life-enhancing setting; and should ensure that such services and support are provided by a well-trained, motivated workforce.

3. The long-term living system should exist in a regulatory climate that appropriately ensures the health, safety, and welfare of consumers, while not being overly restrictive or inflexible.

4. The long-term living system should sustain existing informal care systems including family, friends, volunteers, and community resources; should encourage innovation through the use of technology and new delivery and financing models, including housing; should provide incentives to consumers for private financing of long-term living services and support; and should allow Iowans to live independently as long as they desire.

5. Information regarding all components of the long-term living system should be effectively communicated to all persons potentially impacted by the need for long-term living services and support in order to empower consumers to plan, evaluate, and make decisions about how best to meet their own long-term living needs.

2005 Acts, ch 175, §146

# SUBTITLE 5

## JUVENILES

Referred to in §714.8

# CHAPTER 232

## JUVENILE JUSTICE

Referred to in §13B.9, 85.59, 123.47, 135.108, 135H.6, 135L.3, 232B.3, 232B.6, 233.2, 233A.5, 233B.4, 235A.13, 236.11, 237.20, 238.32, 252D.1, 252D.16, 252D.16A, 252H.2, 252I.2, 252J.1, 261.2, 261.6, 299.8, 321.180B, 321.184, 321.482, 321G.14, 321I.15, 331.427, 331.756(48), 356.3, 462A.13, 483A.24, 598.21C, 602.6110, 602.7101, 602.7202, 602.8102(42), 664A.1, 664A.2, 664A.5, 664A.7, 709.12, 709A.1, 814.11, 815.9, 915.25, 915.37

For provisions concerning court orders under this chapter which impose terms and conditions on the parent, guardian, or custodian of a child, see §232.106


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## DIVISION I

## CONSTRUCTION AND DEFINITIONS

**232.1 Rules of construction.**

This chapter shall be liberally construed to the end that each child under the jurisdiction of the court shall receive, preferably in the child's own home, the care, guidance and control that will best serve the child's welfare and the best interest of the state. When a child is removed from the control of the child's parents, the court shall secure for the child care as nearly as possible equivalent to that which should have been given by the parents.

[S13, §254-a14; C24, 27, 31, 35, 39, §**3617;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §232.1]

**232.1A Foster care placement — annual goal.**

The annual state goal for children placed in foster care that is funded under the federal Social Security Act, Tit. IV-E, is that not more than fifteen percent of the children will be in a foster care placement for a period of more than twenty-four months.

2005 Acts, ch 175, §101; 2010 Acts, ch 1061, §180

**232.2 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Abandonment of a child"* means the relinquishment or surrender, without reference to any particular person, of the parental rights, duties, or privileges inherent in the parent-child relationship. Proof of abandonment must include both the intention to abandon and the acts by which the intention is evidenced. The term does not require that the relinquishment or surrender be over any particular period of time.

2. *"Adjudicatory hearing"* means a hearing to determine if the allegations of a petition are true.

3. *"Adult"* means a person other than a child.

4. *"Case permanency plan"* means the plan, mandated by Pub. L. No. 96-272 and Pub. L. No. 105-89, as codified in 42 U.S.C. § 622(b)(10), 671(a)(16), and 675(1),(5), which is designed to achieve placement in the most appropriate, least restrictive, and most family-like setting available and in close proximity to the parent's home, consistent with the best interests and special needs of the child, and which considers the placement's proximity to the school in which the child is enrolled at the time of placement. The plan shall be developed by the department or agency involved and the child's parent, guardian, or custodian. The plan shall specifically include all of the following:

*a.* Plans for carrying out the voluntary placement agreement or judicial determination pursuant to which the child entered care.

*b.* The type and appropriateness of the placement and services to be provided to the child.

*c.* The care and services that will be provided to the child, biological parents, and foster parents.

*d.* How the care and services will meet the needs of the child while in care and will facilitate the child's return home or other permanent placement.

*e.* The most recent information available regarding the child's health and education records, including the date the records were supplied to the agency or individual who is the child's foster care provider. If the child remains in foster care until the age of majority, the child is entitled to receive prior to discharge the most recent information available regarding the child's health and educational records.

*f.* (1) When a child is sixteen years of age or older, a written transition plan of services which, based upon an assessment of the child's needs, would assist the child in preparing for the transition from foster care to adulthood. The transition plan and needs assessment shall be developed with a focus on the services, other support, and actions necessary to facilitate the child's successful entry into adulthood. The transition plan shall be personalized at the direction of the child and shall be developed with the child present, honoring the goals and

concerns of the child, and shall address the following areas of need when the child becomes an adult, including but not limited to all of the following:

(a) Education.

(b) Employment services and other workforce support.

(c) Health and health care coverage.

(d) Housing.

(e) Relationships, including local opportunities to have a mentor.

(f) If the needs assessment indicates the child is reasonably likely to need or be eligible for services or other support from the adult service system upon reaching age eighteen, the transition plan shall provide for the child's application for adult services.

(2) The transition plan shall be considered a working document and shall be reviewed and updated for each permanency hearing by the court or other formal case permanency plan review. The transition plan shall also be reviewed and updated during the ninety calendar-day period preceding the child's eighteenth birthday and during the ninety calendar-day period immediately preceding the date the child is expected to exit foster care, if the child remains in foster care after the child's eighteenth birthday. The transition plan may be reviewed and updated more frequently.

(3) The transition plan shall be developed and reviewed by the department in collaboration with a child-centered transition team. The transition team shall be comprised of the child's caseworker and persons selected by the child, persons who have knowledge of services available to the child, and any person who may reasonably be expected to be a service provider for the child when the child becomes an adult or to become responsible for the costs of services at that time. If the child is reasonably likely to need or be eligible for adult services, the transition team membership shall include representatives from the adult services system. The adult services system representatives may include but are not limited to the administrator of county general relief under chapter 251 or 252 or of the central point of coordination process implemented under section 331.440.* The membership of the transition team and the meeting dates for the team shall be documented in the transition plan.

(4) The final transition plan shall specifically identify how the need for housing will be addressed.

(5) If the child is interested in pursuing higher education, the transition plan shall provide for the child's participation in the college student aid commission's program of assistance in applying for federal and state aid under section 261.2.

(6) If the needs assessment indicates the child is reasonably likely to need or be eligible for services or other support from the adult service system upon reaching age eighteen, the transition plan shall be reviewed and approved by the transition committee for the area in which the child resides, in accordance with section 235.7, before the child reaches age seventeen and one-half. The transition committee's review and approval shall be indicated in the case permanency plan.

(7) Provision for the department or a designee of the department on or before the date the child reaches age eighteen to provide to the child a certified copy of the child's birth certificate and to facilitate securing a federal social security card. The fee for the certified copy that is otherwise chargeable under section 144.13A, 144.46, or 331.605 shall be waived by the state or county registrar.

*g.* The actions expected of the parent, guardian, or custodian in order for the department or agency to recommend that the court terminate a dispositional order for the child's out-of-home placement and for the department or agency to end its involvement with the child and the child's family.

*h.* If reasonable efforts to place a child for adoption or with a guardian are made concurrently with reasonable efforts as defined in section 232.102, the concurrent goals and timelines may be identified. Concurrent case permanency plan goals for reunification, and for adoption or for other permanent out-of-home placement of a child shall not be considered inconsistent in that the goals reflect divergent possible outcomes for a child in an out-of-home placement.

*i.* A provision that a designee of the department or other person responsible for placement of a child out-of-state shall visit the child at least once every six months.

*j.* If it has been determined that the child cannot return to the child's home, documentation of the steps taken to make and finalize an adoption or other permanent placement.

*k.* If it is part of the child's records or it is otherwise known that the child has behaved in a manner that threatened the safety of another person, has committed a violent act causing bodily injury to another person, or has been a victim or perpetrator of sexual abuse, that information shall be addressed in the plan and shall be provided to the child's parent, guardian, or foster parent or other person with custody of the child. The information shall be provided whether the child's placement is voluntary or made pursuant to a court determination. The information shall be provided at the time it is learned by the department or agency developing the plan and, if possible, at the time of the child's placement. The information shall only be withheld if ordered by the court or it is determined by the department or agency developing the plan that providing the information would be detrimental to the child or to the family with whom the child is living. In determining whether providing the information would be detrimental, the court, department, or agency shall consider any history of abuse within the child's family or toward the child.

*l.* The provisions involving sibling visitation or interaction required under section 232.108.

*m.* Documentation of the educational stability of the child while in foster care. The documentation shall include but is not limited to all of the following:

(1) Evidence there was an evaluation of the appropriateness of the child's educational setting while in placement and of the setting's proximity to the educational setting in which the child was enrolled at the time of placement.

(2) An assurance either that the department coordinated with appropriate local educational agencies to identify how the child could remain in the educational setting in which the child was enrolled at the time of placement or, if it was determined it was not in the child's best interest to remain in that setting, that the affected educational agencies would immediately and appropriately enroll the child in another educational setting during the child's placement and ensure that the child's educational records were provided for use in the new educational setting. For the purposes of this subparagraph, *"local educational agencies"* means the same as defined in the federal Elementary and Secondary Education Act of 1965, § 9101, as codified in 20 U.S.C. § 7801(26).

5. *"Child"* means a person under eighteen years of age.

6. *"Child in need of assistance"* means an unmarried child:

*a.* Whose parent, guardian, or other custodian has abandoned or deserted the child.

*b.* Whose parent, guardian, other custodian, or other member of the household in which the child resides has physically abused or neglected the child, or is imminently likely to abuse or neglect the child.

*c.* Who has suffered or is imminently likely to suffer harmful effects as a result of any of the following:

(1) Mental injury caused by the acts of the child's parent, guardian, or custodian.

(2) The failure of the child's parent, guardian, custodian, or other member of the household in which the child resides to exercise a reasonable degree of care in supervising the child.

(3) The child's parent, guardian, or custodian, or person responsible for the care of the child, as defined in section 232.68, has knowingly disseminated or exhibited obscene material as defined in section 728.1 to the child.

*d.* Who has been, or is imminently likely to be, sexually abused by the child's parent, guardian, custodian, or other member of the household in which the child resides.

*e.* Who is in need of medical treatment to cure, alleviate, or prevent serious physical injury or illness and whose parent, guardian, or custodian is unwilling or unable to provide such treatment.

*f.* Who is in need of treatment to cure or alleviate serious mental illness or disorder, or emotional damage as evidenced by severe anxiety, depression, withdrawal, or untoward aggressive behavior toward self or others and whose parent, guardian, or custodian is unwilling to provide such treatment.

*g.* Whose parent, guardian, or custodian fails to exercise a minimal degree of care in

supplying the child with adequate food, clothing, or shelter and refuses other means made available to provide such essentials.

*h.* Who has committed a delinquent act as a result of pressure, guidance, or approval from a parent, guardian, custodian, or other member of the household in which the child resides.

*i.* Who has been the subject of or a party to sexual activities for hire or who poses for live display or for photographic or other means of pictorial reproduction or display which is designed to appeal to the prurient interest and is patently offensive; and taken as a whole, lacks serious literary, scientific, political, or artistic value.

*j.* Who is without a parent, guardian, or other custodian.

*k.* Whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody.

*l.* Who for good cause desires to have the child's parents relieved of the child's care and custody.

*m.* Who is in need of treatment to cure or alleviate chemical dependency and whose parent, guardian, or custodian is unwilling or unable to provide such treatment.

*n.* Whose parent's or guardian's mental capacity or condition, imprisonment, or drug or alcohol abuse results in the child not receiving adequate care.

*o.* In whose body there is an illegal drug present as a direct and foreseeable consequence of the acts or omissions of the child's parent, guardian, or custodian. The presence of the drug shall be determined in accordance with a medically relevant test as defined in section 232.73.

*p.* Whose parent, guardian, or custodian does any of the following: unlawfully manufactures a dangerous substance in the presence of a child, knowingly allows such manufacture by another person in the presence of a child, or in the presence of a child possesses a product containing ephedrine, its salts, optical isomers, salts of optical isomers, or pseudoephedrine, its salts, optical isomers, salts of optical isomers, with the intent to use the product as a precursor or an intermediary to a dangerous substance.

(1) For the purposes of this paragraph, *"in the presence of a child"* means the physical presence of a child during the manufacture or possession, the manufacture or possession occurred in a child's home, on the premises, or in a motor vehicle located on the premises, or the manufacture or possession occurred under other circumstances in which a reasonably prudent person would know that the manufacture or possession may be seen, smelled, or heard by a child.

(2) For the purposes of this paragraph, *"dangerous substance"* means any of the following:

(a) Amphetamine, its salts, isomers, or salts of its isomers.

(b) Methamphetamine, its salts, isomers, or salts of its isomers.

(c) A chemical or combination of chemicals that poses a reasonable risk of causing an explosion, fire, or other danger to the life or health of persons who are in the vicinity while the chemical or combination of chemicals is used or is intended to be used in any of the following:

(i) The process of manufacturing an illegal or controlled substance.

(ii) As a precursor in the manufacturing of an illegal or controlled substance.

(iii) As an intermediary in the manufacturing of an illegal or controlled substance.

*q.* Who is a newborn infant whose parent has voluntarily released custody of the child in accordance with chapter 233.

6A. *"Chronic runaway"* means a child who is reported to law enforcement as a runaway more than once in any thirty-day period or three or more times in any year.

7. *"Complaint"* means an oral or written report which is made to the juvenile court by any person and alleges that a child is within the jurisdiction of the court.

8. *"Court"* means the juvenile court established under section 602.7101.

9. *"Court appointed special advocate"* means a person duly certified by the child advocacy board created in section 237.16 for participation in the court appointed special advocate program and appointed by the court to represent the interests of a child in any judicial proceeding to which the child is a party or is called as a witness or relating to any dispositional order involving the child resulting from such proceeding.

10. *"Criminal or juvenile justice agency"* means any agency which has as its primary

responsibility the enforcement of the state's criminal laws or of local ordinances made pursuant to state law.

11. *a.* *"Custodian"* means a stepparent or a relative within the fourth degree of consanguinity to a child who has assumed responsibility for that child, a person who has accepted a release of custody pursuant to division IV, or a person appointed by a court or juvenile court having jurisdiction over a child.

*b.* The rights and duties of a custodian with respect to a child are as follows:

(1) To maintain or transfer to another the physical possession of that child.

(2) To protect, train, and discipline that child.

(3) To provide food, clothing, housing, and medical care for that child.

(4) To consent to emergency medical care, including surgery.

(5) To sign a release of medical information to a health professional.

*c.* All rights and duties of a custodian shall be subject to any residual rights and duties remaining in a parent or guardian.

12. *"Delinquent act"* means:

*a.* The violation of any state law or local ordinance which would constitute a public offense if committed by an adult except any offense which by law is exempted from the jurisdiction of this chapter.

*b.* The violation of a federal law or a law of another state which violation constitutes a criminal offense if the case involving that act has been referred to the juvenile court.

*c.* The violation of section 123.47 which is committed by a child.

13. *"Department"* means the department of human services and includes the local, county, and service area officers of the department.

14. *"Desertion"* means the relinquishment or surrender for a period in excess of six months of the parental rights, duties, or privileges inherent in the parent-child relationship. Proof of desertion need not include the intention to desert, but is evidenced by the lack of attempted contact with the child or by only incidental contact with the child.

15. *"Detention"* means the temporary care of a child in a physically restricting facility designed to ensure the continued custody of the child at any point between the child's initial contact with the juvenile authorities and the final disposition of the child's case.

16. *"Detention hearing"* means a hearing at which the court determines whether it is necessary to place or retain a child in detention.

17. *"Director"* means the director of the department of human services or that person's designee.

18. *"Dismissal of complaint"* means the termination of all proceedings against a child.

19. *"Dispositional hearing"* means a hearing held after an adjudication to determine what dispositional order should be made.

20. *"Family in need of assistance"* means a family in which there has been a breakdown in the relationship between a child and the child's parent, guardian, or custodian.

21. *a.* *"Guardian"* means a person who is not the parent of a child, but who has been appointed by a court or juvenile court having jurisdiction over the child, to have a permanent self-sustaining relationship with the child and to make important decisions which have a permanent effect on the life and development of that child and to promote the general welfare of that child. A guardian may be a court or a juvenile court. Guardian does not mean conservator, as defined in section 633.3, although a person who is appointed to be a guardian may also be appointed to be a conservator.

*b.* Unless otherwise enlarged or circumscribed by a court or juvenile court having jurisdiction over the child or by operation of law, the rights and duties of a guardian with respect to a child shall be as follows:

(1) To consent to marriage, enlistment in the armed forces of the United States, or medical, psychiatric, or surgical treatment.

(2) To serve as guardian ad litem, unless the interests of the guardian conflict with the interests of the child or unless another person has been appointed guardian ad litem.

(3) To serve as custodian, unless another person has been appointed custodian.

(4) To make periodic visitations if the guardian does not have physical possession or custody of the child.

(5) To consent to adoption and to make any other decision that the parents could have made when the parent-child relationship existed.

(6) To make other decisions involving protection, education, and care and control of the child.

22. *a.* *"Guardian ad litem"* means a person appointed by the court to represent the interests of a child in any judicial proceeding to which the child is a party, and includes a court appointed special advocate, except that a court appointed special advocate shall not file motions or petitions pursuant to section 232.54, subsection 1, paragraphs *"a"* and *"d"*, section 232.103, subsection 2, paragraph "c", and section 232.111.

*b.* Unless otherwise enlarged or circumscribed by a court or juvenile court having jurisdiction over the child or by operation of law, the duties of a guardian ad litem with respect to a child shall include the following:

(1) Conducting in-person interviews with the child, if the child's age is appropriate for the interview, and interviewing each parent, guardian, or other person having custody of the child, if authorized by counsel.

(2) Conducting interviews with the child, if the child's age is appropriate for the interview, prior to any court-ordered hearing.

(3) Visiting the home, residence, or both home and residence of the child and any prospective home or residence of the child, including each time placement is changed.

(4) Interviewing any person providing medical, mental health, social, educational, or other services to the child, before any hearing referred to in subparagraph (2).

(5) Obtaining firsthand knowledge, if possible, of the facts, circumstances, and parties involved in the matter in which the person is appointed guardian ad litem.

(6) Attending any hearings in the matter in which the person is appointed as the guardian ad litem.

(7) If the child is required to have a transition plan developed in accordance with the child's case permanency plan and subject to review and approval of a transition committee under section 235.7, assisting the transition committee in development of the transition plan.

*c.* The order appointing the guardian ad litem shall grant authorization to the guardian ad litem to interview any relevant person and inspect and copy any records relevant to the proceedings, if not prohibited by federal law. The order shall specify that the guardian ad litem may interview any person providing medical, mental health, social, educational, or other services to the child, may attend any departmental staff meeting, case conference, or meeting with medical or mental health providers, service providers, organizations, or educational institutions regarding the child, if deemed necessary by the guardian ad litem, and may inspect and copy any records relevant to the proceedings.

*d.* If authorized by the court, a guardian ad litem may continue a relationship with and provide advice to a child for a period of time beyond the child's eighteenth birthday.

23. *"Health practitioner"* means a licensed physician or surgeon, osteopathic physician or surgeon, dentist, optometrist, podiatric physician, or chiropractor, a resident or intern of any such profession, and any registered nurse or licensed practical nurse.

24. *"Informal adjustment"* means the disposition of a complaint without the filing of a petition and may include but is not limited to the following:

*a.* Placement of the child on nonjudicial probation.

*b.* Provision of intake services.

*c.* Referral of the child to a public or private agency other than the court for services.

25. *"Informal adjustment agreement"* means an agreement between an intake officer, a child who is the subject of a complaint, and the child's parent, guardian, or custodian providing for the informal adjustment of the complaint.

26. *"Intake"* means the preliminary screening of complaints by an intake officer to determine whether the court should take some action and if so, what action.

27. *"Intake officer"* means a juvenile court officer or other officer appointed by the court to perform the intake function.

28. *"Judge"* means the judge of a juvenile court.

29. *"Juvenile"* means the same as *"child"*. However, in the interstate compact for juveniles, section 232.173, *"juvenile"* means a person defined as a juvenile in the compact.

30. *"Juvenile court officer"* means a person appointed as a juvenile court officer under section 602.7202 and a chief juvenile court officer appointed under section 602.1217.

31. *"Juvenile court social records"* or *"social records"* means all records made with respect to a child in connection with proceedings over which the court has jurisdiction under this chapter other than official records and includes but is not limited to the records made and compiled by intake officers, predisposition reports, and reports of physical and mental examinations.

32. *"Juvenile detention home"* means a physically restricting facility used only for the detention of children.

33. *"Juvenile parole officer"* means a person representing an agency which retains jurisdiction over the case of a child adjudicated to have committed a delinquent act, placed in a secure facility and subsequently released, who supervises the activities of the child until the case is dismissed.

34. *"Juvenile shelter care home"* means a physically unrestricting facility used only for the shelter care of children.

35. *"Mental injury"* means a nonorganic injury to a child's intellectual or psychological capacity as evidenced by an observable and substantial impairment in the child's ability to function within the child's normal range of performance and behavior, considering the child's cultural origin.

36. *"Nonjudicial probation"* means the informal adjustment of a complaint which involves the supervision of the child who is the subject of the complaint by an intake officer or juvenile court officer for a period during which the child may be required to comply with specified conditions concerning the child's conduct and activities.

37. *"Nonsecure facility"* means a physically unrestricting facility in which children may be placed pursuant to a dispositional order of the court made in accordance with the provisions of this chapter.

38. *"Official juvenile court records"* or *"official records"* means official records of the court of proceedings over which the court has jurisdiction under this chapter which includes but is not limited to the following:

*a.* The docket of the court and entries therein.

*b.* Complaints, petitions, other pleadings, motions, and applications filed with a court.

*c.* Any summons, notice, subpoena, or other process and proofs of publication.

*d.* Transcripts of proceedings before the court.

*e.* Findings, judgments, decrees, and orders of the court.

39. *"Parent"* means a biological or adoptive mother or father of a child but does not include a mother or father whose parental rights have been terminated.

40. *"Peace officer"* means a law enforcement officer or a person designated as a peace officer by a provision of the Code.

41. *"Petition"* means a pleading the filing of which initiates formal judicial proceedings in the juvenile court.

42. *"Physical abuse or neglect"* or *"abuse or neglect"* means any nonaccidental physical injury suffered by a child as the result of the acts or omissions of the child's parent, guardian, or custodian or other person legally responsible for the child.

42A. *"Preadoptive care"* means the provision of parental nurturing on a full-time basis to a child in foster care by a person who has signed a preadoptive placement agreement with the department for the purposes of proceeding with a legal adoption of the child. Parental nurturing includes but is not limited to furnishing of food, lodging, training, education, treatment, and other care.

43. *"Predisposition investigation"* means an investigation conducted for the purpose of collecting information relevant to the court's fashioning of an appropriate disposition of a delinquency case over which the court has jurisdiction.

44. *"Predisposition report"* is a report furnished to the court which contains the information collected during a predisposition investigation.

45. *"Probation"* means a legal status which is created by a dispositional order of the court in a case where a child has been adjudicated to have committed a delinquent act, which exists for a specified period of time, and which places the child under the supervision of a juvenile

court officer or other person or agency designated by the court. The probation order may require a child to comply with specified conditions imposed by the court concerning conduct and activities, subject to being returned to the court for violation of those conditions.

46. *"Registry"* means the central registry for child abuse information as established under chapter 235A.

46A. *"Relative"* for purposes of divisions III and IV of this chapter includes the parent of a sibling.

47. *"Residual parental rights and responsibilities"* means those rights and responsibilities remaining with the parent after transfer of legal custody or guardianship of the person of the child. These include but are not limited to the right of visitation, the right to consent to adoption, and the responsibility for support.

48. *"Secure facility"* means a physically restricting facility in which children adjudicated to have committed a delinquent act may be placed pursuant to a dispositional order of the court.

49. *"Sexual abuse"* means the commission of a sex offense as defined by the penal law.

50. *"Shelter care"* means the temporary care of a child in a physically unrestricting facility at any time between a child's initial contact with juvenile authorities and the final judicial disposition of the child's case.

51. *"Shelter care hearing"* means a hearing at which the court determines whether it is necessary to place or retain a child in shelter care.

52. *"Sibling"* means an individual who is related to another individual by blood, adoption, or affinity through a common legal or biological parent.

53. *"Social investigation"* means an investigation conducted for the purpose of collecting information relevant to the court's fashioning of an appropriate disposition of a child in need of assistance case over which the court has jurisdiction.

54. *"Social report"* means a report furnished to the court which contains the information collected during a social investigation.

55. *"Taking into custody"* means an act which would be governed by the laws of arrest under the criminal code if the subject of the act were an adult. The taking into custody of a child is subject to all constitutional and statutory protections which are afforded an adult upon arrest.

56. *"Termination hearing"* means a hearing held to determine whether the court should terminate a parent-child relationship.

57. *"Termination of the parent-child relationship"* means the divestment by the court of the parent's and child's privileges, duties, and powers with respect to each other.

58. *"Voluntary placement"* means a foster care placement in which the department provides foster care services to a child according to a signed placement agreement between the department and the child's parent or guardian.

59. *"Waiver hearing"* means a hearing at which the court determines whether it shall waive its jurisdiction over a child alleged to have committed a delinquent act so that the state may prosecute the child as if the child were an adult.

[S13, §254-a14, -a21; C24, 27, 31, 35, 39, §**3618, 3619, 3620, 3638;** C46, 50, 54, 58, 62, §232.2, 232.3, 232.4, 232.22; C66, 71, 73, 75, 77, 79, 81, §232.2; 82 Acts, ch 1209, §1]

83 Acts, ch 96, §157, 159; 83 Acts, ch 186, §10054, 10055, 10201; 84 Acts, ch 1279, §1, 2; 87 Acts, ch 121, §1, 2; 88 Acts, ch 1134, §46, 47; 89 Acts, ch 169, §1; 89 Acts, ch 229, §1 – 4; 89 Acts, ch 230, §1, 2; 90 Acts, ch 1251, §22; 91 Acts, ch 232, §1; 92 Acts, ch 1231, §10; 93 Acts, ch 93, §1; 94 Acts, ch 1046, §1, 2; 94 Acts, ch 1172, §12; 95 Acts, ch 108, §16; 95 Acts, ch 147, §3; 95 Acts, ch 182, §1, 2, 6; 95 Acts, ch 191, §7; 96 Acts, ch 1092, §1; 97 Acts, ch 90, §1; 97 Acts, ch 126, §10; 97 Acts, ch 164, §1; 98 Acts, ch 1019, §1; 98 Acts, ch 1047, §21; 98 Acts, ch 1190, §1 – 3; 99 Acts, ch 164, §1; 99 Acts, ch 208, §33, 34; 2000 Acts, ch 1067, §4, 5; 2000 Acts, ch 1232, §56; 2001 Acts, ch 46, §1; 2001 Acts, ch 67, §7, 13; 2002 Acts, ch 1081, §1; 2002 Acts, ch 1162, §16; 2003 Acts, ch 117, §1 – 3; 2004 Acts, ch 1090, §33; 2004 Acts, ch 1116, §3; 2005 Acts, ch 117, §2, 4; 2005 Acts, ch 124, §1; 2007 Acts, ch 67, §1, 2; 2007 Acts, ch 172, §2, 3; 2008 Acts, ch 1088, §141; 2008 Acts, ch 1112, §1; 2008 Acts, ch 1187, § 131; 2009 Acts, ch

41, §231, 232; 2009 Acts, ch 120, §1, 2; 2010 Acts, ch 1151, §1; 2010 Acts, ch 1192, §74; 2013 Acts, ch 50, §1

Referred to in §13B.9, 135.119, 232.68, 232.71B, 232.82, 232.83, 232.98, 232.102, 232.117, 232.147, 232.149, 235.7, 235A.15, 237.3, 237.15, 282.30, 709A.5, 915.37

*Section 331.440 is repealed; corrective legislation is pending

NEW subsection 46A

**232.3 Concurrent court proceedings.**

1. During the pendency of an action under this chapter, a party to the action is estopped from litigating concurrently the custody, guardianship, or placement of a child who is the subject of the action, in a court other than the juvenile court. A district judge, district associate judge, magistrate, or judicial hospitalization referee, upon notice of the pendency of an action under this chapter, shall not issue an order, finding, or decision relating to the custody, guardianship, or placement of the child who is the subject of the action, under any law, including but not limited to chapter 598, 598B, or 633.

2. The juvenile court with jurisdiction of the pending action under this chapter, however, may, upon the request of a party to the action or on its own motion, authorize the party to litigate concurrently in another court a specific issue relating to the custody, guardianship, or placement of the child who is the subject of the action. Before authorizing a party to litigate a specific issue in another court, the juvenile court shall give all parties to the action an opportunity to be heard on the proposed authorization. The juvenile court may request but shall not require another court to exercise jurisdiction and adjudicate a specific issue relating to the custody, guardianship, or placement of the child.

83 Acts, ch 21, §2; 83 Acts, ch 186, §10056, 10201; 99 Acts, ch 103, §42

**232.4 Jurisdiction — support obligation.**

Notwithstanding any other provision of this chapter, and for the purposes of establishing a parental liability obligation for a child under the jurisdiction of the juvenile court, a support obligation shall be established pursuant to section 234.39.

92 Acts, ch 1195, §302; 94 Acts, ch 1171, §7

**232.5 Abortion performed on a minor — waiver of notification proceedings.**

The court shall have exclusive jurisdiction over the proceedings for the granting of an order for waiver of the notification requirements relating to the performance of an abortion on a minor pursuant to section 135L.3.

96 Acts, ch 1011, §10; 96 Acts, ch 1174, §6

**232.6 Jurisdiction — adoptions and terminations of parental rights.**

The court may exercise jurisdiction over adoption and termination of parental rights proceedings under chapters 600 and 600A.

2000 Acts, ch 1145, §1

**232.7 Iowa Indian child welfare Act.**

1. If a proceeding held under this chapter involves an Indian child as defined in section 232B.3 and the proceeding is subject to the Iowa Indian child welfare Act under chapter 232B, the proceeding and other actions taken in connection with the proceeding or this chapter shall comply with chapter 232B.

2. In any proceeding held or action taken under this chapter involving an Indian child, the applicable requirements of the federal Adoption and Safe Families Act of 1999, Pub. L. No. 105-89, shall be applied to the proceeding or action in a manner that complies with chapter 232B and the federal Indian Child Welfare Act, Pub. L. No. 95-608.

2003 Acts, ch 153, §1

# DIVISION II

# JUVENILE DELINQUENCY PROCEEDINGS

Referred to in §232.89, 232.108, 232.147

## PART 1

## GENERAL PROVISIONS

**232.8 Jurisdiction.**

1. *a.* The juvenile court has exclusive original jurisdiction in proceedings concerning a child who is alleged to have committed a delinquent act unless otherwise provided by law, and has exclusive original jurisdiction in proceedings concerning an adult who is alleged to have committed a delinquent act prior to having become an adult, and who has been transferred to the jurisdiction of the juvenile court pursuant to an order under section 803.5.

*b.* Violations by a child of provisions of chapter 321, 321G, 321I, 453A, 461A, 461B, 462A, 481A, 481B, 483A, 484A, or 484B, which would be simple misdemeanors if committed by an adult, and violations by a child of county or municipal curfew or traffic ordinances, are excluded from the jurisdiction of the juvenile court and shall be prosecuted as simple misdemeanors as provided by law. A child convicted of a violation excluded from the jurisdiction of the juvenile court under this paragraph shall be sentenced pursuant to section 805.8, where applicable, and pursuant to section 903.1, subsection 3, for all other violations.

*c.* Violations by a child, aged sixteen or older, which subject the child to the provisions of section 124.401, subsection 1, paragraph *"e"* or *"f"*, or violations of section 723A.2 which involve a violation of chapter 724, or violation of chapter 724 which constitutes a felony, or violations which constitute a forcible felony are excluded from the jurisdiction of the juvenile court and shall be prosecuted as otherwise provided by law unless the district court transfers jurisdiction of the child to the juvenile court upon motion and for good cause pursuant to section 803.6. Notwithstanding any other provision of the Code to the contrary, the district court may accept from a child in district court a plea of guilty, or may instruct the jury on a lesser included offense to the offense excluded from the jurisdiction of the juvenile court under this paragraph, in the same manner as regarding an adult. The judgment and sentence of a child in district court shall be as provided in section 901.5. However, the juvenile court shall have exclusive original jurisdiction in a proceeding concerning an offense of animal torture as provided in section 717B.3A alleged to have been committed by a child under the age of seventeen.

*d.* The juvenile court shall have jurisdiction in proceedings commenced against a child pursuant to section 236.3 over which the district court has waived its jurisdiction. The juvenile court shall hear the action in the manner of an adjudicatory hearing under section 232.47, subject to the following:

(1) The juvenile court shall abide by the provisions of sections 236.4 and 236.6 in holding hearings and making a disposition.

(2) The plaintiff is entitled to proceed pro se under sections 236.3A and 236.3B.

2. A case involving a person charged in a court other than the juvenile court with the commission of a public offense not exempted by law from the jurisdiction of the juvenile court and who is within the provisions of subsection 1 of this section shall immediately be transferred to the juvenile court. The transferring court shall order a transfer and shall forward the transfer order together with all papers, documents and a transcript of all testimony filed or admitted into evidence in connection with the case to the clerk of the juvenile court. The jurisdiction of the juvenile court shall attach immediately upon the signing of an order of transfer. From the time of transfer, the custody, shelter care and detention of the person alleged to have committed a delinquent act shall be in accordance with the provisions of this chapter and the case shall be processed in accordance with the provisions of this chapter.

3. *a.* The juvenile court, after a hearing and in accordance with the provisions of section

232.45, may waive jurisdiction of a child alleged to have committed a public offense so that the child may be prosecuted as an adult or youthful offender for such offense in another court. If the child pleads guilty or is found guilty of a public offense other than a class "A" felony in another court of this state, that court may suspend the sentence or, with the consent of the child, defer judgment or sentence and, without regard to restrictions placed upon deferred judgments or sentences for adults, place the child on probation for a period of not less than one year upon such conditions as it may require. Upon fulfillment of the conditions of probation, a child who receives a deferred judgment shall be discharged without entry of judgment. A child prosecuted as a youthful offender shall be sentenced pursuant to section 907.3A.

*b.* This subsection does not apply in a proceeding concerning an offense of animal torture as provided in section 717B.3A alleged to have been committed by a child under the age of seventeen.

4. In a proceeding concerning a child who is alleged to have committed a second delinquent act or a second violation excluded from the jurisdiction of the juvenile court, the court or the juvenile court shall determine whether there is reason to believe that the child regularly abuses alcohol or other controlled substance and may be in need of treatment. If the court so determines, the court shall advise appropriate juvenile authorities and refer such offenders to the juvenile court for disposition pursuant to section 232.52A.

5. Nothing in this chapter shall be interpreted as affecting the statutory limitations on prosecutions for murder in the first or second degree.

6. The supreme court shall prescribe rules under section 602.4202 to resolve jurisdictional and venue issues when juveniles who are placed in another court's jurisdiction are alleged to have committed subsequent delinquent acts.

[C71, 73, 75, 77, §232.63 – 232.67, 232.72; C79, 81, §232.8]

84 Acts, ch 1275, §6; 86 Acts, ch 1186, §1, 2; 87 Acts, ch 149, §1; 88 Acts, ch 1134, §48; 88 Acts, ch 1167, §1; 90 Acts, ch 1251, §23, 24; 91 Acts, ch 240, §9; 92 Acts, ch 1160, §21; 92 Acts, ch 1231, §12; 95 Acts, ch 180, §2; 95 Acts, ch 191, §8; 96 Acts, ch 1134, §1; 97 Acts, ch 126, §11; 2000 Acts, ch 1056, §1; 2000 Acts, ch 1152, §1, 2; 2000 Acts, ch 1232, §57, 58; 2004 Acts, ch 1132, §79; 2009 Acts, ch 41, §263; 2013 Acts, ch 42, §1, 2

Referred to in §232.22, 232.45, 232.45A, 232.52A, 232.53, 232C.4, 717B.3A, 803.5, 803.6

Subsection 1, paragraph c amended

Subsection 3, paragraph a amended

**232.9 Motion for change of judge.**

Prior to a hearing pursuant to sections 232.44 to 232.47, 232.50 or 232.54, the child may file a motion with the district court for the appointment of a new judge. The chief judge of the district court for cause shown shall appoint a new judge.

[C79, 81, §232.9]

**232.10 Venue.**

1. Venue for delinquency proceedings shall be in the judicial district where the child is found, where the child resides or where the alleged delinquent act occurred.

2. The court may transfer delinquency proceedings to the court of any county having venue at any stage in the proceeding as follows:

*a.* When it appears that the best interests of the child or society or the convenience of the parties will be served by a transfer, the court may transfer the case to the court of the county of the child's residence.

*b.* With the consent of the receiving court, the court may transfer the case to the court of the county where the child is found.

*c.* The court may transfer the case to the county where the alleged delinquent act occurred.

3. The court shall transfer the case by ordering the transfer and a continuance and by forwarding to the clerk of the receiving court a certified copy of all papers filed together with an order of transfer. The judge of the receiving court may accept the filings of the transferring court or may direct the filing of a new petition and hear the case anew.

[C71, 73, 75, 77, §232.68 – 232.70; C79, 81, §232.10]

88 Acts, ch 1134, §49

**232.11 Right to assistance of counsel.**

1. A child shall have the right to be represented by counsel at the following stages of the proceedings within the jurisdiction of the juvenile court under division II:

*a.* From the time the child is taken into custody for any alleged delinquent act that constitutes a serious or aggravated misdemeanor or felony under the Iowa criminal code, and during any questioning thereafter by a peace officer or probation officer.

*b.* A detention or shelter care hearing as required by section 232.44.

*c.* A waiver hearing as required by section 232.45.

*d.* An adjudicatory hearing required by section 232.47.

*e.* A dispositional hearing as required by section 232.50.

*f.* Hearings to review and modify a dispositional order as required by section 232.54.

2. The child's right to be represented by counsel under subsection 1, paragraphs "*b*" to "*f*" of this section shall not be waived by a child of any age. The child's right to be represented by counsel under subsection 1, paragraph "*a*" shall not be waived by a child less than sixteen years of age without the written consent of the child's parent, guardian, or custodian. The waiver by a child who is at least sixteen years of age is valid only if a good faith effort has been made to notify the child's parent, guardian, or custodian that the child has been taken into custody and of the alleged delinquent act for which the child has been taken into custody, the location of the child, and the right of the parent, guardian, or custodian to visit and confer with the child.

3. If the child is not represented by counsel as required under subsection 1, counsel shall be provided as follows:

*a.* If the court determines, after giving the child's parent, guardian or custodian an opportunity to be heard, that such person has the ability in whole or in part to pay for the employment of counsel, it shall either order that person to retain an attorney to represent the child or shall appoint counsel for the child and order the parent, guardian or custodian to pay for that counsel as provided in subsection 5.

*b.* If the court determines that the parent, guardian, or custodian cannot pay any part of the expenses of counsel to represent the child, it shall appoint counsel, who shall be reimbursed according to section 232.141, subsection 2, paragraph "*b*".

*c.* The court may appoint counsel to represent the child and reserve the determination of payment until the parent, guardian or custodian has an opportunity to be heard.

4. If the child is represented by counsel and the court determines that there is a conflict of interest between the child and the child's parent, guardian or custodian and that the retained counsel could not properly represent the child as a result of the conflict, the court shall appoint other counsel to represent the child and order the parent, guardian or custodian to pay for such counsel as provided in subsection 5.

5. If the court determines, after an inquiry which includes notice and reasonable opportunity to be heard that the parent, guardian or custodian has the ability to pay in whole or in part for the attorney appointed for the child, the court may order that person to pay such sums as the court finds appropriate in the manner and to whom the court directs. If the person so ordered fails to comply with the order without good reason, the court shall enter judgment against the person.

6. Nothing in this section shall be construed to prevent the child or the child's parent, guardian or custodian from retaining counsel to represent the child in proceedings under this division II of this chapter in which the alleged delinquent act constitutes a simple misdemeanor under the Iowa Code.

[C24, 27, 31, 35, 39, §**3631;** C46, 50, 54, 58, 62, §232.15; C66, 71, 73, 75, 77, §232.28; C79, 81, §232.11; 82 Acts, ch 1209, §2]

90 Acts, ch 1168, §34

Referred to in §232.28, 232.37, 232.52, 815.9

**232.12 Duties of county attorney.**

Upon the filing of a petition the county attorney shall represent the state in all adversary proceedings arising under this division and shall present evidence in support of the petition.

[C66, 71, 73, 75, 77, §232.19; C79, 81, §232.12]

**232.13 State liability.**

1. For purposes of chapter 669, the following persons shall be considered state employees:

*a.* A child given a work assignment of value to the state or the public or a community work assignment under this chapter.

*b.* A court appointed special advocate and the members of the child advocacy board created in section 237.16 or a local citizen foster care review board created in accordance with section 237.19.

2. The state of Iowa is exclusively liable for and shall pay any compensation becoming due a person under section 85.59.

84 Acts, ch 1280, §2; 85 Acts, ch 177, §2; 87 Acts, ch 24, §1; 87 Acts, ch 121, §3; 2005 Acts, ch 55, §1

**232.14 through 232.18** Reserved.

PART 2

CHILD CUSTODY

**232.19 Taking a child into custody.**

1. A child may be taken into custody:

*a.* By order of the court.

*b.* For a delinquent act pursuant to the laws relating to arrest.

*c.* By a peace officer, when the peace officer has reasonable grounds to believe the child has run away from the child's parents, guardian, or custodian, for the purposes of determining whether the child shall be reunited with the child's parents, guardian, or custodian, placed in shelter care, or, if the child is a chronic runaway and the county has an approved county runaway treatment plan, placed in a runaway assessment center under section 232.196.

*d.* By a peace officer, juvenile court officer, or juvenile parole officer when the officer has reasonable grounds to believe the child has committed a material violation of a dispositional order.

2. When a child is taken into custody as provided in subsection 1 the person taking the child into custody shall notify the child's parent, guardian, or custodian as soon as possible. The person may place bodily restraints, such as handcuffs, on the child if the child physically resists; threatens physical violence when being taken into custody; is being taken into custody for an alleged delinquent act of violence against a person; or when, in the reasonable judgment of the officer, the child presents a risk of injury to the child or others. The child may also be restrained by handcuffs or other restraints at any time after the child is taken into custody if the child has a known history of physical violence to others. Unless the child is placed in shelter care or detention in accordance with the provisions of section 232.21 or 232.22, the child shall be released to the child's parent, guardian, custodian, responsible adult relative, or other adult approved by the court upon the promise of such person to produce the child in court at such time as the court may direct.

3. Notwithstanding any other provision of this chapter, a child shall not be placed in detention as a result of a violation by that child of section 123.47.

4. Information pertaining to a child who is at least ten years of age and who is taken into custody for a delinquent act which would be a public offense is a public record and is not confidential under section 232.147.

[SS15, §254-a16; C24, 27, 31, 35, 39, §**3630;** C46, 50, 54, 58, 62, §232.14; C66, 71, 73, 75, 77, §232.15, 232.16; C79, 81, §232.19]

83 Acts, ch 186, §10055, 10201; 90 Acts, ch 1251, §25; 94 Acts, ch 1172, §13; 97 Acts, ch 90, §2; 97 Acts, ch 126, §12, 13; 98 Acts, ch 1100, §24

Referred to in §123.46, 232.20, 232.21, 232.149, 232.196, 321J.1, 692.1

**232.20 Admission of child to shelter care or detention.**

1. If a child is taken into custody and not released as provided in section 232.19, subsection

2, the child shall immediately be taken to a detention or shelter care facility as specified in sections 232.21 or 232.22.

2. When a child is admitted to a detention or shelter care facility the person in charge of the facility or the person's designated representative shall notify the court, the child's attorney, and the child's parent, guardian, or custodian as soon as possible of the admission and the reasons for that admission.

[C66, 71, 73, 75, 77, §232.17; C79, 81, §232.20]
Referred to in §234.35

**232.21 Placement in shelter care.**

1. No child shall be placed in shelter care unless one of the following circumstances applies:

*a.* The child has no parent, guardian, custodian, responsible adult relative or other adult approved by the court who will provide proper shelter, care and supervision.

*b.* The child desires to be placed in shelter care.

*c.* It is necessary to hold the child until the child's parent, guardian, or custodian has been contacted and has taken custody of the child.

*d.* It is necessary to hold the child for transfer to another jurisdiction.

*e.* The child is being placed pursuant to an order of the court.

2. *a.* A child may be placed in shelter care as provided in this section only in one of the following facilities:

(1) A juvenile shelter care home.

(2) A licensed foster home.

(3) An institution or other facility operated by the department of human services, or one which is licensed or otherwise authorized by law to receive and provide care for the child.

(4) Any other suitable place designated by the court provided that no place used for the detention of a child may be so designated.

*b.* Placement shall be made in the least restrictive facility available consistent with the best interests and special needs of the child. Foster family care shall be used for a child unless the child has problems requiring specialized service or supervision which cannot be provided in a family living arrangement.

3. When there is reason to believe that a child placed in shelter care pursuant to section 232.19, subsection 1, paragraph "*c*", would not voluntarily remain in the shelter care facility, the shelter care facility shall impose reasonable restrictions necessary to ensure the child's continued custody.

4. A child placed in a shelter care facility under this section shall not be held for a period in excess of forty-eight hours without an oral or written court order authorizing the shelter care. When the action is authorized by an oral court order, the court shall enter a written order before the end of the next day confirming the oral order and indicating the reasons for the order. A child placed in shelter care pursuant to section 232.19, subsection 1, paragraph "*c*", shall not be held in excess of seventy-two hours in any event. If deemed appropriate by the court, an order authorizing shelter care placement may include a determination that continuation of the child in the child's home is contrary to the child's welfare and that reasonable efforts as defined in section 232.57 have been made. The inclusion of such a determination shall not under any circumstances be deemed a prerequisite for entering an order pursuant to this section. However, the inclusion of such a determination, supported by the record, may be used by the department to assist in obtaining federal funding for the child's placement.

5. If no satisfactory provision is made for uniting a child placed in shelter care pursuant to section 232.19, subsection 1, paragraph "*c*", with the child's family, a child in need of assistance complaint may be filed pursuant to section 232.81. Nothing in this subsection shall limit the right of a child to file a family in need of assistance petition under section 232.125.

6. A child twelve years of age or younger shall not be placed in a group shelter care home, unless there have been reasonable but unsuccessful efforts to place the child in an

emergency foster family home which is able to meet the needs of the child. The efforts shall be documented at the shelter care hearing.

[S13, §254-a24; SS15, §254-a16; C24, 27, 31, 35, 39, §**3633;** C46, 50, 54, 58, 62, §232.17; C66, 71, 73, 75, 77, §232.17, 232.18; C79, 81, §232.21; 82 Acts, ch 1209, §3]

83 Acts, ch 96, §157, 159; 88 Acts, ch 1249, §10, 11; 2001 Acts, ch 135, §5; 2001 Acts, ch 176, §64; 2002 Acts, ch 1050, §22; 2009 Acts, ch 41, §263

Referred to in §232.19, 232.20, 232.44, 232.196, 234.35

**232.22 Placement in detention.**

1. A child shall not be placed in detention unless one of the following conditions is met:

*a.* The child is being held under warrant for another jurisdiction.

*b.* The child is an escapee from a juvenile correctional or penal institution.

*c.* There is probable cause to believe that the child has violated conditions of release imposed under section 232.44, subsection 5, paragraph "*b*", or section 232.52 or 232.54, and there is a substantial probability that the child will run away or otherwise be unavailable for subsequent court appearance.

*d.* There is probable cause to believe the child has committed a delinquent act, and one of the following conditions is met:

(1) There is a substantial probability that the child will run away or otherwise be unavailable for subsequent court appearance.

(2) There is a serious risk that the child if released may commit an act which would inflict serious bodily harm on the child or on another.

(3) There is a serious risk that the child if released may commit serious damage to the property of others.

*e.* There is probable cause to believe that the child has committed a delinquent act involving possession with intent to deliver any of the following controlled substances:

(1) A mixture or substance containing cocaine base, also known as crack cocaine, and if the act was committed by an adult, it would be a violation of section 124.401, subsection 1, paragraph "*a*", subparagraph (3), paragraph "*b*", subparagraph (3), or paragraph "*c*", subparagraph (3).

(2) A mixture or substance containing cocaine, its salts, optical and geometric isomers, and salts of isomers, and if the act was committed by an adult, it would be a violation of section 124.401, subsection 1, paragraph "*a*", subparagraph (2), subparagraph division (b), paragraph "*b*", subparagraph (2), subparagraph division (b), or paragraph "*c*", subparagraph (2), subparagraph division (b).

(3) A mixture or substance containing methamphetamine, its salts, isomers, or salts of isomers, or analogs of methamphetamine, and if the act was committed by an adult, it would be a violation of section 124.401, subsection 1.

*f.* A dispositional order has been entered under section 232.52 placing the child in secure custody in a facility defined in subsection 3, paragraph "*a*" or "*b*".

*g.* There is probable cause to believe that the child has committed a delinquent act which would be domestic abuse under chapter 236 or a domestic abuse assault under section 708.2A if committed by an adult.

2. If deemed appropriate by the court, an order for placement of a child in detention may include a determination that continuation of the child in the child's home is contrary to the child's welfare and that reasonable efforts as defined in section 232.57 have been made. The inclusion of such a determination shall not under any circumstances be deemed a prerequisite for entering an order pursuant to this section. However, the inclusion of such a determination, supported by the record, may assist the department in obtaining federal funding for the child's placement.

3. Except as provided in subsection 7, a child may be placed in detention as provided in this section in one of the following facilities only:

*a.* A juvenile detention home.

*b.* Any other suitable place designated by the court other than a facility under paragraph "*c*".

*c.* (1) A room in a facility intended or used for the detention of adults if there is probable

cause to believe that the child has committed a delinquent act which if committed by an adult would be a felony, or aggravated misdemeanor under section 708.2 or 709.11, a serious or aggravated misdemeanor under section 321J.2, or a violation of section 123.46, and if all of the following apply:

(a) The child is at least fourteen years of age.

(b) The child has shown by the child's conduct, habits, or condition that the child constitutes an immediate and serious danger to another or to the property of another, and a facility or place enumerated in paragraph "*a*" or "*b*" is unavailable, or the court determines that the child's conduct or condition endangers the safety of others in the facility.

(c) The facility has an adequate staff to supervise and monitor the child's activities at all times.

(d) The child is confined in a room entirely separated from detained adults, is confined in a manner which prohibits communication with detained adults, and is permitted to use common areas of the facility only when no contact with detained adults is possible.

(2) However, if the child is to be detained for a violation of section 123.46 or section 321J.2, placement in a facility pursuant to this paragraph "*c*" shall be made only after an attempt has been made to notify the parents or legal guardians of the child and request that the parents or legal guardians take custody of the child. If the parents or legal guardians cannot be contacted, or refuse to take custody of the child, an attempt shall be made to place the child in another facility, including but not limited to a local hospital or shelter care facility. Also, a child detained for a violation of section 123.46 or section 321J.2 pursuant to this paragraph "*c*" shall only be detained in a facility with adequate staff to provide continuous visual supervision of the child.

*d.* A place used for the detention of children prior to an adjudicatory hearing may also be used for the detention of a child awaiting disposition to a placement under section 232.52, subsection 2, paragraph "*e*", while the adjudicated child is awaiting transfer to the disposition placement.

4. A child shall not be held in a facility under subsection 3, paragraph "*a*" or "*b*", for a period in excess of twenty-four hours without an oral or written court order authorizing the detention. When the detention is authorized by an oral court order, the court shall enter a written order before the end of the next day confirming the oral order and indicating the reasons for the order.

5. *a.* A child shall not be detained in a facility under subsection 3, paragraph "*c*", for a period of time in excess of six hours without the oral or written order of a judge or a magistrate authorizing the detention. A judge or magistrate may authorize detention in a facility under subsection 3, paragraph "*c*", for a period of time in excess of six hours but less than twenty-four hours, excluding weekends and legal holidays, but only if all of the following occur or exist:

(1) The facility serves a geographic area outside a standard metropolitan statistical area as determined by the United States census bureau.

(2) The court determines that an acceptable alternative placement does not exist pursuant to criteria developed by the department of human services.

(3) The facility has been certified by the department of corrections as being capable of sight and sound separation pursuant to this section and section 356.3.

(4) The child is awaiting an initial hearing before the court pursuant to section 232.44.

*b.* The restrictions contained in this subsection relating to the detention of a child in a facility under subsection 3, paragraph "*c*", do not apply if the court has waived its jurisdiction over the child for the alleged commission of a felony offense pursuant to section 232.45.

6. An adult within the jurisdiction of the court under section 232.8, subsection 1, who has been placed in detention, is not bailable under chapter 811. If such an adult is detained in a room in a facility intended or used for the detention of adults, the adult shall be confined in a room entirely separated from adults not within the jurisdiction of the court under section 232.8, subsection 1.

7. If the court has waived its jurisdiction over the child for the alleged commission of a forcible felony offense pursuant to section 232.45 or 232.45A, and there is a serious risk that the child may commit an act which would inflict serious bodily harm on another person,

the child may be held in the county jail, notwithstanding section 356.3. However, wherever possible the child shall be held in sight and sound separation from adult offenders. A child held in the county jail under this subsection shall have all the rights of adult postarrest or pretrial detainees.

8. Notwithstanding any other provision of the Code to the contrary, a child shall not be placed in detention for a violation of section 123.47, or for failure to comply with a dispositional order which provides for performance of community service for a violation of section 123.47.

[S13, §254-a24; SS15, §254-a16; C24, 27, 31, 35, 39, §**3633;** C46, 50, 54, 58, 62, §232.17; C66, 71, 73, 75, 77, §232.17 – 232.19; C79, 81, §232.22; 82 Acts, ch 1209, §4, 5]

86 Acts, ch 1186, §3; 87 Acts, ch 149, §2 – 4; 88 Acts, ch 1167, §2, 3; 91 Acts, ch 232, §2, 3; 92 Acts, ch 1231, §14, 15; 95 Acts, ch 180, §3; 95 Acts, ch 191, §9; 96 Acts, ch 1164, §7; 97 Acts, ch 126, §14; 2001 Acts, ch 135, §6; 2009 Acts, ch 41, §233, 234, 263

Referred to in §232.19, 232.20, 232.23, 232.29, 232.44, 232.46, 232.52, 232.149, 803.6

**232.23 Detention — youthful offenders.**

1. After waiver of a child who will be prosecuted as a youthful offender, the child shall be held in a facility under section 232.22, subsection 3, paragraph "*a*" or "*b*", unless released in accordance with subsection 2.

2. *a.* The court shall determine, at the detention hearing under section 232.44, the amount of bail, appearance bond, or other conditions necessary for a child who has been waived for prosecution as a youthful offender to be released from detention or that the child should not be released from detention.

*b.* A child placed in detention or released under this subsection shall be supervised by a juvenile court officer or juvenile court services personnel.

*c.* An order under this section may be reviewed by the court upon motion of either party.

97 Acts, ch 126, §15

Referred to in §232.44, 232.45, 602.1211

**232.24 through 232.27** Reserved.

PART 3

INTAKE

**232.28 Intake.**

1. Any person having knowledge of the facts may file a complaint with the court or its designee alleging that a child has committed a delinquent act. A written record shall be maintained of any oral complaint received.

2. The court or its designee shall refer the complaint to an intake officer who shall consult with law enforcement authorities having knowledge of the facts and conduct a preliminary inquiry to determine what action should be taken.

3. In the course of a preliminary inquiry, the intake officer may:

*a.* Interview the complainant, victim or witnesses of the alleged delinquent act.

*b.* Check existing records of the court, law enforcement agencies, public records of other agencies, and child abuse records as provided in section 235A.15, subsection 2, paragraph "*e*".

*c.* Hold conferences with the child and the child's parent or parents, guardian or custodian for the purpose of interviewing them and discussing the disposition of the complaint in accordance with the requirements set forth in subsection 8.

*d.* Examine any physical evidence pertinent to the complaint.

*e.* Interview such persons as are necessary to determine whether the filing of a petition would be in the best interests of the child and the community as provided in section 232.35, subsections 2 and 3.

4. Any additional inquiries may be made only with the consent of the child and the child's parent or parents, guardian or custodian.

5. Participation of the child and the child's parent or parents, guardian or custodian in a conference with an intake officer shall be voluntary, and they shall have the right to refuse to participate in such conference. At such conference the child shall have the right to the assistance of counsel in accordance with section 232.11 and the right to remain silent when questioned by the intake officer.

6. The intake officer, after consultation with the county attorney when necessary, shall determine whether the complaint is legally sufficient for the filing of a petition. A complaint shall be deemed legally sufficient for the filing of a petition if the facts as alleged are sufficient to establish the jurisdiction of the court and probable cause to believe that the child has committed a delinquent act. If the intake officer determines that the complaint is legally sufficient to support the filing of a petition, the officer shall determine whether the interests of the child and the public will best be served by the dismissal of the complaint, the informal adjustment of the complaint, or the filing of a petition.

7. If the intake officer determines that the complaint is not legally sufficient for the filing of a petition or that further proceedings are not in the best interests of the child or the public, the intake officer shall dismiss the complaint.

8. If the intake officer determines that the complaint is legally sufficient for the filing of a petition and that an informal adjustment of the complaint is in the best interests of the child and the community, the officer may make an informal adjustment of the complaint in accordance with section 232.29.

9. If the intake officer determines that the complaint is legally sufficient for the filing of a petition and that the filing of a petition is in the best interests of the child and the public, the officer shall request the county attorney to file a petition in accordance with section 232.35.

[SS15, §254-a15; C24, 27, 31, 35, 39, §**3621;** C46, 50, 54, 58, 62, §232.5; C66, 71, 73, 75, 77, §232.3; C79, 81, §232.28; 82 Acts, ch 1209, §6, 7]

88 Acts, ch 1134, §50; 95 Acts, ch 191, §10; 96 Acts, ch 1110, §1; 97 Acts, ch 126, §16, 17; 98 Acts, ch 1090, §61, 84; 2013 Acts, ch 42, §3

Referred to in §232.147, 235A.15, 915.26

Subsection 3, paragraph b amended

**232.28A** Repealed by 98 Acts, ch 1090, § 81, 84.

**232.29 Informal adjustment.**

1. The informal adjustment of a complaint is a permissible disposition of a complaint at intake subject to the following conditions:

*a.* The child has admitted the child's involvement in a delinquent act.

*b.* The intake officer shall advise the child and the child's parent, guardian or custodian that they have the right to refuse an informal adjustment of the complaint and demand the filing of a petition and a formal adjudication.

*c.* Any informal adjustment agreement shall be entered into voluntarily and intelligently by the child with the advice of the child's attorney, or by the child with the consent of a parent, guardian, or custodian if the child is not represented by counsel.

*d.* The terms of such agreement shall be clearly stated in writing and signed by all parties to the agreement and a copy of this agreement shall be given to the child; the counsel for the child; the parent, guardian or custodian; and the intake officer, who shall retain the copy in the case file.

*e.* An agreement providing for the supervision of a child by a juvenile court officer or the provision of intake services shall not exceed six months.

*f.* An agreement providing for the referral of a child to a public or private agency for services shall not exceed six months.

*g.* The child and the child's parent, guardian or custodian shall have the right to terminate such agreement at any time and to request the filing of a petition and a formal adjudication.

*h.* If an informal adjustment of a complaint has been made, a petition based upon the events out of which the original complaint arose may be filed only during the period of six

months from the date the informal adjustment agreement was entered into. If a petition is filed within this period the child's compliance with all proper and reasonable terms of the agreement shall be grounds for dismissal of the petition by the court.

*i.* The person performing the duties of intake officer shall file a report at least annually with the court listing the number of informal adjustments made during the reporting time, the conditions imposed in each case, the number of informal adjustments resulting in dismissal without the filing of a petition, and the number of informal adjustments resulting in the filing of a petition upon the original complaint.

2. An informal adjustment agreement may prohibit a child from driving a motor vehicle for a specified period of time or under specific circumstances, require the child to perform a work assignment of value to the state or to the public, or require the child to make restitution consisting of a monetary payment to the victim or a work assignment directly of value to the victim. The juvenile court officer shall notify the state department of transportation of the informal adjustment prohibiting the child from driving.

3. The person performing the duties of intake officer shall notify the superintendent of the school district or the superintendent's designee, or the authorities in charge of the nonpublic school which the child attends, of any informal adjustment regarding the child, fourteen years of age or older, for an act which would be an aggravated misdemeanor or felony if committed by an adult.

4. An informal adjustment agreement regarding a child who has been placed in detention under section 232.22, subsection 1, paragraph "*g*", may include a provision that the child voluntarily participate in a batterers' treatment program under section 708.2B.

[C79, 81, §232.29; 82 Acts, ch 1209, §8]

83 Acts, ch 186, §10055, 10201; 94 Acts, ch 1172, §14; 95 Acts, ch 180, §4; 95 Acts, ch 191, §11

Referred to in §232.28, 232.147, 915.28

Juvenile victim restitution; see chapter 232A and §915.24 – 915.29

**232.30 through 232.34** Reserved.

## PART 4

## JUDICIAL PROCEEDINGS

**232.35 Filing of petition.**

1. A formal judicial proceeding to determine whether a child has committed a delinquent act shall be initiated by the filing by the county attorney of a petition alleging that a child has committed a delinquent act. After a petition has been filed, service of a summons requiring the child to appear before the court or service of a notice shall be made as provided in section 232.37.

2. If the intake officer determines that a complaint is legally sufficient for the filing of a petition alleging that a child has committed a delinquent act and that the filing of a petition would be in the best interests of the child and the community, the officer shall submit a written request for the filing of a petition to the county attorney. The county attorney may grant or deny the request of the intake officer for the filing of a petition. A determination by the county attorney that a petition should not be filed shall be final.

3. If the intake officer determines that a complaint is not legally sufficient for the filing of a petition or that the filing of a petition would not be in the best interests of the child and the community, the officer shall notify the complainant of the officer's determination and the reasons for such determination, and shall advise the complainant that the complainant may submit the complaint to the county attorney for review. Upon receiving a request for review, the county attorney shall consider the facts presented by the complainant, consult with the intake officer and make the final determination as to whether a petition should be filed. In the absence of a request by the complainant for a review of the intake officer's determination that a petition should not be filed, the officer's determination shall be final, and the intake officer

shall inform the county attorney of this decision concerning complaints involving allegations of acts which, if committed by an adult, would constitute an aggravated misdemeanor or a felony.

[SS15, §254-a15; C24, 27, 31, 35, 39, §**3621;** C46, 50, 54, 58, 62, §232.5; C66, 71, 73, 75, 77, §232.3; C79, 81, §232.35]

92 Acts, ch 1231, §16; 2003 Acts, ch 151, §4

Referred to in §232.28, 331.653, 692.1, 692.8, 692.15

**232.36 Contents of petition.**

1. The petition and subsequent court documents shall be entitled "In the interests of ....., a child".

2. The petition shall be verified and any statements in the petition may be made upon information and belief.

3. The petition shall set forth plainly:

*a.* The name, age, and residence of the child who is the subject of the petition.

*b.* The names and residences of any:

(1) Living parent of the child.

(2) Guardian of the child.

(3) Legal custodian of the child.

(4) Guardian ad litem.

*c.* With reasonable particularity, the time, place and manner of the delinquent act alleged and the penal law allegedly violated by such act.

4. If any of the facts required under subsection 3, paragraphs *"a"* and *"b"* are not known by the petitioner, the petition shall so state.

5. The petition shall set forth plainly the nearest known relative of the child if no parent or guardian can be found.

[SS15, §254-a15; C24, 27, 31, 35, 39, §**3621, 3622;** C46, 50, 54, 58, 62, §232.5, 232.6; C66, 71, 73, 75, 77, §232.3; C79, 81, §232.36]

Referred to in §232.87

**232.37 Summons, notice, subpoenas, and service — order for removal.**

1. After a petition has been filed the court shall set a time for an adjudicatory hearing and unless the parties named in subsection 2 voluntarily appear, shall issue a summons requiring the child to appear before the court at a time and place stated and requiring the person who has custody or control of the child to appear before the court and to bring the child with the person at that time. The summons shall attach a copy of the petition and shall give notification of the right to counsel provided for in section 232.11.

2. Notice of the pendency of the case shall be served upon the known parents, guardians or legal custodians of a child if these persons are not summoned to appear as provided in subsection 1. Notice shall also be served upon the child and upon the child's guardian ad litem, if any. The notice shall attach a copy of the petition and shall give notification of the right to counsel provided for in section 232.11.

3. Upon request of the child who is identified in the petition as a party to the proceeding, the child's parent, guardian or custodian, a county attorney or on the court's own motion, the court or the clerk of the court shall issue subpoenas requiring the attendance and testimony of witnesses and production of papers at any hearing under this division.

4. Service of summons or notice shall be made personally by the sheriff by delivering a copy of the summons or notice to the person being served. If the court determines that personal service of a summons or notice is impracticable, the court may order service by certified mail addressed to the last known address. Service of summons or notice shall be made not less than five days before the time fixed for hearing. Service of summons, notice, subpoenas or other process, after an initial valid summons or notice, shall be made in accordance with the rules of the court governing such service in civil actions.

5. If a person personally served with a summons or subpoena fails without reasonable cause to appear or to bring the child, the person may be proceeded against for contempt of

court or the court may issue an order for the arrest of such person or both the arrest of the person and the taking into custody of the child.

6. The court may issue an order for the removal of the child from the custody of the child's parent, guardian or custodian when there exists an immediate threat that the parent, guardian or custodian will flee the state with the child, or when it appears that the child's immediate removal is necessary to avoid imminent danger to the child's life or health.

[SS15, 254-a16; C24, 27, 31, 35, 39, §**3623 – 3628, 3630;** C46, 50, 54, 58, 62, §232.7 – 232.12, 232.14; C66, 71, 73, 75, 77, §232.4 – 232.10; C79, 81, §232.37]

84 Acts, ch 1279, §3; 85 Acts, ch 195, §26; 95 Acts, ch 92, §1; 2003 Acts, ch 151, §5

Referred to in §232.35, 232.45, 232.54, 232.88, 331.653

**232.38 Presence of parents at hearings.**

1. Any hearings or proceedings under this division subsequent to the filing of a petition shall not take place without the presence of one or both of the child's parents, guardian or custodian except that a hearing or proceeding may take place without such presence if the parent, guardian or custodian fails to appear after reasonable notification, or if the court finds that a reasonably diligent effort has been made to notify the child's parent, guardian, or custodian, and the effort was unavailing.

2. In any such hearings or proceedings the court may temporarily excuse the presence of the parent, guardian or custodian when the court deems it in the best interests of the child. Counsel for the parent, guardian or custodian shall have the right to participate in a hearing or proceeding during the absence of the parent, guardian or custodian.

[SS15, §254-a16; C24, 27, 31, 35, 39, §**3631;** C46, 50, 54, 58, 62, §232.15; C66, 71, 73, 75, 77, §232.11, 232.30; C79, 81, §232.38]

Referred to in §232.91

**232.39 Exclusion of public from hearings.**

At any time during the proceedings, the court, on the motion of any of the parties or upon the court's own motion, may exclude the public from hearings under this division if the court determines that the possibility of damage or harm to the child outweighs the public's interest in having an open hearing. Upon closing the hearing to the public, the court may admit those persons who have direct interest in the case or in the work of the court.

[C24, 27, 31, 35, 39, §**3635;** C46, 50, 54, 58, 62, §232.19; C66, 71, 73, 75, 77, §232.27; C79, 81, §232.39]

88 Acts, ch 1134, §51

**232.40 Other issues adjudicated.**

When it appears during the course of any hearing or proceeding that some action or remedy other than those indicated by the application or pleading is appropriate, the court, with the consent of all necessary parties, may proceed to hear and determine the additional or other issues as though originally properly sought and pleaded.

[C66, 71, 73, 75, 77, §232.12; C79, 81, §232.40]

**232.41 Reporter required.**

Stenographic notes or mechanical or electronic recordings shall be taken of all court hearings held pursuant to this division unless waived by the parties. The child shall not be competent to waive the reporting requirement, but waiver may be made for the child by the child's counsel or guardian ad litem. Matters which must be reported under the provisions of this section shall be reported in the same manner as required in section 624.9.

[C66, 71, 73, 75, 77, §232.32; C79, 81, §232.41]

**232.42 Continuances.**

1. Continuances in juvenile delinquency proceedings may be granted by the court only for good cause shown on the record if the child is being held in detention.

2. Where the child requests a continuance of proceedings, the court, in an order granting the continuance, may suspend the time limitations imposed on the state by this division for a period of time not to exceed the length of the continuance.

3. Proceedings may be continued for up to one year upon the request of the county attorney and the child to permit the making of probation arrangements prior to the adjudicatory hearing. If either the child or the county attorney requests that the adjudicatory hearing be held at any time during the period of the continuance, the court shall set the matter for hearing.

[S13, §254-a23; C24, 27, 31, 35, 39, §**3637;** C46, 50, 54, 58, 62, §232.21; C66, 71, 73, 75, 77, §232.34; C79, §232.13, 232.42; C81, §232.42]

94 Acts, ch 1172, §15

**232.43 Answer — plea agreement — acceptance of plea admitting allegations of petition.**

1. A written answer to a delinquency petition need not be filed by the child, but any matters which might be set forth in an answer or other pleading may be filed in writing or pleaded orally before the court.

2. The county attorney and the child's counsel may mutually consider a plea agreement which contemplates entry of a plea admitting the allegations of the petition in the expectation that other charges will be dismissed or not filed or that a specific disposition will be recommended by the county attorney and granted by the court. Any plea discussion shall be open to the child and the child's parent, guardian or custodian.

3. The court shall not accept a plea admitting the allegations of the petition without first addressing the child personally in court, determining that the plea is voluntary and not the result of any force or threats or promises other than promises made in connection with a plea agreement and informing the child of and determining that the child understands the following:

*a.* The nature of the allegations of the petition to which the plea is offered.

*b.* The severest possible disposition and the maximum length of such disposition which the court may order if the court accepts the plea.

*c.* The child has the right to deny the allegations of the petition.

*d.* If the child admits the allegations of the petition the child waives the right to a further adjudicatory hearing.

4. The court shall not accept a plea admitting the allegations of the petition without first addressing the county attorney and the child's counsel in court and making an inquiry into whether such a plea is the result of a plea agreement. The court shall require the disclosure of the terms of any such agreement in court. If a plea agreement has been reached which contemplates entry of the plea in the expectation that the court will order a specific disposition or dismiss other charges against the child before the court, the court shall state to the parties whether the court will concur in the proposed disposition or dismissal of charges. If the court will not concur in such disposition or dismissal, the court should advise the child personally of this fact, advise the child that the disposition of the case may be less favorable to the child than that contemplated by the plea agreement, and afford the child the opportunity to withdraw the plea. If the court defers decision as to whether the court will concur with the proposed disposition or dismissal until there has been an opportunity to consider the predisposition report, the court shall advise the child that the court is not bound by the plea agreement and afford the child the opportunity to withdraw the plea.

5. The court shall not accept a plea admitting the allegations of the petition without:

*a.* Determining that there is a factual basis for the plea.

*b.* Determining that the child was given effective assistance of counsel prior to tender of the plea.

*c.* Inquiring of the parent or parents who are present in court whether they agree as to the course of action that their child has chosen. If either parent expresses disagreement with the plea, the court may refuse to accept that plea.

6. If the court determines that a plea is not in the child's best interest it may refuse to accept that plea regardless of the agreement of the parties.

[C79, 81, §232.43]

**232.44 Detention or shelter care hearing — release from detention upon change of circumstance.**

1. *a.* A hearing shall be held within forty-eight hours, excluding Saturdays, Sundays, and legal holidays, of the time of the child's admission to a shelter care facility, and within twenty-four hours, excluding Saturdays, Sundays, and legal holidays, of the time of a child's admission to a detention facility. If the hearing is not held within the time specified in this paragraph, the child shall be released from shelter care or detention.

*b.* Prior to the hearing a petition shall be filed, except where the child is already under the supervision of a juvenile court under a prior judgment.

*c.* If the child is placed in a detention facility in a county other than the county in which the child resides or in which the delinquent act allegedly occurred but which is within the same judicial district, the hearing may take place in the county in which the detention facility is located.

*d.* The child shall appear in person at the hearing required by this subsection.

2. The county attorney or a juvenile court officer may apply for a hearing at any time after the petition is filed to determine whether the child who is the subject of the petition should be placed in detention or shelter care. The court may upon the application or upon its own motion order such hearing. The court shall order a detention hearing for a child waived under section 232.45, subsection 7, at the time of waiver.

3. A notice shall be served upon the child, the child's attorney, the child's guardian ad litem if any, and the child's known parent, guardian, or custodian not less than twelve hours before the time the hearing is scheduled to begin and in a manner calculated fairly to apprise the parties of the time, place, and purpose of the hearing. In the case of a hearing for a child waived for prosecution as a youthful offender, this notice may accompany the waiver order. If the court finds that there has been reasonably diligent effort to give notice to a parent, guardian, or custodian and that the effort has been unavailing, the hearing may proceed without the notice having been served.

4. At the hearing to determine whether detention or shelter care is authorized under section 232.21 or 232.22 the court shall admit only testimony and other evidence relevant to the determination of whether there is probable cause to believe the child has committed the act as alleged in the petition and to the determination of whether the placement of the child in detention or shelter care is authorized under section 232.21 or 232.22. At the hearing to determine whether a child who has been waived for prosecution as a youthful offender should be released from detention the court shall also admit evidence of the kind admissible to determine bond or bail under chapter 811, notwithstanding section 811.1. Any written reports or records made available to the court at the hearing shall be made available to the parties. A copy of the petition or waiver order shall be given to each of the parties at or before the hearing.

5. The court shall find release to be proper under the following circumstances:

*a.* If the court finds that there is not probable cause to believe that the child is a child within the jurisdiction of the court under this chapter, it shall release the child and dismiss the petition.

*b.* If the court finds that detention or shelter care is not authorized under section 232.21 or 232.22, or is authorized but not warranted in a particular case, the court shall order the child's release, and in so doing, may impose one or more of the following conditions:

(1) Place the child in the custody of a parent, guardian or custodian under that person's supervision, or under the supervision of an organization which agrees to supervise the child.

(2) Place restrictions on the child's travel, association, or place of residence during the period of release.

(3) Impose any other condition deemed reasonably necessary and consistent with the grounds for detaining children specified in section 232.21 or 232.22, including a condition requiring that the child return to custody as required.

(4) In the case of a child waived for prosecution as a youthful offender, require bail, an appearance bond, or set other conditions consistent with this section or section 811.2.

*c.* An order releasing a child on conditions specified in this section may be amended at any time to impose equally or less restrictive conditions. The order may be amended to impose

additional or more restrictive conditions, or to revoke the release, if the child has failed to conform to the conditions originally imposed.

6. If the court finds that there is probable cause to believe that the child is within the jurisdiction of the court under this chapter and that full-time detention or shelter care is authorized under section 232.21 or 232.22 or that detention is authorized under section 232.23, it may issue an order authorizing either shelter care or detention until the adjudicatory hearing or trial is held or for a period not exceeding seven days, whichever is shorter. However, in the case of a child placed in detention under section 232.23, this period may be extended by agreement of the parties and the court.

7. If a child held in shelter care or detention by court order has not been released after a detention hearing or has not appeared at an adjudicatory hearing before the expiration of the order of detention, an additional hearing shall automatically be scheduled for the next court day following the expiration of the order. The child, the child's counsel, the child's guardian ad litem, and the child's parent, guardian or custodian shall be notified of this hearing not less than twenty-four hours before the hearing is scheduled to take place. The hearing required by this subsection may be held by telephone conference call.

8. A child held in a detention or shelter care facility pursuant to section 232.21 or 232.22 under order of court after a hearing may be released upon a showing that a change of circumstances makes continued detention unnecessary.

9. A written request for the release of the child, setting forth the changed circumstances, may be filed by the child, by a responsible adult on the child's behalf, by the child's custodian, or by the juvenile court officer.

10. Based upon the facts stated in the request for release the court may grant or deny the request without a hearing, or may order that a hearing be held at a date, time and place determined by the court. Notice of the hearing shall be given to the child and the child's custodian or counsel. Upon receiving evidence at the hearing, the court may release the child to the child's custodian or other suitable person, or may deny the request and remand the child to the detention or shelter care facility.

11. This section does not apply to a child placed in accordance with section 232.78, 232.79, or 232.95.

[C79, 81, §232.44; 82 Acts, ch 1209, §9, 10]

87 Acts, ch 149, §5; 94 Acts, ch 1172, §16, 17; 95 Acts, ch 67, §15; 97 Acts, ch 126, §19; 2009 Acts, ch 41, §94

Referred to in §232.9, 232.11, 232.22, 232.23, 232.45

**232.45 Waiver hearing and waiver of jurisdiction.**

1. After the filing of a petition which alleges that a child has committed a delinquent act on the basis of an alleged commission of a public offense and before an adjudicatory hearing on the merits of the petition is held, the county attorney or the child may file a motion requesting the court to waive its jurisdiction over the child for the alleged commission of the public offense or for the purpose of prosecution of the child as an adult or a youthful offender. If the county attorney and the child agree, a motion for waiver for the purpose of being prosecuted as a youthful offender may be heard by the district court as part of the proceedings under section 907.3A, or by the juvenile court as provided in this section. If the motion for waiver for the purpose of being prosecuted as a youthful offender is made as a result of a conditional agreement between the county attorney and the child, the conditions of the agreement shall be disclosed to the court in the same manner as provided in rules of criminal procedure 2.8 and 2.10.

2. The court shall hold a waiver hearing on all such motions.

3. Reasonable notice that states the time, place, and purpose of the waiver hearing shall be provided to the persons required to be provided notice for adjudicatory hearings under section 232.37. Summons, subpoenas, and other process may be issued and served in the same manner as for adjudicatory hearings as provided in section 232.37.

4. Prior to the waiver hearing, the juvenile probation officer or other person or agency designated by the court shall conduct an investigation for the purpose of collecting information relevant to the court's decision to waive its jurisdiction over the child for

the alleged commission of the public offense and shall submit a report concerning the investigation to the court. The report shall include any recommendations made concerning waiver. Prior to the hearing the court shall provide the child's counsel and the county attorney with access to the report and to all written material to be considered by the court.

5. At the waiver hearing all relevant and material evidence shall be admitted.

6. At the conclusion of the waiver hearing the court may waive its jurisdiction over the child for the alleged commission of the public offense for the purpose of prosecution of the child as an adult if all of the following apply:

*a.* The child is fourteen years of age or older.

*b.* The court determines, or has previously determined in a detention hearing under section 232.44, that there is probable cause to believe that the child has committed a delinquent act which would constitute the public offense.

*c.* The court determines that the state has established that there are not reasonable prospects for rehabilitating the child if the juvenile court retains jurisdiction over the child and the child is adjudicated to have committed the delinquent act, and that waiver of the court's jurisdiction over the child for the alleged commission of the public offense would be in the best interests of the child and the community.

7. *a.* At the conclusion of the waiver hearing and after considering the best interests of the child and the best interests of the community the court may, in order that the child may be prosecuted as a youthful offender, waive its jurisdiction over the child if all of the following apply:

(1) The child is twelve through fifteen years of age or the child is ten or eleven years of age and has been charged with a public offense that would be classified as a class "A" felony if committed by an adult.

(2) The court determines, or has previously determined in a detention hearing under section 232.44, that there is probable cause to believe that the child has committed a delinquent act which would constitute a public offense under section 232.8, subsection 1, paragraph "*c*", notwithstanding the application of that paragraph to children aged sixteen or older.

(3) The court determines that the state has established that there are not reasonable prospects for rehabilitating the child, prior to the child's eighteenth birthday, if the juvenile court retains jurisdiction over the child and the child enters into a plea agreement, is a party to a consent decree, or is adjudicated to have committed the delinquent act.

*b.* The court shall retain jurisdiction over the child for the purpose of determining whether the child should be released from detention under section 232.23. If the court has been apprised of conditions of an agreement between the county attorney and the child which resulted in a motion for waiver for purposes of the child being prosecuted as a youthful offender, and the court finds that the conditions are in the best interests of the child, the conditions of the agreement shall constitute conditions of the waiver order.

8. In making the determination required by subsection 6, paragraph "*c*", the factors which the court shall consider include but are not limited to the following:

*a.* The nature of the alleged delinquent act and the circumstances under which it was committed.

*b.* The nature and extent of the child's prior contacts with juvenile authorities, including past efforts of such authorities to treat and rehabilitate the child and the response to such efforts.

*c.* The programs, facilities and personnel available to the juvenile court for rehabilitation and treatment of the child, and the programs, facilities and personnel which would be available to the court that would have jurisdiction in the event the juvenile court waives its jurisdiction so that the child can be prosecuted as an adult.

9. In making the determination required by subsection 7, paragraph "*a*", subparagraph (3), the factors which the court shall consider include but are not limited to the following:

*a.* The nature of the alleged delinquent act and the circumstances under which it was committed.

*b.* The nature and extent of the child's prior contacts with juvenile authorities, including

past efforts of such authorities to treat and rehabilitate the child and the response to such efforts.

*c.* The age of the child, the programs, facilities, and personnel available to the juvenile court for rehabilitation and treatment of the child, and the programs, facilities, and personnel which would be available to the district court after the child reaches the age of eighteen in the event the child is given youthful offender status.

10. If at the conclusion of the hearing the court waives its jurisdiction over the child for the alleged commission of the public offense, the court shall make and file written findings as to its reasons for waiving its jurisdiction.

11. *a.* If the court waives jurisdiction, statements made by the child after being taken into custody and prior to intake are admissible as evidence in chief against the child in subsequent criminal proceedings provided that the statements were made with the advice of the child's counsel or after waiver of the child's right to counsel and provided that the court finds the child had voluntarily waived the right to remain silent. Other statements made by a child are admissible as evidence in chief provided that the court finds the statements were voluntary. In making its determination, the court may consider any factors it finds relevant and shall consider the following factors:

(1) Opportunity for the child to consult with a parent, guardian, custodian, lawyer, or other adult.

(2) The age of the child.

(3) The child's level of education.

(4) The child's level of intelligence.

(5) Whether the child was advised of the child's constitutional rights.

(6) Length of time the child was held in shelter care or detention before making the statement in question.

(7) The nature of the questioning which elicited the statement.

(8) Whether physical punishment such as deprivation of food or sleep was used upon the child during the shelter care, detention, or questioning.

*b.* Statements made by the child during intake or at a waiver hearing held pursuant to this section are not admissible as evidence in chief against the child in subsequent criminal proceedings over the child's objection in any event.

12. If the court waives its jurisdiction over the child for the alleged commission of the public offense so that the child may be prosecuted as an adult or a youthful offender, the judge who made the waiver decision shall not preside at any subsequent proceedings in connection with that prosecution if the child objects.

13. The waiver does not apply to other delinquent acts which are not alleged in the delinquency petition presented at the waiver hearing.

14. *a.* If a child who is alleged to have delivered, manufactured, or possessed with intent to deliver or manufacture, a controlled substance except marijuana, as defined in chapter 124, is waived to district court for prosecution, the mandatory minimum sentence provided in section 124.413 shall not be imposed if a conviction is had; however, each child convicted of such an offense shall be confined for not less than thirty days in a secure facility.

*b.* Upon application of a person charged or convicted under the authority of this subsection, the district court shall order the records in the case sealed if:

(1) Five years have elapsed since the final discharge of that person; and

(2) The person has not been convicted of a felony or an aggravated or serious misdemeanor, or adjudicated a delinquent for an act which if committed by an adult would be a felony, or an aggravated or serious misdemeanor since the final discharge of that person.

[C79, 81, §232.45]

85 Acts, ch 130, §1, 2; 97 Acts, ch 126, §20 – 23; 2001 Acts, ch 135, §26; 2009 Acts, ch 41, §263; 2013 Acts, ch 42, §4, 5

Referred to in §232.8, 232.9, 232.11, 232.22, 232.44, 232.45A, 232.51, 232.89, 803.5, 803.6, 903.1, 904.503, 907.3A, 915.37

Age of majority deemed attained for certain purposes during incarceration following waiver and conviction; see §599.1

Subsection 6, unnumbered paragraph 1 amended

Subsection 7, paragraph a, subparagraph (1) amended

**232.45A Waiver to and conviction by district court — processing.**

1. Once jurisdiction over a child has been waived by the juvenile court as provided in section 232.45, for the alleged commission of a felony, and once a conviction is entered by the district court, for all other offenses, the clerk of the juvenile court shall immediately send a certified copy of the findings required by section 232.45, subsection 10, and the judgment of conviction, as applicable, to the department of public safety. The department shall maintain a file on each child who has previously been waived to or waived to and convicted by the district court in a prosecution as an adult. The file shall be accessible by law enforcement officers on a twenty-four hour per day basis.

2. Once a child sixteen years of age or older has been waived by the juvenile court to the district court, all subsequent criminal proceedings against the child for any delinquent act committed after the date of the waiver by the juvenile court shall begin in district court, notwithstanding sections 232.8 and 232.45. A copy of the findings required by section 232.45, subsection 10, shall be made a part of the record in the district court proceedings. However, upon acquittal or dismissal in district court of all waived offenses and all lesser included offenses of the waived offenses, the proceedings for any delinquent act committed by the child subsequent to such acquittal or dismissal shall begin in juvenile court. Any proceedings initiated in district court for a public offense committed by the child subsequent to the waiver by the juvenile court, but prior to any acquittal or dismissal of all waived offenses and lesser included offenses in district court, shall remain in district court.

3. If proceedings against a child sixteen years of age or older who has previously been waived to district court are mistakenly begun in the juvenile court, the matter shall be transferred to district court upon the discovery of the prior waiver, notwithstanding sections 232.8 and 232.45.

4. This section shall not apply to a child who was waived to the district court for the purpose of being prosecuted as a youthful offender.

91 Acts, ch 232, §4; 92 Acts, ch 1231, §17; 94 Acts, ch 1172, §18; 95 Acts, ch 191, §12; 97 Acts, ch 126, §24; 2013 Acts, ch 42, §6

Referred to in §232.9, 232.22

Subsections 2 and 3 amended

**232.46 Consent decree.**

1. At any time after the filing of a petition and prior to entry of an order of adjudication pursuant to section 232.47, the court may suspend the proceedings on motion of the county attorney or the child's counsel, enter a consent decree, and continue the case under terms and conditions established by the court. These terms and conditions may include prohibiting a child from driving a motor vehicle for a specified period of time or under specific circumstances, or the supervision of the child by a juvenile court officer or other agency or person designated by the court, and may include the requirement that the child perform a work assignment of value to the state or to the public or make restitution consisting of a monetary payment to the victim or a work assignment directly of value to the victim. The court shall notify the state department of transportation of an order prohibiting the child from driving.

2. A consent decree entered regarding a child placed in detention under section 232.22, subsection 1, paragraph "*g*", shall require the child to attend a batterers' treatment program under section 708.2B. The second time the child fails to attend the batterers' treatment as required by the consent decree shall result in the decree being vacated and proceedings commenced under section 232.47.

3. A consent decree shall not be entered unless the child and the child's parent, guardian or custodian is informed of the consequences of the decree by the court and the court determines that the child has voluntarily and intelligently agreed to the terms and conditions of the decree. If the county attorney objects to the entry of a consent decree, the court shall proceed to determine the appropriateness of entering a consent decree after consideration of any objections or reasons for entering such a decree.

4. A consent decree shall remain in force for up to one year unless the child is sooner discharged by the court or by the juvenile court officer or other agency or person supervising

the child. Upon application of a juvenile court officer or other agency or person supervising the child made prior to the expiration of the decree and after notice and hearing, or upon agreement by the parties, a consent decree may be extended for up to an additional year by order of the court.

5. When a child has complied with the express terms and conditions of the consent decree for the required amount of time or until earlier dismissed as provided in subsection 4, the original petition may not be reinstated. However, failure to so comply may result in the child's being thereafter held accountable as if the consent decree had never been entered.

6. A child who is discharged or who completes a period of continuance without the reinstatement of the original petition shall not be proceeded against in any court for a delinquent act alleged in the petition.

[C79, 81, §232.46; 82 Acts, ch 1209, §11]

83 Acts, ch 186, §10055, 10201; 94 Acts, ch 1172, §19; 95 Acts, ch 180, §5; 2008 Acts, ch 1187, §132

Referred to in §232.9

**232.47 Adjudicatory hearing — findings — adjudication.**

1. If a child denies the allegations of the petition, that child may be found to be delinquent only after an adjudicatory hearing conducted in accordance with the provisions of this section.

2. The court shall hear and adjudicate all cases involving a petition alleging a child to have committed a delinquent act.

3. The child shall have the right to adjudication by an impartial finder of fact. A judge of the juvenile court may not serve as the finder of fact over objection of the child based upon a showing of prejudice on the part of the judge. In the event that a judge is disqualified from serving as a finder of fact under this provision, a substitute judge shall serve as the finder of fact.

4. At an adjudicatory hearing the state shall have the burden of proving the allegations of the petition.

5. Only evidence which is admissible under the rules of evidence applicable to the trial of criminal cases shall be admitted at the hearing except as otherwise provided by this section.

6. Statements or other evidence derived directly or indirectly from statements which a child makes to a law enforcement officer while in custody without presence of counsel may be admitted into evidence at an adjudicatory hearing over the child's objection only after the court determines whether the child has voluntarily waived the right to remain silent. In making its determination the court may consider any factors it finds relevant and shall consider the following factors:

*a.* Opportunity for the child to consult with a parent, guardian, custodian, lawyer or other adult.

*b.* The age of the child.

*c.* The child's level of education.

*d.* The child's level of intelligence.

*e.* Whether the child was advised of the child's constitutional rights.

*f.* Length of time the child was held in shelter care or detention before making the statement in question.

*g.* The nature of the questioning which elicited the statement.

*h.* Whether physical punishment such as deprivation of food or sleep was used upon the child during the shelter care, detention, or questioning.

7. The following statements or other evidence shall not be admitted as evidence in chief at an adjudicatory hearing:

*a.* Statements or other evidence derived directly or indirectly from statements which a child makes to a juvenile intake officer without the presence of counsel subsequent to the filing of a complaint and prior to adjudication unless the child and the child's attorney consent to the admission of such statements or evidence.

*b.* Statements which the child makes to a juvenile probation officer or other person conducting a predisposition investigation during such an investigation.

8. At the conclusion of an adjudicatory hearing, the court shall make a finding as to

whether the child has committed a delinquent act. The court shall make and file written findings as to the truth of the specific allegations of the petition and as to whether the child has engaged in delinquent conduct.

9. If the court finds that the child did not engage in delinquent conduct, the court shall enter an order dismissing the petition.

10. If the court finds that the child did engage in delinquent conduct, the court may enter an order adjudicating the child to have committed a delinquent act. The child shall be presumed to be innocent of the charges and no finding that a child has engaged in delinquent conduct may be made unless the state has proved beyond a reasonable doubt that the child engaged in such behavior.

11. If the court enters an order adjudicating the child to have committed a delinquent act, the court may issue an order authorizing either shelter care or detention until the dispositional hearing is held.

12. A juvenile court officer shall notify the superintendent of the school district or the superintendent's designee, or the authorities in charge of the nonpublic school which the child attends of the child's adjudication for a delinquent act which would be an indictable offense if committed by an adult.

[C66, 71, 73, 75, 77, §232.31; C79, 81, §232.47]

94 Acts, ch 1172, §20

Referred to in §232.8, 232.9, 232.11, 232.46, 232.48, 232.49, 232.50, 232.133

**232.48 Predisposition investigation and report.**

1. The court shall not make a disposition of the matter following the entry of an order of adjudication pursuant to section 232.47 until a predisposition report has been submitted to and considered by the court.

2. After a petition is filed, the court shall direct a juvenile court officer or any other agency or individual to conduct a predisposition investigation and to prepare a predisposition report. The investigation and report shall cover all of the following:

*a.* The social history, environment and present condition of the child and the child's family.

*b.* The performance of the child in school.

*c.* The presence of child abuse and neglect histories, learning disabilities, physical impairments and past acts of violence.

*d.* Other matters relevant to the child's status as a delinquent, treatment of the child or proper disposition of the case.

3. No predisposition report shall be submitted to or considered by the court prior to the completion of the adjudicatory hearing without the consent of the child and the child's counsel.

4. A predisposition report shall not be disclosed except as provided in this section and in division VIII of this chapter. The court shall permit the child's attorney to inspect the predisposition report prior to consideration by the court. The court may order counsel not to disclose parts of the report to the child, or to the child's parent, guardian, guardian ad litem, or custodian if the court finds that disclosure would seriously harm the treatment or rehabilitation of the child. If the report indicates the child has behaved in a manner that threatened the safety of another person, has committed a violent act causing bodily injury to another person, or has been a victim or perpetrator of sexual abuse, unless otherwise ordered by the court, the child's parent, guardian, or foster parent or other person with custody of the child shall be provided with that information.

[C79, 81, §232.48]

83 Acts, ch 186, §10055, 10201; 85 Acts, ch 88, §1; 2005 Acts, ch 124, §2

**232.49 Physical and mental examinations.**

1. Following the entry of an order of adjudication under section 232.47 the court may, after a hearing which may be simultaneous with the adjudicatory hearing, order a physical or mental examination of the child if it finds that an examination is necessary to determine the child's physical or mental condition. The court may consider chemical dependency as either a physical or mental condition and may consider a chemical dependency evaluation as

either a physical or mental examination. If the examination indicates the child has behaved in a manner that threatened the safety of another person, has committed a violent act causing bodily injury to another person, or has been a victim or perpetrator of sexual abuse, unless otherwise ordered by the court, the child's parent, guardian, or foster parent or other person with custody of the child shall be provided with that information.

2. When possible an examination shall be conducted on an outpatient basis, but the court may, if it deems necessary, commit the child to a suitable hospital, facility or institution for the purpose of examination. Commitment for examination shall not exceed thirty days and the civil commitment provisions of chapter 229 shall not apply.

3. *a.* At any time after the filing of a delinquency petition the court may order a physical or mental examination of the child if the following circumstances apply:

(1) The court finds such examination to be in the best interest of the child; and

(2) The parent, guardian, or custodian and the child's counsel agree.

*b.* An examination shall be conducted on an outpatient basis unless the court, the child's counsel, and the parent, guardian, or custodian agree that it is necessary the child be committed to a suitable hospital, facility, or institution for the purpose of examination. Commitment for examination shall not exceed thirty days and the civil commitment provisions of chapter 229 shall not apply.

[C66, 71, 73, 75, 77, §232.13; C79, 81, §232.49]

86 Acts, ch 1186, §4; 2005 Acts, ch 124, §3; 2009 Acts, ch 41, §235

**232.50 Dispositional hearing.**

1. As soon as practicable following the entry of an order of adjudication pursuant to section 232.47 or notification that the child has been placed on youthful offender status pursuant to section 907.3A, the court shall hold a dispositional hearing in order to determine what disposition should be made of the matter.

2. The court shall hold a periodic dispositional review hearing for each child in placement pursuant to section 232.52, subsection 2, paragraph *"d"* or *"e"*, to determine the future disposition status of the child. The hearings shall not be waived or continued beyond twelve months after the last dispositional hearing or dispositional review hearing.

3. At dispositional hearings under this section all relevant and material evidence shall be admitted.

4. When a dispositional hearing under this section is concluded the court shall enter an order to make any one or more of the dispositions authorized under section 232.52.

[C66, 71, 73, 75, 77, §232.31; C79, 81, §232.50]

87 Acts, ch 159, §1; 97 Acts, ch 99, §1; 97 Acts, ch 126, §25; 2013 Acts, ch 42, §7

Referred to in §232.9, 232.11, 232.52, 232.103

Subsection 1 amended

**232.51 Disposition of child with mental illness or an intellectual disability.**

1. If the evidence received at an adjudicatory or a dispositional hearing indicates that the child is mentally ill, the court may direct the juvenile court officer or the department to initiate proceedings or to assist the child's parent or guardian to initiate civil commitment proceedings in the juvenile court and such proceedings in the juvenile court shall adhere to the requirements of chapter 229.

2. If the evidence received at an adjudicatory or a dispositional hearing indicates that the child has an intellectual disability, the court may direct the juvenile court officer or the department to initiate proceedings or to assist the child's parent or guardian to initiate civil commitment proceedings in the juvenile court and such proceedings shall adhere to the requirements of chapter 222.

3. *a.* If prior to the adjudicatory or dispositional hearing on the pending delinquency petition, the child is committed as a child with a mental illness or an intellectual disability and is ordered into a residential facility, institution, or hospital for inpatient treatment, the delinquency proceeding shall be suspended until such time as the juvenile court either terminates the civil commitment order or the child is released from the residential facility, institution, or hospital for purposes of receiving outpatient treatment.

*b.* During any time that the delinquency proceeding is suspended pursuant to this subsection, any time limits for speedy adjudicatory hearings and continuances shall be tolled.

*c.* This subsection shall not apply to waiver hearings held pursuant to section 232.45.

[C79, 81, §232.51]

83 Acts, ch 186, §10055, 10201; 86 Acts, ch 1186, §5; 96 Acts, ch 1129, §62; 2011 Acts, ch 10, §1; 2012 Acts, ch 1019, §85, 86

Referred to in §229.26

For future amendment to this section, effective July 1, 2014, see 2013 Acts, ch 130, §31, 35

Section not amended; footnote added

**232.52 Disposition of child found to have committed a delinquent act.**

1. Pursuant to a hearing as provided in section 232.50, the court shall enter the least restrictive dispositional order appropriate in view of the seriousness of the delinquent act, the child's culpability as indicated by the circumstances of the particular case, the age of the child, the child's prior record, or the fact that the child has been placed on youthful offender status under section 907.3A. The order shall specify the duration and the nature of the disposition, including the type of residence or confinement ordered and the individual, agency, department, or facility in which custody is vested. In the case of a child who has been placed on youthful offender status, the initial duration of the dispositional order shall be until the child reaches the age of eighteen.

2. The dispositional orders which the court may enter subject to its continuing jurisdiction are as follows:

*a.* An order prescribing one or more of the following:

(1) A work assignment of value to the state or to the public.

(2) Restitution consisting of monetary payment or a work assignment of value to the victim.

(3) If the child is fourteen years of age or older, restitution consisting of monetary payment or a work assignment of value to the county or to the public for fees of attorneys appointed to represent the child at public expense pursuant to section 232.11.

(4) (a) The suspension or revocation of the driver's license or operating privilege of the child, for a period of one year, for the commission of delinquent acts which are a violation of any of the following:

(i) Section 123.46.

(ii) Section 123.47 regarding the purchase or attempt to purchase of alcoholic beverages.

(iii) Chapter 124.

(iv) Section 126.3.

(v) Chapter 453B.

(vi) Two or more violations of section 123.47 regarding the possession of alcoholic beverages.

(vii) Section 708.1, if the assault is committed upon an employee of the school at which the child is enrolled, and the child intended to inflict serious injury upon the school employee or caused bodily injury or mental illness.

(viii) Section 724.4, if the child carried the dangerous weapon on school grounds.

(ix) Section 724.4B.

(b) The child may be issued a temporary restricted license or school license if the child is otherwise eligible.

(5) The suspension of the driver's license or operating privilege of the child for a period not to exceed one year. The order shall state whether a work permit may or shall not be issued to the child.

*b.* An order placing the child on probation and releasing the child to the child's parent, guardian, or custodian.

*c.* An order providing special care and treatment required for the physical, emotional, or mental health of the child, and

(1) Placing the child on probation or other supervision; and

(2) If the court deems appropriate, ordering the parent, guardian, or custodian to

reimburse the county for any costs incurred as provided in section 232.141, subsection 1, or to otherwise pay or provide for such care and treatment.

*d.* An order transferring the legal custody of the child, subject to the continuing jurisdiction of the court for purposes of section 232.54, to one of the following:

(1) An adult relative or other suitable adult and placing the child on probation.

(2) A child-placing agency or other suitable private agency or facility which is licensed or otherwise authorized by law to receive and provide care for children and placing the child on probation or other supervision.

(3) The department of human services for purposes of foster care and prescribing the type of placement which will serve the best interests of the child and the means by which the placement shall be monitored by the court. The court shall consider ordering placement in family foster care as an alternative to group foster care.

(4) The chief juvenile court officer or the officer's designee for placement in a program under section 232.191, subsection 4. The chief juvenile court officer or the officer's designee may place a child in group foster care for failure to comply with the terms and conditions of the supervised community treatment program for up to seventy-two hours without notice to the court or for more than seventy-two hours if the court is notified of the placement within seventy-two hours of placement, subject to a hearing before the court on the placement within ten days.

*e.* An order transferring the guardianship of the child, subject to the continuing jurisdiction and custody of the court for the purposes of section 232.54, to the director of the department of human services for purposes of placement in the state training school or other facility, provided that the child is at least twelve years of age and the court finds the placement to be in the best interests of the child or necessary for the protection of the public, and that the child has been found to have committed an act which is a forcible felony, as defined in section 702.11, or a felony violation of section 124.401 or chapter 707, or the court finds any three of the following conditions exist:

(1) The child is at least fifteen years of age and the court finds the placement to be in the best interests of the child or necessary to the protection of the public.

(2) The child has committed an act which is a crime against a person and which would be an aggravated misdemeanor or a felony if the act were committed by an adult.

(3) The child has previously been found to have committed a delinquent act.

(4) The child has previously been placed in a treatment facility outside the child's home or in a supervised community treatment program established pursuant to section 232.191, subsection 4, as a result of a prior delinquency adjudication.

*f.* An order committing the child to a mental health institute or other appropriate facility for the purpose of treatment of a mental or emotional condition after making findings pursuant to the standards set out for involuntary commitment in chapter 229.

*g.* An order placing a child, other than a child who has committed a violation of section 123.47, in secure custody for not more than two days in a facility under section 232.22, subsection 3, paragraph "*a*" or "*b*".

*h.* In the case of a child adjudicated delinquent for an act which would be a violation of chapter 236 or section 708.2A if committed by an adult, an order requiring the child to attend a batterers' treatment program under section 708.2B.

3. *a.* An order under subsection 2, paragraph "*a*", may be the sole disposition or may be included as an element in other dispositional orders.

*b.* A parent or guardian may be required by the juvenile court to participate in educational or treatment programs as part of a probation plan. A parent or guardian who does not participate in the probation plan when required to do so by the court may be held in contempt.

*c.* Notwithstanding subsection 2, the court shall not order group foster care placement of the child which is a charge upon the state if that placement is not in accordance with the service area plan for group foster care established pursuant to section 232.143 for the departmental service area in which the court is located.

4. When the court enters an order placing a child on probation pursuant to this section, the court may in cases of change of residency transfer jurisdiction of the child to the juvenile court

of the county where the child's residence is established. The court to which the jurisdiction of the child is transferred shall have the same powers with respect to the child as if the petition had originally been filed in that court.

5. When the court enters an order transferring the legal and physical custody of a child to an agency, facility, department, or institution, the court shall transmit its order, its finding, and a summary of its information concerning the child to such agency, facility, department, or institution.

6. If the court orders the transfer of custody of the child to the department of human services or other agency for placement, the department or agency responsible for the placement of the child shall submit a case permanency plan to the court and shall make every effort to return the child to the child's home as quickly as possible.

7. *a.* When the court orders the transfer of legal custody of a child pursuant to subsection 2, paragraph "*d*", "*e*", or "*f*", the order shall state that reasonable efforts as defined in section 232.57 have been made. If deemed appropriate by the court, the order may include a determination that continuation of the child in the child's home is contrary to the child's welfare. The inclusion of such a determination shall not under any circumstances be deemed a prerequisite for entering an order pursuant to this section. However, the inclusion of such a determination, supported by the record, may be used to assist the department in obtaining federal funding for the child's placement. If such a determination is included in the order, unless the court makes a determination that further reasonable efforts are not required, reasonable efforts shall be made to prevent permanent removal of a child from the child's home and to encourage reunification of the child with the child's parents and family. The reasonable efforts may include but are not limited to early intervention and follow-up programs implemented pursuant to section 232.191.

*b.* When the court orders the transfer of legal custody of a child pursuant to subsection 2, paragraph "*d*", and the child is sixteen years of age or older, the order shall specify the services needed to assist the child in preparing for the transition from foster care to adulthood. If the child has a case permanency plan, the court shall consider the written transition plan of services and needs assessment developed for the child's case permanency plan. If the child does not have a case permanency plan containing the transition plan and needs assessment at the time the transfer order is entered, the written transition plan and needs assessment shall be developed and submitted for the court's consideration no later than six months from the date of the transfer order. The court shall modify the initial transfer order as necessary to specify the services needed to assist the child in preparing for the transition from foster care to adulthood. If the transition plan identifies services or other support needed to assist the child when the child becomes an adult and the court deems it to be beneficial to the child, the court may authorize the individual who is the child's guardian ad litem or court appointed special advocate to continue a relationship with and provide advice to the child for a period of time beyond the child's eighteenth birthday.

8. If the court orders the transfer of the custody of the child to the department of human services or to another agency for placement in group foster care, the department or agency shall make every reasonable effort to place the child in the least restrictive, most family-like, and most appropriate setting available and in close proximity to the parents' home, consistent with the child's best interests and special needs, and shall consider the placement's proximity to the school in which the child is enrolled at the time of placement.

9. If a child has previously been adjudicated as a child in need of assistance, and a social worker or other caseworker from the department of human services has been assigned to work on the child's case, the court may order the department of human services to assign the same social worker or caseworker to work on any matters related to the child arising under this division.

10. *a.* Upon receipt of an application from the director of the department of human services, the court shall enter an order to temporarily transfer a child who has been placed in the state training school pursuant to subsection 2, paragraph "*e*", to a facility which has been designated to be an alternative placement site for the state training school, provided the court finds that all of the following conditions exist:

(1) There is insufficient time to file a motion and hold a hearing for a substitute dispositional order under section 232.54.

(2) Immediate removal of the child from the state training school is necessary to safeguard the child's physical or emotional health.

(3) That reasonable attempts to notify the parents, guardian ad litem, and attorney for the child have been made.

*b.* If the court finds the conditions in paragraph "*a*" exist and there is insufficient time to provide notice as required under rule of juvenile procedure 8.12, the court may enter an ex parte order temporarily transferring the child to the alternative placement site.

*c.* Within three days of the child's transfer, the director shall file a motion for a substitute dispositional order under section 232.54 and the court shall hold a hearing concerning the motion within fourteen days of the child's transfer.

11. The court shall order a juvenile adjudicated a delinquent for an offense that requires DNA profiling under section 81.2 to submit a DNA sample for DNA profiling pursuant to section 81.4.

[C73, §1653 – 1659; C97, §2708, 2709; S13, §254-a23, 2708; C24, 27, 31, 35, 39, §**3637, 3646, 3647, 3652;** C46, 50, 54, 58, 62, §232.27, 232.28, 232.34; C66, 71, 73, 75, 77, §232.34, 232.38, 232.39; C79, 81, §232.52; 82 Acts, ch 1260, §22]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1279, §5; 85 Acts, ch 124, §1; 88 Acts, ch 1249, §12, 13; 90 Acts, ch 1168, §35; 90 Acts, ch 1239, §7, 8; 90 Acts, ch 1271, §1505; 91 Acts, ch 232, §5, 6; 91 Acts, ch 258, §37; 92 Acts, ch 1229, §3; 92 Acts, ch 1231, §20, 21; 94 Acts, ch 1172, §21, 22; 95 Acts, ch 180, §6; 95 Acts, ch 191, §13, 14; 96 Acts, ch 1134, §2; 96 Acts, ch 1218, §57; 97 Acts, ch 51, §1; 97 Acts, ch 99, §2; 97 Acts, ch 126, §26, 27; 97 Acts, ch 208, §40; 98 Acts, ch 1073, §9; 99 Acts, ch 208, §35; 2001 Acts, ch 24, §39; 2001 Acts, ch 135, §7; 2002 Acts, ch 1081, §2; 2003 Acts, ch 117, §4; 2004 Acts, ch 1116, §4, 5; 2005 Acts, ch 158, §12, 19; 2007 Acts, ch 218, §113; 2009 Acts, ch 41, §236; 2009 Acts, ch 133, §220, 221; 2013 Acts, ch 42, §8

Referred to in §92.17, 232.22, 232.50, 232.53, 232.54, 232.58, 232.133, 234.35, 321.213, 321.213A, 321.215, 321A.17, 692A.103, 907.3A, 915.28

Juvenile victim restitution, see chapter 232A and §915.24 – 915.29

Subsection 1 amended

**232.52A Disposition of certain juvenile offenders.**

1. In addition to any other order of the juvenile court, a person under age eighteen, who may be in need of treatment as determined under section 232.8, may be ordered to participate in an alcohol or controlled substance education or evaluation program approved by the juvenile court. If recommended after evaluation, the court may also order the person to participate in a treatment program approved by the court. The juvenile court may also require the custodial parent or parents or other legal guardian to participate in an educational program with the person under age eighteen if the court determines that such participation is in the best interests of the person under age eighteen.

2. If the duration of a dispositional order is extended pursuant to section 232.53, subsection 3, the court may continue or extend supervision by an electronic tracking and monitoring system in addition to any other conditions of supervision.

90 Acts, ch 1251, §26; 2009 Acts, ch 119, §35

Referred to in §232.8

**232.53 Duration of dispositional orders.**

1. Any dispositional order entered by the court pursuant to section 232.52 shall remain in force for an indeterminate period or until the child becomes eighteen years of age unless otherwise specified by the court or unless sooner terminated pursuant to the provisions of section 232.54. No dispositional order made under section 232.52, subsection 2, paragraph "*e*", shall remain in force longer than the maximum possible duration of the sentence which may be imposed on an adult for the commission of the act which the child has been found by the court to have committed.

2. All dispositional orders entered prior to the child attaining the age of seventeen years shall automatically terminate when the child becomes eighteen years of age, except as provided in subsection 3. Dispositional orders entered subsequent to the child attaining

the age of seventeen years and prior to the child's eighteenth birthday shall automatically terminate one year and six months after the date of disposition. In the case of an adult within the jurisdiction of the court under the provisions of section 232.8, subsection 1, the dispositional order shall automatically terminate one year and six months after the last date upon which jurisdiction could attach.

3. A dispositional order entered prior to the child attaining the age of seventeen, for a child required to register as a sex offender pursuant to the provisions of chapter 692A, may be extended one year and six months beyond the date the child becomes eighteen years of age.

4. Notwithstanding section 233A.13, a child committed to the training school subsequent to the child attaining the age of seventeen years and prior to the child's eighteenth birthday may be held at the school beyond the child's eighteenth birthday pursuant to subsection 2 or 3, provided that the training school makes application to and receives permission from the committing court. This extension shall be for the purpose of completion by the child of a course of instruction established for the child pursuant to section 233A.4 and cannot extend for more than one year and six months beyond the date of disposition unless the duration of the dispositional order was extended pursuant to subsection 3.

5. *a.* Any person supervising but not having custody of the child pursuant to such an order shall file a written report with the court at least every six months concerning the status and progress of the child.

*b.* Any agency, facility, institution, or person to whom custody of the child has been transferred pursuant to such order shall file a written report with the court at least every six months concerning the status and progress of the child.

*c.* Any report prepared pursuant to this subsection shall be included in the record considered by the court in a permanency hearing conducted pursuant to section 232.58.

[C73, §1653 – 1658; C97, §2708; S13, §254-a23, 2708; C24, 27, 31, 35, 39, §**3639, 3649;** C46, 50, 54, 58, 62, §232.23, 232.30; C66, 71, 73, 75, §232.36, 232.37; C79, 81, §232.53; 82 Acts, ch 1209, §12]

84 Acts, ch 1166, §1; 2000 Acts, ch 1056, §2; 2001 Acts, ch 135, §8; 2009 Acts, ch 119, §34, 36

Referred to in §232.52A

**232.54 Termination, modification, or vacation and substitution of dispositional order.**

1. At any time prior to its expiration, a dispositional order may be terminated, modified, or vacated and another dispositional order substituted therefor only in accordance with the following provisions:

*a.* With respect to a dispositional order made pursuant to section 232.52, subsection 2, paragraph "*a*", "*b*", or "*c*", and upon the motion of a child, a child's parent or guardian, a child's guardian ad litem, a person supervising the child under a dispositional order, a county attorney, or upon its own motion, the court may terminate the order and discharge the child, modify the order, or vacate the order and substitute another order pursuant to the provisions of section 232.52. Notice shall be afforded all parties, and a hearing shall be held at the request of any party.

*b.* With respect to a dispositional order made pursuant to section 232.52, subsection 2, paragraphs "*d*" and "*e*", the court shall grant a motion of the person to whom custody has been transferred for termination of the order and discharge of the child, for modification of the order by imposition of less restrictive conditions, or for vacation of the order and substitution of a less restrictive order unless there is clear and convincing evidence that there has not been a change of circumstance sufficient to grant the motion. Notice shall be afforded all parties, and a hearing shall be held at the request of any party or upon the court's own motion.

*c.* With respect to a dispositional order made pursuant to section 232.52, subsection 2, paragraph "*d*", or "*e*", or "*f*", the court shall grant a motion of a person or agency to whom custody has been transferred for modification of the order by transfer to an equally restrictive placement, unless there is clear and convincing evidence that there has not been a change of circumstance sufficient to grant the motion. Notice shall be afforded all parties, and a hearing shall be held at the request of any party or upon the court's own motion.

*d.* With respect to a dispositional order made pursuant to section 232.52, subsection 2, paragraph "*d*", "*e*", or "*f*", the court may, after notice and hearing, either grant or deny a motion of the child, the child's parent or guardian, or the child's guardian ad litem, to terminate the order and discharge the child, to modify the order either by imposing less restrictive conditions or by transfer to an equally or less restrictive placement, or to vacate the order and substitute a less restrictive order. A motion may be made pursuant to this paragraph no more than once every six months.

*e.* With respect to a dispositional order made pursuant to section 232.52, subsection 2, paragraphs "*d*" and "*e*", the court may, after notice and a hearing at which there is presented clear and convincing evidence to support such an action, either grant or deny a motion by a county attorney or by a person or agency to whom custody has been transferred, to modify an order by imposing more restrictive conditions or to vacate the order and substitute a more restrictive order.

*f.* With respect to a temporary transfer order made pursuant to section 232.52, subsection 10, if the court finds that removal of a child from the state training school is necessary to safeguard the child's physical or emotional health and is in the best interests of the child, the court shall grant the director's motion for a substitute dispositional order to place the child in a facility which has been designated to be an alternative placement site for the state training school.

*g.* With respect to a juvenile court dispositional order entered regarding a child who has been placed on youthful offender status under section 907.3A, the dispositional order may be terminated prior to the child reaching the age of eighteen upon motion of the child, the person or agency to whom custody of the child has been transferred, or the county attorney following a hearing before the juvenile court if it is shown by clear and convincing evidence that it is in the best interests of the child and the community to terminate the order. The hearing may be waived if all parties to the proceeding agree. The dispositional order regarding a child who has been placed on youthful offender status may also be terminated prior to the child reaching the age of eighteen upon motion of the county attorney, if the waiver of the child to district court was conditioned upon the terms of an agreement between the county attorney and the child, and the child violates the terms of the agreement after the waiver order has been entered. The district court shall discharge the child's youthful offender status upon receiving a termination order under this section.

*h.* With respect to a dispositional order entered regarding a child who has been placed on youthful offender status under section 907.3A, the juvenile court may, in the case of a child who violates the terms of the order, modify or terminate the order in accordance with the following:

(1) After notice and hearing at which the facts of the child's violation of the terms of the order are found, the juvenile court may refuse to modify the order, modify the order and impose a more restrictive order, or, after an assessment of the child by a juvenile court officer in consultation with the judicial district department of correctional services and if the child is age fourteen or over, terminate the order and return the child to the supervision of the district court under chapter 907.

(2) The juvenile court shall only terminate an order under this paragraph "*h*" if after considering the best interests of the child and the best interests of the community the court finds that the child should be returned to the supervision of the district court.

(3) A youthful offender over whom the juvenile court has terminated the dispositional order under this paragraph "*h*" shall be treated in the manner of an adult who has been arrested for a violation of probation under section 908.11 for sentencing purposes only.

*i.* With respect to a dispositional order requiring a child to register as a sex offender pursuant to chapter 692A, the juvenile court shall determine whether the child shall remain on the sex offender registry prior to termination of the dispositional order.

2. Notice requirements of this section shall be satisfied by providing reasonable notice to the persons required to be provided notice for adjudicatory hearings under section 232.37, except that notice shall be waived regarding a person who was notified of the adjudicatory

hearing and who failed to appear. At a hearing under this section all relevant and material evidence shall be admitted.

[C79, 81, §232.54]

90 Acts, ch 1239, §9; 95 Acts, ch 92, §2; 97 Acts, ch 126, §28; 98 Acts, ch 1100, §25; 2001 Acts, ch 135, §27; 2009 Acts, ch 41, §237; 2009 Acts, ch 119, §37; 2013 Acts, ch 42, §9, 10

Referred to in §232.2, 232.9, 232.11, 232.22, 232.52, 232.53, 692A.106, 907.3A
Subsection 1, paragraph g amended
Subsection 1, paragraph h, unnumbered paragraph 1 amended

**232.55 Effect of adjudication and disposition.**

1. An adjudication or disposition in a proceeding under this division shall not be deemed a conviction of a crime and shall not impose any civil disabilities or operate to disqualify the child in any civil service application or appointment.

2. *a.* Adjudication and disposition proceedings under this division are not admissible as evidence against a person in a subsequent proceeding in any other court before or after the person reaches majority except in a sentencing proceeding after conviction of the person for an offense other than a simple or serious misdemeanor.

*b.* Adjudication and disposition proceedings may properly be included in a presentence investigation report prepared pursuant to chapter 901 and section 906.5.

*c.* However, the use of adjudication and disposition proceedings pursuant to this subsection shall be subject to the restrictions contained in section 232.150.

3. This section does not apply to dispositional orders entered regarding a child who has been placed on youthful offender status under section 907.3A who is not discharged from probation before or upon the child's eighteenth birthday.

[C79, 81, §232.55]

85 Acts, ch 179, §1; 97 Acts, ch 126, §29; 2009 Acts, ch 41, §238; 2013 Acts, ch 42, §11

Referred to in §321.213
Subsection 3 amended

**232.56 Youthful offenders — transfer to district court supervision.**

The juvenile court shall deliver a report, which includes an assessment of the child by a juvenile court officer after consulting with the judicial district department of correctional services, to the district court prior to the eighteenth birthday of a child who has been placed on youthful offender status under section 907.3A. A hearing shall be held in the district court in accordance with section 907.3A to determine whether the child should be discharged from youthful offender status or whether the child shall continue under the supervision of the district court after the child's eighteenth birthday.

97 Acts, ch 126, §30; 2013 Acts, ch 42, §12

Referred to in §907.3A
Section amended

**232.57 Reasonable efforts defined — effect of aggravated circumstances.**

1. For the purposes of this division, unless the context otherwise requires, *"reasonable efforts"* means the efforts made to prevent permanent removal of a child from the child's home and to encourage reunification of the child with the child's parents and family. Reasonable efforts shall include but are not limited to giving consideration, if appropriate, to interstate placement of a child in the permanency planning decisions involving the child and giving consideration to in-state and out-of-state placement options at a permanency hearing and when using concurrent planning. If a court order includes a determination that continuation of the child in the child's home is not appropriate or not possible, reasonable efforts may include the efforts made in a timely manner to finalize a permanency plan for the child.

2. If the court determines by clear and convincing evidence that aggravated circumstances exist, with written findings of fact based upon evidence in the record, the court may waive the requirement for making reasonable efforts. The existence of aggravated circumstances is indicated by any of the following:

*a.* The parent has abandoned the child.

*b.* The court finds the circumstances described in section 232.116, subsection 1, paragraph "*i*", are applicable to the child.

*c.* The parent's parental rights have been terminated under section 232.116 with respect to another child who is a member of the same family, and there is clear and convincing evidence to show that the offer or receipt of services would not be likely within a reasonable period of time to correct the conditions which led to the child's removal.

*d.* The parent has been convicted of the murder of another child of the parent.

*e.* The parent has been convicted of the voluntary manslaughter of another child of the parent.

*f.* The parent has been convicted of aiding or abetting, attempting, conspiring in, or soliciting the commission of the murder or voluntary manslaughter of another child of the parent.

*g.* The parent has been convicted of a felony assault which resulted in serious bodily injury of the child or of another child of the parent.

3. Any order entered under this division may include findings regarding reasonable efforts.

2001 Acts, ch 135, §9; 2007 Acts, ch 172, §4
Referred to in §232.21, 232.22, 232.52, 232B.5

**232.58 Permanency hearings.**

1. If an order entered pursuant to this division for an out-of-home placement of a child includes a determination that continuation of the child in the child's home is contrary to the child's welfare, the court shall review the child's continued placement by holding a permanency hearing or hearings in accordance with this section. The initial permanency hearing shall be the earlier of the following:

*a.* For an order for which the court has not waived reasonable efforts requirements, the permanency hearing shall be held within twelve months of the date the child was removed from the home.

*b.* For an order in a case in which aggravated circumstances exist for which the court has waived reasonable efforts requirements, the permanency hearing shall be held within thirty days of the date the requirements were waived.

2. Reasonable notice shall be provided of a permanency hearing for an out-of-home placement in which the court order has included a determination that continuation of the child in the child's home is contrary to the child's welfare. A permanency hearing shall be conducted in substantial conformance with the provisions of section 232.99. During the hearing, the court shall consider the child's need for a secure and permanent placement in light of any case permanency plan or evidence submitted to the court and the reasonable efforts made concerning the child. Upon completion of the hearing, the court shall enter written findings identifying a primary permanency goal for the child. If a case permanency plan is in effect at the time of the hearing, the court shall also make a determination as to whether reasonable progress is being made in achieving the permanency goal and in complying with the other provisions of that case permanency plan.

3. After a permanency hearing, the court shall do one of the following:

*a.* Enter an order pursuant to section 232.52 to return the child to the child's home.

*b.* Enter an order pursuant to section 232.52 to continue the out-of-home placement of the child for an additional six months at which time the court shall hold a hearing to consider modification of its permanency order. An order entered under this paragraph shall enumerate the specific factors, conditions, or expected behavioral changes which comprise the basis for the determination that the need for removal of the child from the child's home will no longer exist at the end of the additional six-month period.

*c.* Direct the county attorney or the attorney for the child to institute proceedings to terminate the parent-child relationship.

*d.* Enter an order, pursuant to findings based upon the existence of the evidence required by subsection 4, to do one of the following:

(1) Transfer guardianship and custody of the child to a suitable person.

(2) Transfer sole custody of the child from one parent to another parent.

(3) Transfer custody of the child to a suitable person for the purpose of long-term care.

(4) If the department has documented to the court's satisfaction a compelling reason for

determining that an order under the other subparagraphs of this paragraph *"d"* would not be in the child's best interest, order another planned permanent living arrangement for the child.

4. Prior to entering a permanency order pursuant to subsection 3, paragraph *"d"*, clear and convincing evidence must exist showing that all of the following apply:

*a.* A termination of the parent-child relationship would not be in the best interest of the child.

*b.* Services were offered to the child's family to correct the situation which led to the child's removal from the home.

*c.* The child cannot be returned to the child's home.

5. Any permanency order may provide restrictions upon the contact between the child and the child's parent or parents, consistent with the best interest of the child.

6. With respect to a dispositional order made pursuant to section 232.52, subsection 2, paragraph *"d"*, *"e"*, or *"f"*, for which the court has suspended or terminated sibling visitation or interaction, when a review is made under this section the court shall consider whether the visitation or interaction can be safely resumed and may modify the suspension or termination as appropriate.

7. Subsequent to the entry of a permanency order pursuant to this section, the child shall not be returned to the care, custody, or control of the child's parent or parents, over a formal objection filed by the child's attorney or guardian ad litem, unless the court finds by a preponderance of the evidence that returning the child to such custody would be in the best interest of the child.

8. Following an initial permanency hearing and the entry of a permanency order which places a child in the custody or guardianship of another person or agency, the court shall retain jurisdiction and annually review the order to ascertain whether the best interest of the child is being served. When the order places the child in the custody of the department for the purpose of a planned permanent living arrangement, the review shall be in a hearing that shall not be waived or continued beyond twelve months after the initial permanency hearing or the last permanency review hearing. Any modification shall be accomplished through a hearing procedure following reasonable notice. During the hearing, all relevant and material evidence shall be admitted and procedural due process shall be provided to all parties.

2001 Acts, ch 135, §10; 2007 Acts, ch 67, §3; 2007 Acts, ch 172, §5

Referred to in §232.53

**232.59 and 232.60** Reserved.

## DIVISION III

## CHILD IN NEED OF ASSISTANCE PROCEEDINGS

Referred to in §232.2, 232.109, 600A.5

## PART 1

## GENERAL PROVISIONS

**232.61 Jurisdiction.**

1. The juvenile court shall have exclusive jurisdiction over proceedings under this chapter alleging that a child is a child in need of assistance.

2. In determining such jurisdiction the age and marital status of the child at the time the proceedings are initiated is controlling.

[C71, 73, 75, 77, §232.63; C79, 81, §232.61]

**232.62 Venue.**

1. Venue for child in need of assistance proceedings shall be in the judicial district where the child is found or in the judicial district of the child's residence.

2. The court may transfer any child in need of assistance proceedings brought under this chapter to the juvenile court of any county having venue at any stage in the proceedings as follows:

*a.* When it appears that the best interests of the child or the convenience of the proceedings shall be served by a transfer, the court may transfer the case to the court of the county of the child's residence.

*b.* With the consent of the receiving court, the court may transfer the case to the court of the county where the child is found.

3. The court shall transfer the case by ordering the transfer and a continuance and by forwarding to the clerk of the receiving court a certified copy of all papers filed together with an order of transfer. The judge of the receiving court may accept the filings of the transferring court or may direct the filing of a new petition and hear the case anew.

[C71, 73, 75, 77, §232.68 – 232.70; C79, 81, §232.62]

Referred to in §232.110, 232.123, 232.177

**232.63 through 232.66** Reserved.

## PART 2

## CHILD ABUSE REPORTING, ASSESSMENT, AND REHABILITATION

Referred to in §135L.3, 235A.13

**232.67 Legislative findings — purpose and policy.**

Children in this state are in urgent need of protection from abuse. It is the purpose and policy of this part 2 of division III to provide the greatest possible protection to victims or potential victims of abuse through encouraging the increased reporting of suspected cases of abuse, ensuring the thorough and prompt assessment of these reports, and providing rehabilitative services, where appropriate and whenever possible to abused children and their families which will stabilize the home environment so that the family can remain intact without further danger to the child.

[C66, 71, 73, 75, 77, §235A.1; C79, 81, §232.67]

97 Acts, ch 35, §3, 25

Referred to in §232.68

**232.68 Definitions.**

The definitions in section 235A.13 are applicable to this part 2 of division III. As used in sections 232.67 through 232.77 and 235A.12 through 235A.24, unless the context otherwise requires:

1. *"Child"* means any person under the age of eighteen years.

2. *a.* *"Child abuse"* or *"abuse"* means:

(1) Any nonaccidental physical injury, or injury which is at variance with the history given of it, suffered by a child as the result of the acts or omissions of a person responsible for the care of the child.

(2) Any mental injury to a child's intellectual or psychological capacity as evidenced by an observable and substantial impairment in the child's ability to function within the child's normal range of performance and behavior as the result of the acts or omissions of a person responsible for the care of the child, if the impairment is diagnosed and confirmed by a licensed physician or qualified mental health professional as defined in section 622.10.

(3) The commission of a sexual offense with or to a child pursuant to chapter 709, section 726.2, or section 728.12, subsection 1, as a result of the acts or omissions of the person responsible for the care of the child. Notwithstanding section 702.5, the commission of a sexual offense under this subparagraph includes any sexual offense referred to in this subparagraph with or to a person under the age of eighteen years.

(4) (a) The failure on the part of a person responsible for the care of a child to provide for the adequate food, shelter, clothing, medical or mental health treatment, supervision, or

other care necessary for the child's health and welfare when financially able to do so or when offered financial or other reasonable means to do so.

(b) For the purposes of subparagraph division (a), failure to provide for the adequate supervision of a child means the person failed to provide proper supervision of a child that a reasonable and prudent person would exercise under similar facts and circumstances and the failure resulted in direct harm or created a risk of harm to the child.

(c) A parent or guardian legitimately practicing religious beliefs who does not provide specified medical treatment for a child for that reason alone shall not be considered abusing the child, however this provision shall not preclude a court from ordering that medical service be provided to the child where the child's health requires it.

(5) The acts or omissions of a person responsible for the care of a child which allow, permit, or encourage the child to engage in acts prohibited pursuant to section 725.1. Notwithstanding section 702.5, acts or omissions under this subparagraph include an act or omission referred to in this subparagraph with or to a person under the age of eighteen years.

(6) An illegal drug is present in a child's body as a direct and foreseeable consequence of the acts or omissions of the person responsible for the care of the child.

(7) The person responsible for the care of a child has, in the presence of the child, as defined in section 232.2, subsection 6, paragraph "*p*", manufactured a dangerous substance, as defined in section 232.2, subsection 6, paragraph "*p*", or in the presence of the child possesses a product containing ephedrine, its salts, optical isomers, salts of optical isomers, or pseudoephedrine, its salts, optical isomers, salts of optical isomers, with the intent to use the product as a precursor or an intermediary to a dangerous substance.

(8) The commission of bestiality in the presence of a minor under section 717C.1 by a person who resides in a home with a child, as a result of the acts or omissions of a person responsible for the care of the child.

(9) Knowingly allowing a person custody or control of, or unsupervised access to a child or minor, after knowing the person is required to register or is on the sex offender registry under chapter 692A for a violation of section 726.6.

(10) The person responsible for the care of the child has knowingly allowed the child access to obscene material as defined in section 728.1 or has knowingly disseminated or exhibited such material to the child.

*b.* "*Child abuse*" or "*abuse*" shall not be construed to hold a victim responsible for failing to prevent a crime against the victim.

2A. "*Child protection worker*" means an individual designated by the department to perform an assessment in response to a report of child abuse.

3. "*Confidential access to a child*" means access to a child, during an assessment of an alleged act of child abuse, who is alleged to be the victim of the child abuse. The access may be accomplished by interview, observation, or examination of the child. As used in this subsection and this part:

*a.* "*Interview*" means the verbal exchange between the child protection worker and the child for the purpose of developing information necessary to protect the child. A child protection worker is not precluded from recording visible evidence of abuse.

*b.* "*Observation*" means direct physical viewing of a child under the age of four by the child protection worker where the viewing is limited to the child's body other than the genitalia and pubes. "*Observation*" also means direct physical viewing of a child aged four or older by the child protection worker without touching the child or removing an article of the child's clothing, and doing so without the consent of the child's parent, custodian, or guardian. A child protection worker is not precluded from recording evidence of abuse obtained as a result of a child's voluntary removal of an article of clothing without inducement by the child protection worker. However, if prior consent of the child's parent or guardian, or an ex parte court order, is obtained, "*observation*" may include viewing the child's unclothed body other than the genitalia and pubes.

*c.* "*Physical examination*" means direct physical viewing, touching, and medically necessary manipulation of any area of the child's body by a physician licensed under chapter 148.

4. *"Department"* means the state department of human services and includes the local, county, and service area offices of the department.

5. *"Differential response"* means an assessment system in which there are two discrete pathways to respond to accepted reports of child abuse, a child abuse assessment and a family assessment. The child abuse assessment pathway shall require a determination of abuse and a determination of whether criteria for placement on the central abuse registry are met. As used in this subsection and this part:

*a.* *"Assessment"* means the process by which the department responds to all accepted reports of alleged child abuse. An *"assessment"* addresses child safety, family functioning, culturally competent practice, and identifies the family strengths and needs, and engages the family in services if needed. The department's assessment process occurs either through a child abuse assessment or a family assessment.

*b.* *"Child abuse assessment"* means an assessment process by which the department responds to all accepted reports of child abuse which allege child abuse as defined in subsection 2, paragraph *"a"*, subparagraphs (1) through (3) and subparagraphs (5) through (10), or which allege child abuse as defined in subsection 2, paragraph *"a"*, subparagraph (4), that also allege imminent danger, death, or injury to a child. A *"child abuse assessment"* results in a disposition and a determination of whether a case meets the definition of child abuse and a determination of whether criteria for placement on the registry are met.

*c.* *"Family assessment"* means an assessment process by which the department responds to all accepted reports of child abuse which allege child abuse as defined in subsection 2, paragraph *"a"*, subparagraph (4), but do not allege imminent danger, death, or injury to a child. A *"family assessment"* does not include a determination of whether a case meets the definition of child abuse and does not include a determination of whether criteria for placement on the registry are met.

6. *"Health practitioner"* includes a licensed physician and surgeon, osteopathic physician and surgeon, dentist, optometrist, podiatric physician, or chiropractor; a resident or intern in any of such professions; a licensed dental hygienist, a registered nurse or licensed practical nurse; a physician assistant; and an emergency medical care provider certified under section 147A.6.

7. *"Mental health professional"* means a person who meets the following requirements:

*a.* Holds at least a master's degree in a mental health field, including but not limited to psychology, counseling, nursing, or social work; or is licensed to practice medicine pursuant to chapter 148.

*b.* Holds a license to practice in the appropriate profession.

*c.* Has at least two years of postdegree experience, supervised by a mental health professional, in assessing mental health problems and needs of individuals used in providing appropriate mental health services for those individuals.

8. *"Person responsible for the care of a child"* means:

*a.* A parent, guardian, or foster parent.

*b.* A relative or any other person with whom the child resides and who assumes care or supervision of the child, without reference to the length of time or continuity of such residence.

*c.* An employee or agent of any public or private facility providing care for a child, including an institution, hospital, health care facility, group home, mental health center, residential treatment center, shelter care facility, detention center, or child care facility.

*d.* Any person providing care for a child, but with whom the child does not reside, without reference to the duration of the care.

9. *"Registry"* means the central registry for child abuse information established in section 235A.14.

[C66, 71, 73, 75, 77, §235A.2; C79, 81, §232.68]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1207, §1, 2; 85 Acts, ch 173, §2; 86 Acts, ch 1177, §1; 87 Acts, ch 153, §1, 2; 89 Acts, ch 24, §1; 89 Acts, ch 89, §16; 89 Acts, ch 230, §3, 4; 93 Acts, ch 76, §1; 93 Acts, ch 93, §2; 94 Acts, ch 1130, §1, 2; 95 Acts, ch 41, §24; 95 Acts, ch 108, §17; 95 Acts, ch 182, §7; 96 Acts, ch 1092, §2; 97 Acts, ch 35, §4, 5, 25; 97 Acts, ch 176, §1; 2001 Acts, ch 46, §2; 2001 Acts, ch 131, §1; 2003 Acts, ch 44, §49; 2004 Acts, ch 1116, §6; 2005 Acts, ch

158, §20; 2008 Acts, ch 1088, §113 – 115; 2009 Acts, ch 119, §64; 2010 Acts, ch 1151, §2; 2011 Acts, ch 28, §1, 2; 2013 Acts, ch 115, §1, 19

Referred to in §20.31, 135.119, 135L.3, 232.2, 232.69, 232.70, 232.71B, 232.71D, 232.76, 235A.18, 235B.3, 280.17, 915.35, 915.84

Subsection 5 takes effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

NEW subsection 5 and former subsections 5 – 8 renumbered as 6 – 9

**232.69 Mandatory and permissive reporters — training required.**

1. The classes of persons enumerated in this subsection shall make a report within twenty-four hours and as provided in section 232.70, of cases of child abuse. In addition, the classes of persons enumerated in this subsection shall make a report of abuse of a child who is under twelve years of age and may make a report of abuse of a child who is twelve years of age or older, which would be defined as child abuse under section 232.68, subsection 2, paragraph *"a"*, subparagraph (3) or (5), except that the abuse resulted from the acts or omissions of a person other than a person responsible for the care of the child.

*a.* Every health practitioner who in the scope of professional practice, examines, attends, or treats a child and who reasonably believes the child has been abused. Notwithstanding section 139A.30, this provision applies to a health practitioner who receives information confirming that a child is infected with a sexually transmitted disease.

*b.* Any of the following persons who, in the scope of professional practice or in their employment responsibilities, examines, attends, counsels, or treats a child and reasonably believes a child has suffered abuse:

(1) A social worker.

(2) An employee or operator of a public or private health care facility as defined in section 135C.1.

(3) A certified psychologist.

(4) A licensed school employee, certified para-educator, holder of a coaching authorization issued under section 272.31, or an instructor employed by a community college.

(5) An employee or operator of a licensed child care center, registered child development home, head start program, family development and self-sufficiency grant program under section 216A.107, or healthy opportunities for parents to experience success – healthy families Iowa program under section 135.106.

(6) An employee or operator of a substance abuse program or facility licensed under chapter 125.

(7) An employee of a department of human services institution listed in section 218.1.

(8) An employee or operator of a juvenile detention or juvenile shelter care facility approved under section 232.142.

(9) An employee or operator of a foster care facility licensed or approved under chapter 237.

(10) An employee or operator of a mental health center.

(11) A peace officer.

(12) A counselor or mental health professional.

(13) An employee or operator of a provider of services to children funded under a federally approved medical assistance home and community-based services waiver.

2. Any other person who believes that a child has been abused may make a report as provided in section 232.70.

3. *a.* For the purposes of this subsection, *"licensing board"* means a board designated in section 147.13, the board of educational examiners created in section 272.2, or a licensing board as defined in section 272C.1.

*b.* A person required to make a report under subsection 1, other than a physician whose professional practice does not regularly involve providing primary health care to children, shall complete two hours of training relating to the identification and reporting of child abuse within six months of initial employment or self-employment involving the examination, attending, counseling, or treatment of children on a regular basis. Within one month of initial employment or self-employment, the person shall obtain a statement of the abuse reporting requirements from the person's employer or, if self-employed, from

the department. The person shall complete at least two hours of additional child abuse identification and reporting training every five years.

*c.* If the person is an employee of a hospital or similar institution, or of a public or private institution, agency, or facility, the employer shall be responsible for providing the child abuse identification and reporting training. If the person is self-employed, employed in a licensed or certified profession, or employed by a facility or program that is subject to licensure, regulation, or approval by a state agency, the person shall obtain the child abuse identification and reporting training as provided in paragraph *"d"*.

*d.* The person may complete the initial or additional training requirements as part of any of the following that are applicable to the person:

(1) A continuing education program required under chapter 272C and approved by the appropriate licensing board.

(2) A training program using a curriculum approved by the director of public health pursuant to section 135.11.

(3) A training program using such an approved curriculum offered by the department of human services, the department of education, an area education agency, a school district, the Iowa law enforcement academy, or a similar public agency.

*e.* A licensing board with authority over the license of a person required to make a report under subsection 1 shall require as a condition of licensure that the person is in compliance with the requirements for abuse training under this subsection. The licensing board shall require the person upon licensure renewal to accurately document for the licensing board the person's completion of the training requirements. However, the licensing board may adopt rules providing for waiver or suspension of the compliance requirements, if the waiver or suspension is in the public interest, applicable to a person who is engaged in active duty in the military service of this state or of the United States, to a person for whom compliance with the training requirements would impose a significant hardship, or to a person who is practicing a licensed profession outside this state or is otherwise subject to circumstances that would preclude the person from encountering child abuse in this state.

*f.* For persons required to make a report under subsection 1 who are not engaged in a licensed profession that is subject to the authority of a licensing board but are employed by a facility or program subject to licensure, registration, or approval by a state agency, the agency shall require as a condition of renewal of the facility's or program's licensure, registration, or approval, that such persons employed by the facility or program are in compliance with the training requirements of this subsection.

*g.* For peace officers, the elected or appointed official designated as the head of the agency employing the peace officer shall ensure compliance with the training requirements of this subsection.

*h.* For persons required to make a report under subsection 1 who are employees of state departments and political subdivisions of the state, the department director or the chief administrator of the political subdivision shall ensure the persons' compliance with the training requirements of this subsection.

[C66, 71, 73, 75, 77, §235A.3; C79, 81, §232.69]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1279, §4, 6; 85 Acts, ch 173, §3 – 5; 87 Acts, ch 153, §3; 88 Acts, ch 1238, §1; 89 Acts, ch 89, §17; 89 Acts, ch 230, §5; 89 Acts, ch 265, §40; 94 Acts, ch 1130, §3; 97 Acts, ch 85, §1; 99 Acts, ch 192, §27, 33; 2000 Acts, ch 1066, §42; 2001 Acts, ch 122, §2, 3; 2002 Acts, ch 1047, §2, 20; 2002 Acts, ch 1142, §1, 31; 2005 Acts, ch 121, §2; 2007 Acts, ch 10, §164, 165; 2008 Acts, ch 1072, §3; 2013 Acts, ch 129, §54

Referred to in §135H.13, 232.68, 232.70, 232.75, 232.77, 235B.16, 237.9, 237A.5, 907.3, 915.35

Subsection 3, paragraph d, subparagraph (2) amended

**232.70 Reporting procedure.**

1. Each report made by a mandatory reporter, as defined in section 232.69, subsection 1, shall be made both orally and in writing. Each report made by a permissive reporter, as defined in section 232.69, subsection 2, may be oral, written, or both.

2. The employer or supervisor of a person who is a mandatory or permissive reporter shall

not apply a policy, work rule, or other requirement that interferes with the person making a report of child abuse.

3. The oral report shall be made by telephone or otherwise to the department of human services. If the person making the report has reason to believe that immediate protection for the child is advisable, that person shall also make an oral report to an appropriate law enforcement agency.

4. The written report shall be made to the department of human services within forty-eight hours after such oral report.

5. Upon receipt of a report, the department shall do all of the following:

*a.* Immediately make a determination as to whether the report constitutes an allegation of child abuse as defined in section 232.68.

*b.* Notify the appropriate county attorney of the receipt of the report.

6. The oral and written reports shall contain the following information, or as much thereof as the person making the report is able to furnish:

*a.* The names and home address of the child and the child's parents or other persons believed to be responsible for the child's care;

*b.* The child's present whereabouts if not the same as the parent's or other person's home address;

*c.* The child's age;

*d.* The nature and extent of the child's injuries, including any evidence of previous injuries;

*e.* The name, age and condition of other children in the same home;

*f.* Any other information which the person making the report believes might be helpful in establishing the cause of the injury to the child, the identity of the person or persons responsible for the injury, or in providing assistance to the child; and

*g.* The name and address of the person making the report.

7. A report made by a permissive reporter, as defined in section 232.69, subsection 2, shall be regarded as a report pursuant to this chapter whether or not the report contains all of the information required by this section and may be made to the department of human services, county attorney, or law enforcement agency. If the report is made to any agency other than the department of human services, such agency shall promptly refer the report to the department of human services.

8. If a report would be determined to constitute an allegation of child abuse as defined under section 232.68, subsection 2, paragraph "*a*", subparagraph (3) or (5), except that the suspected abuse resulted from the acts or omissions of a person other than a person responsible for the care of the child, the department shall refer the report to the appropriate law enforcement agency having jurisdiction to investigate the allegation. The department shall refer the report orally as soon as practicable and in writing within seventy-two hours of receiving the report.

9. Within twenty-four hours of receiving a report from a mandatory or permissive reporter, the department shall inform the reporter, orally or by other appropriate means, whether or not the department has commenced an assessment of the allegation in the report.

[C66, 71, 73, 75, 77, §235A.4; C79, 81, §232.70]

83 Acts, ch 96, §157, 159; 87 Acts, ch 153, §4; 97 Acts, ch 176, §2, 17; 2000 Acts, ch 1137, §4, 14; 2001 Acts, ch 122, §4; 2013 Acts, ch 115, §2, 19

Referred to in §232.68, 232.69, 232.75

2013 amendment to subsection 5 takes effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

Subsection 5 amended

**232.71 and 232.71A** Repealed by 97 Acts, ch 35, § 24, 25.

**232.71B Duties of the department upon receipt of report.**

1. *Commencement of assessment — differential response — purpose.*

*a.* If the department determines a report constitutes a child abuse allegation, the department shall promptly commence either a child abuse assessment within twenty-four

hours of receiving the report or a family assessment within seventy-two hours of receiving the report.

(1) Upon acceptance of a report of child abuse, the department shall commence a child abuse assessment when the report alleges child abuse as defined in section 232.68, subsection 2, paragraph *"a"*, subparagraphs (1) through (3) and subparagraphs (5) through (10), or which alleges child abuse as defined in section 232.68, subsection 2, paragraph *"a"*, subparagraph (4), that also alleges imminent danger, death, or injury to a child.

(2) Upon acceptance of a report of child abuse, the department shall commence a family assessment when the report alleges child abuse as defined in section 232.68, subsection 2, paragraph *"a"*, subparagraph (4), but does not allege imminent danger, death, or injury to a child.

*b.* The primary purpose of either the child abuse assessment or the family assessment shall be the protection of the child named in the report. The secondary purpose of either type of assessment shall be to engage the child's family in services to enhance family strengths and to address needs.

2. *Notification of parents.* The department, within five working days of commencing the assessment, shall provide written notification of the assessment to the child's parents. If a parent is alleged to have committed the child abuse, the notice shall inform the parents regarding the complaint or allegation made regarding the parent. The parents shall be informed in a manner that protects the confidentiality rights of an individual who reported the child abuse or provided information as part of the assessment process. However, if the department shows the court to the court's satisfaction that notification is likely to endanger the child or other persons, the court shall orally direct the department to withhold notification. Within one working day of issuing an oral directive, the court shall issue a written order restraining the notification. The department shall not reveal in the written notification to the parents or otherwise the identity of the reporter of child abuse to a subject of a child abuse report listed in section 235A.15, subsection 2, paragraph *"a"*.

3. *Involvement of law enforcement.* The department shall apply protocols, developed with the local child protection assistance team established pursuant to section 915.35, to prioritize the actions taken in response to a child abuse assessment and shall work jointly with child protection assistance teams and law enforcement agencies in performing assessment and investigative processes for child abuse assessments in which a criminal act harming a child is alleged. The county attorney and appropriate law enforcement agencies shall also take any other lawful action which may be necessary or advisable for the protection of the child. If a report is determined not to constitute a child abuse allegation or if the child abuse report is accepted but assessed under the family assessment, but a criminal act harming a child is alleged, the department shall immediately refer the matter to the appropriate law enforcement agency.

4. *Assessment process.*

*a.* A child abuse assessment or family assessment shall include all of the following:

(1) A safety assessment and risk assessment. If at any time during a family assessment, a child is determined unsafe or in imminent danger, it appears that the immediate safety or well-being of a child is endangered, it appears that the family may flee or the child may disappear, or the facts otherwise warrant, the department shall immediately commence a child abuse assessment.

(2) An evaluation of the home environment. If concerns regarding protection of children are identified by the child protection worker, the child protection worker shall evaluate the child named in the report and any other children in the same home as the parents or other persons responsible for their care.

*b.* In addition to the requirements of paragraph *"a"*, a child abuse assessment shall include the following:

(1) Identification of the nature, extent, and cause of the injuries, if any, to the child named in the report.

(2) Identification of the person or persons responsible for the alleged child abuse.

(3) A description of the name, age, and condition of other children in the same home as the child named in the report.

(4) An interview of the person alleged to have committed the child abuse, if the person's identity and location are known. The offer of an interview shall be made to the person prior to any consideration or determination being made that the person committed the alleged abuse. The person shall be informed of the complaint or allegation made regarding the person. The person shall be informed in a manner that protects the confidentiality rights of the individual who reported the child abuse or provided information as part of the assessment process. The purpose of the interview shall be to provide the person with the opportunity to explain or rebut the allegations of the child abuse report or other allegations made during the assessment. The court may waive the requirement to offer the interview only for good cause. The person offered an interview, or the person's attorney on the person's behalf, may decline the offer of an interview of the person.

5. *Child abuse determination.* Unless otherwise prohibited under section 234.40 or 280.21, the use of corporal punishment by the person responsible for the care of a child which does not result in a physical injury to the child shall not be considered child abuse.

6. *Home visit.* The assessment may, with the consent of the parent or guardian, include a visit to the home of the child named in the report and an interview or observation of the child may be conducted. If permission to enter the home to interview or observe the child is refused, the juvenile court or district court upon a showing of probable cause may authorize the person making the assessment to enter the home and interview or observe the child.

7. *Facility or school visit.* The assessment may include a visit to a facility providing care to the child named in the report or to any public or private school subject to the authority of the department of education where the child named in the report is located. The administrator of a facility, or a public or private school shall cooperate with the child protection worker by providing confidential access to the child named in the report for the purpose of interviewing the child, and shall allow the child protection worker confidential access to other children for the purpose of conducting interviews in order to obtain relevant information. The child protection worker may observe a child named in a report in accordance with the provisions of section 232.68, subsection 3, paragraph "*b*". A witness shall be present during an observation of a child. Any child aged ten years of age or older can terminate contact with the child protection worker by stating or indicating the child's wish to discontinue the contact. The immunity granted by section 232.73 applies to acts or omissions in good faith of administrators and their facilities or school districts for cooperating in an assessment and allowing confidential access to a child.

8. *Information requests.*

*a.* The department may request information from any person believed to have knowledge of a child abuse case. The county attorney, any law enforcement or social services agency in the state, and any mandatory reporter, whether or not the reporter made the specific child abuse report, shall cooperate and assist in the assessment upon the request of the department.

*b.* In performing an assessment, the department may request criminal history data from the department of public safety on any person believed to be responsible for an injury to a child which, if confirmed, would constitute child abuse. The department shall establish procedures for determining when a criminal history records check is necessary.

9. *Protective disclosure.* If the department determines that disclosure is necessary for the protection of a child, the department may disclose to a subject of a child abuse report referred to in section 235A.15, subsection 2, paragraph "*a*", that an individual is listed in the child or dependent adult abuse registry or is required to register with the sex offender registry in accordance with chapter 692A.

10. *Physical examination.* If the department refers a child to a physician for a physical examination, the department shall contact the physician regarding the examination within twenty-four hours of making the referral. If the physician who performs the examination upon referral by the department reasonably believes the child has been abused, the physician shall report to the department within twenty-four hours of performing the examination.

11. *Multidisciplinary team.* In each county or multicounty area in which more than fifty child abuse reports are made per year, the department shall establish a multidisciplinary team, as defined in section 235A.13, subsection 8. Upon the department's request, a

multidisciplinary team shall assist the department in the assessment, diagnosis, and disposition of a child abuse assessment.

12. *Facility protocol.*

*a.* The department shall apply a protocol, developed in consultation with facilities providing care to children, for conducting an assessment of reports of abuse of children allegedly caused by employees of facilities providing care to children. As part of such an assessment, the department shall notify the licensing authority for the facility, the governing body of the facility, and the administrator in charge of the facility of any of the following:

(1) A violation of facility policy noted in the assessment.

(2) An instance in which facility policy or lack of facility policy may have contributed to the reported incident of alleged child abuse.

(3) An instance in which general practice in the facility appears to differ from the facility's written policy.

*b.* The licensing authority, the governing body, and the administrator in charge of the facility shall take any lawful action which may be necessary or advisable to protect children receiving care.

13. *Written assessment report.*

*a.* The department, upon completion of the child abuse assessment or the family assessment, shall make a written report of the assessment, in accordance with all of the following:

(1) The written assessment report shall incorporate the information required by subsection 4, paragraph "*a*".

(2) A written child abuse assessment report shall be completed within twenty business days of the receipt of the child abuse report. A written family assessment report shall be completed within ten business days of the receipt of the child abuse report.

(3) The written assessment report shall identify the strengths and needs of the child, and of the child's parent, home, and family.

(4) The written assessment report shall identify services available from the department and informal and formal services and other support available in the community to address the strengths and needs identified in the assessment.

(5) Upon completion of the assessment, the department shall consult with the child's family in offering services to the child and the child's family to address strengths and needs identified in the assessment.

*b.* In addition to the requirements of paragraph "*a*", a written child abuse assessment report shall include a description of the child's condition, identification of the injury or risk to which the child was exposed, the circumstances which led to the injury or risk to the child, and the identity of any person alleged to be responsible for the injury or risk to the child.

*c.* Following a child abuse assessment, the department shall notify each subject of the child abuse report, as identified in section 235A.15, subsection 2, paragraph "*a*", of the results of the child abuse assessment, of the subject's right, pursuant to section 235A.19, to correct the report data or disposition data which refers to the subject, and of the procedures to correct the data.

*d.* Following a family assessment, the department shall notify the parent or guardian of each child listed in the report of suspected child abuse of the completion of the family assessment and any service recommendations. For cases assessed pursuant to a family assessment, there shall be no right to a contested case hearing pursuant to chapter 17A.

*e.* If after completing the assessment the child protection worker determines, with the concurrence of the worker's supervisor and the department's area administrator, that a report of suspected child abuse is a spurious report or that protective concerns are not present, the portions of the written assessment report described under paragraph "*a*", subparagraphs (3) and (4) shall not be required.

14. *Court-ordered and voluntary services.* The department shall provide or arrange for and monitor services for abused children and their families on a voluntary basis or under a final or intermediate order of the juvenile court. The department may provide or arrange for and monitor services for children and their families on a voluntary basis for cases in which a family assessment is completed.

15. *Safety issue.* If the department determines that a safety issue continues to require a child to reside outside of the child's home at the conclusion of a family assessment, the department shall transfer the assessment to the child abuse assessment pathway for a disposition.

16. *Conclusion of family assessment.* At the conclusion of a family assessment, the department shall transfer the case, if appropriate, to a contracted provider to review the service plan for the child and family. The contracted provider shall make a referral to the department abuse hotline if a family's noncompliance with a service plan places a child at risk. If any of the criteria for child abuse as defined in section 232.68, subsection 2, paragraph "*a*", are met, the department shall commence a child abuse assessment. If any of the criteria for a child in need of assistance, as defined in section 232.2, subsection 6, are met, the department shall determine whether to request a child in need of assistance petition.

17. *County attorney — juvenile court.* The department shall provide the juvenile court and the county attorney with a copy of the written child abuse assessment report, the written family assessment report for cases in which the department requests a child in need of assistance petition, or other reports for cases in which the department requests a child in need of assistance petition. The juvenile court and the county attorney shall notify the department of any action taken concerning an assessment provided by the department.

18. *False reports.* If a fourth report is received from the same person who made three earlier reports which identified the same child as a victim of child abuse and the same person responsible for the care of the child as the alleged abuser and which were determined by the department to be entirely false or without merit, the department may determine that the report is again false or without merit due to the report's spurious or frivolous nature and may in its discretion terminate its assessment of the report. If the department receives more than three reports which identify the same child as a victim of child abuse or the same person as the alleged abuser of a child, or which were made by the same person, and the department determined the reports to be entirely false or without merit, the department shall provide information concerning the reports to the county attorney for consideration of criminal charges under section 232.75, subsection 3.

19. *Rules.* The department shall adopt rules regarding the intake process, assessment process, assessment reports, contact with juvenile court or the county attorney, involvement with law enforcement, case record retention, and dissemination of records for both child abuse assessments and family assessments.

20. *Quality assurance.* The department shall engage external stakeholders, including but not limited to representatives of the county attorneys' offices, service providers, and parent partners to develop a quality assurance component to the differential response system.

97 Acts, ch 35, §6, 25; 97 Acts, ch 176, §24, 43; 2001 Acts, ch 122, §5; 2002 Acts, ch 1074, §1; 2003 Acts, ch 44, §50; 2003 Acts, ch 47, §1; 2003 Acts, ch 107, §1; 2003 Acts, ch 123, §1; 2003 Acts, ch 179, §68; 2004 Acts, ch 1152, §1, 2; 2009 Acts, ch 41, §239; 2013 Acts, ch 115, §3, 4, 19

Referred to in §135.43, 232.68, 232.71C, 232.71D, 232.72, 232.73, 232.73A, 232.77, 232.78, 232.141, 235A.15, 235A.19, 331.653, 915.35

2013 amendments take effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

Subsections 1, 3, and 4 amended

NEW subsection 5 and former subsections 5 – 9 renumbered as 6 – 10

Former subsection 10 amended and renumbered as 11

Former subsection 11 renumbered as 12

Former subsections 12 and 13 amended and renumbered as 13 and 14

NEW subsections 15 and 16 and former subsection 14 amended and renumbered as 17

Former subsection 15 renumbered as 18

NEW subsections 19 and 20

**232.71C Court action following assessment — guardian ad litem.**

1. If, upon completion of an assessment performed under section 232.71B, the department determines that the best interests of the child require juvenile court action, the department shall act appropriately to initiate the action. If at any time during the assessment process the department believes court action is necessary to safeguard a child, the department shall act appropriately to initiate the action. The county attorney shall assist the department.

2. The department shall assist the juvenile court or district court during all stages of court

proceedings involving an alleged child abuse case in accordance with the purposes of this chapter.

3. In every case involving child abuse which results in a child protective judicial proceeding, whether or not the proceeding arises under this chapter, a guardian ad litem shall be appointed by the court to represent the child in the proceedings. Before a guardian ad litem is appointed pursuant to this section, the court shall require the person responsible for the care of the child to complete under oath a detailed financial statement. If, on the basis of that financial statement, the court determines that the person responsible for the care of the child is able to bear the cost of the guardian ad litem, the court shall so order. In cases where the person responsible for the care of the child is unable to bear the cost of the guardian ad litem, the expense shall be paid out of the county treasury.

97 Acts, ch 35, §7, 25; 2013 Acts, ch 113, §1; 2013 Acts, ch 115, §5, 19

Referred to in §232.68, 331.424

2013 amendment to section headnote takes effect January 1, 2014; 2013 Acts, ch 115, §19

See Code editor's note on simple harmonization

Section amended

**232.71D Founded child abuse — central registry.**

1. The requirements of this section shall apply to child abuse information relating to a report of child abuse and to a child abuse assessment performed in accordance with section 232.71B.

2. Except as otherwise provided in subsections 3 and 4, and section 235A.19, subsection 3, if the department issues a finding that the alleged child abuse meets the definition of child abuse under section 232.68, subsection 2, the names of the child and the alleged perpetrator of the alleged child abuse and any other child abuse information shall be placed in the central registry as a case of founded child abuse.

3. *a.* Unless any of the circumstances listed in paragraph "*b*" are applicable, cases to which any of the following circumstances apply shall not be placed in the central registry:

(1) A finding of physical abuse in which the department has determined the injury resulting from the abuse was minor, isolated, and unlikely to reoccur.

(2) A finding of abuse by failure to provide adequate supervision or by failure to provide adequate clothing, in which the department has determined the risk from the abuse to the child's health and welfare was minor, isolated, and unlikely to reoccur.

*b.* If any of the following circumstances apply in addition to those listed in paragraph "*a*", the names of the child and the alleged perpetrator of the alleged child abuse and any other child abuse information shall be placed in the central registry as a case of founded child abuse:

(1) The case was referred for juvenile or criminal court action as a result of the acts or omissions of the alleged perpetrator or a criminal or juvenile court action was initiated by the county attorney or juvenile court within twelve months of the date of the department's report concerning the case, in which the alleged perpetrator was convicted of a crime involving the child or there was a delinquency or child in need of assistance adjudication.

(2) The department determines the acts or omissions of the alleged perpetrator meet the definition of child abuse and the department has previously determined within the five-year period preceding the issuance of the department's report that the acts or omissions of the alleged perpetrator in a prior case met the definition of child abuse.

(3) The department determines the alleged perpetrator of the child abuse will continue to pose a danger to the child who is the subject of the report of child abuse or to another child with whom the alleged perpetrator may come into contact.

4. Cases of alleged child abuse to which any of the following circumstances apply shall be placed in the central registry as follows:

*a.* A finding of sexual abuse in which the alleged perpetrator of the abuse is age thirteen or younger. However, the name of the alleged perpetrator shall be withheld from the registry.

*b.* A finding of sexual abuse in which the alleged perpetrator of the abuse is age fourteen through seventeen and the court has found there is good cause for the name of the alleged perpetrator to be removed from the central registry. Only the name of the alleged perpetrator shall be removed from the registry.

5. If report data and disposition data are placed in the central registry in accordance with this section, the department shall make periodic follow-up reports in a manner prescribed by the registry so that the registry is kept up-to-date and fully informed concerning the case.

6. *a.* The confidentiality of all of the following shall be maintained in accordance with section 217.30:

(1) Assessment data.

(2) Information pertaining to an allegation of child abuse for which there was no assessment performed.

(3) Information pertaining to a report of suspected child abuse for which there was an assessment performed but no determination was made as to whether the definition of child abuse was met.

(4) Information pertaining to an allegation of child abuse which was determined to not meet the definition of child abuse. Individuals identified in section 235A.15, subsection 4, are authorized to have access to such information under section 217.30.

(5) Report data and disposition data pertaining to an allegation of child abuse determined to meet the definition of child abuse which is not subject to placement in the central registry. Individuals identified in section 235A.15, subsection 3, are authorized to have access to such data under section 217.30.

*b.* The confidentiality of report data and disposition data pertaining to an allegation of child abuse determined to meet the definition of child abuse which is subject to placement in the central registry, shall be maintained as provided in chapter 235A.

97 Acts, ch 176, §5, 25, 26, 43; 99 Acts, ch 192, §33; 2004 Acts, ch 1086, §43; 2005 Acts, ch 121, §3; 2011 Acts, ch 28, §3, 4; 2011 Acts, ch 131, §57, 158; 2012 Acts, ch 1082, §1; 2013 Acts, ch 115, §6 – 8, 19, 20

Referred to in §232.68, 235A.14, 235A.15, 235A.17, 235A.18, 235A.19, 237A.5

2013 amendment to subsection 3, relating to placing names of the child and the alleged perpetrator of alleged child abuse, as well as other information, in the central registry for child abuse information, if the department has determined in a prior case which occurred within the five-year period preceding the issuance of the department's report in the current case that the acts or omissions of an alleged perpetrator in the prior case met the definition of child abuse, applies to cases in which the prior case that met the definition of child abuse occurred on or after January 1, 2014; ch 115, §19, 20

2013 amendments take effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

Subsection 1 amended

Subsection 3, paragraph b, subparagraph (2) amended

Subsection 6, paragraph a, NEW subparagraph (3) and former subparagraphs (3) and (4) renumbered as (4) and (5)

**232.72 Jurisdiction — transfer.**

1. For the purposes of this division, the terms "*department of human services*", "*department*", or "*county attorney*" ordinarily refer to the service area or local office of the department of human services or of the county attorney's office serving the county in which the child's home is located.

2. However, if the person making a report of child abuse pursuant to this chapter does not know where the child's home is located, or if the child's home is not located in the service area where the health practitioner examines, attends, or treats the child, the report may be made to the department or to the local office serving the county where the person making the report resides or the county where the health practitioner examines, attends, or treats the child. These agencies shall promptly proceed as provided in section 232.71B, unless the matter is transferred as provided in this section.

3. If the child's home is located in a county not served by the office receiving the report, the department shall promptly transfer the matter by transmitting a copy of the report of injury and any other pertinent information to the office and the county attorney serving the other county. They shall promptly proceed as provided in section 232.71B.

[C66, 71, 73, 75, 77, §235A.6; C79, 81, §232.72]

83 Acts, ch 96, §157, 159; 97 Acts, ch 35, §8, 25; 2004 Acts, ch 1116, §7

Referred to in §232.68

**232.73 Medically relevant tests — immunity from liability.**

1. A person participating in good faith in the making of a report, photographs, or X rays, or in the performance of a medically relevant test pursuant to this chapter, or aiding and assisting in an assessment of a child abuse report pursuant to section 232.71B, shall have

immunity from any liability, civil or criminal, which might otherwise be incurred or imposed. The person shall have the same immunity with respect to participation in good faith in any judicial proceeding resulting from the report or relating to the subject matter of the report.

2. As used in this section and in sections 232.73A, 232.77, and 232.78, *"medically relevant test"* means a test that produces reliable results of exposure to cocaine, heroin, amphetamine, methamphetamine, or other illegal drugs, or combinations or derivatives of the illegal drugs, including a drug urine screen test.

[C66, 71, 73, 75, 77, §235A.7; C79, 81, §232.73]

83 Acts, ch 88, §1; 90 Acts, ch 1264, §28; 95 Acts, ch 182, §8; 96 Acts, ch 1092, §3; 97 Acts, ch 35, §9, 25; 2001 Acts, ch 135, §11; 2012 Acts, ch 1040, §1

Referred to in §232.2, 232.68, 232.71B, 232.77, 232.106

**232.73A Retaliation prohibited — remedy.**

1. *a.* An employer shall not take retaliatory action against an employee as a reprisal for the employee's participation in good faith in making a report, photograph, or X ray, or in the performance of a medically relevant test pursuant to this chapter, or aiding and assisting in an assessment of a child abuse report pursuant to section 232.71B. This section does not apply to a disclosure of information that is prohibited by statute.

*b.* For purposes of this section, *"retaliatory action"* includes but is not limited to an employer's action to discharge an employee or to take or fail to take action regarding an employee's appointment or proposed appointment to a position in employment, to take or fail to take action regarding an employee's promotion or proposed promotion to a position in employment, or to fail to provide an advantage in a position in employment.

2. Subsection 1 may be enforced through a civil action.

*a.* A person who violates subsection 1 is liable to an aggrieved employee for affirmative relief including reinstatement, with or without back pay, or any other equitable relief the court deems appropriate, including attorney fees and costs.

*b.* When a person commits, is committing, or proposes to commit an act in violation of subsection 1, an injunction may be granted through an action in district court to prohibit the person from continuing such acts. The action for injunctive relief may be brought by an aggrieved employee or the county attorney.

2012 Acts, ch 1040, §2; 2013 Acts, ch 90, §59

Referred to in §232.68, 232.73

Subsection 1, paragraph b amended

**232.74 Evidence not privileged or excluded.**

Sections 622.9 and 622.10 and any other statute or rule of evidence which excludes or makes privileged the testimony of a husband or wife against the other or the testimony of a health practitioner or mental health professional as to confidential communications, do not apply to evidence regarding a child's injuries or the cause of the injuries in any judicial proceeding, civil or criminal, resulting from a report pursuant to this chapter or relating to the subject matter of such a report.

[C66, 71, 73, 75, 77, §235A.8; C79, 81, §232.74]

83 Acts, ch 37, §1; 87 Acts, ch 153, §6

Referred to in §228.6, 232.68

**232.75 Sanctions.**

1. Any person, official, agency, or institution required by this chapter to report a suspected case of child abuse who knowingly and willfully fails to do so is guilty of a simple misdemeanor.

2. Any person, official, agency, or institution required by section 232.69 to report a suspected case of child abuse who knowingly fails to do so or who knowingly interferes with the making of such a report in violation of section 232.70 is civilly liable for the damages proximately caused by such failure or interference.

3. A person who reports or causes to be reported to the department of human services

false information regarding an alleged act of child abuse, knowing that the information is false or that the act did not occur, commits a simple misdemeanor.

[C75, 77, §235A.9; C79, 81, §232.75]

86 Acts, ch 1238, §11; 87 Acts, ch 13, §2; 2001 Acts, ch 122, §6

Referred to in §232.68, 232.71B

**232.76 Publicity, educational, and training programs.**

1. The department, within the limits of available funds, shall conduct a continuing publicity and educational program for the personnel of the department, persons required to report, and any other appropriate persons to encourage the fullest possible degree of reporting of suspected cases of child abuse. Educational programs shall include but not be limited to the diagnosis and cause of child abuse, the responsibilities, obligations, duties, and powers of persons and agencies under this chapter and the procedures of the department and the juvenile court with respect to suspected cases of child abuse and disposition of actual cases.

2. *a.* For the purposes of this subsection, in addition to the definition in section 232.68, a *"child protection worker"* also includes any employee of the department who provides services to or otherwise works directly with children and families for whom child abuse has been alleged.

*b.* The training of a child protection worker shall include but is not limited to the worker's legal duties to protect the constitutional and statutory rights of a child and the child's family members throughout the child or family members' period of involvement with the department beginning with the child abuse report and ending with the department's closure of the case. The curriculum used for the training shall specifically include instruction on the fourth amendment to the Constitution of the United States and parents' legal rights.

[C75, 77, §235A.10; C79, 81, §232.76]

2004 Acts, ch 1152, §3

Referred to in §232.68

**232.77 Photographs, X rays, and medically relevant tests.**

1. A person who is required to report suspected child abuse may take or cause to be taken, at public expense, photographs, X rays, or other physical examinations or tests of a child which would provide medical indication of allegations arising from an assessment. A health practitioner may, if medically indicated, cause to be performed radiological examination, physical examination, or other medical tests of the child. A person who takes any photographs or X rays or performs physical examinations or other tests pursuant to this section shall notify the department that the photographs or X rays have been taken or the examinations or other tests have been performed. The person who made notification shall retain the photographs or X rays or examination or test findings for a reasonable time following the notification. Whenever the person is required to report under section 232.69, in that person's capacity as a member of the staff of a medical or other private or public institution, agency or facility, that person shall immediately notify the person in charge of the institution, agency, or facility or that person's designated delegate of the need for photographs or X rays or examinations or other tests.

2. If a health practitioner discovers in a child physical or behavioral symptoms of the effects of exposure to cocaine, heroin, amphetamine, methamphetamine, or other illegal drugs, or combinations or derivatives thereof, which were not prescribed by a health practitioner, or if the health practitioner has determined through examination of the natural mother of the child that the child was exposed in utero, the health practitioner may perform or cause to be performed a medically relevant test, as defined in section 232.73, on the child. The practitioner shall report any positive results of such a test on the child to the department. The department shall begin an assessment pursuant to section 232.71B upon receipt of such a report. A positive test result obtained prior to the birth of a child shall not be used for the

criminal prosecution of a parent for acts and omissions resulting in intrauterine exposure of the child to an illegal drug.

[C75, 77, §235A.11; C79, 81, §232.77]

83 Acts, ch 96, §157, 159; 90 Acts, ch 1264, §29; 93 Acts, ch 93, §3; 94 Acts, ch 1130, §6; 96 Acts, ch 1092, §4; 97 Acts, ch 35, §10, 25; 2013 Acts, ch 115, §9, 19

Referred to in §232.68, 232.73

2013 amendment to subsection 1 takes effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

Subsection 1 amended

## PART 3

## TEMPORARY CUSTODY OF A CHILD

**232.78 Temporary custody of a child pursuant to ex parte court order.**

1. The juvenile court may enter an ex parte order directing a peace officer or a juvenile court officer to take custody of a child before or after the filing of a petition under this chapter provided all of the following apply:

*a.* The person responsible for the care of the child is absent, or though present, was asked and refused to consent to the removal of the child and was informed of an intent to apply for an order under this section, or there is reasonable cause to believe that a request for consent would further endanger the child, or there is reasonable cause to believe that a request for consent will cause the parent, guardian, or legal custodian to take flight with the child.

*b.* It appears that the child's immediate removal is necessary to avoid imminent danger to the child's life or health. The circumstances or conditions indicating the presence of such imminent danger shall include but are not limited to any of the following:

(1) The refusal or failure of the person responsible for the care of the child to comply with the request of a peace officer, juvenile court officer, or child protection worker for such person to obtain and provide to the requester the results of a physical or mental examination of the child. The request for a physical examination of the child may specify the performance of a medically relevant test.

(2) The refusal or failure of the person responsible for the care of the child or a person present in the person's home to comply with a request of a peace officer, juvenile court officer, or child protection worker for such a person to submit to and provide to the requester the results of a medically relevant test of the person.

*c.* There is not enough time to file a petition and hold a hearing under section 232.95.

*d.* The application for the order includes a statement of the facts to support the findings specified in paragraphs "*a*", "*b*", and "*c*".

2. The person making the application for an order shall assert facts showing there is reasonable cause to believe that the child cannot either be returned to the place where the child was residing or placed with the parent who does not have physical care of the child.

3. Except for good cause shown or unless the child is sooner returned to the place where the child was residing or permitted to return to the child care facility, a petition shall be filed under this chapter within three days of the issuance of the order.

4. The juvenile court may enter an order authorizing a physician or hospital to provide emergency medical or surgical procedures before the filing of a petition under this chapter provided:

*a.* Such procedures are necessary to safeguard the life and health of the child; and

*b.* There is not enough time to file a petition under this chapter and hold a hearing as provided in section 232.95.

5. The juvenile court, before or after the filing of a petition under this chapter, may enter an ex parte order authorizing a physician or hospital to conduct an outpatient physical examination or authorizing a physician, a psychologist certified under section 154B.7, or a community mental health center accredited pursuant to chapter 230A to conduct an outpatient mental examination of a child if necessary to identify the nature, extent, and cause of injuries to the child as required by section 232.71B, provided all of the following apply:

*a.* The parent, guardian, or legal custodian is absent, or though present, was asked and refused to provide written consent to the examination.

*b.* The juvenile court has entered an ex parte order directing the removal of the child from the child's home or a child care facility under this section.

*c.* There is not enough time to file a petition and to hold a hearing as provided in section 232.98.

6. Any person who may file a petition under this chapter may apply for, or the court on its own motion may issue, an order for temporary removal under this section. An appropriate person designated by the court shall confer with a person seeking the removal order, shall make every reasonable effort to inform the parent or other person legally responsible for the child's care of the application, and shall make such inquiries as will aid the court in disposing of such application. The person designated by the court shall file with the court a complete written report providing all details of the designee's conference with the person seeking the removal order, the designee's efforts to inform the parents or other person legally responsible for the child's care of the application, any inquiries made by the designee to aid the court in disposing of the application, and all information the designee communicated to the court. The report shall be filed within five days of the date of the removal order. If the court does not designate an appropriate person who performs the required duties, notwithstanding section 234.39 or any other provision of law, the child's parent shall not be responsible for paying the cost of care and services for the duration of the removal order.

7. Any order entered under this section authorizing temporary removal of a child must include both of the following:

*a.* A determination made by the court that continuation of the child in the child's home would be contrary to the welfare of the child. Such a determination must be made on a case-by-case basis. The grounds for the court's determination must be explicitly documented and stated in the order. However, preserving the safety of the child must be the court's paramount consideration. If imminent danger to the child's life or health exists at the time of the court's consideration, the determination shall not be a prerequisite to the removal of the child.

*b.* A statement informing the child's parent that the consequences of a permanent removal may include termination of the parent's rights with respect to the child.

[C79, 81, §232.78]

84 Acts, ch 1279, §9; 85 Acts, ch 173, §10, 11; 89 Acts, ch 230, §14; 94 Acts, ch 1172, §23; 97 Acts, ch 35, §11, 25; 98 Acts, ch 1190, §4 – 6; 99 Acts, ch 192, §33; 2000 Acts, ch 1067, §6, 7; 2001 Acts, ch 135, §12, 13

Referred to in §232.44, 232.73, 232.79, 232.95, 232.98, 232.104, 232.196, 233.2

**232.79 Custody without court order.**

1. A peace officer or juvenile court officer may take a child into custody, a physician treating a child may keep the child in custody, or a juvenile court officer may authorize a peace officer, physician, or medical security personnel to take a child into custody, without a court order as required under section 232.78 and without the consent of a parent, guardian, or custodian provided that both of the following apply:

*a.* The child is in a circumstance or condition that presents an imminent danger to the child's life or health.

*b.* There is not enough time to apply for an order under section 232.78.

2. If a person authorized by this section removes or retains custody of a child, the person shall:

*a.* Bring the child immediately to a place designated by the rules of the court for this purpose, unless the person is a physician treating the child and the child is or will presently be admitted to a hospital.

*b.* Make every reasonable effort to inform the parent, guardian, or custodian of the whereabouts of the child.

*c.* In accordance with court-established procedures, immediately orally inform the court of the emergency removal and the circumstances surrounding the removal.

*d.* Within twenty-four hours of orally informing the court of the emergency removal in

accordance with paragraph "*c*", inform the court in writing of the emergency removal and the circumstances surrounding the removal.

3. Any person, agency, or institution acting in good faith in the removal or keeping of a child pursuant to this section, and any employer of or person under the direction of such a person, agency, or institution, shall have immunity from any civil or criminal liability that might otherwise be incurred or imposed as the result of such removal or keeping.

4. *a.* When the court is informed that there has been an emergency removal or keeping of a child without a court order, the court shall direct the department of human services or the juvenile probation department to make every reasonable effort to communicate immediately with the child's parent or parents or other person legally responsible for the child's care. Upon locating the child's parent or parents or other person legally responsible for the child's care, the department of human services or the juvenile probation department shall, in accordance with court-established procedures, immediately orally inform the court. After orally informing the court, the department of human services or the juvenile probation department shall provide to the court written documentation of the oral information.

*b.* The court shall authorize the department of human services or the juvenile probation department to cause a child thus removed or kept to be returned if it concludes there is not an imminent risk to the child's life and health in so doing. If the department of human services or the juvenile probation department receives information which could affect the court's decision regarding the child's return, the department of human services or the juvenile probation department, in accordance with court established procedures, shall immediately orally provide the information to the court. After orally providing the information to the court, the department of human services or the juvenile probation department shall provide to the court written documentation of the oral information. If the child is not returned, the department of human services or the juvenile probation department shall forthwith cause a petition to be filed within three days after the removal.

*c.* If deemed appropriate by the court, upon being informed that there has been an emergency removal or keeping of a child without a court order, the court may enter an order in accordance with section 232.78.

5. When there has been an emergency removal or keeping of a child without a court order, a physical examination of the child by a licensed medical practitioner shall be performed within twenty-four hours of such removal, unless the child is returned to the child's home within twenty-four hours of the removal.

[C79, 81, §232.79]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1279, §10; 89 Acts, ch 230, §15; 90 Acts, ch 1215, §1; 94 Acts, ch 1172, §24; 2001 Acts, ch 135, §14

Referred to in §232.44, 232.79A, 232.95, 232.104, 232B.6

**232.79A Children without adult supervision.**

If a peace officer determines that a child does not have adult supervision because the child's parent, guardian, or other person responsible for the care of the child has been arrested and detained or has been unexpectedly incapacitated, and that no adult who is legally responsible for the care of the child can be located within a reasonable period of time, the peace officer shall attempt to place the child with an adult relative of the child, an adult person who cares for the child, or another adult person who is known to the child. The person with whom the child is placed is authorized to give consent for emergency medical treatment of the child and shall not be held liable for any action arising from giving the consent. Upon the request of the peace officer, the department shall assist in making the placement. The placement shall not exceed a period of twenty-four hours and shall be terminated when a person who is legally responsible for the care of the child is located and takes custody of the child. If a person who is legally responsible for the care of the child cannot be located within the twenty-four hour period or a placement in accordance with this section is unavailable, the provisions of section 232.79 shall apply. If the person with whom the child is placed charges a fee for the care of the child, the fee shall be paid from funds provided in the appropriation to the department for protective child care.

90 Acts, ch 1215, §2

**232.80 Homemaker services.**

A homemaker-home health aide may be assigned to give care to a child in the child's place of residence. Whenever possible, the services shall be provided in preference to removal of the child from the home. The care may be provided under this Act* on an emergency basis for up to twenty-four hours without court order, and may be ordered by the court for a period of time extending until dismissal or disposition of the case.

[C79, 81, §232.80; 82 Acts, ch 1260, §118]

*See 78 Acts, ch 1088

**232.81 Complaint.**

1. Any person having knowledge of the circumstances may file a complaint with the person or agency designated by the court to perform intake duties alleging that a child is a child in need of assistance.

2. Upon receipt of a complaint, the court may request the department of human services, juvenile probation office, or other authorized agency or individual to conduct a preliminary investigation of the complaint to determine if further action should be taken.

3. A petition alleging the child to be a child in need of assistance may be filed pursuant to section 232.87 provided the allegations of the complaint, if proven, are sufficient to establish the court's jurisdiction and the filing is in the best interests of the child.

[SS15, §254-a15; C24, 27, 31, 35, 39, §**3621;** C46, 50, 54, 58, 62, §232.5; C71, 73, 75, 77, §232.3; C79, 81, §232.81]

83 Acts, ch 96, §157, 159; 2011 Acts, ch 98, §6

Referred to in §232.21, 232.83

**232.82 Removal of sexual offenders and physical abusers from the residence pursuant to court order.**

1. Notwithstanding section 561.15, if it is alleged by a person authorized to file a petition under section 232.87, subsection 2, or by the court on its own motion, that a parent, guardian, custodian, or an adult member of the household in which a child resides has committed a sexual offense with or against the child, pursuant to chapter 709 or section 726.2, or a physical abuse as defined by section 232.2, subsection 42, the juvenile court may enter an ex parte order requiring the alleged sexual offender or physical abuser to vacate the child's residence upon a showing that probable cause exists to believe that the sexual offense or physical abuse has occurred and that substantial evidence exists to believe that the presence of the alleged sexual offender or physical abuser in the child's residence presents a danger to the child's life or physical, emotional, or mental health.

2. If an order is entered under subsection 1 and a petition has not yet been filed under this chapter, the petition shall be filed under section 232.87 by the county attorney, the department of human services, or a juvenile court officer within three days of the entering of the order.

3. The juvenile court may order on its own motion, or shall order upon the request of the alleged sexual offender or physical abuser, a hearing to determine whether the order to vacate the residence should be upheld, modified, or vacated. The juvenile court may in any later child in need of assistance proceeding uphold, modify, or vacate the order to vacate the residence.

[82 Acts, ch 1209, §14]

83 Acts, ch 96, §157, 159; 83 Acts, ch 186, §10055, 10201; 86 Acts, ch 1186, §6; 90 Acts, ch 1251, §27

**232.83 Child sexual abuse involving a person not responsible for the care of the child.**

1. A complaint related to circumstances involving a child who is alleged to be a victim of an offense defined in chapter 709, 726, or 728 and an alleged offender who is not a person responsible for the care of the child shall be handled pursuant to section 232.81.

2. Anyone authorized to conduct a preliminary investigation in response to a complaint may apply for, or the court on its own motion may enter an ex parte order authorizing a physician or hospital to conduct an outpatient physical examination or authorizing a physician, a psychologist certified under section 154B.7, or a community mental health center accredited pursuant to chapter 230A to conduct an outpatient mental examination

of a child if necessary to identify the nature, extent, and causes of any injuries, emotional damage, or other such needs of a child as specified in section 232.2, subsection 6, paragraph "*c*", "*e*", or "*f*", provided that all of the following apply:

*a.* The parent, guardian, or legal custodian is absent, or though present, was asked and refused to authorize the examination.

*b.* There is not enough time to file a petition and hold a hearing under this chapter.

*c.* The parent, guardian, or legal custodian has not provided care and treatment related to their child's alleged victimization.

88 Acts, ch 1252, §2
Referred to in §709.13

**232.84 Transfer of custody — notice to adult relatives.**

1. For the purposes of this section, unless the context otherwise requires, "*agency*" means the department, juvenile court services, or a private agency.

2. Within thirty days after the entry of an order under this chapter transferring custody of a child to an agency for placement, the agency shall exercise due diligence in identifying and providing notice to the child's grandparents, aunts, uncles, adult siblings, parents of the child's siblings, and adult relatives suggested by the child's parents, subject to exceptions due to the presence of family or domestic violence.

3. The notice content shall include but is not limited to all of the following:

*a.* A statement that the child has been or is being removed from the custody of the child's parent or parents.

*b.* An explanation of the options the relative has under federal, state, and other law to participate in the care and placement of the child on a temporary or permanent basis. The options addressed shall include but are not limited to assistance and support options, options for participating in legal proceedings, and any options that may be lost by failure to respond to the notice.

*c.* A description of the requirements for the relative to serve as a foster family home provider or other type of care provider for the child and the additional services, training, and other support available for children receiving such care.

*d.* Information concerning the option to apply for kinship guardianship assistance payments.

2009 Acts, ch 120, §3; 2013 Acts, ch 50, §2
Subsection 2 amended

**232.85 and 232.86** Reserved.

## PART 4

## JUDICIAL PROCEEDINGS

**232.87 Filing of a petition — contents of petition.**

1. A formal judicial proceeding to determine whether a child is a child in need of assistance under this chapter shall be initiated by the filing of a petition alleging a child to be a child in need of assistance.

2. A petition may be filed by the department of human services, juvenile court officer, or county attorney.

3. The department, juvenile court officer, county attorney or judge may authorize the filing of a petition with the clerk of the court by any competent person having knowledge of the circumstances without the payment of a filing fee.

4. The petition shall be submitted in the form specified in section 232.36.

5. The petition shall contain the information specified in section 232.36 and a clear and

concise summary of the facts which bring the child within the jurisdiction of the court under this division.

[C79, 81, §232.87]

83 Acts, ch 96, §157, 159; 83 Acts, ch 186, §10055, 10201

Referred to in §232.81, 232.82, 232.95, 232.98, 233.2

**232.88 Summons, notice, subpoenas, and service.**

After a petition has been filed, the court shall issue and serve summons, subpoenas, and other process in the same manner as for adjudicatory hearings in cases of juvenile delinquency as provided in section 232.37. Reasonable notice shall be provided to the persons required to be provided notice under section 232.37, except that notice shall be waived regarding a person who was notified of the adjudicatory hearing and who failed to appear. In addition, reasonable notice for any hearing under this division shall be provided to the agency, facility, institution, or person, including a foster parent, relative, or other individual providing preadoptive care, with whom a child has been placed.

[SS15, §254-a16; C24, 27, 31, 35, 39, §**3623;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §232.4; C79, 81, §232.88]

89 Acts, ch 229, §5; 95 Acts, ch 182, §3; 96 Acts, ch 1034, §10; 97 Acts, ch 164, §2; 2001 Acts, ch 135, §28

Referred to in §232.91, 331.653

**232.89 Right to and appointment of counsel.**

1. Upon the filing of a petition the parent, guardian, or custodian identified in the petition shall have the right to counsel in connection with all subsequent hearings and proceedings. If that person desires but is financially unable to employ counsel, the court shall appoint counsel.

2. Upon the filing of a petition, the court shall appoint counsel and a guardian ad litem for the child identified in the petition as a party to the proceedings. If a guardian ad litem has previously been appointed for the child in a proceeding under division II of this chapter or a proceeding in which the court has waived jurisdiction under section 232.45, the court shall appoint the same guardian ad litem upon the filing of the petition under this part. Counsel shall be appointed as follows:

*a.* If the child is represented by counsel and the court determines there is a conflict of interest between the child and the child's parent, guardian or custodian and that the retained counsel could not properly represent the child as a result of the conflict, the court shall appoint other counsel to represent the child, who shall be compensated pursuant to the provisions of subsection 3.

*b.* If the child is not represented by counsel, the court shall either order the parent, guardian or custodian to retain counsel for the child or shall appoint counsel for the child, who shall be compensated pursuant to the provisions of subsection 3.

3. The court shall determine, after giving the parent, guardian, or custodian an opportunity to be heard, whether the person has the ability to pay in whole or in part for counsel appointed for the child. If the court determines that the person possesses sufficient financial ability, the court shall then consult with the department of human services, the juvenile probation office, or other authorized agency or individual regarding the likelihood of impairment of the relationship between the child and the child's parent, guardian or custodian as a result of ordering the parent, guardian, or custodian to pay for the child's counsel. If impairment is deemed unlikely, the court shall order that person to pay an amount the court finds appropriate in the manner and to whom the court directs. If the person fails to comply with the order without good reason, the court shall enter judgment against the person. If impairment is deemed likely or if the court determines that the parent, guardian, or custodian cannot pay any part of the expenses of counsel appointed to represent the child, counsel shall be reimbursed pursuant to section 232.141, subsection 2, paragraph "*b*".

4. The same person may serve both as the child's counsel and as guardian ad litem. However, the court may appoint a separate guardian ad litem, if the same person cannot properly represent the legal interests of the child as legal counsel and also represent the

best interest of the child as guardian ad litem, or a separate guardian ad litem is required to fulfill the requirements of subsection 2.

5. The court may appoint a court appointed special advocate to act as guardian ad litem. The court appointed special advocate shall receive notice of and may attend all depositions, hearings, and trial proceedings to support the child and advocate for the protection of the child. The court appointed special advocate shall not be allowed to separately introduce evidence or to directly examine or cross-examine witnesses. The court appointed special advocate shall submit a written report to the court and to each of the parties to the proceedings containing results of the court appointed special advocate's initial investigation of the child's case, including but not limited to recommendations regarding placement of the child and other recommendations based on the best interest of the child. The court appointed special advocate shall submit subsequent reports to the court and parties, as needed, detailing the continuing situation of the child's case as long as the child remains under the jurisdiction of the court. In addition, the court appointed special advocate shall file other reports to the court as required by the court.

[C24, 27, 31, 35, 39, §**3631;** C46, 50, 54, 58, 62, §232.15; C66, 71, 73, 75, 77, §232.28; C79, 81, §232.89]

83 Acts, ch 96, §157, 159; 86 Acts, ch 1186, §7; 87 Acts, ch 121, §4; 89 Acts, ch 283, §24; 90 Acts, ch 1271, §1506, 1507; 96 Acts, ch 1193, §5; 97 Acts, ch 23, §22; 97 Acts, ch 99, §3, 11; 2002 Acts, ch 1162, §17

Referred to in §232.108, 232.126

**232.90 Duties of county attorney.**

1. As used in this section, *"state"* means the general interest held by the people in the health, safety, welfare, and protection of all children living in this state.

2. The county attorney shall represent the state in proceedings arising from a petition filed under this division and shall present evidence in support of the petition. The county attorney shall be present at proceedings initiated by petition under this division filed by an intake officer or the county attorney, or if a party to the proceedings contests the proceedings, or if the court determines there is a conflict of interest between the child and the child's parent, guardian, or custodian or if there are contested issues before the court.

3. If there is disagreement between the department and the county attorney regarding the appropriate action to be taken, the department may request that the state be represented by the attorney general in place of the county attorney. If the state is represented by the attorney general, the county attorney may continue to appear in the proceeding and may present the position of the county attorney regarding the appropriate action to be taken in the case.

4. The county attorney shall comply with the requirements of chapter 232B and the federal Indian Child Welfare Act, Pub. L. No. 95-608, when either chapter 232B or the federal Indian Child Welfare Act is determined to be applicable in any proceeding under this division.

[C66, 71, 73, 75, 77, §232.29; C79, 81, §232.90]

87 Acts, ch 151, §1; 89 Acts, ch 230, §16; 2013 Acts, ch 113, §2

Referred to in §232.180

Section amended

**232.91 Presence of child, parents, guardian ad litem, and others at hearings — additional parties — department recordkeeping.**

1. Any hearings or proceedings under this division subsequent to the filing of a petition shall not take place without the presence of the child's parent, guardian, custodian, or guardian ad litem in accordance with and subject to section 232.38. A parent without custody may petition the court to be made a party to proceedings under this division.

2. An agency, facility, institution, or person, including a foster parent or an individual providing preadoptive care, may petition the court to be made a party to proceedings under this division.

3. Any person who is entitled under section 232.88 to receive notice of a hearing concerning a child shall be given the opportunity to be heard in any other review or hearing involving the child. A foster parent, relative, or other individual with whom a child has been placed for preadoptive care shall have the right to be heard in any proceeding involving the

child. If a child is of an age appropriate to attend the hearing but the child does not attend, the court shall determine if the child was informed of the child's right to attend the hearing. A presumption exists that it is in the best interests of a child fourteen years of age or older to attend all hearings.

4. If a child is of an age appropriate to attend a hearing but the child does not attend, the court shall determine if the child was informed of the child's right to attend the hearing. A presumption exists that it is in the best interests of a child fourteen years of age or older to attend all hearings and all staff or family meetings involving placement options or services provided to the child. The department shall allow the child to attend all such hearings and meetings unless the attorney for the child finds the child's attendance is not in the best interests of the child. If the child is excluded from attending a hearing or meeting, the department shall maintain a written record detailing the reasons for excluding the child. Notwithstanding sections 232.147 through 232.151, a copy of the written record shall be made available to the child upon the request of the child after reaching the age of majority.

5. For purposes of this section, "*attend*" includes the appearance of the child at a hearing by video or telephonic means.

[SS15, §254-a16; C24, 27, 31, 35, 39, §**3631;** C46, 50, 54, 58, 62, §232.15; C66, 71, 73, 75, 77, §232.11; C79, 81, §232.91]

84 Acts, ch 1279, §11; 95 Acts, ch 182, §4; 97 Acts, ch 164, §3; 98 Acts, ch 1190, §7; 2007 Acts, ch 172, §13; 2008 Acts, ch 1114, §1; 2008 Acts, ch 1187, §133; 2010 Acts, ch 1065, §1, 2

Referred to in §600A.7

**232.92 Exclusion of public from hearings.**

Hearings held under this division are open to the public unless the court, on the motion of any of the parties or upon the court's own motion, excludes the public. The court shall exclude the public from a hearing if the court determines that the possibility of damage or harm to the child outweighs the public's interest in having an open hearing. Upon closing the hearing to the public, the court may admit those persons who have direct interest in the case or in the work of the court.

[C79, 81, §232.92]

89 Acts, ch 230, §17

Referred to in §600A.7

**232.93 Other issues adjudicated.**

When it appears during the course of any hearing or proceeding that some action or remedy other than those indicated by the application or pleading appears appropriate, the court may, provided all necessary parties consent, proceed to hear and determine the other issues as though originally properly sought and pleaded.

[C66, 71, 73, 75, 77, §232.12; C79, 81, §232.93]

Referred to in §600A.7

**232.94 Reporter required.**

Stenographic notes or electronic or mechanical recordings shall be taken of all court hearings held pursuant to this division unless waived by the parties. The child shall not be competent to waive the reporting requirement, but waiver may be made for the child by the child's counsel or guardian ad litem. Matters which must be reported under the provisions of this section shall be reported in the same manner as required in section 624.9.

[C66, 71, 73, 75, 77, §232.32; C79, 81, §232.94]

Referred to in §232.94A, 600A.7

**232.94A Records — subsequent hearings.**

Juvenile court records, social records, and the material required to be recorded pursuant to section 232.94 shall be maintained and shall be a part of each hearing relating to the child so long as and whenever the child is a child in need of assistance.

84 Acts, ch 1279, §12

Referred to in §600A.7

**232.95 Hearing concerning temporary removal.**

1. At any time after the petition is filed, any person who may file a petition under section 232.87 may apply for, or the court on its own motion may order, a hearing to determine whether the child should be temporarily removed from home. If the child is in the custody of a person other than the child's parent, guardian, or custodian as the result of action taken pursuant to section 232.78 or 232.79, the court shall hold a hearing within ten days of the date of temporary removal to determine whether the temporary removal should be continued.

2. Upon such hearing, the court may:

*a.* Remove the child from home and place the child in a shelter care facility or in the custody of a suitable person or agency pending a final order of disposition if the court finds that substantial evidence exists to believe that removal is necessary to avoid imminent risk to the child's life or health.

(1) If removal is ordered, the court must, in addition, make a determination that continuation of the child in the child's home would be contrary to the welfare of the child, and that reasonable efforts, as defined in section 232.102, have been made to prevent or eliminate the need for removal of the child from the child's home.

(2) The court's determination regarding continuation of the child in the child's home, and regarding reasonable efforts, including those made to prevent removal and those made to finalize any permanency plan in effect, as well as any determination by the court that reasonable efforts are not required, must be made on a case-by-case basis. The grounds for each determination must be explicitly documented and stated in the court order. However, preserving the safety of the child must be the court's paramount consideration. If imminent danger to the child's life or health exists at the time of the court's consideration, the determinations otherwise required under this paragraph shall not be a prerequisite for an order for removal of the child.

(3) The order shall also include a statement informing the child's parent that the consequences of a permanent removal may include termination of the parent's rights with respect to the child.

*b.* Release the child to the child's parent, guardian, or custodian pending a final order of disposition.

*c.* Authorize a physician or hospital to provide medical or surgical procedures if such procedures are necessary to safeguard the child's life or health.

3. The court shall make and file written findings as to the grounds for granting or denying an application under this section.

4. If the court orders the child removed from the home pursuant to subsection 2, paragraph "*a*", the court shall hold a hearing to review the removal order within six months unless a dispositional hearing pursuant to section 232.99 has been held.

[C79, 81, §232.95]

84 Acts, ch 1279, §13; 86 Acts, ch 1186, §8; 87 Acts, ch 159, §2; 98 Acts, ch 1190, §8; 2000 Acts, ch 1067, §8; 2001 Acts, ch 135, §15

[Subsection 2, paragraphs b and c, were inadvertently omitted in the 2001 Code Supplement and 2003 Code]

2004 Acts, ch 1101, §28

Referred to in §232.44, 232.78, 232.96, 232.104, 232B.6, 600A.7

**232.96 Adjudicatory hearing.**

1. The court shall hear and adjudicate cases involving a petition alleging a child to be a child in need of assistance.

2. The state shall have the burden of proving the allegations by clear and convincing evidence.

3. Only evidence which is admissible under the rules of evidence applicable to the trial of civil cases shall be admitted, except as otherwise provided by this section.

4. A report made to the department of human services pursuant to chapter 235A shall be admissible in evidence, but such a report shall not alone be sufficient to support a finding that the child is a child in need of assistance unless the attorneys for the child and the parents consent to such a finding.

5. Neither the privilege attaching to confidential communications between a health practitioner or mental health professional and patient nor the prohibition upon admissibility of communications between husband and wife shall be ground for excluding evidence at an adjudicatory hearing.

6. A report, study, record, or other writing or an audiotape or videotape recording made by the department of human services, a juvenile court officer, a peace officer or a hospital relating to a child in a proceeding under this division is admissible notwithstanding any objection to hearsay statements contained in it provided it is relevant and material and provided its probative value substantially outweighs the danger of unfair prejudice to the child's parent, guardian, or custodian. The circumstances of the making of the report, study, record or other writing or an audiotape or videotape recording, including the maker's lack of personal knowledge, may be proved to affect its weight.

7. After the hearing is concluded, the court shall make and file written findings as to the truth of allegations of the petition and as to whether the child is a child in need of assistance.

8. If the court concludes facts sufficient to sustain a petition have not been established by clear and convincing evidence or if the court concludes that its aid is not required in the circumstances, the court shall dismiss the petition.

9. If the court concludes that facts sufficient to sustain the petition have been established by clear and convincing evidence and that its aid is required, the court may enter an order adjudicating the child to be a child in need of assistance.

10. If the court enters an order adjudicating the child to be a child in need of assistance, the court, if it has not previously done so, may issue an order authorizing temporary removal of the child from the child's home as set forth in section 232.95, subsection 2, paragraph "*a*", pending a final order of disposition. The order shall include both of the following:

*a.* A determination that continuation of the child in the child's home would be contrary to the welfare of the child, and that reasonable efforts, as defined in section 232.102, have been made to prevent or eliminate the need for removal of the child from the child's home. The court's determination regarding continuation of the child in the child's home, and regarding reasonable efforts, including those made to prevent removal and those made to finalize any permanency plan in effect, as well as any determination by the court that reasonable efforts are not required, must be made on a case-by-case basis. The grounds for each determination must be explicitly documented and stated in the court order. However, preserving the safety of the child is the paramount consideration. If imminent danger to the child's life or health exists at the time of the court's consideration, the determinations otherwise required under this paragraph shall not be a prerequisite for an order for temporary removal of the child.

*b.* A statement informing the child's parent that the consequences of a permanent removal may include termination of the parent's rights with respect to the child.

[C66, 71, 73, 75, 77, §232.31; C79, 81, §232.96]

83 Acts, ch 96, §157, 159; 83 Acts, ch 186, §10055, 10201; 84 Acts, ch 1207, §4; 87 Acts, ch 153, §7; 98 Acts, ch 1190, §9; 2000 Acts, ch 1067, §9; 2001 Acts, ch 135, §16

Referred to in §232.99, 232.104, 232.116, 600A.7

**232.97 Social investigation and report.**

1. The court shall not make a disposition of the petition until two working days after a social report has been submitted to the court and counsel for the child and has been considered by the court. The court may waive the two-day requirement upon agreement by all the parties. The court may direct either the juvenile court officer or the department of human services or any other agency licensed by the state to conduct a social investigation and to prepare a social report which may include any evidence provided by an individual providing foster care for the child. A report prepared shall include any founded reports of child abuse.

2. The social investigation may be conducted and the social history may be submitted to the court prior to the adjudication of the child as a child in need of assistance with the consent of the parties.

3. The social report shall not be disclosed except as provided in this section and except as otherwise provided in this chapter. Prior to the hearing at which the disposition is

determined, the court shall permit counsel for the child, counsel for the child's parent, guardian, or custodian, and the guardian ad litem to inspect any social report to be considered by the court. The court may in its discretion order counsel not to disclose parts of the report to the child, or to the parent, guardian, or custodian if disclosure would seriously harm the treatment or rehabilitation of the child or would violate a promise of confidentiality given to a source of information. If the report indicates the child has behaved in a manner that threatened the safety of another person, has committed a violent act causing bodily injury to another person, or has been a victim or perpetrator of sexual abuse, unless otherwise ordered by the court, the child's parent, guardian, or foster parent or other person with custody of the child shall be provided with that information.

[C66, 71, 73, 75, 77, §232.14; C79, 81, §232.97]

83 Acts, ch 96, §157, 159; 83 Acts, ch 186, §10055, 10201; 84 Acts, ch 1279, §14; 86 Acts, ch 1186, §9; 2005 Acts, ch 124, §4

**232.98 Physical and mental examinations.**

1. Except as provided in section 232.78, subsection 5, a physical or mental examination of the child may be ordered only after the filing of a petition pursuant to section 232.87 and after a hearing to determine whether an examination is necessary to determine the child's physical or mental condition. The court may consider chemical dependency as either a physical or mental condition and may consider a chemical dependency evaluation as either a physical or mental examination.

*a.* The hearing required by this section may be held simultaneously with the adjudicatory hearing.

*b.* An examination ordered prior to the adjudication shall be conducted on an outpatient basis when possible, but if necessary the court may commit the child to a suitable nonsecure hospital, facility, or institution for the purpose of examination for a period not to exceed fifteen days if all of the following are found to be present:

(1) Probable cause exists to believe that the child is a child in need of assistance pursuant to section 232.2, subsection 6, paragraph "*e*" or "*f*".

(2) Commitment is necessary to determine whether there is clear and convincing evidence that the child is a child in need of assistance.

(3) The child's attorney agrees to the commitment.

*c.* An examination ordered after adjudication shall be conducted on an outpatient basis when possible, but if necessary the court may commit the child to a suitable nonsecure hospital, facility, or institution for the purpose of examination for a period not to exceed thirty days.

*d.* The child's parent, guardian, or custodian shall be included in counseling sessions offered during the child's stay in a hospital, facility, or institution when feasible, and when in the best interests of the child and the child's parent, guardian, or custodian. If separate counseling sessions are conducted for the child and the child's parent, guardian, or custodian, a joint counseling session shall be offered prior to the release of the child from the hospital, facility, or institution. The court shall require that notice be provided to the child's guardian ad litem of the counseling sessions and of the participants and results of the sessions.

2. Following an adjudication that a child is a child in need of assistance, the court may after a hearing order the physical or mental examination of the parent, guardian or custodian if that person's ability to care for the child is at issue.

[C66, 71, 73, 75, 77, §232.13; C79, 81, §232.98; 82 Acts, ch 1209, §15]

84 Acts, ch 1279, §15; 85 Acts, ch 173, §12; 86 Acts, ch 1186, §10; 2009 Acts, ch 41, §263

Referred to in §232.78

**232.99 Dispositional hearing — findings.**

1. Following the entry of an order pursuant to section 232.96, the court shall, as soon as practicable, hold a dispositional hearing in order to determine what disposition should be made of the petition.

2. All relevant and material evidence shall be admitted.

3. In the initial dispositional hearing, any hearing held under section 232.103, and any

dispositional review or permanency hearing, the court shall inquire of the parties as to the sufficiency of the services being provided and whether additional services are needed to facilitate the safe return of the child to the child's home. If the court determines such services are needed, the court shall order the services to be provided. The court shall advise the parties that failure to identify a deficiency in services or to request additional services may preclude the party from challenging the sufficiency of the services in a termination of parent-child relationship proceeding.

4. When the dispositional hearing is concluded the court shall make the least restrictive disposition appropriate considering all the circumstances of the case. The dispositions which may be entered under this division are listed in sections 232.100 to 232.102 in order from least to most restrictive.

5. The court shall make and file written findings as to its reason for the disposition.

[C66, 71, 73, 75, 77, §232.31; C79, 81, §232.99]

98 Acts, ch 1190, §10

Referred to in §232.58, 232.95, 232.104

**232.100 Suspended judgment.**

After the dispositional hearing the court may enter an order suspending judgment and continuing the proceedings subject to terms and conditions imposed to assure the proper care and protection of the child. Such terms and conditions may include the supervision of the child and of the parent, guardian or custodian by the department of human services, juvenile court office or other appropriate agency designated by the court. The maximum duration of any term or condition of a suspended judgment shall be twelve months unless the court finds at a hearing held during the last month of that period that exceptional circumstances require an extension of the term or condition for an additional six months.

[C79, 81, §232.100]

83 Acts, ch 96, §157, 159

Referred to in §232.99, 232.103, 232.117, 232.127

**232.101 Retention of custody by parent.**

1. After the dispositional hearing, the court may enter an order permitting the child's parent, guardian or custodian at the time of the filing of the petition to retain custody of the child subject to terms and conditions which the court prescribes to assure the proper care and protection of the child. Such terms and conditions may include supervision of the child and the parent, guardian or custodian by the department of human services, juvenile court office or other appropriate agency which the court designates. Such terms and conditions may also include the provision or acceptance by the parent, guardian or custodian of special treatment or care which the child needs for the child's physical or mental health. If the parent, guardian or custodian fails to provide the treatment or care, the court may order the department of human services or some other appropriate state agency to provide such care or treatment.

2. The duration of any period of supervision or other terms or conditions shall be for an initial period of no more than twelve months and the court, at the expiration of that period, upon a hearing and for good cause shown, may make not more than two successive extensions of such supervision or other terms or conditions of up to twelve months each.

[S13, §254-a20, 2708; C24, 27, 31, 35, 39, §**3637;** C46, 50, 54, 58, 62, §232.21; C66, 71, 73, 75, 77, §232.33; C79, 81, §232.101]

83 Acts, ch 96, §157, 159; 97 Acts, ch 99, §4

Referred to in §232.99, 232.103, 232.117, 232.127

**232.102 Transfer of legal custody of child and placement.**

1. *a.* After a dispositional hearing the court may enter an order transferring the legal custody of the child to one of the following for purposes of placement:

(1) A parent who does not have physical care of the child, other relative, or other suitable person.

(2) A child-placing agency or other suitable private agency, facility, or institution which is licensed or otherwise authorized by law to receive and provide care for the child.

(3) The department of human services.

*b.* If the child is sixteen years of age or older, the order shall specify the services needed to assist the child in preparing for the transition from foster care to adulthood. If the child has a case permanency plan, the court shall consider the written transition plan of services and needs assessment developed for the child's case permanency plan. If the child does not have a case permanency plan containing the transition plan and needs assessment at the time the order is entered, the written transition plan and needs assessment shall be developed and submitted for the court's consideration no later than six months from the date of the transfer order. The court shall modify the initial transfer order as necessary to specify the services needed to assist the child in preparing for the transition from foster care to adulthood. If the transition plan identifies services or other support needed to assist the child when the child becomes an adult and the court deems it to be beneficial to the child, the court may authorize the individual who is the child's guardian ad litem or court appointed special advocate to continue a relationship with and provide advice to the child for a period of time beyond the child's eighteenth birthday.

1A. The court shall not order group foster care placement of the child which is a charge upon the state if that placement is not in accordance with the service area plan for group foster care established pursuant to section 232.143 for the departmental service area in which the court is located.

2. After a dispositional hearing and upon the request of the department, the court may enter an order appointing the department as the guardian of an unaccompanied refugee child or of a child without parent or guardian.

3. After a dispositional hearing and upon written findings of fact based upon evidence in the record that an alternative placement set forth in subsection 1, paragraph "*a*", subparagraph (1), has previously been made and is not appropriate the court may enter an order transferring the guardianship of the child for the purposes of subsection 8, to the director of human services for the purposes of placement in the Iowa juvenile home at Toledo.

4. *a.* Upon receipt of an application from the director of the department of human services, the court shall enter an order to temporarily transfer a child who has been placed in the Iowa juvenile home at Toledo pursuant to subsection 3, to a facility which has been designated to be an alternative placement site for the juvenile home, provided the court finds that all of the following conditions exist:

(1) There is insufficient time to file a motion and hold a hearing for a new dispositional order under section 232.103.

(2) Immediate removal of the child from the juvenile home is necessary to safeguard the child's physical or emotional health.

(3) That reasonable attempts to notify the parents, guardian ad litem, and attorney for the child have been made.

*b.* If the court finds the conditions in paragraph "*a*" exist and there is insufficient time to provide notice as required under rule of juvenile procedure 8.12, the court may enter an ex parte order temporarily transferring the child to the alternative placement site.

*c.* Within three days of the child's transfer, the director shall file a motion for a new dispositional order under section 232.103 and the court shall hold a hearing concerning the motion within fourteen days of the child's transfer.

5. *a.* Whenever possible the court should permit the child to remain at home with the child's parent, guardian, or custodian. Custody of the child should not be transferred unless the court finds there is clear and convincing evidence that:

(1) The child cannot be protected from physical abuse without transfer of custody; or

(2) The child cannot be protected from some harm which would justify the adjudication of the child as a child in need of assistance and an adequate placement is available.

*b.* In order to transfer custody of the child under this subsection, the court must make a determination that continuation of the child in the child's home would be contrary to the welfare of the child, and shall identify the reasonable efforts that have been made. The court's determination regarding continuation of the child in the child's home, and regarding reasonable efforts, including those made to prevent removal and those made to finalize any permanency plan in effect, as well as any determination by the court that reasonable efforts

are not required, must be made on a case-by-case basis. The grounds for each determination must be explicitly documented and stated in the court order. However, preserving the safety of the child is the paramount consideration. If imminent danger to the child's life or health exists at the time of the court's consideration, the determinations otherwise required under this paragraph shall not be a prerequisite for an order for removal of the child. If the court transfers custody of the child, unless the court waives the requirement for making reasonable efforts or otherwise makes a determination that reasonable efforts are not required, reasonable efforts shall be made to make it possible for the child to safely return to the family's home.

6. The child shall not be placed in the state training school.

7. In any order transferring custody to the department or an agency, or in orders pursuant to a custody order, the court shall specify the nature and category of disposition which will serve the best interests of the child, and shall prescribe the means by which the placement shall be monitored by the court. If the court orders the transfer of the custody of the child to the department of human services or other agency for placement, the department or agency shall submit a case permanency plan to the court and shall make every reasonable effort to return the child to the child's home as quickly as possible consistent with the best interests of the child. When the child is not returned to the child's home and if the child has been previously placed in a licensed foster care facility, the department or agency shall consider placing the child in the same licensed foster care facility. If the court orders the transfer of custody to a parent who does not have physical care of the child, other relative, or other suitable person, the court may direct the department or other agency to provide services to the child's parent, guardian, or custodian in order to enable them to resume custody of the child. If the court orders the transfer of custody to the department of human services or to another agency for placement in group foster care, the department or agency shall make every reasonable effort to place the child in the least restrictive, most family-like, and most appropriate setting available, and in close proximity to the parents' home, consistent with the child's best interests and special needs, and shall consider the placement's proximity to the school in which the child is enrolled at the time of placement.

8. Any order transferring custody to the department or an agency shall include a statement informing the child's parent that the consequences of a permanent removal may include the termination of the parent's rights with respect to the child.

9. An agency, facility, institution, or person to whom custody of the child has been transferred pursuant to this section shall file a written report with the court at least every six months concerning the status and progress of the child. The court shall hold a periodic dispositional review hearing for each child in placement pursuant to this section in order to determine whether the child should be returned home, an extension of the placement should be made, a permanency hearing should be held, or a termination of the parent-child relationship proceeding should be instituted. The placement shall be terminated and the child returned to the child's home if the court finds by a preponderance of the evidence that the child will not suffer harm in the manner specified in section 232.2, subsection 6. If the placement is extended, the court shall determine whether additional services are necessary to facilitate the return of the child to the child's home, and if the court determines such services are needed, the court shall order the provision of such services. When the child is not returned to the child's home and if the child has been previously placed in a licensed foster care facility, the department or agency responsible for the placement of the child shall consider placing the child in the same licensed foster care facility.

*a.* The initial dispositional review hearing shall not be waived or continued beyond six months after the date of the dispositional hearing.

*b.* Subsequent dispositional review hearings shall not be waived or continued beyond twelve months after the date of the most recent dispositional review hearing.

*c.* For purposes of this subsection, a hearing held pursuant to section 232.103 satisfies the requirements for initial dispositional review or subsequent permanency hearing.

10. *a.* As used in this division, "*reasonable efforts*" means the efforts made to preserve and unify a family prior to the out-of-home placement of a child in foster care or to eliminate the need for removal of the child or make it possible for the child to safely return to the

family's home. Reasonable efforts shall include but are not limited to giving consideration, if appropriate, to interstate placement of a child in the permanency planning decisions involving the child and giving consideration to in-state and out-of-state placement options at a permanency hearing and when using concurrent planning. If returning the child to the family's home is not appropriate or not possible, reasonable efforts shall include the efforts made in a timely manner to finalize a permanency plan for the child. A child's health and safety shall be the paramount concern in making reasonable efforts. Reasonable efforts may include but are not limited to family-centered services, if the child's safety in the home can be maintained during the time the services are provided. In determining whether reasonable efforts have been made, the court shall consider both of the following:

(1) The type, duration, and intensity of services or support offered or provided to the child and the child's family. If family-centered services were not provided, the court record shall enumerate the reasons the services were not provided, including but not limited to whether the services were not available, not accepted by the child's family, judged to be unable to protect the child and the child's family during the time the services would have been provided, judged to be unlikely to be successful in resolving the problems which would lead to removal of the child, or other services were found to be more appropriate.

(2) The relative risk to the child of remaining in the child's home versus removal of the child.

*b.* As used in this section, "*family-centered services*" means services and other support intended to safely maintain a child with the child's family or with a relative, to safely and in a timely manner return a child to the home of the child's parent or relative, or to promote achievement of concurrent planning goals by identifying and helping the child secure placement for adoption, with a guardian, or with other alternative permanent family connections. Family-centered services are adapted to the individual needs of a family in regard to the specific services and other support provided to the child's family and the intensity and duration of service delivery. Family-centered services are intended to preserve a child's connections to the child's neighborhood, community, and family and to improve the overall capacity of the child's family to provide for the needs of the children in the family.

11. The performance of reasonable efforts to place a child for adoption or with a guardian may be made concurrently with making reasonable efforts as defined in this section.

12. If the court determines by clear and convincing evidence that aggravated circumstances exist, with written findings of fact based upon evidence in the record, the court may waive the requirement for making reasonable efforts. The existence of aggravated circumstances is indicated by any of the following:

*a.* The parent has abandoned the child.

*b.* The court finds the circumstances described in section 232.116, subsection 1, paragraph "*i*", are applicable to the child.

*c.* The parent's parental rights have been terminated under section 232.116 or involuntarily terminated by an order of a court of competent jurisdiction in another state with respect to another child who is a member of the same family, and there is clear and convincing evidence to show that the offer or receipt of services would not be likely within a reasonable period of time to correct the conditions which led to the child's removal.

*d.* The parent has been convicted of the murder of another child of the parent.

*e.* The parent has been convicted of the voluntary manslaughter of another child of the parent.

*f.* The parent has been convicted of aiding or abetting, attempting, conspiring in, or soliciting the commission of the murder or voluntary manslaughter of another child of the parent.

*g.* The parent has been convicted of a felony assault which resulted in serious bodily injury of the child or of another child of the parent.

13. Unless prohibited by the court order transferring custody of the child for placement or other court order or the department or agency that received the custody transfer finds that allowing the visitation would not be in the child's best interest, the department or agency may

authorize reasonable visitation with the child by the child's grandparent, great-grandparent, or other adult relative who has established a substantial relationship with the child.

[S13, §254-a20, -a23, 2708, 2709; C24, 27, 31, 35, 39, §**3637, 3646, 3647;** C46, 50, 54, 58, 62, §232.21, 232.27, 232.28; C66, 71, 73, 75, 77, §232.33; C79, 81, §232.102; 81 Acts, ch 11, §17; 82 Acts, ch 1260, §23]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1279, §16 – 18; 85 Acts, ch 173, §13; 87 Acts, ch 159, §3; 88 Acts, ch 1134, §52; 88 Acts, ch 1249, §14; 90 Acts, ch 1239, §10, 11; 91 Acts, ch 232, §7, 8; 92 Acts, ch 1229, §5; 92 Acts, 1st Ex, ch 1004, §2; 95 Acts, ch 67, §16; 97 Acts, ch 99, §5; 98 Acts, ch 1190, §11 – 17; 2000 Acts, ch 1067, §10; 2001 Acts, ch 24, §40; 2001 Acts, ch 135, §17 – 19; 2002 Acts, ch 1081, §3; 2003 Acts, ch 117, §5; 2004 Acts, ch 1116, §8 – 10; 2007 Acts, ch 172, §6, 9; 2007 Acts, ch 218, §114; 2008 Acts, ch 1098, §1; 2009 Acts, ch 41, §263

Referred to in §225C.49, 232.2, 232.95, 232.96, 232.99, 232.103, 232.104, 232.111, 232.116, 232.117, 232.127, 232.182, 232.189, 232B.5, 233.2, 234.6, 234.35

Copy of dispositional order under subsection 9 to be submitted to foster care review boards; 84 Acts, ch 1279, §42

Limitation on placing child in mental health institute; 86 Acts, ch 1246, §305

**232.103 Termination, modification, vacation and substitution of dispositional order.**

1. At any time prior to expiration of a dispositional order and upon the motion of an authorized party or upon its own motion as provided in this section, the court may terminate the order and discharge the child, modify the order, or vacate the order and make a new order.

2. The following persons shall be authorized to file a motion to terminate, modify or vacate and substitute a dispositional order:

*a.* The child.

*b.* The child's parent, guardian or custodian, except that such motion may be filed by that person not more often than once every six months except with leave of court for good cause shown.

*c.* The child's guardian ad litem.

*d.* A person supervising the child pursuant to a dispositional order.

*e.* An agency, facility, institution or person to whom legal custody has been transferred pursuant to a dispositional order.

*f.* The county attorney.

3. A change in the level of care for a child who is subject to a dispositional order for out-of-home placement requires modification of the dispositional order. A hearing shall be held on a motion to terminate or modify a dispositional order except that a hearing on a motion to terminate or modify an order may be waived upon agreement by all parties. Reasonable notice of the hearing shall be given to the parties. The hearing shall be conducted in accordance with the procedure established for dispositional hearings under section 232.50, subsection 3.

4. The court may modify a dispositional order, vacate and substitute a dispositional order, or terminate a dispositional order and release the child if the court finds that any of the following circumstances exist:

*a.* The purposes of the order have been accomplished and the child is no longer in need of supervision, care, or treatment.

*b.* The purposes of the order cannot reasonably be accomplished.

*c.* The efforts made to effect the purposes of the order have been unsuccessful and other options to effect the purposes of the order are not available.

*d.* The purposes of the order have been sufficiently accomplished and the continuation of supervision, care, or treatment is unjustified or unwarranted.

5. The court may modify or vacate an order for good cause shown provided that where the request to modify or vacate is based on the child's alleged failure to comply with the conditions or terms of the order, the court may modify or vacate the order only if it finds that there is clear and convincing evidence that the child violated a material and reasonable condition or term of the order.

6. If the court vacates the order it may make any other order in accordance with and subject to the provisions of sections 232.100 to 232.102.

7. With respect to a temporary transfer order made pursuant to section 232.102, subsection 4, if the court finds that removal of a child from the Iowa juvenile home is

necessary to safeguard the child's physical or emotional health and is in the best interests of the child, the court shall grant the director's motion for a new dispositional order to place the child in a facility which has been designated to be an alternative placement site for the juvenile home.

[C79, 81, §232.103]

90 Acts, ch 1239, §12; 2001 Acts, ch 135, §20; 2003 Acts, ch 117, §6; 2004 Acts, ch 1154, §1, 2; 2012 Acts, ch 1021, §51

Referred to in §232.2, 232.99, 232.102, 232.104

**232.104 Permanency hearing — permanency order — subsequent proceedings.**

1. *a.* The time for the initial permanency hearing for a child subject to out-of-home placement shall be the earlier of the following:

(1) For a temporary removal order entered under section 232.78, 232.95, or 232.96, for a child who was removed without a court order under section 232.79, or for an order entered under section 232.102, for which the court has not waived reasonable efforts requirements, the permanency hearing shall be held within twelve months of the date the child was removed from the home.

(2) For an order entered under section 232.102, for which the court has waived reasonable efforts requirements under section 232.102, subsection 12, the permanency hearing shall be held within thirty days of the date the requirements were waived.

*b.* The permanency hearing may be held concurrently with a hearing under section 232.103 to review, modify, substitute, vacate, or terminate a dispositional order.

*c.* Reasonable notice of a permanency hearing shall be provided to the parties. A permanency hearing shall be conducted in substantial conformance with the provisions of section 232.99. During the hearing, the court shall consider the child's need for a secure and permanent placement in light of any permanency plan or evidence submitted to the court and the reasonable efforts made concerning the child. Upon completion of the hearing, the court shall enter written findings and make a determination identifying a primary permanency goal for the child. If a permanency plan is in effect at the time of the hearing, the court shall also make a determination as to whether reasonable progress is being made in achieving the permanency goal and complying with the other provisions of that permanency plan.

2. After a permanency hearing the court shall do one of the following:

*a.* Enter an order pursuant to section 232.102 to return the child to the child's home.

*b.* Enter an order pursuant to section 232.102 to continue placement of the child for an additional six months at which time the court shall hold a hearing to consider modification of its permanency order. An order entered under this paragraph shall enumerate the specific factors, conditions, or expected behavioral changes which comprise the basis for the determination that the need for removal of the child from the child's home will no longer exist at the end of the additional six-month period.

*c.* Direct the county attorney or the attorney for the child to institute proceedings to terminate the parent-child relationship.

*d.* Enter an order, pursuant to findings required by subsection 3, to do one of the following:

(1) Transfer guardianship and custody of the child to a suitable person.

(2) Transfer sole custody of the child from one parent to another parent.

(3) Transfer custody of the child to a suitable person for the purpose of long-term care.

(4) If the department has documented to the court's satisfaction a compelling reason for determining that an order under the other subparagraphs of this paragraph would not be in the child's best interest, order another planned permanent living arrangement for the child.

3. Prior to entering a permanency order pursuant to subsection 2, paragraph "*d*", convincing evidence must exist showing that all of the following apply:

*a.* A termination of the parent-child relationship would not be in the best interest of the child.

*b.* Services were offered to the child's family to correct the situation which led to the child's removal from the home.

*c.* The child cannot be returned to the child's home.

4. Any permanency order may provide restrictions upon the contact between the child and the child's parent or parents, consistent with the best interest of the child.

5. With respect to a dispositional order providing for transfer of custody of a child and siblings to the department or other agency for placement for which the court has suspended or terminated sibling visitation or interaction, when a review is made under this section the court shall consider whether the visitation or interaction can be safely resumed and may modify the suspension or termination as appropriate.

6. Subsequent to the entry of a permanency order pursuant to this section, the child shall not be returned to the care, custody, or control of the child's parent or parents, over a formal objection filed by the child's attorney or guardian ad litem, unless the court finds by a preponderance of the evidence, that returning the child to such custody would be in the best interest of the child.

7. *a.* Following an initial permanency hearing and the entry of a permanency order which places a child in the custody or guardianship of another person or agency, the court shall retain jurisdiction and annually review the order to ascertain whether the best interest of the child is being served. When the order places the child in the custody of the department for the purpose of long-term foster care placement in a facility, the review shall be in a hearing that shall not be waived or continued beyond twelve months after the initial permanency hearing or the last permanency review hearing. Any modification shall be accomplished through a hearing procedure following reasonable notice. During the hearing, all relevant and material evidence shall be admitted and procedural due process shall be provided to all parties.

*b.* In lieu of the procedures specified in paragraph "*a*", the court may close the child in need of assistance case by transferring jurisdiction over the child's guardianship to the probate court. The court shall inform the proposed guardian of the guardian's reporting duties under section 633.669 and other duties under the probate code. Upon transferring jurisdiction, the court shall direct the probate clerk, once the proposed guardian has filed an oath of office and identification in accordance with section 602.6111, to issue letters of appointment for guardianship and docket the case in probate. Records contained in the probate case file that were copied or transferred from the juvenile court file concerning the case shall be subject to section 232.147 and other confidentiality provisions of this chapter for cases not involving juvenile delinquency.

87 Acts, ch 159, §4; 89 Acts, ch 229, §6; 95 Acts, ch 182, §5; 98 Acts, ch 1190, §18, 19; 2000 Acts, ch 1067, §11, 12; 2001 Acts, ch 135, §21, 22; 2007 Acts, ch 67, §4; 2007 Acts, ch 172, §7; 2010 Acts, ch 1143, §1

Referred to in §232.117, 633.559, 633.675, 633.679

**232.105** Reserved.

**232.106 Terms and conditions on child's parent.**

If the court enters an order under this chapter which imposes terms and conditions on the child's parent, guardian, or custodian, the purpose of the terms and conditions shall be to assure the protection of the child. The order is subject to the following provisions:

1. The order shall state the reasons for and purpose of the terms and conditions.

2. If a parent, guardian, or custodian is required to have a chemical test of blood or urine for the purpose of determining the presence of an illegal drug, the test shall be a medically relevant test as defined in section 232.73.

95 Acts, ch 182, §9; 96 Acts, ch 1092, §5

**232.107 Parent visitation.**

If a child is removed from the child's home in accordance with an order entered under this division based upon evidence indicating the presence of an illegal drug in the child's body, unless the court finds that substantial evidence exists to believe that reasonable visitation or supervised visitation would cause an imminent risk to the child's life or health, the order shall allow the child's parent reasonable visitation or supervised visitation with the child.

96 Acts, ch 1092, §6

**232.108 Visitation or ongoing interaction with siblings.**

1. If the court orders the transfer of custody of a child and siblings to the department or other agency for placement under this division, under division II, relating to juvenile delinquency proceedings, or under any other provision of this chapter, the department or other agency shall make a reasonable effort to place the child and siblings together in the same placement. The requirement of this subsection remains applicable to custody transfer orders made at separate times and applies in addition to efforts made by the department or agency to place the child with a relative.

2. If the requirements of subsection 1 apply but the siblings are not placed in the same placement together, the department or other agency shall provide the siblings with the reasons why and the efforts being made to facilitate such placement, or why making efforts for such placement is not appropriate. Unless visitation or ongoing interaction with siblings is suspended or terminated by the court, the department or agency shall make reasonable effort to provide for frequent visitation or other ongoing interaction between the child and the child's siblings from the time of the child's out-of-home placement until the child returns home or is in a permanent placement.

3. A person who wishes to assert a sibling relationship with a child who is subject to an order under this chapter for an out-of-home placement and to request frequent visitation or other ongoing interaction with the child may file a petition with the court with jurisdiction over the child. Unless the court determines it would not be in the child's best interest, upon finding that the person is a sibling of the child, the provisions of this section providing for frequent visitation or other ongoing interaction between the siblings shall apply. Nothing in this section is intended to provide or expand a right to counsel under this chapter beyond the right provided and persons specified in sections 232.89 and 232.113.

4. If the court determines by clear and convincing evidence that visitation or other ongoing interaction between a child and the child's siblings would be detrimental to the well-being of the child or a sibling, the court shall order the visitation or interaction to be suspended or terminated. The reasons for the determination shall be noted in the court order suspending or terminating the visitation or interaction and shall be explained to the child and the child's siblings, and to the parent, guardian, or custodian of the child.

5. The case permanency plan of a child who is subject to this section shall comply with all of the following, as applicable:

*a.* The plan shall document the efforts being made to provide for the child's frequent visitation or other ongoing interaction with the child's siblings from the time of the child's out-of-home placement until the child returns home or is in a permanent placement. The child's parent, guardian, or custodian may comment on the efforts as documented in the case permanency plan.

*b.* If at any point the court determines that the child's visitation or interaction with siblings would be detrimental to the child's well-being and visitation or interaction with siblings is suspended or terminated by the court, the determination shall be noted in the case permanency plan. If the court lifts the suspension or termination, the case permanency plan shall be revised to document the efforts to provide for visitation or interaction as required under paragraph "*a*".

*c.* If one or more of the child's siblings are also subject to an order under this chapter for an out-of-home placement and the siblings are not placed in the same placement together, the plan shall document the reasons why and the efforts being made to facilitate such placement, or why making efforts for such placement is not appropriate.

6. If an order is entered for termination of parental rights of a child who is subject to this section, unless the court has suspended or terminated sibling visitation or interaction in accordance with this section, the department or child-placing agency shall do all of the following to facilitate frequent visitation or ongoing interaction between the child and siblings when the child is adopted or enters a permanent placement:

*a.* Include in the training provided to prospective adoptive parents information regarding the importance of sibling relationships to an adopted child and counseling methods for maintaining sibling relationships.

*b.* Provide prospective adoptive parents with information regarding the child's siblings.

The address of a sibling's residence shall not be disclosed in the information unless authorized by court order for good cause shown.

*c.* Encourage prospective adoptive parents to plan for facilitating postadoption contact between the child and the child's siblings.

7. Any information regarding court-ordered or authorized sibling visitation, interaction, or contact shall be provided to the foster parent, relative caretaker, guardian, prospective adoptive parent, and child as soon as reasonably possible following the entry of the court order or authorization as necessary to facilitate the visitation or interaction.

2007 Acts, ch 67, §5

Referred to in §232.2, 238.18

Department to adapt section's provisions for application to the subsidized guardianship program; 2011 Acts, ch 98, §10, 11

## DIVISION IV

## TERMINATION OF PARENT-CHILD RELATIONSHIP PROCEEDING

Referred to in §232.2, 600A.5

**232.109 Jurisdiction.**

The juvenile court shall have exclusive jurisdiction over proceedings under this chapter to terminate a parent-child relationship and all parental rights with respect to a child. No such termination shall be ordered except under the provisions of this chapter if the court has made an order concerning the child pursuant to the provisions of division III of this chapter and the order is in force at the time a petition for termination is filed.

[C79, 81, §232.109]

**232.110 Venue.**

1. Venue for termination proceedings under this chapter shall be in the judicial district where the child is found or the judicial district where the child resides except as otherwise provided in subsection 2.

2. If a court has made an order concerning the child pursuant to the provisions of this chapter and the order is still in force at the time the termination petition is filed, such court shall hear and adjudicate the case unless the court transfers the case.

3. The judge may transfer the case to the juvenile court of any county having venue in accordance with the provisions of section 232.62.

[C79, 81, §232.110]

**232.111 Petition.**

1. A child's guardian, guardian ad litem, or custodian, the department of human services, a juvenile court officer, or the county attorney may file a petition for termination of the parent-child relationship and parental rights with respect to a child.

2. *a.* Unless any of the circumstances described in paragraph "*b*" exist, the county attorney shall file a petition for termination of the parent-child relationship and parental rights with respect to a child or if a petition has been filed, join in the petition, under any of the following circumstances:

(1) The child has been placed in foster care for fifteen months of the most recent twenty-two-month period. The petition shall be filed by the end of the child's fifteenth month of foster care placement.

(2) A court has determined aggravated circumstances exist and has waived the requirement for making reasonable efforts under section 232.102 because the court has found the circumstances described in section 232.116, subsection 1, paragraph "*i*", are applicable to the child.

(3) The child is less than twelve months of age and has been judicially determined to have been abandoned or the child is a newborn infant whose parent has voluntarily released custody of the child in accordance with chapter 233.

(4) The parent has been convicted of the murder or the voluntary manslaughter of another child of the parent.

(5) The parent has been convicted of aiding or abetting, attempting, conspiring in, or soliciting the commission of the murder or voluntary manslaughter of another child of the parent.

(6) The parent has been convicted of a felony assault which resulted in serious bodily injury of the child or of another child of the parent.

*b.* If any of the following conditions exist, the county attorney is not required to file a petition or join in an existing petition as provided in paragraph *"a"*:

(1) At the option of the department or by order of the court, the child is being cared for by a relative.

(2) The department or a state agency has documented in the child's case permanency plan provided or available to the court a compelling reason for determining that filing the petition would not be in the best interest of the child. A compelling reason shall include but is not limited to documentation in the child's case permanency plan indicating it is reasonably likely the completion of the services being received in accordance with the permanency plan will eliminate the need for removal of the child or make it possible for the child to safely return to the family's home within six months.

(3) The department has not provided the child's family, consistent with the time frames outlined in the child's case permanency plan, with those services the state deems necessary for the safe return of the child to the child's home, and the limited extension of time necessary to complete the services is clearly documented in the case permanency plan.

3. The department, juvenile court officer, county attorney or judge may authorize any competent person having knowledge of the circumstances to file a termination petition with the clerk of the court without the payment of a filing fee.

4. A petition for termination of parental rights shall include the following:

*a.* The legal name, age, and domicile, if any, of the child.

*b.* The names, residences, and domicile of any:

(1) Living parents of the child.

(2) Guardian of the child.

(3) Custodian of the child.

(4) Guardian ad litem of the child.

(5) Petitioner.

(6) Person standing in the place of the parents of the child.

*c.* A plain statement of those facts and grounds specified in section 232.116 which indicate that the parent-child relationship should be terminated.

*d.* A plain statement explaining why the petitioner does not know any of the information required under paragraphs *"a"* and *"b"* of this subsection.

*e.* A complete list of the services which have been offered to preserve the family and a statement specifying the services provided to address the reasons stated in any order for removal or in any dispositional or permanency order which did not return the child to the child's home.

*f.* The signature and verification of the petitioner.

[C79, 81, §232.111]

83 Acts, ch 96, §157, 159; 83 Acts, ch 186, §10055, 10201; 95 Acts, ch 147, §6; 98 Acts, ch 1190, §20, 21; 2001 Acts, ch 67, §8, 13; 2001 Acts, ch 135, §25; 2002 Acts, ch 1050, §23

Referred to in §232.2, 232.112, 233.2

**232.112 Notice — service.**

1. Persons listed in section 232.111, subsection 4, shall be necessary parties to a termination of parent-child relationship proceeding and are entitled to receive notice and an opportunity to be heard, except that notice may be dispensed with in the case of any such person whose name or whereabouts the court determines is unknown and cannot be ascertained by reasonably diligent search. In addition to the persons who are necessary parties who may be parties under section 232.111, notice for any hearing under this division

shall be provided to the child's foster parent, an individual providing preadoptive care for the child, or a relative providing care for the child.

2. Prior to the service of notice on the necessary parties, the juvenile court shall appoint a guardian ad litem for a child if the child does not have a guardian or guardian ad litem or if the interests of the guardian or guardian ad litem conflict with the interests of the child. Such guardian ad litem shall be a necessary party under subsection 1.

3. Notice under this section shall be served personally or shall be sent by restricted certified mail, whichever is determined by the court to be the most effective means of notification. Such notice shall be made according to the rules of civil procedure relating to an original notice where not inconsistent with the provisions of this section. Notice by personal delivery shall be served not less than seven days prior to the hearing on termination of parental rights. Notice by restricted certified mail shall be sent not less than fourteen days prior to the hearing on termination of parental rights. A notice by restricted certified mail which is refused by the necessary party given notice shall be sufficient notice to the party under this section.

[C79, 81, §232.112]

98 Acts, ch 1190, §22

**232.113 Right to and appointment of counsel.**

1. Upon the filing of a petition the parent identified in the petition shall have the right to counsel in connection with all subsequent hearings and proceedings. If the parent desires but is financially unable to employ counsel, the court shall appoint counsel.

2. Upon the filing of a petition the court shall appoint counsel for the child identified in the petition as a party to the proceedings. The same person may serve both as the child's counsel and as guardian ad litem.

[C79, 81, §232.113]

Referred to in §232.108

**232.114 Duties of county attorney.**

1. As used in this section, *"state"* means the general interest held by the people in the health, safety, welfare, and protection of all children living in this state.

2. Upon the filing of a petition the county attorney shall represent the state in all adversary proceedings arising under this division and shall present evidence in support of the petition.

3. If there is disagreement between the department and the county attorney regarding the appropriate action to be taken, the department may request that the state be represented by the attorney general in place of the county attorney. If the state is represented by the attorney general, the county attorney may continue to appear in the proceeding and may present the position of the county attorney regarding the appropriate action to be taken in the case.

4. The county attorney shall comply with the requirements of chapter 232B and the federal Indian Child Welfare Act, Pub. L. No. 95-608, when either chapter 232B or the federal Indian Child Welfare Act is determined to be applicable in any proceeding under this division.

[C81, §232.114]

89 Acts, ch 230, §18; 2013 Acts, ch 113, §3

Section amended

**232.115 Reporter required.**

Stenographic notes or electronic or mechanical recordings shall be taken of all court hearings held pursuant to this division unless waived by the parties. The child shall not be competent to waive the reporting requirement, but waiver may be made for the child by the child's counsel or guardian ad litem. Matters which must be reported under the provisions of this section shall be reported in the same manner as required in section 624.9.

[C81, §232.115]

**232.116 Grounds for termination.**

1. Except as provided in subsection 3, the court may order the termination of both the parental rights with respect to a child and the relationship between the parent and the child on any of the following grounds:

*a.* The parents voluntarily and intelligently consent to the termination of parental rights and the parent-child relationship and for good cause desire the termination.

*b.* The court finds that there is clear and convincing evidence that the child has been abandoned or deserted.

*c.* The court finds that there is clear and convincing evidence that the child is a newborn infant whose parent has voluntarily released custody of the child in accordance with chapter 233.

*d.* The court finds that both of the following have occurred:

(1) The court has previously adjudicated the child to be a child in need of assistance after finding the child to have been physically or sexually abused or neglected as the result of the acts or omissions of one or both parents, or the court has previously adjudicated a child who is a member of the same family to be a child in need of assistance after such a finding.

(2) Subsequent to the child in need of assistance adjudication, the parents were offered or received services to correct the circumstance which led to the adjudication, and the circumstance continues to exist despite the offer or receipt of services.

*e.* The court finds that all of the following have occurred:

(1) The child has been adjudicated a child in need of assistance pursuant to section 232.96.

(2) The child has been removed from the physical custody of the child's parents for a period of at least six consecutive months.

(3) There is clear and convincing evidence that the parents have not maintained significant and meaningful contact with the child during the previous six consecutive months and have made no reasonable efforts to resume care of the child despite being given the opportunity to do so. For the purposes of this subparagraph, "*significant and meaningful contact*" includes but is not limited to the affirmative assumption by the parents of the duties encompassed by the role of being a parent. This affirmative duty, in addition to financial obligations, requires continued interest in the child, a genuine effort to complete the responsibilities prescribed in the case permanency plan, a genuine effort to maintain communication with the child, and requires that the parents establish and maintain a place of importance in the child's life.

*f.* The court finds that all of the following have occurred:

(1) The child is four years of age or older.

(2) The child has been adjudicated a child in need of assistance pursuant to section 232.96.

(3) The child has been removed from the physical custody of the child's parents for at least twelve of the last eighteen months, or for the last twelve consecutive months and any trial period at home has been less than thirty days.

(4) There is clear and convincing evidence that at the present time the child cannot be returned to the custody of the child's parents as provided in section 232.102.

*g.* The court finds that all of the following have occurred:

(1) The child has been adjudicated a child in need of assistance pursuant to section 232.96.

(2) The court has terminated parental rights pursuant to section 232.117 with respect to another child who is a member of the same family or a court of competent jurisdiction in another state has entered an order involuntarily terminating parental rights with respect to another child who is a member of the same family.

(3) There is clear and convincing evidence that the parent continues to lack the ability or willingness to respond to services which would correct the situation.

(4) There is clear and convincing evidence that an additional period of rehabilitation would not correct the situation.

*h.* The court finds that all of the following have occurred:

(1) The child is three years of age or younger.

(2) The child has been adjudicated a child in need of assistance pursuant to section 232.96.

(3) The child has been removed from the physical custody of the child's parents for at least six months of the last twelve months, or for the last six consecutive months and any trial period at home has been less than thirty days.

(4) There is clear and convincing evidence that the child cannot be returned to the custody of the child's parents as provided in section 232.102 at the present time.

*i.* The court finds that all of the following have occurred:

(1) The child meets the definition of child in need of assistance based on a finding of physical or sexual abuse or neglect as a result of the acts or omissions of one or both parents.

(2) There is clear and convincing evidence that the abuse or neglect posed a significant risk to the life of the child or constituted imminent danger to the child.

(3) There is clear and convincing evidence that the offer or receipt of services would not correct the conditions which led to the abuse or neglect of the child within a reasonable period of time.

*j.* The court finds that both of the following have occurred:

(1) The child has been adjudicated a child in need of assistance pursuant to section 232.96 and custody has been transferred from the child's parents for placement pursuant to section 232.102.

(2) The parent has been imprisoned for a crime against the child, the child's sibling, or another child in the household, or the parent has been imprisoned and it is unlikely that the parent will be released from prison for a period of five or more years.

*k.* The court finds that all of the following have occurred:

(1) The child has been adjudicated a child in need of assistance pursuant to section 232.96 and custody has been transferred from the child's parents for placement pursuant to section 232.102.

(2) The parent has a chronic mental illness and has been repeatedly institutionalized for mental illness, and presents a danger to self or others as evidenced by prior acts.

(3) There is clear and convincing evidence that the parent's prognosis indicates that the child will not be able to be returned to the custody of the parent within a reasonable period of time considering the child's age and need for a permanent home.

*l.* The court finds that all of the following have occurred:

(1) The child has been adjudicated a child in need of assistance pursuant to section 232.96 and custody has been transferred from the child's parents for placement pursuant to section 232.102.

(2) The parent has a severe substance-related disorder and presents a danger to self or others as evidenced by prior acts.

(3) There is clear and convincing evidence that the parent's prognosis indicates that the child will not be able to be returned to the custody of the parent within a reasonable period of time considering the child's age and need for a permanent home.

*m.* The court finds that both of the following have occurred:

(1) The child has been adjudicated a child in need of assistance pursuant to section 232.96 after finding that the child has been physically or sexually abused or neglected as a result of the acts or omissions of a parent.

(2) The parent found to have physically or sexually abused or neglected the child has been convicted of a felony and imprisoned for physically or sexually abusing or neglecting the child, the child's sibling, or any other child in the household.

*n.* The court finds that all of the following have occurred:

(1) The child has been adjudicated a child in need of assistance pursuant to section 232.96.

(2) The parent has been convicted of child endangerment resulting in the death of the child's sibling, has been convicted of three or more acts of child endangerment involving the child, the child's sibling, or another child in the household, or has been convicted of child endangerment resulting in a serious injury to the child, the child's sibling, or another child in the household.

(3) There is clear and convincing evidence that the circumstances surrounding the parent's conviction for child endangerment would result in a finding of imminent danger to the child.

*o.* The parent has been convicted of a felony offense that is a sex offense against a minor as defined in section 692A.101, the parent is divorced from or was never married to the minor's other parent, and the parent is serving a minimum sentence of confinement of at least five years for that offense.

2. In considering whether to terminate the rights of a parent under this section, the court shall give primary consideration to the child's safety, to the best placement for furthering

the long-term nurturing and growth of the child, and to the physical, mental, and emotional condition and needs of the child. This consideration may include any of the following:

*a.* Whether the parent's ability to provide the needs of the child is affected by the parent's mental capacity or mental condition or the parent's imprisonment for a felony.

*b.* For a child who has been placed in foster family care by a court or has been voluntarily placed in foster family care by a parent or by another person, whether the child has become integrated into the foster family to the extent that the child's familial identity is with the foster family, and whether the foster family is able and willing to permanently integrate the child into the foster family. In considering integration into a foster family, the court shall review the following:

(1) The length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining that environment and continuity for the child.

(2) The reasonable preference of the child, if the court determines that the child has sufficient capacity to express a reasonable preference.

*c.* The relevant testimony or written statement that a foster parent, relative, or other individual with whom the child has been placed for preadoptive care or other care has a right to provide to the court.

3. The court need not terminate the relationship between the parent and child if the court finds any of the following:

*a.* A relative has legal custody of the child.

*b.* The child is over ten years of age and objects to the termination.

*c.* There is clear and convincing evidence that the termination would be detrimental to the child at the time due to the closeness of the parent-child relationship.

*d.* It is necessary to place the child in a hospital, facility, or institution for care and treatment and the continuation of the parent-child relationship is not preventing a permanent family placement for the child.

*e.* The absence of a parent is due to the parent's admission or commitment to any institution, hospital, or health facility or due to active service in the state or federal armed forces.

[C79, §232.114; C81, §232.116]

84 Acts, ch 1279, §19, 20; 86 Acts, ch 1186, §11; 87 Acts, ch 159, §6; 89 Acts, ch 229, §7 – 12; 90 Acts, ch 1251, §28; 92 Acts, ch 1231, §27 – 29; 93 Acts, ch 76, §2; 94 Acts, ch 1174, §3, 22; 95 Acts, ch 182, §10, 11; 98 Acts, ch 1190, §23; 2001 Acts, ch 67, §9, 13; 2006 Acts, ch 1182, §59; 2007 Acts, ch 172, §14; 2008 Acts, ch 1098, §2; 2009 Acts, ch 119, §38; 2011 Acts, ch 121, §58, 62

Referred to in §232.57, 232.102, 232.111, 232.117

**232.117 Termination — findings — disposition.**

1. After the hearing is concluded the court shall make and file written findings.

2. If the court concludes that facts sufficient to terminate parental rights have not been established by clear and convincing evidence, the court shall dismiss the petition.

3. If the court concludes that facts sufficient to sustain the petition have been established by clear and convincing evidence, the court may order parental rights terminated. If the court terminates the parental rights of the child's parents, the court shall transfer the guardianship and custody of the child to one of the following:

*a.* The department of human services.

*b.* A child-placing agency or other suitable private agency, facility or institution which is licensed or otherwise authorized by law to receive and provide care for the child.

*c.* A parent who does not have physical care of the child, other relative, or other suitable person.

4. The court shall not order group foster care placement of the child which is a charge upon the state if that placement is not in accordance with the service area plan for group foster care established pursuant to section 232.143 for the departmental service area in which the court is located.

5. If after a hearing the court does not order the termination of parental rights but finds that there is clear and convincing evidence that the child is a child in need of assistance, under

section 232.2, subsection 6, due to the acts or omissions of one or both of the child's parents the court may adjudicate the child to be a child in need of assistance and may enter an order in accordance with the provisions of section 232.100, 232.101, 232.102, or 232.104.

6. If the court orders the termination of parental rights and transfers guardianship and custody under subsection 3, the guardian shall submit a case permanency plan to the court and shall make every effort to establish a stable placement for the child by adoption or other permanent placement. Within forty-five days of receipt of the termination order, and every forty-five days thereafter until the court determines such reports are no longer necessary, the guardian shall report to the court regarding efforts made to place the child for adoption or providing the rationale as to why adoption would not be in the child's best interest.

7. The guardian of each child whose guardianship and custody has been transferred under subsection 3 and who has not been placed for adoption shall file a written report with the court every six months concerning the child's placement. The court shall hold a hearing to review the placement at intervals not to exceed six months after the date of the termination of parental rights or the last placement review hearing.

8. The guardian of each child whose guardianship and custody has been transferred under subsection 3 and who has been placed for adoption and whose adoption has not been finalized shall file a written report with the court every six months concerning the child's placement. The court shall hold a hearing to review the placement at intervals not to exceed twelve months after the date of the adoptive placement or the last placement review hearing.

9. Hearings held under this division are open to the public unless the court, on the motion of any of the parties or upon the court's own motion, excludes the public. The court shall exclude the public from a hearing if the court determines that the possibility of damage or harm to the child outweighs the public's interest in having a public hearing. Upon closing the hearing, the court may admit persons who have a direct interest in the case or in the work of the court.

10. If a termination of parental rights order is issued on the grounds that the child is a newborn infant whose parent has voluntarily released custody of the child under section 232.116, subsection 1, paragraph "c", the court shall retain jurisdiction to change a guardian or custodian and to allow a parent whose rights have been terminated to request vacation or appeal of the termination order which request must be made within thirty days of issuance of the granting of the termination order. The period for request for vacation or appeal by a parent whose rights have been terminated shall not be waived or extended and a vacation or appeal shall not be granted for a request made after the expiration of this period. The court shall grant the vacation request only if it is in the best interest of the child. The supreme court shall prescribe rules to establish the period of thirty days, which shall not be waived or extended, in which a parent whose parental rights have been terminated may request a vacation or appeal of such a termination order.

[C79, §232.115; C81, §232.117]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1279, §21; 87 Acts, ch 159, §5, 7; 89 Acts, ch 229, §13; 89 Acts, ch 230, §19; 92 Acts, ch 1229, §6; 94 Acts, ch 1046, §3; 98 Acts, ch 1190, §24, 25; 2001 Acts, ch 67, §10, 13; 2004 Acts, ch 1116, §11

Referred to in §232.116, 232.118, 232.119, 232.133, 237.20

**232.118 Removal of guardian.**

1. Upon application of an interested party or upon the court's own motion, the court having jurisdiction of the child may, after notice to the parties and a hearing, remove a court-appointed guardian and appoint a guardian in accordance with the provisions of section 232.117, subsection 3.

2. A child fourteen years of age or older who has not been adopted but who is placed in a satisfactory foster home may, with the consent of the foster parents, join with the guardian appointed by the court in an application to the court to remove the existing guardian and appoint the foster parents as guardians of the child.

3. The authority of a guardian appointed by the court terminates when the child reaches the age of majority or is adopted.

[C79, §232.116; C81, §232.118]

88 Acts, ch 1134, §53

**232.119 Adoption exchange established.**

1. The purpose of this section is to facilitate the placement of all children in Iowa who are legally available for adoption through the establishment of an adoption exchange to help find adoptive homes for these children.

2. An adoption information exchange is established within the department to be operated by the department or by an individual or agency under contract with the department.

*a.* All special needs children under state guardianship shall be registered on the adoption exchange within sixty days of the termination of parental rights pursuant to section 232.117 or 600A.9 and assignment of guardianship to the director.

*b.* Prospective adoptive families requesting a special needs child shall be registered on the adoption exchange upon receipt of an approved home study.

3. To register a child on the Iowa exchange, the department adoption worker or the private agency worker shall register the pertinent information concerning the child on the exchange. A photo of the child and other necessary information shall be forwarded to the department to be included in the photo-listing book which shall be updated regularly. The department adoption worker or the private agency worker who places a child on the exchange shall update the registration information within ten working days after a change in the information occurs.

4. The exchange shall include a matching service for children registered or listed in the adoption photo-listing book and prospective adoptive families listed on the exchange. The department shall register a child with the national electronic exchange and electronic photo-listing system if the child has not been placed for adoption after three months on the exchange established pursuant to this section.

5. A request to defer registering the child on the exchange shall be submitted in writing and shall be granted if any of the following conditions exist:

*a.* The child is in an adoptive placement.

*b.* The child's foster parents or another person with a significant relationship is being considered as the adoptive family.

*c.* A diagnostic study or testing is necessary to clarify the child's needs and to provide an adequate description of the child's needs.

*d.* At the time of the request, the child is receiving medical care, mental health treatment, or other treatment and the child's care or treatment provider has determined that meeting prospective adoptive parents is not in the child's best interest.

*e.* The child is fourteen years of age or older and will not consent to an adoption plan and the consequences of not being adopted have been explained to the child.

6. The following requirements apply to a request to defer registering a child on the adoption exchange under subsection 5:

*a.* For a deferral granted by the exchange pursuant to subsection 5, paragraph "*a*", "*b*", or "*e*", the child's guardian shall address the child's deferral status in the report filed with the court and the court shall review the deferral status in the six-month review hearings held pursuant to section 232.117, subsection 7.

*b.* In addition to the requirements of paragraph "*a*", a deferral granted by the exchange pursuant to subsection 5, paragraph "*b*", shall be limited to not more than a one-time, ninety-day period unless the termination of parental rights order is appealed or the child is placed in a hospital or other institutional placement. However, if the foster parents or another person with a significant relationship continues to be considered the child's prospective adoptive family, additional extensions of the deferral request under subsection 5, paragraph "*b*", may be granted until sixty days after the date of the final decision regarding the appeal or until the date the child is discharged from a hospital or other institutional placement.

*c.* A deferral granted by the exchange pursuant to subsection 5, paragraph "*c*", shall be limited to not more than a one-time, ninety-day period.

*d.* A deferral granted by the exchange pursuant to subsection 5, paragraph *"d"*, shall be limited to not more than a one-time, one-hundred-twenty-day period.

87 Acts, ch 159, §8; 91 Acts, ch 232, §9, 10; 93 Acts, ch 22, §1; 95 Acts, ch 182, §12; 98 Acts, ch 1190, §26

**232.120 Preadoptive care — continued placement.**

If a foster parent is providing preadoptive care to a child for whom a termination of parental rights petition has been filed, the placement of the child with that foster parent shall continue through the termination of parental rights proceeding unless the court orders otherwise based upon the best interests of the child.

98 Acts, ch 1190, §27

**232.121** Reserved.

DIVISION V

FAMILY IN NEED OF ASSISTANCE PROCEEDINGS

**232.122 Jurisdiction.**

The juvenile court shall have exclusive jurisdiction over family in need of assistance proceedings.

[C79, 81, §232.122]

Referred to in §232C.2, 232C.3

**232.123 Venue.**

Venue for family in need of assistance proceedings shall be determined in accordance with section 232.62.

[C79, 81, §232.123]

Referred to in §232C.2, 232C.3

**232.124** Repealed by 83 Acts, ch 21, § 3; 83 Acts, ch 186, § 10201, 10203.

**232.125 Petition.**

1. A family in need of assistance proceeding shall be initiated by the filing of a petition alleging that a child and the child's parent, guardian, or custodian are a family in need of assistance.

2. Such a petition may be filed by the child's parent, guardian, or custodian, by the child, or on the court's own motion as provided in section 232C.2. The judge, county attorney, or juvenile court officer may authorize such parent, guardian, custodian, or child to file a petition with the clerk of the court without the payment of a filing fee.

3. The petition and subsequent court documents shall be entitled "In re the family of .....".

4. The petition shall state the names and residences of the child, and the child's living parents, guardian, custodian, and guardian ad litem, if any and the age of the child.

5. The petition shall allege that there has been a breakdown in the familial relationship and that the petitioner has sought services from public or private agencies to maintain and improve the familial relationship.

[C79, 81, §232.125]

83 Acts, ch 186, §10055, 10201; 2009 Acts, ch 153, §1

Referred to in §232.21, 232C.2, 232C.3

**232.126 Appointment of counsel and guardian ad litem.**

The court shall appoint counsel or a guardian ad litem to represent the interests of the child at the hearing to determine whether the family is a family in need of assistance unless the child already has such counsel or guardian. The court shall appoint counsel for the parent, guardian or custodian if that person desires but is financially unable to employ counsel.

The court may appoint a court appointed special advocate to act as guardian ad litem. The court appointed special advocate shall receive notice of and may attend all depositions, hearings, and trial proceedings to support the child and advocate for the protection of the child. The court appointed special advocate shall not be allowed to separately introduce evidence or to directly examine or cross-examine witnesses. The court appointed special advocate shall submit reports to the court and the parties to the proceedings containing the information required in reports submitted by a court appointed special advocate under section 232.89, subsection 5. In addition, the court appointed special advocate shall file other reports to the court as required by the court.

[C79, 81, §232.126]

87 Acts, ch 121, §5; 2002 Acts, ch 1162, §18

Referred to in §232C.2, 232C.3

**232.127 Hearing — adjudication — disposition.**

1. Upon the filing of a petition, the court shall fix a time for a hearing and give notice thereof to the child and the child's parent, guardian or custodian.

2. A parent without custody may petition the court to be made a party to proceedings under this division.

3. The court shall exclude the general public from such hearing except the court in its discretion may admit persons having a legitimate interest in the case or the work of the court.

4. The hearing shall be informal and all relevant and material evidence shall be admitted.

5. The court may adjudicate the family to be a family in need of assistance and enter an appropriate dispositional order if the court finds:

*a.* There has been a breakdown in the relationship between the child and the child's parent, guardian or custodian; and

*b.* The child or the child's parent, guardian or custodian has sought services from public or private agencies to maintain and improve the familial relationship; and

*c.* The court has at its disposal services for this purpose which can be made available to the family.

6. If the court makes such a finding the court may order any or all of the parties to accept counseling and to comply with any other reasonable orders designed to maintain and improve the familial relationship. At the conclusion of any counseling ordered by the court, or at any other time deemed necessary, the parties shall be required to meet together and be apprised of the findings and recommendations of such counseling. Such an order shall remain in force for a period not to exceed one year unless the court otherwise specifies or sooner terminates the order.

7. The court may not order the child placed on probation, in a foster home or in a nonsecure facility unless the child requests and agrees to such supervision or placement. In no event shall the court order the child placed in the state training school or other secure facility.

8. The court shall not order group foster care placement of the child which is a charge upon the state if that placement is not in accordance with the service area plan for group foster care established pursuant to section 232.143 for the departmental service area in which the court is located.

9. A child found in contempt of court because of violation of conditions imposed under this section shall not be considered delinquent. Such a contempt may be punished by imposition of a work assignment or assignments to benefit the state or a governmental subdivision of the state. In addition to or in lieu of such an assignment or assignments, the court may impose one of the dispositions set out in sections 232.100 to 232.102.

10. If the child is sixteen years of age or older and an order for an out-of-home placement is entered, the order shall specify the services needed to assist the child in preparing for the transition from foster care to adulthood. If the child has a case permanency plan, the court shall consider the written transition plan of services and needs assessment developed for the child's case permanency plan. If the child does not have a case permanency plan containing the transition plan and needs assessment at the time the order is entered, the written transition plan and needs assessment shall be developed and submitted for the court's

consideration no later than six months from the date of the transfer order. The court shall modify the initial transfer order as necessary to specify the services needed to assist the child in preparing for the transition from foster care to adulthood. If the transition plan identifies services or other support needed to assist the child when the child becomes an adult and the court deems it to be beneficial to the child, the court may authorize the individual who is the child's guardian ad litem or court appointed special advocate to continue a relationship with and provide advice to the child for a period of time beyond the child's eighteenth birthday.

11. If after hearing pursuant to this section, the court finds, by clear and convincing evidence, that no remedy is available that would result in strengthening or maintaining the familial relationship, the court may order the minor emancipated pursuant to section 232C.3, subsection 4.

[C79, 81, §232.127; 82 Acts, ch 1260, §24]

92 Acts, ch 1229, §7; 2003 Acts, ch 117, §7; 2004 Acts, ch 1116, §12; 2009 Acts, ch 153, §2

Referred to in §232C.2, 232C.3

**232.128 through 232.132** Reserved.

## DIVISION VI

## APPEAL

Referred to in §232.147

**232.133 Appeal.**

1. An interested party aggrieved by an order or decree of the juvenile court may appeal from the court for review of questions of law or fact. However, an order adjudicating a child to have committed a delinquent act, entered pursuant to section 232.47, shall not be appealed until the court enters a corresponding dispositional order pursuant to section 232.52. An appeal that affects the custody of a child shall be heard at the earliest practicable time.

2. Except for appeals from orders entered in child in need of assistance proceedings or orders entered pursuant to section 232.117, appellate procedures shall be governed by the same provisions applicable to appeals from the district court. The supreme court may prescribe rules to expedite the resolution of appeals from orders entered in child in need of assistance proceedings or orders entered pursuant to section 232.117.

3. The pendency of an appeal or application therefor shall not suspend the order of the juvenile court regarding a child and shall not discharge the child from the custody of the court or the agency, association, facility, institution or person to whom the court has transferred legal custody unless the appellate court otherwise orders on application of an appellant.

4. If the appellate court does not dismiss the proceedings and discharge the child, the appellate court shall affirm or modify the order of the juvenile court and remand the child to the jurisdiction of the juvenile court for disposition not inconsistent with the appellate court's finding on the appeal.

[C66, 71, 73, 75, 77, §232.58; C79, 81, §232.133]

86 Acts, ch 1186, §12; 2001 Acts, ch 117, §1; 2003 Acts, ch 25, §1; 2006 Acts, ch 1129, §1; 2007 Acts, ch 126, §45

**232.134 through 232.140** Reserved.

## DIVISION VII

## EXPENSES AND COSTS

**232.141 Expenses.**

1. Except as otherwise provided by law, the court shall inquire into the ability of the child or the child's parent to pay expenses incurred pursuant to subsections 2, 4, and 8. After giving the parent a reasonable opportunity to be heard, the court may order the parent to

pay all or part of the costs of the child's care, examination, treatment, legal expenses, or other expenses. An order entered under this section does not obligate a parent paying child support under a custody decree, except that part of the monthly support payment may be used to satisfy the obligations imposed by the order entered pursuant to this section. If a parent fails to pay as ordered, without good reason, the court may proceed against the parent for contempt and may inform the county attorney who shall proceed against the parent to collect the unpaid amount. Any payment ordered by the court shall be a judgment against each of the child's parents and a lien as provided in section 624.23. If all or part of the amount that the parents are ordered to pay is subsequently paid by the county or state, the judgment and lien shall thereafter be against each of the parents in favor of the county to the extent of the county's payments and in favor of the state to the extent of the state's payments.

2. All of the following juvenile court expenses are a charge upon the county in which the proceedings are held, to the extent provided in subsection 3:

*a.* Juvenile court expenses incurred by an attorney appointed by the court to serve as counsel to any party or to serve as a guardian ad litem for any child, including fees and expenses for foreign language interpreters, costs of depositions and transcripts, fees and mileage of witnesses, and the expenses of officers serving notices and subpoenas.

*b.* Reasonable compensation for an attorney appointed by the court to serve as counsel to any party or as guardian ad litem for any child in juvenile court.

*c.* Fees and expenses incurred by the juvenile court for foreign language interpreters for court proceedings.

3. Costs incurred under subsection 2 shall be paid as follows:

*a.* A county shall be required to pay for the fiscal year beginning July 1, 1989, an amount equal to the county's base cost for witness and mileage fees and attorney fees established pursuant to section 232.141, subsection 8, paragraph "*d*", Code 1989, for the fiscal year beginning July 1, 1988, plus an amount equal to the percentage rate of change in the consumer price index as tabulated by the federal bureau of labor statistics for the current year times the county's base cost.

*b.* A county's base cost for a fiscal year plus the percentage rate of change amount as computed in paragraph "*a*" is the county's base cost for the succeeding fiscal year. The amount to be paid in the succeeding year by the county shall be computed as provided in paragraph "*a*".

*c.* The county, on an annual basis, shall pay to the indigent defense fund created under section 815.11 the amount of the county's base cost as determined in accordance with this subsection.

*d.* Costs incurred under subsection 2 shall be paid by the state from the appropriations to the indigent defense fund under section 815.11 in accordance with this chapter, chapter 815, and the rules adopted by the state public defender. The county shall be required to reimburse the indigent defense fund for costs incurred by the state up to the county's base in this subsection.

4. Upon certification of the court, all of the following expenses are a charge upon the state to the extent provided in subsection 5:

*a.* The expenses of transporting a child to or from a place designated by the court for the purpose of care or treatment.

*b.* Expenses for mental or physical examinations of a child if ordered by the court.

*c.* The expenses of care or treatment ordered by the court.

5. If no other provision of law requires the county to reimburse costs incurred pursuant to subsection 4, the department shall reimburse the costs as follows:

*a.* The department shall prescribe by administrative rule all services eligible for reimbursement pursuant to subsection 4 and shall establish an allowable rate of reimbursement for each service.

*b.* The department shall receive billings for services provided and, after determining allowable costs, shall reimburse providers at a rate which is not greater than allowed by administrative rule. Reimbursement paid to a provider by the department shall be considered reimbursement in full unless a county voluntarily agrees to pay any difference between the reimbursement amount and the actual cost. When there are specific program regulations

prohibiting supplementation those regulations shall be applied to providers requesting supplemental payments from a county. Billings for services not listed in administrative rule shall not be paid. However, if the court orders a service not currently listed in administrative rule, the department shall review the order and, if reimbursement for the service of the department is not in conflict with other law or administrative rule, and meets the criteria of subsection 4, the department shall reimburse the provider.

6. If a child is given physical or mental examinations or treatment relating to an assessment performed pursuant to section 232.71B with the consent of the child's parent, guardian, or legal custodian and no other provision of law otherwise requires payment for the costs of the examination and treatment, the costs shall be paid by the state. Reimbursement for costs of services described in this subsection is subject to subsection 5.

7. A county charged with the costs and expenses under subsections 2 and 3 may recover the costs and expenses from the county where the child has legal settlement by filing verified claims which are payable as are other claims against the county. A detailed statement of the facts upon which a claim is based shall accompany the claim. Any dispute involving the legal settlement of a child for which the court has ordered payment under this section shall be settled pursuant to sections 252.22 and 252.23.

8. This subsection applies only to placements in a juvenile shelter care home which is publicly owned, operated as a county or multicounty shelter care home, organized under a chapter 28E agreement, or operated by a private juvenile shelter care home. If the actual and allowable costs of a child's shelter care placement exceed the amount the department is authorized to pay in accordance with law and administrative rule, the unpaid costs may be recovered from the child's county of legal settlement. However, the maximum amount of the unpaid costs which may be recovered under this subsection is limited to the difference between the amount the department is authorized to pay and the statewide average of the actual and allowable rates in effect in May of the preceding fiscal year for reimbursement of juvenile shelter care homes. In no case shall the home be reimbursed for more than the home's actual and allowable costs. The unpaid costs are payable pursuant to filing of verified claims against the county of legal settlement. A detailed statement of the facts upon which a claim is based shall accompany the claim. Any dispute between counties arising from filings of claims pursuant to this subsection shall be settled in the manner provided to determine residency in section 331.394.

[S13, §254-a25, -a45; C24, 27, 31, 35, 39, §**3644, 3645;** C46, 50, 54, 58, 62, §232.25, 232.26; C66, 71, 73, 75, 77, §232.51 – 232.53; C79, 81, §232.141; 82 Acts, ch 1260, §119]

85 Acts, ch 173, §14; 87 Acts, ch 152, §1; 88 Acts, ch 1134, §54; 89 Acts, ch 283, §23; 90 Acts, ch 1233, §8; 92 Acts, ch 1229, §8; 92 Acts, 1st Ex, ch 1004, §3; 93 Acts, ch 76, §15; 93 Acts, ch 172, §34; 97 Acts, ch 35, §12, 25; 97 Acts, ch 126, §31; 99 Acts, ch 135, §20, 21; 2000 Acts, ch 1115, §2 – 4; 2002 Acts, ch 1119, §147; 2004 Acts, ch 1090, §51; 2004 Acts, ch 1175, §148; 2006 Acts, ch 1041, §5, 6; 2012 Acts, ch 1120, §118, 130; 2013 Acts, ch 115, §10, 19

Referred to in §232.11, 232.52, 232.89, 232.143, 234.8, 237.20, 331.401, 602.1302, 602.1303, 815.11

2013 amendment to subsection 6 takes effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

2012 amendment to subsection 8 takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Subsections 6 and 8 amended

**232.142 Maintenance and cost of juvenile homes — fund.**

1. County boards of supervisors which singly or in conjunction with one or more other counties provide and maintain juvenile detention and juvenile shelter care homes are subject to this section.

2. For the purpose of providing and maintaining a county or multicounty home, the board of supervisors of any county may issue general county purpose bonds in accordance with sections 331.441 to 331.449. Expenses for providing and maintaining a multicounty home shall be paid by the counties participating in a manner to be determined by the boards of supervisors.

3. A county or multicounty juvenile detention home approved pursuant to this section shall receive financial aid from the state in a manner approved by the director. Aid paid by

the state shall be at least ten percent and not more than fifty percent of the total cost of the establishment, improvements, operation, and maintenance of the home.

4. The director shall adopt minimal rules and standards for the establishment, maintenance, and operation of such homes as shall be necessary to effect the purposes of this chapter. The rules shall apply the requirements of section 237.8, concerning employment and evaluation of persons with direct responsibility for a child or with access to a child when the child is alone and persons residing in a child foster care facility, to persons employed by, residing in, or volunteering for a home approved under this section. The director shall, upon request, give guidance and consultation in the establishment and administration of the homes and programs for the homes.

5. The director shall approve annually all such homes established and maintained under the provisions of this chapter. A home shall not be approved unless it complies with minimal rules and standards adopted by the director and has been inspected by the department of inspections and appeals. The statewide number of beds in the homes approved by the director shall not exceed two hundred sixty-two beds.

6. A juvenile detention home fund is created in the state treasury under the authority of the department. The fund shall consist of moneys deposited in the fund pursuant to sections 321.218A and 321A.32A. The moneys in the fund shall be used for the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in accordance with annual appropriations made by the general assembly from the fund for these purposes.

[S13, §254-a20, -a26, -a29, -a30; C24, 27, 31, 35, 39, §**3653 – 3655;** C46, 50, 54, 58, 62, §232.35 – 232.37; C66, 71, 73, 75, 77, §232.21 – 232.26; C79, 81, S81, §232.142; 81 Acts, ch 117, §1031]

83 Acts, ch 123, §91, 209; 88 Acts, ch 1134, §55; 90 Acts, ch 1204, §47; 90 Acts, ch 1239, §13; 91 Acts, ch 138, §4; 92 Acts, ch 1229, §9; 2001 Acts, ch 191, §38; 2011 Acts, ch 98, §7; 2013 Acts, ch 138, §47

Referred to in §232.69, 237.4, 321.210B, 321.218A, 321A.32A, 331.382, 709.16

Subsection 5 amended

**232.143 Service area group foster care budget targets.**

1. *a.* A statewide expenditure target for children in group foster care placements in a fiscal year, which placements are a charge upon or are paid for by the state, shall be established annually in an appropriation bill by the general assembly. Representatives of the department and juvenile court services shall jointly develop a formula for allocating a portion of the statewide expenditure target established by the general assembly to each of the department's service areas. The formula shall be based upon the service area's proportion of the state population of children and of the statewide usage of group foster care in the previous five completed fiscal years and upon other indicators of need. The expenditure amount determined in accordance with the formula shall be the group foster care budget target for that service area.

*b.* A service area may exceed the service area's budget target for group foster care by not more than five percent in a fiscal year, provided the overall funding allocated by the department for all child welfare services in the service area is not exceeded.

*c.* If all of the following circumstances are applicable, a service area may temporarily exceed the service area's budget target as necessary for placement of a child in group foster care:

(1) The child is thirteen years of age or younger.

(2) The court has entered a dispositional order for placement of the child in group foster care.

(3) The child is placed in a juvenile detention facility awaiting placement in group foster care.

*d.* If a child is placed pursuant to paragraph "*c*", causing a service area to temporarily exceed the service area's budget target, the department and juvenile court services shall examine the cases of the children placed in group foster care and counted in the service area's budget target at the time of the placement pursuant to paragraph "*c*". If the

examination indicates it may be appropriate to terminate the placement for any of the cases, the department and juvenile court services shall initiate action to set a dispositional review hearing under this chapter for such cases. In such a dispositional review hearing, the court shall determine whether needed aftercare services are available following termination of the placement and whether termination of the placement is in the best interests of the child and the community.

2. For each of the department's service areas, representatives appointed by the department and juvenile court services shall establish a plan for containing the expenditures for children placed in group foster care ordered by the court within the budget target allocated to that service area pursuant to subsection 1. The plan shall be established in a manner so as to ensure the budget target amount will last the entire fiscal year. The plan shall include monthly targets and strategies for developing alternatives to group foster care placements in order to contain expenditures for child welfare services within the amount appropriated by the general assembly for that purpose. Funds for a child placed in group foster care shall be considered encumbered for the duration of the child's projected or actual length of stay, whichever is applicable. Each service area plan shall be established within sixty days of the date by which the group foster care budget target for the service area is determined. To the extent possible, the department and juvenile court services shall coordinate the planning required under this subsection with planning for services paid under section 232.141, subsection 4. The department's service area manager shall communicate regularly, as specified in the service area plan, with the chief juvenile court officers within that service area concerning the current status of the service area plan's implementation.

3. State payment for group foster care placements shall be limited to those placements which are in accordance with the service area plans developed pursuant to subsection 2.

92 Acts, ch 1229, §10; 96 Acts, ch 1213, §35; 98 Acts, ch 1047, §22; 99 Acts, ch 111, §9; 2004 Acts, ch 1116, §13; 2007 Acts, ch 218, §115

Referred to in §232.52, 232.102, 232.117, 232.127, 234.35

Statewide expenditure target for group foster care maintenance and services for 2013-2014 and 2014-2015 fiscal years; 2013 Acts, ch 138, §18, 148

Section not amended; footnote revised

**232.144 through 232.146** Reserved.

## DIVISION VIII

## RECORDS

Referred to in §232.48

**232.147 Confidentiality of juvenile court records.**

1. Juvenile court records shall be confidential. They shall not be inspected and their contents shall not be disclosed except as provided in this section.

2. Official juvenile court records in cases alleging delinquency, including complaints under section 232.28, shall be public records, subject to the following restrictions:

*a.* Official juvenile court records containing a petition or complaint alleging delinquency filed prior to January 1, 2007, shall be public records subject to a confidentiality order under section 232.149A or sealing under section 232.150.

*b.* Official juvenile court records containing a petition or complaint alleging delinquency filed on or after January 1, 2007, shall be public records subject to a confidentiality order under section 232.149A or sealing under section 232.150. The official records shall not be available to the public or any governmental agency through the internet or in an electronic customized data report unless the child has been adjudicated delinquent. However, the following shall have access to official juvenile court records through the internet or in an electronic customized data report prior to the child being adjudicated delinquent:

(1) The judge and professional court staff, including juvenile court officers.

(2) The child's counsel or guardian ad litem.

(3) The county attorney and the county attorney's assistants.

(4) A court, court professional staff, and adult probation officers in connection with the preparation of a presentence report concerning a person who prior thereto had been the subject of a juvenile court proceeding.

(5) A state or local law enforcement agency.

(6) The state public defender.

(7) The division of criminal and juvenile justice planning of the department of human rights.

*c.* If the court has excluded the public from a hearing under division II of this chapter, the transcript of the proceedings shall not be deemed a public record and inspection and disclosure of the contents of the transcript shall not be permitted except pursuant to court order or unless otherwise provided in this chapter.

*d.* Complaints under section 232.28 shall be released in accordance with section 915.25. Other official juvenile court records may be released under this section by a juvenile court officer.

3. Official juvenile court records in all cases except those alleging delinquency may be inspected and their contents shall be disclosed to the following without court order:

*a.* The judge and professional court staff, including juvenile court officers.

*b.* The child and the child's counsel.

*c.* The child's parent, guardian or custodian, court appointed special advocate, and guardian ad litem, and the members of the child advocacy board created in section 237.16 or a local citizen foster care review board created in accordance with section 237.19 who are assigning or reviewing the child's case.

*d.* The county attorney and the county attorney's assistants.

*e.* An agency, association, facility or institution which has custody of the child, or is legally responsible for the care, treatment or supervision of the child.

*f.* A court, court professional staff, and adult probation officers in connection with the preparation of a presentence report concerning a person who prior thereto had been the subject of a juvenile court proceeding.

*g.* The child's foster parent or an individual providing preadoptive care to the child.

*h.* The state public defender.

4. Official juvenile court records enumerated in section 232.2, subsection 38, paragraph "*e*", relating to paternity, support, or the termination of parental rights, shall be disclosed, upon request, to the child support recovery unit without court order.

5. Pursuant to court order official records may be inspected by and their contents may be disclosed to:

*a.* A person conducting bona fide research for research purposes under whatever conditions the court may deem proper, provided that no personal identifying data shall be disclosed to such a person.

*b.* Persons who have a direct interest in a proceeding or in the work of the court.

6. *a.* Inspection of social records and disclosure of their contents shall not be permitted except pursuant to court order or unless otherwise provided in this subsection or chapter.

*b.* If an informal adjustment of a complaint is made pursuant to section 232.29, the intake officer shall disclose to the victim of the delinquent act, upon the request of the victim, the name and address of the child who committed the delinquent act.

7. Social records prior to adjudication may be disclosed without court order to the superintendent or superintendent's designee of a school district, authorities in charge of an accredited nonpublic school, or any other state or local agency that is part of the juvenile justice system, in accordance with an interagency agreement established under section 280.25. The disclosure shall only include identifying information that is necessary to fulfill the purpose of the disclosure. The social records disclosed shall be used solely for the purpose of determining the programs and services appropriate to the needs of the child or the family of the child and shall not be disclosed for any other purpose unless otherwise provided by law.

8. All juvenile court records shall be made available for inspection and their contents shall be disclosed to any party to the case and the party's counsel and to any trial or appellate court in connection with an appeal pursuant to division VI of this chapter.

9. The clerk of the district court shall enter information from the juvenile record on the judgment docket and lien index, but only as necessary to record support judgments.

10. The state agency designated to enforce support obligations may release information as necessary in order to meet statutory responsibilities.

11. Release of official juvenile court records to a victim of a delinquent act is subject to the provisions of section 915.24, notwithstanding contrary provisions of this chapter.

[C66, 71, 73, 75, 77, §232.54, 232.57; C79, 81, §232.147; 82 Acts, ch 1209, §16]

83 Acts, ch 186, §10057, 10201; 84 Acts, ch 1208, §2; 90 Acts, ch 1271, §1508; 92 Acts, ch 1195, §301; 93 Acts, ch 172, §35, 56; 95 Acts, ch 191, §15; 96 Acts, ch 1110, §3; 97 Acts, ch 164, §4; 98 Acts, ch 1090, §63, 83, 84; 2000 Acts, ch 1123, §2; 2001 Acts, ch 79, §1; 2005 Acts, ch 55, §2; 2006 Acts, ch 1164, §1; 2006 Acts, ch 1185, §76; 2009 Acts, ch 41, §263; 2013 Acts, ch 116, §3

Referred to in §13B.4B, 135L.3, 216A.136, 228.6, 232.19, 232.91, 232.104, 232.149A, 232.150, 232.151, 232C.4, 235A.17, 280.25, 692A.121, 915.10A, 915.25

Subsection 3, NEW paragraph h

**232.148 Fingerprints — photographs.**

1. Except as provided in this section, a child shall not be fingerprinted or photographed by a criminal or juvenile justice agency after the child is taken into custody.

2. Fingerprints of a child who has been taken into custody shall be taken and filed by a criminal or juvenile justice agency investigating the commission of a public offense other than a simple misdemeanor. In addition, photographs of a child who has been taken into custody may be taken and filed by a criminal or juvenile justice agency investigating the commission of a public offense other than a simple misdemeanor. The criminal or juvenile justice agency shall forward the fingerprints to the department of public safety for inclusion in the automated fingerprint identification system and may also retain a copy of the fingerprint card for comparison with latent fingerprints and the identification of repeat offenders.

3. If a peace officer has reasonable grounds to believe that latent fingerprints found during the investigation of the commission of a public offense are those of a particular child, fingerprints of the child may be taken for immediate comparison with the latent fingerprints regardless of the nature of the offense. If the comparison is negative the fingerprint card and other copies of the fingerprints taken shall be immediately destroyed. If the comparison is positive, the fingerprint card and other copies of the fingerprints taken shall be delivered to the division of criminal investigation of the department of public safety in the manner and on the forms prescribed by the commissioner of public safety within two working days after the fingerprints are taken. After notification by the child or the child's representative that the child has not had a delinquency petition filed against the child or has not entered into an informal adjustment agreement, the fingerprint card and copies of the fingerprints shall be immediately destroyed.

4. Fingerprint and photograph files of children may be inspected by peace officers when necessary for the discharge of their official duties. The juvenile court may authorize other inspections of such files in individual cases upon a showing that inspection is necessary in the public interest.

5. Fingerprints and photographs of a child shall be removed from the file and destroyed upon notification by the child's guardian ad litem or legal counsel to the department of public safety that either of the following situations apply:

*a.* A petition alleging the child to be delinquent is not filed and the child has not entered into an informal adjustment, admitting involvement in a delinquent act alleged in the complaint.

*b.* After a petition is filed, the petition is dismissed or the proceedings are suspended and the child has not entered into a consent decree and has not been adjudicated delinquent on

the basis of a delinquent act other than one alleged in the petition in question, or the child has not been placed on youthful offender status.

[C79, 81, §232.148; 82 Acts, ch 1209, §17]

94 Acts, ch 1172, §25; 95 Acts, ch 67, §17; 95 Acts, ch 191, §16, 17; 96 Acts, ch 1034, §11; 97 Acts, ch 126, §32, 33; 98 Acts, ch 1100, §26; 99 Acts, ch 37, §1

Referred to in §216A.136, 232.91, 232.151, 232C.4, 692.15, 692A.121, 726.23

See also §690.2, 690.4, and 726.23

**232.149 Records of criminal or juvenile justice agencies.**

1. The taking of a child into custody under the provisions of section 232.19 shall not be considered an arrest.

2. Records and files of a criminal or juvenile justice agency concerning a child involved in a delinquent act are public records, except that release of criminal history data, intelligence data, and law enforcement investigatory files is subject to the provisions of section 22.7 and chapter 692, and juvenile court social records, as defined in section 232.2, subsection 31, shall be deemed confidential criminal identification files under section 22.7, subsection 9. The records are subject to sealing under section 232.150 unless the juvenile court waives its jurisdiction over the child so that the child may be prosecuted as an adult for a public offense.

3. Notwithstanding subsection 2, if a juvenile who has been placed in detention under section 232.22 escapes from the facility, the criminal or juvenile justice agency may release the name of the juvenile, the facts surrounding the escape, and the offense or alleged offense which resulted in the placement of the juvenile in the facility.

[C66, 71, 73, 75, 77, §232.15; C79, 81, §232.149]

83 Acts, ch 186, §10057, 10201; 85 Acts, ch 173, §15; 94 Acts, ch 1172, §26; 95 Acts, ch 191, § 18, 19; 97 Acts, ch 126, §34, 35

Referred to in §216A.136, 232.91, 232.149A, 232.150, 232.151, 232C.4, 692A.121

**232.149A Confidentiality orders.**

1. Notwithstanding any other provision of the Code to the contrary, upon application of a person who was taken into custody for a delinquent act or was the subject of a complaint alleging delinquency or was the subject of a delinquency petition, or upon the court's own motion, the court after hearing, shall order official juvenile court records in the case to be kept confidential and no longer public records under sections 232.147 and 232.149, if the court finds both of the following apply:

*a.* The case has been dismissed and the person is no longer subject to the jurisdiction of the juvenile court.

*b.* Making the records confidential is in the best interests of the person and the public.

2. The records subject to a confidentiality order may be sealed at a later date if section 232.150 applies.

3. Official juvenile court records subject to a confidentiality order may be inspected and their contents shall be disclosed to the following without court order:

*a.* The judge and professional court staff, including juvenile court officers.

*b.* The child and the child's counsel.

*c.* The child's parent, guardian or custodian, court appointed special advocate, and guardian ad litem, and the members of the child advocacy board created in section 237.16 or a local citizen foster care review board created in accordance with section 237.19 who are assigning or reviewing the child's case.

*d.* The county attorney and the county attorney's assistants.

*e.* An agency, association, facility, or institution which has custody of the child, or is legally responsible for the care, treatment, or supervision of the child, including but not limited to the department of human services.

*f.* A court, court professional staff, and adult probation officers in connection with the preparation of a presentence report concerning a person who had been the subject of a juvenile court proceeding.

*g.* The child's foster parent or an individual providing preadoptive care to the child.

*h.* A state or local law enforcement agency.

*i.* The state public defender.

4. If the child has been discharged from the jurisdiction of the juvenile court due to reaching the age of eighteen and restitution remains unpaid, the name of the court, the title of the action, and the court's file number shall not be kept confidential, and the restitution amount shall be a judgment and lien as provided in sections 910.7A, 910.8, 910.10, and 915.28 until the restitution is paid.

5. Pursuant to court order, official juvenile court records subject to a confidentiality order may be inspected by and their contents may be disclosed to:

*a.* A person conducting bona fide research for research purposes under whatever conditions the court may deem proper, provided that no personal identifying data shall be disclosed to such a person.

*b.* Persons who have a direct interest in a proceeding or in the work of the court.

2006 Acts, ch 1164, §2; 2006 Acts, ch 1185, §77

Referred to in §216A.136, 232.91, 232.147, 232.151, 232C.4, 692A.121

**232.150 Sealing of records.**

1. *a.* Upon application of a person who was taken into custody for a delinquent act or was the subject of a complaint alleging delinquency or was the subject of a delinquency petition, or upon the court's own motion, the court, after hearing, shall order the official juvenile court records in the case including those specified in sections 232.147 and 232.149 sealed if the court finds all of the following:

(1) The person is eighteen years of age or older and two years have elapsed since the last official action in the person's case.

(2) The person has not been subsequently convicted of a felony or an aggravated or serious misdemeanor or adjudicated a delinquent child for an act which if committed by an adult would be a felony, an aggravated misdemeanor, or a serious misdemeanor and no proceeding is pending seeking such conviction or adjudication.

(3) The person was not placed on youthful offender status, transferred back to district court after the youthful offender's eighteenth birthday, and sentenced for the offense which precipitated the youthful offender placement.

*b.* If the person was adjudicated delinquent for an offense which if committed by an adult would be an aggravated misdemeanor or a felony, the court shall not order the records in the case sealed unless, upon application of the person or upon the court's own motion and after hearing, the court finds that paragraph "*a*", subparagraphs (1) and (2), apply and that the sealing is in the best interests of the person and the public.

*c.* If the person is required to pay monetary restitution to a victim due to a delinquent act and the restitution is unpaid, the records in the case may be sealed, but the name of the court, the title of the action, and the court's file number shall remain unsealed as provided in section 910.10 and the restitution amount shall be a judgment and lien as provided in sections 910.7A, 910.8, 910.10, and 915.28 until the restitution is paid in full.

2. Reasonable notice of the hearing shall be given to the person who is the subject of the records named in the motion, the county attorney, and the agencies having custody of the records named in the application or motion.

3. Notice and copies of a sealing order shall be sent to each agency or person having custody or the records named therein.

4. On entry of a sealing order:

*a.* All agencies and persons having custody of records which are named therein, shall send such records to the court issuing the order.

*b.* All index references to sealed records shall be deleted.

5. The sealed records shall no longer be deemed to exist as a matter of law, and the juvenile court and any other agency or person who received notice and a copy of the sealing order shall reply to an inquiry that no such records exist, except when such reply is made to an inquiry pursuant to subsection 6.

6. Inspection of sealed records and disclosure of their contents thereafter may be permitted only pursuant to an order of the court upon application of the person who is the subject of such records except that the court in its discretion may permit reports to be

inspected by or their contents to be disclosed for research purposes to a person conducting bona fide research under whatever conditions the court deems proper.

[C79, 81, §232.150; 82 Acts, ch 1209, §18]

97 Acts, ch 126, §36; 2006 Acts, ch 1164, §3

Referred to in §216A.136, 232.55, 232.91, 232.147, 232.149, 232.149A, 232.151, 232C.4, 692A.101, 692A.121

**232.151 Criminal penalties.**

Any person who knowingly discloses, receives, or makes use or permits the use of information derived directly or indirectly from the records concerning a child referred to in sections 232.147 to 232.150 except as provided by those sections shall be guilty of a serious misdemeanor.

[C79, 81, §232.151]

Referred to in §216A.136, 232.91, 232C.4, 692A.121

**232.152 Rules of juvenile procedure.**

Proceedings under this chapter are subject to rules prescribed by the supreme court under section 602.4201.

[C79, 81, §232.152]

83 Acts, ch 186, §10058, 10201

Referred to in §216A.136

Rules adopted by the supreme court are published in the compilation "Iowa Court Rules"

Section not amended; footnote revised

**232.153 Applicability of this chapter prior to its effective date.**

1. Except as provided in subsections 2 and 3 of this section, this chapter does not apply to juvenile court cases brought prior to July 1, 1979 or to acts committed prior to July 1, 1979 which would otherwise bring a child or a child's parent, guardian or custodian within the jurisdiction of the juvenile court pursuant to this chapter.

2. In a case pending on or commenced after July 1, 1979, involving acts committed prior to July 1, 1979, upon the request of any party and the approval of the court:

*a.* Procedural provisions of this chapter shall apply insofar as they are justly applicable.

*b.* The court may order a disposition of the case pursuant to the provisions of this chapter.

3. Provisions of this chapter governing the termination, modification or vacation of a dispositional order shall apply to persons to whom a dispositional order has been issued for acts committed prior to July 1, 1979, except that the maximum length of the order and the severity of the disposition shall not be increased. The provisions of this chapter shall not affect the substantive or procedural validity of a judgment entered before July 1, 1979, regardless of the fact that appeal time has not run or that an appeal is pending.

[C81, §232.153]

Referred to in §216A.136

**232.154 through 232.157** Reserved.

## DIVISION IX

## INTERSTATE COMPACT ON PLACEMENT OF CHILDREN

**232.158 Interstate compact on placement of children.**

The interstate compact on the placement of children is hereby enacted into law and entered into with all other jurisdictions legally joining therein in form substantially as follows:

1. *Article I — Purpose and policy.* It is the purpose and policy of the party states to cooperate with each other in the interstate placement of children to the end that:

*a.* Each child requiring placement shall receive the maximum opportunity to be placed in a suitable environment and with persons or institutions having appropriate qualifications and facilities to provide a necessary and desirable degree and type of care.

*b.* The appropriate authorities in a state where a child is to be placed may have full

opportunity to ascertain the circumstances of the proposed placement, thereby promoting full compliance with applicable requirements for the protection of the child.

*c.* The proper authorities of the state from which the placement is made may obtain the most complete information on the basis of which to evaluate a projected placement before it is made.

*d.* Appropriate jurisdictional arrangements for the care of children will be promoted.

2. *Article II — Definitions.* As used in this compact:

*a.* *"Child"* means a person who, by reason of minority, is legally subject to parental, guardianship or similar control.

*b.* *"Sending agency"* means a party state, officer or employee thereof; a subdivision of a party state, or officer or employee thereof; a court of a party state; a person, corporation, association, charitable agency or other entity which sends, brings, or causes to be sent or brought any child to another party state.

*c.* *"Receiving state"* means the state to which a child is sent, brought, or caused to be sent or brought, whether by public authorities or private persons or agencies, and whether for placement with state or local public authorities or for placement with private agencies or persons.

*d.* *"Placement"* means the arrangement for the care of a child in a family free or boarding home or in a child-caring agency or institution, but not in an institution caring for the mentally ill, mentally defective, or epileptic, in an institution primarily educational in character, or in a hospital or other medical facility.

3. *Article III — Conditions for placement.*

*a.* A sending agency shall not send, bring, or cause to be sent or brought into any other party state a child for placement in foster care or as a preliminary to a possible adoption unless the sending agency complies with every requirement set forth in this article and with the applicable laws of the receiving state governing the placement of children in the receiving state.

*b.* Prior to sending, bringing or causing any child to be sent or brought into a receiving state for placement in foster care or as a preliminary to a possible adoption, the sending agency shall furnish the appropriate public authorities in the receiving state written notice of the intention to send, bring, or place the child in the receiving state. The notice shall contain:

(1) The name, date and place of birth of the child.

(2) The identity and address or addresses of the parents or legal guardian.

(3) The name and address of the person, agency or institution to or with which the sending agency proposes to send, bring or place the child.

(4) A full statement of the reasons for such proposed action and evidence of the authority pursuant to which the placement is proposed to be made.

*c.* Any public officer or agency in a receiving state which is in receipt of a notice pursuant to paragraph *"b"* of this article may request of the sending agency, or any other appropriate officer or agency of or in the sending agency's state, and shall be entitled to receive therefrom, such supporting or additional information as it may deem necessary under the circumstances to carry out the purpose and policy of this compact.

*d.* The child shall not be sent, brought, or caused to be sent or brought into the receiving state until the appropriate public authorities in the receiving state shall notify the sending agency, in writing, to the effect that the proposed placement does not appear to be contrary to the interests of the child.

4. *Article IV — Penalty for illegal placement.* The sending, bringing, or causing to be sent or brought into any receiving state of a child in violation of the terms of this compact shall constitute a violation of the laws respecting the placement of children of both the state in which the sending agency is located or from which it sends or brings the child and of the receiving state. Such violation may be punished or subjected to penalty in either jurisdiction in accordance with its laws. In addition to liability for any such punishment or penalty, any such violation shall constitute full and sufficient grounds for the suspension or revocation of any license, permit, or other legal authorization held by the sending agency which empowers or allows it to place, or care for children.

5. *Article V — Retention of jurisdiction.*

*a.* The sending agency shall retain jurisdiction over the child sufficient to determine all matters in relation to the custody, supervision, care, treatment and disposition of the child which it would have had if the child had remained in the sending agency's state, until the child is adopted, reaches majority, becomes self-supporting or is discharged with the concurrence of the appropriate authority in the receiving state. Such jurisdiction shall also include the power to effect or cause the return of the child or its transfer to another location and custody pursuant to law. The sending agency shall continue to have financial responsibility for support and maintenance of the child during the period of the placement. Nothing contained herein shall defeat a claim of jurisdiction by a receiving state sufficient to deal with an act of delinquency or crime committed therein.

*b.* When the sending agency is a public agency, it may enter into an agreement with an authorized public or private agency in the receiving state providing for the performance of one or more services in respect of such case by the latter as agent for the sending agency.

*c.* Nothing in this compact shall be construed to prevent a private charitable agency authorized to place children in the receiving state from performing services or acting as agent in that state for a private charitable agency of the sending state; nor to prevent the agency in the receiving state from discharging financial responsibility for the support and maintenance of a child who has been placed on behalf of the sending agency without relieving the responsibility set forth in paragraph *"a"* hereof.

6. *Article VI — Institutional care of delinquent children.* A child adjudicated delinquent may be placed in an institution in another party jurisdiction pursuant to this compact but no such placement shall be made unless the child is given a court hearing on notice to the parent or guardian with opportunity to be heard, prior to the child being sent to such other party jurisdiction for institutional care and the court finds that:

*a.* Equivalent facilities for the child are not available in the sending agency's jurisdiction; and

*b.* Institutional care in the other jurisdiction is in the best interest of the child and will not produce undue hardship.

7. *Article VII — Compact administrator.* The executive head of each jurisdiction party to this compact shall designate an officer who shall be general coordinator of activities under this compact in the officer's jurisdiction and who, acting jointly with like officers of other party jurisdictions, shall have power to promulgate rules and regulations to carry out more effectively the terms and provisions of this compact.

8. *Article VIII — Limitations.* This compact shall not apply to:

*a.* The sending or bringing of a child into a receiving state by the child's parent, stepparent, grandparent, adult brother or sister, adult uncle or aunt, or guardian and leaving the child with any such relative or nonagency guardian in the receiving state.

*b.* Any placement, sending or bringing of a child into a receiving state pursuant to any other interstate compact to which both the state from which the child is sent or brought and the receiving state are party, or to any other agreement between said states which has the force of law.

9. *Article IX — Enactment and withdrawal.* This compact shall be open to joinder by any state, territory or possession of the United States, the District of Columbia, the commonwealth of Puerto Rico, and, with the consent of Congress, the government of Canada or any province thereof. It shall become effective with respect to any such jurisdiction when such jurisdiction has enacted the same into law. Withdrawal from this compact shall be by the enactment of a statute repealing the same, but shall not take effect until two years after the effective date of such statute and until written notice of the withdrawal has been given by the withdrawing state to the governor of each other party jurisdiction. Withdrawal of a party state shall not affect the rights, duties and obligations under this compact of any sending agency therein with respect to a placement made prior to the effective date of withdrawal.

10. *Article X — Construction and severability.* The provisions of this compact shall be liberally construed to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the

remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state party thereto, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

[S13, §3260-1; C24, §3672, 3675; C27, 31, 35, §3661-a90, -a93, -a95, -a96; C39, §**3661.104, 3661.107, 3661.109, 3661.110;** C46, 50, 54, 58, 62, 66, §238.33, 238.36, 238.38, 238.39; C71, 73, 75, 77, 79, 81, §238.33]

85 Acts, ch 173, §21 – 23, 30

CS85, §232.158

2008 Acts, ch 1032, §201

Referred to in §232.159, 232.160, 232.161, 232.162, 232.163, 232.164, 232.165, 232.166, 232.167

**232.158A Legal risk placement.**

1. Notwithstanding any provision of the interstate compact on the placement of children to the contrary, the department of human services shall permit the legal risk placement of a child under the interstate compact on the placement of children if the prospective adoptive parent provides a legal risk statement, in writing, acknowledging all of the following:

*a.* That the placement is a legal risk placement.

*b.* That the court of the party state of the sending agency retains jurisdiction over the child for purposes of the termination of the parental rights of the biological parents.

*c.* That if termination of parental rights cannot be accomplished in accordance with applicable laws, the child shall be promptly returned to the party state of the sending agency to be returned to the child's biological parent or placed as deemed appropriate by a court of the party state of the sending agency.

*d.* That the prospective adoptive parent assumes full legal, financial, and other risks associated with the legal risk placement and that the prospective adoptive parent agrees to hold the department of human services harmless for any disruption or failure of the placement.

*e.* That the prospective adoptive parent shall provide support and medical and other appropriate care to the child pending the termination of parental rights of the biological parents and shall assume liability for all costs associated with the return of the child to the party state of the sending agency if the placement is disrupted or fails.

2. Any written legal risk statement utilized in establishing a legal risk placement shall, at a minimum, state all of the information required under subsection 1, shall be signed by any prospective adoptive parent, and shall be notarized. The legal risk statement shall also contain the following notice printed in clearly legible type:

If termination of parental rights is not accomplished and return of the child to the biological parent is required, the prospective adoptive parents are encouraged to seek mental health counseling to address any resulting psychological or family problems.

3. For the purposes of this section, "*legal risk placement*" means the placement of a child, who is to be adopted, with a prospective adoptive parent prior to the termination of parental rights of the biological parents, under which the prospective adoptive parent assumes the risk that if the parental rights of the biological parents are not terminated the child shall be returned to the biological parents or placed as deemed appropriate by a court of the party state of the sending agency, and under which the prospective adoptive parent assumes other risks and liabilities specified in a written agreement.

2001 Acts, ch 57, §1

Referred to in §232.166, 232.167

Section not amended; editorial change applied

**232.159 Financial responsibility.**

Financial responsibility for any child placed pursuant to the provisions of the interstate compact on the placement of children under section 232.158 shall be determined in

accordance with the provisions of article V of that interstate compact in the first instance. However, in the event of partial or complete default of performance thereunder, the provisions of chapters 252 and 252A, fixing responsibility for the support of children also may be invoked.

[C71, 73, 75, 77, 79, 81, §238.34]
85 Acts, ch 173, §30
CS85, §232.159
2008 Acts, ch 1032, §201
Referred to in §232.166, 232.167

**232.160 Department of human services as public authority.**

The *"appropriate public authorities"* as used in article III of the interstate compact on the placement of children under section 232.158 shall, with reference to this state, mean the state department of human services and said department shall receive and act with reference to notices required by article III of that interstate compact.

[C71, 73, 75, 77, 79, 81, §238.35]
83 Acts, ch 96, §157, 159
85 Acts, ch 173, §30
CS85, §232.160
2008 Acts, ch 1032, §201
Referred to in §232.166, 232.167

**232.161 Department as authority in receiving state.**

As used in paragraph *"a"* of article V of the interstate compact on the placement of children under section 232.158, the phrase *"appropriate authority in the receiving state"* with reference to this state shall mean the state department of human services.

[C71, 73, 75, 77, 79, 81, §238.36]
83 Acts, ch 96, §157, 159
85 Acts, ch 173, §30
CS85, §232.161
2008 Acts, ch 1032, §201
Referred to in §232.166, 232.167

**232.162 Authority to enter agreements.**

The officers and agencies of this state and its subdivisions having authority to place children may enter into agreements with appropriate officers or agencies of or in other party states pursuant to paragraph *"b"* of article V of the interstate compact on the placement of children under section 232.158. Any such agreement which contains a financial commitment or imposes a financial obligation on this state or a subdivision or agency of this state shall not be binding unless it has the approval in writing of the administrator of child and family services in the case of the state and the county general assistance director in the case of a subdivision of the state.

[C71, 73, 75, 77, 79, 81, §238.37]
85 Acts, ch 173, §30
CS85, §232.162
92 Acts, ch 1212, §8; 2008 Acts, ch 1032, §201
Referred to in §232.166, 232.167

**232.163 Visitation, inspection, or supervision.**

1. Any requirements for visitation, inspection, or supervision of children, homes, institutions, or other agencies in another party state which may apply under the provisions of this chapter shall be deemed to be met if performed pursuant to an agreement entered into by appropriate officers or agencies of this state or a subdivision of this state as contemplated by paragraph *"b"* of article V of the interstate compact on the placement of children contained in section 232.158.

2. If a child is placed outside the residency state of the child's parent, the sending agency

shall provide for a designee to visit the child at least once every twelve months and to submit a written report to the court concerning the child and the visit.

[C71, 73, 75, 77, 79, 81, §238.38]
85 Acts, ch 173, §30
CS85, §232.163
97 Acts, ch 99, §6; 98 Acts, ch 1100, §27; 2008 Acts, ch 1032, §201
Referred to in §232.166, 232.167

**232.164 Court authority to place child in another state.**

Any court having jurisdiction to place delinquent children may place such a child in an institution of or in another state pursuant to article VI of the interstate compact on the placement of children, section 232.158, and shall retain jurisdiction as provided in article V of that interstate compact.

[C71, 73, 75, 77, 79, 81, §238.39]
85 Acts, ch 173, §30
CS85, §232.164
2008 Acts, ch 1032, §201
Referred to in §232.166, 232.167

**232.165 Executive head.**

As used in article VII of the interstate compact on the placement of children, section 232.158, the term *"executive head"* means the governor. The governor is hereby authorized to appoint a compact administrator in accordance with the terms of article VII of that interstate compact.

[C71, 73, 75, 77, 79, 81, §238.40]
85 Acts, ch 173, §30
CS85, §232.165
2008 Acts, ch 1032, §201
Referred to in §232.166, 232.167

**232.166 Statutes not affected.**

Nothing contained in sections 232.158 to 232.165 shall be deemed to affect or modify the other provisions of this chapter or of chapter 600.

[C71, 73, 75, 77, 79, 81, §238.41]
85 Acts, ch 173, §30
CS85, §232.166
Referred to in §232.167

**232.167 Penalty.**

A person or agency which violates or aids and abets in the violation of any of the provisions of sections 232.158 through 232.166 commits a fraudulent practice.

88 Acts, ch 1249, §15

**232.168 Attorney general to enforce.**

The attorney general may, on the attorney general's own initiative, institute any criminal and civil actions and proceedings under this division, at whatever stage of placement necessary, to enforce the interstate compact on the placement of children, including, but not limited to, seeking enforcement of the provisions of the compact through the courts of a party state. The department of human services shall cooperate with the attorney general and shall refer any placement or proposed placement to the attorney general which may require enforcement measures.

94 Acts, ch 1174, §4

**232.169 and 232.170** Reserved.

DIVISION X

INTERSTATE JUVENILE COMPACTS

**232.171 Interstate compact on juveniles.**

The state of Iowa through its courts and agencies is hereby authorized to enter into interstate compacts on juveniles in behalf of this state with any other contracting state which legally joins therein in substantially the following form and the contracting states solemnly agree:

1. *Article I — Findings and purposes.* That juveniles who are not under proper supervision and control, or who have absconded, escaped or run away, are likely to endanger their own health, morals and welfare, and the health, morals and welfare of others. The cooperation of the states party to this compact is therefore necessary to provide for the welfare and protection of juveniles and of the public with respect to

*a.* Cooperative supervision of delinquent juveniles on probation or parole;

*b.* The return, from one state to another, of delinquent juveniles who have escaped or absconded;

*c.* The return, from one state to another, of nondelinquent juveniles who have run away from home; and

*d.* Additional measures for the protection of juveniles and of the public, which any two or more of the party states may find desirable to undertake cooperatively. In carrying out the provisions of this compact the party states shall be guided by the noncriminal, reformative and protective policies which guide their laws concerning delinquent, neglected or dependent juveniles generally. It shall be the policy of the states party to this compact to cooperate and observe their respective responsibilities for the prompt return and acceptance of juveniles and delinquent juveniles who become subject to the provisions of this compact. The provisions of this compact shall be reasonably and liberally construed to accomplish the foregoing purposes.

2. *Article II — Existing rights and remedies.* That all remedies and procedures provided by this compact shall be in addition to and not in substitution for other rights, remedies and procedures, and shall not be in derogation of parental rights and responsibilities.

3. *Article III — Definitions.* That, for the purposes of this compact, *"delinquent juvenile"* means any juvenile who has been adjudged delinquent and who, at the time the provisions of this compact are invoked, is still subject to the jurisdiction of the court that has made such adjudication or to the jurisdiction or supervision of an agency or institution pursuant to an order of such court; *"probation or parole"* means any kind of conditional release of juveniles authorized under the laws of the states party hereto; *"court"* means any court having jurisdiction over delinquent, neglected or dependent children; *"state"* means any state, territory or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and *"residence"* or any variant thereof means a place at which a home or regular place of abode is maintained.

4. *Article IV — Return of runaways.*

*a.* (1) That the parent, guardian, person or agency entitled to legal custody of a juvenile who has not been adjudged delinquent but who has run away without the consent of such parent, guardian, person or agency may petition the appropriate court in the demanding state for the issuance of a requisition for the juvenile's return. The petition shall state the name and age of the juvenile, the name of the petitioner and the basis of entitlement to the juvenile's custody, the circumstances of the juvenile's running away, the juvenile's location if known at the time application is made, and such other facts as may tend to show that the juvenile who has run away is endangering the juvenile's own welfare or the welfare of others and is not an emancipated minor. The petition shall be verified by affidavit, shall be executed in duplicate, and shall be accompanied by two certified copies of the document or documents on which the petitioner's entitlement to the juvenile's custody is based, such as birth certificates, letters of guardianship, or custody decrees. Such further affidavits and other documents as may be deemed proper may be submitted with such petition. The judge of

the court to which this application is made may hold a hearing thereon to determine whether for the purposes of this compact the petitioner is entitled to the legal custody of the juvenile, whether or not it appears that the juvenile has in fact run away without consent, whether or not the juvenile is an emancipated minor, and whether or not it is in the best interest of the juvenile to compel the juvenile's return to the state. If the judge determines, either with or without a hearing, that the juvenile should be returned, the judge shall present to the appropriate court or to the executive authority of the state where the juvenile is alleged to be located a written requisition for the return of such juvenile. Such requisition shall set forth the name and age of the juvenile, the determination of the court that the juvenile has run away without the consent of a parent, guardian, person or agency entitled to the juvenile's legal custody, and that it is in the best interest and for the protection of such juvenile that the juvenile be returned. In the event that a proceeding for the adjudication of the juvenile as a delinquent, neglected or dependent juvenile is pending in the court at the time when such juvenile runs away, the court may issue a requisition for the return of such juvenile upon its own motion, regardless of the consent of the parent, guardian, person or agency entitled to legal custody, reciting therein the nature and circumstances of the pending proceeding. The requisition shall in every case be executed in duplicate and shall be signed by the judge. One copy of the requisition shall be filed with the compact administrator of the demanding state, there to remain on file subject to the provisions of law governing records of such court. Upon the receipt of a requisition demanding the return of a juvenile who has run away, the court or the executive authority to whom the requisition is addressed shall issue an order to any peace officer or other appropriate person directing the officer or person to take into custody and detain such juvenile. Such detention order must substantially recite the facts necessary to the validity of its issuance hereunder. No juvenile detained upon such order shall be delivered over to the officer whom the court demanding the juvenile shall have appointed to receive the juvenile, unless the juvenile shall first be taken forthwith before a judge of a court in the state, who shall inform the juvenile of the demand made for the juvenile's return, and who may appoint counsel or guardian ad litem for the juvenile. If the judge of such court shall find that the requisition is in order, the judge shall deliver such juvenile over to the officer whom the court demanding the juvenile shall have appointed to receive the juvenile. The judge, however, may fix a reasonable time to be allowed for the purpose of testing the legality of the proceeding.

(2) Upon reasonable information that a person is a juvenile who has run away from another state party to this compact without the consent of a parent, guardian, person or agency entitled to the juvenile's legal custody, such juvenile may be taken into custody without a requisition and brought forthwith before a judge of the appropriate court who may appoint counsel or guardian ad litem for such juvenile and who shall determine after a hearing whether sufficient cause exists to hold the person, subject to the order of the court, for the person's own protection and welfare, for such a time not exceeding ninety days as will enable the person's return to another state party to this compact pursuant to a requisition for the person's return from a court of that state. If, at the time when a state seeks the return of a juvenile who has run away, there is pending in the state wherein the juvenile is found any criminal charge, or any proceeding to have the juvenile adjudicated a delinquent juvenile for an act committed in such state, or if the juvenile is suspected of having committed within such state a criminal offense or an act of juvenile delinquency, the juvenile shall not be returned without the consent of such state until discharged from prosecution or other form of proceeding, imprisonment, detention or supervision for such offense or juvenile delinquency. The duly accredited officers of any state party to this compact, upon the establishment of their authority and the identity of the juvenile being returned, shall be permitted to transport such juvenile through any and all states party to this compact, without interference. Upon the juvenile's return to the state from which the juvenile ran away, the juvenile shall be subject to such further proceedings as may be appropriate under the laws of that state.

*b.* That the state to which a juvenile is returned under this article shall be responsible for payment of the transportation costs of such return.

*c.* That "*juvenile*" as used in this article means any person who is a minor under the law of

the state of residence of the parent, guardian, person or agency entitled to the legal custody of such minor.

5. *Article V — Return of escapees and absconders.*

*a.* (1) That the appropriate person or authority from whose probation or parole supervision a delinquent juvenile has absconded or from whose institutional custody the delinquent juvenile has escaped shall present to the appropriate court or to the executive authority of the state where the delinquent juvenile is alleged to be located a written requisition for the return of such delinquent juvenile. Such requisition shall state the name and age of the delinquent juvenile, the particulars of the juvenile's adjudication as a delinquent juvenile, the circumstances of the breach of the terms of the juvenile's probation or parole or of the juvenile's escape from an institution or agency vested with the juvenile's legal custody or supervision, and the location of such delinquent juvenile, if known, at the time the requisition is made. The requisition shall be verified by affidavit, shall be executed in duplicate, and shall be accompanied by two certified copies of the judgment, formal adjudication, or order of commitment which subjects such delinquent juvenile to probation or parole or to the legal custody of the institution or agency concerned. Such further affidavits and other documents as may be deemed proper may be submitted with such requisition. One copy of the requisition shall be filed with the compact administrator of the demanding state, there to remain on file subject to the provisions of law governing records of the appropriate court. Upon the receipt of a requisition demanding the return of a delinquent juvenile who has absconded or escaped, the court or the executive authority to whom the requisition is addressed shall issue an order to any peace officer or other appropriate person directing the officer or person to take into custody and detain such delinquent juvenile. Such detention order must substantially recite the facts necessary to the validity of its issuance hereunder. No delinquent juvenile detained upon such order shall be delivered over to the officer whom the appropriate person or authority demanding the juvenile shall have appointed to receive the juvenile, unless the juvenile shall first be taken forthwith before a judge of an appropriate court in the state, who shall inform the juvenile of the demand made for the juvenile's return and who may appoint counsel or guardian ad litem for the juvenile. If the judge of such court shall find that the requisition is in order, the judge shall deliver such delinquent juvenile over to the officer whom the appropriate person or authority demanding the juvenile shall have appointed to receive the juvenile. The judge, however, may fix a reasonable time to be allowed for the purpose of testing the legality of the proceeding.

(2) Upon reasonable information that a person is a delinquent juvenile who has absconded while on probation or parole, or escaped from an institution or agency vested with the person's legal custody or supervision in any state party to this compact, such person may be taken into custody in any other state party to this compact without a requisition. But in such event, the person must be taken forthwith before a judge of the appropriate court, who may appoint counsel or guardian ad litem for such person and who shall determine, after a hearing, whether sufficient cause exists to hold the person subject to the order of the court for such a time, not exceeding ninety days, as will enable the person's detention under a detention order issued on a requisition pursuant to this article. If, at the time when a state seeks the return of a delinquent juvenile who has either absconded while on probation or parole or escaped from an institution or agency vested with the juvenile's legal custody or supervision, there is pending in the state wherein the juvenile is detained any criminal charge or any proceeding to have the juvenile adjudicated a delinquent juvenile for an act committed in such state, or if the juvenile is suspected of having committed within such state a criminal offense or an act of juvenile delinquency, the juvenile shall not be returned without the consent of such state until discharged from prosecution or other form of proceeding, imprisonment, detention or supervision for such offense or juvenile delinquency. The duly accredited officers of any state party to this compact, upon the establishment of their authority and the identity of the delinquent juvenile being returned, shall be permitted to transport such delinquent juvenile through any and all states party to this compact, without interference. Upon the juvenile's return to the state from which the juvenile escaped or

absconded, the delinquent juvenile shall be subject to such further proceedings as may be appropriate under the laws of that state.

*b.* That the state to which a delinquent juvenile is returned under this article shall be responsible for payment of the transportation costs of such return.

6. *Article VI — Voluntary return procedure.* That any delinquent juvenile who has absconded while on probation or parole, or escaped from an institution or agency vested with the juvenile's legal custody or supervision in any state party to this compact, and any juvenile who has run away from any state party to this compact, who is taken into custody without a requisition in another state party to this compact under the provisions of article IV, paragraph "*a*", or of article V, paragraph "*a*", may consent to the juvenile's immediate return to the state from which the juvenile absconded, escaped or ran away. Such consent shall be given by the juvenile or delinquent juvenile and the juvenile's counsel or guardian ad litem, if any, by executing or subscribing a writing, in the presence of a judge of the appropriate court, which states that the juvenile or delinquent juvenile and the juvenile's counsel or guardian ad litem, if any, consent to the juvenile's return to the demanding state. Before such consent shall be executed or subscribed, however, the judge, in the presence of counsel or guardian ad litem, if any, shall inform the juvenile or delinquent juvenile of the juvenile's rights under this compact. When the consent has been duly executed, it shall be forwarded to and filed with the compact administrator of the state in which the court is located and the judge shall direct the officer having the juvenile or delinquent juvenile in custody to deliver the juvenile to the duly accredited officer or officers of the state demanding the juvenile's return, and shall cause to be delivered to such officer or officers a copy of the consent. The court may, however, upon the request of the state to which the juvenile or delinquent juvenile is being returned, order the juvenile to return unaccompanied to such state and shall provide the juvenile with a copy of such court order; in such event a copy of the consent shall be forwarded to the compact administrator of the state to which said juvenile or delinquent juvenile is ordered to return.

7. *Article VII — Cooperative supervision of probationers and parolees.*

*a.* That the duly constituted judicial and administrative authorities of a state party to this compact, herein called "*sending state*", may permit any delinquent juvenile within such state, placed on probation or parole, to reside in any other state party to this compact, herein called "*receiving state*", while on probation or parole, and the receiving state shall accept such delinquent juvenile, if the parent, guardian or person entitled to the legal custody of such delinquent juvenile is residing or undertakes to reside within the receiving state. Before granting such permission, opportunity shall be given to the receiving state to make such investigations as it deems necessary. The authorities of the sending state shall send to the authorities of the receiving state copies of pertinent court orders, social case studies and all other available information which may be of value to and assist the receiving state in supervising a probationer or parolee under this compact. A receiving state, in its discretion, may agree to accept supervision of a probationer or parolee in cases where the parent, guardian or person entitled to the legal custody of the delinquent juvenile is not a resident of the receiving state, and if so accepted the sending state may transfer supervision accordingly.

*b.* That each receiving state will assume the duties of visitation and of supervision over any such delinquent juvenile and in the exercise of those duties will be governed by the same standards of visitation and supervision that prevail for its own delinquent juveniles released on probation or parole.

*c.* That, after consultation between the appropriate authorities of the sending state and of the receiving state as to the desirability and necessity of returning such a delinquent juvenile, the duly accredited officers of a sending state may enter a receiving state and there apprehend and retake any such delinquent juvenile on probation or parole. For that purpose, no formalities will be required, other than establishing the authority of the officer and the identity of the delinquent juvenile to be retaken and returned. The decision of the sending state to retake a delinquent juvenile on probation or parole shall be conclusive upon and not reviewable within the receiving state, but if, at the time the sending state seeks to retake a delinquent juvenile on probation or parole, there is pending against the juvenile within the receiving state any criminal charge or any proceeding to have the juvenile adjudicated

a delinquent juvenile for any act committed in such state, or if the juvenile is suspected of having committed within such state a criminal offense or an act of juvenile delinquency, the juvenile shall not be returned without the consent of the receiving state until discharged from prosecution or other form of proceeding, imprisonment, detention or supervision for such offense or juvenile delinquency. The duly accredited officers of the sending state shall be permitted to transport delinquent juveniles being so returned through any and all states party to this compact, without interference.

*d.* That the sending state shall be responsible under this article for paying the costs of transporting any delinquent juvenile to the receiving state or of returning any delinquent juvenile to the sending state.

8. *Article VIII — Responsibility for costs.*

*a.* That the provisions of article IV, paragraph *"b"*, article V, paragraph *"b"*, and article VII, paragraph *"d"* of this compact shall not be construed to alter or affect any internal relationship among the departments, agencies and officers of and in the government of a party state, or between a party state and its subdivisions, as to the payment of costs, or responsibilities therefor.

*b.* That nothing in this compact shall be construed to prevent any party state or subdivision thereof from asserting any right against any person, agency or other entity in regard to costs for which such party state or subdivision thereof may be responsible pursuant to article IV, paragraph *"b"*, article V, paragraph *"b"*, or article VII, paragraph *"d"* of this compact.

9. *Article IX — Detention practices.* That, to every extent possible, it shall be the policy of states party to this compact that no juvenile or delinquent juvenile shall be placed or detained in any prison, jail or lockup nor be detained or transported in association with criminal, vicious or dissolute persons.

10. *Article X — Supplementary agreements.* That the duly constituted administrative authorities of a state party to this compact may enter into supplementary agreements with any other state or states party hereto for the cooperative care, treatment and rehabilitation of delinquent juveniles whenever they shall find that such agreements will improve the facilities or programs available for such care, treatment and rehabilitation. Such care, treatment and rehabilitation may be provided in an institution located within any state entering into such supplementary agreement. Such supplementary agreements shall:

*a.* Provide the rates to be paid for the care, treatment and custody of such delinquent juveniles, taking into consideration the character of facilities, services and subsistence furnished;

*b.* Provide that the delinquent juvenile shall be given a court hearing prior to the juvenile being sent to another state for care, treatment and custody;

*c.* Provide that the state receiving such a delinquent juvenile in one of its institutions shall act solely as agent for the state sending such delinquent juvenile;

*d.* Provide that the sending state shall at all times retain jurisdiction over delinquent juveniles sent to an institution in another state;

*e.* Provide for reasonable inspection of such institutions by the sending state;

*f.* Provide that the consent of the parent, guardian, person or agency entitled to the legal custody of said delinquent juvenile shall be secured prior to the juvenile being sent to another state; and

*g.* Make provision for such other matters and details as shall be necessary to protect the rights and equities of such delinquent juveniles and of the cooperating states.

11. *Article XI — Acceptance of federal and other aid.* That any state party to this compact may accept any and all donations, gifts and grants of money, equipment and services from the federal or any local government, or any agency thereof and from any person, firm or corporation, for any of the purposes and functions of this compact, and may receive and utilize the same subject to the terms, conditions and regulations governing such donations, gifts and grants.

12. *Article XII — Compact administrators.* That the governor of each state party to this compact shall designate an officer who, acting jointly with like officers of other party states, shall promulgate rules and regulations to carry out more effectively the terms and provisions of this compact.

13. *Article XIII — Execution of compact.* That this compact shall become operative immediately upon its execution by any state as between it and any other state or states so executing. When executed it shall have the full force and effect of law within such state, the form of execution to be in accordance with the laws of the executing state.

14. *Article XIV — Renunciation.* That this compact shall continue in force and remain binding upon each executing state until renounced by it. Renunciation of this compact shall be by the same authority which executed it, by sending six months' notice in writing of its intention to withdraw from the compact to the other states party hereto. The duties and obligations of a renouncing state under article VII hereof shall continue as to parolees and probationers residing therein at the time of withdrawal until retaken or finally discharged. Supplementary agreements entered into under article X hereof shall be subject to renunciation as provided by such supplementary agreements, and shall not be subject to the six months' renunciation notice of the present article.

15. *Article XV — Rendition amendment.*

*a.* This article shall provide additional remedies, and shall be binding only as among and between those party states which specifically execute the same.

*b.* All provisions and procedures of articles V and VI of the Interstate Compact on Juveniles shall be construed to apply to any juvenile charged with being a delinquent by reason of a violation of any criminal law. Any juvenile charged with being a delinquent by reason of violating any criminal law shall be returned to the requesting state upon a requisition to the state where the juvenile may be found. A petition in such case shall be filed in a court of competent jurisdiction in the requesting state where the violation of criminal law is alleged to have been committed. The petition may be filed regardless of whether the juvenile has left the state before or after the filing of the petition. The requisition described in article V of the compact shall be forwarded by the judge of the court in which the petition has been filed.

16. *Out-of-state confinement amendment.*

*a.* Whenever the duly constituted judicial or administrative authorities in a sending state shall determine that confinement of a probationer or reconfinement of a parolee is necessary or desirable, said officials may direct that the confinement or reconfinement be in an appropriate institution for delinquent juveniles within the territory of the receiving state, such receiving state to act in that regard solely as agent for the sending state.

*b.* Escapees and absconders who would otherwise be returned pursuant to article V of the compact may be confined or reconfined in the receiving state pursuant to this amendment. In any such case the information and allegations required to be made and furnished in a requisition pursuant to such article shall be made and furnished, but in place of the demand pursuant to article V, the sending state shall request confinement or reconfinement in the receiving state. Whenever applicable, detention orders as provided in article V may be employed pursuant to this paragraph preliminary to disposition of the escapee or absconder.

*c.* The confinement or reconfinement of a parolee, probationer, escapee, or absconder pursuant to this amendment shall require the concurrence of the appropriate judicial or administrative authorities of the receiving state.

*d.* As used in this amendment:

(1) *"Sending state"* means sending state as that term is used in article VII of the compact or the state from which a delinquent juvenile has escaped or absconded within the meaning of article V of the compact.

(2) *"Receiving state"* means any state, other than the sending state, in which a parolee, probationer, escapee, or absconder may be found, provided that said state is a party to this amendment.

*e.* Every state which adopts this amendment shall designate at least one of its institutions for delinquent juveniles as a "compact institution" and shall confine persons therein as provided in paragraph *"a"* hereof unless the sending and receiving state in question shall make specific contractual arrangements to the contrary. All states party to this amendment shall have access to "compact institutions" at all reasonable hours for the purpose of inspecting the facilities thereof and for the purpose of visiting such of said state's delinquents as may be confined in the institution.

*f.* Persons confined in "compact institutions" pursuant to the terms of this compact shall at all times be subject to the jurisdiction of the sending state and may at any time be removed from said "compact institution" for transfer to an appropriate institution within the sending state, for return to probation or parole, for discharge or for any purpose permitted by the laws of the sending state.

*g.* All persons who may be confined in a "compact institution" pursuant to the provisions of this amendment shall be treated in a reasonable and humane manner. The fact of confinement or reconfinement in a receiving state shall not deprive any person so confined or reconfined of any rights which said person would have had if confined or reconfined in an appropriate institution of the sending state; nor shall any agreement to submit to confinement or reconfinement pursuant to the terms of this amendment be construed as a waiver of any rights which the delinquent would have had if the delinquent had been confined or reconfined in any appropriate institution of the sending state except that the hearing or hearings, if any, to which a parolee, probationer, escapee, or absconder may be entitled, prior to confinement or reconfinement, by the laws of the sending state may be had before the appropriate judicial or administrative officers of the receiving state. In this event, said judicial and administrative officers shall act as agents of the sending state after consultation with appropriate officers of the sending state.

*h.* Any receiving state incurring costs or other expenses under this amendment shall be reimbursed in the amount of such costs or other expenses by the sending state unless the states concerned shall specifically otherwise agree. Any two or more states party to this amendment may enter into supplementary agreements determining a different allocation of costs as among themselves.

*i.* This amendment shall take initial effect when entered into by any two or more states party to the compact and shall be effective as to those states which have specifically enacted this amendment. Rules and regulations necessary to effectuate the terms of this amendment may be promulgated by the appropriate officers of those states which have enacted this amendment.

[C62, 66, 71, 73, 75, 77, §231.14; C79, 81, §232.139]
85 Acts, ch 182, §1
CS85, §232.171
2008 Acts, ch 1032, §201
Referred to in §232.172
See §232.172 for limitations on applicability of this section

**232.172 Confinement of delinquent juvenile.**

1. For a juvenile under the jurisdiction of this state who is subject to the interstate compact for juveniles under section 232.173, the confinement of the juvenile in an institution located within another compacting state shall be as provided under the compact.

2. This subsection applies to the confinement of a delinquent juvenile under the jurisdiction of this state in an institution located within a noncompacting state, as defined in section 232.173, that entered into the interstate compact on juveniles under section 232.171. In addition to any institution in which the authorities of this state may otherwise confine or order the confinement of the delinquent juvenile, such authorities may, pursuant to the out-of-state confinement amendment to the interstate compact on juveniles in section 232.171, confine or order the confinement of the delinquent juvenile in a compact institution within another party state.

[C66, 71, 73, 75, 77, §231.15; C79, 81, §232.140]
CS85, §232.172
2010 Acts, ch 1192, §75; 2011 Acts, ch 34, §58

**232.173 Interstate compact for juveniles.**

1. *Article I — Purpose.*

*a.* The compacting states to this interstate compact recognize that each state is responsible for the proper supervision or return of juveniles, delinquents, and status offenders who are on probation or parole and who have absconded, escaped, or run away

from supervision and control and in so doing have endangered their own safety and the safety of others. The compacting states also recognize that each state is responsible for the safe return of juveniles who have run away from home and in doing so have left their state of residence. The compacting states also recognize that Congress, by enacting the Crime Control Act, 4 U.S.C. § 112 (1965), has authorized and encouraged compacts for cooperative efforts and mutual assistance in the prevention of crime.

*b.* It is the purpose of this compact, through means of joint and cooperative action among the compacting states to:

(1) Ensure that the adjudicated juveniles and status offenders subject to this compact are provided adequate supervision and services in the receiving state as ordered by the adjudicating judge or parole authority in the sending state.

(2) Ensure that the public safety interests of the citizens, including the victims of juvenile offenders, in both the sending and receiving states are adequately protected.

(3) Return juveniles who have run away, absconded, or escaped from supervision or control or have been accused of an offense to the state requesting their return.

(4) Make contracts for the cooperative institutionalization in public facilities in member states for delinquent youth needing special services.

(5) Provide for the effective tracking and supervision of juveniles.

(6) Equitably allocate the costs, benefits, and obligations of the compacting states.

(7) Establish procedures to manage the movement between states of juvenile offenders released to the community under the jurisdiction of courts, juvenile departments, or any other criminal or juvenile justice agency which has jurisdiction over juvenile offenders.

(8) Insure immediate notice to jurisdictions where defined offenders are authorized to travel or to relocate across state lines.

(9) Establish procedures to resolve pending charges (detainers) against juvenile offenders prior to transfer or release to the community under the terms of this compact.

(10) Establish a system of uniform data collection on information pertaining to juveniles subject to this compact that allows access by authorized juvenile justice and criminal justice officials, and regular reporting of compact activities to heads of state executive, judicial, and legislative branches and juvenile and criminal justice administrators.

(11) Monitor compliance with rules governing interstate movement of juveniles and initiate interventions to address and correct noncompliance.

(12) Coordinate training and education regarding the regulation of interstate movement of juveniles for officials involved in such activity.

(13) Coordinate the implementation and operation of the compact with the interstate compact for the placement of children, the interstate compact for adult offender supervision, and other compacts affecting juveniles particularly in those cases where concurrent or overlapping supervision issues arise.

*c.* It is the policy of the compacting states that the activities conducted by the interstate commission created in this compact are the formation of public policies and therefore are public business. Furthermore, the compacting states shall cooperate and observe their individual and collective duties and responsibilities for the prompt return and acceptance of juveniles subject to the provisions of this compact. The provisions of this compact shall be reasonably and liberally construed to accomplish the purposes and policies of the compact.

2. *Article II — Definitions.* As used in this compact, unless the context clearly requires a different construction:

*a.* "*Bylaws*" means those bylaws established by the interstate commission for its governance, or for directing or controlling its actions or conduct.

*b.* "*Compact administrator*" means the individual in each compacting state appointed pursuant to the terms of this compact, responsible for the administration and management of the state's supervision and transfer of juveniles subject to the terms of this compact, the rules adopted by the interstate commission, and policies adopted by the state council under this compact.

*c.* "*Compacting state*" means any state which has enacted the enabling legislation for this compact.

*d.* *"Commissioner"* means the voting representative of each compacting state appointed pursuant to article III of this compact.

*e.* *"Court"* means any court having jurisdiction over delinquent, neglected, or dependent children.

*f.* *"Deputy compact administrator"* means the individual, if any, in each compacting state appointed to act on behalf of a compact administrator pursuant to the terms of this compact responsible for the administration and management of the state's supervision and transfer of juveniles subject to the terms of this compact, the rules adopted by the interstate commission, and policies adopted by the state council under this compact.

*g.* *"Interstate commission"* means the interstate commission for juveniles created by article III of this compact.

*h.* *"Juvenile"* means any person defined as a juvenile in any member state or by the rules of the interstate commission, including persons who are any of the following:

(1) An accused delinquent, meaning a person charged with an offense that, if committed by an adult, would be a criminal offense.

(2) An adjudicated delinquent, meaning a person found to have committed an offense that, if committed by an adult, would be a criminal offense.

(3) An accused status offender, meaning a person charged with an offense that would not be a criminal offense if committed by an adult.

(4) An adjudicated status offender, meaning a person found to have committed an offense that would not be a criminal offense if committed by an adult.

(5) A nonoffender, meaning a person in need of supervision who has not been accused or adjudicated a status offender or delinquent.

*i.* *"Noncompacting state"* means any state which has not enacted the enabling legislation for this compact.

*j.* *"Probation or parole"* means any kind of supervision or conditional release of juveniles authorized under the laws of the compacting states.

*k.* *"Rule"* means a written statement by the interstate commission promulgated pursuant to article VI of this compact that is of general applicability, implements, interprets or prescribes a policy or provision of the compact, or an organizational, procedural, or practice requirement of the commission, and has the force and effect of statutory law in a compacting state, and includes the amendment, repeal, or suspension of an existing rule.

*l.* *"State"* means a state of the United States, the District of Columbia or its designee, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands.

3. *Article III — Interstate commission for juveniles.*

*a.* The compacting states hereby create the interstate commission for juveniles. The commission shall be a body corporate and joint agency of the compacting states. The commission shall have all the responsibilities, powers, and duties set forth in this compact, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this compact.

*b.* The interstate commission shall consist of commissioners appointed by the appropriate appointing authority in each state pursuant to the rules and requirements of each compacting state and in consultation with the state council for interstate juvenile supervision created in this compact. The commissioner shall be the compact administrator, deputy compact administrator, or designee from that state who shall serve on the interstate commission in such capacity under or pursuant to the applicable law of the compacting state.

*c.* In addition to the commissioners who are the voting representatives of each state, the interstate commission shall include individuals who are not commissioners, but who are members of interested organizations. Such noncommissioner members must include a member of the national organizations of governors, legislators, state chief justices, attorneys general, interstate compact for adult offender supervision, interstate compact for the placement of children, juvenile justice and juvenile corrections officials, and crime victims. All noncommissioner members of the interstate commission shall be ex officio, nonvoting members. The interstate commission may provide in its bylaws for such additional ex officio,

nonvoting members, including members of other national organizations, in such numbers as shall be determined by the commission.

*d.* Each compacting state represented at any meeting of the commission is entitled to one vote. A majority of the compacting states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the interstate commission.

*e.* The commission shall meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of a simple majority of the compacting states, shall call additional meetings. Public notice shall be given of all meetings and meetings shall be open to the public.

*f.* The interstate commission shall establish an executive committee, which shall include commission officers, members, and others as determined by the bylaws. The executive committee shall have the power to act on behalf of the interstate commission during periods when the interstate commission is not in session, with the exception of rulemaking or amendment to the compact. The executive committee shall oversee the day-to-day activities of the administration of the compact managed by an executive director and interstate commission staff; administer enforcement and compliance with the provisions of the compact, its bylaws, and rules; and perform such other duties as directed by the interstate commission or set forth in the bylaws.

*g.* Each member of the interstate commission shall have the right and power to cast a vote to which that compacting state is entitled and to participate in the business and affairs of the interstate commission. A member shall vote in person and shall not delegate a vote to another compacting state. However, a commissioner, in consultation with the state council, shall appoint another authorized representative, in the absence of the commissioner from that state, to cast a vote on behalf of the compacting state at a specified meeting. The bylaws may provide for members' participation in meetings by telephone or other means of telecommunication or electronic communication.

*h.* The interstate commission's bylaws shall establish conditions and procedures under which the interstate commission shall make its information and official records available to the public for inspection or copying. The interstate commission may exempt from disclosure any information or official records to the extent they would adversely affect personal privacy rights or proprietary interests.

*i.* Public notice shall be given of all meetings and all meetings shall be open to the public, except as set forth in the rules or as otherwise provided in the compact. The interstate commission and any of its committees may close a meeting to the public where it determines by two-thirds vote that an open meeting would be likely to:

(1) Relate solely to the interstate commission's internal personnel practices and procedures.

(2) Disclose matters specifically exempted from disclosure by statute.

(3) Disclose trade secrets or commercial or financial information which is privileged or confidential.

(4) Involve accusing any person of a crime, or formally censuring any person.

(5) Disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy.

(6) Disclose investigative records compiled for law enforcement purposes.

(7) Disclose information contained in or related to an examination or operating or condition reports prepared by, or on behalf of or for the use of, the interstate commission with respect to a regulated person or entity for the purpose of regulation or supervision of such person or entity.

(8) Disclose information, the premature disclosure of which would significantly endanger the stability of a regulated person or entity.

(9) Specifically relate to the interstate commission's issuance of a subpoena, or its participation in a civil action or other legal proceeding.

*j.* For every meeting closed pursuant to this provision, the interstate commission's legal counsel shall publicly certify that, in the legal counsel's opinion, the meeting may be closed to the public, and shall reference each relevant exemptive provision. The interstate commission shall keep minutes which shall fully and clearly describe all matters discussed in any meeting

and shall provide a full and accurate summary of any actions taken, and the reasons therefore, including a description of each of the views expressed on any item and the record of any roll call vote, reflected in the vote of each member on the question. All documents considered in connection with any action shall be identified in such minutes.

*k.* The interstate commission shall collect standardized data concerning the interstate movement of juveniles as directed through its rules which shall specify the data to be collected, the means of collection, and data exchange and reporting requirements. Such methods of data collection, exchange, and reporting shall insofar as is reasonably possible conform to up-to-date technology and coordinate its information functions with the appropriate repository of records.

4. *Article IV — Powers and duties of the interstate commission.* The commission shall have the following powers and duties:

*a.* To provide for dispute resolution among compacting states.

*b.* To promulgate rules to effect the purposes and obligations as enumerated in this compact, which shall have the force and effect of statutory law and shall be binding in the compacting states to the extent and in the manner provided in this compact.

*c.* To oversee, supervise, and coordinate the interstate movement of juveniles subject to the terms of this compact and any bylaws adopted and rules promulgated by the interstate commission.

*d.* To enforce compliance with the compact provisions, the rules promulgated by the interstate commission, and the bylaws, using all necessary and proper means, including but not limited to the use of judicial process.

*e.* To establish and maintain offices which shall be located within one or more of the compacting states.

*f.* To purchase and maintain insurance and bonds.

*g.* To borrow, accept, hire, or contract for services of personnel.

*h.* To establish and appoint committees and hire staff which it deems necessary for the carrying out of its functions including but not limited to an executive committee as required by article III which shall have the power to act on behalf of the interstate commission in carrying out its powers and duties hereunder.

*i.* To elect or appoint such officers, attorneys, employees, agents, or consultants, and to fix their compensation, define their duties and determine their qualifications; and to establish the interstate commission's personnel policies and programs relating to, inter alia, conflicts of interest, rates of compensation, and qualifications of personnel.

*j.* To accept any and all donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of it.

*k.* To lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed.

*l.* To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed.

*m.* To establish a budget and make expenditures and levy dues as provided in article VIII of this compact.

*n.* To sue and be sued.

*o.* To adopt a seal and bylaws governing the management and operation of the interstate commission.

*p.* To perform such functions as may be necessary or appropriate to achieve the purposes of this compact.

*q.* To report annually to the legislatures, governors, judiciary, and state councils of the compacting states concerning the activities of the interstate commission during the preceding year. Such reports shall also include any recommendations that may have been adopted by the interstate commission.

*r.* To coordinate education, training, and public awareness regarding the interstate movement of juveniles for officials involved in such activity.

*s.* To establish uniform standards of the reporting, collecting, and exchanging of data.

*t.* The interstate commission shall maintain its corporate books and records in accordance with the bylaws.

5. *Article V — Organization and operation of the interstate commission.*

*a. Bylaws.* The interstate commission shall, by a majority of the members present and voting, within twelve months after the first interstate commission meeting, adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the compact, including but not limited to all of the following:

(1) Establishing the fiscal year of the interstate commission.

(2) Establishing an executive committee and such other committees as may be necessary.

(3) Provide for the establishment of committees governing any general or specific delegation of any authority or function of the interstate commission.

(4) Providing reasonable procedures for calling and conducting meetings of the interstate commission and ensuring reasonable notice of each such meeting.

(5) Establishing the titles and responsibilities of the officers of the interstate commission.

(6) Providing a mechanism for concluding the operations of the interstate commission and the return of any surplus funds that may exist upon the termination of the compact after the payment or reserving of all of its debts and obligations.

(7) Providing "start-up" rules for initial administration of the compact.

(8) Establishing standards and procedures for compliance and technical assistance in carrying out the compact.

*b. Officers and staff.*

(1) The interstate commission shall, by a majority of the members, elect annually from among its members a chairperson and a vice chairperson, each of whom shall have such authority and duties as may be specified in the bylaws. The chairperson or, in the chairperson's absence or disability, the vice chairperson shall preside at all meetings of the interstate commission. The officers so elected shall serve without compensation or remuneration from the interstate commission; provided that, subject to the availability of budgeted funds, the officers shall be reimbursed for any ordinary and necessary costs and expenses incurred by them in the performance of their duties and responsibilities as officers of the interstate commission.

(2) The interstate commission shall, through its executive committee, appoint or retain an executive director for such period, upon such terms and conditions and for such compensation as the interstate commission may deem appropriate. The executive director shall serve as secretary to the interstate commission, but shall not be a member and shall hire and supervise such other staff as may be authorized by the interstate commission.

*c. Immunity, defense, and indemnification.*

(1) The commission's executive director and employees shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused or arising out of or relating to any actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided, that any such person shall not be protected from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of any such person.

(2) The liability of any commissioner, or the employee or agent of a commissioner, acting within the scope of such person's employment or duties for acts, errors, or omissions occurring within such person's state may not exceed the limits of liability set forth under the constitution and laws of that state for state officials, employees, and agents. Nothing in this subparagraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of any such person.

(3) The interstate commission shall defend the executive director or the employees or representatives of the interstate commission and, subject to the approval of the attorney general of the state represented by any commissioner of a compacting state, shall defend such commissioner or the commissioner's representatives or employees in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of interstate commission employment, duties, or responsibilities, or that the defendant had a reasonable basis for believing occurred within the scope of interstate

commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such person.

(4) The interstate commission shall indemnify and hold the commissioner of a compacting state, or the commissioner's representatives or employees, or the interstate commission's representatives or employees, harmless in the amount of any settlement or judgment obtained against such persons arising out of any actual or alleged act, error, or omission that occurred within the scope of interstate commission employment, duties, or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of interstate commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such persons.

6. *Article VI — Rulemaking functions of the interstate commission.*

*a.* The interstate commission shall promulgate and publish rules in order to effectively and efficiently achieve the purposes of the compact.

*b.* Rulemaking shall occur pursuant to the criteria set forth in this article and the bylaws and rules adopted pursuant thereto. Such rulemaking shall substantially conform to the principles of the model state administrative procedures Act, 1981 Act, Uniform Laws Annotated, Vol. 15, p.1 (2000), or such other administrative procedures act, as the interstate commission deems appropriate consistent with due process requirements under the Constitution of the United States as now or hereafter interpreted by the United States supreme court. All rules and amendments shall become binding as of the date specified, as published with the final version of the rule as approved by the commission.

*c.* When promulgating a rule, the interstate commission shall, at a minimum, do all of the following:

(1) Publish the proposed rule's entire text stating the reasons for that proposed rule.

(2) Allow and invite any and all persons to submit written data, facts, opinions, and arguments, which information shall be added to the record, and be made publicly available.

(3) Provide an opportunity for an informal hearing if petitioned by ten or more persons.

(4) Promulgate a final rule and its effective date, if appropriate, based on input from state or local officials, or interested parties.

*d.* Allow, not later than sixty days after a rule is promulgated, any interested person to file a petition in the United States district court for the District of Columbia or in the federal district court where the interstate commission's principal office is located for judicial review of such rule. If the court finds that the interstate commission's action is not supported by substantial evidence in the rulemaking record, the court shall hold the rule unlawful and set it aside. For purposes of this lettered paragraph, evidence is substantial if it would be considered substantial evidence under the model state administrative procedures Act.

*e.* If a majority of the legislatures of the compacting states rejects a rule, those states may, by enactment of a statute or resolution in the same manner used to adopt the compact, cause that such rule shall have no further force and effect in any compacting state.

*f.* The existing rules governing the operation of the interstate compact on juveniles superseded by this compact shall be null and void twelve months after the first meeting of the interstate commission created hereunder.

*g.* Upon determination by the interstate commission that a state of emergency exists, it may promulgate an emergency rule which shall become effective immediately upon adoption, provided that the usual rulemaking procedures provided hereunder shall be retroactively applied to said rule as soon as reasonably possible, but no later than ninety days after the effective date of the emergency rule.

7. *Article VII — Oversight, enforcement, and dispute resolution by the interstate commission.*

*a. Oversight.*

(1) The interstate commission shall oversee the administration and operations of the interstate movement of juveniles subject to this compact in the compacting states and shall monitor such activities being administered in noncompacting states which may significantly affect compacting states.

(2) The courts and executive agencies in each compacting state shall enforce this compact and shall take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall be received by all the judges, public officers, commissions, and departments of the state government as evidence of the authorized statute and administrative rules. All courts shall take judicial notice of the compact and the rules. In any judicial or administrative proceeding in a compacting state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the interstate commission, it shall be entitled to receive all service of process in any such proceeding, and shall have standing to intervene in the proceeding for all purposes.

*b. Dispute resolution.*

(1) The compacting states shall report to the interstate commission on all issues and activities necessary for the administration of the compact as well as issues and activities pertaining to compliance with the provisions of the compact and its bylaws and rules.

(2) The interstate commission shall attempt, upon the request of a compacting state, to resolve any disputes or other issues which are subject to the compact and which may arise among compacting states and between compacting and noncompacting states. The commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes among the compacting states.

(3) The interstate commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact using any or all means set forth in article XI of this compact.

8. *Article VIII — Finance.*

*a.* The interstate commission shall pay or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities.

*b.* The interstate commission shall levy on and collect an annual assessment from each compacting state to cover the cost of the internal operations and activities of the interstate commission and its staff which must be in a total amount sufficient to cover the interstate commission's annual budget as approved each year. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the interstate commission, taking into consideration the population of each compacting state and the volume of interstate movement of juveniles in each compacting state and shall promulgate a rule binding upon all compacting states which governs said assessment.

*c.* The interstate commission shall not incur any obligations of any kind prior to securing the funds adequate to meet the same; nor shall the interstate commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

*d.* The interstate commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the interstate commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the interstate commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the interstate commission.

9. *Article IX — The state council.* Each member state shall create a state council for interstate juvenile supervision. While each state may determine the membership of its own state council, its membership must include at least one representative from the legislative, judicial, and executive branches of government, victims groups, and the compact administrator, deputy compact administrator, or designee. Each compacting state retains the right to determine the qualifications of the compact administrator or deputy compact administrator. Each state council will advise and may exercise oversight and advocacy concerning that state's participation in interstate commission activities and other duties as may be determined by that state, including but not limited to development of policy concerning operations and procedures of the compact within that state.

10. *Article X — Compacting states, effective date, and amendment.*

*a.* Any state, the District of Columbia, or its designee, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands as defined in article II of this compact is eligible to become a compacting state.

*b.* The compact shall become effective and binding upon legislative enactment of the compact into law by no less than thirty-five of the states. The initial effective date shall be the later of July 1, 2004, or upon enactment into law by the thirty-fifth jurisdiction. Thereafter it shall become effective and binding as to any other compacting state upon enactment of the compact into law by that state. The governors of nonmember states or their designees shall be invited to participate in the activities of the interstate commission on a nonvoting basis prior to adoption of the compact by all states and territories of the United States.

*c.* The interstate commission may propose amendments to the compact for enactment by the compacting states. No amendment shall become effective and binding upon the interstate commission and the compacting states unless and until it is enacted into law by unanimous consent of the compacting states.

11. *Article XI — Withdrawal, default, termination, and judicial enforcement.*

*a. Withdrawal.*

(1) Once effective, the compact shall continue in force and remain binding upon each and every compacting state; provided that a compacting state may withdraw from the compact by specifically repealing the statute which enacted the compact into law.

(2) The effective date of withdrawal is the effective date of the repeal.

(3) The withdrawing state shall immediately notify the chairperson of the interstate commission in writing upon the introduction of legislation repealing this compact in the withdrawing state. The interstate commission shall notify the other compacting states of the withdrawing state's intent to withdraw within sixty days of its receipt thereof.

(4) The withdrawing state is responsible for all assessments, obligations, and liabilities incurred through the effective date of withdrawal, including any obligations, the performance of which extend beyond the effective date of withdrawal.

(5) Reinstatement following withdrawal of any compacting state shall occur upon the withdrawing state reenacting the compact or upon such later date as determined by the interstate commission.

*b. Technical assistance, fines, suspension, termination, and default.*

(1) If the interstate commission determines that any compacting state has at any time defaulted in the performance of any of its obligations or responsibilities under this compact, or the bylaws or duly promulgated rules, the interstate commission may impose any or all of the following penalties:

(a) Remedial training and technical assistance as directed by the interstate commission.

(b) Alternative dispute resolution.

(c) Fines, fees, and costs in such amounts as are deemed to be reasonable as fixed by the interstate commission.

(d) Suspension or termination of membership in the compact, which shall be imposed only after all other reasonable means of securing compliance under the bylaws and rules have been exhausted and the interstate commission has therefore determined that the offending state is in default. Immediate notice of suspension shall be given by the interstate commission to the governor, the chief justice or the chief judicial officer of the state, the majority and minority leaders of the defaulting state's legislature, and the state council.

(2) The grounds for default include, but are not limited to, failure of a compacting state to perform such obligations or responsibilities imposed upon it by this compact, the bylaws or duly promulgated rules, and any other grounds designated in commission bylaws and rules.

(3) The interstate commission shall immediately notify the defaulting state in writing of the penalty imposed by the interstate commission and of the default pending a cure of the default. The commission shall stipulate the conditions and the time period within which the defaulting state must cure its default. If the defaulting state fails to cure the default within the time period specified by the commission, the defaulting state shall be terminated from the compact upon an affirmative vote of a majority of the compacting states and all rights, privileges, and benefits conferred by this compact shall be terminated from the effective date of termination.

(4) Within sixty days of the effective date of termination of a defaulting state, the commission shall notify the governor, the chief justice or chief judicial officer, the majority

and minority leaders of the defaulting state's legislature, and the state council of such termination.

(5) The defaulting state is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination including any obligations, the performance of which extends beyond the effective date of termination.

(6) The interstate commission shall not bear any costs relating to the defaulting state unless otherwise mutually agreed upon in writing between the interstate commission and the defaulting state.

(7) Reinstatement following termination of any compacting state requires both a reenactment of the compact by the defaulting state and the approval of the interstate commission pursuant to the rules.

*c. Judicial enforcement.* The interstate commission may, by majority vote of the members, initiate legal action in the United States district court for the District of Columbia or, at the discretion of the interstate commission, in the federal district where the interstate commission has its offices, to enforce compliance with the provisions of the compact, its duly promulgated rules and bylaws, against any compacting state in default. In the event judicial enforcement is necessary the prevailing party shall be awarded all costs of such litigation including reasonable attorney fees.

*d. Dissolution of compact.*

(1) The compact dissolves effective upon the date of the withdrawal or default of the compacting state, which reduces membership in the compact to one compacting state.

(2) Upon the dissolution of this compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the interstate commission shall be concluded and any surplus funds shall be distributed in accordance with the bylaws.

12. *Article XII — Severability and construction.*

*a.* The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

*b.* The provisions of this compact shall be liberally construed to effectuate its purposes.

13. *Article XIII — Binding effect of compact and other laws.*

*a. Other laws.*

(1) Nothing in this compact prevents the enforcement of any other law of a compacting state that is not inconsistent with this compact.

(2) All compacting states' laws other than state constitutions and other interstate compacts conflicting with this compact are superseded to the extent of the conflict.

*b. Binding effect of the compact.*

(1) All lawful actions of the interstate commission, including all rules and bylaws promulgated by the interstate commission, are binding upon the compacting states.

(2) All agreements between the interstate commission and the compacting states are binding in accordance with their terms.

(3) Upon the request of a party to a conflict over meaning or interpretation of interstate commission actions, and upon a majority vote of the compacting states, the interstate commission may issue advisory opinions regarding such meaning or interpretation.

(4) In the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any compacting state, the obligations, duties, powers, or jurisdiction sought to be conferred by such provision upon the interstate commission shall be ineffective and such obligations, duties, powers, or jurisdiction shall remain in the compacting state and shall be exercised by the agency thereof to which such obligations, duties, powers, or jurisdiction are delegated by law in effect at the time this compact becomes effective.

2010 Acts, ch 1192, §76

Referred to in §232.2, 232.172

**232.174** Reserved.

## DIVISION XI

## VOLUNTARY FOSTER CARE PLACEMENT

**232.175 Placement oversight.**

Placement oversight shall be provided pursuant to this division when the parent, guardian, or custodian of a child with an intellectual disability or other developmental disability requests placement of the child in foster family care for a period of more than thirty days. The oversight shall be provided through review of the placement every six months by the department's foster care review committees or by a local citizen foster care review board. Court oversight shall be provided prior to the initial placement and at periodic intervals which shall not exceed twelve months. It is the purpose and policy of this division to ensure the existence of oversight safeguards as required by the federal Child Welfare Act of 1980, Pub. L. No. 96-272, as codified in 42 U.S.C. § 671(a)(16), 627(a)(2)(B), and 675(1),(5), while maintaining parental decision-making authority.

89 Acts, ch 169, §2; 92 Acts, ch 1141, §2; 92 Acts, ch 1229, §11; 97 Acts, ch 99, §7; 99 Acts, ch 111, §1, 7; 2012 Acts, ch 1019, §87

**232.176 Jurisdiction.**

The court shall have exclusive jurisdiction over voluntary placement proceedings.

89 Acts, ch 169, §3

**232.177 Venue.**

Venue for voluntary placement proceedings shall be determined in accordance with section 232.62.

89 Acts, ch 169, §4

**232.178 Petition.**

1. For a placement initiated on or after July 1, 1992, the department shall file a petition to initiate a voluntary placement proceeding prior to the child's placement in accordance with criteria established pursuant to the federal Child Welfare Act of 1980, Pub. L. No. 96-272, as codified in 42 U.S.C. § 627(a). For a placement initiated before July 1, 1992, the department shall file a petition to approve placement on or before September 1, 1992.

2. The petition and subsequent court documents shall be entitled "In the interests of ....., a child".

3. The petition shall state the names and residence of the child and the child's living parents, guardian, custodian, and guardian ad litem, if any, and the age of the child.

4. The petition shall describe the child's emotional, physical, or intellectual disability which requires care and treatment; the reasonable efforts to maintain the child in the child's home; the department's request to the family of a child with an intellectual disability, other developmental disability, or organic mental illness to determine if any services or support provided to the family will enable the family to continue to care for the child in the child's home; and the reason the child's parent, guardian, or custodian has requested a foster family care placement. The petition shall also describe the commitment of the parent, guardian, or custodian in fulfilling the responsibilities defined in the case permanency plan and how the placement will serve the child's best interests.

89 Acts, ch 169, §5; 92 Acts, ch 1229, §12; 99 Acts, ch 111, §2, 7; 2012 Acts, ch 1019, §88

**232.179 Appointment of counsel and guardian ad litem.**

Upon the filing of a petition, the court shall appoint a guardian ad litem to represent the best interests of the child unless the court determines that the child already has a guardian ad litem who represents the child's best interests. If the child's parent, guardian, or custodian desires counsel but cannot pay the counsel's expenses, the court may appoint counsel.

89 Acts, ch 169, §6

**232.180 Duties of county attorney.**

Upon the filing of a petition and the request of the department, the county attorney shall represent the state in all adversary proceedings arising under this division and shall present evidence in support of the petition as provided under section 232.90.

89 Acts, ch 169, §7

**232.181 Social history report.**

Upon the filing of a petition, the department shall submit a social history report regarding the child and the child's family. The report shall include a description of the child's disability and resultant functional limitations, the case permanency plan, a description of the proposed foster care placement, and a description of family participation in developing the child's case permanency plan and the commitment of the parent, guardian, or custodian in fulfilling the responsibilities defined in the plan. If the report indicates the child has behaved in a manner that threatened the safety of another person, has committed a violent act causing bodily injury to another person, or has been a victim or perpetrator of sexual abuse, unless otherwise ordered by the court, the child's parent, guardian, or foster parent or other person with custody of the child shall be provided with that information.

89 Acts, ch 169, §8; 92 Acts, ch 1229, §13; 2005 Acts, ch 124, §5

**232.182 Initial determination.**

1. Upon the filing of a petition, the court shall fix a time for an initial determination hearing and give notice of the hearing to the child's parent, guardian, or custodian, counsel or guardian ad litem, and the department.

2. A parent who does not have custody of the child may petition the court to be made a party to proceedings under this division.

3. An initial determination hearing is open to the public unless the court, on the motion of any of the parties or upon the court's own motion, excludes the public. The court shall exclude the public from a hearing only if the court determines that the possibility of damage or harm to the child outweighs the public's interest in having an open hearing. Upon closing the hearing to the public, the court may admit those persons who have direct interest in the case or in the work of the court.

4. The hearing shall be informal and all relevant and material evidence shall be admitted.

5. After the hearing is concluded, the court shall make and file written findings as to whether reasonable efforts, as defined in section 232.102, subsection 10, have been made and whether the voluntary foster family care placement is in the child's best interests.

*a.* The court shall order foster family care placement in the child's best interests if the court finds that all of the following conditions exist:

(1) The child has an emotional, physical, or intellectual disability which requires care and treatment.

(2) The child's parent, guardian, or custodian has demonstrated a willingness or ability to fulfill the responsibilities defined in the case permanency plan.

(3) Reasonable efforts have been made and the placement is in the child's best interests.

(4) A determination that services or support provided to the family of a child with an intellectual disability, other developmental disability, or organic mental illness will not enable the family to continue to care for the child in the child's home.

*b.* If the court finds that reasonable efforts have not been made and that services or support are available to prevent the placement, the court may order the services or support to be provided to the child and the child's family.

*c.* If the court finds that the foster care placement is necessary and the child's parent, guardian, or custodian has not demonstrated a commitment to fulfill the responsibilities defined in the child's case permanency plan, the court shall cause a child in need of assistance petition to be filed.

5A. If the court orders placement of the child into foster care, the court or the department shall establish a support obligation for the costs of the placement pursuant to section 234.39.

6. The hearing may be waived and the court may issue the findings and order required

under subsection 5 on the basis of the department's written report if all parties agree to the hearing's waiver and the department's written report.

89 Acts, ch 169, §9; 92 Acts, ch 1229, §14, 15; 93 Acts, ch 78, §1; 99 Acts, ch 111, §3, 4, 7; 2009 Acts, ch 41, §240; 2012 Acts, ch 1019, §89

Referred to in §232.183, 234.35

**232.183 Dispositional hearing.**

1. Following an entry of an initial determination order pursuant to section 232.182, the court shall hold a dispositional hearing in order to determine the future status of the child based on the child's best interests. Notice of the hearing shall be given to the child and the child's parent, guardian, or custodian, and the department.

2. The dispositional hearing shall be held within twelve months of the date the child was placed in foster care.

3. A dispositional hearing is open to the public unless the court, on the motion of any of the parties or upon the court's own motion, excludes the public. The court shall exclude the public from a hearing if the court determines that the possibility of damage or harm to the child outweighs the public's interest in having an open hearing. Upon closing the hearing to the public, the court may admit those persons who have direct interest in the case or in the work of the court.

4. The hearing shall be informal and all relevant and material evidence shall be admitted.

5. Following the hearing, the court shall issue a dispositional order. The dispositional orders which the court may enter, subject to its continuing jurisdiction, are as follows:

*a.* An order that the child's voluntary placement shall be terminated and the child returned to the child's home and provided with available services and support needed for the child to remain in the home.

*b.* An order that the child's voluntary placement may continue if the department and the child's parent or guardian continue to agree to the voluntary placement.

*c.* If the court finds that the child's parent, guardian, or custodian has failed to fulfill responsibilities outlined in the case permanency plan, an order that the child remain in foster care and that the county attorney or department file, within three days, a petition alleging the child to be a child in need of assistance.

*d.* If the child is sixteen years of age or older, the order shall specify the services needed to assist the child in preparing for the transition from foster care to adulthood. If the child has a case permanency plan, the court shall consider the written transition plan of services and needs assessment developed for the child's case permanency plan. If the child does not have a case permanency plan containing the transition plan and needs assessment at the time the order is entered, the transition plan and needs assessment shall be developed and submitted for the court's consideration no later than six months from the date of the transfer order. The court shall modify the initial transfer order as necessary to specify the services needed to assist the child in preparing for the transition from foster care to adulthood. If the transition plan identifies services or other support needed to assist the child when the child becomes an adult and the court deems it to be beneficial to the child, the court may authorize the individual who is the child's guardian ad litem or court appointed special advocate to continue a relationship with and provide advice to the child for a period of time beyond the child's eighteenth birthday.

6. With respect to each child whose placement was approved pursuant to subsection 5, the court shall continue to hold periodic dispositional hearings. The hearings shall not be waived or continued beyond twelve months following the last dispositional hearing. After a dispositional hearing, the court shall enter one of the dispositional orders authorized under subsection 5.

89 Acts, ch 169, §10; 92 Acts, ch 1141, §3; 92 Acts, ch 1229, §16; 93 Acts, ch 172, §36, 56; 97 Acts, ch 99, §8, 9; 2003 Acts, ch 117, §8; 2003 Acts, ch 151, §6

**232.184 through 232.186** Reserved.

DIVISION XII

JUVENILE JUSTICE REFORM

**232.187** Repealed by 93 Acts, ch 172, § 48, 56.

**232.188 Decategorization of child welfare and juvenile justice funding initiative.**

1. *Definitions.* For the purposes of this section, unless the context otherwise requires:

*a.* *"Decategorization governance board"* or *"governance board"* means the group that enters into and implements a decategorization project agreement.

*b.* *"Decategorization project"* means the county or counties that have entered into a decategorization agreement to implement the decategorization initiative in the county or multicounty area covered by the agreement.

*c.* *"Decategorization services funding pool"* or *"funding pool"* means the funding designated for a decategorization project from all sources.

2. *Purpose.* The decategorization of the child welfare and juvenile justice funding initiative is intended to establish a system of delivering human services based upon client needs to replace a system based upon a multitude of categorical programs and funding sources, each with different service definitions and eligibility requirements. The purposes of the decategorization initiative include but are not limited to redirecting child welfare and juvenile justice funding to services which are more preventive, family-centered, and community-based in order to reduce use of restrictive approaches which rely upon institutional, out-of-home, and out-of-community services.

3. *Implementation.*

*a.* Implementation of the initiative shall be through creation of decategorization projects. A project shall consist of either a single county or a group of counties interested in jointly implementing the initiative. Representatives of the department, juvenile court services, and county government shall develop a project agreement to implement the initiative within a project.

*b.* The initiative shall include community planning activities in the area covered by a project. As part of the community planning activities, the department shall partner with other community stakeholders to develop service alternatives that provide less restrictive levels of care for children and families receiving services from the child welfare and juvenile justice systems within the project area.

*c.* The decategorization initiative shall not be implemented in a manner that limits the legal rights of children and families to receive services.

4. *Governance board.*

*a.* In partnership with an interested county or group of counties which has demonstrated the commitment and involvement of the affected county department, or departments, of human services, the juvenile justice system within the project area, and board, or boards, of supervisors in order to form a decategorization project, the department shall develop a process for combining specific state and state-federal funding categories into a decategorization services funding pool for that project. A decategorization project shall be implemented by a decategorization governance board. The decategorization governance board shall develop specific, quantifiable short-term and long-term plans for enhancing the family-centered and community-based services and reducing reliance upon out-of-community care in the project area.

*b.* The department shall work with the decategorization governance boards to best coordinate planning activities and most effectively target funding resources. A departmental service area manager shall work with the decategorization governance boards in that service area to support board planning and service development activities and to promote the most effective alignment of resources.

*c.* A decategorization governance board shall coordinate the project's planning and budgeting activities with the departmental service area manager for the county or counties

comprising the project area and the early childhood Iowa area board or boards for the early childhood Iowa area or areas within which the decategorization project is located.

5. *Funding pool.*

*a.* The governance board for a decategorization project has authority over the project's decategorization services funding pool and shall manage the pool to provide more flexible, individualized, family-centered, preventive, community-based, comprehensive, and coordinated service systems for children and families served in that project area. A funding pool shall also be used for child welfare and juvenile justice systems enhancements.

*b.* Notwithstanding section 8.33, moneys designated for a project's decategorization services funding pool that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure as directed by the project's governance board for child welfare and juvenile justice systems enhancements and other purposes of the project for the next two succeeding fiscal years. Such moneys shall be known as "*carryover funding*". Moneys may be made available to a funding pool from one or more of the following sources:

(1) Funds designated for the initiative in a state appropriation.

(2) Child welfare and juvenile justice services funds designated for the initiative by a departmental service area manager.

(3) Juvenile justice program funds designated for the initiative by a chief juvenile court officer.

(4) Carryover funding.

(5) Any other source designating moneys for the funding pool.

*c.* The services and activities funded from a project's funding pool may vary depending upon the strategies selected by the project's governance board and shall be detailed in an annual child welfare and juvenile justice decategorization services plan developed by the governance board. A decategorization governance board shall involve community representatives and county organizations in the development of the plan for that project's funding pool. In addition, the governance board shall coordinate efforts through communication with the appropriate departmental service area manager regarding budget planning and decategorization service decisions.

*d.* A decategorization governance board is responsible for ensuring that decategorization services expenditures from that project's funding pool do not exceed the amount of funding available. If necessary, the governance board shall reduce expenditures or discontinue specific services as necessary to manage within the funding pool resources available for a fiscal year.

*e.* The annual child welfare and juvenile justice decategorization services plan developed for use of the funding pool by a decategorization governance board shall be submitted to the department administrator of child welfare services and the Iowa empowerment board. In addition, the decategorization governance board shall submit an annual progress report to the department administrator and the Iowa empowerment board which summarizes the progress made toward attaining the objectives contained in the plan. The progress report shall serve as an opportunity for information sharing and feedback.

6. *Departmental role.* A departmental service area's share of the child welfare appropriation that is not allocated by law for the decategorization initiative shall be managed by and is under the authority of the service area manager. A service area manager is responsible for meeting the child welfare service needs in the counties comprising the service area with the available funding resources.

92 Acts, ch 1229, §18; 98 Acts, ch 1206, §11, 20; 99 Acts, ch 111, §10; 99 Acts, ch 190, §16; 99 Acts, ch 192, §33; 2004 Acts, ch 1116, §14; 2005 Acts, ch 95, §1; 2010 Acts, ch 1031, §297; 2011 Acts, ch 129, §90, 156

Referred to in §225C.49, 235.7, 237A.1, 249A.26

Carryover funding from fiscal year beginning July 1, 2009, transferred to community housing and services for persons with disabilities revolving loan program fund; 2011 Acts, ch 129, §55, 74

**232.189 Reasonable efforts administrative requirements.**

Based upon a model reasonable efforts family court initiative, the director of human services and the chief justice of the supreme court or their designees shall jointly establish

and implement a statewide protocol for reasonable efforts, as defined in section 232.102. In addition, the director and the chief justice shall design and implement a system for judicial and departmental reasonable efforts education for deployment throughout the state. The system for reasonable efforts education shall be developed in a manner which addresses the particular needs of rural areas and shall include but is not limited to all of the following topics:

1. Regular training concerning mental or emotional disorders which may afflict children and the impact children with such disorders have upon their families.

2. The duties of judicial and departmental employees associated with placing a child removed from the child's home into a permanent home and the urgency of the placement for the child.

3. The essential elements, including writing techniques, in developing effective permanency plans.

4. The essential elements of gathering evidence sufficient for the evidentiary standards required for judicial orders under this chapter.

92 Acts, ch 1229, §19; 95 Acts, ch 182, §13; 98 Acts, ch 1190, §28

**232.190** Repealed by its own terms effective June 30, 2005; 2000 Acts, ch 1222, § 14.

**232.191 Early intervention and follow-up programs.**

Contingent on a specific appropriation for these purposes, the department shall do the following:

1. Develop or expand programs providing specific life skills and interpersonal skills training for adjudicated delinquent youth who pose a low or moderate risk to the community.

2. Develop or expand a school-based program addressing truancy and school behavioral problems for youth ages twelve through seventeen.

3. Develop or expand an intensive tracking and supervision program for adjudicated delinquent youth at risk for placement who have been released from resident facilities, which shall include telephonic or electronic tracking and monitoring and intervention by juvenile authorities.

4. Develop or expand supervised community treatment for adjudicated delinquent youth who experience significant problems and who constitute a moderate community risk.

94 Acts, ch 1172, §28
Referred to in §232.52

**232.192 through 232.194** Reserved.

**232.195 Runaway treatment plan.**

A county may develop a runaway treatment plan to address problems with chronic runaway children in the county. The plan shall identify the problems with chronic runaway children in the county and specific solutions to be implemented by the county, including the development of a runaway assessment center.

97 Acts, ch 90, §3; 98 Acts, ch 1100, §28
Referred to in §232.196

**232.196 Runaway assessment center.**

1. As part of a county runaway treatment plan under section 232.195, a county may establish a runaway assessment center or other plan. The center or other plan, if established, shall provide services to assess a child who is referred to the center or plan for being a chronic runaway and intensive family counseling services designed to address any problem causing the child to run away. A center shall at least meet the requirements established for providing child foster care under chapter 237.

2. *a.* If not sent home with the child's parent, guardian, or custodian, a chronic runaway may be placed in a runaway assessment center by the peace officer who takes the child into custody under section 232.19, if the officer believes it to be in the child's best interest after consulting with the child's parent, guardian, or custodian. A chronic runaway shall not be placed in a runaway assessment center for more than forty-eight hours.

*b.* If a runaway is placed in an assessment center according to a county plan, the runaway shall be assessed within twenty-four hours of being placed in the center by a center counselor to determine the following:

(1) The reasons why the child is a runaway.

(2) Whether the initiation or continuation of child in need of assistance or family in need of assistance proceedings is appropriate.

*c.* As soon as practicable following the assessment, the child and the child's parents, guardian, or custodian shall be provided the opportunity for a counseling session to identify the underlying causes of the runaway behavior and develop a plan to address those causes.

*d.* A child shall be released from a runaway assessment center, established pursuant to the county plan, to the child's parents, guardian, or custodian not later than forty-eight hours after being placed in the center unless the child is placed in shelter care under section 232.21 or an order is entered under section 232.78. A child whose parents, guardian, or custodian failed to attend counseling at the center or fail to take custody of the child at the end of placement in the center may be the subject of a child in need of assistance petition or such other order as the juvenile court finds to be in the child's best interest.

97 Acts, ch 90, §4; 98 Acts, ch 1100, §29

Referred to in §232.19

# CHAPTER 232A

## JUVENILE VICTIM RESTITUTION

Referred to in §602.7203, 645.3, 915.28


232A.1 Repealed by 98 Acts, ch 1047, §67.
232A.2 Program created.
232A.3 Reports required.
232A.4 Repealed by 98 Acts, ch 1090, §80, 84.


**232A.1** Repealed by 98 Acts, ch 1047, § 67.

**232A.2 Program created.**

A juvenile victim restitution program is created which shall be funded through moneys appropriated by the general assembly to the judicial branch. The primary purpose of the program is to provide funds to compensate victims for losses due to the delinquent acts of juveniles.

Upon completion of a district's plan, the judicial branch shall provide funds in conformance with the procedures and policies of the state. The judicial branch shall reclaim any portion of an initial allocation to a judicial district that is unencumbered on December 31 of any year. The judicial branch shall immediately reallocate the reclaimed funds to those judicial districts from which funds were not reclaimed in the manner provided in this section for the original allocation. Any portion of an amount allocated that remains unencumbered on June 30 of any year shall revert to the general fund of the state.

83 Acts, ch 94, §3; 90 Acts, ch 1247, §6; 98 Acts, ch 1047, §23

**232A.3 Reports required.**

Each judicial district shall submit a report of the progress and financial status of its juvenile victim restitution program to the judicial branch on a quarterly basis. The judicial branch shall prepare and submit annually a report on the progress and financial status of the programs to the general assembly no later than March 15.

83 Acts, ch 94, §4; 90 Acts, ch 1247, §7; 98 Acts, ch 1047, §24

**232A.4** Repealed by 98 Acts, ch 1090, § 80, 84. See § 915.28.

# CHAPTER 232B

## INDIAN CHILD WELFARE ACT

Referred to in §232.7, 232.90, 232.114, 600.1, 600A.3


232B.1 Short title.
232B.2 Purpose — policy of state.
232B.3 Definitions.
232B.4 Application of chapter — determination of Indian status.
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232B.7 Parental rights — voluntary termination or foster care placement.
232B.8 Return of custody — improper removal of child from custody — protection of rights of parent or Indian custodian.
232B.9 Placement preferences.
232B.10 Qualified expert witnesses — standard of proof — change of placement.
232B.11 Agreements with tribes for care and custody of Indian children.
232B.12 Payment of foster care expenses.
232B.13 Records.
232B.14 Compliance.


**232B.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Indian Child Welfare Act"*.

2003 Acts, ch 153, §2

**232B.2 Purpose — policy of state.**

The purpose of the Iowa Indian child welfare Act is to clarify state policies and procedures regarding implementation of the federal Indian Child Welfare Act, Pub. L. No. 95-608, as codified in 25 U.S.C. ch. 21. It is the policy of the state to cooperate fully with Indian tribes and tribal citizens in Iowa in order to ensure that the intent and provisions of the federal Indian Child Welfare Act are enforced. This cooperation includes recognition by the state that Indian tribes have a continuing and compelling governmental interest in an Indian child whether or not the child is in the physical or legal custody of an Indian parent, Indian custodian, or an Indian extended family member at the commencement of a child custody proceeding or the child has resided or domiciled on an Indian reservation. The state is committed to protecting the essential tribal relations and best interest of an Indian child by promoting practices, in accordance with the federal Indian Child Welfare Act and other applicable law, designed to prevent the child's voluntary or involuntary out-of-home placement and, whenever such placement is necessary or ordered, by placing the child, whenever possible, in a foster home, adoptive home, or other type of custodial placement that reflects the unique values of the child's tribal culture and is best able to assist the child in establishing, developing, and maintaining a political, cultural, and social relationship with the child's tribe and tribal community.

2003 Acts, ch 153, §3

**232B.3 Definitions.**

For the purposes of this chapter unless the context otherwise requires:

1. *"Adoptive placement"* means the permanent placement of an Indian child for adoption including, but not limited to, any action under chapter 232, 600, or 600A resulting in a final decree of adoption. *"Adoptive placement"* does not include a placement based upon an act by an Indian child which, if committed by an adult, would be deemed a crime, or upon an award, in a divorce proceeding, of custody to one of the child's parents.

2. *"Best interest of the child"* means the use of practices in accordance with the federal Indian Child Welfare Act, this chapter, and other applicable law, that are designed to prevent the Indian child's voluntary or involuntary out-of-home placement, and whenever such placement is necessary or ordered, placing the child, to the greatest extent possible, in a foster home, adoptive placement, or other type of custodial placement that reflects the unique values of the child's tribal culture and is best able to assist the child in establishing,

developing, and maintaining a political, cultural, and social relationship with the Indian child's tribe and tribal community.

3. *"Child custody proceeding"* means a voluntary or involuntary proceeding that may result in an Indian child's adoptive placement, foster care placement, preadoptive placement, or termination of parental rights.

4. *"Foster care placement"* means the temporary placement of an Indian child in an individual or agency foster care placement or in the personal custody of a guardian or conservator prior to the termination of parental rights, from which the child cannot be returned upon demand to the custody of the parent or Indian custodian but there has not been a termination of parental rights. *"Foster care placement"* does not include a placement based upon an act by an Indian child which, if committed by an adult, would be deemed a crime, or upon an award, in a divorce proceeding, of custody to one of the child's parents.

5. *"Indian"* means a person who is a member of an Indian tribe, or is eligible for membership in an Indian tribe, or who is an Alaska native and a member of a regional corporation as defined in 43 U.S.C. § 1606.

6. *"Indian child"* or *"child"* means an unmarried Indian person who is under eighteen years of age or a child who is under eighteen years of age that an Indian tribe identifies as a child of the tribe's community.

7. *"Indian child's family"* or *"extended family member"* means an adult person who is an Indian child's family member or extended family member under the law or custom of the Indian child's tribe or, in absence of such law or custom, an adult person who has any of the following relationships with the Indian child:

*a.* Parent.
*b.* Sibling.
*c.* Grandparent.
*d.* Aunt or uncle.
*e.* Cousin.
*f.* Clan member.
*g.* Band member.
*h.* Brother-in-law.
*i.* Sister-in-law.
*j.* Niece.
*k.* Nephew.
*l.* Stepparent.

8. *"Indian child's tribe"* means a tribe in which an Indian child is a member or eligible for membership.

9. *"Indian custodian"* means an Indian person who under tribal law, tribal custom, or state law, has legal or temporary physical custody of an Indian child.

10. *"Indian organization"* means any of the following entities that is owned or controlled by Indians, or a majority of the members are Indians:

*a.* A group.
*b.* An association.
*c.* A partnership.
*d.* A corporation.
*e.* Other legal entity.

11. *"Indian tribe"* or *"tribe"* means an Indian tribe, band, nation, or other organized Indian group, or a community of Indians, including any Alaska native village as defined in 43 U.S.C. § 1602(c) recognized as eligible for services provided to Indians by the United States secretary of the interior because of the community members' status as Indians.

12. *"Parent"* means a biological parent of an Indian child or a person who has lawfully adopted an Indian child, including adoptions made under tribal law or custom. *"Parent"* does not include an unwed father whose paternity has not been acknowledged or established. Except for purposes of the federal Indian Child Welfare Act as codified in 25 U.S.C. § 1913(b), (c), and (d), 1916, 1917, and 1951, *"parent"* does not include a person whose parental rights to that child have been terminated.

13. *"Preadoptive placement"* means the temporary placement of an Indian child in an

individual or agency foster care placement after the termination of parental rights, but prior to or in lieu of an adoptive placement. *"Preadoptive placement"* does not include a placement based upon an act by an Indian child which, if committed by an adult, would be deemed a crime, or upon an award, in a divorce proceeding, of custody to one of the child's parents.

14. *"Reservation"* means Indian country as defined in 18 U.S.C. § 1151 or land that is not covered under that definition but the title to which is either held by the United States in trust for the benefit of an Indian tribe or Indian person or held by an Indian tribe or Indian person subject to a restriction by the United States against alienation.

15. *"Secretary of the interior"* means the secretary of the United States department of the interior.

16. *"Termination of parental rights"* means any action resulting in the termination of the parent-child relationship. *"Termination of parental rights"* does not include a placement based upon an act by an Indian child which, if committed by an adult, would be deemed a crime, or upon an award, in a divorce proceeding, of custody to one of the child's parents.

17. *"Tribal court"* means a court or body vested by an Indian tribe with jurisdiction over child custody proceedings, including but not limited to a federal court of Indian offenses, a court established and operated under the code or custom of an Indian tribe, or an administrative body of an Indian tribe vested with authority over child custody proceedings.

2003 Acts, ch 153, §4

Referred to in §232.7, 600.1, 600A.3

**232B.4 Application of chapter — determination of Indian status.**

1. This chapter applies to child custody proceedings involving an Indian child whether the child is in the physical or legal custody of an Indian parent, Indian custodian, or an Indian extended family member or another person at the commencement of the proceedings or whether the child has resided or domiciled on or off an Indian reservation.

2. The court shall require a party seeking the foster care placement of, termination of parental rights over, or the adoption of, an Indian child to seek to determine whether the child is an Indian child through contact with any Indian tribe in which the child may be a member or eligible for membership, the child's parent, any person who has custody of the child or with whom the child resides, and any other person that reasonably can be expected to have information regarding the child's possible membership or eligibility for membership in an Indian tribe, including but not limited to the United States department of the interior.

3. A written determination by an Indian tribe that a child is a member of or eligible for membership in that tribe, or testimony attesting to such status by a person authorized by the tribe to provide that determination, shall be conclusive. A written determination by an Indian tribe, or testimony by a person authorized by the tribe to provide that determination or testimony, that a child is not a member of or eligible for membership in that tribe shall be conclusive as to that tribe. If an Indian tribe does not provide evidence of the child's status as an Indian child, the court shall determine the child's status.

4. The determination of the Indian status of a child shall be made as soon as practicable in order to serve the best interest of the child and to ensure compliance with the notice requirements of this chapter.

2003 Acts, ch 153, §5

**232B.5 Indian child custody proceedings — jurisdiction — notice — transfer of proceedings.**

1. An Indian tribe has jurisdiction exclusive as to this state over any child custody proceeding held in this state involving an Indian child who resides or is domiciled within the reservation of that tribe, except when the jurisdiction is otherwise vested in this state by existing federal law. If an Indian child is a ward of a tribal court, the Indian tribe shall retain exclusive jurisdiction, notwithstanding the residence or domicile of the child.

2. The federal Indian Child Welfare Act and this chapter are applicable without exception in any child custody proceeding involving an Indian child. A state court does not have discretion to determine the applicability of the federal Indian Child Welfare Act or this

chapter to a child custody proceeding based upon whether an Indian child is part of an existing Indian family.

3. In a child custody proceeding, the court or any party to the proceeding shall be deemed to know or have reason to know that an Indian child is involved whenever any of the following circumstances exist:

*a.* A party to the proceeding or the court has been informed by any interested person, an officer of the court, a tribe, an Indian organization, a public or private agency, or a member of the child's extended family that the child is or may be an Indian child.

*b.* The child who is the subject of the proceeding gives the court reason to believe the child is an Indian child.

*c.* The court or a party to the proceeding has reason to believe the residence or domicile of the child is in a predominantly Indian community.

4. In any involuntary child custody proceeding, including review hearings following an adjudication, the court shall establish in the record that the party seeking the foster care placement of, or termination of parental rights over, or the adoption of an Indian child has sent notice by registered mail, return receipt requested, to all of the following:

*a.* The child's parents.

*b.* The child's Indian custodians.

*c.* Any tribe in which the child may be a member or eligible for membership.

5. If the identity or location of the child's parent, Indian custodian, or tribe cannot be determined, the notice under subsection 4 shall be provided to the secretary of the interior, who shall have fifteen days after receipt of the notice to provide the notice to the child's parent, Indian custodian, and tribe. A foster care placement or termination of parental rights proceeding involving the child shall not be held until at least ten days after receipt of notice by the child's parent, Indian custodian, and tribe, or the secretary of the interior. Upon request, the child's parent or Indian custodian or tribe shall be granted up to twenty additional days after receipt of the notice to prepare for the proceeding.

6. The court shall also establish in the record that a notice of any involuntary custody proceeding has been sent to the Indian child's tribe. The tribe may provide notice of the proceeding to any of the child's extended family members.

7. The notice in any involuntary child custody proceeding involving an Indian child shall be written in clear and understandable language and shall include all of the following information:

*a.* The name and tribal affiliation of the Indian child.

*b.* A copy of the petition by which the proceeding was initiated.

*c.* A statement listing the rights of the child's parents, Indian custodians, and tribes and, if applicable, the rights of the Indian child's family. The rights shall include all of the following:

(1) The right to intervene in the proceeding.

(2) The right to petition the court to transfer the proceeding to the tribal court of the Indian child's tribe.

(3) The right to be granted up to an additional twenty days from the receipt of the notice to prepare for the proceeding.

(4) The right to request that the court grant further extensions of time.

(5) In the case of an extended family member, the right to intervene and be considered as a preferred placement for the child.

*d.* A statement of the potential legal consequences of an adjudication on the future custodial rights of the child's parents or Indian custodians.

*e.* A statement that if the parents or Indian custodians are unable to afford counsel in an involuntary proceeding, counsel will be appointed to represent the parents or custodians.

*f.* A statement that the court may appoint counsel for the child upon a finding that the appointment is in the best interest of the child.

*g.* A statement that the information contained in the notice, petition, pleading, and other court documents is confidential.

*h.* A statement that the child's tribe may provide notice of the proceeding to any of the child's extended family members along with copies of other related documents.

8. In a voluntary child custody proceeding involving an Indian child, including but not

limited to a review hearing, the court shall establish in the record that the party seeking the foster care placement of, termination of parental rights to, or the permanent placement of, an Indian child has sent notice at least ten days prior to the hearing by registered mail, return receipt requested, to all of the following:

*a.* The child's parents, except for a parent whose parental rights have been terminated.

*b.* The child's Indian custodians, except for a custodian whose parental or Indian custodian rights have been terminated.

*c.* Any tribe in which the child may be a member or eligible for membership.

9. The notice in a voluntary child custody proceeding involving an Indian child shall be written in clear and understandable language and shall include all of the following information:

*a.* The name and tribal affiliation of the child.

*b.* A copy of the petition by which the proceeding was initiated.

*c.* A statement listing the rights of the child's parents, Indian custodians, Indian tribe or tribes, and, if applicable, extended family members. The rights shall include all of the following:

(1) The right to intervene in the proceeding.

(2) The right to petition the court to transfer a foster care placement or termination of parental rights proceeding to the tribal court of the Indian child's tribe.

(3) In the case of extended family members, the right to intervene and be considered as a preferred placement for the child.

*d.* A statement that the information contained in the notice, petition, pleading, and any other court document shall be kept confidential.

*e.* A statement that the child's tribe may provide notice of the proceeding to any of the child's extended family members along with copies of other related documents.

10. Unless either of an Indian child's parents objects, in any child custody proceeding involving an Indian child who is not domiciled or residing within the jurisdiction of the Indian child's tribe, the court shall transfer the proceeding to the jurisdiction of the Indian child's tribe, upon the petition of any of the following persons:

*a.* Either of the child's parents.

*b.* The child's Indian custodian.

*c.* The child's tribe.

11. Notwithstanding entry of an objection to a transfer of proceedings as described in subsection 10, the court shall reject any objection that is inconsistent with the purposes of this chapter, including but not limited to any objection that would prevent maintaining the vital relationship between Indian tribes and the tribes' children and would interfere with the policy that the best interest of an Indian child require that the child be placed in a foster or adoptive home that reflects the unique values of Indian culture.

12. A transfer of proceedings under subsection 10 may be declined by the tribal court of the Indian child's tribe. If the tribal court declines to assume jurisdiction, the state court shall reassume jurisdiction and shall apply all of the following in any proceeding:

*a.* The requirements of the federal Indian Child Welfare Act.

*b.* This chapter.

*c.* The applicable provisions of any agreement between the Indian child's tribe and the state concerning the welfare, care, and custody of Indian children.

13. If a petition to transfer proceedings as described in subsection 10 is filed, the court shall find good cause to deny the petition only if one or more of the following circumstances are shown to exist:

*a.* The tribal court of the child's tribe declines the transfer of jurisdiction.

*b.* The tribal court does not have subject matter jurisdiction under the laws of the tribe or federal law.

*c.* Circumstances exist in which the evidence necessary to decide the case cannot be presented in the tribal court without undue hardship to the parties or the witnesses, and the tribal court is unable to mitigate the hardship by making arrangements to receive and consider the evidence or testimony by use of remote communication, by hearing the

evidence or testimony at a location convenient to the parties or witnesses, or by use of other means permitted in the tribal court's rules of evidence or discovery.

*d.* An objection to the transfer is entered in accordance with subsection 10.

14. The Indian child's tribe or tribes and Indian custodian have the right to intervene at any point in any foster care placement or termination of parental rights proceeding involving the child. The Indian child's tribe shall also have the right to intervene at any point in any adoption proceeding involving the child. Any member of the Indian child's family may intervene in an adoption proceeding involving the child for the purpose of petitioning the court for the adoptive placement of the child in accordance with the order of preference provided for in this chapter.

15. The state shall give full faith and credit to the public acts, records, judicial proceedings, and judgments of any Indian tribe applicable to the Indian child custody proceedings.

16. In any proceeding in which the court determines indigency of the Indian child's parent or Indian custodian, the parent or Indian custodian shall have the right to court-appointed counsel in any removal, placement, or termination of parental rights. The child shall also have the right to court-appointed counsel in any removal, placement, termination of parental rights, or other permanency proceedings.

17. Each party to a foster care placement or termination of parental rights proceeding involving an Indian child shall have the right to examine all reports or other documents filed with the court upon which any decision with respect to the proceeding may be based.

18. Any person or court involved in the foster care, preadoptive placement, or adoptive placement of an Indian child shall use the services of the Indian child's tribe or tribes, whenever available through the tribe or tribes, in seeking to secure placement within the order of placement preference established in section 232B.9 and in the supervision of the placement.

19. A party seeking an involuntary foster care placement of or termination of parental rights over an Indian child shall provide evidence to the court that active efforts have been made to provide remedial services and rehabilitative programs designed to prevent the breakup of the Indian family and that these efforts have proved unsuccessful. The court shall not order the placement or termination, unless the evidence of active efforts shows there has been a vigorous and concerted level of casework beyond the level that typically constitutes reasonable efforts as defined in sections 232.57 and 232.102. Reasonable efforts shall not be construed to be active efforts. The active efforts must be made in a manner that takes into account the prevailing social and cultural values, conditions, and way of life of the Indian child's tribe. Active efforts shall utilize the available resources of the Indian child's extended family, tribe, tribal and other Indian social service agencies, and individual Indian caregivers. Active efforts shall include but are not limited to all of the following:

*a.* A request to the Indian child's tribe to convene traditional and customary support and resolution actions or services.

*b.* Identification and participation of tribally designated representatives at the earliest point.

*c.* Consultation with extended family members to identify family structure and family support services that may be provided by extended family members.

*d.* Frequent visitation in the Indian child's home and the homes of the child's extended family members.

*e.* Exhaustion of all tribally appropriate family preservation alternatives.

*f.* Identification and provision of information to the child's family concerning community resources that may be able to offer housing, financial, and transportation assistance and actively assisting the family in accessing the community resources.

20. The state of Iowa recognizes that an Indian tribe may contract with another Indian tribe for supervision regarding placement, case management, and the provision of services to an Indian child.

2003 Acts, ch 153, §6

**232B.6 Emergency removal of Indian child — foster care placement — termination of parental rights.**

1. This chapter shall not be construed to prevent the emergency removal of an Indian child who is a resident of or is domiciled on an Indian reservation, but is temporarily located off the reservation, or is away from the child's parent or Indian custodian, or the emergency placement of such child in a foster home or institution, under applicable state law, in order to prevent imminent physical damage or harm to the child. In a case of emergency removal of an Indian child, regardless of residence or domicile of the child, the state shall ensure that the emergency removal or placement terminates immediately when the removal or placement is no longer necessary to prevent imminent physical damage or harm to the child and shall expeditiously initiate a child custody proceeding subject to the provisions of this chapter, transfer the child to the jurisdiction of the appropriate Indian tribe, or restore the child to the child's parent or Indian custodian, as may be appropriate.

2. Within three business days following the issuance of an order of emergency removal or placement of an Indian child, the court issuing the order shall notify the Indian child's tribe of the emergency removal or placement by registered mail, return receipt requested. The notice shall include the court order, the petition, if applicable, any information required by this chapter, and a statement informing the child's tribe of the tribe's right to intervene in the proceeding.

3. A motion, application, or petition commencing an emergency or temporary removal under section 232.79 or 232.95 or foster care placement proceeding under chapter 232 involving an Indian child shall be accompanied by all of the following:

*a.* An affidavit containing the names, tribal affiliations, and addresses of the Indian child, and of the child's parents and Indian custodians.

*b.* A specific and detailed account of the circumstances supporting the removal of the child.

*c.* All reports or other documents from each public or private agency involved with the emergency or temporary removal that are filed with the court and upon which any decision may be based. The reports shall include all of the following information, when available:

(1) The name of each agency.

(2) The names of agency administrators and professionals involved in the removal.

(3) A description of the emergency justifying the removal of the child.

(4) All observations made and actions taken by the agency.

(5) The date, time, and place of each such action.

(6) The signatures of all agency personnel involved.

(7) A statement of the specific actions taken and to be taken by each involved agency to effectuate the safe return of the child to the custody of the child's parent or Indian custodian.

4. An emergency removal or placement of an Indian child shall immediately terminate, and any court order approving the removal or placement shall be vacated, when the removal or placement is no longer necessary to prevent imminent physical damage or harm to the child. In no case shall an emergency removal or placement order remain in effect for more than fifteen days unless, upon a showing that continuation of the order is necessary to prevent imminent physical damage or harm to the child, the court extends the order for a period not to exceed an additional thirty days. If the Indian child's tribe has been identified, the court shall notify the tribe of the date and time of any hearing scheduled to determine whether to extend an emergency removal or placement order.

5. Upon termination of the emergency removal or placement order, the child shall immediately be returned to the custody of the child's parent or Indian custodian unless any of the following circumstances exist:

*a.* The child is transferred to the jurisdiction of the child's tribe.

*b.* In an involuntary foster care placement proceeding pursuant to the federal Indian Child Welfare Act, the court orders that the child shall be placed in foster care upon a determination, supported by clear and convincing evidence, including testimony by qualified expert witnesses, that custody of the child by the child's parent or Indian custodian is likely to result in serious emotional or physical damage to the child.

*c.* The child's parent or Indian custodian voluntarily consents to the foster care placement of the child pursuant to the provisions of the federal Indian Child Welfare Act.

6. *a.* Termination of parental rights over an Indian child shall not be ordered in the absence of a determination, supported by evidence beyond a reasonable doubt, including the testimony of qualified expert witnesses, that the continued custody of the child by the child's parent or Indian custodian is likely to result in serious emotional or physical damage to the child.

*b.* Foster care placement of an Indian child shall not be ordered in the absence of a determination, supported by clear and convincing evidence, including the testimony of qualified expert witnesses, that the continued custody of the child by the child's parent or Indian custodian is likely to result in serious emotional or physical damage to the child.

2003 Acts, ch 153, §7

**232B.7 Parental rights — voluntary termination or foster care placement.**

1. If an Indian child's parent or Indian custodian voluntarily consents to a foster care placement of the child or to termination of parental rights, the consent shall not be valid unless executed in writing and recorded before a judge of a court of competent jurisdiction and accompanied by the judge's certificate that the terms and consequences of the consent were fully explained in detail and were fully understood by the parent or Indian custodian. The court shall also certify that either the parent or Indian custodian fully understood the explanation in English or that it was interpreted into a language that the parent or Indian custodian understood. Notwithstanding section 600A.4 or any other provision of law, any consent for release of custody given prior to, or within ten days after, the birth of the Indian child shall not be valid.

2. An Indian child's parent or Indian custodian may withdraw consent to a foster care placement at any time and, upon the withdrawal of consent, the child shall be returned to the parent or Indian custodian.

3. In a voluntary proceeding for termination of parental rights to, or adoptive placement of, an Indian child, the consent of the parent may be withdrawn for any reason at any time prior to the entry of a final decree of termination or adoption, as the case may be, and the child shall be returned to the parent.

4. After the entry of a final decree of adoption of an Indian child, the parent may withdraw consent to the adoption upon the grounds that consent was obtained through fraud or duress and may petition the court to vacate the decree. Upon a finding that such consent was obtained through fraud or duress, the court shall vacate the decree and return the child to the parent. However, an adoption which has been effective for at least two years shall not be invalidated under the provisions of this subsection unless otherwise permitted under state law.

2003 Acts, ch 153, §8

**232B.8 Return of custody — improper removal of child from custody — protection of rights of parent or Indian custodian.**

1. If a final decree of adoption of an Indian child has been vacated or set aside or the adoptive parents voluntarily consent to the termination of their parental rights to the child, a biological parent or prior Indian custodian may petition for return of custody and the court shall grant the petition unless there is a showing, in a proceeding subject to the provisions of this chapter, that the return of custody is not in the best interest of the child.

2. If an Indian child is removed from a foster care home or institution for the purpose of further foster care, preadoptive, or adoptive placement, the placement shall be in accordance with the provisions of this chapter, except when an Indian child is being returned to the parent or Indian custodian from whose custody the child was originally removed.

3. If a petitioner in an Indian child custody proceeding before a state court has improperly removed the child from the custody of the parent or Indian custodian or has improperly retained custody after a visit or other temporary relinquishment of custody, the court shall decline jurisdiction over the petition and shall immediately return the child to the child's

parent or Indian custodian unless returning the child to the parent or Indian custodian would subject the child to a substantial and immediate danger or threat of such danger.

4. If another state or federal law applicable to a child custody proceeding held under state or federal law provides a higher standard of protection to the rights of the parent or Indian custodian of an Indian child than the rights provided under this chapter, the court shall apply the higher standard.

2003 Acts, ch 153, §9

**232B.9 Placement preferences.**

1. In any adoptive or other permanent placement of an Indian child, preference shall be given to a placement with one of the following, in descending priority order:

*a.* A member of the Indian child's family.

*b.* Other members of the Indian child's tribe.

*c.* Another Indian family.

*d.* A non-Indian family approved by the Indian child's tribe.

*e.* A non-Indian family that is committed to enabling the child to have extended family visitation and participation in the cultural and ceremonial events of the child's tribe.

2. An emergency removal, foster care, or preadoptive placement of an Indian child shall be in the least restrictive setting which most approximates a family situation and in which the child's special needs, if any, may be met. The child shall also be placed within reasonable proximity to the child's home, taking into account any special needs of the child. In any foster care or preadoptive placement, a preference shall be given to the child's placement with one of the following, in descending priority order:

*a.* A member of the child's extended family.

*b.* A foster home licensed, approved, or specified by the child's tribe.

*c.* An Indian foster home licensed or approved by an authorized non-Indian licensing authority.

*d.* A child foster care agency approved by an Indian tribe or operated by an Indian organization which has a program suitable to meet the Indian child's needs.

*e.* A non-Indian child foster care agency approved by the child's tribe.

*f.* A non-Indian family committed to enabling the child to have extended family visitation and participation in the cultural and ceremonial events of the child's tribe.

3. To the greatest possible extent, a placement made in accordance with subsection 1 or 2 shall be made in the best interest of the child.

4. An adoptive placement of an Indian child shall not be ordered in the absence of a determination, supported by clear and convincing evidence including the testimony of qualified expert witnesses, that the placement of the child is in the best interest of the child.

5. Notwithstanding the placement preferences listed in subsections 1 and 2, if a different order of placement preference is established by the child's tribe or in a binding agreement between the child's tribe and the state entered into pursuant to section 232B.11, the court or agency effecting the placement shall follow the order of preference established by the tribe or in the agreement.

6. As appropriate, the placement preference of the Indian child or parent shall be considered. In applying the preferences, a consenting parent's request for anonymity shall also be given weight by the court or agency effecting the placement. Unless there is clear and convincing evidence that placement within the order of preference applicable under subsection 1, 2, or 5 would be harmful to the Indian child, consideration of the preference of the Indian child or parent or a parent's request for anonymity shall not be a basis for placing an Indian child outside of the applicable order of preference.

7. The prevailing social and cultural standards of the Indian community in which the parent or extended family members of an Indian child reside, or with which such parent or extended family members maintain social and cultural ties, or the prevailing social and cultural standards of the Indian child's tribe shall be applied in qualifying any placement having a preference under this section. A determination of the applicable prevailing social and cultural standards shall be confirmed by the testimony or other documented support of qualified expert witnesses.

8. A record of each foster care placement, emergency removal, preadoptive placement, or adoptive placement of an Indian child, under the laws of this state, shall be maintained in perpetuity by the department of human services in accordance with section 232B.13. The record shall document the active efforts to comply with the applicable order of preference specified in this section.

9. The state of Iowa recognizes the authority of Indian tribes to license foster homes and to license agencies to receive children for control, care, and maintenance outside of the children's own homes, or to place, receive, arrange the placement of, or assist in the placement of children for foster care or adoption. The department of human services and child-placing agencies licensed under chapter 238 may place children in foster homes and facilities licensed by an Indian tribe.

2003 Acts, ch 153, §10

Referred to in §232B.5, 232B.12, 232B.13

**232B.10 Qualified expert witnesses — standard of proof — change of placement.**

1. For the purposes of this chapter, unless the context otherwise requires, a *"qualified expert witness"* may include, but is not limited to, a social worker, sociologist, physician, psychologist, traditional tribal therapist and healer, spiritual leader, historian, or elder.

2. In considering whether to involuntarily place an Indian child in foster care or to terminate the parental rights of the parent of an Indian child, the court shall require that qualified expert witnesses with specific knowledge of the child's Indian tribe testify regarding that tribe's family organization and child-rearing practices, and regarding whether the tribe's culture, customs, and laws would support the placement of the child in foster care or the termination of parental rights on the grounds that continued custody of the child by the parent or Indian custodian is likely to result in serious emotional or physical damage to the child.

3. In the following descending order of preference, a qualified expert witness is a person who is one of the following:

*a.* A member of the child's Indian tribe who is recognized by the child's tribal community as knowledgeable regarding tribal customs as the customs pertain to family organization or child-rearing practices.

*b.* A member of another tribe who is formally recognized by the Indian child's tribe as having the knowledge to be a qualified expert witness.

*c.* A layperson having substantial experience in the delivery of child and family services to Indians, and substantial knowledge of the prevailing social and cultural standards and child-rearing practices within the Indian child's tribe.

*d.* A professional person having substantial education and experience in the person's professional specialty and having substantial knowledge of the prevailing social and cultural standards and child-rearing practices within the Indian child's tribe.

*e.* A professional person having substantial education and experience in the person's professional specialty and having extensive knowledge of the customs, traditions, and values of the Indian child's tribe as the customs, traditions, and values pertain to family organization and child-rearing practices. Prior to accepting the testimony of a qualified expert witness described in this lettered paragraph, the court shall document the efforts made to secure a qualified expert witness described in paragraphs "*a*", "*b*", "*c*", and "*d*". The efforts shall include but are not limited to contacting the Indian child's tribe's governing body, that tribe's Indian Child Welfare Act office, and the tribe's social service office.

2003 Acts, ch 153, §11; 2004 Acts, ch 1101, §29

**232B.11 Agreements with tribes for care and custody of Indian children.**

1. The director of human services or the director's designee shall make a good faith effort to enter into agreements with Indian tribes regarding jurisdiction over child custody proceedings and the care and custody of Indian children whose tribes have land within Iowa, including but not limited to the Sac and Fox tribe, the Omaha tribe, the Ponca tribe, and the Winnebago tribe, and whose tribes have an Indian child who resides in the state of Iowa. An agreement shall seek to promote the continued existence and integrity of the

Indian tribe as a political entity and the vital interest of Indian children in securing and maintaining a political, cultural, and social relationship with their tribes. An agreement shall assure that tribal services and Indian organizations or agencies are used to the greatest extent practicable in planning and implementing any action pursuant to the agreement concerning the care and custody of Indian children. If tribal services are not available, an agreement shall assure that community services and resources developed specifically for Indian families will be used.

2. If an agreement entered into between the tribe and the department of human services pertaining to the funding of foster care placements for Indian children conflicts with any federal or state law, the state in a timely, good faith manner shall agree to amend the agreement in a way that prevents any interruption of services to eligible Indian children.

3. An agreement entered into under this section may be revoked by either party by giving one hundred eighty days' advance written notice to the other party. The revocation shall not affect any action or proceeding over which a court has already assumed jurisdiction, unless the agreement provides otherwise.

2003 Acts, ch 153, §12

Referred to in §232B.9

**232B.12 Payment of foster care expenses.**

1. If the department of human services has legal custody of an Indian child and that child is placed in foster care according to the placement preferences under section 232B.9 the state shall pay, subject to any applicable federal funding limitations and requirements, the cost of the foster care in the manner and to the same extent the state pays for foster care of non-Indian children, including the administrative and training costs associated with the placement. In addition, the state shall pay the other costs related to the foster care placement of an Indian child as may be provided for in an agreement entered into between a tribe and the state.

2. The department of human services may, subject to any applicable federal funding limitations and requirements and within funds appropriated for foster care services, purchase care for Indian children who are in the custody of a federally recognized Indian tribe or tribally licensed child-placing agency pursuant to parental consent, tribal court order, or state court order; and the purchase of the care is subject to the same eligibility standards and rates of support applicable to other children for whom the department purchases care.

2003 Acts, ch 153, §13

**232B.13 Records.**

1. The department of human services shall establish an automated database where a permanent record shall be maintained of every involuntary or voluntary foster care, preadoptive placement, or adoptive placement of an Indian child that is ordered by a court of this state and in which the department was involved. The automated record shall document the active efforts made to comply with the order of placement preference specified in section 232B.9. An Indian child's placement record shall be maintained in perpetuity by the department of human services and shall include but is not limited to the name, birthdate, and gender of the Indian child, and the location of the local department office that maintains the original file and documents containing the information listed in subsection 2.

2. Each county department of human services, state-licensed child-placing agency, private attorney, and medical facility involved in the involuntary or voluntary foster care placement, preadoptive placement, or adoptive placement of an Indian child shall maintain in perpetuity a record of the placement. The record shall include, but is not limited to, all of the following information:

*a.* The name and tribal affiliation of the child.

*b.* The location of the child's Indian tribe or tribes.

*c.* The names and addresses of the child's biological parents.

*d.* The child's certificate of degree of Indian blood.

*e.* The child's tribal enrollment or other membership documentation, if any.

*f.* The child's medical records.

*g.* The social and medical history of the child's biological family.

*h.* The names, ages, and gender of the child's siblings.

*i.* The names, ages, and gender of the child's kinship or extended family members.

*j.* The names and addresses of the child's adoptive parents.

*k.* The identity of any agency having files or information relating to the placement.

*l.* All reports concerning the child or the child's family, including detailed information regarding case plans and other efforts to rehabilitate the parents of the child.

*m.* A record of efforts made to place the child within and outside of the placement preferences under section 232B.9.

*n.* A statement of the reason for the final placement decision.

3. If a court orders the foster care, preadoptive placement, or adoptive placement of an Indian child, the court and any state-licensed child-placing agency involved in the placement shall provide the department of human services with the records described in subsections 1 and 2.

4. A record maintained pursuant to this section by the department of human services, a county department of human services, state-licensed child-placing agency, private attorney, or medical facility shall be made available within seven days of a request for the record by the Indian child's tribe or the secretary of the interior.

5. Upon the request of an Indian individual who is eighteen years of age or older, or upon the request of an Indian child's parent, Indian custodian, attorney, guardian ad litem, guardian, legal custodian, or caseworker of the Indian child, the department of human services, a county department of human services, state-licensed child-placing agency, private attorney, or medical facility shall provide access to the records pertaining to the Indian individual or child maintained pursuant to this section. The records shall also be made available upon the request of the descendants of the Indian individual or child. A record shall be made available within seven days of a request for the record by any person authorized by this subsection to make the request.

6. Upon application of an Indian individual who is eighteen years of age or older and was the subject of an adoptive placement, the court that entered the final decree shall inform the individual regarding the individual's tribal affiliation and any of the individual's biological parents, and shall provide such other information as may be necessary to protect any rights arising from the individual's tribal affiliation. In addition, the court shall provide the individual, through an appropriate order, if necessary, with information described in subsection 2 as may be secured from the records maintained pursuant to subsection 2.

7. If a parent of an Indian child wishes to remain anonymous, identifying records concerning any such parent shall not be released unless necessary to secure, maintain, or enforce the Indian child's right to enrollment or membership in the child's Indian tribe, for determining a right or benefit associated with the enrollment or membership, or for determining a right to an inheritance.

2003 Acts, ch 153, §14

Referred to in §232B.9

**232B.14 Compliance.**

1. The department of human services, in consultation with Indian tribes, shall establish standards and procedures for the department's review of cases subject to this chapter and methods for monitoring the department's compliance with provisions of the federal Indian Child Welfare Act and this chapter. These standards and procedures and the monitoring methods shall be integrated into the department's structure and plan for the federal government's child and family service review process and any program improvement plan resulting from that process.

2. A court of competent jurisdiction shall vacate a court order and remand the case for appropriate disposition for any of the following violations of this chapter:

*a.* Failure to notify an Indian parent, Indian custodian, or tribe.

*b.* Failure to recognize the jurisdiction of an Indian tribe.

*c.* Failure, without cause as specified under this chapter, to transfer jurisdiction to an Indian tribe appropriately seeking transfer.

*d.* Failure to give full faith and credit to the public acts, records, or judicial proceedings of an Indian tribe.

*e.* Failure to allow intervention by an Indian custodian or Indian tribe, or if applicable, an extended family member.

*f.* Failure to return the child to the child's parent or Indian custodian when removal or placement is no longer necessary to prevent imminent physical damage or harm.

*g.* Failure to provide the testimony of qualified expert witnesses as required by this chapter.

*h.* Any other violation that is not harmless error, including but not limited to a failure to comply with 25 U.S.C. § 1911, 1912, 1913, 1915, 1916, or 1917.

3. If a petitioner in an Indian child custody proceeding before a state court has improperly removed the child from the custody of the child's parent or Indian custodian or has improperly retained custody after a visit or other temporary relinquishment of custody, the court shall decline jurisdiction over the petition and shall immediately return the child to the child's parent or Indian custodian unless returning the child to the parent or Indian custodian would subject the child to a substantial and immediate danger or threat of such danger.

2003 Acts, ch 153, §15

# CHAPTER 232C

## EMANCIPATION OF MINORS

232C.1 Emancipation petition — hearing.
232C.2 Stay — mediation — referral to family in need of assistance.
232C.3 Determination of emancipation — best interests of the minor.
232C.4 Effect of emancipation order.

**232C.1 Emancipation petition — hearing.**

1. A minor who desires to become emancipated may file a petition for an order of emancipation in juvenile court if all of the following apply:

*a.* The minor is sixteen years of age or older.

*b.* The minor is a resident of this state.

*c.* The minor is not in the care, custody, or control of the state.

2. A petition filed pursuant to this section shall contain the following:

*a.* The petitioner's name, mailing address, and date of birth.

*b.* The name and mailing address of the petitioner's parents or legal guardian.

*c.* Specific facts to support the petition including but not limited to the following:

(1) The minor has demonstrated financial self-sufficiency, including proof of employment or other means of support, which does not include assistance or subsidies from a federal, state, or local governmental agency.

(2) The minor has demonstrated an ability to manage the personal affairs of the minor.

(3) The minor has demonstrated an ability and commitment to obtain and maintain education, vocational training, or employment.

(4) Any other information considered necessary to support the petition.

*d.* Any one of the following:

(1) Documentation that the minor has been living on the minor's own for at least three consecutive months.

(2) A statement explaining the reasons the minor believes the home of the minor's parents or legal guardian is not a healthy or safe environment.

(3) A notarized statement that contains written consent to emancipation by the minor's parents or legal guardian.

3. The court shall hold a hearing on the petition within ninety days of the filing of the petition. Notice of the hearing, with a copy of the petition attached, shall be served by personal service on the minor's parent or legal guardian at least thirty days prior to the

hearing date. Any other parties shall be notified as provided by the rules of civil procedure for service of an original notice.

4. The minor may participate in the court proceedings on the minor's own behalf, or may be represented by the minor's own counsel, or the court may appoint a guardian ad litem on behalf of the minor.

2009 Acts, ch 153, §3
Referred to in §232C.2

**232C.2 Stay — mediation — referral to family in need of assistance.**

1. Prior to an emancipation hearing held pursuant to section 232C.1, the court, on its own motion, may stay the proceedings, and refer the parties to mediation or request that the department of human services investigate any allegations of child abuse or neglect contained in the petition, and order that a written report be prepared and filed by the department.

2. If a minor's parent or guardian objects to the petition filed pursuant to section 232C.1, the juvenile court shall stay the proceedings and refer the parties to mediation unless the juvenile court finds that mediation would not be in the best interests of the minor.

3. If an agreement is reached through mediation, the parties shall file the signed agreement with the juvenile court.

4. Notwithstanding subsections 1 through 3, the juvenile court, on its own motion, may discontinue emancipation proceedings pursuant to this chapter and interpret the petition as a petition to initiate family in need of assistance proceedings and consider the petition under sections 232.122 through 232.127.

2009 Acts, ch 153, §4
Referred to in §232.125, 232C.3

**232C.3 Determination of emancipation — best interests of the minor.**

1. The juvenile court shall determine emancipation based on the best interests of the minor and shall consider all relevant factors including the following:

*a.* The potential risks and consequences of emancipation and whether the minor understands the risks and consequences of emancipation.

*b.* The ability of the minor to be financially self-sufficient.

*c.* The education level of the minor and success achieved in school.

*d.* The criminal record of the minor.

*e.* The desires of the minor.

*f.* The recommendations of the parents or guardian of the minor.

2. The minor has the burden of proving by clear and convincing evidence that the requirements for ordering emancipation under this section have been met.

3. The juvenile court shall carefully consider the best interests of the minor and after hearing and consideration of the factors enumerated in this section, the juvenile court may order the minor emancipated or deny the petition for emancipation.

4. If, after referral of a petition for the initiation of family in need of assistance proceedings pursuant to section 232C.2, the juvenile court finds, by clear and convincing evidence, that no remedy is available that would result in strengthening or maintaining the familial relationship under the family in need of assistance proceedings pursuant to sections 232.122 through 232.127, the juvenile court may order the minor emancipated as provided in this section.

2009 Acts, ch 153, §5
Referred to in §232.127

**232C.4 Effect of emancipation order.**

1. An emancipation order shall have the same effect as a minor reaching the age of majority with respect to but not limited to the following:

*a.* The ability to sue or be sued in the minor's own name.

*b.* The right to enter into a binding contract.

*c.* The right to establish a legal residence.

*d.* The right to incur debts.

*e.* The right to consent to medical, dental, or psychiatric care.

2. An emancipation order shall have the same effect as the minor reaching the age of majority and the parents are exempt from the following:

*a.* Future child support obligations for the emancipated minor.

*b.* An obligation to provide medical support for the emancipated minor, unless deemed necessary by the court.

*c.* A right to the income or property of the emancipated minor.

*d.* A responsibility for the debts of the emancipated minor.

3. An emancipated minor shall remain subject to voting restrictions under chapter 48A, gambling restrictions under chapter 99B, 99D, 99F, 99G, or 725, alcohol restrictions under chapter 123, compulsory attendance requirements under chapter 299, and cigarette tobacco restrictions under chapter 453A.

4. An emancipated minor shall not be considered an adult for prosecution except as provided in section 232.8.

5. Notwithstanding sections 232.147 through 232.151, the emancipation order shall be released by the juvenile court subject to rules prescribed by the supreme court.

6. A parent who is absolved of child support obligations pursuant to an emancipation order shall notify the child support recovery unit of the department of human services of the emancipation.

2009 Acts, ch 153, §6; 2011 Acts, ch 34, §59

# CHAPTER 233

## NEWBORN INFANT CUSTODY RELEASE PROCEDURES (NEWBORN SAFE HAVEN ACT)

Referred to in §232.2, 232.111, 232.116


233.1 Newborn safe haven Act — definitions.
233.2 Newborn infant custody release procedures.
233.3 Immunity.
233.4 Rights of parents.
233.5 Confidentiality protections.
233.6 Educational and public information.


**233.1 Newborn safe haven Act — definitions.**

1. This chapter may be cited as the *"Newborn Safe Haven Act"*.

2. For the purposes of this chapter, unless the context otherwise requires:

*a.* *"Institutional health facility"* means a hospital as defined in section 135B.1, including a facility providing medical or health services that is open twenty-four hours per day, seven days per week and is a hospital emergency room or a health care facility as defined in section 135C.1.

*b.* *"Newborn infant"* means a child who is, or who appears to be, fourteen days of age or younger.

2001 Acts, ch 67, §1, 13; 2002 Acts, ch 1119, §33

**233.2 Newborn infant custody release procedures.**

1. A parent of a newborn infant may voluntarily release custody of the newborn infant by relinquishing physical custody of the newborn infant, without expressing an intent to again assume physical custody, at an institutional health facility or by authorizing another person to relinquish physical custody on the parent's behalf. If physical custody of the newborn infant is not relinquished directly to an individual on duty at the institutional health facility, the parent may take other actions to be reasonably sure that an individual on duty is aware that the newborn infant has been left at the institutional health facility. The actions may include but are not limited to making telephone contact with the institutional health facility or a 911 service. For the purposes of this chapter and for any judicial proceedings associated with the newborn infant, a rebuttable presumption arises that the person who relinquishes

physical custody at an institutional health facility in accordance with this section is the newborn infant's parent or has relinquished physical custody with the parent's authorization.

2. *a.* Unless the parent or other person relinquishing physical custody of a newborn infant clearly expresses an intent to return to again assume physical custody of the newborn infant, an individual on duty at the facility at which physical custody of the newborn infant was relinquished pursuant to subsection 1 shall take physical custody of the newborn infant. The individual on duty may request the parent or other person to provide the name of the parent or parents and information on the medical history of the newborn infant and the newborn infant's parent or parents. However, the parent or other person is not required to provide the names or medical history information to comply with this section. The individual on duty may perform reasonable acts necessary to protect the physical health or safety of the newborn infant. The individual on duty and the institutional health facility in which the individual was on duty are immune from criminal or civil liability for any acts or omissions made in good faith to comply with this section.

*b.* If the physical custody of the newborn infant is relinquished at an institutional health facility, the state shall reimburse the institutional health facility for the institutional health facility's actual expenses in providing care to the newborn infant and in performing acts necessary to protect the physical health or safety of the newborn infant. The reimbursement shall be paid from moneys appropriated for this purpose to the department of human services.

*c.* If the name of the parent is unknown to the institutional health facility, the individual on duty or other person designated by the institutional health facility at which physical custody of the newborn infant was relinquished shall submit the certificate of birth report as required pursuant to section 144.14. If the name of the parent is disclosed to the institutional health facility, the facility shall submit the certificate of birth report as required pursuant to section 144.13. The department of public health shall not file the certificate of birth with the county of birth and shall otherwise maintain the confidentiality of the birth certificate in accordance with section 144.43.

3. As soon as possible after the individual on duty assumes physical custody of a newborn infant released under subsection 1, the individual shall notify the department of human services and the department shall take the actions necessary to assume the care, control, and custody of the newborn infant. The department shall immediately notify the juvenile court and the county attorney of the department's action and the circumstances surrounding the action and request an ex parte order from the juvenile court ordering, in accordance with the requirements of section 232.78, the department to take custody of the newborn infant. Upon receiving the order, the department shall take custody of the newborn infant. Within twenty-four hours of taking custody of the newborn infant, the department shall notify the juvenile court and the county attorney in writing of the department's action and the circumstances surrounding the action.

4. *a.* Upon being notified in writing by the department under subsection 3, the county attorney shall file a petition alleging the newborn infant to be a child in need of assistance in accordance with section 232.87 and a petition for termination of parental rights with respect to the newborn infant in accordance with section 232.111, subsection 2, paragraph "*a*". A hearing on a child in need of assistance petition filed pursuant to this subsection shall be held at the earliest practicable time. A hearing on a termination of parental rights petition filed pursuant to this subsection shall be held no later than thirty days after the day the physical custody of the newborn child was relinquished in accordance with subsection 1 unless the juvenile court continues the hearing beyond the thirty days for good cause shown.

*b.* Notice of a petition filed pursuant to this subsection shall be provided to any known parent and others in accordance with the provisions of chapter 232 and shall be served upon any putative father registered with the state registrar of vital statistics pursuant to section 144.12A. In addition, prior to holding a termination of parental rights hearing with respect to the newborn infant, notice by publication shall be provided as described in section 600A.6, subsection 5.

5. Reasonable efforts, as defined in section 232.102, that are made in regard to the newborn infant shall be limited to the efforts made in a timely manner to finalize a permanency plan for the newborn infant.

6. An individual on duty at an institutional health facility who assumes custody of a newborn infant upon the release of the newborn infant under subsection 1 shall be provided notice of any hearing held concerning the newborn infant at the same time notice is provided to other parties to the hearing and the individual may provide testimony at the hearing.

2001 Acts, ch 67, §2, 13; 2005 Acts, ch 89, §34

Referred to in §233.3, 233.4, 233.6, 726.3, 726.6

**233.3 Immunity.**

Any person authorized by the parent to assist with release of custody in accordance with section 233.2 by relinquishing physical custody of the newborn infant or to otherwise act on the parent's behalf is immune from criminal prosecution for abandonment or neglect of the newborn infant under section 726.3 or 726.6 and civil liability for any reasonable acts or omissions made in good faith in assisting with the release.

2001 Acts, ch 67, §3, 13

Parental immunity, see §726.3, 726.6

**233.4 Rights of parents.**

Either parent of a newborn infant whose custody was released in accordance with section 233.2 may intervene in the child in need of assistance or termination of parental rights proceedings held regarding the newborn infant and request that the juvenile court grant custody of the newborn infant to the parent. The requester must show by clear and convincing evidence that the requester is the parent of the newborn infant. If the court determines that the requester is the parent of the newborn infant and that granting custody of the newborn infant to the parent is in the newborn infant's best interest, the court shall issue an order granting custody of the newborn infant to the parent. In addition to such order, the court may order services for the newborn infant and the parent as are in the best interest of the newborn infant.

2001 Acts, ch 67, §4, 13

Referred to in §233.6

**233.5 Confidentiality protections.**

1. In addition to any other privacy protection established in law, a record that is developed, acquired, or held in connection with an individual's good faith effort to voluntarily release a newborn infant in accordance with this chapter and any identifying information concerning the individual shall be kept confidential. Such record shall not be inspected or the contents disclosed except as provided in this section.

2. A record described in subsection 1 may be inspected and the contents disclosed without court order to the following:

*a.* The court and professional court staff, including juvenile court officers.

*b.* The newborn infant and the newborn infant's counsel.

*c.* The newborn infant's parent, guardian, custodian, and those persons' counsel.

*d.* The newborn infant's court appointed special advocate and guardian ad litem.

*e.* The county attorney and the county attorney's assistants.

*f.* An agency, association, facility, or institution which has custody of the newborn infant, or is legally responsible for the care, treatment, or supervision of the newborn infant.

*g.* The newborn infant's foster parent or an individual providing preadoptive care to the newborn infant.

3. Pursuant to court order a record described in subsection 1 may be inspected by and the contents may be disclosed to any of the following:

*a.* A person conducting bona fide research for research purposes under whatever conditions the court may deem proper, provided that no personal identifying data shall be disclosed to such a person.

*b.* Persons who have a direct interest in a proceeding or in the work of the court.

4. Any person who knowingly discloses, receives, or makes use or permits the use of information derived directly or indirectly from such a record or discloses identifying

information concerning such individual, except as provided by this section, commits a serious misdemeanor.

2001 Acts, ch 67, §5, 13

**233.6 Educational and public information.**

The department of human services, in consultation with the Iowa department of public health and the department of justice, shall develop and distribute the following:

1. An information card or other publication for distribution by an institutional health facility to a parent who releases custody of a newborn infant in accordance with this chapter. The publication shall inform the parent of a parent's rights under section 233.4, explain the request for medical history information under section 233.2, subsection 2, and provide other information deemed pertinent by the departments.

2. Educational materials, public information announcements, and other resources to develop awareness of the availability of the newborn safe haven Act among adolescents, young parents, and others who might avail themselves of this chapter.

3. Signage that may be used to identify the institutional health facilities at which physical custody of a newborn infant may be relinquished in accordance with this chapter.

2001 Acts, ch 67, §6, 13; 2002 Acts, ch 1119, §34

# CHAPTER 233A

## TRAINING SCHOOL


| | | | |
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**233A.1 State training school — Eldora and Toledo.**

1. Effective January 1, 1992, a diagnosis and evaluation center and other units are established at Eldora to provide to juvenile delinquents a program which focuses upon appropriate developmental skills, treatment, placements, and rehabilitation.

2. The diagnosis and evaluation center which is used to identify appropriate treatment and placement alternatives for juveniles and any other units for juvenile delinquents which are located at Eldora and the unit for juvenile delinquents at Toledo shall together be known as the "*state training school*". For the purposes of this chapter "*director*" means the director of human services and "*superintendent*" means the administrator in charge of the diagnosis and evaluation center for juvenile delinquents and other units at Eldora and the unit for juvenile delinquents at Toledo.

3. The number of children present at any one time at the state training school at Eldora shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21, as adjusted for subsequent changes in the capacity at the training school.

[S13, §2701-a; C24, 27, 31, 35, 39, §**3685;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.1; 82 Acts, ch 1260, §25]

83 Acts, ch 96, §157, 159; 90 Acts, ch 1239, §15, 16

C93, §233A.1

2005 Acts, ch 175, §102

**233A.2 Superintendent — powers and duties.**

The superintendent has charge and custody of the juveniles committed to the state training school. The superintendent shall administer the state training school and direct the staff in order to provide a positive living experience designed to prepare the juveniles for a productive future.

[C73, §1651, 1652; C97, §2707; S13, §2707; C24, 27, 31, 35, 39, §**3686;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.2]

90 Acts, ch 1239, §17

C93, §233A.2

**233A.3 Salary.**

The salary of the superintendent of the state training school shall be determined by the administrator.

[S13, §2727-3a; C24, 27, 31, 35, 39, §**3687;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.3; 82 Acts, ch 1260, §26]

C93, §233A.3

**233A.4 Education and training.**

The state training school shall provide a positive living experience for older juveniles who require secure custody and who live at the state training school for an extended period of time. The education and training programs provided to the juveniles shall reflect the age level and extended period of stay by focusing upon appropriate developmental skills to prepare the juveniles for productive living.

[C73, §1648; C97, §2706; C24, 27, 31, 35, 39, §**3688;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.4; 82 Acts, ch 1260, §27]

85 Acts, ch 21, §37; 90 Acts, ch 1239, §18

C93, §233A.4

Referred to in §232.53

**233A.5 Procedure to commit.**

The procedure for the commitment of children to the state training school, except as otherwise provided, shall be the same as provided in chapter 232.

[C73, §1653 – 1659; C97, §2708, 2709; S13, §2708, 2709; C24, 27, 31, 35, 39, §**3689;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.5]

C93, §233A.5

**233A.6 Visits.**

Members of the executive council, the attorney general, the lieutenant governor, members of the general assembly, judges of the supreme and district court and court of appeals, magistrates, county attorneys and persons ordained or designated as regular leaders of a religious community are authorized to visit the state training school at reasonable times. No other person shall be granted admission except by permission of the superintendent.

85 Acts, ch 21, §38

CS85, §242.6

C93, §233A.6

**233A.7 Placing in families.**

All children committed to and received in the state training school may be placed by the department under foster care arrangements, with any persons or in families of good standing and character where they will be properly cared for and educated. The cost of foster care provided under these arrangements shall be paid as provided in section 234.35.

[C73, §1649; C97, §2704; S13, §2704; C24, 27, 31, 35, 39, §**3691;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.7; 82 Acts, ch 1260, §29]

90 Acts, ch 1270, §47

C93, §233A.7

Referred to in §233A.11

**233A.8 Articles of agreement.**

Such children shall be so placed under articles of agreement, approved by the administrator and signed by the person or persons taking them and by the superintendent. Said articles shall provide for the custody, care, education, maintenance, and earnings of said children for a time to be fixed in said articles, which shall not extend beyond the time when the persons bound shall attain the age of eighteen years.

[C73, §1649; C97, §2704; S13, §2704; C24, 27, 31, 35, 39, §**3692;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.8]

C93, §233A.8

Referred to in §233A.11

**233A.9 Resuming custody of child.**

In case a child so placed be not given the care, education, treatment, and maintenance required by such agreement, the administrator may cause the child to be taken from the person with whom placed and returned to the institution, or may replace, release, or finally discharge the child as may seem best.

[C73, §1649; C97, §2704; S13, §2704; C24, 27, 31, 35, 39, §**3693;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.9]

C93, §233A.9

Referred to in §233A.11

**233A.10 Unlawful interference.**

It shall be unlawful for any parent or other person not a party to such placing of a child to interfere in any manner or assume or exercise any control over such child or the child's earnings. Said earnings shall be used, held, or otherwise applied for the exclusive benefit of such child, in accordance with section 234.37.

[S13, §2704; C24, 27, 31, 35, 39, §**3694;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.10]

C93, §233A.10

Referred to in §233A.11

**233A.11 County attorney to appear for child.**

In case legal proceedings are necessary to enforce any right conferred on any child by sections 233A.7 to 233A.10, inclusive, the county attorney of the county in which such proceedings should be instituted shall, on request of the superintendent, approved by the administrator, institute and carry on, in the name of the superintendent, the proceedings in behalf of the superintendent.

[S13, §2704; C24, 27, 31, 35, 39, §**3695;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.11]

C93, §233A.11

Referred to in §331.756(50)

**233A.12 Discharge or parole.**

The administrator may at any time after one year's service order the discharge or parole of any inmate as a reward for good conduct, and may, in exceptional cases, discharge or parole inmates without regard to the length of their service or conduct, when satisfied that the reasons therefor are urgent and sufficient. If paroled upon satisfactory evidence of reformation, the order may remain in effect or terminate under such rules as the administrator may prescribe.

[C73, §1660, 1661; C97, §2711; S13, §2711; C24, 27, 31, 35, 39, §**3696;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.12]

C93, §233A.12

**233A.13 Binding out or discharge.**

The binding out or the discharge of an inmate as reformed, or having arrived at the age of eighteen years, shall be a complete release from all penalties incurred by the conviction for the offense upon which the child was committed to the school.

[C73, §1661; C97, §2711; S13, §2711; C24, 27, 31, 35, 39, §**3697;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §242.13]

C93, §233A.13

Referred to in §232.53

**233A.14 Transfers to other institutions.**

The administrator may transfer to the schools minor wards of the state from any institution under the administrator's charge but no person shall be so transferred who is mentally ill or has an intellectual disability. Any child in the schools who is mentally ill or has an intellectual disability may be transferred by the administrator to the proper state institution.

[C66, 71, 73, 75, 77, 79, 81, §242.14]

C93, §233A.14

2012 Acts, ch 1019, §90

**233A.15 Transfers to work in parks.**

The administrator may detail children, classed as trustworthy, from the state training school, to perform services for the department of natural resources within the state parks, state game and forest areas and other lands under the jurisdiction of the department of natural resources. The department of natural resources shall provide permanent housing and work guidance supervision, but the care and custody of the children so detailed shall remain under employees of the division of child and family services of the department of human services. All such programs shall have as their primary purpose and shall provide for inculcation or the activation of attitudes, skills and habit patterns which will be conducive to the habilitation of the youths involved.

The administrator is hereby authorized to use state-owned mobile housing equipment and facilities in performing such services at temporary locations in the above areas.

[C66, 71, 73, 75, 77, 79, 81, §242.15; 82 Acts, ch 1260, §30]

83 Acts, ch 96, §157, 159

C93, §233A.15

**233A.16** Reserved.

**233A.17 Cost of care.**

If a child receives unearned income, the department shall reserve a portion of the unearned income for the use of the child as a personal allowance and apply the remaining portion to the cost of the child's custody, care, and maintenance provided pursuant to this chapter.

89 Acts, ch 283, §29

CS89, §242.17

C93, §233A.17

# CHAPTER 233B

## JUVENILE HOME

233B.1 Definitions — purpose — population limit.
233B.2 Salary.
233B.3 Admissions.
233B.4 Procedure.
233B.5 Transfers.
233B.6 Profits and earnings.
233B.7 Rules.
233B.8 and 233B.9 Reserved.
233B.10 Placing child under contract.
233B.11 Recovery of possession.
233B.12 Recovery of child — duty of county attorney.
233B.13 Interference with child.
233B.14 Counties liable.
233B.15 Reserved.
233B.16 Cost of care.

**233B.1 Definitions — purpose — population limit.**

1. For the purpose of this chapter, unless the context otherwise requires:

*a.* *"Administrator"* or *"director"* means the director of the department of human services.

*b.* *"Home"* means the Iowa juvenile home.

*c.* *"Superintendent"* means the superintendent of the Iowa juvenile home.

2. The Iowa juvenile home shall be maintained for the purpose of providing care, custody, and education of the children committed to the home. The children shall be wards of the state. The children's education shall embrace instruction in the common school branches and in such other higher branches as may be practical and will enable the children to gain useful and self-sustaining employment. The administrator and the superintendent of the home shall assist all discharged children in securing suitable homes and proper employment.

3. The number of children present at any one time at the Iowa juvenile home shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21, as adjusted for subsequent changes in the capacity at the home.

[C97, §2689; C24, 27, 31, 35, 39, §**3698, 3706;** C46, §243.1, 244.1; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.1]

83 Acts, ch 96, §157, 159; 90 Acts, ch 1239, §19

C93, §233B.1

2005 Acts, ch 175, §103

**233B.2 Salary.**

The salary of the superintendent of the home shall be determined by the administrator.

[S13, §2727-3a; C24, 27, 31, 35, 39, §**3707;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.2]

C93, §233B.2

**233B.3 Admissions.**

Admission to the home shall be granted to resident children of the state under seventeen years of age, as follows, giving preference in the order named:

1. Neglected or dependent children committed by the juvenile court.

2. Other destitute children.

[C97, §2685; S13, §2685; C24, 27, 31, 35, 39, §**3699, 3708;** C46, §243.2, 244.3; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.3; 82 Acts, ch 1260, §31]

85 Acts, ch 21, §39

C93, §233B.3

**233B.4 Procedure.**

The procedure for commitment to the home is as provided by chapter 232.

[C97, §2685; S13, §2685; C24, 27, 31, 35, 39, §**3709;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.4]

90 Acts, ch 1239, §20

C93, §233B.4

**233B.5 Transfers.**

The administrator may transfer to the home minor wards of the state from any institution under the administrator's charge or under the charge of any other administrator of the department of human services; but no person shall be so transferred who is a person with mental illness or an intellectual disability, or who is incorrigible, or has any vicious habits, or whose presence in the home would be inimical to the moral or physical welfare of the other children within the home, and any such child in the home may be transferred to the proper state institution.

[C24, 27, 31, 35, 39, §**3710;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.5]

83 Acts, ch 96, §157, 159

C93, §233B.5

96 Acts, ch 1129, §63; 2012 Acts, ch 1019, §91

**233B.6 Profits and earnings.**

Any money earned by a child who is admitted to or placed in foster care from the home shall be used, held or otherwise applied for the exclusive benefit of that child, in accordance with section 234.37.

[C97, §2689; S13, §2690-d; C24, 27, 31, 35, 39, §**3711;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.6]

C93, §233B.6

**233B.7 Rules.**

All children admitted or committed to the home shall be wards of the state and subject to the rules of the home. Subject to the approval of the administrator, any child received under voluntary application may be expelled by the superintendent for disobedience and refusal to submit to proper discipline. Children shall be discharged upon arriving at the age of eighteen years, or sooner if possessed of sufficient means to provide for themselves.

[C73, §1634; C97, §2685, 2688; S13, §2685, 2688, 2690-b; C24, 27, 31, 35, 39, §**3712;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.7]

C93, §233B.7

**233B.8 and 233B.9** Reserved.

**233B.10 Placing child under contract.**

A child received in the home, unless adopted, may be placed by the department in foster care with any proper person or family. The foster care arrangement shall provide for the custody, care, education, maintenance, and earnings of the child for a fixed time which shall not extend beyond the age of majority, except that the time may extend beyond the child's eighteenth birthday until the child is twenty-one years of age if the child is regularly attending an accredited school in pursuance of a course of study leading to a high school diploma or its equivalent, or regularly attending a course of vocational technical training either as a part of a regular school program or under special arrangements adapted to the individual person's needs.

[S13, §2690-b; C24, 27, 31, 35, 39, §**3716;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.10]

86 Acts, ch 1245, §1420

C93, §233B.10

**233B.11 Recovery of possession.**

In case of a violation of the terms of such contract, the administrator may cause the child to be taken from the person or persons with whom placed, and may make such other disposition of the child as shall seem to be for the child's best interests.

[S13, §2690-c; C24, 27, 31, 35, 39, §**3717;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.11]

C93, §233B.11

**233B.12 Recovery of child — duty of county attorney.**

In case legal proceedings are necessary to recover the possession of such child, they may be instituted and carried on in the name of the superintendent, and the county attorney of the county in which the child is placed shall, if requested by the superintendent, act as the superintendent's attorney in the proceedings.

[S13, §2690-c; C24, 27, 31, 35, 39, §**3718;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.12]

C93, §233B.12

Referred to in §331.756(51)

**233B.13 Interference with child.**

It shall be unlawful for any parent or other person not a party to the placing of a child for a term of years, to interfere in any manner with or to assume or exercise any control over such child or the child's earnings while such contract is in force.

[S13, §2690-d; C24, 27, 31, 35, 39, §**3719;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.13]

C93, §233B.13

**233B.14 Counties liable.**

Each county is liable for sums paid by the home in support of all its children to the extent of a sum equal to one-half of the net cost of the support and maintenance of its children. The superintendent shall certify to the director of the department of administrative services on the first day of each fiscal quarter the amount chargeable to each county for support. The sums for which each county is liable shall be charged to the county and collected as a part of the taxes due the state, and paid by the county at the same time state taxes are paid.

Should any county fail to pay these bills within sixty days from the date of certificate from superintendent, the director of the department of administrative services shall charge the delinquent county the penalty of one percent per month on and after sixty days from date of certificate until paid. Such penalties shall be credited to the general fund of the state.

[C97, §2692; SS15, §2692; C24, 27, 31, 35, 39, §**3720;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §244.14]

83 Acts, ch 123, §94, 209

C93, §233B.14

2003 Acts, ch 145, §286

**233B.15** Reserved.

**233B.16 Cost of care.**

If a child receives unearned income, the department shall reserve a portion of the unearned income for the use of the child as a personal allowance and apply the remaining portion equally to the state and county liability for the cost of the child's support and maintenance provided pursuant to this chapter.

89 Acts, ch 283, §30

CS89, §244.16

C93, §233B.16

# SUBTITLE 6

## CHILDREN AND FAMILIES

Referred to in §714.8

# CHAPTER 234

## CHILD AND FAMILY SERVICES

Referred to in §252B.3, 252B.14, 252C.1, 252D.1, 252D.8, 252D.16, 252D.16A, 252E.1, 252E.1A, 252E.16, 252H.2, 252H.4, 252H.21, 252I.2, 252J.1, 598.21C, 598.21G, 598.22, 598.22A, 598.22B, 598.23A, 600.11

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## GENERAL PROVISIONS

**234.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means the administrator of the division.

2. *a.* *"Child"* means either a person less than eighteen years of age or a person eighteen or nineteen years of age who meets any of the following conditions:

(1) Is in full-time attendance at an accredited school pursuing a course of study leading to a high school diploma.

(2) Is attending an instructional program leading to a high school equivalency diploma.

(3) Has been identified by the director of special education of the area education agency as a child requiring special education as defined in section 256B.2, subsection 1.

*b.* A person over eighteen years of age who has received a high school diploma or a high school equivalency diploma is not a "child" within the definition in this subsection.

3. *"Division"* or *"state division"* means that division of the department of human services to which the director has assigned responsibility for income and service programs.

4. *"Food assistance program"* means the benefits provided through the United States department of agriculture program administered by the department of human services in accordance with 7 C.F.R. pts. 270 – 283.

5. *"Food programs"* means the food stamp and donated foods programs authorized by federal law under the United States department of agriculture.

[C71, 73, 75, 77, 79, 81, S81, §234.1; 81 Acts, ch 7, §11]

83 Acts, ch 96, §160; 86 Acts, ch 1245, §1419; 92 Acts, ch 1229, §20; 93 Acts, ch 54, §3; 2008 Acts, ch 1073, §1; 2009 Acts, ch 41, §263

Referred to in §217.36, 235.1, 237.1, 237.15, 238.1, 252.14, 425.15

**234.2 Division created.**

Within the state department of human services, there is hereby created a division of child and family services which shall be administered by the administrator of said division and such other officers and employees as may be hereafter provided.

[C71, 73, 75, 77, 79, 81, §234.2]

**234.3 Child welfare advisory committee.** Repealed by 2010 Acts, ch 1031, § 393. See § 217.3A.

**234.4 Education of children in departmental programs.**

If the department of human services has custody or has other responsibility for a child based upon the child's involvement in a departmental program involving foster care, preadoption or adoption, or subsidized guardianship placement and the child is subject to the compulsory attendance law under chapter 299, the department shall fulfill the responsibilities outlined in section 299.1 and other responsibilities under federal and state law regarding the child's school attendance. As part of fulfilling the responsibilities described in this section, if the department has custody or other responsibility for placement and care of a child and the child transfers to a different school during or immediately preceding the period of custody or other responsibility, within the first six weeks of the transfer date the department shall assess the student's degree of success in adjusting to the different school.

2009 Acts, ch 120, §4

**234.5** Reserved.

**234.6 Powers and duties of the administrator.**

The administrator shall be vested with the authority to administer the family investment program, state supplementary assistance, food programs, child welfare, and emergency relief, family and adult service programs, and any other form of public welfare assistance and institutions that are placed under the administrator's administration. The administrator shall perform duties, formulate and adopt rules as may be necessary; shall outline policies, dictate procedure, and delegate such powers as may be necessary for competent and efficient administration. Subject to restrictions that may be imposed by the director of human services and the council on human services, the administrator may abolish, alter, consolidate, or establish subdivisions and may abolish or change offices previously created. The administrator may employ necessary personnel and fix their compensation; may allocate or reallocate functions and duties among any subdivisions now existing or later established; and may adopt rules relating to the employment of personnel and the allocation of their functions and duties among the various subdivisions as competent and efficient administration may require. The administrator shall:

1. Cooperate with the social security administration created by the Social Security

Act and codified at 42 U.S.C. § 901, or other agency of the federal government for public welfare assistance, in such reasonable manner as may be necessary to qualify for federal aid, including the making of such reports in such form and containing such information as the social security administration, from time to time, may require, and to comply with such regulations as such social security administration, from time to time, may find necessary to assure the correctness and verification of such reports.

2. Furnish information to acquaint the public generally with the operation of the acts under the jurisdiction of the administrator.

3. With the approval of the director of human services, the governor, the director of management, and the director of the department of administrative services, set up from the funds under the administrator's control and management an administrative fund and from the administrative fund pay the expenses of operating the division.

4. Notwithstanding any provisions to the contrary in chapter 239B relating to the consideration of income and resources of claimants for assistance, the administrator, with the consent and approval of the director of human services and the council on human services, shall make such rules as may be necessary to qualify for federal aid in the assistance programs administered by the administrator.

5. The department of human services shall have the power and authority to use the funds available to it, to purchase services of all kinds from public or private agencies to provide for the needs of children, including but not limited to psychiatric services, supervision, specialized group, foster homes and institutional care.

6. Have authority to use funds available to the department, subject to any limitations placed on the use thereof by the legislation appropriating the funds, to provide to or purchase, for families and individuals eligible therefor, services including but not limited to the following:

*a.* Child care for children or adult day services, in facilities which are licensed or are approved as meeting standards for licensure.

*b.* Foster care, including foster family care, group homes and institutions.

*c.* Family-centered services, as defined in section 232.102, subsection 10, paragraph "*b*".

*d.* Family planning.

*e.* Protective services.

*f.* Services or support provided to a child with an intellectual disability or other developmental disability or to the child's family.

*g.* Transportation services.

*h.* Any services, not otherwise enumerated in this subsection, authorized by or pursuant to the United States Social Security Act of 1934, as amended.

7. Administer the food programs authorized by federal law, and recommend rules necessary in the administration of those programs to the director for promulgation pursuant to chapter 17A.

8. Provide consulting and technical services to the director of the department of education, or the director's designee, upon request, relating to prekindergarten, kindergarten, and before and after school programming and facilities.

9. Recommend rules for their adoption by the council on human services for before and after school child care programs, conducted within and by or contracted for by school districts, that are appropriate for the ages of the children who receive services under the programs.

10. In determining the reimbursement rate for services purchased by the department of human services from a person or agency, the department shall not include private moneys contributed to the person or agency unless the moneys are contributed for services provided to a specific individual.

[C39, §**3661.007;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §234.6]

88 Acts, ch 1134, §56; 89 Acts, ch 206, §2; 92 Acts, ch 1229, §21 – 23; 93 Acts, ch 97, §28; 97 Acts, ch 41, §32; 99 Acts, ch 111, §5, 7; 99 Acts, ch 192, §28; 2001 Acts, ch 64, §5; 2003 Acts,

ch 145, §286; 2007 Acts, ch 172, §10; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1019, §92; 2013 Acts, ch 90, §60
Referred to in §234.38
See §13.6
Subsection 1 amended

**234.7 Department duties.**

1. The department of human services shall comply with the provision associated with child foster care licensees under chapter 237 that requires that a child's foster parent be included in, and be provided timely notice of, planning and review activities associated with the child, including but not limited to permanency planning and placement review meetings, which shall include discussion of the child's rehabilitative treatment needs.

2. *a.* The department of human services shall submit a waiver request to the United States department of health and human services as necessary to provide coverage under the medical assistance program for children who are described by both of the following:

(1) The child needs behavioral health care services and qualifies for the care level provided by a psychiatric medical institution for children licensed under chapter 135H.

(2) The child is in need of treatment to cure or alleviate serious mental illness or disorder, or emotional damage as evidenced by severe anxiety, depression, withdrawal, or untoward aggressive behavior toward self or others and whose parent, guardian, or custodian is unable to provide such treatment.

*b.* The waiver request shall provide for appropriately addressing the needs of children described in paragraph "*a*" by implementing any of the following options: using a wraparound services approach, renegotiating the medical assistance program contract provisions for behavioral health services, or applying another approach for appropriately meeting the children's needs.

*c.* If federal approval of the waiver request is not received, the department shall submit options to the governor and general assembly to meet the needs of such children through a state-funded program.

95 Acts, ch 182, §14; 2005 Acts, ch 117, §3; 2008 Acts, ch 1032, §38; 2011 Acts, ch 34, §60

**234.8 Fees for child welfare services.**

The department of human services may charge a fee for child welfare services to a person liable for the cost of the services. The fee shall not exceed the reasonable cost of the services. The fee shall be based upon the person's ability to pay and consideration of the fee's impact upon the liable person's family and the goals identified in the case permanency plan. The department may assess the liable person for the fee and the means of recovery shall include a setoff against an amount owed by a state agency to the person assessed pursuant to section 8A.504. In addition the department may establish an administrative process to recover the assessment through automatic income withholding. The department shall adopt rules pursuant to chapter 17A to implement the provisions of this section. This section does not apply to court-ordered services provided to juveniles which are a charge upon the state pursuant to section 232.141 and services for which the department has established a support obligation pursuant to section 234.39.

92 Acts, ch 1229, §24; 2003 Acts, ch 145, §216

**234.9 through 234.11** Repealed by 93 Acts, ch 54, § 12.

**234.12 Department to provide food programs.**

The department of human services is authorized to enter into such agreements with agencies of the federal government as are necessary in order to make available to the people of this state any federal food programs which may, under federal laws and regulations, be implemented in this state. Each such program shall be implemented in every county in the state, or in each county where implementation is permitted by federal laws and regulations.

The provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 115, shall not apply to an applicant for or recipient of food stamp benefits in this state. However, the department of human services may apply

contingent eligibility requirements as provided under state law and allowed under federal law.

Upon request by the department of human services, the department of inspections and appeals shall conduct investigations into possible fraudulent practices, as described in section 234.13, relating to food programs administered by the department of human services.

[C79, 81, §234.12]

90 Acts, ch 1204, §48; 97 Acts, ch 41, §1

**234.12A Electronic benefits transfer program.**

1. The department of human services shall maintain an electronic benefits transfer program utilizing electronic funds transfer systems for the food assistance program. The electronic benefits transfer program implemented under this section shall not require a retailer to make cash disbursements or to provide, purchase, or upgrade electronic funds transfer system equipment as a condition of participation in the program.

2. A point-of-sale terminal which is used only for purchases from a retailer by electronic benefits transfer utilizing electronic funds transfer systems is not a satellite terminal as defined in section 527.2.

3. For the purposes of this section, *"retailer"* means a business authorized by the United States department of agriculture to accept food assistance program benefits.

98 Acts, ch 1066, §1; 98 Acts, ch 1218, §75; 2001 Acts, ch 191, §39; 2005 Acts, ch 175, §104; 2008 Acts, ch 1073, §2, 3; 2009 Acts, ch 182, §130

**234.13 Fraudulent practices relating to food programs.**

For the purposes of this section, unless the context otherwise requires, *"benefit transfer instrument"* means a food stamp coupon, authorization-to-purchase card, or electronic benefits transfer card. A person commits a fraudulent practice if that person does any of the following:

1. With intent to gain financial assistance to which that person is not entitled, knowingly makes or causes to be made a false statement or representation or knowingly fails to report to an employee of the department of human services any change in income, resources or other circumstances affecting that person's entitlement to such financial assistance.

2. As a beneficiary of the food programs, transfers any food stamp benefit transfer instrument to any other individual with intent that the benefit transfer instrument be used for the benefit of someone other than persons within the beneficiary's food stamp household as certified by the department of human services.

3. Knowingly acquires, uses or attempts to use any food stamp benefit transfer instrument which was not issued for the benefit of that person's food stamp household by the department of human services, or by an agency administering food programs in another state.

4. Acquires, alters, transfers, or redeems a food stamp benefit transfer instrument or possesses a benefit transfer instrument, knowing that the benefit transfer instrument has been received, transferred, or used in violation of this section or the provisions of the federal food stamp program under 7 U.S.C. ch. 51 or the federal regulations issued pursuant to that chapter.

[C79, 81, §234.13; 82 Acts, ch 1260, §120]

96 Acts, ch 1106, §15

Referred to in §234.12

Fraudulent practices, see §714.8 – 714.14

**234.14 Federal grants.**

The state treasurer is hereby authorized to receive such federal funds as may be made available for carrying out any of the activities and functions of the state division, and all such funds are hereby appropriated for expenditure upon authorization of the administrator.

[C39, §**3661.015;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §234.14]

**234.15 through 234.20** Repealed by 80 Acts, ch 1050, § 40.

## FAMILY PLANNING SERVICES

**234.21 Services to be offered.**
The state division may offer, provide, or purchase family planning and birth control services to every person who is an eligible applicant or recipient of service or any financial assistance from the department of human services, or who is receiving federal supplementary security income as defined in section 249.1.
[C66, 71, 73, 75, 77, 79, 81, §234.21]

**234.22 Extent of services.**
Such family planning and birth control services may include interview with trained personnel; distribution of literature; referral to a licensed physician for consultation, examination, tests, medical treatment and prescription; and, to the extent so prescribed, the distribution of rhythm charts, drugs, medical preparations, contraceptive devices and similar products.
[C66, 71, 73, 75, 77, 79, 81, §234.22]

**234.23 Charge for services.**
In making provision for and offering such services, the state division may charge those persons to whom family planning and birth control services are rendered a fee sufficient to reimburse the state division all or any portion of the costs of the services rendered.
[C66, 71, 73, 75, 77, 79, 81, §234.23]

**234.24 Services may be refused.**
The refusal of any person to accept family planning and birth control services shall in no way affect the right of such person to receive public assistance or any other public benefit and every person to whom such services are offered shall be so advised initially both orally and in writing. Employees engaged in the administration of this section shall recognize that the right to make decisions concerning family planning and birth control is a fundamental personal right of the individual and nothing in this division shall in any way abridge such individual right, nor shall any individual be required to state the individual's reason for refusing the offer of family planning and birth control services.
[C66, 71, 73, 75, 77, 79, 81, §234.24]

**234.25 Language to be used.**
In all cases where the recipient does not speak or read the English language, the services shall not be given unless the interviews shall be conducted in, and all literature shall be written in, a language which the recipient understands.
[C66, 71, 73, 75, 77, 79, 81, §234.25]

**234.26 Construction.**
This division shall be liberally construed to protect the rights of all individuals to pursue their religious beliefs and to follow the dictates of their own consciences, and to prevent the imposition upon any individual of practices offensive to the individual's moral standards.
[C66, 71, 73, 75, 77, 79, 81, §234.26]

**234.27 Policy.**
The general assembly hereby finds, determines, and declares that this division is necessary for the immediate preservation of the public peace, health, and safety.
[C66, 71, 73, 75, 77, 79, 81, §234.27]

**234.28 Obscenity laws not applicable.**
The provisions of chapter 728 do not apply to services provided under the terms of this division.
[C66, 71, 73, 75, 77, 79, 81, §234.28]

**234.29 through 234.34** Reserved.

FOSTER CARE EXPENSE

**234.35 When state to pay foster care costs.**

1. The department of human services is responsible for paying the cost of foster care for a child, according to rates established pursuant to section 234.38, under any of the following circumstances:

*a.* When a court has committed the child to the director of human services or the director's designee.

*b.* When a court has transferred legal custody of the child to the department of human services.

*c.* When the department has agreed to provide foster care services for the child for a period of not more than ninety days on the basis of a signed placement agreement between the department and the child's parent or guardian.

*d.* When the child has been placed in emergency care for a period of not more than thirty days upon approval of the director or the director's designee.

*e.* When a court has entered an order transferring the legal custody of the child to a foster care placement pursuant to section 232.52, subsection 2, paragraph "*d*", or section 232.102, subsection 1. However, payment for a group foster care placement shall be limited to those placements which conform to a service area group foster care plan established pursuant to section 232.143.

*f.* When the department has agreed to provide foster care services for a child who is eighteen years of age or older on the basis of a signed placement agreement between the department and the child or the person acting on behalf of the child.

*g.* When the department has agreed to provide foster care services for the child on the basis of a signed placement agreement initiated before July 1, 1992, between the department and the child's parent or guardian.

*h.* When the child is placed in shelter care pursuant to section 232.20, subsection 1, or section 232.21.

*i.* When the court has entered an order in a voluntary foster care placement proceeding pursuant to section 232.182, subsection 5, placing the child into foster care.

2. Except as provided under section 234.38 for direct payment of foster parents, payment for foster care costs shall be limited to foster care providers with whom the department has a contract in force.

3. Payment for foster care services provided to a child who is eighteen years of age or older shall be limited to the following:

*a.* For a child who is eighteen years of age, family foster care or independent living arrangements.

*b.* For a child who is nineteen years of age, independent living arrangements.

*c.* For a child who is at imminent risk of becoming homeless or failing to graduate from high school or to obtain a general education development diploma, if the services are in the child's best interests, funding is available for the services, and an appropriate alternative service is unavailable.

4. The department shall report annually to the governor and general assembly by January 1 on the numbers of children for whom the state paid for independent living services during the immediately preceding fiscal year. The report shall detail the number of children, by county, who received such services, were discharged from such services, the voluntary or involuntary status of such services, and the reasons for discharge. The department shall

assess the report data as part of any evaluation of independent living services or consideration for improving the services.

[C75, 77, 79, 81, §234.35]

90 Acts, ch 1270, §42, 43; 92 Acts, ch 1229, §25; 93 Acts, ch 172, §37, 56; 2003 Acts, ch 117, §9; 2003 Acts, ch 175, §37; 2004 Acts, ch 1116, §15; 2011 Acts, ch 34, §61

Referred to in §225C.49, 233A.7, 234.37, 234.38, 234.39, 234.46, 237.15

See Iowa Acts for special provisions relating to foster care payments in a given fiscal year

Limitations on funding for state shelter care; inclusion of child welfare emergency services; 2008 Acts, ch 1187, §16, 79, 97; 2009 Acts, ch 182, §16; 2010 Acts, ch 1181, §7, 13; 2010 Acts, ch 1192, §19; 2011 Acts, ch 129, §15, 128, 156; 2012 Acts, ch 1133, §22; 2013 Acts, ch 138, §18, 148

Section not amended; footnote revised

**234.36** Repealed by 90 Acts, ch 1270, § 50.

**234.37 Department may establish accounts for certain children.**

The department of human services is authorized to establish an account in the name of any child committed to the director of human services or the director's designee, or whose legal custody has been transferred to the department, or who is voluntarily placed in foster care pursuant to section 234.35. Any money which the child receives from the United States government or any private source shall be placed in the child's account, unless a guardian of the child's property has been appointed and demands the money, in which case it shall be paid to the guardian. The account shall be maintained by the department as trustee for the child in an interest-bearing account at a reputable bank or savings association, except that if the child is residing at an institution administered by the department a limited amount of the child's funds may be maintained in a separate account, which need not be interest bearing, in the child's name at the institution. Any money held in an account in the child's name or in trust for the child under this section may be used, at the discretion of the department and subject to restrictions lawfully imposed by the United States government or other source from which the child receives the funds, for the purchase of personal incidentals, desires and comforts of the child. All of the money held for a child by the department under this section and not used in the child's behalf as authorized by law shall be promptly paid to the child or the child's parent or legal guardian upon termination of the commitment of the child to the director or the director's designee, or upon transfer or cessation of legal custody of the child by the department.

[C75, 77, 79, 81, §234.37]

2012 Acts, ch 1017, §58

Referred to in §233A.10, 233B.6

**234.38 Foster care reimbursement rates.**

The department of human services shall make reimbursement payments directly to foster parents for services provided to children pursuant to section 234.6, subsection 6, paragraph "*b*", or section 234.35. In any fiscal year, the reimbursement rate shall be based upon sixty-five percent of the United States department of agriculture estimate of the cost to raise a child in the calendar year immediately preceding the fiscal year. The department may pay an additional stipend for a child with special needs.

[C75, 77, 79, 81, §234.38]

90 Acts, ch 1270, §44; 92 Acts, ch 1229, §26; 92 Acts, ch 1247, §46; 92 Acts, 1st Ex, ch 1004, §4

Referred to in §234.35

**234.39 Responsibility for cost of services.**

It is the intent of this chapter that an individual receiving foster care services and the individual's parents or guardians shall have primary responsibility for paying the cost of the care and services. The support obligation established and adopted under this section shall be consistent with the limitations on legal liability established under sections 222.78 and 230.15, and by any other statute limiting legal responsibility for support which may be imposed on a person for the cost of care and services provided by the department. The department shall notify an individual's parents or guardians, at the time of the placement

of an individual in foster care, of the responsibility for paying the cost of care and services. Support obligations shall be established as follows:

1. For an individual to whom section 234.35, subsection 1, is applicable, a dispositional order of the juvenile court requiring the provision of foster care, or an administrative order entered pursuant to chapter 252C, or any order establishing paternity and support for a child in foster care, shall establish, after notice and a reasonable opportunity to be heard is provided to a parent or guardian, the amount of the parent's or guardian's support obligation for the cost of foster care provided by the department. The amount of the parent's or guardian's support obligation and the amount of support debt accrued and accruing shall be established in accordance with the child support guidelines prescribed under section 598.21B. However, the court, or the department of human services in establishing support by administrative order, may deviate from the prescribed obligation after considering a recommendation by the department for expenses related to goals and objectives of a case permanency plan as defined under section 237.15, and upon written findings of fact which specify the reason for deviation and the prescribed guidelines amount. Any order for support shall direct the payment of the support obligation to the collection services center for the use of the department's foster care recovery unit. The order shall be filed with the clerk of the district court in which the responsible parent or guardian resides and has the same force and effect as a judgment when entered in the judgment docket and lien index. The collection services center shall disburse the payments pursuant to the order and record the disbursements. If payments are not made as ordered, the child support recovery unit may certify a default to the court and the court may, on its own motion, proceed under section 598.22 or 598.23 or the child support recovery unit may enforce the judgment as allowed by law. An order entered under this subsection may be modified only in accordance with the guidelines prescribed under section 598.21C, or under chapter 252H.

2. For an individual who is served by the department of human services under section 234.35, and is not subject to a dispositional order of the juvenile court requiring the provision of foster care, the department shall determine the obligation of the individual's parent or guardian pursuant to chapter 252C and in accordance with the child support guidelines prescribed under section 598.21B. However, the department may adjust the prescribed obligation for expenses related to goals and objectives of a case permanency plan as defined under section 237.15. An obligation determined under this subsection may be modified only in accordance with conditions under section 598.21C, or under chapter 252H.

3. A person entitled to periodic support payments pursuant to an order or judgment entered in any action for support, who also is or has a child receiving foster care services, is deemed to have assigned to the department current and accruing support payments attributable to the child effective as of the date the child enters foster care placement, to the extent of expenditure of foster care funds. The department shall notify the clerk of the district court when a child entitled to support payments is receiving foster care services pursuant to chapter 234. Upon notification by the department that a child entitled to periodic support payments is receiving foster care services, the clerk of the district court shall make a notation of the automatic assignment in the judgment docket and lien index. The notation constitutes constructive notice of assignment. The clerk of court shall furnish the department with copies of all orders and decrees awarding support when the child is receiving foster care services. At the time the child ceases to receive foster care services, the assignment of support shall be automatically terminated. Unpaid support accrued under the assignment of support rights during the time that the child was in foster care remains due to the department up to the amount of unreimbursed foster care funds expended. The department shall notify the clerk of court of the automatic termination of the assignment. Unless otherwise specified in the support order, an equal and proportionate share of any child support awarded shall be presumed to be payable on behalf of each child subject to the order or judgment for purposes of an assignment under this section.

4. The support debt for the costs of services, for which a support obligation is established pursuant to this section, which accrues prior to the establishment of the support debt, shall be collected, at a maximum, in the amount which is the amount of accrued support debt for the three months preceding the earlier of the following:

*a.* The provision by the child support recovery unit of the initial notice to the parent or guardian of the amount of the support obligation.

*b.* The date that the written request for a court hearing is received by the child support recovery unit as provided in section 252C.3 or 252F.3.

5. If the department makes a subsidized guardianship payment for a child, the payment shall be considered a foster care payment for purposes of child support recovery. All provisions of this and other sections, and of rules and orders adopted or entered pursuant to those sections, including for the establishment of a paternity or support order, for the amount of a support obligation, for the modification or adjustment of a support obligation, for the assignment of support, and for enforcement shall apply as if the child were receiving foster care services, or were in foster care placement, or as if foster care funds were being expended for the child. This subsection shall apply regardless of the date of placement in foster care or subsidized guardianship or the date of entry of an order, and foster care and subsidized guardianship shall be considered the same for purposes of child support recovery.

[C75, 77, 79, 81, §234.39]

83 Acts, ch 96, §160; 83 Acts, ch 153, §3; 89 Acts, ch 166, §1; 90 Acts, ch 1270, §45; 92 Acts, ch 1195, §303, 304; 92 Acts, ch 1229, §27; 94 Acts, ch 1171, §8; 95 Acts, ch 52, §1; 96 Acts, ch 1213, §36, 37; 97 Acts, ch 175, §227; 99 Acts, ch 127, §1; 2005 Acts, ch 69, §1

Referred to in §232.4, 232.78, 232.182, 234.8, 252A.13, 598.21C, 598.34, 600B.38

**234.40 Corporal punishment.**

The department of human services shall adopt rules prohibiting corporal punishment of foster children by foster parents licensed by the department. The rules shall allow foster parents to use reasonable physical force to restrain a foster child in order to prevent injury to the foster child, injury to others, the destruction of property, or extremely disruptive behavior. For the purposes of this section, *"corporal punishment"* means the intentional physical punishment of a foster child. A foster parent's physical contact with the body of a foster child shall not be considered corporal punishment if the contact is reasonable and necessary under the circumstances and is not designed or intended to cause pain or if the foster parent uses reasonable force, as defined under section 704.1.

[C79, 81, §234.40]

92 Acts, ch 1241, §71

Referred to in §232.71B

**234.41 Tort actions.**

A foster parent licensed by the department of human services stands in the same relationship to the foster parent's minor foster child, for purposes of tort actions by or on behalf of the foster child against the foster parent, as a biological parent to the biological parent's minor child who resides at home. This section does not apply to a foster parent whose malicious, willful and wanton conduct causes injury or damage to a foster child or exposes the foster child to a danger caused by violation of a statute or the rules of the department of human services.

[C79, 81, §234.41]

94 Acts, ch 1046, §4

**234.42** Repealed effective July 1, 1994, by 93 Acts, ch 172, § 48, 56.

**234.43 and 234.44** Reserved.

MARRIAGE INITIATIVE GRANT FUND

**234.45 Iowa marriage initiative grant fund.**

1. An Iowa marriage initiative grant fund is established in the state treasury under the authority of the department of human services. The grant fund shall consist of moneys appropriated to the fund and notwithstanding section 8.33 such moneys shall not revert

to the fund from which appropriated at the close of the fiscal year but shall remain in the Iowa marriage initiative grant fund. Moneys credited to the fund shall be used as directed in appropriations made by the general assembly for funding of services to support marriage and to encourage the formation and maintenance of two-parent families that are secure and nurturing.

2. It is the intent of the general assembly to credit to the Iowa marriage initiative grant fund, federal moneys provided to the state for the express purpose of supporting marriage or two-parent families.

2001 Acts, ch 191, §37

## PREPARATION FOR ADULT LIVING PROGRAM

**234.46 Preparation for adult living program.**

1. For the purposes of this section, "*young adult*" means a person who is described by all of the following conditions:

*a.* The person is a resident of this state.

*b.* The person is age eighteen, nineteen, or twenty.

*c.* At the time the person became age eighteen, the person received foster care services that were paid for by the state under section 234.35 and the person is no longer receiving such services.

*d.* The person enters into and participates in an individual self-sufficiency plan that complements the person's own efforts for achieving self-sufficiency and the plan provides for one or more of the following:

(1) The person attends an accredited school full-time pursuing a course of study leading to a high school diploma.

(2) The person attends an instructional program leading to a high school equivalency diploma.

(3) The person is enrolled in or pursuing enrollment in a postsecondary education or training program or work training.

(4) The person is employed or seeking employment.

2. The division shall establish a preparation for adult living program directed to young adults. The purpose of the program is to assist persons who are leaving foster care services at age eighteen or older in making the transition to self-sufficiency. The department shall adopt rules necessary for administration of the program, including but not limited to eligibility criteria for young adult participation and the services and other support available under the program. The services and other support available under the program may include but are not limited to any of the following:

*a.* Support for the young adult continuing to reside with the family that provided family foster care to the young adult.

*b.* Support for a supervised apartment living arrangement.

*c.* Support for participation in education, training, or employment activities.

*d.* Other assistance to enhance the young adult's ability to achieve self-sufficiency.

3. This section shall not be construed as granting an entitlement for any program, services, or other support for the persons described in this section. Any state obligation to provide a program, services, or other support pursuant to this section is limited to the extent of the funds appropriated for the purposes of the program.

2006 Acts, ch 1159, §7

CHILD CARE ASSISTANCE
AND ADOPTION SUBSIDIES
— PROJECTED EXPENDITURES

**234.47 State child care assistance and adoption subsidy programs — expenditure projections.**

The department of human services, the department of management, and the legislative services agency shall utilize a joint process to arrive at consensus projections for expenditures for the state child care assistance program under section 237A.13 and adoption subsidy and other assistance provided under section 600.17.

2008 Acts, ch 1187, §115

# CHAPTER 235

## CHILD WELFARE

Referred to in §135B.17


| | | | |
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**235.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means the same as defined in section 234.1.
2. *"Child"* means the same as defined in section 234.1.
3. *"Child welfare services"* means social welfare services for the protection and care of children who are homeless, dependent or neglected, or in danger of becoming delinquent, or who have a mental illness or an intellectual disability or other developmental disability, including, when necessary, care and maintenance in a foster care facility. Child welfare services are designed to serve a child in the child's home whenever possible. If not possible, and the child is placed outside the child's home, the placement should be in the least restrictive setting available and in close proximity to the child's home.
4. *"State division"* means the same as defined in section 234.1.

[C39, §**3661.016;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §235.1]

83 Acts, ch 101, §44; 92 Acts, ch 1229, §28; 94 Acts, ch 1023, §88; 2009 Acts, ch 133, §86; 2012 Acts, ch 1019, §93

**235.2 Powers and duties of state division.**

The state division, in addition to all other powers and duties given it by law, shall:

1. Administer and enforce the provisions of this chapter.
2. Join and cooperate with the government of the United States through its appropriate agency or instrumentality or with any other officer or agency of the federal government in planning, establishing, extending and strengthening public and private child welfare services within the state.
3. Make such investigations and to obtain such information as will permit the administrator to determine the need for public child welfare services within the state and within the several county departments thereof.
4. Apply for and receive any funds which are or may be allotted to the state by the United States or any agency thereof for the purpose of developing child welfare services.
5. Make such reports and budget estimates to the governor and to the general assembly

as are required by law or such as are necessary and proper to obtain the appropriation of state funds for child welfare services within the state and for all the purposes of this chapter.

6. Cooperate with the several county departments within the state, and all county boards of supervisors and other public or private agencies charged with the protection and care of children, in the development of child welfare services.

7. Aid in the enforcement of all laws of the state for the protection and care of children.

8. Cooperate with the juvenile courts of the state and with the other administrators and divisions of the department of human services regarding the management and control of state institutions and the inmates thereof.

[C39, §**3661.017;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §235.2]

83 Acts, ch 96, §157, 159

**235.3 Powers and duties of administrator.**

The administrator shall:

1. Plan and supervise all public child welfare services and activities within the state as provided by this chapter.

2. Make such reports and obtain and furnish such information from time to time as may be necessary to permit cooperation by the state division with the United States children's bureau, the social security administration, or any other federal agency which is now or may hereafter be charged with any duty regarding child care or child welfare services.

3. Adopt rules as necessary or advisable for the supervision of the private child-caring agencies or their officers which the administrator is empowered to license and supervise.

4. Supervise private institutions for the care of dependent, neglected, and delinquent children, and make reports regarding the institutions.

5. Designate and approve the private and county institutions within the state to which neglected, dependent, and delinquent children may be legally committed and to have supervision of the care of children committed thereto, and the right of visitation and inspection of said institutions at all times.

6. Receive and keep on file annual reports from all institutions to which children subject to the jurisdiction of the juvenile court are committed, compile statistics regarding juvenile delinquency, make reports regarding juvenile delinquency, and study prevention and cure of juvenile delinquency.

7. Require and receive from the clerks of the courts of record within the state duplicates of the findings of the courts upon petitions for adoption, and keep records and compile statistics regarding adoptions.

8. License private child-placing agencies, make reports regarding them, and revoke such licenses.

9. Make such rules and regulations as may be necessary for the distribution and use of funds appropriated for child welfare services.

[C27, 31, 35, §3661-a1, -a2; C39, §**3661.018;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §235.3; 82 Acts, ch 1100, §8]

88 Acts, ch 1158, §52; 89 Acts, ch 19, §1; 90 Acts, ch 1204, §49; 2013 Acts, ch 30, §45

Referred to in §602.8102(43)

Subsection 2 amended

**235.4 Licenses.**

Licenses issued to private boarding homes for children and private child-placing agencies by the administrator shall remain in effect for the period for which issued, unless sooner revoked according to law. Thereafter each of such agencies shall apply to the administrator for a new license, and shall submit to such rules regarding licensing as the administrator prescribes.

[C39, §**3661.020;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §235.5]

90 Acts, ch 1204, §50

C91, §235.4

**235.5 Inspections.**

The department of inspections and appeals shall conduct inspections of private institutions for the care of dependent, neglected, and delinquent children in accordance with procedures established pursuant to chapters 10A and 17A.

90 Acts, ch 1204, §51

**235.6 Short title.**

This chapter shall be known and may be cited as *"The Child Welfare Act of 1937"*.

[C39, §**3661.021;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §235.6]

**235.7 Transition committees.**

1. *Committees established.* The department of human services shall establish and maintain local transition committees to address the transition needs of those children receiving child welfare services who are age sixteen or older and have a case permanency plan as defined in section 232.2. The department shall adopt rules establishing criteria for transition committee membership, operating policies, and basic functions. The rules shall provide flexibility for a committee to adopt protocols and other procedures appropriate for the geographic area addressed by the committee.

2. *Membership.* The department may authorize the governance boards of decategorization of child welfare and juvenile justice funding projects established under section 232.188 to appoint the transition committee membership and may utilize the boundaries of decategorization projects to establish the service areas for transition committees. The committee membership may include but is not limited to department of human services staff involved with foster care, child welfare, and adult services, juvenile court services staff, staff involved with county general relief under chapter 251 or 252, or of the central point of coordination process implemented under section 331.440,* school district and area education agency staff involved with special education, and a child's court appointed special advocate, guardian ad litem, service providers, and other persons knowledgeable about the child.

3. *Duties.* A transition committee shall review and approve the written plan of services required for the child's case permanency plan in accordance with section 232.2, subsection 4, paragraph *"f"*, which, based upon an assessment of the child's needs, would assist the child in preparing for the transition from foster care to adulthood. In addition, a transition committee shall identify and act to address any gaps existing in the services or other support available to meet the child and adult needs of individuals for whom service plans are approved.

2003 Acts, ch 117, §10; 2004 Acts, ch 1090, §33; 2005 Acts, ch 95, §3

Referred to in §232.2

*Section 331.440 is repealed; corrective legislation is pending

Section not amended; footnote added

# CHAPTER 235A

## CHILD ABUSE

Referred to in §135.43, 232.2, 232.71D, 232.96, 272.2

CHILD ABUSE PREVENTION

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## CHILD ABUSE PREVENTION

**235A.1 Child abuse prevention program.**

1. *a.* A program for the prevention of child abuse is established within the state department of human services. Any moneys appropriated by the general assembly for child abuse prevention shall be used by the department of human services solely for the purposes of child abuse prevention and shall not be expended for treatment or other service delivery programs regularly maintained by the department. Moneys appropriated for child abuse prevention shall be used by the department through contract with an agency or organization which shall administer the funds with maximum use of voluntary administrative services for the following:

(1) Matching federal funds to purchase services relating to community-based programs for the prevention of child abuse and neglect.

(2) Funding the establishment or expansion of community-based prevention projects or educational programs for the prevention of child abuse and neglect.

(3) To study and evaluate community-based prevention projects and educational programs for the problems of families and children.

*b.* Funds for the programs or projects shall be applied for and received by a community-based volunteer coalition or council.

2. The director of human services may accept grants, gifts, and bequests from any source for the purposes designated in subsection 1. The director shall remit funds so received to the treasurer of state who shall deposit them in the general fund of the state for the use of the child abuse prevention program.

[82 Acts, ch 1259, §1]

83 Acts, ch 96, §157, 159; 87 Acts, ch 153, §8; 2009 Acts, ch 41, §263; 2010 Acts, ch 1031, §392

Referred to in §144.13A, 217.3A, 235A.2

**235A.2 Child abuse prevention program fund.**

1. A child abuse prevention program fund is created in the state treasury under the control of the department of human services. The fund is composed of moneys appropriated or available to and obtained or accepted by the treasurer of state for deposit in the fund. The fund shall include moneys transferred to the fund pursuant to an income tax checkoff provided in chapter 422, division II, if applicable. All interest earned on moneys in the fund shall be credited to and remain in the fund. Section 8.33 does not apply to moneys in the fund.

2. Moneys in the fund that are authorized by the department for expenditure are appropriated, and shall be used, for the purposes described in section 235A.1 of preventing child abuse and neglect.

2008 Acts, ch 1129, §4, 8, 9; 2010 Acts, ch 1193, §158, 163; 2012 Acts, ch 1097, §3, 6

Referred to in §422.12K

2010 amendment to subsection 1 applies retroactively to January 1, 2010, for tax years beginning on or after that date; 2010 Acts, ch 1193, §163

2012 amendment to subsection 1 applies retroactively to tax years beginning on or after January 1, 2012; 2012 Acts, ch 1097, §6

**235A.3 through 235A.11** Reserved.

## CHILD ABUSE INFORMATION REGISTRY

Definitions applicable to this division, see §232.68

**235A.12 Legislative findings and purposes.**

1. The general assembly finds and declares that a central registry is required to provide a single source for the statewide collection, maintenance, and dissemination of child abuse information. The existence of the central registry is imperative for increased effectiveness in dealing with the problem of child abuse. The general assembly also finds that vigorous protection of rights of individual privacy is an indispensable element of a fair and effective system of collecting, maintaining, and disseminating child abuse information.

2. The purposes of this section and sections 235A.13 through 235A.24 are to facilitate the identification of victims or potential victims of child abuse by making available a single, statewide source of child abuse data; to facilitate research on child abuse by making available a single, statewide source of child abuse data; and to provide maximum safeguards against the unwarranted invasions of privacy which such a registry might otherwise entail.

[C75, 77, 79, 81, §235A.12]

84 Acts, ch 1035, §1; 2004 Acts, ch 1153, §2

Referred to in §232.68

**235A.13 Definitions.**

As used in chapter 232, division III, part 2, and sections 235A.13 to 235A.24, unless the context otherwise requires:

1. *"Assessment data"* means any of the following information pertaining to the department's evaluation of a family:

*a.* Identification of the strengths and needs of the child, and of the child's parent, home, and family.

*b.* Identification of services available from the department and informal and formal services and other support available in the community to meet identified strengths and needs.

2. "*Child abuse information*" means any or all of the following data maintained by the department in a manual or automated data storage system and individually identified:

*a.* Report data.

*b.* Assessment data.

*c.* Disposition data.

3. "*Confidentiality*" means the withholding of information from any manner of communication, public or private.

4. *"Department"* means the department of human services.

5. *"Disposition data"* means information pertaining to an opinion or decision as to the occurrence of child abuse, including:

*a.* Any intermediate or ultimate opinion or decision reached by assessment personnel.

*b.* Any opinion or decision reached in the course of judicial proceedings.

*c.* The present status of any case.

6. *"Expungement"* means the process of destroying child abuse information.

7. *"Individually identified"* means any report, assessment, or disposition data which names the person or persons responsible or believed responsible for the child abuse.

8. *"Multidisciplinary team"* means a group of individuals who possess knowledge and skills related to the diagnosis, assessment, and disposition of child abuse cases and who are professionals practicing in the disciplines of medicine, nursing, public health, substance abuse, domestic violence, mental health, social work, child development, education, law, juvenile probation, or law enforcement, or a group established pursuant to section 235B.1, subsection 1.

9. *"Near fatality"* means an injury to a child that, as certified by a physician, placed the child in serious or critical condition.

10. *"Report data"* means any of the following information pertaining to an assessment of an allegation of child abuse in which the department has determined the alleged child abuse meets the definition of child abuse:

*a.* The name and address of the child and the child's parents or other persons responsible for the child's care.

*b.* The age of the child.

*c.* The nature and extent of the injury, including evidence of any previous injury.

*d.* Additional information as to the nature, extent, and cause of the injury, and the identity of the person or persons alleged to be responsible for the injury.

*e.* The names and conditions of other children in the child's home.

*f.* A recording made of an interview conducted under chapter 232 in association with a child abuse assessment.

*g.* Any other information believed to be helpful in establishing the information in paragraph *"d"*.

11. *"Sealing"* means the process of removing child abuse information from authorized access as provided by this chapter.

[C75, 77, 79, 81, §235A.13; 82 Acts, ch 1066, §1]

84 Acts, ch 1035, §2; 87 Acts, ch 153, §9; 87 Acts, ch 182, §1; 92 Acts, ch 1143, §2; 97 Acts, ch 35, §13, 25; 97 Acts, ch 176, §6, 7, 27 – 31, 43; 99 Acts, ch 96, §26; 2000 Acts, ch 1137, §5, 14; 2002 Acts, ch 1074, §2; 2003 Acts, ch 44, §51; 2003 Acts, ch 62, §1; 2004 Acts, ch 1153, §3

Referred to in §135.43, 232.68, 232.71B, 235A.12, 331.909

For additional definitions, see §232.68

**235A.14 Creation and maintenance of a central registry.**

1. There is created within the state department of human services a central registry for certain child abuse information. The department shall organize and staff the registry and adopt rules for its operation.

2. The registry shall collect, maintain and disseminate child abuse information as provided for by this chapter.

3. The department shall maintain a toll-free telephone line, which shall be available on a twenty-four hour a day, seven-day a week basis and which the department of human services and all other persons may use to report cases of suspected child abuse and that all persons authorized by this chapter may use for obtaining child abuse information.

4. An oral report of suspected child abuse initially made to the central registry shall be immediately transmitted by the department to the appropriate county department of social services or law enforcement agency, or both.

5. The registry, upon receipt of a report of suspected child abuse, shall search the records of the registry, and if the records of the registry reveal any previous report of child abuse involving the same child or any other child in the same family, or if the records reveal any other pertinent information with respect to the same child or any other child in the same family, the appropriate office of the department of human services or law enforcement agency shall be immediately notified of that fact.

6. The central registry shall include report data and disposition data which is subject to

placement in the central registry under section 232.71D. The central registry shall not include assessment data.

[C75, 77, 79, 81, §235A.14]

83 Acts, ch 96, §157, 159; 97 Acts, ch 176, §8; 2013 Acts, ch 115, §11, 19

Referred to in §232.68, 235A.12, 235A.13, 279.13, 279.69, 321.375

2013 amendment to subsection 1 takes effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

Subsection 1 amended

**235A.15 Authorized access — procedures involving other states.**

1. Notwithstanding chapter 22, the confidentiality of all child abuse information shall be maintained, except as specifically provided by this section.

2. Access to report data and disposition data subject to placement in the central registry pursuant to section 232.71D is authorized only to the following persons or entities:

*a.* Subjects of a report as follows:

(1) To a child named in a report as a victim of abuse or to the child's attorney or guardian ad litem.

(2) To a parent or to the attorney for the parent of a child named in a report as a victim of abuse.

(3) To a guardian or legal custodian, or that person's attorney, of a child named in a report as a victim of abuse.

(4) To a person or the attorney for the person named in a report as having abused a child.

*b.* Persons involved in an assessment of child abuse as follows:

(1) To a health practitioner or mental health professional who is examining, attending, or treating a child whom such practitioner or professional believes or has reason to believe has been the victim of abuse or to a health practitioner or mental health professional whose consultation with respect to a child believed to have been the victim of abuse is requested by the department.

(2) To an employee or agent of the department of human services responsible for the assessment of a child abuse report.

(3) To a law enforcement officer responsible for assisting in an assessment of a child abuse allegation or for the temporary emergency removal of a child from the child's home.

(4) To a multidisciplinary team, or to parties to an interagency agreement entered into pursuant to section 280.25, if the department of human services approves the composition of the multidisciplinary team or the relevant provisions of the interagency agreement and determines that access to the team or to the parties to the interagency agreement is necessary to assist the department in the diagnosis, assessment, and disposition of a child abuse case.

(5) In an individual case, to each mandatory reporter who reported the child abuse.

(6) To the county attorney.

(7) To the juvenile court.

(8) To a licensing authority for a facility providing care to a child named in a report, if the licensing authority is notified of a relationship between facility policy and the alleged child abuse under section 232.71B.

(9) To the child protection assistance team established in accordance with section 915.35 for the county in which the report was made.

*c.* Individuals, agencies, or facilities providing care to a child, but only with respect to disposition data and, if authorized in law to the extent necessary for purposes of an employment evaluation, report data, for cases of founded child abuse placed in the central registry in accordance with section 232.71D as follows:

(1) To an administrator of a psychiatric medical institution for children licensed under chapter 135H.

(2) To an administrator of a child foster care facility licensed under chapter 237 if the data concerns a person employed or being considered for employment by the facility.

(3) To an administrator of a child care facility registered or licensed under chapter 237A if the data concerns a person employed or being considered for employment by or living in the facility.

(4) To the superintendent of the Iowa braille and sight saving school if the data concerns a person employed or being considered for employment or living in the school.

(5) To the superintendent of the school for the deaf if the data concerns a person employed or being considered for employment or living in the school.

(6) To an administrator of a community mental health center accredited under chapter 230A if the data concerns a person employed or being considered for employment by the center.

(7) To an administrator of a facility or program operated by the state, a city, or a county which provides services or care directly to children, if the data concerns a person employed by or being considered for employment by the facility or program.

(8) To an administrator of an agency certified by the department of human services to provide services under a medical assistance home and community-based services waiver, if the data concerns a person employed by or being considered by the agency for employment.

(9) To the administrator of an agency providing mental health, intellectual disability, or developmental disability services under a county management plan developed pursuant to section 331.439,* if the data concerns a person employed by or being considered by the agency for employment.

(10) To an administrator of a child care resource and referral agency which has entered into an agreement authorized by the department to provide child care resource and referral services. Access is authorized if the data concerns a person providing child care services or a person employed by a provider of such services and the agency includes the provider as a referral or the provider has requested to be included as a referral.

(11) To an administrator of a hospital licensed under chapter 135B if the data concerns a person employed or being considered for employment by the hospital.

(12) To an area education agency or other person responsible for providing early intervention services to children that is funded under part C of the federal Individuals with Disabilities Education Act.

(13) To a federal, state, or local governmental unit, or agent of the unit, that has a need for the information in order to carry out its responsibilities under law to protect children from abuse and neglect.

(14) To a nursing program that is approved by the state board of nursing under section 152.5, if the data relates to a record check performed pursuant to section 152.5.

*d.* Report data and disposition data, and assessment data to the extent necessary for resolution of the proceeding, relating to judicial and administrative proceedings as follows:

(1) To a juvenile court involved in an adjudication or disposition of a child named in a report.

(2) To a district court upon a finding that data is necessary for the resolution of an issue arising in any phase of a case involving child abuse.

(3) To a court or the department hearing an appeal for correction of report data and disposition data as provided in section 235A.19.

(4) To an expert witness at any stage of an appeal necessary for correction of report data and disposition data as provided in section 235A.19.

(5) To a probation or parole officer, juvenile court officer, court appointed special advocate as defined in section 232.2, or adult correctional officer having custody or supervision of, or conducting an investigation for a court or the board of parole regarding, a person named in a report as a victim of child abuse or as having abused a child.

(6) To the department of justice for purposes of review by the prosecutor's review committee or the commitment of sexually violent predators as provided in chapter 229A.

(7) Each licensing board specified under chapter 147 and the Iowa department of public health for the purpose of licensure, certification or registration, disciplinary investigation, or the renewal of licensure, certification or registration, or disciplinary proceedings of health care professionals.

*e.* Others as follows, but only with respect to report data and disposition data for cases of founded child abuse subject to placement in the registry pursuant to section 232.71D:

(1) To a person conducting bona fide research on child abuse, but without data identifying individuals named in a child abuse report, unless having that data open to review is essential

to the research or evaluation and the authorized registry officials give prior written approval and the child, the child's guardian or guardian ad litem and the person named in a report as having abused a child give permission to release the data.

(2) To registry or department personnel when necessary to the performance of their official duties or to a person or agency under contract with the department to carry out official duties and functions of the department.

(3) To the department of justice for the sole purpose of the filing of a claim for restitution or compensation pursuant to sections 915.21 and 915.84. Data provided pursuant to this subparagraph is subject to the provisions of section 915.90.

(4) To a legally constituted child protection agency of another state which is investigating or assessing or treating a child named in a report as having been abused or which is investigating or assessing or treating a person named as having abused a child.

(5) To a public or licensed child-placing agency of another state responsible for an adoptive or foster care preplacement or placement evaluation.

(6) To the attorney for the department of human services who is responsible for representing the department.

(7) To the child advocacy and local citizen foster care review boards created pursuant to sections 237.16 and 237.19.

(8) To an employee or agent of the department of human services regarding a person who is providing child care if the person is not registered or licensed to operate a child care facility.

(9) To the board of educational examiners created under chapter 272 for purposes of determining whether a license, certificate, or authorization should be issued, denied, or revoked.

(10) To a legally constituted child protection agency in another state if the agency is conducting a records check of a person who is providing care or has applied to provide care to a child in the other state.

(11) To the legally authorized protection and advocacy agency recognized in section 135C.2, if a person identified in the information as a victim or a perpetrator of abuse resides in or receives services from a facility or agency because the person is diagnosed as having a developmental disability or a mental illness.

(12) To the department of human services for a record check relating to employment or residence pursuant to section 218.13.

(13) To the Iowa board for the treatment of sexual abusers for purposes of certifying sex offender treatment providers.

(14) To an employee or agent of the department responsible for registering or licensing or approving the registration or licensing of an agency or facility, or to an individual providing care to a child and regulated by the department.

(15) To an employee of the department responsible for an adoptive placement, a certified adoption investigator, or licensed child-placing agency responsible for an adoptive placement.

(16) To the superintendent, or the superintendent's designee, of a school district or to the authorities in charge of an accredited nonpublic school for purposes of a volunteer or employment record check.

(17) To the department of inspections and appeals for purposes of record checks of applicants for employment with the department of inspections and appeals.

(18) To a person or agency responsible for the care or supervision of a child named in a report as an alleged victim of abuse or a person named in a report as having allegedly abused a child, if the juvenile court or department deems access to report data and disposition data by the person or agency to be necessary.

(19) To the Iowa veterans home for purposes of record checks of potential volunteers and volunteers in the Iowa veterans home.

(20) To the administrator of a certified nurse aide program, if the data relates to a record check of a student of the program performed pursuant to section 135C.33.

(21) To the administrator of a juvenile detention or shelter care home, if the data relates to a record check of an existing or prospective employee, resident, or volunteer for or in the home.

(22) To the employer or prospective employer of a school bus driver for purposes of an employment record check.

(23) To the administrator of a family support program receiving public funds, if the data relates to a record check of an employee working directly with families.

(24) To an intake officer making a preliminary inquiry pursuant to section 232.28, subsection 3.

*f.* Only with respect to disposition data for cases of founded child abuse subject to placement in the central registry pursuant to section 232.71D, to a person who submits written authorization from an individual allowing the person access to data pursuant to this subsection on behalf of the individual in order to verify whether the individual is named in a founded child abuse report as having abused a child.

3. Access to report data and disposition data for a case of child abuse determined to meet the definition of child abuse, which data is not subject to placement in the central registry pursuant to section 232.71D, is authorized only to the following persons:

*a.* Subjects of a report identified in subsection 2, paragraph "*a*".

*b.* Persons involved in an assessment of child abuse identified in subsection 2, paragraph "*b*", subparagraphs (2), (3), (4), (6), and (7).

*c.* Others identified in subsection 2, paragraph "*e*", subparagraphs (2), (3), (6), and (18).

*d.* The department of justice for purposes of review by the prosecutor's review committee or the commitment of sexually violent predators as provided in chapter 229A.

4. Access to report data for a case of child abuse determined to not meet the definition of child abuse, which data is not subject to placement in the central registry pursuant to section 232.71D, is authorized only to the following:

*a.* Subjects of a report identified in subsection 2, paragraph "*a*".

*b.* Persons involved in an assessment of child abuse identified in subsection 2, paragraph "*b*", subparagraphs (2), (6), and (7).

*c.* Others identified in subsection 2, paragraph "*e*", subparagraphs (2) and (18).

*d.* The department of justice for purposes of review by the prosecutor's review committee or the commitment of sexually violent predators as provided in chapter 229A.

5. Access to disposition data subject to placement in the central registry pursuant to section 232.71D is authorized to the department of administrative services or to the personnel office of a public employer, as defined in section 20.3, as necessary for presentation in grievance or arbitration procedures provided for in sections 8A.415 and 20.18. Disposition data introduced into a grievance or arbitration proceeding shall not be considered a part of the public record of a case.

6. *a.* If a child who is a legal resident of another state is present in this state and a report of child abuse is made concerning the child, the department shall act to ensure the safety of the child. The department shall contact the child's state of legal residency to coordinate the assessment of the report. If the child's state of residency refuses to conduct an assessment, the department shall commence an appropriate assessment.

*b.* If a report of child abuse is made concerning an alleged perpetrator who resides in this state and a child who resides in another state, the department shall assist the child's state of residency in conducting an assessment of the report. The assistance shall include but is not limited to an offer to interview the alleged perpetrator and any other relevant source. If the child's state of residency refuses to conduct an assessment of the report, the department shall commence an appropriate assessment. The department shall seek to develop protocols with states contiguous to this state for coordination in the assessment of a report of child abuse when a person involved with the report is a resident of another state.

7. If the director of human services receives a written request for information regarding a specific case of child abuse involving a fatality or near fatality to a child from the majority or minority leader of the senate or the speaker or the minority leader of the house of representatives, the director or the director's designee shall arrange for a confidential meeting with the requestor or the requestor's designee. In the confidential meeting the director or the director's designee shall share all pertinent information concerning the case, including but not limited to child abuse information. Any written document distributed by the director or the director's designee at the confidential meeting shall not be removed

from the meeting and a participant in the meeting shall be subject to the restriction on redissemination of confidential information applicable to a person under section 235A.17, subsection 3, for confidential information disclosed to the participant at the meeting. A participant in the meeting may issue a report to the governor or make general public statements concerning the department's handling of the case of child abuse.

8. Upon the request of the governor, the department shall disclose child abuse information to the governor or the governor's designee relating to a specific case of child abuse reported to the department.

9. If, apart from a request made pursuant to subsection 7 or 8, the department receives from a member of the public a request for information relating to a case of founded child abuse involving a fatality or near fatality to a child, the response to the request shall be made in accordance with this subsection and subsections 10 and 11. If the request is received before or during performance of an assessment of the case in accordance with section 232.71B, the director of human services or the director's designee shall initially disclose whether or not the assessment will be or is being performed. Otherwise, within five business days of receiving the request or completing the assessment, whichever is later, the director of human services or the director's designee shall consult with the county attorney responsible for prosecution of any alleged perpetrator of the fatality or near fatality and shall disclose information, including but not limited to child abuse information, relating to the case, except for the following:

*a.* The substance or content of any mental health or psychological information that is confidential under chapter 228.

*b.* Information that constitutes the substance or contains the content of an attorney work product or is a privileged communication under section 622.10.

*c.* Information that would reveal the identity of any individual who provided information relating to a report of child abuse or an assessment of such a report involving the child.

*d.* Information that the director or the director's designee reasonably believes is likely to cause mental or physical harm to a sibling of the child or to another child residing in the child's household.

*e.* Information that the director or the director's designee reasonably believes is likely to jeopardize the prosecution of any alleged perpetrator of the fatality or near fatality.

*f.* Information that the director or the director's designee reasonably believes is likely to jeopardize the rights of any alleged perpetrator of the fatality or near fatality to a fair trial.

*g.* Information that the director or the director's designee reasonably believes is likely to undermine an ongoing or future criminal investigation.

*h.* Information, the release of which is a violation of federal law or regulation.

10. The information released by the director of human services or the director's designee pursuant to a request made under subsection 9 relating to a case of founded child abuse involving a fatality or near fatality to a child shall include all of the following, unless such information is excepted from disclosure under subsection 9:

*a.* Any relevant child abuse information concerning the child or the child's family and the department's response and findings.

*b.* A summary of information, that would otherwise be confidential under section 217.30, as to whether or not the child or a member of the child's family was utilizing social services provided by the department at the time of the child fatality or near fatality or within the five-year period preceding the fatality or near fatality.

*c.* Any recommendations made by the department to the county attorney or the juvenile court.

*d.* If applicable, a summary of an evaluation of the department's responses in the case.

11. *a.* If a person who made a request for information under subsection 9 does not believe the department has substantially complied with the request, the person may apply to the juvenile court under section 235A.24 for an order for disclosure of additional information.

*b.* If release of social services information in addition to that released under subsection 10, paragraph "*b*", is believed to be in the public's interest and right to know, the director of human services or the director's designee may apply to the court under section 235A.24 requesting a review of the information proposed for release and an order authorizing release of the information. A release of information that would otherwise be confidential under

section 217.30 concerning social services provided to the child or the child's family shall not include information concerning financial or medical assistance provided to the child or the child's family.

12. If an individual who is the subject of a child abuse report listed in subsection 2, paragraph "*a*", or another party involved in an assessment under section 232.71B releases in a public forum or to the media information concerning a case of child abuse including but not limited to child abuse information which would otherwise be confidential, the director of human services, or the director's designee, may respond with relevant information concerning the case of child abuse that was the subject of the release. Prior to releasing the response, the director or the director's designee shall consult with the child's parent or guardian, or the child's guardian ad litem, and apply to the court under section 235A.24 requesting a review of the information proposed for release and an order authorizing release of the information.

[C75, 77, 79, 81, §235A.15; 82 Acts, ch 1066, §2]

83 Acts, ch 96, §157, 159; 85 Acts, ch 173, §16; 85 Acts, ch 174, §1; 86 Acts, ch 1177, §2; 87 Acts, ch 153, §10, 11; 88 Acts, ch 1158, §53; 89 Acts, ch 65, §1; 89 Acts, ch 283, §25; 90 Acts, ch 1221, §3, 4; 90 Acts, ch 1248, §1; 90 Acts, ch 1249, §1; 91 Acts, ch 97, §30; 91 Acts, ch 138, §5, 6; 92 Acts, ch 1141, §4; 92 Acts, ch 1143, §3, 4; 93 Acts, ch 76, §3, 4; 94 Acts, ch 1023, §43; 94 Acts, ch 1156, §1; 95 Acts, ch 93, §1 – 3; 95 Acts, ch 182, §15, 16; 96 Acts, ch 1175, §4; 96 Acts, ch 1183, §28; 97 Acts, ch 176, §9, 32 – 37, 43; 98 Acts, ch 1090, §64, 84; 98 Acts, ch 1100, §97; 98 Acts, ch 1115, §3; 99 Acts, ch 61, §10 – 12, 14; 99 Acts, ch 111, §8; 99 Acts, ch 141, §31; 99 Acts, ch 192, §33; 2000 Acts, ch 1123, §3; 2000 Acts, ch 1137, §6 – 9, 14; 2000 Acts, ch 1153, §1; 2001 Acts, ch 8, §2; 2002 Acts, ch 1034, §2; 2002 Acts, ch 1162, §19; 2003 Acts, ch 107, §2; 2003 Acts, ch 145, §217, 286; 2004 Acts, ch 1116, §27; 2004 Acts, ch 1153, §4 – 7; 2005 Acts, ch 19, §37; 2005 Acts, ch 121, §4 – 8; 2006 Acts, ch 1008, §2; 2006 Acts, ch 1152, §1; 2007 Acts, ch 10, §166; 2007 Acts, ch 22, §55; 2009 Acts, ch 93, §2; 2011 Acts, ch 98, §8; 2012 Acts, ch 1019, §94; 2012 Acts, ch 1047, §1; 2012 Acts, ch 1132, §7; 2013 Acts, ch 42, §13; 2013 Acts, ch 115, §12, 19

Referred to in §135.43, 216A.136, 217.30, 232.28, 232.68, 232.71B, 232.71D, 235A.12, 235A.13, 235A.16, 235A.17, 235A.19, 235A.21, 235A.24, 237.21

See §235A.24

*Section 331.439 is repealed; corrective legislation is pending

2013 amendment to subsection 12 takes effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

Subsection 2, paragraph e, NEW subparagraph (24)

Subsection 12 amended

**235A.16 Requests for child abuse information.**

1. Requests for child abuse information shall be in writing on forms prescribed by the department, except as otherwise provided by subsection 2. Request forms shall require information sufficient to demonstrate authorized access.

2. *a.* Requests for child abuse information may be made orally by telephone where a person making such a request believes that the information is needed immediately and where information sufficient to demonstrate authorized access is provided. In the event that a request is made orally by telephone, a written request form shall nevertheless be filed within seventy-two hours.

*b.* The department of inspections and appeals may provide access to the single contact repository established under section 135C.33, subsection 6, for criminal and abuse history checks made by those employers, agencies, and other persons that are authorized access to child abuse information under section 235A.15 and are required by law to perform such checks.

3. Subsections 1 and 2 do not apply to child abuse information that is disseminated to an employee of the department of human services, to a juvenile court, or to the attorney representing the department as authorized by section 235A.15.

[C75, 77, 79, 81, §235A.16]

87 Acts, ch 153, §12; 2001 Acts, ch 191, §40

Referred to in §216A.136, 232.68, 235A.12, 235A.13

**235A.17 Redissemination of child abuse information.**

1. A person, agency or other recipient of child abuse information authorized to receive such information shall not redisseminate such information, except that redissemination shall be permitted when all of the following conditions apply:

*a.* The redissemination is for official purposes in connection with prescribed duties or, in the case of a health practitioner, pursuant to professional responsibilities.

*b.* The person to whom such information would be redisseminated would have independent access to the same information under section 235A.15.

*c.* A written record is made of the redissemination, including the name of the recipient and the date and purpose of the redissemination.

*d.* The written record is forwarded to the registry within thirty days of the redissemination.

2. The department of human services may notify orally the mandatory reporter in an individual child abuse case of the results of the case assessment and of the confidentiality provisions of sections 235A.15 and 235A.21. The department shall subsequently transmit a written notice to the mandatory reporter of the results and confidentiality provisions. If the report data and disposition data have been placed in the registry as founded child abuse pursuant to section 232.71D, a copy of the written notice shall be transmitted to the registry and shall be maintained by the registry as provided in section 235A.18. Otherwise, a copy of the written notice shall be retained by the department with the case file.

3. For the purposes of this subsection, *"subject of a child abuse report"* means any individual listed in section 235A.15, subsection 2, paragraph *"a"*, other than the attorney or guardian ad litem of such individual. An individual who is the subject of a child abuse report may redisseminate to the governor or the governor's designee or to a member of the general assembly or an employee of the general assembly designated by the member, child abuse information that was disseminated to the individual by the department or other official source. The child abuse information may also include the following related information that the individual is allowed under law to possess: department of human services information described in section 217.30, subsection 1; mental health information as defined in section 228.1; and juvenile court social records and other information in official juvenile court records described in section 232.147. A person who receives confidential child abuse information and related information redisseminated under this subsection shall not further disseminate, communicate, or attempt to communicate the information to a person who is not authorized by this section or other provision of law to have access to the information.

[C75, 77, 79, 81, §235A.17]

84 Acts, ch 1279, §23; 87 Acts, ch 153, §13; 97 Acts, ch 35, §17, 25; 97 Acts, ch 176, §10, 38, 43; 2000 Acts, ch 1137, §10, 14

Referred to in §216A.136, 232.68, 235A.12, 235A.13, 235A.15, 235A.21

**235A.18 Sealing and expungement of founded child abuse information.**

1. Report data and disposition data relating to a particular case of alleged abuse which has been determined to be founded child abuse and placed in the central registry in accordance with section 232.71D shall be maintained in the registry as follows:

*a.* (1) Report and disposition data relating to a particular case of alleged child abuse shall be sealed ten years after the initial placement of the data in the registry unless good cause be shown why the data should remain open to authorized access. If a subsequent report of an alleged case of child abuse involving the child named in the initial data placed in the registry as the victim of abuse or a person named in the data as having abused a child is received by the department within this ten-year period, or within the period in which the person's name is in the central registry, the data shall be sealed ten years after receipt of the subsequent report unless good cause be shown why the data should remain open to authorized access. Report and disposition data shall be made available to the department of justice if the department requests access to the alleged child abuse records for purposes of review by the prosecutor's review committee or commitment of sexually violent predators under chapter 229A.

(2) Notwithstanding subparagraph (1), a person named in the initial data placed in the registry as having abused a child shall have the person's name removed from the registry after ten years, if not previously removed from the registry pursuant to the other provisions of this

subsection, if that person has not had a subsequent case of alleged abuse which resulted in the person's name being placed in the registry as the person responsible for the abuse within the ten-year period.

(3) (a) A person named in the initial data placed in the registry as having abused a child shall have the person's name removed from the registry after five years if the department determined in the report and disposition data that the person committed child abuse as defined in section 232.68, subsection 2, paragraph "*a*", subparagraph (1), (4), or (6).

(b) Subparagraph division (a) shall not apply, and the name of a person named in the initial data as having abused a child shall remain in the registry as described in subparagraph (1), if the department determined in the initial report and disposition data the person committed child abuse as defined in section 232.68, subsection 2, paragraph "*a*", subparagraph (1), (4), or (6), and the child abuse resulted in the child's death or a serious injury.

*b.* Data sealed in accordance with this section shall be expunged eight years after the date the data was sealed. However, if the report data and the disposition data involve child abuse as defined in section 232.68, subsection 2, paragraph "*a*", subparagraph (3) or (5), the data shall not be expunged for a period of thirty years. Sealed data shall be made available to the department of justice upon request if the prosecutor's review committee is reviewing records or if a prosecuting attorney has filed a petition to commit a sexually violent predator under chapter 229A.

2. The juvenile or district court and county attorney shall expunge child abuse information upon notice from the registry. The supreme court shall prescribe rules establishing the period of time child abuse information is retained by the juvenile and district courts. A county attorney shall not retain child abuse information in excess of the time period the information would be retained under the rules prescribed by the supreme court. Child abuse information relating to a particular case of child abuse placed in the central registry that a juvenile or district court determines is unfounded in a written finding based upon a preponderance of evidence shall be expunged from the central registry.

3. The department of human services shall adopt rules establishing the period of time child abuse information which is not maintained in the central registry is retained by the department.

[C75, 77, 79, 81, §235A.18]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1279, §24; 85 Acts, ch 173, §17; 89 Acts, ch 230, §20; 90 Acts, ch 1221, §5, 6; 93 Acts, ch 76, §5, 6; 97 Acts, ch 176, §11; 99 Acts, ch 61, §13, 14; 2000 Acts, ch 1137, §11, 14; 2000 Acts, ch 1154, §18; 2011 Acts, ch 28, §5; 2012 Acts, ch 1082, §2; 2013 Acts, ch 115, §13, 19, 20

Referred to in §216A.136, 232.68, 235A.12, 235A.13, 235A.17, 235A.20, 235A.21

2013 amendment to subsection 1, paragraph a, relating to removal of the name of a person named in the initial data placed in the central registry for child abuse information as having abused a child, applies to the name of an alleged perpetrator of the alleged child abuse which is placed in the central registry pursuant to section 232.71D on or after January 1, 2014; 2013 Acts, ch 115, §20

2013 amendment to subsection 1, paragraph a takes effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

Subsection 1, paragraph a amended

**235A.19 Examination, requests for correction or expungement and appeal.**

1. A subject of a child abuse report, as identified in section 235A.15, subsection 2, paragraph "*a*", shall have the right to examine report data and disposition data which refers to the subject. The department may prescribe reasonable hours and places of examination. A subject of a child abuse report may provide additional information to the department that is relevant to the report data and disposition data and may request that the department revise the report data and disposition data.

2. At the time the notice of the results of a child abuse assessment performed in accordance with section 232.71B is issued, the department shall provide notice to a person named in the report as having abused a child of the right to a contested case hearing and shall provide notice to subjects other than the person named in the report as having abused a child of the right to intervene in a contested case proceeding, as provided in subsection 3.

3. *a.* A subject of a child abuse report may file with the department within ninety days of the date of the notice of the results of a child abuse assessment performed in accordance

with section 232.71B, a written statement to the effect that report data and disposition data referring to the subject is in whole or in part erroneous, and may request a correction of that data or of the findings of the child abuse assessment report.

*b.* The department shall provide a person named in a child abuse report as having abused a child, who has been adversely affected by a founded child abuse disposition, notwithstanding the placement of the report data in the central registry pursuant to section 232.71D, with an opportunity for a contested case hearing pursuant to chapter 17A to correct the data or the findings, unless the department corrects the data or findings as requested.

*c.* The department shall provide a subject of a child abuse report, other than the person named in the report as having abused a child, with an opportunity to file a motion to intervene in the contested case proceeding.

*d.* The department may defer the hearing until the conclusion of the adjudicatory phase of a pending juvenile or district court case relating to the data or findings. Upon request of any party to the contested case proceeding, the presiding officer may stay the hearing until the conclusion of the adjudicatory phase of a pending juvenile or district court case relating to the data or findings. An adjudication of a child in need of assistance or a criminal conviction in a district court case relating to the child abuse data or findings may be determinative in a contested case proceeding.

*e.* A party to a contested case proceeding shall file an appeal of the presiding officer's proposed decision to the director within ten days of the presiding officer's proposed decision. If an appeal is not filed within ten days from the date of a proposed decision, the proposed decision shall be the final agency action. If a party files an appeal within ten days from the date of the proposed decision, the director has forty-five days from the date of the proposed decision to issue a ruling. Upon the director's failure to issue a ruling within forty-five days of the date of the proposed decision, the proposed decision shall be the final agency action.

*f.* The department shall not disclose any report data or disposition data until the conclusion of the proceeding to correct the data or findings, except as follows:

(1) As necessary for the proceeding itself.

(2) To the parties and attorneys involved in a judicial proceeding.

(3) For the regulation of child care or child placement.

(4) Pursuant to court order.

(5) To the subject of an assessment or a report.

(6) For the care or treatment of a child named in a report as a victim of abuse.

(7) To persons involved in an assessment of child abuse.

(8) For statutorily authorized record checks for employment of an individual by a provider of adult home care, adult health facility care, or other adult placement facility care.

(9) For others identified in section 235A.15, subsection 2, paragraph *"d"*, subparagraph (7), and section 235A.15, subsection 2, paragraph *"e"*, subparagraphs (9) and (16).

4. A person named in a child abuse report as having abused a child, who has been adversely affected by a founded child abuse disposition, notwithstanding the placement of the report data in the central registry pursuant to section 232.71D, may appeal the decision resulting from a hearing held pursuant to subsection 3 to the district court of Polk county or to the district court of the district in which the person named in the report as having abused a child resides. Immediately upon appeal the court shall order the department to file with the court a certified copy of the report data or disposition data. Appeal shall be taken in accordance with chapter 17A.

5. Upon the request of the appellant, the record and evidence in such cases shall be closed to all but the court and its officers, and access to the record and evidence shall be prohibited unless otherwise ordered by the court. The clerk shall maintain a separate docket for such actions. A person other than the appellant shall not permit a copy of any of the testimony or pleadings or the substance of the testimony or pleadings to be made available to any person other than a party to the action or the party's attorney. Violation of the provisions of this subsection shall be a public offense punishable under section 235A.21.

6. Whenever the department corrects or eliminates data as requested or as ordered by the court, the department shall advise all persons who have received the incorrect data of such fact. Upon application to the court and service of notice on the department, any subject of a

child abuse report may request and obtain a list of all persons who have received report data or disposition data referring to the subject.

7. In the course of any proceeding provided for by this section, the identity of the person who reported the disputed data and the identity of any person who has been reported as having abused a child may be withheld upon a determination by the department that disclosure of their identities would be detrimental to their interests.

[C75, 77, 79, 81, §235A.19]

85 Acts, ch 173, §18; 89 Acts, ch 230, §21; 92 Acts, ch 1143, §5; 94 Acts, ch 1130, §10; 95 Acts, ch 49, §3; 97 Acts, ch 35, §21, 25; 97 Acts, ch 176, §12, 39, 40, 43; 98 Acts, ch 1100, §98; 2000 Acts, ch 1067, §2; 2005 Acts, ch 121, §9; 2011 Acts, ch 28, §6; 2012 Acts, ch 1082, §3 – 5; 2013 Acts, ch 115, §14, 15, 19

Referred to in §216A.136, 232.68, 232.71B, 232.71D, 235A.12, 235A.13, 235A.15

2013 amendments to subsection 2 and subsection 3, paragraph a, take effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

Subsection 2 amended

Subsection 3, paragraph a amended

**235A.20 Civil remedy.**

Any aggrieved person may institute a civil action for damages under chapter 669 or 670 or to restrain the dissemination of child abuse information in violation of this chapter, and any person, agency or other recipient proven to have disseminated or to have requested and received child abuse information in violation of this chapter, or any employee of the department who knowingly destroys assessment data except in accordance with rule as established by the department for retention of child abuse information under section 235A.18 shall be liable for actual damages and exemplary damages for each violation and shall be liable for court costs, expenses, and reasonable attorney's fees incurred by the party bringing the action. In no case shall the award for damages be less than one hundred dollars.

[C75, 77, 79, 81, §235A.20]

97 Acts, ch 176, §13, 41, 43

Referred to in §232.68, 235A.12, 235A.13

**235A.21 Criminal penalties.**

1. Any person who willfully requests, obtains, or seeks to obtain child abuse information under false pretenses, or who willfully communicates or seeks to communicate child abuse information to any agency or person except in accordance with sections 235A.15 and 235A.17, or any person connected with any research authorized pursuant to section 235A.15 who willfully falsifies child abuse information or any records relating to child abuse information, or any employee of the department who knowingly destroys assessment data except in accordance with rule as established by the department for retention of child abuse information under section 235A.18 is guilty of a serious misdemeanor. Any person who knowingly, but without criminal purposes, communicates or seeks to communicate child abuse information except in accordance with sections 235A.15 and 235A.17 shall be guilty of a simple misdemeanor.

2. Any reasonable grounds for belief that a person has violated any provision of this chapter shall be grounds for the immediate withdrawal of any authorized access such person might otherwise have to child abuse information.

[C75, 77, 79, 81, §235A.21]

97 Acts, ch 176, §14, 42, 43

Referred to in §232.68, 235A.12, 235A.13, 235A.17, 235A.19

**235A.22 Education program.**

The department of human services shall require an educational program for employees of the department with access to child abuse information on the proper use and control of child abuse information.

[C75, 77, 79, 81, §235A.22]

97 Acts, ch 176, §15

Referred to in §232.68, 235A.12, 235A.13

**235A.23 Reports.**

1. The department of human services may compile statistics, conduct research, and issue reports on child abuse, provided identifying details of the subject of child abuse reports are deleted from any report issued.

2. The department shall issue an annual report on its administrative operation, including information as to the number of requests for child abuse data, the proportion of requests attributable to each type of authorized access, the frequency and nature of irregularities, and other pertinent matters.

[C75, 77, 79, 81, §235A.23]

87 Acts, ch 153, §14; 97 Acts, ch 176, §16

Referred to in §232.68, 235A.12, 235A.13

**235A.24 Order for disclosure or release of child abuse information.**

1. *a.* If a person's request for information relating to a case of founded child abuse under section 235A.15, subsection 9, is denied or such person does not believe the department has substantially complied with the request and seeks additional information, the person may apply to the juvenile court for an order compelling disclosure of the information.

*b.* The director of human services or the director's designee may apply, if the conditions under section 235A.15, subsection 11 or 12, are met, to the court requesting a review of confidential information proposed for release and an order authorizing the release of information. A release of information that would otherwise be confidential under section 217.30 concerning social services provided to the child or the child's family shall not include information concerning financial or medical assistance provided to the child or the child's family.

2. The application shall state in reasonable detail the factors in support of the application. The juvenile court shall have jurisdiction to issue the order. A hearing shall be set immediately upon filing of an application under this section and subsequent proceedings shall be accorded priority by other courts.

3. In considering the application, the court shall weigh the public's interest and right to know the information against the privacy rights of the victim of the child abuse and other individuals who may be affected by the release of the information relating to the case of child abuse.

4. After the court has reviewed the information relating to the case in camera, unless the court finds that a restriction listed in section 235A.15, subsection 9, is applicable, the court may issue an order compelling disclosure or authorizing release of the information relating to the case.

2000 Acts, ch 1137, §12, 14; 2004 Acts, ch 1153, §8

Referred to in §232.68, 235A.12, 235A.13, 235A.15

# CHAPTER 235B

## DEPENDENT ADULT ABUSE SERVICES — INFORMATION REGISTRY

Referred to in §216A.136, 235E.2, 235E.4, 272.2

See also chapter 235E
Legislative services agency to monitor reporting of dependent adult abuse, investigations, and workload and performance of personnel, and report annually by February 1; department on aging and departments of human services and inspections and appeals to cooperate; 87 Acts, ch 182, §11; 2003 Acts, ch 35, §46, 49; 2009 Acts, ch 182, §137

GENERAL PROVISIONS

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DEPENDENT ADULT ABUSE INFORMATION REGISTRY

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235B.19 Emergency order for protective services.
235B.20 Dependent adult abuse — initiation of charges — penalty.

## GENERAL PROVISIONS

**235B.1 Dependent adult abuse services.**

The department shall establish and operate a dependent adult abuse services program. The program shall emphasize the reporting and evaluation of cases of abuse of a dependent adult who is unable to protect the adult's own interests or unable to perform activities necessary to meet essential human needs. The program shall include but is not limited to:

1. The establishment of local or regional multidisciplinary teams to assist in assessing the needs of, formulating and monitoring a treatment plan for, and coordinating services to victims of dependent adult abuse. The membership of a team shall include individuals who possess knowledge and skills related to the diagnosis, assessment, and disposition of dependent adult abuse cases and who are professionals practicing in the disciplines of medicine, public health, mental health, social work, law, law enforcement, or other disciplines relative to dependent adults. Members of a team shall include but are not limited to persons representing the area agencies on aging, county attorneys, health care providers, and other persons involved in advocating or providing services to dependent adults.

2. Provisions for information sharing and case consultation among service providers, care providers, and victims of dependent adult abuse.

3. Procedures for referral of cases among service providers, including the referral of victims of dependent adult abuse residing in licensed health care facilities.

4. *a.* The establishment of a dependent adult protective advisory council. The advisory council shall do all of the following:

(1) Advise the director of human services, the director of the department on aging, the director of inspections and appeals, the director of public health, the director of the department of corrections, and the director of human rights regarding dependent adult abuse.

(2) Evaluate state law and rules and make recommendations to the general assembly and to executive branch departments regarding laws and rules concerning dependent adults.

(3) Receive and review recommendations and complaints from the public, health care facilities, and health care programs concerning the dependent adult abuse services program.

*b.* (1) The advisory council shall consist of twelve members. Eight members shall be appointed by and serve at the pleasure of the governor. Four of the members appointed shall be appointed on the basis of knowledge and skill related to expertise in the area of dependent adult abuse including professionals practicing in the disciplines of medicine, public health, mental health, long-term care, social work, law, and law enforcement. Two of the members appointed shall be members of the general public with an interest in the area of dependent adult abuse and two of the members appointed shall be members of the Iowa caregivers association. In addition, the membership of the council shall include the director or the director's designee of the department of human services, the department on aging, the Iowa department of public health, and the department of inspections and appeals.

(2) The members of the advisory council shall be appointed to terms of four years beginning May 1. Appointments shall comply with sections 69.16 and 69.16A. Vacancies shall be filled in the same manner as the original appointment.

(3) Members shall receive actual expenses incurred while serving in their official capacity.

(4) The advisory council shall select a chairperson, annually, from its membership.

83 Acts, ch 96, §159, 160; 83 Acts, ch 153, §4; 84 Acts, ch 1178, §3; 85 Acts, ch 180, §1; 87 Acts, ch 182, §2 – 8; 88 Acts, ch 1238, §2; 89 Acts, ch 24, §2, 3; 90 Acts, ch 1204, §52; 90 Acts, ch 1271, §1509; 91 Acts, ch 231, §1; 96 Acts, ch 1130, §1; 2004 Acts, ch 1116, §16; 2008 Acts, ch 1093, §1, 2; 2009 Acts, ch 23, §50; 2010 Acts, ch 1069, §28; 2011 Acts, ch 34, §62; 2013 Acts, ch 30, §46

Referred to in §235A.13, 235B.16A, 235E.5

Subsection 4, paragraph a, subparagraph (1) amended

**235B.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Caretaker"* means a related or nonrelated person who has the responsibility for the protection, care, or custody of a dependent adult as a result of assuming the responsibility voluntarily, by contract, through employment, or by order of the court.

2. *"Court"* means the district court.

3. *"Department"* means the department of human services.

4. *"Dependent adult"* means a person eighteen years of age or older who is unable to protect the person's own interests or unable to adequately perform or obtain services necessary to meet essential human needs, as a result of a physical or mental condition which requires assistance from another, or as defined by departmental rule.

5. *a. "Dependent adult abuse"* means:

(1) Any of the following as a result of the willful or negligent acts or omissions of a caretaker:

(a) Physical injury to, or injury which is at a variance with the history given of the injury, or unreasonable confinement, unreasonable punishment, or assault of a dependent adult.

(b) The commission of a sexual offense under chapter 709 or section 726.2 with or against a dependent adult.

(c) Exploitation of a dependent adult which means the act or process of taking unfair advantage of a dependent adult or the adult's physical or financial resources for one's own personal or pecuniary profit, without the informed consent of the dependent adult, including theft, by the use of undue influence, harassment, duress, deception, false representation, or false pretenses.

(d) The deprivation of the minimum food, shelter, clothing, supervision, physical or mental health care, or other care necessary to maintain a dependent adult's life or health.

(2) The deprivation of the minimum food, shelter, clothing, supervision, physical or mental health care, and other care necessary to maintain a dependent adult's life or health as a result of the acts or omissions of the dependent adult.

(3) (a) Sexual exploitation of a dependent adult by a caretaker.

(b) *"Sexual exploitation"* means any consensual or nonconsensual sexual conduct with a dependent adult which includes but is not limited to kissing; touching of the clothed or unclothed inner thigh, breast, groin, buttock, anus, pubes, or genitals; or a sex act, as defined in section 702.17. *"Sexual exploitation"* includes the transmission, display, taking of electronic images of the unclothed breast, groin, buttock, anus, pubes, or genitals of a dependent adult by a caretaker for a purpose not related to treatment or diagnosis or as part of an ongoing assessment, evaluation, or investigation. Sexual exploitation does not include touching which is part of a necessary examination, treatment, or care by a caretaker acting within the scope of the practice or employment of the caretaker; the exchange of a brief touch or hug between the dependent adult and a caretaker for the purpose of reassurance, comfort, or casual friendship; or touching between spouses.

*b.* *"Dependent adult abuse"* does not include any of the following:

(1) Circumstances in which the dependent adult declines medical treatment if the dependent adult holds a belief or is an adherent of a religion whose tenets and practices call for reliance on spiritual means in place of reliance on medical treatment.

(2) Circumstances in which the dependent adult's caretaker, acting in accordance with the dependent adult's stated or implied consent, declines medical treatment if the dependent adult holds a belief or is an adherent of a religion whose tenets and practices call for reliance on spiritual means in place of reliance on medical treatment.

(3) The withholding or withdrawing of health care from a dependent adult who is terminally ill in the opinion of a licensed physician, when the withholding or withdrawing of health care is done at the request of the dependent adult or at the request of the dependent adult's next of kin, attorney in fact, or guardian pursuant to the applicable procedures under chapter 125, 144A, 144B, 222, 229, or 633.

6. *"Emergency shelter services"* means and includes, but is not limited to, secure crisis shelters or housing for victims of dependent adult abuse.

7. *"Family or household member"* means a spouse, a person cohabiting with the dependent adult, a parent, or a person related to the dependent adult by consanguinity or affinity, but does not include children of the dependent adult who are less than eighteen years of age.

8. *"Immediate danger to health or safety"* means a situation in which death or severe bodily injury could reasonably be expected to occur without intervention.

9. *"Individual employed as an outreach person"* means a natural person who, in the course of employment, makes regular contacts with dependent adults regarding available community resources.

10. *"Legal holiday"* means a legal public holiday as defined in section 1C.1.

11. *"Person"* means person as defined in section 4.1.

12. *"Recklessly"* means that a person acts or fails to act with respect to a material element of a public offense, when the person is aware of and consciously disregards a substantial and unjustifiable risk that the material element exists or will result from the act or omission. The risk must be of such a nature and degree that disregard of the risk constitutes a gross deviation from the standard conduct that a reasonable person would observe in the situation.

13. *"Serious injury"* means the same as defined in section 702.18.

14. *"Support services"* includes but is not limited to community-based services including area agency on aging assistance, mental health services, fiscal management, home health services, housing-related services, counseling services, transportation services, adult day services, respite services, legal services, and advocacy services.

87 Acts, ch 182, §9; 88 Acts, ch 1238, §3; 91 Acts, ch 231, §2; 92 Acts, ch 1143, §6, 7; 93 Acts, ch 76, §7; 95 Acts, ch 51, § 3; 96 Acts, ch 1130, §2; 2001 Acts, ch 64, §7; 2006 Acts, ch 1030, §26; 2008 Acts, ch 1093, §3; 2009 Acts, ch 107, §1; 2010 Acts, ch 1073, §1

Referred to in §231B.10, 231D.5, 235B.3, 235B.16A, 692A.102, 726.8, 915.84

**235B.3 Dependent adult abuse reports.**

1. *a.* (1) The department shall receive dependent adult abuse reports and shall collect, maintain, and disseminate the reports by establishing a central registry for dependent adult abuse information. The department shall evaluate the reports expeditiously.

(2) However, the department of inspections and appeals is solely responsible for the evaluation and disposition of dependent adult abuse cases within facilities and programs pursuant to chapter 235E and shall inform the department of human services of such evaluations and dispositions pursuant to section 235E.2.

(3) If, in the course of an assessment or evaluation of a report of dependent adult abuse, the department of human services or the department of inspections and appeals determines the case involves wages, workplace safety, or other labor and employment matters under the jurisdiction of the division of labor services of the department of workforce development, the relevant portions of the case shall be referred to the division.

(4) If, in the course of an assessment or evaluation of a report of dependent adult abuse, the department of human services or the department of inspections and appeals determines that the case involves discrimination under the jurisdiction of the civil rights commission, the relevant portions of the case shall be referred to the commission.

*b.* Reports of dependent adult abuse which is the result of the acts or omissions of the dependent adult shall be collected and maintained in the files of the dependent adult as assessments only and shall not be included in the central registry.

*c.* A report of dependent adult abuse that meets the definition of dependent adult abuse under section 235B.2, subsection 5, paragraph *"a"*, subparagraph (1), subparagraph division (a) or (d), which the department determines is minor, isolated, and unlikely to reoccur shall be collected and maintained by the department as an assessment only for a five-year period and shall not be included in the central registry and shall not be considered to be founded dependent adult abuse. However, a subsequent report of dependent adult abuse that meets the definition of dependent adult abuse under section 235B.2, subsection 5, paragraph *"a"*, subparagraph (1), subparagraph division (a) or (d), that occurs within the five-year period and that is committed by the caretaker responsible for the act or omission which was the subject of the previous report of dependent adult abuse which the department determined was minor, isolated, and unlikely to reoccur shall not be considered minor, isolated, and unlikely to reoccur.

2. A person who, in the course of employment, examines, attends, counsels, or treats a dependent adult and reasonably believes the dependent adult has suffered abuse, shall report the suspected dependent adult abuse to the department. Persons required to report include all of the following:

*a.* A member of the staff of a community mental health center.

*b.* A peace officer.

*c.* An in-home homemaker-home health aide.

*d.* An individual employed as an outreach person.

*e.* A health practitioner, as defined in section 232.68.

*f.* A member of the staff or an employee of a supported community living service, sheltered workshop, or work activity center.

*g.* A social worker.

*h.* A certified psychologist.

3. *a.* If a staff member or employee is required to report pursuant to this section, the person shall immediately notify the department and shall also immediately notify the person in charge or the person's designated agent.

*b.* The employer or supervisor of a person who is required to or may make a report pursuant to this section shall not apply a policy, work rule, or other requirement that interferes with the person making a report of dependent adult abuse or that results in the failure of another person to make the report.

4. An employee of a financial institution may report suspected financial exploitation of a dependent adult to the department.

5. Any other person who believes that a dependent adult has suffered abuse may report the suspected abuse to the department of human services.

6. Following the reporting of suspected dependent adult abuse, the department of human services or an agency approved by the department shall complete an assessment of necessary services and shall make appropriate referrals for receipt of these services. The assessment shall include interviews with the dependent adult, and, if appropriate, with the alleged perpetrator of the dependent adult abuse and with any person believed to have knowledge of the circumstances of the case. The department may provide necessary protective services and may establish a sliding fee schedule for those persons able to pay a portion of the protective services.

7. Upon a showing of probable cause that a dependent adult has been abused, a court may authorize a person, also authorized by the department, to make an evaluation, to enter the residence of, and to examine the dependent adult. Upon a showing of probable cause that a dependent adult has been financially exploited, a court may authorize a person, also authorized by the department, to make an evaluation, and to gain access to the financial records of the dependent adult.

8. If the department determines that disclosure is necessary for the protection of a dependent adult, the department may disclose to a subject of a dependent adult abuse report referred to in section 235B.6, subsection 2, paragraph "*a*", that an individual is listed in the child or dependent adult abuse registry or is required to register with the sex offender registry in accordance with chapter 692A.

9. The department shall inform the appropriate county attorneys of any reports of dependent adult abuse. The department may request information from any person believed to have knowledge of a case of dependent adult abuse. The person, including but not limited to a county attorney, a law enforcement agency, a multidisciplinary team, a social services agency in the state, or any person who is required pursuant to subsection 2 to report dependent adult abuse, whether or not the person made the specific dependent adult abuse report, shall cooperate and assist in the evaluation upon the request of the department. If the department's assessment reveals that dependent adult abuse exists which might constitute a criminal offense, a report shall be made to the appropriate law enforcement agency. County attorneys and appropriate law enforcement agencies shall also take any other lawful action necessary or advisable for the protection of the dependent adult.

*a.* If, upon completion of the evaluation or upon referral from the department of inspections and appeals, the department determines that the best interests of the dependent adult require court action, the department shall initiate action for the appointment of a guardian or conservator or for admission or commitment to an appropriate institution or facility pursuant to the applicable procedures under chapter 125, 222, 229, or 633, or shall pursue other remedies provided by law. The appropriate county attorney shall assist the department in the preparation of the necessary papers to initiate the action and shall appear and represent the department at all district court proceedings.

*b.* The department shall assist the court during all stages of court proceedings involving a suspected case of dependent adult abuse.

*c.* In every case involving abuse which is substantiated by the department and which results in a judicial proceeding on behalf of the dependent adult, legal counsel shall be appointed by the court to represent the dependent adult in the proceedings. The court may also appoint a guardian ad litem to represent the dependent adult if necessary to protect the dependent adult's best interests. The same attorney may be appointed to serve both as legal counsel and as guardian ad litem. Before legal counsel or a guardian ad litem is appointed pursuant to this section, the court shall require the dependent adult and any person legally responsible for the support of the dependent adult to complete under oath a detailed financial statement. If, on the basis of that financial statement, the court deems that the dependent adult or the legally responsible person is able to bear all or a portion of the cost of the legal counsel or guardian ad litem, the court shall so order. In cases where the dependent adult or the legally responsible person is unable to bear the cost of the legal counsel or guardian ad litem, the expense shall be paid by the county.

10. A person participating in good faith in reporting or cooperating with or assisting the department in evaluating a case of dependent adult abuse has immunity from liability, civil or criminal, which might otherwise be incurred or imposed based upon the act of making

the report or giving the assistance. The person has the same immunity with respect to participating in good faith in a judicial proceeding resulting from the report or cooperation or assistance or relating to the subject matter of the report, cooperation, or assistance.

11. It shall be unlawful for any person or employer to discharge, suspend, or otherwise discipline a person required to report or voluntarily reporting an instance of suspected dependent adult abuse pursuant to subsection 2 or 5, or cooperating with, or assisting the department of human services in evaluating a case of dependent adult abuse, or participating in judicial proceedings relating to the reporting or cooperation or assistance based solely upon the person's reporting or assistance relative to the instance of dependent adult abuse. A person or employer found in violation of this subsection is guilty of a simple misdemeanor.

12. A person required by this section to report a suspected case of dependent adult abuse who knowingly and willfully fails to do so commits a simple misdemeanor. A person required by this section to report a suspected case of dependent adult abuse who knowingly fails to do so or who knowingly, in violation of subsection 3, interferes with the making of such a report or applies a requirement that results in such a failure is civilly liable for the damages proximately caused by the failure.

13. The department of inspections and appeals shall adopt rules which require facilities or programs to separate an alleged dependent adult abuser from a victim following an allegation of perpetration of abuse and prior to the completion of an investigation of the allegation.

91 Acts, ch 231, §3; 92 Acts, ch 1143, §8, 9; 93 Acts, ch 72, §6; 95 Acts, ch 51, §4; 96 Acts, ch 1130, §3 – 5; 98 Acts, ch 1181, §13; 99 Acts, ch 129, §17; 2001 Acts, ch 122, §7 – 10; 2003 Acts, ch 98, §2; 2003 Acts, ch 123, §2; 2003 Acts, ch 166, §27; 2003 Acts, ch 179, §69; 2004 Acts, ch 1116, §17, 18; 2006 Acts, ch 1030, §27; 2007 Acts, ch 159, §15; 2008 Acts, ch 1093, §4 – 6; 2009 Acts, ch 41, §263; 2009 Acts, ch 136, §7

Referred to in §235B.16

**235B.3A Prevention of additional abuse — notification of rights.**

If a peace officer has reason to believe that dependent adult abuse, which is criminal in nature, has occurred, the officer shall use all reasonable means to prevent further abuse, including but not limited to any of the following:

1. If requested, remaining on the scene as long as there is a danger to the dependent adult's physical safety without the presence of a peace officer, including but not limited to staying in the dwelling unit, or if unable to remain at the scene, assisting the dependent adult in leaving the residence and securing support services or emergency shelter services.

2. Assisting the dependent adult in obtaining medical treatment necessitated by the dependent adult abuse, including providing assistance to the dependent adult in obtaining transportation to the emergency room of the nearest hospital.

3. Providing a dependent adult with immediate and adequate notice of the dependent adult's rights. The notice shall consist of handing the dependent adult a document that includes the telephone numbers of shelters, support groups, and crisis lines operating in the area and contains a copy of the following written statement; requesting the dependent adult to read the card; and asking the dependent adult whether the dependent adult understands the rights:

*a.* You have the right to ask the court for the following help on a temporary basis:

(1) Keeping the alleged perpetrator away from you, your home, and your place of work.

(2) The right to stay at your home without interference from the alleged perpetrator.

(3) Professional counseling for you, your family, or household members, and the alleged perpetrator of the dependent adult abuse.

*b.* If you are in need of medical treatment, you have the right to request that the peace officer present assist you in obtaining transportation to the nearest hospital or otherwise assist you.

*c.* If you believe that police protection is needed for your physical safety, you have the right to request that the peace officer present remain at the scene until you and other affected parties can leave or safety is otherwise ensured.

96 Acts, ch 1130, §6; 2009 Acts, ch 133, §87, 88

## DEPENDENT ADULT ABUSE INFORMATION REGISTRY

**235B.4 Legislative findings and purposes.**

The general assembly finds and declares that a central registry is required to provide a single source for the statewide collection, maintenance, and dissemination of dependent adult abuse information. Such a registry is imperative for increased effectiveness in dealing with the problem of dependent adult abuse. The general assembly also finds that vigorous protection of rights of individual privacy is an indispensable element of a fair and effective system of collecting, maintaining, and disseminating dependent adult abuse information.

The purposes of this section and sections 235B.5 to 235B.13 are to facilitate the identification of victims or potential victims of dependent adult abuse by making available a single, statewide source of dependent adult abuse data; to facilitate research on dependent adult abuse by making available a single, statewide source of dependent adult abuse data; and to provide maximum safeguards against the unwarranted invasions of privacy which such a registry might otherwise entail.

91 Acts, ch 231, §4

Referred to in §235E.4

**235B.5 Creation and maintenance of a central registry.**

1. There is created within the department a central registry for dependent adult abuse information. The department shall organize and staff the registry and adopt rules for its operation.

2. The registry shall collect, maintain, and disseminate dependent adult abuse information as provided in this chapter.

3. The department shall maintain a toll-free telephone line, which shall be available on a twenty-four-hour-a-day, seven-day-a-week basis and which the department and all other persons may use to report cases of suspected dependent adult abuse and that all persons authorized by this chapter may use for obtaining dependent adult abuse information.

4. An oral report of suspected dependent adult abuse initially made to the central registry shall be immediately transmitted by the department to the appropriate county department of human services or law enforcement agency, or both.

5. An oral report of suspected dependent adult abuse initially made to the central registry regarding a facility or program as defined in section 235E.1 shall be transmitted by the department to the department of inspections and appeals on the first working day following the submitting of the report.

6. The registry, upon receipt of a report of suspected dependent adult abuse, shall search the records of the registry, and if the records of the registry reveal any previous report of dependent adult abuse involving the same adult or if the records reveal any other pertinent information with respect to the same adult, the appropriate office of the department of human services or the appropriate law enforcement agency shall be immediately notified of that fact.

7. The central registry shall include but not be limited to report data, investigation data, and disposition data.

91 Acts, ch 231, §5; 2008 Acts, ch 1093, §7

Referred to in §235B.4, 235E.4, 279.13, 279.69, 321.375

**235B.6 Authorized access.**

1. Notwithstanding chapter 22, the confidentiality of all dependent adult abuse information shall be maintained, except as specifically provided by subsections 2 and 3.

2. Access to dependent adult abuse information other than unfounded dependent adult abuse information is authorized only to the following persons:

*a.* A subject of a report including all of the following:

(1) To an adult named in a report as a victim of abuse or to the adult's attorney or guardian ad litem.

(2) To a guardian or legal custodian, or that person's attorney, of an adult named in a report as a victim of abuse.

(3) To the person or the attorney for the person named in a report as having abused an adult.

*b.* A person involved in an investigation of dependent adult abuse including all of the following:

(1) A health practitioner or mental health professional who is examining, attending, or treating an adult whom such practitioner or professional believes or has reason to believe has been the victim of abuse or to a health practitioner or mental health professional whose consultation with respect to an adult believed to have been the victim of abuse is requested by the department.

(2) An employee or agent of the department responsible for the investigation of a dependent adult abuse report or for the purpose of performing record checks as required under section 135C.33.

(3) A representative of the department involved in the certification or accreditation of an agency or program providing care or services to a dependent adult believed to have been a victim of abuse.

(4) A law enforcement officer responsible for assisting in an investigation of a dependent adult abuse allegation.

(5) A multidisciplinary team, if the department of human services approves the composition of the multidisciplinary team and determines that access to the team is necessary to assist the department in the investigation, diagnosis, assessment, and disposition of a case of dependent adult abuse.

(6) The mandatory reporter who reported the dependent adult abuse in an individual case.

(7) Each board specified under chapter 147 and the Iowa department of public health for the purpose of licensure, certification or registration, disciplinary investigation, or the renewal of licensure, certification or registration, or disciplinary proceedings of health care professionals.

*c.* A person providing care to an adult including all of the following:

(1) A licensing authority for a facility, including a facility or program defined in section 235E.1, providing care to an adult named in a report.

(2) A person authorized as responsible for the care or supervision of an adult named in a report as a victim of abuse or a person named in a report as having abused an adult if the court or registry deems access to dependent adult abuse information by such person to be necessary.

(3) An employee or agent of the department responsible for registering or licensing or approving the registration or licensing of a person, or to an individual providing care to an adult and regulated by the department.

(4) The legally authorized protection and advocacy agency recognized pursuant to section 135C.2 if a person identified in the information as a victim or a perpetrator of abuse resided in or receives services from a facility, including a facility or program defined in section 235E.1, or agency because the person is diagnosed as having a developmental disability or a mental illness.

(5) To an administrator of an agency certified by the department of human services to provide services under a medical assistance home and community-based services waiver, if the information concerns a person employed by or being considered by the agency for employment.

(6) To the administrator of an agency providing mental health, intellectual disability, or developmental disability services under a county management plan developed pursuant to section 331.439,* if the information concerns a person employed by or being considered by the agency for employment.

(7) To an administrator of a hospital licensed under chapter 135B if the data concerns a person employed or being considered for employment by the hospital.

(8) An employee of an agency requested by the department to provide case management or other services to the dependent adult.

*d.* Relating to judicial and administrative proceedings, persons including all of the following:

(1) A court upon a finding that information is necessary for the resolution of an issue arising in any phase of a case involving dependent adult abuse.

(2) A court or agency hearing an appeal for correction of dependent adult abuse information as provided in section 235B.10.

(3) An expert witness or a witness who testifies at any stage of an appeal necessary for correction of dependent adult abuse information as provided in section 235B.10.

(4) A court or administrative agency making a determination regarding an unemployment compensation claim pursuant to section 96.6.

*e.* Other persons including all of the following:

(1) A person conducting bona fide research on dependent adult abuse, but without information identifying individuals named in a dependent adult abuse report, unless having that information open to review is essential to the research or evaluation and the authorized registry officials give prior written approval and the adult, the adult's guardian or guardian ad litem, and the person named in a report as having abused an adult give permission to release the information.

(2) Registry or department personnel when necessary to the performance of their official duties or a person or agency under contract with the department to carry out official duties and functions of the registry.

(3) The department of justice for the sole purpose of the filing of a claim for reparation pursuant to sections 915.21 and 915.84.

(4) A legally constituted adult protection agency of another state which is investigating or treating an adult named in a report as having been abused.

(5) The attorney for the department who is responsible for representing the department.

(6) A health care facility administrator or the administrator's designee, following the appeals process, for the purpose of hiring staff or continued employment of staff.

(7) To the administrator of an agency providing care to a dependent adult in another state, for the purpose of performing an employment background check.

(8) To the superintendent, or the superintendent's designee, of a school district or to the authorities in charge of an accredited nonpublic school for purposes of a volunteer or employment record check.

(9) The department of inspections and appeals for purposes of record checks of applicants for employment with the department of inspections and appeals.

(10) The state or a local long-term care ombudsman if the victim resides in or the alleged perpetrator is an employee of a long-term care facility as defined in section 231.4.

(11) The state office or a local office of substitute decision maker as defined in section 231E.3, if the information relates to the provision of legal services for a client served by the state or local office of substitute decision maker.

(12) A nursing program that is approved by the state board of nursing under section 152.5, if the information relates to a record check performed pursuant to section 152.5.

(13) To the board of educational examiners created under chapter 272 for purposes of determining whether a license, certificate, or authorization should be issued, denied, or revoked.

(14) The department on aging for the purposes of conducting background checks of applicants for employment with the department on aging.

(15) To the Iowa veterans home for purposes of record checks of potential volunteers and volunteers in the Iowa veterans home.

(16) To the administrator of a certified nurse aide program, if the data relates to a record check of a student of the program performed pursuant to section 135C.33.

(17) To the administrator of a juvenile detention or shelter care home, if the data relates

to a record check of an existing or prospective employee, resident, or volunteer for or in the home.

(18) To the employer or prospective employer of a school bus driver for purposes of an employment record check.

*f.* To a person who submits written authorization from an individual allowing the person access to information on the determination only on whether or not the individual who authorized the access is named in a founded dependent adult abuse report as having abused a dependent adult.

3. Access to unfounded dependent adult abuse information is authorized only to those persons identified in subsection 2, paragraph "*a*", paragraph "*b*", subparagraphs (2), (5), and (6), and paragraph "*e*", subparagraphs (2) and (10).

91 Acts, ch 231, §6; 92 Acts, ch 1163, §50; 95 Acts, ch 50, §1; 95 Acts, ch 93, §4; 96 Acts, ch 1183, §29; 97 Acts, ch 42, §2; 98 Acts, ch 1090, §65, 84; 99 Acts, ch 141, §32; 2000 Acts, ch 1067, §3; 2000 Acts, ch 1153, §2; 2001 Acts, ch 8, §3; 2001 Acts, ch 20, §4, 5; 2002 Acts, ch 1034, §3; 2003 Acts, ch 98, §3 – 5; 2005 Acts, ch 46, §1; 2005 Acts, ch 175, §143; 2006 Acts, ch 1008, §3; 2006 Acts, ch 1030, §28; 2006 Acts, ch 1152, §2; 2007 Acts, ch 10, §167; 2008 Acts, ch 1093, §8, 9; 2008 Acts, ch 1187, §116; 2009 Acts, ch 23, §51, 52; 2009 Acts, ch 93, §3; 2010 Acts, ch 1062, §9; 2011 Acts, ch 98, §9; 2012 Acts, ch 1019, §95; 2012 Acts, ch 1047, §2; 2013 Acts, ch 18, §32

Referred to in §235B.3, 235B.4, 235B.7, 235B.8, 235B.12, 235E.2, 235E.4, 331.909

*Section 331.439 is repealed; corrective legislation is pending

Subsection 2, paragraph e, subparagraph (10) amended

**235B.7 Requests for dependent adult abuse information.**

1. Requests for dependent adult abuse information shall be in writing on forms prescribed by the department, except as otherwise provided by subsection 2. Request forms shall require information sufficient to demonstrate authorized access.

2. Requests for dependent adult abuse information may be made orally by telephone if a person making the request believes that the information is needed immediately and if information sufficient to demonstrate authorized access is provided. If a request is made orally by telephone, a written request form shall be filed within seventy-two hours of the oral request.

3. Subsections 1 and 2 do not apply to dependent adult abuse information that is disseminated to an employee of the department or to the attorney representing the department as authorized by section 235B.6.

91 Acts, ch 231, §7

Referred to in §235B.4, 235B.12, 235E.4

**235B.8 Redissemination of dependent adult abuse information.**

1. A recipient of dependent adult abuse information authorized to receive the information shall not redisseminate the information, except that redissemination shall be permitted when all of the following conditions apply:

*a.* The redissemination is for official purposes in connection with prescribed duties or, in the case of a health practitioner, pursuant to professional responsibilities.

*b.* The person to whom such information would be redisseminated would have independent access to the same information under section 235B.6.

*c.* A written record is made of the redissemination, including the name of the recipient and the date and purpose of the redissemination.

*d.* The written record is forwarded to the registry within thirty days of the redissemination.

2. The department may notify, orally, the mandatory reporter in an individual dependent adult abuse case of the results of the case investigation and of the confidentiality provisions of sections 235B.6 and 235B.12. The department shall subsequently transmit a written notice to the mandatory reporter of the results and confidentiality provisions. A copy of the written notice shall be transmitted to the registry and shall be maintained by the registry as provided in section 235B.9.

91 Acts, ch 231, §8

Referred to in §235B.4, 235B.12, 235E.4

**235B.9 Sealing and expungement of dependent adult abuse information.**

1. Dependent adult abuse information which is determined by a preponderance of the evidence to be founded, shall be sealed ten years after the receipt of the initial report of such abuse by the registry unless good cause is shown why the information should remain open to authorized access. If a subsequent report of founded dependent adult abuse involving the adult named in the initial report as the victim of abuse or a person named in such report as having abused an adult is received by the registry within the ten-year period, the information shall be sealed ten years after receipt of the subsequent report unless good cause is shown why the information should remain open to authorized access.

2. *a.* Dependent adult abuse reports that are rejected for evaluation, assessment, or disposition for failure to meet the definition of dependent adult abuse shall be expunged three years from the rejection date.

*b.* Dependent adult abuse information which is determined by a preponderance of the evidence to be unfounded shall be expunged five years from the date it is determined to be unfounded.

3. However, if a correction of dependent adult abuse information is requested under section 235B.10 and the issue is not resolved at the end of one year the information shall be retained until the issue is resolved and if the dependent adult abuse information is not determined to be founded, the information shall be expunged one year from the date it is determined to be unfounded.

4. The registry, at least annually, shall review and determine the current status of dependent adult abuse reports which are at least one year old and in connection with which no investigatory report has been filed by the department. If no investigatory report has been filed, the registry shall request the department to file a report. If a report is not filed within ninety days subsequent to a request, the report and relative information shall be sealed and remain sealed unless good cause is shown why the information should remain open to authorized access.

5. Dependent adult abuse information which is determined to be minor, isolated, and unlikely to reoccur shall be expunged five years after the receipt of the initial report by the department. If a subsequent report of dependent adult abuse committed by the caretaker responsible for the act or omission which was the subject of the previous report of dependent adult abuse which the department determined was minor, isolated, and unlikely to reoccur is received by the department within the five-year period, the information shall be sealed ten years after receipt of the subsequent report unless good cause can be shown why the information should remain open to authorized access.

91 Acts, ch 231, §9; 2003 Acts, ch 98, §6; 2007 Acts, ch 159, §16; 2009 Acts, ch 136, §8
Referred to in §235B.4, 235B.8, 235E.4

**235B.10 Examination, requests for correction or expungement and appeal.**

1. Any person or that person's attorney shall have the right to examine dependent adult abuse information in the registry which refers to that person. The registry may prescribe reasonable hours and places of examination.

2. A person may file with the department within six months of the date of the notice of the results of an investigation, a written statement to the effect that dependent adult abuse information referring to the person is in whole or in part erroneous, and may request a correction of that information or of the findings of the investigation report. The department shall provide the person with an opportunity for an evidentiary hearing pursuant to chapter 17A to correct the information or the findings, unless the department corrects the information or findings as requested. The department shall delay the expungement of information which is not determined to be founded until the conclusion of a proceeding to correct the information or findings. The department may defer the hearing until the conclusion of a court case relating to the information or findings.

3. The decision resulting from the hearing may be appealed to the court of Polk county by the person requesting the correction or to the court of the district in which the person resides. Immediately upon appeal the court shall order the department to file with the court a

certified copy of the dependent adult abuse information. Appeal shall be taken in accordance with chapter 17A.

4. Upon the request of the appellant, the record and evidence in such cases shall be closed to all but the court and its officers, and access to the record and evidence shall be prohibited unless otherwise ordered by the court. The clerk shall maintain a separate docket for such actions. A person other than the appellant shall not permit a copy of the testimony or pleadings or the substance of the testimony or pleadings to be made available to any person other than a party to the action or the party's attorney. Violation of the provisions of this subsection shall be a public offense punishable under section 235B.12.

5. If the registry corrects or eliminates information as requested or as ordered by the court, the registry shall advise all persons who have received the incorrect information of the fact. Upon application to the court and service of notice on the registry, an individual may request and obtain a list of all persons who have received dependent adult abuse information referring to the individual.

6. In the course of any proceeding provided for by this section, the identity of the person who reported the disputed information and the identity of any person who has been reported as having abused an adult may be withheld upon a determination by the registry that disclosure of the person's identity would be detrimental to the person's interest.

91 Acts, ch 231, §10
Referred to in §235B.4, 235B.6, 235B.9, 235E.4

**235B.11 Civil remedy.**

Any aggrieved person may institute a civil action for damages under chapter 669 or 670 or to restrain the dissemination of dependent adult abuse information in violation of this chapter, and any person proven to have disseminated or to have requested and received dependent adult abuse information in violation of this chapter shall be liable for actual damages and exemplary damages for each violation and shall be liable for court costs, expenses, and reasonable attorney's fees incurred by the party bringing the action. In no case shall the award for damages be less than five hundred dollars.

91 Acts, ch 231, §11
Referred to in §235B.4, 235E.4

**235B.12 Criminal penalties.**

1. Any person who willfully requests, obtains, or seeks to obtain dependent adult abuse information under false pretenses, or who willfully communicates or seeks to communicate dependent adult abuse information to any person except in accordance with sections 235B.6 through 235B.8, or any person connected with any research authorized pursuant to section 235B.6 who willfully falsifies dependent adult abuse information or any records relating to the information is guilty of a serious misdemeanor. Any person who knowingly, but without criminal purposes, communicates or seeks to communicate dependent adult abuse information except in accordance with sections 235B.6 through 235B.8 is guilty of a simple misdemeanor.

2. Any reasonable grounds for belief that a person has violated any provision of this chapter is grounds for the immediate withdrawal of any authorized access the person might otherwise have to dependent adult abuse information.

91 Acts, ch 231, §12
Referred to in §235B.4, 235B.8, 235B.10, 235E.2, 235E.4

**235B.13 Registry reports.**

1. The registry may compile statistics, conduct research, and issue reports on dependent adult abuse, provided identifying details of the subjects of dependent adult abuse reports are deleted from any report issued.

2. The registry shall issue an annual report on its administrative operation, including information as to the number of requests for dependent adult abuse data, the proportion

of requests attributable to each type of authorized access, the frequency and nature of irregularities, and other pertinent matters.

91 Acts, ch 231, §13
Referred to in §235B.4, 235E.4

**235B.14 and 235B.15** Reserved.

**235B.16 Information, education, and training requirements.**

1. The department on aging, in cooperation with the department, shall conduct a public information and education program. The elements and goals of the program include but are not limited to:

*a.* Informing the public regarding the laws governing dependent adult abuse and the reporting requirements for dependent adult abuse.

*b.* Providing caretakers with information regarding services to alleviate the emotional, psychological, physical, or financial stress associated with the caretaker and dependent adult relationship.

*c.* Affecting public attitudes regarding the role of a dependent adult in society.

2. The department, in cooperation with the department on aging and the department of inspections and appeals, shall institute a program of education and training for persons, including members of provider groups and family members, who may come in contact with dependent adult abuse. The program shall include but is not limited to instruction regarding recognition of dependent adult abuse and the procedure for the reporting of suspected abuse.

3. The content of the continuing education required pursuant to chapter 272C for a licensed professional providing care or service to a dependent adult shall include, but is not limited to, the responsibilities, obligations, powers, and duties of a person regarding the reporting of suspected dependent adult abuse, and training to aid the professional in identifying instances of dependent adult abuse.

4. The department of inspections and appeals shall provide training to investigators regarding the collection and preservation of evidence in the case of suspected dependent adult abuse.

5. *a.* For the purposes of this subsection, *"licensing board"* means a board designated in section 147.13, the board of educational examiners created in section 272.2, or a licensing board as defined in section 272C.1.

*b.* A person required to report cases of dependent adult abuse pursuant to sections 235B.3 and 235E.2, other than a physician whose professional practice does not regularly involve providing primary health care to adults, shall complete two hours of training relating to the identification and reporting of dependent adult abuse within six months of initial employment or self-employment which involves the examination, attending, counseling, or treatment of adults on a regular basis. Within one month of initial employment or self-employment, the person shall obtain a statement of the abuse reporting requirements from the person's employer or, if self-employed, from the department. The person shall complete at least two hours of additional dependent adult abuse identification and reporting training every five years.

*c.* If the person is an employee of a hospital or similar public or private facility, the employer shall be responsible for providing the training. To the extent that the employer provides approved training on the employer's premises, the hours of training completed by employees shall be included in the calculation of nursing or service hours required to be provided to a patient or resident per day. If the person is self-employed, employed in a licensed or certified profession, or employed by a facility or program that is subject to licensure, regulation, or approval by a state agency, the person shall obtain the training as provided in paragraph *"d"*.

*d.* The person may complete the initial or additional training requirements as a part of any of the following that are applicable to the person:

(1) A continuing education program required under chapter 272C and approved by the appropriate licensing board.

(2) A training program using a curriculum approved by the director of public health pursuant to section 135.11.

(3) A training program using such an approved curriculum offered by the department of human services, the department on aging, the department of inspections and appeals, the Iowa law enforcement academy, or a similar public agency.

*e.* A person required to complete both child abuse and dependent adult abuse mandatory reporter training may complete the training through a program which combines child abuse and dependent adult abuse curricula and thereby meet the training requirements of both this subsection and section 232.69 simultaneously. A person who is a mandatory reporter for both child abuse and dependent adult abuse may satisfy the combined training requirements of this subsection and section 232.69 through completion of a two-hour training program, if the training program curriculum is approved by the appropriate licensing board or the director of public health pursuant to section 135.11.

*f.* A licensing board with authority over the license of a person required to report cases of dependent adult abuse pursuant to sections 235B.3 and 235E.2 shall require as a condition of licensure that the person is in compliance with the requirements for abuse training under this subsection. The licensing board shall require the person upon licensure renewal to accurately document for the licensing board the person's completion of the training requirements. However, the licensing board may adopt rules providing for waiver or suspension of the compliance requirements, if the waiver or suspension is in the public interest, applicable to a person who is engaged in active duty in the military service of this state or of the United States, to a person for whom compliance with the training requirements would impose a significant hardship, or to a person who is practicing a licensed profession outside this state or is otherwise subject to circumstances that would preclude the person from encountering dependent adult abuse in this state.

*g.* For persons required to report cases of dependent adult abuse pursuant to sections 235B.3 and 235E.2, who are not engaged in a licensed profession that is subject to the authority of a licensing board but are employed by a facility or program subject to licensure, registration, or approval by a state agency, the agency shall require as a condition of the renewal of the facility's or program's licensure, registration, or approval, that such persons employed by the facility or program are in compliance with the training requirements of this subsection.

*h.* For peace officers, the elected or appointed official designated as the head of the agency employing the peace officer shall ensure compliance with the training requirements of this subsection.

*i.* For persons required to report cases of dependent adult abuse pursuant to sections 235B.3 and 235E.2 who are employees of state departments and political subdivisions of the state, the department director or the chief administrator of the political subdivision shall ensure the persons' compliance with the training requirements of this subsection.

6. The department shall require an educational program for employees of the registry on the proper use and control of dependent adult abuse information.

91 Acts, ch 231, §14; 92 Acts, ch 1143, §10; 92 Acts, ch 1163, §51; 2001 Acts, ch 122, §11; 2002 Acts, ch 1119, §35; 2007 Acts, ch 10, §168 – 170; 2008 Acts, ch 1093, §10; 2009 Acts, ch 23, §53, 54; 2013 Acts, ch 129, §55, 56

Referred to in §235E.4

Subsection 5, paragraph d, subparagraph (2) amended

Subsection 5, paragraph e amended

**235B.16A Dependent adults — dependency assessments — interagency training.**

1. The dependent adult protective advisory council established pursuant to section 235B.1 shall recommend a uniform assessment instrument and process for adoption and use by the department of human services and other agencies involved with assessing a dependent adult's degree of dependency and determining whether dependent adult abuse has occurred. However, this section shall not apply to dependent adult abuse assessments and determinations made under chapter 235E.

2. The instrument and process design under subsection 1 shall address but is not limited to all of the following:

*a.* Evaluation of conformity with applicable federal law and regulations on the part of the persons employing, housing, or providing services to the dependent adult.

*b.* Provision for the final step in the dependency assessment of a dependent adult to be a formal assessment of the existence of risk to the health or safety of the individual or of the degree of the individual's impairment in ability under the definition of dependent adult in section 235B.2.

*c.* If the assessment under paragraph *"b"* determines that a risk to the health or safety of the individual exists or the individual has a significant impairment in ability, and the individual being assessed agrees, provision for a case manager to be assigned to assist in preparing and implementing a safety plan which includes protective services for the individual.

*d.* If the assessment under paragraph *"b"* determines that a risk to the health or safety of the individual exists or the individual has a significant impairment in ability, the individual being assessed does not agree to the safety plan provisions under paragraph *"c"* or accept other services, and the options available under sections 235B.17, 235B.18, and 235B.19 are not utilized, provision for the department of human services to maintain periodic contact with the individual in accordance with rules adopted for this purpose. The purpose of the contact is to assess any increased risk or impairment and to monitor the individual's goals, feelings, and concerns so that the department can intervene when necessary or offer services and other support to maintain or sustain the individual's safety and independence when the individual is ready to agree to a safety plan or accept services.

3. The department of human services and other agencies involved with assessing a dependent adult's degree of dependency and whether dependent adult abuse has occurred shall adopt rules and take other steps necessary to implement the uniform assessment instrument and process addressed by this section on or before July 1, 2010.

4. The department of human services shall cooperate with the department on aging, the departments of inspections and appeals, public health, public safety, and workforce development, the civil rights commission, and other state and local agencies performing inspections or otherwise visiting residential settings where dependent adults live, to regularly provide training to the appropriate staff in the agencies concerning each agency's procedures involving dependent adults, and to build awareness concerning dependent adults and reporting of dependent adult abuse.

2009 Acts, ch 136, §9; 2013 Acts, ch 30, §47
Referred to in §235E.4
Subsection 4 amended

**235B.17 Provision of protective services with the consent of dependent adult — caretaker refusal.**

1. If a caretaker of a dependent adult, who consents to the receipt of protective services, refuses to allow provision of the services, the department may petition the court with probate jurisdiction in the county in which the dependent adult resides for an order enjoining the caretaker from interfering with the provision of services.

2. The petition shall be verified and shall allege specific facts sufficient to demonstrate that the dependent adult is in need of protective services and consents to the provision of services and that the caretaker refuses to allow provision of the services. The petition shall include all of the following:

*a.* The name, date of birth, and address of the dependent adult alleged to be in need of protective services.

*b.* The protective services required.

*c.* The name and address of the caretaker refusing to allow the provision of services.

3. The court shall set the case for hearing within fourteen days of the filing of the petition. The dependent adult and the caretaker refusing to allow the provision of services shall receive at least five days' notice of the hearing.

4. If the judge finds by clear and convincing evidence that the dependent adult is in need of protective services and consents to the services and that the caretaker refuses to allow

the services, the judge may issue an order enjoining the caretaker from interfering with the provision of the protective services.

96 Acts, ch 1130, §7; 2009 Acts, ch 107, §2
Referred to in §235B.16A, 235E.4

**235B.18 Provision of services to dependent adult who lacks capacity to consent — hearing — findings.**

1. If the department reasonably determines that a dependent adult is a victim of dependent adult abuse and lacks capacity to consent to the receipt of protective services, the department may petition the district court in the county in which the dependent adult resides for an order authorizing the provision of protective services. The petition shall allege specific facts sufficient to demonstrate that the dependent adult is in need of protective services and lacks capacity to consent to the receipt of services.

2. The petition specified in subsection 1 shall be verified and shall include all of the following:

*a.* The name, date of birth, and address of the dependent adult alleged to be in need of protective services.

*b.* The nature of the dependent adult abuse.

*c.* The protective services required.

3. The court shall set the case for hearing within fourteen days of the filing of the petition. The dependent adult shall receive at least five days' notice of the hearing. The dependent adult has the right to be present and represented by counsel at the hearing. If the dependent adult, in the determination of the judge, lacks the capacity to waive the right of counsel, the court may appoint a guardian ad litem for the dependent adult.

4. If, at the hearing, the judge finds by clear and convincing evidence that the dependent adult is in need of protective services and lacks the capacity to consent to the receipt of protective services, the judge may issue an order authorizing the provision of protective services. The order may include the designation of a person to be responsible for performing or obtaining protective services on behalf of the dependent adult or otherwise consenting to the receipt of protective services on behalf of the dependent adult. Within sixty days of the appointment of such a person the court shall conduct a review to determine if a petition shall be initiated in accordance with section 633.552 for good cause shown. The court may extend the sixty-day period for an additional sixty days, at the end of which the court shall conduct a review to determine if a petition shall be initiated in accordance with section 633.552. A dependent adult shall not be committed to a mental health facility under this section.

5. A determination by the court that a dependent adult lacks the capacity to consent to the receipt of protective services under this chapter shall not affect incompetency proceedings under sections 633.552 through 633.556 or any other proceedings, and incompetency proceedings under sections 633.552 through 633.556 shall not have a conclusive effect on the question of capacity to consent to the receipt of protective services under this chapter. A person previously adjudicated as incompetent under the relevant provisions of chapter 633 is entitled to the care, protection, and services under this chapter.

6. This section shall not be construed and is not intended as and shall not imply a grant of entitlement for services to persons who are not otherwise eligible for the services or for utilization of services which do not currently exist or are not otherwise available.

96 Acts, ch 1130, §8; 2005 Acts, ch 50, §1; 2009 Acts, ch 107, §3
Referred to in §235B.16A, 235E.4, 633.701

**235B.19 Emergency order for protective services.**

1. If the department determines that a dependent adult is suffering from dependent adult abuse which presents an immediate danger to the health or safety of the dependent adult or which results in irreparable harm to the physical or financial resources or property of the dependent adult, and that the dependent adult lacks capacity to consent to receive protective services and that no consent can be obtained, the department may petition the court with probate jurisdiction in the county in which the dependent adult resides for an emergency order authorizing protective services.

2. The petition shall be verified and shall include all of the following:

*a.* The name, date of birth, and address of the dependent adult who needs protective services.

*b.* The nature of the dependent adult abuse.

*c.* The services required.

3. *a.* The department shall serve a copy of the petition and any order authorizing protective services, if issued, on the dependent adult and on persons who are competent adults and reasonably ascertainable at the time the petition is filed in accordance with the following priority:

(1) An attorney in fact named by the dependent adult in a durable power of attorney for health care pursuant to chapter 144B.

(2) The dependent adult's spouse.

(3) The dependent adult's children.

(4) The dependent adult's grandchildren.

(5) The dependent adult's siblings.

(6) The dependent adult's aunts and uncles.

(7) The dependent adult's nieces and nephews.

(8) The dependent adult's cousins.

*b.* When the department has served a person in one of the categories specified in paragraph "*a*", the department shall not be required to serve a person in any other category.

*c.* The department shall serve the dependent adult's copy of the petition and order personally upon the dependent adult. Service of the petition and all other orders and notices shall be in a sealed envelope with the proper postage on the envelope, addressed to the person being served at the person's last known post office address, and deposited in a mail receptacle provided by the United States postal service. The department shall serve such copies of emergency orders authorizing protective services and notices within three days after filing the petition and receiving such orders.

*d.* The department and all persons served by the department with notices under this subsection shall be prohibited from all of the following without prior court approval after the department's petition has been filed:

(1) Selling, removing, or otherwise disposing of the dependent adult's personal property.

(2) Withdrawing funds from any bank, savings association, credit union, or other financial institution, or from an account containing securities in which the dependent adult has an interest.

4. Upon finding that there is probable cause to believe that the dependent adult abuse presents an immediate threat to the health or safety of the dependent adult or which results in irreparable harm to the physical or financial resources or property of the dependent adult, and that the dependent adult lacks capacity to consent to the receipt of services, the court may do any of the following:

*a.* Order removal of the dependent adult to safer surroundings.

*b.* Order the provision of medical services.

*c.* Order the provision of other available services necessary to remove conditions creating the danger to health or safety, including the services of peace officers or emergency services personnel and the suspension of the powers granted to a guardian or conservator and the subsequent appointment of a new temporary guardian or new temporary conservator pursuant to subsection 5 pending a decision by the court on whether the powers of the initial guardian or conservator should be reinstated or whether the initial guardian or conservator should be removed.

5. *a.* Notwithstanding sections 633.552 and 633.573, upon a finding that there is probable cause to believe that the dependent adult abuse presents an immediate danger to the health or safety of the dependent adult or is producing irreparable harm to the physical or financial resources or property of the dependent adult, and that the dependent adult lacks capacity to consent to the receipt of services, the court may order the appointment of a temporary guardian or temporary conservator without notice to the dependent adult or the dependent adult's attorney if all of the following conditions are met:

(1) It clearly appears from specific facts shown by affidavit or by the verified petition that a

dependent adult's decision-making capacity is so impaired that the dependent adult is unable to care for the dependent adult's personal safety or to attend to or provide for the dependent adult's basic necessities or that immediate and irreparable injury, loss, or damage will result to the physical or financial resources or property of the dependent adult before the dependent adult or the dependent adult's attorney can be heard in opposition.

(2) The department certifies to the court in writing any efforts the department has made to give the notice or the reasons supporting the claim that notice should not be required.

(3) The department files with the court a request for a hearing on the petition for the appointment of a temporary guardian or temporary conservator.

(4) The department certifies that the notice of the petition, order, and all filed reports and affidavits will be sent to the dependent adult by personal service within the time period the court directs but not more than seventy-two hours after entry of the order of appointment.

*b.* An order of appointment of a temporary guardian or temporary conservator entered by the court under paragraph *"a"* shall expire as prescribed by the court but within a period of not more than thirty days unless extended by the court for good cause.

*c.* A hearing on the petition for the appointment of a temporary guardian or temporary conservator shall be held within the time specified in paragraph *"b"*. If the department does not proceed with a hearing on the petition, the court, on the motion of any party or on its own motion, may dismiss the petition.

6. The emergency order expires at the end of seventy-two hours from the time of the order unless the seventy-two-hour period ends on a Saturday, Sunday, or legal holiday in which event the order is automatically extended to 4:00 p.m. on the first succeeding business day. An order may be renewed for not more than fourteen additional days. A renewal order that ends on a Saturday, Sunday, or legal holiday is automatically extended to 4:00 p.m. on the first succeeding business day. The court may modify or terminate the emergency order on the petition of the department, the dependent adult, or any person interested in the dependent adult's welfare.

7. If the department cannot obtain an emergency order under this section due to inaccessibility of the court, the department may contact law enforcement to remove the dependent adult to safer surroundings, authorize the provision of medical treatment, and order the provision of or provide other available services necessary to remove conditions creating the immediate danger to the health or safety of the dependent adult or which are producing irreparable harm to the physical or financial resources or property of the dependent adult. The department shall obtain an emergency order under this section not later than four p.m. on the first succeeding business day after the date on which protective or other services are provided. If the department does not obtain an emergency order within the prescribed time period, the department shall cease providing protective services and, if necessary, make arrangements for the immediate return of the person to the place from which the person was removed, to the person's place of residence in the state, or to another suitable place. A person, agency, or institution acting in good faith in removing a dependent adult or in providing services under this subsection, and an employer of or person under the direction of such a person, agency, or institution, shall have immunity from any liability, civil or criminal, that might otherwise be incurred or imposed as the result of the removal or provision of services.

8. Upon a finding of probable cause to believe that dependent adult abuse has occurred and is either ongoing or is likely to reoccur, the court may also enter orders as may be appropriate to third persons enjoining them from specific conduct. The orders may include temporary restraining orders which impose criminal sanctions if violated. The court may enjoin third persons from any of the following:

*a.* Removing the dependent adult from the care or custody of another.

*b.* Committing dependent adult abuse on the dependent adult.

*c.* Living at the dependent adult's residence.

*d.* Contacting the dependent adult in person or by telephone.

*e.* Selling, removing, or otherwise disposing of the dependent adult's personal property.

*f.* Withdrawing funds from any bank, savings association, credit union, or other financial institution, or from a stock account in which the dependent adult has an interest.

*g.* Negotiating any instruments payable to the dependent adult.

*h.* Selling, mortgaging, or otherwise encumbering any interest that the dependent adult has in real property.

*i.* Exercising any powers on behalf of the dependent adult through representatives of the department, any court-appointed guardian or guardian ad litem, or any official acting on the dependent adult's behalf.

*j.* Engaging in any other specified act which, based upon the facts alleged, would constitute harm or a threat of imminent harm to the dependent adult or would cause damage to or the loss of the dependent adult's property.

9. This section shall not be construed and is not intended as and shall not imply a grant of entitlement for services to persons who are not otherwise eligible for the services or for utilization of services which do not currently exist or are not otherwise available.

96 Acts, ch 1130, §9; 2005 Acts, ch 50, §2 – 5; 2006 Acts, ch 1080, §1; 2008 Acts, ch 1187, §117, 118; 2011 Acts, ch 129, §91, 156; 2012 Acts, ch 1017, §59, 60

Referred to in §235B.16A, 235E.4, 633.573, 633.701

**235B.20 Dependent adult abuse — initiation of charges — penalty.**

1. Charges of dependent adult abuse may be initiated upon complaint of private individuals or as a result of investigations by social service agencies or on the direct initiative of a county attorney or law enforcement agency.

2. A caretaker who intentionally commits dependent adult abuse on a dependent adult in violation of this chapter is guilty of a class "C" felony if the intentional dependent adult abuse results in serious injury.

3. A caretaker who recklessly commits dependent adult abuse on a dependent adult in violation of this chapter is guilty of a class "D" felony if the reckless dependent adult abuse results in serious injury.

4. A caretaker who intentionally commits dependent adult abuse on a dependent adult in violation of this chapter is guilty of a class "C" felony if the intentional dependent adult abuse results in physical injury.

5. A caretaker who commits dependent adult abuse by exploiting a dependent adult in violation of this chapter is guilty of a class "D" felony if the value of the property, assets, or resources exceeds one hundred dollars.

6. A caretaker who recklessly commits dependent adult abuse on a person in violation of this chapter is guilty of an aggravated misdemeanor if the reckless dependent adult abuse results in physical injury.

7. A caretaker who otherwise intentionally or knowingly commits dependent adult abuse upon a dependent adult in violation of this chapter is guilty of a serious misdemeanor.

8. A caretaker who commits dependent adult abuse by exploiting a dependent adult in violation of this chapter is guilty of a simple misdemeanor if the value of the property, assets, or resources is one hundred dollars or less.

9. A caretaker alleged to have committed a violation of this chapter shall be charged with the respective offense cited, unless a charge may be brought based upon a more serious offense, in which case the charge of the more serious offense shall supersede the less serious charge.

96 Acts, ch 1130, §10; 2009 Acts, ch 107, §4

Referred to in §235E.4

# CHAPTER 235C

## COUNCIL ON CHEMICALLY EXPOSED INFANTS AND CHILDREN

Repealed by 2008 Acts, ch 1058, §25

# CHAPTER 235D

## DOMESTIC AND SEXUAL VIOLENCE CENTER EMPLOYMENT — CRIMINAL HISTORY CHECKS

235D.1 Criminal history check — applicants at domestic abuse or sexual assault centers.

**235D.1 Criminal history check — applicants at domestic abuse or sexual assault centers.**

An applicant for employment at a domestic abuse or sexual assault center shall be subject to a national criminal history check through the federal bureau of investigation. The domestic abuse or sexual assault center shall request the criminal history check and shall provide the applicant's fingerprints to the department of public safety for submission through the state criminal history repository to the federal bureau of investigation. The applicant shall authorize release of the results of the criminal history check to the domestic abuse or sexual assault center. The applicant shall pay the actual cost of the fingerprinting and criminal history check, if any. Unless the criminal history check was completed within the ninety calendar days prior to the date the application is received by the domestic abuse or sexual assault center, the center shall reject and return the application to the applicant. The results of a criminal history check conducted pursuant to this subsection shall not be considered a public record under chapter 22. For purposes of this section, *"domestic abuse or sexual assault center"* means a crime victim center as defined in section 915.20A.

2005 Acts, ch 158, §44

# CHAPTER 235E

## DEPENDENT ADULT ABUSE IN FACILITIES AND PROGRAMS

Referred to in §235B.3, 235B.16A

235E.1 Definitions.
235E.2 Dependent adult abuse reports in facilities and programs.
235E.3 Prevention of additional dependent adult abuse — notification of rights.
235E.4 Chapter 235B application.
235E.5 Rulemaking authority.
235E.6 Dependent adult abuse finding — notification to employer and employee.
235E.7 Appeal process — dependent adult abuse.

**235E.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Caretaker"* means a person who is a staff member of a facility or program who provides care, protection, or services to a dependent adult voluntarily, by contract, through employment, or by order of the court.

2. *"Court"* means the district court.

3. *"Department"* means the department of inspections and appeals.

4. *"Dependent adult"* means a person eighteen years of age or older whose ability to perform the normal activities of daily living or to provide for the person's own care or protection is impaired, either temporarily or permanently.

5. *a. "Dependent adult abuse"* means:

(1) Any of the following as a result of the willful misconduct or gross negligence or reckless acts or omissions of a caretaker, taking into account the totality of the circumstances:

(a) A physical injury to, or injury which is at a variance with the history given of the injury, or unreasonable confinement, unreasonable punishment, or assault of a dependent adult which involves a breach of skill, care, and learning ordinarily exercised by a caretaker in similar circumstances. *"Assault of a dependent adult"* means the commission of any act

which is generally intended to cause pain or injury to a dependent adult, or which is generally intended to result in physical contact which would be considered by a reasonable person to be insulting or offensive or any act which is intended to place another in fear of immediate physical contact which will be painful, injurious, insulting, or offensive, coupled with the apparent ability to execute the act.

(b) The commission of a sexual offense under chapter 709 or section 726.2 with or against a dependent adult.

(c) Exploitation of a dependent adult. *"Exploitation"* means a caretaker who knowingly obtains, uses, endeavors to obtain to use, or who misappropriates, a dependent adult's funds, assets, medications, or property with the intent to temporarily or permanently deprive a dependent adult of the use, benefit, or possession of the funds, assets, medication, or property for the benefit of someone other than the dependent adult.

(d) Neglect of a dependent adult. *"Neglect of a dependent adult"* means the deprivation of the minimum food, shelter, clothing, supervision, physical or mental health care, or other care necessary to maintain a dependent adult's life or physical or mental health.

(2) Sexual exploitation of a dependent adult by a caretaker whether within a facility or program or at a location outside of a facility or program. *"Sexual exploitation"* means any consensual or nonconsensual sexual conduct with a dependent adult which includes but is not limited to kissing; touching of the clothed or unclothed breast, groin, buttock, anus, pubes, or genitals; or a sex act, as defined in section 702.17. *"Sexual exploitation"* includes the transmission, display, taking of electronic images of the unclothed breast, groin, buttock, anus, pubes, or genitals of a dependent adult by a caretaker for a purpose not related to treatment or diagnosis or as part of an ongoing investigation. *"Sexual exploitation"* does not include touching which is part of a necessary examination, treatment, or care by a caretaker acting within the scope of the practice or employment of the caretaker; the exchange of a brief touch or hug between the dependent adult and a caretaker for the purpose of reassurance, comfort, or casual friendship; or touching between spouses or domestic partners in an intimate relationship.

*b.* *"Dependent adult abuse"* does not include any of the following:

(1) Circumstances in which the dependent adult declines medical treatment if the dependent adult holds a belief or is an adherent of a religion whose tenets and practices call for reliance on spiritual means in place of reliance on medical treatment.

(2) Circumstances in which the dependent adult's caretaker, acting in accordance with the dependent adult's stated or implied consent, declines medical treatment or care.

(3) The withholding or withdrawing of health care from a dependent adult who is terminally ill in the opinion of a licensed physician, when the withholding or withdrawing of health care is done at the request of the dependent adult or at the request of the dependent adult's next of kin, attorney in fact, or guardian pursuant to the applicable procedures under chapter 125, 144A, 144B, 222, 229, or 633.

6. *"Facility"* means a health care facility as defined in section 135C.1 or a hospital as defined in section 135B.1.

7. *"Intimate relationship"* means a significant romantic involvement between two persons that need not include sexual involvement, but does not include a casual social relationship or association in a business or professional capacity. In determining whether persons are in an intimate relationship, the court may consider the following nonexclusive list of factors:

*a.* The duration of the relationship.

*b.* The frequency of interaction.

*c.* Whether the relationship has been terminated.

*d.* The nature of the relationship, characterized by either person's expectation of sexual or romantic involvement.

8. *"Person"* means person as defined in section 4.1.

9. *"Program"* means an elder group home as defined in section 231B.1, an assisted living program certified under section 231C.3, or an adult day services program as defined in section 231D.1.

10. *"Recklessly"* means that a person acts or fails to act with respect to a material element of a public offense, when the person is aware of and consciously disregards a substantial

and unjustifiable risk that the material element exists or will result from the act or omission. The risk must be of such a nature and degree that disregard of the risk constitutes a gross deviation from the standard conduct that a reasonable person would observe in the situation.

11. *"Support services"* includes but is not limited to community-based services including area agency on aging assistance, mental health services, fiscal management, home health services, housing-related services, counseling services, transportation services, adult day services, respite services, legal services, and advocacy services.

2008 Acts, ch 1093, §11
Referred to in §231C.10, 235B.5, 235B.6, 235E.2

**235E.2 Dependent adult abuse reports in facilities and programs.**

1. *a.* The department shall receive and evaluate reports of dependent adult abuse in facilities and programs. The department shall inform the department of human services of such evaluations and dispositions and those individuals who should be placed on the central registry for dependent adult abuse pursuant to section 235E.7. If the department believes the situation involves an immediate danger to the public health, safety, or welfare requiring immediate agency action to seek emergency placement on the central registry, the department may utilize emergency adjudicative proceedings pursuant to section 17A.18A.

*b.* Reports of dependent adult abuse which is the result of the acts or omissions of the dependent adult shall be collected and maintained in the files of the dependent adult as assessments only and shall not be included in the central registry.

*c.* A report of dependent adult abuse that meets the definition of dependent adult abuse under section 235E.1, subsection 5, paragraph *"a"*, subparagraph (1), subparagraph division (a) or (d), which the department determines is minor, isolated, and unlikely to reoccur shall be collected and maintained by the department of human services as an assessment only for a five-year period and shall not be included in the central registry and shall not be considered to be founded dependent adult abuse. A subsequent report of dependent adult abuse that meets the definition of dependent adult abuse under section 235E.1, subsection 5, paragraph *"a"*, subparagraph (1), subparagraph division (a) or (d), that occurs within the five-year period, and that is committed by the caretaker responsible for the act or omission which was the subject of the previous report of dependent adult abuse which the department determined was minor, isolated, and unlikely to reoccur, may be considered minor, isolated, and unlikely to reoccur depending on the circumstances of the report.

2. A staff member or employee of a facility or program who, in the course of employment, examines, attends, counsels, or treats a dependent adult in a facility or program and reasonably believes the dependent adult has suffered dependent adult abuse, shall report the suspected dependent adult abuse to the department.

3. *a.* If a staff member or employee is required to make a report pursuant to this section, the staff member or employee shall immediately notify the person in charge or the person's designated agent who shall then notify the department within twenty-four hours of such notification. If the person in charge is the alleged dependent adult abuser, the staff member shall directly report the abuse to the department within twenty-four hours.

*b.* The employer or supervisor of a person who is required to or may make a report pursuant to this section shall not apply a policy, work rule, or other requirement that interferes with the person making a report of dependent adult abuse or that results in the failure of another person to make the report.

4. An employee of a financial institution may report suspected financial exploitation of a dependent adult to the department.

5. Any other person who believes that a dependent adult has suffered dependent adult abuse may report the suspected dependent adult abuse to the department of inspections and appeals. The department of inspections and appeals shall transfer any reports received of dependent adult abuse in the community to the department of human services. The department of human services shall transfer any reports received of dependent adult abuse in facilities or programs to the department of inspections and appeals.

6. The department shall inform the appropriate county attorneys of any reports of dependent adult abuse. The department may request information from any person believed

to have knowledge of a case of dependent adult abuse. The person, including but not limited to a county attorney, a law enforcement agency, a multidisciplinary team, a social services agency in the state, or any person who is required pursuant to subsection 2 to report dependent adult abuse, whether or not the person made the specific dependent adult abuse report, shall cooperate and assist in the evaluation upon the request of the department. If the department's assessment reveals that dependent adult abuse exists which might constitute a criminal offense, a report shall be made to the appropriate law enforcement agency. County attorneys and appropriate law enforcement agencies shall also take any other lawful action necessary or advisable for the protection of the dependent adult.

*a.* If, upon completion of an investigation, the department determines that the best interests of the dependent adult require court action, the department shall notify the department of human services of the potential need for a guardian or conservator or for admission or commitment to an appropriate institution or facility pursuant to the applicable procedures under chapter 125, 222, 229, or 633, or shall pursue other remedies provided by law. The appropriate county attorney shall assist the department of human services in the preparation of the necessary papers to initiate the action and shall appear and represent the department of human services at all district court proceedings.

*b.* Investigators within the department shall be specially trained to investigate cases of dependent adult abuse including but not limited to cases involving gerontological, dementia, and wound care issues.

*c.* The department shall assist the court during all stages of court proceedings involving a suspected case of dependent adult abuse.

*d.* In every case involving dependent adult abuse which is substantiated by the department and which results in a judicial proceeding on behalf of the dependent adult, legal counsel shall be appointed by the court to represent the dependent adult in the proceedings. The court may also appoint a guardian ad litem to represent the dependent adult if necessary to protect the dependent adult's best interests. The same attorney may be appointed to serve both as legal counsel and as guardian ad litem. Before legal counsel or a guardian ad litem is appointed pursuant to this paragraph, the court shall require the dependent adult and any person legally responsible for the support of the dependent adult to complete under oath a detailed financial statement. If, on the basis of that financial statement, the court deems that the dependent adult or the legally responsible person is able to bear all or a portion of the cost of the legal counsel or guardian ad litem, the court shall so order. In cases where the dependent adult or the legally responsible person is unable to bear the cost of the legal counsel or guardian ad litem, the expense shall be paid by the county.

7. A person participating in good faith in reporting or cooperating with or assisting the department in evaluating a case of dependent adult abuse has immunity from liability, civil or criminal, which might otherwise be incurred or imposed based upon the act of making the report or giving the assistance. The person has the same immunity with respect to participating in good faith in a judicial proceeding resulting from the report, cooperation, or assistance or relating to the subject matter of the report, cooperation, or assistance.

8. It shall be unlawful for any person or employer to discharge, suspend, or otherwise discipline a person required to report or voluntarily reporting an instance of suspected dependent adult abuse pursuant to subsection 2 or 5, or cooperating with, or assisting the department in evaluating a case of dependent adult abuse, or participating in judicial proceedings relating to the reporting or cooperation or assistance based solely upon the person's reporting or assistance relative to the instance of dependent adult abuse. A person or employer found in violation of this subsection is guilty of a simple misdemeanor.

9. A person required by this section to report a suspected case of dependent adult abuse pursuant to subsection 2 who knowingly and willfully fails to do so within twenty-four hours commits a simple misdemeanor. A person required by subsection 2 to report a suspected case of dependent adult abuse who knowingly fails to do so or who knowingly interferes with the making of such a report or applies a requirement that results in such a failure is civilly liable for the damages proximately caused by the failure.

10. The department shall adopt rules which require facilities and programs to separate an alleged dependent adult abuser from a victim following an allegation of perpetration

of dependent adult abuse and prior to the completion of an investigation of the allegation. Independent of the department's investigation, the facility or program employing the alleged dependent adult abuser shall conduct an investigation of the alleged dependent adult abuse and determine what, if any, employment action should be taken including but not limited to placing the alleged dependent adult abuser on administrative leave or reassigning or terminating the alleged dependent adult abuser as a result of the investigation by the facility or program. If the facility or program terminates the alleged dependent adult abuser as a result of the investigation by the facility or program or the alleged dependent adult abuser resigns, the alleged dependent adult abuser shall disclose such termination or investigation to any prospective facility or program employer. An alleged dependent adult abuser who fails to disclose such termination or investigation is guilty of a simple misdemeanor.

11. Upon receiving notice from a credible source, the department shall notify a facility or program that subsequently employs a dependent adult abuser when the notice of investigative findings has been issued. Such notification shall occur prior to the completion of an investigation that is founded for dependent adult abuse.

12. An inspector of the department may enter any facility or program without a warrant and may examine all records pertaining to residents, employees, former employees, and the alleged dependent adult abuser. If upon entry, the inspector has knowledge of or learns during the course of an investigation that alleged dependent adult abuse is suspected or is being investigated, the inspector shall inform the facility or program that the inspector is investigating an alleged case of dependent adult abuse. An inspector of the department may contact or interview any resident, employee, former employee, or any other person who might have knowledge about the alleged dependent adult abuse. Prior to the interview, the department shall provide written notification to the person under investigation for dependent adult abuse that the person is under investigation for dependent adult abuse, the nature of the abuse being investigated, the possible civil administrative consequences of founded abuse, the requirement that the department forward a report to law enforcement if the department's investigation reveals a potential criminal offense, that the person has the right to retain legal counsel at the person's expense and may choose to have legal counsel, union representation, or any other desired representative employed by the facility present during the interview, and the fact that the person has the right to decline to be interviewed or to terminate an interview at any time. The person under investigation shall inform the department of the representatives desired to be present during the interview and not delay the interview by more than five working days to make arrangements for the person's representatives to be present at the interview. Any employer representative shall be informed of the requirement to maintain strict confidentiality and of the prohibition against redissemination of such information pursuant to chapter 235B. At the interview, the department shall request and the alleged dependent adult abuser shall provide the alleged dependent adult abuser's most current contact information to facilitate provision of the findings to the alleged dependent adult abuser. An inspector may take or cause to be taken photographs of the dependent adult abuse victim and the vicinity involved. The department shall obtain consent from the dependent adult abuse victim or guardian or other person with a power of attorney over the dependent adult abuse victim prior to taking photographs of the dependent adult abuse victim.

13. *a.* Notwithstanding section 235B.6 and chapter 22, an employee organization or union representative may observe an investigative interview conducted by the department of an alleged dependent adult abuser if all of the following conditions are met:

(1) The alleged dependent adult abuser is part of a bargaining unit that is party to a collective bargaining agreement under chapter 20 or any other applicable state or federal law.

(2) The alleged dependent adult abuser requests the presence of an employee organization or union representative.

(3) The employee organization or union representative maintains the confidentiality of all information from the interview subject to the penalties provided in section 235B.12 if such confidentiality is breached.

*b.* This subsection shall only apply to interviews conducted pursuant to this chapter. This

subsection does not apply to interviews conducted pursuant to the regulatory activities of chapter 135B, 135C, 231B, 231C, or 231D, or any other state or federal law.

2008 Acts, ch 1093, §12; 2009 Acts, ch 41, §263; 2009 Acts, ch 133, §89; 2010 Acts, ch 1177, §2 – 4

Referred to in §235B.3, 235B.16

**235E.3 Prevention of additional dependent adult abuse — notification of rights.**

If a peace officer has reason to believe that dependent adult abuse, which is criminal in nature, has occurred in a facility or program, the officer shall use all reasonable means to prevent further dependent adult abuse, including but not limited to any of the following:

1. If requested, remaining on the scene as long as there is a danger to the dependent adult's physical safety without the presence of a peace officer, including but not limited to staying in the facility or program, or if unable to remain at the scene, assisting the dependent adult in leaving the facility or program and securing support services or emergency shelter services.

2. Assisting the dependent adult in obtaining medical treatment necessitated by the dependent adult abuse, including providing assistance to the dependent adult in obtaining transportation to the emergency room of the nearest hospital.

3. Providing a dependent adult with immediate and adequate notice of the dependent adult's rights. The notice shall consist of handing the dependent adult a document that includes the telephone numbers of shelters, support groups, and crisis lines operating in the area and contains a copy of the following written statement; requesting the dependent adult to read the card; and asking the dependent adult whether the dependent adult understands the rights:

*a.* You have the right to ask the court for the following help on a temporary basis:

(1) Keeping the alleged perpetrator away from you, your home, your facility, and your place of work.

(2) The right to stay at your home or facility without interference from the alleged perpetrator.

(3) Professional counseling for you, your family, or household members, and the alleged perpetrator of the dependent adult abuse.

*b.* If you are in need of medical treatment, you have the right to request that the peace officer present assist you in obtaining transportation to the nearest hospital or otherwise assist you.

*c.* If you believe that police protection is needed for your physical safety, you have the right to request that the peace officer present remain at the scene until you and other affected parties can leave or safety is otherwise ensured.

2008 Acts, ch 1093, §13; 2009 Acts, ch 133, §90, 91

**235E.4 Chapter 235B application.**

Sections 235B.4 through 235B.20, where not inconsistent with this chapter, shall apply to this chapter.

2008 Acts, ch 1093, §14; 2009 Acts, ch 41, §97; 2009 Acts, ch 133, §92

**235E.5 Rulemaking authority.**

The department, in cooperation and consultation with the dependent adult protective advisory council established in section 235B.1, affected industry representatives, and professional and consumer groups, may adopt rules pursuant to chapter 17A to administer this chapter.

2008 Acts, ch 1093, §15

**235E.6 Dependent adult abuse finding — notification to employer and employee.**

Upon a determination that an allegation of perpetration of dependent adult abuse by a caretaker is founded, the department shall provide written notification of the department's

findings to the caretaker and the caretaker's employer. In addition, the written notification shall detail the consequences of placement on the central abuse registry, the caretaker's appeal rights, and include a separate appeal request form. The written appeal request form shall clearly set forth that the caretaker shall not be placed on the central abuse registry until final agency action is taken if an appeal is filed within fifteen days.

2010 Acts, ch 1177, §5; 2013 Acts, ch 90, §61
Section amended

**235E.7 Appeal process — dependent adult abuse.**

1. If a request for an appeal is filed within fifteen days of the issuance of the written notification of a finding of dependent adult abuse, the department shall not place the caretaker on the central abuse registry until final agency action is taken. For a request for an appeal filed within fifteen days of the issuance of the written notification of the finding, the contested case hearing shall be held within sixty days of the request. The caretaker may extend the hearing timeframe by thirty days one time. Additional requests for an extension must be agreed upon by all parties or for good cause. The administrative law judge's proposed decision shall be issued within thirty days of the contested case hearing. If further review of the decision is not requested before the proposed decision becomes final, the proposed decision shall be deemed final agency action. If further review is requested, the department's final agency action shall occur within thirty days of the issuance of the administrative law judge's proposed decision. Upon final agency action, further appeal rights shall be governed by chapter 17A.

2. If a caretaker fails to request an appeal within fifteen days, the caretaker shall have sixty days from the issuance of the written notification of the abuse findings to file an appeal pursuant to chapter 17A. However, the caretaker's name shall be placed on the central abuse registry pending the outcome of the appeal.

3. If the caretaker requests an appeal within fifteen days, the caretaker may waive the expedited hearing under subsection 1 to proceed under chapter 17A, but the caretaker's name shall be placed on the central abuse registry pending the outcome of the appeal.

2010 Acts, ch 1177, §6
Referred to in §235E.2

# CHAPTER 236

## DOMESTIC ABUSE

Referred to in §13.2, 13.31, 135.108, 232.22, 232.52, 562A.27A, 562B.25A, 598.7, 602.6111, 602.6306, 664A.1, 664A.2, 664A.5, 664A.7, 915.23, 915.94


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236.19 Foreign protective orders — registration — enforcement.
236.20 Mutual protective orders prohibited — exceptions.


**236.1 Short title.**

This chapter may be cited as the *"Domestic Abuse Act"*.

[C81, §236.1]

**236.2 Definitions.**

For purposes of this chapter, unless a different meaning is clearly indicated by the context:

1. *"Department"* means the department of justice.

2. *"Domestic abuse"* means committing assault as defined in section 708.1 under any of the following circumstances:

*a.* The assault is between family or household members who resided together at the time of the assault.

*b.* The assault is between separated spouses or persons divorced from each other and not residing together at the time of the assault.

*c.* The assault is between persons who are parents of the same minor child, regardless of whether they have been married or have lived together at any time.

*d.* The assault is between persons who have been family or household members residing together within the past year and are not residing together at the time of the assault.

*e.* (1) The assault is between persons who are in an intimate relationship or have been in an intimate relationship and have had contact within the past year of the assault. In determining whether persons are or have been in an intimate relationship, the court may consider the following nonexclusive list of factors:

(a) The duration of the relationship.

(b) The frequency of interaction.

(c) Whether the relationship has been terminated.

(d) The nature of the relationship, characterized by either party's expectation of sexual or romantic involvement.

(2) A person may be involved in an intimate relationship with more than one person at a time.

3. *"Emergency shelter services"* include but are not limited to secure crisis shelters or housing for victims of domestic abuse.

4. *a. "Family or household members"* means spouses, persons cohabiting, parents, or other persons related by consanguinity or affinity.

*b. "Family or household members"* does not include children under age eighteen of persons listed in paragraph *"a"*.

5. *"Intimate relationship"* means a significant romantic involvement that need not include sexual involvement. An intimate relationship does not include casual social relationships or associations in a business or professional capacity.

6. *"Plaintiff"* includes a person filing an action on behalf of an unemancipated minor.

7. *"Pro se"* means a person proceeding on the person's own behalf without legal representation.

8. *"Support services"* include but are not limited to legal services, counseling services, transportation services, child care services, and advocacy services.

[C81, §236.2]

85 Acts, ch 175, §2; 87 Acts, ch 154, §1; 89 Acts, ch 279, §2, 3; 91 Acts, ch 218, §4; 93 Acts, ch 157, §1; 95 Acts, ch 180, §7; 2002 Acts, ch 1004, §1, 2; 2003 Acts, ch 44, §52; 2009 Acts, ch 41, §263

Referred to in §135B.7, 236.5, 236.13, 507B.4, 598.16, 598.41, 598.41D, 611.23, 708.2A, 708.2B, 804.7

**236.3 Commencement of actions — waiver to juvenile court.**

1. A person, including a parent or guardian on behalf of an unemancipated minor, may seek relief from domestic abuse by filing a verified petition in the district court. Venue shall lie where either party resides. The petition shall state the:

*a.* Name of the plaintiff and the name and address of the plaintiff's attorney, if any. If the plaintiff is proceeding pro se, the petition shall state a mailing address for the plaintiff. A mailing address may be provided by the plaintiff pursuant to section 236.10.

*b.* Name and address of the parent or guardian filing the petition, if the petition is being filed on behalf of an unemancipated minor. A mailing address may be provided by the plaintiff pursuant to section 236.10.

*c.* Name and address, if known, of the defendant.

*d.* Relationship of the plaintiff to the defendant.

*e.* Nature of the alleged domestic abuse.

*f.* Name and age of each child under eighteen whose welfare may be affected by the controversy.

*g.* Desired relief, including a request for temporary or emergency orders.

2. A temporary or emergency order shall be based on a showing of a prima facie case of domestic abuse. If the factual basis for the alleged domestic abuse is contested, the court shall issue a protective order based upon a finding of domestic abuse by a preponderance of the evidence.

3. The filing fee and court costs for an order for protection and in a contempt action under this chapter shall be waived for the plaintiff. The clerk of court, the sheriff of any county in this state, and other law enforcement and corrections officers shall perform their duties relating to service of process without charge to the plaintiff. When an order for protection is entered by the court, the court may direct the defendant to pay to the clerk of court the fees for the filing of the petition and reasonable costs of service of process if the court determines the defendant has the ability to pay the plaintiff's fees and costs.

4. If the person against whom relief from domestic abuse is being sought is seventeen years of age or younger, the district court shall waive its jurisdiction over the action to the juvenile court.

[C81, §236.3]

85 Acts, ch 175, §3; 86 Acts, ch 1237, §12; 91 Acts, ch 218, §5; 95 Acts, ch 180, §8 – 10; 96 Acts, ch 1034, §12; 2000 Acts, ch 1119, §1; 2001 Acts, ch 43, §1; 2002 Acts, ch 1004, §3; 2002 Acts, ch 1119, §36; 2003 Acts, ch 44, §53; 2003 Acts, ch 151, §7; 2009 Acts, ch 41, §263

Referred to in §232.8, 236.6, 236.19, 598.16, 598.41, 598.41D, 915.50

For future amendment to subsection 3, effective April 1, 2014, see 2013 Acts, ch 16, §1, 3

Section not amended; footnote added

**236.3A Plaintiffs proceeding pro se — provision of forms and assistance.**

1. The department shall prescribe standard forms to be used by plaintiffs seeking protective orders by proceeding pro se in actions under this chapter. The standard forms shall include language in fourteen point boldface type. Standard forms prescribed by the department shall be the exclusive forms used by plaintiffs proceeding pro se, and may be used by other plaintiffs. The department shall distribute the forms to the clerks of the district courts.

2. The clerk of the district court shall furnish the required forms to persons seeking protective orders through pro se proceedings pursuant to this chapter.

91 Acts, ch 218, §6; 2004 Acts, ch 1131, §1

Referred to in §232.8, 915.50

**236.3B Assistance by county attorney.**

A county attorney's office may provide assistance to a person wishing to initiate proceedings pursuant to this chapter or to a plaintiff at any stage of a proceeding under this chapter, if the individual does not have sufficient funds to pay for legal assistance and if the assistance does not create a conflict of interest for the county attorney's office. The assistance provided may include, but is not limited to, assistance in obtaining or completing forms, filing a petition or other necessary pleading, presenting evidence to the court, and enforcing the orders of the court entered pursuant to this chapter. Providing assistance pursuant to this section shall not be considered the private practice of law for the purposes of section 331.752.

93 Acts, ch 157, §2

Referred to in §232.8, 915.50

**236.4 Hearings — temporary orders.**

1. Not less than five and not more than fifteen days after commencing a proceeding and upon notice to the other party, a hearing shall be held at which the plaintiff must prove the allegation of domestic abuse by a preponderance of the evidence.

2. The court may enter any temporary order it deems necessary to protect the plaintiff from domestic abuse prior to the hearing, including temporary custody or visitation orders pursuant to subsection 3, upon good cause shown in an ex parte proceeding. Present danger of domestic abuse to the plaintiff constitutes good cause for purposes of this subsection. A temporary order issued pursuant to this subsection shall specifically include notice that the person may be required to relinquish all firearms, offensive weapons, and ammunition upon the issuance of a permanent order pursuant to section 236.5.

3. The court may award temporary custody of or establish temporary visitation rights with regard to children under eighteen years of age. In awarding temporary custody or temporary visitation rights, the court shall give primary consideration to the safety of the alleged victim and the children. If the court finds that the safety of the alleged victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall set conditions or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. The court shall also determine whether any other existing orders awarding custody or visitation should be modified.

4. If a hearing is continued, the court may make or extend any temporary order under subsection 2 or 3 that it deems necessary.

5. Upon application of a party, the court shall issue subpoenas requiring attendance and testimony of witnesses and production of papers.

6. The court shall advise the defendant of a right to be represented by counsel of the defendant's choosing and to have a continuance to secure counsel.

7. Prior to the entry of a temporary order under this section that involves a child-custody determination as defined in section 598B.102, the plaintiff shall furnish information to the court in compliance with section 598B.209.

8. Hearings shall be recorded.

[C81, §236.4]

93 Acts, ch 157, §3; 2010 Acts, ch 1083, §1; 2010 Acts, ch 1159, §1 – 4

Referred to in §232.8, 236.6, 915.50

**236.5 Disposition.**

1. Upon a finding that the defendant has engaged in domestic abuse:

*a.* The court may order that the plaintiff, the defendant, and the children who are members of the household receive professional counseling, either from a private source approved by the court or from a source appointed by the court. Costs of counseling shall be paid in full or in part by the parties and taxed as court costs. If the court determines that the parties are unable to pay the costs, they may be paid in full or in part from the county treasury.

*b.* The court may grant a protective order or approve a consent agreement which may contain but is not limited to any of the following provisions:

(1) That the defendant cease domestic abuse of the plaintiff.

(2) That the defendant not knowingly possess, ship, transport, or receive firearms, offensive weapons, and ammunition in violation of section 724.26, subsection 2.

(3) That the defendant grant possession of the residence to the plaintiff to the exclusion of the defendant or that the defendant provide suitable alternate housing for the plaintiff.

(4) That the defendant stay away from the plaintiff's residence, school, or place of employment.

(5) The awarding of temporary custody of or establishing temporary visitation rights with regard to children under eighteen.

(a) In awarding temporary custody or temporary visitation rights, the court shall give primary consideration to the safety of the victim and the children.

(b) If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children.

(c) The court shall also determine whether any other existing orders awarding custody or visitation rights should be modified.

(d) Prior to entry of an order or agreement under this section that involves a child-custody determination as defined in section 598B.102, the parties shall furnish information to the court in compliance with section 598B.209.

(6) Unless prohibited pursuant to 28 U.S.C. § 1738B, that the defendant pay the clerk a sum of money for the separate support and maintenance of the plaintiff and children under eighteen.

2. An order for counseling, a protective order, or approved consent agreement shall be for a fixed period of time not to exceed one year. The court may amend or extend its order or a consent agreement at any time upon a petition filed by either party and after notice and hearing. The court may extend the order if the court, after hearing at which the defendant has the opportunity to be heard, finds that the defendant continues to pose a threat to the safety of the victim, persons residing with the victim, or members of the victim's immediate family. At the time of the extension, the parties need not meet the requirement in section 236.2, subsection 2, paragraph "*d*", that the parties lived together during the last year if the parties met the requirements of section 236.2, subsection 2, paragraph "*d*", at the time of the original order. The number of extensions that can be granted by the court is not limited.

3. The order shall state whether a person is to be taken into custody by a peace officer for a violation of the terms stated in the order.

4. The court may order that the defendant pay the plaintiff's attorney fees and court costs.

5. An order or consent agreement under this section shall not affect title to real property.

6. A copy of any order or approved consent agreement shall be issued to the plaintiff, the defendant, the county sheriff of the county in which the order or consent decree is initially entered, and the twenty-four-hour dispatcher for the county sheriff. Any subsequent amendment or revocation of an order or consent agreement shall be forwarded by the clerk to all individuals and the county sheriff previously notified.

7. The clerk shall notify the county sheriff and the twenty-four-hour dispatcher for the county sheriff in writing so that the county sheriff and the county sheriff's dispatcher receive written notice within six hours of filing the order, approved consent agreement, amendment, or revocation. The clerk may fulfill this requirement by sending the notice by facsimile or

other electronic transmission which reproduces the notice in writing within six hours of filing the order.

8. The county sheriff's dispatcher shall notify all law enforcement agencies having jurisdiction over the matter and the twenty-four-hour dispatcher for the law enforcement agencies upon notification by the clerk.

[C81, §236.5]

83 Acts, ch 123, §93, 209; 86 Acts, ch 1179, §1; 87 Acts, ch 154, §2, 3; 89 Acts, ch 85, §1; 91 Acts, ch 218, §7, 8; 91 Acts, ch 219, §3; 93 Acts, ch 157, §4; 95 Acts, ch 180, §11; 96 Acts, ch 1019, §1; 97 Acts, ch 175, §228; 99 Acts, ch 57, §1; 2006 Acts, ch 1129, §2; 2008 Acts, ch 1032, §39, 40; 2009 Acts, ch 133, §222; 2010 Acts, ch 1083, §2; 2010 Acts, ch 1159, §5, 6

Referred to in §236.4, 236.6, 236.19, 331.424, 598.16, 598.41, 598.41D, 598.42, 664A.4, 708.2A, 915.22, 915.50

For restrictions concerning issuance of mutual protective orders, see §236.20

**236.6 Emergency orders.**

1. When the court is unavailable from the close of business at the end of the day or week to the resumption of business at the beginning of the day or week, a petition may be filed before a district judge, or district associate judge designated by the chief judge of the judicial district, who may grant emergency relief in accordance with section 236.5, subsection 1, paragraph "*b*", if the district judge or district associate judge deems it necessary to protect the plaintiff from domestic abuse, upon good cause shown in an ex parte proceeding. Present danger of domestic abuse to the plaintiff constitutes good cause for purposes of this subsection.

2. An emergency order issued under subsection 1 shall expire seventy-two hours after issuance. When the order expires, the plaintiff may seek a temporary order from the court pursuant to section 236.4.

3. A petition filed and emergency order issued under this section and any documentation in support of the petition and order shall be immediately certified to the court. The certification shall commence a proceeding for purposes of section 236.3.

[C81, §236.6]

2009 Acts, ch 133, §231

Referred to in §232.8, 598.16, 598.41, 598.41D, 915.50

**236.7 Procedure.**

1. A proceeding under this chapter shall be held in accordance with the rules of civil procedure, except as otherwise set forth in this chapter and in chapter 664A, and is in addition to any other civil or criminal remedy.

2. The plaintiff's right to relief under this chapter is not affected by leaving the residence or household to avoid domestic abuse.

[C81, §236.7]

2006 Acts, ch 1101, §1

Referred to in §915.50

**236.8 Violation of order — contempt — penalties — hearings.** Repealed by 2006 Acts, ch 1101, § 21. See § 664A.7.

**236.9 Domestic abuse information.**

Criminal or juvenile justice agencies, as defined in section 692.1, shall collect and maintain information on incidents involving domestic abuse and shall provide the information to the department of public safety in the manner prescribed by the department of public safety.

The department of public safety may compile statistics and issue reports on domestic abuse in Iowa, provided individual identifying details of the domestic abuse are deleted. The statistics and reports may include nonidentifying information on the personal characteristics of perpetrators and victims. The department of public safety may request the cooperation of the department of justice in compiling the statistics and issuing the reports. The department of public safety may provide nonidentifying information on individual incidents of domestic

abuse to persons conducting bona fide research, including but not limited to personnel of the department of justice.

[C81, §236.9]

83 Acts, ch 96, §157, 159; 85 Acts, ch 175, §4; 89 Acts, ch 279, §4; 91 Acts, ch 19, §1; 96 Acts, ch 1034, §13

Referred to in §915.50

**236.10 Plaintiff's address — confidentiality of records.**

1. A person seeking relief from domestic abuse under this chapter may use any of the following addresses as a mailing address for purposes of filing a petition under this chapter, as well as for the purpose of obtaining any utility or other service:

*a.* The mailing address of a shelter or other agency.

*b.* A public or private post office box.

*c.* Any other mailing address, with the permission of the resident of that address.

2. A person shall report any change of address, whether designated according to subsection 1 or otherwise, to the clerk of court no more than five days after the previous address on record becomes invalid.

3. The entire file or a portion of the file in a domestic abuse case shall be sealed by the clerk of court as ordered by the court to protect the privacy interest or safety of any person.

4. Notwithstanding subsection 3, court orders and support payment records shall remain public records, although the court may order that address and location information be redacted from the public records.

[C81, §236.10]

97 Acts, ch 175, §229; 98 Acts, ch 1170, §1; 2000 Acts, ch 1119, §2; 2000 Acts, ch 1132, §1

Referred to in §236.3, 915.50

**236.11 Duties of peace officer — magistrate.**

A peace officer shall use every reasonable means to enforce an order or court-approved consent agreement entered under this chapter, a temporary or permanent protective order or order to vacate the homestead under chapter 598, an order that establishes conditions of release or is a protective order or sentencing order in a criminal prosecution arising from a domestic abuse assault, or a protective order under chapter 232. If a peace officer has reason to believe that domestic abuse has occurred, the peace officer shall ask the abused person if any prior orders exist, and shall contact the twenty-four hour dispatcher to inquire if any prior orders exist. If a peace officer has probable cause to believe that a person has violated an order or approved consent agreement entered under this chapter, a temporary or permanent protective order or order to vacate the homestead under chapter 598, an order establishing conditions of release or a protective or sentencing order in a criminal prosecution arising from a domestic abuse assault, or, if the person is an adult, a violation of a protective order under chapter 232, the peace officer shall take the person into custody and shall take the person without unnecessary delay before the nearest or most accessible magistrate in the judicial district in which the person was taken into custody. The magistrate shall make an initial preliminary determination whether there is probable cause to believe that an order or consent agreement existed and that the person taken into custody has violated its terms. The magistrate's decision shall be entered in the record.

If a peace officer has probable cause to believe that a person has violated an order or approved consent agreement entered under this chapter, a temporary or permanent protective order or order to vacate the homestead under chapter 598, an order establishing conditions of release or a protective or sentencing order in a criminal prosecution arising from a domestic abuse assault, or a protective order under chapter 232, and the peace officer is unable to take the person into custody within twenty-four hours of making the probable cause determination, the peace officer shall either request a magistrate to make a determination as to whether a rule to show cause or arrest warrant should be issued, or refer the matter to the county attorney.

If the magistrate finds probable cause, the magistrate shall order the person to appear either before the court which issued the original order or approved the consent agreement, or before

the court in the jurisdiction where the alleged violation took place, at a specified time not less than five days nor more than fifteen days after the initial appearance under this section. The magistrate shall cause the original court to be notified of the contents of the magistrate's order.

A peace officer shall not be held civilly or criminally liable for acting pursuant to this section provided that the peace officer acts in good faith, on probable cause, and the officer's acts do not constitute a willful and wanton disregard for the rights or safety of another.

[C81, §236.11]

86 Acts, ch 1179, §2; 87 Acts, ch 154, §5; 88 Acts, ch 1065, §2; 88 Acts, ch 1218, §17, 18; 91 Acts, ch 218, §10; 93 Acts, ch 157, §6; 96 Acts, ch 1134, §4; 2004 Acts, ch 1131, §3

Referred to in §664A.3, 664A.6, 664A.7

**236.12 Prevention of further abuse — notification of rights — arrest — liability.**

1. If a peace officer has reason to believe that domestic abuse has occurred, the officer shall use all reasonable means to prevent further abuse including but not limited to the following:

*a.* If requested, remaining on the scene as long as there is a danger to an abused person's physical safety without the presence of a peace officer, including but not limited to staying in the dwelling unit, or if unable to remain on the scene, assisting the person in leaving the residence.

*b.* Assisting an abused person in obtaining medical treatment necessitated by an assault, including providing assistance to the abused person in obtaining transportation to the emergency room of the nearest hospital.

*c.* Providing an abused person with immediate and adequate notice of the person's rights. The notice shall consist of handing the person a document that includes the telephone numbers of shelters, support groups, and crisis lines operating in the area and contains a copy of the following statement written in English and Spanish; asking the person to read the card; and asking whether the person understands the rights:

You have the right to ask the court for the following help on a temporary basis:

(1) Keeping your attacker away from you, your home and your place of work.

(2) The right to stay at your home without interference from your attacker.

(3) Getting custody of children and obtaining support for yourself and your minor children if your attacker is legally required to provide such support.

(4) Professional counseling for you, the children who are members of the household, and the defendant.

You have the right to seek help from the court to seek a protective order with or without the assistance of legal representation. You have the right to seek help from the courts without the payment of court costs if you do not have sufficient funds to pay the costs.

You have the right to file criminal charges for threats, assaults, or other related crimes.

You have the right to seek restitution against your attacker for harm to yourself or your property.

If you are in need of medical treatment, you have the right to request that the officer present assist you in obtaining transportation to the nearest hospital or otherwise assist you.

If you believe that police protection is needed for your physical safety, you have the right to request that the officer present remain at the scene until you and other affected parties can leave or until safety is otherwise ensured.

2. *a.* A peace officer may, with or without a warrant, arrest a person under section 708.2A, subsection 2, paragraph *"a"*, if, upon investigation, including a reasonable inquiry of the alleged victim and other witnesses, if any, the officer has probable cause to believe that a domestic abuse assault has been committed which did not result in any injury to the alleged victim.

*b.* Except as otherwise provided in subsection 3, a peace officer shall, with or without a warrant, arrest a person under section 708.2A, subsection 2, paragraph *"b"*, if, upon investigation, including a reasonable inquiry of the alleged victim and other witnesses, if any,

the officer has probable cause to believe that a domestic abuse assault has been committed which resulted in the alleged victim's suffering a bodily injury.

*c.* Except as otherwise provided in subsection 3, a peace officer shall, with or without a warrant, arrest a person under section 708.2A, subsection 2, paragraph "*c*", if, upon investigation, including a reasonable inquiry of the alleged victim and other witnesses, if any, the officer has probable cause to believe that a domestic abuse assault has been committed with the intent to inflict a serious injury.

*d.* Except as otherwise provided in subsection 3, a peace officer shall, with or without a warrant, arrest a person under section 708.2A, subsection 2, paragraph "*c*", if, upon investigation, including a reasonable inquiry of the alleged victim and other witnesses, if any, the officer has probable cause to believe that a domestic abuse assault has been committed and that the alleged abuser used or displayed a dangerous weapon in connection with the assault.

*e.* Except as otherwise provided in subsection 3, a peace officer shall, with or without a warrant, arrest a person under section 708.2A, subsection 2, paragraph "*d*", if, upon investigation, including a reasonable inquiry of the alleged victim and other witnesses, if any, the officer has probable cause to believe that a domestic abuse assault has been committed by knowingly impeding the normal breathing or circulation of the blood of another by applying pressure to the throat or neck of the other person or by obstructing the nose or mouth of the other person.

*f.* Except as otherwise provided in subsection 3, a peace officer shall, with or without a warrant, arrest a person under section 708.2A, subsection 5, if, upon investigation, including a reasonable inquiry of the alleged victim and other witnesses, if any, the officer has probable cause to believe that a domestic abuse assault has been committed by knowingly impeding the normal breathing or circulation of the blood of another by applying pressure to the throat or neck of the other person or by obstructing the nose or mouth of the other person, and causing bodily injury.

3. As described in subsection 2, paragraph "*b*", "*c*", "*d*", "*e*", or "*f*", the peace officer shall arrest the person whom the peace officer believes to be the primary physical aggressor. The duty of the officer to arrest extends only to those persons involved who are believed to have committed an assault. Persons acting with justification, as defined in section 704.3, are not subject to mandatory arrest. In identifying the primary physical aggressor, a peace officer shall consider the need to protect victims of domestic abuse, the relative degree of injury or fear inflicted on the persons involved, and any history of domestic abuse between the persons involved. A peace officer's identification of the primary physical aggressor shall not be based on the consent of the victim to any subsequent prosecution or on the relationship of the persons involved in the incident, and shall not be based solely upon the absence of visible indications of injury or impairment.

4. A peace officer is not civilly or criminally liable for actions pursuant to this section taken in good faith.

84 Acts, ch 1258, §1; 85 Acts, ch 175, §5; 86 Acts, ch 1179, §3; 87 Acts, ch 154, §6; 89 Acts, ch 85, §2; 90 Acts, ch 1056, §1, 2; 91 Acts, ch 218, §11; 92 Acts, ch 1163, §52; 2009 Acts, ch 133, §93, 94; 2012 Acts, ch 1002, §1, 2

Referred to in §236.16, 236.17, 664A.3, 664A.6, 804.7, 915.50

**236.13 Prohibition against referral.**

In a criminal action arising from domestic abuse, as defined in section 236.2, the prosecuting attorney or court shall not refer or order the parties involved to mediation or other nonjudicial procedures prior to judicial resolution of the action.

86 Acts, ch 1179, §4

**236.14 Initial appearance required — contact to be prohibited — extension of no-contact order.** Repealed by 2006 Acts, ch 1101, § 21. See chapter 664A.

**236.15 Application for designation and funding as a provider of services for victims of domestic abuse.**

Upon receipt of state or federal funding designated for victims of domestic abuse by the department, a public or private nonprofit organization may apply to the department for designation and funding as a provider of emergency shelter services and support services to victims of domestic abuse or sexual assault. The application shall be submitted on a form prescribed by the department and shall include, but not be limited to, information regarding services to be provided, budget, and security measures.

85 Acts, ch 175, §6; 89 Acts, ch 279, §5; 91 Acts, ch 218, §13

**236.15A** Repealed by 97 Acts, ch 158, § 48; 97 Acts, ch 209, § 13, 15.

**236.15B Income tax checkoff for domestic abuse services.** Repealed by 2003 Acts, ch 44, § 111.

**236.16 Department powers and duties.**

1. The department shall:

*a.* Designate and award grants for existing and pilot programs pursuant to this chapter to provide emergency shelter services and support services to victims of domestic abuse.

*b.* Design and implement a uniform method of collecting data from domestic abuse organizations funded under this chapter.

*c.* Designate and award moneys for publicizing and staffing a statewide, toll-free telephone hotline for use by victims of domestic abuse. The department may award a grant to a public agency or a private, nonprofit organization for the purpose of operating the hotline. The operation of the hotline shall include informing victims of their rights and of various community services that are available, referring victims to service providers, receiving complaints concerning misconduct by peace officers and encouraging victims to refer such complaints to the office of ombudsman, providing counseling services to victims over the telephone, and providing domestic abuse victim advocacy.

*d.* Advertise the toll-free telephone hotline through the use of public service announcements, billboards, print and broadcast media services, and other appropriate means, and contact media organizations to encourage the provision of free or inexpensive advertising concerning the hotline and its services.

*e.* Develop, with the assistance of the entity operating the telephone hotline and other domestic abuse victim services providers, brochures explaining the rights of victims set forth under section 236.12 and the services of the telephone hotline, and distribute the brochures to law enforcement agencies, victim service providers, health practitioners, charitable and religious organizations, and other entities that may have contact with victims of domestic abuse.

2. The department shall consult and cooperate with all public and private agencies which may provide services to victims of domestic abuse, including but not limited to, legal services, social services, prospective employment opportunities, and unemployment benefits.

3. The department may accept, use, and dispose of contributions of money, services, and property made available by an agency or department of the state or federal government, or a private agency or individual.

85 Acts, ch 175, §7; 89 Acts, ch 279, §6; 91 Acts, ch 218, §15; 2013 Acts, ch 10, §30
Subsection 1, paragraph c amended

**236.17 Domestic abuse training requirements.**

The department, in cooperation with victim service providers, shall work with various professional organizations to encourage organizations to establish training programs for professionals who work in the area of domestic abuse prevention and services. Domestic abuse training may include, but is not limited to, the following areas:

1. The enforcement of both civil and criminal remedies in domestic abuse matters.
2. The nature, extent, and causes of domestic abuse.

3. The legal rights and remedies available to domestic abuse victims, including crime victim compensation.

4. Services available to domestic abuse victims and their children, including the domestic abuse telephone hotline.

5. The mandatory arrest provisions of section 236.12, and other duties of peace officers pursuant to this chapter.

6. Techniques for intervention in domestic abuse cases.

91 Acts, ch 218, §16; 91 Acts, ch 219, §33

**236.18 Reference to certain criminal provisions.**

In addition to the provisions contained in this chapter, certain criminal penalties and provisions pertaining to domestic abuse assaults are set forth in chapter 664A and sections 708.2A and 708.2B.

91 Acts, ch 218, §17; 2012 Acts, ch 1021, §52

**236.19 Foreign protective orders — registration — enforcement.**

1. As used in this section, *"foreign protective order"* means a protective order entered by a court of another state, Indian tribe, or United States territory that would be an order or court-approved consent agreement entered under this chapter, a temporary or permanent protective order or order to vacate the homestead under chapter 598, or an order that establishes conditions of release or is a protective order or sentencing order in a criminal prosecution arising from a domestic abuse assault if it had been entered in Iowa.

2. A certified or authenticated copy of a permanent foreign protective order may be filed with the clerk of the district court in any county that would have venue if the original action was being commenced in this state or in which the person in whose favor the order was entered may be present.

*a.* The clerk shall file foreign protective orders that are not certified or authenticated, if supported by an affidavit of a person with personal knowledge, subject to the penalties for perjury. The person protected by the order may provide this affidavit.

*b.* The clerk shall provide copies of the order as required by section 236.5, except that notice shall not be provided to the respondent without the express written direction of the person in whose favor the order was entered.

3. *a.* A valid foreign protective order has the same effect and shall be enforced in the same manner as a protective order issued in this state whether or not filed with a clerk of court or otherwise placed in a registry of protective orders.

*b.* A foreign protective order is valid if it meets all of the following:

(1) The order states the name of the protected individual and the individual against whom enforcement is sought.

(2) The order has not expired.

(3) The order was issued by a court or tribunal that had jurisdiction over the parties and subject matter under the law of the foreign jurisdiction.

(4) The order was issued in accordance with the respondent's due process rights, either after the respondent was provided with reasonable notice and an opportunity to be heard before the court or tribunal that issued the order, or in the case of an ex parte order, the respondent was granted notice and opportunity to be heard within a reasonable time after the order was issued.

*c.* Proof that a foreign protective order failed to meet all of the factors listed in paragraph *"b"* shall be an affirmative defense in any action seeking enforcement of the order.

4. A peace officer shall treat a foreign protective order as a valid legal document and shall make an arrest for a violation of the foreign protective order in the same manner that a peace officer would make an arrest for a violation of a protective order issued within this state.

*a.* The fact that a foreign protective order has not been filed with the clerk of court or otherwise placed in a registry shall not be grounds to refuse to enforce the terms of the order unless it is apparent to the officer that the order is invalid on its face.

*b.* A peace officer acting reasonably and in good faith in connection with the enforcement

of a foreign protective order shall be immune from civil and criminal liability in any action arising in connection with such enforcement.

5. Filing and service costs in connection with foreign protective orders are waived as provided in section 236.3.

95 Acts, ch 180, §13; 99 Acts, ch 57, §2; 2000 Acts, ch 1132, §2; 2001 Acts, ch 43, §2
Referred to in §664A.1

**236.20 Mutual protective orders prohibited — exceptions.**

A court in an action under this chapter shall not issue mutual protective orders against the victim and the abuser unless both file a petition requesting a protective order.

95 Acts, ch 180, §14

# CHAPTER 236A

## CONFIDENTIAL COMMUNICATIONS — COUNSELORS AND VICTIMS

Repealed by 99 Acts, ch 114, §54; see §915.20A

# CHAPTER 237

## CHILD FOSTER CARE FACILITIES

Referred to in §232.69, 232.196, 234.7, 235A.15, 237A.3A, 237B.1, 261.2, 335.25, 414.22, 423.3

Multidimensional treatment level foster care pilot project for children transitioning from psychiatric medical institutions for children; 2006 Acts, ch 1123, §1; 2007 Acts, ch 218, §46, 47

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## DIVISION I

## CHILD FOSTER CARE

**237.1 Definitions.**

As used in this chapter:

1. *"Administrator"* means the administrator of that division of the department designated by the director of human services to administer this chapter or the administrator's designee.

2. *"Agency"* means a person, as defined in section 4.1, subsection 20, which provides child foster care and which does not meet the definition of an individual in subsection 7.

3. *"Child"* means child as defined in section 234.1, subsection 2.

4. *"Child foster care"* means the provision of parental nurturing, including but not limited to the furnishing of food, lodging, training, education, supervision, treatment or other care, to a child on a full-time basis by a person other than a relative or guardian of the child, but does not include:

*a.* Care furnished by an individual person who receives the child of a personal friend as an occasional and personal guest in the individual person's home, free of charge and not as a business.

*b.* Care furnished by an individual person with whom a child has been placed for lawful adoption, unless that adoption is not completed within two years after placement.

*c.* Care furnished by a private boarding school subject to approval by the state board of education pursuant to section 256.11.

*d.* Child care furnished by a child care center, a child development home, or a child care home as defined in section 237A.1.

*e.* Care furnished in a hospital licensed under chapter 135B or care furnished in a nursing facility licensed under chapter 135C.

5. *"Department"* means the department of human services.

6. *"Facility"* means the personnel, program, physical plant, and equipment of a licensee.

7. *"Individual"* means an individual person or a married couple who provides child foster care in a single-family home environment and which does not meet the definition of an agency in subsection 2.

8. *"Licensee"* means an individual or an agency licensed by the administrator under this chapter.

[C27, 31, 35, §3661-a42, -a43; C39, §**3661.056, 3661.057;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §237.1, 237.2; C81, §237.1; 82 Acts, ch 1016, §1]

83 Acts, ch 96, §157, 159; 86 Acts, ch 1245, §1418; 87 Acts, ch 44, §1; 90 Acts, ch 1039, §14; 99 Acts, ch 192, §29; 2002 Acts, ch 1142, §2, 31

Referred to in §16.1, 237.4, 237.13, 282.19, 423.3

**237.2 Purpose.**

It is the policy of this state to provide appropriate protection for children who are separated from the direct personal care of their parents, relatives, or guardians and, as a result, are subject to difficulty in achieving appropriate physical, mental, emotional, educational, or social development. This chapter shall be construed and administered to further that policy by assuring that child foster care is adequately provided by competently staffed and well-equipped child foster care facilities, including but not limited to residential treatment centers, group homes, and foster family homes.

[C81, §237.2]

**237.3 Rules.**

1. Except as otherwise provided by subsections 3 and 4, the administrator shall promulgate, after their adoption by the council on human services, and enforce in accordance with chapter 17A, administrative rules necessary to implement this chapter. Formulation of the rules shall include consultation with representatives of child foster care providers, and other persons affected by this chapter. The rules shall encourage the provision of child foster care in a single-family, home environment, exempting the single-family, home facility from inappropriate rules.

2. Rules applicable to licensees shall include but are not limited to:

*a.* Types of facilities which include but are not limited to group foster care facilities and family foster care homes.

*b.* The number, qualifications, character, and parenting ability of personnel necessary to assure the health, safety and welfare of children receiving child foster care.

*c.* Programs for education and in-service training of personnel.

*d.* The physical environment of a facility.

*e.* Policies for intake, assessment, admission and discharge.

*f.* Housing, health, safety, and medical care policies for children receiving child foster care. The medical care policies shall include but are not limited to all of the following:

(1) Provision by the department to the foster care provider at or before the time of a child's placement of the child's health records and any other information possessed or known about the health of the child or about a member of the child's family that pertains to the child's health.

(2) If the health records supplied in accordance with the child's case permanency plan to the foster care provider are incomplete or the provider requests specific health information, provision for obtaining additional health information from the child's parent or other source and supplying the additional information to the foster care provider.

(3) Provision for emergency health coverage of the child while the child is engaged in temporary out-of-state travel with the child's foster family.

*g.* (1) The adequacy of programs available to children receiving child foster care provided by agencies, including but not limited to:

(a) Dietary services.

(b) Social services.

(c) Activity programs.

(d) Behavior management procedures.

(e) Educational programs, including special education as defined in section 256B.2, subsection 1, paragraph *"b"*, where appropriate, which are approved by the state board of education.

(2) The department shall not promulgate rules which regulate individual licensees in the subject areas enumerated in this paragraph *"g"*.

*h.* Policies for involvement of biological parents.

*i.* Records a licensee is required to keep, and reports a licensee is required to make to the administrator.

*j.* Prior to the licensing of an individual as a foster family home, a required, written social assessment of the quality of the living situation in the home of the individual, and a required compilation of personal references for the individual other than those references given by the individual.

*k.* Elements of a foster care placement agreement outlining rights and responsibilities associated with an individual providing family foster care. The rights and responsibilities shall include but are not limited to all of the following:

(1) Receiving information prior to the child's placement regarding risk factors concerning the child that are known to the department, including but not limited to notice if the child is required to register under chapter 692A.

(2) Having regularly scheduled meetings with each case manager assigned to the child.

(3) Receiving access to any reports prepared by a service provider who is working with the child unless the access is prohibited by state or federal law.

3. Rules governing fire safety in facilities with child foster care provided by agencies shall be promulgated by the state fire marshal pursuant to section 100.1, subsection 5 after consultation with the administrator.

4. Rules governing sanitation, water and waste disposal standards for facilities shall be promulgated by the Iowa department of public health pursuant to section 135.11, subsection 12, after consultation with the administrator.

5. In case of a conflict between rules promulgated pursuant to subsections 3 and 4 and local rules, the more stringent requirement applies.

6. Rules of the department shall not prohibit the licensing, as foster family homes, of individuals who are departmental employees not directly engaged in the administration of the child foster care program pursuant to this chapter.

7. If an agency is accredited by the joint commission on the accreditation of health care organizations under the commission's consolidated standards for residential settings or by the council on accreditation of services for families and children, the department shall modify facility licensure standards applied to the agency in order to avoid duplicating standards applied through accreditation.

8. The department, in consultation with the judicial branch, the division of criminal and juvenile justice planning of the department of human rights, residential treatment providers, the foster care provider association, and other parties which may be affected, shall review the licensing rules pertaining to residential treatment facilities, and examine whether the rules allow the facilities to accept and provide effective treatment to juveniles with serious problems who might not otherwise be placed in those facilities.

9. The department shall adopt rules specifying the elements of a preadoptive care agreement outlining the rights and responsibilities associated with a person providing preadoptive care, as defined in section 232.2.

10. The department shall adopt rules to administer the exception to the definition of child care in section 237A.1, subsection 3, paragraph "*m*", allowing a child care facility, for purposes of providing respite care to a foster family home, to provide care, supervision, or guidance of a child for a period of twenty-four hours or more who is placed with the licensed foster family home.

[C27, 31, 35, §3661-a52; C39, §**3661.066;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §237.11; C81, §237.3]

83 Acts, ch 96, §157, 159; 89 Acts, ch 283, §26; 90 Acts, ch 1023, §1; 92 Acts, ch 1231, §39; 93 Acts, ch 172, §40; 94 Acts, ch 1046, §5; 97 Acts, ch 164, §5, 6; 98 Acts, ch 1047, §25; 2001 Acts, ch 105, §1, 2, 4; 2002 Acts, ch 1102, §1, 2; 2006 Acts, ch 1160, §2; 2009 Acts, ch 41, §241; 2009 Acts, ch 133, §232; 2010 Acts, ch 1193, §115, 116

Referred to in §135H.4, 135H.6

2006 amendment to subsection 2, paragraph k, may be cited as the "Foster Parents Bill of Rights"; 2006 Acts, ch 1160, §1

**237.4 License required — exceptions.**

An individual or an agency, as defined in section 237.1, shall not provide child foster care unless the individual or agency obtains a license issued by the administrator under this chapter. However, a license is not required of the following:

1. An individual providing child foster care for a total of not more than twenty days in one calendar year.

2. A residential care facility licensed under chapter 135C which is approved for the care of children.

3. A hospital licensed under chapter 135B.

4. A health care facility licensed under chapter 135C.

5. A juvenile detention home or juvenile shelter care home approved under section 232.142.

6. An institution listed in section 218.1.

7. A facility licensed under chapter 125.

8. An individual providing child care as a babysitter at the request of a parent, guardian or relative having lawful custody of the child.

[C27, 31, 35, §3661-a49; C39, §**3661.063;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §237.8; C81, §237.4; 82 Acts, ch 1016, §2]

84 Acts, ch 1050, §1; 87 Acts, ch 44, §2

Referred to in §709.16

**237.5 License application and issuance — denial, suspension, or revocation — provisional licenses.**

1. An individual or an agency shall apply for a license by completing an application to the administrator upon forms furnished by the administrator. The administrator shall issue or reissue a license if the administrator determines that the applicant or licensee is or upon commencing operation will provide child foster care in compliance with this chapter. An initial license for an individual is valid for one year from the date of issuance. After the first two years of licensure, a license for an individual is valid for two years from the most recent date of issuance except that the administrator, within the administrator's discretion and based upon the performance of the licensee, may require annual renewal of the license or may issue a provisional license pursuant to subsection 3. A license for an agency is valid for up to three years from the date of issuance for the period determined by the administrator in accordance with administrative rules providing criteria for making the determination. The license shall

state on its face the name of the licensee, the type of facility, the particular premises for which the license is issued, and the number of children who may be cared for by the facility on the premises at one time. The license shall be posted in a conspicuous place in the physical plant of the facility, except that if the facility is in a single-family home the license may be kept where it is readily available for examination upon request.

2. The administrator, after notice and opportunity for an evidentiary hearing, may deny an application for a license, and may suspend or revoke a license, if the applicant or licensee violates this chapter or the rules promulgated pursuant to this chapter, or knowingly makes a false statement concerning a material fact or conceals a material fact on the license application or in a report regarding operation of the facility submitted to the administrator.

3. The administrator may issue a provisional license for not more than one year to a licensee whose facility does not meet the requirements of this chapter, if written plans to bring the facility into compliance with the applicable requirements are submitted to and approved by the administrator. The plans shall state a specific time when compliance will be achieved. Only one provisional license shall be issued for a facility by reason of the same deficiency.

[C27, 31, 35, §3661-a44, -a46, -a51, -a53, -a54; C39, §**3661.058, 3661.060, 3661.065, 3661.067, 3661.068;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §237.3, 237.5, 237.10, 237.12, 237.13; C81, §237.5]

87 Acts, ch 153, §15; 2002 Acts, ch 1102, §3; 2012 Acts, ch 1039, §1

**237.5A Foster parent training.**

1. As a condition for initial licensure, each individual licensee shall complete thirty hours of foster parent training offered or approved by the department. However, if the licensee has completed relevant training or has a combination of completed relevant training and experience, and the department deems such training or combination to be an acceptable equivalent to all or a portion of the initial licensure training requirement, or based upon the circumstances of the child and the licensee the department finds there is other good cause, the department may waive all or a portion of the training requirement. Prior to renewal of licensure, each individual licensee shall also annually complete six hours of foster parent training. The training shall include but is not limited to physical care, education, learning disabilities, referral to and receipt of necessary professional services, behavioral assessment and modification, self-assessment, self-living skills, and biological parent contact. An individual licensee may complete the training as part of an approved training program offered by a public or private agency with expertise in the provision of child foster care or in related subject areas. The department shall adopt rules to implement and enforce this training requirement.

2. A licensee who is unable to complete six hours of foster parent training annually prior to licensure renewal because the licensee is engaged in active duty in the military service shall be considered to be in compliance with the training requirement for licensure renewal.

84 Acts, ch 1279, §25; 87 Acts, ch 117, §1; 2002 Acts, ch 1102, §4; 2004 Acts, ch 1116, §19; 2006 Acts, ch 1159, §6; 2012 Acts, ch 1039, §2

**237.6 Restricted use of facility.**

A licensee shall not furnish child foster care in a building or on premises not designated in the license. A licensee shall not furnish child foster care to a greater number of children than is designated in the license, unless the administrator so authorizes. Multiple licenses authorizing separate and distinct parts of a facility to provide different categories of child foster care may be issued.

[C27, 31, 35, §3661-a50; C39, §**3661.064;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §237.9; C81, §237.6]

**237.7 Reports and inspections.**

The administrator may require submission of reports by a licensee, and shall cause at least one annual unannounced inspection of each facility to assess the quality of the living situation and to determine compliance with applicable requirements and standards. The

inspections shall be conducted by the department of inspections and appeals. The director of the department of inspections and appeals may examine records of a licensee, including but not limited to corporate records and board minutes, and may inquire into matters concerning a licensee and its employees relating to requirements and standards for child foster care under this chapter.

[C27, 31, 35, §3661-a55; C39, §**3661.069;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §237.14; C81, §237.7]

90 Acts, ch 1204, §53

**237.8 Personnel.**

1. A person shall not be allowed to provide services in a facility if the person has a disease which is transmissible to other persons through required contact in the workplace, which presents a significant risk of infecting other persons, which presents a substantial possibility of harming other persons, or for which no reasonable accommodation can eliminate the risk of infecting other persons.

2. *a.* (1) If a person is being considered for licensure under this chapter, or for employment involving direct responsibility for a child or with access to a child when the child is alone, by a licensee under this chapter, or if a person will reside in a facility utilized by a licensee, and if the person has been convicted of a crime or has a record of founded child abuse, the department and the licensee for an employee of the licensee shall perform an evaluation to determine whether the crime or founded child abuse warrants prohibition of licensure, employment, or residence in the facility. The department shall conduct criminal and child abuse record checks in this state and may conduct these checks in other states. The evaluation shall be performed in accordance with procedures adopted for this purpose by the department.

(2) For an individual subject to licensure under this chapter as a foster parent, in addition to the record checks conducted under subparagraph (1), the individual's fingerprints shall be provided to the department of public safety for submission through the state criminal history repository to the United States department of justice, federal bureau of investigation for a national criminal history check. The cost of the criminal history check conducted under this subparagraph is the responsibility of the department of human services.

(3) If the criminal and child abuse record checks conducted in this state under subparagraph (1) for an individual being considered for licensure as a foster parent have been completed and the individual either does not have a record of crime or founded abuse or the department's evaluation of the record has determined that prohibition of the individual's licensure is not warranted, the individual may be provisionally approved for licensure pending the outcome of the fingerprint-based criminal history check conducted pursuant to subparagraph (2).

(4) An individual applying to be a foster parent licensee shall not be granted a license and an evaluation shall not be performed under this subsection if the individual has been convicted of any of the following felony offenses:

(a) Within the five-year period preceding the application date, a drug-related offense.

(b) Child endangerment or neglect or abandonment of a dependent person.

(c) Domestic abuse.

(d) A crime against a child, including but not limited to sexual exploitation of a minor.

(e) A forcible felony.

*b.* Except as otherwise provided in paragraph "*a*", if the department determines that a person has committed a crime or has a record of founded child abuse and is licensed, employed by a licensee, or resides in a licensed facility the department shall notify the licensee that an evaluation will be conducted to determine whether prohibition of the person's licensure, employment, or residence is warranted.

*c.* In an evaluation, the department and the licensee for an employee of the licensee shall consider the nature and seriousness of the crime or founded child abuse in relation to the position sought or held, the time elapsed since the commission of the crime or founded child abuse, the circumstances under which the crime or founded child abuse was committed, the degree of rehabilitation, the likelihood that the person will commit the crime or founded

child abuse again, and the number of crimes or founded child abuses committed by the person involved. The department may permit a person who is evaluated to be licensed, employed, or to reside, or to continue to be licensed, employed, or to reside in a licensed facility, if the person complies with the department's conditions relating to the person's licensure, employment, or residence, which may include completion of additional training. For an employee of a licensee, these conditional requirements shall be developed with the licensee. The department has final authority in determining whether prohibition of the person's licensure, employment, or residence is warranted and in developing any conditional requirements under this paragraph.

*d.* If the department determines that the person has committed a crime or has a record of founded child abuse which warrants prohibition of licensure, employment, or residence, the person shall not be licensed under this chapter and shall not be employed by a licensee or reside in a licensed facility.

3. In addition to the record checks required under subsection 2, the department of human services may conduct dependent adult abuse record checks in this state and may conduct these checks in other states, on a random basis. The provisions of subsection 2, relative to an evaluation following a determination that a person has been convicted of a crime or has a record of founded child abuse, shall also apply to a random check conducted under this subsection.

4. On or after July 1, 1994, a licensee shall inform all new applicants for employment of the possibility of the performance of a record check and shall obtain, from the applicant, a signed acknowledgment of the receipt of the information.

5. On or after July 1, 1994, a licensee shall include the following inquiry in an application for employment:

Do you have a record of founded child or dependent adult abuse or have you ever been convicted of a crime, in this state or any other state?

[C81, §237.8]

87 Acts, ch 153, §16; 88 Acts, ch 1134, §57; 89 Acts, ch 283, §27; 90 Acts, ch 1221, §7; 91 Acts, ch 138, §7; 94 Acts, ch 1130, §14; 98 Acts, ch 1190, §29; 2007 Acts, ch 172, §12

Referred to in §232.142

**237.9 Confidential information.**

A person who receives information from or through the department concerning a child who has received or is receiving child foster care, a relative or guardian of the child, a single-family, home licensee, or an individual employee of a licensee, shall not disclose that information directly or indirectly, except as authorized by section 217.30, or as authorized or required by section 232.69.

[C81, §237.9]

**237.10** Repealed by 82 Acts, ch 1213, § 6.

**237.11 Penalty.**

An individual or an agency who provides child foster care without obtaining a license under this chapter or who knowingly violates this chapter or the rules promulgated pursuant to this chapter is guilty of a serious misdemeanor.

[C27, 31, 35, §3661-a57; C39, §**3661.071;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §237.16; C81, §237.11]

**237.12 Injunctive relief.**

An individual or an agency who provides child foster care without obtaining a license under this chapter or who knowingly violates this chapter or the rules promulgated pursuant to this chapter may be temporarily or permanently enjoined by a court in an action brought by the state, a political subdivision of the state or an interested person.

[C58, 62, 66, 71, 73, 75, 77, 79, §237.16; C81, §237.12]

**237.13 Foster home insurance fund.**

1. For the purposes of this section, "*foster home*" means an individual, as defined in section 237.1, subsection 7, who is licensed to provide child foster care and shall also be known as a "*licensed foster home*".

2. The foster home insurance fund is created within the office of the treasurer of state to be administered by the department of human services. The fund consists of all moneys appropriated by the general assembly for deposit in the fund. The general fund of the state is not liable for claims presented against the fund. The department may contract with another state agency, or private organization, to perform the administrative functions necessary to carry out this section.

3. Except as provided in this section, the fund shall pay, on behalf of each licensed foster home, any valid and approved claim of foster children, their parents, guardians, or guardians ad litem, for damages arising from the foster care relationship and the provision of foster care services. The fund shall also compensate licensed foster homes for property damage, at replacement cost, or for bodily injury, as a result of the activities of the foster child, and reasonable and necessary legal fees incurred in defense of civil claims filed pursuant to subsection 6, paragraph "*d*", and any judgments awarded as a result of such claims.

4. The fund is not liable for any of the following:

*a.* A loss arising out of a foster parent's dishonest, fraudulent, criminal, or intentional act.

*b.* An occurrence which does not arise from the foster care relationship.

*c.* A bodily injury arising out of the operation or use of a motor vehicle, aircraft, recreational vehicle, or watercraft owned, operated by, rented, leased, or loaned to, a foster parent.

*d.* A loss arising out of a foster parent's lascivious acts, indecent contact, or sexual activity, as defined in chapters 702 and 709. Notwithstanding any definition to the contrary in chapters 702 and 709, for purposes of this subsection a child is a person under the age of eighteen.

*e.* A loss or damage arising out of occurrences prior to July 1, 1988.

*f.* Exemplary or punitive damages.

*g.* A loss or damage arising out of conduct which is in violation of administrative rules.

5. The fund is not liable for the first one hundred dollars for all claims arising out of one or more occurrences during a fiscal year related to a single foster home. The fund is not liable for damages in excess of three hundred thousand dollars for all claims arising out of one or more occurrences during a fiscal year related to a single home.

6. Procedures for claims against the fund:

*a.* A claim against the fund shall be filed in accordance with the claims procedures and on forms prescribed by the department of human services.

*b.* A claim shall be submitted to the fund within the applicable period of limitations for the appropriate civil action underlying the claim. If a claim is not submitted to the fund within the applicable time, the claim shall be rejected.

*c.* The department shall issue a decision on a claim within one hundred eighty days of its presentation.

*d.* A person shall not bring a civil action against a foster parent for which the fund may be liable unless that person has first filed a claim against the fund and the claim has been rejected, or the claim has been filed, approved, and paid in part, and damages in excess of the payment are claimed.

7. All processing of decisions and reports, payment of claims, and other administrative actions relating to the fund shall be conducted by the department of human services.

8. The department of human services shall adopt rules, pursuant to chapter 17A, to carry out the provisions of this section.

88 Acts, ch 1223, §1; 89 Acts, ch 178, §4; 93 Acts, ch 172, §41; 99 Acts, ch 55, §1 – 5; 2001 Acts, ch 135, §1, 2; 2011 Acts, ch 98, §2, 3

**237.14 Enhanced foster care services.**

The department shall provide for enhanced foster care services by establishing supplemental per diem or performance-based contracts which include payment of costs relating to payments of principal and interest for bonds and notes issued pursuant to

section 16.155 with facilities licensed under this chapter which provide special services to children who would otherwise be placed in a state juvenile institution or an out-of-state program. Before completion of the department's budget estimate as required by section 8.23, the department shall determine and include in the estimate the amount which should be appropriated for enhanced foster care services for the forthcoming fiscal year in order to provide sufficient services.

90 Acts, ch 1239, §14

## DIVISION II

## FOSTER CARE REVIEW

**237.15 Definitions.**

For the purposes of this division unless otherwise defined:

1. *"Case permanency plan"* means the same as defined in section 232.2, subsection 4, except the plan shall also include the following:

*a.* The efforts to place the child with a relative.

*b.* The rationale for an out-of-state placement, and the efforts to prevent such placement, if the child has been placed out-of-state.

*c.* Time frames to meet the stated permanency goal and short-term objectives.

2. *"Child receiving foster care"* means a child defined in section 234.1 who is described by any of the following circumstances:

*a.* The child's foster care placement is the financial responsibility of the state pursuant to section 234.35.

*b.* The child is under the guardianship of the department.

*c.* The child has been involuntarily hospitalized for mental illness pursuant to chapter 229.

*d.* The child is at-risk of being placed outside the child's home, the department or court is providing or planning to provide services to the child, and the department or court has requested the involvement of the state or local board.

3. *"Court appointed special advocate"* means the same as defined in section 232.2.

4. *"Family"* means the social unit consisting of the child and the biological or adoptive parent, stepparent, brother, sister, stepbrother, stepsister, and grandparent of the child.

5. *"Local board"* means a local citizen foster care review board created pursuant to section 237.19.

6. *"Person or court responsible for the child"* means the department, including but not limited to the department of human services, agency, or individual who is the guardian of a child by court order issued by the juvenile or district court and has the responsibility of the care of the child, or the court having jurisdiction over the child.

7. *"State board"* means the child advocacy board created pursuant to section 237.16.

84 Acts, ch 1279, §26; 88 Acts, ch 1233, §1, 2; 89 Acts, ch 296, §22; 90 Acts, ch 1270, §46; 91 Acts, ch 232, §11; 92 Acts, ch 1141, §5; 92 Acts, ch 1231, §40; 94 Acts, ch 1046, §6; 95 Acts, ch 182, §18, 19; 2000 Acts, ch 1067, §13; 2002 Acts, ch 1162, §20, 21

Referred to in §234.39

**237.16 Child advocacy board.**

1. The child advocacy board is created within the department of inspections and appeals. The state board consists of nine members appointed by the governor, subject to confirmation by the senate and directly responsible to the governor. One member shall be an active court appointed special advocate volunteer, one member shall be an active member of a local citizen foster care review board, and one member shall be a judicial branch employee or judicial officer appointed from nominees submitted by the judicial branch. The appointment is for a term of four years that begins and ends as provided in section 69.19. Vacancies on the state board shall be filled in the same manner as original appointments are made.

2. The members of the state board shall annually select a chairperson, vice chairperson, and other officers the members deem necessary. The members may be entitled to receive

reimbursement for actual and necessary expenses incurred in the performance of their duties, subject to available funding. Each member of the board may also be eligible to receive compensation as provided in section 7E.6. The state board shall meet at least twice a year.

3. An employee of the department or of the department of inspections and appeals, an employee of a child-placing agency, an employee of an agency with which the department contracts for services for children under foster care, a foster parent providing foster care, or an employee of the district court is not eligible to serve on the state board. However, the judicial branch employee or judicial officer appointed from nominees submitted by the judicial branch in accordance with subsection 1 shall be eligible to serve on the state board.

84 Acts, ch 1279, §27; 86 Acts, ch 1245, §549; 88 Acts, ch 1233, §3; 89 Acts, ch 296, §23; 92 Acts, ch 1141, §6; 92 Acts, ch 1242, §27; 2002 Acts, ch 1162, §22; 2002 Acts, 2nd Ex, ch 1003, §239, 262; 2006 Acts, ch 1049, §1

Referred to in §10A.104, 232.2, 232.13, 232.147, 232.149A, 235A.15, 237.15

Confirmation, see §2.32

**237.17 Foster care registry.**

The state board shall establish a registry of the placements of all children receiving foster care. The department shall notify the state board of each placement within five working days of the department's notification of the placement. The notification to the state board shall include information identifying the child receiving foster care and placement information for that child.

Within thirty days of the placement or two days after the dispositional hearing the agency responsible for the placement shall submit the case permanency plan to the state board. All subsequent revisions of the case permanency plan shall be submitted when the revisions are developed.

84 Acts, ch 1279, §28; 88 Acts, ch 1233, §4

**237.18 Duties of state board.**

The state board shall:

1. Review the activities and actions of local boards.

2. Adopt rules pursuant to chapter 17A to:

*a.* Establish a recordkeeping system for the files of local review boards including individual case reviews.

*b.* Accumulate data and develop an annual report regarding children in foster care. The report shall include:

(1) Personal data regarding the total number of days of foster care provided and the characteristics of the children receiving foster care.

(2) The number of placements of children in foster care.

(3) The frequency and results of court reviews.

*c.* Evaluate the judicial and administrative data collected on foster care and disseminate the data to the governor, the supreme court, the chief judge of each judicial district, the department, and child-placing agencies.

*d.* Establish mandatory training programs for members of the state and local review boards including an initial training program and periodic in-service training programs. Training shall focus on, but not be limited to, the following:

(1) The history, philosophy and role of the juvenile court in the child protection system.

(2) Juvenile court procedures under the juvenile justice act.

(3) The foster care administrative review process of the department of human services.

(4) The role and procedures of the citizen's foster care review system.

(5) The Adoption Assistance and Child Welfare Act of 1980, Pub. L. No. 96-272.

(6) The purpose of case permanency plans, and the type of information that will be available in those plans.

(7) The situations where the goals of either reuniting the child with the child's family or adoption would be appropriate.

(8) The legal processes that may lead to foster care placement.

(9) The types and number of children involved in those legal processes.

(10) The types of foster care placement available, with emphasis on the types and number of facilities available on a regional basis.

(11) The impact of specific physical or mental conditions of a child on the type of placement most appropriate and the kind of progress that should be expected in those situations.

*e.* Establish procedures for the local review board consistent with the provisions of section 237.20.

*f.* Establish grounds and procedures for removal of a local review board member.

*g.* Establish procedures and protocols for administering the court appointed special advocate program in accordance with subsection 7.

3. Assign the cases of children receiving foster care to the appropriate local boards.

4. Assist local boards in reviewing cases of children receiving foster care, as provided in section 237.20.

5. Employ appropriate staff in accordance with available funding. The board shall coordinate with the department of inspections and appeals regarding administrative functions of the board.

6. In conjunction with the legislative services agency and in consultation with the department of human services, supreme court, and private foster care providers, develop and maintain an evaluation program regarding citizen foster care review programming. The evaluation program shall be designed to evaluate the effectiveness of citizen reviews in improving case permanency planning and meeting case permanency planning goals, identify the amount of time children spend in foster care placements, and identify problem issues in the foster care system. The state board shall submit an annual evaluation report to the governor and the general assembly.

7. Administer the court appointed special advocate program, including but not limited to performance of all of the following:

*a.* Establish standards for the program, including but not limited to standards for selection and screening of volunteers, preservice training, ongoing education, and assignment and supervision of volunteers. Identifying information concerning a court appointed special advocate, other than the advocate's name, shall not be considered to be a public record under chapter 22.

*b.* Implement the court appointed special advocate program in additional areas of the state.

*c.* Promote adherence to the national guidelines for state and local court appointed special advocate programs.

*d.* Issue an annual report of the court appointed special advocate program for submission to the general assembly, the governor, and the supreme court.

*e.* Employ appropriate court appointed special advocate program staff in accordance with available funding. The state board shall coordinate with the department of inspections and appeals the performance of the administrative functions of the state board.

8. Receive gifts, grants, or donations made for any of the purposes of the state board's programs and disburse and administer the funds received in accordance with the terms of the donor and under the direction of program staff. The funds received shall be used according to any restrictions attached to the funds and any unrestricted funds shall be retained and applied to the applicable program budget for the next succeeding fiscal year.

9. Make recommendations to the general assembly, the department, to child-placing agencies, the governor, the supreme court, the chief judge of each judicial district, and to the judicial branch. The recommendations shall include but are not limited to identification of systemic problems in the foster care and the juvenile justice systems, specific proposals for improvements that assist the systems in being more cost-effective and better able to protect the best interests of children, and necessary changes relating to the data collected and the annual report made under subsection 2, paragraph "*b*".

84 Acts, ch 1279, §29; 88 Acts, ch 1233, §5 – 8; 92 Acts, ch 1141, §7; 92 Acts, ch 1242, §28; 98 Acts, ch 1047, §26; 2002 Acts, ch 1162, §23, 24; 2003 Acts, ch 35, §45, 49; 2009 Acts, ch 41, §98; 2009 Acts, ch 181, §113

**237.19 Local citizen foster care review boards.**

1. The state board shall establish local citizen foster care review boards to review cases of children receiving foster care. The department shall discontinue its foster care review process for those children reviewed by local boards as local boards are established and operating. The state board shall select five members and two alternate members to serve on each local board in consultation with the chief judge of each judicial district. The actual number of local boards needed and established shall be determined by the state board. The members of each local board shall consist of persons of the various social, economic, racial, and ethnic groups and various occupations of their district. A person employed by the state board or the department, the department of inspections and appeals, the district court, an employee of an agency with which the department contracts for services for children under foster care, a foster parent providing foster care, or a child-placing agency shall not serve on a local board. The state board shall provide the names of the members of the local boards to the department.

2. Vacancies on a local board shall be filled in the same manner as original appointments. The members shall not receive per diem but shall receive reimbursement for actual and necessary expenses incurred in their duties as members.

84 Acts, ch 1279, §30; 88 Acts, ch 1233, §9; 92 Acts, ch 1141, §8

Referred to in §232.13, 232.147, 232.149A, 235A.15, 237.15

Local boards to be established in additional judicial districts as moneys become available; 88 Acts, ch 1233, §21

**237.20 Local board duties.**

A local board shall, except in delinquency cases, do the following:

1. Review the case of each child receiving foster care assigned to the local board by the state board to determine whether satisfactory progress is being made toward the goals of the case permanency plan pursuant to section 237.22. The timing and frequency of a review of each case by a local board shall take into consideration the permanency goals, placement setting, and frequency of any court reviews of the case.

*a.* During each review, the agency responsible for the placement of or services provided to the child shall attend the review and the local board shall review all of the following:

(1) The past, current, and future status of the child and placement as shown through the case permanency plan and case progress reports submitted by the agency responsible for the placement of the child and other information the board may require.

(2) The efforts of the agency responsible for the placement of the child to locate and provide services to the biological or adoptive parents of the child.

(3) The efforts of the agency responsible for the placement of the child to facilitate the return of the child to the home or to find an alternative permanent placement other than foster care if reunion with the parent or previous custodian is not feasible. The agency shall report to the board all factors which either favor or mitigate against a decision or alternative with regard to these matters.

(4) Any problems, solutions, or alternatives which may be capable of investigation, or other matters with regard to the child which the agency responsible for the placement of the child or the board feels should be investigated with regard to the best interests of the state or of the child.

(5) The compliance of the interested parties with the decision-making rights and responsibilities contained in the family foster care or preadoptive care agreement applicable to a child.

*b.* The review shall include issues pertaining to the case permanency plan and shall not include issues that do not pertain to the case permanency plan. A person notified pursuant to subsection 4 shall either attend the review or submit testimony as requested by the local board or in accordance with a written protocol jointly developed by the state board and the department. Oral testimony may, upon the request of the testifier or upon motion of the local board, be given in a private setting when to do so would facilitate the presentation of evidence. Local board questions shall pertain to the permanency plan and shall not include issues that do not pertain to the permanency plan.

*c.* A person who gives oral testimony has the right to representation by counsel at the review.

*d.* An agency or individual providing services to the child shall submit testimony as requested by the board. The testimony may be written or oral, or may be a tape recorded telephone call. Written testimony from other interested parties may also be considered by the board in its review.

2. *a.* Submit to the appropriate court within fifteen days after the review under subsection 1, the findings and recommendations of the review. The local board shall ensure that the most recent report is available for a court hearing. The report to the court shall include information regarding the case permanency plan and the progress in attaining the permanency goals. The report shall not include issues that do not pertain to the case permanency plan. The findings and recommendations shall include the proposed date of the next review by the local board. The local board shall notify the persons specified in subsection 4 of the findings and recommendations.

*b.* If the person or agency responsible for services provided to the child disagrees with the review findings or recommendations, the person or agency shall respond during the review or submit a statement to the local board and the court within ten working days of receiving the local board's report. The response shall explain the reasons the person or agency disagrees with the board's findings or does not plan to implement the board's recommendations.

3. Encourage placement of the child in the most appropriate setting reflecting the provisions of chapter 232.

4. *a.* Notify the following persons at least ten days before the review of a case of a child receiving foster care:

(1) The person, court, or agency responsible for the child.

(2) The parent or parents of the child unless termination of parental rights has occurred pursuant to section 232.117.

(3) The foster care provider of the child.

(4) The child receiving foster care if the child is fourteen years of age or older. The child shall be informed of the review's purpose and procedure, and of the right to have a guardian ad litem present.

(5) The guardian ad litem of the foster child. An attorney appointed as guardian ad litem shall be eligible for compensation under section 232.141, subsection 2.

(6) The department.

(7) The county attorney.

(8) The person providing services to the child or the child's family.

*b.* The notice shall include a statement that the person notified has the right to representation by counsel at the review.

84 Acts, ch 1279, §31; 88 Acts, ch 1233, §10 – 15; 89 Acts, ch 64, §1 – 3; 92 Acts, ch 1141, §9 – 12; 97 Acts, ch 164, §7; 99 Acts, ch 135, §22; 2003 Acts, ch 151, §8; 2009 Acts, ch 41, §263; 2009 Acts, ch 181, §114

Referred to in §237.18

**237.21 Confidentiality of records — penalty.**

1. The information and records of or provided to a local board, state board, or court appointed special advocate regarding a child receiving foster care and the child's family when relating to the foster care placement are not public records pursuant to chapter 22. The state board and local boards, with respect to hearings involving specific children receiving foster care and the child's family, are not subject to chapter 21.

2. Information and records relating to a child receiving foster care and to the child's family shall be provided to a local board or the state board by the department or child-care agency receiving purchase-of-service funds from the department upon request by either board. A court having jurisdiction of a child receiving foster care shall release the information and records the court deems necessary to determine the needs of the child, if the information and records are not obtainable elsewhere, to a local board or the state board upon request by either board. If confidential information and records are distributed to individual members in advance of a meeting of the state board or a local board, the information and records shall be clearly identified as confidential and the members shall take appropriate steps to prevent unauthorized disclosure.

3. Members of the state board and local boards, court appointed special advocates, and the employees of the department and the department of inspections and appeals are subject to standards of confidentiality pursuant to sections 217.30, 228.6, subsection 1, sections 235A.15, 600.16, and 600.16A. Members of the state and local boards, court appointed special advocates, and employees of the department and the department of inspections and appeals who disclose information or records of the board or department, other than as provided in subsection 2, are guilty of a simple misdemeanor.

84 Acts, ch 1279, §32; 87 Acts, ch 117, §2; 88 Acts, ch 1233, §16, 17; 89 Acts, ch 64, §4; 92 Acts, ch 1196, §1; 2005 Acts, ch 55, §3

Referred to in §135H.13

**237.22 Case permanency plan.**

The agency responsible for the placement of the child shall create a case permanency plan. The plan shall include, but not be limited to:

1. Plans for carrying out the voluntary placement agreement or judicial determination pursuant to which the child entered care.
2. Time frames to meet the stated permanency goal and short-term objectives.
3. The type and appropriateness of the placement and services to be provided to the child.
4. The care and services that will be provided to the child, biological parents, and foster parents.
5. How the care and services will meet the needs of the child while in care and will facilitate the child's return home or other permanent placement.
6. The efforts to place the child with a relative.
7. The rationale for an out-of-state placement, and the efforts to prevent such placement, if the child has been placed out of state.

84 Acts, ch 1279, §33; 88 Acts, ch 1233, §18, 19; 94 Acts, ch 1046, §7

Referred to in §237.20

**237.23** Repealed by 94 Acts, ch 1186, § 37, 38.

# CHAPTER 237A

## CHILD CARE FACILITIES

Referred to in §235A.15, 239B.24, 256C.3, 256I.8, 279.49


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**237A.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Administrator"* means the administrator of the division of the department designated by the director to administer this chapter.

2. *"Child"* means either of the following:

*a.* A person twelve years of age or younger.

*b.* A person thirteen years of age or older but younger than nineteen years of age who has a developmental disability as defined under the federal Developmental Disabilities Assistance and Bill of Rights Act of 2000, Pub. L. No. 106-402, as codified in 42 U.S.C. § 15002(8).

3. *"Child care"* means the care, supervision, and guidance of a child by a person other than the child's parent, guardian, or custodian for periods of less than twenty-four hours per day per child on a regular basis, but does not include care, supervision, and guidance of a child by any of the following:

*a.* An instructional program for children who are attending prekindergarten as defined by the state board of education under section 256.11 or a higher grade level and are at least four years of age administered by any of the following:

(1) A public or nonpublic school system accredited by the department of education or the state board of regents.

(2) A nonpublic school system which is not accredited by the department of education or the state board of regents.

*b.* A program provided under section 279.49 or 280.3A.

*c.* Any of the following church-related programs:

(1) An instructional program.

(2) A youth program other than a preschool, before or after school child care program, or other child care program.

(3) A program providing care to children on church premises while the children's parents are attending church-related or church-sponsored activities on the church premises.

*d.* Short-term classes of less than two weeks' duration held between school terms or during a break within a school term.

*e.* A child care center for sick children operated as part of a pediatrics unit in a hospital licensed by the department of inspections and appeals pursuant to chapter 135B.

*f.* A program operated not more than one day per week by volunteers which meets all of the following conditions:

(1) Not more than eleven children are served per volunteer.

(2) The program operates for less than four hours during any twenty-four-hour period.

(3) The program is provided at no cost to the children's parent, guardian, or custodian.

*g.* A program administered by a political subdivision of the state which is primarily for recreational or social purposes and is limited to children who are five years of age or older and attending school.

*h.* An after school program continuously offered throughout the school year calendar to children who are at least five years of age and are enrolled in school, and attend the program intermittently or a summer-only program for such children. The program must be provided through a nominal membership fee or at no cost.

*i.* A special activity program which meets less than four hours per day for the sole purpose of the special activity. Special activity programs include but are not limited to music or dance classes, organized athletic or sports programs, recreational classes, scouting programs, and hobby or craft clubs or classes.

*j.* A nationally accredited camp.

*k.* A structured program for the purpose of providing therapeutic, rehabilitative, or supervisory services to children under any of the following:

(1) A purchase of service or managed care contract with the department.

(2) A contract approved by a governance board of a decategorization of child welfare and juvenile justice funding project created under section 232.188.

(3) An arrangement approved by a juvenile court order.

*l.* Care provided on-site to children of parents residing in an emergency, homeless, or domestic violence shelter.

*m.* A child care facility providing respite care to a licensed foster family home for a period of twenty-four hours or more to a child who is placed with that licensed foster family home.

*n.* A program offered to a child whose parent, guardian, or custodian is engaged solely in a recreational or social activity, remains immediately available and accessible on the physical premises on which the child's care is provided, and does not engage in employment while the care is provided. However, if the recreational or social activity is provided in a fitness center or on the premises of a nonprofit organization, the parent, guardian, or custodian of the child may be employed to teach or lead the activity.

4. *"Child care center"* or *"center"* means a facility providing child care or preschool services for seven or more children, except when the facility is registered as a child development home.

5. *"Child care facility"* or *"facility"* means a child care center, preschool, or a registered child development home.

6. *"Child care home"* means a person or program providing child care to five or fewer children at any one time that is not registered to provide child care under this chapter, as authorized under section 237A.3.

7. *"Child development home"* means a person or program registered under section 237A.3A that may provide child care to six or more children at any one time.

8. *"Department"* means the department of human services.

9. *"Director"* means the director of human services.

10. *"Infant"* means a child who is less than twenty-four months of age.

11. *"Involvement with child care"* means licensed or registered under this chapter, employed in a child care facility, residing in a child care facility, receiving public funding for providing child care, or providing child care as a child care home provider, or residing in a child care home.

12. *"Licensed center"* means a center issued a full or provisional license by the department under the provisions of this chapter or a center for which a license is being processed.

13. *"Poverty level"* means the poverty level defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

14. *"Preschool"* means a child care facility which provides to children ages three through five, for periods of time not exceeding three hours per day, programs designed to help the children to develop intellectual skills, social skills, and motor skills, and to extend their interest and understanding of the world about them.

15. *"School"* means kindergarten or a higher grade level.

16. *"State child care advisory committee"* means the state child care advisory committee established pursuant to section 135.173A.

[C75, 77, 79, 81, §237A.1; 82 Acts, ch 1213, §1 – 3]

83 Acts, ch 96, §157, 159; 87 Acts, ch 115, §34; 88 Acts, ch 1097, §1; 89 Acts, ch 206, §3; 90 Acts, ch 1005, §1 – 3; 91 Acts, ch 151, §1; 92 Acts, ch 1083, §1; 92 Acts, ch 1109, §1; 93 Acts, ch 54, §4; 93 Acts, ch 76, §8, 9; 94 Acts, ch 1129, §1; 94 Acts, ch 1175, §1; 97 Acts, ch 151, §1; 99 Acts, ch 192, §1; 2000 Acts, ch 1067, §14; 2001 Acts, ch 105, §3, 4; 2002 Acts, ch 1142, §3 – 8, 31; 2003 Acts, ch 81, §1; 2005 Acts, ch 95, §4; 2010 Acts, ch 1031, §355, 361; 2011 Acts, ch 129, §92, 156

Referred to in §135.119, 237.1, 237.3, 237A.2, 237A.13, 237A.26, 422.12C, 692A.101

**237A.2 Licensing of child care centers.**

1. A person shall not establish or operate a child care center without obtaining a license under the provisions of this chapter. A center may operate for a specified period of time, to be established by rule of the department, if application for a license has been made. If the department denies an application for an initial license, notwithstanding section 17A.18, the applicant center shall not continue to provide child care pending the outcome of an evidentiary hearing. The department shall issue a license if it determines that all of the following conditions have been met:

*a.* An application for a license or a renewal has been filed with the administrator on forms provided by the department.

*b.* The center is maintained to comply with state health and fire laws.

*c.* The center is maintained to comply with rules adopted under section 237A.12.

2. *a.* A person denied a license under this section shall receive written notice of the denial stating the reasons for denial and shall be provided with an opportunity for an evidentiary hearing.

*b.* A license issued under this chapter shall be valid for twenty-four months from the date of issuance. A license shall remain valid unless it is revoked or suspended in accordance with the provisions of section 237A.8 or is reduced to a provisional license under subsection 3. The department may inspect a licensed center at any time. A record of the license shall be kept by the department.

*c.* The license shall be posted in a conspicuous place in the center and shall state the particular premises in which child care may be offered and the number of individuals who may be received for care at any one time. A greater number of children than is authorized by the license shall not be kept in the center at any one time.

3. The administrator may reduce a previously issued license to a provisional license or issue a provisional license for a period of time not to exceed one year if the center does not meet standards required under this section. A provisional license shall not be renewable in regard to the same standards for more than two consecutive years. A provisional license shall be posted in a conspicuous place in the center as provided in this section. If written plans to bring the center up to standards, giving specific dates for completion of work, are submitted to and approved by the department, the provisional license shall be renewable as provided in this subsection.

4. A program which is not a child care center by reason of the exceptions to the definition of child care in section 237A.1, subsection 3, but which provides care, supervision, and guidance to a child may be issued a license if the program complies with all the provisions of this chapter.

5. If the department has denied or revoked a license because the applicant or person has continually or repeatedly failed to operate a licensed center in compliance with this chapter and rules adopted pursuant to this chapter, the person shall not own or operate a child care center for a period of twelve months from the date the license is denied or revoked. The department shall not act on an application for a license submitted by the applicant or person during the twelve-month period. The applicant or person shall be prohibited from involvement with child care unless the involvement is specifically permitted by the department.

[C75, §237A.2, 237A.3; C77, 79, 81, §237A.2]

90 Acts, ch 1005, §4; 91 Acts, ch 232, §12; 92 Acts, ch 1163, §54; 99 Acts, ch 192, §2; 2002 Acts, ch 1142, §9, 10, 31; 2003 Acts, ch 44, §54; 2003 Acts, ch 81, §2

**237A.3 Child care homes.**

1. A person or program providing child care to five children or fewer at any one time is a child care home provider and is not required to register under section 237A.3A as a child development home. However, the person or program may register as a child development home.

2. If a person or program has been prohibited by the department from involvement with child care, the person or program shall not provide child care as a child care home provider and is subject to penalty under section 237A.19 or injunction under section 237A.20 for doing so.

3. The location at which the child care is provided shall be a single-family residence that is owned, rented, or leased by the person or program providing the child care. For purposes of this subsection, a *"single-family residence"* includes an apartment, condominium, townhouse, or other individual unit within a multiple unit residential dwelling, but does not include a commercial or industrial building that is primarily used for purposes other than a residence.

[C75, 77, 79, 81, §237A.3; 82 Acts, ch 1016, §3, ch 1213, §4]

90 Acts, ch 1005, §5; 91 Acts, ch 151, §2; 91 Acts, ch 232, §13; 91 Acts, ch 267, §142; 92 Acts, ch 1163, §55; 93 Acts, ch 76, §10, 11; 94 Acts, ch 1129, §2, 3; 97 Acts, ch 151, §2; 99 Acts, ch

192, §3; 2001 Acts, ch 135, §3; 2002 Acts, ch 1142, §11, 31; 2003 Acts, ch 81, §3; 2008 Acts, ch 1187, §119
Referred to in §237A.1, 237A.19

**237A.3A Child development homes.**

1. *Registration.*

*a.* A person shall not establish or operate a child development home unless the person obtains a certificate of registration. The department shall issue a certificate of registration upon receipt of a statement from the person or upon completion of an inspection conducted by the department or a designee of the department verifying that the person complies with applicable rules adopted by the department pursuant to this section and section 237A.12.

*b.* The certificate of registration shall be posted in a conspicuous place in the child development home and shall state the name of the registrant, the registration category of the child development home, the maximum number of children who may be present for child care at any one time, and the address of the child development home. In addition, the certificate shall include a checklist of registration compliances.

*c.* The registration process for a child development home shall be repeated every twenty-four months as provided by rule.

*d.* A person who holds a child foster care license under chapter 237 shall register as a child development home provider in order to provide child care.

2. *Revocation or denial of registration.* If the department has denied or revoked a certificate of registration because a person has continually or repeatedly failed to operate a registered or licensed child care facility in compliance with this chapter and rules adopted pursuant to this chapter, the person shall not operate or establish a registered child development home for a period of twelve months from the date the registration or license was denied or revoked. The department shall not act on an application for registration submitted by the person during the twelve-month period. The applicant or person shall be prohibited from involvement with child care unless the involvement is specifically permitted by the department.

3. *Rules.*

*a.* Three categories of standards shall be applicable to child development homes. The initial designations of the categories, which may be revised by the department, shall be "A", "B", and "C", as ranked from less stringent standards and capacity to more stringent standards and capacity. The "C" registration category standards shall require the highest level of provider qualifications and allow the greatest capacity of the three categories. The department of human services, in consultation with the Iowa department of public health, shall adopt rules applying standards to each category specifying provider qualifications and training, health and safety requirements, capacity, amount of space available per child, and other minimum requirements. The capacity requirements shall take into consideration the provider's own children, children who have a mild illness, children receiving part-time child care, and children served as a sibling group in overnight care.

*b.* The rules shall allow a child development home to be registered in a particular category for which the provider is qualified even though the amount of space required to be available for the maximum number of children authorized for that category exceeds the actual amount of space available in that home. However, the total number of children authorized for the child development home at that category of registration shall be limited by the amount of space available per child.

*c.* In consultation with the state fire marshal, the department shall adopt rules relating to the provision of fire extinguishers, smoke detectors, and two exits accessible to children in a child development home.

*d.* The rules shall require a child development home to be located in a single-family residence that is owned, rented, or leased by the person or, for dual registrations, at least one of the persons who is named on the child development home's certificate of registration. For purposes of this paragraph, a "*single-family residence*" includes an apartment, condominium, townhouse, or other individual unit within a multiple unit residential dwelling, but does not

include a commercial or industrial building that is primarily used for purposes other than a residence.

*e.* If the department adopts rules establishing a limitation on the number of hours for which substitute care may be utilized by the provider, such a limitation shall not apply to or incorporate substitute care utilized when the provider is engaged in jury duty or in official duties connected with the provider's membership on a state board, committee, or other policy-related body.

4. *Number of children.*

*a.* In determining the number of children present for child care at any one time in a child development home, each child present in the child development home shall be considered as being provided child care unless the child is described by one of the following exceptions:

(1) The child's parent, guardian, or custodian operates or established the child development home and the child is attending school or the child is provided child care full-time on a regular basis by another person.

(2) The child has been present in the child development home for more than seventy-two consecutive hours and the child is attending school or the child is provided child care full-time on a regular basis by another person.

*b.* For purposes of determining the number of children present for child care in a child development home, a child receiving foster care from a child development home provider shall be considered to be the child of the provider.

97 Acts, ch 151, §3; 98 Acts, ch 1127, §1, 2, 6; 99 Acts, ch 192, §4 – 11, 37; 2001 Acts, ch 135, §4; 2002 Acts, ch 1142, §12, 31; 2003 Acts, ch 81, §4; 2008 Acts, ch 1084, §12; 2008 Acts, ch 1187, §120; 2010 Acts, ch 1192, §81

Referred to in §237A.1, 237A.3, 237A.19, 237A.20

Legislative intent to enact required licensure of child development homes commencing on July 1, 2013, with certain exceptions; transition activities to begin on July 1, 2009, for implementation of intended licensure requirement; department is to develop and submit a plan by December 15, 2010, for creating sustainable funding sources to support home-based child care providers in meeting intended licensing requirement; 2009 Acts, ch 179, §210

**237A.3B Smoking prohibited.**

Smoking, as defined in section 142D.2, shall not be permitted in a child care facility or child care home.

2008 Acts, ch 1084, §13

**237A.4 Inspection and evaluation.**

The department shall make periodic inspections of licensed centers to ensure compliance with licensing requirements provided in this chapter, and the local boards of health may make periodic inspections of licensed centers to ensure compliance with health-related licensing requirements provided in this chapter. The department may inspect records maintained by a licensed center and may inquire into matters concerning these centers and the persons in charge. The department shall require that the center be inspected by the state fire marshal or a designee for compliance with rules relating to fire safety before a license is granted or renewed. The department or a designee may periodically visit registered child development homes for the purpose of evaluation of an inquiry into matters concerning compliance with rules adopted under section 237A.12. Evaluation of child development homes under this section may include consultative services provided pursuant to section 237A.6.

[C75, 77, 79, 81, §237A.4]

85 Acts, ch 173, §19; 99 Acts, ch 192, §12; 2002 Acts, ch 1142, §13, 31

**237A.4A Child care regulatory fee — child care facility fund.**

1. *a.* The department shall implement a regulatory fee for licensure of child care facilities. The fee requirements shall provide for tiered amounts based upon a child care facility's capacity and a child development home's regulatory category at the time of licensure.

*b.* The regulatory fee for centers shall not exceed one hundred fifty dollars.

*c.* The regulatory fee for category "A" and "B" child development homes shall not exceed one hundred fifty dollars and the fee for category "C" child development homes shall not exceed one hundred eighty-seven dollars.

*d.* The department shall adopt rules for implementation of the fee.

2. Regulatory fees collected shall augment existing funding for regulation of child care facilities in order to phase in annual inspections of child development homes and improve inspections of child care centers. The department shall not supplant existing funding for regulation of child care with funding derived from the regulatory fee. The department shall seek to meet the following target percentages of the total number of child development homes in the state inspected annually in phasing in the annual inspection of all child development homes:

*a.* For the fiscal year beginning July 1, 2009, twenty percent.

*b.* For the fiscal year beginning July 1, 2010, forty percent.

*c.* For the fiscal year beginning July 1, 2011, sixty percent.

*d.* For the fiscal year beginning July 1, 2012, eighty percent.

*e.* For the fiscal year beginning July 1, 2013, and succeeding fiscal years, one hundred percent.

3. *a.* In phasing in the inspection of child development homes, the department shall give priority to child development homes that have recently become licensed and have paid the regulatory fee implemented pursuant to this section.

*b.* The results of an inspection of a child care facility shall be made publicly available on the internet page or site implemented by the department in accordance with section 237A.25 and through other means.

4. The target time frame for the department's issuance of the report concerning an inspection or other regulatory visit to a child care facility is sixty calendar days.

5. A child care facility fund is created in the state treasury under the authority of the department. The fund is separate from the general fund of the state. Regulatory fees collected under subsection 1 shall be credited to the fund. Moneys credited to the fund shall not revert to any other fund and are not subject to transfer except as specifically provided by law. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund. Moneys in the fund are annually appropriated to the department to be used for staffing dedicated to monitoring and regulation of child care facilities, contracting, related technology costs, record checks, grants and fee waivers, and other expenses for inspection and regulation of child care facilities. Any full-time equivalent positions paid for out of the fund shall be in addition to other such positions authorized for the department.

2009 Acts, ch 179, §208

**237A.5 Personnel.**

1. All personnel in licensed or registered facilities shall have good health as evidenced by a report following a preemployment physical examination taken within six months prior to beginning employment. The examination shall include communicable disease tests by a licensed physician as defined in section 135C.1 and shall be repeated every three years after initial employment. Controlled medical conditions which would not affect the performance of the employee in the capacity employed shall not prohibit employment.

2. *a.* For the purposes of this section, unless the context otherwise requires:

(1) *"Person subject to a record check"* means a person who is described by any of the following:

(a) The person is being considered for licensure or registration or is registered or licensed under this chapter.

(b) The person is being considered by a child care facility for employment involving direct responsibility for a child or with access to a child when the child is alone or is employed with such responsibilities.

(c) The person will reside or resides in a child care facility.

(d) The person has applied for or receives public funding for providing child care.

(e) The person will reside or resides in a child care home that is not registered under this chapter but that receives public funding for providing child care.

(2) "*Person subject to an evaluation*" means a person subject to a record check whose record indicates that the person has committed a transgression.

(3) "*Transgression*" means the existence of any of the following in a person's record:

(a) Conviction of a crime.

(b) A record of having committed founded child or dependent adult abuse.

(c) Listing in the sex offender registry under chapter 692A.

(d) A record of having committed a public or civil offense.

(e) The department has revoked a child care facility registration or license due to the person's continued or repeated failure to operate the child care facility in compliance with this chapter and rules adopted pursuant to this chapter.

*b.* If an individual person subject to a record check is being considered for employment by a child care facility or child care home provider, in lieu of requesting a record check in this state to be conducted by the department under paragraph "*c*", the child care facility or child care home may access the single contact repository established pursuant to section 135C.33 as necessary to conduct a criminal and child abuse record check of the individual in this state. A copy of the results of the record check conducted through the single contact repository shall also be provided to the department. If the record check indicates the individual is a person subject to an evaluation, the child care facility or child care home may request that the department perform an evaluation as provided in this subsection. Otherwise, the individual shall not be employed by the child care facility or child care home.

*c.* Unless a record check has already been conducted in accordance with paragraph "*b*", the department shall conduct a criminal and child abuse record check in this state for a person who is subject to a record check and may conduct such a check in other states. In addition, the department may conduct a dependent adult abuse, sex offender registry, or other public or civil offense record check in this state or in other states for a person who is subject to a record check.

*d.* (1) For a person subject to a record check, in addition to any other record check conducted pursuant to this subsection, the person's fingerprints shall be provided to the department of public safety for submission through the state criminal history repository to the United States department of justice, federal bureau of investigation for a national criminal history check. The department may adopt rules specifying criteria in the public interest for requiring the national criminal history check of a person to be repeated.

(2) Except as otherwise provided by law, the cost of a national criminal history check conducted in accordance with subparagraph (1) and the state record checks conducted in accordance with paragraph "*c*" that are conducted in connection with a person's involvement with a child care center are not the responsibility of the department. The department is responsible for the cost of such checks conducted in connection with a person's involvement with a child development home or child care home.

(3) If record checks under paragraph "*b*" or "*c*" have been conducted on a person subject to a record check and the results do not warrant prohibition of the person's involvement with child care or otherwise present protective concerns, the person may be involved with child care on a provisional basis until the record check under subparagraph (1) has been completed.

*e.* (1) If a record check performed pursuant to this subsection identifies an individual as a person subject to an evaluation, an evaluation shall be performed to determine whether prohibition of the person's involvement with child care is warranted. The evaluation shall be performed in accordance with procedures adopted for this purpose by the department.

(2) Prior to performing an evaluation, the department shall notify the affected person, licensee, registrant, or child care home applying for or receiving public funding for providing child care, that an evaluation will be conducted to determine whether prohibition of the person's involvement with child care is warranted.

*f.* If a record check performed in accordance with paragraph "*b*" or "*c*" identifies that an individual is a person subject to an evaluation, the department shall perform the evaluation in accordance with this subsection, even if the application which made the person subject to the record check is withdrawn or the circumstances which made the person subject to the record check are no longer applicable. If the department's evaluation determines that prohibition of the person's involvement with child care is warranted, the provisions of this subsection regarding such a prohibition shall apply.

*g.* A person subject to a record check who is or was employed by a child care facility or child care home provider and is hired by another child care facility or child care home

provider shall be subject to a record check in accordance with this subsection. However, if the person was subject to an evaluation because of a transgression in the person's record and the evaluation determined that the transgression did not warrant prohibition of the person's involvement with child care and the latest record checks do not indicate there is a transgression that was committed subsequent to that evaluation, the person may commence employment with the other child care facility or provider in accordance with the department's evaluation and an exemption from any requirements for reevaluation of the latest record checks is authorized. Authorization of an exemption under this paragraph "*g*" from requirements for reevaluation of the latest record checks by the department is subject to all of the following provisions:

(1) The position with the subsequent employer is substantially the same or has the same job responsibilities as the position for which the previous evaluation was performed.

(2) Any restrictions placed on the person's employment in the previous evaluation by the department shall remain applicable in the person's subsequent employment.

(3) The person subject to the record checks has maintained a copy of the previous evaluation and provides the evaluation to the subsequent employer or the previous employer provides the previous evaluation from the person's personnel file pursuant to the person's authorization. If a physical copy of the previous evaluation is not provided to the subsequent employer, the record checks shall be reevaluated.

(4) Although an exemption under this paragraph "*g*" may be authorized, the subsequent employer may instead request a reevaluation of the record checks and may employ the person while the reevaluation is being performed.

*h.* In an evaluation, the department shall consider the nature and seriousness of the transgression in relation to the position sought or held, the time elapsed since the commission of the transgression, the circumstances under which the transgression was committed, the degree of rehabilitation, the likelihood that the person will commit the transgression again, and the number of transgressions committed by the person involved. In addition to record check information, the department may utilize information from the department's case records in performing the evaluation. The department may permit a person who is evaluated to maintain involvement with child care, if the person complies with the department's conditions and corrective action plan relating to the person's involvement with child care. The department has final authority in determining whether prohibition of the person's involvement with child care is warranted and in developing any conditional requirements and corrective action plan under this paragraph.

*i.* (1) A person subject to an evaluation shall be prohibited from involvement with child care if the person has a record of founded child or dependent adult abuse that was determined to be sexual abuse, the person is listed on the sex offender registry under chapter 692A, or the person has committed any of the following felony-level offenses:

(a) Child endangerment or neglect or abandonment of a dependent person.

(b) Domestic abuse.

(c) A crime against a child including but not limited to sexual exploitation of a minor.

(d) A forcible felony.

(2) If, within five years prior to the date of application for registration or licensure under this chapter, for employment or residence in a child care facility or child care home, or for receipt of public funding for providing child care, a person subject to an evaluation has been convicted of a controlled substance offense under chapter 124 or has been found to have committed physical abuse, the person shall be prohibited from involvement with child care for a period of five years from the date of conviction or founded abuse. After the five-year prohibition period, the person may submit an application for registration or licensure under this chapter, or to receive public funding for providing child care or may request an evaluation, and the department shall perform an evaluation and, based upon the criteria in paragraph "*h*", shall determine whether prohibition of the person's involvement with child care continues to be warranted.

*j.* If the department determines, through an evaluation of a person's transgression, that the person's prohibition of involvement with child care is warranted, the person shall be prohibited from involvement with child care. The department may identify a period of time

after which the person may request that another record check and evaluation be performed. A person who continues involvement with child care in violation of this subsection is subject to penalty under section 237A.19 or injunction under section 237A.20.

*k.* If it has been determined that a child receiving child care from a child care facility or a child care home is the victim of founded child abuse committed by an employee, license or registration holder, child care home provider, or resident of the child care facility or child care home for which a report is placed in the central registry pursuant to section 232.71D, the administrator shall provide notification at the time of the determination to the parents, guardians, and custodians of children receiving care from the child care facility or child care home. A notification made under this paragraph shall identify the type of abuse but shall not identify the victim or perpetrator or circumstances of the founded abuse.

3. On or after July 1, 1994, a licensee or registrant shall inform all new applicants for employment of the possibility of the performance of a record check and shall obtain, from the applicant, a signed acknowledgment of the receipt of the information.

4. On or after July 1, 1994, a licensee or registrant shall include the following inquiry in an application for employment:

Do you have a record of founded child or dependent adult abuse or have you ever been convicted of a crime, in this state or any other state?

5. A person who serves as an unpaid volunteer in a child care facility shall not be required to complete training as a mandatory reporter of child abuse under section 232.69 or under any other requirement.

[C75, 77, 79, 81, §237A.5]

83 Acts, ch 153, §5; 85 Acts, ch 184, §1; 87 Acts, ch 153, §17; 88 Acts, ch 1134, §58; 90 Acts, ch 1221, §8; 91 Acts, ch 138, §8; 94 Acts, ch 1130, §15; 97 Acts, ch 45, §1; 98 Acts, ch 1127, §3, 6; 99 Acts, ch 192, §13; 2003 Acts, ch 81, §5, 6; 2006 Acts, ch 1098, §1; 2006 Acts, ch 1184, §108 – 111; 2008 Acts, ch 1187, §121; 2009 Acts, ch 41, §99; 2009 Acts, ch 179, §209; 2010 Acts, ch 1042, §1; 2012 Acts, ch 1074, §2

Referred to in §237A.19

Strike of subsection 2, paragraph d, subparagraph (4) pursuant to its own terms takes effect July 1, 2013; 2009 Acts, ch 179, §209

Subsection 2, paragraph d, subparagraph (4) stricken

**237A.6 Consultative services.**

The department shall, and the director of public health may provide consultative services to a person applying for a license or registration, or licensed or registered by the administrator under this chapter.

[C75, 77, 79, 81, §237A.6]

Referred to in §237A.4

**237A.7 Confidential information.**

Anyone who acquires through the administration of this chapter information relative to an individual in a child care facility or to a relative of the individual shall not, directly or indirectly, disclose the information except upon inquiry before a court of law or with the written consent of the individual or, in the case of a child, the written consent of the parent or guardian or as otherwise specifically required or allowed by law.

This section shall not prohibit the disclosure of information relative to the structure and operation of a facility nor shall it prohibit the statistical analysis by duly authorized persons of data collected by virtue of this chapter, or the publication of the results of the analysis in a manner which does not disclose information identifying individual persons.

[C75, 77, 79, 81, §237A.7]

99 Acts, ch 192, §14

**237A.8 Violations — actions against license or registration.**

The administrator, after notice and opportunity for an evidentiary hearing before the department of inspections and appeals, may suspend or revoke a license or certificate of registration issued under this chapter or may reduce a license to a provisional license if

the person to whom a license or certificate is issued violates a provision of this chapter or if the person makes false reports regarding the operation of the child care facility to the administrator or a designee of the administrator. The administrator shall notify the parent, guardian, or legal custodian of each child for whom the person provides child care at the time of action to suspend or revoke a license or certificate of registration.

[C75, 77, 79, 81, §237A.8]

83 Acts, ch 153, §6; 90 Acts, ch 1204, §54; 99 Acts, ch 192, §15

Referred to in §237A.2

**237A.9 through 237A.11** Repealed by 75 Acts, ch 144, § 11.

**237A.12 Rules.**

1. Subject to the provisions of chapter 17A, the department shall adopt rules setting minimum standards to provide quality child care in the operation and maintenance of child care centers and registered child development homes, relating to all of the following:

*a.* The number and qualifications of personnel necessary to assure the health, safety, and welfare of children in the facilities. Rules for facilities which are preschools shall be drawn so that any staff-to-children ratios which relate to the age of the children enrolled shall be based on the age of the majority of the children served by a particular class rather than on the age of the youngest child served.

*b.* Physical facilities.

*c.* The adequacy of activity programs and food services available to the children. The department shall not restrict the use of or apply nutritional standards to a lunch or other meal which is brought to the center, child development home, or child care home by a school-age child for the child's consumption.

*d.* Policies established by the center for parental participation.

*e.* Programs for education and in-service training of staff.

*f.* Records kept by the facilities.

*g.* Administration.

*h.* Health, safety, and medical policies for children.

2. Rules adopted by the state fire marshal for buildings, other than school buildings, used as child care centers as an adjunct to the primary purpose of the building shall take into consideration that children are received for temporary care only and shall not differ from rules adopted for these buildings when they are used by groups of persons congregating from time to time in the primary use and occupancy of the buildings. However, the rules may require a fire-rated separation from the remaining portion of the building if the fire marshal determines that the separation is necessary for the protection of children from a specific flammable hazard.

3. Rules relating to fire safety for child care centers shall be adopted under this chapter by the state fire marshal in consultation with the department. Rules adopted by the state fire marshal for a building which is owned or leased by a school district or accredited nonpublic school and used as a child care facility shall not differ from standards adopted by the state fire marshal for school buildings under chapter 100. Rules relating to sanitation shall be adopted by the department in consultation with the director of public health. All rules shall be developed in consultation with the state child care advisory committee. The state fire marshal shall inspect the facilities.

4. If a building is owned or leased by a school district or accredited nonpublic school and complies with standards adopted by the state fire marshal for school buildings under chapter 100, the building is considered appropriate for use by a child care facility. The rules adopted by the administrator under this section shall not require the facility to comply with building requirements which differ from requirements for use of the building as a school.

5. Standards and requirements set by a city or county for a building which is owned or leased by a school district or accredited nonpublic school and used as a child care facility

shall take into consideration that children are received for temporary care only and shall not differ from standards and requirements set for use of the building as a school.

[C75, 77, 79, 81, §237A.12]

85 Acts, ch 173, §20; 91 Acts, ch 151, §3; 92 Acts, ch 1083, §2; 94 Acts, ch 1129, §4, 5; 94 Acts, ch 1175, §2; 99 Acts, ch 192, §16; 2002 Acts, ch 1142, §14 – 16, 31; 2010 Acts, ch 1031, §356, 361

Referred to in §237A.2, 237A.3A, 237A.4

**237A.13 State child care assistance.**

1. A state child care assistance program is established in the department to assist children in families who meet eligibility guidelines and are described by any of the following circumstances:

*a.* The child's parent, guardian, or custodian is participating in approved academic or vocational training.

*b.* The child's parent, guardian, or custodian is seeking employment. Eligibility for assistance while seeking employment shall be limited to thirty days during a twelve-month period.

*c.* The child's parent, guardian, or custodian is employed and the family income meets income requirements.

*d.* The child's parent, guardian, or custodian is absent for a limited period of time due to hospitalization, physical illness, or mental illness, or is present but is unable to care for the child for a limited period as verified by a physician.

*e.* The child needs protective services to prevent or alleviate child abuse or neglect.

*f.* The person's family circumstances are described in paragraph "*a*", "*b*", "*c*", or "*d*", the person is thirteen years of age or older but younger than sixteen years of age, and state child care assistance is approved for the person by the director or the director's designee based on a request for an exception to policy made by the person's parent, guardian, or custodian because special family circumstances exist that would place the safety and well-being of the person at risk if the person is left home alone. The definition of child in section 237A.1 does not apply to child care supported by state child care assistance approved pursuant to this lettered paragraph.

2. Services under the program may be provided in a licensed child care center, a child development home, the home of a relative, the child's own home, a child care home, or in a facility exempt from licensing or registration.

3. The department shall set reimbursement rates as authorized by appropriations enacted for payment of the reimbursements. The department shall conduct a statewide reimbursement rate survey to compile information on each county and the survey shall be conducted at least every two years. The department shall set rates in a manner so as to provide incentives for an unregistered provider to become registered.

4. The department's billing and payment provisions for the program shall allow providers to elect either biweekly or monthly billing and payment for child care provided under the program. The department shall remit payment to a provider within ten business days of receiving a bill or claim for services provided. However, if the department determines that a bill has an error or omission, the department shall notify the provider of the error or omission and identify any correction needed before issuance of payment to the provider. The department shall provide the notice within five business days of receiving the billing from the provider and shall remit payment to the provider within ten business days of receiving the corrected billing.

5. On or before July 1, 2007, the department shall implement a system for making program payments by electronic funds transfer or other electronic means.

6. The department shall not apply waiting list requirements to any of the following persons:

*a.* Persons deemed to be eligible for benefits under the state child care assistance program in accordance with section 239B.24.

*b.* A family that is receiving state child care assistance at the time a child is born into the

family. The newborn child shall be approved for services when the family reports the birth of the child.

*c.* Children who need protective services to prevent or alleviate child abuse or neglect.

*d.* A child in a family that is eligible for state child care assistance and that receives a state adoption subsidy for the child.

7. Based upon the availability of the funding appropriated for state child care assistance for a fiscal year, the department shall establish waiting lists for state child care assistance in descending order of prioritization as follows:

*a.* Families with an income at or below one hundred percent of the federal poverty level whose members are employed at least twenty-eight hours per week, and parents with a family income at or below one hundred percent of the federal poverty level who are under the age of twenty-one years and are participating in an educational program leading to a high school diploma or the equivalent.

*b.* Parents with a family income at or below one hundred percent of the federal poverty level who are under the age of twenty-one years and are participating, at a satisfactory level, in an approved training program or in an educational program.

*c.* Families with an income of more than one hundred percent but not more than one hundred forty-five percent of the federal poverty level whose members are employed at least twenty-eight hours per week.

*d.* Families with an income at or below two hundred percent of the federal poverty level whose members are employed at least twenty-eight hours per week with a special needs child as a member of the family.

8. Nothing in this section shall be construed as or is intended as, or shall imply, a grant of entitlement for services to persons who are eligible for assistance due to an income level or other eligibility circumstance addressed in this section. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated for the purposes of state child care assistance.

2000 Acts, ch 1067, §15; 2002 Acts, ch 1142, §17, 18, 31; 2003 Acts, ch 81, §7, 8; 2006 Acts, ch 1016, §13; 2006 Acts, ch 1099, §1; 2007 Acts, ch 172, §1; 2007 Acts, ch 215, §99; 2008 Acts, ch 1187, §122

Referred to in §234.47, 239B.24

**237A.14 through 237A.18** Repealed by 93 Acts, ch 54, § 12.

**237A.19 Penalty.**

1. A person who establishes, conducts, manages, or operates a center without a license commits a serious misdemeanor. Each day of continuing violation after conviction, or notice from the department by certified mail of the violation, shall be considered a separate offense.

2. If registration is required under section 237A.3A, a person who establishes, conducts, manages, or operates a child development home without registering or a person who operates a child development home contrary to section 237A.5, commits a simple misdemeanor. Each day of continuing violation after conviction, or notice from the department by certified mail of the violation, is a separate offense. A single charge alleging continuing violation may be made in lieu of filing charges for each day of violation.

3. A person who establishes, conducts, manages, or operates a child care home in violation of section 237A.3, subsection 2, or a person or program that has been prohibited by the department from involvement with child care but continues that involvement commits a simple misdemeanor. Each day of continuing violation after conviction, or notice from the department by certified mail of the violation, is a separate offense. A single charge alleging continuing violation may be made in lieu of filing charges for each day of violation.

[C77, 79, 81, §237A.19; 82 Acts, ch 1213, §5]

85 Acts, ch 184, §2; 99 Acts, ch 192, §17; 2002 Acts, ch 1142, §19, 31; 2003 Acts, ch 81, §9

Referred to in §237A.3, 237A.5

**237A.20 Injunction.**

A person who establishes, conducts, manages, or operates a center without a license or a child development home without a certificate of registration, if registration is required under section 237A.3A, may be restrained by temporary or permanent injunction. A person who has been convicted of a crime against a person, a person with a record of founded child abuse, or a person who has been prohibited by the department from involvement with child care may be restrained by temporary or permanent injunction from providing unregistered, registered, or licensed child care or from other involvement with child care. The action may be instituted by the state, the county attorney, a political subdivision of the state, or an interested person.

[C77, 79, 81, §237A.20]

83 Acts, ch 153, §7; 90 Acts, ch 1248, §2; 99 Acts, ch 192, §18; 2002 Acts, ch 1142, §20, 31; 2003 Acts, ch 81, §10

Referred to in §237A.3, 237A.5

**237A.21 State child care advisory council.** Repealed by 2010 Acts, ch 1031, § 360, 361.

**237A.22 Duties of state child care advisory council and department.** Repealed by 2010 Acts, ch 1031, § 360, 361.

**237A.23 Child care training and development system.**

1. The departments of education, public health, and human services shall jointly establish a leadership council for child care training and development in this state. In addition to representatives of the three departments, the leadership council shall include but is not limited to representatives of community colleges, institutions of higher learning under the state board of regents and private institutions of higher education, the Iowa cooperative extension service in agriculture and home economics, and child care resource and referral service agencies.

2. The charge of the council is to develop a proposal for a statewide child care training and development system and to monitor implementation of the proposal. The purpose of the system is to improve support for persons providing or administering child care services. The system shall be developed in a manner so as to incorporate and enhance existing efforts to provide this support.

3. The proposal for the child care training and development system shall include all of the following elements:

*a.* Identification of core competencies for providers and administrators that may be incorporated into professional standards.

*b.* Establishing levels for professional development.

*c.* Implementing a professional experience registry to track the training, educational attainment, and experience of providers and administrators.

*d.* Implementing a unified training and technical assistance approach for identifying needs, ensuring equal access, and establishing minimum requirements for training and trainers.

*e.* Establishing an articulation process to permit recognition of training provided by entities that do not grant academic credit by entities that do grant academic credit.

*f.* Implementing a financing structure to support the training registry.

*g.* Identifying other means for enhancing the training and development of persons who provide and administer child care.

4. The proposal shall include an implementation plan and budget provisions and may provide for implementation through a contract with a private nonprofit agency.

99 Acts, ch 192, §21, 38; 2000 Acts, ch 1058, §26

**237A.24** Reserved.

**237A.25 Consumer information.**

1. The department shall develop consumer information material to assist parents in selecting a child care provider. In developing the material, the department shall consult

with department of human services staff, department of education staff, the state child care advisory committee, the Iowa empowerment board, and child care resource and referral services. In addition, the department may consult with other entities at the local, state, and national level.

2. The consumer information material developed by the department for parents and other consumers of child care services shall include but is not limited to all of the following:

*a.* A pamphlet or other printed material containing consumer-oriented information on locating a quality child care provider.

*b.* Information explaining important considerations a consumer should take into account in selecting a licensed or registered child care provider.

*c.* Information explaining how a consumer can identify quality services, including what questions to ask of providers and what a consumer might expect or demand to know before selecting a provider.

*d.* An explanation of the applicable laws and regulations written in layperson's terms.

*e.* An explanation of what it means for a provider to be licensed, registered, or unregistered.

*f.* An explanation of the information considered in registry and record background checks.

*g.* Other information deemed relevant to consumers.

3. The department shall implement and publicize an internet page or site that provides all of the following:

*a.* The written information developed pursuant to subsections 1 and 2.

*b.* Regular informational updates, including when a child care provider was last subject to a state quality review or inspection and, based upon a final score or review, the results indicating whether the provider passed or failed the review or inspection.

*c.* Capability for a consumer to be able to access information concerning child care providers, such as informational updates, identification of provider location, name, and capacity, and identification of providers participating in the state child care assistance program and those participating in the child care food program, by sorting the information or employing other means that provide the information in a manner that is useful to the consumer. Information regarding provider location shall identify providers located in the vicinity of an address selected by a consumer and provide contact information without listing the specific addresses of the providers.

*d.* Other information deemed appropriate by the department.

2003 Acts, 1st Ex, ch 2, §18, 209; 2010 Acts, ch 1031, §357, 361

Referred to in §237A.4A, 237A.30

**237A.26 Statewide resource and referral services.**

1. The department shall administer the funding for a statewide grant program for child care resource and referral services. Grants shall only be awarded to community-based nonprofit incorporated agencies and public agencies. Grants shall be awarded to facilitate the establishment of regional resource and referral agencies throughout the state, based upon the distribution of the child population in the state.

2. The department shall provide oversight of and annually evaluate an agency which is awarded a grant to provide resource and referral services to a region.

3. An agency which receives a grant to provide resource and referral services shall perform both of the following functions:

*a.* Organize assistance to child care homes and child care facilities utilizing training levels based upon the child care providers' degrees of experience and interest.

*b.* Operate in partnership with both public and private interests and coordinate resource and referral services with existing community services.

4. An agency may be required by the department to match the grant with financial resources of not more than twenty-five percent of the amount of the grant. The financial resources may include a private donation, an in-kind contribution, or a public funding source other than a separate state grant for child care service improvement.

5. An agency, to be eligible to receive a grant to provide resource and referral services, must have a board of directors if the agency is an incorporated nonprofit agency or must have

an advisory board if the agency is a public agency, to oversee the provision of resource and referral services. The board shall include providers, consumers, and other persons interested in the provision or delivery of child care services.

6. An agency which receives a child care resource and referral grant may be awarded funding to provide various child care-related services, which may include but are not limited to any of the following services:

*a.* Assist families in selecting quality child care. The agency must provide referrals to registered and licensed child care facilities, and to persons providing care, supervision, and guidance of a child which is not defined as child care under section 237A.1 and may provide referrals to unregistered providers.

*b.* Assist child care providers in adopting appropriate program and business practices to provide quality child care services.

*c.* Provide information to the public regarding the availability of child care services in the communities within the agency's region.

*d.* Actively encourage the development of new and expansion of existing child care facilities in response to identified community needs.

*e.* Provide specialized services to employers, including the provision of resource and referral services to employee groups identified by the employer and the provision of technical assistance to develop employer-supported child care programs. The specialized services may include but are not limited to working with employers to identify networks of recommended registered and licensed child care providers for employee groups and to implement employer-supported quality improvement initiatives among the network providers.

*f.* Refer eligible child care facilities to the federal child care food programs.

*g.* Loan toys, other equipment, and resource materials to child care facilities.

7. The department may contract with an agency receiving a child care resource and referral grant to perform any of the following functions relating to publicly funded services providing care, supervision, and guidance of a child:

*a.* Determine an individual's eligibility for the services in accordance with income requirements.

*b.* Administer a voucher, certificate, or other system for reimbursing an eligible provider of the services.

8. For purposes of improving the quality and consistency of data collection, consultation, and other support to child care home and child development home providers, a resource and referral services agency grantee shall coordinate and assist with publicly and privately funded efforts administered at the community level to provide the support. The support and efforts addressed by a grantee may include but are not limited to community-funded child care home and child development home consultants. Community members involved with the assistance may include but are not limited to the efforts of an early childhood Iowa area board under chapter 256I, and of community representatives of education, health, human services, business, faith, and public interests.

90 Acts, ch 1248, §4; 92 Acts, ch 1083, §5; 99 Acts, ch 192, §22; 2002 Acts, ch 1142, §23 – 26, 31; 2010 Acts, ch 1031, §301; 2011 Acts, ch 98, §1

Referred to in §237A.30, 256C.3

**237A.27 Crisis child care.** Repealed by 2002 Acts, ch 1142, §29, 31.

**237A.28 Child care credit fund.** Repealed by 2009 Acts, ch 182, § 138.

Balance of fund transferred to general fund of state; 2009 Acts, ch 182, §85, 87

**237A.29 Public funding of child care — sanctions.**

1. State funds and federal funds provided to the state in accordance with federal requirements shall not be used to pay for the care, supervision, and guidance of a child for periods of less than twenty-four hours per day on a regular basis unless the care, supervision, and guidance is defined as child care as used in this chapter.

2. *a.* For the purposes of this subsection, *"fraudulent means"* means knowingly making

or causing to be made a false statement or a misrepresentation of a material fact, knowingly failing to disclose a material fact, or committing a fraudulent practice.

*b.* A child care provider that has been found by the department of inspections and appeals in an administrative proceeding or in a judicial proceeding to have obtained, or has agreed to entry of a civil judgment or judgment by confession that includes a conclusion of law that the child care provider has obtained, by fraudulent means, public funding for provision of child care in an amount equal to or in excess of the minimum amount for a fraudulent practice in the second degree under section 714.10, subsection 1, paragraph "*a*", shall be subject to sanction in accordance with this subsection. Such child care provider shall be subject to a period during which receipt of public funding for provision of child care is conditioned upon no further violations and to one or more of the following sanctions as determined by the department of human services:

(1) Ineligibility to receive public funding for provision of child care.

(2) Suspension from receipt of public funding for provision of child care.

(3) Special review of the child care provider's claims for providing publicly funded child care.

*c.* The following factors shall be considered in determining the sanction or sanctions to be imposed under paragraph "*b*", subparagraphs (1) through (3):

(1) Seriousness of the violation.

(2) Extent of the violation.

(3) History of prior violations.

(4) Prior imposition of sanctions.

(5) Prior provision of provider education.

(6) Provider willingness to obey program rules.

(7) Whether a lesser sanction will be sufficient to remedy the problem.

*d.* In determining the value of the public funding obtained by fraudulent means, if the public funding is obtained by two or more acts of fraudulent means by the same person or in the same location, or is obtained by different persons by two or more acts which occur in approximately the same location or time period so that the acts of fraudulent means used to obtain the public funding are attributable to a single scheme, plan, or conspiracy, these acts may be considered as a single instance of the use of fraudulent means and the value may be the total value of all moneys involved.

3. *a.* If a child care provider is subject to sanctions under subsection 2, within five business days of the date the sanctions are imposed, the provider shall submit to the department the names and addresses of children receiving child care from the provider. The department shall send information to the parents of the children regarding the provider's actions leading to the imposition of the sanctions and the nature of the sanctions imposed.

*b.* If the child care provider fails to submit the names and addresses within the time period required by paragraph "*a*", the department shall request that the attorney general file a petition with the district court of the county in which the provider is located for issuance of a temporary injunction enjoining the provider from providing child care until the names and addresses are submitted to the department. The attorney general may file the petition upon receiving the request from the department. Any temporary injunction may be granted without a bond being required from the department.

*c.* If the sanctions imposed under subsection 2 involve the provider's suspension or ineligibility for receiving public funding for provision of child care, the department shall not impose those sanctions before the parents of the affected children are informed, and upon request, shall provide assistance to the parents in locating replacement child care.

93 Acts, ch 76, §13; 99 Acts, ch 192, §25; 2002 Acts, ch 1104, §1; 2003 Acts, ch 44, §55; 2003 Acts, ch 81, §11, 12; 2004 Acts, ch 1086, §44; 2013 Acts, ch 30, §241

Subsection 2, paragraph b amended

**237A.30 Voluntary child care quality rating system.**

1. The department shall work with the community empowerment office of the department of management established in section 28.3 and the state child care advisory committee in

designing and implementing a voluntary quality rating system for each provider type of child care facility.

2. The criteria utilized for the rating system may include but are not limited to any of the following: facility type; provider staff experience, education, training, and credentials; facility director education and training; an environmental rating score or other direct assessment environmental methodology; national accreditation; facility history of compliance with law and rules; child-to-staff ratio; curriculum, including the extent to which the curriculum focuses on the stages of child development and on child outcomes; business practices; staff retention rates; evaluation of staff members and program practices; staff compensation and benefit practices; provider and staff membership in professional early childhood organizations; and parental involvement with the facility.

3. A facility's quality rating may be included on the internet site and in the consumer information provided by the department pursuant to section 237A.25 and shall be identified in the child care provider referrals made by child care resource and referral service grantees under section 237A.26.

99 Acts, ch 192, §33; 99 Acts, ch 203, §49; 2002 Acts, ch 1142, §27, 28, 31; 2005 Acts, ch 148, §20; 2006 Acts, ch 1010, §76; 2010 Acts, ch 1031, §302, 358, 361; 2013 Acts, ch 90, §257
Code editor directive applied

# CHAPTER 237B

## CHILDREN'S CENTERS — FACILITY STANDARDS

237B.1 Children's centers.

**237B.1 Children's centers.**

1. For the purposes of this section, unless the context requires otherwise, *"children's center"* means a privately funded facility designed to serve seven or more children at any one time who are not under the custody or authority of the department of human services, juvenile court, or another governmental agency, and that offers one or more of the following services:

*a.* Child care.
*b.* Child care for children with a chronic illness.
*c.* Respite care.
*d.* Family support services.
*e.* Medical equipment.
*f.* Therapeutic day programming.
*g.* Educational enrichment.
*h.* Housing.

2. The department of human services shall consult with the department of inspections and appeals, department of education, Iowa department of public health, state fire marshal, and community-based providers of services to children in establishing certification or licensing standards for children's centers.

3. In establishing the initial and subsequent standards, the department of human services shall review other certification and licensing standards applicable to the centers. The standards established by the department shall be broad facility standards for the protection of children's safety. The department shall also apply criminal and abuse registry background check requirements for the persons who own, operate, staff, participate in, or otherwise have contact with the children receiving services from a children's center. The background check requirements shall be substantially equivalent to those applied under chapter 237 for a child foster care facility provider. The department of human services shall not establish program standards or other requirements under this section involving program development or oversight of the programs provided to the children served by children's centers.

99 Acts, ch 189, §1; 99 Acts, ch 192, §33; 2009 Acts, ch 182, §131

# CHAPTER 238

## CHILD-PLACING AGENCIES

Referred to in §232B.9, 422.9

Child and family services, see chapter 234


238.1 Definitions.
238.2 "Child-placing agency" defined. Repealed by 2009 Acts, ch 133, §191.
238.3 Authority to license.
238.4 Granting of license conditional.
238.5 License required.
238.6 Form of license.
238.7 Posting of license.
238.8 Record of license.
238.9 Term of license.
238.10 Revocation of license.
238.11 Written charges — findings — notice.
238.12 Appeal — judicial review.
238.13 through 238.15 Repealed by 74 Acts, ch 1090, §211.
238.16 Rules and regulations.
238.17 Forms for registration and record — preservation.
238.18 Duty of licensee.
238.19 Inspection generally.
238.20 Minimum inspection — record.
238.21 Other inspecting agencies.
238.22 Licensee to aid inspection.
238.23 Repealed by 2002 Acts, ch 1102, §8.
238.24 Information confidential — exceptions.
238.25 through 238.29 Repealed by 76 Acts, ch 1229, §38.
238.30 Repealed by 97 Acts, ch 99, §10.
238.31 Inspection of foster homes.
238.32 Authority to agencies.
238.33 through 238.41 Transferred to §232.158 – 232.166; 85 Acts, ch 173, §30.
238.42 Agreement in child placements.
238.43 Exceptions.
238.44 Contracts for services — liability for costs.
238.45 Penalty.


**238.1 Definitions.**

For the purpose of this chapter unless the context otherwise requires:

1. *"Administrator"* means the administrator of the division of child and family services of the department of human services.

2. *"Child"* means the same as defined in section 234.1.

3. *"Child-placing agency"* means any agency, whether public, semipublic, or private, which represents that the agency places children permanently or temporarily in private family homes or receives children for placement in private family homes, or which actually engages for gain or otherwise in the placement of children in private family homes.

4. *"Person"* or *"agency"* shall include individuals, institutions, partnerships, voluntary associations, and corporations, other than institutions under the management or control of any division or any administrator of the department of human services.

5. *"State division"* means the same as defined in section 234.1.

[C27, 31, 35, §3661-a58; C39, §**3661.072;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.1]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1279, §41; 94 Acts, ch 1046, §8; 96 Acts, ch 1034, §14; 2009 Acts, ch 133, §95

Referred to in §238.17, 600A.2, 600A.6B

**238.2 "Child-placing agency" defined.** Repealed by 2009 Acts, ch 133, § 191.

**238.3 Authority to license.**

The administrator may grant a license under this chapter for the period specified in section 238.9 for the conduct of any child-placing agency in this state.

[C27, 31, 35, §3661-a60; C39, §**3661.074;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.3]

2002 Acts, ch 1102, §5

**238.4 Granting of license conditional.**

No such license shall be issued unless the person applying shall have shown that the person and the person's agents are properly equipped by training and experience to find and select

suitable temporary or permanent homes for children and to supervise such homes when children are placed in them, to the end that the health, morality, and general well-being of children placed by them shall be properly safeguarded.

[C27, 31, 35, §3661-a61; C39, §**3661.075;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.4]

**238.5 License required.**

No person shall conduct a child-placing agency or solicit or receive funds for its support without an unrevoked license issued by the administrator within the twelve months preceding to conduct such agency.

[C27, 31, 35, §3661-a62; C39, §**3661.076;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.5]

**238.6 Form of license.**

The license shall state the name of the licensee and the particular premises in which the business may be carried on.

[C27, 31, 35, §3661-a63; C39, §**3661.077;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.6]

**238.7 Posting of license.**

Such license shall be kept posted in a conspicuous place on the licensed premises.

[C27, 31, 35, §3661-a64; C39, §**3661.078;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.7]

**238.8 Record of license.**

A record of the licenses so issued shall be kept by the administrator.

[C27, 31, 35, §3661-a65; C39, §**3661.079;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.8]

**238.9 Term of license.**

A license granted under this chapter shall be valid for three years from the date of issuance unless the license is revoked in accordance with section 238.10.

[C27, 31, 35, §3661-a66; C39, §**3661.080;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.9]

2002 Acts, ch 1102, §6

Referred to in §238.3

**238.10 Revocation of license.**

The administrator may, after due notice and hearing, revoke the license:

1. In case the person to whom the same is issued violates any provision of this chapter.
2. When in the opinion of the administrator such agency is maintained in such a way as to waste or misuse funds contributed by the public or without due regard to sanitation or hygiene or to the health, comfort, or well-being of the child cared for or placed by the agency.
3. In case of violation by the licensee or the licensee's agents of any law of the state in a manner disclosing moral turpitude or unfitness to maintain such agency.
4. In case any such agency is conducted by a person of ill repute or bad moral character.
5. In case said agency operates in persistent violation of the reasonable regulations of the administrator governing such agencies.

[S13, §3260-k; C24, §3663; C27, 31, 35, §3661-a67; C39, §**3661.081;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.10]

Referred to in §238.9

**238.11 Written charges — findings — notice.**

Written charges against the licensee shall be served upon the licensee at least ten days before hearing shall be had thereon and a written copy of the findings and decisions of the

administrator upon hearing shall be served upon the licensee in the manner prescribed for the service of original notice in civil actions.

[C27, 31, 35, §3661-a68; C39, §**3661.082;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.11]

Service of notice, R.C.P. 1.302 – 1.315

**238.12 Appeal — judicial review.**

Any licensee feeling aggrieved by any decision of the administrator revoking the licensee's license may appeal to the council on human services in the manner of form prescribed by such council. The council shall, upon receipt of such an appeal give the licensee reasonable notice and opportunity for a fair hearing before such council or its duly authorized representative or representatives. Following such hearing the council on human services shall take its final action and notify the licensee in writing.

Judicial review of the actions of the council may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C27, 31, 35, §3661-a69; C39, §**3661.083;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.12]

83 Acts, ch 96, §157, 159; 2003 Acts, ch 44, §114

**238.13 through 238.15** Repealed by 74 Acts, ch 1090, § 211.

**238.16 Rules and regulations.**

It shall be the duty of the administrator to provide such general regulations and rules for the conduct of all such agencies as shall be necessary to effect the purposes of this chapter and of all other laws of the state relating to children so far as the same are applicable, and to safeguard the well-being of children placed or cared for by such agencies.

[C27, 31, 35, §3661-a73; C39, §**3661.087;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.16]

**238.17 Forms for registration and record — preservation.**

1. The administrator shall prescribe forms for the registration and record of persons cared for by any child-placing agency licensed under this chapter and for reports required by said administrator from the agencies.

2. If, for any reason, a child-placing agency as defined by section 238.1 shall cease to exist, all records of registration and placement and all other records of any kind and character kept by such child-placing agency shall be turned over to the administrator, for preservation, to be kept by the said administrator as a permanent record.

[C27, 31, 35, §3661-a74; C39, §**3661.088;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.17]

2009 Acts, ch 133, §233

**238.18 Duty of licensee.**

A child-placing agency licensed under this chapter shall keep a record and make reports in the form to be prescribed by the administrator. For a child being placed by the agency, the agency's duties shall include compliance with the requirements of section 232.108 relating to visitation or ongoing interaction between the child and the child's siblings.

[C27, 31, 35, §3661-a75; C39, §**3661.089;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.18]

2007 Acts, ch 67, §6

**238.19 Inspection generally.**

Authorized employees of the department of inspections and appeals may inspect the premises and conditions of the agency at any time and examine every part of the agency;

and may inquire into all matters concerning the agency and the children in the care of the agency.

[S13, §3260-j; C24, §3669, 3684; C27, 31, 35, §3661-a76; C39, §**3661.090;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.19]

90 Acts, ch 1204, §55

**238.20 Minimum inspection — record.**

Authorized employees of the department of inspections and appeals shall visit and inspect the premises of licensed child-placing agencies at least once every twelve months and make and preserve written reports of the conditions found.

[C27, 31, 35, §3661-a77; C39, §**3661.091;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.20]

90 Acts, ch 1204, §56; 2007 Acts, ch 172, §11

**238.21 Other inspecting agencies.**

Authorized agents of the local board of health in whose jurisdiction a licensed child-placing agency is located may make inspection of the premises.

[C27, 31, 35, §3661-a78; C39, §**3661.092;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.21]

90 Acts, ch 1204, §57

**238.22 Licensee to aid inspection.**

The licensees shall give all reasonable information to such inspectors and afford them every reasonable facility for obtaining pertinent information.

[C27, 31, 35, §3661-a79; C39, §**3661.093;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.22]

**238.23** Repealed by 2002 Acts, ch 1102, § 8.

**238.24 Information confidential — exceptions.**

1. Except as authorized by this section, a person who acquires under this chapter or from the records provided for in this chapter, information relative to any agency or relative to any individual cared for by the agency or relative to any relative of the individual, shall not directly or indirectly disclose the information.

2. Disclosure of information acquired under this chapter or from the records provided for in this chapter is authorized under any of the following circumstances:

*a.* Disclosure made upon inquiry before a court of law, or before some other tribunal, or for the information of the governor, general assembly, medical examiners, administrator, Iowa department of public health, or the local board of health in the jurisdiction where the agency is located.

*b.* Disclosure may be made by the administrator to proper persons as may be in the interest of a child cared for by the agency or in the interest of the child's parents or foster parents and not inimical to the child, or as may be necessary to protect the interests of the child's prospective foster parents. However, disclosure of termination and adoption records shall be governed by the provisions of sections 600.16 and 600.16A.

*c.* Disclosure for purposes of statistical analysis performed by duly authorized persons of data collected under this chapter or the publication of the results of such analysis in such manner as will not disclose confidential information.

[C27, 31, 35, §3661-a81; C39, §**3661.095;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.24]

92 Acts, ch 1196, §2; 2002 Acts, ch 1102, §7

**238.25 through 238.29** Repealed by 76 Acts, ch 1229, § 38.

**238.30** Repealed by 97 Acts, ch 99, § 10.

**238.31 Inspection of foster homes.**

The administrator shall be satisfied that each licensed child-placing agency is maintaining proper standards in its work, and said administrator may at any time cause the child and home in which the child has been placed to be visited by the administrator's agents for the purpose of ascertaining whether the home is a suitable one for the child, and may continue to visit and inspect the foster home and the conditions therein as they affect said child.

[C27, 31, 35, §3661-a88; C39, §**3661.102;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.31]

**238.32 Authority to agencies.**

Any institution incorporated under the laws of this state or maintained for the purpose of caring for, placing out for adoption, or otherwise improving the condition of unfortunate children may, under the conditions specified in this chapter and when licensed in accordance with the provisions of this chapter:

1. Receive children in need of assistance, or delinquent children who are under eighteen years of age, under commitment from the juvenile court, and control and dispose of them subject to the provisions of chapter 232 and chapter 600A.

2. Receive, control, and dispose of all minor children voluntarily surrendered to such institutions.

[S13, §254-a22, 3260-b; C24, §3662; C27, 31, 35, §3661-a89; C39, §**3661.103;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §238.32]

Transferring legal custody of a child, §232.102, 232.103

**238.33 through 238.41** Transferred to § 232.158 – 232.166; 85 Acts, ch 173, § 30.

**238.42 Agreement in child placements.**

Every agency placing a child in a foster home shall enter into a written agreement with the person taking the child, which agreement shall provide that the agency placing the child shall have access at all reasonable times to such child and to the home in which the child is living, and for the return of the child by the person taking the child whenever, in the opinion of the agency placing such child, or in the opinion of the administrator, the best interests of the child shall require it.

[C27, 31, 35, §3661-a97; C39, §**3661.111;** C46, 50, 54, 58, 62, 66, §238.40; C71, 73, 75, 77, 79, 81, §238.42]

Referred to in §238.43

**238.43 Exceptions.**

The provisions of section 238.42 shall not apply to children who have been legally adopted.

[C27, 31, 35, §3661-a98; C39, §**3661.112;** C46, 50, 54, 58, 62, 66, §238.41; C71, 73, 75, 77, 79, 81, §238.43]

**238.44 Contracts for services — liability for costs.**

An agency which enters into a contract with a referral agency to provide child placement services is liable for the costs of services which are paid prior to the provision of services, if the services are not subsequently provided.

94 Acts, ch 1174, §5

**238.45 Penalty.**

Every person who violates any of the provisions of this chapter or who intentionally shall make any false statements or reports to the administrator with reference to the matters contained herein, shall be guilty of a fraudulent practice.

[C27, 31, 35, §3661-a100; C39, §**3661.114;** C46, 50, 54, 58, 62, 66, §238.43; C71, 73, 75, 77, 79, 81, §238.45]

# CHAPTER 239

RESERVED

# CHAPTER 239A

PUBLIC WORKS POSITIONS FOR CERTAIN PERSONS

239A.1 Who may be placed.
239A.2 Projects determined.
239A.3 Target areas selected.

**239A.1 Who may be placed.**

Any person who is receiving or has obtained approval of an application to receive assistance under chapter 239B, and who is eligible under the promoting independence and self-sufficiency through employment job opportunities and basic skills program, may be referred to the department of workforce development for placement in public works positions available pursuant to this chapter or to such other authority as may be applicable.

[C77, 79, 81, §239A.1]

96 Acts, ch 1186, §23; 97 Acts, ch 41, §32

Referred to in §239A.2, 239A.3

**239A.2 Projects determined.**

The department of workforce development, in consultation with the director of human services, shall establish a procedure for assignment of persons referred under section 239A.1 to positions available in public works projects. The department of workforce development shall arrange with units of local government for establishment of such projects, which may include any type of work or endeavor that is within the scope of authority of the unit of local government involved so long as the project meets the following requirements:

1. The project must create new employment opportunities and not fund existing employment of persons working for the local government unit or resume funding of projects for which the local government unit has, without fault, terminated employees within the previous six months and has not recalled those employees.

2. The benefits of the project result must inure primarily to the community or public at large.

3. The following conditions of employment must be satisfied:

*a.* The unit of local government with which the project is arranged must be the employer of the persons hired under the project.

*b.* The employees under the project must be paid at the same rate as other employees doing similar work for that unit of local government.

*c.* The employees must be considered regular employees of the unit of local government involved and must be entitled to participate in benefit programs of that unit of local government, including but not limited to workers' compensation, but shall not be entitled to qualify for unemployment compensation benefits on the basis of employment under the project.

[C77, 79, 81, §239A.2; 82 Acts, ch 1161, §27]

83 Acts, ch 96, §157, 159; 96 Acts, ch 1186, §23

Referred to in §239A.3

**239A.3 Target areas selected.**

The department of workforce development shall select not to exceed two target counties for implementation of sections 239A.1 and 239A.2. In selecting the target county or counties in which this chapter is to be implemented, the department of workforce development shall be guided by the following criteria:

1. The total number of unemployed persons in the county.

2. The number of unemployed persons in the county as a percentage of the available workforce there.

3. The total number of persons receiving assistance under chapter 239B in that county.

4. The number of persons receiving assistance under chapter 239B in that county as a percentage of the total population of the county.

5. The number of unemployed heads of households receiving assistance under chapter 239B in that county.

6. The number of unemployed heads of households receiving assistance under chapter 239B in that county as a percentage of all recipients of such assistance in that county.

[C77, 79, 81, §239A.3]

96 Acts, ch 1186, §23; 97 Acts, ch 41, §32

# CHAPTER 239B

## FAMILY INVESTMENT PROGRAM

Referred to in §84A.6, 216A.107, 217.30, 217.36, 234.6, 239A.1, 239A.3, 249A.2, 252B.3, 252B.4, 252B.6A, 252B.20, 252C.1, 252D.8, 252E.1, 252E.2A, 422.9, 541A.2, 598.22A


239B.1 Definitions.
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239B.23 Repealed by 98 Acts, ch 1218, §82.
239B.24 State child care assistance eligibility.


**239B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Applicant"* means a person who files an application for participation in the family investment program under this chapter.

2. *"Assistance"* means a family investment program payment.

3. *"Child"* means an unmarried person who is less than eighteen years of age or an unmarried person who is eighteen years of age and is engaged full-time in completing high school graduation or equivalency requirements in a manner which is reasonably expected to result in completion of the requirements prior to the person reaching nineteen years of age.

4. *"Department"* means the department of human services.

5. *"Family"* means a family unit that includes at least one child and at least one parent or other specified relative of the child.

6. *"Family investment agreement"* means the agreement developed with a participant in accordance with section 239B.8.

7. *"Family investment program"* means the family investment program under this chapter.

8. *"Limited benefit plan"* means a period of time in which a participant or member of a participant's family is either eligible for reduced assistance only or ineligible for any assistance under the family investment program, in accordance with section 239B.9.

9. *"Minor parent"* means an applicant or participant parent who is less than eighteen years of age and has never been married.

10. *"Participant"* means a person who is receiving full or partial family investment program assistance. For the purposes of sections 239B.8 and 239B.9, *"participant"* also includes each individual who does not directly receive assistance but who is required to be engaged in work or training options specified in the participant's family investment agreement entered into under section 239B.8.

11. *"PROMISE JOBS program"* or *"JOBS program"* means the promoting independence and self-sufficiency through employment job opportunities and basic skills program created in section 239B.17.

12. *"Specified relative"* means a person who is, or was at any time, one of the following relatives of an applicant or participant child, by means of blood relationship, marriage, or adoption, or is a spouse of one of the following relatives:

*a.* Parent.
*b.* Grandparent.
*c.* Great-grandparent.
*d.* Great-great-grandparent.
*e.* Stepparent of the child, but not the parent of the stepparent.
*f.* Sibling.
*g.* Stepsibling.
*h.* Sibling by at least the half blood.
*i.* Uncle or aunt by at least the half blood.
*j.* Great-uncle or great-aunt.
*k.* Great-great-uncle or great-great-aunt.
*l.* First cousin.
*m.* Nephew or niece.
*n.* Second cousin.

97 Acts, ch 41, §2, 34; 2007 Acts, ch 124, §1
Referred to in §252B.1

**239B.2 Conditions of eligibility.**

Within available funding, the department shall make assistance available to eligible families under the family investment program. At a minimum, a family shall meet all of the following conditions of eligibility:

1. *Application.* An application for the program is made to the department. The application shall be in writing or reduced to writing in the manner and upon the form prescribed by the department. The application shall be made by the specified relative with whom the child resides or will reside, and shall contain the information required on the application form. One application may be made for several children of the same family if the children reside or will reside with the same specified relative.

2. *Income and resources.* The family meets income and resource guidelines established by the department to attain or retain financial eligibility. In determining a family's income and resources, the department shall consider the income and resources of the child, the child's parent, the child's stepparent living with the child, or any other specified relative with whom the child resides or will reside available to the family unless specifically exempted as provided in section 239B.7 or by rule or unless otherwise provided by federal law. A family's failure to meet the income or resource guidelines shall result in denial of the family's eligibility for the program.

3. *Unemployment.*

*a.* A determination of eligibility for a family with an unemployed parent shall not include consideration of either parent's number of hours of employment. Both parents must enter into and participate in a family investment agreement and participate in JOBS program activities unless good cause not to participate is established in accordance with rules.

*b.* Any of the following reasons for refusing employment or training are not good cause:

(1) Unsuitable or unpleasant work or training, if the parent is able to perform the work or training without unusual danger to the parent's health.

(2) The amount of wages or compensation, unless the wages for employment are below the amount customary for the same work in the community.

4. *Written statement — family investment agreement.*

*a.* The department may require an applicant family to commit to the initial actions the applicant family will take to achieve self-sufficiency as contained in a signed, written statement. An applicant family which fails to commit to the actions as contained in the written statement shall be denied eligibility for the family investment program. If the applicant family becomes a participant family, the family's written statement may be replaced by, incorporated within, or become the family investment agreement for that family.

*b.* Unless exempt as provided in section 239B.8, a participant family which is eligible for the program shall continue to comply with the provisions of a written statement which contains actions committed to by the family under paragraph "*a*" or shall enter into a family investment agreement with the department. A participant family must comply with the provisions of the written statement or the conditions in the agreement in order to retain eligibility. A participant family which does not comply shall be deemed to have chosen a limited benefit plan.

5. *Provision of information.* The family provides requested information to the department. The department shall adopt rules specifying the conditions under which an applicant or participant family is denied eligibility for family investment program assistance for failure to provide requested information.

6. *Cooperation with child support requirements.* The department shall provide for prompt notification of the department's child support recovery unit if assistance is provided to a child whose parent is absent from the home. An applicant or participant shall cooperate with the child support recovery unit and the department as provided in 42 U.S.C. § 608(a)(2) unless the applicant or participant qualifies for good cause or other exception as determined by the department in accordance with the best interest of the child, parent, or specified relative, and with standards prescribed by rule. The authorized good cause or other exceptions shall include participation in a family investment agreement safety plan option to address or prevent family or domestic violence and other consideration given to the presence of family or domestic violence. If a specified relative with whom a child is residing fails to comply with these cooperation requirements, a sanction shall be imposed as defined by rule in accordance with state and federal law.

7. *Periodic reviews.* As a condition of eligibility, the department may require periodic reports from a participant concerning the participant's income, resources, family composition, and other circumstances. If the participant's circumstances change, the participant's assistance may be continued, renewed, suspended, changed in amount, or entirely withdrawn, as determined in accordance with rule.

8. *Out-of-state assistance.* Assistance shall be paid to a participant residing temporarily out-of-state if the participant retains residency in this state and remains otherwise eligible for assistance. The department shall periodically redetermine the eligibility of a participant who is temporarily residing out-of-state.

97 Acts, ch 41, §3, 34; 98 Acts, ch 1218, §50; 99 Acts, ch 100, §1; 2000 Acts, ch 1088, §2; 2009 Acts, ch 41, §263

Referred to in §239B.2B, 239B.3, 239B.9

**239B.2A School attendance.** Repealed by 2004 Acts, ch 1043, § 11.

**239B.2B Eligibility of noncitizens.**

A person who meets the conditions of eligibility under section 239B.2 and who meets either of the following requirements shall be eligible for participation in the family investment program:

1. The person is a conditional resident alien who was battered or subjected to extreme cruelty, or whose child was battered or subjected to extreme cruelty, perpetrated by the

person's spouse who is a United States citizen or lawful permanent resident as described in 8 C.F.R. § 216.5(a)(3).

2. The person was battered or subjected to extreme cruelty, or the person's child was battered or subjected to extreme cruelty, perpetrated by the person's spouse who is a United States citizen or lawful permanent resident and the person's petition has been approved or a petition is pending that sets forth a prima facie case that the person has noncitizen status under any of the following categories:

*a.* Status as a spouse or child of a United States citizen or lawful permanent resident under the federal Immigration and Nationality Act, § 204(a)(1), as codified in 8 U.S.C. § 1154(a)(1)(A).

*b.* Status as a spouse or child who was battered or subjected to extreme cruelty by a United States citizen or lawful permanent resident, under the federal Immigration and Nationality Act, § 204(a)(iii), as codified in 8 U.S.C. § 1154(a)(1)(A)(iii).

*c.* Classification as a person lawfully admitted for permanent residence under the federal Immigration and Nationality Act.

*d.* Suspension of deportation and adjustment of status under the federal Immigration and Nationality Act, § 244(a), as in effect before the date of enactment of the federal Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

*e.* Cancellation of removal or adjustment of status under the federal Immigration and Nationality Act, § 240A, as codified in 8 U.S.C. § 1229b.

*f.* Status as an asylee, if asylum is pending, under the federal Immigration and Nationality Act, § 208, as codified in 8 U.S.C. § 1158.

2002 Acts, ch 1175, §27

**239B.2C Absence from home — incarceration.**

An individual family member who is absent from the home for more than three months because the individual is incarcerated in jail or a correctional facility shall not be included in the family unit for purposes of assistance.

2012 Acts, ch 1133, §98

**239B.3 Cash assistance.**

1. *a.* Within available funding, the department shall provide an ongoing cash assistance grant under the family investment program to a family eligible under section 239B.2.

*b.* For an eligibility decision involving an applicant family with a specified relative, within thirty days of the date of an application, the department shall authorize issuance of notice of the department's decision to the specified relative.

2. For an applicant or participant family, the department shall calculate and pay the cash assistance grant on a monthly basis, taking into consideration all of the following:

*a.* The income and resources of the family.

*b.* Whether the family has entered into a limited benefit plan.

*c.* The size of the family.

*d.* Available funding.

3. The department may pay cash assistance and other cash benefits paid under this chapter by warrant, through a direct deposit to a financial institution of a participant, or through an electronic benefits transfer.

4. The department may pay, from funds appropriated for this purpose, a maximum of four hundred dollars toward funeral expenses on the death of a child who is a participant or has been authorized to participate in the family investment program, provided both of the following conditions apply:

*a.* The decedent does not leave an estate which may be probated with sufficient proceeds to allow for payment of the funeral expenses.

*b.* Payments which are due the decedent's estate or beneficiary by reason of the liability of a life insurance, death or funeral benefit company, association, or society, or in the form of United States social security, railroad retirement, or veterans' benefits upon the death of the decedent, are deducted from the department's payment under this section.

97 Acts, ch 41, §4, 34; 99 Acts, ch 100, §2

**239B.4 Departmental role.**

1. The department is the state entity designated to administer federal funds received for purposes of the family investment program and the JOBS program under this chapter, including but not limited to the funding received under the federal temporary assistance for needy families block grant as authorized under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, as reauthorized under the federal Deficit Reduction Act of 2005, Pub. L. No. 109-171, and as codified in 42 U.S.C. § 601 et seq., and as such is the lead agency in preparing and filing state plans, state plan amendments, and other reports required by federal law.

2. The department is responsible for a management information system, eligibility determination, participant grant calculations and issuance of payments, contracting for services, provision of an appeal or resolution process to applicants and participants, determining the suitability of a family home maintained by a specified relative applicant or participant, and other activities as necessary to administer the family investment program and the JOBS program.

3. The department shall develop and use a screening tool for determining the likely presence of family and domestic violence affecting applicant and participant families. The department shall require the use of the screening tool by trained employees.

4. The department shall continue to work with the department of workforce development and local community collaborative efforts to provide support services for participants. The support services shall be directed to those participant families who would benefit from the support services and are likely to have success in achieving economic independence.

5. The department shall continue to work with religious organizations and other charitable institutions to increase the availability of host homes, referred to as second chance homes, or other living arrangements under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 103, and any successor legislation. The purpose of the homes or arrangements is to provide a supportive and supervised living arrangement for minor parents receiving assistance who may receive assistance while living in an alternative setting other than with their parent or legal guardian.

6. The department may adopt rules pursuant to chapter 17A as necessary to administer this chapter.

97 Acts, ch 41, §5, 34; 98 Acts, ch 1218, §51; 2005 Acts, ch 175, §106; 2007 Acts, ch 124, §2

**239B.5 Compliance with federal law — prohibited electronic benefit transfer transactions.**

1. If, as a condition of receiving federal funds for the family investment program, federal law requires implementation and administration of certain activities during a period when the general assembly is not in session, the department shall proceed to implement and administer those provisions, even if in conflict with other existing state law. However, the period of implementation authorized under this subsection shall end upon the adjournment of the regular session of the general assembly immediately following the commencement of the period of implementation.

2. The department may submit waiver requests to the United States department of health and human services as necessary to implement and administer any provision under this chapter, or to implement any subsequent initiative that requires a waiver from federal law.

3. *a.* The provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 115, shall not apply to an applicant or participant.

*b.* However, unless exempt for good cause under rules adopted by the department for this purpose, an applicant or participant convicted under federal or state law of a felony offense, which has as an element the possession, use, or distribution of a controlled substance, as defined in 21 U.S.C. § 802(6), shall be required to participate in drug rehabilitation activities or to fulfill other requirements to verify that the applicant or participant does not illegally possess, use, or distribute a controlled substance.

4. *a.* The department shall implement policies and procedures as necessary to comply with provisions of the federal Middle Class Tax Relief and Job Creation Act

of 2012, Pub. L. No. 112-96, to prevent assistance provided under this chapter from being used in any electronic benefit transfer transaction in any liquor store; any casino, gambling casino, or gaming establishment; or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment. For purposes of this paragraph, the definitions found in the federal Middle Class Tax Relief and Job Creation Act and related rules and statutes apply.

*b.* Unless otherwise precluded by federal law or regulation, policies and procedures implemented under this subsection shall at a minimum impose the prohibition described in paragraph "*a*" as a condition for continued eligibility for assistance under this chapter.

*c.* The department may implement additional measures as may be necessary to comply with federal regulations in implementing paragraph "*a*".

*d.* The department shall adopt rules as necessary to implement this subsection.

97 Acts, ch 41, §6, 34; 2013 Acts, ch 138, §90
Referred to in §239B.14
NEW subsection 4

**239B.6 Assignment of support rights or benefits.**

1. An assignment of support rights to the department is created by either of the following:

*a.* An applicant and other persons covered by an application are deemed to have assigned to the department at the time of application all rights to periodic support payments that accrue during the period the family receives assistance to the extent of the amount of assistance received by the applicant and by other persons covered by the application.

*b.* A determination that a child or another person covered by an application is eligible for assistance under this chapter creates an assignment by operation of law to the department of all rights to periodic support payments that accrue during the period the family receives assistance not to exceed the amount of assistance received by the child and other persons covered by the application.

2. An assignment takes effect upon determination that an applicant or another person covered by an application is eligible for assistance under this chapter, applies to both current and accruing support obligations, and terminates when an applicant or another person covered by an application ceases to receive assistance under this chapter, except with respect to the amount of unpaid support obligations accrued during the assignment. If an applicant or another person covered by an application ceases to receive assistance under this chapter and the applicant or other person covered by the application receives a periodic support payment, subject to limitations under federal law and subject to subsection 3, the department is entitled only to that amount of the periodic support payment above the current periodic support obligation.

3. Any rights to support payments assigned to the department on or before September 30, 2009, shall remain assigned to the department.

4. Assistance paid or payable under this chapter is not transferable or assignable at law or in equity, and none of the assistance paid or payable is subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

97 Acts, ch 41, §7, 34; 2008 Acts, ch 1019, §1, 2, 7
Referred to in §252A.13, 252C.2, 598.21C, 598.34, 600B.38

**239B.7 Income and resource exemptions, deductions, and disregards.**

In determining a family's income and resources for purposes of the family's initial and continuing eligibility for assistance and for determining grant amounts, the provisions of this section shall apply to the family and individual family members.

1. *Work expense deduction.* If an individual's earned income is considered by the department, the individual shall be allowed a work expense deduction equal to twenty percent of the earned income. The work expense deduction is intended to include all work-related expenses other than child care. These expenses shall include but are not limited to all of the following: taxes, transportation, meals, uniforms, and other work-related expenses.

2. *Work-and-earn incentive.* If an individual's earned income is considered by the department, the individual shall be allowed a work-and-earn incentive. The incentive

shall be equal to fifty-eight percent of the amount of earned income remaining after all other deductions are applied. The department shall disregard the incentive amount when considering the earned income available to the individual. The incentive shall not have a time limit. The work-and-earn incentive shall not be withdrawn as a penalty for failure to comply with family investment program requirements.

3. Reserved.

4. Reserved.

5. *Income consideration.* If an individual has timely reported an absence of income to the department, consideration of the individual's income shall cease beginning in the first month the income is absent.

6. *Interest income.* Interest income shall be disregarded.

7. *Individual development account deposits.* The department shall disregard as income any moneys an individual deposits in an individual development account established pursuant to chapter 541A.

8. *Motor vehicle disregard.* The department shall disregard the value of one motor vehicle. The countable equity value of any additional motor vehicle shall apply to the resource limitation established in subsection 9.

9. *Resource limitation.*

*a.* The resource limitation for an applicant family for the family investment program shall be two thousand dollars.

*b.* The resource limitation for a participant family shall be five thousand dollars.

*c.* The department shall disregard not more than ten thousand dollars of a self-employed individual's tools of the trade or capital assets in considering the individual's resources.

10. *Individual development account earnings and balance.* The department shall disregard any earnings and the balance of an individual development account established pursuant to chapter 541A in considering an individual's resources.

97 Acts, ch 41, §8, 34 – 36; 99 Acts, ch 192, §33, 34; 2004 Acts, ch 1043, §1, 12; 2007 Acts, ch 124, §3, 4, 6

Referred to in §239B.2

**239B.8 Family investment agreements.**

The department shall establish a policy regarding the implementation of family investment agreements which limits the period of eligibility for the family investment program based upon the requirements of a family's plan for self-sufficiency. The policy shall require a family's plan to be specified in a family investment agreement between the family and the department. The department shall adopt rules to administer the policy. The components of the policy shall include but are not limited to all of the following:

1. *Participation — exemptions.* A parent living in a home with a child for whom an application for family investment program assistance has been made or for whom the assistance is provided, and all other individual members of the family whose needs are included in the assistance shall be subject to a family investment agreement unless exempt under rules adopted by the department or unless any of the following conditions exists:

*a.* The individual is less than sixteen years of age and is not a parent.

*b.* The individual is sixteen through eighteen years of age, is not a parent, and is attending elementary or secondary school, or the equivalent level of vocational or technical school, on a full-time basis. If an individual loses exempt status under this paragraph and the individual has signed a family investment agreement, the individual shall remain subject to the terms of the agreement until the terms are completed.

*c.* The individual is not a United States citizen and is not a qualified alien as defined in 8 U.S.C. § 1641.

2. *Agreement options.* A family investment agreement shall require an individual who is subject to the agreement to engage in one or more work or training options. An individual's level of engagement in one or more of the work or training options shall be equivalent to the level of commitment required for full-time employment or shall be significant so as to move the individual's level of engagement toward that level. The department shall adopt rules defining option requirements and establishing assistance provisions for child

care, transportation, and other support services. A leave from engagement in work or training options shall be offered to a participant parent to address the birth of a child or the placement of a child with the participant parent for adoption or foster care. If such a leave is requested by the parent the combined duration of the leave shall not exceed the minimum leave duration, as outlined in the federal Family and Medical Leave Act of 1993, § 102(a) and (b)(1), as codified in 29 U.S.C. § 2612(a) and (b)(1). The terms of the leave shall be incorporated into the family investment agreement. The work or training options shall include but are not limited to all of the following:

*a. Employment.* Full-time or part-time employment.

*b. Employment search.* Active job search.

*c. JOBS.* Participation in the JOBS program.

*d. Education.* Participation in other education or training programming.

*e. Family development.* Participation in a family development and self-sufficiency grant program under section 216A.107 or other family development program.

*f. Work experience.* Work experience placement.

*g. Community service.* Unpaid community service.

*h. Parenting skills.* Participation in an arrangement which would strengthen the individual's ability to be a better parent, including but not limited to participation in a parenting education program.

*i. Family or domestic violence.* Participation in a safety plan to address or prevent family or domestic violence. The safety plan may include a temporary waiver period from required participation in the JOBS program or other employment-related activities, as appropriate for the situation of the applicant or participant. All applicants and participants shall be informed regarding the existence of this option. Participation in this option shall be subject to review in accordance with administrative rule.

*j. Incremental family investment agreements.* If an individual participant or the entire family has an acknowledged barrier, the plan for self-sufficiency may be specified in one or more incremental family investment agreements.

3. *Limited benefit plan.* If a participant fails to comply with the provisions of the participant's family investment agreement during the period of the agreement, the limited benefit plan provisions of section 239B.9 shall apply.

4. *Completion of agreement.*

*a.* Upon the completion of the terms of the agreement, family investment program assistance to a participant family covered by the agreement shall cease or be reduced in accordance with rules.

*b.* However, if the period in which a participant family is without cash assistance is one month or less and the participant family has not become exempt from JOBS program participation at the time the participant family reapplies for cash assistance, the participant family's family investment agreement shall be reinstated at the time the participant family reapplies. The reinstated agreement may be revised to accommodate changed circumstances present at the time of reapplication.

*c.* The department shall adopt rules to administer this subsection and to determine when a family is eligible to reenter the family investment program.

5. *Contracts.* The department may contract with the department of workforce development, economic development authority, or any other entity to provide services relating to a family investment agreement.

6. *Confidential information disclosure.* If approved by the director of human services or the director's designee pursuant to a written request, the department shall disclose confidential information described in section 217.30, subsection 1, to other state agencies or to any other entity which is not subject to the provisions of chapter 17A and is providing services to a participant family who is subject to a family investment agreement, if necessary in order for the participant family to receive the services. The department shall adopt rules

establishing standards for disclosure of confidential information if disclosure is necessary in order for a participant to receive services.

97 Acts, ch 41, §9, 34; 98 Acts, ch 1218, §52; 99 Acts, ch 192, §33; 2000 Acts, ch 1088, §3; 2001 Acts, ch 128, §1; 2001 Acts, ch 191, §41; 2004 Acts, ch 1043, §2, 3; 2005 Acts, ch 121, §10; 2007 Acts, ch 124, §5; 2008 Acts, ch 1072, §4, 5; 2011 Acts, ch 118, §85, 89

Referred to in §239B.1, 239B.2, 239B.9, 239B.18

**239B.9 Limited benefit plan.**

1. *General provisions.*

*a.* If a participant responsible for signing and fulfilling the terms of a family investment agreement, as defined by the director of human services in accordance with section 239B.8, chooses not to sign or fulfill the terms of the agreement, the participant's family, or the individual participant shall enter into a limited benefit plan. Initial actions in a written statement under section 239B.2, subsection 4, which were committed to by a participant during the application period and which commitment remains in effect, shall be considered to be a term of the participant's family investment agreement. A limited benefit plan shall apply for the period of time specified in this section. The first month of the limited benefit plan is the first month after the month in which timely and adequate notice of the limited benefit plan is given to the participant as defined by the director of human services. The elements of a limited benefit plan shall be specified in the department's rules.

*b.* For purposes of this lettered paragraph, *"significant contact with or action in regard to the JOBS program"* means the individual participant communicates to the JOBS program worker the desire to engage in JOBS program activities, signs a new or updated family investment agreement, and takes any other action required by the department in accordance with rules adopted for this purpose. A limited benefit plan applied in error shall not be considered to have been applied. A limited benefit plan is applicable to the individual participant choosing the limited benefit plan and to the individual participant's family members to which the plan is applicable under subsection 2. A limited benefit plan shall either be a first limited benefit plan or a subsequent limited benefit plan. A limited benefit plan shall be applied as follows:

(1) A first limited benefit plan shall provide for continuing ineligibility for assistance until the individual participant completes significant contact with or action in regard to the JOBS program.

(2) A limited benefit plan subsequent to a first limited benefit plan chosen by the same individual participant shall provide for a specified period of ineligibility of six months or less beginning with the effective date of the limited benefit plan and continuing indefinitely following the specified period until the individual participant completes significant contact with or action in regard to the JOBS program. The department shall adopt rules defining the circumstances for which a particular period of ineligibility will be specified.

(3) For a two-parent family in which both parents are responsible for a family investment agreement, a first or subsequent limited benefit plan shall remain applicable until both parents complete significant contact with or action in regard to the JOBS program. A limited benefit plan applied more than once to the same two-parent family shall be treated as a subsequent limited benefit plan.

2. *Plan applied.* The department shall apply the limited benefit plan to the participants responsible for the family investment agreement and other members of the participant's family as follows:

*a. Parent.* If the participant responsible for the family investment agreement is a parent, the limited benefit plan is applicable to the entire participant family.

*b. Needy relative or incapacitated stepparent.* If the participant choosing a limited benefit plan is a needy relative who acts as payee when the parent is in the home but is unable to act as payee, is a needy relative who assumes the role of parent, or is a dependent child's stepparent whose needs are included in the assistance because of incapacity, the limited benefit plan shall apply only to the individual participant choosing the plan.

*c. Minor parent living with adult parent or specified relative.* If the participant family includes a minor parent living with the minor parent's adult parent or specified relative

who receives family investment program assistance and both individuals are responsible for developing a family investment agreement, each individual is responsible for a separate family investment agreement, and the limited benefit plan shall be applied as follows:

(1) If the adult parent chooses the limited benefit plan, the requirements of the limited benefit plan shall apply to the entire participant family, even though the minor parent has not chosen the limited benefit plan. However, the minor parent may reapply for assistance as a minor parent living with self-supporting parents or living independently and continue in the family investment agreement process.

(2) If the minor parent chooses the limited benefit plan, the requirements of the limited benefit plan shall apply to the minor parent and any child of the minor parent.

(3) If the specified relative chooses the limited benefit plan, the requirements of the limited benefit plan shall apply only to the specified relative.

*d. Minor parent — only child.* If the minor parent is the only child in the adult parent's or specified relative's home and the minor parent chooses the limited benefit plan, assistance shall not be paid to the adult parent or specified relative in this instance.

*e. Children who are mandatory JOBS program participants.* If the participant family includes children who are mandatory JOBS program participants, the children shall not have a separate family investment agreement but shall be asked to sign the family investment agreement applicable to the family and to carry out the responsibilities of that family investment agreement. A limited benefit plan shall be applied as follows:

(1) If the parent or specified relative responsible for a family investment agreement meets the responsibilities of the family investment agreement but a child who is a mandatory JOBS program participant chooses an individual limited benefit plan, the family is eligible for reduced assistance during the child's limited benefit plan.

(2) If the child who chooses a limited benefit plan under subparagraph (1) is the only child in the participant family, assistance shall not be paid to the adult parent, parents, or specified relative in this instance.

*f. Exempt parent.* If a participant family includes a parent, parents, or specified relative who are exempt from JOBS program participation and children who are mandatory JOBS program participants, the children are responsible for completing a family investment agreement. If a child who is a mandatory JOBS program participant chooses the limited benefit plan, the limited benefit plan shall be applied in the manner provided in paragraph "*e*".

*g. Two parents.* If the participant family includes two parents, a limited benefit plan shall be applied as follows:

(1) If only one parent of a child in the family is responsible for a family investment agreement and that parent chooses the limited benefit plan, the limited benefit plan cannot be ended by the voluntary participation in a family investment agreement by the exempt parent. If the parent responsible for the family investment agreement chooses a limited benefit plan, the limited benefit plan applies to the entire family.

(2) If both parents of a child in the family are responsible for a family investment agreement, both parents shall sign the agreement. If either parent chooses the limited benefit plan, the limited benefit plan cannot be ended by the participation of the other parent in a family investment agreement.

(3) If the parents from a two-parent family in a limited benefit plan separate, the limited benefit plan shall follow only the parent who chose the limited benefit plan and any children in the home of that parent.

3. *Plan chosen.* A participant shall be considered to have chosen a limited benefit plan under any of the following circumstances:

*a.* A participant who does not establish an orientation appointment with the JOBS program or who fails to keep or reschedule an orientation appointment shall receive a reminder letter which informs the participant that those who do not attend orientation have elected to choose a limited benefit plan. A participant who chooses not to respond to the reminder letter within ten calendar days from the mailing date shall receive notice establishing the effective date of the limited benefit plan. If a participant is deemed to have

chosen a limited benefit plan, timely and adequate notice provisions, as determined by the director of human services, shall apply.

*b.* A participant who chooses not to sign the family investment agreement after attending a JOBS program orientation shall enter into a limited benefit plan as described in paragraph "*a*".

*c.* A participant who has signed a family investment agreement but then chooses a limited benefit plan under circumstances defined by the director of human services.

4. *Reconsideration.* A participant who chooses a limited benefit plan may reconsider that choice as follows:

*a.* A participant who chooses a first limited benefit plan may reconsider at any time following the effective date of the limited benefit plan. The participant may contact the department or the appropriate JOBS program office any time to begin the reconsideration process.

*b.* A participant who chooses a subsequent limited benefit plan may reconsider that choice at any time following the period of ineligibility specified in accordance with subsection 1.

5. *Well-being visit.* If a participant has chosen a subsequent limited benefit plan, the department may conduct a well-being visit or contract for a well-being visit to be conducted, provided funding is available for the costs of such visits. A well-being visit shall meet all of the following criteria:

*a.* A qualified professional shall attempt to visit with the participant family with a focus upon the children's well-being.

*b.* The visit shall be conducted during or within four weeks of the second month of the start of the subsequent limited benefit plan.

*c.* The visit shall serve as an extension of the family investment program and the family investment agreement philosophy of supporting families as they move toward self-sufficiency.

6. *Appeal.* A participant has the right to appeal the establishment of the limited benefit plan only once, at the time the department issues the timely and adequate notice that establishes the limited benefit plan. However, if the reason for the appeal is based on an incorrect grant computation, an error in determining the composition of the family, or another worker error, a hearing shall be granted, regardless of the person's limited benefit plan status.

97 Acts, ch 41, §10, 34; 98 Acts, ch 1218, §55 – 60; 99 Acts, ch 100, §3; 2000 Acts, ch 1088, §4; 2002 Acts, ch 1015, §1, 4; 2004 Acts, ch 1043, §4; 2006 Acts, ch 1016, §9 – 11; 2008 Acts, ch 1111, §1, 2

Referred to in §239B.1, 239B.8

**239B.10 Minor and young parents — other requirements.**

1. *Living arrangement.* Unless any of the following conditions apply, a minor parent shall be required to live with the minor's parent or legal guardian:

*a.* The parent or guardian of the minor parent is deceased, missing, or living in another state.

*b.* The minor parent's health or safety would be jeopardized if the minor parent is required to live with the parent or guardian.

*c.* The minor parent is in foster care.

*d.* The minor parent is participating in the job corps solo parent program or independent living program.

*e.* Other good cause exists, which is identified in rules adopted by the department for this purpose, for the minor parent to participate in the family investment program while living apart from the minor parent's parent or guardian.

2. *Family development.* A minor parent who is a participant and is not required to live with the minor parent's parent or guardian pursuant to subsection 1 shall be required to participate in a family development program identified in rules adopted by the department.

3. *Parenting classes.* Participant parents who are nineteen years of age or younger shall be required to attend parenting classes.

4. *Education.* The department shall require, subject to the availability of child care for a minor parent's children, that a minor parent must either have graduated from high school or

have received a high school equivalency diploma, or be engaged full-time in completing high school graduation or equivalency requirements.

5. *Earnings disregard.* In determining family investment program eligibility and calculating the amount of assistance, the department shall disregard earnings of an applicant or a participant who is nineteen years of age or younger who is engaged full-time in completing high school graduation or equivalency requirements.

6. *Family planning.* The department shall do all of the following with newly eligible and existing participant parents:

*a.* Discuss orally and in writing the financial implications of newly born children on the participant's family.

*b.* Discuss orally and in writing the available family planning resources.

*c.* Include family planning counseling as an optional component of the JOBS program.

*d.* Include the participant's family planning objectives in the family investment agreement.

97 Acts, ch 41, §11, 34; 99 Acts, ch 192, §33

**239B.11 Family investment program account — diversion program subaccount — diversion program.**

1. An account is established in the state treasury to be known as the family investment program account under control of the department to which shall be credited all funds appropriated by the state for the payment of assistance and JOBS program expenditures. All other moneys received at any time for these purposes, including child support revenues, shall be deposited into the account as provided by law. All assistance and JOBS program expenditures under this chapter shall be paid from the account.

2. *a.* A diversion program subaccount is created within the family investment program account. The subaccount may be used to provide incentives to divert a family's participation in the family investment program if the family meets the department's income eligibility requirements for the diversion program. Incentives may be provided in the form of payment or services to help a family to obtain or retain employment. The diversion program subaccount may also be used for payments to participants as necessary to cover the expenses of removing barriers to employment and to assist in stabilizing employment. In addition, the diversion program subaccount may be used for funding of services and payments for persons whose family investment program eligibility has ended, in order to help the persons to stabilize or improve their employment status.

*b.* The diversion program shall be implemented statewide in a manner that preserves local flexibility in program design. The department shall assess and screen individuals who would most likely benefit from diversion program assistance. The department may adopt additional eligibility criteria for the diversion program as necessary for compliance with federal law and for screening those families who would be most likely to become eligible for the family investment program if diversion program incentives would not be provided to the families.

97 Acts, ch 41, §12, 34; 98 Acts, ch 1218, §76; 2000 Acts, ch 1088, §5; 2005 Acts, ch 175, §107
Referred to in §252B.27

**239B.11A Transitional benefits.** Repealed by 2008 Acts, ch 1187, § 96, 97.

**239B.12 Immunization.**

1. To the extent feasible, the department shall determine the immunization status of children receiving assistance under this chapter. The status shall be determined in accordance with the immunization recommendations adopted by the Iowa department of public health under section 139A.8, including the exemption provisions in section 139A.8, subsection 4. If the department determines a child is not in compliance with the immunization recommendations, the department shall refer the child's parent or guardian to a local public health agency for immunization services for the child and other members of the child's family.

2. The department of human services shall cooperate with the Iowa department of public health to establish an interagency agreement allowing the sharing of pertinent client data, as permitted under federal law and regulation, for the purposes of determining

immunization rates of participants, evaluating family investment program efforts to encourage immunizations, and developing strategies to further encourage immunization of participants.

97 Acts, ch 41, §13, 34; 2000 Acts, ch 1066, §43

**239B.13 Needy relative payee — protective payee — vendor payment.**

1. The department may provide for a needy relative to act as a payee when the parent of a participant family is in the home but is unable to act as the payee.

2. The department may order the cash assistance under this chapter to be paid to a protective payee if it has been demonstrated that the specified relative with whom the child is residing is unable to manage the assistance in the best interest of the child. Protective payment of cash assistance shall not be made beyond a period of two years. The department may petition the district court sitting in probate to establish, pursuant to chapter 633, a conservatorship over a participant. If a conservatorship is established, the participant's cash assistance shall be paid to the conservator. In addition to the cash assistance, an amount not to exceed ten dollars per case per month may be allowed for conservatorship or guardianship fees if authorized by court order. The department may pay cash assistance or other cash benefits to a third party if the department determines that a third-party payment is essential to assure the proper use of the assistance or benefits.

97 Acts, ch 41, §14, 34

**239B.14 Fraudulent practices — recovery of overpayments.**

1. *a.* An individual who obtains, or attempts to obtain, or aids or abets an individual to obtain, by means of a willfully false statement or representation, by knowingly failing to disclose a material fact, or by impersonation, or any fraudulent device, any assistance or other benefits under this chapter to which the individual is not entitled, commits a fraudulent practice.

*b.* An individual who accesses benefits provided under this chapter in violation of any prohibition imposed by the department pursuant to section 239B.5, subsection 4, commits a fraudulent practice.

2. An individual who commits a fraudulent practice under this section is personally liable for the amount of assistance or other benefits fraudulently obtained. The amount of the assistance or other benefits may be recovered from the offender or the offender's estate in an action brought or by claim filed in the name of the state and the recovered funds shall be deposited in the family investment program account. The action or claim filed in the name of the state shall not be considered an election of remedies to the exclusion of other remedies.

3. The department shall adopt rules pursuant to chapter 17A as necessary to recover overpayments of assistance and benefits provided under this chapter. The recovery methods shall include but are not limited to reducing the amount of assistance or benefits provided.

97 Acts, ch 41, §15, 34; 2000 Acts, ch 1088, §6; 2013 Acts, ch 138, §91

Referred to in §217.35

Fraudulent practices; see §714.8 et seq.

Use of recovered moneys generated through fraud and recoupment activities for additional fraud and recoupment activities; see §217.35

Subsection 1 amended

**239B.15 County attorney to enforce.**

Violations of law relating to the family investment program shall be prosecuted by county attorneys. Area prosecutors of the office of the attorney general shall provide prosecution assistance.

97 Acts, ch 41, §16, 34

Referred to in §331.756(49)

**239B.16 Appeal — judicial review.**

If an applicant's application is not acted upon within a reasonable time, if it is denied in whole or in part, or if a participant's assistance or other benefits under this chapter are modified, suspended, or canceled under a provision of this chapter, the applicant or participant may appeal to the department of human services which shall request the department of inspections and appeals to conduct a hearing. Upon completion of a hearing,

the department of inspections and appeals shall issue a decision which is subject to review by the department of human services. Judicial review of the actions of the department of human services may be sought in accordance with chapter 17A. Upon receipt of a notice of the filing of a petition for judicial review, the department of human services shall furnish the petitioner with a copy of any papers filed in support of the petitioner's position, a transcript of any testimony taken, and a copy of the department's decision.

97 Acts, ch 41, §17, 34

**239B.17 PROMISE JOBS program.**

1. *Program established.* The promoting independence and self-sufficiency through employment job opportunities and basic skills program is established for applicants and participants of the family investment program. The requirements of the JOBS program shall vary as provided in the family investment agreement applicable to a family. The department of workforce development, economic development authority, department of education, and all other state, county, and public educational agencies and institutions providing vocational rehabilitation, adult education, or vocational or technical training shall assist and cooperate in the JOBS program. The departments, agencies, and institutions shall make agreements and arrangements for maximum cooperation and use of all available resources in the program. The department of human services may contract with the department of workforce development, the economic development authority, or another appropriate entity to provide JOBS program services.

2. *Program activities.* The JOBS program shall include, but is not limited to, provision of the following activities:

*a.* Placing applicants and participants in employment and on-the-job training.

*b.* Institutional and work experience training for applicants and participants for whom the training is likely to lead to regular employment.

*c.* Special work projects for applicants and participants for whom a job in the regular economy cannot be found.

*d.* Incentives, opportunities, services, and other benefits to aid applicants and participants, which may include but are not limited to financial education.

*e.* Providing services and payments for persons whose family investment program eligibility has ended, in order to help the persons to stabilize or improve their employment status.

97 Acts, ch 41, §18, 34; 2000 Acts, ch 1088, §7; 2006 Acts, ch 1046, §1; 2007 Acts, ch 218, §40; 2011 Acts, ch 118, §85, 89

Referred to in §216A.107, 239B.1

**239B.18 JOBS program participation.**

Except for participants who are exempt from the requirement to enter into a family investment agreement under section 239B.8, a participant in the family investment program shall participate in JOBS program activities as provided in the participant's family investment agreement. Except for an individual who is not a United States citizen and is not a qualified alien and exempt from the requirement to enter into a family investment agreement under section 239B.8, subsection 1, paragraph "*c*", a participant who is exempt may voluntarily participate in the JOBS program.

97 Acts, ch 41, §19, 34; 2000 Acts, ch 1088, §8

**239B.19 JOBS program availability.**

1. Within available funding, the department shall make JOBS program services and benefits available to individuals who are participating in the JOBS program.

2. An individual's efforts under the JOBS program to attain a certificate of general educational development, high school diploma, or adult basic literacy where the individual has not previously received the certification shall be optional except as otherwise required by this chapter or by federal law. The department shall provide incentives to encourage optional efforts to attain such certifications.

3. When needed, arrangements shall be made for the care of children during the absence from the home of an individual participating in the JOBS program.
97 Acts, ch 41, §20, 34

**239B.20 JOBS program health and safety.**
The director shall establish and maintain reasonable standards for health, safety, and other conditions under the JOBS program.
97 Acts, ch 41, §21, 34

**239B.21 JOBS program — workers' compensation law applicable.**
A participant, with respect to employment performed under the JOBS program, shall be covered by the workers' compensation law or shall otherwise be provided with comparable protection.
97 Acts, ch 41, §22, 34

**239B.22 JOBS program — participant not state employee.**
A participant shall not be deemed to be an employee of the state or any of its political subdivisions by reason of participation in the JOBS program. However, this section shall not prevent the participant from having the status of an employee for the purposes of workers' compensation.
97 Acts, ch 41, §23, 34

**239B.23** Repealed by 98 Acts, ch 1218, § 82.

**239B.24 State child care assistance eligibility.**
1. The following persons are deemed to be eligible for benefits under the state child care assistance program administered by the department in accordance with section 237A.13, notwithstanding the program's eligibility requirements or any waiting list:
*a.* A participant who is employed.
*b.* Any other person whose earned income is considered in determining eligibility and benefits for a participant.
*c.* A person who is participating in activities approved under the JOBS program.
2. A person who is deemed to be eligible for state child care assistance program benefits under this section is subject to all other state child care assistance requirements, including but not limited to provider requirements under chapter 237A, provider reimbursement methodology and rates, and any other requirements established by the department in rule.
99 Acts, ch 192, §35; 2000 Acts, ch 1067, §16; 2000 Acts, ch 1232, §91
Referred to in §237A.13

# CHAPTER 240

RESERVED

# CHAPTER 241

## DISPLACED HOMEMAKERS

Referred to in §249.1

241.1 Definitions.
241.2 Application for designation and funding as a provider of services for displaced homemakers.
241.3 Department powers and duties.
241.4 and 241.5 Repealed by 86 Acts, ch 1245, §2053.
241.6 Project coordinator.

**241.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Displaced homemaker"* means an individual who meets all of the following criteria:

*a.* Has worked principally in the home providing unpaid household services for family members.

*b.* Is not gainfully employed.

*c.* Has had, or would apparently have, difficulty finding appropriate paid employment.

*d.* Has been dependent on the income of another family member but is no longer supported by that income, is or has been dependent on government assistance, or is supported as the parent of a child who is sixteen or seventeen years of age.

2. *"Department"* means the department of human services.

3. *"Director"* means the director of the department of human services.

[C81, §241.1]

83 Acts, ch 96, §157, 159

**241.2 Application for designation and funding as a provider of services for displaced homemakers.**

1. Upon receipt of state or federal funding designated to assist displaced homemakers, a public or private nonprofit group may apply to the director for designation and funding as a provider of services to displaced homemakers. The application shall be submitted on a form prescribed by the director and shall include all of the following:

*a.* A proposal for the establishment of a multipurpose service program for displaced homemakers which provides some or all of the following:

(1) Job counseling specifically designed for a person entering or reentering the job market after a number of years as a homemaker.

(2) Job training and placement services including but not limited to:

(a) Training programs for available jobs in the public and private sectors developed by working with public and private employers, taking into account the skills and job experiences of a homemaker.

(b) Assistance in locating available employment for displaced homemakers, some of which may be in existing job training and placement programs.

(c) Utilization of services of the state employment service, which shall cooperate with the department in locating employment opportunities.

(3) Utilization of services of existing agencies and programs to provide information on and assistance with financial management, legal problems, and health care.

(4) Utilization of services of existing agencies and programs to obtain educational services, including assistance in attaining high school equivalency diplomas and other courses which are of interest and benefit to displaced homemakers.

(5) Outreach and information services with respect to public employment, education, health and unemployment assistance programs which are of interest and benefit to displaced homemakers.

(6) Development and implementation of an educational program designed to promote public and professional awareness of the problems of displaced homemakers and of the availability of services for displaced homemakers.

(7) Development and implementation of a counseling program providing emotional support by qualified personnel or peer groups or both.

*b.* A proposed budget.

*c.* Assurance by the applicant that the uniform method of data collection and program evaluation established by the director pursuant to section 241.3, subsection 1, paragraph "*c*", will be implemented.

*d.* Any other information the director may require.

2. A public or private nonprofit group which receives designation as a provider of services

to displaced homemakers under this chapter shall comply with all applicable department rules.

[C81, §241.2]

2009 Acts, ch 41, §263

Referred to in §241.3

**241.3 Department powers and duties.**

1. The director shall do all of the following:

*a.* Designate and award grants for existing and pilot programs, pursuant to section 241.2, to provide services to displaced homemakers.

*b.* Designate an existing department staff member to perform the duties set forth in section 241.6.

*c.* Design and implement a uniform method of collecting data on displaced homemakers receiving services under this chapter and of evaluating funded programs.

2. The department shall consult and cooperate with the department of workforce development, the United States commissioner of social security administration, the office on the status of women of the department of human rights, the department of education, and other persons in the executive branch of the state government as the department considers appropriate to facilitate the coordination of multipurpose service programs established under this chapter with existing programs of a similar nature.

3. The director, in carrying out the provisions of this chapter, may accept, use, and dispose of contributions of money, services, and property made available to the department by an agency or department of the state or federal government, or a private agency or individual.

[C81, §241.3]

86 Acts, ch 1245, §938; 96 Acts, ch 1186, §23; 2001 Acts, ch 61, §16; 2012 Acts, ch 1023, §31

Referred to in §241.2

**241.4 and 241.5** Repealed by 86 Acts, ch 1245, § 2053.

**241.6 Project coordinator.**

The director shall appoint a project coordinator who shall administer appropriated funds, coordinate funded programs, and perform other duties the director assigns to the coordinator.

[C81, §241.6]

Referred to in §241.3

# CHAPTERS 241A to 248A

RESERVED

# CHAPTER 249

## STATE SUPPLEMENTARY ASSISTANCE

Referred to in §63A.2, 142.1, 249A.4, 425.2, 483A.24

Child and family services, see chapter 234


249.1 Definitions.
249.2 Agreement with federal authority.
249.3 Eligibility.
249.4 Application — amount of grant — retroactive benefits.
249.5 Judicial review.
249.6 Charge for cashing warrant unlawful.
249.7 Assistance inalienable.
249.8 Cancellation of warrants.
249.9 Funeral expenses.
249.10 Prior liens, claims, and assignments.
249.11 Fraud — investigations and audits.
249.12 Cost-related system.
249.13 County attorney to enforce.
249.14 Old-age assistance revolving fund.


**249.1 Definitions.**

As used in this chapter:

1. *"Department"* means the department of human services.

2. *"Director"* means the director of human services.

3. *"Federal supplemental security income"* means cash payments made to individuals by the United States government under Tit. XVI of the Social Security Act as amended by Pub. L. No. 92-603, or any other amendments thereto.

4. *"Previous categorical assistance programs"* means the aid to the blind program authorized by chapter 241, the aid to the disabled program authorized by chapter 241A and the old-age assistance program authorized by chapter 249, Code 1973.

5. *"State supplementary assistance"* means cash payments made to individuals:

*a.* By the United States government on behalf of the state of Iowa pursuant to section 249.2.

*b.* By the state of Iowa directly pursuant to sections 249.3 to 249.5.

[C35, §5926-f1; C39, §**3684.01, 3828.001;** C46, 50, 54, 58, §241.1, 249.1; C62, 66, 71, 73, §241.1, 241A.1, 249.1; C75, 77, 79, 81, §249.1]

83 Acts, ch 96, §157, 159; 2005 Acts, ch 179, §122; 2006 Acts, ch 1010, §77; 2010 Acts, ch 1061, §180

Referred to in §234.21, 249.3, 249A.3, 403A.23, 427.9

**249.2 Agreement with federal authority.**

The director may enter into an agreement with the United States secretary of health and human services for federal administration of a program of state supplementary assistance to prescribed categories of persons who are, or would be except for the amount of income they receive from other sources, receiving federal supplemental security income. The agreement may authorize the secretary to make rules, in addition to and not in conflict with state laws and regulations, respecting eligibility for or the amount of state supplementary assistance paid under this section as the secretary finds necessary to achieve efficient and effective administration of both the basic federal supplemental security income program and the state supplementary assistance program administered by the secretary under the agreement. The agreement shall provide for the state of Iowa to reimburse the federal government, from funds appropriated for that purpose, for state supplementary assistance paid by the federal government pursuant to the agreement.

[C35, §5296-f4, -f36; C39, §**3684.04, 3828.003, 3828.045;** C46, 50, 54, 58, §241.4, 249.2, 249.42; C62, 66, 71, 73, §241.4, 241A.4, 249.2, 249.42; C75, 77, 79, 81, §249.2]

83 Acts, ch 101, §56

Referred to in §249.1

**249.3 Eligibility.**

The persons eligible to receive state supplementary assistance under section 249.1, subsection 5, paragraph *"b"*, are:

1. Any person whose needs were taken into account in computing the grant of a recipient, who was eligible for and was receiving assistance under a previous categorical assistance program during the month of December 1973, because the person was deemed essential to the well-being of the recipient in maintaining a living arrangement in the recipient's own home, so long as the person continues to act in the capacity of essential person to the former recipient and to be in financial need according to standards established by the department.

2. Any person who meets the criteria established by paragraphs "*a*", "*b*", and "*c*" of this subsection:

*a.* Is receiving either:

(1) Care in a licensed adult foster home, boarding home or custodial home, as defined by section 135C.1, or in another type of protective living arrangement as defined by the department; or

(2) Nursing care in the person's own home, certified by a physician as being required, so long as the cost of the nursing care does not exceed standards established by the department.

*b.* Is in fact receiving or would, except for income in excess of applicable maximums, be receiving federal supplemental security income.

*c.* Does not have sufficient income to meet the cost of care in one of the living arrangements defined in paragraph "*a*" of this subsection, which cost of care shall not exceed the amount established by the rules of the department for each of those living arrangements.

3. Any person living in any living arrangement other than as a patient or resident of a facility licensed under chapter 135C, who meets the criteria established by paragraphs "*a*", "*b*", and "*c*":

*a.* Lives with a dependent spouse, parent, child or adult child who is sharing the recipient's living arrangement, so long as the person continues in the relationship of dependent spouse, parent, child or adult child to the recipient and to be in financial need according to standards established by the department.

*b.* Is in fact receiving or would, except for income in excess of applicable maximums, be receiving federal supplemental security income.

*c.* Does not have sufficient income to meet the cost of providing for the dependent spouse, parent, child or adult child, according to standards established by the department.

4. At the discretion of the department, persons who meet the criteria listed in all of the following paragraphs:

*a.* Are either of the following:

(1) Sixty-five years of age or older.

(2) Disabled as defined by 42 U.S.C. § 1382c(a)(3), except that being engaged in substantial gainful activity shall not preclude a determination of disability for the purpose of this subparagraph.

*b.* Live in one of the following:

(1) The individual's own home.

(2) The home of another individual.

(3) A group living arrangement.

(4) A medical facility.

*c.* Would be eligible for supplemental security income benefits but for having excess income or but for being engaged in substantial gainful activity and having excess income.

*d.* Are not eligible for another state supplementary assistance group.

*e.* Receive full medical assistance benefits under chapter 249A and are not required to meet a spend-down or pay a premium to be eligible for such benefits.

*f.* Are currently eligible for Medicare part B.

*g.* Have income of at least one hundred twenty percent of the federal poverty level but not exceeding the medical assistance income limit for the eligibility group for the individual person's living arrangement.

[SS15, §2722-i, -j, -k; C24, 27, 31, §5379; C35, §5296-f9, -f12, 5379; C39, §**3684.02, 3828.007, 3828.008;** C46, 50, 54, 58, §241.2, 249.5, 249.6; C62, 66, 71, 73, §241.2, 241A.2, 249.5, 249.6; C75, 77, 79, 81, §249.3]

2004 Acts, ch 1085, §4, 10, 11; 2005 Acts, ch 175, §108

Referred to in §249.1, 249.4, 422.7

**249.4 Application — amount of grant — retroactive benefits.**

1. Applications for state supplementary assistance shall be made in the form and manner prescribed by the director or the director's designee, with the approval of the council on human services, pursuant to chapter 17A. Each person who so applies and is found eligible under section 249.3 shall, so long as the person's eligibility continues, receive state supplementary assistance on a monthly basis, from funds appropriated to the department for the purpose.

2. Any person who applies within fifteen months from the date of implementation of eligibility pursuant to section 249.3, subsection 4, and who would have been eligible under that subsection for any period on or after October 1, 2003, may be granted benefits retroactive to October 1, 2003.

[SS15, §2722-m, -p; C24, 27, 31, §5382, 5384; C35, § 5296-f17, -f18, 5382, 5384; C39, §**3684.06, 3684.09, 3828.013, 3828.014;** C46, 50, 54, 58, §241.6, 241.9, 249.10, 249.11; C62, 66, 71, 73, §241.6, 241.9, 241A.5, 241A.6, 249.10, 249.11; C75, 77, 79, 81, §249.4]

83 Acts, ch 96, §157, 159; 2004 Acts, ch 1085, §5, 10, 11

Referred to in §249.1

**249.5 Judicial review.**

If an application is not acted upon within a reasonable time, if it is denied in whole or in part, or if an award of assistance is modified, suspended, or canceled under a provision of this chapter, the applicant or recipient may appeal to the department of human services, which shall request the department of inspections and appeals to conduct a hearing. Upon completion of a hearing, the department of inspections and appeals shall issue a decision which is subject to review by the department of human services. Judicial review of the actions of the department of human services may be sought in accordance with chapter 17A. Upon receipt of the petition for judicial review, the department of human services shall furnish the petitioner with a copy of any papers filed by the petitioner in support of the petitioner's position, a transcript of any testimony taken, and a copy of the department's decision.

[C35, §5296-f18; C39, §**3684.11, 3828.014;** C46, 50, 54, 58, §241.11, 249.11; C62, 66, 71, 73, §241.11, 241A.8, 249.11; C75, 77, 79, 81, §249.5]

90 Acts, ch 1204, §59

Referred to in §249.1

**249.6 Charge for cashing warrant unlawful.**

It shall be unlawful for any person to charge a fee, service charge or exchange for the cashing of a warrant issued in payment of state supplementary assistance, or to discount or pay less than the face value of any warrant drawn in payment of such assistance, when cashing such a warrant or accepting it in payment of the purchase price of goods, services, rent, taxes or indebtedness.

[C35, §5296-g4; C39, §**3828.036;** C46, 50, 54, 58, 62, 66, 71, 73, §249.33; C75, 77, 79, 81, §249.6]

**249.7 Assistance inalienable.**

All rights to state supplementary assistance shall be absolutely inalienable by any assignment, sale, execution or otherwise and, in case of bankruptcy, the assistance shall not pass to or through any trustees or other persons acting on behalf of creditors.

[C35, §5296-f29; C39, §**3684.10, 3828.037;** C46, 50, 54, 58, §241.10, 249.34; C62, 66, 71, 73, §241.10, 241A.7, 249.34; C75, 77, 79, 81, §249.7]

**249.8 Cancellation of warrants.**

The director of the department of administrative services, as of January, April, July, and October 1 of each year, shall stop payment on and issue duplicates of all state supplementary assistance warrants which have been outstanding and unredeemed by the treasurer of state for six months or longer. No bond of indemnity shall be required for the issuance of such duplicate warrants which shall be canceled immediately by the director of the department of administrative services. If the original warrants are subsequently presented for payment, warrants in lieu thereof shall be issued by the director of the department of administrative

services at the discretion of and upon certification by the director of human services or the director's designee.

[C39, §**3828.044;** C46, 50, 54, 58, 62, 66, 71, 73, §249.41; C75, 77, 79, 81, §249.8]

2003 Acts, ch 145, §286

**249.9 Funeral expenses.**

The department may pay, from funds appropriated to it for the purpose, a maximum of four hundred dollars toward funeral expenses on the death of a person receiving state supplementary assistance or who received assistance under a previous categorical assistance program prior to January 1, 1974, provided:

1. The decedent does not leave an estate which may be probated with sufficient proceeds to allow for payment of the funeral claim.

2. Payments which are due the decedent's estate or beneficiary by reason of the liability of a life insurance, death or funeral benefit company, association or society, or in the form of United States social security, railroad retirement, or veterans' benefits upon the death of the decedent, are deducted from the department's liability under this section.

[C35, §5296-f25; C39, §**3684.17, 3828.021;** C46, 50, 54, 58, §241.17, 249.18; C62, 66, 71, 73, §241.17, 241A.11, 249.18; C75, 77, 79, 81, §249.9]

83 Acts, ch 153, §11; 84 Acts, ch 1297, §1

**249.10 Prior liens, claims, and assignments.**

Any lien or claim against the estate of a decedent existing on January 1, 1974, which lien was perfected or which claim was filed under the provisions of section 249.19, 249.20, or 249.21, Code 1973, and prior Codes, and which liens or claims have not been satisfied, are void. Any assignment of personal property which was made under the provisions of chapter 249, Code 1973, and prior Codes, is void. The director may in furtherance of this section release any lien or claim created or existing under that chapter. Each release made pursuant to this section shall be executed and acknowledged by the director or the director's authorized designee, and when recorded shall be conclusive in favor of any third person dealing with or concerning the property affected by the release in reliance upon such record.

[C35, §5296-f15, -f16, -g1; C39, §**3828.022, 3828.023, 3828.024;** C46, 50, 54, 58, 62, 66, 71, 73, §249.19, 249.20, 249.21; C75, 77, 79, 81, §249.10]

2005 Acts, ch 179, §123

**249.11 Fraud — investigations and audits.**

Any person who obtains assistance under this chapter by misrepresentation or by failure with fraudulent intent to bring forth all of the facts required of an applicant for assistance under this chapter, or any person who shall knowingly make false statements concerning an applicant's eligibility for assistance under this chapter, is guilty of a fraudulent practice.

The department of inspections and appeals shall conduct investigations and audits as deemed necessary to ensure compliance with state supplementary assistance programs administered under this chapter. The department of inspections and appeals shall cooperate with the department of human services on the development of procedures relating to such investigations and audits to ensure compliance with federal and state single state agency requirements.

[C35, §5296-f31, -f32; C39, §**3684.19, 3828.049, 3828.050;** C46, 50, 54, 58, §241.19, 249.46, 249.47; C62, 66, 71, 73, §241.19, 241A.12, 249.46, 249.47; C75, 77, 79, 81, §249.11]

90 Acts, ch 1204, §60

Fraudulent practices, see §714.8 – 714.14

**249.12 Cost-related system.**

1. In order to assure that the necessary data is available to aid the general assembly to determine appropriate funding for the custodial care program, the department of human services shall develop a cost-related system for financial supplementation to individuals who need custodial care and who have insufficient resources to purchase the care needed.

2. All privately operated licensed custodial facilities in Iowa shall cooperate with

the department of human services to develop the cost-related plan. After the plan is implemented, state supplemental funds shall not be used for the care of any individual in facilities that have not submitted cost statements to the department of human services.

[C35, §5296-f37; C39, §**3828.046;** C46, 50, 54, 58, 62, 66, 71, 73, §249.43; C75, 77, 79, 81, §249.12]

83 Acts, ch 96, §157, 159; 2012 Acts, ch 1023, §157

**249.13 County attorney to enforce.**

It is the intent of the general assembly that violations of law relating to the family investment program, medical assistance, and supplemental assistance shall be prosecuted by county attorneys. Area prosecutors of the office of the attorney general shall provide such assistance in prosecution as may be required. It is the intent of the general assembly that the first priority for investigation and prosecution for which funds are provided shall be for fraudulent claims or practices by health care vendors and providers.

[C79, 81, §249.13]

93 Acts, ch 97, §36

Referred to in §331.756(49)

**249.14 Old-age assistance revolving fund.**

The old-age assistance revolving fund shall remain in the state treasury until all property managed by the department and maintained by the fund is disposed of, at which time all money in the fund shall be transferred to the general fund of the state and the fund shall be closed. If the balance of the fund exceeds fifteen thousand dollars at the end of any calendar quarter, the excess over that amount shall be transferred to the general fund of the state.

83 Acts, ch 191, §2, 27

# CHAPTER 249A

## MEDICAL ASSISTANCE

Referred to in §8A.512, 35D.7, 35D.10, 35D.18, 48A.19, 85.38, 135.22B, 135.61, 135.120, 135.152, 135C.1, 135C.4, 135C.6, 135C.20B, 135C.31, 135C.40, 135H.6, 144.13A, 147.136, 155A.32, 217.36, 222.86, 222.92, 225C.6B, 225C.12, 225C.35, 225D.1, 226.9B, 226.45, 231C.5A, 249.3, 249B.1, 249F.1, 249K.2, 249N.2, 249N.3, 249N.6, 252.23, 252B.20, 252C.2, 252E.2A, 252E.11, 256B.15, 283A.2, 331.390, 331.394, 331.395, 331.397, 422.9, 422.12M, 483A.24, 505.25, 509.1, 513C.3, 514.1, 514A.3B, 514B.31, 514C.8, 514E.7, 514H.5, 514I.8, 598.22A, 602.8102(82), 633.246A, 633.336, 633.641, 633.653A, 633C.2, 633C.3, 633E.15, 910.1, 910.2

See Iowa Acts for special provisions relating to medical assistance reimbursements in a given year
Brain injury services program, §135.22B
Health insurance data match program, §505.25
Modified price-based case-mix reimbursement for nursing facilities; 2001 Acts, ch 192, §4; 2002 Acts, ch 1172, §2; 2003 Acts, ch 112, §9; 2003 Acts, ch 175, §50; 2003 Acts, ch 179, §165; 2004 Acts, ch 1175, §154; 2005 Acts, ch 175, §31; 2006 Acts, ch 1184, §30; 2007 Acts, ch 218, §33, 67; 2008 Acts, ch 1187, §32, 33; 2009 Acts, ch 182, §32, 33; 2009 Acts, ch 183, §73; 2010 Acts, ch 1182, §20 – 23, 36; 2010 Acts, ch 1192, §33; 2010 Acts, ch 1193, §73; 2011 Acts, ch 129, §28, 141, 156; 2012 Acts, ch 1133, §32; 2013 Acts, ch 138, §29, 43, 159
Prescription drug copayments; 2005 Acts, ch 167, §42, 66
Department of human services to collaborate with affected Medicaid service providers to finalize and test a uniform cost report to be used in development of specified Medicaid reimbursement rates; report due by December 31, 2013; 2011 Acts, ch 129, §37, 156
Implementation of average acquisition cost reimbursement methodology for drugs covered under the medical assistance program; 2012 Acts, ch 1133, §33

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## SUBCHAPTER I

## MEDICAL ASSISTANCE ELIGIBILITY AND MISCELLANEOUS PROVISIONS

**249A.1 Title.**

This chapter may be cited as the *"Medical Assistance Act"*.

[C62, 66, 71, 73, 75, 77, 79, 81, §249A.1]

**249A.2 Definitions.**

As used in this chapter:

1. *"Department"* means the department of human services.
2. *"Director"* means the director of human services.
3. *"Discretionary medical assistance"* means mandatory medical assistance or optional medical assistance provided to medically needy individuals whose income and resources are in excess of eligibility limitations but are insufficient to meet all of the costs of necessary medical care and services, provided that if the assistance includes services in institutions for mental diseases or intermediate care facilities for persons with an intellectual disability, or both, for any group of such individuals, the assistance also includes for all covered groups of such individuals at least the care and services enumerated in Tit. XIX of the federal Social Security Act, section 1905(a), paragraphs (1) through (5), and (17), as codified in 42 U.S.C. § 1396d(a), paragraphs (1) through (5), and (17), or any seven of the care and services enumerated in Tit. XIX of the federal Social Security Act, section 1905(a), paragraphs (1) through (24), as codified in 42 U.S.C. § 1396d(a), paragraphs (1) through (24).
4. *"Family investment program"* means the family investment program eligibility requirements under chapter 239B, except to the extent federal law requires application of the eligibility requirements under chapter 239, Code 1997, as in effect on July 16, 1996.
5. *"Group health plan cost sharing"* means payment under the medical assistance program of a premium, a coinsurance amount, a deductible amount, or any other cost sharing obligation for a group health plan as required by Tit. XIX of the federal Social Security Act, section 1906, as codified in 42 U.S.C. § 1396e.
6. *"Mandatory medical assistance"* means payment of all or part of the costs of the care and services required to be provided by Tit. XIX of the federal Social Security Act, section 1905(a), paragraphs (1) through (5), (17), (21), and (28), as codified in 42 U.S.C. § 1396d(a), paragraphs (1) through (5), (17), (21), and (28).
7. *"Medical assistance"* or *"Medicaid"* means payment of all or part of the costs of the care and services made in accordance with Tit. XIX of the federal Social Security Act and authorized pursuant to this chapter.
8. *"Medical assistance program"* or *"Medicaid program"* means the program established under this chapter to provide medical assistance.
9. *"Medicare cost sharing"* means payment under the medical assistance program of a premium, a coinsurance amount, or a deductible amount for federal Medicare as provided by Tit. XIX of the federal Social Security Act, section 1905(p)(3), as codified in 42 U.S.C. § 1396d(p)(3).
10. *"Optional medical assistance"* means payment of all or part of the costs of any or all

of the care and services authorized to be provided by Tit. XIX of the federal Social Security Act, section 1905(a), paragraphs (6) through (16), (18) through (20), (22) through (27), and (29), as codified in 42 U.S.C. § 1396d(a), paragraphs (6) through (16), and (18) through (20), (22) through (27), and (29).

11. *"Overpayment"* means any funds that a provider receives or retains under the medical assistance program to which the person, after applicable reconciliation, is not entitled. To the extent the provider and the department disagree as to whether the provider is entitled to funds received or retained under the medical assistance program, *"overpayment"* includes such funds for which the provider's administrative and judicial review remedies under 441 IAC ch. 7 and chapter 17A have been exhausted. For purposes of repayment, an overpayment may include interest in accordance with section 249A.41.

12. *"Provider"* means an individual, firm, corporation, association, or institution which is providing or has been approved to provide medical assistance to recipients under this chapter.

13. *"Recipient"* means a person who receives medical assistance under this chapter.

14. *"Retained life estate"* means any of the following:

*a.* A life estate created by the recipient or recipient's spouse, in which either the recipient or the recipient's spouse held any interest in the property at the time of the creation of the life estate.

*b.* A life estate created for the benefit of the recipient or the recipient's spouse in property in which either the recipient or the recipient's spouse held any interest in the property within five years prior to the creation of the life estate.

[C62, 66, 71, 73, 75, 77, 79, 81, §249A.2]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1297, §2; 89 Acts, ch 104, §1; 90 Acts, ch 1039, §15; 91 Acts, ch 107, §11; 91 Acts, ch 158, §1, 2; 93 Acts, ch 54, §5; 96 Acts, ch 1129, §113; 97 Acts, ch 41, §25; 2002 Acts, ch 1086, §1, 21; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1019, §96; 2013 Acts, ch 24, §2; 2013 Acts, ch 138, §62 – 64

Referred to in §249B.1, 249F.1, 633C.1
Subsection 1 stricken and former subsections 2 and 3 renumbered as 1 and 2
Subsection 4 amended and renumbered as 3 and former subsections 5 and 6 renumbered as 4 and 5
NEW subsection 6
Subsection 7 amended
NEW subsection 8 and former subsection 8 renumbered as 9
NEW subsections 10 and 11 and former subsections 9 – 11 renumbered as 12 – 14

**249A.3 Eligibility.**

The extent of and the limitations upon eligibility for assistance under this chapter is prescribed by this section, subject to federal requirements, and by laws appropriating funds for assistance provided pursuant to this chapter.

1. Mandatory medical assistance shall be provided to, or on behalf of, any individual or family residing in the state of Iowa, including those residents who are temporarily absent from the state, who:

*a.* Is a recipient of federal supplemental security income or who would be eligible for federal supplemental security income if living in their own home.

*b.* Is an individual who is eligible for the family investment program or is an individual who would be eligible for unborn child payments under the family investment program, as authorized by Tit. IV-A of the federal Social Security Act, if the family investment program provided for unborn child payments during the entire pregnancy.

*c.* Was a recipient of one of the previous categorical assistance programs as of December 31, 1973, and would continue to meet the eligibility requirements for one of the previous categorical assistance programs as the requirements existed on that date.

*d.* Is a child up to one year of age who was born on or after October 1, 1984, to a woman receiving medical assistance on the date of the child's birth, who continues to be a member of the mother's household, and whose mother continues to receive medical assistance.

*e.* Is a pregnant woman whose pregnancy has been medically verified and who qualifies under either of the following:

(1) The woman would be eligible for cash assistance under the family investment program, if the child were born and living with the woman in the month of payment.

(2) The woman meets the income and resource requirements of the family investment

program, provided the unborn child is considered a member of the household, and the woman's family is treated as though deprivation exists.

*f.* Is a child who is less than seven years of age and who meets the income and resource requirements of the family investment program.

*g.* (1) Is a child who is one through five years of age as prescribed by the federal Omnibus Budget Reconciliation Act of 1989, Pub. L. No. 101-239, § 6401, whose income is not more than one hundred thirty-three percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

(2) Is a child who has attained six years of age but has not attained nineteen years of age, whose income is not more than one hundred thirty-three percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

*h.* Is a woman who, while pregnant, meets eligibility requirements for assistance under the federal Social Security Act, section 1902(l), and continues to meet the requirements except for income. The woman is eligible to receive assistance until sixty days after the date pregnancy ends.

*i.* Is a pregnant woman who is determined to be presumptively eligible by a health care provider qualified under the federal Omnibus Budget Reconciliation Act of 1986, Pub. L. No. 99-509, § 9407. The woman is eligible for ambulatory prenatal care assistance until the last day of the month following the month of the presumptive eligibility determination. If the department receives the woman's medical assistance application by the last day of the month following the month of the presumptive eligibility determination, the woman is eligible for ambulatory prenatal care assistance until the department actually determines the woman's eligibility or ineligibility for medical assistance. The costs of services provided during the presumptive eligibility period shall be paid by the medical assistance program for those persons who are determined to be ineligible through the regular eligibility determination process.

*j.* Is a pregnant woman or infant less than one year of age whose income does not exceed the federally prescribed percentage of the poverty level in accordance with the federal Medicare Catastrophic Coverage Act of 1988, Pub. L. No. 100-360, § 302.

*k.* Is a pregnant woman or infant whose income is more than the limit prescribed under the federal Medicare Catastrophic Coverage Act of 1988, Pub. L. No. 100-360, § 302, but not more than two hundred percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

*l.* (1) Is an infant whose income is not more than two hundred percent of the federal poverty level, as defined by the most recently revised income guidelines published by the United States department of health and human services.

(2) Is a pregnant woman or infant whose family income is at or below three hundred percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services, if otherwise eligible.

*m.* Is a child for whom adoption assistance or foster care maintenance payments are paid under Tit. IV-E of the federal Social Security Act.

*n.* Is an individual or family who is ineligible for the family investment program because of requirements that do not apply under Tit. XIX of the federal Social Security Act.

*o.* Was a federal supplemental security income or a state supplementary assistance recipient, as defined by section 249.1, and a recipient of federal social security benefits at one time since August 1, 1977, and would be eligible for federal supplemental security income or state supplementary assistance but for the increases due to the cost of living in federal social security benefits since the last date of concurrent eligibility.

*p.* Is an individual whose spouse is deceased and who is ineligible for federal supplemental security income or state supplementary assistance, as defined by section 249.1, due to the elimination of the actuarial reduction formula for federal social security benefits under the federal Social Security Act and subsequent cost of living increases.

*q.* Is an individual who is at least sixty years of age and is ineligible for federal supplemental security income or state supplementary assistance, as defined by section 249.1, because of receipt of social security widow or widower benefits and is not eligible for federal Medicare, part A coverage.

*r.* Is an individual with a disability, and is at least eighteen years of age, who receives parental social security benefits under the federal Social Security Act and is not eligible for federal supplemental security income or state supplementary assistance, as defined by section 249.1, because of the receipt of the social security benefits.

*s.* Is an individual who is no longer eligible for the family investment program due to earned income. The department shall provide transitional medical assistance to the individual for the maximum period allowed for federal financial participation under federal law.

*t.* Is an individual who is no longer eligible for the family investment program due to the receipt of child or spousal support. The department shall provide transitional medical assistance to the individual for the maximum period allowed for federal financial participation under federal law.

*u.* As allowed under the federal Deficit Reduction Act of 2005, Pub. L. No. 109-171, § 6062, is an individual who is less than nineteen years of age who meets the federal supplemental security income program rules for disability but whose income or resources exceed such program rules, who is a member of a family whose income is at or below three hundred percent of the most recently revised official poverty guidelines published by the United States department of health and human services for the family, and whose parent complies with the requirements relating to family coverage offered by the parent's employer. Such assistance shall be provided on a phased-in basis, based upon the age of the individual.

*v.* (1) Beginning January 1, 2014, in accordance with section 1902(a)(10)(A)(i)(VIII) of the federal Social Security Act, as codified in 42 U.S.C. § 1396a(a)(10)(A)(i)(VIII), is an individual who is nineteen years of age or older and under sixty-five years of age; is not pregnant; is not entitled to or enrolled for Medicare benefits under part A, or enrolled for Medicare benefits under part B, of Tit. XVIII of the federal Social Security Act; is not otherwise described in section 1902(a)(10)(A)(i) of the federal Social Security Act; is not exempt pursuant to section 1902(k)(3), as codified in 42 U.S.C. § 1396a(k)(3), and whose income as determined under 1902(e)(14) of the federal Social Security Act, as codified in 42 U.S.C. § 1396a(e)(14), does not exceed one hundred thirty-three percent of the poverty line as defined in section 2110(c)(5) of the federal Social Security Act, as codified in 42 U.S.C. § 1397jj(c)(5) for the applicable family size.

(2) Notwithstanding any provision to the contrary, individuals eligible for medical assistance under this paragraph "*v*" shall receive coverage for benefits pursuant to 42 U.S.C. § 1396u-7(b)(1)(B); adjusted as necessary to provide the essential health benefits as required pursuant to section 1302 of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148; adjusted to provide prescription drugs and dental services consistent with the medical assistance state plan benefits package for individuals otherwise eligible under this subsection; and adjusted to provide habilitation services consistent with the state medical assistance program section 1915(i) waiver.

(3) (a) For individuals whose income as determined under this paragraph "*v*" is at or below one hundred percent of the federal poverty level, covered benefits under subparagraph (2) shall be administered consistent with program administration under this subsection.

(b) For individuals whose income as determined under this paragraph "*v*" is above one hundred percent but not in excess of one hundred thirty-three percent of the federal poverty level, covered benefits shall be administered through provision of premium assistance for the purchase of covered benefits through the American health benefits exchange created pursuant to the Affordable Care Act, as defined in section 249N.2.

*w.* Beginning January 1, 2014, is an individual who meets all of the following requirements:

(1) Is under twenty-six years of age.

(2) Was in foster care under the responsibility of the state on the date of attaining eighteen years of age or such higher age to which foster care is provided.

(3) Was enrolled in the medical assistance program under this chapter while in such foster care.

2. *a.* Mandatory medical assistance may also, within the limits of available funds and in accordance with section 249A.4, subsection 1, be provided to, or on behalf of, other individuals and families who are not excluded under subsection 5 of this section and whose incomes and resources are insufficient to meet the cost of necessary medical care and services in accordance with the following order of priorities:

(1) (a) As allowed under 42 U.S.C. § 1396a(a)(10)(A)(ii)(XIII), individuals with disabilities, who are less than sixty-five years of age, who are members of families whose income is less than two hundred fifty percent of the most recently revised official poverty guidelines published by the United States department of health and human services for the family, who have earned income and who are eligible for mandatory medical assistance or optional medical assistance under this section if earnings are disregarded. As allowed by 42 U.S.C. § 1396a(r)(2), unearned income shall also be disregarded in determining whether an individual is eligible for assistance under this subparagraph. For the purposes of determining the amount of an individual's resources under this subparagraph and as allowed by 42 U.S.C. § 1396a(r)(2), a maximum of ten thousand dollars of available resources shall be disregarded, and any additional resources held in a retirement account, in a medical savings account, or in any other account approved under rules adopted by the department shall also be disregarded.

(b) Individuals eligible for assistance under this subparagraph, whose individual income exceeds one hundred fifty percent of the official poverty guidelines published by the United States department of health and human services for an individual, shall pay a premium. The amount of the premium shall be based on a sliding fee schedule adopted by rule of the department and shall be based on a percentage of the individual's income. The maximum premium payable by an individual whose income exceeds one hundred fifty percent of the official poverty guidelines shall be commensurate with the cost of state employees' group health insurance in this state. The payment to and acceptance by an automated case management system or the department of the premium required under this subparagraph shall not automatically confer initial or continuing program eligibility on an individual. A premium paid to and accepted by the department's premium payment process that is subsequently determined to be untimely or to have been paid on behalf of an individual ineligible for the program shall be refunded to the remitter in accordance with rules adopted by the department. Any unpaid premium shall be a debt owed the department.

(2) (a) As provided under the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000, Pub. L. No. 106-354, individuals who meet all of the following criteria:

(i) Are not described in 42 U.S.C. § 1396a(a)(10)(A)(i).

(ii) Have not attained age sixty-five.

(iii) Have been screened for breast and cervical cancer under the United States centers for disease control and prevention breast and cervical cancer early detection program established under 42 U.S.C. § 300k et seq., in accordance with the requirements of 42 U.S.C. § 300n, and need treatment for breast or cervical cancer. An individual is considered screened for breast and cervical cancer under this subparagraph subdivision if the individual is screened by any provider or entity, and the state grantee of the United States centers for disease control and prevention funds under Tit. XV of the federal Public Health Services Act has elected to include screening activities by that provider or entity as screening activities pursuant to Tit. XV of the federal Public Health Services Act. This screening includes breast or cervical cancer screenings or related diagnostic services provided or funded by family planning centers, community health centers, or nonprofit organizations, and the screenings or services are provided to individuals who meet the eligibility requirements established by the state grantee of the United States centers for disease control and prevention funds under Tit. XV of the federal Public Health Services Act.

(iv) Are not otherwise covered under creditable coverage as defined in 42 U.S.C. § 300gg(c).

(b) An individual who meets the criteria of this subparagraph (2) shall be presumptively eligible for medical assistance.

(3) Individuals who are receiving care in a hospital or in a basic nursing home, intermediate nursing home, skilled nursing home or extended care facility, as defined by section 135C.1, and who meet all eligibility requirements for federal supplemental security income except that their income exceeds the allowable maximum for such eligibility, but whose income is not in excess of the maximum established for eligibility for discretionary medical assistance and is insufficient to meet the full cost of their care in the hospital or health care facility on the basis of standards established by the department.

(4) Individuals under twenty-one years of age living in a licensed foster home, or in a private home pursuant to a subsidized adoption arrangement, for whom the department accepts financial responsibility in whole or in part and who are not eligible under subsection 1.

(5) Individuals who are receiving care in an institution for mental diseases, and who are under twenty-one years of age and whose income and resources are such that they are eligible for the family investment program, or who are sixty-five years of age or older and who meet the conditions for eligibility in paragraph "*a*", subparagraph (1).

(6) Individuals and families whose incomes and resources are such that they are eligible for federal supplemental security income or the family investment program, but who are not actually receiving such public assistance.

(7) Individuals who are receiving state supplementary assistance as defined by section 249.1.

(8) Individuals under twenty-one years of age who qualify on a financial basis for, but who are otherwise ineligible to receive assistance under the family investment program.

(9) Individuals eligible for family planning services under a federally approved demonstration waiver.

(10) Individuals and families who would be eligible under subsection 1 or this subsection except for excess income or resources, or a reasonable category of those individuals and families.

(11) Individuals who have attained the age of twenty-one but have not yet attained the age of sixty-five who qualify on a financial basis for, but who are otherwise ineligible to receive, federal supplemental security income or assistance under the family investment program.

*b*. Notwithstanding the provisions of this subsection establishing priorities for individuals and families to receive mandatory medical assistance, the department may determine within the priorities listed in this subsection which persons shall receive mandatory medical assistance based on income levels established by the department, subject to the limitations provided in subsection 4.

3. Optional medical assistance may, within the limits of available funds and in accordance with section 249A.4, subsection 1, be provided to, or on behalf of, either of the following groups of individuals and families:

*a*. Only those individuals and families described in subsection 1.

*b*. Those individuals and families described in both subsections 1 and 2.

4. Discretionary medical assistance, within the limits of available funds and in accordance with section 249A.4, subsection 1, may be provided to or on behalf of those individuals and families described in subsection 2, paragraph "*a*", subparagraph (11), of this section.

5. Assistance shall not be granted under this chapter to:

*a*. An individual or family whose income, considered to be available to the individual or family, exceeds federally prescribed limitations.

*b*. An individual or family whose resources, considered to be available to the individual or family, exceed federally prescribed limitations.

5A. In determining eligibility for children under subsection 1, paragraphs "*b*", "*f*", "*g*", "*j*", "*k*", "*n*", and "*s*"; subsection 2, paragraph "*a*", subparagraphs (3), (5), (6), (8), and (11); and subsection 5, paragraph "*b*", all resources of the family, other than monthly income, shall be disregarded.

5B. In determining eligibility for adults under subsection 1, paragraphs "*b*", "*e*", "*h*", "*j*", "*k*", "*n*", "*s*", and "*t*"; subsection 2, paragraph "*a*", subparagraphs (4), (5), (8), (11), and (12); and subsection 5, paragraph "*b*", one motor vehicle per household shall be disregarded.

6. In determining the eligibility of an individual for medical assistance under this

chapter, for resources transferred to the individual's spouse before October 1, 1989, or to a person other than the individual's spouse before July 1, 1989, the department shall include, as resources still available to the individual, those nonexempt resources or interests in resources, owned by the individual within the preceding twenty-four months, which the individual gave away or sold at less than fair market value for the purpose of establishing eligibility for medical assistance under this chapter.

*a.* A transaction described in this subsection is presumed to have been for the purpose of establishing eligibility for medical assistance under this chapter unless the individual furnishes convincing evidence to establish that the transaction was exclusively for some other purpose.

*b.* The value of a resource or an interest in a resource in determining eligibility under this subsection is the fair market value of the resource or interest at the time of the transaction less the amount of any compensation received.

*c.* If a transaction described in this subsection results in uncompensated value exceeding twelve thousand dollars, the department shall provide by rule for a period of ineligibility which exceeds twenty-four months and has a reasonable relationship to the uncompensated value above twelve thousand dollars.

7. In determining the eligibility of an individual for medical assistance under this chapter, the department shall consider resources transferred to the individual's spouse on or after October 1, 1989, or to a person other than the individual's spouse on or after July 1, 1989, and prior to August 11, 1993, as provided by the federal Medicare Catastrophic Coverage Act of 1988, Pub. L. No. 100-360, § 303(b), as amended by the federal Family Support Act of 1988, Pub. L. No. 100-485, § 608(d)(16)(B), (D), and the federal Omnibus Budget Reconciliation Act of 1989, Pub. L. No. 101-239, § 6411(e)(1).

8. Medicare cost sharing shall be provided in accordance with the provisions of Tit. XIX of the federal Social Security Act, section 1902(a)(10)(E), as codified in 42 U.S.C. § 1396a(a)(10)(E), to or on behalf of an individual who is a resident of the state or a resident who is temporarily absent from the state, and who is a member of any of the following eligibility categories:

*a.* A qualified Medicare beneficiary as defined under Tit. XIX of the federal Social Security Act, section 1905(p)(1), as codified in 42 U.S.C. § 1396d(p)(1).

*b.* A qualified disabled and working person as defined under Tit. XIX of the federal Social Security Act, section 1905(s), as codified in 42 U.S.C. § 1396d(s).

*c.* A specified low-income Medicare beneficiary as defined under Tit. XIX of the federal Social Security Act, section 1902(a)(10)(E)(iii), as codified in 42 U.S.C. § 1396a(a)(10)(E)(iii).

*d.* An additional specified low-income Medicare beneficiary as described under Tit. XIX of the federal Social Security Act, section 1902(a)(10)(E)(iv)(I), as codified in 42 U.S.C. § 1396a(a)(10)(E)(iv)(I).

*e.* An additional specified low-income Medicare beneficiary described under Tit. XIX of the federal Social Security Act, section 1902(a)(10)(E)(iv)(II), as codified in 42 U.S.C. § 1396a(a)(10)(E)(iv)(II).

9. Beginning October 1, 1990, in determining the eligibility of an institutionalized individual for assistance under this chapter, the department shall establish a minimum community spouse resource allowance amount of twenty-four thousand dollars to be retained for the benefit of the institutionalized individual's community spouse in accordance with the federal Social Security Act, section 1924(f) as codified in 42 U.S.C. § 1396r-5(f).

10. Group health plan cost sharing shall be provided as required by Tit. XIX of the federal Social Security Act, section 1906, as codified in 42 U.S.C. § 1396e.

11. *a.* In determining the eligibility of an individual for medical assistance, the department shall consider transfers of assets made on or after August 11, 1993, as provided by the federal Social Security Act, section 1917(c), as codified in 42 U.S.C. § 1396p(c).

*b.* The department shall exercise the option provided in 42 U.S.C. § 1396p(c) to provide a period of ineligibility for medical assistance due to a transfer of assets by a noninstitutionalized individual or the spouse of a noninstitutionalized individual. For noninstitutionalized individuals, the number of months of ineligibility shall be equal to the total, cumulative uncompensated value of all assets transferred by the individual or the

individual's spouse on or after the look-back date specified in 42 U.S.C. § 1396p(c)(1)(B)(i), divided by the average monthly cost to a private patient for nursing facility services in Iowa at the time of application. The services for which noninstitutionalized individuals shall be made ineligible shall include any long-term care services for which medical assistance is otherwise available. Notwithstanding section 17A.4, the department may adopt rules providing a period of ineligibility for medical assistance due to a transfer of assets by a noninstitutionalized individual or the spouse of a noninstitutionalized individual without notice of opportunity for public comment, to be effective immediately upon filing under section 17A.5, subsection 2, paragraph *"b"*, subparagraph (1).

*c.* A disclaimer of any property, interest, or right pursuant to section 633E.5 constitutes a transfer of assets for the purpose of determining eligibility for medical assistance in an amount equal to the value of the property, interest, or right disclaimed.

*d.* Unless a surviving spouse is precluded from making an election under the terms of a premarital agreement, the failure of a surviving spouse to take an elective share pursuant to chapter 633, division V, constitutes a transfer of assets for the purpose of determining eligibility for medical assistance to the extent that the value received by taking an elective share would have exceeded the value of the inheritance received under the will.

12. In determining the eligibility of an individual for medical assistance, the department shall consider income or assets relating to trusts or similar legal instruments or devices established on or before August 10, 1993, as available to the individual, in accordance with the federal Comprehensive Omnibus Budget Reconciliation Act of 1986, Pub. L. No. 99-272, § 9506(a), as amended by the federal Omnibus Budget Reconciliation Act of 1986, Pub. L. No. 99-509, § 9435(c).

13. In determining the eligibility of an individual for medical assistance, the department shall consider income or assets relating to trusts or similar legal instruments or devices established after August 10, 1993, as available to the individual, in accordance with 42 U.S.C. § 1396p(d) and sections 633C.2 and 633C.3.

14. Once initial ongoing eligibility for medical assistance is determined for a child under the age of nineteen, the department shall provide continuous eligibility for a period of up to twelve months regardless of changes in family circumstances, until the child's next annual review of eligibility under the medical assistance program, with the exception of the following children:

*a.* A newborn child of a medical assistance-eligible woman.

*b.* A child whose eligibility was determined under the medically needy program.

*c.* A child who is eligible under a state-only funded program.

*d.* A child who is no longer an Iowa resident.

*e.* A child who is incarcerated in a jail or other correctional institution.

[C62, 66, §249A.3, 249A.4; C71, 73, 75, 77, 79, 81, §249A.3; 81 Acts, ch 7, §15, ch 82, §1]

84 Acts, ch 1297, §3 – 5; 85 Acts, ch 146, §2; 89 Acts, ch 104, §2 – 4; 89 Acts, ch 304, §202; 90 Acts, ch 1258, §6; 90 Acts, ch 1270, §48; 91 Acts, ch 158, §3, 4; 92 Acts, ch 1043, §4; 92 Acts, 2nd Ex, ch 1001, §420; 93 Acts, ch 97, §37; 94 Acts, ch 1120, §1, 8, 9, 16; 95 Acts, ch 68, §1; 96 Acts, ch 1129, §64; 97 Acts, ch 41, §26 – 28; 98 Acts, ch 1218, §77; 99 Acts, ch 94, §1; 99 Acts, ch 203, §50; 99 Acts, ch 208, §50; 2000 Acts, ch 1060, §1 – 3; 2000 Acts, ch 1221, §6; 2000 Acts, ch 1228, §41; 2001 Acts, ch 184, §9; 2003 Acts, ch 62, §2; 2004 Acts, ch 1015, §1; 2005 Acts, ch 38, §1, 55; 2006 Acts, ch 1104, §1; 2006 Acts, ch 1159, §4, 8; 2007 Acts, ch 218, §41 – 43, 124, 126; 2008 Acts, ch 1014, §1; 2008 Acts, ch 1188, §2, 3, 55; 2009 Acts, ch 41, §242; 2009 Acts, ch 118, §16; 2009 Acts, ch 182, §132, 134; 2011 Acts, ch 98, §16; 2011 Acts, ch 120, §3; 2013 Acts, ch 138, §65 – 71, 77, 92, 93, 106, 177, 178, 187

Referred to in §8A.504, 135.159, 217.34, 249N.2, 249N.5, 249N.6

Spousal support debt for medical assistance to institutionalized spouse; community spouse resource allowance; chapter 249B

2009 amendment to subsection 14 by 2009 Acts, ch 182, §132, takes effect May 26, 2009, and applies retroactively to July 1, 2008; 2009 Acts, ch 182, §134

Subsection 1, paragraph v, takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; 2013 Acts, ch 138, §187

2013 strike of subsection 2, paragraph a, subparagraph (9) by 2013 Acts, ch 138, §93, takes effect December 31, 2013; 2013 Acts, ch 138, §106

Department of human services required to submit a medical assistance state plan amendment to provide for applicability of the federal Breast and Cervical Cancer Prevention and Treatment Act of 2009, as referenced in subsection 2, paragraph a, subparagraph (2), to both men and women and implement upon receipt of approval; 2013 Acts, ch 138, §78

Subsection 1, unnumbered paragraph 1 amended

Subsection 1, paragraph l, subparagraph (2) amended
Subsection 1, NEW paragraphs v and w
Subsection 2, paragraph a, unnumbered paragraph 1 amended
Subsection 2, paragraph a, subparagraph (1), subparagraph division (a) amended
Subsection 2, paragraph a, subparagraphs (2), (3), and (7) amended
Subsection 2, paragraph a, subparagraph (9) stricken and former subparagraphs (10) – (12) renumbered as (9) – (11)
Subsection 2, paragraph b amended
Subsection 3 amended

**249A.3A Medical assistance — all income-eligible children.**

The department shall provide medical assistance to individuals under nineteen years of age who meet the income eligibility requirements for the state medical assistance program and for whom federal financial participation is or becomes available for the cost of such assistance.

2009 Acts, ch 118, §13

**249A.4 Duties of director.**

The director shall be responsible for the effective and impartial administration of this chapter and shall, in accordance with the standards and priorities established by this chapter, by applicable federal law, by the regulations and directives issued pursuant to federal law, by applicable court orders, and by the state plan approved in accordance with federal law, make rules, establish policies, and prescribe procedures to implement this chapter. Without limiting the generality of the foregoing delegation of authority, the director is hereby specifically empowered and directed to:

1. Determine the greatest amount, duration, and scope of assistance which may be provided, and the broadest range of eligible individuals to whom assistance may effectively be provided, under this chapter within the limitations of available funds. In so doing, the director shall at least every six months evaluate the scope of the program currently being provided under this chapter, project the probable cost of continuing a like program, and compare the probable cost with the remaining balance of the state appropriation made for payment of assistance under this chapter during the current appropriation period. After each evaluation of the scope of the program, the director shall report to the general assembly through the legislative council or in another manner as the general assembly may by resolution direct.

2. Reserved.

3. Have authority to provide for payment under this chapter of assistance rendered to any applicant prior to the date the application is filed.

4. Have authority to contract with any corporation authorized to engage in this state in insuring groups or individuals for all or part of the cost of medical, hospital, or other health care or with any corporation maintaining and operating a medical, hospital, or health service prepayment plan under the provisions of chapter 514 or with any health maintenance organization authorized to operate in this state, for any or all of the benefits to which any recipients are entitled under this chapter to be provided by such corporation or health maintenance organization on a prepaid individual or group basis.

5. May, to the extent possible, contract with a private organization or organizations whereby such organization will handle the processing of and the payment of claims for services rendered under the provisions of this chapter and under such rules and regulations as shall be promulgated by such department. The state department may give due consideration to the advantages of contracting with any organization which may be serving in Iowa as “intermediary” or “carrier” under Tit. XVIII of the federal Social Security Act, as amended.

6. Shall cooperate with any agency of the state or federal government in any manner as may be necessary to qualify for federal aid and assistance for medical assistance in conformity with the provisions of chapter 249, this chapter, and Tit. XVI and XIX of the federal Social Security Act, as amended.

7. Shall provide for the professional freedom of those licensed practitioners who determine the need for or provide medical care and services, and shall provide freedom of choice to recipients to select the provider of care and services, except when the recipient is

eligible for participation in a health maintenance organization or prepaid health plan which limits provider selection and which is approved by the department.

*a.* However, this shall not limit the freedom of choice to recipients to select providers in instances where such provider services are eligible for reimbursement under the medical assistance program but are not provided under the health maintenance organization or under the prepaid health plan, or where the recipient has an already established program of specialized medical care with a particular provider. The department may also restrict the recipient's selection of providers to control the individual recipient's overuse of care and services, provided the department can document this overuse. The department shall promulgate rules for determining the overuse of services, including rights of appeal by the recipient.

*b.* Advanced registered nurse practitioners licensed pursuant to chapter 152 shall be regarded as approved providers of health care services, including primary care, for purposes of managed care or prepaid services contracts under the medical assistance program. This paragraph shall not be construed to expand the scope of practice of an advanced registered nurse practitioner pursuant to chapter 152.

8. Implement the premium assistance program options described under the federal Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. No. 111-3, for the medical assistance program. The department may adopt rules as necessary to administer these options.

9. Adopt rules pursuant to chapter 17A in determining the method and level of reimbursement for all medical and health services to be provided under the medical assistance program, after considering all of the following:

*a.* The promotion of efficient and cost-effective delivery of medical and health services.

*b.* Compliance with federal law and regulations.

*c.* The level of state and federal appropriations for medical assistance.

*d.* Reimbursement at a level as near as possible to actual costs and charges after priority is given to the considerations in paragraphs "*a*", "*b*", and "*c*".

10. *a.* Allow supplementation of the combination of client participation and payment made through the medical assistance program for those items and services identified in 42 C.F.R. § 483.10(c)(8)(ii), by the resident of a nursing facility or the resident's family. Supplementation under this subsection may include supplementation for provision of a private room not otherwise covered under the medical assistance program unless either of the following applies:

(1) The private room is therapeutically required pursuant to 42 C.F.R. § 483.10(c)(8)(ii).

(2) No room other than the private room is available.

*b.* The rules adopted to administer this subsection shall require all of the following if a nursing facility provides for supplementation for provision of a private room:

(1) The nursing facility shall inform all current and prospective residents and residents' legal representatives of the following:

(a) If the resident desires a private room, the resident or resident's family may provide supplementation by directly paying the facility the amount of supplementation. Supplementation by a resident's family shall not be treated as income of the resident for purposes of medical assistance program eligibility or client participation.

(b) The nursing facility's policy if a resident residing in a private room converts from private pay to payment under the medical assistance program, but the resident or resident's family is not willing or able to pay supplementation for the private room.

(c) A description and identification of the private rooms for which supplementation is available.

(d) The process for an individual to take legal responsibility for providing supplementation, including identification of the individual and the extent of the legal responsibility.

(2) For a resident for whom the nursing facility receives supplementation, the nursing facility shall indicate in the resident's record all of the following:

(a) A description and identification of the private room for which the nursing facility is receiving supplementation.

(b) The identity of the individual making the supplemental payments.

(c) The private pay charge for the private room for which the nursing facility is receiving supplementation.

(d) The total charge to the resident for the private room for which the nursing facility is receiving supplementation, the portion of the total charge reimbursed under the medical assistance program, and the portion of the total charge reimbursed through supplementation.

(3) If the nursing facility only provides one type of room or all private rooms, the nursing facility shall not be eligible to request supplementation.

(4) A nursing facility may base the supplementation amount on the difference between the amount paid for a room covered under the medical assistance program and the private pay rate for the private room identified for supplementation. However, the total payment for the private room from all sources shall not be greater than the aggregate average private room rate for the type of rooms covered under the medical assistance program for which the resident would be eligible.

(5) Supplementation pursuant to this subsection shall not be required as a precondition of admission, expedited admission, or continued stay in a facility.

(6) Supplementation shall not be applicable if the facility's occupancy rate is less than eighty percent.

(7) The nursing facility shall ensure that all appropriate care is provided to all residents notwithstanding the applicability or availability of supplementation.

(8) A private room for which supplementation is required shall be retained for the resident consistent with existing bed-hold policies.

11. Shall provide an opportunity for a fair hearing before the department of inspections and appeals to an individual whose claim for medical assistance under this chapter is denied or is not acted upon with reasonable promptness. Upon completion of a hearing, the department of inspections and appeals shall issue a decision which is subject to review by the department of human services.

12. In determining the medical assistance eligibility of a pregnant woman, infant, or child under the federal Social Security Act, § 1902(l), resources which are used as tools of the trade shall not be considered.

13. In implementing subsection 9, relating to reimbursement for medical and health services under this chapter, when a selected out-of-state acute care hospital facility is involved, a contractual arrangement may be developed with the out-of-state facility that is in accordance with the requirements of Tit. XVIII and XIX of the federal Social Security Act. The contractual arrangement is not subject to other reimbursement standards, policies, and rate setting procedures required under this chapter.

14. A medical assistance copayment shall only be applied to those services and products specified in administrative rules of the department in effect on February 1, 1991, which under federal medical assistance requirements, are provided at the option of the state.

15. Establish appropriate reimbursement rates for community mental health centers that are accredited by the mental health and disability services commission.

Judicial review of the decisions of the department of human services may be sought in accordance with chapter 17A. If a petition for judicial review is filed, the department of human services shall furnish the petitioner with a copy of the application and all supporting papers, a transcript of the testimony taken at the hearing, if any, and a copy of its decision.

[C62, 66, §249A.5, 249A.10; C71, 73, 75, 77, 79, 81, §249A.4; 82 Acts, ch 1260, §121, 122]

83 Acts, ch 96, §157, 159; 83 Acts, ch 153, §12, 13; 83 Acts, ch 201, §13; 86 Acts, ch 1245, §2031; 89 Acts, ch 37, §1; 89 Acts, ch 104, §5; 89 Acts, ch 304, §203; 90 Acts, ch 1204, §61, 62; 90 Acts, ch 1223, §21; 90 Acts, ch 1256, §41; 90 Acts, ch 1264, §34; 91 Acts, ch 97, §32; 91 Acts, ch 158, §5; 92 Acts, ch 1229, §29, 30; 94 Acts, ch 1150, §1, 2; 97 Acts, ch 165, §1; 98 Acts, ch 1181, §4; 99 Acts, ch 96, §27; 2000 Acts, ch 1029, §1, 2; 2001 Acts, ch 24, §65, 74; 2001 Acts, ch 74, §17; 2003 Acts, ch 21, §1; 2004 Acts, ch 1090, §14; 2005 Acts, ch 120, §2; 2005 Acts, ch 167, §46, 66; 2009 Acts, ch 41, §243; 2009 Acts, ch 118, §18; 2010 Acts, ch 1031, §389; 2012 Acts, ch 1034, §1; 2013 Acts, ch 138, §72

Referred to in §249A.3

Subsection 9, unnumbered paragraph 1 amended

**249A.4A Garnishment.** Transferred to § 249A.52; 2013 Acts, ch 24, § 14.

**249A.4B Medical assistance advisory council.**

1. A medical assistance advisory council is created to comply with 42 C.F.R. § 431.12 based on section 1902(a)(4) of the federal Social Security Act and to advise the director about health and medical care services under the medical assistance program. The council shall meet no more than quarterly. The director of public health shall serve as chairperson of the council.

2. The council shall include all of the following members:

*a.* The president, or the president's representative, of each of the following professional or business entities, or a member of each of the following professional or business entities, selected by the entity:

(1) The Iowa medical society.
(2) The Iowa osteopathic medical association.
(3) The Iowa academy of family physicians.
(4) The Iowa chapter of the American academy of pediatrics.
(5) The Iowa physical therapy association.
(6) The Iowa dental association.
(7) The Iowa nurses association.
(8) The Iowa pharmacy association.
(9) The Iowa podiatric medical society.
(10) The Iowa optometric association.
(11) The Iowa association of community providers.
(12) The Iowa psychological association.
(13) The Iowa psychiatric society.
(14) The Iowa chapter of the national association of social workers.
(15) The coalition for family and children's services in Iowa.
(16) The Iowa hospital association.
(17) The Iowa association of rural health clinics.
(18) The Iowa primary care association.
(19) Free clinics of Iowa.
(20) The opticians' association of Iowa, inc.
(21) The Iowa association of hearing health professionals.
(22) The Iowa speech and hearing association.
(23) The Iowa health care association.
(24) The Iowa association of area agencies on aging.
(25) AARP.
(26) The Iowa caregivers association.
(27) The Iowa coalition of home and community-based services for seniors.
(28) The Iowa adult day services association.
(29) Leading age Iowa.
(30) The Iowa association for home care.
(31) The Iowa council of health care centers.
(32) The Iowa physician assistant society.
(33) The Iowa association of nurse practitioners.
(34) The Iowa nurse practitioner society.
(35) The Iowa occupational therapy association.
(36) The ARC of Iowa, formerly known as the association for retarded citizens of Iowa.
(37) The alliance for the mentally ill of Iowa.
(38) The Iowa state association of counties.
(39) The Iowa developmental disabilities council.
(40) The Iowa chiropractic society.
(41) The Iowa academy of nutrition and dietetics.
(42) The Iowa behavioral health association.
(43) The midwest association for medical equipment services or an affiliated Iowa organization.

*b.* Public representatives which may include members of consumer groups, including

recipients of medical assistance or their families, consumer organizations, and others, equal in number to the number of representatives of the professional and business entities specifically represented under paragraph "*a*", appointed by the governor for staggered terms of two years each, none of whom shall be members of, or practitioners of, or have a pecuniary interest in any of the professional or business entities specifically represented under paragraph "*a*", and a majority of whom shall be current or former recipients of medical assistance or members of the families of current or former recipients.

*c.* The director of public health, or the director's designee.

*d.* The director of the department on aging, or the director's designee.

*e.* The dean of Des Moines university — osteopathic medical center, or the dean's designee.

*f.* The dean of the university of Iowa college of medicine, or the dean's designee.

*g.* The following members of the general assembly, each for a term of two years as provided in section 69.16B:

(1) Two members of the house of representatives, one appointed by the speaker of the house of representatives and one appointed by the minority leader of the house of representatives from their respective parties.

(2) Two members of the senate, one appointed by the president of the senate after consultation with the majority leader of the senate and one appointed by the minority leader of the senate.

3. *a.* An executive committee of the council is created and shall consist of the following members of the council:

(1) Five of the professional or business entity members designated pursuant to subsection 2, paragraph "*a*", and selected by the members specified under that paragraph.

(2) Five of the public members appointed pursuant to subsection 2, paragraph "*b*", and selected by the members specified under that paragraph. Of the five public members, at least one member shall be a recipient of medical assistance.

(3) The director of public health, or the director's designee.

*b.* The executive committee shall meet on a monthly basis. The director of public health shall serve as chairperson of the executive committee.

*c.* Based upon the deliberations of the council and the executive committee, the executive committee shall make recommendations to the director regarding the budget, policy, and administration of the medical assistance program.

4. For each council meeting, other than those held during the time the general assembly is in session, each legislative member of the council shall be reimbursed for actual travel and other necessary expenses and shall receive a per diem as specified in section 7E.6 for each day in attendance, as shall the members of the council or the executive committee who are recipients or the family members of recipients of medical assistance, regardless of whether the general assembly is in session.

5. The department shall provide staff support and independent technical assistance to the council and the executive committee.

6. The director shall consider the recommendations offered by the council and the executive committee in the director's preparation of medical assistance budget recommendations to the council on human services pursuant to section 217.3 and in implementation of medical assistance program policies.

2005 Acts, ch 120, §3; 2008 Acts, ch 1156, §36, 58; 2009 Acts, ch 23, §55; 2011 Acts, ch 129, §93, 156; 2012 Acts, ch 1023, §32; 2012 Acts, ch 1068, §1; 2013 Acts, ch 30, §48

Referred to in §217.3

Subsection 2, paragraph a, subparagraphs (29) and (41) amended

**249A.5 Recovery of payment.** Transferred to § 249A.53; 2013 Acts, ch 24, § 14.

**249A.6 Assignment — lien.** Transferred to § 249A.54; 2013 Acts, ch 24, § 14.

**249A.6A Restitution.** Transferred to § 249A.55; 2013 Acts, ch 24, § 14.

**249A.7 Fraudulent practices — investigations and audits — Medicaid fraud fund.** Transferred to § 249A.50; 2013 Acts, ch 24, § 14.

**249A.8 Fraudulent practice.** Transferred to § 249A.51; 2013 Acts, ch 24, § 14.

**249A.9** Repealed by 84 Acts, ch 1297, § 7.

**249A.10** Repealed by 81 Acts, ch 7, § 17.

**249A.11 Payment for patient care segregated.**

A state resource center or mental health institute, upon receipt of any payment made under this chapter for the care of any patient, shall segregate an amount equal to that portion of the payment which is required by law to be made from nonfederal funds. The money segregated shall be deposited in the medical assistance fund of the department of human services.

[C77, 79, 81, §249A.11]

83 Acts, ch 96, §157, 159; 85 Acts, ch 146, §3; 2000 Acts, ch 1112, §51; 2005 Acts, ch 167, §33, 66; 2010 Acts, ch 1141, §27

Referred to in §218.78, 222.92

**249A.12 Assistance to persons with an intellectual disability.**

1. Assistance may be furnished under this chapter to an otherwise eligible recipient who is a resident of a health care facility licensed under chapter 135C and certified as an intermediate care facility for persons with an intellectual disability.

2. If a county reimbursed the department for medical assistance provided under this section, Code 2011, and the amount of medical assistance is subsequently repaid through a medical assistance income trust or a medical assistance special needs trust as defined in section 633C.1, the department shall reimburse the county on a proportionate basis. The department shall adopt rules to implement this subsection.

3. *a.* Effective July 1, 1995, the state shall be responsible for all of the nonfederal share of the costs of intermediate care facility for persons with an intellectual disability services provided under medical assistance to minors. Notwithstanding contrary provisions of section 222.73, Code 2011, effective July 1, 1995, a county is not required to reimburse the department and shall not be billed for the nonfederal share of the costs of such services provided to minors.

*b.* The state shall be responsible for all of the nonfederal share of medical assistance home and community-based services waivers for persons with an intellectual disability services provided to minors, and a county is not required to reimburse the department and shall not be billed for the nonfederal share of the costs of the services.

*c.* Effective February 1, 2002, the state shall be responsible for all of the nonfederal share of the costs of intermediate care facility for persons with an intellectual disability services provided under medical assistance attributable to the assessment fee for intermediate care facilities for individuals with an intellectual disability imposed pursuant to section 249A.21. Effective February 1, 2003, a county is not required to reimburse the department and shall not be billed for the nonfederal share of the costs of such services attributable to the assessment fee.

4. *a.* The mental health and disability services commission shall recommend to the department the actions necessary to assist in the transition of individuals being served in an intermediate care facility for persons with an intellectual disability, who are appropriate for the transition, to services funded under a medical assistance home and community-based services waiver for persons with an intellectual disability in a manner which maximizes the use of existing public and private facilities. The actions may include but are not limited to submitting any of the following or a combination of any of the following as a request for a revision of the medical assistance home and community-based services waiver for persons with an intellectual disability:

(1) Allow for the transition of intermediate care facilities for persons with an intellectual disability licensed under chapter 135C, to services funded under the medical assistance home

and community-based services waiver for persons with an intellectual disability. The request shall be for inclusion of additional persons under the waiver associated with the transition.

(2) Allow for reimbursement under the waiver for day program or other service costs.

(3) Allow for exception provisions in which an intermediate care facility for persons with an intellectual disability which does not meet size and other facility-related requirements under the waiver in effect on June 30, 1996, may convert to a waiver service for a set period of time such as five years. Following the set period of time, the facility would be subject to the waiver requirements applicable to services which were not operating under the exception provisions.

*b.* In implementing the provisions of this subsection, the mental health and disability services commission shall consult with other states. The waiver revision request or other action necessary to assist in the transition of service provision from intermediate care facilities for persons with an intellectual disability to alternative programs shall be implemented by the department in a manner that can appropriately meet the needs of individuals at an overall lower cost to counties, the federal government, and the state. In addition, the department shall take into consideration significant federal changes to the medical assistance program in formulating the department's actions under this subsection. The department shall consult with the mental health and disability services commission in adopting rules for oversight of facilities converted pursuant to this subsection. A transition approach described in paragraph *"a"* may be modified as necessary to obtain federal waiver approval.

5. *a.* The provisions of the home and community-based services waiver for persons with an intellectual disability shall include adult day care, prevocational, and transportation services. Transportation shall be included as a separately payable service.

*b.* The department of human services shall seek federal approval to amend the home and community-based services waiver for persons with an intellectual disability to include day habilitation services. Inclusion of day habilitation services in the waiver shall take effect upon receipt of federal approval.

6. When paying the necessary and legal expenses for intermediate care facility for persons with an intellectual disability services, the cost requirements of section 222.60 shall be considered fulfilled when payment is made in accordance with the medical assistance payment rates established by the department for intermediate care facilities for persons with an intellectual disability, and the state shall not be obligated for any amount in excess of the rates.

7. If services associated with the intellectual disability can be covered under a medical assistance home and community-based services waiver or other medical assistance program provision, the nonfederal share of the medical assistance program costs for such coverage shall be paid from the appropriation made for the medical assistance program.

[C77, 79, 81, §249A.12]

83 Acts, ch 123, §96, 209; 84 Acts, ch 1297, §6; 94 Acts, ch 1120, §2; 94 Acts, ch 1163, §1; 95 Acts, ch 68, §3; 96 Acts, ch 1129, §113; 96 Acts, ch 1183, §30, 31; 2002 Acts, ch 1146, §5, 6; 2003 Acts, ch 62, §4, 8; 2003 Acts, ch 118, §1; 2004 Acts, ch 1086, §45 – 47; 2004 Acts, ch 1090, §15, 16; 2005 Acts, ch 38, §55; 2005 Acts, ch 175, §109 – 111; 2006 Acts, ch 1066, §1; 2006 Acts, ch 1115, §15; 2007 Acts, ch 22, §56; 2010 Acts, ch 1031, §384 – 387, 389; 2012 Acts, ch 1019, §99 – 103; 2012 Acts, ch 1133, §58; 2012 Acts, ch 1138, §57; 2013 Acts, ch 30, §49, 50

Referred to in §331.402

Subsection 3, paragraph b amended

Subsection 5, paragraph b amended

**249A.13** Repealed by 87 Acts, ch 28, § 1.

**249A.14 County attorney to enforce.** Transferred to § 249A.56; 2013 Acts, ch 24, § 14.

**249A.15 Licensed psychologists eligible for payment.**

The department shall adopt rules pursuant to chapter 17A entitling psychologists who are licensed in the state where the services are provided and have a doctorate degree in psychology, have had at least two years of clinical experience in a recognized health setting,

or have met the standards of a national register of health service providers in psychology, to payment for services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations and of funds available for the medical assistance program.

[81 Acts, ch 7, §16]

**249A.15A Licensed marital and family therapists, licensed master social workers, licensed mental health counselors, and certified alcohol and drug counselors.**

1. The department shall adopt rules pursuant to chapter 17A entitling marital and family therapists who are licensed pursuant to chapter 154D to payment for behavioral health services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations.

2. The department shall adopt rules pursuant to chapter 17A entitling master social workers who hold a master's degree approved by the board of social work, are licensed as a master social worker pursuant to section 154C.3, subsection 1, paragraph *"b"*, and provide treatment services under the supervision of an independent social worker licensed pursuant to section 154C.3, subsection 1, paragraph *"c"*, to payment for behavioral health services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations.

3. The department shall adopt rules pursuant to chapter 17A entitling mental health counselors who are licensed pursuant to chapter 154D to payment for behavioral health services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations.

4. The department shall adopt rules pursuant to chapter 17A entitling alcohol and drug counselors who are certified by the nongovernmental Iowa board of substance abuse certification to payment for behavioral health services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations.

2008 Acts, ch 1187, §123; 2011 Acts, ch 29, §1

**249A.15B Speech pathologists eligible for payment.**

The department shall adopt rules pursuant to chapter 17A entitling speech pathologists who are licensed pursuant to chapter 154F, including those certified in independent practice, to payment for speech pathology services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations.

2012 Acts, ch 1092, §1

**249A.16 New rates for services — effective date.**

Health care facilities licensed under chapter 135C receiving assistance payments for persons provided services by the health care facility shall submit the financial report to the department as provided by rule. Payment at a new rate is effective for services rendered as of the first day of the month in which the report is postmarked, or if the report is personally delivered, in which the report is received by the department.

[81 Acts, ch 83, §1]

**249A.17** Repealed by 97 Acts, ch 41, § 29.

**249A.18 Cost-based reimbursement — rural health clinics and federally qualified health centers.**

Rural health clinics and federally qualified health centers shall receive cost-based reimbursement for one hundred percent of the reasonable costs for the provision of services to recipients of medical assistance.

98 Acts, ch 1069, §1; 99 Acts, ch 203, §51

**249A.18A Resident assessment.**

A nursing facility as defined in section 135C.1 shall complete a resident assessment prior to initial admission of a resident and periodically during the resident's stay in the facility. The assessment shall be completed for each prospective resident and current resident regardless of payor source. The nursing facility may utilize the same resident assessment tool required for certification of the facility under the medical assistance and federal Medicare programs to comply with this section.

2000 Acts, ch 1004, §12, 22

**249A.19 Health care facilities — penalty.** Transferred to § 249A.57; 2013 Acts, ch 24, § 14.

**249A.20 Noninstitutional health providers — reimbursement.**

Beginning November 1, 2000, the department shall use the federal Medicare resource-based relative value scale methodology to reimburse all applicable noninstitutional health providers, excluding anesthesia and dental services, that on June 30, 2000, are reimbursed on a fee-for-service basis for provision of services under the medical assistance program. The department shall apply the federal Medicare resource-based relative value scale methodology to such health providers in the same manner as the methodology is applied under the federal Medicare program and shall not utilize the resource-based relative value scale methodology in a manner that discriminates between such health providers. The reimbursement schedule shall be adjusted annually on July 1, and shall provide for reimbursement that is not less than the reimbursement provided under the fee schedule established for Iowa under the federal Medicare program in effect on January 1 of that calendar year.

A provider reimbursed under section 249A.31 is not a noninstitutional health provider.

2000 Acts, ch 1221, §7; 2002 Acts, ch 1120, §2, 9

**249A.20A Preferred drug list program.**

1. The department shall establish and implement a preferred drug list program under the medical assistance program. The department shall submit a medical assistance state plan amendment to the centers for Medicare and Medicaid services of the United States department of health and human services, no later than May 1, 2003, to implement the program.

2. *a.* A medical assistance pharmaceutical and therapeutics committee shall be established within the department by July 1, 2003, for the purpose of developing and providing ongoing review of the preferred drug list.

*b.* (1) The members of the committee shall be appointed by the governor and shall include health care professionals who possess recognized knowledge and expertise in one or more of the following:

(a) The clinically appropriate prescribing of covered outpatient drugs.

(b) The clinically appropriate dispensing and monitoring of covered outpatient drugs.

(c) Drug use review, evaluation, and intervention.

(d) Medical quality assurance.

(2) The membership of the committee shall be comprised of at least one third but not more than fifty-one percent licensed and actively practicing physicians and at least one third licensed and actively practicing pharmacists.

*c.* The members shall be appointed to terms of two years. Members may be appointed to more than one term. The department shall provide staff support to the committee. Committee members shall select a chairperson and vice chairperson annually from the committee membership.

3. The pharmaceutical and therapeutics committee shall recommend a preferred drug list to the department. The committee shall develop the preferred drug list by considering each drug's clinically meaningful therapeutic advantages in terms of safety, effectiveness, and clinical outcome. The committee shall use evidence-based research methods in selecting the drugs to be included on the preferred drug list. The committee shall periodically review

all drug classes included on the preferred drug list and may amend the list to ensure that the list provides for medically appropriate drug therapies for medical assistance recipients and achieves cost savings to the medical assistance program. The department may procure a sole source contract with an outside entity or contractor to provide professional administrative support to the pharmaceutical and therapeutics committee in researching and recommending drugs to be placed on the preferred drug list.

4. With the exception of drugs prescribed for the treatment of human immunodeficiency virus or acquired immune deficiency syndrome, transplantation, or cancer with the exception of drugs and drug compounds that do not have a significant variation in a therapeutic profile or side effect profile within a therapeutic class, prescribing and dispensing of prescription drugs not included on the preferred drug list shall be subject to prior authorization.

5. The department may negotiate supplemental rebates from manufacturers that are in addition to those required by Tit. XIX of the federal Social Security Act. The committee shall consider a product for inclusion on the preferred drug list if the manufacturer provides a supplemental rebate. The department may procure a sole source contract with an outside entity or contractor to conduct negotiations for supplemental rebates.

6. The department shall adopt rules to provide a procedure under which the department and the pharmaceutical and therapeutics committee may disclose information relating to the prices manufacturers or wholesalers charge for pharmaceuticals. The procedures established shall comply with 42 U.S.C. § 1396r-8 and with chapter 550.

7. The department shall publish and disseminate the preferred drug list to all medical assistance providers in this state.

8. Until such time as the pharmaceutical and therapeutics committee is operational, the department shall adopt and utilize a preferred drug list developed by a midwestern state that has received approval for its medical assistance state plan amendment from the centers for Medicare and Medicaid services of the United States department of health and human services.

9. The department may procure a sole source contract with an outside entity or contractor to participate in a pharmaceutical pooling program with midwestern or other states to provide for an enlarged pool of individuals for the purchase of pharmaceutical products and services for medical assistance recipients.

10. The department may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "*b*", to implement this section.

11. Any savings realized under this section may be used to the extent necessary to pay the costs associated with implementation of this section prior to reversion to the medical assistance program. The department shall report the amount of any savings realized and the amount of any costs paid to the legislative fiscal committee on a quarterly basis.

2003 Acts, ch 112, §3, 14; 2003 Acts, ch 179, §161; 2005 Acts, ch 3, §53; 2008 Acts, ch 1031, §108; 2010 Acts, ch 1031, §347; 2010 Acts, ch 1061, §180

Restrictions on prescribing nonpreferred drug list prescription drugs and chemically unique mental health prescription drugs; exemption from nonpreferred drug list status for chemically unique mental health prescription drugs prescribed for a medical assistance program recipient whose drug regimen is established prior to January 1, 2011; 2010 Acts, ch 1031, §348, 349

**249A.20B Nursing facility quality assurance assessment.** Repealed by 2005 Acts, ch 167, § 40, 41, 66.

**249A.21 Intermediate care facilities for persons with an intellectual disability — assessment.**

1. The department may assess intermediate care facilities for persons with an intellectual disability, as defined in section 135C.1, a fee in an amount not to exceed six percent of the total annual revenue of the facility for the preceding fiscal year.

2. The assessment shall be paid to the department in equal monthly amounts on or before the fifteenth day of each month. The department may deduct the monthly amount from medical assistance payments to a facility described in subsection 1. The amount deducted from payments shall not exceed the total amount of the assessments due.

3. Revenue from the assessments shall be credited to the state medical assistance

appropriation. This revenue may be used only for services for which federal financial participation under the medical assistance program is available to match state funds.

4. If federal financial participation to match the assessments made under subsection 1 becomes unavailable under federal law, the department shall terminate the imposing of the assessments beginning on the date that the federal statutory, regulatory, or interpretive change takes effect.

5. The department of human services may procure a sole source contract to implement the provisions of this section.

6. The department may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "*b*", to implement this section, and any fee assessed pursuant to this section against an intermediate care facility for persons with an intellectual disability that is operated by the state may be made retroactive to October 1, 2003.

2002 Acts, 2nd Ex, ch 1001, §36, 46; 2004 Acts, ch 1085, §6, 7, 10, 11; 2012 Acts, ch 1019, §104

Referred to in §222.60A, 249A.12

**249A.22 and 249A.23** Reserved.

**249A.24 Iowa medical assistance drug utilization review commission — created.**

1. An Iowa medical assistance drug utilization review commission is created within the department. The commission membership, duties, and related provisions shall comply with 42 C.F.R. pt. 456, subpt. K.

2. In addition to any other duties prescribed, the commission shall make recommendations to the council on human services regarding strategies to reduce state expenditures for prescription drugs under the medical assistance program excluding provider reimbursement rates. The commission shall make initial recommendations to the council by October 1, 2002. Following approval of any recommendation by the council on human services, the department shall include the approved recommendation in a notice of intended action under chapter 17A and shall comply with chapter 17A in adopting any rules to implement the recommendation. The department shall seek any federal waiver necessary to implement any approved recommendation. The strategies to be considered for recommendation by the commission shall include at a minimum all of the following:

*a.* Development of a preferred drug formulary pursuant to 42 U.S.C. § 1396r-8.

*b.* Negotiation of supplemental rebates from manufacturers that are in addition to those required by Tit. XIX of the federal Social Security Act. For the purposes of this paragraph, "*supplemental rebates*" may include, at the department's discretion, cash rebates and other program benefits that offset a medical assistance expenditure. Pharmaceutical manufacturers agreeing to provide a supplemental rebate as provided in this paragraph shall have an opportunity to present evidence supporting inclusion of a product on any preferred drug formulary developed.

*c.* Disease management programs.

*d.* Drug product donation programs.

*e.* Drug utilization control programs.

*f.* Prescriber and beneficiary counseling and education.

*g.* Fraud and abuse initiatives.

*h.* Pharmaceutical case management.

*i.* Services or administrative investments with guaranteed savings to the medical assistance program.

*j.* Expansion of prior authorization for prescription drugs and pharmaceutical case management under the medical assistance program.

*k.* Any other strategy that has been approved by the United States department of health and human services regarding prescription drugs under the medical assistance program.

3. The commission shall submit an annual review, including facts and findings, of the drugs on the department's prior authorization list to the department and to the members of the general assembly's joint appropriations subcommittee on health and human services.

2002 Acts, 2nd Ex, ch 1003, §263, 266; 2005 Acts, ch 175, §112; 2010 Acts, ch 1061, §180

**249A.25** Repealed by 94 Acts, ch 1150, § 4.

**249A.26 State and county participation in funding for services to persons with disabilities — case management.**

1. The state shall pay for one hundred percent of the nonfederal share of the services paid for under any prepaid mental health services plan for medical assistance implemented by the department as authorized by law.

2. *a.* Except as provided for disallowed costs in section 249A.27, the state shall pay one hundred percent of the nonfederal share of the cost of case management provided to adults, day treatment, and partial hospitalization provided under the medical assistance program for persons with an intellectual disability, a developmental disability, or chronic mental illness. For purposes of this section, persons with mental disorders resulting from Alzheimer's disease or a substance-related disorder shall not be considered to be persons with chronic mental illness.

*b.* The state shall pay for one hundred percent of the nonfederal share of the costs of case management provided for adults, day treatment, partial hospitalization, and the home and community-based services waiver services for persons who have no residence in this state or whose residence is unknown so that the persons are deemed to be state cases.

*c.* The case management services specified in this subsection shall be paid for by a county only if the services are provided outside of a managed care contract.

3. The state shall pay one hundred percent of the nonfederal share of the cost of services provided to adult persons with chronic mental illness who qualify for habilitation services in accordance with the rules adopted for the services.

4. The state shall pay for the entire nonfederal share of the costs for case management services provided to persons seventeen years of age or younger who are served in a home and community-based services waiver program under the medical assistance program for persons with an intellectual disability.

5. Funding under the medical assistance program shall be provided for case management services for eligible persons seventeen years of age or younger residing in counties with child welfare decategorization projects implemented in accordance with section 232.188, provided these projects have included these persons in the service plan and the decategorization project county is willing to provide the nonfederal share of the costs.

6. The state shall pay the nonfederal share of the costs of an eligible person's services under the home and community-based services waiver for persons with brain injury.

7. If a dispute arises between different counties or between the department and a county as to the legal settlement of a person who received medical assistance for which the nonfederal share was payable in whole or in part by a county of legal settlement in accordance with Code 2011, and cannot be resolved by the parties, the dispute shall be resolved as provided in section 225C.8, Code 2011.

8. Notwithstanding section 8.39, the department may transfer funds appropriated for the medical assistance program to a separate account established in the department's case management unit in an amount necessary to pay for expenditures required to provide case management for mental health, intellectual disability, and developmental disabilities services under the medical assistance program which are jointly funded by the state and county, pending final settlement of the expenditures. Funds received by the case management unit in settlement of the expenditures shall be used to replace the transferred funds and are available for the purposes for which the funds were originally appropriated.

91 Acts, ch 158, §7; 92 Acts, ch 1241, §74; 93 Acts, ch 172, §43; 94 Acts, ch 1150, §3; 96 Acts, ch 1183, §32; 2002 Acts, ch 1120, §3, 9; 2004 Acts, ch 1090, §33, 52; 2005 Acts, ch 175, §113; 2007 Acts, ch 218, §119; 2010 Acts, ch 1031, §390; 2012 Acts, ch 1019, §105, 106; 2012 Acts, ch 1133, §59, 60; 2013 Acts, ch 30, §51

Prohibition against requiring county funding for medical assistance program waiver for services to persons with brain injury; 94 Acts, ch 1170, §57

Subsection 4 amended

**249A.26A State and county participation in funding for rehabilitation services for persons with chronic mental illness.** Repealed by 2007 Acts, ch 218, § 122. See § 249A.26.

**249A.27 Indemnity for case management and disallowed costs.**

1. If the department contracts with a county or consortium of counties to provide case management services funded under medical assistance, the state shall appear and defend the department's employees and agents acting in an official capacity on the department's behalf and the state shall indemnify the employees and agents for acts within the scope of their employment. The state's duties to defend and indemnify shall not apply if the conduct upon which any claim is based constitutes a willful and wanton act or omission or malfeasance in office.

2. If the department is the case management contractor, the state shall be responsible for any costs included within the unit rate for case management services which are disallowed for medical assistance reimbursement by the federal centers for Medicare and Medicaid services. The contracting county shall be credited for the county's share of any amounts overpaid due to the disallowed costs. However, if certain costs are disallowed due to requirements or preferences of a particular county in the provision of case management services, the county shall not receive credit for the amount of the costs.

91 Acts, ch 158, §8; 2002 Acts, ch 1050, §25

Referred to in §249A.26

**249A.28** Reserved.

**249A.29 Home and community-based services waiver providers — records checks.**

1. For purposes of this section and section 249A.30 unless the context otherwise requires:

*a.* "*Consumer*" means an individual approved by the department to receive services under a waiver.

*b.* "*Provider*" means an agency certified by the department to provide services under a waiver.

*c.* "*Waiver*" means a home and community-based services waiver approved by the federal government and implemented under the medical assistance program.

2. If a person is being considered by a provider for employment involving direct responsibility for a consumer or with access to a consumer when the consumer is alone, and if the person has been convicted of a crime or has a record of founded child or dependent adult abuse, the department shall perform an evaluation to determine whether the crime or founded abuse warrants prohibition of employment by the provider. The department shall conduct criminal and child and dependent adult abuse records checks of the person in this state and may conduct these checks in other states. The records checks and evaluations required by this section shall be performed in accordance with procedures adopted for this purpose by the department.

3. If the department determines that a person employed by a provider has committed a crime or has a record of founded abuse, the department shall perform an evaluation to determine whether prohibition of the person's employment is warranted.

4. In an evaluation, the department shall consider the nature and seriousness of the crime or founded abuse in relation to the position sought or held, the time elapsed since the commission of the crime or founded abuse, the circumstances under which the crime or founded abuse was committed, the degree of rehabilitation, the likelihood that the person will commit the crime or founded abuse again, and the number of crimes or founded abuses committed by the person involved. The department may permit a person who is evaluated to be employed or to continue to be employed by the provider if the person complies with the department's conditions relating to the employment, which may include completion of additional training.

5. If the department determines that the person has committed a crime or has a record of

founded abuse which warrants prohibition of employment, the person shall not be employed by a provider.

95 Acts, ch 93, §5; 2002 Acts, ch 1120, §4
Referred to in §249A.32, 335.34, 414.32

**249A.30 Home and community-based services waiver — service provider reimbursement rate adjustments.**

1. The base reimbursement rate for a provider of services under a medical assistance program home and community-based services waiver for persons with an intellectual disability shall be recalculated at least every three years to adjust for the changes in costs during the immediately preceding three-year period.

2. The annual inflation factor used to adjust such a provider's reimbursement rate for a fiscal year shall not exceed the percentage increase in the employment cost index for private industry compensation issued by the federal department of labor, bureau of labor statistics, for the most recently completed calendar year.

2002 Acts, ch 1120, §5; 2004 Acts, ch 1086, §48; 2010 Acts, ch 1031, §390; 2013 Acts, ch 30, §52
Referred to in §249A.29
Subsection 1 amended

**249A.30A Medical assistance — personal needs allowance.**

The personal needs allowance under the medical assistance program, which may be retained by a person who is a resident of a nursing facility, an intermediate care facility for persons with an intellectual disability, or an intermediate care facility for persons with mental illness, as defined in section 135C.1, or a person who is a resident of a psychiatric medical institution for children as defined in section 135H.1, shall be fifty dollars per month. A resident who has income of less than fifty dollars per month shall receive a supplement from the state in the amount necessary to receive a personal needs allowance of fifty dollars per month, if funding is specifically appropriated for this purpose.

2006 Acts, ch 1113, §1; 2007 Acts, ch 218, §44; 2008 Acts, ch 1032, §41; 2012 Acts, ch 1019, §107
FY 2013-2014 and FY 2014-2015 allocations for monthly personal needs allowance of fifty dollars; 2013 Acts, ch 138, §12, 142
Section not amended; footnote revised

**249A.31 Cost-based reimbursement.**

1. Providers of individual case management services for persons with an intellectual disability, a developmental disability, or chronic mental illness shall receive cost-based reimbursement for one hundred percent of the reasonable costs for the provision of the services in accordance with standards adopted by the mental health and disability services commission pursuant to section 225C.6.

2. Effective July 1, 2010, the department shall apply a cost-based reimbursement methodology for reimbursement of psychiatric medical institution for children providers.

2002 Acts, ch 1120, §6, 9; 2004 Acts, ch 1090, §17; 2007 Acts, ch 218, §120; 2009 Acts, ch 121, §2, 3; 2010 Acts, ch 1031, §389; 2012 Acts, ch 1019, §108
Referred to in §249A.20

**249A.32 Medical assistance home and community-based services waivers — consumer-directed attendant care — termination of contract.**

1. A case manager for a medical assistance home and community-based services waiver may terminate the contract of a person providing consumer-directed attendant care services to whom payment is being made for provision of such services under the waiver if the case manager determines that the person has breached the contract by not providing the services agreed to under the contract.

2. For the purposes of this section, "*consumer*" and "*waiver*" mean consumer and waiver as defined in section 249A.29.

2003 Acts, ch 118, §2

**249A.32A Home and community-based services waivers — limitations.**

In administering a home and community-based services waiver, the total number of openings at any one time shall be limited to the number approved for the waiver by the secretary of the United States department of health and human services. The openings shall be available on a first-come, first-served basis.

2005 Acts, ch 175, §115

**249A.32B Early and periodic screening, diagnosis, and treatment funding.**

The department of human services, in consultation with the Iowa department of public health and the department of education, shall continue the program to utilize the early and periodic screening, diagnosis, and treatment program funding under the medical assistance program, to the extent possible, to implement the screening component of the early and periodic screening, diagnosis, and treatment program through the schools. The department may enter into contracts to utilize maternal and child health centers, the public health nursing program, or school nurses in implementing this section.

2005 Acts, ch 175, §116

**249A.33 Pharmaceutical settlement account — medical assistance program.**

1. A pharmaceutical settlement account is created in the state treasury under the authority of the department of human services. Moneys received from settlements relating to provision of pharmaceuticals under the medical assistance program shall be deposited in the account.

2. Moneys in the account shall be used only as provided in appropriations from the account to the department for the purpose of technology upgrades under the medical assistance program.

3. The account shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the account shall not be considered revenue of the state, but rather shall be funds of the account. The moneys in the account are not subject to reversion to the general fund of the state under section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except to provide for the purposes of this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the account shall be credited to the account.

4. The treasurer of state shall provide a quarterly report of account activities and balances to the director.

2003 Acts, ch 178, §55

**249A.34 Medical assistance crisis intervention team.** Repealed by 2005 Acts, ch 167, § 40, 66.

**249A.35 Purchase of qualified long-term care insurance policy — computation under medical assistance program.**

A computation for the purposes of determining eligibility under this chapter concerning an individual who is the beneficiary of a qualified long-term care insurance policy under chapter 514H shall include consideration of the asset disregard provided in section 514H.5.

2005 Acts, ch 166, §1, 13; 2009 Acts, ch 145, §1

Referred to in §514H.5

**249A.36 Medical assistance quality improvement council.** Repealed by 2012 Acts, ch 1138, § 111.

**249A.37 Health care information sharing.**

1. As a condition of doing business in the state, health insurers including self-insured plans, group health plans as defined in the federal Employee Retirement Income Security Act of 1974, Pub. L. No. 93-406, service benefit plans, managed care organizations, pharmacy benefits managers, and other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service, shall do all of the following:

*a.* Provide, with respect to individuals who are eligible for or are provided medical assistance under the state's medical assistance state plan, upon the request of the state, information to determine during what period the individual or the individual's spouse or dependents may be or may have been covered by a health insurer and the nature of the coverage that is or was provided by the health insurer, including the name, address, and identifying number of the plan, in accordance with section 505.25, in a manner prescribed by the department of human services or as agreed upon by the department and the entity specified in this section.

*b.* Accept the state's right of recovery and the assignment to the state of any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the medical assistance state plan.

*c.* Respond to any inquiry by the state regarding a claim for payment for any health care item or service that is submitted no later than three years after the date of the provision of such health care item or service.

*d.* Agree not to deny any claim submitted by the state solely on the basis of the date of submission of the claim, the type or format of the claim form, or a failure to present proper documentation at the point-of-sale that is the basis of the claim, if all of the following conditions are met:

(1) The claim is submitted to the entity by the state within the three-year period beginning on the date on which the item or service was furnished.

(2) Any action by the state to enforce its rights with respect to such claim is commenced within six years of the date that the claim was submitted by the state.

2. The department of human services may adopt rules pursuant to chapter 17A as necessary to implement this section. Rules governing the exchange of information under this section shall be consistent with all laws, regulations, and rules relating to the confidentiality or privacy of personal information or medical records, including but not limited to the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, and regulations promulgated in accordance with that Act and published in 45 C.F.R. pts. 160 – 164.

2008 Acts, ch 1187, §124

**249A.38 Inmates of public institutions — suspension or termination of medical assistance.**

1. The following conditions shall apply to an individual who is an inmate of a public institution as defined in 42 C.F.R. § 435.1010, who is enrolled in the medical assistance program at the time of commitment to the public institution, and who remains eligible for medical assistance as an individual except for the individual's institutional status:

*a.* The department shall suspend the individual's eligibility for up to the initial twelve months of the period of commitment. The department shall delay the suspension of eligibility for a period of up to the first thirty days of commitment if such delay is approved by the centers for Medicare and Medicaid services of the United States department of health and human services. If such delay is not approved, the department shall suspend eligibility during the entirety of the initial twelve months of the period of commitment. Claims submitted on behalf of the individual under the medical assistance program for covered services provided during the delay period shall only be reimbursed if federal financial participation is applicable to such claims.

*b.* The department shall terminate an individual's eligibility following a twelve-month period of suspension of the individual's eligibility under paragraph "*a*".

2. *a.* A public institution shall provide the department and the social security administration with a monthly report of the individuals who are committed to the public institution and of the individuals who are discharged from the public institution.

*b.* The department shall provide a public institution with the forms necessary to be used by the individual in expediting restoration of the individual's medical assistance benefits upon discharge from the public institution.

3. This section applies to individuals as specified in subsection 1 on or after January 1, 2012.

4. The department may adopt rules pursuant to chapter 17A to implement this section.
2011 Acts, ch 98, §13, 15; 2012 Acts, ch 1038, §1

SUBCHAPTER II

MEDICAL ASSISTANCE PROGRAM INTEGRITY

**249A.39 Reporting of overpayment.**

1. A provider who has received an overpayment shall notify in writing, and return the overpayment to, the department, the department's agent, or the department's contractor, as appropriate. The notification shall include the reason for the return of the overpayment.

2. Notification and return of an overpayment under this section shall be provided by no later than the later of either of the following, as applicable:

*a.* The date which is sixty days after the date on which the overpayment was identified by the provider.

*b.* The date any corresponding cost report is due.

3. A violation of this section is a violation of chapter 685.

2013 Acts, ch 24, §3
Referred to in §249A.47, 249A.49
NEW section

**249A.40 Involuntarily dissolved providers — overpayments or incorrect payments.**

Medical assistance paid to a provider following involuntary administrative dissolution of the provider pursuant to chapter 490, division XIV, part B, shall be considered incorrectly paid for the purposes of section 249A.53 and the provider shall be considered to have received an overpayment for the purposes of this subchapter. For the purposes of this section, the overpayment shall not accrue until after a grace period of ninety days following receipt of notice by the provider of the dissolution from the department. Notwithstanding section 490.1422, or any other similar retroactive provision for reinstatement, the director shall recoup any medical assistance paid to a provider while the provider was dissolved if the provider is not retroactively reinstated within the ninety-day grace period. The principals of the provider shall be personally liable for the incorrect payment or overpayment.

2013 Acts, ch 24, §4
NEW section

**249A.41 Overpayment — interest.**

1. Interest may be collected upon any overpayment determined to have been made and shall accrue at the rate and in the manner specified in this section.

2. Prior to the provision of a notice of overpayment to the provider, interest shall accrue at the statutory rate for prejudgment interest applicable in civil actions.

3. After the provision of a notice of overpayment to the provider and after all of the provider's administrative and judicial review remedies under 441 IAC ch. 7 and chapter 17A have been exhausted, interest shall accrue at the statutory rate for prejudgment interest applicable in civil actions plus five percent per annum, or the maximum legal rate, whichever is lower.

4. At the discretion of the director, interest on an overpayment may be waived in whole or in part when the department determines the imposition of interest would produce an unjust result, would unduly burden the provider, or would substantially delay the prompt and efficient resolution of an outstanding audit or investigation.

2013 Acts, ch 24, §5
Referred to in §249A.2
Interest on judgments, see §535.3 and 668.13
NEW section

**249A.42 Overpayment — limitations periods.**

1. An administrative action to recover an overpayment to a provider shall be commenced within five years of the date the overpayment was incurred. For the purposes of this

subsection, *"incurred"* means the date the medical assistance claim was paid, or the date any applicable reconciliation was completed, whichever is later.

2. An administrative action to impose a sanction related to an overpayment to a provider shall be commenced within five years of the date the conduct underlying the sanction concluded, or the director discovered such conduct, whichever is later.

2013 Acts, ch 24, §6
NEW section

**249A.43 Provider overpayment — notice — judgment.**

1. Any overpayment to a provider under this chapter shall become a judgment against the provider, by operation of law, ninety days after a notice of overpayment is personally served upon the enrolled provider as required in the Iowa rules of civil procedure or by certified mail, return receipt requested, by the director or the attorney general or, if applicable, upon exhaustion of the provider's administrative and judicial review remedies under 441 IAC ch. 7 or chapter 17A, whichever is later. The judgment is entitled to full faith and credit in all states.

2. The notice of overpayment shall include the amount and cause of the overpayment, the provider's appeal rights, and a disclaimer that a judgment may be established if an appeal is not timely filed or if an appeal is filed and at the conclusion of the administrative process under chapter 17A a determination is made that there is an overpayment.

3. An affidavit of service of a notice of entry of judgment shall be made by first class mail at the address where the debtor was served with the notice of overpayment. Service is completed upon mailing as specified in this subsection.

4. On or after the date an unpaid overpayment becomes a judgment by operation of law, the director or the attorney general may file all of the following with the district court:

*a.* A statement identifying, or a copy of, the notice of overpayment.

*b.* Proof of service of the notice of overpayment.

*c.* An affidavit of default, stating the full name, occupation, place of residence, and last known post office address of the debtor; the name and post office address of the department; the date or dates the overpayment was incurred; the program under which the debtor was overpaid; and the total amount of the judgment.

5. Nothing in this section shall be construed to impede or restrict alternative methods of recovery of the overpayments specified in this section or of overpayments which do not meet the requirements of this section.

2013 Acts, ch 24, §7; 2013 Acts, ch 140, §59
NEW section

**249A.44 Overpayment — emergency relief.**

1. Concurrently with a withholding of payment, the imposition of a sanction, or the institution of a criminal, civil, or administrative proceeding against a provider or other person for overpayment, the director or the attorney general may bring an action for a temporary restraining order or injunctive relief to prevent a provider or other person from whom recovery may be sought, from transferring property or otherwise taking action to protect the provider's or other person's business inconsistent with the recovery sought.

2. To obtain such relief, the director or the attorney general shall demonstrate all necessary requirements for the relief to be granted.

3. If an injunction is granted, the court may appoint a receiver to protect the property and business of the provider or other person from whom recovery may be sought. The court shall assess the costs of the receiver to the provider or other person.

4. The director or the attorney general may file a lis pendens on the property of the provider or other person during the pendency of a criminal, civil, or administrative proceeding.

5. When requested by the court, the director, or the attorney general, a provider or other person from whom recovery may be sought shall have an affirmative duty to fully disclose all property and liabilities to the requester.

6. An action brought under this section may be brought in the district court for Polk county

or any other county in which a provider or other person from whom recovery may be sought has its principal place of business or is domiciled.

2013 Acts, ch 24, §8
NEW section

**249A.45 Provider's third-party submissions.**

1. The department may refuse to accept a financial and statistical report, cost report, or any other submission from any third party acting under a provider's authority or direction to prepare or submit such documents or information, for good cause shown. For the purposes of this section, *"good cause"* includes but is not limited to a pattern or practice of submitting unallowable costs on cost reports; making a false statement or certification to the director or any representative of the department; professional negligence or other demonstrated lack of knowledge of the cost reporting process; conviction under a federal or state law relating to the operation of a publicly funded program; or submission of a false claim under chapter 685.

2. If the department refuses to accept a cost report from a third party for good cause under this section, the third party shall be strictly liable to the provider for all fees incurred in preparation of the cost report, as well as reasonable attorney fees and costs. The department shall not take any adverse action against a provider that results from the unintentional delay in the submission of a new cost report or other submission necessitated by the department's refusal to accept a cost report or other submission under this section. The department shall notify an affected provider within seven business days of any refusal to accept a cost report.

2013 Acts, ch 24, §9
NEW section

**249A.46 Liability of other persons — repayment of claims.**

1. The department may require repayment of medical assistance paid from the person submitting an incorrect or improper claim, the person causing the claim to be submitted, or the person receiving payment for the claim.

2. Nothing in this section shall be construed to impede or restrict alternative recovery methods for claims specified in this section or claims which do not meet the requirements of this section.

2013 Acts, ch 24, §10
NEW section

**249A.47 Improperly filed claims — other violations — imposition of monetary recovery and sanctions.**

1. In addition to any other remedies or penalties prescribed by law, including but not limited to those specified pursuant to section 249A.51 or chapter 685, all of the following shall be applicable to violations under the medical assistance program:

*a.* A person who intentionally and purposefully presents or causes to be presented to the department a claim that the department determines meets any of the following criteria is subject to a civil penalty of not more than ten thousand dollars for each item or service:

(1) A claim for medical or other items or services that the provider knows was not provided as claimed, including a claim by any provider who engages in a pattern or practice of presenting or causing to be presented a claim for an item or service that is based on a billing code that the provider knows will result in a greater payment to the provider than the billing code the provider knows is applicable to the item or service actually provided.

(2) A claim for medical or other items or services the provider knows to be false or fraudulent.

(3) A claim for a physician service or an item or service incident to a physician service by a person who knows that the individual who furnished or supervised the furnishing of the service meets any of the following:

(a) Was not licensed as a physician.

(b) Was licensed as a physician, but such license had been obtained through a misrepresentation of material fact.

(c) Represented to the patient at the time the service was furnished that the physician was

certified in a medical specialty by a medical specialty board when the individual was not so certified.

(4) A claim for medical or other items or services furnished during a period in which the provider was excluded from providing such items or services.

(5) A claim for a pattern of medical or other items or services that a provider knows were not medically necessary.

*b.* A provider who intentionally and purposefully presents or causes to be presented to any person a request for payment which is in violation of the terms of either of the following is subject to a civil penalty of not more than ten thousand dollars for each item or service:

(1) An agreement with the department or a requirement of a state plan under Tit. XIX or XXI of the federal Social Security Act not to charge a person for an item or service in excess of the amount permitted to be charged.

(2) An agreement to be a participating provider.

*c.* A provider who is not an organization, agency, or other entity, and knowing that the provider is excluded from participating in a program under Tit. XVIII, XIX, or XXI of the federal Social Security Act at the time of the exclusion, who does any of the following, is subject to a civil penalty of ten thousand dollars for each day that the prohibited relationship occurs:

(1) Retains a direct or indirect ownership or control interest in an entity that is participating in such programs, and knows of the action constituting the basis for the exclusion.

(2) Is an officer or managing employee of such an entity.

*d.* A provider who intentionally and purposefully offers to or transfers remuneration to any individual eligible for benefits under Tit. XIX or XXI of the federal Social Security Act and who knows such offer or remuneration is likely to influence such individual to order or receive from a particular provider any item or service for which payment may be made, in whole or in part, under Tit. XIX or XXI of the federal Social Security Act, is subject to a civil penalty of not more than ten thousand dollars for each item or service.

*e.* A provider who intentionally and purposefully arranges or contracts, by employment or otherwise, with an individual or entity that the provider knows is excluded from participation under Tit. XVIII, XIX, or XXI of the federal Social Security Act, for the provision of items or services for which payment may be made under such titles, is subject to a civil penalty of not more than ten thousand dollars for each item or service.

*f.* A provider who intentionally and purposefully offers, pays, solicits, or receives payment, directly or indirectly, to reduce or limit services provided to any individual eligible for benefits under Tit. XVIII, XIX, or XXI of the federal Social Security Act, is subject to a civil penalty of not more than fifty thousand dollars for each act.

*g.* A provider who intentionally and purposefully makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim for payment for items and services furnished under Tit. XIX or XXI of the federal Social Security Act, is subject to a civil penalty of not more than fifty thousand dollars for each false record or statement.

*h.* A provider who intentionally and purposefully fails to grant timely access, upon reasonable request and without good cause, to the department for the purpose of audits, investigations, evaluations, or other functions of the department, is subject to a civil penalty of fifteen thousand dollars for each day of the failure.

*i.* A provider who intentionally and purposefully makes or causes to be made any false statement, omission, or misrepresentation of a material fact in any application, bid, or contract to participate or enroll as a provider of services or a supplier under Tit. XVIII, XIX, or XXI of the federal Social Security Act, including a managed care organization or entity that applies to participate as a provider of services or supplier in such a managed care organization or plan, is subject to a civil penalty of fifty thousand dollars for each false statement, omission, or misrepresentation of a material fact.

*j.* A provider who intentionally and purposefully fails to report and return an overpayment in accordance with section 249A.39 is subject to a civil penalty of ten thousand dollars for each failure to report and return an overpayment.

2. In addition to the civil penalties prescribed under subsection 1, for any violation specified in subsection 1, a provider shall be subject to the following, as applicable:

*a.* For violations specified in subsection 1, paragraph *"a"*, *"b"*, *"c"*, *"d"*, *"e"*, *"g"*, *"h"*, or *"j"*, an assessment of not more than three times the amount claimed for each such item or service in lieu of damages sustained by the department because of such claim.

*b.* For a violation specified in subsection 1, paragraph *"f"*, damages of not more than three times the total amount of remuneration offered, paid, solicited, or received, without regard to whether a portion of such remuneration was offered, paid, solicited, or received for a lawful purpose.

*c.* For a violation specified in subsection 1, paragraph *"i"*, an assessment of not more than three times the total amount claimed for each item or service for which payment was made based upon the application containing the false statement, omission, or misrepresentation of a material fact.

3. In determining the amount or scope of any penalty or assessment imposed pursuant to a violation specified in subsection 1, the director shall consider all of the following:

*a.* The nature of the claims and the circumstances under which they were presented.

*b.* The degree of culpability, history of prior offenses, and financial condition of the person against whom the penalties or assessments are levied.

*c.* Such other matters as justice may require.

4. Of any amount recovered arising out of a claim under Tit. XIX or XXI of the federal Social Security Act, the department shall receive the amount bearing the same proportion paid by the department for such claims, including any federal share that must be returned to the centers for Medicare and Medicaid services of the United States department of human services. The remainder of any amount recovered shall be deposited in the general fund of the state.

5. Civil penalties levied under this section are appealable under 441 IAC ch. 7, but, notwithstanding any provision to the contrary in that chapter, the appellant shall bear the burden to prove by clear and convincing evidence that the claim was not filed improperly.

6. For the purposes of this section, *"claim"* includes but is not limited to the submission of a cost report.

2013 Acts, ch 24, §11
NEW section

**249A.48 Temporary moratoria.**

1. The Iowa Medicaid enterprise shall impose a temporary moratorium on the enrollment of new providers or provider types identified by the centers for Medicare and Medicaid services of the United States department of health and human services as posing an increased risk to the medical assistance program.

*a.* This section shall not be interpreted to require the Iowa Medicaid enterprise to impose a moratorium if the Iowa Medicaid enterprise determines that imposition of a temporary moratorium would adversely affect access of recipients to medical assistance services.

*b.* If the Iowa Medicaid enterprise makes a determination as specified in paragraph *"a"*, the Iowa Medicaid enterprise shall notify the centers for Medicare and Medicaid services of the United States department of health and human services in writing.

2. The Iowa Medicaid enterprise may impose a temporary moratorium on the enrollment of new providers, or impose numerical caps or other limits that the Iowa Medicaid enterprise and the centers for Medicare and Medicaid services identify as having a significant potential for fraud, waste, or abuse.

*a.* Before implementing the moratorium, caps, or other limits, the Iowa Medicaid enterprise shall determine that its action would not adversely impact access by recipients to medical assistance services.

*b.* The Iowa Medicaid enterprise shall notify, in writing, the centers for Medicare and Medicaid services, if the Iowa Medicaid enterprise seeks to impose a moratorium under this subsection, including all of the details of the moratorium. The Iowa Medicaid enterprise shall receive approval from the centers for Medicare and Medicaid services prior to imposing a moratorium under this subsection.

3. *a.* The Iowa Medicaid enterprise shall impose any moratorium for an initial period of six months.

*b.* If the Iowa Medicaid enterprise determines that it is necessary, the Iowa Medicaid enterprise may extend the moratorium in six-month increments. Each time a moratorium is extended, the Iowa Medicaid enterprise shall document, in writing, the necessity for extending the moratorium.

2013 Acts, ch 24, §12
NEW section

**249A.49 Internet site — providers found in violation of medical assistance program.**

1. The director shall maintain on the department's internet site, in a manner readily accessible by the public, all of the following:

*a.* A list of all providers that the department has terminated, suspended, or placed on probation.

*b.* A list of all providers that have failed to return an identified overpayment of medical assistance within the time frame specified in section 249A.39.

*c.* A list of all providers found liable for a false claims law violation related to the medical assistance program under chapter 685.

2. The director shall take all appropriate measures to safeguard the protected health information, social security numbers, and other information of the individuals involved, which may be redacted or omitted as provided in rule of civil procedure 1.422. A provider shall not be included on the internet site until all administrative and judicial remedies relating to the violation have been exhausted.

2013 Acts, ch 24, §13
NEW section

**249A.50 Fraudulent practices — investigations and audits — Medicaid fraud fund.**

1. A person who obtains assistance or payments for medical assistance under this chapter by knowingly making or causing to be made, a false statement or a misrepresentation of a material fact or by knowingly failing to disclose a material fact required of an applicant for aid under the provisions of this chapter and a person who knowingly makes or causes to be made, a false statement or a misrepresentation of a material fact or knowingly fails to disclose a material fact concerning the applicant's eligibility for aid under this chapter commits a fraudulent practice.

2. The department of inspections and appeals shall conduct investigations and audits as deemed necessary to ensure compliance with the medical assistance program administered under this chapter. The department of inspections and appeals shall cooperate with the department of human services on the development of procedures relating to such investigations and audits to ensure compliance with federal and state single state agency requirements.

3. *a.* A Medicaid fraud fund is created in the state treasury under the authority of the department of inspections and appeals. Moneys from penalties, investigative costs recouped by the Medicaid fraud control unit, and other amounts received as a result of prosecutions involving the department of inspections and appeals investigations and audits to ensure compliance with the medical assistance program that are not credited to the program shall be credited to the fund.

*b.* Notwithstanding section 8.33, moneys credited to the fund from any other account or fund shall not revert to the other account or fund. Moneys in the fund shall only be used as provided in appropriations from the fund and shall be used in accordance with applicable laws, regulations, and the policies of the office of inspector general of the United States department of health and human services.

*c.* For the purposes of this subsection, *"investigative costs"* means the reasonable value of a Medicaid fraud control unit investigator's, auditor's or employee's time, any moneys expended by the Medicaid fraud control unit, and the reasonable fair market value of

resources used or expended by the Medicaid fraud control unit in a case resulting in a criminal conviction of a provider under this chapter or chapter 714 or 715A.

[C62, 66, §249A.15; C71, 73, 75, 77, 79, 81, §249A.7]

90 Acts, ch 1204, §63; 97 Acts, ch 56, §3; 2009 Acts, ch 136, §10; 2011 Acts, ch 52, §1; 2011 Acts, ch 127, §49, 89; 2013 Acts, ch 24, §14

C2014, §249A.50

Referred to in §910.1

See §714.8 et seq.

Funds reverting to Medicaid fraud account on or after June 30, 2011, to be credited to Medicaid fraud fund; appropriations from Medicaid fraud account for fiscal years beginning July 1, 2011, and July 1, 2012, to be charged to Medicaid fraud fund; 2011 Acts, ch 127, §59

Funds remaining in fund for FY 2013–2014 and FY 2014–2015 appropriated to department of human services to supplement the medical assistance program appropriation; 2013 Acts, ch 138, §11, 141

Section transferred from §249A.7 in Code 2014 pursuant to directive in 2013 Acts, ch 24, §14

**249A.51 Fraudulent practice.**

A person who knowingly makes or causes to be made false statements or misrepresentations of material facts or knowingly fails to disclose material facts in application for payment of services or merchandise rendered or purportedly rendered by a provider participating in the medical assistance program under this chapter commits a fraudulent practice.

91 Acts, ch 107, §12

CS91, §249A.8

97 Acts, ch 56, §4; 2013 Acts, ch 24, §14

C2014, §249A.51

Referred to in §249A.47

Section transferred from §249A.8 in Code 2014 pursuant to directive in 2013 Acts, ch 24, §14

**249A.52 Garnishment.**

When payment is made by the department for medical care or expenses through the medical assistance program on behalf of a recipient, the department may garnish the wages, salary, or other compensation of the person obligated to pay child support or may withhold amounts pursuant to chapter 252D from the income of the person obligated to pay support, and shall withhold amounts from state income tax refunds of a person obligated to pay support, to the extent necessary to reimburse the department for expenditures for medical care or expenses on behalf of a recipient if all of the following conditions apply:

1. The person is required by court or administrative order to provide medical support to a recipient.

2. The person has received payment from a third party for the costs of medical assistance to the recipient and has not used the payments to reimburse the costs of medical care or expenses.

94 Acts, ch 1171, §9

C95, §249A.4A

2013 Acts, ch 24, §14

C2014, §249A.52

Section transferred from §249A.4A in Code 2014 pursuant to directive in 2013 Acts, ch 24, §14

**249A.53 Recovery of payment.**

1. Medical assistance paid to, or on behalf of, a recipient or paid to a provider of services is not recoverable, except as provided in subsection 2, unless the assistance was incorrectly paid. Assistance incorrectly paid is recoverable from the provider, or from the recipient, while living, as a debt due the state and, upon the recipient's death, as a claim classified with taxes having preference under the laws of this state.

2. The provision of medical assistance to an individual who is fifty-five years of age or older, or who is a resident of a nursing facility, intermediate care facility for persons with an intellectual disability, or mental health institute, who cannot reasonably be expected to be discharged and return to the individual's home, creates a debt due the department from the individual's estate for all medical assistance provided on the individual's behalf, upon the individual's death.

*a.* The department shall waive the collection of the debt created under this subsection

from the estate of a recipient of medical assistance to the extent that collection of the debt would result in either of the following:

(1) Reduction in the amount received from the recipient's estate by a surviving spouse, or by a surviving child who was under age twenty-one, blind, or permanently and totally disabled at the time of the individual's death.

(2) Otherwise work an undue hardship as determined on the basis of criteria established pursuant to 42 U.S.C. § 1396p(b)(3).

*b.* If the collection of all or part of a debt is waived pursuant to subsection 2, paragraph "*a*", to the extent the medical assistance recipient's estate was received by the following persons, the amount waived shall be a debt due from one of the following, as applicable:

(1) The estate of the medical assistance recipient's surviving spouse or child who is blind or has a disability, upon the death of such spouse or child.

(2) A surviving child who was under twenty-one years of age at the time of the medical assistance recipient's death, upon the child reaching the age of twenty-one or from the estate of the child if the child dies prior to reaching the age of twenty-one.

(3) The estate of the recipient of the undue hardship waiver, at the time of death of the hardship waiver recipient, or from the hardship waiver recipient when the hardship no longer exists.

*c.* For purposes of this section, the estate of a medical assistance recipient, surviving spouse, or surviving child includes any real property, personal property, or other asset in which the recipient, spouse, or child had any legal title or interest at the time of the recipient's, spouse's, or child's death, to the extent of such interests, including but not limited to interests in jointly held property, retained life estates, and interests in trusts.

*d.* For purposes of collection of a debt created by this subsection, all assets included in the estate of a medical assistance recipient, surviving spouse, or surviving child pursuant to paragraph "*c*" are subject to probate.

*e.* Interest shall accrue on a debt due under this subsection, at the rate provided pursuant to section 535.3, beginning six months after the death of a medical assistance recipient, surviving spouse, or surviving child.

*f.* (1) If a debt is due under this subsection from the estate of a recipient, the administrator of the nursing facility, intermediate care facility for persons with an intellectual disability, or mental health institute in which the recipient resided at the time of the recipient's death, and the personal representative of the recipient, if applicable, shall report the death to the department within ten days of the death of the recipient.

(2) If a personal representative or executor of an estate makes a distribution either in whole or in part of the property of an estate to the heirs, next of kin, distributees, legatees, or devisees without having executed the obligations pursuant to section 633.425, the personal representative or executor may be held personally liable for the amount of medical assistance paid on behalf of the recipient, to the full value of any property belonging to the estate which may have been in the custody or control of the personal representative or executor.

(3) For the purposes of this paragraph, "*executor*" means executor as defined in section 633.3, and "*personal representative*" means a person who filed a medical assistance application on behalf of the recipient or who manages the financial affairs of the recipient.

[C62, 66, §249A.13; C71, 73, 75, 77, 79, 81, §249A.5]

83 Acts, ch 153, §14; 94 Acts, ch 1120, §10; 95 Acts, ch 68, §2; 96 Acts, ch 1107, §1; 96 Acts, ch 1129, §65, 113; 2002 Acts, ch 1086, §2, 21; 2003 Acts, ch 62, §3; 2012 Acts, ch 1019, §97, 98; 2013 Acts, ch 24, §14

C2014, §249A.53

Referred to in §97B.39, 249A.40, 523A.303, 561.19, 633.231, 633.304A, 633.356, 633.410, 633.425

Section transferred from §249A.5 in Code 2014 pursuant to directive in 2013 Acts, ch 24, §14

**249A.54 Assignment — lien.**

1. *a.* As a condition of eligibility for medical assistance, a recipient who has the legal capacity to execute an assignment shall do all of the following:

(1) Assign to the department any rights to payments of medical care from any third party.

(2) Cooperate with the department in obtaining payments described in subparagraph (1).

(3) Cooperate with the department in identifying and providing information to assist the department in pursuing any third party who may be liable to pay for medical care and services available under the medical assistance program.

*b.* Any amount collected by the department through an assignment shall be retained by the department as reimbursement for medical assistance payments.

*c.* An assignment under this subsection is in addition to an assignment of medical support payments under any other law, including section 252E.11.

2. When payment is made by the department for medical care or expenses through the medical assistance program on behalf of a recipient, the department shall have a lien, to the extent of those payments, upon all monetary claims which the recipient may have against third parties. A lien under this section is not effective unless the department files a notice of lien with the clerk of the district court in the county where the recipient resides and with the recipient's attorney when the recipient's eligibility for medical assistance is established. The notice of lien shall be filed before the third party has concluded a final settlement with the recipient, the recipient's attorney, or other representative. The third party shall obtain a written determination from the department concerning the amount of the lien before a settlement is deemed final for purposes of this section. A compromise, including but not limited to a settlement, waiver or release, of a claim under this section does not defeat the department's lien except pursuant to the written agreement of the director or the director's designee. A settlement, award, or judgment structured in any manner not to include medical expenses or an action brought by a recipient or on behalf of a recipient which fails to state a claim for recovery of medical expenses does not defeat the department's lien if there is any recovery on the recipient's claim.

3. The department shall be given notice of monetary claims against third parties as follows:

*a.* Applicants for medical assistance shall notify the department of any possible claims against third parties upon submitting the application. Recipients of medical assistance shall notify the department of any possible claims when those claims arise.

*b.* A person who provides health care services to a person receiving assistance through the medical assistance program shall notify the department whenever the person has reason to believe that third parties may be liable for payment of the costs of those health care services.

*c.* An attorney representing an applicant for or recipient of assistance on a claim upon which the department has a lien under this section shall notify the department of the claim of which the attorney has actual knowledge, prior to filing a claim, commencing an action or negotiating a settlement offer.

(1) Actual knowledge under this section shall include the notice to the attorney pursuant to subsection 2.

(2) The mailing and deposit in a United States post office or public mailing box of the notice, addressed to the department at its state or district office location, is adequate legal notice of the claim.

4. The department's lien is valid and binding on an attorney, insurer, or other third party only upon notice by the department or unless the attorney, insurer, or third party has actual notice that the recipient is receiving medical assistance from the department and only to the extent to which the attorney, insurer, or third party has not made payment to the recipient or an assignee of the recipient prior to the notice. Payment of benefits by an insurer or third party pursuant to the rights of the lienholder in this section discharges the attorney, insurer, or third party from liability to the recipient or the recipient's assignee to the extent of the payment to the department.

5. If a recipient of assistance through the medical assistance program incurs the obligation to pay attorney fees and court costs for the purpose of enforcing a monetary claim upon which the department has a lien under this section, upon the receipt of the judgment or settlement of the total claim, of which the lien for medical assistance payments is a part, the court costs and reasonable attorney fees shall first be deducted from this total judgment or settlement. One-third of the remaining balance shall then be deducted and paid to the recipient. From the remaining balance, the lien of the department shall be paid. Any amount remaining shall be paid to the recipient. An attorney acting on behalf of a recipient of medical assistance for

the purpose of enforcing a claim upon which the department has a lien shall not collect from the recipient any amount as attorney fees which is in excess of the amount which the attorney customarily would collect on claims not subject to this section.

6. For purposes of this section the term *"third party"* includes an attorney, individual, institution, corporation, or public or private agency which is or may be liable to pay part or all of the medical costs incurred as a result of injury, disease, or disability by or on behalf of an applicant for or recipient of assistance under the medical assistance program.

7. The department may enforce its lien by a civil action against any liable third party.

[C79, 81, §249A.6]

83 Acts, ch 120, §1; 83 Acts, ch 153, §15; 89 Acts, ch 111, §1; 93 Acts, ch 180, §50; 94 Acts, ch 1023, §89; 2008 Acts, ch 1014, §2; 2009 Acts, ch 41, §244; 2009 Acts, ch 133, §96; 2013 Acts, ch 24, §14

C2014, §249A.54

Section transferred from §249A.6 in Code 2014 pursuant to directive in 2013 Acts, ch 24, §14

**249A.55 Restitution.**

If restitution is ordered by the court pursuant to section 910.2, and the victim is a recipient of medical assistance for whom expenditures were made as a result of the offender's criminal activities, restitution may be made to the medical assistance program in accordance with section 910.2.

2010 Acts, ch 1093, §1

C2011, §249A.6A

2013 Acts, ch 24, §14

C2014, §249A.55

Section transferred from §249A.6A in Code 2014 pursuant to directive in 2013 Acts, ch 24, §14

**249A.56 County attorney to enforce.**

It is the intent of the general assembly that violations of law relating to the family investment program, medical assistance, and supplemental assistance shall be prosecuted by county attorneys. Area prosecutors of the office of the attorney general shall provide assistance in prosecution as required.

[C79, 81, §249A.14]

85 Acts, ch 195, §27; 93 Acts, ch 97, §38; 2013 Acts, ch 24, §14

C2014, §249A.56

Referred to in §331.756(49)

Section transferred from §249A.14 in Code 2014 pursuant to directive in 2013 Acts, ch 24, §14

**249A.57 Health care facilities — penalty.**

The department shall adopt rules pursuant to chapter 17A to assess and collect, with interest, a civil penalty for each day a health care facility which receives medical assistance reimbursements does not comply with the requirements of the federal Social Security Act, section 1919, as codified in 42 U.S.C. § 1396r. A civil penalty shall not exceed the amount authorized under 42 C.F.R. § 488.438 for health care facility violations. Any moneys collected by the department pursuant to this section shall be applied to the protection of the health or property of the residents of the health care facilities which are determined by the state or by the federal centers for Medicare and Medicaid services to be out of compliance. The purposes for which the collected moneys shall be applied may include payment for the costs of relocation of residents to other facilities, maintenance or operation of a health care facility pending correction of deficiencies or closure of the facility, and reimbursing residents for personal funds lost. If a health care facility is assessed a civil penalty under this section, the health care facility shall not be assessed a penalty under section 135C.36 for the same violation.

90 Acts, ch 1031, §1

C91, §249A.19

96 Acts, ch 1107, §2; 2002 Acts, ch 1050, §24; 2013 Acts, ch 24, §14

C2014, §249A.57

Section transferred from §249A.19 in Code 2014 pursuant to directive in 2013 Acts, ch 24, §14

# CHAPTER 249B

## MEDICAL ASSISTANCE TO INSTITUTIONALIZED SPOUSES


249B.1 Definitions.
249B.2 Creation of spousal support debt.
249B.3 Notice of spousal support debt — failure to respond — hearing — order.
249B.4 Certification to court — hearing — default.
249B.5 Filing and docketing of financial responsibility order — order effective as court decree.
249B.6 Interest on spousal support debts.
249B.7 Security for payment of spousal support — forfeiture.


**249B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Community spouse"* means an individual who has not resided or is not likely to reside in a hospital or a health care facility for more than twenty-nine consecutive days and is married to an institutionalized spouse.

2. *"Community spouse resource allowance"* means a resource amount established for a community spouse pursuant to state policy adopted in accordance with the federal Social Security Act, section 1924(f)(2), as codified in 42 U.S.C. § 1396r-5(f)(2).

3. *"Court order"* means a judgment or order of a court of this state or another state requiring the payment of a set or determinable amount of monetary support.

4. *"Department"* means the department of human services.

5. *"Institutionalized spouse"* means a married individual who has resided or is likely to reside in a hospital or a health care facility for more than twenty-nine consecutive days.

6. *"Medical assistance"* means *"mandatory medical assistance"*, *"optional medical assistance"*, *"discretionary medical assistance"* or *"Medicare cost sharing"* as defined in section 249A.2 which is provided to an individual pursuant to chapter 249A and Tit. XIX of the federal Social Security Act.

7. *"Minimum monthly maintenance needs allowance"* or *"minimum allowance"* means the minimum monthly maintenance needs allowance established for the community spouse in accordance with Tit. XIX of the federal Social Security Act, section 1924(d)(3), as codified in 42 U.S.C. § 1396r-5(d)(3).

90 Acts, ch 1098, §1; 91 Acts, ch 158, §9; 2010 Acts, ch 1061, §180; 2013 Acts, ch 138, §73
Subsection 6 amended

**249B.2 Creation of spousal support debt.**

1. Medical assistance provided to an institutionalized spouse due to the institutionalized spouse's assignment of support rights, an inability to execute an assignment of support rights, or hardship, creates a spousal support debt due and owing to the department from the community spouse in an amount equal to the medical assistance provided on behalf of the institutionalized spouse.

2. The department may recover the spousal support debt from any income or resources of the community spouse that are not exempt for medical assistance eligibility purposes and that are in excess of the minimum monthly maintenance needs allowance and the community spouse resource allowance.

3. When an institutionalized spouse is determined to be eligible for medical assistance pursuant to subsection 1, prior to issuing a formal notice of a spousal support debt pursuant to section 249B.3, the department shall offer to meet with the community spouse concerning creation of the spousal support debt.

90 Acts, ch 1098, §2

**249B.3 Notice of spousal support debt — failure to respond — hearing — order.**

1. The department shall issue a notice establishing and demanding payment of an accrued or accruing spousal support debt due and owing to the department. The notice shall be served

upon the community spouse in accordance with the rules of civil procedure. The notice shall include all of the following:

*a.* The amount of medical assistance provided to the institutionalized spouse which creates the spousal support debt.

*b.* A computation of spousal support debt, the minimum monthly maintenance needs allowance, and the community spouse resource allowance.

*c.* A demand for immediate payment of the spousal support debt.

*d.* (1) A statement that if the community spouse desires to discuss the amount of support that the community spouse should be required to pay, the community spouse, within ten days after being served, may contact the unit of the department which issued the notice and request a conference.

(2) A statement that if a conference is requested, the community spouse has ten days from the date set for the conference or twenty days from the date of service of the original notice, whichever is later, to send a request for a hearing to the unit of the department which issued the notice.

(3) A statement that after the holding of the conference, the department may issue a new notice and finding of financial responsibility to be sent to the community spouse by regular mail addressed to the community spouse's last known address, or if applicable, to the last known address of the community spouse's attorney.

(4) A statement that if the department issues a new notice and finding of financial responsibility, the community spouse has ten days from the date of issuance of the new notice or twenty days from the date of service of the original notice, whichever is later, to send a request for a hearing to the unit of the department which issued the notice.

*e.* A statement that if the community spouse objects to all or any part of the notice or finding of financial responsibility and no negotiation conference is requested, the community spouse, within twenty days of the date of service, shall send to the unit of the department which issued the notice, a written response setting forth any objections and requesting a hearing.

*f.* A statement that if a timely written request for a hearing is received by the unit of the department which issued the notice, the spouse has the right to a hearing to be held in district court; and that if no timely written response is received, the department will enter an order in accordance with the notice and finding of financial responsibility.

*g.* A statement that, as soon as the order is entered, the property of the community spouse is subject to collection action, including but not limited to wage withholding, garnishment, attachment of a lien, and execution.

*h.* A statement that the community spouse must notify the department of any change of address or employment.

*i.* A statement that if the community spouse has any questions, the community spouse should telephone or visit the department or consult an attorney.

*j.* Other information as the department finds appropriate.

2. If a timely written response setting forth objections and requesting a hearing is received by the unit of the department which issued the notice, a hearing shall be held in district court.

3. If timely written response and request for hearing is not received by the department, the department may enter an order in accordance with the notice, and the order shall specify all of the following:

*a.* The amount to be paid with directions as to the manner of payment.

*b.* The amount of the spousal support debt accrued and accruing in favor of the department.

*c.* Notice that the property of the community spouse is subject to collection action, including but not limited to wage withholding, garnishment, attachment of a lien, and execution.

4. The community spouse shall be sent a copy of the order by regular mail addressed to the community spouse's last known address, or if applicable, to the last known address of

the community spouse's attorney. The order is final, and action by the department to enforce and collect upon the order may be taken from the date of the issuance of the order.

90 Acts, ch 1098, §3; 2003 Acts, ch 112, §6

Referred to in §249B.2

**249B.4 Certification to court — hearing — default.**

1. If a timely written request for a hearing is received, the department shall certify the matter to the district court in the county where the institutionalized spouse resides.

2. The certification shall include true copies of the notice and finding of financial responsibility or notice of the spousal support debt accrued and accruing, the return of service, the written objections and request for hearing, and true copies of any administrative orders previously entered.

3. The district court shall set the matter for hearing and notify the parties of the time and place of hearing.

4. If a party fails to appear at the hearing, upon a showing of proper notice to the party, the district court may find the party in default and enter an appropriate order.

90 Acts, ch 1098, §4

**249B.5 Filing and docketing of financial responsibility order — order effective as court decree.**

A true copy of an order entered by the department pursuant to this chapter, along with a true copy of the return of service if applicable, may be filed in the office of the clerk of the district court in the county in which the institutionalized spouse resides. Upon filing, the clerk shall enter the order in the judgment docket, and the department's order shall be presented to the district court for ex parte review and approval, and unless defects appear on the face of the order or on the attachments, the district court shall approve the order and the order has the force, effect, and attributes of a docketed order or decree of the district court.

90 Acts, ch 1098, §5

**249B.6 Interest on spousal support debts.**

Interest accrues on a spousal support debt at the rate provided in section 535.3 for court judgments. The department may collect the accrued interest, but is not required to maintain interest balance accounts. The department may waive payment of the interest if the waiver will facilitate the collection of the spousal support debt.

90 Acts, ch 1098, §6

**249B.7 Security for payment of spousal support — forfeiture.**

Upon entry of a court order or upon the failure of a community spouse to make payments pursuant to a court order, the court may require the community spouse to provide security, a bond, or other guarantee which the court determines is satisfactory to secure the payment of the spousal support obligation under the court order. If the community spouse fails to make payments pursuant to the court order, the court may declare the security, bond, or other guarantee forfeited.

90 Acts, ch 1098, §7

# CHAPTERS 249C to 249E

RESERVED

# CHAPTER 249F

## TRANSFER OF ASSETS — MEDICAL ASSISTANCE DEBT


249F.1 Definitions.
249F.2 Creation of debt.
249F.3 Notice of debt — failure to respond — hearing — order.
249F.4 Certification to court — hearing — default.
249F.5 Filing and docketing of order — order effective as court decree.
249F.6 Security for payment of debt — forfeiture.
249F.6A Exemption from chapter 17A.
249F.7 Administration.
249F.8 Inconsistency with federal laws.


**249F.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Medical assistance"* means "mandatory medical assistance", "optional medical assistance", "discretionary medical assistance", or "Medicare cost sharing" as each is defined in section 249A.2 which is provided to an individual pursuant to chapter 249A and Tit. XIX of the federal Social Security Act.

2. *a. "Transfer of assets"* means any transfer or assignment of a legal or equitable interest in property, as defined in section 702.14, from a transferor to a transferee for less than fair consideration, made while the transferor is receiving medical assistance or within five years prior to application for medical assistance by the transferor. Any such transfer or assignment is presumed to be made with the intent, on the part of the transferee; transferor; or another person acting on behalf of a transferor who is an actual or implied agent, guardian, attorney-in-fact, or person acting as a fiduciary, of enabling the transferor to obtain or maintain eligibility for medical assistance or of impacting the recovery or payment of a medical assistance debt. This presumption is rebuttable only by clear and convincing evidence that the transferor's eligibility or potential eligibility for medical assistance or the impact on the recovery or payment of a medical assistance debt was no part of the reason of the transferee; transferor; or other person acting on behalf of a transferor who is an actual or implied agent, guardian, attorney-in-fact, or person acting as a fiduciary for making or accepting the transfer or assignment. A transfer of assets includes a transfer of an interest in the transferor's home, domicile, or land appertaining to such home or domicile while the transferor is receiving medical assistance, unless otherwise exempt under paragraph *"b"*.

*b.* However, transfer of assets does not include the following:

(1) Transfers to or for the sole benefit of the transferor's spouse, including a transfer to a spouse by an institutionalized spouse pursuant to section 1924(f)(1) of the federal Social Security Act.

(2) Transfers to or for the sole benefit of the transferor's child who is blind or has a disability as defined in section 1614 of the federal Social Security Act.

(3) Transfer of a dwelling, which serves as the transferor's home as defined in 20 C.F.R. § 416.1212, to a child of the transferor under twenty-one years of age.

(4) Transfer of a dwelling, which serves as the transferor's home as defined in 20 C.F.R. § 416.1212, after the transferor is institutionalized, to either of the following:

(a) A sibling of the transferor who has an equity interest in the dwelling and who was residing in the dwelling for a period of at least one year immediately prior to the date the transferor became institutionalized.

(b) A child of the transferor who was residing in the dwelling for a period of at least two years immediately prior to the date the transferor became institutionalized and who provided care to the transferor which permitted the transferor to reside at the dwelling rather than in an institution or facility.

(5) Transfers of less than two thousand dollars. However, all transfers by the same transferor during the five-year period prior to application for medical assistance by the transferor shall be aggregated. If a transferor transfers property to more than one transferee during the five-year period prior to application for medical assistance by the transferor, the two thousand dollar exemption shall be divided equally between the transferees.

(6) Transfers of assets that would, at the time of the transferor's application for medical

assistance, have been exempt from consideration as a resource if retained by the transferor, pursuant to 42 U.S.C. § 1382b(a), as implemented by regulations adopted by the secretary of the United States department of health and human services, excluding the home and land appertaining to the home.

(7) Transfers to a trust established solely for the benefit of the transferor's child who is blind or permanently and totally disabled as defined in the federal Social Security Act, section 1614, as codified in 42 U.S.C. § 1382b.

(8) Transfers to a trust established solely for the benefit of an individual under sixty-five years of age who is disabled, as defined in the federal Social Security Act, section 1614, as codified in 42 U.S.C. § 1382b.

3. *"Transferee"* means the person who receives a transfer of assets.

4. *"Transferor"* means the person who makes a transfer of assets.

93 Acts, ch 106, §1; 96 Acts, ch 1107, §3; 96 Acts, ch 1129, §66; 97 Acts, ch 23, §23; 2000 Acts, ch 1060, §4, 5; 2010 Acts, ch 1031, §352, 353; 2010 Acts, ch 1061, §180; 2013 Acts, ch 138, §74

Subsection 1 amended

**249F.2 Creation of debt.**

A transfer of assets creates a debt due and owing to the department of human services from the transferee in an amount equal to medical assistance provided to or on behalf of the transferor, on or after the date of the transfer of assets, but not exceeding the fair market value of the assets at the time of the transfer.

93 Acts, ch 106, §2; 96 Acts, ch 1107, §4

Referred to in §249F.3

**249F.3 Notice of debt — failure to respond — hearing — order.**

1. The department of human services may issue a notice establishing and demanding payment of an accrued or accruing debt due and owing to the department of human services as provided in section 249F.2. The notice shall be sent by restricted certified mail as defined in section 618.15, to the transferee at the transferee's last known address. If service of the notice is unable to be completed by restricted certified mail, the notice shall be served upon the transferee in accordance with the rules of civil procedure. The notice shall include all of the following:

*a.* The amount of medical assistance provided to the transferor to date which creates the debt.

*b.* A computation of the debt due and owing.

*c.* A demand for immediate payment of the debt.

*d.* (1) A statement that if the transferee desires to discuss the notice, the transferee, within ten days after being served, may contact the department of human services and request an informal conference.

(2) A statement that if a conference is requested, the transferee has until ten days after the date set for the conference or until twenty days after the date of service of the original notice, whichever is later, to send a request for a hearing to the department of human services.

(3) A statement that after the holding of the conference, the department of human services may issue a new notice to be sent to the transferee by first-class mail addressed to the transferee at the transferee's last known address, or if applicable, to the transferee's attorney at the last known address of the transferee's attorney.

(4) A statement that if the department of human services issues a new notice, the transferee has until ten days after the date of mailing of the new notice or until twenty days after the date of service of the original notice, whichever is later, to send a request for a hearing to the department of human services.

*e.* A statement that if the transferee objects to all or any part of the original notice and no conference is requested, the transferee has until twenty days after the date of service of the original notice to send a written response setting forth any objections and requesting a hearing to the department of human services.

*f.* A statement that if a timely written request for a hearing is received by the department

of human services, the transferee has the right to a hearing to be held in district court as provided in section 249F.4; and that if no timely written request for hearing is received, the department of human services will enter an order in accordance with the latest notice.

*g.* A statement that as soon as the order is entered, the property of the transferee is subject to collection action, including but not limited to wage withholding, garnishment, attachment of a lien, or execution.

*h.* A statement that the transferee must notify the department of human services of any change of address or employment.

*i.* A statement that if the transferee has any questions concerning the transfer of assets, the transferee should contact the department of human services or consult an attorney.

*j.* Other information as the department of human services finds appropriate.

2. If a timely written request for hearing is received by the department of human services, a hearing shall be held in district court.

3. If a timely written request for hearing is not received by the department of human services, the department may enter an order in accordance with the latest notice, and the order shall specify all of the following:

*a.* The amount to be paid with directions as to the manner of payment.

*b.* The amount of the debt accrued and accruing in favor of the department of human services.

*c.* Notice that the property of the transferee is subject to collection action, including but not limited to wage withholding, garnishment, attachment of a lien, and execution.

4. The transferee shall be sent a copy of the order by first-class mail addressed to the transferee at the transferee's last known address, or if applicable, to the transferee's attorney at the last known address of the transferee's attorney. The order is final, and action by the department of human services to enforce and collect upon the order may be taken from the date of the issuance of the order.

93 Acts, ch 106, §3; 99 Acts, ch 52, §1

**249F.4 Certification to court — hearing — default.**

1. If a timely written request for a hearing is received, the department of human services shall certify the matter to the district court in the county where the transferee resides.

2. The certification shall include true copies of the original notice, the return of service, if applicable, any request for an informal conference, any subsequent notices, the written request for hearing, and true copies of any administrative orders previously entered.

3. The department of human services may also request a hearing on its own motion regarding the determination of a debt, at any time prior to entry of an administrative order.

4. The district court shall set the matter for hearing and notify the parties of the time and place of hearing.

5. If a party fails to appear at the hearing, upon a showing of proper notice to the party, the district court may find the party in default and enter an appropriate order.

93 Acts, ch 106, §4; 99 Acts, ch 52, §2

Referred to in §249F.3

**249F.5 Filing and docketing of order — order effective as court decree.**

1. A true copy of an order entered by the department of human services pursuant to this chapter, along with a true copy of the return of service, if applicable, may be filed in the office of the clerk of the district court in the county in which the transferee resides or, if the transferee resides in another state, in the office of the district court in the county in which the transferor resides.

2. The department of human services order shall be presented, ex parte, to the district court for review and approval. Unless defects appear on the face of the order or on the attachments, the district court shall approve the order. The approved order shall have all force, effect, and attributes of a docketed order or decree of the district court.

3. Upon filing, the clerk shall enter the order in the judgment docket.

93 Acts, ch 106, §5

**249F.6 Security for payment of debt — forfeiture.**

Upon entry of a court order or upon the failure of a transferee to make payments pursuant to a court order, the court may require the transferee to provide security, a bond, or other guarantee which the court determines is satisfactory to secure the payment of the debt under the court order. If the transferee fails to make payments pursuant to the court order, the court may declare the security, bond, or other guarantee forfeited.

93 Acts, ch 106, §6

**249F.6A Exemption from chapter 17A.**

Actions initiated under this chapter are not subject to chapter 17A. Review by the district court shall be an original hearing before the district court.

2000 Acts, ch 1060, §6

**249F.7 Administration.**

As provided in this chapter, the establishment of a debt for medical assistance due to transfer of assets shall be administered by the department of human services. All administrative discretion in the administration of this chapter shall be exercised by the department of human services, and any state administrative rules implementing or interpreting this chapter shall be adopted by the department of human services.

93 Acts, ch 106, §7

**249F.8 Inconsistency with federal laws.**

If it is determined by the attorney general that any provision of this chapter would cause denial of funds from the United States government under Tit. XIX of the federal Social Security Act, or would otherwise be inconsistent or conflict with the requirements of federal law for state participation in the Tit. XIX program, such provision shall be suspended, but only to the extent necessary to prevent denial of such funds or to eliminate the inconsistency or conflict with the requirements of federal law. If the attorney general makes such a suspension determination, the attorney general shall report it to the general assembly at its next session. This report shall include any recommendations in regard to corrective legislation needed to conform this chapter with federal law.

93 Acts, ch 106, §8; 2010 Acts, ch 1061, §180

# CHAPTER 249G

## LONG-TERM CARE ASSET PRESERVATION PROGRAM

Repealed by 2005 Acts, ch 166, §11, 13; see chapter 514H
Individuals covered by a long-term care insurance policy under the long-term care asset preservation program established in ch 249G, Code 2005, on or before November 17, 2005, are eligible to continue to receive the asset adjustment as defined under that chapter; see §514H.7

# CHAPTER 249H

## SENIOR LIVING PROGRAM

Repealed by 2013 Acts, ch 18, §35

# CHAPTER 249I

## HOSPITAL TRUST FUND

Repealed by 2005 Acts, ch 167, §39, 66

# CHAPTER 249J

## IOWACARE

Chapter repealed by its own terms effective December 31, 2013; 2013 Acts, ch 138, §94, 179, 187
With respect to proposed amendments to former §249J.6, 249J.8, 249J.14, 249J.17, 249J.23, and 249J.24 by 2013 Acts, ch 90, §62, 257, and 2013 Acts, ch 138, §110 – 112, see Code editor's note

# CHAPTER 249K

## NURSING FACILITY CONSTRUCTION OR EXPANSION

249K.1 Purpose — intent.
249K.2 Definitions.
249K.3 General provisions — instant relief — nondirect care limit exception.
249K.4 Preliminary evaluation.
249K.5 Participation criteria.

**249K.1 Purpose — intent.**

The purpose of this chapter is to provide a mechanism to support the appropriate number of nursing facility beds for the state's citizens and to financially assist nursing facilities in remaining compliant with applicable regulations. It is the intent of this chapter that the administrative burden on both the state and nursing facilities be minimal.

2007 Acts, ch 219, §35, 41, 43

**249K.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Complete replacement"* means completed construction on a new nursing facility to replace an existing licensed and certified facility. The replacement facility shall be located in the same geographical service area as the facility that is replaced and shall have the same number or fewer licensed beds than the original facility.

2. *"Department"* means the department of human services.

3. *"Iowa Medicaid enterprise"* means Iowa Medicaid enterprise as defined in section 135.154.

4. *"Major renovations"* means construction or facility improvements to a nursing facility in which the total amount expended exceeds one million five hundred thousand dollars.

5. *"Medical assistance"* or *"medical assistance program"* means the medical assistance program created pursuant to chapter 249A.

6. *"New construction"* means the construction of a new nursing facility which does not replace an existing licensed and certified facility and requires the provider to obtain a certificate of need pursuant to chapter 135, division VI.

7. *"Nondirect care component"* means the portion of the reimbursement rate under the medical assistance program attributable to administrative, environmental, property, and support care costs reported on the provider's financial and statistical report.

8. *"Nursing facility"* means a nursing facility as defined in section 135C.1.

9. *"Provider"* means a current or future owner or operator of a nursing facility that provides medical assistance program services.

10. *"Rate determination letter"* means the letter that is distributed quarterly by the Iowa

Medicaid enterprise to each nursing facility, which is based on previously submitted financial and statistical reports from each nursing facility.

2007 Acts, ch 219, §36, 41, 43; 2013 Acts, ch 138, §123, 127
2013 amendment to subsection 3, takes effect January 1, 2014; 2013 Acts, ch 138, §127
Subsection 3 amended

**249K.3 General provisions — instant relief — nondirect care limit exception.**

1. A provider that constructs a complete replacement, makes major renovations to, or newly constructs a nursing facility may be entitled to the rate relief and exceptions provided under this chapter. The total period during which a provider may participate in any relief shall not exceed two years. The total period during which a provider may participate in any nondirect care limit exception shall not exceed ten years. A provider seeking assistance under this chapter may request both instant relief and the nondirect care limit exception.

2. If the provider requests instant relief, the following provisions shall apply:

*a.* The provider shall submit a written request for instant relief to the Iowa Medicaid enterprise explaining the nature, timing, and goals of the project and the time period during which the relief is requested. The written request shall clearly state if the provider is also requesting the nondirect care limit exception. The written request for instant relief shall be submitted no earlier than thirty days prior to the placement of the provider's assets in service. The written request for relief shall provide adequate details to calculate the estimated value of relief including but not limited to the total cost of the project, the estimated annual depreciation expenses using generally accepted accounting principles, the estimated useful life based upon existing medical assistance and Medicare provisions, and a copy of the most current depreciation schedule. If interest expenses are included, a copy of the general terms of the debt service and the estimated annual amount of the interest expenses shall be submitted with the written request for relief.

*b.* The following shall apply to the value of relief amount:

(1) If interest expenses are disclosed, the amount of these expenses shall be added to the value of relief.

(2) The calculation of the estimated value of relief shall take into consideration the removal of existing assets and debt service.

(3) The calculation of the estimated value of relief shall be demonstrated as an amount per patient day to be added to the nondirect care component for the relevant period. The estimated annual patient days for this calculation shall be determined based upon budgeted amounts or the most recent annual total as demonstrated on the provider's Medicaid financial and statistical report. For the purposes of calculating the per diem relief, total patient days shall be the greater of the estimated annual patient days or eighty-five percent of the facility's estimated licensed capacity.

(4) The combination of the nondirect care component and the estimated value of relief shall not exceed one hundred and ten percent of the nondirect care median for the relevant period. If a nondirect care limit exception has been requested and granted, the combination of the nondirect care component and the estimated value of relief shall not exceed one hundred twenty percent of the nondirect care median for the relevant period.

*c.* Instant relief granted under this subsection shall begin the first day of the calendar quarter following placement of the provider's assets in service. If the required information to calculate the instant relief, as specified in paragraph "*a*", is not submitted prior to the first day of the calendar quarter following placement of the provider's assets in service, instant relief shall instead begin on the first day of the calendar quarter following receipt of the required information.

*d.* Instant relief granted under this subsection shall be terminated at the time of the provider's subsequent biannual rebasing when the submission of the annual cost report for the provider includes the new replacement costs and the annual property costs reflect the new assets.

*e.* During the period in which instant relief is granted, the Iowa Medicaid enterprise shall recalculate the value of the instant relief based on allowable costs and patient days reported on the annual financial and statistical report. For purposes of calculating the per diem relief,

total patient days shall be the greater of actual annual patient days or eighty-five percent of the facility's licensed capacity. The actual value of relief shall be added to the nondirect care component for the relevant period, not to exceed one hundred ten percent of the nondirect care median for the relevant period or not to exceed one hundred twenty percent of the nondirect care median for the relevant period if the nondirect care limit exception is requested and granted. The provider's quarterly rates for the relevant period shall be retroactively adjusted to reflect the revised nondirect care rate. All claims with dates of service from the date that instant relief is granted to the date that the instant relief is terminated shall be repriced to reflect the actual value of the instant relief per diem utilizing a mass adjustment.

3. If the provider requests the nondirect care limit exception, all of the following shall apply:

*a.* The nondirect care limit for the rate setting period shall be increased to one hundred and twenty percent of the median for the relevant period.

*b.* The exception period shall not exceed a period of two years. If the provider is requesting only the nondirect care limit exception, the request shall be submitted within sixty days of the release of the July 1 rate determination letters following each biannual rebasing cycle, and shall be effective the first day of the month following receipt of the request. If applicable, the provider shall identify any time period in which instant relief was granted and shall indicate how many times the instant relief or nondirect care limit exception was granted previously.

2007 Acts, ch 219, §37, 41, 43

Referred to in §249K.4

**249K.4 Preliminary evaluation.**

1. A provider preparing cost or other feasibility projections for a request for relief or an exception pursuant to section 249K.3 may submit a request for preliminary evaluation.

2. The request shall contain all of the information required for the type of assistance sought pursuant to section 249K.3.

3. The provider shall estimate the timing of the initiation and completion of the project to allow the department to respond with estimates of both instant relief and the nondirect care limit exception.

4. The department shall respond to a request for preliminary evaluation under this section within thirty days of receipt of the request. A preliminary evaluation does not guarantee approval of instant relief or the nondirect care limit exception upon submission of a formal request. A preliminary evaluation provides only an estimate of value of the instant relief or nondirect care limit exception based only on the projections.

2007 Acts, ch 219, §38, 41, 43

**249K.5 Participation criteria.**

1. The Iowa Medicaid enterprise shall administer this chapter. The department of human services shall adopt rules, pursuant to chapter 17A, to administer this chapter.

2. A provider requesting instant relief or a nondirect care limit exception under this chapter shall meet one of the following criteria:

*a.* The nursing facility for which relief or an exception is requested is in violation of life safety code requirements and changes are necessary to meet regulatory compliance.

*b.* The nursing facility for which relief or an exception is requested is proposing development of a home and community-based services waiver program service that meets the following requirements:

(1) The service is provided on the direct site and is a nonnursing service.

(2) The service is provided in an underserved area, which may include a rural area, and the nursing facility provides documentation of this.

(3) The service meets all federal and state requirements.

(4) The service is adult day care, consumer directed attendant care, assisted living, day habilitation, home delivered meals, personal emergency response, or respite.

3. In addition to any other factors to be considered in determining if a provider is eligible

to participate under this chapter, the Iowa Medicaid enterprise shall consider all of the following:

*a.* The history of the provider's regulatory compliance.

*b.* The historical access to nursing facility services for medical assistance program beneficiaries.

*c.* The provider's dedication to and participation in quality of care, considering all quality programs in which the provider has participated.

*d.* The provider's plans to facilitate person-directed care.

*e.* The provider's plans to facilitate dementia units and specialty post-acute services.

4. *a.* Any relief or exception granted under this chapter is temporary and shall be immediately terminated if all of the participation requirements under this chapter are not met.

*b.* If a provider's medical assistance program or Medicare certification is revoked, any existing exception or relief shall be terminated and the provider shall not be eligible to request subsequent relief or an exception under this chapter.

5. Following a change in ownership, relief or an exception previously granted shall continue and future rate calculations shall be determined under the provisions of 441 IAC 81.6(12) relating to termination or change of ownership of a nursing facility.

2007 Acts, ch 219, §39, 41, 43

# CHAPTER 249L

## NURSING FACILITY QUALITY ASSURANCE ASSESSMENT PROGRAM

Implementation of chapter contingent upon departmental determinations, submission of medical assistance program waiver and state plan amendment requests, and federal approval of the requests; 2009 Acts, ch 160, §5 – 9

249L.1 Title.
249L.2 Definitions.
249L.3 Quality assurance assessment — imposed — collection — deposit — documentation — civil actions.
249L.4 Quality assurance trust fund — limitations of use — reimbursement adjustments to nursing facilities.

### 249L.1 Title.

This chapter shall be known and may be cited as the *"Quality Assurance Assessment Program"*.

2009 Acts, ch 160, §1, 5

Implementation of chapter contingent upon departmental determinations, submission of medical assistance program waiver and state plan amendment requests, and federal approval of the requests; 2009 Acts, ch 160, §5 – 9

### 249L.2 Definitions.

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of human services.

2. *"Direct care worker"* means an employee of a nursing facility who holds a nursing assistant certification, is employed for the purpose of nursing assistance, and provides direct care to residents, regardless of the employee's job title.

3. *"Gross revenue"* means all revenue reported by the nursing facility for patient care, room, board and services, but does not include contractual adjustments, bad debt, Medicare revenue, or revenue derived from sources other than nursing facility operations including but not limited to nonoperating revenue and other operating revenue.

4. *"Medically indigent individual"* means an individual eligible for coverage under the medical assistance program who is a resident of a Medicaid-certified nursing facility.

5. *"Nonoperating revenue"* means income from activities not relating directly to the day-to-day operations of a nursing facility such as gains on the disposal of a facility's assets, dividends, and interest from security investments, gifts, grants, and endowments.

6. *"Nursing facility"* means a licensed nursing facility as defined in section 135C.1 that is a freestanding facility or a nursing facility operated by a hospital licensed pursuant to chapter 135B, but does not include a distinct-part skilled nursing unit or a swing-bed unit operated by a hospital, or a nursing facility owned by the state or federal government or other governmental unit.

7. *"Other operating revenue"* means income from nonpatient care services to patients and from sales to and activities for persons other than patients which may include but are not limited to such activities as providing personal laundry service for patients, providing meals to persons other than patients, gift shop sales, or vending machine commissions.

8. *"Patient day"* means a calendar day of care provided to an individual resident of a nursing facility that is not reimbursed under Medicare, including the date of admission but not including the date of discharge, unless the dates of admission and discharge occur on the same day, in which case the resulting number of patient days is one patient day.

9. *"Uniform tax requirement waiver"* means a waiver of the uniform tax requirement for permissible health care-related taxes as provided in 42 C.F.R. § 433.68(e)(2)(i) and (ii).

2009 Acts, ch 160, §2, 5

Implementation of chapter contingent upon departmental determinations, submission of medical assistance program waiver and state plan amendment requests, and federal approval of the requests; 2009 Acts, ch 160, §5 – 9

**249L.3 Quality assurance assessment — imposed — collection — deposit — documentation — civil actions.**

1. *a.* A nursing facility in this state shall be assessed a quality assurance assessment for each patient day for the preceding quarter.

*b.* The quality assurance assessment shall be implemented as a broad-based health care-related tax as defined in 42 U.S.C. § 1396b(w)(3)(B).

*c.* The quality assurance assessment shall be imposed uniformly upon all nursing facilities, unless otherwise provided in this chapter.

*d.* The aggregate quality assurance assessments imposed under this chapter shall not exceed the lower of three percent of the aggregate non-Medicare revenues of a nursing facility or the maximum amount that may be assessed pursuant to the indirect guarantee threshold as established pursuant to 42 C.F.R. § 433.68(f)(3)(i), and shall be stated on a per-patient-day basis.

2. The quality assurance assessment shall be paid by each nursing facility to the department on a quarterly basis after the nursing facility's medical assistance payment rates are adjusted to include funds appropriated from the quality assurance trust fund for that purpose. The department shall prepare and distribute a form upon which nursing facilities shall calculate and report the quality assurance assessment. A nursing facility shall submit the completed form with the assessment amount no later than thirty days following the end of each calendar quarter.

3. A nursing facility shall retain and preserve for a period of three years such books and records as may be necessary to determine the amount of the quality assurance assessment for which the nursing facility is liable under this chapter. The department may inspect and copy the books and records of a nursing facility for the purpose of auditing the calculation of the quality assurance assessment. All information obtained by the department under this subsection is confidential and does not constitute a public record.

4. The department shall collect the quality assurance assessment imposed and shall deposit all revenues collected in the quality assurance trust fund created in section 249L.4.

5. If the department determines that a nursing facility has underpaid or overpaid the quality assurance assessment, the department shall notify the nursing facility of the amount of the unpaid quality assurance assessment or refund due. Such payment or refund shall be due or refunded within thirty days of the issuance of the notice.

6. *a.* A nursing facility that fails to pay the quality assurance assessment within the time frame specified in this section shall pay, in addition to the outstanding quality assurance

assessment, a penalty of one and five-tenths percent of the quality assurance assessment amount owed for each month or portion of each month that the payment is overdue. However, if the department determines that good cause is shown for failure to comply with payment of the quality assurance assessment, the department shall waive the penalty or a portion of the penalty.

*b.* If a quality assurance assessment has not been received by the department by the last day of the month in which the payment is due, the department shall withhold an amount equal to the quality assurance assessment and penalty owed from any payment due such nursing facility under the medical assistance program.

*c.* The quality assurance assessment imposed under this chapter constitutes a debt due the state and may be collected by civil action, including but not limited to the filing of tax liens, and any other method provided for by law.

*d.* Any penalty collected pursuant to this subsection shall be credited to the quality assurance trust fund.

7. If federal financial participation to match the quality assurance assessments made under this section becomes unavailable under federal law, the department shall terminate the imposition of the assessments beginning on the date the federal statutory, regulatory, or interpretive change takes effect.

2009 Acts, ch 160, §3, 5

Implementation of chapter contingent upon departmental determinations, submission of medical assistance program waiver and state plan amendment requests, and federal approval of the requests; date of accrual and collection of assessments; 2009 Acts, ch 160, §5 – 9

**249L.4 Quality assurance trust fund — limitations of use — reimbursement adjustments to nursing facilities.**

1. A quality assurance trust fund is created in the state treasury under the authority of the department. Moneys received through the collection of the nursing facility quality assurance assessment imposed under this chapter and any other moneys specified for deposit in the trust fund shall be deposited in the trust fund.

2. Moneys in the trust fund shall be used, subject to their appropriation by the general assembly, by the department only for reimbursement of services for which federal financial participation under the medical assistance program is available to match state funds. Any moneys appropriated from the trust fund for reimbursement of nursing facilities, in addition to the quality assurance assessment pass-through and the quality assurance assessment rate add-on which shall be used as specified in subsection 5, paragraph *"b"*, shall be used in a manner such that no less than thirty-five percent of the amount received by a nursing facility is used for increases in compensation and costs of employment for direct care workers, and no less than sixty percent of the total is used to increase compensation and costs of employment for all nursing facility staff. For the purposes of use of such funds, *"direct care worker"*, *"nursing facility staff"*, *"increases in compensation"*, and *"costs of employment"* mean as defined or specified in this chapter.

3. The trust fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the trust fund shall not be considered revenue of the state, but rather shall be funds of the quality assurance assessment program. The moneys deposited in the trust fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except to provide for the purposes of this chapter. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the trust fund shall be credited to the trust fund.

4. The department shall adopt rules pursuant to chapter 17A to administer the trust fund and reimbursements made from the trust fund.

5. *a.* The determination of medical assistance reimbursements to nursing facilities shall continue to be calculated in accordance with the modified price-based case-mix reimbursement system as specified in 2001 Iowa Acts, ch. 192, section 4, subsection 2, paragraph "c". In addition, moneys that are appropriated from the trust fund for reimbursements to nursing facilities that serve the medically indigent shall be used to provide the following nursing facility reimbursement rate adjustment increases within the parameters specified:

(1) A quality assurance assessment pass-through. This rate add-on shall account for the cost incurred by the nursing facility in paying the quality assurance assessment, but only with respect to the pro rata portion of the assessment that correlates with the patient days in the nursing facility that are attributable to medically indigent residents.

(2) A quality assurance assessment rate add-on. This rate add-on shall be calculated on a per-patient-day basis for medically indigent residents. The amount paid to a nursing facility as a quality assurance assessment rate add-on shall be ten dollars per patient day.

(3) Nursing facility payments for rebasing pursuant to 2001 Iowa Acts, ch. 192, section 4, subsection 3, paragraph *"a"*, subparagraph (2).

*b*. (1) It is the intent of the general assembly that priority in expenditure of rate adjustment increases provided to nursing facilities through the quality assurance assessment be related to the compensation and costs of employment for nursing facility staff.

(2) If the sum of the quality assurance assessment pass-through and the quality assurance assessment rate add-on is greater than the total cost incurred by a nursing facility in payment of the quality assurance assessment, no less than thirty-five percent of the difference shall be used to increase compensation and costs of employment for direct care workers and no less than sixty percent of the difference shall be used to increase compensation and costs of employment for all nursing facility staff.

(3) For the purposes of determining what constitutes increases in compensation and costs of employment the following shall apply:

(a) Increases in compensation shall include but are not limited to starting hourly wages, average hourly wages paid, and total wages including both productive and nonproductive wages, and as specified by rule of the department.

(b) Increases in total costs of employment shall include but are not limited to costs of benefit programs with specific reporting for group health plans, group retirement plans, leave benefit plans, employee assistance programs, payroll taxes, workers' compensation, training, education, career development programs, tuition reimbursement, transportation, and child care, and as specified by rule of the department.

(c) Direct care workers and nursing facility staff do not include nursing facility administrators, administrative staff, or home office staff.

(4) Each nursing facility shall submit to the department, information in a form as specified by the department and developed in cooperation with representatives of the Iowa caregivers association, the Iowa health care association, leading age Iowa, and the AARP Iowa chapter, that demonstrates compliance by the nursing facility with the requirements for use of the rate adjustment increases and other reimbursements provided to nursing facilities through the quality assurance assessment.

6. The department shall report annually to the general assembly regarding the use of moneys deposited in the trust fund and appropriated to the department.

2009 Acts, ch 160, §4, 5; 2013 Acts, ch 30, §53

Referred to in §249L.3

Implementation of chapter contingent upon departmental determinations, submission of medical assistance program waiver and state plan amendment requests, and federal approval of the requests; 2009 Acts, ch 160, §5 – 9

Subsection 5, paragraph b, subparagraph (4) amended

# CHAPTER 249M

## HOSPITAL HEALTH CARE ACCESS ASSESSMENT PROGRAM

Legislative intent; pilot program; 2010 Acts, ch 1135, §1


249M.1 Title.
249M.2 Definitions.
249M.3 Hospital health care access assessment program — termination of program.
249M.4 Hospital health care access trust fund — board.
249M.5 Future repeal.

**249M.1 Title.**

This chapter shall be known as the *"Hospital Health Care Access Assessment Program"*.

2010 Acts, ch 1135, §2, 9

**249M.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Assessment"* means the hospital health care access assessment imposed pursuant to this chapter.

2. *"Department"* means the department of human services.

3. *"Net patient revenue"* means all revenue reported by a hospital on the hospital's 2008 Medicare cost report for acute patient care and services, but does not include contractual adjustments, charity care, bad debt, Medicare revenue, or other revenue derived from sources other than hospital operations including but not limited to nonoperating revenue, other operating revenue, skilled nursing facility revenue, physician revenue, and long-term care revenue.

4. *"Nonoperating revenue"* means income from activities not relating directly to the day-to-day operations of a hospital such as gains from disposal of a hospital's assets, dividends and interests from security investments, gifts, grants, and endowments.

5. *"Other operating revenue"* means income from nonpatient care services including but not limited to tax levy receipts, laundry services, gift shop operations, meal services to individuals other than patients, and vending machine commissions.

6. *"Participating hospital"* means a nonstate-owned hospital licensed under chapter 135B that is paid on a prospective payment system basis by Medicare and the medical assistance program for inpatient and outpatient services.

7. *"Program"* means the hospital health care access assessment program created in this chapter.

8. *"Trust fund"* means the hospital health care access trust fund created in section 249M.4.

9. *"Upper payment limit"* means the maximum ceiling imposed by federal regulation on a participating hospital's medical assistance program reimbursement for inpatient services under 42 C.F.R. § 447.272 and outpatient services under 42 C.F.R. § 447.321, calculated separately for hospital inpatient and outpatient services, and excluding from the calculation medical assistance program disproportionate share hospital payments.

2010 Acts, ch 1135, §3, 9

Section not amended; footnote deleted

**249M.3 Hospital health care access assessment program — termination of program.**

1. A hospital health care access assessment is imposed on each participating hospital in this state to be used to promote access to health care services for Iowans, including those served by the medical assistance program.

2. The assessment rate for a participating hospital shall be calculated as one and twenty-six one hundredths percent of net patient revenue as specified in the hospital's fiscal year 2008 Medicare cost report.

3. If a participating hospital's fiscal year 2008 Medicare cost report is not contained in the file of the centers for Medicare and Medicaid services health care cost report information system dated June 30, 2009, the hospital shall submit a copy of the hospital's 2008 Medicare cost report to the department to allow the department to determine the hospital's net patient revenue for fiscal year 2008.

4. A participating hospital paid under the prospective payment system by Medicare and the medical assistance program that was not in existence prior to fiscal year 2008, shall submit a prospective Medicare cost report to the department to determine anticipated net patient revenue.

5. Net patient revenue as reported on each participating hospital's fiscal year 2008 Medicare cost report, or as reported under subsection 4 if applicable, shall be the sole basis for the health care access assessment for the duration of the program.

6. A participating hospital shall pay the assessment to the department in equal amounts

on a quarterly basis. A participating hospital shall submit the assessment amount no later than thirty days following the end of each calendar quarter.

7. A participating hospital shall retain and preserve the Medicare cost report and financial statements used to prepare the cost report for a period of three years. All information obtained by the department under this subsection is confidential and does not constitute a public record.

8. The department shall collect the assessment imposed and shall deposit all revenues collected in the hospital health care access trust fund created in section 249M.4.

9. If the department determines that a participating hospital has underpaid or overpaid the assessment, the department shall notify the participating hospital of the amount of the unpaid assessment or refund due. Such payment or refund shall be due or refunded within thirty days of the issuance of the notice.

10. *a.* A participating hospital that fails to pay the assessment within the time frame specified in this section shall pay, in addition to the outstanding assessment, a penalty of one and five-tenths percent of the assessment amount owed for each month or portion of each month that the payment is overdue. However, if the department determines that good cause is shown for failure to comply with payment of the assessment, the department shall waive the penalty or a portion of the penalty.

*b.* If an assessment is not received by the department by the last day of the month in which the payment is due, the department shall withhold an amount equal to the assessment and penalty owed from any payment due such participating hospital under the medical assistance program.

*c.* The assessment imposed under this chapter constitutes a debt due the state and may be collected by civil action under any method provided for by law.

*d.* Any penalty collected pursuant to this subsection shall be credited to the hospital health care access trust fund created in section 249M.4.

11. If the federal government fully funds Iowa's medical assistance program, if federal law changes to negatively impact the assessment program as determined by the department, or if a federal audit determines the assessment program is invalid, the department shall terminate the imposition of the assessment and the program beginning on the date the federal statutory, regulatory, or interpretive change takes effect.

2010 Acts, ch 1135, §4, 9; 2011 Acts, ch 34, §63
Section not amended; footnote deleted

**249M.4 Hospital health care access trust fund — board.**

1. A hospital health care access trust fund is created in the state treasury under the authority of the department. Moneys received through the collection of the hospital health care access assessment imposed under this chapter and any other moneys specified for deposit in the trust fund shall be deposited in the trust fund.

2. Moneys in the trust fund shall be used, subject to their appropriation by the general assembly, by the department to reimburse participating hospitals the medical assistance program upper payment limit for inpatient and outpatient hospital services as calculated in this section. Following payment of such upper payment limit to participating hospitals, any remaining funds in the trust fund on an annual basis may be used for any of the following purposes:

*a.* To support medical assistance program utilization shortfalls.

*b.* To maintain the state's capacity to provide access to and delivery of services for vulnerable Iowans.

*c.* To fund the health care workforce support initiative created pursuant to section 135.175.

*d.* To support access to health care services for uninsured Iowans.

*e.* To support Iowa hospital programs and services which expand access to health care services for Iowans.

3. The trust fund shall be separate from the general fund of the state and shall not be considered part of the general fund. The moneys in the trust fund shall not be considered revenue of the state, but rather shall be funds of the hospital health care access assessment program. The moneys deposited in the trust fund are not subject to section 8.33 and shall not

be transferred, used, obligated, appropriated, or otherwise encumbered, except to provide for the purposes of this chapter. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the trust fund shall be credited to the trust fund.

4. The department shall adopt rules pursuant to chapter 17A to administer the trust fund and reimbursements and expenditures as specified in this chapter made from the trust fund.

5. *a.* Beginning July 1, 2010, or the implementation date of the hospital health care access assessment program as determined by receipt of approval from the centers for Medicare and Medicaid services of the United States department of health and human services, whichever is later, the department shall increase the diagnostic related groups and ambulatory patient classifications base rates to provide payments to participating hospitals at the Medicare upper payment limit for the fiscal year beginning July 1, 2010, calculated as of July 31, 2010. Each participating hospital shall receive the same percentage increase, but the percentage may differ depending on whether the basis for the base rate increase is the diagnostic related groups or ambulatory patient classifications.

*b.* The percentage increase shall be calculated by dividing the amount calculated under subparagraph (1) by the amount calculated under subparagraph (2) as follows:

(1) The amount under the Medicare upper payment limit for the fiscal year beginning July 1, 2010, for participating hospitals.

(2) The projected expenditures for participating hospitals for the fiscal year beginning July 1, 2010, as determined by the fiscal management division of the department, plus the amount calculated under subparagraph (1).

6. For the fiscal year beginning July 1, 2011, and for each fiscal year beginning July 1, thereafter, the payments to participating hospitals shall continue to be calculated based on the upper payment limit as calculated for the fiscal year beginning July 1, 2010.

7. Reimbursement of participating hospitals shall incorporate the rebasing process for inpatient and outpatient services for state fiscal year 2012. However, the total amount of increased funding available for reimbursement attributable to rebasing shall not exceed four million five hundred thousand dollars for state fiscal year 2012 and six million dollars for state fiscal year 2013.

8. Any payments to participating hospitals under this section shall result in budget neutrality to the general fund of the state.

9. *a.* A hospital health care access trust fund board is established consisting of the following members:

(1) The co-chairpersons and the ranking members of the joint appropriations subcommittee on health and human services.

(2) The Iowa medical assistance program director.

(3) Two hospital executives representing the two largest private health care systems in the state.

(4) The president of the Iowa hospital association.

(5) A representative of a consumer advocacy group, involved in both state and national initiatives, that provides data on key indicators of well-being for children and families in order to inform policymakers to help children and families succeed.

*b.* The board shall do all of the following:

(1) Provide oversight of the trust fund.

(2) Make recommendations regarding the hospital health care access assessment program, including recommendations regarding the assessment calculation, assessment amounts, payments to participating hospitals, and use of the moneys in the trust fund.

(3) Submit an annual report to the governor and the general assembly regarding the use and expenditure of moneys deposited in the trust fund.

*c.* The department shall provide administrative assistance to the board.

2010 Acts, ch 1135, §5, 9; 2013 Acts, ch 138, §124, 127

Referred to in §249M.2, 249M.3

2013 amendment striking former paragraph c of subsection 2 takes effect January 1, 2014; 2013 Acts, ch 138, §127

Subsection 2, paragraph c stricken and former paragraphs d – f redesignated as c – e

**249M.5 Future repeal.**

This chapter is repealed June 30, 2016.

2010 Acts, ch 1135, §6, 9; 2013 Acts, ch 138, §57, 58

Legislative intent; pilot program; 2010 Acts, ch 1135, §1

Section amended

# CHAPTER 249N

## IOWA HEALTH AND WELLNESS PLAN

Referred to in §426B.3

Chapter takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187


249N.1 Title.
249N.2 Definitions.
249N.3 Purpose — establishment of Iowa health and wellness plan — limitation.
249N.4 Iowa health and wellness plan — eligibility.
249N.5 Iowa health and wellness plan — covered benefits — administration.
249N.6 Iowa health and wellness plan provider network.
249N.7 Member financial participation.
249N.8 Mental health services reports.


**249N.1 Title.**

This chapter shall be known and may be cited as the "*Iowa Health and Wellness Plan*".

2013 Acts, ch 138, §166, 187

Section takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

NEW section

**249N.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "*Accountable care organization*" means a risk-bearing, integrated health care organization characterized by a payment and care delivery model that ties provider reimbursement to quality metrics and reductions in the total cost of care for an attributed population of patients.

2. "*Affordable Care Act*" means the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152.

3. "*Covered benefits*" means covered benefits as specified in section 249N.5.

4. "*Department*" means the department of human services.

5. "*Director*" means the director of human services.

6. "*Eligible individual*" means an individual eligible for medical assistance pursuant to section 249A.3, subsection 1, paragraph "*v*".

7. "*Essential health benefits*" means essential health benefits as defined in section 1302 of the Affordable Care Act, that include at least the general categories and the items and services covered within the categories of ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.

8. "*Federal approval*" means approval by the centers for Medicare and Medicaid services of the United States department of health and human services.

9. "*Federal poverty level*" means the most recently revised poverty income guidelines published by the United States department of health and human services.

10. *"Household income"* means household income as determined using the modified adjusted gross income methodology pursuant to section 2002 of the Affordable Care Act.

11. *"Iowa health and wellness plan"* or *"plan"* means the Iowa health and wellness plan established under this chapter.

12. *"Iowa health and wellness plan provider"* means any provider enrolled in the medical assistance program or any participating accountable care organization.

13. *"Iowa health and wellness plan provider network"* means the health care delivery network approved by the department for Iowa health and wellness plan members.

14. *"Medical assistance program"* or *"Medicaid"* means the program paying all or part of the costs of care and services provided to an individual pursuant to chapter 249A and Tit. XIX of the federal Social Security Act.

15. *"Medical home"* means medical home as defined in section 135.157.

16. *"Member"* means an eligible individual who is enrolled in the Iowa health and wellness plan.

17. *"Participating accountable care organization"* means an accountable care organization approved by the department to participate in the Iowa health and wellness plan provider network.

18. *"Preventive care services"* means care that is provided to an individual to promote health, prevent disease, or diagnose disease.

19. *"Primary medical provider"* means the personal provider as defined in section 135.157 chosen by a member or to whom a member is assigned under the Iowa health and wellness plan.

20. *"Value-based reimbursement"* means a payment methodology that links provider reimbursement to improved performance by health care providers by holding health care providers accountable for both the cost and quality of care provided.

2013 Acts, ch 138, §167, 187

Referred to in §249A.3

Section takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

NEW section

**249N.3 Purpose — establishment of Iowa health and wellness plan — limitation.**

1. The purpose of this chapter is to establish and provide for the administration of an Iowa health and wellness plan to promote all of the following:

*a.* Increased access to health care through a patient-centered, integrated health care system.

*b.* Improved quality health care outcomes.

*c.* Incentives to encourage personal responsibility, cost-conscious utilization of health care, and adoption of preventive practices and healthy behaviors.

*d.* Health care cost containment and minimization of administrative costs.

2. The Iowa health and wellness plan is established within the medical assistance program and shall be administered by the department. Except as otherwise specified in this chapter, provisions applicable to the medical assistance program pursuant to chapter 249A shall be applicable to the Iowa health and wellness plan.

3. The department may contract with a third-party administrator to provide eligibility determination support, and to administer enrollment, member outreach, and other components of the Iowa health and wellness plan.

4. The provisions of this chapter shall not be construed and are not intended to affect the provision of services to medical assistance program recipients existing on January 1, 2014.

5. *a.* If the methodology for calculating the federal medical assistance percentage for eligible individuals, as provided in 42 U.S.C. § 1396d(y), is modified through federal law or regulation, in a manner that reduces the percentage of federal assistance to the state in a manner inconsistent with 42 U.S.C. § 1396d(y), or if federal law or regulation affecting eligibility or benefits for the Iowa health and wellness plan is modified, the department may implement an alternative plan as specified in the medical assistance state plan or waiver for

coverage of the affected population, subject to prior, statutory approval of implementation of the alternative plan.

*b.* If the methodology for calculating the federal medical assistance percentage for eligible individuals, as provided in 42 U.S.C. § 1396d(y), is modified through federal law or regulation resulting in a reduction of the percentage of federal assistance to the state below ninety percent but not below eighty-five percent, the medical assistance program reimbursement rates for inpatient and outpatient hospital services shall be reduced by a like percentage in the succeeding fiscal year, subject to prior, statutory approval of implementation of the reduction.

2013 Acts, ch 138, §168, 187

Section takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

NEW section

**249N.4 Iowa health and wellness plan — eligibility.**

1. Except as otherwise provided in this chapter, an individual may participate in the Iowa health and wellness plan if the individual meets all of the following criteria:

*a.* Is an eligible individual.

*b.* Meets the citizenship or alienage requirements of the medical assistance program, is a resident of Iowa, and provides a social security number upon application for the plan.

*c.* Fulfills all other conditions of participation in the Iowa health and wellness plan, including member financial participation pursuant to section 249N.7.

2. An individual who has access to affordable employer-sponsored health care coverage, as defined by rule of the department to align with regulations adopted by the federal internal revenue service under the Affordable Care Act, shall not be eligible for participation in the Iowa health and wellness plan.

3. Each applicant for the Iowa health and wellness plan shall provide to the department all insurance information required by the health insurance premium payment program in accordance with rules adopted by the department.

*a.* The department may elect to pay the cost of premiums for applicants with access to employer-sponsored health care coverage if the department determines such payment to be cost-effective.

*b.* Eligibility for the Iowa health and wellness plan is a qualifying event under the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

*c.* If premium payment is provided under this subsection for employer-sponsored health care coverage, the Iowa health and wellness plan shall supplement such coverage as necessary to provide the covered benefits specified under section 249N.5.

4. The department shall implement the Iowa health and wellness plan in a manner that ensures that the Iowa health and wellness plan is the payor of last resort.

5. A member is eligible for coverage effective the first day of the month following the month of application for enrollment.

6. Following initial enrollment, a member is eligible for covered benefits for twelve months, subject to program termination and other limitations otherwise specified in this chapter. The department shall review the member's eligibility on at least an annual basis.

2013 Acts, ch 138, §169, 187

Section takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

NEW section

**249N.5 Iowa health and wellness plan — covered benefits — administration.**

1. Iowa health and wellness plan members shall receive coverage for benefits as specified in section 249A.3, subsection 1, paragraph "*v*".

2. *a.* For members whose household income is at or below one hundred percent of the federal poverty level, the plan shall be administered by the Iowa Medicaid enterprise consistent with program administration applicable to individuals under section 249A.3, subsection 1.

*b.* For members whose household income is above one hundred percent but not in excess

of one hundred thirty-three percent of the federal poverty level, the plan shall be administered through provision of premium assistance for the purchase of the covered benefits through the American health benefits exchange created pursuant to the Affordable Care Act. The department may pay premiums and supplemental cost-sharing subsidies directly to qualified health plans participating in the American health benefits exchange created pursuant to the Affordable Care Act on behalf of the member.

2013 Acts, ch 138, §170, 187

Referred to in §249N.2, 249N.4

Section takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

NEW section

**249N.6 Iowa health and wellness plan provider network.**

1. The Iowa health and wellness plan provider network shall include all providers enrolled in the medical assistance program and all participating accountable care organizations. Reimbursement under this chapter shall only be made to such Iowa health and wellness plan providers for covered benefits.

2. *a.* Upon enrollment, a member shall choose a primary medical provider and, to the extent feasible, shall also choose a medical home within the Iowa health and wellness plan provider network.

*b.* If the member does not choose a primary medical provider or a medical home, the department shall assign the member to a primary medical provider or a medical home in accordance with the Medicaid managed health care, mandatory enrollment provisions specified in rules adopted by the department pursuant to chapter 249A and in accordance with quality data available to the department.

*c.* The department shall develop a mechanism for primary medical providers, medical homes, and participating accountable care organizations to jointly facilitate member care coordination. The Iowa health and wellness plan shall provide for reimbursement of care coordination services provided under the plan consistent with the reimbursement methodology developed pursuant to section 135.159.

3. *a.* The department shall provide procedures for accountable care organizations that emerge through local markets to participate in the Iowa health and wellness plan provider network. Such accountable care organizations shall incorporate the medical home as defined and specified in chapter 135, division XXII, as a foundation and shall emphasize whole-person orientation and coordination and integration of both clinical services and nonclinical community and social supports that address social determinants of health. A participating accountable care organization shall enter into a contract with the department to ensure the coordination and management of the health of attributed members, to produce quality health care outcomes, and to control overall cost.

*b.* The department shall establish by rule in accordance with chapter 17A the qualifications, contracting processes, and contract terms for a participating accountable care organization. The rules shall also establish a methodology for attribution of a member to a participating accountable care organization.

*c.* A participating accountable care organization contract shall establish accountability based on quality performance and total cost-of-care metrics for the attributed population. In developing quality performance standards, the department shall consider those utilized by state accountable care organization models including but not limited to the quality index score and the Medicare shared savings program quality reporting metrics. The payment models shall include but are not limited to risk sharing, including both shared savings and shared costs, between the state and the participating accountable care organization, and bonus payments for improved quality. The contract terms shall require that a participating accountable care organization is subject to shared savings beginning with the initial year of the contract, must have quality metrics in place within three years of the initial year of the contract, and must participate in risk sharing within five years of the initial year of the contract.

4. To the greatest extent possible, members shall have a choice of providers within

the Iowa health and wellness plan provider network to facilitate access to locally-based health care providers and services. However, member choice may be limited by the results of attribution under this section and by the participating accountable care organization, with prior approval of the department, if the member's health condition would benefit from limiting the member's choice of an Iowa health and wellness plan provider to ensure coordination of services, or due to overutilization of covered benefits. The participating accountable care organization shall provide thirty days' notice to the member prior to limitation of such choice.

5. *a.* An Iowa health and wellness plan provider shall be reimbursed for covered benefits under the Iowa health and wellness plan utilizing the same reimbursement methodology as that applicable to individuals eligible for medical assistance under section 249A.3, subsection 1.

*b.* Notwithstanding paragraph "*a*", a participating accountable care organization under contract with the department shall be reimbursed utilizing a value-based reimbursement methodology.

6. *a.* Iowa health and wellness plan providers shall exchange member health information as provided by rule to facilitate coordination and management of members' health, quality health care outcomes, and containment of and reduction in costs.

*b.* The department shall provide the health care claims data of attributed members to a member's participating accountable care organization on a timeframe established by rule of the department.

2013 Acts, ch 138, §171, 187

Section takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

NEW section

**249N.7 Member financial participation.**

1. Membership in the Iowa health and wellness plan shall require payment of monthly contributions for members whose household income is at or above fifty percent of the federal poverty level. Members shall be subject to copayment amounts applicable only to nonemergency use of a hospital emergency department. Total member cost-sharing, annually, shall align with the cost-sharing limitations requirements for the American health benefits exchanges under the Affordable Care Act. Contributions and copayment amounts shall be established by rule of the department.

2. Contributions shall be waived for a member during the initial year of membership. If a member completes all required preventive care services and wellness activities as specified by rule of the department during the initial year of membership, contributions shall be waived during the subsequent year of membership and each year thereafter until such time as the member fails to complete required preventive care services and wellness activities specified during the prior annual membership period.

2013 Acts, ch 138, §172, 187

Referred to in §249N.4

Section takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

NEW section

**249N.8 Mental health services reports.**

The department shall submit all of the following to the governor and the general assembly:

1. Biennially, a report of the results of a review, by county and region, of mental health services previously funded through taxes levied by counties pursuant to section 331.424A, that are funded during the reporting period under the Iowa health and wellness plan.

2. Annually, a report of the results of a review of the outcomes and effectiveness of mental health services provided under the Iowa health and wellness plan.

2013 Acts, ch 138, §173, 187

Section takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

NEW section

# CHAPTER 250

RESERVED

# CHAPTER 251

## EMERGENCY RELIEF ADMINISTRATION

Referred to in §232.2, 235.7

Child and family services, see chapter 234


251.1 Definitions.
251.2 Administration of emergency relief.
251.3 Powers and duties.
251.4 Grants from state funds to counties.
251.5 Duties of the service area advisory board.
251.6 County supervisors to determine relief and work projects.
251.7 County appointees to act as executive officers.


**251.1 Definitions.**

As used in this chapter: *"Division"* or *"state division"* means the division of child and family services of the department of human services; *"administrator"* means the administrator of the division of child and family services of the department of human services.

[C71, 73, 75, 77, 79, 81, §251.1]

83 Acts, ch 96, §157, 159

**251.2 Administration of emergency relief.**

The state division, in addition to all other powers and duties given it by law, shall be charged with the supervision and administration of all funds coming into the hands of the state now or hereafter provided for emergency relief.

[C39, §**3828.067;** C46, 50, 54, 58, 62, 66, §251.1; C71, 73, 75, 77, 79, 81, §251.2]

**251.3 Powers and duties.**

The administrator shall have the power to:

1. Appoint such personnel as may be necessary for the efficient discharge of the duties imposed upon the administrator in the administration of emergency relief, and to make such rules and regulations as the administrator deems necessary or advisable covering the administrator's activities and those of the service area advisory boards created under section 217.43, concerning emergency relief.

2. Join and cooperate with the government of the United States, or any of its appropriate agencies or instrumentalities, in any proper relief activity.

3. Make such reports of budget estimates to the governor and to the general assembly as are required by law, or are necessary and proper to obtain appropriations of funds necessary for relief purposes and for all the purposes of this chapter.

4. Determine the need for funds in the various counties of the state basing such determination upon the amount of money needed in the various counties to provide adequate relief, and upon the counties' financial inability to provide such relief from county funds. The administrator may administer said funds belonging to the state within the various counties of the state to supplement local funds as needed.

5. Make such reports, obtain and furnish such information from time to time as may be required by the governor, by the general assembly, or by any other proper office or agency, state or federal, and make an annual report of its activities.

[C39, §**3828.068;** C46, 50, 54, 58, 62, 66, §251.2; C71, 73, 75, 77, 79, 81, §251.3]

93 Acts, ch 54, §6; 2001 Acts, 2nd Ex, ch 4, §4, 9

**251.4 Grants from state funds to counties.**

The state division may require as a condition of making available state assistance to counties for emergency relief purposes, that the county boards of supervisors shall establish budgets as needed in respect to the relief situation in the counties.

[C39, §**3828.069;** C46, 50, 54, 58, 62, 66, §251.3; C71, 73, 75, 77, 79, 81, S81, §251.4; 81 Acts, ch 117, §1035]

83 Acts, ch 123, §101, 209

**251.5 Duties of the service area advisory board.**

A service area advisory board created in section 217.43 shall perform the following activities for any county in the board's service area concerning emergency relief:

1. Cooperate with a county's board of supervisors in all matters pertaining to administration of relief.
2. At the request of a county's board of supervisors, prepare requests for grants of state funds.
3. At the request of a county's board of supervisors, administer county relief funds.
4. In a county receiving grants of state funds upon approval of the director of the department of administrative services and the county's board of supervisors, administer both state and county relief funds.
5. Perform other duties as may be prescribed by the administrator and a county's board of supervisors.

[C39, §**3828.070;** C46, 50, 54, 58, 62, 66, §251.4; C71, 73, 75, 77, 79, 81, S81, §251.5; 81 Acts, ch 117, §1036]

93 Acts, ch 54, §7; 2001 Acts, 2nd Ex, ch 4, §5, 9; 2003 Acts, ch 145, §286

Referred to in §331.381

**251.6 County supervisors to determine relief and work projects.**

The county board of supervisors shall supervise administration of emergency relief, and shall determine the minimum amount of relief required for each person or family, which persons are employable, and whether and under what conditions persons receiving emergency relief may be employed by the county.

[C39, §**3828.071;** C46, 50, 54, 58, 62, 66, §251.5; C71, 73, 75, 77, 79, 81, S81, §251.6; 81 Acts, ch 117, §1037]

Referred to in §331.381

**251.7 County appointees to act as executive officers.**

The county board of supervisors may appoint an individual to serve as the executive officer of the service area advisory board in all matters pertaining to relief for that county.

[C39, §**3828.072;** C46, 50, 54, 58, 62, 66, §251.6; C71, 73, 75, 77, 79, 81, S81, §251.7; 81 Acts, ch 117, §1038]

93 Acts, ch 54, §8; 2001 Acts, 2nd Ex, ch 4, §6, 9

# CHAPTER 252

## SUPPORT OF THE POOR

Referred to in §217.30, 232.2, 232.159, 235.7, 331.381, 331.427


252.1 "Poor person" defined.
252.2 Parents and children liable.
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252.4 Who deemed trustee.
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252.6 Enforcement of liability.
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252.20 and 252.21 Reserved.
252.22 Contest between counties — chapter applicable to county public hospitals.
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252.36 Reserved.
252.37 Appeal to supervisors.
252.38 through 252.41 Reserved.
252.42 Cooperation on work-assistance projects.
252.43 Repealed by 93 Acts, ch 172, §49.
252.44 Repealed by 76 Acts, ch 1056, §45.
252.45 Repealed by 81 Acts, ch 117, §1097.


**252.1 "Poor person" defined.**

The words *"poor"* and *"poor person"* as used in this chapter shall be construed to mean those who have no property, exempt or otherwise, and are unable, because of physical or mental disabilities, to earn a living by labor; but this section shall not be construed to forbid aid to needy persons who have some means, when the board shall be of opinion that the same will be conducive to their welfare and the best interests of the public.

[C97, §2252; C24, 27, 31, 35, §5297; C39, §**3828.073;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.1]

**252.2 Parents and children liable.**

The father, mother, and children of any poor person, who is unable to maintain the poor person's self by labor, shall jointly or severally relieve or maintain such person in such manner as, upon application to the board of supervisors of the county where such person has a residence or may be, they may direct.

[C51, §787; R60, §1355; C73, §1330; C97, §2216; C24, 27, 31, 35, §5298; C39, §**3828.074;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.2]

**252.3 Putative father.**

The word *"father"* in this chapter includes the putative father of an illegitimate child, and the question of parentage may be tried in any proceeding to recover for or compel the support of such a child, and like proceedings may be prosecuted against the mother independently of or jointly with the alleged father.

[C51, §788; R60, §1356; C73, §1332; C97, §2250; C24, 27, 31, 35, §5299; C39, §**3828.075;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.3]

Obligation of parent, chapter 600B

**252.4 Who deemed trustee.**

The word *"trustees"* in this chapter shall be construed to include and mean any person or officer of any county or city charged with the oversight of the poor.

[C51, §789; R60, §1357; C73, §1333; C97, §2251; C24, 27, 31, 35, §5300; C39, §**3828.076;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.4]

**252.5 Remote relatives.**

In the absence or inability of nearer relatives, the same liability shall extend to grandparents, if of ability without personal labor, and to the grandchildren who are of ability by personal labor or otherwise.

[C51, §787; R60, §1355; C73, §1331; C97, §2217; C24, 27, 31, 35, §5301; C39, §**3828.077;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.5]

**252.6 Enforcement of liability.**

Upon the failure of such relatives to assist or maintain a poor person who has made application for assistance, the county board of supervisors, service area advisory board created under section 217.43, or state division of child and family services of the department of human services may apply to the district court of the county where the poor person resides or may be found for an order to compel the assistance or maintenance.

[C51, §789; R60, §1357; C73, §1333; C97, §2218; C24, 27, 31, 35, §5302; C39, §**3828.078;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.6]

83 Acts, ch 96, §157, 159; 92 Acts, ch 1212, §9; 93 Acts, ch 54, §9; 2001 Acts, 2nd Ex, ch 4, §7, 9

**252.7 Notice — hearing.**

At least ten days' notice in writing of the application shall be given to the parties sought to be charged, service thereof to be made as of an original notice, in which proceedings the county shall be plaintiff and the parties served defendants. No order shall be made affecting a person not served, but, as to such, notice may be given at any stage of the proceedings. The court may proceed in a summary manner to hear all the allegations and proofs of the parties, and order any one or more of the relatives who shall be able, to relieve or maintain the poor person, charging them as far as practicable in the order above named, and for that purpose may bring in new parties when necessary.

[C51, §790 – 792; R60, §1358 – 1360; C73, §1334 – 1336; C97, §2219; C24, 27, 31, 35, §5303; C39, §**3828.079;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.7]

Service of notice, R.C.P. 1.302 – 1.315

**252.8 Scope of order.**

The order may be for the entire or partial support of the applicant, may be for the payment of money or the taking of the applicant to a relative's house, or may assign the applicant for a certain time to one and for another period to another, as is just and right, taking into view the means of the several relatives liable, but no such assignment shall be made to one who is willing to pay the amount necessary for support. If the order is for assistance in any other form than money, it shall state the extent and value of the assistance per week, and the time assistance shall continue; or the order may make the time of continuance indefinite, and it may be varied from time to time by a new order, as circumstances require, upon application to the court by the trustees, the poor person, or the relative affected, ten days' notice being given to the party or parties concerned.

[C51, §793 – 795; R60, §1361 – 1363; C73, §1337 – 1339; C97, §2219; C24, 27, 31, 35, §5304; C39, §**3828.080;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.8]

92 Acts, ch 1212, §10

**252.9 Judgment — appeal.**

When money is ordered to be paid, it shall be paid to such person as the court may direct. If support be not rendered as ordered, the court upon such fact being shown by the affidavit of one or more of the proper trustees, may render judgment and order execution for the amount due, rating any support ordered in kind at the valuation previously made. An appeal may be taken from the judgment rendered to the supreme court. Support for later periods under the same order may be, as it becomes due, applied for and obtained in the same manner.

[C51, §796 – 798; R60, §1364 – 1366; C73, §1340 – 1342; C97, §2219; C24, 27, 31, 35, §5305; C39, §**3828.081;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.9]

**252.10 through 252.12** Repealed by 76 Acts, ch 1104, § 17.

**252.13 Recovery by county.**

Any county having expended money for the assistance or support of a poor person under this chapter, may recover the money from any of the following: from the poor person if the person becomes able, or from the person's estate; from relatives by action brought within two years from the payment of the assistance or support, from the poor person by action brought within two years after the person becomes able, and from the person's estate by filing the claim as provided by law. There shall be allowed against the person's estate a claim of the sixth class for that portion of the liability to the county which exceeds the total amount of all claims of the first through the fifth classes, inclusive, as defined in section 633.425, which are allowed against that estate.

[C51, §806; R60, §1374; C73, §1350; C97, §2222; C24, 27, 31, 35, §5309; C39, §**3828.085;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.13]

92 Acts, ch 1212, §11

Referred to in §252.14

Claims against estate, §633.410 et seq.

**252.14 Homestead — when liable.**

When expenditures have been made for and on behalf of a poor person and the person's family, as contemplated by section 252.13, the homestead of such poor person is liable for such expenditures when such poor person dies without leaving a surviving spouse, or child, as defined in section 234.1.

[C31, 35, §5309-c1; C39, §**3828.086;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.14]

See also §561.21

**252.15 Recovery by relative.**

A more distant relation, who may have been compelled to aid a poor person, may recover from any one or more of the nearer relatives, and one so compelled to aid may recover contribution from others in the same degree, and a recovery may be had against the poor person or the person's estate, if, after such aid or support has been given, the person aided or supported becomes able to repay the same; but proceedings to recover therefor must be brought within two years from the time a cause of action accrues.

[C51, §807; R60, §1375; C73, §1351; C97, §2223; C24, 27, 31, 35, §5310; C39, §**3828.087;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.15]

**252.16 Settlement — how acquired.**

A legal settlement in this state may be acquired as follows:

1. A person continuously residing in a county in this state for a period of one year acquires a settlement in that county except as provided in subsection 7 or 8.

2. A person having acquired a settlement in a county of this state shall not acquire a settlement in any other county until the person has continuously resided in the other county for a period of one year except as provided in subsection 7.

3. A person who is an inpatient, a resident, or an inmate of or is supported by an institution whether organized for pecuniary profit or not or an institution supported by charitable or public funds in a county in this state does not acquire a settlement in the county unless the person before becoming an inpatient, a resident, or an inmate in the institution or being supported by an institution has a settlement in the county. A minor child residing in an institution assumes the settlement of the child's custodial parent. Settlement of the minor child changes with the settlement of the child's custodial parent, except that the child retains the settlement that the child's custodial parent has on the child's eighteenth birthday until the child is discharged from the institution, at which time the child acquires the child's own settlement by continuously residing in a county for one year.

4. *a.* Minor children who reside with both parents take the settlement of the parents. If the minor child resides on a permanent basis with only one parent or a guardian, the minor child takes the settlement of the parent or guardian with whom the child resides.

*b.* An emancipated minor acquires a legal settlement in the minor's own right. An

emancipated minor is one who is absent from the minor's parents with the consent of the parents, is self-supporting, and has assumed a new relationship inconsistent with being a part of the family of the parents.

*c.* A minor, placed in the care of a public agency or facility as custodian or guardian, takes the legal settlement that the parents had upon severance of the parental relationship, and retains that legal settlement until a natural person is appointed custodian or guardian at which time the minor takes the legal settlement of the natural person or until the minor person attains the age of eighteen and acquires another legal settlement in the person's own right.

5. A person with settlement in this state who becomes a member on active duty of an armed service of the United States retains the settlement during the period of active duty. A person without settlement in this state who is a member on active duty of an armed service of the United States within the borders of this state does not acquire settlement during the period of active duty.

6. *a.* Subsections 1, 2, 3, 7, and 8 do not apply to a blind person who is receiving assistance under the laws of this state.

*b.* A blind person who has resided in one county of this state for a period of six months acquires legal settlement for support as provided in this chapter, except as specified in paragraph "*c*".

*c.* A blind person who is an inpatient or resident of, is supported by, or is receiving treatment or support services from a state resource center created under chapter 222, a state mental health institute created under chapter 226, the Iowa braille and sight saving school administered by the state board of regents, or any community-based provider of treatment or services for an intellectual disability, developmental disabilities, mental health, or substance abuse, does not acquire legal settlement in the county in which the institution, facility, or provider is located, unless the blind person has resided in the county in which the institution, facility, or provider is located for a period of six months prior to the date of commencement of receipt of assistance under the laws of this state or for a period of six months subsequent to the date of termination of assistance under the laws of this state.

7. A person hospitalized in or receiving treatment at a state mental health institute or state resource center does not acquire legal settlement in the county in which the institute or resource center is located unless the person is discharged from the institute or resource center, continuously resides in the county for a period of one year subsequent to the discharge, and during that year is not hospitalized in and does not receive treatment at the institute or resource center.

8. A person receiving treatment or support services from any provider, whether organized for pecuniary profit or not or whether supported by charitable or public or private funds, that provides treatment or services for intellectual disability, developmental disabilities, mental health, brain injury, or substance abuse does not acquire legal settlement in a county unless the person continuously resides in that county for one year from the date of the last treatment or support service received by the person.

[C51, §808; R60, §1376; C73, §1352; C97, §2224; C24, 27, 31, 35, §5311; C39, §**3828.088;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.16]

84 Acts, ch 1165, §1; 87 Acts, ch 50, §1, 2; 94 Acts, ch 1186, §34; 95 Acts, ch 119, §2; 97 Acts, ch 75, §1; 97 Acts, ch 169, §27; 98 Acts, ch 1181, §8; 2000 Acts, ch 1112, §51; 2009 Acts, ch 41, §263; 2012 Acts, ch 1019, §109, 110

Referred to in §252.22

Applicability of 1995 amendments to subsection 6; redetermination of legal settlement for certain blind persons; exception to §252.17; 95 Acts, ch 119, §4 – 6

**252.17 Settlement continues.**

A legal settlement once acquired shall so remain until such person has removed from this state for more than one year or has acquired a legal settlement in some other county or state.

[C51, §809; R60, §1377; C73, §1353; C97, §2224; C24, 27, 31, 35, §5312; C39, §**3828.089;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.17]

Exception for blind persons who acquired legal settlement in this state on or after July 1, 1994, and prior to May 1, 1995; see 95 Acts, ch 119, §4 – 6

**252.18 Foreign paupers.**

1. A person who is a county charge or is likely to become so, coming from another state and not having acquired a settlement in a county of this state or any such person having acquired a settlement in a county of this state who moves to another county, may be removed from this state or from the county into which the person has moved at the expense of the county where the person is found, upon the petition of the county to the district court in that county.

2. The court or judge shall fix the time and place of hearing on said petition and prescribe the time and manner of service of the notice of such hearing.

3. If upon the hearing on said petition such person shall be ordered to remove from the state or county and fails to do so, the person shall be deemed and declared in contempt of court and may be punished accordingly; or the judge may order the sheriff of the county seeking the removal to return such person to the state or county of the person's legal settlement.

[C51, §811; R60, §1379; C73, §1354; C97, §2225; C24, 27, 31, 35, §5313; C39, §**3828.090;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.18]

83 Acts, ch 186, §10062, 10201

Referred to in §331.653

Contempts, chapter 665

**252.19** Repealed by 76 Acts, ch 1245(4), § 525.

**252.20 and 252.21** Reserved.

**252.22 Contest between counties — chapter applicable to county public hospitals.**

When assistance is granted to a poor person having a settlement in another county, the auditor shall at once by mail notify the auditor of the county of settlement of that fact, and, within fifteen days after receipt of the notice, the auditor shall inform the auditor of the county granting assistance if the claim of settlement is disputed. If it is not, the poor person, at the request of the auditor or board of supervisors of the county of settlement, may be maintained where the person then is at the expense of the county of legal settlement, and without affecting legal settlement as provided in section 252.16.

All laws relating to the support of the poor as provided by this chapter shall be applicable to care, treatment, and hospitalization provided by county public hospitals.

For the purposes of this section, "*auditor*" means the county auditor or the auditor's designee.

[C51, §814, 816, 817; R60, §1382, 1384, 1385; C73, §1357, 1359, 1360; C97, §2228; C24, 27, 31, 35, §5317; C39, §**3828.094;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.22]

84 Acts, ch 1165, §2; 92 Acts, ch 1212, §12; 97 Acts, ch 169, §17

Referred to in §232.141, 252.23, 331.502

**252.23 Legal settlement disputes.**

If the alleged settlement is disputed, then, within thirty days after notice as provided in section 252.22, a copy of the notices sent and received shall be filed in the office of the clerk of the district court of the county against which claim is made, and a cause docketed without other pleadings, and tried as an ordinary action, in which the county granting the assistance shall be plaintiff, and the other defendant, and the burden of proof shall be upon the county granting the assistance. However, a dispute concerning the liability of a person's county of residence for assistance provided through the county's mental health and disability services system implemented under chapter 331 in connection with services initiated under chapter 222, 230, or 249A shall be resolved as provided in section 331.394.

[C51, §816, 817; R60, §1384, 1385; C73, §1359, 1360; C97, §2228; C24, 27, 31, 35, §5318; C39, §**3828.095;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.23]

92 Acts, ch 1212, §13; 2004 Acts, ch 1090, §53; 2012 Acts, ch 1120, §124, 130

Referred to in §232.141

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**252.24 County of settlement liable — exception.**

1. The county where the settlement is shall be liable to the county granting assistance for all reasonable charges and expenses incurred in the assistance and care of a poor person.

2. When assistance is furnished by any governmental agency of the county, township, or city, the assistance shall be deemed to have been furnished by the county in which the agency is located and the agency furnishing the assistance shall certify the correctness of the costs of the assistance to the board of supervisors of that county and that county shall collect from the county of the person's settlement. The amounts collected by the county where the agency is located shall be paid to the agency furnishing the assistance. This statute applies to services and supplies furnished as provided in section 139A.18.

3. Notwithstanding subsection 2, if assistance or maintenance is provided by a county through the county's mental health and disability services system implemented under chapter 331, liability for the assistance and maintenance is the responsibility of the person's county of residence.

[C51, §815; R60, §1383; C73, §1358; C97, §2229; C24, 27, 31, 35, §5319; C39, §**3828.096;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.24]

92 Acts, ch 1212, §14; 2000 Acts, ch 1066, §44; 2012 Acts, ch 1120, §125, 130

2012 amendment to this section takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Section amended

**252.25 County general assistance.**

The board of supervisors of each county shall provide for the assistance of poor persons lawfully in the county who are ineligible for, or are in immediate need and are awaiting approval and receipt of, assistance under programs provided by state or federal law, or whose actual needs cannot be fully met by the assistance furnished under those programs. The county board of supervisors shall establish general rules as the board's members deem necessary to properly discharge their responsibility under this section.

All applications, investigation reports, and case records of persons applying for county general assistance under this chapter are privileged communications and confidential, subject to use and inspection only by persons authorized by law in connection with their official duties relating to financial audits and administration of this chapter or as authorized by order of a district court. Examination of an individual's applications, reports, and records may also be authorized by a signed release from the individual.

[C73, §1361; C97, §2230; S13, §2230; C24, 27, 31, 35, §5320; C39, §**3828.097;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.25]

90 Acts, ch 1017, §2; 92 Acts, ch 1212, §15; 96 Acts, ch 1140, §1

Referred to in §22.7

**252.26 General assistance director.**

The board of supervisors in each county shall appoint or designate a general assistance director for the county, who shall have the powers and duties conferred by this chapter. In counties of one hundred thousand or less population, the county board may designate as general assistance director an employee of the state department of human services who is assigned to work in that county and is directed by the director of human services, pursuant to an agreement with the county board, to exercise the functions and duties of general assistance director in that county. The director shall receive as compensation an amount to be determined by the county board.

[C51, §819; R60, §1387; C73, §1361, 1364; C97, S13, §2230, 2233; C24, 27, 31, 35, §5321, 5327; C39, §**3828.098, 3828.104;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §252.26, 252.32; C81, §252.26]

83 Acts, ch 96, §157, 159; 83 Acts, ch 123, §102, 209; 92 Acts, ch 1212, §16

Referred to in §331.321

**252.27 Form of assistance — condition.**

The board of supervisors shall determine the form of the assistance. However, legal aid shall be only in civil matters and provided only through a legal aid program approved by the board of supervisors. The amount of assistance issued shall be determined by standards of

assistance established by the board of supervisors. They may require any able-bodied person to work on public programs or projects at the prevailing local rate per hour in payment for and as a condition of granting assistance. The labor shall be performed under the direction of the officers having charge of the public programs or projects. Subject to section 142.1, assistance may consist of the burial of nonresident indigent transients and the payment of the reasonable cost of burial, not to exceed two hundred fifty dollars.

The board shall record its proceedings relating to the provision of assistance to specific persons under this chapter. A person who is aggrieved by a decision of the board may appeal the decision as if it were a contested case before an agency and as if the person had exhausted administrative remedies in accordance with the procedures and standards in section 17A.19, subsections 2 to 12, except section 17A.19, subsection 10, paragraphs "*b*" and "*g*", and section 17A.20.

[C73, §1361; C97, §2230; S13, §2230; C24, 27, 31, 35, §5322; C39, §**3828.099;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §252.27; 81 Acts, ch 117, §1039]

92 Acts, ch 1212, §17; 98 Acts, ch 1202, §38, 46; 2013 Acts, ch 30, §54

Unnumbered paragraph 2 amended

**252.28 through 252.32** Reserved.

**252.33 Application for assistance.**

A person may make application for assistance to a member of the board of supervisors, or to the general assistance director of the county where the person is. If application is made to the general assistance director and that officer is satisfied that the applicant is in a state of want which requires assistance at the public expense, the director may afford temporary assistance, subject to the approval of the board of supervisors, as the necessities of the person require and shall immediately report the case to the board of supervisors, who may continue or deny assistance, as they find cause.

[C51, §820; R60, §1388; C73, §1365; C97, §2234; S13, §2234; C24, 27, 31, 35, §5328; C39, §**3828.105;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.33]

92 Acts, ch 1212, §18

**252.34** Reserved.

**252.35 Payment of claims.**

All claims and bills for the care and support of the poor shall be certified to be correct by the general assistance director and presented to the board of supervisors, and, if the board is satisfied that the claims and bills are reasonable and proper, they shall be paid.

[C51, §821; R60, §1389; C73, §1366; C97, §2235; C24, 27, 31, 35, §5330; C39, §**3828.107;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.35]

83 Acts, ch 123, §103, 209; 92 Acts, ch 1212, §19

**252.36** Reserved.

**252.37 Appeal to supervisors.**

If a poor person, on application to the general assistance director, is refused the required assistance, the applicant may appeal to the board of supervisors, who, upon examination into the matter, may order the director to provide assistance, or it may direct specific assistance.

[C51, §823; R60, §1391; C73, §1368; C97, §2237; C24, 27, 31, 35, §5333; C39, §**3828.109;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.37]

92 Acts, ch 1212, §20

**252.38 through 252.41** Reserved.

**252.42 Cooperation on work-assistance projects.**

The county board of supervisors may join and cooperate with the United States government, or a city within the city's boundaries, or both the United States government and

a city within the city's boundaries, in sponsoring work projects, provided that the money used does not exceed the cost per month of supplying assistance to the certified persons working on projects who would be receiving direct assistance if they were not employed on the projects.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.42]
83 Acts, ch 123, §104, 209; 92 Acts, ch 1212, §21

**252.43** Repealed by 93 Acts, ch 172, § 49.

**252.44** Repealed by 76 Acts, ch 1056, § 45.

**252.45** Repealed by 81 Acts, ch 117, § 1097.

# CHAPTER 252A

## SUPPORT OF DEPENDENTS

Referred to in §232.159, 252B.3, 252B.4, 252B.5, 252B.7, 252B.9, 252B.14, 252B.20, 252B.26, 252C.1, 252D.1, 252D.16, 252D.16A, 252E.1, 252E.1A, 252E.16, 252H.2, 252H.4, 252H.21, 252I.2, 252J.1, 252K.701, 252K.904, 598.21C, 598.21G, 598.22, 598.22B, 598.23A, 600.11, 602.6111, 602.8102(47)

See also chapter 252K, the Uniform Interstate Family Support Act


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252A.17 Registry of foreign support orders.
252A.18 Registration of foreign support order — notice.
252A.19 Repealed by 97 Acts, ch 175, §21, 22.
252A.20 Limitation on actions.
252A.21 through 252A.23 Reserved.
252A.24 and 252A.25 Repealed by 97 Acts, ch 175, §21, 22.


**252A.1 Title and purpose.**

This chapter may be cited and referred to as the "*Support of Dependents Law*".

The purpose of this chapter is to secure support in civil proceedings for dependent spouses, children and poor relatives from persons legally responsible for their support.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252A.1]
97 Acts, ch 175, §8

**252A.2 Definitions.**

As used in this chapter, unless the context shall require otherwise, the following terms shall have the meanings ascribed to them by this section:

1. "*Birthing hospital*" means a private or public hospital licensed pursuant to chapter 135B that has a licensed obstetric unit or is licensed to provide obstetric services, or a licensed birthing center associated with a hospital.

2. "*Child*" includes but shall not be limited to a stepchild, foster child, or legally adopted child and means a child actually or apparently under eighteen years of age, and a dependent

person eighteen years of age or over who is unable to maintain the person's self and is likely to become a public charge.

3. *"Court"* shall mean and include any court upon which jurisdiction has been conferred to determine the liability of persons for the support of dependents.

4. *"Dependent"* shall mean and include a spouse, child, mother, father, grandparent, or grandchild who is in need of and entitled to support from a person who is declared to be legally liable for such support.

5. *"Institution"* means a birthing hospital.

6. *"Party"* means a petitioner, a respondent, or a person who intervenes in a proceeding instituted under this chapter.

7. *"Petitioner"* includes each dependent person for whom support is sought in a proceeding instituted pursuant to this chapter or a mother or putative father of a dependent. However, in an action brought by the child support recovery unit, the state is the petitioner.

8. *"Petitioner's representative"* includes counsel of a dependent person for whom support is sought and counsel for a mother or putative father of a dependent. In an action brought by the child support recovery unit, *"petitioner's representative"* includes a county attorney, state's attorney and any other public officer, by whatever title the officer's public office may be known, charged by law with the duty of instituting, maintaining, or prosecuting a proceeding under this chapter or under the laws of the state.

9. *"Putative father"* means a man who is alleged to be or who claims to be the biological father of a child born to a woman to whom the man is not married at the time of the birth of the child.

10. *"Register"* means to file a foreign support order in the registry of foreign support orders maintained as a filing in equity by the clerk of court.

11. *"Respondent"* includes each person against whom a proceeding is instituted pursuant to this chapter. *"Respondent"* may include the mother or the putative father of a dependent.

12. *"State registrar"* means state registrar as defined in section 144.1.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252A.2; 82 Acts, ch 1004, §6, 7]

93 Acts, ch 79, §11; 94 Acts, ch 1171, §10, 11; 97 Acts, ch 175, §9; 2002 Acts, ch 1162, §78

**252A.3 Liability for support.**

For the purpose of this chapter:

1. A spouse is liable for the support of the other spouse and any child or children under eighteen years of age and any other dependent. The court shall establish the respondent's monthly support payment and the amount of the support debt accrued and accruing pursuant to section 598.21A or 598.21B, as applicable.

2. A parent is liable for the support of the parent's child or children under eighteen years of age, whenever the other parent of such child or children is dead, or cannot be found, or is incapable of supporting the child or children, and, if the liable parent is possessed of sufficient means or able to earn the means. The court having jurisdiction of the respondent in a proceeding instituted under this chapter shall establish the respondent's monthly support payment and the amount of the support debt accrued and accruing pursuant to section 598.21B. The support obligation shall include support of a parent's child between the ages of eighteen and nineteen years if the child is engaged full-time in completing high school graduation or equivalency requirements in a manner which is reasonably expected to result in completion of the requirements prior to the person reaching nineteen years of age.

3. The parents are severally liable for the support of a dependent child eighteen years of age or older, whenever such child is unable to maintain the child's self and is likely to become a public charge.

4. A child or children born of parents who, at any time prior or subsequent to the birth of such child, have entered into a civil or religious marriage ceremony, shall be deemed the legitimate child or children of both parents, regardless of the validity of such marriage.

5. *a.* A child born of parents who at any time prior to the birth of the child entered into a civil or religious marriage ceremony is deemed the legitimate child of both parents, regardless of the validity of such marriage, if all of the following conditions are met:

(1) The marriage was not thereafter dissolved prior to the death of either parent.

(2) The child was conceived and born after the death of a parent or was born as the result of the implantation of an embryo after the death of a parent.

(3) A genetic parent-child relationship between the child and the deceased parent is established.

(4) The deceased parent, in a signed writing, authorized the other parent to use the deceased parent's genetic material to initiate the posthumous procedure that resulted in the child's birth, or the deceased parent, by a specific reference to the genetic material, bequeathed the genetic material to the other parent in a valid will.

(5) The child is born within two years of the death of the deceased parent.

*b.* For the purposes of this subsection, "*genetic material*" means sperm, eggs, or embryos.

6. A child or children born of parents who held or hold themselves out as husband and wife by virtue of a common law marriage are deemed the legitimate child or children of both parents.

7. *a.* A child born of parents who at any time prior to the birth of the child held themselves out as spouses by virtue of a common law marriage is deemed the legitimate child of both parents, if all of the following conditions are met:

(1) The marriage was not thereafter dissolved prior to the death of either parent.

(2) The child was conceived and born after the death of a parent or was born as the result of the implantation of an embryo after the death of a parent.

(3) A genetic parent-child relationship between the child and the deceased parent is established.

(4) The deceased parent, in a signed writing, authorized the other parent to use the deceased parent's genetic material to initiate the posthumous procedure that resulted in the child's birth, or the deceased parent, by a specific reference to the genetic material, bequeathed the genetic material to the other parent in a valid will.

(5) The child is born within two years of the death of the deceased parent.

*b.* For purposes of this subsection, "*genetic material*" means sperm, eggs, or embryos.

8. A man or woman who was or is held out as the person's spouse by a person by virtue of a common law marriage is deemed the legitimate spouse of such person.

9. Notwithstanding the fact that the respondent has obtained in any state or country a final decree of divorce or separation from the respondent's spouse or a decree dissolving the marriage, the respondent shall be deemed legally liable for the support of any dependent child of such marriage.

10. The parents of a child born out of wedlock shall be severally liable for the support of the child, but the liability of the father shall not be enforceable unless paternity has been legally established. Paternity may be established as follows:

*a.* By order of a court of competent jurisdiction or by administrative order when authorized by state law.

*b.* By the statement of the person admitting paternity in court and upon concurrence of the mother. If the mother was married, at the time of conception, birth, or at any time during the period between conception and birth of the child, to an individual other than the person admitting paternity, the individual to whom the mother was married at the time of conception, birth, or at any time during the period between conception and birth must deny paternity in order to establish the paternity of the person admitting paternity upon the sole basis of the admission.

*c.* Subject to the right of any signatory to rescind as provided in section 252A.3A, subsection 12, by the filing and registration by the state registrar of an affidavit of paternity executed on or after July 1, 1993, as provided in section 252A.3A, provided that the mother of the child was unmarried at the time of conception, birth, and at any time during the period between conception and birth of the child or if the mother was married at the time of conception, birth, or at any time during the period between conception and birth of the child, a court of competent jurisdiction has determined that the individual to whom the mother was married at that time is not the father of the child.

*d.* By establishment of paternity in a foreign jurisdiction in any manner provided for by the laws of that jurisdiction.

11. If paternity of a child born out of wedlock is established as provided in subsection

10, the court shall establish the respondent's monthly support payment and the amount of the support debt accrued and accruing pursuant to section 598.21B. The support obligation shall include support of the child between the ages of eighteen and nineteen years if the child is engaged full-time in completing high school graduation or equivalency requirements in a manner which is reasonably expected to result in completion of the requirements prior to the person reaching nineteen years of age.

12. The court may order a party to pay sums sufficient to provide necessary food, shelter, clothing, care, medical or hospital expenses, including medical support as defined in chapter 252E, expenses of confinement, expenses of education of a child, funeral expenses, and such other reasonable and proper expenses of the dependent as justice requires, giving due regard to the circumstances of the respective parties.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252A.3]

89 Acts, ch 166, §2; 93 Acts, ch 79, §12; 94 Acts, ch 1171, §12; 96 Acts, ch 1141, §16; 97 Acts, ch 175, §1, 10, 11; 2005 Acts, ch 69, §2, 3; 2011 Acts, ch 18, §1

Referred to in §144.12A, 144.13, 252A.3A, 600B.41A

Spousal support debt for medical assistance to institutionalized spouse; chapter 249B

**252A.3A Establishing paternity by affidavit.**

1. The paternity of a child born out of wedlock may be legally established by the completion, filing, and registration by the state registrar of an affidavit of paternity only as provided by this section.

2. When paternity has not been legally established, paternity may be established by affidavit under this section for the following children:

*a.* The child of a woman who was unmarried at the time of conception, birth, and at any time during the period between conception and birth of the child.

*b.* The child of a woman who is married at the time of conception, birth, or at any time during the period between conception and birth of the child if a court of competent jurisdiction has determined that the individual to whom the mother was married at that time is not the father of the child.

3. *a.* Prior to or at the time of completion of an affidavit of paternity, written and oral information about paternity establishment, developed by the child support recovery unit created in section 252B.2, shall be provided to the mother and putative father. Video or audio equipment may be used to provide oral information.

*b.* The information provided shall include a description of parental rights and responsibilities, including the duty to provide financial support for the child, the benefits of establishing paternity, and the alternatives to and legal consequences of signing an affidavit of paternity, including the rights available if a parent is a minor.

*c.* Copies of the written information shall be made available by the child support recovery unit or the Iowa department of public health to those entities where an affidavit of paternity may be obtained as provided under subsection 4.

4. *a.* The affidavit of paternity form developed and used by the Iowa department of public health is the only affidavit of paternity form recognized for the purpose of establishing paternity under this section. It shall include the minimum requirements specified by the secretary of the United States department of health and human services pursuant to 42 U.S.C. § 652(a)(7). A properly completed affidavit of paternity form developed by the Iowa department of public health and existing on or after July 1, 1993, but which is superseded by a later affidavit of paternity form developed by the Iowa department of public health, shall have the same legal effect as a paternity affidavit form used by the Iowa department of public health on or after July 1, 1997, regardless of the date of the filing and registration of the affidavit of paternity, unless otherwise required under federal law.

*b.* The form shall be available from the state registrar, each county registrar, the child support recovery unit, and any institution in the state.

*c.* The Iowa department of public health shall make copies of the form available to the entities identified in paragraph "*b*" for distribution.

5. A completed affidavit of paternity shall contain or have attached all of the following:

*a.* A statement by the mother consenting to the assertion of paternity and the identity of the father and acknowledging either of the following:

(1) That the mother was unmarried at the time of conception, birth, and at any time during the period between conception and birth of the child.

(2) That the mother was married at the time of conception, birth, or at any time during the period between conception and birth of the child, and that a court order has been entered ruling that the individual to whom the mother was married at that time is not the father of the child.

*b.* If paragraph "*a*", subparagraph (2), is applicable, a certified copy of the filed order ruling that the husband is not the father of the child.

*c.* A statement from the putative father that the putative father is the father of the child.

*d.* The name of the child at birth and the child's birth date.

*e.* The signatures of the mother and putative father.

*f.* The social security numbers of the mother and putative father.

*g.* The addresses of the mother and putative father, as available.

*h.* The signature of a notary public under chapter 9B attesting to the identities of the parties signing the affidavit of paternity.

*i.* Instructions for filing the affidavit.

6. A completed affidavit of paternity shall be filed with the state registrar. However, if the affidavit of paternity is obtained directly from the county registrar, the completed affidavit may be filed with the county registrar who shall forward the original affidavit to the state registrar. For the purposes of legal establishment of paternity under this section, paternity is legally established only upon filing of the affidavit with and registration of the affidavit by the state registrar subject to the right of any signatory to recision pursuant to subsection 12.

7. The state registrar shall make copies of affidavits of paternity and identifying information from the affidavits filed and registered pursuant to this section available to the child support recovery unit created under section 252B.2 in accordance with section 144.13, subsection 4, and any subsequent recision form which rescinds the affidavit.

8. An affidavit of paternity completed and filed with and registered by the state registrar pursuant to this section has all of the following effects:

*a.* Is admissible as evidence of paternity.

*b.* Has the same legal force and effect as a judicial determination of paternity subject to the right of any signatory to recision pursuant to subsection 12.

*c.* Serves as a basis for seeking child or medical support without further determination of paternity subject to the right of any signatory to recision pursuant to subsection 12.

9. All institutions in the state shall provide the following services with respect to any newborn child born out of wedlock:

*a.* Prior to discharge of the newborn from the institution, the institution where the birth occurs shall provide the mother and, if present, the putative father, with all of the following:

(1) Written and oral information about establishment of paternity pursuant to subsection 3. Video or audio equipment may be used to provide oral information.

(2) An affidavit of paternity form.

(3) An opportunity for consultation with the staff of the institution regarding the written information provided under subparagraph (1).

(4) An opportunity to complete an affidavit of paternity at the institution, as provided in this section.

*b.* The institution shall file any affidavit of paternity completed at the institution with the state registrar, pursuant to subsection 6, accompanied by a copy of the child's birth certificate, within ten days of the birth of the child.

10. *a.* An institution may be reimbursed by the child support recovery unit created in section 252B.2 for providing the services described under subsection 9, or may provide the services at no cost.

*b.* An institution electing reimbursement shall enter into a written agreement with the child support recovery unit for this purpose.

*c.* An institution entering into an agreement for reimbursement shall assist the parents of a child born out of wedlock in completing and filing an affidavit of paternity.

*d.* Reimbursement shall be based only on the number of affidavits completed in compliance with this section and submitted to the state registrar during the duration of the written agreement with the child support recovery unit.

*e.* The reimbursement rate is twenty dollars for each completed affidavit filed with the state registrar.

11. The state registrar, upon request of the mother or the putative father, shall provide the following services with respect to a child born out of wedlock:

*a.* Written and oral information about the establishment of paternity pursuant to subsection 3. Video or audio equipment may be used to provide oral information.

*b.* An affidavit of paternity form.

*c.* An opportunity for consultation with staff regarding the information provided under paragraph "*a*".

12. *a.* A completed affidavit of paternity may be rescinded by registration by the state registrar of a completed and notarized recision form signed by either the mother or putative father who signed the affidavit of paternity that the putative father is not the father of the child. The completed and notarized recision form shall be filed with the state registrar for the purpose of registration prior to the earlier of the following:

(1) Sixty days after the latest notarized signature of the mother or putative father on the affidavit of paternity.

(2) Entry of a court order pursuant to a proceeding in this state to which the signatory is a party relating to the child, including a proceeding to establish a support order under this chapter, chapter 252C, 252F, 598, or 600B or other law of this state.

*b.* Unless the state registrar has received and registered an order as provided in section 252A.3, subsection 10, paragraph "*a*", which legally establishes paternity, upon registration of a timely recision form the state registrar shall remove the father's information from the certificate of birth, and shall send a written notice of the recision to the last known address of the signatory of the affidavit of paternity who did not sign the recision form.

*c.* The Iowa department of public health shall develop a recision form and an administrative process for recision. The form shall be the only recision form recognized for the purpose of rescinding a completed affidavit of paternity. A completed recision form shall include the signature of a notary public attesting to the identity of the party signing the recision form. The Iowa department of public health shall adopt rules which establish a fee, based upon the average administrative cost, to be collected for the registration of a recision.

*d.* If an affidavit of paternity has been rescinded under this subsection, the state registrar shall not register any subsequent affidavit of paternity signed by the same mother and putative father relating to the same child.

13. The child support recovery unit may enter into a written agreement with an entity designated by the secretary of the United States department of health and human services to offer voluntary paternity establishment services.

*a.* The agreement shall comply with federal requirements pursuant to 42 U.S.C. § 666(a)(5)(C) including those regarding notice, materials, training, and evaluations.

*b.* The agreement may provide for reimbursement of the entity by the state if reimbursement is permitted by federal law.

93 Acts, ch 79, §13; 94 Acts, ch 1171, §13; 95 Acts, ch 52, §2; 97 Acts, ch 175, §2; 98 Acts, ch 1170, §28 – 31; 2012 Acts, ch 1050, §40, 60

Referred to in §144.13, 144.40, 252A.3, 252A.6A, 252C.4, 252K.201, 598.21E, 600B.41A

**252A.4 and 252A.4A** Repealed by 97 Acts, ch 175, § 21, 22.

**252A.5 When proceeding may be maintained.**

Unless prohibited pursuant to 28 U.S.C. § 1738B, a proceeding to compel support of a dependent may be maintained under this chapter in any of the following cases:

1. Where the petitioner and the respondent are residents of or domiciled or found in this state or where this state may exercise personal jurisdiction over a nonresident respondent under section 252K.201.

2. Whenever the state or a political subdivision thereof furnishes support to a dependent, it

has the same right through proceedings instituted by the petitioner's representative to invoke the provisions hereof as the dependent to whom the support was furnished, for the purpose of securing reimbursement of expenditures so made and of obtaining continuing support; the petition in such case may be verified by any official having knowledge of such expenditures without further verification of any person and consent of the dependent shall not be required in order to institute proceedings under this chapter. The child support recovery unit may bring the action based upon a statement of a witness, regardless of age, with knowledge of the circumstances, including, but not limited to, statements by the mother of the dependent or a relative of the mother or the putative father.

3. If the child support recovery unit is providing services, the unit has the same right to invoke the provisions of this section as the dependent for which support is owed for the purpose of securing support. The petition in such case may be verified by any official having knowledge of the request for services by the unit, without further verification by any other person, and consent of the dependent shall not be required in order to institute proceedings under this chapter. The child support recovery unit may bring the action based upon the statement of a witness, regardless of age, with knowledge of the circumstances, including, but not limited to, statements by the mother of the dependent or a relative of the mother or the putative father.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252A.5]

96 Acts, ch 1141, §18; 97 Acts, ch 175, §12; 2003 Acts, ch 62, §6

**252A.5A Limitations of actions.**

1. An action to establish paternity and support under this chapter may be brought within the time limitations set forth in section 614.8.

2. Notwithstanding subsection 1, an action to establish paternity and support under this chapter may be brought concerning a person who was under age eighteen on August 16, 1984, regardless of whether any prior action was dismissed because a statute of limitations of less than eighteen years was then in effect. Such an action may be brought within the time limitations set forth in section 614.8, or until July 2, 1992, whichever is later.

90 Acts, ch 1224, §3

**252A.6 How commenced — trial.**

1. A proceeding under this chapter shall be commenced by filing a verified petition in the court in equity in the county where the dependent resides or is domiciled, or if the dependent does not reside in or is not domiciled in this state, where the petitioner or respondent resides, or where public assistance has been provided for the dependent. The petition shall show the name, age, residence, and circumstances of the dependent, alleging that the dependent is in need of and is entitled to support from the respondent, giving the respondent's name, age, residence, and circumstances, and praying that the respondent be compelled to furnish such support. The petitioner may include in or attach to the petition any information which may help in locating or identifying the respondent including, but without limitation by enumeration, a photograph of the respondent, a description of any distinguishing marks of the respondent's person, other names and aliases by which the respondent has been or is known, the name of the respondent's employer, the respondent's fingerprints, or social security number.

2. It shall not be necessary for the dependent or the dependent's witnesses to appear personally at a hearing on the petition, but it shall be the duty of the petitioner's representative to appear on behalf of and represent the petitioner at all stages of the proceeding.

3. If at a hearing on the petition the respondent controverts the petition and enters a verified denial of any of the material allegations, the judge presiding at the hearing shall stay the proceedings. The petitioner shall be given the opportunity to present further evidence to address issues which the respondent has controverted.

4. If the respondent appears at the hearing and fails to answer the petition or admits the allegations of the petition, or if, after a hearing, the court has found and determined that the prayer of the petitioner, or any part of the prayer, is supported by the evidence adduced in the proceeding, and that the dependent is in need of and entitled to support from a party, the

court shall make and enter an order directing a party to furnish support for the dependent and to pay a sum as the court determines pursuant to section 598.21A or 598.21B, as applicable. Upon entry of an order for support or upon failure of a person to make payments pursuant to an order for support, the court may require a party to provide security, a bond, or other guarantee which the court determines is satisfactory to secure the payment of the support. Upon the party's failure to pay the support under the order, the court may declare the security, bond, or other guarantee forfeited.

5. The court making such order may require the party to make payment at specified intervals to the clerk of the district court or to the collection services center, and to report personally to the sheriff or any other official, at such times as may be deemed necessary.

6. A party who willfully fails to comply with or who violates the terms or conditions of the support order or of the party's probation shall be punished by the court in the same manner and to the same extent as is provided by law for a contempt of such court or a violation of probation ordered by such court in any other suit or proceeding cognizable by such court.

7. Except as provided in 28 U.S.C. § 1738B, any order of support issued by a court shall not supersede any previous order of support issued in a divorce or separate maintenance action, but the amounts for a particular period paid pursuant to either order shall be credited against amounts accruing or accrued for the same period under both. This subsection also applies to orders entered following an administrative process including, but not limited to, the administrative processes provided pursuant to chapters 252C and 252F.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252A.6]

85 Acts, ch 100, §1; 89 Acts, ch 166, §3; 93 Acts, ch 79, §35; 96 Acts, ch 1141, §19, 20; 97 Acts, ch 175, §13; 2003 Acts, ch 62, §7; 2005 Acts, ch 69, §4

Referred to in §252A.6A, 252A.13, 602.8102(47)

**252A.6A Additional provisions regarding paternity establishment.**

1. When an action is initiated under this chapter to establish paternity, all of the following shall apply:

*a.* Except with the consent of all parties, the trial shall not be held until after the birth of the child and shall be held no earlier than twenty days from the date the respondent is served with notice of the action or, if blood or genetic tests are conducted, no earlier than thirty days from the date the test results are filed with the clerk of the district court as provided under section 600B.41.

*b.* If the respondent, after being served with notice as required under section 252A.6, fails to timely respond to the notice, or to appear for blood or genetic tests pursuant to a court or administrative order, or to appear at a scheduled hearing after being provided notice of the hearing, the court shall find the respondent in default, and shall enter an order establishing paternity and establishing the monthly child support payment and the amount of the support debt accrued and accruing pursuant to section 598.21B, or medical support pursuant to chapter 252E, or both.

*c.* Appropriate genetic testing procedures shall be used which include any genetic test generally acknowledged as reliable by accreditation bodies designated by the secretary of the United States department of health and human services and which are performed by a laboratory approved by such an accreditation body.

*d.* A copy of a bill for blood or genetic testing, or for the cost of prenatal care or the birth of the child, shall be admitted as evidence without requiring third-party foundation testimony and shall constitute prima facie evidence of amounts incurred for testing.

2. When an action is initiated to establish child or medical support based on a prior determination of paternity and the respondent files an answer to the notice denying paternity, all of the following shall apply:

*a.* (1) If the prior determination of paternity is based on an affidavit of paternity filed pursuant to section 252A.3A, or an administrative order entered pursuant to chapter 252F, or an order by the courts of this state, or by operation of law when the mother and established father are or were married to each other, the provisions of section 600B.41A are applicable.

(2) If the court determines that the prior determination of paternity should not be overcome, pursuant to section 600B.41A, and that the party has a duty to provide support,

the court shall enter an order establishing the monthly child support payment and the amount of the support debt accrued and accruing pursuant to section 598.21B, or medical support pursuant to chapter 252E, or both.

*b.* If the prior determination of paternity is based on an administrative or court order or by any other means, pursuant to the laws of a foreign jurisdiction, an action to overcome the prior determination of paternity shall be filed in that jurisdiction. Unless the party requests and is granted a stay of an action to establish child or medical support, the action shall proceed as otherwise provided.

3. If the expert analyzing the blood or genetic test concludes that the test results demonstrate that the putative father is not excluded and that the probability of the putative father's paternity is ninety-nine percent or higher and if the test results have not been challenged, the court, upon motion by a party, shall enter a temporary order for child support to be paid pursuant to section 598.21B. The court shall require temporary support to be paid to the clerk of court or to the collection services center. If the court subsequently determines the putative father is not the father, the court shall terminate the temporary support order. All support obligations which came due prior to the order terminating temporary support are unaffected by this action and remain a judgment subject to enforcement.

94 Acts, ch 1171, §14; 95 Acts, ch 67, §18; 97 Acts, ch 175, §3 – 5, 14 – 17; 2005 Acts, ch 69, §5 – 7

**252A.7** Repealed by 97 Acts, ch 175, § 21, 22.

**252A.8 Additional remedies.**

Unless otherwise provided pursuant to 28 U.S.C. § 1738B, this chapter shall be construed to furnish an additional or alternative civil remedy and shall in no way affect or impair any other remedy, civil or criminal, provided in any other statute and available to the petitioner in relation to the same subject matter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252A.8]

96 Acts, ch 1141, §21

**252A.9** Repealed by 97 Acts, ch 175, § 21, 22.

**252A.10 Costs advanced.**

Actual costs incurred in this state incidental to any action brought under the provisions of this chapter shall be advanced by the initiating party or agency, as appropriate, unless otherwise ordered by the court. Where the action is brought by an agency of the state or county there shall be no filing fee or court costs of any type either advanced by or charged to the state or county.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §252A.10]

97 Acts, ch 175, §6

**252A.11 and 252A.12** Repealed by 97 Acts, ch 175, § 21, 22.

**252A.13 Recipients of public assistance — assignment of support payments.**

1. If public assistance is provided by the department of human services to or on behalf of a dependent child or a dependent child's caretaker, there is an assignment by operation of law to the department of any and all rights in, title to, and interest in any support obligation, payment, and arrearages owed to or on behalf of the child or caretaker not to exceed the amount of public assistance paid for or on behalf of the child or caretaker as follows:

*a.* For family investment program assistance, section 239B.6 shall apply.

*b.* For foster care services, section 234.39 shall apply.

*c.* For medical assistance, section 252E.11 shall apply.

2. The department shall immediately notify the clerk of court by mail when such child or caretaker has been determined to be eligible for public assistance. Upon notification by the department, the clerk of court shall make a notation of the automatic assignment in the judgment docket and lien index. The notation constitutes constructive notice of the

assignment. If the applicant for public assistance, for whom public assistance is approved and provided on or after July 1, 1997, is a person other than a parent of the child, the department shall send notice of the assignment by regular mail to the last known addresses of the obligee and obligor. The clerk of court shall forward support payments received pursuant to section 252A.6, to which the department is entitled, to the department, unless the court has ordered the payments made directly to the department under that section. The department may secure support payments in default through other proceedings.

3. The clerk shall furnish the department with copies of all orders or decrees awarding and temporary domestic abuse orders addressing support when the parties are receiving public assistance or services are otherwise provided by the child support recovery unit. Unless otherwise specified in the order, an equal and proportionate share of any child support awarded is presumed to be payable on behalf of each child, subject to the order or judgment, for purposes of an assignment under this section.

[C77, 79, 81, §252A.13; 82 Acts, ch 1237, §2]
83 Acts, ch 96, §157, 159; 97 Acts, ch 175, §7; 2008 Acts, ch 1019, §3, 7
Referred to in §602.8102(47)

**252A.14 and 252A.15** Reserved.

**252A.16** Repealed by 97 Acts, ch 175, § 21, 22.

**252A.17 Registry of foreign support orders.**

The petitioner may register a foreign support order in a court of this state in the manner and with the effect provided in chapter 252K. The clerk of the court shall maintain a registry of foreign support orders in which foreign support orders shall be filed. The filing is in equity.

[82 Acts, ch 1004, §3]
97 Acts, ch 175, §18

**252A.18 Registration of foreign support order — notice.**

Registration of a foreign support order shall be in accordance with chapter 252K except that, with regard to service, promptly upon registration, the clerk of the court shall send a notice, by restricted certified mail to the respondent, of the registration with a copy of the registered support order or the respondent may be personally served with the notice and the copy of the order in the same manner as original notices are personally served. The clerk shall also docket the case and notify the prosecuting attorney of the action.

[82 Acts, ch 1004, §4]
93 Acts, ch 78, §2; 97 Acts, ch 175, §19
Referred to in §600B.41A

**252A.19** Repealed by 97 Acts, ch 175, § 21, 22.

**252A.20 Limitation on actions.**

Issues related to visitation, custody, or other provisions not related to the support provisions of a support order shall not be grounds for a hearing, modification, adjustment, or other action under this chapter.

93 Acts, ch 78, §5; 96 Acts, ch 1141, §23; 97 Acts, ch 175, §20

**252A.21 through 252A.23** Reserved.

**252A.24 and 252A.25** Repealed by 97 Acts, ch 175, § 21, 22.

# CHAPTER 252B

## CHILD SUPPORT RECOVERY

Referred to in §8A.504, 252C.2, 252D.8, 252D.18, 252E.1A, 252E.2A, 252E.3, 252E.6, 252E.9, 252E.10, 252E.12, 252E.15, 252F.2, 252F.3, 252G.5, 252H.4, 252H.12, 252H.13, 252H.18, 252H.21, 252H.22, 252I.5, 252J.2, 421.17, 505.25, 598.21B, 598.21C, 598.21G, 598.23A, 598.34, 600B.41A, 642.2


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252B.9 Information and assistance from others — availability of records.
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252B.19 Reserved.
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252B.23 Surcharge.
252B.24 State case registry.
252B.25 Contempt — combining actions.
252B.26 Service of process.
252B.27 Use of funding for additional positions.


**252B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Absent parent"* means the parent who either cannot be located or who is located and is not residing with the child at the time the support collection or paternity determination services provided in sections 252B.5 and 252B.6 are requested or commenced.

2. *"Child"* includes but shall not be limited to a stepchild, foster child or legally adopted child and means a child actually or apparently under eighteen years of age, and a dependent person eighteen years of age or over who is unable to maintain the person's self and is likely to become a public charge. *"Child"* includes *"child"* as defined in section 239B.1.

3. *"Child support agency"* means child support agency as defined in section 252H.2.

4. *"Department"* means the department of human services.

5. *"Director"* means the director of human services.

6. *"Obligor"* means the person legally responsible for the support of a child as defined in section 252D.16 or 598.1 under a support order issued in this state or a foreign jurisdiction.

7. *"Resident parent"* means the parent with whom the child is residing at the time the support collection or paternity determination services provided in sections 252B.5 and 252B.6 are requested or commenced.

8. *"Unit"* means the child support recovery unit created in section 252B.2.

[C77, 79, 81, §252B.1]

83 Acts, ch 96, §157, 159; 91 Acts, ch 97, §33; 92 Acts, ch 1195, §502; 93 Acts, ch 79, §25; 97 Acts, ch 41, §32; 97 Acts, ch 175, §23, 24; 98 Acts, ch 1100, §31

Referred to in §252H.2

**252B.2 Unit established — intervention.**

There is created within the department of human services a child support recovery unit for the purpose of providing the services required in sections 252B.3 to 252B.6. The unit is not required to intervene in actions to provide such services.

[C77, 79, 81, §252B.2]

83 Acts, ch 96, §157, 159; 97 Acts, ch 175, §25

Referred to in §96.3, 252A.3A, 252B.1, 252D.1, 252F.1, 252G.1, 252H.2, 252I.1, 252J.1, 600B.41A

**252B.3 Duty of department to enforce child support — cooperation — rules.**

1. Upon receipt by the department of an application for public assistance on behalf of a child and determination by the department that the child is eligible for public assistance and that provision of child support services is appropriate, the department shall take appropriate action under the provisions of this chapter or under other appropriate statutes of this state including but not limited to chapters 239B, 252A, 252C, 252D, 252E, 252F, 252G, 252H, 252I, 252J, 598, and 600B, to ensure that the parent or other person responsible for the support of the child fulfills the support obligation. The department shall also take appropriate action as required by federal law upon receiving a request from a child support agency for a child receiving public assistance in another state.

2. The department of human services may negotiate a partial payment of a support obligation with a parent or other person responsible for the support of the child, provided that the negotiation and partial payment are consistent with applicable federal law and regulation.

3. The department shall adopt rules pursuant to chapter 17A regarding cases in which, under federal law, it is a condition of eligibility for an individual who is an applicant for or recipient of public assistance to cooperate in good faith with the department in establishing the paternity of, or in establishing, modifying, or enforcing a support order by identifying and locating the parent of the child or enforcing rights to support payments. The rules shall include all of the following provisions:

*a.* As required by the unit, the individual shall provide the name of the noncustodial parent and additional necessary information, and shall appear at interviews, hearings, and legal proceedings.

*b.* If paternity is an issue, the individual and child shall submit to blood or genetic tests pursuant to a judicial or administrative order.

*c.* The individual may be requested to sign a voluntary affidavit of paternity, after notice of the rights and consequences of such an acknowledgment, but shall not be required to sign an affidavit or otherwise relinquish the right to blood or genetic tests.

*d.* The unit shall promptly notify the individual and the appropriate division of the department administering the public assistance program of each determination by the unit of noncooperation of the individual and the reason for such determination.

*e.* A procedure under which the individual may claim that, and the department shall determine whether, the individual has sufficient good cause or other exception for not cooperating, taking into consideration the best interest of the child.

4. Without need for a court order and notwithstanding the requirements of section 598.22A, the support payment ordered pursuant to any chapter shall be satisfied as to the department, the child, and either parent for the period during which the parents are reconciled and are cohabiting, the child for whom support is ordered is living in the same residence as the parents, and the obligor receives public assistance on the obligor's own behalf for the benefit of the child. The department shall implement this subsection as follows:

*a.* The unit shall file a notice of satisfaction with the clerk of court.

*b.* This subsection shall not apply unless all the children for whom support is ordered reside with both parents, except that a child may be absent from the home due to a foster care placement pursuant to chapter 234 or a comparable law of a foreign jurisdiction.

*c.* The unit shall send notice by regular mail to the obligor when the provisions of this subsection no longer apply. A copy of the notice shall be filed with the clerk of court.

*d.* This section shall not limit the rights of the parents or the department to proceed by other means to suspend, terminate, modify, reinstate, or establish support.

5. On or after July 1, 1999, the department shall implement a program for the satisfaction of accrued support debts, based upon timely payment by the obligor of both current support due and any payments due for accrued support debt under a periodic payment plan. The unit shall adopt rules pursuant to chapter 17A to establish the criteria and procedures for obtaining satisfaction under the program. The rules adopted under this subsection shall specify the cases and amounts to which the program is applicable, and may provide for the establishment of the program as a pilot program.

[C77, 79, 81, §252B.3; 82 Acts, ch 1237, §3]

83 Acts, ch 96, §157, 159; 93 Acts, ch 79, §36; 97 Acts, ch 41, §32; 97 Acts, ch 175, §26; 98 Acts, ch 1170, §41

Referred to in §252B.2, 252B.6A, 252B.9, 598.22A

**252B.4 Nonassistance cases.**

The child support and paternity determination services established by the department pursuant to this chapter and other appropriate services provided by law including but not limited to the provisions of chapters 239B, 252A, 252C, 252D, 252E, 252F, 598, and 600B shall be made available by the unit to an individual not otherwise eligible as a public assistance recipient upon application by the individual for the services or upon referral as described in subsection 5. The application shall be filed with the department.

1. The director shall require an application fee of twenty-five dollars.

2. The director may collect a fee to cover the costs incurred by the department for service of process, genetic testing and court costs if the entity providing the service charges a fee for the services.

3. Fees collected pursuant to this section shall be considered repayment receipts, as defined in section 8.2, and shall be used for the purposes of the unit. The director or a designee shall keep an accurate record of the fees collected and expended.

4. An application fee paid by a recipient of services pursuant to subsection 1 may be recovered by the unit from the person responsible for payment of support and if recovered shall be used to reimburse the recipient of services.

*a.* The fee shall be an automatic judgment against the person responsible to pay support.

*b.* This subsection shall serve as constructive notice that the fee is a debt due and owing, is an automatic judgment against the person responsible for support, and is assessed as the fee is paid by a recipient of services. The fee may be collected in addition to any support payments or support judgment ordered, and no further notice or hearing is required prior to collecting the fee.

*c.* Notwithstanding any provision to the contrary, the unit may collect the fee through any legal means by which support payments may be collected, including but not limited to income withholding under chapter 252D or income tax refund offsets, unless prohibited under federal law.

*d.* The unit is not required to file these judgments with the clerk of the district court, but shall maintain an accurate accounting of the fee assessed, the amount of the fee, and the recovery of the fee.

*e.* Support payments collected shall not be applied to the recovery of the fee until all other support obligations under the support order being enforced, which have accrued through the end of the current calendar month, have been paid or satisfied in full.

*f.* This subsection applies to fees that become due on or after July 1, 1992.

5. The unit shall also provide child support and paternity determination services and shall respond as provided in federal law for an individual not otherwise eligible as a public assistance recipient if the unit receives a request from any of the following:

*a.* A child support agency.

*b.* A foreign reciprocating country or foreign country with which the state has an arrangement as provided in 42 U.S.C. § 659A.

[C77, 79, 81, §252B.4]

83 Acts, ch 153, §16; 92 Acts, ch 1195, §101, 102; 93 Acts, ch 78, §6, 7; 93 Acts, ch 79, §37; 96 Acts, ch 1213, §39; 97 Acts, ch 41, §32; 97 Acts, ch 175, §27 – 29; 2002 Acts, 2nd Ex, ch 1003, §143, 151; 2005 Acts, ch 175, §118

Referred to in §252B.2, 252H.5

**252B.5 Services of unit.**

The child support recovery unit shall provide the following services:

1. Assistance in the location of an absent parent or any other person who has an obligation to support the child of the resident parent.

2. Aid in establishing paternity and securing a court or administrative order for support pursuant to chapter 252A, 252C, 252F, or 600B, or any other chapter providing for the establishment of paternity or support. In an action to establish support, the resident parent may be a proper party defendant for purposes of determining medical support as provided in section 252E.1A upon service of notice as provided in this chapter and without a court order as provided in the rules of civil procedure. The unit's independent cause of action shall not bar a party from seeking support in a subsequent proceeding.

3. Aid in enforcing through court or administrative proceedings an existing court order for support issued pursuant to chapter 252A, 252C, 252F, 598, or 600B, or any other chapter under which child or medical support is granted. The director may enter into a contract with a private collection agency to collect support payments for cases which have been identified by the department as difficult collection cases if the department determines that this form of collection is more cost-effective than departmental collection methods. The department shall utilize, to the maximum extent possible, every available automated process to collect support payments prior to referral of a case to a private collection agency. A private collection agency with whom the department enters a contract under this subsection shall comply with state and federal confidentiality requirements and debt collection laws. The director may use a portion of the state share of funds collected through this means to pay the costs of any contract authorized under this subsection.

4. Assistance to set off against a debtor's income tax refund or rebate any support debt, which is assigned to the department of human services or which the child support recovery unit is attempting to collect on behalf of any individual not eligible as a public assistance recipient, which has accrued through written contract, subrogation, or court judgment, and which is in the form of a liquidated sum due and owing for the care, support, or maintenance of a child. Unless the periodic payment plan provisions for a retroactive modification pursuant to section 598.21C apply, the entire amount of a judgment for accrued support, notwithstanding compliance with a periodic payment plan or regardless of the date of entry of the judgment, is due and owing as of the date of entry of the judgment and is delinquent for the purposes of setoff, including for setoff against a debtor's federal income tax refund or other federal nontax payment. The department of human services shall adopt rules pursuant to chapter 17A necessary to assist the department of administrative services in the implementation of the child support setoff as established under section 8A.504.

5. *a.* In order to maximize the amount of any tax refund to which an obligor may be entitled and which may be applied to child support and medical support obligations, cooperate with any volunteer or free income tax assistance programs in the state in informing obligors of the availability of the programs.

*b.* The child support recovery unit shall publicize the services of the volunteer or free income tax assistance programs by distributing printed materials regarding the programs.

6. Determine periodically whether an individual receiving unemployment compensation benefits under chapter 96 owes a support obligation which is being enforced by the unit, and enforce the support obligation through court or administrative proceedings to have specified amounts withheld from the individual's unemployment compensation benefits.

7. Assistance in obtaining medical support as defined in chapter 252E.

8. *a.* At the request of either parent who is subject to the order of support or upon its

own initiation, review the amount of the support award in accordance with the guidelines established pursuant to section 598.21B, and Tit. IV-D of the federal Social Security Act, as amended, and take action to initiate modification proceedings if the criteria established pursuant to this section are met. However, a review of a support award is not required if the child support recovery unit determines that such a review would not be in the best interest of the child and neither parent has requested such review.

*b.* The department shall adopt rules setting forth the process for review of requests for modification of support obligations and the criteria and process for taking action to initiate modification proceedings.

9. *a.* Assistance, in consultation with the department of administrative services, in identifying and taking action against self-employed individuals as identified by the following conditions:

(1) The individual owes support pursuant to a court or administrative order being enforced by the unit and is delinquent in an amount equal to or greater than the support obligation amount assessed for one month.

(2) The individual has filed a state income tax return in the preceding twelve months.

(3) The individual has no reported tax withholding amount on the most recent state income tax return.

(4) The individual has failed to enter into or comply with a formalized repayment plan with the unit.

(5) The individual has failed to make either all current support payments in accordance with the court or administrative order or to make payments against any delinquency in each of the preceding twelve months.

*b.* The unit may forward information to the department of administrative services as necessary to implement this subsection, including but not limited to both of the following:

(1) The name and social security number of the individual.

(2) Support obligation information in the specific case, including the amount of the delinquency.

10. The review and adjustment, modification, or alteration of a support order pursuant to chapter 252H upon adoption of rules pursuant to chapter 17A and periodic notification, at a minimum of once every three years, to parents subject to a support order of their rights to these services.

11. The unit shall not establish orders for spousal support. The unit shall enforce orders for spousal support only if the spouse is the custodial parent of a child for whom the unit is also enforcing a child support or medical support order.

12. *a.* In compliance with federal procedures, periodically certify to the secretary of the United States department of health and human services, a list of the names of obligors determined by the unit to owe delinquent support, under a support order as defined in section 252J.1, in excess of two thousand five hundred dollars. The certification of the delinquent amount owed may be based upon one or more support orders being enforced by the unit if the delinquent support owed exceeds two thousand five hundred dollars. The certification shall include any amounts which are delinquent pursuant to the periodic payment plan when a modified order has been retroactively applied. The certification shall be in a format and shall include any supporting documentation required by the secretary.

*b.* All of the following shall apply to an action initiated by the unit under this subsection:

(1) The obligor shall be sent a notice by regular mail in accordance with federal law and regulations and the notice shall remain in effect until support delinquencies have been paid in full.

(2) The notice shall include all of the following:

(a) A statement regarding the amount of delinquent support owed by the obligor.

(b) A statement providing information that if the delinquency is in excess of two thousand five hundred dollars, the United States secretary of state may apply a passport sanction by revoking, restricting, limiting, or refusing to issue a passport as provided in 42 U.S.C. § 652(k).

(c) Information regarding the procedures for challenging the certification by the unit.

(3) (a) If the obligor chooses to challenge the certification, the obligor shall notify the

unit within the time period specified in the notice to the obligor. The obligor shall include any relevant information with the challenge.

(b) A challenge shall be based upon mistake of fact. For the purposes of this subsection, "*mistake of fact*" means a mistake in the identity of the obligor or a mistake in the amount of the delinquent child support owed if the amount did not exceed two thousand five hundred dollars on the date of the unit's decision on the challenge.

(4) Upon timely receipt of the challenge, the unit shall review the certification for a mistake of fact, or refer the challenge for review to the child support agency in the state chosen by the obligor as provided by federal law.

(5) Following the unit's review of the certification, the unit shall send a written decision to the obligor within ten days of timely receipt of the challenge.

(a) If the unit determines that a mistake of fact exists, the unit shall send notification in accordance with federal procedures withdrawing the certification for passport sanction.

(b) If the unit determines that a mistake of fact does not exist, the obligor may contest the determination within ten days following the issuance of the decision by submitting a written request for a contested case proceeding pursuant to chapter 17A.

(6) Following issuance of a final decision under chapter 17A that no mistake of fact exists, the obligor may request a hearing before the district court pursuant to chapter 17A. The department shall transmit a copy of its record to the district court pursuant to chapter 17A. The scope of the review by the district court shall be limited to demonstration of a mistake of fact. Issues related to visitation, custody, or other provisions not related to the support provisions of a support order are not grounds for a hearing under this subsection.

*c.* Following certification to the secretary, if the unit determines that an obligor no longer owes delinquent support in excess of two thousand five hundred dollars, the unit shall provide information and notice as the secretary requires to withdraw the certification for passport sanction.

13. *a.* Beginning October 1, 2007, implement the provision of the federal Deficit Reduction Act of 2005, Pub. L. No. 109-171, § 7310, requiring an annual collections fee of twenty-five dollars in child support cases in which the family has never received assistance under Tit. IV-A of the federal Social Security Act for whom the unit has disbursed at least five hundred dollars. When the first five hundred dollars in support is disbursed in each federal fiscal year for a family, the fee shall be collected from the obligee by retaining twenty-five dollars from disbursements to the obligee. If five hundred dollars but less than five hundred twenty-five dollars is disbursed in any federal fiscal year, any unpaid portion of the annual fee shall not accumulate and is not due. The unit shall send information regarding the requirements of this subsection by regular mail to the last known address of an affected obligee, or may include the information for an obligee in an application for services signed by the obligee. In addition, the unit shall take steps necessary regarding the fee to qualify for federal funds in conformity with the provisions of Tit. IV-D of the federal Social Security Act, including receiving and accounting for fee payments, as appropriate, through the collection services center created in section 252B.13A.

*b.* Fees collected pursuant to this subsection shall be considered repayment receipts as defined in section 8.2, and shall be used for the purposes of the unit. The director shall maintain an accurate record of the fees collected and expended under this subsection.

*c.* Until such time as a methodology to secure payment of the collections fee from the obligor is provided by law, an obligee may act pursuant to this paragraph to recover the collections fee from the obligor. If the unit retains all or a portion of the collections fee imposed pursuant to paragraph "*a*" in a federal fiscal year, there is an automatic nonsupport judgment, in an amount equal to the amount retained, against the obligor payable to the obligee. This paragraph shall serve as constructive notice that the fee amount, once retained, is an automatic nonsupport judgment against the obligor. The obligee may use any legal means, including the lien created by the nonsupport judgment, to collect the nonsupport judgment.

[C77, 79, 81, §252B.5; 82 Acts, ch 1260, §123]

83 Acts, ch 96, §157, 159; 90 Acts, ch 1224, §4, 5; 92 Acts, ch 1195, §503; 93 Acts, ch 78, §8; 93 Acts, ch 79, §33, 38; 94 Acts, ch 1171, §15; 97 Acts, ch 41, §32; 97 Acts, ch 175, §30 – 33; 98

Acts, ch 1170, §34; 2001 Acts, ch 79, §2, 4; 2003 Acts, ch 145, §219, 220; 2005 Acts, ch 69, §8, 9; 2007 Acts, ch 218, §45, 137 – 141, 157, 187; 2008 Acts, ch 1157, §2; 2009 Acts, ch 15, §16, 17; 2009 Acts, ch 133, §97, 223; 2010 Acts, ch 1142, §1; 2012 Acts, ch 1033, §1
Referred to in §252B.1, 252B.2, 252B.6, 252B.9, 252B.23, 421.17

**252B.6 Additional services in assistance cases.**

In addition to the services enumerated in section 252B.5, the unit may provide the following services in the case of a dependent child for whom public assistance is being provided:

1. Represent the state in obtaining a support order necessary to meet the child's needs or in enforcing a similar order previously entered.

2. Represent the state's interest in obtaining support for a child in dissolution of marriage and separate maintenance proceedings, or proceedings supplemental to these proceedings or any other support proceedings, when either or both of the parties to the proceedings are receiving public assistance, for the purpose of advising the court of the financial interest of the state in the proceeding.

3. Appear on behalf of the state for the purpose of facilitating the modification of support awards consistent with guidelines established pursuant to section 598.21B, and Tit. IV-D of the federal Social Security Act. The unit shall not otherwise participate in the proceeding.

4. Apply to the district court or initiate an administrative action, as necessary, to obtain, enforce, or modify support.

5. Initiate necessary civil proceedings to recover from the parent of a child, money expended by the state in providing public assistance or services to the child, including support collection services.

[C77, 79, 81, §252B.6]

83 Acts, ch 153, §17; 90 Acts, ch 1224, §6, 7; 97 Acts, ch 175, §34, 46; 2005 Acts, ch 69, §10; 2010 Acts, ch 1061, §180
Referred to in §252B.1, 252B.2

**252B.6A External services.**

1. Provided that the action is consistent with applicable federal law and regulation, an attorney licensed in this state shall receive compensation as provided in this section for support collected as the direct result of a judicial proceeding maintained by the attorney, if all of the following apply to the case:

*a.* The unit is providing services under this chapter.

*b.* The current support obligation is terminated and only arrearages are due under an administrative or court order and there has been no payment under the order for at least the twelve-month period prior to the provision of notice to the unit by the attorney under this section.

*c.* Support is assigned to the state based upon cash assistance paid under chapter 239B, or its successor.

*d.* The attorney has provided written notice to the central office of the unit and to the obligee at the last known address of the obligee of the intent to initiate a specified judicial proceeding, at least thirty days prior to initiating the proceeding.

*e.* The attorney has provided documentation to the unit that the attorney is insured against loss caused by the attorney's legal malpractice or acts or omissions of the attorney which result in loss to the state or other person.

*f.* The collection is received by the collection services center within ninety days of provision of the notice to the unit. An attorney may provide subsequent notices to the unit to extend the time for receipt of the collection by subsequent ninety-day periods.

2. *a.* If, prior to February 15, 1998, notice is provided pursuant to subsection 1 to initiate a specific judicial proceeding, this section shall not apply to the proceeding unless the unit consents to the proceeding.

*b.* (1) If, on or after February 15, 1998, notice is provided pursuant to subsection 1 to initiate a specific judicial proceeding, this section shall apply to the proceeding only if the case is exempt from application of rules adopted by the department pursuant to subparagraph (2) which limit application of this section.

(2) The department shall adopt rules which include, but are not limited to, exemption from application of this section to proceedings based upon, but not limited to, any of the following:

(a) A finding of good cause pursuant to section 252B.3.

(b) The existence of a support obligation due another state based upon public assistance provided by that state.

(c) The maintaining of another proceeding by an attorney under this section for which the unit has not received notice that the proceeding has concluded or the ninety-day period during which a collection may be received pertaining to the same case has not yet expired.

(d) The initiation of a seek employment action under section 252B.21, and the notice from the attorney indicates that the attorney intends to pursue a contempt action.

(e) Any other basis for exemption of a specified proceeding designated by rule which relates to collection and enforcement actions provided by the unit.

3. The unit shall issue a response to the attorney providing notice within ten days of receipt of the notice. The response shall advise the attorney whether the case to which the specified judicial proceeding applies meets the requirements of this section.

4. For the purposes of this section, a *"judicial proceeding"* means an action to enforce support filed with a court of competent jurisdiction in which the court issues an order which identifies the amount of the support collection which is a direct result of the court proceeding. *"Judicial proceedings"* include but are not limited to those pursuant to chapters 598, 626, 633, 642, 654, or 684 and also include contempt proceedings if the collection payment is identified in the court order as the result of such a proceeding. *"Judicial proceedings"* do not include enforcement actions which the unit is required to implement under federal law including, but not limited to, income withholding.

5. All of the following are applicable to a collection which is the result of a judicial proceeding which meets the requirements of this section:

*a.* All payments made as the result of a judicial proceeding under this section shall be made to the clerk of the district court or to the collection services center and shall not be made to the attorney. Payments received by the clerk of the district court shall be forwarded to the collection services center as provided in section 252B.15.

*b.* The attorney shall be entitled to receive an amount which is equal to twenty-five percent of the support collected as the result of the specified judicial proceeding not to exceed the amount of the nonfederal share of assigned support collected as the result of that proceeding. The amount paid under this paragraph is the full amount of compensation due the attorney for a proceeding under this section and is in lieu of any attorney fees. The court shall not order the obligor to pay additional attorney fees. The amount of compensation calculated by the unit is subject, upon application of the attorney, to judicial review.

*c.* Any support collected shall be disbursed in accordance with federal requirements and any support due the obligee shall be disbursed to the obligee prior to disbursement to the attorney as compensation.

*d.* The collection services center shall disburse compensation due the attorney only from the nonfederal share of assigned collections. The collection services center shall not disburse any compensation for court costs.

*e.* The unit may delay disbursement to the attorney pending the resolution of any timely appeal by the obligor or obligee.

*f.* Negotiation of a partial payment or settlement for support shall not be made without the approval of the unit and the obligee, as applicable.

6. The attorney initiating a judicial proceeding under this section shall notify the unit when the judicial proceeding is completed.

7. *a.* An attorney who initiates a judicial proceeding under this section represents the state for the sole and limited purpose of collecting support to the extent provided in this section.

*b.* The attorney is not an employee of the state and has no right to any benefit or compensation other than as specified in this section.

*c.* The state is not liable or subject to suit for any acts or omissions resulting in any damages as a consequence of the attorney's acts or omissions under this section.

*d.* The attorney shall hold the state harmless from any act or omissions of the attorney

which may result in any penalties or sanctions, including those imposed under federal bankruptcy laws, and the state may recover any penalty or sanction imposed by offsetting any compensation due the attorney under this section for collections received as a result of any judicial proceeding initiated under this section.

*e.* The attorney initiating a proceeding under this section does not represent the obligor.

8. The unit shall comply with all state and federal laws regarding confidentiality. The unit may release to an attorney who has provided notice under this section, information regarding child support balances due, to the extent provided under such laws.

9. This section shall not be interpreted to prohibit the unit from providing services or taking other actions to enforce support as provided under this chapter.

97 Acts, ch 41, §32; 97 Acts, ch 175, §35

**252B.7 Legal services.**

1. The attorney general may perform the legal services for the child support recovery program and may enforce all laws for the recovery of child support from responsible relatives. The attorney general may file and prosecute:

*a.* Contempt of court proceedings to enforce any order of court pertaining to child support.

*b.* Cases under chapter 252A, the support of dependents law.

*c.* An information charging a violation of section 726.3, 726.5 or 726.6.

*d.* Any other lawful action which will secure collection of support for minor children.

2. For the purposes of subsection 1, the attorney general has the same power to commence, file and prosecute any action or information in the proper jurisdiction, which the county attorney could file or prosecute in that jurisdiction. This section does not relieve a county attorney from the county attorney's duties, or the attorney general from the supervisory power of the attorney general, in the recovery of child support.

3. The unit may contract with a county attorney, the attorney general, a clerk of the district court, or another person or agency to collect support obligations and to administer the child support program established pursuant to this chapter. Notwithstanding section 13.7, the unit may contract with private attorneys for the prosecution of civil collection and recovery cases and may pay reasonable compensation and expenses to private attorneys for the prosecution services provided.

4. An attorney employed by or under contract with the child support recovery unit represents and acts exclusively on behalf of the state when providing child support enforcement services. An attorney-client relationship does not exist between the attorney and an individual party, witness, or person other than the state, regardless of the name in which the action is brought.

[C77, 79, 81, §252B.7]

83 Acts, ch 153, §18; 90 Acts, ch 1224, §8; 97 Acts, ch 175, §36, 47

Referred to in §252H.4, 600B.41A

Section not amended; editorial change applied

**252B.7A Determining parent's income.**

1. The unit shall use any of the following in determining the amount of the net monthly income of a parent for purposes of establishing or modifying a support obligation:

*a.* Income as identified in a signed statement of the parent pursuant to section 252B.9, subsection 1, paragraph *"b"*. If evidence suggests that the statement is incomplete or inaccurate, the unit may present the evidence to the court in a judicial proceeding or to the administrator in a proceeding under chapter 252C or a comparable chapter, and the court or administrator shall weigh the evidence in setting the support obligation. Evidence includes but is not limited to income as established under paragraph *"c"*.

*b.* If a sworn statement is not provided by the parent, the unit may determine income as established under paragraph *"c"* or *"d"*.

*c.* Income established by any of the following:

(1) Income verified by an employer or payor of income.

(2) Income reported to the department of workforce development.

(3) For a public assistance recipient, income as reported to the department case worker assigned to the public assistance case.

(4) Other written documentation which identifies income.

*d.* By July 1, 1999, the department shall adopt rules for imputing income, whenever possible, based on the earning capacity of a parent who does not provide income information or for whom income information is not available. Until such time as the department adopts rules establishing a different standard for determining the income of a parent who does not provide income information or for whom income information is not available, the estimated state median income for a one-person family as published annually in the federal register for use by the federal office of community services, office of energy assistance, for the subsequent federal fiscal year.

(1) This provision is effective beginning July 1, 1992, based upon the information published in the federal register dated March 8, 1991.

(2) The unit may revise the estimated income each October 1. If the estimate is not available or has not been published, the unit may revise the estimate when it becomes available.

*e.* When the income information obtained pursuant to this subsection does not include the information necessary to determine the net monthly income of the parent, the unit may deduct twenty percent from the parent's gross monthly income to arrive at the net monthly income figure.

2. The amount of the income determined may be challenged any time prior to the entry of a new or modified order for support.

3. If the child support recovery unit is providing services pursuant to this chapter, the court shall use the income figure determined pursuant to this section when applying the guidelines to determine the amount of support.

4. The department may develop rules as necessary to further implement disclosure of financial information of the parties.

92 Acts, ch 1195, §201; 96 Acts, ch 1186, §23; 97 Acts, ch 175, §37; 98 Acts, ch 1170, §43
Referred to in §252C.3, 252F.3, 252F.4, 252H.6, 252H.9, 252H.14A
Section not amended; editorial changes applied

**252B.7B Informational materials provided by the unit.**

1. The unit shall prepare and make available to the public, informational materials which explain the unit's procedures including, but not limited to, procedures with regard to all of the following:

*a.* Accepting applications for services.

*b.* Locating individuals.

*c.* Establishing paternity.

*d.* Establishing support.

*e.* Enforcing support.

*f.* Modifying, suspending, or reinstating support.

*g.* Terminating services.

2. The informational materials shall include general information about and descriptions of the processes involved relating to the services provided by the unit including application for services, fees for services, the responsibilities of the recipient of services, resolution of disagreements with the unit, rights to challenge the actions of the unit, and obtaining additional information.

97 Acts, ch 175, §38

**252B.8 Central information center.**

The department shall establish within the unit an information and administration coordinating center which shall serve as a registry for the receipt of information and for answering interstate inquiries concerning absent parents and shall coordinate and supervise unit activities. The information and administration coordinating center shall promote

cooperation between the unit and law enforcement agencies to facilitate the effective operation of the unit.

[C77, 79, 81, §252B.8]

**252B.9 Information and assistance from others — availability of records.**

1. *a.* The director may request from state, county, and local agencies information and assistance deemed necessary to carry out the provisions of this chapter. State, county, and local agencies, officers, and employees shall cooperate with the unit and shall on request supply the department with available information relative to the absent parent, the custodial parent, and any other necessary party, notwithstanding any provisions of law making this information confidential. The cooperation and information required by this subsection shall also be provided when it is requested by a child support agency. Information required by this subsection includes, but is not limited to, information relative to location, income, property holdings, records of licenses as defined in section 252J.1, and records concerning the ownership and control of corporations, partnerships, and other business entities. If the information is maintained in an automated database, the unit shall be provided automated access.

*b.* Parents of a child on whose behalf support enforcement services are provided shall provide information regarding income, resources, financial circumstances, and property holdings to the department for the purpose of establishment, modification, or enforcement of a support obligation. The department may provide the information to parents of a child as needed to implement the requirements of section 598.21B, notwithstanding any provisions of law making this information confidential.

*c.* Notwithstanding any provisions of law making this information confidential, all persons, including for-profit, nonprofit, and governmental employers, shall, on request, promptly supply the unit or a child support agency information on the employment, compensation, and benefits of any individual employed by such person as an employee or contractor with relation to whom the unit or a child support agency is providing services.

*d.* Notwithstanding any provisions of law making this information confidential, the unit may subpoena or a child support agency may use the administrative subpoena form promulgated by the secretary of the United States department of health and human services under 42 U.S.C. § 652(a)(11)(C), to obtain any of the following:

(1) Books, papers, records, or information regarding any financial or other information relating to a paternity or support proceeding.

(2) Certain records held by public utilities, cable or other television companies, cellular telephone companies, and internet service providers with respect to individuals who owe or are owed support, or against or with respect to whom a support obligation is sought, consisting of the names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing in customer records, and including the cellular telephone numbers of such individuals appearing in the customer records of cellular telephone companies. If the records are maintained in automated databases, the unit shall be provided with automated access.

*e.* The unit or a child support agency may subpoena information for one or more individuals.

*f.* If the unit or a child support agency issues a request under paragraph "*c*", or a subpoena under paragraph "*d*", all of the following shall apply:

(1) The unit or child support agency may issue a request or subpoena to a person by sending it by regular mail. Proof of service may be completed according to rule of civil procedure 1.442.

(2) A person who is not a parent or putative father in a paternity or support proceeding, who is issued a request or subpoena, shall be provided an opportunity to refuse to comply for good cause by filing a request for a conference with the unit or child support agency in the manner and within the time specified in rules adopted pursuant to subparagraph (7).

(3) Good cause shall be limited to mistake in the identity of the person, or prohibition under federal law to release such information.

(4) After the conference the unit shall issue a notice finding that the person has good

cause for refusing to comply, or a notice finding that the person does not have good cause for failing to comply. If the person refuses to comply after issuance of notice finding lack of good cause, or refuses to comply and does not request a conference, the person is subject to a penalty of one hundred dollars per refusal.

(5) If the person fails to comply with the request or subpoena, fails to request a conference, and fails to pay a penalty imposed under subparagraph (4), the unit may petition the district court to compel the person to comply with this paragraph. If the person objects to imposition of the penalty, the person may seek judicial review by the district court.

(6) If a parent or putative father fails to comply with a subpoena or request for information, the provisions of chapter 252J shall apply.

(7) The unit may adopt rules pursuant to chapter 17A to implement this section.

*g.* Notwithstanding any provisions of law making this information confidential, the unit or a child support agency shall have access to records and information held by financial institutions with respect to individuals who owe or are owed support, or with respect to whom a support obligation is sought including information on assets and liabilities. If the records are maintained in automated databases, the unit shall be provided with automated access. For the purposes of this section, "*financial institution*" means financial institution as defined in section 252I.1.

*h.* Notwithstanding any law to the contrary, the unit and a child support agency shall have access to any data maintained by the state of Iowa which contains information that would aid the agency in locating individuals. Such information shall include, but is not limited to, driver's license, motor vehicle, and criminal justice information. However, the information does not include criminal investigative reports or intelligence files maintained by law enforcement. The unit and child support agency shall use or disclose the information obtained pursuant to this paragraph only in accordance with subsection 3. Criminal history records maintained by the department of public safety shall be disclosed in accordance with chapter 692. The unit shall also have access to the protective order file maintained by the department of public safety.

*i.* Liability shall not arise under this subsection with respect to any disclosure by a person as required by this subsection, and no advance notice from the unit or a child support agency is required prior to requesting information or assistance or issuing a subpoena under this subsection.

*j.* Notwithstanding any provision of law making this information confidential, data provided to the department by an insurance carrier under section 505.25 shall also be provided to the unit. Provision of data to the unit under this paragraph shall not require an agreement or modification of an agreement between the department and an insurance carrier, but the provisions of this section applicable to information received by the unit shall apply to the data received pursuant to section 505.25 in lieu of any confidentiality, privacy, disclosure, use, or other provisions of an agreement between the department and an insurance carrier.

2. Notwithstanding other statutory provisions to the contrary, including but not limited to chapters 22 and 217, as the chapters relate to confidentiality of records maintained by the department, the payment records of the collection services center maintained under section 252B.13A may be released, except when prohibited by federal law or regulation, only as follows:

*a.* Payment records of the collection services center may be released upon request for the administration of a plan or program approved for the supplemental nutrition assistance program or under Tit. IV, XIX, or XXI of the federal Social Security Act, as amended, and as otherwise permitted under Tit. IV-D of the federal Social Security Act, as amended. A payment record shall not include address or location information.

*b.* The department may release details related to payment records or provide alternative formats for release of the information for the administration of a plan or program under Tit. IV-D of the federal Social Security Act, as amended, including as follows:

(1) The unit or collection services center may provide detail or present the information in an alternative format to an individual or to the individual's legal representative if the individual owes or is owed a support obligation, to an agency assigned the obligation as the

result of receipt by a party of public assistance, to an agency charged with enforcing child support pursuant to Tit. IV-D of the federal Social Security Act, as amended, or to the court.

(2) For support orders entered in Iowa which are being enforced by the unit, the unit may compile and make available for publication a listing of cases in which no payment has been credited to an accrued or accruing support obligation during a previous three-month period. Each case on the list shall be identified only by the name of the support obligor, the address, if known, of the support obligor, unless the information pertaining to the address of the support obligor is protected through confidentiality requirements established by law and has not otherwise been verified with the unit, the support obligor's court order docket or case number, the county in which the obligor's support order is filed, the collection services center case numbers, and the range within which the balance of the support obligor's delinquency is established. The department shall determine dates for the release of information, the specific format of the information released, and the three-month period used as a basis for identifying cases. The department may not release the information more than twice annually. In compiling the listing of cases, no prior public notice to the obligor is required, but the unit may send notice annually by mail to the current known address of any individual owing a support obligation which is being enforced by the unit. The notice shall inform the individual of the provisions of this subparagraph. Actions taken pursuant to this subparagraph are not subject to review under chapter 17A, and the lack of receipt of a notice does not prevent the unit from proceeding in implementing this subparagraph.

(3) The provisions of subparagraph (2) may be applied to support obligations entered in another state, at the request of a child support agency if the child support agency has demonstrated that the provisions of subparagraph (2) are not in conflict with the laws of the state where the support obligation is entered and the unit is enforcing the support obligation.

(4) Records relating to the administration, collection, and enforcement of surcharges pursuant to section 252B.23 which are recorded by the unit or a collection entity shall be confidential records except that information, as necessary for support collection and enforcement, may be provided to other governmental agencies, the obligor or the resident parent, or a collection entity under contract with the unit unless otherwise prohibited by the federal law. A collection entity under contract with the unit shall use information obtained for the sole purpose of fulfilling the duties required under the contract, and shall disclose any records obtained by the collection entity to the unit for use in support establishment and enforcement.

3. Notwithstanding other statutory provisions to the contrary, including but not limited to chapters 22 and 217, as the chapters relate to the confidentiality of records maintained by the department, information recorded by the department pursuant to this section or obtained by the unit is confidential and, except when prohibited by federal law or regulation, may be used or disclosed as provided in subsection 1, paragraphs *"b"* and *"h"*, and subsection 2, and as follows:

*a.* The attorney general may utilize the information to secure, modify, or enforce a support obligation of an individual.

*b.* This subsection shall not permit or require the release of information, except to the extent provided in this section.

*c.* The unit may release or disclose information as necessary to provide services under section 252B.5, as provided by chapter 252G, as provided by Tit. IV-D of the federal Social Security Act, as amended, or as required by federal law.

*d.* The unit may release information under section 252B.9A to meet the requirements of Tit. IV-D of the federal Social Security Act for parent locator services.

*e.* Information may be released if directly connected with any of the following:

(1) The administration of a plan or program approved for the supplemental nutrition assistance program or under Tit. IV, XIX, or XXI of the federal Social Security Act, as amended.

(2) Any investigations, prosecutions, or criminal or civil proceeding conducted in connection with the administration of any such plan or program.

(3) Reporting to an appropriate agency or official of any such plan or program, information on known or suspected instances of physical or mental injury, sexual abuse or

exploitation, or negligent treatment or maltreatment of a child who is the subject of a child support enforcement action under circumstances which indicate that the child's health or welfare is threatened.

*f.* Information may be released to courts having jurisdiction in support proceedings. If a court issues an order, which is not entered under section 252B.9A, directing the unit to disclose confidential information, the unit may file a motion to quash pursuant to this chapter, Tit. IV-D of the federal Social Security Act, or other applicable law.

*g.* The child support recovery unit may release information for the administration of a plan or program approved for the supplemental nutrition assistance program or under Tit. IV, XIX, or XXI of the federal Social Security Act, as amended, specified under subsection 2 or this subsection, to the extent the release of information does not interfere with the unit meeting its own obligations under Tit. IV-D of the federal Social Security Act, as amended, and subject to requirements prescribed by the federal office of child support enforcement of the United States department of health and human services.

*h.* For purposes of this subsection, "*party*" means an absent parent, obligor, resident parent, or other necessary party.

*i.* If the unit receives notification under this paragraph, the unit shall notify the federal parent locator service as required by federal law that there is reasonable evidence of domestic violence or child abuse against a party or a child and that the disclosure of information could be harmful to the party or the child. The notification to the federal parent locator service shall be known as notification of a disclosure risk indicator. For purposes of this paragraph, the unit shall notify the federal parent locator service of a disclosure risk indicator only if at least one of the following applies:

(1) The unit receives notification that the department, or comparable agency of another state, has made a finding of good cause or other exception as provided in section 252B.3, or comparable law of another state.

(2) The unit receives and, through automation, matches notification from the department of public safety or the unit receives notification from a court of this or another state, that a court has issued a protective order or no-contact order against a party with respect to another party or child.

(3) The unit receives notification that a court has dismissed a petition for specified confidential information pursuant to section 252B.9A.

(4) The unit receives notification that a tribunal has issued an order under chapter 252K, the uniform interstate family support Act, or the comparable law of another state, that the address or other identifying information of a party or child not be disclosed.

(5) The unit receives and, through automation, matches notification from the division of child and family services of the department, or the unit receives notification from a comparable agency of another state, of a founded allegation of child abuse, or a comparable finding under the law of the other state.

(6) The unit receives notification that an individual has an exemption from cooperation with child support enforcement under a family investment program safety plan which addresses family or domestic violence.

(7) The unit receives notification, as the result of a request under section 252B.9A, of the existence of any finding, order, safety plan, or founded allegation referred to in subparagraphs (1) through (6) of this paragraph.

*j.* The unit may provide information regarding delinquent obligors as provided in 42 U.S.C. § 666(a)(7) to a consumer reporting agency if all the following apply:

(1) The agency provides the unit with satisfactory evidence that it is a consumer reporting agency as defined in 15 U.S.C. § 1681a(f) and meets all the following requirements:

(a) Compiles and maintains files on consumers on a nationwide basis as provided in 15 U.S.C. § 1681a(p).

(b) Participates jointly with other nationwide consumer reporting agencies in providing annual free credit reports to consumers upon request through a centralized source as required by the federal trade commission in 16 C.F.R. § 610.2.

(2) The agency has entered into an agreement with the unit regarding receipt and use of the information.

4. Nothing in this chapter, chapter 252A, 252C, 252D, 252E, 252F, 252G, 252H, 252I, 252J, or 252K, or any other comparable chapter or law shall preclude the unit from exchanging any information, notice, document, or certification with any government or private entity, if the exchange is not otherwise prohibited by law, through mutually agreed upon electronic data transfer rather than through other means.

[C77, 79, 81, §252B.9]

89 Acts, ch 283, §31; 90 Acts, ch 1034, §1; 91 Acts, ch 177, §1; 93 Acts, ch 79, §31, 32, 57; 94 Acts, ch 1171, §16; 97 Acts, ch 175, §39, 242; 98 Acts, ch 1170, §2, 20, 23 – 26; 2004 Acts, ch 1116, §20; 2005 Acts, ch 69, §11; 2005 Acts, ch 112, §1; 2006 Acts, ch 1119, §1; 2008 Acts, ch 1019, §8, 9; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1021, §54; 2012 Acts, ch 1033, §2 – 7

Referred to in §252B.7A, 252B.9A, 252B.10, 252B.24, 252G.5, 252H.6, 422.20, 422.72, 598.22B, 598.26

**252B.9A Disclosure of confidential information — authorized person — court.**

1. A person, except a court or government agency, who is an authorized person to receive specified confidential information under 42 U.S.C. § 653, may submit a written request to the unit for disclosure of specified confidential information regarding a nonrequesting party. The written request shall comply with federal law and regulations, including any attestation and any payment to the federal office of child support enforcement of the United States department of health and human services required by federal law or regulation, and shall include a sworn statement attesting to the reason why the requester is an authorized person under 42 U.S.C. § 653, including that the requester would use the confidential information only for purposes permitted in that section.

2. Upon receipt of a request from an authorized person which meets all of the requirements under subsection 1, the unit shall search available records as permitted by law or shall request the information from the federal parent locator service as provided in 42 U.S.C. § 653.

*a.* If the unit locates the specified confidential information, the unit shall disclose the information to the extent permitted under federal law, unless one of the following applies:

(1) There is a notice from the federal parent locator service that there is reasonable evidence of domestic violence or child abuse pursuant to 42 U.S.C. § 653(b)(2).

(2) The unit has notified the federal parent locator service of a disclosure risk indicator as provided in section 252B.9, subsection 3, paragraph "*i*", and has not removed that notification.

(3) The unit receives notice of a basis for a disclosure risk indicator listed in section 252B.9, subsection 3, paragraph "*i*", within twenty days of sending a notice of the request to the subject of the request by regular mail.

*b.* If the unit locates the specified confidential information, but the unit is prohibited from disclosing confidential information under paragraph "*a*", the unit shall deny the request and notify the requester of the denial in writing. Upon receipt of a written notice from the unit denying the request, the requester may file a petition in district court for an order directing the unit to release the requested information to the court as provided in subsection 3.

3. A person may file a petition in district court for disclosure of specified confidential information. The petition shall request that the court direct the unit to release specified confidential information to the court, that the court make a determination of harm if appropriate, and that the court release specified confidential information to the petitioner.

*a.* The petition shall include a sworn statement attesting to the intended use of the information by the petitioner as allowed by federal law. Such statement may specify any of the following intended uses:

(1) To establish parentage, or to establish, set the amount of, modify, or enforce a child support obligation.

(2) To make or enforce a child custody or visitation determination or order.

(3) To carry out the duty or authority of the petitioner to investigate, enforce, or bring a prosecution with respect to the unlawful taking or restraint of a child.

*b.* Upon the filing of a petition, the court shall enter an order directing the unit to release to the court within thirty days specified confidential information which the unit would be permitted to release under 42 U.S.C. § 653 and 42 U.S.C. § 663, unless one of the following applies:

(1) There is a notice from the federal parent locator service that there is reasonable evidence of domestic violence or child abuse pursuant to 42 U.S.C. § 653(b)(2).

(2) The unit has notified the federal parent locator service of a disclosure risk indicator as provided in section 252B.9, subsection 3, paragraph *"i"*, and has not removed that notification.

(3) The unit receives notice of a basis for a disclosure risk indicator listed in section 252B.9, subsection 3, paragraph *"i"*, within twenty days of sending notice of the order to the subject of the request by regular mail. The unit shall include in the notice to the subject of the request a copy of the court order issued under this paragraph.

*c.* Upon receipt of the order, the unit shall comply as follows:

(1) If the unit has the specified confidential information, and none of the domestic violence, child abuse, or disclosure risk indicator provisions of paragraph *"b"* applies, the unit shall file the confidential information with the court along with a statement that the unit has not received any notice that the domestic violence, child abuse, or disclosure risk indicator provisions of paragraph *"b"* apply. The unit shall be granted at least thirty days to respond to the order. The court may extend the time for the unit to comply. Upon receipt by the court of the confidential information under this subparagraph, the court may order the release of the information to the petitioner.

(2) If the unit has the specified confidential information, and the domestic violence, child abuse, or disclosure risk indicator provision of paragraph *"b"* applies, the unit shall file with the court a statement that the domestic violence, child abuse, or disclosure risk indicator provision of paragraph *"b"* applies, along with any information the unit has received related to the domestic violence, child abuse, or disclosure risk indicator. The unit shall be granted at least thirty days to respond to the order. The court may extend the time for the unit to comply. Upon receipt by the court of information from the unit under this subparagraph, the court shall make a finding whether disclosure of confidential information to any other person could be harmful to the nonrequesting party or child. In making the finding, the court shall consider any relevant information provided by the parent or child, any information provided by the unit or by a child support agency, any information provided by the petitioner, and any other relevant evidence. The unit or unit's attorney does not represent any individual person in this proceeding.

(a) If the court finds that disclosure of confidential information to any other person could be harmful to the nonrequesting party or child, the court shall dismiss the petition for disclosure and notify the unit to notify the federal parent locator service of a disclosure risk indicator.

(b) If the court does not find that disclosure of specified confidential information to any other person could be harmful to the nonrequesting party or child, the court shall notify the unit to file the specified confidential information with the court. Upon receipt by the court of the specified confidential information, the court may release the information to the petitioner and inform the unit to remove the disclosure risk indicator.

(3) If the unit does not have the specified confidential information and cannot obtain the information from the federal parent locator service, the unit shall comply with the order by notifying the court of the lack of information.

4. The confidential information which may be released by the unit to a party under subsection 2, or by the unit to the court under subsection 3, shall be limited by the federal Social Security Act and other applicable federal law, and the unit may use the sworn statement filed pursuant to subsection 1 or 3 in applying federal law. Any information filed with the court by the unit, when certified over the signature of a designated employee, shall be considered to be satisfactorily identified and shall be admitted as evidence, without requiring third-party foundation testimony. Additional proof of the official character of the person certifying the document or the authenticity of the person's signature shall not be required.

5. When making a request for confidential information under this section, a party or petitioner shall indicate the specific information requested.

6. For purposes of this section, *"party"* means party as defined in section 252B.9, subsection 3.

7. The unit may adopt rules pursuant to chapter 17A to prescribe provisions in addition

to or in lieu of the provisions of this section to comply with federal requirements for parent locator services or the safeguarding of information.

98 Acts, ch 1170, §27; 2012 Acts, ch 1033, §8

Referred to in §252B.9

**252B.10 Criminal penalties.**

1. Any person who willfully requests, obtains, or seeks to obtain paternity determination and support collection data available under section 252B.9 under false pretenses, or who willfully communicates or seeks to communicate such data to any agency or person except in accordance with this chapter, shall be guilty of an aggravated misdemeanor. Any person who knowingly, but without criminal purposes, communicates or seeks to communicate paternity determination and support collection data except in accordance with this chapter shall be guilty of a simple misdemeanor.

2. Any reasonable grounds for belief that a public employee has violated any provision of this chapter shall be grounds for immediate removal from all access to paternity determination and support collection data available through or recorded under section 252B.9.

[C77, 79, 81, §252B.10]

97 Acts, ch 175, §40

**252B.11 Recovery of costs of collection services.**

The unit may initiate necessary civil proceedings to recover the unit's costs of support collection services provided to an individual, whether or not the individual is a public assistance recipient, from an individual who owes and is able to pay a support obligation but willfully fails to pay the obligation. The unit may seek a lump sum recovery of the unit's costs or may seek to recover the unit's costs through periodic payments which are in addition to periodic support payments. If the unit's costs are recovered from an individual owing a support obligation, the costs shall not be deducted from the amount of support money received from the individual. The costs collected pursuant to this section shall be retained by the department for use by the unit. The director or a designee shall keep an accurate record of funds so retained.

83 Acts, ch 153, §19; 92 Acts, ch 1195, §103

**252B.12 Jurisdiction over nonresidents.**

In an action to establish paternity or to establish or enforce a child support obligation, or to modify a support order, a nonresident person is subject to the jurisdiction of the courts of this state as specified in section 252K.201.

84 Acts, ch 1242, §1; 97 Acts, ch 175, §48

**252B.13** Repealed by 88 Acts, ch 1218, § 14.

**252B.13A Collection services center.**

1. The department shall establish within the unit a collection services center for the receipt and disbursement of support payments as defined in section 252D.16 or 598.1 as required for orders by section 252B.14. For purposes of this section, support payments do not include attorney fees, court costs, or property settlements. The center may also receive and disburse surcharges as provided in section 252B.23.

2. *a.* The collection services center shall meet the requirements for a state disbursement unit pursuant to 42 U.S.C. § 654B, section 252B.14, and this section by October 1, 1999.

*b.* Prior to October 1, 1999, the department and the judicial branch shall enter into a cooperative agreement for implementation of the state disbursement unit requirement. The agreement shall include, but is not limited to, provisions for all of the following:

(1) Coordination with the state case registry created in section 252B.24.

(2) The receipt and disbursement of income withholding payments for orders not receiving services from the unit pursuant to section 252B.14, subsection 4.

(3) The transmission of information, orders, and documents, and access to information.

(4) Furnishing, upon request, timely information on the current status of support payments as provided in 42 U.S.C. § 654B(b)(4), in a manner consistent with state law.

(5) The notification of payors of income to direct income withholding payments to the collection services center as provided in section 252B.14, subsection 4.

90 Acts, ch 1224, §9; 91 Acts, ch 177, §2; 93 Acts, ch 79, §39, 40; 97 Acts, ch 175, §41, 243; 98 Acts, ch 1047, §68; 98 Acts, ch 1170, §3

Referred to in §252B.5, 252B.9, 252B.15, 252D.17, 252D.20, 602.8102(47C)

**252B.14 Support payments — collection services center — clerk of the district court.**

1. For the purposes of this section, *"support order"* includes any order entered pursuant to chapter 234, 252A, 252C, 598, 600B, or any other support chapter or proceeding which establishes support payments as defined in section 252D.16 or 598.1.

2. For support orders being enforced by the child support recovery unit, support payments made pursuant to the order shall be directed to and disbursed by the collection services center.

3. With the exception of support payments to which subsection 2 or 4 applies, support payments made pursuant to an order shall be directed to and disbursed by the clerk of the district court in the county in which the order for support is filed. The clerk of the district court may require the obligor to submit payments by bank draft or money order if the obligor submits an insufficient funds support payment to the clerk of the district court.

4. By October 1, 1999, for a support order to which subsection 2 does not apply, regardless of the terms of the support order directing or redirecting the place of payment, support payments made through income withholding by a payor of income as provided in chapter 252D shall be directed to and disbursed by the collection services center. The judicial branch and the department shall develop and implement a plan to notify payors of income of this requirement and the effective date of the requirement applicable to the respective payor of income.

5. If the collection services center is receiving and disbursing payments pursuant to a support order, but the unit is not providing other services under Tit. IV-D of the federal Social Security Act, or if the order is not being enforced by the unit, the parties to that order are not considered to be receiving services under this chapter.

6. Payments to persons other than the clerk of the district court or the collection services center do not satisfy the support obligations created by a support order or judgment, except as provided for in sections 598.22 and 598.22A.

86 Acts, ch 1246, §316; 87 Acts, ch 228, §31; 88 Acts, ch 1218, §2; 90 Acts, ch 1224, §10; 91 Acts, ch 177, §3; 93 Acts, ch 79, §41; 97 Acts, ch 175, §42, 43; 98 Acts, ch 1047, §68; 98 Acts, ch 1170, §4; 2010 Acts, ch 1061, §180

Referred to in §8B.32, 252B.13A, 252D.17, 421.17, 598.22, 598.22A, 598.22B, 642.23

Crediting of support payments ordered on or after July 1, 1985; §598.22A

**252B.15 Processing and disbursement of support payments.**

1. The collection services center shall notify the clerk of the district court of any order for which the child support recovery unit is providing enforcement services. The clerk of the district court shall forward any support payment made pursuant to the order, along with any support payment information, to the collection services center. Unless the agreement developed pursuant to section 252B.13A otherwise provides, by October 1, 1999, the clerk of the district court shall forward any support payment made and any support payment information provided through income withholding pursuant to chapter 252D, to the collection services center. The collection services center shall process and disburse the payment in accordance with federal requirements.

2. Unless otherwise provided under federal law, if it is possible to identify the support order to which a payment is to be applied and if sufficient information is provided to identify the obligee, a payment received by the collection services center or the clerk of the district court shall be disbursed to the appropriate individual or office within two working days in accordance with section 598.22.

3. Chapter 556 shall not apply to payments received by the collection services center.

90 Acts, ch 1224, §11; 91 Acts, ch 177, §4; 93 Acts, ch 79, §42; 98 Acts, ch 1170, §5; 2006 Acts, ch 1119, §2

Referred to in §252B.6A

**252B.16 Transfer of support order processing responsibilities — ongoing procedures.**

1. For a support order being processed by the clerk of the district court, upon notification that the unit is providing enforcement services related to the order, the clerk of the district court shall immediately transfer the responsibility for the disbursement of support payments received pursuant to the order to the collection services center.

2. The department shall adopt rules pursuant to chapter 17A to ensure that the affected parties are notified that the support payment disbursement responsibilities have been transferred to the collection services center from the clerk of the district court. The rules shall include a provision requiring that a notice shall be sent by regular mail to the last known addresses of the obligee and the obligor. The issuance of notice to the obligor is the equivalent of a court order requiring the obligor to direct payment to the collection services center for disbursement.

3. Once the responsibility for receiving and disbursing support payments has been transferred from a clerk of the district court to the collection services center, the responsibility shall remain with the collection services center even if the child support recovery unit is no longer providing enforcement services, unless redirected by court order. However, the responsibility for receiving and disbursing income withholding payments shall not be redirected to a clerk of the district court.

86 Acts, ch 1246, §316; 88 Acts, ch 1218, §3; 90 Acts, ch 1224, §12; 91 Acts, ch 177, §5; 93 Acts, ch 79, §43; 98 Acts, ch 1170, §6

Referred to in §598.22B

**252B.17 Admissibility and identification of support payment records.**

Copies of support payment records maintained by the collection services center, when certified over the signature of a designated employee of the center, shall be considered to be satisfactorily identified and shall be admitted in any proceeding as prima facie evidence of the transactions. Additional proof of the official character of the person certifying the record or the authenticity of the person's signature shall not be required. Whenever an employee of the collection services center is served with a summons, subpoena, subpoena duces tecum, or order directing that person to produce such records, the employee may comply by transmitting a copy of the payment records certified as described above to the clerk of the district court.

86 Acts, ch 1246, §316

**252B.17A Imaging or photographic copies — originals destroyed.**

1. If the unit, in the regular course of business or activity, has recorded or received any memorandum, writing, entry, print, document, representation, or combination thereof, of any act, transaction, occurrence, event, or communication from any source, and in the regular course of business has caused any or all of the same to be recorded, copied, or reproduced by any photographic, photostatic, microfilm, microcard, miniature photographic, electronic imaging, electronic data processing, or other process which accurately reproduces or forms a durable medium for accurately and legibly reproducing an unaltered image or reproduction of the original, the original may be destroyed. Such reproduction, when satisfactorily identified, is as admissible in evidence as the original itself in any judicial or administrative proceeding whether the original is in existence or not and an enlargement or facsimile of such reproduction is likewise admissible in evidence if the original recording, copy, or reproduction is in existence and available for inspection. The introduction of a reproduced record, enlargement, or facsimile, does not preclude admission of the original.

2. The electronically imaged, copied, or otherwise reproduced record or document maintained or received by the unit, when certified over the signature of a designated employee of the unit, shall be considered to be satisfactorily identified. Certified documents are deemed to have been imaged or copied or otherwise reproduced accurately and unaltered

in the regular course of business, and such documents are admissible in any judicial or administrative proceeding as evidence. Additional proof of the official character of the person certifying the record or authenticity of the person's signature shall not be required. Whenever the unit or an employee of the unit is served with a summons, subpoena, subpoena duces tecum, or order directing production of such records, the unit or employee may comply by transmitting a copy of the record certified as described above to the district court.

97 Acts, ch 175, §44

**252B.18 Child support advisory committee — established — duties.** Repealed by 2010 Acts, ch 1031, § 393. See § 217.3A.

**252B.19** Reserved.

**252B.20 Suspension of support.**

1. If the unit is providing child support enforcement services pursuant to this chapter, the parents of a dependent child for whom support has been ordered pursuant to chapter 252A, 252C, 252F, 598, 600B, or any other chapter, may jointly request the assistance of the unit in suspending the obligation for support if all of the following conditions exist:

*a.* The parents have reconciled and are cohabiting, and the child for whom support is ordered is living in the same residence as the parents, or the child is currently residing with the parent who is ordered to pay support. If the basis for suspension under this paragraph applies to at least one but not all of the children for whom support is ordered, the condition of this paragraph is met only if the support order includes a step change.

*b.* The child for whom support is ordered is not receiving public assistance pursuant to chapter 239B, 249A, or a comparable law of a foreign jurisdiction, unless the person against whom support is ordered is considered to be a member of the same household as the child for the purposes of public assistance eligibility.

*c.* The parents have signed a notarized affidavit attesting to the conditions under paragraphs "*a*" and "*b*", have consented to suspension of the support order or obligation, and have submitted the affidavit to the unit.

*d.* No prior request for suspension has been filed with the unit during the two-year period preceding the request, unless the request was filed during the two-year period preceding July 1, 2005, the unit denied the request because the suspension did not apply to all children for whom support is ordered, and the parents jointly file a request on or after July 1, 2005.

*e.* Any other criteria established by rule of the department.

2. Upon receipt of the application for suspension and properly executed and notarized affidavit, the unit shall review the application and affidavit to determine that the necessary criteria have been met. The unit shall then do one of the following:

*a.* Deny the request and notify the parents in writing that the application is being denied, providing reasons for the denial and notifying the parents of the right to proceed through private counsel. Denial of the application is not subject to contested case proceedings or further review pursuant to chapter 17A.

*b.* Approve the request and prepare an order which shall be submitted, along with the affidavit, to a judge of a district court for approval, suspending the accruing support obligation and, if requested by the obligee, and if not prohibited by chapter 252K, satisfying the obligation of support due the obligee. If the basis for suspension applies to at least one but not all of the children for whom support is ordered and the support order includes a step change, the unit shall prepare an order suspending the accruing support obligation for each child to whom the basis for suspension applies.

3. An order approved by the court for suspension of an accruing support obligation is effective upon the date of filing of the suspension order. The satisfaction of an obligation of support due the obligee shall be final upon the filing of the suspension order. A support obligation which is satisfied is not subject to the reinstatement provisions of this section.

4. An order suspending an accruing support obligation entered by the court pursuant to this section shall be considered a temporary order for the period of six months from the date

of filing of the suspension order. However, the six-month period shall not include any time during which an application for reinstatement is pending before the court.

5. During the six-month period the unit may request that the court reinstate the accruing support order or obligation if any of the following conditions exist:

*a.* Upon application to the unit by either parent or other person who has physical custody of the child.

*b.* Upon the receipt of public assistance benefits, pursuant to chapter 239B, 249A, or a comparable law of a foreign jurisdiction, by the person entitled to receive support and the child on whose behalf support is paid, provided that the person owing the support is not considered to be a member of the same household as the child for the purposes of public assistance eligibility.

6. If a condition under subsection 5 exists, the unit may request that the court reinstate an accruing support obligation as follows:

*a.* If the basis for the suspension no longer applies to any of the children for whom an accruing support obligation was suspended, the unit shall request that the court reinstate the accruing support obligations for all of the children.

*b.* If the basis for the suspension continues to apply to at least one but not all of the children for whom an accruing support obligation was suspended and if the support order includes a step change, the unit shall request that the court reinstate the accruing support obligation for each child for whom the basis for the suspension no longer applies.

7. Upon filing of an application for reinstatement, service of the application shall be made either in person or by first class mail upon both parents. Within ten days following the date of service, the parents may file a written objection with the clerk of the district court to the entry of an order for reinstatement.

*a.* If no objection is filed, the court may enter an order reinstating the accruing support obligation without additional notice.

*b.* If an objection is filed, the clerk of court shall set the matter for hearing and send notice of the hearing to both parents and the unit.

8. The reinstatement is effective as follows:

*a.* For reinstatements initiated under subsection 5, paragraph "*a*", the date the notices were served on both parents pursuant to subsection 7.

*b.* For reinstatements initiated under subsection 5, paragraph "*b*", the date the child began receiving public assistance benefits during the suspension of the obligation.

*c.* Support which became due during the period of suspension but prior to the reinstatement is waived and not due and owing unless the parties requested and agreed to the suspension under false pretenses.

9. If the order suspending a support obligation has been on file with the court for a period exceeding six months as computed pursuant to subsection 4, the order becomes final by operation of law and terminates the support obligation, and thereafter, a party seeking to establish a support obligation against either party shall bring a new action for support as provided by law.

10. This section shall not limit the rights of the parents or the unit to proceed by other means to suspend, terminate, modify, reinstate, or establish support.

11. This section does not provide for the suspension or retroactive modification of support obligations which accrued prior to the entry of an order suspending enforcement and collection of support pursuant to this section. However, if in the application for suspension, an obligee elects to satisfy an obligation of accrued support due the obligee, the suspension order may satisfy the obligation of accrued support due the obligee.

12. Nothing in this section shall prohibit or limit the unit or a party entitled to receive support from enforcing and collecting any unpaid or unsatisfied support that accrued prior to the suspension of the accruing obligation.

13. For the purposes of chapter 252H, subchapter II, regarding the criteria for a review or for a cost-of-living alteration under chapter 252H, subchapter IV, if a support obligation is terminated or reinstated under this section, such termination or reinstatement shall not be considered a modification of the support order.

14. As used in this section, unless the context otherwise requires, "*step change*" means a

change designated in a support order specifying the amount of the child support obligation as the number of children entitled to support under the order changes.

93 Acts, ch 79, §24; 94 Acts, ch 1171, §18; 96 Acts, ch 1141, §4; 97 Acts, ch 41, §32; 98 Acts, ch 1170, §46, 47; 2005 Acts, ch 112, §2 – 5; 2011 Acts, ch 25, §20

**252B.21 Administrative seek employment orders.**

1. For any support order being enforced by the unit, the unit may enter an ex parte order requiring the obligor to seek employment if employment of the obligor cannot be verified and if the obligor has failed to make support payments. Advance notice is not required prior to entering the ex parte order. The order shall be served upon the obligor by regular mail, with proof of service completed as provided in rule of civil procedure 1.442. The unit shall file a copy of the order with the clerk of the district court.

2. The order to seek employment shall contain directives, including all of the following:

*a.* That the obligor seek employment within a determinate amount of time.

*b.* That the obligor file with the unit on a weekly basis a report of at least five new attempts to find employment or of having found employment. The report shall include the names, addresses, and the telephone numbers of any employers or businesses with whom the obligor attempted to seek employment and the name of the individual contact to whom the obligor made application for employment or to whom an inquiry was directed.

*c.* That failure to comply with the notice is evidence of a willful failure to pay support under section 598.23A.

*d.* That the obligor shall provide the child support recovery unit with verification of any reason for noncompliance with the order.

*e.* The duration of the order, not to exceed three months.

3. The department may establish additional criteria or requirements relating to seek employment orders by rule as necessary to implement this section.

93 Acts, ch 79, §26; 94 Acts, ch 1171, §19

Referred to in §252B.6A, 598.23A

**252B.22 Liens — motor vehicle registration — task force.**

1. The child support recovery unit created in this chapter shall establish a task force to assist in the development and implementation of all of the following:

*a.* The filing of notices of liens and actions to release liens.

*b.* The process for delaying the renewal of a motor vehicle registration due to a support delinquency and recommendations for additional statutory changes to the general assembly.

2. Members of the task force may include, but shall not be limited to, representatives, appointed by the respective entity, of the Iowa land title association, the Iowa realtors' association, the Iowa state bar association, the Iowa county recorders' association, the Iowa clerks of court association, the Iowa county treasurers' association, the Iowa automobile dealers' association, the Iowa bankers association, the Iowa recreational vehicle dealers' association, the independent automobile dealers' association of Iowa, the Iowa mortgage bankers' association, the Iowa motorcycle association, the Iowa credit union league, department of administrative services, state department of transportation, the office of the secretary of state, the office of the state court administrator, and other constituency groups and agencies which have an interest in a statewide support lien index to the record liens. Appointments are not subject to sections 69.16 and 69.16A. Vacancies shall be filled by the original appointment authority and in the manner of the original appointments.

97 Acts, ch 175, §201; 2000 Acts, ch 1125, §1, 4; 2003 Acts, ch 145, §286

**252B.23 Surcharge.**

1. A surcharge shall be due and payable by the obligor on a support arrearage identified as difficult to collect and referred by the unit on or after January 1, 1998, to a collection entity under contract with the unit or other state entity. The amount of the surcharge shall be a percent of the amount of the support arrearage referred to the collection entity and shall be specified in the contract with the collection entity. For the purpose of this chapter, a "*collection entity*" includes but is not limited to a state agency, including the central collection

unit of the department of revenue, or a private collection agency. Use of a collection entity is in addition to any other legal means by which support payments may be collected. The unit shall continue to use other enforcement actions, as appropriate.

2. *a.* Notice that a surcharge may be assessed on a support arrearage referred to a collection entity pursuant to this section shall be provided to an obligor in accordance with one of the following as applicable:

(1) In the order establishing or modifying the support obligation. The unit or district court shall include notice in any new or modified support order issued on or after July 1, 1997.

(2) Through notice sent by the unit by regular mail to the last known address of the support obligor.

*b.* The notice shall also advise that any appropriate information may be provided to a collection entity for purposes of administering and enforcing the surcharge.

3. Arrearages submitted for referral and surcharge pursuant to this section shall meet all of the following criteria:

*a.* The arrearages owed shall be based on a court or administrative order which establishes the support obligation.

*b.* The arrearage is due for a case in which the unit is providing services pursuant to this chapter and one for which the arrearage has been identified as difficult to collect by the unit.

*c.* The obligor was provided notice pursuant to subsection 2 at least fifteen days prior to sending the notice of referral pursuant to subsection 4.

4. The unit shall send notice of referral to the obligor by regular mail to the obligor's last known address, with proof of service completed according to rule of civil procedure 1.442, at least thirty days prior to the date the arrearage is referred to the collection entity. The notice shall inform the obligor of all of the following:

*a.* The arrearage will be referred to a collection entity.

*b.* Upon referral, a surcharge is due and payable by the obligor.

*c.* The amount of the surcharge.

*d.* That the obligor may avoid referral by paying the amount of the arrearage to the collection services center within twenty days of the date of notice of referral.

*e.* That the obligor may contest the referral by submitting a written request for review of the unit. The request shall be received by the unit within twenty days of the date of the notice of referral.

*f.* The right to contest the referral is limited to a mistake of fact, which includes a mistake in the identity of the obligor, a mistake as to fulfillment of the requirements for referral under this subsection, or a mistake in the amount of the arrearages.

*g.* The unit shall issue a written decision following a requested review.

*h.* Following the issuance of a written decision by the unit denying that a mistake of fact exists, the obligor may request a hearing to challenge the surcharge by sending a written request for a hearing to the office of the unit which issued the decision. The request shall be received by the office of the unit which issued the decision within ten days of the unit's written decision. The only grounds for a hearing shall be mistake of fact. Following receipt of the written request, the unit which receives the request shall certify the matter for hearing in the district court in the county in which the underlying support order is filed.

*i.* The address of the collection services center for payment of the arrearages.

5. If the obligor pays the amount of arrearage within twenty days of the date of the notice of referral, referral of the arrearage to a collection entity shall not be made.

6. If the obligor requests a review or court hearing pursuant to this section, referral of the arrearages shall be stayed pending the decision of the unit or the court.

7. Actions of the unit under this section shall not be subject to contested case proceedings or further review pursuant to chapter 17A and any resulting court hearing shall be an original hearing before the district court. However, the department shall establish, by rule pursuant to chapter 17A, an internal process to provide an additional review by the administrator of the child support recovery unit or the administrator's designee.

8. If an obligor does not pay the amount of the arrearage, does not contest the referral, or if following the unit's review and any court hearing the unit or court does not find a mistake of fact, the arrearages shall be referred to a collection entity. Following the review or hearing,

if the unit or court finds a mistake in the amount of the arrearage, the arrearages shall be referred to the collection entity in the appropriate arrearage amount. For arrearages referred to a collection entity, the obligor shall pay a surcharge equal to a percent of the amount of the support arrearage due as of the date of the referral. The surcharge is in addition to the arrearages and any other fees or charges owed, and shall be enforced by the collection entity as provided under section 252B.5. Upon referral to the collection entity, the surcharge is an automatic judgment against the obligor.

9. The director or the director's designee may file a notice of the surcharge with the clerk of the district court in the county in which the underlying support order is filed. Upon filing, the clerk shall enter the amount of the surcharge on the lien index and judgment docket.

10. Following referral of a support arrearage to a collection entity, the surcharge shall be due and owing and enforceable by a collection entity or the unit notwithstanding satisfaction of the support obligation or whether the collection entity is enforcing a support arrearage. However, the unit may waive payment of all or a portion of the surcharge if waiver will facilitate the collection of the support arrearage.

11. All surcharge payments shall be received and disbursed by the collection services center. The surcharge payments received by the collection services center shall be considered repayment receipts as defined in section 8.2 and shall be used to pay the costs of any contracts with a collection entity.

12. *a.* A payment received by the collection services center which meets all the following conditions shall be allocated as specified in paragraph "*b*":

(1) The payment is for a case in which arrearages have been referred to a collection entity.

(2) A surcharge is assessed on the arrearages.

(3) The payment is collected under the provisions of the contract with the collection entity.

*b.* A payment meeting all of the conditions in paragraph "*a*" shall be allocated between support and costs and fees, and the surcharge according to the following formula:

(1) The payment shall be divided by the sum of one hundred percent plus the percent specified in the contract.

(2) The quotient shall be the amount allocated to the support arrearage and other fees and costs.

(3) The difference between the dividend and the quotient shall be the amount allocated to the surcharge.

13. Any computer or software programs developed and any records used in relation to a contract with a collection entity remain the property of the department.

97 Acts, ch 175, §244; 2003 Acts, ch 145, §286; 2005 Acts, ch 175, §119
Referred to in §252B.9, 252B.13A

**252B.24 State case registry.**

1. Beginning October 1, 1998, the unit shall operate a state case registry to the extent determined by applicable time frames and other provisions of 42 U.S.C. § 654A(e) and this section. The unit and the judicial branch shall enter into a cooperative agreement for the establishment and operation of the registry by the unit. The state case registry shall include records with respect to all of the following:

*a.* Unless prohibited by federal law, each case for which services are provided under this chapter.

*b.* Each order for support, as defined in section 252D.16 or 598.1, which meets at least one of the following criteria:

(1) The support order is established or modified in this state on or after October 1, 1998.

(2) The income of the obligor is subject to income withholding under chapter 252D, including any support order for which the district court enters an ex parte order under chapter 252D on or after October 1, 1998.

2. The clerk of the district court shall provide the unit with any information, orders, or documents requested by the unit to establish or operate the state case registry, which are specified in the agreement described in subsection 1, within the time frames specified in that agreement. The agreement shall include but is not limited to provisions to provide for all of the following:

*a.* Provision to the unit of information, orders, and documents necessary for the unit to meet requirements described in 42 U.S.C. § 654A(e) and this section.

*b.* Provision to the unit of information filed with the clerk of the district court by a party under section 598.22B, and the social security number of a child filed with the clerk of the district court under section 602.6111.

*c.* Use of automation, as appropriate, to meet the requirements described in 42 U.S.C. § 654A(e) and this section.

3. The records of the state case registry are confidential records pursuant to chapter 22 and may only be disclosed or used as provided in section 252B.9.

98 Acts, ch 1047, §68; 98 Acts, ch 1170, §15
Referred to in §252B.13A, 598.22B, 602.8102(47B)

**252B.25 Contempt — combining actions.**

Notwithstanding any provision of law to the contrary, if an obligor has been ordered to provide support in more than one order, the unit may bring a single action for contempt to enforce the multiple orders. However, if the obligor objects to the consolidation of the actions regarding multiple orders into a single action for contempt, and the court determines that severance of the single action into multiple actions is in the interest of justice, the unit shall bring multiple actions for contempt to enforce the multiple orders. If the single action is brought and the obligor does not object, the unit shall file the action in the district court of a county where the obligor resides, or if the obligor does not reside in the state, in the district court of the county where at least one of the support orders was entered or registered. For the purposes of this section, the district court where the unit files the action shall have jurisdiction and authority over all other support orders for the obligor entered or registered by a court of this state and affected under this section. In such case, the unit shall also file a document with the clerk of court in each county affected specifying the county where the action under this section was filed and the disposition of the action.

2005 Acts, ch 112, §6

**252B.26 Service of process.**

Notwithstanding any provision of law to the contrary, the unit may serve a petition, notice, or rule to show cause under chapter 252A, 252C, 252F, 252H, 252K, 598, or 665 as specified in each chapter, or as follows:

1. The unit may serve a petition, notice, or rule to show cause by certified mail. Return acknowledgment is required to prove service by certified mail, rules of civil procedure 1.303(5) and 1.308(5) shall not apply, and the return acknowledgment shall be filed with the clerk of court.

2. The unit may serve a notice of intent under chapter 252H, or a notice of decision under section 252H.14A, upon any party or parent who is receiving family investment program assistance for the parent or child by sending the notice by regular mail to the address maintained by the department. Rules of civil procedure 1.303(5) and 1.308(5) shall not apply and the unit shall file proof of service as provided in chapter 252H. If the notice is determined to be undeliverable, the unit shall serve the notice as otherwise provided in this section or by personal service.

2005 Acts, ch 112, §7; 2007 Acts, ch 218, §142, 156
Referred to in §252H.14A

**252B.27 Use of funding for additional positions.**

1. The director, within the limitations of the amount appropriated for the unit, or moneys transferred for this purpose from the family investment program account created in section 239B.11, may establish new positions and add employees to the unit if the director determines that both the current and additional employees together can reasonably be expected to maintain or increase net state revenue at or beyond the budgeted level for the fiscal year.

2. *a.* The director may establish new positions and add state employees to the unit or contract for delivery of services if the director determines the employees are necessary to replace county-funded positions eliminated due to termination, reduction, or nonrenewal of

a chapter 28E contract. However, the director must also determine that the resulting increase in the state share of child support recovery incentives exceeds the cost of the positions or contract, the positions or contract are necessary to ensure continued federal funding of the unit, or the new positions or contract can reasonably be expected to recover at least twice the amount of money necessary to pay the salaries and support for the new positions or the contract will generate at least two hundred percent of the cost of the contract.

*b.* Employees in full-time positions that transition from county government to state government employment under this subsection are exempt from testing, selection, and appointment provisions of chapter 8A, subchapter IV, and from the provisions of collective bargaining agreements* relating to the filling of vacant positions.

2005 Acts, ch 175, §120

*Collective bargaining, see chapter 20

# CHAPTER 252C

## CHILD SUPPORT DEBTS — ADMINISTRATIVE PROCEDURES

Referred to in §234.39, 252A.3A, 252A.6, 252B.3, 252B.4, 252B.5, 252B.7A, 252B.9, 252B.14, 252B.20, 252B.26, 252D.1, 252D.16, 252D.16A, 252E.1, 252E.1A, 252E.16, 252H.2, 252H.4, 252H.21, 252I.2, 252J.1, 598.21C, 598.21G, 598.22, 598.22B, 598.23A, 600.11


252C.1 Definitions.
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252C.11 Security for payment of support — forfeiture.
252C.12 Waiver of time limitations by responsible person.


**252C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means the administrator of the child support recovery unit of the department of human services, or the administrator's designee.

2. *"Caretaker"* means a parent, relative, guardian, or another person who is responsible for paying foster care costs pursuant to chapter 234 or whose needs are included in an assistance payment made pursuant to chapter 239B.

3. *"Court order"* means a judgment or order of a court of this state or another state requiring the payment of a set or determinable amount of monetary support. For orders entered on or after July 1, 1990, unless the court specifically orders otherwise, medical support, as defined in section 252E.1, is not included in the amount of monetary support.

4. *"Department"* means the department of human services.

5. *"Dependent child"* means a person who meets the eligibility criteria established in chapter 234 or 239B and whose support is required by chapter 234, 239B, 252A, 252F, 598, or 600B.

6. *"Medical support"* means either the provision of coverage under a health benefit plan, including a group or employment-related or an individual health benefit plan, or a health benefit plan provided pursuant to chapter 514E, to meet the medical needs of a dependent and the cost of any premium required by a health benefit plan, or the payment to the obligee of a monetary amount in lieu of providing coverage under a health benefit plan, either of which is an obligation separate from any monetary amount of child support ordered to be paid. Medical support which consists of payment of a monetary amount in lieu of a health benefit plan is also an obligation separate from any monetary amount a parent is ordered to pay for uncovered medical expenses pursuant to the guidelines established pursuant to section 598.21B.

7. *"Public assistance"* means foster care costs paid by the department pursuant to chapter 234 or assistance provided pursuant to chapter 239B.

8. *"Responsible person"* means a parent, relative, guardian, or another person legally liable for the support of a child or a child's caretaker.

84 Acts, ch 1278, §1; 90 Acts, ch 1224, §14, 15; 93 Acts, ch 79, §44; 97 Acts, ch 41, §32; 2007 Acts, ch 218, §158, 187; 2008 Acts, ch 1019, §18, 20

Referred to in §252H.2, 598.21G

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252C.2 Assignment — creation of support debt — subrogation.**

1. If public assistance is provided by the department to or on behalf of a dependent child or a dependent child's caretaker, there is an assignment by operation of law to the department of any and all right in, title to, and interest in any support obligation, payment, and arrearages owed to or for the child or caretaker up to the amount of public assistance paid for or on behalf of the child or caretaker. Unless otherwise specified in the order, an equal and proportionate share of any child support awarded is presumed to be payable on behalf of each child subject to the order or judgment for purposes of an assignment under this section. For family investment program assistance, section 239B.6 shall apply.

2. The payment of public assistance to or for the benefit of a dependent child or a dependent child's caretaker creates a support debt due and owing to the department by the responsible person in an amount equal to the public assistance payment, except that the support debt is limited to the amount of a support obligation established by court order or by the administrator. The administrator may establish a support debt as to amounts accrued and accruing pursuant to section 598.21B. However, when establishing a support obligation against a responsible person, no debt shall be created for the period during which the responsible person is a recipient on the person's own behalf of public assistance for the benefit of the dependent child or the dependent child's caretaker, if any of the following conditions exist:

*a.* The parents have reconciled and are cohabiting, and the child for whom support would otherwise be sought is living in the same residence as the parents.

*b.* The child is living with the parent from whom support would otherwise be sought.

3. The provision of child support collection or paternity determination services under chapter 252B to an individual, even though the individual is ineligible for public assistance, creates a support debt due and owing to the individual or the individual's child or ward by the responsible person in the amount of a support obligation established by court order or by the administrator. The administrator may establish a support debt in favor of the individual or the individual's child or ward and against the responsible person, both as to amounts accrued and accruing, pursuant to section 598.21B.

4. The payment of medical assistance pursuant to chapter 249A for the benefit of a dependent child or a dependent child's caretaker creates a support debt due and owing to the department. The administrator may establish an order for medical support.

5. The department is subrogated to the rights of a dependent child or a dependent child's caretaker to bring a court action or to execute an administrative remedy for the collection of support. The administrator may petition an appropriate court for modification of a court order on the same grounds as a party to the court order can petition the court for modification.

84 Acts, ch 1278, §2; 89 Acts, ch 166, §4; 92 Acts, ch 1195, §401, 402; 94 Acts, ch 1171, §20; 97 Acts, ch 175, §50; 2005 Acts, ch 69, §12, 13; 2008 Acts, ch 1019, §4, 7

Referred to in §252C.3, 598.21B

**252C.3 Notice of support debt — failure to respond — hearing — order.**

1. The administrator may issue a notice stating the intent to secure an order for either medical support as provided in chapter 252E or payment of an accrued or accruing support debt due and owed to the department or an individual under section 252C.2, or both. The notice shall be served upon the responsible person in accordance with the rules of civil procedure. The notice shall include all of the following:

*a.* A statement that the support obligation will be set pursuant to the child support

guidelines established pursuant to section 598.21B, and the criteria established pursuant to section 252B.7A, and that the responsible person is required to provide medical support in accordance with chapter 252E.

*b.* The name of a public assistance recipient and the name of the dependent child or caretaker for whom the public assistance is paid.

*c.* (1) A statement that if the responsible person desires to discuss the amount of support that a responsible person should be required to pay, the responsible person may, within ten days after being served, contact the office of the child support recovery unit which sent the notice and request a negotiation conference.

(2) A statement that if a negotiation conference is requested, then the responsible person shall have ten days from the date set for the negotiation conference or thirty days from the date of service of the original notice, whichever is later, to send a request for a hearing to the office of the child support recovery unit which issued the notice.

(3) A statement that after the holding of the negotiation conference, the administrator may issue a new notice and finding of financial responsibility for child support or medical support, or both, to be sent to the responsible person by regular mail addressed to the responsible person's last known address, or if applicable, to the last known address of the responsible person's attorney.

(4) A statement that if the administrator issues a new notice and finding of financial responsibility for child support or medical support, or both, then the responsible person shall have thirty days from the date of issuance of the new notice to send a request for a hearing to the office of the child support recovery unit which issued the notice. If the administrator does not issue a new notice and finding of financial responsibility for child support or medical support, or both, the responsible party shall have ten days from the date of issuance of the conference report to send a request for a hearing to the office of the child support recovery unit which issued the conference report.

*d.* A statement that if the responsible person objects to all or any part of the notice or finding of financial responsibility for child support or medical support, or both, and a negotiation conference is not requested, the responsible person shall, within thirty days of the date of service send to the office of the child support recovery unit which issued the notice a written response setting forth any objections and requesting a hearing.

*e.* A statement that if a timely written request for a hearing is received by the office of the child support recovery unit which issued the notice, the responsible person shall have the right to a hearing to be held in district court; and that if no timely written response is received, the administrator may enter an order in accordance with the notice and finding of financial responsibility for child support or medical support, or both.

*f.* A statement that, as soon as the order is entered, the property of the responsible person is subject to collection action, including but not limited to wage withholding, garnishment, attachment of a lien, and execution.

*g.* A statement that the responsible person shall notify the administrator of any change of address, employment, or medical coverage as required by chapter 252E.

*h.* A statement that if the responsible person has any questions, the responsible person should telephone or visit an office of the child support recovery unit or consult an attorney.

*i.* Such other information as the administrator finds appropriate.

2. The time limitations for requesting a hearing in subsection 1 may be extended by the administrator.

3. If a timely written response setting forth objections and requesting a hearing is received by the appropriate office of the child support recovery unit, a hearing shall be held in district court.

4. If timely written response and request for hearing is not received by the appropriate office of the child support recovery unit, the administrator may enter an order in accordance with the notice, and shall specify all of the following:

*a.* The amount of monthly support to be paid, with directions as to the manner of payment.

*b.* The amount of the support debt accrued and accruing in favor of the department.

*c.* The name of the custodial parent or agency having custody of the dependent child and the name and birth date of the dependent child for whom support is to be paid.

*d.* That the property of the responsible person is subject to collection action, including but not limited to wage withholding, garnishment, attachment of a lien, and execution.

*e.* The medical support required pursuant to chapter 598 and rules adopted pursuant to chapter 252E.

5. The responsible person shall be sent a copy of the order by regular mail addressed to the responsible person's last known address, or if applicable, to the last known address of the responsible person's attorney. The order is final, and action by the administrator to enforce and collect upon the order, including arrearages and medical support, or both, may be taken from the date of approval of the order by the court pursuant to section 252C.5.

84 Acts, ch 1278, §3; 90 Acts, ch 1224, §16 – 21; 92 Acts, ch 1195, §202, 203, 403; 95 Acts, ch 52, §3, 4; 97 Acts, ch 175, § 51 – 53; 2005 Acts, ch 69, §14; 2007 Acts, ch 218, §159, 160, 187; 2008 Acts, ch 1019, §18, 20

Referred to in §234.39, 252C.12

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252C.4 Certification to court — hearing — default.**

1. A responsible person or the child support recovery unit may request a hearing regarding a determination of support. If a timely written request for a hearing is received, the administrator shall certify the matter to the district court as follows:

*a.* If the child or children reside in Iowa, and the unit is seeking an accruing obligation, in the county in which the dependent child or children reside.

*b.* If the child or children received public assistance in Iowa, and the unit is seeking only an accrued obligation, in the county in which the dependent child or children last received public assistance.

*c.* If the action is the result of a request from a foreign jurisdiction to establish support by a responsible person located in Iowa, in the county in which the responsible person resides.

2. The certification shall include true copies of the notice and finding of financial responsibility or notice of the support debt accrued and accruing, the return of service, the written objections and request for hearing, and true copies of any administrative orders previously entered.

3. The court shall set the matter for hearing and notify the parties of the time and place of hearing.

4. The court shall establish the monthly child support payment and the amount of the support debt accrued and accruing pursuant to section 598.21B, or medical support pursuant to chapter 252E, or both.

5. If a party fails to appear at the hearing, upon a showing of proper notice to that party, the court shall find that party in default and enter an appropriate order.

6. Actions initiated by the administrator under this chapter are not subject to chapter 17A and resulting court hearings following certification shall be an original hearing before the district court.

7. If a responsible person contests an action initiated under this chapter by denying paternity, the following shall apply, as necessary:

*a.* (1) If the prior determination of paternity is based on an affidavit of paternity filed pursuant to section 252A.3A, or an administrative order entered pursuant to chapter 252F, or an order by the courts of this state, or by operation of law when the mother and established father are or were married to each other, the provisions of section 600B.41A are applicable.

(2) If the court determines that the prior determination of paternity should not be overcome pursuant to section 600B.41A, and that the responsible person has a duty to provide support, the court shall enter an order establishing the monthly child support payment and the amount of the support debt accrued and accruing pursuant to section 598.21B, or medical support pursuant to chapter 252E, or both.

*b.* If the prior determination of paternity is based on an administrative or court order or other means, pursuant to the laws of a foreign jurisdiction, an action to overcome the prior determination of paternity shall be filed in that jurisdiction. Unless the responsible person

requests and is granted a stay of an action initiated under this chapter to establish child or medical support, the action shall proceed as otherwise provided by this chapter.

84 Acts, ch 1278, §4; 89 Acts, ch 166, §5; 89 Acts, ch 179, §1; 90 Acts, ch 1224, §22; 92 Acts, ch 1195, §204; 93 Acts, ch 78, §9; 94 Acts, ch 1171, §21, 22; 95 Acts, ch 67, §19; 2005 Acts, ch 69, §15, 16

Referred to in §252C.5, 598.21B

**252C.5 Filing and docketing of financial responsibility order — order effective as district court decree.**

1. A true copy of any order entered by the administrator pursuant to this chapter, along with a true copy of the return of service, if applicable, may be filed in the office of the clerk of the district court in the manner established pursuant to section 252C.4, subsection 1.

2. The administrator's order shall be presented, ex parte, to the district court for review and approval. Unless defects appear on the face of the order or on the attachments, the district court shall approve the order. The approved order shall have all the force, effect, and attributes of a docketed order or decree of the district court.

3. Upon filing, the clerk shall enter the order in the judgment docket.

4. If the responsible party appeals the order approved by the court under this section, and the court on appeal establishes an amount of support which is less than the amount of support established under the approved order, the court, in the order issued on appeal, shall reconcile the amounts due and shall provide that any amount which represents the unpaid difference between the amount under the approved order and the amount under the order of the court on appeal is satisfied.

84 Acts, ch 1278, §5; 89 Acts, ch 179, §2; 92 Acts, ch 1195, §504; 94 Acts, ch 1171, §23; 97 Acts, ch 175, §54

Referred to in §252C.3

**252C.6 Interest on support debts.**

Interest accrues on support debts at the rate provided in section 535.3 for court judgments. The administrator may collect the accrued interest but is not required to maintain interest balance accounts. The department may waive payment of the interest if the waiver will facilitate the collection of the support debt.

84 Acts, ch 1278, §6

**252C.7** Repealed by 97 Acts, ch 175, § 55.

**252C.8 Temporary restraining order or bond.**

If the administrator reasonably believes that the responsible person is not a resident of this state, is about to move from this state, or is concealing the responsible person's whereabouts, or that the responsible person has removed or is about to remove, secrete, waste, or otherwise dispose of property which could be made subject to collection procedures to satisfy the support debt, the administrator may petition the district court for a temporary restraining order barring the removal, secretion, waste, or disposal. However, if the responsible person furnishes a bond satisfactory to the court, the temporary restraining order shall be vacated.

84 Acts, ch 1278, §8

**252C.9** Repealed by 93 Acts, ch 79, § 54.

**252C.10** Repealed by 89 Acts, ch 166, § 8.

**252C.11 Security for payment of support — forfeiture.**

Upon entry of a court order or upon the failure of a person to make payments pursuant to a court order, the court may require the person to provide security, a bond, or other guarantee which the court determines is satisfactory to secure the payment of the support obligation. Upon the person's failure to pay the support obligation under the court order, the court may declare the security, bond, or other guarantee forfeited.

85 Acts, ch 100, §2

**252C.12 Waiver of time limitations by responsible person.**

1. A responsible person may waive the time limitations established in section 252C.3.

2. Upon receipt of a signed statement from each responsible person waiving the time limitations established in section 252C.3, the administrator may proceed to enter an order for support and the court may approve the order, whether or not the time limitations have expired.

3. If a responsible person waives the time limitations established in section 252C.3 and an order for support is entered under this chapter, the signed statement of the responsible person waiving the time limitations shall be filed with the order for support.

92 Acts, ch 1195, §205; 2007 Acts, ch 218, §161, 187; 2008 Acts, ch 1019, §18, 20

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

# CHAPTER 252D

## SUPPORT PAYMENTS — INCOME WITHHOLDING

Referred to in §96.3, 249A.52, 252B.3, 252B.4, 252B.9, 252B.14, 252B.15, 252B.24, 252E.4, 252G.8, 252I.2, 252J.1, 535.3, 598.22, 598.23, 598.23A, 642.2, 642.21

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252D.2 Repealed by 97 Acts, ch 175, §69.
252D.3 Notice of income withholding.
252D.4 through 252D.7 Repealed by 90 Acts, ch 1123, §14.

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252D.9 Sums subject to immediate withholding.
252D.10 Notice of immediate income withholding.
252D.11 Repealed by 97 Acts, ch 175, §69.
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252D.30 Ex parte order — provisions for medical support.
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## SUBCHAPTER I

## DELINQUENT PAYMENTS

**252D.1 Delinquent support payments.**

If support payments ordered under this chapter or chapter 232, 234, 252A, 252C, 252E, 252F, 598, 600B, or any other applicable chapter, or under a comparable statute of a foreign

jurisdiction, as certified to the child support recovery unit established in section 252B.2, are not paid to the clerk of the district court or the collection services center pursuant to section 598.22 and become delinquent in an amount equal to the payment for one month, the child support recovery unit may enter an ex parte order or, upon application of a person entitled to receive the support payments, the district court may enter an ex parte order, notifying the person whose income is to be withheld, of the delinquent amount, of the amount of income to be withheld, and of the procedure to file a motion to quash the order for income withholding, and ordering the withholding of specified sums to be deducted from the delinquent person's income as defined in section 252D.16 sufficient to pay the support obligation and, except as provided in section 598.22, requiring the payment of such sums to the clerk of the district court or the collection services center. Beginning October 1, 1999, all income withholding payments shall be paid to the collection services center. Notification of income withholding shall be provided to the obligor and to the payor of income pursuant to section 252D.17.

84 Acts, ch 1239, §1; 85 Acts, ch 100, §3; 85 Acts, ch 178, §2; 86 Acts, ch 1191, §1; 86 Acts, ch 1245, §1421; 86 Acts, ch 1246, §317, 323; 88 Acts, ch 1218, §4; 90 Acts, ch 1224, §24; 90 Acts, ch 1253, §120; 92 Acts, ch 1195, §104; 93 Acts, ch 78, §10; 93 Acts, ch 79, §45; 97 Acts, ch 175, §56; 98 Acts, ch 1170, §7; 2007 Acts, ch 22, §57

Referred to in §252D.3

**252D.2** Repealed by 97 Acts, ch 175, § 69. See § 252D.31.

**252D.3 Notice of income withholding.**

All orders for support entered on or after July 1, 1984, shall notify the person ordered to pay support of the mandatory withholding of income required under section 252D.1. However, this subchapter is sufficient notice of implementation of mandatory withholding of income under section 252D.1 without any further notice.

84 Acts, ch 1239, §3; 85 Acts, ch 100, §4; 97 Acts, ch 175, §57; 2005 Acts, ch 112, §8

**252D.4 through 252D.7** Repealed by 90 Acts, ch 1123, § 14. See § 252D.18 – 252D.21.

## SUBCHAPTER II

## IMMEDIATE INCOME WITHHOLDING

**252D.8 Persons subject to immediate income withholding.**

1. In a support order issued or modified on or after November 1, 1990, for which services are being provided by the child support recovery unit, and in any support orders issued or modified after January 1, 1994, for which services are not provided by the child support recovery unit, the income of a support obligor is subject to withholding, on the effective date of the order, regardless of whether support payments by the obligor are in arrears. If services are being provided pursuant to chapter 252B, the child support recovery unit may enter an ex parte order for an immediate withholding of income. The district court may enter an ex parte order for immediate income withholding for cases in which the child support recovery unit is not providing services. The income of the obligor is subject to immediate withholding unless one of the following occurs:

*a.* One of the parties demonstrates and the court or child support recovery unit finds there is good cause not to require immediate withholding. A finding of good cause shall be based on, at a minimum, written findings and conclusions by the court or administrative authority as to why implementing immediate withholding would not be in the best interests of the child. In cases involving modifications, the findings shall also include proof of timely payment of previously ordered support.

*b.* A written agreement is reached between both parties which provides for an alternative arrangement. If the support payments have been assigned to the department of human services pursuant to chapter 234 or 239B, or a comparable statute of another jurisdiction, the department shall be considered a party to the support order, and a written agreement

pursuant to this section to waive immediate withholding is void unless approved by the child support recovery unit. Any agreement existing at the time an assignment of support is made pursuant to chapter 234 or 239B or pursuant to a comparable statute of another jurisdiction shall not prevent the child support recovery unit from implementing immediate withholding.

2. For an order not requiring immediate withholding, income of an obligor is subject to immediate withholding, without regard to whether there is an arrearage, on the earliest of the following:

*a.* The date the obligor requests that the withholding begin.

*b.* The date the custodial parent or party to the proceeding requests that the withholding begin, if the request is approved by the district court or, in cases in which services are being provided pursuant to chapter 252B, if the child support recovery unit approves the request.

90 Acts, ch 1123, §1; 93 Acts, ch 78, §11; 94 Acts, ch 1171, §24; 97 Acts, ch 41, §32
Referred to in §252D.31

**252D.9 Sums subject to immediate withholding.**

Specified sums shall be deducted from the obligor's income sufficient to pay the support obligation and any judgment established or delinquency accrued under the support order. The amount withheld pursuant to an income withholding order or notice of order for income withholding shall not exceed the amount specified in 15 U.S.C. § 1673(b).

90 Acts, ch 1123, §2; 92 Acts, ch 1195, §206; 97 Acts, ch 175, §58

**252D.10 Notice of immediate income withholding.**

An order for support entered after November 1, 1990, shall contain the notice of immediate income withholding. However, this subchapter is sufficient notice for implementation of immediate income withholding without any further notice.

90 Acts, ch 1123, §3; 97 Acts, ch 175, §59; 2005 Acts, ch 112, §9

**252D.11** Repealed by 97 Acts, ch 175, § 69. See § 252D.31.

**252D.12 through 252D.14** Repealed by 93 Acts, ch 78, §47. See § 252D.17 and 252D.18.

**252D.15** Reserved.

## SUBCHAPTER III

## GENERAL PROVISIONS

**252D.16 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Income"* means all of the following:

*a.* Any periodic form of payment due an individual, regardless of source, including but not limited to wages, salaries, commissions, bonuses, workers' compensation, disability payments, payments pursuant to a pension or retirement program, and interest.

*b.* A sole payment or lump sum as provided in section 252D.18C, including but not limited to payment from an estate including inheritance, or payment for personal injury or property damage.

*c.* Irregular income as defined in section 252D.18B.

2. *"Payor of income"* or *"payor"* means and includes, but is not limited to, an obligor's employer, trustee, the state of Iowa and all governmental subdivisions and agencies and any other person from whom an obligor receives income.

3. *"Support"* or *"support payments"* means any amount which the court or administrative agency may require a person to pay for the benefit of a child under a temporary order or a final judgment or decree entered under chapter 232, 234, 252A, 252C, 252F, 252H, 598, 600B, or any other comparable chapter, and may include child support, maintenance, medical support as defined in chapter 252E, spousal support, and any other term used to

describe these obligations. These obligations may include support for a child of any age who is dependent on the parties to the dissolution proceedings because of physical or mental disability. The obligations may include support for a child eighteen or more years of age with respect to whom a child support order has been issued pursuant to the laws of a foreign jurisdiction. These obligations shall not include amounts for a postsecondary education subsidy as defined in section 598.1.

97 Acts, ch 175, §60; 2005 Acts, ch 112, §10

Referred to in §8B.32, 84A.5, 252B.1, 252B.13A, 252B.14, 252B.24, 252D.1, 252D.16A, 252I.1, 252J.1, 627.11, 627.12

**252D.16A Income withholding order — child support recovery unit.**

If support payments are ordered under this chapter, chapter 232, 234, 252A, 252C, 252E, 252F, 252H, 598, 600B, or any other applicable chapter, or under a comparable statute of a foreign jurisdiction, and if income withholding relative to such support payments is allowed under this chapter, the child support recovery unit may enter an ex parte order notifying the person whose income is to be withheld of the procedure to file a motion to quash the order for income withholding, and ordering the withholding of sums to be deducted from the delinquent person's income as defined in section 252D.16 sufficient to pay the support obligation and requiring the payment of such sums to the collection services center. The child support recovery unit shall include the amount of any delinquency and the amount to be withheld in the notice provided to the obligor pursuant to section 252D.17A. Notice of income withholding shall be provided to the obligor and to the payor of income pursuant to sections 252D.17 and 252D.17A.

2006 Acts, ch 1119, §3, 11

**252D.17 Notice to payor of income — duties and liability — criminal penalty.**

1. The district court shall provide notice by sending a copy of the order for income withholding or a notice of the order for income withholding to the obligor and the obligor's payor of income by regular mail, with proof of service completed according to rule of civil procedure 1.442. The child support recovery unit shall provide notice of the income withholding order by sending a notice of the order to the obligor's payor of income by regular mail or by electronic means. Proof of service may be completed according to rule of civil procedure 1.442. The child support recovery unit's notice of the order may be sent to the payor of income on the same date that the order is sent to the clerk of court for filing. In all other instances, the income withholding order shall be filed with the clerk of court prior to sending the notice of the order to the payor of income. In addition to the amount to be withheld for payment of support, the order or the notice of the order shall be in a standard format as prescribed by the unit and shall include all of the following information regarding the duties of the payor in implementing the withholding order:

*a.* The withholding order or notice of the order for income withholding for child support or child support and spousal support has priority over a garnishment or an assignment for any other purpose.

*b.* As reimbursement for the payor's processing costs, the payor may deduct a fee of no more than two dollars for each payment in addition to the amount withheld for support. The payor of income is not required to vary the payroll cycle to comply with the frequency of payment of a support order.

*c.* The amount withheld for support, including the processing fee, shall not exceed the amounts specified in 15 U.S.C. § 1673(b).

*d.* The income withholding order is binding on an existing or future payor of income ten days after receipt of the copy of the order or the notice of the order, and is binding whether or not the copy of the order received is file-stamped.

*e.* The payor shall send the amounts withheld to the collection services center or the clerk of the district court pursuant to section 252B.14 within seven business days of the date the obligor is paid. "*Business day*" means a day on which state offices are open for regular business.

*f.* The payor may combine amounts withheld from the obligors' income in a single payment to the clerk of the district court or to the collection services center, as appropriate.

Whether combined or separate, payments shall be identified by the name of the obligor, account number, amount, and the date withheld. If payments for multiple obligors are combined, the portion of the payment attributable to each obligor shall be specifically identified.

*g.* The withholding is binding on the payor until further notice by the court or the child support recovery unit.

*h.* If the payor, with actual knowledge and intent to avoid legal obligation, fails to withhold income or to pay the amounts withheld to the collection services center or the clerk of court in accordance with the provisions of the order, the notice of the order, or the notification of payors of income provisions established in section 252B.13A, the payor commits a simple misdemeanor for a first offense and is liable for the accumulated amount which should have been withheld, together with costs, interest, and reasonable attorney fees related to the collection of the amounts due from the payor. For each subsequent offense prescribed under this paragraph, the payor commits a serious misdemeanor and is liable for the accumulated amount which should have been withheld, together with costs, interest, and reasonable attorney fees related to the collection of the amounts due from the payor.

*i.* The payor shall promptly notify the court or the child support recovery unit when the obligor's employment or other income terminates, and provide the obligor's last known address and the name and address of the obligor's new employer, if known.

*j.* Any payor who discharges an obligor, refuses to employ an obligor, or takes disciplinary action against an obligor based upon income withholding is guilty of a simple misdemeanor. A withholding order or the notice of the order for income withholding has the same force and effect as any other district court order, including but not limited to contempt of court proceedings for noncompliance.

*k.* (1) Beginning July 1, 1997, if a payor of income does business in another state through a registered agent and receives a notice of income withholding issued by another state, the payor shall, and beginning January 1, 1998, any payor of income shall, withhold funds as directed in a notice issued by another state, except that a payor of income shall follow the laws of the obligor's principal place of employment when determining all of the following:

(a) The payor's fee for processing an income withholding payment.

(b) The maximum amount permitted to be withheld from the obligor's income.

(c) The time periods for implementing the income withholding order and forwarding the support payments.

(d) The priorities for withholding and allocating income withheld for multiple child support obligees.

(e) Any withholding terms or conditions not specified in the order.

(2) A payor of income who complies with an income withholding notice that is regular on its face shall not be subject to any civil liability to any individual or agency for conduct in compliance with the notice.

*l.* The payor of income shall comply with chapter 252K when receiving a notice of income withholding from another state.

2. The department shall establish criteria and a phased-in schedule to require, no later than June 30, 2015, payors of income to electronically transmit the amounts withheld under an income withholding order. The department shall assist payors of income in complying with the required electronic transmission, and shall adopt rules setting forth procedures for use in electronic transmission of funds, and exemption from use of electronic transmission taking into consideration any undue hardship electronic transmission creates for payors of income.

93 Acts, ch 78, §12; 95 Acts, ch 52, §5, 6; 96 Acts, ch 1141, § 10, 11; 97 Acts, ch 175, §61, 70, 72; 98 Acts, ch 1170, §8; 2000 Acts, ch 1125, §2, 4; 2006 Acts, ch 1119, §4; 2010 Acts, ch 1031, §337; 2013 Acts, ch 30, §55; 2013 Acts, ch 140, §60

Referred to in §252D.1, 252D.16A, 252D.18, 252D.18A

Section amended

**252D.17A Notice to obligor of implementation of income withholding order.**

The child support recovery unit or the district court shall send a notice of the income withholding order to the obligor at the time the notice is sent to the payor of income.

97 Acts, ch 175, §62

Referred to in §252D.16A, 252D.18

**252D.18 Modification or termination of withholding.**

1. The court or the child support recovery unit may, by ex parte order, modify a previously entered income withholding order if the court or the unit determines any of the following:

*a.* There has been a change in the amount of the current support obligation.

*b.* The amount required to be withheld under the income withholding order is in error.

*c.* Any past due support debt has been paid in full. Should a delinquency later accrue, the withholding order may be modified to secure payment toward the delinquency.

*d.* There has been a change in the rules adopted by the department pursuant to chapter 17A regarding the amount of income to be withheld to pay a delinquency.

2. The child support recovery unit may modify an amount specified in an income withholding order or notice of income withholding by providing notice to the payor of income and the obligor pursuant to sections 252D.17 and 252D.17A.

3. The court or the child support recovery unit may, by ex parte order, terminate an income withholding order when the current support obligation has terminated and when the delinquent support obligation has been fully satisfied as applicable to all of the children covered by the income withholding order. The unit may, by ex parte order, terminate an income withholding order when the unit will no longer be providing services under chapter 252B, or when a foreign jurisdiction will be providing services under Tit. IV-D of the federal Social Security Act.

4. In no case shall payment of overdue support be the sole basis for termination of withholding.

90 Acts, ch 1123, §8; 91 Acts, ch 177, §6; 92 Acts, ch 1195, §106; 93 Acts, ch 78, §13; 98 Acts, ch 1170, §44; 2006 Acts, ch 1119, §5, 11; 2011 Acts, ch 67, §1

**252D.18A Multiple income withholding orders — amounts withheld by payor.**

When the obligor is responsible for paying more than one support obligation and the payor of income has received more than one income withholding order or notice of an order for the obligor, the payor shall withhold amounts in accordance with all of the following:

1. The total of all amounts withheld shall not exceed the amounts specified in 15 U.S.C. § 1673(b). For orders or notices issued by the child support recovery unit, the limit for the amount to be withheld shall be specified in the order or notice.

2. As reimbursement for the payor's processing costs, the payor may deduct a fee of no more than two dollars for each payment withheld in addition to the amount withheld for support.

3. Priority shall be given to the withholding of current support rather than delinquent support. The payor shall not allocate amounts withheld in a manner which results in the failure to withhold an amount for one or more of the current support obligations.

*a.* To arrive at the amount to be withheld for each obligee, the payor shall total the amounts due for current support under the income withholding orders and the notices of orders and determine the proportionate share for each obligee. The proportionate share shall be determined by dividing the amount due for current support for each order or notice of order by the total due for current support for all orders and notices of orders. The results are the percentages of the obligor's net income which shall be withheld for each obligee.

*b.* If, after completing the calculation in paragraph *"a"*, the withholding limit specified under subsection 1 has not been attained, the payor shall total the amounts due for arrearages and determine the proportionate share for each obligee. The proportionate share amounts shall be established utilizing the procedures established in paragraph *"a"* for current support obligations.

4. The payor shall identify and report payments by the obligor's name, account number, amount, and date withheld pursuant to section 252D.17. If payments for multiple obligees

are combined, the portion of the payment attributable to each obligee shall be specifically identified only if the payor is directed to do so by the child support recovery unit.

93 Acts, ch 78, §14; 96 Acts, ch 1141, §12, 13; 97 Acts, ch 175, §63, 64; 98 Acts, ch 1170, §9; 2002 Acts, ch 1018, §1, 2; 2009 Acts, ch 15, §1

**252D.18B Irregular income.**

When payment of income is irregular, and an order for immediate or mandatory income withholding has been entered by the child support recovery unit or the district court, the income payor shall withhold income equal to the total that would have been withheld had there been regular monthly income. The amounts withheld shall not exceed the amounts specified in 15 U.S.C. § 1673(b). For the purposes of this section, an income source is irregular when there are periods in excess of one month during which the income payor makes no payment to the obligor and the periods are not the result of termination or suspension of employment.

93 Acts, ch 78, §15

Referred to in §252D.16

**252D.18C Withholding from lump sum payments.**

The child support recovery unit or the district court may enter an ex parte order for income withholding when the obligor is paid by a lump sum income source. When a sole payment is made or payment occurs at two-month or greater intervals, the withholding order may include all current and delinquent support due through the current month, but shall not exceed the amounts specified in 15 U.S.C. § 1673(b).

93 Acts, ch 78, §16

Referred to in §252D.16

**252D.19 Other remedies.**

The remedies provided in this chapter do not exclude the use of other civil or criminal remedies in enforcing support obligations.

90 Acts, ch 1123, §9

**252D.19A Disparity between order and pay dates — not delinquent.**

1. An obligor whose support payments are automatically withheld from the obligor's paycheck shall not be delinquent or in arrears if all of the following conditions are met:

*a.* Any delinquency or arrearage is caused solely by a disparity between the schedules of the obligor's regular pay dates and the scheduled date the support is due.

*b.* The amount calculated to be withheld is such that the total amount of current support to be withheld from the paychecks of the obligor and the amount ordered to be paid in the support order are the same on an annual basis.

*c.* The automatic deductions for support are continuous and occurring.

2. If the unit takes an enforcement action during a calendar year against an obligor and the obligor is not delinquent or in arrears solely due to the applicability of this section to the obligor, upon discovering the circumstances, the unit shall promptly discontinue the enforcement action.

97 Acts, ch 175, §65

**252D.20 Administration of income withholding procedures.**

The child support recovery unit is designated as the entity of the state to administer income withholding in accordance with the procedures specified for keeping adequate records to document, track, and monitor support payments on cases subject to Tit. IV-D of the federal Social Security Act. Until October 1, 1999, the clerks of the district court are designated as the entities for administering income withholding on cases which are not subject to Tit. IV-D. Beginning October 1, 1999, the collection services center is designated as the entity for administering income withholding for cases which are not subject to Tit. IV-D. The collection services center's responsibilities for administering income withholding in cases not subject to Tit. IV-D are limited to the receipt, recording, and disbursement of income withholding payments and to responding to requests for information on the current status of support

payments pursuant to section 252B.13A. Notwithstanding section 622.53, in cases where the court or the child support recovery unit is enforcing a foreign judgment through income withholding, a certified copy of the underlying judgment is sufficient proof of authenticity.

90 Acts, ch 1123, §10; 92 Acts, ch 1195, §404; 98 Acts, ch 1170, §10; 2010 Acts, ch 1061, §180

**252D.21 Penalty for misrepresentation.**

A person who knowingly makes a false statement or representation of a material fact or knowingly fails to disclose a material fact in order to secure an income withholding order or notice of income withholding against another person and to receive support payments or additional support payments pursuant to this chapter, is guilty, upon conviction, of a serious misdemeanor.

90 Acts, ch 1123, §11; 97 Acts, ch 175, §66

**252D.22 Rules.**

The department shall adopt the administrative rules necessary to implement the provisions of this chapter as they pertain to the operations of the child support recovery unit.

90 Acts, ch 1123, §12

**252D.23 Filing of withholding order — order effective as district court order.**

An income withholding order entered by the child support recovery unit pursuant to this chapter shall be filed with the clerk of the district court. In lieu of any signature on the order which may otherwise be required by law or rule, the order shall have affixed the name and address of the appropriate child support office. For the purposes of demonstrating compliance by the payor of income, the copy of the withholding order or the notice of the order received, whether or not the copy of the order is file-stamped, shall have all the force, effect, and attributes of a docketed order of the district court including, but not limited to, availability of contempt of court proceedings against a payor of income for noncompliance. However, any information contained in the income withholding order or the notice of the order related to the amount of the accruing or accrued support obligation which does not reflect the correct amount of support due does not modify the underlying support judgment.

92 Acts, ch 1195, §207; 94 Acts, ch 1171, §25; 95 Acts, ch 52, §7; 96 Acts, ch 1141, §14; 97 Acts, ch 175, §67; 99 Acts, ch 127, §2

**252D.24 Applicability to support orders of foreign jurisdictions.**

1. An income withholding order may be entered to enforce a support order of a foreign jurisdiction. The foreign support order may be entered and filed with the clerk of the district court at the time the income withholding order is entered. Entry of the foreign support order under this subsection does not constitute registration of the order.

2. Income withholding for a support order issued by a foreign jurisdiction is governed by chapter 252K, article 5 or 6, and this chapter, as appropriate.

93 Acts, ch 78, §17; 97 Acts, ch 175, §71; 2005 Acts, ch 112, §11

**252D.25 Limitations on scope of proceedings.**

1. Issues related to visitation, custody, or other provisions not related to the support provisions of a support order are not grounds for a motion to quash, revoke, suspend, or stay a withholding order.

2. Support orders shall not be modified under a motion to quash a withholding order.

93 Acts, ch 78, §18

**252D.26 through 252D.29** Reserved.

**252D.30 Ex parte order — provisions for medical support.**

An ex parte order entered under this chapter may also include provisions for enforcement of medical support when medical support provisions are included in the support order. The ex parte order may require income withholding of a dollar amount for medical support or

implementation of provision for dependent coverage under a health benefit plan pursuant to chapter 252E.

93 Acts, ch 78, §19

**252D.31 Motion to quash.**

An obligor under this chapter may move to quash an income withholding order or a notice of income withholding by filing a motion to quash with the clerk of court.

1. Grounds for contesting a withholding order under this chapter include all of the following:

*a.* A mistake of fact, which for purposes of this chapter means an error in the amount withheld or the amount of the withholding or the identity of the obligor.

*b.* For immediate withholding only, the conditions for exception to immediate income withholding as defined under section 252D.8 existed at the time of implementation of the withholding.

2. The clerk of the district court shall schedule a hearing on the motion to quash for a time not later than seven days after the filing of the motion to quash and the notice of the motion to quash. The clerk shall mail to the parties copies of the motion to quash, the notice of the motion to quash, and the order scheduling the hearing.

3. The payor shall withhold and transmit the amount specified in the order or notice of the order of income withholding to the clerk of the district court or the collection services center, as appropriate, until the notice that a motion to quash has been granted is received.

97 Acts, ch 175, §68

Referred to in §252E.6A

# CHAPTER 252E

## MEDICAL SUPPORT

Referred to in §252A.3, 252A.6A, 252B.3, 252B.4, 252B.5, 252B.9, 252C.3, 252C.4, 252D.1, 252D.16, 252D.16A, 252D.30, 252F.3, 252F.4, 252F.5, 252H.2, 252H.8, 252H.9, 252H.14A, 252H.15, 252I.2, 252J.1, 514C.9, 598.21B, 598.21C, 598.21E

Effective for support orders entered on or after July 1, 1990;
prior orders; §252E.16
Pursuant to federal law, either parent
may be ordered to provide medical support;
2008 Acts, ch 1019, §19


252E.1 Definitions.
252E.1A Establishing and modifying orders for medical support.
252E.2 Order for medical support.
252E.2A Satisfaction of medical support order.
252E.3 Health benefit coverage of obligee.
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252E.11 Assignment.
252E.12 Enforcement.
252E.13 Modification of support order.
252E.14 Child support.
252E.15 Rulemaking authority — compliance.
252E.16 Scope and effect.


**252E.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Accessible"* means any of the following, unless otherwise provided in the support order:

*a.* The health benefit plan does not have service area limitations or provides an option not subject to service area limitations.

*b.* The health benefit plan has service area limitations and the dependent lives within thirty miles or thirty minutes of a network primary care provider.

2. *"Basic coverage"* means coverage provided under a health benefit plan that at a

minimum provides coverage for emergency care, inpatient and outpatient hospital care, physician services whether provided within or outside a hospital setting, and laboratory and x-ray services.

3. *"Child"* means a person for whom child or medical support may be ordered pursuant to chapter 234, 239B, 252A, 252C, 252F, 252H, 252K, 598, 600B, or any other chapter of the Code or pursuant to a comparable statute of a foreign jurisdiction.

4. *"Department"* means the department of human services, which includes but is not limited to the child support recovery unit, or any comparable support enforcement agency of another state.

5. *"Dependent"* means a child, or an obligee for whom a court may order coverage by a health benefit plan pursuant to section 252E.3.

6. *"Enroll"* means to be eligible for and covered by a health benefit plan.

7. *"Health benefit plan"* means any policy or contract of insurance, indemnity, subscription or membership issued by an insurer, health service corporation, health maintenance organization, or any similar corporation, organization, or a self-insured employee benefit plan, for the purpose of covering medical expenses. These expenses may include but are not limited to hospital, surgical, major medical insurance, dental, optical, prescription drugs, office visits, or any combination of these or any other comparable health care expenses.

8. *"Insurer"* means any entity which provides a health benefit plan.

9. *"Medical support"* means either the provision of a health benefit plan, including a group or employment-related or an individual health benefit plan, or a health benefit plan provided pursuant to chapter 514E, to meet the medical needs of a dependent and the cost of any premium required by a health benefit plan, or the payment to the obligee of a monetary amount in lieu of a health benefit plan, either of which is an obligation separate from any monetary amount of child support ordered to be paid. Medical support is not alimony. Medical support which consists of payment of a monetary amount in lieu of a health benefit plan is also an obligation separate from any monetary amount a parent is ordered to pay for uncovered medical expenses pursuant to the guidelines established pursuant to section 598.21B.

10. *"National medical support notice"* means a notice as prescribed under 42 U.S.C. § 666(a)(19) or a substantially similar notice, that is issued and forwarded by the department to enforce medical support provisions of a support order.

11. *"Obligee"* means a parent or another natural person legally entitled to receive a support payment on behalf of a child.

12. *"Obligor"* means a parent or another natural person legally responsible for the support of a dependent.

13. *"Order"* means a support order entered pursuant to chapter 234, 252A, 252C, 252F, 252H, 252K, 598, 600B, or any other support chapter, or pursuant to a comparable statute of a foreign jurisdiction, or an ex parte order entered pursuant to section 252E.4. *"Order"* also includes a notice of such an order issued by the department.

14. *"Plan administrator"* means the employer or sponsor that offers the health benefit plan or the person to whom the duty of plan administrator is delegated by the employer or sponsor offering the health benefit plan, by written agreement of the parties.

15. *"Primary care provider"* means a physician who provides primary care who is a family or general practitioner, a pediatrician, an internist, an obstetrician, or a gynecologist.

90 Acts, ch 1224, §25; 92 Acts, ch 1195, §505; 93 Acts, ch 78, §20; 93 Acts, ch 79, §46; 97 Acts, ch 41, §32; 2000 Acts, ch 1096, §1; 2002 Acts, ch 1018, §3; 2007 Acts, ch 218, §163, 187; 2008 Acts, ch 1019, §18, 20

Referred to in §252C.1, 252E.6A, 514C.9, 600B.25

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252E.1A Establishing and modifying orders for medical support.**

This section shall apply to all initial or modified orders for support entered under chapter 234, 252A, 252C, 252F, 252H, 598, 600B, or any other applicable chapter.

1. An order or judgment that provides for temporary or permanent support for a child shall include a provision for medical support for the child as provided in this section.

2. The court shall order as medical support for the child a health benefit plan if available to either parent at the time the order is entered or modified. A plan is available if the plan is accessible and the cost of the plan is reasonable.

*a.* The cost of a health benefit plan is considered reasonable, and such amount shall be stated in the order, if one of the following applies:

(1) The premium cost for a child to the parent ordered to provide the plan does not exceed five percent of that parent's gross income or the child support guidelines established pursuant to section 598.21B specifically provide an alternative income-based numeric standard for determining the reasonable cost of the premium, in which case the reasonable cost of the premium as determined by the standard specified by the child support guidelines shall apply.

(2) The premium cost for a child exceeds the amount specified in subparagraph (1) and that parent consents or does not object to entry of that order.

*b.* For purposes of this section, *"gross income"* has the same meaning as gross income for calculation of support under the guidelines established under section 598.21B.

*c.* For purposes of this section, *"the premium cost for a child to the parent"* ordered to provide the plan means the amount of the premium cost for family coverage to the parent which is in excess of the premium cost for single coverage, regardless of the number of individuals covered under the plan. However, this paragraph shall not be interpreted to reduce the amount of the health insurance premium deduction a parent may be entitled to when calculating the amount of a child support obligation under Iowa court rule 9.5 of the child support guidelines.

3. If a health benefit plan is not available at the time of the entry of the order, the court shall order a reasonable monetary amount in lieu of a health benefit plan, which amount shall be stated in the order. For purposes of this subsection, a reasonable amount means five percent of the gross income of the parent ordered to provide the monetary amount for medical support or, if the child support guidelines established pursuant to section 598.21B specifically provide an alternative income-based numeric standard for determining the reasonable amount, a reasonable amount means the amount as determined by the standard specified by the child support guidelines. This subsection shall not apply in any of the following circumstances:

*a.* If the parent's monthly support obligation established pursuant to the child support guidelines prescribed by the supreme court pursuant to section 598.21B is the minimum obligation amount. If this paragraph applies, the court shall order the parent to provide a health benefit plan when a plan becomes available for which there is no premium cost for a child to the parent.

*b.* If subsection 7, paragraph "*d*", "*e*", or "*f*" applies.

4. If the court orders the custodial parent to provide a health benefit plan under subsection 2, the court may also order the noncustodial parent to provide a reasonable monetary amount in lieu of a health benefit plan. For purposes of this subsection, a reasonable monetary amount means an amount not to exceed the lesser of a reasonable amount as described in subsection 3, or the premium cost of coverage for the child to the custodial parent as described in subsection 2, paragraph "*c*".

5. Notwithstanding the requirements of this section, the court may order provisions in the alternative to those provided in this section to address the health care needs of the child if the court determines that extreme circumstances so require and documents the court's written findings in the order.

6. An order, decree, or judgment entered before July 1, 2009, that provides for the support of a child may be modified in accordance with this section.

7. If the child support recovery unit is providing services under chapter 252B and initiating an action to establish or modify support, all of the following shall also apply:

*a.* If a health benefit plan is available as described in subsection 2 to the noncustodial parent, the unit shall seek an order for the noncustodial parent to provide the plan.

*b.* If a health benefit plan is available as described in subsection 2 to the custodial parent and not to the noncustodial parent, the unit shall seek an order for the custodial parent to provide the plan.

*c.* If a health benefit plan is available as described in subsection 2 to each parent, and if there is an order for joint physical care, the unit shall seek an order for the parent currently

ordered to provide a health benefit plan to provide the plan. If there is no current order for a health benefit plan for the child, the unit shall seek an order for the parent who is currently providing a health benefit plan to provide the plan.

*d.* If a health benefit plan is not available, and the noncustodial parent does not have income which may be subject to income withholding for collection of a reasonable monetary amount in lieu of a health benefit plan at the time of the entry of the order, the unit shall seek an order that the noncustodial parent provide a health benefit plan when a plan becomes available at reasonable cost, and the order shall specify the amount of reasonable cost as defined in subsection 2.

*e.* If a health benefit plan is not available, and the noncustodial parent is receiving assistance or is residing with any child receiving assistance as provided in section 252E.2A, subsection 1, paragraph "*c*", subparagraph (3) or (4), the unit shall seek an order that the noncustodial parent shall provide a health benefit plan when a plan becomes available for which there is no premium cost for a child to the parent.

*f.* This section shall not apply to chapter 252H, subchapter IV.

2007 Acts, ch 218, §164, 187; 2008 Acts, ch 1019, §11 – 14, 18, 20

Referred to in §252B.5, 598.21B, 598.21C

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252E.2 Order for medical support.**

1. An order requiring the provision of coverage under a health benefit plan is authorization for enrollment of the dependent if the dependent is otherwise eligible to be enrolled. The dependent's eligibility and enrollment for coverage under such a plan shall be governed by all applicable terms and conditions, including, but not limited to, eligibility and insurability standards. The dependent, if eligible, shall be provided the same coverage as the obligor.

2. An insurer who is subject to the federal Employee Retirement Income Security Act, as codified in 29 U.S.C. § 1169, shall provide benefits in accordance with that section which meet the requirements of a qualified medical child support order. For the purposes of this subsection "*qualified medical child support order*" means and includes a medical child support order as defined in 29 U.S.C. § 1169, or a child support order which creates or recognizes the existence of a child's right to, or assigns to a child the right to, receive benefits for which a participant or child is eligible under a group health plan or a notice of such an order issued by the department, and which specifies the following:

*a.* The name and the last known mailing address of the participant and the name and mailing address of each child covered by the order except that, to the extent provided in the order, the name and mailing address of an official of the department may be substituted for the mailing address of the child.

*b.* A reasonable description of the type of coverage to be provided to each child, or the manner in which the type of coverage is to be determined.

*c.* The period during which the coverage applies.

3. The obligor shall take all actions necessary to enroll and maintain coverage under a health benefit plan for a dependent at the obligor's present and all future places of employment.

4. A medical support order of a foreign jurisdiction may be entered or filed with the clerk of the district court. However, entry of such a medical support order under this subsection does not constitute registration of that medical support order.

90 Acts, ch 1224, §26; 92 Acts, ch 1195, §506; 93 Acts, ch 78, §21; 94 Acts, ch 1171, §26; 97 Acts, ch 175, §73; 98 Acts, ch 1170, §32; 2000 Acts, ch 1096, §2; 2002 Acts, ch 1018, §4

Referred to in §252E.4, 252E.8

**252E.2A Satisfaction of medical support order.**

This section shall apply if the child support recovery unit is providing services under chapter 252B.

1. Notwithstanding any law to the contrary and without a court order, a medical support order for a child shall be deemed satisfied with regard to the department, the child, the obligor, and the obligee for the period during which all of the following conditions are met:

*a.* The order is issued under any applicable chapter of the Code.

*b.* The unit is notified that the conditions of paragraph "*c*" are met and the parent ordered to provide medical support submits a written statement to the unit that the requirements of paragraph "*c*" are met.

*c.* The parent ordered to provide medical support meets at least one of the following conditions:

(1) The parent is an inmate of an institution under the control of the department of corrections or a comparable institution in another state.

(2) The parent's monthly child support obligation under the guidelines established pursuant to section 598.21B is the minimum obligation amount.

(3) The parent is a recipient of assistance under chapter 239B or 249A, or under comparable laws of another state.

(4) The parent is residing with any child for whom the parent is legally responsible and that child is a recipient of assistance under chapter 239B, 249A, or 514I, or under comparable laws of another state. For purposes of this subparagraph, "*legally responsible*" means the parent has a legal obligation to the child as specified in Iowa court rule 9.7 of the child support guidelines.

*d.* The unit files a notice of satisfaction with the clerk of the district court. The effective date of the satisfaction shall be stated in the notice and the effective date shall be no later than forty-five days after the unit issues the notice of satisfaction.

2. If a medical support order is satisfied under subsection 1, the satisfaction shall continue until all of the following apply:

*a.* The unit is notified that none of the conditions specified in subsection 1, paragraph "*c*", still applies.

*b.* The unit files a satisfaction termination notice that the requirements for a satisfaction under this section no longer apply. The effective date shall be stated in the satisfaction termination notice and the effective date shall be no later than forty-five days after the unit issues the satisfaction termination notice.

3. The unit shall mail a copy of the notice of satisfaction and the satisfaction termination notice to the last known address of the obligor and obligee.

4. The department of human services may match data for enrollees of the hawk-i program created pursuant to chapter 514I with data of the unit to assist the unit in implementing this section.

5. An order, decree, or judgment entered or pending on or before July 1, 2009, that provides for the support of a child may be satisfied as provided in this section.

2007 Acts, ch 218, §165, 187; 2008 Acts, ch 1019, §15 – 18, 20

Referred to in §252E.1A

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252E.3 Health benefit coverage of obligee.**

For cases for which services are being provided pursuant to chapter 252B, the order may require an obligor providing a health benefit plan for a child to also provide a health benefit plan for the benefit of an obligee if the obligee is eligible for enrollment under the plan in which the child or the obligor is enrolled, and if the plan is available at no additional cost.

90 Acts, ch 1224, §27

Referred to in §252E.1, 252E.6

**252E.4 Order to employer.**

1. When a support order requires an obligor to provide coverage under a health benefit plan, the district court or the department may enter an ex parte order directing an employer to take all actions necessary to enroll an obligor's dependent for coverage under a health benefit plan or may include the provisions in an ex parte income withholding order or notice of income withholding pursuant to chapter 252D. The child support recovery unit, where appropriate, shall issue a national medical support notice to an employer within two business days after the date information regarding a newly hired employee is entered into the centralized employee registry and matched with a noncustodial parent in the case being

enforced by the unit, or upon receipt of other employment information for such parent. The department may amend the information in the ex parte order or may amend or terminate the national medical support notice regarding health insurance provisions if necessary to comply with health insurance requirements including but not limited to the provisions of section 252E.2, subsection 2, or to correct a mistake of fact.

2. The obligee, district court, or department may forward either the support order containing the provision for coverage under a health benefit plan or the ex parte order provided for in subsection 1 to the obligor's employer.

3. This chapter shall be constructive notice to the obligor of enforcement and further notice prior to enforcement is not required.

4. The order requiring coverage is binding on all future employers or insurers if the dependent is eligible to be enrolled in the health benefit plan under the applicable plan terms and conditions.

90 Acts, ch 1224, §28; 93 Acts, ch 78, §22; 96 Acts, ch 1141, §24; 97 Acts, ch 175, §74; 2002 Acts, ch 1018, §5; 2007 Acts, ch 218, §166, 187; 2008 Acts, ch 1019, §18, 20

Referred to in §252E.1, 252E.5, 252E.6A

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252E.5 Effect of order on employer.**

1. When the order has been forwarded to the obligor's employer pursuant to section 252E.4, the order is binding on the employer and the employer's insurer to the extent that the dependent is eligible to be enrolled in the plan under the applicable terms and conditions of the health benefit plan and the standard enrollment guidelines of the insurer. The employer shall allow enrollment of the dependent at any time, notwithstanding any enrollment season restrictions. If a provision of this section conflicts with a provision in the national medical support notice, or in subsection 8, the provision in the notice and subsection 8 shall apply.

2. The employer shall forward a copy of the order to the insurer and request enrollment of the dependent in the health benefit plan. If the obligor fails to apply to obtain coverage for the dependent, the employer shall accept an application to enroll a dependent which has been signed by the obligee or other legal custodian of a child or by the department. Within sixty days of receipt of the order or within sixty days of receipt of application, whichever is earlier, the insurer shall determine whether the dependent is eligible for enrollment under the plan and shall notify the employer of the dependent's eligibility status. If more than one plan is offered by the employer, the dependent shall be enrolled in the health benefit plan in which the obligor is enrolled. However, if more than one plan is offered to the obligor, the plan selected shall provide coverage which is accessible to the dependent.

3. The employer shall withhold from the employee's compensation, the employee's share, if any, of premiums for the health benefit plan in an amount that does not exceed the amount specified in the national medical support notice or order or the amount specified in 15 U.S.C. § 1673(b) and which is consistent with federal law. The employer shall forward the amount withheld to the insurer.

4. Within thirty days of receipt of an order that requires an obligor to enroll a dependent in a health benefit plan, the obligor's employer shall provide the following information, as applicable, regarding the enrollment status of the dependent to the obligor, the obligee, or other legal custodian of the child, and the department:

*a.* That the dependent has been enrolled in a health benefit plan.

*b.* That the dependent is not eligible for enrollment and the reasons that the dependent is not eligible to be enrolled.

*c.* That the order has been forwarded to the insurer and a determination of eligibility for enrollment has not been made.

5. If the dependent has been enrolled in a health benefit plan, all of the following information shall be provided:

*a.* The name of the insurer providing the health benefit plan.

*b.* The dependent's effective date of coverage.

*c.* The health benefit plan or account number.

*d.* The type of health benefit plan under which the dependent has been enrolled,

including whether dental, optical, office visits, and prescription drugs are covered services. Additionally, the response shall include a brief description of the applicable deductibles, coinsurance, waiting periods for preexisting medical conditions, and other significant terms or conditions which materially affect the coverage.

6. *a.* An employer shall not revoke enrollment or eliminate coverage for a dependent unless the employer is provided with satisfactory written evidence that one of the following conditions exists:

(1) A court or administrative order requiring coverage in a health benefit plan is no longer in effect.

(2) The dependent is eligible for or will be enrolled in a comparable health benefit plan which will take effect no later than the effective date of revocation of enrollment in the other plan.

(3) The employer has eliminated dependent health coverage for all employees.

*b.* Nothing in this section requires an employer to maintain coverage for the dependent if the premiums are no longer being paid by the obligor because the employer no longer owes compensation to the obligor or because the obligor's employment has been terminated and the obligor has not elected to continue coverage.

*c.* If an order requiring that the obligor provide coverage under a health benefit plan for the dependent has been forwarded to the obligor's employer pursuant to section 252E.4, and the obligor's employment is terminated, the employer shall provide notice to the obligee and the department within ten days of termination of the obligor's employment.

7. If an order requiring that the obligor provide coverage under a health benefit plan for the dependent has been forwarded to the obligor's employer pursuant to section 252E.4, and the employer's health benefit plan is terminated either in its entirety or with respect to the obligor's insurance classification, or the employer has changed its insurer or become self-insured, the employer shall provide notice to the obligee or other legal custodian of the child and the department ten days prior to the termination or change in insurer.

8. If the department issues a national medical support notice to an employer or plan administrator, all of the following shall apply:

*a.* The employer and plan administrator shall comply with the provisions in the notice.

*b.* The employer and the plan administrator shall treat the notice as an application by the department for health benefit plan coverage for the dependent to the extent such application is required by the health benefit plan.

*c.* If the obligor named in the notice is not an employee of the employer, or if a health benefit plan is not offered or available to the employee, the employer shall notify the department, as provided in the notice, within twenty business days after the date of the notice.

*d.* If a health benefit plan is offered or available to the employee, the employer shall send the plan administrator's portion of the notice to each appropriate plan administrator within twenty business days after the date of the notice.

*e.* Upon notification from the plan administrator that the dependent is enrolled, the employer shall either withhold and forward the premiums as provided in subsection 3, or shall notify the department that the enrollment cannot be completed due to limits established for withholding as provided in subsection 3.

*f.* If the plan administrator notifies the employer that the obligor is subject to a waiting period that expires more than ninety days from the date of receipt of the notice by the plan administrator or that the obligor is subject to a waiting period that is measured in a manner other than the passage of time, the employer shall notify the plan administrator when the obligor becomes eligible to enroll in the plan and that the notice requires enrollment in the plan of the dependent named in the notice.

*g.* The plan administrator shall enroll the dependent, and if necessary to enrollment of the dependent shall also enroll the obligor, in the plan selected in accordance with this paragraph. All of the following shall apply to the selection of the plan:

(1) If the obligor is enrolled in a health benefit plan that offers dependent coverage, that plan shall be selected.

(2) If the obligor is not enrolled in a plan or is not enrolled in a plan that offers dependent

coverage, and if only one plan with dependent coverage is offered by the employer, that plan shall be selected.

(3) If the obligor is not enrolled in a health benefit plan or is not enrolled in a health benefit plan that offers dependent coverage, if more than one plan with dependent coverage is offered by the employer, and if the notice is issued by the child support recovery unit, all of the following shall apply:

(a) If only one of the plans is accessible to the dependent, that plan shall be selected. If none of the plans with dependent coverage is accessible to the dependent, the unit shall amend or terminate the notice.

(b) If more than one of the plans is accessible to the dependent, the plan selected shall be the plan that provides basic coverage for which the employee's share of the premium is lowest.

(c) If more than one of the plans is accessible to the dependent but none of the accessible plans provides basic coverage, the plan selected shall be a plan that is accessible and for which the employee's share of the premium is lowest.

(d) If the employee's share of the premiums is the same under all plans described in subparagraph (b) or (c), the unit shall attempt to consult with the obligee when selecting the plan. If the obligee does not respond within ten days of the unit's attempt, the unit shall select a plan which shall be the plan's default option, if any, or the plan with the lowest deductibles and copayment requirements.

(4) If the obligor is not enrolled in a health benefit plan or is not enrolled in a health benefit plan that offers dependent coverage, if more than one plan with dependent coverage is offered by the employer, and if the notice is issued by the child support enforcement agency of another state, that agency shall select the plan as provided in paragraph "*h*", subparagraph (3).

*h.* Within forty business days after the date of the notice, the plan administrator shall do all of the following as directed by the notice:

(1) Complete the appropriate portion of the notice and return the portion to the department.

(2) If the dependent is or is to be enrolled, notify the obligor, the obligee, and the child and furnish the obligee with necessary information. Provide the child support recovery unit with the type of health benefit plan under which the dependent has been enrolled, including whether dental, optical, office visits, and prescription drugs are covered services.

(3) If more than one health benefit plan is available to the obligor and the obligor is not enrolled, forward plan descriptions and documents to the department and enroll the dependent, and if necessary the obligor, in the plan selected by the department or in any default option if the plan administrator has not received a selection from the department within twenty business days of the date the plan administrator returned the national medical support notice response to the department.

(4) If the obligor is subject to a waiting period that expires more than ninety days from the date of receipt of the notice by the plan administrator or if the obligor has not completed a waiting period that is measured in a manner other than the passage of time, notify the employer, the department, the obligor, and the obligee. Upon satisfaction of the period or requirement, complete the enrollment.

(5) Upon completion of the enrollment, notify the employer for a determination of whether the necessary employee share of the premium is available.

(6) If the plan administrator is subject to the federal Employee Retirement Income Security Act, as codified in 29 U.S.C. § 1169, or is subject to the federal Child Support Performance and Incentive Act of 1998, Pub. L. No. 105-200, § 401, subsection (e) or (f), and the plan administrator determines the notice does not constitute a qualified medical child support order, complete and send the response to the department and notify the obligor, the obligee, and the child of the specific reason for the determination.

9. This chapter does not preclude the exchange of required information between the department and employers or insurers through electronic data transfer.

90 Acts, ch 1224, §29; 94 Acts, ch 1171, §27; 2002 Acts, ch 1018, §6, 7; 2009 Acts, ch 15, §2; 2009 Acts, ch 41, §263

Referred to in §252E.8

**252E.6 Duration of health benefit plan coverage.**

1. A child is eligible for medical support for the duration of the obligor's child support obligation. However, the child's eligibility for coverage under a health benefit plan shall be governed by all applicable plan provisions including, but not limited to, eligibility and insurability standards.

2. For cases for which services are being provided pursuant to chapter 252B, the department shall notify the employer when there is no longer a current order for medical support in effect for which the department is responsible. However, termination of medical support ordered pursuant to section 252E.3 shall be governed by the insurer's health benefit plan provisions for termination and by applicable federal law.

90 Acts, ch 1224, §30; 2002 Acts, ch 1018, §8

**252E.6A Motion to quash.**

1. An obligor may move to quash the order to the employer under section 252E.4 by following the same procedures and alleging a mistake of a fact as provided in section 252D.31 or as provided in subsection 2. If the unit is enforcing an income withholding order and a medical support order simultaneously, any challenge to the income withholding order and medical support enforcement shall be filed and heard simultaneously.

2. The obligor may allege as a mistake of fact an error in the availability of dependent coverage under the health benefit plan because the coverage is not accessible to the dependent. Even if the plan is not accessible as defined in section 252E.1, the court may determine that the plan is substantially accessible if the obligee demonstrates that the dependent may receive a benefit under the plan. Section 252K.316 relating to evidence and procedure shall apply to the court proceeding.

3. The employer shall comply with the requirements of this chapter until the employer receives notice that a motion to quash has been granted, or that the unit has amended or terminated the national medical support notice.

97 Acts, ch 175, §75; 2002 Acts, ch 1018, §9

**252E.7 Insurer authorization.**

1. The entry of an order requiring a health benefit plan is authorization for enrollment of the dependent if the dependent is otherwise eligible to be enrolled. If the obligor fails to obtain coverage for a dependent, the insurer shall accept the signature of the obligee or other legal custodian of the child or of an employee of the department on the application for enrollment of the dependent under the health benefit plan. If the dependent is otherwise eligible to be enrolled in the plan pursuant to the applicable terms and conditions of the health benefit plan and the standard enrollment guidelines of the insurer, the insurer shall allow enrollment of the dependent at any time, notwithstanding any enrollment season restrictions.

2. An insurer shall not deny enrollment of a child under the health benefit plan of the obligor based on any of the following:

*a.* The child was born out of wedlock.

*b.* The child is not claimed as a dependent on the obligor's federal income tax form.

*c.* The child does not reside with the obligor or in the insurer's service area.

3. For purposes of processing claims for payment, the insurer shall accept the signature of the obligee or other legal custodian of the child or of an employee of the department as valid authorization for purposes of processing any medical expense claims on behalf of the dependent for payment or reimbursement of medical services rendered to the dependent.

4. The insurer shall have immunity from any liability, civil or criminal, which might otherwise be incurred or imposed for actions taken in implementing this section including, but not limited to, the insurer's release of any information, or the payment of any claims

for services by the insurer, or the insurer's acceptance of applications for enrollment of the dependent and medical expense claims for the dependent which are signed by the obligee or an employee of the department pursuant to this section.

5. If a dependent has coverage under the health benefit plan of and through the insurer of the obligor, the insurer shall make payment directly to the obligee, the provider, or the department for claims submitted by the obligee, by the provider with the obligee's approval, or by the department.

6. Payments remitted to the obligor by the insurer for services received by the dependent shall be recoverable by the obligee or the department from the obligor if not properly paid by the obligor to the provider or the obligee.

90 Acts, ch 1224, §31; 94 Acts, ch 1171, §28

**252E.8 Releases of information.**

1. If an order for coverage under a health benefit plan has been forwarded pursuant to section 252E.5, the obligor's employer or insurer shall release to the obligee or other legal custodian of the child or the department, upon receiving a written request, the information necessary to complete an application, to file a claim for medical expenses of the dependent or to create a qualified medical child support order pursuant to section 252E.2, subsection 2.

2. The employer or insurer shall make available to the obligee or the department any necessary claim forms or enrollment membership cards if required to obtain services.

3. The obligor's employer and insurer shall have immunity from any liability, civil or criminal, which might otherwise be incurred or imposed for any information released by such employer or insurer pursuant to this chapter.

4. The department may release to the obligor's employer or insurer or to the obligee information necessary to obtain, enforce, and collect medical support.

90 Acts, ch 1224, §32; 94 Acts, ch 1171, §29

**252E.9 Responsibilities of the obligor.**

1. For cases for which services are being provided pursuant to chapter 252B, an obligor who fails to maintain medical support for the benefit of the dependent as ordered shall be liable to the obligee or the department for any medical expenses incurred from the date of the court order. Proof of failure to maintain medical support constitutes a showing of increased need and provides a basis for the establishment of a monetary amount for medical support.

2. For cases for which services are being provided pursuant to chapter 252B, the obligor shall notify the obligee and the department within ten days of a change in the terms or conditions of coverage under a health benefit plan. Such changes may include, but are not limited to, a change in deductibles, coinsurance, preadmission notification requirements, coverage for dental, optical, office visits, prescription drugs, inpatient and outpatient hospitalization, and any other changes which materially affect the coverage. Costs incurred by the obligee or the department as a result of the obligor's failure to provide notification as required are recoverable from the obligor.

90 Acts, ch 1224, §33

**252E.10 Responsibility of the department.**

For cases for which services are being provided pursuant to chapter 252B, the department shall take steps required by federal regulations to implement and enforce an order for medical support.

90 Acts, ch 1224, §34

**252E.11 Assignment.**

If medical assistance is provided by the department to a dependent pursuant to chapter 249A, rights to medical support payments are assigned to the department.

90 Acts, ch 1224, §35; 93 Acts, ch 78, §23

Referred to in §249A.54, 252A.13, 598.21C, 598.34, 600B.38

**252E.12 Enforcement.**

For the purposes of enforcement pursuant to chapter 252B, medical support may be reduced to a dollar amount and may be collected through the same remedies available for the collection and enforcement of child support.

90 Acts, ch 1224, §36

**252E.13 Modification of support order.**

1. Subject to 28 U.S.C. § 1738B, when high potential for obtaining medical support exists, the obligee or the department may petition for a modification of the obligor's support order to include medical support or a monetary amount for medical support pursuant to this chapter.

2. In addition, if a support order does not provide medical support as defined in this chapter or equivalent medical support, the department or a party to the order may seek a modification of the order.

3. Subject to 28 U.S.C. § 1738B, the department may amend information concerning the provisions regarding health benefits in a court or administrative order if notice of the amendment is provided to the court and to the parties to the order and if the amendment is filed with the clerk of court.

90 Acts, ch 1224, §37; 94 Acts, ch 1171, §30; 96 Acts, ch 1141, §25; 97 Acts, ch 175, §76

**252E.14 Child support.**

Unless the order specifies otherwise, medical support is not included in the monetary amount of child support ordered to be paid for orders entered on or after July 1, 1990.

90 Acts, ch 1224, §38

**252E.15 Rulemaking authority — compliance.**

The department shall adopt rules pursuant to chapter 17A to implement this chapter for cases for which services are being provided pursuant to chapter 252B. The department shall cooperate with any agency of the state or federal government as may be necessary to qualify for federal funds in conformity with provisions of this chapter and Tit. IV-D of the federal Social Security Act.

90 Acts, ch 1224, §39; 2010 Acts, ch 1061, §180

**252E.16 Scope and effect.**

1. The provisions of this chapter take effect July 1, 1990, for all support orders entered pursuant to chapter 234, 252A, 252C, 598, or 600B.

2. If an obligor was ordered to provide a health benefit plan or insurance coverage under an order entered prior to July 1, 1990, but did not comply with the order, insurers are not liable for medical expenses incurred prior to July 1, 1990. However, such an order may be implemented pursuant to the provisions of this chapter following its enactment. This chapter shall not be implemented retroactively; however, previous orders for medical support not otherwise complied with may be reduced to a dollar amount and collected from the obligor.

90 Acts, ch 1224, §40

# CHAPTER 252F

## ADMINISTRATIVE ESTABLISHMENT OF PATERNITY

Referred to in §252A.3A, 252A.6, 252A.6A, 252B.3, 252B.4, 252B.5, 252B.9, 252B.20, 252B.26, 252C.1, 252C.4, 252D.1, 252D.16, 252D.16A, 252E.1, 252E.1A, 252H.2, 252H.21, 252I.2, 252J.1, 252K.701, 598.21C, 598.21G, 598.22, 598.22B, 598.23A, 600.11, 600B.41A, 602.8102(47)


252F.1 Definitions.
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**252F.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Administrator"* means the administrator of the child support recovery unit of the department of human services or the administrator's designee.

2. *"Child"* means a person who is less than age eighteen or a person who is age eighteen but less than age nineteen and is engaged full-time in completing high school graduation or equivalency requirements in a manner which is reasonably expected to result in completion of the requirements prior to the person reaching age nineteen.

3. *"Mother"* means a mother of the child for whom paternity is being established.

4. *"Party"* means a putative father or a mother, as named in an action.

5. *"Paternity is at issue"* means any of the following conditions:

*a.* A child was not born or conceived within marriage.

*b.* A child was born or conceived within marriage but a court has declared that the child is not the issue of the marriage.

6. *"Paternity test"* means and includes any form of blood, tissue, or genetic testing administered to determine the biological father of a child.

7. *"Putative father"* means a person alleged to be the biological father of a child.

8. *"Unit"* means the child support recovery unit created in section 252B.2.

93 Acts, ch 79, §14; 94 Acts, ch 1171, §31; 2006 Acts, ch 1016, §12; 2007 Acts, ch 218, §168, 187; 2008 Acts, ch 1019, §18, 20; 2010 Acts, ch 1142, §2

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252F.2 Jurisdiction.**

In any case in which the unit is providing services pursuant to chapter 252B and paternity is at issue, proceedings may be initiated by the unit pursuant to this chapter for the sole purpose of establishing paternity and any accrued or accruing child support or medical support obligations. Proceedings under this chapter are in addition to other means of establishing paternity or support. Issues in addition to establishment of paternity or support obligations shall not be addressed in proceedings initiated under this chapter.

An action to establish paternity and support under this chapter may be brought within the time limitations set forth in section 614.8.

93 Acts, ch 79, §15

**252F.3 Notice of alleged paternity and support debt — conference — request for hearing.**

1. The unit may prepare a notice of alleged paternity and support debt to be served on a party if the mother of the child or a government official with knowledge of the circumstances of possible paternity relying on government records provides a written statement to the department of human services certifying in accordance with section 622.1 that the putative father is or may be the biological father of the child or children involved. The notice shall be accompanied by a copy of the statement and served on the putative father in accordance with rule of civil procedure 1.305. Service upon the mother shall not constitute valid service upon the putative father. The notice shall include or be accompanied by all of the following:

*a.* The name of the recipient of services under chapter 252B and the name and birth date of the child or children involved.

*b.* A statement that the putative father has been named as the biological father of the child or children named.

*c.* A statement that if paternity is established, the amount of the putative father's monthly support obligation and the amount of the support debt accrued and accruing will be established in accordance with the guidelines established in section 598.21B, and the criteria established pursuant to section 252B.7A.

*d.* A statement that if paternity is established, a party has a duty to provide accrued and accruing medical support to the child or children in accordance with chapter 252E.

*e.* A written explanation of the procedures for determining the child support obligation and a request for financial or income information as necessary for application of the child support guidelines established pursuant to section 598.21B.

*f.* (1) The right of a party to request a conference with the unit to discuss paternity establishment and the amount of support that a party may be required to provide, within ten days of the date of service of the original notice or, if paternity is contested and paternity testing is conducted, within ten days of the date the paternity test results are issued or mailed to a party by the unit.

(2) A statement that if a conference is requested, a party shall have one of the following time frames, whichever is the latest, to send a written request for a court hearing on the issue of support to the unit:

(a) Ten days from the date set for the conference.

(b) Twenty days from the date of service of the original notice.

(c) If paternity was contested and paternity testing was conducted, and a party does not deny paternity after the testing or challenge the paternity test results, twenty days from the date paternity test results are issued or mailed by the unit to the party.

(3) A statement that after the holding of the conference, the unit shall issue a new notice of alleged paternity and finding of financial responsibility for child support or medical support, or both, to be provided in person to each party or sent to each party by regular mail addressed to the party's last known address or, if applicable, to the last known address of the party's attorney.

(4) A statement that if the unit issues a new notice of alleged paternity and finding of financial responsibility for child support or medical support, or both, a party shall have one of the following time frames, whichever is the latest, to send a written request for a court hearing on the issue of support to the unit:

(a) Ten days from the date of issuance of the new notice.

(b) Twenty days from the date of service of the original notice.

(c) If paternity was contested and paternity testing conducted, and a party does not deny paternity after the testing or challenge the paternity test results, twenty days from the date the paternity test results are issued or mailed to the party by the unit.

*g.* A statement that if a conference is not requested, and a party does not deny paternity or challenge the results of any paternity testing conducted but objects to the finding of financial responsibility or the amount of child support or medical support, or both, the party shall send a written request for a court hearing on the issue of support to the unit within twenty days of the date of service of the original notice, or, if paternity was contested and paternity testing conducted, and a party does not deny paternity after the testing or challenge the paternity test results, within twenty days from the date the paternity test results are issued or mailed to the party by the unit, whichever is later.

*h.* A statement that if a timely written request for a hearing on the issue of support is received by the unit, the party shall have the right to a hearing to be held in district court and that if no timely written request is received and paternity is not contested, the administrator shall enter an order establishing the putative father as the father of the child or children and establishing child support or medical support, or both, in accordance with the notice of alleged paternity and support debt.

*i.* A written explanation of the rights and responsibilities associated with the establishment of paternity.

*j.* A written explanation of a party's right to deny paternity, the procedures for denying paternity, and the consequences of the denial.

*k.* A statement that if a party contests paternity, the party shall have twenty days from the date of service of the original notice to submit a written denial of paternity to the unit.

*l.* A statement that if paternity is contested, the unit shall, at the request of the party contesting paternity or on its own initiative, enter an administrative order requiring the putative father, mother, and child or children involved, to submit to paternity testing.

*m.* A statement that if paternity tests are conducted, the unit shall provide a copy of the test results to each party in person or send a copy to each party by regular mail, addressed to the party's last known address, or, if applicable, to the last known address of the party's attorney.

*n.* A statement setting forth the time frames for contesting paternity after paternity tests are conducted.

*o.* Other information as the unit finds appropriate.

2. The time limitations established for the notice provisions under subsection 1 are binding unless otherwise specified in this chapter or waived pursuant to section 252F.8.

3. *a.* If notice is served on a party, the unit shall file a true copy of the notice and the original return of service with the appropriate clerk of the district court as follows:

(1) In the county in which the child or children reside if the action is for purposes of establishing paternity and future child or medical support, or both.

(2) In the county in which the child or children involved last received public assistance benefits in the state, if the action is for purposes of establishing paternity and child or medical support, or both, only for prior periods of time when the child or children received public assistance, and no ongoing child or medical support obligation is to be established by this action.

(3) If the action is the result of a request from a foreign jurisdiction to establish paternity of a putative father located in Iowa, in the county in which the putative father resides.

*b.* All subsequent documents filed or court hearings held related to the action shall be in the district court in the county in which notice was filed pursuant to this subsection. The clerk shall file and docket the action.

4. A party or the child support recovery unit may request a court hearing regarding establishment of paternity or a determination of support, or both.

*a.* Upon receipt of a timely written response requesting a hearing or on its own initiative, the unit shall certify the matter for hearing in the district court in the county where the original notice of alleged paternity and support debt is filed, in accordance with section 252F.5.

*b.* If paternity establishment was contested and paternity tests conducted, a court hearing on the issue of paternity shall be held no earlier than thirty days from the date paternity test results are issued to all parties by the unit, unless the parties mutually agree to waive the time frame pursuant to section 252F.8.

*c.* Any objection to the results of paternity tests shall be filed no later than twenty days after the date paternity test results are issued or mailed to each party by the unit. Any objection to paternity test results filed by a party more than twenty days after the date paternity tests are issued or mailed to the party by the unit shall not be accepted or considered by the court.

5. If a timely written response and request for a court hearing is not received by the unit and a party does not deny paternity, the administrator shall enter an order in accordance with section 252F.4.

6. *a.* If a party contests the establishment of paternity, the party shall submit, within twenty days of service of the notice on the party under subsection 1, a written statement contesting paternity establishment to the unit. Upon receipt of a written challenge of paternity establishment, or upon initiation by the unit, the administrator shall enter ex parte administrative orders requiring the mother, child or children involved, and the putative father to submit to paternity testing. Either the mother or putative father may contest paternity under this chapter.

*b.* The orders shall be filed with the clerk of the district court in the county where the notice was filed and have the same force and effect as a court order for paternity testing.

*c.* The unit shall issue copies of the respective administrative orders for paternity testing to the mother and putative father in person, or by regular mail to the last known address of each, or if applicable, to the last known address of the attorney for each.

*d.* If a paternity test is ordered under this section, the administrator shall direct that inherited characteristics be analyzed and interpreted, and shall appoint an expert qualified as an examiner of genetic markers to analyze and interpret the results. The test shall be of a type generally acknowledged as reliable by accreditation entities designated by the secretary of the United States department of health and human services and shall be performed by a laboratory approved by an accreditation entity.

*e.* The party contesting paternity shall be provided one opportunity to reschedule the paternity testing appointment if the testing is rescheduled prior to the date of the originally scheduled appointment.

*f.* An original copy of the test results shall be filed with the clerk of the district court in the

county where the notice was filed. The child support recovery unit shall issue a copy of the filed test results to each party in person, or by regular mail to the last known address of each, or if applicable, to the last known address of the attorney for each. However, if the action is the result of a request from a foreign jurisdiction, the unit shall issue a copy of the results to the initiating agency in that foreign jurisdiction.

*g.* Verified documentation of the chain of custody of the blood or genetic specimens is competent evidence to establish the chain of custody. The testimony of the appointed expert is not required. A verified expert's report of test results which indicate a statistical probability of paternity is sufficient authenticity of the expert's conclusion.

*h.* A verified expert's report shall be admitted as evidence to establish administrative paternity, and, if a court hearing is scheduled to resolve the issue of paternity, shall be admitted as evidence and is admissible at trial.

*i.* If the verified expert concludes that the test results show that the putative father is not excluded and that the probability of the putative father's paternity is ninety-five percent or higher, there shall be a rebuttable presumption that the putative father is the biological father, and the evidence shall be sufficient as a basis for administrative establishment of paternity.

(1) In order to challenge the presumption of paternity, a party shall file a written notice of the challenge with the district court within twenty days from the date the paternity test results are issued or mailed to all parties by the unit. Any challenge to a presumption of paternity resulting from paternity tests, or to paternity test results filed after the lapse of the twenty-day time frame shall not be accepted or admissible by the unit or the court.

(2) A copy of the notice challenging the presumption of paternity shall be provided to any other party in person, or by mailing the notice to the last known address of each party, or if applicable, to the last known address of each party's attorney.

(3) The party challenging the presumption of paternity has the burden of proving that the putative father is not the father of the child.

(4) The presumption of paternity may be rebutted only by clear and convincing evidence.

*j.* If the verified expert concludes that the test results indicate that the putative father is not excluded and that the probability of the putative father's paternity is less than ninety-five percent, the administrator shall order a subsequent administrative paternity test or certify the case to the district court for resolution in accordance with the procedures and time frames specified in paragraph "*i*" and section 252F.5.

*k.* If the results of the test or the verified expert's analysis are timely challenged as provided in this subsection, the administrator, upon the request of a party and advance payment by the contestant or upon the unit's own initiative, shall order that an additional test be performed by the same laboratory or an independent laboratory. If the party requesting additional testing does not advance payment, the administrator shall certify the case to the district court in accordance with paragraph "*i*" and section 252F.5.

*l.* When a subsequent paternity test is conducted, the time frames in this chapter associated with paternity tests shall apply to the most recently completed test.

*m.* If the paternity test results exclude the putative father as a potential biological father of the child or children, and additional tests are not requested by either party or conducted on the unit's initiative, or if additional tests exclude the putative father as a potential biological father, the unit shall withdraw its action against the putative father and shall file a notice of the withdrawal with the clerk of the district court, and shall provide a copy of the notice to each party in person, or by regular mail sent to each party's last known address, or if applicable, the last known address of the party's attorney.

*n.* Except as provided in paragraph "*k*", the unit shall advance the costs of genetic testing. If paternity is established and paternity testing was conducted, the unit shall enter an order or, if the action proceeded to a court hearing, request that the court enter a judgment for the costs of the paternity tests consistent with applicable federal law. In a proceeding under this chapter, a copy of a bill for genetic testing shall be admitted as evidence without requiring

third-party foundation testimony and shall constitute prima facie evidence of the amount incurred for genetic testing.

93 Acts, ch 79, §16; 94 Acts, ch 1171, §32; 96 Acts, ch 1141, §5, 6; 97 Acts, ch 175, §77 – 84; 2005 Acts, ch 69, §17; 2007 Acts, ch 218, §169 – 175, 187; 2008 Acts, ch 1019, §18, 20; 2009 Acts, ch 41, §263; 2010 Acts, ch 1069, §29; 2012 Acts, ch 1061, §1

Referred to in §234.39, 252F.4, 252F.5, 252F.6

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252F.4 Entry of order.**

1. If each party fails to respond to the initial notice within twenty days after the date of service of the notice or fails to appear at a conference pursuant to section 252F.3 on the scheduled date of the conference, and paternity has not been contested and each party fails to timely request a court hearing on the issue of support, the administrator shall enter an order against the parties, declaring the putative father to be the legal father of the child or children involved and assessing any accrued and accruing child support obligation pursuant to the guidelines established under section 598.21B, and medical support pursuant to chapter 252E.

2. If paternity is contested pursuant to section 252F.3, subsection 6, and the party contesting paternity fails to appear for a paternity test and fails to request a rescheduling pursuant to section 252F.3, or fails to appear for both the initial and the rescheduled paternity tests and each party fails to timely request a court hearing on the issue of support, the administrator shall enter an order against the parties declaring the putative father to be the legal father of the child or children involved and assessing any accrued and accruing child support obligation pursuant to the guidelines established under section 598.21B, and medical support pursuant to chapter 252E.

3. If a conference pursuant to section 252F.3 is held, and paternity is not contested, and each party fails to timely request a court hearing on the issue of support, the administrator shall enter an order against the parties after the second notice has been sent declaring the putative father to be the legal father of the child or children involved and assessing any accrued and accruing child support obligation pursuant to the guidelines established under section 598.21B, and medical support pursuant to chapter 252E.

4. If paternity was contested and paternity testing was performed and the putative father was not excluded, if the test results indicate that the probability of the putative father's paternity is ninety-five percent or greater, if the test results are not timely challenged, and if each party fails to timely request a court hearing on the issue of support, the administrator shall enter an order against the parties declaring the putative father to be the legal father of the child or children involved and assessing any accrued and accruing child support obligation pursuant to the guidelines established under section 598.21B, and medical support pursuant to chapter 252E.

5. The administrator shall establish a support obligation under this section based upon the best information available to the unit and pursuant to section 252B.7A.

6. The order shall contain all of the following:

*a.* A declaration of paternity.

*b.* The amount of monthly support to be paid, with direction as to the manner of payment.

*c.* The amount of accrued support.

*d.* The name of the custodial parent or caretaker.

*e.* The name and birth date of the child or children to whom the order applies.

*f.* A statement that property of a party ordered to provide support is subject to income withholding, liens, garnishment, tax offset, and other collection actions.

*g.* The medical support required pursuant to chapter 598 and chapter 252E.

*h.* A statement that a party who is ordered to provide support is required to inform the child support recovery unit, on a continuing basis, of the name and address of the party's current employer, whether the party has access to health insurance coverage as required in the order, and if so, the health insurance policy information.

*i.* If paternity was contested by the putative father, the amount of any judgment assessed to the father for costs of paternity tests conducted pursuant to this chapter.

*j.* Statements as required pursuant to section 598.22B.

7. If paternity is not contested but a party does wish to challenge the issues of child or medical support, the administrator shall enter an order establishing paternity and reserving the issues of child or medical support for determination by the district court.

93 Acts, ch 79, §17; 94 Acts, ch 1171, §33; 97 Acts, ch 175, §85; 2005 Acts, ch 69, §18; 2007 Acts, ch 218, §176, 187; 2008 Acts, ch 1019, §18, 20; 2010 Acts, ch 1142, §3

Referred to in §252F.3

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252F.5 Certification to district court.**

1. Actions initiated under this chapter are not subject to contested case proceedings or further review pursuant to chapter 17A.

2. An action under this chapter may be certified to the district court if a party timely contests paternity establishment or paternity test results, or if a party requests a court hearing on the issues of child or medical support, or both, or upon the initiation of the unit as provided in this chapter. Review by the district court shall be an original hearing before the court.

3. In any action brought under this chapter, the action shall not be certified to the district court in a contested paternity action unless all of the following have occurred:

*a.* Paternity testing has been completed.

*b.* The results of the paternity test have been issued to all parties.

*c.* A timely written objection to paternity establishment or paternity test results has been received from a party, or a timely written request for a court hearing on the issue of support has been received from a party by the unit, or the unit has requested a court hearing on the unit's own initiative.

4. A matter shall be certified to the district court in the county in which the notice was filed pursuant to section 252F.3, subsection 3.

5. The court shall set the matter for hearing and notify the parties of the time of and place for hearing.

6. If the court determines that the putative father is the legal father, the court shall establish the amount of the accrued and accruing child support pursuant to the guidelines established under section 598.21B, and shall establish medical support pursuant to chapter 252E.

7. If the putative father or another party contesting paternity fails to appear at the hearing, upon a showing that proper notice has been provided to the party, the court shall find the party in default and enter an appropriate order establishing paternity and support.

93 Acts, ch 79, §18; 94 Acts, ch 1171, §34; 97 Acts, ch 175, §86; 2005 Acts, ch 69, §19; 2007 Acts, ch 218, §177, 178, 187; 2008 Acts, ch 1019, §18, 20

Referred to in §252F.3

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252F.6 Filing with the district court.**

Following issuance of an order by the administrator, the order shall be presented to an appropriate district court judge for review and approval. Unless a defect appears on the face of the order, the district court shall approve the order. Upon approval by the district court judge, the order shall be filed in the district court in the county in which the notice was filed pursuant to section 252F.3, subsection 3. Upon filing, the order has the same force and effect as a district court order.

93 Acts, ch 79, §19

**252F.7 Report to vital records.**

Upon the filing of an order with the district court pursuant to this chapter, the clerk of the district court shall report the information from the order to the bureau of vital records in the manner provided in section 600B.36.

93 Acts, ch 79, §20; 2001 Acts, ch 24, §41

**252F.8 Waiver of time limitations.**

1. A putative father or other party may waive the time limitations established in this chapter.

2. If a party does not contest paternity or wish to request a conference or court hearing on the issue of support, upon receipt of a signed statement from the putative father and any other party that may contest establishment of paternity, waiving the time limitations, the administrator shall enter an order establishing paternity and support and the court may approve the order, notwithstanding the expiration of the period of the time limitations if paternity is established.

3. If a putative father or other party waives the time limitations and an order establishing paternity or determining support, or both, is entered under this chapter, the signed statement of the putative father and other party waiving the time limitations shall be filed with the order.

93 Acts, ch 79, §21; 94 Acts, ch 1171, §35

Referred to in §252F.3

# CHAPTER 252G

## CENTRAL EMPLOYEE REGISTRY

Referred to in §22.7, 252B.3, 252B.9


252G.1 Definitions.
252G.2 Establishment of central employee registry.
252G.3 Employer reporting requirements — penalty.
252G.4 Alternative reporting requirements — penalty.
252G.5 Access to centralized employee registry.
252G.6 Administration and costs of the centralized employee registry.
252G.7 Data entry and transmitting centralized employee registry records to the national new hire registry.
252G.8 Income withholding requirements.


**252G.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Business day"* means a day on which state offices are open for regular business.

2. *"Compensation"* means payment owed by the payor of income for:

*a.* Labor or services rendered by an employee or contractor to the payor of income.

*b.* Benefits including, but not limited to, vacation, holiday, and sick leave, and severance payments which are due an employee under an agreement with the employer or under a policy of the employer.

3. *"Contractor"* means a natural person who is eighteen years of age or older, who performs labor in this state to whom a payor of income makes payments which are not subject to withholding and for whom the payor of income is required by the internal revenue service to complete a 1099-MISC form.

4. *"Date of hire"* means either of the following:

*a.* The first day for which an employee is owed compensation by the payor of income.

*b.* The first day that a contractor performs labor or services for the payor of income.

5. *"Days"* means calendar days.

6. *"Department"* means the department of human services.

7. *"Dependent"* includes a spouse or child or any other person who is in need of and entitled to support from a person who is declared to be legally liable for the support of that dependent.

8. *"Employee"* means a natural person who performs labor in this state and is employed by an employer in this state for compensation and for whom the employer withholds federal or state tax liabilities from the employee's compensation.

9. *"Employer"* means a person doing business in this state who engages an employee for compensation and for whom the employer withholds federal or state tax liabilities from

the employee's compensation. *"Employer"* includes any governmental entity and any labor organization.

10. *"Labor organization"* means any organization of any kind, or any agency, or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

11. *"Natural person"* means an individual and not a corporation, government, business trust, estate, partnership, proprietorship, or other legal entity, however organized.

12. *"Payor of income"* includes both an employer and a person engaged in a trade or business in this state who engages a contractor for compensation.

13. *"Registry"* means the central employee registry created in section 252G.2.

14. *"Rehire"* means the first day for which an employee is owed compensation by the payor of income following a termination of employment lasting a minimum of six consecutive weeks. Termination of employment does not include temporary separations from employment such as unpaid medical leave, an unpaid leave of absence, or a temporary layoff.

15. *"Unit"* means the child support recovery unit created in section 252B.2.

93 Acts, ch 79, §3; 94 Acts, ch 1171, §36; 97 Acts, ch 175, §87, 88
Referred to in §84A.5, 252J.1

**252G.2 Establishment of central employee registry.**

By January 1, 1994, the unit shall establish a centralized employee registry database for the purpose of receiving and maintaining information on newly hired or rehired employees from employers. The unit shall establish the database and the department may adopt rules in conjunction with the department of revenue and the department of workforce development to identify appropriate uses of the registry and to implement this chapter, including implementation through the entering of agreements pursuant to chapter 28E.

93 Acts, ch 79, §4; 96 Acts, ch 1186, §23; 2003 Acts, ch 145, §286
Referred to in §252G.1, 252G.4

**252G.3 Employer reporting requirements — penalty.**

1. Beginning January 1, 1994, an employer who hires or rehires an employee on or after January 1, 1994, shall report the hiring or rehiring of the employee to the centralized employee registry in accordance with one of the following time frames:

*a.* Within fifteen days of the hiring or rehiring of the employee.

*b.* If the employer is transmitting hire and rehire reports magnetically or electronically, the employer may report through transmissions which are not less than twelve nor more than sixteen days apart.

2. The report submitted shall contain all of the following:

*a.* The employer's name, address, and federal identification number.

*b.* The employee's name, address, and social security number.

*c.* Information regarding whether the employer has employee dependent health care coverage available and the appropriate date on which the employee may qualify for the coverage.

*d.* The address to which income withholding orders or the notices of orders and garnishments should be sent.

*e.* The employee's date of birth.

3. Employers required to report may report the information required under subsection 2 by any of the following means:

*a.* By mailing a copy of the employee's Iowa employee's withholding allowance certificate to the registry.

*b.* By submitting electronic media in a format approved by the unit in advance.

*c.* By submitting a fax transmission of the employee's Iowa employee's withholding allowance certificate to the registry.

*d.* By any other means authorized by the unit in advance if the means will result in timely reporting.

*e.* By submitting both of the following:

(1) For the information in subsection 2, paragraphs "*a*" and "*b*", by transmitting by first class mail, magnetically or electronically, a federal W-4 form, or, at the option of the employer, an equivalent form.

(2) By reporting the other information required in subsection 2 by any of the means provided in paragraph "*a*", "*b*", "*c*", or "*d*" of this subsection.

4. An employer with employees in two or more states that transmits reports magnetically or electronically may comply with subsection 1 by transmitting the report described in subsection 1 to each state, or by designating as the recipient state one state, in which the employer has employees, and transmitting the report to that state. An employer that transmits reports pursuant to this subsection shall notify the United States secretary of health and human services, in writing, of the state designated by the employer for the purpose of transmitting reports.

5. If an employer fails to report as required under this section, an action may be brought against the employer by any state agency accessing or administering the registry, or by the attorney general. The action may be brought in district court in the county in which the employer has its principal place of business, or if the employer has no principal place of business, in any county in which an employee is performing labor or service for compensation, or in Polk county to determine noncompliance with this section. A willful failure to provide the information shall be punishable as contempt.

93 Acts, ch 79, §5; 94 Acts, ch 1171, §37; 96 Acts, ch 1141, §15; 97 Acts, ch 175, §89, 90; 98 Acts, ch 1170, §21

Referred to in §252G.4

**252G.4 Alternative reporting requirements — penalty.**

1. *a.* Beginning January 1, 1994, a payor of income to whom section 252G.3 is inapplicable, who enters into an agreement for the performance of services with a contractor, shall report the contractor to the registry. Payors of income shall report contractors performing labor under an agreement within fifteen days of the date on which all of the following conditions are met:

(1) The payor issues payment to the contractor in an amount which exceeds the amount required for the filing of a 1099-MISC report.

(2) Payment to the contractor under an agreement is made in a form which is other than a lump sum payment, within a calendar year.

*b.* The payor of income is not required to file more than one report for any contractor.

2. The report submitted to the registry shall contain all of the following:

*a.* The name, address, and federal identification number of the payor of income.

*b.* The contractor's name, address, social security number, and if known, the contractor's date of birth.

3. A payor of income required to report under this section may report the information required under subsection 1 by any written means authorized by the unit which results in timely reporting.

4. Information reported under this section shall be received and maintained as provided in section 252G.2.

5. A payor of income required to report under this section who fails to report is subject to the penalty provided in section 252G.3, subsection 5.

93 Acts, ch 79, §6; 94 Acts, ch 1171, §38; 2009 Acts, ch 41, §263

**252G.5 Access to centralized employee registry.**

The records of the centralized employee registry are confidential records pursuant to sections 22.7 and 252B.9, and may be accessed only by state agencies as provided in this section and section 252B.9. When a state agency accesses information in the registry, the agency may use the information to update the agency's own records. Access to and use of the information contained in the registry shall be limited to the following:

1. The unit for administration of the child support enforcement program, including but not limited to activities related to establishment and enforcement of child and medical

support obligations through administrative or judicial processes, and other services authorized pursuant to chapter 252B.

2. State agencies as specified under 42 U.S.C. § 653A which utilize income information for the determination of eligibility or calculation of payments for benefit or entitlement payments unless prohibited under federal law.

3. State agencies operating employment security and workers' compensation programs for the purposes of administering such programs unless prohibited under federal law.

93 Acts, ch 79, §7; 98 Acts, ch 1170, §22; 2012 Acts, ch 1033, §9

**252G.6 Administration and costs of the centralized employee registry.**

1. The registry shall maintain the information received from employers for a minimum period of six months.

2. State agencies accessing the centralized registry shall participate in a proportionate cost sharing to defray the administrative costs of the registry. The amount of a state agency's proportionate share shall be established by rule of the department.

93 Acts, ch 79, §8

**252G.7 Data entry and transmitting centralized employee registry records to the national new hire registry.**

The unit shall enter new hire data into the centralized employee directory database within five business days of receipt from employers and shall transmit the records of the centralized employee registry to the national directory of new hires within three business days after the date information regarding a newly hired employee is entered into the centralized employee registry.

97 Acts, ch 175, §91

**252G.8 Income withholding requirements.**

Within two business days after the date information regarding a newly hired employee is entered into the centralized employee registry and matched with obligors in cases being enforced by the unit, the unit shall transmit a notice to the employer or payor of income of the employee directing the employer or payor of income to withhold from the income of the employee in accordance with chapter 252D.

97 Acts, ch 175, §92

# CHAPTER 252H

## ADJUSTMENT AND MODIFICATION OF SUPPORT ORDERS

Referred to in §234.39, 252B.3, 252B.5, 252B.9, 252B.26, 252D.16, 252D.16A, 252E.1, 252E.1A, 252J.1, 598.21C, 598.22B

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## SUBCHAPTER I

## GENERAL PROVISIONS

Referred to in §252H.24

**252H.1 Purpose and intent.**

This chapter is intended to provide a means for state compliance with Tit. IV-D of the federal Social Security Act, as amended, requiring states to provide procedures for the review and adjustment of support orders being enforced under Tit. IV-D of the federal Social Security Act, and also to provide an expedited modification process when review and adjustment procedures are not required, appropriate, or applicable. Actions under this chapter shall be initiated only by the child support recovery unit.

93 Acts, ch 78, §24; 97 Acts, ch 175, §93

**252H.2 Definitions.**

1. As used in this chapter, unless the context otherwise requires, *"administrator"*, *"caretaker"*, *"court order"*, *"department"*, *"dependent child"*, *"medical support"*, and *"responsible person"* mean the same as defined in section 252C.1.

2. As used in this chapter, unless the context otherwise requires:

*a.* *"Act"* means the federal Social Security Act.

*b.* *"Adjustment"* applies only to the child support provisions of a support order and means either of the following:

(1) A change in the amount of child support based upon an application of the child support guidelines established pursuant to section 598.21B.

(2) An addition of or change to provisions for medical support as provided in chapter 252E.

*c.* *"Child"* means a child as defined in section 252B.1.

*d.* *"Child support agency"* means any state, county, or local office or entity of another state that has the responsibility for providing child support enforcement services under Tit. IV-D of the Act.

*e.* *"Child support recovery unit"* or *"unit"* means the child support recovery unit created pursuant to section 252B.2.

*f.* *"Cost-of-living alteration"* means a change in an existing child support order which equals an amount which is the amount of the support obligation following application of the percentage change of the consumer price index for all urban consumers, United States city average, as published in the federal register by the federal department of labor, bureau of labor statistics.

*g.* *"Determination of controlling order"* means the process of identifying a child support

order which must be recognized pursuant to section 252K.207 and 28 U.S.C. § 1738B, when more than one state has issued a support order for the same child and the same obligor, and may include a reconciliation of arrearages with information related to the calculation. Registration of a foreign order is not necessary for a court or the unit to make a determination of controlling order.

*h.* *"Modification"* means either of the following:

(1) A change, correction, or termination of an existing support order.

(2) The establishment of a child or medical support obligation in a previously established order entered pursuant to chapter 234, 252A, 252C, 598, 600B, or any other support proceeding, in which such support was not previously established, or in which support was previously established and subsequently terminated prior to the emancipation of the children affected.

*i.* *"Parent"* means, for the purposes of requesting a review of a support order and for being entitled to notice under this chapter:

(1) The individual ordered to pay support pursuant to the order.

(2) An individual or entity entitled to receive current or future support payments pursuant to the order, or pursuant to a current assignment of support including but not limited to an agency of this or any other state that is currently providing public assistance benefits to the child for whom support is ordered and any child support agency. Service of notice of an action initiated under this chapter on an agency is not required, but the agency may be advised of the action by other means.

*j.* *"Public assistance"* means benefits received in this state or any other state, under Tit. IV-A (temporary assistance to needy families), IV-E (foster care), or XIX (Medicaid) of the Act.

*k.* *"Review"* means an objective evaluation conducted through a proceeding before a court, administrative body, or an agency, of information necessary for the application of a state's mandatory child support guidelines to determine:

(1) The appropriate monetary amount of support.

(2) Provisions for medical support.

*l.* *"State"* means *"state"* as defined in section 252K.101.

*m.* *"Support order"* means an order for support issued pursuant to chapter 232, 234, 252A, 252C, 252E, 252F, 252H, 598, 600B, or any other applicable chapter, or under a comparable statute of a foreign jurisdiction as registered with the clerk of court or certified to the child support recovery unit.

93 Acts, ch 78, §25; 93 Acts, ch 79, §47; 97 Acts, ch 175, §94 – 96; 98 Acts, ch 1170, §35; 2002 Acts, ch 1018, §10; 2005 Acts, ch 69, §20; 2007 Acts, ch 218, §179, 180, 187; 2008 Acts, ch 1019, §18, 20; 2009 Acts, ch 41, §263; 2011 Acts, ch 67, §2

Referred to in §252B.1, 252I.4, 252J.1

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252H.3 Scope of the administrative adjustment or modification — role of district court in contested cases.**

1. Any action initiated under this chapter, including any court hearing resulting from an action, shall be limited in scope to the adjustment or modification of the child or medical support or cost-of-living alteration of the child support provisions of a support order. A determination of a controlling order is within the scope of this chapter. If the social security disability provisions of sections 598.22 and 598.22C apply, a determination of the amount of delinquent support due is within the scope of this chapter.

2. Nonsupport issues shall not be considered by the unit or the court in any action resulting under this chapter.

3. Actions initiated by the unit under this chapter shall not be subject to contested case proceedings or further review pursuant to chapter 17A and resulting court hearings following certification shall be an original hearing before the district court.

93 Acts, ch 78, §26; 97 Acts, ch 175, §97; 98 Acts, ch 1170, §36; 2002 Acts, ch 1018, §11

Referred to in §252H.8

**252H.3A Adding a party.**

A mother or father may be added as a proper party defendant to a support order upon service of a notice as provided in this chapter and without a court order as provided in the rules of civil procedure.

2007 Acts, ch 218, §181, 187; 2008 Acts, ch 1019, §18, 20

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252H.4 Role of the child support recovery unit.**

1. The unit may administratively adjust or modify or may provide for an administrative cost-of-living alteration of a support order entered under chapter 234, 252A, 252C, 598, or 600B, or any other support chapter if the unit is providing enforcement services pursuant to chapter 252B. The unit is not required to intervene to administratively adjust or modify or provide for an administrative cost-of-living alteration of a support order under this chapter.

2. The unit is a party to an action initiated pursuant to this chapter.

3. The unit shall conduct a review to determine whether an adjustment is appropriate or, upon the request of a parent or upon the unit's own initiative, determine whether a modification is appropriate.

4. The unit shall adopt rules pursuant to chapter 17A to establish the process for the review of requests for adjustment, the criteria and procedures for conducting a review and determining when an adjustment is appropriate, the procedure and criteria for a cost-of-living alteration, the criteria and procedure for a request for review pursuant to section 252H.18A, and other rules necessary to implement this chapter.

5. Legal representation of the unit shall be provided pursuant to section 252B.7, subsection 4.

93 Acts, ch 78, §27; 97 Acts, ch 175, §98

**252H.5 Fees and cost recovery for review — adjustment — modification.**

The unit shall, consistent with applicable federal law, charge the following fees for providing the services described in this chapter:

1. A parent ordered to provide support, who requests a review of a support order under subchapter II, shall file an application for services and pay an application fee pursuant to section 252B.4.

2. A parent requesting a service shall pay the fee established for that service as established under this subsection. The fees established are not applicable to a parent who as a condition of eligibility for receiving public assistance benefits has assigned the rights to child or medical support for the order to be reviewed. The following fees shall be paid for the following services:

*a.* A fee for conducting the review, to be paid at the time the request for review is submitted to the unit. If the request for review is denied for any reason, the fee shall be refunded to the parent making the request. Any request submitted without full payment of the fee shall be denied.

*b.* A fee for a second review requested pursuant to section 252H.17, to be paid at the time the request for the second review is submitted to the unit. Any request submitted without full payment of the fee shall be denied.

*c.* A fee for activities performed by the unit in association with a court hearing requested pursuant to section 252H.8.

*d.* A fee for activities performed by the unit in entering an administrative order to adjust support when neither parent requests a court hearing pursuant to section 252H.8. The fee shall be paid during the postreview waiting period under section 252H.17. If the fee is not paid in full during the postreview notice period, further action shall not be taken by the unit to adjust the order unless the parent not requesting the adjustment pays the fee in full during the postreview waiting period, or unless the children affected by the order reviewed are currently receiving public assistance benefits and the proposed adjustment would result in either an increase in the amount of support or in provisions for medical support for the children.

*e.* A fee for conducting a conference requested pursuant to section 252H.20.

3. A parent who requests a review of a support order pursuant to section 252H.13, shall pay any service of process fees for service or attempted service of the notice required in section 252H.15. The unit shall not proceed to conduct a review pursuant to section 252H.16 until service of process fees have been paid in full. The service of process fee requirement of this subsection is not applicable to a parent who as a condition of eligibility for public assistance benefits has assigned the rights to child or medical support for the order to be reviewed. Service of process fees charged by a person other than the unit are distinct from any other fees and recovery of costs provided for in this section.

4. The unit shall, consistent with applicable federal law, recover administrative costs in excess of any fees collected pursuant to subsections 1, 2, and 3 for providing services under this chapter and shall adopt rules providing for collection of fees for administrative costs.

5. The unit shall adopt rules pursuant to chapter 17A to establish procedures and criteria to determine the amount of any fees specified in this section and the administrative costs in excess of these fees.

93 Acts, ch 78, §28

**252H.6 Collection of information.**

The unit may request, obtain, and validate information concerning the financial circumstances of the parents of a child as necessary to determine the appropriate amount of support pursuant to the guidelines established in section 598.21B, including but not limited to those sources and procedures described in sections 252B.7A and 252B.9. The collection of information does not constitute a review conducted pursuant to section 252H.16.

93 Acts, ch 78, §29; 97 Acts, ch 175, §99; 2005 Acts, ch 69, §21

**252H.7 Waiver of notice periods and time limitations.**

1. A parent may waive the fifteen-day prereview waiting period provided for in section 252H.16.

*a.* Upon receipt of signed requests from both parents waiving the prereview waiting period, the unit may conduct a review of the support order prior to the expiration of the fifteen-day period provided in section 252H.16.

*b.* If the parents jointly waive the prereview waiting period and the order under review is subsequently adjusted, the signed statements of both parents waiving the waiting period shall be filed in the court record with the order adjusting the support obligation.

2. A parent may waive the postreview waiting period provided for in section 252H.8, subsection 2 or 7, for a court hearing or in section 252H.17 for requesting of a second review.

*a.* Upon receipt of signed requests from both parents subject to the order reviewed, waiving the postreview waiting period, the unit may enter an administrative order adjusting the support order, if appropriate, prior to the expiration of the postreview waiting period.

*b.* If the parents jointly waive the postreview waiting period and an administrative order to adjust the support order is entered, the signed statements of both parents waiving the waiting period shall be filed in the court record with the administrative order adjusting the support obligation.

3. A parent may waive the time limitations established in section 252H.8, subsection 3, for requesting a court hearing, or in section 252H.20 for requesting a conference.

*a.* Upon receipt of signed requests from both parents who are subject to the order to be modified, waiving the time limitations, the unit may proceed to enter an administrative modification order.

*b.* If the parents jointly waive the time limitations and an administrative modification order is entered under this chapter, the signed statements of both parents waiving the time limitations shall be filed in the court record with the administrative modification order.

93 Acts, ch 78, §30; 2007 Acts, ch 218, §143, 156; 2010 Acts, ch 1142, §4, 5

Referred to in §252H.16

Conflicting administrative rule time limits are inapplicable until amended to conform with amendments to this section by 2010 Acts, ch 1142; 2010 Acts, ch 1142, §10

**252H.8 Certification to court — hearing — default.**

1. For actions initiated under section 252H.15, either parent or the unit may request a

court hearing within fifteen days from the date of issuance of the notice of decision under section 252H.16, or within ten days of the date of issuance of the second notice of decision under section 252H.17, whichever is later.

2. For actions initiated under section 252H.14A, either parent or the unit may request a court hearing within ten days of the issuance of the second notice of decision under section 252H.17.

3. For actions initiated under subchapter III, either parent or the unit may request a court hearing within the latest of any of the following time periods:

*a.* Twenty days from the date of successful service of the notice of intent to modify required under section 252H.19.

*b.* Ten days from the date scheduled for a conference to discuss the modification action.

*c.* Ten days from the date of issuance of a second notice of a proposed modification action.

4. The time limitations for requesting a court hearing under this section may be extended by the unit.

5. If a timely written request for a hearing is received by the unit, a hearing shall be held in district court, and the unit shall certify the matter to the district court in the county in which the order subject to adjustment or modification is filed. The certification shall include the following, as applicable:

*a.* Copies of the notice of intent to review or notice of intent to modify.

*b.* The return of service, proof of service, acceptance of service, or signed statement by the parent requesting review and adjustment or requesting modification, waiving service of the notice.

*c.* Copies of the notice of decision and any revised notice as provided in section 252H.16.

*d.* Copies of any written objections to and request for a second review or conference or hearing.

*e.* Copies of any second notice of decision issued pursuant to section 252H.17, or second notice of proposed modification action issued pursuant to section 252H.20.

*f.* Copies of any financial statements and supporting documentation provided by the parents including proof of a substantial change in circumstances for a request filed pursuant to section 252H.18A.

*g.* Copies of any computation worksheet prepared by the unit to determine the amount of support calculated using the mandatory child support guidelines established under section 598.21B, and, if appropriate and the social security disability provisions of sections 598.22 and 598.22C apply, a determination of the amount of delinquent support due.

*h.* A certified copy of each order, issued by another state, considered in determining the controlling order.

6. The court shall set the matter for hearing and notify the parties of the time and place of the hearing.

7. For actions initiated under section 252H.15, a hearing shall not be held for at least sixteen days following the date of issuance of the notice of decision unless the parents have jointly waived, in writing, the fifteen-day postreview period.

8. Pursuant to section 252H.3, the district court shall review the matter as an original hearing before the court.

9. Issues subject to review by the court in any hearing resulting from an action initiated under this chapter shall be limited to the issues identified in section 252H.3.

10. Notwithstanding any other law to the contrary, if more than one support order exists involving children with the same legally established parents, one hearing on all of the affected support orders shall be held in the district court in the county where the unit files the action. For the purposes of this subsection, the district court hearing the matter shall have jurisdiction over all other support orders entered by a court of this state and affected under this subsection.

11. The court shall establish the amount of child support pursuant to section 598.21B, or medical support pursuant to chapter 252E, or both.

12. If a party fails to appear at the hearing, upon a showing of proper notice to the party, the court may find the party in default and enter an appropriate order.

93 Acts, ch 78, §31; 96 Acts, ch 1141, §1, 2; 97 Acts, ch 175, §100; 98 Acts, ch 1170, §37; 2002 Acts, ch 1018, §12; 2004 Acts, ch 1116, §21; 2005 Acts, ch 69, §22, 23; 2007 Acts, ch 218, §144 – 147, 156; 2010 Acts, ch 1142, §6

Referred to in §252H.5, 252H.7, 252H.9, 252H.11, 252H.14A

Conflicting administrative rule time limits are inapplicable until amended to conform with amendments to this section by 2010 Acts, ch 1142; 2010 Acts, ch 1142, §10

**252H.9 Filing and docketing of administrative adjustment or modification order — order effective as district court order.**

1. If timely request for a court hearing is not made pursuant to section 252H.8, the unit shall prepare and present an administrative order for adjustment or modification, as applicable, for review and approval, ex parte, to the district court where the order to be adjusted or modified is filed. Notwithstanding any other law to the contrary, if more than one support order exists involving children with the same legally established parents, for the purposes of this subsection, the district court reviewing and approving the matter shall have jurisdiction over all other support orders entered by a court of this state and affected under this subsection.

2. For orders to which subchapter II or III is applicable, the unit shall determine the appropriate amount of the child support obligation using the current child support guidelines established pursuant to section 598.21B and the criteria established pursuant to section 252B.7A and shall determine the provisions for medical support pursuant to chapter 252E.

3. The administrative order prepared by the unit shall specify all of the following:

*a.* The amount of support to be paid and the manner of payment.

*b.* The name of the custodian of any child for whom support is to be paid.

*c.* The name of the parent ordered to pay support.

*d.* The name and birth date of any child for whom support is to be paid.

*e.* That the property of the responsible person is subject to collection action, including but not limited to wage withholding, garnishment, attachment of a lien, and other methods of execution.

*f.* Provisions for medical support.

*g.* If applicable, the order determined to be the controlling order.

*h.* If applicable, the amount of delinquent support due based upon the receipt of social security disability payments as provided in sections 598.22 and 598.22C.

4. Supporting documents as described in section 252H.8, subsection 5, may be presented to the court with the administrative order, as applicable.

5. Unless defects appear on the face of the order or on the attachments, the district court shall approve the order. Upon filing, the approved order shall have the same force, effect, and attributes of an order of the district court.

6. Upon filing, the clerk of the district court shall enter the order in the judgment docket and judgment lien index.

7. A copy of the order shall be sent by regular mail within fourteen days after filing to each parent's last known address, or if applicable, to the last known address of the parent's attorney.

8. The order is final, and action by the unit to enforce and collect upon the order, including arrearages and medical support, or both, may be taken from the date of the entry of the order by the district court.

93 Acts, ch 78, §32; 97 Acts, ch 175, §101; 98 Acts, ch 1170, §38; 2002 Acts, ch 1018, §13; 2005 Acts, ch 69, §24; 2007 Acts, ch 218, §148, 156

**252H.10 Effective date of adjustment — modification.**

1. Pursuant to section 598.21C, any administrative or court order resulting from an action initiated under this chapter may be made retroactive only from three months after the date that all parties were successfully served the notice required under section 252H.14A, 252H.15, or section 252H.19, as applicable.

2. The periodic due date established under a prior order for payment of child support

shall not be changed in any order modified as a result of an action initiated under this chapter, unless the child support recovery unit or the court determines that good cause exists to change the periodic due date. If the unit or the court determines that good cause exists, the unit or the court shall include the rationale for the change in the modified order and shall address the issue of reconciliation of any payments due or made under a prior order which would result in payment of the child support obligation under both the prior and the modified orders.

93 Acts, ch 78, §33; 95 Acts, ch 115, §10; 2005 Acts, ch 69, §25; 2007 Acts, ch 218, §149, 156

**252H.11 Concurrent actions.**

This chapter does not prohibit or affect the ability or right of a parent or the parent's attorney to file a modification action at the parent's own initiative. If a modification action is filed by a parent concerning an order for which an action has been initiated but has not yet been completed by the unit under this chapter, the unit shall terminate any action initiated under this chapter, subject to the following:

1. The modification action filed by the parent must address the same issues as the action initiated under this chapter.

2. If the modification action filed by the parent is subsequently dismissed before being heard by the court, the unit shall continue the action previously initiated under subchapter II or III, or initiate a new action as follows:

*a.* If the unit previously initiated an action under subchapter II, and had not issued a notice of decision as required under section 252H.14A or 252H.16, the unit shall proceed as follows:

(1) If notice of intent to review was served ninety days or less prior to the date the modification action filed by the parent is dismissed, the unit shall complete the review and issue the notice of decision.

(2) If the modification action filed by the parent is dismissed more than ninety days after the original notice of intent to review was served, the unit shall serve or issue a new notice of intent to review and conduct the review.

(3) If the unit initiated a review under section 252H.14A, the unit may issue the notice of decision.

*b.* If the unit previously initiated an action under subchapter II and had issued the notice of decision as required under section 252H.14A or 252H.16, the unit shall proceed as follows:

(1) If the notice of decision was issued ninety days or less prior to the date the modification action filed by the parent is dismissed, the unit shall request, obtain, and verify any new or different information concerning the financial circumstances of the parents and issue a revised notice of decision to each parent, or if applicable, to the parent's attorney.

(2) If the modification action filed by the parent is dismissed more than ninety days after the date of issuance of the notice of decision, the unit shall serve or issue a new notice of intent to review pursuant to section 252H.15 and conduct a review pursuant to section 252H.16, or conduct a review and serve a new notice of decision under section 252H.14A.

*c.* If the unit previously initiated an action under subchapter III, the unit shall proceed as follows:

(1) If the modification action filed by the parent is dismissed more than ninety days after the original notice of intent to modify was served, the unit shall serve a new notice of intent to modify pursuant to section 252H.19.

(2) If the modification action filed by the parent is dismissed ninety days or less after the original notice of intent to modify was served, the unit shall complete the original modification action initiated by the unit under this subchapter.

(3) Each parent shall be allowed at least twenty days from the date the administrative modification action is reinstated to request a court hearing as provided for in section 252H.8.

3. If an action initiated under this chapter is terminated as the result of a concurrent modification action filed by one of the parents or the parent's attorney, the unit shall advise each parent, or if applicable, the parent's attorney, in writing, that the action has been terminated and the provisions of subsection 2 of this section for continuing or initiating a new action under this chapter. The notice shall be issued by regular mail to the last known mailing address of each parent, or if applicable, each parent's attorney.

4. If an action initiated under this chapter by the unit is terminated as the result of

a concurrent action filed by one of the parents and is subsequently reinstated because the modification action filed by the parent is dismissed, the unit shall advise each parent, or if applicable, each parent's attorney, in writing, that the unit is continuing the prior administrative adjustment or modification action. The notice shall be issued by regular mail to the last known mailing address of each parent, or if applicable, each parent's attorney.

93 Acts, ch 78, §34; 97 Acts, ch 175, §102; 2007 Acts, ch 218, §150, 156

## SUBCHAPTER II

## REVIEW AND ADJUSTMENT

Referred to in §252B.20, 252H.5, 252H.9, 252H.11, 252H.18, 252H.24

**252H.12 Support orders subject to review and adjustment.**

A support order meeting all of the following conditions is eligible for review and adjustment under this subchapter:

1. The support order is subject to the jurisdiction of this state for the purposes of adjustment.

2. The support order provides for the ongoing support of at least one child under the age of eighteen or a child between the ages of eighteen and nineteen who has not yet graduated from high school but who is reasonably expected to graduate from high school before attaining the age of nineteen.

3. The ongoing support for at least one child described in subsection 2 continues, under the terms of the order, beyond October 13, 1993.

4. The unit is providing enforcement services for the ongoing support obligation pursuant to chapter 252B.

93 Acts, ch 78, §35

Referred to in §252H.14

**252H.13 Right to request review.**

A parent shall have the right to request the review of a support order for which the unit is currently providing enforcement services of an ongoing child support obligation pursuant to chapter 252B including by objecting to a cost-of-living alteration pursuant to section 252H.24, subsections 1 and 2.

93 Acts, ch 78, §36; 97 Acts, ch 175, §103

Referred to in §252H.5, 252H.14A, 252H.15, 252H.24

**252H.14 Reviews initiated by the child support recovery unit.**

1. The unit may periodically initiate a review of support orders meeting the conditions in section 252H.12 in accordance with the following:

*a.* The right to any ongoing child support obligation is currently assigned to the state due to the receipt of public assistance.

*b.* The support order does not already include provisions for medical support.

*c.* The review is otherwise necessary to comply with the Act.

2. The unit may periodically initiate a request to a child support agency of another state to conduct a review of a support order entered in that state when the right to any ongoing child or medical support obligation due under the order is currently assigned to the state of Iowa or if the order does not include provisions for medical support.

3. The unit shall adopt rules establishing criteria to determine the appropriateness of initiating a review.

4. The unit shall initiate reviews under this section in accordance with the Act.

93 Acts, ch 78, §37; 97 Acts, ch 175, §104; 2007 Acts, ch 218, §182, 183, 187; 2008 Acts, ch 1019, §18, 20

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**252H.14A Reviews initiated by the child support recovery unit — abbreviated method.**

1. Notwithstanding section 252H.15, the unit may use procedures under this section to review a support order if all the following apply:

*a.* One of the following applies:

(1) The right to ongoing child support is assigned to the state of Iowa due to the receipt of family investment program assistance, and a review of the support order is required under section 7302 of the federal Deficit Reduction Act of 2005, Pub. L. No. 109-171.

(2) A parent requests a review, provides the unit with financial information as part of that request, and the order meets the criteria for review under this subchapter.

*b.* The unit has access to information concerning the financial circumstances of each parent and one of the following applies:

(1) The parent is a recipient of family investment program assistance, medical assistance, or food assistance from the department.

(2) The parent's income is from supplemental security income paid pursuant to 42 U.S.C. § 1381a.

(3) The parent is a recipient of disability benefits under the Act because of the parent's disability.

(4) The parent is an inmate of an institution under the control of the department of corrections.

(5) The unit has access to information described in section 252B.7A, subsection 1, paragraph "*c*".

2. If the conditions of subsection 1 are met, the unit may conduct a review and determine whether an adjustment is appropriate using information accessible by the unit without issuing a notice under section 252H.15 or requesting additional information from the parent.

3. Upon completion of the review, the unit shall issue a notice of decision to each parent, or if applicable, to each parent's attorney. The notice shall be served in accordance with the rules of civil procedure or as provided in section 252B.26, except that a parent requesting a review pursuant to section 252H.13 shall waive the right to personal service of the notice in writing and accept service by regular mail. If the service by regular mail does not occur within ninety days of the written waiver of personal service, personal service of the notice is required unless a new waiver of personal service is obtained.

4. All of the following shall be included in the notice of decision:

*a.* The legal basis and purpose of the action, including an explanation of the procedures for determining child support, the criteria for determining the appropriateness of an adjustment, and a statement that the unit used the child support guidelines established pursuant to section 598.21B and the provisions for medical support pursuant to chapter 252E.

*b.* Information sufficient to identify the affected parties and the support order or orders affected.

*c.* An explanation of the legal rights and responsibilities of the affected parties, including time frames in which the parties must act.

*d.* A statement indicating whether the unit finds that an adjustment is appropriate and the basis for the determination.

*e.* Procedures for contesting the action, including that if a parent requests a second review both parents will be requested to submit financial or income information as necessary for application of the child support guidelines established pursuant to section 598.21B.

*f.* Other information as appropriate.

5. Section 252H.16, subsection 5, regarding a revised notice of decision shall apply to a notice of decision issued under this section.

6. Each parent shall have the right to challenge the notice of decision issued under this section by requesting a second review by the unit as provided in section 252H.17. If there is no new or different information to consider for the second review, the unit shall issue a second notice of decision based on prior information. Each parent shall have the right to

challenge the second notice of decision by requesting a court hearing as provided in section 252H.8.

2007 Acts, ch 218, §151, 156; 2010 Acts, ch 1142, §7; 2011 Acts, ch 67, §3

Referred to in §252B.26, 252H.8, 252H.10, 252H.11, 252H.15, 252H.17

Existing administrative rules applicable to review and adjustment of support orders apply to review under this section as amended by 2010 Acts, except that a provision for a time limit, notice, or other procedure that conflicts with this section, as amended by 2010 Acts, is inapplicable; 2010 Acts, ch 1142, §10

**252H.15 Notice of intent to review and adjust.**

1. Unless an action is initiated under section 252H.14A, prior to conducting a review of a support order, the unit shall issue a notice of intent to review and adjust to each parent, or if applicable, to each parent's attorney. However, notice to a child support agency or an agency entitled to receive child or medical support payments as the result of an assignment of support rights is not required.

2. Notice shall be served upon each parent in accordance with the rules of civil procedure, except that a parent requesting a review pursuant to section 252H.13 shall waive the right to personal service of the notice in writing and accept service by regular mail. If the service by regular mail does not occur within ninety days of the written waiver of personal service, personal service of the notice is required unless a new waiver of personal service is obtained.

3. The unit shall adopt rules pursuant to chapter 17A to ensure that all of the following are included in the notice:

*a.* The legal basis and purpose of the action.

*b.* Information sufficient to identify the affected parties and the support order or orders affected.

*c.* An explanation of the procedures for determining child support and a request for financial or income information as necessary for application of the child support guidelines established pursuant to section 598.21B.

*d.* An explanation of the legal rights and responsibilities of the affected parties, including the time frames in which the parties must act.

*e.* Criteria for determining appropriateness of an adjustment and a statement that the unit will use the child support guidelines established pursuant to section 598.21B and the provisions for medical support pursuant to chapter 252E to adjust the order.

*f.* Procedures for contesting the action.

*g.* An explanation of the right to request a court hearing, and the applicable time frames and procedures to follow in requesting a court hearing.

*h.* Other information as appropriate.

93 Acts, ch 78, §38; 2004 Acts, ch 1116, §22; 2005 Acts, ch 69, §26; 2007 Acts, ch 218, §152, 156

Referred to in §252H.5, 252H.8, 252H.10, 252H.11, 252H.14A, 252H.16

**252H.16 Conducting the review — notice of decision.**

1. For actions initiated under section 252H.15, the unit shall conduct the review and determine whether an adjustment is appropriate. As necessary, the unit shall make a determination of the controlling order or the amount of delinquent support due based upon the receipt of social security disability payments as provided in sections 598.22 and 598.22C.

2. Unless both parents have waived the prereview notice period as provided for in section 252H.7, the review shall not be conducted for at least fifteen days from the date both parents were successfully served with the notice required in section 252H.15.

3. Upon completion of the review, the unit shall issue a notice of decision by regular mail to the last known address of each parent, or if applicable, each parent's attorney.

4. The unit shall adopt rules pursuant to chapter 17A to ensure that all of the following are included in the notice:

*a.* Information sufficient to identify the affected parties and the support order or orders affected.

*b.* A statement indicating whether the unit finds that an adjustment is appropriate and the basis for the determination.

*c.* Other information, as appropriate.

5. A revised notice of decision shall be issued when the unit receives or becomes aware of new or different information affecting the results of the review after the notice of decision has been issued and before the entry of an administrative order adjusting the support order, when new or different information is not received in conjunction with a request for a second review, or subsequent to a request for a court hearing. If a revised notice of decision is issued, the time frames for requesting a second review or court hearing shall apply from the date of issuance of the revised notice.

93 Acts, ch 78, §39; 98 Acts, ch 1170, §39; 2002 Acts, ch 1018, §14; 2007 Acts, ch 218, §153, 156; 2010 Acts, ch 1142, §8

Referred to in §252H.5, 252H.6, 252H.7, 252H.8, 252H.11, 252H.14A, 252H.17

Conflicting administrative rule time limits are inapplicable until amended to conform with amendments to this section by 2010 Acts, ch 1142; 2010 Acts, ch 1142, §10

**252H.17 Challenging the notice of decision — second review — notice.**

1. Each parent shall have the right to challenge the notice of decision issued under section 252H.14A or 252H.16, by requesting a second review by the unit.

2. A challenge shall be submitted, in writing, to the local child support office that issued the notice of decision, within thirty days of service of the notice of decision under section 252H.14A or within ten days of the issuance of the notice of decision under section 252H.16.

3. A parent challenging the notice of decision shall submit any new or different information, not previously considered by the unit in conducting the review, with the challenge and request for second review.

4. A parent challenging the notice of decision shall submit any required fees with the challenge. Any request submitted without full payment of the required fee shall be denied.

5. If a timely challenge along with any necessary fee is received, the unit shall issue by regular mail to the last known address of each parent, or if applicable, to each parent's attorney, a notice that a second review will be conducted. The unit shall adopt rules pursuant to chapter 17A to ensure that all of the following are included in the notice:

*a.* A statement of purpose of the second review.

*b.* Information sufficient to identify the affected parties and the support order or orders affected.

*c.* A statement of the information that is eligible for consideration at the second review.

*d.* The procedures and time frames in conducting and completing a second review, including a statement that only one second review shall be conducted as the result of a challenge received from either or both parents.

*e.* An explanation of the right to request a court hearing, and the applicable time frames and procedures to follow in requesting a court hearing.

*f.* Other information, as appropriate.

6. The unit shall conduct a second review, utilizing any new or additional information provided or available since issuance of the notice of decision under section 252H.14A or under section 252H.16, to determine whether an adjustment is appropriate.

7. Upon completion of the review, the unit shall issue a second notice of decision by regular mail to the last known address of each parent, or if applicable, to each parent's attorney. The unit shall adopt rules pursuant to chapter 17A to ensure that all of the following are included in the notice:

*a.* Information sufficient to identify the affected parties and the support order or orders affected.

*b.* The unit's finding resulting from the second review indicating whether the unit finds that an adjustment is appropriate, the basis for the determination, and the impact on the first review.

*c.* An explanation of the right to request a court hearing, and the applicable time frames and procedures to follow in requesting a court hearing.

*d.* Other information, as appropriate.

8. If the determination resulting from the first review is revised or reversed by the second review, the following shall be issued to each parent along with the second notice of decision and the amount of any proposed adjustment:

*a.* Any updated or revised financial statements provided by either parent.

*b.* A computation prepared by the local child support office issuing the notice, demonstrating how the amount of support due under the child support guidelines was calculated, and a comparison of the newly computed amount with the current support obligation amount.

93 Acts, ch 78, §40; 96 Acts, ch 1141, §3; 2007 Acts, ch 218, §154, 156
Referred to in §252H.5, 252H.7, 252H.8, 252H.14A

## SUBCHAPTER III

## ADMINISTRATIVE MODIFICATION

Referred to in §252H.8, 252H.9, 252H.11

**252H.18 Orders subject to administrative modification.**

An order meeting all of the following conditions is eligible for administrative modification under this subchapter.

1. The order is subject to the jurisdiction of this state for the purposes of modification.
2. The unit is providing services pursuant to chapter 252B.
3. The child was conceived or born during a marriage or paternity has been legally established.
4. Review and adjustment services pursuant to subchapter II are not required or are not applicable.

93 Acts, ch 78, §41

**252H.18A Request for review outside applicable time frames.**

1. If a support order is not eligible for review and adjustment because the support order is outside of the minimum time frames specified by rule of the department, a parent may request a review and administrative modification by submitting all of the following to the unit:

*a.* A request for review of the support order which is outside of the applicable time frames.

*b.* Verified documentation of a substantial change in circumstances as specified by rule of the department.

2. Upon receipt of the request and all documentation required in subsection 1, the unit shall review the request and documentation and if appropriate shall issue a notice of intent to modify as provided in section 252H.19.

3. Notwithstanding section 598.21C, for purposes of this section, a substantial change in circumstances means there has been a change of fifty percent or more in the income of a parent, and the change is due to financial circumstances which have existed for a minimum period of three months and can reasonably be expected to exist for an additional three months.

97 Acts, ch 175, §105; 2005 Acts, ch 69, §27
Referred to in §252H.4, 252H.8

**252H.19 Notice of intent to modify.**

1. The unit shall issue a notice of intent to modify to each parent. Notice to a child support agency or an agency entitled to receive child or medical support payments as the result of an assignment of support rights is not required.

2. The notice shall be served upon each parent in accordance with the rules of civil procedure, except that a parent requesting modification shall, at the time of the request, waive the right to personal service of the notice in writing and accept service by regular mail. The unit shall adopt rules pursuant to chapter 17A to ensure that all of the following are included in the notice:

*a.* The legal basis and purpose of the action.

*b.* Information sufficient to identify the affected parties and the support order or orders affected.

*c.* An explanation of the procedures for determining child support and a request for financial or income information as necessary for application of the child support guidelines established pursuant to section 598.21B.

*d.* An explanation of the legal rights and responsibilities of the affected parties, including the time frames in which the parties must act.

*e.* Procedures for contesting the action through a conference or a court hearing.

*f.* Other information, as appropriate.

93 Acts, ch 78, §42; 2004 Acts, ch 1116, §23; 2005 Acts, ch 69, §28

Referred to in §252H.8, 252H.10, 252H.11, 252H.18A

**252H.20 Conference — second notice and finding of financial responsibility.**

1. Each parent shall have the right to request a conference with the office of the unit that issued the notice of intent to modify. The request may be made in person, in writing, or by telephone, and shall be made within ten days of the date of successful service of the notice of intent to modify.

2. A parent requesting a conference shall submit any required fee no later than the date of the scheduled conference. A conference shall not be held unless the required fee is paid in full.

3. Upon a request and full payment of any required fee, the office of the unit that issued the notice of intent to modify shall schedule a conference with the parent and advise the parent of the date, time, place, and procedural aspects of the conference. The unit shall adopt rules pursuant to chapter 17A to specify the manner in which a conference is conducted and the purpose of the conference.

4. Following the conference, the office of the unit that conducted the review shall issue a second notice of proposed modification and finding of financial responsibility to the parent requesting the conference. The unit shall adopt rules pursuant to chapter 17A to ensure that all of the following are included in the notice:

*a.* Information sufficient to identify the affected parties and the support order or orders affected.

*b.* If the unit will continue or terminate the action.

*c.* Procedures for contesting the action and the applicable time frames for actions by the parents.

*d.* Other information, as appropriate.

93 Acts, ch 78, §43

Referred to in §252H.5, 252H.7, 252H.8

## SUBCHAPTER IV

## COST-OF-LIVING ALTERATION

Referred to in §252B.20, 252E.1A

**252H.21 Purpose — intent — effect on requirements for guidelines.**

1. This subchapter is intended to provide a procedure to accommodate a request of both parents to expeditiously change a support order due to changes in the cost of living.

2. All of the following shall apply to a cost-of-living alteration under this subchapter:

*a.* To the extent permitted under 42 U.S.C. § 666(a)(10)(A)(i)(II), the cost-of-living alteration shall be an exception to any requirement under law for the application of the child support guidelines established pursuant to section 598.21B, including but not limited to any requirement in this chapter or chapter 234, 252A, 252B, 252C, 252F, 598, or 600B.

*b.* The cost-of-living alteration shall not prevent any subsequent modification or adjustment to the support order as otherwise provided in law based on application of the child support guidelines.

*c.* The calculation of a cost-of-living alteration to a child support order shall be compounded as follows:

(1) Increase or decrease the child support order by the percentage change of the appropriate consumer price index for the month and year after the month and year the child support order was last issued, modified, adjusted, or altered.

(2) Increase or decrease the amount of the child support order calculated in subparagraph (1) for each subsequent year by applying the appropriate consumer price index for each

subsequent year to the result of the calculation for the previous year. The final year in the calculation shall be the year immediately preceding the year the unit received the completed request for the cost-of-living alteration.

*d.* The amount of the cost-of-living alteration in the notice in section 252H.24, subsection 1, shall be the result of the calculation in paragraph "*c*".

97 Acts, ch 175, §106; 2005 Acts, ch 69, §29

**252H.22 Support orders subject to cost-of-living alteration.**

A support order meeting all of the following conditions is eligible for a cost-of-living alteration under this subchapter.

1. The support order is subject to the jurisdiction of this state for the purposes of a cost-of-living alteration.

2. The support order provides for the ongoing support of at least one child under the age of eighteen or a child between the ages of eighteen and nineteen who has not yet graduated from high school but who is reasonably expected to graduate from high school before attaining the age of nineteen.

3. The unit is providing enforcement services for the ongoing support obligation pursuant to chapter 252B.

4. A parent requests a cost-of-living alteration as provided in section 252H.23.

5. The support order addresses medical support for the child.

6. The support order is not subject to the social security disability provisions pursuant to sections 598.22 and 598.22C.

97 Acts, ch 175, §107; 2002 Acts, ch 1018, §15

**252H.23 Right to request cost-of-living alteration.**

A parent may request a cost-of-living alteration by submitting all of the following to the unit:

1. A written request for a cost-of-living alteration to the support order signed by the parent making the request.

2. A statement signed by the nonrequesting parent agreeing to the cost-of-living alteration to the support order.

3. A statement signed by each parent waiving that parent's right to personal service and accepting service by regular mail.

4. Other documentation specified by rule of the department.

97 Acts, ch 175, §108

Referred to in §252H.22

**252H.24 Role of the child support recovery unit — filing and docketing of cost-of-living alteration order — order effective as district court order.**

1. Upon receipt of a request and required documentation for a cost-of-living alteration, the unit shall issue a notice of the amount of cost-of-living alteration by regular mail to the last known address of each parent, or, if applicable, each parent's attorney. The notice shall include all of the following:

*a.* A statement that either parent may contest the cost-of-living alteration within thirty days of the date of the notice by making a request for a review of a support order as provided in section 252H.13, and if either parent does not make a request for a review within thirty days, the unit shall prepare an administrative order as provided in subsection 4.

*b.* A statement that the parent may waive the thirty-day notice waiting period provided for in this section.

2. Upon timely receipt of a request and required documentation for a review of a support order as provided in subsection 1 from either parent, the unit shall terminate the cost-of-living alteration process and apply the provisions of subchapters I and II of this chapter relating to review and adjustment.

3. Upon receipt of signed requests from both parents subject to the support order, waiving the notice waiting period, the unit may prepare an administrative order pursuant to subsection 4 altering the support obligation.

4. If timely request for a review pursuant to section 252H.13 is not made, and if the thirty-day notice waiting period has expired, or if both parents have waived the notice waiting period, the unit shall prepare and present an administrative order for a cost-of-living alteration, ex parte, to the district court where the order to be altered is filed.

5. Unless defects appear on the face of the administrative order or on the attachments, the district court shall approve the order. Upon filing, the approved order shall have the same force, effect, and attributes of an order of the district court.

6. Upon filing, the clerk of the district court shall enter the order in the judgment docket and judgment lien index.

7. If the parents jointly waive the thirty-day notice waiting period, the signed statements of both parents waiving the notice period shall be filed in the court record with the administrative order altering the support obligation.

8. The unit shall send a copy of the order by regular mail to each parent's last known address, or, if applicable, to the last known address of the parent's attorney.

9. An administrative order approved by the district court is final, and action by the unit to enforce and collect upon the order may be taken from the date of the entry of the order by the district court.

97 Acts, ch 175, §109
Referred to in §252H.13, 252H.21, 598.21C

# CHAPTER 252I

## SUPPORT PAYMENTS — LEVIES AGAINST ACCOUNTS

Referred to in §252B.3, 252B.9


252I.1 Definitions.
252I.2 Purpose and use.
252I.3 Initial notice to obligor.
252I.4 Verification of accounts and immunity from liability.
252I.5 Administrative levy — notice to financial institution.
252I.6 Administrative levy — notice to support obligor.
252I.7 Responsibilities of financial institution.
252I.8 Challenges to action.


**252I.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Account"* means "account" as defined in section 524.103, the savings or deposits of a member received or being held by a credit union, or certificates of deposit. *"Account"* also includes deposits held by an agent, a broker-dealer, or an issuer as defined in section 502.102 and money-market mutual fund accounts and "account" as defined in 42 U.S.C. § 666(a)(17). However, *"account"* does not include amounts held by a financial institution as collateral for loans extended by the financial institution.

2. *"Bank"* means "bank", "insured bank", and "state bank" as defined in section 524.103.

3. *"Court order"* means "support order" as defined in section 252J.1.

4. *"Credit union"* means "credit union" as defined in section 533.102.

5. *"Financial institution"* means "financial institution" as defined in 42 U.S.C. § 669A(d)(1). *"Financial institution"* also includes an institution which holds deposits for an agent, broker-dealer, or an issuer as defined in section 502.102.

6. *"Obligor"* means a person who has been ordered by a court or administrative authority to pay support.

7. *"Support"* or *"support payments"* means "support" or "support payments" as defined in section 252D.16.

8. *"Unit"* or *"child support recovery unit"* means the child support recovery unit created in section 252B.2.

9. *"Working days"* means only Monday, Tuesday, Wednesday, Thursday, and Friday, but excluding the holidays specified in section 1C.2, subsection 1.

94 Acts, ch 1101, §1; 96 Acts, ch 1034, §15; 97 Acts, ch 175, §110; 98 Acts, ch 1170, §33; 2007 Acts, ch 174, §91; 2008 Acts, ch 1031, §109; 2012 Acts, ch 1017, §61, 62

Referred to in §252B.9

**252I.2 Purpose and use.**

1. Notwithstanding other statutory provisions which provide for the execution, attachment, or levy against accounts, the unit may utilize the process established in this chapter to collect delinquent support payments provided that any exemptions or exceptions which specifically apply to enforcement of support obligations pursuant to other statutory provisions also apply to this chapter.

2. An obligor is subject to the provisions of this chapter if the obligor's support obligation is being enforced by the child support recovery unit, and if the support payments ordered under chapter 232, 234, 252A, 252C, 252D, 252E, 252F, 598, 600B, or any other applicable chapter, or under a comparable statute of a foreign jurisdiction, as certified to the child support recovery unit, are not paid to the clerk of the district court or the collection services center pursuant to section 598.22 and become delinquent in an amount equal to the support payment for one month.

3. Any amount forwarded by a financial institution under this chapter shall not exceed the amounts specified in 15 U.S.C. § 1673(b) and shall not exceed the delinquent or accrued amount of support owed by the obligor.

94 Acts, ch 1101, §2

Referred to in §252I.5, 252I.6

**252I.3 Initial notice to obligor.**

The unit or district court may include language in any new or modified support order issued on or after July 1, 1994, notifying the obligor that the obligor is subject to the provisions of this chapter. However, this chapter is sufficient notice for implementation of administrative levy provisions without further notice of the provisions of this chapter.

94 Acts, ch 1101, §3; 2005 Acts, ch 112, §12

**252I.4 Verification of accounts and immunity from liability.**

1. The unit may contact a financial institution to obtain verification of the account number, the names and social security numbers listed for the account, and the account balance of any account held by an obligor. Contact with a financial institution may be by telephone or by written communication. The financial institution may require positive voice recognition and may require the telephone number of the authorized person from the unit before releasing an obligor's account information by telephone.

2. The unit and financial institutions doing business in Iowa shall enter into agreements to develop and operate a data match system, using automated data exchanges to the maximum extent feasible. The data match system shall allow a means by which each financial institution shall provide to the unit for each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each obligor who maintains an account at the institution and who owes past-due support, as identified by the unit by name and social security number or other taxpayer identification number. The unit shall work with representatives of financial institutions to develop a system to assist nonautomated financial institutions in complying with the provisions of this section.

3. The unit may pay a reasonable fee to a financial institution for conducting the data match required in subsection 2, not to exceed the lower of either one hundred fifty dollars for each quarterly data match or the actual costs incurred by the financial institution for each quarterly data match. However, the unit may also adopt rules pursuant to chapter 17A to specify a fee amount for each quarterly data match based upon the estimated state share of funds collected under this chapter, which, when adopted, shall be applied in lieu of the one hundred fifty dollar fee under this subsection. In addition, the unit may pay a reasonable fee to a financial institution for automation programming development performed in order to conduct the data match required in subsection 2, not to exceed the lower of either five

hundred dollars or the actual costs incurred by the financial institution. The unit may use the state share of funds collected under this chapter to pay the fees to financial institutions under this subsection. For state fiscal years beginning July 1, 1999, and July 1, 2000, the unit may use up to one hundred percent of the state share of such funds. For state fiscal years beginning on or after July 1, 2001, the unit may use up to fifty percent of the state share of such funds. Notwithstanding any other provision of law to the contrary, a financial institution shall have until a date provided in the agreement in subsection 2 to submit its claim for a fee under this subsection. If the unit does not have sufficient funds available under this subsection for payment of fees under this subsection for conducting data matches or for automation program development performed in the fiscal year beginning July 1, 1999, the cost may be carried forward to the fiscal year beginning July 1, 2000. The unit may also use funds from an amount assessed a child support agency of another state, as defined in section 252H.2, to conduct a data match requested by that child support agency as provided in 42 U.S.C. § 666(a)(14) to pay fees to financial institutions under this subsection.

4. *a.* A financial institution is immune from any liability in any action or proceeding, whether civil or criminal, for any of the following:

(1) The disclosure of any information by a financial institution to the unit pursuant to this chapter or the rules or procedures adopted by the unit to implement this chapter, including disclosure of information relating to an obligor who maintains an account with the financial institution or disclosure of information relating to any other person who maintains an account with the financial institution that is provided for the purpose of complying with the data match requirements of this section and with the agreement entered into between the financial institution and the unit pursuant to subsection 2.

(2) Any encumbrance or surrender of any assets held by a financial institution in response to a notice of lien or levy issued by the unit.

(3) Any action or omission in connection with good faith efforts to comply with this chapter or any rules or procedures that are adopted by the unit to implement this chapter.

(4) The disclosure, use, or misuse by the unit or by any other person of information provided or assets delivered to the unit by a financial institution.

*b.* For the purposes of this section, "*financial institution*" includes officers, directors, employees, contractors, and agents of the financial institution.

5. The financial institution or the unit is not liable for the cost of any early withdrawal penalty of an obligor's certificate of deposit.

94 Acts, ch 1101, §4; 97 Acts, ch 175, §111; 99 Acts, ch 127, §3; 2000 Acts, ch 1096, §3, 4; 2000 Acts, ch 1232, §90, 95

**252I.5 Administrative levy — notice to financial institution.**

1. If an obligor is subject to this chapter under section 252I.2, the unit may initiate an administrative action to levy against the accounts of the obligor.

2. The unit may send a notice to the financial institution with which the account is placed, directing that the financial institution forward all or a portion of the moneys in the obligor's account or accounts to the collection services center established pursuant to chapter 252B. The notice shall be sent by regular mail, with proof of service completed according to rule of civil procedure 1.442.

3. The notice to the financial institution shall contain all of the following:

*a.* The name and social security number of the obligor.

*b.* A statement that the obligor is believed to have one or more accounts at the financial institution.

*c.* A statement that pursuant to the provisions of this chapter, the obligor's accounts are subject to seizure and the financial institution is authorized and required to forward moneys to the collection services center.

*d.* The maximum amount that shall be forwarded by the financial institution, which shall not exceed the delinquent or accrued amount of support owed by the obligor.

*e.* The prescribed time frame which the financial institution must meet in forwarding amounts.

*f.* The address of the collection services center and the collection services center account number.

*g.* A telephone number, address, and contact name of the child support recovery unit contact initiating the action.

94 Acts, ch 1101, §5; 2005 Acts, ch 112, §13
Referred to in §252I.6, 252I.7

**252I.6 Administrative levy — notice to support obligor.**

1. The unit may administratively initiate an action to seize accounts of an obligor who is subject to this chapter under section 252I.2.

2. The unit shall notify an obligor subject to this chapter, and any other party known to have an interest in the account, of the action. The notice shall contain all of the following:

*a.* The name of the obligor.

*b.* A statement that the obligor is believed to have one or more accounts at the financial institution.

*c.* A statement that pursuant to the provisions of this chapter, the obligor's accounts are subject to seizure and the financial institution is authorized and required to forward moneys to the collection services center.

*d.* The maximum amount to be forwarded by the financial institution, which shall not exceed the delinquent or accrued amount of support owed by the obligor.

*e.* The prescribed time frames within which the financial institution must comply.

*f.* A statement that any challenge to the action shall be in writing and shall be received by the child support recovery unit within ten days of the date of the notice to the obligor.

*g.* The address of the collection services center and the collection services center account number.

*h.* A telephone number, address, and contact name for the child support recovery unit contact initiating the action.

3. The unit shall forward the notice to the obligor by regular mail within two working days of sending the notice to the financial institution pursuant to section 252I.5. Proof of service shall be completed according to rule of civil procedure 1.442.

94 Acts, ch 1101, §6; 2008 Acts, ch 1019, §10

**252I.7 Responsibilities of financial institution.**

Upon receipt of a notice under section 252I.5, the financial institution shall do all of the following:

1. Immediately encumber funds in all accounts in which the obligor has an interest to the extent of the debt indicated in the notice from the unit.

2. No sooner than fifteen days, and no later than twenty days from the date the financial institution receives the notice under section 252I.5, unless notified by the unit of a challenge by the obligor or an account holder of interest, the financial institution shall forward the moneys encumbered to the collection services center with the obligor's name and social security number, collection services center account number, and any other information required in the notice.

3. The financial institution may assess a fee against the obligor, not to exceed ten dollars, for forwarding of moneys to the collection services center. This fee is in addition to the amount of support due. In the event that there are insufficient moneys to cover the fee and the support amount due, the institution may deduct the fee amount prior to forwarding moneys to the collection services center and the amount credited to the support obligation shall be reduced by the fee amount.

94 Acts, ch 1101, §7
Referred to in §252I.8

**252I.8 Challenges to action.**

1. Challenges under this chapter may be initiated only by an obligor or by an account holder of interest. Actions initiated by the unit under this chapter are not subject to chapter 17A, and resulting court hearings following certification shall be an original hearing before the district court.

2. The person challenging the action shall submit a written challenge to the person identified as the contact for the unit in the notice, within ten working days of the date of the notice.

3. The unit shall, upon receipt of a written challenge, review the facts of the case with the challenging party. Only a mistake of fact, including but not limited to, a mistake in the identity of the obligor or a mistake in the amount of delinquent support due shall be considered as a reason to dismiss or modify the proceeding.

4. If the unit determines that a mistake of fact has occurred the unit shall proceed as follows:

*a.* If a mistake in identity has occurred or the obligor is not delinquent in an amount equal to the payment for one month, the unit shall notify the financial institution that the administrative levy has been released. The unit shall provide a copy of the notice to the support obligor by regular mail.

*b.* If the obligor is delinquent, but the amount of the delinquency is less than the amount indicated in the notice, the unit shall notify the financial institution of the revised amount with a copy of the notice and issue a copy to the obligor or forward a copy to the obligor by regular mail. Upon written receipt of instructions from the unit, the financial institution shall release the funds in excess of the revised amount to the obligor and the moneys in the amount of the debt shall be processed according to section 252I.7.

5. If the unit finds no mistake of fact, the unit shall provide a notice to that effect to the challenging party by regular mail. Upon written request of the challenging party, the unit shall request a hearing before the district court in the county in which the underlying support order is filed.

*a.* The financial institution shall encumber moneys if the child support recovery unit notifies the financial institution to do so.

*b.* The clerk of the district court shall schedule a hearing upon the request by the unit for a time not later than ten calendar days after the filing of the request for hearing. The clerk shall mail copies of the request for hearing and the order scheduling the hearing to the unit and to all account holders of interest.

*c.* If the court finds that there is a mistake of identity or that the obligor does not owe the delinquent support, the unit shall notify the financial institution that the administrative levy has been released.

*d.* If the court finds that the obligor has an interest in the account, and the amount of support due was incorrectly overstated, the unit shall notify the financial institution to release the excess moneys to the obligor and remit the remaining moneys in the amount of the debt to the collection services center for disbursement to the appropriate recipient.

*e.* If the court finds that the obligor has an interest in the account, and the amount of support due is correct, the financial institution shall forward the moneys to the collection services center for disbursement to the appropriate recipient.

*f.* If the obligor or any other party known to have an interest in the account fails to appear at the hearing, the court may find the challenging party in default, shall ratify the administrative levy, if valid upon its face, and shall enter an order directing the financial institution to release the moneys to the unit.

*g.* Issues related to visitation, custody, or other provisions not related to levies against accounts are not grounds for a hearing under this chapter.

*h.* Support orders shall not be modified under a challenge pursuant to this section.

*i.* Any findings in the challenge of an administrative levy related to the amount of the accruing or accrued support obligation do not modify the underlying support order.

*j.* An order entered under this chapter for a levy against an account of a support obligor has priority over a levy for a purpose other than the support of the dependents in the court order being enforced.

6. The support obligor may withdraw the request for challenge by submitting a written withdrawal to the person identified as the contact for the unit in the notice or the unit may withdraw the administrative levy at any time prior to the court hearing and provide notice of the withdrawal to the obligor and any account holder of interest and to the financial institution, by regular mail.

7. If the financial institution has forwarded moneys to the collection services center and has deducted a fee from the moneys of the account, or if any additional fees or costs are levied against the account, and all funds are subsequently refunded to the account due to a mistake of fact or ruling of the court, the child support recovery unit shall reimburse the account for any fees assessed by the financial institution. If the mistake of fact is a mistake in the amount of support due and any portion of the moneys is retained as support payments, however, the unit is not required to reimburse the account for any fees or costs levied against the account. Additionally, for the purposes of reimbursement to the account for any fees or costs, each certificate of deposit is considered a separate account.

94 Acts, ch 1101, §8

# CHAPTER 252J

## CHILD SUPPORT — LICENSING SANCTIONS

Referred to in §252B.3, 252B.9, 272D.1


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**252J.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Certificate of noncompliance"* means a document provided by the child support recovery unit certifying that the named individual is not in compliance with any of the following:

*a.* A support order.

*b.* A written agreement for payment of support entered into by the unit and the obligor.

*c.* A subpoena or warrant relating to a paternity or support proceeding.

2. *"Individual"* means a parent, an obligor, or a putative father in a paternity or support proceeding.

3. *"License"* means a license, certification, registration, permit, approval, renewal, or other similar authorization issued to an individual by a licensing authority which evidences the admission to, or granting of authority to engage in, a profession, occupation, business, industry, or recreation or to operate or register a motor vehicle. *"License"* includes licenses for hunting, fishing, boating, or other recreational activity.

4. *"Licensee"* means an individual to whom a license has been issued, or who is seeking the issuance of a license.

5. *"Licensing authority"* means a county treasurer, county recorder or designated depositary, the supreme court, or an instrumentality, agency, board, commission, department, officer, organization, or any other entity of the state, which has authority within this state to suspend or revoke a license or to deny the renewal or issuance of a license authorizing an individual to register or operate a motor vehicle or to engage in a business, occupation, profession, recreation, or industry.

6. *"Obligor"* means a natural person as defined in section 252G.1 who has been ordered by a court or administrative authority to pay support.

7. *"Subpoena or warrant"* means a subpoena or warrant relating to a paternity or support proceeding initiated or obtained by the unit or a child support agency as defined in section 252H.2.

8. *"Support"* means support or support payments as defined in section 252D.16, whether established through court or administrative order.

9. *"Support order"* means an order for support issued pursuant to chapter 232, 234, 252A, 252C, 252D, 252E, 252F, 252H, 598, 600B, or any other applicable chapter, or under a comparable statute of a foreign jurisdiction as registered with the clerk of the district court or certified to the child support recovery unit.

10. *"Unit"* means the child support recovery unit created in section 252B.2.

11. *"Withdrawal of a certificate of noncompliance"* means a document provided by the unit certifying that the certificate of noncompliance is withdrawn and that the licensing authority may proceed with issuance, reinstatement, or renewal of an individual's license.

95 Acts, ch 115, §1; 97 Acts, ch 175, §112, 113
Referred to in §252B.5, 252B.9, 252I.1, 261.121

**252J.2 Purpose and use.**

1. Notwithstanding other statutory provisions to the contrary, and if an individual has not been cited for contempt and enjoined from engaging in the activity governed by a license pursuant to section 598.23A, the unit may utilize the process established in this chapter to collect support.

2. For cases in which services are provided by the unit all of the following apply:

*a.* An obligor is subject to the provisions of this chapter if the obligor's support obligation is being enforced by the unit, if the support payments required by a support order to be paid to the clerk of the district court or the collection services center pursuant to section 598.22 are not paid and become delinquent in an amount equal to the support payment for three months, and if the obligor's situation meets other criteria specified under rules adopted by the department pursuant to chapter 17A. The criteria specified by rule shall include consideration of the length of time since the obligor's last support payment and the total amount of support owed by the obligor.

*b.* An individual is subject to the provisions of this chapter if the individual has failed, after receiving appropriate notice, to comply with a subpoena or warrant.

3. Actions initiated by the unit under this chapter shall not be subject to contested case proceedings or further review pursuant to chapter 17A and any resulting court hearing shall be an original hearing before the district court.

4. Notwithstanding chapter 22, all of the following apply:

*a.* Information obtained by the unit under this chapter shall be used solely for the purposes of this chapter or chapter 252B.

*b.* Information obtained by a licensing authority shall be used solely for the purposes of this chapter.

95 Acts, ch 115, §2; 97 Acts, ch 175, §114
Referred to in §252J.5, 252J.6, 252J.9

**252J.3 Notice to individual of potential sanction of license.**

The unit shall proceed in accordance with this chapter only if the unit sends a notice to the individual by regular mail to the last known address of the individual. The notice shall include all of the following:

1. The address and telephone number of the unit and the unit case number.

2. A statement that the obligor is not in compliance with a support order or the individual has not complied with a subpoena or warrant.

3. A statement that the individual may request a conference with the unit to contest the action.

4. A statement that if, within twenty days of mailing of the notice to the individual, the individual fails to contact the unit to schedule a conference, the unit shall issue a certificate of noncompliance, bearing the individual's name, social security number and unit case number, to any appropriate licensing authority, certifying that the obligor is not in compliance with a support order or an individual has not complied with a subpoena or warrant.

5. A statement that in order to stay the issuance of a certificate of noncompliance the request for a conference shall be in writing and shall be received by the unit within twenty days of mailing of the notice to the individual.

6. The names of the licensing authorities to which the unit intends to issue a certificate of noncompliance.

7. A statement that if the unit issues a certificate of noncompliance to an appropriate licensing authority, the licensing authority shall initiate proceedings to refuse to issue or renew, or to suspend or revoke the individual's license, unless the unit provides the licensing authority with a withdrawal of a certificate of noncompliance.

95 Acts, ch 115, §3; 97 Acts, ch 175, §115; 2005 Acts, ch 112, §14, 15
Referred to in §252J.4, 252J.6, 252J.7

**252J.4 Conference.**

1. The individual may schedule a conference with the unit following mailing of the notice pursuant to section 252J.3, or at any time after service of notice of suspension, revocation, denial of issuance, or nonrenewal of a license from a licensing authority, to challenge the unit's actions under this chapter.

2. The request for a conference shall be made to the unit, in writing, and, if requested after mailing of the notice pursuant to section 252J.3, shall be received by the unit within twenty days following mailing of the notice.

3. The unit shall notify the individual of the date, time, and location of the conference by regular mail, with the date of the conference to be no earlier than ten days following issuance of notice of the conference by the unit, unless the individual and the unit agree to an earlier date which may be the same date the individual requests the conference. If the individual fails to appear at the conference, the unit shall issue a certificate of noncompliance.

4. Following the conference, the unit shall issue a certificate of noncompliance unless any of the following applies:

*a.* The unit finds a mistake in the identity of the individual.

*b.* The unit finds a mistake in determining that the amount of delinquent support is equal to or greater than three months.

*c.* The obligor enters a written agreement with the unit to comply with a support order, the obligor complies with an existing written agreement to comply with a support order, or the obligor pays the total amount of delinquent support due.

*d.* Issuance of a certificate of noncompliance is not appropriate under other criteria established in accordance with rules adopted by the department pursuant to chapter 17A.

*e.* The unit finds a mistake in determining the compliance of the individual with a subpoena or warrant.

*f.* The individual complies with a subpoena or warrant.

5. The unit shall grant the individual a stay of the issuance of a certificate of noncompliance upon receiving a timely written request for a conference, and if a certificate of noncompliance has previously been issued, shall issue a withdrawal of a certificate of noncompliance if the obligor enters into a written agreement with the unit to comply with a support order or if the individual complies with a subpoena or warrant.

6. If the individual does not timely request a conference or does not comply with a subpoena or warrant or if the obligor does not pay the total amount of delinquent support owed within twenty days of mailing of the notice pursuant to section 252J.3, the unit shall issue a certificate of noncompliance.

95 Acts, ch 115, §4; 95 Acts, ch 209, §23; 97 Acts, ch 175, §116; 2005 Acts, ch 112, §16; 2011 Acts, ch 67, §4
Referred to in §252J.6

**252J.5 Written agreement.**

1. If an obligor is subject to this chapter as established in section 252J.2, subsection 2, paragraph "*a*", the obligor and the unit may enter into a written agreement for payment of support and compliance which takes into consideration the obligor's ability to pay and other criteria established by rule of the department. The written agreement shall include all of the following:

*a.* The method, amount, and dates of support payments by the obligor.

*b.* A statement that upon breach of the written agreement by the obligor, the unit shall issue a certificate of noncompliance to any appropriate licensing authority.

2. A written agreement entered into pursuant to this section does not preclude any other remedy provided by law and shall not modify or affect an existing support order.

3. Following issuance of a certificate of noncompliance, if the obligor enters into a written agreement with the unit, the unit shall issue a withdrawal of the certificate of noncompliance to any appropriate licensing authority and shall forward a copy of the withdrawal by regular mail to the obligor.

95 Acts, ch 115, §5; 97 Acts, ch 175, §117; 2004 Acts, ch 1116, §24
Referred to in §252J.6

**252J.6 Decision of the unit.**

1. If an obligor is not in compliance with a support order or the individual is not in compliance with a subpoena or warrant pursuant to section 252J.2, the unit mails a notice to the individual pursuant to section 252J.3, and the individual requests a conference pursuant to section 252J.4, the unit shall issue a written decision if any of the following conditions exists:

*a.* The individual fails to appear at a scheduled conference under section 252J.4.

*b.* A conference is held under section 252J.4.

*c.* The obligor fails to comply with a written agreement entered into by the obligor and the unit under section 252J.5.

2. The unit shall send a copy of the written decision to the individual by regular mail at the individual's most recent address of record. If the decision is made to issue a certificate of noncompliance or to withdraw the certificate of noncompliance, a copy of the certificate of noncompliance or of the withdrawal of the certificate of noncompliance shall be attached to the written decision. The written decision shall state all of the following:

*a.* That the certificate of noncompliance or withdrawal of the certificate of noncompliance has been provided to the licensing authorities named in the notice provided pursuant to section 252J.3.

*b.* That upon receipt of a certificate of noncompliance, the licensing authority shall initiate proceedings to suspend, revoke, deny issuance, or deny renewal of a license, unless the licensing authority is provided with a withdrawal of a certificate of noncompliance from the unit.

*c.* That in order to obtain a withdrawal of a certificate of noncompliance from the unit, the obligor shall enter into a written agreement with the unit, comply with an existing written agreement with the unit, or pay the total amount of delinquent support owed or the individual shall comply with a subpoena or warrant.

*d.* That if the unit issues a written decision which includes a certificate of noncompliance, that all of the following apply:

(1) The individual may request a hearing as provided in section 252J.9, before the district court as follows:

(a) If the action is a result of section 252J.2, subsection 2, paragraph "*a*", in the county in which the underlying support order is filed, by filing a written application to the court challenging the issuance of the certificate of noncompliance by the unit and sending a copy of the application to the unit within the time period specified in section 252J.9.

(b) If the action is a result of section 252J.2, subsection 2, paragraph "*b*", and the individual is not an obligor, in the county in which the dependent child or children reside if the child or children reside in Iowa; in the county in which the dependent child or children last received public assistance if the child or children received public assistance in Iowa; or in the county in which the individual resides if the action is the result of a request from a child support agency in a foreign jurisdiction.

(2) The individual may retain an attorney at the individual's own expense to represent the individual at the hearing.

(3) The scope of review of the district court shall be limited to demonstration of a mistake of fact related to the delinquency of the obligor or the compliance of the individual with a subpoena or warrant.

3. If the unit issues a certificate of noncompliance, the unit shall only issue a withdrawal of the certificate of noncompliance if any of the following applies:

*a.* The unit or the court finds a mistake in the identity of the individual.

*b.* The unit finds a mistake in determining compliance with a subpoena or warrant.

*c.* The unit or the court finds a mistake in determining that the amount of delinquent support due is equal to or greater than three months.

*d.* The obligor enters a written agreement with the unit to comply with a support order, the obligor complies with an existing written agreement to comply with a support order, or the obligor pays the total amount of delinquent support owed.

*e.* The individual complies with the subpoena or warrant.

*f.* Issuance of a withdrawal of the certificate of noncompliance is appropriate under other criteria in accordance with rules adopted by the department pursuant to chapter 17A.

95 Acts, ch 115, §6; 95 Acts, ch 209, §24; 97 Acts, ch 175, §118; 2004 Acts, ch 1116, §25; 2005 Acts, ch 112, §17

Referred to in §252J.7, 252J.9

**252J.7 Certificate of noncompliance — certification to licensing authority.**

1. If the individual fails to respond to the notice of potential license sanction provided pursuant to section 252J.3 or the unit issues a written decision under section 252J.6 which states that the individual is not in compliance, the unit shall issue a certificate of noncompliance to any appropriate licensing authority.

2. The certificate of noncompliance shall contain the individual's name and social security number.

3. The certificate of noncompliance shall require all of the following:

*a.* That the licensing authority initiate procedures for the revocation or suspension of the individual's license, or for the denial of the issuance or renewal of a license using the licensing authority's procedures.

*b.* That the licensing authority provide notice to the individual, as provided in section 252J.8, of the intent to suspend, revoke, deny issuance, or deny renewal of a license including the effective date of the action. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the individual.

95 Acts, ch 115, §7; 97 Acts, ch 175, §119; 2004 Acts, ch 1116, §26

**252J.8 Requirements and procedures of licensing authority.**

1. A licensing authority shall maintain records of licensees by name, current known address, and social security number.

2. In addition to other grounds for suspension, revocation, or denial of issuance or renewal of a license, a licensing authority shall include in rules adopted by the licensing authority as grounds for suspension, revocation, or denial of issuance or renewal of a license, the receipt of a certificate of noncompliance from the unit.

3. The supreme court shall prescribe rules for admission of persons to practice as attorneys and counselors pursuant to chapter 602, article 10, which include provisions, as specified in this chapter, for the denial, suspension, or revocation of the admission for failure to comply with a child support order or a subpoena or warrant.

4. *a.* A licensing authority that is issued a certificate of noncompliance shall initiate procedures for the suspension, revocation, or denial of issuance or renewal of licensure to an individual. The licensing authority shall utilize existing rules and procedures for suspension, revocation, or denial of the issuance or renewal of a license.

*b.* In addition, the licensing authority shall provide notice to the individual of the licensing authority's intent to suspend, revoke, or deny issuance or renewal of a license under this chapter. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the individual.

*c.* The notice shall state all of the following:

(1) The licensing authority intends to suspend, revoke, or deny issuance or renewal of an individual's license due to the receipt of a certificate of noncompliance from the unit.

(2) The individual must contact the unit to schedule a conference or to otherwise obtain a withdrawal of a certificate of noncompliance.

(3) Unless the unit furnishes a withdrawal of a certificate of noncompliance to the licensing authority within thirty days of the issuance of the notice under this section, the individual's license will be revoked, suspended, or denied.

(4) If the licensing authority's rules and procedures conflict with the additional requirements of this section, the requirements of this section shall apply.

(5) Notwithstanding section 17A.18, the individual does not have a right to a hearing before the licensing authority to contest the authority's actions under this chapter but may request a court hearing pursuant to section 252J.9 within thirty days of the provision of notice under this subsection.

5. If the licensing authority receives a withdrawal of a certificate of noncompliance from the unit, the licensing authority shall immediately reinstate, renew, or issue a license if the individual is otherwise in compliance with licensing requirements established by the licensing authority.

95 Acts, ch 115, §8; 97 Acts, ch 175, §120; 2009 Acts, ch 41, §245
Referred to in §252J.7, 252J.9, 321.218

**252J.9 District court hearing.**

1. Following the issuance of a written decision by the unit under section 252J.6 which includes the issuance of a certificate of noncompliance, or following provision of notice to the individual by a licensing authority pursuant to section 252J.8, an individual may seek review of the decision and request a hearing before the district court as follows:

*a.* If the action is a result of section 252J.2, subsection 2, paragraph "*a*", in the county in which the underlying support order is filed, by filing an application with the district court, and sending a copy of the application to the unit by regular mail.

*b.* If the action is a result of section 252J.2, subsection 2, paragraph "*b*", and the individual is not an obligor, in a county in which the dependent child or children reside if the child or children reside in Iowa; in the county in which the dependent child or children last received public assistance if the child or children received public assistance in Iowa; or in the county in which the individual resides if the action is the result of a request from a child support agency in a foreign jurisdiction.

2. An application shall be filed to seek review of the decision by the unit or following issuance of notice by the licensing authority no later than within thirty days after the issuance of the notice pursuant to section 252J.8. The clerk of the district court shall schedule a hearing and mail a copy of the order scheduling the hearing to the individual and the unit and shall also mail a copy of the order to the licensing authority, if applicable. The unit shall certify a copy of its written decision and certificate of noncompliance, indicating the date of issuance, and the licensing authority shall certify a copy of a notice issued pursuant to section 252J.8, to the court prior to the hearing.

3. The filing of an application pursuant to this section shall automatically stay the actions of a licensing authority pursuant to section 252J.8. The hearing on the application shall be scheduled and held within thirty days of the filing of the application. However, if the individual fails to appear at the scheduled hearing, the stay shall be lifted and the licensing authority shall continue procedures pursuant to section 252J.8.

4. The scope of review by the district court shall be limited to demonstration of a mistake of fact relating to the delinquency of the obligor or the noncompliance of the individual with a subpoena or warrant. Issues related to visitation, custody, or other provisions not related to the support provisions of a support order are not grounds for a hearing under this chapter.

5. Support orders shall not be modified by the court in a hearing under this chapter.

6. If the court finds that the unit was in error in issuing a certificate of noncompliance, or in failing to issue a withdrawal of a certificate of noncompliance, the unit shall issue a withdrawal of a certificate of noncompliance to the appropriate licensing authority.

95 Acts, ch 115, §9; 97 Acts, ch 175, §121; 2009 Acts, ch 41, §246
Referred to in §252J.6, 252J.8

# CHAPTER 252K

## UNIFORM INTERSTATE FAMILY SUPPORT ACT

Referred to in §252A.17, 252A.18, 252B.9, 252B.20, 252B.26, 252D.17, 252E.1, 598.21C, 598.22B, 600B.41A, 602.6111

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## ARTICLE 1

## GENERAL PROVISIONS

Referred to in §252K.613

**252K.101 Definitions.**

In this chapter:

1. *"Child"* means an individual, whether over or under the age of majority, who is or is alleged to be owed a duty of support by the individual's parent or who is or is alleged to be the beneficiary of a support order directed to the parent.

2. *"Child support order"* means a support order for a child, including a child who has attained the age of majority under the law of the issuing state.

3. *"Duty of support"* means an obligation imposed or imposable by law to provide support for a child, spouse, or former spouse, including an unsatisfied obligation to provide support.

4. *"Home state"* means the state in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the state in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month or other period.

5. *"Income"* includes earnings or other periodic entitlements to money from any source and any other property subject to withholding for support under the law of this state.

6. *"Income withholding order"* means an order or other legal process directed to an obligor's employer or other payor of income, as defined by the income withholding law of this state, to withhold support from the income of the obligor.

7. *"Initiating state"* means a state from which a proceeding is forwarded or in which a proceeding is filed for forwarding to a responding state under this chapter or a law or procedure substantially similar to this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.

8. *"Initiating tribunal"* means the authorized tribunal in an initiating state.

9. *"Issuing state"* means the state in which a tribunal issues a support order or renders a judgment determining parentage.

10. *"Issuing tribunal"* means the tribunal that issues a support order or renders a judgment determining parentage.

11. *"Law"* includes decisional and statutory law and rules and regulations having the force of law.

12. *"Obligee"* means any of the following:

*a.* An individual to whom a duty of support is or is alleged to be owed or in whose favor a support order has been issued or a judgment determining parentage has been rendered.

*b.* A state or political subdivision to which the rights under a duty of support or support order have been assigned or which has independent claims based on financial assistance provided to an individual obligee.

*c.* An individual seeking a judgment determining parentage of the individual's child.

13. *"Obligor"* means an individual, or the estate of a decedent, to which any of the following applies:

*a.* Who owes or is alleged to owe a duty of support.

*b.* Who is alleged but has not been adjudicated to be a parent of a child.

*c.* Who is liable under a support order.

14. *"Register"* means to file a support order or judgment determining parentage in the appropriate location for the filing of foreign judgments.

15. *"Registering tribunal"* means a tribunal in which a support order is registered.

16. *"Responding state"* means a state in which a proceeding is filed or to which a proceeding is forwarded for filing from an initiating state under this chapter or a law or procedure substantially similar to this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.

17. *"Responding tribunal"* means the authorized tribunal in a responding state.

18. *"Spousal support order"* means a support order for a spouse or former spouse of the obligor.

19. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States. The term includes:

*a.* An Indian tribe.

*b.* A foreign jurisdiction that has enacted a law or established procedures for issuance and enforcement of support orders which are substantially similar to the procedures under this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.

20. *"Support enforcement agency"* means a public official or agency authorized to seek any of the following:

*a.* Enforcement of support orders or laws relating to the duty of support.

*b.* Establishment or modification of child support.

*c.* Determination of parentage.

*d.* Location of obligors or their assets.

21. *"Support order"* means a judgment, decree, or order, whether temporary, final, or subject to modification, for the benefit of a child, a spouse, or a former spouse, which provides for monetary support, health care, arrearages, or reimbursement, and may include related costs and fees, interest, income withholding, attorney's fees, and other relief.

22. *"Tribunal"* means a court, administrative agency, or quasi-judicial entity authorized to establish, enforce, or modify support orders or to determine parentage.

97 Acts, ch 175, §122

Referred to in §252H.2

**252K.102 Tribunals of this state.**

The child support recovery unit when the unit establishes or modifies an order, upon ratification by the court, and the court, are the tribunals of this state.

97 Acts, ch 175, §123

**252K.103 Remedies cumulative.**

Remedies provided by this chapter are cumulative and do not affect the availability of remedies under other law.

97 Acts, ch 175, §124

## ARTICLE 2

## JURISDICTION

Referred to in §252K.613

## PART 1

## EXTENDED PERSONAL JURISDICTION

Referred to in §252K.301

**252K.201 Bases for jurisdiction over nonresident.**

In a proceeding to establish, enforce, or modify a support order or to determine parentage, a tribunal of this state may exercise personal jurisdiction over a nonresident individual or the individual's guardian or conservator if any of the following applies:

1. The individual is personally served with notice within this state.
2. The individual submits to the jurisdiction of this state by consent, by entering a general appearance, or by filing a responsive document having the effect of waiving any contest to personal jurisdiction.
3. The individual resided with the child in this state.
4. The individual resided in this state and provided prenatal expenses or support for the child.
5. The child resides in this state as a result of the acts or directives of the individual.
6. The individual engaged in sexual intercourse in this state and the child may have been conceived by that act of intercourse.
7. The individual asserted parentage in the declaration of paternity registry maintained in this state by the Iowa department of public health pursuant to section 144.12A or established paternity by affidavit under section 252A.3A.
8. There is any other basis consistent with the constitutions of this state and the United States for the exercise of personal jurisdiction.

97 Acts, ch 175, §125

Referred to in §252A.5, 252B.12, 252K.202

**252K.202 Procedure when exercising jurisdiction over nonresident.**

A tribunal of this state exercising personal jurisdiction over a nonresident under section 252K.201 may apply section 252K.316 to receive evidence from another state, and section 252K.318 to obtain discovery through a tribunal of another state. In all other respects, articles 3 through 7 do not apply and the tribunal shall apply the procedural and substantive law of this state, including the rules on choice of law other than those established by this chapter.

97 Acts, ch 175, §126

## PART 2

## PROCEEDINGS INVOLVING TWO OR MORE STATES

Referred to in §252K.301

**252K.203 Initiating and responding tribunal of this state.**

Under this chapter, a tribunal of this state may serve as an initiating tribunal to forward proceedings to another state and as a responding tribunal for proceedings initiated in another state.

97 Acts, ch 175, §127

**252K.204 Simultaneous proceedings in another state.**

1. A tribunal of this state may exercise jurisdiction to establish a support order if the

petition or comparable pleading is filed after a pleading is filed in another state only if all of the following apply:

*a.* The petition or comparable pleading in this state is filed before the expiration of the time allowed in the other state for filing a responsive pleading challenging the exercise of jurisdiction by the other state.

*b.* The contesting party timely challenges the exercise of jurisdiction in the other state.

*c.* If relevant, this state is the home state of the child.

2. A tribunal of this state may not exercise jurisdiction to establish a support order if the petition or comparable pleading is filed before a petition or comparable pleading is filed in another state if all of the following apply:

*a.* The petition or comparable pleading in the other state is filed before the expiration of the time allowed in this state for filing a responsive pleading challenging the exercise of jurisdiction by this state.

*b.* The contesting party timely challenges the exercise of jurisdiction in this state.

*c.* If relevant, the other state is the home state of the child.

97 Acts, ch 175, §128

**252K.205 Continuing, exclusive jurisdiction.**

1. A tribunal of this state issuing a support order consistent with the law of this state has continuing, exclusive jurisdiction over a child support order if any of the following applies:

*a.* As long as this state remains the residence of the obligor, the individual obligee, or the child for whose benefit the support order is issued.

*b.* Until all of the parties who are individuals have filed written consents with the tribunal of this state for a tribunal of another state to modify the order and assume continuing, exclusive jurisdiction.

2. A tribunal of this state issuing a child support order consistent with the law of this state may not exercise its continuing jurisdiction to modify the order if the order has been modified by a tribunal of another state pursuant to this chapter or a law substantially similar to this chapter.

3. If a child support order of this state is modified by a tribunal of another state pursuant to this chapter or a law substantially similar to this chapter, a tribunal of this state loses its continuing, exclusive jurisdiction with regard to prospective enforcement of the order issued in this state, and may only:

*a.* Enforce the order that was modified as to amounts accruing before the modification.

*b.* Enforce nonmodifiable aspects of that order.

*c.* Provide other appropriate relief for violations of that order which occurred before the effective date of the modification.

4. A tribunal of this state shall recognize the continuing, exclusive jurisdiction of a tribunal of another state which has issued a child support order pursuant to this chapter or a law substantially similar to this chapter.

5. A temporary support order issued ex parte or pending resolution of a jurisdictional conflict does not create continuing, exclusive jurisdiction in the issuing tribunal.

6. A tribunal of this state issuing a support order consistent with the law of this state has continuing, exclusive jurisdiction over a spousal support order throughout the existence of the support obligation. A tribunal of this state may not modify a spousal support order issued by a tribunal of another state having continuing, exclusive jurisdiction over that order under the law of that state.

97 Acts, ch 175, §129

Referred to in §252K.207

**252K.206 Enforcement and modification of support order by tribunal having continuing jurisdiction.**

1. A tribunal of this state may serve as an initiating tribunal to request a tribunal of another state to enforce or modify a support order issued in that state.

2. A tribunal of this state having continuing, exclusive jurisdiction over a support order may act as a responding tribunal to enforce or modify the order. If a party subject to the

continuing, exclusive jurisdiction of the tribunal no longer resides in the issuing state, in subsequent proceedings the tribunal may apply section 252K.316 to receive evidence from another state and section 252K.318 to obtain discovery through a tribunal of another state.

3. A tribunal of this state which lacks continuing, exclusive jurisdiction over a spousal support order may not serve as a responding tribunal to modify a spousal support order of another state.

97 Acts, ch 175, §130

## PART 3

## RECONCILIATION OF MULTIPLE ORDERS

**252K.207 Recognition of controlling child support order.**

1. If a proceeding is brought under this chapter and only one tribunal has issued a child support order, the order of that tribunal controls and must be so recognized.

2. If a proceeding is brought under this chapter, and two or more child support orders have been issued by tribunals of this state or another state with regard to the same obligor and child, a tribunal of this state shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction:

*a.* If only one of the tribunals would have continuing, exclusive jurisdiction under this chapter, the order of that tribunal controls and must be so recognized.

*b.* If more than one of the tribunals would have continuing, exclusive jurisdiction under this chapter, an order issued by a tribunal in the current home state of the child controls and must be so recognized, but if an order has not been issued in the current home state of the child, the order most recently issued controls and must be so recognized.

*c.* If none of the tribunals would have continuing, exclusive jurisdiction under this chapter, the tribunal of this state having jurisdiction over the parties shall issue a child support order, which controls and must be so recognized.

3. If two or more child support orders have been issued for the same obligor and child and if the obligor or the individual obligee resides in this state, a party may request a tribunal of this state to determine which order controls and must be so recognized under subsection 2. The request must be accompanied by a certified copy of every support order in effect. The requesting party shall give notice of the request to each party whose rights may be affected by the determination.

4. The tribunal that issued the controlling order under subsection 1, 2, or 3 is the tribunal that has continuing, exclusive jurisdiction under section 252K.205.

5. A tribunal of this state which determines by order the identity of the controlling order under subsection 2, paragraph "*a*" or "*b*", or which issues a new controlling order under subsection 2, paragraph "*c*", shall state in that order the basis upon which the tribunal made its determination.

6. Within thirty days after issuance of an order determining the identity of the controlling order, the party obtaining the order shall file a certified copy of it with each tribunal that issued or registered an earlier order of child support. A party who obtains the order and fails to file a certified copy is subject to appropriate sanctions by a tribunal in which the issue of failure to file arises. The failure to file does not affect the validity or enforceability of the controlling order.

97 Acts, ch 175, §131

Referred to in §252H.2, 252K.611

**252K.208 Multiple child support orders for two or more obligees.**

In responding to multiple registrations or requests for enforcement of two or more child support orders in effect at the same time with regard to the same obligor and different individual obligees, at least one of which was issued by a tribunal of another state, a tribunal

of this state shall enforce those orders in the same manner as if the multiple orders had been issued by a tribunal of this state.

97 Acts, ch 175, §132

**252K.209 Credit for payments.**

Amounts collected and credited for a particular period pursuant to a support order issued by a tribunal of another state must be credited against the amounts accruing or accrued for the same period under a support order issued by the tribunal of this state.

97 Acts, ch 175, §133

## ARTICLE 3

## CIVIL PROVISIONS OF GENERAL APPLICATION

Referred to in §252K.202, 252K.613

**252K.301 Proceedings under this chapter.**

1. Except as otherwise provided in this chapter, this article applies to all proceedings under this chapter.

2. This chapter provides for the following proceedings:

*a.* Establishment of an order for spousal support or child support pursuant to article 4.

*b.* Enforcement of a support order and income withholding order of another state without registration pursuant to article 5.

*c.* Registration of an order for spousal support or child support of another state for enforcement pursuant to article 6.

*d.* Modification of an order for child support or spousal support issued by a tribunal of this state pursuant to article 2, part 2.

*e.* Registration of an order for child support of another state for modification pursuant to article 6.

*f.* Determination of parentage pursuant to article 7.

*g.* Assertion of jurisdiction over nonresidents pursuant to article 2, part 1.

3. An individual movant or a support enforcement agency may commence a proceeding authorized under this chapter by filing a petition or a comparable pleading in an initiating tribunal for forwarding to a responding tribunal or by filing a petition or a comparable pleading directly in a tribunal of another state which has or can obtain personal jurisdiction over the respondent or nonmoving party.

97 Acts, ch 175, §134

Referred to in §252K.305

**252K.302 Action by minor parent.**

A minor parent, or a guardian or other legal representative of a minor parent, may maintain a proceeding on behalf of or for the benefit of the minor's child.

97 Acts, ch 175, §135

**252K.303 Application of law of this state.**

Except as otherwise provided by this chapter, a responding tribunal of this state shall do all of the following:

1. Apply the procedural and substantive law, including the rules on choice of law, generally applicable to similar proceedings originating in this state, and may exercise all powers and provide all remedies available in those proceedings.

2. Determine the duty of support and the amount payable in accordance with the law and support guidelines of this state.

97 Acts, ch 175, §136

**252K.304 Duties of initiating tribunal.**

1. Upon the filing of a petition or comparable pleading authorized by this chapter, an

initiating tribunal of this state shall forward three copies of the petition or comparable pleading and its accompanying documents:

*a.* To the responding tribunal or appropriate support enforcement agency in the responding state.

*b.* If the identity of the responding tribunal is unknown, to the state information agency of the responding state with a request that they be forwarded to the appropriate tribunal and that receipt be acknowledged.

2. If a responding state has not enacted this law or a law or procedure substantially similar to this chapter, a tribunal of this state may issue a certificate or other document and make findings required by the law of the responding state. If the responding state is a foreign jurisdiction, the tribunal may specify the amount of support sought and provide other documents necessary to satisfy the requirements of the responding state.

97 Acts, ch 175, §137

**252K.305 Duties and powers of responding tribunal.**

1. When a responding tribunal of this state receives a petition or comparable pleading from an initiating tribunal or directly pursuant to section 252K.301, subsection 3, it shall cause the petition or pleading to be filed and notify the movant where and when it was filed.

2. A responding tribunal of this state, to the extent otherwise authorized by law, may do one or more of the following:

*a.* Issue or enforce a support order, modify a child support order, or render a judgment to determine parentage.

*b.* Order an obligor to comply with a support order, specifying the amount and the manner of compliance.

*c.* Order income withholding.

*d.* Determine the amount of any arrearages, and specify a method of payment.

*e.* Enforce orders by civil or criminal contempt, or both.

*f.* Set aside property for satisfaction of the support order.

*g.* Place liens and order execution on the obligor's property.

*h.* Order an obligor to keep the tribunal informed of the obligor's current residential address, telephone number, employer, address of employment, and telephone number at the place of employment.

*i.* Issue a bench warrant for an obligor who has failed after proper notice to appear at a hearing ordered by the tribunal and enter the bench warrant in any local and state computer systems for criminal warrants.

*j.* Order the obligor to seek appropriate employment by specified methods.

*k.* Award reasonable attorney's fees and other fees and costs.

*l.* Grant any other available remedy.

3. A responding tribunal of this state shall include in a support order issued under this chapter, or in the documents accompanying the order, the calculations on which the support order is based.

4. A responding tribunal of this state may not condition the payment of a support order issued under this chapter upon compliance by a party with provisions for visitation.

5. If a responding tribunal of this state issues an order under this chapter, the tribunal shall send a copy of the order to the movant and the respondent and to the initiating tribunal, if any.

97 Acts, ch 175, §138

Referred to in §252K.401

**252K.306 Inappropriate tribunal.**

If a petition or comparable pleading is received by an inappropriate tribunal of this state, it shall forward the pleading and accompanying documents to an appropriate tribunal in this state or another state and notify the movant where and when the pleading was sent.

97 Acts, ch 175, §139

**252K.307 Duties of support enforcement agency.**

1. A support enforcement agency of this state, upon request, shall provide services to a movant in a proceeding under this chapter.

2. A support enforcement agency that is providing services to the movant as appropriate shall:

*a.* Take all steps necessary to enable an appropriate tribunal in this state or another state to obtain jurisdiction over the respondent.

*b.* Request an appropriate tribunal to set a date, time, and place for a hearing.

*c.* Make a reasonable effort to obtain all relevant information, including information as to income and property of the parties.

*d.* Within five days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of a written notice from an initiating, responding, or registering tribunal, send a copy of the notice to the movant.

*e.* Within five days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of a written communication from the respondent or the respondent's attorney, send a copy of the communication to the movant.

*f.* Notify the movant if jurisdiction over the respondent cannot be obtained.

3. This chapter does not create or negate a relationship of attorney and client or other fiduciary relationship between a support enforcement agency or the attorney for the agency and the individual being assisted by the agency.

97 Acts, ch 175, §140

**252K.308 Duty of attorney general.**

If the attorney general determines that the support enforcement agency is neglecting or refusing to provide services to an individual, the attorney general may order the agency to perform its duties under this chapter or may provide those services directly to the individual.

97 Acts, ch 175, §141

**252K.309 Private counsel.**

An individual may employ private counsel to represent the individual in proceedings authorized by this chapter.

97 Acts, ch 175, §142

**252K.310 Duties of state information agency.**

1. The child support recovery unit is the state information agency under this chapter.

2. The state information agency shall:

*a.* Compile and maintain a current list, including addresses, of the tribunals in this state which have jurisdiction under this chapter and any support enforcement agencies in this state and transmit a copy to the state information agency of every other state.

*b.* Maintain a register of tribunals and support enforcement agencies received from other states.

*c.* Forward to the appropriate tribunal in the place in this state in which the individual obligee or the obligor resides, or in which the obligor's property is believed to be located, all documents concerning a proceeding under this chapter received from an initiating tribunal or the state information agency of the initiating state.

*d.* Obtain information concerning the location of the obligor and the obligor's property within this state not exempt from execution, by such means as postal verification and federal or state locator services, examination of telephone directories, requests for the obligor's address from employers, and examination of governmental records, including, to the extent not prohibited by other law, those relating to real property, vital statistics, law enforcement, taxation, motor vehicles, driver's licenses, and social security.

97 Acts, ch 175, §143

**252K.311 Pleadings and accompanying documents.**

1. A movant seeking to establish or modify a support order or to determine parentage in a proceeding under this chapter must verify the petition. Unless otherwise ordered under

section 252K.312, the petition or accompanying documents must provide, so far as known, the name, residential address, and social security numbers of the obligor and the obligee, and the name, sex, residential address, social security number, and date of birth of each child for whom support is sought. The petition must be accompanied by a certified copy of any support order in effect. The petition may include any other information that may assist in locating or identifying the respondent.

2. The petition must specify the relief sought. The petition and accompanying documents shall conform substantially with the requirements imposed by the forms mandated by federal law for use in cases filed by a support enforcement agency.

97 Acts, ch 175, §144

**252K.312 Nondisclosure of information in exceptional circumstances.**

Upon a finding, which may be made ex parte, that the health, safety, or liberty of a party or child would be unreasonably put at risk by the disclosure of identifying information, or if an existing order so provides, a tribunal shall order that the address of the child or party or other identifying information not be disclosed in a pleading or other document filed in a proceeding under this chapter.

97 Acts, ch 175, §145

Referred to in §252K.311

**252K.313 Costs and fees.**

1. The movant shall not be required to pay a filing fee or other costs.

2. If an obligee prevails, a responding tribunal may assess against an obligor filing fees, reasonable attorney fees, other costs, and necessary travel and other reasonable expenses incurred by the obligee and the obligee's witnesses. The tribunal may not assess fees, costs, or expenses against the obligee or the support enforcement agency of either the initiating or the responding state, except as provided by other law. Attorney fees may be taxed as costs, and may be ordered paid directly to the attorney, who may enforce the order in the attorney's own name. Payment of support owed to the obligee has priority over fees, costs, and expenses.

3. The tribunal shall order the payment of costs and reasonable attorney's fees if the tribunal determines that a hearing was requested primarily for delay. In a proceeding under article 6, a hearing is presumed to have been requested primarily for delay if a registered support order is confirmed or enforced without change.

97 Acts, ch 175, §146

**252K.314 Limited immunity of movant.**

1. Participation by a movant in a proceeding before a responding tribunal, whether in person, by private attorney, or through services provided by the support enforcement agency, does not confer personal jurisdiction over the movant in another proceeding.

2. A movant is not amenable to service of civil process while physically present in this state to participate in a proceeding under this chapter.

3. The immunity granted by this section does not extend to civil litigation based on acts unrelated to a proceeding under this chapter committed by a party while present in this state to participate in the proceeding.

97 Acts, ch 175, §147

**252K.315 Nonparentage as defense.**

A party whose parentage of a child has been previously determined by or pursuant to law may not plead nonparentage as a defense to a proceeding under this chapter.

97 Acts, ch 175, §148

**252K.316 Special rules of evidence and procedure.**

1. The physical presence of the movant in a responding tribunal of this state is not required for the establishment, enforcement, or modification of a support order or the rendition of a judgment determining parentage.

2. A verified petition, affidavit, document substantially complying with federally mandated forms, and a document incorporated by reference in any of them, not excluded under the hearsay rule if given in person, is admissible in evidence if given under oath by a party or witness residing in another state.

3. A copy of the record of child support payments certified as a true copy of the original by the custodian of the record may be forwarded to a responding tribunal. The copy is evidence of facts asserted in it, and is admissible to show whether payments were made.

4. Copies of bills for testing for parentage, and for prenatal and postnatal health care of the mother and child, furnished to the adverse party at least ten days before trial, are admissible in evidence to prove the amount of the charges billed and that the charges were reasonable, necessary, and customary.

5. Documentary evidence transmitted from another state to a tribunal of this state by telephone, telecopier, or other means that do not provide an original writing may not be excluded from evidence on an objection based on the means of transmission.

6. In a proceeding under this chapter, a tribunal of this state may permit a party or witness residing in another state to be deposed or to testify by telephone, audiovisual means, or other electronic means at a designated tribunal or other location in that state. A tribunal of this state shall cooperate with tribunals of other states in designating an appropriate location for the deposition or testimony.

7. If a party called to testify at a civil hearing refuses to answer on the ground that the testimony may be self incriminating, the trier of fact may draw an adverse inference from the refusal.

8. A privilege against disclosure of communications between spouses does not apply in a proceeding under this chapter.

9. The defense of immunity based on the relationship of husband and wife or parent and child does not apply in a proceeding under this chapter.

97 Acts, ch 175, §149

Referred to in §252E.6A, 252K.202, 252K.206

**252K.317 Communications between tribunals.**

A tribunal of this state may communicate with a tribunal of another state in writing, or by telephone or other means, to obtain information concerning the laws of that state, the legal effect of a judgment, decree, or order of that tribunal, and the status of a proceeding in the other state. A tribunal of this state may furnish similar information by similar means to a tribunal of another state.

97 Acts, ch 175, §150

**252K.318 Assistance with discovery.**

A tribunal of this state may:

1. Request a tribunal of another state to assist in obtaining discovery.

2. Upon request, compel a person over whom it has jurisdiction to respond to a discovery order issued by a tribunal of another state.

97 Acts, ch 175, §151

Referred to in §252K.202, 252K.206

**252K.319 Receipt and disbursement of payments.**

A support enforcement agency or tribunal of this state shall disburse promptly any amounts received pursuant to a support order, as directed by the order. The agency or tribunal shall furnish to a requesting party or a tribunal of another state a certified statement by the custodian of the record of the amounts and dates of all payments received.

97 Acts, ch 175, §152

## ARTICLE 4

## ESTABLISHMENT OF SUPPORT ORDER

Referred to in §252K.202, 252K.301, 252K.613

**252K.401 Petition to establish support order.**

1. If a support order entitled to recognition under this chapter has not been issued, a responding tribunal of this state may issue a support order if any of the following applies:

*a.* The individual seeking the order resides in another state.

*b.* The support enforcement agency seeking the order is located in another state.

2. The tribunal may issue a temporary child support order if any of the following applies:

*a.* The respondent has signed a verified statement acknowledging parentage.

*b.* The respondent has been determined by or pursuant to law to be the parent.

*c.* There is other clear and convincing evidence that the respondent is the child's parent.

3. Upon finding, after notice and opportunity to be heard, that an obligor owes a duty of support, the tribunal shall issue a support order directed to the obligor and may issue other orders pursuant to section 252K.305.

97 Acts, ch 175, §153

## ARTICLE 5

## ENFORCEMENT OF ORDER OF ANOTHER STATE WITHOUT REGISTRATION

Referred to in §252D.24, 252K.202, 252K.301, 252K.613

**252K.501 Employer's receipt of income withholding order of another state.**

An income withholding order issued in another state may be sent to the person or entity defined as the obligor's employer under the income withholding law of this state without first filing a petition or comparable pleading or registering the order with a tribunal of this state.

97 Acts, ch 175, §154

**252K.502 Employer's compliance with income withholding order of another state.**

1. Upon receipt of an income withholding order, the obligor's employer shall immediately provide a copy of the order to the obligor.

2. The employer shall treat an income withholding order issued in another state which appears regular on its face as if it had been issued by a tribunal of this state.

3. Except as otherwise provided in subsection 4 and section 252K.503, the employer shall withhold and distribute the funds as directed in the withholding order by complying with terms of the order which specify:

*a.* The duration and amount of periodic payments of current child support, stated as a sum certain.

*b.* The person or agency designated to receive payments and the address to which the payments are to be forwarded.

*c.* Medical support, whether in the form of periodic cash payment, stated as a sum certain, or ordering the obligor to provide health insurance coverage for the child under a policy available through the obligor's employment.

*d.* The amount of periodic payments of fees and costs for a support enforcement agency, the issuing tribunal, and the obligee's attorney, stated as sums certain.

*e.* The amount of periodic payments of arrearages and interest on arrearages, stated as sums certain.

4. An employer shall comply with the law of the state of the obligor's principal place of employment for withholding from income with respect to:

*a.* The employer's fee for processing an income withholding order.

*b.* The maximum amount permitted to be withheld from the obligor's income.

*c.* The times within which the employer must implement the withholding order and forward the child support payment.

97 Acts, ch 175, §155

**252K.503 Compliance with multiple income withholding orders.**

If an obligor's employer receives multiple income withholding orders with respect to the earnings of the same obligor, the employer satisfies the terms of the multiple orders if the employer complies with the law of the state of the obligor's principal place of employment to establish the priorities for withholding and allocating income withheld for multiple child support obligees.

97 Acts, ch 175, §156

Referred to in §252K.502

**252K.504 Immunity from civil liability.**

An employer who complies with an income withholding order issued in another state in accordance with this article is not subject to civil liability to an individual or agency with regard to the employer's withholding of child support from the obligor's income.

97 Acts, ch 175, §157

**252K.505 Penalties for noncompliance.**

An employer who willfully fails to comply with an income withholding order issued by another state and received for enforcement is subject to the same penalties that may be imposed for noncompliance with an order issued by a tribunal of this state.

97 Acts, ch 175, §158

**252K.506 Contest by obligor.**

1. An obligor may contest the validity or enforcement of an income withholding order issued in another state and received directly by an employer in this state in the same manner as if the order had been issued by a tribunal of this state. Section 252K.604 applies to the contest.

2. The obligor shall give notice of the contest to:

*a.* A support enforcement agency providing services to the obligee.

*b.* Each employer that has directly received an income withholding order.

*c.* The person or agency designated to receive payments in the income withholding order, or if no person or agency is designated, to the obligee.

97 Acts, ch 175, §159

**252K.507 Administrative enforcement of orders.**

1. A party seeking to enforce a support order or an income withholding order, or both, issued by a tribunal of another state may send the documents required for registering the order to a support enforcement agency of this state.

2. Upon receipt of the documents, the support enforcement agency, without initially seeking to register the order, shall consider and, if appropriate, use any administrative procedure authorized by the law of this state to enforce a support order or an income withholding order, or both. If the obligor does not contest administrative enforcement, the order need not be registered. If the obligor contests the validity or administrative enforcement of the order, the support enforcement agency shall register the order pursuant to this chapter.

97 Acts, ch 175, §160

## ARTICLE 6

## ENFORCEMENT AND MODIFICATION OF SUPPORT ORDER AFTER REGISTRATION

Referred to in §252D.24, 252K.202, 252K.301, 252K.313

## PART 1

## REGISTRATION AND ENFORCEMENT OF SUPPORT ORDER

**252K.601 Registration of order for enforcement.**

A support order or an income withholding order issued by a tribunal of another state may be registered in this state for enforcement.

97 Acts, ch 175, §161

**252K.602 Procedure to register order for enforcement.**

1. A support order or income withholding order of another state may be registered in this state by sending the following documents and information to the appropriate tribunal in this state:

*a.* A letter of transmittal to the tribunal requesting registration and enforcement.

*b.* Two copies, including one certified copy, of all orders to be registered, including any modification of an order.

*c.* A sworn statement by the party seeking registration or a certified statement by the custodian of the records showing the amount of any arrearage.

*d.* The name of the obligor and, if known:

(1) The obligor's address and social security number.

(2) The name and address of the obligor's employer and any other source of income of the obligor.

(3) A description and the location of property of the obligor in this state not exempt from execution.

*e.* The name and address of the obligee and, if applicable, the agency or person to whom support payments are to be remitted.

2. On receipt of a request for registration, the registering tribunal shall cause the order to be filed as a foreign judgment, together with one copy of the documents and information, regardless of their form.

3. A petition or comparable pleading seeking a remedy that must be affirmatively sought under other law of this state may be filed at the same time as the request for registration or later. The pleading must specify the grounds for the remedy sought.

97 Acts, ch 175, §162

**252K.603 Effect of registration for enforcement.**

1. A support order or income withholding order issued in another state is registered when the order is filed in the registering tribunal of this state.

2. A registered order issued in another state is enforceable in the same manner and is subject to the same procedures as an order issued by a tribunal of this state.

3. Except as otherwise provided in this article, a tribunal of this state shall recognize and enforce, but may not modify, a registered order if the issuing tribunal had jurisdiction.

97 Acts, ch 175, §163

**252K.604 Choice of law.**

1. The law of the issuing state governs the nature, extent, amount, and duration of current payments and other obligations of support and the payment of arrearages under the order.

2. In a proceeding for arrearages, the statute of limitation under the laws of this state or of the issuing state, whichever is longer, applies.

97 Acts, ch 175, §164

Referred to in §252K.506, 252K.607

See §252A.5A relating to statute of limitation in this state

## PART 2

## CONTEST OF VALIDITY OR ENFORCEMENT

**252K.605 Notice of registration of order.**

1. When a support order or income withholding order issued in another state is registered, the registering tribunal shall notify the nonregistering party. The notice must be accompanied by a copy of the registered order and the documents and relevant information accompanying the order.

2. The notice must inform the nonregistering party:

*a.* That a registered order is enforceable as of the date of registration in the same manner as an order issued by a tribunal of this state.

*b.* That a hearing to contest the validity or enforcement of the registered order must be requested within twenty days after the date of mailing or personal service of the notice.

*c.* That failure to contest the validity or enforcement of the registered order in a timely manner will result in confirmation of the order and enforcement of the order and the alleged arrearages and precludes further contest of that order with respect to any matter that could have been asserted.

*d.* Of the amount of any alleged arrearages.

3. Upon registration of an income withholding order for enforcement, the registering tribunal shall notify the obligor's employer pursuant to the income withholding law of this state.

97 Acts, ch 175, §165

**252K.606 Procedure to contest validity or enforcement of registered order.**

1. A nonregistering party seeking to contest the validity or enforcement of a registered order in this state shall request a hearing within twenty days after the date of mailing or personal service of notice of the registration. The nonregistering party may seek to vacate the registration, to assert any defense to an allegation of noncompliance with the registered order, or to contest the remedies being sought or the amount of any alleged arrearages pursuant to section 252K.607.

2. If the nonregistering party fails to contest the validity or enforcement of the registered order in a timely manner, the order is confirmed by operation of law.

3. If a nonregistering party requests a hearing to contest the validity or enforcement of the registered order, the registering tribunal shall schedule the matter for hearing and give notice to the parties of the date, time, and place of the hearing.

97 Acts, ch 175, §166

**252K.607 Contest of registration or enforcement.**

1. A party contesting the validity or enforcement of a registered order or seeking to vacate the registration has the burden of proving one or more of the following defenses:

*a.* The issuing tribunal lacked personal jurisdiction over the contesting party.

*b.* The order was obtained by fraud.

*c.* The order has been vacated, suspended, or modified by a later order.

*d.* The issuing tribunal has stayed the order pending appeal.

*e.* There is a defense under the law of this state to the remedy sought.

*f.* Full or partial payment has been made.

*g.* The statute of limitation under section 252K.604 precludes enforcement of some or all of the arrearages.

2. If a party presents evidence establishing a full or partial defense under subsection 1, a tribunal may stay enforcement of the registered order, continue the proceeding to permit production of additional relevant evidence, and issue other appropriate orders. An uncontested portion of the registered order may be enforced by all remedies available under the law of this state.

3. If the contesting party does not establish a defense under subsection 1 to the validity or enforcement of the order, the registering tribunal shall issue an order confirming the order.

97 Acts, ch 175, §167

Referred to in §252K.606

**252K.608 Confirmed order.**

Confirmation of a registered order, whether by operation of law or after notice and hearing, precludes further contest of the order with respect to any matter that could have been asserted at the time of registration.

97 Acts, ch 175, §168

## PART 3

## REGISTRATION AND MODIFICATION OF CHILD SUPPORT ORDER

**252K.609 Procedure to register child support order of another state for modification.**

A party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another state shall register that order in this state in the same manner provided in part 1 if the order has not been registered. A petition for modification may be filed at the same time as a request for registration, or later. The pleading must specify the grounds for modification.

97 Acts, ch 175, §169

**252K.610 Effect of registration for modification.**

A tribunal of this state may enforce a child support order of another state registered for purposes of modification, in the same manner as if the order had been issued by a tribunal of this state, but the registered order may be modified only if the requirements of section 252K.611 have been met.

97 Acts, ch 175, §170

**252K.611 Modification of child support order of another state.**

1. After a child support order issued in another state has been registered in this state, the responding tribunal of this state may modify that order only if section 252K.613 does not apply and after notice and hearing it finds that paragraph "*a*" or "*b*" applies:

*a*. The following requirements are met:

(1) The child, the individual obligee, and the obligor do not reside in the issuing state.

(2) A movant who is a nonresident of this state seeks modification.

(3) The respondent is subject to the personal jurisdiction of the tribunal of this state.

*b*. The child, or a party who is an individual, is subject to the personal jurisdiction of the tribunal of this state and all of the parties who are individuals have filed written consents in the issuing tribunal for a tribunal of this state to modify the support order and assume continuing, exclusive jurisdiction over the order. However, if the issuing state is a foreign jurisdiction that has not enacted a law or established procedures substantially similar to the procedures under this chapter, the consent otherwise required of an individual residing in this state is not required for the tribunal to assume jurisdiction to modify the child support order.

2. Modification of a registered child support order is subject to the same requirements, procedures, and defenses that apply to the modification of an order issued by a tribunal of this state and the order may be enforced and satisfied in the same manner.

3. A tribunal of this state may not modify any aspect of a child support order that may not be modified under the law of the issuing state. If two or more tribunals have issued child support orders for the same obligor and child, the order that controls and must be so recognized under section 252K.207 establishes the aspects of the support order which are nonmodifiable.

4. On issuance of an order modifying a child support order issued in another state, a tribunal of this state becomes the tribunal having continuing, exclusive jurisdiction.

97 Acts, ch 175, §171
Referred to in §252K.610

**252K.612 Recognition of order modified in another state.**

A tribunal of this state shall recognize a modification of its earlier child support order by a tribunal of another state which assumed jurisdiction pursuant to this chapter or a law substantially similar to this chapter and, upon request, except as otherwise provided in this chapter, shall:

1. Enforce the order that was modified only as to amounts accruing before the modification.

2. Enforce only nonmodifiable aspects of that order.

3. Provide other appropriate relief only for violations of the order which occurred before the effective date of the modification.

4. Recognize the modifying order of the other state, upon registration, for the purpose of enforcement.

97 Acts, ch 175, §172

**252K.613 Jurisdiction to modify child support order of another state when individual parties reside in this state.**

1. If all of the parties who are individuals reside in this state and the child does not reside in the issuing state, a tribunal of this state has jurisdiction to enforce and to modify the issuing state's child support order in a proceeding to register that order.

2. A tribunal of this state exercising jurisdiction under this section shall apply the provisions of articles 1 and 2, this article, and the procedural and substantive law of this state to the proceeding for enforcement or modification. Articles 3, 4, 5, 7, and 8 do not apply.

97 Acts, ch 175, §173
Referred to in §252K.611

**252K.614 Notice to issuing tribunal of modification.**

Within thirty days after issuance of a modified child support order, the party obtaining the modification shall file a certified copy of the order with the issuing tribunal that had continuing, exclusive jurisdiction over the earlier order, and in each tribunal in which the party knows the earlier order has been registered. A party who obtains the order and fails to file a certified copy is subject to appropriate sanctions by a tribunal in which the issue of failure to file arises. The failure to file does not affect the validity or enforceability of the modified order of the new tribunal having continuing, exclusive jurisdiction.

97 Acts, ch 175, §174

## ARTICLE 7

## DETERMINATION OF PARENTAGE

Referred to in §252K.202, 252K.301, 252K.613

**252K.701 Proceeding to determine parentage.**

1. A tribunal of this state may serve as an initiating or responding tribunal in a proceeding brought under this chapter or a law or procedure substantially similar to this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act to determine that the petitioner is a parent of a particular child or to determine that a respondent is a parent of that child.

2. In a proceeding to determine parentage, a responding tribunal of this state shall apply the procedural and substantive laws pursuant to chapters 252A and 252F, and the rules of this state on choice of law.

97 Acts, ch 175, §175

## ARTICLE 8

## INTERSTATE RENDITION

Referred to in §252K.613

**252K.801 Grounds for rendition.**

1. For purposes of this article, "*governor*" includes an individual performing the functions of governor or the executive authority of a state covered by this chapter.

2. The governor of this state may:

*a.* Demand that the governor of another state surrender an individual found in the other state who is charged criminally in this state with having failed to provide for the support of an obligee.

*b.* On the demand by the governor of another state, surrender an individual found in this state who is charged criminally in the other state with having failed to provide for the support of an obligee.

3. A provision for extradition of individuals not inconsistent with this chapter applies to the demand even if the individual whose surrender is demanded was not in the demanding state when the crime was allegedly committed and has not fled therefrom.

97 Acts, ch 175, §176

**252K.802 Conditions of rendition.**

1. Before making demand that the governor of another state surrender an individual charged criminally in this state with having failed to provide for the support of an obligee, the governor of this state may require a prosecutor of this state to demonstrate that at least sixty days previously the obligee had initiated proceedings for support pursuant to this chapter or that the proceeding would be of no avail.

2. If, under this chapter, or a law substantially similar to this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act, the governor of another state makes a demand that the governor of this state surrender an individual charged criminally in that state with having failed to provide for the support of a child or other individual to whom a duty of support is owed, the governor may require a prosecutor to investigate the demand and report whether a proceeding for support has been initiated or would be effective. If it appears that a proceeding would be effective but has not been initiated, the governor may delay honoring the demand for a reasonable time to permit the initiation of a proceeding.

3. If a proceeding for support has been initiated and the individual whose rendition is demanded prevails, the governor may decline to honor the demand. If the movant prevails and the individual whose rendition is demanded is subject to a support order, the governor may decline to honor the demand if the individual is complying with the support order.

97 Acts, ch 175, §177

## ARTICLE 9

## MISCELLANEOUS PROVISIONS

**252K.901 Uniformity of application and construction.**

This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it.

97 Acts, ch 175, §178

**252K.902 Short title.**

This chapter may be cited as the *"Uniform Interstate Family Support Act"*.

97 Acts, ch 175, §179

**252K.903 Severability clause.**

If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or application of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

97 Acts, ch 175, §180

**252K.904 Effective date — pending matters.**

1. This chapter takes effect January 1, 1998.

2. A tribunal of this state shall apply this chapter beginning January 1, 1998, with the following conditions:

*a.* Matters pending on January 1, 1998, shall be governed by this chapter.

*b.* Pleadings and accompanying documents on pending matters are sufficient if the documents substantially comply with the requirements of chapter 252A in effect on December 31, 1997.

97 Acts, ch 175, §181

# CHAPTERS 253 and 254

RESERVED

# CHAPTER 255

MEDICAL AND SURGICAL TREATMENT OF INDIGENT PERSONS

Repealed by 2005 Acts, ch 167, §59, 66; see §263.18 – 263.23

# CHAPTER 255A

OBSTETRICAL AND NEWBORN INDIGENT PATIENT CARE

Repealed by 2005 Acts, ch 167, §59, 66; see §135.152

# SKELETON INDEX

The Skeleton Index is intended to be used as a quick reference to enable the user to locate general subjects and specific statutes in the 2014 Iowa Code.

A more comprehensive General Index in PDF format and other electronic research tools can be accessed on the General Assembly's Internet site at www.legis.iowa.gov.


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# VOLUME III

# CODE OF IOWA

# 2014

CONTAINING

## ALL STATUTES OF A GENERAL AND PERMANENT NATURE

Including the Acts of a permanent nature
of the Eighty-fifth General Assembly, 2013

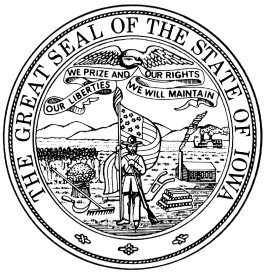


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by the
Legislative Services Agency
GENERAL ASSEMBLY OF IOWA
Des Moines
—
2013

# PREFACE TO 2014 IOWA CODE

2014 IOWA CODE — PRINT CODE SUPPLEMENT DISCONTINUED — ANNUAL CD-ROM. This 2014 Iowa Code is published pursuant to Iowa Code chapters 2A and 2B by the Legislative Services Agency only on CD-ROM and on the Iowa General Assembly's Internet site. The printed softbound Code Supplement has been discontinued. The CD-ROM contains a copy of the official text of the 2014 Iowa Code in PDF format, divided into six parts to correspond to the six-volume format of the biennial printed version of the Iowa Code. Printed hardbound volumes of the Iowa Code will continue to be published following the second regular session of a General Assembly. A CD-ROM containing the Iowa Code will be published annually.

CODE CONTENTS AND EFFECTIVE DATES. This 2014 Iowa Code contains the permanent enactments of the 2013 session of the Eighty-fifth General Assembly and of earlier sessions if the effective dates of the enactments were delayed. Except as otherwise indicated in the text or in a footnote, new sections, amendments, and repeals were effective on or before July 1, 2013. Refer to the specific enactments to determine effective dates not shown. The Table of Contents enumerates the titles and subtitles in this Iowa Code, and each volume contains an analysis by title, subtitle, and chapter. Codified and original versions of the Constitution of the State of Iowa are included at the beginning of Volume I.

EDITORIAL DECISIONS. All duplicative or nonconflicting amendments to a Code section or part of a Code section were harmonized as required under Iowa Code sections 2B.13 and 4.11. A strike or repeal prevailed over an amendment to the same material. If amendments were irreconcilable, the last amendment in the Act, or latest in date of enactment, was codified as provided in Iowa Code sections 2B.13 and 4.8. Code Editor's Notes at the end of Volume VI explain editorial decisions. Iowa Code section 2B.13 governs editorial changes and their effective dates.

HISTORIES AND NOTES. Bracketed material at the end of Code sections traces the sections' history up through 1982. Beginning with the 1983 Legislative Session, history is traced by citing all Iowa Acts amending or enacting the Code sections. The history of a transferred section will include the publication year and the Code section from which the transfer took place. An explanatory note describing the most recent changes in each new or amended Code section follows the history. Internal reference citations follow Code titles, subtitles, chapters, chapter subdivisions, or sections.

INDEX AND TABLES. A Skeleton Index appears at the end of each volume. Conversion tables of Senate and House files to Iowa Acts chapters, tables of disposition of Iowa Acts, and a table of corresponding sections can be accessed on the General Assembly's Internet site.

COMMENTS. The editorial staff of the Iowa Code welcomes comments and suggestions for improvements.

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# DESIGNATION OF GENERAL ASSEMBLY — OFFICIAL LEGAL PUBLICATIONS — CITATIONS

**2.2 Designation of general assembly.**

Each regular session of the general assembly shall be designated by the year in which it convenes and by a number with a new consecutive number assigned with the session beginning in each odd-numbered year.

A special session of the general assembly shall be designated as an extraordinary session in the particular year of a numbered general assembly.

**2B.17 Official legal publications — citations.**

1. An official legal publication designated as such by the legislative services agency as provided in sections 2.42 and 2A.1, is the official and authoritative version of the statutes, administrative rules, or court rules of the state of Iowa.

2. *a.* The codified version of the state's constitution shall be known as the Constitution of the State of Iowa.

*b.* For statutes, the official versions of publications shall be known as the Iowa Acts, the Iowa Code, and the Code Supplement.

*c.* For administrative rules, the official versions of the publications shall be known as the Iowa Administrative Bulletin and the Iowa Administrative Code.

*d.* For court rules, the official version of the publication shall be known as the Iowa Court Rules.

3. The legislative services agency may adopt a style manual providing a uniform system of citing the codified Constitution of the State of Iowa and the official versions of publications listed in subsection 2, including by reference to commonly accepted legal sources. The legislative services agency style manual may provide for a different form of citation for electronic and printed versions of the same publication. Nothing in this section affects rules for style and format adopted pursuant to section 2.42.

4. The codified Constitution of the State of Iowa, and statutes enacted and joint resolutions enacted or passed by the general assembly shall be cited as follows:

*a.* The codified Constitution of the State of Iowa shall be cited as the Constitution of the State of Iowa, with a reference identifying the preamble or boundaries, or article, section, and subunit of a section. Subject to the legislative services agency style manual, the Constitution of the State of Iowa may be cited as the Iowa Constitution.

*b.* The Iowa Acts shall be cited as the Iowa Acts with a reference identifying the year of the publication in conformance with section 2.2, and the chapter of a bill enacted or joint resolution enacted or passed during a regular session, or in the alternative the bill or joint resolution chamber designation, and the section of the chapter or bill or subunit of a section. A bill or joint resolution enacted or passed during a special session shall be cited by the extraordinary session designation in conformance with section 2.2. If the Iowa Acts have not been published, a bill or joint resolution may be cited by its bill or joint resolution chamber designation.

*c.* The Iowa Code shall be cited as the Iowa Code. The Code Supplement shall be cited as the Code Supplement. Subject to the legislative services agency style manual, the Iowa Code may be cited as the Code of Iowa or Code and the Code Supplement may be cited as the Iowa Code Supplement, with references identifying parts of the publication, including but not limited to title or chapter, section, or subunit of a section. If the citation refers to a past edition of the Iowa Code or Code Supplement, the citation shall identify the year of publication.

5. Administrative rules shall be cited as follows:

*a.* The Iowa Administrative Bulletin shall be cited as the IAB, with references identifying the volume number which may be based on a fiscal year cycle, the issue number, and the ARC number assigned to the rulemaking document by the administrative rules coordinator pursuant to section 17A.4. Subject to the legislative services agency style manual, the citation may also include the publication's page number.

*b.* The Iowa Administrative Code shall be cited as the IAC, with references to an agency's identification number placed at the beginning of the citation and with references to parts of the publication, including but not limited to chapter, rule, or subunit of a rule.

6. The Iowa Court Rules shall be cited as the Iowa Court Rules, with references to the rule number and to subunits of the publication, which may include but are not limited to the Iowa Rules of Civil Procedure, the Iowa Rules of Criminal Procedure, the Iowa Rules of Evidence, the Iowa Rules of Appellate Procedure, the Iowa Rules of Professional Conduct, and the Iowa Code of Judicial Conduct. Subject to the legislative services agency style manual, the names of the rules may be abbreviated.

Chapters of the Code are cited as whole numerals; as chapter 124 or chapter 124A.

Sections are cited as decimal numerals; as section 124.401 or section 124A.3. Sections are often divided into subunits. The following is an example of the hierarchical structure of a Code section:

Section: 35D.15
Subsection: 2
Paragraph: *a*
Subparagraph: (1)
Subparagraph division: (a)
Subparagraph subdivision: (ii)
Subparagraph part: (B)
Subparagraph subpart: (I) *This subunit does not exist in present Code*

The above Code section example may be abbreviated as 35D.15(2)(a)(1)(a)(ii)(B)(I) or 35D.15 [2a(1)(a)(ii)(B)(I)].

# ABBREVIATIONS

C51 ..... Code of 1851
R60 ..... Revision of 1860
C73 ..... Code of 1873
C97 ..... Code of 1897
S'02 ..... Supplement of 1902
S'07 ..... Supplement of 1907
S13 ..... Supplement of 1913
SS15 ..... Supplemental Supplement 1915
C24 ..... Code of 1924
C27 ..... Code of 1927
C31 ..... Code of 1931
C35 ..... Code of 1935
C39 ..... Code of 1939
C46 ..... Code of 1946
C50 ..... Code of 1950
C54 ..... Code of 1954
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C71 ..... Code of 1971
C73 ..... Code of 1973
C75 ..... Code of 1975
C77 ..... Code of 1977
C79 ..... Code of 1979
S79 ..... Supplement of 1979
C81 ..... Code of 1981
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C83 ..... Code of 1983
CS83 ..... Supplement of 1983
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CS85 ..... Code Supplement of 1985
C87 ..... Code of 1987
CS87 ..... Code Supplement of 1987
C89 ..... Code of 1989
CS89 ..... Code Supplement of 1989
C91 ..... Code of 1991
CS91 ..... Code Supplement of 1991
C93 ..... Code of 1993
CS93 ..... Code Supplement of 1993
C95 ..... Code of 1995
CS95 ..... Code Supplement of 1995
C97 ..... Code of 1997
CS97 ..... Code Supplement of 1997
C99 ..... Code of 1999
CS99 ..... Code Supplement of 1999
C2001 ..... Code of 2001
CS2001 ..... Code Supplement of 2001
C2003 ..... Code of 2003
CS2003 ..... Code Supplement of 2003
C2005 ..... Code of 2005
CS2005 ..... Code Supplement of 2005
C2007 ..... Code of 2007
CS2007 ..... Code Supplement of 2007
C2009 ..... Code of 2009
CS2009 ..... Code Supplement of 2009
C2011 ..... Code of 2011
CS2011 ..... Code Supplement of 2011
C2013 ..... Code of 2013
C2014 ..... Code of 2014
GA ..... General Assembly
§ or Sec. ..... Section
Art. ..... Article
Ch ..... Chapter
1st Ex ..... First Extra Session
2nd Ex ..... Second Extra Session
R (in tables) ..... Repealed
Vol ..... Volume
Ct.R. ..... Court Rule
R.C.P. ..... Rules of Civil Procedure
R.Cr.P. ..... Rules of Criminal Procedure
R.App.P. .... Rules of Appellate Procedure
R.Prob.P. ..... Rules of Probate Procedure
Stat. ..... Statutes at Large (U. S.)
U.S.C. ..... United States Code
U.S.C. App. United States Code Appendix
Pub. L. No. ... Public Law Number (U. S.)
C.F.R. Code of Federal Regulations (U. S.)
Tit. ..... Title in federal Acts
Subtit. ..... Subtitle in federal Acts
Pt. ..... Part in federal Acts
Subpt. ..... Subpart in federal Acts

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# TITLE VII

## EDUCATION AND CULTURAL AFFAIRS

# SUBTITLE 1

## ELEMENTARY AND SECONDARY EDUCATION

# CHAPTER 256

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## SUBCHAPTER I

## GENERAL PROVISIONS

**256.1 Department established.**

1. The department of education is established to act in a policymaking and advisory capacity and to exercise general supervision over the state system of education including all of the following:

*a.* Public elementary and secondary schools.

*b.* Community colleges.

*c.* Area education agencies.

*d.* Vocational rehabilitation.

*e.* Educational supervision over the elementary and secondary schools under the control of an administrator of a division of the department of human services.

*f.* Nonpublic schools to the extent necessary for compliance with Iowa school laws.

2. The department shall stimulate and encourage educational radio and television and other educational communications services as necessary to aid in accomplishing the educational objectives of the state.

3. The department shall meet the informational needs of the three branches of state government.

4. The department shall provide for the improvement of library services to all Iowa citizens and foster development and cooperation among libraries.

5. The department shall act as an administrative, supervisory, and consultative state agency.

86 Acts, ch 1245, §1401; 93 Acts, ch 48, §12; 94 Acts, ch 1023, §92
Referred to in §7E.5, 292.1

**256.2 Definitions.**

As used in this chapter:

1. *"Department"* means the department of education.

2. *"Director"* means the director of the department of education.

3. *"Online learning"* and *"online coursework"* mean educational instruction and content which are delivered primarily over the internet. *"Online learning"* and *"online coursework"* do not include print-based correspondence education, broadcast television or radio, videocassettes, or stand-alone educational software programs that do not have a significant internet-based instructional component.

4. *"State board"* means the state board of education.

86 Acts, ch 1245, §1402; 2012 Acts, ch 1119, §13

**256.3 State board established.**

The state board of education is established for the department. The state board consists of ten members, nine voting members and one nonvoting student member. The voting members shall be appointed by the governor subject to senate confirmation. The nonvoting student member shall be appointed as provided in section 256.5A. The voting members shall be registered voters of the state and hold no other elective or appointive state office. A voting member shall not be engaged in professional education for a major portion of the member's time nor shall the member derive a major portion of income from any business or activity connected with education. Not more than five voting members shall be of the same political party.

The terms of office for voting members are for six years beginning and ending as provided in section 69.19.

Three of the voting members shall have substantial knowledge related to the community college system. The remaining six voting members shall be members of the general public.

86 Acts, ch 1245, §1403; 90 Acts, ch 1253, §4; 95 Acts, ch 49, §4; 2002 Acts, ch 1140, §1
Referred to in §256.31
Confirmation, see §2.32

**256.4 Oath — vacancies.**

The members of the state board shall qualify by taking the regular oath of office as prescribed by law for state officers. Vacancies in the voting membership shall be filled in the same manner in which regular appointments are required to be made.

86 Acts, ch 1245, §1404; 2002 Acts, ch 1140, §2

**256.5 Compensation and expenses.**

The members of the state board shall be reimbursed for actual and necessary expenses incurred while engaged in their official duties. Members of the state board may also be eligible to receive compensation as provided in section 7E.6. All expense moneys paid to the members shall be paid from funds appropriated to the department.

86 Acts, ch 1245, §1405

**256.5A Nonvoting member.**

1. *a.* The governor shall appoint the one nonvoting student member of the state board for a term of one year if the student is enrolled in grade eleven or for a term of two years if the student is enrolled in grade ten. The term shall begin and end as provided in section 69.19. The nonvoting student member shall be appointed from a list of names submitted by the state board of education. Students enrolled in either grade ten or eleven in a public school may apply to the state board to serve as a nonvoting student member.

*b*. The department shall develop an application process that requires the consent of the student's parent or guardian if the student is a minor, initial application approval by the school district in which the student applicant is enrolled, and submission of approved applications by a school district to the department.

2. The nonvoting student member's school district of enrollment shall notify the student's parents if the student's grade point average falls during the period in which the student is a member of the state board.

3. The state board shall adopt rules under chapter 17A specifying criteria for the selection of applicants whose names shall be submitted to the governor. Criteria shall include but are not limited to academic excellence, participation in extracurricular and community activities, and interest in serving on the board. Rules adopted by the state board shall also require, if the student is a minor, supervision of the student by the student's parent or guardian while the student is engaged in authorized state board business at a location other than the community in which the student resides, unless the student's parent or guardian submits to the state board a signed release indicating the parent or guardian has determined that supervision of the student by the parent or guardian is unnecessary.

4. The nonvoting student member appointment is not subject to section 69.16 or 69.16A.

5. The nonvoting student member shall have been enrolled in a public school in Iowa for at least one year prior to the member's appointment.

6. A nonvoting student member shall be paid a per diem as provided in section 7E.6 and the student and the student's parent or guardian shall be reimbursed for actual and necessary expenses incurred in the performance of the student's duties as a nonvoting member of the state board.

7. A vacancy in the membership of the nonvoting student member shall not be filled until the expiration of the term.

2002 Acts, ch 1140, §3; 2003 Acts, ch 180, §1; 2013 Acts, ch 88, §1
Referred to in §256.3
Section amended

**256.6 Regular and special meetings.**

The state board shall meet in May of each year for purposes of organization and shall hold at least five additional regular meetings during the twelve-month period ending April 30. Special meetings of the state board may be called by the president or by any five members of the board on five days' notice given to each member.

86 Acts, ch 1245, §1406; 88 Acts, ch 1013, §1

**256.7 Duties of state board.**

Except for the college student aid commission, the commission of libraries and division of library services, and the public broadcasting board and division, the state board shall:

1. Adopt and establish policy for programs and services of the department pursuant to law.

2. Constitute the state board for vocational education under chapter 258.

3. Prescribe standards and procedures for the approval of practitioner preparation programs and professional development programs offered in this state by practitioner preparation institutions located within or outside this state and by area education agencies. Procedures provided for approval of programs shall include procedures for enforcement of the prescribed standards and shall not include a procedure for the waiving of any of the standards prescribed. The board may establish by rule and collect from practitioner preparation institutions located outside this state an amount equivalent to the department's necessary travel and actual expenses incurred while engaged in the program approval process for the institution located outside this state. Amounts collected under this subsection shall be deposited in the general fund of the state.

4. Adopt, and update annually, a five-year plan for the achievement of educational goals in Iowa.

5. Adopt rules under chapter 17A for carrying out the responsibilities of the department.

6. Hear appeals of persons aggrieved by decisions of boards of directors of school

corporations under chapter 290 and other appeals prescribed by law. The state board may review the record and shall review the decision of the director of the department of education or the administrative law judge designated for any appeals heard and decided by the director under chapter 290, and may affirm, modify, or vacate the decision, or may direct a rehearing before the director.

7. Adopt rules under chapter 17A for the use of telecommunications as an instructional tool for students enrolled in kindergarten through grade twelve and served by local school districts, accredited or approved nonpublic schools, area education agencies, community colleges, institutions of higher education under the state board of regents, and independent colleges and universities in elementary and secondary school classes and courses. The rules shall include but need not be limited to rules relating to programs, educational policy, instructional practices, staff development, use of pilot projects, curriculum monitoring, and the accessibility of licensed teachers.

*a.* When curriculum is provided by means of telecommunications, it shall be taught by an appropriately licensed teacher. The teacher shall either be present in the classroom, or be present at the location at which the curriculum delivered by means of telecommunications originates.

*b.* The rules shall provide that when the curriculum is taught by an appropriately licensed teacher at the location at which the telecommunications originates, the curriculum received at a remote site shall be under the supervision of a licensed teacher. The licensed teacher at the originating site may provide supervision of students at a remote site or the school district in which the remote site is located may provide for supervision at the remote site if the school district deems it necessary or if requested to do so by the licensed teacher at the originating site. For the purposes of this subsection, "*supervision*" means that the curriculum is monitored by a licensed teacher and the teacher is accessible to the students receiving the curriculum by means of telecommunications.

*c.* The state board shall establish an advisory committee to make recommendations for rules required under this subsection on the use of telecommunications as an instructional tool. The committee shall be composed of representatives from community colleges, area education agencies, accredited or approved nonpublic schools, and local school districts from various enrollment categories. The representatives shall include board members, school administrators, teachers, parents, students, and associations interested in education.

*d.* For purposes of this chapter, "*telecommunications*" means narrowcast communications through systems that are directed toward a narrowly defined audience and includes interactive live communications. For purposes of this chapter, "*telecommunications*" does not include online learning.

8. Rules adopted under this section shall provide that telecommunications shall not be used by school districts as the exclusive means to provide any course which is required by the minimum educational standards for accreditation.

9. Develop evaluation procedures that will measure the effects of instruction by means of telecommunications on student achievement, socialization, intellectual growth, motivation, and other related factors deemed relevant by the state board, for the development of an educational database. The state board shall consult with the state board of regents and the practitioner preparation departments at its institutions, other practitioner preparation departments located within private colleges and universities, educational research agencies or facilities, and other agencies deemed appropriate by the state board, in developing these procedures.

10. Adopt rules pursuant to chapter 17A relating to educational programs and budget limitations for educational programs pursuant to sections 282.29, 282.30, 282.31, and 282.33.

11. Prescribe guidelines for facility standards, maximum class sizes, and maximum in classroom pupil-teacher and teacher-aide ratios for grades kindergarten through three and before and after school and summer child care programs provided under the direction of the school district. The department also shall indicate modifications to such guidelines necessary to address the needs of at-risk children.

12. Elect to a two-year term, from its members in each even-numbered year, a president of the state board, who shall serve until a successor is elected and qualified.

13. Adopt rules and a procedure for accrediting all apprenticeship programs in the state which receive state or federal funding. In developing the rules, the state board shall consult with schools and labor or trade organizations affected by or currently operating apprenticeship or training programs. Rules adopted shall be the same or similar to criteria established for the operation of apprenticeship programs at community colleges.

14. Require each community college which establishes a new jobs training project or projects and receives funds derived from or associated with the project or projects to establish a separate account to act as a repository for any funds received.

15. If funds are appropriated by the general assembly for the program, adopt rules for the administration of the teacher exchange program, including, but not limited to, rules for application to participate in the program, rules relating to the number of times that a given applicant may participate in the program, and rules describing reimbursable expenses and establishing honoraria for teacher participants.

16. Adopt rules that set standards for approval of family support preservice and in-service training programs, offered by area education agencies and practitioner preparation institutions, and family support programs offered by or through local school districts.

17. Receive and review the budget and unified plan of service submitted by the division of library services.

18. Adopt rules that include children who retain some sight but who have a medically diagnosed expectation of visual deterioration within the definition of children requiring special education pursuant to section 256B.2, subsection 1. Rules adopted pursuant to this subsection shall provide for or include, but are not limited to, the following:

*a.* A presumption that proficiency in braille reading and writing is essential for satisfactory educational progress for a visually impaired student who is not able to communicate in print with the same level of proficiency as a student of otherwise comparable ability at the same grade level. This presumption includes a student as defined in paragraph *"b"*. A student for whom braille services are appropriate, as defined in this subsection, is entitled to instruction in braille reading and writing that is sufficient to enable the pupil to communicate with the same level of proficiency as a pupil of otherwise comparable ability at the same grade level.

*b.* A pupil who retains some sight but who has a medically diagnosed expectation of visual deterioration in adolescence or early adulthood may qualify for instruction in braille reading and writing.

*c.* Instruction in braille reading and writing may be used in combination with other special education services appropriate to a pupil's educational needs.

*d.* The annual review of a pupil's individual education plan shall include discussion of instruction in braille reading and writing and a written explanation of the reasons why the pupil is using a given reading and writing medium or media. If the reasons have not changed since the previous year, the written explanation for the current year may refer to the fuller explanation from the previous year.

*e.* A pupil as defined in paragraph *"b"* whose primary learning medium is expected to change may begin instruction in the new medium before it is the only medium the pupil can effectively use.

*f.* A pupil who receives instruction in braille reading and writing pursuant to this subsection shall be taught by a teacher licensed to teach students with visual impairments.

19. Define the minimum school day as a day consisting of five and one-half hours of instructional time for grades one through twelve. The minimum hours shall be exclusive of the lunch period, but may include passing time between classes. Time spent on parent-teacher conferences shall be considered instructional time. A school or school district may record a day of school with less than the minimum instructional hours as a minimum school day if any of the following apply:

*a.* If emergency health or safety factors require the late arrival or early dismissal of students on a specific day.

*b.* If the total hours of instructional school time for grades one through twelve for any five consecutive school days equal a minimum of twenty-seven and one-half hours, even though any one day of school is less than the minimum instructional hours because of a staff development opportunity provided for the professional instructional staff or

because parent-teacher conferences have been scheduled beyond the regular school day. Furthermore, if the total hours of instructional time for the first four consecutive days equal at least twenty-seven and one-half hours because parent-teacher conferences have been scheduled beyond the regular school day, a school or school district may record zero hours of instructional time on the fifth consecutive school day as a minimum school day.

20. Adopt rules that require the board of directors of a school district to waive school fees for indigent families.

21. Develop and adopt rules incorporating accountability for, and reporting of, student achievement into the standards and accreditation process described in section 256.11. The rules shall provide for all of the following:

*a.* Requirements that all school districts and accredited nonpublic schools develop, implement, and file with the department a comprehensive school improvement plan that includes, but is not limited to, demonstrated school, parental, and community involvement in assessing educational needs, establishing local education standards and student achievement levels, and, as applicable, the consolidation of federal and state planning, goal-setting, and reporting requirements.

*b.* A set of core academic indicators in mathematics and reading in grades four, eight, and eleven, a set of core academic indicators in science in grades eight and eleven, and another set of core indicators that includes but is not limited to graduation rate, postsecondary education, and successful employment in Iowa.

(1) Annually, the department shall report state data for each indicator in the condition of education report. Rules adopted pursuant to this subsection shall specify that the approved district-wide assessment of student progress administered for purposes of the indicators shall be the assessment utilized by school districts statewide in the school year beginning July 1, 2011, or a successor assessment administered by the same assessment provider.

(2) Notwithstanding subparagraph (1), for the school year beginning July 1, 2016, and each succeeding school year, the rules shall provide that all students enrolled in school districts in grades three through eleven shall be administered an assessment during the last quarter of the school year that at a minimum assesses the indicators identified in this paragraph *"b"*; is aligned with the Iowa common core standards in both content and rigor; accurately describes student achievement and growth for purposes of the school, the school district, and state accountability systems; and provides valid, reliable, and fair measures of student progress toward college or career readiness.

(3) The director shall establish an assessment task force to review and make recommendations for a statewide assessment of student progress on the indicators identified pursuant to this paragraph *"b"*. The task force shall recommend a statewide assessment that is aligned to the Iowa common core standards and is, at a minimum, valid, reliable, tested, and piloted in Iowa. In addition, in developing recommendations, the task force shall consider the costs to school districts and the state in providing and administering such an assessment and the technical support necessary to implement the assessment. The task force shall submit its recommendations in a report to the director, the state board, and the general assembly by January 1, 2015. The task force shall assist with the final development and implementation of the assessment administered pursuant to subparagraph (2). The task force members shall include but not be limited to teachers, school administrators, business leaders, representatives of state agencies, and members of the general public. This subparagraph is repealed July 1, 2020.

(4) The state board shall submit to the general assembly recommendations the state board deems appropriate for modifications of assessments of student progress administered for purposes of this paragraph *"b"*.

*c.* A requirement that all school districts and accredited nonpublic schools annually report to the department and the local community the district-wide progress made in attaining student achievement goals on the academic and other core indicators and the district-wide progress made in attaining locally established student learning goals. The school districts and accredited nonpublic schools shall demonstrate the use of multiple assessment measures in determining student achievement levels. The school districts and accredited nonpublic schools shall also report the number of students who graduate; the

number of students who drop out of school; the number of students who are tested and the percentage of students who are so tested annually; and the percentage of students who graduated during the prior school year and who completed a core curriculum. The board shall develop and adopt uniform definitions consistent with the federal No Child Left Behind Act of 2001, Pub. L. No. 107-110 and any federal regulations adopted pursuant to the federal Act. The school districts and accredited nonpublic schools may report on other locally determined factors influencing student achievement. The school districts and accredited nonpublic schools shall also report to the local community their results by individual attendance center.

22. Adopt rules and a procedure for the approval of para-educator preparation programs offered by a public school district, area education agency, community college, institution of higher education under the state board of regents, or an accredited private institution as defined in section 261.9, subsection 1. The programs shall train and recommend individuals for para-educator certification under section 272.12.

23. Adopt rules directing the community colleges to annually and uniformly submit data from the most recent fiscal year to the division of community colleges and workforce preparation, using criteria determined and prescribed by the division via the management information system.

*a.* Financial data submitted to the division by a community college shall be broken down by fund.

*b.* Community colleges shall provide data to the division by a deadline set by the division. The deadline shall be set for a date that permits the division to include the data in a report submitted for state board approval and for review by December 15 of each year by the house and senate standing education committees and the joint subcommittee on education appropriations.

*c.* The department shall include a statewide summary of the financial data submitted in accordance with paragraph *"a"* in the annual condition of community colleges report, which upon approval of the state board, shall be submitted to the general assembly on or before February 1 of each year.

24. Adopt rules on or before January 1, 2001, to require school districts and accredited nonpublic schools to adopt local policies relating to health services, media services programs, and guidance programs, as part of the general accreditation standards applicable to school districts pursuant to section 256.11. This subsection shall be applicable strictly for reporting purposes and shall not be interpreted to require school districts and accredited nonpublic schools to provide or offer health services, media services programs, or guidance programs.

25. Adopt rules establishing standards for school district and area education agency professional development programs and for individual teacher professional development plans in accordance with section 284.6.

26. *a.* Adopt rules that establish a core curriculum and high school graduation requirements for all students in school districts and accredited nonpublic schools that include at a minimum satisfactory completion of four years of English and language arts, three years of mathematics, three years of science, and three years of social studies.

(1) The rules establishing high school graduation requirements shall authorize a school district or accredited nonpublic school to consider that any student who satisfactorily completes a high school-level unit of English or language arts, mathematics, science, or social studies has satisfactorily completed a unit of the high school graduation requirements for that area as specified in this lettered paragraph, and shall authorize the school district or accredited nonpublic school to issue high school credit for the unit to the student.

(2) The rules shall allow a school district or accredited nonpublic school to award high school credit to an enrolled student upon the demonstration of required competencies for a course or content area, as approved by a teacher licensed under chapter 272. The school district or accredited nonpublic school shall determine the assessment methods by which a student demonstrates sufficient evidence of the required competencies.

(3) The rules establishing a core curriculum shall address the core content standards in subsection 28 and the skills and knowledge students need to be successful in the twenty-first century. The core curriculum shall include social studies and twenty-first century learning

skills which include but are not limited to civic literacy, health literacy, technology literacy, financial literacy, and employability skills; and shall address the curricular needs of students in kindergarten through grade twelve in those areas. The department shall further define the twenty-first century learning skills components by rule.

*b.* Continue the inclusive process begun during the initial development of a core curriculum for grades nine through twelve including stakeholder involvement, including but not limited to representatives from the private sector and the business community, and alignment of the core curriculum to other recognized sets of national and international standards. The state board shall also recommend quality assessments to school districts and accredited nonpublic schools to measure the core curriculum.

*c.* Neither the state board nor the department shall require school districts or accredited nonpublic schools to adopt a specific textbook, textbook series, or specific instructional methodology, or acquire specific textbooks, curriculum materials, or educational products from a specific vendor in order to meet the core curriculum requirements of this subsection or the core content standards adopted pursuant to subsection 28.

27. Adopt by rule the Iowa standards for school administrators, including the knowledge and skill criteria developed by the director in accordance with section 256.9, subsection 51.

28. Adopt a set of core content standards applicable to all students in kindergarten through grade twelve in every school district and accredited nonpublic school. For purposes of this subsection, *"core content standards"* includes reading, mathematics, and science. The core content standards shall be identical to the core content standards included in Iowa's approved 2006 standards and assessment system under Tit. I of the federal Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6301 et seq., as amended by the federal No Child Left Behind Act of 2001, Pub. L. No. 107-110. School districts and accredited nonpublic schools shall include, at a minimum, the core content standards adopted pursuant to this subsection in any set of locally developed content standards. School districts and accredited nonpublic schools are strongly encouraged to set higher expectations in local standards. As changes in federal law or regulation occur, the state board is authorized to amend the core content standards as appropriate.

29. Adopt rules establishing nutritional content standards for foods and beverages sold or provided on the school grounds of any school district or accredited nonpublic school during the school day exclusive of the food provided by any federal school food program or pursuant to an agreement with any agency of the federal government in accordance with the provisions of chapter 283A, and exclusive of foods sold for fundraising purposes and foods and beverages sold at concession stands. The standards shall be consistent with the dietary guidelines for Americans issued by the United States department of agriculture food and nutrition service.

30. Set standards and procedures for the approval of training programs for individuals who seek an authorization issued by the board of educational examiners for the following:

*a.* Employment as a school business official responsible for the financial operations of a school district.

*b.* Employment as a school administration manager responsible for assisting a school principal in performing noninstructional duties.

31. *a.* By July 1, 2013, adopt by rule guidelines for school district implementation of section 279.68, including but not limited to basic levels of reading proficiency on approved locally determined or statewide assessments and identification of tools that school districts may use in evaluating and reevaluating any student who may be or who is determined to be deficient in reading, including but not limited to initial assessments and subsequent assessments, alternative assessments, and portfolio reviews. The state board shall adopt standards that provide a reasonable expectation that a student's progress toward reading proficiency under section 279.68 is sufficient to master appropriate grade four level reading skills prior to the student's promotion to grade four.

*b.* Adopt rules for the Iowa reading research center and for implementation of the intensive summer literacy program developed and administered pursuant to section 256.9, subsection 53.

32. *a.* Adopt rules for online learning in accordance with sections 256.41, 256.42, and 256.43, and criteria for waivers granted pursuant to section 256.42.

*b.* Except as provided in paragraph "*c*", adopt rules prohibiting the open enrollment of students whose educational instruction and course content are delivered primarily over the internet.

*c.* Adopt rules that limit the statewide enrollment of pupils in educational instruction and course content that are delivered primarily over the internet to not more than eighteen one-hundredths of one percent of the statewide enrollment of all pupils, and that limit the number of pupils participating in open enrollment for purposes of receiving educational instruction and course content that are delivered primarily over the internet to no more than one percent of a sending district's enrollment. Until June 30, 2015, students who meet the requirements of section 282.18 may participate in open enrollment under this paragraph "*c*" for purposes of enrolling only in the CAM community school district or the Clayton Ridge community school district.

(1) School districts providing educational instruction and course content that are delivered primarily over the internet pursuant to this paragraph "*c*" shall annually submit to the department, in the manner prescribed by the department, data that includes but is not limited to student achievement and demographic characteristics, retention rates, and the percentage of enrolled students' active participation in extracurricular activities.

(2) The department shall conduct annually a survey of not less than ten percent of the total number of students enrolled as authorized under this paragraph "*c*" and section 282.18, and not less than one hundred percent of the students in those districts who are enrolled as authorized under this paragraph "*c*" and section 282.18 and who are eligible for free or reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. §§ 1751-1785, to determine whether students are enrolled under this paragraph "*c*" and section 282.18 to receive educational instruction and course content primarily over the internet or are students who are receiving competent private instruction from a licensed practitioner provided through a school district pursuant to chapter 299A.

(3) The department shall compile and review the data collected pursuant to this paragraph "*c*" and shall submit its findings and recommendations for the continued delivery of instruction and course content by school districts pursuant to this paragraph "*c*", in a report to the general assembly by January 15 annually.

(4) This paragraph "*c*" is repealed July 1, 2015.

86 Acts, ch 1245, §1407; 87 Acts, ch 224, §24, 25; 87 Acts, ch 207, §1; 87 Acts, ch 211, §2; 87 Acts, ch 233, §449; 88 Acts, ch 1266, §1; 89 Acts, ch 8, §1; 89 Acts, ch 206, §5; 89 Acts, ch 210, §1 – 3; 89 Acts, ch 265, §19 – 22; 90 Acts, ch 1249, §2, 3; 90 Acts, ch 1253, §5, 122; 90 Acts, ch 1272, §37; 91 Acts, ch 84, §1; 92 Acts, ch 1158, §2; 92 Acts, ch 1246, §26; 93 Acts, ch 48, §13; 93 Acts, ch 59, §1; 93 Acts, ch 82, §1; 94 Acts, ch 1043, §1; 94 Acts, ch 1091, §1 – 3; 94 Acts, ch 1193, §17; 96 Acts, ch 1007, §1; 96 Acts, ch 1127, §2; 98 Acts, ch 1176, §1; 98 Acts, ch 1202, §39, 46; 2000 Acts, ch 1098, §1; 2000 Acts, ch 1167, §1; 2000 Acts, ch 1170, §1; 2001 Acts, ch 24, §66, 74; 2001 Acts, ch 26, §1; 2002 Acts, ch 1140, §4; 2002 Acts, ch 1152, §1; 2003 Acts, ch 178, §56; 2003 Acts, ch 180, §2; 2004 Acts, ch 1145, §1; 2005 Acts, ch 149, §1, 2; 2006 Acts, ch 1152, §3, 4; 2007 Acts, ch 108, §1, 2; 2007 Acts, ch 214, §16, 17; 2008 Acts, ch 1127, §1; 2008 Acts, ch 1187, §140; 2008 Acts, ch 1191, §155; 2009 Acts, ch 54, §1; 2010 Acts, ch 1099, §1; 2011 Acts, ch 20, §4, 5; 2011 Acts, ch 71, §1; 2011 Acts, ch 131, §58, 158; 2011 Acts, ch 132, §41, 42, 106; 2012 Acts, ch 1119, §1, 3, 4, 14, 15, 24, 31; 2013 Acts, ch 121, §47

Referred to in §256.9, 256.11, 256.16, 256.28, 256.33, 256.42, 256.43, 256D.1, 256D.3, 256F.4, 256F.5, 257.11, 257.31, 257.38, 257.43, 260C.4, 261.110, 261B.3A, 261E.9, 272.27, 272.31, 273.2, 279.47, 279.61, 279.68, 280.3, 280.9, 280.19, 280.28, 282.31, 282.33, 284.5, 284.6, 284.12, 284A.2, 284A.3, 284A.5, 284A.6, 284A.7, 290.5

For future amendment to subsection 19, effective July 1, 2014, see 2013 Acts, ch 121, §79, 85

Subsection 21, paragraph b amended

**256.8 Director of department of education.**

The governor shall appoint a director of the department of education subject to confirmation by the senate. The director shall possess a background in education and administrative experience and shall serve at the pleasure of the governor.

86 Acts, ch 1245, §1408

Confirmation, see §2.32

**256.9 Duties of director.**

Except for the college student aid commission, the commission of libraries and division of library services, and the public broadcasting board and division, the director shall:

1. Carry out programs and policies as determined by the state board.
2. Recommend to the state board rules necessary to implement programs and services of the department.
3. Establish divisions of the department as necessary or desirable in addition to divisions required by law. The organization of the department shall promote coordination of functions and services relating to administration, supervision, and improvement of instruction.
4. Employ personnel and assign duties and responsibilities of the department. The director shall appoint a deputy director and division administrators deemed necessary. They shall be appointed on the basis of their professional qualifications, experience in administration, and background. Members of the professional staff are not subject to the merit system provisions of chapter 8A, subchapter IV, and are subject to section 256.10.
5. Transmit to the department of management information about the distribution of state and federal funds pursuant to state law and rules of the department.
6. Develop a budget and transmit to the department of management estimates of expenditure requirements for all functions and services of the department.
7. Accept and administer federal funds apportioned to the state for educational and rehabilitation purposes and accept surplus commodities for distribution when made available by a governmental agency. The director may also accept grants and gifts on behalf of the department.
8. Cooperate with other governmental agencies and political subdivisions in the development of rules and enforcement of laws relating to education.
9. Conduct research on education matters.
10. Submit to each regular session of the general assembly recommendations relating to revisions or amendments to the school laws.
11. Approve, coordinate, and supervise the use of electronic data processing by school districts, area education agencies, and merged areas.
12. Act as the executive officer of the state board.
13. Act as custodian of a seal for the director's office and authenticate all true copies of decisions or documents.
14. Appoint advisory committees, in addition to those required by law, to advise in carrying out the programs, services, and functions of the department.
15. Provide the same educational supervision for the schools maintained by the director of human services as is provided for the public schools of the state and make recommendations to the director of human services for the improvement of the educational program in those institutions.
16. Interpret the school laws and rules relating to the school laws.
17. Hear and decide appeals arising from the school laws not otherwise specifically granted to the state board.
18. Prepare forms and procedures as necessary to be used by area education agency boards, district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports, and notify the area education agency board, district board, or school authorities when a report has not been filed in the manner or on the dates prescribed by law or by rule that the school will not be accredited until the report has been properly filed.
19. The department shall compile the financial information related to chapters 423E and

423F from the certified annual reports of each school district received pursuant to section 291.10, subsection 2, and shall submit the information to the general assembly in an annual report each February 1.

20. Determine by inspection, supervision, or otherwise, the condition, needs, and progress of the schools under the supervision of the department, make recommendations to the proper authorities for the correction of deficiencies and the educational and physical improvement of the schools, and request a state audit of the accounts of a school district, area education agency, school official, or school employee handling school funds when it is apparent that an audit should be made.

21. Preserve reports, documents, and correspondence that may be of a permanent value, which shall be open for inspection under reasonable conditions.

22. Keep a record of the business transacted by the director.

23. Endeavor to promote among the people of the state an interest in education.

24. Classify and define the various schools under the supervision of the department, formulate suitable courses of study, and publish and distribute the classifications and courses of study and promote their use.

25. Direct area education agency administrators to arrange for professional teachers' meetings, demonstration teaching, or other field work for the improvement of instruction as best fits the needs of the public schools in each area.

26. Cause to be printed in book form, during the months of June and July in the year 1987 and every four years thereafter, if deemed necessary, all school laws then in force with forms, rulings, decisions, notes, and suggestions which may aid school officers in the proper discharge of their duties. A sufficient number shall be furnished to school officers, directors, superintendents, area administrators, members of the general assembly, and others as reasonably requested.

27. Direct that any amendments or changes in the school laws, with necessary notes and suggestions, be distributed as prescribed in subsection 26 annually.

28. Approve the salaries of area education agency administrators.

29. Develop criteria and procedures to assist in the identification of at-risk children and their developmental needs.

30. Develop, in conjunction with the child development coordinating council or other similar agency, child-to-staff ratio recommendations and standards for at-risk programs based on national literature and test results and Iowa longitudinal test results.

31. Develop programs in conjunction with the center for early development education to be made available to the school districts to assist them in identification of at-risk children and their developmental needs.

32. *a.* Conduct or direct the area education agency to conduct feasibility surveys and studies, if requested under section 282.11, of the school districts within the area education agency service areas and all adjacent territory, including but not limited to contiguous districts in other states, for the purpose of evaluating and recommending proposed whole grade sharing agreements requested under section 282.7 and section 282.10, subsections 1 and 4. The surveys and studies shall be revised periodically to reflect reorganizations which may have taken place in the area education agency, adjacent territory, and contiguous districts in other states. The surveys and studies shall include a cover page containing recommendations and a short explanation of the recommendations. The factors to be used in determining the recommendations include, but are not limited to:

(1) The possibility of long-term survival of the proposed alliance.

(2) The adequacy of the proposed educational programs versus the educational opportunities offered through a different alliance.

(3) The financial strength of the new alliance.

(4) Geographical factors.

(5) The impact of the alliance on surrounding schools.

*b.* Copies of the completed surveys and studies shall be transmitted to the affected districts' school boards.

33. *a.* Develop standards and instructional materials to do all of the following:

(1) Assist school districts in developing appropriate before and after school programs for elementary school children.

(2) Assist school districts in the development of child care services and programs to complement half-day and all-day kindergarten programs.

(3) Assist school districts in the development of appropriate curricula for all-day, everyday kindergarten programs.

(4) Assist school districts in the development of appropriate curricula for the early elementary grades one through three.

(5) Assist prekindergarten instructors in the development of appropriate curricula and teaching practices.

*b*. Standards and materials developed shall include materials which employ developmentally appropriate practices and incorporate substantial parental involvement. The materials and standards shall include alternative teaching approaches including collaborative teaching and alternative dispute resolution training. The department shall consult with the child development coordinating council, the state child care advisory committee established pursuant to section 135.173A, the department of human services, the state board of regents center for early developmental education, the area education agencies, the department of human development and family studies in the college of human sciences at Iowa state university of science and technology, the early childhood elementary division of the college of education at the university of Iowa, and the college of education at the university of northern Iowa, in developing these standards and materials.

*c*. For purposes of this section *"substantial parental involvement"* means the physical presence of parents in the classroom, learning experiences designed to enhance the skills of parents in parenting and in providing for their children's learning and development, or educational materials which may be borrowed for home use.

34. Develop, or direct the area education agencies to develop, a statewide technical assistance support network to provide school districts or district subcontractors under section 279.49 with assistance in creating developmentally appropriate programs under section 279.49.

35. Administer and approve grants to school districts which provide innovative in-school programming for at-risk children in grades kindergarten through three, in addition to regular school curricula for children participating in the program, with the funds for the grants being appropriated for at-risk children by the general assembly. Grants approved shall be for programs in schools with a high percentage of at-risk children. Preference shall be given to programs which integrate at-risk children with the rest of the school population, which agree to limit class size and pupil-teacher ratios, which include parental involvement, which demonstrate community support, which cooperate with other community agencies, which provide appropriate guidance counseling services, and which use teachers with an early childhood endorsement. Grant programs shall contain an evaluation component that measures student outcomes.

36. Develop a model written publications code including reasonable provisions for the regulation of the time, place, and manner of student expression.

37. Provide educational resources and technical assistance to schools relating to the implementation of the nutritional guidelines for food and beverages sold on public school grounds or on the grounds of nonpublic schools receiving funds under section 283A.10.

38. Explore, in conjunction with the state board of regents, the need for coordination between school districts, area education agencies, regents institutions, and community colleges for purposes of delivery of courses, use of telecommunications, transportation, and other similar issues. Coordination may include but is not limited to coordination of calendars, programs, schedules, or telecommunications emissions.

39. Develop an application and review process for approval of administrative and program sharing agreements between two or more community colleges or a community college and an institution of higher education under the board of regents entered into pursuant to section 260C.46.

40. If funds are appropriated by the general assembly for the program, administer the teacher exchange program, develop forms for requests to participate in the program, and

process requests from teacher participants for reimbursement of expenses incurred as a result of participating in the program.

41. Develop in-service and preservice training programs through the area education agencies and practitioner preparation institutions and guidelines for school districts for the establishment of family support programs. Guidelines developed shall describe barriers to learning and development which can affect children served by family support programs.

42. Serve as an ex officio member of the commission of libraries.

43. *a.* Grant annual exemptions from one or more of the minimum education standards contained in section 256.11 and rules adopted by the state board of education to nonpublic schools or public school districts who are engaging in comprehensive school transformation efforts that are broadly consistent with the current standards, but require exemption from one or more standards in order to implement the comprehensive school transformation effort within the nonpublic school or school district. Nonpublic schools or public school districts wishing to be exempted from one or more of the minimum standards contained in section 256.11 and rules adopted by the state board of education shall file a request for an exemption with the department. Requests for exemption shall include all of the following:

(1) A description of the nonpublic school or public school district's school transformation plan, including but not limited to new structures, methodologies, and creative approaches designed to help students achieve at higher levels.

(2) Identification of the standard or standards for which the exemption is being sought, including a statement of the reasons for requesting the exemption from the standard or standards.

(3) Identification of a method for periodic demonstration that student achievement will not be lessened by the granting of the exemption.

*b.* The director shall develop a procedure for application for exemption and receipt, review, and evaluation of nonpublic school and public school district requests, including but not limited to development of criteria for the granting or denying of requests for exemptions and a time line for the submission, review, and granting or denying of requests for exemption from one or more standards.

44. Develop and administer, with the cooperation of the department of veterans affairs, a program which shall be known as operation recognition. The purpose of the program is to award high school diplomas to veterans of World War I, World War II, and the Korean and Vietnam conflicts who left high school prior to graduation to enter United States military service. The department of education and the department of veterans affairs shall jointly develop an application procedure, distribute applications, and publicize the program to school districts, accredited nonpublic schools, county commissions of veteran affairs, veterans organizations, and state, regional, and local media. All honorably discharged veterans who are residents or former residents of the state; who served at any time between April 6, 1917, and November 11, 1918, at any time between September 16, 1940, and December 31, 1946, at any time between June 25, 1950, and January 31, 1955, or at any time between February 28, 1961, and May 5, 1975, all dates inclusive; and who did not return to school and complete their education after the war or conflict shall be eligible to receive a diploma. Diplomas may be issued posthumously. Upon approval of an application, the department shall issue an honorary high school diploma for an eligible veteran. The diploma shall indicate the veteran's school of attendance. The department of education and the department of veterans affairs shall work together to provide school districts, schools, communities, and county commissions of veteran affairs with information about hosting a diploma ceremony on or around Veterans Day. The diploma shall be mailed to the veteran or, if the veteran is deceased, to the veteran's family.

45. Reconcile, with the assistance of the community colleges, audited financial statements and the financial data submitted to the department. The reconciliation shall include an analysis of funding by funding source.

46. Develop core knowledge and skill criteria, based upon the Iowa teaching standards, for the evaluation, the advancement, and for teacher career development purposes pursuant to chapter 284. The criteria shall further define the characteristics of quality teaching as established by the Iowa teaching standards. The director, in consultation with the board of

educational examiners, shall also develop a transition plan for implementation of the career development standards developed pursuant to section 256.7, subsection 25, with regard to licensure renewal requirements. The plan shall include a requirement that practitioners be allowed credit for career development completed prior to implementation of the career development standards developed pursuant to section 256.7, subsection 25.

47. Disburse, transfer, or receive funds as authorized or required under federal or state law or regulation in a manner that utilizes electronic transfer of the funds whenever possible.

48. Develop and implement a comprehensive management information system designed for the purpose of establishing standardized electronic data collections and reporting protocols that facilitate compliance with state and federal reporting requirements, improve school-to-school and district-to-district information exchanges, and maintain the confidentiality of individual student and staff data. The system shall provide for the electronic transfer of individual student records between schools, districts, postsecondary institutions, and the department. The director may establish, to the extent practicable, a uniform coding and reporting system, including a statewide uniform student identification system.

49. Prepare and submit to the chairpersons and ranking members of the senate and house education committees a report on the state's progress toward closing the achievement gap, including student achievement for minority subgroups, and a comprehensive summary of state agency and local district activities and practices taken in the past year to close the achievement gap.

50. *a.* Develop and make available to school districts, examples of age-appropriate and research-based materials and lists of resources which parents may use to teach their children to recognize unwanted physical and verbal sexual advances, to not make unwanted physical and verbal sexual advances, to effectively reject unwanted sexual advances, that it is wrong to take advantage of or exploit another person, about the dangers of sexual exploitation by means of the internet including specific strategies to help students protect themselves and their personally identifiable information from such exploitation, and about counseling, medical, and legal resources available to survivors of sexual abuse and sexual assault, including resources for escaping violent relationships. The materials and resources shall cover verbal, physical, and visual sexual harassment, including nonconsensual sexual advances, and nonconsensual physical sexual contact. In developing the materials and resource list, the director shall consult with entities that shall include but not be limited to the departments of human services, public health, and public safety, education stakeholders, and parent-teacher organizations. School districts shall provide age-appropriate and research-based materials and a list of available community and internet-based resources to parents at registration and shall also include the age-appropriate and research-based materials and resource list in the student handbook. School districts are encouraged to work with their communities to provide voluntary parent education sessions to provide parents with the skills and appropriate strategies to teach their children as described in this subsection. School districts shall incorporate the age-appropriate and research-based materials into relevant curricula and shall reinforce the importance of preventive measures when reasonable with parents and students.

*b.* Make available scientifically based research studies in the area of health and wellness literacy for use by school districts and nonpublic schools in educating students. The content shall include but not be limited to research on instructional materials and teaching strategies that have proven effective in teaching students the knowledge and skills included in paragraph "*a*" and section 256.11. School districts are encouraged to incorporate as much of this material as practical.

51. Develop Iowa standards for school administrators, including knowledge and skill criteria, and develop, based on the Iowa standards for administrators, mentoring and induction, evaluation processes, and professional development plans pursuant to chapter 284A. The criteria shall further define the characteristics of quality administrators as established by the Iowa standards for school administrators.

52. Establish and maintain a process and a procedure, in cooperation with the board of educational examiners, to compare a practitioner's teaching assignment with the license

and endorsements held by the practitioner. The director may report noncompliance issues identified by this process to the board of educational examiners pursuant to section 272.15, subsection 3.

53. *a.* Develop and distribute, in collaboration with the area education agencies, core curriculum technical assistance and implementation strategies that school districts and accredited nonpublic schools shall utilize, including but not limited to the development and delivery of formative and end-of-course model assessments classroom teachers may use to measure student progress on the core curriculum adopted pursuant to section 256.7, subsection 26. The department shall, in collaboration with the advisory group convened in accordance with paragraph *"b"* and educational assessment providers, identify and make available to school districts end-of-course and additional model end-of-course and additional assessments to align with the expectations included in the Iowa core curriculum. The model assessments shall be suitable to meet the multiple assessment measures requirement specified in section 256.7, subsection 21, paragraph *"c"*.

*b.* Convene an advisory group comprised of education stakeholders including but not limited to school district and accredited nonpublic school teachers, school administrators, higher education faculty who teach in the subjects for which the curriculum is being adopted, private sector employers, members of the boards of directors of school districts, and individuals representing the educational assessment providers. The task force shall review the national assessment of educational progress standards and assessments used by other states, and shall consider standards identified as best practices in the field of study by the national councils of teachers of English and mathematics, the national council for the social studies, the national science teachers association, and other recognized experts.

*c.* Establish, subject to an appropriation of funds by the general assembly, an Iowa reading research center.

(1) The purpose of the center shall be to apply current research on literacy to provide for the development and dissemination of all of the following:

(a) Instructional strategies for prekindergarten through grade twelve to achieve literacy proficiency that includes reading, reading comprehension, and writing for all students.

(b) Strategies for identifying and providing evidence-based interventions for students, beginning in kindergarten, who are at risk of not achieving literacy proficiency.

(c) Models for effective school and community partnerships to improve student literacy.

(d) Reading assessments.

(e) Professional development strategies and materials to support teacher effectiveness in student literacy development.

(f) Data reports on attendance center, school district, and statewide progress toward literacy proficiency in the context of student, attendance center, and school district demographic characteristics.

(g) An intensive summer literacy program. The center shall establish program criteria and guidelines for implementation of the program by school districts, under rules adopted by the state board pursuant to section 256.7, subsection 31.

(2) The first efforts of the center shall focus on kindergarten through grade three. The center shall draw upon national and state expertise in the field of literacy proficiency, including experts from Iowa's institutions of higher education and area education agencies with backgrounds in literacy development. The center shall seek support from the Iowa research community in data report development and analysis of available information from Iowa education data sources. The center shall work with the department to identify additional needs for tools and technical assistance for Iowa schools to help schools achieve literacy proficiency goals and seek public and private partnerships in developing and accessing necessary tools and technical assistance.

(3) The center shall submit a report of its activities to the general assembly by January 15 annually.

54. Submit an annual report to the general assembly by January 1 regarding activities, findings, and student progress under the core curriculum established pursuant to section 256.7, subsection 26. The annual report shall include the state board's findings and recommendations.

55. Convene, in collaboration with the department of public health, a nutrition advisory panel to review research in pediatric nutrition conducted in compliance with accepted scientific methods by recognized professional organizations and agencies including but not limited to the institute of medicine. The advisory panel shall submit its findings and recommendations, which shall be consistent with the dietary guidelines for Americans published jointly by the United States department of health and human services and department of agriculture if in the judgment of the advisory panel the guidelines are supported by the research findings, in a report to the state board. The advisory panel may submit to the state board recommendations on standards related to federal school food programs if the recommendations are intended to exceed the existing federal guidelines. The state board shall consider the advisory panel report when establishing or amending the nutritional content standards required pursuant to section 256.7, subsection 29. The director shall convene the advisory panel by July 1, 2008, and every five years thereafter to review the report and make recommendations for changes as appropriate. The advisory panel shall include but is not limited to at least one Iowa state university extension nutrition and health field specialist and at least one representative from each of the following:

*a.* The Iowa academy of nutrition and dietetics.

*b.* The school nutrition association of Iowa.

*c.* The Iowa association of school boards.

*d.* The school administrators of Iowa.

*e.* The Iowa chapter of the American academy of pediatrics.

*f.* A school association representing parents.

*g.* The Iowa grocery industry association.

*h.* An accredited nonpublic school.

*i.* The Iowa state education association.

56. Monitor school districts and accredited nonpublic schools for compliance with the nutritional content standards for foods and beverages adopted by the state board in accordance with section 256.7, subsection 29. School districts and accredited nonpublic schools shall annually make the standards available to students, parents, and the local community. A school district or accredited nonpublic school found to be in noncompliance with the nutritional content standards by the director shall submit a corrective action plan to the director for approval which sets forth the steps to be taken to ensure full compliance.

57. Develop and implement a plan to provide, at least twice annually to all principals and guidance counselors employed by school districts and accredited nonpublic schools, notice describing how students can find and use the articulation information available on the internet site maintained by the state board of regents. The plan shall include suggested methods for elementary and secondary schools and community colleges to effectively communicate information about the articulation internet site to the following:

*a.* To all elementary and secondary school students interested in or potentially interested in attending a community college or institution of higher education governed by the state board of regents.

*b.* To all community college students interested in or potentially interested in admission to a baccalaureate degree program offered by an institution of higher education governed by the state board of regents.

58. Grant to public school districts and accredited nonpublic schools waivers from statutory obligations with which the entities cannot reasonably comply within two years after a disaster as defined in section 29C.2, subsection 4.

59. Report to the general assembly annually by January 1, beginning January 1, 2010, about the necessity of waiving any statutory obligations for school districts, as authorized under section 256.7, due to a disaster as defined in section 29C.2, subsection 4. The department's report shall specify each waiver and the determination for granting each waiver. The department shall provide the report to the speaker of the house and president of the senate and to the chairpersons of the appropriate standing committees of the general assembly.

60. Provide guidance and standards to area education agencies for federal and state education initiatives which the area education agencies must implement statewide.

61. *a.* Require a school district that has one or more attendance centers identified by the department as a persistently lowest-achieving school to implement one or more of the interventions mandated by the United States department of education for a persistently lowest-achieving school pursuant to the federal No Child Left Behind Act of 2001, Pub. L. No. 107-110 § 1003(g), 20 U.S.C. § 6303(g), and any federal regulations adopted pursuant to the federal Act.

*b.* A school district required to implement one or more interventions pursuant to paragraph *"a"* and the employee organization representing the school district's teachers shall meet at reasonable times to negotiate a memorandum of understanding that contains an agreement on the specific intervention to be implemented and a provision stating that the terms of any collective bargaining agreement between the parties shall remain in effect and unaltered except as specifically agreed to in the memorandum of understanding. If the parties are unable to reach an agreement on the memorandum of understanding within forty-five days of the date the school district is notified that it has a persistently lowest-achieving school, the school district and the employee organization representing the school district's teachers shall, within five days, select an impartial and disinterested person to serve as a mediator. The mediator shall attempt to bring the parties together to effectuate a settlement of the dispute, but the mediator shall not compel the parties to agree. If mediation fails to result in a mutually agreed to memorandum of understanding, not later than thirty days after selecting the mediator the school district shall not receive any school improvement funds under Tit. I of the federal Elementary and Secondary Education Act of 1965 for the attendance center identified as a persistently lowest-achieving school. The memorandum of understanding remains in effect for the period of time that an attendance center is identified as a persistently lowest-achieving school unless a duration period is included in the memorandum of understanding or the parties mutually agree to amend the memorandum of understanding.

62. Develop and establish an online learning program model in accordance with rules adopted pursuant to section 256.7, subsection 32, paragraph *"a"*, and in accordance with section 256.43.

63. *a.* Develop and implement a coaching and support system for teachers aligned with the framework and comparable systems approved as provided in section 284.15.

*b.* Develop and implement a coaching and support system for administrators aligned with the beginning administrator mentoring and induction program created pursuant to section 284A.5.

64. Administer the workforce training and economic development funds created pursuant to section 260C.18A.

86 Acts, ch 1245, §1409; 87 Acts, ch 115, §36; 88 Acts, ch 1114, §1; 88 Acts, ch 1158, §54; 88 Acts, ch 1263, §1; 89 Acts, ch 155, §2; 89 Acts, ch 206, §6; 90 Acts, ch 1152, §1; 90 Acts, ch 1253, §6, 122; 90 Acts, ch 1271, §1101; 91 Acts, ch 84, §2; 91 Acts, ch 126, §1; 92 Acts, ch 1158, §3; 92 Acts, ch 1159, §1, 6; 92 Acts, ch 1221, §2; 92 Acts, ch 1246, §27; 93 Acts, ch 48, §14, 15; 94 Acts, ch 1091, §4 – 12; 98 Acts, ch 1215, §23, 63; 99 Acts, ch 192, §30; 2000 Acts, ch 1081, §1; 2000 Acts, ch 1167, §2; 2001 Acts, ch 161, §14; 2001 Acts, ch 181, §12; 2002 Acts, ch 1140, §5; 2002 Acts, ch 1152, §2; 2002 Acts, 2nd Ex, ch 1003, §92, 95; 2003 Acts, ch 145, §222; 2003 Acts, ch 180, §3, 4; 2005 Acts, ch 115, §29, 40; 2005 Acts, ch 169, §18; 2005 Acts, ch 179, §91; 2006 Acts, ch 1152, §18; 2007 Acts, ch 98, §1; 2007 Acts, ch 108, §3; 2007 Acts, ch 214, §18; 2008 Acts, ch 1127, §2, 3; 2008 Acts, ch 1187, §141; 2008 Acts, ch 1191, §156; 2009 Acts, ch 54, §2; 2009 Acts, ch 65, §2, 3; 2009 Acts, ch 168, §1; 2010 Acts, ch 1001, §1; 2010 Acts, ch 1031, §269, 359, 361; 2010 Acts, ch 1193, §118; 2011 Acts, ch 132, §43, 106; 2012 Acts, ch 1119, §16, 32; 2013 Acts, ch 30, §56; 2013 Acts, ch 90, §257; 2013 Acts, ch 121, §102; 2013 Acts, ch 129, §64; 2013 Acts, ch 141, §33

Referred to in §22.7, 256.7, 256.43, 256F.4, 257.50, 261E.9, 273.2, 273.10, 279.50, 279.68, 282.11, 284.3, 284.6, 284.8

For FY 2012-2013 appropriation for establishment of an Iowa reading research center pursuant to subsection 53, paragraph c, see 2012 Acts, ch 1138, §6

Code editor directive applied

Subsection 55, paragraph a amended

Subsection 55, paragraph j stricken

NEW subsections 63 and 64

**256.10 Employment of professional staff.**

1. The salary of the director shall be fixed by the governor within a range established by the general assembly.

2. Appointments to the professional staff of the department shall be without reference to political party affiliation, religious affiliation, sex, or marital status, but shall be based solely upon fitness, ability, and proper qualifications for the particular position. The professional staff shall serve at the discretion of the director. A member of the professional staff shall not be dismissed for cause without appropriate due process procedures including a hearing.

3. The director may employ full-time professional staff for less than twelve months each year, but such staff shall be employed by the director for at least nine months of each year. Salaries for full-time professional staff employed as provided in this subsection shall be comparable to other professional staff, adjusting for time worked. Salaries for professional staff employed for periods of less than twelve months shall be paid during each month of the year in which they are employed on the same schedule as full-time permanent professional staff. The director shall provide for and the department shall pay for health and dental insurance benefits for twelve months each year for the full-time professional staff employed as provided in this subsection, and the health and dental insurance benefits provided shall be comparable to the benefits provided to all other professional staff employed by the director.

86 Acts, ch 1245, §1410; 97 Acts, ch 212, §21; 2002 Acts, ch 1140, §6

Referred to in §256.9

**256.10A Duties of consultants.**

1. Consultants employed by the director and paid from the fund created by section 8.41 from moneys received from Pub. L. No. 97-35, Tit. V, subtit. D, ch. 2, shall assist those employees designated by the department as school improvement specialists in helping school districts to participate in school improvement activities identified as a result of the accreditation process conducted pursuant to section 256.11. The department shall assign consultants to assist school districts that the department determines are most in need of participation in school improvement activities.

2. For the purpose of this section, *"school improvement specialist"* means a consultant employed by the department who is responsible for the accreditation of school districts under section 256.11.

87 Acts, ch 233, §450; 2010 Acts, ch 1061, §180

**256.11 Educational standards.**

The state board shall adopt rules under chapter 17A and a procedure for accrediting all public and nonpublic schools in Iowa offering instruction at any or all levels from the prekindergarten level through grade twelve. The rules of the state board shall require that a multicultural, gender fair approach is used by schools and school districts. The educational program shall be taught from a multicultural, gender fair approach. Global perspectives shall be incorporated into all levels of the educational program. The rules adopted by the state board pursuant to section 256.17, Code Supplement 1987, to establish new standards shall satisfy the requirements of this section to adopt rules to implement the educational program contained in this section. The educational program shall be as follows:

1. *a.* If a school offers a prekindergarten program, the program shall be designed to help children to work and play with others, to express themselves, to learn to use and manage their bodies, and to extend their interests and understanding of the world about them. The prekindergarten program shall relate the role of the family to the child's developing sense of self and perception of others. Planning and carrying out prekindergarten activities designed to encourage cooperative efforts between home and school shall focus on community resources. Except as otherwise provided in this subsection, a prekindergarten teacher shall hold a license certifying that the holder is qualified to teach in prekindergarten. A nonpublic school which offers only a prekindergarten may, but is not required to, seek and obtain accreditation.

*b.* If the board of directors of a school district contracts for the operation of a prekindergarten program, the program shall be under the oversight of an appropriately

licensed teacher. If the program contracted with was in existence on July 1, 1989, oversight of the program shall be provided by the district. If the program contracted with was not in existence on July 1, 1989, the director of the program shall be a licensed teacher and the director shall provide program oversight. Any director of a program contracted with by a school district under this section who is not a licensed teacher is required to register with the department of education.

*c.* For the purposes of this subsection, *"prekindergarten program"* includes but is not limited to a school district's implementation of the preschool program established pursuant to chapter 256C.

2. The kindergarten program shall include experiences designed to develop healthy emotional and social habits and growth in the language arts and communication skills, as well as a capacity for the completion of individual tasks, and protect and increase physical well-being with attention given to experiences relating to the development of life skills and human growth and development. A kindergarten teacher shall be licensed to teach in kindergarten. An accredited nonpublic school must meet the requirements of this subsection only if the nonpublic school offers a kindergarten program.

3. The following areas shall be taught in grades one through six: English-language arts, social studies, mathematics, science, health, age-appropriate and research-based human growth and development, physical education, traffic safety, music, and visual art. The health curriculum shall include the characteristics of communicable diseases including acquired immune deficiency syndrome. The state board as part of accreditation standards shall adopt curriculum definitions for implementing the elementary program.

4. The following shall be taught in grades seven and eight: English-language arts; social studies; mathematics; science; health; age-appropriate and research-based human growth and development; family, consumer, career, and technology education; physical education; music; and visual art. The health curriculum shall include age-appropriate and research-based information regarding the characteristics of sexually transmitted diseases, including HPV and the availability of a vaccine to prevent HPV, and acquired immune deficiency syndrome. The state board as part of accreditation standards shall adopt curriculum definitions for implementing the program in grades seven and eight. However, this subsection shall not apply to the teaching of family, consumer, career, and technology education in nonpublic schools. For purposes of this section, *"age-appropriate"*, *"HPV"*, and *"research-based"* mean the same as defined in section 279.50.

5. In grades nine through twelve, a unit of credit consists of a course or equivalent related components or partial units taught throughout the academic year. The minimum program to be offered and taught for grades nine through twelve is:

*a.* Five units of science including physics and chemistry; the units of physics and chemistry may be taught in alternate years.

*b.* Five units of the social studies including instruction in voting statutes and procedures, voter registration requirements, the use of paper ballots and voting systems in the election process, and the method of acquiring and casting an absentee ballot. All students shall complete a minimum of one-half unit of United States government and one unit of United States history. The one-half unit of United States government shall include the voting procedure as described in this lettered paragraph and section 280.9A. The government instruction shall also include a study of the Constitution of the United States and the Bill of Rights contained in the Constitution and an assessment of a student's knowledge of the Constitution and the Bill of Rights.

*c.* Six units of English-language arts.

*d.* Four units of a sequential program in mathematics.

*e.* Two additional units of mathematics.

*f.* Four sequential units of one foreign language other than American sign language. Provision of instruction in American sign language shall be in addition to and not in lieu of provision of instruction in other foreign languages. The department may waive the third and fourth years of the foreign language requirement on an annual basis upon the request of the board of directors of a school district or the authorities in charge of a nonpublic school if the board or authorities are able to prove that a licensed teacher was employed and assigned a

schedule that would have allowed students to enroll in a foreign language class, the foreign language class was properly scheduled, students were aware that a foreign language class was scheduled, and no students enrolled in the class.

*g.* (1) All students physically able shall be required to participate in physical education activities during each semester they are enrolled in school except as otherwise provided in this paragraph. A minimum of one-eighth unit each semester is required. A twelfth grade student who meets the requirements of this paragraph may be excused from the physical education requirement by the principal of the school in which the student is enrolled if the parent or guardian of the student requests in writing that the student be excused from the physical education requirement. A student who wishes to be excused from the physical education requirement must be seeking to be excused in order to enroll in academic courses not otherwise available to the student, or be enrolled or participating in one of the following:

(a) A cooperative or work-study program or other educational program authorized by the school which requires the student to leave the school premises for specified periods of time during the school day.

(b) An organized and supervised athletic program which requires at least as much participation per week as one-eighth unit of physical education.

(2) Students in grades nine through eleven may be excused from the physical education requirement in order to enroll in academic courses not otherwise available to the student if the board of directors of the school district in which the school is located, or the authorities in charge of the school, if the school is a nonpublic school, determine that students from the school may be permitted to be excused from the physical education requirement. A student may be excused by the principal of the school in which the student is enrolled, in consultation with the student's counselor, for up to one semester, trimester, or the equivalent of a semester or trimester, per year if the parent or guardian of the student requests in writing that the student be excused from the physical education requirement. The student seeking to be excused from the physical education requirement must, at some time during the period for which the excuse is sought, be a participant in an organized and supervised athletic program which requires at least as much time of participation per week as one-eighth unit of physical education.

(3) The principal of the school shall inform the superintendent of the school district or nonpublic school that the student has been excused. Physical education activities shall emphasize leisure time activities which will benefit the student outside the school environment and after graduation from high school.

*h.* (1) A minimum of three sequential units in at least four of the following six vocational service areas: agriculture, business or office occupations, health occupations, family and consumer sciences or home economics occupations, industrial technology or trade and industrial education, and marketing education. Instruction shall be competency-based, articulated with postsecondary programs of study, and include field, laboratory, or on-the-job training. Each sequential unit shall include instruction in a minimum set of competencies established by the department of education that relate to the following: new and emerging technologies; job-seeking, job-adaptability, and other employment, self-employment and entrepreneurial skills that reflect current industry standards and labor-market needs; and reinforcement of basic academic skills. The instructional programs shall also comply with the provisions of chapter 258 relating to vocational education. However, this paragraph does not apply to the teaching of vocational education in nonpublic schools.

(2) The department of education shall permit school districts, in meeting the requirements of this section, to use vocational core courses in more than one vocational service area and to use multi-occupational courses to complete a sequence in more than one vocational service area.

*i.* Three units in the fine arts which shall include at least two of the following: dance, music, theater, and visual art.

*j.* (1) One unit of health education which shall include personal health; food and nutrition; environmental health; safety and survival skills; consumer health; family life; age-appropriate and research-based human growth and development; substance abuse and nonuse; emotional and social health; health resources; and prevention and control

of disease, including age-appropriate and research-based information regarding sexually transmitted diseases, including HPV and the availability of a vaccine to prevent HPV, and acquired immune deficiency syndrome.

(2) The state board as part of accreditation standards shall adopt curriculum standards for implementing the program in grades nine through twelve.

6. *a.* A pupil is not required to enroll in either physical education or health courses, or meet the requirements of paragraph "*b*" or "*c*", if the pupil's parent or guardian files a written statement with the school principal that the course or activity conflicts with the pupil's religious belief.

*b.* (1) All physically able students in kindergarten through grade five shall be required to engage in a physical activity for a minimum of thirty minutes per school day.

(2) All physically able students in grades six through twelve shall be required to engage in a physical activity for a minimum of one hundred twenty minutes per week. A student participating in an organized and supervised athletic program or non-school-sponsored extracurricular activity which requires the student to participate in physical activity for a minimum of one hundred twenty minutes per week is exempt from the requirements of this subparagraph.

(3) The department shall collaborate with stakeholders on the development of daily physical activity requirements and the development of models that describe ways in which school districts and schools may incorporate the physical activity requirement of this paragraph into the educational program. A school district or accredited nonpublic school shall not reduce instructional time for academic courses in order to meet the requirements of this paragraph.

*c.* Every student by the end of grade twelve shall complete a certification course for cardiopulmonary resuscitation. The administrator of a school may waive this requirement if the student is not physically able to successfully complete the training. A student is exempt from the requirement of this paragraph if the student presents satisfactory evidence to the school district or accredited nonpublic school that the student possesses cardiopulmonary resuscitation certification.

7. Programs that meet the needs of each of the following:

*a.* Pupils requiring special education.

*b.* Gifted and talented pupils.

*c.* At-risk students.

8. Upon request of the board of directors of a public school district or the authorities in charge of a nonpublic school, the director may, for a number of years to be specified by the director, grant the district board or the authorities in charge of the nonpublic school exemption from one or more of the requirements of the educational program specified in subsection 5. The exemption may be renewed. Exemptions shall be granted only if the director deems that the request made is an essential part of a planned innovative curriculum project which the director determines will adequately meet the educational needs and interests of the pupils and be broadly consistent with the intent of the educational program as defined in subsection 5. The request for exemption shall include all of the following:

*a.* Rationale of the project to include supportive research evidence.

*b.* Objectives of the project.

*c.* Provisions for administration and conduct of the project, including the use of personnel, facilities, time, techniques, and activities.

*d.* Plans for evaluation of the project by testing and observational measures of pupil progress in reaching the objectives.

*e.* Plans for revisions of the project based on evaluation measures.

*f.* Plans for periodic reports to the department.

*g.* The estimated cost of the project.

9. Beginning July 1, 2006, each school district shall have a qualified teacher librarian who shall be licensed by the board of educational examiners under chapter 272. The state board shall establish in rule a definition of and standards for an articulated sequential kindergarten through grade twelve media program. A school district that entered into a contract with an individual for employment as a media specialist or librarian prior to June

1, 2006, shall be considered to be in compliance with this subsection until June 30, 2011, if the individual is making annual progress toward meeting the requirements for a teacher librarian endorsement issued by the board of educational examiners under chapter 272. A school district that entered into a contract with an individual for employment as a media specialist or librarian who holds at least a master's degree in library and information studies shall be considered to be in compliance with this subsection until the individual leaves the employ of the school district.

9A. Beginning July 1, 2007, each school district shall have a qualified guidance counselor who shall be licensed by the board of educational examiners under chapter 272. Each school district shall work toward the goal of having one qualified guidance counselor for every three hundred fifty students enrolled in the school district. The state board shall establish in rule a definition of and standards for an articulated sequential kindergarten through grade twelve guidance and counseling program.

9B. Beginning July 1, 2007, each school district shall have a school nurse to provide health services to its students. Each school district shall work toward the goal of having one school nurse for every seven hundred fifty students enrolled in the school district. For purposes of this subsection, *"school nurse"* means a person who holds an endorsement or a statement of professional recognition for school nurses issued by the board of educational examiners under chapter 272.

10. The state board shall establish an accreditation process for school districts and nonpublic schools seeking accreditation pursuant to this subsection and subsections 11 and 12. By July 1, 1989, all school districts shall meet standards for accreditation. For the school year commencing July 1, 1989, and school years thereafter, the department of education shall use a two-phase process for the continued accreditation of schools and school districts.

*a.* (1) Phase I shall consist of annual monitoring by the department of education of all accredited schools and school districts for compliance with accreditation standards adopted by the state board of education as provided in this section. The phase I monitoring requires that accredited schools and school districts annually complete accreditation compliance forms adopted by the state board and file them with the department of education. Phase I monitoring requires a comprehensive desk audit of all accredited schools and school districts including review of accreditation compliance forms, accreditation visit reports, methods of administration reports, and reports submitted in compliance with section 256.7, subsection 21, paragraph *"a"*, and section 280.12.

(2) The department shall conduct site visits to schools and school districts to address accreditation issues identified in the desk audit. Such a visit may be conducted by an individual departmental consultant or may be a comprehensive site visit by a team of departmental consultants and other educational professionals. The purpose of a comprehensive site visit is to determine that a district is in compliance with minimum standards and to provide a general assessment of educational practices in a school or school district and make recommendations with regard to the visit findings for the purposes of improving educational practices above the level of minimum compliance. The department shall establish a long-term schedule of site visits that includes visits of all accredited schools and school districts as needed.

*b.* (1) Phase II requires the use of an accreditation committee, appointed by the director of the department of education, to conduct an on-site visit to an accredited school or school district if any of the following conditions exist:

(a) When either the annual monitoring or the biennial on-site visit of phase I indicates that a school or school district is deficient and fails to be in compliance with accreditation standards.

(b) In response to a petition filed with the director requesting such a committee visitation that is signed by eligible electors residing in the school district equal in number to at least twenty percent of the registered voters of the school district.

(c) In response to a petition filed with the director requesting such a committee visitation that is signed by twenty percent or more of the parents or guardians who have children enrolled in the school or school district.

(d) At the direction of the state board of education.

(e) The school budget review committee submits to the department a recommendation for a fiscal review pursuant to section 257.31, subsection 18.

(2) The number and composition of the membership of an accreditation committee shall be determined by the director and may vary due to the specific nature or reason for the visit. In all situations, however, the chairperson and a majority of the committee membership shall be from the instructional and administrative program specialty staff of the department of education. Other members may include instructional and administrative staff from school districts, area education agencies, institutions of higher education, local board members and the general public. An accreditation committee visit to a nonpublic school requires membership on the committee from nonpublic school instructional or administrative staff or board members. A member of a committee shall not have a direct interest in the nonpublic school or school district being visited.

(3) Rules adopted by the state board may include provisions for coordination of the accreditation process under this section with activities of accreditation associations.

(4) Prior to a visit to a school district or nonpublic school, members of the accreditation committee shall have access to all annual accreditation report information filed with the department by that nonpublic school or school district.

(5) After visiting the school district or nonpublic school, the accreditation committee shall determine whether the accreditation standards have been met and shall make a report to the director, together with a recommendation whether the school district or nonpublic school shall remain accredited. If the recommendation is that a school district or nonpublic school not remain accredited, the accreditation committee shall provide the school district or nonpublic school with a report that includes a list of all of the deficiencies, a plan prescribing the actions that must be taken to correct the deficiencies, and a deadline date for completion of the prescribed actions. The accreditation committee shall advise the school district or nonpublic school of available resources and technical assistance to improve areas of weakness. The school district or nonpublic school shall be provided with the opportunity to respond to the accreditation committee's report. The director shall review the accreditation committee's report and the response of the school district or nonpublic school and shall provide a report to the state board along with copies of the accreditation committee's report, the response to the accreditation committee's report, and other pertinent information. At the request of the school district or nonpublic school, the school district or nonpublic school may appear before the state board and address the state board directly regarding any part of the plan specified in the report. The state board may modify the plan. During the period of time specified in the plan for its implementation by a school district or nonpublic school, the school district or school shall remain accredited.

11. The accreditation committee shall revisit the school district or nonpublic school and shall determine whether the deficiencies in the standards have been corrected.

*a.* The accreditation team shall make a report and recommendation to the director and the state board. The committee recommendation shall specify whether the school district or nonpublic school shall remain accredited. For a school district, the committee report and recommendation shall also specify under what conditions the district may remain accredited. The conditions may include but are not limited to providing temporary oversight authority, operational authority, or both oversight and operational authority to the director and the state board for some or all aspects of the school district in order to bring the school district into compliance with minimum standards.

*b.* The state board shall review the report and recommendation, may request additional information, and shall determine whether the deficiencies have been corrected.

*c.* If the deficiencies have not been corrected, and the conditional accreditation alternatives contained in the report are not mutually acceptable to the state board and the local board, the state board shall deaccredit the school district and merge the territory of the school district with one or more contiguous school districts at the end of the school year. The state board may place a district under receivership for the remainder of the school year. The receivership shall be under the direct supervision and authority of the area education agency in which the district is located. The decision of whether to deaccredit the school district or to place the district under receivership shall be based upon a determination by

the state board of the best interests of the students, parents, residents of the community, teachers, administrators, and school district board members and upon the recommendations of the accreditation committee and the director.

*d.* In the case of a nonpublic school, if the deficiencies have not been corrected, the state board may deaccredit the nonpublic school. The deaccreditation shall take effect on the date established by the resolution of the state board, which shall be no later than the end of the school year in which the nonpublic school is deaccredited.

12. If the state board deaccredits a school district and merges the territory of the school district with one or more contiguous school districts, the deaccredited school district ceases to exist as a school corporation on the effective date set by the state board for deaccreditation. Notwithstanding any other provision of law, the contiguous school districts receiving territory of the deaccredited school district are not considered successor school corporations of the deaccredited school district.

*a.* Division of assets and liabilities of the deaccredited school district shall be as provided in this paragraph "*a*" and in sections 275.29 through 275.31.

(1) If one or more of the contiguous school districts receiving assets and liabilities of the deaccredited school district utilizes the equalization levy, only that territory in the school district imposing the equalization levy that comprises territory of the deaccredited school district shall be taxed.

(2) Income surtax revenue and revenues generated by property taxes shall be distributed proportionately based on taxable value of the territory received by one or more school districts contiguous to the deaccredited school district.

(3) Revenues that are based on student enrollment shall be distributed based on percentages of students who were enrolled in the deaccredited school district in the school year immediately prior to deaccreditation and who now reside in territory received by one or more school districts contiguous to the deaccredited school district.

(4) If the deaccredited school district has a negative fund balance in its general fund at the time it is deaccredited by the state board, the director may order that the positive balance from one or more other funds of the deaccredited school district be transferred to the deaccredited school district's general fund.

*b.* Prior to the effective date set by the state board for deaccreditation, the school district shall remain responsible for, and may retain such authority as is necessary to complete, all of the following:

(1) Execution of one or more quitclaim deeds, in fulfillment of the merger of territory received by one or more contiguous school districts from the deaccredited school district.

(2) Preparation of and payment for a final audit of all the district's financial accounts.

(3) Preparation and certification of a final certified annual report to the department.

*c.* The provisions of section 275.57 apply when deaccreditation of a school district and merger of the territory of such school district with a contiguous school district that is currently divided into director districts leads to the formation of new director districts.

13. Notwithstanding subsections 1 through 12 and as an exception to their requirements, a private high school or private combined junior-senior high school operated for the express purpose of teaching a program designed to qualify its graduates for matriculation at accredited four-year or equivalent liberal arts, scientific, or technological colleges or universities shall be placed on a special accredited list of college preparatory schools, which list shall signify accreditation of the school for that express purpose only, if:

*a.* The school complies with minimum standards established by the Code other than this section, and rules adopted under the Code, applicable to:

(1) Courses comprising the limited program.

(2) Health requirements for personnel.

(3) Plant facilities.

(4) Other environmental factors affecting the programs.

*b.* At least eighty percent of those graduating from the school within the four most recent calendar years, other than those graduating who are aliens, graduates entering military or alternative civilian service, or graduates deceased or incapacitated before college

acceptance, have been accepted by accredited four-year or equivalent liberal arts, scientific, or technological colleges or universities.

*c.* A school claiming to be a private college preparatory school which fails to comply with the requirement of paragraph "*b*" of this subsection shall be placed on the special accredited list of college preparatory schools probationally if the school complies with the requirements of paragraph "*a*" of this subsection, but a probational accreditation shall not continue for more than four successive years.

14. Notwithstanding subsections 1 through 13 and as an exception to their requirements, a nonpublic grade school which is reopening is accredited even if it does not have a complete grade one through grade six program. However, the nonpublic grade school must comply with other minimum standards established by law and administrative rules adopted pursuant to the law and the nonpublic grade school must show progress toward reaching a grade one through grade six program.

15. The board of directors of a school district or the authorities in charge of a nonpublic school may award credit toward graduation to a student if the student successfully completes basic training for service as a member of the Iowa army national guard, the Iowa air national guard, the active military forces of the United States, the army national guard of the United States, or the air national guard of the United States.

16. *a.* Notwithstanding subsections 1 through 12, a nonpublic school may be accredited by an approved independent accrediting agency instead of by the state board as provided in this subsection. The state board shall maintain a list of approved independent accrediting agencies comprised of at least six regional or national nonprofit, nongovernmental agencies recognized as reliable authorities concerning the quality of education offered by a school and shall publish the list of independent accrediting agencies on the department's internet site. The list shall include accrediting agencies that, as of January 1, 2013, accredited a nonpublic school in this state that was concurrently accredited under this section; and any agency that has a formalized partnership agreement with another agency on the list and has member schools in this state as of January 1, 2013.

*b.* A nonpublic school that participates in the accreditation process offered by an independent accrediting agency on the approved list published pursuant to paragraph "*a*" shall be deemed to meet the education standards of this section. However, such a school shall comply with statutory health and safety requirements for school facilities.

*c.* If the state board takes preliminary action to remove an agency from the approved list published on the department's internet site pursuant to paragraph "*a*", the department shall, at least one year prior to removing the agency from the approved list, notify the nonpublic schools participating in the accreditation process offered by the agency of the state board's intent to remove the accrediting agency from its approved list of independent accrediting agencies. The notice shall also be posted on the department's internet site and shall contain the proposed date of removal. The nonpublic school shall attain accreditation under this subsection or subsections 1 through 12 not later than one year following the date on which the state board removes the agency from its list of independent accrediting agencies.

*d.* This subsection is repealed July 1, 2020.

86 Acts, ch 1245, §1411; 87 Acts, ch 224, §26; 87 Acts, ch 233, §451; 88 Acts, ch 1018, §1, 2; 88 Acts, ch 1262, §1, 2; 89 Acts, ch 210, §4, 5; 89 Acts, ch 265, §23 – 26; 89 Acts, ch 278, §1, 2; 89 Acts, ch 319, §39, 40; 90 Acts, ch 1272, §32, 39, 40; 91 Acts, ch 104, §1; 91 Acts, ch 193, §1; 92 Acts, ch 1088, §1; 92 Acts, ch 1127, §1, 2; 92 Acts, ch 1159, §2; 92 Acts, ch 1163, §58; 93 Acts, ch 127, §1, 2; 94 Acts, ch 1091, §13; 94 Acts, ch 1152, §1; 2001 Acts, ch 56, §11; 2001 Acts, ch 159, §1 – 3; 2002 Acts, ch 1140, §7; 2004 Acts, ch 1027, §1; 2005 Acts, ch 3, §55; 2006 Acts, ch 1182, §2; 2007 Acts, ch 42, §1; 2007 Acts, ch 98, §2, 3; 2007 Acts, ch 108, §4; 2007 Acts, ch 148, §7; 2008 Acts, ch 1031, §42; 2008 Acts, ch 1187, §142, 145; 2009 Acts, ch 50, §1, 2; 2009 Acts, ch 57, §74; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1064, §1, 2; 2013 Acts, ch 121, §89

Referred to in §161A.7, 237.1, 237A.1, 256.7, 256.9, 256.10A, 256.42, 257.11, 257.31, 258.4, 258.16, 260C.18A, 261E.9, 273.2, 279.50, 280.2, 280.3, 282.18, 285.16, 299.2, 299.24, 422.11S, 422.12, 455E.8, 483A.27, 714.19

Vocational agriculture education; §280.20

Preliminary report of competency-based instruction task force due by January 15, 2013; final report to state board of education, governor, and general assembly due by November 15, 2013; appropriation for implementation of certain recommendations; 2012 Acts, ch 1119, §2, 3; 2013 Acts, ch 121, §77, 78; 2013 Acts, ch 141, §6, 26
NEW subsection 16

**256.11A Teacher librarian — guidance counselor — school nurse — waivers.** Repealed by 2013 Acts, ch 90, § 216.

**256.11B Vocational education instruction — nonpublic schools.**
A nonpublic school which provides an educational program that includes grades nine through twelve shall offer and teach five units of occupational education subjects, which may include, but are not limited to, programs, services, and activities which prepare students for employment in business or office occupations, trade and industrial occupations, consumer and family sciences or home economics occupations, agriculture occupations, marketing occupations, and health occupations. By July 1, 1993, instruction shall be competency-based, articulated with postsecondary programs of study, and may include field, laboratory, or on-the-job training.
92 Acts, ch 1127, §3

**256.12 Sharing instructors and services.**
1. The director, when necessary to realize the purposes of this chapter, shall approve the enrollment in public schools for specified courses of students who also are enrolled in private schools, when the courses in which they seek enrollment are not available to them in their private schools, provided the students have satisfactorily completed prerequisite courses, if any, or have otherwise shown equivalent competence through testing. Courses made available to students in this manner shall be considered as compliance by the private schools in which the students are enrolled with any standards or laws requiring private schools to offer or teach the courses.
2. *a.* This section does not deprive the respective boards of public school districts of any of their legal powers, statutory or otherwise, and in accepting the specially enrolled students, each of the boards shall prescribe the terms of the special enrollment, including but not limited to scheduling of courses and the length of class periods. In addition, the board of the affected public school district shall be given notice by the department of its decision to permit the special enrollment not later than six months prior to the opening of the affected public school district's school year, except that the board of the public school district may waive the notice requirement. School districts and area education agency boards shall make public school services, which shall include special education programs and services and may include health services, services for remedial education programs, guidance services, and school testing services, available to children attending nonpublic schools in the same manner and to the same extent that they are provided to public school students. Service activities shall be similar to those undertaken for public school students. Health services, special education support, and related services provided by area education agencies for the purpose of identifying children with disabilities, assistance with physical and communications needs of students with physical disabilities, and services of an educational interpreter may be provided on nonpublic school premises with the permission of the lawful custodian of the property. Other special education services may be provided on nonpublic school premises at the discretion of the school district or area education agency provider of the service and with the permission of the lawful custodian of the property.
*b.* Students enrolled in nonpublic schools who receive services pursuant to this subsection shall be weighted at the level provided for in section 256B.9, subsection 1.
*c.* A local school district providing services pursuant to this subsection shall submit an accounting to the department of education by August 1 following the school year for the actual costs of the special education programs and services provided. The department shall review and approve or modify the accounting by September 1 and shall notify the department of administrative services of the approved accounting amount. The department of administrative services shall adjust the September payment to the local school district for the next fiscal year by the difference between the amount generated by the weighting for the

provision of services to nonpublic school students, as provided in this subsection, and the amount of the actual costs as reflected in the local school district's accounting. Any amount paid by the department of administrative services shall be deducted monthly from the state foundation aid paid under section 257.16 during that fiscal year to all school districts in the state. The portion of the total amount of the approved accounting amount that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for that budget year.

86 Acts, ch 1245, §1412; 93 Acts, ch 101, §101; 94 Acts, ch 1161, §1; 98 Acts, ch 1096, §1; 2003 Acts, ch 145, §286; 2006 Acts, ch 1152, §19; 2010 Acts, ch 1061, §180

Referred to in §256B.9, 273.2

**256.13 Nonresident pupils.**

The boards of directors of two or more school districts may by agreement provide for attendance of pupils residing in one district in the schools of another district for the purpose of taking courses not offered in the district of their residence. The boards may also provide by agreement that the districts will combine their enrollments for one or more grades. Courses and grades made available to students in this manner shall be considered as complying with any standards or laws requiring the offering of such courses and grades. The boards of directors of districts entering into such agreements may provide for sharing the costs and expenses of the courses. If the agreement provides for whole grade sharing, the costs and expenses shall be paid as provided in sections 282.10 through 282.12.

86 Acts, ch 1245, §1413; 87 Acts, ch 224, §27

Referred to in §275.1, 275.2, 282.10

**256.14 Permanent revolving fund.**

1. A permanent revolving fund is established for the department. Expenses incurred by the department from this fund shall be paid subject to reimbursement by the federal government.

2. There is appropriated from the general fund of the state to the department of education the sum of one hundred twenty-five thousand dollars for the purpose of establishing the fund created by subsection 1. If any surplus accrues to the revolving fund in excess of the original appropriation for which there is no anticipated need or use, the governor shall order the surplus to be transferred to the general fund.

86 Acts, ch 1244, §32; 86 Acts, ch 1245, §1414

**256.15 Nonpublic school advisory committee.**

A nonpublic school advisory committee is established which consists of five members, to be appointed by the governor, each of them to be a citizen of the United States and a resident of the state of Iowa. The term of the members is four years. The duties of the committee are to advise the state board and the director on matters affecting nonpublic schools, including but not limited to the establishment of standards for teacher certification and the establishment of standards for, and approval of, all nonpublic schools. Notice of meetings of the state board shall be sent by the director to members of the committee.

Committee members shall be reimbursed for actual and necessary expenses incurred in performance of their duties. Members may also be eligible to receive compensation as provided in section 7E.6. The expense money shall be paid from the appropriations to the department of education.

86 Acts, ch 1245, §1415

**256.16 Specific criteria for teacher preparation and certain educators.**

1. Pursuant to section 256.7, subsection 5, the state board shall adopt rules requiring all higher education institutions providing practitioner preparation to do the following:

*a.* (1) Administer a preprofessional skills test offered by a nationally recognized testing service to practitioner preparation program admission candidates. Rules adopted shall require institutions to deny admission to the program to any candidate who does not successfully pass the test.

(2) Administer, prior to a student's completion of the practitioner preparation program and subject to the director's approval, subject assessments designed by a nationally recognized testing service that measure pedagogy and knowledge of at least one subject area; or, a valid and reliable subject-area-specific, performance-based assessment for preservice teacher candidates, centered on student learning. A student shall not successfully complete the program unless the student achieves scores above the twenty-fifth percentile nationally on the assessments administered pursuant to this subparagraph.

*b.* Include preparation in reading programs, including reading recovery, and integrate reading strategies into content area methods coursework.

*c.* Include in the professional education program, preparation that contributes to the education of students with disabilities and students who are gifted and talented, and preparation in classroom management addressing high-risk behaviors including, but not limited to, behaviors related to substance abuse. Preparation required under this paragraph must be successfully completed before graduation from the practitioner preparation program.

2. A person initially applying for a license shall successfully complete a professional education program containing the subject matter specified in this section, before the initial action by the board of educational examiners takes place.

86 Acts, ch 1245, §1416; 89 Acts, ch 265, §27; 96 Acts, ch 1129, §67; 99 Acts, ch 191, §1; 2012 Acts, ch 1119, §39

**256.17 Postsecondary course audit committee.**

1. The department shall establish and facilitate a postsecondary course audit committee which shall annually audit postsecondary courses offered to high school students in accordance with chapter 261E.

2. The committee shall include but not be limited to representatives from the kindergarten through grade twelve education community, community colleges, and regents universities.

3. The committee shall establish a sampling technique that randomly selects courses for audit. The audit shall include but not be limited to a review of the course syllabus, teacher qualifications, examples of student products, and results of student assessments. Standards for review shall be established by the committee and approved by the department. Audit findings shall be submitted to the institutions providing the classes audited and shall be posted on the department's internet site.

4. If the committee determines that a postsecondary course offered to high school students in accordance with chapter 261E does not meet the standards established by the committee pursuant to subsection 3, the course shall not be eligible for future supplementary weighting under section 257.11. If the institution makes changes to the course sufficient to cause the course to meet the standards of the committee, the committee may reinstate the eligibility of the course for future supplementary weighting under section 257.11.

2008 Acts, ch 1181, §44

**256.18 Character education policy.**

1. *a.* It is the policy of the general assembly that Iowa's schools be the best and safest possible. To that end, each school is encouraged to instill the highest character and academic excellence in each student, in close cooperation with the student's parents, and with input from the community and educators.

*b.* Schools should make every effort, formally and informally, to stress character qualities that will maintain a safe and orderly learning environment, and that will ultimately equip students to be model citizens. These qualities may include caring, civic virtue and citizenship, justice and fairness, respect, responsibility, trustworthiness, giving, honesty, self-discipline, respect for and obedience to the law, citizenship, courage, initiative, commitment, perseverance, kindness, compassion, service, loyalty, patience, the dignity and necessity of hard work, and any other qualities deemed appropriate by a school.

2. The department of education shall assist schools in accessing financial and curricular resources to implement programs stressing these character qualities. Schools are encouraged to use their existing resources to implement programs stressing these qualities. Whenever

possible, the department shall develop partnerships with schools, nonprofit organizations, or an institution of higher education, or with a consortium of two or more of those entities, to design and implement character education programs that may be integrated into classroom instruction and may be carried out with other educational reforms.

94 Acts, ch 1131, §1; 2002 Acts, ch 1083, §1; 2003 Acts, ch 180, §6; 2009 Acts, ch 54, §3

**256.18A Service learning.**

The board of directors of a school district or the authorities in charge of a nonpublic school may require a certain number of service learning units as a condition for the inclusion of a service learning endorsement on a student's diploma or as a condition of graduation from the district or school. For purposes of this section, *"service learning"* means a method of teaching and learning which engages students in solving problems and addressing issues in their school or greater community as part of the academic curriculum.

2003 Acts, ch 27, §1; 2013 Acts, ch 30, §57

Section amended

**256.19 Pilot projects to improve instructional programs.**

For fiscal years in which moneys are appropriated by the general assembly for the purpose of conducting pilot projects as approved by the state board of education to improve school district instructional programs, the state board of education shall notify the department of administrative services of the amounts necessary for each pilot project in order to reimburse the school districts for costs related to the approved pilot projects.

87 Acts, ch 224, §30; 89 Acts, ch 265, §40; 91 Acts, ch 126, §2; 2003 Acts, ch 145, §286

**256.20 Year around schools.** Repealed by 2013 Acts, ch 88, § 37.

**256.21 Sabbatical program.** Repealed by 2013 Acts, ch 88, § 37.

**256.22 Extended year school grant program.** Repealed by 2013 Acts, ch 88, § 37;2013 Acts, ch 90, § 216

See Code editor's note on simple harmonization

**256.23 Administrative advancement and recruitment program.** Repealed by 2013 Acts, ch 88, § 37.

**256.24 Competency-based education grant program.**

1. The department shall establish a competency-based education grant program to award grants to not more than ten school districts annually for purposes of developing, implementing, and evaluating competency-based education pilot and demonstration projects.

2. The department shall develop grant application, selection, and evaluation criteria.

3. Each pilot or demonstration project shall be conducted for a minimum of one year, but may be conducted for multiple school years as proposed by the applicant and approved by the department.

4. Grant moneys shall be distributed to selected school districts by the department no later than December 1, 2013. Grant amounts shall be distributed as determined by the department.

5. The department shall submit progress reports analyzing the status and preliminary findings of the projects to the state board, the governor, and the general assembly by January 15 annually. The department shall summarize the projects' findings, including student achievement results, and submit the summary and any recommendations in a final report to the state board, the governor, and the general assembly by January 15, 2019.

6. This section is repealed July 1, 2019.

2013 Acts, ch 121, §76

NEW section

**256.25 Reading instruction pilot project grant program.** Repealed by 2007 Acts, ch 214, § 43.

**256.26 Before and after school grant program.**

1. There is established a before and after school grant program to provide competitive grants to school districts and other public and private organizations to expand the availability of before and after school programs, including but not limited to summer programs. The amount of a grant awarded in accordance with this section shall be not less than thirty thousand dollars nor more than fifty thousand dollars.

2. Grant applications shall be assessed by the department based on the targeted student population and whether the application meets all of the following conditions:

*a.* Demonstrates partnerships and collaboration with not-for-profit community organizations.

*b.* Indicates that the applicant has a plan for continually improving quality in the program.

*c.* Provides for a safe and engaging environment.

*d.* Combines academic, enrichment, cultural, and recreational activities.

*e.* Provides for not less than an equal match of any state funds received for purposes of the program. The local match shall be in cash or in-kind contributions.

*f.* Demonstrates that the applicant is able to sustain the program after the grant is exhausted.

3. Activities supported by an applicant may include but are not limited to tutoring and supplementing instruction in basic skills, such as reading, math, and science; drug and violence prevention curricula and counseling; youth leadership activities; volunteer and service learning opportunities; career and vocational awareness preparation; courses and enrichment in arts and culture; computer instruction; character development and civic participation; language instruction, including English as a second language; mentoring; positive interaction with law enforcement; supervised recreation programs; and health and nutrition programs.

4. The department shall make every effort to award grants to a balance of rural and urban programs.

5. The department shall make every effort to leverage additional funding from other public and private sources to support the grant program.

6. An applicant serving middle and high school-age youth is eligible for funding under this section if the applicant demonstrates that the applicant is serving youth at least once a week or a minimum of two hours per week.

7. Grant funding may be used for programming for multiple fiscal years as proposed by the applicant and approved by the department.

2007 Acts, ch 214, §19; 2008 Acts, ch 1181, §19 – 22

**256.27 Online state job posting system.**

1. The department shall provide for the operation of an online state job posting system. The system shall be designed and implemented for the online posting of job openings offered by school districts, charter schools, area education agencies, the department, and accredited nonpublic schools. The system shall be accessible via the department's internet site. The system shall include a mechanism for the electronic submission of job openings for posting on the system as provided in subsection 2. The system and each job posting on the system shall include a statement that an employer submitting a job opening for posting on the system will not discriminate in hiring on the basis of race, ethnicity, national origin, gender, age, physical disability, sexual orientation, gender identity, religion, marital status, or status as a veteran. The department may contract for, or partner with another entity for, the use of an existing internet site to operate the online state job posting system if the existing internet site is more effective and economical than the department's internet site.

2. A school district, charter school, or area education agency shall submit all of its job openings to the department for posting on the system. The department shall post all of its job openings on the system. An accredited nonpublic school may submit job openings to the department for posting on the system.

3. This section shall not be construed to do any of the following:

*a.* Prohibit any employer from advertising job openings and recruiting employees independently of the system.

*b.* Prohibit any employer from using another method of advertising job openings or another applicant tracking system in addition to the system.

*c.* Provide the department with any regulatory authority in the hiring process or hiring decisions of any employer other than the department.

2013 Acts, ch 121, §44
NEW section

**256.28 Teach Iowa student teaching pilot project.**

1. Subject to an appropriation of sufficient funds by the general assembly, the department shall establish a teach Iowa student teaching pilot project in collaboration with two institutions of higher education which offer teacher preparation programs approved by the state board of education pursuant to section 256.7, subsection 3. The two institutions of higher education shall include one institution of higher education under the control of the state board of regents and one accredited private institution as defined in section 261.9.

2. The teach Iowa student teaching pilot project shall provide students in teacher preparation programs with a one-year student teaching experience. A student teaching experience provided under the pilot project must include all of the following requirements:

*a.* A participating institution of higher education shall work with one or more school districts individually or collaboratively to place groups of students in a student teaching experience for an entire academic year. A participating institution of higher education shall take into consideration geographic diversity in the selection of school districts for participation in the pilot project.

*b.* A participating institution of higher education shall supervise the student teachers in the classroom and shall provide the students with weekly on-site instruction in pedagogy in the participating school districts.

3. The state board shall adopt rules pursuant to chapter 17A to administer this section.

2013 Acts, ch 121, §45
For FY 2013-2014 appropriation for implementation of education reform provisions, see 2013 Acts, ch 121, §110; 2013 Acts, ch 141, §6
NEW section

**256.29 Council on educator development established.**

1. A council on educator development is established to conduct a study and make recommendations regarding the following:

*a.* A statewide teacher evaluation system and performance review requirements.

*b.* A statewide administrator evaluation system.

2. The goal of the study shall be to determine the efficacy of the current systems in providing practitioners with clear and actionable feedback to enhance their practice and advance student learning. The council shall receive input from teachers, administrators, and evaluators regarding educators' personal experiences with evaluations.

3. The study shall review the following:

*a.* The current teacher evaluation system and performance review requirements and the current administrator evaluation system requirements.

*b.* The Iowa teaching standards.

*c.* Criteria used to further define the Iowa teaching standards.

*d.* The Iowa standards for school administrators.

*e.* Nationally accepted teaching standards.

*f.* The process for developing individual teacher and individual administrator professional development plans.

*g.* Evaluator training.

*h.* The peer group reviews conducted pursuant to chapter 284.

*i.* The interrelated facets of the teacher and administrator evaluation systems and performance review requirements.

4. Any evaluation system recommended by the council shall be designed, at a minimum, so that the system is or does all of the following:

*a.* Is meaningful, providing all teachers and administrators with clear and actionable feedback.

*b.* Is comprehensive and based on multiple indicators designed to enhance an educator's practice.

*c.* Provides for ongoing, nonevaluation feedback and regular, comprehensive, and fair evaluations.

*d.* Is developed and implemented with input from teachers and administrators, respecting their own evaluation systems; and is developed and implemented in partnership with organizations representing teachers, administrators, and school board members at the state and local school district levels.

*e.* Is based on clear standards for what teachers and administrators should know and be able to do.

*f.* Is adequately funded, staffed, and fully developed and validated, and includes training for all teachers and administrators concerning the new systems before the systems are used to make any high-stakes employment decisions.

*g.* Is applicable to teachers and administrators in all content areas.

5. In developing recommendations for any evaluation system, the council shall consider, at a minimum, all of the following:

*a.* Any proposed revisions to systems, standards, or training reviewed pursuant to subsection 3.

*b.* The fair and balanced use of student outcome measures, comprised of multiple, reliable indicators of student growth and learning that are appropriate to the curriculum and the students being taught. These measures may include but are not limited to gauges of higher order skills such as student research papers, science investigations, technology products, and art projects; teacher-defined objectives for individual student growth; student learning objectives developed jointly by a teacher and principal or evaluator; district, school, or teacher-created assessments; and high-quality standardized tests that provide valid, reliable, timely, and meaningful information regarding student learning and growth.

*c.* Multiple indicators to provide evidence of practice, including but not limited to classroom observations; proof of practice such as lesson plans, curriculum plans, and instructional notes; teacher and administrator interviews, respecting their own evaluation systems; self-assessment; and evidence of professional contributions and collaboration.

*d.* Student and parent surveys.

*e.* A multitiered evaluation system that differentiates at least three levels of teacher and administrator performance.

6. The council shall be comprised of at least seventeen voting members appointed by the director by October 1, 2013, as follows:

*a.* Eight members representing education stakeholders who shall be subject to the evaluation systems being recommended.

*b.* One member representing the department.

*c.* One member representing the area education agencies.

*d.* One member representing the Iowa state education association.

*e.* One member representing the school administrators of Iowa.

*f.* One member representing the Iowa association of school boards.

*g.* One member representing the urban education network.

*h.* One member representing the largest approved practitioner preparation institution in the state.

*i.* One member representing Iowa's approved administrator preparation programs.

*j.* One member representing parents of Iowa elementary or secondary students.

7. Four members of the general assembly shall serve as ex officio, nonvoting members of the council, with one member to be appointed by each of the following: the majority leader of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives. A legislative member serves for a term as provided in section 69.16B and is eligible for per diem and expenses as provided in section 2.10.

8. To the extent possible, the council shall have balanced representation with regard to teachers and administrators. Teachers and administrators from elementary and secondary education shall be included in the membership, as well as school and area education agency

personnel who are evaluated under the teacher evaluation system but who are not classroom teachers.

9. The member representing the area education agencies shall convene the initial meeting. The council shall elect a chairperson from among its members for a term of one year. Administrative support and staffing for the council shall be provided by the department. The voting members of the council shall be reimbursed for actual and necessary expenses incurred in the performance of their duties and shall receive a per diem as specified in section 7E.6.

10. The council shall provide for the wide distribution of a preliminary draft of its recommendations for evaluation systems and performance review requirements to teachers, administrators, and school board members throughout the state by October 1, 2015, and shall provide a mechanism and opportunity for practitioners and school board members to submit feedback to the council. Such feedback shall be reviewed by the council prior to making final recommendations.

11. The council shall submit its findings and recommendations to the state board of education, the governor, and the general assembly by November 15, 2016.

2013 Acts, ch 121, §48
NEW section

**256.30 Educational expenses for American Indians.**

1. For the fiscal year beginning July 1, 2011, and ending June 30, 2012, and for each succeeding fiscal year, there is appropriated from the general fund of the state to the department the sum of one hundred thousand dollars. The department shall distribute the appropriation to the tribal council of the Sac and Fox Indian settlement for expenses of educating American Indian children residing in the Sac and Fox Indian settlement on land held in trust by the secretary of the interior of the United States in excess of federal moneys paid to the tribal council for educating the American Indian children.

2. The tribal council shall administer the moneys distributed by the department pursuant to subsection 1 and shall first use moneys distributed to pay the additional costs of salaries for licensed instructional staff for educational attainment and full-time equivalent years of experience to equal the salaries listed on the proposed salary schedule for the school at the Sac and Fox Indian settlement for that school year, but the salary for a licensed instructional staff member employed on a full-time basis shall not be less than eighteen thousand dollars. The department of management shall approve allotments of moneys appropriated in and distributed pursuant to this section.

87 Acts, ch 233, §453; 88 Acts, ch 1284, §43; 89 Acts, ch 265, §40; 2011 Acts, ch 131, §4, 158; 2013 Acts, ch 88, §2
Section amended

**256.31 Community college council.**

1. A community college council is established consisting of six members. Membership of the council shall be as follows:

*a.* The three members of the state board of education who have knowledge of issues and concerns affecting the community college system as provided in section 256.3.

*b.* An additional member of the state board of education appointed annually by the president of the state board of education.

*c.* A community college president appointed by an association which represents the largest number of community college presidents in the state.

*d.* A community college trustee appointed by an association which represents the largest number of community college trustees in the state.

2. The nonboard members shall serve staggered terms of three years beginning on May 1 of the year of appointment. Vacancies on the council shall be filled in the same manner as the original appointment. A person appointed to fill a vacancy shall commence service on the date of appointment and shall serve only for the unexpired portion of the term.

3. The council shall assist the state board of education with substantial issues which are directly related to the community college system. The state board shall refer all substantial

issues directly related to the community college system to the council. The council shall formulate recommendations on each issue referred to it by the state board and shall submit the recommendations to the state board within any specified time periods.

90 Acts, ch 1253, §7; 92 Acts, ch 1027, §1, 2; 2000 Acts, ch 1167, §3; 2011 Acts, ch 20, §6; 2011 Acts, ch 118, §85, 89

**256.32 Council for agricultural education.**

1. An advisory council for agricultural education is established, which consists of nine members appointed by the governor. The nine members shall include the following:

*a.* Five persons representing all areas of agriculture and diverse geographical areas.

*b.* The individual representing agriculture on the state council for vocational education.

*c.* A secondary school program instructor, a postsecondary school program instructor, and a teacher educator.

2. The council may also include as ex officio members the following persons, as determined by the voting members of the council:

*a.* The state future farmers of America president.

*b.* The current state future farmers of America alumni association president.

*c.* The current postsecondary agriculture student organization of Iowa president.

*d.* A state consultant in agricultural education.

*e.* The secretary of agriculture or the secretary's designee.

*f.* Two members of each house of the general assembly. This membership shall be bipartisan in composition and one member each shall be selected by the president of the senate, after consultation with the majority leader of the senate, and by the minority leader of the senate, and one member each shall be selected by the speaker of the house of representatives and by the minority leader of the house of representatives.

3. The duties of the council are to review, develop, and recommend standards for secondary and postsecondary agricultural education. The council shall annually issue a report to the state board of education and the chairpersons of the house and senate agriculture and education committees regarding both short-term and long-term curricular standards for agricultural education and the council's activities. The council shall meet a minimum of twice annually, and must have a quorum consisting of a majority of voting members present to hold an official meeting and to take any final council action. However, hearings may be held without a quorum. The chairperson shall be elected annually by and from the voting membership. The initial organizational meeting shall be called by the director of the department of education.

4. The term of membership is three years. The terms shall be staggered so that three of the terms end each year, but no member serving on the initial council shall serve less than one year. The governor shall determine the length of the initial terms of office. However, the terms of office for members of the general assembly shall be as provided in section 69.16B.

2011 Acts, ch 85, §1; 2012 Acts, ch 1021, §55; 2012 Acts, ch 1023, §33

Former §256.32 repealed by 2010 Acts, ch 1031, §277

**256.33 Educational technology assistance.**

1. The department shall consort with school districts, area education agencies, community colleges, and colleges and universities to provide assistance to them in the use of educational technology for instruction purposes. The department shall consult with the advisory committee on telecommunications, established in section 256.7, subsection 7, and other users of educational technology on the development and operation of programs under this section.

2. If moneys are appropriated by the general assembly for a fiscal year for purposes provided in this section, the programs funded by the department may include but not be limited to:

*a.* The development and delivery of in-service training, including summer institutes and workshops for individuals employed by elementary, secondary, and higher education corporations and institutions who are using educational technology for instructional

purposes. The in-service programs shall include the use of hardware as well as effective methods of delivery and maintenance of a learning environment.

*b.* Research projects on ways to improve instruction at all educational levels using educational technology.

*c.* Demonstration projects which model effective uses of educational technology.

*d.* Establishment of a clearinghouse for information and research concerning practices relating to and uses of educational technology.

*e.* Development of curricula that could be used by approved teacher preparation institutions to prepare teachers to use educational technology in the classroom.

*f.* Pursuit of additional funding from public and private sources for the functions listed in this section.

3. Priority shall be given to programs integrating educational technology into the classroom. The department may award grants to school corporations and higher education institutions to perform the functions listed in this section.

89 Acts, ch 319, §41; 93 Acts, ch 48, §16; 95 Acts, ch 67, §20; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1119, §20

**256.34** Repealed by 2002 Acts, ch 1140, § 44. See §455A.21.

**256.35 Regional autism assistance program.**

The department shall establish a regional autism assistance program, to be administered by the child health specialty clinic of the university of Iowa hospitals and clinics. The program shall be designed to coordinate educational, medical, and other human services for persons with autism, their parents, and providers of services to persons with autism. The function of the program shall include, but is not limited to, the coordination of diagnostic and assessment services, the maintaining of a research base, coordination of in-service training, providing technical assistance, and providing consultation.

90 Acts, ch 1272, §42

Referred to in §225D.1

**256.35A Iowa autism council.**

1. An Iowa autism council is created to act in an advisory capacity to the state in developing and implementing a comprehensive, coordinated system to provide appropriate diagnostic, intervention, and support services for children with autism and to meet the unique needs of adults with autism.

2. *a.* The council shall consist of thirteen voting members appointed by the governor and confirmed by the senate. The majority of the voting members shall be individuals with autism or members of their families. Additionally, each of the following shall be represented among the voting members:

(1) Autism diagnostic and research specialists.

(2) Individuals with recognized expertise in utilizing best practices for diagnosis, intervention, education, and support services for individuals with autism.

(3) Individuals providing residential services for individuals with autism.

(4) Mental health professionals with background or expertise in a pertinent mental health field such as psychiatry, psychology, or behavioral health.

(5) Private insurers.

(6) Teachers and representatives of area education agencies.

*b.* In addition, representatives of the department of education, the division of vocational rehabilitation of the department of education, the department of public health, the department of human services, the Iowa developmental disabilities council, the division of insurance of the department of commerce, and the state board of regents shall serve as ex officio members of the advisory council. Ex officio members shall work together in a collaborative manner to serve as a resource to the advisory council. The council may also form workgroups as necessary to address specific issues within the technical purview of individual members.

*c.* Voting members shall serve three-year terms beginning and ending as provided in

section 69.19, and appointments shall comply with sections 69.16 and 69.16A. Vacancies on the council shall be filled in the same manner as the original appointment. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. Public members shall receive reimbursement for actual expenses incurred while serving in their official capacity and may also be eligible to receive compensation as provided in section 7E.6.

*d.* The council shall elect a chairperson from its voting members annually. A majority of the voting members of the council shall constitute a quorum.

*e.* The department shall convene and provide administrative support to the council.

3. The council shall focus its efforts on addressing the unmet needs of individuals with autism at various levels of severity and their families. The council shall address all of the following:

*a.* Early identification by medical professionals of autism, including education and training of health care and mental health care professionals and the use of best practice guidelines.

*b.* Appropriate early and intensive early intervention services with access to models of training.

*c.* Integration and coordination of the medical community, community educators, childhood educators, health care providers, and community-based services into a seamless support system for individuals and their families.

*d.* General and special education support services.

*e.* In-home support services for families requiring behavioral and other supports.

*f.* Training for educators, parents, siblings, and other family members.

*g.* Enhancing of community agency responsiveness to the living, learning, and employment needs of adults with autism and provision of services including but not limited to respite services, crisis intervention, employment assistance, case management, and long-term care options.

*h.* Financing options including but not limited to medical assistance waivers and private health insurance coverage.

*i.* Data collection.

4. The council shall meet quarterly. The council shall submit a report to the governor and the general assembly, annually by December 15, identifying the needs and making recommendations for improving and enhancing the lives of individuals with autism and their families.

5. For the purposes of this section, *"autism"* means a spectrum disorder that includes at various levels of severity, autism, Asperger's disorder, pervasive developmental disorder not otherwise specified, Rett's syndrome, and childhood disintegrative disorder.

2008 Acts, ch 1187, §126; 2012 Acts, ch 1023, §34
Confirmation, see §2.32

**256.36 Math and science grant program.**

1. *a.* The department shall establish a math and science education grant program to provide for the allocation of grant moneys to public school corporations and to contract for the development of statewide program models and recommendations in keeping with the goals stated in this section.

(1) A public school corporation desiring to receive grant moneys under the program may submit plans and a proposed budget to the department for approval. The department shall review each plan and its proposed budget and award grants, which may be matching funds grants, for approved plans by July 1 of the calendar year in which the approved plans were submitted. Provision of matching funds from institutional private sources shall be considered by the department in reviewing plans and proposed budgets and awarding grant moneys.

(2) However, for the first school year for which program funds are appropriated, a board of directors of a public school corporation may submit a proposed plan and budget not later than January 1 of that school year and the department shall notify public school corporations by February 15 of that same school year that their plans have been approved or disapproved by the department.

*b.* In addition to awarding grants, and if the activity does not violate federal matching

funds requirements for an Iowa math and science grant program, the department may expend funds to contract with a public or private nonprofit education organization, association, or laboratory for the development of models or recommendations with statewide applications to further the goals of this section.

2. The department shall make recommendations for, and the state board shall adopt, rules relating to program goals and program administration.

*a.* The goals of the math and science education program may include but are not limited to the following:

(1) The development of a model multidisciplinary science curricula that will serve as the framework for the development of individual teaching modules.

(2) The design and implementation of a statewide model for staff development in science and math education.

(3) The development of specific recommendations and rationale for changes in school standards that will facilitate improvements in math and science education and provide outcomes that serve as a standard of successful learning.

(4) The provision of a sequence of competencies and instructional strategies for inclusion in teacher preparation programs for those entering math and science programs in Iowa teacher preparation institutions.

(5) The development and implementation of a new statewide assessment program that is consistent with the materials and approaches envisioned.

(6) The development and implementation strategies for recruitment and retention of females and minorities in math and science education.

*b.* Program administration rules shall include but are not limited to development of standard formats and procedures for the submission and assessment of grant applications.

3. The board of educational examiners may develop recommendations for specific changes in the licensing requirements for math and science teachers.

4. There is established in the state treasury a math and science education account that is under the control of and administered by the department of education. The department may accept gifts, grants, bequests, and other private contributions, as well as state or federal funds, and shall deposit the moneys in the account to be used for distribution as grant award moneys under the math and science education program. Moneys in the account are appropriated and may be used for the purposes of this section. The department shall not commingle federal, state, and private funds within the account. Not more than six percent of any state funds appropriated for the program may be used for administrative purposes. State funds appropriated and any interest earned on the state funds but not expended for the first two years of the program shall not revert to the general fund under section 8.33, but shall remain available for expenditure until June 30 of the third year of the program. In subsequent years, state funds and any interest earned on the state funds which are appropriated, but not expended by June 30 of the school year shall revert to the general fund as provided under section 8.33. Receipt of funds during the first year of the program shall not affect eligibility to receive funds during any subsequent years.

91 Acts, ch 71, §1; 2010 Acts, ch 1069, §68

**256.37 School restructuring and effectiveness — policy — findings.**

It is the policy of the state of Iowa to provide an education system that prepares the children of this state to meet and exceed the technological, informational, and communications demands of our society. The general assembly finds that the current education system must be transformed to deliver the enriched educational program that the adults of the future will need to have to compete in tomorrow's world. The general assembly further finds that the education system must strive to reach the following goals:

1. All children in Iowa must start school ready to learn.

2. Iowa's high school graduation rate must increase to at least ninety percent.

3. Students graduating from Iowa's education system must demonstrate competency in challenging subject matter, and must have learned to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in a global economy.

4. Iowa students must be first in the world in science and mathematics achievement.

5. Every adult Iowan must be literate and possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.

6. Every school in Iowa must be free of drugs and violence and offer a disciplined environment conducive to learning.

92 Acts, ch 1159, §4

**256.38 School-to-work transition system.** Repealed by 2013 Acts, ch 88, § 37.

**256.39 Career pathways program.**

1. If the general assembly appropriates moneys for the establishment of a career pathways program, the department of education shall develop a career pathways grant program, criteria for the formation of ongoing career pathways consortia in each merged area, and guidelines and a process to be used in selecting career pathways consortium grant recipients, including a requirement that grant recipients shall provide matching funds or match grant funds with in-kind resources on a dollar-for-dollar basis. A portion of the moneys appropriated by the general assembly shall be made available to schools to pay for the issuance of employability skills assessments to public or nonpublic school students. An existing partnership or organization, including a regional school-to-work partnership, that meets the established criteria, may be considered a consortium for grant application purposes. One or more school districts may be considered a consortium for grant application purposes, provided the district can demonstrate the manner in which a community college, area education agency, representatives from business and labor organizations, and others as determined within the region will be involved. Existing school-to-work partnerships are encouraged to assist the local consortia in developing a plan and budget. The department shall provide assistance to consortia in planning and implementing career pathways program efforts.

2. To be eligible for a career pathways grant, a career pathways consortium shall develop a career pathways program that includes, but is not limited to, the following:

*a.* Measure the employability skills of students. Employability skills shall include, but are not limited to, reading for information, applied mathematics, listening, and writing.

*b.* Curricula designed to integrate academic and work-based learning to achieve high employability skills by all students related to career pathways. The curricula shall be designed through the cooperative efforts of secondary and postsecondary education professionals, business professionals, and community services professionals.

*c.* Staff development to implement the high-standard curriculum. These efforts may include team teaching techniques that utilize expertise from partnership businesses and postsecondary institutions.

3. In addition to the provisions of subsection 2, a career pathways program may include, but is not limited to, the following:

*a.* Career guidance and exploration for students.

*b.* Involvement and recognition of business, labor, and community organizations as partners in the career pathways program.

*c.* Provision for program accountability.

*d.* Encouragement of team teaching within the school or in partnership with postsecondary schools, and business, labor, community, and nonprofit organizations.

*e.* Service learning opportunities for students.

4. Business, labor, and community organizations are encouraged to market the career pathways program to the local community and provide students with mentors, shadow professionals, speakers, field trip sites, summer jobs, internships, and job offers for students who graduate with high performance records. Students are encouraged to volunteer their time to community organizations in exchange for workplace learning opportunities that do not displace current employees.

5. In developing career pathways program efforts, each consortium shall make every effort to cooperate with the juvenile courts, the economic development authority, the

department of workforce development, the department of human services, and the new Iowa schools development corporation.

6. The department of education shall direct and monitor the progress of each career pathways consortium in developing career pathways programs. By January 15, 1998, the department shall submit to the general assembly any findings and recommendations of the career pathways consortia, along with the department's recommendations for specific career pathways program efforts and for appropriate funding levels to implement and sustain the recommended programs.

7. Notwithstanding section 8.33, unencumbered or unobligated funds remaining on June 30 of the fiscal year for which the funds were appropriated shall not revert but shall be available for expenditure for the following fiscal year for the purposes of this section.

95 Acts, ch 196, §2; 96 Acts, ch 1186, §23; 2003 Acts, ch 180, §7; 2011 Acts, ch 118, §85, 89

**256.40 Statewide work-based learning intermediary network — fund — steering committee — regional networks.**

1. A statewide work-based learning intermediary network program is established in the department and shall be administered by the department. A separate, statewide work-based learning intermediary network fund is created in the state treasury under the control of the department. The fund shall consist of all moneys deposited in the fund, including any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the department from federal or private sources for purposes of the program. Notwithstanding section 8.33, moneys in the fund at the end of a fiscal year shall not revert to the general fund of the state. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

2. The purpose of the program shall be to prepare students for the workforce by connecting business and the education system and offering relevant, work-based learning activities to students and teachers. The program shall:

*a.* Better prepare students to make informed postsecondary education and career decisions.

*b.* Provide communication and coordination in order to build and sustain relationships between employers and local youth, the education system, and the community at large.

*c.* Connect students to local career opportunities, creating economic capital for the region using a skilled and available workforce.

*d.* Provide a one-stop contact point for information useful to both educators and employers, including information on internships, job shadowing experiences, and other workplace learning opportunities for students, particularly related to science, technology, engineering, or mathematics occupations, occupations related to critical infrastructure and commercial and residential construction, or targeted industries as defined in section 15.102.

*e.* Integrate services provided through the program with other career exploration-related activities such as the student core curriculum plan and the career information and decision-making system developed and administered under section 279.61, where appropriate.

*f.* Facilitate the attainment of portable credentials of value to employers such as the national career readiness certificate, where appropriate.

*g.* Develop work-based capacity with employers.

*h.* Provide core services, which may include student job shadowing, student internships, and teacher or student tours.

3. The department shall establish and facilitate a steering committee comprised of representatives from the department of workforce development, the economic development authority, the community colleges, the institutions under the control of the state board of regents, accredited private institutions, area education agencies, school districts, and the workplace learning connection. The steering committee shall be responsible for the development and implementation of the statewide work-based learning intermediary network.

4. The steering committee shall develop a design for a statewide network comprised of fifteen regional work-based learning intermediary networks. The design shall include

network specifications, strategic functions, and desired outcomes. The steering committee shall recommend program parameters and reporting requirements to the department.

5. Each regional network shall establish an advisory council to provide advice and assistance to the regional network. The advisory council shall include representatives of business and industry, including construction trade industry professionals, and shall meet at least annually.

6. Each regional network or consortium of networks shall annually submit a work-based learning plan to the department. Each plan shall include provisions to provide core services referred to in subsection 2, paragraph "*h*", to all school districts within the region and for the integration of job shadowing and other work-based learning activities into secondary career and technical education programs.

7. *a.* Moneys deposited in the statewide work-based learning intermediary network fund created in subsection 1 shall be distributed annually to each region for the implementation of the statewide work-based learning intermediary network upon approval by the department of the region's work-based learning plan submitted pursuant to subsection 6.

*b.* If the balance in the statewide work-based learning intermediary network fund on July 1 of a fiscal year is one million five hundred thousand dollars or less, the department shall distribute moneys in the fund to regions or consortiums of regions on a competitive basis. If the balance in the statewide work-based learning intermediary network fund on July 1 of a fiscal year is greater than one million five hundred thousand dollars, the department shall distribute one hundred thousand dollars to each region and distribute the remaining moneys pursuant to the formula established in section 260C.18C.

8. The department shall provide oversight of the statewide work-based learning intermediary network. The department shall require each region to submit an annual report on its ongoing implementation of the statewide work-based learning intermediary network program to the department.

9. Each regional network shall match the moneys received pursuant to subsection 7 with financial resources equal to at least twenty-five percent of the amount of the moneys received pursuant to subsection 7. The financial resources used to provide the match may include private donations, in-kind contributions, or public moneys other than the moneys received pursuant to subsection 7.

10. The state board of education shall adopt rules under chapter 17A for the administration of this section.

2005 Acts, ch 154, §1; 2006 Acts, ch 1030, §31; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 141, §34
Section amended

**256.41 Online learning requirements — legislative findings and declarations.**

1. The general assembly finds and declares the following:

*a.* That prior legislative enactments on the use of telecommunications in elementary and secondary school classes and courses did not contemplate and were not intended to authorize participation in open enrollment under section 282.18 for purposes of attending online schools, contracts to provide exclusively or predominantly online coursework to students, or online coursework that does not use teachers licensed under chapter 272 for instruction and supervision.

*b.* That online learning technology has moved ahead of Iowa's statutory framework and the current administrative rules of the state board, promulgated over twenty years ago, are inadequate to regulate today's virtual opportunities.

2. Online learning curricula shall be provided and supervised by a teacher licensed under chapter 272.

2012 Acts, ch 1119, §18
Referred to in §256.7

**256.42 Iowa learning online initiative.**

1. An Iowa learning online initiative is established within the department to partner with school districts and accredited nonpublic schools to provide distance education to high school

students statewide. The department shall utilize a variety of content repositories, including those maintained by the area education agencies and the public broadcasting division, in administering the initiative.

2. The initiative shall include an online learning program model designed to prepare teachers to meet the needs of students in an online learning environment, including but not limited to building community interaction and support, developing strategies for working with virtual students, and assessing virtual students.

3. Coursework offered under the initiative shall be taught by a teacher licensed under chapter 272 who has completed an online-learning-for-Iowa-educators-professional-development project offered by area education agencies, a teacher preservice program, or comparable coursework.

4. Each participating school district and accredited nonpublic school shall submit its online curricula to the department for review. Each participating school district and accredited nonpublic school shall include in its comprehensive school improvement plan submitted pursuant to section 256.7, subsection 21, a list and description of the online coursework offered by the district.

5. Under the initiative, students must be enrolled in a participating school district or accredited nonpublic school, which is responsible for recording grades received for initiative coursework in a student's permanent record, awarding high school credit for initiative coursework, and issuing high school diplomas to students enrolled in the district or school who participate and complete coursework under the initiative. Each participating school shall identify a site coordinator to serve as a student advocate and as a liaison between the initiative staff and teachers and the school district or accredited nonpublic school.

6. Coursework offered under the initiative shall be rigorous and high quality, and the department shall annually evaluate the quality of the courses and ensure that coursework is aligned with the state's core curriculum and core content requirements and standards, as well as national standards of quality for online courses issued by an internationally recognized association for kindergarten through grade twelve online learning.

7. The department may waive for one year the provisions of section 256.11, subsection 5, which require that specified subjects be offered and taught by professional staff of a school district or school, if the school district or school makes every reasonable and good faith effort to employ a teacher licensed under chapter 272 for such a subject, and the school district or school proves to the satisfaction of the department that the school district or school is unable to employ such a teacher. The specified subject shall be provided by the initiative.

8. The department shall establish fees payable by school districts and accredited nonpublic schools participating in the initiative. Fees collected pursuant to this subsection are appropriated to the department to be used only for the purpose of administering this section and shall be established so as not to exceed the budgeted cost of administering this section to the extent not covered by the moneys appropriated in subsection 9. Providing professional development necessary to prepare teachers to participate in the initiative shall be considered a cost of administering this section. Notwithstanding section 8.33, fees collected by the department that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purpose of expanding coursework offered under the initiative in subsequent fiscal years.

9. There is appropriated from the general fund of the state to the department, for the following fiscal years, the following amounts, to be used for administering this section and for not more than three full-time equivalent positions:

*a.* For the fiscal year beginning July 1, 2014, and ending June 30, 2015, the sum of one million five hundred thousand dollars.

*b.* For the fiscal year beginning July 1, 2015, and ending June 30, 2016, the sum of one million five hundred thousand dollars.

2012 Acts, ch 1119, §17; 2013 Acts, ch 30, §58; 2013 Acts, ch 121, §43
Referred to in §256.7
Subsection 6 amended
NEW subsections 8 and 9

**256.43 Online learning program model.**

1. *Online learning program model established.* The director, pursuant to section 256.9, subsection 62, shall establish an online learning program model that provides for the following:

*a.* Online access to high-quality content, instructional materials, and blended learning.

*b.* Coursework customized to the needs of the student using online content.

*c.* A means for a student to demonstrate competency in completed online coursework.

*d.* High-quality online instruction taught by teachers licensed under chapter 272.

*e.* Online content and instruction evaluated on the basis of student learning outcomes.

*f.* Use of funds available for online learning for program development, implementation, and innovation.

*g.* Infrastructure that supports online learning.

*h.* Online administration of online course assessments.

*i.* Criteria for school districts or schools to use when choosing providers of online learning to meet the online learning program requirements specified in rules adopted pursuant to section 256.7, subsection 32, paragraph *"a"*.

2. *Private providers.* At the discretion of the school board or authorities in charge of an accredited nonpublic school, after consideration of circumstances created by necessity, convenience, and cost-effectiveness, courses developed by private providers may be utilized by the school district or school in implementing a high-quality online learning program. Courses obtained from private providers shall be taught by teachers licensed under chapter 272.

3. *Grading.* Grades in online courses shall be based, at a minimum, on whether a student mastered the subject, demonstrated competency, and met the standards established by the school district. Grades shall be conferred only by teachers licensed under chapter 272.

4. *Accreditation criteria.* All online courses and programs shall meet existing accreditation standards.

2012 Acts, ch 1119, §19

Referred to in §256.7, 256.9

**256.44 National board certification pilot project.**

1. A national board certification pilot project is established to be administered by the department of education. A teacher, as defined in section 272.1, who registers for or achieves national board for professional teaching standards certification, and who is employed by a school district in Iowa and receiving a salary as a classroom teacher, may be eligible for the following:

*a.* If a teacher registers for national board for professional teaching standards certification after December 31, 2007, a one-time initial reimbursement award in the amount of up to one-half of the registration fee paid by the teacher for registration for certification by the national board for professional teaching standards. The teacher shall apply to the department in a manner and according to procedures required by the department, submitting to the department any documentation the department requires. A teacher who receives an initial reimbursement award shall receive a one-time final registration award in the amount of the remaining national board registration fee paid by the teacher if the teacher notifies the department of the teacher's certification achievement and submits any documentation requested by the department.

*b.* (1) (a) If, by May 1, 2000, the teacher applies to the department for an annual award and submits documentation of certification by the national board for professional teaching standards, an annual award in the amount of five thousand dollars. However, if the teacher does not achieve certification on the teacher's first attempt to pass the national board for professional teaching standards assessment, the teacher shall be paid the award amount as provided in subparagraph division (b) upon achieving certification. The department shall award not more than a total of fifty thousand dollars in annual awards to an individual during the individual's term of eligibility for annual awards.

(b) If the teacher registers for national board for professional teaching standards certification and achieves certification within the timelines and policies established by the

national board for professional teaching standards, an annual award in the amount of two thousand five hundred dollars upon achieving certification by the national board of professional teaching standards.

(2) To receive an annual award pursuant to this paragraph *"b"*, a teacher shall apply to the department for an award within one year of eligibility. Payment for awards shall be made only upon departmental approval of an application or recertification of eligibility. A term of eligibility shall be for ten years or for the years in which the individual maintains a valid certificate, whichever time period is shorter. In order to continue receipt of payments, a recipient shall annually recertify eligibility.

2. *a.* If the amount appropriated annually for purposes of this section is insufficient to pay the full amount of reimbursement awards in accordance with subsection 1, paragraph *"a"*, the department shall annually prorate the amount of the registration awards provided to each teacher who meets the requirements of this section.

*b.* If the amount appropriated annually for purposes of providing an annual award in accordance with subsection 1, paragraph *"b"*, is insufficient to pay the full annual award to all teachers approved by the department for an annual award, the department shall prorate the amount of the annual award based upon the amount appropriated.

3. A teacher receiving an annual award pursuant to this section may provide additional services to the school district that employs the teacher. The additional services to be provided by the teacher may be mutually agreed upon by the school district and the teacher.

4. Awards shall be paid to teachers by the department as follows:

*a.* Upon receipt of reimbursement documentation as provided in subsection 1, paragraph *"a"*.

*b.* Not later than June 1 to teachers whose applications and recertifications for annual awards as provided in subsection 1, paragraph *"b"*, are submitted to the department by May 1 and subsequently approved.

5. Notwithstanding any provision to the contrary, a teacher approved by the department to receive an annual award for certification in accordance with this section in the fiscal year beginning July 1, 1998, shall receive the annual award amount specified in subsection 1, paragraph *"b"*, subparagraph (1), subparagraph division (a), to commence with the fiscal year beginning July 1, 1999.

6. From funds appropriated for purposes of this section by the general assembly to the department of education for each fiscal year in the fiscal period beginning July 1, 1999, and ending June 30, 2004, three hundred thousand dollars, or so much thereof as may be necessary, shall be used for the payment of registration awards as provided in subsection 4, paragraph *"a"*.

7. The department shall prorate the amount of the annual awards paid in accordance with this section when the number of award recipients exceeds one thousand one hundred individuals. The department may prorate the amount of an annual award when a teacher who meets the qualifications of subsection 1 is employed on a less than full-time basis by a school district. The state board shall adopt rules under chapter 17A establishing criteria for the proration of annual awards.

8. Notwithstanding section 8.33, funds appropriated for purposes of this section which remain unencumbered or unobligated at the close of the fiscal year for which the funds were appropriated shall not revert but shall be available for expenditure for the following fiscal year for purposes of this section.

98 Acts, ch 1216, §5; 99 Acts, ch 142, §1; 99 Acts, ch 205, §20; 2002 Acts, ch 1152, §3, 4; 2004 Acts, ch 1175, §90; 2005 Acts, ch 169, §20, 21; 2006 Acts, ch 1182, §4; 2007 Acts, ch 108, §6, 7; 2009 Acts, ch 41, §263; 2012 Acts, ch 1119, §29, 30

Referred to in §284.7, 284.13, 284.15

**256.45 Ambassador to education.**

The department of education shall establish and administer the position of ambassador to education. It shall be the function of the ambassador to education to act as an education liaison to primary and secondary schools in this state. The ambassador to education position

shall be filled by the educator selected as teacher of the year by the governor, but only if that person agrees to fill the ambassador to education position.

The ambassador to education's duties shall be established by the director of the department and shall be tailored to the relative skills and educational background of the person designated as ambassador. Duties of the ambassador may include, but are not limited to, providing seminars and workshops in the subject matter area in which the ambassador possesses expertise, accompanying the director of the department of education in the exercise of the director's duties in the state, and speaking at public gatherings in the state.

The ambassador to education shall receive, in lieu of compensation from the district in which the ambassador is regularly employed, a salary equal to the amount of salary the person would have received from the district in the person's regular position during the school year for which the person serves as ambassador, or thirty thousand dollars, whichever amount is greater. The ambassador shall also be compensated for actual expenses incurred as a result of the performance of duties under this section.

The department shall grant funds in an amount equal to the salary and benefits the person selected as ambassador to education would have received from the district, or thirty thousand dollars, whichever amount is greater, to the school district that employs the person selected as the ambassador. The department shall also reimburse the school district for actual expenses incurred as a result of the performance of duties under this section. The school district shall grant the person a one-year sabbatical in order to allow the person to be the ambassador to education, and during the sabbatical, shall pay the salary and benefits of the ambassador with funds granted by the department. The person selected as the ambassador to education shall be entitled to return to the person's same or a comparable position without loss of accrued benefits or seniority.

90 Acts, ch 1272, §43; 98 Acts, ch 1216, §6

Referred to in §284.13

## SUBCHAPTER II

## PARTICIPATION IN INTERSCHOLASTIC ACTIVITIES

**256.46 Rules for participation in extracurricular activities by certain children.**

The state board shall adopt rules that permit a child who does not meet the residence requirements for participation in extracurricular interscholastic contests or competitions sponsored or administered by an organization as defined in section 280.13 to participate in the contests or competitions immediately if the child is duly enrolled in a school, is otherwise eligible to participate, and meets one of the following circumstances or a similar circumstance: the child has been adopted; the child is placed under foster or shelter care; the child is living with one of the child's parents as a result of divorce, separation, death, or other change in the child's parents' marital relationship, or pursuant to other court-ordered decree or order of custody; the child is a foreign exchange student, unless undue influence was exerted to place the child for primarily athletic purposes; the child has been placed in a juvenile correctional facility; the child is a ward of the court or the state; the child is a participant in a substance abuse or mental health program; or the child is enrolled in an accredited nonpublic high school because the child's district of residence has entered into a whole grade sharing agreement for the pupil's grade with another district. The rules shall permit a child who is otherwise eligible to participate, but who does not meet one of the foregoing or similar circumstances relating to residence requirements, to participate at any level of competition other than the varsity level. For purposes of this section and section 282.18, "*varsity*" means the highest level of competition offered by one school or school

district against the highest level of competition offered by an opposing school or school district.

90 Acts, ch 1049, §1; 92 Acts, ch 1135, §1; 93 Acts, ch 101, §201; 2002 Acts, ch 1129, §1; 2005 Acts, ch 79, §1; 2006 Acts, ch 1152, §20

Referred to in §282.18

**256.47 through 256.49** Reserved.

## SUBCHAPTER III

## LIBRARY SERVICES

### PART 1

### GENERAL PROVISIONS

**256.50 Division of library services — definitions.**

As used in this part, unless the context otherwise requires:

1. "*Commission*" means the commission of libraries.
2. "*Division*" means the division of library services of the department of education.
3. "*State agency*" means a legislative, executive, or judicial office of the state and all of its respective officers, departments, divisions, bureaus, boards, commissions, and committees, except the state institutions of higher education governed by the state board of regents.
4. "*State publications*" means all multiply produced publications regardless of format, which are issued by a state agency and supported by public funds, but it does not include:

*a.* Correspondence and memoranda intended solely for internal use within the agency or between agencies.

*b.* Materials excluded from this definition by the commission through the adoption and enforcement of rules.

93 Acts, ch 48, §17; 2011 Acts, ch 132, §44, 106

**256.51 Division of library services — duties and responsibilities.**

1. The division of library services is attached to the department of education for administrative purposes. The state librarian shall be responsible for the division's budgeting and related management functions in accordance with section 256.52, subsection 3. The division shall do all of the following:

*a.* Provide support services to libraries, including but not limited to consulting, continuing education, interlibrary loan services, and references services to assure consistency of service statewide and to encourage local financial support for library services.

*b.* Determine policy for providing information service to the three branches of state government and to the legal community in this state.

*c.* Coordinate a statewide interregional interlibrary loan and information network among libraries in this state and support activities which increase cooperation among all types of libraries.

*d.* Establish and administer a program for the collection and distribution of state publications to depository libraries.

*e.* Develop, in consultation with the area education agency media centers, a biennial unified plan of service and service delivery for the division of library services.

*f.* Establish and administer a statewide continuing education program for librarians and trustees.

*g.* Give to libraries advice and counsel in specialized areas which may include, but are not limited to, building construction and space utilization, children's services, and technological developments.

*h.* Obtain from libraries reports showing the condition, growth, and development of

services provided and disseminate this information in a timely manner to the citizens of Iowa.

*i.* Establish and administer certification guidelines for librarians not covered by other accrediting agencies.

*j.* Foster public awareness of the condition of libraries in Iowa and of methods to improve library services to the citizens of the state.

*k.* Establish and administer standards for state agency libraries and public libraries.

*l.* Allow a public library that receives state assistance under section 256.57, or financial support from a city or county pursuant to section 256.69, to dispose of, through sale, conveyance, or exchange, any library materials that may be obsolete or worn out or that may no longer be needed or appropriate to the mission of the public library. These materials may be sold by the public library directly or the governing body of the public library may sell the materials by consignment to a public agency or to a private agency organized to raise funds solely for support of the public library. Proceeds from the sale of the library materials may be remitted to the public library and may be used by the public library for the purchase of books and other library materials or equipment, or for the provision of library services.

2. The division may do all of the following:

*a.* Enter into interstate library compacts on behalf of the state of Iowa with any state which legally joins in the compacts as provided in section 256.70.

*b.* Receive and expend money for providing programs and services. The division may receive, accept, and administer any moneys appropriated or granted to it, separate from the general library fund, by the federal government or by any other public or private agency.

*c.* Accept gifts, contributions, bequests, endowments, or other moneys, including but not limited to the Westgate endowment fund, for any or all purposes of the division. Interest earned on moneys accepted under this paragraph shall be credited to the fund or funds to which the gifts, contributions, bequests, endowments, or other moneys have been deposited, and is available for any or all purposes of the division. The division shall report annually to the commission and the general assembly regarding the gifts, contributions, bequests, endowments, or other moneys accepted pursuant to this paragraph and the interest earned on them.

93 Acts, ch 48, §18; 2001 Acts, ch 158, §12; 2006 Acts, ch 1152, §21; 2010 Acts, ch 1031, §316, 321; 2010 Acts, ch 1183, §15; 2010 Acts, ch 1193, §44, 80; 2011 Acts, ch 132, §45 – 50, 106

Referred to in §256.57

**256.52 Commission of libraries established — duties of commission and state librarian — state library fund created.**

1. *a.* The state commission of libraries consists of one member appointed by the supreme court, the director of the department of education, or the director's designee, and the following seven members who shall be appointed by the governor to serve four-year terms beginning and ending as provided in section 69.19.

(1) Two members shall be employed in the state as public librarians.

(2) One member shall be a public library trustee.

(3) One member shall be employed in this state as an academic librarian.

(4) One member shall be employed as a librarian by a school district or area education agency.

(5) Two members shall be selected at large.

*b.* The members shall be reimbursed for their actual expenditures necessitated by their official duties. Members may also be eligible for compensation as provided in section 7E.6.

2. The commission shall elect one of its members as chairperson. The commission shall meet at the time and place specified by call of the chairperson. Five members are a quorum for the transaction of business.

3. *a.* The commission shall appoint the state librarian who shall administer the division, and serve at the pleasure of the commission.

*b.* The state librarian shall do all of the following:

(1) Organize, staff, and administer the division so as to render the greatest benefit to libraries in the state.

(2) Submit a biennial report to the governor on the activities and an evaluation of the division and its programs and policies.

(3) Control all property of the division. The state librarian may dispose of, through sale, conveyance, or exchange, any library materials that may be obsolete or worn out or that may no longer be needed or appropriate to the mission of the state library of Iowa. These materials may be sold by the state library directly or the library may sell the materials by consignment with an outside entity. A state library fund is created in the state treasury. Proceeds from the sale of the library materials shall be remitted to the treasurer of state and credited to the state library fund and shall be used for the purchase of books and other library materials. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state.

(4) Appoint and approve the technical, professional, secretarial, and clerical staff necessary to accomplish the purposes of the division subject to chapter 8A, subchapter IV.

(4A) (a) Assume all of the outstanding obligations of the library service areas and be liable for and recognize, assume, and carry out all valid contracts and obligations of the library service areas that are consolidated under the commission and administered by the division effective beginning July 1, 2011. Each library service area shall transfer, prior to July 1, 2011, its state-funded assets and title to any state-funded real estate owned by the library service area to the state librarian. In the event that the remaining assets and liabilities cannot be transferred to the state librarian, the board of directors of a library service area shall liquidate all assets, settle existing liabilities, and transfer remaining moneys to the general fund of the state. In addition, all fund balances from appropriations of state funds allocated to the library service areas remaining unobligated and unencumbered on the date of the transfer shall be transferred to the general fund of the state.

(b) This subparagraph is repealed July 1, 2015.

(5) Perform other duties imposed by law.

4. The commission shall adopt rules under chapter 17A for carrying out the responsibilities of the division.

5. The commission shall receive and approve the budget and unified plan of service submitted by the division.

93 Acts, ch 48, §19; 94 Acts, ch 1193, §18; 96 Acts, ch 1215, §21; 2003 Acts, ch 145, §223; 2010 Acts, ch 1031, §317, 318, 321; 2010 Acts, ch 1061, §180; 2011 Acts, ch 132, §51 – 54, 69, 106

Referred to in §256.51

Governor's appointee serving on commission on July 27, 2011, shall continue to serve until expiration of term; provision applies retroactively to June 30, 2011; 2011 Acts, ch 132, §67, 106

**256.53 State publications.**

Upon issuance of a state publication in any format, a state agency shall provide the division with an electronic version of the publication at no cost to the division.

93 Acts, ch 48, §20; 2003 Acts, ch 35, §41, 49; 2010 Acts, ch 1031, §56

**256.54 State library — law library.**

1. The state library includes but is not limited to the library support network, the specialized library services unit, and the state data center. The law library shall be under the direction of the specialized library services unit.

2. The law library shall be administered by a law librarian appointed by the state librarian subject to chapter 8A, subchapter IV, who shall do all of the following:

*a.* Operate the law library which shall be maintained in the state capitol or in rooms convenient to the state supreme court and which shall be available for free use by the residents of Iowa under rules the commission adopts.

*b.* Maintain, as an integral part of the law library, reports of various boards and agencies, copies of bills, journals, other information relating to current or proposed legislation, and copies of the Iowa administrative bulletin and Iowa administrative code and any publications incorporated by reference in the bulletin or code.

*c.* Arrange to make exchanges of all printed material published by the states and the government of the United States.

*d.* Perform other duties imposed by law or by the rules of the commission.

93 Acts, ch 48, §21; 95 Acts, ch 14, §2; 2003 Acts, ch 145, §224, 225; 2010 Acts, ch 1031, §319 – 321; 2011 Acts, ch 132, §55, 56, 106

**256.55 State data center.**

A state data center is established in the division. The state data center shall be administered by the state data center coordinator, who shall do all of the following:

1. Manage the state data center program to make United States census data available to the residents of Iowa under rules the commission adopts.

2. Act as the state's liaison with the United States census bureau in matters relating to United States decennial, economic, and agricultural census data, and population estimates and projections.

3. Perform other duties imposed by law or prescribed by the commission.

93 Acts, ch 48, §22; 2011 Acts, ch 132, §57, 106

**256.56 Electronic access to documents.**

The state library shall work to develop a system of electronic access to documents maintained by the state library with a goal of providing electronic access to all such documents. The access shall be provided initially through the use of compact disc technology. This section shall not prohibit the state librarian from considering other forms of electronic access if the use of such other access is shown to exceed the benefits of, and is more cost-effective than, the use of compact disc technology.

93 Acts, ch 178, §32

**256.57 Enrich Iowa program.**

1. An enrich Iowa program is established in the division to provide direct state assistance to public libraries, to support the open access and access plus programs, to provide public libraries with an incentive to improve library services that are in compliance with performance measures, and to reduce inequities among communities in the delivery of library services based on performance measures adopted by rule by the commission. The commission shall adopt rules governing the allocation of funds appropriated by the general assembly for purposes of this section to provide direct state assistance to eligible public libraries. A public library is eligible for funds under this chapter if it is in compliance with the commission's performance measures.

2. The amount of direct state assistance distributed to each eligible public library shall be based on the following:

*a.* The level of compliance by the eligible public library with the performance measures adopted by the commission as provided in this section.

*b.* The number of people residing within an eligible library's geographic service area for whom the library provides services.

*c.* The amount of other funding the eligible public library received in the previous fiscal year for providing services to rural residents and to contracting communities.

3. Moneys received by a public library pursuant to this section shall supplement, not supplant, any other funding received by the library.

4. For purposes of this section, "*eligible public library*" means a public library that meets all of the following requirements:

*a.* Submits to the division all of the following:

(1) The report provided for under section 256.51, subsection 1, paragraph "*h*".

(2) An application and accreditation report, in a format approved by the commission, that provides evidence of the library's compliance with at least one level of the standards established in accordance with section 256.51, subsection 1, paragraph "*k*".

(3) Any other application or report the division deems necessary for the implementation of the enrich Iowa program.

*b.* Participates in the library resource and information sharing programs established by the state library.

*c.* Is a public library established by city ordinance or a library district as provided in chapter 336.

5. Each eligible public library shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this section, and shall annually submit this listing to the division.

6. By January 15, annually, the division shall submit a program evaluation report to the general assembly and the governor detailing the uses and the impacts of funds allocated under this section.

7. A public library that receives funds in accordance with this section shall have an internet use policy in place, which may or may not include internet filtering. The library shall submit a report describing the library's internet use efforts to the division.

8. A public library that receives funds in accordance with this section shall provide open access, the reciprocal borrowing program, as a service to its patrons, at a reimbursement rate determined by the state library.

9. Funds appropriated for purposes of this section shall not be used by the division for administrative purposes.

2006 Acts, ch 1180, §16; 2007 Acts, ch 126, §46 – 48
Referred to in §256.51

**256.58 Library support network.**

1. A library support network is established in the division to offer services and programs for libraries, including but not limited to individualized, locally delivered consulting and training, and to facilitate resource sharing and innovation through the use of technology, administer enrich Iowa programs, advocate for libraries, promote excellence and innovation in library services, encourage governmental subdivisions to provide local financial support for local libraries, and ensure the consistent availability of quality service to all libraries throughout the state, regardless of location or size.

2. The organizational structure to deliver library support network services shall include district offices. The district offices shall serve as a basis for providing field services to local libraries in the counties comprising the district. The division shall determine which counties are served by each district office. The number of district offices established to provide services pursuant to this section shall be six.

2011 Acts, ch 132, §58, 106

**256.59 Specialized library services.**

The specialized library services unit is established in the division to provide information services to the three branches of state government and to offer focused information services to the general public in the areas of Iowa law, Iowa state documents, and Iowa history and culture.

2011 Acts, ch 132, §59, 106

PART 2

LIBRARY SERVICES ADVISORY PANEL AND LOCAL FINANCIAL SUPPORT

**256.60 and 256.61** Repealed by 2011 Acts, ch 132, § 66, 106.

**256.62 Library services advisory panel.**

1. The state librarian shall convene a library services advisory panel to advise and recommend to the commission and the division evidence-based best practices, to assist the commission and division to determine service priorities and launch programs, articulate the needs and interests of Iowa librarians, and share research and professional development information.

2. The library services advisory panel shall consist of no fewer than eleven members

representing libraries of all sizes and types, and various population levels and geographic regions of the state. A simple majority of the members appointed shall be appointed by the executive board of the Iowa library association and the remaining members shall be appointed by the state librarian. Terms of members shall begin and end as provided in section 69.19. Any vacancy shall be filled in the same manner as regular appointments are made for the unexpired portion of the regular term. Members shall serve four-year terms which are staggered at the discretion of the state librarian. A member is eligible for reappointment for three successive terms. The members shall elect a chairperson annually.

3. The library services advisory panel shall meet at least twice annually and shall submit its recommendations in a report to the commission and the state librarian at least once annually. The report shall be timely submitted to allow for consideration of the recommendations prior to program planning and budgeting for the following fiscal year.

4. Members of the library services advisory panel shall receive actual and necessary expenses incurred in the performance of their duties. Expenses shall be paid from funds appropriated to the department for purposes of the division.

2011 Acts, ch 132, §60, 106

**256.63 through 256.65** Repealed by 2001 Acts, ch 158, § 40.

**256.66 through 256.68** Repealed by 2011 Acts, ch 132, § 66, 106.

Length of service of library service area employees hired by division of library services on or after July 1, 2011, to be prorated and credited as state employment service for certain purposes; personnel records to be submitted to division by July 1, 2011; 2011 Acts, ch 132, §68, 106

**256.69 Local financial support.**

Commencing July 1, 1977, each city within its corporate boundaries and each county within the unincorporated area of the county shall levy a tax of at least six and three-fourths cents per thousand dollars of assessed value on the taxable property or at least the monetary equivalent thereof when all or a portion of the funds are obtained from a source other than taxation, for the purpose of providing financial support to the public library which provides library services within the respective jurisdictions.

93 Acts, ch 48, §32

Referred to in §256.51, 336.13, 692A.101

## PART 3

## LIBRARY COMPACT

**256.70 Library compact authorized.**

The division of library services of the department of education is hereby authorized to enter into interstate library compacts on behalf of the state of Iowa with any state bordering on Iowa which legally joins therein in substantially the following form and the contracting states agree that:

1. *Article I — Purpose.* Because the desire for the services provided by public libraries transcends governmental boundaries and can be provided most effectively by giving such services to communities of people regardless of jurisdictional lines, it is the policy of the states who are parties to this compact to cooperate and share their responsibilities in providing joint and cooperative library services in areas where the distribution of population makes the provision of library service on an interstate basis the most effective way to provide adequate and efficient services.

2. *Article II — Procedure.* The appropriate state library officials and agencies having comparable powers with those of the Iowa commission of libraries of the party states or any of their political subdivisions may, on behalf of said states or political subdivisions, enter into agreements for the cooperative or joint conduct of library services when they shall find that the execution of agreements to that end as provided herein will facilitate library services.

3. *Article III — Content.* Any such agreement for the cooperative or joint establishment,

operation or use of library services, facilities, personnel, equipment, materials or other items not excluded because of failure to enumerate shall, as among the parties of the agreement:

*a.* Detail the specific nature of the services, facilities, properties or personnel to which it is applicable;

*b.* Provide for the allocation of costs and other financial responsibilities;

*c.* Specify the respective rights, duties, obligations and liabilities;

*d.* Stipulate the terms and conditions for duration, renewal, termination, abrogation, disposal of joint or common property, if any, and all other matters which may be appropriate to the proper effectuation and performance of said agreement.

4. *Article IV — Conflict of laws.* Nothing in this compact or in any agreement entered into hereunder shall alter, or otherwise impair any obligation imposed on any public library by otherwise applicable laws, or be constituted to supersede.

5. *Article V — Administrator.* Each state shall designate a compact administrator with whom copies of all agreements to which the state or any subdivision thereof is party shall be filed. The administrator shall have such powers as may be conferred by the laws of the administrator's state and may consult and cooperate with the compact administrators of other party states and take such steps as may effectuate the purposes of this compact.

6. *Article VI — Effective date.* This compact shall become operative when entered in by two or more entities having the powers enumerated herein.

7. *Article VII — Renunciation.* This compact shall continue in force and remain binding upon each party state until six months after any such state has given notice of repeal by the legislature. Such withdrawal shall not be construed to relieve any party to an agreement authorized by articles II and III of the compact from the obligation of that agreement prior to the end of its stipulated period of duration.

8. *Article VIII — Severability — construction.* The provisions of this compact shall be severable. It is intended that the provisions of this compact be reasonably and liberally construed.

93 Acts, ch 48, §33; 2008 Acts, ch 1032, §201; 2011 Acts, ch 132, §61, 106
Referred to in §256.51, 331.381

**256.71 Administrator.**

The administrator of the division of library services shall be the compact administrator. The compact administrator shall receive copies of all agreements entered into by the state or its political subdivisions and other states or political subdivisions; consult with, advise and aid such governmental units in the formulation of such agreements; make such recommendations to the governor, legislature, governmental agencies and units as the administrator deems desirable to effectuate the purposes of this compact and consult and cooperate with the compact administrators of other party states.

93 Acts, ch 48, §34; 2011 Acts, ch 132, §62, 106
Referred to in §331.381

**256.72 Agreements.**

The compact administrator and the chief executive of a county, city, or library board may enter into agreements with other states or their political subdivisions pursuant to the compact. The agreements made pursuant to this compact on behalf of the state of Iowa shall be made by the compact administrator. The agreements made on behalf of a political subdivision shall be made after due notice to and consultation with the compact administrator.

93 Acts, ch 48, §35
Referred to in §331.381

**256.73 Enforcement.**

The agencies and officers of this state and its subdivisions shall enforce this compact and do all things appropriate to effect its purpose and intent which may be within their respective jurisdiction.

93 Acts, ch 48, §36
Referred to in §331.381

**256.74 through 256.79** Reserved.

## SUBCHAPTER IV

## PUBLIC BROADCASTING

**256.80 Definitions.**

As used in this subchapter unless the context otherwise requires:

1. *"Administrator"* means the administrator of the public broadcasting division of the department of education.

2. *"Board"* means the Iowa public broadcasting board.

3. *"Broadcast"* means communications through a system that is receivable by the general public with programming designed for a large group of users.

4. *"Narrowcast"* means communications through systems that are directed toward a narrowly defined audience.

5. *"Radio and television facility"* means transmitters, towers, studios, and all necessary associated equipment for broadcasting, including closed circuit television.

93 Acts, ch 48, §37

**256.81 Public broadcasting division created — administrator — duties.**

1. The public broadcasting division of the department of education is created. The chief administrative officer of the division is the administrator who shall be appointed by and serve at the pleasure of the Iowa public broadcasting board. The board shall set the division administrator's salary within the applicable salary range established by the general assembly unless otherwise provided by law. Educational programming shall be the highest priority of the division. The division shall be governed by the national principles of editorial integrity developed by the editorial integrity project. The director of the department of education and the state board of education are not liable for the activities of the division of public broadcasting.

2. The administrator shall do all of the following:

*a.* Direct and organize the activities of the division.

*b.* Submit a biennial report to the governor on the activities and an evaluation of the division and its programs and policies.

*c.* Control all property of the division.

*d.* Perform other duties imposed by law.

93 Acts, ch 48, §38; 2006 Acts, ch 1185, §22; 2010 Acts, ch 1069, §69

Referred to in §8F.2

**256.82 Board — advisory committees.**

1. The Iowa public broadcasting board is created to plan, establish, and operate educational radio and television facilities and other telecommunications services to serve the educational needs of the state. The board shall be composed of nine members selected in the following manner:

*a.* Four members shall be appointed by the governor so that the portion of the board membership appointed under this paragraph includes two male board members and two female board members at all times:

(1) One member shall be appointed from the business community other than the television and telecommunications industry.

(2) One member shall be appointed with experience in or knowledge about the television industry.

(3) One member shall be appointed from the membership of a fund-raising nonprofit organization financially assisting the Iowa public broadcasting division.

(4) One member shall represent the general public.

*b.* Five members shall be selected in the manner provided in this paragraph and the gender balance of the membership shall be coordinated among the associations and boards making

the appointments so that not more than three members serving under this paragraph at the same time are of the same gender.

(1) One member shall be appointed by the state association of private colleges and universities.

(2) One member shall be appointed jointly by the superintendents of the community colleges created by chapter 260C.

(3) One member shall be appointed jointly by the administrators of the area education agencies created by chapter 273.

(4) One member shall be appointed by the state board of regents.

(5) One member shall be appointed by the state board of education.

2. *a.* Board members shall serve a three-year term commencing on July 1 of the year of appointment. A vacancy shall be filled in the same manner as the original appointment for the remainder of the term.

*b.* Membership on the board does not constitute holding a public office and members shall not be required to take and file oaths of office before serving. A member shall not be disqualified from holding any public office or employment by reason of appointment to the board nor shall a member forfeit an office or employment by reason of appointment to the board.

3. *a.* The board shall appoint an advisory committee on journalistic and editorial integrity which has no more than a simple majority of members of the same gender.

*b.* Duties of the advisory committee, and of additional advisory committees the board may from time to time appoint, shall be specified in rules of internal management adopted by the board.

*c.* Members of advisory committees shall receive actual expenses incurred in performing their official duties.

93 Acts, ch 48, §39; 94 Acts, ch 1184, §22; 2006 Acts, ch 1185, §23 – 25; 2010 Acts, ch 1069, §70

**256.83 Meetings.**

1. The board shall elect from among its members a president and a vice president to serve a one-year term. The board shall meet at least four times annually and shall hold special meetings at the call of the president or in the absence of the president by the vice president or by the president upon written request of four members. The board shall establish procedures and requirements relating to quorum, place, and conduct of meetings.

2. Board members shall receive actual expenses incurred in performing their official duties.

93 Acts, ch 48, §40

**256.84 Powers — facilities — rules.**

1. The board may purchase, lease, and improve property, equipment, and services for educational telecommunications including the broadcast and narrowcast systems, and may dispose of property and equipment when not necessary for its purposes.

2. The board shall apply for channels, frequencies, licenses, permits, and other authorizations as necessary for the performance of the board's duties.

3. This section does not prohibit institutions under the state board of regents and community colleges under the department of education from owning, operating, improving, maintaining, and restructuring educational radio and television stations and transmitters now in existence or other educational narrowcast telecommunications systems and services. The institutions and schools may enter into agreements with the board for the lease or purchase of equipment and facilities.

4. The board may locate its administrative offices and production facilities outside the city of Des Moines.

5. The board shall establish guidelines for and may impose and collect fees and charges for services. Fees and charges collected by the board for services shall be deposited to the credit of the division. Any interest earned on these receipts, and revenues generated under

subsection 7, shall be retained and may be expended by the division subject to the approval of the board.

6. The board may make and execute agreements, contracts, and other instruments with any public or private entity and may retain revenues generated from these contracts. State departments and agencies, other public agencies, and governmental subdivisions and private entities including but not limited to institutions of higher education and nonpublic schools may enter into contracts and otherwise cooperate with the board.

7. The board may contract with engineers, attorneys, accountants, financial experts, and other advisors upon the recommendation of the administrator. The board may enter into contracts or agreements for such services with local, state, or federal governmental agencies.

8. To preserve the integrity of its editorial processes, the board may select programming, content partners, and other authorized contractual services without using a competitive selection process or performance measures that may otherwise be required by law for such services. For purposes of this subsection, authorized contractual services are those services related, directly or indirectly, to the development of program production and instructional and educational media. Authorized contractual services include but are not limited to on-air performers, producers or directors, field producers, writers, production assistants, manual laborers, mobile unit services, closed captioning services, duplication of tape services, and satellite services.

9. The board shall approve for submission the annual budget request and any supplementary budget request for the public broadcasting division of the department of education.

10. The board may adopt rules to implement and administer the programs of the division.

11. The decision of the board is final agency action under chapter 17A.

93 Acts, ch 48, §41; 2006 Acts, ch 1185, §26 – 28

**256.85 Purchase of energy efficiency packages.**

The public broadcasting division of the department of education may use the state of Iowa facilities improvement corporation to purchase energy efficiency packages.

93 Acts, ch 48, §42; 2006 Acts, ch 1185, §29

**256.86 Competition with private sector.**

1. It is the intent of the general assembly that the division shall not compete with the private sector by actively seeking revenue from its operations except as provided in this chapter.

2. *a.* The division may receive revenue for providing services, products, and usage of facilities and equipment if one or more of the following conditions are met:

(1) The service, product, or usage is not reasonably available in the private sector.

(2) The division can provide the service, product, or usage at a time, price, location, or terms that are not reasonably available through the private sector.

(3) The service, product, or usage is deemed by the division to be related to public service or the educational mission of the division.

*b.* The division may charge reasonable fees for providing services, products, and usage of facilities and equipment in accordance with paragraph "*a*", including but not limited to a reasonable equipment and facilities usage fee.

*c.* Fees charged in accordance with this subsection shall be deposited in the capital equipment replacement revolving fund created pursuant to section 256.87.

3. It is not the intent of the general assembly to prohibit the receipt of charitable contributions as defined by section 170 of the Internal Revenue Code.

4. The board, the governor, or the administrator may apply for and accept federal or nonfederal gifts, loans, or grants of funds and may use the funds for projects under this chapter.

93 Acts, ch 48, §43; 2012 Acts, ch 1132, §8

**256.87 Capital equipment replacement revolving fund.**

1. A capital equipment replacement revolving fund is created in the state treasury. The

revolving fund shall be administered by the board and shall consist of moneys collected by the division as fees and any other moneys obtained or accepted by the division for deposit in the revolving fund.

2. The board may expend moneys from the capital equipment replacement revolving fund to update facilities and purchase equipment for its operations.

3. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the revolving fund shall be credited to the revolving fund. Notwithstanding section 8.33, moneys in the revolving fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any other fund but shall remain available in the revolving fund for the purposes designated.

93 Acts, ch 48, §44; 2012 Acts, ch 1132, §9

Referred to in §256.86

**256.88 Trusts.**

Notwithstanding section 633.63, the board may accept and administer trusts and may authorize nonprofit foundations acting solely for the support of educational telecommunications including the broadcast and narrowcast systems to accept and administer trusts deemed by the board to be beneficial to the operation of the educational radio and television facility. The board and the foundations may act as trustees in such instances.

93 Acts, ch 48, §45

**256.89 State plan.** Repealed by 2006 Acts, ch 1185, § 31.

**256.90 Narrowcast operations.**

The board shall not use, permit use, or permit resale of its telecommunications narrowcast system for other than educational purposes. The board, in the establishment and operation of its telecommunications narrowcast system, shall use facilities and services of the private telecommunications industry companies to the greatest extent possible and is prohibited from constructing telecommunications facilities unless comparable facilities are not available from the private telecommunications industry at comparable quality and price.

Notwithstanding chapter 476, the provisions of chapter 476 shall not apply to a public utility in furnishing a telecommunications service or facility to the board.

93 Acts, ch 48, §47

# CHAPTER 256A

## CHILD DEVELOPMENT ASSISTANCE

Referred to in §256C.4, 273.2, 279.51


| | | | |
|---|---|---|---|
| 256A.1 | Title. | 256A.3 | Duties of council. |
| 256A.2 | Child development coordinating council established. | 256A.4 | Family support programs. |
| | | 256A.5 | District advisory committees. |


**256A.1 Title.**

This chapter shall be known as the *"Child Development Assistance Act"*.

88 Acts, ch 1130, §2

**256A.2 Child development coordinating council established.**

1. A child development coordinating council is established to promote the provision of child development services to at-risk three-year-old and four-year-old children. The council shall consist of the following members:

*a.* The administrator of the division of child and family services of the department of human services or the administrator's designee.

*b.* The director of the department of education or the director's designee.

*c.* The director of human services or the director's designee.

*d.* The director of the department of public health or the director's designee.

*e.* An early childhood specialist of an area education agency selected by the area education agency administrators.

*f.* The dean of the college of family and consumer sciences at Iowa state university of science and technology or the dean's designee.

*g.* The dean of the college of education from the university of northern Iowa or the dean's designee.

*h.* The professor and head of the department of pediatrics at the university of Iowa or the professor's designee.

*i.* A resident of this state who is a parent of a child who is or has been served by a federal head start program.

2. Staff assistance for the council shall be provided by the department of education. Members of the council shall be reimbursed for actual and necessary expenses incurred while engaged in their official duties and shall receive per diem compensation at the level authorized under section 7E.6, subsection 1, paragraph "*a*".

88 Acts, ch 1130, §3; 89 Acts, ch 206, §7; 91 Acts, ch 109, §5, 6; 2007 Acts, ch 22, §58

**256A.3 Duties of council.**

The child development coordinating council shall:

1. Develop a definition of at-risk children for the purposes of this chapter. The definition shall include income, family structure, the child's level of development, and availability or accessibility for the child of a head start or other child care program as criteria.

2. Establish minimum guidelines for comprehensive early child development services for at-risk three-year- and four-year-old children. The guidelines shall reflect current research findings on the necessary components for cost-effective child development services.

3. At least biennially, develop an inventory of child development services provided to at-risk three-year- and four-year-old children in this state and identify the number of children receiving and not receiving these services, the types of programs under which the services are received, the degree to which each program meets the council's minimum guidelines for a comprehensive program, and the reasons children not receiving the services are not being served. The council is not required to conduct independent research in developing the inventory, but shall determine information needs necessary to provide a more complete inventory.

4. Make recommendations to the department of education and the general assembly regarding appropriate curricula and staff qualifications and training for early elementary education, coordination of the curricula with child development programs, and the development of an at-risk children definition for use in school-district-sponsored early elementary and before and after school child care programs.

5. Subject to the availability of funds appropriated or otherwise available for the purpose of providing child development services, award grants for programs that provide new or additional child development services to at-risk children.

*a.* In awarding program grants to an agency or individual, the council shall consider the following:

(1) The quality of the staff and staff background in child development services.

(2) The degree to which the program is or will be integrated with existing community resources and has the support of the local community.

(3) The ability of the program to provide for child care in addition to child development services for families needing full-day child care.

(4) A staff-to-children ratio within the guidelines established under subsection 2, but not less than one staff member per eight children.

(5) The degree to which the program involves and works with the parents, and includes home visits, instruction for parents on parenting skills, on enhancement of skills in providing for their children's learning and development, and the physical, mental, and emotional development of children, and experiential education.

(6) The manner in which health, medical, dental, and nutrition services are incorporated into the program.

(7) The degree to which the program complements existing programs and services for at-risk three-year-old and four-year-old children available in the area, including other child care services, services provided through the school district, and services available through area education agencies.

(8) The degree to which the program can be monitored and evaluated to determine its ability to meet its goals.

(9) The provision of transportation or other auxiliary services that may be necessary for families to participate in the program.

(10) The provision of staff training and development, and staff compensation sufficient to assure continuity.

*b.* Program grants funded under this subsection may integrate children not meeting at-risk criteria into the program and shall establish a fee for participation in the program in the manner provided in section 279.49, but grant funds shall not be used to pay the costs for those children.

6. Encourage the submission of grant requests from all potential providers of child development services and shall be flexible in evaluating grants, recognizing that different types of programs may be suitable for different locations in the state.

*a.* Requests for grants must contain a procedure for evaluating the effectiveness of the program and accounting procedures for monitoring the expenditure of grant moneys.

*b.* The council shall seek to use performance-based measures to evaluate programs. Not more than five percent of any state funds appropriated for child development purposes may be used for administration and evaluation.

7. Encourage the establishment of regional councils designed to facilitate the development on a regional basis of programs for at-risk three-year-old and at-risk four-year-old children.

8. Annually, submit recommendations to the governor and the general assembly on the need for investment in child development services in the state.

9. Subject to a decision by the council to initiate the programs, develop criteria for and award grants under section 279.51, subsection 2.

10. Encourage the establishment of programs that will enhance the skills of parents in parenting and in providing for the learning and development of their children.

88 Acts, ch 1130, §4; 89 Acts, ch 135, §54, 55; 89 Acts, ch 206, §8, 9; 92 Acts, ch 1221, §3; 99 Acts, ch 192, §33; 2003 Acts, ch 108, §45; 2004 Acts, ch 1086, §53; 2010 Acts, ch 1069, §71

Referred to in §279.51

**256A.4 Family support programs.**

1. *a.* The board of directors of each school district may develop and offer a family support program which provides outreach and incentives for the voluntary participation of expectant parents and parents of children in the period of life from birth through age five, who reside within district boundaries, in educational family support experiences designed to assist parents in learning about the physical, mental, and emotional development of their children. A board may contract with another school district or public or private nonprofit agency for provision of the approved program or program site.

*b.* A family support program shall meet multicultural gender fair guidelines. The program shall encourage parents to be aware of practices that may affect equitable development of children. The program shall include parents in the planning, implementation, and evaluation of the program. A program shall be designed to meet the needs of the residents of the participating district and may use unique approaches to provide for those needs. The goals of a family support program shall include but are not limited to the following:

(1) Family involvement as a key component of school improvement with an emphasis on communication and active family participation in family support programming.

(2) Family participation in the planning and decision-making process for the program and encouragement of long-term parental involvement in their children's education.

(3) Meeting the educational and developmental needs of expectant parents and parents of young children.

(4) Developmentally appropriate activities for children that include those skills necessary for adaptation to both the home and school environments.

2. The department of education shall develop guidelines for family support programs. Program components may include, but are not limited to, all of the following:

*a.* Instruction, techniques, and materials designed to educate parents about the physical, mental, character, and emotional development of children.

*b.* Instruction, techniques, and materials designed to enhance the skills of parents in assisting in their children's learning and development.

*c.* Assistance to parents about learning experiences for both children and parents.

*d.* Activities, such as developmental screenings, designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems and referrals to appropriate agencies, authorities, or service providers.

*e.* Activities and materials designed to encourage parents' and children's self-esteem and to enhance parenting skills and both parents' and children's appreciation of the benefits of education.

*f.* Information on related community resources, programs, or activities.

*g.* Role modeling and mentoring techniques for families of children who meet one or more of the criteria established for the definition of at-risk children by the child development coordinating council.

3. Family support programs shall be provided by family support program educators who have completed a minimum of thirty clock hours of an approved family support preservice or in-service training program and meet one of the following requirements:

*a.* The family support program educator is licensed in elementary education, early childhood education, early childhood special education, home economics, or consumer and homemaking education, or is licensed or certified in occupational child care services and has demonstrated an ability to work with young children and their parents.

*b.* The family support program educator has achieved child development associate recognition in early childhood education, has completed programming in child development and nursing, and has demonstrated an ability to work with young children and their parents.

*c.* The family support program educator has completed sixty college credit hours and possesses two years of experience in a program working with young children and their parents.

*d.* The family support program educator possesses five years of experience in a program working with young children and their parents.

4. Each district shall maintain a separate account within the district budget for moneys allocated for family support programs. A district may receive moneys from state and federal sources, and may solicit funds from private sources, for deposit into the account.

5. A district shall coordinate a family support program with district special education and vocational education programs and with any related services or programs provided by other state, federal, or private nonprofit agencies.

92 Acts, ch 1158, §4; 2001 Acts, ch 159, §4; 2003 Acts, ch 180, §8; 2010 Acts, ch 1061, §42
Legislative intent; 92 Acts, ch 1158, §1

**256A.5 District advisory committees.**

The board of directors of a school district shall appoint an advisory committee for each family support program. The members shall include participating parents and members of the community which participates in the program, such as members of the district's local early childhood education committees and representatives of local businesses, service organizations, educators, head start educators, parents, private child care providers, county home extension economists, area education agencies, the school board, the community education advisory board, local social services organizations, the local board of health, public health care practitioners, maternal and child health care providers, and persons knowledgeable about developmentally appropriate learning and parent or family education programs. The committee shall be responsible for assessing current programs and services

for expectant parents and parents of children who are less than six years of age. The committee shall also assist the board in developing, planning, and monitoring the program and shall submit any recommendations in a report to the board.

The child development coordinating council shall develop a resource directory of parent involvement programs to assist districts in planning family support programs.

92 Acts, ch 1158, §5

# CHAPTER 256B

## SPECIAL EDUCATION

Referred to in §256F.4, 257.36, 261E.9, 273.2, 273.3, 273.5, 273.9, 273.23, 279.68, 280.7A, 280.8, 282.3, 282.18, 299.18, 299.22, 299A.9


256B.1 Division of special education created.
256B.2 Definitions — policies — funds.
256B.3 Powers and duties of division of special education.
256B.4 Powers of board of directors.
256B.5 Information available upon request by bureau.
256B.6 Parent's or guardian's duties — review.
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256B.8 Exceptions.
256B.9 Weighting plan — audits — evaluations — expenditures.
256B.10 Reserved.
256B.11 Program plans.
256B.12 through 256B.14 Reserved.
256B.15 Reimbursement for special education services.


**256B.1 Division of special education created.**

There is created within the department of education a division of special education for the promotion, direction, and supervision of education for children requiring special education in the schools under the supervision and control of the department. The director of the department of education may organize the division and employ the necessary qualified personnel to implement this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §281.1]

85 Acts, ch 212, §22; 86 Acts, ch 1245, §1476

C93, §256B.1

**256B.2 Definitions — policies — funds.**

1. As used in this chapter:

*a.* "*Children requiring special education*" means persons under twenty-one years of age, including children under five years of age, who have a disability in obtaining an education because of a head injury, autism, behavioral disorder, or physical, mental, communication, or learning disability, as defined by the rules of the department of education. If a child requiring special education reaches the age of twenty-one during an academic year, the child may elect to receive special education services until the end of the academic year.

*b.* "*Special education*" means classroom, home, hospital, institutional, or other instruction designed to meet the needs of children requiring special education as defined in this subsection; transportation and corrective and supporting services required to assist children requiring special education, as defined in this subsection, in taking advantage of, or responding to, educational programs and opportunities, as defined by rules of the state board of education.

2. It is the policy of this state to require school districts and state-operated educational programs to provide or make provision, as an integral part of public education, for a free and appropriate public education sufficient to meet the needs of all children requiring special education. This chapter is not to be construed as encouraging separate facilities or segregated programs designed to meet the needs of children requiring special education when the children can benefit from all or part of the education program as offered by the local school district. To the maximum extent possible, children requiring special education shall attend regular classes and shall be educated with children who do not require special

education. Whenever possible, hindrances to learning and to the normal functioning of children requiring special education within the regular school environment shall be overcome by the provision of special aids and services rather than by separate programs for those in need of special education. Special classes, separate schooling, or other removal of children requiring special education from the regular educational environment, shall occur only when, and to the extent that the nature or severity of the educational disability is such, that education in regular classes, even with the use of supplementary aids and services, cannot be accomplished satisfactorily. For those children who cannot adapt to the regular educational or home living conditions, and who are attending facilities under chapters 263, 269, and 270, upon the request of the board of directors of an area education agency, the department of human services shall provide residential or detention facilities and the area education agency shall provide special education programs and services. The area education agencies shall cooperate with the board of regents to provide the services required by this chapter.

3. Special aids and services shall be provided to children requiring special education who are less than five years of age if the aids and services will reasonably permit the child to enter the educational process or school environment when the child attains school age.

4. Every child requiring special education shall, if reasonably possible, receive a level of education commensurate with the level provided each child who does not require special education. The cost of providing such an education shall be paid as provided in section 273.9, this chapter, and chapter 257. It shall be the primary responsibility of each school district to provide special education to children who reside in that district if the children requiring special education are properly identified, the educational program or service has been approved, the teacher or instructor has been licensed, the number of children requiring special education needing that educational program or service is sufficient to make offering the program or service feasible, and the program or service cannot more economically and equably be obtained from the area education agency, another school district, another group of school districts, a qualified private agency, or in cooperation with one or more other districts.

5. Moneys received by the school district of the child's residence for the child's education, derived from moneys received through chapter 257, this chapter, and section 273.9 shall be paid by the school district of the child's residence to the appropriate education agency, private agency, or other school district providing special education for the child pursuant to contractual arrangements as provided in section 273.3, subsections 5 and 6.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §281.2]

83 Acts, ch 3, §1; 83 Acts, ch 96, §157, 159; 85 Acts, ch 24, §1; 89 Acts, ch 135, §82; 89 Acts, ch 265, §41; 92 Acts, ch 1022, §1; 92 Acts, ch 1163, §63

C93, §256B.2

96 Acts, ch 1129, §68, 113; 97 Acts, ch 23, §24; 2009 Acts, ch 133, §224; 2010 Acts, ch 1016, §1

Referred to in §234.1, 237.3, 256.7, 256B.8, 273.1, 273.2, 273.7, 598.21B

**256B.3 Powers and duties of division of special education.**

The division of special education has the following duties and powers:

1. To aid in the organization of special schools, classes and instructional facilities for children requiring special education, and to supervise the system of special education for children requiring special education.

2. To administer rules adopted by the state board that are consistent with this chapter for the approval of plans for special education programs and services submitted by the director of special education of the area education agency.

3. To adopt plans for the establishment and maintenance of day classes, schools, home instruction, and other methods of special education for children requiring special education.

4. To purchase and otherwise acquire special equipment, appliances and other aids for use in special education, and to loan or lease same under such rules and regulations as the department may prescribe.

5. To prescribe courses of study, and curricula for special schools, special classes and special instruction of children requiring special education, including physical and

psychological examinations, and to prescribe minimum requirements for children requiring special education to be admitted to any such special schools, classes or instruction.

6. To provide for certification by the director of special education of the eligibility of children requiring special education for admission to, or discharge from, special schools, classes or instruction.

7. To initiate the establishment of classes for children requiring special education or home study services in hospitals, nursing, convalescent, juvenile and private homes, in cooperation with the management thereof and local school districts or area education agency boards.

8. To cooperate with school districts or area education agency boards in arranging for any child requiring special education to attend school in a district other than the one in which the child resides when there is no available special school, class, or instruction in the districts in which the child resides.

9. To cooperate with existing agencies such as the department of human services, the Iowa department of public health, the state school for the deaf, the Iowa braille and sight saving school, the children's hospitals, or other agencies concerned with the welfare and health of children requiring special education in the coordination of their educational activities for such children.

10. To investigate and study the needs, methods and costs of special education for children requiring special education.

11. To provide for the employment and establish standards for the performance of special education support personnel required to assist in the identification of and educational programs for children requiring special education.

12. To provide for the establishment of special education research and demonstration projects and models for special education program development.

13. To establish a special education resource, materials and training system for the purposes of developing specialized instructional materials and provide in-service training to personnel employed to provide educational services to children requiring special education.

14. To approve the acquisition and use of special facilities designed for the purpose of providing educational services to children requiring special education.

15. To submit copies of all reports the division provides to the United States department of education under part B of the federal Individuals with Disabilities Education Act, as amended, including but not limited to any report concerning disproportionate representation in special education based on race or ethnicity, to the general assembly on the date each such report is provided to the United States department of education.

16. To make rules to carry out the powers and duties provided for in this section.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §281.3]
83 Acts, ch 96, §160; 83 Acts, ch 101, §64; 86 Acts, ch 1245, §1477, 1478
C93, §256B.3
2010 Acts, ch 1016, §2; 2011 Acts, ch 34, §64

**256B.4 Powers of board of directors.**

1. The board of directors of a school district or area education agency, with the approval of the director of the department of education, may provide special education programs and services as defined in this chapter. If services are provided by the area education agency, the board of directors of the area education agency with the cooperation of the local school districts within its jurisdiction may:

*a.* Establish and operate special education programs and classes for the education of children requiring special education.

*b.* Acquire, maintain, and construct facilities in which to provide education, corrective services, and supportive services for children requiring special education.

*c.* Make arrangements with participating school districts for the provision of special education, corrective, and supportive services to the children requiring special education residing in the school districts.

*d.* Employ special education teachers and personnel required to furnish corrective or supportive services to children requiring special education services.

*e.* Provide transportation for children requiring special education services that are in need of transportation in connection with any programs, classes, or services.

*f.* Receive, administer, and expend funds appropriated for its use.

*g.* Receive, administer, and expend the proceeds of any issue of school bonds or other bonds intended wholly or partly for its benefit.

*h.* Apply for, accept, and utilize grants, gifts, or other assistance.

*i.* Participate in, and make its employees eligible to participate in, any retirement system, group insurance system, or other program of employee benefits, on the same terms as govern school districts and their employees.

*j.* Do such other things as are necessary and incidental to the execution of any of its powers.

2. The board of directors of the local district or the area education agency shall employ qualified teachers certified by the authority provided by law as teachers for children requiring such special education. The maximum number of pupils per teacher shall be determined by the board of directors of the local district or the area education agency board in accordance with the rules and regulations of the state board of education.

3. The board of directors of the local district or the area education agency may establish and operate one or more special education centers to provide diagnostic, therapeutic, corrective, and other services, on a more comprehensive, expert, economical, and efficient basis than can be reasonably provided by a single school district. The services, if offered by the area education agency board, may be provided in the regular schools using personnel and equipment of the area education agency or, if it is impractical or inefficient to provide them on the premises of a regular school, the area education agency may provide services in its own facilities. To the maximum extent feasible, centers shall be established at and in conjunction with, or in close proximity to, one or more elementary and secondary schools. Local districts or the area education agencies may accept diagnostic and evaluation studies conducted by other individuals, hospitals, or centers, if determined to be competent. Children requiring special education services may be identified in any way that the department of education determines to be reliable. Centers established pursuant to this section may contain classrooms and other educational facilities and equipment to supplement instruction and other services to children with disabilities in the regular schools, and to provide separate instruction to children whose degree or type of educational disability makes it impractical or inappropriate for them to participate in classes with normal children.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §281.4]
86 Acts, ch 1245, §1479, 1480
C93, §256B.4
96 Acts, ch 1129, §113; 2010 Acts, ch 1061, §180

**256B.5 Information available upon request by bureau.**

The Iowa department of public health shall furnish to the state bureau of special education upon request information obtained from birth certificates relative to the name, address, and disability of any case of developmental disability. The state child health specialty clinics of the university of Iowa shall upon request furnish to the state bureau of special education the name, address, and disability of all children of their register.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §281.5]
C93, §256B.5
94 Acts, ch 1091, §15

**256B.6 Parent's or guardian's duties — review.**

1. When the school district or area education agency has provided special education services and programs as provided herein for any child requiring special education, either by admission to a special class or by supportive services, it shall be the duty of the parent or guardian to enroll the child for instruction in such special classes or supportive services as may be established, except in the event a doctor's certificate is filed with the secretary of the school district showing that it is inadvisable for medical reasons for the child requiring special education to receive the special education provided; all the provisions and conditions

of chapter 299 shall be applicable to this section, and any violations shall be punishable as provided in chapter 299.

2. A child, or the parent or guardian of the child, or the school district in which the child resides, may obtain a review of an action or omission of local authorities pursuant to the procedures established by the state board of education on the ground that the child has been or is about to be:

*a.* Denied entry or continuance in a program of special education appropriate to the child's condition and needs.

*b.* Placed in a special education program which is inappropriate to the child's condition and needs.

*c.* Denied educational services because no suitable program of education or related services is maintained.

*d.* Provided with special education which is insufficient in quantity to satisfy the requirements of law.

*e.* Assigned to a program of special education when the child does not have a disability.

3. When a child requiring special education attains the age of majority or is incarcerated in an adult or juvenile, state or local, correctional institution, all rights accorded to the parent or guardian under this chapter transfer to the child except as provided in this subsection. Any notice required by this chapter shall be provided to both the child who has reached the age of majority or is incarcerated in an adult or juvenile, state or local, correctional institution and the parent or guardian. If rights under this chapter have transferred to the child and the child has been determined to be incompetent by a court or determined unable to provide informed educational consent by a court or other competent authority, then rights under this chapter shall be exercised by the person who has been appointed to represent the educational interest of the child. The director of the department of education may establish standards for determining whether a public agency, as defined in section 28E.2, is competent to determine whether a child is unable to provide informed educational consent, and the procedures by which such determination shall be made and reviewed.

4. Notwithstanding section 17A.11, the state board of education shall adopt rules for the appointment of an impartial administrative law judge for special education appeals. The rules shall comply with federal statutes and regulations.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §281.6]
84 Acts, ch 1070, §1; 88 Acts, ch 1109, §22
C93, §256B.6
96 Acts, ch 1129, §69; 2010 Acts, ch 1016, §3; 2010 Acts, ch 1061, §180
Referred to in §256B.7, 299.5

**256B.7 Examinations of children.**

In order to render proper instruction to each child requiring special education, the school districts shall certify children requiring special education for special instruction in accordance with the requirements set up by the division of special education and shall provide examinations for children preliminary to making certification. The examinations necessary for the certification of children requiring special education shall be prescribed by the state division of special education. Disputes concerning a child's eligibility for special education shall be addressed under rules and procedures adopted by the state board of education pursuant to section 256B.6 and consistent with the federal Individuals with Disabilities Education Act of 2004, 20 U.S.C. § 1400 et seq.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §281.7]
86 Acts, ch 1245, §1481
C93, §256B.7
2013 Acts, ch 88, §3
Referred to in §299.5
Section amended

**256B.8 Exceptions.**

1. It is not incumbent upon the school districts to keep a child requiring special education in regular instruction when the child cannot sufficiently profit from the work of the regular

classroom, nor to keep a child requiring special education in the special class or instruction for children requiring special education when it is determined by the diagnostic educational team that the child can no longer benefit from the instruction or needs more specialized instruction available in special schools. However, the school district shall count the child requiring special education in the enrollment as provided in sections 256B.9, 257.6, and 273.9 and shall ensure that appropriate educational provisions are made for the child requiring special education.

2. An area education agency director of special education may request approval from the department of education to continue the special education program of a person beyond the period specified in section 256B.2, subsection 1, paragraph *"a"*, if the person had an accident or prolonged illness that resulted in delays in the initiation of or interruptions in that person's special education program. Approval may be granted by the department to continue the special education program of that person for up to three years or until the person's twenty-fourth birthday.

3. No provision of this chapter shall be construed to require or compel any person who is a member of a well-recognized church or religious denomination and whose religious convictions, in accordance with the tenets or principles of the person's church or religious denomination, are opposed to medical or surgical treatment for disease to take or follow a course of physical therapy, or submit to medical treatment, nor shall any parent or guardian who is a member of such church or religious denomination and who has such religious convictions be required to enroll a child in any course or instruction which utilizes medical or surgical treatment for disease.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §281.8]
84 Acts, ch 1001, §1; 89 Acts, ch 135, §83
C93, §256B.8
93 Acts, ch 101, §102; 2010 Acts, ch 1016, §4

**256B.9 Weighting plan — audits — evaluations — expenditures.**

1. In order to provide funds for the excess costs of instruction of children requiring special education, above the costs of instruction of pupils in a regular curriculum, a special education weighting plan for determining enrollment in each school district is adopted as follows:

*a.* Pupils in a regular curriculum are assigned a weighting of one.

*b.* Children requiring special education who require special adaptations while assigned to a regular classroom for basic instructional purposes and pupils with disabilities placed in a special education class who receive part of their instruction in regular classrooms are assigned a weighting of one and eight-tenths. This paragraph also applies to children requiring special education who require specially designed instruction while assigned to a regular classroom for basic instructional purposes.

*c.* Children requiring special education who require full-time, self-contained special education placement with little integration into a regular classroom are assigned a weighting of two and two-tenths. This paragraph also applies to children requiring special education who require substantial modifications, adaptations, or special education accommodations in order to benefit from instruction in an integrated classroom.

*d.* Children requiring special education who have severe disabilities or who have multiple disabilities are assigned a weighting of four and four-tenths. This paragraph also applies to children requiring special education who have severe and profound disabilities.

*e.* Shared-time and part-time pupils of school age who require special education shall be placed in the proper category and counted in the proportion that the time for which they are enrolled or receive instruction for the school year bears to the time that full-time pupils, carrying a normal course schedule, in the same school district, for the same school year are enrolled and receive instruction.

2. The weighting for each category of child multiplied by the number of children in each category in the enrollment of a school district, as identified and certified by the director of special education for the area, determines the weighted enrollment to be used in that district for purposes of computations required under the state school foundation plan in chapter 257.

3. The weight that a child is assigned under this section shall be dependent upon the

required educational modifications necessary to meet the special education needs of the child. Enrollment for the purpose of this section, and all payments to be made pursuant thereto, includes all children for whom a special education program or course is to be provided pursuant to section 256.12, subsection 2, sections 273.1 to 273.9, and this chapter, whether or not the children are actually enrolled upon the records of a school district.

4. On December 1, 1987, and no later than December 1 every two years thereafter, for the school year commencing the following July 1, the director of the department of education shall report to the school budget review committee the average costs of providing instruction for children requiring special education in the categories of the weighting plan established under this section, and for providing services to nonpublic school students pursuant to section 256.12, subsection 2, and the director of the department of education shall make recommendations to the school budget review committee for needed alterations to make the weighting plan suitable for subsequent school years. The school budget review committee shall establish the weighting plan for each school year and shall report the plan to the director of the department of education. The school budget review committee may establish weights to the nearest hundredth. The school budget review committee shall not alter the weighting assigned to pupils in a regular curriculum, but it may increase or decrease the weighting assigned to each category of children requiring special education by not more than two-tenths of the weighting assigned to pupils in a regular curriculum. The state board of education shall adopt rules under chapter 17A to implement the weighting plan for each year and to assist in identification and proper indexing of each child in the state who requires special education.

5. The division of special education shall audit the reports required in section 273.5 to determine that all children in the area who have been identified as requiring special education have received the appropriate special education instructional and support services, and to verify the proper identification of pupils in the area who will require special education instructional services during the school year in which the report is filed. The division shall certify to the director of the department of management the correct total enrollment of each school district in the state, determined by applying the appropriate pupil weighting index to each child requiring special education, as certified by the directors of special education in each area.

6. The division may conduct an evaluation of the special education instructional program or special education support services being provided by an area education agency, school district, or private agency, pursuant to sections 273.1 to 273.9 and this chapter, to determine if the program or service is adequate and proper to meet the needs of the child; if the child is benefiting from the program or service; if the costs are in proportion to the educational benefits being received; and if there are any improvements that can be made in the program or service. A written report of the evaluation shall be sent to the area education agency, school district, or private agency evaluated and to the president of the senate and speaker of the house of representatives of the general assembly.

7. The costs of special education instructional programs include the costs of purchase of transportation equipment to meet the special needs of children requiring special education with the approval of the director of the department of education. The state board of education shall adopt rules under chapter 17A for the purchase of transportation equipment pursuant to this section.

8. Commencing with the school year beginning July 1, 1976, a school district may expend an amount not to exceed two-sevenths of an amount equal to the district cost of a school district for the costs of regular classroom instruction of a child certified under the special education weighting plan in subsection 1, paragraph *"b"*, as a pupil with disabilities who is enrolled in a special class, but who receives part of the pupil's instruction in a regular classroom. Unencumbered funds generated for special education instructional programs for the school year beginning July 1, 1975, and for the school year beginning July 1, 1976, shall not be expended for such purpose.

9. Funds generated for special education instructional programs under this chapter and

chapter 257 shall not be expended for modifications of school buildings to make them accessible to children requiring special education.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §281.9]

83 Acts, ch 3, §2; 85 Acts, ch 212, §21; 86 Acts, ch 1237, §18; 86 Acts, ch 1245, §1482; 88 Acts, ch 1134, §64; 89 Acts, ch 135, §84; 91 Acts, ch 39, §1

C93, §256B.9

94 Acts, ch 1161, §2; 96 Acts, ch 1129, §70, 71; 2010 Acts, ch 1069, §30

Referred to in §225C.40, 256.12, 256B.8, 256C.4, 257.6, 257.11, 257.19, 257.31, 273.3, 273.5, 273.9, 273.23, 282.31, 298.1

**256B.10** Reserved.

**256B.11 Program plans.**

1. Program plans submitted to the department of education pursuant to section 273.5 for approval by the director of the department of education shall establish all of the following:

*a.* That there are sufficient children requiring special education within the area.

*b.* That the service or program will be provided by the most appropriate educational agency.

*c.* That the educational agency providing the service or program has employed qualified special educational personnel.

*d.* That the instruction is a natural and normal progression of a planned course of instruction.

*e.* That all revenue raised for support of special education instruction and services is expended for actual delivery of special education instruction or services.

*f.* Other factors as the state board may require.

2. Notwithstanding subsection 1 and section 273.5, subsection 6, the director of the department of education may authorize the area education agency to submit a statement assuring that the requirements of subsection 1 are satisfied in lieu of submitting a special education instructional and support program plan.

[C73, 75, 77, 79, 81, §281.11]

86 Acts, ch 1245, §1483

C93, §256B.11

2010 Acts, ch 1016, §5

Referred to in §298.1

**256B.12 through 256B.14** Reserved.

**256B.15 Reimbursement for special education services.**

1. The state board of education in conjunction with the department of education shall develop a program to utilize federally funded health care programs, except the federal medically needy program for individuals who have a spend-down, to share in the costs of services which are provided to children requiring special education.

2. The department of education shall designate an area education agency to develop a system for collecting the information necessary to implement procedures for billing and collecting the costs of the services. The area education agency shall begin to develop the system immediately. The area education agency shall consult with and work jointly with state agencies and federal agencies to determine procedures and standards which shall be initiated by all area education agencies to qualify for receipt of benefits under federal programs.

3. The department of education, in conjunction with the area education agency, shall determine those specific services which are covered by federally funded health care programs, which shall include, but not be limited to, physical therapy, audiology, speech language therapy, and psychological evaluations. The department shall also determine which other special services may be subject to reimbursement and the qualifications necessary for personnel providing those services. If it is determined that services are required from other service providers, these providers shall be reimbursed for those services.

4. All services referred to in subsection 1 shall be initially funded by the area education

agency and shall be provided regardless of subsequent subrogation collections. The area education agency shall make a claim for reimbursement to federally funded health care programs.

5. Not later than July 1, 1988, the area education agency designated by the department of education shall have developed the program for collecting for the services provided. The program shall be distributed to all of the area education agencies in the state. All area education agencies shall begin collecting the information on July 1, 1988.

6. Effective November 1, 1988, all area education agencies in the state shall participate in the program and begin billing for and collecting for the covered services and shall bill for services provided retroactive to July 1, 1988. Retroactive Tit. XIX billing is contingent upon state plan approval. Nothing contained in this section shall be construed to allow nonlicensed individuals to perform services which otherwise require licenses under the laws of this state or to allow licensed providers to perform services outside their scope of practice.

7. The area education agencies shall transfer to the department of human services an amount equal to the nonfederal share of the payments to be received from the medical assistance program pursuant to chapter 249A. The nonfederal share amount shall be transferred to the medical assistance account prior to claims payment. This requirement does not apply to medical assistance reimbursement for services provided by an area education agency under part C of the federal Individuals With Disabilities Education Act. Funds received under this section shall not be considered or included as part of the area education agencies' budgets when calculating funds that are to be received by area education agencies during a fiscal year.

8. Students or their parents or guardians covered by a federal health care program shall provide health care information to an area education agency or local school district.

9. The department of education and the department of human services shall adopt rules to implement this section.

10. The department of human services shall offer assistance to the area education agencies in the identification of children eligible for reimbursement for services under this section.

88 Acts, ch 1155, §1
C89, §281.15
89 Acts, ch 296, §25; 91 Acts, ch 125, §1, 2; 92 Acts, ch 1021, §1
C93, §256B.15
94 Acts, ch 1120, §12; 2000 Acts, ch 1223, §24; 2001 Acts, ch 41, §1, 2; 2006 Acts, ch 1030, §32; 2008 Acts, ch 1181, §23; 2010 Acts, ch 1016, §6

# CHAPTER 256C

## STATEWIDE PRESCHOOL PROGRAM FOR FOUR-YEAR-OLD CHILDREN

Referred to in §135.173A, 256.11, 257.16, 272.2, 285.1, 299.1A

256C.1 Definitions.
256C.2 Statewide preschool program for four-year-old children — purpose.
256C.3 Preschool program requirements.
256C.4 Funding provisions — enrollment.
256C.5 Funding formula.
256C.6 Phase-in — appropriations. Repealed by its own terms; 2007 Acts, ch 148, §6.

**256C.1 Definitions.**

As used in this chapter:

1. *"Approved local program"* means a school district's program for four-year-old children approved by the department of education to provide high quality preschool instruction.

2. *"Department"* means the department of education.

3. *"Director"* means the director of the department of education.

4. *"Preschool program"* means the statewide preschool program for four-year-old children created in accordance with this chapter.

5. *"School district approved to participate in the preschool program"* means a school district that meets the school district requirements under section 256C.3 and has been approved by the department to participate in the preschool program.

6. *"State board"* means the state board of education.

2007 Acts, ch 148, §1

**256C.2 Statewide preschool program for four-year-old children — purpose.**

1. A statewide preschool program for four-year-old children is established. The purpose of the preschool program is to provide an opportunity for all young children in the state to enter school ready to learn by expanding voluntary access to quality preschool curricula for all children who are four years old.

2. The state board shall adopt rules in accordance with chapter 17A as necessary to implement the preschool program as provided in this chapter.

2007 Acts, ch 148, §2

**256C.3 Preschool program requirements.**

1. *Eligible children.*

*a.* A child who is a resident of Iowa and is four years of age on or before September 15 of a school year shall be eligible to enroll in the preschool program under this chapter. If such a child is enrolled under this chapter, the child shall be considered to be of compulsory attendance age as provided in section 299.1A, subsection 3.

*b.* If space and funding are available, a school district approved to participate in the preschool program may enroll a younger or older child in the preschool program; however, the child shall not be counted for state funding purposes.

2. *Teacher requirements.*

*a.* An individual serving as a teacher in the preschool program must meet all of the following qualifications:

(1) The individual is either employed by or under contract with the school district implementing the program.

(2) The individual is appropriately licensed under chapter 272 and meets requirements under chapter 284.

(3) The individual possesses a bachelor's or graduate degree from an accredited college or university with a major in early childhood education or other appropriate major identified in rule by the department.

*b.* A teacher in the preschool program shall collaborate with other agencies, organizations, and boards in the community to further the program's capacity to meet the diverse needs of the children taught by the teacher and the families of the children, such as needs for early care, health, and human services. In addition, a teacher in the preschool program shall work to maintain relationships with each child's family in order to enhance the child's development in all settings by collaborating with providers of parent education and family support opportunities.

3. *Program requirements.* The state board shall adopt rules to further define the following preschool program requirements which shall be used to determine whether or not a local program implemented by a school district approved to implement the preschool program qualifies as an approved local program:

*a.* Maximum and minimum teacher-to-child ratios and class sizes.

*b.* Applicable state and federal program standards.

*c.* Student learning standards.

*d.* Provisions for the integration of children from other state and federally funded preschools.

*e.* Collaboration with participating families, early care providers, and community partners including but not limited to early childhood Iowa area boards, head start programs, shared visions and other programs provided under the auspices of the child development coordinating council, licensed child care centers, registered child development homes,

area education agencies, child care resource and referral services provided under section 237A.26, early childhood special education programs, services funded by Tit. I of the federal Elementary and Secondary Education Act of 1965, and family support programs.

*f.* A minimum of ten hours per week of instruction delivered on the skills and knowledge included in the student learning standards developed for the preschool program.

*g.* Parental involvement in the local program.

*h.* Provision for ensuring that children receiving care from other child care arrangements can participate in the preschool program with minimal disruption due to transportation and movement from one site to another.

4. *School district requirements.* The state board shall adopt rules to further define the following requirements of school districts implementing the preschool program:

*a.* Methods of demonstrating community readiness to implement high-quality instruction in a local program shall be identified. The potential provider shall submit a collaborative program proposal that demonstrates the involvement of multiple community stakeholders including but not limited to, and only as applicable, parents, the school district, accredited nonpublic schools and faith-based representatives, the area education agency, the early childhood Iowa area board, representatives of business, head start programs, shared visions and other programs provided under the auspices of the child development coordinating council, center-based and home-based providers of child care services, human services, public health, and economic development programs. The methods may include but are not limited to a school district providing evidence of a public hearing on the proposed programming and written documentation of collaboration agreements between the school district, existing community providers, and other community stakeholders addressing operational procedures and other critical measures.

*b.* Subject to implementation of chapter 28E agreements between a school district and community-based providers of services to four-year-old children, a four-year-old child who is enrolled in a child care center or child development home licensed or registered under chapter 237A, or in an existing public or private preschool program, shall be eligible for services provided by the school district's local preschool program.

*c.* A school district shall participate in data collection and performance measurement processes and reporting as defined by rule.

*d.* Professional development for school district preschool teachers shall be addressed in the school district's professional development plan implemented in accordance with section 284.6.

5. *Department requirements.*

*a.* The department shall implement an application and selection process for school district participation in the preschool program that includes but is not limited to the enrollment requirements provided under section 256C.4.

*b.* The department shall track the progress of students served by a school district preschool program and the students' performance in elementary and secondary education.

*c.* The department shall implement procedures to monitor the quality of the programming provided under the preschool program.

*d.* The state board, in collaboration with the department, shall ensure that the administrative rules adopted to support the preschool program emphasize that children's access to the program is voluntary, that the preschool foundation aid provided to a school district is provided based upon the enrollment of eligible students in the school district's local program regardless of whether an eligible student is a resident of the school district, and that agreements entered into by a school district for the provision of programming in settings other than the school district's facilities are between the school district and the private provider.

2007 Acts, ch 148, §3; 2007 Acts, ch 215, §100; 2008 Acts, ch 1032, §42; 2008 Acts, ch 1181, §67, 74; 2010 Acts, ch 1031, §303, 304; 2013 Acts, ch 78, §1

Referred to in §256C.1

Subsection 1 amended

**256C.4 Funding provisions — enrollment.**

1. *General.*

*a.* State funding provided under the preschool program shall be based upon the enrollment of eligible students in the preschool programming provided by a school district approved to participate in the preschool program.

*b.* A school district approved to participate in the preschool program may authorize expenditures for the district's preschool programming from any of the revenue sources available to the district from the sources listed in chapter 298A, provided the expenditures are within the uses permitted for the revenue source. In addition, the use of the revenue source for preschool or prekindergarten programming must have been approved prior to any expenditure from the revenue source for the district's approved local program.

*c.* Funding provided under the preschool program is intended to supplement, not supplant, existing public funding for preschool programming.

*d.* Preschool foundation aid funding shall not be commingled with the other state aid payments made under section 257.16 to a school district and shall be accounted for by the local school district separately from the other state aid payments. Preschool foundation aid payments made to school districts are miscellaneous income for purposes of chapter 257. A school district shall maintain a separate listing within its budget for preschool foundation aid payments received and expenditures made. A school district shall certify to the department of education that preschool foundation aid funding received by the school district was used to supplement, not supplant, moneys otherwise received and used by the school district for preschool programming.

*e.* Preschool foundation aid funding shall not be used for the costs of constructing a facility in connection with an approved local program. Preschool foundation aid funding may be used by approved local programs and community providers for professional development for preschool teachers, for instructional equipment, for material and equipment designed to develop pupils' large and small motor skills, and for other direct costs. Preschool foundation aid funding received by an approved local program that remain unexpended or unobligated at the end of a fiscal year shall be used to build the approved local program's preschool program capacity in the next succeeding fiscal year.

*f.* The receipt of funding by a school district for the purposes of this chapter, the need for additional funding for the purposes of this chapter, or the enrollment count of eligible students under this chapter shall not be considered to be unusual circumstances, create an unusual need for additional funds, or qualify under any other circumstances that may be used by the school budget review committee to grant supplemental aid to or establish a modified supplemental amount for a school district under section 257.31.

*g.* For the fiscal year beginning July 1, 2011, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not more than five percent may be used by the school district for administering the district's approved local program.

*h.* For the fiscal year beginning July 1, 2012, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not less than ninety-five percent of the per pupil amount shall be passed through to a community-based provider for each pupil enrolled in the district's approved local program. For the fiscal year beginning July 1, 2011, and each succeeding fiscal year, not more than five percent of the amount of preschool foundation aid passed through to a community-based provider may be used by the community-based provider for administrative costs.

2. *Eligible student enrollment.*

*a.* To be included as an eligible student in the enrollment count of the preschool programming provided by a school district approved to participate in the preschool program, a child must be four years of age by September 15 in the base year and attending the school district's approved local program.

*b.* The enrollment count of eligible students shall not include a child who is included in the enrollment count determined under section 257.6 or a child who is served by a program already receiving state or federal funds for the purpose of the provision of four-year-old

preschool programming while the child is being served by the program. Such preschool programming includes but is not limited to child development assistance programs provided under chapter 256A, special education programs provided under section 256B.9, school ready children grant programs and other programs provided under chapter 256I, and federal head start programs and the services funded by Tit. I of the federal Elementary and Secondary Education Act of 1965.

2007 Acts, ch 148, §4; 2008 Acts, ch 1181, §68, 74; 2010 Acts, ch 1031, §305; 2012 Acts, ch 1138, §23, 42; 2013 Acts, ch 121, §10, 42, 103, 108

Referred to in §256C.3, 256C.5

2013 amendment to subsection 1, paragraph f applies to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsection 1, paragraphs e and f amended

**256C.5 Funding formula.**

1. *Definitions.* For the purposes of this section and section 256C.4:

*a.* *"Base year"*, *"budget year"*, *"regular program state cost per pupil"*, and *"school district"* mean the same as defined or described in chapter 257.

*b.* *"Eligible student"* means a child who meets eligibility requirements under section 256C.4.

*c.* *"Preschool budget enrollment"* means the figure that is equal to fifty percent of the actual enrollment of eligible students in the preschool programming provided by a school district approved to participate in the preschool program on October 1 of the base year, or the first Monday in October if October 1 falls on a Saturday or Sunday.

*d.* *"Preschool foundation aid"* means the product of the regular program state cost per pupil for the budget year multiplied by the school district's preschool budget enrollment.

2. *Preschool foundation aid district amount.*

*a.* For the initial school year for which a school district approved to participate in the preschool program receives that approval and implements the preschool program, the funding for the preschool foundation aid payable to that school district shall be paid from the appropriation made for that school year in section 256C.6, Code 2011, or in another appropriation made for purposes of this chapter. For that school year, the preschool foundation aid payable to the school district is the product of the regular program state cost per pupil for the school year multiplied by sixty percent of the school district's eligible student enrollment on the date in the school year determined by rule.

*b.* For budget years subsequent to the initial school year for which a school district approved to participate in the preschool program receives that initial approval and implements the preschool program, the funding for the preschool foundation aid payable to that school district shall be paid from the appropriation made in section 257.16. Continuation of a school district's participation in the preschool program for a second or subsequent budget year is subject to the approval of the department based upon the school district's compliance with accountability provisions and the department's on-site review of the school district's implementation of the preschool program.

3. *Aid payments.* Preschool foundation aid shall be paid as part of the state aid payments made to school districts in accordance with section 257.16.

4. *Administration and oversight.* Except as otherwise provided by law for a fiscal year, of the amount appropriated for that fiscal year for payment of preschool foundation aid statewide, the department may use an amount sufficient to fund up to three full-time equivalent positions which shall be in addition to the number of positions authorized for the fiscal year, as necessary to provide administration and oversight of the preschool program.

2007 Acts, ch 148, §5; 2008 Acts, ch 1181, §69, 74; 2011 Acts, ch 131, §91, 101; 2012 Acts, ch 1023, §35

**256C.6 Phase-in — appropriations.** Repealed by its own terms; 2007 Acts, ch 148, §6.

# CHAPTER 256D

## IOWA EARLY INTERVENTION BLOCK GRANT PROGRAM

Referred to in §257.10

Future repeal of chapter; see §256D.9


256D.1 Iowa early intervention block grant program established — goals.
256D.2 Program expenditures. Repealed by its own terms effective June 30, 2009; 2008 Acts, ch 1181, §87.
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**256D.1 Iowa early intervention block grant program established — goals.**

1. An Iowa early intervention block grant program is established within the department of education. The program's goals for kindergarten through grade three are to provide the resources needed to reduce class sizes in basic skills instruction to the state goal of seventeen students for every one teacher; provide direction and resources for early intervention efforts by school districts to achieve a higher level of student success in the basic skills, especially reading skills; and increase communication and accountability regarding student performance. The Iowa early intervention block grant program shall consist of the following:

*a. Class size management.* School districts shall develop a class size management strategy to work toward, or to maintain, class sizes in basic skills instruction for kindergarten through grade three that are at the state goal of seventeen students for every one teacher.

*b. Improving instruction in the basics.* The department of education shall identify diagnostic assessment tools that can be used to assist teachers in measuring reading accuracy and fluency skills, including but not limited to phonemic awareness, oral reading ability, and comprehension skills, to improve student achievement in kindergarten through grade three. The department, in collaboration with the area education agencies, school districts, and institutions with approved practitioner preparation programs, shall identify and serve as a clearinghouse on intensive, research-based strategies and programs for training teachers in both diagnosis and appropriate instruction interventions.

(1) A school district shall at a minimum biannually inform parents of their individual child's performance on the diagnostic assessments in kindergarten through grade three. If intervention is appropriate, the school district shall inform the parents of the actions the school district intends to take to improve the child's reading skills and provide the parents with strategies to enable the parents to improve their child's skills. The board of directors of each school district shall adopt a policy indicating the methods the school district will use to inform parents of their individual child's performance.

(2) The department shall also identify for school districts programs and materials by which parents may support classroom reading instruction.

2. A school district shall integrate its specific early intervention block grant program goals and activities into the comprehensive school improvement plan required under section 256.7, subsection 21, paragraph *"a"*.

3. For purposes of this chapter, unless the context otherwise requires, *"parent"* means a biological or adoptive parent, a stepparent, or a legal guardian or custodian of a student.

99 Acts, ch 18, §1; 2002 Acts, ch 1119, §148; 2006 Acts, ch 1152, §5; 2009 Acts, ch 54, §4

**256D.2 Program expenditures.** Repealed by its own terms effective June 30, 2009; 2008 Acts, ch 1181, § 87.

**256D.2A Program funding.**

For the budget year beginning July 1, 2009, and each succeeding budget year, a school district shall expend funds received pursuant to section 257.10, subsection 11, at the

kindergarten through grade three levels to reduce class sizes to the state goal of seventeen students for every one teacher and to achieve a higher level of student success in the basic skills, especially reading. In order to support these efforts, school districts may expend funds received pursuant to section 257.10, subsection 11, at the kindergarten through grade three level on programs, instructional support, and materials that include but are not limited to the following: additional licensed instructional staff; additional support for students, such as before and after school programs, tutoring, and intensive summer programs; the acquisition and administration of diagnostic reading assessments; the implementation of research-based instructional intervention programs for students needing additional support; the implementation of all-day, everyday kindergarten programs; and the provision of classroom teachers with intensive training programs to improve reading instruction and professional development in best practices including but not limited to training programs related to instruction to increase students' phonemic awareness, reading abilities, and comprehension skills.

2008 Acts, ch 1181, §88; 2009 Acts, ch 133, §98
Referred to in §256D.3

**256D.3 Annual reports.**

1. A school district shall report annually to its school community the proportion of fourth grade students who are proficient in reading in accordance with section 256.7, subsection 21, paragraph "*c*". School districts are encouraged to submit to their communities composite information concerning the reading proficiency of their kindergarten through grade three enrollments, by grade level.

2. The annual report submitted to the department of education in accordance with section 256.7, subsection 21, paragraph "*c*", shall include the district's current class sizes for kindergarten through grade three.

3. The department shall submit an annual report to the chairpersons and ranking members of the senate and house education committees that includes the statewide average school district class size in basic skills instruction in kindergarten through grade three, by grade level and by district size, and describes school district progress toward achieving early intervention block grant program goals and the ways in which school districts are using moneys received pursuant to this chapter and expended as provided in section 256D.2A. The report shall include district-by-district information showing the allocation received for early intervention block grant program purposes, the total number of students enrolled in grade four in each district, and the number of students in each district who are not proficient in reading in grade four for the most recent reporting period, as well as for each reporting period starting with the school year beginning July 1, 2001.

99 Acts, ch 18, §3; 2005 Acts, ch 147, §1; 2010 Acts, ch 1069, §31; 2013 Acts, ch 90, §63
Subsection 3 amended

**256D.4 Program allocation.** Repealed by its own terms effective June 30, 2009; 2008 Acts, ch 1181, § 90.

**256D.4A Program requirements.**

A school district shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this chapter. A school district shall certify to the department of education that moneys received under this chapter were used to supplement, not supplant, moneys otherwise received and used by the school district.

2008 Acts, ch 1181, §91; 2009 Acts, ch 133, §99

**256D.5 Appropriations.**

There is appropriated from the general fund of the state to the department of education, the following amounts, for the following fiscal years, for the Iowa early intervention block grant program:

1. For the fiscal year beginning July 1, 1999, and ending June 30, 2000, the sum of ten million dollars.

2. For the fiscal year beginning July 1, 2000, and ending June 30, 2001, the sum of twenty million dollars.

3. For each fiscal year of the fiscal period beginning July 1, 2001, and ending June 30, 2004, the sum of thirty million dollars.

4. For each fiscal year of the fiscal period beginning July 1, 2004, and ending June 30, 2009, the sum of twenty-nine million two hundred fifty thousand dollars.

99 Acts, ch 18, §5; 2002 Acts, ch 1171, §182; 2003 Acts, ch 179, §34; 2004 Acts, ch 1175, §232; 2005 Acts, ch 179, §26; 2006 Acts, ch 1185, §47; 2007 Acts, ch 215, §60; 2008 Acts, ch 1181, §92

**256D.6 through 256D.8** Repealed by 2002 Acts, ch 1171, § 183.

**256D.9 Future repeal.**

This chapter is repealed effective July 1, 2018.

99 Acts, ch 18, §9; 2003 Acts, ch 180, §9, 71; 2004 Acts, ch 1175, §233; 2005 Acts, ch 147, §2, 3; 2006 Acts, ch 1152, §6; 2007 Acts, ch 215, §61, 67; 2012 Acts, ch 1138, §115, 116; 2013 Acts, ch 121, §104, 108

Section amended

# CHAPTER 256E

## BEGINNING TEACHER INDUCTION PROGRAMS

Repealed by 2001 Acts, ch 161, §20; see chapter 284

# CHAPTER 256F

## CHARTER SCHOOLS AND INNOVATION ZONE SCHOOLS


256F.1 Authorization and purpose.
256F.2 Definitions.
256F.3 Application.
256F.4 General operating requirements.
256F.5 Application — definition.
256F.6 Contract.
256F.7 Employment and related matters.
256F.8 Procedures for revocation or nonrenewal of contract.
256F.9 Procedures after revocation — student enrollment.
256F.10 Reports.
256F.11 Future repeal. Repealed by 2010 Acts, ch 1001, §23.


**256F.1 Authorization and purpose.**

1. Charter schools and innovation zone schools shall be part of the state's program of public education.

2. A charter school may be established by creating a new school within an existing public school or converting an existing public school to charter status.

3. The purpose of a charter school or an innovation zone school established pursuant to this chapter shall be to accomplish the following:

*a.* Improve student learning.

*b.* Increase learning opportunities for students.

*c.* Encourage the use of different and innovative methods of teaching.

*d.* Require the measurement of learning outcomes and create different and innovative forms of measuring outcomes.

*e.* Establish new forms of accountability for schools.

*f.* Create new professional opportunities for teachers and other educators, including the opportunity to be responsible for the learning program at the school site.

*g.* Create different organizational structures for continuous learner progress.

*h.* Allow greater flexibility to meet the education needs of a diverse and constantly changing student population.

*i.* Allow for the allocation of resources in innovative ways through implementation of specialized school budgets for the benefit of the schools served.

4. An innovation zone school may be established pursuant to this chapter to encourage diverse approaches to learning and education within individual schools.

2002 Acts, ch 1124, §1, 16; 2003 Acts, ch 79, §7, 8; 2010 Acts, ch 1001, §2 – 5
Referred to in §256F.3, 256F.5

**256F.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advisory council"* means a council appointed by the school board of directors of a charter school or an innovation zone consortium pursuant to section 256F.5, subsection 4.

2. *"Area education agency board"* means the board of directors of an area education agency established pursuant to chapter 273.

3. *"Attendance center"* means a public school building that contains classrooms used for instructional purposes for elementary, middle, or secondary school students.

4. *"Charter school"* means a charter school established in accordance with this chapter.

5. *"Department"* means the department of education.

6. *"Innovation zone consortium"* means a consortium of two or more school districts and an area education agency in which one or more of the school districts is located, that receives approval to establish an innovation zone school pursuant to this chapter. In addition, the innovation zone consortium may receive technical assistance from an accredited higher education institution.

7. *"Innovation zone school"* means a public school administered by a principal that is, pursuant to an innovation zone school contract entered into by an innovation zone consortium pursuant to section 256F.6, established as an innovation zone school.

8. *"School board"* means a board of directors regularly elected by the registered voters of a school district.

9. *"State board"* means the state board of education.

2002 Acts, ch 1124, §2, 16; 2003 Acts, ch 79, §7, 8; 2010 Acts, ch 1001, §6 - 9; 2010 Acts, ch 1069, §32

**256F.3 Application.**

1. The state board of education shall apply for a federal grant under Pub. L. No. 107-110, cited as the federal No Child Left Behind Act of 2001, Tit. V, pt. B, subpt. 1, for purposes of providing financial assistance for the planning, program design, and initial implementation of public charter schools. The department shall monitor the effectiveness of charter schools and innovation zone schools and shall implement the applicable provisions of this chapter.

2. *a.* To receive approval to establish a charter school in accordance with this chapter, the principal, teachers, or parents or guardians of students at an existing public school shall submit an application to the school board to convert an existing attendance center to a charter school. An attendance center shall not enter into a charter school contract with a school district under this chapter unless the attendance center is located within the school district. The application shall demonstrate the support of at least fifty percent of the teachers employed at the school on the date of the submission of the application and fifty percent of the parents or guardians voting whose children are enrolled at the school, provided that a majority of the parents or guardians eligible to vote participate in the ballot process, according to procedures established by rules of the state board.

*b.* To receive approval to establish an innovation zone school in accordance with this chapter, an innovation zone consortium shall submit an application to the state board which demonstrates the support of at least fifty percent of the teachers employed at each proposed innovation zone school on the date of the submission of the application and fifty percent of the parents or guardians voting whose children are enrolled at each proposed innovation zone school, provided that a majority of the parents or guardians eligible to vote participate in the ballot process, according to procedures established by rules of the state board.

*c.* A parent or guardian voting in accordance with this subsection must be a resident of this state.

3. A school board shall receive and review all applications for converting an existing building or creating a new building for a charter school. Applications received on or before October 1 of a calendar year shall be considered for charter schools to be established at the beginning of the school district's next school year or at a time agreed to by the applicant and the school board. However, a school board may receive and consider applications after October 1 at its discretion.

4. A school board shall by a majority vote approve or deny an application relating to a charter school no later than sixty calendar days after the application is received. An application approved by a school board and subsequently approved by the state board pursuant to subsection 6 shall constitute, at a minimum, an agreement between the school board and the charter school for the operation of the charter school. A school board that denies an application for a conversion to a charter school shall provide notice of denial to the applicant in writing within thirty days after board action. The notice shall specify the exact reasons for denial and provide documentation supporting those reasons.

5. An applicant may appeal school board denial of the applicant's charter school application to the state board in accordance with the procedures set forth in chapter 290. The state board shall affirm, modify, or reverse the school board's decision on the basis of the information provided in the application indicating the ability and willingness of the proposed charter school to meet the requirements of section 256F.1, subsection 3, and section 256F.4.

6. Upon approval of an application for the proposed establishment of a charter school, the school board shall submit an application for approval to establish the charter school to the state board in accordance with section 256F.5.

7. An application submitted to the state board pursuant to subsection 2, paragraph "*b*", or subsection 6 shall set forth the manner in which the charter school or innovation zone school will provide special instruction, in accordance with section 280.4, to students who are limited English proficient. The application shall set forth the manner in which the charter school or innovation zone school will comply with federal and state laws and regulations relating to the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751–1785, and chapter 283A. The state board shall approve only those applications that meet the requirements specified in section 256F.1, subsection 3, and sections 256F.4 and 256F.5. The state board may deny an application if the state board deems that approval of the application is not in the best interest of the affected students.

8. The state board shall approve not more than ten innovation zone consortium applications.

9. The state board shall adopt rules in accordance with chapter 17A for the implementation of this chapter. If federal rules or regulations relating to the distribution or utilization of federal funds allocated to the department pursuant to this section are adopted that are inconsistent with the provisions of this chapter, the state board shall adopt rules to comply with the requirements of the federal rules or regulations. The state board shall identify inconsistencies between federal and state rules and regulations as provided in this subsection and shall submit recommendations for legislative action to the chairpersons and ranking members of the senate and house standing committees on education at the next meeting of the general assembly.

2002 Acts, ch 1124, §3, 16; 2003 Acts, ch 79, §1, 7, 8; 2006 Acts, ch 1152, §7, 17; 2010 Acts, ch 1001, §10; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1193, §45

Referred to in §256F.4

**256F.4 General operating requirements.**

1. Within fifteen days after approval of a charter school or innovation zone school application submitted in accordance with section 256F.3, subsection 2, a school board or innovation zone consortium shall report to the department the name of the charter school applicant if applicable, the proposed charter school or innovation zone school location, and the charter school or innovation zone school's projected enrollment.

2. Although a charter school or innovation zone school may elect to comply with one or

more provisions of statute or administrative rule, a charter school or innovation zone school is exempt from all statutes and rules applicable to a school, a school board, or a school district, except that the charter school or innovation zone school shall do all of the following:

*a.* Meet all applicable federal, state, and local health and safety requirements and laws prohibiting discrimination on the basis of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, ancestry, or disability. A charter school or innovation zone school shall be subject to any court-ordered desegregation plan in effect for the school district at the time the charter school or innovation zone school application is approved.

*b.* Operate as a nonsectarian, nonreligious public school.

*c.* Be free of tuition and application fees to Iowa resident students between the ages of five and twenty-one years.

*d.* Be subject to and comply with chapters 216 and 216A relating to civil and human rights.

*e.* Provide special education services in accordance with chapter 256B.

*f.* Be subject to the same financial audits, audit procedures, and audit requirements as a school district. The audit shall be consistent with the requirements of sections 11.6, 11.14, 11.19, 256.9, subsection 20, and section 279.29, except to the extent deviations are necessary because of the program at the school. The department, the auditor of state, or the legislative services agency may conduct financial, program, or compliance audits.

*g.* Be subject to and comply with chapter 284 relating to the student achievement and teacher quality program. A charter school or innovation zone school that complies with chapter 284 shall receive state moneys or be eligible to receive state moneys calculated as provided in section 257.10, subsections 9 and 10, and section 257.37A as if it did not operate under a charter school or innovation zone school contract.

*h.* Be subject to and comply with chapters 20 and 279 relating to contracts with and discharge of teachers and administrators.

*i.* Be subject to and comply with the provisions of chapter 285 relating to the transportation of students.

*j.* Meetings and records of the advisory council are subject to the provisions of chapters 21 and 22.

3. A charter school or innovation zone school shall not discriminate in its student admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, or status as a person with a disability. However, a charter school or innovation zone school may limit admission to students who are within a particular range of ages or grade levels or on any other basis that would be legal if initiated by a school district. Enrollment priority shall be given to the siblings of students enrolled in a charter school or innovation zone school.

4. A charter school or innovation zone school shall enroll an eligible resident student who submits a timely application unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, students must be accepted by lot. A charter school or innovation zone school may enroll an eligible nonresident student who submits a timely application in accordance with the student admission policy established pursuant to section 256F.5, subsection 1. If the charter school or innovation zone school enrolls an eligible nonresident student, the charter school or innovation zone school shall notify the school district of residence and the sending district not later than March 1 of the preceding school year. Transportation for the student shall be in accordance with section 282.18, subsection 10. The sending district shall make payments to the charter school or innovation zone consortium in the manner required under section 282.18, subsection 7. If the nonresident pupil is also an eligible pupil under section 261E.6, the innovation zone consortium shall pay the tuition reimbursement amount to an eligible postsecondary institution as provided in section 261E.7.

5. A charter school or innovation zone school shall provide instruction for at least the number of days required by section 279.10, subsection 1, or shall provide at least the equivalent number of total hours.

6. Notwithstanding subsection 2, a charter school or innovation zone school shall meet the requirements of section 256.7, subsection 21.

7. *a.* A charter school shall be considered a part of the school district in which it is located for purposes of state school foundation aid pursuant to chapter 257.

*b.* Students enrolled in an innovation zone school shall be counted, for state school foundation aid purposes, in the student's district of residence.

8. A charter school or innovation zone consortium may enter into contracts in accordance with chapter 26.

2002 Acts, ch 1124, §4, 16; 2002 Acts, ch 1175, §81; 2003 Acts, ch 35, §46, 49; 2003 Acts, ch 79, §2, 7, 8; 2006 Acts, ch 1185, §127; 2010 Acts, ch 1001, §11 – 14

Referred to in §256F.3, 256F.5, 256F.10, 282.9

For future amendment to subsection 5, effective July 1, 2014, see 2013 Acts, ch 121, §80, 85

Section not amended; footnote added

**256F.5 Application — definition.**

An application to the state board for the approval of a charter school or innovation zone school shall include but shall not be limited to a description of the following:

1. The method for admission to the charter school or innovation zone school.

2. The mission, purpose, innovation, and specialized focus of the charter school or innovation zone school.

3. Performance goals and objectives in addition to those required under section 256.7, subsection 21, by which the school's student achievement shall be judged, the measures to be used to assess progress, and the current baseline status with respect to the goals.

4. The method for appointing or forming an advisory council for the charter school or innovation zone school. The membership of an advisory council appointed or formed in accordance with this chapter shall not include more than one member of a participating school board.

5. Procedures for teacher evaluation and professional development for teachers and administrators.

6. The charter school or innovation zone school governance and bylaws.

7. The financial plan for the operation of the charter school or innovation zone school including, at a minimum, a listing of the support services the school district or innovation zone consortium will provide, and the charter school or innovation zone school's revenues, budgets, and expenditures.

8. The educational program and curriculum, instructional methodology, and services to be offered to students.

9. The number and qualifications of teachers and administrators to be employed.

10. The organization of the charter school or innovation zone school in terms of ages of students or grades to be taught along with an estimate of the total enrollment of the charter school or innovation zone school.

11. The provision of school facilities.

12. A statement indicating how the charter school or innovation zone school will meet the requirements of section 256F.1, as applicable; section 256F.4, subsection 2, paragraph "*a*"; and section 256F.4, subsection 3.

13. Assurance of the assumption of liability by the charter school or the innovation zone consortium for the innovation zone school.

14. The types and amounts of insurance coverage to be obtained by the charter school or innovation zone consortium for the innovation zone school.

15. A plan of operation to be implemented if the charter school or innovation zone consortium revokes or fails to renew its contract.

16. The means, costs, and plan for providing transportation for students enrolled in the charter school or innovation zone school.

17. The specific statutes, administrative rules, and school board policies with which the charter school or innovation zone school does not intend to comply.

2002 Acts, ch 1124, §5, 16; 2003 Acts, ch 79, §7, 8; 2010 Acts, ch 1001, §15, 16; 2011 Acts, ch 34, §65

Referred to in §256F.2, 256F.3, 256F.4, 256F.6

**256F.6 Contract.**

1. *a.* An approved charter school or innovation zone school application shall constitute an agreement, the terms of which shall, at a minimum, be the terms of a four-year enforceable, renewable contract between a school board, or the boards participating in an innovation zone consortium, and the state board. The contract shall include an operating agreement for the operation of the charter school or innovation zone school. The terms of the contract may be revised at any time with the approval of both the state board and the school board or the boards participating in the innovation zone consortium, whether or not the stated provisions of the contract are being fulfilled.

*b.* A contract may be renewed by agreement of the school board or the boards participating in an innovation zone consortium, as applicable, and the state board.

*c.* The charter school or innovation zone consortium shall provide parents and guardians of students enrolled in the charter school or innovation zone school with a copy of the charter school or innovation zone school application approved pursuant to section 256F.5.

2. The contract shall outline the reasons for revocation or nonrenewal of the contract.

3. The state board of education shall provide by rule for the ongoing review of each party's compliance with a contract entered into in accordance with this chapter.

2002 Acts, ch 1124, §6, 16; 2003 Acts, ch 79, §7, 8; 2010 Acts, ch 1001, §17; 2010 Acts, ch 1193, §46; 2013 Acts, ch 90, §64

Referred to in §256F.2

Subsection 2 amended

**256F.7 Employment and related matters.**

1. A charter school or the boards participating in an innovation zone consortium shall employ or contract with necessary teachers and administrators, as defined in section 272.1, who hold a valid license with an endorsement for the type of service for which the teacher or administrator is employed.

2. The school board or innovation zone consortium, as specified in the application, in consultation with the advisory council, shall decide matters related to the operation of the charter school or innovation zone school, including budgeting, curriculum, and operating procedures.

3. *a.* Employees of a charter school shall be considered employees of the school district.

*b.* Employees of an innovation zone school shall be considered employees of a board participating in the innovation zone consortium.

2002 Acts, ch 1124, §7, 16; 2003 Acts, ch 79, §7, 8; 2010 Acts, ch 1001, §18

**256F.8 Procedures for revocation or nonrenewal of contract.**

1. A contract for the establishment of a charter school or innovation zone school may be revoked by the state board, the school board that established the charter school, or the innovation zone consortium that established the innovation zone school if the appropriate board or consortium determines that one or more of the following occurred:

*a.* Failure of the charter school or innovation zone school to abide by and meet the provisions set forth in the contract, including educational goals.

*b.* Failure of the charter school or innovation zone school to comply with all applicable law.

*c.* Failure of the charter school or innovation zone school to meet generally accepted public sector accounting principles.

*d.* The existence of one or more other grounds for revocation as specified in the contract.

*e.* Assessment of student progress, which is administered in accordance with state and locally determined indicators established pursuant to rules adopted by the state board, does not show improvement in student progress over that which existed in the same student population prior to the establishment of the charter school or the innovation zone school.

2. The decision by a school board or an innovation zone consortium to revoke or to fail to take action to renew a charter school or innovation zone school contract is subject to appeal under procedures set forth in chapter 290.

3. A school board or a board participating in an innovation zone consortium that is

considering revocation or nonrenewal of a charter school or innovation zone school contract shall notify the advisory council, the parents or guardians of the students enrolled in the charter school or innovation zone school, and the teachers and administrators employed by the charter school or innovation zone school, sixty days prior to revoking or the date by which the contract must be renewed, but not later than the last day of classes in the school year.

4. If the state board determines that a charter school or innovation zone school is in substantial violation of the terms of the contract, the state board shall notify the school board or innovation zone consortium and the advisory council of its intention to revoke the contract at least sixty days prior to revoking a contract and the school board or the school boards participating in the innovation zone consortium shall assume oversight authority, operational authority, or both oversight and operational authority. The notice shall state the grounds for the proposed action in writing and in reasonable detail. The school board or innovation zone consortium may request in writing an informal hearing before the state board within fourteen days of receiving notice of revocation of the contract. Upon receiving a timely written request for a hearing, the state board shall give reasonable notice to the school board or innovation zone consortium of the hearing date. The state board shall conduct an informal hearing before taking final action. Final action to revoke a contract shall be taken in a manner least disruptive to students enrolled in the charter school or innovation zone school. The state board shall take final action to revoke or approve continuation of a contract by the last day of classes in the school year. If the final action to revoke a contract under this section occurs prior to the last day of classes in the school year, a charter school or innovation zone school student may enroll in the resident district.

5. The decision of the state board to revoke a contract under this section is solely within the discretion of the state board and is final.

6. A school board revoking a contract or a school board, innovation zone consortium, or advisory council that fails to renew a contract under this chapter is not liable for that action to the charter school or innovation zone school, a student enrolled in the charter school or innovation zone school or the student's parent or guardian, or any other person.

2002 Acts, ch 1124, §8, 16; 2003 Acts, ch 79, §7, 8; 2010 Acts, ch 1001, §19, 20
Referred to in §282.18

**256F.9 Procedures after revocation — student enrollment.**

If a charter school or innovation zone school contract is revoked in accordance with this chapter, a nonresident student who attended the school, and any siblings of the student, shall be determined to have shown "good cause" as provided in section 282.18, subsection 4, paragraph *"b"*, and may submit an application to another school district according to section 282.18 at any time. Applications and notices required by section 282.18 shall be processed and provided in a prompt manner. The application and notice deadlines in section 282.18 do not apply to a nonresident student application under these circumstances.

2002 Acts, ch 1124, §9, 16; 2003 Acts, ch 79, §7, 8; 2009 Acts, ch 133, §234; 2010 Acts, ch 1001, §21

**256F.10 Reports.**

1. A charter school or innovation zone school shall report at least annually to the school board or innovation zone consortium, advisory council, and the state board the information required by the school board or innovation zone consortium, advisory council, or the state board. The reports are public records subject to chapter 22.

2. Not later than December 1 annually, the state board shall submit a comprehensive report with findings and recommendations to the general assembly. The report shall evaluate the state's charter school and innovation zone school programs generally, including but not limited to an evaluation of whether the charter schools and innovation zone schools are fulfilling the purposes set forth in section 256F.4, subsection 2. The report also shall contain, for each charter school or innovation zone school, a copy of the charter school or innovation zone school's mission statement, attendance statistics and dropout rate, aggregate assessment test scores, projections of financial stability, the number and

qualifications of teachers and administrators, and number of and comments on supervisory visits by the department of education.

2002 Acts, ch 1124, §10, 16; 2003 Acts, ch 79, §7, 8; 2010 Acts, ch 1001, §22

**256F.11 Future repeal.** Repealed by 2010 Acts, ch 1001, § 23.

# CHAPTER 256G

## RESEARCH AND DEVELOPMENT SCHOOL

Referred to in §282.18

For transition provisions for establishment of the research and development school in Cedar Falls, including requirements for an infrastructure feasibility study, a proposed timeline, appointment of a transition team, and reporting requirements, see 2009 Acts, ch 177, §56, 57

256G.1 Legislative intent.
256G.2 Definitions.
256G.3 Research and development school funding.
256G.4 Research and development school — governance.

**256G.1 Legislative intent.**

It is the intent of the general assembly to develop a state research and development prekindergarten through grade twelve school in order to do the following:

1. To raise and sustain the level of all prekindergarten through grade twelve students' educational attainment and personal development through innovative and promising teaching practice.
2. To enhance the preparation and professional competence of the educators in this state through collaborative inquiry and exchange of professional knowledge in teaching and learning.
3. To focus on research that transforms teaching practice to meet the changing needs of this state's educational system.

2009 Acts, ch 177, §49, 57

**256G.2 Definitions.**

For purposes of this chapter:

1. *"Department"* means the department of education.
2. *"Director"* means the director of the department of education.
3. *"President"* means the president of the university of northern Iowa.
4. *"Research and development school"* means a prekindergarten through grade twelve research, development, demonstration, and dissemination school using expanded facilities at the center for early development education, also known as the Price laboratory school, in Cedar Falls.
5. *"University"* means the university of northern Iowa.

2009 Acts, ch 177, §50, 57

**256G.3 Research and development school funding.**

1. *a.* (1) The university and the board of directors of the Cedar Falls community school district shall develop a student transfer policy for the research and development school that will protect and promote the quality and integrity of the teacher education program and the viability of the education program of the Cedar Falls community school district.

(2) The policy shall include, in order of consideration, the reasons for which a request to transfer to the research and development school will be allowed by the school district. The research and development school may deny any request for transfer under the policy

and such denial for transfer is not subject to appeal under section 290.1. The research and development school shall report the transfer and enrollment of a new student directly to the department.

*b.* The research and development school shall create and maintain a basic geographic boundary line agreement with the Cedar Falls community school district. The boundary line agreement shall ensure that students currently enrolled at the center for early development education shall continue to have priority access to enrollment at the research and development school. If such an agreement cannot be reached, the boundary line for the research and development school shall be the official boundary line of the Cedar Falls community school district.

*c.* Open enrollment under section 282.18 applies to the research and development school.

2. Funds provided by the university for the center for early development education under section 262.71 shall be redirected as applicable to support the research component at the research and development school.

2009 Acts, ch 177, §51, 57

**256G.4 Research and development school — governance.**

1. The board of regents shall be the governing entity of the research and development school and as such shall be responsible for the faculty, facility, grounds, and staffing.

2. The department shall be the accreditation agency and as such shall serve as the authority on teacher qualification requirements and waiver provisions.

3. *a.* A seventeen-member advisory council is created, composed of the following members:

(1) Three standing committee members as follows:

(a) The director.

(b) The president.

(c) The director of the research and development school, serving as an ex officio, nonvoting member.

(2) Ten members, as follows, who shall be jointly recommended for membership by the president and the director, shall be jointly approved by the state board of regents and the state board of education, shall serve three-year staggered terms, and shall be eligible to serve for two consecutive three-year terms on the council in addition to any partial, initial term:

(a) One member representing prekindergarten through grade six public school teachers, who is also a participating member of a teacher quality committee created pursuant to section 284.4, subsection 1, paragraph "*c*".

(b) One member representing grade seven through grade nine public school teachers, who is also a participating member of a teacher quality committee created pursuant to section 284.4, subsection 1, paragraph "*c*".

(c) One member representing grade ten through grade twelve public school teachers, who is also a participating member of a teacher quality committee created pursuant to section 284.4, subsection 1, paragraph "*c*".

(d) One member representing prekindergarten through grade twelve administrators.

(e) One member representing area education agencies.

(f) One member representing Iowa state university of science and technology.

(g) One member representing the university of Iowa.

(h) One member representing parents of students at the research and development school.

(i) One member representing business and industry.

(j) One member representing private colleges in the state.

(3) Four members of the general assembly serving as ex officio, nonvoting members, one representative to be appointed by the speaker of the house of representatives, one representative to be appointed by the minority leader of the house of representatives, one senator to be appointed by the majority leader of the senate after consultation with the president of the senate, and one senator to be appointed by the minority leader of the senate.

*b.* One of the members representing public school teachers approved for membership

pursuant to paragraph "*a*", subparagraph (2), subparagraph divisions (a) through (c) shall be an active teacher in the Cedar Falls community school district.

*c.* (1) The advisory council shall review and evaluate the educational processes and results of the research and development school.

(2) The advisory council shall provide an annual report to the president, the director, the state board of regents, the state board of education, and the general assembly.

4. *a.* An eleven-member standing institutional research committee, appointed by the president and the director, is created, composed of the following members:

(1) The director of research at the research and development school or the person designated with this responsibility.

(2) One member representing the university of northern Iowa.

(3) One member representing Iowa state university of science and technology.

(4) One member representing the university of Iowa.

(5) One member representing business and industry.

(6) One member representing prekindergarten through grade six public school teachers, who is also a participating member of a teacher quality committee created pursuant to section 284.4, subsection 1, paragraph "*c*".

(7) One member representing grade seven through grade nine public school teachers, who is also a participating member of a teacher quality committee created pursuant to section 284.4, subsection 1, paragraph "*c*".

(8) One member representing grade ten through grade twelve public school teachers, who is also a participating member of a teacher quality committee created pursuant to section 284.4, subsection 1, paragraph "*c*".

(9) One member representing the boards of school districts selected from a list of nominees submitted by the Iowa association of school boards.

(10) One member representing the department.

(11) One member representing private colleges in the state.

*b.* The appointed members should collectively possess the following characteristics:

(1) Be well informed about the educational needs of students in the state.

(2) Be aware of and understand the standards and protocol for educational research.

(3) Understand the dissemination of prekindergarten through grade twelve research results.

(4) Understand the impact of educational research.

(5) Be knowledgeable about compliance with human subject protection protocol.

*c.* One of the members representing public school teachers approved for membership pursuant to paragraph "*a*", subparagraphs (6) through (8) shall be an active teacher in the Cedar Falls community school district.

*d.* The committee shall serve as the clearinghouse for the investigative and applied research at the research and development school.

*e.* The committee shall create research protocols, approve research proposals, review the quality and results of performed research, and provide support for dissemination efforts.

2009 Acts, ch 177, §52, 57; 2010 Acts, ch 1069, §33

# CHAPTER 256H

## INTERSTATE COMPACT ON EDUCATION OF MILITARY CHILDREN

256H.1 Interstate compact on educational opportunity for military children.
256H.2 Council on educational opportunity for military children.
256H.3 Compact commissioner — appointment.

**256H.1 Interstate compact on educational opportunity for military children.**

The interstate compact on educational opportunity for military children is enacted into law and entered into by this state with any other state or jurisdiction legally joining the compact in the form substantially as follows:

1. *Article I — Purpose.* It is the purpose of this compact to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents by:

*a.* Facilitating the timely enrollment of children of military families and ensuring that they are not placed at a disadvantage due to difficulty in the transfer of education records from the previous school district or variations in entrance and age requirements.

*b.* Facilitating the student placement process through which children of military families are not disadvantaged by variations in attendance requirements, scheduling, sequencing, grading, course content, or assessment.

*c.* Facilitating the qualification and eligibility for enrollment, educational programs, and participation in extracurricular academic, athletic, and social activities.

*d.* Facilitating the on-time graduation of children of military families.

*e.* Providing for the promulgation and enforcement of administrative rules implementing the provisions of this compact.

*f.* Providing for the uniform collection and sharing of information between and among member states, schools, and military families under this compact.

*g.* Promoting coordination between this compact and other compacts affecting military children.

*h.* Promoting flexibility and cooperation between the educational system, parents, and the student in order to achieve educational success for the student.

2. *Article II — Definitions.* As used in this compact, unless the context clearly requires a different construction:

*a.* *"Active duty"* means full-time duty status in the active uniformed service of the United States, including members of the national guard and reserve on active duty orders pursuant to 10 U.S.C. § 1209 and 1211.

*b.* *"Children of military families"* means a school-aged child, enrolled in kindergarten through twelfth grade, in the household of an active duty member.

*c.* *"Compact commissioner"* means the voting representative of each compacting state appointed pursuant to article VIII of this compact.

*d.* *"Deployment"* means the period one month prior to the service members' departure from their home station on military orders through six months after return to their home station.

*e.* *"Education records"* or *"educational records"* means those official records, files, and data directly related to a student and maintained by the school or local education agency, including but not limited to records encompassing all the material kept in the student's cumulative folder such as general identifying data, records of attendance and of academic work completed, records of achievement and results of evaluative tests, health data, disciplinary status, test protocols, and individualized education programs.

*f.* *"Extracurricular activities"* means a voluntary activity sponsored by the school or local education agency or an organization sanctioned by the local education agency. Extracurricular activities include but are not limited to preparation for and involvement in public performances, contests, athletic competitions, demonstrations, displays, and club activities.

*g.* *"Interstate commission"* means the commission on educational opportunity for military children that is created under article IX of this compact.

*h.* *"Local education agency"* means a public authority legally constituted by the state as an administrative agency to provide control of and direction for kindergarten through twelfth grade public educational institutions.

*i.* *"Member state"* means a state that has enacted this compact.

*j.* *"Military installation"* means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the United States department of defense, including any leased facility, which is located within any state. Such term does

not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

*k.* *"Nonmember state"* means a state that has not enacted this compact.

*l.* *"Receiving state"* means the state to which a child of a military family is sent, brought, or caused to be sent or brought.

*m.* *"Rule"* means a written statement by the interstate commission promulgated pursuant to article XII of this compact that is of general applicability, implements, interprets, or prescribes a policy or provision of the compact, or an organizational, procedural, or practice requirement of the interstate commission, and has the force and effect of statutory law in a member state, and includes the amendment, repeal, or suspension of an existing rule.

*n.* *"Sending state"* means the state from which a child of a military family is sent, brought, or caused to be sent or brought.

*o.* *"State"* means the same as defined in section 4.1.

*p.* *"Student"* means the child of a military family for whom the local education agency receives public funding and who is formally enrolled in kindergarten through twelfth grade.

*q.* *"Transition"* means the formal and physical process of transferring from school to school or the period of time in which a student moves from one school in the sending state to another school in the receiving state.

*r.* *"Uniformed service"* means the army, navy, air force, marine corps, coast guard, commissioned corps of the national oceanic and atmospheric administration, or commissioned corps of the public health services.

*s.* *"Veteran"* means a person who served in the uniformed services and who was discharged or released therefrom under conditions other than dishonorable.

3. *Article III — Applicability.*

*a.* Except as otherwise provided in paragraph *"b"*, this compact shall apply to the children of:

(1) Active duty members of the uniformed services as defined in this compact, including members of the national guard and reserve on active duty orders pursuant to 10 U.S.C. § 1209 and 1211.

(2) Members or veterans of the uniformed services who are severely injured and medically discharged or retired for a period of one year after medical discharge or retirement.

(3) Members of the uniformed services who die on active duty or as a result of injuries sustained on active duty for a period of one year after death.

*b.* The provisions of this interstate compact shall only apply to local education agencies as defined in this compact.

*c.* The provisions of this compact shall not apply to the children of any of the following:

(1) Inactive members of the national guard and military reserves.

(2) Members of the uniformed services now retired, except as provided in paragraph *"a"*.

(3) Veterans of the uniformed services, except as provided in paragraph *"a"*.

(4) Other United States department of defense personnel and other federal agency civilian and contract employees not defined as active duty members of the uniformed services.

4. *Article IV — Educational records and enrollment.*

*a.* *Unofficial or hand-carried education records.* In the event that official education records cannot be released to the parents for the purpose of transfer, the custodian of the records in the sending state shall prepare and furnish to the parent a complete set of unofficial educational records containing uniform information as determined by the interstate commission. Upon receipt of the unofficial education records by a school in the receiving state, the school shall enroll and appropriately place the student based on the information provided in the unofficial records pending validation by the official records, as quickly as possible.

*b.* *Official education records or transcripts.* Simultaneous with the enrollment and conditional placement of the student, the school in the receiving state shall request the student's official education record from the school in the sending state. Upon receipt of this request, the school in the sending state will process and furnish the official education records to the school in the receiving state within ten days or within such time as is reasonably determined under the rules promulgated by the interstate commission.

*c. Immunizations.* Compacting states shall give students thirty days from the date of enrollment or such time as is reasonably determined under the rules promulgated by the interstate commission, to obtain any immunization required by the receiving state. For a series of immunizations, initial vaccinations must be obtained within thirty days or within such time as is reasonably determined under the rules promulgated by the interstate commission.

*d. Kindergarten and first grade entrance age.* Students shall be allowed to continue their enrollment at grade level in the receiving state commensurate with their grade level, including kindergarten, from a local education agency in the sending state at the time of transition, regardless of age. A student who has satisfactorily completed the prerequisite grade level in the local education agency in the sending state shall be eligible for enrollment in the next highest grade level in the receiving state, regardless of age. A student transferring after the start of the school year in the receiving state shall enter the school in the receiving state on the student's validated level from an accredited school in the sending state.

5. *Article V — Placement and attendance.*

*a. Course placement.* When the student transfers before or during the school year, the receiving state school shall initially honor placement of the student in educational courses based on the student's enrollment in the sending state school or educational assessments conducted at the school in the sending state if the courses are offered, or both. Course placement includes but is not limited to honors, international baccalaureate, advanced placement, vocational, technical, and career pathways courses. Continuing the student's academic program from the previous school and promoting placement in academically and career challenging courses should be paramount when considering placement. This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement and continued enrollment of the student in the course.

*b. Educational program placement.* The receiving state school shall initially honor placement of the student in educational programs based on current educational assessments conducted at the school in the sending state or participation and placement in like programs in the sending state. Such programs include but are not limited to gifted and talented programs and English as a second language programs. This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement of the student.

*c. Special education services.* In compliance with the federal requirements of the Individuals with Disabilities Education Act, 20 U.S.C. § 1400 et seq., the receiving state shall initially provide comparable services to a student with disabilities based on the student's current individualized education program; and, in compliance with the requirements of section 504 of the Rehabilitation Act, 29 U.S.C. § 794, and with Tit. II of the Americans with Disabilities Act, 42 U.S.C. § 12131-12165, the receiving state shall make reasonable accommodations and modifications to address the needs of incoming students with disabilities, subject to an existing section 504 or Tit. II plan, to provide the student with equal access to education. This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement of the student.

*d. Placement flexibility.* Local education agency administrative officials shall have flexibility in waiving course and program prerequisites, or other preconditions for placement in courses and programs offered under the jurisdiction of the local education agency.

*e. Absence as related to deployment activities.* A student whose parent or legal guardian is an active duty member of the uniformed services, as defined by this compact, and has been called to duty for, is on leave from, or immediately returned from deployment to a combat zone or combat support posting, shall be granted additional excused absences at the discretion of the local education agency superintendent to visit with the student's parent or legal guardian relative to such leave or deployment of the parent or guardian.

6. *Article VI — Eligibility.*

*a. Eligibility for enrollment.*

(1) Special power of attorney, relative to the guardianship of a child of a military family and executed under applicable law shall be sufficient for the purposes of enrollment and all other actions requiring parental participation and consent.

(2) A local education agency shall be prohibited from charging local tuition to a transitioning military child placed in the care of a noncustodial parent or other person standing in loco parentis who lives in a jurisdiction other than that of the custodial parent.

(3) A transitioning military child, placed in the care of a noncustodial parent or other person standing in loco parentis who lives in a jurisdiction other than that of the custodial parent, may continue to attend the school in which the child was enrolled while residing with the custodial parent.

*b. Eligibility for extracurricular participation.* State and local education agencies shall facilitate the opportunity for transitioning military children's inclusion in extracurricular activities, regardless of application deadlines, to the extent they are otherwise qualified.

7. *Article VII — Graduation.* In order to facilitate the on-time graduation of children of military families, states and local education agencies shall incorporate the following procedures:

*a. Waiver requirements.* Local education agency administrative officials shall waive specific courses required for graduation if similar course work has been satisfactorily completed in another local education agency or shall provide reasonable justification for denial. Should a waiver not be granted to a student who would qualify to graduate from the sending school, the local education agency shall provide an alternative means of acquiring required coursework so that graduation may occur on time.

*b. Exit exams.*

(1) States shall accept any of the following in lieu of testing requirements for graduation in the receiving state:

(a) Exit or end-of-course exams required for graduation from the sending state.

(b) National norm-referenced achievement tests.

(c) Alternative testing.

(2) In the event the above alternatives cannot be accommodated by the receiving state for a student transferring in the student's senior year, then the provisions of paragraph "*c*" shall apply.

*c. Transfers during senior year.* Should a military student transferring at the beginning or during the student's senior year be ineligible to graduate from the receiving local education agency after all alternatives have been considered, the sending and receiving local education agencies shall ensure the receipt of a diploma from the sending local education agency, if the student meets the graduation requirements of the sending local education agency. In the event that one of the states in question is not a member of this compact, the member state shall use best efforts to facilitate the on-time graduation of the student in accordance with paragraphs "*a*" and "*b*".

8. *Article VIII — State coordination.*

*a.* Each member state shall, through the creation of a state council or use of an existing body or board, provide for the coordination among its agencies of government, local education agencies and military installations concerning the state's participation in, and compliance with, this compact and interstate commission activities. While each member state may determine the membership of its own state council, its membership must include at least: the director of the department of education, a superintendent of a school district with a high concentration of military children, a representative from a military installation, one representative each from the legislative and executive branches of government, and other offices and stakeholder groups the state council deems appropriate. A member state that does not have a school district deemed to contain a high concentration of military children may appoint a superintendent from another school district to represent local education agencies on the state council.

*b.* The state council of each member state shall appoint or designate a military family education liaison to assist military families and the state in facilitating the implementation of this compact.

*c.* The compact commissioner responsible for the administration and management of the state's participation in this compact shall be appointed by the governor or as otherwise determined by each member state.

*d.* The compact commissioner and the military family education liaison designated in

sections 256H.2 and 256H.3 shall be ex officio members of the state council, unless either is already a full voting member of the state council.

9. *Article IX — Interstate commission on educational opportunity for military children.* The member states hereby create the interstate commission on educational opportunity for military children. The activities of the interstate commission are the formation of public policy and are a discretionary state function. The interstate commission shall:

*a.* Be a body corporate and joint agency of the member states and shall have all the responsibilities, powers, and duties set forth herein, and such additional powers as may be conferred upon it by a subsequent concurrent action of the respective legislatures of the member states in accordance with the terms of this compact.

*b.* Consist of one interstate commission voting representative from each member state who shall be that state's compact commissioner.

(1) Each member state represented at a meeting of the interstate commission is entitled to one vote.

(2) A majority of the total member states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the interstate commission.

(3) A representative shall not delegate a vote to another member state. In the event the compact commissioner is unable to attend a meeting of the interstate commission, the governor or state council may delegate voting authority to another person from the compact commissioner's state for a specified meeting.

(4) The bylaws may provide for meetings of the interstate commission to be conducted by telecommunication or electronic communication.

*c.* Consist of ex officio, nonvoting representatives who are members of interested organizations. Such ex officio members, as defined in the bylaws, may include but not be limited to members of the representative organizations of military family advocates, local education agency officials, parent and teacher groups, the United States department of defense, the education commission of the states, the interstate agreement on the qualification of educational personnel and other interstate compacts affecting the education of children of military members.

*d.* Meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of a simple majority of the member states, shall call additional meetings.

*e.* Establish an executive committee, whose members shall include the officers of the interstate commission and such other members of the interstate commission as determined by the bylaws. Members of the executive committee shall serve a one-year term. Members of the executive committee shall be entitled to one vote each. The executive committee shall have the power to act on behalf of the interstate commission, with the exception of rulemaking, during periods when the interstate commission is not in session. The executive committee shall oversee the day-to-day activities of the administration of this compact including enforcement and compliance with the provisions of this compact, its bylaws and rules, and other such duties as deemed necessary. The United States department of defense shall serve as an ex officio, nonvoting member of the executive committee.

*f.* Establish bylaws and rules that provide for conditions and procedures under which the interstate commission shall make its information and official records available to the public for inspection or copying. The interstate commission may exempt from disclosure information or official records to the extent disclosure would adversely affect personal privacy rights or proprietary interests.

*g.* Give public notice of all meetings and all meetings shall be open to the public, except as set forth in the rules or as otherwise provided in this compact. The interstate commission and its committees may close a meeting, or portion thereof, where it determines by two-thirds vote that an open meeting would likely do any of the following:

(1) Relate solely to the interstate commission's internal personnel practices and procedures.

(2) Disclose matters specifically exempted from disclosure by federal and state statute.

(3) Disclose trade secrets or commercial or financial information which is privileged or confidential.

(4) Involve accusing a person of a crime, or formally censuring a person.

(5) Disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy.

(6) Disclose investigative records compiled for law enforcement purposes.

(7) Specifically relate to the interstate commission's participation in a civil action or other legal proceeding.

*h.* Cause its legal counsel or designee to certify that a meeting may be closed and shall reference each relevant exemptible provision for any meeting, or portion of a meeting, which is closed pursuant to this provision. The interstate commission shall keep minutes which shall fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed and the record of a roll call vote. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the interstate commission.

*i.* Collect standardized data concerning the educational transition of the children of military families under this compact as directed through its rules which shall specify the data to be collected, the means of collection, and data exchange and reporting requirements. Such methods of data collection, exchange, and reporting shall, in so far as is reasonably possible, conform to current technology and coordinate its information functions with the appropriate custodian of records as identified in the bylaws and rules.

*j.* Create a process that permits military officials, education officials, and parents to inform the interstate commission if and when there are alleged violations of this compact or its rules or when issues subject to the jurisdiction of this compact or its rules are not addressed by the state or local education agency. This section shall not be construed to create a private right of action against the interstate commission or any member state.

10. *Article X — Powers and duties of the interstate commission.* The interstate commission shall have the following powers:

*a.* To provide for dispute resolution among member states.

*b.* To promulgate rules and take all necessary actions to effect the goals, purposes, and obligations as enumerated in this compact. The rules shall have the force and effect of statutory law and shall be binding in the compact states to the extent and in the manner provided in this compact.

*c.* To issue, upon request of a member state, advisory opinions concerning the meaning or interpretation of this compact, its bylaws, rules, and actions.

*d.* To enforce compliance with the compact provisions, the rules promulgated by the interstate commission, and the bylaws, using all necessary and proper means, including but not limited to the use of judicial process.

*e.* To establish and maintain offices which shall be located within one or more of the member states.

*f.* To purchase and maintain insurance and bonds.

*g.* To borrow, accept, hire, or contract for services of personnel.

*h.* To establish and appoint committees including but not limited to an executive committee as required by article IX of this compact which shall have the power to act on behalf of the interstate commission in carrying out its powers and duties under this compact.

*i.* To elect or appoint such officers, attorneys, employees, agents, or consultants, and to fix their compensation, define their duties, and determine their qualifications; and to establish the interstate commission's personnel policies and programs relating to conflicts of interest, rates of compensation, and qualifications of personnel.

*j.* To accept any and all donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of it.

*k.* To lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed.

*l.* To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed.

*m.* To establish a budget and make expenditures.

*n.* To adopt a seal and bylaws governing the management and operation of the interstate commission.

*o.* To report annually to the legislatures, governors, judiciary, and state councils of the member states concerning the activities of the interstate commission during the preceding year. Such reports shall also include any recommendations that may have been adopted by the interstate commission.

*p.* To coordinate education, training, and public awareness regarding this compact, its implementation and operation for officials and parents involved in such activity.

*q.* To establish uniform standards for the reporting, collecting, and exchanging of data.

*r.* To maintain corporate books and records in accordance with the bylaws.

*s.* To perform such functions as may be necessary or appropriate to achieve the purposes of this compact.

*t.* To provide for the uniform collection and sharing of information between and among member states, schools, and military families under this compact.

11. *Article XI — Organization and operation of the interstate commission.*

*a.* The interstate commission shall, by a majority of the members present and voting, within twelve months after the first interstate commission meeting, adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of this compact, including but not limited to:

(1) Establishing the fiscal year of the interstate commission.

(2) Establishing an executive committee, and such other committees as may be necessary.

(3) Providing for the establishment of committees and for governing any general or specific delegation of authority or function of the interstate commission.

(4) Providing reasonable procedures for calling and conducting meetings of the interstate commission, and ensuring reasonable notice of each such meeting.

(5) Establishing the titles and responsibilities of the officers and staff of the interstate commission.

(6) Providing a mechanism for concluding the operations of the interstate commission and the return of surplus funds that may exist upon the termination of this compact after the payment and reserving of all of its debts and obligations.

(7) Providing start-up rules for initial administration of this compact.

*b.* The interstate commission shall, by a majority of the members, elect annually from among its members a chairperson, a vice chairperson, and a treasurer, each of whom shall have such authority and duties as may be specified in the bylaws. The chairperson or, in the chairperson's absence or disability, the vice chairperson, shall preside at all meetings of the interstate commission. The officers so elected shall serve without compensation or remuneration from the interstate commission; provided that, subject to the availability of budgeted funds, the officers shall be reimbursed for ordinary and necessary costs and expenses incurred by them in the performance of their responsibilities as officers of the interstate commission.

*c.* (1) The executive committee shall have such authority and duties as may be set forth in the bylaws, including but not limited to the following:

(a) Managing the affairs of the interstate commission in a manner consistent with the bylaws and purposes of the interstate commission.

(b) Overseeing an organizational structure within, and appropriate procedures for the interstate commission to provide for the creation of rules, operating procedures, and administrative and technical support functions.

(c) Planning, implementing, and coordinating communications and activities with other state, federal, and local government organizations in order to advance the goals of the interstate commission.

(2) The executive committee may, subject to the approval of the interstate commission, appoint or retain an executive director for such period, upon such terms and conditions and for such compensation, as the interstate commission may deem appropriate. The executive

director shall serve as secretary to the interstate commission, but shall not be a member of the interstate commission. The executive director shall hire and supervise such other persons as may be authorized by the interstate commission.

*d.* The interstate commission's executive director and its employees shall be immune from suit and liability, either personally or in their official capacity, for a claim for damage to or loss of property or personal injury or other civil liability caused or arising out of or relating to an actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred, within the scope of interstate commission employment, duties, or responsibilities; provided, that such person shall not be protected from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of such person.

(1) The liability of the interstate commission's executive director and employees or interstate commission representatives, acting within the scope of such person's employment or duties for acts, errors, or omissions occurring within such person's state shall not exceed the limits of liability set forth under the Constitution and laws of that state for state officials, employees, and agents. The interstate commission is considered to be an instrumentality of the states for the purposes of any such action. Nothing in this paragraph "*d*" shall be construed to protect such person from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of such person.

(2) The interstate commission shall defend the executive director and its employees and, subject to the approval of the attorney general or other appropriate legal counsel of the member state represented by an interstate commission representative, shall defend such interstate commission representative in any civil action seeking to impose liability arising out of an actual or alleged act, error, or omission that occurred within the scope of interstate commission employment, duties, or responsibilities, or that the defendant had a reasonable basis for believing occurred within the scope of interstate commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such person.

(3) To the extent not covered by the state involved, member state, or the interstate commission, the representatives or employees of the interstate commission shall be held harmless in the amount of a settlement or judgment, including attorney's fees and costs, obtained against such persons arising out of an actual or alleged act, error, or omission that occurred within the scope of interstate commission employment, duties, or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of interstate commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such persons.

12. *Article XII — Rulemaking functions of the interstate commission.*

*a.* The interstate commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purposes of this compact. Notwithstanding the foregoing, in the event the interstate commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of this compact, or the powers granted under this compact, then such an action by the interstate commission shall be invalid and have no force or effect.

*b.* Rules shall be made pursuant to a rulemaking process that substantially conforms to the model state administrative procedure Act of 1981, uniform laws annotated, as amended, as may be appropriate to the operations of the interstate commission.

*c.* Not later than thirty days after a rule is promulgated, any person may file a petition for judicial review of the rule; provided, that the filing of such a petition shall not stay or otherwise prevent the rule from becoming effective unless the court finds that the petitioner has a substantial likelihood of success. The court shall give deference to the actions of the interstate commission consistent with applicable law and shall not find the rule to be unlawful if the rule represents a reasonable exercise of the interstate commission's authority.

*d.* If a majority of the legislatures of the compacting states rejects a rule by enactment of a statute or resolution in the same manner used to adopt this compact, then such rule shall have no further force and effect in any compacting state.

13. *Article XIII — Oversight, enforcement, and dispute resolution.*

*a. Oversight.*

(1) The executive, legislative, and judicial branches of state government in each member state shall enforce this compact and shall take all actions necessary and appropriate to effectuate this compact's purposes and intent. The provisions of this compact and the rules promulgated under this compact shall have standing as statutory law.

(2) All courts shall take judicial notice of this compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the interstate commission.

(3) The interstate commission shall be entitled to receive all service of process in any such proceeding, and shall have standing to intervene in the proceeding for all purposes. Failure to provide service of process to the interstate commission shall render a judgment or order void as to the interstate commission, this compact, or promulgated rules.

*b. Default, technical assistance, suspension, and termination.*

(1) If the interstate commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact, or the bylaws or promulgated rules, the interstate commission shall:

(a) Provide written notice to the defaulting state and other member states, of the nature of the default, the means of curing the default, and any action taken by the interstate commission. The interstate commission shall specify the conditions by which the defaulting state must cure its default.

(b) Provide remedial training and specific technical assistance regarding the default.

(2) If the defaulting state fails to cure the default, the defaulting state shall be terminated from this compact upon an affirmative vote of a majority of the member states and all rights, privileges, and benefits conferred by this compact shall be terminated from the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of the default.

(3) Suspension or termination of membership in this compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the interstate commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

(4) The state which has been suspended or terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of suspension or termination including obligations, the performance of which extends beyond the effective date of suspension or termination.

(5) The interstate commission shall not bear any costs relating to any state that has been found to be in default or which has been suspended or terminated from the compact, unless otherwise mutually agreed upon in writing between the interstate commission and the defaulting state.

(6) The defaulting state may appeal the action of the interstate commission by petitioning the United States district court for the District of Columbia or the federal district where the interstate commission has its principal offices. The prevailing party shall be awarded all costs of such litigation including reasonable attorney's fees.

*c. Dispute resolution.*

(1) The interstate commission shall attempt, upon the request of a member state, to resolve disputes which are subject to this compact and which may arise among member states and between member and nonmember states.

(2) The interstate commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

*d. Enforcement.*

(1) The interstate commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact.

(2) The interstate commission, may by majority vote of the members, initiate legal action in the United States district court for the District of Columbia or, at the discretion of the interstate commission, in the federal district where the interstate commission has its principal offices, to enforce compliance with the provisions of this compact, its promulgated rules and bylaws, against a member state in default. The relief sought may include both injunctive

relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation including reasonable attorney's fees.

(3) The remedies in this compact shall not be the exclusive remedies of the interstate commission. The interstate commission may avail itself of any other remedies available under state law or the regulation of a profession.

14. *Article XIV — Financing of the interstate commission.*

*a.* The interstate commission shall pay, or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities.

*b.* The interstate commission may levy on and collect an annual assessment from each member state to cover the cost of the operations and activities of the interstate commission and its staff which must be in a total amount sufficient to cover the interstate commission's annual budget as approved each year. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the interstate commission, which shall promulgate a rule binding upon all member states.

*c.* The interstate commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the interstate commission pledge the credit of any of the member states, except by and with the authority of the member state.

*d.* The interstate commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the interstate commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the interstate commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the interstate commission.

15. *Article XV — Member states, effective date, and amendment.*

*a.* Any state is eligible to become a member state.

*b.* This compact shall become effective and binding upon legislative enactment of this compact into law by no less than ten of the states. The effective date shall be no earlier than December 1, 2007. Thereafter it shall become effective and binding as to any other member state upon enactment of this compact into law by that state. The governors of nonmember states or their designees shall be invited to participate in the activities of the interstate commission on a nonvoting basis prior to adoption of this compact by all states.

*c.* The interstate commission may propose amendments to this compact for enactment by the member states. An amendment shall not become effective and binding upon the interstate commission and the member states unless and until it is enacted into law by unanimous consent of the member states.

16. *Article XVI — Withdrawal and dissolution.*

*a. Withdrawal.*

(1) Once effective, this compact shall continue in force and remain binding upon each and every member state; provided that a member state may withdraw from this compact by specifically repealing the statute which enacted this compact into law.

(2) Withdrawal from this compact shall be by the enactment of a statute repealing the same, but shall not take effect until one year after the effective date of such statute and until written notice of the withdrawal has been given by the withdrawing state to the governor of each other member jurisdiction.

(3) The withdrawing state shall immediately notify the chairperson of the interstate commission in writing upon the introduction of legislation repealing this compact in the withdrawing state. The interstate commission shall notify the other member states of the withdrawing state's intent to withdraw within sixty days of its receipt of the notice.

(4) The withdrawing state is responsible for all assessments, obligations, and liabilities incurred through the effective date of withdrawal, including obligations, the performance of which extend beyond the effective date of withdrawal.

(5) Reinstatement following withdrawal of a member state shall occur upon the withdrawing state reenacting this compact or upon such later date as determined by the interstate commission.

*b. Dissolution of compact.*

(1) This compact shall dissolve effective upon the date of the withdrawal or default of the member state which reduces the membership in this compact to one member state.

(2) Upon the dissolution of this compact, this compact becomes null and void and shall be of no further force or effect, and the business and affairs of the interstate commission shall be concluded and surplus funds shall be distributed in accordance with the bylaws.

17. *Article XVII — Severability and construction.*

*a.* The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

*b.* The provisions of this compact shall be liberally construed to effectuate its purposes.

*c.* Nothing in this compact shall be construed to prohibit the applicability of other interstate compacts to which the states are members.

18. *Article XVIII — Binding effect of compact and other laws.*

*a. Other laws.*

(1) Nothing in this compact prevents the enforcement of any other law of a member state that is not inconsistent with this compact.

(2) All member states' laws conflicting with this compact are superseded to the extent of the conflict.

*b. Binding effect of the compact.*

(1) All lawful actions of the interstate commission, including all rules and bylaws promulgated by the interstate commission, are binding upon the member states.

(2) All agreements between the interstate commission and the member states are binding in accordance with their terms.

(3) In the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any member state, such provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

2009 Acts, ch 31, §1, 4; 2011 Acts, ch 34, §66

Referred to in §256H.2, 256H.3

**256H.2 Council on educational opportunity for military children.**

1. A council on educational opportunity for military children is created to provide advice and recommendations regarding this state's participation in and compliance with the interstate compact on educational opportunity for military children in accordance with section 256H.1.

2. The council shall consist of the following seven members:

*a.* The director of the department of education or the director's designee.

*b.* The superintendent, or the superintendent's designee, for the school district with the highest percentage per capita of military children during the previous school year.

*c.* Two members appointed by the governor, one of whom shall represent a military installation located within this state and one of whom shall represent the executive branch and possess experience in assisting military families in obtaining educational services for their children. The term of each member appointed under this paragraph shall be for four years, except that, in order to provide for staggered terms, the governor shall initially appoint one member to a term of two years and one member to a term of three years.

*d.* One member appointed jointly by the president of the senate and the speaker of the house of representatives as provided in sections 2.32A and 69.16B.

*e.* The compact commissioner appointed pursuant to section 256H.3 and the military family education liaison appointed in accordance with subsection 4, shall serve as nonvoting, ex officio members of the council unless already appointed to the council as voting members. The compact commissioner and the military family education liaison shall serve at the pleasure of the governor.

3. Nonlegislative members of the council shall serve without compensation, but shall receive their actual and necessary expenses and travel incurred in the performance of their duties. Vacancies on the commission shall be filled for the unexpired portion of the term in the same manner as the original appointments.

4. The council shall appoint a military family education liaison pursuant to section 256H.1,

article VIII of the interstate compact on educational opportunity for military children, to assist military families and the state in facilitating the implementation of this compact.

5. The council shall comply with the requirements of chapters 21 and 22.

6. The department of education shall provide administrative support to the council.

2009 Acts, ch 31, §2, 4

Referred to in §256H.1

**256H.3 Compact commissioner — appointment.**

In accordance with section 256H.1, article VIII of the interstate compact on educational opportunity for military children, the governor shall designate a compact commissioner, who shall serve at the pleasure of the governor and who shall be responsible for the administration and management of this state's participation in the compact and shall serve as this state's voting representative on the interstate commission on educational opportunity for military children as provided in section 256H.1, article IX of the compact.

2009 Acts, ch 31, §3, 4

Referred to in §256H.1, 256H.2

# CHAPTER 256I

## EARLY CHILDHOOD IOWA INITIATIVE

Referred to in §135.106, 237A.26, 256C.4, 915.35

Initial early childhood Iowa state board membership to be composed of Iowa empowerment board membership; transition from community empowerment areas and boards to early childhood Iowa areas and boards; rules adopted to implement community empowerment initiative under former chapter 28 applicable until superseded; transition of contracts and remission of unobligated or unexpended community empowerment initiative funds to early childhood Iowa initiative; 2010 Acts, ch 1031, §310


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**256I.1 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Department"* means the department of management.

2. *"Desired results"* means the set of desired results for improving the quality of life in this state for young children and their families identified in section 256I.2.

3. *"Early care"*, *"early care services"*, or *"early care system"* means the programs, services, support, or other assistance made available to a parent or other person who is involved with addressing the health and education needs of a child from zero through age five. *"Early care"*, *"early care services"*, or *"early care system"* includes but is not limited to public and private efforts and formal and informal settings.

4. *"Early childhood Iowa area"* means a geographic area designated in accordance with this chapter.

5. *"Early childhood Iowa area board"* or *"area board"* means the board for an early childhood Iowa area created in accordance with this chapter.

6. *"Early childhood Iowa state board"* or *"state board"* means the early childhood Iowa state board created in section 256I.3.

2010 Acts, ch 1031, §278

**256I.2 Desired results — purpose and scope.**

1. It is intended that through the early childhood Iowa initiative every community in Iowa will develop the capacity and commitment for using local, informed decision making to achieve the following set of desired results for improving the quality of life in this state for young children and their families:

*a.* Healthy children.

*b.* Children ready to succeed in school.

*c.* Safe and supportive communities.

*d.* Secure and nurturing families.

*e.* Secure and nurturing early learning environments.

2. The purpose of creating the early childhood Iowa initiative is to empower individuals, communities, and state level partners to achieve the desired results. The desired results will be achieved as private and public entities work collaboratively. This initiative creates a partnership between communities and state level partners to support children zero through age five and their families. The role of the early childhood Iowa state board, area boards, and other state and local government agencies is to provide support, leadership, and facilitation of the growth of individual, community, and state responsibility in addressing the desired results.

3. To achieve the desired results, the initiative's primary focus shall be on the efforts of the state and communities to work together to improve the efficiency and effectiveness of early care, education, health, and human services provided to families with children from zero through age five.

2010 Acts, ch 1031, §279

Referred to in §256I.1

**256I.3 Early childhood Iowa state board created.**

1. The early childhood Iowa state board is created to promote a vision for a comprehensive early care, education, health, and human services system in this state. The board shall oversee state and local efforts. The vision shall be achieved through strategic planning, funding identification, guidance, and decision-making authority to assure collaboration among state and local early care, education, health, and human services systems.

2. *a.* The board shall consist of twenty-one voting members with fifteen citizen members and six state agency members. The six state agency members shall be the directors or their designees of the following agencies: economic development authority, education, human rights, human services, public health, and workforce development. The designees of state agency directors shall be selected on an annual basis. The citizen members shall be appointed by the governor, subject to confirmation by the senate. The governor's appointments of citizen members shall be made in a manner so that each of the state's congressional districts is represented by at least two citizen members and so that all the appointments as a whole reflect the ethnic, cultural, social, and economic diversity of the state. A member of the state board shall not be a provider of services or other entity receiving funding through the early childhood Iowa initiative or be employed by such a provider or other entity.

*b.* The governor's appointees shall be selected from individuals nominated by area boards. The nominations shall reflect the range of interests represented on the area boards so that the governor is able to appoint one or more members each for early care, education, health, human services, business, faith, and public interests. At least one of the citizen members shall be a service consumer or the parent of a service consumer. The term of office of the citizen members is three years. A citizen member vacancy on the board shall be filled in the same manner as the original appointment for the balance of the unexpired term.

3. Citizen members shall be reimbursed for actual and necessary expenses incurred in

performance of their duties. Citizen members shall be paid a per diem as specified in section 7E.6.

4. In addition to the voting members, the state board shall include four members of the general assembly with not more than one member from each chamber being from the same political party. The two senators shall be appointed one each by the majority leader of the senate and by the minority leader of the senate. The two representatives shall be appointed one each by the speaker of the house of representatives and by the minority leader of the house of representatives. Legislative members shall serve in an ex officio, nonvoting capacity. A legislative member is eligible for per diem and expenses as provided in section 2.10.

5. The state board shall elect a chairperson from among the citizen members and may select other officers from the voting members as determined to be necessary by the board. The board shall meet regularly as determined by the board, upon the call of the board's chairperson, or upon the call of a majority of voting members. The board shall meet at least quarterly.

2010 Acts, ch 1031, §280; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1021, §56

Referred to in §256I.1

Confirmation; see §2.32

Initial early childhood Iowa state board membership to be composed of Iowa empowerment board membership; transition from community empowerment areas and boards to early childhood Iowa areas and boards; 2010 Acts, ch 1031, §310

**256I.4 Early childhood Iowa state board duties.**

The state board shall perform the following duties:

1. Provide oversight of early childhood Iowa areas.

2. Manage and coordinate the provision of grant funding and other moneys made available to early childhood Iowa areas by combining all or portions of appropriations or other revenues as authorized by law.

3. Approve the geographic boundaries for the early childhood Iowa areas throughout the state and approve any proposed changes in the boundaries.

4. Create a strategic plan that supports a comprehensive system of early care, education, health, and human services. The strategic plan shall be developed with extensive community involvement. The strategic plan shall be annually updated and disseminated to the public. Specific items to be addressed in the strategic plan shall include but are not limited to all of the following:

*a.* Provisions to strengthen the state structure including interagency levels of collaboration, coordination, and integration.

*b.* Provisions for building public-private partnerships.

*c.* Provisions to support consolidating, blending, and redistributing state-administered funding streams and the coordination of federal funding streams. The strategic plan shall also address integration of services provided through area boards, other state and local commissions, committees, and other bodies with overlapping and similar purposes which contribute to redundancy and fragmentation in early care, education, health, and human services programs provided to the public.

*d.* Provisions for improving the efficiency of working with federally mandated bodies.

*e.* Identification of indicators that measure the success of the various strategies that impact communities, families, and children. The indicators shall be developed with input from area boards.

5. Adopt common performance measures and data reporting requirements, applicable statewide, for services, programs, and activities provided by area boards. The data from common performance measures and other data shall be posted on the early childhood Iowa internet site and disseminated by other means and shall also be aggregated to provide statewide information.

6. Assist with the linkage of child welfare and juvenile justice decategorization projects with early childhood Iowa areas.

7. Coordinate and respond to requests from an area board relating to any of the following:

*a.* Waiver of existing rules, federal regulation, or amendment of state law, or removal of other barriers.

*b.* Pooling and redirecting of existing federal, state, or other public or private funds.

*c.* Seeking of federal waivers.

*d.* Consolidating community-level committees, planning groups, and other bodies with common memberships formed in response to state requirements.

8. Develop and implement a levels of excellence rating system for use with the state board's designation process for area boards. Allow for flexibility and creativity of area boards in implementing area board responsibilities and provide authority for the area boards to support the communities in the areas served. The levels of excellence rating system shall utilize a tiered approach for recognizing the performance of an area board. The system shall provide for action to address poor performing areas as well as higher performing areas. Subject to the funding requirements and other requirements established in law, if an area board achieves the highest rating level, the state board may allow special flexibility provisions in regard to the funding appropriated or allocated for that area board. The state board shall determine how often area boards are reviewed under the system.

9. Adopt rules pursuant to chapter 17A as necessary for the designation, governance, and oversight of area boards and the administration of this chapter. The state board shall provide for area board input in the rules adoption process.

10. Develop guidelines for recommended insurance or other liability coverage and take other actions to assist area boards in acquiring such coverage at a reasonable cost. Moneys expended by an area board to acquire necessary insurance or other liability coverage shall be considered an administrative cost.

11. In January each year, submit an annual report to the governor and general assembly that includes but is not limited to all of the following:

*a.* Any updates to the strategic plan.

*b.* The status and results of the early childhood Iowa initiative efforts to engage the public regarding the early care, education, health, human services, and other needs of children zero through age five.

*c.* The status and results of the efforts to develop and promote private sector involvement with the early care system.

*d.* The status of the early childhood Iowa initiative and the overall early care system in achieving the set of desired results.

*e.* The data and common performance measures addressed by the strategic plan, which shall include but is not limited to funding amounts.

*f.* The indicators addressed by the strategic plan along with associated data trends and their source.

12. Integrate statewide quality standards and results indicators adopted by other boards and commissions into the state board's funding requirements for investments in early care, health, education, and human services.

13. Ensure alignment of other state departments' activities with the strategic plan.

14. Develop and keep current memoranda of agreements between the state agencies represented on the state board to promote system development and integration and to clarify the roles and responsibilities of partner agencies.

15. Work with the early childhood Iowa office in building public-private partnerships for promoting the collaborative early care, education, health, and human services system.

16. Support and align the early childhood Iowa internet site with other agencies and improve internet communication.

17. Except for the fiscal oversight measures to be adopted by the department, adopt rules to implement this chapter. The rules shall include but are not limited to the following:

*a.* Indicators of the effectiveness of early childhood Iowa areas, area boards, and the services provided under the auspices of the area boards. The indicators shall be developed with input from area boards and shall build upon the core indicators of effectiveness for the school ready children grant program.

*b.* Minimum standards to further the provision of equal access to services subject to the authority of area boards.

*c.* Core functions for family support services, parent education programs, preschool services provided under a school ready children grant, and other programs and services provided under this chapter. The state board shall also develop guidelines and standards

for state-supported family support programs, based upon existing guidelines and standards for the services.

18. Address other measures to advance the initiative. The measures may include any of the following:

*a.* Advance the development of integrated data systems.

*b.* Expand efforts to improve quality and utilize evidence-based practices.

*c.* Further develop kindergarten assessment approaches that are tied to state early learning standards.

2010 Acts, ch 1031, §281

Referred to in §256I.13

**256I.5 Early childhood Iowa coordination staff.**

1. The department shall provide administrative support for implementation of the early childhood Iowa initiative and for the state board. The department shall adopt rules in consultation with the state board to provide fiscal oversight of the initiative. The fiscal oversight measures adopted shall include but are not limited to all of the following:

*a.* Reporting and other requirements to address the financial activities employed by area boards.

*b.* Regular audits and other requirements of fiscal agents for area boards.

*c.* Requirements for area boards to undertake and report on fiscal and performance reviews of the programs, contracts, services, and other functions funded by the area boards.

2. An early childhood Iowa office is established in the department to provide leadership for facilitation, communication, and coordination for the early childhood Iowa initiative activities and funding and for improvement of the early care, education, health, and human services systems. An administrator for the early childhood Iowa office shall be appointed by the director of the department. Other staff may also be designated, subject to appropriation made for this purpose.

3. The state agencies represented on the state board may designate additional staff, as part of the early childhood Iowa initiative, to work as a technical assistance team with the office in providing coordination and other support to the state's comprehensive early care, education, health, and human services system.

4. The office shall work with the state and area boards to provide leadership for comprehensive system development. The office shall also do all of the following:

*a.* Enter into memoranda of agreement with the departments of education, human rights, human services, public health, and workforce development and the economic development authority to formalize the commitments of the respective departments and the authority to collaborating with and integrating a comprehensive early care, education, health, and human services system. Items addressed in the memoranda shall include but are not limited to data sharing and providing staffing to the technical assistance team.

*b.* Work with private businesses, foundations, and nonprofit organizations to develop sustained funding.

*c.* Maintain the internet site in accordance with section 256I.10.

*d.* Propose any needed revisions to administrative rules based on stakeholder input.

*e.* Provide technical support to the state and area boards and to the early childhood Iowa areas through staffing services made available through the state agencies that serve on the state board.

*f.* Develop, collect, disseminate, and provide guidance for common performance measures for the programs receiving funding under the auspices of the area boards.

*g.* If a disagreement arises within an early childhood Iowa area regarding the interests represented on the area's board, board decisions, or other disputes that cannot be locally resolved, upon request, provide state or regional technical assistance as deemed appropriate by the office to assist the area in resolving the disagreement.

2010 Acts, ch 1031, §282; 2011 Acts, ch 118, §87, 89; 2012 Acts, ch 1021, §57

Referred to in §256I.9, 279.60

**256I.6 Early childhood Iowa areas.**

1. The purpose of an early childhood Iowa area is to enable local citizens to lead collaborative efforts involving early care, education, health, and human services on behalf of the children, families, and other citizens residing in the area. Leadership functions may include but are not limited to strategic planning for and oversight and managing of such programs and the funding made available to the early childhood Iowa area for such programs from federal, state, local, and private sources. The focus of the area shall be to achieve the desired results and to improve other results for families with young children.

2. An early childhood Iowa area shall be designated by using existing county boundaries to the extent possible.

3. The designation of an early childhood Iowa area's boundaries and the creation of an area board are both subject to the approval of the state board. The state board shall determine if a proposed area board can efficiently and effectively administer the responsibilities and authority of the area to be served. The state board may apply additional criteria for designating areas and approving area boards, but shall apply all of the following minimum criteria:

*a.* An area cannot encompass more than four counties.

*b.* The counties encompassing a multicounty area must have contiguous borders.

*c.* A single county area shall have a minimum population of children zero through age five in excess of five thousand, based on the most recent population estimates issued by the United States bureau of the census.

4. If the state board determines exceptional circumstances exist, the state board may waive any of the criteria otherwise specified in subsection 3.

2010 Acts, ch 1031, §283

**256I.7 Early childhood Iowa area boards created.**

1. *a.* The early childhood Iowa functions for an area shall be performed under the authority of an early childhood Iowa area board. The members of an area board shall be elected officials or members of the public who are not employed by a provider of services to or for the area board. In addition, the membership of an area board shall include representation from early care, education, health, human services, business, and faith interests, and at least one parent, grandparent, or guardian of a child from zero through age five. However, not more than one member shall represent the same entity or interest.

*b.* Terms of office of area board members shall be not more than three years and the terms shall be staggered.

2. An area board may designate an advisory council consisting of persons employed by or otherwise paid to represent an entity listed in subsection 1 or other provider of service. However, the deliberations of and documents considered by such an advisory council shall be public.

3. An area board shall elect a chairperson from among the members who are citizens or elected officials.

4. An area board is a unit of local government for purposes of chapter 670, relating to tort liability of governmental subdivisions. For purposes of implementing a formal organizational structure, an area board may utilize recommended guidelines and bylaws established for this purpose by the state board.

5. All meetings of an area board or any committee or other body established by an area board at which public business is discussed or formal action taken shall comply with the requirements of chapter 21. An area board shall maintain its records in accordance with chapter 22.

2010 Acts, ch 1031, §284; 2010 Acts, ch 1183, §18; 2013 Acts, ch 141, §11
Subsection 1, paragraph a amended

**256I.8 Early childhood Iowa area board duties.**

1. An early childhood Iowa area board shall do all of the following:

*a.* Designate a public agency of this state, as defined in section 28E.2, a community action agency as defined in section 216A.91, an area education agency established under section

273.2, or a nonprofit corporation, to be the fiscal agent for grant moneys and for other moneys administered by the area board.

*b.* Administer early childhood Iowa grant moneys available from the state to the area board as provided by law and other federal, state, local, and private moneys made available to the area board. Eligibility for receipt of early childhood Iowa grant moneys shall be limited to those early childhood area boards that have developed an approved community plan in accordance with this chapter. An early childhood area board may apply to the state board for any private moneys received by the early childhood Iowa initiative outside of a state appropriation.

*c.* Develop a comprehensive community plan for providing services for children from zero through age five. At a minimum, the plan shall do all of the following:

(1) Describe community and area needs for children from zero through age five as identified through ongoing assessments.

(2) Describe the current and desired levels of community and area coordination of services for children from zero through age five, including the involvement and specific responsibilities of all related organizations and entities.

(3) Identify all federal, state, local, and private funding sources including funding estimates available in the early childhood Iowa area that will be used to provide services to children from zero through age five.

(4) Describe how funding sources will be used collaboratively and the degree to which the sources can be combined to provide necessary services to young children and their families.

(5) Identify the desired results and the community-wide indicators the area board expects to address through implementation of the comprehensive community plan. The plan shall identify community-specific, quantifiable performance measures to be reported in the area board's annual report and integration with the strategic plan adopted by the state board.

(6) Describe the current status of support services to prevent the spread of infectious diseases, prevent child injuries, develop health emergency protocols, help with medication, and care for children with special health needs that are being provided to child care facilities registered or licensed under chapter 237A within the early childhood Iowa area.

*d.* Submit an annual report on the effectiveness of the community plan in addressing school readiness and children's health and safety needs to the state board and to the local government bodies in the area. The annual report shall indicate the effectiveness of the area board in addressing state and locally determined goals.

*e.* Function as a coordinating body for services offered by different entities directed to similar purposes within the area.

*f.* Assume other responsibilities established by law or administrative rule.

*g.* Cooperate with the state board, department of education, and school districts and other local education agencies in securing unique student identifiers, in compliance with all applicable federal and state confidentiality provisions.

2. An area board may do any of the following:

*a.* Designate one or more committees to assist with area board functions.

*b.* Utilize community bodies for input to the area board and implementation of services.

3. An area board shall not be a provider of services to or for the area board.

2010 Acts, ch 1031, §285; 2013 Acts, ch 141, §12
NEW subsection 3

**256I.9 School ready children grant program.**

1. The state board shall develop and promote a school ready children grant program which shall provide for all of the following components:

*a.* Identify the performance measures that will be used to assess the effectiveness of the school ready children grants, including the amount of early intellectual stimulation of very young children, the basic skill levels of students entering school, the health status of children, the incidence of child abuse and neglect, the level of involvement by parents with their children, and the degree of quality of an accessibility to child care.

*b.* Identify guidelines and a process to be used for determining the readiness of an early childhood Iowa area board for administering a school ready children grant.

*c.* Provide for technical assistance concerning funding sources, program design, and other pertinent areas.

2. The state board shall provide maximum flexibility to grantees for the use of the grant moneys included in a school ready children grant, including but not limited to authorizing an area board to use grant moneys to pay for regular audits required pursuant to section 256I.5, subsection 1, if moneys distributed to an area board for administrative costs are insufficient to pay for the required audits.

3. A school ready children grant shall, to the extent possible, be used to support programs that meet quality standards identified by the state board. At a minimum, a grant shall be used to provide all of the following:

*a.* Preschool services provided on a voluntary basis to children deemed at risk.

*b.* (1) Family support services and parent education programs promoted to parents of children from zero through age five. Family support services shall include but are not limited to home visitation. Of the state funding that an area board designates for family support programs, at least sixty percent shall be committed to programs with a home visitation component.

(2) It is the intent of the general assembly that priority for home visitation program funding be given to programs using evidence-based or promising models for home visitation.

*c.* Other services to support the strategic plan developed by the state board.

*d.* Services to improve the quality and availability of all types of child care. The services may include but are not limited to making nurse consultants available to support quality improvement.

4. *a.* A school ready children grant shall be awarded to an area board annually, as funding is available. Receipt of continued funding is subject to submission of the required annual report and the state board's determination that the area board is measuring, through the use of performance measures and community-wide indicators developed by the state board with input from area boards, progress toward and is achieving the desired results and other results identified in the community plan. Each area board shall participate in the levels of excellence rating system to measure the area's success. If the use of performance measures and community-wide indicators does not show that an area board has made progress toward achieving the results identified in the community plan, the state board shall require a plan of corrective action, withhold any increase in funding, or withdraw grant funding.

*b.* The state board shall distribute school ready children grant moneys to area boards with approved comprehensive community plans based upon a determination of an early childhood Iowa area's readiness to effectively utilize the grant moneys. The grant moneys shall be adjusted for other federal and state grant moneys to be received by the area for services to children from zero through age five.

*c.* An area board's readiness shall be determined by evidence of successful collaboration among public and private early care, education, health, and human services interests in the area or a documented program design that supports a strong likelihood of a successful collaboration between these interests. Other criteria which may be used by the state board to determine readiness and funding amounts for an area include one or more of the following:

(1) The levels of excellence rating received by the area.

(2) Evidence of the area's capacity to successfully implement the services in the area's community plan.

(3) Local public and private funding and other resources committed to implementation of the community plan.

(4) The adequacy of plans for commitment of local funding and other resources for implementation of the community plan.

*d.* The provisions for distribution of school ready children grant moneys shall be determined by the state board.

*e.* The amount of school ready children grant funding an area board may carry forward from one fiscal year to the succeeding fiscal year shall not exceed twenty percent of the grant amount for the fiscal year. All of the school ready children grant funds received by an area board for a fiscal year which remain unencumbered or unobligated at the close of a fiscal year shall be carried forward to the succeeding fiscal year. However, the grant amount for

the succeeding fiscal year shall be reduced by the amount in excess of twenty percent of the grant amount received for the fiscal year.

2010 Acts, ch 1031, §286; 2011 Acts, ch 132, §10, 11, 106

Referred to in §256I.13

If sufficient funding is available, eligibility for preschool tuition assistance may be extended to children with a family income in excess of the basic income eligibility requirement; 2011 Acts, ch 132, §5, 102, 106; 2012 Acts, ch 1132, §5; 2013 Acts, ch 141, §6, 26

Section not amended; footnotes revised

**256I.10 Early childhood Iowa internet site.**

1. The department shall provide for the operation of an internet site for purposes of widely distributing information regarding early care, education, health, and human services and other information provided by the departments represented on the state board and the public and private agencies addressing the comprehensive system for such services.

2. Information provided on the internet site shall include but is not limited to all of the following:

*a.* Information about the early childhood Iowa initiative for state and local use. The information shall include data from the indicators of success and performance measures adopted by the state board and fiscal information and other data developed by the department.

*b.* A link to a special internet site directed to parents, including parent-specific information on early care, education, health, and human services and links to other resources available on the internet and from other sources.

*c.* Program standards for early care, education, health, and human services that have been approved by state agencies.

3. The department shall provide to the state board information regarding the extent and frequency of usage of the internet site or sites and this information shall be included in the board's annual report to the governor and general assembly.

2010 Acts, ch 1031, §287

Referred to in §256I.5

**256I.11 Early childhood Iowa fund.**

1. An early childhood Iowa fund is created in the state treasury. The moneys credited to the fund are not subject to section 8.33 and moneys in the fund shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided by law. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2. A school ready children grants account is created in the fund under the authority of the director of the department of education. Moneys credited to the account are appropriated to and shall be distributed by the department in the form of grants to early childhood Iowa areas pursuant to criteria established by the state board in accordance with law.

3. Unless a different amount is authorized by law, up to three percent of the school ready children grant moneys distributed to an area board may be used by the area board for administrative costs.

4. *a.* An early childhood programs grant account is created in the fund under the authority of the director of the department of human services. Moneys credited to the account are appropriated to and shall be distributed by the department of human services in the form of grants to early childhood Iowa areas pursuant to criteria established by the state board in accordance with law. The criteria shall include but are not limited to a requirement that an early childhood Iowa area must be designated by the state board in order to be eligible to receive an early childhood programs grant.

*b.* The maximum funding amount an early childhood Iowa area is eligible to receive from the early childhood programs grant account for a fiscal year shall be determined by applying the area's percentage of the state's average monthly family investment program population in the preceding fiscal year to the total amount credited to the account for the fiscal year.

*c.* An early childhood Iowa area receiving funding from the early childhood programs grant account shall comply with any federal reporting requirements associated with the use of that funding and other results and reporting requirements established by the state board. The

department of human services shall provide technical assistance in identifying and meeting the federal requirements. The availability of funding provided from the account is subject to changes in federal requirements and amendments to Iowa law.

*d.* The moneys distributed from the early childhood programs grant account shall be used by early childhood Iowa areas for the purposes of enhancing quality child care capacity in support of parent capability to obtain or retain employment. The moneys shall be used with a primary emphasis on low-income families and children from zero to age five. Moneys shall be provided in a flexible manner and shall be used to implement strategies identified by the early childhood Iowa area to achieve such purposes. The department of human services may use a portion of the funding appropriated to the department under this subsection for provision of technical assistance and other support to the early childhood Iowa areas developing and implementing strategies with grant moneys distributed from the account.

*e.* Moneys from a federal block grant that are credited to the early childhood programs grant account but are not distributed to an early childhood Iowa area or otherwise remain unobligated or unexpended at the end of the fiscal year shall revert to the fund created in section 8.41 to be available for appropriation by the general assembly in a subsequent fiscal year.

5. A first years first account is created in the fund under the authority of the department of management. The account shall consist of gift or grant moneys obtained from any source, including but not limited to the federal government. Moneys credited to the account are appropriated to the department to be used for the early childhood-related purposes for which the moneys were received.

2010 Acts, ch 1031, §288; 2010 Acts, ch 1183, §19

**256I.12 Early childhood stakeholders alliance.**

1. *Alliance created.* An early childhood stakeholders alliance is created to support the state board in addressing the early care, health, and education systems that affect children ages zero through five in Iowa.

2. *Purpose.* The purpose of the early childhood stakeholders alliance is to oversee and provide broad input into the development of a high quality Iowa early childhood system that meets the needs of children zero through age five and their families and integrates the early care, health, and education systems. The alliance shall advise the governor, general assembly, state board, and other public and private policy bodies and service providers in coordinating activities throughout the state to fulfill its purpose.

3. *Vision statement.* All system development activities addressed by the early childhood stakeholders alliance shall be aligned around the following vision statement for the children of Iowa: "Every child, beginning at birth, will be healthy and successful."

4. *Membership.* The early childhood stakeholders alliance membership shall include a representative of any organization that touches the lives of young children in the state zero through age five, has endorsed the purpose and vision statement for the alliance, has endorsed the guiding principles adopted by the alliance for the early childhood system, and has formally asked to be a member and remains actively engaged in alliance activities. The alliance shall work to ensure there is geographic, cultural, and ethnic diversity among the membership.

5. *Procedure.* Except as otherwise provided by law, the early childhood stakeholders alliance shall determine its own rules of procedure and operating provisions.

6. *Steering committee.* The early childhood stakeholders alliance shall operate with a steering committee to organize, manage, and coordinate the activities of the alliance and its component groups. The steering committee may act on behalf of the alliance as necessary. The steering committee membership shall consist of the co-chairpersons of the alliance's component groups, the administrator of the early childhood Iowa office, and other leaders designated by the alliance.

7. *Component groups.* The early childhood stakeholders alliance shall maintain component groups to address the key components of the Iowa early childhood system. Each component group shall have one private and one public agency co-chairperson. The alliance may change the component groups as deemed necessary by the alliance. Initially, there shall be a component group for each of the following:

*a.* Governance planning and administration.
*b.* Professional development.
*c.* Public engagement.
*d.* Quality services and programs.
*e.* Resources and funding.
*f.* Results accountability.

8. *Duties.* The early childhood stakeholders alliance duties shall include but are not limited to all of the following regarding the Iowa early childhood system:

*a.* Coordinate with the early childhood Iowa state board.

*b.* Serve as the state advisory council required under the federal Improving Head Start for School Readiness Act of 2007, Pub. L. No. 110-134, as designated by the governor.

9. *Staffing.* Staff support for the early childhood stakeholders alliance shall be provided by the department.

2010 Acts, ch 1031, §289

**256I.13 Home visitation program — funding intent.**

1. In order to implement the legislative intent stated in sections 135.106 and 256I.9, that priority for home visitation program funding be given to programs using evidence-based or promising models for home visitation, it is the intent of the general assembly to phase in the funding priority as follows:

*a.* By July 1, 2013, twenty-five percent of state funds expended for home visiting programs are for evidence-based or promising program models.

*b.* By July 1, 2014, fifty percent of state funds expended for home visiting programs are for evidence-based or promising program models.

*c.* By July 1, 2015, seventy-five percent of state funds expended for home visiting programs are for evidence-based or promising program models.

*d.* By July 1, 2016, ninety percent of state funds expended for home visiting programs are for evidence-based or promising program models. The remaining ten percent of funds may be used for innovative program models that do not yet meet the definition of evidence-based or promising programs.

2. For the purposes of this section, unless the context otherwise requires or unless otherwise provided under federal law:

*a.* *"Evidence-based program"* means a program that is based on scientific evidence demonstrating that the program model is effective. An evidence-based program shall be reviewed on site and compared to program model standards by the model developer or the developer's designee at least every five years to ensure that the program continues to maintain fidelity with the program model. The program model shall have had demonstrated significant and sustained positive outcomes in an evaluation utilizing a well-designed and rigorous randomized controlled research design or a quasi-experimental research design, and the evaluation results shall have been published in a peer-reviewed journal.

*b.* *"Family support programs"* includes group-based parent education or home visiting programs that are designed to strengthen protective factors, including parenting skills, increasing parental knowledge of child development, and increasing family functioning and problem solving skills. A family support program may be used as an early intervention strategy to improve birth outcomes, parental knowledge, family economic success, the home learning environment, family and child involvement with others, and coordination with other community resources. A family support program may have a specific focus on preventing child maltreatment or ensuring children are safe, healthy, and ready to succeed in school.

*c.* *"Promising program"* means a program that meets all of the following requirements:

(1) The program conforms to a clear, consistent family support model that has been in existence for at least three years.

(2) The program is grounded in relevant empirically based knowledge.

(3) The program is linked to program-determined outcomes.

(4) The program is associated with a national or state organization that either has comprehensive program standards that ensure high-quality service delivery and continuous program quality improvement or the program model has demonstrated through the

program's benchmark outcomes that the program has achieved significant positive outcomes equivalent to those achieved by program models with published significant and sustained results in a peer-reviewed journal.

(5) The program has been awarded the Iowa family support credential and has been reviewed on site at least every five years to ensure the program's adherence to the Iowa family support standards approved by the state board or a comparable set of standards. The on-site review is completed by an independent review team that is not associated with the program or the organization administering the program.

3. *a.* The data reporting requirements adopted by the state board pursuant to section 256I.4 for the family support programs targeted to families expecting a child or with newborn and infant children through age five and funded through the state board shall require the programs to participate in a state-administered internet-based data collection system. The data reporting requirements shall be developed in a manner to provide for compatibility with local data collection systems. The state board's annual report submitted each January to the governor and general assembly under section 256I.4 shall include family support program outcomes beginning with the January 2015 report.

*b.* The data on families served that is collected by the family support programs funded through the early childhood Iowa initiative shall include but is not limited to basic demographic information, services received, funding utilized, and program outcomes for the children and families served. The state board shall adopt performance benchmarks for the family support programs and shall revise the Iowa family support credential to incorporate the performance benchmarks on or before January 1, 2014.

*c.* The state board shall identify minimum competency standards for the employees and supervisors of family support programs funded through the early childhood Iowa initiative. The state board shall submit recommendations concerning the standards to the governor and general assembly on or before January 1, 2014.

*d.* The state board shall adopt criminal and child abuse record check requirements for the employees and supervisors of family support programs funded through the early childhood Iowa initiative.

*e.* The state board shall develop a plan to implement a coordinated intake and referral process for publicly funded family support programs in order to engage the families expecting a child or with newborn and infant children through age five in all communities in the state by July 1, 2015.

2013 Acts, ch 141, §13
NEW section

# CHAPTER 257

## FINANCING SCHOOL PROGRAMS

Referred to in §256B.2, 256B.9, 256C.4, 256C.5, 256F.4, 260C.18B, 273.3, 273.9, 273.23, 282.3, 284.11, 284.13, 284.15, 285.2, 298.1, 301.1, 331.512, 463B.2, 465A.4


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**257.1 State school foundation program — state aid.**

1. *Program established.* A state school foundation program is established for the school year commencing July 1, 1991, and succeeding school years.

2. *State school foundation aid — foundation base.*

*a.* For a budget year, each school district in the state is entitled to receive foundation aid, in an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district, and the combined foundation base per pupil or the combined district cost per pupil, whichever is less. However, if the amount of foundation aid received by a school district under this chapter is less than three hundred dollars per pupil, the district is entitled to receive three hundred dollars per pupil unless the receipt of three hundred dollars per pupil plus the per pupil amount raised by the foundation property tax exceeds the combined district cost per pupil of the district for the budget year. In that case, the district is entitled to receive an amount per pupil equal to the difference between the per pupil amount raised by the foundation property tax for the budget year and the combined district cost per pupil for the budget year.

*b.* For the budget year commencing July 1, 1999, and for each succeeding budget year the regular program foundation base per pupil is eighty-seven and five-tenths percent of the regular program state cost per pupil. For the budget year commencing July 1, 1991, and for each succeeding budget year the special education support services foundation base is seventy-nine percent of the special education support services state cost per pupil. The combined foundation base is the sum of the regular program foundation base, the special education support services foundation base, the total teacher salary supplement district cost, the total professional development supplement district cost, the total early intervention supplement district cost, the total teacher leadership supplement district cost, the total area education agency teacher salary supplement district cost, and the total area education agency professional development supplement district cost.

*c.* For the budget year commencing July 1, 1999, the department of management shall add the amount of the additional budget adjustment computed in section 257.14, subsection 1, to the combined foundation base.

3. *Computations rounded.* In making computations and payments under this chapter, except in the case of computations relating to funding of special education support services,

media services, and educational services provided through the area education agencies, and the teacher salary supplement, the professional development supplement, the early intervention supplement, and the teacher leadership supplement, the department of management shall round amounts to the nearest whole dollar.

4. *Legislative review.* The provisions of this chapter shall be subject to legislative review at least every five years. The review shall be based upon a school finance formula status report containing the recommendations of a legislative interim committee appointed to conduct a review of the school finance formula, to be prepared with the assistance of the department of education, in association with the departments of management and revenue. The report shall include recommendations for school finance formula changes or revisions based upon demographic changes, enrollment trends, and property tax valuation fluctuations observed during the preceding five-year interval; an analysis of the operation of the school finance formula during the preceding five-year interval; and a summary of issues that have arisen since the previous review and potential approaches for their resolution. The first such report shall be submitted to the general assembly no later than January 1, 2005, with subsequent reports developed and submitted by January 1 at least every fifth year thereafter.

89 Acts, ch 135, §1; 91 Acts, ch 267, §517; 95 Acts, ch 130, §1; 96 Acts, ch 1197, §5, 6; 99 Acts, ch 2, §1, 4; 99 Acts, ch 178, §1, 10; 2000 Acts, ch 1186, §2; 2003 Acts, ch 145, §286; 2008 Acts, ch 1181, §93, 94; 2013 Acts, ch 121, §49, 50

Referred to in §257.3, 257.4, 257.12, 257.16B, 257.34
Subsection 2, paragraph b amended
Subsection 3 amended

**257.2 Definitions.**

As used in this chapter:

1. *"Base year"* means the school year ending during the calendar year in which a budget is certified.

2. *"Budget adjustment"* means an adjustment to the regular program district cost of a school district for school districts in which the regular program district cost for a year would be less than the regular program district cost for the previous year.

3. *"Budget year"* means the school year beginning during the calendar year in which a budget is certified.

4. *"Combined district cost per pupil"* is an amount determined by adding together the regular program district cost per pupil for a year and the special education support services district cost per pupil for that year as calculated under section 257.10.

5. *"Combined state cost per pupil"* is a per pupil amount determined by adding together the regular program state cost per pupil for a year and the special education support services state cost per pupil for that year as calculated under section 257.9.

6. *"Committee"* means the school budget review committee.

7. *"Expenditures"* means the total amounts paid from the general fund of a school district.

8. *"Miscellaneous income"* means the receipts deposited to the general fund of the school district but not including any of the following:

*a.* Foundation aid.

*b.* Revenue obtained from the foundation property tax.

*c.* Revenue obtained from the additional property tax under section 257.4.

*d.* Property tax replacement payments received under section 257.16B.

9. *"Property tax adjustment"* means state aid distributed to those school districts in which the property tax revenues generated under this chapter would be higher than the revenues generated under chapter 442, Code 1991.

10. *"School district"* means a school corporation organized under chapter 274.

11. *"State percent of growth"* means the percent of growth which is established by statute pursuant to section 257.8, and which is used in determining the supplemental state aid.

12. *"Supplemental state aid"* means the amount by which state cost per pupil and district cost per pupil will increase from one budget year to the next.

13. *"Unexpended fund balance"* means a school district's unreserved and undesignated fund balances.

89 Acts, ch 135, §2; 90 Acts, ch 1190, §1; 91 Acts, ch 267, §518; 94 Acts, ch 1023, §93; 2010 Acts, ch 1004, §1, 10; 2013 Acts, ch 121, §1, 9, 11 – 13, 42

Referred to in §24.17, 273.13, 279.45, 285.2, 298.10

2013 amendments striking former subsection 1, amending subsection 11, and adding new subsection 12 apply to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsection 1 stricken and former subsections 2 – 12 renumbered as 1 – 11

Subsection 8, NEW paragraph d

Subsection 11 amended

NEW subsection 12

**257.3 Foundation property tax.**

1. *Amount of tax.*

*a.* Except as provided in subsections 2 and 3, a school district shall cause to be levied each year, for the school general fund, a foundation property tax equal to five dollars and forty cents per thousand dollars of assessed valuation on all taxable property in the district. The county auditor shall spread the foundation levy over all taxable property in the district.

*b.* The amount paid to each school district for the tax replacement claim for industrial machinery, equipment and computers under section 427B.19A shall be regarded as property tax. The portion of the payment which is foundation property tax shall be determined by applying the foundation property tax rate to the amount computed under section 427B.19, subsection 3, paragraph *"a"*, as adjusted by paragraph *"d"*, if any adjustment was made.

*c.* Replacement taxes under chapter 437A or chapter 437B shall be regarded as property taxes for purposes of this chapter.

*d.* The amount paid to each school district for the commercial and industrial property tax replacement claim under section 441.21A shall be regarded as property tax. The portion of the payment which is foundation property tax shall be determined by applying the foundation property tax rate to the amount computed under section 441.21A, subsection 4, paragraph *"a"*, and such amount shall be prorated pursuant to section 441.21A, subsection 2, if applicable.

2. *Tax for reorganized and dissolved districts.*

*a.* Notwithstanding subsection 1, a reorganized school district shall cause a foundation property tax of four dollars and forty cents per thousand dollars of assessed valuation to be levied on all taxable property which, in the year preceding a reorganization, was within a school district affected by the reorganization as defined in section 275.1, or in the year preceding a dissolution was a part of a school district that dissolved if the dissolution proposal has been approved by the director of the department of education pursuant to section 275.55.

*b.* In succeeding school years, the foundation property tax levy on that portion shall be increased to the rate of four dollars and ninety cents per thousand dollars of assessed valuation the first succeeding year, five dollars and fifteen cents per thousand dollars of assessed valuation the second succeeding year, and five dollars and forty cents per thousand dollars of assessed valuation the third succeeding year and each year thereafter.

*c.* The foundation property tax levy reduction pursuant to this subsection shall be available if either of the following apply:

(1) In the year preceding the reorganization or dissolution, the school district affected by the reorganization or the school district that dissolved had a certified enrollment of fewer than six hundred pupils.

(2) In the year preceding the reorganization or dissolution, the school district affected by the reorganization or the school district that dissolved had a certified enrollment of six hundred pupils or greater, and entered into a reorganization or dissolution with one or more school districts with a certified enrollment of fewer than six hundred pupils. The amount of foundation property tax reduction received by a school district qualifying for the reduction pursuant to this subparagraph shall not exceed the highest reduction amount provided in paragraphs *"a"* and *"b"* received by any of the school districts with a certified enrollment of fewer than six hundred pupils involved in the reorganization pursuant to subparagraph (1) of this paragraph *"c"*.

*d.* For purposes of this section, a reorganized school district is one which absorbs at least thirty percent of the enrollment of the school district affected by a reorganization or dissolved

during a dissolution and in which action to bring about a reorganization or dissolution is initiated by a vote of the board of directors or jointly by the affected boards of directors to take effect on or after July 1, 2007, and on or before July 1, 2014. Each district which initiated, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution to take effect on or after July 1, 2007, and on or before July 1, 2014, shall certify the date and the nature of the action taken to the department of education by January 1 of the year in which the reorganization or dissolution takes effect. For a reorganization or dissolution that took effect on or after July 1, 2002, and on or before July 1, 2006, the reorganized school district shall continue to receive the benefits of paragraphs *"a"* and *"b"* of this subsection for the time specified in those paragraphs.

3. *Railway corporations.* For purposes of section 257.1, the *"amount per pupil of foundation property tax"* does not include the tax levied under subsection 1 or 2 on the property of a railway corporation, or on its trustee if the corporation has been declared bankrupt or is in bankruptcy proceedings.

89 Acts, ch 135, §3; 91 Acts, ch 178, §1; 93 Acts, ch 180, §92 – 95; 95 Acts, ch 206, §34; 98 Acts, ch 1194, §27, 40; 2001 Acts, ch 126, §1 – 3; 2003 Acts, ch 180, §10, 71; 2007 Acts, ch 130, §1; 2010 Acts, ch 1061, §180; 2013 Acts, ch 94, §1, 35, 36; 2013 Acts, ch 123, §14, 22, 23

Referred to in §275.55

2013 amendment to subsection 1, paragraph c, takes effect May 9, 2013, and applies retroactively to property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Subsection 1, paragraph d, takes effect June 12, 2013, and applies retroactively to January 1, 2013, for assessment years beginning on or after that date; 2013 Acts, ch 123, §22, 23

Subsection 1, paragraph c amended

Subsection 1, NEW paragraph d

**257.4 Additional property tax.**

1. *Computation of tax.*

*a.* A school district shall cause an additional property tax to be levied each year. The rate of the additional property tax levy in a school district shall be determined by the department of management and shall be calculated to raise the difference between the combined district cost for the budget year and the sum of the following:

(1) The product of the regular program foundation base per pupil times the weighted enrollment in the district.

(2) The product of special education support services foundation base per pupil times the special education support services weighted enrollment in the district.

(3) The total teacher salary supplement district cost.

(4) The total professional development supplement district cost.

(5) The total early intervention supplement district cost.

(6) The total area education agency teacher salary supplement district cost.

(7) The total area education agency professional development supplement district cost.

(8) The amount of the school district property tax replacement payment to be received by the school district under section 257.16B.

(9) The total teacher leadership supplement district cost.

*b.* For the budget year beginning July 1, 2008, and succeeding budget years, the department of management shall annually determine an adjusted additional property tax levy and a statewide maximum adjusted additional property tax levy rate, not to exceed the statewide average additional property tax levy rate, calculated by dividing the total adjusted additional property tax levy dollars statewide by the statewide total net taxable valuation. For purposes of this paragraph, the adjusted additional property tax levy shall be that portion of the additional property tax levy corresponding to the state cost per pupil multiplied by a school district's weighted enrollment, and then multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1, and then reduced by the amount of the property tax replacement payment to be received under section 257.16B. The district shall receive adjusted additional property tax levy aid in an amount equal to the difference between the adjusted additional property tax levy rate and the statewide maximum adjusted additional property tax levy rate, as applied per thousand dollars of assessed valuation on all taxable property in the district. The statewide maximum adjusted additional property tax levy rate shall be annually determined by the department

taking into account amounts allocated pursuant to section 257.15, subsection 4, and the balance of the property tax equity and relief fund created in section 257.16A at the end of the calendar year.

2. *Supplemental aid.*

*a.* However, if the rate of the additional property tax levy determined under subsection 1 with the application of section 257.15 for a budget year for a reorganized school district is higher than the rate of additional property tax levy determined under subsection 1 with the application of section 257.15 for the year previous to the reorganization for a school district that had a certified enrollment of less than six hundred and that was within the school districts affected by the reorganization as defined in section 275.1, the department of management shall reduce the rate of the additional property tax levy in the portion of the reorganized district where the new rate is higher, to the rate that was levied in that portion of the district during the year preceding the reorganization, for a five-year period. The department of management shall include in the state aid payments made to each reorganized school district under section 257.16 during each of the first five years of existence of the reorganized district as supplemental aid, moneys equal to the reduction in property tax revenues made under this subsection. For the budget year beginning July 1, 1991, the base year calculation shall be made using chapter 442, Code 1991.

*b.* For purposes of this section, a reorganized school district is one in which action to bring about a reorganization was initiated by a vote of the board of directors or jointly by the affected boards of directors prior to November 30, 1990, and the reorganization will take effect on or after July 1, 1991, and on or before July 1, 1993. Each district which initiated, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution by November 30, 1990, shall certify the date and the nature of the action taken to the department of education by September 1, 1991.

3. *Application of tax.* No later than June 15 of each year, the department of management shall notify the county auditor of each county the amount, in dollars and cents per thousand dollars of assessed value, of the additional property tax levy in each school district in the county. A county auditor shall spread the additional property tax levy for each school district in the county over all taxable property in the district.

89 Acts, ch 135, §4; 91 Acts, ch 178, §2; 93 Acts, ch 1, §3; 2001 Acts, ch 126, §4, 12; 2006 Acts, ch 1182, §38, 53; 2008 Acts, ch 1134, §1; 2008 Acts, ch 1181, §95; 2013 Acts, ch 121, §2, 3, 9, 51

Referred to in §257.2, 257.5, 257.15, 257.16, 257.31
Subsection 1, paragraph a, NEW subparagraphs (8) and (9)
Subsection 1, paragraph b amended

**257.5 Continuation of supplemental aid.**

A reorganized school district, as defined in section 257.4, subsection 2, receiving supplemental aid prior to July 1, 1991, under section 442.9A, Code 1991, shall continue to receive supplemental aid as provided in that section for the five-year period specified in that section.

There is appropriated from the general fund of the state to the department of management for each fiscal year an amount sufficient to pay the supplemental aid to school districts under this section. Supplemental aid shall be paid in the manner provided in section 257.16.

For the purpose of the department of management's determination of the portion of a school district's budget that was property tax and the portion that was state aid under section 257.36, supplemental aid shall be considered property tax.

89 Acts, ch 135, §5; 91 Acts, ch 178, §3

**257.6 Enrollment.**

1. *Actual enrollment.*

*a.* Actual enrollment is determined annually on October 1, or the first Monday in October if October 1 falls on a Saturday or Sunday, and includes all of the following:

(1) Resident pupils who were enrolled in public schools within the district in grades kindergarten through twelve and including prekindergarten pupils enrolled in special education programs.

(2) Full-time equivalent resident pupils of high school age for which the district pays tuition to attend an Iowa community college.

(3) Shared-time and part-time pupils of school age enrolled in public schools within the district, irrespective of the districts in which the pupils reside, in the proportion that the time for which they are enrolled or receive instruction for the school year is to the time that full-time pupils carrying a normal course schedule, at the same grade level, in the same school district, for the same school year, are enrolled and receive instruction. Tuition charges to the parent or guardian of a shared-time or part-time nonresident pupil shall be reduced by the amount of any increased state aid received by the district by the counting of the pupil. This subparagraph applies to pupils enrolled in grades nine through twelve under section 299A.8 and to pupils from accredited nonpublic schools accessing classes or services on the accredited nonpublic school premises or the school district site, but excludes accredited nonpublic school pupils receiving classes or services funded entirely by federal grants or allocations.

(4) Eleventh and twelfth grade nonresident pupils who were residents of the district during the preceding school year and are enrolled in the district until the pupils graduate. Tuition for those pupils shall not be charged by the district in which the pupils are enrolled and the requirements of section 282.18 do not apply.

(5) Resident pupils receiving competent private instruction from a licensed practitioner provided through a public school district pursuant to chapter 299A shall be counted as three-tenths of one pupil. Revenues received by a school district attributed to a school district's weighted enrollment pursuant to this subparagraph shall be expended for the purpose for which the weighting was assigned under this subparagraph. If the school district determines that the expenditures associated with providing competent private instruction pursuant to chapter 299A are in excess of the revenue attributed to the school district's weighted enrollment for such instruction in accordance with this subparagraph, the school district may submit a request to the school budget review committee for a modified supplemental amount in accordance with section 257.31, subsection 5, paragraph "*n*". A home school assistance program shall not provide moneys received pursuant to this subparagraph, nor resources paid for with moneys received pursuant to this subparagraph, to parents or students utilizing the program. Moneys received by a school district pursuant to this subparagraph shall be used as provided in section 299A.12.

(6) Resident pupils receiving competent private instruction under dual enrollment pursuant to chapter 299A shall be counted as one-tenth of one pupil.

(7) A student attending an accredited nonpublic school or receiving competent private instruction under chapter 299A, who is participating in a program under chapter 261E, shall be counted as a shared-time student in the school district in which the nonpublic school of attendance is located for state foundation aid purposes.

*b.* A school district shall certify its actual enrollment to the department of education by October 15 of each year, and the department shall promptly forward the information to the department of management.

*c.* The department of management shall adjust the enrollment of the school district for the audit year based upon reports filed under section 11.6, and shall further adjust the budget of the second year succeeding the audit year for the property tax and state aid portions of the reported differences in enrollments for the year succeeding the audit year.

2. *Basic enrollment.* Basic enrollment for a budget year is a district's actual enrollment for the base year. Basic enrollment for the base year is a district's actual enrollment for the year preceding the base year.

3. *Additional enrollment because of special education.*

*a.* A school district shall determine its additional enrollment because of special education, as defined in this section, by November 1 of each year and shall certify its additional enrollment because of special education to the department of education by November 15 of each year, and the department shall promptly forward the information to the department of management.

*b.* For the purposes of this chapter, "*additional enrollment because of special education*" is determined by multiplying the weighting of each category of child under section 256B.9 times

the number of children in each category totaled for all categories minus the total number of children in all categories.

4. *Budget enrollment.* Budget enrollment for the budget year is the basic enrollment for the budget year.

5. *Weighted enrollment.*

*a.* Weighted enrollment is the budget enrollment plus the district's additional enrollment because of special education calculated by November 1 of the base year plus additional pupils added due to the application of the supplementary weighting.

*b.* Weighted enrollment for special education support services costs is equal to the weighted enrollment minus the additional pupils added due to the application of the supplementary weighting.

6. *Students excluded.* For the school year beginning July 1, 2008, and each succeeding school year, a student shall not be included in a district's enrollment for purposes of this chapter or considered an eligible pupil under section 261E.6 if the student meets all of the following:

*a.* Was eligible to receive a diploma with the class in which they were enrolled and that class graduated in the previous school year.

*b.* Continues enrollment in the district to take courses either provided by the district or offered by community colleges under the provisions of section 257.11, or to take courses under the provisions of section 261E.6.

89 Acts, ch 135, §6; 92 Acts, ch 1187, §2; 92 Acts, ch 1230, §1, 2; 92 Acts, ch 1247, §47; 2001 Acts, ch 159, §6 – 8; 2001 Acts, ch 176, §32, 33; 2006 Acts, ch 1152, §22, 23; 2007 Acts, ch 22, §59; 2008 Acts, ch 1181, §45 – 47; 2008 Acts, ch 1191, §108, 113; 2009 Acts, ch 41, §100; 2009 Acts, ch 177, §15, 53, 57; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1069, §34; 2010 Acts, ch 1183, §20; 2013 Acts, ch 88, §4; 2013 Acts, ch 121, §14, 42

Referred to in §11.6, 256B.8, 256C.4, 257.9, 257.10, 257.11A, 257.13, 257.16, 257.31, 257.37, 261E.7, 273.22, 275.14, 275.33, 279.60, 282.8, 282.12, 282.18, 282.31, 299A.2, 299A.8, 299A.12, 423E.3, 423F.2

2013 amendment to subsection 1, paragraph a, subparagraph (5), applies to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsection 1, paragraph a, subparagraphs (3) and (5) amended

**257.7 Authorized expenditures.**

1. *Budgets.* School districts are subject to chapter 24. The authorized expenditures of a school district during a base year shall not exceed the lesser of the budget for that year certified under section 24.17 plus any allowable amendments permitted in this section, or the authorized budget, which is the sum of the combined district cost for that year, the actual miscellaneous income received for that year, and the actual unspent balance from the preceding year.

2. *Budget amendments.* If actual miscellaneous income for a budget year exceeds the anticipated miscellaneous income in the certified budget for that year, or if an unspent balance has not been previously certified, a school district may amend its certified budget.

89 Acts, ch 135, §7; 90 Acts, ch 1190, §2

Referred to in §298.10

**257.8 State percent of growth — supplemental state aid.**

1. *State percent of growth.* The state percent of growth for the budget year beginning July 1, 2012, is two percent. The state percent of growth for the budget year beginning July 1, 2013, is two percent. The state percent of growth for the budget year beginning July 1, 2014, is four percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill which enacts the state percent of growth for a budget year.

2. *Categorical state percent of growth.* The categorical state percent of growth for the budget year beginning July 1, 2012, is two percent. The categorical state percent of growth for the budget year beginning July 1, 2013, is two percent. The categorical state percent of growth for the budget year beginning July 1, 2014, is four percent. The categorical state percent of growth for each budget year shall be established by statute which shall be enacted

within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the categorical state percent of growth for a budget year shall be the only subject matter of the bill which enacts the categorical state percent of growth for a budget year. The categorical state percent of growth may include state percents of growth for the teacher salary supplement, the professional development supplement, the early intervention supplement, and the teacher leadership supplement.

3. *Supplemental state aid calculation.* The department of management shall calculate the regular program supplemental state aid for a budget year by multiplying the state percent of growth for the budget year by the regular program state cost per pupil for the base year and shall calculate the special education support services supplemental state aid for the budget year by multiplying the state percent of growth for the budget year by the special education support services state cost per pupil for the base year.

4. *Combined supplemental state aid.* The combined supplemental state aid per pupil for each school district is the sum of the regular program supplemental state aid per pupil and the special education support services supplemental state aid per pupil for the budget year, which may be modified as follows:

*a.* By the school budget review committee under section 257.31.

*b.* By the department of management under section 257.36.

5. *Alternate supplemental state aid — definitions.* For budget years beginning July 1, 2000, and subsequent budget years, references to the terms *"supplemental state aid"*, *"regular program state cost per pupil"*, and *"regular program district cost per pupil"* shall mean those terms as calculated for those school districts that calculated regular program supplemental state aid for the school budget year beginning July 1, 1999, with the additional thirty-eight dollars specified in section 257.8, subsection 4, Code 2013.

89 Acts, ch 135, §8; 92 Acts, ch 1227, §15; 95 Acts, ch 11, §1; 96 Acts, ch 1001, §1; 98 Acts, ch 1005, §1, 2; 99 Acts, ch 1, §1, 2; 99 Acts, ch 178, §2, 10; 2000 Acts, ch 1001, §1, 2; 2001 Acts, ch 2, §1, 2; 2002 Acts, ch 1159, §1, 2; 2002 Acts, ch 1167, §1, 6; 2003 Acts, ch 1, §1, 2; 2004 Acts, ch 1175, §234, 287; 2005 Acts, ch 1, §1, 2; 2006 Acts, ch 1154, §1, 2; 2007 Acts, ch 3, §1, 2; 2008 Acts, ch 1002, §1, 2; 2008 Acts, ch 1181, §96; 2009 Acts, ch 5, §1, 2; 2009 Acts, ch 6, §1, 2; 2011 Acts, ch 131, §122 – 125, 158; 2013 Acts, ch 121, §4, 9, 15, 16, 42, 52

Referred to in §257.2, 257.9, 257.41, 273.23

Deadline for enactment and subject matter requirements for legislation establishing state percent of growth and categorical state percent of growth not applicable to legislation enacting state percent of growth and categorical state percent of growth for purposes of computing state aid under state school foundation program for school budget years beginning July 1, 2012, July 1, 2013, and July 1, 2014; 2011 Acts, ch 131, §124, 125; 2013 Acts, ch 121, §7, 9

2013 amendments to subsections 3 – 5 and strike of former subsections 4 and 5 apply to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

See Code editor's note on simple harmonization

Subsections 1 – 3 amended

Subsections 4 and 5 stricken and former subsections 6 and 7 amended and renumbered as 4 and 5

**257.9 State cost per pupil.**

1. *Regular program state cost per pupil for 1991-1992.*

*a.* For the budget year beginning July 1, 1991, for the regular program state cost per pupil, the department of management shall add together the sum of the products of each district's regular program district cost per pupil for the base year, as regular program district cost per pupil would have been calculated under section 442.9, Code 1989, multiplied by its budget enrollment as budget enrollment would have been calculated under section 442.4, Code 1989, for the base year, plus the sum of the amounts added to the district cost of school districts pursuant to section 442.21, Code 1989.

*b.* The total calculated under this subsection shall be divided by the total of the budget enrollments of all school districts for the budget year beginning July 1, 1990, calculated under section 257.6, subsection 4, if section 257.6, subsection 4, had been in effect for that budget year. The regular program state cost per pupil for the budget year beginning July 1, 1991, is the amount calculated by the department of management under this subsection plus an amount of supplemental state aid, as defined in section 257.2, Code 2014, that is equal to the state percent of growth for the budget year multiplied by the amount calculated by the department of management under this subsection.

2. *Regular program state cost per pupil for 1992-1993 and succeeding years.* For the

budget year beginning July 1, 1992, and succeeding budget years, the regular program state cost per pupil for a budget year is the regular program state cost per pupil for the base year plus the regular program supplemental state aid for the budget year.

3. *Special education support services state cost per pupil for 1991-1992.* For the budget year beginning July 1, 1991, for the special education support services state cost per pupil, the department of management shall divide the total of the approved budgets of the area education agencies for special education support services for that year approved by the state board of education under section 273.3, subsection 12, by the total of the weighted enrollment for special education support services in the state for the budget year. The special education support services state cost per pupil for the budget year is the amount calculated by the department of management under this subsection.

4. *Special education support services state cost per pupil for 1992-1993 and succeeding years.* For the budget year beginning July 1, 1992, and succeeding budget years, the special education support services state cost per pupil for the budget year is the special education support services state cost per pupil for the base year plus the special education support services supplemental state aid for the budget year.

5. *Combined state cost per pupil.* The combined state cost per pupil is the sum of the regular program state cost per pupil and the special education support services state cost per pupil.

6. *Teacher salary supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the teacher salary supplement state cost per pupil, the department of management shall add together the teacher compensation allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"h"*, Code 2009, and the phase II allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The teacher salary supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus a supplemental state aid amount that is equal to the teacher salary supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

7. *Professional development supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the professional development supplement state cost per pupil, the department of management shall add together the professional development allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"d"*, Code 2009, and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The professional development supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus a supplemental state aid amount that is equal to the professional development supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

8. *Early intervention supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the early intervention supplement state cost per pupil, the department of management shall add together the early intervention allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 256D.4, Code 2009, and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The early intervention supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus a supplemental state aid amount that is equal to the early intervention supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

9. *Area education agency teacher salary supplement state cost per pupil.* For the budget

year beginning July 1, 2009, for the area education agency teacher salary supplement state cost per pupil, the department of management shall add together the teacher compensation allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"i"*, Code 2009, and the phase II allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the statewide special education support services weighted enrollment for the fiscal year beginning July 1, 2009. The area education agency teacher salary supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus a supplemental state aid amount that is equal to the teacher salary supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

10. *Area education agency professional development supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the area education agency professional development supplement state cost per pupil, the department of management shall add together the professional development allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"d"*, Code 2009, and divide that sum by the statewide special education support services weighted enrollment for the fiscal year beginning July 1, 2009. The area education agency professional development supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus a supplemental state aid amount that is equal to the professional development supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

11. *Teacher leadership supplement state cost per pupil.* The teacher leadership supplement state cost per pupil amount for the budget year beginning July 1, 2014, shall be calculated by the department of management by dividing the allocation amount for the budget year beginning July 1, 2014, in section 284.13, subsection 1, paragraph *"e"*, subparagraph (5), by one-third of the statewide total budget enrollment for the fiscal year beginning July 1, 2014. The teacher leadership supplement state cost per pupil for the budget year beginning July 1, 2015, and succeeding budget years, shall be the teacher leadership supplement state cost per pupil for the base year plus a supplemental state aid amount that is equal to the teacher leadership supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the teacher leadership supplement state cost per pupil for the base year.

89 Acts, ch 135, §9; 90 Acts, ch 1190, §3; 2008 Acts, ch 1181, §97; 2009 Acts, ch 68, §2; 2009 Acts, ch 177, §16; 2010 Acts, ch 1061, §43; 2013 Acts, ch 121, §17, 18, 42, 53

Referred to in §257.2, 284.4

2013 amendments to subsections 1, 2, 4, and 6 – 10 apply to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsection 1, paragraph b amended

Subsections 2, 4, and 6 – 10 amended

NEW subsection 11

**257.10 District cost per pupil — district cost.**

1. *Regular program district cost per pupil for 1991-1992.* For the budget year beginning July 1, 1991, in order to determine the regular program district cost per pupil for a district, the department of management shall divide the product of the regular program district cost per pupil of the district for the base year, as regular program district cost per pupil would have been calculated under section 442.9, Code 1989, multiplied by its budget enrollment for the base year as budget enrollment would have been calculated under section 442.4, Code 1989, plus the amount added to district cost pursuant to section 442.21, Code 1989, for each school district, by the budget enrollment of the school district for the budget year beginning July 1, 1990, calculated under section 257.6, subsection 4, as if section 257.6, subsection 4, had been in effect for that budget year. The regular program district cost per pupil for the budget year beginning July 1, 1991, is the amount calculated by the department of management

under this subsection plus the amount of supplemental state aid, as defined in section 257.2, Code 2014, calculated for regular program state cost per pupil, except that if the regular program district cost per pupil for the budget year calculated under this subsection in any school district exceeds one hundred ten percent of the regular program state cost per pupil for the budget year, the department of management shall reduce the regular program district cost per pupil of that district for the budget year to an amount equal to one hundred ten percent of the regular program state cost per pupil for the budget year, and if the regular program district cost per pupil for the budget year calculated under this subsection in any school district is less than the regular program state cost per pupil for the budget year, the department of management shall increase the regular program district cost per pupil of that district to an amount equal to the regular program state cost per pupil for the budget year.

2. *Regular program district cost per pupil for 1992-1993 and succeeding years.*

*a.* For the budget year beginning July 1, 1992, and succeeding budget years, the regular program district cost per pupil for each school district for a budget year is the regular program district cost per pupil for the base year plus the regular program supplemental state aid for the budget year except as otherwise provided in this subsection.

*b.* If the regular program district cost per pupil of a school district for the budget year under paragraph *"a"* exceeds one hundred five percent of the regular program state cost per pupil for the budget year and the state percent of growth for the budget year is greater than two percent, the regular program district cost per pupil for the budget year for that district shall be reduced to one hundred five percent of the regular program state cost per pupil for the budget year. However, if the difference between the regular program district cost per pupil for the budget year and the regular program state cost per pupil for the budget year is greater than an amount equal to two percent multiplied by the regular program state cost per pupil for the base year, the regular program district cost per pupil for the budget year shall be reduced by the amount equal to two percent multiplied by the regular program state cost per pupil for the base year.

3. *Special education support services district cost per pupil for 1991-1992.* For the budget year beginning July 1, 1991, for the special education support services district cost per pupil, the department of management shall divide the approved budget of each area education agency for special education support services for that year approved by the state board of education, under section 273.3, subsection 12, by the total of the weighted enrollment for special education support services in the area for that budget year. The special education support services district cost per pupil for each school district in an area for the budget year is the amount calculated by the department of management under this subsection.

4. *Special education support services district cost per pupil for 1992-1993 and succeeding years.*

*a.* For the budget year beginning July 1, 1992, and succeeding budget years, the special education support services district cost per pupil for the budget year is the special education support services district cost per pupil for the base year plus the special education support services supplemental state aid for the budget year.

*b.* Notwithstanding the special education support services district cost per pupil for the budget year beginning July 1, 1991, calculated under subsection 3, for area education agencies that have fewer than three and five-tenths public school pupils per square mile, the special education support services district cost per pupil for the budget year beginning July 1, 1991, is one hundred forty-seven dollars.

5. *Combined district cost per pupil.* The combined district cost per pupil for a school district is the sum of the regular program district cost per pupil and the special education support services district cost per pupil. Combined district cost per pupil does not include a modified supplemental amount added for school districts that have a negative balance of funds raised for special education instruction programs, a modified supplemental amount granted by the school budget review committee for a single school year, or a modified supplemental amount added for programs for dropout prevention.

6. *Regular program district cost.* Regular program district cost for a school district for a budget year is equal to the regular program district cost per pupil for the budget year multiplied by the budget enrollment for the budget year.

7. *Special education support services district cost.* Special education support services district cost for a school district for a budget year is equal to the special education support services district cost per pupil for the budget year multiplied by the special education support services weighted enrollment for the district for the budget year. If the special education support services district cost for a school district for a budget year is less than the special education support services district cost for that district for the base year, the department of management shall adjust the special education support services district cost for that district for the budget year to equal the special education support services district cost for the base year.

8. *Combined district cost.*

*a.* Combined district cost is the sum of the regular program district cost per pupil multiplied by the weighted enrollment, the special education support services district cost, the total teacher salary supplement district cost, the total professional development supplement district cost, the total early intervention supplement district cost, and the total teacher leadership supplement district cost, plus the sum of the additional district cost allocated to the district to fund media services and educational services provided through the area education agency, the area education agency total teacher salary supplement district cost and the area education agency total professional development supplement district cost.

*b.* A school district may increase its combined district cost for the budget year to the extent that an excess tax levy is authorized by the school budget review committee.

9. *Teacher salary supplement cost per pupil and district cost.*

*a.* For the budget year beginning July 1, 2009, the department of management shall add together the teacher compensation allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"h"*, Code 2009, and the phase II allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the district's budget enrollment in the fiscal year beginning July 1, 2009, to determine the teacher salary supplement district cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the teacher salary supplement district cost per pupil for each school district for a budget year is the teacher salary supplement program district cost per pupil for the base year plus the teacher salary supplement supplemental state aid amount for the budget year.

*b.* For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted teacher salary supplement district cost of a school district for a budget year is less than one hundred percent of the unadjusted teacher salary supplement district cost for the base year for the school district, the school district shall receive a budget adjustment for that budget year equal to the difference.

*c.* (1) The unadjusted teacher salary supplement district cost is the teacher salary supplement district cost per pupil for each school district for a budget year multiplied by the budget enrollment for that school district.

(2) The total teacher salary supplement district cost is the sum of the unadjusted teacher salary supplement district cost plus the budget adjustment for that budget year.

*d.* For the budget year beginning July 1, 2009, the use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.3A. For the budget year beginning July 1, 2010, and succeeding budget years, the use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.3A.

10. *Professional development supplement cost per pupil and district cost.*

*a.* For the budget year beginning July 1, 2009, the department of management shall divide the professional development allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"d"*, Code 2009, by the district's budget enrollment in the fiscal year beginning July 1, 2009, to determine the professional development supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the professional development supplement district

cost per pupil for each school district for a budget year is the professional development supplement district cost per pupil for the base year plus the professional development supplement supplemental state aid amount for the budget year.

*b.* For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted professional development supplement district cost of a school district for a budget year is less than one hundred percent of the unadjusted professional development supplement district cost for the base year for the school district, the school district shall receive a budget adjustment for that budget year equal to the difference.

*c.* (1) The unadjusted professional development supplement district cost is the professional development supplement district cost per pupil for each school district for a budget year multiplied by the budget enrollment for that school district.

(2) The total professional development supplement district cost is the sum of the unadjusted professional development supplement district cost plus the budget adjustment for that budget year.

*d.* The use of the funds calculated under this subsection shall comply with the requirements of chapter 284.

11. *Early intervention supplement cost per pupil and district cost.*

*a.* For the budget year beginning July 1, 2009, the department of management shall divide the early intervention allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 256D.4, Code 2009, by the district's budget enrollment in the fiscal year beginning July 1, 2009, to determine the early intervention supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the early intervention supplement district cost per pupil for each school district for a budget year is the early intervention supplement district cost per pupil for the base year plus the early development supplement supplemental state aid amount for the budget year.

*b.* For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted early intervention supplement district cost of a school district for a budget year is less than one hundred percent of the unadjusted early intervention supplement district cost for the base year for the school district, the school district shall receive a budget adjustment for that budget year equal to the difference.

*c.* (1) The unadjusted early intervention supplement district cost is the early intervention supplement district cost per pupil for each school district for a budget year multiplied by the budget enrollment for that school district.

(2) The total early intervention supplement district cost is the sum of the unadjusted early intervention supplement district cost plus the budget adjustment for that budget year.

*d.* The use of the funds calculated under this subsection shall comply with the requirements of chapter 256D.

12. *Teacher leadership supplement cost per pupil and district cost.*

*a.* The teacher leadership supplement district cost per pupil amount for the budget year beginning July 1, 2014, shall be calculated by the department of management by dividing the allocation amount for the budget year beginning July 1, 2014, in section 284.13, subsection 1, paragraph "*e*", subparagraph (5), by one-third of the statewide total budget enrollment for the fiscal year beginning July 1, 2014. For the budget year beginning July 1, 2015, and succeeding budget years, the teacher leadership supplement district cost per pupil for each school district for a budget year is the teacher leadership supplement program district cost per pupil for the base year plus the teacher leadership supplement supplemental state aid amount for the budget year.

*b.* For the budget year beginning July 1, 2015, and succeeding budget years, if the department of management determines that the unadjusted teacher leadership supplement district cost of a school district for a budget year is less than one hundred percent of the unadjusted teacher leadership supplement district cost for the base year for the school district, the school district shall receive a budget adjustment for that budget year equal to the difference.

*c.* (1) The unadjusted teacher leadership supplement district cost is the teacher

leadership supplement district cost per pupil for each school district for a budget year multiplied by the budget enrollment for that school district.

(2) The total teacher leadership supplement district cost is the sum of the unadjusted teacher leadership supplement district cost plus the budget adjustment for that budget year.

*d.* For the budget year beginning July 1, 2014, and succeeding budget years, the use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.15. The funds shall be used only to increase the payment for a teacher assigned to a leadership role pursuant to a framework or comparable system approved pursuant to section 284.15; to increase the percentages of teachers assigned to leadership roles; to increase the minimum teacher starting salary to thirty-three thousand five hundred dollars; to cover the costs for the time mentor and lead teachers are not providing instruction to students in a classroom; for coverage of a classroom when an initial or career teacher is observing or co-teaching with a teacher assigned to a leadership role; for professional development time to learn best practices associated with the career pathways leadership process; and for other costs associated with a framework or comparable system approved by the department of education under section 284.15 with the goals of improving instruction and elevating the quality of teaching and student learning.

89 Acts, ch 135, §10; 90 Acts, ch 1190, §4 – 6; 90 Acts, ch 1272, §44; 99 Acts, ch 178, §3, 10; 2006 Acts, ch 1152, §24; 2008 Acts, ch 1181, §98, 99; 2009 Acts, ch 68, §3, 4; 2009 Acts, ch 177, §17, 18; 2010 Acts, ch 1061, §44; 2013 Acts, ch 121, §19 – 25, 42, 54, 55

Referred to in §256D.2A, 256F.4, 257.2, 257.16, 282.24, 284.3A, 284.4, 284.6, 284.7, 284.15, 284.16, 284.17

2013 amendments to subsections 1, 2, 4, 5, and 9 – 11 apply to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsection 1 amended
Subsection 2, paragraph a amended
Subsection 4, paragraph a amended
Subsection 5 amended
Subsection 8, paragraph a amended
Subsection 9, paragraph a amended
Subsection 10, paragraph a amended
Subsection 11, paragraph a amended
NEW subsection 12

**257.11 Supplementary weighting plan.**

1. *Regular curriculum.* Pupils in a regular curriculum attending all their classes in the district in which they reside, taught by teachers employed by that district, and having administrators employed by that district, are assigned a weighting of one.

2. *District-to-district sharing.*

*a.* In order to provide additional funds for school districts which send their resident pupils to another school district, which jointly employ and share the services of teachers under section 280.15, or which use the services of a teacher employed by another school district, a supplementary weighting plan for determining enrollment is adopted.

*b.* If the school budget review committee certifies to the department of management that the shared classes or teachers would otherwise not be implemented without the assignment of additional weighting, pupils attending classes in another school district, attending classes taught by a teacher who is employed jointly under section 280.15, or attending classes taught by a teacher who is employed by another school district are assigned a weighting of forty-eight hundredths of the percentage of the pupil's school day during which the pupil attends classes in another district, attends classes taught by a teacher who is jointly employed under section 280.15, or attends classes taught by a teacher who is employed by another school district.

*c.* Pupils attending class for all or a substantial portion of a school day pursuant to a whole grade sharing agreement executed under sections 282.10 through 282.12 shall be eligible for supplementary weighting pursuant to this subsection. A school district which executes a whole grade sharing agreement and which adopts a resolution jointly with other affected boards to study the question of undergoing a reorganization or dissolution to take effect on or before July 1, 2014, shall receive a weighting of one-tenth of the percentage of the pupil's school day during which the pupil attends classes in another district, attends classes taught by a teacher who is jointly employed under section 280.15, or attends classes taught by a teacher who is employed by another school district. A district shall be eligible for supplementary weighting pursuant to this paragraph for a maximum of three years.

Receipt of supplementary weighting for a second and third year shall be conditioned upon submission of information resulting from the study to the school budget review committee indicating progress toward the objective of reorganization on or before July 1, 2014.

*d.* A school district which hosts a regional academy shall be eligible to assign its resident students attending classes at the academy a weighting of one-tenth of the percentage of the student's school day during which the student attends classes at the regional academy. The maximum amount of additional weighting for which a school district hosting a regional academy shall be eligible is an amount corresponding to thirty additional students. The minimum amount of additional weighting for which a school district establishing a regional academy shall be eligible is an amount corresponding to fifteen additional students if the academy provides both advanced-level courses and career and technical courses.

3. *District-to-community college sharing and concurrent enrollment programs.*

*a.* In order to provide additional funds for school districts which send their resident high school pupils to a community college for college-level classes, a supplementary weighting plan for determining enrollment is adopted.

*b.* If the school budget review committee certifies to the department of management that the class would not otherwise be implemented without the assignment of additional weighting, pupils attending a community college-offered class or attending a class taught by a community college-employed instructor are assigned a weighting of the percentage of the pupil's school day during which the pupil attends class in the community college or attends a class taught by a community college-employed instructor times seventy hundredths for career and technical courses or forty-six hundredths for liberal arts and sciences courses. The following requirements shall be met for the purposes of assigning an additional weighting for classes offered through a sharing agreement between a school district and community college. The class must be:

(1) Supplementing, not supplanting, high school courses required to be offered pursuant to section 256.11, subsection 5.

(2) Included in the community college catalog or an amendment or addendum to the catalog.

(3) Open to all registered community college students, not just high school students. The class may be offered in a high school attendance center.

(4) For college credit and the credit must apply toward an associate of arts or associate of science degree, or toward an associate of applied arts or associate of applied science degree, or toward completion of a college diploma program.

(5) Taught by an instructor employed or contracted by a community college who meets the requirements of section 261E.3, subsection 2.

(6) Taught utilizing the community college course syllabus.

(7) Taught in such a manner as to result in student work and student assessment which meet college-level expectations.

4. *At-risk programs and alternative schools.*

*a.* In order to provide additional funding to school districts for programs serving at-risk pupils and alternative school pupils in secondary schools, a supplementary weighting plan for at-risk pupils is adopted. A supplementary weighting of forty-eight ten-thousandths per pupil shall be assigned to the percentage of pupils in a school district enrolled in grades one through six, as reported by the school district on the basic educational data survey for the base year, who are eligible for free and reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751-1785, multiplied by the budget enrollment in the school district; and a supplementary weighting of one hundred fifty-six one-hundred-thousandths per pupil shall be assigned to pupils included in the budget enrollment of the school district. Amounts received as supplementary weighting for at-risk pupils shall be utilized by a school district to develop or maintain at-risk pupils' programs, which may include alternative school programs.

*b.* Notwithstanding paragraph "*a*", a school district which received supplementary weighting for an alternative high school program for the school budget year beginning July 1, 1999, shall receive an amount of supplementary weighting for the next three school budget years as follows:

(1) For the budget year beginning July 1, 2000, the greater of the amount of supplementary weighting determined pursuant to paragraph *"a"*, or sixty-five percent of the amount received for the budget year beginning July 1, 1999.

(2) For the budget year beginning July 1, 2001, the greater of the amount of supplementary weighting determined pursuant to paragraph *"a"*, or forty percent of the amount received for the budget year beginning July 1, 1999.

(3) For the budget year beginning July 1, 2002, and succeeding budget years, the amount of supplementary weighting determined pursuant to paragraph *"a"*.

*c.* If a school district receives an amount pursuant to paragraph *"b"* which exceeds the amount the district would otherwise have received pursuant to paragraph *"a"*, the department of management shall annually determine the amount of the excess that would have been state aid and the amount that would have been property tax if the school district had generated that amount pursuant to paragraph *"a"*, and shall include the amounts in the state aid payments and property tax levies of school districts. The department of management shall recalculate the supplementary weighting amount received each year to reflect the amount of the reduction in funding from one budget year to the next pursuant to paragraph *"b"*, subparagraphs (1) through (3). It is the intent of the general assembly that when weights are recalculated under this subsection, the total amounts generated by each weight shall be approximately equal.

5. *Regional academies.*

*a.* For the school budget year beginning July 1, 2002, through the school budget year beginning July 1, 2007, in order to provide additional funds for school districts in which a regional academy is located, a supplementary weighting plan for determining enrollment is adopted.

*b.* A school district which establishes a regional academy shall be eligible to assign its resident pupils attending classes at the academy a weighting of one-tenth of the percentage of the pupil's school day during which the pupil attends classes at the regional academy. For the purposes of this subsection, *"regional academy"* means an educational institution established by a school district to which multiple schools send pupils in grades nine through twelve, and may include a virtual academy. A regional academy shall include in its curriculum advanced-level courses and may include in its curriculum vocational-technical courses. The maximum amount of additional weighting for which a school district establishing a regional academy shall be eligible is an amount corresponding to fifteen additional pupils. The minimum amount of additional weighting for which a school district establishing a regional academy shall be eligible is an amount corresponding to ten additional pupils if the academy provides both advanced-level courses and vocational-technical courses. However, if the sum of the funding amount calculated for all districts operating regional academies under this subsection exceeds one million dollars for the school year beginning July 1, 2004, and each succeeding fiscal year, the director of the department of management shall prorate the amount calculated for each district. The proration shall be based upon the amount calculated for each district when compared to the sum of the amount for all districts.

6. *Shared operational functions — increased student opportunities.*

*a.* In order to provide additional funding to increase student opportunities and redirect more resources to student programming for school districts that share operational functions, a supplementary weighting of two hundredths per pupil shall be assigned to pupils enrolled in a district that shares with a political subdivision one or more operational functions in the areas of superintendent management, business management, human resources, transportation, or operation and maintenance for at least twenty percent of the school year. The additional weighting shall be assigned for each discrete operational function shared. For the purposes of this section, *"political subdivision"* means a city, township, county, school corporation, merged area, area education agency, institution governed by the state board of regents, or any other governmental subdivision.

*b.* Supplementary weighting pursuant to this subsection shall be available to a school district for a maximum of five years during the period commencing with the budget year beginning July 1, 2008, through the budget year beginning July 1, 2013. The minimum amount of additional weighting for which a school district shall be eligible is an amount

equivalent to ten additional pupils, and the maximum amount of additional weighting for which a school district shall be eligible is an amount equivalent to forty additional pupils. Receipt of supplementary weighting by a school district pursuant to this subsection for more than one year shall be contingent upon the annual submission of information by the district to the department documenting cost savings directly attributable to the shared operational functions. Criteria for determining the number of years for which supplementary weighting shall be received pursuant to this subsection, subject to the five-year maximum, and for determining qualification of operational functions for supplementary weighting shall be determined by the department by rule, through consideration of long-term savings by the school district or increased student opportunities.

*c.* Supplementary weighting pursuant to this subsection shall be available to an area education agency for a maximum of five years during the period commencing with the budget year beginning July 1, 2008. The minimum amount of additional funding for which an area education agency shall be eligible is fifty thousand dollars, and the maximum amount of additional funding for which an area education agency shall be eligible is two hundred thousand dollars. The department of management shall annually set a weighting for each area education agency to generate the approved operational sharing expense using the area education agency's special education cost per pupil amount and foundation level. Receipt of supplementary weighting by an area education agency for more than one year shall be contingent upon the annual submission of information by the district to the department documenting cost savings directly attributable to the shared operational functions. Criteria for determining the number of years for which supplementary weighting shall be received pursuant to this subsection, subject to the five-year maximum, and the amount generated by the supplementary weighting, and for determining qualification of operational functions for supplementary weighting shall be determined by the department by rule, through consideration of long-term savings by the area education agency or increased student opportunities.

*d.* The amount of any supplementary weighting originally received under this subsection shall be reduced by an additional twenty percent from the original amount for each subsequent budget year that supplementary weighting may be received.

*e.* This subsection is repealed effective July 1, 2014.

7. *Shared operational functions — increased student opportunities — budget years beginning in 2014 through 2019.*

*a.* (1) In order to provide additional funding to increase student opportunities and redirect more resources to student programming for school districts that share operational functions, a supplementary weighting of two hundredths per pupil shall be assigned to pupils enrolled in a district that shares with a political subdivision one or more operational functions of a curriculum director, school administration manager, social worker, school nurse, school counselor, or school librarian, or one or more operational functions in the areas of superintendent management, business management, human resources, transportation, or operation and maintenance for at least twenty percent of the school year. The additional weighting shall be assigned for each discrete operational function shared. The operational function sharing arrangement does not need to be a newly implemented sharing arrangement to receive supplementary weighting under this subsection. However, to receive supplementary weighting under this subsection for an ongoing operational function sharing arrangement that began before July 1, 2014, the district shall submit information to the department documenting the cost savings directly attributable to the shared operational functions and describe the district's consideration of additional shared operational functions.

(2) For the purposes of this section, "*political subdivision*" means a city, township, county, school corporation, merged area, area education agency, institution governed by the state board of regents, or any other governmental subdivision.

*b.* School districts that share operational functions with other school districts are not required to be contiguous school districts. If two or more districts sharing operational functions are not contiguous to each other, the districts separating those districts are not required to be a party to the operational functions sharing arrangement.

*c.* Supplementary weighting pursuant to this subsection shall be available to a school

district for a maximum of five years during the period commencing with the budget year beginning July 1, 2014, through the budget year beginning July 1, 2019. The minimum amount of additional weighting for which a school district shall be eligible is an amount equivalent to ten additional pupils, and the maximum amount of additional weighting for which a school district shall be eligible is an amount equivalent to forty additional pupils. Receipt of supplementary weighting by a school district pursuant to this subsection for more than one year shall be contingent upon the annual submission of information by the district to the department documenting cost savings directly attributable to the shared operational functions. Criteria for determining the number of years for which supplementary weighting shall be received pursuant to this subsection, subject to the five-year maximum, and for determining qualification of operational functions for supplementary weighting shall be determined by the department by rule, through consideration of long-term savings by the school district or increased student opportunities.

*d.* Supplementary weighting pursuant to this subsection shall be available to an area education agency for a maximum of five years during the period commencing with the budget year beginning July 1, 2014, through the budget year beginning July 1, 2019. The minimum amount of additional funding for which an area education agency shall be eligible is fifty thousand dollars, and the maximum amount of additional funding for which an area education agency shall be eligible is two hundred thousand dollars. The department of management shall annually set a weighting for each area education agency to generate the approved operational sharing expense using the area education agency's special education cost per pupil amount and foundation level. Receipt of supplementary weighting by an area education agency for more than one year shall be contingent upon the annual submission of information by the district to the department documenting cost savings directly attributable to the shared operational functions. Criteria for determining the number of years for which supplementary weighting shall be received pursuant to this subsection, subject to the five-year maximum, and the amount generated by the supplementary weighting, and for determining qualification of operational functions for supplementary weighting shall be determined by the department by rule, through consideration of long-term savings by the area education agency or increased student opportunities.

*e.* This subsection is repealed effective July 1, 2020.

8. *Shared classes delivered over the Iowa communications network.*

*a.* A school district that provides a virtual class to a pupil in another school district and the school district receiving that virtual class for a pupil shall each receive a supplemental weighting of one-twentieth of the percentage of the pupil's school day during which the pupil attends the virtual class.

*b.* Fifty percent of the funding the school district providing the virtual class receives as a result of this subsection shall be reserved as additional pay for the virtual classroom instructor. If an instructor's contract provides additional pay for teaching a virtual class, the instructor shall receive the greater amount of either the amount provided for in this paragraph or the amount provided for in the instructor's contract.

*c.* A school district receiving a virtual class for a pupil from a community college, which class meets the sharing agreement requirements in subsection 3, shall receive a supplemental funding weighting of one-twentieth of the percentage of the pupil's school day during which the pupil attends the virtual class.

*d.* For the purposes of this subsection, *"virtual class"* means either of the following:

(1) A class provided by a school district to a pupil in another school district via the Iowa communications network's video services.

(2) A class provided by a community college to a pupil in a school district via the Iowa communications network's video services.

9. *District to community college innovative sharing project.* A school district that collaborates with a community college to provide pupils enrolled in the school district's high school with a class that uses an activities-based, project-based, and problem-based learning approach that is offered through a partnership with a nationally recognized provider of rigorous and innovative science, technology, engineering, and mathematics curriculum for schools, which provider is exempt from taxation under section 501(c)(3) of the Internal

Revenue Code, is eligible to assign its resident pupils attending the class an additional weighting of the percentage of the pupil's school day during which the pupil attends a class described in this subsection times seventy hundredths. To qualify for additional weighting, the class must supplement, not supplant, high school courses required to be offered pursuant to section 256.11, subsection 5.

10. *Pupils ineligible.* A pupil eligible for the weighting plan provided in section 256B.9 is not eligible for supplementary weighting pursuant to this section unless it is determined that the course generating the supplemental weighting has no relationship to the pupil's disability. A pupil attending an alternative program or an at-risk pupils' program, including alternative high school programs, is not eligible for supplementary weighting under subsection 2.

11. *Shared classes and curriculum standards.* A school district shall ensure that any course made available to a student through any sharing agreement between the school district and a community college or any other entity providing course programming pursuant to this section to students enrolled in the school district meets the expectations contained in the core curriculum adopted pursuant to section 256.7, subsection 26. The school district shall ensure that any course that has the capacity to generate college credit shall be equivalent to college-level work.

12. *School finance appropriations report.* The department of education shall annually prepare a report regarding school finance provisions or programs receiving a standing appropriation, including supplementary weighting programs. The report shall provide information regarding amounts received or accessed by school districts pursuant to the provisions or programs, whether the amounts received represent an increase or decrease over amounts received during the previous budget year and the percentage increase or decrease, conclusions regarding the adequacy of amounts received by school districts and whether the amounts received are equitable between school districts based upon input from the school districts and analysis by the department, and the rationale for current trends being observed by the department and projections regarding possible trends in the future. The report shall be submitted to the general assembly by January 1 each year, and copies of the report shall be forwarded to the chairpersons and members of the committee on education in the senate and in the house of representatives.

89 Acts, ch 135, §11; 90 Acts, ch 1190, §7; 93 Acts, ch 180, §96; 95 Acts, ch 111, §1; 95 Acts, ch 209, §13; 2000 Acts, ch 1198, §1, 6; 2001 Acts, ch 126, §5, 6; 2002 Acts, ch 1047, §3, 4, 20; 2002 Acts, ch 1140, §8; 2003 Acts, ch 179, §111; 2003 Acts, ch 180, §11; 2005 Acts, ch 19, §38; 2007 Acts, ch 130, §2 – 4; 2007 Acts, ch 214, §20, 44; 2008 Acts, ch 1032, §43; 2008 Acts, ch 1181, §48, 49; 2008 Acts, ch 1191, §157; 2009 Acts, ch 41, §247; 2009 Acts, ch 133, §100; 2010 Acts, ch 1016, §7; 2012 Acts, ch 1119, §37; 2013 Acts, ch 65, §1; 2013 Acts, ch 88, §5, 6; 2013 Acts, ch 140, §20

Referred to in §11.6, 256.17, 257.6, 257.11A, 261E.2, 261E.8, 261E.9, 261E.10, 261E.11, 280.13A, 282.7, 423F.3
Subsection 3, paragraph c stricken
NEW subsection 7 and former subsection 7 renumbered as 8
NEW subsection 9 and former subsections 8 – 10 renumbered as 10 – 12

**257.11A Supplementary weighting and school reorganization.**

1. In determining weighted enrollment under section 257.6, if the board of directors of a school district has approved a contract for sharing pursuant to section 257.11 and the school district has approved an action to bring about a reorganization to take effect on and after July 1, 2007, and on or before July 1, 2014, the reorganized school district shall include, for a period of three years following the effective date of the reorganization, additional pupils added by the application of the supplementary weighting plan, equal to the pupils added by the application of the supplementary weighting plan in the year preceding the reorganization. For the purposes of this subsection, the weighted enrollment for the period of three years following the effective date of reorganization shall include the supplementary weighting in the base year used for determining the combined district cost for the first year of the reorganization. However, the weighting shall be reduced by the supplementary weighting added for a pupil whose residency is not within the reorganized district.

2. For purposes of this section, a reorganized district is one in which the reorganization was approved in an election pursuant to sections 275.18 and 275.20 and takes effect on or

after July 1, 2007, and on or before July 1, 2014. Each district which initiates, by a vote of the board of directors or jointly by the affected boards, action to bring about a reorganization or dissolution to take effect on or after July 1, 2007, and on or before July 1, 2014, shall certify the date and the nature of the action taken to the department of education by January 1 of the year in which the reorganization or dissolution takes effect.

3. A school district shall be eligible for a combined maximum total of six years of supplementary weighting under the provisions of this section and section 257.11, subsection 2, paragraph "*c*". A school district participating in a whole grade sharing arrangement during the budget year beginning July 1, 2001, that adopted a resolution jointly with other affected boards to study the question of undergoing a reorganization or dissolution to take effect on or after July 1, 2002, and on or before July 1, 2006, shall continue to receive the supplementary weighting to which it was entitled pursuant to the provisions of this section and section 257.11, subsection 2, paragraph "*c*".

2001 Acts, ch 126, §7; 2007 Acts, ch 130, §5

**257.12 Adjustment in state foundation aid.**

1. If a school district is required to repay property taxes paid for school taxes levied on property originally assessed at five million dollars or more because the assessment was subsequently reduced by the action of the property assessment appeal board or judicial action and the amount of the reduction in the assessment equals at least one hundred thousand dollars or two percent of the assessed value of all taxable property in the district prior to the reduction, whichever is less, the school district is eligible for an adjustment in state foundation aid. To receive the adjustment in state foundation aid, the school district shall apply to the department of management prior to the beginning of the budget year following the budget year in which the repayment of the property taxes occurred. The department of management shall determine the amount of adjustment in state foundation aid pursuant to subsection 2.

2. The department of management shall determine the amount of state foundation aid which the school district would have received under section 257.1 if the amount of the school district's foundation property tax was determined using the reduced assessment of the applicable property. The difference between the amount of the state foundation aid using the reduced assessment and the amount of state foundation aid actually received under section 257.1 equals the amount of the adjustment in state foundation aid to be paid to the school district.

3. The adjustment in state foundation aid under this section shall be paid as provided in section 257.16. If the application to receive an adjustment in state aid was filed prior to April 15, the adjustment shall be paid in the budget year. If the application is made after April 15, the adjustment shall be paid in the following budget year.

2006 Acts, ch 1185, §78

**257.13 On-time funding budget adjustment.**

1. For the school budget year beginning July 1, 2001, and succeeding budget years, if a district's actual enrollment for the budget year, determined under section 257.6, is greater than its budget enrollment for the budget year, the district shall be eligible to receive an on-time funding budget adjustment. The adjustment shall be in an amount equal to the difference between the actual enrollment for the budget year and the budget enrollment for the budget year, multiplied by the district cost per pupil.

2. The board of directors of a school district that wishes to receive an on-time funding budget adjustment shall adopt a resolution to receive the adjustment and notify the school budget review committee annually, but not earlier than November 1, as determined by the department of education. The school budget review committee shall establish a modified supplemental amount pursuant to subsection 1.

3. If the board of directors of a school district determines that a need exists for additional funds exceeding the authorized budget adjustment for on-time funding pursuant to this

section, a request for a modified supplemental amount based upon increased enrollment may be submitted to the school budget review committee as provided in section 257.31.

99 Acts, ch 2, §2, 4; 2000 Acts, ch 1055, §1, 3; 2001 Acts, ch 126, §8; 2008 Acts, ch 1142, §1, 6; 2013 Acts, ch 121, §26, 42

2013 amendments to subsections 2 and 3 apply to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsections 2 and 3 amended

**257.14 Budget adjustment.**

1. For the budget year commencing July 1, 2001, if the department of management determines that the regular program district cost of a school district for a budget year is less than the total of the regular program district cost plus any adjustment added under this section for the base year for that school district, the school district shall be eligible to receive a budget adjustment for that district for that budget year up to an amount equal to the difference. The board of directors of a school district that wishes to receive a budget adjustment pursuant to this subsection shall, notwithstanding the public notice and hearing provisions of chapter 24 or any other provision to the contrary, within thirty days following May 9, 2001, adopt a resolution to receive the budget adjustment and immediately notify the department of management of the adoption of the resolution and the amount of the budget adjustment to be received.

2. For the budget years commencing July 1, 2002, and July 1, 2003, if the department of management determines that the regular program district cost of a school district for a budget year is less than the total of the regular program district cost plus any adjustment added under this section for the base year for that school district, the school district shall be eligible to receive a budget adjustment for that district for that budget year up to an amount equal to the difference. The board of directors of a school district that wishes to receive a budget adjustment pursuant to this subsection shall adopt a resolution to receive the budget adjustment by May 15, annually, and shall notify the department of management of the adoption of the resolution and the amount of the budget adjustment to be received.

3. *a.* For the budget year commencing July 1, 2004, and succeeding budget years, a district shall be eligible for a budget adjustment corresponding to the following schedule:

(1) For the budget year commencing July 1, 2004, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or ninety percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2004, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.

(2) For the budget year commencing July 1, 2005, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or eighty percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2005, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.

(3) For the budget year commencing July 1, 2006, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or seventy percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2006, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.

(4) For the budget year commencing July 1, 2007, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular

program district cost for the base year, or sixty percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2007, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.

(5) For the budget year commencing July 1, 2008, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or fifty percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2008, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.

(6) For the budget year commencing July 1, 2009, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or forty percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2009, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.

(7) For the budget year commencing July 1, 2010, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or thirty percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2010, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.

(8) For the budget year commencing July 1, 2011, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or twenty percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2011, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.

(9) For the budget year commencing July 1, 2012, the greater of the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year, or ten percent of the amount by which the budget guarantee as calculated for the budget year beginning July 1, 2003, exceeds the adjusted guarantee amount. For purposes of this subparagraph, the *"adjusted guarantee amount"* means the amount which would be applicable for the budget year beginning July 1, 2012, if the budget guarantee were determined for that budget year as calculated for the budget year beginning July 1, 2003.

(10) For the budget year commencing July 1, 2013, and each budget year thereafter, the difference between the regular program district cost for the budget year and one hundred one percent of the regular program district cost for the base year.

*b.* The board of directors of a school district that wishes to receive a budget adjustment pursuant to this subsection shall adopt a resolution to receive the budget adjustment by May 15, annually, and shall notify the department of management of the adoption of the resolution and the amount of the budget adjustment to be received.

89 Acts, ch 135, §14; 90 Acts, ch 1190, §8; 92 Acts, ch 1230, §6; 93 Acts, ch 179, §17; 95 Acts, ch 130, §2; 97 Acts, ch 18, §1, 2; 99 Acts, ch 2, §3, 4; 2000 Acts, ch 1055, §2, 3; 2001 Acts, ch

126, §9 – 12; 2002 Acts, ch 1050, §59, 65; 2002 Acts, ch 1140, §9, 10, 47; 2004 Acts, ch 1175, §235, 287; 2005 Acts, ch 179, §58; 2008 Acts, ch 1142, §2, 3, 6
Referred to in §257.1, 257.19

**257.15 Property tax adjustment.**

1. *Property tax adjustment for 1991-1992.*

*a.* For the budget year beginning July 1, 1991, the department of management shall calculate for each district the difference between the sum of the revenues generated by the foundation property tax and the additional property tax in the district calculated under this chapter and the revenues that would have been generated by the foundation property tax and the additional property tax in that district for that budget year calculated under chapter 442, Code 1989, if chapter 442, Code 1989, were in effect, except that the revenues that would have been generated by the additional property tax levy under chapter 442, Code 1989, shall not include revenues generated for the school improvement program. However in making the calculation of the difference in revenues under this subsection, the department shall not include the revenues generated under section 257.37 and under chapter 442, Code 1989, for funding media and educational services through the area education agencies. If the property tax revenues for a district calculated under this chapter exceed the property tax revenues for that district calculated under chapter 442, Code 1989, the department of management shall reduce the revenues raised by the additional property tax levy in that district under this chapter by that difference and the department of education shall pay property tax adjustment aid to the district equal to that difference from moneys appropriated for property tax adjustment aid.

*b.* For purposes of this subsection, in computing the amount of revenues generated by the foundation property tax and the additional property tax under chapter 442, Code 1989, the computation shall be based on a regular program foundation base per pupil of eighty-three percent of the regular program state cost per pupil except that for the portion of weighted enrollment that is additional enrollment because of special education the regular program foundation base per pupil shall be seventy-nine percent of the regular program state cost per pupil. The special education support services foundation base shall be seventy-nine percent of the special education support services state cost per pupil.

2. *Property tax adjustment aid for 1992-1993 and succeeding years.* For the budget year beginning July 1, 1992, and succeeding budget years, the department of education shall pay property tax adjustment aid to a school district equal to the amount paid to the district for the base year less an amount equal to the product of the percent by which the taxable valuation in the district increased, if the taxable valuation increased, from January 1 of the year prior to the base year to January 1 of the base year and the property tax adjustment aid. The department of management shall adjust the rate of the additional property tax accordingly and notify the department of education of the amount of aid to be paid to each district from moneys appropriated for property tax adjustment aid.

3. *Property tax adjustment aid appropriation.* There is appropriated from the general fund of the state to the department of education, for each fiscal year, an amount necessary to pay property tax adjustment aid to school districts under this section. Property tax adjustment aid shall be paid to school districts in the manner provided in section 257.16.

4. *a. Allocations for maximum adjusted additional property tax levy rate calculation and adjusted additional property tax levy aid.* The department of management shall allocate from amounts appropriated pursuant to section 257.16, subsection 1, and from funds appropriated from the property tax equity and relief fund created in section 257.16A for the purpose of calculating the statewide maximum adjusted additional property tax levy rate and providing adjusted additional property tax levy aid as provided in section 257.4, subsection 1, paragraph *"b"*, an amount equal to the sum of subparagraphs (1) and (2) as follows:

(1) From the amount appropriated from the general fund of the state pursuant to section 257.16, subsection 1, equal to the following:

(a) For the budget year beginning July 1, 2006, six million dollars.

(b) For the budget year beginning July 1, 2007, twelve million dollars.

(c) For the budget year beginning July 1, 2008, eighteen million dollars.

(d) For the budget year beginning July 1, 2009, and succeeding budget years, twenty-four million dollars.

(2) From the amount appropriated from the property tax equity and relief fund created in section 257.16A.

*b.* After lowering all school district adjusted additional property tax levy rates to the statewide maximum adjusted additional property tax levy rate under paragraph *"a"*, the department of management shall use any remaining funds at the end of the calendar year to further lower additional property taxes by increasing for the budget year beginning the following July 1, the state foundation base percentage. Moneys used pursuant to this paragraph shall supplant an equal amount of the appropriation made from the general fund of the state pursuant to section 257.16 that represents the increase in state foundation aid.

89 Acts, ch 135, §15; 91 Acts, ch 6, §1; 91 Acts, ch 267, §519; 2006 Acts, ch 1182, §39, 53; 2008 Acts, ch 1134, §2; 2010 Acts, ch 1061, §45; 2013 Acts, ch 121, §5, 9

Referred to in §257.4, 257.16, 257.16A

Subsection 4, paragraph b amended

**257.16 Appropriations.**

1. There is appropriated each year from the general fund of the state an amount necessary to pay the foundation aid under this chapter, the preschool foundation aid under chapter 256C, supplementary aid under section 257.4, subsection 2, and adjusted additional property tax levy aid under section 257.15, subsection 4.

2. All state aids paid under this chapter, unless otherwise stated, shall be paid in monthly installments beginning on September 15 of a budget year and ending on or about June 15 of the budget year as determined by the department of management, taking into consideration the relative budget and cash position of the state resources.

3. All moneys received by a school district from the state under this chapter shall be deposited in the general fund of the school district, and may be used for any school general fund purpose unless otherwise provided by law.

4. Notwithstanding any provision to the contrary, if the governor orders budget reductions in accordance with section 8.31, the teacher salary supplement district cost, the professional development supplement district cost, the early intervention supplement district cost, and the teacher leadership supplement district cost as calculated under section 257.10, subsections 9, 10, 11, and 12, and the area education agency teacher salary supplement district cost and the area education agency professional development supplement district cost as calculated under section 257.37A, subsections 1 and 2, shall be paid in full as calculated and the reductions in the appropriations provided in accordance with this section shall be reduced from the remaining moneys appropriated pursuant to this section and shall be distributed on a per pupil basis calculated with the weighted enrollment determined in accordance with section 257.6, subsection 5.

89 Acts, ch 135, §16; 91 Acts, ch 178, §5; 92 Acts, ch 1208, §1; 92 Acts, ch 1232, §303; 94 Acts, ch 1023, §44; 94 Acts, ch 1181, §12, 18; 95 Acts, ch 214, §10, 11; 2002 Acts, ch 1140, §11; 2006 Acts, ch 1182, §40, 53; 2007 Acts, ch 148, §8; 2010 Acts, ch 1183, §21, 43; 2013 Acts, ch 121, §56

Referred to in §256.12, 256C.4, 256C.5, 257.4, 257.5, 257.12, 257.15, 257.16B, 257.17, 257.20, 275.31, 282.31, 282.33, 284.11, 284.13, 284.15

Subsection 4 amended

**257.16A Property tax equity and relief fund.**

1. A property tax equity and relief fund is created as a separate and distinct fund in the state treasury under the control of the department of management. Moneys in the fund include revenues credited to the fund, appropriations made to the fund, and other moneys deposited into the fund.

2. There is appropriated annually all moneys in the fund to the department of management for purposes of section 257.15, subsection 4.

3. Notwithstanding section 8.33, any moneys remaining in the property tax equity and relief fund at the end of a fiscal year shall not revert to any other fund but shall remain in the

property tax equity and relief fund for use as provided in this section for the following fiscal year.

2008 Acts, ch 1134, §3
Referred to in §257.4, 257.15, 423F.2

**257.16B School district property tax replacement payments.**

1. For each fiscal year beginning on or after July 1, 2013, there is appropriated from the general fund of the state to the department of education an amount necessary to make all school district property tax replacement payments under this section, as calculated in subsection 2.

2. *a.* For the budget year beginning July 1, 2013, the department of management shall calculate for each school district all of the following:

(1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

(2) The regular program state cost per pupil for the budget year beginning July 1, 2013, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year beginning July 1, 2013, multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).

*b.* For each budget year beginning on or after July 1, 2014, the department of management shall calculate for each school district all of the following:

(1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

(2) The regular program state cost per pupil for the budget year beginning July 1, 2014, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).

3. School district property tax replacement payments shall be paid by the department of education at the same time and in the same manner as foundation aid is paid under section 257.16 and may be included in the monthly payment of state aid under section 257.16, subsection 2.

2013 Acts, ch 121, §6, 9
Referred to in §257.2, 257.4
NEW section

**257.17 Aid reduction for early school starts.**

State aid payments made pursuant to section 257.16 for a fiscal year shall be reduced by one one-hundred-eightieth for each day of that fiscal year for which the school district begins school before the earliest starting date specified in section 279.10, subsection 1. However, this section does not apply to a school district that has received approval from the director of the department of education under section 279.10, subsection 4, to commence classes for regularly established elementary and secondary schools in advance of the starting date established in section 279.10, subsection 1.

89 Acts, ch 135, §17

**257.18 Instructional support program.**

1. An instructional support program that provides additional funding for school districts is established. A board of directors that wishes to consider participating in the instructional

support program shall hold a public hearing on the question of participation. The board shall set forth its proposal, including the method that will be used to fund the program, in a resolution and shall publish the notice of the time and place of a public hearing on the resolution. Notice of the time and place of the public hearing shall be published not less than ten nor more than twenty days before the public hearing in a newspaper which is a newspaper of general circulation in the school district. At the hearing, or no later than thirty days after the date of the hearing, the board shall take action to adopt a resolution to participate in the instructional support program for a period not exceeding five years or to direct the county commissioner of elections to submit the question of participation in the program for a period not exceeding ten years to the registered voters of the school district at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*". If the board submits the question at an election and a majority of those voting on the question favors participation in the program, the board shall adopt a resolution to participate and certify the results of the election to the department of management.

2. *a.* If the board does not provide for an election and adopts a resolution to participate in the instructional support program, the district shall participate in the instructional support program unless within twenty-eight days following the action of the board, the secretary of the board receives a petition containing the required number of signatures, asking that the question to approve or disapprove the action of the board in adopting the instructional support program be submitted to the voters of the school district. The petition must be signed by eligible electors equal in number to not less than one hundred or thirty percent of the number of voters at the last preceding regular school election, whichever is greater. The board shall either rescind its action or direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*". If a majority of those voting on the question at the election favors disapproval of the action of the board, the district shall not participate in the instructional support program. If a majority of those voting on the question favors approval of the action, the board shall certify the results of the election to the department of management and the district shall participate in the program.

*b.* At the expiration of the twenty-eight day period, if no petition is filed, the board shall certify its action to the department of management and the district shall participate in the program.

3. Participation in an instructional support program is not affected by a change in the boundaries of the school district, except as otherwise provided in this section. If each school district involved in a school reorganization under chapter 275 has approved an instructional support program, and if the voters have not voted upon the question of participation in the program in the reorganized district, the instructional support program shall be in effect for the reorganized district that has been approved for the least amount and the shortest time in any of the districts.

89 Acts, ch 135, §18; 92 Acts, ch 1171, §1; 95 Acts, ch 67, §53; 96 Acts, ch 1112, §1, 2; 2008 Acts, ch 1115, §32, 33, 71

Referred to in §257.27, 257.29

**257.19 Instructional support funding.**

The additional funding for the instructional support program for a budget year is limited to an amount not exceeding ten percent of the total of regular program district cost for the budget year and moneys received under section 257.14 as a budget adjustment for the budget year. Moneys received by a district for the instructional support program are miscellaneous income and may be used for any general fund purpose. However, moneys received by a district for the instructional support program shall not be used as, or in a manner which has the effect of, supplanting funds authorized to be received under sections 257.41, 257.46, 298.2, and 298.4, or to cover any deficiencies in funding for special education instructional services resulting from the application of the special education weighting plan under section 256B.9.

Certification of a board's intent to participate for a budget year, the method of funding, and the amount to be raised shall be made to the department of management not later than April

15 of the base year. Funding for the instructional support program shall be obtained from instructional support state aid and from local funding using either an instructional support property tax or a combination of an instructional support property tax and an instructional support income surtax.

The board of directors shall determine whether the instructional support property tax or the combination of the instructional support property tax and instructional support income surtax shall be used for the local funding. Subject to the limitation specified in section 298.14, if the board elects to use the combination of the instructional support property tax and instructional support income surtax, for each budget year the board shall determine the percent of income surtax that will be imposed, expressed as full percentage points, not to exceed twenty percent.

89 Acts, ch 135, §19; 91 Acts, ch 126, §3; 93 Acts, ch 1, §4
Referred to in §257.21, 403.19

**257.20 Instructional support state aid appropriation.**

1. In order to determine the amount of instructional support state aid and the amount of local funding for the instructional support program for a district, the department of management shall divide the total assessed valuation in the state by the total budget enrollment for the budget year in the state to determine a state assessed valuation per pupil and shall divide the assessed valuation in each district by the district's budget enrollment for the budget year to determine the district assessed valuation per pupil. The department of management shall multiply the ratio of the state's valuation per pupil to the district's valuation per pupil by twenty-five hundredths and subtract that result from one to determine the portion of the instructional support program budget that is local funding. The remaining portion of the budget shall be funded by instructional support state aid. However, for the budget year beginning July 1, 1992, only, the amount of state aid is three and one-quarter percent less than the amount computed under this paragraph for that budget year.

2. There is appropriated for each fiscal year from the general fund of the state to the department of education, an amount necessary to pay instructional support state aid as determined under subsection 1.

*a.* However, moneys appropriated under this subsection shall not exceed the amount of moneys appropriated as instructional support state aid for the budget year which commenced on July 1, 1992.

*b.* If the amount appropriated under this subsection is insufficient to pay the amount of instructional support state aid determined under subsection 1, the department of education shall prorate the amount of the instructional support state aid provided to each district.

3. If the general assembly makes an appropriation for instructional support state aid in lieu of the standing appropriation provided under subsection 2, the appropriation for instructional support state aid shall include in the appropriation the allocation of the instructional support state aid to the school districts applicable for that appropriation and subsections 1 and 2 do not apply to the appropriation.

4. Instructional support state aid shall be paid at the same time and in the same manner as foundation aid is paid under section 257.16.

89 Acts, ch 135, §20; 92 Acts, ch 1227, §16; 92 Acts, ch 1230, §8

**257.21 Computation of instructional support amount.**

1. The department of management shall establish the amount of instructional support property tax to be levied and the amount of instructional support income surtax to be imposed by a district in accordance with the decision of the board under section 257.19 for each school year for which the instructional support program is authorized. The department of management shall determine these amounts based upon the most recent figures available for the district's valuation of taxable property, individual state income tax paid, and budget enrollment in the district, and shall certify to the district's county auditor the amount of instructional support property tax, and to the director of revenue the amount of instructional support income surtax to be imposed if an instructional support income surtax is to be imposed.

2. The instructional support income surtax shall be imposed on the state individual income

tax for the calendar year during which the school's budget year begins, or for a taxpayer's fiscal year ending during the second half of that calendar year and after the date the board adopts a resolution to participate in the program or the first half of the succeeding calendar year, and shall be imposed on all individuals residing in the school district on the last day of the applicable tax year. As used in this section, *"state individual income tax"* means the taxes computed under section 422.5, less the amounts of nonrefundable credits allowed under chapter 422, division II, except for the Iowa taxpayers trust fund tax credit allowed under section 422.11E.

89 Acts, ch 135, §21; 91 Acts, ch 159, §1; 97 Acts, ch 23, §25; 2003 Acts, ch 145, §286; 2006 Acts, ch 1158, §3; 2013 Acts, ch 123, §42, 45, 46

Referred to in §257.29, 298.2, 298.14

Limit on total surtax, §298.14

2013 amendment to subsection 2 takes effect June 12, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 123, §45, 46

Unnumbered paragraphs 1 and 2 editorially designated as subsections 1 and 2

Subsection 2 amended

**257.22 Statutes applicable.**

The director of revenue shall administer the instructional support income surtax imposed under this chapter, and sections 422.4, 422.20, sections 422.22 to 422.31, sections 422.68, 422.70, and sections 422.72 to 422.75 shall apply with respect to administration of the instructional support income surtax.

89 Acts, ch 135, §22; 2003 Acts, ch 145, §286; 2009 Acts, ch 60, §1

Referred to in §257.29, 298.2

**257.23 Form and time of return.**

The instructional support income surtax shall be made a part of the Iowa individual income tax return subject to the conditions and restrictions set forth in section 422.21.

89 Acts, ch 135, §23

Referred to in §257.29, 298.2

**257.24 Deposit of instructional support income surtax.**

The director of revenue shall deposit all moneys received as instructional support income surtax to the credit of each district from which the moneys are received, in the school district income surtax fund which is established in section 298.14.

The director of revenue shall deposit instructional support income surtax moneys received on or before November 1 of the year following the close of the school budget year for which the surtax is imposed to the credit of each district from which the moneys are received in the school district income surtax fund.

Instructional support income surtax moneys received or refunded after November 1 of the year following the close of the school budget year for which the surtax is imposed shall be deposited in or withdrawn from the general fund of the state and shall be considered part of the cost of administering the instructional support income surtax.

89 Acts, ch 135, §24; 2003 Acts, ch 145, §286

Referred to in §257.29, 298.2

**257.25 Instructional support income surtax certification.**

On or before October 20 each year, the director of revenue shall make an accounting of the instructional support income surtax collected under this chapter applicable to tax returns for the last preceding calendar year, or for a taxpayer's fiscal year ending during the second half of that calendar year and after the date the board adopts a resolution to participate in the program, or the first half of the succeeding calendar year, from taxpayers in each school district in the state which has approved the instructional support program, and shall certify to the department of management and the department of education the amount of total instructional support income surtax credited from the taxpayers of each school district.

89 Acts, ch 135, §25; 2003 Acts, ch 145, §286

Referred to in §257.29, 298.2

**257.26 Instructional support income surtax distribution.**

The director of the department of administrative services shall draw warrants in payment of the amount of instructional support surtax in the manner provided in section 298.14.

89 Acts, ch 135, §26; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §30

Referred to in §257.29, 298.2

**257.27 Continuation of instructional support program.**

At the expiration of the period for which the instructional support program was adopted, the program may be extended for a period of not exceeding five or ten years in the manner provided in section 257.18.

If the voters do not approve adoption of the instructional support program, the board shall wait at least one hundred twenty days following the election before taking action to adopt the program or resubmit the proposition.

89 Acts, ch 135, §27

**257.28 Enrichment levy.**

If a school district has approved the use of the instructional support program for a budget year, the district shall not also collect moneys under the additional enrichment amount approved by the voters under chapter 442, Code 1991, for the budget year.

89 Acts, ch 135, §28; 92 Acts, ch 1163, §60; 2005 Acts, ch 179, §124

Referred to in §257.33

**257.29 Educational improvement program.**

1. An educational improvement program is established to provide additional funding for school districts in which the regular program district cost per pupil for a budget year is one hundred ten percent of the regular program state cost per pupil for the budget year and which have approved the use of the instructional support program established in section 257.18. A board of directors that wishes to consider participating in the educational improvement program shall hold a hearing on the question of participation and the maximum percent of the regular program district cost of the district that will be used. The hearing shall be held in the manner provided in section 257.18 for the instructional support program. Following the hearing, the board may direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on a date specified in section 39.2, subsection 4, paragraph "c". If a majority of those voting on the question favors participation in the program, the board shall adopt a resolution to participate and shall certify the results of the election to the department of management and the district shall participate in the program. If a majority of those voting on the question does not favor participation, the district shall not participate in the program.

2. The educational improvement program shall provide additional revenues each fiscal year equal to a specified percent of the regular program district cost of the district, as determined by the board but not more than the maximum percent authorized by the electors if an election has been held. Certification of a district's participation for a budget year, the method of funding, and the amount to be raised shall be made to the department of management not later than April 15 of the base year.

3. The educational improvement program shall be funded by either an educational improvement property tax or by a combination of an educational improvement property tax and an educational improvement income surtax. The method of raising the educational improvement moneys shall be determined by the board. Subject to the limitation in section 298.14, if the board uses a combination of an educational improvement property tax and an educational improvement income surtax, the board shall determine the percent of income surtax to be imposed, expressed as full percentage points, not to exceed twenty percent.

4. The department of management shall establish the amount of the educational improvement property tax to be levied or the amount of the combination of the educational improvement property tax to be levied and the amount of the school district income surtax to be imposed for each school year that the educational improvement amount is authorized. The educational improvement property tax and income surtax, if an income surtax is imposed, shall be levied and imposed, collected, and paid to the school district in the manner

provided for the instructional support program in sections 257.21 through 257.26. Moneys received by a school district under the educational improvement program are miscellaneous income.

5. Once approved at an election, the authority of the board to use the educational improvement program shall continue until the board votes to rescind the educational improvement program or the voters of the school district by majority vote order the discontinuance of the program. The board shall submit at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*", the proposition whether to discontinue the program upon the receipt of a petition signed by not less than one hundred eligible electors or thirty percent of the number of electors voting at the last preceding school election, whichever is greater.

6. Participation in an educational improvement program is not affected by a change in the boundaries of the school district, except as otherwise provided in this section. If each school district involved in school reorganization under chapter 275 has approved an educational improvement program, and if the voters have not voted upon the question of participation in the program in the reorganized district, the educational improvement program shall be in effect for the reorganized district that has been approved for the least amount and the shortest time in any of the districts.

7. Notwithstanding the requirement in subsection 1 that the regular program district cost per pupil for a budget year is one hundred ten percent of the regular state cost per pupil, the board of directors may participate in the educational improvement program as provided in this section if the school district had adopted an enrichment levy of fifteen percent of the state cost per pupil multiplied by the budget enrollment in the district prior to July 1, 1992, and upon expiration of the period for which the enrichment levy was adopted, adopts a resolution for the use of the instructional support program established in section 257.18. The maximum percent of the regular district cost of the district that may be used under this subsection shall not exceed five percent.

89 Acts, ch 135, §29; 90 Acts, ch 1190, §9; 92 Acts, ch 1171, §2; 92 Acts, ch 1187, §3; 93 Acts, ch 1, §5; 95 Acts, ch 67, §53; 2008 Acts, ch 1115, §34, 35, 71

Referred to in §298.14

Limit on total surtax, §298.14

**257.30 School budget review committee.**

1. A school budget review committee is established in the department of education and consists of the director of the department of education in an ex officio, nonvoting capacity, the director of the department of management, and four members who are knowledgeable in the areas of Iowa school finance or public finance issues appointed by the governor to represent the public. At least one of the public members shall possess a master's or doctoral degree in which areas of school finance, economics, or statistics are an integral component, or shall have equivalent experience in an executive administrative or senior research position in the education or public administration field. The members appointed by the governor shall serve staggered three-year terms beginning and ending as provided in section 69.19 and are subject to senate confirmation as provided in section 2.32. The committee shall meet and hold hearings each year and shall continue in session until it has reviewed budgets of school districts, as provided in section 257.31. The committee may call in school board members and employees as necessary for the hearings. The committee's scheduled hearing agendas and the minutes of such hearings shall be posted on the department of education's internet site. Legislators shall be notified of hearings concerning school districts in their legislative districts.

2. The committee shall adopt its own rules of procedure under chapter 17A. The director of the department of education shall serve as chairperson, and the director of the department of management shall serve as secretary. The committee members representing the public are entitled to receive their necessary expenses while engaged in their official duties. Members shall be paid a per diem at the rate specified in section 7E.6. Per diem and expense payments shall be made from appropriations to the department of education.

3. The department of education shall employ a staff member to assist the school budget review committee.

89 Acts, ch 135, §30; 2009 Acts, ch 54, §5; 2010 Acts, ch 1004, §2, 10
Referred to in §257.32, 260C.18B, 292.1

**257.31 Duties of the committee.**

1. The school budget review committee may recommend the revision of any rules, regulations, directives, or forms relating to school district budgeting and accounting, confer with local school boards or their representatives and make recommendations relating to any budgeting or accounting matters, and direct the director of the department of education or the director of the department of management to make studies and investigations of school costs in any school district.

2. The committee shall specify the number of hearings held annually, the reasons for the committee's recommendations, information about the amounts of property tax levied by school districts for a cash reserve, and other information the committee deems advisable on the department of education's internet site.

3. The committee shall review the proposed budget and certified budget of each school district, and may make recommendations. The committee may make decisions affecting budgets to the extent provided in this chapter. The costs and computations referred to in this section relate to the budget year unless otherwise expressly stated.

4. Not later than January 1, 1992, the committee shall adopt recommendations relating to the implementation by school districts and area education agencies of procedures pertaining to the preparation of financial reports in conformity with generally accepted accounting principles and submit those recommendations to the state board of education. The state board shall consider the recommendations and adopt rules under section 256.7 specifying procedures and requiring the school districts and area education agencies to conform to generally accepted accounting principles commencing with the school year beginning July 1, 1996.

5. If a district has unusual circumstances, creating an unusual need for additional funds, including but not limited to the circumstances enumerated in paragraphs "*a*" through "*n*", the committee may grant supplemental aid to the district from any funds appropriated to the department of education for the use of the school budget review committee for the purposes of this subsection. The school budget review committee shall review a school district's unexpended fund balance prior to any decision regarding unusual finance circumstances. Such aid shall be miscellaneous income and shall not be included in district cost. In addition to or as an alternative to granting supplemental aid the committee may establish a modified supplemental amount for the district by increasing its supplemental state aid. The school budget review committee shall review a school district's unspent balance prior to any decision to establish a modified supplemental amount under this subsection.

*a.* Any unusual increase or decrease in enrollment.

*b.* Unusual natural disasters.

*c.* Unusual initial staffing problems.

*d.* The closing of a nonpublic school, wholly or in part, or the opening or closing of a pilot charter school.

*e.* Substantial reduction in miscellaneous income due to circumstances beyond the control of the district.

*f.* Unusual necessity for additional funds to permit continuance of a course or program which provides substantial benefit to pupils.

*g.* Unusual need for a new course or program which will provide substantial benefit to pupils, if the district establishes the need and the amount of necessary increased cost.

*h.* Unusual need for additional funds for special education or compensatory education programs.

*i.* Year-round or substantially year-round attendance programs which apply toward graduation requirements, including but not limited to trimester or four-quarter programs. Enrollment in such programs shall be adjusted to reflect equivalency to normal school year attendance.

*j.* Unusual need to continue providing a program or other special assistance to non-English speaking pupils after the expiration of the five-year period specified in section 280.4.

*k.* Circumstances caused by unusual demographic characteristics.

*l.* Any unique problems of school districts.

*m.* The addition of one or more teacher librarians pursuant to section 256.11, subsection 9, one or more guidance counselors pursuant to section 256.11, subsection 9A, or one or more school nurses pursuant to section 256.11, subsection 9B.

*n.* Unusual need for additional funds for the costs associated with providing competent private instruction pursuant to chapter 299A.

6. *a.* The committee shall establish a modified supplemental amount for a district by increasing its supplemental state aid when the district submits evidence that it requires additional funding for removal, management, or abatement of environmental hazards due to a state or federal requirement. Environmental hazards shall include but are not limited to the presence of asbestos, radon, or the presence of any other hazardous material dangerous to health and safety.

*b.* The district shall include a budget for the actual cost of the project that may include the costs of inspection, reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, developing of management plans, recordkeeping requirements, and encapsulation or removal of the hazardous material.

7. *a.* The committee may authorize a district to spend a reasonable and specified amount from its unexpended fund balance for the following purposes:

(1) Furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the district have approved a bond issue as provided by law or the tax levy provided in section 298.2.

(2) The costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under chapter 275, if the costs are incurred within three years of the dissolution or reorganization.

(3) The costs associated with the demolition or repair of a building or structure in a school district if such costs are necessitated by, and incurred within two years of, a disaster as defined in section 29C.2, subsection 4.

*b.* Other expenditures, including but not limited to expenditures for salaries or recurring costs, are not authorized under this subsection. Expenditures authorized under this subsection shall not be included in supplemental state aid or district cost, and the portion of the unexpended fund balance which is authorized to be spent shall be regarded as if it were miscellaneous income. Any part of the amount not actually spent for the authorized purpose shall revert to its former status as part of the unexpended fund balance.

8. The committee may approve or modify the initial base year district cost of any district which changes accounting procedures.

9. When the committee makes a decision under subsections 3 through 8, it shall make all necessary changes in the district cost, budget, and tax levy. It shall give written notice of its decision, including all such changes, to the school board through the department of education.

10. All decisions by the committee under this chapter shall be made in accordance with reasonable and uniform policies which shall be consistent with this chapter. All such policies of general application shall be stated in rules adopted in accordance with chapter 17A. The committee shall take into account the intent of this chapter to equalize educational opportunity, to provide a good education for all the children of Iowa, to provide property tax relief, to decrease the percentage of school costs paid from property taxes, and to provide reasonable control of school costs. The committee shall also take into account the amount of funds available.

11. Failure by any school district to provide information or appear before the committee as requested for the accomplishment of review or hearing is justification for the committee to instruct the director of the department of management to withhold any state aid to that district until the committee's inquiries are satisfied completely.

12. The committee shall review the recommendations of the director of the department of education relating to the special education weighting plan, and shall establish a weighting plan for each school year pursuant to section 256B.9, and report the plan to the director of the department of education.

13. The committee may recommend that two or more school districts jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment, and facilities as specified in section 280.15.

14. As soon as possible following June 30 of the base year, the school budget review committee shall determine for each school district the balance of funds, whether positive or negative, raised for special education instruction programs under the special education weighting plan established in section 256B.9. The committee shall certify the balance of funds for each school district to the director of the department of management.

*a.* If the amount certified for a school district to the director of the department of management under this subsection for the base year is positive, the director of the department of management shall subtract the amount of the positive balance exceeding ten percent of the additional funds generated for special education, not to include any previous carryover, from the amount of state aid remaining to be paid to the district during the budget year. If the positive amount exceeding the ten percent amount exceeds the amount of state aid that remains to be paid to the district, not including any previous carryover, the school district shall pay the excess on a quarterly basis prior to June 30 of the budget year to the director of the department of management from other funds received by the district. The director of the department of management shall determine the amount of the positive balance that exceeds the ten percent amount that came from local property tax revenues and shall increase the district's total state school aids available under this chapter for the next following budget year by the amount so determined and shall reduce the district's tax levy computed under section 257.4 for the next following budget year by the amount necessary to compensate for the increased state aid.

*b.* (1) If the amount certified for a school district to the director of the department of management under this subsection for the base year is negative, the director of the department of management shall determine the amount of the deficit that would have been state aid and the amount that would have been property taxes for each eligible school district.

(2) There is appropriated from the general fund of the state to the school budget review committee for each fiscal year an amount equal to the state aid portion of five percent of the receipts for special education instruction programs in all districts that has a positive balance determined under paragraph *"a"* for the base year, or the state aid portion of all of the positive balances determined under paragraph *"a"* for the base year, whichever is less, to be used for supplemental aid payments to school districts. Except as otherwise provided in this lettered paragraph, supplemental aid paid to a district is equal to the state aid portion of the district's negative balance. The school budget review committee shall direct the director of the department of management to make the payments to school districts under this lettered paragraph.

(3) A school district is only eligible to receive supplemental aid payments during the budget year if the school district certifies to the school budget review committee that for the year following the budget year it will notify the school budget review committee to instruct the director of the department of management to increase the district's supplemental state aid and will fund the supplemental state aid increase either by using moneys from its unexpended fund balance to reduce the district's property tax levy or by using cash reserve moneys to equal the amount of the deficit that would have been property taxes and any part of the state aid portion of the deficit not received as supplemental aid under this subsection. The director of the department of management shall make the necessary adjustments to the school district's budget to provide the modified supplemental amount and shall make the supplemental aid payments.

(4) If the amount appropriated under this lettered paragraph is insufficient to make the supplemental aid payments under this subsection, the director of the department of management shall prorate the payments on the basis of the amount appropriated.

15. Annually the school budget review committee shall review the amount of property tax levied by each school district for the cash reserve authorized in section 298.10. If in the committee's judgment, the amount of a district's cash reserve levy is unreasonably high, the committee shall instruct the director of the department of management to reduce that district's tax levy computed under section 257.4 for the following budget year by the amount the cash reserve levy is deemed excessive. A reduction in a district's property tax levy for a budget year under this subsection does not affect the district's authorized budget.

16. The committee shall perform the duties assigned to it under sections 257.32 and 260C.18B.

17. *a.* If a district's average transportation costs per pupil exceed the state average transportation costs per pupil determined under paragraph "*c*" by one hundred fifty percent, the committee may grant transportation assistance aid to the district. Such aid shall be miscellaneous income and shall not be included in district cost.

*b.* To be eligible for transportation assistance aid, a school district shall annually certify its actual cost for all children transported in all school buses not later than July 31 after each school year on forms prescribed by the committee.

*c.* A district's average transportation costs per pupil shall be determined by dividing the district's actual cost for all children transported in all school buses for a school year pursuant to section 285.1, subsection 12, less the amount received for transporting nonpublic school pupils under section 285.1, by the district's actual enrollment for the school year excluding the shared-time enrollment for the school year as defined in section 257.6. The state average transportation costs per pupil shall be determined by dividing the total actual costs for all children transported in all districts for a school year, by the total of all districts' actual enrollments for the school year.

*d.* Funds transferred to the committee in accordance with section 321.34, subsection 22, are appropriated to and may be expended for the purposes of the committee, as described in this section. However, highest priority shall be given to districts that meet the conditions described in this subsection. Notwithstanding any other provision of the Code, unencumbered or unobligated funds transferred to the committee pursuant to section 321.34, subsection 22, remaining on June 30 of the fiscal year for which the funds were transferred, shall not revert but shall be available for expenditure for the purposes of this subsection in subsequent fiscal years.

18. If a school district exceeds its authorized budget or carries a negative unspent balance for two or more consecutive years, the committee may recommend that the department implement a phase II on-site visit to conduct a fiscal review pursuant to section 256.11, subsection 10, paragraph "*b*", subparagraph (1), subparagraph division (e).

89 Acts, ch 135, §31; 91 Acts, ch 267, §520; 93 Acts, ch 101, §202; 94 Acts, ch 1175, §3; 96 Acts, ch 1088, §1; 96 Acts, ch 1215, §22; 97 Acts, ch 23, §26; 2003 Acts, ch 79, §4, 7, 8; 2006 Acts, ch 1152, §25; 2006 Acts, ch 1182, §41, 54; 2007 Acts, ch 42, §2; 2007 Acts, ch 108, §8; 2008 Acts, ch 1191, §109; 2009 Acts, ch 41, §263; 2009 Acts, ch 54, §6; 2009 Acts, ch 65, §4; 2009 Acts, ch 133, §190, 250; 2010 Acts, ch 1004, §3 – 6, 10; 2013 Acts, ch 90, §257; 2013 Acts, ch 121, §27 – 30, 42; 2013 Acts, ch 140, §89

Referred to in §256.11, 256C.4, 257.6, 257.8, 257.13, 257.30, 257.32, 284.13, 321.34

2013 amendments to subsection 5, unnumbered paragraph 1, subsection 6, paragraph a, subsection 7, paragraph b, and subsection 14, paragraph b, subparagraph (3), apply to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Code editor directive applied

Subsection 5, unnumbered paragraph 1 amended

Subsection 5, paragraph j amended

Subsection 6, paragraph a amended

Subsection 7, paragraph b amended

Subsection 14, paragraph b, subparagraph (3) amended

**257.32 Area education budget review.**

1. *a.* An area education agency budget review procedure is established for the school budget review committee created in section 257.30. The school budget review committee, in addition to its duties under section 257.31, shall meet and hold hearings each year to review unusual circumstances of area education agencies, either upon the committee's motion or upon the request of an area education agency. The committee may grant supplemental aid to the area education agency from funds appropriated to the department of education for area

education agency budget review purposes, or an amount may be added to the area education agency special education support services supplemental state aid for districts in an area or an additional amount may be added to district cost for media services or educational services for all districts in an area for the budget year either on a temporary or permanent basis, or both.

*b*. Unusual circumstances shall include but are not limited to the following:

(1) An unusual increase or decrease in enrollment of children requiring special education or unusual need for additional moneys for special education support services.

(2) Unusual need for additional moneys for media services.

(3) Unusual need for additional moneys for educational services.

(4) Unusual costs for building repair, building maintenance, or removal of environmental hazards.

(5) Participation by the area education agency in telecommunications, electronic, and technological development with school districts, and related staff development programs.

2. When the school budget review committee makes a decision under subsection 1, it shall provide written notice of its decision, including all changes, to the board of directors of the area education agency, and to the department of management and the department of education.

3. All decisions by the school budget review committee under this section shall be made in accordance with reasonable and uniform policies which shall be consistent with this chapter.

4. Failure by an area education agency to provide information or appear before the school budget review committee as requested for the accomplishment of review or hearing constitutes justification for the committee to instruct the department of administrative services to withhold payments for the area education agency until the committee's inquiries are satisfied completely.

89 Acts, ch 135, §32; 2003 Acts, ch 145, §286; 2010 Acts, ch 1061, §180; 2013 Acts, ch 121, §31, 42

Referred to in §257.31

2013 amendment to subsection 1, paragraph a, applies to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsection 1, paragraph a amended

**257.33 Prior enrichment approval.**

If the electors of a school district approved the use of the additional enrichment amount prior to July 1, 1991, under chapter 442, Code 1991, or section 279.43, Code 1991, the approval for use of the enrichment amount shall continue in effect until the expiration of the period for which it was approved and districts may use the additional enrichment amount during that period. However, section 257.28 applies to the use of the additional enrichment amount.

Use of the additional enrichment amounts approved under chapter 442, Code 1991, is not affected by a change in the boundaries of the school district, except as otherwise provided in this section. If each school district involved in a school reorganization under chapter 275 has approved the use of the additional enrichment amount, and if the voters have not voted upon the question of participation in the instructional support program in the reorganized district, the use of the additional enrichment amount shall be in effect for the reorganized district that has been approved for the least amount and the shortest time in any of the districts.

89 Acts, ch 135, §33; 92 Acts, ch 1163, §61; 93 Acts, ch 8, §1; 2006 Acts, ch 1010, §78

**257.34 Cash reserve information.**

If a school district receives less state school foundation aid under section 257.1 than is due under that section for a base year and the school district uses funds from its cash reserve during the base year to make up for the amount of state aid not paid, the board of directors of the school district shall include in its general fund budget document information about the amount of the cash reserve used to replace state school foundation aid not paid.

89 Acts, ch 135, §34

**257.35 Area education agency payments.**

1. The department of management shall deduct the amounts calculated for special education support services, media services, area education agency teacher salary supplement

district cost, area education agency professional development supplement district cost, and educational services for each school district from the state aid due to the district pursuant to this chapter and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year. The department of management shall notify each school district of the amount of state aid deducted for these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under this chapter in an amount sufficient to cover its amount due to the area education agency as calculated by the department of management, the school district shall pay the deficiency to the area education agency from other moneys received by the district, on a quarterly basis during each school year.

2. Notwithstanding subsection 1, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2002, and each succeeding fiscal year, shall be reduced by the department of management by seven million five hundred thousand dollars. The reduction for each area education agency shall be equal to the reduction that the agency received in the fiscal year beginning July 1, 2001.

3. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2003, and ending June 30, 2004, shall be reduced by the department of management by ten million dollars. The department shall calculate a reduction such that each area education agency shall receive a reduction proportionate to the amount that it would otherwise have received under this section if the reduction imposed pursuant to this subsection did not apply.

4. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2007, shall be reduced by the department of management by five million two hundred fifty thousand dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

5. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, 2011, shall be reduced by the department of management by two million five hundred thousand dollars. The reduction for each area education agency for each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, 2011, shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

6. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2011, and ending June 30, 2012, shal1 be reduced by the department of management by twenty million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

7. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2012, and ending June 30, 2013, shall be reduced by the department of management by twenty million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

8. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2013, and ending June 30, 2014, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

9. Notwithstanding section 257.37, an area education agency may use the funds

determined to be available under this section in a manner which the area education agency determines is appropriate to best maintain the level of required area education agency special education services. An area education agency may also use unreserved fund balances for media services or education services in a manner which the area education agency determines is appropriate to best maintain the level of required area education agency special education services.

89 Acts, ch 135, §35; 2002 Acts, ch 1167, §2, 6; 2003 Acts, ch 178, §40, 41, 43; 2004 Acts, ch 1175, §236, 287; 2005 Acts, ch 179, §6; 2006 Acts, ch 1185, §6; 2007 Acts, ch 215, §9; 2008 Acts, ch 1181, §100; 2008 Acts, ch 1191, §8; 2009 Acts, ch 183, §69, 74; 2010 Acts, ch 1193, §13; 2011 Acts, ch 131, §5, 44, 158; 2012 Acts, ch 1138, §24; 2013 Acts, ch 140, §8

Referred to in §257.37

NEW subsection 8 and former subsection 8 renumbered as 9

**257.36 Special education support services balances.**

Notwithstanding chapters 256B and 273 and sections of this chapter relating to the moneys available to area education agencies for special education support services, for each school year, the department of education may direct the department of management to deduct amounts from the portions of school district budgets that fund special education support services in an area education agency. The total amount deducted in an area shall be based upon excess special education support services unreserved and undesignated fund balances in that area education agency for a school year as determined by the department of education. The department of management shall determine the amount deducted from each school district in an area education agency on a proportional basis. The department of management shall determine from the amounts deducted from the portions of school district budgets that fund area education agency special education support services the amount that would have been local property taxes and the amount that would have been state aid and for the next following budget year shall increase the district's total state school aid available under this chapter for area education agency special education support services and reduce the district's property tax levy for area education agency special education support services by the amount necessary for the property tax portion of the deductions made under this section during the budget year.

The amount deducted from a school district's budget shall not affect the calculation of the state cost per pupil or its district cost per pupil in that school year or a subsequent year.

89 Acts, ch 135, §36

Referred to in §257.5, 257.8

**257.37 Funding media and educational services.**

Media services and educational services provided through the area education agencies shall be funded, to the extent provided, by an addition to the combined district cost of each school district, determined as follows:

1. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for media services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for media services in the base year shall be divided by the enrollment served in the base year to provide an area media services cost per pupil in the base year, and the department of management shall compute the state media services cost per pupil in the base year which is equal to the average of the area media services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the supplemental state aid for media services in the budget year by multiplying the state media services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for media services cost in the budget year equals the area media services cost per pupil in the base year plus the supplemental state aid for media services in the budget year times the enrollment served in the budget year. Funds shall be paid to area education agencies as provided in section 257.35.

2. Up to thirty percent of the budget of an area for media services may be expended for media resource material including the purchase or replacement of material required in

section 273.6, subsection 1. Funds shall be paid to area education agencies as provided in section 257.35.

3. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for educational services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for educational services in the base year shall be divided by the enrollment served in the area in the base year to provide an area educational services cost per pupil in the base year, and the department of management shall compute the state educational services cost per pupil in the base year, which is equal to the average of the area educational services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the supplemental state aid for educational services by multiplying the state educational services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for educational services for the budget year equals the area educational services cost per pupil for the base year plus the supplemental state aid for educational services in the budget year times the enrollment served in the area in the budget year. Funds shall be paid to area education agencies as provided in section 257.35.

4. *"Enrollment served"* means the basic enrollment plus the number of nonpublic school pupils served with media services or educational services, as applicable, except that if a nonpublic school pupil or a pupil attending another district under a whole grade sharing agreement or open enrollment receives services through an area other than the area of the pupil's residence, the pupil shall be deemed to be served by the area of the pupil's residence, which shall by contractual arrangement reimburse the area through which the pupil actually receives services. Each school district shall include in the enrollment report submitted pursuant to section 257.6, subsection 1, the number of nonpublic school pupils within each school district for media and educational services served by the area. However, the school district shall not include in the enrollment report nonpublic school pupils receiving classes or services funded entirely by federal grants or allocations.

5. *a.* If an area education agency does not serve nonpublic school pupils in a manner comparable to services provided public school pupils for media and educational services, as determined by the state board of education, the state board shall instruct the department of management to reduce the funds for media services and educational services one time by an amount to compensate for such reduced services. The media services budget shall be reduced by an amount equal to the product of the cost per pupil in basic enrollment for the budget year for media services times the difference between the enrollment served and the basic enrollment recorded for the area. The educational services budget shall be reduced by an amount equal to the product of the cost per pupil in basic enrollment for the budget year for educational services times the difference between the enrollment served and the basic enrollment recorded for the area.

*b.* This subsection applies only to media and educational services which cannot be diverted for religious purposes.

*c.* Notwithstanding this subsection, an area education agency shall distribute to nonpublic schools media materials purchased wholly or partially with federal funds in a manner comparable to the distribution of such media materials to public schools as determined by the director of the department of education.

6. For the budget year beginning July 1, 2002, and each succeeding budget year, notwithstanding the requirements of this section for determining the budgets and funding of media services and education services, an area education agency may, within the limits of the total of the funds provided for the budget years pursuant to section 257.35, expend for special education support services an amount that exceeds the payment for special education

support services pursuant to section 257.35 in order to maintain the level of required special education support services in the area education agency.

91 Acts, ch 6, §2; 91 Acts, ch 267, §228; 2002 Acts, ch 1167, §3, 6; 2003 Acts, ch 178, §42, 43; 2006 Acts, ch 1152, §26; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1138, §25; 2013 Acts, ch 88, §7; 2013 Acts, ch 121, §32, 42

Referred to in §257.15, 257.35, 273.23

2013 amendments to subsections 1 and 3 apply to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsections 1, 3, and 4 amended

**257.37A Area education agency salary supplement funding.**

1. *Area education agency teacher salary supplement cost per pupil and district cost.*

*a.* For the budget year beginning July 1, 2009, the department of management shall add together the teacher compensation allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"i"*, Code 2009, and the phase II allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the special education support services weighted enrollment in the fiscal year beginning July 1, 2009, to determine the area education agency teacher salary supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the area education agency teacher salary supplement district cost per pupil for each area education agency for a budget year is the area education agency teacher salary supplement district cost per pupil for the base year plus the area education agency teacher salary supplement supplemental state aid amount for the budget year.

*b.* For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted area education agency teacher salary supplement district cost of an area education agency for a budget year is less than one hundred percent of the unadjusted area education agency teacher salary supplement district cost for the base year for the area education agency, the area education agency shall receive a budget adjustment for that budget year equal to the difference.

*c.* (1) The unadjusted area education agency teacher salary supplement district cost is the area education agency teacher salary supplement district cost per pupil for each area education agency for a budget year multiplied by the special education support services weighted enrollment for that area education agency.

(2) The total area education agency teacher salary supplement district cost is the sum of the unadjusted area education agency teacher salary supplement district cost plus the budget adjustment for that budget year.

*d.* For the budget year beginning July 1, 2009, the use of the funds calculated under this subsection shall comply with requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.3A. For the budget year beginning July 1, 2010, and succeeding budget years, the use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.3A.

2. *Area education agency professional development supplement cost per pupil and district cost.*

*a.* For the budget year beginning July 1, 2009, the department of management shall divide the area education agency professional development supplement made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"d"*, Code 2009, by the special education support services weighted enrollment in the fiscal year beginning July 1, 2009, to determine the professional development supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the area education agency professional development supplement district cost per pupil for each area education agency for a budget year is the area education agency professional development supplement district cost per pupil for the base year plus the area education agency professional development supplement supplemental state aid amount for the budget year.

*b.* For the budget year beginning July 1, 2010, and succeeding budget years, if the department of management determines that the unadjusted area education agency professional development supplement district cost of an area education agency for a budget

year is less than one hundred percent of the unadjusted area education agency professional development supplement district cost for the base year for the area education agency, the area education agency shall receive a budget adjustment for that budget year equal to the difference.

*c.* (1) The unadjusted area education agency professional development supplement district cost is the area education agency professional development supplement district cost per pupil for each area education agency for a budget year multiplied by the special education support services weighted enrollment for that area education agency.

(2) The total area education agency professional development supplement district cost is the sum of the unadjusted area education agency professional development supplement district cost plus the budget adjustment for that budget year.

*d.* The use of the funds calculated under this subsection shall comply with requirements of chapter 284.

2008 Acts, ch 1181, §101; 2009 Acts, ch 68, §5, 6; 2009 Acts, ch 177, §19, 20; 2013 Acts, ch 121, §33, 34, 42

Referred to in §256F.4, 257.16, 284.3A, 284.6

2013 amendments to subsection 1, paragraph a, and subsection 2, paragraph a, apply to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsection 1, paragraph a amended

Subsection 2, paragraph a amended

**257.38 Programs for returning dropouts and dropout prevention.**

1. Boards of school districts, individually or jointly with boards of other school districts, requesting to use a modified supplemental amount for programs for returning dropouts and dropout prevention, shall submit comprehensive program plans for the programs and budget costs, including annual requests for a modified supplemental amount for funding the programs, to the department of education as a component of the comprehensive school improvement plan submitted to the department pursuant to section 256.7, subsection 21. The program plans shall include:

*a.* Program goals, objectives, and activities to meet the needs of children who may drop out of school.

*b.* Student identification criteria and procedures.

*c.* Staff in-service education design.

*d.* Staff utilization plans.

*e.* Evaluation criteria and procedures and performance measures.

*f.* Program budget.

*g.* Qualifications required of personnel delivering the program.

*h.* A provision for dropout prevention and integration of dropouts into the educational program of the district.

*i.* A provision for identifying dropouts.

*j.* A program for returning dropouts.

*k.* Other factors the department requires.

2. Program plans shall identify the parts of the plan that will be implemented first upon approval of the request. If a district is requesting to use a modified supplemental amount to finance the program, the school district shall not identify more than five percent of its budget enrollment for the budget year as returning dropouts and potential dropouts.

89 Acts, ch 135, §38; 2001 Acts, ch 159, §9; 2006 Acts, ch 1152, §27; 2013 Acts, ch 121, §35, 36, 42

2013 amendments to subsection 1, unnumbered paragraph 1, and subsection 2 apply to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsection 1, unnumbered paragraph 1 amended

Subsection 2 amended

**257.39 Definitions.**

As used in this chapter:

1. *"Returning dropouts"* are resident pupils who have been enrolled in a public or nonpublic school in any of grades seven through twelve who withdrew from school for a reason other than transfer to another school or school district and who subsequently enrolled in a public school in the district.

2. *"Potential dropouts"* are resident pupils who are enrolled in a public or nonpublic school who demonstrate poor school adjustment as indicated by two or more of the following:

*a.* High rate of absenteeism, truancy, or frequent tardiness.

*b.* Limited or no extracurricular participation or lack of identification with school, including but not limited to, expressed feelings of not belonging.

*c.* Poor grades, including but not limited to, failing in one or more school subjects or grade levels.

*d.* Low achievement scores in reading or mathematics which reflect achievement at two years or more below grade level.

*e.* Children in grades kindergarten through three who meet the definition of at-risk children adopted by the department of education.

89 Acts, ch 135, §39

**257.40 Approval of programs for returning dropouts and dropout prevention — annual report.**

1. The board of directors of a school district requesting to use a modified supplemental amount for programs for returning dropouts and dropout prevention shall submit requests for a modified at-risk supplemental amount, including budget costs, to the department not later than December 15 of the year preceding the budget year during which the program will be offered. The department shall review the request and shall prior to January 15 either grant approval for the request or return the request for approval with comments of the department included. An unapproved request for a program may be resubmitted with modifications to the department not later than February 1. Not later than February 15, the department shall notify the department of management and the school budget review committee of the names of the school districts for which programs using a modified supplemental amount for funding have been approved and the approved budget of each program listed separately for each school district having an approved request.

2. Beginning January 15, 2007, the department shall submit an annual report to the chairpersons and ranking members of the senate and house education committees that includes the ways school districts in the previous school year used modified supplemental amounts approved under subsection 1; identifies, by grade level, age, and district size, the students in the dropout and dropout prevention programs for which the department approves a request; describes school district progress toward increasing student achievement and attendance for the students in the programs; and describes how the school districts are using the revenues from the modified supplemental amounts to improve student achievement among minority subgroups.

89 Acts, ch 135, §40; 2006 Acts, ch 1152, §28; 2007 Acts, ch 22, §60; 2013 Acts, ch 121, §37, 42

2013 amendment to section applies to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Section amended

**257.41 Funding for programs for returning dropouts and dropout prevention.**

1. *Budget.* The budget of an approved program for returning dropouts and dropout prevention for a school district, after subtracting funds received from other sources for that purpose, shall be funded annually on a basis of one-fourth or more from the district cost of the school district and up to three-fourths by an increase in supplemental state aid as defined in section 257.8. Annually, the department of management shall establish a modified supplemental amount for each such school district equal to the difference between the approved budget for the program for returning dropouts and dropout prevention for that district and the sum of the amount funded from the district cost of the school district plus funds received from other sources.

2. *Appropriate uses of funding.* Appropriate uses of the returning dropout and dropout prevention program funding include but are not limited to the following:

*a.* Salary and benefits for instructional staff, instructional support staff, and school-based youth services staff who are working with students who are participating in dropout prevention programs, alternative programs, and alternative schools, in a traditional or

alternative setting, if the staff person's time is dedicated to working with returning dropouts or students who are deemed, at any time during the school year, to be at risk of dropping out, in order to provide services beyond those which are provided by the school district to students who are not identified as at risk of dropping out. However, if the staff person works part-time with students who are participating in returning dropout and dropout prevention programs, alternative programs, and alternative schools and has another unrelated staff assignment, only the portion of the staff person's time that is related to the returning dropout and dropout prevention program, alternative program, or alternative school may be charged to the program. For purposes of this paragraph, if an alternative setting is necessary to provide for a program which is offered at a location off school grounds and which is intended to serve student needs by improving relationships and connections to school, decreasing truancy and tardiness, providing opportunities for course credit recovery, or helping students identified as at risk of dropping out to accelerate through multiple grade levels of achievement within a shortened time frame, the tuition costs for a student identified as at risk of dropping out shall be considered an appropriate use of the returning dropout and dropout prevention program funding.

*b.* Professional development for all teachers and staff working with at-risk students and programs involving dropout prevention strategies.

*c.* Research-based resources, materials, software, supplies, and purchased services that meet all of the following criteria:

(1) Meets the needs of kindergarten through grade twelve students identified as at risk of dropping out and of returning dropouts.

(2) Are beyond those provided by the regular school program.

(3) Are necessary to provide the services listed in the school district's dropout prevention plan.

(4) Will remain with the kindergarten through grade twelve returning dropout and dropout prevention program.

*d.* Up to five percent of the total budgeted amount received pursuant to subsection 1 may be used for purposes of providing district-wide or building-wide returning dropout and dropout prevention programming targeted to students who are not deemed at risk of dropping out.

3. *Limitation.* For the fiscal year beginning July 1, 2013, and each succeeding fiscal year, the ratio of the amount of the modified supplemental amount established by the department of management compared to the school district's total regular program district cost shall not exceed two and one-half percent. However, if the school district's highest such ratio so determined for any fiscal year beginning on or after July 1, 2009, but before July 1, 2013, exceeded two and one-half percent, the ratio may exceed two and one-half percent but shall not exceed the highest such ratio established during that period.

89 Acts, ch 135, §41; 2012 Acts, ch 1102, §1, 2; 2013 Acts, ch 121, §38, 42

Referred to in §257.19

Subsection 2 applies to budget years beginning on or after July 1, 2012, for purposes of the appropriate uses of funding for returning dropout and dropout prevention program plans approved for budget years beginning on or after that date; 2012 Acts, ch 1102, §2

Subsection 3, as enacted by 2012 Acts, ch 1102, §1, applies to budget years beginning on or after July 1, 2013; 2012 Acts, ch 1102, §2

2013 amendments to subsections 1 and 3 apply to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsections 1 and 3 amended

**257.42 Gifted and talented children.**

Boards of school districts, individually or jointly with the boards of other school districts, shall annually submit program plans for gifted and talented children programs and budget costs to the department of education and to the applicable gifted and talented children advisory council, if an advisory council has been established, as provided in this chapter.

The parent or guardian of a pupil may request that a gifted and talented children program be established for pupils who qualify as gifted and talented children under section 257.44, including demonstrated achievement or potential ability in a single subject area.

The department shall employ a consultant for gifted and talented children programs.

The department of education shall adopt rules under chapter 17A relating to the administration of sections 257.42 through 257.49. The rules shall prescribe the format of program plans submitted under section 257.43 and shall require that programs fulfill

specified objectives. The department shall encourage and assist school districts to provide programs for gifted and talented children.

The department may request that the staff of the auditor of state conduct an independent program audit to verify that the gifted and talented programs conform to a district's program plans.

89 Acts, ch 135, §42; 94 Acts, ch 1088, §1; 99 Acts, ch 178, §5, 10

**257.43 Program plans.**

The program plans submitted by school districts shall be part of the school improvement plan submitted pursuant to section 256.7, subsection 21, paragraph "*a*", and shall include all of the following:

1. Program goals, objectives, and activities to meet the needs of gifted and talented children.
2. Student identification criteria and procedures.
3. Staff in-service education design.
4. Staff utilization plans.
5. Evaluation criteria and procedures and performance measures.
6. Program budget.
7. Qualifications required of personnel administering the program.
8. Other factors the department requires.

89 Acts, ch 135, §43; 99 Acts, ch 178, §6, 10
Referred to in §257.42, 261E.6

**257.44 Gifted and talented children defined.**

1. "*Gifted and talented children*" are those children who are identified as possessing outstanding abilities and who are capable of high performance. Gifted and talented children are children who require appropriate instruction and educational services commensurate with their abilities and needs beyond those provided by the regular school program.

2. Gifted and talented children include those children with demonstrated achievement or potential ability, or both, in any of the following areas or in combination:

*a.* General intellectual ability.
*b.* Creative thinking.
*c.* Leadership ability.
*d.* Visual and performing arts ability.
*e.* Specific ability aptitude.

89 Acts, ch 135, §44; 2010 Acts, ch 1069, §72
Referred to in §257.42

**257.45 Submission of program plans.**

1. The board of directors of a school district shall submit applications for approval for the programs to the department not later than November 1 preceding the fiscal year during which the program will be offered. The board shall also submit a copy of the program plans to the gifted and talented children advisory council, if an advisory council has been established. The department shall review the program plans and shall prior to January 15 either grant approval for the program or return the request for approval with comments of the department included. Any unapproved request for a program may be resubmitted with modifications to the department not later than a date established by the department. Not later than February 15 the department shall notify the department of management and the school budget review committee of the names of the school districts for which gifted and talented children programs have been approved and the approved budget of each program listed separately for each school district having an approved program.

2. The department of education may waive the November 1 deadline, if the department finds that the school district applying for approval of gifted and talented programs missed the deadline for good cause. The department shall adopt rules defining good cause for purposes of this section.

89 Acts, ch 135, §45; 94 Acts, ch 1088, §2; 99 Acts, ch 178, §7, 10
Referred to in §257.42

**257.46 Funding.**

1. The budget of an approved gifted and talented children program for a school district, after subtracting funds received from other sources for that purpose, shall be funded annually on a basis of one-fourth or more from the district cost of the school district.

2. The remaining portion of the budget shall be funded by the thirty-eight dollar increase in supplemental state aid, as defined in section 257.2, Code 2014, for the school budget year beginning July 1, 1999, multiplied by a district's budget enrollment. The thirty-eight dollar increase for the school budget year beginning July 1, 1999, shall increase in subsequent years by each year's state percent of growth. School districts shall annually report the amount expended for a gifted and talented program to the department of education. The proportion of a school district's budget which corresponds to the thirty-eight dollar increase in supplemental state aid, as defined in section 257.2, Code 2014, for the school budget year beginning July 1, 1999, added to the amount in subsection 1, shall be utilized exclusively for a school district's gifted and talented program.

3. If any portion of the gifted and talented program budget remains unexpended at the end of the budget year, the remainder shall be carried over to the subsequent budget year and added to the gifted and talented program budget for that year.

89 Acts, ch 135, §46; 94 Acts, ch 1088, §3; 99 Acts, ch 178, §8, 10; 2000 Acts, ch 1058, §29; 2000 Acts, ch 1151, §1, 2; 2013 Acts, ch 121, §39, 42

Referred to in §257.19, 257.42

2013 amendment to subsection 2 applies to budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsection 2 amended

**257.47 Cooperation by area education agencies.**

The area education agencies in which the school districts having approved gifted and talented children programs are located shall cooperate with the school district in the identification and placement of gifted and talented children and may assist school districts in the establishment of such programs.

89 Acts, ch 135, §47

Referred to in §257.42

**257.48 Advisory council.**

At the written request of one or more boards of school districts, in an area education agency, the area education agency board shall establish one or more gifted and talented children advisory councils and shall appoint members for four-year staggered terms. The terms of office of advisory council members shall commence on July 1 of each year. An advisory council shall consist of seven members including teachers, parents, school administrators, and other persons interested in education in the area. Except as otherwise provided in this section, members shall be eligible electors residing in the merged area. Members shall serve without compensation but shall be reimbursed for actual and necessary expenses and mileage incurred in the performance of their duties from funds available to the area education agency.

If an area education agency has a weighted enrollment of more than thirty-five thousand, the board may appoint additional advisory councils for each thirty-five thousand weighted enrollment or fraction of thirty-five thousand. If more than one advisory council is appointed by the board, the board shall divide the merged area along school district boundary lines for jurisdiction of the advisory councils, and membership of these advisory councils shall be appointed from the designated portion of the merged area.

89 Acts, ch 135, §48

Referred to in §257.42

**257.49 Duties of advisory council.**

The gifted and talented children advisory council shall:

1. Elect a chairperson and vice chairperson from the membership of the advisory council.

2. Meet as often as deemed necessary by the advisory council.

3. Advise and assist a local board of directors in the establishment of gifted and talented children programs, when requested by the local board.

4. Review program plans and proposed budgets for a gifted and talented children

program, in consultation with a gifted and talented children consultant employed by the area education agency, when requested by a local board.

5. When requested by a local board, evaluate the results of a gifted and talented children program and file a written report together with recommendations for improvement or change with the board of directors of the applicable school district, the area education agency and the department of education. The evaluation shall be conducted by three or more members of the advisory council.

89 Acts, ch 135, §49
Referred to in §257.42

**257.50 Federal assistance — school district responsibilities.**

The director of the department of education, in accepting and administering federal funds in accordance with section 256.9, subsection 7, shall upon receiving federal grant moneys under the federal 21st Century Community Learning Center Grant, Tit. IV, pt. B of the federal No Child Left Behind Act of 2001, Pub. L. No. 107-110, designate that a school district be the fiscal agent for an eligible local grant. Whenever possible, the grant applicant school district shall collaborate with a community-based organization, a public or private entity, or a consortium of two or more of such organizations or entities in establishing a community learning center. The department shall give priority to applications for programs serving students determined through research-based methods to be in the greatest need of eligible services. Notwithstanding the provisions of this section, if federal rules or regulations relating to the 21st Century Community Learning Center Grant are adopted that are inconsistent with the provisions of this section, the department of education shall comply with the requirements of the federal rules or regulations.

2002 Acts, ch 1140, §12; 2010 Acts, ch 1061, §180

**257.51 Categorical state appropriations.** Repealed by 2009 Acts, ch 177, § 47.

# CHAPTER 257A

## FIRST IN THE NATION IN EDUCATION

Repealed effective December 31, 1998,
by 98 Acts, ch 1215, §57, 63
Continuation of first in the nation in education foundation as
nonprofit corporation; rights, properties, and financial
obligations of foundation; 98 Acts, ch 1215, §59, 63

# CHAPTER 257B

## SCHOOL FUNDS

Referred to in §331.502


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**257B.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**257B.1A Permanent fund.**

The permanent school fund, the interest of which only can be appropriated for school purposes, shall consist of:

1. Five percent of the net proceeds of the public lands of the state.
2. The proceeds of the sale of the five hundred thousand acres of land granted the state under the eighth section of an Act of Congress passed September 4, 1841, entitled: "An Act to appropriate the proceeds of all sales of public lands, and to grant pre-emption rights".
3. The proceeds of all intestate estates escheated to the state.
4. The proceeds of the sales of the sixteenth section in each township, or lands selected in lieu thereof.
5. All other moneys by law credited to the permanent school fund.

[R60, §1962, 1964; C73, §1837, 1839; C97, §2838; C24, 27, 31, 35, 39, §**4469;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.1]

86 Acts, ch 1246, §139, 140; 87 Acts, ch 115, §46; 88 Acts, ch 1278, §24

C93, §257B.1

95 Acts, ch 218, §16

C2001, §257B.1A

Referred to in §257B.6, 257B.9

**257B.1B Interest for Iowa schools fund — transfer of interest.**

An interest for Iowa schools fund is established in the office of treasurer of state. The department of administrative services shall deposit interest earned on the permanent school fund in the interest for Iowa schools fund. The treasurer shall transfer moneys in the interest for Iowa schools fund on a quarterly basis as follows:

1. For the fiscal year beginning July 1, 2008, and each succeeding fiscal year, fifty-five

percent of the moneys deposited in the fund to the university of northern Iowa to assist school districts in developing reading recovery and literacy programs.

2. Forty-five percent of the moneys deposited in the fund to the credit of the international center endowment fund of the international center for gifted and talented education established in section 263.8A.

86 Acts, ch 1246, §141
C87, §302.1A
88 Acts, ch 1012, §2; 88 Acts, ch 1284, §51; 89 Acts, ch 319, §77, 78
C93, §257B.1A
95 Acts, ch 218, §17; 96 Acts, ch 1184, §1, 2; 98 Acts, ch 1215, §30
C2001, §257B.1B
2003 Acts, ch 145, §286; 2004 Acts, ch 1175, §92; 2005 Acts, ch 169, §22, 35; 2008 Acts, ch 1181, §24

**257B.2 Lands and escheats.**

The proceeds of all lands sold, and all sums due from escheats, shall be payable to the treasurer of the county in which the lands or escheated estates are situated or found, and the county treasurer shall pay the proceeds to the state treasurer once each month.

[R60, §1965; C73, §1840; C97, §2838; C24, 27, 31, 35, 39, §**4470;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.2]
C93, §257B.2
Referred to in §331.552

**257B.3** Reserved.

**257B.4 Division and appraisement.**

The board of supervisors may, as preliminary to a sale, authorize the trustees of a township, where the sixteenth section or land selected in lieu of the sixteenth section has not been sold, to lay out the section into tracts as in their judgment will be for the best interests of the permanent school fund, conforming, as far as the interests of the fund will permit, to the legal subdivisions of the United States surveys, and appraise each tract at what they believe to be its true value, and certify to the board the divisions and appraisements made by them. The division and appraisement shall be approved or disapproved by the board at its first meeting after the report, and in case it disapproves, it may at once order another division and appraisement. If the board of supervisors approves, the county auditor shall make and keep a record of the division, appraisement, and approval; but school lands shall not be sold for less than the appraised value per acre, except as provided. A member of the board of supervisors, county auditor, township trustee, or a person who was engaged in the division and appraisement of the land, shall not be directly or indirectly interested in the purchase of the land; and any sale made, where the parties have an interest in the land, shall be void.

[R60, §1970, 1971; C73, §1845 – 1847; C97, §2840; C24, 27, 31, 35, 39, §**4472;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.4]
83 Acts, ch 185, §9, 62
C93, §257B.4

**257B.5 Notice — sale.**

When the board of supervisors shall offer for sale the sixteenth section or lands selected in lieu thereof, or any portion of the same, or any part of the five-hundred-thousand-acre grant, the county auditor shall give at least forty days' notice, by written or printed notices posted in five public places in the county, two of which shall be in the township in which the land to be sold is situated, and also publish a notice of said sale once each week for two weeks preceding the same in a newspaper published in the county, describing the land to be sold and the time and place of such sale. At such time and place, or at such other time and place as the sale may be adjourned to, the county auditor shall offer to the highest bidder, subject to the provisions of this chapter, and sell, either for cash or one-third cash and the balance on a credit not exceeding ten years, with interest on the same at the rate of not less than three and

one-half percent per annum, to be paid at the office of the county treasurer of said county on the first day of January in each year, delinquent interest to bear the same rate as the principal. Such county treasurer shall pay to the state treasurer on the first day of February all interest collected.

[R60, §1971; C73, §1846; C97, §2841; S13, §2841; C24, 27, 31, 35, 39, §**4473;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.5]

C93, §257B.5

Referred to in §331.552

**257B.6 Sale without appraisement.**

When the county board of supervisors has once offered for sale school lands held under section 257B.1A in compliance with the requirements of this chapter, and they remain unsold, and it is unable to obtain the appraised value of the lands and, in the opinion of the board, it is for the best interests of the permanent school fund that the lands be sold for a less price, it may instruct the auditor to transmit to the secretary of state a certified copy of its proceedings in relation to the order of sale of the land and subsequent proceedings in relation to the sale, including the action of the township trustees, and the price per acre at which the land had been appraised. The secretary of state shall submit the transcript of the proceedings to the executive council; and if it approves of a sale at a less sum, it shall certify the approval to the auditor of the county from which the transcript came. The certificate shall be recorded in the minute book of the board of supervisors, and the land may again be offered and sold to the highest bidder without again being appraised, after notice given as in case of sales in the first instance.

[C73, §1849; C97, §2842; C24, 27, 31, 35, 39, §**4474;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.6]

83 Acts, ch 185, §10, 62

C93, §257B.6

**257B.7 Sale on credit — taxation — waste.**

When lands are sold upon a partial credit, the contract therefor shall be at once reduced to writing, signed by the proper parties, recorded in the county where the land is situated, and immediately thereafter filed in the office of the county auditor. Any purchaser or the purchaser's assigns may at any time pay the full amount for lands with accrued interest, and receive from the county auditor a certificate of purchase, which shall be at once transmitted to the secretary of state and will entitle the holder to a patent for the lands, to be issued by the secretary of state and the governor. All school lands sold in pursuance of law shall be subject to taxation from and after the execution and delivery of a contract of purchase. All sales made, where the full price is not paid, shall be subject to the law relative to the prevention or punishment of waste, and in all such cases the township trustees in each township are charged with the duty of preventing the commission of waste upon any school lands lying in their township, and, if attempted, they shall apply by petition for an injunction to stay the same, and if granted the writ shall issue without bond, and the court issuing it may make such order in the premises as shall be equitable and best calculated to prevent threatened injury, and may adjudge damages for any injury done, the costs to abide the event of the action, and the damages adjudged shall be paid to the county treasurer and the county treasurer shall forthwith pay the same to the state treasurer which shall become a part of the permanent school fund.

[R60, §1972, 1973, 1976 – 1978; C73, §1851, 1852, 1856 – 1858; C97, §2843; C24, 27, 31, 35, 39, §**4475;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.7]

C93, §257B.7

**257B.8 Sale of lands bid in.**

When lands have been sold and bid in by the state in behalf of the permanent school fund upon a judgment in favor of the fund, the land may be sold in the same manner as other school lands, and when lands have been conveyed to the counties in which they are situated for the use of the permanent school fund, instead of to the state, the conveyance is valid and

binding, and upon proper certificates of sales patents shall issue in the same manner as if the conveyances had been properly made to the state.

[C73, §1850; C97, §2844; C24, 27, 31, 35, 39, §**4476;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.8]

83 Acts, ch 185, §11, 62

C93, §257B.8

**257B.9 Cash or collateral security.**

When, in the judgment of the board of supervisors, school lands held under section 257B.1A are of such a character that a sale upon partial credit would be unsafe or incompatible with the interest of the permanent school fund, and especially in the case of timbered lands, the board of supervisors may require the entire purchase money in advance; or if the board sells the land upon a partial credit, it shall require good collateral security for the payment of the part upon which credit is given.

[R60, §1974; C73, §1853; C97, §2845; C24, 27, 31, 35, 39, §**4477;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.9]

83 Acts, ch 185, §12, 62

C93, §257B.9

**257B.10 Uniform interest date.**

If money is due to the permanent school fund, either for loans or deferred payments of the purchase price of land sold, the interest shall be made payable on the first day of January each year, and if the debtor fails to pay the interest within six months of the date it is due, the entire amount of both principal and interest shall become due, and the county auditor shall report the nonpayment to the school board, which may immediately commence action for the collection of the amount reported as due. This section is a part of a contract made by virtue of this chapter, whether expressed in the contract or not.

[R60, §1975, 1979; C73, §1854, 1855; C97, §2846; C24, 27, 31, 35, 39, §**4478;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.10]

83 Acts, ch 185, §13, 62

C93, §257B.10

2011 Acts, ch 43, §1

**257B.11 School fund accounts — audit of losses.**

The director of the department of administrative services shall keep the permanent school fund accounts in books provided for that purpose, separate and distinct from the revenue books. The auditor of state shall audit losses to the permanent school or university fund caused by defalcation, mismanagement, or fraud. The auditor of state shall adopt rules pursuant to chapter 17A as necessary to ascertain the losses.

[R60, §1969; C73, §1842; C97, §2847; C24, 27, 31, 35, 39, §**4479;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.11]

83 Acts, ch 185, §14, 62; 92 Acts, ch 1156, §12

C93, §257B.11

94 Acts, ch 1023, §45; 2003 Acts, ch 145, §286

**257B.12 Bonds to cover losses.**

When any sum not less than one thousand dollars shall be so audited and so become a debt of the state to the fund, as provided by the Constitution of the State of Iowa, the auditor of state shall issue the bond or bonds of the state in favor of the fund, bearing interest at a rate not exceeding that permitted by chapter 74A, payable semiannually on the first day

of January and July after issuance, and the amount to pay the interest as it becomes due is appropriated out of any funds in the state treasury.

[C73, §1843; C97, §2847; C24, 27, 31, 35, 39, §**4480;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.12]

C93, §257B.12

2006 Acts, ch 1010, §79

Iowa Constitution, Art. VII, §3

**257B.13 and 257B.14** Reserved.

**257B.15 Management.**

Property and money accrued to the permanent school fund shall be managed and controlled by the treasurer of state, and the treasurer of state is responsible for the safekeeping, investment, reinvestment and disbursement of the property and money.

[R60, §1980; C73, §1859, 1860; C97, §2848; C24, 27, 31, 35, 39, §**4483;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.15]

83 Acts, ch 185, §15, 62

C93, §257B.15

**257B.16 Actions.**

Actions for and in behalf of the fund may be brought in the name of the state for the use of the permanent school fund, by the attorney general.

[C73, §1860; C97, §2848; C24, 27, 31, 35, 39, §**4484;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.16]

83 Acts, ch 185, §16, 62

C93, §257B.16

**257B.17 Liability of county.**

Each county is liable for losses upon loans of the permanent school fund, principal or interest, made in the county, unless the loss was not occasioned by reason of a default of its officers or by taking insufficient or imperfect securities, or from a failure to bid at an execution sale the full amount of the judgment and costs.

[C73, §1860; C97, §2848; C24, 27, 31, 35, 39, §**4485;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.17]

83 Acts, ch 185, §17, 62

C93, §257B.17

**257B.18 Exemption of county.**

All claims for exemption from liability on account of losses shall be examined into and adjusted by the director of the department of administrative services, upon proof submitted to the director in writing in behalf of the county within three months after the county auditor shall be advised by the director of the director's readiness to receive the proof. In the absence of evidence, or if that submitted is insufficient, the loss may be charged against the county and be conclusive, but if found sufficient, the director of the department of administrative services shall present the facts in the report to the next general assembly.

[C73, §1860; C97, §2848; C24, 27, 31, 35, 39, §**4486;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.18]

C93, §257B.18

2003 Acts, ch 145, §286

**257B.19 Loans.**

The permanent school fund shall be loaned out or invested by the treasurer of state as it comes into the treasurer's hands.

[R60, §1981; C73, §1861; C97, §2849; S13, §2849; C24, 27, 31, 35, 39, §**4487;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.19]

83 Acts, ch 185, §18, 62

C93, §257B.19

**257B.20 Investment of permanent fund.**

The permanent school fund which is, at any time, in the custody of the treasurer of state, shall be invested as follows:

1. In bonds or other evidences of indebtedness issued, assumed, or guaranteed by the United States of America, or by any agency or instrumentality thereof.

2. In bonds, or other evidences of indebtedness of the state of Iowa, or of any school district, county, township, city or other political subdivision of the state of Iowa which are issued pursuant to law.

3. In savings accounts or in time deposits in Iowa banks approved as depositories by the executive council.

4. In any investments authorized for the Iowa public employees' retirement system in section 97B.7A, except that investment in common stocks shall not be permitted.

[C39, §**4487.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.20]

C93, §257B.20

2001 Acts, ch 68, §16, 24

**257B.21 through 257B.27** Reserved.

**257B.28 Statute of limitation.**

Lapse of time is not a bar to action to recover a part of the permanent school fund, and it does not prevent the introduction of evidence in an action, except as provided in sections 614.29 to 614.38.

[C73, §1880, 2542; C97, §2852; C24, 27, 31, 35, 39, §**4495;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.28]

83 Acts, ch 185, §19, 62

C93, §257B.28

**257B.29 Payments.**

Payments to the permanent school fund upon contracts, or loans of another nature, shall be made to the treasurer of the county upon a certificate from the auditor showing the amount due.

[R60, §1986; C73, §1867; C97, §2853; C24, 27, 31, 35, 39, §**4496;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.29]

83 Acts, ch 185, §20, 62

C93, §257B.29

**257B.30 Release of mortgage.**

The auditor shall, when the debt is paid, release any mortgage or issue a certificate of purchase, as the case may be, and report the same to the board of supervisors at its next meeting, which report shall be carried into the records of the board.

[R60, §1986; C73, §1867; C97, §2853; C24, 27, 31, 35, 39, §**4497;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.30]

C93, §257B.30

**257B.31 School fund account — settlement.**

The auditor shall also keep, in books to be provided for that purpose, an account to be known as the permanent school fund account, in which a memorandum of the notes, mortgages, bonds, money, and assets which may come into the auditor's hands and those

of the treasurer shall be entered, and separate accounts of principal and interest be kept. The county treasurer shall also keep an account and record of all school funds coming into the county treasurer's hands. Settlements of the account shall be made with the board of supervisors at its January and June sessions, and the settlements shall be recorded with the proceedings of the board.

[R60, §1990, 1991; C73, §1876, 1877; C97, §2853; C24, 27, 31, 35, 39, §**4498;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.31]

83 Acts, ch 185, §21, 62

C93, §257B.31

Referred to in §331.552

**257B.32 Notice of default.**

When outstanding contracts for the sale of school lands or notes for money of the permanent school fund loaned, or interest on the permanent school fund, are due, the auditor shall by mail at once notify the debtor to make payment within three months.

[C73, §1872, 1873; C97, §2854; C24, 27, 31, 35, 39, §**4499;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.32]

83 Acts, ch 185, §22, 62

C93, §257B.32

**257B.33 Suit — attorney fee.**

If the debtor does not comply with the notice, the auditor shall report the noncompliance to the school board, which may bring an action to recover the debt, and an injunction may issue for cause, without bond when so petitioned, and there shall be allowed in the judgment, entered and taxed as a part of the costs in the case, a reasonable sum as compensation to plaintiff's attorney, not exceeding the amount provided by law for attorney fees.

[C73, §1873; C97, §2854; C24, 27, 31, 35, 39, §**4500;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.33]

90 Acts, ch 1168, §42

C93, §257B.33

2011 Acts, ch 43, §2

Attorney fees, §625.22

**257B.34 Bid at execution sale.**

Upon a sale of lands under an execution founded upon a permanent school fund claim or right, the auditor shall bid a sum required by the interests of the fund, and, if struck off to the state, it shall be thereafter treated the same as other lands belonging to the fund.

[C73, §1874; C97, §2854; C24, 27, 31, 35, 39, §**4501;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.34]

83 Acts, ch 185, §23, 62

C93, §257B.34

**257B.35 Sheriff's deed to state.**

When lands have been bid in by the county for the state under foreclosure of permanent school fund mortgages and the time for redemption has expired, a sheriff's deed shall be issued to the state for the use and benefit of the permanent school fund. The county auditor shall file the deed for record in the office of the county recorder who shall record the deed without fee and return it when recorded to the county auditor who shall then forward it to the secretary of state. The secretary of state shall record the deed and then file it with the director of the department of administrative services.

[C73, §1881; C97, §2855; S13, §2855; C24, 27, 31, 35, 39, §**4502;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.35]

83 Acts, ch 185, §24, 62

C93, §257B.35

2003 Acts, ch 145, §286

Referred to in §331.602

**257B.36 Resale by state.**

All lands now acquired under permanent school fund foreclosure proceedings shall be resold within ten years from January 1, 1939, and lands acquired after such date shall be resold within six years from date of foreclosure. Such land shall be appraised, advertised, and sold in the manner provided for the appraisement, advertisement, sale and conveyance of the sixteenth section or lands selected in lieu thereof.

[S13, §2855; C24, 27, 31, 35, 39, §**4503;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.36]

C93, §257B.36

Appraisement, §257B.4

**257B.37 Proceeds on resale.**

When a resale is made, the county auditor shall notify the director of the department of administrative services, who shall thereupon charge the county with the full amount of the resale, except that when the lands are sold for more than the unpaid portion of the principal, the excess shall be applied to reimburse the county for the costs of foreclosure and the interest paid by the county to the state by reason of default of payment of same by the makers of the notes, previous to the time when the right of redemption has expired, not to exceed three years.

[C73, §1881, 1882; C97, §2855; S13, §2855; C24, 27, 31, 35, 39, §**4504;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.37]

C93, §257B.37

2003 Acts, ch 145, §286

**257B.38 Excess — loss borne by county.**

An excess over the amount of the unpaid portion of the principal, costs of foreclosure, and interest on the principal, shall inure to the county and be credited to the general county fund. If the lands are sold for a less amount than the unpaid portion of the principal, the loss shall be sustained by the county, and the board of supervisors shall at once order the amount of the loss transferred from the general fund of the county to the permanent school fund account.

[C73, §1881; C97, §2855; S13, §2855; C24, 27, 31, 35, 39, §**4505;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.38]

83 Acts, ch 185, §25, 62

C93, §257B.38

**257B.39 Report as to sales — interest.**

County auditors shall report, on or before January 1 of each year, to the director of the department of administrative services the amount of the sales and resales made during the previous year, of the sixteenth section, five-hundred-thousand-acre grant, and escheat estates, and the director of the department of administrative services shall charge them to the counties with interest from the date of the sale or resale to January 1, at the rate of three percent per annum.

[C73, §1881; C97, §2855; S13, §2855; C24, 27, 31, 35, 39, §**4506;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.39]

83 Acts, ch 185, §26, 62

C93, §257B.39

94 Acts, ch 1173, §11; 2003 Acts, ch 145, §286

**257B.40 Interest charged to counties.**

The director of the department of administrative services shall also, on the first day of January, charge to each county having permanent school funds under its control, interest thereon at the rate of three percent per annum for the preceding year, or such part thereof as such funds shall have been in the control of the county, which shall be taken as the whole

amount of interest due from such county. All interest collected above the three percent charged by the state shall be transferred to the general county fund.

[C73, §1882; C97, §2855; S13, §2855; C24, 27, 31, 35, 39, §**4507;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.40]

C93, §257B.40

2003 Acts, ch 145, §286

**257B.41 Uncollected interest.**

If any county fails or refuses to collect the amount of interest due the state, the deficiency shall be paid to the state from the general county fund. Any county delinquent in the payment of interest due the state shall be charged one percent per month on the amount delinquent until paid.

[C73, §1882; C97, §2855; S13, §2855; C24, 27, 31, 35, 39, §**4508;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.41]

C93, §257B.41

**257B.42 Report as to rents.**

By January 1 of each year, county auditors shall report to the director of the department of administrative services the amount of rents collected during the preceding year on unsold school lands and the director shall include the amount reported in the semiannual apportionment of interest.

[C73, §1884; C97, §2855; S13, §2855; C24, 27, 31, 35, 39, §**4509;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.42]

83 Acts, ch 185, §27, 62

C93, §257B.42

94 Acts, ch 1173, §12; 2003 Acts, ch 145, §286

**257B.43** Reserved.

**257B.44 Penalty against county auditor.**

A county auditor failing or neglecting to perform required duties under this chapter, is liable to a penalty of not less than one hundred nor more than five hundred dollars, to be recovered in an action brought in the district court by the board of supervisors. The judgment shall be entered against the party and the party's sureties, and the proceeds shall be paid to the treasurer of state for deposit in the general fund of the state.

[R60, §1992; C73, §1878; C97, §2857; C24, 27, 31, 35, 39, §**4511;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §302.44]

83 Acts, ch 185, §28, 62; 83 Acts, ch 186, §10066, 10201, 10204

C93, §257B.44

# CHAPTER 257C

## ADVANCE FUNDING AUTHORITY

Referred to in §12.28, 12.30

Iowa advance funding authority is included in the department of education; §7E.7, chapter 256
This chapter not enacted as a part of this title; transferred from chapter 442A in Code 1993
See §421.7 pertaining to interest rates


257C.1 Title.
257C.2 Legislative findings.
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**257C.1 Title.**

This chapter may be cited as the *"Iowa Advance Funding Authority Act"*.

85 Acts, ch 34, §1
CS85, §442A.1
C93, §257C.1

**257C.2 Legislative findings.**

The general assembly finds as follows:

1. The establishment of the authority is in all respects for the benefit of the people of the state of Iowa and the improvement of the financing procedures for Iowa's schools.
2. The authority will be performing an essential governmental function in the exercise of the powers and duties conferred upon it by this chapter.
3. Iowa schools face a serious and increasing problem with cash flow difficulties caused, among other factors, by increasing reliance on state school foundation aid, delays in the payment of state school foundation aid, and the periodic payment of property taxes for school purposes.
4. As a result of their increasing cash flow difficulties, Iowa schools have had to borrow on a short-term basis larger amounts of funds more often, thus increasing their borrowing costs significantly.
5. The short-term borrowing costs of Iowa schools are a direct burden on the taxpayers of the state.
6. It is necessary to create the authority to provide a means for Iowa schools to reduce substantially or eliminate their short-term borrowing costs and thus reduce costs to the taxpayers.
7. All of the purposes stated in this section are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned or granted.

85 Acts, ch 34, §2
CS85, §442A.2
C93, §257C.2

**257C.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Authority"* means the Iowa advance funding authority created by this chapter.
2. *"Board"* means the governing board of the authority created in section 257C.5.
3. *"Bonds"* means bonds, notes and other obligations issued by the authority pursuant to this chapter.
4. *"Notes"* means notes, warrants, loan agreements, and all other forms of evidence of

indebtedness now or hereafter authorized for schools. *"Purchase of notes"* includes lending money to schools or any other forms of financing of schools by the authority.

5. *"School"* includes each public school district as defined in chapter 274, area education agency as defined in chapter 273 and community college as defined in chapter 260C.

85 Acts, ch 34, §3
CS85, §442A.3
90 Acts, ch 1253, §121
C93, §257C.3

**257C.4 Iowa advance funding authority.**

The Iowa advance funding authority is created. It is a public instrumentality and agency of the state exercising public and essential governmental functions, established for the purposes of reducing the cash flow difficulties faced by Iowa schools, improving the financial procedures of Iowa schools, and reducing the short-term borrowing costs of Iowa schools.

85 Acts, ch 34, §4
CS85, §442A.4
C93, §257C.4

**257C.5 Governing board.**

1. The powers of the authority are vested in and exercised by a board consisting of five members, including the treasurer of state, the director of the department of education, and the director of the department of management, and two members appointed by the governor, subject to confirmation by the senate. The state officials may designate representatives to serve on the board for them. As far as possible, the governor shall appoint members who are knowledgeable or experienced in the school systems of this state or in finance.

2. The governor shall appoint the members of the authority for terms of six years, beginning and ending as provided in section 69.19. An appointed member of the authority may be removed from office by the governor for misfeasance, malfeasance, or willful neglect of duty or other just cause, after notice and hearing, unless the notice and hearing are expressly waived in writing by the member.

3. Three members of the board constitute a quorum.

4. The appointed members of the authority receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

5. The appointed members of the authority shall give bond as required for public officers in chapter 64.

6. Meetings of the authority shall be held at the call of the chairperson or when a majority of the members so request.

7. The members shall elect a chairperson, vice chairperson and secretary annually, and other officers as they determine necessary.

85 Acts, ch 34, §5
CS85, §442A.5
88 Acts, ch 1134, §83; 90 Acts, ch 1256, §47
C93, §257C.5
Referred to in §257C.3
Confirmation, see §2.32

**257C.6 General powers.**

The board has all of the general powers needed to carry out its purposes and duties and exercise its specific powers, including but not limited to the power to:

1. Issue its negotiable bonds as provided in this chapter in order to finance its programs.
2. Have perpetual succession as a public authority.
3. Sue and be sued in its own name.
4. Make and execute agreements, contracts, and other instruments, with any public or private entity.
5. Hire and compensate legal counsel, notwithstanding chapter 13.

6. Invest or deposit moneys of the authority, subject to any agreement with bondholders, in any manner determined by the authority, notwithstanding chapters 12B and 12C.
7. Procure insurance and other credit enhancement arrangements including but not limited to municipal bond insurance and letters of credit.
8. Fix and collect fees and charges for its services.
9. Accept appropriations, gifts, grants, loans, or other aid from public or private entities.
10. Adopt rules consistent with this chapter, and subject to chapter 17A.
11. The authority is exempt from chapter 8A, subchapter III.
85 Acts, ch 34, §6
CS85, §442A.6
C93, §257C.6
2003 Acts, ch 145, §226
Referred to in §257C.13

**257C.7 Staff.**
The executive director and staff of the Iowa finance authority, pursuant to chapter 16, shall also serve as executive director and staff of the advance funding authority, respectively. The executive director shall not, directly or indirectly, exert influence to induce any other officers or employees of the state to adopt a political view, or to favor a political candidate for office.
85 Acts, ch 34, §7; 85 Acts, ch 252, §56
CS85, §442A.7
C93, §257C.7

**257C.8 Advance funding program.**
1. The authority shall establish a statewide advance funding program for the purchase from schools of notes issued in anticipation of the receipt of moneys for school purposes or for making loans to schools to alleviate cash flow difficulties and to otherwise improve the financial well-being of the schools.
2. The authority may issue its bonds and use the proceeds from the bonds for the purpose of making loans to or purchasing the notes of any school for the use of the various funds of the school for any lawful school purpose excluding debt service. Bonds issued pursuant to this section may be secured by a pledge of payments made to the authority by the school, to be derived from the receipt of anticipated funds evidenced by the notes of the school, including a pooling of payments of notes from two or more participating schools. The authority may also issue refunding bonds, including advance refunding bonds, for the purpose of refunding previously issued bonds.
3. The authority may issue its bonds in principal amounts which, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds, the establishment of reserves to secure its bonds, the costs of issuance of its bonds, and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. The bonds are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code, chapter 554.
4. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the authority and are not an indebtedness of this state, and this state is not liable on the bonds. Bonds issued under this chapter shall contain on their face a statement that the state is not liable.
5. The proceeds of bonds issued by the authority and not required for immediate disbursement may be invested in any investment approved by the board and specified in the trust indenture or resolution pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.
6. The bonds of the authority shall be:
*a.* In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, as the board prescribes in the resolution authorizing their issuance.
*b.* Negotiable instruments under the laws of the state and may be sold at prices, at public

or private sale, and in a manner, as prescribed by the board. Chapters 73A, 74, 74A, and 75 do not apply to their sale or issuance.

*c.* Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter and as determined by resolution of the board.

7. The bonds of the authority are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

8. Bonds must be authorized by a resolution of the board. However, a resolution authorizing the issuance of bonds may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds by an appropriate certificate of the authorized officer.

85 Acts, ch 34, §8
CS85, §442A.8
C93, §257C.8
2005 Acts, ch 3, §56; 2012 Acts, ch 1017, §63
Referred to in §257C.13

**257C.9 Moneys of the authority.**

1. Moneys of the authority, except as otherwise provided in this chapter, shall be paid to the authority and shall be deposited in a bank or other financial institution designated by the authority. The moneys shall be withdrawn on the order of the person authorized by the authority. Deposits shall be secured in the manner determined by the authority. The auditor of state or the auditor's legally authorized representatives may periodically examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments, and any other records and papers relating to its financial standing, and the authority is not required to pay a fee for the examination.

2. The authority may contract with the holders of its bonds as to the custody, collection, security, investment, and payment of moneys of the authority, of moneys held in trust or otherwise for the payment of bonds, and to carry out the contract. Moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of the moneys may be secured in the same manner as moneys of the authority, and banks and trust companies may give security for the deposits.

3. Subject to a contract with bondholders, and to the approval of the director of the department of administrative services, the authority shall prescribe a system of accounts.

4. The authority shall submit to the governor, the auditor of state, the department of management, and the department of administrative services, within thirty days of its receipt, a copy of the report of every external examination of the books and accounts of the authority other than copies of the reports of examinations made by the auditor of state.

85 Acts, ch 34, §9
CS85, §442A.9
C93, §257C.9
94 Acts, ch 1023, §46; 2003 Acts, ch 145, §286

**257C.10 Powers not restricted — law complete in itself.**

This chapter is not a restriction or limitation on powers which the authority or a school has under the laws of this state, but is cumulative to any such powers. No proceedings, referendum, notice, or approval is required for the creation of the authority or the issuance of obligations or an instrument as security except as provided in this chapter.

85 Acts, ch 34, §10
CS85, §442A.10
C93, §257C.10

**257C.11 Limitation of liability.**

Members of the board and persons acting in the authority's behalf, while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out the powers and duties given in this chapter.

85 Acts, ch 34, §11
CS85, §442A.11
C93, §257C.11

**257C.12 Conflicts of interest.**

1. If a member or employee other than the executive director of the authority has an interest, either direct or indirect, in a contract to which the authority is or is to be a party, the interest shall be disclosed to the authority in writing and shall be set forth in the minutes of a meeting of the authority. The member having the interest shall not participate in action by the board with respect to that contract.

2. This section does not limit the right of a member of the board to acquire an interest in bonds, or limit the right of a member to have an interest in a bank or other financial institution in which the funds of the authority are deposited or which is acting as trustee or paying agent under a trust indenture to which the authority is a party.

3. The executive director shall not have an interest in a bank or other financial institution in which the funds of the authority are deposited or which is acting as trustee or paying agent under a trust indenture to which the authority is a party. The executive director shall not receive, in addition to fixed salary or compensation, any money or valuable thing, either directly or indirectly, or through any substantial interest in any other corporation or business unit, for negotiating, procuring, recommending, or aiding in any loan made by the authority, nor shall the executive director be pecuniarily interested, either as principal, co-principal, agent, or beneficiary, either directly or indirectly or through any substantial interest in any other corporation or business unit, in any loan.

85 Acts, ch 34, §12
CS85, §442A.12
C93, §257C.12

**257C.13 Exemption from competitive bid laws.**

The authority and contracts made by it in carrying out its public and essential governmental functions under sections 257C.6 and 257C.8 are exempt from the laws of the state which provide for competitive bids and hearings in connection with contracts.

85 Acts, ch 34, §13
CS85, §442A.13
C93, §257C.13

**257C.14 Annual report.**

1. The authority shall submit to the governor and the general assembly, not later than December 31 of each year, a report setting forth:

*a.* Its operations and accomplishments.

*b.* Its receipts and expenditures during the previous fiscal year, in accordance with the classifications it establishes for its operating and capital accounts.

*c.* Its assets and liabilities at the end of the previous fiscal year and the status of reserve, special, and other funds.

*d.* A schedule of its bonds outstanding at the end of the previous fiscal year, together with a statement of the amounts redeemed and issued during the fiscal year.

*e.* A statement of its proposed and projected activities.

*f.* Recommendations to the governor and general assembly, as it deems necessary.

2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress during the reporting period, in attaining the goals.

85 Acts, ch 34, §14
CS85, §442A.14
C93, §257C.14

**257C.15 Assistance by state officers, agencies and departments.**
State officers and state departments and agencies may render services to the authority within their respective functions as requested by the authority.
85 Acts, ch 34, §15
CS85, §442A.15
C93, §257C.15

**257C.16 Authority of schools.**
A school may issue and sell or pledge its notes to the authority or the authority's designated agent or trustee. Schools may enter into contracts and agreements with the authority to effectuate the purposes of this chapter. In acting pursuant to this section, schools are exempt from all laws of the state which provide for competitive bids and hearings in connection with such sales, pledges, contracts and agreements.
85 Acts, ch 34, §16
CS85, §442A.16
C93, §257C.16

**257C.17 Liberal interpretation.**
This chapter, being necessary for the welfare of this state and its people, shall be liberally construed to effect its purpose.
85 Acts, ch 34, §17
CS85, §442A.17
C93, §257C.17

# CHAPTER 258

## VOCATIONAL EDUCATION

Referred to in §256.7, 256.11, 260C.14, 598.21B


258.1 Federal Act accepted.
258.2 State board for vocational education.
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258.3A Duties of board.
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258.6 Definitions.
258.7 and 258.8 Repealed by 2001 Acts, ch 159, §18.
258.9 Local advisory council.
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258.11 Salary and expenses for administration.
258.12 Custodian of funds.
258.13 Biennial report. Repealed by 2009 Acts, ch 54, §14.
258.14 and 258.15 Repealed by 94 Acts, ch 1091, §25.
258.16 Regional vocational education planning boards established — duties.
258.17 Community-based workplace learning program — workstart.
258.18 Repealed by 95 Acts, ch 196, §3.


**258.1 Federal Act accepted.**
The provisions of the Act of Congress known as the Carl D. Perkins Vocational and Technical Education Act of 1998, codified at 20 U.S.C. § 2301 et seq., originally known as the Vocational Education Act of 1963, and enacted December 18, 1963, as part A of Pub. L. No. 88-210, 77 Stat. 403, and all amendments thereto and the benefit of all funds appropriated under said Act and all other Acts pertaining to vocational education, are accepted.
[C24, 27, 31, 35, 39, §**3837;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §258.1]
2006 Acts, ch 1030, §33

**258.2 State board for vocational education.**
The state board of education shall constitute the board for vocational education.
[C24, 27, 31, 35, 39, §**3838;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §258.2]

**258.3 Personnel.**

The director of the department of education shall appoint and direct the work of personnel as necessary to carry out this chapter.

[C24, 27, 31, 35, 39, §**3839;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §258.3]

85 Acts, ch 212, §21; 86 Acts, ch 1245, §1425

**258.3A Duties of board.**

The board shall:

1. Cooperate with the federal board for vocational education in the administration of the Act of Congress.

2. Adopt rules prescribing standards for teachers of agricultural, industrial, and commercial subjects and home economics in approved schools, departments, and classes.

3. Adopt rules prescribing standards for approval of schools, departments, and classes; area vocational-technical high schools and programs; and community colleges with vocational programs; and practitioner preparation schools, departments, and classes, applying for federal and state moneys under this chapter.

86 Acts, ch 1245, §1426; 89 Acts, ch 265, §30; 90 Acts, ch 1253, §8

**258.4 Duties of director.**

The director of the department of education shall:

1. Cooperate with the federal board for vocational education in the administration of the Act of Congress.

2. Provide for making studies and investigations relating to prevocational and vocational training in agricultural, industrial, and commercial subjects, and home economics.

3. Promote and aid in the establishment in local communities and public schools of departments and classes giving instruction in subjects listed in subsection 2.

4. Cooperate with local communities in the maintenance of schools, departments, and classes.

5. Make recommendations to the board of educational examiners relating to the enforcement of rules prescribing standards for teachers of subjects listed in subsection 2 in accredited schools, departments, and classes.

6. Cooperate in the maintenance of practitioner preparation schools, departments, and classes, supported and controlled by the public, for the training of teachers and supervisors of subjects listed in subsection 2.

7. Annually review at least twenty percent of the approved vocational programs as a basis for continuing approval to ensure that the programs are compatible with educational reform efforts, are capable of responding to technological change and innovation, and meet the educational needs of students and the employment community. The review shall include an assessment of the extent to which the competencies in the program are being mastered by the students enrolled, the costs are proportionate to educational benefits received, the vocational curriculum is articulated and integrated with other curricular offerings required of all students, the programs would permit students with vocational education backgrounds to pursue other educational interests in a postsecondary institutional setting, and the programs remove barriers for both traditional and nontraditional students to access educational and employment opportunities.

8. Establish a minimum set of competencies and core curriculum for approval of a vocational program sequence that addresses the following: new and emerging technologies; job-seeking, job-keeping, and other employment skills, including self-employment and entrepreneurial skills, that reflect current industry standards, leadership skills, entrepreneurial, and labor-market needs; and the strengthening of basic academic skills.

9. Establish a regional planning process to be implemented by regional planning boards, which utilizes the services of local school districts, community colleges, and other resources to assist local school districts in meeting vocational education standards while avoiding unnecessary duplication of services.

10. Enforce rules prescribing standards for approval of vocational education programs in schools, departments, and classes.

11. Notwithstanding the accreditation process contained in section 256.11, permit school districts, which provide a program which does not meet the standards for accreditation for vocational education, to cooperate with the regional planning boards and contract for an approved program under this chapter without losing accreditation. A school district which fails to cooperate with the regional planning boards and contract for an approved program shall, however, be subject to section 256.11.

12. Notwithstanding the accreditation standard and process contained in section 256.11 for vocational education for students in grades nine through twelve, provide a process that permits school districts to establish community-based workplace learning programs, called "workstart" programs, that provide students with competency-based learning experiences that reinforce basic academic skills and include, but are not limited to, new and emerging technologies; job-seeking, job-adaptability, and other employment; and self-employment and entrepreneurial skills that reflect current industry standards and labor-market needs. An approved workstart program may consist of two of the required sequential units in one of the six occupational service areas in grades nine through twelve, and shall be a priority for receipt of vocational education secondary funds.

[C24, 27, 31, 35, 39, §**3840;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §258.4]

86 Acts, ch 1245, §1427; 89 Acts, ch 265, §31; 89 Acts, ch 278, §3, 4; 90 Acts, ch 1253, §9; 92 Acts, ch 1198, §2

**258.5 Reimbursement from federal and state moneys.**

If a school corporation maintains an approved vocational school, department, or classes in accordance with the rules adopted by the state board, and rules and standards adopted by the board of educational examiners, and the state plan for vocational education, adopted by the board for vocational education and approved by the United States department of education, the director of the department of education shall reimburse the school corporation at the end of the fiscal year for its expenditures for salaries and authorized travel of vocational teachers from federal and state funds. However, a school corporation shall not receive from federal and state funds a larger amount than one-half the sum which has been expended by the school corporation for that particular type of program. If federal and state funds are not sufficient to make the reimbursement to the extent provided in this section, the director shall prorate the respective amounts available to the corporations entitled to reimbursement.

The director may use federal funds to reimburse approved practitioner preparation schools, departments, or classes for the training of teachers of agriculture, home economics, trades and industrial education, distributive education, and for the training of guidance counselors.

[C24, 27, 31, 35, 39, §**3841, 3844;** C46, 50, §258.5, 258.8; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §258.5]

86 Acts, ch 1245, §1428; 89 Acts, ch 265, §32

**258.6 Definitions.**

*"Approved school, department, or class"* means a school, department, or class approved by the board as entitled under this chapter to federal and state moneys for the salaries and authorized travel of teachers of vocational subjects. *"Approved practitioner preparation school, department, or class"* means a school, department, or class approved by the board as entitled under this chapter to federal moneys for the training of teachers of vocational subjects.

[C24, 27, 31, 35, 39, §**3842;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §258.6]

89 Acts, ch 265, §33

**258.7 and 258.8** Repealed by 2001 Acts, ch 159, § 18.

**258.9 Local advisory council.**

The board of directors of a school district that maintains a school, department, or class receiving federal or state funds under this chapter shall, as a condition of approval by the state board, appoint a local advisory council for vocational education composed of public members with emphasis on persons representing business, agriculture, industry and labor.

The local advisory council shall give advice and assistance to the board of directors in the establishment and maintenance of schools, departments, and classes that receive federal or state funds under this chapter. Local advisory councils may be organized according to program area, school, community, or region. The state board shall adopt rules requiring that the memberships of local advisory councils fairly represent each sex and minorities residing in the school district. Members of an advisory council shall serve without compensation.

[C24, 27, 31, 35, 39, §**3845;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §258.9]
86 Acts, ch 1245, §1431

**258.10 Powers of district boards.**

1. The board of directors of a school district may carry on prevocational and vocational instruction in subjects relating to agriculture, commerce, industry, and home economics, and pay the expense of such instruction in the same way as the expenses for other subjects in the public schools are paid.

2. The board of directors of a school district may establish and maintain school-to-work programs including alternative learning opportunities through which students may obtain skills or training outside the classroom. School-to-work programs include, but are not limited to, the following:

*a.* Short-term job shadowing opportunities for students to explore career interests by observing work at a workplace or to include a series of visits to various workplaces and time spent with individual workers to observe specific jobs.

*b.* Structured work experiences integrating school and work-based experiences in an internship that may be an extension of a job shadowing experience.

*c.* Mentoring experiences providing students with a formal relationship with a worksite role model who shares career insights and teaches students specific work-related skills.

*d.* Career-oriented work experiences tied to school lessons through formal or informal training agreements, formal learning plans or mentoring, by workplace personnel who may be paid or unpaid, and which may earn students credit toward graduation.

*e.* Structured on-the-job training or apprenticeships for students who are enrolled in a technical or professional program that leads to a high school diploma, advanced certificate of mastery, or associate degree.

*f.* Work experiences available to students in school and community placements directly supervised by a school district or community college staff member.

3. The board may provide workers' compensation coverage by insuring, or self-insuring as provided in section 87.4, students participating in unpaid school-to-work programs. A school district's liability to students injured while participating in an unpaid school-to-work program is as provided in section 85.20.

[C24, 27, 31, 35, 39, §**3846;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §258.10]
97 Acts, ch 37, §6
Referred to in §85.61

**258.11 Salary and expenses for administration.**

The director may make expenditures for salaries of assistants, actual expenses of the board and the director and the state council incurred in the discharge of their duties, and other expenses as necessary to the proper administration of this chapter.

[C24, 27, 31, 35, 39, §**3847;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §258.11]
86 Acts, ch 1245, §1432; 88 Acts, ch 1134, §60

**258.12 Custodian of funds.**

The treasurer of state shall be custodian of the funds paid to the state from the appropriations made under said Act of Congress, and shall disburse the same on vouchers audited as provided by law.

[C24, 27, 31, 35, 39, §**3848;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §258.12]
2013 Acts, ch 88, §8
Section amended

**258.13 Biennial report.** Repealed by 2009 Acts, ch 54, § 14.

**258.14 and 258.15** Repealed by 94 Acts, ch 1091, § 25.

**258.16 Regional vocational education planning boards established — duties.**

1. Regional planning boards are established to assist school corporations in providing an effective, efficient, and economical means of delivering sequential vocational educational programs for students in grades seven through fourteen, which use both local school district services and community college services.

2. A regional planning board shall be established in each merged area, as determined by the state board for vocational education. Each regional planning board shall have as members persons who are representatives from the community college board of directors, the area education agency board of directors, the local councils on vocational education, the local school districts' boards of directors, and vocational education certificated instructional personnel.

3. The regional planning boards shall do all of the following:

*a.* Provide for the participation of community colleges and the local school districts in the delivery of vocational education in the region, as well as for the participation of representatives of the business and industry community.

*b.* Determine the occupational needs of students based on labor-market, entrepreneurial, and self-employment opportunities and demand within the region, the state, the nation, and in other countries.

*c.* Provide for development of a five-year plan addressing the delivery of quality vocational education instructional programs pursuant to section 256.11, subsection 4, and subsection 5, paragraph "*h*", and section 260C.14, subsection 1. The plan shall be updated annually.

*d.* Implement the procedures and contract, at the request of the director of the board of vocational education, for the delivery of vocational education programs and services pursuant to section 256.11, subsection 4, section 256.11, subsection 5, paragraph "*h*", and section 260C.14, subsection 1.

89 Acts, ch 278, §5; 2008 Acts, ch 1032, §108; 2013 Acts, ch 30, §59
Referred to in §282.7
Subsection 3, paragraph d amended

**258.17 Community-based workplace learning program — workstart.**

1. A community-based workplace learning program, called "workstart", is established as a voluntary collaborative educational program between business and Iowa's secondary and postsecondary education system designed to provide the means by which students can be better prepared to enter the workforce. The program is to provide all participating high school students with academic skills and appropriate competency-based job-specific skills needed to enter high performance workplace employment through a jointly planned and supervised instructional and worksite-based training program that is articulated with postsecondary advanced programs of preparation, United States department of labor-approved apprenticeship programs, and other appropriate job training programs. Schools and school districts are encouraged to work with current employers of students attending instruction in the schools or school districts in order to articulate educational programming with the work experiences of the students. The workstart program is designed to prepare students for employment in occupations which not only require high skill levels but which also offer students opportunities within those occupations for career and personal advancement.

2. *a.* Each school or school district that desires to establish a workstart program shall appoint a local employment and training council, the members of which shall serve at the pleasure of the board of directors of the district or the authorities in charge of the nonpublic school. The majority of the council members shall be local secondary and postsecondary educators. Other council members shall include, but are not limited to, members of the business community and chamber of commerce, appropriate labor representatives, parents, and representatives from any local municipal, county, state, or federal job placement or training agencies. The council shall identify and assess all of the following:

(1) The types of high performance workplace employment opportunities for individuals who live in the community.

(2) The skills, knowledge, and attitudes required by employers for placement in entry level and advanced positions.

(3) The private and institutional resources necessary and available to provide the appropriate high school training and advanced educational offerings for persons seeking to acquire job skills for the positions.

*b.* The council, in identifying and assessing high performance workplace employment opportunities, shall consult with local and regional job placement organizations and take into consideration possible job placement trends and opportunities that may become available to program participants. The council shall consult with the vocational regional planning board or consortia to determine what educational resources are available within the merged area and to ascertain the occupational needs of local students. The council shall summarize those jobs, skills, and resources identified and assessed and develop a proposed plan for utilization of available resources to permit the acquisition of those skills in a workstart program. In addition to any agreements with local businesses, the proposed plan for a workstart program shall include an articulated, sequential plan that coordinates and complements the curricula and training available in a secondary education setting with the curricula and training available at the community or private college or other postsecondary training program level. The council shall forward the proposed plan for a workstart program to the board of directors of the school district, or the authorities in charge of the nonpublic school, for review, modification, and approval.

3. *a.* Each workstart program shall consist of two phases, each of which shall be supervised by an appropriately licensed education practitioner: the preparation phase and the workplace phase.

(1) The preparation phase of a workstart program is a school-based program that provides students with basic and advanced academic skills that will be necessary to perform in a vocational service area chosen by the student. The preparation phase shall also include instruction in skills that are necessary to succeed in high performance workplace employment. The preparation phase of a workstart program shall be directed by education practitioners possessing the appropriate licensing and endorsements for the vocational service area.

(2) The workplace phase of a workstart program shall consist of an intensive workplace-specific training program that may be conducted at a worksite or both at a worksite and in the school setting. The workplace phase of a workstart program shall be coordinated by an education practitioner possessing the appropriate license and endorsements for the vocational service area, and may be directed at the worksite by persons employed in the occupational training area which has been selected by the student.

*b.* Both the preparation and workplace phases shall be articulated with United States department of labor-approved apprenticeship programs and other postsecondary educational and training offerings that permit participating students to obtain advanced training and education that may be necessary upon graduation from the workstart secondary education program or to obtain an advancement in an occupational field chosen by the student during the student's participation in a workstart secondary education program.

4. Each workstart program shall include a written agreement by the school or school district with one or more businesses from the surrounding community to provide workplace-specific training and learning programs which are related to the skills needed to succeed in those occupational areas. The proposed plan for implementation of the workstart program shall include a copy of the written agreement between the school or school district and the business or businesses and a business support component, which shall consist of financial or in-kind support, or both financial and in-kind support, from the businesses that have entered into the agreement with the school or school district.

5. The state board of education shall adopt rules pursuant to chapter 17A to provide for the implementation of this section.

6. The department of education shall adopt guidelines for the establishment of workstart programs. Guidelines may include, but are not limited to, acceptable levels of business

financial participation in a workstart program, maximum hour and workload guidelines for education practitioners working in or supervising a workstart program, and maximum and minimum class size guidelines for the preparation and workplace phases of a workstart program.

7. A school or local school district that implements a workstart program shall annually conduct a survey which counts the number of students who participate in, or graduate from, the program that are actually employed in an occupational area for which they received training. The school or school district shall disseminate the results of the surveys to the local employment and training councils for the school or school district and the department of education.

92 Acts, ch 1198, §3; 2003 Acts, ch 180, §12; 2010 Acts, ch 1061, §180
Section not amended; editorial change applied

**258.18** Repealed by 95 Acts, ch 196, § 3.

# CHAPTER 258A

RESERVED

# CHAPTER 259

VOCATIONAL REHABILITATION


| | | | |
|---|---|---|---|
| 259.1 | Acceptance of federal Act. | 259.6 | Gifts and donations. |
| 259.2 | Custodian of funds. | 259.7 | Fund. |
| 259.3 | Board and division. | 259.8 | Report of gifts. |
| 259.4 | Duties of division. | 259.9 | Agreement continued. |
| 259.5 | Report to governor. | | |


**259.1 Acceptance of federal Act.**

The state of Iowa, through its legislative authority, accepts the provisions and benefits of the federal Rehabilitation Act of 1973, as amended and codified in 29 U.S.C. § 701 et seq.

[C24, 27, 31, 35, 39, §**3850;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §259.1]
85 Acts, ch 23, §1; 89 Acts, ch 1, §1; 94 Acts, ch 1109, §4
Referred to in §259.3, 259.4

**259.2 Custodian of funds.**

1. The treasurer of state is custodian of moneys received by the state from appropriations made by the Congress of the United States for the vocational rehabilitation of individuals with disabilities, and may receive and provide for the proper custody of the moneys and make disbursement of them upon the requisition of the director of the department of education.

2. The treasurer of state is appointed custodian of moneys paid by the federal government to the state for the purpose of carrying out the agreement relative to making determinations of disability under Tit. II and Tit. XVI of the federal Social Security Act as amended, 42 U.S.C. ch. 7, and may receive the moneys and make disbursements of them upon the requisition of the director of the department of education.

[C24, 27, 31, 35, 39, §**3851;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §259.2]
86 Acts, ch 1245, §1434; 94 Acts, ch 1109, §5; 2010 Acts, ch 1061, §180
Referred to in §259.3

**259.3 Board and division.**

The division of vocational rehabilitation services is established in the department of education. The director of the department of education shall cooperate with the United States secretary of education in carrying out the federal law cited in sections 259.1 and 259.2

providing for the vocational rehabilitation of individuals with disabilities. The state board of education shall adopt rules under chapter 17A for the administration of this chapter.

[C24, 27, 31, 35, 39, §**3852;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §259.3]

86 Acts, ch 1237, §14; 86 Acts, ch 1245, §1435; 94 Acts, ch 1109, §6; 96 Acts, ch 1127, §3

**259.4 Duties of division.**

The division of vocational rehabilitation services shall:

1. Cooperate with the secretary of education in the administration of the federal law cited in section 259.1.
2. Administer legislation pursuant to the federal law cited in section 259.1, and direct the disbursement and administer the use of funds provided by the federal government and this state for the vocational rehabilitation of individuals with disabilities.
3. Utilize in the rehabilitation of individuals with disabilities existing educational and other facilities as are advisable and practicable, including public and private educational institutions, community rehabilitation programs, public or private establishments, plants, factories, and the services of individuals specially qualified for the instruction and vocational rehabilitation of individuals with disabilities.
4. Promote the establishment and assist in the development of training agencies for the vocational rehabilitation of individuals with disabilities.
5. Cooperate with an agency of the federal government or of the state, or of a county or other municipal authority within the state, or any other agency, public or private, in carrying out the purposes of this chapter.
6. Do those things necessary to secure the rehabilitation of those individuals entitled to the benefits of this chapter, including those individuals with significant disabilities.
7. Provide rehabilitation services to individuals with significant disabilities who are homebound, and other individuals with significant disabilities, who can wholly or substantially achieve an ability to live independently.
8. Provide financial and other necessary assistance to public or private agencies in the development or expansion of community rehabilitation programs, or programs in other public agencies, needed for the rehabilitation of individuals with disabilities.
9. Administer the entrepreneurs with disabilities program.

[C24, 27, 31, 35, 39, §**3853;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §259.4]

83 Acts, ch 101, §59; 86 Acts, ch 1237, §15; 86 Acts, ch 1245, §1436; 87 Acts, ch 115, §37; 94 Acts, ch 1109, §7; 96 Acts, ch 1127, §4 – 7; 99 Acts, ch 28, §1; 2008 Acts, ch 1007, §1

**259.5 Report to governor.**

The division shall report biennially to the governor the condition of vocational rehabilitation within the state, designating the educational institutions, establishments, plants, factories, and other agencies in which training is being given, and include a detailed statement of expenditures of the state and federal funds in the rehabilitation of individuals with disabilities.

[C24, 27, 31, 35, 39, §**3854;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §259.5]

86 Acts, ch 1237, §16; 86 Acts, ch 1245, §1437; 94 Acts, ch 1109, §8; 96 Acts, ch 1127, §8

**259.6 Gifts and donations.**

The division may receive gifts and donations from either public or private sources offered unconditionally or under conditions related to the vocational rehabilitation of individuals with disabilities that are consistent with this chapter.

[C24, 27, 31, 35, 39, §**3855;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §259.6]

86 Acts, ch 1245, §1438; 94 Acts, ch 1109, §9

**259.7 Fund.**

All the moneys received as gifts or donations shall be deposited in the state treasury and shall constitute a permanent fund to be called the special fund for the vocational rehabilitation

of individuals with disabilities, to be used by the director of the department of education in carrying out the provisions of this chapter or for related purposes.

[C24, 27, 31, 35, 39, §**3856;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §259.7]

94 Acts, ch 1109, §10; 96 Acts, ch 1127, §9

**259.8 Report of gifts.**

A full report of gifts and donations offered and accepted, together with the names of the donors and the respective amounts contributed by each, and disbursements from the fund shall be submitted at call or biennially to the governor of the state by the division.

[C24, 27, 31, 35, 39, §**3857;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §259.8]

86 Acts, ch 1245, §1439

**259.9 Agreement continued.**

The agreement between the director of the department of education and the commissioner of the United States social security administration relating to making determinations of disability under Tit. II and Tit. XVI of the federal Social Security Act as amended, 42 U.S.C. ch. 7, completed prior to July 1, 1986, remains in effect.

86 Acts, ch 1245, §1440; 96 Acts, ch 1127, §10; 2010 Acts, ch 1061, §180

# CHAPTER 259A

## HIGH SCHOOL EQUIVALENCY DIPLOMAS

Referred to in §260C.50, 261.6, 299.2, 904.516, 906.4


259A.1 Tests.
259A.2 Age.
259A.3 Notice and fee.
259A.4 Use of fees.
259A.5 Rules.
259A.6 Residents of juvenile institutions and juvenile probationers.


**259A.1 Tests.**

The department of education shall cause to be made available for qualified individuals a high school equivalency diploma. The diploma shall be issued on the basis of satisfactory competence as shown by tests covering all of the following: reading, language arts, literacy, mathematics, science, and social studies.

[C66, 71, 73, 75, 77, 79, 81, §259A.1]

2006 Acts, ch 1152, §29; 2013 Acts, ch 88, §9

Section amended

**259A.2 Age.**

Every applicant must have attained the age of eighteen years, be a nonhigh school graduate, and not currently enrolled in a secondary school. However, an applicant is not eligible for the diploma until after the class in which the applicant was enrolled has graduated.

Application shall be made to a testing center approved by the department of education, accompanied by an application fee in an amount prescribed by the department. The test scores shall be forwarded by the scorer of the test to the department.

[C66, 71, 73, 75, 77, 79, 81, §259A.2]

2013 Acts, ch 88, §10

Referred to in §259A.6

Unnumbered paragraph 2 amended

**259A.3 Notice and fee.**

Any applicant who has achieved the minimum passing standards as established by the department, and approved by the state board, shall be issued a high school equivalency diploma by the department upon payment of an additional amount determined in rules adopted by the state board of education to cover the actual costs of the production and

distribution of the diploma. The state board of education may also by rule establish a fee for the issuance or verification of a transcript which shall be based on the actual costs of the production or verification of a transcript.

[C66, 71, 73, 75, 77, 79, 81, §259A.3]

2011 Acts, ch 20, §7

**259A.4 Use of fees.**

The fees collected under the provisions of this chapter shall be used for the expenses incurred in administering, providing test materials, scoring of examinations and issuance of high school equivalency diplomas, and shall be disbursed on the authorization of the director of the department of education. The treasurer of state shall be custodian of the funds paid to the department and shall disburse the same on vouchers audited as provided by law. The unobligated balance in such funds at the close of each biennium shall be placed in the general fund of the state.

[C66, 71, 73, 75, 77, 79, 81, §259A.4]

85 Acts, ch 212, §21

**259A.5 Rules.**

The director of the department of education shall adopt tests, definitions of terms, and forms as necessary for the administration of this chapter. The state board shall adopt rules under chapter 17A to carry out this chapter.

[C66, 71, 73, 75, 77, 79, 81, §259A.5]

85 Acts, ch 212, §21; 86 Acts, ch 1245, §1441

**259A.6 Residents of juvenile institutions and juvenile probationers.**

Notwithstanding the provisions of section 259A.2 a minor who is a resident of a state training school or the Iowa juvenile home or a minor who is placed under the supervision of a juvenile probation office may make application for a high school equivalency diploma and upon successful completion of the program receive a high school equivalency diploma.

[C77, 79, 81, §259A.6]

# CHAPTER 259B

RESERVED

# SUBTITLE 2

## COMMUNITY COLLEGES

## CHAPTER 260

RESERVED

## CHAPTER 260A

COMMUNITY COLLEGE VOCATIONAL-TECHNICAL TECHNOLOGY IMPROVEMENT

Repealed by 2002 Acts, 2nd Ex, ch 1003, §94, 95

## CHAPTER 260B

RESERVED

## CHAPTER 260C

COMMUNITY COLLEGES

Referred to in §7C.4A, 8D.5, 12.30, 16.162, 22.7, 49.73, 103.22, 256.82, 257C.3, 260E.2, 260F.2, 260G.2, 261.7, 261.87, 261E.2, 261E.8, 262.9, 273.2, 282.6, 307A.2, 423.3, 423F.3, 459.318, 459A.102, 594A.7, 594A.9

Appropriations, property taxes certified, contracts, agreements, and other obligations of area school deemed those of successor community college effective July 1, 1990; 90 Acts, ch 1253, §125

GENERAL PROVISIONS


260C.1 Statement of policy.
260C.2 Definitions.
260C.3 State board for community colleges. Repealed by 2011 Acts, ch 20, §19.
260C.4 Duties of state board.
260C.5 Duties of director.
260C.6 Community colleges division in department.
260C.7 through 260C.10 Reserved.


GOVERNANCE, FINANCING, AND PROGRAMS


260C.11 Governing board.
260C.12 Directors of merged area.
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260C.14 Authority of directors.
260C.15 Conduct of elections.
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260C.17 Preparation and approval of budget — tax.
260C.18 Other funds received.
260C.18A Workforce training and economic development funds.
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260C.18C State aid distribution formula.
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260C.19 Acquisition of sites and buildings.
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260C.19B Purchase of biobased hydraulic fluids, greases, and other industrial lubricants.
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## GENERAL PROVISIONS

**260C.1 Statement of policy.**

It is hereby declared to be the policy of the state of Iowa and the purpose of this chapter to provide for the establishment of not more than fifteen areas which shall include all of the area of the state and which may operate community colleges offering to the greatest extent possible, educational opportunities and services in each of the following, when applicable, but not necessarily limited to:

1. The first two years of college work including preprofessional education.
2. Vocational and technical training.
3. Programs for in-service training and retraining of workers.
4. Programs for high school completion for students of post-high school age.
5. Programs for all students of high school age who may best serve themselves by enrolling for vocational and technical training while also enrolled in a local high school, public or private.
6. Programs for students of high school age to provide advanced college placement courses not taught at a student's high school while the student is also enrolled in the high school.
7. Student personnel services.
8. Community services.
9. Vocational education for persons who have academic, socioeconomic, or other disabilities which prevent succeeding in regular vocational education programs.
10. Training, retraining, and all necessary preparation for productive employment of all citizens.
11. Vocational and technical training for persons who are not enrolled in a high school and who have not completed high school.

12. Developmental education for persons who are academically or personally underprepared to succeed in their program of study.

[C66, 71, 73, 75, 77, 79, 81, §280A.1]
85 Acts, ch 212, §11; 90 Acts, ch 1253, §26
C93, §260C.1
93 Acts, ch 101, §203; 96 Acts, ch 1129, §113
Referred to in §260C.18A

**260C.2 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Community college"* means a publicly supported school which may offer programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, preprofessional, or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree; or which offers as the whole or as part of the curriculum up to two years of vocational or technical education, training, or retraining to persons who are preparing to enter the labor market.

2. *"Department"* means the department of education.

3. *"Director"* means the director of the department of education.

4. *"Instructional cost center"* means one of the following areas of course offerings of the community colleges:

*a.* Arts and sciences cost center.

*b.* Vocational-technical preparatory cost center.

*c.* Vocational-technical supplementary cost center.

*d.* Adult basic education and high school completion cost center.

*e.* Continuing and general education cost center.

5. *"Merged area"* means an area where two or more school systems or parts of school systems merge resources to operate a community college in the manner provided in this chapter.

6. *"State board"* means the state board of education.

[C66, 71, 73, 75, 77, 79, 81, §280A.2]
85 Acts, ch 212, §21, 22; 90 Acts, ch 1253, §27
C93, §260C.2
96 Acts, ch 1215, §24; 2005 Acts, ch 169, §23
Referred to in §84B.2, 85.61, 87.4, 261.86, 321J.22, 322.7A, 515A.15

**260C.3 State board for community colleges.** Repealed by 2011 Acts, ch 20, § 19.

**260C.4 Duties of state board.**

The state board shall:

1. Adopt and establish policies for programs and services of the department which relate to community colleges.

2. Prescribe standards and procedures for the approval of practitioner preparation programs and professional development programs under section 256.7, subsection 3.

3. Review and make recommendations that relate to community colleges in the five-year plan for the achievement of educational goals.

90 Acts, ch 1253, §34
C91, §280A.22B
C93, §260C.22B
93 Acts, ch 82, §2
C95, §260C.4
96 Acts, ch 1215, §25; 2011 Acts, ch 20, §8

**260C.5 Duties of director.**

The director shall:

1. Designate a community college as an "area vocational education school" within the meaning of, and for the purpose of administering, the Act of Congress designated the

"Vocational Education Act of 1963". A community college shall not be so designated by the director of the department of education for the expenditure of funds under 20 U.S.C. §35c(a)(5), which has not been designated and classified as a community college by the state board.

2. Change boundaries of director districts in a merged area when the board fails to change boundaries as required by law.

3. Make changes in boundaries of merged areas with the approval of the board of directors of each merged area affected by the change. When the boundaries of a merged area are changed, the director of the department of education may authorize the board of directors of the merged area to levy additional taxes upon the property within the merged area, or any part of the merged area, and distribute the taxes so that all parts of the merged area are paying their share toward the support of the college.

4. Administer, allocate, and disburse federal or state funds made available to pay a portion of the cost of acquiring sites for and constructing, acquiring, or remodeling facilities for community colleges, and establish priorities for the use of such funds.

5. Administer, allocate, and disburse federal or state funds available to pay a portion of the operating costs of community colleges.

6. Propose administrative rules to carry out this chapter subject to approval of the state board.

7. Enter into contracts with local school boards within the area that have and maintain a technical or vocational high school and with private schools or colleges in the cooperative or merged areas to provide courses or programs of study in addition to or as a part of the curriculum made available in the community college.

8. Make arrangements with boards of merged areas and local school districts to permit students attending high school to participate in vocational-technical programs and advanced college placement courses and obtain credit for such participation for application toward the completion of a high school diploma. The granting of credit is subject to the approval of the director of the department of education.

9. Prescribe a uniform system of accounting for community colleges.

10. Ensure that community colleges that provide intercollegiate athletics as a part of their program comply with section 216.9.

[C66, 71, 73, 75, 77, 79, 81, §280A.25; 82 Acts, ch 1136, §11]

85 Acts, ch 212, §12; 86 Acts, ch 1245, §1470; 87 Acts, ch 115, §41; 87 Acts, ch 224, §57, 58; 90 Acts, ch 1253, §36

C93, §260C.25

93 Acts, ch 82, §4

C95, §260C.5

2002 Acts, ch 1140, §13

Referred to in §260C.43

Section not amended; editorial change applied

**260C.6 Community colleges division in department.**

A community colleges division shall be established within the department of education. The division shall exercise the powers and perform the duties conferred by law upon the department with respect to community colleges.

[C66, 71, 73, 75, 77, 79, 81, §280A.27]

90 Acts, ch 1253, §37

C93, §260C.27

C95, §260C.6

**260C.7 through 260C.10** Reserved.

GOVERNANCE, FINANCING, AND PROGRAMS

**260C.11 Governing board.**

1. The governing board of a merged area is a board of directors composed of one member elected from each director district in the area by the electors of the respective district. Members of the board shall be residents of the district from which elected. Successors shall be chosen at the regular school elections for members whose terms expire. The term of a member of the board of directors is four years and commences at the organizational meeting. Vacancies on the board shall be filled at the next regular meeting of the board by appointment by the remaining members of the board. A member so chosen shall be a resident of the district in which the vacancy occurred and shall serve until a member is elected pursuant to section 69.12 to fill the vacancy for the balance of the unexpired term. A vacancy is defined in section 277.29. A member shall not serve on the board of directors who is a member of a board of directors of a local school district or a member of an area education agency board.

2. Commencing with the regular school election in 1981, the governing board of a merged area shall consist of not less than five nor more than nine members.

3. Director districts shall be of approximately equal population within each merged area.

[C66, 71, 73, 75, §280A.12; C77, §280A.12, 280A.23(2); C79, 81, §280A.12, 280A.28; 82 Acts, ch 1136, §7]

C83, §280A.11

84 Acts, ch 1219, §15; 89 Acts, ch 136, §66

C93, §260C.11

2008 Acts, ch 1115, §2, 21; 2009 Acts, ch 41, §101

Referred to in §39.24, 260C.15

**260C.12 Directors of merged area.**

1. The board of directors of the merged area shall organize at the first regular meeting in October following the regular school election. Organization of the board shall be effected by the election of a president and other officers from the board membership as board members determine. The board of directors shall appoint a secretary and a treasurer who shall each give bond as prescribed in section 291.2 and who shall each receive the salary determined by the board. The secretary and treasurer shall perform duties under chapter 291 and additional duties the board of directors deems necessary. However, the board may appoint one person to serve as the secretary and treasurer. If one person serves as the secretary and treasurer, only one bond is necessary for that person. The frequency of meetings other than organizational meetings shall be as determined by the board of directors but the president or a majority of the members may call a special meeting at any time.

2. Members of the board, other than the secretary and the treasurer, shall be allowed their actual expenses incurred in the performance of their duties and may be eligible to receive per diem compensation.

[C66, 71, 73, 75, 77, 79, 81, §280A.13; 82 Acts, ch 1039, §1, ch 1086, §1]

C83, §280A.12

90 Acts, ch 1253, §28

C93, §260C.12

2008 Acts, ch 1115, §3, 21

Referred to in §273.8, 291.2

**260C.13 Director districts.**

1. The board of a merged area may change the number of directors on the board and shall make corresponding changes in the boundaries of director districts. Changes shall be completed not later than June 1 of the year of the regular school election. As soon as possible after adoption of the boundary changes, notice of changes in the director district boundaries shall be submitted by the merged area to the county commissioner of elections in all counties included in whole or in part in the merged area.

2. The board of the merged area shall redraw boundary lines of director districts in the merged area after each federal decennial census.

3. Boundary lines of director districts shall be drawn according to the following standards:

*a.* All boundaries shall follow precinct boundaries or school director district boundaries unless a merged area director district boundary follows the boundary of a school district which divides one or more election precincts.

*b.* To the extent possible in order to comply with paragraph *"a"*, all districts shall be as nearly equal as practicable to the ideal population for the districts as determined by dividing the number of districts to be established into the population of the merged area.

*c.* All districts shall be composed of contiguous territory as compact as practicable.

*d.* Consideration shall not be given to the addresses of incumbent officeholders, political affiliations of registered voters, previous election results, or demographic information other than population head counts, except as required by the Constitution and the laws of the United States.

*e.* A city shall not be divided into two or more director districts unless the population of that portion of the city that is within the merged area is greater than the ideal size of a director district. Cities shall be divided into the smallest number of director districts possible.

4. If more than one incumbent officeholder resides in a district redrawn during reprecincting, their terms of office expire after the next regular school election.

[C66, 71, 73, 75, 77, §280A.23(2); C79, §280A.28, 280A.30; C81, §280A.28, 280A.29; 82 Acts, ch 1136, §9]

C83, §280A.13

C93, §260C.13

94 Acts, ch 1179, §14, 15; 2008 Acts, ch 1115, §4, 21; 2010 Acts, ch 1033, §33, 34

Referred to in §39.24

**260C.14 Authority of directors.**

The board of directors of each community college shall:

1. Determine the curriculum to be offered in such school or college subject to approval of the director and ensure that all vocational offerings are competency-based, provide any minimum competencies required by the department of education, comply with any applicable requirements in chapter 258, and are articulated with local school district vocational education programs. If an existing private educational or vocational institution within the merged area has facilities and curriculum of adequate size and quality which would duplicate the functions of the area school, the board of directors shall discuss with the institution the possibility of entering into contracts to have the existing institution offer facilities and curriculum to students of the merged area. The board of directors shall consider any proposals submitted by the private institution for providing such facilities and curriculum. The board of directors may enter into such contracts. In approving curriculum, the director shall ascertain that all courses and programs submitted for approval are needed and that the curriculum being offered by an area school does not duplicate programs provided by existing public or private facilities in the area. In determining whether duplication would actually exist, the director shall consider the needs of the area and consider whether the proposed programs are competitive as to size, quality, tuition, purposes, and area coverage with existing public and private educational or vocational institutions within the merged area. If the board of directors of the merged area chooses not to enter into contracts with private institutions under this subsection, the board shall submit a list of reasons why contracts to avoid duplication were not entered into and an economic impact statement relating to the board's decision.

2. Have authority to determine tuition rates for instruction. Tuition for residents of Iowa shall not exceed the lowest tuition rate per semester, or the equivalent, charged by an institution of higher education under the state board of regents for a full-time resident student. However, except for students enrolled under section 261E.6, if a local school district pays tuition for a resident pupil of high school age, the limitation on tuition for residents of Iowa shall not apply, the amount of tuition shall be determined by the board of directors of the community college with the consent of the local school board, and the pupil shall not

be included in the full-time equivalent enrollment of the community college for the purpose of computing general aid to the community college. Tuition for nonresidents of Iowa shall not be less than the marginal cost of instruction of a student attending the college. A lower tuition for nonresidents may be permitted under a reciprocal tuition agreement between a merged area and an educational institution in another state, if the agreement is approved by the director. The board may designate that a portion of the tuition moneys collected from students be used for student aid purposes.

3. Have the powers and duties with respect to community colleges, not otherwise provided in this chapter, which are prescribed for boards of directors of local school districts by chapter 279 except that the board of directors is not required to prohibit the use of tobacco and the use or possession of alcoholic liquor or beer by any student of legal age under the provisions of section 279.9.

4. Have the power to enter into contracts and take other necessary action to insure a sufficient curriculum and efficient operation and management of the college and maintain and protect the physical plant, equipment, and other property of the college.

5. Establish policy and make rules, not inconsistent with law and administrative rules, regulations, and policies of the state board, for its own government and that of the administrative, teaching, and other personnel, and the students of the college, and aid in the enforcement of such laws, rules, and regulations.

6. Have authority to sell a student-constructed building and the property on which the student-constructed building is located or any article resulting from any vocational program or course offered at a community college by any procedure which may be adopted by the board. Governmental agencies and governmental subdivisions of the state within the merged areas shall be given preference in the purchase of such articles. All revenue received from the sale of any article shall be credited to the funds of the board of the merged area.

7. With the consent of the inventor, and in the discretion of the board, secure letters patent or copyright on inventions of students, instructors, and officials of any community college of the merged area, or take assignment of such letters patent or copyright and make all necessary expenditures in regard thereto. Letters patent or copyright on inventions when so secured shall be the property of the board of the merged area and the royalties and earnings thereon shall be credited to the funds of the board.

8. Set the salary of the area superintendent. In setting the salary, the board shall consider the salaries of administrators of educational institutions in the merged area and the enrollment of the community college.

9. *a.* The board may establish a plan, in accordance with section 403(b) of the Internal Revenue Code, as defined in section 422.3, for employees, which plan shall consist of one or more investment contracts, on a group or individual basis, acquired from a company, or a salesperson for that company, that is authorized to do business in this state.

*b.* The selection of investment contracts to be included within the plan established by the board shall be made either pursuant to a competitive bidding process conducted by the board, in coordination with employee organizations representing employees eligible to participate in the plan, or pursuant to an agreement with the department of administrative services to make available investment contracts included in a deferred compensation or similar plan established by the department pursuant to section 8A.438, which plan meets the requirements of this subsection. The determination of whether to select investment contracts for the plan pursuant to a competitive bidding process or by agreement with the department of administrative services shall be made by agreement between the board and the employee organizations representing employees eligible to participate in the plan.

*c.* The board may make elective deferrals in accordance with the plan as authorized by an eligible employee for the purpose of making contributions to an investment contract in the plan on behalf of the employee. The deferrals shall be made in the manner which will qualify contributions to the investment contract for the benefits under section 403(b) of the Internal Revenue Code, as defined in section 422.3. In addition, the board may make nonelective employer contributions to the plan.

*d.* As used in this subsection, unless the context otherwise requires, *"investment contract"*

shall mean a custodial account utilizing mutual funds or an annuity contract which meets the requirements of section 403(b) of the Internal Revenue Code, as defined in section 422.3.

10. Make necessary rules to provide for the policing, control, and regulation of traffic and parking of vehicles and bicycles on the property of the community college.

*a.* The rules may provide for the use of institutional roads, driveways, and grounds; registration of vehicles and bicycles; the designation of parking areas; the erection and maintenance of signs designating prohibitions or restrictions; the installation and maintenance of parking control devices except parking meters; and assessment, enforcement, and collection of reasonable penalties for the violation of the rules.

*b.* Rules made under this subsection may be enforced under procedures adopted by the board of directors. Penalties may be imposed upon students, faculty, and staff for violation of the rules, including but not limited to a reasonable monetary penalty which may be deducted from student deposits and faculty or staff salaries or other funds in possession of the community college or added to student tuition bills. The rules made under this subsection may also be enforced by the impoundment of vehicles and bicycles parked in violation of the rules, and a reasonable fee may be charged for the cost of impoundment and storage prior to the release of the vehicle or bicycle to the owner. Each community college shall establish procedures for the determination of controversies in connection with the imposition of penalties. The procedures shall require giving notice of the violation and the penalty prescribed and providing the opportunity for an administrative hearing.

11. Be authorized to issue to employees of community colleges school credit cards to use for payment of authorized expenditures incurred in the performance of work-related duties.

12. During the second week of August of each year, publish by one insertion in at least one newspaper published in the merged area a summarized statement verified by affidavit of the secretary of the board showing the receipts and disbursements of all funds of the community college for the preceding fiscal year. The statement of disbursements shall show the names of the persons, firms, or corporations, and the total amount paid to each during the fiscal year. The board is not required to make the publications and notices required under sections 279.35 and 279.36.

13. Adopt policies and procedures for the use of telecommunications as an instructional tool at the community college. The policies and procedures shall include but not be limited to policies and procedures relating to programs, educational policy, practices, staff development, use of pilot projects, and the instructional application of the technology.

14. *a.* In its discretion, adopt rules relating to the classification of students enrolled in the community college who are residents of Iowa's sister states as residents or nonresidents for tuition and fee purposes.

*b.* (1) Adopt rules to classify as residents for purposes of tuition and mandatory fees, qualified veterans and qualified military persons and their spouses and dependent children who are domiciled in this state while enrolled in a community college. A spouse or dependent child of a military person or veteran shall not be deemed a resident under this paragraph "*b*" unless the qualified military person or qualified veteran meets the requirements of subparagraph (2), subparagraph division (b) or (c), as appropriate.

(2) For purposes of this paragraph "*b*", unless the context otherwise requires:

(a) "*Dependent child*" means a student who was claimed by a qualified military person or qualified veteran as a dependent on the qualified military person's or qualified veteran's internal revenue service tax filing for the previous tax year.

(b) "*Qualified military person*" means a person on active duty in the military service of the United States who is stationed in this state or at the Rock Island arsenal. If the qualified military person is transferred, deployed, or restationed while the person's spouse or dependent child is enrolled in the community college, the spouse or dependent child shall continue to be classified as a resident provided the spouse or dependent child maintains continuous enrollment.

(c) "*Qualified veteran*" means a person who meets the following requirements:

(i) Is eligible for benefits, or has exhausted the benefits, under the federal Post-9/11 Veterans Educational Assistance Act of 2008.

(ii) Is domiciled in this state, or has resided in this state for at least one year or sufficient time to have filed an Iowa tax return in the preceding twelve months.

15. By July 1, 1991, develop a policy which requires oral communication competence of persons who provide instruction to students attending institutions under the control of the board. The policy shall include a student evaluation mechanism which requires student evaluation of persons providing instruction on at least an annual basis.

16. By July 1, 1991, develop a policy relating to the teaching proficiency of teaching assistants which provides a teaching proficiency standard, instructional assistance to, and evaluation of persons who provide instruction to students at the higher education institutions under the control of the board.

17. *a.* Provide for eligible alternative retirement benefits systems which shall be limited to the following:

(1) An alternative retirement benefits system which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees for persons newly employed after July 1, 1990, and for persons employed by the community college who are members of the Iowa public employees' retirement system on July 1, 1994, and who elect coverage under that system pursuant to section 97B.42, in lieu of coverage under the Iowa public employees' retirement system.

(2) An alternative retirement benefits system which is issued by or through an insurance company authorized to issue annuity contracts in this state, for persons newly employed on or after July 1, 1997, who are already members of the alternative retirement benefits system and who elect coverage under that system pursuant to section 97B.42, in lieu of coverage under the Iowa public employees' retirement system.

(3) An alternative retirement benefits system offered through the community college, at the discretion of the board of directors of the community college, pursuant to this subparagraph which is issued by or through an insurance company authorized to issue annuity contracts in this state, for persons newly employed by that community college on or after July 1, 1998, who are not members of the alternative retirement benefits system and who elect coverage under that system pursuant to section 97B.42, in lieu of coverage under the Iowa public employees' retirement system. The board of directors of a community college may limit the number of providers of alternative retirement benefits systems offered pursuant to this subparagraph to no more than six. The selection by the board of directors of a community college of a provider of an alternative retirement benefits system pursuant to this subparagraph shall not constitute an endorsement of that provider by the community college.

*b.* However, the employer's annual contribution in dollars under an eligible alternative retirement benefits system described in this subsection shall not exceed the annual contribution in dollars which the employer would contribute if the employee had elected to remain an active member pursuant to the Iowa public employees' retirement system, as set forth in section 97B.11.

*c.* For purposes of this subsection, *"alternative retirement benefits system"* means an employer-sponsored primary pension plan requiring mandatory employer contributions that meets the requirements of section 401(a), 403(a), or 403(b) of the Internal Revenue Code.

18. Develop and implement a written policy, which is disseminated during student registration or orientation, addressing the following four areas relating to sexual abuse:

*a.* Counseling.

*b.* Campus security.

*c.* Education, including prevention, protection, and the rights and duties of students and employees of the community college.

*d.* Facilitating the accurate and prompt reporting of sexual abuse to the duly constituted law enforcement authorities.

19. Provide, within a reasonable time, information as requested by the departments of management and education.

20. Adopt a policy to offer not less than the following options to a student who is a member, or the spouse of a member if the member has a dependent child as defined in subsection 14, paragraph "*b*", subparagraph (2), subparagraph division (a), of the Iowa national guard or

reserve forces of the United States and who is ordered to national guard duty or federal active duty:

*a.* Withdraw from the student's entire registration and receive a full refund of tuition and mandatory fees.

*b.* Make arrangements with the student's instructors for course grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the student's registration shall remain intact and tuition and mandatory fees shall be assessed for the courses in full.

*c.* Make arrangements with only some of the student's instructors for course grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the registration for those courses shall remain intact and tuition and mandatory fees shall be assessed for those courses. Any course for which arrangements cannot be made for grades or incompletes shall be considered dropped and the tuition and mandatory fees for the course refunded.

21. *a.* Annually, by October 1, submit to the department of education through the management information system, at a minimum, in the manner prescribed by the department the following information for the previous fiscal year:

(1) Total revenue received from each local school district as a result of high school students enrolled in community college courses under the postsecondary enrollment options program.

(2) Total revenue received from each local school district as a result of high school students enrolled in community college courses through shared supplementary weighting plans.

(3) Unduplicated headcount of high school students enrolled in community college courses under the postsecondary enrollment options program.

(4) Unduplicated headcount of high school students enrolled in community college courses through shared supplementary weighting plans.

(5) Total credits earned by high school students enrolled in community college courses under the postsecondary enrollment options program, broken down by vocational-technical or career program and arts and sciences program.

(6) Number of courses in which high school students are enrolled under shared supplementary weighting plans and the portions of those courses that are taught by an instructor who is employed by the local school district for a portion of the school day.

(7) The contracted salary and benefits for the trustees of the community college.

(8) The contracted salary and benefits and any other expenses related to support for governmental affairs efforts, including expenditures for lobbyists and lobbying activities for the community college.

(9) The contracted salaries, including but not limited to bonus wages and benefits, including but not limited to annuity payments or any other benefit covered using state funds of any kind for administrators of the community college.

*b.* The department of education shall define the annual supplemental financial reporting required of all community colleges regarding revenues received through the delivery of college credit courses to high school students. The board of directors of each community college shall incorporate into their student management information systems the unique student identifier used by school districts as provided by the department of education to school districts.

*c.* The department shall submit a report to the general assembly summarizing the data submitted in paragraph "*a*" by January 15 annually.

22. Enter into a collective statewide articulation agreement with the state board of regents pursuant to section 262.9, subsection 33, which shall provide for the seamless transfer of academic credits from a completed associate of arts or associate of science degree program offered by a community college to a baccalaureate degree program offered by an institution of higher education governed by the state board of regents. The board shall also do the following:

*a.* Identify a transfer and articulation contact office or person, publicize transfer and articulation information and the contact office or person, and submit the contact information

to the state board of regents, which shall publish the contact information on its articulation internet site.

*b.* Collaborate with the state board of regents to meet the requirements specified in section 262.9, subsection 33, including but not limited to developing a systematic process for expanding academic discipline and meetings between the community college faculty and faculty of the institutions of higher education governed by the state board of regents, developing criteria to prioritize core curriculum areas, promoting greater awareness of articulation-related activities, facilitating additional opportunities for individual institutions to pursue program articulation agreements for career and technical educational programs, and developing and implementing a process to examine a minimum of eight new associate of applied science degree programs for which articulation agreements would serve students' continued academic success in those degree programs.

23. Develop and implement a consistent written policy for an employee who in the scope of the person's employment responsibilities examines, attends, counsels, or treats a child to report suspected physical or sexual abuse. The policy shall include an employee's reporting responsibilities. The reporting responsibilities shall designate the time, circumstances, and method for reporting suspected child abuse to the community college's administration and reporting to law enforcement. Nothing in the policy shall prohibit an employee from reporting suspected child abuse in good faith to law enforcement.

[C66, 71, 73, 75, 77, 79, 81, §280A.23]

84 Acts, ch 1315, §36; 86 Acts, ch 1213, §6; 86 Acts, ch 1246, §134; 87 Acts, ch 207, §7; 87 Acts, ch 233, §478; 88 Acts, ch 1284, §47; 89 Acts, ch 278, §6; 90 Acts, ch 1240, §46; 90 Acts, ch 1253, §35; 92 Acts, ch 1106, §3, 4

C93, §260C.23

93 Acts, ch 82, §3; 94 Acts, ch 1183, §60, 61

C95, §260C.14

96 Acts, ch 1215, §26; 97 Acts, ch 14, §2, 3; 98 Acts, ch 1077, §2, 3; 2001 Acts, ch 39, §1; 2002 Acts, ch 1140, §14; 2003 Acts, ch 108, §46; 2003 Acts, ch 179, §112; 2004 Acts, ch 1086, §54; 2006 Acts, ch 1152, §8, 30; 2006 Acts, ch 1180, § 17, 24; 2008 Acts, ch 1171, §63, 68; 2008 Acts, ch 1181, §50; 2009 Acts, ch 54, §7; 2009 Acts, ch 133, §101; 2009 Acts, ch 158, §1; 2009 Acts, ch 168, §2; 2009 Acts, ch 177, §21, 22; 2010 Acts, ch 1061, §90; 2010 Acts, ch 1169, §1 – 3; 2012 Acts, ch 1040, §3; 2012 Acts, ch 1072, §34; 2013 Acts, ch 90, §257

Referred to in §15.108, 97B.42, 258.16, 260C.18, 261.9, 261E.8

Code editor directive applied

**260C.15 Conduct of elections.**

1. Regular elections held by the merged area for the election of members of the board of directors as required by section 260C.11 or for any other matter authorized by law and designated for election by the board of directors of the merged area, shall be held on the date of the school election as fixed by section 277.1. However, elections held for the renewal of the twenty and one-fourth cents per thousand dollars of assessed valuation levy authorized in section 260C.22 shall be held either on the date of the school election as fixed by section 277.1 or at a special election held on the second Tuesday in September of the even-numbered year. The election notice shall be made a part of the local school election notice published as provided in section 49.53 in each local school district where voting is to occur in the merged area election and the election shall be conducted by the county commissioner of elections pursuant to chapters 39 through 53 and section 277.20.

2. A candidate for member of the board of directors of a merged area shall be nominated by a petition signed by not less than fifty eligible electors of the director district from which the member is to be elected. The petition shall state the number of the director district from which the candidate seeks election, and the candidate's name and status as an eligible elector of the director district. Signers of the petition, in addition to signing their names, shall show their residence, including street and number if any, the school district in which they reside, and the date they signed the petition. A person may sign nomination petitions for more than one candidate for the same office, and the signature is not invalid solely because the person signed nomination petitions for one or more other candidates for the office. The petition

shall include the affidavit of the candidate being nominated, stating the candidate's name and residence, and that the individual is a candidate, is eligible for the office sought, and if elected will qualify for the office.

3. Nomination papers on behalf of candidates for member of the board of directors of a merged area shall be filed with the secretary of the board not earlier than sixty-four days nor later than 5:00 p.m. on the fortieth day prior to the election at which members of the board are to be elected. On the day following the last day on which nomination petitions can be filed, and no later than 5:00 p.m. on that day, the secretary shall deliver all nomination petitions so filed, together with the text of any public measure being submitted by the board of directors to the electorate, to the county commissioner of elections who is responsible under section 47.2 for conducting elections held for the merged area. That commissioner shall certify the names of candidates, and the text and summary of any public measure being submitted to the electorate, to all county commissioners of elections in the merged area by the thirty-fifth day prior to the election.

4. *a.* Objections to the legal sufficiency of a nomination petition or to the eligibility of a candidate may be filed by any person who would have the right to vote for a candidate for the office in question.

*b.* The objection must be filed with the secretary of the board at least thirty-five days before the day of the election at which members of the board are elected. When objections are filed, notice shall immediately be given to the candidate affected, addressed to the candidate's place of residence as given on the candidate's affidavit, stating that objections have been made to the legal sufficiency of the petition or to the eligibility of the candidate, and also stating the time and place the objections will be considered. The board secretary shall also attempt to notify the candidate by telephone if the candidate provided a telephone number on the candidate's affidavit.

*c.* Objections shall be considered not later than two working days following the receipt of the objections by the president of the board of directors, the secretary of the board, and one additional director of the board chosen by ballot. If objections have been filed to the nominations of either of the directors, that director shall not pass on the objection. The director's place shall be filled by a member of the board of directors against whom no objection exists. The replacement shall be chosen by ballot.

5. The votes cast in the election shall be canvassed and abstracts of the votes cast shall be certified as required by section 277.20. In each county whose commissioner of elections is responsible under section 47.2 for conducting elections held for a merged area, the county board of supervisors shall convene on the last Monday in September or at the last regular board meeting in September, canvass the abstracts of votes cast and declare the results of the voting. The commissioner shall at once issue certificates of election to each person declared elected, and shall certify to the merged area board in substantially the manner prescribed by section 50.27 the result of the voting on any public question submitted to the voters of the merged area. Members elected to the board of directors of a merged area shall qualify by taking the oath of office prescribed in section 277.28.

[C66, 71, 73, 75, 77, 79, 81, §280A.15]

88 Acts, ch 1119, §34; 88 Acts, ch 1158, §57; 89 Acts, ch 136, §67

C93, §260C.15

93 Acts, ch 35, §1; 2008 Acts, ch 1115, §5, 21; 2009 Acts, ch 57, §75; 2010 Acts, ch 1026, §15; 2010 Acts, ch 1033, §35

**260C.16 Status of merged area.**

A merged area formed under the provisions of this chapter shall be a body politic as a school corporation for the purpose of exercising powers granted under this chapter, and as such may sue and be sued, hold property, and exercise all the powers granted by law and such other powers as are incident to public corporations of like character and are not inconsistent with the laws of the state.

The boundary lines of a merged area may divide a school district.

[C66, 71, 73, 75, 77, 79, 81, §280A.4, 280A.16; 82 Acts, ch 1136, §8]

C93, §260C.16

**260C.17 Preparation and approval of budget — tax.**

The board of directors of each merged area shall prepare an annual budget designating the proposed expenditures for operation of the community college. The board shall further designate the amounts which are to be raised by local taxation and the amounts which are to be raised by other sources of revenue for the operation. The budget of each merged area shall be submitted to the state board no later than May 1 preceding the next fiscal year for approval. The state board shall review the proposed budget and shall, prior to June 1, either grant its approval or return the budget without approval with the comments of the state board attached to it. Any unapproved budget shall be resubmitted to the state board for final approval. Upon approval of the budget by the state board, the board of directors shall certify the amount to the respective county auditors and the boards of supervisors annually shall levy a tax of twenty and one-fourth cents per thousand dollars of assessed value on taxable property in a merged area for the operation of a community college. Taxes collected pursuant to the levy shall be paid by the respective county treasurers to the treasurer of the merged area as provided in section 331.552, subsection 29.

It is the policy of this state that the property tax for the operation of community colleges shall not in any event exceed twenty and one-fourth cents per thousand dollars of assessed value, and that the present and future costs of such operation in excess of the funds raised by such levy shall be the responsibility of the state and shall not be paid from property tax.

[C66, 71, 73, 75, 77, 79, 81, §280A.17]
84 Acts, ch 1003, §2; 90 Acts, ch 1253, §29
C93, §260C.17
Referred to in §260C.22, 260C.34, 260C.38, 331.512

**260C.18 Other funds received.**

In addition to revenue derived by tax levy, a board of directors of a merged area shall be authorized to receive and expend:

1. Federal funds made available and administered by the director of the department of education, for purposes provided by federal laws, rules, and regulations.
2. Other federal funds for such purposes as provided by federal law, subject to the approval of the director.
3. Tuition in accordance with section 260C.14, subsection 2.
4. State aid and supplemental state aid to be paid in accordance with the statutes which provide such aid.
5. State funds for sites and facilities made available and administered by the director.
6. Donations and gifts which may be accepted by the governing board and expended in accordance with the terms of the gift without compliance with the local budget law, chapter 24.
7. Student fees collected from students for activities, laboratory breakage, instructional materials, and other objects and purposes for which student fees other than tuition are customarily charged by colleges and universities, as provided in a schedule of fees adopted by the area board of directors. The expenditure of funds collected from students for activities shall be determined by the student government unit with administrative and board approval. Any increases in student fees for activities shall be determined by the student government unit with administrative and board approval.

[C66, 71, 73, 75, 77, 79, 81, §280A.18]
86 Acts, ch 1245, §1469
C93, §260C.18
96 Acts, ch 1215, §27; 2004 Acts, ch 1086, §55
Referred to in §260C.34, 260C.38

**260C.18A Workforce training and economic development funds.**

1. *a.* A workforce training and economic development fund is created for each community college. Moneys shall be deposited and expended from a fund as provided under this section.

*b.* Moneys in the funds shall consist of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the department from federal

sources or private sources for placement in the funds. Notwithstanding section 8.33, moneys in the funds at the end of each fiscal year shall not revert to any other fund but shall remain in the funds for expenditure in subsequent fiscal years.

2. Moneys deposited in the funds and disbursed to community colleges for a fiscal year shall be expended for the following purposes, provided seventy percent of the moneys shall be used on projects in the areas of advanced manufacturing, information technology and insurance, alternative and renewable energy including the alternative and renewable energy sectors listed in section 476.42, subsection 1, paragraph "*a*", subparagraph (1), and life sciences which include the areas of biotechnology, health care technology, and nursing care technology:

*a.* Projects in which an agreement between a community college and an employer located within the community college's merged area meet all of the requirements of the accelerated career education program under chapter 260G.

*b.* Projects in which an agreement between a community college and a business meet all the requirements of the Iowa jobs training Act under chapter 260F. However, projects funded by moneys provided by a local workforce training and economic development fund of a community college are not subject to the maximum advance or award limitations contained in section 260F.6, subsection 2, or the allocation limitations contained in section 260F.8, subsection 1.

*c.* For the development and implementation of career academies designed to provide new career preparation opportunities for high school students that are formally linked with postsecondary career and technical education programs. For purposes of this section, "*career academy*" means a program of study that combines a minimum of two years of secondary education with an associate degree, or the equivalent, career preparatory program in a nonduplicative, sequential course of study that is standards based, integrates academic and technical instruction, utilizes work-based and worksite learning where appropriate and available, utilizes an individual career planning process with parent involvement, and leads to an associate degree or postsecondary diploma or certificate in a career field that prepares an individual for entry and advancement in a high-skill and reward career field and further education. The state board, in conjunction with the division of community colleges and workforce preparation of the department of education, shall adopt administrative rules for the development and implementation of such career academies pursuant to section 256.11, subsection 5, paragraph "*h*", section 260C.1, and Tit. II of Pub. L. No. 105-332, Carl D. Perkins Vocational and Technical Education Act of 1998.

*d.* Programs and courses that provide vocational and technical training, and programs for in-service training and retraining under section 260C.1, subsections 2 and 3.

*e.* Development and implementation of pathways for academic career and employment programs under chapter 260H.

*f.* Development and implementation of programs for the gap tuition assistance program under chapter 260I.

*g.* Entrepreneurial education, small business assistance, and business incubators.

*h.* Development and implementation of the national career readiness certificate and the skills certification system endorsed by the national association of manufacturers.

3. The department shall allocate the moneys appropriated pursuant to this section to the community college workforce training and economic development funds utilizing the same distribution formula used for the allocation of state general aid to the community colleges.

4. Each community college shall do all of the following:

*a.* Adopt a two-year workforce training and economic development fund plan outlining the community college's proposed use of moneys appropriated under subsection 2.

*b.* Update the two-year plan annually.

*c.* Prepare an annual progress report on the two-year plan's implementation.

*d.* Annually submit the two-year plan and progress report to the department in a manner prescribed by rules adopted by the department pursuant to chapter 17A.

2003 Acts, 1st Ex, ch 2, §76, 209; 2004 Acts, ch 1175, §330, 331, 345, 370, 400; 2004 Acts, 1st Ex, ch 1002, §8 – 13; 2005 Acts, ch 150, §35 – 37; 2006 Acts, ch 1142, §20; 2010 Acts, ch

1061, §180; 2011 Acts, ch 25, §130; 2011 Acts, ch 118, §85, 89; 2011 Acts, ch 132, §70, 106; 2012 Acts, ch 1021, §58; 2012 Acts, ch 1132, §17; 2013 Acts, ch 141, §35 – 39
Referred to in §256.9, 261E.10
Subsection 1, paragraph b amended
Subsection 2, paragraph c amended
Subsection 2, paragraph e stricken and former paragraphs f – i redesignated as e – h
Subsection 3 amended
Subsection 4, paragraph d amended

**260C.18B Community college budget review.**

1. *a.* A community college budget review procedure is established for the school budget review committee created in section 257.30. The school budget review committee, in addition to its duties under chapter 257, shall meet and hold hearings each year under this chapter to review unusual circumstances of community colleges, either upon the committee's motion or upon the request of a community college. The committee may grant supplemental state aid to the community college from funds appropriated to the department of education for community college budget review purposes.

*b.* Unusual circumstances shall include but not be limited to the following:

(1) An unusual increase or decrease in enrollment or contact hours.

(2) Natural disasters.

(3) Unusual staffing problems.

(4) Unusual necessity for additional funds to permit continuance of a course or program in an instructional cost center which provides substantial benefit to students.

(5) Unusual need for a new course or program in an instructional cost center which will provide substantial benefit to students, if the community college establishes the need and the amount of necessary increased cost.

(6) Unique problems of community colleges to include vandalism, civil disobedience, and other costs incurred by community colleges.

2. When the school budget review committee makes a decision under subsection 1, it shall provide written notice of its decision, including the amount of supplemental state aid approved, to the board of directors of the community college and to the department of education.

3. All decisions by the school budget review committee under this chapter shall be made in accordance with reasonable and uniform policies which shall be consistent with this chapter.

4. Failure by a community college to provide information or appear before the school budget review committee as requested for the accomplishment of review or hearing constitutes justification for the committee to instruct the department of administrative services to withhold supplemental state aid to that community college until the committee's inquiries are satisfied completely.

96 Acts, ch 1215, §29; 2003 Acts, ch 145, §286; 2010 Acts, ch 1061, §180
Referred to in §257.31, 260C.34, 260C.49

**260C.18C State aid distribution formula.**

1. *Purpose.* A distribution plan for general state financial aid to Iowa's community colleges is established for the fiscal year commencing July 1, 2005, and succeeding fiscal years. Funds appropriated by the general assembly to the department for general financial aid to community colleges shall be allocated to each community college in the manner provided under this section.

2. *Definitions.* As used in this section and section 260C.18D, unless the context otherwise requires:

*a.* *"Base funding allocation"* means the amount of general state financial aid all community colleges received in the base year.

*b.* *"Base year"* means the fiscal year immediately preceding the budget year.

*c.* *"Below-average support per FTEE"* for a community college means the state-average combined support per FTEE minus the combined support per FTEE for the community college if the community college's combined support per FTEE is less than the state-average combined support per FTEE.

*d.* *"Budget year"* means the fiscal year for which moneys are appropriated by the general assembly.

*e.* *"Combined support"* for a community college means the total amount of moneys the community college received in general state financial aid in the base year plus the community college's general fund property tax revenue, including utility replacement, for the base year.

*f.* *"Combined support per FTEE"* for a community college means the community college's combined support divided by its three-year rolling average full-time equivalent enrollment for the three years prior to the base year.

*g.* *"Contact hour"* for a noncredit course equals fifty minutes of contact between an instructor and students in a scheduled course offering for which students are registered.

*h.* *"Credit hour"*, for purposes of community college funding distribution, shall be as defined by the department by rule.

*i.* *"Eligible credit courses"* means all credit courses that are eligible for general state financial aid which are part of a department-approved program of study. The department shall review and provide a determination should a question of eligibility occur.

*j.* *"Eligible growth support"* for a community college is the community college's below-average support per FTEE multiplied times its three-year rolling average full-time equivalent enrollment.

*k.* *"Eligible noncredit courses"* means all noncredit courses eligible for general state financial aid which fall under one of the eligible categories for noncredit courses as defined by rule of the department. The department shall review and provide a determination should a question of eligibility occur.

*l.* *"Eligible student"* means a student enrolled in eligible credit or eligible noncredit courses. The department shall review and provide a determination should a question of eligibility occur.

*m.* *"Fiscal year"* means the period of twelve months beginning on July 1 and ending on June 30.

*n.* One *"full-time equivalent enrollment (FTEE)"* equals twenty-four credit hours for credit courses or six hundred contact hours for noncredit courses generated by all eligible students enrolled in eligible courses.

*o.* *"General fund property tax revenue"* means the amount of moneys a community college raised or could have raised from a property tax of twenty and one-fourth cents per thousand dollars of assessed valuation on all taxable property in its merged area collected for the base year.

*p.* *"General state financial aid"* means the amount of general state financial aid the community college received from the general fund.

*q.* *"Inflation adjustment amount"* means the inflation rate minus two percentage points multiplied times the base funding allocation. The inflation adjustment amount shall not be less than zero.

*r.* *"Inflation rate"* means the average of the preceding twelve-month percentage change, which shall be computed on a monthly basis, in the consumer price index for all urban consumers, not seasonally adjusted, published by the United States department of labor, bureau of labor statistics, calculated for the calendar year ending six months after the beginning of the base year.

*s.* *"State-average combined support per FTEE"* means the average of the combined support per FTEE for all community colleges in the state in the base year.

*t.* *"Three-year rolling average full-time equivalent enrollment"* means the average of the audited full-time equivalent enrollment for a community college over the three fiscal years prior to the base year as determined by the department.

*u.* *"Total growth support amount"* means the sum of the eligible growth support for all the community colleges.

3. *Distribution formula.* Moneys appropriated by the general assembly from the general fund to the department for community college purposes for general state financial aid for a budget year shall be allocated to each community college by the department as follows:

*a.* If the inflation rate is equal to two percent or less:

(1) *Base funding allocation.* The moneys shall first be allocated in the amount of general

state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) *Marginal cost adjustment.* After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) *Three-year rolling average of full-time equivalent enrollment.* If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) *Extraordinary growth adjustment.* If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph division equal the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph division (a).

(5) *Additional three-year rolling average FTEE allocation.* If the increase in total state general aid exceeds four percent over the base funding allocation, all remaining moneys shall be distributed based upon each college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

*b.* If the inflation rate is greater than two percent but less than four percent:

(1) *Base funding allocation.* The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) *Marginal cost adjustment.* After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) *Three-year rolling average of full-time equivalent enrollment.* If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) *Extraordinary growth adjustment.* If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be based as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph division equal the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph division (a).

(5) *Inflation adjustment.* If the increase in total state general aid exceeds four percent over the base funding allocation, an amount up to the inflation adjustment amount shall be distributed to each community college in the same proportion as the allocation of general state financial aid each community college received in the base year.

(6) *Additional three-year rolling average FTEE allocation.* If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (5), all remaining moneys shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

*c.* If the inflation rate equals or exceeds four percent:

(1) *Base funding allocation.* The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) *Marginal cost adjustment.* After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) *Three-year rolling average of full-time equivalent enrollment.* If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) *Inflation adjustment.* If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to the inflation adjustment amount shall be distributed to each community college in the same proportion as the allocation of general state financial aid each community college received in the base year.

(5) *Extraordinary growth adjustment.* If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (4), an amount up to an additional one percent of the base funding allocation shall be based as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph division equal the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph division (a).

(6) *Additional three-year rolling average FTEE allocation.* If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (5), all remaining moneys shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

4. *Information supplied by colleges and adoption of rules.*

*a.* Each community college shall provide information in the manner and form as determined by the department. If a community college fails to provide the information as requested, the department shall estimate the full-time equivalent enrollment of that college.

*b.* Each community college shall complete and submit an annual student enrollment audit to the department. Adjustments to community college state general aid allocations shall be made based on student enrollment audit outcomes.

*c.* The department shall adopt rules under chapter 17A as necessary for the allocation of general state financial aid.

2005 Acts, ch 169, §24; 2008 Acts, ch 1181, §25; 2009 Acts, ch 41, §263

Referred to in §256.40, 260H.2, 260I.2

**260C.18D Instructor salary distribution formula.**

1. *Distribution formula.* Moneys appropriated by the general assembly to the department for community college instructor salaries shall be distributed among each community college based on the proportion that the number of full-time equivalent instructors employed by a community college bears to the sum of the number of full-time equivalent eligible instructors who are employed by all community colleges in the state for the base year. The state board shall define *"eligible full-time equivalent instructor"* by rule.

2. *Base funding allocation.* Moneys distributed to each community college under subsection 1 shall be included in the base funding allocation for all future years. The use of the funds shall remain as described in this section for all future years.

3. *Purposes supplemental.* Moneys appropriated and distributed to community colleges under this section shall be used to supplement and not supplant any approved faculty salary increases or negotiated agreements, excluding the distribution of the funds in this section.

4. *Eligible instructors.* Moneys distributed to a community college under this section shall be allocated to all full-time, nonadministrative instructors and part-time instructors covered by a collective bargaining agreement. The moneys shall be allocated by negotiated agreements according to chapter 20. If no language exists, the moneys shall be allocated equally to all full-time, nonadministrative instructors with part-time instructors covered by a collective bargaining agreement receiving a prorated share of the fund.

5. *Evenly divided payments.* A community college receiving funds distributed pursuant to this section shall determine the amount to be paid to instructors in accordance with subsection 4 and the amount determined to be paid to an individual instructor shall be divided evenly and paid in each pay period of the fiscal year.

6. *Reductions.* Moneys appropriated by the general assembly to the department for community college instructor salaries are not subject to a uniform reduction in accordance with section 8.31.

2008 Acts, ch 1181, §26; 2009 Acts, ch 177, §23; 2010 Acts, ch 1183, §22, 43
Referred to in §260C.18C
Definitions applicable, see §260C.18C

**260C.19 Acquisition of sites and buildings.**

Boards of directors of merged areas may acquire sites and erect and equip buildings for use by community colleges and may contract indebtedness and issue bonds to raise funds for such purposes.

[C66, 71, 73, 75, 77, 79, 81, §280A.19]
90 Acts, ch 1253, §30
C93, §260C.19
Referred to in §260C.20, 260C.21, 260C.34, 260C.57

**260C.19A Motor vehicles required to operate on alternative fuels.**

1. A motor vehicle purchased by or used under the direction of the board of directors to provide services to a merged area shall not operate on gasoline other than ethanol blended gasoline as defined in section 214A.1. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline. However, the sticker is not required to be affixed to an unmarked vehicle used for purposes of providing law enforcement or security.

2. *a.* Of all new passenger vehicles and light pickup trucks purchased by or under the direction of the board of directors to provide services to a merged area, a minimum of ten percent of all such vehicles and trucks purchased shall be equipped with engines which utilize alternative methods of propulsion, including but not limited to any of the following:

(1) A flexible fuel which is any of the following:

(a) E-85 gasoline as provided in section 214A.2.

(b) B-20 biodiesel blended fuel as provided in section 214A.2.

(c) A renewable fuel approved by the office of renewable fuels and coproducts pursuant to section 159A.3.

(2) Compressed or liquefied natural gas.

(3) Propane gas.

(4) Solar energy.
(5) Electricity.
*b.* The provisions of this subsection do not apply to vehicles and trucks purchased and directly used for law enforcement or off-road maintenance work.
91 Acts, ch 254, §17
CS91, §280A.19A
C93, §260C.19A
93 Acts, ch 26, §3; 94 Acts, ch 1119, §25; 2006 Acts, ch 1142, §61, 62; 2007 Acts, ch 22, §61

**260C.19B Purchase of biobased hydraulic fluids, greases, and other industrial lubricants.**
Hydraulic fluids, greases, and other industrial lubricants purchased by or used under the direction of the board of directors to provide services to a merged area shall be purchased in compliance with the preference requirements for purchasing biobased hydraulic fluids, greases, and other industrial lubricants as provided pursuant to section 8A.316.
98 Acts, ch 1082, §4; 2000 Acts, ch 1109, §4; 2003 Acts, ch 145, §227; 2011 Acts, ch 25, §21

**260C.19C Purchase of designated biobased products.**
The board of directors providing services to a merged area shall give preference to purchasing designated biobased products in the same manner as provided in section 8A.317.
2008 Acts, ch 1104, §4

**260C.20 Payment of bonds.**
Taxes for the payment of bonds issued under section 260C.19 shall be levied in accordance with chapter 76. The bonds shall be payable from a fund created from the proceeds of the taxes in not more than twenty years and bear interest at a rate not exceeding the rate permitted by chapter 74A, and shall be of the form as the board issuing the bonds shall by resolution provide. Any indebtedness incurred shall not be considered an indebtedness incurred for general and ordinary purposes.
[C66, 71, 73, 75, 77, 79, 81, §280A.20]
83 Acts, ch 188, §2
C93, §260C.20

**260C.21 Election to incur indebtedness.**
No indebtedness shall be incurred under section 260C.19 until authorized by an election. A proposition to incur indebtedness and issue bonds for community college purposes shall be deemed carried in a merged area if approved by a sixty percent majority of all voters voting on the proposition in the area. However, if the costs of utilities are paid by a community college with funds derived from the levy authorized under section 260C.22, the community college may use the general fund moneys that would have been used to pay the costs of utilities for capital expenditures, may invest the funds, or may incur indebtedness without an election, provided that the payments on the indebtedness incurred, and any interest on the indebtedness, can be made using general funds of the community college and the total payments on the principal and interest on the indebtedness do not exceed the amount of the costs of the utilities.
[C66, 71, 73, 75, 77, 79, 81, §280A.21]
90 Acts, ch 1253, §31
C93, §260C.21

**260C.22 Facilities levy by vote — borrowing — temporary cash reserve levy.**
1. *a.* In addition to the tax authorized under section 260C.17, the voters in a merged area may at the regular school election or at a special election held on the second Tuesday in September of the even-numbered year vote a tax not exceeding twenty and one-fourth cents per thousand dollars of assessed value in any one year for a period not to exceed ten years for the purchase of grounds, construction of buildings, payment of debts contracted for the construction of buildings, purchase of buildings and equipment for buildings, and

the acquisition of libraries, for the purpose of paying costs of utilities, and for the purpose of maintaining, remodeling, improving, or expanding the community college of the merged area. If the tax levy is approved under this section, the costs of utilities shall be paid from the proceeds of the levy. The tax shall be collected by the county treasurers and remitted to the treasurer of the merged area as provided in section 331.552, subsection 29. The proceeds of the tax shall be deposited in a separate and distinct fund to be known as the voted tax fund, to be paid out upon warrants drawn by the president and secretary of the board of directors of the merged area district for the payment of costs incurred in providing the school facilities for which the tax was voted.

*b.* In order to make immediately available to the merged area the proceeds of the voted tax hereinbefore authorized to be levied, the board of directors of any such merged area is hereby authorized, without the necessity for any further election, to borrow money and enter into loan agreements in anticipation of the collection of such tax, and such board shall, by resolution, provide for the levy of an annual tax, within the limits of the special voted tax hereinbefore authorized, sufficient to pay the amount of any such loan and the interest thereon to maturity as the same becomes due. A certified copy of this resolution shall be filed with the county auditors of the counties in which such merged area is located, and the filing thereof shall make it a duty of such auditors to enter annually this levy for collection until funds are realized to repay the loan and interest thereon in full. Said loan must mature within the number of years for which the tax has been voted and shall bear interest at a rate or rates not exceeding that permitted by chapter 74A. Any loan agreement entered into pursuant to authority herein contained shall be in such form as the board of directors shall by resolution provide and the loan shall be payable as to both principal and interest from the proceeds of the annual levy of the voted tax hereinbefore authorized, or so much thereof as will be sufficient to pay the loan and interest thereon. In furtherance of the foregoing the board of directors of such merged area may, with or without notice, negotiate and enter into a loan agreement or agreements with any bank, investment banker, trust company, insurance company or group thereof, whereunder the borrowing of the necessary funds may be assured and consummated. The proceeds of such loan shall be deposited in a special fund, to be kept separate and apart from all other funds of the merged area, and shall be paid out upon warrants drawn by the president and secretary of the board of directors to pay the cost of acquiring the school facilities for which the tax was voted.

*c.* If the boundary lines of a merged area are changed, the levy of the annual tax provided in this section sufficient to pay the amount due for a loan agreement and the interest on the loan agreement to maturity shall continue in any territory severed from the merged area until the loan with interest on the loan has been paid in full.

*d.* Nothing herein contained shall be construed to limit the authority of the board of directors to levy the full amount of the voted tax, but if and to whatever extent said tax is levied in any year in excess of the amount of principal and interest falling due in such year under any loan agreement, the first available proceeds thereof, to an amount sufficient to meet maturing installments of principal and interest under the loan agreement, shall be paid into the sinking fund for such loan before any of such taxes are otherwise made available to the merged area for other school purposes, and the amount required to be annually set aside to pay the principal of and interest on the money borrowed under such loan agreement shall constitute a first charge upon all of the proceeds of such annual special voted tax, which tax shall be pledged to pay said loan and the interest thereon.

*e.* This law shall be construed as supplemental and in addition to existing statutory authority and as providing an independent method of financing the cost of acquiring school facilities for which a tax has been voted under this section and for the borrowing of money and execution of loan agreements in connection therewith and shall not be construed as subject to the provisions of any other law. The fact that a merged area may have previously borrowed money and entered into loan agreements under authority herein contained shall not prevent such merged area from borrowing additional money and entering into further loan agreements provided that the aggregate of the amount payable under all of such loan agreements does not exceed the proceeds of the voted tax. All acts and proceedings heretofore taken by the board of directors or by any official of any merged area for the

exercise of any of the powers granted by this section are hereby legalized and validated in all respects.

2. The proceeds of the tax voted under subsection 1, paragraph "*a*", prior to July 1, 1987, shall be used for the purposes for which it was approved by the voters and may be used for the purpose of paying the costs of utilities.

3. *a.* In addition to the tax authorized under section 260C.17, the board of directors of an area school may certify for levy by March 15, 1982, and March 15, 1983, a tax on taxable property in the merged area at rates that will provide total revenues for the two years equal to five percent of the area school's general fund expenditures for the fiscal year ending June 30, 1980, in order to provide a cash reserve for that area school. As nearly as possible, one-half the revenue for the cash reserve fund shall be collected during each year.

*b.* The revenues derived from the levies shall be placed in a separate cash reserve fund. Moneys from the cash reserve fund shall only be used to alleviate temporary cash shortages. If moneys from the cash reserve fund are used to alleviate a temporary cash shortage, the cash reserve fund shall be reimbursed immediately from the general fund of the community college as funds in the general fund become available, but in no case later than June 30 of the current fiscal year, to repay the funds taken from the cash reserve fund.

4. *a.* The board of directors of any merged area that failed to certify for levy under subsection 3 by March 15, 1982, and March 15, 1983, may certify for levy by April 15, 1997, and April 15, 1998, a tax on taxable property in the merged area at rates that will provide total revenues for the two years equal to five percent of the area school's general fund expenditures for the fiscal year ending June 30, 1995, in order to provide a cash reserve for that area school. As nearly as possible, one-half the revenue for the cash reserve fund shall be collected during each year.

*b.* The revenues derived from the levies shall be placed in a separate cash reserve fund. Notwithstanding subsection 3, moneys from the cash reserve fund established by a merged area under subsection 3 or this subsection shall be used only to alleviate temporary cash shortages. If moneys from the cash reserve fund are used to alleviate a temporary cash shortage, the cash reserve fund shall be reimbursed immediately from the general fund of the community college as funds in the general fund become available, but in no case later than June 30 of the current fiscal year, to repay the funds taken from the cash reserve fund.

[C66, 71, 73, 75, 77, 79, 81, §280A.22; 81 Acts, ch 88, §1; 82 Acts, ch 1136, §10]

84 Acts, ch 1003, §3; 87 Acts, ch 233, §476, 477; 90 Acts, ch 1253, §32

C93, §260C.22

96 Acts, ch 1215, §30; 2008 Acts, ch 1115, §6, 21; 2009 Acts, ch 41, §263; 2009 Acts, ch 57, §76

Referred to in §260C.15, 260C.21, 260C.34, 260C.35, 260C.38, 331.512, 331.559

**260C.22A through 260C.23** Reserved.

**260C.24 Payment of appropriations.**

Payment of appropriations for distribution under this chapter, or of appropriations made in lieu of such appropriations, shall be made by the department of administrative services in monthly installments due on or about the fifteenth of each month of a budget year, and installments shall be as nearly equal as possible, as determined by the department of administrative services, taking into consideration the relative budget and cash position of the state resources.

95 Acts, ch 218, §18; 2003 Acts, ch 145, §286

**260C.25 through 260C.27** Reserved.

**260C.28 Tax for equipment replacement and program sharing.**

1. Annually, the board of directors may certify for levy a tax on taxable property in the merged area at a rate not exceeding three cents per thousand dollars of assessed valuation for equipment replacement for the community college.

2. However, the board of directors may annually certify for levy a tax on taxable property

in the merged area at a rate in excess of the three cents per thousand dollars of assessed valuation specified under subsection 1 if the excess tax levied does not cause the total rate certified to exceed a rate of nine cents per thousand dollars of assessed valuation, and the excess revenue generated is used for purposes of program sharing between community colleges or for the purchase of instructional equipment. Programs that are shared shall be designed to increase student access to community college programs and to achieve efficiencies in program delivery at the community colleges, including, but not limited to, the programs described under section 260C.46. Prior to expenditure of the excess revenues generated under this subsection, the board of directors shall obtain the approval of the director of the department of education.

3. If the board of directors wishes to certify for a levy under subsection 2, the board shall direct the county commissioner of elections to submit the question of such authorization for the board at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*". If a majority of those voting on the question at the election favors authorization of the board to make such a levy, the board may certify for a levy as provided under subsection 2 during each of the ten years following the election. If a majority of those voting on the question at the election does not favor authorization of the board to make a levy under subsection 2, the board may submit the question to the voters again at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*".

83 Acts, ch 180, §1, 2
CS83, §280A.28
87 Acts, ch 187, §1; 90 Acts, ch 1253, §38; 92 Acts, ch 1246, §46
C93, §260C.28
94 Acts, ch 1175, §4; 98 Acts, ch 1215, §31; 2006 Acts, ch 1152, §31; 2008 Acts, ch 1115, §36, 71

**260C.29 Academic incentives for minorities program — mission.**

1. The mission of the academic incentives for minorities program established in this section is to encourage collaborative efforts by community colleges, the institutions of higher learning under the control of the state board of regents, and business and industry to enhance educational opportunities and provide for job creation and career advancement for Iowa's minorities by providing assistance to minorities who major in fields or subject areas where minorities are currently underrepresented or underutilized.

2. An academic incentives for minorities program is established to be administered by a community college located in a county with a population in excess of three hundred thousand. The community college shall provide office space for the efficient operation of the program. The community college shall employ a director for the program. The director of the program shall employ necessary support staff. The director and staff shall be employees of the community college.

3. The director of the program shall do the following:

*a.* Direct the coordination of the program between the community college and the institutions of higher education under the control of the state board of regents.

*b.* Propose rules to the state board of education as necessary to implement the program.

*c.* Recruit minority persons into the program.

*d.* Enlist the assistance and cooperation of leaders from business and industry to provide job placement services for students who are successfully completing the program.

*e.* Prepare and submit an annual report to the governor and the general assembly by January 15.

*f.* Contract with other community colleges to expand the availability of program services and increase the number of students served by the program.

*g.* Establish a separate account, which shall consist of all appropriations, grants, contributions, bequests, endowments, or other moneys or gifts received specifically for purposes of the program by the community college administering the program as provided in subsection 2. Not less than eighty percent of the funds received from state appropriations for purposes of the program shall be used for purposes of assistance to students as provided in subsection 5.

4. To be eligible for the program, a minority person shall be a resident of Iowa who is accepted for admission at or attends a community college or an institution of higher education under the control of the state board of regents. In addition, the person shall major in or achieve credit toward an associate degree, a bachelor's degree, or a master's degree in a field or subject area where minorities are underrepresented or underutilized.

5. The amount of assistance provided to a student under this section shall not exceed the cost of tuition, fees, and books required for the program in which the student is enrolled and attends. As used in this section, *"books"* may include book substitutes, including reusable workbooks, loose-leaf or bound manuals, and computer software materials used as book substitutes. A student who meets the qualifications of this section shall receive assistance under this section for not more than the equivalent of two full years of study.

6. For purposes of this section, *"minority person"* means a person who is African American, Hispanic, Asian, or a Pacific Islander, American Indian, or an Alaskan Native American.

95 Acts, ch 218, §19; 96 Acts, ch 1215, §31; 97 Acts, ch 212, §24; 2009 Acts, ch 41, §102

**260C.30** Reserved.

**260C.31 Auxiliary enterprises.**

1. The board of directors may expend profits from auxiliary enterprises of community colleges for services and equipment which includes but is not limited to tutoring services, scholarships, grants, furniture, fixtures and equipment for noninstructional student use, and support of intramural and intercollegiate athletics.

2. For the purpose of this section:

*a. "Auxiliary enterprises"* means self-supporting services provided at the community college for which fees or charges are paid, and includes but is not limited to food services, college stores, student unions, institutionally operated vending services, recreational activities, faculty clubs, laundries, parking facilities, and intercollegiate athletics.

*b. "Profits from auxiliary enterprises"* means the difference between the total fees or charges collected for auxiliary enterprises and the expenditures by the community college for the auxiliary enterprises.

[C81, §280A.31]
90 Acts, ch 1253, §39
C93, §260C.31
2010 Acts, ch 1061, §180

**260C.32 Trusts.**

The board of a merged area may accept and administer trusts and may authorize nonprofit foundations acting solely for the support of the community college to accept and administer trusts deemed by the board to be beneficial to the operation of the community college. Notwithstanding section 633.63, the board and the nonprofit foundations may act as trustees in these instances. The board shall require that moneys belonging to a nonprofit foundation are audited annually.

[82 Acts, ch 1121, §1]
C83, §280A.32
90 Acts, ch 1253, §40
C93, §260C.32

**260C.33** Repealed by 93 Acts, ch 82, § 10 – 12. See § 260C.4.

**260C.34 Uses of funds.**

Funds obtained pursuant to section 260C.17; section 260C.18, subsections 3, 4, and 5; and sections 260C.18B, 260C.19, and 260C.22 shall not be used for the construction or maintenance of athletic buildings or grounds but may be used for a project under section 260C.56.

[C71, 73, 75, 77, 79, 81, §280A.34]
91 Acts, ch 267, §241

C93, §260C.34
96 Acts, ch 1215, §32; 96 Acts, ch 1215, §58

**260C.35 Limitation on land.**

A merged area shall not purchase land which will increase the aggregate of land owned by the merged area, excluding land acquired by donation or gift, to more than three hundred twenty acres without the approval of the director of the department of education. The limitation does not apply to a merged area owning more than three hundred twenty acres, excluding land acquired by donation or gift, prior to January 1, 1969.

With the approval of the director of the department of education, the board of directors of a merged area at any time may sell any land in excess of one hundred sixty acres owned by the merged area, and an election is not necessary in connection with the sale. The proceeds of the sale may be used for any of the purposes stated in section 260C.22. This paragraph is in addition to any authority under other provisions of law.

[C71, 73, 75, 77, 79, 81, §280A.35]
83 Acts, ch 25, §1; 86 Acts, ch 1245, §1473; 92 Acts, ch 1037, §1
C93, §260C.35

**260C.36 Quality faculty plan.**

1. The community college administration shall establish a committee consisting of instructors and administrators, equally representative of the arts and sciences faculty and the vocational-technical faculty, which has no more than a simple majority of members of the same gender. The faculty members shall be appointed by the certified employee organization if one exists and if not, by the college administration. The administrators shall be appointed by the college administration. The committee shall develop and maintain a plan for hiring and developing quality faculty that includes all of the following:

*a.* An implementation schedule for the plan.

*b.* Orientation for new faculty.

*c.* Continuing professional development for faculty.

*d.* Procedures for accurate recordkeeping and documentation for plan monitoring.

*e.* Consortium arrangements when appropriate, cost-effective, and mutually beneficial.

*f.* Specific activities that ensure faculty attain and demonstrate instructional competencies and knowledge in their subject or technical areas.

*g.* Procedures for collection and maintenance of records demonstrating that each faculty member has attained or documented progress toward attaining minimal competencies.

*h.* Compliance with the faculty accreditation standards of the north central association of colleges and schools and with faculty standards required under specific programs offered by the community college that are accredited by other accrediting agencies.

*i.* Determination of the faculty that will be included in the plan including but not limited to all instructors, counselors, and media specialists. The plan requirements may be differentiated for each type of employee.

2. The committee shall submit the plan to the board of directors, which shall consider the plan and, once approved, submit the plan to the department of education and implement the plan not later than July 1, 2003.

3. The administration of the college shall encourage the continued development of faculty potential by doing all of the following:

*a.* Regularly stimulating department chairpersons or heads to meet their responsibilities for the continued development of faculty potential.

*b.* Reducing the instructional loads of first-year instructors whose course preparation and in-service training demand a reduction.

*c.* Stimulating curricular evaluation.

*d.* Encouraging the development of an atmosphere in which the faculty brings a wide range of ideas and experiences to the students, each other, and the community.

4. The department of education shall establish the following committees:

*a.* An ad hoc accreditation quality faculty plan protocol committee to advise the department in the development of protocols related to the quality faculty planning process

to be used by the accreditation teams during site visits. The committee shall, at a minimum, determine what types of evidence need to be provided, develop interview procedures and visit goals, and propose accreditation protocol revisions.

*b.* An ongoing quality faculty plan professional development committee. The committee shall, at a minimum, do the following:

(1) Develop systemic, ongoing, and sustainable statewide professional development opportunities that support institutional development as well as individual development and support of the quality faculty plans. The opportunities may include internet-based systems to share promising practices.

(2) Determine future professional development needs.

(3) Develop or identify training and assistance relating to the quality faculty plan process and requirements.

(4) Assist the department and community colleges in developing professional development consortia.

(5) Review and identify best practices in each community college quality faculty plan, including best practices regarding adjunct faculty.

*c.* A community college faculty advisory committee consisting of one member and one alternate from each community college, appointed by the committee established pursuant to subsection 1. The committee membership shall be equally represented by individuals from the liberal arts and sciences faculty and the career and technical faculty. The committee shall, at a minimum, keep faculty informed of higher education issues, facilitate communication between the faculty and the department on an ongoing basis, and serve as an advisory committee to the department and community colleges on faculty issues.

[C71, 73, 75, 77, 79, 81, §280A.36]

C93, §260C.36

2002 Acts, ch 1047, §5; 2007 Acts, ch 214, §21, 22; 2008 Acts, ch 1181, §27, 28; 2013 Acts, ch 90, §257

Referred to in §260C.47

Code editor directive applied

**260C.37 Membership in association of school boards.**

Boards of directors of community colleges may pay, out of funds available to them, reasonable annual dues to an Iowa association of school boards.

Membership in such an Iowa association of school boards shall be limited to those duly elected members of boards of directors of community colleges.

[C71, 73, 75, 77, 79, 81, §280A.37]

90 Acts, ch 1253, §42

C93, §260C.37

**260C.38 Lease agreements for space.**

The board of directors may enter into lease agreements, with or without purchase options, not to exceed twenty years in duration, for the leasing or rental of buildings for use basically as classrooms, laboratories, shops, libraries, and study halls for community college purposes, and pay for the leasing or rental with funds acquired pursuant to section 260C.17, section 260C.18, and section 260C.22.

The agreements may include the leasing of existing buildings on public or private property, buildings to be constructed upon real estate owned by the community college, or buildings to be placed upon real estate owned by the community college.

Before entering into a lease agreement with a purchase option for a building to be constructed, or placed, upon real estate owned by the community college, the board shall first adopt plans and specifications for the proposed building which it considers suitable for the intended use, and the board shall also adopt the proposed terms of the lease agreement and purchase option. The board shall invite bids, by advertisement published once each week for two consecutive weeks in the county where the building is to be located. The lease

agreement shall be awarded to the lowest responsible bidder, or the board may reject all bids and readvertise for new bids.

[C71, 73, 75, 77, 79, 81, §280A.38; 82 Acts, ch 1230, §1]
86 Acts, ch 1245, §1474; 90 Acts, ch 1253, §43
C93, §260C.38
2002 Acts, ch 1140, §15
Referred to in §260C.56

**260C.39 Combining merged areas — election.**

1. Any merged area may combine with any adjacent merged area after a favorable vote by the electors of each of the areas involved. If the boards of directors of two or more merged areas agree to a combination, the question shall be submitted to the electors of each area at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*", and held on the same day in each area. Prior to the election, the board of each merged area shall notify the county commissioner of elections of the county in which the greatest proportion of the merged area's taxable base is located, who shall publish notice of the election according to section 49.53. The two respective county commissioners of elections shall conduct the election pursuant to the provisions of chapters 39 to 53. The votes cast in the election shall be canvassed by the county board of supervisors, and the county commissioner of elections of each county in the merged areas shall certify the results to the board of directors of each merged area.

2. If the vote is favorable in each merged area, the boards of each area shall proceed to transfer the assets, liabilities, and facilities of the areas to the combined merged area, and shall serve as the acting board of the combined merged area until a new board of directors is elected. The acting board shall submit to the director of the department of education a plan for redistricting the combined merged area, and upon receiving approval from the director, shall provide for the election of a director from each new district at the next regular school election. The directors elected from each new district shall determine their terms by lot so that the terms of one-third of the members, as nearly as may be, expire each year. Election of directors for the combined merged area shall follow the procedures established for election of directors of a merged area. A combined merged area is subject to all provisions of law and rules governing merged areas.

3. The terms of employment of personnel, for the academic year following the effective date of the agreement to combine the merged areas shall not be affected by the combination of the merged areas, except in accordance with the procedures under sections 279.15 to 279.18 and section 279.24, to the extent those procedures are applicable, or under the terms of the base bargaining agreement. The authority and responsibility to offer new contracts or to continue, modify, or terminate existing contracts pursuant to any applicable procedures under chapter 279, shall be transferred to the acting, and then to the new, board of the combined merged area upon certification of a favorable vote to each of the merged areas affected by the agreement. The collective bargaining agreement of the merged area receiving the greatest amount of general state aid shall serve as the base agreement for the combined merged area and the employees of the merged areas which combined to form the new combined merged area shall automatically be accreted to the bargaining unit from that former merged area for purposes of negotiating the contracts for the following years without further action by the public employment relations board. If only one collective bargaining agreement is in effect among the merged areas which are combining under this section, then that agreement shall serve as the base agreement, and the employees of the merged areas which are combining to form the new combined merged area shall automatically be accreted to the bargaining unit of that former merged area for purposes of negotiating the contracts for the following years without further action by the public employment relations board. The board of the combined merged area, using the base agreement as its existing contract, shall bargain with the combined employees of the merged areas that have agreed to combine for the academic year beginning with the effective date of the agreement to combine merged areas. The bargaining shall be completed by March 15 prior to the academic year in which the agreement to combine merged areas becomes effective or within one hundred eighty

days after the organization of the acting board of the new combined merged area, whichever is later. If a bargaining agreement was already concluded in the former merged area which has the collective bargaining agreement that is serving as the base agreement for the new combined merged area, between the former merged area board and the employees of the former merged area, that agreement is void, unless the agreement contained multiyear provisions affecting academic years subsequent to the effective date of the agreement to form a combined merged area. If the base collective bargaining agreement contains multiyear provisions, the duration and effect of the agreement shall be controlled by the terms of the agreement. The provisions of the base agreement shall apply to the offering of new contracts, or the continuation, modification, or termination of existing contracts between the acting or new board of the combined merged area and the combined employees of the new combined merged area.

[C71, 73, 75, 77, 79, 81, §280A.39]
86 Acts, ch 1245, §1475; 90 Acts, ch 1168, §40; 90 Acts, ch 1253, §44; 91 Acts, ch 117, §2
C93, §260C.39
96 Acts, ch 1215, §33; 97 Acts, ch 23, §27; 2008 Acts, ch 1115, §37, 71
Referred to in §331.383

**260C.40 Prohibition of controlled substances.**

Each community college shall adopt a policy that prohibits unlawful possession, use, or distribution of controlled substances by students and employees on property owned or leased by the community college or in conjunction with activities sponsored by a community college. Each community college shall provide information about the policy to all students and employees. The policy shall include a clear statement of sanctions for violation of the policy and information about available drug or alcohol counseling and rehabilitation programs. In carrying out this policy, the community college shall provide substance abuse prevention programs for students and employees.

91 Acts, ch 267, §242
CS91, §280A.40
C93, §260C.40
2008 Acts, ch 1032, §108

**260C.41** Reserved.

**260C.42 Payment of expenses.**

The board of directors of a merged area shall audit and allow all just claims against the community college and an order shall not be drawn upon the treasury until the claim has been audited and allowed. However, the board of directors, by resolution, may authorize the secretary of the board, when the board is not in session, to issue payments for salaries pursuant to the terms of a written contract and to issue payments upon the receipt of verification filed with the secretary for all other general fund and plant fund expenses within limits established by resolution of the board; expenses involving auxiliary, agency, and scholarship and loan accounts; and refunds to students for tuition and fees. The secretary shall either deliver in person or mail the payments to the payees. A payment shall be made payable only to the person performing the service or furnishing the supplies for which the payment is issued. Payments issued prior to audit and allowance by the board shall be allowed by the board at the first meeting held after the issuance and shall be entered in the minutes of the meeting.

[82 Acts, ch 1058, §1]
C83, §280A.42
87 Acts, ch 233, §479; 88 Acts, ch 1061, §1; 90 Acts, ch 1253, §45
C93, §260C.42

**260C.43 Claims.**

The board of directors of each merged area shall audit claims against the merged area to ensure proper and just payment of all claims. Each payment shall be made payable to

the vendor entitled to receive the payment with appropriate justification to ensure that the payment is in accordance with generally accepted accounting principles and procedures and in accordance with the system prescribed under section 260C.5, subsection 9. The board may designate one or more members of the board or may employ a certified public accountant to perform and certify the audit to the board to comply with this section.

[82 Acts, ch 1059, §1]
C83, §280A.43
C93, §260C.43

**260C.44 Apprenticeship programs.**

1. Each community college is authorized to establish or contract for the establishment of apprenticeship programs for apprenticeable occupations. Any apprenticeship program established under this section shall comply with requirements established by the United States department of labor, office of apprenticeship. Participation in an apprenticeship program or apprenticeship agreement by an apprenticeship sponsor shall be on a voluntary basis.

2. For purposes of this section:

*a.* *"Apprentice"* means a person who is at least sixteen years of age, except where a higher minimum age is required by law, who is employed in an apprenticeable occupation, and is registered with the United States department of labor, office of apprenticeship.

*b.* *"Apprenticeable occupation"* means an occupation approved for apprenticeship by the United States department of labor, office of apprenticeship.

*c.* *"Apprenticeship program"* means a plan, registered with the United States office of apprenticeship which contains the terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices, including the requirement for a written apprenticeship agreement.

*d.* *"Apprenticeship sponsor"* means a person operating an apprenticeship program or in whose name an apprenticeship program is being operated, registered, or approved.

90 Acts, ch 1253, §46
C91, §280A.44
C93, §260C.44
2010 Acts, ch 1069, §35; 2010 Acts, ch 1193, §47
Referred to in §15.343, 260F.6B

**260C.45 Quality instructional centers.** Repealed by 2006 Acts, ch 1152, § 56.

**260C.46 Program and administrative sharing.**

By September 1, 1990, the department shall establish guidelines and an approval process for program sharing agreements and for administrative sharing agreements entered into by two or more community colleges or by a community college and a higher education institution under the control of the board of regents. Guidelines established shall be designed to increase student access to programs, enhance educational program offerings throughout the state, and enhance interinstitutional cooperation in program offerings.

90 Acts, ch 1253, §48
C91, §280A.46
C93, §260C.46
97 Acts, ch 23, §29
Referred to in §256.9, 260C.28

**260C.47 Accreditation of community college programs.**

1. The state board of education shall establish an accreditation process for community college programs by July 1, 1997. The process shall be jointly developed and agreed upon by the department of education and the community colleges. The state accreditation process shall be integrated with the accreditation process of the north central association of colleges and schools, including the evaluation cycle, the self-study process, and the criteria for evaluation, which shall incorporate the standards for community colleges developed under section 260C.48; and shall identify and make provision for the needs of the state that are

not met by the association's accreditation process. For the academic year commencing July 1, 1998, and in succeeding school years, the department of education shall use a two-component process for the continued accreditation of community college programs.

*a.* The first component consists of submission of required data by the community colleges and annual monitoring by the department of education of all community colleges for compliance with state program evaluation requirements adopted by the state board.

*b.* The second component consists of the use of an accreditation team appointed by the director of the department of education, to conduct an evaluation, including an on-site visit of each community college, with a comprehensive evaluation to occur during the same year as the evaluation by the north central association of colleges and schools, and an interim evaluation midway between comprehensive evaluations. The number and composition of the accreditation team shall be determined by the director, but the team shall include members of the department of education staff and community college staff members from community colleges other than the community college that conducts the programs being evaluated for accreditation. Beginning July 1, 2006, the accreditation team shall monitor the quality faculty plan implemented by each community college pursuant to section 260C.36.

*c.* Rules adopted by the state board shall include provisions for coordination of the accreditation process under this section with activities of accreditation associations, which are designed to avoid duplication in the accreditation process.

2. Prior to a visit to a community college, members of the accreditation team shall have access to the program audit report filed with the department for that community college. After a visit to a community college, the accreditation team shall determine whether the accreditation standards for a program have been met and shall make a report to the director and the state board, together with a recommendation as to whether the program of the community college should remain accredited. The accreditation team shall report strengths and weaknesses, if any, for each program standard and shall advise the community college of available resources and technical assistance to further enhance strengths and improve areas of weakness. A community college may respond to the accreditation team's report.

3. The state board shall determine whether a program of a community college shall remain accredited. If the state board determines that a program of a community college does not meet accreditation standards, the director of the department of education, in cooperation with the board of directors of the community college, shall establish a plan prescribing the procedures that must be taken to correct deficiencies in meeting the program standards, and shall establish a deadline date for correction of the deficiencies. The deadline for correction of deficiencies under a plan shall be no later than June 30 of the year following the on-site visit of the accreditation team. The plan is subject to approval of the state board. Plans shall include components which address meeting program deficiencies, sharing or merger options, discontinuance of specific programs or courses of study, and any other options proposed by the state board or the accreditation team to allow the college to meet the program standards.

4. During the time specified in the plan for its implementation, the community college program remains accredited. The accreditation team shall revisit the community college and shall determine whether the deficiencies in the standards for the program have been corrected and shall make a report and recommendation to the director and the state board. The state board shall review the report and recommendation, may request additional information, and shall determine whether the deficiencies in the program have been corrected.

5. If the deficiencies have not been corrected in a program of a community college, the community college board shall take one of the following actions within sixty days from removal of accreditation:

*a.* Merge the deficient program or programs with a program or programs from another accredited community college.

*b.* Contract with another educational institution for purposes of program delivery at the community college.

*c.* Discontinue the program or programs which have been identified as deficient.

6. The director of the department of education shall give a community college which has a program which fails to meet accreditation standards at least one year's notice prior to removal of accreditation of the program. The notice shall be given by certified mail or restricted

certified mail addressed to the superintendent of the community college and shall specify the reasons for removal of accreditation of the program. The notice shall also be sent by ordinary mail to each member of the board of directors of the community college. Any good faith error or failure to comply with the notice requirements shall not affect the validity of any action by the director. If, during the year, the community college remedies the reasons for removal of accreditation of the program and satisfies the director that the community college will comply with the accreditation standards for that program in the future, the director shall continue the accreditation of the program of the community college and shall transmit notice of the action to the community college by certified mail or restricted certified mail.

7. The action of the director to remove a community college's accreditation of the program may be appealed to the state board. At the hearing, the community college may be represented by counsel and may present evidence. The state board may provide for the hearing to be recorded or reported. If requested by the community college at least ten days before the hearing, the state board shall provide for the hearing to be recorded or reported at the expense of the community college, using any reasonable method specified by the community college. Within ten days after the hearing, the state board shall render a written decision, and shall affirm, modify, or vacate the action or proposed action to remove the college's accreditation of the program. Action by the state board is final agency action for purposes of chapter 17A.

90 Acts, ch 1253, §49; 90 Acts, ch 1254, §2
C91, §280A.47
92 Acts, ch 1040, §1
C93, §260C.47
93 Acts, ch 82, §5, 6, 11; 96 Acts, ch 1215, §34; 99 Acts, ch 114, §15; 2002 Acts, ch 1047, §6, 7, 20; 2010 Acts, ch 1069, §36

**260C.48 Standards for accrediting community college programs.**

1. The state board shall develop standards and rules for the accreditation of community college programs. Except as provided in this subsection and subsection 4, standards developed shall be general in nature so as to apply to more than one specific program of instruction. With regard to community college-employed instructors, the standards adopted shall at a minimum require that community college instructors who are under contract for at least half-time or more, and by July 1, 2011, all instructors, meet the following requirements:

*a.* Instructors in the subject area of career and technical education shall be registered, certified, or licensed in the occupational area in which the state requires registration, certification, or licensure, and shall hold the appropriate registration, certificate, or license for the occupational area in which the instructor is teaching, and shall meet either of the following qualifications:

(1) A baccalaureate or graduate degree in the area or a related area of study or occupational area in which the instructor is teaching classes.

(2) Special training and at least six thousand hours of recent and relevant work experience in the occupational area or related occupational area in which the instructor teaches classes if the instructor possesses less than a baccalaureate degree.

*b.* Instructors in the subject area of arts and sciences shall meet either of the following qualifications:

(1) Possess a master's degree from a regionally accredited graduate school, and has successfully completed a minimum of twelve credit hours of graduate level courses in each field of instruction in which the instructor is teaching classes.

(2) Have two or more years of successful experience in a professional field or area in which the instructor is teaching classes and in which postbaccalaureate recognition or professional licensure is necessary for practice, including but not limited to the fields or areas of accounting, engineering, law, law enforcement, and medicine.

2. Standards developed shall include a provision that the full-time teaching load for an instructor in arts and sciences courses shall be fifteen credit hours per semester, or the equivalent, and the maximum academic workload shall be sixteen credit hours per semester, or the equivalent. An instructor may also have an additional teaching assignment if the

instructor and the community college administration mutually consent to the additional assignment and the total teaching load does not exceed twenty-two hours of credit per semester, or the equivalent.

3. Standards developed shall include provisions requiring equal access in recruitment, enrollment, and placement activities for students with special education needs. The provisions shall include a requirement that students with special education needs shall receive instruction in the least restrictive environment with access to the full range of program offerings at a college, through, but not limited to, adaptation of curriculum, instruction, equipment, facilities, career guidance, and counseling services.

4. Commencing July 1, 2006, standards relating to quality assurance of faculty and ongoing quality professional development shall be the accreditation standards of the north central association of colleges and schools and the faculty standards required under specific programs offered by the community college that are accredited by other accrediting agencies.

90 Acts, ch 1253, §50; 90 Acts, ch 1254, §3
C91, §280A.48
C93, §260C.48
93 Acts, ch 82, §7, 8; 2002 Acts, ch 1047, §8, 9, 20; 2007 Acts, ch 214, §23; 2008 Acts, ch 1181, §29, 30; 2011 Acts, ch 20, §9
Referred to in §260C.47

**260C.49 Rules.**

The department of education shall adopt rules and definitions of terms necessary for the administration of this chapter. The school budget review committee shall adopt rules under chapter 17A to carry out section 260C.18B.

96 Acts, ch 1215, §35

**260C.50 Adult education and literacy programs.**

1. For purposes of this section, *"adult education and literacy programs"* means adult basic education, adult education leading to a high school equivalency diploma under chapter 259A, English as a second language instruction, workplace and family literacy instruction, or integrated basic education and technical skills instruction.

2. The department and the community colleges shall jointly implement adult education and literacy programs to assist adults and youths sixteen years of age and older who are not in school in obtaining the knowledge and skills necessary for further education, work, and community involvement.

3. The state board, in consultation with the community colleges, shall prescribe standards for adult education and literacy programs including but not limited to contextualized and integrated instruction, assessments, instructor qualification and professional development, data collection and reporting, and performance benchmarks.

4. The state board, in consultation with the community colleges, shall adopt rules pursuant to chapter 17A to administer this section.

2013 Acts, ch 141, §40
NEW section

**260C.51 through 260C.55** Reserved.

## RESIDENCE HALLS AND DORMITORIES — FINANCING

**260C.56 Definitions.**

As used in this division:

1. *"Board"* means a board of directors of a community college.
2. *"Bonds or notes"* means revenue bonds or revenue notes which are payable solely from

net rents, profits, and other income derived from the operation of residence halls, dormitories, incidental facilities, and additions.

3. *"Institution"* means a community college organized under this chapter.

4. *"Project"* means the acquisition by purchase, lease in accordance with section 260C.38, or construction of buildings for use as student residence halls and dormitories, including dining and other incidental facilities therefor, and additions to such buildings, the reconstruction, completion, equipment, improvement, repair or remodeling of residence halls, dormitories, or additions or incidental facilities, and the acquisition of property of every kind and description, whether real, personal, or mixed, by gift, purchase, lease, condemnation, or otherwise and the improvement of the property.

90 Acts, ch 1253, §58; 90 Acts, ch 1254, §4
C91, §280A.56
91 Acts, ch 267, §243, 244
C93, §260C.56
Referred to in §260C.34, 260C.69

**260C.57 Authorization — contracts — title.**

Subject to and in accordance with the provisions of this division, the board of directors of each community college is hereby authorized to undertake and carry out any project at a community college under the board's control and to operate, control, maintain, and manage student residence halls and dormitories, including dining and other incidental facilities, and additions to such buildings at each of said institutions. All contracts for the construction, reconstruction, completion, equipment, improvement, repair or remodeling of any buildings, additions or facilities shall be let in accordance with the provisions of section 260C.19. The title to all real estate acquired under the provisions of this division and the improvements erected on the real estate shall be taken and held in the name of the merged area. The board is authorized to rent the rooms in such residence halls and dormitories to the students, officers, guests and employees of the institutions at such rates, fees or rentals as will provide a reasonable return upon the investment, but which will in any event produce net rents, profits and income sufficient to insure the payment of the principal of and interest on all bonds or notes issued to pay any part of the cost of any project and refunding bonds or notes issued pursuant to the provisions of this division and to insure that no property tax revenues will be needed to retire the bonds or notes.

90 Acts, ch 1253, §59
C91, §280A.57
C93, §260C.57
94 Acts, ch 1023, §94

**260C.58 Bonds or notes.**

To pay all or any part of the cost of carrying out any project at any institution the board is authorized to borrow money and to issue and sell negotiable bonds or notes and to refund and refinance bonds or notes issued for any project or for refunding purposes at a lower rate, the same rate, or a higher rate or rates of interest and from time to time as often as the board shall find it to be advisable and necessary so to do. Bonds or notes issued by the board for residence hall or dormitory purposes at any institution, including dining or other facilities and additions, or issued for refunding purposes, may either be sold in the manner specified for the selling of certificates under section 260E.6 and the proceeds applied to the payment of the obligations being refunded, or the refunding bonds or notes may be exchanged for and in payment and discharge of the obligations being refunded. A finding by the board in the resolution authorizing the issuance of the refunding bonds or notes, that the bonds or notes being refunded were issued for a purpose specified in this division and constitute binding obligations of the board, shall be conclusive and may be relied upon by any holder of any refunding bond or note issued under the provisions of this division. The refunding bonds or notes may be sold or exchanged in installments at different times or an entire issue or series may be sold or exchanged at one time. Any issue or series of refunding bonds or notes may be exchanged in part or sold in parts in installments at different times or at one time.

The refunding bonds or notes may be sold or exchanged at any time on, before, or after the maturity of any of the outstanding notes, bonds or other obligations to be refinanced thereby and may be issued for the purpose of refunding a like or greater principal amount of bonds or notes, except that the principal amount of the refunding bonds or notes may exceed the principal amount of the bonds or notes to be refunded to the extent necessary to pay any premium due on the call of the bonds or notes to be refunded, to fund interest in arrears or about to become due, or to allow for sufficient funding of the escrow account on the bonds to be refunded.

All bonds or notes issued under the provisions of this division shall be payable from and shall be secured by an irrevocable first lien pledge of a sufficient portion of the following: the net rents, profits and income derived from the operation of residence halls, dormitories, dining or other incidental facilities and additions, including necessary real and personal property, acquired or improved in whole or in part with the proceeds of such bonds or notes, regardless of the manner of such acquisition or improvement; and the net rents, profits and income not pledged for other purposes derived from the operation of any other residence halls or dormitories, including dining or other incidental facilities and additions, at the particular institution. In addition, the board may secure any bonds or notes issued by borrowing money, by mortgaging any real estate or improvements erected on real estate, or by pledging rents, profits, and income received from property for the discharge of mortgages. All bonds or notes issued under the provisions of this division shall have all the qualities of negotiable instruments under the laws of this state.

90 Acts, ch 1253, §60
C91, §280A.58
91 Acts, ch 267, §245
C93, §260C.58

**260C.59 Rates and terms of bonds or notes.**

The bonds or notes may bear a date or dates, may bear interest at such rate or rates, may mature at such time or times, may be in such form, carry such registration privileges, may be payable at such place or places, may be subject to such terms of redemption prior to maturity with or without premium, if so stated on the face of the bonds, and may contain any terms and covenants as may be provided by the resolution of the board authorizing the issuance of the bonds or notes. In addition to the estimated cost of construction, the cost of the project shall be deemed to include interest upon the bonds or notes during construction and for six months after the estimated completion date, the compensation of a fiscal agent or adviser, any underwriter discount, and engineering, administrative and legal expenses. The bonds or notes shall be executed by the president of the board of directors and attested by the secretary. Any bonds or notes bearing the signatures of officers in office on the date of the signing shall be valid and binding for all purposes, notwithstanding that before delivery of the bonds or notes any or all persons whose signatures appear on the bonds or notes shall have ceased to be officers. Each bond or note shall state upon its face the name of the institution on behalf of which it is issued, that it is payable solely and only from the net rents, profits and income derived from the operation of residence halls or dormitories, including dining and other incidental facilities, at the institution named, and that it does not constitute a charge against the state of Iowa within the meaning or application of any constitutional or statutory limitation or provision. The issuance of bonds or notes shall be recorded in the office of the treasurer of the institution on behalf of which the bonds or notes are issued, and a certificate by such treasurer to this effect shall be printed on the back of each such bond or note.

90 Acts, ch 1253, §61
C91, §280A.59
91 Acts, ch 267, §246
C93, §260C.59
94 Acts, ch 1023, §95

**260C.60 Issuance resolution.**

Upon the determination by the board to undertake and carry out any project or to refund outstanding bonds or notes, the board shall adopt a resolution generally describing the contemplated project and setting forth the estimated cost, or describing the obligations to be refunded, fixing the amount of bonds or notes to be issued, the maturity or maturities, the interest rate or rates and all details of the project. The resolution shall contain any covenants as may be determined by the board as to the issuance of additional bonds or notes that may be issued payable from the net rents, profits and income of the residence halls or dormitories, the amendment or modification of the resolution authorizing the issuance of any bonds or notes, the manner, terms and conditions and the amount or percentage of assenting bonds or notes necessary to effectuate the amendment or modification, and any other covenants as may be deemed necessary or desirable. In the discretion of the board any bonds or notes issued under the terms of this division may be secured by a trust indenture by and between the board and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the boundaries of the state of Iowa. The provisions of this division and of any resolution or other proceedings authorizing the issuance of bonds or notes and providing for the establishment and maintenance of adequate rates, fees or rentals and the application of the proceeds thereof shall constitute a contract with the holders of the bonds or notes.

90 Acts, ch 1253, §62
C91, §280A.60
91 Acts, ch 267, §247
C93, §260C.60

**260C.61 Rates, fees, and rentals — pledge.**

If bonds or notes are issued by a board, the board shall establish, impose, and collect rates, fees or rentals for the use of and services provided by the residence halls and dormitories, including dining and other incidental facilities therefor, at the institution on behalf of which the bonds or notes are issued, shall adjust the rates, fees, or rentals from time to time, in order to always provide net amounts sufficient to pay the principal of and interest on the bonds or notes as they become due, and shall maintain a reserve. The board may pledge a sufficient amount of the net rents, profits and income derived from the operation of residence halls and dormitories, including dining and other facilities, at the institution for this purpose. Rates, fees, or rentals collected at one institution shall not be used to discharge bonds or notes issued for or on account of another institution. All bonds or notes issued under the terms of this division shall be exempt from taxation by the state of Iowa and the interest on the bonds or notes is exempt from the state income tax.

90 Acts, ch 1253, §63
C91, §280A.61
C93, §260C.61
Referred to in §422.7

**260C.62 Accounts.**

A certified copy of each resolution providing for the issuance of bonds or notes under this division shall be filed with the treasurer of the institution on behalf of which the bonds or notes are issued and the treasurer shall keep and maintain separate accounts for each issue of bonds or notes in accordance with the covenants and directions set out in the resolution providing for the issuance of the bonds or notes. All rates, fees, or rentals collected for the use of and services provided by the residence halls and dormitories, including dining and other incidental facilities, at each institution shall be held in trust by the treasurer, separate and apart from all other funds, to be used only for the purposes specified in this division and as may be required and provided for by the proceedings of the board authorizing the issuance of bonds or notes. The treasurer of each institution shall disburse funds from the proper account for the payment of the principal of and interest on the bonds or notes in accordance with the directions and covenants of the resolution authorizing the issuance of the bonds or notes.

If the amount of bonds or notes issued under this chapter exceeds the actual costs of the projects for which the bonds or notes were issued, the amount of the difference shall be used to pay the principal and interest due on bonds or notes issued under this chapter.

90 Acts, ch 1253, §64
C91, §280A.62
C93, §260C.62

**260C.63 No obligation against state.**

Under no circumstances shall any bonds or notes issued under the terms of this division be or become or be construed to constitute a charge against the state of Iowa within the purview of any constitutional or statutory limitation or provision. Taxes, appropriations, or other funds of the state of Iowa shall not be pledged for or used to pay for the bonds or notes or for the interest on the bonds or notes. Any principal and interest on bonds or notes issued under this division shall be payable only from the net rents, profits, and income derived from the operation of residence halls and dormitories, including dining and other incidental facilities, at the institutions of higher learning under the control of the board, and the sole remedy for any breach or default of the terms of any bonds or notes or proceedings for their issuance shall be a proceeding either in law or in equity by suit, action, or mandamus to enforce and compel performance of the duties required by this division and the terms of the resolution under which the bonds or notes are issued.

90 Acts, ch 1253, §65
C91, §280A.63
C93, §260C.63

**260C.64 Who may invest.**

All banks, trust companies, building and loan associations, savings associations, investment companies, and other persons carrying on an investment business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or notes issued pursuant to this division. However, this section shall not be construed as relieving any persons from any duty of exercising reasonable care in selecting securities for purchase or investment.

90 Acts, ch 1253, §66
C91, §280A.64
C93, §260C.64
2012 Acts, ch 1017, §64

**260C.65 Federal or other aid accepted.**

The board of directors of each community college may apply for and accept federal aid or nonfederal gifts or grants of funds, and may use the aid, gifts, or funds to pay all or any part of the cost of carrying out any project at any institution under the terms of this division or to pay any bonds and interest on the bonds issued for any of the purposes specified in this division.

90 Acts, ch 1253, §67
C91, §280A.65
C93, §260C.65
94 Acts, ch 1023, §96

**260C.66 Reports to general assembly.**

1. The board of directors of each community college shall determine, in consultation with the legislative services agency, the financial information to be included in line item budget information for projects funded by the issuance of bonds or notes under this chapter and shall submit the line item budget information to the general assembly as requested. The board of directors of each community college shall submit quarterly reports to the general

assembly concerning the projects funded by the issuance of bonds or notes under this chapter as follows:

*a.* Identification of both undercharges and overcharges for line items of projects.

*b.* Identification of contracts in which any line item for a project exceeds the adopted budget for that line item by ten percent or more.

*c.* Identification of complaints received by an institution regarding the construction of a project.

2. If the board of directors of a community college approves a change in the amount of the line item of a budget for a project, the change shall be transmitted to the appropriations committees of the house of representatives and senate, while the general assembly is in session, and to the legislative council, when the general assembly is not in session, for review.

90 Acts, ch 1253, §68
C91, §280A.66
C93, §260C.66
94 Acts, ch 1023, §97; 2003 Acts, ch 35, §45, 49; 2010 Acts, ch 1061, §180

**260C.67 Alternative method.**

This division shall be construed as providing an alternative and independent method for carrying out any project at any institution under the control of a community college board of directors, for the issuance and sale or exchange of bonds or notes in connection with a project and for refunding bonds or notes pertinent to the project, without reference to any other statute, and shall not be construed as an amendment of or subject to the provisions of any other law, and no publication of any notice, whether under section 73A.12 or otherwise, and no other or further proceeding in respect to the issuance or sale or exchange of bonds or notes under this division, shall be required except as prescribed by this division, any provisions of other statutes of the state to the contrary notwithstanding.

90 Acts, ch 1253, §69
C91, §280A.67
C93, §260C.67
94 Acts, ch 1023, §98

**260C.68 Prior action legalized.**

All rights previously acquired in connection with the financing of any project at any institution are preserved and all acts and proceedings taken by the board preliminary to and in connection with the authorization and issuance of any previously issued and outstanding notes or other obligations for any project are hereby legalized, validated, and confirmed and the notes or obligations are hereby declared to be legal and to constitute valid and binding obligations of the board according to their terms and payable solely and only from the sources referred to in the notes or obligations.

90 Acts, ch 1253, §70
C91, §280A.68
C93, §260C.68

**260C.69 Dormitory space priority.**

1. Each community college which completes a project, as defined under section 260C.56, subsection 4, shall set aside a percentage of available dormitory space for the purposes of meeting the needs of the following:

*a.* Students, with families, who are participating in specialized or intensive programs.

*b.* Students who are participating in specialized or intensive programs.

*c.* Child care arrangements for students, faculty, or staff.

*d.* Students whose residence is located too far from the community college to permit commuting to and from school, as determined by the board of directors of the merged area.

*e.* Students whose disabilities require special housing adaptations.

2. Once all priorities have been met, students shall be allotted rooms on a first come, first served basis.

90 Acts, ch 1253, §71
C91, §280A.69
C93, §260C.69
99 Acts, ch 192, §33; 2010 Acts, ch 1061, §180; 2011 Acts, ch 34, §67

**260C.70** Repealed by 2002 Acts, ch 1140, § 44.

## FINANCING THROUGH IOWA FINANCE AUTHORITY

**260C.71 Community college bond program — definitions — funding — bonds and notes.**

1. As used in this section and section 260C.72, unless the context otherwise requires:

*a.* *"Authority"* means the Iowa finance authority.

*b.* *"Bonds"* means revenue bonds which are payable solely as provided in this section and section 260C.72.

2. The authority shall cooperate with the state board, individual community colleges, and private developers, acting in conjunction with a community college to build housing facilities in connection with the community college, in the creation, administration, and funding of a community college dormitory bond program to finance housing facilities, such as dormitories, in connection with a community college.

3. The authority may issue its bonds and notes for the purpose of funding the nonrecurring cost of acquiring, constructing, and equipping a community college related facility, such as a dormitory.

4. The authority may issue its bonds and notes for the purposes of this chapter and may enter into one or more lending agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders or a trustee agent designated by the authority may enter into agreements to provide for any of the following:

*a.* That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the authority or by a trustee or agent designated by the authority.

*b.* That the bondholders or noteholders or a trustee or agent designated by the authority may collect, invest, and apply the amount payable under the loan agreements or any other instruments securing the debt obligations under the loan agreements.

*c.* That the bondholders or noteholders may enforce the remedies provided in the loan agreements or other instruments on their own behalf without the appointment or designation of a trustee. If there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the loan agreements or other instruments, the payment or performance may be enforced in accordance with the loan agreement or other instrument.

*d.* Other terms and conditions as deemed necessary or appropriate by the authority.

5. The powers granted the authority under this section are in addition to other powers contained in chapter 16. All other provisions of chapter 16, except section 16.28, subsection 4, apply to bonds or notes issued and powers granted to the authority under this section, except to the extent they are inconsistent with this section.

6. All bonds or notes issued by the authority in connection with the program are exempt from taxation by this state and the interest on the bonds or notes is exempt from state income tax, both personal and corporate.

90 Acts, ch 1253, §76; 90 Acts, ch 1254, §6
C91, §280A.71

C93, §260C.71
2011 Acts, ch 20, §10
Referred to in §16.162, 260C.72, 260C.73, 422.7

**260C.72 Security — reserve funds — pledges — nonliability.**

1. *a.* The authority may provide in the resolution, trust agreement, or other instrument authorizing the issuance of its bonds or notes pursuant to section 260C.71 that the principal of, premium, and interest on the bonds or notes are payable from any of the following and may pledge the same to its bonds and notes:

(1) From the net rents, profits, and income arising from the project or property pledged or mortgaged.

(2) From the net rents, profits, and income which has not been pledged for other purposes arising from any similar housing facility under the control and management of the community college or state board.

(3) From the fees or charges established by the community college or state board for students attending the institution who are living in the housing facility for which the obligation was incurred.

(4) From the income derived from gifts and bequests made to the institutions under the control of the community college or state board for such purposes.

(5) From the amounts on deposit in the name of a community college or a private developer or operator of a community college facility, including but not limited to revenues from a purchase, rental, or lease agreement, loan agreement, or dormitory charges.

(6) From the amounts payable to the authority, the community college board of directors, the state board, or a private developer or operator, pursuant to a loan agreement, lease agreement, or sale agreement.

(7) From the other funds or accounts established by the authority in connection with the program or the sale and issuance of its bonds or notes.

*b.* No obligation created hereunder shall ever be or become a charge against the state of Iowa but all such obligations, including principal and interest, shall be payable solely as provided in this section and section 260C.71.

2. The authority may establish reserve funds to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under this subsection, the proceeds of the sale of its bonds or notes and other money which is made available from any other source.

3. A pledge made in respect of bonds or notes is valid and binding from the time the pledge is made. The money or property so pledged and received after the pledge by the authority is immediately subject to the lien of the pledge without physical delivery or further act. The lien of the pledge is valid and binding as against all persons having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, or any other instrument by which a pledge is created needs to be recorded, filed, or perfected under chapter 554, to be valid, binding, or effective against all persons.

4. The members of the authority or persons executing the bonds or notes are not personally liable on the bonds or notes and are not subject to personal liability or accountability by reason of the issuance of the bonds or notes.

5. The bonds or notes issued by the authority are not an indebtedness or other liability of the state or of a political subdivision of the state within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority and are payable solely from the income and receipts or other funds or property of the community college or private developer, and the amounts on deposit in a community college bond fund, and the amounts payable to the authority under its loan agreements with a community college or private developer to the extent that the amounts are designated in the resolution, trust agreement, or other instrument of the authority authorizing the issuance of the bonds or notes as being available as security for the bonds or notes. The authority shall not pledge the faith or credit of the state or of a political subdivision of the state to the payment of any bonds or notes. The issuance of any bonds or notes by the authority does not directly, indirectly, or

contingently obligate the state or a political subdivision of the state to apply money from, or levy, or pledge any form of taxation whatever to the payment of the bonds or notes.

90 Acts, ch 1253, §77; 90 Acts, ch 1254, §7, 8
C91, §280A.72
C93, §260C.72
2010 Acts, ch 1061, §180; 2011 Acts, ch 20, §11
Referred to in §16.162, 260C.71, 260C.73

**260C.73 Rules.**

The authority shall adopt rules pursuant to chapter 17A to implement sections 260C.71 and 260C.72.

90 Acts, ch 1253, §78
C91, §280A.73
C93, §260C.73

# CHAPTER 260D

RESERVED

# CHAPTER 260E

## INDUSTRIAL NEW JOBS TRAINING

Referred to in §7C.4A, 15.108, 15.251, 15A.7, 15A.8, 15E.197, 260F.2, 403.21, 422.11A, 422.16A, 422.33, 427B.19, 558.1, 558.41

Legislative intent that chapter 260F complement
this chapter; 85 Acts, ch 235, §9
New jobs tax credit; §422.11A, 422.33
Supplemental new jobs credit from withholding; see §15A.7


260E.1 Title.
260E.2 Definitions.
260E.3 Agreement.
260E.4 Incremental property taxes.
260E.5 New jobs credit from withholding.
260E.6 Certificates.
260E.7 Program review by economic development authority.


**260E.1 Title.**

This chapter shall be known and may be cited as the *"Iowa Industrial New Jobs Training Act"*.

83 Acts, ch 171, §1, 8
CS83, §280B.1
C93, §260E.1

**260E.2 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Agreement"* is the agreement between an employer and a community college concerning a project.
2. *"Board of directors"* means the board of directors of a community college.
3. *"Certificate"* means industrial new jobs training certificates issued pursuant to section 260E.6.
4. *"Community college"* means a community college established under chapter 260C.
5. *"Date of commencement of the project"* means the date of the agreement.
6. *"Employee"* means the person employed in a new job. *"Employee"* does not include a person not subject to the withholding of Iowa income pursuant to a reciprocal agreement under section 422.8, subsection 5.

7. *"Employer"* means the person providing new jobs in the merged area served by the community college and entering into an agreement.

8. *"Incremental property taxes"* means the taxes as provided in sections 403.19 and 260E.4.

9. *"Industry"* means a business engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate commerce, but excludes retail, health, or professional services. *"Industry"* does not include a business which closes or substantially reduces its operation in one area of the state of Iowa and relocates substantially the same operation in another area of the state of Iowa. This subsection does not prohibit a business from expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced.

10. *"New job"* means a job in a new or expanding industry but does not include jobs of recalled workers, or replacement jobs or other jobs that formerly existed in the industry in the state of Iowa.

11. *"New jobs credit from withholding"* means the credit as provided in section 260E.5.

12. *"New jobs training program"* or *"program"* means the project or projects established by a community college for the creation of jobs by providing education and training of workers for new jobs for new or expanding industry in the merged area served by the community college.

13. *"Program costs"* means all necessary and incidental costs of providing program services.

14. *"Program services"* includes but is not limited to the following:

*a.* New jobs training.

*b.* Adult basic education and job-related instruction.

*c.* Vocational and skill-assessment services and testing.

*d.* Training facilities, equipment, materials, and supplies.

*e.* On-the-job training.

*f.* Administrative expenses for the new jobs training program.

*g.* Subcontracted services with institutions governed by the board of regents, private colleges or universities, or other federal, state, or local agencies.

*h.* Contracted or professional services.

*i.* Issuance of certificates.

15. *"Project"* means a training arrangement which is the subject of an agreement entered into between the community college and an employer to provide program services.

83 Acts, ch 171, §2, 8
CS83, §280B.2
85 Acts, ch 240, §2; 90 Acts, ch 1253, §73
C93, §260E.2
2012 Acts, ch 1018, §10
Referred to in §422.11A, 422.33

**260E.3 Agreement.**

1. A community college may enter into an agreement to establish a project. If an agreement is entered into, the community college and the employer shall notify the department of revenue as soon as possible. An agreement shall provide for program costs, including deferred costs, which may be paid from one or a combination of the following sources:

*a.* Incremental property taxes to be received or derived from an employer's business property where new jobs are created as a result of the project.

*b.* New jobs credit from withholding to be received or derived from new employment resulting from the project.

*c.* Tuition, student fees, or special charges fixed by the board of directors to defray program costs in whole or in part.

*d.* Guarantee of payments to be received under paragraph *"a"*, *"b"*, or *"c"*.

2. Payment of program costs shall not be deferred for a period longer than ten years from the date of commencement of the project.

3. Costs of on-the-job training for employees shall not exceed fifty percent of the annual gross payroll costs for up to one year of the new jobs. For purposes of this subsection, *"gross payroll"* can be the gross wages, salaries, and benefits for the jobs in training in the project.

4. An agreement shall include a provision which fixes the minimum amount of incremental property taxes, new jobs credit from withholding, or tuition and fee payments which shall be paid for program costs.

5. Any payments required to be made by an employer are a lien upon the employer's business property until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to the lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the nonpayment of ordinary taxes. The purchaser at tax sale obtains the property subject to the remaining payments.

83 Acts, ch 171, §3, 8
CS83, §280B.3
90 Acts, ch 1253, §74
C93, §260E.3
94 Acts, ch 1182, §1, 2; 95 Acts, ch 195, §11, 44; 95 Acts, ch 201, §1, 3; 2003 Acts, ch 145, §286
Referred to in §15A.7, 403.21

**260E.4 Incremental property taxes.**

If an agreement provides that all or part of program costs are to be paid for by incremental property taxes, the board of directors shall provide by resolution that taxes levied on the employer's taxable business property, where new jobs are created as a result of a project, each year by or for the benefit of the state, city, county, school district, or other taxing district after the effective date of the resolution shall be divided as provided in section 403.19, subsections 1 and 2, in the same manner as if the employer's business property, where new jobs are created as a result of a project, was taxable property in an urban renewal project and the resolution was an ordinance within the meaning of those subsections. The taxes received by the board of directors shall be allocated to and when collected be paid into a special fund of the community college and may be irrevocably pledged by the community college to pay the principal of and interest on the certificates issued by the community college to finance or refinance, in whole or in part, the project. However, with respect to any urban renewal project as to which an ordinance is in effect under section 403.19, the collection of incremental property taxes authorized by this chapter are suspended in favor of collection of incremental taxes under section 403.19. As used in this section, *"taxes"* includes, but is not limited to, all levies on an ad valorem basis upon land or real property of the employer's business, where new jobs are created as a result of a project.

83 Acts, ch 171, §4, 8
CS83, §280B.4
90 Acts, ch 1253, §79
C93, §260E.4
Referred to in §260E.2, 403.19, 427B.17

**260E.5 New jobs credit from withholding.**

If an agreement provides that all or part of program costs are to be met by receipt of new jobs credit from withholding, it shall be done as follows:

1. New jobs credit from withholding shall be based upon the wages paid to the employees in the new jobs.

2. An amount equal to one and one-half percent of the gross wages paid by the employer to each employee participating in a project shall be credited from the payment made by an employer pursuant to section 422.16. If the amount of the withholding by the employer is less than one and one-half percent of the gross wages paid to the employees covered by the agreement, then the employer shall receive a credit against other withholding taxes due by

the employer. The employer shall remit the amount of the credit quarterly in the same manner as withholding payments are reported to the department of revenue, to the community college to be allocated to and when collected paid into a special fund of the community college to pay the principal of and interest on certificates issued by the community college to finance or refinance, in whole or in part, the project. When the principal and interest on the certificates have been paid, the employer credits shall cease and any money received after the certificates have been paid shall be remitted to the treasurer of state to be deposited in the general fund of the state.

3. The new jobs credit from withholding and the special fund into which it is paid, may be irrevocably pledged by a community college for the payment of the principal of and interest on the certificate issued by a community college to finance or refinance, in whole or in part, the project.

4. The employer shall certify to the department of revenue that the credit in withholding is in accordance with an agreement and shall provide other information the department may require.

5. A community college shall certify to the department of revenue the amount of new jobs credit from withholding an employer has remitted to the special fund and shall provide other information the department may require.

6. An employee participating in a project will receive full credit for the amount withheld as provided in section 422.16.

83 Acts, ch 171, §5, 8
CS83, §280B.5
90 Acts, ch 1253, §80
C93, §260E.5
2003 Acts, ch 145, §286
Referred to in §15A.7, 15E.197, 260E.2, 403.19A
See also §15A.9

**260E.6 Certificates.**

To provide funds for the present payment of the costs of new jobs training programs, a community college may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement. The receipts shall be pledged to the payment of principal of and interest on the certificates.

1. Certificates may be sold at public sale or at private sale at par, premium, or discount at the discretion of the board of directors. Chapter 75 does not apply to the issuance of these certificates.

2. Certificates may be issued with respect to a single project or multiple projects and may contain terms or conditions as the board of directors may provide by resolution authorizing the issuance of the certificates.

3. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded, may be issued for the purpose of refunding a like, greater, or lesser principal amount of certificates and may bear a higher, lower, or equivalent rate of interest than the certificates being renewed or refunded.

4. To further secure the payment of the certificates, the board of directors shall, by resolution, provide for the assessment of an annual levy of a standby tax upon all taxable property within the merged area. A copy of the resolution shall be sent to the county auditor of each county in which the merged area is located. The revenues from the standby tax shall be deposited in a special fund and shall be expended only for the payment of principal of and interest on the certificates issued as provided in this section, when the receipt of payment for program costs as provided in the agreement is insufficient. If payments are necessary and made from the special fund, the amount of the payments shall be promptly

repaid into the special fund from the first available payments received for program costs as provided in the agreement which are not required for the payment of principal of or interest on certificates due. No reserves may be built up in this fund in anticipation of a projected default. The board of directors shall adjust the annual standby tax levy for each year to reflect the amount of revenues in the special fund and the amount of principal and interest which is due in that year.

5. Before certificates are issued, the board of directors shall publish once a notice of its intention to issue the certificates, stating the amount, the purpose, and the project or projects for which the certificates are to be issued. A person may, within fifteen days after the publication of the notice by action in the district court of a county in the area within which the community college is located, appeal the decision of the board of directors in proposing to issue the certificates. The action of the board of directors in determining to issue the certificates is final and conclusive unless the district court finds that the board of directors has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, the power of the board of directors to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of the notice of intention to issue.

6. The board of directors shall determine if revenues are sufficient to secure the faithful performance of obligations in the agreement.

83 Acts, ch 171, §6, 8
CS83, §280B.6
88 Acts, ch 1158, §58; 90 Acts, ch 1253, §81
C93, §260E.6
Referred to in §15A.7, 15A.8, 15E.197, 260C.58, 260E.2

**260E.7 Program review by economic development authority.**

1. The economic development authority, in consultation with the department of education, the department of revenue, and the department of workforce development, shall coordinate and review the new jobs training program. The economic development authority shall adopt, amend, and repeal rules under chapter 17A that the community college will use in developing projects with new and expanding industrial new jobs training proposals and that the economic development authority shall use to review and report on the new jobs training program as required in this section.

2. *a.* The authority, in consultation with the community colleges participating in the new jobs training program pursuant to this chapter, shall identify the information necessary to effectively coordinate and review the program, and the community colleges shall provide such information to the authority. Using the information provided, the authority, in consultation with the community colleges, shall issue a report on the effectiveness of the program.

*b.* In coordinating and reviewing the program, due regard shall be given to the confidentiality of certain information provided by the community colleges, and the authority shall comply with the provisions of section 15.118 to the extent that such provisions are applicable to the new jobs training program.

3. The authority is authorized to make any rule that is adopted, amended, or repealed effective immediately upon filing with the administrative rules coordinator or at a subsequent stated date prior to indexing and publication, or at a stated date less than thirty-five days after filing, indexing, and publication.

83 Acts, ch 171, §7, 8
CS83, §280B.7
90 Acts, ch 1253, §82
C93, §260E.7
2006 Acts, ch 1100, §5; 2011 Acts, ch 118, §88, 89

# CHAPTER 260F

## JOBS TRAINING

Referred to in §7C.4A, 15.108, 15.343, 260C.18A, 403.21, 427B.19, 558.1, 558.41

Legislative intent that chapter complement chapter 260E;
85 Acts, ch 235, §9


260F.1 Title.
260F.2 Definitions.
260F.3 Agreement.
260F.4 and 260F.5 Repealed by 96 Acts, ch 1180, §21.
260F.6 Job training fund.
260F.6A Business network training.
260F.6B High technology apprenticeship program.
260F.7 Economic development authority to coordinate.
260F.8 Allocation.
260F.9 Job retention program. Repealed by 2003 Acts, 1st Ex, ch 2, § 93.
260F.10 Reporting. Repealed by 2007 Acts, ch 126, §115.


**260F.1 Title.**

This chapter shall be known and may be cited as the *"Iowa Jobs Training Act"*.

85 Acts, ch 235, §1
CS85, §280C.1
C93, §260F.1
96 Acts, ch 1180, §9

**260F.2 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Agreement"* is the agreement between a business and a community college concerning a project.
2. *"Authority"* means the economic development authority created in section 15.105.
3. *"Community college"* means a community college established under chapter 260C.
4. *"Date of commencement of the project"* means the date of the preliminary agreement or the date an application for assistance is received by the authority.
5. *"Eligible business"* or *"business"* means a business training employees which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate commerce, but excludes retail, health, or professional services and which meets the other criteria established by the authority. *"Eligible business"* does not include a business whose training costs can be economically funded under chapter 260E, a business which closes or substantially reduces its employment base in order to relocate substantially the same operation to another area of the state, or a business which is involved in a strike, lockout, or other labor dispute in Iowa.
6. *"Employee"* means a person currently employed by a business who is to be trained. However, *"employee"* does not include a person with executive responsibilities or replacement workers who are hired as a result of a strike, lockout, or other labor dispute in Iowa.
7. *"Jobs training program"* or *"program"* means the project or projects established by a community college for the training of employees.
8. *"Participating business"* means a business training employees which enters into an agreement with the community college.
9. *"Program costs"* means all necessary and incidental costs of providing program services.
10. *"Program services"* includes but is not limited to the following:

*a.* Training of employees.
*b.* Adult basic education and job-related instruction.
*c.* Vocational and skill-assessment services and testing.
*d.* Training facilities, equipment, materials, and supplies.
*e.* Administrative expenses for the jobs training program.

*f.* Subcontracted services with institutions governed by the state board of regents, private colleges or universities, or other federal, state, or local agencies.

*g.* Contracted or professional services.

11. *"Project"* means a training arrangement which is the subject of an agreement entered into between the community college and a business to provide program services. *"Project"* also means an authority-sponsored training arrangement which is sponsored by the authority and administered under sections 260F.6A and 260F.6B.

85 Acts, ch 235, §2
CS85, §280C.2
90 Acts, ch 1253, §83; 92 Acts, ch 1042, §1, 2
C93, §260F.2
96 Acts, ch 1180, §10; 97 Acts, ch 201, §20; 2011 Acts, ch 118, §77, 78, 87, 89; 2012 Acts, ch 1018, §11

**260F.3 Agreement.**

A community college may enter into an agreement to establish a project. An agreement shall provide for, but is not limited to, the following:

1. Date of agreement.
2. Anticipated number of employees to be trained.
3. Estimated cost of training.
4. Anticipated dates of commencement and termination of training.
5. Other criteria established by the department.

85 Acts, ch 235, §3
CS85, §280C.3
90 Acts, ch 1253, §84; 92 Acts, ch 1042, §3, 4
C93, §260F.3
94 Acts, ch 1182, §3, 4; 96 Acts, ch 1180, §11; 96 Acts, ch 1186, §23
Referred to in §403.21

**260F.4 and 260F.5** Repealed by 96 Acts, ch 1180, § 21.

**260F.6 Job training fund.**

1. There is established for the community colleges a job training fund in the economic development authority in the workforce development fund. The job training fund consists of moneys appropriated for the purposes of this chapter plus the interest and principal from repayment of advances made to businesses for program costs, plus the repayments, including interest, of loans made from that retraining fund, and interest earned from moneys in the job training fund.

2. To provide funds for the present payment of the costs of a training program by the business, the community college may provide to the business an advance of the moneys to be used to pay for the program costs as provided in the agreement. To receive the funds for this advance from the job training fund established in subsection 1, the community college shall submit an application to the economic development authority. The amount of the advance shall not exceed fifty thousand dollars for any business site, or one hundred thousand dollars within a three-fiscal-year period for any business site. If the project involves a consortium of businesses, the maximum award per project shall not exceed one hundred thousand dollars. Participation in a consortium does not affect a business site's eligibility for individual project assistance. Prior to approval a business shall agree to match program amounts in accordance with criteria established by the authority.

3. Notwithstanding the requirements of this section, moneys in the job training fund may be used by a community college to conduct entrepreneur development and support activities.

85 Acts, ch 235, §6
CS85, §280C.6
88 Acts, ch 1131, §1; 90 Acts, ch 1253, §86; 90 Acts, ch 1255, §16; 91 Acts, ch 2, §1, 2; 92 Acts, ch 1042, §7

C93, §260F.6
93 Acts, ch 180, §44; 95 Acts, ch 184, §8; 96 Acts, ch 1180, §12; 2001 Acts, ch 188, §24; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 141, §41
Referred to in §15.343, 260C.18A, 260F.6B
Workforce development fund, see §15.341 and 15.343
Subsection 2 amended

**260F.6A Business network training.**
The community colleges and the authority are authorized to fund business network training projects which include five or more businesses and are located in two or more community college districts. A business network training project must have a designated organization or lead business to serve as the administrative entity that will coordinate the training program. The businesses must have common training needs and develop a plan to meet those needs. The authority shall adopt rules governing this section's operation and participant eligibility.
96 Acts, ch 1180, §13; 2011 Acts, ch 118, §87, 89
Referred to in §260F.2

**260F.6B High technology apprenticeship program.**
The community colleges and the economic development authority are authorized to fund high technology apprenticeship programs which comply with the requirements specified in section 260C.44 and which may include both new and statewide apprenticeship programs. Notwithstanding the provisions of section 260F.6, subsection 2, relating to maximum award amounts, moneys allocated to the community colleges with high technology apprenticeship programs shall be distributed to the community colleges based upon contact hours under the programs administered during the prior fiscal year as determined by the department of education. The economic development authority shall adopt rules governing this section's operation and participant eligibility.
97 Acts, ch 201, §21; 2011 Acts, ch 118, §85, 89
Referred to in §15.343, 260F.2

**260F.7 Economic development authority to coordinate.**
The economic development authority, in consultation with the department of education and the department of workforce development, shall coordinate the jobs training program. A project shall not be funded under this chapter unless the economic development authority approves the project. The authority shall adopt rules pursuant to chapter 17A governing the program's operation and eligibility for participation in the program. The authority shall establish by rule criteria for determining what constitutes an eligible business.
85 Acts, ch 235, §7
CS85, §280C.7
88 Acts, ch 1131, §2; 90 Acts, ch 1253, §87; 92 Acts, ch 1042, §8
C93, §260F.7
96 Acts, ch 1180, §14; 96 Acts, ch 1186, §23; 2011 Acts, ch 118, §85, 89

**260F.8 Allocation.**
1. For each fiscal year, the authority shall make funds available to the community colleges. The authority shall allocate by formula from the moneys in the fund an amount for each community college to be used to provide the financial assistance for proposals of businesses whose applications have been approved by the authority. The financial assistance shall be provided by the authority from the amount set aside for that community college. If any portion of the moneys set aside for a community college have not been used or committed by May 1 of the fiscal year, that portion is available for use by the authority to provide financial assistance to businesses applying to other community colleges. The authority shall adopt by rule a formula for this set-aside.
2. Moneys available to the community colleges for this program may be used to provide forgivable loans to train employees.
92 Acts, ch 1042, §9; 93 Acts, ch 180, §45; 96 Acts, ch 1180, §15; 97 Acts, ch 23, §30; 2011 Acts, ch 118, §87, 89
Referred to in §260C.18A

**260F.9 Job retention program.** Repealed by 2003 Acts, 1st Ex, ch 2, § 93.

**260F.10 Reporting.** Repealed by 2007 Acts, ch 126, § 115.

# CHAPTER 260G

## ACCELERATED CAREER EDUCATION PROGRAM

Referred to in §260C.18A, 261.22


260G.1 Title.
260G.2 Definitions.
260G.3 Program agreements.
260G.4 Program eligibility and designation.
260G.4A Program job credits from withholding.
260G.4B Maximum statewide program job credit.
260G.4C Facilitator.
260G.5 Customer tracking system.
260G.6 Fund established — allocation of moneys.
260G.7 Future program discontinuance.
260G.8 and 260G.9 Reserved.
260G.10 Reporting. Repealed by 2007 Acts, ch 126, §115.


**260G.1 Title.**

This chapter shall be known and may be cited as the *"Accelerated Career Education Program Act"*.

99 Acts, ch 179, §1, 12

**260G.2 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Accelerated career education program"* means a program established pursuant to section 260G.3.
2. *"Agreement"* means a program agreement referred to in section 260G.3 between an employer and a community college.
3. *"Board of directors"* means the board of directors of a community college.
4. *"Community college"* means a community college established under chapter 260C or a consortium of two or more community colleges.
5. *"Employee"* means a person employed in a program job.
6. *"Employer"* means a business or consortium of businesses engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, construction, conducting research and development, or providing services in interstate or intrastate commerce, but excludes retail services.
7. *"Highly skilled job"* means a job with a broadly based, high performance skill profile including advanced computation and communication skills, technology skills, and workplace behavior skills, and for which an applied technical education is required.
8. *"Participant"* means an individual who is enrolled in an accelerated career education program at a community college.
9. *"Participant position"* means the individual student enrollment position available in an accelerated career education program.
10. *"Program capital costs"* includes, but is not limited to, costs related to any or all of the following:
    *a.* Classroom and laboratory renovation.
    *b.* New classroom and laboratory construction.
    *c.* Site acquisition or preparation.
    *d.* Instructional equipment and technology.
11. *"Program costs"* means all necessary and incidental costs of providing program services.
12. *"Program job"* means a highly skilled job available from an employer pursuant to a program agreement.

13. *"Program job credit"* means the credit as provided in section 260G.4A.

14. *"Program job position"* means a job position which is planned or available for an employee by the employer pursuant to a program agreement.

15. *"Program services"* includes, but is not limited to, all of the following provided they are pursuant to a program agreement:

*a.* Program needs assessment and development.

*b.* Job task analysis.

*c.* Curriculum development and revision.

*d.* Instruction.

*e.* Instructional materials and supplies.

*f.* Computer software and upgrades.

*g.* Instructional support.

*h.* Administrative and student services.

*i.* Related school-to-career training programs.

*j.* Skill or career interest assessment services and testing.

*k.* Contracted services.

99 Acts, ch 179, §2, 12; 2000 Acts, ch 1196, §2, 10

**260G.3 Program agreements.**

1. A community college may enter into an agreement with an employer in the community college's merged area to establish an accelerated career education program. The program shall be developed by an employer, a community college, and any employee of an employer who represents a program job. If a bargaining agreement is in place, a representative of the employee bargaining unit shall also take part in the development of the program.

2. An agreement may include reasonable and necessary provisions to implement the accelerated career education program. If an agreement is entered into, the community college and the employer shall notify the department of revenue as soon as possible. The community college shall also file a copy of the agreement with the economic development authority as required in section 260G.4B. The agreement shall provide for program costs, including deferred costs, which may be paid from any of the following sources:

*a.* Program job credits which the employer receives based on the number of program job positions agreed to by the employer to be available under the agreement.

*b.* Cash or in-kind contributions by the employer toward the program cost. At a minimum, the employer contribution shall be twenty percent of the program costs.

*c.* Tuition, student fees, or special charges fixed by the board of directors to defray program costs.

*d.* Guarantee by the employer of payments to be received under paragraphs *"a"* and *"b"*.

3. An agreement shall include a provision which specifies the type and amount of funding sources which shall be used to pay for program costs.

4. An agreement shall describe program services and schedules for implementation.

5. The term of an agreement shall not exceed five years from the date of the agreement. However, the agreement may be renewed.

6. As part of the agreement, the employer shall agree to interview graduating participants for full-time positions with the employer and to provide future hiring preferences to graduates of the accelerated career education program provided for in the agreement.

7. As part of an agreement, if an employer has more than four sponsored participants in the program, the employer shall agree to offer a program job position of full-time employment to at least twenty-five percent of those participants who successfully complete the program.

8. An agreement shall provide for a wage level of no less than two hundred percent of the federal poverty level for a family of two as defined by the most recently revised poverty income guidelines as published by the United States department of health and human services at the time the agreement is entered into. The wage level shall be recertified for each year provided in the agreement on the anniversary of the effective date of the agreement.

9. An agreement shall allow an employer to decline to satisfy any provisions in the agreement relating to subsections 6 and 7 if an employer experiences an economic downturn. For purposes of this subsection, *"economic downturn"* may include a layoff of existing

employees, reduced employment levels, increased inventories, or reduced sales, if specified in the agreement.

10. Participants shall agree to interview with the employer following completion of the accelerated career education program.

11. An agreement shall provide for employer default procedures.

99 Acts, ch 179, §3, 12; 2000 Acts, ch 1196, §3, 10; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §79, 93, 209; 2011 Acts, ch 118, §85, 89

Referred to in §260G.2, 260G.4A

**260G.4 Program eligibility and designation.**

1. Any of the following community college programs are eligible for designation and approval as an accelerated career education program by the board of directors:

*a.* A credit career, vocational, or technical education program resulting in the conferring of a certificate, diploma, associate of science degree, or associate of applied science degree, which increases program capacity to enroll added participants.

*b.* A credit equivalent career, vocational, or technical educational program consisting of not less than five hundred forty contact hours of classroom and laboratory instruction and resulting in the conferring of a certificate or other recognized, competency-based credential, which increases program capacity to enroll added participants.

2. Program costs shall be calculated or recalculated on an annual basis based on the required program services and for a specific number of participant positions.

99 Acts, ch 179, §4, 12

**260G.4A Program job credits from withholding.**

In order to develop and retain program jobs within the state, an agreement entered into under section 260G.3 may include a provision for program job credits based on program jobs identified in the agreement. If a program provides that part of the program costs are to be met by receipt of program job credits, the method to be used shall be as follows:

1. Program job credits shall be based upon the program job positions identified and agreed to in the agreement.

2. Eligibility for program job credits shall be based on certification of program job positions and program job wages by the employer at the time established in the agreement. An amount up to ten percent of the gross program job wage as certified by the employer in the agreement shall be credited from the total payment made by an employer pursuant to section 422.16. The employer shall receive a credit against all withholding taxes due by the employer regardless of whether or not the withholding from the employer of current program job wages is less than ten percent. The employer shall remit the amount of the credit quarterly in the same manner as withholding payments are reported to the department of revenue, to the community college to be allocated to and when collected paid into a special fund of the community college to pay, in part, the program costs. When the program costs have been paid, the employer credits shall cease and any moneys received after the program costs have been paid shall be remitted to the treasurer of state to be deposited in the general fund of the state.

3. The employer shall certify to the department of revenue that the program job credit is in accordance with the agreement and shall provide other information the department may require.

4. A community college shall certify to the department of revenue that the amount of the program job credit is in accordance with an agreement and shall provide other information the department may require.

5. Employees from an employer participating in an agreement shall receive full credit for the amount withheld as provided in section 422.16.

6. Pursuant to an agreement or a statement of intent to enter into an agreement dated on or after July 1, 2000, program job credits may be allocated retroactively to program costs incurred on or after July 1, 2000.

2000 Acts, ch 1196, §4, 10; 2001 Acts, ch 99, §1, 2; 2003 Acts, ch 145, §286

Referred to in §260G.2, 260G.7

**260G.4B Maximum statewide program job credit.**

1. The total amount of program job credits from all employers which shall be allocated for all accelerated career education programs in the state in any one fiscal year shall not exceed five million four hundred thousand dollars. A community college shall file a copy of each agreement with the economic development authority. The authority shall maintain an annual record of the proposed program job credits under each agreement for each fiscal year. Upon receiving a copy of an agreement, the authority shall allocate any available amount of program job credits to the community college according to the agreement sufficient for the fiscal year and for the term of the agreement. When the total available program job credits are allocated for a fiscal year, the authority shall notify all community colleges that the maximum amount has been allocated and that further program job credits will not be available for the remainder of the fiscal year. Once program job credits have been allocated to a community college, the full allocation shall be received by the community college throughout the fiscal year and for the term of the agreement even if the statewide program job credit maximum amount is subsequently allocated and used.

2. For the fiscal years beginning July 1, 2000, and July 1, 2001, the department of economic development shall allocate eighty thousand dollars of the first one million two hundred thousand dollars of program job credits authorized and available for that fiscal year to each community college. This allocation shall be used by each community college to provide funding for approved programs. For the fiscal year beginning July 1, 2002, and for every fiscal year thereafter, the economic development authority shall divide equally among the community colleges thirty percent of the program job credits available for that fiscal year for allocation to each community college to be used to provide funding for approved programs. If any portion of the allocation to a community college under this subsection has not been committed by April 1 of the fiscal year for which the allocation is made, the uncommitted portion is available for use by other community colleges. Once a community college has committed its allocation for any fiscal year under this subsection, the community college may receive additional program job credit allocations from those program job credits authorized and still available for that fiscal year.

2000 Acts, ch 1196, §5, 10; 2001 Acts, ch 176, §35; 2002 Acts, ch 1175, §30; 2003 Acts, ch 179, §35; 2004 Acts, ch 1101, §31; 2010 Acts, ch 1138, §9; 2011 Acts, ch 118, §85, 89

Referred to in §260G.3

**260G.4C Facilitator.**

The economic development authority shall administer the statewide allocations of program job credits to accelerated career education programs. The authority shall provide information about the accelerated career education programs in accordance with its annual reporting requirements in section 15.107B.

2000 Acts, ch 1196, §6, 10; 2008 Acts, ch 1122, §14; 2011 Acts, ch 118, §79, 85, 89

**260G.5 Customer tracking system.**

All participants in an accelerated career education program shall be included in the customer tracking system implemented by the department of workforce development pursuant to section 84A.5 following program completion.

99 Acts, ch 179, §8, 12

**260G.6 Fund established — allocation of moneys.**

1. An accelerated career education fund is established in the state treasury consisting of moneys appropriated to the fund for purposes of funding the cost of accelerated career education program capital projects.

2. Projects funded pursuant to this section shall be for vertical infrastructure as defined in section 8.57, subsection 5, paragraph "*c*".

3. If moneys are appropriated by the general assembly to support program capital costs, the moneys shall be allocated equally to each community college.

99 Acts, ch 179, §9, 12; 2000 Acts, ch 1154, §19; 2009 Acts, ch 123, §7; 2011 Acts, ch 34, §68; 2011 Acts, ch 118, §80, 85, 89; 2012 Acts, ch 1018, §2; 2012 Acts, ch 1021, §137

**260G.7 Future program discontinuance.**
The general assembly shall act on or before March 1, 2006, to discontinue the program job credits from withholding provided for in section 260G.4A.
2000 Acts, ch 1196, §7, 10

**260G.8 and 260G.9** Reserved.

**260G.10 Reporting.** Repealed by 2007 Acts, ch 126, § 115.

# CHAPTER 260H

## PATHWAYS FOR ACADEMIC CAREER AND EMPLOYMENT ACT

Referred to in §260C.18A


| | | | |
|---|---|---|---|
| 260H.1 | Title. | 260H.6 | Pipeline program. |
| 260H.2 | Pathways for academic career and employment program — fund. | 260H.7 | Career pathways and bridge curriculum development program. |
| 260H.3 | Eligibility criteria. | 260H.7A | Pathway navigators. |
| 260H.4 | Program outcomes. | 260H.7B | Regional industry sector partnerships. |
| 260H.5 | Program component requirements. | 260H.8 | Rules. |


**260H.1 Title.**
This chapter shall be known and may be cited as the *"Pathways for Academic Career and Employment Act"*.
2011 Acts, ch 132, §71, 106

**260H.2 Pathways for academic career and employment program — fund.**
1. A pathways for academic career and employment program is established to provide funding to community colleges for the development of projects in coordination with the economic development authority, the department of education, the department of workforce development, regional advisory boards established pursuant to section 84A.4, and community partners to implement a simplified, streamlined, and comprehensive process, along with customized support services, to enable eligible participants to acquire effective academic and employment training to secure gainful, quality, in-state employment.
2. *a.* A pathways for academic career and employment fund is created for the community colleges in the state treasury to be administered by the department of education. The moneys in the pathways for academic career and employment fund are appropriated to the department of education for the pathways for academic career and employment program.
*b.* The aggregate total of grants awarded from the pathways for academic career and employment fund during a fiscal year shall not be more than five million dollars.
*c.* Moneys in the fund shall be allocated pursuant to the formula established in section 260C.18C. Notwithstanding section 8.33, moneys in the fund at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for the purpose designated for subsequent fiscal years. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.
2011 Acts, ch 118, §87, 89; 2011 Acts, ch 132, §72, 106; 2012 Acts, ch 1023, §36; 2013 Acts, ch 141, §42
Section amended

**260H.3 Eligibility criteria.**
1. Projects eligible for funding for the pathways for academic career and employment program shall be projects that further the ability of members of target populations to secure gainful, quality employment. For the purposes of this chapter, *"target population"* includes:

*a.* Persons deemed low skilled for the purposes of attaining gainful, quality, in-state employment.

*b.* Persons earning incomes at or below two hundred fifty percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

*c.* Unemployed persons.

*d.* Underemployed persons.

*e.* Dislocated workers, including workers eligible for services and benefits under the federal Trade Adjustment Act of 2002, Pub. L. No. 107-210, as determined by the department of workforce development and the federal internal revenue service.

2. Projects eligible for funding for the pathways for academic career and employment program shall be projects that further partnerships that link the community colleges to industry and nonprofit organizations and projects that further program outcomes as provided in section 260H.4.

2011 Acts, ch 132, §73, 106; 2013 Acts, ch 141, §43
Subsection 1, paragraph b amended

**260H.4 Program outcomes.**

Projects eligible for funding for the pathways for academic career and employment program shall be programs which further the following program outcomes:

1. Enabling the target populations to:

*a.* Acquire and demonstrate competency in basic skills.

*b.* Acquire and demonstrate competency in a specified technical field.

*c.* Complete a specified level of postsecondary education.

*d.* Earn a national career readiness certificate.

*e.* Obtain employer-validated credentials.

*f.* Secure gainful employment in high-quality, local jobs.

2. Satisfaction of economic and employment goals including but not limited to:

*a.* Economic and workforce development requirements in each region served by the community colleges as defined by regional advisory boards established pursuant to section 84A.4.

*b.* Needs of industry partners in areas including but not limited to:

(1) Information technology.

(2) Health care.

(3) Advanced manufacturing.

(4) Transportation and logistics.

(5) Any other industry designated as in-demand by a regional advisory board established pursuant to section 84A.4.

2011 Acts, ch 132, §74, 106; 2013 Acts, ch 141, §44, 45
Referred to in §260H.3
Subsection 2, paragraph b, NEW subparagraph (5)
Subsection 2, paragraph c stricken

**260H.5 Program component requirements.**

Program components of a pathways for academic career and employment project implemented at a community college shall:

1. Include measurable and effective recruitment, assessment, and referral activities designed for the target populations.

2. Integrate basics skills and work-readiness training with occupational skills training.

3. Combine customized supportive and case management services with training services to help participants overcome barriers to employment.

4. Provide training services at times, locations, and through multiple, flexible modalities that are easily understood and readily accessible to the target populations. Such modalities shall support timeless entry, individualized learning, and flexible scheduling, and may include online remediation, learning lab and cohort learning communities, tutoring, and modularization.

2011 Acts, ch 132, §75, 106

**260H.6 Pipeline program.**

Each community college receiving funding for the pathways for academic career and employment program shall develop a pipeline program in order to better serve the academic, training, and employment needs of the target populations. A pipeline program shall have the following goals:

1. To strengthen partnerships with community-based organizations and industry representatives.
2. To improve and simplify the identification, recruitment, and assessment of qualified participants.
3. To conduct and manage an outreach, recruitment, and intake process, along with accompanying support services, reflecting sensitivity to the time and financial constraints and remediation needs of the target populations.
4. To conduct orientations for qualified participants to describe regional labor market opportunities, employer partners, and program requirements and expectations.
5. To describe the concepts of the project implemented with funds from the pathways for academic career and employment program and the embedded educational and support resources available through such project.
6. To outline the basic skills participants will learn and describe the credentials participants will earn.
7. To describe success milestones and ways in which temporal and instructional barriers have been minimized or eliminated.
8. To review how individualized and customized service strategies for participants will be developed and provided.

2011 Acts, ch 132, §76, 106

**260H.7 Career pathways and bridge curriculum development program.**

Each community college receiving funding for the pathways for academic career and employment program shall develop a career pathways and bridge curriculum development program in order to better serve the academic, training, and employment needs of the target populations. A career pathways and bridge curriculum development program shall have the following goals:

1. The articulation of courses and modules, the mapping of programs within career pathways, and establishment of bridges between credit and noncredit programs.
2. The integration and contextualization of basic skills education and skills training. This process shall provide for seamless progressions between adult basic education and general education development programs and continuing education and credit certificate, diploma, and degree programs.
3. The development of career pathways that support the attainment of industry-recognized credentials, diplomas, and degrees through stackable, modularized program delivery.

2011 Acts, ch 132, §77, 106

**260H.7A Pathway navigators.**

1. A community college may use moneys for the pathways for academic career and employment program to employ pathway navigators to assist students applying for or enrolled in eligible pathways for academic career and employment projects.

2. Pathway navigators shall provide services and support to aid students in selecting pathways for academic career and employment projects that will result in gainful, quality, in-state employment and to ensuring students are successful once enrolled in pathways for academic career and employment projects. Services the pathway navigators may provide include but are not limited to the following:

*a.* Interviewing and selecting students for enrollment in pathways for academic career and employment projects.

*b.* Assessing students' skills, interests, and previous academic and work experience for purposes of placement in pathways for academic career and employment projects.

*c.* Working with students to develop academic and career plans and to adjust such plans as needed.

*d.* Assisting students in applying for and receiving resources for financial aid and other forms of tuition assistance.

*e.* Assisting students with the admissions process, remedial education, academic credit transfer, meeting assessment requirements, course registration, and other procedures necessary for successful completion of pathways for academic career and employment projects.

*f.* Assisting in identifying and resolving obstacles to students' successful completion of pathways for academic career and employment projects.

*g.* Connecting students with useful college resources or outside support services such as access to child care, transportation, and tutorial assistance, as needed.

*h.* Maintaining ongoing contact with students enrolled in pathways for academic career and employment projects and ensuring students are making satisfactory progress toward the successful completion of projects.

*i.* Providing support to students transitioning from remedial education, short-term training, and classroom experience to employment.

*j.* Coordinating activities with community-based organizations that serve as key recruiters for pathways for academic career and employment projects and assisting students throughout the recruitment process.

*k.* Coordinating adult basic education services.

2013 Acts, ch 141, §46
NEW section

**260H.7B Regional industry sector partnerships.**

1. A community college may use moneys for the pathways for academic career and employment program to provide staff and support for the development and implementation of regional industry sector partnerships within the region served by the community college.

2. Regional, industry sector partnerships may include but are not limited to the following activities:

*a.* Bringing together representatives from industry sectors, government, education, local workforce boards, community-based organizations, labor, economic development organizations, and other stakeholders within the regional labor market to determine how pathways for academic career and employment projects should address workforce skills gaps, occupational shortages, and wage gaps.

*b.* Integrating pathways for academic career and employment projects and other existing supply-side strategies with workforce needs within the region served by the community college.

*c.* Developing pathways for academic career and employment projects that focus on the workforce skills, from entry level to advanced, required by industry sectors within the region served by the community college.

*d.* Structuring pathways so that instruction and learning of workforce skills are aligned with industry-recognized standards where such standards exist.

2013 Acts, ch 141, §47
NEW section

**260H.8 Rules.**

The department of education, in consultation with the community colleges, the economic development authority, and the department of workforce development, shall adopt rules pursuant to chapter 17A and this chapter to implement the provisions of this chapter. Regional advisory boards established pursuant to section 84A.4 shall be consulted in the development and implementation of rules to be adopted pursuant to this chapter.

2011 Acts, ch 118, §87, 89; 2011 Acts, ch 132, §78, 106; 2012 Acts, ch 1023, §37

# CHAPTER 260I

## GAP TUITION ASSISTANCE ACT

Referred to in §260C.18A


| | | | |
|---|---|---|---|
| 260I.1 | Title. | 260I.5 | Eligible costs. |
| 260I.2 | Gap tuition assistance program — fund. | 260I.6 | Eligible certificate programs. |
| 260I.3 | Applicants for tuition assistance — eligibility criteria. | 260I.7 | Initial assessment. |
| 260I.4 | Applicants for tuition assistance — additional provisions. | 260I.8 | Program interview. |
| | | 260I.9 | Participation requirements. |
| | | 260I.10 | Oversight. |
| | | 260I.11 | Rules. |


**260I.1 Title.**

This chapter shall be known and may be cited as the *"Gap Tuition Assistance Act"*.

2011 Acts, ch 132, §79, 106

**260I.2 Gap tuition assistance program — fund.**

1. A gap tuition assistance program is established to provide funding to community colleges for need-based tuition assistance to applicants to enable completion of continuing education certificate training programs for in-demand occupations.

2. *a.* There is established for the community colleges a gap tuition assistance fund in the state treasury to be administered by the department of education. The funds in the gap tuition assistance fund are appropriated to the department of education for the gap tuition assistance program.

*b.* The aggregate total of grants awarded from the gap tuition assistance fund during a fiscal year shall not be more than two million dollars.

*c.* Moneys in the fund shall be allocated pursuant to the formula established in section 260C.18C. Notwithstanding section 8.33, moneys in the fund at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for the purpose designated for subsequent fiscal years. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

2011 Acts, ch 132, §80, 106; 2012 Acts, ch 1132, §18

**260I.3 Applicants for tuition assistance — eligibility criteria.**

1. The department of education, in consultation with the economic development authority, shall adopt rules pursuant to this chapter defining eligibility criteria for persons applying to receive tuition assistance under this chapter.

2. Eligibility for tuition assistance under this chapter shall be based on financial need. Criteria to be assessed in determining financial need shall include but is not limited to:

*a.* The applicant's family income for the twelve months prior to the date of application.

*b.* The applicant's family size.

*c.* The applicant's county of residence.

3. *a.* An applicant for tuition assistance under this chapter must have a demonstrated capacity to achieve the following outcomes:

(1) The ability to complete an eligible certificate program.

(2) The ability to enter a postsecondary certificate, diploma, or degree program for credit.

(3) The ability to gain full-time employment.

(4) The ability to maintain full-time employment over time.

*b.* The community college receiving the application shall only approve an applicant for tuition assistance under this chapter if the community college determines the applicant has a strong likelihood of achieving the outcomes described in paragraph *"a"* after considering factors including but not limited to:

(1) Barriers that may prevent an applicant from completing the certificate program.

(2) Barriers that may prevent an applicant from gaining employment in an in-demand occupation.

4. Applicants may be found eligible for partial or total tuition assistance.

5. Tuition assistance shall not be approved when the community college receiving the application determines that funding for an applicant's participation in an eligible certificate program is available from any other public or private funding source.

2011 Acts, ch 118, §87, 89; 2011 Acts, ch 132, §81, 106

**260I.4 Applicants for tuition assistance — additional provisions.**

1. An applicant for tuition assistance under this chapter shall provide to the community college receiving the application documentation of all sources of income.

2. Only an applicant eligible to work in the United States shall be approved for tuition assistance under this chapter.

3. An application shall be valid for six months from the date of signature on the application.

4. A person shall not be approved for tuition assistance under this chapter for more than one eligible certificate program.

5. Eligibility for tuition assistance under this chapter shall not be construed to guarantee enrollment in any community college certificate program.

6. Eligibility for tuition assistance under this chapter shall be limited to persons earning incomes at or below two hundred fifty percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

2011 Acts, ch 132, §82, 106; 2013 Acts, ch 141, §48
Subsection 6 amended

**260I.5 Eligible costs.**

Costs of a certificate program eligible for coverage by tuition assistance shall include but are not limited to:

1. Tuition.

2. Direct training costs.

3. Required books and equipment.

4. Fees including but not limited to fees for industry testing services and background check testing services.

5. Costs of providing direct staff support services including but not limited to marketing, outreach, application, interview, and assessment processes. Eligible costs for this purpose shall be limited to twenty percent of any allocation of moneys to the two smallest community colleges, ten percent of any allocation of moneys to the two largest community colleges, and fifteen percent of any allocation of moneys to the remaining eleven community colleges. Community college size shall be determined based on the most recent three-year rolling average full-time equivalent enrollment.

2011 Acts, ch 132, §83, 106; 2013 Acts, ch 141, §49
NEW subsection 5

**260I.6 Eligible certificate programs.**

For the purposes of this chapter, *"eligible certificate program"* means a program meeting all of the following criteria:

1. The program is not offered for credit, but is aligned with a certificate, diploma, or degree for credit, and does any of the following:

*a.* Offers a state, national, or locally recognized certificate.

*b.* Offers preparation for a professional examination or licensure.

*c.* Provides endorsement for an existing credential or license.

*d.* Represents recognized skill standards defined by an industrial sector.

*e.* Offers a similar credential or training.

2. The program offers training or a credential in an in-demand occupation. For the purposes of this chapter, "*in-demand occupation*" includes occupations in the following industries:

*a.* Information technology.

*b.* Health care.

*c.* Advanced manufacturing.

*d.* Transportation and logistics.

*e.* Any other industry designated as in-demand by a regional advisory board established pursuant to section 84A.4.

2011 Acts, ch 132, §84, 106

**260I.7 Initial assessment.**

An applicant for tuition assistance under this chapter shall complete an initial assessment administered by the community college receiving the application to determine the applicant's readiness to complete an eligible certificate program. The assessment shall include assessments for completion of a national career readiness certificate, including the areas of reading for information, applied mathematics, and locating information. An applicant shall complete any additional assessments and occupational research required by an eligible certificate program.

2011 Acts, ch 132, §85, 106; 2012 Acts, ch 1132, §19

**260I.8 Program interview.**

An applicant for tuition assistance under this chapter shall meet with a member of the staff for an eligible certificate program offered by the community college receiving the application. The staff member shall discuss the relevant industry, any applicable occupational research, and any applicable training relating to the eligible certificate program. The discussion shall include an evaluation of the applicant's capabilities, needs, family situation, work history, educational background, attitude and motivation, employment skills, vocational potential, and employment barriers. The discussion shall also include potential start dates, support needs, and other requirements for an eligible certificate program.

2011 Acts, ch 132, §86, 106

**260I.9 Participation requirements.**

1. A participant in an eligible certificate program who receives tuition assistance pursuant to this chapter shall do all of the following:

*a.* Maintain regular contact with staff members for the certificate program to document the applicant's progress in the program.

*b.* Sign a release form to provide relevant information to community college faculty or case managers.

*c.* Discuss with staff members for the certificate program any issues that may impact the participant's ability to complete the certificate program, obtain employment, and maintain employment over time.

*d.* Attend all required courses regularly.

*e.* Meet with staff members for the certificate program to develop a job search plan.

2. A community college may terminate tuition assistance for a participant who fails to meet the requirements of this section.

2011 Acts, ch 132, §87, 106

**260I.10 Oversight.**

1. The department of education, in coordination with the community colleges, shall establish a steering committee. The steering committee shall determine if the performance measures of the gap tuition assistance program are being met and shall take necessary steps to correct any deficiencies. The steering committee shall meet at least quarterly to evaluate and monitor the performance of the gap tuition assistance program.

2. The department of education, in coordination with the community colleges, shall develop a common intake tracking system that shall be implemented consistently by each participating community college.

3. The department of education shall coordinate statewide oversight, evaluation, and reporting efforts for the gap tuition assistance program.

2011 Acts, ch 132, §88, 106

**260I.11 Rules.**

The department of education, in consultation with the economic development authority and the community colleges, shall adopt rules pursuant to chapter 17A and this chapter to implement the provisions of this chapter.

2011 Acts, ch 118, §87, 89; 2011 Acts, ch 132, §89, 106

# SUBTITLE 3

## HIGHER EDUCATION

# CHAPTER 261

## COLLEGE STUDENT AID COMMISSION

Referred to in §8A.504, 261B.11A, 261F.1

Iowa higher education loan authority
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DIVISION XVI

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261.128 Health care professional incentive payment program — repeal.

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DIVISION I

GENERAL PROVISIONS

**261.1 Commission created.**

1. There is hereby created a commission to be known as the "*College Student Aid Commission*" of the state of Iowa.

2. Membership of the commission shall be as follows:

*a.* A member of the state board of regents to be named by the board, or the executive director of the board if so appointed by the board, who shall serve for a four-year term or until the expiration of the member's term of office. Such member shall convene the organizational meeting of the commission.

*b.* The director of the department of education or the director's designee.

*c.* (1) Two members of the senate, one to be appointed by the president of the senate and one to be appointed by the minority leader of the senate, to serve as ex officio, nonvoting members.

(2) Two members of the house of representatives, one to be appointed by the speaker of the house of representatives and one to be appointed by the minority leader of the house of representatives, to serve as ex officio, nonvoting members.

(3) The members of the senate and house of representatives shall serve at the pleasure of the appointing legislator for a term beginning upon the convening of the general assembly and expiring upon the convening of the following general assembly, or when the appointee's successor is appointed, whichever occurs later.

*d.* Eight additional members to be appointed by the governor. One of the members shall be selected to represent private colleges and universities located in the state of Iowa. When appointing this member, the governor shall give careful consideration to any person or persons nominated or recommended by any organization or association of some or all private colleges and universities located in the state of Iowa. One of the members shall be selected to represent community colleges located in the state of Iowa. When appointing this member, the governor shall give careful consideration to any person or persons nominated or recommended by any organization or association of Iowa community colleges. One member shall be enrolled as a student at a board of regents institution, community college, or accredited private institution. One member shall be a representative of a lending institution located in this state. One member shall be an individual who is repaying or has repaid a student loan guaranteed by the commission. The other three members, none of whom shall be official board members or trustees of an institution of higher learning or of an association of institutions of higher learning, shall be selected to represent the general public.

3. The members of the commission appointed by the governor shall serve for a term of four years.

4. *a.* Vacancies on the commission shall be filled for the unexpired term of such vacancies in the same manner as the original appointment.

*b.* A vacancy shall exist on the commission when a legislative member of the commission ceases to be a member of the general assembly or when a student member ceases to be enrolled as a student. Such vacancy shall be filled within thirty days.

[C66, 71, 73, 75, 77, 79, 81, §261.1]

85 Acts, ch 67, §31; 85 Acts, ch 212, §21; 86 Acts, ch 1245, §2032; 89 Acts, ch 83, §37; 89 Acts, ch 300, §1; 90 Acts, ch 1223, §24; 90 Acts, ch 1253, §121, 122; 91 Acts, ch 61, §1, 2; 2000 Acts, ch 1095, §2; 2006 Acts, ch 1051, §2; 2008 Acts, ch 1107, §1 – 3; 2008 Acts, ch 1191, §134; 2010 Acts, ch 1061, §91

Referred to in §135.175, 261B.2

**261.2 Duties of commission.**

The commission shall:

1. Prepare and administer a state plan for a state supported and administered scholarship program. The state plan shall provide for scholarships to deserving students of Iowa, matriculating in Iowa universities, colleges, community colleges, or schools of professional

nursing. Eligibility of a student for receipt of a scholarship shall be based upon academic achievement and completion of advanced level courses prescribed by the commission.

2. Administer the tuition grant program under this chapter.

3. Develop and implement, in cooperation with the state board of regents, an educational program and marketing strategies designed to inform parents about the options available for financing a college education and the need to accumulate the financial resources necessary to pay for a college education. The educational program shall include but not be limited to distribution of informational material to public and nonpublic elementary schools for distribution to parents and guardians of five-year and six-year old children.

4. Approve transfers from the scholarship and tuition grant reserve fund under section 261.20.

5. Develop and implement, in cooperation with the judicial district departments of correctional services and the department of corrections, a program to assist criminal offenders in applying for federal and state aid available for higher education.

6. Develop and implement, in cooperation with the department of human services and the judicial branch, a program to assist juveniles who are sixteen years of age or older and who have a case permanency plan under chapter 232 or 237 or are otherwise under the jurisdiction of chapter 232 in applying for federal and state aid available for higher education. The commission shall also develop and implement the all Iowa opportunity foster care grant program in accordance with section 261.6.

7. *a.* Adopt rules to establish reasonable registration standards for the approval, pursuant to section 261B.3A, of postsecondary schools that are required to register with the commission in order to operate in this state. The registration standards established by the commission shall ensure that all of the following conditions are satisfied:

(1) The courses, curriculum, and instruction offered by the postsecondary school are of such quality and content as may reasonably and adequately ensure achievement of the stated objective for which the courses, curriculum, or instruction are offered.

(2) The postsecondary school has adequate space, equipment, instructional material, and personnel to provide education and training of good quality.

(3) The educational and experience qualifications of the postsecondary school's directors, administrators, and instructors are such as may reasonably ensure that students will receive instruction consistent with the objectives of the postsecondary school's programs of study.

(4) Upon completion of training or instruction, students are given certificates, diplomas, or degrees as appropriate by the postsecondary school indicating satisfactory completion of the program.

(5) The postsecondary school is financially responsible and capable of fulfilling commitments for instruction.

*b.* The commission shall post an application on the commission's internet site and shall render a decision on an application for registration within one hundred eighty days of the filing of the application.

8. Submit by January 15 annually a report to the general assembly which provides, by program, the number of individuals who received loan forgiveness in the previous fiscal year, the amount paid to individuals under sections 261.23, 261.73, and 261.112, and the institutions from which individuals graduated, and that includes any proposed statutory changes and the commission's findings and recommendations.

9. Require any postsecondary institution whose students are eligible for or who receive assistance under programs administered by the commission and who were enrolled in a school district in Iowa to include in its student management information system the unique student identifiers assigned to the institution's students while the students were in the state's kindergarten through grade twelve system.

10. Administer the health care professional incentive payment program established in section 261.128 and the Iowa needs nurses now initiative created in section 261.129. This subsection is repealed June 30, 2014.

11. Ensure that students receiving state-funded scholarships and grants are attending institutions of higher education that meet all of the following conditions:

*a.* The institutions are not required to register under chapter 261B.

*b.* The institutions are eligible to participate in a federal student aid program authorized under Tit. IV of the federal Higher Education Act of 1965, as amended.

12. Require any postsecondary institution whose students are eligible for or who receive financial assistance under programs administered by the commission to transmit annually to the commission information about the numbers of minority students enrolled in and minority faculty members employed at the institution. The commission shall compile and report the information collected to the general assembly, the governor, and the legislative services agency by March 1 annually.

[C66, 71, 73, 75, 77, 79, 81, §261.2]

83 Acts, ch 101, §60; 83 Acts, ch 184, §5, 11, 15; 88 Acts, ch 1003, §1; 88 Acts, ch 1261, §2; 88 Acts, ch 1284, §20, 21; 89 Acts, ch 300, §2; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §45; 92 Acts, ch 1231, §42; 92 Acts, ch 1240, §17; 93 Acts, ch 179, §20; 95 Acts, ch 70, § 1; 98 Acts, ch 1047, §27; 2000 Acts, ch 1095, §3; 2004 Acts, ch 1145, §2; 2005 Acts, ch 59, §1; 2007 Acts, ch 214, §24; 2008 Acts, ch 1181, §31; 2009 Acts, ch 12, §1, 2; 2009 Acts, ch 118, §48, 54; 2009 Acts, ch 177, §24; 2010 Acts, ch 1031, §314; 2010 Acts, ch 1147, §8, 13; 2011 Acts, ch 36, §1

Referred to in §232.2

Implementation of subsection 10 and amendments thereto by 2010 Acts, ch 1147, §8, conditioned upon availability of funding; 2009 Acts, ch 118, §54; 2010 Acts, ch 1147, §13

**261.3 Organization — bylaws.**

The commission is an autonomous state agency which is attached to the department of education for organizational purposes only.

The commission shall determine its own organization, draw up its own bylaws, adopt rules under chapter 17A, and do such other things as may be necessary and incidental in the administration of this chapter, including the housing, employment, and fixing the compensation and bond of persons required to carry out its functions and responsibilities. A decision of the commission is final agency action under chapter 17A.

The commission shall function at the seat of government or such other place as it might designate.

[C66, 71, 73, 75, 77, 79, 81, §261.3]

86 Acts, ch 1245, §1454

**261.4 Funds — compensation and expenses of commission.**

The director of the department of administrative services shall keep an accounting of all funds received and expended by the commission. The members of the commission, except those members who are employees of the state, shall be paid a per diem as specified in section 7E.6 and shall be reimbursed for actual and necessary expenses. All per diem and expense moneys paid to nonlegislative members shall be paid from funds appropriated to the commission. Legislative members of the commission shall receive payment pursuant to section 2.10 and section 2.12.

[C66, 71, 73, 75, 77, 79, 81, §261.4]

90 Acts, ch 1256, §44; 2003 Acts, ch 145, §286

**261.5 Response to national emergency — waiver authority.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Active duty"* means *"active duty"* as defined in 10 U.S.C. § 101(d)(1), except that the term does not include active duty for training or attendance at a service school.

*b.* *"Affected individual"* means an individual who is serving on active duty during the national emergency; or who resides or is employed in an area that is declared a disaster area by any federal, state, or local official in connection with the national emergency; or who suffered direct economic hardship as a result of the national emergency, as determined under a waiver or modification issued pursuant to this section.

*c.* *"Serving on active duty during the national emergency"* means any of the following individuals:

(1) A reserve of an armed force ordered to active duty under 10 U.S.C. § 12301(a), 12301(g), 12302, 12304, or 12306, or any retired member of an armed force ordered to active duty under 10 U.S.C. § 688, as amended, for service in connection with the emergency or

subsequent actions or conditions, regardless of the location at which the active duty service is performed.

(2) Any other member of an armed force on active duty in connection with the emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which the member is normally assigned.

2. Notwithstanding any other provision of this chapter, in the event of a national emergency declared by the president of the United States by reason of terrorist attack, the commission may waive or modify any statutory or regulatory provision applicable to state financial aid programs established pursuant to this chapter to ensure, with regard to affected individuals, that the following occurs:

*a.* The financial positions of affected individuals who are state student loan borrowers are not worsened in relation to those loans because of their status as affected individuals.

*b.* Administrative requirements placed on state student loan borrowers are minimized, to the extent possible, without impairing the integrity of the student loan programs, to ease the burden on these borrowers and to avoid inadvertent technical violations or defaults.

*c.* The calculation of "annual adjusted family income" and "available income", as used in the determination of need for student financial assistance under 20 U.S.C. § 1070 et seq., for affected individuals, or if applicable, for the spouses or dependents of affected individuals, may be modified to mean the sums received in the first calendar year of the award year for which the determination is made, in order to reflect more accurately the financial condition of the affected individuals or their families.

3. Notwithstanding any other provision of this chapter, in the event of a national emergency declared by the president of the United States by reason of terrorist attack, the commission may grant temporary relief from requirements rendered infeasible or unreasonable, including due diligence requirements and reporting deadlines, by the national emergency, to an institution of higher education under the state board of regents, a community college, an accredited private institution as defined in section 261.9, eligible lenders, and other entities participating in the state student assistance programs in accordance with this chapter, that are located in, or whose operations are directly affected by, areas that are declared disaster areas by any federal, state, or local official in connection with the national emergency. If the commission issues a waiver in accordance with this section, the report prepared by the commission pursuant to section 17A.9A, subsection 5, shall include examples of measures that a postsecondary institution may take in the appropriate exercise of discretion, as provided in 20 U.S.C. § 1087tt, to adjust financial need and aid eligibility determinations for affected individuals.

4. This section shall not be construed as a requirement that the commission exercise the waiver or modification authority provided pursuant to this section on a case-by-case basis.

2002 Acts, ch 1036, §1, 2

**261.6 All Iowa opportunity foster care grant program.**

1. The commission shall develop and implement, in cooperation with the department of human services and the judicial branch, the all Iowa opportunity foster care grant program in accordance with this section.

2. The program shall provide financial assistance for postsecondary education or training to a person who has a high school diploma or a high school equivalency diploma under chapter 259A and is described by any of the following:

*a.* Is age seventeen and is in a court-ordered placement under chapter 232 under the care and custody of the department of human services or juvenile court services.

*b.* Is age seventeen and has been placed in the state training school or the Iowa juvenile home pursuant to a court order entered under chapter 232 under the care and custody of the department of human services.

*c.* Is age eighteen through twenty-three and is described by any of the following:

(1) On the date the person reached age eighteen or during the thirty calendar days preceding or succeeding that date, the person was in a licensed foster care placement pursuant to a court order entered under chapter 232 under the care and custody of the department of human services or juvenile court services.

(2) On the date the person reached age eighteen or during the thirty calendar days preceding or succeeding that date, the person was under a court order under chapter 232 to live with a relative or other suitable person.

(3) The person was in a licensed foster care placement pursuant to an order entered under chapter 232 prior to being legally adopted after reaching age sixteen.

(4) On the date the person reached age eighteen or during the thirty calendar days preceding or succeeding that date, the person was placed in the state training school or the Iowa juvenile home pursuant to a court order entered under chapter 232 under the care and custody of the department of human services.

3. The program requirements shall include but are not limited to all of the following:

*a.* Program assistance shall cover a program participant's expenses associated with attending an approved postsecondary education or training program in this state. The expenses shall include tuition and fees, books and supplies, child care, transportation, housing, and other expenses approved by the commission. If a participant is attending on less than a full-time basis, assistance provisions shall be designed to cover tuition and fees and books and supplies, and assistance for other expenses shall be prorated to reflect the hours enrolled.

*b.* If the approved education or training program is more than one year in length, the program assistance may be renewed. To renew the assistance, the participant must annually reapply for the program and meet the academic progress standards of the postsecondary educational institution or make satisfactory progress toward completion of the training program.

*c.* A person shall be less than age twenty-three upon both the date of the person's initial application for the program and the start date of the education or training program for which the assistance is provided. Eligibility for program assistance shall end upon the participant reaching age twenty-four.

*d.* Assistance under the program shall not be provided for expenses that are paid for by other programs for which funding is available to assist the participant.

*e.* The commission shall implement assistance provisions in a manner to ensure that the total amount of assistance provided under the program remains within the funding available for the program.

2007 Acts, ch 214, §25; 2009 Acts, ch 177, §25; 2011 Acts, ch 36, §2
Referred to in §261.2

**261.7 Textbook notice — legislative intent and recommendation.**

1. In order to promote consumer choice and lower the costs of textbooks in higher education, the general assembly intends that students enrolled in institutions of higher learning have access to appropriate textbook information prior to the start of classes, with adequate time to pursue alternative purchase avenues.

2. The general assembly recommends that every public and private institution of higher education in this state, including those institutions referenced in chapters 260C and 262 and section 261.9, post the list of required and suggested textbooks for all courses and the corresponding international standard book numbers for such textbooks at least fourteen days before the start of each semester or term, to the extent possible, at the locations where textbooks are sold on campus and on the internet site for the respective institution of higher education.

3. The college student aid commission is directed to convey the legislative intent and recommendation contained in this section to every institution of higher education in the state registered pursuant to chapter 261B at least once a year.

2008 Acts, ch 1146, §1; 2008 Acts, ch 1191, §125; 2013 Acts, ch 90, §257
Code editor directive applied

**261.8** Reserved.

## DIVISION II

## TUITION GRANTS TO STUDENTS

**261.9 Definitions.**

When used in this division, unless the context otherwise requires:

1. *"Accredited private institution"* means an institution of higher learning located in Iowa which is operated privately and not controlled or administered by any state agency or any subdivision of the state and which meets the criteria in paragraphs *"a"* and *"b"* and all of the criteria in paragraphs *"d"* through *"h"*, except that institutions defined in paragraph *"c"* of this subsection are exempt from the requirements of paragraphs *"a"* and *"b"*:

*a.* Is accredited by the north central association of colleges and secondary schools accrediting agency based on their requirements.

*b.* Is accredited by the north central association of colleges and secondary schools accrediting agency based on their requirements, is exempt from taxation under section 501(c)(3) of the Internal Revenue Code, and annually provides a matching aggregate amount of institutional financial aid equal to at least seventy-five percent of the amount received in a fiscal year by the institution's students for Iowa tuition grant assistance under this chapter. Commencing with the fiscal year beginning July 1, 2006, the matching aggregate amount of institutional financial aid shall increase by the percentage of increase each fiscal year of funds appropriated for Iowa tuition grants under section 261.25, subsection 1, to a maximum match of one hundred percent. The institution shall file annual reports with the commission prior to receipt of tuition grant moneys under this chapter. An institution whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code and whose students were eligible to receive Iowa tuition grant money in the fiscal year beginning July 1, 2003, shall meet the match requirements of this paragraph no later than June 30, 2005.

*c.* Is a specialized college that is accredited by the north central association of colleges and secondary schools accrediting agency, and which offers health professional programs that are affiliated with health care systems located in Iowa.

*d.* Promotes equal opportunity and affirmative action efforts in the recruitment, appointment, assignment, and advancement of personnel at the institution and provides information regarding such efforts to the commission upon request.

*e.* Adopts a policy that prohibits unlawful possession, use, or distribution of controlled substances by students and employees on property owned or leased by the institution or in conjunction with activities sponsored by the institution. Each institution shall provide information about the policy to all students and employees. The policy shall include a clear statement of sanctions for violation of the policy and information about available drug or alcohol counseling and rehabilitation programs. In carrying out this policy, an institution shall provide substance abuse prevention programs for students and employees.

*f.* Develops and implements a written policy, which is disseminated during student registration or orientation, addressing the following four areas relating to sexual abuse:

(1) Counseling.

(2) Campus security.

(3) Education, including prevention, protection, and the rights and duties of students and employees of the institution.

(4) Facilitating the accurate and prompt reporting of sexual abuse to the duly constituted law enforcement authorities.

*g.* (1) Adopts a policy to offer not less than the following options to a student who is a member, or the spouse of a member if the member has a dependent child, of the Iowa national guard or reserve forces of the United States and who is ordered to national guard duty or federal active duty:

(a) Withdraw from the student's entire registration and receive a full refund of tuition and mandatory fees.

(b) Make arrangements with the student's instructors for course grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are

made, the student's registration shall remain intact and tuition and mandatory fees shall be assessed for the courses in full.

(c) Make arrangements with only some of the student's instructors for grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the registration for those courses shall remain intact and tuition and mandatory fees shall be assessed for those courses. Any course for which arrangements cannot be made for grades or incompletes shall be considered dropped and the tuition and mandatory fees for the course refunded.

(2) As used in this lettered paragraph, *"dependent child"* means the same as defined in section 260C.14, subsection 14, paragraph *"b"*, subparagraph (2), subparagraph division (a).

*h.* Develops and implements a consistent written policy for an employee who in the scope of the person's employment responsibilities examines, attends, counsels, or treats a child to report suspected physical or sexual abuse. The policy shall include an employee's reporting responsibilities. The reporting responsibilities shall designate the time, circumstances, and method for reporting suspected child abuse to the accredited private institution's administration and reporting to law enforcement. Nothing in the policy shall prohibit an employee from reporting suspected child abuse in good faith to law enforcement.

2. *"Commission"* means the college student aid commission.

3. *"Financial need"* means the difference between the student's financial resources available, including those available from the student's parents as determined by a completed parents' confidential statement, and the student's anticipated expenses while attending the accredited private institution. Financial need shall be redetermined at least annually.

4. *"Full-time resident student"* means an individual resident of Iowa who is enrolled at an accredited private institution in a course of study including at least twelve semester hours or the trimester equivalent of twelve semester hours. *"Course of study"* does not include correspondence courses.

5. *"Part-time resident student"* means an individual resident of Iowa who is enrolled at an accredited private institution in a course of study including at least three semester hours or the trimester or quarter equivalent of three semester hours. *"Course of study"* does not include correspondence courses.

6. *"Qualified student"* means a resident student who has established financial need and who is making satisfactory progress toward graduation.

7. *"Tuition grant"* means an award by the state of Iowa to a qualified student under this division.

[C71, 73, 75, 77, 79, 81, §261.9]

87 Acts, ch 233, §455; 88 Acts, ch 1284, §22 – 24; 89 Acts, ch 319, §42; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §48; 91 Acts, ch 180, §1; 92 Acts, ch 1106, §1, 4; 2000 Acts, ch 1095, §4 – 11; 2001 Acts, ch 24, §42; 2001 Acts, ch 39, §2; 2003 Acts, ch 179, §113, 114; 2004 Acts, ch 1086, §56; 2004 Acts, ch 1175, §237, 238; 2005 Acts, ch 169, §25; 2010 Acts, ch 1169, §4; 2011 Acts, ch 36, §3; 2012 Acts, ch 1040, §4, 5; 2012 Acts, ch 1072, §35

Referred to in §256.7, 256.28, 261.5, 261.7, 261.18, 261.25, 261.71, 261.83, 261.86, 261.102, 261.111, 261B.11, 261E.2, 714.19

**261.10 Who qualified.**

A tuition grant may be awarded to a resident of Iowa who is admitted and in attendance as a full-time or part-time resident student at an accredited private institution and who establishes financial need.

[C71, 73, 75, 77, 79, 81, §261.10]

88 Acts, ch 1284, §25

**261.11 Extent of grant.**

A qualified full-time resident student may receive tuition grants for not more than eight semesters of undergraduate study or the trimester or quarter equivalent. A qualified part-time resident student may receive tuition grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent.

[C71, 73, 75, 77, 79, 81, §261.11]

88 Acts, ch 1284, §26

**261.12 Amount of grant.**

1. The amount of a tuition grant to a qualified full-time student for the fall and spring semesters, or the trimester equivalent, shall be the amount of the student's financial need for that period. However, a tuition grant shall not exceed the lesser of:

*a.* The total tuition and mandatory fees for that student for two semesters or the trimester or quarter equivalent, less the base amount determined annually by the college student aid commission, which base amount shall be within ten dollars of the average tuition for two semesters or the trimester equivalent of undergraduate study at the state universities under the board of regents, but in any event the base amount shall not be less than four hundred dollars; or

*b.* For the fiscal year beginning July 1, 2013, and for each following fiscal year, five thousand dollars.

2. The amount of a tuition grant to a qualified full-time student for the summer semester or trimester equivalent shall be one-half the amount of the tuition grant the student receives under subsection 1.

3. The amount of a tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours for the fall, spring, and summer semesters, or the trimester or quarter equivalent, shall be equal to the amount of a tuition grant that would be paid to a full-time student times a number which represents the number of hours in which the part-time student is actually enrolled divided by twelve semester hours, or the trimester or quarter equivalent.

[C71, 73, 75, 77, 79, 81, §261.12]

83 Acts, ch 197, §13; 84 Acts, ch 1302, §16; 85 Acts, ch 263, §16; 88 Acts, ch 1284, §27; 89 Acts, ch 300, §3; 89 Acts, ch 319, §43; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §49; 91 Acts, ch 10, §1; 91 Acts, ch 258, §39; 95 Acts, ch 218, §21; 96 Acts, ch 1215, §36; 96 Acts, ch 1219, §4, 5; 97 Acts, ch 212, §25; 98 Acts, ch 1215, §33; 99 Acts, ch 205, §28; 2000 Acts, ch 1223, §26; 2013 Acts, ch 140, §151

Subsection 1, paragraph b stricken and rewritten

**261.13 Annual grant.**

A tuition grant may be made annually for the fall, spring, and summer semesters or the trimester equivalent. Payments under the grant shall be allocated equally among the semesters or trimesters and shall be paid at the beginning of each semester or trimester upon certification by the accredited private institution that the student is admitted and in attendance. If the student discontinues attendance before the end of any semester or trimester after receiving payment under the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the accredited private institution to the state.

[C71, 73, 75, 77, 79, 81, §261.13]

96 Acts, ch 1219, §6

**261.14 Other aid considered.**

If a student receives financial aid under any other program the full amount of such financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period. In no case may the state's total financial contribution to the student's education, including financial aid under any other state program, exceed the tuition and mandatory fees at the institution which the student attends.

[C71, 73, 75, 77, 79, 81, §261.14]

**261.15 Administration by commission — rules.**

The commission shall administer this program and shall:

1. Provide application forms and parents' confidential statement forms.

2. Adopt rules and regulations for determining financial need, defining tuition and mandatory fees, defining residence for the purposes of this division, processing and approving applications for tuition grants, and determining priority of grants. The commission may provide for proration of funds if the available funds are insufficient to pay all approved

grants. Such proration shall take primary account of the financial need of the applicant. In determining who is a resident of Iowa, the commission's rules shall be at least as restrictive as those of the board of regents.

3. Approve and award tuition grants.

4. Make an annual report to the governor and general assembly, and evaluate the tuition grant program for the period. The commission may require the accredited private institution to promptly furnish any information which the commission may request in connection with the tuition grant program.

[C71, 73, 75, 77, 79, 81, §261.15]

**261.16 Application for grants.**

Each applicant, in accordance with the rules and regulations of the commission, shall:

1. Complete and file an application for a tuition grant.

2. Be responsible for the submission of the parents' confidential statement for processing, the processed information to be returned both to the commission and to the college in which the applicant is enrolling.

3. Report promptly to the commission any information requested.

4. File a new application and parents' confidential statement annually on the basis of which the applicant's eligibility for a renewed tuition grant will be evaluated and determined.

[C71, 73, 75, 77, 79, 81, §261.16]

**261.17 Vocational-technical tuition grants.**

1. A vocational-technical tuition grant may be awarded to any resident of Iowa who is admitted and in attendance as a full-time or part-time student in a vocational-technical or career option program at a community college in the state, and who establishes financial need.

2. All classes, including liberal arts classes, identified by the community college as required for completion of the student's vocational-technical or career option program shall be considered a part of the student's vocational-technical or career option program for the purpose of determining the student's eligibility for a grant. Notwithstanding subsection 3, if a student is making satisfactory academic progress but the student cannot complete a vocational-technical or career option program in the time frame allowed for a student to receive a vocational-technical tuition grant as provided in subsection 3 because additional classes are required to complete the program, the student may continue to receive a vocational-technical tuition grant for not more than one additional enrollment period.

3. *a.* A qualified full-time student may receive vocational-technical tuition grants for not more than four semesters or the trimester or quarter equivalent of two full years of study. A qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent may receive vocational-technical tuition grants for not more than eight semesters or the trimester or quarter equivalent of two full years of full-time study.

*b.* However, if a student resumes study after at least a two-year absence, the student may again be eligible for the specified amount of time, except that the student shall not receive assistance for courses for which credit was previously received.

4. *a.* The amount of a vocational-technical tuition grant to a qualified full-time student shall not exceed the lesser of one thousand two hundred dollars per year or the amount of the student's established financial need.

*b.* The amount of a vocational-technical tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent shall be equal to the amount of a vocational-technical tuition grant that would be paid to a full-time student, except that the commission shall prorate the amount in a manner consistent with the federal Pell grant program proration.

5. A vocational-technical tuition grant shall be awarded on an annual basis, requiring reapplication by the student for each year. Payments under the grant shall be allocated equally among the semesters or quarters of the year upon certification by the institution that

the student is in full-time or part-time attendance in a vocational-technical or career option program, as defined under rules of the department of education. If the student discontinues attendance before the end of any term after receiving payment of the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the institution to the state.

6. If a student receives financial aid under any other program, the full amount of that financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period.

7. The commission shall administer this program and shall:

*a.* Provide application forms for distribution to students by Iowa high schools and community colleges.

*b.* Adopt rules for determining financial need, defining residence for the purposes of this section, processing and approving applications for grants and determining priority for grants.

*c.* Approve and award grants on an annual basis.

*d.* Make an annual report to the governor and general assembly.

8. Each applicant, in accordance with the rules established by the commission, shall:

*a.* Complete and file an application for a vocational-technical tuition grant.

*b.* Be responsible for the submission of the financial information required for evaluation of the applicant's need for a grant, on forms determined by the commission.

*c.* Report promptly to the commission any information requested.

*d.* Submit a new application and financial statement for reevaluation of the applicant's eligibility to receive a second-year renewal of the grant.

[C75, 77, 79, 81, §261.17]

83 Acts, ch 197, §14; 87 Acts, ch 233, §456; 89 Acts, ch 319, §44; 90 Acts, ch 1253, §120; 90 Acts, ch 1272, §50; 97 Acts, ch 212, §26; 98 Acts, ch 1215, §34, 35; 99 Acts, ch 205, §29, 30; 2001 Acts, 2nd Ex, ch 6, §20, 37; 2002 Acts, ch 1014, §1; 2010 Acts, ch 1061, §180

**261.17A Iowa hope loan program.**

1. An Iowa hope loan may be awarded to a resident of Iowa who is admitted and in attendance as a student in a single, twelve-month or less, vocational-technical or career option program in a community college in the state, who meets the eligibility requirements for a Pell grant, and who is working toward certification, a diploma, or a degree in a skilled occupation. In addition, an eligible applicant shall have obtained the bona fide intent of a company operating in Iowa to employ the applicant upon the applicant's attainment of a certificate, diploma, or degree, or shall be currently employed by a company operating in Iowa that has expressed a bona fide intent to advance the employee in employment upon the employee's attainment of a certificate, diploma, or degree.

2. A student who meets the qualifications of subsection 1 may receive an Iowa hope loan for not more than twelve months. A student shall not receive assistance for courses for which credit was previously received.

3. The amount of an Iowa hope loan shall not exceed the cost of tuition for the community college program in which the student is enrolled and attends. If a student receives financial aid under any other program, the full amount of that financial aid shall be considered part of the student's financial resources available in determining the amount of the Iowa hope loan.

4. Payments under the loan shall be allocated equally among the semesters or quarters of the year upon certification by the community college that the student is in attendance in a vocational-technical or career option program, as defined under rules of the department of education. If the student discontinues attendance before the end of any term after the community college receives payment from the loan, the entire amount of any refund due that student, up to the amount of any payments made to the community college from the loan, shall be paid by the community college to the state.

5. The commission shall administer this program and shall do all of the following:

*a.* Provide application forms for distribution to students by Iowa high schools and community colleges.

*b.* Adopt rules for determining financial need, requiring that no interest be charged for an Iowa hope loan, defining residence for the purposes of this section, processing and approving

applications for grants, determining priority for loans, and establishing procedures for the repayment of the loan. The repayment schedule shall commence not less than six months after the loan recipient successfully completes the program and is awarded a certificate, a diploma, or a degree in a skilled occupation. The repayment schedule may be suspended if the loan recipient is a full-time student in an accredited postsecondary institution.

*c.* Approve and award loans on an annual basis. A student approved for a loan under the program shall enter into a payment agreement with the commission before receiving a loan under the program.

*d.* Make an annual report to the governor and general assembly.

6. Each applicant, in accordance with the rules established by the commission, shall do all of the following:

*a.* Complete and file an application for an Iowa hope loan.

*b.* Be responsible for the submission of the financial information provided for evaluation of the applicant's need for a loan, on forms provided by the commission.

*c.* Report promptly to the commission any necessary information requested by the commission.

7. An Iowa hope loan revolving fund is created in the state treasury as a separate fund under the control of the commission. All moneys deposited or paid into the fund are appropriated and made available to the college student aid commission to be used for loans as provided in this section. The commission shall deposit payments made by Iowa hope loan recipients into the Iowa hope loan fund. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for the purposes of this section in subsequent fiscal years.

8. Loans awarded under this section are subject to the limitations of any appropriations made by the general assembly and of the moneys in the revolving fund. The amount of a loan awarded to an eligible student shall not be less than five hundred dollars and shall not exceed one thousand dollars. However, if full tuition is less than five hundred dollars, the amount of the loan shall be for not more than an amount equal to the full tuition.

95 Acts, ch 197, §1

**261.18 Barber and cosmetology arts and sciences tuition grant program.**

1. A barber and cosmetology arts and sciences tuition grant may be awarded to any resident of Iowa who establishes financial need and is admitted and in attendance as a full-time or part-time student in a course of study at an eligible school.

2. All classes identified by the barber school or school of cosmetology arts and sciences as required for completion of a course of study required for licensure as provided in section 158.8 or required for licensure as provided in section 157.10, shall be considered a part of the student's barber or cosmetology course of study for the purpose of determining the student's eligibility for a grant. Notwithstanding subsection 3, if a student is making satisfactory academic progress but the student cannot complete the course of study in the time frame allowed for a student to receive a barber and cosmetology arts and sciences tuition grant as provided in subsection 3 because additional classes are required to complete the course of study, the student may continue to receive a barber and cosmetology arts and sciences tuition grant for not more than one additional enrollment period.

3. A qualified full-time student may receive a barber and cosmetology arts and sciences tuition grant for not more than four semesters or the trimester or quarter equivalent of two full years of study. A qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent may receive barber and cosmetology arts and sciences tuition grants for not more than eight semesters or the trimester or quarter equivalent of two full years of full-time study. However, if a student resumes study after at least a two-year absence, the student may again be eligible for the specified amount of time, except that the student shall not receive assistance for courses for which credit was previously received.

4. *a.* The amount of a barber and cosmetology arts and sciences tuition grant to a qualified full-time student shall not exceed the lesser of one thousand two hundred dollars per year or the amount of the student's established financial need.

*b.* The amount of a barber and cosmetology arts and sciences tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent shall be equal to the amount of a barber and cosmetology arts and sciences tuition grant that would be paid to a full-time student, except that the commission shall prorate the amount in a manner consistent with the federal Pell grant program proration.

5. A barber and cosmetology arts and sciences tuition grant shall be awarded on an annual basis, requiring reapplication by the student for each year. Payments under the grant shall be allocated equally among the semesters or quarters of the year upon certification by the institution that the student is in full-time or part-time attendance in a course of study at a licensed barber school or school of cosmetology arts and sciences. If the student discontinues attendance before the end of any term after receiving payment of the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the institution to the state.

6. If a student receives financial aid under any other program, the full amount of that financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period.

7. The commission shall administer this program and shall:

*a.* Provide application forms for distribution to students by Iowa high schools, licensed barber schools and schools of cosmetology arts and sciences, and community colleges.

*b.* Adopt rules for determining financial need, defining residence for the purposes of this section, processing and approving applications for grants, and determining priority for grants.

*c.* Approve and award grants on an annual basis.

*d.* Make an annual report to the governor and general assembly. The report shall include the number of students receiving assistance under this section.

8. Each applicant, in accordance with the rules established by the commission, shall:

*a.* Complete and file an application for a barber and cosmetology arts and sciences tuition grant.

*b.* Be responsible for the submission of the financial information required for evaluation of the applicant's need for a grant, on forms determined by the commission.

*c.* Report promptly to the commission any information requested.

*d.* Submit a new application and financial statement for reevaluation of the applicant's eligibility to receive a second-year renewal of the grant.

9. For purposes of this section, *"eligible school"* means a barber school licensed under section 158.7 or a school of cosmetology arts and sciences licensed under chapter 157. An eligible school shall be accredited by a national accrediting agency recognized by the United States department of education and shall meet the criteria in section 261.9, subsection 1, paragraphs *"d"* through *"g"*. An eligible school shall report promptly to the commission any information requested.

2008 Acts, ch 1181, §32

**261.19 Health care professional recruitment program.**

1. A health care professional recruitment program is established to be administered by the college student aid commission for Des Moines university. The program shall consist of a loan repayment program for health care professionals. The commission shall regularly adjust the service requirement under each aspect of the program to provide, to the extent possible, an equal financial benefit for each period of service required.

2. A health care professional shall be eligible for the loan repayment program if the health care professional agrees to practice in an eligible rural community in this state. Des Moines university shall recruit and place health care professionals in rural communities which have agreed to provide additional funds for the recipient's loan repayment. The contract for the loan repayment shall stipulate the time period the recipient shall practice in an eligible rural community in this state. In addition, the contract shall stipulate that the recipient repay any funds paid on the recipient's loan by the commission if the recipient fails to practice in an eligible rural community in this state for the required period of time.

3. A health care professional recruitment fund is created in the state treasury as a separate fund under the control of the commission for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state but shall remain in the fund and be continuously available for loan forgiveness under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

4. For purposes of this section:

*a.* *"Eligible rural community"* means a medically underserved rural community which agrees to match state funds provided on at least a dollar-for-dollar basis for the loan repayment of a health care professional who practices in the community.

*b.* *"Health care professional"* means a physician, physician assistant, podiatrist, or physical therapist.

5. The commission shall adopt rules pursuant to chapter 17A to administer this section.

[C77, 79, 81, §261.19]

87 Acts, ch 115, §38; 89 Acts, ch 319, §46; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §51; 97 Acts, ch 134, §1; 2000 Acts, ch 1058, §30; 2000 Acts, ch 1095, §12; 2000 Acts, ch 1223, §27; 2004 Acts, ch 1175, §91; 2009 Acts, ch 177, §26; 2011 Acts, ch 132, §12, 106; 2012 Acts, ch 1132, §10

**261.19A** Repealed by 97 Acts, ch 134, § 2.

**261.19B Osteopathic physician recruitment revolving fund.** Repealed by 2011 Acts, ch 132, § 27, 106.

**261.20 Scholarship and tuition grant reserve fund.**

1. A scholarship and tuition grant reserve fund is created to assure that financial assistance will be available to all students who are awarded scholarships or tuition grants through programs funded under this chapter. The fund is created as a separate fund in the state treasury, and moneys in the fund shall not revert to the general fund unless, and then only to the extent that, the funds exceed the maximum allowed balance.

2. The maximum balance of the scholarship and tuition grant reserve fund is an amount equal to one percent of the funds appropriated to the scholarship and tuition grant programs under section 261.25 during the preceding fiscal year. The moneys in the fund shall be placed in separate accounts within the fund, according to the source and purpose of the original appropriation. Moneys in the various accounts shall only be used to alleviate a current fiscal year shortfall in appropriations for scholarship or tuition grant programs that have the same nature as the programs for which the moneys were originally appropriated. At the conclusion of a fiscal year, any surplus appropriations made to the commission for scholarship or tuition grant programs are appropriated to the scholarship and grant reserve fund in an amount equal to the amount of the surplus or the amount necessary to achieve the maximum balance, whichever amount is less.

3. Transfers of moneys from the scholarship and tuition grant reserve fund to appropriation accounts in which there is a current fiscal year shortfall may be made only with the prior written approval of the governor. At least two weeks before moneys are transferred from the fund, the commission shall notify the chairpersons of the standing appropriations committees of the general assembly and the co-chairpersons of the education appropriations subcommittee of the proposed transfer. The notice shall include information concerning the amount of and reason for the proposed transfer. The chairpersons shall be given at least two weeks to review and comment on the proposed transfer before the transfer can be made.

4. The commission shall annually report to the general assembly the methodology and manner in which the commission makes the determination of awards for programs for which funds are appropriated under section 261.25.

89 Acts, ch 300, §4

Referred to in §261.2

**261.21** Repealed by 99 Acts, ch 205, § 47.

**261.22 Accelerated career education grants.**

1. An accelerated career education grant program is established to be administered by the college student aid commission. An individual is eligible for the grant program if the individual is a resident of this state who is enrolled at a community college as a participant in an accelerated career education program in accordance with the provisions of chapter 260G. The college student aid commission shall adopt rules pursuant to chapter 17A for determining financial need and to administer this section and shall develop and implement a method for allocating moneys based upon the need for skills and occupations for which an applied technical education is required.

2. To be eligible to receive a grant under this section, an applicant shall, in accordance with the rules of the commission, do the following:

*a.* Complete and file an application for an accelerated career education grant. The individual shall be responsible for the prompt submission of any information required by the commission.

*b.* File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed grant will be evaluated and determined.

3. If a student receives financial aid from any source other than the program established under this section, the full amount of such financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for the period of the financial aid. Grant moneys received by a student in accordance with this section shall be used to pay the student's cost of attendance, which includes community college tuition and fees, materials, textbooks and supplies, transportation, room and board, dependent care during the time the person is in class, and the purchase or rental of a computer.

4. The amount of the grant shall not exceed a student's annual financial need or two thousand dollars, whichever is less. The grants shall be awarded on an annual basis. Applicants who meet the application deadline shall be ranked by the commission in order of need. The commission shall award grants to applicants in order of need beginning with applicants with the greatest need, insofar as funds permit. If a student receiving grant moneys discontinues attendance before the end of any term, the entire amount of any refund due that student, up to the amount of any payments made under the grant, shall be paid by the institution to the state for deposit in the accelerated career education grant fund.

5. An accelerated career education grant fund is created in the state treasury as a separate fund under the control of the commission. Moneys in the fund shall be used for accelerated career education grants. The fund shall consist of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the commission from the federal government or private sources for placement in the fund. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for the purposes of this section in subsequent fiscal years.

6. By December 15 of each year, the commission shall submit a report to the general assembly, the department of management, and the legislative services agency including, but not limited to, all of the following data:

*a.* The total funding of the grant program for the previous fiscal year itemized by type of funding including state, federal, or other funding. The information shall also be provided according to each community college.

*b.* The expenditures under the grant program and related information of the grant program including, but not limited to, all of the following:

(1) The number of participants in the accelerated career education program receiving moneys under the grant program.

(2) The number of participants in the accelerated career education program receiving moneys under the grant program who remain in the state upon completion of a program agreement.

(3) The number of participants in the accelerated career education program receiving moneys under the grant program who successfully complete a program agreement and the number who fail to successfully complete a program agreement.

*c.* Any other information requested by the general assembly.

2000 Acts, ch 1196, §8, 10; 2003 Acts, ch 35, §45, 49

**261.23 Registered nurse and nurse educator loan forgiveness program.**

1. A registered nurse and nurse educator loan forgiveness program is established to be administered by the commission. The program shall consist of loan forgiveness for eligible federally guaranteed loans for registered nurses and nurse educators who practice or teach in this state. For purposes of this section, unless the context otherwise requires, "*nurse educator*" means a registered nurse who holds a master's degree or doctorate degree and is employed as a faculty member who teaches nursing as provided in 655 IAC 2.6(152) at a community college, an accredited private institution, or an institution of higher education governed by the state board of regents.

2. Each applicant for loan forgiveness shall, in accordance with the rules of the commission, do the following:

*a.* Complete and file an application for registered nurse or nurse educator loan forgiveness. The individual shall be responsible for the prompt submission of any information required by the commission.

*b.* File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed loan forgiveness will be evaluated and determined.

*c.* Complete and return, on a form approved by the commission, an affidavit of practice verifying that the applicant is a registered nurse practicing in this state or a nurse educator teaching at a community college, an accredited private institution, or an institution of higher learning governed by the state board of regents.

3. *a.* The annual amount of registered nurse loan forgiveness for a registered nurse who completes a course of study, which leads to a baccalaureate or associate degree of nursing, diploma in nursing, or a graduate or equivalent degree in nursing, and who practices in this state, shall not exceed the resident tuition rate established for institutions of higher learning governed by the state board of regents for the first year following the registered nurse's graduation from a nursing education program approved by the board of nursing pursuant to section 152.5, or twenty percent of the registered nurse's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest, whichever amount is less. A registered nurse shall be eligible for the loan forgiveness program for not more than five consecutive years.

*b.* The annual amount of nurse educator loan forgiveness shall not exceed the resident tuition rate established for institutions of higher learning governed by the state board of regents for the first year following the nurse educator's graduation from an advanced formal academic nursing education program approved by the board of nursing pursuant to section 152.5, or twenty percent of the nurse educator's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest, whichever amount is less. A nurse educator shall be eligible for the loan forgiveness program for not more than five consecutive years.

4. A registered nurse and nurse educator loan forgiveness repayment fund is created for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding section 8.33, moneys deposited in the fund shall not revert to any fund of the state at the end of any fiscal year but shall remain in the loan forgiveness repayment fund and be continuously available for loan forgiveness under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

5. The commission shall submit in a report to the general assembly by January 1, annually, the number of individuals who received loan forgiveness pursuant to this section, where the participants practiced or taught, the amount paid to each program participant, and other information identified by the commission as indicators of outcomes from the program.

6. The commission shall adopt rules pursuant to chapter 17A to administer this section.

2002 Acts, ch 1131, §1; 2003 Acts, ch 108, §47; 2007 Acts, ch 214, §26; 2009 Acts, ch 118, §49, 50, 54

Referred to in §261.2

**261.24 Iowa state fair scholarship.**

The Iowa state fair scholarship fund is established in the office of treasurer of state to be administered by the commission. The commission shall adopt rules pursuant to chapter 17A for the administration of this section. The rules shall provide, at a minimum, that only residents of Iowa who have actively participated in the Iowa state fair and graduated from an accredited secondary school in Iowa shall be eligible to receive an Iowa state fair scholarship for matriculation at an eligible institution as defined in section 261.35. Notwithstanding section 12C.7, interest earned on money in the Iowa state fair scholarship fund shall be deposited into the fund and may be used by the commission only for Iowa state fair scholarship awards.

98 Acts, ch 1215, §36, 63

**261.25 Appropriations — standing limited.**

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of forty-five million five hundred thirteen thousand four hundred forty-eight dollars for tuition grants.

2. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of two million dollars for tuition grants for students attending for-profit accredited private institutions located in Iowa. A for-profit institution which, effective March 9, 2005, or effective January 8, 2010, purchased an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code, shall be an eligible institution under the tuition grant program. For purposes of the tuition grant program, "*for-profit accredited private institution*" means an accredited private institution which is not exempt from taxation under section 501(c)(3) of the Internal Revenue Code but which otherwise meets the requirements of section 261.9, subsection 1, paragraph "*b*", and whose students were eligible to receive tuition grants in the fiscal year beginning July 1, 2003.

3. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of two million two hundred fifty thousand one hundred eighty-five dollars for vocational-technical tuition grants.

4. This section shall not be construed to be a limitation on any of the amounts which may be appropriated by the general assembly for any program enumerated in this section.

5. In the case of a qualified student who was enrolled in an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code and that was purchased by a for-profit institution effective January 8, 2010, and such qualified student continues to be enrolled in the eligible institution in succeeding years, the student shall continue to be eligible to receive funds under subsection 1 without a change in the student's qualification status.

[C77, 79, 81, §261.25]

83 Acts, ch 197, §15; 85 Acts, ch 263, §17; 87 Acts, ch 233, §458; 88 Acts, ch 1003, §2; 88 Acts, ch 1284, §13, 28; 89 Acts, ch 319, §47, 48; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §54; 91 Acts, ch 180, §3; 91 Acts, ch 260, §908; 91 Acts, ch 267, §218; 92 Acts, ch 1246, §30; 93 Acts, ch 179, §21; 94 Acts, ch 1193, §19, 20; 95 Acts, ch 218, §22; 96 Acts, ch 1215, §38; 97 Acts, ch 212, §27; 98 Acts, ch 1215, §37, 38; 99 Acts, ch 205, §31, 32; 2000 Acts, ch 1095, §14; 2000 Acts, ch 1223, §28; 2002 Acts, ch 1171, §85; 2002 Acts, 2nd Ex, ch 1003, §93, 95; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 182, §13; 2004 Acts, ch 1175, §93; 2005 Acts, ch 169, §26, 27; 2006 Acts, ch 1180, §18, 19; 2006 Acts, ch 1182, §43; 2007 Acts, ch 214, §27; 2008 Acts, ch 1181, §33; 2009 Acts, ch 177, §27; 2010 Acts, ch 1183, §23, 24, 43; 2011 Acts, ch 36, §4; 2011 Acts, ch 132, §13, 106; 2012 Acts, ch 1132, §11

Referred to in §261.9, 261.20

Section not amended; headnote revised

**261.26 and 261.27** Repealed by 95 Acts, ch 70, § 3.

**261.28 through 261.34** Reserved.

DIVISION III

IOWA GUARANTEED LOAN PROGRAM

**261.35 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Commission"* means the college student aid commission of the state of Iowa.
2. *"Eligible borrower"* means a person, or the parent of a person, who is enrolled or will be enrolled at an eligible institution. All eligible borrowers must meet the eligibility requirements established by the commission.
3. *"Eligible institution"* means any postsecondary educational institution which meets the requirements of the provisions of the Higher Education Act of 1965 for student participation in the federal interest subsidy program and the requirements prescribed by rule of the commission.
4. *"Eligible lender"* means a financial or credit institution, insurance company or other approved lender which meets the standards prescribed by the commission and has executed a lender participation agreement with the commission.
5. *"Higher Education Act of 1965"* means the federal Higher Education Act of 1965, as amended and codified in 20 U.S.C. § 1071 et seq.

[C79, 81, §261.35; 81 Acts, ch 8, §12, ch 85, §1]

86 Acts, ch 1246, §25; 89 Acts, ch 300, §5; 90 Acts, ch 1253, §122; 2006 Acts, ch 1180, §20

Referred to in §261.24

**261.36 Powers.**

The commission shall have necessary powers to carry out its purposes and duties under this division, including but not limited to the power to:

1. Sue and be sued in its own name.
2. Incur and discharge debts including the payment of any defaulted loan obligations which have been guaranteed by the commission.
3. Make and execute agreements, contracts and other instruments with any public or private person or agency including the United States secretary of education.
4. Guarantee loans made by eligible lenders to eligible borrowers who are, or whose children are, enrolled or will be enrolled at eligible institutions as at least half-time students as defined by the commission.
5. Approve educational institutions as eligible institutions upon their meeting the requirements established by the commission.
6. Approve financial or credit institutions, insurance companies or other lenders as eligible lenders upon their meeting the standards established by the commission for making guaranteed loans.
7. Accept appropriations, gifts, grants, loans or other aid from public or private persons or agencies including the United States secretary of education.
8. Implement various means of encouraging maximum lender participation in the Iowa guaranteed loan program.

[C71, 73, 75, 77, §261.5, 261.6; C79, 81, §261.36; 81 Acts, ch 8, §13]

83 Acts, ch 101, §61; 89 Acts, ch 300, §26; 90 Acts, ch 1168, §36

**261.37 Duties.**

The duties of the commission under this division shall be as follows:

1. To review the Iowa guaranteed loan program.
2. To review and make disposition of all applications for the guarantee of student loans.
3. Collect an insurance premium of not more than the amount authorized by the federal Higher Education Act of 1965. The premium shall be collected by the lender upon the disbursement of the loan and shall be remitted promptly to the commission.

4. To enter into all necessary agreements with the United States secretary of education as required for the purpose of receiving full benefit of the state program incentives offered pursuant to the Higher Education Act of 1965.

5. To adopt rules pursuant to chapter 17A to implement the provisions of this division including establishing standards for educational institutions, lenders, and individuals to become eligible institutions, lenders, and borrowers. Notwithstanding any contrary provisions in chapter 537, the rules and standards established shall be consistent with the requirements provided in the Higher Education Act of 1965.

6. To reimburse eligible lenders for the amount authorized by the federal Higher Education Act of 1965 on defaulted loans guaranteed by the commission upon receipt of written notice of the default accompanied by evidence that the lender has exercised the required degree of diligence in efforts to collect the loan.

7. To establish an effective system for the collection of delinquent loans, including the adoption of an agreement with the department of administrative services to set off against a defaulter's income tax refund or rebate the amount that is due because of a default on a guaranteed or parental loan made under this division. The commission shall adopt rules under chapter 17A necessary to assist the department of administrative services in the implementation of the student loan setoff program as established under section 8A.504. The commission shall apply administrative wage garnishment procedures authorized under the federal Higher Education Act of 1965, as amended and codified in 20 U.S.C. § 1071 et seq., for all delinquent loans, including loans authorized under section 261.38, when a defaulter who is financially capable of paying fails to voluntarily enter into a reasonable payment agreement. In no case shall the commission garnish more than the amount authorized by federal law for all loans being collected by the commission, including those authorized under section 261.38.

8. To develop and disseminate informational and educational materials to lenders, postsecondary institutions and borrowers. The commission shall provide applicants, as deemed necessary by the commission, with information about the past default rates of borrowers, enrollment, and placement statistics by postsecondary institution.

9. To develop all forms necessary to the proper administration of the guaranteed student loan program and provide supplies of such forms to participating lenders and postsecondary institutions.

10. To report annually to the governor and the general assembly on the status of the guaranteed student loan program.

11. To implement all possible assistance to eligible lenders for the purpose of easing the workload entailed in participation in the guaranteed student loan program.

[C79, 81, §261.37; 81 Acts, ch 8, §14; 82 Acts, ch 1057, §1]

83 Acts, ch 101, §62; 87 Acts, ch 233, §459; 88 Acts, ch 1284, §29; 89 Acts, ch 300, §6; 90 Acts, ch 1168, §37; 96 Acts, ch 1158, §1; 2003 Acts, ch 145, §228; 2004 Acts, ch 1145, §3

**261.38 Loan reserve and agency operating accounts.**

1. The commission shall establish a loan reserve account and an agency operating account as authorized by the federal Higher Education Act of 1965. The commission shall credit to these accounts all moneys provided for the state student loan program by the United States, the state of Iowa, or any of their agencies, departments or instrumentalities, as well as any funds accruing to the program which are not required for current administrative expenses. The commission may expend moneys in the loan reserve and agency operating accounts as authorized by the federal Higher Education Act of 1965.

2. The payment of any funds for the default on a guaranteed student loan shall be solely from the loan reserve and agency operating accounts. The general assembly shall not be obligated to appropriate any moneys to pay for any defaults or to appropriate any moneys to be credited to the loan reserve account. The commission shall not give or lend the credit of the state of Iowa.

3. Notwithstanding section 8.33, funds on deposit in the loan reserve and operating accounts shall not revert to the state general fund at the close of any fiscal year.

4. The treasurer of state shall invest any funds, including those in the loan reserve and

operating accounts, and, notwithstanding section 12C.7, the interest income earned shall be credited back to the appropriate account.

5. *a.* The commission may enter into agreements with the Iowa student loan liquidity corporation in order to increase access for students to education loan programs that the commission determines meet the education needs of Iowa residents. The agreements shall permit the establishment, funding, and operation of alternative education loan programs, as described in section 144(b)(1)(B) of the Internal Revenue Code of 1986 as amended, as defined in section 422.3, in addition to programs permitted under the federal Higher Education Act of 1965. In accordance with those agreements, the Iowa student loan liquidity corporation may issue bonds, notes, or other obligations to the public and others for the purpose of funding the alternative education loan programs. This authority to issue bonds, notes, or other obligations shall be in addition to the authority established in the articles of incorporation and bylaws of the Iowa student loan liquidity corporation.

*b.* Bonds, notes, or other obligations issued by the Iowa student loan liquidity corporation are not an obligation of this state or any political subdivision of this state within the meaning of any constitutional or statutory debt limitations, but are special obligations of the Iowa student loan liquidity corporation, and the corporation shall not pledge the credit or taxing power of this state or any political subdivision of this state, or make its debts payable out of any of the moneys except those of the corporation.

[C71, 73, 75, 77, §261.5, 261.8; C79, 81, §261.38]

86 Acts, ch 1246, §26, 27; 89 Acts, ch 300, §7; 90 Acts, ch 1253, §122; 91 Acts, ch 180, §4, 5; 92 Acts, ch 1246, §31; 99 Acts, ch 205, §33 – 37; 2010 Acts, ch 1061, §180

Referred to in §261.37

**261.39 Transfer of funds and assets.**

All moneys which are to be refunded to the state under the contract with United Student Aid Funds, Incorporated, involving the Iowa guaranteed student loan program in effect prior to July 1, 1978, shall be refunded to the commission and shall be credited to the loan reserve account except those funds which must be repaid to the United States government.

All assets and liabilities of the student loan program established pursuant to sections 261.5 to 261.8, Code 1977, and existing on July 1, 1978, are assets and liabilities of the Iowa guaranteed loan program established pursuant to this chapter.

[C79, 81, §261.39]

89 Acts, ch 300, §26; 90 Acts, ch 1168, §38

**261.40** Repealed by 91 Acts, ch 180, § 9.

**261.41 Account dissolved — balance to general fund.**

The loan program and the loan reserve account established by this division shall not be dissolved until all guaranteed loans have been repaid by the borrower or, if in default, by the commission. Upon dissolution of the loan program, all the property and moneys of the program and in the loan reserve account not owed to the federal government shall be transferred to the state general fund.

[C79, 81, §261.41]

**261.42 Short title.**

This division shall be known and may be cited as the *"Iowa Guaranteed Loan Program"*.

[C79, 81, §261.42]

89 Acts, ch 300, §8; 90 Acts, ch 1168, §39

**261.43 Actions not barred.**

No lapse of time shall be a bar to any action to recover on any loan guaranteed by the commission.

89 Acts, ch 300, §9

**261.43A Security interest in education loans.**

A nonprofit organization qualifying for tax-exempt status under the Internal Revenue Code, as defined in section 422.3, that provides or acquires education loans in the organization's normal course of business shall, notwithstanding any contrary provision of chapter 554 or other state law, establish and perfect a security interest and establish priority over other security interests in such education loans by filing in the same manner as provided for perfecting a security interest in a student loan pursuant to 20 U.S.C. § 1082(m)(1)(E). This section applies to education loans provided under this chapter by such nonprofit organizations and other education loans provided by such nonprofit organizations.

2002 Acts, ch 1021, §1

DIVISION IV

GUARANTEED LOAN PAYMENT PROGRAM

**261.44 Guaranteed loan payment program.**

A guaranteed loan payment program is established to be administered by the commission. The purpose of the program is to assist individuals to enter professions in areas of employment critical to the welfare of the citizens of the state. The commission shall adopt rules pursuant to chapter 17A to provide for the administration of the program. Moneys appropriated for the program shall be used to repay loans to students demonstrating the greatest financial need and shall not be prorated among all qualified applicants.

89 Acts, ch 300, §10; 90 Acts, ch 1272, §56

**261.45** Repealed by 96 Acts, ch 1215, § 59.

**261.46 and 261.47** Repealed by 95 Acts, ch 70, § 3.

**261.48 Minority teacher loan payments.**

1. An individual is eligible for reimbursement payments under the guaranteed loan payment program if the individual meets all of the following conditions:

*a.* Is a teacher employed on a full-time basis under sections 279.13 through 279.19 in a school district in this state, is a teacher in an approved nonpublic school in this state, or is a licensed teacher at the Iowa braille and sight saving school or the Iowa school for the deaf.

*b.* Is a member of a minority.

*c.* Has never defaulted on a loan guaranteed by the commission.

*d.* Has an outstanding debt with an eligible lender under the Iowa guaranteed student loan program or the Iowa supplemental loans for students program, has parents with an outstanding debt with an eligible lender under the Iowa PLUS loan program, or has an outstanding debt under the Stafford loan program, the supplemental loans for students program, or the PLUS loan program.

*e.* Graduated from college after January 1, 1989.

2. The maximum annual reimbursement payment to an eligible teacher under this section for loan repayments made during a school year is one thousand dollars or the remainder of the teacher's loan, whichever is less. Total payments under this section for an eligible teacher are limited to a six-year period and shall not exceed six thousand dollars. If a teacher fails to complete a year of employment on a full-time basis as provided in subsection 1, paragraph "*a*", the teacher shall not be reimbursed for loan payments made during that school year. If the number of eligible applicants exceeds the funding available, the commission may accept applicants based on academic scholarship.

3. The commission may sign contracts with eligible students at or after the time of loan origination to assure loan repayment.

89 Acts, ch 300, §14; 96 Acts, ch 1215, §39; 2010 Acts, ch 1061, §92

**261.49 and 261.50** Repealed by 95 Acts, ch 70, § 3.

## DIVISION V

## REPAYMENT OF SCIENCE AND MATHEMATICS LOANS

**261.51 through 261.53** Reserved.

**261.54 Repayment of science and mathematics loans.**

Repayment of a loan made under the science and mathematics loan program prior to July 1, 1988, shall begin one year after the recipient completes the educational program for which tuition and fees were received except as otherwise provided in this section. If a recipient submits evidence to the commission that the recipient was employed as a teacher of one or more science or mathematics courses or as an elementary teacher teaching science and mathematics in a public school district or nonpublic school in this state or at the Iowa braille and sight saving school or the Iowa school for the deaf during that year, fifty percent of the amount of the loan is canceled. If the recipient continues employment as a teacher of science or mathematics courses or as an elementary teacher teaching science and mathematics during the next succeeding school year and submits evidence to the commission of the continuation of teaching employment, the recipient is not required to commence repayment during that school year and at the end of that school year the remaining fifty percent of the loan is canceled.

There is created a science and mathematics loan repayment fund for deposit of payments made by recipients. Payments made by recipients of the loans shall be used to supplement moneys appropriated to the guaranteed loan payment program. Any funds remaining on June 30 of a fiscal year shall be transferred from the fund created in this section to the general fund of the state.

The interest rate collected on the loan shall be equal to the interest rate being collected by an eligible lender under the guaranteed loan payment program.

The commission shall prescribe by rule the terms of repayment which shall provide for monthly payments of principal and interest of not less than seventy-five dollars.

83 Acts, ch 184, §9, 15; 84 Acts, ch 1044, §1; 84 Acts, ch 1060, §2; 85 Acts, ch 263, §23; 89 Acts, ch 300, §17; 89 Acts, ch 319, §49

**261.55 through 261.60** Reserved.

## DIVISION VI

## RESERVED

**261.61 through 261.70** Reserved.

## DIVISION VII

## CHIROPRACTIC GRADUATE STUDENT FORGIVABLE LOAN PROGRAM

**261.71 Chiropractic graduate student forgivable loans.**

1. A chiropractic graduate student forgivable loan program is established, to be administered by the college student aid commission for resident graduate students who are enrolled at Iowa chiropractic colleges and universities. A resident graduate student attending an Iowa chiropractic college or university is eligible for loan forgiveness under the program if the student meets all of the following conditions:

*a.* The student graduates from an Iowa chiropractic college or university that meets the requirements for approval under section 151.4.

*b.* The student has completed a chiropractic residency program.

*c.* The student agrees to practice in an underserved area in the state of Iowa for a period of time to be determined by the commission at the time the loan is awarded.

*d.* The student has received a loan from moneys appropriated to the college student aid commission for this program.

2. The contract for the loan repayment shall stipulate the time period the chiropractor shall practice in an underserved area in this state. In addition, the contract shall stipulate that the chiropractor repay any funds paid on the chiropractor's loan by the commission if the chiropractor fails to practice in an underserved area in this state for the required period of time. Forgivable loans made to eligible students shall not become due, for repayment purposes, until one year after the student has graduated. A loan that has not been forgiven may be sold to a bank, savings association, credit union, or nonprofit agency eligible to participate in the guaranteed student loan program under the federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq., by the commission when the loan becomes due for repayment.

3. For purposes of this section "*graduate student*" means a student who has completed at least ninety semester hours, or the trimester or quarter equivalent, of postsecondary course work at a public higher education institution or at an accredited private institution, as defined under section 261.9. "*Underserved area*" means a geographical area included on the Iowa governor's health practitioner shortage area list, which is compiled by the center for rural health and primary care of the Iowa department of public health. The commission shall adopt rules, consistent with rules used for students enrolled in higher education institutions under the control of the state board of regents, for purposes of determining Iowa residency status of graduate students under this section. The commission shall also adopt rules which provide standards, guidelines, and procedures for the receipt, processing, and administration of student applications and loans under this section.

95 Acts, ch 218, §23; 96 Acts, ch 1158, §2, 3; 99 Acts, ch 205, §38, 39; 2012 Acts, ch 1017, §65

**261.72 Chiropractic loan revolving fund.**

A chiropractic loan revolving fund is created in the state treasury as a separate fund under the control of the commission. The commission shall deposit payments made by chiropractic loan recipients and the proceeds from the sale of chiropractic loans, less costs of collection of delinquent chiropractic loans, into the chiropractic loan revolving fund. Moneys credited to the fund shall be used to supplement moneys appropriated for the chiropractic graduate student forgivable loan program, for loan forgiveness to eligible chiropractic physicians, and to pay for loan or interest repayment defaults by eligible chiropractic physicians. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state.

96 Acts, ch 1158, §4

Allocation to chiropractic loan forgiveness program; 2010 Acts, ch 1183, §4; 2011 Acts, ch 132, §3, 100, 106; 2013 Acts, ch 141, §4, 24

Section not amended; footnote revised

**261.73 Chiropractic loan forgiveness program.**

1. A chiropractic loan forgiveness program is established to be administered by the commission. A chiropractor is eligible for the program if the chiropractor is a resident of this state, is licensed to practice under chapter 151, and is engaged in the practice of chiropractic in this state.

2. Each applicant for loan forgiveness shall, in accordance with the rules of the commission, do the following:

*a.* Complete and file an application for chiropractic loan forgiveness. The individual shall be responsible for the prompt submission of any information required by the commission.

*b.* File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed loan forgiveness will be evaluated and determined.

*c.* Complete and return on a form approved by the commission an affidavit of practice verifying that the applicant meets the eligibility requirements of subsection 1.

3. The annual amount of chiropractic loan forgiveness shall not exceed the resident tuition rate established for institutions of higher learning governed by the state board of regents for the first year following the chiropractor's graduation from a college of chiropractic approved by the board of chiropractic in accordance with section 151.4, or twenty percent of the chiropractor's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest, whichever amount is less. A chiropractor shall be eligible for the loan forgiveness program for not more than five consecutive years.

4. A chiropractic loan forgiveness repayment fund is created for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding section 8.33, moneys deposited in the fund shall not revert to any fund of the state at the end of any fiscal year but shall remain in the chiropractic loan forgiveness repayment fund and be continuously available for loan forgiveness under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

5. The commission shall adopt rules pursuant to chapter 17A to administer this section.

2008 Acts, ch 1181, §34

Referred to in §261.2

**261.74 through 261.80** Reserved.

## DIVISION VIII

## WORK-STUDY PROGRAM

**261.81 Work-study program.**

The Iowa college work-study program is established to stimulate and promote the part-time employment of students attending Iowa postsecondary educational institutions, and the part-time or full-time summer employment of students registered for classes at Iowa postsecondary institutions during the succeeding school year, who are in need of employment earnings in order to pursue postsecondary education. The program shall be administered by the commission. The commission shall adopt rules under chapter 17A to carry out the program. The employment under the program shall be employment by the postsecondary education institution itself or work in a public agency or private nonprofit organization under a contract between the institution or the commission and the agency or organization. The work shall not result in the displacement of employed workers or impair or affect existing contracts for services. Moneys used by an institution for the work-study program shall supplement and not supplant jobs and existing financial aid programs provided for students through the institution.

85 Acts, ch 219, §1; 88 Acts, ch 1284, §31; 89 Acts, ch 300, §18; 89 Acts, ch 319, §50; 91 Acts, ch 180, §6; 95 Acts, ch 70, §2

Referred to in §261.81A

**261.81A Iowa heritage corps.**

An Iowa heritage corps is created. The objectives of the corps are to promote public appreciation of Iowa's natural and cultural heritage, promote the economic development of Iowa tourism, and provide meaningful and productive service and research opportunities for students enrolled in public and private colleges and universities in the state. The corps shall provide opportunities in the areas of historical and cultural preservation and education, community improvement, public policy research, and tourism. The corps shall provide participants with an opportunity to explore careers, gain work experience and college credit, and to contribute to the general welfare of their communities and state.

The commission shall solicit participation in the Iowa heritage corps and cooperate with museums, historical organizations, public and nonprofit agencies, and community development organizations in the development of pilot projects for internship positions to

be included in the work-study program under section 261.81 and shall allocate moneys to participating museums, organizations, and agencies for the employment of the students under a pilot project. The internships shall include programs which increase public awareness of, and appreciation for, Iowa's natural and cultural heritage. A public or private person using interns under the corps for a pilot project shall contribute to the eligible postsecondary institution in which the intern is enrolled the cost of tuition for credits earned by the intern and all costs for materials, supplies, travel, and other work-related expenses of the project.

89 Acts, ch 319, §51

**261.82 Duties of college student aid commission.**

The college student aid commission shall:

1. Enter into agreements with eligible postsecondary education institutions for participation in the program.
2. Allocate funds to participating postsecondary education institutions if funds are available to the commission for that purpose.
3. Allocate work-study moneys appropriated to the commission to museums, historical organizations, public and nonprofit agencies, and community development organizations for pilot projects for internships for the Iowa heritage corps.
4. Review reports from participating postsecondary education institutions.
5. Conduct program reviews and audits of participating postsecondary education institutions.
6. Accept gifts, grants, and other aid from public and private persons or agencies.

85 Acts, ch 219, §2; 89 Acts, ch 319, §52; 90 Acts, ch 1253, §122

**261.83 Eligibility and duties of institutions.**

1. An eligible postsecondary education institution is an institution of higher education under the state board of regents, a community college, or an accredited private institution as defined in section 261.9, subsection 1. The commission may enter into an agreement with an eligible postsecondary education institution under which the commission will make grants to the institution for the work-study program.
2. The participating institution shall:

*a.* File the proper forms with the commission for participation in the program.

*b.* Develop jobs that meet the requirements of the Iowa college work-study program. To the extent possible, the job should complement the student's educational program and career goal.

*c.* Supervise and evaluate employment and maintain the records required by the commission.

*d.* Participate in the federal work-study program.

85 Acts, ch 219, §3; 90 Acts, ch 1253, §121; 2010 Acts, ch 1061, §180

**261.84 Student eligibility.**

In order to be eligible, a student must:

1. Be a citizen of the United States and a resident of this state.
2. Be enrolled and making satisfactory academic progress or accepted for enrollment at an eligible postsecondary institution on a half-time or greater basis.
3. Demonstrate financial need. A student's need shall be determined on the basis of a need analysis system approved for use by the commission or under the federal work-study program.
4. Have not defaulted on an Iowa guaranteed loan payment or on a loan guaranteed by the federal government.

85 Acts, ch 219, §4; 89 Acts, ch 300, §19, 26

**261.85 Appropriation.**

1. There is appropriated from the general fund of the state to the commission for each

fiscal year the sum of two million seven hundred fifty thousand dollars for the work-study program.

2. From moneys appropriated in this section, one million five hundred thousand dollars shall be allocated to institutions of higher education under the state board of regents and community colleges and the remaining dollars appropriated in this section shall be allocated by the commission on the basis of need as determined by the portion of the federal formula for distribution of work-study funds that relates to the current need of institutions.

87 Acts, ch 233, §463; 88 Acts, ch 1284, §32; 89 Acts, ch 319, §58; 90 Acts, ch 1272, §58; 91 Acts, ch 260, §909; 91 Acts, ch 267, §219; 92 Acts, ch 1246, §33; 93 Acts, ch 179, §22; 95 Acts, ch 218, §24; 2000 Acts, ch 1223, §29

State funding for 2013-2014 and 2014-2015 fiscal years eliminated; 2013 Acts, ch 141, §5, 25
Section not amended; footnote revised

## DIVISION IX

## NATIONAL GUARD EDUCATIONAL ASSISTANCE

**261.86 National guard educational assistance program.**

1. A national guard educational assistance program is established to be administered by the college student aid commission for members of the Iowa national guard who are enrolled as undergraduate students in a community college, an institution of higher learning under the state board of regents, or an accredited private institution. The college student aid commission shall adopt rules pursuant to chapter 17A to administer this section. An individual is eligible for the national guard educational assistance program if the individual meets all of the following conditions:

*a.* Is a resident of the state and a member of an Iowa army or air national guard unit while receiving educational assistance pursuant to this section.

*b.* Satisfactorily completed required initial active duty training.

*c.* Maintains satisfactory performance of duty upon return from initial active duty training, including attending a minimum ninety percent of scheduled drill dates and attending annual training.

*d.* Is enrolled as an undergraduate student in a community college as defined in section 260C.2, an institution of higher learning under the control of the board of regents, or an accredited private institution as defined in section 261.9, and is maintaining satisfactory academic progress.

*e.* Provides proper notice of national guard status to the community college or institution at the time of registration for the term in which tuition benefits are sought.

*f.* Submits an application to the adjutant general of Iowa, on forms prescribed by the adjutant general, who shall determine eligibility and whose decision is final. Notwithstanding any deadline established for the administration of this paragraph, the adjutant general shall accept an application submitted pursuant to this paragraph from an otherwise eligible member of the national guard who was on federal active duty at the time of such deadline.

2. Educational assistance paid pursuant to this section shall not exceed the resident tuition rate established for institutions of higher learning under the control of the state board of regents. If the amount appropriated in a fiscal year for purposes of this section is insufficient to provide educational assistance to all national guard members who apply for the program and who are determined by the adjutant general to be eligible for the program, the adjutant general shall, in coordination with the commission, determine the distribution of educational assistance. However, educational assistance paid pursuant to this section shall not be less than fifty percent of the resident tuition rate established for institutions of higher learning under the control of the state board of regents or fifty percent of the tuition rate at the institution attended by the national guard member, whichever is lower. Neither eligibility nor educational assistance determinations shall be based upon a national guard

member's unit, the location at which drills are attended, or whether the eligible individual is a member of the Iowa army or air national guard.

3. An eligible member of the national guard, attending an institution as provided in subsection 1, paragraph *"d"*, as a full-time student, shall not receive educational assistance under this section for more than eight semesters, or if attending as a part-time student for not more than sixteen semesters, of undergraduate study, or the trimester or quarter equivalent. A national guard member who has met the educational requirements for a baccalaureate degree is ineligible for educational assistance under this section.

4. The eligibility of applicants and amounts of educational assistance to be paid shall be certified by the adjutant general of Iowa to the college student aid commission, and all amounts that are or become due to a community college, accredited private institution, or institution of higher learning under the control of the state board of regents under this section shall be paid to the college or institution by the college student aid commission upon receipt of certification by the president or governing board of the educational institution as to accuracy of charges made, and as to the attendance and academic progress of the individual at the educational institution. The college student aid commission shall maintain an annual record of the number of participants and the dollar value of the educational assistance provided.

5. For purposes of this section, unless otherwise required, *"educational assistance"* means the same as *"cost of attendance"* as defined in Tit. IV, pt. B, of the federal Higher Education Act of 1965 as amended.

6. Notwithstanding section 8.33, until one year after the date the president of the United States or the Congress of the United States declares a cessation of hostilities ending operation Iraqi freedom, operation new dawn, and operation enduring freedom, funds appropriated for purposes of this section which remain unencumbered or unobligated at the close of the fiscal year for which the funds were appropriated shall not revert but shall be available for expenditure for the following fiscal year for purposes of this section.

99 Acts, ch 205, §40; 2000 Acts, ch 1095, §15; 2003 Acts, ch 182, §14, 22; 2010 Acts, ch 1061, §180; 2011 Acts, ch 48, §1, 2; 2013 Acts, ch 46, §1

Subsection 1, paragraph f amended

## DIVISION X

## ALL IOWA OPPORTUNITY SCHOLARSHIPS

**261.87 All Iowa opportunity scholarship program and fund.**

1. *Definitions.* As used in this division, unless the context otherwise requires:

*a.* *"Commission"* means the college student aid commission.

*b.* *"Eligible institution"* means a community college established under chapter 260C or an institution of higher learning governed by the state board of regents.

*c.* *"Financial need"* means the difference between the student's financial resources available, including those available from the student's parents as determined by a completed parents' confidential statement, and the student's anticipated expenses while attending an eligible institution.

*d.* *"Full-time resident student"* means an individual resident of Iowa who is enrolled at an eligible institution in a program of study including at least twelve semester hours or the trimester or quarter equivalent.

*e.* *"Part-time resident student"* means an individual resident of Iowa who is enrolled at an eligible institution in a program of study including at least three semester hours or the trimester or quarter equivalent.

*f.* *"Qualified student"* means a resident student who has established financial need and who is meeting all program requirements.

2. *Program — eligibility.* An all Iowa opportunity scholarship program is established to be administered by the commission. The awarding of scholarships under the program is

subject to appropriations made by the general assembly. A person who meets all of the following requirements is eligible for the program:

*a.* Is a resident of Iowa and a citizen of the United States or a lawful permanent resident.

*b.* Achieves a cumulative high school grade point average of at least two point five on a four-point grade scale, or its equivalent if another grade scale is used.

*c.* Applies in a timely manner for admission to an eligible institution and is accepted for admission.

*d.* Applies in a timely manner for any federal or state student financial assistance available to the student to attend an eligible institution.

*e.* Files a new application and parents' confidential statement, as applicable, annually on the basis of which the applicant's eligibility for a renewed scholarship will be evaluated and determined.

*f.* Maintains satisfactory academic progress during each term for which a scholarship is awarded.

*g.* Begins enrollment at an eligible institution within two academic years of graduation from high school and continuously receives awards as a full-time or part-time student to maintain eligibility. However, the student may defer participation in the program for up to two years in order to pursue obligations that meet conditions established by the commission by rule or to fulfill military obligations.

3. *Extent of scholarship.*

*a.* A qualified student at a two-year eligible institution may receive scholarships for not more than the equivalent of four full-time semesters of undergraduate study, or the trimester or quarter equivalent.

*b.* A qualified student at a four-year eligible institution may receive scholarships for not more than the equivalent of two full-time semesters of undergraduate study, or the trimester or quarter equivalent.

*c.* Scholarships awarded pursuant to this section shall not exceed the student's financial need, as determined by the commission, the average resident tuition rate and mandatory fees established for institutions of higher learning governed by the state board of regents, or the resident tuition and mandatory fees charged for the program of enrollment by the eligible institution at which the student is enrolled, whichever is least.

4. *Discontinuance of attendance — remittance.* If a student receiving a scholarship pursuant to this section discontinues attendance before the end of any academic term, the entire amount of any refund due to the student, up to the amount of any payments made by the state, shall be remitted by the eligible institution to the commission. The commission shall deposit refunds paid to the commission in accordance with this subsection into the fund established pursuant to subsection 5.

5. *Fund established.* An all Iowa opportunity scholarship fund is created in the state treasury as a separate fund under the control of the commission. All moneys deposited or paid into the fund are appropriated and made available to the commission to be used for scholarships for students meeting the requirements of this section. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of this section in subsequent fiscal years.

2007 Acts, ch 214, §28; 2009 Acts, ch 177, §28

Program to be expanded for FY 2013-2014 to include accredited private institutions if funds appropriated exceed $500,000 and for FY 2014-2015 if funds appropriated exceed $250,000; 2013 Acts, ch 141, §2, 22

Section not amended; footnote revised

**261.88 through 261.91** Reserved.

## DIVISION XI

## IOWA GRANT PROGRAM

**261.92 Definitions.**

When used in this division, unless the context otherwise requires:

1. *"Accredited higher education institution"* means a public institution of higher learning located in Iowa which is accredited by the north central association of colleges and secondary schools accrediting agency based on their requirements as of April 1, 1969, or an institution of higher learning located in Iowa which is operated privately and not controlled or administered by any state agency or any subdivision of the state, and which meets the following requirements:

*a.* Is accredited by the north central association of colleges and secondary schools accrediting agency based on their requirements as of April 1, 1969, and,

*b.* Promotes equal opportunity and affirmative action efforts in the recruitment, appointment, assignment, and advancement of personnel at the institution and provides information regarding such efforts to the commission upon request.

2. *"Commission"* means the college student aid commission.

3. *"Financial need"* means the difference between the student's financial resources available, including those available from the student's parents as determined by a completed parents' confidential statement, and the student's anticipated expenses while attending the accredited higher education institution. Financial need shall be redetermined at least annually.

4. *"Full-time resident student"* means an individual resident of Iowa who is enrolled at an accredited higher education institution in a course of study including at least twelve semester hours or the trimester equivalent of twelve semester hours or the quarter equivalent of twelve semester hours. *"Course of study"* does not include correspondence courses.

5. *"Grant"* means an award by the state of Iowa to an accredited higher education institution for a qualified resident student under the Iowa grant program.

6. *"Part-time resident student"* means an individual resident of Iowa who is enrolled at an accredited higher education institution in a course of study including at least three semester hours or the trimester or the four quarter equivalent of three semester hours. *"Course of study"* does not include correspondence courses.

7. *"Qualified student"* means a resident student who has established financial need and who is making satisfactory progress toward graduation.

90 Acts, ch 1272, §59; 2000 Acts, ch 1095, §16; 2011 Acts, ch 36, §5

**261.93 Program established — who qualified.**

1. An Iowa grant program is established.

2. *a.* A grant may be awarded to a resident of Iowa who is admitted and in attendance as a full-time or part-time resident student at an accredited higher education institution and who establishes financial need.

*b.* Top priority in awarding program grants shall be given to a qualified student who is a resident of Iowa; is under the age of twenty-six, or the age of thirty if the student is a veteran who is eligible for benefits, or has exhausted the benefits, under the federal Post-9/11 Veterans Educational Assistance Act of 2008; is not a convicted felon as defined in section 910.15; and who meets any of the following criteria:

(1) Is the child of a peace officer, as defined in section 97A.1, who was killed in the line of duty as determined by the board of trustees of the Iowa department of public safety peace officers' retirement, accident, and disability system in accordance with section 97A.6, subsection 16.

(2) Is the child of a police officer or a fire fighter, as defined in section 411.1, who was killed in the line of duty as determined by the statewide fire and police retirement system in accordance with section 411.6, subsection 15.

(3) Is the child of a sheriff or deputy sheriff as defined in section 97B.49C, who was killed in the line of duty as determined by the Iowa public employees' retirement system in accordance with section 97B.52, subsection 2.

(4) Is the child of a fire fighter or police officer included under section 97B.49B, who was killed in the line of duty as determined by the Iowa public employees' retirement system in accordance with section 97B.52, subsection 2.

3. Grants awarded shall be distributed to the appropriate accredited higher education institution for payment of educational expenses, including tuition, room, board, and

mandatory fees, with any balance to be distributed to the student for whom the grant is awarded.

90 Acts, ch 1272, §60; 2012 Acts, ch 1138, §26; 2013 Acts, ch 140, §21
Referred to in §261.93A, 261.95
Subsection 2, paragraph b, subparagraph (4) amended

**261.93A Appropriation — percentages.**

1. Of the funds appropriated to the college student aid commission to be allocated for the Iowa grant program for each fiscal year, moneys shall be distributed for grants awarded to qualified students who meet the criteria established pursuant to section 261.93, subsection 2, and the funds remaining shall be distributed as follows:

*a.* Thirty-seven and six-tenths percent shall be reserved for students attending regents institutions.

*b.* Twenty-five and nine-tenths percent shall be reserved for students attending community colleges.

*c.* Thirty-six and five-tenths percent shall be reserved for students attending private colleges and universities.

2. Funds appropriated for the Iowa grant program shall be used to supplement, not supplant, funds appropriated for other existing programs at the eligible institutions.

91 Acts, ch 267, §233; 2012 Acts, ch 1138, §27

**261.94 Extent of grant.**

A qualified full-time resident student may receive grants for not more than eight semesters of undergraduate study or the trimester or quarter equivalent. A qualified part-time resident student may receive grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent.

90 Acts, ch 1272, §61

**261.95 Amount of grant.**

1. The amount of a grant to a qualified full-time student for an academic year shall be as follows:

*a.* For a student who qualifies under section 261.93, subsection 2, paragraph "*a*", the lesser of the student's financial need for that period or up to one thousand dollars.

*b.* For a student who qualifies under section 261.93, subsection 2, paragraph "*b*", the lesser of the student's financial need for that period or not more than the resident tuition rate established for institutions of higher learning under the control of the state board of regents.

2. The amount of a grant to a qualified part-time student enrolled in a course of study shall be equal to the average amount of a grant to a full-time student times a number which represents twenty-four semester hours, or the trimester or quarter equivalent, divided by the number of hours in which the part-time student is actually enrolled.

3. A grant may be made annually for both the fall and spring semesters or the trimester equivalent. Payments under the grant shall be allocated equally among the semesters or trimesters and shall be paid at the beginning of each semester or trimester, upon certification by the accredited higher education institution that the student is admitted and in attendance. If the student discontinues attendance before the end of the semester or trimester after receiving payment under the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the accredited higher education institution to the state.

4. If a student receives financial aid under any other program except a federal, state, or institutional work-study program, the full amount of the other financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period. In no case may the total financial aid for the student's education, including financial aid under any other state program, exceed the student's financial need at the institution which the student attends.

90 Acts, ch 1272, §62; 2012 Acts, ch 1138, §28

**261.96 Administration by commission — rules.**

The commission shall administer this program and shall:

1. Provide application forms and parents' confidential statement forms.

2. Adopt rules and regulations for determining financial need, defining tuition and mandatory fees, defining residence for the purposes of the Iowa grant program, determining grant award amounts on the basis of student need, processing and approving applications for grants, and determining priority of grants. If resources are insufficient to award grants to all eligible applicants, the commission shall give priority to students who have the greatest demonstrated financial need. In determining who is a resident of Iowa, the commission's rules shall be at least as restrictive as those of the board of regents.

3. Approve and award grants.

4. Make an annual report to the governor and general assembly, and evaluate the Iowa grant program for the period. The commission may require the accredited higher education institution to promptly furnish any information which the commission may request in connection with the Iowa grant program.

90 Acts, ch 1272, §63

**261.97 Application for grants.**

Each applicant, in accordance with the rules of the commission, shall:

1. Complete and file an application for a grant.

2. Be responsible for the submission of the parents' confidential statement for processing, the processed information to be returned both to the commission and to the accredited higher education institution in which the applicant is enrolling.

3. Report promptly to the commission any information requested.

4. File a new application and parents' confidential statement annually on the basis of which the applicant's eligibility for a renewed grant will be evaluated and determined.

90 Acts, ch 1272, §64

**261.98** Repealed by 95 Acts, ch 70, § 3.

**261.99 and 261.100** Reserved.

## DIVISION XII

## MINORITY ACADEMIC GRANTS FOR ECONOMIC SUCCESS

**261.101 Legislative intent.**

The general assembly finds that the failure of many young Iowans to complete their education limits their opportunity for a life of fulfillment and hinders the state's efforts to provide a well-trained workforce for business and industry in Iowa. The general assembly also declares that it is the policy of this state to apply positive measures to ensure that equal opportunities exist for minority persons to pursue their educational goals. Therefore, the "Iowa Minority Academic Grants for Economic Success" program is established to provide additional funding to the state board of regents institutions, community colleges, and accredited private institutions in order to encourage resident minority students to remain in Iowa, to attend community colleges, private colleges, and universities in Iowa, and to assure that a limited family income will not be a barrier for a minority person to pursue a postsecondary education.

89 Acts, ch 319, §53; 90 Acts, ch 1253, §14

Referred to in §262.9, 262.92

**261.102 Definitions.**

1. *"Accredited private institution"* means an institution of higher education as defined in section 261.9, subsection 1.

2. *"Commission"* means the college student aid commission.

3. *"Financial need"* means the difference between the student's financial resources, including resources available from the student's parents and the student, as determined by a completed parents' financial statement and including any noncampus-administered federal or state grants and scholarships, and the student's estimated expenses while attending the institution. A student shall accept all available federal and state grants and scholarships before being considered eligible for grants under the Iowa minority academic grants for economic success program. Financial need shall be reconsidered on at least an annual basis.

4. *"Full-time student"* means an individual who is enrolled at an accredited private institution, community college, or board of regents' university for at least twelve semester hours or the trimester or quarter equivalent.

5. *"Minority person"* means an individual who is African American, Hispanic, Asian, or a Pacific Islander, American Indian, or an Alaskan Native American.

6. *"Part-time student"* means an individual who is enrolled at an accredited private institution, community college, or board of regents' university in a course of study including at least three semester hours or the trimester or quarter equivalent of three semester hours.

7. *"Program"* means the Iowa minority academic grants for economic success program established in this division.

89 Acts, ch 319, §54; 90 Acts, ch 1253, §15, 122; 2009 Acts, ch 41, §103
Referred to in §262.82, 262.93

**261.103 Program qualifications.**

1. A grant under the program may be awarded to any minority person who is a resident of Iowa, who is accepted for admission or is attending a board of regents' university, community college, or an accredited private institution, and who demonstrates financial need. Applicants who receive vouchers under section 262.92 shall be given priority in receiving grants under the program, but an applicant shall not be denied a grant because the applicant does not hold vouchers under the program in section 262.92. For the fiscal year commencing July 1, 1990, and in subsequent years, grants shall be awarded to all minority persons, with priority to be given to those minority persons who are residents of Iowa.

2. Full-time students may receive grants for not more than eight semesters of undergraduate study or the trimester or quarter equivalent of eight semesters of undergraduate study. Part-time students may receive grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent of sixteen semesters of undergraduate study.

3. The amount of the grant shall not exceed a student's yearly financial need or three thousand five hundred dollars, whichever is less. If the student is attending or seeking to enroll in an accredited private institution, fifty percent of the amount of the grant shall be provided by the accredited private institution and fifty percent shall be provided by the commission from state funds appropriated for that purpose.

4. Grants shall be awarded on an annual basis and shall be credited by the institution against the student's tuition, fees, room, and board, at the beginning of each semester, trimester, or quarter in equal installments upon certification by the institution that the student is admitted and attending the institution.

5. If a student receiving a grant under the program discontinues attendance before the end of any academic period, but after receiving payment of grant moneys for the academic period, the entire amount of any refund due the student, up to the amount of any payments made by the state, shall be remitted by the private institution to the commission.

89 Acts, ch 319, §55; 89 Acts, ch 322, §8; 90 Acts, ch 1253, §16
Referred to in §262.93

**261.104 Powers of the commission.**

In administering the program for the community colleges and the private institutions, the commission shall:

1. Provide application forms to students enrolled and attending or seeking to enroll and attend community colleges or accredited private institutions.

2. Develop and provide confidential financial statement forms to the parents or guardians of students applying for grants under this program.

3. Approve and award grants to community colleges and accredited private institutions under the program.

4. Adopt rules for determining financial need and residency for the purpose of awarding grants to qualified students, and any other rules necessary for the administration of the program.

5. Report annually to the governor and the general assembly on the progress and implementation of the program.

6. Require postsecondary institutions that receive moneys from students awarded grants under the program to furnish any information necessary for the implementation or administration of the program.

7. Solicit and receive private contributions and federal grants available for purposes of the program.

8. Maintain records on the recipients of vouchers under section 262.92 and adopt rules to provide for the giving of priority to students holding vouchers under that section.

9. Administer funds appropriated for the Iowa minority academic grants for economic success program to carry out the duties of the commission.

10. Provide for the proration of funds among qualified applicants if funds available are insufficient to pay all approved grants.

89 Acts, ch 319, §56; 90 Acts, ch 1253, §17
Referred to in §262.93

**261.105 Duties of applicant.**

An applicant for a grant under the program shall:

1. Complete and file an application for a grant on forms provided by the commission or regents institutions.

2. Submit the financial information required for evaluation of the applicant's financial need for a grant.

3. Comply with rules and information requests of the commission or regents institutions made in relation to the program.

89 Acts, ch 319, §57
Referred to in §262.93

**261.106 through 261.109** Reserved.

## DIVISION XIII

## TEACHER SHORTAGE FORGIVABLE LOAN AND LOAN FORGIVENESS PROGRAMS

**261.110 Teach Iowa scholar program.**

1. A teach Iowa scholar program is established to provide teach Iowa scholar grants to selected high-caliber teachers. The commission shall administer the program in collaboration with the department of education.

2. An Iowa resident or nonresident applicant shall be eligible for a teach Iowa scholar grant if the applicant meets all of the criteria specified under, or established in accordance with, subsection 3. Priority shall be given to applicants who are residents of Iowa.

3. Criteria for eligibility shall be established by the commission and shall include but are not limited to the following:

*a.* The applicant was in the top twenty-five percent academically of students exiting a teacher preparation program approved by the state board of education pursuant to section 256.7, subsection 3, or a similar teacher preparation program in another state, or had earned other comparable academic credentials.

*b.* The applicant is preparing to teach in fields including but not limited to science, technology, engineering, or mathematics; English as a second language or special education instruction; or is preparing to teach in a hard-to-staff subject as identified by the department. The department shall take into account the varying regional needs in the state for teachers in these subject areas when applying the criterion of this paragraph. The department shall annually identify and designate hard-to-staff subjects for the purpose of this paragraph. The eligibility of an applicant who receives a teach Iowa scholar grant and who is preparing to teach in a hard-to-staff subject as identified by the department shall not be affected in subsequent years if the department does not continue to identify that subject as a hard-to-staff subject.

4. A selected applicant who meets all of the eligibility requirements of this section shall be eligible for a teach Iowa scholar grant for each year of full-time employment completed in this state as a teacher for a school district, charter school, area education agency, or accredited nonpublic school. A teach Iowa scholar grant shall not exceed four thousand dollars per year per recipient. Grants awarded under this section shall not exceed a total of twenty thousand dollars per recipient over a five-year period.

5. The commission, in collaboration with the department of education, shall adopt rules pursuant to chapter 17A to administer this section. The rules shall include but shall not be limited to a process for use by the commission to determine which eligible applicants will receive teach Iowa scholar grants.

6. A teach Iowa scholar fund is established in the state treasury. The fund shall be administered by the commission and shall consist of moneys appropriated by the general assembly and any other moneys received by the commission for deposit in the fund. The moneys in the fund are appropriated to the commission for the teach Iowa scholar program. Notwithstanding section 8.33, moneys in the fund at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for the teach Iowa scholar program for subsequent fiscal years. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

2013 Acts, ch 121, §46
NEW section

**261.111 Teacher shortage forgivable loan program.**

1. A teacher shortage forgivable loan program is established to be administered by the college student aid commission. An individual is eligible for the forgivable loan program if the individual is a resident of this state who is enrolled as a sophomore, junior, senior, or graduate student in an approved practitioner preparation program in a designated area in which teacher shortages are anticipated at an institution of higher learning under the control of the state board of regents or an accredited private institution as defined in section 261.9.

2. The director of the department of education shall annually designate the areas in which teacher shortages are anticipated. The director shall periodically conduct a survey of school districts, accredited nonpublic schools, and approved practitioner preparation programs to determine current shortage areas and predict future shortage areas.

3. Each applicant shall, in accordance with the rules of the commission, do the following:

*a.* Complete and file an application for a teacher shortage forgivable loan. The individual shall be responsible for the prompt submission of any information required by the commission.

*b.* File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed forgivable loan will be evaluated and determined.

4. Forgivable loans to eligible students shall not become due until after the student graduates or leaves school. The individual's total loan amount, including principal and interest, shall be reduced by twenty percent for each year in which the individual remains an Iowa resident and is employed in Iowa by a school district or an accredited nonpublic school as a practitioner in the teacher shortage area for which the loan was approved. If the commission determines that the person does not meet the criteria for forgiveness of the principal and interest payments, the commission shall establish a plan for repayment of the

principal and interest over a ten-year period. If a person required to make the repayment does not make the required payments, the commission shall provide for payment collection.

5. The annual amount of a teacher shortage forgivable loan shall not exceed the resident tuition rate established for institutions of higher education governed by the state board of regents, or the amount of the student's established financial need, whichever is less.

6. The commission shall prescribe by rule the interest rate for the forgivable loan.

7. A teacher shortage forgivable loan repayment fund is created for deposit of payments made by forgivable loan recipients who do not fulfill the conditions of the forgivable loan program and any other moneys appropriated to or received by the commission for deposit in the fund. Notwithstanding section 8.33, moneys deposited in the fund shall not revert to the general fund of the state at the end of any fiscal year but shall remain in the forgivable loan repayment fund and be continuously available to make additional loans under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

8. For purposes of this section, unless the context otherwise requires, *"teacher"* means the same as defined in section 272.1.

9. The commission shall submit in a report to the general assembly by January 1, annually, the number of students who received forgivable loans pursuant to this section, which institutions the students were enrolled in, and the amount paid to each of the institutions on behalf of the students who received forgivable loans pursuant to this section and the total amount of loans outstanding, including a schedule of years remaining on the outstanding loans.

98 Acts, ch 1215, §39; 99 Acts, ch 205, §41; 2006 Acts, ch 1180, §21, 22; 2007 Acts, ch 214, §29, 30

**261.112 Teacher shortage loan forgiveness program.**

1. A teacher shortage loan forgiveness program is established to be administered by the commission. A teacher is eligible for the program if the teacher is practicing in a teacher shortage area as designated by the department of education pursuant to subsection 2. For purposes of this section, *"teacher"* means an individual holding a practitioner's license issued under chapter 272, who is employed in a nonadministrative position in a designated shortage area by a school district or area education agency pursuant to a contract issued by a board of directors under section 279.13.

2. The director of the department of education shall annually designate the geographic or subject areas experiencing teacher shortages. The director shall periodically conduct a survey of school districts, accredited nonpublic schools, and approved practitioner preparation programs to determine current shortage areas.

3. Each applicant for loan forgiveness shall, in accordance with the rules of the commission, do the following:

*a.* Complete and file an application for teacher shortage loan forgiveness. The individual shall be responsible for the prompt submission of any information required by the commission.

*b.* File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed loan forgiveness will be evaluated and determined.

*c.* Complete and return on a form approved by the commission an affidavit of practice verifying that the applicant is a teacher in an eligible teacher shortage area.

4. The annual amount of teacher shortage loan forgiveness shall not exceed the resident tuition rate established for institutions of higher learning governed by the state board of regents for the first year following the teacher's graduation from an approved practitioner preparation program, or twenty percent of the teacher's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest, whichever amount is less. A teacher shall be eligible for the loan forgiveness program for not more than five years. However, practice by an eligible teacher in a teacher shortage area pursuant to subsection 1 must be completed within ten years following graduation from the approved practitioner preparation program.

5. A teacher shortage loan forgiveness repayment fund is created for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding section 8.33, moneys deposited in the fund shall not revert to any fund of the state at the end of any fiscal year but shall remain in the loan forgiveness repayment fund and be continuously available for loan forgiveness under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

6. The commission shall submit in a report to the general assembly by January 1, annually, the number of individuals who received loan forgiveness pursuant to this section, which shortage areas the teachers taught in, the amount paid to each program participant, and other information identified by the commission as indicators of outcomes from the program.

7. The commission shall adopt rules pursuant to chapter 17A to administer this section.

2007 Acts, ch 214, §31; 2011 Acts, ch 36, §6

Referred to in §261.2

## DIVISION XIV

## RURAL IOWA PRIMARY CARE LOAN REPAYMENT PROGRAM

**261.113 Rural Iowa primary care loan repayment program — fund — appropriations.**

1. *Program established.* A rural Iowa primary care loan repayment program is established to be administered by the college student aid commission for purposes of providing loan repayments for medical students who agree to practice as physicians in service commitment areas for five years and meet the requirements of this section.

2. *Eligibility.* An individual is eligible to apply to enter into a program agreement with the commission if the individual is enrolled full-time in and receives a recommendation from the state university of Iowa college of medicine or Des Moines university — osteopathic medical center in a curriculum leading to a doctor of medicine degree or a doctor of osteopathy degree.

3. *Program agreements.* A program agreement shall be entered into by an eligible student and the commission when the eligible student begins the curriculum leading to a doctor of medicine or osteopathy degree. Under the agreement, to receive loan repayments pursuant to subsection 5, an eligible student shall agree to and shall fulfill all of the following requirements:

*a.* Receive a doctor of medicine or osteopathy degree from an eligible university and apply for, enter, and complete a residency program approved by the commission.

*b.* Apply for and obtain a license to practice medicine and surgery or osteopathic medicine and surgery in this state.

*c.* Complete the residency program requirement with an Iowa-based residency program.

*d.* Within nine months of graduating from the residency program and receiving a permanent license in accordance with paragraph *"b"*, engage in the full-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, or general surgery for a period of sixty consecutive months in the service commitment area specified under subsection 6, unless the loan repayment recipient receives a waiver from the commission to complete the months of practice required under the agreement in another service commitment area pursuant to subsection 6.

4. *Priority to Iowa residents.* The commission shall give priority to eligible students who are residents of Iowa upon enrolling in the university.

5. *Loan repayment amounts.*

*a.* The amount of loan repayment an eligible student who enters into an agreement pursuant to subsection 3 shall receive if in compliance with obligations under the agreement shall not exceed fifty thousand dollars annually for an eligible loan. Payments under this section may be made for each year of eligible practice during a consecutive five-year period and shall not exceed a total of two hundred thousand dollars.

*b.* The commission shall not enter into more than twenty program agreements annually.

Fifty percent of the agreements shall be entered into by students attending each university described in subsection 2. However, if there are fewer than ten eligible student applicants at one university, eligible student applicants enrolled in the other university may be awarded the remaining agreements.

6. *Selection of service commitment area.* A loan repayment recipient shall notify the commission of the recipient's service commitment area prior to beginning practice in the area in accordance with subsection 3, paragraph *"d"*. The commission may waive the requirement that the loan repayment recipient practice in the same service commitment area for all sixty months.

7. *Rules for additional loan repayment.* The commission shall adopt rules to provide, in addition to loan repayment provided to eligible students pursuant to this section and subject to the availability of surplus funds, loan repayment to a physician who received a doctor of medicine or osteopathy degree from an eligible university as provided in subsection 2, obtained a license to practice medicine and surgery or osteopathic medicine and surgery in this state, completed the physician's residency program requirement with an Iowa-based residency program, and is engaged in the full-time practice of medicine and surgery or osteopathic medicine and surgery as specified in subsection 3, paragraph *"d"*.

8. *Part-time practice — agreement amended.* A person who entered into an agreement pursuant to subsection 3 may apply to the commission to amend the agreement to allow the person to engage in less than the full-time practice specified in the agreement and under subsection 3, paragraph *"d"*. If the commission determines exceptional circumstances exist, the commission and the person may consent to amend the agreement under which the person shall engage in less than full-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, or general surgery in a service commitment area for an extended period of part-time practice determined by the commission to be proportional to the amount of full-time practice remaining under the original agreement.

9. *Postponement and satisfaction of service obligation.*

*a.* The obligation to engage in practice in accordance with subsection 3 shall be postponed for the following purposes:

(1) Active duty status in the armed forces, the armed forces military reserve, or the national guard.

(2) Service in volunteers in service to America.

(3) Service in the federal peace corps.

(4) A period of service commitment to the United States public health service commissioned corps.

(5) A period of religious missionary work conducted by an organization exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code.

(6) Any period of temporary medical incapacity during which the person obligated is unable, due to a medical condition, to engage in full-time practice as required under subsection 3, paragraph *"d"*.

*b.* Except for a postponement under paragraph *"a"*, subparagraph (6), an obligation to engage in practice under an agreement entered into pursuant to subsection 3, shall not be postponed for more than two years from the time the full-time practice was to have commenced under the agreement.

*c.* An obligation to engage in full-time practice under an agreement entered into pursuant to subsection 3 shall be considered satisfied when any of the following conditions are met:

(1) The terms of the agreement are completed.

(2) The person who entered into the agreement dies.

(3) The person who entered into the agreement, due to a permanent disability, is unable to practice medicine and surgery or osteopathic medicine and surgery.

*d.* If a loan repayment recipient fails to fulfill the obligation to engage in practice in accordance with subsection 3, the recipient shall be subject to repayment to the commission of the loan amount plus interest as specified by rule. A loan repayment recipient who fails to meet the requirements of the obligation to engage in practice in accordance with subsection

3 may also be subject to repayment of moneys advanced by the service commitment area as provided in any agreement with the service commitment area.

10. *Trust fund established.* A rural Iowa primary care trust fund is created in the state treasury as a separate fund under the control of the commission. The commission shall remit all repayments made pursuant to this section to the rural Iowa primary care trust fund. All moneys deposited or paid into the trust fund are appropriated and made available to the commission to be used for meeting the requirements of this section. Moneys in the fund up to the total amount that an eligible student may receive for an eligible loan in accordance with this section and upon fulfilling the requirements of subsection 3, shall be considered encumbered for the duration of the agreement entered into pursuant to subsection 3. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of this section in subsequent fiscal years.

11. *Definitions.* For purposes of this section:

*a.* *"Eligible loan"* means the physician's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest.

*b.* *"Eligible university"* means either the state university of Iowa college of medicine or Des Moines university — osteopathic medical center.

*c.* *"Service commitment area"* means a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand or more and which provides a twenty thousand dollar contribution for deposit in the rural Iowa primary care trust fund for each physician in the community who is participating in the loan repayment program.

2012 Acts, ch 1108, §1; 2012 Acts, ch 1138, §58 – 60; 2013 Acts, ch 141, §14, 15
Subsection 5, paragraph a amended
Subsection 9, NEW paragraph d

**261.114 Rural Iowa advanced registered nurse practitioner and physician assistant loan repayment program — fund — appropriations.**

1. *Program established.* A rural Iowa advanced registered nurse practitioner and physician assistant loan repayment program is established to be administered by the college student aid commission for purposes of providing loan repayments for advanced registered nurse practitioner students and physician assistant students who agree to practice as advanced registered nurse practitioners or physician assistants in service commitment areas for five years and meet the requirements of this section.

2. *Eligibility.* An individual is eligible to apply to enter into a program agreement with the commission if the individual is enrolled full-time in and receives a recommendation from an eligible university in a curriculum leading to a doctorate of nursing practice degree or a masters of physician assistant studies degree.

3. *Program agreements.* A program agreement shall be entered into by an eligible student and the commission when the eligible student begins the curriculum leading to a doctorate of nursing practice degree or a masters of physician assistant studies degree. Under the agreement, to receive loan repayments pursuant to subsection 5, an eligible student shall agree to and shall fulfill all of the following requirements:

*a.* Receive a doctorate of nursing practice degree or a masters of physician assistant studies degree from an eligible university and obtain a license to practice as an advanced registered nurse practitioner pursuant to chapter 152 or physician assistant pursuant to chapter 148C.

*b.* Within nine months of receiving a degree and obtaining a license in accordance with paragraph *"a"*, engage in the full-time practice as an advanced registered nurse practitioner or physician assistant for a period of sixty consecutive months in the service commitment area specified under subsection 6, unless the loan repayment recipient receives a waiver from the commission to complete the months of practice required under the agreement in another service commitment area pursuant to subsection 6.

4. *Priority to Iowa residents.* The commission shall give priority to eligible students who are residents of Iowa upon enrolling in the eligible university.

5. *Loan repayment amounts.*

*a.* The amount of loan repayment an eligible student who enters into an agreement pursuant to subsection 3 shall receive upon fulfilling the requirements of subsection 3 shall be not more than five thousand dollars annually for an eligible loan. Payments under this section are limited to a four-year period and shall not exceed a total of twenty thousand dollars.

*b.* The commission shall not enter into more than fifteen program agreements annually.

6. *Selection of service commitment area.* A loan repayment recipient shall notify the commission of the recipient's service commitment area prior to beginning practice in the area in accordance with subsection 3. The commission may waive the requirement that the loan repayment recipient practice in the same service commitment area for all sixty months.

7. *Rules for additional loan repayment.* The commission shall adopt rules to provide, in addition to loan repayment provided to eligible students pursuant to this section and subject to the availability of surplus funds, loan repayment to an advanced registered nurse practitioner or physician assistant who, as provided in subsection 3, received a degree from an eligible university, obtained a license to practice in this state, and is engaged in full-time practice as an advanced registered nurse practitioner or physician assistant in a service commitment area.

8. *Part-time practice — agreement amended.* A person who entered into an agreement pursuant to subsection 3 may apply to the commission to amend the agreement to allow the person to engage in less than the full-time practice specified in the agreement and under subsection 3. If the commission determines exceptional circumstances exist, the commission and the person may consent to amend the agreement under which the person shall engage in less than full-time practice as an advanced registered nurse practitioner or physician assistant in a service commitment area for an extended period of part-time practice determined by the commission to be proportional to the amount of full-time practice remaining under the original agreement.

9. *Postponement and satisfaction of service obligation.*

*a.* The obligation to engage in practice in accordance with subsection 3 shall be postponed for the following purposes:

(1) Active duty status in the armed forces, the armed forces military reserve, or the national guard.

(2) Service in volunteers in service to America.

(3) Service in the federal peace corps.

(4) A period of service commitment to the United States public health service commissioned corps.

(5) A period of religious missionary work conducted by an organization exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code.

(6) Any period of temporary medical incapacity during which the person obligated is unable, due to a medical condition, to engage in full-time practice as required under subsection 3.

*b.* Except for a postponement under paragraph "*a*", subparagraph (6), an obligation to engage in practice under an agreement entered into pursuant to subsection 3, shall not be postponed for more than two years from the time the full-time practice was to have commenced under the agreement.

*c.* An obligation to engage in full-time practice under an agreement entered into pursuant to subsection 3 shall be considered satisfied when any of the following conditions are met:

(1) The terms of the agreement are completed.

(2) The person who entered into the agreement dies.

(3) The person who entered into the agreement, due to a permanent disability, is unable to practice as an advanced registered nurse practitioner or physician assistant.

*d.* If a loan repayment recipient fails to fulfill the obligation to engage in practice in accordance with subsection 3, the recipient shall be subject to repayment to the commission of the loan amount plus interest as specified by rule. A loan repayment recipient who fails to

meet the requirements of the obligation to engage in practice in accordance with subsection 3 may also be subject to repayment of moneys advanced by the service commitment area as provided in any agreement with the service commitment area.

10. *Trust fund established.* A rural Iowa advanced registered nurse practitioner and physician assistant trust fund is created in the state treasury as a separate fund under the control of the commission. The commission shall remit all repayments made pursuant to this section to the rural Iowa advanced registered nurse practitioner and physician assistant trust fund. All moneys deposited or paid into the trust fund are appropriated and made available to the commission to be used for meeting the requirements of this section. Moneys in the fund up to the total amount that an eligible student may receive for an eligible loan in accordance with this section and upon fulfilling the requirements of subsection 3 shall be considered encumbered for the duration of the agreement entered into pursuant to subsection 3. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of this section in subsequent fiscal years.

11. *Definitions.* For purposes of this section:

*a.* "*Eligible loan*" means the loan repayment recipient's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest.

*b.* "*Eligible university*" means either the state university of Iowa college of medicine or Des Moines university — osteopathic medical center.

*c.* "*Service commitment area*" means a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand or more and which provides a two thousand dollar contribution for deposit in the rural Iowa advanced registered nurse practitioner and physician assistant trust fund for each advanced registered nurse practitioner or physician assistant in the community who is participating in the rural Iowa advanced registered nurse practitioner and physician assistant loan repayment program.

2013 Acts, ch 141, §16
NEW section

**261.115 through 261.120** Reserved.

## DIVISION XV

## LICENSING SANCTIONS

Authority of licensing boards or authorities to act against licensees who default on repayment or service obligations under federal or state educational loan or service-conditional scholarship programs; see §272C.4, subsection 10

**261.121 Notice to individual of potential sanction of license.**

1. The commission may initiate action to deny, revoke, or suspend any license authorized by the laws of this state, as defined in section 252J.1, to any person who has defaulted on an obligation owed to or collected by the commission as provided in this section and sections 261.122 through 261.127.

2. The commission shall proceed in accordance with this section and sections 261.122 through 261.127 only if notice is served on an individual by restricted certified mail addressed to the individual at the individual's last known address or principal place of business. The return post office receipt signed by the individual shall be proof of notice.

3. The notice shall include all of the following:

*a.* The address and telephone number of the commission and the individual's file number.

*b.* A statement that the individual is in default on an obligation owed to or collected by the commission.

*c.* A statement that the individual may request a conference with the commission to contest the action.

*d.* A statement that if, within twenty days of service of notice on the individual, the individual fails to contact the commission to schedule a conference or pay the total amount of delinquent obligation owed, the commission shall issue a certificate of noncompliance bearing the individual's name, social security number, and file number to any appropriate licensing authority, certifying that the individual is in default on an obligation owed to or collected by the commission.

*e.* A statement that in order to stay the issuance of a certificate of noncompliance, the request for a conference shall be in writing and shall be received by the commission within twenty days of service of notice on the individual.

*f.* The names of the licensing authorities to which the commission intends to issue a certificate of noncompliance.

*g.* A statement that if the commission issues a certificate of noncompliance to an appropriate licensing authority, the licensing authority shall initiate proceedings to refuse to issue or renew, or to suspend or revoke, the individual's license, unless the commission provides the licensing authority with a withdrawal of a certificate of noncompliance.

98 Acts, ch 1081, §1; 2010 Acts, ch 1061, §93
Referred to in §261.122, 261.123, 261.124, 261.125, 272C.4

**261.122 Conference.**

1. An individual may schedule a conference with the commission following service of notice pursuant to section 261.121 or at any time after notice of suspension, revocation, denial of issuance, or nonrenewal of a license from a licensing authority, to challenge the commission's actions under sections 261.121 through 261.127.

2. The request for a conference shall be made to the commission, in writing, and, if requested after service of notice pursuant to this section, shall be received by the commission within twenty days following service of notice.

3. The commission shall notify the individual of the date, time, and location of the conference by regular mail, with the date of the conference to be no earlier than ten days following issuance of notice of the conference by the commission. If the individual fails to appear at the conference, the commission shall issue a certificate of noncompliance if not already issued.

4. The commission shall grant the individual a stay of the issuance of a certificate of noncompliance upon receiving a timely written request for a conference, and if a certificate of noncompliance has previously been issued, shall issue a stay of action on the certificate. The commission shall issue a withdrawal of a certificate of noncompliance as a result of the conference if the individual enters into a written agreement with the commission to repay the obligation.

5. Following the conference, the commission shall issue a certificate of noncompliance, if not already issued, unless any of the following applies:

*a.* The commission finds a mistake in the identity of the individual.

*b.* The individual enters into a written agreement with the commission to comply with a repayment plan agreed to by the commission and the individual as a result of the conference, or to comply with the existing contract, or the individual pays the total amount of the delinquent obligation due.

*c.* Issuance of a certificate of noncompliance is not appropriate under other criteria established in accordance with rules adopted by the commission pursuant to chapter 17A.

6. If the individual does not timely request a conference or pay the total amount of delinquent obligation owed within twenty days of service of notice pursuant to section 261.121, the commission shall issue a certificate of noncompliance.

98 Acts, ch 1081, §2
Referred to in §261.121, 261.124, 272C.4

**261.123 Written agreement.**

1. An individual served with notice pursuant to section 261.121 may enter into a written agreement with the commission for payment of the obligation owed by the individual. The agreement shall take into consideration the individual's ability to pay and other criteria

established by rule of the commission. The written agreement shall include all of the following:

*a.* The method, amount, and dates of payments by the individual.

*b.* A statement that upon breach of the written agreement by the individual, the commission shall issue a certificate of noncompliance to any appropriate licensing authority.

*c.* A written agreement entered into pursuant to this subsection does not preclude any other remedy provided by law.

2. If the individual enters into a written agreement with the commission following issuance of a certificate of noncompliance, the commission shall issue a withdrawal of the certificate of noncompliance and shall forward a copy of the withdrawal by regular mail to the individual and any appropriate licensing authority.

98 Acts, ch 1081, §3

Referred to in §261.121, 261.122, 261.124, 272C.4

**261.124 Decision of the commission.**

1. The commission shall issue a written decision in regard to an individual served with notice pursuant to section 261.121, if any of the following occurs:

*a.* The individual fails to appear at a scheduled conference under section 261.122.

*b.* A conference is held under section 261.122.

*c.* The individual fails to comply with a written agreement entered into by the individual and the commission under section 261.123.

2. The commission shall send a copy of the written decision to the individual by regular mail at the individual's most recent address of record or principal place of business.

3. If the commission issues a certificate of noncompliance or withdraws a certificate of noncompliance, a copy of the certificate or of the withdrawal shall be attached to the written decision as applicable.

4. The written decision shall state all of the following:

*a.* That a copy of the certificate of noncompliance or withdrawal of the certificate of noncompliance has been provided to the licensing authorities named in the notice provided pursuant to section 261.121.

*b.* That upon receipt of a certificate of noncompliance, the licensing authority shall initiate proceedings to suspend, revoke, deny issuance, or deny renewal of a license, unless the licensing authority is provided with a withdrawal of the certificate of noncompliance from the commission.

*c.* If the decision is not to withdraw a certificate of noncompliance, that in order to obtain a withdrawal of a certificate of noncompliance from the commission, the individual shall enter into a written agreement with the commission, comply with an existing written agreement with the commission, or pay the total amount of delinquent obligation owed.

*d.* If the written decision includes a certificate of noncompliance, that all of the following apply:

(1) The individual may request a hearing as provided in section 261.127, before the district court in the county of the individual's residence, by filing a written application to the court challenging the issuance of the certificate of noncompliance by the commission and sending a copy of the application to the commission within the time period specified in section 261.127.

(2) The individual may retain an attorney at the individual's own expense to represent the individual at the hearing.

(3) The scope of review of the district court shall be limited to demonstration of a mistake of fact related to the delinquency of the individual.

5. If the commission issues a certificate of noncompliance, the commission shall only issue a withdrawal of the certificate of noncompliance if any of the following applies:

*a.* The commission or the court finds a mistake in the identity of the individual.

*b.* The commission or the court finds a mistake in determining the amount of a delinquent obligation.

*c.* The individual enters into a written agreement with the commission to comply with an obligation, the individual complies with an existing written agreement to comply with an obligation, or the individual pays the total amount of delinquent obligation owed.

*d.* Issuance of a withdrawal of the certificate of noncompliance is appropriate under other criteria in accordance with rules adopted by the commission pursuant to chapter 17A.

98 Acts, ch 1081, §4
Referred to in §261.121, 261.122, 261.125, 261.127, 272C.4

**261.125 Certificate of noncompliance — certification to licensing authority.**

1. If an individual fails to respond to the notice of potential license sanction provided pursuant to section 261.121 or the commission issues a written decision under section 261.124 which states that the individual is not in compliance, the commission shall certify, in writing, to any appropriate licensing authority that the individual is not in compliance and shall include a copy of the certificate of noncompliance.

2. The certificate of noncompliance shall contain the individual's name, social security number, and file number.

3. The certificate of noncompliance shall require all of the following:

*a.* That the licensing authority initiate procedures for the revocation or suspension of the individual's license, or for the denial of the issuance or renewal of a license using the licensing authority's procedures.

*b.* That the licensing authority provide notice to the individual, as provided in section 261.126, of the intent to suspend, revoke, deny issuance, or deny renewal of a license including the effective date of the action. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the individual.

98 Acts, ch 1081, §5
Referred to in §261.121, 261.122, 272C.4

**261.126 Requirements and procedures of licensing authority.**

1. A licensing authority shall maintain records of licensees by name, current known address, and social security number.

2. In addition to other grounds for suspension, revocation, or denial of issuance or renewal of a license, a licensing authority shall include in rules adopted by the licensing authority as grounds for suspension, revocation, or denial of issuance or renewal of a license, the receipt of a certificate of noncompliance from the commission.

3. The supreme court shall prescribe rules for admission of persons to practice as attorneys and counselors pursuant to chapter 602, article 10, which include provisions, as specified in this chapter, for the denial, suspension, or revocation of the admission for failure to repay an obligation owed to or collected by the commission.

4. *a.* A licensing authority that is issued a certificate of noncompliance shall initiate procedures for the suspension, revocation, or denial of issuance or renewal of licensure to an individual. The licensing authority shall utilize existing rules and procedures for suspension, revocation, or denial of the issuance or renewal of a license.

*b.* In addition, the licensing authority shall provide notice to the individual of the licensing authority's intent to suspend, revoke, or deny issuance or renewal of a license under this chapter. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the individual. The notice shall state all of the following:

(1) The licensing authority intends to suspend, revoke, or deny issuance or renewal of an individual's license due to the receipt of a certificate of noncompliance from the commission.

(2) The individual must contact the commission to schedule a conference or to otherwise obtain a withdrawal of a certificate of noncompliance.

(3) Unless the commission furnishes a withdrawal of a certificate of noncompliance to the licensing authority within thirty days of the issuance of the notice under this section, the individual's license shall be revoked, suspended, or denied.

(4) If the licensing authority's rules and procedures conflict with the additional requirements of this section, the requirements of this section shall apply. Notwithstanding section 17A.18, the individual does not have a right to a hearing before the licensing authority to contest the authority's actions under this chapter, but may request a court hearing pursuant to section 261.127 within thirty days of the provision of notice under this section.

5. If the licensing authority receives a withdrawal of a certificate of noncompliance from the commission, the licensing authority shall immediately reinstate, renew, or issue a license if the individual is otherwise in compliance with licensing requirements established by the licensing authority.

98 Acts, ch 1081, §6; 2010 Acts, ch 1061, §180
Referred to in §261.121, 261.122, 261.125, 261.127, 272C.4

**261.127 District court hearing.**

1. Following the issuance of a written decision by the commission under section 261.124, which includes the issuance of a certificate of noncompliance, or following provision of notice to the individual by a licensing authority pursuant to section 261.126, an individual may seek review of the decision and request a hearing before the district court in the individual's county of residence by filing an application with the district court and sending a copy of the application to the commission by regular mail. An application shall be filed to seek review of the decision by the commission or following issuance of notice by the licensing authority no later than thirty days after the issuance of the notice pursuant to section 261.126. The clerk of the district court shall schedule a hearing and mail a copy of the order scheduling the hearing to the individual and the commission and shall also mail a copy of the order to the licensing authority, if applicable. The commission shall certify a copy of its written decision and certificate of noncompliance, indicating the date of issuance, and the licensing authority shall certify a copy of a notice issued pursuant to section 261.126, to the court prior to the hearing.

2. The filing of an application pursuant to this section shall automatically stay the actions of a licensing authority pursuant to section 261.126. The hearing on the application shall be scheduled and held within thirty days of the filing of the application. However, if the individual fails to appear at the scheduled hearing, the stay shall be lifted and the licensing authority shall continue procedures pursuant to section 261.126.

3. The scope of review by the district court shall be limited to demonstration of a mistake of fact relating to the delinquency of the individual.

4. If the court finds that the commission was in error in issuing a certificate of noncompliance, or in failing to issue a withdrawal of a certificate of noncompliance, the commission shall issue a withdrawal of a certificate of noncompliance to the appropriate licensing authority.

98 Acts, ch 1081, §7
Referred to in §261.121, 261.122, 261.124, 261.126, 272C.4

## DIVISION XVI

## HEALTH CARE PROFESSIONAL INCENTIVE PAYMENT PROGRAM

**261.128 Health care professional incentive payment program — repeal.**

1. The commission shall establish a health care professional incentive payment program to recruit and retain health care professionals in this state. Funding for the program may be provided through the health care workforce shortage fund or the health care professional and Iowa needs nurses now initiative account created in section 135.175.

2. The commission shall administer the incentive payment program with the assistance of Des Moines university — osteopathic medical center.

3. The commission, with the assistance of Des Moines university — osteopathic medical center, shall adopt rules pursuant to chapter 17A relating to the establishment and administration of the health care professional incentive payment program. The rules adopted shall address all of the following:

*a.* Eligibility and qualification requirements for a health care professional, a community, and a health care employer to participate in the incentive payment program. Any community in the state and all health care specialties shall be considered for participation. However, health care employers located in and communities that are designated as medically

underserved areas or populations or that are designated as health professional shortage areas by the health resources and services administration of the United States department of health and human services shall have first priority in the awarding of incentive payments.

(1) To be eligible, a health care professional at a minimum must not have any unserved obligations to a federal, state, or local government or other entity that would prevent compliance with obligations under the agreement for the incentive payment; must have a current and unrestricted license to practice the professional's respective profession; and must be able to begin full-time clinical practice upon signing an agreement for an incentive payment.

(2) To be eligible, a community must provide a clinical setting for full-time practice of a health care professional and must provide a fifty thousand dollar matching contribution for a physician and a fifteen thousand dollar matching contribution for any other health care professional to receive an equal amount of state matching funds.

(3) To be eligible, a health care employer must provide a clinical setting for a full-time practice of a health care professional and must provide a fifty thousand dollar matching contribution for a physician and a fifteen thousand dollar matching contribution for any other health care professional to receive an equal amount of state matching funds.

*b.* The process for awarding incentive payments. The commission shall receive recommendations from the department of public health regarding selection of incentive payment recipients. The process shall require each recipient to enter into an agreement with the commission that specifies the obligations of the recipient and the commission prior to receiving the incentive payment.

*c.* Public awareness regarding the program including notification of potential health care professionals, communities, and health care employers about the program and dissemination of applications to appropriate entities.

*d.* Measures regarding all of the following:

(1) The amount of the incentive payment and the specifics of obligated service for an incentive payment recipient. An incentive payment recipient shall agree to provide service in full-time clinical practice for a minimum of four consecutive years. If an incentive payment recipient is sponsored by a community or health care employer, the obligated service shall be provided in the sponsoring community or health care employer location. An incentive payment recipient sponsored by a health care employer shall agree to provide health care services as specified in an employment agreement with the sponsoring health care employer.

(2) Determination of the conditions of the incentive payment applicable to an incentive payment recipient. At the time of approval for participation in the program, an incentive payment recipient shall be required to submit proof of indebtedness incurred as the result of obtaining loans to pay for educational costs resulting in a degree in health sciences. For the purposes of this subparagraph, *"indebtedness"* means debt incurred from obtaining a government or commercial loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate, undergraduate, or associate education of a health care professional.

(3) Enforcement of the state's rights under an incentive payment agreement, including the commencement of any court action. A recipient who fails to fulfill the requirements of the incentive payment agreement is subject to repayment of the incentive payment in an amount equal to the amount of the incentive payment. A recipient who fails to meet the requirements of the incentive payment agreement may also be subject to repayment of moneys advanced by a community or health care employer as provided in any agreement with the community or employer.

(4) A process for monitoring compliance with eligibility requirements, obligated service provisions, and use of funds by recipients to verify eligibility of recipients and to ensure that state, federal, and other matching funds are used in accordance with program requirements.

(5) The use of the funds received. Any portion of the incentive payment that is attributable to federal funds shall be used as required by the federal entity providing the funds. Any portion of the incentive payment that is attributable to state funds shall first be used toward payment of any outstanding loan indebtedness of the recipient. The remaining portion of the incentive payment shall be used as specified in the incentive payment agreement.

4. A recipient is responsible for reporting on federal income tax forms any amount received through the program, to the extent required by federal law. Incentive payments received through the program by a recipient in compliance with the requirements of the incentive payment program are exempt from state income taxation.

5. This section is repealed June 30, 2014.

2009 Acts, ch 118, §51, 54; 2010 Acts, ch 1147, §9, 13

Referred to in §135.175, 261.2

Implementation of section, and 2010 amendments thereto, conditioned upon availability of funding; 2009 Acts, ch 118, §54; 2010 Acts, ch 1147, §13

## DIVISION XVII

## IOWA NEEDS NURSES NOW INITIATIVE

**261.129 Iowa needs nurses now initiative — repeal.**

1. *Nurse educator incentive payment program.*

*a.* The commission shall establish a nurse educator incentive payment program. Funding for the program may be provided through the health care workforce shortage fund or the health care professional and Iowa needs nurses now initiative account created in section 135.175. For the purposes of this subsection, *"nurse educator"* means a registered nurse who holds a master's degree or doctorate degree and is employed as a faculty member who teaches nursing in a nursing education program as provided in 655 IAC 2.6 at a community college, an accredited private institution, or an institution of higher education governed by the state board of regents.

*b.* The program shall consist of incentive payments to recruit and retain nurse educators. The program shall provide for incentive payments of up to twenty thousand dollars for a nurse educator who remains teaching in a qualifying teaching position for a period of not less than four consecutive academic years.

*c.* The nurse educator and the commission shall enter into an agreement specifying the obligations of the nurse educator and the commission. If the nurse educator leaves the qualifying teaching position prior to teaching for four consecutive academic years, the nurse educator shall be liable to repay the incentive payment amount to the state, plus interest as specified by rule. However, if the nurse educator leaves the qualifying teaching position involuntarily, the nurse educator shall be liable to repay only a pro rata amount of the incentive payment based on incompleted years of service.

*d.* The commission, in consultation with the department of public health, the board of nursing, the department of education, and the Iowa nurses association, shall adopt rules pursuant to chapter 17A relating to the establishment and administration of the nurse educator incentive payment program. The rules shall include provisions specifying what constitutes a qualifying teaching position.

2. *Nursing faculty fellowship program.*

*a.* The commission shall establish a nursing faculty fellowship program to provide funds to nursing schools in the state, including but not limited to nursing schools located at community colleges, for fellowships for individuals employed in qualifying positions on the nursing faculty. Funding for the program may be provided through the health care workforce shortage fund or the health care professional and the Iowa needs nurses now initiative account created in section 135.175. The program shall be designed to assist nursing schools in filling vacancies in qualifying positions throughout the state.

*b.* The commission, in consultation with the department of public health, the board of nursing, the department of education, and the Iowa nurses association, and in cooperation with nursing schools throughout the state, shall develop a distribution formula which shall provide that no more than thirty percent of the available moneys are awarded to a single nursing school. Additionally, the program shall limit funding for a qualifying position in a nursing school to no more than ten thousand dollars per year for up to three years.

*c.* The commission, in consultation with the department of public health, the board of

nursing, the department of education, and the Iowa nurses association, shall adopt rules pursuant to chapter 17A to administer the program. The rules shall include provisions specifying what constitutes a qualifying position at a nursing school.

*d.* In determining eligibility for a fellowship, the commission shall consider all of the following:

(1) The length of time a qualifying position has gone unfilled at a nursing school.

(2) Documented recruiting efforts by a nursing school.

(3) The geographic location of a nursing school.

(4) The type of nursing program offered at the nursing school, including associate, bachelor's, master's, or doctoral degrees in nursing, and the need for the specific nursing program in the state.

3. *Nurse educator scholarship program.*

*a.* The commission shall establish a nurse educator scholarship program. Funding for the program may be provided through the health care workforce shortage fund or the health care professional and the Iowa needs nurses now initiative account created in section 135.175. The goal of the nurse educator scholarship program is to address the waiting list of qualified applicants to Iowa's nursing schools by providing incentives for the training of additional nursing educators. For the purposes of this subsection, "*nurse educator*" means a registered nurse who holds a master's degree or doctorate degree and is employed as a faculty member who teaches nursing in a nursing education program as provided in 655 IAC 2.6 at a community college, an accredited private institution, or an institution of higher education governed by the state board of regents.

*b.* The program shall consist of scholarships to further advance the education of nurses to become nurse educators. The program shall provide for scholarship payments in an amount established by rule for students who are preparing to teach in qualifying teaching positions.

*c.* The commission, in consultation with the department of public health, the board of nursing, the department of education, and the Iowa nurses association, shall adopt rules pursuant to chapter 17A relating to the establishment and administration of the nurse educator scholarship program. The rules shall include provisions specifying what constitutes a qualifying teaching position and the amount of any scholarship.

4. *Nurse educator scholarship-in-exchange-for-service program.*

*a.* The commission shall establish a nurse educator scholarship-in-exchange-for-service program. Funding for the program may be provided through the health care workforce shortage fund or the health care professional and Iowa needs nurses now initiative account created in section 135.175. The goal of the nurse educator scholarship-in-exchange-for-service program is to address the waiting list of qualified applicants to Iowa's nursing schools by providing incentives for the education of additional nursing educators. For the purposes of this subsection, "*nurse educator*" means a registered nurse who holds a master's degree or doctorate degree and is employed as a faculty member who teaches nursing in a nursing education program as provided in 655 IAC 2.6 at a community college, an accredited private institution, or an institution of higher education governed by the state board of regents.

*b.* The program shall consist of scholarships to further advance the education of nurses to become nurse educators. The program shall provide for scholarship-in-exchange-for-service payments in an amount established by rule for students who are preparing to teach in qualifying teaching positions for a period of not less than four consecutive academic years.

*c.* The scholarship-in-exchange-for-service recipient and the commission shall enter into an agreement specifying the obligations of the applicant and the commission. If the nurse educator leaves the qualifying teaching position prior to teaching for four consecutive academic years, the nurse educator shall be liable to repay the scholarship-in-exchange-for-service amount to the state plus interest as specified by rule. However, if the nurse educator leaves the qualified teaching position involuntarily, the nurse educator shall be liable to repay only a pro rata amount of the scholarship based on incomplete years of service.

*d.* The receipt of a nurse educator scholarship-in-exchange-for-service shall not impact

eligibility of an individual for other financial incentives including but not limited to loan forgiveness programs.

*e.* The commission, in consultation with the department of public health, the board of nursing, the department of education, and the Iowa nurses association, shall adopt rules pursuant to chapter 17A relating to the establishment and administration of the nurse educator scholarship-in-exchange-for-service program. The rules shall include the provisions specifying what constitutes a qualifying teaching position and the amount of any scholarship-in-exchange-for-service.

5. *Repeal.* This section is repealed June 30, 2014.

2009 Acts, ch 118, §52, 54; 2010 Acts, ch 1147, §10, 13

Referred to in §135.175, 261.2

Implementation of section, and 2010 amendments thereto, conditioned upon availability of funding; 2009 Acts, ch 118, §54; 2010 Acts, ch 1147, §13

## DIVISION XVIII

## SKILLED WORKFORCE SHORTAGE TUITION GRANT PROGRAM

**261.130 Skilled workforce shortage tuition grant program.**

1. A skilled workforce shortage tuition grant may be awarded to any resident of Iowa who is admitted and in attendance as a full-time or part-time student in a career-technical or career option program to pursue an associate's degree or other training at a community college in the state, and who establishes financial need.

2. Skilled workforce shortage tuition grants shall be awarded only to students pursuing a career-technical or career option program in an industry identified as having a shortage of skilled workers by a community college after conducting a regional skills gap analysis or by the department of workforce development in the department's most recent quarterly report pursuant to section 84A.6, subsection 4.

3. The amount of a skilled workforce shortage tuition grant shall not exceed the lesser of one-half of a student's tuition and fees for an approved career-technical or career option program or the amount of the student's established financial need.

4. All classes identified by the community college as required for completion of the student's approved career-technical or career option program shall be considered a part of the student's career-technical or career option program for the purpose of determining the student's eligibility for a grant. Notwithstanding subsection 5, if a student is making satisfactory academic progress but the student cannot complete a career-technical or career option program in the time frame allowed for a student to receive a skilled workforce shortage tuition grant as provided in subsection 5 because additional classes are required to complete the program, the student may continue to receive a skilled workforce shortage tuition grant for not more than one additional enrollment period.

5. *a.* A qualified full-time student may receive skilled workforce shortage tuition grants for not more than four semesters or the trimester or quarter equivalent of two full years of study. A qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent may receive skilled workforce shortage tuition grants for not more than eight semesters or the trimester or quarter equivalent of two full years of full-time study.

*b.* However, if a student resumes study after at least a two-year absence, the student may again be eligible for the specified amount of time, except that the student shall not receive assistance for courses for which credit was previously received.

6. A skilled workforce shortage tuition grant shall be awarded on an annual basis, requiring reapplication by the student for each year. Payments under the grant shall be allocated equally among the semesters or quarters of the year upon certification by the community college that the student is in full-time or part-time attendance in a career-technical or career option program consistent with the requirements of this section. If the student discontinues attendance before the end of any term after receiving payment

of the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the community college to the state.

7. If a student receives financial aid under any other program, the full amount of that financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period.

8. The commission shall administer this program and shall:

*a.* Provide application forms for distribution to students by Iowa high schools and community colleges.

*b.* Adopt rules for approving career-technical or career option programs in industries identified by the department of workforce development pursuant to section 84A.6, subsection 4; determining financial need; defining residence for the purposes of this section; processing and approving applications for grants; and determining priority for grants.

*c.* Approve and award grants on an annual basis.

*d.* Make an annual report to the governor and general assembly. The report shall include the number of students receiving assistance and the industries identified by the community colleges and by the department of workforce development pursuant to section 84A.6, subsection 4, for which students were admitted to a career-technical or career option program.

9. Each applicant, in accordance with the rules established by the commission, shall:

*a.* Complete and file an application for a skilled workforce shortage tuition grant.

*b.* Be responsible for the submission of the financial information required for evaluation of the applicant's need for a grant, on forms determined by the commission.

*c.* Report promptly to the commission any information requested.

*d.* Submit a new application for reevaluation of the applicant's eligibility to receive a second-year renewal of the grant.

2012 Acts, ch 1132, §20

Referred to in §84A.6

# CHAPTER 261A

## HIGHER EDUCATION LOAN AUTHORITY (PRIVATE INSTITUTIONS)

Referred to in §12.28, 12.30

Authority is attached to the college student aid commission; §7E.7, chapter 261

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## DIVISION I

## GENERAL PROVISIONS

**261A.1 Short title and citation.**

This chapter may be cited as the *"Iowa Higher Education Loan Authority Act"*.

[82 Acts, ch 1031, §1]

Referred to in §261A.24

**261A.2 Declaration of purpose.**

It is declared that for the benefit of the people of the state of Iowa, the conduct and increase of their commerce, the protection and enhancement of their welfare, the development of continued prosperity and the improvement of their health and living conditions, it is essential that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities and skills; that to achieve these ends it is of the utmost importance that students attending institutions of higher education located in Iowa have reasonable financial alternatives to enhance their access to such institutions; that reasonable financial access to institutions of higher education will assist youth in achieving the optimum levels of learning and development of their intellectual and mental capacities and skills; that it is the purpose of this chapter to provide a measure of assistance and an alternative method to enable students and the families of students attending institutions of higher education located in Iowa to appropriately and prudently finance the cost or a portion of the cost of higher education; and that it is the intent of this chapter to supplement federal guaranteed higher education loan programs, other student loan programs, and grant or scholarship programs to provide the needed additional options for the financing of a student's higher education in execution of the public policy set forth above.

[82 Acts, ch 1031, §2]

Referred to in §261A.24

**261A.3 Legislative findings.**

The general assembly finds as follows:

1. The establishment of the authority is in all respects for the benefit of the people of the state of Iowa, for the improvement of their education, health and welfare, and for the promotion of the economy, which are public purposes.

2. The authority will be performing an essential governmental function in the exercise of the powers and duties conferred upon it by this chapter.

3. There exists a serious problem in this state regarding the ability of students to obtain financing for the cost of education beyond the high school level.

4. Escalating costs of securing such an education have contributed to the difficulties faced by students in attempting to finance an education.

5. Without public action as contemplated by this chapter, many students will be forced to postpone or abandon plans for obtaining additional education.

6. It is in the interests and welfare of the citizens of the state to provide a means for assisting students to continue their education.

7. Without public action as contemplated by this chapter, the inability to obtain educational financing will result in declining enrollments at institutions of higher education.

8. It is necessary to create a higher education loan authority to encourage the investment of private capital in the provision of funds for the financing of student loans.

9. All of the purposes stated in this section are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned, or granted.

[82 Acts, ch 1031, §3]

Referred to in §261A.24

**261A.4 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Authority"* means the Iowa higher education loan authority created by this chapter, and *"members of the authority"* means those persons appointed to the authority pursuant to section 261A.6.

2. *"Authority loans"* means loans by the authority to institutions of higher education for the purpose of funding education loans.

3. *"Bond resolution"* means a resolution of the authority and the trust agreement, if any, and any supplements or amendments to the resolution and agreement, authorizing the issuance of and providing for the terms and conditions applicable to obligations.

4. *"Bond service charges"* means principal, including mandatory sinking fund requirements for retirement of obligations, and interest, and redemption premium, if any, required to be paid by the authority on obligations.

5. *"Borrower"* means a student who has received an education loan or a parent who has received or agreed to pay an education loan.

6. *"Cost of attendance"* means the amount defined by the institution for the purpose of the guaranteed student loan program as defined under Tit. IV, part B, of the Higher Education Act of 1965, as amended.

7. *"Default insurance"* means insurance insuring education loans, authority loans, or obligations against default.

8. *"Default reserve fund"* means a fund established pursuant to a bond resolution for the purpose of securing education loans, authority loans, or obligations.

9. *"Education loan"* means a loan which is made by an institution to a student or parents of a student, or both, in amounts not in excess of the maximum amounts specified in rules adopted by the authority under chapter 17A to finance all or a portion of the cost of the student's attendance at the institution.

10. *"Education loan series portfolio"* means all education loans made by a specific institution which are funded from the proceeds of an authority loan to the institution from the proceeds of a related specific issue of obligations through the authority.

11. *"Governmental agency"* means the state or a state department, division, commission, institution, or authority, an agency, city, county, township, school district, and any other political subdivision or special district in this state established pursuant to law, and, except where otherwise indicated, also means the United States or a department, division, or agency of the United States, and an agency, commission, or authority established pursuant to an interstate compact or agreement.

12. *"Institution"* means a nonprofit educational institution located in Iowa not owned or controlled by the state or any political subdivision, agency, instrumentality, district, or city of the state, which is authorized by law to provide a program of education beyond the high school level and which meets all of the following requirements:

*a.* Admits as regular students only individuals having a certificate of graduation from high school, or the recognized equivalent of such a certificate.

*b.* Provides an educational program for which it awards a baccalaureate degree; or provides an educational program which conditions admission upon the prior attainment

of a baccalaureate degree or its equivalent, for which it awards a postgraduate degree; or provides not less than a two-year program which is acceptable for full credit toward a baccalaureate degree, or offers not less than a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge.

*c.* Is accredited by a nationally recognized accrediting agency or association or, if not accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are accredited.

*d.* Does not discriminate in the admission of students on the basis of age, race, creed, color, sex, national origin, religion, or disability.

*e.* Has a governing board which possesses its own sovereignty.

*f.* Has a governing board, or delegated institutional officials, which possess final authority in all matters of local control, including educational policy, choice of personnel, determination of program, and financial management.

13. *"Loan funding deposit"* means money or other property that is deposited:

*a.* By an institution with the authority or a trustee.

*b.* In amounts deemed necessary by the authority as a condition for the institution's participation in the authority's programs.

*c.* For the purpose of one or more of the following:

(1) Providing security for obligations.

(2) Funding a default reserve fund.

(3) Acquiring default insurance.

(4) Defraying costs of the authority.

14. *"Obligations"* means bonds, notes, or other evidences of indebtedness of the authority, including interest coupons pertaining thereto, issued under this chapter, including refunding bonds.

15. *"Parent"* means a parent or guardian of a student at an institution.

16. *"Person"* means a public or private person, firm, partnership, association, corporation or other body.

[82 Acts, ch 1031, §4]
2008 Acts, ch 1031, §43
Referred to in §261A.24

**261A.5 Creation as public instrumentality.**

The Iowa higher education loan authority is created as a body politic and corporate. The authority is a public instrumentality and the exercise by the authority of the powers conferred by this chapter is the performance of an essential public function. The authority is attached to the college student aid commission for administrative purposes.

[82 Acts, ch 1031, §5]
86 Acts, ch 1245, §1455; 90 Acts, ch 1253, §122
Referred to in §261A.24

**261A.6 Membership of authority.**

1. The authority consists of five members to be appointed by the governor subject to confirmation by the senate. The powers of the authority are vested in and exercised by the members of the authority. Each member of the authority shall be a resident of the state and not more than three members shall be members of the same political party.

2. The members of the authority shall be appointed by the governor for terms of six years beginning and ending as provided in section 69.19. A member of the authority is eligible for reappointment. The governor shall fill a vacancy for the remainder of the unexpired term. A member of the authority may be removed by the governor for misfeasance, malfeasance, or willful neglect of duty or other cause after notice and a public hearing unless the notice and hearing are waived by the member in writing.

3. The members of the authority shall annually elect one of the members as chairperson

and one as vice chairperson. The members of the authority may appoint an executive director, an assistant executive director, and other officers as the members of the authority determine. The officers shall not be members of the authority, shall serve at the pleasure of the authority, and shall receive compensation as fixed by the authority.

4. The executive director or assistant executive director or other person designated by resolution of the authority shall keep a record of the proceedings of the authority and shall be custodian of all books, documents, and papers filed with the authority, the minute book or journal of the authority, and its official seal. The executive director, assistant executive director, or other person may cause copies to be made of minutes and other records and documents of the authority and may give certificates under the official seal of the authority that the copies are true copies, and persons dealing with the authority may rely upon the certificates.

5. Three members of the authority constitute a quorum. The affirmative vote of a majority of the members of the authority is necessary for any action taken by the authority. The majority shall not include a member who has a conflict of interest and a statement by a member of a conflict of interest is conclusive for this purpose. A vacancy in the membership of the authority does not impair the right of a quorum to exercise the rights and perform the duties of the authority. An action taken by the authority under this chapter may be authorized by resolution at a regular or special meeting, and each resolution shall take effect immediately and need not be published or posted, except as provided in section 261A.25. Meetings of the authority shall be held at the call of the chairperson or at the request of two members.

6. The members of the authority shall not receive compensation for the performance of their duties as members but each member shall be paid necessary expenses while engaged in the performance of duties of the authority.

7. The members of the authority shall give bond as required for public officers in chapter 64.

8. The members of the authority are subject to and are officials within the meaning of chapter 68B.

9. Notwithstanding chapter 68B or any other laws to the contrary, it is not a conflict of interest or violation of a law for a trustee, director, officer, or employee of a participating institution or for a person having a favorable reputation for skill, knowledge, and experience in state and municipal finance or for a person having a favorable reputation for skill, knowledge, and experience in the higher education loan finance field to serve as a member of the authority. However, in each case to which this chapter is applicable, the trustee, director, officer, or employee of the participating institution shall abstain from discussion, deliberation, action, and vote by the authority in respect to an undertaking pursuant to this chapter in which the participating institution of higher education has an interest; and the person having a favorable reputation for skill, knowledge, and experience in state and municipal finance shall abstain from discussion, deliberation, action, and vote by the authority in respect to a sale, purchase, or ownership of obligations of the authority in which an investment banking firm or insurance company or bank of which the person is a partner, officer, or employee has or may have a current or future interest; and the person having a favorable reputation for skill, knowledge, and experience in the higher education loan finance field shall abstain from discussion, deliberation, action, and vote by the authority in respect to an action of the authority in which a partnership, firm, joint venture, sole proprietorship, or corporation of which the person is an owner, venturer, participant, partner, officer, or employee has or may have a current or future interest.

10. All employees of the authority are exempt from chapter 8A, subchapter IV, and chapter 97B.

[82 Acts, ch 1031, §6, 28]

86 Acts, ch 1245, §843; 2003 Acts, ch 145, §229

Referred to in §261A.4, 261A.24

Confirmation, see §2.32

**261A.7 Duties of authority.**

The authority shall:

1. Adopt rules for the regulation of its affairs and the conduct of its business.

2. Adopt an official seal and alter the seal at pleasure.

3. Maintain an office at a place or places it designates.

4. *a.* Establish criteria for and guidelines encompassing the types of and qualifications for education loan financing programs. The authority may issue obligations for the purpose of making authority loans to institutions participating in a program of the authority for the purpose of providing education loans. The criteria and guidelines established by the authority for its education loan financing programs include eligibility standards for borrowers the authority determines are necessary or desirable in order to effectuate the purposes of this chapter, including the following:

(1) Each student shall have a certificate of admission or enrollment at a specific participating institution.

(2) Each student or the student's parents shall satisfy financial qualifications the authority establishes to effectuate the purposes of this chapter.

(3) Each student and the student's parents shall submit information required by the authority to the applicable institution.

*b.* The authority may contract with financial institutions and other qualified loan origination and servicing organizations, which shall assist in prequalifying borrowers for education loans and which shall service and administer each education loan and each institution's respective loan series portfolio. Each education loan's fees shall include a portion, if necessary, to cover the applicable pro rata cost of a servicing organization.

*c.* The authority may establish criteria governing the eligibility of institutions to participate in its programs, the making of authority loans and education loans, provisions for default, the establishment of default reserve funds, the purchase of default insurance, the provision of prudent debt service reserves, and the furnishing by participating institutions of higher education of additional guarantees of the education loans, authority loans, or obligations that the authority determines necessary. Criteria shall be established to assure the marketability of the obligations and the adequacy of the security for the obligations.

*d.* The authority shall establish limitations upon the principal amounts and the terms of education loans, criteria regarding the qualifications and characteristics of borrowers and procedures for allocating authority loans among institutions eligible for its program in order to effectuate the purposes of this chapter.

5. Issue obligations for its corporate purposes and fund or refund the obligations as provided in this chapter.

6. Fix and revise from time to time and charge and collect rates, fees, and charges for the services furnished or to be furnished by the authority, and contract with persons in respect to the services, including financial institutions, loan originators, servicers, administrators, issuers of letters of credit, and insurers.

7. Establish rules under chapter 17A with respect to authority loans, education loans, and education loan series portfolios.

8. Receive and accept from any source, loans, contributions or grants for or in aid of an authority education loan financing program or any portion of a program and, when required, use the funds, property, or labor only for the purposes for which it was loaned, contributed, or granted.

9. Make authority loans to institutions and require that the proceeds of the authority loans be used for making education loans and paying costs and fees in connection with the education loans.

10. Charge to and apportion among participating institutions its administrative and operating costs and expenses incurred in the exercise of its powers and duties.

11. Borrow working capital funds and other funds as necessary for start-up and continuing operations, provided that the funds are borrowed in the name of the authority only. Borrowings are limited obligations of the character described in section 261A.12 and are payable solely from revenues of the authority or the proceeds of obligations pledged for that purpose.

12. Notwithstanding other provisions in this chapter, commingle and pledge as security for a series or issue of obligations, with the consent of all of the institutions which are

participating in the series or issue, the education loan series portfolios and some or all future education loan series portfolios of the institutions, and the loan funding deposits of the institutions. However, the education loan series portfolios and other security and moneys set aside in a fund or funds pledged for a series or issue of obligations shall be held for the sole benefit of the series or issue separate and apart from education loan series portfolios and other security and moneys pledged for any other series or issue of obligations. Obligations may be issued in series under one or more resolutions or trust agreements in the discretion of the authority.

13. Examine records and financial reports of participating institutions, and examine records and financial reports of a contractor organization or institution retained by the authority.

14. Require that authority loans be used solely to make education loans. The authority shall require that institutions require that each borrower under an education loan use the proceeds solely for the cost of attendance and that each borrower certify as to the use of the proceeds.

15. Authorize its officers, agents, and employees to take any other action and do all things necessary or desirable in order to carry out the purposes of this chapter.

[82 Acts, ch 1031, §7]
2009 Acts, ch 41, §263
Referred to in §261A.24

**261A.8 Powers of authority.**

The authority may:

1. Sue and be sued in its own name, plead and be impleaded.

2. Employ consultants, attorneys, accountants, financial experts, loan processors, bankers, managers, and other employees and agents necessary in the authority's judgment, and fix their compensation.

3. When refunding obligations are issued to refund obligations, the proceeds of which were used to make authority loans, reduce the amount it is owed by the institutions which had received authority loans from the proceeds of the refunded obligations. The institutions may use this reduced amount to reduce the amount of interest being paid on education loans which the institutions had made pursuant to the authority loans from the proceeds of the refunded obligations.

[82 Acts, ch 1031, §8]
Referred to in §261A.24

**261A.9 Expenses of authority — limitation of liability.**

Expenses incurred in carrying out this chapter are payable solely from funds provided under this chapter and, except as specifically authorized under this chapter, a liability shall not be incurred by the authority beyond the extent to which moneys have been provided under this chapter.

[82 Acts, ch 1031, §9]
Referred to in §261A.24

**261A.10 Acquisition of moneys, endowments, properties, and guarantees.**

The authority may establish guidelines relating to the deposits of moneys, endowments, or properties by institutions which would provide prudent security for education loan funding programs, authority loans, education loans, or for obligations and may establish guidelines relating to guarantees of or contracts to purchase education loans or obligations by the institutions or by financial institutions or others. A default reserve fund may be established for each series or issue of obligations. The authority may receive moneys, endowments, properties, and guarantees it deems appropriate and, if necessary, may take title in the name of the authority or in the name of a participating institution or a trustee.

[82 Acts, ch 1031, §10]
Referred to in §261A.24

**261A.11 Conveyance of loan funding deposit after payment of principal and interest.**

When the principal of and interest on obligations of the authority issued to finance the cost of an education loan financing program or programs, including any refunding obligations issued to refund and refinance the obligations, have been fully paid and retired or when adequate provision has been made to fully pay and retire the obligations of the authority, and all other conditions of the bond resolution have been satisfied and the lien created by the bond resolution has been released in accordance with its provisions, the authority shall promptly perform functions and execute deeds and conveyances necessary and required to convey remaining moneys, properties, and other assets comprising loan funding deposits to the institutions which furnished the loan funding deposits in proportion to the amounts furnished by the respective institutions.

[82 Acts, ch 1031, §11]

Referred to in §261A.24

**261A.12 Obligations.**

1. The authority may from time to time issue obligations for any corporate purpose and the obligations of the authority are declared to be negotiable for all purposes notwithstanding their payment from limited sources and without regard to any other law.

2. The authority shall not have outstanding at any one time obligations in an aggregate principal amount exceeding one hundred million dollars excluding obligations issued to refund the obligations of the authority.

3. Each issue of obligations is payable solely out of revenues of the authority pertaining to the program relating to the issue, including principal and interest on authority loans and education loans; payments by institutions of higher education, banks, insurance companies, or others pursuant to letters of credit or purchase agreements; investment earnings from funds or accounts maintained pursuant to the bond resolution; insurance proceeds; loan funding deposits; proceeds of sales of education loans; proceeds of refunding obligations; and fees, charges, and other revenues of the authority from the program.

4. Obligations may be issued as serial obligations or as term obligations, or both. Obligations shall be authorized by a bond resolution of the authority and shall bear dates, mature at times not later than the year following the last year in which the final payments in an education loan series portfolio are due, or thirty years, whichever is sooner, from their respective dates of issue, bear interest at rates, be payable at times, be in denominations, be in a form, either coupon or fully registered, carry registration and conversion privileges, be payable in lawful money of the United States of America, and be subject to terms of redemption as the bond resolution provides. Obligations shall be executed by the manual or facsimile signatures of officers of the authority designated by the authority. Obligations shall be sold in a manner and at prices as the authority determines.

5. A bond resolution may contain provisions, which shall be a part of the contract with the holders of the obligations to be authorized, as to all of the following:

*a.* Pledging or assigning the revenues derived from the authority loans and education loans with respect to which the obligations are to be issued.

*b.* The fees and other amounts to be charged, and the sums to be raised in each year, and the use, investment, and disposition of the sums.

*c.* The setting aside of loan funding deposits, debt service reserves, capitalized interest accounts, cost of insurance accounts, and sinking funds, and their regulation, investment, and disposition.

*d.* Limitations on the use of the education loans.

*e.* Limitations on the purpose to which or the investments in which the proceeds of sale of an issue of obligations then or thereafter to be issued may be applied.

*f.* Limitations on the issuance of additional obligations, the terms upon which additional obligations may be issued and secured, the terms upon which additional obligations may rank on a parity with, or be subordinate or superior to, other obligations.

*g.* The refunding of outstanding obligations.

*h.* The procedure, if any, by which the terms of a contract with holders of obligations may

be amended or abrogated, the amount of obligations to which the holders must consent to the amendment or abrogation, and the manner in which the consent may be given.

*i.* Defining the acts or omissions to act which constitute a default in the duties of the authority to holders of obligations and providing the rights or remedies of holders in the event of a default.

*j.* Providing for guarantees, pledges, endowments, letters of credit, property, or other security for the benefit of the holders of the obligations.

*k.* Any other matters relating to the obligations which the authority deems desirable.

6. Neither the members of the authority nor a person executing the obligations is liable personally on the obligations or subject to personal liability or accountability by reason of their issuance.

7. The authority may purchase its obligations out of funds available. The authority may hold, pledge, cancel, or resell obligations subject to and in accordance with agreements with holders of obligations.

8. The authority may refund any of its obligations. Refunding obligations shall be issued in the same manner as other obligations of the authority.

[82 Acts, ch 1031, §12]
Referred to in §261A.7, 261A.24

**261A.13 Trust agreement to secure obligations.**

In the discretion of the authority, obligations may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be a trust company or bank located in the state of Iowa that has the powers of a trust company. The bond resolution shall pledge the revenues to be received by the authority, may contain provisions for protecting and enforcing the rights and remedies of the holders of obligations as reasonable and proper and not in violation of law, including provisions that have been authorized to be included in any bond resolution of the authority, and may restrict the individual right of action by holders of obligations. A trust agreement may contain other provisions the authority deems reasonable and proper for the security of the holders of obligations. Expenses incurred in carrying out the trust agreement may be treated as a part of the cost of the operation of an education loan program.

[82 Acts, ch 1031, §13]
Referred to in §261A.24

**261A.14 Payment of obligations — nonliability of state.**

Obligations are obligations of the authority only, and not of the state of Iowa. Each obligation shall state upon its face that it represents and constitutes a debt of the authority, but not of the state of Iowa within the meaning of any constitutional or statutory limitation, and that it does not constitute a pledge of the full faith and credit of the authority or of the state of Iowa. The obligations shall not grant to the owners or holders of the obligations the right to have the authority or the state levy taxes or appropriate funds for the payment of the principal or interest on the obligations. The obligations are payable, and shall state that they are payable, solely from the revenues pledged for their payment in accordance with the bond resolution.

This chapter does not authorize the authority or any department, board, commission, or other agency to create an obligation of the state within the meaning of the Constitution or laws of the State of Iowa.

[82 Acts, ch 1031, §14]
2006 Acts, ch 1010, §80
Referred to in §261A.24

**261A.15 Pledge of revenues.**

1. The authority shall fix, revise, charge, and collect fees and may contract with a person to do so. Each agreement entered into by the authority with an institution shall provide that the fees and other amounts payable by the institution of higher education with respect to a program of the authority are sufficient at all times to meet all of the following:

*a.* To pay its share of the administrative costs and expenses of the program.

*b.* To pay the principal of, the premium, if any, and the interest on outstanding obligations of the authority, issued in respect of the program to the extent that other revenues of the authority pledged for the payment of the obligations are insufficient to pay the obligations as they become due and payable.

*c.* To create and maintain reserves which may but need not be required or provided for in the bond resolution relating to the obligations of the authority.

*d.* To establish and maintain whatever education loan servicing, control, or audit procedures are deemed by the authority to be necessary to the prudent operation of the authority.

2. The authority shall pledge the revenues from each program as security for the issue of obligations relating to the program. A pledge is valid and binding from the time when the pledge is made, the revenues pledged by the authority are immediately subject to the lien of the pledge without physical delivery of the pledge or further act, and the lien of the pledge is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the authority or a participating institution, irrespective of whether the parties have notice of the lien. The bond resolution and a financing statement, continuation statement, or other instrument by which the authority's interest in revenues is assigned need not be filed or recorded in public records in order to perfect the lien against third parties except that a copy of it shall be filed in the records of the authority and with the treasurer of state.

[82 Acts, ch 1031, §15]
2010 Acts, ch 1061, §180
Referred to in §261A.24

**261A.16 Funds for sales of obligations as trust funds — application of funds.**

Moneys received by or on behalf of the authority under this chapter, whether as proceeds from the sale of obligations or as revenues, are trust funds to be held and applied as provided in this chapter. An officer with whom, or a bank or trust company with which the moneys are deposited shall act as trustee of the moneys and shall hold and apply the moneys for the purposes of this chapter, subject to rules that this chapter and the bond resolution authorizing the obligations of an issue may provide.

[82 Acts, ch 1031, §16]
Referred to in §261A.24

**261A.17 Rights of holders of obligations.**

A holder of obligations or a trustee under a trust agreement entered into pursuant to this chapter, except to the extent that their rights are restricted by a bond resolution, may, by any suitable form of legal proceedings, protect and enforce rights under the laws of this state or granted by the bond resolution, may enjoin unlawful activities, and if there is a default on the payment of the principal of, premiums, if any, and interest on an obligation or in the performance of a covenant or agreement on the part of the authority in the bond resolution, may apply to the district court to appoint a receiver to administer and operate the education loan program, the revenues of which are pledged to the payment of principal of, premium, if any, and interest on the obligations, with full power to pay, and to provide for payment of principal of, premium, if any, and interest on the obligations, and with powers, subject to the direction of the court, as permitted by law and accorded to receivers, excluding the power to pledge additional revenues of the authority to the payment of the principal, premium, and interest.

[82 Acts, ch 1031, §17]
Referred to in §261A.24

**261A.18 Refunding bonds — purpose — proceeds — investment of proceeds.**

1. The authority may issue its obligations for the purpose of refunding obligations then outstanding, including the payment of a redemption premium on the obligations and interest accrued or to accrue to the earliest or a subsequent date of redemption, purchase, or maturity of the obligations.

2. The proceeds of obligations issued for the purpose of refunding outstanding obligations may, in the discretion of the authority, be applied to the purchase or retirement at maturity

or redemption of the outstanding obligations either on their earliest or a subsequent redemption date or upon the purchase or at the maturity of the obligations and may, pending an application, be placed in escrow to be applied to the purchase or retirement at maturity or redemption on a date determined by the authority.

3. Any escrowed proceeds, pending their use, may be invested and reinvested in direct obligations of the United States of America, maturing at times as appropriate to assure the prompt payment of the principal of and interest and redemption premium, if any, on the outstanding obligations to be refunded. The interest, income, and profits, if any, earned or realized on an investment may also be applied to the payment of the outstanding obligations to be refunded. After the terms of the escrow have been fully satisfied and carried out, a balance of the proceeds and interest, income, and profits, if any, earned or realized on the investments shall be returned to the institution of higher education for use by it in any lawful manner.

4. Refunding obligations are subject to this chapter in the same manner and to the same extent as other obligations issued pursuant to this chapter.

[82 Acts, ch 1031, §18]
Referred to in §261A.19, 261A.24

**261A.19 Investment of funds of authority.**

Except as otherwise provided in section 261A.18, subsection 3, the authority may invest funds in direct obligations of the United States of America; obligations for which the timely payment of principal and interest is fully guaranteed by the United States of America; obligations of the federal intermediate credit banks, federal banks for cooperatives, federal land banks, federal home loan banks, federal national mortgage association, government national mortgage association and the student loan marketing association; certificates of deposit or time deposits constituting direct obligations of a bank as defined by chapter 524; and in withdrawable capital accounts or deposits of federal chartered savings associations which are insured by the federal deposit insurance corporation. However, investments may be made only in certificates of deposit or time deposits in banks which are insured by the federal deposit insurance corporation if then in existence. Securities authorized in this section may be purchased at the offering or market price at the time of the purchase. The securities purchased shall mature or be redeemable on dates prior to the time when, in the judgment of the authority, the funds invested will be required for expenditure. The judgment of the authority as to the time when funds will be required for expenditure or be redeemable is final.

[82 Acts, ch 1031, §19]
2012 Acts, ch 1017, §66
Referred to in §261A.24

**261A.20 Obligations as legal investments.**

Banks, bankers, trust companies, federally chartered savings associations, investment companies, and other persons carrying on a banking or investment business, insurance companies and insurance associations, and executors, administrators, guardians, trustees, and other fiduciaries may legally invest sinking funds, moneys, or other funds belonging to them or within their control in obligations of the authority.

[82 Acts, ch 1031, §20]
2012 Acts, ch 1017, §67
Referred to in §261A.24

**261A.21 Annual report.**

The authority shall keep an accurate account of its activities and shall annually provide a report of its activities to the governor and the members of the general assembly. The report is a public record and open for inspection at the offices of the authority during normal business hours. The report shall include all of the following:

1. Summaries of applications by institutions of higher education for education loan financing assistance presented to the authority during the fiscal year.

2. Summaries of education loan programs which have received any form of financial assistance from the authority during the year.

3. The nature and amount of all assistance.

4. A report concerning the financial condition of the various education loan series portfolios.

5. Projected activities of the authority for the next fiscal year, including projections of the total amount of financial assistance anticipated and the amount of obligations that will be necessary to provide the projected level of assistance during the next fiscal year.

[82 Acts, ch 1031, §21]
Referred to in §261A.24

**261A.22 Waiver of competitive bidding.**

Competitive bidding requirements of the Code or other similar requirements that may be lawfully waived are waived by this section and any requirement of competitive bidding or other restriction imposed on the procedure for award of contracts is not applicable to action taken under this chapter.

[82 Acts, ch 1031, §22]
Referred to in §261A.24

**261A.23 Institution power — interest rates.**

Institutions may borrow money from the authority, make education loans and take all other actions and do things necessary or convenient to consummate the transactions contemplated under this chapter. It is lawful for the authority to establish, charge, contract for, and receive any amount or rate of interest or compensation with respect to authority loans and, subject to rules adopted by the authority, for participating institutions to charge, contract for, and receive any amount or rate of interest or compensation with respect to education loans.

[82 Acts, ch 1031, §23]
Referred to in §261A.24

**261A.24 Chapter as alternative method — powers not subject to supervision or regulation.**

Sections 261A.1 to 261A.23 provide a complete, additional, and alternative method for the doing of the things authorized by the chapter and the limitations imposed by this chapter do not affect powers or rights conferred by other laws, and the issuance of obligations and refunding obligations under this chapter need not comply with the requirements of any other law applicable to the issuance of obligations. Except as otherwise expressly provided in this chapter, the powers granted to the authority under this chapter are not subject to the supervision or regulation and do not require the approval or consent of a city or political subdivision or department, division, commission, board, body, bureau, official, or agency of a political subdivision or of the state.

[82 Acts, ch 1031, §24]

**261A.25 Notice.**

The authority shall publish a notice of its intention to issue obligations in a newspaper published in and with general circulation in the state. The notice shall include a statement of the maximum amount of obligations proposed to be issued, and in general terms, what receipts will be pledged to pay bond service charges on the obligations. An action which questions the legality or validity of the obligations or the power of the authority to issue the obligations or the effectiveness or validity of any proceedings adopted for the authorization or issuance of the obligations shall not be brought after sixty days from the date of publication of the notice.

[82 Acts, ch 1031, §25]
Referred to in §261A.6

**261A.26 Liberal construction of chapter.**

This chapter, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect its purpose.

[82 Acts, ch 1031, §26]

**261A.27 Exercise of powers as essential public function — exemption from taxation.**

The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare, and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a program by the authority or its agent will constitute the performance of an essential public function. Income of the authority is exempt from all taxation in the state. Property of the authority, acquired or held for purposes of this chapter, is exempt from all taxation and special assessments in the state if the property was exempt for the fiscal year in which the property was first acquired or held and such property shall continue to be exempt for subsequent fiscal years. Property of the authority, acquired or held for purposes of this chapter, is subject to taxation and special assessments in the state if the property was taxable for the fiscal year in which the property was first acquired or held and such property shall continue to be taxable for subsequent fiscal years.

Obligations issued by the authority on or after July 1, 2000, pursuant to either division of this chapter, their transfer, and income therefrom are exempt from taxation of any kind by the state or any political subdivision of the state.

[82 Acts, ch 1031, §27]

2000 Acts, ch 1209, §1

Referred to in §422.7

**261A.28 through 261A.31** Reserved.

## DIVISION II

## HIGHER EDUCATION FACILITIES PROGRAM

**261A.32 Legislative findings.**

The general assembly finds:

1. For the benefit of the people of the state of Iowa, the increase of their commerce, welfare, and prosperity, and the improvement of their health and living conditions, it is essential that this and future generations of youth be given the greatest opportunity to learn and to fully develop their intellectual and mental capacities and skills.

2. To achieve these ends it is of the utmost importance that educational institutions within the state be provided with appropriate additional means of assisting the youth in achieving the required levels of learning and development of their intellectual and mental capacities and skills through new or enhanced physical facilities and equipment at these institutions.

3. The financing and refinancing of educational facilities, through means as described in this division, other than the appropriation of public funds to institutions, is a valid public purpose.

85 Acts, ch 210, §2

**261A.33 Purpose of division.**

It is the purpose of this division to provide a measure of assistance and an alternative method of enabling institutions in the state to finance the acquisition, construction, and renovation of needed educational facilities, structures and equipment and to refund, refinance, or reimburse outstanding indebtedness incurred by them or advances made by them, including advances from an endowment or any other similar fund, for the construction, acquisition, or renovation of needed educational facilities and structures, whether or not constructed, acquired, or renovated prior to July 1, 1985.

85 Acts, ch 210, §3

**261A.34 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Cost"* as applied to a project or any portion of a project financed under this division means all or a part of the cost of construction and acquisition of land, buildings, or structures, including the cost of machinery and equipment; finance charges; interest prior to, during, and after completion of the construction for a reasonable period as determined by the authority; reserves for principal and interest; extensions, enlargements, additions, replacements, renovations, and improvements; improvements, replacements, and renovations for energy conservation and other purposes; engineering, financial, and legal services; plans, specifications, studies, surveys, estimates of cost of revenue, administrative expenses, expenses necessary or incidental to determining the feasibility or practicability of constructing the project; and such other expenses as the authority determines may be necessary or incidental to the construction and acquisition of the project, the financing of the construction and acquisition, and the placing of the project in operation.

2. *"Obligation"* means an obligation issued by the authority under this division.

3. *"Project"* means any property located within the state, constructed or acquired before or after July 1, 1985, that may be used or will be useful in connection with the instruction, feeding, or recreation of students, the conducting of research, administration, or other work of an institution, or any combination of the foregoing. *"Project"* includes, but is not limited to, any academic facility, administrative facility, assembly hall, athletic facility, instructional facility, laboratory, library, maintenance facility, student health facility, recreational facility, research facility, student union, or other facility suitable for the use of an institution. *"Project"* also means the refunding or refinancing of outstanding obligations, mortgages, or advances, including advances from an endowment or similar fund, originally issued, made, or given by the institution to finance the cost of a project. *"Project"* also includes a project that is to be leased to an institution.

4. *"Property"* means the real estate upon which a project is or will be located, including equipment, machinery, and other similar items necessary or convenient for the operation of the project in the manner for which its use is intended, but not including such items as fuel, supplies, or other items that are customarily deemed to result in a current operation charge. Property does not include property used or to be used primarily for sectarian instruction or study, or as a place for devotional activities or religious worship, or any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis, or other professional persons in the field of religion.

85 Acts, ch 210, §4; 97 Acts, ch 181, §1; 2000 Acts, ch 1209, §2

**261A.35 General power of authority.**

The authority is authorized to assist institutions in the constructing, financing, and refinancing of projects, and the authority may take action authorized by this division. The authority is authorized to be a member of limited liability companies organized for the purpose of leasing projects to institutions.

85 Acts, ch 210, §5; 2000 Acts, ch 1209, §3

**261A.36 Issuance of obligations.**

The authority may issue obligations of the authority for any of its corporate purposes as provided for in this division including the issuing of obligations to finance projects to be leased to an institution, and fund or refund the obligations pursuant to this division.

85 Acts, ch 210, §6; 97 Acts, ch 181, §2; 2000 Acts, ch 1209, §4

**261A.37 Loans authorized.**

The authority may make loans to an institution for the cost of a project or in anticipation of the receipt of tuition by the institution in accordance with an agreement between the authority and the institution, except that a loan for the cost of a project shall not exceed the total cost of the project, as determined by the institution and approved by the authority and except that loans in anticipation of the receipt of tuition shall not exceed the anticipated amount

of tuition to be received by the institution in the one-year period following the date of the loan. The authority may lease projects to institutions under the terms of lease agreements determined by the institution and the authority, except that the term of the lease shall not exceed the estimated useful economic life of the project. The authority may make loans to an entity other than an institution in accordance with an agreement between the authority and the entity for the cost of a project if the project is to be leased to an institution.

85 Acts, ch 210, §7; 97 Acts, ch 181, §3; 2000 Acts, ch 1209, §5

**261A.38 Issuance of obligations — conditions.**

The authority may issue obligations and make loans to an institution or another entity if the project is to be leased to an institution or may issue obligations to finance projects to be leased by the authority to an institution and refund, refinance, or reimburse outstanding obligations, indebtedness, mortgages, or advances, including advances from an endowment or any similar fund, issued, made, or given by the institution, whether before or after July 1, 1985, for the cost of a project, when the authority finds that the financing prescribed in this section is in the public interest, and either alleviates a financial hardship upon the institution, results in a lesser cost of education, or enables the institution to offer greater security for a loan or loans to finance a new project or projects or to effect savings in interest costs or more favorable amortization terms.

85 Acts, ch 210, §8; 97 Acts, ch 181, §4; 2000 Acts, ch 1209, §6

**261A.39 General powers — apportionment of costs.**

The authority may do all things necessary or convenient to carry out the purposes of this division. The authority may charge to and equitably apportion among participating institutions its administrative costs and expenses incurred in the exercise of the powers and duties conferred on the authority by this division.

85 Acts, ch 210, §9

**261A.40 Joint and combination projects.**

The authority may undertake a project for two or more institutions jointly or for any combination of institutions, and may combine for financing purposes, with the consent of all of the institutions which are involved, the project and some or all future projects of any institution or institutions, and this division applies to and is for the benefit of the authority and the joint participants. However, the money set aside in a fund or funds pledged for any series or issue of obligations shall be held for the sole benefit of the series or issue separate and apart from money pledged for another series or issue of obligations of the authority. To facilitate the combining of projects, obligations may be issued in series under one or more resolutions or trust agreements and may be fully open-ended, thus providing for the unlimited issuance of additional series, or partially open-ended, limited as to additional series. The authority may permit an institution to substitute one or more projects of equal value, as determined by an independent appraiser satisfactory to the authority, for a project financed under this division on terms and subject to conditions the authority prescribes.

85 Acts, ch 210, §10

**261A.41 Expenses.**

Expenses incurred in carrying out this division are payable solely from funds provided under this division and a liability or obligation shall not be incurred by the authority beyond the extent to which money is provided under this division.

85 Acts, ch 210, §11

**261A.42 Obligations.**

1. The authority may provide by resolution for the issuance of obligations for the purpose of paying, refinancing, or reimbursing all or part of the cost of a project. Except to the extent payable from payments to be made on federally guaranteed securities as provided in section 261A.45, the principal of and the interest on the obligations shall be payable solely out of the revenue of the authority derived from the project to which they relate and from other

facilities pledged or made available for this purpose by the institution for whose benefit the obligations were issued. The obligations of each issue shall be dated, shall bear interest at rate or rates, without regard to any limit contained in any other statute or law of the state, and shall mature at times not exceeding forty years from the date of issuance, all as determined by the authority; and may be made redeemable before maturity at the prices and under terms fixed by the authority in the authorizing resolution.

2. Except as otherwise provided by this division, the obligations are to be paid solely out of the revenue of the project to which they relate and, in certain instances, out of the revenue of certain other facilities, and subject to section 261A.45 with respect to a pledge of government securities, the obligations may be unsecured or secured in the manner and to the extent determined by the authority. The authority shall determine the form of the obligations, including interest coupons, if any, to be attached, and shall fix the denominations of the obligations and the places of payment of principal and interest which may be at any bank or trust company within or without the state. The obligations and coupons attached, if any, shall be executed by the manual or facsimile signatures of officers of the authority designated by the authority. If an official of the authority whose signature or a facsimile of whose signature appears on any obligations or coupons ceases to be an official before the delivery of the obligations, the signature or facsimile, nevertheless, is valid and sufficient for all purposes the same as if the individual had remained an official of the authority until delivery. Obligations issued under this division have all the qualities and incidents of negotiable instruments, notwithstanding this payment from limited sources and without regard to any other law. The obligations may be issued in coupon or in registered form, or both, and one form may be exchangeable for the other in the manner as the authority may determine. Provision may be made for the registration of any coupon obligations as to principal alone and also as to both principal and interest, and for the reconversion into coupon obligations of any obligations registered as to both principal and interest. The obligations may be sold in the manner, either at public or private sale, as the authority determines.

3. The proceeds of the obligations of each issue shall be used solely for the payment of the cost of the project for which the obligations have been issued, and shall be disbursed in the manner and under the restrictions, if any, as the authority provides in the resolution authorizing the issuance of the obligations or in the trust agreement provided for in section 261A.44 securing the obligations. If the proceeds of the obligations of an issue, by error of estimates or otherwise, are less than the costs, additional obligations may in like manner be issued to provide the amount of the deficit, and, unless otherwise provided in the resolution authorizing the issuance of the obligations or in the trust agreement securing them, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the obligations first issued. If the proceeds of the obligations of an issue shall exceed the cost of the project for which the same shall have been issued, the surplus shall be deposited to the credit of the sinking fund for the obligations. Prior to the preparation of definitive obligations, the authority may, under like restrictions, issue interim receipts or temporary obligations, with or without coupons, exchangeable for definitive obligations when the obligations have been executed and are available for delivery.

4. The authority may also provide for the replacement of obligations which become mutilated or are destroyed or lost. Obligations may be issued under this division without obtaining the consent of an officer, department, division, commission, board, bureau, or agency of the state, and without other proceedings or conditions other than those which are specifically required by this division. The authority may purchase its bonds out of funds available for that purpose. The authority may hold, pledge, cancel, or resell the obligations, subject to and in accordance with any agreement with the obligation holders. Members of the authority and any person executing the obligations are not liable personally on the obligations or subject to personal liability or accountability by reason of the issuance of the obligations.

85 Acts, ch 210, §12; 97 Acts, ch 181, §5; 2011 Acts, ch 25, §143

**261A.43 Resolution provisions.**

The resolution authorizing obligations or an issue of obligations may contain provisions, which shall be a part of the contract with the holders of the obligations to be authorized, as to:

1. Pledging or assigning the revenue of the project with respect to which the obligations are to be issued or the revenue of other property or facilities.
2. Setting aside reserves or sinking funds, and the regulation, investment, and disposition of them.
3. Limitations on the use of the project.
4. Limitations on the purpose to which or the investments in which the proceeds of sale of an issue of obligations then or thereafter to be issued may be applied and pledging the proceeds to secure the payment of the obligations or an issue of the obligations.
5. Limitations on the issuance of additional obligations, the terms upon which additional obligations may be issued and secured, and the refunding of outstanding obligations.
6. The procedure, if any, by which the terms of any contract with obligation holders may be amended or abrogated, the amount of obligations the holders of which must consent to the amendment or abrogation, and the manner in which the consent may be given.
7. Limitations on the amount of money derived from the project to be expended for operating, administrative, or other expenses of the authority.
8. Defining the acts or omissions to act which constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of the holders in the event of a default.
9. Mortgaging a project and the project site or other property for the purpose of securing the obligation holders.
10. Other matters relating to the obligations which the authority deems desirable.

85 Acts, ch 210, §13

**261A.44 Obligations secured by trust agreement.**

Obligations issued under this division may be secured by a trust agreement by and between the authority and an incorporated trustee, which may be a trust company or bank having the powers of a trust company within or without the state. The trust agreement or the resolution providing for the issuance of the obligations may pledge or assign the revenue to be received or proceeds of any contract pledged and may convey or mortgage the project or any portion of the project. A pledge or assignment made by the authority pursuant to this section is valid and binding from the time that the pledge or assignment is made, and the revenue pledged and thereafter received by the authority is immediately subject to the lien of the pledge or assignment without physical delivery or any further act. The lien of the pledge or assignment is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the authority irrespective of whether the parties have notice of the lien. The resolution or trust agreement by which a pledge is created or an assignment made shall be filed or recorded in the records of the authority, with the secretary of state, and in each county in which the project is located. The trust agreement or resolution providing for the issuance of the obligations may contain provisions for protecting and enforcing the rights and remedies of the obligation holders as are reasonable and proper, not in violation of law, or provided for in this division. A bank or trust company incorporated under the laws of this state which acts as depository of proceeds of the obligations, revenue, or other money shall furnish the indemnifying obligations or pledge the securities as required by the authority. The trust agreement may set forth the rights and remedies of the obligation holders and of the trustee, and may restrict the individual right of action by obligation holders. The trust agreement or resolution may contain other provisions the authority deems reasonable and proper for the security of the obligation holders. Expense incurred in carrying out the trust agreement or resolution may be treated as a part of the cost of the operation of a project.

85 Acts, ch 210, §14

Referred to in §261A.42

**261A.45 Obligations issued to acquire federally guaranteed securities.**

The authority may finance the cost of a project, refund outstanding indebtedness, or reimburse advances from an endowment or similar fund of an institution as authorized by this division, by issuing its obligations pursuant to a plan of financing involving the acquisition of a federally guaranteed security or the acquisition or entering into of commitments to acquire a federally guaranteed security. For the purposes of this section, "*federally guaranteed security*" means any direct obligation of, or obligation the principal of and interest on which are fully guaranteed or insured by the United States, or an obligation issued by, or the principal of and interest on which are fully guaranteed or insured by any agency or instrumentality of the United States, including without limitation an obligation that is issued pursuant to the National Housing Act, or any successor provision of law.

The authority may acquire or enter into commitments to acquire a federally guaranteed security and pledge or otherwise use the federally guaranteed security in the manner the authority deems in its best interest to secure or otherwise provide a source of repayment of its obligations issued to finance or refinance a project, or may enter into an appropriate agreement with an institution whereby the authority may make a loan to the institution for the purpose of acquiring or entering into commitments to acquire a federally guaranteed security. An agreement entered into pursuant to this section may contain provisions deemed necessary or desirable by the authority for the security or protection of the authority or the holders of the obligations, except that the authority, prior to making an acquisition, commitment, or loan, shall determine and enter into an agreement with the institution or another appropriate institution to require that the proceeds derived from the acquisition of a federally guaranteed security will be used, directly or indirectly, for the purpose of financing or refinancing a project.

The obligations issued pursuant to this section shall not exceed in principal amount the cost of financing or refinancing the project as determined by the participating institution and approved by the authority, except that the costs may include, without limitation, all costs and expenses necessary or incidental to the acquisition of or commitment to acquire a federally guaranteed security and to the issuance and obtaining of insurance or guarantee of an obligation issued or incurred in connection with a federally guaranteed security. In other respects the bonds are subject to this division, and the trust agreement creating the bonds may contain provisions set forth in this division as the authority deems appropriate.

If a project is financed or refinanced pursuant to this section, the title to the project shall remain in the participating institution owning the project, subject to the lien of a mortgage or security interest securing, directly or indirectly, the federally guaranteed securities being purchased or to be purchased.

85 Acts, ch 210, §15

Referred to in §261A.42

**261A.46 Obligations not liability of state or political subdivision.**

Obligations issued pursuant to this division are not debts of the state or of any political subdivision of the state or a pledge of the faith and credit of the state or of any political subdivision, but the obligations are limited obligations of the authority payable solely from the funds or securities, pledged for their payment as authorized in this division, unless the obligations are refunded by refunding obligations issued under this division, which refunding obligations shall be payable solely from funds or securities pledged for their payment as authorized in this division. All revenue obligations shall contain on their face a statement to the effect that the obligations, as to both principal and interest, are not obligations of the state, or of any political subdivision of the state, but are limited obligations of the authority payable solely from revenue or securities pledged for their payment. Expenses incurred in carrying out this division are payable solely from funds provided under this division, and this division does not authorize the authority to incur indebtedness or liability on behalf of or payable by the state or any political subdivision of the state.

85 Acts, ch 210, §16

**261A.47 Money received by authority.**

All money received by the authority, whether as proceeds from the sale of obligations, from revenue, or otherwise, shall be deemed to be trust funds to be held and applied solely as provided in this division, but prior to the time when needed for use may be invested to the extent and in the manner provided by the authority. The funds shall be deposited, held, and secured as determined by the authority, except to the extent provided otherwise in the resolution authorizing the issuance of the related obligations or in the trust agreement securing the obligations. The resolution authorizing the issuance of the obligations or the trust agreement securing the obligations shall provide that an officer, bank or trust company to which the money is entrusted shall act as trustee of the money and shall hold and apply the money for the purposes of this division, subject to the provisions of this division and of the authorizing resolution or trust agreement.

85 Acts, ch 210, §17

**261A.48 Powers of holders and trustees.**

A holder of obligations or of the coupons pertaining to obligations and the trustee under a trust agreement, except to the extent the rights given in this division are restricted by the authorizing resolution or trust agreement, may, by suit, mandamus, or other proceedings, protect and enforce any and all rights under the laws of this state, or under the trust agreement or resolution authorizing the issuance of the obligations, and may enforce and compel the performance of all duties required by this division or by the trust agreement or resolution to be performed by the authority or by an officer, employee, or agent of the authority, including the fixing, charging, and collecting of fees and charges authorized in this division and required by the resolution or trust agreement to be fixed and collected.

The rights of holders include the right to compel the performance of all duties of the authority required by this division or the resolution or trust agreement, to enjoin unlawful activities, and in the event of default with respect to the payment of any principal of, premium, if any, and interest on an obligation or in the performance of a covenant or agreement on the part of the authority in the resolution, to apply to a court having jurisdiction of the cause to appoint a receiver to administer and operate the project, the revenue of which is pledged to the payment of the principal of, premium, if any, and interest on the obligations, the receiver to have full power to pay and to provide for payment of the principal of, premium, if any, and interest on the obligations, and to have the powers, subject to the direction of the court, as are permitted by law and are accorded receivers in general equity cases, including the power to foreclose the mortgage on the project in the same manner as the foreclosure of a mortgage on real estate of private corporations, but excluding any power to pledge additional revenue of the authority to the payment of the principal, premium, and interest.

85 Acts, ch 210, §18

**261A.49 Bondholders — pledge — agreement of the state.**

The state pledges to and agrees with the holders of any obligations issued under this division, and with those parties who enter into contracts with the authority pursuant to this division, that the state will not limit or alter the rights vested in the authority until the obligations, together with the interest on the obligations, are fully met and discharged and the contracts are fully performed on the part of the authority, except that this section does not preclude the limitation or alteration if and when adequate provision is made by law for the protection of the rights of the holders of the obligations of the authority or those entering into contracts with the authority.

85 Acts, ch 210, §19

**261A.50 Provisions controlling.**

The powers granted the authority under this division are in addition to the powers of the authority contained in other provisions of this chapter. All other provisions of this chapter

apply to obligations issued pursuant to and powers granted the authority under this division, except to the extent they are inconsistent with this division.

85 Acts, ch 210, §20

# CHAPTER 261B

## REGISTRATION OF POSTSECONDARY SCHOOLS

Referred to in §261.2, 261.7, 714.21A

See also §714.17 – 714.25


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261B.2 Definitions.
261B.3 Registration.
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261B.11 Exceptions.
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**261B.1 Policy.**

The general assembly finds that the availability of courses and programs leading to educational degrees and the existence of institutions of postsecondary education that offer courses and programs leading to educational degrees are in the best interest of the state. The general assembly has found that the state can provide protection for persons choosing institutions and programs by ensuring that accurate and complete information about institutions and programs is available to these persons and to the public.

84 Acts, ch 1098, §1

**261B.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commission"* means the college student aid commission created pursuant to section 261.1.

2. *"Course of instruction"* means a postsecondary educational program that a school offers through in-person instruction, distance delivery, correspondence study methods, or any combination thereof.

3. *"Degree"* means a postsecondary credential conferring on the recipient the title of associate, bachelor, master, or doctor, or an equivalent title, signifying educational attainment based on study which may be supplemented by experience or achievement testing. A postsecondary degree under this chapter shall not include an honorary degree or other unearned degree.

4. *"Presence"* means a location in Iowa at which a student participates in any structured activity related to a school's distance education course of instruction, with the exception of proctored examinations. *"Presence"* also means an address, location, telephone number, or internet protocol address in Iowa from which a school conducts any aspect of its operations. For the purpose of a residential course of instruction offered on a school's campus that is not located in Iowa, *"presence"* does not include:

*a.* Occasional, short-term activities conducted at a location in Iowa for the purpose of recruiting students for the school's residential course of instruction.

*b.* A residency, practicum, internship, clinical, or similar experience that the school permits the student to participate in at a location in Iowa, provided that a person who provides instruction or supervision at the Iowa location is not compensated by the school.

5. *"School"* means an agency of the state or political subdivision of the state, individual, partnership, company, firm, society, trust, association, corporation, or any combination which meets any of the following criteria:

*a.* Is, owns, or operates a postsecondary educational institution.

*b.* Provides a postsecondary course of instruction leading to a degree.

*c.* Uses in its name the term *"college"*, *"academy"*, *"institute"*, or *"university"* or a similar term to imply that the person is primarily engaged in the education of students at the postsecondary level, and charges for its services.

6. *"Student"* means a person who enrolls in or seeks to enroll in a course of instruction offered or conducted by a school.

84 Acts, ch 1098, §2; 96 Acts, ch 1158, §5, 6; 2009 Acts, ch 12, §3, 4; 2012 Acts, ch 1077, §1; 2013 Acts, ch 30, §60

Subsection 5, paragraph c amended

**261B.3 Registration.**

1. Except as provided in section 261B.11, a school shall register with the commission if a person compensated by the school conducts any portion of a course of instruction in this state or if the school otherwise has a presence in this state.

*a.* Registrations shall be renewed every two years and shall be amended upon any substantive change in location, program offering, or accreditation. A school makes a substantive change in a program offering when the school proposes to offer or modify a program that requires the approval of the state board of education or any other state agency authorized to approve the school or its program in this state.

*b.* Registration shall be made on application forms approved and made available by the commission and at the time and in the manner prescribed by the commission.

2. The commission may require a school to provide additional information the commission deems necessary to evaluate a school's suitability for registration.

3. The commission shall notify a school in writing of its decision to grant or deny registration and any stipulation associated with the school's registration.

4. If a school fails to meet any of the registration criteria, or if the commission believes that false, misleading, or incomplete information has been submitted in connection with an application for registration, the commission may deny registration. The commission shall conduct a hearing on the denial if a hearing is requested by a school. Upon a finding after the hearing that the school fails to meet any of the registration criteria, or that information contained in the registration application is false, misleading, or incomplete, the commission shall deny registration. The commission shall make the final decision on each registration. However, the decision of the commission is subject to judicial review in accordance with section 17A.19.

5. The commission shall adopt rules under chapter 17A for the implementation of this chapter.

84 Acts, ch 1098, §3; 96 Acts, ch 1158, §7; 2004 Acts, ch 1145, §4, 5; 2009 Acts, ch 12, §5; 2012 Acts, ch 1077, §2

Referred to in §261B.5, 261B.6

**261B.3A Requirements — provisional registration.**

1. In order to register, a school shall be accredited by an agency or organization approved or recognized by the United States department of education or a successor agency, be approved by any other state agency authorized to approve the school in this state, and, subsequently, be approved for operation by the commission.

2. A practitioner preparation program, as defined in section 272.1, operated by a school that applies to register the program in accordance with this chapter shall, in order to register, be accredited by an agency or organization approved or recognized by the United States department of education or a successor agency, be approved by the state board of education pursuant to section 256.7, subsection 3, and, subsequently, be approved for operation by the commission.

3. The commission may grant a provisional registration to a school that is not accredited by an agency or organization that is recognized by the United States department of education or its successor agency. The commission shall determine the duration of the provisional registration. During the provisional registration period, the school shall, at

six-month intervals, submit to the commission documentation of its progress toward achieving accreditation. The commission may renew the school's provisional registration at its discretion if the documentation submitted indicates that the school is making progress toward accreditation.

4. Nothing in this chapter shall be construed to exempt a school from the requirements of chapter 490, 491, or 714.

96 Acts, ch 1158, §8; 97 Acts, ch 13, §1; 2000 Acts, ch 1095, §17; 2004 Acts, ch 1145, §6; 2009 Acts, ch 12, §6; 2012 Acts, ch 1077, §3

Referred to in §261.2

**261B.4 Registration information.**

As a basis for registration, schools shall provide the commission with the following information:

1. The name or title of the school.

2. As applicable, the principal location of the school in this state, in other states, and in foreign countries, and the location of the place or places in this state, in other states, and in foreign countries where instruction is likely to be given.

3. A schedule of the total tuition charges, fees, and other costs payable to the school by a student during the course of instruction.

4. The refund policy of the school for the return of refundable portions of tuition, fees, or other charges. The tuition refund policy for Iowa resident students of a for-profit school with at least one program of more than four months in length that leads to a recognized educational credential, such as an academic or professional degree, diploma, or license, must comply with section 714.23.

5. The names and addresses of the principal owners of the school or the officers and members of the legal governing body of the school.

6. The name and address of the chief executive officer of the school.

7. A copy of or a description of the means by which the school intends to comply with section 261B.9.

8. The name of the accrediting agency recognized by the United States department of education or a successor agency which has accredited the school, the status under which accreditation is held, the name of any other accrediting or licensing entity that has accredited or licensed the school or its programs, a copy of the accrediting or licensure notice issued by the entity, and a record of any sanctions the entity has levied against the school.

9. The name, address, and telephone number of a contact person in this state. A school that applies for registration to offer a course of instruction by distance delivery may provide the name and address of its registered agent in Iowa.

10. The names or titles and a description of the courses and degrees to be offered in Iowa.

11. A description of procedures for the preservation of student records and the contact information to be used by students and graduates who seek to obtain transcript information.

12. The academic and instructional methodologies and delivery systems to be used by the school and the extent to which the school anticipates each methodology and delivery system will be used, including but not limited to classroom instruction, correspondence, distance delivery, independent study, and portfolio experience evaluation.

13. The name, title, business address, telephone number, and resume of an Iowa resident compensated by the school to perform duties at a location in Iowa. A school that applies for registration to offer a course of instruction by distance delivery may provide an internet address as the business address for an Iowa resident it compensates to perform duties remotely from a location in Iowa.

14. The school's official Stafford loan cohort default rate as calculated by the United States department of education for the three most recent federal fiscal years, if applicable.

15. Average student loan debt upon graduation of students completing programs at the school.

16. The graduation rate of undergraduate students as reported to the United States department of education.

17. Evidence that the school meets the conditions of financial responsibility established in section 714.18, or that the school qualifies for an exemption under section 714.19.

84 Acts, ch 1098, §4; 96 Acts, ch 1158, §9, 10; 2000 Acts, ch 1095, §18; 2009 Acts, ch 12, §7; 2012 Acts, ch 1077, §4; 2013 Acts, ch 90, §65

Referred to in §261B.5, 261B.6

Subsection 17 amended

**261B.5 Changes.**

If any information provided to the commission under section 261B.3 or 261B.4 changes, the school shall inform the commission within ninety days of the effective date of the change in the format specified by the commission.

84 Acts, ch 1098, §5; 2009 Acts, ch 12, §8

**261B.6 List of schools.**

The commission shall maintain a list of registered schools and the list and the information submitted under sections 261B.3 and 261B.4 are public records under chapter 22.

84 Acts, ch 1098, §6; 95 Acts, ch 67, §21; 2009 Acts, ch 12, §9

**261B.7 Unauthorized representation.**

A school or a school's officials or employees shall not advertise or represent that the school is approved or accredited by the commission or the state of Iowa. However, a registered school shall disclose that the school is registered by the commission on behalf of the state of Iowa and provide the commission's contact information for students who wish to inquire about the school or file a complaint.

84 Acts, ch 1098, §7; 2009 Acts, ch 12, §10; 2012 Acts, ch 1077, §5

**261B.8 Registration fees.**

1. The commission shall set by rule and collect a nonrefundable initial registration fee and a renewal of registration fee from each registered school.
2. Fees shall be set by rule not more than once each year and shall be based upon the costs of administering this chapter.
3. Fees collected under this section shall be deposited in the general fund of the state.

84 Acts, ch 1098, §8; 96 Acts, ch 1158, §11; 2004 Acts, ch 1145, §7; 2009 Acts, ch 12, §11

**261B.9 Disclosure to students.**

Prior to the commencement of a course of instruction and prior to the receipt of a tuition charge or fee for a course of instruction, a school shall provide written disclosure to students of the following information accompanied by a statement that the information is being provided in compliance with this section:

1. The name or title of the course.
2. A brief description of the subject matter of the course.
3. The tuition charge or other fees charged for the course. If a student is enrolled in more than one course at the school, the tuition charge or fee for all courses may be stated in one sum.
4. The refund policy of the school for the return of the refundable portion of tuition, fees, or other charges. If refunds are not to be paid, the information shall state that fact.
5. Whether the credential or certificate issued, awarded, or credited to a student upon completion of the course or the fact of completion of the course is applicable toward a degree granted by the school and, if so, under what circumstances the application will be made.
6. The name of the accrediting agency recognized by the United States department of education or its successor agency which has accredited the school.
7. The disclosures required by the department of education for an out-of-state school that

the state board of education approves to offer a practitioner preparation program by distance delivery method.

84 Acts, ch 1098, §9; 2000 Acts, ch 1095, §19; 2012 Acts, ch 1077, §6, 7; 2013 Acts, ch 30, §61

Referred to in §261B.4
Subsection 7 amended

**261B.10 Advisory committee.** Repealed by 2010 Acts, ch 1031, § 315.

**261B.11 Exceptions.**

1. This chapter does not apply to the following types of schools and courses of instruction:

*a.* Schools and educational programs conducted by firms, corporations, or persons solely for the training of their own employees.

*b.* Apprentice or other training programs provided by labor unions solely to members or applicants for membership.

*c.* Courses of instruction of an avocational or recreational nature that do not lead to an occupational objective.

*d.* Seminars, refresher courses, and programs of instruction sponsored by professional, business, or farming organizations or associations for the members and employees of members of these organizations or associations.

*e.* Courses of instruction conducted by a public school district or a combination of public school districts.

*f.* Colleges and universities authorized by the laws of this state to grant degrees.

*g.* Schools or courses of instruction or courses of training that are offered by a vendor solely to the purchaser or prospective purchaser of the vendor's product when the objective of the school or course is to enable the purchaser or the purchaser's employees to gain skills and knowledge to enable the purchaser to use the product.

*h.* Schools and educational programs conducted by religious organizations solely for the religious instruction of leadership practitioners of that religious organization.

*i.* Postsecondary educational institutions licensed by the state of Iowa under section 157.8 or 158.7 to operate as schools of cosmetology arts and sciences or as barber schools in the state.

*j.* Higher education institutions that meet the criteria established under section 261.9, subsection 1.

*k.* Postsecondary educational institutions offering programs limited to nondegree specialty vocational training programs.

*l.* Higher education institutions located in Iowa that are affiliated with health care systems located in Iowa, and which offer health professions programs that are accredited by an accrediting agency recognized by the United States department of education.

*m.* Higher education institutions located in Iowa whose massage therapy curriculum is approved under administrative rules of the professional licensure division of the department of public health and whose instructors are licensed massage therapists under chapter 152C.

*n.* A postsecondary educational institution established in Bettendorf in 1969 to prepare students for the federal communications commission radio broadcasting examination.

2. A school that claims an exemption from registration under subsection 1, paragraph "*h*", "*i*", "*k*", "*l*", or "*m*", must demonstrate to the commission or its designee that it qualifies for the exemption. The school must apply for approval of its exemption claim on an application supplied by the commission. The commission or its designee may approve the school's exemption claim or deny it. A school whose exemption claim is approved must reapply to renew its exemption no less frequently than every two years.

*a.* A school that is granted an exemption under this section must file evidence of financial responsibility under section 714.18 or demonstrate to the commission or its designee that the school qualifies for an exemption under section 714.19.

*b.* A for-profit school with at least one program of more than four months in length that leads to a recognized educational credential, such as an academic or professional degree,

diploma, or license, must submit to the commission or its designee a tuition refund policy that meets the conditions of section 714.23.

3. A school that is denied an exemption claim by the commission or its designee, or that no longer qualifies for a claimed exemption, shall apply for registration or cease operating in Iowa.

84 Acts, ch 1098, §11; 96 Acts, ch 1158, §13; 97 Acts, ch 13, §2; 2005 Acts, ch 78, §1; 2009 Acts, ch 12, §13; 2012 Acts, ch 1077, §8; 2013 Acts, ch 90, §66

Referred to in §261B.3

Subsection 2, paragraph a amended

**261B.11A Ineligibility for state student aid programs.**

1. Students attending schools required to register under this chapter are ineligible for state student financial aid programs established under chapter 261.

2. A school required to register under this chapter is prohibited from offering state aid or advertising that state aid is or may be available to students attending the school.

2012 Acts, ch 1077, §9

**261B.12 Violations — enforcement.**

1. When the commission or the commission's designee believes a school is in violation of this chapter, the commission shall order the school to show cause why the commission should not issue a cease and desist order to the school.

2. After the school's response to the show cause order has been reviewed by the commission, the commission may issue a cease and desist order to the school if the commission believes the school continues to be in violation of this chapter. If the school does not cease and desist, the commission may seek judicial enforcement of the cease and desist order in any district court.

3. A violation of this chapter constitutes an unlawful practice pursuant to section 714.16.

84 Acts, ch 1098, §12; 2009 Acts, ch 12, §14

See also §714.17 – 714.25

# CHAPTER 261C

## POSTSECONDARY ENROLLMENT OPTIONS

Repealed by 2008 Acts, ch 1181, §65;
see §261E.6, 261E.7

# CHAPTER 261D

## MIDWESTERN HIGHER EDUCATION COMPACT

261D.1 Definition.
261D.2 Midwestern higher education compact.
261D.3 Commission members representing Iowa — terms — vacancies.
261D.4 Payment of dues. Repealed by 2011 Acts, ch 132, §33, 34.

**261D.1 Definition.**

As used in this chapter, unless the context otherwise requires, "*commission*" means the midwestern higher education compact commission.

2005 Acts, ch 145, §1

**261D.2 Midwestern higher education compact.**

The midwestern higher education compact is entered into with all other states which enter into the compact in substantially the following form:

1. *Article I — Purpose.* The purpose of the midwestern higher education compact shall be to provide greater higher education opportunities and services in the midwestern region, with the aim of furthering regional access to, research in, and choice of higher education for the citizens residing in the several states which are parties to this compact.

2. *Article II — The commission.*

*a.* The compacting states create the midwestern higher education commission. The commission shall be a body corporate of each compacting state. The commission shall have all the responsibilities, powers, and duties set forth in this chapter, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this compact.

*b.* The commission shall consist of five resident members of each state as follows: the governor or the governor's designee, who shall serve during the tenure of office of the governor; two legislators, one from each house (except Nebraska, which may appoint two legislators from its unicameral legislature), who shall serve two-year terms and be appointed by the appropriate appointing authority in each house of the legislature; and two other at-large members, at least one of whom shall be selected from the field of higher education. The at-large members shall be appointed in a manner provided by the laws of the appointing state. One of the two at-large members initially appointed in each state shall serve a two-year term. The other, and any regularly appointed successor to either at-large member, shall serve a four-year term. All vacancies shall be filled in accordance with the laws of the appointed states. Any commissioner appointed to fill a vacancy shall serve until the end of the incomplete term.

*c.* The commission shall select annually, from among its members, a chairperson, a vice chairperson, and a treasurer.

*d.* The commission shall appoint an executive director who shall serve at its pleasure and who shall act as secretary to the commission. The treasurer, the executive director, and such other personnel as the commission may determine shall be bonded in such amounts as the commission may require.

*e.* The commission shall meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of a majority of the commission members of three or more compacting states, shall call additional meetings. Public notice shall be given of all meetings and meetings shall be open to the public.

*f.* Each compacting state represented at any meeting of the commission is entitled to one vote. A majority of the compacting states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the commission.

3. *Article III — Powers and duties of the commission.*

*a.* The commission shall adopt a seal and suitable bylaws governing its management and operations.

*b.* Irrespective of the civil service, personnel, or other merit system laws of any of the compacting states, the commission in its bylaws shall provide for the personnel policies and programs of the compact.

*c.* The commission shall submit a budget to the governor and legislature of each compacting state at such time and for such period as may be required. The budget shall contain specific recommendations of the amount or amounts to be appropriated by each of the compacting states.

*d.* The commission shall report annually to the legislatures and governors of the compacting states, to the midwestern governors' conference, and to the midwestern legislative conference of the council of state governments concerning the activities of the commission during the preceding year. Such reports shall also embody any recommendations that may have been adopted by the commission.

*e.* The commission may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency, from any interstate agency, or from any institution, foundation, person, firm, or corporation.

*f.* The commission may accept for any of its purposes and functions under the compact any and all donations and grants of money, equipment, supplies, materials, and services

(conditional or otherwise) from any state or the United States or any subdivision or agency thereof, or interstate agency, or from any institution, foundation, person, firm, or corporation, and may receive, utilize, and dispose of the same.

*g.* The commission may enter into agreements with any other interstate education organizations or agencies and with higher education institutions located in nonmember states and with any of the various states of these United States to provide adequate programs and services in higher education for the citizens of the respective compacting states. The commission shall, after negotiations with interested institutions and interstate organizations or agencies, determine the cost of providing the programs and services in higher education for use of these agreements.

*h.* The commission may establish and maintain offices, which shall be located within one or more of the compacting states.

*i.* The commission may establish committees and hire staff as it deems necessary for the carrying out of its functions.

*j.* The commission may provide for actual and necessary expenses for attendance of its members at official meetings of the commission or its designated committees.

4. *Article IV — Activities of the commission.*

*a.* The commission shall collect data on the long-range effects of the compact on higher education. By the end of the fourth year from the effective date of the compact and every two years thereafter, the commission shall review its accomplishments and make recommendations to the governors and legislatures of the compacting states on the continuance of the compact.

*b.* The commission shall study issues in higher education of particular concern to the midwestern region. The commission shall also study the needs for higher education programs and services in the compacting states and the resources for meeting such needs. The commission shall from time to time prepare reports on such research for presentation to the governors and legislatures of the compacting states and other interested parties. In conducting such studies, the commission may confer with any national or regional planning body. The commission may redraft and recommend to the governors and legislatures of the various compacting states suggested legislation dealing with problems of higher education.

*c.* The commission shall study the need for provision of adequate programs and services in higher education, such as undergraduate, graduate, or professional student exchanges in the region. If a need for exchange in a field is apparent, the commission may enter into such agreements with any higher education institution and with any of the compacting states to provide programs and services in higher education for the citizens of the respective compacting states. The commission shall, after negotiations with interested institutions and the compacting states, determine the costs of providing the programs and services in higher education for use in its agreements. The contracting states shall contribute the funds not otherwise provided, as determined by the commission, for carrying out the agreements. The commission may also serve as the administrative and fiscal agent in carrying out agreements for higher education programs and services.

*d.* The commission shall serve as a clearinghouse on information regarding higher education activities among institutions and agencies.

*e.* In addition to the activities of the commission previously noted, the commission may provide services and research in other areas of regional concern.

5. *Article V — Finance.*

*a.* The moneys necessary to finance the general operations of the commission, not otherwise provided for, in carrying forth its duties, responsibilities, and powers as stated herein shall be appropriated to the commission by the compacting states, when authorized by the respective legislatures, by equal apportionment among the compacting states.

*b.* The commission shall not incur any obligations of any kind prior to the making of appropriations adequate to meet the same; nor shall the commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

*c.* The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds

handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

*d.* The accounts of the commission shall be open at any reasonable time for inspection by duly authorized representatives of the compacting states and persons authorized by the commission.

6. *Article VI — Eligible parties and entry into force.*

*a.* The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin shall be eligible to become party to this compact. Additional states will be eligible if approved by a majority of the compacting states.

*b.* As to any eligible party state, this compact shall become effective when its legislature shall have enacted the same into law.

*c.* Amendments to the compact shall become effective upon their enactment by the legislatures of all compacting states.

7. *Article VII — Withdrawal, default, and termination.*

*a.* Any compacting state may withdraw from this compact by enacting a statute repealing the compact, but such withdrawal shall not become effective until two years after the enactment of such statute. A withdrawing state shall be liable for any obligations which it may have incurred on account of its party status up to the effective date of withdrawal, except that if the withdrawing state has specifically undertaken or committed itself to any performance of an obligation extending beyond the effective date of withdrawal, it shall remain liable to the extent of such obligation.

*b.* If any compacting state shall at any time default in the performance of any of its obligations, assumed or imposed, in accordance with the provisions of this compact, all rights, privileges, and benefits conferred by this compact or agreements hereunder shall be suspended from the effective date of such default as fixed by the commission, and the commission shall stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status. Unless such default shall be remedied under the stipulations and within the time period set forth by the commission, this compact may be terminated with respect to such defaulting state by affirmative vote of a majority of the other member states. Any such defaulting state may be reinstated by performing all acts and obligations as stipulated by the commission.

8. *Article VIII — Severability and construction.*

*a.* The provisions of this compact entered into hereunder shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the Constitution of any compacting state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact entered into hereunder shall be held contrary to the constitution of any compacting state, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of this compact entered into pursuant hereto shall be liberally construed to effectuate the purposes thereof.

*b.* This compact is now in full force and effect, having been approved by the governors and legislatures of more than five of the eligible states.

2005 Acts, ch 145, §2; 2008 Acts, ch 1032, §201

**261D.3 Commission members representing Iowa — terms — vacancies.**

1. The members of the commission representing this state shall consist of the following:

*a.* The governor or the governor's designee.

*b.* One member of the senate appointed by the president of the senate after consultation with the majority leader and minority leader of the senate.

*c.* One member of the house of representatives appointed by the speaker of the house of representatives after consultation with the majority leader and minority leader of the house of representatives.

*d.* One member appointed by the state board of regents.

*e.* One member appointed by the Iowa association of community college trustees.

2. In order to maximize participation in and knowledge of commission activities, alternate members of the commission representing Iowa shall be designated in the following manner:

*a.* One alternate member appointed by the governor.

*b.* One alternate member from the senate from the opposite political party of the commissioner appointed pursuant to subsection 1, paragraph "*b*", selected in the manner provided in subsection 1, paragraph "*b*".

*c.* One alternate member from the house of representatives from the opposite political party of the commissioner appointed pursuant to subsection 1, paragraph "*c*", selected in the manner provided in subsection 1, paragraph "*c*".

*d.* One alternate member appointed by the Iowa association of independent colleges and universities.

*e.* One alternate member appointed by the Iowa college student aid commission.

3. Nonlegislative members shall serve two-year terms except as otherwise provided under the terms of the compact. Legislative members shall serve two-year terms as provided in section 69.16B. Nonlegislative members shall serve without compensation, but shall receive their actual and necessary expenses and travel. Legislative members shall receive actual and necessary expenses pursuant to sections 2.10 and 2.12. Vacancies on the commission shall be filled for the unexpired portion of the term in the same manner as the original appointments. If a legislative member ceases to be a member of the general assembly, the legislative member shall no longer serve as a member of the commission.

4. It is the intent of the general assembly that commissioners representing the senate and the house of representatives be members of different political parties from one another.

2005 Acts, ch 145, §3; 2008 Acts, ch 1156, §40, 58; 2009 Acts, ch 41, §104

**261D.4 Payment of dues.** Repealed by 2011 Acts, ch 132, § 33, 34.

# CHAPTER 261E

## SENIOR YEAR PLUS PROGRAM

Referred to in §11.6, 256.17, 257.6


261E.1 Senior year plus program.
261E.2 Definitions.
261E.3 Eligibility.
261E.4 Advanced placement program.
261E.5 Advanced placement courses — access — examination fee payment.
261E.6 Postsecondary enrollment options program.
261E.7 Postsecondary enrollment options program payments — claims — reimbursements.
261E.8 District-to-community college sharing or concurrent enrollment program.
261E.9 Regional academies.
261E.10 Career academies.
261E.11 Internet-based and Iowa communications network coursework.
261E.12 Internet-based clearinghouse.
261E.13 State program allocation.


**261E.1 Senior year plus program.**

1. A senior year plus program is established to be administered by the department of education to provide Iowa high school students increased access to college credit or advanced placement coursework. The program shall consist of the following elements:

*a.* Advanced placement classes, including on-site, consortium, and online opportunities and courses delivered via the Iowa communications network.

*b.* Community college credit courses offered through written agreements between school districts and community colleges.

*c.* College and university credit courses offered to individual high school students through the postsecondary enrollment options program in accordance with section 261E.6.

*d.* Courses offered through regional and career academies for college credit.

*e.* Internet-based courses offered for college credit, including but not limited to courses within the Iowa learning online initiative.

2. The senior year plus programming provided by a school district pursuant to sections 261E.4 and 261E.6 may be available to students on a year-round basis.

2008 Acts, ch 1181, §51

**261E.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Concurrent enrollment"* means any course offered to students in grades nine through twelve during the regular school year approved by the board of directors of a school district through a contractual agreement between a community college and the school district that meets the provisions of section 257.11, subsection 3.

2. *"Department"* means the department of education.

3. *"Director"* means the director of the department of education.

4. *"Eligible postsecondary institution"* means an institution of higher learning under the control of the state board of regents, a community college established under chapter 260C, or an accredited private institution as defined in section 261.9.

5. *"Institution"* means a school district or eligible postsecondary institution delivering the instruction in a given program as authorized by this chapter.

6. *"School board"* means the board of directors of a school district or a collaboration of boards of directors of school districts.

7. *"State board"* means the state board of education.

8. *"Student"* means any individual enrolled in grades nine through twelve in a school district who meets the criteria in section 261E.3, subsection 1. *"Student"* includes an individual attending an accredited nonpublic school or the Iowa school for the deaf or the Iowa braille and sight saving school for purposes of sections 261E.4 and 261E.6.

2008 Acts, ch 1181, §52

Referred to in §85.61

**261E.3 Eligibility.**

1. *Student eligibility.* In order to ensure student readiness for postsecondary coursework, the student shall meet the following criteria:

*a.* The student shall meet the enrollment requirements established by the eligible postsecondary institution providing the course credit.

*b.* The student shall meet or exceed the minimum performance measures on any academic assessments that may be required by the eligible postsecondary institution.

*c.* The student shall have taken the appropriate course prerequisites, if any, prior to enrollment in the eligible postsecondary course, as determined by the eligible postsecondary institution delivering the course.

*d.* The student shall have attained the approval of the school board or its designee and the eligible postsecondary institution to register for the postsecondary course.

*e.* The student shall have demonstrated proficiency in reading, mathematics, and science as evidenced by achievement scores on the latest administration of the state assessment for which scores are available and as defined by the department. However, a student receiving competent private instruction under chapter 299A may demonstrate proficiency by submitting the written recommendation of the licensed practitioner providing supervision to the student in accordance with section 299A.2; may demonstrate proficiency as evidenced by achievement scores on the annual achievement evaluation required under section 299A.4; or may demonstrate proficiency as evidenced by a selection index, which is the sum of the critical reading, mathematics, and writing skills assessments, of at least one hundred forty-one on the preliminary scholastic aptitude test administered by the college board; a composite score of at least twenty-one on the college readiness assessment administered by ACT, inc.; or a sum of the critical reading and mathematics scores of at least nine hundred ninety on the college readiness assessment administered by the college board. If a student is not proficient in one or more of the content areas listed in this paragraph,

has not taken the college readiness assessments identified in this paragraph, or has not achieved the scores specified in this paragraph, the school board may establish alternative but equivalent qualifying performance measures including but not limited to additional administrations of the state assessment, portfolios of student work, student performance rubric, or end-of-course assessments.

*f.* The student shall meet the definition of eligible student under section 261E.6, subsection 6, in order to participate in the postsecondary enrollment options program.

2. *Teacher and instructor eligibility.*

*a.* A teacher or instructor employed to provide instruction under this chapter shall meet the following criteria:

(1) The teacher shall be appropriately licensed to teach the subject the institution is employing the teacher to teach and shall meet the standards and requirements set forth which other full-time instructors teaching within the academic department are required to meet and which are approved by the appropriate postsecondary administration.

(2) The teacher shall collaborate, as appropriate, with other secondary and postsecondary faculty in the subject area.

(3) The district, in collaboration with the teacher or instructor, shall provide ongoing communication about course expectations, including a syllabus that describes the content, teaching strategies, performance measures, and resource materials used in the course, and academic progress to the student and in the case of students of minor age, to the parent or legal guardian of the student.

(4) The teacher or instructor shall provide curriculum and instruction that is accepted as college-level work as determined by the institution.

(5) The teacher or instructor shall use valid and reliable student assessment measures, to the extent available.

(6) If the instruction for any program authorized by this chapter is provided at a school district facility or a neutral site, the teacher or instructor shall have successfully passed a background investigation conducted in accordance with section 272.2, subsection 17, prior to providing such instruction. For purposes of this section, "*neutral site*" means a facility that is not owned or operated by an institution.

*b.* The teacher or instructor shall be provided with appropriate orientation and training in secondary and postsecondary professional development related to curriculum, pedagogy, assessment, policy implementation, technology, and discipline issues.

*c.* The eligible postsecondary institution shall provide the teacher or instructor with ongoing communication and access to instructional resources and support, and shall encourage the teacher or instructor to participate in the postsecondary institution's academic departmental activities.

*d.* The teacher or instructor shall receive adequate notification of an assignment to teach a course under this chapter and shall be provided adequate preparation time to ensure that the course is taught at the college level.

*e.* An individual under suspension or revocation of an educational license or statement of professional recognition issued by the board of educational examiners shall not be allowed to provide instruction for any program authorized by this chapter.

3. *Institutional eligibility.* An institution providing instruction pursuant to this chapter shall meet the following criteria:

*a.* The institution shall ensure that students or in the case of minor students, parents or legal guardians, receive appropriate course orientation and information, including but not limited to a summary of applicable policies and procedures, the establishment of a permanent transcript, policies on dropping courses, a student handbook, information describing student responsibilities, and institutional procedures for academic credit transfer.

*b.* The institution shall ensure that students have access to student support services, including but not limited to tutoring, counseling, advising, library, writing and math labs, and computer labs, and student activities, excluding postsecondary intercollegiate athletics.

*c.* The institution shall ensure that students are properly enrolled in courses that will carry college credit.

*d.* The institution shall ensure that teachers and students receive appropriate orientation and information about the institution's expectations.

*e.* The institution shall ensure that the courses provided achieve the same learning outcomes as similar courses offered in the subject area and are accepted as college-level work.

*f.* The institution shall review the course on a regular basis for continuous improvement, shall follow up with students in order to use information gained from the students to improve course delivery and content, and shall share data on course progress and outcomes with the collaborative partners involved with the delivery of the programming and with the department, as needed.

*g.* The school district shall certify annually to the department that the course provided to a high school student for postsecondary credit in accordance with this chapter does not supplant a course provided by the school district in which the student is enrolled.

*h.* The institution shall not require a minimum or a maximum number of postsecondary credits to be earned by a high school student under this chapter.

*i.* The institution shall not place restrictions on participation in senior year plus programming beyond that which is specified in statute or administrative rule.

*j.* All eligible postsecondary institutions providing programming under this chapter shall include the unique student identifier assigned to students while in the kindergarten through grade twelve system as a part of the institution's student data management system. Eligible postsecondary institutions providing programming under this chapter shall cooperate with the department on data requests related to the programming. All eligible postsecondary institutions providing programming under this chapter shall collect data and report to the department on the proportion of females and minorities enrolled in science, technology, engineering, and mathematics-oriented educational opportunities provided in accordance with this chapter. The department shall submit the programming data and the department's findings and recommendations in a report to the general assembly annually by January 15.

*k.* The school district shall ensure that the background investigation requirement of subsection 2, paragraph "*a*", subparagraph (6), is satisfied. The school district shall pay for the background investigation conducted in accordance with subsection 2, paragraph "*a*", subparagraph (6), but may charge the teacher or instructor a fee not to exceed the actual cost charged the school district for the background investigation conducted.

2008 Acts, ch 1181, §53; 2011 Acts, ch 132, §14, 106
Referred to in §257.11, 261E.2, 261E.8

**261E.4 Advanced placement program.**

1. A school district shall make available advanced placement courses to its resident students through direct instruction on-site, collaboration with another school district, or by using the online Iowa advanced placement academy.

2. A school district shall provide descriptions of the advanced placement courses available to students using a course registration handbook.

3. A school district shall ensure that advanced placement course teachers or instructors are appropriately licensed by the board of educational examiners in accordance with chapter 272 and meet the minimum certification requirements of the national organization that administers the advanced placement program.

4. A school district shall establish prerequisite coursework for each advanced placement course offered and shall describe the prerequisites in the course registration handbook, which shall be provided to every junior high school or middle school student prior to the development of a core curriculum plan pursuant to section 279.61.

2008 Acts, ch 1181, §54
Referred to in §261E.1, 261E.2

**261E.5 Advanced placement courses — access — examination fee payment.**

1. A student enrolled in a school district or accredited nonpublic school shall be provided access to advanced placement examinations at a rate of one-half of the cost of the regular

examination fee the student or the student's parents or guardians would normally pay for the examination.

2. The board of directors of a school district and the authorities in charge of an accredited nonpublic school shall ensure that any student enrolled who is interested in taking an advanced placement examination is properly registered for the examination. An accredited nonpublic school shall provide a list of students registered for advanced placement examinations to the school district in which the accredited nonpublic school is located. The school district and the accredited nonpublic school shall also ensure that any student enrolled in the school district or school, as applicable, who is interested in taking an advanced placement examination and qualifies for a reduced fee for the examination is properly registered for the fee reduction. The school district shall provide the college board with a list of all students enrolled in the school district and the accredited nonpublic schools located in the school district who are properly registered for advanced placement examinations administered by the college board.

3. From the funds allocated pursuant to section 261E.13, subsection 1, paragraph *"d"*, the department shall remit amounts to the college board for advanced placement examinations administered by the college board for students enrolled in school districts and accredited nonpublic schools pursuant to subsection 2 and shall distribute an amount per student to a school district submitting a list of students properly registered for the advanced placement examinations pursuant to subsection 2. The remittance rates to the college board and distribution amounts to the school districts in accordance with this subsection for the fiscal year beginning July 1, 2008, are as follows:

*a.* Thirty-eight dollars for each school district or accredited nonpublic school student who does not qualify for fee reduction.

*b.* Twenty-seven dollars for each school district or accredited nonpublic school student who qualifies for fee reduction.

*c.* Eight dollars to the school district for each school district or accredited nonpublic school student who was listed by the school district and who takes an advanced placement examination in accordance with this section.

2008 Acts, ch 1181, §55; 2013 Acts, ch 30, §62
Referred to in §261E.13
Subsection 3 amended

**261E.6 Postsecondary enrollment options program.**

1. *Program established.* The postsecondary enrollment options program is established to promote rigorous academic or career and technical pursuits and to provide a wider variety of options to high school students by enabling ninth and tenth grade students who have been identified by the school district as gifted and talented, and eleventh and twelfth grade students, to enroll in eligible courses at an eligible postsecondary institution of higher learning as a part-time student.

2. *Notification.* The availability and requirements of this program shall be included in each school district's student registration handbook. Information about the program shall be provided to the student and the student's parent or guardian prior to the development of the student's core curriculum plan under section 279.61. The school district shall establish a process by which students may indicate interest in and apply for enrollment in the program.

3. *Authorization.* To participate in this program, an eligible student shall make application to an eligible postsecondary institution to allow the eligible student to enroll for college credit in a nonsectarian course offered at the institution. A comparable course, as defined in rules adopted by the board of directors of the school district consistent with department administrative rule, must not be offered by the school district or accredited nonpublic school the student attends. If the postsecondary institution accepts an eligible student for enrollment under this section, the institution shall send written notice to the student, the student's parent or legal guardian in the case of a minor child, and the student's school district or accredited nonpublic school and the school district in the case of a nonpublic school student, or the Iowa school for the deaf or the Iowa braille and sight saving school. The notice shall list the course, the clock hours the student will be attending the

course, and the number of hours of college credit that the eligible student will receive from the eligible postsecondary institution upon successful completion of the course.

4. *Credits.*

*a.* A school district, the Iowa school for the deaf, the Iowa braille and sight saving school, or accredited nonpublic school shall grant high school credit to an eligible student enrolled in a course under this chapter if the eligible student successfully completes the course as determined by the eligible postsecondary institution. The board of directors of the school district, the board of regents for the Iowa school for the deaf and the Iowa braille and sight saving school, or authorities in charge of an accredited nonpublic school shall determine the number of high school credits that shall be granted to an eligible student who successfully completes a course. Eligible students may take up to seven semester hours of credit during the summer months when school is not in session and receive credit for that attendance, if the student pays the cost of attendance for those summer credit hours.

*b.* The high school credits granted to an eligible student under this section shall count toward the graduation requirements and subject area requirements of the school district of residence, the Iowa school for the deaf, the Iowa braille and sight saving school, or accredited nonpublic school of the eligible student. Evidence of successful completion of each course and high school credits and college credits received shall be included in the student's high school transcript.

5. *Transportation.* The parent or legal guardian of an eligible student who has enrolled in and is attending an eligible postsecondary institution under this chapter shall furnish transportation to and from the postsecondary institution for the student.

6. *Definition.* For purposes of this section and section 261E.7, unless the context otherwise requires, "*eligible student*" means a student classified by the board of directors of a school district, by the state board of regents for pupils of the Iowa school for the deaf and the Iowa braille and sight saving school, or by the authorities in charge of an accredited nonpublic school as a ninth or tenth grade student who is identified according to the school district's gifted and talented criteria and procedures, pursuant to section 257.43, as a gifted and talented child, or an eleventh or twelfth grade student, during the period the student is participating in the postsecondary enrollment options program.

2008 Acts, ch 1181, §56

Referred to in §256F.4, 257.6, 260C.14, 261E.1, 261E.2, 261E.3, 282.18

**261E.7 Postsecondary enrollment options program payments — claims — reimbursements.**

1. Not later than June 30 of each year, a school district shall pay a tuition reimbursement amount to a postsecondary institution that has enrolled its resident eligible students under this chapter, unless the eligible student is participating in open enrollment under section 282.18, in which case, the tuition reimbursement amount shall be paid by the receiving district. However, if a child's residency changes during a school year, the tuition shall be paid by the district in which the child was enrolled as of the date specified in section 257.6, subsection 1, or the district in which the child was counted under section 257.6, subsection 1, paragraph "*a*", subparagraph (6). For students enrolled at the Iowa school for the deaf and the Iowa braille and sight saving school, the state board of regents shall pay a tuition reimbursement amount by June 30 of each year. The amount of tuition reimbursement for each separate course shall equal the lesser of:

*a.* The actual and customary costs of tuition, textbooks, materials, and fees directly related to the course taken by the eligible student.

*b.* Two hundred fifty dollars.

2. A student participating in the postsecondary enrollment options program is not eligible to enroll on a full-time basis in an eligible postsecondary institution. A student enrolled on such a full-time basis shall not receive any payments under this section.

3. An eligible postsecondary institution that enrolls an eligible student under this section shall not charge that student for tuition, textbooks, materials, or fees directly related to the course in which the student is enrolled except that the student may be required to purchase equipment that becomes the property of the student. For the purposes of this subsection,

equipment shall not include textbooks. However, if the student fails to complete and receive credit for the course, the student is responsible for all district costs directly related to the course as provided in subsection 1 and shall reimburse the school district for its costs. If the student is under eighteen years of age, the student's parent or legal guardian shall sign the student registration form indicating that the parent or legal guardian is responsible for all costs directly related to the course if the student fails to complete and receive credit for the course. If documentation is submitted to the school district that verifies the student was unable to complete the course for reasons including but not limited to the student's physical incapacity, a death in the student's immediate family, or the student's move to another school district, that verification shall constitute a waiver to the requirement that the student or parent or legal guardian pay the costs of the course to the school district.

4. An eligible postsecondary institution shall make pro rata adjustments to tuition reimbursement amounts based upon federal guidelines established pursuant to 20 U.S.C. § 1091b.

2008 Acts, ch 1181, §57; 2009 Acts, ch 41, §105
Referred to in §256F.4, 261E.6, 282.18

**261E.8 District-to-community college sharing or concurrent enrollment program.**

1. A district-to-community college sharing or concurrent enrollment program is established to be administered by the department to promote rigorous academic or career and technical pursuits and to provide a wider variety of options to high school students to enroll part-time in eligible nonsectarian courses at or through community colleges established under chapter 260C. The program shall be made available to all resident students in grades nine through twelve. Notice of the availability of the program shall be included in a school district's student registration handbook and the handbook shall identify which courses, if successfully completed, generate college credit under the program. A student and the student's parent or legal guardian shall also be made aware of this program as a part of the development of the student's core curriculum plan in accordance with section 279.61.

2. Students from accredited nonpublic schools and students receiving competent private instruction or independent private instruction under chapter 299A may access the program through the school district in which the accredited nonpublic school or private institution is located.

3. A student may make application to a community college and the school district to allow the student to enroll for college credit in a nonsectarian course offered by the community college. A comparable course, as defined in rules adopted by the board of directors of the school district, must not be offered by the school district or accredited nonpublic school which the student attends. The school board shall annually approve courses to be made available for high school credit using locally developed criteria that establishes which courses will provide the student with academic rigor and will prepare the student adequately for transition to a postsecondary institution. If a community college accepts a student for enrollment under this section, the school district, in collaboration with the community college, shall send written notice to the student, the student's parent or legal guardian in the case of a minor child, and the student's school district. The notice shall list the course, the clock hours the student will be attending the course, and the number of hours of college credit that the student will receive from the community college upon successful completion of the course.

4. A school district shall grant high school credit to a student enrolled in a course under this chapter if the student successfully completes the course as determined by the community college and the course was previously approved by the school board pursuant to subsection 3. The board of directors of the school district shall determine the number of high school credits that shall be granted to a student who successfully completes a course.

5. District-to-community college sharing agreements or concurrent enrollment programs that meet the requirements of section 257.11, subsection 3, are eligible for funding under that provision.

6. Community colleges shall comply with the data collection requirements of section 260C.14, subsection 21.

7. A student enrolled in a career and technical course made available pursuant to

subsection 1 is exempt from the proficiency requirements of section 261E.3, subsection 1, paragraph "*e*". However, a community college may require a student who applies for enrollment under a district-to-community college sharing or concurrent enrollment program to complete an initial assessment administered by the community college receiving the application to determine the applicant's readiness to enroll in career and technical coursework, and the community college may deny the enrollment.

8. The state board, in collaboration with the board of directors of each community college, shall adopt rules that clearly define data and information elements to be collected related to the senior year plus programming, including concurrent enrollment courses. The data elements shall include but not be limited to the following:

*a.* The course title and whether the course supplements, rather than supplants, a school district course.

*b.* An unduplicated enrollment count of eligible students participating in the program.

*c.* The actual costs and revenues generated for concurrent enrollment. An aligned unique student identifier system shall be established by the department for students in kindergarten through grade twelve and community college.

*d.* Degree, certifications, and other qualifications to meet the minimum hiring standards.

*e.* Salary information including regular contracted salary and total salary.

*f.* Credit hours and laboratory contact hours and other data on instructional time.

*g.* Other information comparable to the data regarding teachers collected in the basic education data survey.

2008 Acts, ch 1181, §58; 2011 Acts, ch 20, §12; 2012 Acts, ch 1021, §59; 2012 Acts, ch 1119, §38; 2013 Acts, ch 121, §90

Referred to in §261E.10, 261E.11

Subsection 2 amended

**261E.9 Regional academies.**

1. *a.* A regional academy is a program established by a school district to which multiple school districts send students in grades seven through twelve. A school district establishing a regional academy may collaborate and partner with, enter into an agreement pursuant to chapter 28E with, or enter into a contract with, one or more school districts, area education agencies, community colleges, accredited public and private postsecondary institutions, accredited nonpublic schools, businesses, and private agencies located within or outside of the state.

*b.* The purpose of a regional academy established pursuant to this section shall be to build a culture of innovation for students and community, to diversify educational and economic opportunities by engaging in learning experiences that involve students in complex, real-world projects, and to develop regional or global innovation networks.

*c.* If a school district establishing a regional academy in accordance with this section submits a plan to the department for approval that demonstrates how the regional academy will increase and assess student achievement or increase and assess competency-based learning opportunities for students, the department may waive or modify any statutory or regulatory provision applicable to school districts except the department shall not waive or modify any statutory or regulatory provision relating to requirements applicable to school districts under chapters 11, 21, 22, 216, 216A, 256B, 279, 284, and 285; or relating to contracts with and discharge of teachers and administrators under chapters 20 and 279; or relating to audit requirements under section 256.9, subsection 20, and section 279.29.

2. *a.* A regional academy shall include in its curriculum advanced level courses.

*b.* A regional academy may include in its curriculum virtual or internet-based coursework and courses delivered via the Iowa communications network, career and technical courses, core curriculum coursework, courses required pursuant to section 256.7, subsection 26, or section 256.11, subsections 4 and 5, and asynchronous learning networks.

3. School districts participating in regional academies are eligible for supplementary weighting as provided in section 257.11, subsection 2. The school districts participating in the regional academy shall enter into an agreement on how the funding generated by

the supplementary weighting received shall be used and shall submit the agreement to the department for approval.

4. Information regarding regional academies shall be provided to a student and the student's parent or guardian prior to the development of the student's core curriculum plan under section 279.61.

2008 Acts, ch 1181, §59; 2011 Acts, ch 132, §15, 29

**261E.10 Career academies.**

1. As used in this section, "*career academy*" means the same as defined in section 260C.18A, subsection 2, paragraph "*c*".

2. A career academy course may qualify as a concurrent enrollment course if it meets the requirements of section 261E.8.

3. The school district providing secondary education under this section shall be eligible for supplementary weighting under section 257.11, subsection 2, and the community college shall be eligible for funds allocated pursuant to section 260C.18A.

4. Information regarding career academies shall be provided by the school district to a student and the student's parent or guardian prior to the development of the student's core curriculum plan under section 279.61.

2008 Acts, ch 1181, §60
Referred to in §261E.11

**261E.11 Internet-based and Iowa communications network coursework.**

1. The Iowa communications network may be used to deliver coursework for the programming provided under this chapter subject to an appropriation by the general assembly for that purpose. A school district that provides courses delivered via the Iowa communications network shall receive supplemental funding as provided in section 257.11, subsection 8.

2. The programming in this chapter may be delivered via internet-based technologies including but not limited to the Iowa learning online program. An internet-based course may qualify for additional supplemental weighting if it meets the requirements of section 261E.8 or section 261E.10.

3. To qualify as a senior year plus course, an internet-based course or course offered through the Iowa communications network must comply with the appropriate provisions of this chapter.

2008 Acts, ch 1181, §61
Section not amended, internal reference change applied

**261E.12 Internet-based clearinghouse.**

The department shall develop and make available to secondary and postsecondary students, parents or legal guardians, school districts, accredited nonpublic schools, and eligible postsecondary institutions an internet-based clearinghouse of information that allows students to identify participation options within the senior year plus program and transferability between educational systems, subject to an appropriation by the general assembly for this purpose. The internet-based resource shall provide links to other similar resources available through various Iowa postsecondary institution systems. The internet-based resource shall also identify course transferability and articulation between the secondary and postsecondary systems in Iowa and between the various Iowa postsecondary systems.

2008 Acts, ch 1181, §62
Referred to in §261E.13

**261E.13 State program allocation.**

1. For each fiscal year in which moneys are appropriated by the general assembly for purposes of the senior year plus program, the moneys shall be allocated as follows in the following priority order:

*a.* For the fiscal year beginning July 1, 2008, and succeeding fiscal years, an amount

up to five hundred thousand dollars to the department to implement the internet-based clearinghouse pursuant to section 261E.12.

*b.* For the fiscal year beginning July 1, 2008, and succeeding fiscal years, an amount up to five hundred thousand dollars to the department for the development of a data management system, including the development of a transcript repository, for senior year plus programming provided under this chapter. The data management system shall include information generated by the provisions of section 279.61, data on courses taken by Iowa's students, and the transferability of course credit.

*c.* For the fiscal year beginning July 1, 2008, and succeeding fiscal years, an amount up to four hundred thousand dollars to the department for the development of additional internet-based educational courses that comply with the provisions of this chapter.

*d.* For the fiscal year beginning July 1, 2008, and succeeding fiscal years, an amount up to five hundred thousand dollars to the department to provide advanced placement course examination fee remittance pursuant to section 261E.5. If the funds appropriated for purposes of section 261E.5 are insufficient to distribute the amounts set out in section 261E.5, subsection 3, to school districts, the department shall prorate the amount distributed to school districts based on the amount appropriated.

2. Notwithstanding section 8.33, any moneys remaining unencumbered or unobligated from the moneys allocated under this section shall not revert but shall remain available in the succeeding fiscal year for expenditure for the purposes designated. The department shall annually inform the general assembly of the amount of moneys allocated, but unspent. The provisions of section 8.39 shall not apply to the funds allocated pursuant to this section.

2008 Acts, ch 1181, §63; 2009 Acts, ch 41, §173, 264
Referred to in §261E.5

# CHAPTER 261F

## EDUCATIONAL LOANS


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**261F.1 Definitions.**

As used in this chapter, unless otherwise specified:

1. *"Borrower"* means a student attending a covered institution in this state, or a parent or person in parental relation to such student, who obtains an educational loan from a lending institution to pay for or finance a student's higher education expenses.

2. *"Covered institution"* means any educational institution that offers a postsecondary educational degree, certificate, or program of study and receives any Tit. IV funds under the federal Higher Education Act of 1965, as amended, or state funding or assistance. *"Covered institution"* includes an authorized agent of the educational institution, including an alumni association, booster club, or other organization directly or indirectly associated with or authorized by the institution or an employee of the institution.

3. *"Covered institution employee"* means any employee, agent, contract employee, director, officer, or trustee of a covered institution.

4. *"Educational loan"* means any loan that is made, insured, or guaranteed under Tit. IV of the federal Higher Education Act of 1965, as amended, directly to a borrower solely for educational purposes, or any private educational loan.

5. *"Gift"* means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount. *"Gift"* includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred. *"Gift"* does not include any of the following:

*a.* Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy.

*b.* Food or refreshments furnished to an officer, employee, or agent of an institution as an integral part of a training session or conference that is designed to contribute to the professional development of the officer, employee, or agent of the institution.

*c.* Favorable terms, conditions, and borrower benefits on an educational loan provided to a borrower employed by the covered institution if such terms, conditions, or benefits are comparable to those provided to all students of the institution.

*d.* Philanthropic contributions to a covered institution from a lender, guarantor, or servicer of educational loans that are unrelated to educational loans, provided, as applicable, that the contributions are disclosed pursuant to section 261F.4, subsection 6.

*e.* State education grants, scholarships, or financial aid funds administered under chapter 261.

*f.* Toll-free telephone numbers for use by covered institutions or other toll-free telephone numbers open to the public to obtain information about loans available under Tit. IV of the federal Higher Education Act of 1965, as amended, or private educational loans, or free data transmission service for use by a covered institution to electronically submit applicant loan processing information or student status confirmation data for loans available under Tit. IV of the federal Higher Education Act of 1965.

*g.* A reduced origination fee.

*h.* A reduced interest rate.

*i.* Payment of federal default fees.

*j.* Purchase of a loan made by another lender at a premium.

*k.* Other benefits to a borrower under a repayment incentive program that requires, at a minimum, one or more scheduled payments to receive or retain the benefit or under a loan forgiveness program for public service or other targeted purposes approved by the attorney general, provided these benefits are not marketed to secure loan applications or loan guarantees.

*l.* Items of nominal value to a covered institution, covered institution employee, covered institution-affiliated organization, or borrower that are offered as a form of generalized marketing or advertising, or to create goodwill.

*m.* Items of value which are offered to a borrower or to a covered institution employee that are also offered to the general public.

*n.* Other services as identified and approved by the attorney general through a public announcement, such as a notice on the attorney general's internet site.

6. *"Lender"* or *"lending institution"* means a creditor as defined in section 103 of the federal Truth in Lending Act, 15 U.S.C. § 1602.

7. *"Postsecondary educational expenses"* means any of the expenses that are included as part of a student's cost of attendance as defined in Tit. IV, part F, of the federal Higher Education Act of 1965, as amended.

8. *"Preferred lender arrangement"* means an arrangement or agreement between a lender and a covered institution under which the lender provides or otherwise issues educational loans to borrowers and which relates to the covered institution recommending, promoting, or endorsing the educational loan product of the lender. *"Preferred lender arrangement"* does not include arrangements or agreements with respect to loans under part D or E of Tit. IV of the federal Higher Education Act of 1965, as amended.

9. *"Preferred lender list"* means a list of at least three recommended or suggested, unaffiliated lending institutions that a covered institution makes available for use, in print or any other medium or form, by borrowers, prospective borrowers, or others.

10. *"Private educational loan"* means a private loan provided by a lender that is not made, insured, or guaranteed under Tit. IV of the federal Higher Education Act of 1965,

as amended, and is issued by a lender solely for postsecondary educational expenses to a borrower, regardless of whether the loan involves enrollment certification by the educational institution that the student for which the loan is made attends. *"Private educational loan"* does not include a private educational loan secured by a dwelling or under an open-end credit plan. For purposes of this subsection, *"dwelling"* and *"open-end credit plan"* have the meanings given such terms in section 103 of the federal Truth in Lending Act, 15 U.S.C. § 1602.

11. *"Revenue sharing arrangement"* means an arrangement between a covered institution and a lender in which the lender provides or issues educational loans to persons attending the institution or on behalf of persons attending the institution and the covered institution recommends the lender or the educational loan products of the lender, in exchange for which the lender pays a fee or provides other material benefits, including revenue or profit sharing, to the institution or officers, employees, or agents of the institution. *"Revenue sharing arrangement"* does not include arrangements related solely to products which are not educational loans.

2008 Acts, ch 1132, §3; 2009 Acts, ch 41, §106

Referred to in §261F.4

**261F.2 Code of conduct.**

1. A covered institution shall do the following:

*a.* Develop, in consultation with the college student aid commission, a code of conduct governing educational loan activities with which the covered institution's officers, employees, and agents shall comply.

*b.* Publish the code of conduct developed in accordance with paragraph *"a"* prominently on its internet site.

*c.* Administer and enforce the code of conduct developed in accordance with paragraph *"a"*.

2. The college student aid commission shall provide to covered institutions assistance and guidance relating to the development, administration, and monitoring of a code of conduct governing educational loan activities.

3. Except as provided in this section, the college student aid commission is not subject to the duties, restrictions, prohibitions, and penalties of this chapter.

2008 Acts, ch 1132, §4

**261F.3 Prohibitions — report.**

1. *Gift ban.* No officer, employee, or agent of a covered institution who is employed in the financial aid office of the institution, or who otherwise has direct responsibilities with respect to educational loans, shall solicit or accept any gift from a lender, guarantor, or servicer of educational loans. The attorney general shall investigate any reported violation of this subsection and shall annually submit a report to the general assembly by January 15 identifying all substantiated violations of this subsection, including the lenders and covered institutions involved in each such violation, for the preceding year.

2. *Gifts to family members or others.* For purposes of this section, a gift to a family member of an officer, employee, or agent of a covered institution, or a gift to any other individual based on that individual's relationship with the officer, employee, or agent, shall be considered a gift to the officer, employee, or agent if either of the following applies:

*a.* The gift is given with the knowledge and acquiescence of the officer, employee, or agent.

*b.* The officer, employee, or agent has reason to believe the gift was given because of the official position of the officer, employee, or agent.

3. *Contracting arrangements.* An officer, employee, or agent who is employed in the financial aid office of a covered institution, or who otherwise has direct responsibilities with respect to educational loans, shall not accept from any lender or affiliate of any lender any fee, payment, or other financial benefit including but not limited to the opportunity to purchase stock on other than free market terms, as compensation for any type of consulting arrangement or other contract to provide services to a lender or on behalf of a lender.

4. *Revenue sharing arrangements.* A covered institution shall not enter into any revenue sharing arrangement with any lender.

5. *Prohibition on offers of funds for private loans.* A covered institution shall not request or accept from any lender any offer of funds, including any opportunity pool, to be used for private educational loans to borrowers in exchange for the covered institution providing concessions or promises to the lender with respect to such institution providing the lender with a specified number of loans, a specified loan volume, or a preferred lender arrangement for any loan made, insured, or guaranteed under Tit. IV of the federal Higher Education Act of 1965, as amended, and a lender shall not make any such offer. For purposes of this subsection, "*opportunity pool*" means an educational loan made by a private lender to a borrower that is in any manner guaranteed by a covered institution, or that involves a payment, directly or indirectly, by such an institution of points, premiums, payments, additional interest, or other financial support to the lender for the purpose of that lender extending credit to the borrower.

6. *Participation on advisory councils.* An officer, employee, or agent who is employed in the financial aid office of a covered institution, or who otherwise has direct responsibilities with respect to educational loans, shall not serve on or otherwise participate with advisory councils of lenders or affiliates of lenders. Nothing in this subsection shall prohibit lenders from seeking advice from covered institutions or groups of covered institutions, including through telephonic or electronic means, or a meeting, in order to improve products and services for borrowers, provided there are no gifts or compensation including but not limited to transportation, lodging, or related expenses, provided by lenders in connection with seeking such advice from the institutions. Nothing in this subsection shall prohibit an officer, employee, or agent of a covered institution from serving on the board of directors of a lender if required by law.

7. *Exceptions.*

*a.* Nothing in this section shall be construed as prohibiting any of the following:

(1) An officer, employee, or agent of a covered institution who is not employed in the institution's financial aid office, or who does not otherwise have direct responsibilities with respect to educational loans, from paid or unpaid service on a board of directors of a lender, guarantor, or servicer of educational loans.

(2) An officer, employee, or agent of a covered institution who is not employed in the financial aid office but who has direct responsibility with respect to educational loans as a result of a position held at the covered institution, from paid or unpaid service on a board of directors of a lender, guarantor, or servicer of educational loans, provided that the covered institution has a written conflict of interest policy that clearly sets forth that such an officer, employee, or agent must be recused from participating in any decision of the board with respect to any transaction regarding educational loans.

(3) An officer, employee, or agent of a lender, guarantor, or servicer of educational loans from serving on a board of directors or serving as a trustee of a covered institution, provided that the covered institution has a written conflict of interest policy that clearly sets forth the procedures to be followed in instances where such a board member's or trustee's personal or business interests with respect to educational loans may be advanced by an action of the board of directors or trustees, including a provision that such a board member or trustee may not participate in any decision to approve any transaction where such conflicting interests may be advanced.

*b.* Nothing in this chapter shall be construed to prohibit a covered institution from lowering educational loan costs for borrowers, including payments made by the covered institution to lending institutions on behalf of borrowers.

2008 Acts, ch 1132, §5, 15

**261F.4 Misleading identification — covered institution — lending institutions' employees.**

1. A lending institution shall prohibit an employee or agent of the lending institution from being identified to borrowers or prospective borrowers of a covered institution as an employee, representative, or agent of the covered institution.

2. A covered institution shall prohibit an employee or agent of a lending institution from being identified as an employee, representative, or agent of the covered institution.

3. An employee, representative, or agent of a lending institution included on a covered institution's preferred lending list shall not staff a covered institution's financial aid offices or call center and shall not prepare any of the covered institution's materials related to educational loans.

4. A covered institution that has entered into a preferred lender arrangement with a lender regarding private educational loans shall not agree to the lender's use of the name, emblem, mascot, or logo of the institution, or other words, pictures, or symbols readily identified with the institution, in the marketing of private educational loans to the students attending the institution in any way that implies that the institution endorses the private educational loans offered by the lender. However, the covered institution may allow the use of its name if it is part of the lending institution's legal name.

5. Nothing in this section shall prohibit a covered institution from requesting or accepting the following assistance from a lender related to any of the following:

*a.* Providing educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to borrowers the identification of any lender that assisted in preparing or providing such materials.

*b.* Staffing services on a short-term, nonrecurring basis to assist the institution with financial aid-related functions during emergencies, including state-declared or federally declared natural disasters, federally declared national disasters, and other localized disasters and emergencies identified by the attorney general.

6. The attorney general shall adopt rules providing for the disclosure, for lenders with a preferred lender arrangement, of philanthropic contributions made as specified in section 261F.1, subsection 5, paragraph *"d"*.

2008 Acts, ch 1132, §6

Referred to in §261F.1

**261F.5 Loan disclosure — loan bundling — prohibitions.**

1. A covered institution that has entered into a preferred lender arrangement with a lender regarding private educational loans shall inform the borrower or prospective borrower of all available state education financing options, and financing options under Tit. IV of the federal Higher Education Act of 1965, as amended, including information on any terms and conditions of available loans under such title that are more favorable to the borrower.

2. A covered institution shall prohibit the bundling of private educational loans in financial aid packages, unless the borrower is ineligible for financing, is not eligible for any additional funding, or has exhausted the limits of loan eligibility, under Tit. IV of the federal Higher Education Act of 1965, as amended, or has not filled out a free application for federal student aid, and the bundling of the private educational loans is clearly and conspicuously disclosed to the borrower prior to acceptance of the package by the borrower. The provisions of this subsection shall not apply if the borrower does not desire or refuses to apply for a loan under Tit. IV of the federal Higher Education Act of 1965.

3. A lending institution included on a covered institution's preferred lender list shall disclose, clearly and conspicuously, in any application for a private educational loan, all of the following:

*a.* The rate of interest or the potential range of rates of interest applicable to the loan and whether such rates are fixed or variable.

*b.* Limitations, if any, on interest rate adjustments, both in terms of frequency and amount, or lack thereof.

*c.* Coborrower requirements, including changes in interest rates.

*d.* Any fees associated with the loan.

*e.* The repayment terms available on the loan.

*f.* The opportunity for deferment or forbearance in repayment of the loan, including whether the loan payments can be deferred if the borrower is in school.

*g.* Any additional terms and conditions applied to the loan, including any benefits that are contingent on the repayment behavior of the borrower.

*h.* Information comparing federal and private educational loans.

*i.* An example of the total cost of the educational loan over the life of the loan which shall be calculated using the following:

(1) A principal amount and the maximum rate of interest actually offered by the lender, or, if there is no maximum rate provided under the terms of the loan agreement or applicable state or federal law, a statement to that effect.

(2) Both with and without capitalization of interest, if that is an option for postponing interest payments.

*j.* The consequences for the borrower of defaulting on a loan, including any limitations on the discharge of an educational loan in bankruptcy.

*k.* Contact information for the lender.

4. Not later than January 31, 2009, the attorney general shall develop and make available to lenders a model disclosure form that is based on the requirements of subsection 3. Use of the model disclosure form by a lending institution in a manner consistent with this chapter shall constitute compliance with subsection 3.

2008 Acts, ch 1132, §7, 15

**261F.6 Standards for preferred lender lists.**

1. A covered institution may make available a list of preferred lenders, in print or any other medium or form, for use by the covered institution's students or their parents, provided the list meets the following conditions:

*a.* The list is not used to deny or otherwise impede a borrower's choice of lender.

*b.* The list contains at least three lenders that are not affiliated and will make loans to borrowers or students attending the school. For the purposes of this paragraph, a lender is affiliated with another lender if any of the following applies:

(1) The lenders are under the ownership or control of the same entity or individuals.

(2) The lenders are wholly or partly owned subsidiaries of the same parent company.

(3) The directors, trustees, or general partners, or individuals exercising similar functions, of one of the lenders constitute a majority of the persons holding similar positions with the other lender.

*c.* The list does not include lenders that have offered, or have offered in response to a solicitation by the covered institution, financial or other benefits to the covered institution in exchange for inclusion on the list or any promise that a certain number of loan applications will be sent to the lender by the covered institution or its students.

2. A covered institution that provides or makes available a preferred lender list shall do the following:

*a.* Disclose to prospective borrowers, as part of the list, the method and criteria used by the covered institution in selecting any lender that it recommends or suggests.

*b.* Provide comparative information to prospective borrowers about interest rates and other benefits offered by the lenders.

*c.* Include a prominent statement in any information related to its preferred lender list advising prospective borrowers that the borrowers are not required to use one of the covered institution's recommended or suggested lenders.

*d.* For first-time borrowers, refrain from assigning, through award packaging or other methods, a borrower's loan to a particular lender.

*e.* Not cause unnecessary certification delays for borrowers who use a lender that is not included on the covered institution's preferred lender list.

*f.* Update the preferred lender list and any information accompanying the list at least annually.

3. If the servicer of a private educational loan is changed by a lending institution, the lending institution shall disclose the change to the affected borrower.

4. A lending institution shall not be placed on a covered institution's preferred lender list or in favored placement on a covered institution's preferred lender list for a particular type of loan, in exchange for benefits provided to the covered institution or to the covered institution's students in connection with a different type of loan.

2008 Acts, ch 1132, §8, 15

**261F.7 Disclosure requirements.**

Except for educational loans made, insured, or guaranteed by the federal government, a lending institution included on a covered institution's preferred lender list shall, upon receiving a request from a borrower, covered institution, or government entity, disclose to the requester in reasonable detail and form, the terms of private educational loans made to borrowers by that lending institution and the rates of interest charged to borrowers for private educational loans in the year preceding the disclosures.

2008 Acts, ch 1132, §9, 15

**261F.8 Penalties.**

1. If after providing notice and an opportunity for a hearing the attorney general determines that a covered institution or lending institution has violated a provision of this chapter, the covered institution or lending institution may be liable for a civil penalty of up to five thousand dollars per violation. In taking action against a covered institution or lending institution, consideration shall be given to the nature and severity of a violation of this chapter.

2. If after providing notice and an opportunity for a hearing the attorney general determines that a covered institution employee has violated a provision of this chapter, the covered institution employee may be liable for a civil penalty of up to two thousand five hundred dollars per violation. In taking action against a covered institution employee, consideration shall be given to the nature and severity of a violation of this chapter.

3. If after providing notice and an opportunity for a hearing the attorney general determines that a lending institution has violated a provision of this chapter, such lending institution shall not be placed or remain on any covered institution's preferred lender list unless notice of such violation is provided to all potential borrowers of the covered institution. However, consideration shall be given to the nature and severity of a violation of this chapter in determining whether and for how long to ban a lender from a preferred lender list.

4. Nothing in this section shall prohibit the attorney general from reaching a settlement agreement with a covered institution, covered institution employee, or lending institution in order to effectuate the purposes of this section. Provided, however, if such settlement agreement is reached with a covered institution or lending institution, the attorney general shall provide notice of such action to the borrowers in a form and manner prescribed by the attorney general.

5. The attorney general shall deposit the funds generated pursuant to this section into the student lending education fund, created in section 261F.10.

6. Each individual incident of a violation of this chapter shall be considered a separate violation for the purpose of imposing civil penalties.

2008 Acts, ch 1132, §10

Referred to in §261F.10

**261F.9 Rules — investigation authority — enforcement.**

1. The attorney general shall administer this chapter and promulgate rules, pursuant to chapter 17A, necessary for the implementation of this chapter. Unless otherwise provided, all actions by the attorney general pursuant to this chapter shall be subject to the provisions of chapter 17A.

2. The attorney general is authorized to conduct an investigation to determine whether to initiate proceedings pursuant to this chapter to the same extent as the investigation authority granted the attorney general under section 714.16.

2008 Acts, ch 1132, §11

**261F.10 Student lending education fund.**

1. There is established in the state treasury a student lending education fund.

2. The fund shall consist of all revenues generated pursuant to section 261F.8 and all other moneys credited or transferred to the fund from any other fund or source pursuant to law.

3. Moneys in the fund shall be made available to the attorney general for the purpose of enforcing this chapter.

2008 Acts, ch 1132, §12

Referred to in §261F.8

**261F.11 Effect on other laws or regulations.**

This chapter shall not be interpreted to affect the liability of any person, covered institution, or lending institution under any other state statute or rule.

2008 Acts, ch 1132, §13

# SUBTITLE 4

## REGENTS INSTITUTIONS

# CHAPTER 262

## BOARD OF REGENTS

Referred to in §7D.34, 8A.402, 8E.104, 12B.10B, 12B.10C, 261.7, 419.1, 432.13, 459.318, 459A.102, 554D.120, 573.14


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## GENERAL PROVISIONS

**262.1 Membership.**

The state board of regents consists of nine members, eight of whom shall be selected from the state at large solely with regard to their qualifications and fitness to discharge the duties of the office. The ninth member shall be a student enrolled on a full-time basis in good standing at either the graduate or undergraduate level at one of the institutions listed in section 262.7, subsection 1, 2, or 3, at the time of the member's appointment. Not more than five members shall be of the same political party.

[S13, §2682-c, -d; C24, 27, 31, 35, 39, §**3912;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.1]

88 Acts, ch 1260, §1

Referred to in §262.2, 262.6

**262.2 Appointment — term of office.**

The members shall be appointed by the governor subject to confirmation by the senate. Prior to appointing the ninth member as specified in section 262.1, the governor shall

consult with the appropriate student body government at the institution at which the proposed appointee is enrolled. The term of each member of the board shall be for six years, unless the ninth member, appointed in accordance with section 262.1, graduates or is no longer enrolled at an institution of higher education under the board's control, at which time the term of the ninth member shall expire one year from the date on which the member graduates or is no longer enrolled in an institution of higher education under the board's control. However, if within that year the ninth member reenrolls in any institution of higher education under the board's control on a full-time basis and is a student in good standing at either the graduate or undergraduate level, the term of the ninth member shall continue in effect. The terms of three members of the board shall begin and expire in each odd-numbered year as provided in section 69.19.

[S13, §2682-d; C24, 27, 31, 35, 39, §**3913, 3914;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §262.2, 262.3; C81, §262.2; 81 Acts, ch 86, §1]

2004 Acts, ch 1047, §1

Confirmation, see §2.32

**262.3** Repealed by 80 Acts, ch 1010, § 86.

**262.4 Removals.**

The governor, with the approval of a majority of the senate during a session of the general assembly, may remove any member of the board for malfeasance in office, or for any cause which would render the member ineligible for appointment or incapable or unfit to discharge the duties of office, and the member's removal, when so made, shall be final.

[S13, §2682-d; C24, 27, 31, 35, 39, §**3916;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.4]

**262.5 Suspension.**

When the general assembly is not in session, the governor may suspend any member so disqualified and shall appoint another to fill the vacancy thus created, subject to the approval of the senate when next in session.

[S13, §2682-d; C24, 27, 31, 35, 39, §**3917;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.5]

**262.6 Vacancies.**

Vacancies shall be filled in the same manner in which regular appointments are required to be made. If the ninth member resigns prior to the expiration of the term, the individual appointed to fill the vacancy shall meet the requirements for the ninth member specified in section 262.1. Other vacancies occurring prior to the expiration of the ninth member's term shall be filled in the same manner as the original appointments for those vacancies.

[S13, §2682-d; C24, 27, 31, 35, 39, §**3918;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.6]

88 Acts, ch 1260, §2

See §2.32

**262.7 Institutions governed.**

The state board of regents shall govern the following institutions:

1. The state university of Iowa, including the university of Iowa hospitals and clinics.
2. The Iowa state university of science and technology, including the agricultural experiment station.
3. The university of northern Iowa.
4. The Iowa braille and sight saving school.
5. The state school for the deaf.
6. The Oakdale campus.

7. The university of Iowa hospitals and clinics' center for disabilities and development.

[R60, §2157, 2158; C73, §1685, 1686; C97, §2723; S13, §2682-c; C24, 27, 31, 35, 39, §**3919;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.7]

2001 Acts, ch 181, §15; 2006 Acts, ch 1051, §3

Referred to in §11.1, 262.1, 262.34B, 262.71

**262.8 Meetings.**

The board shall meet four times a year. Special meetings may be called by the board, by the president of the board, or by the executive director of the board upon written request of any five members thereof.

[S13, §2682-e; C24, 27, 31, 35, 39, §**3920;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.8]

2006 Acts, ch 1051, §4

**262.9 Powers and duties.**

The board shall:

1. Each even-numbered year elect, from its members, a president of the board, who shall serve for two years and until a successor is elected and qualified.

2. Elect a president of each of the institutions of higher learning; a superintendent of each of the other institutions; a treasurer and a secretarial officer for each institution annually; professors, instructors, officers, and employees; and fix their compensation. Sections 279.12 through 279.19 and section 279.27 apply to employees of the Iowa braille and sight saving school and the state school for the deaf, who are licensed pursuant to chapter 272. In following those sections in chapter 279, the references to boards of directors of school districts shall be interpreted to apply to the board of regents.

3. Make rules for admission to and for the government of said institutions, not inconsistent with law.

4. Manage and control the property, both real and personal, belonging to the institutions.

5. Purchase or require the purchase of, when the price is reasonably competitive and the quality as intended, soybean-based inks. All inks purchased that are used internally or are contracted for by the board shall be soybean-based to the extent formulations for such inks are available.

*a.* The department of natural resources shall review the procurement specifications currently used by the board to eliminate, wherever possible, discrimination against the procurement of products manufactured with soybean-based inks.

*b.* The department of natural resources shall assist the board in locating suppliers of recycled content products and soybean-based inks and collecting data on recycled content and soybean-based ink purchases.

*c.* The board, in conjunction with the department of natural resources, shall adopt rules to carry out the provisions of this subsection.

*d.* The department of natural resources shall cooperate with the board in all phases of implementing this subsection.

6. The board shall, whenever technically feasible, purchase and use degradable loose foam packing material manufactured from grain starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources. For the purposes of this subsection, "*packing material*" means material, other than an exterior packing shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

7. Purchase and use recycled printing and writing paper, with the exception of specialized paper when no recyclable product is available, in accordance with the schedule established in section 8A.315; establish a wastepaper recycling program for all institutions governed by the board in accordance with recommendations made by the department of natural resources and the requirements of section 8A.329; shall, in accordance with the requirements of section 8A.311, require product content statements and compliance with requirements regarding procurement specifications; and shall comply with the requirements for the purchase of lubricating oils and industrial oils as established pursuant to section 8A.316.

8. Acquire real estate for the proper uses of institutions under its control, and dispose of real estate belonging to the institutions when not necessary for their purposes. The disposal of real estate shall be made upon such terms, conditions, and consideration as the board may recommend. If real estate subject to sale has been purchased or acquired from appropriated funds, the proceeds of such sale shall be deposited with the treasurer of state and credited to the general fund of the state. There is hereby appropriated from the general fund of the state a sum equal to the proceeds so deposited and credited to the general fund of the state to the state board of regents, which may be used to purchase other real estate and buildings and for the construction and alteration of buildings and other capital improvements. All transfers shall be by state patent in the manner provided by law. The board is also authorized to grant easements for rights-of-way over, across, and under the surface of public lands under its jurisdiction when in the board's judgment such easements are desirable and will benefit the state of Iowa.

9. Accept and administer trusts and may authorize nonprofit foundations acting solely for the support of institutions governed by the board to accept and administer trusts deemed by the board to be beneficial. Notwithstanding the provisions of section 633.63, the board and such nonprofit foundations may act as trustee in such instances.

10. Direct the expenditure of all appropriations made to said institutions, and of any other moneys belonging thereto, but in no event shall the perpetual funds of the Iowa state university of science and technology, nor the permanent funds of the university of Iowa derived under Acts of Congress, be diminished.

11. Collect the highest rate of interest, consistent with safety, obtainable on daily balances in the hands of the treasurer of each institution.

12. With consent of the inventor and in the discretion of the board, secure letters patent or copyright on inventions of students, instructors, and officials, or take assignment of such letters patent or copyright and may make all necessary expenditures in regard thereto. The letters patent or copyright on inventions when so secured shall be the property of the state, and the royalties and earnings thereon shall be credited to the funds of the institution in which such patent or copyright originated.

13. Perform all other acts necessary and proper for the execution of the powers and duties conferred by law upon it.

14. Grant leaves of absence with full or partial compensation to staff members to undertake approved programs of study, research, or other professional activity which in the judgment of the board will contribute to the improvement of the institutions. Any staff member granted such leave shall agree either to return to the institution granting such leave for a period of not less than two years or to repay to the state of Iowa such compensation as the staff member shall have received during such leave.

15. Lease properties and facilities, either as lessor or lessee, for the proper use and benefit of said institutions upon such terms, conditions, and considerations as the board deems advantageous, including leases with provisions for ultimate ownership by the state of Iowa, and to pay the rentals from funds appropriated to the institution for operating expenses thereof or from such other funds as may be available therefor.

16. In its discretion employ or retain attorneys or counselors when acting as a public employer for the purpose of carrying out collective bargaining and related responsibilities provided for under chapter 20. This subsection shall supersede the provisions of section 13.7.

17. *a.* In its discretion, adopt rules relating to the classification of students enrolled in institutions of higher education under the board who are residents of Iowa's sister states as residents or nonresidents for fee purposes.

*b.* (1) Adopt rules to classify as residents for purposes of undergraduate tuition and mandatory fees, qualified veterans and qualified military persons and their spouses and dependent children who are domiciled in this state while enrolled in an institution of higher education under the board. A spouse or dependent child of a military person or veteran shall not be deemed a resident under this paragraph "*b*" unless the qualified military person or qualified veteran meets the requirements of subparagraph (2), subparagraph division (b) or (c), as appropriate.

(2) For purposes of this paragraph "*b*", unless the context otherwise requires:

(a) *"Dependent child"* means a student who was claimed by a qualified military person or qualified veteran as a dependent on the qualified military person's or qualified veteran's internal revenue service tax filing for the previous tax year.

(b) *"Qualified military person"* means a person on active duty in the military service of the United States who is stationed in this state or at the Rock Island arsenal. If the qualified military person is transferred, deployed, or restationed while the person's spouse or dependent child is enrolled in an institution of higher education under the control of the board, the spouse or dependent child shall continue to be classified as a resident provided the spouse or dependent child maintains continuous enrollment.

(c) *"Qualified veteran"* means a person who meets the following requirements:

(i) Is eligible for benefits, or has exhausted the benefits, under the federal Post-9/11 Veterans Educational Assistance Act of 2008.

(ii) Is domiciled in this state, or has resided in this state for at least one year or sufficient time to have filed an Iowa tax return in the preceding twelve months.

18. In issuing bonds or notes under this chapter, chapter 262A, chapter 263A, or other provision of law, select and fix the compensation for, through a competitive selection procedure, attorneys, accountants, financial advisors, banks, underwriters, insurers, and other employees and agents which in the board's judgment are necessary to carry out the board's intention. Prior to the initial selection, the board shall establish a procedure which provides for a fair and open selection process including but not limited to the opportunity to present written proposals and personal interviews. The board shall maintain a list of firms which have requested to be notified of requests for proposal. The selection criteria shall take into consideration, but are not limited to, compensation, expenses, experience with similar issues, scheduling, ability to provide the services of individuals with specific knowledge in the relevant subject matter and length of engagement. The board may waive the requirements for a competitive selection procedure for any specific employment upon adoption of a resolution of the board stating why the waiver is in the public interest and shall provide the executive council with written notice of the granting of any such waiver.

19. *a.* Not less than thirty days prior to action by the board on any proposal to increase tuition, fees, or charges at one or more of the institutions of higher education under its control, send written notification of the amount of the proposed increase including a copy of the proposed tuition increase docket memorandum prepared for its consideration to the presiding officers of the student government organization of the affected institutions. The final decision on an increase in tuition or mandatory fees charged to all students at an institution for a fiscal year shall be made at a regular meeting and shall be reflected in a final docket memorandum that states the estimated total cost of attending each of the institutions of higher education under the board's control. The regular meeting shall be held in Ames, Cedar Falls, or Iowa City and shall not be held during a period in which classes have been suspended for university holiday or break.

*b.* Authorize, at its discretion, each institution of higher education to retain the student fees and charges it collects to further the institution's purposes as authorized by the board. Notwithstanding any provision to the contrary, student fees and charges, as defined in section 262A.2, shall not be considered repayment receipts as defined in section 8.2.

*c.* Prohibit the designation of a portion of the tuition moneys collected from resident undergraduate students by institutions of higher education governed by the board for use for student aid purposes. However, such institutions may designate that a portion of the tuition moneys collected from nonresident students be used for such purposes.

20. Adopt policies and procedures for the use of telecommunications as an instructional tool at its institutions. The policies and procedures shall include but not be limited to policies and procedures relating to programs, educational policy, practices, staff development, use of pilot projects, and the instructional application of the technology.

21. Establish a hall of fame for distinguished graduates at the Iowa braille and sight saving school and at the Iowa school for the deaf.

22. Assist a nonprofit organization located in Sioux City in the creation of a northwest Iowa regents resource center comparable to the southwest Iowa regents resource center

located in Council Bluffs. The purpose of the Sioux City regents resource center shall be to create postsecondary education opportunities for students living in northwest Iowa.

23. Direct the administration of the Iowa minority academic grants for economic success program as established in section 261.101 for the institutions under its control.

24. Develop a policy and adopt rules relating to the establishment of tuition rates which provide a predictable basis for assessing and anticipating changes in tuition rates.

25. Develop a policy requiring oral communication competence of persons who provide instruction to students attending institutions under the control of the board. The policy shall include a student evaluation mechanism which requires student evaluation of persons providing instruction on at least an annual basis. However, the board shall establish criteria by which an institution may discontinue annual evaluations of a specific person providing instruction. The criteria shall include receipt by the institution of two consecutive positive annual evaluations from the majority of students evaluating the person.

26. Develop a policy relating to the teaching proficiency of teaching assistants which provides a teaching proficiency standard, instructional assistance to, and evaluation of persons who provide instruction to students at the higher education institutions under the control of the board.

27. Explore, in conjunction with the department of education, the need for coordination between school districts, area education agencies, state board of regents institutions, and community colleges for purposes of delivery of courses, use of telecommunications, transportation, and other similar issues. Coordination may include but is not limited to coordination of calendars, programs, schedules, or telecommunications emissions. The state board shall develop recommendations as necessary, which shall be submitted in a report to the general assembly on a timely basis.

28. Develop and implement a written policy, which is disseminated during registration or orientation, addressing the following four areas relating to sexual abuse:

*a.* Counseling.

*b.* Campus security.

*c.* Education, including prevention, protection, and the rights and duties of students and employees of the institution.

*d.* Facilitating the accurate and prompt reporting of sexual abuse to the duly constituted law enforcement authorities.

29. Authorize the institutions of higher learning under the board to charge an interest rate, not to exceed the prime rate plus six percent, on delinquent bills. However, the board shall prohibit the institutions from charging interest on late tuition payments and room and board payments if financial aid payments to students enrolled in the institutions are delayed by the lending institution.

30. Direct the institutions of higher education under its control to adopt a policy to offer not less than the following options to a student who is a member, or the spouse of a member if the member has a dependent child as defined in subsection 17, paragraph *"b"*, subparagraph (2), subparagraph division (a), of the Iowa national guard or reserve forces of the United States and who is ordered to national guard duty or federal active duty:

*a.* Withdraw from the student's entire registration and receive a full refund of tuition and mandatory fees.

*b.* Make arrangements with the student's instructors for course grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the student's registration shall remain intact and tuition and mandatory fees shall be assessed for the courses in full.

*c.* Make arrangements with only some of the student's instructors for grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the registration for those courses shall remain intact and tuition and mandatory fees shall be assessed for those courses. Any course for which arrangements cannot be made for grades or incompletes shall be considered dropped and the tuition and mandatory fees for the course refunded.

31. Develop a policy, not later than August 1, 2003, that each institution of higher education under the control of the board shall approve, institute, and enforce, which

prohibits students, faculty, and staff from harassing or intimidating a student or any other person on institution property who is wearing the uniform of, or a distinctive part of the uniform of, the armed forces of the United States. A policy developed in accordance with this subsection shall not prohibit an individual from wearing such a uniform on institution property if the individual is authorized to wear the uniform under the laws of a state or the United States. The policy shall provide for appropriate sanctions.

32. Establish a research triangle, defined by the three institutions of higher learning under the board's control, and clearinghouse for purposes of sharing the projects and results of kindergarten through grade twelve education technology initiatives occurring in Iowa's school districts, area education agencies, community colleges, and other higher education institutions, with the education community within and outside of the state. Dissemination of and access to information regarding planning, financing, curriculum, professional development, preservice training, project implementation strategies, and results shall be centralized to allow school districts from across the state to gain ideas from each other regarding the integration of technology in the classroom.

33. In consultation with the state board of education, establish and enter into a collective statewide articulation agreement with the community colleges established pursuant to chapter 260C, which shall provide for the seamless transfer of academic credits from a completed associate of arts or associate of science degree program offered by a community college to a baccalaureate degree program offered by an institution of higher education governed by the board. The board shall also do the following:

*a.* Require each of the institutions of higher education governed by the board to identify a transfer and articulation contact office or person, publicize transfer and articulation information and the contact office or person, and submit the contact information to the board for publication on its articulation internet site.

*b.* Develop, in collaboration with the boards of directors of the community colleges, a systematic process for expanding academic discipline and meetings between the community college faculty and faculty of the institutions of higher education governed by the board. The board shall conduct and jointly administer with the boards of directors of the community colleges four program and academic discipline meetings each academic year for the purpose of enhancing alignment between course content and expectations at the community colleges and institutions of higher education governed by the state board of regents.

*c.* Develop criteria to prioritize core curriculum areas and create or review transition guides for the core curriculum areas.

*d.* Include on its articulation internet site course equivalency and transition guides for each of the institutions of higher education governed by the board.

*e.* Jointly, with the boards of directors of the community colleges, select academic departments in which to articulate first-year and second-year courses through faculty-to-faculty meetings in accordance with paragraph *"b"*. However, course-to-course equivalencies need not occur in an academic discipline when the board and the community colleges jointly determine that course content is incompatible.

*f.* Promote greater awareness of articulation-related activities, including the articulation internet site maintained by the board and articulation agreements in which the institutions participate.

*g.* Facilitate additional opportunities for individual institutions to pursue program articulation agreements for community college career and technical education programs and programs of study offered by the institutions of higher education governed by the board.

*h.* Develop and implement by January 1, 2012, a process to examine a minimum of eight new community college associate of applied science degree programs for which articulation agreements between the community colleges and the institutions of higher education governed by the board would serve students' continued academic success in those degree programs.

*i.* Prepare, jointly with the department of education and the liaison advisory committee on transfer students, and submit by January 15 annually to the general assembly, an update on the articulation efforts and activities implemented by the community colleges and the institutions of higher education governed by the board.

34. Submit its annual budget request broken down by budget unit.

35. Annually, by October 1, submit in a report to the general assembly the following information for the previous fiscal year:

*a.* Total revenue received from each local school district as a result of high school students enrolled in courses under the postsecondary enrollment options program at the institutions of higher learning under the board's control.

*b.* Unduplicated headcount of high school students enrolled in courses under the postsecondary enrollment options program at the institutions of higher learning under the board's control.

*c.* Total credits earned by high school students enrolled in courses under the postsecondary enrollment options program at the institutions of higher learning under the board's control, broken down by degree program.

*d.* The compensation and benefits paid to the members of the board pursuant to section 7E.6.

*e.* The contracted salary and benefits and any other expenses related to support for governmental affairs efforts, including expenditures for liaisons and lobbying activities for the board and its institutions.

*f.* The contracted salaries, including but not limited to bonus wages and benefits, including but not limited to annuity payments or any other benefit covered using state funds of any kind for administrators of the institutions governed by the board.

36. Implement continuous improvement in every undergraduate program offered by an institution of higher education governed by the board.

*a.* A continuous improvement plan shall be developed and implemented built upon the results of the institution's student outcomes assessment program using the following phase-in timeline:

(1) For each course with typical annual enrollment of three hundred or more, whether in one or multiple sections, a continuous improvement plan shall be developed and implemented beginning in the fall semester of 2013.

(2) For each course with typical annual enrollment of two hundred or more but less than three hundred, whether in one or multiple sections, a continuous improvement plan shall be developed and implemented beginning in the fall semester of 2014.

(3) For each course with a typical annual enrollment of one hundred or more but less than two hundred, whether in one or multiple sections, a continuous improvement plan shall be developed and implemented beginning in the fall semester of 2015.

*b.* For each undergraduate course, the institution shall collect and use the results of formative and summative assessments in its continuous improvement plan. The board shall annually evaluate the effectiveness of the plans and shall submit an executive summary of its findings and recommendations in its annual strategic plan progress report, a copy of which shall be submitted to the general assembly.

37. Develop and implement a consistent written policy for an employee who in the scope of the person's employment responsibilities examines, attends, counsels, or treats a child to report suspected physical or sexual abuse. The policy shall include an employee's reporting responsibilities. The reporting responsibilities shall designate the time, circumstances, and method for reporting suspected child abuse to the administration of the institution of higher learning and reporting to law enforcement. Nothing in the policy shall prohibit an employee from reporting suspected child abuse in good faith to law enforcement.

**1.** [S13, §2682-f; C24, 27, 31, 35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**2.** [R60, §1739, 2157, 2158, 2162; C73, §1614, 1685, 1686, 1690; C97, §2654, 2676, 2723; S13, §2682-f; C24, 27, 31, 35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**3.** [C97, §2676; S13, §2682-f; C24, 27, 31, 35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**4.** [S13, §2682-f; C24, 27, 31, 35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**6.** [S13, §2682-f; C24, 27, 31, 35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**7.** [S13, §2682-f; C24, 27, 31, 35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**8.** [C51, §1017, 1018; R60, §1938; C73, §1599, 1617; C97, §2638, 2666; S13, §2682-f; C24, 27, 31, 35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**9.** [C24, 27, 31, 35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**10.** [S13, §2682-j; C24, 27, 31, 35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**11.** [C35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**12.** [S13, §2682-f; C24, 27, 31, 35, 39, §**3921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.9]

**13.** [C66, 71, 73, 75, 77, 79, 81, §262.9]

**14.** [C66, 71, 73, 75, 77, 79, 81, §262.9]

**15.** [C79, 81, §262.9]

86 Acts, ch 1245, §844; 86 Acts, ch 1246, §125; 87 Acts, ch 191, §1; 87 Acts, ch 207, §6; 87 Acts, ch 233, §464, 465; 88 Acts, ch 1185, §2; 88 Acts, ch 1284, §64; 89 Acts, ch 265, §40; 89 Acts, ch 272, §23; 89 Acts, ch 319, §59; 90 Acts, ch 1237, §2, 3; 90 Acts, ch 1253, §24; 91 Acts, ch 29, §1; 91 Acts, ch 97, §36; 92 Acts, ch 1095, §2; 92 Acts, ch 1106, §2, 4; 92 Acts, ch 1246, §35; 93 Acts, ch 176, §39; 94 Acts, ch 1091, §16 – 20; 94 Acts, ch 1193, §21; 95 Acts, ch 44, §2; 95 Acts, ch 62, §3; 96 Acts, ch 1215, §41 – 43; 97 Acts, ch 212, §28; 99 Acts, ch 114, §16; 99 Acts, ch 121, §9; 2001 Acts, ch 39, §3; 2003 Acts, ch 145, §230; 2003 Acts, ch 179, §115; 2003 Acts, ch 180, §13; 2003 Acts, 1st Ex, ch 1, §94, 133

[2003 Acts, 1st Ex, ch 1, §94, 133 amendment adding subsection 31 stricken pursuant to , 684 N.W.2d 193]

2004 Acts, ch 1086, §57; 2004 Acts, ch 1129, §1; 2005 Acts, ch 144, §1; 2005 Acts, ch 179, §82, 149, 150; 2006 Acts, ch 1152, §54, 57; 2007 Acts, ch 214, §32, 44; 2009 Acts, ch 133, §102; 2009 Acts, ch 158, §2; 2009 Acts, ch 168, §3; 2009 Acts, ch 177, §30; 2010 Acts, ch 1169, §5 – 7; 2010 Acts, ch 1183, §25; 2011 Acts, ch 20, §13; 2012 Acts, ch 1040, §6; 2012 Acts, ch 1072, §36; 2012 Acts, ch 1119, §27; 2013 Acts, ch 90, §257; 2013 Acts, ch 141, §17, 18

Referred to in §15.108, 260C.14, 266.39F
Code editor directive applied
Subsection 19, NEW paragraph c
Subsection 22 amended

**262.9A Prohibition of controlled substances.**

The state board of regents shall adopt a policy that prohibits unlawful possession, use, or distribution of controlled substances by students and employees on property owned or leased by an institution or in conjunction with activities sponsored by an institution governed by the board. Each institution shall provide information about the policy to all students and employees. The policy shall include a clear statement of sanctions for violation of the policy and information about available drug or alcohol counseling and rehabilitation programs. In carrying out this policy, the institutions shall provide substance abuse prevention programs for students and employees.

91 Acts, ch 267, §235

**262.9B Cooperative purchasing.**

1. *Overview.* The state board of regents for institutions under its control shall coordinate interagency cooperation with state agencies, as defined in section 8A.101, in the area of purchasing and information technology with the goal of annually increasing the amount of joint purchasing. The board and the institutions under the control of the board shall engage the department of administrative services, the chief information officer of the state, and other state agencies authorized to purchase goods and services in pursuing mutually beneficial activities relating to purchasing items and acquiring information technology. The board and the institutions shall explore ways to leverage resources, identify cost savings, implement efficiencies, and improve effectiveness without compromising the mission of the board and the institutions under the control of the board relative to students and research commitments.

2. *Purchasing.*

*a.* The board shall direct the institutions under its control to cooperate with the

department of administrative services and other state agencies authorized to purchase goods and services in efforts to collaboratively purchase goods and services that result in mutual cost savings and efficiency improvements.

*b.* The board and the institutions under its control shall assist the department of administrative services by doing the following:

(1) Identifying best practices that produce cost savings and improve state government processes.

(2) Exploring joint purchases of general use items that result in mutual procurement of quality goods and services at the lowest reasonable cost.

(3) Exploring flexibility, administrative relief, and transformational changes through procurement technology.

*c.* The board shall convene at least quarterly an interagency purchasing group meeting including the institutions under its control, the department of administrative services, the department of transportation, and any other state agency authorized to purchase goods and services, for the purposes of timely cooperation in purchasing goods and services and for the identification of practical measures that improve state agency performance of programs and operations, reduce total costs of state government operations, increase productivity, improve services and make state government more responsive and accountable to the public.

3. *Information technology.*

*a.* The board shall direct institutions under its control to cooperate with the chief information officer of the state in efforts to cooperatively obtain information technology and related services that result in mutual cost savings and efficiency improvements, and shall seek input from the chief information officer of the state regarding specific areas of potential cooperation between the institutions under the control of the board and the office of the chief information officer.

*b.* The board shall convene at least quarterly an interagency information technology group meeting including the institutions under its control, the state chief information officer and any other agency authorized to purchase goods and services, for purposes of timely cooperation in obtaining information technology and related services.

4. *Cooperative purchasing plan.* The board shall, before July 1 of each year, prepare a plan that identifies specific areas of cooperation between the institutions under its control, the department of administrative services, and the chief information officer of the state that will be addressed for the next fiscal year including timelines for implementing, analyzing, and evaluating each of the areas of cooperation. The plan shall also identify the potential for greater interinstitutional cooperation in areas that would result in a net cost savings.

5. *Report.* The board shall, on or before November 1, submit a report to the general assembly and the governor providing information on the cooperative purchasing plan prepared for that fiscal year by the board and on the results of the quarterly interagency meetings, including the specific cost savings or efficiency gains that have resulted from utilization of cooperative efforts and the implementation of identified best practices.

2010 Acts, ch 1031, §70; 2013 Acts, ch 129, §29

Referred to in §8A.312

Subsection 3, paragraph a amended

**262.9C Span of control policy.**

1. The state board of regents shall develop and maintain a policy regarding the aggregate ratio of the number of employees per supervisory employee at each of the institutions under the control of the board subject to the requirements of this section.

2. The target span of control aggregate ratio of supervisory employees to other employees shall be one to fifteen. The target span of control ratio shall not apply to employees involved with direct patient care, faculty, and employees in other areas of the institutions that must maintain different span of control ratios due to federal or state regulations.

3. For the purposes of this section, *"supervisory employee"* means a public employee who is not a member of a collective bargaining unit and who has authority, in the interest of a public employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or

discipline other public employees, to direct such public employees, or to adjust the grievances of such public employees, or to effectively recommend any such action.

4. The policy shall allow departments within an institution under the control of the state board of regents with twenty-eight or fewer full-time equivalent employee positions to be granted an exception to the policy by the board. Departments applying for an exception shall file a statement of need with the applicable institutional human resources office and the office shall make a recommendation to the state board of regents.

5. The state board of regents shall present an interim report to the governor and general assembly on or before April 1, 2010, with annual updates detailing the effects of the policy on the composition of the workforce, cost savings, efficiencies, and outcomes. In addition, the report and annual updates shall identify those departments within each institution under the control of the board granted an exception by the board to the policy as provided in this section.

2010 Acts, ch 1031, §68, 69

**262.10 Purchases — prohibitions.**

No sale or purchase of real estate shall be made save upon the order of the board, made at a regular meeting, or one called for that purpose, and then in such manner and under such terms as the board may prescribe. No member of the board or any of its committees, offices or agencies, nor any officer of any institution, shall be directly or indirectly interested in such purchase or sale.

Purchases of real estate may be made on written contracts providing for payment over a period of years but the obligations thereon shall not constitute a debt or charge against the state of Iowa nor against the funds of the board or the funds of the institution for which said purchases are made. Purchase payments may be made from appropriated capital funds or from other funds lawfully available for that purpose and allocated therefor by the board, or from any combination of the foregoing, but not from appropriated operating funds. All state appropriated capital funds used for any one purchase contract shall be taken entirely from a single capital appropriation and shall be set aside for that purpose. In event of default, the only remedy of the seller shall be against the property itself and the rents and profits thereof, and in no event shall any deficiency judgment be entered or enforced against the state of Iowa, the board, or the institution for which the purchase was made. Provided, however, that no part of the tuition fees shall be used in the purchase of such real estate.

[C24, 27, 31, 35, 39, §**3922;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.10]

2005 Acts, ch 179, §151

**262.11 Record — acts affecting property.**

All acts of the board relating to the management, purchase, disposition, or use of lands and other property of said institutions shall be entered of record, which shall show the members present, and how each voted upon each proposition. The board may, in its discretion, delegate to each university the authority to approve leases.

[S13, §2682-h; C24, 27, 31, 35, 39, §**3923;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.11]

2006 Acts, ch 1051, §5

**262.12 Committees and administrative offices under board.**

The board of regents shall also have and exercise all the powers necessary and convenient for the effective administration of its office and of the institutions under its control, and to this end may create such committees, offices and agencies from its own members or others, and employ persons to staff the same, fix their compensation and tenure and delegate thereto, or to the administrative officers and faculty of the institutions under its control, such part of the authority and duties vested by statute in the board, and shall formulate and establish such rules, outline such policies and prescribe such procedures therefor, all as may be desired or determined by the board as recorded in their minutes.

[S13, §2682-h; C24, 27, 31, 35, 39, §**3924;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.12]

**262.13 Peace officers at institutions.**

The board may authorize any institution under its control to commission one or more of its employees as peace officers. Such officers shall have the same powers, duties, privileges, and immunities as conferred on regular peace officers. The board shall provide as rapidly as practicable for the adequate training and certification of such peace officers at the Iowa law enforcement academy or at a law enforcement training school approved by the academy, unless the peace officers are already certified by the Iowa law enforcement academy or by an approved law enforcement training school.

[C71, 73, 75, 77, 79, 81, §262.13]

2011 Acts, ch 132, §16, 106

Referred to in §321.89, 801.4

**262.14 Loans — conditions — other investments.**

The board may invest funds belonging to the institutions, subject to chapters 12F and 12H and the following regulations:

1. Each loan shall be secured by a mortgage paramount to all other liens upon approved farm lands in this state, accompanied by abstract showing merchantable title in the borrower. The loan shall not exceed sixty-five percent of the cash value of the land, exclusive of buildings.

2. Each such loan if for a sum more than one-fourth of the value of the farm shall be on the basis of stipulated annual principal reductions.

3. *a.* Any portion of the funds may be invested by the board. In the investment of the funds, the board shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in their own affairs as provided in chapter 633A, subchapter IV, part 3.

*b.* The board shall give appropriate consideration to those facts and circumstances that the board knows or should know are relevant to the particular investment involved, including the role the investment plays in the total value of the board's funds.

*c.* For the purposes of this subsection, appropriate consideration includes, but is not limited to, a determination by the board that the particular investment is reasonably designed to further the purposes prescribed by law to the board, taking into consideration the risk of loss and the opportunity for gain or other return associated with the investment and consideration of the following factors as they relate to the funds of the board:

(1) The composition of the funds of the board with regard to diversification.

(2) The liquidity and current return of the investments relative to the anticipated cash flow requirements.

(3) The projected return of the investments relative to the funding objectives of the board.

*d.* The board shall have a written investment policy, the goal of which is to provide for the financial health of the institutions governed by the board. The board shall establish investment practices that preserve principal, provide for liquidity sufficient for anticipated needs, and maintain purchasing power of investable assets of the board and its institutions. The policy shall also include a list of authorized investments, maturity guidelines, procedures for selecting and approving investment managers and other investment professionals as described in section 11.2, subsection 3, and provisions for regular and frequent oversight of investment decisions by the board, including audit. The board shall make available to the auditor of state and treasurer of state the most recent annual report of any investment entity or investment professional employed by an institution governed by the board. The investment policy shall cover investments of endowment and nonendowment funds.

*e.* Consistent with this subsection, investments made under this subsection shall be made in a manner that will enhance the economy of this state, and in particular, will result in increased employment of the residents of this state.

4. Any gift accepted by the Iowa state board of regents for the use and benefit of any institution under its control may be invested in securities designated by the donor, but whenever such gifts are accepted and the money invested according to the request of the said donor, neither the state, the Iowa state board of regents, nor any member thereof, shall be liable therefor or on account thereof.

5. A register containing a complete abstract of each loan and investment, and showing its actual condition, shall be kept by the board and be at all times open to inspection.

6. All loans made under the provisions of this section shall have an interest rate of not less than three and one-half percent per annum.

**1.** [C51, §1018; R60, §1938; C73, §1599; C97, §2638; S13, §2682-s; C24, 27, 31, 35, 39, §**3926;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.14]

**2.** [S13, §2682-s; C24, 27, 31, 35, 39, §**3926;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.14]

**3.** [R60, §1938; C73, §1599, 1617; C97, §2638, 2666; C24, 27, 31, 35, 39, §**3926;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.14]

**4.** [C31, 35, 39, §**3926;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.14]

**5.** [S13, §2682-s; C24, 27, 31, 35, 39, §**3926;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.14]

**6.** [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.14]

85 Acts, ch 190, §4; 85 Acts, ch 227, §8; 92 Acts, ch 1156, §10; 94 Acts, ch 1001, §4; 99 Acts, ch 125, §103, 109; 2005 Acts, ch 38, §55; 2007 Acts, ch 39, §11; 2011 Acts, ch 82, §11

**262.15 Foreclosures and collections.**

The board shall have charge of the foreclosure of all mortgages and of all collections from delinquent debtors to said institutions. All actions shall be in the name of the state board of regents, for the use and benefit of the appropriate institution.

[SS15, §2682-t; C24, 27, 31, 35, 39, §**3927;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.15]

**262.16 Satisfaction of mortgages.**

When loans are paid, the board shall release mortgages securing the same as follows:

1. By a satisfaction piece signed and acknowledged by the treasurer of the institution to which the loan belongs, which shall be recorded in the office of the recorder of the county where said mortgage is of record; or

2. By entering a satisfaction thereof on the margin of the record of said mortgage, dated, and signed by the treasurer of the institution to which the loan belongs.

[SS15, §2682-t; C24, 27, 31, 35, 39, §**3928;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.16]

**262.17 Bidding in property.**

In case of a sale upon execution, the premises may be bid off in the name of the board of regents, for the benefit of the institution to which the loan belongs.

[SS15, §2682-t; C24, 27, 31, 35, 39, §**3929;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.17]

**262.18 Deeds in trust.**

Deeds for premises so acquired shall be held for the benefit of the appropriate institution and such lands shall be subject to lease or sale the same as other lands.

[SS15, §2682-t; C24, 27, 31, 35, 39, §**3930;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.18]

**262.19 Actions not barred.**

No lapse of time shall be a bar to any action to recover on any loan made on behalf of any institution.

[C97, §2637; C24, 27, 31, 35, 39, §**3931;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.19]

**262.20 Business offices — visitation.**

A business office shall be maintained at each of the institutions of higher learning, with such organizations, powers and duties as the board may prescribe and delegate.

[S13, §2682-k; C24, 27, 31, 35, 39, §**3932;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.20]

**262.21 Annuity contracts.**

At the request of an employee through contractual agreement the board may arrange for the purchase of group or individual annuity contracts for any of its employees, which annuity contracts are issued by a nonprofit corporation issuing retirement annuities exclusively for educational institutions and their employees or are purchased from any company the employee chooses that is authorized to do business in this state or through an Iowa-licensed salesperson that the employee selects, on a group or individual basis, for retirement or other purposes, and may make payroll deductions in accordance with the arrangements for the purpose of paying the entire premium due and to become due under the contract. The deductions shall be made in the manner which will qualify the annuity premiums for the benefits under section 403(b) of the Internal Revenue Code, as defined in section 422.3. The employee's rights under the annuity contract are nonforfeitable except for the failure to pay premiums. As used in this section, unless the context otherwise requires, *"annuity contract"* includes any custodial account which meets the requirements of section 403(b)(7) of the Internal Revenue Code, as defined in section 422.3.

Whenever an existing tax-sheltered annuity contract is to be replaced by a new contract the agent or representative of the company shall submit a letter of intent to the company being replaced, to the commissioner of insurance, and to the agent's or representative's own company at least thirty days prior to any action. Each required letter of intent shall be sent by registered mail. This letter of intent shall contain the policy number and description of the contract being replaced and a description of the replacement contract.

[C75, 77, 79, 81, §262.21]

86 Acts, ch 1213, §4; 91 Acts, ch 40, §2; 94 Acts, ch 1183, §62

**262.22 Director's report.**

The director of the department of administrative services shall include in the director's report to the governor the amount paid for services and expenses of officers and employees of the board of regents and to whom paid.

[S13, §2682-q; C24, 27, 31, 35, 39, §**3934;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.22]

2003 Acts, ch 145, §286

**262.23 Duties of treasurer.**

The treasurer of each of said institutions shall:

1. Receive all appropriations made by the general assembly for said institution, and all other funds from all other sources, belonging to said institution.
2. Pay out said funds on order of the board of regents, or of such committee or official as it designates, on bills duly audited in accordance with the rules prescribed by said board.
3. Retain all bills, so paid by the treasurer, with receipts for their payment as vouchers.
4. Keep an accurate account of all revenue and expenditures of said institution, so that the receipts and disbursements of each of its several departments shall be apparent at all times.
5. Annually, and at such other times as the board may require, report to it said receipts and disbursements in detail.

[R60, §1739, 1937; C73, §1593, 1614; C97, §2637, 2654; C24, 27, 31, 35, 39, §**3935;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.23]

**262.24 Reports of executive officers.**

The executive officer of each of said institutions shall, on or before the first day of August of each even-numbered year, make a report to the board, setting forth such observations and recommendations as in the executive officer's judgment are for the benefit of the institution, and also the executive officer's recommendations of a budget for the several colleges and departments of the institution, in detail, and estimates of the amount of funds required therefor for the ensuing biennium.

[R60, §1939, 2149, 2161; C73, §1600, 1601, 1677, 1694; C97, §2641, 2717, 2725; S13, §2641, 2717; C24, 27, 31, 35, 39, §**3936;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.24]

**262.25 Reports of secretarial officers.**

1. The secretarial officer shall, for the institution of which the officer acts as secretary, on or before August 1 of each year, report to the board in such detail and form as it may prescribe:

*a.* The funds available each fiscal year from all sources for the erection, equipment, improvement, and repair of buildings.

*b.* Interest on endowment and other funds, tuition, state appropriations, laboratory and janitor fees, donations, rents, and income from all sources affecting the annual income of the support funds of said institution.

*c.* How the funds so received were expended, giving under separate heads the cost of instruction, administration, maintenance and equipment of departments, and the general expense of the institution.

*d.* The number of professors, instructors, fellows, and tutors, and the number of students enrolled in each course during each year, stating separately the number of students attending short courses.

*e.* The amount of unexpended balances of departments remaining in the hands of the treasurer, and the amounts undrawn from the state treasury on June 30 of each year.

2. The report for the Iowa state university of science and technology shall also show the receipts of the experiment station from all sources for each fiscal year, and how the same were expended.

[S13, §2682-b; C24, 27, 31, 35, 39, §**3937;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.25]

2010 Acts, ch 1061, §180

**262.25A Purchase of automobiles.**

1. Institutions under the control of the state board of regents shall purchase only new automobiles which have at least the fuel economy required for purchase of new automobiles by the director of the department of administrative services under section 8A.362, subsection 4. This subsection does not apply to automobiles purchased for law enforcement purposes.

2. A gasoline-powered motor vehicle purchased by the institutions shall not operate on gasoline other than ethanol blended gasoline as defined in section 214A.1, unless under emergency circumstances or if to do so would result in the use of a percentage of ethanol blended gasoline higher than recommended by the vehicle manufacturer or would result in a violation of the vehicle's manufacturer warranty. A diesel-powered motor vehicle purchased by the institutions shall not operate on diesel fuel other than biodiesel fuel as defined in section 214A.1, if commercially available, unless to do so would result in the use of a percentage of biodiesel not recommended by the vehicle manufacturer or would result in violation of the vehicle's manufacturer warranty, or under emergency circumstances. A state-issued credit card shall not be used to purchase gasoline other than ethanol blended gasoline if commercially available or to purchase diesel fuel other than biodiesel fuel if commercially available. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline or biodiesel fuel, as applicable. However, the sticker is not required to be affixed to an unmarked vehicle used for purposes of providing law enforcement or security.

3. *a.* Of all new passenger vehicles and light pickup trucks purchased by or under the direction of the state board of regents, a minimum of ten percent of all such vehicles and trucks purchased shall be equipped with engines which utilize alternative methods of propulsion, including but not limited to any of the following:

(1) A flexible fuel which is any of the following:

(a) E-85 gasoline as provided in section 214A.2.

(b) B-20 biodiesel blended fuel as provided in section 214A.2.

(c) A renewable fuel approved by the office of renewable fuels and coproducts pursuant to section 159A.3.

(2) Compressed or liquefied natural gas.

(3) Propane gas.

(4) Solar energy.

(5) Electricity.

*b.* The provisions of this subsection do not apply to vehicles and trucks purchased and directly used for law enforcement or off-road maintenance work.

89 Acts, ch 297, §4; 91 Acts, ch 254, §15; 93 Acts, ch 26, §4; 94 Acts, ch 1119, §26; 94 Acts, ch 1199, §65; 98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 145, §231; 2006 Acts, ch 1142, §63, 64; 2007 Acts, ch 22, §63; 2008 Acts, ch 1169, §38, 42

**262.25B Purchase of biobased hydraulic fluids, greases, and other industrial lubricants.**

The state board of regents and institutions under the control of the board purchasing hydraulic fluids, greases, and other industrial lubricants shall give preference to purchasing biobased hydraulic fluids, greases, and other industrial lubricants as provided in section 8A.316.

98 Acts, ch 1082, §5; 2000 Acts, ch 1109, §5; 2003 Acts, ch 145, §232; 2011 Acts, ch 25, §22

**262.25C Purchase of designated biobased products.**

The state board of regents and institutions under the control of the board purchasing products shall give preference to purchasing designated biobased products in the same manner as provided in section 8A.317.

2008 Acts, ch 1104, §5

**262.26 Report of board.**

The board shall, biennially, at the time provided by law, report to the governor and the legislature such facts, observations, and conclusions respecting each of such institutions as in the judgment of the board should be considered by the legislature. Such report shall contain an itemized account of the receipts and expenditures of the board, and also the reports made to the board by the executive officers of the several institutions or a summary thereof, and shall submit budgets for biennial appropriations deemed necessary and proper to be made for the support of the several institutions and for the extraordinary and special expenditures for buildings, betterments, and other improvements.

[R60, §1939; C73, §1600, 1601; C97, §2641, 2680; S13, §2641, 2680, 2682-u; C24, 27, 31, 35, 39, §**3938;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.26]

**262.27 Colonel of cadets — governor's award.**

The commandant and instructor of military science and tactics at each of the institutions for higher learning is given the rank of colonel of cadets, and the governor shall issue such commission upon the request of the president of such institution.

The governor of Iowa is hereby authorized to annually confer an appropriate award to any outstanding reserve officer training corps cadet or cadets at each university. Such award shall be on behalf of the people of the state of Iowa.

[S13, §2644-c; C24, 27, 31, 35, 39, §**3939;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.27]

**262.28 Appropriations — monthly installments.**

All appropriations made payable annually to each of the institutions under the control of the board of regents shall be paid in twelve equal monthly installments on the last day of each month on order of said board.

[S13, §2682-y; C24, 27, 31, 35, 39, §**3940;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.28]

**262.29 Expenses — filing and audit.** Repealed by 2006 Acts, ch 1051, § 10.

**262.30 Contracts for practitioner preparation.**

The board of directors of any school district in the state of Iowa may enter into contract with the state board of regents for furnishing instruction to pupils of such school district, and for practitioner preparation for the schools of the state in such particular lines of demonstration and instruction as are deemed necessary for the efficiency of the university of

northern Iowa, state university of Iowa, and Iowa state university of science and technology as training schools for practitioners.

[C24, 27, 31, 35, 39, §**3942;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.30]

2011 Acts, ch 34, §69

**262.31 Payment.**

The contract for such instruction shall authorize the payment for such service furnished the school district or for such service furnished the state, the amount to be agreed upon by the state board of regents and the board of the school district thus cooperating.

[C24, 27, 31, 35, 39, §**3943;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.31]

**262.32 Contract — time limit.**

Such contracts shall be in writing and shall extend over a period of not to exceed two years, and a copy thereof shall be filed in the office of the administrator of the area education agency.

[C24, 27, 31, 35, 39, §**3944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.32]

**262.33 Fire protection contracts.**

The state board of regents shall have power to enter into contracts with the governing body of any city or other municipal corporation for the protection from fire of any property under the control of the board, located in any such municipal corporation or in territory contiguous thereto, upon such terms as may be agreed upon.

[C31, 35, §3944-d1; C39, §**3944.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.33]

**262.33A Fire and environmental safety — report — expenditures.**

It is the intent of the general assembly that each institution of higher education under the control of the state board of regents shall, in consultation with the state fire marshal, identify and correct all critical fire and environmental safety deficiencies. Commencing July 1, 1993, each institution under the control of the state board of regents shall expend annually for fire safety and deferred maintenance at least the amount budgeted for these purposes for the fiscal year beginning July 1, 1992, in addition to any moneys appropriated from the general fund for these purposes in succeeding years.

93 Acts, ch 179, §23; 2005 Acts, ch 179, §152

**262.34 Improvements — advertisement for bids — disclosures — payments.**

1. When the estimated cost of construction, repairs, or improvement of buildings or grounds under charge of the state board of regents exceeds one hundred thousand dollars, the board shall advertise for bids for the contemplated improvement or construction and shall let the work to the lowest responsible bidder. However, if in the judgment of the board bids received are not acceptable, the board may reject all bids and proceed with the construction, repair, or improvement by a method as the board may determine. All plans and specifications for repairs or construction, together with bids on the plans or specifications, shall be filed by the board and be open for public inspection. All bids submitted under this section shall be accompanied by a deposit of money, a certified check, or a credit union certified share draft in an amount as the board may prescribe.

2. Notwithstanding subsection 1, when a delay in undertaking a repair, restoration, or reconstruction of a public improvement might cause serious loss or injury at an institution under the control of the state board of regents, the executive director of the board, or the board, shall make a finding of the need to institute emergency procedures under this subsection. The board by separate action shall approve the emergency procedures to be employed.

3. A bidder awarded a contract shall disclose the names of all subcontractors, who will work on the project being bid, within forty-eight hours after the award of the contract. If a subcontractor named by a bidder awarded a contract is replaced, or if the cost of work to be done by a subcontractor is reduced, the bidder shall disclose the name of the new subcontractor or the amount of the reduced cost.

4. Payments made by the board for the construction of public improvements shall be made in accordance with the provisions of chapter 573 except that:

*a.* Payments may be made without retention until ninety-five percent of the contract amount has been paid. The remaining five percent of the contract amount shall be paid as provided in section 573.14, except that:

(1) At any time after all or any part of the work is substantially completed in accordance with paragraph "*c*", the contractor may request the release of all or part of the retainage owed. Such request shall be accompanied by a waiver of claim rights under the provisions of chapter 573 from any person, firm, or corporation who has, under contract with the principal contractor or with subcontractors, performed labor, or furnished materials, service, or transportation in the construction of that portion of the work for which release of the retainage is requested.

(2) Upon receipt of the request, the board shall release all or part of the unpaid funds. Retainage that is approved as payable shall be paid at the time of the next monthly payment or within thirty days, whichever is sooner. If partial retainage is released pursuant to a contractor's request, no retainage shall be subsequently held based on that portion of the work. If within thirty days of when payment becomes due the board does not release the retainage due, interest shall accrue on the retainage amount due as provided in section 573.14 until that amount is paid.

(3) If at the time of the request for the retainage there are remaining or incomplete minor items, an amount equal to two hundred percent of the value of each remaining or incomplete item, as determined by the board's authorized contract representative, may be withheld until such item or items are completed.

(4) An itemization of the remaining or incomplete items, or the reason that the request for release of the retainage was denied, shall be provided to the contractor in writing within thirty calendar days of the receipt of the request for release of retainage.

*b.* For purposes of this section, *"authorized contract representative"* means the architect or engineer who is in charge of the project and chosen by the board to represent its interests, or if there is no architect or engineer, then such other contract representative or officer as designated in the contract documents as the party representing the board's interest regarding administration and oversight of the project.

*c.* For purposes of this section, *"substantially completed"* means the first date on which any of the following occurs:

(1) Completion of the project or when the work has been substantially completed in general accordance with the terms and provisions of the contract.

(2) The work or the portion designated is sufficiently complete in accordance with the requirements of the contract so the board can occupy or utilize the work for its intended purpose.

(3) The project is certified as having been substantially completed by either of the following:

(a) The architect or engineer authorized to make such certification.

(b) The contracting authority representing the board.

5. The contractor shall release retained funds to the subcontractor or subcontractors in the same manner as retained funds are released to the contractor by the board. Each subcontractor shall pass through to each lower tier subcontractors all retained fund payments from the contractor.

[C24, 27, 31, 35, 39, §**3945;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.34; 81 Acts, ch 28, §6]

84 Acts, ch 1055, §5; 90 Acts, ch 1161, §2; 2005 Acts, ch 179, §153; 2006 Acts, ch 1017, §24, 42, 43; 2009 Acts, ch 100, §7, 21

Referred to in §262.56, 262A.4, 263A.2, 314.1

**262.34A Bid requests and targeted small business procurement.**

1. The state board of regents shall request bids and proposals for materials, products, supplies, provisions, and other needed articles to be purchased at public expense, from Iowa

state industries as defined in section 904.802, subsection 2, when the articles are available in the requested quantity and at comparable prices and quality.

2. Notwithstanding section 73.16, subsection 2, and due to the high volume of bids issued by the board and the need to coordinate bidding of three institutions of higher learning, the board shall issue electronic bid notices for distribution to the targeted small business internet site through internet links to each of the regents institutions.

3. Notwithstanding section 73.17, the board shall notify the director of the economic development authority of regents institutions' targeted small business purchases on an annual basis.

92 Acts, ch 1246, §38; 2006 Acts, ch 1051, §6; 2007 Acts, ch 207, §11, 18; 2011 Acts, ch 118, §85, 89

**262.34B Student fee committee.**

1. A student fee committee composed of five students and five university employees shall be established at each of the universities governed by the board as identified in section 262.7, subsections 1 through 3. The five student members of the student fee committee of each university shall be appointed by the recognized student government organization of each university. The five university employees shall be appointed by the president of the university.

2. The student fee committee shall consider any proposed student activity changes at the university and shall make recommendations concerning student activity fee changes to the president of the affected university for review no later than April 15 of the year which includes the subsequent academic period in which the proposed fee change will take effect. The student fee committee shall provide a copy of its recommendations to the recognized student government organizations at each university and those organizations may review the recommendations and provide comment to the president of the university and the state board of regents. The president of the university shall transmit the recommendations of the student fee committee and the president's endorsement or recommendation to the state board of regents for consideration. The president of the university shall transmit a copy of the president's endorsement or recommendation to the recognized student government organizations for the university.

3. The state board of regents shall make the final decision on student activity fee changes. The state board of regents shall forward a copy of the committee's recommendations, the president's endorsement or recommendation, the recognized student government organization's comments, and its decision regarding student activity fee changes to the chairpersons and ranking members of the joint education appropriations subcommittee.

4. This section does not apply to fees charged for purposes of acquisition or construction of self-liquidating and revenue-producing buildings and facilities under sections 262.35 through 262.42, 262.44 through 262.53, and 262.55 through 262.66; or acquiring, purchasing, leasing, or constructing buildings and facilities under chapter 262A.

92 Acts, ch 1246, §39

## DORMITORIES

**262.35 Dormitories at state educational institutions.**

The state board of regents is authorized to:

1. Erect from time to time at any of the institutions under its control such dormitories as may be required for the good of the institutions.

2. Rent the rooms in such dormitories to the students, officers, guests, and employees of said institutions at such rates as will insure a reasonable return upon the investment.

3. Exercise full control and complete management over such dormitories.

[C27, 31, 35, §3945-a1; C39, §**3945.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.35]

Referred to in §262.34B, 262A.2

**262.36 Purchase or condemnation of property.**

The erection of such dormitories is a public necessity and said board is vested with full power to purchase or condemn at said institutions, or convenient thereto, all real estate necessary to carry out the powers herein granted.

[C27, 31, 35, §3945-a2; C39, §**3945.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.36]
Referred to in §262.34B, 262A.2

**262.37 Title to property.**

The title to all real estate so acquired and the improvements erected thereon shall be taken and held in the name of the state.

[C27, 31, 35, §3945-a3; C39, §**3945.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.37]
Referred to in §262.34B, 262A.2

**262.38 Borrowing money and mortgaging property.**

In carrying out the above powers, said board may:

1. Borrow money.
2. Mortgage any real estate so acquired and the improvements erected thereon in order to secure necessary loans.
3. Pledge the rents, profits, and income received from any such property for the discharge of mortgages so executed.

[C27, 31, 35, §3945-a4; C39, §**3945.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.38]
Referred to in §262.34B, 262A.2

**262.39 Nature of obligation — discharge.**

No obligation created hereunder shall ever be or become a charge against the state of Iowa but all such obligations, including principal and interest, shall be payable solely:

1. From the net rents, profits, and income arising from the property so pledged or mortgaged,
2. From the net rents, profits, and income which has not been pledged for other purposes arising from any other dormitory or like improvement under the control and management of said board, or
3. From the income derived from gifts and bequests made to the institutions under the control of said board for dormitory purposes.

[C27, 31, 35, §3945-a5; C39, §**3945.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.39]
Referred to in §262.34B, 262.40, 262A.2

**262.40 Limitation on discharging obligations.**

In discharging obligations under section 262.39 the dormitories at each of said institutions shall be considered as a unit and the rents, profits, and income available for dormitory purposes at one institution shall not be used to discharge obligations created for dormitories at another institution.

[C27, 31, 35, §3945-a6; C39, §**3945.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.40]
Referred to in §262.34B, 262A.2

**262.41 Exemption from taxation.**

All obligations created hereunder shall be exempt from taxation.

[C27, 31, 35, §3945-a7; C39, §**3945.7;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.41]
Referred to in §262.34B, 262A.2, 422.7

**262.42 Limitation on funds.**

No state funds shall be loaned or used for this purpose. This shall not apply to funds derived from the net earnings of dormitories now or hereafter owned by the state.

[C27, 31, 35, §3945-a8; C39, §**3945.8;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.42]
Referred to in §262.34B, 262A.2

## TUITION TO LOCAL SCHOOLS

**262.43 Students residing on state-owned land.**

The state board of regents shall pay to the local school boards the tuition payments and transportation costs, as otherwise authorized by statutes for the elementary or high school education of students residing on land owned by the state and under the control of the state board of regents. Such payments for the three institutions of higher learning, the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa, shall be made from the funds of the respective institutions other than state appropriations, and for the two noncollegiate institutions, the Iowa braille and sight saving school and the state school for the deaf, the payments and costs shall be paid from moneys appropriated to the state board of regents.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §262.43]

91 Acts, ch 267, §236

## SELF-LIQUIDATING FACILITIES OTHER THAN DORMITORIES

**262.44 Areas set aside for improvement.**

The state board of regents is authorized to:

1. Set aside and use portions of the respective campuses of the institutions of higher education under its control, namely, the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa, as the board determines are suitable for the acquisition or construction of self-liquidating and revenue producing buildings and facilities which the board deems necessary for the students and suitable for the purposes for which the institutions were established including without limitation: Student unions, recreational buildings, auditoriums, stadiums, field houses, athletic buildings and areas, parking structures and areas, electric, heating, sewage treatment and communication utilities, research equipment and additions to or alterations of existing buildings or structures.

2. Acquire by any lawful means additional land deemed by the board to be desirable and suitable for any or all of the aforesaid purposes.

3. Construct, equip, furnish, maintain, operate, manage and control any or all of the buildings, structures, facilities, areas, additions or improvements hereinbefore enumerated.

[C62, 66, 71, 73, 75, 77, 79, 81, §262.44]

86 Acts, ch 1246, §126; 87 Acts, ch 233, §466, 467

Referred to in §262.34B, 262A.2, 265.3

**262.45 Purchase or condemnation of real estate.**

The erection of the buildings, improvements and facilities for the educational institutions of higher learning in this state is a public necessity and the board is vested with full power to purchase or condemn at said institutions, or convenient thereto, all real estate necessary to carry out the powers herein granted.

[C62, 66, 71, 73, 75, 77, 79, 81, §262.45]

Referred to in §262.34B, 262A.2, 265.3

**262.46 Title in name of state.**

The title to all real estate so acquired and the improvements erected thereon shall be taken and held in the name of the state.

[C62, 66, 71, 73, 75, 77, 79, 81, §262.46]

Referred to in §262.34B, 262A.2, 265.3

**262.47 Fees and charges from students.**

When in the opinion of the board of regents, any of the buildings, structures, facilities, property, improvements, equipment, additions or alterations as above authorized are deemed

necessary by said board for the comfort, convenience and welfare of the student body as a whole, or for any specified class or part thereof, the board of regents shall have authority to charge and collect, from all students in attendance at the university, college or institution, or from any specified class or part thereof for which such facilities are so deemed necessary, fees and charges for the use and availability of such buildings, facilities, improvements and for the services and benefits made available therefrom. The fees and charges if established shall be applied to the costs of acquisition, construction, maintenance and financing of such improvements.

[C62, 66, 71, 73, 75, 77, 79, 81, §262.47]
Referred to in §262.34B, 262A.2, 265.3

**262.48 Borrowing money and pledge of revenue.**

In carrying out the above powers said board may:

1. Borrow money on the credit of the income and revenues to be derived from the operation or use of the building, structure, facility, area or improvement and from fees or charges made by said board to students for whom such facilities are made available and to issue notes, bonds, or other evidence of indebtedness in anticipation of the collection of such income, revenues, fees and charges.

2. Mortgage any real estate so acquired and the improvements erected thereon in order to secure necessary loans.

3. Pledge the rents, profits and income received from any such property for the discharge of the indebtedness.

4. Pledge the proceeds of all fees and charges to students attending the institution for the use or availability of such buildings, structures, areas or facilities for the discharge of the indebtedness.

[C62, 66, 71, 73, 75, 77, 79, 81, §262.48]
Referred to in §262.34B, 262A.2, 265.3

**262.49 No obligation against state.**

No obligation created hereunder shall ever be or become a charge against the state of Iowa but all such obligations, including principal and interest, shall be payable solely:

1. From the net rents, profits and income arising from the property so pledged or mortgaged,

2. From the net rents, profits, and income which has not been pledged for other purposes arising from any similar building, facility, area or improvement under the control and management of said board,

3. From the fees or charges established by said board for students attending the institution for the use or availability of the building, structure, area, facility or improvement for which the obligation was incurred, or

4. From the income derived from gifts and bequests made to the institutions under the control of said board for such purposes.

[C62, 66, 71, 73, 75, 77, 79, 81, §262.49]
Referred to in §262.34B, 262.50, 262A.2, 265.3

**262.50 Prohibited use of funds.**

In discharging the obligations under section 262.49 the buildings, structures, areas, facilities and improvements at each of said institutions shall be considered as a unit and the rents, profits and other income available for such purposes at one institution shall not be used to discharge obligations created for similar purposes at another institution.

[C62, 66, 71, 73, 75, 77, 79, 81, §262.50]
Referred to in §262.34B, 262A.2, 265.3

**262.51 Tax exemption.**

All obligations created hereunder shall be exempt from taxation, together with the interest thereon.

[C62, 66, 71, 73, 75, 77, 79, 81, §262.51]
Referred to in §262.34B, 262A.2, 265.3, 422.7

**262.52 No state funds loaned.**

No state funds shall be loaned for this purpose. This shall not apply to funds derived from the net earnings of such buildings, structures, areas and facilities now or hereafter owned by the state or to funds received from student fees or charges.

[C62, 66, 71, 73, 75, 77, 79, 81, §262.52]

Referred to in §262.34B, 262A.2, 265.3

**262.53 Construction of statutes.**

This division shall not be construed to repeal, modify or amend any law of this state now in force, but shall be deemed as supplemental thereto, nor shall it prevent the making of state appropriations, in whole or in part, for any of the purposes of this division.

[C62, 66, 71, 73, 75, 77, 79, 81, §262.53]

Referred to in §262.34B, 262A.2, 265.3

## COMPUTER SALES

**262.54 Computer sales.**

Sales, by an institution under the control of the board of regents, of computer equipment, computer software, and computer supplies to students and faculty at the institution are retail sales under chapter 423.

90 Acts, ch 1272, §67; 2003 Acts, 1st Ex, ch 2, §159, 205

## SELF-LIQUIDATING DORMITORIES

**262.55 Definitions.**

The following words or terms, as used in this division, shall have the respective meanings as stated:

1. *"Board"* shall mean the state board of regents.
2. *"Bonds or notes"* shall mean revenue bonds or revenue notes which are payable solely and only from net rents, profits and income derived from the operation of residence halls, dormitories, facilities therefor and additions thereto.
3. *"Institution"* or *"institutions"* shall mean the state university of Iowa, the Iowa state university of science and technology and the university of northern Iowa.
4. *"Project"* shall mean the acquisition by purchase, lease or construction of buildings for use as student residence halls and dormitories, including dining and other incidental facilities therefor, and additions to such buildings, the reconstruction, completion, equipment, improvement, repair or remodeling of residence halls, dormitories, or additions thereto or facilities therefor, and the acquisition of property therefor of every kind and description, whether real, personal or mixed, by gift, purchase, lease, condemnation or otherwise and the improvement of the same.

[C66, 71, 73, 75, 77, 79, 81, §262.55]

Referred to in §262.34B, 262A.2

**262.56 Authorization — contracts — title.**

Subject to and in accordance with the provisions of this division the state board of regents is hereby authorized to undertake and carry out any project as hereinbefore defined at the state university of Iowa, Iowa state university of science and technology, and the university of northern Iowa and to operate, control, maintain and manage student residence halls and dormitories, including dining and other incidental facilities, and additions to such buildings at each of said institutions. All contracts for the construction, reconstruction, completion, equipment, improvement, repair or remodeling of any buildings, additions or facilities shall be let in accordance with the provisions of section 262.34. The title to all real estate acquired under the provisions of this division and the improvements erected thereon shall be taken and held in the name of the state of Iowa. The board is authorized to rent the rooms in

such residence halls and dormitories to the students, officers, guests and employees of said institutions at such rates, fees or rentals as will provide a reasonable return upon the investment, but which will in any event produce net rents, profits and income sufficient to insure the payment of the principal of and interest on all bonds or notes issued to pay any part of the cost of any project and refunding bonds or notes issued pursuant to the provisions of this division.

[C66, 71, 73, 75, 77, 79, 81, §262.56]

Referred to in §262.34B, 262A.2

**262.57 Bonds or notes.**

To pay all or any part of the cost of carrying out any project at any institution the board is authorized to borrow money and to issue and sell negotiable bonds or notes and to refund and refinance bonds or notes heretofore issued or as may be hereafter issued for any project or for refunding purposes at a lower rate, the same rate, or a higher rate or rates of interest and from time to time as often as the board shall find it to be advisable and necessary so to do. Such bonds or notes may be sold by said board at public sale in the manner prescribed by chapter 75, but if the board shall find it to be advantageous and in the public interest to do so, such bonds or notes may be sold by the board at private sale without published notice of any kind and without regard to the requirements of chapter 75 in such manner and upon such terms as may be prescribed by the resolution authorizing the same. Bonds or notes issued to refund other bonds or notes heretofore or hereafter issued by the board for residence hall or dormitory purposes at any institution, including dining or other facilities and additions, or heretofore or hereafter issued for refunding purposes, may either be sold in the manner hereinbefore specified and the proceeds thereof applied to the payment of the obligations being refunded, or the refunding bonds or notes may be exchanged for and in payment and discharge of the obligations being refunded, and a finding by the board in the resolution authorizing the issuance of such refunding bonds or notes that the bonds or notes being refunded were issued for a purpose specified in this division and constitute binding obligations of the board shall be conclusive and may be relied upon by any holder of any refunding bond or note issued under the provisions of this division. The refunding bonds or notes may be sold or exchanged in installments at different times or an entire issue or series may be sold or exchanged at one time. Any issue or series of refunding bonds or notes may be exchanged in part or sold in parts in installments at different times or at one time. The refunding bonds or notes may be sold or exchanged at any time on, before, or after the maturity of any of the outstanding notes, bonds, or other obligations to be refinanced thereby and may be issued for the purpose of refunding a like or greater principal amount of bonds or notes, except that the principal amount of the refunding bonds or notes may exceed the principal amount of the bonds or notes to be refunded to the extent necessary to pay any premium due on the call of the bonds or notes to be refunded or to fund interest in arrears or about to become due.

All bonds or notes issued under the provision of this division shall be payable solely and only from and shall be secured by an irrevocable pledge of a sufficient portion of the net rents, profits and income derived from the operation of residence halls, dormitories, dining or other incidental facilities and additions, including necessary real and personal property, acquired or improved in whole or in part with the proceeds of such bonds or notes, regardless of the manner of such acquisition or improvement, and the net rents, profits and income not pledged for other purposes derived from the operation of any other residence halls or dormitories, including dining or other incidental facilities and additions, at the particular institution. All bonds or notes issued under the provisions of this division shall have all the qualities of negotiable instruments under the laws of this state.

[C66, 71, 73, 75, 77, 79, 81, §262.57]

2005 Acts, ch 179, §154

Referred to in §262.34B, 262A.2

**262.58 Rates and terms of bonds or notes.**

Such bonds or notes may bear such date or dates, may bear interest at such rate or rates, payable semiannually, may mature at such time or times, may be in such form, carry such registration privileges, may be payable at such place or places, may be subject to such terms of redemption prior to maturity with or without premium, if so stated on the face thereof, and may contain such terms and covenants all as may be provided by the resolution of the board authorizing the issuance of the bonds or notes. In addition to the estimated cost of construction, the cost of the project shall be deemed to include interest upon the bonds or notes during construction and for six months after the estimated completion date, the compensation of a fiscal agent or adviser, and engineering, administrative and legal expenses. Such bonds or notes shall be executed by the president of the state board of regents and attested by the executive director of the state board of regents, secretary, or other official thereof performing the duties of the executive director of the state board of regents, and the coupons thereto attached shall be executed with the original or facsimile signatures of said president, executive director, secretary, or other official. Any bonds or notes bearing the signatures of officers in office on the date of the signing thereof shall be valid and binding for all purposes, notwithstanding that before delivery thereof any or all such persons whose signatures appear thereon shall have ceased to be such officers. Each such bond or note shall state upon its face the name of the institution on behalf of which it is issued, that it is payable solely and only from the net rents, profits and income derived from the operation of residence halls or dormitories, including dining and other incidental facilities, at such institution as hereinbefore provided, and that it does not constitute a charge against the state of Iowa within the meaning or application of any constitutional or statutory limitation or provision. The issuance of such bonds or notes shall be recorded in the office of the treasurer of the institution on behalf of which the same are issued, and a certificate by such treasurer to this effect shall be printed on the back of each such bond or note.

[C66, 71, 73, 75, 77, 79, 81, §262.58]

2006 Acts, ch 1051, §7; 2007 Acts, ch 126, §49

Referred to in §262.34B, 262A.2

**262.59 Refunding.**

Upon the determination by the state board of regents to undertake and carry out any project or to refund outstanding bonds or notes, said board shall adopt a resolution describing generally the contemplated project and setting forth the estimated cost thereof, or describing the obligations to be refunded, fixing the amount of bonds or notes to be issued, the maturity or maturities, the interest rate or rates and all details in respect thereof. Such resolution shall contain such covenants as may be determined by the board as to the issuance of additional bonds or notes that may thereafter be issued payable from the net rents, profits and income of the residence halls or dormitories, the amendment or modification of the resolution authorizing the issuance of any bonds or notes, the manner, terms and conditions and the amount or percentage of assenting bonds or notes necessary to effectuate such amendment or modification, and such other covenants as may be deemed necessary or desirable. In the discretion of the board any bonds or notes issued under the terms of this division may be secured by a trust indenture by and between the board and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the boundaries of the state of Iowa, but no such trust indenture shall convey or mortgage the buildings or facilities or any part thereof. The provisions of this division and of any resolution or other proceedings authorizing the issuance of bonds or notes and providing for the establishment and maintenance of adequate rates, fees or rentals and the application of the proceeds thereof shall constitute a contract with the holders of such bonds or notes.

[C66, 71, 73, 75, 77, 79, 81, §262.59]

Referred to in §262.34B, 262A.2

**262.60 Rates, fees and rentals — pledge.**

Whenever bonds or notes are issued by the state board of regents, it shall be the duty of said board to establish, impose and collect rates, fees or rentals for the use of and services provided by the residence halls and dormitories, including dining and other incidental facilities therefor, at the institution on behalf of which such bonds or notes are issued, and to adjust such rates, fees or rentals from time to time, in order to always provide net amounts sufficient to pay the principal of and interest on such bonds or notes as the same become due and to maintain a reserve therefor, and said board is authorized to pledge a sufficient amount of the net rents, profits and income derived from the operation of residence halls and dormitories, including dining and other facilities therefor, at such institution for this purpose. Rates, fees or rentals collected at one institution shall not be used to discharge bonds or notes issued for or on account of another institution. All bonds or notes issued under the terms of this division shall be exempt from taxation by the state of Iowa and the interest thereon shall be exempt from the state income tax.

[C66, 71, 73, 75, 77, 79, 81, §262.60]

Referred to in §262.34B, 262A.2, 422.7

**262.61 Accounts.**

A certified copy of each resolution providing for the issuance of bonds or notes under this division shall be filed with the treasurer of the institution on behalf of which the bonds or notes are issued and it shall be the duty of said treasurer to keep and maintain separate accounts for each issue of bonds or notes in accordance with the covenants and directions set out in the resolution providing for the issuance thereof. All rates, fees or rentals collected for the use of and services provided by the residence halls and dormitories, including dining and other incidental facilities therefor, at each institution shall be held in trust by the treasurer thereof, separate and apart from all other funds, to be used solely and only for the purposes specified in this division and as may be required and provided for by the proceedings of the board authorizing the issuance of bonds or notes. It shall be the duty of the treasurer of each institution to disburse funds from the proper account for the payment of the principal of and interest on the bonds or notes in accordance with the directions and covenants of the resolution authorizing the issuance thereof.

If the amount of bonds or notes issued under this chapter exceeds the actual costs of the projects for which the bonds or notes were issued, the amount of the difference shall be used to pay the principal and interest due on bonds or notes issued under this chapter.

[C66, 71, 73, 75, 77, 79, 81, §262.61]

87 Acts, ch 233, §468

Referred to in §262.34B, 262A.2

**262.62 No obligation against state.**

Under no circumstances shall any bonds or notes issued under the terms of this division be or become or be construed to constitute a charge against the state of Iowa within the purview of any constitutional or statutory limitation or provision. No taxes, appropriations or other funds of the state of Iowa may be pledged for or used to pay such bonds or notes or the interest thereon but any such bonds or notes shall be payable solely and only as to both principal and interest from the net rents, profits and income derived from the operation of residence halls and dormitories, including dining and other incidental facilities therefor, at the institutions of higher learning under the control of the state board of regents as hereinbefore provided, and the sole remedy for any breach or default of the terms of any such bonds or notes or proceedings for their issuance shall be a proceeding either in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by this division and the terms of the resolution under which such bonds or notes are issued.

[C66, 71, 73, 75, 77, 79, 81, §262.62]

Referred to in §262.34B, 262A.2

**262.63 Who may invest.**

All banks, trust companies, savings associations, investment companies, and other persons carrying on an investment business, all insurance companies, insurance associations,

and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or notes issued pursuant to this division; provided, however, that nothing contained in this section may be construed as relieving any persons from any duty of exercising reasonable care in selecting securities for purchase or investment.

[C66, 71, 73, 75, 77, 79, 81, §262.63]
2012 Acts, ch 1017, §68
Referred to in §262.34B, 262A.2

**262.64 Federal or other aid accepted.**

The state board of regents is authorized to apply for and accept federal aid or nonfederal gifts or grants of funds and to use the same to pay all or any part of the cost of carrying out any project at any institution under the terms of this division or to pay any bonds and interest thereon issued for any of the purposes specified in this division.

[C66, 71, 73, 75, 77, 79, 81, §262.64]
Referred to in §262.34B, 262A.2

**262.64A Reports to general assembly.** Repealed by 2005 Acts, ch 179, § 160.

**262.65 Alternative method.**

This division shall be construed as providing an alternative and independent method for carrying out any project at any institution of higher learning under the control of the state board of regents, for the issuance and sale or exchange of bonds or notes in connection therewith and for refunding bonds or notes pertinent thereto, without reference to any other statute, and shall not be construed as an amendment of or subject to the provisions of any other law, and no publication of any notice, whether under section 73A.12 or otherwise, and no other or further proceeding in respect to the issuance or sale or exchange of bonds or notes under this division, shall be required except such as are prescribed by this division, any provisions of other statutes of the state to the contrary notwithstanding.

[C66, 71, 73, 75, 77, 79, 81, §262.65]
Referred to in §262.34B, 262A.2

**262.66 Prior action legalized.**

All rights heretofore acquired in connection with the financing of any project at any institution are hereby preserved and all acts and proceedings taken by the board preliminary to and in connection with the authorization and issuance of any previously issued and outstanding notes or other obligations for any project are hereby legalized, validated and confirmed and said notes or obligations are hereby declared to be legal and to constitute valid and binding obligations of the board according to their terms and payable solely and only from the sources referred to therein.

[C66, 71, 73, 75, 77, 79, 81, §262.66]
Referred to in §262.34B, 262A.2

## EASEMENTS

**262.67 Approval of executive council.** Repealed by 2005 Acts, ch 179, § 160. See § 262.9(8).

## SPEED LIMITS

**262.68 Speed limit on institutional grounds.**

The maximum speed limit of all vehicles on institutional roads at institutions under the control of the state board of regents shall be forty-five miles per hour. All driving shall be confined to driveways designated by the state board. Whenever the state board shall

determine that the speed limit hereinbefore set forth is greater than is reasonable or safe under the conditions found to exist at any place of congestion or upon any part of its institutional roads, said board shall determine and declare a reasonable and safe speed limit thereat which shall be effective when appropriate signs giving notice thereof are erected at such places of congestion or other parts of its institutional roads. Any person violating the aforementioned speed limits shall be guilty of a simple misdemeanor.

[C66, 71, 73, 75, 77, 79, 81, §262.68]

Referred to in §321.285

**262.69 Traffic control and parking.**

The state board of regents may make such rules as it deems necessary and proper to provide for the policing, control, and regulation of traffic and parking of vehicles and bicycles on the property of any institution under its control. The rules may provide for the use of institutional roads, driveways, and grounds, registration of vehicles and bicycles, the designation of parking areas, the erection and maintenance of signs designating prohibitions or restrictions, the installation and maintenance of parking control devices, and assessment, enforcement, and collection of reasonable sanctions for the violation of the rules.

Any rules made pursuant to this section may be enforced under procedures adopted by the board for each institution under its control. Sanctions may be imposed upon students, faculty and staff for violation of the rules, including, but not limited to, a reasonable monetary sanction which may be deducted from student deposits and faculty or staff salaries or other funds in the possession of the institution, or added to student tuition bills. The rules made pursuant to this section may also be enforced by the impoundment of vehicles and bicycles parked in violation of the rules, and a reasonable fee may be charged for the cost of impoundment and storage, prior to the release of the vehicles and bicycles to their owners. Each institution under the control of the board shall establish procedures for the determination of controversies in connection with imposition of sanctions. The procedures shall require giving notice of the violation and the sanction involved and provide an opportunity for an administrative hearing. Judicial review of the administrative ruling may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

Notwithstanding the provisions of chapter 17A, a proceeding conducted by the state board of regents or an institution governed by the state board of regents to determine the validity of an assessment of a violation of traffic control and parking rules is not a contested case as defined in section 17A.2, subsection 5.

[C73, 75, 77, 79, 81, §262.69; 82 Acts, ch 1141, §1]

2003 Acts, ch 44, §114

## MENTAL HEALTH PROGRAMS

**262.70 Education, prevention, and research programs in mental health and disability services.**

The division of mental health and disability services of the department of human services may contract with the board of regents or any institution under the board's jurisdiction to establish and maintain programs of education, prevention, and research in the fields of mental health, intellectual disability, developmental disabilities, and brain injury. The board may delegate responsibility for these programs to the state psychiatric hospital, the university hospital, or any other appropriate entity under the board's jurisdiction.

[81 Acts, ch 78, §20, 46]

94 Acts, ch 1170, §51; 2006 Acts, ch 1115, §31; 2012 Acts, ch 1019, §111

## EARLY DEVELOPMENT EDUCATION

**262.71 Center for early development education.**

The board of regents shall develop a center for early development education at one of the regents institutions specified in section 262.7, subsections 1 through 3. The center's programs shall be conducted in a laboratory school setting to serve as a model for early childhood education. The programs shall include, but not be limited to, programs designed to accommodate the needs of at-risk children. The teacher education programs at all three state universities shall cooperate in developing the center and its programs. The center's programs shall take a holistic approach and the center shall, in developing its programs, consult with representatives from each of the following agencies, institutions, or groups:

1. The university of northern Iowa.
2. Iowa state university.
3. The university of Iowa.
4. The division of child and family services of the department of human services.
5. The department of public health.
6. The department of human services.
7. An early childhood development specialist from an area education agency.
8. A parent of a child in a head start program.
9. The department of education.
10. The child development coordinating council.

88 Acts, ch 1114, §3; 91 Acts, ch 109, §7
Referred to in §256G.3

**262.72 through 262.74** Reserved.

## TEACHER EDUCATION PROGRAMS — INCENTIVES

**262.75 Incentives for cooperating teachers.**

A cooperating teacher incentive program is established to encourage experienced teachers to serve as cooperating teachers for student teachers enrolled in the institutions of higher education under the control of the board. An individual who submits evidence to an institution that the individual has satisfactorily served as a cooperating teacher for a student teacher from any of the institutions of higher education under the control of the board for the duration of the student teaching experience shall receive from the institution either a monetary recompense or a reduction in tuition for graduate hours of coursework equivalent to the value of the monetary recompense, rounded to the nearest whole credit hour. If, because of a policy adopted by the board of directors employing the teacher, the amount of the monetary recompense is not made available to the teacher for the teacher's own personal use or the salary paid to the cooperating teacher by the employing board is correspondingly reduced, the institution shall grant the teacher the reduction in tuition pursuant to this section in lieu of the monetary recompense.

In lieu of the payment of monetary recompense to a cooperating teacher, the cooperating teacher may direct that the monetary recompense be paid by the institution directly into a scholarship fund which has been established jointly by the board of directors of the school district that employs the teacher and the local teachers' association. In such cases, the cooperating teacher shall receive neither monetary recompense nor any reduction in tuition at the institution.

88 Acts, ch 1266, §4; 95 Acts, ch 173, §1

**262.76 and 262.77** Reserved.

## AGRICULTURAL HEALTH AND SAFETY

**262.78 Center for agricultural health and safety.**

1. The board of regents shall establish a center for agricultural health and safety at the university of Iowa. The center shall be a joint venture by the university of Iowa and Iowa state university of science and technology. The center shall establish farm health and safety programs designed to reduce the incidence of disabilities suffered by persons engaged in agriculture which results from disease or injury. The university of Iowa is primarily responsible for the management of agricultural health and injury programs at the center. Iowa state university of science and technology is primarily responsible for the management of the agricultural safety programs of the center.

2. The center shall cooperate with the center for rural health and primary care, established under section 135.107, the center for health effects of environmental contamination established pursuant to section 263.17, and the department of agriculture and land stewardship. The agencies shall coordinate programs to the extent practicable.

3. The president of the university of Iowa, in consultation with the president of Iowa state university of science and technology, shall employ a full-time director of the center. The center may employ staff to carry out the center's purpose. The director shall coordinate the agricultural health and safety programs of the center. The director shall regularly meet and consult with the advisory committee to the center for rural health and primary care. The director shall provide the board of regents with relevant information regarding the center.

4. The center may solicit, accept, and administer moneys contributed to the center by any source, and may enter into contracts with public or private agencies in order to carry out its purposes.

5. The center shall cooperate with public and private entities to provide support to programs emphasizing agricultural health, safety, and rehabilitation for farm families.

90 Acts, ch 1207, §3; 2005 Acts, ch 179, §155

Referred to in §135.107, 263.17

**262.79 and 262.80** Reserved.

## REGENTS' MINORITY AND WOMEN EDUCATORS ENHANCEMENT

**262.81 Legislative intent.**

The general assembly recognizes that educational programs designed to enhance the interrelation and cooperation among cultural, racial, and ethnic groups in society require the contribution and active participation of all ethnic and racial groups. The general assembly also recognizes that failure to include minority representation at the faculty level at the state universities contributes to cultural, racial, and ethnic isolation of minority students and does not reflect the realities of a multicultural and diverse society. Therefore, the "Regents' Minority and Women Educators Enhancement" program is established to assist in the recruitment and retention of faculty that more adequately represents the diverse cultural, racial, and ethnic makeup of society and to improve the education of all students.

89 Acts, ch 319, §61

**262.82 Regents' minority and women educators enhancement program.**

The board of regents shall establish a program to recruit minority educators to faculty positions in the universities under the board's control. The program shall include, but is not limited to, the creation of faculty positions in all areas of academic pursuit.

The board of regents shall also establish a program to create faculty opportunities for women educators at the universities under the board's control. The program shall include, but is not limited to, the creation of faculty positions in targeted shortage areas. The board of regents shall also develop and implement, in consultation with appropriate faculty

representatives, tenure, promotion, and hiring policies that recognize the unique needs of faculty members who are principal caregivers to dependents.

As used in this section, *"minority educator"* means an educator who is a minority person as defined in section 261.102.

89 Acts, ch 319, §62
Referred to in §262.93

**262.83 through 262.90** Reserved.

COLLEGE-BOUND PROGRAM

**262.91 Legislative intent.**

The general assembly recognizes that universities must provide an environment that enables all students to have an equal opportunity to succeed. The general assembly also recognizes that, because of inequalities in educational preparation, economic factors, and social circumstances, not all young Iowans have the same degree of access to Iowa's higher education system. The general assembly further acknowledges that an early intervention system using public school districts, community agencies, and other state institutions can be useful in preparing young students to succeed in college. Therefore, the "College-bound" program is established to ensure that the state's universities and students' local communities become involved early in a student's life by promoting and informing students about the opportunities in higher education, so that lack of adequate personal resources is not a barrier to attending college for young Iowans.

89 Acts, ch 319, §63

**262.92 College-bound program.**

1. The board of regents shall establish or contract to establish college-bound programs to provide Iowa minority students with information and experiences relating to opportunities offered at the regents' universities. Programs developed may include, but are not limited to, the following elements:

*a.* Reinforcement of efforts to attract undergraduate students from age groups currently served by traditional methods of outreach which use high school and community college services.

*b.* Extension of traditional student recruitment methods which are designed to encourage minority students in grades seven through twelve to pursue postsecondary academic courses of study.

*c.* Identification, at each of the regents' universities, of courses of study to be targeted for the recruitment of minority students.

*d.* Offerings at the regents' universities of innovative programs, which are experience oriented, for families with minority children.

2. The board of regents shall establish a voucher program for students in grades seven through twelve. Vouchers may be obtained by any qualified secondary student at any regents' university upon completion of a college-bound program provided under subsection 1. Students may receive one voucher for each program. One or more vouchers entitle a student to priority over other persons applying for grants under the Iowa minority academic grants for economic success program established in section 261.101. Vouchers shall be submitted with the grant application within one year after a student graduates from high school at any higher education institution which offers grants under the Iowa minority academic grants for economic success program. Vouchers earned can only be used by the person who participated in the college-bound voucher program and are not transferable. Vouchers issued by a university under this program shall be signed by the president of the university.

3. The board of regents shall adopt rules to establish program guidelines for the universities under the board's control and for the administration and coordination of

program efforts. Rules adopted shall include methods of recording data relating to voucher recipients and making the data available to the college student aid commission.

89 Acts, ch 319, §64

Referred to in §261.103, 261.104, 262.93

## REPORTS

**262.93 Reports to general assembly.**

The college student aid commission and the state board of regents each shall submit to the general assembly, by January 15 of each year, a report on the progress and implementation of the programs which they administer under sections 261.102 through 261.105 and 262.92. By January 31 of each year, the state board of regents shall submit a report to the general assembly regarding the progress and implementation of the program administered pursuant to section 262.82. The reports shall include but are not limited to the numbers of students and educators participating in the programs and allocation of funds appropriated for the programs.

89 Acts, ch 319, §65; 2010 Acts, ch 1183, §26; 2012 Acts, ch 1138, §118

## COLLEGE READINESS AND AWARENESS PROGRAMS

**262.94 College readiness and awareness programs.**

The state board of regents may establish or contract to establish programs designed to increase college readiness and college awareness in potential first-generation college students and underrepresented populations. The programs may include but shall not be limited to college go center programs and science bound programs.

2012 Acts, ch 1119, §28

**262.95 through 262.99** Reserved.

## INNOVATIVE SCHOOL CALENDAR PILOT PROJECT

**262.100 Innovative school calendar pilot program — school for the deaf.** Repealed by its own terms; 2002 Acts, ch 1171, § 86.

# CHAPTER 262A

## UNIVERSITY BUILDINGS, FACILITIES, AND SERVICES — REVENUE BONDS

Referred to in §8.57, 262.9, 262.34B


262A.1 Declaration of insufficient state revenue.
262A.2 Definitions.
262A.3 Five-year program and two-year bond proposal submitted each year. Repealed by 2005 Acts, ch 179, §160.
262A.4 Authorization of general assembly and governor.
262A.5 Borrowing money and issuing bonds.
262A.6 Form and condition of bonds.
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262A.7 Resolution of board and covenants undertaken.
262A.8 Student fees to pay bonds.
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262A.10 Bonds not state obligation.
262A.11 Bonds as security for investments.
262A.12 Application for gifts, loans or grants.
262A.13 Reports to general assembly.
262A.14 Alternative and independent method.


**262A.1 Declaration of insufficient state revenue.**

The general assembly hereby determines that the annual revenues of the state are insufficient to finance the immediate building requirements and other facilities and utilities services requirements of the institutions of higher learning under the jurisdiction of the state board of regents and in order to provide these buildings, facilities and utilities services when they are needed, it is necessary to authorize the issuance of revenue bonds by the state board of regents, subject to the restrictions and limitations hereinafter set forth. It is the intent of the general assembly that revenue bonds issued for academic and administrative buildings and facilities and utilities services shall supplement and not supplant legislative appropriations for the same or similar purposes.

[C71, 73, 75, 77, 79, 81, §262A.1]

**262A.2 Definitions.**

The following words or terms, as used in this chapter, shall have the respective meanings as stated:

1. *"Board"* shall mean the state board of regents.

2. *"Bonds"* shall mean revenue bonds which are payable solely and only from student fees and charges and institutional income received by the institution at which the project is being undertaken.

3. *"Buildings and facilities"* shall mean those academic buildings and other facilities used primarily for instructional and research purposes, including libraries, and such other administrative and service buildings and facilities as are deemed necessary by the board to provide supporting services to the instructional and research programs and activities of the institutions, including, without limiting the generality of the foregoing, administrative offices, facilities for business services, auditoriums and concert halls, student services and extension and continuing education services, off-street parking areas and structures incidental to other buildings and facilities which are not primarily for parking purposes, garages, and storage and warehouse facilities, or any combination thereof. This phrase shall also include works and facilities deemed necessary by the board for furnishing utilities services to any buildings or structures operated by the institutions, including, without limiting the generality of the foregoing, water, electric, gas, communications, sewer and heating facilities, together with all necessary structures, buildings, tunnels, lines, reservoirs, mains, filters, pipes, sewers, boilers, generators, fixtures, wires, poles, equipment, treatment facilities and all other appurtenances in connection therewith, or any combination of the foregoing.

4. *"Institution"* or *"institutions"* shall mean the state university of Iowa, the Iowa state university of science and technology, the university of northern Iowa, and any other

institution of higher learning under the jurisdiction of the state board of regents which offers a college program of four years or more, including any such institution the creation of which is hereafter authorized by the general assembly or which is placed under the jurisdiction of said board.

5. *"Institutional income"* shall mean income received by an institution from sources other than the following:

*a.* Student fees and charges.

*b.* Rates, fees, rentals or charges imposed and collected under the provisions of sections 262.35 through 262.42, sections 262.44 through 262.53, and sections 262.55 through 262.66.

*c.* State appropriations.

*d.* *"Hospital income"*, as that term is defined in section 263A.1.

6. *"Project"* shall mean the acquisition by gift, purchase, lease or construction of buildings and facilities which are deemed necessary by the board for the proper performance of the instructional, research and service functions of the institutions, and additions to buildings and facilities, the reconstruction, completion, equipment, improvement, repair or remodeling of buildings and facilities, including the demolition of existing buildings and facilities which are to be replaced, the acquisition of air rights and the construction of projects thereon, and the acquisition of property of every kind and description, whether real, personal or mixed, for buildings and facilities by gift, purchase, lease, condemnation or otherwise and the improvement of the same, or any combination of the foregoing.

7. *"Student fees and charges"* shall mean all tuitions, fees and charges for general or special purposes levied against and collected from students attending the institutions except rates, fees, rentals or charges imposed and collected under the provisions of *(a)*sections 262.35 through 262.42, *(b)*sections 262.44 through 262.53, and *(c)*sections 262.55 through 262.66.

[C71, 73, 75, 77, 79, 81, §262A.2]

2009 Acts, ch 101, §1; 2010 Acts, ch 1061, §46

Referred to in §262.9

**262A.3 Five-year program and two-year bond proposal submitted each year.** Repealed by 2005 Acts, ch 179, § 160.

**262A.4 Authorization of general assembly and governor.**

Subject to and in accordance with the provisions of this chapter, the state board of regents after authorization by a constitutional majority of each house of the general assembly and approval by the governor may undertake and carry out any project as defined in this chapter at the institutions now or hereafter under the jurisdiction of the board. The state board of regents is authorized to operate, control, maintain, and manage buildings and facilities and additions to such buildings and facilities at each of said institutions. All contracts for the construction, reconstruction, completion, equipment, improvement, repair or remodeling of any buildings, additions, or facilities shall be let in accordance with the provisions of section 262.34. The title to all real estate acquired under the provisions of this chapter and the improvements erected thereon shall be taken and held in the name of the state of Iowa.

[C71, 73, 75, 77, 79, 81, §262A.4]

Referred to in §3.7

**262A.5 Borrowing money and issuing bonds.**

The board is authorized to borrow money under this chapter, and the board may issue and sell negotiable bonds to pay all or any part of the cost of carrying out any project at any institution and may refund and refinance bonds issued for any project or for refunding purposes at the same rate or at a higher or lower rate or rates of interest. Bonds issued under the provisions of this chapter shall be sold by said board at public sale on the basis of sealed proposals received pursuant to a notice specifying the time and place of sale and the amount of bonds to be sold which shall be published at least once not less than seven days prior to the date of sale in a newspaper published in the state of Iowa and having a general circulation in said state. The provisions of chapter 75 shall apply to bonds issued under authority contained in this chapter to the extent not in conflict with this chapter.

Bonds issued to refund other bonds issued under the provisions of this chapter may either be sold in the manner hereinbefore specified and the proceeds thereof applied to the payment of the obligations being refunded, or the refunding bonds may be exchanged for and in payment and discharge of the obligations being refunded. The refunding bonds may be sold or exchanged in installments at different times or an entire issue or series may be sold or exchanged at one time. Any issue or series of refunding bonds may be exchanged in part or sold in parts in installments at different times or at one time. The refunding bonds may be sold or exchanged at any time on, before, or after the maturity of any of the outstanding bonds or other obligations to be refinanced thereby and may be issued for the purpose of refunding a like or greater principal amount of bonds, except that the principal amount of the refunding bonds may exceed the principal amount of the bonds to be refunded to the extent necessary to pay any premium due on the call of the bonds to be refunded or to fund interest in arrears or which is to become due.

All bonds issued under the provisions of this chapter shall be payable solely and only from and shall be secured by an irrevocable pledge of a sufficient portion of the student fees and charges and institutional income received by the particular institution. All bonds issued under the provisions of this chapter shall have all the qualities of a negotiable investment security under the laws of this state.

[C71, 73, 75, 77, 79, 81, §262A.5]

86 Acts, ch 1246, §128; 2005 Acts, ch 179, §156

**262A.6 Form and condition of bonds.**

Such bonds may bear such date or dates, may bear interest at such rate or rates, payable semiannually, may mature at such time or times, may be in such form and denominations, may carry such registration privileges, may be payable at such place or places, may be subject to such terms of redemption prior to maturity with or without premium, if so stated on the face thereof, and may contain such terms and covenants, including the establishment of reserves, all as may be provided by the resolution of the board authorizing the issuance of the bonds. In addition to the estimated cost of construction, including site costs, the cost of the project may include interest upon the bonds during construction and for six months after the estimated completion date, the compensation of a fiscal agent or adviser, engineering, architectural, administrative and legal expenses and provision for contingencies. Such bonds shall be executed by the president of the state board of regents and attested by the executive director, secretary or other official thereof performing the duties of executive director, and the coupons thereto attached shall be executed with the original or facsimile signatures of said president, executive director, secretary or other official; provided, however, that the facsimile signature of either of such officers executing such bonds may be imprinted on the face of the bonds in lieu of the manual signature of such officer, but at least one of the signatures appearing on the face of each bond shall be a manual signature. Any bonds bearing the signatures of officers in office on the date of the signing thereof shall be valid and binding for all purposes, notwithstanding that before delivery thereof any or all such persons whose signatures appear thereon shall have ceased to be such officers. Each such bond shall state upon its face the name of the institution on behalf of which it is issued, that it is payable solely and only from the student fees and charges and institutional income received by such institution as hereinbefore provided, and that it does not constitute a debt of or charge against the state of Iowa within the meaning or application of any constitutional or statutory limitation or provision. The issuance of such bonds shall be recorded in the office of the treasurer of the institution on behalf of which the same are issued, and a certificate by such treasurer to this effect shall be printed on the back of each such bond.

[C71, 73, 75, 77, 79, 81, §262A.6]

2006 Acts, ch 1051, §8

**262A.6A Iowa college super savings plan.** Repealed by 2005 Acts, ch 179, § 160.

**262A.7 Resolution of board and covenants undertaken.**

Upon the determination by the state board of regents to undertake and carry out any project or to refund outstanding bonds, said board shall adopt a resolution describing generally the contemplated project and setting forth the estimated cost thereof, or describing the obligations to be refunded, fixing the amount of bonds to be issued, the maturity or maturities, the interest rate or rates and all details in respect thereof. Such resolution shall contain such covenants as may be determined by the board as to the issuance of additional bonds that may thereafter be issued payable from the student fees and charges and institutional income received by the particular institution, the amendment or modification of the resolution authorizing the issuance of any bonds, the manner, terms, and conditions and the amount or percentage of assenting bonds necessary to effectuate such amendment or modification, and such other covenants as may be deemed necessary or desirable. In the discretion of the board any bonds issued under the terms of this chapter may be secured by a trust indenture by and between the board and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the boundaries of the state of Iowa, but no such trust indenture shall convey or mortgage the buildings and facilities or any part thereof. The provisions of this chapter and of any resolution or other proceedings authorizing the issuance of bonds and providing for the establishment and maintenance of adequate student fees and charges and the application of the proceeds thereof, together with institutional income, shall constitute a contract with the holders of such bonds.

[C71, 73, 75, 77, 79, 81, §262A.7]

**262A.8 Student fees to pay bonds.**

Whenever bonds are issued by the state board of regents, it shall be the duty of said board to establish, impose, and collect student fees and charges at the institution on behalf of which such bonds are issued, and to adjust such student fees and charges from time to time, in order always to provide amounts which, together with the institutional income, will be sufficient to pay the principal of and interest on such bonds as the same become due and to maintain a reserve therefor, and said board is authorized to pledge a sufficient amount of the student fees and charges and institutional income received by such institution for this purpose. Student fees and charges and institutional income received by one institution shall not be used to discharge bonds issued for or on account of another institution. All bonds issued under the terms of this chapter shall be exempt from taxation by the state of Iowa and the interest thereon shall be exempt from the state income tax.

[C71, 73, 75, 77, 79, 81, §262A.8]

Referred to in §422.7

**262A.9 Bond fund account.**

A certified copy of each resolution providing for the issuance of bonds under this chapter shall be filed with the treasurer of the institution on behalf of which the bonds are issued and it shall be the duty of said treasurer to keep and maintain separate accounts for each issue of bonds in accordance with the covenants and directions set out in the resolution providing for the issuance thereof. A sufficient portion of the student fees and charges and institutional income received by each institution shall be held in trust by the treasurer thereof, separate and apart from all other funds, to be used solely and only for the purposes specified in this chapter and as may be required and provided for by the proceedings of the board authorizing the issuance of bonds. It shall be the duty of the treasurer of each institution to disburse funds from the proper account for the payment of the principal of and interest on the bonds in accordance with the directions and covenants of the resolution authorizing the issuance thereof.

If the amount of bonds issued under this chapter exceeds the actual costs of the projects for which bonds were issued, the amount of the difference shall be used to pay the principal and interest due on bonds issued under this chapter.

[C71, 73, 75, 77, 79, 81, §262A.9]

87 Acts, ch 233, §469

**262A.10 Bonds not state obligation.**

Under no circumstances shall any bonds issued under the terms of this chapter be or become or be construed to constitute a debt of or a charge against the state of Iowa within the purview of any constitutional or statutory limitation or provision. No taxes, appropriations, or other funds of the state of Iowa may be pledged for or used to pay such bonds or the interest thereon but any such bonds shall be payable solely and only as to both principal and interest from the student fees and charges and institutional income received by the institutions of higher learning under the control of the state board of regents as provided in this chapter, and the sole remedy for any breach or default of the terms of any such bonds or proceedings for their issuance shall be a proceeding either in law or in equity by suit, action, or mandamus to enforce and compel performance of the duties required by this chapter and the terms of the resolution under which such bonds are issued.

[C71, 73, 75, 77, 79, 81, §262A.10]

**262A.11 Bonds as security for investments.**

All banks, trust companies, bankers, savings associations, investment companies, and other persons carrying on a banking or investment business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds issued pursuant to this chapter; provided, however, that nothing contained in this section may be construed as relieving any persons from any duty of exercising reasonable care in selecting securities for purchase or investment.

[C71, 73, 75, 77, 79, 81, §262A.11]

2012 Acts, ch 1017, §69

**262A.12 Application for gifts, loans or grants.**

The state board of regents is authorized to apply for and accept federal or nonfederal gifts, loans, or grants of funds and to use the same to pay all or any part of the cost of carrying out any project at any institution under the terms of this chapter or to use the same, together with student fees and charges and institutional income, for the payment of debt service on bonds issued and to be issued by the board pursuant to authority contained in this chapter, in such manner as may be provided in the resolution authorizing the issuance of the bonds, which grants of funds or other aid shall be considered to constitute and may be commingled with student fees and charges and institutional income and may, together with such student fees and charges and institutional income, be pledged by the board in accordance with the provisions of this chapter and the bond resolution to the payment of debt service on bonds issued by the board under the authority contained in this chapter.

[C71, 73, 75, 77, 79, 81, §262A.12]

**262A.13 Reports to general assembly.**

1. The state board of regents shall determine, in consultation with the legislative services agency, the financial information to be included in line item budget information for projects funded by the issuance of bonds or notes under this chapter and shall submit the line item budget information to the general assembly as requested. The state board of regents shall submit quarterly reports to the general assembly concerning the projects funded by the issuance of bonds or notes under this chapter as follows:

*a.* Identification of both undercharges and overcharges for line items of projects.

*b.* Identification of contracts in which any line item for a project exceeds the adopted budget for that line item by ten percent or more.

*c.* Identification of complaints received by an institution regarding the construction of a project.

2. If the state board of regents approves a change in the amount of the line item of a budget for a project, the change shall be transmitted to the appropriations committees of the house

of representatives and senate, while the general assembly is in session, and to the legislative council, when the general assembly is not in session, for review.

86 Acts, ch 1246, §129; 2003 Acts, ch 35, §45, 49; 2010 Acts, ch 1061, §180

**262A.14 Alternative and independent method.**

This chapter shall be construed as providing an alternative and independent method for carrying out any project at any institution of higher learning under the control of the state board of regents, for the issuance and sale or exchange of bonds in connection therewith and for refunding bonds pertinent thereto, without reference to any other statute, and shall not be construed as an amendment of or subject to the provisions of any other law, and no publication of any notice, whether under section 73A.12 or otherwise, and no other or further proceedings in respect to the issuance or sale or exchange of bonds under this chapter shall be required except such as are prescribed by this chapter, any provisions of other statutes of the state to the contrary notwithstanding.

[C71, 73, 75, 77, 79, 81, §262A.13]

C87, §262A.14

# CHAPTER 262B

## COMMERCIALIZATION OF RESEARCH

SUBCHAPTER I

GENERAL PROVISIONS

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262B.2 Legislative intent.
262B.3 Duties and responsibilities.
262B.4 and 262B.5 Repealed by 2005 Acts, ch 150, §33.
262B.6 through 262B.10 Reserved.
262B.11 Reserved.
262B.12 Appropriation. Repealed by 2005 Acts, ch 150, §33.
262B.13 through 262B.20 Reserved.

SUBCHAPTER II

RESEARCH AND DEVELOPMENT PLATFORMS

262B.21 Research and development platforms.
262B.22 Technology and commercialization resource organization. Repealed by 2007 Acts, ch 122, §6.
262B.23 Endowed chairs and salaries.

## SUBCHAPTER I

## GENERAL PROVISIONS

**262B.1 Title.**

This chapter shall be known and may be cited as the *"Commercialization of Research for Iowa Act"*.

88 Acts, ch 1268, §9; 2003 Acts, 1st Ex, ch 1, §95, 133

[2003 Acts, 1st Ex, ch 1, §95, 133 amendment to section text rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2005 Acts, ch 150, §30

**262B.2 Legislative intent.**

It is the intent of the general assembly that the three universities under the control of the state board of regents have as part of their missions the use of their universities' expertise to expand and stimulate economic growth across the state. This activity may be accomplished through a wide variety of partnerships, public and private joint ventures, and cooperative endeavors, primarily, but not exclusively, in the area of high technology, and may result in investments by the private sector for commercialization of the technology and job creation. It is imperative that whenever possible, the investments and job creation be in Iowa but need not be in the proximity of the universities. The purpose of the investments and job creation

shall be to expand and stimulate Iowa's economy, increase the wealth of Iowans, and increase the population of Iowa, which may be accomplished through research conducted within the state that will competitively position Iowa on an economic basis with other states and create high-wage, high-growth employers and jobs. Accredited private universities located in the state are encouraged to incorporate the intent of this section into the mission of their universities.

88 Acts, ch 1268, §10; 2003 Acts, 1st Ex, ch 1, §96, 133

[2003 Acts, 1st Ex, ch 1, §96, 133 amendment to this section rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2005 Acts, ch 150, §31

**262B.3 Duties and responsibilities.**

1. The state board of regents, as part of its mission and strategic plan, shall establish mechanisms for the purpose of carrying out the intent of this chapter. In addition to other board initiatives, the board shall work with the economic development authority, other state agencies, and the private sector to facilitate the commercialization of research.

2. The state board of regents, in cooperation with the economic development authority, shall implement this chapter through any of the following activities:

*a.* Developing strategies to market and disseminate information on university research for commercialization in Iowa.

*b.* Evaluating university research for commercialization potential, where relevant.

*c.* Developing a plan to improve private sector access to the university licenses and patent information and the transfer of technology from the university to the private sector.

*d.* Identifying research and technical assistance needs of existing Iowa businesses and start-up companies and recommending ways in which the universities can meet these needs.

*e.* Linking research and instruction activities to economic development.

*f.* Reviewing and monitoring activities related to technology transfer.

*g.* Coordinating activities to facilitate a focus on research in the state's targeted industry clusters.

*h.* Surveying similar activities in other states and at other universities.

*i.* Establishing a single point of contact to facilitate commercialization of research.

*j.* Sustaining faculty and staff resources needed to implement commercialization.

*k.* Implementing programs to provide public recognition of university faculty and staff who demonstrate success in technology transfer and commercialization.

*l.* Implementing rural entrepreneurial and regional development assistance programs.

*m.* Providing market research ranging from early stage feasibility to extensive market research.

*n.* Creating real or virtual research parks that may or may not be located near universities, but with the goal of providing economic stimulus to the entire state.

*o.* Capacity building in key biosciences platform areas.

*p.* Encouraging biosciences entrepreneurship by faculty.

*q.* Providing matching grants for joint biosciences projects involving public and private entities.

*r.* Encouraging biosciences entrepreneurship by faculty using faculty research and entrepreneurship grants.

*s.* Pursuing bioeconomy initiatives in key platform areas as recommended by a consultant report on bioeconomy issues contracted for by the economic development authority.

3. Each January 15, the state board of regents shall submit a written report to the general assembly detailing the patents and licenses held by each institution of higher learning under the control of the state board of regents and by nonprofit foundations acting solely for the support of institutions governed by the state board of regents.

88 Acts, ch 1268, §11; 2003 Acts, 1st Ex, ch 1, §97, 133

[2003 Acts, 1st Ex, ch 1, §97, 133 amendments to this section rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2005 Acts, ch 150, §32; 2011 Acts, ch 118, §85, 89

Technology commercialization specialist, committee, and officer; §15.115 – 15.117

**262B.4 and 262B.5** Repealed by 2005 Acts, ch 150, § 33.

**262B.6 through 262B.10** Reserved.

**262B.11** Reserved.

**262B.12 Appropriation.** Repealed by 2005 Acts, ch 150, § 33.

**262B.13 through 262B.20** Reserved.

## SUBCHAPTER II

## RESEARCH AND DEVELOPMENT PLATFORMS

**262B.21 Research and development platforms.**

1. For purposes of this section and section 262B.23, *"core platform areas"* means the areas of advanced manufacturing, biosciences, information solutions, and financial services.

2. The state board of regents shall do all of the following:

*a.* Recruit employees, build capacity, and invest moneys to ensure rapid scientific progress in the core platform areas.

*b.* Create endowed chair positions and employ persons with entrepreneurial expertise.

*c.* Invest in technology development infrastructure to strengthen and accelerate the scientific and commercialization work in the core platform areas.

*d.* Provide financial assistance in the form of grants for purposes of accelerating the transformation of new and ongoing research and development initiatives in the core platform areas into commercial opportunities.

*e.* Actively participate in advisory groups dedicated to the areas of bioscience advanced manufacturing, and information solutions.

2006 Acts, ch 1179, §48; 2007 Acts, ch 122, §5

**262B.22 Technology and commercialization resource organization.** Repealed by 2007 Acts, ch 122, § 6.

**262B.23 Endowed chairs and salaries.**

The state board of regents may use for salaries and may create endowed chair positions at each of the regents universities using, in part, moneys appropriated to the state board of regents for purposes of implementing recommendations provided in separate consultant reports on bioscience, advanced manufacturing, and information technology submitted to the department of economic development in the calendar years 2004 and 2005. Such moneys may only be used to partially fund an endowed chair position if significant private contributions and contributions from governmental entities other than the state and political subdivisions of the state are used to fund the position. Not more than fifty percent of the cost of funding an endowed chair position shall be paid with such moneys. The endowed chair positions shall be used to attract scholars recruited nationally and internationally who can bring with them related start-up business ventures or a concept for near-term commercialization.

2006 Acts, ch 1179, §50

Referred to in §262B.21

# CHAPTER 263

## UNIVERSITY OF IOWA

Referred to in §256B.2

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263.20 Collecting and settling claims for care.
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## GENERAL PROVISIONS

**263.1 Objects — departments.**

The university of Iowa shall never be under the control of any religious denomination. Its object shall be to provide the best and most efficient means of imparting to men and women, upon equal terms, a liberal education and thorough knowledge of the different branches of literature and the arts and sciences, with their varied applications. It shall include colleges of liberal arts, law, medicine, and such other colleges and departments, with such courses of instruction and elective studies as the state board of regents may determine from time to time. If a practitioner preparation program as defined in section 272.1 is established by the board, it shall include the subject of physical education. Instruction in the liberal arts college shall begin, so far as practicable, at the points where the same is completed in high schools.

[C51, §1020; R60, §1927, 1930, 1933; C73, §1585, 1586, 1589; C97, §2640; C24, 27, 31, 35, 39, §**3946;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.1]

2011 Acts, ch 34, §70

**263.2 Degrees.**

No one shall be admitted to courses of instruction in the university who has not completed the elementary instruction in such branches as are taught in the common schools throughout the state. Graduates shall receive degrees or diplomas, or other evidences of distinction such as are usually conferred and granted by universities and are authorized by the state board of regents.

[R60, §1933; C73, §1585, 1589; C97, §2640; C24, 27, 31, 35, 39, §**3947;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.2]

**263.3 Cabinet of natural history.**

For the purpose of supplying a cabinet of natural history, all geological and mineralogical specimens which are collected by the state geologists, or by others appointed by the state to investigate its natural history and physical resources, shall belong to and be the property of the university, under the charge of the professors of those departments.

[R60, §1931, 1935; C73, §1597, 1598; C97, §2639; C24, 27, 31, 35, 39, §**3948;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.3]

**263.4 Homeopathic materia medica and therapeutics.**

The state board of regents is hereby authorized and directed to establish and maintain a department of homeopathic materia medica and therapeutics in the college of medicine of the state university of Iowa, with suitable and sufficient hours and rooms for said department. The use of the university homeopathic hospital shall be left to the discretion of the board.

[S13, §2640-a; C24, 27, 31, 35, 39, §**3949;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.4]

**263.5 Institute of child behavior and development.**

The state board of regents is hereby authorized to establish and maintain at Iowa City as an integral part of the state university of Iowa the institute of child behavior and development, having as its objects the investigation of the best scientific methods of conserving and developing the normal child, the dissemination of the information acquired by such investigation, and the training of students for work in such fields.

[C24, 27, 31, 35, 39, §**3950;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.5]

**263.6 Management.**

The management and control of such institute shall be vested in a director appointed by the said board of regents and an advisory board of seven members to be appointed by the president of the university from the faculty of the graduate college of said university.

[C24, 27, 31, 35, 39, §**3951;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.6]

**263.7 State hygienic laboratory — investigations.**

The state hygienic laboratory shall be a permanent part of the state university of Iowa. It shall make or cause to be made microbiological and chemical examinations and other necessary investigations by both laboratory and field work in the determination of the causes of disease, shall suggest methods of overcoming and preventing the recurrence of the disease, and shall evaluate environmental effects and scientific needs, whenever requested to do so by any state agency, state institution, or local board of health when the investigation or evaluation is necessary in the interest of environmental quality and public health and for the purpose of preventing epidemics of disease.

[S13, §2575-a8; SS15, §2575-a7; C24, 27, 31, 35, 39, §**3953;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.7]

**263.8 Reports — tests.**

Charges may be assessed for transportation of specimens and cost of examination. Reports of epidemiological examinations and investigations shall be sent to the responsible agency.

In addition to its regular work, the laboratory shall perform without charge all bacteriological, serological, and epidemiological examinations and investigations which may be required by the Iowa department of public health and said department shall establish rules therefor. The laboratory shall also provide, those laboratory, scientific field measurement, and environmental quality services which, by contract, are requested by the other agencies of government.

The laboratory is authorized to perform such other laboratory determinations as may be requested by any state institution, citizen, school, municipality or local board of health, and

the laboratory is authorized to charge fees covering transportation of samples and the costs of examinations performed upon their request.

[S13, §2575-e8; SS15, §2575-a7,-a9; C24, 27, 31, 35, 39, §**3953;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.8]

Duties of department of public health, §135.11

**263.8A International center for talented and gifted education — Iowa online advanced placement academy science, technology, engineering, and mathematics initiative.**

1. *a.* The state board of regents shall establish and maintain at Iowa City as an integral part of the state university of Iowa the international center for talented and gifted education. The international center shall provide programs to assist classroom teachers to teach gifted and talented students in regular classrooms, provide programs to enhance the learning experiences of gifted and talented students, serve as a center for national and international symposiums and policy forums for enhancing the teaching of gifted and talented students, and undertake other appropriate activities to enhance the programs of the center, including, but not limited to, coordinating and working with the world council for gifted and talented children, incorporated.

*b.* An international center endowment fund is established at the state university of Iowa and gifts and grants to the international center and investment earnings and returns on the endowment fund shall be deposited in the fund and may be expended by the state university of Iowa for the purposes for which the international center was established.

2. The Iowa online advanced placement academy science, technology, engineering, and mathematics initiative is established within the international center for talented and gifted education at the state university of Iowa to deliver, with an emphasis on science, technology, engineering, and mathematics coursework, preadvanced placement and advanced placement courses to high school students throughout the state, provide training opportunities for teachers to learn how to teach advanced placement courses in Iowa's high schools, and provide preparation for middle school students to ensure success in high school.

88 Acts, ch 1284, §44; 96 Acts, ch 1184, §3; 2011 Acts, ch 132, §17, 106

Referred to in §257B.1B

**263.8B Interest earnings.**

If the interest earned on moneys accumulated by campus organizations at the university of Iowa is not available for expenditure by those respective campus organizations, the university of Iowa shall allocate that interest to campus improvements that are of benefit to students and have been accepted by the student government or to the student financial aid office to be used for the work-study program.

89 Acts, ch 319, §67

**263.8C Advanced placement summer program.**

An advanced placement summer program is established at the state university of Iowa for purposes of training advanced placement instructors at the secondary level and of providing intensive course work for secondary students. The state university of Iowa shall be responsible for the development of appropriate curricula, course offerings, provision of qualified instructors, and the selection of participants for the program. If funds are appropriated for the program, those funds shall be used to pay for the cost of providing instructors, counselors, room and board for students and teachers attending the program, materials, and for the cost of the development of a summer advanced placement exam. If funds are appropriated and those funds are not sufficient to meet program participation demands, the university shall give priority to the needs of students or teachers from schools which do not have advanced placement programs.

91 Acts, ch 115, §1

## CENTER FOR DISABILITIES AND DEVELOPMENT

**263.9 Establishment and objectives.**

The state board of regents is hereby authorized to establish and maintain in reasonable proximity to Iowa City and in conjunction with the state university of Iowa and the university hospitals and clinics, a center for disabilities and development having as its objects the education and treatment of children with severe disabilities. The center shall be conducted in conjunction with the activities of the university of Iowa children's hospital. Insofar as is practicable, the facilities of the university children's hospital shall be utilized.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.9]

96 Acts, ch 1129, §72; 2001 Acts, ch 181, §17; 2002 Acts, ch 1050, §28

**263.10 Persons admitted.**

Every resident of the state who is not more than twenty-one years of age, who has such severe disabilities as to be unable to acquire an education in the common schools, and every such person who is twenty-one and under thirty-five years of age who has the consent of the state board of regents, shall be entitled to receive an education, care, and training in the university of Iowa hospitals and clinics center for disabilities and development, and nonresidents similarly situated may be entitled to an education and care at the center upon such terms as may be fixed by the state board of regents. The fee for nonresidents shall be not less than the average expense of resident pupils and shall be paid in advance. Residents and persons under the care and control of a director of a division of the department of human services who have severe disabilities may be transferred to the center upon such terms as may be agreed upon by the state board of regents and the director.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.10]

83 Acts, ch 96, §157, 159; 96 Acts, ch 1129, §73; 2001 Acts, ch 181, §18; 2002 Acts, ch 1050, §29

**263.11 Definition.**

The term "*severe disabilities*" shall be interpreted for the purpose of this division as referring to persons who meet both of the following requirements:

1. Persons who are educable but have severe physical and educational disabilities as a result of cerebral palsy, muscular dystrophy, spina bifida, arthritis, poliomyelitis, or other severe physically disabling conditions.

2. Persons who are not eligible for admission to the schools already established for persons with an intellectual disability or epilepsy or persons who are deaf or blind.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.11]

84 Acts, ch 1219, §12; 96 Acts, ch 1129, §74; 2012 Acts, ch 1019, §112

**263.12 Payment by counties.**

The provisions of sections 270.4 to 270.8, inclusive, are hereby made applicable to the university of Iowa hospitals and clinics' center for disabilities and development.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.12]

2001 Acts, ch 181, §19

Referred to in §331.424

**263.13 Gifts accepted.**

The state board of regents is authorized to accept, for the benefit of the university of Iowa hospitals and clinics center for disabilities and development, gifts, devises, or bequests of property, real or personal, including grants from the federal government. The state board of regents may exercise such powers with reference to the management, sale, disposition, investment, or control of property so given, devised, or bequeathed as may be deemed essential to its preservation and the purposes for which made. No contribution or grant shall

be received or accepted if any condition is attached as to its use or administration other than it be used for aid to the center as provided in this division.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §263.13]

2001 Acts, ch 181, §20; 2002 Acts, ch 1050, §30

**263.14 through 263.16** Reserved.

CENTER FOR HEALTH EFFECTS OF
ENVIRONMENTAL CONTAMINATION

**263.17 Center for health effects of environmental contamination.**

1. The state board of regents shall establish and maintain at Iowa City as an integral part of the state university of Iowa the center for health effects of environmental contamination, having as its object the determination of the levels of environmental contamination which can be specifically associated with human health effects.

2. *a.* The center shall be a cooperative effort of representatives of the following organizations:

(1) The state university of Iowa department of preventive medicine and environmental health.

(2) The department of pediatrics of the university of Iowa college of medicine.

(3) The state hygienic laboratory.

(4) The institute of agricultural medicine.

(5) The Iowa cancer center.

(6) The department of civil and environmental engineering.

(7) Appropriate clinical and basic science departments.

(8) The college of law.

(9) The college of liberal arts and sciences.

(10) The Iowa department of public health.

(11) The department of natural resources.

(12) The department of agriculture and land stewardship.

*b.* The active participation of the national cancer institute, the agency for toxic substances and disease registries, the national center for disease control, the United States environmental protection agency, and the United States geological survey, shall also be sought and encouraged.

3. The center may:

*a.* Assemble all pertinent laboratory data on the presence and concentration of contaminants in soil, air, water, and food, and develop a data retrieval system to allow the findings to be easily accessed by exposed populations.

*b.* Make use of data from the existing cancer and birth defect statewide recording systems and develop similar recording systems for specific organ diseases which are suspected to be caused by exposure to environmental toxins.

*c.* Develop registries of persons known to be exposed to environmental hazards so that the health status of these persons may be examined over time.

*d.* Develop highly sensitive biomedical assays which may be used in exposed persons to determine early evidence of adverse health effects.

*e.* Perform epidemiologic studies to relate occurrence of a disease to contaminant exposure and to ensure that other factors known to cause the disease in question can be ruled out.

*f.* Foster relationships and ensure the exchange of information with other teaching institutions or laboratories in the state which are concerned with the many forms of environmental contamination.

*g.* Implement programs of professional education and training of medical students, physicians, nurses, scientists, and technicians in the causes and prevention of environmentally induced disease.

*h.* Implement public education programs to inform persons of research results and the significance of the studies.

*i.* Respond as requested to any branch of government for consultation in the drafting of laws and regulations to reduce contamination of the environment.

4. An advisory committee consisting of one representative of each of the organizations enumerated in subsection 2, paragraph "*a*", is established. The advisory committee shall:

*a.* Employ, as a state employee, a full-time director to operate the center. The director shall coordinate the efforts of the heads of each of the major divisions of laboratory analysis, epidemiology and biostatistics, biomedical assays, and exposure modeling and shall also coordinate the efforts of professional and support staff in the operation of the center.

*b.* Submit an annual report of the activities of the center to the legislative council of the general assembly by January 15 of each year.

5. The center shall maintain the confidentiality of any information obtained from existing registries and from participants in research programs. Specific research projects involving human subjects shall be approved by the state university of Iowa institutional review board.

6. The center may solicit, accept, and administer moneys appropriated to the center by a public or private agency.

7. The center shall cooperate with the center for rural health and primary care, established under section 135.107, the center for agricultural health and safety established under section 262.78, and the department of agriculture and land stewardship. The agencies shall coordinate programs to the extent practicable.

87 Acts, ch 225, §228; 88 Acts, ch 1169, §3; 90 Acts, ch 1207, §4; 2000 Acts, ch 1058, §31; 2001 Acts, ch 74, §19

Referred to in §135.107, 262.78

## HOSPITALS AND CLINICS — PATIENT CARE

**263.18 Treatment of patients — use of earnings for new facilities.**

1. The university of Iowa hospitals and clinics authorities may at their discretion receive patients into the hospital for medical, obstetrical, or surgical treatment or hospital care. The university of Iowa hospitals and clinics ambulances and ambulance personnel may be used for the transportation of such patients at a reasonable charge if specialized equipment is required.

2. The university of Iowa hospitals and clinics authorities shall collect from the person or persons liable for support of such patients reasonable charges for hospital care and service and deposit payment of the charges with the treasurer of the university for the use and benefit of the university of Iowa hospitals and clinics.

3. Earnings of the university of Iowa hospitals and clinics shall be administered so as to increase, to the greatest extent possible, the services available for patients, including acquisition, construction, reconstruction, completion, equipment, improvement, repair, and remodeling of medical buildings and facilities, additions to medical buildings and facilities, and the payment of principal and interest on bonds issued to finance the cost of medical buildings and facilities as authorized by the provisions of chapter 263A.

4. The physicians and surgeons on the staff of the university of Iowa hospitals and clinics who care for patients provided for in this section may charge for the medical services provided under such rules, regulations, and plans approved by the state board of regents.

2005 Acts, ch 167, §47, 66; 2010 Acts, ch 1134, §2; 2013 Acts, ch 138, §125, 127

2013 amendment to subsection 4 takes effect January 1, 2014; 2013 Acts, ch 138, §127

Subsection 4 amended

**263.19 Purchases.**

Any purchase of materials, appliances, instruments, or supplies by the university of Iowa hospitals and clinics shall be made pursuant to open competitive quotations, and all contracts

for such purchases shall be in compliance with purchasing policies of the state board of regents.

2005 Acts, ch 167, §48, 66; 2012 Acts, ch 1138, §119

**263.20 Collecting and settling claims for care.**

Whenever a patient or person legally liable for the patient's care at the university of Iowa hospitals and clinics has insurance, an estate, a right of action against others, or other assets, the university of Iowa hospitals and clinics, through the facilities of the office of the attorney general, may file claims, institute or defend suit in court, and use other legal means available to collect accounts incurred for the care of the patient, and may compromise, settle, or release such actions under the rules and procedures prescribed by the president of the university and the office of the attorney general. If a county has paid any part of such patient's care, a pro rata amount collected, after deduction for cost of collection, shall be remitted to the county and the balance shall be credited to the hospital fund.

2005 Acts, ch 167, §49, 66

**263.21 Transfer of patients from state institutions.**

The director of the department of human services, in respect to institutions under the director's control, the administrator of any of the divisions of the department, in respect to the institutions under the administrator's control, the director of the department of corrections, in respect to the institutions under the department's control, and the state board of regents, in respect to the Iowa braille and sight saving school and the Iowa school for the deaf, may send any inmate, student, or patient of an institution, or any person committed or applying for admission to an institution, to the university of Iowa hospitals and clinics for treatment and care. The department of human services, the department of corrections, and the state board of regents shall respectively pay the traveling expenses of such patient, and when necessary the traveling expenses of an attendant for the patient, out of funds appropriated for the use of the institution from which the patient is sent.

2005 Acts, ch 167, §50, 66

Referred to in §263.23

**263.22 Medical care for parolees and persons on work release.**

The director of the department of corrections may send former inmates of the institutions provided for in section 904.102, while on parole or work release, to the university of Iowa hospitals and clinics for treatment and care. The director may pay the traveling expenses of any such patient, and when necessary the traveling expenses of an attendant of the patient, out of funds appropriated for the use of the department of corrections.

2005 Acts, ch 167, §51, 66

Referred to in §263.23

**263.23 Obligations to indigent patients.**

The university of Iowa hospitals and clinics shall continue the obligation existing on April 1, 2005, to provide care or treatment at the university of Iowa hospitals and clinics to indigent patients and to any inmate, student, patient, or former inmate of a state institution as specified in sections 263.21 and 263.22, with the exception of the specific obligation to committed indigent patients pursuant to section 255.16, Code 2005.

2006 Acts, ch 1184, §118

# CHAPTER 263A

## MEDICAL AND HOSPITAL BUILDINGS AT UNIVERSITY OF IOWA

Referred to in §262.9, 263.18


263A.1 Definitions.
263A.2 Authorization of general assembly and governor.
263A.3 Bonds or notes issued.
263A.4 Bonds or notes provisions.
263A.5 Resolution adopted — terms and conditions of bonds or notes.
263A.6 Rates, fees and charges for services.
263A.7 Accounts of all funds separate.
263A.8 No obligation of the state on bonds or notes.
263A.9 Investment in bonds or notes by financial institutions.
263A.10 Gifts, loans or grants accepted.
263A.11 Reports to general assembly. Repealed by 2005 Acts, ch 179, §160.
263A.12 Provisions independent of any other statute.
263A.13 Financial statement to general assembly.


**263A.1 Definitions.**

The following words or terms, as used in this chapter, shall have the respective meanings as stated:

1. *"Board"* shall mean the state board of regents.

2. *"Bonds or notes"* shall mean revenue bonds or revenue notes which are payable solely and only from hospital income.

3. *"Buildings and facilities"* shall mean buildings to be used primarily for service, clinical instructional and clinical research purposes in the field of medicine with particular emphasis on the family practice of medicine and such other facilities as are deemed necessary by the board to support and carry out the service, instructional, and research objectives of the hospitals, medical clinics, and medical service laboratories of the institution, including, without limiting the generality of the foregoing, hospital buildings, clinic buildings, laboratory buildings, clinical staff facilities, building for housing interns, resident physicians and nurses, and medical record and film storage buildings, or any combination thereof.

4. *"Hospital income"* shall mean the income and funds received by the hospitals, medical service clinics, and medical service laboratories of the state university of Iowa, including the proceeds of rates, fees, and charges for services rendered by said hospitals, clinics, and laboratories, but excluding state appropriations to the institution.

5. *"Institution"* shall mean the state university of Iowa.

6. *"Project"* shall mean the acquisition by gift, purchase, lease, or construction of buildings and facilities and additions to such buildings and facilities, the reconstruction, completion, equipment, improvement, repair, or remodeling of buildings and facilities, including the demolition of existing buildings and facilities which are to be replaced, and the acquisition of property of every kind and description, whether real, personal or mixed, for buildings and facilities by gift, purchase, lease, condemnation, or otherwise and the improvement of the same or any combination of the foregoing.

[C71, 73, 75, 77, 79, 81, §263A.1]

Referred to in §262A.2

Section not amended; editorial change applied

**263A.2 Authorization of general assembly and governor.**

Subject to and in accordance with the provisions of this chapter, the state board of regents may undertake and carry out any project as defined in this chapter at the state university of Iowa. The state board of regents is authorized to operate, control, maintain, and manage buildings and facilities and additions to such buildings and facilities at said institution. All contracts for the construction, reconstruction, completion, equipment, improvement, repair, or remodeling of any buildings, additions, or facilities shall be let in accordance with the provisions of section 262.34. The title to all real estate acquired under the provisions of this

chapter and the improvements erected thereon shall be taken and held in the name of the state of Iowa.

[C71, 73, 75, 77, 79, 81, §263A.2]

2002 Acts, ch 1119, §37; 2009 Acts, ch 173, §16, 36

**263A.3 Bonds or notes issued.**

1. The board is authorized to borrow money and to issue and sell negotiable bonds or notes to pay all or any part of the cost of carrying out any project at the institution and to refund and refinance bonds or notes issued for any project or for refunding purposes at the same rate or at a lower rate. The bonds or notes issued under this chapter may be sold at public sale as provided in chapter 75, but if the board finds it advisable and in the public interest to do so, such bonds or notes may be sold by the board at private sale without published notice of any kind and without regard to the requirements of chapter 75. Bonds or notes issued to refund other bonds or notes issued under the provisions of this chapter may either be sold in the manner specified in this chapter and the proceeds thereof applied to the payment of the obligations being refunded, or the refunding bonds or notes may be exchanged for and in payment and discharge of the obligations being refunded. The refunding bonds or notes may be sold or exchanged in installments at different times or an entire issue or series may be sold or exchanged at one time. Any issue or series of refunding bonds or notes may be exchanged in part or sold in parts in installments at different times or at one time. The refunding bonds or notes may be sold or exchanged at any time on, before, or after the maturity of any of the outstanding notes, bonds, or other obligations to be refinanced thereby and may be issued for the purpose of refunding a like or greater principal amount of bonds or notes, except that the principal amount of the refunding bonds or notes may exceed the principal amount of the bonds or notes to be refunded to the extent necessary to pay any premium due on the call of the bonds or notes to be refunded or to fund interest in arrears or about to become due.

2. All bonds or notes issued under the provisions of this chapter shall be payable solely and only from and shall be secured by an irrevocable pledge of a sufficient portion of the hospital income of the institution. All bonds or notes issued under the provisions of this chapter shall have all the qualities of negotiable instruments under the laws of this state.

[C71, 73, 75, 77, 79, 81, §263A.3]

2009 Acts, ch 173, §17, 36

**263A.4 Bonds or notes provisions.**

Such bonds or notes may bear such date or dates, may bear interest at such rate or rates, payable semiannually, may mature at such time or times, may be in such form and denominations, carry such registration privileges, may be payable at such place or places, may be subject to such terms of redemption prior to maturity with or without premium, if so stated on the face thereof, and may contain such terms and covenants, including the establishment of reserves, all as may be provided by this chapter, section 76.17, and the resolution of the board authorizing the issuance of the bonds or notes. In addition to the estimated cost of construction, including site costs, the cost of the project may include interest upon the bonds or notes during construction and for six months after the estimated completion date, the compensation of a fiscal agent or adviser, engineering, architectural, administrative, and legal expenses and provision for contingencies. Such bonds or notes shall be executed by the president of the state board of regents and attested by the executive director, secretary, or other official thereof performing the duties of executive director, and the coupons thereto attached shall be executed with the original or facsimile signatures of said president, executive director, secretary, or other official; provided, however, that the facsimile signature of either of such officers executing such bonds may be imprinted on the face of the bonds in lieu of the manual signature of such officer, but at least one of the signatures appearing on the face of each bond shall be a manual signature. Any bonds or notes bearing the signatures of officers in office on the date of the signing thereof shall be valid and binding for all purposes, notwithstanding that before delivery thereof any or all such persons whose signatures appear thereon shall have ceased to be such officers. Each such bond or note shall state upon its face the name of the institution on behalf of which it is

issued, that it is payable solely and only from hospital income received by such institution as provided in this chapter, and that it does not constitute a debt of or charge against the state of Iowa within the meaning or application of any constitutional or statutory limitation or provision. The issuance of such bonds or notes shall be recorded in the office of the treasurer of the institution, and a certificate by such treasurer to this effect shall be printed on the back of each such bond or note.

[C71, 73, 75, 77, 79, 81, §263A.4]

2006 Acts, ch 1051, §9; 2009 Acts, ch 173, §18, 36

**263A.5 Resolution adopted — terms and conditions of bonds or notes.**

Upon the determination by the state board of regents to undertake and carry out any project or to refund outstanding bonds or notes, said board shall adopt a resolution describing generally the contemplated project and setting forth the estimated cost thereof, or describing the obligations to be refunded, fixing the amount of bonds or notes to be issued, the maturity or maturities, the interest rate or rates, and all details in respect thereof. Such resolution shall contain such covenants as may be determined by the board as to the issuance of additional bonds or notes that may thereafter be issued payable from the hospital income received by the institution, the amendment or modification of the resolution authorizing the issuance of any bonds or notes, the manner, terms, and conditions and the amount or percentage of assenting bonds or notes necessary to effectuate such amendment or modification, and such other covenants as may be deemed necessary or desirable. In the discretion of the board, any bonds or notes issued under the terms of this chapter may be secured by a trust indenture by and between the board and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the boundaries of the state of Iowa, but no such trust indenture shall convey or mortgage the buildings and facilities or any part thereof. The provisions of this chapter and of any resolution or other proceedings authorizing the issuance of bonds or notes and providing for the establishment and maintenance of adequate rates, fees, and charges for services rendered by the hospitals, medical clinics, and medical laboratories of the institution and the application of the proceeds thereof, together with other hospital income, shall constitute a contract with the holders of such bonds or notes.

[C71, 73, 75, 77, 79, 81, §263A.5]

**263A.6 Rates, fees and charges for services.**

Whenever bonds or notes are issued by the state board of regents, it shall be the duty of said board to establish, impose, and collect rates, fees, and charges for services rendered by the hospitals, medical clinics, and medical laboratories of the institution and to adjust such rates, fees, and charges from time to time, in order to always provide amounts which, together with other hospital income, will be sufficient to pay the principal of and interest on such bonds or notes as the same become due and to maintain a reserve therefor, and said board is authorized to pledge a sufficient amount of the hospital income received by such institution for this purpose. All bonds or notes issued under the terms of this chapter shall be exempt from taxation by the state of Iowa and the interest thereon shall be exempt from the state income tax.

[C71, 73, 75, 77, 79, 81, §263A.6]

Referred to in §422.7

**263A.7 Accounts of all funds separate.**

A certified copy of each resolution providing for the issuance of bonds or notes under this chapter shall be filed with the treasurer of the institution and it shall be the duty of said treasurer to keep and maintain separate accounts for each issue of bonds or notes in accordance with the covenants and directions set out in the resolution providing for the issuance thereof. A sufficient portion of the hospital income received by the institution shall be held in trust by the treasurer thereof, separate and apart from all other funds, to be used solely and only for the purposes specified in this chapter and as may be required and provided for by the proceedings of the board authorizing the issuance of bonds or notes. It

shall be the duty of the treasurer of the institution to disburse funds from the proper account for the payment of the principal of and interest on the bonds or notes in accordance with the directions and covenants of the resolution authorizing the issuance thereof.

If the amount of bonds or notes issued under this chapter exceeds the actual costs of the projects for which the bonds or notes were issued, the amount of the difference shall be used to pay the principal and interest due on bonds or notes issued under this chapter.

[C71, 73, 75, 77, 79, 81, §263A.7]

87 Acts, ch 233, §470

**263A.8 No obligation of the state on bonds or notes.**

Under no circumstances shall any bonds or notes issued under the terms of this chapter be or become or be construed to constitute a debt of or a charge against the state of Iowa within the purview of any constitutional or statutory limitation or provision. No taxes, or other funds of the state of Iowa appropriated to the institution may be pledged for or used to pay such bonds or notes or the interest thereon but any such bonds or notes shall be payable solely and only as to both principal and interest from the hospital income received by the institution as hereinbefore provided, and the sole remedy for any breach or default of the terms of any such bonds or notes or proceedings for their issuance shall be a proceeding either in law or in equity by suit, action, or mandamus to enforce and compel performance of the duties required by this chapter and the terms of the resolution under which such bonds or notes are issued.

[C71, 73, 75, 77, 79, 81, §263A.8]

**263A.9 Investment in bonds or notes by financial institutions.**

All banks, trust companies, bankers, savings associations, investment companies, and other persons carrying on a banking or investment business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or notes issued pursuant to this chapter; provided, however, that nothing contained in this section may be construed as relieving any persons from any duty of exercising reasonable care in selecting securities for purchase or investment.

[C71, 73, 75, 77, 79, 81, §263A.9]

2012 Acts, ch 1017, §70

**263A.10 Gifts, loans or grants accepted.**

The state board of regents is authorized to apply for and accept federal or nonfederal gifts, loans, or grants of funds and to use the same to pay all or any part of the cost of carrying out any project at the institution under the terms of this chapter or to pay any bonds or notes and interest thereon issued for any of the purposes specified in this chapter.

[C71, 73, 75, 77, 79, 81, §263A.10]

**263A.11 Reports to general assembly.** Repealed by 2005 Acts, ch 179, § 160.

**263A.12 Provisions independent of any other statute.**

This chapter shall be construed as providing an alternative and independent method for carrying out any project related to the medical school and any project related to the hospital at the institution, for the issuance and sale or exchange of bonds or notes in connection therewith, and for refunding bonds or notes pertinent thereto, without reference to any other statute, and shall not be construed as an amendment of or subject to the provisions of any other law, and no publication of any notice, whether under section 73A.12 or otherwise, and no other or further proceedings in respect to the issuance or sale or exchange of bonds or notes under this chapter shall be required except such as are prescribed by this chapter, any provisions of other statutes of the state to the contrary notwithstanding.

[C71, 73, 75, 77, 79, 81, §263A.11]

C87, §263A.12

**263A.13 Financial statement to general assembly.**

The university of Iowa hospitals and clinics shall transmit to the general assembly its independently audited financial statement by January 15 of each fiscal year.

89 Acts, ch 319, §68; 2003 Acts, ch 35, §45, 49; 2010 Acts, ch 1069, §73; 2010 Acts, ch 1183, §27

# CHAPTER 263B

## STATE ARCHAEOLOGIST

Referred to in §216A.167


263B.1 Appointment.
263B.2 Duties.
263B.3 Agreements with federal departments.
263B.4 Definitions.
263B.5 State department of transportation contracts.
263B.6 Federal funds.
263B.7 Ancient remains.
263B.8 Cemetery for ancient remains.
263B.9 Authority to deny permission to disinter human remains.
263B.10 Confidentiality of archaeological locations and information.


**263B.1 Appointment.**

The state board of regents shall appoint a state archaeologist, who shall be a member of the faculty of the department of anthropology of the state university of Iowa.

[C62, 66, 71, 73, 75, 77, 79, 81, §305A.1]

C93, §263B.1

Referred to in §457A.1

**263B.2 Duties.**

The state archaeologist shall have the primary responsibility for the discovery, location and excavation of archaeological sites and for the recovery, restoration and preservation of archaeological remains in and for the state of Iowa, and shall coordinate all such activities through cooperation with the state department of transportation, the department of natural resources, and other state agencies concerned with archaeological salvage or the products thereof. The state archaeologist may publish educational and scientific reports relating to the responsibilities and duties of the office.

[C62, 66, 71, 73, 75, 77, 79, 81, §305A.2]

C93, §263B.2

**263B.3 Agreements with federal departments.**

The state archaeologist is authorized to enter into agreements and cooperative efforts with the federal highway administrator; the United States departments of commerce, interior, agriculture, and defense; and any other federal or state agencies concerned with archaeological salvage or the preservation of antiquities.

[C62, 66, 71, 73, 75, 77, 79, 81, §305A.3]

C93, §263B.3

2012 Acts, ch 1023, §157; 2013 Acts, ch 30, §63; 2013 Acts, ch 140, §61

Section amended

**263B.4 Definitions.**

As used in sections 263B.5 and 263B.6:

1. *"Historical objects"* means archaeological and paleontological objects, including all ruins, sites, buildings, artifacts, fossils, or other objects of antiquity that have state and national significance from an historical or scientific standpoint for the inspiration and benefit of the people of the United States.

2. *"Salvage"* means the salvage of historical objects.

3. *"Appropriate authority"* means the federal or state authorities concerned with the preservation and study of historical objects.

[C66, 71, 73, 75, 77, 79, 81, §305A.4]
C93, §263B.4

**263B.5 State department of transportation contracts.**

1. The state department of transportation in letting contracts for road construction shall take action to see that historical objects will not be needlessly destroyed or if such destruction cannot be avoided reasonable action shall be taken to obtain all information concerning such objects prior to destruction. If it should appear that the proposed construction will result in the destruction of historical objects and it is determined by the appropriate authority that such objects cannot be reasonably removed or otherwise preserved, consideration shall be given to possible alternate locations of the highway.

2. If during the course of construction, historical objects are encountered, the appropriate authority shall be notified immediately and steps taken to excavate and preserve the objects if practicable or if preservation is impracticable, to permit the appropriate authority to obtain and record data relative thereto.

3. Agreements may be entered into with the appropriate authority to pay from federal highway funds the reasonable cost of salvage work. Extra work orders may be issued to the contractor where necessary and extra work orders may be issued in cases within the meaning of "subsurface or lateral conditions" or "unknown physical conditions" where such terms are used in the standard contract forms. Payment for salvage work shall be limited to that performed within the roadway prism and any location designated as a source of material. If the contractor's operations are delayed because of salvage work such contractor shall be entitled to an appropriate extension of the contract time. If practicable, the operations shall be rescheduled to avoid the section where the historical material is, until the removal of it.

4. The cost of exploratory work prior to construction shall be borne by the appropriate authority. Costs of excavation of historical objects or recordation of data may be paid by the federal highway funds. Excavation costs may include costs of protecting and preservation during removal from the site but shall not include the expense of shipping historical objects from the site.

[C66, 71, 73, 75, 77, 79, 81, §305A.5]
C93, §263B.5
Referred to in §263B.4
Section not amended; editorial change applied

**263B.6 Federal funds.**

Where federal funds are available to the state under federal statutes providing for archaeological and paleontological salvage, they shall be collected and credited as provided in section 307.44.

[C66, 71, 73, 75, 77, 79, 81, §305A.6]
C93, §263B.6
Referred to in §263B.4

**263B.7 Ancient remains.**

The state archaeologist has the primary responsibility for investigating, preserving, and reinterring discoveries of ancient human remains. For the purposes of this section, ancient human remains are those remains found within the state which are more than one hundred fifty years old. The state archaeologist shall make arrangements for the services of a forensic osteologist in studying and interpreting ancient burials and may designate other qualified archaeologists to assist the state archaeologist in recovering physical and cultural information about the ancient burials. The state archaeologist shall file with the Iowa department of public health a written report containing both physical and cultural information regarding the remains at the conclusion of each investigation.

[C77, 79, 81, §305A.7]
91 Acts, ch 97, §41
C93, §263B.7

**263B.8 Cemetery for ancient remains.**

The state archaeologist shall establish, with the approval of the executive council, a cemetery on existing state lands for the reburial of ancient human remains found in the state. The cemetery shall not be open to the public. The state archaeologist in cooperation with the department of natural resources shall be responsible for coordinating interment in the cemetery.

[C77, 79, 81, §305A.8]
C93, §263B.8

**263B.9 Authority to deny permission to disinter human remains.**

The state archaeologist shall have the authority to deny permission to disinter human remains that the state archaeologist determines have state and national significance from an historical or scientific standpoint for the inspiration and benefit of the people of the United States.

[C79, 81, §305A.9]
C93, §263B.9

**263B.10 Confidentiality of archaeological locations and information.**

The state archaeologist shall comply with the requirements of section 22.7, subsection 20, regarding information pertaining to the nature and location of archaeological resources or sites. The state archaeologist shall consult with other public officers serving as lawful custodians of archaeological information to determine whether the information should be confidential or be released.

86 Acts, ch 1228, §2
C87, §305A.10
C93, §263B.10

# CHAPTER 264

## PERPETUATION OF COLLEGE CREDITS


264.1 Mandatory transfer of record of credits.
264.2 Central depository.
264.3 Duty of depository.
264.4 Transcripts.
264.5 Fees.
264.6 Penalty.
264.7 Records of prior defunct institutions.


**264.1 Mandatory transfer of record of credits.**

The trustees or officers of any institution of higher learning, whether incorporated or not, upon going out of existence or ceasing to function as an educational institution must transfer to the office of the registrar of the state university of Iowa complete records of all grades attained by its students.

[C35, §3953-e1; C39, §**3953.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §264.1]

**264.2 Central depository.**

The office of the registrar of the state university is hereby designated the central depository for the scholastic records of those educational institutions in this state which may hereafter cease to exist.

[C35, §3953-e2; C39, §**3953.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §264.2]

**264.3 Duty of depository.**

The office of the registrar of the state university shall proceed to collect the scholastic records of those educational institutions which may become extinct, and the registrar shall have the supervision, care, custody, and control of said records.

[C35, §3953-e3; C39, §**3953.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §264.3]

**264.4 Transcripts.**

The registrar of the state university shall prepare transcripts of such scholastic records and when requested to do so the registrar must furnish a copy of the said transcript to a former student. Whenever such transcript is made and after it has been compared with the original it shall be certified by the registrar of the state university, and thereafter it shall be considered and accepted as evidence for all purposes the same as the original would be.

[C35, §3953-e4; C39, §**3953.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §264.4]

Referred to in §264.5

**264.5 Fees.**

For the preparation of a transcript in accordance with section 264.4, the state university may charge a nominal fee to compensate the institution for its actual costs, including but not limited to the labor involved in recording the credits and preparing a transcript, and postage.

[C35, §3953-e5; C39, §**3953.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §264.5]

2009 Acts, ch 177, §31

**264.6 Penalty.**

The members of the board of trustees and the officers of an institution of higher learning who do not file, in accordance with the provisions of this chapter, the record of grades in the office of the registrar of the state university within twelve months after the said institution has been closed or has ceased to function as an educational institution, shall be guilty of a simple misdemeanor.

[C35, §3953-e6; C39, §**3953.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §264.6]

**264.7 Records of prior defunct institutions.**

The office of the registrar of the state university is hereby designated the central depository for the records of any institution of higher learning which prior to the passage of this chapter may have ceased to exist, provided the custodian of the said records or former officials of the institution may wish to take advantage of the provisions of this chapter.

[C35, §3953-e7; C39, §**3953.7;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §264.7]

# CHAPTER 265

## LABORATORY SCHOOLS

Referred to in §282.18


265.1 Authority.
265.2 Buildings and facilities.
265.3 Financing.
265.4 Purposes.
265.5 Allocations to debt retirement fund.
265.6 State aid applicable. Repealed by 2005 Acts, ch 179, §160.
265.7 Debt limit provisions not applicable.


**265.1 Authority.**

The state board of regents is authorized to establish and operate elementary and secondary laboratory schools at the institutions of higher education under its control. For the purpose of this chapter, laboratory school shall mean a school operated by an educational institution for the purpose of instructing students, training teachers, and advancing teaching methods.

[C66, 71, 73, 75, 77, 79, 81, §265.1]

**265.2 Buildings and facilities.**

Existing buildings and facilities now used for said purposes together with any additions to or alterations thereof and any new structures and facilities therefor, as the board shall

determine to be suitable and authorize for said purposes, shall be set aside as the area on the respective campuses constituting the laboratory school for all purposes of this chapter.
[C66, 71, 73, 75, 77, 79, 81, §265.2]

**265.3 Financing.**
A laboratory school at each institution where so established shall constitute a self-liquidating improvement unit to the extent funds are not appropriated by the general assembly and shall qualify for and may be financed as such under the provisions of sections 262.44 through 262.53.
[C66, 71, 73, 75, 77, 79, 81, §265.3]

**265.4 Purposes.**
For the purposes of this chapter, the state board of regents and the board of directors of any school district in the state of Iowa may enter into contracts for the laboratory schools to furnish instruction to the pupils of such school district and to train teachers on an agreed basis for tuition and other compensation to be paid by the school district. Such contracts shall be in writing and may extend for any stipulated period not to exceed fifteen years. During the agreed period, such contracts shall be obligatory on both the school district and the state board of regents.
[C66, 71, 73, 75, 77, 79, 81, §265.4]

**265.5 Allocations to debt retirement fund.**
The state board of regents may out of funds appropriated or otherwise available for the operation of the institution at which the laboratory school is located allocate an annual payment to the debt retirement fund for the buildings, areas, and facilities used by the institution for the laboratory school until such time as said improvement is fully paid. The board of regents may pledge said annual allotment together with the tuition received from school districts and all other income received from the operation of said laboratory school as security for the mortgage, bonds, or other debt by which said laboratory school is financed as authorized herein.
[C66, 71, 73, 75, 77, 79, 81, §265.5]

**265.6 State aid applicable.** Repealed by 2005 Acts, ch 179, § 160.

**265.7 Debt limit provisions not applicable.**
The obligations of any school district on any contract between it and the state board of regents entered into pursuant to this chapter shall be payable only out of current receipts from taxes, tuition or other income available therefor each year, and shall not constitute a debt for the purposes of any statutory or constitutional provision limiting the obligations said school district may incur.
[C71, 73, 75, 77, 79, 81, §265.7]

# CHAPTER 266

## IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

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GENERAL PROVISIONS

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## DIVISION I

## GENERAL PROVISIONS

**266.1 Grants accepted.**

Legislative assent is given to the purposes of the various congressional grants to the state for the endowment and support of an Iowa state university of science and technology, and an agricultural experiment station as a department thereof, upon the terms, conditions, and restrictions contained in all Acts of Congress relating thereto, and the state assumes the duties, obligations, and responsibilities thereby imposed. All moneys appropriated by the state because of the obligations thus assumed, and all funds arising from said congressional grants, shall be invested or expended in accordance with the provision of such grant, for the use and support of said university of science and technology located at Ames.

[R60, §1714; C73, §1604; C97, §2645; C24, 27, 31, 35, 39, §**4031;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §266.1]

**266.2 Courses of study.**

There shall be adopted and taught at said university of science and technology practical courses of study, embracing in their leading branches such as relate to agriculture and mechanic arts, mines and mining, and ceramics, and such other branches as are best calculated to educate thoroughly the agricultural and industrial classes in the several pursuits and professions of life, including military tactics. If a practitioner preparation

program as defined in section 272.1 is established, it shall include the subject of physical education.

[R60, §1728; C73, §1621; C97, §2648; S13, §2674-d; C24, 27, 31, 35, 39, §**4032;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §266.2]

2011 Acts, ch 34, §71

**266.3 Investigation of mineral resources.**

The said university of science and technology shall provide, as a part of its engineering experiment station work, for the investigation of clays, cement materials, fuels, and other mineral resources of the state with especial reference to their economic uses, and for the publication and dissemination of information useful to such industries, and for the testing of the products thereof.

[S13, §2674-e; C24, 27, 31, 35, 39, §**4033;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §266.3]

**266.4 Cooperative agricultural extension work.**

The assent of the legislature of the state of Iowa is hereby given to the provisions and requirements of an Act of Congress approved May 8, 1914, providing for cooperative agricultural extension work between the agricultural colleges in the several states receiving the benefits of the Act of Congress approved July 2, 1862, and amendments thereto.

[SS15, §2682-y1; C24, 27, 31, 35, 39, §**4034;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §266.4]

**266.5 State agency.**

The state board of regents is hereby authorized and empowered to receive the grants of money appropriated under said Act and to organize and conduct agricultural and home economics extension work, which shall be carried on in connection with the Iowa state university of science and technology in accordance with the terms and conditions expressed in the Act of Congress aforesaid.

[SS15, §2682-y1; C24, 27, 31, 35, 39, §**4035;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §266.5]

**266.6 Purnell Act.**

The assent of the legislature of the state of Iowa is hereby given to the provisions and requirements of the congressional Act approved February 24, 1925, commonly known as the Purnell Act; and that, in accordance with the requirements thereof, the state agrees to devote the moneys thus received to the more complete endowment and maintenance of the agricultural experiment station of the Iowa state university of science and technology as provided in said Act.

[C27, 31, 35, §4035-b1; C39, §**4035.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §266.6]

**266.7 Receiving agent.**

The treasurer of the Iowa state university of science and technology is hereby authorized and empowered to receive the grants of money appropriated under the said Act.

[C27, 31, 35, §4035-b2; C39, §**4035.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §266.7]

**266.8 Hazardous waste research program.** Repealed by 2003 Acts, ch 179, § 143.

**266.9 through 266.18** Reserved.

**266.19 Renewable fuel — assistance.**

The university shall cooperate in assisting renewable fuel production facilities supporting livestock operations managed by persons receiving assistance pursuant to section 15.335B.

94 Acts, ch 1119, §27; 2009 Acts, ch 123, §30; 2011 Acts, ch 118, §86, 89; 2012 Acts, ch 1126, §24

**266.20 Interest earnings.**
If the interest earned on moneys accumulated by campus organizations at the Iowa state university of science and technology is not available for expenditure by those respective campus organizations, the Iowa state university of science and technology shall allocate that interest to campus improvements that are of benefit to students and have been accepted by the student government or to the student financial aid office to be used for the work-study program.
89 Acts, ch 319, §70

**266.21 through 266.23** Reserved.

DIVISION II

HOG-CHOLERA SERUM LABORATORY

**266.24 through 266.26** Repealed by 2003 Acts, ch 179, § 143.

DIVISION III

SMITH-LEVER ACT

**266.27 Act accepted.**
The assent of the general assembly of the state of Iowa is hereby given to the provisions and requirements of the Smith-Lever Act, 38 Stat. 372 – 374, approved May 8, 1914, and any amendments to that Act, codified at 7 U.S.C. § 341 – 349.
[C31, 35, §4044-c1; C39, §**4044.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §266.27]
2006 Acts, ch 1030, §34; 2006 Acts, ch 1185, §120

**266.28 Receipt of funds — work authorized.**
The Iowa state board of regents is hereby authorized and empowered to receive the grants of money appropriated under the said Act; and to organize and conduct agricultural extension work which shall be carried on in connection with the Iowa state university of science and technology, in accordance with the terms and conditions expressed in the Act of Congress aforesaid.
[C31, 35, §4044-c2; C39, §**4044.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §266.28]

**266.29 and 266.30** Reserved.

DIVISION IV

RESEARCH AND EXTENSION SERVICES

**266.31 Meat export research center established — director — assistants — salaries.** Repealed by 2004 Acts, ch 1175, § 283.

**266.32 Acceptance of private funds.** Repealed by 2005 Acts, ch 19, § 125.

**266.33 Horticultural research.**
The Iowa agricultural experiment station at Iowa state university of science and technology shall conduct horticultural research to identify and improve fruits and vegetables which can be effectively grown in Iowa to provide more diversity for Iowa agriculture. The experiment station shall investigate production, marketing, and management techniques, adaptability,

and horticultural potential of the fruits and vegetables for both processing and for fresh market sale.

84 Acts, ch 1315, §16

**266.34 State extension fruit specialist.**

The Iowa cooperative extension service in agriculture and home economics shall employ a state extension fruit specialist to provide leadership in the development of a broader array of educational materials and field staff training. The materials on training should provide, in popular and practical terms, the available research at Iowa state university of science and technology and elsewhere that will enable area and county extension services to expand their efforts with existing and potential fruit growers for marketing in or outside of this state.

84 Acts, ch 1315, §18

**266.35 Crop research.**

The agricultural experiment station at Iowa state university of science and technology shall conduct research to identify crops, other than corn and soybeans, which can be effectively grown in Iowa either alone or in multiple cropping schemes to provide more diversity for Iowa agriculture. The experiment station shall investigate production and management techniques, adaptability, feasibility, marketability, and agronomic potential of the alternate crops.

84 Acts, ch 1315, §21

**266.36 Financial management services.**

The Iowa cooperative extension service in agriculture and home economics shall accelerate the development of computer software and field staff training to increase the extension service's ability to offer financial management and counseling services to individual farm operators and to increase the analysis and understanding of financial management, marketing and related subjects among farm operators.

84 Acts, ch 1315, §27

**266.37 Use of corrections department institutional facilities and resources.**

Iowa state university of science and technology shall use resources, including property, facilities, labor, and services, connected with institutions listed in section 904.102, under the authority of the Iowa department of corrections, to the extent practicable, for research, development, and testing of technological, horticultural, biological, and economic factors involved in improving the performance of Iowa agricultural products. However, use by the university is subject to the approval of the director of the department of corrections.

87 Acts, ch 139, §3

**266.38 Soil test interpretation.**

The Iowa cooperative extension service in agriculture and home economics shall develop and publish material on the interpretation of the results of soil tests. The material shall also feature the danger to groundwater quality from the overuse of fertilizers and pesticides. The material shall be available from the service at cost and any person providing soil tests for agricultural or horticultural purposes shall provide the material to the customer with the soil test results.

87 Acts, ch 225, §229

**266.39 Leopold center for sustainable agriculture.**

1. For the purposes of this section, *"sustainable agriculture"* means the appropriate use of crop and livestock systems and agricultural inputs supporting those activities which maintain economic and social viability while preserving the high productivity and quality of Iowa's land.

2. The Leopold center for sustainable agriculture is established in the Iowa agricultural and home economics experiment station at Iowa state university of science and technology. The center shall conduct and sponsor research to identify and reduce negative environmental

and socio-economic impacts of agricultural practices. The center also shall research and assist in developing emerging alternative practices that are consistent with a sustainable agriculture. The center shall develop in association with the Iowa cooperative extension service in agriculture and home economics an educational framework to inform the agricultural community and the general public of its findings.

3. *a.* An advisory board is established consisting of the following members:

(1) Three persons from Iowa state university of science and technology, appointed by its president.

(2) Two persons from the state university of Iowa, appointed by its president.

(3) Two persons from the university of northern Iowa, appointed by its president.

(4) Two representatives of private colleges and universities within the state, to be nominated by the Iowa association of independent colleges and universities, and appointed by the Iowa coordinating council for post-high school education.

(5) One representative of the department of agriculture and land stewardship, appointed by the secretary of agriculture.

(6) One representative of the department of natural resources, appointed by the director.

(7) One man and one woman, actively engaged in agricultural production, appointed by the state soil conservation committee.

(8) Four persons actively engaged in agriculture who are appointed by the titular head of each of the following agricultural organizations:

(a) The Iowa farm bureau federation.

(b) The Iowa farmers union.

(c) The practical farmers of Iowa.

(d) The agribusiness association of Iowa.

*b.* The terms of the members shall begin and end as provided in section 69.19 and any vacancy shall be filled by the original appointing authority. The terms shall be for four years and shall be staggered as determined by the president of Iowa state university of science and technology. The members appointed by the titular heads of agricultural organizations shall be reimbursed for actual and necessary expenses incurred while engaged in their official duties, but shall not be entitled to per diem compensation as authorized under section 7E.6.

4. *a.* The Iowa agricultural and home economics experiment station shall employ a director for the center, who shall be appointed by the president of Iowa state university of science and technology. The director of the center shall employ the necessary research and support staff. The director and staff shall be employees of Iowa state university of science and technology. No more than five hundred thousand dollars of the funds received from the agriculture management account annually shall be expended by the center for the salaries and benefits of the employees of the center, including the salary and benefits of the director. The remainder of the funds received from the agriculture management account shall be used to sponsor research grants and projects on a competitive basis from Iowa colleges and universities and private nonprofit agencies and foundations. The center may also solicit additional grants and funding from public and private nonprofit agencies and foundations.

*b.* The director shall prepare an annual report.

5. The board shall provide the president of Iowa state university of science and technology with a list of three candidates from which the director shall be selected. The board shall provide an additional list of three candidates if requested by the president. The board shall advise the director in the development of a budget, on the policies and procedures of the center, in the funding of research grant proposals, and regarding program planning and review.

87 Acts, ch 225, §230; 99 Acts, ch 91, §1, 2; 2010 Acts, ch 1061, §180

**266.39A Agricultural research.**

Iowa state university of science and technology shall conduct continuing agricultural research to provide information about environmental and social impacts of agricultural research on the small or family farm and information about population trends and impact of the trends on Iowa agriculture, in addition to research that may include the categories specified in section 266.39B, subsection 2. The research shall include an agricultural land

tenure study conducted every five years to determine the ownership of farmland, and to analyze ownership trends, using the categories of land ownership defined in chapter 9H. The study shall be conducted on the basis of regions established by the university. A region shall be composed of not more than twenty-three contiguous counties.

89 Acts, ch 319, §71; 92 Acts, ch 1080, §1

**266.39B Research grants.**

1. A comprehensive agricultural research program is established at the Leopold center for sustainable agriculture at Iowa state university of science and technology to provide financial assistance for agricultural research within Iowa. The Leopold center shall establish a grant program for projects designated by the general assembly and other projects deemed necessary for the betterment of agriculture within the state. All funds from the program shall be available to public and private entities in Iowa on a competitive grant basis. Approved research proposals shall meet all of the following criteria:

*a.* The research shall assist Iowa in maintaining productive soil, viable communities, and farms with incomes sufficient to support a family.

*b.* The research shall enhance the profitability of farmers.

*c.* The research shall lead to farming which enhances and preserves Iowa's environment.

2. The research grants shall include:

*a.* Long-term and basic research with preference given to projects which have no traditional funding sources or require a long period of time to produce positive or negative results.

*b.* Emergency response research with preference given to projects which relate to issues expected to address problems occurring within the next five years, which relate to problems that could have substantial social and economic costs, or which offer research opportunities that may be lost if a delay occurs.

*c.* Grants available for matching federal or private funds for projects which are a necessary component of other grants or will produce the highest ratio of outside funds to state funds.

*d.* Crop and livestock research relating to the growth, processing, or marketing of agricultural output, the enhancement of the quality of crops, the lowering of the costs of production, or the avoidance of contamination to food, water, or soil.

*e.* Alternative crop research to enhance the opportunity for self-employment, to promote site-appropriate crops, to assist the state in becoming more self-sufficient in food and energy resources, to grow, process, and market new crops, or to develop the infrastructure to support new crops.

*f.* Research dissemination which will expand the knowledge of potential producers, or will collect, create, or disseminate agricultural knowledge, which will encourage the exchange of agriculturally related information among researchers, or which will provide access to farmers to information resources related to agriculture.

*g.* Agriculture health and safety research to identify, investigate, and increase awareness of agriculture safety problems, develop practical solutions to agriculture safety problems, develop ways to increase awareness and use of safety practices and devices, to improve medical professionals' ability to diagnose farm-related problems, or to reduce the accident and mortality rate in the agricultural industry.

89 Acts, ch 319, §72

Referred to in §266.39A

**266.39C The Iowa energy center.**

1. *a.* The Iowa energy center is established at Iowa state university of science and technology. The center shall strive to increase energy efficiency in all areas of Iowa energy use. The center shall serve as a model for state efforts to decrease dependence on imported fuels and to decrease reliance on energy production from nonrenewable, resource-depleting fuels. The center shall conduct and sponsor research on energy efficiency and conservation that will improve the environmental, social, and economic well-being of Iowans, minimize the environmental impact of existing energy production and consumption, and reduce the need to add new power plants.

*b.* The center shall assist Iowans in assessing technology related to energy efficiency and alternative energy production systems and shall support educational and demonstration programs that encourage implementation of energy efficiency and alternative energy production systems.

*c.* The center shall also conduct and sponsor research to develop alternative energy systems that are based upon renewable sources and that will reduce the negative environmental and economic impact of energy production systems.

2. *a.* An advisory council is established consisting of the following members:

(1) One person from Iowa state university of science and technology, appointed by its president.

(2) One person from the university of Iowa, appointed by its president.

(3) One person from the university of northern Iowa, appointed by its president.

(4) One representative of private colleges and universities within the state, to be nominated by the Iowa association of independent colleges and universities, and appointed by the Iowa coordinating council for post-high school education.

(5) One representative of community colleges, appointed by the state board of education.

(6) One representative of the economic development authority, appointed by the director.

(7) One representative of the state department of transportation, appointed by the director.

(8) One representative of the office of consumer advocate, appointed by the consumer advocate.

(9) One representative of the utilities board, appointed by the utilities board.

(10) One representative of the rural electric cooperatives, appointed by the governing body of the Iowa association of electric cooperatives.

(11) One representative of municipal utilities, appointed by the governing body of the Iowa association of municipal utilities.

(12) Two representatives from investor-owned utilities, one representing gas utilities, appointed by the Iowa utility association, and one representing electric utilities, appointed by the Iowa utility association.

*b.* The terms of the members shall begin and end as provided in section 69.19 and any vacancy shall be filled by the original appointing authority. The terms shall be for four years and shall be staggered as determined by the president of Iowa state university of science and technology.

3. *a.* Iowa state university of science and technology shall employ a director for the center, who shall be appointed by the president of Iowa state university of science and technology. The director of the center shall employ necessary research and support staff. The director and staff shall be employees of Iowa state university of science and technology. Funds appropriated to the center shall be used to sponsor research grants and projects submitted on a competitive basis by Iowa colleges and universities and private nonprofit agencies and foundations, and for the salaries and benefits of the employees of the center. The center may also solicit additional grants and funding from public and private nonprofit agencies and foundations.

*b.* The director shall prepare an annual report.

4. The advisory council shall provide the president of Iowa state university of science and technology with a list of three candidates from which the director shall be selected. The council shall provide an additional list of three candidates if requested by the president. The council shall advise the director in the development of a budget, on the policies and procedures of the center, in the funding of research grant proposals, and regarding program planning and review.

5. The Iowa energy center shall develop a program to provide assistance to rural residents for energy efficiency efforts.

6. The Iowa energy center shall cooperate with the state board of education in developing a curriculum which promotes energy efficiency and conservation.

90 Acts, ch 1252, §17; 91 Acts, ch 253, §13; 2000 Acts, ch 1223, §30; 2002 Acts, ch 1109, §1, 2; 2002 Acts, ch 1162, §38; 2008 Acts, ch 1126, §15, 33; 2009 Acts, ch 108, §12, 41; 2011 Acts, ch 20, §14; 2011 Acts, ch 118, §50, 89

Referred to in §476.1A, 476.1B, 476.1C, 476.10A, 476.46, 478.29, 479.31, 479B.21

See also §476.10A, 476.46

**266.39D Livestock producers assistance program.** Repealed by 2004 Acts, ch 1175, § 284.

**266.39E Beginning farmer center.**

1. A beginning farmer center is established as a part of the Iowa cooperative extension service in agriculture and home economics at Iowa state university of science and technology to assist individuals beginning farming operations. The center shall also assist in facilitating the transition of farming operations from established farmers to beginning farmers, including by matching purchasers and sellers of agricultural land, creating and maintaining an information base inventorying land and facilities available for acquisition, and developing models to increase the number of family farming operations in this state. The objectives of the beginning farmer center shall include, but are not limited to, the following:

*a.* To provide the coordination of education programs and services for beginning farmer efforts statewide.

*b.* To assess needs of beginning farmers and retiring farmers in order to identify program and service opportunities.

*c.* To develop, coordinate, and deliver statewide through the Iowa cooperative extension service in agriculture and home economics, and other entities as appropriate, targeted education to beginning farmers and retiring farm families.

2. Programs and services provided by the beginning farmer center shall include, but are not limited to, the development of skills and knowledge in financial management and planning, legal issues, tax laws, technical production and management, leadership, sustainable agriculture, human health, the environment, and leadership.

3. The beginning farmer center shall submit to the general assembly, annually on or before January 15, a report that includes but is not limited to recommendations for methods by which more individuals may be encouraged to enter agriculture.

94 Acts, ch 1193, §22

**266.39F Sale of dairy breeding research farm.**

1. Immediately after May 2, 2002, Iowa state university of science and technology shall develop a plan to sell, at market value, the one thousand one hundred-acre tract of land within the city limits of Ankeny, commonly referred to as the Iowa state university dairy breeding research farm. The plan shall include the sale of substantial portions of the tract as soon as practical, and the sale of all of the tract within a commercially reasonable time. Prior to implementing the plan, the university shall submit the plan to the state board of regents for review and approval. The sale shall be handled in a manner that is the most financially beneficial to the university. Appraisals conducted by the university of the value of any portion of the tract shall be made available to the public immediately following the sale of that portion of the tract.

2. *a.* The proceeds from the sale of the property as provided in subsection 1 are appropriated and shall be retained by Iowa state university of science and technology for use in establishing a new dairy research and dairy teaching facility or for the university's plant sciences institute.

*b.* The provisions of section 262.9, subsection 8, shall not apply to the sale of any portion of land to be sold in accordance with this section or to the use of the proceeds from the sale of the land.

3. By December 15 annually, the state board of regents shall submit a report of the activities and costs of the sale of any property in accordance with subsection 1, including but not limited to the use of any proceeds from the sale of the property and the environmental

cleanup costs for any proposed sale in accordance with this section, to the general assembly in accordance with section 7A.11A, and to the legislative services agency, until such time as the sale of the property is complete and the proceeds have been expended by the university, at which time the state board of regents shall submit a final report on the sale of the property and use of the proceeds to the general assembly in accordance with section 7A.11A and to the legislative services agency.

2002 Acts, ch 1143, §2, 3; 2003 Acts, ch 35, §45, 49; 2005 Acts, ch 179, §157

Legislative findings and purpose; 2002 Acts, ch 1143, §1

## DIVISION V

## ODOR MITIGATION FOR LIVESTOCK OPERATIONS

**266.40 Definitions.**

For purposes of this division, the following definitions apply:

1. *"Livestock"* means beef cattle, dairy cattle, swine, chickens, or turkeys.

2. *"Livestock operation"* means any area in which livestock are kept in a confined space, including a confinement feeding operation or open feedlot.

3. *"Livestock producer"* means the titleholder of livestock or a livestock operation.

4. *"University"* means Iowa state university of science and technology.

2008 Acts, ch 1174, §1, 13

Implementation of §266.40 – 266.49 is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

**266.41 Establishment.**

Iowa state university of science and technology shall consult with the department of agriculture and land stewardship and the department of natural resources to establish and administer livestock odor mitigation efforts to reduce the impacts of odor emitted from livestock operations involving swine, beef or dairy cattle, chickens, or turkeys as provided in this division.

2008 Acts, ch 1174, §2, 13

Referred to in §266.47

Implementation of §266.40 – 266.49 is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

**266.42 Purposes.**

The purposes of this division shall be to further livestock odor mitigation efforts as follows:

1. Further a livestock odor mitigation research effort in order to accelerate the adoption of affordable and effective odor mitigation technologies and strategies by livestock producers, expand the number of affordable and effective odor mitigation technologies and strategies available to livestock producers, and provide research-grounded information regarding odor mitigation technologies and strategies that are ineffective or cost-prohibitive.

2. Develop a livestock odor mitigation evaluation effort as provided in section 266.49, which shall be a multilevel process to determine the potential odor exposure to persons who would neighbor a new livestock operation as proposed to be constructed.

2008 Acts, ch 1174, §3, 13

Referred to in §266.43, 266.44, 266.45, 266.46, 266.47, 266.48, 266.49

Implementation of §266.40 – 266.49 is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

**266.43 Odor mitigation technologies and strategies — applied on-site research projects.**

1. *a.* Iowa state university of science and technology shall conduct applied on-site research projects to address whether odor mitigation technologies or strategies can be successfully implemented across many livestock operations, locations, and situations, and to analyze the costs of their successful implementation and maintenance to accomplish the purposes provided in section 266.42.

*b.* The projects shall be conducted at livestock operations on a statewide basis and under different circumstances.

*c.* The university shall evaluate technologies or strategies that have a firm foundation in

basic and applied research but which may further benefit from statewide on-site application. The technologies and strategies may include but are not limited to the following:

(1) The installation, maintenance, and use of odor mitigating devices, techniques, or strategies.

(2) The use of a livestock odor mitigation evaluation effort as provided in section 266.49.

(3) The manipulation of livestock diet.

2. A livestock producer who is classified as a habitual violator pursuant to section 459.604 or a chronic violator pursuant to section 657.11 shall not participate in an applied on-site research project under this section unless the livestock producer contributes one hundred percent of the total costs of conducting the project.

2008 Acts, ch 1174, §4, 13

Referred to in §266.44, 266.45, 266.48

Implementation of §266.40 – 266.49 is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

**266.44 Odor mitigation technologies and strategies — basic and applied research projects.**

1. *a.* Iowa state university of science and technology shall conduct basic or applied research projects to develop or advance technologies or strategies to accomplish the purposes provided in section 266.42.

*b.* The university shall evaluate technologies or strategies that have not been subject to comprehensive scientific scrutiny but which demonstrate promise to accomplish the purposes provided in section 266.42. The technologies and strategies may include but are not limited to the following:

(1) The adaption and use of modeling to locate livestock operations associated with keeping livestock in addition to swine, and to locate livestock operations utilizing odor mitigation devices, techniques, or strategies.

(2) The installation, maintenance, and use of odor mitigating devices, techniques, or strategies.

(3) The use of topical treatments applied to manure originating with livestock operations keeping chickens and turkeys.

2. Nothing in this section restricts the university from conducting its evaluation at livestock operations, including as provided in section 266.43. A livestock producer who is classified as a habitual violator pursuant to section 459.604 or a chronic violator pursuant to section 657.11 shall not participate in a basic or applied research project under this section unless the livestock producer contributes one hundred percent of the total costs of conducting the project.

2008 Acts, ch 1174, §5, 13

Referred to in §266.48

Implementation of §266.40 – 266.49 is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

**266.45 Emerging technologies and strategies — basic research projects.**

1. *a.* Iowa state university of science and technology shall conduct basic research projects to investigate emerging technologies or strategies that may accomplish the purposes provided in section 266.42.

*b.* The university shall evaluate technologies or strategies that demonstrate promise for future development but which may require a long-term research commitment.

2. Nothing in this section restricts the university from conducting its evaluation at livestock operations, including as provided in section 266.43. A livestock producer who is classified as a habitual violator pursuant to section 459.604 or a chronic violator pursuant to section 657.11 shall not participate in a basic research project under this section unless the livestock producer contributes one hundred percent of the total costs of conducting the project.

2008 Acts, ch 1174, §6, 13

Referred to in §266.48

Implementation of §266.40 – 266.49 is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

**266.46 Information reporting.**

In accordance with section 266.42, Iowa state university of science and technology is the custodian of all information including but not limited to reports and records obtained, submitted, and maintained in connection with the research projects conducted on the site of a livestock operation as provided in this division, and all information submitted by or gathered from or deduced from a livestock producer or livestock operation pursuant to a livestock odor mitigation evaluation under section 266.49 or section 459.303, subsection 3. The public shall have a right to examine and copy the information as provided in chapter 22, subject to the exceptions of section 22.7. In addition, the university or an agent or employee of the university shall not release the name or location, or any other information sufficient to identify the name or location of any livestock producer or livestock operation participating in a research project or participating in a livestock odor mitigation evaluation pursuant to section 266.49 or section 459.303, subsection 3, and such information shall not be subject to release pursuant to subpoena or discovery in any civil proceeding, unless such confidentiality is waived in writing by the livestock producer. In addition, the university or an employee or agent of the university shall release no other information submitted by or gathered from or deduced from a livestock producer or livestock operation pursuant to a livestock odor mitigation evaluation under section 266.49 or section 459.303, subsection 3, unless such information is used in a research project, which in turn shall not occur without the written consent of the livestock producer. Any information provided by, gathered from, or deduced from a livestock producer or livestock operation in connection with a research project or odor mitigation evaluation that is in the possession of the livestock producer or livestock operation shall not be subject to subpoena or discovery in any civil action against the producer.

2008 Acts, ch 1174, §7, 13

Referred to in §266.47

Implementation of §266.40 – 266.49 is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

**266.47 Research results — interim and final reports.**

1. Iowa state university of science and technology shall prepare and submit reports as follows:

*a.* The university shall submit an interim report to the general assembly each year on or before January 15, through January 15, 2013. The interim report shall do all of the following:

(1) Describe the university's progress in achieving the purposes of section 266.42, and detail its efforts in carrying out the livestock odor mitigation efforts described in this division.

(2) Evaluate applied and basic research projects being conducted or completed and provide estimates for their completion.

(3) Make any recommendation for improving, continuing, or expanding livestock odor mitigation efforts and for disseminating the results of those efforts to livestock producers.

*b.* The university shall submit a final report to the general assembly on or before six months after the completion of its research projects as provided in section 266.41. The final report shall include a summary of efforts, the university's findings and conclusions, and recommendations necessary to carry out the purposes of section 266.42.

2. Nothing in this section prevents the university, or any individual researcher employed by or affiliated with the university, from compiling information obtained, submitted, and maintained as the result of a livestock odor mitigation effort as provided in section 266.42 involving a specific livestock operation, and publishing that information as part of the report so long as the information cannot be used to identify a livestock producer or livestock operation without the consent of the livestock producer as provided in section 266.46.

3. All information obtained by the university in connection with a research project shall be available for public examination and copying as provided in chapter 22, subject to the exceptions of section 22.7, so long as the information cannot be used to identify the livestock producer or livestock operation as provided in section 266.46.

2008 Acts, ch 1174, §8, 13

Implementation of §266.40 – 266.49 is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

**266.48 Cost-share program for livestock odor mitigation research efforts.**

1. *a.* Iowa state university, in cooperation with the department of agriculture and land stewardship and the department of natural resources, shall establish a cost-share program for the livestock odor mitigation research efforts as established in sections 266.43 through 266.45 that maximizes participation in the livestock odor mitigation research efforts so as to accomplish the purposes in section 266.42, subsection 1.

*b.* The cost-share program shall allow for monetary contributions from livestock producers and other persons with an interest in livestock production. In addition, a livestock producer participating in a livestock odor mitigation research effort as provided in sections 266.43 through 266.45 shall provide in-kind contributions to participate in a research effort which may include but are not limited to furnishing the livestock producer's own labor, construction equipment, electricity and other utility costs, insurance, real property tax payments, and basic construction materials that may be reused or continued to be used by the livestock producer after the completion of the research effort.

2. This section does not apply to a livestock producer who is required to contribute one hundred percent of the total costs of conducting a research project.

2008 Acts, ch 1174, §9, 13; 2013 Acts, ch 30, §64

Implementation of §266.40 – 266.49 is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

Subsection 1, paragraph a amended

**266.49 Livestock odor mitigation evaluation effort.**

1. If funding is available, Iowa state university shall provide for a livestock odor mitigation evaluation effort as provided in section 266.42. The effort shall accomplish all of the following objectives:

*a.* Ensure ease of its use and timeliness in producing results, including reports and the issuance of a livestock odor mitigation certificate as provided in this section.

*b.* Ensure a cost-effective process of evaluation.

*c.* Provide a level of evaluation that corresponds to the complexity of the proposed site of construction, including unique characteristics associated with that site.

2. The livestock odor mitigation evaluation effort shall provide for increasing levels of participation by a person who requests the evaluation in cooperation with the university as follows:

*a.* A level one evaluation that provides an opportunity for the person to complete a simple questionnaire which may be accessed by using the internet without assistance by university personnel.

*b.* A level two evaluation that provides an opportunity for the person to consult with a specialist designated by the university who shall assist in performing a comprehensive evaluation of the site of the proposed construction.

*c.* A level three evaluation which provides an opportunity for the person to participate in a community-based odor assessment model that uses predictive computer modeling to analyze the potential odor intensity, duration, and frequency for a neighbor from a livestock operation.

3. An evaluation may account for all factors impacting upon odor exposure as determined relevant by the university. The factors may vary based upon the type of evaluation performed. Factors which may be considered include but are not limited to all of the following:

*a.* Characteristics relating to the proposed site including but not limited to terrain, weather patterns, surrounding vegetative barriers, the proximity of neighbors, and contributing odor sources.

*b.* The type and size of the structure proposed to be constructed and its relationship to existing livestock operation structures.

4. At the completion of an evaluation, the university shall provide the participating person with a report including its findings and recommendations. A report may vary based upon the type of evaluation performed. The report resulting from a level one or level two evaluation may recommend that the participating person conduct a higher level evaluation. A report resulting from a level two or level three evaluation may recommend modifications to the design or orientation of the livestock operation structure proposed to be constructed, the adoption of odor mitigating practices, or the installation of odor mitigating technologies.

5. A participating person who has completed the level of evaluation as recommended by the university may request that the university issue the participating person a livestock odor mitigation evaluation certificate. The university shall issue a certificate to the participating person that verifies the person's completion of an evaluation that satisfies the requirements of this section. The university shall not issue a certificate to a participating person who has not completed the level of evaluation recommended by the university. The certificate shall identify the name of the participating person and the site where the construction is proposed. However, it shall not include any other information.

2008 Acts, ch 1174, §10, 13

Referred to in §266.42, 266.43, 266.46, 459.303

Implementation of §266.40 – 266.49 is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

# CHAPTER 267

## LIVESTOCK HEALTH ADVISORY COUNCIL


| | | | |
|---|---|---|---|
| 267.1 | Definitions. | 267.6 | Iowa administrative procedure Act. |
| 267.2 | Livestock health advisory council. | 267.7 | Other funds. |
| 267.3 | Terms and vacancies. | 267.8 | Livestock disease research fund. |
| 267.4 | Supplies and services. | | |
| 267.5 | Duties and objectives of council. | | |


**267.1 Definitions.**

As used in this chapter,

1. *"Iowa state university"* means the Iowa state university of science and technology.
2. *"Livestock"* means swine, sheep, poultry, cattle, ostriches, rheas, or emus.
3. *"Producer"* means a person engaged in the business of producing livestock for profit.

[C79, 81, §267.1]

95 Acts, ch 43, §10

Referred to in §352.2

**267.2 Livestock health advisory council.**

There is a livestock health advisory council, referred to in this chapter as the council. The council shall consist of:

1. Three cattle producers appointed by the Iowa cattlemen's association, one of whom shall serve an initial term of one year, and one of whom shall serve an initial term of two years.
2. Three swine producers appointed by the Iowa pork producers association, one of whom shall serve an initial term of one year.
3. One sheep producer appointed by the Iowa sheep producers association who shall serve an initial term of one year.
4. One poultry producer appointed by the Iowa poultry association who shall serve an initial term of two years.
5. One milk producer appointed by the Iowa state dairy association who shall serve an initial term of two years; and
6. One practicing veterinarian appointed by the Iowa veterinary medical association.

[C79, 81, §267.2]

Referred to in §267.3

**267.3 Terms and vacancies.**

Except as provided in section 267.2, each member shall be appointed for a three-year term beginning on July 1 of the year of appointment. No member shall serve more than two terms, including any portion of a term served pursuant to the filling of a vacancy. Vacancies shall be filled by the appropriate organization in the same manner as appointing full-term members.

[C79, 81, §267.3]

**267.4 Supplies and services.**

The department of agriculture and land stewardship shall furnish the council with a meeting place and all articles, supplies, and services necessary to enable the council to perform its duties.

[C79, 81, §267.4]

**267.5 Duties and objectives of council.**

The livestock health advisory council shall:

1. Elect a chairperson and such other officers as it deems advisable. Officers of the council shall serve for terms of one year. No member may serve in any one office for more than two terms.

2. Hold a meeting twice each year with the Iowa state university college of veterinary medicine. Hold other meetings as the council may determine necessary, or as required by section 267.6. No action taken by the council shall be valid unless agreed to by a majority of the council members.

3. Make recommendations to the Iowa state university college of veterinary medicine concerning the application of funds appropriated to the college of veterinary medicine. The Iowa state university college of veterinary medicine shall not expend any of the funds appropriated by this chapter until the recommendation of the council concerning that appropriation is adopted or sixty days following the effective date of the appropriation, whichever is earlier.

4. File an annual report with the secretary of agriculture.

[C79, 81, §267.5]

92 Acts, ch 1246, §40

Referred to in §267.6

**267.6 Iowa administrative procedure Act.**

The provisions of chapter 17A shall not apply to the council or any actions taken by it, except that any recommendations adopted by the council pursuant to section 267.5, subsection 3, and any rules adopted by the council shall be adopted, amended, or repealed only after compliance with the provisions of sections 17A.4 and 17A.5, and the publication requirements in section 2B.5A.

[C79, 81, §267.6]

2010 Acts, ch 1031, §57

Referred to in §267.5

**267.7 Other funds.**

In addition to the funds appropriated to it by this chapter, the Iowa state university college of veterinary medicine may accept grants, gifts, matching funds, or any other funds for research into the diseases of livestock from any source, public or private.

[C77, §266.20; C79, 81, §267.7]

**267.8 Livestock disease research fund.**

There is created in the office of the treasurer of state a fund to be known as the livestock disease research fund. Any balance in said fund on June 30 of each fiscal year shall revert to the general fund.

93 Acts, ch 179, §24

# CHAPTER 267A

## LOCAL FOOD AND FARM PROGRAM


267A.1 Purpose and goals.
267A.2 Definitions.
267A.3 Local food and farm program council.
267A.4 Local food and farm program coordinator.
267A.5 Local food and farm program fund.
267A.6 Local food and farm program.
267A.7 Local food and farm program report.


**267A.1 Purpose and goals.**

1. The purpose of this chapter is to empower farmers and food entrepreneurs to provide for strong local food economies that promote self-sufficiency and job growth in the agricultural sector and allied sectors of the economy.

2. The goals of this chapter are to accomplish all of the following:

*a.* Promote the expansion of the production of local foods, including all of the following:

(1) The production of Iowa-grown food, including but not limited to livestock, eggs, milk, fruit, vegetables, grains, herbs, honey, and nuts.

(2) The processing of Iowa-grown agricultural products into food products, including canning, freezing, dehydrating, bottling, or otherwise packaging and preserving such products.

(3) The distribution and marketing of fresh and processed Iowa-grown agricultural food products to markets in this state and neighboring states.

*b.* Increase consumer and institutional spending on Iowa-produced and marketed foods.

*c.* Increase the profitability of farmers and businesses engaged in enterprises related to producing, processing, distributing, and marketing local food.

*d.* Increase the number of jobs in this state's farm and business economies associated with producing, processing, distributing, and marketing local food.

2011 Acts, ch 128, §27, 60
Referred to in §267A.3, 267A.5, 267A.6

**267A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Coordinator"* means the local food and farm program coordinator created in section 267A.4.

2. *"Council"* means the local food and farm program council established in section 267A.3.

3. *"Department"* means the department of agriculture and land stewardship.

4. *"Fund"* means the local food and farm program fund created in section 267A.5.

2011 Acts, ch 128, §28, 60; 2012 Acts, ch 1021, §60

**267A.3 Local food and farm program council.**

1. A local food and farm program council is established to advise the local food and farm program coordinator carrying out the purpose and goals of this chapter as provided in section 267A.1.

2. The council shall be composed of the following voting members:

*a.* The secretary of agriculture or the secretary's designee.

*b.* Members appointed by the designated organizations, at the discretion of the organization, to represent the private sector as follows:

(1) One person by the Iowa farmers union who is involved in local food production.

(2) One person by the Iowa farmers market association.

*c.* Members appointed by the governor to represent public or private entities involved in local food distribution, marketing, or processing as follows:

(1) One person who is associated with a resource conservation and development office in this state.

(2) One person actively engaged in the distribution of local food to processors, wholesalers, or retailers.

(3) One person from the regional food systems working group who is actively engaged or an expert in local food.

3. A member designated by the secretary of agriculture shall serve at the pleasure of the secretary. A member appointed by an organization shall serve at the pleasure of that organization. A member appointed by the governor shall serve at the pleasure of the governor.

4. The council shall be part of the department. The department shall perform administrative functions necessary for the operation of the council.

5. The council shall elect a chairperson from among its members each year on a rotating basis as provided by the council. The council shall meet on a regular basis and at the call of the chairperson or upon the written request to the chairperson of a majority of the members.

6. The members of the council shall not receive compensation for their services including as provided in section 7E.6. However, the members may be reimbursed for their actual and necessary expenses incurred in the performance of their duties as members of the council if allowed by the council.

7. A majority of the members constitutes a quorum and the affirmative vote of a majority of the members present is necessary for any substantive action to be taken by the council. The majority shall not include any member who has a conflict of interest and a statement by a member that the member has a conflict of interest is conclusive for this purpose. A vacancy in the membership does not impair the duties of the council.

2011 Acts, ch 128, §29, 60

Referred to in §267A.2

**267A.4 Local food and farm program coordinator.**

The position of local food and farm program coordinator is created within Iowa state university as part of its cooperative extension service in agriculture and home economics. The coordinator shall be the primary state official charged with carrying out the purposes and goals of this chapter.

2011 Acts, ch 128, §30, 60

Referred to in §267A.2

Cost-sharing agreement between department of agriculture and land stewardship and Iowa state university to support local food and farm program coordinator position; 2013 Acts, ch 132, §5, 31

Section not amended; footnote revised

**267A.5 Local food and farm program fund.**

A local food and farm program fund is created in the state treasury under the control of the department. The fund is separate from the general fund of the state. The fund is composed of moneys appropriated by the general assembly and moneys available to and obtained or accepted by the local food and farm program from the United States government or private sources for placement in the fund. Moneys in the fund shall be used to carry out the purpose and goals of this chapter as provided in section 267A.1, including but not limited to administering the local food and farm program as provided in section 267A.6. The fund shall be managed by the department in consultation with the local food and farm coordinator, under the supervision of the local food and farm program council.

2011 Acts, ch 128, §31, 60

Referred to in §267A.2

**267A.6 Local food and farm program.**

The local food and farm program coordinator, with advice from the local food and farm program council, shall develop and administer a local food and farm program necessary to carry out the purpose and goals of this chapter as provided in section 267A.1, including but not limited to by improving any of the following:

1. Communication and cooperation between and among farmers, food entrepreneurs, and consumers.

2. Coordination between and among government agencies, public universities and community colleges, organizations, and private-sector firms working on local food and farm-related issues.

2011 Acts, ch 128, §32, 60

Referred to in §267A.5

**267A.7 Local food and farm program report.**

The local food and farm program coordinator shall prepare an annual report dated June 30, which shall evaluate the state's progress in accomplishing the purpose and goals of this chapter. The report shall be delivered to the governor and general assembly not later than October 1 of each year.

2011 Acts, ch 128, §33, 60

# CHAPTER 268

## UNIVERSITY OF NORTHERN IOWA


268.1 Official designation.
268.2 Courses offered and responsibility of university.
268.3 Interest earnings.
268.4 Iowa waste reduction center for the safe and economic management of solid waste and hazardous substances.
268.5 Iowa academy of science appropriation limitations.
268.6 Agriculture energy efficiency education program. Repealed effective July 1, 2012; 2009 Acts, ch 175, §24.
268.7 Science, technology, engineering, and mathematics collaborative initiative.


**268.1 Official designation.**

The state university at Cedar Falls shall be officially designated and known as the "*University of Northern Iowa*".

[C97, §2675; S13, §2675; C24, 27, 31, 35, 39, §**4063;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §268.1]

**268.2 Courses offered and responsibility of university.**

The university shall offer undergraduate and graduate courses of instruction, conduct research and provide extension and other public services in areas of its competence to facilitate the social, cultural and economic development of Iowa. Its primary responsibility shall be to prepare teachers and other educational personnel for schools, colleges, and universities and to carry out research and provide consultative and other services for the improvement of education throughout the state. In addition, it shall conduct programs of instruction, research and service in the liberal and vocational arts and sciences and offer such other educational programs as the state board of regents may from time to time approve.

[C97, §2677; C24, 27, 31, 35, 39, §**4064;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §268.2]

**268.3 Interest earnings.**

If the interest earned on moneys accumulated by campus organizations at the university of northern Iowa is not available for expenditure by those respective campus organizations, the university of northern Iowa shall allocate that interest to campus improvements that are of benefit to students and have been accepted by the student government or to the student financial aid office to be used for the work-study program.

89 Acts, ch 319, §73

**268.4 Iowa waste reduction center for the safe and economic management of solid waste and hazardous substances.**

1. The Iowa waste reduction center for the safe and economic management of solid waste and hazardous substances is established at the university of northern Iowa. The university of northern Iowa, in cooperation with the department of natural resources, shall develop and implement a program which provides the following:

*a.* Information regarding the safe use and economic management of solid waste and hazardous substances to small businesses which generate the substances.

*b.* Dissemination of information to public and private agencies regarding state and federal solid waste and hazardous substances regulations, and assistance in achieving compliance with the regulations.

*c.* Advice and consultation in the proper storage, handling, treatment, reuse, recycling, and disposal methods of solid waste and hazardous substances.

*d.* Identification of the advantages of proper substance management relative to liability and operational costs of a particular small business.

*e.* Assistance in the providing of capital formation in order to comply with state and federal regulations.

2. *a.* An advisory committee to the center is established, consisting of a representative of each of the following organizations:

(1) The economic development authority.

(2) The small business development commission.

(3) The university of northern Iowa.

(4) The state university of Iowa.

(5) Iowa state university of science and technology.

(6) The department of natural resources.

*b.* The active participation of representatives of small businesses in the state shall also be sought and encouraged.

3. Information obtained or compiled by the center shall be disseminated directly to the economic development authority, the small business development centers, and other public and private agencies with interest in the safe and economic management of solid waste and hazardous substances.

4. The center may solicit, accept, and administer moneys appropriated to the center by a public or private agency.

5. This section does not do any of the following:

*a.* Relieve a person receiving assistance under this section of any duties or liabilities otherwise created or imposed upon the person by law.

*b.* Transfer to the state, the university of northern Iowa, or an employee of the state or the university, a duty or liability otherwise imposed by law on a person receiving assistance under this section.

*c.* Create a liability to the state, the university of northern Iowa, or an employee of the state or the university for an act or omission arising from the providing of assistance or advice in cleaning up, handling, or disposal of hazardous waste. However, an individual may be liable if the act or omission results from intentional wrongdoing or gross negligence.

87 Acts, ch 225, §403; 89 Acts, ch 77, §1; 2011 Acts, ch 118, §85, 89
Referred to in §15A.1, 455B.481, 455B.484A

**268.5 Iowa academy of science appropriation limitations.**

The university shall use no more than twenty percent of the funds allocated to the university for the Iowa academy of science for administrative purposes for the Iowa academy of science or for publication of the Iowa academy of science journal. The university shall expend the remainder of the moneys appropriated for research projects and studies awarded by the Iowa academy of science. The Iowa academy of science shall permit all grant recipients to publish the results of the recipients' research projects and studies in the Iowa academy of science journal at no cost to the grant recipient.

91 Acts, ch 267, §238

**268.6 Agriculture energy efficiency education program.** Repealed effective July 1, 2012; 2009 Acts, ch 175, § 24.

**268.7 Science, technology, engineering, and mathematics collaborative initiative.**

1. A science, technology, engineering, and mathematics collaborative initiative is established at the university of northern Iowa for purposes of supporting activities directly related to recruitment of prekindergarten through grade twelve mathematics and science

teachers for ongoing mathematics and science programming for students enrolled in prekindergarten through grade twelve.

2. The collaborative initiative shall prioritize student interest in achievement in science, technology, engineering, and mathematics; reach every student and teacher in every school district in the state; identify, recruit, prepare, and support the best mathematics and science teachers; and sustain exemplary programs through the university's Iowa mathematics and science education partnership. The university shall collaborate with the community colleges to develop science, technology, engineering, and mathematics professional development programs for community college instructors and for purposes of science, technology, engineering, and mathematics curricula development.

3. Subject to an appropriation of funds by the general assembly, the initiative shall administer the following:

*a.* Regional science, technology, engineering, and mathematics networks for Iowa, the purpose of which is to equalize science, technology, engineering, and mathematics education enrichment opportunities available to learners statewide. The initiative shall establish six geographically similar regional science, technology, engineering, and mathematics networks across Iowa that complement and leverage existing resources, including but not limited to extension service assets, area education agencies, state accredited postsecondary institutions, informal educational centers, school districts, economic development zones, and existing public and private science, technology, engineering, and mathematics partnerships. Each network shall be managed by a highly qualified science, technology, engineering, and mathematics advocate positioned at a network hub to be determined through a competitive application process. Oversight for each regional network shall be provided by a regional advisory board. Members of the board shall be appointed by the governor. The membership shall represent prekindergarten through grade twelve school districts and schools, and higher education, business, nonprofit organizations, youth agencies, and other appropriate stakeholders.

*b.* A focused array of the best science, technology, engineering, and mathematics enrichment opportunities, selected through a competitive application process, that can be expanded to meet future needs. A limited, focused list of selected exemplary programs shall be made available to each regional network.

*c.* Statewide science, technology, engineering, and mathematics programming designed to increase participation of students and teachers in successful learning experiences; to increase the number of science, technology, engineering, and mathematics-related teaching majors offered by the state's universities; to elevate public awareness of the opportunities; and to increase collaboration and partnerships.

4. The initiative shall evaluate the effectiveness of programming to document best practices.

2012 Acts, ch 1132, §12

# CHAPTER 269

## BRAILLE AND SIGHT SAVING SCHOOL

Referred to in §256B.2, 331.381

No merger with school for the deaf
until requirements met, §270.10
Transportation payments, §270.9

269.1 Admission.
269.2 Expenses — residence of indigents.

**269.1 Admission.**

Any resident of the state under twenty-one years of age who has a visual disability too severe to acquire a satisfactory education in a regular educational environment shall be

entitled to an education in the Iowa braille and sight saving school at the expense of the state. Nonresidents also may be admitted to the Iowa braille and sight saving school if their presence would not be prejudicial to the interests of residents, upon such terms as may be fixed by the state board of regents.

[R60, §2147, 2148; C73, §1672, 1680; C97, §2715; S13, §2715; C24, 27, 31, 35, 39, §**4066;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §269.1]

94 Acts, ch 1091, §21

Governed by board of regents, §262.7

**269.2 Expenses — residence of indigents.**

The provisions of sections 270.4 to 270.8, inclusive, are hereby made applicable to the Iowa braille and sight saving school.

[C73, §1678; C97, §2716; C24, 27, 31, 35, 39, §**4067;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §269.2]

Referred to in §331.424, 331.552

# CHAPTER 270

## SCHOOL FOR THE DEAF

Referred to in §256B.2, 331.381


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|---|---|
| 270.1 | Superintendent. |
| 270.2 | Repealed by 94 Acts, ch 1091, §25. |
| 270.3 | Admission. |
| 270.4 | Clothing, prescriptions, and transportation. |
| 270.5 | Certification to director of the department of administrative services. |
| 270.6 | Certification to auditor — collection. |
| 270.7 | Payment by county. |
| 270.8 | Residence during vacation. |
| 270.9 | School for deaf and sight saving school. |
| 270.10 | Merger requirements. |


**270.1 Superintendent.**

The superintendent of the school for the deaf shall be a trained and experienced educator of the deaf. The superintendent's salary may include residence in the institution, but no such allowance shall be made except by express contract in advance.

[C97, §2723; S13, §2727-3a; C24, 27, 31, 35, 39, §**4068;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §270.1]

Governed by board of regents, §262.7

**270.2** Repealed by 94 Acts, ch 1091, § 25.

**270.3 Admission.**

Any resident of the state less than twenty-one years of age, who has a hearing loss which is too severe to acquire an education in the public schools is eligible to attend the school for the deaf. Nonresidents similarly situated may be admitted to an education therein upon such terms as may be fixed by the state board of regents. The fee for nonresidents shall be not less than the average expense of resident pupils and shall be paid in advance.

[R60, §2156, 2160; C73, §1688, 1689; C97, §2724; S13, §2724; C24, 27, 31, 35, 39, §**4070;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §270.3]

**270.4 Clothing, prescriptions, and transportation.**

The superintendent shall provide students, who would otherwise be without, with clothing, prescription refills, or transportation, and shall bill the student's parent or guardian, if the student is a minor, or the student if the student has attained the age of majority, for

any clothing, prescription refills, or transportation provided. The bill shall be presumptive evidence in all courts.

[C73, §1695; C97, §2726; S13, §2726; C24, 27, 31, 35, 39, §**4071;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §270.4]

94 Acts, ch 1091, §22

Referred to in §263.12, 269.2, 270.5, 331.424

**270.5 Certification to director of the department of administrative services.**

The superintendent shall, on the first days of June and December of each year, certify to the director of the department of administrative services the amounts due from counties pursuant to sections 270.4 and 270.6, and the director of the department of administrative services shall credit the amounts due to the general fund of the state, and charge the amount to the proper county.

[C73, §1695; C97, §2726; S13, §2726; C24, 27, 31, 35, 39, §**4072;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §270.5]

91 Acts, ch 267, §521; 2003 Acts, ch 145, §286

Referred to in §263.12, 269.2, 331.424

**270.6 Certification to auditor — collection.**

The superintendent shall, at the time of sending certificate to the director of the department of administrative services, send a duplicate copy to the auditor of the county of the pupil's residence, who shall, when ordered by the board of supervisors, proceed to collect the same by action if necessary, in the name of the county, and when so collected, shall pay the same into the county treasury.

[C73, §1695; C97, §2726; S13, §2726; C24, 27, 31, 35, 39, §**4073;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §270.6]

2003 Acts, ch 145, §286

Referred to in §263.12, 269.2, 270.5, 331.424, 331.502

**270.7 Payment by county.**

1. The county auditor shall, upon receipt of the certificate, pass it to the credit of the state, and issue a notice to the county treasurer authorizing the county treasurer to transfer the amount to the general state revenue, which shall be filed by the treasurer as authority for making the transfer, and the county treasurer shall include the amount in the next remittance of state taxes to the treasurer of state, designating the fund to which it belongs.

2. If a county fails to pay these bills within sixty days from the date of certificate from the superintendent, the director of the department of administrative services shall charge the delinquent county a penalty of three-fourths of one percent per month on and after sixty days from the date of certificate until paid. The penalties shall be credited to the general fund of the state.

[C73, §1695; C97, §2726; S13, §2726; C24, 27, 31, 35, 39, §**4074;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §270.7]

83 Acts, ch 123, §106, 209; 2003 Acts, ch 145, §286

Referred to in §263.12, 269.2, 331.424, 331.502, 331.552

Method for payment for prescription drug costs for FY 2013-2014 and FY 2014-2015; 2013 Acts, ch 141, §10, 29

Section not amended; footnote revised

**270.8 Residence during vacation.**

The residence of indigent or homeless children may, by order of the state board of regents, be continued during vacation months.

[S13, §2727-a; C24, 27, 31, 35, 39, §**4075;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §270.8]

Referred to in §263.12, 269.2

**270.9 School for deaf and sight saving school.**

Funds appropriated to the school for the deaf and the Iowa braille and sight saving school for payments to the parents or guardians of pupils in either institution shall be expended as follows:

1. Transportation reimbursement at a rate established annually by the state board of regents to the parents or guardians of children who do not reside in the institution, but are transported to the institution on a daily basis.

2. Transportation reimbursement at a rate established annually by the state board of regents to the parents or guardians for transportation from the institution to the residence of the parent or guardian and return to the institution for children who reside in the institution.

[C77, 79, 81, §270.9]

86 Acts, ch 1246, §131

**270.10 Merger requirements.**

The state board of regents shall not merge the school for the deaf at Council Bluffs with the Iowa braille and sight saving school at Vinton or close either of those institutions until all of the following requirements have been met:

1. The department of management has presented to the general assembly a comprehensive plan, program, and fiscal analysis of the existing circumstances and the circumstances which would prevail upon the proposed merger or closing, together with data which would support the contention that the merger or closing will be more efficient and effective than continuation of the existing facilities. The analysis shall include a detailed study of the educational implications of the merger or closing, the impact on the students, and the opinions and research of nationally recognized experts in the field of the education of visually impaired and deaf students. The comprehensive plan shall further include a study relating to the programming, fiscal consequences, and political implications which would result if either a merger or an agreement under chapter 28E should be implemented between the school for the deaf in Council Bluffs and comparable state programs in the state of Nebraska.

2. The general assembly has studied the plans, programs, and fiscal analysis and has reviewed their impact on the programs.

3. The general assembly has enacted legislation authorizing either the closing or the merger to take effect not sooner than two years after the enactment of the legislation.

86 Acts, ch 1246, §132

# CHAPTER 271

## OAKDALE CAMPUS


271.1 Designation.
271.2 Purposes.
271.3 Governance.
271.4 Patient treatment.
271.5 Care of patients — professional services.
271.6 Integrated treatment of university hospital patients.


**271.1 Designation.**

The state hospital located at Oakdale shall be known as the Oakdale campus.

[S13, §2727-a75; C24, 27, 31, 35, 39, §**3385;** C46, §220.1; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §271.1]

**271.2 Purposes.**

The Oakdale campus shall be primarily devoted to health related research, education, and service programs, including experimental health care delivery models. To the extent that Oakdale campus resources are not required to meet the primary purposes, its resources shall be devoted to meeting other related needs of the state university of Iowa.

[S13, §2727-a75; C24, 27, 31, 35, 39, §**3386;** C46, §220.2; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §271.2]

**271.3 Governance.**

The state board of regents shall have full power to manage, control, and govern the Oakdale campus in the same manner as other institutions under its control.

[C66, 71, 73, 75, §271.20; C77, 79, 81, §271.3]

**271.4 Patient treatment.**

Oakdale campus authorities may provide for treatment of such patients as they deem advisable and for which facilities and services are available. Except for patients admitted who are patients referred from the university hospitals, the Oakdale campus shall collect from the patients or a person liable for such support, such reasonable charges for care, service and treatment as may be fixed by the state board of regents. Earnings shall be deposited with the treasurer of the state university of Iowa for the use and benefit of the Oakdale campus and to supplement any other sources of income. Patient treatment and care on the Oakdale campus shall be provided by the faculty of the health science colleges of the state university of Iowa, staff of the university hospital, and professional and other staff as may be employed by the Oakdale campus.

[C66, 71, 73, 75, §271.3, 271.17(3); C77, 79, 81, §271.4]

**271.5 Care of patients — professional services.**

Physicians and dentists who care for patients on the Oakdale campus may charge for their professional services under such rules and plans as may be approved by the state board of regents.

[C66, 71, 73, 75, §271.18; C77, 79, 81, §271.5]

**271.6 Integrated treatment of university hospital patients.**

The authorities of the Oakdale campus may authorize patients for admission to the hospital on the Oakdale campus who are referred from the university hospitals and who shall retain the same status, classification, and authorization for care which they had at the university hospitals. Patients referred from the university hospitals to the Oakdale campus shall be deemed to be patients of the university hospitals. The operating policies of the university hospitals shall apply to the patients the same as the provisions apply to patients who are treated on the premises of the university hospitals.

[C66, 71, 73, 75, §271.17; C77, 79, 81, §271.6]

87 Acts, ch 233, §473; 2005 Acts, ch 167, §52, 66

# SUBTITLE 5

## EDUCATIONAL DEVELOPMENT AND PROFESSIONAL REGULATION

# CHAPTER 272

## EDUCATIONAL EXAMINERS BOARD

Referred to in §20.17, 20.19, 20.20, 235A.15, 235B.6, 256.7, 256.11, 256.41, 256.42, 256.43, 256C.3, 261.112, 261E.4, 262.9, 273.3, 279.13, 279.19B, 279.49, 284.2, 284.7, 284.10, 284.15, 284.16, 284A.2, 284A.6, 284A.7, 299A.2, 622.10


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272.2 Board of examiners created.
272.3 Membership.
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272.25 Rules for practitioner preparation programs.
272.26 Reserved.
272.27 Student teaching and other educational experiences.
272.28 Mentoring and induction requirement.
272.29 Annual administrative rules review.
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272.31 Authorizations — coaching — school business officials.
272.32 Reserved.
272.33 Repealed by 2001 Acts, ch 161, §21; 2002 Acts, ch 1152, §21.
272.34 Repealed by 94 Acts, ch 1126, §2.


**272.1 Definitions.**

1. *"Administrator"* means a person who is licensed to coordinate, supervise, or direct an educational program or the activities of other practitioners.

2. *"Board"* means the board of educational examiners.

3. *"Certificate"* means limited recognition to perform instruction and instruction-related duties in school, other than those duties for which practitioners are licensed. A certificate is nonexclusive recognition and does not confer the exclusive authority of a license.

4. *"Department"* means the state department of education.

5. *"License"* means the authority that is given to allow a person to legally serve as a practitioner, a school, an institution, or a course of study to legally offer professional development programs, other than those programs offered by practitioner preparation schools, institutions, courses of study, or area education agencies. A license is the exclusive authority to perform these functions.

6. *"Para-educator"* means a person who is certified to assist a teacher in the performance of instructional tasks to support and assist classroom instruction and related school activities.

7. *"Practitioner"* means an administrator, teacher, or other licensed professional, including an individual who holds a statement of professional recognition, who provides educational assistance to students.

8. *"Practitioner preparation program"* means a program approved by the state board of education which prepares a person to obtain a license as a practitioner.

9. *"Principal"* means a licensed member of a school's instructional staff who serves as an instructional leader, coordinates the process and substance of educational and instructional programs, coordinates the budget of the school, provides formative evaluation for all practitioners and other persons in the school, recommends or has effective authority to appoint, assign, promote, or transfer personnel in a school building, implements the local

school board's policy in a manner consistent with professional practice and ethics, and assists in the development and supervision of a school's student activities program.

10. *"Professional development program"* means a course or program which is offered by a person or agency for the purpose of providing continuing education for the renewal or upgrading of a practitioner's license.

11. *"School"* means a school under section 280.2, an area education agency, and a school operated by a state agency for special purposes.

12. *"School administration manager"* means a person who is authorized to assist a school principal in performing noninstructional administrative duties.

13. *"School service personnel"* means those persons holding a practitioner's license who provide support services for a student enrolled in school or to practitioners employed in a school.

14. *"Student"* means a person who is enrolled in a course of study at a school or practitioner preparation program, or who is receiving direct or indirect assistance from a practitioner.

15. *"Superintendent"* means an administrator who promotes, demotes, transfers, assigns, or evaluates practitioners or other personnel, and carries out the policies of a governing board in a manner consistent with professional practice and ethics.

16. *"Teacher"* means a licensed member of a school's instructional staff who diagnoses, prescribes, evaluates, and directs student learning in a manner which is consistent with professional practice and school objectives, shares responsibility for the development of an instructional program and any coordinating activities, evaluates or assesses student progress before and after instruction, and who uses the student evaluation or assessment information to promote additional student learning.

[C97, §2628; C24, 27, 31, 35, 39, §**3858;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §260.1]

89 Acts, ch 265, §1; 90 Acts, ch 1249, §4

C93, §272.1

98 Acts, ch 1216, §22; 2000 Acts, ch 1098, §2, 3; 2002 Acts, ch 1047, §10, 20; 2008 Acts, ch 1008, §1; 2012 Acts, ch 1119, §25

Referred to in §256.44, 256F.7, 261.111, 261B.3A, 263.1, 266.2, 284.7, 284.15, 284.16, 709.15

**272.2 Board of examiners created.**

The board of educational examiners is created to exercise the exclusive authority to:

1. *a.* License practitioners, which includes the authority to establish criteria for the licenses; establish issuance and renewal requirements; create application and renewal forms; create licenses that authorize different instructional functions or specialties; develop a code of professional rights and responsibilities, practices, and ethics, which shall, among other things, address the failure of a practitioner to fulfill contractual obligations under section 279.13; and develop any other classifications, distinctions, and procedures which may be necessary to exercise licensing duties. In addressing the failure of a practitioner to fulfill contractual obligations, the board shall consider factors beyond the practitioner's control.

*b.* Provide annually to any person who holds a license, certificate, authorization, or statement of recognition issued by the board, training relating to the knowledge and understanding of the board's code of professional conduct and ethics. The board shall develop a curriculum that addresses the code of professional conduct and ethics and shall annually provide regional training opportunities throughout the state.

2. Establish, collect, and refund fees for a license.

3. Enter into reciprocity agreements with other equivalent state boards or a national certification board to provide for licensing of applicants from other states or nations.

4. Enforce rules adopted by the board through revocation or suspension of a license, or by other disciplinary action against a practitioner or professional development program licensed by the board of educational examiners. The board shall designate who may or shall initiate a licensee disciplinary investigation and a licensee disciplinary proceeding, and who shall prosecute a disciplinary proceeding and under what conditions, and shall state the procedures for review by the board of findings of fact if a majority of the board does

not hear the disciplinary proceeding. However, in a case alleging failure of a practitioner to fulfill contractual obligations, the person who files a complaint with the board, or the complainant's designee, shall represent the complainant in a disciplinary hearing conducted in accordance with this chapter.

5. Apply for and receive federal or other funds on behalf of the state for purposes related to its duties.

6. Evaluate and conduct studies of board standards.

7. Hire an executive director, legal counsel, and other personnel and control the personnel administration of persons employed by the board.

8. Hear appeals regarding application, renewal, suspension, or revocation of a license. Board action is final agency action for purposes of chapter 17A.

9. Establish standards for the determination of whether an applicant is qualified to perform the duties required for a given license.

10. Issue statements of professional recognition to school service personnel who have attained a minimum of a baccalaureate degree and who are licensed by another professional licensing board, including but not limited to athletic trainers licensed under chapter 152D.

11. Make recommendations to the state board of education concerning standards for the approval of professional development programs.

12. Establish, under chapter 17A, rules necessary to carry out board duties, and establish a budget request.

13. Adopt rules to provide for nontraditional preparation options for licensing persons who hold a bachelor's degree from an accredited college or university, who do not meet other requirements for licensure.

14. Adopt rules to determine whether an applicant is qualified to perform the duties for which a license is sought. The rules shall include all of the following:

*a.* The board may deny a license to or revoke the license of a person upon the board's finding by a preponderance of evidence that either the person has been convicted of a crime or that there has been a founded report of child abuse against the person. Rules adopted in accordance with this paragraph shall provide that in determining whether a person should be denied a license or that a practitioner's license should be revoked, the board shall consider the nature and seriousness of the founded abuse or crime in relation to the position sought, the time elapsed since the crime was committed, the degree of rehabilitation which has taken place since the incidence of founded abuse or the commission of the crime, the likelihood that the person will commit the same abuse or crime again, and the number of founded abuses committed by or criminal convictions of the person involved.

*b.* Notwithstanding paragraph "*a*", the rules shall require the board to disqualify an applicant for a license or to revoke the license of a person for any of the following reasons:

(1) The person entered a plea of guilty to, or has been found guilty of, any of the following offenses, whether or not a sentence is imposed:

(a) Any of the following forcible felonies included in section 702.11: child endangerment, assault, murder, sexual abuse, or kidnapping.

(b) Any of the following sexual abuse offenses, as provided in chapter 709, involving a child:

(i) First, second, or third degree sexual abuse committed on or with a person who is under the age of eighteen years.

(ii) Lascivious acts with a child.

(iii) Assault with intent to commit sexual abuse.

(iv) Indecent contact with a child.

(v) Sexual exploitation by a counselor.

(vi) Lascivious conduct with a minor.

(vii) Sexual exploitation by a school employee.

(c) Enticing a minor under section 710.10.

(d) Human trafficking under section 710A.2.

(e) Incest involving a child under section 726.2.

(f) Dissemination and exhibition of obscene material to minors under section 728.2.

(g) Telephone dissemination of obscene material to minors under section 728.15.

(h) Any offense specified in the laws of another jurisdiction, or any offense that may be prosecuted in federal, military, or foreign court, that is comparable to an offense listed in this subparagraph (1).

(i) Any offense under prior laws of this state or another jurisdiction, or any offense under prior law that was prosecuted in a federal, military, or foreign court, that is comparable to an offense listed in this subparagraph (1).

(2) The applicant is less than twenty-one years of age except as provided in section 272.31, subsection 1, paragraph "*e*". However, a student enrolled in a practitioner preparation program who meets board requirements for a temporary, limited-purpose license who is seeking to teach as part of a practicum or internship may be less than twenty-one years of age.

(3) The applicant's application is fraudulent.

(4) The applicant's license or certification from another state is suspended or revoked.

(5) The applicant fails to meet board standards for application for an initial or renewed license.

*c.* Qualifications or criteria for the granting or revocation of a license or the determination of an individual's professional standing shall not include membership or nonmembership in any teachers' organization.

*d.* An applicant for a license or certificate under this chapter shall demonstrate that the requirements of the license or certificate have been met and the burden of proof shall be on the applicant.

15. Adopt rules that require specificity in written complaints that are filed by individuals who have personal knowledge of an alleged violation and which are accepted by the board, provide that the jurisdictional requirements as set by the board in administrative rule are met on the face of the complaint before initiating an investigation of allegations, provide that any investigation be limited to the allegations contained on the face of the complaint, provide for an adequate interval between the receipt of a complaint and public notice of the complaint, permit parties to a complaint to mutually agree to a resolution of the complaint filed with the board, allow the respondent the right to review any investigative report upon a finding of probable cause for further action by the board, require that the conduct providing the basis for the complaint occurred within three years of discovery of the event by the complainant unless good cause can be shown for an extension of this limitation, and require complaints to be resolved within one hundred eighty days unless good cause can be shown for an extension of this limitation.

16. Adopt criteria for administrative endorsements that allow a person to achieve the endorsement authorizing the person to serve as an elementary or secondary principal without regard to the grade level at which the person accrued teaching experience.

17. Adopt rules to require that a background investigation be conducted by the division of criminal investigation of the department of public safety on all initial applicants for licensure. The board shall also require all initial applicants to submit a completed fingerprint packet and shall use the packet to facilitate a national criminal history background check. The board shall have access to, and shall review the sex offender registry information under section 692A.121 available to the general public, the central registry for child abuse information established under chapter 235A, and the dependent adult abuse records maintained under chapter 235B for information regarding applicants for license renewal.

18. May adopt rules for practitioners who are not eligible for a statement of professional recognition under subsection 10, but have received a baccalaureate degree and provide a service to students at any or all levels from prekindergarten through grade twelve for a school district, accredited nonpublic school, area education agency, or preschool program established pursuant to chapter 256C.

[C97, §2629; S13, §2629; C24, 27, 31, §3863; C35, §3858-e1; C39, §**3858.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §260.2]

86 Acts, ch 1245, §1442; 89 Acts, ch 265, §2; 90 Acts, ch 1249, §5, 6

C93, §272.2

96 Acts, ch 1189, §1; 96 Acts, ch 1215, §46; 2001 Acts, ch 103, §1; 2001 Acts, ch 161, §15, 16; 2001 Acts, ch 177, §13, 15; 2002 Acts, ch 1084, §1; 2002 Acts, ch 1128, §1; 2003 Acts, ch

108, §48; 2003 Acts, ch 180, §14, 15; 2006 Acts, ch 1152, §9; 2007 Acts, ch 108, §9; 2008 Acts, ch 1008, §2; 2009 Acts, ch 119, §39; 2009 Acts, ch 177, §32, 33; 2010 Acts, ch 1043, §1; 2011 Acts, ch 35, §1, 2; 2011 Acts, ch 132, §93, 106

Referred to in §232.69, 235B.16, 261E.3, 272.12, 272.15, 279.43, 279.69

**272.3 Membership.**

1. The board of educational examiners consists of twelve members. Two must be members of the general public, one must be the director of the department of education or the director's designee, and the remaining nine members must be licensed practitioners. One of the public members shall have served on a school board. The public members shall never have held a practitioner's license, but shall have a demonstrated interest in education. The nine practitioners shall be selected from the following areas and specialties of the teaching profession:

*a.* Elementary teachers.

*b.* Secondary teachers.

*c.* Special education or other similar teachers.

*d.* Counselors or other special purpose practitioners.

*e.* Administrators.

*f.* School service personnel.

2. A majority of the licensed practitioner members shall be nonadministrative practitioners. Four of the members shall be administrators. Membership of the board shall comply with the requirements of sections 69.16 and 69.16A. A quorum of the board shall consist of six members. Members shall elect a chairperson of the board. Members, except for the director of the department of education or the director's designee, shall be appointed by the governor subject to confirmation by the senate.

[C97, §2634; S13, §2634-a; SS15, §2634-a; C24, 27, 31, 35, 39, §**3859;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §260.3]

85 Acts, ch 212, §22; 86 Acts, ch 1245, §1443; 89 Acts, ch 265, §3

C93, §272.3

2002 Acts, ch 1047, §11, 20; 2006 Acts, ch 1152, §10, 11; 2007 Acts, ch 104, §1; 2008 Acts, ch 1008, §3

Confirmation, see §2.32

**272.4 Terms of office.**

1. Members, except for the director of the department of education or the director's designee, shall be appointed to serve staggered terms of four years. A member shall not serve more than two consecutive terms, except for the director of the department of education or the director's designee, who shall serve until the director's term of office expires. A member of the board, except for the two public members and the director of the department of education or the director's designee, shall hold a valid practitioner's license during the member's term of office. A vacancy exists when any of the following occur:

*a.* A nonpublic member's license expires, is suspended, or is revoked.

*b.* A nonpublic member retires or terminates employment as a practitioner.

*c.* A member dies, resigns, is removed from office, or is otherwise physically unable to perform the duties of office.

*d.* A member's term of office expires.

2. Terms of office for regular appointments shall begin and end as provided in section 69.19. Terms of office for members appointed to fill vacancies shall begin on the date of appointment and end as provided in section 69.19. Members may be removed for cause by a state court with competent jurisdiction after notice and opportunity for hearing. The board may remove a member for three consecutive absences or for cause.

89 Acts, ch 265, §4

CS89, §260.4

92 Acts, ch 1212, §25

C93, §272.4

2007 Acts, ch 22, §64; 2008 Acts, ch 1008, §4

**272.5 Compensation of board — executive director.**

1. Members shall be reimbursed for actual and necessary expenses incurred while engaged in their official duties and may be entitled to per diem compensation as authorized under section 7E.6. For duties performed during an ordinary school day by a member who is employed by a school corporation or state university, the member shall also receive regular compensation from the school or university. However, the member shall reimburse the school or university in the amount of the per diem compensation received.

2. The governor shall appoint an executive director of the board of educational examiners subject to confirmation by the senate. The director shall possess a background in education licensure and administrative experience and shall serve at the pleasure of the governor. The board of educational examiners shall set the salary of the executive director within the range established for the position by the general assembly.

[C35, §3872-e1; C39, §**3872.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §260.5]
89 Acts, ch 265, §5; 90 Acts, ch 1249, §7
C93, §272.5
2012 Acts, ch 1119, §22
Confirmation, see §2.32

**272.6 Immunities.**

1. A person shall not be civilly liable as a result of the person's acts, omissions, or decisions that are reasonable and in good faith as a member of the board or as an employee or agent in connection with the person's duties.

2. A person shall not be civilly liable as a result of filing a report or complaint with the board or for the disclosure to the board or its agents or employees, whether or not pursuant to a subpoena of records, documents, testimony, or other forms of information in connection with proceedings of the board. However, such immunity from civil liability shall not apply if such an act is done with malice.

3. A person shall not be dismissed from employment or discriminated against by an employer for doing any of the following:

*a.* Filing a complaint with the board.

*b.* Participating as a member, agent, or employee of the board.

*c.* Presenting testimony or other evidence to the board.

4. An employer who violates this section shall be liable to a person aggrieved by such violation for actual and punitive damages plus reasonable attorney fees.

2011 Acts, ch 37, §1

**272.7 Validity of license.**

A license issued under board authority is valid for the period of time for which it is issued, unless the license is suspended or revoked. A license issued by the board is valid until the last day of the practitioner's birth month in the year in which the license expires. No permanent licenses shall be issued. A person employed as a practitioner shall hold a valid license with an endorsement for the type of service for which the person is employed. This section does not limit the duties or powers of a school board to select or discharge practitioners or to terminate practitioners' contracts. A professional development program, except for a program offered by a practitioner preparation institution or area education agency and approved by the state board of education, must possess a valid license for the types of programs offered.

The executive director of the board may grant or deny license applications, applications for renewal of a license, and suspension or revocation of a license. A denial of an application for a license, the denial of an application for renewal, or a suspension or revocation of a license may be appealed by the practitioner to the board.

The board may issue emergency renewal or temporary, limited-purpose licenses upon petition by a current or former practitioner. An emergency renewal or a temporary, limited-purpose license may be issued for a period not to exceed two years, if a petitioner demonstrates, to the satisfaction of the board, good cause for failure to comply with board requirements for a regular license and provides evidence that the petitioner will comply with board requirements within the period of the emergency or temporary license. Under

exceptional circumstances, an emergency license may be renewed by the board for one additional year. A previously unlicensed person is not eligible for an emergency or temporary license, except that a student who is enrolled in a licensed practitioner preparation program may be issued a temporary, limited-purpose license, without payment of a fee, as part of a practicum or internship program.

[S13, §2630-b, 2734-e; C24, 27, 31, §3878; C35, §3872-e3, -e4, -e5, 3878; C39, §**3872.03, 3872.04, 3872.05, 3878;** C46, 50, 54, 58, 62, 66, 71, 73, §260.7, 260.8, 260.9, 260.17, 260.18; C75, 77, 79, §260.7, 260.8, 260.9, 260.17; C81, §260.7]

89 Acts, ch 265, §7

C93, §272.7

94 Acts, ch 1126, §1; 2000 Acts, ch 1070, §1

**272.8 License to applicants from other states or countries.**

1. The board may issue a license to an applicant from another state or country if the applicant files evidence of the possession of the required or equivalent requirements with the board. If the applicant is the spouse of a military person who is on duty or in active state duty as defined in section 29A.1, subsections 10 and 12, the board shall assign a consultant to be the single point of contact for the applicant regarding nontraditional licensure.

2. The executive director of the board may, subject to board approval, enter into reciprocity agreements with another state or country for the licensing of practitioners on an equitable basis of mutual exchange, when the action is in conformity with law.

3. Practitioner preparation and professional development programs offered in this state by out-of-state institutions must be approved by the board in order to fulfill requirements for licensure or renewal of a license by an applicant.

85 Acts, ch 217, §1

CS85, §260.8

89 Acts, ch 265, §8

C93, §272.8

2010 Acts, ch 1169, §8; 2011 Acts, ch 14, §1

**272.9 Continuity of certificates and licenses.**

1. A certificate which was issued by the board of educational examiners to a practitioner before July 1, 1989, continues to be in force as long as the certificate complies with the rules and statutes in effect on July 1, 1989. Requirements for the renewal of licenses, under this chapter, do not apply retroactively to renewal of certificates. However, this section does not limit the duties or powers of a school board to select or discharge practitioners or to terminate practitioners' contracts.

2. A practitioner who holds a certificate issued before July 1, 1989, shall, upon application and payment of a fee, be granted a license which will permit the practitioner to perform the same duties and functions as the practitioner was entitled to perform with the certificate held at the time of application. A practitioner shall be permitted to convert a permanent certificate to a term certificate, after July 1, 1989, without payment of a fee.

[C75, 77, 79, 81, §260.9]

83 Acts, ch 59, §1; 86 Acts, ch 1245, §1445; 87 Acts, ch 17, §7; 89 Acts, ch 265, §9

C93, §272.9

2008 Acts, ch 1008, §5

Referred to in §294.3

**272.9A Administrator licenses.**

1. Beginning July 1, 2007, requirements for administrator licensure beyond an initial license shall include completion of a beginning administrator mentoring and induction program and demonstration of competence on the administrator standards adopted pursuant to section 284A.3.

2. The board shall adopt rules for administrator licensure renewal that include credit for individual administrator professional development plans developed in accordance with section 284A.6.

3. An administrator formerly employed by an accredited nonpublic school or formerly employed as an administrator in another state or country is exempt from the mentoring and induction requirement under subsection 1 if the administrator can document two years of successful administrator experience and meet or exceed the requirements contained in rules adopted pursuant to this chapter for endorsement and licensure. However, if an administrator cannot document two years of successful administrator experience when hired by a school district, the administrator shall meet the requirements of subsection 1.

90 Acts, ch 1249, §8
C91, §260.9A
C93, §272.9A
2007 Acts, ch 108, §10; 2008 Acts, ch 1031, §44

**272.10 Fees.**

1. It is the intent of the general assembly that licensing fees established by the board of educational examiners be sufficient to finance the activities of the board under this chapter.

2. Licensing fees are payable to the treasurer of state and shall be deposited with the executive director of the board. The executive director shall deposit twenty-five percent of the fees collected annually with the treasurer of state and the fees shall be credited to the general fund of the state. The remaining licensing fees collected during the fiscal year shall be retained by and are appropriated to the board for the purposes related to the board's duties. Notwithstanding section 8.33, licensing fees retained by and appropriated to the board pursuant to this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the activities of the board as provided in this chapter until the close of the succeeding fiscal year.

3. The executive director shall keep an accurate and detailed account of fees received, including fees paid to the treasurer of state and fees retained by the board.

4. The board shall submit a detailed annual financial report by January 1 to the chairpersons and ranking members of the joint appropriations subcommittee on education and the legislative services agency.

[S13, §2634-f1; C24, 27, 31, §3867; C35, §3872-e6; C39, §**3872.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §260.10]
86 Acts, ch 1245, §1446; 89 Acts, ch 265, §11
C93, §272.10
2006 Acts, ch 1180, §23

**272.11 Expenditures and refunds.**

Expenditures and refunds made by the board under this chapter shall be certified by the executive director of the board to the director of the department of administrative services, and if found correct, the director of the department of administrative services shall approve the expenditures and refunds and draw warrants upon the treasurer of state from the funds appropriated for that purpose.

[C97, §2631; S13, §2634-g; C24, 27, 31, §3868; C35, §3872-e7, -e8; C39, §**3872.07, 3872.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §260.11, 260.12; C81, §260.11]
86 Acts, ch 1245, §1447; 89 Acts, ch 265, §12
C93, §272.11
2003 Acts, ch 145, §286

**272.12 Para-educator certificates.**

The board of educational examiners shall adopt rules pursuant to chapter 17A relating to a voluntary certification system for para-educators. The rules shall specify rights, responsibilities, levels, and qualifications for the certificate. Applicants shall be disqualified for any reason specified in section 272.2, subsection 14, or in administrative rule. Notwithstanding section 272.2, subsection 14, paragraph "*b*", subparagraph (2), the board may issue a para-educator certificate to a person who is at least eighteen years of age. A person holding a para-educator certificate shall not perform the duties of a licensed practitioner. A certificate issued pursuant to this chapter shall not be considered a teacher

or administrator license for any purpose specified by law, including the purposes specified under this chapter or chapter 279.

98 Acts, ch 1216, §23; 2000 Acts, ch 1098, §5; 2000 Acts, ch 1223, §31; 2002 Acts, ch 1128, §2

Referred to in §256.7

**272.13 Hearing procedures — confidentiality.**

1. Hearings before the board shall be conducted in the same manner as contested cases under chapter 17A. The board may subpoena books, papers, records, and any other real evidence necessary for the board to decide whether it should institute a contested case hearing. At the hearing the board may administer oaths and issue subpoenas to compel the attendance of witnesses and the production of other evidence. Subpoenas may be issued by the board to a party to a hearing, if the party demonstrates that the evidence or witnesses' testimony is relevant and material to the hearing. Service of process and subpoenas for board hearings shall be conducted in accordance with the law applicable to the service of process and subpoenas in civil actions.

2. Witnesses subpoenaed to appear before the board shall be reimbursed for mileage and necessary expenses and shall receive per diem compensation by the board, unless the witness is an employee of the state or a political subdivision, in which case the witness shall receive reimbursement only for mileage and necessary expenses.

3. All complaint files, investigation files, other investigation reports, and other investigative information in the possession of the board or its employees or agents, which relate to licensee discipline, are privileged and confidential, and are not subject to discovery, subpoena, or other means of legal compulsion for their release to a person other than the respondent and the board and its employees and agents involved in licensee discipline, and are not admissible in evidence in a judicial or administrative proceeding other than the proceeding involving licensee discipline. A complaint, any amendment to a complaint, and any supporting documents shall be provided to the respondent immediately upon the board's determination that jurisdictional requirements have been met and prior to the commencement of the board's investigation. Investigative information in the possession of the board or its employees or agents which relates to licensee discipline may be disclosed to appropriate licensing authorities within this state, the appropriate licensing authority in another state, the District of Columbia, or a territory or country in which the licensee is licensed or has applied for a license. A final written decision and finding of fact of the board in a disciplinary proceeding is a public record.

89 Acts, ch 265, §13
CS89, §260.13
C93, §272.13
2000 Acts, ch 1199, §1; 2010 Acts, ch 1183, §28, 43

Referred to in §272.15

**272.14 Appointment of administrative law judges.**

The board shall maintain a list of qualified persons who are experienced in the educational system of this state to serve as administrative law judges when a hearing is requested under section 279.24. When requested under section 279.24, the board shall submit a list of five qualified administrative law judges to the parties. The parties shall select one of the five qualified persons to conduct the hearing as provided in section 279.24. The hearing shall be held pursuant to the provisions of chapter 17A relating to contested cases. The full costs of the hearing shall be shared equally by the parties.

90 Acts, ch 1249, §9
C91, §260.14
C93, §272.14

**272.15 Reporting requirements — complaints.**

1. *a.* (1) The board of directors of a school district or area education agency, the superintendent of a school district, the chief administrator of an area education agency, and the authorities in charge of an accredited nonpublic school shall report to the board any

instance of disciplinary action taken against a licensed school employee by the board of directors of the school district or area education agency, the superintendent of the school district, the chief administrator of the area education agency, or the authorities in charge of the accredited nonpublic school for conduct constituting any of the following:

(a) Soliciting, encouraging, or consummating a romantic or otherwise inappropriate relationship with a student.

(b) Falsifying student grades, test scores, or other official information or material.

(c) Converting public property or funds to the personal use of the school employee.

(2) The board of directors of a school district or area education agency, the superintendent of a school district, the chief administrator of an area education agency, and the authorities in charge of an accredited nonpublic school shall report to the board the nonrenewal or termination, for reasons of alleged or actual misconduct, of a person's contract executed under sections 279.12, 279.13, 279.15 through 279.21, 279.23, and 279.24, and the resignation of a person who holds a license, certificate, or authorization issued by the board as a result of or following an incident or allegation of misconduct that, if proven, would constitute a violation of the rules adopted by the board to implement section 272.2, subsection 14, paragraph *"b"*, subparagraph (1); soliciting, encouraging, or consummating a romantic or otherwise inappropriate relationship with a student; falsifying student grades, test scores, or other official information or material; or converting public property or funds to the personal use of the school employee, when the board or reporting official has a good faith belief that the incident occurred or the allegation is true. The board may deny a license or revoke the license of an administrator if the board finds by a preponderance of the evidence that the administrator failed to report the termination or resignation of a school employee holding a license, certificate, statement of professional recognition, or coaching authorization, for reasons of alleged or actual misconduct, as defined by this section.

*b.* Information reported to the board in accordance with this section is privileged and confidential, and except as provided in section 272.13, is not subject to discovery, subpoena, or other means of legal compulsion for its release to a person other than the respondent and the board and its employees and agents involved in licensee discipline, and is not admissible in evidence in a judicial or administrative proceeding other than the proceeding involving licensee discipline. The board shall review the information reported to determine whether a complaint should be initiated. In making that determination, the board shall consider the factors enumerated in section 272.2, subsection 14, paragraph *"a"*.

*c.* For purposes of this section, unless the context otherwise requires, *"misconduct"* means an action disqualifying an applicant for a license or causing the license of a person to be revoked or suspended in accordance with the rules adopted by the board to implement section 272.2, subsection 14, paragraph *"b"*, subparagraph (1).

2. If, in the course of performing official duties, an employee of the department becomes aware of any alleged misconduct by an individual licensed under this chapter, the employee shall report the alleged misconduct to the board of educational examiners under rules adopted pursuant to subsection 1.

3. If the executive director of the board verifies through a review of official records that a teacher who holds a practitioner's license under this chapter is assigned instructional duties for which the teacher does not hold the appropriate license or endorsement, either by grade level or subject area, by a school district or accredited nonpublic school, the executive director may initiate a complaint against the teacher and the administrator responsible for the inappropriate assignment of instructional duties.

2003 Acts, ch 180, §16; 2007 Acts, ch 214, §33; 2011 Acts, ch 132, §94, 106; 2012 Acts, ch 1055, §1

Referred to in §256.9

**272.16 through 272.19** Reserved.

**272.20 National certification.**

The board of educational examiners shall review the standards for teacher's certificates adopted by the national board for professional teaching standards, a nonprofit corporation

created as a result of recommendations of the task force on teaching as a profession of the Carnegie forum on education and the economy. In those cases in which the standards required by the national board for an Iowa endorsement or license meet or exceed the requirements contained in rules adopted under this chapter for that endorsement or license, the board of educational examiners shall issue endorsements or licenses to holders of certificates issued by the national board who request the endorsement or license.

91 Acts, ch 51, §1
CS91, §260.20
C93, §272.20

**272.21 through 272.24** Reserved.

**272.25 Rules for practitioner preparation programs.**

Not later than January 1, 1991, the state board of education shall adopt rules pursuant to chapter 17A to implement the following for approved practitioner preparation programs:

1. A requirement that each student admitted to an approved practitioner preparation program must participate in field experiences that include both observation and participation in teaching activities in a variety of school settings. These field experiences shall comprise a total of at least fifty hours in duration, at least ten hours of which shall occur prior to a student's acceptance in an approved practitioner preparation program. The student teaching experience shall be a minimum of fourteen weeks in duration during the student's final year of the practitioner preparation program. The program must make every reasonable effort to offer the student teaching experience prior to a student's last semester, or equivalent, in the program, and to expand the student's student teaching opportunities beyond one semester or the equivalent.

2. A requirement that faculty members in professional education maintain an ongoing involvement in activities in elementary, middle, or secondary schools. The activities shall include at least forty hours of team teaching during a period not exceeding five years in duration at the elementary, middle, or secondary level.

3. A requirement that the program include instruction in skills and strategies to be used in classroom management of individuals, and of small and large groups, under varying conditions; skills for communicating and working constructively with pupils, teachers, administrators, and parents; and skills for understanding the role of the board of education and the functions of other education agencies in the state. The requirement shall be based upon recommendations of the department of education after consultation with teacher education faculty members in colleges and universities.

4. A requirement that prescribes minimum experiences and responsibilities to be accomplished during the student teaching experience by the student teacher and by the cooperating teacher based upon recommendations of the department of education after consultation with teacher education faculty members in colleges and universities. The student teaching experience shall include opportunities for the student teacher to become knowledgeable about the Iowa teaching standards, including a mock evaluation performed by the cooperating teacher. The mock evaluation shall not be used as an assessment tool by the practitioner preparation program. The student teaching experience shall consist of interactive experiences involving the college or university personnel, the student teacher, the cooperating teacher, and administrative personnel from the cooperating teacher's school district.

5. A requirement that each approved practitioner preparation or professional development institution annually offer a workshop of at least one day in duration for prospective cooperating teachers. The workshop shall define the objectives of the student teaching experience, review the responsibilities of the cooperating teacher, and provide the cooperating teacher other information and assistance the institution deems necessary.

6. A requirement that practitioner preparation students receive instruction in the use of electronic technology for classroom and instructional purposes.

7. A requirement that approved practitioner preparation institutions annually solicit

the views of the education community regarding the institution's practitioner preparation programs.

8. A requirement that an approved practitioner preparation institution submit evidence that the college or department of education is communicating with other colleges or departments in the institution so that practitioner preparation students may integrate teaching methodology with subject matter areas of specialization.

9. A requirement that an approved practitioner preparation program submit evidence that the evaluation of the performance of a student teacher is a cooperative process that involves both the faculty member supervising the student teacher and the cooperating teacher. The rules shall require that each institution develop a written evaluation procedure for use by the cooperating teacher and a form for evaluating student teachers, and require that a copy of the completed form be included in the student teacher's permanent record.

88 Acts, ch 1266, §3
C89, §260.25
89 Acts, ch 265, §14
C93, §272.25
99 Acts, ch 191, §2; 2003 Acts, ch 180, §17; 2012 Acts, ch 1119, §23

**272.26** Reserved.

**272.27 Student teaching and other educational experiences.**

If the rules adopted by the board of educational examiners for issuance of any type or class of license require an applicant to complete work in student teaching, pre-student teaching experiences, field experiences, practicums, clinicals, or internships, an institution with a practitioner preparation program approved by the state board of education under section 256.7, subsection 3, shall enter into a written contract with any school district, accredited nonpublic school, preschool registered or licensed by the department of human services, or area education agency in Iowa under terms and conditions as agreed upon by the contracting parties. The terms and conditions of a written contract entered into with a preschool pursuant to this section shall provide that a student teacher be under the direct supervision of an appropriately licensed cooperating teacher who is employed to teach at the preschool. Students actually teaching or engaged in preservice licensure activities in a school district under the terms of such a contract are entitled to the same protection, under section 670.8, as is afforded by that section to officers and employees of the school district, during the time they are so assigned.

90 Acts, ch 1249, §10
C91, §260.27
C93, §272.27
2007 Acts, ch 215, §101

**272.28 Mentoring and induction requirement.**

1. Effective July 1, 2003, requirements for teacher licensure beyond an initial license shall include successful completion of a beginning teacher mentoring and induction program approved by the state board of education.

2. A teacher from an accredited nonpublic school or another state or country is exempt from the requirement of subsection 1 if the teacher can document three years of successful teaching experience and meet or exceed the requirements contained in rules adopted under this chapter for endorsement and licensure.

2001 Acts, ch 161, §17; 2003 Acts, ch 180, §18

**272.29 Annual administrative rules review.**

The executive director shall annually review the administrative rules adopted pursuant to this chapter and related state laws. The executive director shall submit the executive director's findings and recommendations in a report every three years to the board and

the chairpersons and ranking members of the senate and house standing committees on education and the joint appropriations subcommittee on education by January 15.

2005 Acts, ch 169, §28; 2006 Acts, ch 1152, §12

**272.30** Reserved.

**272.31 Authorizations — coaching — school business officials.**

1. The minimum requirements for the board to award a coaching authorization to an applicant are:

*a.* Successful completion of one semester credit hour or ten contact hours in a course relating to knowledge and understanding of the structure and function of the human body in relation to physical activity.

*b.* Successful completion of one semester credit hour or ten contact hours in a course relating to knowledge and understanding of human growth and development of children and youth in relation to physical activity.

*c.* Successful completion of two semester credit hours or twenty contact hours in a course relating to knowledge and understanding of the prevention and care of athletic injuries and medical and safety problems relating to physical activity.

*d.* Successful completion of one semester credit hour or ten contact hours relating to knowledge and understanding of the techniques and theory of coaching interscholastic athletics.

*e.* Attainment of at least eighteen years of age.

2. *a.* The board shall issue a school business official authorization to an individual who successfully completes a training program that meets the standards set by the state board of education pursuant to section 256.7, subsection 30, and who complies with rules adopted by the board pursuant to subsection 4.

*b.* A person hired on or after July 1, 2012, as a school business official responsible for the financial operations of a school district who is without prior experience as a school business official in Iowa shall either hold the school business official authorization issued pursuant to paragraph "*a*" of this subsection or obtain the authorization within two years of the start date of employment as a school business official.

*c.* An individual employed as a school business official prior to July 1, 2012, who meets the requirements of the board, other than the training program requirements of paragraph "*a*", shall be issued, with no fee for issuance, an initial authorization by the board, but shall meet renewal requirements for an authorization within the time period specified by the board.

3. The board shall issue a school administration manager authorization to an individual who successfully completes a training program that meets the standards set by the state board pursuant to section 256.7, subsection 30, and who complies with rules adopted by the state board pursuant to subsection 4.

4. The board shall adopt rules under chapter 17A for authorizations, including but not limited to approval of courses, validity and expiration, fees, and suspension and revocation of authorizations.

5. The state board of education shall work with institutions of higher education, private colleges and universities, community colleges, area education agencies, and professional organizations to ensure that the courses and programs required for authorizations under this section are offered throughout the state at convenient times and at a reasonable cost.

84 Acts, ch 1296, §3

C85, §260.31

86 Acts, ch 1245, §1452; 89 Acts, ch 265, §15, 16; 90 Acts, ch 1249, §11

C93, §272.31

97 Acts, ch 32, §1; 2010 Acts, ch 1099, §2; 2010 Acts, ch 1183, §29; 2012 Acts, ch 1119, §26; 2013 Acts, ch 30, §65

Referred to in §232.69, 272.2

Subsection 5 amended

**272.32** Reserved.

**272.33** Repealed by 2001 Acts, ch 161, § 21; 2002 Acts, ch 1152, § 21.

**272.34** Repealed by 94 Acts, ch 1126, § 2.

# CHAPTER 272A

## INTERSTATE AGREEMENT ON QUALIFICATION OF EDUCATIONAL PERSONNEL

272A.1 Interstate agreement.
272A.2 Designated state official.
272A.3 Contracts on file.

**272A.1 Interstate agreement.**

The interstate agreement on qualification of educational personnel is hereby enacted into law and entered into with all jurisdictions legally joining therein, in the form substantially as follows:

1. *Article I — Purpose, findings, and policy.*

*a.* The states party to this agreement, desiring by common action to improve their respective school systems by utilizing the teacher or other professional educational person wherever educated, declare that it is the policy of each of them, on the basis of cooperation with one another, to take advantage of the preparation and experience of such persons wherever gained, thereby serving the best interest of society, of education, and of the teaching profession. It is the purpose of this agreement to provide for the development and execution of such programs of cooperation as will facilitate the movement of teachers and other professional educational personnel among the states party to it, and to authorize specific interstate educational personnel contracts to achieve that end.

*b.* The party states find that included in the large movement of population among all sections of the nation are many qualified educational personnel who move for family and other personal reasons but who are hindered in using their professional skill and experience in their new locations. Variations from state to state in requirements for qualifying educational personnel discourage such personnel from taking the steps necessary to qualify in other states. As a consequence, a significant number of professionally prepared and experienced educators is lost to our school systems. Facilitating the employment of qualified educational personnel, without reference to their states of origin, can increase the available educational resources. Participation in this agreement can increase the availability of educational personnel.

2. *Article II — Definitions.* As used in this agreement and contracts made pursuant to it, unless the context clearly requires otherwise:

*a.* *"Educational personnel"* means persons who must meet requirements pursuant to state law as a condition of employment in educational programs.

*b.* *"Designated state official"* means the education official of a state selected by that state to negotiate and enter into, on behalf of that state, contracts pursuant to this agreement.

*c.* *"Accept"*, or any variant thereof, means to recognize and give effect to one or more determinations of another state relating to the qualifications of educational personnel in lieu of making or requiring a like determination that would otherwise be required by or pursuant to the laws of a receiving state.

*d.* *"State"* means a state, territory, or possession of the United States; the District of Columbia; or the Commonwealth of Puerto Rico.

*e.* *"Originating state"* means a state, and the subdivision thereof, if any, whose determination that certain educational personnel are qualified to be employed for specific duties in schools is acceptable in accordance with the terms of a contract made pursuant to article III of this agreement.

*f.* *"Receiving state"* means a state, and the subdivisions thereof, which accepts educational

personnel in accordance with the terms of a contract made pursuant to article III of this agreement.

3. *Article III — Interstate educational personnel contracts.*

*a.* The designated state official of a party state may make one or more contracts on behalf of that state with one or more other party states providing for the acceptance of educational personnel. Any such contract for the period of its duration shall be applicable to and binding on the states whose designated state officials enter into it, and the subdivisions of those states, with the same force and effect as if incorporated in this agreement. A designated state official may enter into a contract pursuant to this article only with states in which the official finds that there are programs of education, licensure standards or other acceptable qualifications that assure preparation or qualification of educational personnel on a basis sufficiently comparable, even though not identical to that prevailing in the official's state.

*b.* Any such contract shall provide for:

(1) Its duration.

(2) The criteria to be applied by an originating state in qualifying educational personnel for acceptance by a receiving state.

(3) Such waivers, substitutions, and conditional acceptances as shall aid the practical effectuation of the contract without sacrifice of basic educational standards.

(4) Any other necessary matters.

*c.* No contract made pursuant to this agreement shall be for a term longer than five years but any such contract may be renewed for like or lesser periods.

*d.* Any contract dealing with acceptance of educational personnel on the basis of their having completed an educational program shall specify the earliest date or dates on which originating state approval of the program or programs involved can have occurred. No contract made pursuant to this agreement shall require acceptance by a receiving state of any persons qualified because of successful completion of a program prior to January 1, 1954.

*e.* The license or other acceptance of a person who has been accepted pursuant to the terms of a contract shall not be revoked or otherwise impaired because the contract has expired or been terminated. However, any license or other qualifying document may be revoked or suspended on any ground which would be sufficient for revocation or suspension of a license or other qualifying document initially granted or approved in the receiving state.

*f.* A contract committee composed of the designated state officials of the contracting states or their representatives shall keep the contract under continuous review, study means of improving its administration, and report no less frequently than once a year to the heads of the appropriate education agencies of the contracting states.

4. *Article IV — Approved and accepted programs.*

*a.* Nothing in this agreement shall be construed to repeal or otherwise modify any law or regulation of a party state relating to the approval of programs of educational preparation having effect solely on the qualification of educational personnel within that state.

*b.* To the extent that contracts made pursuant to this agreement deal with the educational requirements for the proper qualification of educational personnel, acceptance of a program of educational preparation shall be in accordance with such procedures and requirements as may be provided in applicable contract.

5. *Article V — Interstate cooperation.* The party states agree that:

*a.* They will, so far as practicable, prefer the making of multilateral contracts pursuant to article III of this agreement.

*b.* They will facilitate and strengthen cooperation in interstate certification and other elements of educational personnel qualification and for this purpose shall cooperate with agencies, organizations, and associations interested in certification and other elements of educational personnel qualification.

6. *Article VI — Agreement evaluation.* The designated state officials of any party states may meet from time to time as a group to evaluate programs under the agreement, and to formulate recommendations for changes.

7. *Article VII — Other arrangements.* Nothing in this agreement shall be construed to

prevent or inhibit other arrangements or practices of any party state or states to facilitate the interchange of educational personnel.

8. *Article VIII — Effect and withdrawal.*

*a.* This agreement shall become effective when enacted into law by two states. Thereafter it shall become effective as to any state upon its enactment of this agreement.

*b.* Any party state may withdraw from this agreement by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states.

*c.* No withdrawal shall relieve the withdrawing state of any obligation imposed upon it by a contract to which it is a party. The duration of contracts and the methods and conditions of withdrawal therefrom shall be those specified in their terms.

9. *Article IX — Construction and severability.* This agreement shall be liberally construed so as to effectuate the purposes thereof. The provisions of this agreement shall be severable and if any phrase, clause, sentence, or provision of this agreement is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this agreement and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this agreement shall be held contrary to the constitution of any state participating therein, the agreement shall remain in full force and effect as to the state affected as to all severable matters.

[C75, 77, 79, 81, §284.1]
90 Acts, ch 1249, §14
C93, §272A.1
2008 Acts, ch 1032, §201
Referred to in §272A.2

**272A.2 Designated state official.**

The designated state official for this state, within the meaning of section 272A.1, article II, paragraph "*b*", of the interstate agreement on qualification of educational personnel, shall be the executive director of the board of educational examiners. The executive director shall enter into contracts pursuant to section 272A.1, article III, of the agreement only with the approval of the specific text thereof by the board of educational examiners.

[C75, 77, 79, 81, §284.2]
85 Acts, ch 212, §21; 90 Acts, ch 1249, §15
C93, §272A.2
2008 Acts, ch 1032, §201

**272A.3 Contracts on file.**

True copies of all contracts made on behalf of this state pursuant to the interstate agreement on qualification of educational personnel shall be kept on file by the board of educational examiners and in the office of the secretary of state. The board of educational examiners shall publish all such contracts in convenient form. The board of educational examiners may adopt rules pursuant to this chapter.

[C75, 77, 79, 81, §284.3]
90 Acts, ch 1249, §16
C93, §272A.3

# CHAPTER 272B

## EDUCATION COMPACT

272B.1 Compact for education.
272B.2 Education commission of the states.
272B.3 Filing bylaws.

**272B.1 Compact for education.**

The compact for education is hereby entered into and enacted into law with all jurisdictions legally joining therein, in the form substantially as follows:

1. *Article I — Purpose and policy.*

*a.* It is the purpose of this compact to:

(1) Establish and maintain close cooperation and understanding among executive, legislative, professional educational and lay leadership on a nationwide basis at the state and local levels.

(2) Provide a forum for the discussion, development, crystallization and recommendation of public policy alternatives in the field of education.

(3) Provide a clearing house of information on matters relating to educational problems and how they are being met in different places throughout the nation, so that the executive and legislative branches of state government and of local communities may have ready access to the experience and record of the entire country, and so that both lay and professional groups in the field of education may have additional avenues for the sharing of experience and the interchange of ideas in the formation of public policy in education.

(4) Facilitate the improvement of state and local educational systems so that all of them will be able to meet adequate and desirable goals in a society which requires continuous qualitative and quantitative advance in educational opportunities, methods and facilities.

*b.* It is the policy of this compact to encourage and promote local and state initiative in the development, maintenance, improvement and administration of educational systems and institutions in a manner which will accord with the needs and advantages of diversity among localities and states.

*c.* The party states recognize that each of them has an interest in the quality and quantity of education furnished in each of the other states, as well as in the excellence of its own educational systems and institutions, because of the highly mobile character of individuals within the nation, and because the products and services contributing to the health, welfare and economic advancement of each state are supplied in significant part by persons educated in other states.

2. *Article II — State defined.* As used in this compact, "*state*" means a state, territory or possession of the United States, the District of Columbia, or the commonwealth of Puerto Rico.

3. *Article III — The commission.*

*a.* The education commission of the states, hereinafter called "*the commission*", is hereby established. The commission shall consist of seven members representing each party state.* One of such members shall be the governor; two shall be members of the state legislature selected by its respective houses and serving in such manner as the legislature may determine; and four shall be appointed by and serve at the pleasure of the governor, unless the laws of the state otherwise provide. If the laws of a state prevent legislators from serving on the commission, six members shall be appointed and serve at the pleasure of the governor, unless the laws of the state otherwise provide. In addition to any other principles or requirements which a state may establish for the appointment and service of its members of the commission, the guiding principle for the composition of the membership on the commission from each party state shall be that the members representing such state shall, by virtue of their training, experience, knowledge or affiliations be in a position collectively to reflect broadly the interests of the state government, higher education, the state education system, local education, lay and professional, public and nonpublic educational leadership. Of those appointees, one shall be the head of a state agency or institution, designated by the

governor, having responsibility for one or more programs of public education. In addition to the members of the commission representing the party states, there may be not to exceed ten nonvoting commissioners selected by the steering committee for terms of one year. Such commissioners shall represent leading national organizations or professional educators or persons concerned with educational administration.

*b.* The members of the commission shall be entitled to one vote each on the commission. No action of the commission shall be binding unless taken at a meeting at which a majority of the total number of votes on the commission are cast in favor thereof. Action of the commission shall be only at a meeting at which a majority of the commissioners are present. The commission shall meet at least once a year. In its bylaws, and subject to such directions and limitations as may be contained therein, the commission may delegate the exercise of any of its powers to the steering committee or the executive director, except for the power to approve budgets or requests for appropriations, the power to make policy recommendations pursuant to article IV and adoption of the annual report pursuant to paragraph *"j"* of this article.

*c.* The commission shall have a seal.

*d.* The commission shall elect annually, from among its members, a chairperson, who shall be a governor, a vice chairperson and a treasurer. The commission shall provide for the appointment of an executive director. Such executive director shall serve at the pleasure of the commission, and together with the treasurer and such other personnel as the commission may deem appropriate shall be bonded in such amount as the commission shall determine. The executive director shall be secretary.

*e.* Irrespective of the civil service, personnel or other merit system laws of any of the party states, the executive director subject to the approval of the steering committee shall appoint, remove or discharge such personnel as may be necessary for the performance of the functions of the commission, and shall fix the duties and compensation of such personnel. The commission in its bylaws shall provide for the personnel policies and programs of the commission.

*f.* The commission may borrow, accept or contract for the services of personnel from any party jurisdiction, the United States, or any subdivision or agency of the aforementioned governments, or from any agency of two or more of the party jurisdictions or their subdivisions.

*g.* The commission may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any state, the United States, or any other governmental agency, or from any person, firm, association, foundation, or corporation, and may receive, utilize and dispose of the same. Any donation or grant accepted by the commission pursuant to this paragraph or services borrowed pursuant to paragraph *"f"* of this article shall be reported in the annual report of the commission. Such report shall include the nature, amount and conditions, if any, of the donation, grant, or services borrowed, and the identity of the donor or lender.

*h.* The commission may establish and maintain such facilities as may be necessary for the transacting of its business. The commission may acquire, hold, and convey real and personal property and any interest therein.

*i.* The commission shall adopt bylaws for the conduct of its business and shall have the power to amend and rescind these bylaws. The commission shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto, with the appropriate agency or officer in each of the party states.

*j.* The commission annually shall make to the governor and legislature of each party state a report covering the activities of the commission for the preceding year. The commission may make such additional reports as it may deem desirable.

4. *Article IV — Powers.* In addition to authority conferred on the commission by other provisions of the compact, the commission shall have authority to:

*a.* Collect, correlate, analyze and interpret information and data concerning educational needs and resources.

*b.* Encourage and foster research in all aspects of education, but with special reference

to the desirable scope of instruction, organization, administration, and instructional methods and standards employed or suitable for employment in public educational systems.

*c.* Develop proposals for adequate financing of education as a whole and at each of its many levels.

*d.* Conduct or participate in research of the types referred to in this article in any instance where the commission finds that such research is necessary for the advancement of the purposes and policies of this compact, utilizing fully the resources of national associations, regional compact organizations for higher education, and other agencies and institutions, both public and private.

*e.* Formulate suggested policies and plans for the improvement of public education as a whole, or for any segment thereof, and make recommendations with respect thereto available to the appropriate governmental units, agencies and public officials.

*f.* Do such other things as may be necessary or incidental to the administration of any of its authority or functions pursuant to this compact.

5. *Article V — Cooperation with federal government.*

*a.* If the laws of the United States specifically so provide, or if administrative provision is made therefor within the federal government, the United States may be represented on the commission by not to exceed ten representatives. Any such representative or representatives of the United States shall be appointed and serve in such manner as may be provided by or pursuant to federal law, and may be drawn from any one or more branches of the federal government, but no such representative shall have a vote on the commission.

*b.* The commission may provide information and make recommendations to any executive or legislative agency or officer of the federal government concerning the common educational policies of the states, and may advise with any such agencies or officers concerning any matter of mutual interest.

6. *Article VI — Committees.*

*a.* To assist in the expeditious conduct of its business when the full commission is not meeting, the commission shall elect a steering committee of thirty-two members which, subject to the provisions of this compact and consistent with the policies of the commission, shall be constituted and function as provided in the bylaws of the commission. One-fourth of the voting membership of the steering committee shall consist of governors, one-fourth shall consist of legislators, and the remainder shall consist of other members of the commission. A federal representative on the commission may serve with the steering committee, but without vote. The voting members of the steering committee shall serve for terms of two years, except that members elected to the first steering committee of the commission shall be elected as follows:

(1) Sixteen for one year and sixteen for two years.

(2) The chairperson, vice chairperson, and treasurer of the commission shall be members of the steering committee and, anything in this paragraph "*a*" to the contrary notwithstanding, shall serve during their continuance in these offices.

(3) Vacancies in the steering committee shall not affect its authority to act, but the commission at its next regular ensuing meeting following the occurrence of any vacancy shall fill it for the unexpired term.

(4) No person shall serve more than two terms as a member of the steering committee; provided that service for a partial term of one year or less shall not be counted toward the two-term limitation.

*b.* The commission may establish advisory and technical committees composed of state, local, and federal officials, and private persons to advise it with respect to any one or more of its functions. Any advisory or technical committee may, on request of the states concerned, be established to consider any matter of special concern to two or more of the party states.

*c.* The commission may establish such additional committees as its bylaws may provide.

7. *Article VII — Finance.*

*a.* The commission shall advise the governor or designated officer or officers of each party state of its budget and estimated expenditures for such period as may be required by the laws of that party state. Each of the commission's budgets of estimated expenditures shall contain

specific recommendations of the amount or amounts to be appropriated by each of the party states.

*b.* The total amount of appropriation requests under any budget shall be apportioned among the party states. In making such apportionment, the commission shall devise and employ a formula which takes equitable account of the populations and per capita income levels of the party states.

*c.* The commission shall not pledge the credit of any party states. The commission may meet any of its obligations in whole or in part with funds available to it pursuant to article III, paragraph "*g*", of this compact, provided that the commission takes specific action setting aside such funds prior to incurring an obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it pursuant to article III, paragraph "*g*", the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.

*d.* The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established by its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a qualified public accountant, and the report of the audit shall be included in and become part of the annual reports of the commission.

*e.* The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.

*f.* Nothing contained herein shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

8. *Article VIII — Eligible parties — entry into and withdrawal.*

*a.* This compact shall have as eligible parties all states, territories, and possessions of the United States, the District of Columbia, and the commonwealth of Puerto Rico. In respect of any such jurisdiction not having a governor, the term "*governor*", as used in this compact, shall mean the closest equivalent official of such jurisdiction.

*b.* Any state or other eligible jurisdiction may enter into this compact and it shall become binding thereon when it has adopted the same: Provided that in order to enter into initial effect, adoption by at least ten eligible party jurisdictions shall be required.

*c.* Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

9. *Article IX — Construction and severability.* This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the state affected as to all severable matters.

[C75, 77, 79, 81, §272B.1]

2008 Acts, ch 1032, §201

Referred to in §272B.2, 272B.3

*See §272B.2

**272B.2 Education commission of the states.**

Article III, paragraph "*a*", of the compact for education established in section 272B.1 notwithstanding, the members of the education commission of the states representing this state consist of the governor, two nonlegislative members appointed by the governor, two members of the senate with one member appointed by the majority leader of the senate and

one member appointed by the minority leader of the senate, and two members of the house of representatives with one member appointed by the speaker of the house of representatives and one member appointed by the minority leader of the house of representatives. Nonlegislative members shall serve four-year terms and legislative members shall serve terms as provided in section 69.16B. Nonlegislative members shall serve on the education commission of the states without compensation, but shall receive their actual and necessary expenses and travel. Legislative members shall receive per diem and actual and necessary expenses and travel pursuant to sections 2.10 and 2.12. Vacancies on the commission shall be filled for the unexpired portion of the term in the same manner as the original appointments. If a member ceases to be a member of the general assembly, the member shall no longer serve as a member of the education commission of the states.

[C75, 77, 79, 81, §272B.2]

86 Acts, ch 1245, §2033; 2008 Acts, ch 1032, §201; 2008 Acts, ch 1156, §41, 58

**272B.3 Filing bylaws.**

Pursuant to article III, paragraph *"i"*, of the compact for education established in section 272B.1, the commission shall file a copy of its bylaws and any amendment thereto with the governor.

[C75, 77, 79, 81, §272B.3]

2008 Acts, ch 1032, §201

# CHAPTER 272C

## REGULATION OF LICENSED PROFESSIONS AND OCCUPATIONS

Referred to in §105.22, 105.23, 147.55, 147A.7, 148.6, 148.14, 148C.13, 148F.3, 151.9, 152.11, 153.33, 153.34, 154C.4, 154D.3, 154E.3, 155.9, 155A.6A, 155A.6B, 155A.42, 203.16, 203C.24, 232.69, 235B.16, 542.3, 542.17, 543D.5, 543D.12, 543D.17

Identifying and reporting of dependent adult abuse to be included in continuing education; see §235B.16


272C.1 Definitions.
272C.2 Continuing education required.
272C.2A Continuing education minimum requirements — barbering and cosmetology arts and sciences.
272C.2B Continuing education minimum requirements — mortuary science.
272C.3 Authority of licensing boards.
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272C.5 Licensee disciplinary procedure — rulemaking delegation.
272C.6 Hearings — power of subpoena — decisions.
272C.7 Executive secretary and personnel.
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272C.9 Duties of licensees.
272C.10 Rules for revocation or suspension of license.
272C.11 Insurers of professional and occupational licensees — reports.


**272C.1 Definitions.**

1. *"Continuing education"* means that education which is obtained by a professional or occupational licensee in order to maintain, improve, or expand skills and knowledge obtained prior to initial licensure or to develop new and relevant skills and knowledge. This education may be obtained through formal or informal education practices, self-study, research, and participation in professional, technical, and occupational societies, and by other similar means as authorized by the board.

2. *"Disciplinary proceeding"* means any proceeding under the authority of a licensing board pursuant to which licensee discipline may be imposed.

3. *"Inactive licensee re-entry"* means that process a former or inactive professional or occupational licensee pursues to again be capable of actively and competently practicing as a professional or occupational licensee.

4. *"Licensee discipline"* means any sanction a licensing board may impose upon its

licensees for conduct which threatens or denies citizens of this state a high standard of professional or occupational care.

5. The term *"licensing"* and its derivations include the terms *"registration"* and *"certification"* and their derivations.

6. *"Licensing board"* or *"board"* includes the following boards:

*a.* The state board of engineering and land surveying examiners, created pursuant to chapter 542B.

*b.* The board of examiners of shorthand reporters created pursuant to article 3 of chapter 602.

*c.* The Iowa accountancy examining board, created pursuant to chapter 542.

*d.* The Iowa real estate commission, created pursuant to chapter 543B.

*e.* The board of architectural examiners, created pursuant to chapter 544A.

*f.* The Iowa board of landscape architectural examiners, created pursuant to chapter 544B.

*g.* The board of barbering, created pursuant to chapter 147.

*h.* The board of chiropractic, created pursuant to chapter 147.

*i.* The board of cosmetology arts and sciences, created pursuant to chapter 147.

*j.* The dental board, created pursuant to chapter 147.

*k.* The board of mortuary science, created pursuant to chapter 147.

*l.* The board of medicine, created pursuant to chapter 147.

*m.* The board of physician assistants, created pursuant to chapter 148C.

*n.* The board of nursing, created pursuant to chapter 147.

*o.* The board of nursing home administrators, created pursuant to chapter 155.

*p.* The board of optometry, created pursuant to chapter 147.

*q.* The board of pharmacy, created pursuant to chapter 147.

*r.* The board of physical and occupational therapy, created pursuant to chapter 147.

*s.* The board of podiatry, created pursuant to chapter 147.

*t.* The board of psychology, created pursuant to chapter 147.

*u.* The board of speech pathology and audiology, created pursuant to chapter 147.

*v.* The board of hearing aid dispensers, created pursuant to chapter 154A.

*w.* The board of veterinary medicine, created pursuant to chapter 169.

*x.* The director of the department of natural resources in certifying water treatment operators as provided in sections 455B.211 through 455B.224.

*y.* Any professional or occupational licensing board created after January 1, 1978.

*z.* The board of respiratory care in licensing respiratory care practitioners pursuant to chapter 152B.

*aa.* The board of athletic training in licensing athletic trainers pursuant to chapter 152D.

*ab.* The board of massage therapy in licensing massage therapists pursuant to chapter 152C.

*ac.* The board of sign language interpreters and transliterators, created pursuant to chapter 154E.

*ad.* The director of public health in certifying emergency medical care providers and emergency medical care services pursuant to chapter 147A.

*ae.* The plumbing and mechanical systems board, created pursuant to chapter 105.

*af.* The department of public safety, in licensing fire protection system installers and maintenance workers pursuant to chapter 100D.

7. *"Malpractice"* means any error or omission, unreasonable lack of skill, or failure to maintain a reasonable standard of care by a licensee in the course of practice of the licensee's occupation or profession, pursuant to this chapter.

8. *"Peer review"* means evaluation of professional services rendered by a professional practitioner.

9. *"Peer review committee"* means one or more persons acting in a peer review capacity pursuant to this chapter.

[C79, 81, §258A.1]

83 Acts, ch 186, §10063, 10201; 84 Acts, ch 1067, §26; 87 Acts, ch 165, §3; 88 Acts, ch 1134, §61; 88 Acts, ch 1225, §25; 89 Acts, ch 83, §36; 90 Acts, ch 1193, §8; 92 Acts, ch 1205, §23

C93, §272C.1

94 Acts, ch 1132, §32; 96 Acts, ch 1036, §40; 98 Acts, ch 1053, §41, 42; 2001 Acts, ch 16, §1, 37; 2001 Acts, ch 55, §25, 38; 2004 Acts, ch 1110, §1; 2004 Acts, ch 1175, §430, 433; 2005 Acts, ch 3, §57; 2006 Acts, ch 1184, §119; 2007 Acts, ch 10, §171; 2007 Acts, ch 218, §205; 2007 Acts, ch 198, §31; 2008 Acts, ch 1089, §10, 12; 2008 Acts, ch 1094, §14, 18; 2009 Acts, ch 151, §31; 2010 Acts, ch 1037, §15

Referred to in §232.69, 235B.16, 272C.4, 622.31

**272C.2 Continuing education required.**

1. Each licensing board shall require and issue rules for continuing education requirements as a condition to license renewal.

2. The rules shall create continuing education requirements at a minimum level prescribed by each licensing board. These boards may also establish continuing education programs to assist a licensee in meeting such continuing education requirements. Such rules shall also:

*a.* Give due attention to the effect of continuing education requirements on interstate and international practice.

*b.* Place the responsibility for arrangement of financing of continuing education on the licensee, while allowing the board to receive any other available funds or resources that aid in supporting a continuing education program.

*c.* Attempt to express continuing education requirements in terms of uniform and widely recognized measurement units.

*d.* Establish guidelines, including guidelines in regard to the monitoring of licensee participation, for the approval of continuing education programs that qualify under the continuing education requirements prescribed.

*e.* Not be implemented for the purpose of limiting the size of the profession or occupation.

*f.* Define the status of active and inactive licensure and establish appropriate guidelines for inactive licensee reentry.

*g.* Be promulgated solely for the purpose of assuring a continued maintenance of skills and knowledge by a professional or occupational licensee directly related and commensurate with the current level of competency of the licensee's profession or occupation.

3. The state board of engineering and land surveyors, the board of architectural examiners, the board of landscape architectural examiners, and the economic development authority shall cooperate with each other and with persons who typically offer continuing education courses for design professionals to make available energy efficiency related continuing education courses, and to encourage interdisciplinary cooperation and education concerning available energy efficiency strategies for employment in the state's construction industry.

4. A person licensed to practice an occupation or profession in this state shall be deemed to have complied with the continuing education requirements of this state during periods that the person serves honorably on active duty in the military services, or for periods that the person is a resident of another state or district having a continuing education requirement for the occupation or profession and meets all requirements of that state or district for practice therein, or for periods that the person is a government employee working in the person's licensed specialty and assigned to duty outside of the United States, or for other periods of active practice and absence from the state approved by the appropriate licensing board.

5. A person licensed to sell real estate in this state shall be deemed to have complied with the continuing education requirements of this state during periods that the person serves honorably on active duty in the military services, or for periods that the person is a resident of another state or district having a continuing education requirement for the occupation or profession and meets all requirements of that state or district for practice therein, if the state or district accords the same privilege to Iowa residents, or for periods that the person is a government employee working in the person's licensed specialty and assigned to duty outside of the United States, or for other periods of active practice and absence from the state approved by the appropriate licensing board.

[C79, 81, §258A.2]

89 Acts, ch 292, §5; 90 Acts, ch 1252, §16

C93, §272C.2
2007 Acts, ch 10, §172; 2009 Acts, ch 108, §13, 41; 2011 Acts, ch 118, §50, 89
Referred to in §105.20, 153.36, 155A.6A, 155A.6B, 543D.16

**272C.2A Continuing education minimum requirements — barbering and cosmetology arts and sciences.**

The board of barbering and the board of cosmetology arts and sciences, created pursuant to chapter 147, shall each require, as a condition of license renewal, a minimum of six hours of continuing education in the two years immediately prior to a licensee's license renewal. The board of cosmetology arts and sciences may notify cosmetology arts and sciences licensees on a quarterly basis regarding continuing education opportunities.

88 Acts, ch 1274, §40
C89, §258A.2A
92 Acts, ch 1205, §24
C93, §272C.2A
2007 Acts, ch 10, §173

**272C.2B Continuing education minimum requirements — mortuary science.**

1. The board of mortuary science, created pursuant to chapter 147, shall require, as a condition of license renewal, a minimum number of hours of continuing education in the two years immediately prior to a licensee's license renewal as prescribed by rule.

2. A person licensed to practice mortuary science in this state shall be deemed to have complied with the continuing education requirements of this state during periods that the person serves honorably on active duty in the military services, or for periods that the person is a government employee working in the person's licensed specialty and assigned to duty outside of the United States, or for other periods of active practice and absence from the state approved by the board of mortuary science.

2010 Acts, ch 1067, §1

**272C.3 Authority of licensing boards.**

1. Notwithstanding any other provision of this chapter, each licensing board shall have the powers to:

*a.* Administer and enforce the laws and administrative rules provided for in this chapter and any other statute to which the licensing board is subject.

*b.* Adopt and enforce administrative rules which provide for the partial reexamination of the professional licensing examinations given by each licensing board.

*c.* Review or investigate, or both, upon written complaint or upon its own motion pursuant to other evidence received by the board, alleged acts or omissions which the board reasonably believes constitute cause under applicable law or administrative rule for licensee discipline.

*d.* Determine in any case whether an investigation, or further investigation, or a disciplinary proceeding is warranted. Notwithstanding the provisions of chapter 17A, a determination by a licensing board that an investigation is not warranted or that an investigation should be closed without initiating a disciplinary proceeding is not subject to judicial review pursuant to section 17A.19.

*e.* Initiate and prosecute disciplinary proceedings.

*f.* Impose licensee discipline.

*g.* Petition the district court for enforcement of its authority with respect to licensees or with respect to other persons violating the laws which the board is charged with administering.

*h.* Register or establish and register peer review committees.

*i.* Refer to a registered peer review committee for investigation, review, and report to the board, any complaint or other evidence of an act or omission which the board reasonably believes to constitute cause for licensee discipline. However, the referral of any matter shall not relieve the board of any of its duties and shall not divest the board of any authority or jurisdiction.

*j.* Determine and administer the renewal of licenses for periods not exceeding three years.

*k.* Establish a licensee review committee for the purpose of evaluating and monitoring licensees who are impaired as a result of alcohol or drug abuse, dependency, or addiction, or by any mental or physical disorder or disability, and who self-report the impairment to the committee, or who are referred by the board to the committee. Members of the committee shall receive actual expenses for the performance of their duties and shall be eligible to receive per diem compensation pursuant to section 7E.6. The board shall adopt rules for the establishment and administration of the committee, including but not limited to establishment of the criteria for eligibility for referral to the committee and the grounds for disciplinary action for noncompliance with committee decisions. Information in the possession of the board or the licensee review committee, under this paragraph, shall be subject to the confidentiality requirements of section 272C.6. Referral of a licensee by the board to a licensee review committee shall not relieve the board of any duties of the board and shall not divest the board of any authority or jurisdiction otherwise provided. A licensee who violates section 272C.10 or the rules of the board while under review by the licensee review committee shall be referred to the board for appropriate action.

2. Each licensing board may impose one or more of the following as licensee discipline:

*a.* Revoke a license, or suspend a license either until further order of the board or for a specified period, upon any of the grounds specified in section 100D.5, 105.22, 147.55, 148.6, 148B.7, 152.10, 153.34, 154A.24, 169.13, 455B.219, 542.10, 542B.21, 543B.29, 544A.13, 544B.15, or 602.3203 or chapter 151 or 155, as applicable, or upon any other grounds specifically provided for in this chapter for revocation of the license of a licensee subject to the jurisdiction of that board, or upon failure of the licensee to comply with a decision of the board imposing licensee discipline.

*b.* Revoke, or suspend either until further order of the board or for a specified period, the privilege of a licensee to engage in one or more specified procedures, methods, or acts incident to the practice of the profession, if pursuant to hearing or stipulated or agreed settlement the board finds that because of a lack of education or experience, or because of negligence, or careless acts or omissions, or because of one or more intentional acts or omissions, the licensee has demonstrated a lack of qualifications which are necessary to assure the residents of this state a high standard of professional and occupational care.

*c.* Impose a period of probation under specified conditions, whether or not in conjunction with other sanctions.

*d.* Require additional professional education or training, or reexamination, or any combination, as a condition precedent to the reinstatement of a license or of any privilege incident thereto, or as a condition precedent to the termination of any suspension.

*e.* Impose civil penalties by rule, if the rule specifies which offenses or acts are subject to civil penalties. The amount of civil penalty shall be in the discretion of the board, but shall not exceed one thousand dollars. Failure to comply with the imposition of a civil penalty may be grounds for further license discipline.

*f.* Issue a citation and warning respecting licensee behavior which is subject to the imposition of other sanctions by the board.

3. The powers conferred by this section upon a licensing board shall be in addition to powers specified elsewhere in the Code. The powers of any other person specified elsewhere in the Code shall not limit the powers of a licensing board conferred by this section, nor shall the powers of such other person be deemed limited by the provisions of this section.

4. *a.* Nothing contained in this section shall be construed to prohibit informal stipulation and settlement by a board and a licensee of any matter involving licensee discipline. However, licensee discipline shall not be agreed to or imposed except pursuant to a written decision which specifies the sanction and which is entered by the board and filed.

*b.* All health care boards shall file written decisions which specify the sanction entered by the board with the Iowa department of public health which shall be available to the public upon request. All non-health care boards shall have on file the written and specified decisions and sanctions entered by the board and shall be available to the public upon request.

[C79, 81, §258A.3]

83 Acts, ch 186, §10064, 10201; 84 Acts, ch 1056, §1; 84 Acts, ch 1067, §27; 86 Acts, ch 1245, §1880; 90 Acts, ch 1086, §16

C93, §272C.3

95 Acts, ch 72, §1; 2000 Acts, ch 1008, §10; 2001 Acts, ch 16, §2, 37; 2001 Acts, ch 55, §26, 38; 2002 Acts, ch 1108, §26; 2002 Acts, ch 1119, §149; 2003 Acts, ch 78, §6; 2004 Acts, ch 1110, §2; 2004 Acts, ch 1176, §13; 2007 Acts, ch 198, §32; 2008 Acts, ch 1089, §10, 12; 2008 Acts, ch 1094, §15, 18; 2009 Acts, ch 41, §263

Referred to in §147.106, 148.6, 153.34, 155A.18, 169.20, 272C.4, 272C.6, 543B.48, 543D.17

Civil penalty for real estate brokers and salespersons, see §543B.48

**272C.4 Duties of board.**

Each licensing board shall have the following duties in addition to other duties specified by this chapter or elsewhere in the Code:

1. Establish procedures by which complaints which relate to licensure or to licensee discipline shall be received and reviewed by the board.

2. Establish procedures by which disputes between licensees and clients which result in judgments or settlements in or of malpractice claims or actions shall be investigated by the board.

3. Establish procedures by which any recommendation taken by a peer review committee shall be reported to and reviewed by the board if a peer review committee is established.

4. Establish procedures for registration with the board of peer review committees if a peer review committee is established.

5. Define by rule those recommendations of peer review committees which shall constitute disciplinary recommendations which must be reported to the board if a peer review committee is established.

6. Define by rule acts or omissions that are grounds for revocation or suspension of a license under section 100D.5, 105.22, 147.55, 148.6, 148B.7, 152.10, 153.34, 154A.24, 169.13, 455B.219, 542.10, 542B.21, 543B.29, 544A.13, 544B.15, or 602.3203 or chapter 151 or 155, as applicable, and to define by rule acts or omissions that constitute negligence, careless acts, or omissions within the meaning of section 272C.3, subsection 2, paragraph *"b"*, which licensees are required to report to the board pursuant to section 272C.9, subsection 2.

7. Establish the procedures by which licensees shall report those acts or omissions specified by the board pursuant to subsection 6.

8. Give written notice to another licensing board or to a hospital licensing agency if evidence received by the board either alleges or constitutes reasonable cause to believe the existence of an act or omission which is subject to discipline by that other board or agency.

9. Require each health care licensing board to file with the Iowa department of public health a copy of each decision of the board imposing licensee discipline. Each non-health care board shall have on file a copy of each decision of the board imposing licensee discipline which copy shall be properly dated and shall be in simple language and in the most concise form consistent with clearness and comprehensiveness of subject matter.

10. Establish procedures consistent with the provisions of section 261.121, subsection 2, and sections 261.122 through 261.127 by which, in the board's discretion, a license shall be suspended, denied, or revoked, or other disciplinary action imposed, with regard to a licensee subject to the board's jurisdiction who has defaulted on a repayment or service obligation under any federal or state educational loan or service-conditional scholarship program. Notwithstanding any other provision to the contrary, each board shall defer to the federal or state program's determination of default upon certification by the program of such a default on the part of a licensee, and shall remove the suspension, grant the license, or stay the revocation or other disciplinary action taken if the federal or state program certifies that the defaulting licensee has agreed to fulfill the licensee's obligation, or is complying with an approved repayment plan. Licensure sanctions shall be reinstated upon certification that a defaulting licensee has failed to comply with the repayment or service requirements, as determined by the federal or state program. The provisions of this subsection relating to board authority to act in response to notification of default shall apply not only to a licensing board, as defined in section 272C.1, but also to any other licensing board or authority regulating a license authorized by the laws of this state.

[C79, 81, §258A.4]

83 Acts, ch 186, §10065, 10201; 84 Acts, ch 1067, §28; 90 Acts, ch 1086, §17
C93, §272C.4
97 Acts, ch 203, §16; 98 Acts, ch 1119, §8; 2000 Acts, ch 1008, §11; 2001 Acts, ch 16, §3, 37; 2001 Acts, ch 55, §27, 38; 2002 Acts, ch 1057, §1; 2002 Acts, ch 1111, §1; 2002 Acts, ch 1119, §150; 2004 Acts, ch 1110, §3; 2005 Acts, ch 89, §35; 2007 Acts, ch 198, §33; 2008 Acts, ch 1089, §10, 12; 2008 Acts, ch 1094, §16, 18; 2010 Acts, ch 1069, §37
Referred to in §272C.9

**272C.5 Licensee disciplinary procedure — rulemaking delegation.**

1. Each licensing board may establish by rule licensee disciplinary procedures. Each licensing board may impose licensee discipline under these procedures.

2. Rules promulgated under subsection 1 of this section:

*a.* Shall comply with the provisions of chapter 17A.

*b.* Shall designate who may or shall initiate a licensee disciplinary investigation and a licensee disciplinary proceeding, and who shall prosecute a disciplinary proceeding and under what conditions, and shall state the procedures for review by the licensing board of findings of fact if a majority of the licensing board does not hear the disciplinary proceeding.

*c.* Shall state whether the procedures are an alternative to or an addition to the procedures stated in sections 100D.5, 105.23, 105.24, 148.6 through 148.9, 152.10, 152.11, 153.33, 154A.23, 542.11, 542B.22, 543B.35, 543B.36, and 544B.16.

*d.* Shall specify methods by which the final decisions of the board relating to disciplinary proceedings shall be published.

[C79, 81, §258A.5]
87 Acts, ch 215, §45
C93, §272C.5
2000 Acts, ch 1008, §12; 2001 Acts, ch 55, §28, 38; 2002 Acts, ch 1108, §27; 2007 Acts, ch 198, §34; 2008 Acts, ch 1088, §116; 2008 Acts, ch 1089, §10, 12; 2008 Acts, ch 1094, §17, 18

**272C.6 Hearings — power of subpoena — decisions.**

1. Disciplinary hearings held pursuant to this chapter shall be heard by the board sitting as the hearing panel, or by a panel of not less than three board members who are licensed in the profession, or by a panel of not less than three members appointed pursuant to subsection 2. Notwithstanding chapters 17A and 21 a disciplinary hearing shall be open to the public at the discretion of the licensee.

2. When, in the opinion of a majority of the board, it is desirable to obtain specialists within an area of practice of a profession when holding disciplinary hearings, a licensing board may appoint licensees not having a conflict of interest to make findings of fact and to report to the board. Such findings shall not include any recommendation for or against licensee discipline.

3. *a.* The presiding officer of a hearing panel may issue subpoenas pursuant to rules of the board on behalf of the board or on behalf of the licensee. A licensee may have subpoenas issued on the licensee's behalf.

(1) A subpoena issued under the authority of a licensing board may compel the attendance of witnesses and the production of professional records, books, papers, correspondence and other records, whether or not privileged or confidential under law, which are deemed necessary as evidence in connection with a disciplinary proceeding.

(2) Nothing in this subsection shall be deemed to enable a licensing board to compel an attorney of the licensee, or stenographer or confidential clerk of the attorney, to disclose any information when privileged against disclosure by section 622.10.

(3) In the event of a refusal to obey a subpoena, the licensing board may petition the district court for its enforcement. Upon proper showing, the district court shall order the person to obey the subpoena, and if the person fails to obey the order of the court the person may be found guilty of contempt of court.

*b.* The presiding officer of a hearing panel may also administer oaths and affirmations, take or order that depositions be taken, and pursuant to rules of the board, grant immunity to a witness from disciplinary proceedings initiated either by the board or by other state

agencies which might otherwise result from the testimony to be given by the witness to the panel.

4. *a.* In order to assure a free flow of information for accomplishing the purposes of this section, and notwithstanding section 622.10, all complaint files, investigation files, other investigation reports, and other investigative information in the possession of a licensing board or peer review committee acting under the authority of a licensing board or its employees or agents which relates to licensee discipline are privileged and confidential, and are not subject to discovery, subpoena, or other means of legal compulsion for their release to a person other than the licensee and the boards, their employees and agents involved in licensee discipline, and are not admissible in evidence in a judicial or administrative proceeding other than the proceeding involving licensee discipline. However, investigative information in the possession of a licensing board or its employees or agents which relates to licensee discipline may be disclosed to appropriate licensing authorities within this state, the appropriate licensing authority in another state, the coordinated licensure information system provided for in the nurse licensure compact contained in section 152E.1 or the advanced practice registered nurse compact contained in section 152E.3, the District of Columbia, or a territory or country in which the licensee is licensed or has applied for a license. If the investigative information in the possession of a licensing board or its employees or agents indicates a crime has been committed, the information shall be reported to the proper law enforcement agency. However, a final written decision and finding of fact of a licensing board in a disciplinary proceeding, including a decision referred to in section 272C.3, subsection 4, is a public record.

*b.* Pursuant to the provisions of section 17A.19, subsection 6, a licensing board upon an appeal by the licensee of the decision by the licensing board, shall transmit the entire record of the contested case to the reviewing court.

*c.* Notwithstanding the provisions of section 17A.19, subsection 6, if a waiver of privilege has been involuntary and evidence has been received at a disciplinary hearing, the court shall order withheld the identity of the individual whose privilege was waived.

5. Licensee discipline shall not be imposed except upon the affirmative vote of a majority of the licensing board.

6. *a.* A board created pursuant to chapter 147, 154A, 155, 169, 542, 542B, 543B, 543D, 544A, or 544B may charge a fee not to exceed seventy-five dollars for conducting a disciplinary hearing pursuant to this chapter which results in disciplinary action taken against the licensee by the board, and in addition to the fee, may recover from a licensee the costs for the following procedures and associated personnel:

(1) Transcript.

(2) Witness fees and expenses.

(3) Depositions.

(4) Medical examination fees incurred relating to a person licensed under chapter 147, 154A, 155, or 169.

*b.* The department of agriculture and land stewardship, the department of commerce, and the Iowa department of public health shall each adopt rules pursuant to chapter 17A which provide for the allocation of fees and costs collected pursuant to this section to the board under its jurisdiction collecting the fees and costs. The fees and costs shall be considered repayment receipts as defined in section 8.2.

[C79, 81, §258A.6; 82 Acts, ch 1005, §8]

86 Acts, ch 1211, §15; 92 Acts, ch 1125, §1

C93, §272C.6

2000 Acts, ch 1008, §13; 2001 Acts, ch 55, §29, 38; 2005 Acts, ch 53, §10; 2010 Acts, ch 1061, §94

Referred to in §105.23, 139A.22, 147.135, 147A.24, 148.2A, 148.7, 153.36, 155A.40, 156.16, 203.16, 203C.24, 272C.3, 272C.7, 542.11, 543D.21, 546.10

Board of medicine, see §148.2A, 148.7

**272C.7 Executive secretary and personnel.**

1. As an alternative to authority contained elsewhere in this chapter, a licensing board may employ within the limits of available funds an executive secretary, one or more inspectors,

and such clerical personnel as may be necessary for the administration of the duties of the board. Employees of the board shall be employed subject to chapter 8A, subchapter IV. The qualifications of the executive secretary shall be determined by the board.

2. All employees of a licensing board shall be reimbursed subject to the rules of the director of the department of administrative services for their expenses incurred in the performance of official duties. All reimbursements shall constitute costs of sustaining the board.

3. Licensees appointed to serve on a hearing panel pursuant to section 272C.6, subsection 2, shall be compensated at the rate specified in section 7E.6 for each day of actual duty, and shall be reimbursed for actual expenses reasonably incurred in the performance of duties.

4. Salaries, per diem, and expenses incurred in the performance of official duties of the board or its employees shall be paid from funds appropriated by the general assembly.

[C79, 81, §258A.7]
90 Acts, ch 1256, §43
C93, §272C.7
2003 Acts, ch 145, §233, 286

**272C.8 Immunities.**

1. *a.* A person shall not be civilly liable as a result of the person's acts, omissions, or decisions in good faith as a member of a licensing board or as an employee or agent in connection with the person's duties.

*b.* A person shall not be civilly liable as a result of filing a report or complaint with a licensing board or peer review committee, or for the disclosure to a licensing board or its agents or employees, whether or not pursuant to a subpoena of records, documents, testimony, or other forms of information which constitute privileged matter concerning a recipient of health care services or some other person, in connection with proceedings of a peer review committee, or in connection with duties of a health care board. However, such immunity from civil liability shall not apply if such act is done with malice.

*c.* A person shall not be dismissed from employment, and shall not be discriminated against by an employer because the person filed a complaint with a licensing board or peer review committee, or because the person participated as a member, agent, or employee of a licensing board or peer review committee, or presented testimony or other evidence to a licensing board or peer review committee.

2. Any employer who violates the terms of this section shall be liable to any person aggrieved for actual and punitive damages plus reasonable attorney fees.

[C79, 81, §258A.8]
C93, §272C.8
2010 Acts, ch 1069, §74

**272C.9 Duties of licensees.**

1. Each licensee of a licensing board, as a condition of licensure, is under a duty to submit to a physical, mental, or clinical competency examination when directed in writing by the board for cause. All objections shall be waived as to the admissibility of the examining physician's testimony or reports on the grounds of privileged communications. The medical testimony or report shall not be used against the licensee in any proceeding other than one relating to licensee discipline by the board, or one commenced in district court for revocation of the licensee's privileges. The licensing board, upon probable cause, shall have the authority to order a physical, mental, or clinical competency examination, and upon refusal of the licensee to submit to the examination the licensing board may order that the allegations pursuant to which the order of physical, mental, or clinical competency examination was made shall be taken to be established.

2. A licensee has a continuing duty to report to the licensing board by whom the person is licensed those acts or omissions specified by rule of the board pursuant to section 272C.4, subsection 6, when committed by another person licensed by the same licensing board. This subsection does not apply to licensees under chapter 542 when the observations are a result of participation in programs of practice review, peer review and quality review conducted

by professional organizations of certified public accountants, for educational purposes and approved by the accountancy examining board.

3. A licensee shall have a continuing duty and obligation, as a condition of licensure, to report to the licensing board by which the licensee is licensed every adverse judgment in a professional or occupational malpractice action to which the licensee is a party, and every settlement of a claim against the licensee alleging malpractice.

4. A licensee who willfully fails to comply with subsection 2 or 3 of this section commits a violation of this chapter for which licensee discipline may be imposed.

[C79, 81, §258A.9; 81 Acts, ch 84, §1]
C93, §272C.9
2001 Acts, ch 55, §30, 38; 2005 Acts, ch 89, §36
Referred to in §272C.4

**272C.10 Rules for revocation or suspension of license.**

A licensing board established after January 1, 1978 and pursuant to the provisions of this chapter shall by rule include provisions for the revocation or suspension of a license which shall include but is not limited to the following:

1. Fraud in procuring a license.
2. Professional incompetency.
3. Knowingly making misleading, deceptive, untrue or fraudulent representations in the practice of the licensee's profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.
4. Habitual intoxication or addiction to the use of drugs.
5. Conviction of a felony related to the profession or occupation of the licensee. A copy of the record of conviction or plea of guilty shall be conclusive evidence.
6. Fraud in representations as to skill or ability.
7. Use of untruthful or improbable statements in advertisements.
8. Willful or repeated violations of the provisions of this chapter.

[C79, 81, §258A.10]
C93, §272C.10
Referred to in §152D.6, 156.9, 272C.3, 542.10

**272C.11 Insurers of professional and occupational licensees — reports.**

Insurance carriers which insure professional and occupational licensees for acts or omissions that constitute negligence, careless acts, or omissions in the practice of a profession or occupation shall file reports with the appropriate licensing board. The reports shall include information pertaining to any lawsuit filed against a licensee which may affect the licensee as defined by rule, involving an insured of the insurer.

2010 Acts, ch 1069, §38

# CHAPTER 272D

## DEBTS OWED STATE OR LOCAL GOVERNMENT — LICENSING SANCTIONS


272D.1 Definitions.
272D.2 Purpose and use.
272D.3 Notice to person of potential sanction of license.
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272D.9 District court hearing.


**272D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Certificate of noncompliance"* means a document provided by the unit certifying that

the named person has outstanding liability placed with the unit and has not entered into an approved payment plan to pay the liability.

2. *"Liability"* means a debt or obligation placed with the unit for collection that is greater than one thousand dollars. For purposes of this chapter *"liability"* does not include support payments collected pursuant to chapter 252J.

3. *"License"* means a license, certification, registration, permit, approval, renewal, or other similar authorization issued to a person by a licensing authority which evidences the admission to, or granting of authority to engage in, a profession, occupation, business, industry, or recreation. *"License"* includes licenses for hunting and fishing, or other recreational activity.

4. *"Licensee"* means a person to whom a license has been issued, or who is seeking the issuance of a license.

5. *"Licensing authority"* means the supreme court, or an instrumentality, agency, board, commission, department, officer, organization, or any other entity of the state, which has authority within this state to suspend or revoke a license or to deny the renewal or issuance of a license authorizing a person to engage in a business, occupation, profession, recreation, or industry.

6. *"Obligor"* means a person with a liability placed with the unit.

7. *"Person"* means a licensee.

8. *"Unit"* means the centralized collection unit of the department of revenue.

9. *"Withdrawal of a certificate of noncompliance"* means a document provided by the unit certifying that the certificate of noncompliance is withdrawn and that the licensing authority may proceed with issuance, reinstatement, or renewal of the person's license.

2008 Acts, ch 1172, §7; 2009 Acts, ch 41, §107

**272D.2 Purpose and use.**

1. Notwithstanding other statutory provisions to the contrary, the unit may utilize the process established in this chapter to collect liabilities placed with the unit.

2. Actions initiated by the unit under this chapter shall not be subject to contested case proceedings or further review pursuant to chapter 17A and any resulting court hearing shall be an original hearing before the district court.

3. Notwithstanding chapter 22, all of the following apply:

*a.* Information obtained by the unit under this chapter shall be used solely for the purposes of this chapter.

*b.* Information obtained by a licensing authority under this chapter shall be used solely for the purposes of this chapter.

4. Notwithstanding any other law to the contrary, information shall be exchanged by a licensing authority and the unit to effectuate this chapter.

2008 Acts, ch 1172, §8

**272D.3 Notice to person of potential sanction of license.**

The unit shall proceed in accordance with this chapter only if the unit sends a notice to the person by regular mail to the last known address of the person. The notice shall include all of the following:

1. The address and telephone number of the unit and the person's unit account number.

2. A statement that the person may request a conference with the unit to contest the action.

3. A statement that if, within twenty days of mailing of the notice to the person, the person fails to contact the unit to schedule a conference, the unit shall issue a certificate of noncompliance, bearing the person's name, social security number, and unit account number, to any appropriate licensing authority, certifying that the obligor has an outstanding liability placed with the unit.

4. A statement that in order to stay the issuance of a certificate of noncompliance the request for a conference shall be in writing and shall be received by the unit within twenty days of mailing of the notice to the person.

5. The names of the licensing authorities to which the unit intends to issue a certificate of noncompliance.

6. A statement that if the unit issues a certificate of noncompliance to an appropriate licensing authority, the licensing authority shall initiate proceedings to refuse to issue or renew, or to suspend or revoke the person's license, unless the unit provides the licensing authority with a withdrawal of a certificate of noncompliance.

2008 Acts, ch 1172, §9
Referred to in §272D.4, 272D.6, 272D.7

**272D.4 Conference.**

1. The person may schedule a conference with the unit following mailing of the notice pursuant to section 272D.3, or at any time after service of notice of suspension, revocation, denial of issuance, or nonrenewal of a license from a licensing authority, to challenge the unit's actions under this chapter.

2. The request for a conference shall be made to the unit in writing and, if requested after mailing of the notice pursuant to section 272D.3, shall be received by the unit within twenty days following mailing of the notice.

3. The unit shall notify the person of the date, time, and location of the conference by regular mail, with the date of the conference to be no earlier than ten days following issuance of notice of the conference by the unit. If the person fails to appear at the conference, the unit shall issue a certificate of noncompliance.

4. Following the conference, the unit shall issue a certificate of noncompliance unless any of the following applies:

*a.* The unit finds a mistake in the identity of the person.

*b.* The unit finds a mistake in determining the amount of the liability.

*c.* The unit determines the amount of the liability is not greater than one thousand dollars.

*d.* The obligor enters into an acceptable payment plan.

*e.* Issuance of a certificate of noncompliance is not appropriate under other criteria established in accordance with rules adopted by the department of revenue pursuant to chapter 17A.

5. The unit shall grant the person a stay of the issuance of a certificate of noncompliance upon receiving a timely written request for a conference, and if a certificate of noncompliance has previously been issued, shall issue a withdrawal of a certificate of noncompliance if the obligor enters into a written agreement with the unit to pay the liability.

6. If the person does not timely request a conference or does not pay the total amount of liability owed within twenty days of mailing of the notice pursuant to section 272D.3, the unit shall issue a certificate of noncompliance.

2008 Acts, ch 1172, §10
Referred to in §272D.6

**272D.5 Written agreement.**

1. The obligor and the unit may enter into a written agreement for payment of the liability owed which takes into consideration the obligor's ability to pay and other criteria established by rule of the department of revenue. The written agreement shall include all of the following:

*a.* The method, amount, and dates of payments by the obligor.

*b.* A statement that upon breach of the written agreement by the obligor, the unit shall issue a certificate of noncompliance to any appropriate licensing authority.

2. A written agreement entered into pursuant to this section does not preclude any other remedy provided by law.

3. Following issuance of a certificate of noncompliance, if the obligor enters into a written agreement with the unit, the unit shall issue a withdrawal of the certificate of noncompliance to any appropriate licensing authority and shall forward a copy of the withdrawal by regular mail to the obligor.

2008 Acts, ch 1172, §11
Referred to in §272D.6

**272D.6 Decision of the unit.**

1. If the unit mails a notice to a person pursuant to section 272D.3, and the person requests

a conference pursuant to section 272D.4, the unit shall issue a written decision if any of the following conditions exist:

*a.* The person fails to appear at a scheduled conference under section 272D.4.

*b.* A conference is held under section 272D.4.

*c.* The obligor fails to comply with a written agreement entered into by the obligor and the unit under section 272D.5.

2. The unit shall send a copy of the written decision to the person by regular mail at the person's most recent address of record. If the decision is made to issue a certificate of noncompliance or to withdraw the certificate of noncompliance, a copy of the certificate of noncompliance or of the withdrawal of the certificate of noncompliance shall be attached to the written decision. The written decision shall state all of the following:

*a.* That the certificate of noncompliance or withdrawal of the certificate of noncompliance has been provided to the licensing authorities named in the notice provided pursuant to section 272D.3.

*b.* That upon receipt of a certificate of noncompliance, the licensing authority shall initiate proceedings to suspend, revoke, deny issuance, or deny renewal of a license, unless the licensing authority is provided with a withdrawal of a certificate of noncompliance from the unit.

*c.* That in order to obtain a withdrawal of a certificate of noncompliance from the unit, the obligor shall enter into a written agreement with the unit, comply with an existing written agreement with the unit, or pay the total amount of liability owed.

*d.* That if the unit issues a written decision which includes a certificate of noncompliance, the person may request a hearing as provided in section 272D.9, before the district court. The person may retain an attorney at the person's own expense to represent the person at the hearing. The review of the district court shall be limited to demonstration of a mistake of fact related to the amount of the liability owed or the identity of the person.

3. If the unit issues a certificate of noncompliance, the unit shall only issue a withdrawal of the certificate of noncompliance if any of the following applies:

*a.* The unit or the court finds a mistake in the identity of the person.

*b.* The unit or the court finds a mistake in the amount owed.

*c.* The obligor enters into a written agreement with the unit to pay the liability owed, the obligor complies with an existing written agreement, or the obligor pays the total amount of liability owed.

*d.* Issuance of a withdrawal of the certificate of noncompliance is appropriate under other criteria in accordance with rules adopted by the department of revenue pursuant to chapter 17A.

2008 Acts, ch 1172, §12

Referred to in §272D.7, 272D.9

**272D.7 Certificate of noncompliance — certification to licensing authority.**

1. If a person fails to respond to a notice of potential license sanction provided pursuant to section 272D.3 or the unit issues a written decision under section 272D.6 which states that the person is not in compliance, the unit shall issue a certificate of noncompliance to any appropriate licensing authority.

2. The certificate of noncompliance shall contain the person's name and social security number.

3. The certificate of noncompliance shall require all of the following:

*a.* That the licensing authority initiate procedures for the revocation or suspension of the person's license, or for the denial of the issuance or renewal of a license using the licensing authority's procedures.

*b.* That the licensing authority provide notice to the person, as provided in section 272D.8, of the intent to suspend, revoke, deny issuance, or deny renewal of a license including the effective date of the action. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the person.

2008 Acts, ch 1172, §13

**272D.8 Requirements and procedures of licensing authority.**

1. A licensing authority shall maintain records of licensees by name, current known address, and social security number. The records shall be made available to the unit in an electronic format in order for the unit to match the names of the persons with any liability placed with the unit for collection.

2. In addition to other grounds for suspension, revocation, or denial of issuance or renewal of a license, a licensing authority shall include in rules adopted by the licensing authority as grounds for suspension, revocation, or denial of issuance or renewal of a license, the receipt of a certificate of noncompliance from the unit.

3. The supreme court shall prescribe rules for admission of persons to practice as attorneys and counselors pursuant to chapter 602, article 10, which include provisions, as specified in this chapter, for the denial, suspension, or revocation of the admission for failure to pay a liability placed with the unit.

4. *a.* A licensing authority that is issued a certificate of noncompliance shall initiate procedures for the suspension, revocation, or denial of issuance or renewal of licensure to a person. The licensing authority shall utilize existing rules and procedures for suspension, revocation, or denial of the issuance or renewal of a license.

*b.* In addition, the licensing authority shall provide notice to the person of the licensing authority's intent to suspend, revoke, or deny issuance or renewal of a license under this chapter. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the person. The notice shall state all of the following:

(1) The licensing authority intends to suspend, revoke, or deny issuance or renewal of a person's license due to the receipt of a certificate of noncompliance from the unit.

(2) The person must contact the unit to schedule a conference or to otherwise obtain a withdrawal of a certificate of noncompliance.

(3) Unless the unit furnishes a withdrawal of a certificate of noncompliance to the licensing authority within thirty days of the issuance of the notice under this section, the person's license will be revoked, suspended, or denied.

(4) If the licensing authority's rules and procedures conflict with the additional requirements of this section, the requirements of this section shall apply. Notwithstanding section 17A.18, the person does not have a right to a hearing before the licensing authority to contest the authority's actions under this chapter but may request a court hearing pursuant to section 272D.9 within thirty days of the provision of notice under this section.

5. If the licensing authority receives a withdrawal of a certificate of noncompliance from the unit, the licensing authority shall immediately reinstate, renew, or issue a license if the person is otherwise in compliance with licensing requirements established by the licensing authority.

2008 Acts, ch 1172, §14

Referred to in §272D.7, 272D.9

**272D.9 District court hearing.**

1. Following the issuance of a written decision by the unit under section 272D.6 which includes the issuance of a certificate of noncompliance, or following provision of notice to the person by a licensing authority pursuant to section 272D.8, a person may seek review of the decision and request a hearing before the district court by filing an application with the district court in the county where the majority of the liability was incurred, and sending a copy of the application to the unit by regular mail.

2. An application shall be filed to seek review of the decision by the unit or following issuance of notice by the licensing authority no later than within thirty days after the issuance of the notice pursuant to section 272D.8. The clerk of the district court shall schedule a hearing and mail a copy of the order scheduling the hearing to the person and the unit and shall also mail a copy of the order to the licensing authority, if applicable. The unit shall certify a copy of its written decision and certificate of noncompliance, indicating the date of issuance, and the licensing authority shall certify a copy of a notice issued pursuant to section 272D.8, to the court prior to the hearing.

3. The filing of an application pursuant to this section shall automatically stay the actions

of a licensing authority pursuant to section 272D.8. The hearing on the application shall be scheduled and held within thirty days of the filing of the application. However, if the person fails to appear at the scheduled hearing, the stay shall be lifted and the licensing authority shall continue procedures pursuant to section 272D.8.

4. The scope of review by the district court shall be limited to demonstration of the amount of the liability owed or the identity of the person.

5. If the court finds that the unit was in error in issuing a certificate of noncompliance, or in failing to issue a withdrawal of a certificate of noncompliance, the unit shall issue a withdrawal of a certificate of noncompliance to the appropriate licensing authority.

2008 Acts, ch 1172, §15

Referred to in §272D.6, 272D.8

# SUBTITLE 6

## SCHOOL DISTRICTS

## CHAPTER 273

### AREA EDUCATION AGENCIES

Referred to in §74.1, 256.82, 256F.2, 257.36, 257C.3, 279.23, 280.8, 282.3, 284.15

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273.27 Hearing — vote — state board approval.

## SUBCHAPTER I

## GENERAL PROVISIONS

**273.1 Intent.**

It is the intent of the general assembly to provide an effective, efficient, and economical means of identifying and serving children from under five years of age through grade twelve who require special education and any other children requiring special education as defined in section 256B.2; to provide for media services and other programs and services for pupils in grades kindergarten through twelve and children requiring special education as defined in section 256B.2; to provide a method of financing the programs and services; and to avoid a duplication of programs and services provided by any other school corporation in the state; and to provide services to school districts under a contract with those school districts.

[C75, 77, 79, 81, §273.1]

87 Acts, ch 224, §44

Referred to in §256B.9, 273.2, 273.3, 273.23

**273.2 Area education agencies established — powers — services and programs.**

1. There are established throughout the state fifteen area education agencies, each of which is governed by an area education agency board of directors. The boundaries of an area education agency shall not divide a school district. The director of the department of education shall change boundaries of area education agencies to take into account mergers of local school districts and changes in boundaries of local school districts, when necessary to maintain the policy of this chapter that a local school district shall not be a part of more than one area education agency.

2. An area education agency established under this chapter is a body politic as a school corporation for the purpose of exercising powers granted under this chapter, and may

sue and be sued. An area education agency may hold property and execute purchase agreements within two years of a disaster as defined in section 29C.2, subsection 4, and lease-purchase agreements pursuant to section 273.3, subsection 7, and if the lease-purchase agreement exceeds ten years or the purchase price of the property to be acquired pursuant to a purchase or lease-purchase agreement exceeds twenty-five thousand dollars, the area education agency shall conduct a public hearing on the proposed purchase or lease-purchase agreement and receive approval from the area education agency board of directors and the state board of education or its designee before entering into the agreement.

3. The area education agency board shall furnish educational services and programs as provided in section 273.1, this section, sections 273.3 to 273.9, and chapter 256B to the pupils enrolled in public or nonpublic schools located within its boundaries which are on the list of accredited schools pursuant to section 256.11. The programs and services provided shall be at least commensurate with programs and services existing on July 1, 1974. The programs and services provided to pupils enrolled in nonpublic schools shall be comparable to programs and services provided to pupils enrolled in public schools within constitutional guidelines.

4. The area education agency board shall provide for special education services and media services for the local school districts in the area and shall encourage and assist school districts in the area to establish programs for gifted and talented children. The board shall assist in facilitating interlibrary loans of materials between school districts and other libraries.

5. The area education agency board may provide for the following programs and services to local school districts, and at the request of local school districts to providers of child development services who have received grants under chapter 256A from the child development coordinating council, within the limits of funds available:

*a.* In-service training programs for employees of school districts and area education agencies, provided at the time programs and services are established they do not duplicate programs and services available in that area from the universities under the state board of regents and from other universities and four-year institutions of higher education in Iowa. The in-service training programs shall include but are not limited to regular training concerning mental or emotional disorders which may afflict children and the impact children with such disorders have upon their families.

*b.* Educational data processing pursuant to section 256.9, subsection 11.

*c.* Research, demonstration projects and models, and educational planning for children under five years of age through grade twelve and children requiring special education as defined in section 256B.2 as approved by the state board of education.

*d.* Auxiliary services for nonpublic school pupils as provided in section 256.12. However, if auxiliary services are provided their funding shall be based on the type of service provided.

*e.* Other educational programs and services for children under five years through grade twelve and children requiring special education as defined in section 256B.2 and for employees of school districts and area education agencies as approved by the state board of education.

6. The board of directors of an area education agency shall not establish programs and services which duplicate programs and services which are or may be provided by the community colleges under the provisions of chapter 260C. An area education agency shall contract, whenever practicable, with other school corporations for the use of personnel, buildings, facilities, supplies, equipment, programs, and services.

7. The board of an area education agency or a consortium of two or more area education agencies shall contract with one or more licensed dietitians for the support of nutritional provisions in individual education plans developed in accordance with chapter 256B and to provide information to support school nutrition coordinators.

8. The area education agency board shall collaborate with the department of education to provide a statewide infrastructure for educational data to create cost efficiencies, provide storage and disaster mitigation, and improve interconnectivity between schools and school districts. In addition, the area education agency boards shall work with the department to provide systemwide coordination in the implementation of the statewide longitudinal data system consistent with the federal American Recovery and Reinvestment Act of 2009. The area education agencies shall provide support to school districts' information technology

infrastructure that is consistent with the statewide infrastructure for the educational data collaborative.

9. The area education agency boards shall jointly develop a three-year statewide strategic plan that supports goals adopted by the state board of education pursuant to section 256.7, subsection 4, and the accreditation standards established pursuant to section 256.11; establish performance goals; and clearly identify the statewide efforts to improve student learning and create efficiencies in management operations for area education agencies and school districts. The statewide strategic plan shall be approved by the state board of education. The area education agency boards shall jointly provide the state board with annual updates on the performance measures.

[C66, 71, 73, §280A.25(3); C75, 77, 79, 81, §273.2, 280A.25(3); 82 Acts, ch 1006, §1, 2, ch 1136, §1]

84 Acts, ch 1103, §1; 85 Acts, ch 195, §30; 86 Acts, ch 1245, §1457; 87 Acts, ch 115, §39; 89 Acts, ch 135, §57; 95 Acts, ch 182, §20; 2001 Acts, ch 158, §23; 2008 Acts, ch 1187, §143; 2009 Acts, ch 65, §5; 2010 Acts, ch 1031, §270; 2011 Acts, ch 132, §63, 106; 2012 Acts, ch 1023, §38; 2012 Acts, ch 1138, §61

Referred to in §256B.9, 256I.8, 273.3, 273.6, 273.11, 273.23

Section not amended; internal reference change applied

**273.3 Duties and powers of area education agency board.**

The board in carrying out the provisions of section 273.2 shall:

1. Determine the policies of the area education agency for providing programs and services.

2. Be authorized to receive and expend money for providing programs and services as provided in sections 273.1, 273.2, this section, sections 273.4 to 273.9, and chapters 256B and 257. All costs incurred in providing the programs and services, including administrative costs, shall be paid from funds received pursuant to sections 273.1, 273.2, this section, sections 273.4 to 273.9, and chapters 256B and 257.

3. Provide data and prepare reports as directed by the director of the department of education.

4. Provide for advisory committees as deemed necessary.

5. Be authorized, subject to rules of the state board of education, to provide directly or by contractual arrangement with public or private agencies for special education programs and services, media services, and educational programs and services requested by the local boards of education as provided in this chapter, including but not limited to contracts for the area education agency to provide programs or services to the local school districts and contracts for local school districts, other educational agencies, and public and private agencies to provide programs and services to the local school districts in the area education agency in lieu of the area education agency providing the services. Contracts may be made with public or private agencies located outside the state if the programs and services comply with the rules of the state board. Rules adopted by the state board of education shall be consistent with rules, adopted by the board of educational examiners, relating to licensing of practitioners.

6. Area education agencies may cooperate and contract between themselves and with other public agencies to provide special education programs and services, media services, and educational services to schools and children residing within their respective areas. Area education agencies may provide print and nonprint materials to public and private colleges and universities that have teacher education programs approved by the state board of education.

7. Be authorized to lease, purchase, or lease-purchase, subject to the approval of the state board of education or its designee and to receive by gift and operate and maintain facilities and buildings necessary to provide authorized programs and services. However, a lease for less than ten years and with an annual cost of less than twenty-five thousand dollars does not require the approval of the state board. The state board shall not approve a lease, purchase, or lease-purchase until the state board is satisfied by investigation that public school corporations within the area do not have suitable facilities available. A purchase of

property that is not a lease-purchase may be made only within two years of a disaster as defined in section 29C.2, subsection 4, and subject to the requirements of this subsection.

8. Be authorized, subject to the approval of the director of the department of education, to enter into agreements for the joint use of personnel, buildings, facilities, supplies, and equipment with school corporations as deemed necessary to provide authorized programs and services.

9. Be authorized to make application for, accept, and expend state and federal funds that are available for programs of educational benefit approved by the director of the department of education, and cooperate with the department in the manner provided in federal-state plans or department rules in the effectuation and administration of programs approved by the director, or approved by other educational agencies, which agencies have been approved as state educational authorities.

10. Be authorized to perform all other acts necessary to carry out the provisions and intent of this chapter.

11. Employ personnel to carry out the functions of the area education agency which shall include the employment of an administrator who shall possess a license issued under chapter 272. The administrator shall be employed pursuant to section 279.20 and sections 279.23, 279.24, and 279.25. The salary for an area education agency administrator shall be established by the board based upon the previous experience and education of the administrator. Section 279.13 applies to the area education agency board and to all teachers employed by the area education agency. Sections 279.23, 279.24, and 279.25 apply to the area education board and to all administrators employed by the area education agency.

12. Prepare an annual budget estimating income and expenditures for programs and services as provided in sections 273.1, 273.2, this section, sections 273.4 to 273.9, and chapter 256B within the limits of funds provided under section 256B.9 and chapter 257. The board shall give notice of a public hearing on the proposed budget by publication in an official county newspaper in each county in the territory of the area education agency in which the principal place of business of a school district that is a part of the area education agency is located. The notice shall specify the date, which shall be not later than March 1 of each year, the time, and the location of the public hearing. The proposed budget as approved by the board shall then be submitted to the state board of education, on forms provided by the department, no later than March 15 preceding the next fiscal year for approval. The state board shall review the proposed budget of each area education agency and shall before May 1, either grant approval or return the budget without approval with comments of the state board included. An unapproved budget shall be resubmitted to the state board for final approval not later than May 15. The state board shall give final approval only to budgets submitted by area education agencies accredited by the state board or that have been given conditional accreditation by the state board.

13. Be authorized to pay, out of funds available to the board reasonable annual dues to an Iowa association of school boards. Membership shall be limited to those duly elected members of the area education agency board.

14. *a.* The board may establish a plan, in accordance with section 403(b) of the Internal Revenue Code, as defined in section 422.3, for employees, which plan shall consist of one or more investment contracts, on a group or individual basis, acquired from a company, or a salesperson for that company, that is authorized to do business in this state.

*b.* The selection of investment contracts to be included within the plan established by the board shall be made either pursuant to a competitive bidding process conducted by the board, in coordination with employee organizations representing employees eligible to participate in the plan, or pursuant to an agreement with the department of administrative services to make available investment contracts included in a deferred compensation or similar plan established by the department pursuant to section 8A.438, which plan meets the requirements of this subsection. The determination of whether to select investment contracts for the plan pursuant to a competitive bidding process or by agreement with the department of administrative services shall be made by agreement between the board and the employee organizations representing employees eligible to participate in the plan.

*c.* The board may make elective deferrals in accordance with the plan as authorized by

an eligible employee for the purpose of making contributions to the investment contract on behalf of the employee. The deferrals shall be made in the manner which will qualify contributions to the investment contract for the benefits under section 403(b) of the Internal Revenue Code, as defined in section 422.3. In addition, the board may make nonelective employer contributions to the plan.

*d.* As used in this subsection, unless the context otherwise requires, *"investment contract"* shall mean a custodial account utilizing mutual funds or an annuity contract which meets the requirements of section 403(b) of the Internal Revenue Code, as defined in section 422.3.

15. Be authorized to establish and pay all or any part of the cost of group health insurance plans, nonprofit group medical service plans and group life insurance plans adopted by the board for the benefit of employees of the area education agency, from funds available to the board.

16. Meet at least annually with the members of the boards of directors of the merged areas in which the area education agency is located to discuss coordination of programs and services and other matters of mutual interest to the boards.

17. Be authorized to issue warrants and anticipatory warrants pursuant to chapter 74. The applicable rate of interest shall be determined pursuant to sections 74A.2, 74A.3, and 74A.7. This subsection shall not be construed to authorize a board to levy a tax.

18. Be authorized to issue school credit cards allowing area education agency employees to pay for the actual and necessary expenses incurred in the performance of work-related duties.

19. Pursuant to rules adopted by the state board of education, be authorized to charge user fees for certain materials and services that are not required by law or by rules of the state board of education and are specifically requested by a school district or accredited nonpublic school.

20. Be authorized to purchase equipment as provided in section 279.48.

21. Be authorized to sell, lease, or dispose of, in whole or in part, property belonging to the area education agency. Before the area education agency may sell property belonging to the agency, the board of directors shall comply with the requirements set forth in section 297.22. Before the board of directors of an area education agency may lease property belonging to the agency, the board shall obtain the approval of the director of the department of education.

22. Meet annually with the members of the boards of directors of the school districts located within its boundaries if requested by the school district boards.

23. By October 1 of each year, submit to the department of education the following information:

*a.* The contracted salary including bonus wages and benefits, annuity payments, or any other benefit for the administrators of the area education agency.

*b.* The contracted salary and benefits and any other expenses related to support for governmental affairs efforts, including expenditures for lobbyists and lobbying activities for the area education agency.

24. Be authorized to sell software and support services, professional development programs and materials, online professional development, and online training to entities other than school districts within the state and to school districts and other public agencies located outside of the state. The board may also sell to school districts within this state software and support services, professional development programs and materials, online professional development, and online training which the area education agency is not otherwise required to provide to a school district under this chapter or chapter 256B or 257.

[C51, §417; R60, §648, 2074; C73, §771, 1776; C97, §2742, 2831, 2832; S13, §2742, 2831, 2832; SS15, §2734-b; C24, 27, 31, 35, 39, §**4122, 4456 – 4458, 5232 – 5234;** C46, §273.4, 301.12 – 301.14, 340.13 – 340.15; C50, 54, 58, 62, §273.12, 273.13; C66, §273.12, 273.13, 273.22; C71, 73, §273.12, 273.13, 273.22, 273.24; C75, 77, 79, 81, §273.3; 81 Acts, ch 87, §1; 82 Acts, ch 1080, §1, ch 1136, §2, 3]

83 Acts, ch 2, §1; 84 Acts, ch 1010, §2; 84 Acts, ch 1315, §34; 85 Acts, ch 138, §2, 3; 85 Acts, ch 212, §21; 86 Acts, ch 1213, §5; 86 Acts, ch 1245, §1458; 86 Acts, ch 1246, §133; 87 Acts, ch 115, §40; 87 Acts, ch 233, §474, 475; 89 Acts, ch 135, §58; 89 Acts, ch 265, §34; 92 Acts, ch 1050, §1; 92 Acts, ch 1227, §17; 94 Acts, ch 1089, §1; 94 Acts, ch 1175, §5; 94 Acts, ch 1183,

§63; 96 Acts, ch 1215, §47, 48; 97 Acts, ch 184, §2; 2008 Acts, ch 1171, §64, 68; 2009 Acts, ch 65, §6; 2009 Acts, ch 179, §161; 2012 Acts, ch 1023, §39; 2013 Acts, ch 30, §66; 2013 Acts, ch 88, §11; 2013 Acts, ch 141, §19
Referred to in §256B.2, 256B.9, 257.9, 257.10, 273.2, 273.9, 273.23, 280.7A
Subsections 2 and 12 amended
NEW subsection 24

**273.4 Duties of administrator.**

Under direction of the board of directors of the area education agency, the administrator of the area education agency shall, in addition to other duties:

1. Cooperate with boards of directors of local school districts of the area education agency in considering and developing plans for the improvement of the educational programs and services in the area education agency.

2. When requested, provide such other assistance as possible to school districts of the area education agency for the general improvement of their educational programs and operations.

3. Submit program plans each year to the department of education, for approval by the director of the department, to reflect the needs of the area education agency for media services as provided in section 273.6.

[C51, §1148; R60, §2066 – 2068, 2071, 2073; C73, §1766 – 1768, 1770, 1772, 1774, 1775; C97, §2734 – 2740; S13, §2734-f, -l, -m, -p, 2738, 2739; SS15, §2734-b, -c; C24, 27, 31, 35, 39, §**4106;** C46, §271.11; C50, 54, 58, 62, 66, 71, 73, §273.18; C75, 77, 79, 81, §273.4]
86 Acts, ch 1245, §1459
Referred to in §256B.9, 273.2, 273.3, 273.9, 273.23

**273.5 Special education.**

There shall be established a division of special education of the area education agency which shall provide for special education programs and services to the local school districts. The division of special education shall be headed by a director of special education who meets certification standards of the department of education. The director of special education shall have the responsibility for implementation of state regulations and guidelines relating to special education programs and services. The director of special education shall have the following powers and duties:

1. Properly identify children requiring special education.

2. Insure that each child requiring special education in the area receives an appropriate special education program or service.

3. Assign appropriate weights for each child requiring special education programs or services as provided in section 256B.9.

4. Supervise special education support personnel.

5. Provide each school district within the area served and the department of education with a special education weighted enrollment count, including the additional enrollment because of special education for December 1 of each year.

6. Submit to the department of education special education instructional and support program plans and applications, subject to criteria listed in chapter 256B and this chapter, for approval by February 15 of each year for the school year commencing the following July 1.

7. Coordinate the special education program within the area served.

[C75, 77, 79, 81, §273.5]
89 Acts, ch 135, §59
Referred to in §256B.9, 256B.11, 273.2, 273.3, 273.9, 273.23, 280.15

**273.6 Media centers.**

1. The media centers required under section 273.2 shall contain:

*a.* A materials lending library, consisting of print and nonprint materials.

*b.* A professional library.

*c.* A curriculum laboratory, including textbooks and correlated print and audiovisual materials.

*d.* Capability for production of media-oriented instructional materials.

*e.* Qualified media personnel.

*f.* Appropriate physical facilities.

*g.* Other materials and equipment deemed necessary by the department.

2. Program plans submitted by the area education agency to the department of education for approval by the state board of media centers under this subsection shall include all of the following:

*a.* Evidence that the services proposed are based upon an analysis of the needs of the local school districts in the area.

*b.* Description of the manner in which the services of the area education agency media center will be coordinated with other agencies and programs providing educational media.

*c.* Description of the means for delivery of circulation materials.

*d.* Evidence that the media center fulfills the requirements of subsection 1.

[C75, 77, 79, 81, §273.6]

Referred to in §256B.9, 257.37, 273.2, 273.3, 273.4, 273.9, 273.23

**273.7 Additional services.**

If sixty percent of the number of local school boards located in an area education agency, or if local school boards representing sixty percent of the enrollment in the school districts located in the agency, request in writing to the area education agency board that an additional service be provided them, for pupils in grades kindergarten through twelve or children requiring special education as defined in section 256B.2 or for employees or board members of school districts or area education agencies, the area education agency board shall arrange for the service to be provided to all school districts in the area within the financial capabilities of the area education agency.

[C75, 77, 79, 81, §273.7]

Referred to in §256B.9, 273.2, 273.3, 273.23

**273.7A Services to school districts.**

The board of an area education agency may provide services to school districts located in the area education agency under contract with the school districts. These services may include, but are not limited to, superintendency services, personnel services, business management services, specialized maintenance services, and transportation services. In addition, the board of the area education agency may provide for furnishing expensive and specialized equipment for school districts. School districts shall pay to area education agencies the cost of providing the services.

The board of an area education agency may also provide services authorized to be performed by area education agencies to other area education agencies in this state and to provide a method of payment for these services.

87 Acts, ch 224, §45

Referred to in §256B.9, 273.2, 273.3, 273.23

**273.8 Area education agency board of directors.**

1. *Board of directors.* The board of directors of an area education agency shall consist of not less than five nor more than nine members, each a resident of and elected in the manner provided in this section from a director district that is approximately equal in population to the other director districts in the area education agency. Each director shall serve a four-year term which commences at the organization meeting.

2. *Election of directors.* Except as otherwise provided in subsection 3, the board of directors of an area education agency shall be elected by a vote of the members of the boards of directors of the local school districts located within the director district. The procedure for conducting the elections shall be as follows:

*a.* Notice of the election shall be published by the area education agency administrator not later than July 15 of the odd-numbered year in at least one newspaper of general circulation in the director district. The cost of publication shall be paid by the area education agency.

*b.* A candidate for election to the area education agency board shall file a statement of candidacy with the area education agency secretary not later than August 15 of the odd-numbered year, on forms prescribed by the department of education. The statement of candidacy shall include the candidate's name, address, and school district. The list

of candidates shall be sent by the secretary of the area education agency in ballot form by certified mail to the presidents of the boards of directors of all school districts within the director district not later than September 1. In order for the ballot to be counted, the ballot must be received in the secretary's office by the end of the normal business day on September 30 or be clearly postmarked by an officially authorized postal service not later than September 29 and received by the secretary not later than noon on the first Monday following September 30.

*c.* The board of each separate school district that is located entirely or partially inside an area education agency director district shall cast a vote for director of the area education agency board based upon the ratio that the population of the school district, or portion of the school district, in the director district bears to the total population in the director district. The population of each school district or portion shall be determined by the department of education. The member of the area education agency board to be elected may be a member of a local school district board of directors and shall be an elector and a resident of the director district, but shall not be a school district employee.

*d.* Vacancies, as defined in section 277.29, in the membership of the area education agency board shall be filled for the unexpired portion of the term at a director district convention called and conducted in the manner provided in subsection 3.

3. *Director district convention.* If no candidate files with the area education agency secretary by the deadline specified in subsection 2, or a vacancy occurs, or if otherwise required as provided in section 273.23, subsection 3, a director district convention, attended by members of the boards of directors of the local school districts located within the director district, shall be called to elect a board member for that director district. The convention location shall be determined by the area education agency administrator. Notice of the time, date, and place of a director district convention shall be published by the area education agency administrator in at least one newspaper of general circulation in the director district at least thirty days prior to the day of the convention. The cost of publication shall be paid by the area education agency. A candidate for election to the area education agency board shall file a statement of candidacy with the area education agency secretary at least ten days prior to the date of the director district convention on forms prescribed by the department of education, or nominations may be made at the convention by a delegate from a board of directors of a school district located within the director district. A statement of candidacy shall include the candidate's name, address, and school district. Delegates to director district conventions shall not be bound by a school board or any school board member to pledge their votes to any candidate prior to the date of the convention.

4. *Organization.*

*a.* The board of directors of each area education agency shall meet and organize at the first regular meeting in October following the regular school election at a suitable place designated by the president. Directors whose terms commence at the organizational meeting shall qualify by taking the oath of office required by section 277.28 at or before the organizational meeting.

*b.* The provisions of section 260C.12 relating to organization, officers, appointment of secretary and treasurer, and meetings of the merged area board apply to the area education agency board.

5. *Quorum.* A majority of the members of the board of directors of the area education agency shall constitute a quorum.

6. *Change in directors.* The board of an area education agency may change the number of directors on the board and shall make corresponding changes in the boundaries of director districts. Changes shall be completed not later than July 1 of a fiscal year for the director district conventions to be held the following September.

7. *Boundary line changes.* To the extent possible the board shall provide that changes in the boundary lines of director districts of area education agencies shall not lengthen or diminish the term of office of a director of an area education agency board. Initial terms of office shall be set by the board so that as nearly as possible the terms of one-half of the members expire biennially.

8. *Census changes.*

*a.* The board of the area education agency shall redraw boundary lines of director districts in the area education agency after each census to compensate for changes in population if changes in population have taken place.

*b.* Where feasible, boundary lines of director districts shall coincide with the boundary lines of school districts and the boundary lines of election precincts established pursuant to sections 49.3 to 49.6.

[C97, §2833; C24, 27, 31, 35, 39, §**4119, 4121;** C46, §273.1, 273.3; C50, 54, 58, 62, §273.4, 273.5, 273.9, 273.10; C66, 71, 73, §273.4, 273.5, 273.9, 273.10, 280A.23(2); C75, 77, §273.8, 280A.23(2); C79, 81, §273.8, 280A.28, 280A.29; 82 Acts, ch 1088, §1, ch 1136, §4 – 6]

84 Acts, ch 1219, §13, 14; 85 Acts, ch 138, §4; 2003 Acts, ch 180, §19, 20; 2008 Acts, ch 1115, §7 – 9, 21; 2009 Acts, ch 41, §108; 2010 Acts, ch 1061, §180

Referred to in §256B.9, 273.2, 273.3, 273.21, 273.23, 273.27

**273.9 Funding.**

1. School districts shall pay for the programs and services provided through the area education agency and shall include expenditures for the programs and services in their budgets, in accordance with this section.

2. School districts shall pay the costs of special education instructional programs with the moneys available to the districts for each child requiring special education, by application of the special education weighting plan in section 256B.9. Special education instructional programs shall be provided at the local level if practicable, or otherwise by contractual arrangements with the area education agency board as provided in section 273.3, subsection 5, but in each case the total money available through section 256B.9 and chapter 257 because of weighted enrollment for each child requiring special education instruction shall be made available to the district or agency which provides the special education instructional program to the child, subject to adjustments for transportation or other costs which may be paid by the school district in which the child is enrolled. Each district shall cooperate with its area education agency to provide an appropriate special education instructional program for each child who requires special education instruction, as identified and counted within the certification by the area director of special education or as identified by the area director of special education subsequent to the certification, and shall not provide a special education instructional program to a child who has not been so identified and counted within the certification or identified subsequent to the certification.

3. The costs of special education support services provided through the area education agency shall be funded as provided in chapter 257. Special education support services shall not be funded until the program plans submitted by the special education directors of each area education agency as required by section 273.5 are modified as necessary and approved by the director of the department of education according to the criteria and limitations of chapters 256B and 257.

4. The costs of media services provided through the area education agency shall not be funded until the program plans submitted by the administrators of each area education agency as required by section 273.4 are modified as necessary and approved by the director of the department of education according to the criteria of section 273.6.

5. The state board of education shall adopt rules under chapter 17A relating to the approval of program plans under this section.

[C51, §417; R60, §648, 2074; C73, §771, 1776; C97, §2742, 2831, 2832; S13, §2742, 2831, 2832; SS15, §2734-b; C24, 27, 31, 35, 39, §**4456 – 4458, 5232 – 5234;** C46, §301.12 – 301.14, 340.13 – 340.15; C50, 54, 58, 62, 66, 71, 73, §273.13; C75, 77, 79, 81, §273.9]

86 Acts, ch 1245, §1460; 89 Acts, ch 135, §60; 91 Acts, ch 97, §38; 2010 Acts, ch 1061, §95; 2012 Acts, ch 1023, §157

Referred to in §256B.2, 256B.8, 256B.9, 273.2, 273.3, 273.23

**273.10 Accreditation of area education programs.**

1. The department of education shall develop, in consultation with the area education agencies, and establish an accreditation process for area education agencies by July 1, 1997. At a minimum, the accreditation process shall consist of the following:

*a.* The timely submission by an area education agency of information required by the department on forms provided by the department.

*b.* The use of an accreditation team appointed by the director of the department of education to conduct an evaluation, including an on-site visit of each area education agency. The team shall include, but is not limited to, department staff members, representatives from the school districts served by the area education agency being evaluated, area education agency staff members from area education agencies other than the area education agency that conducts the programs being evaluated for accreditation, and other team members with expertise as deemed appropriate by the director.

2. Prior to a visit to an area education agency, the accreditation team shall have access to that area education agency's program audit report filed with the department. After a visit to an area education agency, the accreditation team shall determine whether the accreditation standards for a program, including but not limited to standards established pursuant to section 256.9, subsection 60, have been met and shall make a report to the director and the state board, together with a recommendation as to whether the programs of the area education agency should receive initial accreditation or remain accredited. The accreditation team shall report strengths and weaknesses, if any, for each accreditation standard and shall advise the area education agency of available resources and technical assistance to further enhance the strengths and improve areas of weakness. An area education agency may respond to the accreditation team's report.

3. The state board of education shall determine whether a program of an area education agency shall receive initial accreditation or shall remain accredited.

*a.* Approval of area education agency programs by the state board shall be based upon the recommendation of the director of the department of education after a study of the factual and evaluative evidence on record about each area education agency program in terms of the accreditation standards adopted by the state board.

*b.* Approval, if granted, shall be for a term of five years. However, the state board may grant conditional approval for a term of less than five years if conditions warrant.

4. If the state board of education determines that an area education agency's program does not meet accreditation standards, the director of the department of education, in cooperation with the board of directors of the area education agency, shall establish a remediation plan prescribing the procedures that must be taken to correct deficiencies in meeting the program standards, and shall establish a deadline date for correction of the deficiencies. The remediation plan is subject to the approval of the state board.

5. The area education agency program shall remain accredited during the implementation of the remediation plan. The accreditation team shall visit the area education agency and shall determine whether the deficiencies in the standards for the program have been corrected and shall make a report and recommendation to the director and the state board of education. The state board shall review the report and recommendation and shall determine whether the deficiencies in the program have been corrected.

6. *a.* If the deficiencies in an area education program have not been corrected, the agency board shall take one of the following actions within sixty days from removal of accreditation:

(1) Merge the deficient program with a program from another accredited area education agency.

(2) Contract with another area education agency or other public educational institution for purposes of program delivery.

*b.* The rules developed by the state board of education for the accreditation process shall include provisions for removal of accreditation, including provisions for proper notice to the administrator of the area education agency, each member of the board of directors of the area education agency, and the superintendents and administrators of the schools of the districts served by the area education agency.

96 Acts, ch 1215, §49; 2001 Acts, ch 114, §1; 2009 Acts, ch 41, §263; 2010 Acts, ch 1031, §271

Referred to in §273.23

**273.11 Standards for accrediting area education programs.**

1. The state board of education shall develop standards and rules for the accreditation of area education agencies. Standards shall be general in nature, but at a minimum shall identify requirements addressing the services provided by each division, as well as identifying indicators of quality that will permit area education agencies, school districts, the department of education, and the general public to judge accurately the effectiveness of area education agency services.

2. Standards developed shall include, but are not limited to, the following:

*a.* Support for school-community planning, including a means of assessing needs, establishing shared direction and implementing program plans and reporting progress.

*b.* Professional development programs that respond to current needs.

*c.* Support for curriculum development, instruction, and assessment for reading, language arts, math and science, using research-based methodologies.

*d.* Special education compliance and support.

*e.* Management services, including financial reporting and purchasing as requested and funded by local districts.

*f.* Support for instructional media services that supplement and support local district media centers and services.

*g.* Support for school technology planning and staff development for implementing instructional technologies.

*h.* A program and services evaluation and reporting system.

*i.* Support for school district libraries in accordance with section 273.2, subsection 4.

*j.* Support for early childhood service coordination for families and children to meet health, safety, and learning needs.

96 Acts, ch 1215, §50; 2001 Acts, ch 158, §24; 2010 Acts, ch 1031, §272; 2011 Acts, ch 34, §72

Referred to in §273.23

**273.12 Funds — use restricted.**

Funds generated for educational services shall not be expended by an area education agency for the purpose of assisting either a public employer or employee organization in collective bargaining negotiations under chapter 20 if the public employer is a school district, or the employee organization consists of employees of a school district, located within the boundaries of the area education agency.

[C79, 81, §273.12]

89 Acts, ch 135, §61; 91 Acts, ch 97, §39

**273.13 Administrative expenditures.**

The administrative expenditures as a percent of an area education agency's general fund for a base year shall not exceed five percent. Annually, the board of directors shall certify to the department of education the amounts of the area education agency's expenditures and its general fund. For the purposes of this section, *"base year"* means the same as defined in section 257.2, and *"administrative expenditures"* means expenditures for executive administration.

86 Acts, ch 1226, §19; 88 Acts, ch 1158, §55; 89 Acts, ch 135, §62; 2013 Acts, ch 88, §12

Section amended

**273.14 Emergency repairs.**

When emergency repairs costing more than the competitive bid threshold in section 26.3, or the adjusted competitive bid threshold established in section 314.1B, subsection 2, are necessary in order to ensure the use of an area education agency facility, the provisions of law with reference to advertising for bids shall not apply within two years of a disaster as defined in section 29C.2, subsection 2, and the area education agency board may contract for such emergency repairs without advertising for bids. However, before such emergency repairs can be made to an area education agency facility, the state board of education or its

designee must certify that such emergency repairs are necessary to ensure the use of the area education agency facility.

2009 Acts, ch 65, §7

**273.15 Advisory group.**

1. The board of directors of each area education agency shall appoint an advisory group to make recommendations on policy, programs, and services to the board. The advisory group shall provide input, feedback, and recommendations to the board regarding projected future needs, and shall provide a review and response to any state-directed study or task force report on area education agency efficiencies or reorganization.

2. The advisory group shall consist of the following:

*a.* A minimum of three superintendents employed by school districts served by the area education agency, at least one of whom shall represent a small school district, at least one of whom shall represent a medium-sized school district, and at least one of whom shall represent a large school district.

*b.* A minimum of three principals employed by school districts served by the area education agency, at least one of whom shall represent an elementary school, at least one of whom shall represent a middle school, and at least one of whom shall represent a high school.

*c.* A minimum of four teachers employed by school districts served by the area education agency, at least one of whom shall represent early childhood teachers, at least one of whom shall represent elementary school teachers, at least one of whom shall represent middle school teachers, and at least one of whom shall represent high school teachers. At least one of the teachers appointed shall also represent special education and at least one of the teachers appointed shall represent general education. At least one of the teachers appointed shall represent related personnel, including but not limited to media and technology specialists and counselors.

*d.* A minimum of three parents or guardians of school age children receiving services from the area education agency, at least one of whom shall be the parent or guardian of a child requiring special education.

*e.* One member who represents accredited nonpublic schools located within the boundaries of the area education agency.

3. In appointing members of the advisory group pursuant to subsection 2, the area education agency shall collaborate with the superintendents and school boards of the school districts served by the area education agency.

4. All member appointments made pursuant to subsection 2 shall comply with sections 69.16, 69.16A, and 69.16C. In addition, every reasonable effort shall be made to appoint members to provide balanced representation based on age, experience, ethnicity, district size, and geography.

5. The advisory group shall meet at least twice annually and shall submit its recommendations in a report to the board of directors of the area education agency at least once annually. The report shall be timely submitted to allow for consideration of the recommendations prior to program planning and budgeting for the following fiscal year.

2010 Acts, ch 1031, §273

**273.16 through 273.19** Reserved.

## SUBCHAPTER II

## REORGANIZATION OR DISSOLUTION

**273.20 Definitions.**

When used in this subchapter, unless the context otherwise requires:

1. *"Affected area education agency"* or *"affected agency"* means an area education agency

whose board of directors is contemplating or engaged in reorganization efforts in accordance with this subchapter.

2. *"Affected board"* means the board of directors of an area education agency that is contemplating or engaged in reorganization efforts in accordance with this subchapter.

3. *"Department"* means the department of education.

4. *"State board"* means the state board of education.

2001 Acts, ch 114, §2

**273.21 Voluntary reorganization.**

1. Two or more area education agencies may voluntarily reorganize under this subchapter if the area education agencies are contiguous, a majority of the members of each of the affected boards approve the reorganization, and the reorganization plan submitted to the state board pursuant to subsection 3 is approved by the state board.

2. If twenty percent or more of the school districts within an affected area education agency file a petition by December 1 with the affected area education agency board to consider reorganization, the affected board shall consider the request and vote on the petition. If a majority of the affected board members vote to study the reorganization of the affected area education agency, the affected board shall immediately begin the study to consider reorganization effective by July 1 of the next year.

3. The affected boards contemplating a voluntary reorganization shall do the following:

*a.* Develop detailed studies of the facilities, property, services, staffing necessities, equipment, programs, and other capabilities available in each of the affected area education agencies for the purpose of providing for the reorganization of the area education agencies in order to effect more economical operation and the attainment of higher standards of educational services for the schools.

*b.* Survey the school districts within the affected area education agencies to determine the districts' current and future programs and services, professional development, and technology needs.

*c.* Consult with the officials of school districts within the affected area and other citizens and periodically hold public hearings during the development of a plan for reorganization, as well as a public hearing on the final plan to be submitted to the department.

*d.* Consult with the director of the department of education in the development of surveys and plans. The director of the department of education shall provide assistance and advice to the affected area education agency boards as requested.

*e.* Develop a reorganization plan that demonstrates improved efficiency and effectiveness of programs to meet accreditation standards, includes a preliminary budget for reorganized areas, documents public comment from the public hearings held pursuant to paragraph "*c*", and provides for a board of directors, and the number of members that the board shall consist of, in accordance with section 273.8.

*f.* Set forth the assets and liabilities of the affected area education agencies, which shall become the responsibility of the board of directors of the newly formed area education agency on the effective date of the reorganization.

*g.* Transmit the completed plan to the state board by July 15. Plans received by the state board after July 15 shall be considered for area education agency reorganization taking effect no sooner than July 1 after the next succeeding fiscal year.

4. The state board shall review the reorganization plan and shall, prior to September 30, either approve the plan as submitted, approve the plan contingent upon compliance with the state board's recommendations, or disapprove the plan. A contingently approved plan shall be resubmitted with modifications to the department not later than October 30. An approved plan shall take effect on July 1 of the fiscal year following the date of approval by the state board.

2001 Acts, ch 114, §3; 2002 Acts, ch 1029, §1, 2, 8; 2003 Acts, ch 180, §21 – 23
Referred to in §273.22, 273.23

**273.22 Contracts of new area education agency.**

1. The terms of employment of the administrator and staff of affected area education

agencies for the school year beginning with the effective date of the formation of the new area education agency shall not be affected by the formation of the new area education agency, except in accordance with the provisions of sections 279.15 through 279.18, and 279.24, and the authority and responsibility to offer new contracts or to continue, modify, or terminate existing contracts pursuant to sections 279.12, 279.13, 279.15 through 279.21, 279.23, and 279.24 for the school year beginning with the effective date of the reorganization shall be transferred from the boards of the existing area education agencies to the board of the new area education agency following approval of the reorganization plan by the state board as provided in section 273.21, subsection 4.

2. *a.* The collective bargaining agreement of the area education agency with the largest basic enrollment, as defined in section 257.6, for the year prior to the year the reorganization is effective, shall serve as the base agreement in the new area education agency and the employees of the other area education agencies involved in the formation of the new area education agency shall automatically be accreted to the bargaining unit of that collective bargaining agreement for purposes of negotiating the contracts for the following years without further action by the public employment relations board. If only one collective bargaining agreement is in effect among the area education agencies that are party to the reorganization, that agreement shall serve as the base agreement, and the employees of the other agencies involved in the formation of the new area education agency shall automatically be accreted to the bargaining unit of that collective bargaining agreement for purposes of negotiating the contracts for the following years without further action by the public employment relations board.

*b.* The board of the newly formed area education agency, using the base agreement as its existing contract, shall bargain with the combined employees of the affected agencies for the school year that begins on the effective date of the reorganization. The bargaining shall be completed by the dates specified in section 20.17 prior to the school year in which the reorganization becomes effective or within one hundred eighty days after the organization of the new board, whichever is later. If a bargaining agreement was already concluded by the board and employees of the affected agency with the contract serving as the base agreement for the school year beginning with the effective date of the reorganization, that agreement shall be void. However, if the base agreement contains multiyear provisions affecting school years subsequent to the effective year of the reorganization, the base agreement shall remain in effect as specified in the agreement.

*c.* The provisions of the base agreement shall apply to the offering of new contracts or continuation, modification, or termination of existing contracts as provided in subsection 1.

3. The terms of a contract between the board of directors of a school district and the board of directors of an affected area education agency shall be carried out by the school board and the board of directors of the newly formed area education agency except as provided in this section.

4. The board of directors of a school district that is under a contract with an affected area education agency may petition the boards of directors of the affected area education agencies for release from the contract. If the petition receives a majority of the votes cast by the members of the boards of the affected area education agencies, the petition is approved and the contract shall be terminated on the effective date of the area education agency reorganization.

5. Not later than fifteen days after the state board notifies an area education agency of its approval of the area education agency's reorganization plan or dissolution proposal, the area education agency shall notify, by certified mail, the school districts located within the area education agency boundaries, the school districts and area education agencies that are contiguous to its boundaries, and any other school district under contract with the area education agency, of the state board's approval of the plan or proposal, and shall provide the department of education with a copy of any notice sent in accordance with this subsection. A petition to join an area education agency or for release from a contract with an area education agency, in accordance with subsections 4, 6, and 7, shall be filed not later than forty-five days after the state board approves a reorganization plan or dissolution proposal in accordance with this chapter.

6. Within forty-five days of the state board's approval, the board of directors of a school district that is contiguous to a newly reorganized area education agency may petition the board of directors of their current area education agency and the newly reorganized area education agency to join the newly reorganized area education agency. If the initial, or new board if established in time under section 273.23, subsection 3, and the board of the contiguous area education agency approve the petition, the reorganization, including any school district whose petition to join the newly reorganized area education agency has been approved, shall take effect in accordance with the dates established under section 273.21, subsection 4. Both the initial, or new, and the contiguous area education agency boards must act within forty-five days of the deadline, as set forth in this subsection, for the filing of the school district's petition. Within ten days of an area education agency board's action, a school district may appeal to the state board the decision of an area education agency board to deny the school district's petition.

7. Within forty-five days of the state board's approval, the board of directors of a school district that is within a newly reorganized area education agency and whose school district is contiguous to another area education agency not included in the newly reorganized area education agency may petition the board of directors of the newly reorganized area education agency and the contiguous area education agency to join that area education agency. If the initial, or new board if established in time under section 273.23, subsection 3, and the board of the contiguous area education agency approve the petition, the reorganization, excluding any school district whose petition to join an area education agency contiguous to the newly reorganized area education agency has been approved, shall take effect in accordance with the dates established under section 273.21, subsection 4. Both the initial, or new, and the contiguous area education agency boards must act within forty-five days of the deadline, as set forth in this subsection, for the filing of the school district's petition. Within ten days of an area education agency board's action, a school district may appeal to the state board the decision of an area education agency board to deny the school district's petition.

2001 Acts, ch 114, §4; 2001 Acts, ch 176, §36, 37; 2002 Acts, ch 1029, §3, 4, 8; 2003 Acts, ch 180, §24 – 26; 2004 Acts, ch 1101, §96, 102; 2006 Acts, ch 1152, §33; 2010 Acts, ch 1061, §96

Referred to in §273.23

**273.23 Initial board.**

1. A petition filed under section 273.21 shall state the number of directors on the initial board which shall be either seven or nine directors. The petition shall specify the number of directors to be retained from each area, and those numbers shall be proportionate to the populations of the agencies. If the proportionate balance of directors among the affected agencies specified in the plan is affected by school districts petitioning to be excluded from the reorganization, or if the proposal specified in the plan does not comply with the requirement for proportionate representation, the state board shall modify the proposal. However, all area education agencies affected shall retain at least one member.

2. Prior to the organization meeting of the board of directors of the newly formed area education agency, the boards of the former area education agencies shall designate directors to be retained as members to serve on the initial board of the newly formed area education agency. A vacancy occurs if an insufficient number of former board members reside within the newly formed area education agency's boundaries or if an insufficient number of former board members are willing to serve on the board of the newly formed area education agency. Vacancies, as defined in section 277.29, in the membership of the newly formed area education agency board shall be filled for the unexpired portion of the term at a director district convention called and conducted in the manner provided in section 273.8 for director district conventions.

3. Not later than January 15 of the calendar year in which the reorganization takes effect, the initial board shall call a director district convention under the provisions of section 273.8, subsection 3, for the purpose of electing a board for the reorganized area education agency. The new board shall have control of the employment of all personnel for the newly formed area education agency for the ensuing school year. Following the organization of the new board, the board shall have authority to establish policy, enter into contracts, and complete

such planning and take such action as is essential for the efficient management of the newly formed area education agency.

4. The initial board of the newly formed district shall appoint an acting administrator and an acting board secretary. The appointment of the acting administrator shall not be subject to the continuing contract provisions of sections 279.20, 279.23, and 279.24.

5. The initial board, or new board if established in time under subsection 3, of the newly formed agency shall prepare an annual budget estimating income and expenditures for programs and services as provided in sections 273.1 through 273.9 and chapter 256B within the limits of funds provided under section 256B.9 and chapter 257. The board shall give notice of a public hearing on the proposed budget by publication in an official county newspaper in each county in the territory of the area education agency in which the principal place of business of a school district that is a part of the area education agency is located. The notice shall specify the date, which shall not be later than March 1, the time, and the location of the public hearing. The proposed budget as approved by the board shall be submitted to the state board, on forms provided by the department, no later than March 15 for approval. The state board shall review the proposed budget of the newly formed area education agency and shall, before May 1, either grant approval or return the budget without approval with comments of the state board included. An unapproved budget shall be resubmitted to the state board for final approval not later than May 15. The state board shall give final approval only to budgets submitted by area education agencies accredited by the state board or that have been given conditional accreditation by the state board.

6. For the school year beginning on the effective date of an area education agency reorganization as provided in this subchapter, the media services cost per pupil as determined under section 257.37 for all districts in a newly formed area education agency for the budget year shall be the highest amount of media services cost per pupil for any of the affected area education agencies.

7. For the school year beginning on the effective date of an area education agency reorganization as provided in this subchapter, the educational services cost per pupil as determined under section 257.37 for all districts in a newly formed area education agency for the budget year shall be the highest amount of educational services cost per pupil for any of the affected area education agencies.

8. For the school year beginning on the effective date of an area education agency reorganization as provided in this subchapter, the special education support services cost per pupil shall be based upon the combined base year budgets for special education support services of the area education agencies that reorganized to form the newly formed area education agency, divided by the total of the weighted enrollment for special education support services in the reorganized area education agency for the base year plus the supplemental state aid amount per pupil for special education support services for the budget year as calculated in section 257.8.

9. Within one year of the effective date of the reorganization, a newly formed area education agency shall meet the accreditation requirements set forth in section 273.10, and the standards set forth in section 273.11. The newly formed area education agency shall be considered accredited for purposes of budget approval by the state board pursuant to section 273.3. The state board shall inform the newly formed area education agency of the accreditation on-site visit schedule.

10. The special education support cost per pupil, the media cost per pupil, and the educational services cost per pupil for a school district petitioning into an area education agency shall be the special education support cost per pupil, media cost per pupil, and educational services cost per pupil of the area education agency into which it petitions if the petition is approved.

11. Unless the reorganization of an area education agency takes effect less than two years before the taking of the next federal decennial census, a newly formed area education agency shall, within one year of the effective date of the reorganization, redraw the boundary lines of director districts in the area education agency if a petition filed by a school district to join the newly formed area education agency, or for release from the newly formed area education agency, in accordance with section 273.22, subsections 4, 6, and 7, was approved. Until the

boundaries are redrawn, the boundaries for the newly formed area education agency shall be as provided in the reorganization plan approved by the state board in accordance with section 273.21.

2001 Acts, ch 114, §5; 2002 Acts, ch 1029, §5 – 8; 2003 Acts, ch 180, §27, 28; 2004 Acts, ch 1101, §97, 102; 2013 Acts, ch 88, §13; 2013 Acts, ch 121, §40, 42

Referred to in §273.8, 273.22

2013 amendment to subsection 8 applies to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

Subsections 5 and 8 amended

**273.24 Commission to dissolve area education agency.**

1. As an alternative to area education agency reorganization prescribed in this subchapter, the board of directors of an area education agency may establish an area education agency dissolution commission to prepare a proposal of dissolution of the area education agency and attachment of all of the area education agency to one or more contiguous area education agencies and to include in the proposal a division of the assets and liabilities of the dissolving area education agency. If twenty percent or more of the school districts within an area education agency file a petition by March 1 with the area education agency board to consider dissolving, the area education agency board shall consider the request and vote on the petition. If a majority of the board members vote to study dissolving the area education agency, the agency board shall immediately begin a study to consider such action effective by July 1 of the next calendar year, or the area education agency board may establish a dissolution commission.

2. An area education agency dissolution commission established by the board of directors of an area education agency shall consist of a minimum of seven members appointed by the board of directors of the area education agency for a term of office ending either with a report to the board that no proposal can be approved or on the date of the vote on the proposal. Members of the dissolution commission must be board members of school districts within the area served, not more than three of whom may be members of the board of directors of the area education agency. Members shall be appointed from throughout the area served and should represent the various school districts present in the area served.

3. Members of the dissolution commission shall serve without compensation and may be appointed to a subsequent commission. A vacancy on the commission shall be filled in the same manner as the original appointment was made.

4. The board of the area education agency shall certify to the department of education that a commission has been formed, the names and addresses of commission members, and that the commission members represent the various geographic areas and socioeconomic elements present in the school districts that the area serves.

2001 Acts, ch 114, §6

**273.25 Dissolution commission meetings.**

The commission shall hold an organizational meeting not more than fifteen days after its appointment and shall elect a chairperson and vice chairperson from its membership. Thereafter the commission may meet as often as deemed necessary upon the call of the chairperson or a majority of the commission members.

The commission shall request statements from contiguous area education agencies outlining each agency's willingness to accept attachments of the affected area education agency to the contiguous agencies and what conditions, if any, the contiguous agency recommends. The commission shall meet with boards of contiguous area education agencies and with boards of directors of the affected school districts to the extent possible in drawing up the dissolution proposal. The commission may seek assistance from the department of education.

2001 Acts, ch 114, §7

**273.26 Dissolution proposal.**

Not later than one year following the date of the organizational meeting of the commission, the commission shall send a copy of its dissolution proposal to the affected area education agency board or shall inform the affected area education agency board that it cannot agree

upon a dissolution proposal. The commission shall also send a copy of the dissolution proposal by certified mail to the boards of directors of all school districts and other area education agencies affected. If the board of a school district or the board of an area education agency affected by the dissolution proposal objects to the proposal, either board shall send its objections in writing to the commission within ten days following receipt of the dissolution proposal. The commission may consider the objections and may modify the dissolution proposal. If the dissolution proposal is modified, the commission shall notify by certified mail the boards of directors of all area education agencies to which an area of the affected area education agency will be attached and shall notify by certified mail the board of directors of all school districts in the affected area education agencies.

If the commission cannot agree upon a dissolution proposal prior to the expiration of its term, the affected area education agency board may appoint a new commission.

2001 Acts, ch 114, §8

**273.27 Hearing — vote — state board approval.**

1. *a.* Within ten days following the filing of the dissolution proposal with the affected area education agency board, the affected board shall fix a date for a hearing on the proposal which shall not be more than sixty days after the dissolution petition was filed with the affected board. The affected board shall publish notice of the date, time, and location of the hearing at least ten days prior to the date of the hearing by one publication in a newspaper in general circulation in the area. The notice shall include the contents of the dissolution proposal.

*b.* Representatives of school districts in the area served may present evidence and arguments at the hearing. The president of the affected board shall preside at the hearing. The affected board shall review testimony from the hearing and shall adopt or amend and adopt the dissolution proposal.

*c.* The affected board shall notify by certified mail the boards of directors of all school districts in the affected area education agency and the contiguous area education agencies to which the districts of the affected area education agency will be attached and the director of the department of education of the contents of the dissolution proposal adopted by the affected board.

2. Within thirty days of the hearing, the affected board shall call a director district convention in accordance with section 273.8, subsection 3, which shall include the boards of directors in the area served by the area education agencies to which an area of the affected area education agency will be attached under the dissolution proposal, for the purpose of voting on the dissolution proposal.

3. If the dissolution proposal is approved by a majority of all directors voting on the proposal, the proposal shall be forwarded to the state board by November 1. The state board shall review the dissolution plan proposal and shall, prior to January 1, either grant approval for the proposal or return the proposal with recommendations. An unapproved proposal may be resubmitted with modifications to the state board not later than February 1. A proposal shall take effect on July 1 of the fiscal year following the date of approval by the state board.

2001 Acts, ch 114, §9; 2003 Acts, ch 180, §29; 2010 Acts, ch 1061, §180

# CHAPTER 274

## SCHOOL DISTRICTS IN GENERAL

Referred to in §28E.42, 99B.7, 257.2, 257C.3

GENERAL PROVISIONS

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274.44 Determination final.
274.45 Expense audited and paid.
274.46 Repealed by 74 Acts, ch 1087, §27.

## GENERAL PROVISIONS

**274.1 Powers and jurisdiction.**

Each school district shall continue a body politic as a school corporation, unless changed as provided by law, and as such may sue and be sued, hold property, and exercise all the powers granted by law, and shall have exclusive jurisdiction in all school matters over the territory therein contained.

[C51, §1108; R60, §2022, 2026; C73, §1713, 1716; C97, §2743; C24, 27, 31, 35, 39, §**4123;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.1]

Right to bid under execution sale, §569.2

**274.2 General applicability.**

The provisions of law relative to common schools shall apply alike to all districts, except when otherwise clearly stated, and the powers given to one form of corporation, or to a board in one kind of corporation, shall be exercised by the other in the same manner, as nearly as practicable. But school boards shall not incur original indebtedness by the issuance of bonds until authorized by the voters of the school corporation.

[C97, §2823; C24, 27, 31, 35, §4190; C39, §**4123.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.2]

Vote required to authorize bonds, §75.1

**274.3** Repealed by 70 Acts, ch 1025, § 23.

**274.4 Record of reorganization filed.**

When an election on the proposition of organizing, reorganizing, enlarging, or changing the boundaries of any school corporation, or on the proposition of dissolving a school district, carries by the required statutory margin, or the boundary lines of contiguous school corporations are changed by the concurrent action of the respective boards of directors, the secretary of the school corporation shall file a written description of the new boundaries of the school corporation in the office of the county auditor of each county in which any portion of the school corporation lies.

[C24, 27, 31, 35, §4193; C39, §**4123.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.4]

Referred to in §275.22

**274.5 Action to test reorganization.**

No action shall be brought questioning the legality of the organization, reorganization, enlargement, or change in the boundaries of any school corporation in this state unless brought within six months after the date of the filing of said written description in the office of said county auditor or county auditors. When the said period of limitations shall have passed, it shall be conclusively presumed that all acts and proceedings taken with reference to the said organization, reorganization, enlargement or change in boundaries were legally taken for every purpose whatsoever and that a de jure school corporation exists.

[C24, 27, 31, 35, §4192; C39, §**4123.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.5]

**274.6 Names.**

School corporations shall be designated as follows: The independent school district of (naming city, township, or village, and if there are two or more districts therein, including some appropriate name or number), in the county of (naming county), state of Iowa; or, the consolidated school district of (some appropriate name or number), in the county of (naming county), state of Iowa; or, the community school district of (some appropriate name), in the county (or counties) of (naming county or counties), state of Iowa; or, the (some appropriate name) community school district, in the county (or counties) of (naming county or counties), state of Iowa.

[C51, §1108; R60, §2026; C73, §1716; C97, §2744; S13, §2744; C24, 27, 31, 35, 39, §**4124;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.6]

Referred to in §278.1

**274.7 Directors.**

The affairs of each school corporation shall be conducted by a board of directors, the members of which in all community or independent school districts shall be chosen for a term of four years.

[C97, §2745; C24, 27, 31, 35, 39, §**4125;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.7]

2008 Acts, ch 1115, §10, 21

School officers, §39.24

**274.8 through 274.12** Repealed by 67 Acts, ch 239, § 1.

**274.13 Attaching territory to adjoining corporation.**

In any case where, by reason of natural obstacles, any portion of the inhabitants of any school corporation in the opinion of the area education agency administrator cannot with reasonable facility attend school in their own corporation, the area education agency administrator shall, by a written order, in duplicate, attach the part thus affected to an adjoining school corporation, the board of the same consenting thereto, one copy of which order shall be at once transmitted to the secretary of each corporation affected thereby, who shall record the same and make the proper designation on the plat of the corporation. Township or county lines shall not be a bar to the operation of this section.

[C73, §1797; C97, §2791; C24, 27, 31, 35, 39, §**4131;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.13]

Referred to in §274.14

**274.14 Restoration.**

When the natural obstacles by reason of which territory has been set off by the area education agency administrator from one school district and attached to another in the same or an adjoining county, as provided in section 274.13, have been removed, such territory may, upon the concurrence of the respective boards, be restored to the school district from which set off and shall be so restored by said boards upon the written application of two-thirds of the electors residing upon the territory so set off together with the concurrence of the area education agency administrator and the board of the school district from which such territory was originally set off by the said administrator.

[C24, 27, 31, 35, 39, §**4132;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.14]

**274.15 through 274.36** Reserved.

**274.37 Boundaries changed by action of boards — buildings constructed.**

The boundary lines of contiguous school corporations may be changed by the concurrent action of the respective boards of directors at their regular meetings in July, or at special meetings called for that purpose. Such concurrent action shall be subject to the approval of the area education agency board but such concurrent action shall stand approved if the said board does not disapprove such concurrent action within thirty days following receipt of notice thereof. The corporation from which territory is detached shall, after the change, contain not less than four government sections of land.

The boards in the respective districts, the boundaries of which have been changed under this section, complete in all respects except for the passage of time prior to the effective date of the change, and when the right of appeal of the change has expired, may enter into joint contracts for the construction of buildings for the benefit of the corporations whose boundaries have been changed, using funds accumulated under the physical plant and equipment levy in section 298.2. The district in which the building is to be located may use any funds authorized in accordance with chapter 75. This section does not permit the changed districts to expend any funds jointly which they are not entitled to expend acting individually.

[C62, 66, 71, 73, 75, 77, 79, 81, §274.37]

89 Acts, ch 135, §63

Referred to in §275.22

**274.38 Study of boundary changes requested.**

Any school board may request a study and recommendations of the department of education relative to the adjustment of boundary lines and the recommendations of the department of education shall be submitted to those districts involved within sixty days after the request for such study and recommendations is made but such recommendations shall be advisory only and shall not be binding on the local districts.

[C62, 66, 71, 73, 75, 77, 79, 81, §274.38]

NATIONAL DEFENSE PROJECTS

**274.39 Sale of land to government.**

Whenever the federal government, or any agency or department thereof shall have heretofore located or shall hereafter locate in any county an ordnance plant or other project which may be deemed desirable for the development of the national defense or for the purpose of flood control, and for the purpose of so locating such plant or project shall have heretofore determined, or shall hereafter determine, that real property and improvements thereon owned by school districts is required, the board of directors of such school districts by resolution is hereby authorized to sell and convey such property at a price and upon terms as may be agreed upon, any such instruments of conveyance to be executed on behalf of such school districts by the president of such district.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.39]

Referred to in §274.40, 274.41

**274.40 Vesting of powers to convey.**

Whenever a majority of the directors of any school district affected as in section 274.39 have moved from such district and have ceased to be residents thereof thereby creating vacancies on the school board and reducing it to less than a quorum, the powers vested by said section in the board of directors shall vest in the area education agency board and the instrument of conveyance shall be executed on behalf of such school district by the president of the area education agency board until an election is called pursuant to chapter 277.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.40]

Referred to in §274.41, 274.42

**274.41 Application of proceeds of sale.**

The proceeds of the sale of the property of a school district under the authority granted in sections 274.39 and 274.40 shall be deposited with the treasurer of the county and applied so far as necessary to the payment of the outstanding indebtedness of such school district.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.41]

**274.42 Adjusting of district boundaries.**

If the federal government, or any agency or department of the federal government locates a project which is desirable for the development of the national defense or for the purpose of flood control, and for the purpose of locating the project determines that certain real property making up a portion of a school district is required, the director of the department of education may by resolution adjust the boundaries of school districts in which the federally owned property is located and the boundaries of adjoining school districts so as to effectively provide for the schooling of children residing within all of the districts. A copy of the resolution shall be promptly filed with the board of directors of the adjoining school district or districts and with the board of directors of the school district in which the federally owned property is located unless the board has been reduced below a quorum in the manner contemplated in section 274.40, in which event the resolution shall be posted in two public places within the altered district.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.42]

85 Acts, ch 212, §21; 86 Acts, ch 1245, §1461

Referred to in §274.45

**274.43 Relinquishing funds.**

The officers of the altered district shall relinquish to the proper officers of such adjoining district or districts all funds, claims for taxes, credits, and such other personal property in such a manner as the director of the department of education shall direct, which said funds, credits, and personal property shall become the property of such adjoining district or districts as enlarged, to be used as the boards of directors of such districts may direct.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.43]

85 Acts, ch 212, §21

Referred to in §274.45

**274.44 Determination final.**

The determination of the director of the department of education in such matters shall be final.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.44]

85 Acts, ch 212, §21

Referred to in §274.45

**274.45 Expense audited and paid.**

The expense of the director of the department of education in respect to the carrying out of the provisions of sections 274.42 to 274.44, shall be paid from funds appropriated to the department of education.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §274.45]

85 Acts, ch 212, §21

**274.46** Repealed by 74 Acts, ch 1087, § 27.

# CHAPTER 275

## REORGANIZATION OF SCHOOL DISTRICTS

Referred to in §257.18, 257.29, 257.31, 257.33, 279.15, 298.2, 300.2

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## GENERAL PROVISIONS

**275.1 Definitions — declaration of policy — surveys.**

1. As used in this chapter, unless the context otherwise requires:

*a.* *"Eligible elector"* means eligible elector as defined in section 39.3, subsection 6.

*b.* *"Initial board"* means the board of a newly reorganized district that is selected pursuant to section 275.25 or 275.41 and functions until the organizational meeting following the third regular school election held after the effective date of the reorganization.

*c.* *"Joint districts"* means districts that lie in two or more adjacent area education agencies.

*d.* *"Marginally adjacent district"* or *"marginally adjacent territory"* means a district or territory which is separated from a second district or territory by property which is part of a third school district which completely surrounds one of the two districts.

*e.* *"Registered voter"* means registered voter as defined in section 39.3, subsection 11.

*f.* *"Regular board"* means the board of a reorganized district that begins to function at the organizational meeting following the third regular school election held after the effective date of the school reorganization, and is comprised of members who were elected to the current terms or were appointed to replace members who were elected.

*g.* *"School districts affected"* means the school districts named in the reorganization petition whether a school district is affected in whole or in part.

2. It is the policy of the state to encourage economical and efficient school districts which will ensure an equal educational opportunity to all children of the state. All areas of the state shall be in school districts maintaining kindergarten and twelve grades. If a school district ceases to maintain kindergarten and twelve grades except as otherwise provided in section 28E.9, 256.13, 280.15, 282.7, subsection 1 or 3, or section 282.8, it shall reorganize within six months or the state board shall attach the school district not maintaining kindergarten and twelve grades to one or more adjacent districts. Voluntary reorganizations under this chapter shall be commenced only if the affected school districts are contiguous or marginally adjacent to one another. A reorganized district shall meet the requirements of section 275.3.

3. If a district is attached, division of assets and liabilities shall be made as provided in sections 275.29 to 275.31. The area education agency boards shall develop detailed studies and surveys of the school districts within the area education agency and all adjacent territory for the purpose of providing for reorganization of school districts in order to effect more economical operation and the attainment of higher standards of education in the schools. The plans shall be revised periodically to reflect reorganizations which may have taken place in the area education agency and adjacent territory.

[C97, §2798; SS15, §2794-a; C24, 27, 31, 35, 39, §**4152, 4154;** C46, 50, §274.37, 275.1, 276.1; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.1; 82 Acts, ch 1113, §1]

83 Acts, ch 31, §2; 84 Acts, ch 1078, §1; 85 Acts, ch 212, §7; 88 Acts, ch 1263, §2; 92 Acts, ch 1246, §41, 42; 93 Acts, ch 160, §3; 94 Acts, ch 1023, §100; 94 Acts, ch 1169, §65; 2008 Acts, ch 1115, §11, 21; 2010 Acts, ch 1069, §75; 2013 Acts, ch 90, §67

Referred to in §257.3, 257.4, 275.9, 280.15, 282.7, 594A.6, 594A.8

Subsection 2 amended

**275.2 Scope of surveys.**

The scope of the studies and surveys shall include the following matters in the various districts in the area education agency and all districts adjacent to the area education agency: the adequacy of the educational program, pupil enrollment, property valuations, existing buildings and equipment, natural community areas, road conditions, transportation, economic factors, individual attention given to the needs of students, the opportunity of students to participate in a wide variety of activities related to the total development of the student, and other matters that may bear on educational programs meeting minimum standards required by law. The plans shall also include suggested alternate plans that incorporate the school districts in the area education agency into reorganized districts that meet the enrollment standards specified in section 275.3 and may include alternate plans proposed by school districts for sharing programs under section 28E.9, 256.13, 280.15, 282.7, or 282.10 as an alternative to school reorganization.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.2]

84 Acts, ch 1078, §2; 93 Acts, ch 160, §4

Referred to in §275.9

**275.3 Minimum size.**

No new school district shall be planned by an area education agency board nor shall any proposal for creation or enlargement of any school district be approved by an area education agency board or submitted to electors unless there reside within the proposed limits of such district at least three hundred persons of school age who were enrolled in public schools in the preceding school year. Provided, however, that the director of the department of education shall have authority to grant permission to an area education agency board to approve the formation or enlargement of a school district containing a lower school enrollment than required in this section on the written request of such area education agency board if such request is accompanied by evidence tending to show that

sparsity of population, natural barriers or other good reason makes it impracticable to meet the school enrollment requirement.

[R60, §2105; C73, §1800, 1801; C97, §2794; SS15, §2794, 2794-a; C24, 27, 31, 35, 39, §**4143, 4161, 4173;** C46, 50, §274.25, 275.3, 276.8, 276.20; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.3]

85 Acts, ch 212, §21
Referred to in §275.1, 275.2, 275.9

**275.4 Studies, surveys, and plans.**

In developing studies and surveys the area education agency board shall consult with the officials of school districts in the area and other citizens, and shall from time to time hold public hearings, and may employ such research and other assistance as it may determine reasonably necessary in order to properly carry on its survey and prepare definite plans of reorganization.

In addition, the area education agency board shall consult with the director of the department of education in the development of surveys and plans. The director of the department of education shall provide assistance to the area education agency boards as requested and shall advise the area education agency boards concerning plans of contiguous area education agencies and the reorganization policies adopted by the state board of education.

Completed plans shall be transmitted by the area education agency board to the director of the department of education.

[C24, 27, 31, 35, 39, §**4158;** C46, 50, §275.1 – 275.3, 276.5; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.4]

84 Acts, ch 1078, §3; 85 Acts, ch 212, §21; 92 Acts, ch 1246, §43
Referred to in §275.5, 275.9, 275.15

**275.5 Proposals for merger or consolidation.**

A proposal for merger, consolidation, or boundary change of local school districts shall first be submitted to the area education agency board following the procedure prescribed in this chapter. Following receipt of a petition pursuant to section 275.12, the area education agency board shall review its plans and determine whether the petition complies with the plans which had been adopted by the board. If the petition does not comply with the plans which had been adopted by the board, the board shall conduct further surveys pursuant to section 275.4 prior to the date set for the hearing upon the petition. If further surveys have been conducted by the board, the board shall present the results of the further surveys at the hearing upon the petition.

[C97, §2793; S13, §2793; SS15, §2794-a; C24, 27, 31, 35, 39, §**4133, 4173;** C46, 50, §274.16, 274.20, 275.1, 275.3, 275.4; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.5]

84 Acts, ch 1078, §4
Referred to in §275.9

**275.6 Progressive program.**

It is the intent of this chapter that the area education agency board shall carry on the program of reorganization progressively and shall, insofar as is possible, authorize submission of proposals to the electors as they are developed and approved.

[R60, §2097, 2105; C73, §1800, 1801; S13, §2820-e, -f; SS15, §2794-a; C24, 27, 31, 35, 39, §**4141, 4188;** C46, 50, §274.23, 275.8, 276.35; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.6]

**275.7 Budget.**

The area education agency board shall include in the budget submitted each year such sums as it deems necessary to carry on its reorganization work under this chapter.

[SS15, §2794-a; C24, 27, 31, 35, 39, §**4139, 4177;** C46, 50, §274.21, 275.9, 276.24; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.7]

**275.8 Cooperation of department of education — planning joint districts.**

1. For purposes of this chapter the planning of joint districts is defined to include all of the following acts:

*a.* Preparation of a written joint plan in which contiguous territory in two or more area education agencies is considered as a part of a potential school district in the area education agency on behalf of which such plan is filed with the department of education by the area education agency board.

*b.* Adoption of the written joint plan at a joint session of the several area education agency boards in whose areas the territory is situated. A quorum of each of the boards is necessary to transact business. Votes shall be taken in the manner prescribed in section 275.16.

*c.* Filing said plan with the department of education.

2. For purposes of subsection 1, paragraph "*a*", joint planning shall be evidenced by filing the following items with the department of education:

*a.* A plat of the entire area of such potential district.

*b.* A statement of the number of pupils residing within the area of said potential district enrolled in public schools in the preceding school year.

*c.* A statement of the assessed valuation of taxable property located within such potential district.

*d.* An affidavit signed on behalf of each of said boards of directors of area education agencies by a member of such board stating the boundaries as shown on such plat have been agreed upon by the respective boards as a part of the overall plan of school district reorganization of each such school.

3. Planning of joint districts shall be conducted in the same manner as planning for single districts, except as provided in this section. Studies and surveys relating to the planning of joint districts shall be filed with the area education agency in which one of the districts is located which has the greatest taxable property base. In the case of controversy over the planning of joint districts, the matter shall be submitted to the director of the department of education. Judicial review of the director's decision may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of that Act, petitions for judicial review must be filed within thirty days after the decision of the director.

[C46, 50, §275.10, 276.4; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.8]

84 Acts, ch 1078, §5; 86 Acts, ch 1245, §1462; 2001 Acts, ch 24, §43, 44; 2010 Acts, ch 1069, §76

Referred to in §275.16

**275.9 Methods of effectuating reorganization plans.**

When any school district is enlarged, reorganized, or changes its boundaries pursuant to the plans hereinabove provided for, such enlargement, reorganization, or boundary change shall be accomplished by the method hereinafter provided.

The provisions of sections 275.1 to 275.5, relating to studies, surveys, hearings and adoption of plans shall constitute a mandatory prerequisite to the effectuation of any proposal for district boundary change. It shall be the mandatory duty of the area education agency board to dismiss the petition if the above provisions are not complied with fully.

[C46, 50, §275.11; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.9]

Referred to in §275.23A

**275.10** Reserved.

**275.11 Proposals involving two or more districts.**

Subject to the approval of the area education agency board, contiguous or marginally adjacent territory located in two or more school districts may be united into a single district in the manner provided in sections 275.12 to 275.22.

[SS15, §2794-a; C24, 27, 31, 35, 39, §**4166;** C46, 50, §276.13; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.11]

92 Acts, ch 1246, §44

**275.12 Petition — method of election.**

1. A petition describing the boundaries, or accurately describing the area included therein by legal descriptions, of the proposed district, which boundaries or area described shall conform to plans developed or the petition shall request change of the plan, shall be filed with the area education agency administrator of the area education agency in which the greatest number of registered voters reside. However, the area education agency administrator shall not accept a petition if any of the school districts affected have approved the issuance of general obligation bonds at an election pursuant to section 296.6 during the preceding six-month period. The petition shall be signed by eligible electors residing in each existing school district or portion affected equal in number to at least twenty percent of the number of registered voters in the school district or portion affected, or four hundred eligible electors, whichever is the smaller number.

2. The petition filed under subsection 1 shall also state the name of the proposed school district and the number of directors which may be either five or seven and the method of election of the school directors of the proposed district. The method of election of the directors shall be one of the following optional plans:

*a.* Election at large from the entire district by the electors of the entire district.

*b.* Division of the entire school district into designated geographical single director or multi-director subdistricts on the basis of population for each director, to be known as director districts, each of which shall be represented on the school board by one or more directors who shall be residents of the director district but who shall be elected by the vote of the electors of the entire school district. The boundaries of the director districts and the area and population included within each district shall be such as justice, equity, and the interests of the people may require. Changes in the boundaries of director districts shall not be made during a period commencing sixty days prior to the date of the regular school election. As far as practicable, the boundaries of the districts shall follow established political or natural geographical divisions.

*c.* Election of not more than one-half of the total number of school directors at large from the entire district and the remaining directors from and as residents of designated single-member or multimember director districts into which the entire school district shall be divided on the basis of population for each director. In such case, all directors shall be elected by the electors of the entire school district. Changes in the boundaries of director districts shall not be made during a period commencing sixty days prior to the date of the regular school election.

*d.* Division of the entire school district into designated geographical single director or multi-director subdistricts on the basis of population for each director, to be known as director districts, each of which shall be represented on the school board by one or more directors who shall be residents of the director district and who shall be elected by the voters of the director district. Place of voting in the director districts shall be designated by the commissioner of elections. Changes in the boundaries of director districts shall not be made during a period commencing sixty days prior to the date of the regular school election.

*e.* In districts having seven directors, election of three directors at large by the electors of the entire district, no more than two at each regular school election, and election of the remaining directors as residents of and by the electors of individual geographic subdistricts established on the basis of population and identified as director districts, no more than two at each regular school election. Boundaries of the subdistricts shall follow precinct boundaries, as far as practicable, and shall not be changed less than sixty days prior to the regular school election.

3. If the petition proposes the division of the school district into director districts, the boundaries of the proposed director districts shall not be drawn until the question is approved by the voters. If the question is approved by the voters, the directors of the new school district shall draw the boundaries of the director districts according to the standards described in section 275.23A, subsection 1. Following adoption by the school board, the plan shall be submitted to the state commissioner of elections for approval.

4. The area education agency board in reviewing the petition as provided in sections 275.15 and 275.16 shall review the proposed method of election of school directors and may

change or amend the plan in any manner, including to specify a different method of electing school directors as may be required by law, justice, equity, and the interest of the people. In the action, the area education agency board shall follow the same procedure as is required by sections 275.15 and 275.16 for other action on the petition by the area education agency board.

5. The petition may also include a provision that the voter-approved physical plant and equipment levy provided in section 298.2 will be voted upon at the election conducted under section 275.18.

[R60, §2097, 2105; C73, §1800, 1801, 1811; C97, §2794, 2799; S13, §2793, 2820-e, -f; SS15, §2793, 2794, 2794-a; C24, 27, 31, 35, 39, §**4133, 4134, 4141, 4153, 4155, 4174;** C46, 50, §274.16, 274.17, 274.23, 274.38, 276.2, 276.21; C54, 58, 62, §275.10, 275.12; C66, 71, 73, 75, 77, 79, 81, §275.12]

83 Acts, ch 53, §1; 83 Acts, ch 91, §1; 84 Acts, ch 1078, §6 – 8; 86 Acts, ch 1226, §1; 89 Acts, ch 135, §64; 93 Acts, ch 160, §5; 94 Acts, ch 1179, §16; 95 Acts, ch 49, §5; 2001 Acts, ch 56, §12; 2002 Acts, ch 1134, §81, 115; 2008 Acts, ch 1115, §12, 21

Referred to in §275.5, 275.11, 275.23, 275.23A, 275.24, 275.25, 275.35, 275.36, 275.38, 275.41, 275.57, 278.1

**275.13 Affidavit — presumption.**

Such petition shall be accompanied by an affidavit showing the number of registered voters living in each affected district or portion thereof described in the petition and signed by a registered voter residing in the territory, and if parts of the territory described in the petition are situated in different area education agencies, the affidavit shall show separately as to each agency, the number of registered voters in the part of the agency included in the territory described. The affidavit shall be taken as true unless objections to it are filed on or before the time fixed for filing objections as provided in section 275.14 hereof.

[C24, 27, 31, 35, 39, §**4156;** C46, 50, §276.3; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.13]

94 Acts, ch 1169, §64

Referred to in §275.11, 275.23, 275.24, 275.36

**275.14 Objection — time of filing — notice.**

Within ten days after the petition is filed, the area education agency administrator shall fix a final date for filing objections to the petition which shall be not more than sixty days after the petition is filed and shall fix the date for a hearing on the objections to the petition. Objections shall be filed in the office of the administrator who shall give notice at least ten days prior to the final day for filing objections, by one publication in a newspaper published within the territory described in the petition, or if none is published in the territory, in a newspaper published in the county where the petition is filed, and of general circulation in the territory described. The notice shall also list the date, time, and location for the hearing on the petition as provided in section 275.15. The cost of publication shall be assessed to each district whose territory is involved in the ratio that the number of pupils in basic enrollment for the budget year, as defined in section 257.6 in each district bears to the total number of pupils in basic enrollment for the budget year in the total area involved. Objections shall be in writing in the form of an affidavit and may be made by any person residing or owning land within the territory described in the petition, or who would be injuriously affected by the change petitioned for and shall be on file not later than 12:00 noon of the final day fixed for filing objections.

Objection forms shall be prescribed by the department of education and may be obtained from the area education agency administrator. Objection forms that request that property be removed from a proposed district shall include the correct legal description of the property to be removed.

[SS15, §2794-a; C24, 27, 31, 35, 39, §**4157, 4166, 4170;** C46, 50, §276.4, 276.6, 276.17; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.14]

85 Acts, ch 221, §1; 89 Acts, ch 135, §65

Referred to in §275.11, 275.13, 275.15, 275.23, 275.23A, 275.24

**275.15 Hearing — decision — publication — appeal.**

1. At the hearing, which shall be held within ten days of the final date set for filing

objections, interested parties, both petitioners and objectors, may present evidence and arguments, and the area education agency board shall review the matter on its merits and within ten days after the conclusion of any hearing, shall rule on the objections and shall enter an order fixing the boundaries for the proposed school corporation as will in its judgment be for the best interests of all parties concerned, having due regard for the welfare of adjoining districts, or dismiss the petition.

2. The area education agency board, when entering the order fixing the boundaries, shall consider all available evidence including, but not limited to, information presented by the petitioners, all objections requesting territory exclusion, reorganization studies and plans, geographical patterns evidenced by students using open enrollment to attend school in another district pursuant to section 282.18, potential travel distances required of students, and geographic configuration of the proposed district. The exclusion of territory shall represent a balance between the rights of the objectors and the welfare of the reorganized district.

3. If the petition is not dismissed and the board determines that additional information is required in order to fix boundary lines of the proposed school corporation, the board may continue the hearing for no more than thirty days. The date of the continued hearing shall be announced at the original meeting. Additional objections in the form required in section 275.14 may be considered if filed with the administrator within five days, not including Saturdays, Sundays, or holidays, after the date of the original board hearing. If the hearing is continued, the area education agency administrator may conduct one or more meetings with the boards of directors of the affected districts. Notice of any such meeting must be given at least forty-eight hours in advance by the area education agency administrator in the manner provided in section 21.4. The area education agency board may request that the administrator make alternative recommendations regarding the boundary lines of the proposed school corporation. The area education agency board shall make a decision on the boundary lines within ten days following the conclusion of the continued hearing.

4. The administrator shall at once publish the decision in the same newspaper in which the original notice was published. Within twenty days after the publication, the decision rendered by the area education agency board may be appealed to the district court in the county involved by any school district affected. For purposes of appeal, only those school districts who filed reorganization petitions are school districts affected. An appeal from a decision of an area education agency board or joint area education agency boards under section 275.4, 275.16, or this section is subject to appeal procedures under this chapter and is not subject to appeal under chapter 290.

[C24, 27, 31, 35, 39, §**4158 – 4160;** C46, 50, §276.5 – 276.7; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.15]

84 Acts, ch 1078, §9; 85 Acts, ch 221, §2; 86 Acts, ch 1226, §2; 86 Acts, ch 1239, §1; 93 Acts, ch 160, §6; 2006 Acts, ch 1185, §79; 2007 Acts, ch 214, §34

Referred to in §275.11, 275.12, 275.14, 275.16, 275.18, 275.23, 275.23A, 275.24

**275.16 Hearing when territory in different area education agencies.**

1. If the territory described in the petition for the proposed corporation lies in more than one area education agency, the agency administrator with whom the petition is filed shall fix the time and place for a hearing and call a joint meeting of the members of all the agency boards in which territory of the proposed school corporation lies, to act as a single board for the hearing of the objections, and a majority of members of each of the agency boards of the different agencies in which any part of the proposed corporation lies, constitutes a quorum. The president of the board of directors of the area education agency in which the petition has been filed, or a member of the board designated by the president, shall preside at the joint meeting. The joint boards acting as a single board shall determine whether the petition conforms to plans or, if the petition requests a change in plans, whether a change should be made, and may change the plans of any or all the area education agency boards affected by the petition. The joint board shall determine and fix boundaries for the proposed corporation as provided in section 275.15 or dismiss the petition. The joint board may continue the hearing as provided in section 275.15.

2. Votes of each member of an area education agency board in attendance shall be weighted so that the total number of votes eligible to be cast by members of each board in attendance shall be equal. However, if the joint boards cast a tie vote and are unable to agree to a decision fixing the boundaries for the proposed school corporation or to a decision to dismiss the petition, the time during which actions must be taken under section 275.15 shall be extended from ten days to fifteen days after the conclusion of the hearing under section 275.15, and the joint board shall reconvene not less than ten and not more than fifteen days after the conclusion of the hearing. At the hearing the joint board shall reconsider its action and if a tie vote is again cast it is a decision granting the petition and changing the plans of any and all of the agency boards affected by the petition and fixing the boundaries for the proposed school corporation. The agency administrator shall at once publish the decision in the same newspaper in which the original notice was published.

3. In case a controversy arises from such meeting, the area education agency board or boards or any school district aggrieved may bring the controversy to the department of education, as provided in section 275.8, within twenty days from the publication of this order, and if said controversy is taken to the department of education, a ten-day notice in writing shall be given to all agency boards and school districts affected or portions thereof. The department shall have the authority to affirm the action of the joint boards, to vacate, to dismiss all proceedings or to make such modification of the action of the joint boards as in their judgment would serve the best interest of all the agencies.

4. Judicial review of the actions of the department may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of said Act, petitions for judicial review must be filed within thirty days after the decision of the department of education.

[C24, 27, 31, 35, 39, §**4162;** C46, 50, §276.9; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.16]

84 Acts, ch 1078, §10; 85 Acts, ch 212, §24; 85 Acts, ch 221, §3; 86 Acts, ch 1237, §17; 2003 Acts, ch 44, §114; 2010 Acts, ch 1061, §180

Referred to in §275.8, 275.11, 275.12, 275.15, 275.18, 275.23, 275.23A, 275.24

**275.17 Filing a petition.**

If an area education agency board does not approve the change in boundaries of school districts in accordance with a petition, a petition describing the identical or similar boundaries shall not be filed for a period of six months following the date of the hearing or the vote of the board, whichever is later.

[C79, 81, §275.17]

83 Acts, ch 91, §2

Referred to in §275.11, 275.23, 275.23A, 275.24

**275.18 Special election called — time.**

1. When the boundaries of the territory to be included in a proposed school corporation and the number and method of the election of the school directors of the proposed school corporation have been determined as provided in this chapter, the area education agency administrator with whom the petition is filed shall give written notice of the election to the county commissioner of elections of the county in the proposed school corporation which has the greatest taxable base. The question shall be submitted to the voters at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*" in the calendar year prior to the calendar year in which the reorganization will take effect.

2. The county commissioner of elections shall give notice of the election by one publication in the same newspaper in which previous notices have been published regarding the proposed school reorganization, and in addition, if more than one county is involved, by one publication in a legal newspaper in each county other than that of the first publication. The publication shall be not less than four nor more than twenty days prior to the election. If the decision published pursuant to section 275.15 or 275.16 includes a description of the proposed school corporation and a description of the director districts, if any, the notice for election and the ballot do not need to include these descriptions. Notice for an election shall not be published until the expiration of time for appeal, which shall be the same as that

provided in section 275.15 or 275.16, whichever is applicable; and if there is an appeal, not until the appeal has been disposed of.

3. The area education agency administrator shall furnish to the commissioner a map of the proposed reorganized area which must be approved by the commissioner as suitable for posting. The map shall be displayed prominently in at least one place within the voting precinct, and inside each voting booth.

[R60, §2097, 2105; C73, §1800, 1801; C97, §2794; SS15, §2794, 2794-a; C24, 27, 31, 35, 39, §**4142, 4164;** C46, 50, §274.24, 275.4, 276.11; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.18]

83 Acts, ch 53, §2; 85 Acts, ch 221, §4; 98 Acts, ch 1123, §12; 2008 Acts, ch 1115, §38, 71; 2009 Acts, ch 57, §77

Referred to in §257.11A, 275.11, 275.12, 275.23, 275.23A, 275.24, 275.27

**275.19** Repealed by 73 Acts, ch 136, § 401.

**275.20 Separate vote in existing districts.**

The voters shall vote separately in each existing school district affected and voters residing in the entire existing district are eligible to vote upon the proposition to create a new school corporation and the proposition to levy the voter-approved physical plant and equipment levy under section 298.2, if the petition included a provision for a vote to authorize the levy. If a proposition receives a majority of the votes cast in each of at least seventy-five percent of the districts, and also a majority of the total number of votes cast in all of the districts, the proposition is carried.

[R60, §2097, 2105; C73, §1800, 1801; C97, §2794; SS15, §2794, 2794-a; C24, 27, 31, 35, §4142, 4166, 4167, 4191; C39, §**4142, 4144.1, 4166, 4167;** C46, 50, §274.24, 274.27, 276.13; C54, §275.20, 275.21; C58, 62, 66, 71, 73, 75, 77, 79, 81, §275.20]

89 Acts, ch 135, §66

Referred to in §257.11A, 275.11, 275.22, 275.23, 275.23A, 275.24

**275.21** Reserved.

**275.22 Canvass and return.**

The precinct election officials shall count the ballots, and make return to and deposit the ballots with the county commissioner of elections, who shall enter the return of record in the commissioner's office. The election tally lists, including absentee ballots, shall be listed by individual school district. The county commissioner of elections shall certify the results of the election to the area education agency administrator. If the majority of the votes cast by the registered voters is in favor of the proposition, as provided in section 275.20, a new school corporation shall be organized. If the majority of votes cast is opposed to the proposition, a new petition describing the identical or similar boundaries shall not be filed for at least six months from the date of the election. If territory is excluded from the reorganized district, action pursuant to section 274.37 shall be taken prior to the effective date of reorganization. The secretary of the new school corporation shall file a written description of the boundaries as provided in section 274.4.

[S13, §2820-f; SS15, §2794-a; C24, 27, 31, 35, 39, §**4144, 4169;** C46, 50, §274.26, 275.5, 275.7, 276.16; C54, 58, 62, 66, 71, 73, 75, §275.23; C77, 79, 81, §275.22]

83 Acts, ch 91, §3; 93 Acts, ch 160, §7; 95 Acts, ch 67, §53

Referred to in §275.11, 275.23, 275.23A, 275.24

**275.23 Frequency of change.**

A school district which is enlarged, reorganized, or changes its boundaries under sections 275.12 to 275.22, shall not file a petition under section 275.12 for the purpose of reducing the area served or changing the boundaries to exclude areas encompassed by the enlargement, reorganization, or boundary changes for a period of five years following the effective date of

the enlargement, reorganization, or boundary change unless the action is approved by the director of the department of education.

[C77, 79, 81, §275.23]

86 Acts, ch 1245, §1463

Referred to in §275.23A

**275.23A Redistricting following federal decennial census.**

1. School districts which have directors who represent director districts as provided in section 275.12, subsection 2, paragraphs *"b"*, *"c"*, *"d"*, and *"e"*, shall be divided into director districts according to the following standards:

*a.* All director district boundaries shall follow the boundaries of areas for which official population figures are available from the most recent federal decennial census and, wherever possible, shall follow precinct boundaries.

*b.* To the extent possible in order to comply with paragraph *"a"*, all director districts shall be as nearly equal as practicable to the ideal population for the districts as determined by dividing the number of districts to be established into the population of the school district.

*c.* All districts shall be composed of contiguous territory as compact as practicable unless the school district is composed of marginally adjacent territory. A school district which is composed of marginally adjacent territory shall have director districts composed of contiguous territory to the extent practicable.

*d.* Consideration shall not be given to the addresses of incumbent officeholders, political affiliations of registered voters, previous election results, or demographic information other than population head counts, except as required by the Constitution and the laws of the United States.

*e.* A city shall not be divided into two or more director districts unless the population of that portion of the city that is within the school district is greater than the ideal size of a director district. Cities shall be divided into the smallest number of director districts possible.

2. Following each federal decennial census the school board shall determine whether the existing director district boundaries meet the standards in subsection 1 according to the most recent federal decennial census. In addition to the authority granted to voters to change the number of directors or method of election as provided in sections 275.35, 275.36, and 278.1, the board of directors of a school district may, following a federal decennial census, by resolution and in accordance with this section, authorize a change in the method of election as set forth in section 275.12, subsection 2, or a change to either five or seven directors after the board conducts a hearing on the resolution. If the board proposes to change the number of directors from seven to five directors, the resolution shall include a plan for reducing the number of directors. If the board proposes to increase the number of directors to seven directors, two directors shall be added according to the procedure described in section 277.23, subsection 2. If necessary, the board of directors shall redraw the director district boundaries. The director district boundaries shall be described in the resolution adopted by the school board. The resolution shall be adopted no earlier than November 15 of the second year immediately following the year in which the federal decennial census is taken nor later than May 15 of the third year immediately following the year in which the federal decennial census is taken. A copy of the plan shall be filed with the area education agency administrator of the area education agency in which the school's electors reside. If the board does not provide for an election as provided in sections 275.35, 275.36, and 278.1 and adopts a resolution to change the number of directors or method of election in accordance with this subsection, the district shall change the number of directors or method of election as provided unless, within twenty-eight days following the action of the board, the secretary of the board receives a petition containing the required number of signatures, asking that an election be called to approve or disapprove the action of the board in adopting the resolution. The petition must be signed by eligible electors equal in number to not less than one hundred or thirty percent of the number of voters at the last preceding regular school election, whichever is greater. The board shall either rescind its action or direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on a date specified in section 39.2, subsection 4, paragraph *"c"*. If a majority of those voting on the question at

the election favors disapproval of the action of the board, the district shall not change the number of directors or method of election. If a majority of those voting on the question does not favor disapproval of the action, the board shall certify the results of the election to the department of management and the district shall change the number of directors or method of election as provided in this subsection. At the expiration of the twenty-eight-day period, if no petition is filed, the board shall certify its action to the department of management and the district shall change the number of directors or method of election as provided in this subsection.

3. The school board shall notify the state commissioner of elections and the county commissioner of elections of each county in which a portion of the school district is located when the boundaries of director districts are changed. The notices of changes submitted to the state commissioner shall be postmarked no later than the deadline for adoption of the resolution under subsection 2. The board shall provide the commissioners with maps showing the new boundaries and shall also certify to the state commissioner the populations of the new director districts as determined under the latest federal decennial census. If, following a federal decennial census a school district elects not to redraw director districts under this section, the school board shall so certify to the state commissioner of elections, and the school board shall also certify to the state commissioner the populations of the retained director districts as determined under the latest federal decennial census. If the state commissioner determines that a district board has failed to make the required changes by the dates specified by this section, the state commissioner of elections shall make or cause to be made the necessary changes as soon as possible. The state commissioner shall assess any expenses incurred to the school district. The state commissioner of elections may request the services of personnel of and materials available to the legislative services agency to assist the state commissioner in making any required boundary changes.

4. If more than one incumbent director resides in a redrawn director district, the terms of office of the affected directors expire at the organizational meeting of the board of directors following the next regular school election following the adoption of the redrawn districts.

5. The boundary changes under this section take effect July 1 following their adoption for the next regular school election.

6. Section 275.9 and sections 275.14 through 275.23 do not apply to changes in director district boundaries made under this section.

83 Acts, ch 77, §3, 4; 89 Acts, ch 296, §24; 90 Acts, ch 1233, §9; 92 Acts, ch 1246, §45; 94 Acts, ch 1179, §17, 18; 95 Acts, ch 189, §18; 2002 Acts, ch 1024, §1, 3; 2002 Acts, ch 1140, §16, 46; 2003 Acts, ch 35, §44, 49; 2008 Acts, ch 1115, §39, 71; 2010 Acts, ch 1033, §36; 2013 Acts, ch 88, §14

Referred to in §39.24, 49.8, 275.12, 275.35, 275.36, 275.57, 277.23

Subsection 2 amended

**275.24 Effective date of change.**

When a school district is enlarged, reorganized, or changes its boundary pursuant to sections 275.12 to 275.22, the change shall take effect on July 1 following the date of the reorganization election held pursuant to section 275.18.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.24]

83 Acts, ch 53, §3; 2008 Acts, ch 1115, §40, 71

**275.25 Election of directors.**

1. *a.* If the proposition to establish a new school district carries under the method provided in this chapter, the area education agency administrator with whom the petition was filed shall give written notice of a proposed date for a special election for directors of the newly formed school district to the commissioner of elections of the county in the district involved in the reorganization which has the greatest taxable base. The proposed date shall be as soon as possible pursuant to section 39.2, subsections 1 and 2, and section 47.6, subsections 1 and 2, but not later than the third Tuesday in January of the calendar year in which the reorganization takes effect.

*b.* The election shall be conducted as provided in section 277.3, and nomination petitions

shall be filed pursuant to section 277.4, except as otherwise provided in this subsection. Nomination petitions shall be filed with the secretary of the board of the existing school district in which the candidate resides not less than twenty-eight days before the date set for the special school election. The secretary of the board, or the secretary's designee, shall be present in the secretary's office until 5:00 p.m. on the final day to file the nomination papers. The nomination papers shall be delivered to the commissioner no later than 5:00 p.m. on the twenty-seventh day before the election.

*c.* If the special election is held in conjunction with the regular school election, the filing deadlines for the regular school election apply.

2. *a.* The number of directors of a school district is either five or seven as provided in section 275.12. In school districts that include a city of fifteen thousand or more population as shown by the most recent decennial federal census, the board shall consist of seven members elected in the manner provided in subsection 3. If it becomes necessary to increase the membership of a board, two directors shall be added according to the procedure described in section 277.23.

*b.* The county board of supervisors shall canvass the votes and the county commissioner of elections shall report the results to the area education agency administrator who shall notify the persons who are elected directors.

3. The directors who are elected and qualify to serve shall serve until their successors are elected and qualify. At the special election, the three newly elected directors receiving the most votes shall be elected to serve until their successors qualify after the third regular school election date occurring after the effective date of the reorganization and the two newly elected directors receiving the next largest number of votes shall be elected to serve until the directors' successors qualify after the second regular school election date occurring after the effective date of the reorganization. However, in districts that include all or a part of a city of fifteen thousand or more population and in districts in which the proposition to establish a new corporation provides for the election of seven directors, the timelines specified in this subsection for the terms of office apply to the four newly elected directors receiving the most votes and then to the three newly elected directors receiving the next largest number of votes.

4. The board of the newly formed district shall organize within fifteen days after the special election upon the call of the area education agency administrator. The new board shall have control of the employment of personnel for the newly formed district for the next following school year under section 275.33. Following the first organizational meeting of the board of the newly formed district, the board may establish policy, organize curriculum, enter into contracts, complete planning, and take action as necessary for the efficient management of the newly formed community school district.

5. Section 49.8, subsection 5, does not permit a director to remain on the board of a school district after the effective date of a boundary change which places the director's residence outside the boundaries of the district. Vacancies caused by this occurrence on a board shall be filled in the manner provided in sections 279.6 and 279.7.

6. The board of the newly formed district shall appoint an acting superintendent and an acting board secretary. The appointment of the acting superintendent shall not be subject to the continuing contract provisions of sections 279.20, 279.23, and 279.24.

[R60, §2099, 2100, 2106; C73, §1801; C97, §2795; S13, §2820-f; SS15, §2794-a; C24, §4144, 4145, 4148; C27, 31, 35, §4144-a1, 4145, 4148; C39, §**4144.2, 4144.3, 4145, 4148;** C46, 50, §274.28 – 274.30, 275.5, 276.18; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.25]

83 Acts, ch 53, §4; 85 Acts, ch 221, §5; 86 Acts, ch 1239, §2; 88 Acts, ch 1038, §1; 93 Acts, ch 143, §43; 2002 Acts, ch 1134, §82, 115; 2008 Acts, ch 1115, §13, 21; 2009 Acts, ch 41, §263

Referred to in §275.1, 275.41, 331.383

**275.26 Payment of expenses.**

If a district is established or changes its boundaries it shall pay all expenses incurred by the area education agency administrator and the area education agency board in connection with the proceedings. The county commissioner of elections shall assess the costs of the election against the district as provided in section 47.3. If the proposition is dismissed or defeated at

the election all expenses shall be apportioned among the several districts in proportion to the assessed valuation of property therein.

If the proposed district or boundary change embraces territory in more than one area education agency such expenses shall be certified to and, if necessary, apportioned among the several districts by the joint agency board. If in only one agency the certification shall be made by the agency administrator.

The respective boards to which such expenses are certified shall audit and order the same paid from the general fund. In the event of failure of any board to so audit and pay the expenses certified to it, the area education agency administrator shall certify the expenses to the county auditor in the same manner as is provided for tuition claims in section 282.21 and the funds shall be transferred by the county treasurer from the debtor district to the agency board for payment of said expenses.

[S13, §2820-h; C24, 27, 31, 35, 39, §**4147, 4172;** C46, 50, §274.32, 275.6, 276.19; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.26]

Referred to in §331.552

**275.27 Community school districts — part of area education agency.**

School districts created or enlarged under this chapter are community school districts and are part of the area education agency in which the greatest number of registered voters of the district reside at the time of the special election called for in section 275.18, and sections of the Code applicable to the common schools generally are applicable to these districts in addition to the powers and privileges conferred by this chapter. If a school district, created or enlarged under this chapter and assigned to an area education agency under this section, can demonstrate that students in the district were utilizing a service or program prior to the formation of the new or enlarged district that is unavailable from the area education agency to which the new or enlarged district is assigned, the district may be reassigned to the area education agency which formerly provided the service or program, upon an affirmative majority vote of the boards of the affected area education agencies to permit the change.

[C73, §1715; C97, §2802; S13, §2802; SS15, §2794-a; C24, 27, 31, 35, 39, §**4136;** C46, 50, §274.18; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.27]

84 Acts, ch 1078, §11; 91 Acts, ch 44, §1; 95 Acts, ch 49, §6

**275.28 Plan of division of assets and liabilities.**

In addition to setting up the territory to comprise the reorganized districts, a reorganization petition may provide for a division of assets and liabilities of the old districts between reorganized districts. If no provision is made in the petition for division of assets and liabilities, or if territory is excluded from the reorganized district by the petition or by the area education agency board of directors, the division shall be made under the provisions of sections 275.29 to 275.31.

[C46, 50, §275.7; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.28]

93 Acts, ch 160, §8

**275.29 Division of assets and liabilities after reorganization.**

Between July 1 and July 20, the board of directors of the newly formed school district shall meet with the boards of the school districts affected by the organization of the new school corporation, including the boards of districts receiving territory of the school districts affected, for the purpose of reaching joint agreement on an equitable division of the assets of the several school corporations or parts of school corporations and an equitable distribution of the liabilities of the affected corporations or parts of corporations. In addition, if outstanding bonds are in existence in any district, the initial board of directors of the newly formed school district shall meet with the boards of all school districts affected prior to April 15 prior to the school year the reorganization is effective to determine the distribution of the bonded indebtedness between the districts so that the newly formed district may certify its budget under the procedures specified in chapter 24. The boards shall consider the mandatory levy required in section 76.2 and shall assure the satisfaction of outstanding obligations of each affected school corporation. If the petition includes plans for

the distribution of the bonded indebtedness, the exclusion of territory from the reorganized district does not require action pursuant to this section.

[C73, §1715; C97, §2802; S13, §2802, 2820-g; C24, 27, 31, 35, 39, §**4137;** C46, 50, §274.19; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.29]

84 Acts, ch 1078, §12; 85 Acts, ch 221, §6; 93 Acts, ch 1, §6; 93 Acts, ch 160, §9

Referred to in §256.11, 275.1, 275.28

**275.30 Arbitration.**

If the boards cannot agree on such division and distribution, the matters on which they differ shall be decided by disinterested arbitrators, one selected by the initial board of directors of the newly formed district, one by each of the boards of directors of the school districts affected, and one selected jointly by the boards of directors of contiguous districts receiving territory of the school district affected. If the number of arbitrators selected is even, a disinterested arbitrator shall be added by the area education agency administrator. The decision of the arbitrators shall be made in writing and filed with the secretary of the new corporation, and a party to the proceedings may appeal the decision to the district court by serving notice on the secretary of the new corporation within twenty days after the decision is filed. The appeal shall be tried in equity and a decree entered determining the entire matter, including the levy, collection, and distribution of any necessary taxes.

[C73, §1715; C97, §2802; S13, §2802, 2820-g; C24, 27, 31, 35, 39, §**4138;** C46, 50, §274.20; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.30]

93 Acts, ch 160, §10

Referred to in §256.11, 275.1, 275.28

**275.31 Taxes and appropriation to effect equalization.**

If necessary to equalize the division and distribution, the board or boards may provide for the levy of additional taxes, which shall be sufficient to satisfy the mandatory levy required in section 76.2 or other liabilities of the districts, upon the property of a corporation or part of a corporation and for the distribution of the tax revenues so as to effect equalization. When the board or boards are considering the equalization levy, the division and distribution shall not impair the security for outstanding obligations of each affected corporation. Any owner of bonds of an affected corporation may bring suit in equity for adjustment of the division and distribution in compliance with this section. If the property tax levy for the amount estimated and certified to apply on principal and interest on lawful bonded indebtedness for a newly formed community school district is greater than the property tax levy for the amount estimated and certified to apply on principal and interest in the year preceding the reorganization or dissolution for a school district that is a party to the reorganization or dissolution, that had a certified enrollment of less than six hundred for the year prior to the reorganization or dissolution, and that approved the reorganization or dissolution prior to July 1, 1989, the board of the newly formed district shall inform the department of management. The department of management shall pay debt service aid to the newly formed district in an amount that reduces the rate of the property tax levy for lawful bonded indebtedness in the portion of the newly formed district where the new rate is higher, to the rate that was levied in that portion of the district during the year preceding the reorganization or dissolution.

For the school year beginning July 1, 1987, and succeeding school years, there is appropriated from the general fund of the state to the department of management an amount sufficient to pay the debt service aid under this section. Debt service aid shall be paid in the manner provided in section 257.16.

Not later than May 1 of each year, the department of management shall inform the board of the newly formed school district the amount of debt service aid that the district will receive and the rate of the property tax levy for the amount estimated and certified to apply on principal and interest on lawful bonded indebtedness in the portion of the newly formed district where the new rate would have been higher, and for the remainder of the newly formed district. The department of management shall notify the county auditor of each applicable county of the amount, in dollars and cents per thousand dollars of assessed

valuation, of the property tax levy in each portion of each applicable newly formed school district in the county for the amount estimated and certified to apply on principal and interest on lawful bonded indebtedness, and the boundaries of the portions within the newly formed district for which the levies shall be made. The county auditor shall spread the applicable property tax levy for each portion of a school district over all taxable property in that portion of the district.

[S13, §2820-g; SS15, §2794-a; C24, 27, 31, 35, 39, §**4139, 4175;** C46, 50, §274.21, 276.22; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.31]

85 Acts, ch 221, §7; 86 Acts, ch 1226, §3; 89 Acts, ch 135, §67; 92 Acts, ch 1163, §62

Referred to in §256.11, 275.1, 275.28

**275.32** Repealed by 93 Acts, ch 160, § 18.

**275.33 Contracts of new district.**

1. The terms of employment of superintendents, principals, and teachers, for the school year following the effective date of the formation of the new district shall not be affected by the formation of the new district, except in accordance with the provisions of sections 279.15 to 279.18 and 279.24 and the authority and responsibility to offer new contracts or to continue, modify, or terminate existing contracts pursuant to sections 279.12, 279.13, 279.15 to 279.21, 279.23, and 279.24 for the school year beginning with the effective date of the reorganization shall be transferred from the boards of the existing districts to the board of the new district on the third Tuesday of January prior to the school year the reorganization is effective.

2. *a.* The collective bargaining agreement of the district with the largest basic enrollment for the year prior to the reorganization, as defined in section 257.6, in the new district shall serve as the base agreement and the employees of the other districts involved in the formation of the new district shall automatically be accreted to the bargaining unit of that collective bargaining agreement for purposes of negotiating the contracts for the following years without further action by the public employment relations board. If only one collective bargaining agreement is in effect among the districts which are party to the reorganization, then that agreement shall serve as the base agreement, and the employees of the other districts involved in the formation of the new district shall automatically be accreted to the bargaining unit of that collective bargaining agreement for purposes of negotiating the contracts for the following years without further action by the public employment relations board.

*b.* The board of the newly formed district, using the base agreement as its existing contract, shall bargain with the combined employees of the existing districts for the school year beginning with the effective date of the reorganization. The bargaining shall be completed by the dates specified in section 20.17 prior to the school year in which the reorganization becomes effective or within one hundred eighty days after the organization of the new board, whichever is later. If a bargaining agreement was already concluded by the board and employees of the existing district with the contract serving as the base agreement for the school year beginning with the effective date of the reorganization, that agreement shall be void. However, if the base agreement contains multiyear provisions affecting school years subsequent to the effective date of the reorganization, the base agreement shall remain in effect as specified in the agreement.

*c.* The provisions of the base agreement shall apply to the offering of new contracts, or continuation, modification, or termination of existing contracts as provided in subsection 1.

[S13, §2820-f; C24, 27, 31, 35, 39, §**4146;** C46, 50, §274.31; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.33]

85 Acts, ch 221, §8; 86 Acts, ch 1239, §3; 89 Acts, ch 135, §68; 93 Acts, ch 1, §7, 14; 93 Acts, ch 160, §11; 2010 Acts, ch 1061, §97

Referred to in §275.25

**275.34** Repealed by 74 Acts, ch 1090, § 211.

**275.35 Change in number of directors — change in method of elections.**

1. A school district may change the number of directors to either five or seven and may

also change its method of election of school directors to any method authorized by section 275.12 by submission of a proposal, stating the proposed new method of election, by the school board of such district to the electors at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*". The school board shall notify the county commissioner of elections who shall publish notice of the election in the manner provided in section 49.53. The election shall be conducted pursuant to chapters 39 through 53 by the county commissioner of elections. Such proposal shall be adopted if it is approved by a majority of the votes cast on the proposition.

2. If the proposal adopted by the voters requires the establishment of or change in director district boundaries, the school board shall draw the necessary boundaries within forty days after the date of the election. The boundaries shall be drawn according to the requirements of section 275.23A. Following adoption by the school board, the plan shall be submitted to the state commissioner of elections for approval.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §275.35]

2002 Acts, ch 1134, §83, 115; 2008 Acts, ch 1115, §41, 71

Referred to in §275.23A, 278.1

**275.36 Submission of change to electors.**

1. If a petition for a change in the number of directors or in the method of election of school directors is filed with the school board of a school district pursuant to the requirements of section 278.2, the school board shall submit such proposition to the voters at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*". The petition shall be accompanied by an affidavit as required by section 275.13. If a proposition for a change in the number of directors or in the method of election of school directors submitted to the voters under this section is rejected, it shall not be resubmitted to the voters of the district in substantially the same form within the next three years; if it is approved, no other proposal may be submitted to the voters of the district under this section within the next six years.

2. If the proposal adopted by the voters requires the establishment of or a change in director district boundaries pursuant to section 275.12, subsection 2, paragraph "*b*", "*c*", "*d*", or "*e*", the school board shall draw the necessary boundaries within forty days after the date of the election. The boundaries shall be drawn according to the requirements of section 275.23A. Following adoption by the school board, the plan shall be submitted to the state commissioner of elections for approval. The new boundaries shall become effective on July 1 following approval.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §275.36]

93 Acts, ch 143, §44; 2002 Acts, ch 1134, §84, 115; 2008 Acts, ch 1115, §42, 71

Referred to in §275.23A, 278.1

**275.37 Increase in number of directors.**

At the next succeeding regular school election in a district where the number of directors has been increased from five to seven, and directors are elected at large, there shall be elected a director to succeed each incumbent director whose term is expiring in that year, and two additional directors. Upon organizing as required by section 279.1, either one or two of the newly elected directors who received the fewest votes in the election shall be assigned a term of two years as necessary in order that as nearly as possible one-half of the members of the board shall be elected biennially. If some or all directors are elected from director districts, the board shall assign terms appropriate for the method of election used by the district.

[C58, 62, 66, 71, 73, §275.37, 275.38; C75, 77, 79, 81, §275.37]

2002 Acts, ch 1134, §85, 115; 2008 Acts, ch 1115, §14, 21

Referred to in §39.24, 275.38, 277.23, 278.1

**275.37A Decrease in number of directors.**

1. A change from seven to five directors shall be effected in a district at the first regular school election after authorization by the voters in the following manner:

*a.* If at the first election in the district there are four terms expiring, two directors shall be elected. At the second election in that district, if three terms are expiring, three directors shall be elected.

*b*. If at the first election there are three terms expiring, one director shall be elected. At the second election in that district, if four terms are expiring, three directors shall be elected for a four-year term and one director shall be elected for a two-year term.

2. If some or all of the directors are elected from director districts, the board shall devise a plan to reduce the number of members so that as nearly as possible one-half of the members of the board shall be elected biennially and so that each district will be continuously represented.

2002 Acts, ch 1134, §86, 115; 2008 Acts, ch 1115, §15, 21; 2010 Acts, ch 1033, §37
Referred to in §39.24

**275.38 Implementing changed method of election.**

If change in the method of election of school directors is approved at an election, the directors who were serving unexpired terms or were elected concurrently with approval of the change of method shall serve out the terms for which they were elected. If the plan adopted is that described in section 275.12, subsection 2, paragraph "*b*", "*c*", "*d*", or "*e*", the board shall at the earliest practicable time designate the districts from which residents are to be elected as school directors at each of the next two succeeding regular school elections, arranging so far as possible for elections of directors as residents of the respective districts to coincide with the expiration of terms of incumbent members residing in those districts. If an increase in the size of the board from five to seven members is approved concurrently with the change in method of election of directors, the board shall make the necessary adjustment in the manner prescribed in section 275.37, as well as providing for implementation of the districting plan under this section.

[C75, 77, 79, 81, §275.38]
2008 Acts, ch 1115, §16, 21, 43, 71

**275.39 Excluded territory included in new petition.**

Territory described in the petition of a proposed reorganization which has been set out of the proposed reorganization by the area education agency board or the joint boards and in the event of an appeal, after the decision of the director of the department of education or the courts, may be included in any new petition for reorganization.

[C62, 66, 71, 73, 75, 77, 79, 81, §275.39]
86 Acts, ch 1245, §1464

**275.40** Repealed by 74 Acts, ch 1172, § 133.

**275.41 Alternative method for director elections — temporary appointments.**

1. As an alternative to the method specified in section 275.25 for electing directors in a newly formed community school district, the procedure specified in this section may be used and if used, the petition filed under section 275.12 shall state the number of directors on the initial board. If two districts are named in the petition, either five or seven directors shall serve on the initial board. If three or more districts are named in the petition, either seven or nine directors shall serve on the initial board. The petition shall specify the number of directors to be retained from each district, and those numbers shall be proportionate to the populations of the districts. If the exclusion of territory from a reorganization affects the proportionate balance of directors among the affected districts specified in the petition, or if the proposal specified in the petition does not comply with the requirement for proportionate representation, the area education board shall modify the proposal. However, all districts affected shall retain at least one member.

2. Prior to the organizational meeting of the newly formed district, the boards of the former districts shall designate directors to be retained as members to serve on the initial board, and if the total number of directors determined under subsection 1 is an even number, that number of directors shall function and may within five days of the organizational meeting appoint one additional director by unanimous vote with all directors voting. Otherwise, the board shall function until a special election can be held to elect an additional director. The procedure for calling the special election shall be the procedure specified in section 275.25. If there is an insufficient number of board members eligible to be retained

from a former school district, the board of the former school district may appoint members to fill the vacancies. A vacancy occurs if there is an insufficient number of former board members who reside in the newly formed district or if there is an insufficient number who are willing to serve on the board of the newly formed district.

3. Prior to the effective date of the reorganization, the initial board shall approve a plan that commences at the first regular school election held after the effective date of the merger and is completed at the third regular school election held after the effective date of the merger, to replace the initial board with the regular board. If the petition specifies a number of directors on the regular board to be different from the number of directors on the initial board, the plan shall provide that the number specified in the petition for the regular board is in place by the time the regular board is formed. The plan shall provide that as nearly as possible one-half of the members of the board shall be elected biennially, and if a special election was held to elect a member to create an odd number of members on the board, the term of that member shall end at the organizational meeting following the third regular school election held after the effective date.

4. The board of the newly formed district shall organize within forty-five days after the approval of the merger upon the call of the area education agency administrator. The new board shall have control of the employment of all personnel for the newly formed district for the ensuing school year. Following the organization of the new board the board shall have authority to establish policy, organize curriculum, enter into contracts and complete such planning and take such action as is essential for the efficient management of the newly formed community school district.

5. The board of the newly formed district shall appoint an acting superintendent and an acting board secretary. The appointment of the acting superintendent shall not be subject to the continuing contract provision of sections 279.20, 279.23, and 279.24.

6. Section 49.8, subsection 5, shall not permit a director to remain on the board of a school district after the effective date of a boundary change which places the director's residence outside the boundaries of the district. Vacancies so caused on any board shall be filled in the manner provided in sections 279.6 and 279.7.

[C62, 66, 71, 73, 75, 77, §275.25; C79, 81, §275.41]

83 Acts, ch 53, §5; 85 Acts, ch 221, §9; 93 Acts, ch 160, §12, 13; 2005 Acts, ch 3, §58; 2008 Acts, ch 1115, §17, 21; 2009 Acts, ch 41, §248

Referred to in §275.1

**275.42 through 275.50** Reserved.

## DISSOLUTION OF DISTRICTS

**275.51 Dissolution commission.**

As an alternative to school district reorganization prescribed in this chapter, the board of directors of a school district may establish a school district dissolution commission to prepare a proposal of dissolution of the school district and attachment of all of the school district to one or more contiguous school districts and to include in the proposal a division of the assets and liabilities of the dissolving school district. A school district dissolution commission shall be established by the board of directors of a school district if a dissolution proposal has been prepared by eligible electors who reside within the district. The proposal must contain the names of the proposed members of the commission and be accompanied by a petition which has been signed by eligible electors residing in the school district equal in number to at least twenty percent of the registered voters in the school district.

The dissolution commission shall consist of seven members appointed by the board for a term of office ending either with a report to the board that no proposal can be approved or on the date of the election on the proposal. Members of the dissolution commission must be eligible electors who reside in the school district, not more than three of whom may be members of the board of directors of the school district. Members shall be appointed from

throughout the school district and should represent the various socioeconomic factors present in the school district.

Members of the dissolution commission shall serve without compensation and may be appointed to a subsequent commission. A vacancy on the commission shall be filled in the same manner as the original appointment was made.

The board of the school district shall certify to the area education agency board that a commission has been formed, the names and addresses of commission members, and that the commission members represent the various geographic areas and socioeconomic factors present in the district.

[C81, §275.51]

88 Acts, ch 1263, §3; 93 Acts, ch 160, §14; 94 Acts, ch 1175, §6; 95 Acts, ch 49, §7; 2001 Acts, ch 56, §13

**275.52 Meetings.**

The commission shall hold an organizational meeting not more than fifteen days after its appointment and shall elect a chairperson and vice chairperson from its membership. Thereafter the commission may meet as often as deemed necessary upon the call of the chairperson or a majority of the commission members.

The commission shall request statements from contiguous school districts outlining each district's willingness to accept attachments of the affected school district to the contiguous districts and what conditions, if any, the contiguous school district recommends. The commission shall meet with boards of contiguous school districts and with residents of the affected school district to the extent possible in drawing up the dissolution proposal. The commission may seek assistance from the area education agency and the department of education.

[C81, §275.52]

**275.53 Dissolution proposal.**

1. The commission shall send a copy of its dissolution proposal or shall inform the board that it cannot agree upon a dissolution proposal not later than one year following the date of the organizational meeting of the commission. The commission shall also send a copy of the dissolution proposal to the boards of directors of all school districts to which area of the affected school district will be attached. If the board of a district to which area of the affected school district will be attached objects to the attachment, within ten days following receipt of the dissolution proposal the board shall send its objections in writing to the commission. The commission may consider the objections and may modify the dissolution proposal. If the dissolution proposal is modified, the commission shall notify the boards of directors of all school districts to which area of the affected school district will be attached.

2. Notifications required under subsection 1 shall be delivered using one of the following methods:

*a.* Mail bearing a United States postal service postmark.

*b.* Hand delivery.

*c.* Facsimile transmission.

*d.* Electronic delivery.

3. If the commission cannot agree upon a dissolution proposal prior to the expiration of its term, the board may appoint a new commission.

[C81, §275.53]

2009 Acts, ch 50, §3

**275.54 Hearing.**

1. Within ten days following the filing of the dissolution proposal with the board, the board shall fix a date for a hearing on the proposal which shall not be more than sixty days after the dissolution petition was filed with the board. The board shall publish notice of the date, time, and location of the hearing at least ten days prior to the date of the hearing by one publication in a newspaper in general circulation in the district. The notice shall include the content of the dissolution proposal. A person residing or owning land in the school district

may present evidence and arguments at the hearing. The president of the board shall preside at the hearing. The board shall review testimony from the hearing and shall adopt or amend and adopt the dissolution proposal.

2. The board shall notify the boards of directors of all school districts to which area of the affected school district will be attached and the director of the department of education of the contents of the dissolution proposal adopted by the board. The notification shall be delivered using one of the following methods:

*a.* Mail bearing a United States postal service postmark.

*b.* Hand delivery.

*c.* Facsimile transmission.

*d.* Electronic delivery.

3. If the board of a district to which area of the affected school district will be attached objects to the attachment, that portion of the dissolution proposal will not be included in the proposal voted upon under section 275.55 and the director of the department of education shall attach the area to a contiguous school district.

4. If the board of a district to which area of the affected school district will be attached objects to the division of assets and liabilities contained in the dissolution proposal, the matter shall be decided by a panel of disinterested arbitrators. The panel shall consist of one arbitrator selected by each affected district objecting to the provisions of the dissolution proposal, one selected by each affected district in favor of the provisions of the dissolution proposal, and one selected by each dissolving district. If the number of arbitrators selected is even, a disinterested arbitrator shall be selected by the administrator of the area education agency to which the dissolving district or districts belong. The decision of the arbitrators shall be made in writing and filed with the secretary of the new corporation. A party to the proceedings may appeal the decision to the district court by serving notice on the secretary of the new school corporation within twenty days after the decision is filed. The appeal shall be tried in equity and a decree entered determining the entire matter, including the levy, collection, and distribution of any necessary taxes.

5. If a dissolution proposal adopted by a board contains provisions that ninety-five percent or more of the taxable valuation of the dissolving district would be assumed and attached to a single school district, the dissolving school district shall cease further proceedings to dissolve and shall comply with reorganization procedures specified in this chapter.

[C81, §275.54]

86 Acts, ch 1245, §1465; 2009 Acts, ch 50, §4

**275.55 Election.**

1. After the final hearing on the dissolution proposal, the board of the school district shall submit the proposition to the voters at the next election held on a date specified in section 39.2, subsection 4, paragraph "*c*". However, the date of the final hearing on the dissolution proposal must be not less than thirty nor more than sixty days before the election. The proposition submitted to the voters residing in the school district shall describe each separate area to be attached to a contiguous school district and shall name the school district to which it will be attached. In addition to the description, a map may be included in the summary of the question on the ballot.

2. The board shall give written notice of the election to the county commissioner of elections. The county commissioner of elections shall give notice of the election by one publication in the same newspaper in which the previous notice was published about the hearing, which publication shall not be less than four nor more than twenty days prior to the election.

3. The proposition shall be adopted if a majority of the electors voting on the proposition approve its adoption.

4. The attachment is effective July 1 following its approval. If the dissolution proposal is for the dissolution of a school district with a certified enrollment of fewer than six hundred, the territory located in the school district that dissolved is eligible, if approved by the director of the department of education, for a reduction in the foundation property tax levy under section 257.3, subsection 1. If the director approves a reduction in the foundation property

tax levy as provided in this section, the director shall notify the director of the department of management of the reduction.

[C81, §275.55]

88 Acts, ch 1263, §4; 89 Acts, ch 135, §69; 2002 Acts, ch 1134, §87, 115; 2008 Acts, ch 1115, §44, 71; 2009 Acts, ch 50, §5

Referred to in §257.3, 275.54

**275.55A Attendance in other district.**

A student enrolled in ninth, tenth, or eleventh grade during the school year preceding the effective date of a dissolution proposal, who was a resident of the school district that dissolved, may enroll in a school district to which territory of the school district that dissolved was attached until the student's graduation from high school, unless the student was expelled or suspended from school and the conditions of expulsion or suspension have not been met. The student under expulsion or suspension shall not be enrolled until the board of directors of the school district to which territory of the dissolved school district was attached approves, by majority vote, the enrollment of the student. Notwithstanding section 282.24, the district of residence of the student, determined in the dissolution proposal, shall pay tuition to the school district selected by the student in an amount not to exceed the district cost per pupil of the district of residence and the school district selected by the student shall accept that tuition payment and enroll the student.

88 Acts, ch 1263, §5; 95 Acts, ch 218, §26

Referred to in §282.9, 291.6

**275.56 Increasing enrollment.**

If the enrollment of a school district increases or is expected to increase because an adjacent district has dissolved or is expected to dissolve, the board of directors of the school district shall determine whether there is a need to hire additional licensed or unlicensed employees. If the board of directors determines that there is a need to hire additional employees, the board shall determine the nature and number of the necessary new positions. Individuals who were employees of the dissolved district may apply for the new positions. The board shall hire those applicants who were employees of the dissolved district whenever the applicant is licensed for the new position or, in the case of unlicensed personnel, is otherwise qualified. If two employees of the dissolved district apply for a single licensed position, the applicant who is best qualified in the opinion of the board shall be hired. The board is not required to hire applicants who were employees of the dissolved district if the district has been dissolved for one or more school years. Applicants who are reemployed under this section shall maintain in the reemploying district vacation, salary or alternatively placement on a salary schedule based on the employee's years of experience, sick leave, and completion of probationary status as defined by section 279.19.

[C81, §275.56]

89 Acts, ch 265, §40; 2012 Acts, ch 1023, §157

**275.57 Changing director district boundaries following dissolution.**

1. If a school district accepting attachments of a dissolved district is currently divided into director districts as provided in section 275.12, subsection 2, paragraph "*b*", "*c*", "*d*", or "*e*", the board of directors of the district shall draft a proposal to incorporate the newly received territory into existing contiguous director districts. If the attached territory is contiguous to more than one director district, the board may divide the territory and attach it to more than one director district. If necessary to comply with the population equality standards prescribed in section 275.23A, the board shall redraw the boundaries of all director districts according to the standards provided in section 275.23A, subsection 1, paragraphs "*a*", "*c*", and "*d*".

2. A public hearing on the proposed changes to director districts shall be held no later than May 15 following the dissolution. Not less than ten nor more than twenty days before the public hearing, the board shall publish notice of the time and place of the hearing.

3. The final plan for the assignment of attached lands and any other boundary changes made shall be adopted by resolution of the board. The resolution shall contain a legal description of the new director district boundaries and a map of the director district

boundaries changed by the resolution. A copy of the resolution shall be filed with the county commissioners of elections of each county in which a portion of the school district is located. The resolution shall also be filed with the state commissioner of elections not later than June 15. The boundary changes shall take effect upon approval by the state commissioner of elections for the next regular school election, but not later than July 1.

2002 Acts, ch 1134, §88, 115
Referred to in §256.11

**275.58** Reserved.

**275.59** Repealed by 92 Acts, ch 1246, § 60.

# CHAPTER 276

## COMMUNITY EDUCATION

Referred to in §300.4


276.1 Title.
276.2 Purpose.
276.3 Definitions.
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276.6 and 276.7 Repealed by 86 Acts, ch 1245, §1499A.
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276.9 Duties of local advisory council.
276.10 Establishment of program.
276.11 Funding of community education concept.
276.12 Use of special tax levy.


**276.1 Title.**

Sections 276.1 to 276.11 of this chapter shall be known and may be cited as the *"Iowa Community Education Act"*.

[C79, 81, §276.1]
Referred to in §276.3

**276.2 Purpose.**

It is the purpose of this chapter to provide educational, recreational, cultural, and other community services and programs through the establishment of the concept of community education with the community school serving as the center for such activity. In cooperation with other community agencies and groups, it is the purpose of the community education Act to mobilize community resources to solve identified community concerns and to promote a more efficient and expanded use of existing school buildings and equipment, to provide leadership in working with other entities, to mobilize the human and financial resources of a community, and to provide a wide range of opportunities for all socioeconomic, ethnic, and age groups. A related purpose of this chapter is to develop a sense of community in which the citizenry cooperates with the school and community agencies and groups to resolve their school and community concerns and to recognize that the schools belong to the people, and that as the entity located in every neighborhood, the schools are available for use by the community day and night, year-round or any time when the programming will not interfere with the elementary and secondary program.

[C79, 81, §276.2]
Referred to in §276.1, 276.3

**276.3 Definitions.**

As used in sections 276.1 to 276.11 unless the context otherwise requires:

1. *"Board"* means the local board of directors of school districts.
2. *"Community"* means the area located within the boundaries of the local school district.
3. *"Community education"* means a lifelong education process concerning itself with every facet that affects the well-being of all citizens within a given community and serves all of the following purposes:

*a.* To extend the role of the school from one of teaching children through an elementary and secondary program to one of providing for citizen participation in identifying the wants, needs, and concerns of the neighborhood community and coordinating all educational, recreational, and cultural opportunities within the community with community education being the catalyst for providing for citizen participation in the development and implementation of programs toward the goal of improving the entire community.

*b.* To energize people to strive for the achievement of determined goals and stimulate capable persons to assume leadership responsibilities.

*c.* To welcome and work with all groups without drawing any lines.

*d.* To serve as the one institution in the entire community that has the opportunity to reach all people and groups and to gain their cooperation.

4. *"Community school"* means any elementary or secondary school.

5. *"Department"* means the department of education.

6. *"Director"* means the local community school director who assumes responsibility for making the process function effectively.

7. *"District-wide advisory council"* means a broadly representative group of persons selected from the entire school district with at least one representative from each of the local advisory councils after they are formed. At least one member of the council shall be a representative from the local public recreation department or agency, if one exists.

8. *"Local advisory council"* means a broadly representative group of persons living within the attendance boundaries of an individual neighborhood school.

9. *"State consultant"* means the state community education consultant.

[C79, 81, §276.3]

86 Acts, ch 1245, §1466; 2010 Acts, ch 1069, §77

Referred to in §276.1

**276.4 State consultant.**

The state consultant of community education shall serve district and local advisory councils in accordance with rules promulgated by the director of the department of education and in compliance with Pub. L. No. 93-380.

[C79, 81, §276.4]

85 Acts, ch 212, §21

Referred to in §276.1, 276.3

**276.5 Local director.**

The local community education director shall:

1. Serve as staff person to district-wide and local advisory councils.

2. Promote, publicize, and interpret the community education programs to the schools and community.

3. Facilitate community needs and resources after adequate assessment.

4. Seek ideas, promote people involvement in the process, and open lines of communication and coordination.

5. Stimulate planning to meet needs.

6. Schedule community-use hours available in school-plant facilities and related equipment and coordinate such use with building principals or designated representatives.

7. Prepare the community education budget in concert and with approval of the district-wide advisory council, and administer the budget after final approval by the board of directors.

[C79, 81, §276.5]

Referred to in §276.1, 276.3

**276.6 and 276.7** Repealed by 86 Acts, ch 1245, § 1499A.

**276.8 Duties of district-wide advisory council.**

The district-wide advisory council shall:

1. Provide guidance to local advisory councils, training and orientation for community persons, evaluation and assessment of needs and delivery systems for school districts.

2. Develop a "sense of total community" and promote democratic thinking and action.
3. Promote meaningful involvement of total community in the identifying, prioritizing, and resolving of school-community concerns.
4. Serve as an advocate of community education and foster community cooperation.
5. Provide an annual budget recommendation and annual report to the local board of education.
6. Mobilize available human and financial resources of the community to meet needs, interests, and concerns of people in the total community.
7. Make school facilities and resources available to all age groups from the total community, day and night, year round.
8. Facilitate the assessment of community-wide needs with the understanding that local advisory councils will manage their own assessments of needs.
9. Provide support and act as a resource group for local advisory councils and the community education director.
10. Help plan and recommend a community education budget for approval by the local board of education.
11. Recommend to the board, regulations, guidelines, and fees, if any, for facility usage.
12. Define short and long-range community education goals and objectives.
13. Communicate through inquiring, informing, suggesting, recommending and evaluating community education for the community.
14. Cooperate with other agencies and organizations including the community colleges and institutions under the control of the state board of regents toward common goals.
15. Perform the functions of the local advisory council in the event that the board determines that the size of the district does not warrant the establishment of a local advisory council.

[C79, 81, §276.8]
Referred to in §276.1, 276.3

**276.9 Duties of local advisory council.**

The local advisory council shall:

1. Determine needs and priorities and provide programs to serve the needs of the community located within the attendance boundaries of an individual school.
2. Provide programming which is available to any community resident.
3. Promote meaningful involvement of the total neighborhood community in its identification and resolution of school and community concerns.
4. Mobilize available human and financial resources of the community to meet the wants and needs in that neighborhood community.
5. Use existing programs and community resources for delivery of services whenever feasible.
6. Use funds as allocated by district-wide advisory council after budget approval by board.
7. Evaluate the success of programs in meeting needs, interests, and concerns and in resolving responsible needs and concerns.

[C79, 81, §276.9]
Referred to in §276.1, 276.3

**276.10 Establishment of program.**

1. The board of directors of a local school district may establish a community education program for schools in the district and provide for the general supervision of the program. Financial support for the program shall be provided from funds raised pursuant to chapter 300 and from any private funds and any federal funds made available for the purpose of implementing this chapter. The program which recognizes that the schools belong to the people and which shall be centered in the schools may include but shall not be limited to the use of the school facilities day and night, year round including weekends and regular school vacation periods for educational, recreational, cultural, and other community services and programs for all age, ethnic, and socioeconomic groups residing in the community.
2. If a community education program is established, the board shall appoint a community

education director who shall have professional training in the field of community education, recreation, or comparable experience.

3. Upon establishment of a community education program, the board shall provide for the selection of a district-wide advisory council which shall be responsible to the board and shall cooperate with and assist the board and the local community education director. The board shall also provide for the selection of local advisory councils.

4. The board shall receive an annual report and budget recommendation from the district-wide advisory council and may request supplementary reports as needed.

5. The school districts may cooperate with community colleges, institutions under the control of the state board of regents, and area education agencies in providing community education programs.

6. The board may use opportunities available under Pub. L. No. 93-380.

7. The board may approve cooperation and pooling of funds with other school districts.

[C79, 81, §276.10]

90 Acts, ch 1253, §121; 2006 Acts, ch 1010, §81

Referred to in §276.1, 276.3

**276.11 Funding of community education concept.**

Residents of the affected school district shall determine if community education will function in their community by providing for funding pursuant to chapter 300.

[C79, 81, §276.11]

Referred to in §276.1, 276.3

**276.12 Use of special tax levy.**

If the voters of a school district have approved the levying of a tax pursuant to section 300.2 prior to July 7, 1978, moneys collected pursuant to the voted tax levy after said date may be used for community education programs.

[C79, 81, §276.12]

# CHAPTER 277

## SCHOOL ELECTIONS

Referred to in §274.40


277.1 Regular election.
277.2 Elections on public measures.
277.3 Election laws applicable.
277.4 Nominations required.
277.5 Objections to nominations.
277.6 Territory outside county.
277.7 Petitions for public measures.
277.8 through 277.19 Repealed by 73 Acts, ch 136, §401.
277.20 Canvassing returns.
277.21 Repealed by 73 Acts, ch 136, §401.
277.22 Contested elections.
277.23 Directors — number — change.
277.24 Repealed by 70 Acts, ch 1025, §40.
277.25 Directors in new districts.
277.26 Repealed by 75 Acts, ch 81, §154.
277.27 Qualification.
277.28 Oath required.
277.29 Vacancies.
277.30 Vacancies filled by election.
277.31 Surrendering office.
277.32 Penalties.
277.33 Transferred to §277.3.
277.34 Repealed by 73 Acts, ch 136, §401.

**277.1 Regular election.**

The regular election shall be held biennially on the second Tuesday in September of each odd-numbered year in each school district for the election of officers of the district and merged area and for the purpose of submitting to the voters any matter authorized by law.

[C51, §1111, 1114; R60, §2027, 2030, 2031; C73, §1717 – 1719; C97, §2746, 2751; C24, §4194, 4211; C27, §4194, 4211, 4216-b1; C31, 35, §4216-c1; C39, §**4216.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.1]

83 Acts, ch 101, §63; 2008 Acts, ch 1115, §18, 21

Referred to in §39.3, 260C.15

**277.2 Elections on public measures.**

Unless otherwise stated, the date of an election on a public measure authorized to be held by a school district is limited to the dates specified in section 39.2, subsection 4, paragraph "*c*".

[C97, §2750; S13, §2750; C24, 27, §4197; C31, 35, §4216-c2; C39, §**4216.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.2]

89 Acts, ch 135, §70; 2008 Acts, ch 1115, §45, 71

**277.3 Election laws applicable.**

The provisions of chapters 39 to 53 shall apply to the conduct of all school elections and the school elections shall be conducted by the county commissioner of elections, except as otherwise specifically provided in this chapter.

[C97, §2754; S13, §2754; C24, 27, §4204; C31, 35, §4216-c33; C39, §**4216.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §277.33; C77, 79, 81, §277.3]

Referred to in §275.25

**277.4 Nominations required.**

1. Nomination papers for all candidates for election to office in each school district shall be filed with the secretary of the school board not more than sixty-four days, nor less than forty days before the election. Nomination petitions shall be filed not later than 5:00 p.m. on the last day for filing. If the school board secretary is not readily available during normal office hours, the secretary may designate a full-time employee of the school district who is ordinarily available to accept nomination papers under this section. On the final date for filing nomination papers the office of the school secretary shall remain open until 5:00 p.m.

2. *a.* Each candidate shall be nominated by petition. If the candidate is running for a seat in the district which is voted for at-large, the petition must be signed by the greater of at least ten eligible electors or a number of eligible electors equal in number to not less than one percent of the registered voters of the school district, which number need not be more than fifty. If the candidate is running for a seat which is voted for only by the voters of a director district, the petition must be signed by the greater of at least ten eligible electors of the director district or a number of eligible electors equal in number to not less than one percent of the registered voters in the director district, which number need not be more than fifty.

*b.* Signers of nomination petitions shall include their addresses and the date of signing, and must reside in the same director district as the candidate if directors are elected by the voters of a director district, rather than at-large. A person may sign nomination petitions for more than one candidate for the same office, and the signature is not invalid solely because the person signed nomination petitions for one or more other candidates for the office. The petition shall be filed with the affidavit of the candidate being nominated, stating the candidate's name, place of residence, that such person is a candidate and is eligible for the office the candidate seeks, and that if elected the candidate will qualify for the office. The affidavit shall also state that the candidate is aware that the candidate is disqualified from holding office if the candidate has been convicted of a felony or other infamous crime and the candidate's rights have not been restored by the governor or by the president of the United States.

3. The secretary of the school board shall accept the petition for filing if on its face it appears to have the requisite number of signatures and if it is timely filed. The secretary of

the school board shall note upon each petition and affidavit accepted for filing the date and time that the petition was filed. The secretary of the school board shall deliver all nomination petitions, together with the complete text of any public measure being submitted by the board to the electorate, to the county commissioner of elections on the day following the last day on which nomination petitions can be filed, and not later than 5:00 p.m. on that day.

4. Any person on whose behalf nomination petitions have been filed under this section may withdraw as a candidate by filing a signed statement to that effect with the secretary at any time prior to 5:00 p.m. on the thirty-fifth day before the election.

[S13, §2754; C24, §4201; C27, §4201, 4216-b4, -b5; C31, 35, §4216-c4; C39, §**4216.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.4]

87 Acts, ch 221, §32; 88 Acts, ch 1119, §32; 89 Acts, ch 136, §63; 90 Acts, ch 1238, §35; 93 Acts, ch 143, §45; 94 Acts, ch 1180, §42; 95 Acts, ch 189, §19; 97 Acts, ch 170, §84; 98 Acts, ch 1052, §6; 2004 Acts, ch 1088, §1; 2010 Acts, ch 1033, §38; 2010 Acts, ch 1061, §180

Referred to in §275.25, 277.20, 279.7

**277.5 Objections to nominations.**

Objections to the legal sufficiency of a nomination petition or to the eligibility of a candidate may be filed by any person who would have the right to vote for a candidate for the office in question. The objection must be filed with the secretary of the school board at least thirty-five days before the day of the school election. When objections are filed notice shall forthwith be given to the candidate affected, addressed to the candidate's place of residence as given on the candidate's affidavit, stating that objections have been made to the legal sufficiency of the petition or to the eligibility of the candidate, and also stating the time and place the objections will be considered.

Objections shall be considered not later than two working days following the receipt of the objections by the president of the school board, the secretary of the school board, and one additional member of the school board chosen by ballot. If objections have been filed to the nominations of either of those school officials, that official shall not pass on the objection. The official's place shall be filled by a member of the school board against whom no objection exists. The replacement shall be chosen by ballot.

88 Acts, ch 1119, §33; 94 Acts, ch 1180, §43

Referred to in §277.7

**277.6 Territory outside county.**

If there is within a school corporation any territory not within the limits of the county whose county commissioner of elections is responsible under section 47.2 for conducting that school corporation's elections, the commissioner may divide the territory which lies outside the county but within the school district into additional precincts, or may attach the various parts thereof to contiguous precincts within the responsible commissioner's county in accordance with section 49.3, and as will best serve the convenience of the electors of said territory in voting on school matters.

[C24, §4205, 4207; C27, §4205, 4207, 4216-b2; C31, 35, §4216-c6; C39, §**4216.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.6]

**277.7 Petitions for public measures.**

A petition filed with the school board to request an election on a public measure shall be examined before it is accepted for filing. If the petition appears valid on its face it shall be accepted for filing. If it lacks the required number of signatures it shall be returned to the petitioners.

Petitions which have been accepted for filing are valid unless written objections are filed. Objections must be filed with the secretary of the school board within five working days after the petition was filed. The objection process in section 277.5 shall be followed for objections filed pursuant to this section.

94 Acts, ch 1180, §44

**277.8 through 277.19** Repealed by 73 Acts, ch 136, § 401.

**277.20 Canvassing returns.**

On the next Friday after the regular school election, the county board of supervisors shall canvass the returns made to the county commissioner of elections from the several precinct polling places and the absentee ballot counting board, ascertain the result of the voting with regard to every matter voted upon and cause a record to be made thereof as required by section 50.24. Special elections held in school districts shall be canvassed at the time and in the manner required by that section. The board shall declare the results of the voting for members of boards of directors of school corporations nominated pursuant to section 277.4, and the commissioner shall at once issue a certificate of election to each person declared elected. The board shall also declare the results of the voting on any public question submitted to the voters of a single school district, and the commissioner shall certify the result as required by section 50.27.

The abstracts of the votes cast for members of the board of directors of any merged area, and of the votes cast on any public question submitted to the voters of any merged area, shall be promptly certified by the commissioner to the county commissioner of elections who is responsible under section 47.2 for conducting the elections held for that merged area.

[C97, §2756; S13, §2756; C24, §4210; C27, §4210, 4211-b6; C31, 35, §4216-c20; C39, §**4216.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.20]

Referred to in §260C.15, 331.383

**277.21** Repealed by 73 Acts, ch 136, § 401.

**277.22 Contested elections.**

School elections may be contested as provided by law for the contesting of other elections.

[C24, 27, §4209; C31, 35, §4216-c22; C39, §**4216.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.22]

Contesting elections, chapter 57 et seq.

**277.23 Directors — number — change.**

1. In any district including all of a city of fifteen thousand or more population and in any district in which the voters, or the board as provided in section 275.23A, subsection 2, have authorized seven directors, the board shall consist of seven members; in all other districts the board shall consist of five members.

2. A change from five to seven directors shall be effected in a district at the first regular election after authorization by the voters or the board, or after a district first includes all of a city of fifteen thousand or more population, in the manner described in section 275.37.

[C51, §1112; R60, §2031, 2035, 2075; C73, §1720, 1721, 1808; C97, §2752, 2754; S13, §2752, 2754; C24, §4198, 4212; C27, §4198, 4211-b3, -b5; C31, 35, §4216-c23; C39, §**4216.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.23]

2002 Acts, ch 1024, §2, 3; 2002 Acts, ch 1134, §89, 115; 2003 Acts, ch 44, §57

Referred to in §275.23A, 275.25

**277.24** Repealed by 70 Acts, ch 1025, § 40.

**277.25 Directors in new districts.**

At the first election in newly organized districts the directors shall be elected as follows:

1. In districts having three directors, two directors shall be elected for two years, and one for four years.

2. In districts having five directors, three shall be elected for two years, and two for four years.

3. In districts having seven directors, four shall be elected for two years, and three for four years.

[C73, §1802; C97, §2754; S13, §2754; C24, 27, §4199; C31, 35, §4216-c25; C39, §**4216.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.25]

2008 Acts, ch 1115, §19, 21

**277.26** Repealed by 75 Acts, ch 81, § 154.

**277.27 Qualification.**

A member of the board shall, at the time of election or appointment, be an eligible elector of the corporation or subdistrict. Notwithstanding any contrary provision of the Code, a member of the board of directors of a school district shall not receive compensation directly from the school board unless the compensation is for part-time or temporary employment and does not exceed the limitation set forth in section 279.7A.

[C97, §2748; C24, 27, §4213; C31, 35, §4216-c27; C39, §**4216.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.27]

87 Acts, ch 224, §46; 88 Acts, ch 1038, §2; 2001 Acts, ch 53, §1

**277.28 Oath required.**

1. Each director elected at a regular district or director district election shall qualify by taking the oath of office on or before the time set for the organization meeting of the board and the election and qualification entered of record by the secretary. The oath may be administered by any qualified member of the board or the secretary of the board and may be taken in substantially the following form:

Do you solemnly swear that you will support the Constitution of the United States and the Constitution of the State of Iowa and that you will faithfully and impartially to the best of your ability discharge the duties of the office of ..... (naming the office) in ..... (naming the district) as now or hereafter required by law?

2. If the oath of office is taken elsewhere than in the presence of the board in session it may be administered by any officer listed in sections 63A.1 and 63A.2 and shall be subscribed to by the person taking it in substantially the following form:

I, ....., do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Iowa and that I will faithfully and impartially to the best of my ability discharge the duties of the office of ..... (naming the office) in ..... (naming the district) as now or hereafter required by law.

3. Such oath shall be properly verified by the administering officer and filed with the secretary of the board.

[C51, §1113, 1120; R60, §2032, 2079; C73, §1752, 1790; C97, §2758; S13, §2758; C24, 27, §4214; C31, 35, §4216-c28; C39, §**4216.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.28]

88 Acts, ch 1038, §3; 2010 Acts, ch 1061, §98

Referred to in §260C.15, 273.8, 279.3, 279.6, 279.7

**277.29 Vacancies.**

Failure to elect at the proper election or to appoint within the time fixed by law or the failure of the officer elected or appointed to qualify within the time prescribed by law; the incumbent ceasing for any reason to be a resident of the district or removing residence from the subdistrict; the resignation or death of incumbent or of the officer-elect; the removal of the incumbent from, or forfeiture of, the office, or the decision of a competent tribunal declaring the office vacant; the conviction of incumbent of a felony, as defined in section 701.7, or of any public offense involving the violation of the incumbent's oath of office, shall constitute a vacancy.

[C31, 35, §4216-c29; C39, §**4216.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.29]

86 Acts, ch 1112, §10; 86 Acts, ch 1238, §12

Referred to in §260C.11, 273.8, 273.23

**277.30 Vacancies filled by election.**

When vacancies are to be filled by election, the provisions of section 69.12 shall control.

[C73, §1802; C97, §2754; S13, §2754; C24, 27, §4199; C31, 35, §4216-c30; C39, §**4216.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.30]

**277.31 Surrendering office.**

Each school officer or member of the board upon the termination of the officer or member's term of office shall immediately surrender to the successor all books, papers, and moneys pertaining or belonging to the office, taking a receipt therefor.

[R60, §2080; C73, §1791; C97, §2770; C24, 27, §4215; C31, 35, §4216-c31; C39, §**4216.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.31]

**277.32 Penalties.**

Any school officer willfully violating any law relative to common schools, or willfully failing or refusing to perform any duty imposed by law, shall forfeit and pay into the treasury of the particular school corporation in which the violation occurs the sum of twenty-five dollars, action to recover which shall be brought in the name of the proper school corporation, and be applied to the use of the schools therein.

[C51, §1137; R60, §2047, 2081; C73, §1746, 1786; C97, §2822; C24, 27, §4216; C31, 35, §4216-c32; C39, §**4216.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §277.32]

**277.33** Transferred to § 277.3.

**277.34** Repealed by 73 Acts, ch 136, § 401.

# CHAPTER 278

## POWERS OF ELECTORS

278.1 Enumeration.
278.2 Submission of proposition.
278.3 Power given electors not to limit directors' power.

**278.1 Enumeration.**

1. The voters at the regular election shall have power to:

*a.* Direct a change of textbooks regularly adopted.

*b.* Except when restricted by section 297.25, direct the sale, lease, or other disposition of any schoolhouse or school site or other property belonging to the corporation, and the application to be made of the proceeds thereof. However, nothing in this section shall be construed to prevent the sale, lease, exchange, gift, or grant and acceptance of any interest in real or other property of the corporation to the extent authorized in section 297.22.

*c.* Determine upon additional branches that shall be taught.

*d.* Instruct the board that school buildings may or may not be used for meetings of public interest.

*e.* Direct the transfer of any surplus in the debt service fund, physical plant and equipment levy fund or other capital project funds, or public education and recreation levy fund to the general fund.

*f.* Authorize the board to obtain, at the expense of the corporation, roads for proper access to its schoolhouses.

*g.* Authorize a change to either five or seven directors. The proposition for the change shall specify the number of directors to be elected, and which of the methods of election authorized by section 275.12, subsection 2, is to be used if the change is approved by the voters.

*h.* Authorize a change in the method of conducting elections or in the number of directors as provided in sections 275.35 and 275.36. If a proposition submitted to the voters under this

paragraph or paragraph "*g*" is rejected, it may not be resubmitted to the voters of the district in substantially the same form within the next three years; if it is approved, no other proposal may be submitted to the voters of the district under this paragraph or paragraph "*g*" within the next six years. The establishment or abandonment of director districts or a change in the boundaries of director districts shall be implemented as prescribed in section 275.37.

*i.* Change the name of the school district, without affecting its corporate existence, rights, or obligations, and subject to the requirements of section 274.6.

2. *a.* The board may, with approval of sixty percent of the voters voting in an election in the school district, make extended time contracts not to exceed twenty years in duration for rental of buildings to supplement existing schoolhouse facilities; and where it is deemed advisable for buildings to be constructed or placed on real estate owned by the school district, these contracts may include lease-purchase option agreements, the amounts to be paid out of the physical plant and equipment levy fund. The election shall be held on a date specified in section 39.2, subsection 4, paragraph "*c*".

*b.* Before entering into a rental or lease-purchase option contract, authorized by the electors, the board shall first adopt plans and specifications for a building or buildings which it considers suitable for the intended use and also adopt a form of rental or lease-purchase option contract. The board shall then invite bids thereon, by advertisement published once each week for two consecutive weeks, in a newspaper published in the county in which the building or buildings are to be located, and the rental or lease-purchase option contract shall be awarded to the lowest responsible bidder, but the board may reject any and all bids and advertise for new bids.

[C51, §1115; R60, §2028, 2033; C73, §1717, 1807; C97, §2749; C24, 27, 31, 35, 39, §**4217;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §278.1]

89 Acts, ch 135, §71, 72; 94 Acts, ch 1029, §16, 17; 97 Acts, ch 170, §85; 2002 Acts, ch 1134, §90, 115; 2008 Acts, ch 1115, §46, 71; 2008 Acts, ch 1148, §1; 2009 Acts, ch 10, §1, 4; 2013 Acts, ch 88, §15

Referred to in §275.23A, 278.2, 278.3, 297.25, 298A.9, 298A.10

Subsection 1, paragraph e amended

**278.2 Submission of proposition.**

1. The board may, and upon the written request of one hundred eligible electors or a number of electors which equals thirty percent of the number of electors who voted in the last regular school board election, whichever number is greater, shall, direct the county commissioner of elections to provide in the notice of the regular election for the submission of any proposition authorized by law to the voters. When the board has directed the commissioner to submit to the voters a proposition authorized by section 278.1, subsection 1, paragraph "*g*" or "*h*", it shall not thereafter direct the commissioner to submit at the same election any other proposition under either of those paragraphs.

2. Petitions filed under this section shall be filed with the secretary of the school board at least seventy-five days before the date of the regular school election, if the question is to be included on the ballot at that election. The petition shall include the signatures of the petitioners, a statement of their place of residence, and the date on which they signed the petition.

[R60, §2028; C97, §2749; C24, 27, 31, 35, 39, §**4218;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §278.2]

89 Acts, ch 30, §1; 89 Acts, ch 136, §64; 90 Acts, ch 1238, §36; 2008 Acts, ch 1115, §20, 21

Referred to in §275.36

**278.3 Power given electors not to limit directors' power.**

The power vested in the electors by section 278.1 shall not affect or limit the power granted to the board of directors of a school district in section 297.7, subsection 2, and the authority granted in said subsection shall be construed as independent of the power vested in the electors by section 278.1.

[C75, 77, 79, 81, §278.3]

# CHAPTER 279

## DIRECTORS — POWERS AND DUTIES

Referred to in §55.1, 256F.4, 260C.14, 260C.39, 261E.9, 262.9, 272.12, 284.3

For student search restrictions, see chapter 808A
Optional waiver of satisfaction and performance bonds; §12.44


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279.2 Special meetings.
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279.55 Teacher exchange program.
279.56 Board participation.
279.57 Period of exchange.
279.58 School dress code policies.
279.59 Access by associations.
279.60 Assessments — access to data — reports.
279.61 Student plan for progress toward university admissions — report.

279.62 Nonprofit school organizations.
279.63 Financial report.
279.64 Tax-sharing agreements.
279.65 Student advancement policy — findings — supplemental strategies and educational services grant program. Repealed by 2008 Acts, ch 1181, §40.
279.66 Discipline and personal conduct standards.
279.67 Competitive living wage.
279.68 Student progression — remedial instruction — reporting requirements — promotion.
279.69 School employees — background investigations.

**279.1 Organization.**

1. The board of directors of each school corporation shall meet and organize at the first regular meeting after the canvass for the regular school election at some suitable place to be designated by the secretary. Notice of the place and hour of the meeting shall be given by the secretary to each member and member-elect of the board.

2. Such organization shall be effected by the election of a president from the members of the board to serve for one year, and who shall be entitled to vote as a member.

[C51, §1119; R60, §2036; C73, §1721, 1722; C97, §2757; SS15, §2757; C24, 27, 31, 35, 39, §**4220;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.1]

87 Acts, ch 224, §47; 90 Acts, ch 1238, §37; 2010 Acts, ch 1033, §39

Referred to in §275.37

**279.2 Special meetings.**

Such special meetings may be held as may be determined by the board, or called by the president, or by the secretary upon the written request of a majority of the members of the board, upon notice specifying the time and place, delivered to each member in person, or by registered letter, but attendance shall be a waiver of notice.

[C51, §1121; R60, §2036; C73, §1722; C97, §2757; SS15, §2757; C24, 27, 31, 35, 39, §**4221;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.2]

**279.3 Appointment of secretary and treasurer.**

The board shall appoint a secretary who shall not be a teacher employed by the board but may be another employee of the board. The board shall also appoint a treasurer who may be another employee of the board. However, the board may appoint one person to serve as the secretary and the treasurer.

These officers shall be appointed from outside the membership of the board and the appointment and qualification shall be entered of record in the minutes of the secretary. They shall qualify within ten days following appointment by taking the oath of office in the manner required by section 277.28 and filing a bond as required by section 291.2 and shall hold office until their successors are appointed and qualified.

[C51, §1119; R60, §2035; C73, §1721; C97, §2757; SS15, §2757; C24, 27, 31, 35, 39, §**4222;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.3; 82 Acts, ch 1012, §1]

85 Acts, ch 28, §1; 2001 Acts, ch 47, §1; 2003 Acts, ch 180, §30

Referred to in §291.2

**279.4 Quorum.**

A majority of the board of directors of any school corporation shall constitute a quorum for the transaction of business, but a less number may adjourn from time to time.

[C51, §1120; R60, §2037, 2038, 2079; C73, §1730, 1738; C97, §2758, 2771, 2772; S13, §2758, 2771, 2772; C24, 27, 31, 35, 39, §**4223;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.4]

**279.5 Temporary officers.**

The board shall appoint a temporary president or secretary, in the absence of the regular officers.

[C51, §1120; R60, §2037, 2038, 2079; C73, §1730, 1738; C97, §2758, 2771, 2772; S13, §2758, 2771, 2772; C24, §4223; C27, 31, 35, §4223-a1; C39, §**4223.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.5]

**279.6 Vacancies — qualification — tenure.**

Vacancies occurring among the officers or members of a school board shall be filled by the board by appointment. A person so appointed to fill a vacancy in an elective office shall hold office until a successor is elected and qualified pursuant to section 69.12. A person appointed to fill a vacancy in an appointive office shall hold such office for the residue of the unexpired term and until a successor is appointed and qualified. Any person so appointed shall qualify within ten days thereafter in the manner required by section 277.28.

A vacancy shall be filled at the next regular school election if a member of a school board resigns from the board not later than forty-five days before the election and the notice of resignation specifies an effective date at the beginning of the next term of office for elective school officials. The president of the board shall declare the office vacant as of the date of the next organizational meeting. Nomination papers shall be received for the unexpired term of the resigning member. The person elected at the next regular school election to fill the vacancy shall take office at the same time and place as the other elected school board members.

[C51, §1120; R60, §2037, 2038, 2079; C73, §1730, 1738; C97, §2758, 2771, 2772; S13, §2758, 2771, 2772; C24, §4223; C27, 31, 35, §4223-a2; C39, §**4223.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.6]

2002 Acts, ch 1134, §91, 115

Referred to in §275.25, 275.41

**279.7 Vacancies filled by special election — qualification — tenure.**

1. If a vacancy or vacancies occur among the elective officers or members of a school board and the remaining members of the board have not filled the vacancy within thirty days after the vacancy becomes known by the secretary or the board, or when the board is reduced below a quorum, the secretary of the board, or if there is no secretary, the area education agency administrator, shall call a special election in the district, subdistrict, or subdistricts, as the case may be, to fill the vacancy or vacancies. The county commissioner of elections shall publish the notices required by law for special elections, and the election shall be held not sooner than thirty days nor later than forty days after the thirtieth day following the day the vacancy becomes known by the secretary or the board. If the secretary fails for more than three days to call an election, the administrator shall call it.

2. An appointment by the board to fill any vacancy in an elective office on or after the day notice has been given for a special election to fill such vacancy as provided in this section shall be null and void.

3. In the case of a special election as provided in this section to fill a vacancy occurring among the elective officers or members of a school board before the expiration of a full term, the person so elected shall qualify within ten days thereafter in the manner required by section 277.28 and shall hold office for the residue of the unexpired term and until a successor is elected, or appointed, and qualified.

4. Nomination petitions shall be filed in the manner provided in section 277.4, except that the petitions shall be filed not less than twenty-five days before the date set for the election.

[C51, §1120; R60, §2037, 2038, 2079; C73, §1730, 1738; C97, §2758, 2771, 2772; S13, §2758, 2771, 2772; C24, §4223; C27, 31, 35, §4223-b1; C39, §**4223.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.7]

87 Acts, ch 48, §1; 89 Acts, ch 136, §65; 93 Acts, ch 67, §1; 2010 Acts, ch 1033, §40

Referred to in §275.25, 275.41

**279.7A Interest in public contracts prohibited — exceptions.**

A member of the board of directors of a school corporation shall not have an interest, direct or indirect, in a contract for the purchase of goods, including materials and profits, and the performance of services for the director's school corporation. A contract entered into in violation of this section is void. This section does not apply to contracts for the purchase of goods or services which benefit a director, or to compensation for part-time or temporary employment which benefits a director, if the benefit to the director does not exceed two thousand five hundred dollars in a fiscal year, and contracts made by a school board, upon

competitive bid in writing, publicly invited and opened. This section does not apply to a contract that is a bond, note, or other obligation of a school corporation if the contract is not acquired directly from the school corporation, but is acquired in a transaction with a third party, who may or may not be the original underwriter, purchaser, or obligee of the contract, or to a contract in which a director has an interest solely by reason of employment if the contract is made by competitive bid in writing, publicly invited and opened, or if the remuneration of employment will not be directly affected as a result of the contract and the duties of employment do not directly involve the procurement or preparation of any part of the contract. The competitive bid qualification of this section does not apply to a contract for professional services not customarily awarded by competitive bid.

90 Acts, ch 1209, §2; 91 Acts, ch 258, §40; 2000 Acts, ch 1187, §1; 2001 Acts, ch 53, §2; 2003 Acts, ch 36, §1

Referred to in §277.27, 298A.15

**279.8 General rules — bonds of employees.**

The board shall make rules for its own government and that of the directors, officers, employees, teachers and pupils, and for the care of the schoolhouse, grounds, and property of the school corporation, and shall aid in the enforcement of the rules, and require the performance of duties imposed by law and the rules. The board shall include in its rules provisions regulating the loading and unloading of pupils from a school bus stopped on the highway during a period of reduced highway visibility caused by fog, snow or other weather conditions. The board shall have the authority to include in its rules provisions allowing school corporation employees to use school credit cards to pay for the actual and necessary expenses incurred in the performance of work-related duties.

Employees of a school corporation maintaining a high school who have the custody of funds belonging to the corporation or funds derived from extracurricular activities and other sources in the conduct of their duties, shall be required to furnish suitable bond indemnifying the corporation or any activity group connected with the school against loss, and employees who have the custody of property belonging to the corporation or any activity group connected with the school may be required to furnish such bond. Said bond or bonds may be in such form and penalty as the board may approve and the premiums on same shall be paid from the general fund of the corporation.

[R60, §2037; C97, §2772; S13, §2772; C24, 27, 31, 35, 39, §**4224;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.8]

84 Acts, ch 1315, §35

Referred to in §279.9B, 279.22, 808A.1

**279.8A Traffic and parking.**

The board may make necessary rules to provide for the policing, control, and regulation of traffic and parking of vehicles and bicycles on school grounds. The rules may provide for the use of institutional roads, driveways, and grounds; registration of vehicles and bicycles; the designation of parking areas; the erection and maintenance of signs designating prohibitions or restrictions; the installation and maintenance of parking control devices; and assessment, enforcement, and collection of reasonable penalties for the violation of the rules.

Rules made under this section may be enforced under procedures adopted by the board. Penalties may be imposed for violation of the rules, including, but not limited to, a reasonable monetary penalty. The rules made under this section may also be enforced by the impoundment of vehicles and bicycles for violation of the rules. The board shall establish procedures for the determination of controversies in connection with the imposition of penalties. The procedures must require giving notice of the violation and the penalty prescribed and providing the opportunity for an administrative hearing.

The board may contract with a city or county to enforce rules made under this section by ordinance of the city or county, and shall consult with local government transportation officials to ensure that rules made pursuant to this section are not in conflict with city or county parking and traffic ordinances.

96 Acts, ch 1219, §70

**279.9 Use of tobacco, alcoholic beverages, or controlled substances.**

The rules shall prohibit the use of tobacco and the use or possession of alcoholic liquor, wine, or beer or any controlled substance as defined in section 124.101, subsection 5, by any student of the schools and the board may suspend or expel a student for a violation of a rule under this section.

[S13, §2772; C24, 27, 31, 35, 39, §**4225;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.9]
94 Acts, ch 1131, §2
Referred to in §260C.14, 279.9A, 808A.1

**279.9A Student transfers — information sharing.**

The rules referred to in section 279.9 shall provide that upon the request of school officials of a school to which the student seeks to transfer or has transferred, school officials of the sending school shall provide an accurate record of any suspension or expulsion actions taken, and the basis for those actions taken, against the student under sections 279.9, 280.19A, 280.21B, 282.3, 282.4, and 282.5. The designated representative shall disclose this information only to those school employees whose duties require them to be involved with the student. For purposes of this section, *"school employees"* means persons employed by a nonpublic school or school district, or any area education agency staff member who provides services to a school or school district.

94 Acts, ch 1131, §3; 2013 Acts, ch 90, §68
Section amended

**279.9B Reports to juvenile authorities.**

The rules adopted under section 279.8 shall require, once school officials have been notified by a juvenile court officer that a student attending the school is under supervision or has been placed on probation, that school officials shall notify the juvenile court of each unexcused absence or suspension or expulsion of the student.

97 Acts, ch 126, §37

**279.10 School year — beginning date — exceptions — pilot programs.**

1. The school year shall begin on the first day of July and each regularly established elementary and secondary school shall begin no sooner than a day during the calendar week in which the first day of September falls but no later than the first Monday in December. However, if the first day of September falls on a Sunday, school may begin on a day during the calendar week which immediately precedes the first day of September. School shall continue for at least one hundred eighty days, except as provided in subsection 3, and may be maintained during the entire calendar year. However, if the board of directors of a district extends the school calendar because inclement weather caused the district to temporarily close school during the regular school calendar, the district may excuse a graduating senior who has met district or school requirements for graduation from attendance during the extended school calendar. A school corporation may begin employment of personnel for in-service training and development purposes before the date to begin elementary and secondary school.

2. The board of directors shall hold a public hearing on any proposal prior to submitting it to the department of education for approval.

3. The board of directors of a school district may request approval from the department of education for a pilot program for an innovative school year. The number of days per year that school is in session may be more or less than those specified in subsection 1, but the innovative school year shall provide for an equivalent number of total hours that school is in session.

*a.* The board shall file a request for approval with the department not later than November 1 of the preceding school year. The request shall include a listing of the savings and goals to be attained under the innovative school year subject to rules adopted by the department under chapter 17A. The department shall notify the districts of the approval or denial of pilot programs not later than the next following January 15.

*b.* A request to continue an innovative school year pilot project after its initial year also

shall include an evaluation of the savings and impacts on the educational program in the district.

*c.* Participation in a pilot project shall not modify provisions of a master contract negotiated between a school district and a certified bargaining unit pursuant to chapter 20 unless mutually agreed upon.

4. The director of the department of education may grant a request made by a board of directors of a school district stating its desire to commence classes for regularly established elementary and secondary schools prior to the earliest starting date specified in subsection 1. A request shall be based upon the determination that a starting date on or after the earliest starting date specified in subsection 1 would have a significant negative educational impact.

[R60, §2023, 2037; C73, §1724, 1727; C97, §2773; S13, §2773; C24, 27, 31, 35, 39, §**4226;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.10]

83 Acts, ch 17, §1, 3, 4; 85 Acts, ch 6, §1, 2; 86 Acts, ch 1245, §1467; 88 Acts, ch 1087, §1; 88 Acts, ch 1259, §1; 90 Acts, ch 1272, §68; 94 Acts, ch 1020, §1; 2010 Acts, ch 1061, §180

Referred to in §256F.4, 257.17, 299.1, 299.4

For future amendments to subsections 1 and 2, effective July 1, 2014, see 2013 Acts, ch 121, §81, 82, 85

Section not amended; footnote added

**279.11 Number of schools — attendance — terms.**

The board of directors shall determine the number of schools to be taught, divide the corporation into such wards or other divisions for school purposes as may be proper, determine the particular school which each child shall attend, and designate the period each school shall be held beyond the time required by law.

[R60, §2023, 2037; C73, §1724, 1727; C97, §2773; S13, §2773; C24, 27, 31, 35, 39, §**4227;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.11]

**279.12 Contracts — teachers — insurance — educational leave.**

The board shall carry into effect any instruction from the regular election upon matters within the control of the voters, and shall elect all teachers and make all contracts necessary or proper for exercising the powers granted and performing the duties required by law, and may establish and pay all or any part thereof from school district funds the cost of group health insurance plans, nonprofit group hospital service plans, nonprofit group medical service plans and group life insurance plans adopted by the board for the benefit of employees of the school district, but the board may authorize any subdirector to employ teachers for the school in the subdirector's subdistrict; but no such employment by a subdirector shall authorize a contract, the entire period of which is wholly beyond the subdirector's term of office.

The board may enter into an agreement pursuant to chapter 28E with another school district or an area education agency for the purpose of jointly procuring a group health insurance plan, nonprofit group hospital service plan, nonprofit group medical service plan, or group life insurance plan for the benefit of the districts or agencies which are parties to the agreement. Such plan may include a cafeteria plan as defined in 26 C.F.R. § 1.125-2T. An agreement entered into pursuant to this paragraph shall not be construed to establish a multiple employer welfare arrangement as defined in section 3 of the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002, paragraph 40.

The board may approve a policy for educational leave for licensed school employees and for reimbursement for tuition paid by licensed school employees for courses approved by the board. The board of directors of a community college may approve a policy for educational leave for its instructors and for reimbursement for tuition paid by its instructors for courses approved by the board. For the purpose of this section, *"educational leave"* means a leave granted to an employee for the purpose of study including study in areas outside of a teacher's area of specialization, travel, or other reasons deemed by the board to be of value to the school system.

[C73, §1723, 1757; C97, §2778; SS15, §2778; C24, 27, 31, 35, 39, §**4228;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.12]

89 Acts, ch 265, §40; 95 Acts, ch 22, §1; 2002 Acts, ch 1047, §13, 20

Referred to in §262.9, 272.15, 273.22, 275.33

**279.13 Contracts with teachers — automatic continuation — initial background investigations.**

1. *a.* Contracts with teachers, which for the purpose of this section means all licensed employees of a school district and nurses employed by the board, excluding superintendents, assistant superintendents, principals, and assistant principals, shall be in writing and shall state the number of contract days, the annual compensation to be paid, and any other matters as may be mutually agreed upon. The contract may include employment for a term not exceeding the ensuing school year, except as otherwise authorized.

*b.* (1) Prior to entering into an initial contract with a teacher who holds a license other than an initial license issued by the board of educational examiners under chapter 272, the school district shall initiate a state criminal history record check of the applicant through the division of criminal investigation of the department of public safety, submit the applicant's fingerprints to the division for submission to the federal bureau of investigation for a national criminal history record check, and review the sex offender registry information under section 692A.121 available to the general public, the central registry for child abuse information established under section 235A.14, and the central registry for dependent adult abuse information established under section 235B.5 for information regarding the applicant for employment as a teacher.

(2) The school district may charge the applicant a fee not to exceed the actual cost charged the school district for the state and national criminal history checks and registry checks conducted pursuant to subparagraph (1).

*c.* The contract is invalid if the teacher is under contract with another board of directors to teach during the same time period until a release from the other contract is achieved. The contract shall be signed by the president of the board, or by the superintendent if the board has adopted a policy authorizing the superintendent to sign teaching contracts, when tendered, and after it is signed by the teacher, the contract shall be filed with the secretary of the board before the teacher enters into performance under the contract.

2. The contract shall remain in force and effect for the period stated in the contract and shall be automatically continued for equivalent periods except as modified or terminated by mutual agreement of the board of directors and the teacher or as terminated in accordance with the provisions specified in this chapter. A contract shall not be offered by the employing board to a teacher under its jurisdiction prior to March 15 of any year. A teacher who has not accepted a contract for the ensuing school year tendered by the employing board may resign effective at the end of the current school year by filing a written resignation with the secretary of the board. The resignation must be filed not later than the last day of the current school year or the date specified by the employing board for return of the contract, whichever date occurs first. However, a teacher shall not be required to return a contract to the board or to resign less than twenty-one days after the contract has been offered.

3. If the provisions of a contract executed or automatically renewed under this section conflict with a collective bargaining agreement negotiated under chapter 20 and effective when the contract is executed or renewed, the provisions of the collective bargaining agreement shall prevail.

4. For purposes of this section, sections 279.14, 279.15 through 279.17, 279.19, and 279.27, unless the context otherwise requires, "*teacher*" includes the following individuals employed by a community college:

*a.* An instructor, but does not include an adjunct instructor.

*b.* A librarian, including those denoted as being a learning resource specialist or a media specialist.

*c.* A counselor.

5. Notwithstanding the other provisions of this section, a temporary contract may be issued to a teacher to fill a vacancy created by a leave of absence in accordance with the provisions of section 29A.28, which contract shall automatically terminate upon return from military leave of the former incumbent of the teaching position and which contract shall not be subject to the provisions of sections 279.15 through 279.19, or section 279.27. A separate extracurricular contract issued pursuant to section 279.19A to a person issued a

temporary contract under this section shall automatically terminate with the termination of the temporary contract as required under section 279.19A, subsection 8.

[R60, §2055; C73, §1757; C97, §2778; SS15, §2778; C24, 27, 31, 35, 39, §**4229;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.13]

89 Acts, ch 265, §40; 2001 Acts, ch 159, §10; 2003 Acts, ch 19, §1; 2003 Acts, ch 180, §31; 2007 Acts, ch 108, §11; 2007 Acts, ch 215, §102; 2008 Acts, ch 1181, §35, 36; 2009 Acts, ch 119, §40; 2009 Acts, ch 133, §103

Referred to in §261.48, 261.112, 262.9, 272.2, 272.15, 273.3, 273.22, 275.33, 279.16, 279.19A, 279.19B, 279.23, 279.43, 279.69, 284.2, 284.3A, 284.15, 284.16

**279.14 Evaluation criteria and procedures.**

1. The board shall establish evaluation criteria and shall implement evaluation procedures. If an exclusive bargaining representative has been certified, the board shall negotiate in good faith with respect to evaluation procedures pursuant to chapter 20.

2. The determination of standards of performance expected of school district personnel shall be reserved as an exclusive management right of the school board and shall not be subject to mandatory negotiations under chapter 20. Notwithstanding chapter 20, objections to the procedures, use, or content of an evaluation in a teacher termination proceeding brought before the school board in a hearing held in accordance with section 279.16 or 279.27 shall not be subject to the grievance procedures negotiated in accordance with chapter 20. A school district shall not be obligated to process any evaluation grievance after service of a notice and recommendation to terminate an individual's continuing teaching contract in accordance with this chapter.

[C77, 79, 81, §279.14]

98 Acts, ch 1215, §41; 98 Acts, ch 1216, §24; 2010 Acts, ch 1061, §47

Referred to in §261.48, 262.9, 279.13, 279.16, 279.19B, 284.3

**279.14A Practitioner performance improvement program.** Repealed by 2009 Acts, ch 54, § 14.

**279.15 Notice of termination — request for hearing.**

1. The superintendent or the superintendent's designee shall notify the teacher not later than April 30 that the superintendent will recommend in writing to the board at a regular or special meeting of the board, held not later than May 15, that the teacher's continuing contract be terminated effective at the end of the current school year. However, if the district is subject to reorganization under chapter 275, the notification shall not occur until after the first organizational meeting of the board of the newly formed district.

2. *a.* Notification of recommendation of termination of a teacher's contract shall be in writing and shall be personally delivered to the teacher, or mailed by certified mail. The notification shall be complete when received by the teacher. The notification and the recommendation to terminate shall contain a short and plain statement of the reasons, which shall be for just cause, why the recommendation is being made. The notification shall be given at or before the time the recommendation is given to the board.

*b.* As a part of the termination proceedings, the teacher's complete personnel file of employment by that board shall be available to the teacher, which file shall contain a record of all periodic evaluations between the teacher and appropriate supervisors.

*c.* Within five days of the receipt of the written notice that the superintendent is recommending termination of the contract, the teacher may request, in writing to the secretary of the board, a private hearing with the board. The private hearing shall not be subject to chapter 21 and shall be held no sooner than ten days and no later than twenty days following the receipt of the request unless the parties otherwise agree. The secretary of the board shall notify the teacher in writing of the date, time, and location of the private hearing, and at least five days before the hearing shall also furnish to the teacher any documentation which may be presented to the board at the private hearing and a list of persons who may address the board in support of the superintendent's recommendation at the private hearing. At least three days before the hearing, the teacher shall provide any documentation the teacher expects to present at the private hearing, along with the names of any persons who

may address the board on behalf of the teacher. This exchange of information shall be at the time specified unless otherwise agreed.

[R60, §2055; C73, §1757; C97, §2778; SS15, §2778; C24, 27, 31, 35, 39, §**4229;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.13; C77, 79, 81, §279.15]

86 Acts, ch 1239, §4; 91 Acts, ch 174, §7; 92 Acts, ch 1227, §18; 2010 Acts, ch 1061, §180

Referred to in §260C.39, 261.48, 262.9, 272.15, 273.22, 275.33, 279.13, 279.16, 279.19, 279.19A, 279.19B, 279.27

**279.16 Private hearing — decision — record.**

1. The participants at the private hearing shall be at least a majority of the members of the board, their legal representatives, if any, the superintendent, the superintendent's designated representatives, if any, the teacher's immediate supervisor, the teacher, the teacher's representatives, if any, and the witnesses for the parties. The evidence at the private hearing shall be limited to the specific reasons stated in the superintendent's notice of recommendation of termination. No participant in the hearing shall be liable for any damages to any person if any statement at the hearing is determined to be erroneous as long as the statement was made in good faith. The superintendent shall present evidence and argument on all issues involved and the teacher may cross-examine, respond and present evidence and argument in the teacher's behalf relevant to all issues involved. Evidence may be by stipulation of the parties and informal settlement may be made by stipulation, consent, or default or by any other method agreed upon by the parties in writing. The board shall employ a certified shorthand reporter to keep a record of the private hearing. The proceedings or any part thereof shall be transcribed at the request of either party with the expense of transcription charged to the requesting party.

2. The presiding officer of the board may administer oaths in the same manner and with like effect and under the same penalties as in the case of magistrates exercising criminal or civil jurisdiction. The board shall cause subpoenas to be issued for such witnesses and the production of such books and papers as either the board or the teacher may designate. The subpoenas shall be signed by the presiding officer of the board.

3. In case a witness is duly subpoenaed and refuses to attend, or in case a witness appears and refuses to testify or to produce required books or papers, the board shall, in writing, report such refusal to the district court of the county in which the administrative office of the school district is located, and the court shall proceed with the person or witness as though the refusal had occurred in a proceeding legally pending before the court.

4. The board shall not be bound by common law or statutory rules of evidence or by technical or formal rules of procedure, but it shall hold the hearing in such manner as is best suited to ascertain and conserve the substantial rights of the parties. Process and procedure under sections 279.13 to 279.19 shall be as summary as reasonably may be.

5. At the conclusion of the private hearing, the superintendent and the teacher may file written briefs and arguments with the board within three days or such other time as may be agreed upon.

6. If the teacher fails to timely request a private hearing or does not appear at the private hearing, the board may proceed and make a determination upon the superintendent's recommendation. If the teacher fails to timely file a request for a private hearing, the determination shall be not later than May 31. If the teacher fails to appear at the private hearing, the determination shall be not later than five days after the scheduled date for the private hearing. The board shall convene in open session and by roll call vote determine the termination or continuance of the teacher's contract and, if the board votes to continue the teacher's contract, whether to suspend the teacher with or without pay for a period specified by the board.

7. Within five days after the private hearing, the board shall, in executive session, meet to make a final decision upon the recommendation and the evidence as herein provided. The board shall also consider any written brief and arguments submitted by the superintendent and the teacher.

8. The record for a private hearing shall include:

*a.* All pleadings, motions and intermediate rulings.

*b.* All evidence received or considered and all other submissions.

*c.* A statement of all matters officially noticed.

*d.* All questions and offers of proof, objections and rulings thereon.

*e.* All findings and exceptions.

*f.* Any decision, opinion, or conclusion by the board.

*g.* Findings of fact shall be based solely on the evidence in the record and on matters officially noticed in the record.

9. The decision of the board shall be in writing and shall include findings of fact and conclusions of law, separately stated. Findings of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts and supporting the findings. Each conclusion of law shall be supported by cited authority or by reasoned opinion.

10. When the board has reached a decision, opinion, or conclusion, it shall convene in open meeting and by roll call vote determine the continuance or discontinuance of the teacher's contract and, if the board votes to continue the teacher's contract, whether to suspend the teacher with or without pay for a period specified by the board. The record of the private conference and findings of fact and exceptions shall be exempt from the provisions of chapter 22. The secretary of the board shall immediately mail notice of the board's action to the teacher.

[C77, 79, 81, §279.16]

92 Acts, ch 1008, §1; 92 Acts, ch 1227, §19; 2001 Acts, ch 62, §1

Referred to in §260C.39, 261.48, 262.9, 272.15, 273.22, 275.33, 279.13, 279.14, 279.19, 279.19A, 279.19B, 279.27

**279.17 Appeal by teacher to adjudicator.**

1. If the teacher is no longer a probationary teacher, the teacher may, within ten days, appeal the determination of the board to an adjudicator by filing a notice of appeal with the secretary of the board. The notice of appeal shall contain a concise statement of the action which is the subject of the appeal, the particular board action appealed from, the grounds on which relief is sought and the relief sought.

2. Within five days following receipt by the secretary of the notice of appeal, the board or the board's legal representative, if any, and the teacher or the teacher's representative, if any, may select an adjudicator who resides within the boundaries of the merged area in which the school district is located. If an adjudicator cannot be mutually agreed upon within the five-day period, the secretary shall notify the chairperson of the public employment relations board by transmitting the notice of appeal, and the chairperson of the public employment relations board shall within five days provide a list of five adjudicators to the parties. Within three days from receipt of the list of adjudicators, the parties shall select an adjudicator by alternately removing a name from the list until only one name remains. The person whose name remains shall be the adjudicator. The parties shall determine by lot which party shall remove the first name from the list submitted by the chairperson of the public employment relations board. The secretary of the board shall inform the chairperson of the public employee relations board of the name of the adjudicator selected.

3. If the teacher does not timely request an appeal to an adjudicator the decision, opinion, or conclusion of the board shall become final and binding.

4. *a.* Within thirty days after filing the notice of appeal, or within further time allowed by the adjudicator, the board shall transmit to the adjudicator the original or a certified copy of the entire record of the private hearing which may be the subject of the petition. By stipulation of the parties to review the proceedings, the record of the case may be shortened. The adjudicator may require or permit subsequent corrections or additions to the shortened record.

*b.* The record certified and filed by the board shall be the record upon which the appeal shall be heard and no additional evidence shall be heard by the adjudicator. In such appeal to the adjudicator, especially when considering the credibility of witnesses, the adjudicator shall give weight to the fact findings of the board; but shall not be bound by them.

5. Before the date set for hearing a petition for review of board action, which shall be within ten days after receipt of the record unless otherwise agreed or unless the adjudicator orders additional evidence be taken before the board, application may be made to the

adjudicator for leave to present evidence in addition to that found in the record of the case. If it is shown to the adjudicator that the additional evidence is material and that there were good reasons for failure to present it in the private hearing before the board, the adjudicator may order that the additional evidence be taken before the board upon conditions determined by the adjudicator. The board may modify its findings and decision in the case by reason of the additional evidence and shall file that evidence and any modifications, new findings, or decisions, with the adjudicator and mail copies of the new findings or decisions to the teacher.

6. The adjudicator may affirm board action or remand to the board for further proceedings. The adjudicator shall reverse, modify, or grant any appropriate relief from the board action if substantial rights of the teacher have been prejudiced because the board action is:

*a.* In violation of a board rule or policy or contract; or

*b.* Unsupported by a preponderance of the competent evidence in the record made before the board when that record is viewed as a whole; or

*c.* Unreasonable, arbitrary or capricious or characterized by an abuse of discretion or a clearly unwarranted exercise of discretion.

7. The adjudicator shall, within fifteen days after the hearing, make a decision and shall give a copy of the decision to the teacher and the secretary of the board. The decision of the adjudicator shall become the final and binding decision of the board unless either party within ten days notifies the secretary of the board that the decision is rejected. The board may reject the decision by majority vote, by roll call, in open meeting and entered into the minutes of the meeting. The board shall immediately notify the teacher of its decision by certified mail. The teacher may reject the adjudicator's decision by notifying the board's secretary in writing within ten days of the filing of such decision.

8. All costs of the adjudicator shall be shared equally by the teacher and the board.

[C77, 79, 81, §279.17]

2007 Acts, ch 22, §65

Referred to in §260C.39, 261.48, 262.9, 272.15, 273.22, 275.33, 279.13, 279.16, 279.19, 279.19A, 279.19B, 279.27, 284.3, 284.8

**279.18 Appeal by either party to court.**

1. If either party rejects the adjudicator's decision, the rejecting party shall, within thirty days of the initial filing of such decision, appeal to the district court of the county in which the administrative office of the school district is located. The notice of appeal shall be immediately mailed by certified mail to the other party. The adjudicator shall transmit to the reviewing court the original or a certified copy of the entire record which may be the subject of the petition. By stipulation of all parties to the review proceedings, the record of such a case may be shortened. A party unreasonably refusing to stipulate to limit the record may be taxed by the court for the additional cost. The court may require or permit subsequent corrections or additions to the shortened record.

2. In proceedings for judicial review of the adjudicator's decision, the court shall not hear any further evidence but shall hear the case upon the certified record. In such judicial review, especially when considering the credibility of witnesses, the court shall give weight to the fact findings of the board; but shall not be bound by them. The court may affirm the adjudicator's decision or remand to the adjudicator or the board for further proceedings upon conditions determined by the court. The court shall reverse, modify, or grant any other appropriate relief from the board decision or the adjudicator's decision equitable or legal and including declaratory relief if substantial rights of the petitioner have been prejudiced because the action is:

*a.* In violation of constitutional or statutory provisions; or

*b.* In excess of the statutory authority of the board or the adjudicator; or

*c.* In violation of a board rule or policy or contract; or

*d.* Made upon unlawful procedure; or

*e.* Affected by other error of law; or

*f.* Unsupported by a preponderance of the competent evidence in the record made before the board and the adjudicator when that record is viewed as a whole; or

*g.* Unreasonable, arbitrary or capricious or characterized by an abuse of discretion or a clearly unwarranted exercise of discretion.

3. An aggrieved or adversely affected party to the judicial review proceeding may obtain a review of any final judgment of the district court by appeal to the supreme court. The appeal shall be taken as in other civil cases, although the appeal may be taken regardless of the amount involved.

4. For purposes of this section, unless the context otherwise requires, *"rejecting party"* shall include, but not be limited to, an instructor employed by a community college.

[C77, 79, 81, §279.18]

2002 Acts, ch 1047, §15

Referred to in §260C.39, 261.48, 262.9, 272.15, 273.22, 275.33, 279.13, 279.16, 279.19, 279.19A, 279.19B, 279.27

**279.19 Probationary period.**

The first three consecutive years of employment of a teacher in the same school district are a probationary period. However, if the teacher has successfully completed a probationary period of employment for another school district located in Iowa, the probationary period in the current district of employment shall not exceed one year. A board of directors may waive the probationary period for any teacher who previously has served a probationary period in another school district and the board may extend the probationary period for an additional year with the consent of the teacher.

In the case of the termination of a probationary teacher's contract, the provisions of sections 279.15 and 279.16 shall apply. However, if the probationary teacher is a beginning teacher who fails to demonstrate competence in the Iowa teaching standards in accordance with chapter 284, the provisions of sections 279.17 and 279.18 shall also apply.

The board's decision shall be final and binding unless the termination was based upon an alleged violation of a constitutionally guaranteed right of the teacher or an alleged violation of public employee rights of the teacher under section 20.10.

Notwithstanding any provision to the contrary, the grievance procedures of section 20.18 relating to job performance or job retention shall not apply to a teacher during the first two years of the teacher's probationary period. However, this paragraph shall not apply to a teacher who has successfully completed a probationary period in a school district in Iowa.

[C77, 79, 81, §279.19]

98 Acts, ch 1215, §43; 98 Acts, ch 1216, §26, 41; 2001 Acts, ch 161, §18; 2002 Acts, ch 1152, §5

Referred to in §261.48, 262.9, 272.15, 273.22, 275.33, 275.56, 279.13, 279.16, 279.19A, 279.19B, 279.27, 280.15, 284.3

**279.19A Extracurricular contracts.**

1. School districts employing individuals to coach interscholastic athletic sports shall issue a separate extracurricular contract for each of these sports. An extracurricular contract offered under this section shall be separate from the contract issued under section 279.13. Wages for employees who coach these sports shall be paid pursuant to established or negotiated supplemental pay schedules. An extracurricular contract shall be in writing, and shall state the number of contract days for that sport, the annual compensation to be paid, and any other matters as may be mutually agreed upon. The contract shall be for a single school year.

2. *a.* An extracurricular contract shall be continued automatically in force and effect for equivalent periods, except as modified or terminated by mutual agreement of the board of directors and the employee, or terminated in accordance with this section. An extracurricular contract shall initially be offered by the employing board to an individual on the same date that contracts are offered to teachers under section 279.13. An extracurricular contract may be terminated at the end of a school year pursuant to sections 279.15 through 279.19. If the school district offers an extracurricular contract for a sport for the subsequent school year to an employee who is currently performing under an extracurricular contract for that sport, and the employee does not wish to accept the extracurricular contract for the subsequent year, the employee may resign from the extracurricular contract within twenty-one days after it has been received.

*b.* Section 279.13, subsection 3, applies to this section.

3. The board of directors of a school district may require an employee who has resigned from an extracurricular contract to accept, as a condition of employment under section 279.13, the extracurricular contract for no longer than one additional school year if all the following conditions apply:

*a.* The employee has accepted a teaching contract issued by the board pursuant to section 279.13 for the subsequent school year.

*b.* The board of directors has made a good faith effort to fill the coaching position with a licensed or authorized replacement.

*c.* The position has not been filled by June 1 of the year in which the employee resigned the extracurricular contract.

4. As a condition of employment under section 279.13, the board of directors of a school district may require an employee who has been issued a teaching contract pursuant to section 279.13 to accept an extracurricular contract for which the employee is licensed, or may require as a condition of employment that an applicant for a teaching contract under section 279.13 accept an extracurricular contract if all of the following conditions apply:

*a.* The individual who held the coaching position during the year has not been issued a teaching contract by the board pursuant to section 279.13 for the subsequent school year, or has been terminated from the extracurricular contract.

*b.* The board of directors has made a good faith effort to fill the coaching position with a licensed or authorized replacement.

*c.* The position has not been filled by June 1 of the year in which the vacancy occurred for the interscholastic athletic sport.

5. *a.* Within seven days following June 1 of that year, the board shall notify the employee in writing if the board intends to require the employee to accept an extracurricular contract for the subsequent school year under subsection 3 or 4. If the employee believes that the board did not make a good faith effort to fill the position the employee may appeal the decision by notifying the board in writing within ten days after receiving the notification.

*b.* The appeal shall state why the employee believes that the board did not make a good faith effort to fill the position. If the parties are unable to informally resolve the dispute, the parties shall attempt to agree upon an alternative means of resolving the dispute.

*c.* If the dispute is not resolved by mutual agreement, either party may appeal to the district court.

6. Subsections 3, 4, and 5 do not apply if the terms of a collective bargaining agreement provide otherwise.

7. An extracurricular contract may be terminated prior to the expiration of that contract pursuant to section 279.27.

8. *a.* A termination proceeding of an extracurricular contract either by the board pursuant to subsection 2 or pursuant to section 279.27 does not affect a contract issued pursuant to section 279.13.

*b.* A termination of a contract entered into pursuant to section 279.13, or a resignation from that contract by the teacher, constitutes an automatic termination or resignation of the extracurricular contract in effect between the same teacher and the employing school board.

9. For the purposes of this section, *"good faith effort"* includes advertising for the position in an appropriate publication, interviewing applicants, and giving serious consideration to those licensed or authorized, and otherwise qualified, applicants who apply.

10. The licensure requirements of subsections 3, 4, and 9 shall not apply to community colleges.

84 Acts, ch 1296, §1; 85 Acts, ch 74, §1 – 3; 89 Acts, ch 265, §40; 90 Acts, ch 1182, §3, 7; 2002 Acts, ch 1047, §16, 20; 2010 Acts, ch 1069, §78

Referred to in §272.15, 273.22, 275.33, 279.13, 279.19B

**279.19B Coaching endorsement and authorization.**

1. *a.* The board of directors of a school district may employ for head coach of any interscholastic athletic activities or for assistant coach of any interscholastic athletic activity, an individual who possesses a coaching authorization issued by the board of educational

examiners or possesses a teaching license with a coaching endorsement issued pursuant to chapter 272. However, a board of directors of a school district shall consider applicants with qualifications described below, in the following order of priority:

(1) A qualified individual who possesses a valid teaching license with a proper coaching endorsement.

(2) A qualified individual who possesses a coaching authorization issued by the board of educational examiners.

*b.* Qualifications are to be determined by the board of directors or their designee on a case-by-case basis.

2. An individual who has been issued a coaching authorization or who possesses a teaching license with a coaching endorsement but is not issued a teaching contract under section 279.13 and who is employed by the board of directors of a school district serves at the pleasure of the board of directors and is not subject to sections 279.13 through 279.19, and 279.27. Subsection 1 of section 279.19A applies to coaching authorizations.

3. The licensure and coaching authorization requirements of this section shall not apply to community colleges. An individual employed as a coach of a community college interscholastic athletic activity who is not issued a teaching contract under section 279.13 serves at the pleasure of the board of directors of the community college and is not subject to sections 279.13 through 279.19, and 279.27.

84 Acts, ch 1296, §2; 85 Acts, ch 49, §1; 88 Acts, ch 1284, §46; 89 Acts, ch 265, §35, 42; 93 Acts, ch 66, §1, 2; 2003 Acts, ch 19, §2

Referred to in §272.15, 273.22, 275.33

**279.20 Superintendent — term — employment of support personnel.**

1. The board of directors of a school district may employ a superintendent of schools for a term of not to exceed three years. However, the board's initial contract with a superintendent shall not exceed one year if the board is obligated to pay a former superintendent under an unexpired contract. The superintendent shall be the executive officer of the board and have such powers and duties as may be prescribed by rules adopted by the board or by law. Boards of directors may jointly exercise the powers conferred by this section.

2. The board of directors of a school district may delegate the authority to hire support personnel and sign the support personnel employment contracts, if applicable, if the board adopts a policy authorizing the superintendent to perform such duties and specifying the positions the superintendent is authorized to fill. For purposes of this subsection, the term "*support personnel*" includes, but is not limited to, bus drivers, custodians, educational associates, and clerical and food service employees.

[R60, §2037; C73, §1726; C97, §2776; SS15, §2778; C24, 27, 31, 35, 39, §**4230;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.14; C77, 79, 81, §279.20]

87 Acts, ch 224, §48; 2004 Acts, ch 1175, §94

Referred to in §272.15, 273.3, 273.22, 273.23, 275.25, 275.33, 275.41, 279.23

**279.21 Principals.**

The board of directors of a school district may employ principals, under the provisions of section 279.23. A principal shall hold a current valid principal's certificate. Notwithstanding the provisions of section 279.23, after serving at least nine months, a principal may be employed for a term of not to exceed two years.

The principal, under the supervision of the superintendent of the school district and pursuant to rules and policies of the board of directors of the school district, shall be responsible for administration and operation of the attendance center to which the principal is assigned.

The principal shall, pursuant to the policies adopted by the board of directors of the school district, be responsible for the planning, management, operation, and evaluation of the educational program offered at the attendance center to which the principal is assigned and shall submit recommendations to the superintendent regarding the appointment, assignment, promotion, transfer and dismissal of all personnel assigned to the attendance center. The principal shall perform such other duties as may be assigned by the superintendent.

For purposes of this section and sections 279.23, 279.23A, 279.24, and 279.25, the term *"principal"* includes school principals, associate principals, and assistant principals.

[C77, 79, 81, §279.21]

93 Acts, ch 32, §1

Referred to in §272.15, 273.22, 275.33

**279.22 Residence of employees.**

The board shall not adopt rules under section 279.8 which require its employees to reside within the boundaries of the school district.

[C81, §279.22]

**279.23 Continuing contract for administrators.**

1. Contracts with administrators shall be in writing and shall contain all of the following:

*a.* The term of employment which for all administrators except for superintendents may be a term of up to two years. Superintendents may be employed under section 279.20 for a term not to exceed three years.

*b.* The length of time during the school year services are to be performed.

*c.* The compensation per week of five consecutive days or month of four consecutive weeks.

*d.* A statement that the contract is invalid if the administrator is under contract with another board of directors in this state covering the same period of time, until such contract shall have been released or terminated by its provisions.

*e.* Such other matters as may be agreed upon.

2. The contract shall be signed by the president and the administrator and shall be filed with the secretary of the board before the administrator enters upon performance of the contract. A contract shall not be tendered by an employing board to an administrator under its jurisdiction prior to March 15. A contract shall not be required to be signed by the administrator and returned to the board in less than twenty-one days after being tendered.

3. Except as otherwise specifically provided, an administrator's contract shall be governed by the provisions of this section and sections 279.23A, 279.24, and 279.25, and not by section 279.13.

4. For purposes of this section and sections 279.23A, 279.24, and 279.25, the term *"administrator"* includes school superintendents, assistant superintendents, educational directors employed by school districts for grades kindergarten through twelve, educational directors employed by area education agencies under chapter 273, principals, assistant principals, other certified school supervisors employed by school districts for grades kindergarten through twelve as defined under section 20.4, and other certified school supervisors employed by area education agencies under chapter 273. For purposes of this section and sections 279.23A, 279.24, and 279.25, with regard to community college employees, *"administrator"* includes the administrator of an instructional division or an area of instructional responsibility, and the administrator of an instructional unit, department, or section.

5. Notwithstanding the other provisions of this section, a temporary contract may be issued to an administrator to fill a vacancy created by a leave of absence in accordance with the provisions of section 29A.28, which contract shall automatically terminate upon return from military leave of the former incumbent of the administrator position and which contract shall not be subject to the provisions of sections 279.24 and 279.25.

[C77, 79, 81, §279.23]

87 Acts, ch 94, §1; 93 Acts, ch 32, §2; 2003 Acts, ch 19, §3; 2003 Acts, ch 180, §32

Referred to in §272.15, 273.3, 273.22, 273.23, 275.25, 275.33, 275.41, 279.21, 284A.2

**279.23A Evaluation criteria and procedures.**

The board shall establish written evaluation criteria and shall establish and annually implement evaluation procedures. The board shall also establish written job descriptions for all supervisory positions.

87 Acts, ch 94, §2

Referred to in §279.21, 279.23, 284A.3, 284A.4, 284A.6

**279.24 Contract with administrators — automatic continuation or termination.**

1. An administrator's contract shall remain in force and effect for the period stated in the contract. The contract shall be automatically continued in force and effect for additional one-year periods beyond the end of its original term, except and until the contract is modified or terminated by mutual agreement of the board of directors and the administrator, or until terminated as provided by this section.

2. If the board of directors is considering termination of an administrator's contract, prior to any formal action, the board may arrange to meet in closed session, in accordance with the provisions of section 21.5, with the administrator and the administrator's representative. The board shall review the administrator's evaluation, review the reasons for nonrenewal, and give the administrator an opportunity to respond. If, following the closed session, the board of directors and the administrator are unable to mutually agree to a modification or termination of the administrator's contract, or the board of directors and the administrator are unable to mutually agree to enter into a one-year nonrenewable contract, the board of directors shall follow the procedures in this section.

3. An administrator may file a written resignation with the secretary of the school board on or before May 1 of each year or the date specified by the school board for return of the contract, whichever date occurs first.

4. Administrators employed in a school district for less than two consecutive years are probationary administrators. However, a school board may waive the probationary period for any administrator who has previously served a probationary period in another school district and the school board may extend the probationary period for an additional year with the consent of the administrator. If a school board determines that it should terminate a probationary administrator's contract, the school board shall notify the administrator not later than May 15 that the contract will not be renewed beyond the current year. The notice shall be in writing by letter, personally delivered, or mailed by certified mail. The notification shall be complete when received by the administrator. Within ten days after receiving the notice, the administrator may request a private conference with the school board to discuss the reasons for termination. The school board's decision to terminate a probationary administrator's contract shall be final unless the termination was based upon an alleged violation of a constitutionally guaranteed right of the administrator.

5. The school board may, by majority vote of the membership of the school board, cause the contract of an administrator to be terminated. If the school board determines that it should consider the termination of a nonprobationary administrator's contract, the following procedure shall apply:

*a.* On or before May 15, the administrator shall be notified in writing by a letter personally delivered or mailed by certified mail that the school board has voted to consider termination of the contract. The notification shall be complete when received by the administrator.

*b.* The notice shall state the specific reasons to be used by the school board for considering termination which for all administrators except superintendents shall be for just cause.

*c.* Within five days after receipt of the written notice that the school board has voted to consider termination of the contract, the administrator may request in writing to the secretary of the school board that the notification be forwarded to the board of educational examiners along with a request that the board of educational examiners submit a list of five qualified administrative law judges to the parties. Within three days from receipt of the list the parties shall select an administrative law judge by alternately removing a name from the list until only one name remains. The person whose name remains shall be the administrative law judge. The parties shall determine by lot which party shall remove the first name from the list. The hearing shall be held no sooner than ten days and not later than thirty days following the administrator's request unless the parties otherwise agree. If the administrator does not request a hearing, the school board, not later than May 31, may determine the continuance or discontinuance of the contract and, if the board determines to continue the administrator's contract, whether to suspend the administrator with or without pay for a period specified by the board. School board action shall be by majority roll call vote entered on the minutes of the meeting. Notice of school board action shall be personally delivered or mailed to the administrator.

*d.* The administrative law judge selected shall notify the secretary of the school board and the administrator in writing concerning the date, time, and location of the hearing. The school board may be represented by a legal representative, if any, and the administrator shall appear and may be represented by counsel or by representative, if any. A transcript or recording shall be made of the proceedings at the hearing. A school board member or administrator is not liable for any damage to an administrator or school board member if a statement made at the hearing is determined to be erroneous as long as the statement was made in good faith.

*e.* The administrative law judge shall, within ten days following the date of the hearing, make a proposed decision as to whether or not the administrator should be dismissed, and shall give a copy of the proposed decision to the administrator and the school board. Findings of fact shall be prepared by the administrative law judge. The proposed decision of the administrative law judge shall become the final decision of the school board unless within ten days after the filing of the decision the administrator files a written notice of appeal with the school board, or the school board on its own motion determines to review the decision.

*f.* If the administrator appeals to the school board, or if the school board determines on its own motion to review the proposed decision of the administrative law judge, a private hearing shall be held before the school board within five days after the petition for review, or motion for review, has been made or at such other time as the parties agree. The private hearing is not subject to chapter 21. The school board may hear the case de novo upon the record as submitted before the administrative law judge. In cases where there is an appeal from a proposed decision or where a proposed decision is reviewed on motion of the school board, an opportunity shall be afforded to each party to file exceptions, present briefs, and present oral arguments to the school board which is to render the final decision. The secretary of the school board shall give the administrator written notice of the time, place, and date of the hearing. The school board shall meet within five days after the hearing to determine the question of continuance or discontinuance of the contract and, if the board determines to continue the administrator's contract, whether to suspend the administrator with or without pay for a period specified by the board. The school board shall make findings of fact which shall be based solely on the evidence in the record and on matters officially noticed in the record.

*g.* The decision of the school board shall be in writing and shall include findings of fact and conclusions of law, separately stated. Findings of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings. Each conclusion of law shall be supported by cited authority or by reasoned opinion.

*h.* When the school board has reached a decision, opinion, or conclusion, it shall convene in open meeting and by roll call vote determine the continuance or discontinuance of the administrator's contract and, if the board votes to continue the administrator's contract, whether to suspend the administrator with or without pay for a period specified by the board. The record of the private conference and findings of fact and exceptions shall be exempt from the provisions of chapter 22. The secretary of the school board shall immediately personally deliver or mail notice of the school board's action to the administrator.

*i.* The administrator may within thirty days after notification by the school board of discontinuance of the contract appeal to the district court of the county in which the administrative office of the school district is located.

6. The court may affirm the school board's action. The court shall reverse, modify, or grant any other appropriate relief from the school board's action, equitable or legal, and including declaratory relief, if substantial rights of the administrator have been prejudiced because the school board's action is any of the following:

*a.* In violation of constitutional or statutory provisions.

*b.* In excess of the statutory authority of the school board.

*c.* In violation of school board policy or rule.

*d.* Made upon unlawful procedure.

*e.* Affected by other error of law.

*f.* Unsupported by a preponderance of the evidence in the record made before the school board when that record is reviewed as a whole.

*g.* Unreasonable, arbitrary, or capricious, or characterized by an abuse of discretion or clearly unwarranted exercise of discretion.

[C77, 79, 81, §279.24]

87 Acts, ch 39, §1; 88 Acts, ch 1109, §21; 90 Acts, ch 1249, §13; 92 Acts, ch 1009, §1; 92 Acts, ch 1227, §20; 93 Acts, ch 32, §3, 4; 2001 Acts, ch 62, §2

Referred to in §260C.39, 272.14, 272.15, 273.3, 273.22, 273.23, 275.25, 275.33, 275.41, 279.21, 279.23, 279.25

**279.25 Discharge of administrator.**

An administrator may be discharged at any time during the contract year for just cause. The administrator shall be notified in writing that the board has voted to consider termination of the administrator's contract and the applicable procedures of section 279.24 shall apply.

[C77, 79, 81, §279.25]

Referred to in §273.3, 279.21, 279.23

**279.26 Lease arrangements.**

The board of directors of a local school district for which a voter-approved physical plant and equipment levy has been voted pursuant to section 298.2, may enter into a rental or lease arrangement, consistent with the purposes for which the voter-approved physical plant and equipment levy has been voted, for a period not exceeding ten years and not exceeding the period for which the voter-approved physical plant and equipment levy has been authorized by the voters.

[C75, §279.23; C77, 79, 81, §279.26]

89 Acts, ch 135, §73

Referred to in §298.2

**279.27 Discharge of teacher.**

A teacher may be discharged at any time during the contract year for just cause. The superintendent or the superintendent's designee, shall notify the teacher immediately that the superintendent will recommend in writing to the board at a regular or special meeting of the board held not more than fifteen days after notification has been given to the teacher that the teacher's continuing contract be terminated effective immediately following a decision of the board. The procedure for dismissal shall be as provided in section 279.15, subsection 2, and sections 279.16 to 279.19. The superintendent may suspend a teacher under this section pending hearing and determination by the board.

[C73, §1734; C97, §2782; C24, 27, 31, 35, 39, §**4237;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.24; C77, 79, 81, §279.27]

2005 Acts, ch 3, §59

Referred to in §262.9, 279.13, 279.14, 279.19A, 279.19B

**279.28 Insurance — supplies — textbooks.**

The board of directors may provide and pay out of the general fund to insure school property a sum as necessary, and may purchase dictionaries, library books, including books for the purpose of teaching vocal music, maps, charts, and apparatus for the use of the schools as deemed necessary by the board of directors for each school building under its charge; and may furnish schoolbooks to indigent children when they are likely to be deprived of the proper benefits of the school unless so aided.

[C73, §1729; C97, §2783; S13, §2783; C24, 27, 31, 35, 39, §**4238;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.25; C77, 79, 81, §279.28]

89 Acts, ch 83, §38

**279.29 Claims — investments.**

The board shall audit and allow all just claims against the corporation, and no order shall be drawn upon the treasury until the claim therefor has been audited and allowed. In any district in which the board consists of five or more members, an audit made by one or more members of the board designated by the board or by a certified public accountant employed by the board, and certified to the board by such member or members of the board or by such accountant, shall satisfy the requirements of this section with respect to the audit of a claim.

Pending audit and allowance of claims under this section, the board shall invest moneys of the corporation to the extent practicable, and the board may provide for the joint investment of moneys with one or more school corporations pursuant to a joint investment agreement. All investments of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law.

[C51, §1146, 1149; R60, §2037, 2038; C73, §1732, 1733, 1738, 1813; C97, §2780; S13, §2780; C24, 27, 31, 35, 39, §**4239;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.26; C77, 79, 81, §279.29]

86 Acts, ch 1226, §4; 92 Acts, ch 1156, §11

Referred to in §256F.4, 261E.9

Exceptions, §11.21

**279.30 Payments — exceptions.**

Each payment must be made payable to the person entitled to receive the money or deposited directly into an account at a financial institution, as defined in section 527.2, specified by the person entitled to receive the money. The board of directors of a school district or an area education agency may by resolution authorize the secretary, upon approval of the superintendent or designee, or administrator, in the case of an area education agency, to issue payments when the board of directors is not in session in payment of reasonable and necessary expenses, but only upon verified bills filed with the secretary or administrator, and for the payment of salaries pursuant to the terms of a written contract. Each payment must be made payable only to the person performing the service or presenting the verified bill, and must state the purpose for which the payment is issued. All bills and salaries for which payments are issued prior to audit and allowance by the board must be passed upon by the board of directors at the next meeting and be entered in the regular minutes of the secretary.

[C35, §4239-g1; C39, §**4239.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.27; C77, 79, 81, §279.30]

92 Acts, ch 1187, §4; 2006 Acts, ch 1152, §34; 2013 Acts, ch 88, §16

Section amended

**279.31 Settlement with treasurer.**

The board shall from time to time examine the accounts of the treasurer and make settlements with the treasurer.

[C51, §1146, 1149; R60, §2037, 2038; C73, §1732, 1733, 1738, 1813; C97, §2780; S13, §2780; C24, §4239; C27, 31, 35, §4239-a1; C39, §**4239.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.28; C77, 79, 81, §279.31]

**279.32 Compensation of officers.**

The board shall fix the compensation to be paid the secretary. No member of the board shall receive compensation for official services. The board may pay a school treasurer a reasonable compensation.

Actual and necessary expenses, including travel, incurred by the board or individual members thereof in the performance of official duties may be paid or reimbursed.

[C51, §1146, 1149; R60, §2037, 2038; C73, §1732, 1733, 1738, 1813; C97, §2780; S13, §2780; C24, §4239; C27, 31, 35, §4239-a3; C39, §**4239.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.29; C77, 79, 81, §279.32]

**279.33 Annual settlements.**

1. At a regular or special meeting held on or after August 31 of each year, and prior to the organizational meeting held after the regular school election, the board of each school corporation shall meet, examine the books of and settle with the secretary and treasurer for the year ending on the preceding June 30, and transact other business as necessary. The treasurer at the time of settlement shall furnish the board with a statement from each depository showing the balance then on deposit in the depository. If the secretary or treasurer fails to make proper reports for the settlement, the board shall take action to obtain the balance information.

2. In the even-numbered year, the board shall, at the meeting described in subsection 1, elect a president for a term of one year.

[SS15, §2757; C24, 27, 31, 35, 39, §**4240;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.30; C77, 79, 81, §279.33]

83 Acts, ch 185, §4, 62; 2001 Acts, ch 47, §2; 2006 Acts, ch 1152, §35; 2010 Acts, ch 1033, §41

**279.34 Motor vehicles required to operate on ethanol blended gasoline.**

A motor vehicle purchased by or used under the direction of the board of directors to provide services to a school corporation shall not operate on gasoline other than ethanol blended gasoline as defined in section 214A.1. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline. However, the sticker is not required to be affixed to an unmarked vehicle used for purposes of providing law enforcement or security.

91 Acts, ch 254, §16; 93 Acts, ch 26, §5; 2006 Acts, ch 1142, §65; 2007 Acts, ch 126, §50

**279.35 Publication of proceedings.**

The proceedings of each regular, adjourned, or special meeting of the board, including the schedule of bills allowed, shall be published after the adjournment of the meeting in the manner provided in this section and section 279.36, and the publication of the schedule of the bills allowed shall include a list of claims allowed, including salary claims for services performed. The schedule of bills allowed may be published on a once monthly basis in lieu of publication with the proceedings of each meeting of the board. The list of claims allowed shall include the name of the person or firm making the claim, the purpose of the claim, and the amount of the claim. If the purpose for the claims is the same, two or more claims made by the same vendor, supplier, or claimant may be consolidated if the number of claims consolidated and the total consolidated claim amount are listed in the statement. However, the board shall provide at its office upon request an unconsolidated list of all claims allowed. Salaries paid to individuals regularly employed by the district shall only be published annually and the publication shall include the total amount of the annual salary of each employee. The secretary shall furnish a copy of the proceedings to be published within two weeks following the adjournment of the meeting.

[C27, 31, 35, §4242-b1; C39, §**4242.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.33; C77, 79, 81, §279.35]

83 Acts, ch 185, §6, 62; 87 Acts, ch 224, §49; 2006 Acts, ch 1018, §2

Referred to in §260C.14, 279.36

**279.36 Publication procedures and fee.**

The requirements of section 279.35 are satisfied by publication in at least one newspaper published in the district or, if there is none, in at least one newspaper having general circulation within the district.

For the fiscal year beginning July 1, 1987, the fee for publications required under section 279.35 shall not exceed three-fifths of the legal publication fee provided by statute for the publication of legal notices. For the fiscal year beginning July 1, 1988, the fee for the publications shall not exceed three-fourths of that legal publication fee. For the fiscal year beginning July 1, 1989, and each fiscal year thereafter, the fee for the publications shall be the legal publication fee provided by statute.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.34; C77, 79, 81, §279.36]

87 Acts, ch 224, §50

Referred to in §260C.14, 279.35

Publication of legal notices; §618.11

**279.37 Employment of counsel.**

A school corporation may employ an attorney to represent the school corporation as necessary for the proper conduct of the legal affairs of the school corporation.

[R60, §2040; C73, §1740; C97, §2759; C24, 27, 31, 35, 39, §**4245;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §279.35; C77, 79, 81, §279.37]

**279.38 Membership in association of school boards — audit.**

1. Boards of directors of school corporations may pay, out of funds available to them, reasonable annual dues to the Iowa association of school boards. Each board that pays membership dues to the Iowa association of school boards shall annually report to the local community and to the department of education the amount the board pays in annual dues to the Iowa association of school boards, the amount of any fees paid and revenue or dividend payments received for services the board receives from the association or from any of the association's affiliated for-profit entities, and the products or services the school district received inclusive with membership in the association.

2. The financial condition and transactions of the Iowa association of school boards shall be audited as provided in section 11.6. In addition, annually the Iowa association of school boards shall publish a listing of the school districts and the annual dues paid by each, the total revenue the association receives from each school district resulting from the payment of membership fees and the sale of products and services to the school district by the association or its affiliated for-profit entities, and shall publish an accounting of all moneys expended for expenses incurred by and salaries paid to legislative representatives and lobbyists of the association. In addition, the association shall submit to the general assembly copies of all reports the association provides to the United States department of education relating to federal grants and grant amounts that the association or its affiliated for-profit entities administer or distribute to school districts. The Iowa association of school boards is subject to chapters 21 and 22 relating to open meetings and public records.

3. Membership in such an Iowa association of school boards shall be limited to those duly elected members of the boards of directors of local school corporations.

[C71, 73, 75, §279.37; C77, 79, 81, §279.38]

83 Acts, ch 185, §7, 62; 89 Acts, ch 264, §7; 2010 Acts, ch 1183, §30; 2011 Acts, ch 75, §38

**279.38A Membership in other organizations — reporting requirements.**

1. Duly elected members of boards of directors and designated administrators of school corporations may join, including the payment of dues, and participate in local, regional, and national organizations which directly relate to the functions of the board of directors.

2. Each board that pays membership dues to an organization in accordance with this section shall annually report to the local community and to the department of education the amount the board pays in annual dues to the organization, the amount of any fees paid and revenue or dividend payments received for services the board receives from the organization, and the products or services the school district received inclusive with membership in the organization. If the organization administers federal education grants on behalf of school districts or distributes federal education grant funds to school districts, the organization shall submit to the general assembly copies of all reports the organization provides to the United States department of education, on the date on which each such report is provided to the United States department of education, relating to federal grants and grant amounts that the organization administers for or distributes to school districts. The governing board of the organization is subject to chapters 21 and 22 relating to open meetings and public records.

93 Acts, ch 117, §3; 2010 Acts, ch 1183, §31

**279.39 School buildings.**

The board of any school corporation shall establish attendance centers and provide suitable buildings for each school in the district and may at the regular or a special meeting resolve to submit to the registered voters of the district at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*", the question of voting a tax or authorizing the board to issue bonds, or both.

93 Acts, ch 160, §15; 95 Acts, ch 67, §53; 2008 Acts, ch 1115, §47, 71

**279.40 Sick leave.**

1. *a.* Public school employees are granted leave of absence for medically related disability with full pay in the following minimum amounts:

(1) The first year of employment.....10 days.

(2) The second year of employment.....11 days.
(3) The third year of employment .....12 days.
(4) The fourth year of employment .....13 days.
(5) The fifth year of employment.....14 days.
(6) The sixth and subsequent years of employment .....15 days.

*b.* The above amounts shall apply only to consecutive years of employment in the same school district and unused portions shall be cumulative to at least a total of ninety days. The school board shall, in each instance, require such reasonable evidence as it may desire confirming the necessity for such leave of absence.

2. Nothing in this section shall be construed as limiting the right of a school board to grant more time than the days herein specified.

3. Cumulation of sick leave under this section shall not be affected or terminated due to the organization or dissolution of a community school district or districts which include all or the portion of the district which employed the particular public school employee for the school year previous to the organization or dissolution, if the employee is employed by one of the community school districts for the first school year following its organization or dissolution.

4. Any amounts due an employee under this section shall be reduced by benefits payable under sections 85.33 and 85.34, subsection 1.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §279.40]
2010 Acts, ch 1061, §99

**279.41 Schoolhouses and sites sold — funds.**

Moneys received from the condemnation, sale, or other disposition for public purposes of schoolhouses, school sites, or both schoolhouses and school sites, shall be deposited in the physical plant and equipment levy fund and may without a vote of the electorate be used for purposes authorized under section 298.3, as ordered by the board of directors of the school district.

[C62, 66, 71, 73, 75, 77, 79, 81, §279.41]
94 Acts, ch 1029, §18; 2006 Acts, ch 1152, §36

**279.42 Gifts to schools.**

The board of directors of a school district that receives funds through a gift, devise, or bequest shall deposit the funds in a trust fund, permanent fund, or agency fund and shall use the funds in accordance with the terms of the gift, devise, or bequest.

[C66, 71, 73, 75, 77, 79, 81, §279.42]
94 Acts, ch 1029, §19; 2013 Acts, ch 88, §17
See also §565.6
Section amended

**279.43 Reporting inappropriate teaching assignments.**

An employee licensed by the board of educational examiners and holding a contract as described in section 279.13 shall disclose any occurrence of a teaching assignment for which that employee is not properly licensed to the school official responsible for determining teaching assignments. Failure of the employee to disclose this occurrence or failure of the school official responsible for determining teaching assignments to make appropriate adjustments to the employee's teaching assignment once the employee discloses the occurrence shall constitute an incident of misconduct as provided in section 272.2, subsection 14, and is actionable by the board. If the school official fails to make appropriate adjustments to the teaching assignment once disclosure by the employee is made, the employee shall report this occurrence to the department or to the board for further action.

2007 Acts, ch 214, §35

**279.44 Energy audits.**

1. Between July 1, 1986, and June 30, 1991, and on a staggered annual basis each five years thereafter, the board of directors of each school district shall file with the economic development authority, on forms prescribed by the authority, the results of an energy audit of the buildings owned and leased by the school district. The energy audit shall be

conducted under rules adopted by the authority pursuant to chapter 17A. The authority may waive the requirement for the initial and subsequent energy audits for school districts that submit evidence that energy audits were conducted prior to January 1, 1987, and energy consumption for the district is at an adjusted statewide average or below.

2. This section takes effect only if funds have been made available to a school district or community college to pay the costs of the energy audit.

86 Acts, ch 1167, §1; 90 Acts, ch 1253, §120; 2009 Acts, ch 108, §14, 41; 2011 Acts, ch 118, §50, 87, 89

**279.45 Administrative expenditures.**

The administrative expenditures as a percent of a school district's general fund for a base year shall not exceed five percent. Annually, the board of directors shall certify to the department of education the amounts of the school district's administrative expenditures and its general fund. For the purposes of this section, *"base year"* means the same as defined in section 257.2, and *"administrative expenditures"* means expenditures for executive administration.

86 Acts, ch 1226, §5; 88 Acts, ch 1158, §56; 89 Acts, ch 135, §74; 2013 Acts, ch 88, §18
Section amended

**279.46 Retirement incentives — tax.**

The board of directors of a school district may adopt a program for payment of a monetary bonus, continuation of health or medical insurance coverage, or other incentives for encouraging its employees to retire before the normal retirement date as defined in chapter 97B. The program is available only to employees who notify the board of directors prior to April 1 of the fiscal year that they intend to retire not later than the start of the next following school calendar. The age at which employees shall be designated eligible for the program shall be at the discretion of the board. An employee retiring under this section may apply for a retirement allowance under chapter 97B or chapter 294. The board may include in the district management levy an amount to pay the total estimated accumulated cost to the school district of the health or medical insurance coverage, bonus, or other incentives for employees within the age range of fifty-five to sixty-five years of age who retire under this section.

87 Acts, ch 224, §51; 89 Acts, ch 135, §75; 92 Acts, ch 1220, §1; 98 Acts, ch 1216, §27, 43; 2002 Acts, ch 1152, §6; 2003 Acts, ch 180, §33
Referred to in §298.4

**279.47 Telecommunications — participation by school districts in database development.**

The board of directors of each school district utilizing telecommunications as an instructional tool shall participate in procedures adopted by the state board of education under section 256.7, subsection 9.

87 Acts, ch 207, §2

**279.48 Equipment purchase.**

1. The board of directors of a school corporation may purchase equipment, and may negotiate and enter into a loan agreement and issue a note to pay for the equipment subject to the following terms and procedures:

*a.* The note must mature within five years, or the useful life of the equipment, whichever is less.

*b.* The note may bear interest at a rate to be determined by the board of directors in the manner provided in section 74A.3, subsection 1, paragraph *"a"*. Chapter 75 is not applicable.

*c.* The board of directors shall provide for the form of the agreement and note.

*d.* Principal and interest on the note must be payable from budgeted receipts in the debt service fund for each year of a period of up to five years.

2. The total of scheduled annual payments of principal or interest due and payable from current budgeted receipts or future budgeted receipts with respect to all loan agreements

authorized under this section or section 285.10, subsection 7, paragraph "*b*", must not exceed ten percent of the last authorized budget of the school corporation.

3. Before entering into a loan agreement for an equipment purchase, the school corporation must publish a notice, including a statement of the amount and purpose of the agreement, at least once in a newspaper of general circulation within the school corporation at least ten days before the meeting at which the loan agreement is to be approved.

94 Acts, ch 1175, §7; 2008 Acts, ch 1032, §198
Referred to in §273.3, 279.53

**279.49 Child care programs.**

1. For the purposes of this section unless the context otherwise requires, "*child care program*" means child care that is not licensed or approved by the department of human services under chapter 237A except as provided under this section.

2. The board of directors of a school corporation may operate or contract for the operation of a program to provide child care to children not enrolled in school or to students enrolled in kindergarten through grade six before and after school, or to both. Programs operated or contracted by a board shall either meet standards for child care programs adopted by the state board of education or shall be licensed by the department of human services under chapter 237A as a child care center. A program operated by a board under contract which is not located on property owned or leased by the board must be licensed by the department of human services.

3. The person employed to be responsible for a program operated or contracted by a board that is not licensed by the department of human services shall be an appropriately licensed teacher under chapter 272 or shall meet other standards adopted by the state board of education.

4. The facilities housing a program operated under this section shall comply with standards adopted by the state fire marshal for school buildings under chapter 100. In addition, if a program involves children who are younger than school age, the facilities housing those children shall meet the fire safety standards which would apply to that age of child in a child care facility licensed by the department of human services.

5. The board may establish a fee for the cost of participation in a child care program authorized under this section. The fee shall be established pursuant to a sliding fee schedule based upon staffing costs and other expenses and a family's ability to pay. If a fee is established, the parent or guardian of a child participating in a program shall be responsible for payment of any agreed upon fee. The board may require the parent or guardian to furnish transportation of the child.

6. The board may utilize or make application for program subsidies from any existing child care funding streams.

7. The components of programs established under this section for child care shall include, but are not limited to, parental involvement in program design and direction, activities designed to further children's physical, mental, and emotional development, and a parental education component to educate parents about the physical, mental, and emotional development of children.

85 Acts, ch 173, §26; 89 Acts, ch 206, §10; 89 Acts, ch 265, §40; 92 Acts, ch 1212, §27; 94 Acts, ch 1175, §8; 99 Acts, ch 192, §33
Referred to in §237A.1, 256.9, 256A.3, 280.3A, 298A.12

**279.50 Human growth and development instruction.**

1. Each school board shall provide instruction in kindergarten which gives attention to experiences relating to life skills and human growth and development as required in section 256.11. School districts shall use research provided in section 256.9, subsection 50, paragraph "*b*", to evaluate and upgrade their instructional materials and teaching strategies for human growth and development.

2. Each school board shall provide age-appropriate and research-based instruction in human growth and development including instruction regarding human sexuality, self-esteem, stress management, interpersonal relationships, domestic abuse, HPV and

the availability of a vaccine to prevent HPV, and acquired immune deficiency syndrome as required in section 256.11, in grades one through twelve.

3. Each school board shall annually provide to a parent or guardian of any pupil enrolled in the school district, information about the human growth and development curriculum used in the pupil's grade level and the procedure for inspecting the instructional materials prior to their use in the classroom.

4. Each school district shall, upon request by any agency or organization, provide information about the human growth and development curriculum used in each grade level and the procedure for inspecting and updating the instructional materials.

5. A pupil shall not be required to take instruction in human growth and development if the pupil's parent or guardian files with the appropriate principal a written request that the pupil be excused from the instruction. Notification that the written request may be made shall be included in the information provided by the school district.

6. Each school board or community college which offers general adult education classes or courses shall periodically offer an instructional program in parenting skills and in human growth and development for parents, guardians, prospective biological and adoptive parents, and foster parents.

7. Each area education agency shall periodically offer a staff development program for teachers who provide instruction in human growth and development.

8. The department of education shall identify and disseminate information about early intervention programs for students who are at the greatest risk of suffering from the problem of dropping out of school, substance abuse, adolescent pregnancy, or suicide.

9. For purposes of this section and sections 256.9 and 256.11, unless the context otherwise requires:

*a.* *"Age-appropriate"* means topics, messages, and teaching methods suitable to particular ages or age groups of children and adolescents, based on developing cognitive, emotional, and behavioral capacity typical for the age or age group.

*b.* *"HIV"* means HIV as defined in section 141A.1.

*c.* *"HPV"* means human papilloma virus as defined by the centers for disease control and prevention of the United States department of health and human services.

*d.* *"Research-based"* means all of the following:

(1) Complete information that is verified or supported by the weight of research conducted in compliance with accepted scientific methods; recognized as medically accurate and objective by leading professional organizations and agencies with relevant expertise in the field, such as the American college of obstetricians and gynecologists, the American public health association, the American academy of pediatrics, and the national association of school nurses; and published in peer-reviewed journals where appropriate.

(2) Information that is free of racial, ethnic, sexual orientation, and gender biases.

10. To the extent not inconsistent with this section and section 256.11, an accredited nonpublic school may also choose curriculum in accordance with doctrinal teachings for the human sexuality component of the human growth and development requirements of this section and section 256.11.

11. Nothing in this section or section 256.11 shall be construed to prohibit a school or school district from developing and making available abstinence-based or abstinence-only materials pursuant to the requirements of section 256.9, subsection 50, and from offering an abstinence-based or abstinence-only curriculum in meeting the human sexuality component of the human growth and development requirements of this section and section 256.11.

88 Acts, ch 1018, §3, 5, 6; 90 Acts, ch 1253, §121; 91 Acts, ch 218, §19; 2007 Acts, ch 98, §4
Referred to in §256.11

**279.51 Programs for at-risk children.**

1. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2007, and each succeeding fiscal year, the sum of twelve million six hundred six thousand one hundred ninety-six dollars. The moneys shall be allocated as follows:

*a.* Two hundred seventy-five thousand eight hundred sixty-four dollars of the funds

appropriated shall be allocated to the area education agencies to assist school districts in developing program plans and budgets under this section and to assist school districts in meeting other responsibilities in early childhood education.

*b.* For the fiscal year beginning July 1, 2007, and for each succeeding fiscal year, eight million five hundred thirty-six thousand seven hundred forty dollars of the funds appropriated shall be allocated to the child development coordinating council established in chapter 256A for the purposes set out in subsection 2 of this section and section 256A.3.

*c.* For the fiscal year beginning July 1, 2007, and for each fiscal year thereafter, three million five hundred ten thousand nine hundred ninety-two dollars of the funds appropriated shall be allocated as grants to school districts that have elementary schools that demonstrate the greatest need for programs for at-risk students with preference given to innovative programs for the early elementary school years. School districts receiving grants under this paragraph shall at a minimum provide activities and materials designed to encourage children's self-esteem, provide role modeling and mentoring techniques in social competence and social skills, and discourage inappropriate drug use. The grant allocations made in this paragraph may be renewed for additional periods of time. Of the amount allocated under this paragraph for each fiscal year, seventy-five thousand dollars shall be allocated to school districts which have an actual student population of ten thousand or less and have an actual non-English speaking student population which represents greater than five percent of the total actual student population for grants to elementary schools in those districts.

*d.* Notwithstanding section 256A.3, subsection 6, of the amount appropriated in this subsection for the fiscal year beginning July 1, 2007, and for each succeeding fiscal year, up to two hundred eighty-two thousand six hundred dollars may be used for administrative costs.

2. *a.* Funds allocated under subsection 1, paragraph "*b*", shall be used by the child development coordinating council for the following:

(1) To continue funding for programs previously funded by grants awarded under section 256A.3 and to provide additional grants under section 256A.3. The council shall seek to provide grants on the basis of the location within the state of children meeting at-risk definitions.

(2) At the discretion of the child development coordinating council, award grants for the following:

(a) To school districts to establish programs for three-year-old, four-year-old, and five-year-old at-risk children which are a combination of preschool and full-day kindergarten.

(b) To provide grants to provide educational support services to parents of at-risk children age birth through three years.

*b.* A grantee under this subsection may direct the use of moneys received to serve any qualifying child ranging in age from three years old to five years old, regardless of the age of population indicated on the grant request in its initial year of application. A grantee is encouraged to consider the degree to which the program complements existing programs and services for three-year-old, four-year-old, and five-year-old at-risk children available in the area, including other child care and preschool services, services provided through a school district, and services available through an area education agency.

3. The department shall seek assistance from foundations and public and private agencies in the evaluation of the programs funded under this section, and in the provision of support to school districts in developing and implementing the programs funded under this section.

4. The state board of education shall adopt rules under chapter 17A for the administration of this section.

89 Acts, ch 135, §76; 90 Acts, ch 1272, §69, 70; 91 Acts, ch 267, §239, 240; 92 Acts, ch 1227, §21; 94 Acts, ch 1199, §47 – 49; 95 Acts, ch 209, §14; 96 Acts, ch 1186, §23; 96 Acts, ch 1219, §7 – 10; 97 Acts, ch 209, §17, 18; 98 Acts, ch 1133, §1; 98 Acts, ch 1215, §44; 98 Acts, ch 1223, §24, 25; 99 Acts, ch 192, §33; 99 Acts, ch 195, §11, 12; 2000 Acts, ch 1058, §32; 2000 Acts, ch 1198, §2 – 4, 6; 2007 Acts, ch 215, §62; 2010 Acts, ch 1061, §100; 2011 Acts, ch 132, §18, 106

Referred to in §256A.3

**279.52 Optional funding of asbestos projects.**

The board of directors may pay the actual cost of an asbestos project from any funds in the general fund of the district, funds received from the physical plant and equipment levy, or moneys obtained through a federal asbestos loan program, to be repaid from any of the funds specified in this section over a three-year period.

For the purpose of this section, *"cost of an asbestos project"* includes the costs of inspection and reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, developing of management plans and recordkeeping requirements relating to the presence of asbestos in school buildings of the district and its removal or encapsulation.

89 Acts, ch 135, §77; 2000 Acts, ch 1072, §1; 2000 Acts, ch 1232, §64
Referred to in §279.53

**279.53 Loan proceeds.**

The proceeds of loans issued to school districts pursuant to section 279.48, 279.52, or 473.20 shall be deposited into either the general fund of a school district or the physical plant and equipment levy fund. The board of directors shall expend the amount of the principal and interest due each year to maturity from the same fund into which the loan proceeds were deposited.

2008 Acts, ch 1041, §1

**279.54 School district income surtax.** Repealed by 2000 Acts, ch 1072, § 3.

**279.55 Teacher exchange program.**

If funds are appropriated by the general assembly, an Iowa teacher exchange program is established to permit school districts to exchange licensed instructional personnel with other districts in order to promote the exchange and enhancement of instructional methods and materials and encourage the educational development of Iowa's teachers. Community colleges may exchange their instructional personnel only with other community colleges under this program.

91 Acts, ch 84, §3; 2002 Acts, ch 1047, §18, 20

**279.56 Board participation.**

1. If funds are appropriated by the general assembly, the board of directors of a school district may obtain permission to participate in the teacher exchange program by making application in writing to the department of education, on forms provided by the department, by November 1 of the school year preceding the year that the district wishes to participate. Each district participating in the program shall prescribe standards and procedures explaining the district's expectations and requirements for each participating teacher. The district's standards and procedures shall also prescribe the method and form by which teachers within the district may apply to the board for permission to participate in the program. Each participating district shall continue to compensate the program participant at the same rate that the participant would be compensated if the participant had continued the participant's instructional or other duties within the home district. Each participating district shall report to the department the number and performance of exchange teachers from other districts that are included in the district's instructional staff during the relevant periods during the school year.

2. Each participating teacher shall submit a report of the teacher's experiences in the exchange program to the teacher's employing district at the conclusion of the exchange period.

91 Acts, ch 84, §4; 2009 Acts, ch 54, §8

**279.57 Period of exchange.**

Teachers may be exchanged for one quarter, one semester, or one school year under the program. Expenses incurred by a teacher participant may be reimbursed by application to the department of education. Reimbursable expenses shall include, but are not limited to,

mileage for travel to and from the new school district and the teacher's residence, the cost incurred for meals consumed as a result of travel to and from the new school district and the teacher's residence, the difference between the cost for living quarters incurred by the teacher in the teacher's district of residence and the cost for similar quarters in the new district, and cost of additional educational materials required to be provided by instructional personnel in the new district.

91 Acts, ch 84, §5

**279.58 School dress code policies.**

1. The general assembly finds and declares that the students and the administrative and instructional staffs of Iowa's public schools have the right to be safe and secure at school. Gang-related apparel worn at school draws attention away from the school's learning environment and directs it toward thoughts or expressions of violence, bigotry, hate, and abuse.

2. The board of directors of a school district may adopt, for the district or for an individual school within the district, a dress code policy that prohibits students from wearing gang-related or other specific apparel if the board determines that the policy is necessary for the health, safety, or positive educational environment of students and staff in the school environment or for the appropriate discipline and operation of the school. Adoption and enforcement of a dress code policy is not a violation of section 280.22.

95 Acts, ch 191, §20

**279.59 Access by associations.**

The board of directors of a school district shall provide not-for-profit, professional education associations that offer membership to teachers or administrators equal access to teacher or administrator mailboxes for distribution of professional literature.

2001 Acts, ch 159, §11

**279.60 Assessments — access to data — reports.**

1. Each school district shall administer the teaching strategies gold early childhood assessment to every resident prekindergarten or four-year-old child whose parent or guardian enrolls the child in the district, and shall administer a valid and reliable universal screening instrument, as prescribed by the department of education, to every kindergarten student enrolled in the district not later than the date specified in section 257.6, subsection 1. The assessment shall be aligned with state early learning standards and preschool programs shall be encouraged to administer the assessment at least at the beginning and end of the preschool program, with the assessment information entered into the statewide longitudinal data system. The department shall work to develop agreements with head start programs to incorporate similar information about four-year-old children served by head start into the statewide longitudinal data system.

2. The school district shall also collect information from each parent, guardian, or legal custodian of a kindergarten student enrolled in the district, including but not limited to whether the student attended preschool, factors identified by the early childhood Iowa office pursuant to section 256I.5, and other demographic factors. Each school district shall report the results of the community strategies employed during the prior school year pursuant to section 279.68, subsection 4, paragraph "*a*", the assessment administered pursuant to subsection 1, and the preschool information collected to the department of education in the manner prescribed by the department not later than January 1 of that school year. The early childhood Iowa office in the department of management shall have access to the raw data. The department shall review the information submitted pursuant to this section and shall submit its findings and recommendations annually in a report to the governor, the general assembly, the early childhood Iowa state board, and the early childhood Iowa area boards.

3. Each school district shall administer the Iowa assessments, created by the state university of Iowa, to all students enrolled in grade ten.

2005 Acts, ch 148, §16; 2006 Acts, ch 1152, §37; 2010 Acts, ch 1031, §306; 2012 Acts, ch 1119, §33; 2013 Acts, ch 121, §105, 107

Subsections 1 and 2 amended

**279.61 Student plan for progress toward university admissions — report.**

1. For the school year beginning July 1, 2008, and each succeeding school year, the board of directors of each school district shall cooperate with each student enrolled in grade eight to develop for the student a core curriculum plan to guide the student toward the goal of successfully completing, at a minimum, the core curriculum developed by the state board of education pursuant to section 256.7, subsection 26, by the time the student graduates from high school. The plan shall include career options and shall identify the coursework needed in grades nine through twelve to support the student's postsecondary education and career options. Additionally, the plan shall include a timeline for each student to successfully complete, prior to graduation, all components of the state-designated career information and decision-making system administered by the department in accordance with section 118 of the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006, Pub. L. No. 109-270. The student's parent or guardian shall sign the core curriculum plan developed with the student and the signed plan shall be included in the student's cumulative records.

2. For the school year beginning July 1, 2008, and each succeeding school year, the board of directors of each school district shall report annually to each student enrolled in grades nine through twelve in the school district, and, if the student is under the age of eighteen, to each student's parent or guardian, the student's progress toward meeting the goal of successfully completing the core curriculum and high school graduation requirements adopted by the state board of education pursuant to section 256.7, subsection 26.

2005 Acts, ch 149, §3; 2006 Acts, ch 1152, §13; 2007 Acts, ch 214, §36; 2008 Acts, ch 1127, §4

Referred to in §256.40, 261E.4, 261E.6, 261E.8, 261E.9, 261E.10, 261E.13

**279.62 Nonprofit school organizations.**

The board of directors of a school district may take action to adopt a resolution to establish, and authorize expenditures for the operational support of, an entity or organization for the sole benefit of the school district and its students that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code. The entity or organization shall reimburse the school district for expenditures made by the school district on behalf of the entity or organization. Prior to establishing such an entity or organization, the board of directors shall hold a public hearing on the proposal to establish such an entity or organization. Such an entity or organization shall maintain its records in accordance with chapter 22, except that the entity or organization shall provide for the anonymity of a donor at the written request of the donor. The board of directors of a school district shall annually report to the department of education and to the local community the administrative expenditures, revenues, and activities of the entity or organization established by the school district pursuant to this section. The department shall include in its annual condition of education report a statewide summary of the expenditures and revenues submitted in accordance with this section.

2005 Acts, ch 179, §92, 97

Referred to in §11.6

**279.63 Financial report.**

1. The board of directors of each public school district shall develop, maintain, and distribute a financial report on an annual basis. The objective of the financial report shall be to facilitate public access to a variety of information and statistics relating to the education funding received by the school district, enrollment and employment figures, and additional information.

2. The financial report shall contain, at a minimum, information relating to the following:

*a.* All property tax levies, income surtaxes, and local option sales taxes in place in the

school district, listed by type of levy, rate, amount, duration, and notification of the maximum rate and amount limitations permitted by statute.

*b.* The amount of funding received on a per pupil basis through the operation of the school finance formula, and from any other state appropriation or state funding source.

*c.* Federal funding received per student or teacher population targeted to receive the funds, and any other federal grants or funding received by the district.

*d.* Teacher and administrator minimum, maximum, and average salary paid by the district, and the percentage and dollar increase under teacher and administrator salary and benefits settlement agreements.

*e.* Teacher and administrator health insurance and other alternative health benefit information, including the monthly premium, the percentage of the premium paid by the district, and the percentage of the premium paid by a teacher or administrator for single and family insurance.

*f.* Teacher and administrator employment statistics, including the annual number of licensed full-time and part-time teachers and administrators employed by the school district during the preceding five years, and including the number of teachers and administrators no longer employed by the district, and new hires.

*g.* Student enrollment levels during the preceding five years, including regular enrollment, special education enrollment, and enrollment adjustments made pursuant to supplementary weighting.

*h.* Such additional information as the school district may determine.

3. Copies of a school district's financial report for the previous school year shall be posted on an internet site maintained by the school district by January 1 of each school year. If the school district does not maintain or develop an internet site, the school district shall either distribute or post written copies of the financial report at specified locations throughout the school district.

2006 Acts, ch 1152, §14; 2009 Acts, ch 54, §9; 2013 Acts, ch 90, §257
Code editor directive applied

**279.64 Tax-sharing agreements.**

A school district may enter into an agreement under chapter 28E with a contiguous school district for the purpose of sharing all or a percentage of school district taxes collected from that portion of valuation described in section 403.19, subsection 2, that is released by the municipality to the school district.

2006 Acts, ch 1156, §1
Referred to in §403.19

**279.65 Student advancement policy — findings — supplemental strategies and educational services grant program.** Repealed by 2008 Acts, ch 1181, § 40.

**279.66 Discipline and personal conduct standards.**

The board of directors of a school district shall review and modify existing policies related to student discipline and student conduct that are designed to promote responsible behavior on school property and at school functions in order that the policy shall govern the conduct of students, teachers and other school personnel, and visitors; provide opportunities for students to exercise self-discipline and practice cooperative classroom behavior; and encourage students and practitioners to model fairness, equity, and respect. The policy shall specify the responsibilities of students, parents and guardians, and practitioners in creating an atmosphere where all individuals feel a sense of respect, safety, and belonging, and shall set forth the consequences for unacceptable behavior. The policy shall be published in the student handbook.

2007 Acts, ch 214, §38

**279.67 Competitive living wage.**

It is the goal of this state that every employee of a public school corporation be provided with a competitive living wage.

2008 Acts, ch 1191, §57

**279.68 Student progression — remedial instruction — reporting requirements — promotion.**

1. *Reading deficiency and parental notification.*

*a.* A school district shall assess all students enrolled in kindergarten through grade three at the beginning of each school year for their level of reading or reading readiness on locally determined or statewide assessments, as provided in section 256.7, subsection 31. A school district shall provide intensive reading instruction to any student who exhibits a substantial deficiency in reading, based upon the assessment or through teacher observations. The student's reading proficiency shall be reassessed by locally determined or statewide assessments. The student shall continue to be provided with intensive reading instruction until the reading deficiency is remedied.

*b.* The parent or guardian of any student in kindergarten through grade three who exhibits a substantial deficiency in reading, as described in paragraph "*a*", shall be notified at least annually in writing of the following:

(1) That the child has been identified as having a substantial deficiency in reading.

(2) A description of the services currently provided to the child.

(3) A description of the proposed supplemental instructional services and supports that the school district will provide to the child that are designed to remediate the identified area of reading deficiency.

(4) Strategies for parents and guardians to use in helping the child succeed in reading proficiency, including but not limited to the promotion of parent-guided home reading.

*c.* Beginning May 1, 2017, unless the school district is granted a waiver pursuant to subsection 2, paragraph "*e*", if the student's reading deficiency is not remedied by the end of grade three, as demonstrated by scoring on a locally determined or statewide assessment as provided in section 256.7, subsection 31, the school district shall notify the student's parent or guardian that the parent or guardian may enroll the student in an intensive summer reading program offered in accordance with subsection 2, paragraph "*e*". If the parent or guardian does not enroll the student in the intensive summer reading program and the student is ineligible for the good cause exemption under subsection 5, the student shall be retained in grade three pursuant to subsection 3. If the student is exempt from participating in an intensive summer reading program for good cause, pursuant to subsection 5, or completes the intensive summer reading program but is not reading proficient upon completion of the program, the student may be promoted to grade four, but the school district shall continue to provide the student with intensive reading instruction until the student is proficient in reading as demonstrated by scoring on locally determined or statewide assessments.

2. *Successful progression for early readers.* If funds are appropriated by the general assembly for purposes of implementing this subsection, a school district shall do all of the following:

*a.* Provide students who are identified as having a substantial deficiency in reading under subsection 1, paragraph "*a*", with intensive instructional services and supports, free of charge, to remediate the identified areas of reading deficiency, including a minimum of ninety minutes daily of scientific, research-based reading instruction and other strategies prescribed by the school district which may include but are not limited to the following:

(1) Small group instruction.

(2) Reduced teacher-student ratios.

(3) More frequent progress monitoring.

(4) Tutoring or mentoring.

(5) Extended school day, week, or year.

(6) Summer reading programs.

*b.* At regular intervals, apprise the parent or guardian of academic and other progress being made by the student and give the parent or guardian other useful information.

*c.* In addition to required reading enhancement and acceleration strategies, provide parents of students who are identified as having a substantial deficiency in reading under subsection 1, paragraph "*a*", with a plan outlined in a parental contract, including participation in regular parent-guided home reading.

*d.* Establish a reading enhancement and acceleration development initiative designed

to offer intensive accelerated reading instruction to each kindergarten through grade three student who is assessed as exhibiting a substantial deficiency in reading. The initiative shall comply with all of the following criteria:

(1) Be provided to all kindergarten through grade three students who exhibit a substantial deficiency in reading under this section. The assessment initiative shall measure phonemic awareness, phonics, fluency, vocabulary, and comprehension.

(2) Be provided during regular school hours in addition to the regular reading instruction.

(3) Provide a reading curriculum that meets guidelines adopted pursuant to section 256.7, subsection 31, and at a minimum has the following specifications:

(a) Assists students assessed as exhibiting a substantial deficiency in reading to develop the skills to read at grade level.

(b) Provides skill development in phonemic awareness, phonics, fluency, vocabulary, and comprehension.

(c) Includes a scientifically based and reliable assessment.

(d) Provides initial and ongoing analysis of each student's reading progress.

(e) Is implemented during regular school hours.

(f) Provides a curriculum in core academic subjects to assist the student in maintaining or meeting proficiency levels for the appropriate grade in all academic subjects.

*e.* Offer each summer, beginning in the summer of 2017, unless the school district receives a waiver from this requirement from the department of education for the summer of 2017, an intensive summer literacy program for students assessed as exhibiting a substantial deficiency in reading. The program shall meet the criteria and follow the guidelines established pursuant to section 256.9, subsection 53, paragraph "*c*", subparagraph (1), subparagraph division (g).

*f.* Report to the department of education the specific intensive reading interventions and supports implemented by the school district pursuant to this section. The department shall annually prescribe the components of required or requested reports.

3. *Promotion to grade four.* In determining whether to promote a student in grade three to grade four, a school district shall place significant weight on any reading deficiency identified pursuant to subsection 1, paragraph "*a*", that is not yet remediated. The school district shall also weigh the student's progress in other subject areas, as well as the student's overall intellectual, physical, emotional, and social development. A decision to retain a student in grade three shall be made only after direct personal consultation with the student's parent or guardian and after the formulation of a specific plan of action to remedy the student's reading deficiency.

4. *Ensuring continuous improvement in reading proficiency.*

*a.* To ensure all children are reading proficiently by the end of third grade, each school district shall address reading proficiency as part of its comprehensive school improvement plan, drawing upon information about children from assessments conducted pursuant to subsection 1 and the prevalence of deficiencies identified by classroom, elementary school, and other student characteristics. As part of its comprehensive school improvement plan, each school district shall review chronic early elementary absenteeism for its impact on literacy development. If more than fifteen percent of an attendance center's students are not proficient in reading by the end of third grade, the comprehensive school improvement plan shall include strategies to reduce that percentage, including school and community strategies to raise the percentage of students who are proficient in reading.

*b.* Each school district, subject to an appropriation of funds by the general assembly, shall provide professional development services to enhance the skills of elementary teachers in responding to children's unique reading issues and needs and to increase the use of evidence-based strategies.

5. *Good cause exemption.*

*a.* The school district shall exempt students from the retention and intensive summer reading program requirements of subsection 1, paragraph "*c*", for good cause. Good cause exemptions shall be limited to the following:

(1) Limited English proficient students who have had less than two years of instruction in an English as a second language program.

(2) Students requiring special education whose individualized education program indicates that participation in a locally determined or statewide assessment as provided in section 256.7, subsection 31, is not appropriate, consistent with the requirements of rules adopted by the state board of education for the administration of chapter 256B.

(3) Students who demonstrate an acceptable level of performance on an alternative performance measure approved pursuant to section 256.7, subsection 31.

(4) Students who demonstrate mastery through a student portfolio under alternative performance measures approved pursuant to section 256.7, subsection 31.

(5) Students who have received intensive remediation in reading for two or more years but still demonstrate a deficiency in reading and who were previously retained in kindergarten, grade one, grade two, or grade three. Intensive reading instruction for students so promoted must include an altered instructional day that includes specialized diagnostic information and specific reading strategies for each student. The school district shall assist attendance centers and teachers to implement reading strategies that research has shown to be successful in improving reading among low-performing readers.

*b*. Requests for good cause exemptions from the retention requirement of subsection 1, paragraph "*c*", for students described in paragraph "*a*", subparagraphs (3) and (4), shall include documentation from the student's teacher to the school principal that indicates that the promotion of the student is appropriate and is based upon the student's academic record. Such documentation shall include but not be limited to the individualized education program, if applicable, report card, or student portfolio.

2012 Acts, ch 1119, §34
Referred to in §256.7, 279.60

**279.69 School employees — background investigations.**

1. Prior to hiring an applicant for a school employee position, a school district shall have access to and shall review the information in the Iowa court information system available to the general public, the sex offender registry information under section 692A.121 available to the general public, the central registry for child abuse information established under section 235A.14, and the central registry for dependent adult abuse information established under section 235B.5 for information regarding the applicant. A school district shall follow the same procedure by June 30, 2014, for each school employee employed by the school district as of July 1, 2013. A school district shall implement a consistent policy to follow the same procedure for each school employee employed by the school district on or after July 1, 2013, at least every five years after the school employee's initial date of hire. A school district shall not charge an employee for the cost of the registry checks conducted pursuant to this subsection. A school district shall maintain documentation demonstrating compliance with this subsection.

2. Being listed in the sex offender registry established under chapter 692A, the central registry for child abuse information established under section 235A.14, or the central registry for dependent adult abuse information established under section 235B.5 shall constitute grounds for the immediate suspension from duties of a school employee, pending a termination hearing by the board of directors of a school district. A termination hearing conducted pursuant to this subsection shall be limited to the question of whether the school employee was incorrectly listed in the registry.

3. For purposes of this section, *"school employee"* means an individual employed by a school district, including a part-time, substitute, or contract employee. *"School employee"* does not include an individual subject to a background investigation pursuant to section 272.2, subsection 17, section 279.13, subsection 1, paragraph "*b*", or section 321.375, subsection 2.

2013 Acts, ch 140, §137
NEW section

# CHAPTER 280

## UNIFORM SCHOOL REQUIREMENTS

Student health screenings, see §135.17, 135.39D, 135.105D, 139A.8, 299.5, and 299.24
For student search restrictions, see chapter 808A


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**280.1 Title.**

This chapter may be known and shall be cited as the *"Uniform School Requirements"* chapter.

[C75, 77, 79, 81, §280.1]

**280.2 Definitions.**

The term *"public school"* means any school directly supported in whole or in part by taxation. The term *"nonpublic school"* means any other school which is accredited pursuant to section 256.11.

[C24, 27, 31, 35, 39, §**4251;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §280.2]
91 Acts, ch 200, §1; 2008 Acts, ch 1191, §158
Referred to in §135.144, 272.1, 717F.1, 724.4B

**280.3 Educational program — attendance center requirements.**

1. The board of directors of each public school district and the authorities in charge of each nonpublic school shall prescribe the minimum educational program and an attendance policy which shall require each child to attend school for at least one hundred forty-eight days, to be met by attendance for at least thirty-seven days each school quarter, for the schools under their jurisdictions.

2. The minimum educational program shall be the curriculum set forth in subsection 3 of

this section and section 256.11, except as otherwise provided by law. The board of directors of a public school district shall not allow discrimination in any educational program on the basis of race, color, creed, sex, marital status, or place of national origin.

3. The board of directors of each public school district and the authorities in charge of each nonpublic school shall do all of the following:

*a.* Adopt an implementation plan by July 1, 2010, which provides for the adoption of at least one core curriculum subject area each year as established by the state board of education for grades nine through twelve pursuant to section 256.7, subsection 26. The core curriculum established for grades nine through twelve by the state board of education pursuant to section 256.7, subsection 26, shall be fully implemented by each school district and school by July 1, 2012.

*b.* Adopt an implementation plan, by July 1, 2012, which provides for the full implementation of the core curriculum established for kindergarten through grade eight by the state board of education pursuant to section 256.7, subsection 26, by the 2014-2015 school year.

4. A nonpublic school which is unable to meet the minimum educational program may request an exemption from the state board of education. The authorities in charge of the nonpublic school shall file with the director of the department of education the names and locations of all schools desiring to be exempted and the names, ages, and post office addresses of all pupils of compulsory school age who are enrolled. The director, subject to the approval of the state board, may exempt the nonpublic school from compliance with the minimum educational program for two school years. When the exemption has once been granted, renewal of the exemption for each succeeding school year may be conditioned by the director, with the approval of the board, upon proof of achievement in the basic skills of arithmetic, the communicative arts of reading, writing, grammar, and spelling, and an understanding of United States history, history of Iowa, and the principles of American government, of the pupils of compulsory school age exempted in the preceding year. Proof of achievement shall be determined on the basis of tests or other means of evaluation prescribed by the director of the department of education with the approval of the state board of education. The testing or evaluation, if required, shall be accomplished prior to submission of the request for renewal of the exemption. Renewal requests shall be filed with the director by April 15 of the school year preceding the school year for which the applicants desire exemption. This section shall not apply to schools eligible for exemption under section 299.24.

5. The board of directors of each public school district and the authorities in charge of each nonpublic school shall establish and maintain attendance centers based upon the needs of the school age pupils enrolled in the school district or nonpublic school. Public school kindergarten programs shall and public and nonpublic school prekindergarten programs may be provided. In addition, the board of directors or governing authority may include in the educational program of any school such additional courses, subjects, or activities which it deems fit the needs of the pupils.

[C75, 77, 79, 81, §280.3]

85 Acts, ch 212, §21, 22; 89 Acts, ch 210, §7; 91 Acts, ch 200, §2; 2008 Acts, ch 1127, §5

**280.3A Accredited nonpublic school child care programs.**

Authorities in charge of accredited nonpublic schools may operate or contract for the operation of child care programs, as defined in section 279.49, subsection 1. The provisions of section 279.49 as they relate to child care programs of a school corporation and its board of directors apply to the child care programs of the accredited nonpublic school and the authority in charge.

94 Acts, ch 1175, §9; 99 Acts, ch 192, §33

Referred to in §237A.1

**280.4 Limited English proficiency — weighting.**

1. The medium of instruction in all secular subjects taught in both public and nonpublic schools shall be the English language, except when the use of a foreign language is deemed appropriate in the teaching of any subject or when the student is limited English proficient.

When the student is limited English proficient, both public and nonpublic schools shall provide special instruction, which shall include but need not be limited to either instruction in English as a second language or transitional bilingual instruction until the student is fully English proficient or demonstrates a functional ability to speak, read, write, and understand the English language. As used in this section, *"limited English proficient"* means a student's language background is in a language other than English, and the student's proficiency in English is such that the probability of the student's academic success in an English-only classroom is below that of an academically successful peer with an English language background. *"Fully English proficient"* means a student who is able to read, understand, write, and speak the English language and to use English to ask questions, to understand teachers and reading materials, to test ideas, and to challenge what is being asked in the classroom.

2. The department of education shall adopt rules relating to the identification of limited English proficient students who require special instruction under this section and to application procedures for funds available under this section.

3. *a.* In order to provide funds for the excess costs of instruction of limited English proficient students specified in paragraph *"b"* above the costs of instruction of pupils in a regular curriculum, students identified as limited English proficient shall be assigned an additional weighting of twenty-two hundredths, and that weighting shall be included in the weighted enrollment of the school district of residence for a period not exceeding five years. However, the school budget review committee may grant supplemental aid or a modified supplemental amount to a school district to continue funding a program for students after the expiration of the five-year period.

*b.* For students first determined to be limited English proficient for a budget year beginning on or after July 1, 2010, the additional weighting provided under paragraph *"a"* shall be included in the weighted enrollment of the school district of residence for a period not exceeding five years beginning with the budget year for which the student was first determined to be limited English proficient.

[C24, 27, 31, 35, 39, §**4254;** C46, 50, 54, 58, 62, 66, 71, 73, §280.5; C75, 77, 79, 81, §280.4; 82 Acts, ch 1260, §48]

87 Acts, ch 224, §52; 89 Acts, ch 135, §80; 91 Acts, ch 193, §2; 93 Acts, ch 127, §3; 2002 Acts, ch 1114, §1; 2006 Acts, ch 1182, §44, 54; 2013 Acts, ch 121, §41, 42; 2013 Acts, ch 140, §90

Referred to in §256F.3, 257.31, 282.18

2013 amendment to subsection 3 by 2013 Acts, ch 121, §41, applies to school budget years beginning on or after July 1, 2014; 2013 Acts, ch 121, §42

See Code editor's note

Subsection 3 amended

**280.5 Display of United States flag and Iowa state flag.**

The board of directors of each public school district and the authorities in charge of each nonpublic school shall provide and maintain a suitable flagstaff on each school site under its control, and the United States flag and the Iowa state flag shall be raised on all school days when weather conditions are suitable.

[S13, §2804-a, -b; C24, 27, 31, 35, 39, §**4253;** C46, 50, 54, 58, 62, 66, 71, 73, §280.4; C75, 77, 79, 81, §280.5]

95 Acts, ch 1, §4

Display of flags on public buildings, §1B.3

**280.6 Religious books.**

Religious books such as the Bible, the Torah, and the Koran shall not be excluded from any public school or institution in the state, nor shall any child be required to read such religious books contrary to the wishes of the child's parent or guardian.

[R60, §2119; C73, §1764; C97, §2805; C24, 27, 31, 35, 39, §**4258;** C46, 50, 54, 58, 62, 66, 71, 73, §280.9; C75, 77, 79, 81, §280.6]

**280.7 Dental clinics.**

Boards of directors in all public school districts may establish and maintain dental clinics for children and offer courses of instruction on mouth hygiene. The boards may employ such

legally qualified dentists and dental hygienists as may be necessary to accomplish the purpose of this section. The cost of the dental clinic shall be paid from the general fund.

[C24, 27, 31, 35, 39, §**4260;** C46, 50, 54, 58, 62, 66, 71, 73, §280.11; C75, 77, 79, 81, §280.7]

**280.7A Student eye care.**

1. A parent or guardian who registers a child for kindergarten or a preschool program shall be given a student vision card provided by the Iowa optometric association and as approved by the department of education with a goal of every child receiving an eye examination by age seven, as needed.

2. School districts may encourage a student to receive an eye examination by a licensed ophthalmologist or optometrist prior to the student receiving special education services pursuant to chapter 256B. The eye examination is not a requirement for a student to receive special education services. A parent or guardian shall be responsible for ensuring that a student receives an eye examination pursuant to this section.

3. Area education agencies, pursuant to section 273.3, shall make every effort to provide, in collaboration with local community organizations, vision screening services to children ages two through four.

2008 Acts, ch 1100, §1, 2

See also §135.39D

Section not amended; footnote added

**280.8 Special education.**

The board of directors of each public school district shall make adequate educational provisions for each resident child requiring special education appropriate to the nature and severity of the child's disability pursuant to rules promulgated by the department under the provisions of chapters 256B and 273.

[C71, 73, §280.22; C75, 77, 79, 81, §280.8]

96 Acts, ch 1129, §75

**280.9 Career education.**

1. The board of directors of each local public school district and the authorities in charge of each nonpublic school shall incorporate into the educational program, in accordance with section 256.7, subsection 21, paragraph "*a*", the total concept of career education to enable students to become familiar with the values of a work-oriented society. Curricular and cocurricular teaching-learning experiences from the prekindergarten level through grade twelve shall be provided for all students currently enrolled in order to develop an understanding that employment may be meaningful and satisfying. However, career education does not mean a separate vocational-technical program is required. A vocational-technical program includes units or partial units in subjects which have as their purpose to equip students with marketable skills.

2. Essential elements in career education shall include but not be limited to:

*a.* Awareness of self in relation to others and the needs of society.

*b.* Exploration of employment opportunities and experience in personal decision making.

*c.* Experiences which will help students to integrate work values and work skills into their lives.

[C75, 77, 79, 81, §280.9]

2001 Acts, ch 159, §12; 2009 Acts, ch 41, §263

**280.9A History and government required — voter registration.**

1. The board of directors of each local public school district and the authorities in charge of each nonpublic school shall require that all students in grades nine through twelve complete, as a condition of graduation, instruction in American history and the governments of Iowa and the United States, including instruction in voting statutes and procedures, voter registration requirements, the use of paper ballots and voting systems in the election process, and the method of acquiring and casting an absentee ballot.

2. The county auditor, upon request and at a site chosen by the county auditor, shall make available to schools within the county voting equipment or sample ballots that are generally

used within the county, at times when this equipment or sample ballots are not in use for their recognized purpose.

3. At least twice during each school year, the board of directors of each local public school district operating a high school and the authorities in charge of each accredited nonpublic school operating a high school shall offer the opportunity to register to vote to each student who is at least seventeen and one-half years of age, as required by section 48A.23.

88 Acts, ch 1129, §1; 90 Acts, ch 1238, §38; 94 Acts, ch 1169, §57; 2008 Acts, ch 1031, §45; 2009 Acts, ch 57, §78

Referred to in §256.11, 331.502

**280.9B Violence prevention curriculum.**

The department of education shall develop a statewide violence prevention program based on law-related education. The department shall contract with a law-related education agency that serves the state and provides a comprehensive plan to develop violence prevention curricula for grades kindergarten through twelve, provide training to teachers and school administrators on violence prevention, and develop school-community partnerships for violence prevention.

94 Acts, ch 1172, §29

**280.10 Eye-protective devices.**

1. *a.* Every student and teacher in any public or nonpublic school shall wear industrial quality eye-protective devices at all times while participating, and while in a room or other enclosed area where others are participating, in any phase or activity of a course which may subject the student or teacher to the risk or hazard of eye injury from the materials or processes used in any of the following courses:

(1) Vocational or industrial arts shops or laboratories involving experience with any of the following:

(a) Hot molten metals.

(b) Milling, sawing, turning, shaping, cutting, grinding, or stamping of any solid materials.

(c) Heat treatment, tempering, or kiln firing of any metal or other materials.

(d) Gas or electric arc welding.

(e) Repair or servicing of any vehicle while in the shop.

(f) Caustic or explosive materials.

(2) Chemical or combined chemical-physical laboratories involving caustic or explosive chemicals or hot liquids or solids when risk is involved.

*b.* Visitors to such shops and laboratories shall be furnished with and required to wear the necessary safety devices while such programs are in progress.

2. It shall be the duty of the teacher or other person supervising the students in said courses to see that the above requirements are complied with. Any student failing to comply with such requirements may be temporarily suspended from participation in the course and the registration of a student for the course may be canceled for willful, flagrant, or repeated failure to observe the above requirements.

3. The board of directors of each local public school district and the authorities in charge of each nonpublic school shall provide the safety devices required herein. Such devices may be paid for from the general fund, but the board may require students and teachers to pay for the safety devices and shall make them available to students and teachers at no more than the actual cost to the district or school.

4. *"Industrial quality eye-protective devices"*, as used in this section, means devices meeting American national standard practice for occupational and educational eye and face protection promulgated by the American national standards institute, inc.

[C66, 71, 73, §280.20; C75, 77, 79, 81, §280.10]

2009 Acts, ch 41, §249; 2013 Acts, ch 30, §67

Subsection 4 amended

**280.11 Ear-protective devices.**

1. Every student and teacher in any public or nonpublic school shall wear industrial

quality ear-protective devices while the student or teacher is participating in any phase or activity of a course which may subject the student or teacher to the risk or hazard of hearing loss from noise in processes or procedures used in vocational or industrial arts shops or laboratories involving experiences with any of the following:

*a.* Milling, sawing, turning, shaping, cutting, grinding, or stamping of any solid materials.

*b.* Kiln firing of any metal or other materials.

*c.* Electric arc welding.

*d.* Repair or servicing of any vehicle while in shop.

*e.* Static tests, maintenance or repair of internal combustion engines.

*f.* Letter press, paper folders, monotype.

2. It shall be the duty of the teacher or other person supervising the students in said courses to see that the above requirements are complied with. Any student failing to comply with such requirements may be temporarily suspended from participation in the course and the registration of a student for the course may be canceled for willful, flagrant or repeated failure to observe the above requirements.

3. The board of directors of each local public school district and the authorities in charge of each nonpublic school shall provide the safety devices required in this section. Such devices may be paid for from the general fund, but the board may require students and teachers to pay for the safety devices and shall make them available to students and teachers at no more than the actual cost to the district or school.

4. *a.* *"Industrial quality ear-protective devices"*, as used in this section, means devices meeting the American national standard for measurement of the real-ear attenuation of ear protectors at threshold promulgated by the American national standards institute, inc.

*b.* *"Noise"* as used in this section, means a noise level that meets or exceeds damage-risk criteria established by the present standard for occupational noise exposure established by the federal occupational safety and health administration.

[C75, 77, 79, 81, §280.11]

99 Acts, ch 96, §28; 2013 Acts, ch 90, §69

Subsection 4, paragraph b amended

**280.12 School improvement advisory committee.**

The board of directors of each public school district and the authorities in charge of each nonpublic school shall do the following:

1. Appoint a school improvement advisory committee to make recommendations to the board or authorities. The advisory committee shall consist of members representing students, parents, teachers, administrators, and representatives from the local community, which may include representatives of business, industry, labor, community agencies, higher education, or other community constituents. To the extent possible, committee membership shall have balanced representation with regard to race, gender, national origin, and disability.

2. Utilize the recommendations from the school improvement advisory committee to determine the following:

*a.* Major educational needs.

*b.* Student learning goals.

*c.* Long-range and annual improvement goals that include, but are not limited to, the state indicators that address reading, mathematics, and science achievement.

*d.* Desired levels of student performance.

*e.* Progress toward meeting the goals set out in paragraphs *"b"* through *"d"*.

*f.* Harassment or bullying prevention goals, programs, training, and other initiatives.

3. Consider recommendations from the school improvement advisory committee to infuse character education into the educational program.

[C75, 77, 79, 81, §280.12]

85 Acts, ch 212, §8; 2001 Acts, ch 159, §13; 2003 Acts, ch 27, §2; 2007 Acts, ch 9, §1

Referred to in §256.11

**280.13 Requirements for interscholastic athletic contests and competitions.**

A public school shall not participate in or allow students representing a public school to participate in any extracurricular interscholastic athletic contest or competition which is sponsored or administered by an organization as defined in this section, unless the organization is registered with the department of education, files financial statements with the department in the form and at the intervals prescribed by the director of the department of education, and is in compliance with rules which the state board of education adopts for the proper administration, supervision, operation, adoption of eligibility requirements, and scheduling of extracurricular interscholastic athletic contests and competitions and the organizations. For the purposes of this section *"organization"* means a corporation, association, or organization which has as one of its primary purposes the sponsoring or administration of extracurricular interscholastic athletic contests or competitions, but does not include an agency of this state, a public or private school or school board, or an athletic conference or other association whose interscholastic contests or competitions do not include more than twenty-four schools.

[C66, 71, 73, §257.25(10); C75, 77, 79, 81, §280.13]

85 Acts, ch 212, §24; 86 Acts, ch 1245, §1468; 93 Acts, ch 101, §204

Referred to in §256.46, 280.13A

**280.13A Sharing interscholastic activities.**

If a school district or nonpublic school does not provide an interscholastic activity for its students, the board of directors of that school district or the authorities in charge of the nonpublic school may complete an agreement with another school district or nonpublic school to provide for the eligibility of its students in interscholastic activities provided by that other school district or nonpublic school. A copy of each agreement completed under this section shall be filed with the appropriate organization as organization is defined in section 280.13 not later than April 30 of the school year preceding the school year in which the agreement takes effect, unless an exception is granted by the organization for good cause. An agreement completed under this section shall be deemed approved unless denied by the governing organization within ten days after its receipt. A governing organization shall determine whether an agreement would substantially prejudice the interscholastic activities of other schools. An agreement denied by a governing organization under this section may be appealed to the state board of education under chapter 290.

For the purpose of this section, *"substantial prejudice"* includes, but is not limited to, situations where shared interscholastic activities may result in an unfair domination of an interscholastic activity or substantial disruption of activity classifications and management.

It is not necessary that school districts that are parties to an agreement under this section must be engaged in sharing academic programming and receiving supplementary weighting under section 257.11.

87 Acts, ch 224, §53; 88 Acts, ch 1134, §62; 89 Acts, ch 135, §81; 2002 Acts, ch 1129, §3

**280.13B Recording and broadcast fees restricted.**

The Iowa high school athletic association or its successor organization, and the Iowa girls high school athletic union or its successor organization, shall not assess a charge for the retransmission of an audio-visual recording of a high school athletic tournament contest or event if the retransmission does not occur earlier than twenty-four hours after the starting time of the live athletic contest or event.

96 Acts, ch 1190, §1; 2013 Acts, ch 90, §70

Section amended

**280.13C Brain injury policies.**

1. *a.* The Iowa high school athletic association and the Iowa girls high school athletic union shall work together to distribute the guidelines of the centers for disease control and prevention of the United States department of health and human services and other pertinent information to inform and educate coaches, students, and the parents and guardians of students of the risks, signs, symptoms, and behaviors consistent with a concussion or brain injury, including the danger of continuing to participate in extracurricular interscholastic

activities after suffering a concussion or brain injury and their responsibility to report such signs, symptoms, and behaviors if they occur.

*b.* Annually, each school district and nonpublic school shall provide to the parent or guardian of each student a concussion and brain injury information sheet, as provided by the Iowa high school athletic association and the Iowa girls high school athletic union. The student and the student's parent or guardian shall sign and return the concussion and brain injury information sheet to the student's school prior to the student's participation in any extracurricular interscholastic activity for grades seven through twelve.

2. If a student's coach or contest official observes signs, symptoms, or behaviors consistent with a concussion or brain injury in an extracurricular interscholastic activity, the student shall be immediately removed from participation.

3. A student who has been removed from participation shall not recommence such participation until the student has been evaluated by a licensed health care provider trained in the evaluation and management of concussions and other brain injuries and the student has received written clearance to return to participation from the health care provider.

4. For the purposes of this section:

*a.* *"Extracurricular interscholastic activity"* means any extracurricular interscholastic activity, contest, or practice, including sports, dance, or cheerleading.

*b.* *"Licensed health care provider"* means a physician, physician assistant, chiropractor, advanced registered nurse practitioner, nurse, physical therapist, or athletic trainer licensed by a board designated under section 147.13.

2011 Acts, ch 32, §1; 2012 Acts, ch 1023, §40

**280.14 School requirements — administration.**

1. The board or governing authority of each school or school district subject to the provisions of this chapter shall establish and maintain adequate administration, school staffing, personnel assignment policies, teacher qualifications, certification requirements, facilities, equipment, grounds, graduation requirements, instructional requirements, instructional materials, maintenance procedures, and policies on extracurricular activities. In addition, the board or governing authority of each school or school district shall provide such principals as it finds necessary to provide effective supervision and administration for each school and its faculty and student body.

2. An individual who is employed or contracted as a superintendent by a school or school district may also serve as an elementary or secondary principal in the same school or school district.

[C66, 71, 73, §257.25(11, 15); C75, 77, 79, 81, §280.14]

93 Acts, ch 4, §2; 2003 Acts, ch 180, §34

Credit towards graduation for military basic training, see §256.11(15)

**280.15 Joint employment and sharing.**

1. Two or more public school districts may jointly employ and share the services of any school personnel, or acquire and share the use of classrooms, laboratories, equipment and facilities. Classes made available to students in the manner provided in this section shall be considered as complying with the requirements of section 275.1 relating to the maintenance of kindergarten and twelve grades by a school district. If students attend classes in another school district under this section under an agreement that provides for whole grade sharing, the boards of directors of districts entering into these agreements shall provide for sharing the costs and expenses as provided in sections 282.10 through 282.12. If a district that has entered into a whole grade sharing agreement determines that a need exists to hire additional employees because of the whole grade sharing agreement, the district shall determine the nature and number of the necessary new positions. The district terminating employees as a result of a whole grade sharing agreement shall notify any other district, which is a party to the agreement, of the names and addresses of those terminated. Individuals who were employed by a district that entered into a whole grade sharing agreement and who were terminated as a result of the agreement shall be notified that the new positions exist and that they may apply for the new positions. The board shall offer the new position to an applicant from

among those who were terminated as a result of the agreement if the applicant is licensed for the new position or, in the case of unlicensed personnel, is otherwise qualified. If two or more individuals from among those terminated as a result of the agreement apply for a single position, the applicant who is best qualified in the opinion of the board shall be offered the new position. However, the board is not required to offer a new position to applicants who were among those who were terminated as a result of the agreement beyond two school years. An employee who accrued benefits before a whole grade sharing agreement resulted in the employee's termination shall not, as a result of reemployment under this section, forfeit accrued vacation, accrued sick leave, longevity, completion of probationary status as defined by section 279.19, or salary or placement on a salary schedule based upon the employee's years of experience.

2. *a.* When a special education personnel pooling agreement, which has been entered into between an area education agency and a public school district pursuant to section 273.5, is terminated, the public school district shall assume the contractual obligations for any teachers assigned to the district under the agreement. Teachers, for whom the contractual obligations are assumed by a district, shall be given credit for completion of any probationary status under section 279.19, be placed on the salary schedule and retain all leaves, benefits, and seniority rights accumulated as if the teacher had been originally employed under the agreement which exists between the public school district and the district's collective bargaining unit, consistent with the teacher's education and experience.

*b.* A teacher who is employed under a pooling agreement and assigned to special education facilities that are separate from and not part of local school district facilities shall, if the teacher's employment terminates upon termination of the pooling agreement, be offered any teaching position that is similar to the position previously held by the teacher under the pooling agreement, which is vacant in any of the local school districts which participated in the pooling agreement, provided that the teacher possesses the appropriate license for the position. Teachers employed by a local school district under this paragraph shall have the same rights, privileges, and protection as teachers whose contractual obligations are assumed by a district to which the teacher previously had been assigned under a special education personnel pooling agreement.

[C66, 71, 73, §257.25(16); C75, 77, 79, 81, §280.15]

85 Acts, ch 212, §9; 87 Acts, ch 224, §54; 90 Acts, ch 1219, §1; 91 Acts, ch 117, §1; 94 Acts, ch 1083, §1; 2010 Acts, ch 1061, §180

Referred to in §257.11, 257.31, 275.1, 275.2, 282.10

See also §256.12

**280.16 Self-administration of asthma or other airway constricting disease medication.**

1. *Definitions.* For purposes of this section:

*a.* "*Medication*" means a drug that meets the definition provided in section 126.2, subsection 8, has an individual prescription label, is prescribed by a physician for a student, and pertains to the student's asthma or other airway constricting disease.

*b.* "*Physician*" means a person licensed under chapter 148, or a physician's assistant, advanced registered nurse practitioner, or other person licensed or registered to distribute or dispense a prescription drug or device in the course of professional practice in this state in accordance with section 147.107, or a person licensed by another state in a health field in which, under Iowa law, licensees in this state may legally prescribe drugs.

*c.* "*Self-administration*" means a student's discretionary use of medication prescribed by a physician for the student.

2. The board of directors of a school district and the authorities in charge of an accredited nonpublic school shall permit the self-administration of medication by a student with asthma or other airway constricting disease if the following conditions are met:

*a.* The student's parent or guardian provides to the school written authorization for the self-administration of medication.

*b.* The student's parent or guardian provides to the school a written statement from the student's physician containing the following information:

(1) The name and purpose of the medication.

(2) The prescribed dosage.

(3) The times at which or the special circumstances under which the medication is to be administered.

*c.* The parent or guardian and the school meet the requirements of subsection 3.

3. The school district or accredited nonpublic school shall notify the parent or guardian of the student, in writing, that the school district or accredited nonpublic school and its employees are to incur no liability, except for gross negligence, as a result of any injury arising from self-administration of medication by the student. The parent or guardian of the student shall sign a statement acknowledging that the school district or nonpublic school is to incur no liability, except for gross negligence, as a result of self-administration of medication by the student. A school district or accredited nonpublic school and its employees acting reasonably and in good faith shall incur no liability for any improper use of medication as defined in this section or for supervising, monitoring, or interfering with a student's self-administration of medication as defined in this section.

4. The permission for self-administration of medication is effective for the school year for which it is granted and shall be renewed each subsequent school year upon fulfillment of the requirements of this section. However, the parent or guardian shall immediately notify the school of any changes in the conditions listed under subsection 2.

5. Provided that the requirements of this section are fulfilled, a student with asthma or other airway constricting disease may possess and use the student's medication while in school, at school-sponsored activities, under the supervision of school personnel, and before or after normal school activities, such as while in before-school or after-school care on school-operated property. If the student misuses this privilege, the privilege may be withdrawn.

6. Information provided to the school under subsection 2 shall be kept on file in the office of the school nurse or, in the absence of a school nurse, the school's administrator.

7. The Iowa braille and sight saving school, the state school for the deaf, and the institutions under the control of the department of human services as provided in section 218.1 are exempt from the provisions of this section.

2004 Acts, ch 1059, §1; 2008 Acts, ch 1088, §117

**280.17 Procedures for handling child abuse reports.**

1. The board of directors of a school district and the authorities in charge of a nonpublic school shall prescribe procedures, in accordance with the guidelines contained in the model policy developed by the department of education in consultation with the department of human services, and adopted by the department of education pursuant to chapter 17A, for the handling of reports of child abuse, as defined in section 232.68, subsection 2, paragraph "*a*", subparagraph (1), (3), or (5), alleged to have been committed by an employee or agent of the public or nonpublic school.

2. *a.* The board of directors of a school district and the authorities in charge of an accredited nonpublic school shall place on administrative leave a school employee who is the subject of an investigation of an alleged incident of abuse of a student conducted in accordance with 281 IAC 102.

*b.* If the results of an investigation of abuse of a student by a school employee who holds a license, certificate, authorization, or statement of recognition issued by the board of educational examiners finds that the school employee's conduct constitutes a crime under any other statute, the board or the authorities, as appropriate, shall report the results of the investigation to the board of educational examiners.

85 Acts, ch 173, §27; 98 Acts, ch 1100, §36; 2011 Acts, ch 132, §95, 106

Referred to in §321.375

**280.17A Procedures for handling dangerous weapons.**

The board of directors of a public school and the authorities in control of a nonpublic school shall prescribe procedures requiring school officials to report to local law enforcement

agencies any dangerous weapon, as defined in section 702.7, possessed on school premises in violation of school policy or state law.

95 Acts, ch 191, §21

**280.17B Students suspended or expelled for possession of dangerous weapons.**

The board of directors of a public school and the authorities in control of a nonpublic school shall prescribe procedures for continued school involvement with a student who is suspended or expelled for possession of a dangerous weapon, as defined in section 702.7, on school premises in violation of state law and for the reintegration of the student into the school following the suspension or expulsion.

95 Acts, ch 191, §22

**280.18** Repealed by 2001 Acts, ch 159, § 18.

**280.19 Plans for at-risk children.**

The board of directors of each public school district shall incorporate, into the kindergarten admissions program, criteria and procedures for identification and integration of at-risk children and their developmental needs. This incorporation shall be part of the comprehensive school improvement plan developed and implemented in accordance with section 256.7, subsection 21, paragraphs *"a"* and *"c"*.

88 Acts, ch 1114, §4; 2001 Acts, ch 159, §14

**280.19A Alternative options education programs — disclosure of records.**

By January 15, 1995, each school district shall adopt a plan to provide alternative options education programs to students who are either at risk of dropping out or have dropped out. An alternative options education program may be provided in a district, through a sharing agreement with a school in a contiguous district, or through an areawide program available at the community college serving the merged area in which the school district is located. Each area education agency shall provide assistance in establishing a plan to provide alternative education options to students attending a public school in a district served by the agency.

If a district has not adopted a plan as required in this section and implemented the plan by January 15, 1996, the area education agency serving the district shall assist the district with developing a plan and an alternative options education program for the pupil. When a plan is developed, the district shall be responsible for the operation of the program and shall reimburse the area education agency for the actual costs incurred by the area education agency under this section.

Notwithstanding section 22.7, subsection 1, records kept regarding a student who has participated in a program under this section shall be requested by school officials of a public or nonpublic receiving school in which the student seeks to enroll, and shall be provided by the sending school. A school official who receives information under this section shall disclose this information only to those school officials and employees whose duties require them to be involved with the student. A school official or employee who discloses information received under this section in violation of this paragraph shall be subject to disciplinary action, including but not limited to reprimand, suspension, or termination. *"School officials and employees"* means those officials and persons employed by a nonpublic school or public school district, and area education agency staff members who provide services to schools or school districts.

90 Acts, ch 1271, §1102; 94 Acts, ch 1131, §4; 94 Acts, ch 1172, §30

Referred to in §279.9A

Minimum hours of instruction requirement adopted by state board of education not applicable to alternative programs; 90 Acts, ch 1271, §1104

**280.20 Vocational agriculture education.**

1. It is the intent of the general assembly to encourage the public secondary schools to develop comprehensive programs for vocational education in agriculture technology to meet the diverse needs of Iowa's students and to ensure an adequate supply of trained and skilled individuals in all phases of the agriculture industry. The board of directors of each public

school district may develop, as part of the curriculum in grades nine through twelve, programs for vocational education in agriculture technology.

2. *a.* It is also the intent of the general assembly to encourage the development of programs for vocational education in agriculture technology which are structured on a twelve-month basis and which include the following:

(1) Provision for twelve-month extended contracts to permit entrepreneurial agricultural experience, summer program planning, and recordkeeping.

(2) Submission of an annual summer program by each vocational agriculture instructor employed on an extended contract basis.

(3) Provision for instructional supervision for agricultural occupational experience programs.

*b.* Supervision and accountability of vocational agriculture teachers employed for extended contracts are the responsibility of the local school board.

88 Acts, ch 1264, §2; 2010 Acts, ch 1031, §274; 2010 Acts, ch 1069, §79

**280.21 Corporal punishment — burden of proof.**

1. An employee of an accredited public school district, accredited nonpublic school, or area education agency shall not inflict, or cause to be inflicted, corporal punishment upon a student. For purposes of this section, *"corporal punishment"* means the intentional physical punishment of a student. An employee's physical contact with the body of a student shall not be considered corporal punishment if it is reasonable and necessary under the circumstances and is not designed or intended to cause pain or if the employee uses reasonable force, as defined under section 704.1, for the protection of the employee, the student, or other students; to obtain the possession of a weapon or other dangerous object within a student's control; or for the protection of property. The department of education shall adopt rules to implement this section.

2. A school employee who, in the reasonable course of the employee's employment responsibilities, comes into physical contact with a student shall be granted immunity from any civil or criminal liability which might otherwise be incurred or imposed as a result of such physical contact, if the physical contact is reasonable under the circumstances and involves the following:

*a.* Encouraging, supporting, or disciplining the student.

*b.* Protecting the employee, the student, or other students.

*c.* Obtaining possession of a weapon or other dangerous object within a student's control.

*d.* Protecting employee, student, or school property.

*e.* Quelling a disturbance or preventing an act threatening physical harm to any person.

*f.* Removing a disruptive student from class or any area of the school premises, or from school-sponsored activities off school premises.

*g.* Preventing a student from the self-infliction of harm.

*h.* Self-defense.

*i.* Any other legitimate educational activity.

3. To prevail in a civil action alleging a violation of this section the party bringing the action shall prove the violation by clear and convincing evidence. Any school employee determined in a civil action to have been wrongfully accused under this section shall be awarded reasonable monetary damages, in light of the circumstances involved, against the party bringing the action.

89 Acts, ch 71, §1; 90 Acts, ch 1218, §1; 94 Acts, ch 1131, §5; 98 Acts, ch 1195, §1

Referred to in §232.71B

**280.21A Leave — episode of violence.**

1. *a.* A school employee who, in the course of employment, suffers a personal injury causing temporary total disability, or a permanent partial or total disability, resulting from an episode of violence toward that employee, for which workers' compensation under chapter 85 is payable, shall be entitled to receive workers' compensation, which the district shall supplement in order for the employee to receive full salary and benefits for the shortest of the following periods:

(1) One year from the date of the disability.

(2) The period during which the employee is disabled and incapable of employment.

*b.* During the period described in paragraph *"a"*, subparagraph (1) or (2), the school employee shall not be required to use accumulated sick leave or vacation.

2. The school district may require the employee, as a condition of receiving benefits under this section, to provide a signed statement that justifies the use of this leave and, if medical attention is required, a certificate from a licensed physician that states the nature and duration of the leave.

3. For purposes of this section, *"school employee"* means a person employed by a nonpublic school or school district, or any area education agency staff member who provides services to a school or school district.

94 Acts, ch 1131, §6; 2010 Acts, ch 1061, §101

**280.21B Expulsion — weapons in school.**

The board of directors of a school district and the authorities in charge of a nonpublic school which receives services supported by federal funds shall expel from school for a period of not less than one year a student who is determined to have brought a weapon to a school or knowingly possessed a weapon at a school under the jurisdiction of the board or the authorities. However, the superintendent or chief administering officer of a school or school district may modify expulsion requirements on a case-by-case basis. This section shall not be construed to prevent the board of directors of a school district or the authorities in charge of a nonpublic school that have expelled a student from the student's regular school setting from providing educational services to the student in an alternative setting. If both this section and section 282.4 apply, this section takes precedence over section 282.4. For purposes of this section, *"weapon"* means a firearm as defined in 18 U.S.C. § 921. This section shall be construed in a manner consistent with the federal Individuals with Disabilities Education Act, 20 U.S.C. § 1400 et seq.

95 Acts, ch 191, §23

Referred to in §279.9A

**280.22 Student exercise of free expression.**

1. Except as limited by this section, students of the public schools have the right to exercise freedom of speech, including the right of expression in official school publications.

2. Students shall not express, publish, or distribute any of the following:

*a.* Materials which are obscene.

*b.* Materials which are libelous or slanderous under chapter 659.

*c.* Materials which encourage students to do any of the following:

(1) Commit unlawful acts.

(2) Violate lawful school regulations.

(3) Cause the material and substantial disruption of the orderly operation of the school.

3. There shall be no prior restraint of material prepared for official school publications except when the material violates this section.

4. Each board of directors of a public school shall adopt rules in the form of a written publications code, which shall include reasonable provisions for the time, place, and manner of conducting such activities within its jurisdiction. The board shall make the code available to the students and their parents.

5. Student editors of official school publications shall assign and edit the news, editorial, and feature content of their publications subject to the limitations of this section. Journalism advisers of students producing official school publications shall supervise the production of the student staff, to maintain professional standards of English and journalism, and to comply with this section.

6. Any expression made by students in the exercise of free speech, including student expression in official school publications, shall not be deemed to be an expression of school policy, and the public school district and school employees or officials shall not be liable in any civil or criminal action for any student expression made or published by students, unless the school employees or officials have interfered with or altered the content of the student speech

or expression, and then only to the extent of the interference or alteration of the speech or expression.

7. *"Official school publications"* means material produced by students in the journalism, newspaper, yearbook, or writing classes and distributed to the student body either free or for a fee.

8. This section does not prohibit a board of directors of a public school from adopting otherwise valid rules relating to oral communications by students upon the premises of each school.

89 Acts, ch 155, §1
Referred to in §279.58

**280.23 Student health services.**

The board of directors of each public school district and the authorities in charge of each nonpublic school shall not require nonadministrative personnel to perform any special health services or intrusive nonemergency medical services for students unless the nonadministrative personnel are licensed or otherwise qualified and have consented to perform the services.

92 Acts, ch 1033, §1

**280.24 Procedures for reporting drug or alcohol possession or use.**

The board of directors of each public school and the authorities in charge of each accredited nonpublic school shall prescribe procedures to report any use or possession of alcoholic liquor, wine, or beer or any controlled substance on school premises to local law enforcement agencies, if the use or possession is in violation of school policy or state law. The procedures may include a provision which does not require a report when the school officials have determined that a school at-risk or other student assistance program would be jeopardized if a student self reports.

97 Acts, ch 126, §38

**280.25 Information sharing — interagency agreements.**

1. The board of directors of each public school and the authorities in charge of each accredited nonpublic school shall adopt a policy and the superintendent of each public school shall adopt rules which provide that the school district or school may share information contained within a student's permanent record pursuant to an interagency agreement with state and local agencies that are part of the juvenile justice system. These agencies include, but are not limited to, juvenile court services, the department of human services, and local law enforcement authorities. The disclosure of information shall be directly related to the juvenile justice system's ability to effectively serve, prior to adjudication, the student whose records are being released.

2. The purpose of the agreement shall be to reduce juvenile crime by promoting cooperation and collaboration and the sharing of appropriate information among the parties in a joint effort to improve school safety, reduce alcohol and illegal drug use, reduce truancy, reduce in-school and out-of-school suspensions, and to support alternatives to in-school and out-of-school suspensions and expulsions which provide structured and well-supervised educational programs supplemented by coordinated and appropriate services designed to correct behaviors that lead to truancy, suspension, and expulsions and to support students in successfully completing their education.

3. Information shared under the agreement shall be used solely for determining the programs and services appropriate to the needs of the juvenile or the juvenile's family, or coordinating the delivery of programs and services to the juvenile or the juvenile's family.

4. Information shared by the school district or school under the agreement is not admissible in any court proceedings which take place prior to a disposition hearing, unless written consent is obtained from a student's parent, guardian, or legal or actual custodian.

5. Information shared by another party to the agreement with a school district or school pursuant to an interagency agreement shall not be used as a basis for a school disciplinary action against a student.

6. The interagency agreement shall provide, and each signatory agency to the agreement shall certify in the agreement, that confidential information shared among the parties to the agreement shall remain confidential and shall not be shared with any other person, school, school district, or agency, unless otherwise provided by law.

7. Juvenile court social records may be disclosed in accordance with section 232.147, subsection 7.

8. A school or school district entering into an interagency agreement under this section shall adopt a policy implementing the provisions of the interagency agreement. The policy shall include, but not be limited to, the provisions of the interagency agreement and the procedures to be used by the school or school district to share information from the student's permanent record with participating agencies. The policy shall be published in the student handbook.

97 Acts, ch 126, §39; 2000 Acts, ch 1123, §4
Referred to in §232.147, 235A.15

**280.26 Intervention in altercations.**

1. An employee of an accredited public school district, accredited nonpublic school, or area education agency may intervene in a fight or physical struggle occurring among students or between students and nonstudents that takes place in the presence of the school employee in a school building, on school premises, or at any school function or school-sponsored activity regardless of its location. The degree and force of the intervention may be as reasonably necessary, in the opinion of the school employee, to restore order and protect the safety of the individuals involved in the altercation and others in the vicinity of the altercation.

2. A person who is not an employee of an accredited public school district, accredited nonpublic school, or area education agency may intervene in a fight or physical struggle occurring among students, or between students and nonstudents, that takes place in the presence of the nonemployee in a school building, on school premises, or at any school function or school-sponsored activity regardless of its location. The intervention may occur in the absence of an employee of an accredited public school district, accredited nonpublic school, or area education agency, or at the request of such an employee, utilizing the degree and force of intervention reasonably necessary to restore order and protect the safety of the individuals involved in the altercation and others in the vicinity of the altercation. However, a person who intervenes in the absence of an employee of an accredited public school district, accredited nonpublic school, or area education agency shall report the intervention and all relevant information regarding the situation as soon as reasonably possible to such an employee.

3. An employee of an accredited public school district, accredited nonpublic school, or area education agency who intervenes in a fight or physical struggle pursuant to subsection 1 shall be awarded reasonable monetary damages against a party bringing a civil action alleging a violation of this section, if it is determined in the action that the employee has been wrongfully accused. A nonemployee of an accredited public school district, accredited nonpublic school, or area education agency who intervenes in a fight or physical struggle pursuant to subsection 2 shall be limited to the recovery of reasonable attorney fees and court costs, if it is determined in a civil action alleging a violation of this section that the nonemployee has been wrongfully accused.

98 Acts, ch 1195, §2

**280.27 Reporting violence — immunity.**

An employee of a school district, an accredited nonpublic school, or an area education agency who participates in good faith and acts reasonably in the making of a report to, or investigation by, an appropriate person or agency regarding violence, threats of violence, physical or sexual abuse of a student, or other inappropriate activity against a school employee or student in a school building, on school grounds, or at a school-sponsored function shall be immune from civil or criminal liability relating to such action, as well as for

participating in any administrative or judicial proceeding resulting from or relating to the report or investigation.

2000 Acts, ch 1162, §1; 2011 Acts, ch 132, §96, 106

Referred to in §613.21

See §613.21

**280.28 Harassment and bullying prohibited — policy — immunity.**

1. *Purpose — findings — policy.* The state of Iowa is committed to providing all students with a safe and civil school environment in which all members of the school community are treated with dignity and respect. The general assembly finds that a safe and civil school environment is necessary for students to learn and achieve at high academic levels. Harassing and bullying behavior can seriously disrupt the ability of school employees to maintain a safe and civil environment, and the ability of students to learn and succeed. Therefore, it is the policy of the state of Iowa that school employees, volunteers, and students in Iowa schools shall not engage in harassing or bullying behavior.

2. *Definitions.* For purposes of this section, unless the context otherwise requires:

*a.* *"Electronic"* means any communication involving the transmission of information by wire, radio, optical cable, electromagnetic, or other similar means. *"Electronic"* includes but is not limited to communication via electronic mail, internet-based communications, pager service, cell phones, and electronic text messaging.

*b.* *"Harassment"* and *"bullying"* shall be construed to mean any electronic, written, verbal, or physical act or conduct toward a student which is based on any actual or perceived trait or characteristic of the student and which creates an objectively hostile school environment that meets one or more of the following conditions:

(1) Places the student in reasonable fear of harm to the student's person or property.

(2) Has a substantially detrimental effect on the student's physical or mental health.

(3) Has the effect of substantially interfering with a student's academic performance.

(4) Has the effect of substantially interfering with the student's ability to participate in or benefit from the services, activities, or privileges provided by a school.

*c.* *"Trait or characteristic of the student"* includes but is not limited to age, color, creed, national origin, race, religion, marital status, sex, sexual orientation, gender identity, physical attributes, physical or mental ability or disability, ancestry, political party preference, political belief, socioeconomic status, or familial status.

*d.* *"Volunteer"* means an individual who has regular, significant contact with students.

3. *Policy.* On or before September 1, 2007, the board of directors of a school district and the authorities in charge of each accredited nonpublic school shall adopt a policy declaring harassment and bullying in schools, on school property, and at any school function, or school-sponsored activity regardless of its location, in a manner consistent with this section, as against state and school policy. The board and the authorities shall make a copy of the policy available to all school employees, volunteers, students, and parents or guardians and shall take all appropriate steps to bring the policy against harassment and bullying and the responsibilities set forth in the policy to the attention of school employees, volunteers, students, and parents or guardians. Each policy shall, at a minimum, include all of the following components:

*a.* A statement declaring harassment and bullying to be against state and school policy. The statement shall include but not be limited to the following provisions:

(1) School employees, volunteers, and students in school, on school property, or at any school function or school-sponsored activity shall not engage in harassing and bullying behavior.

(2) School employees, volunteers, and students shall not engage in reprisal, retaliation, or false accusation against a victim, witness, or an individual who has reliable information about such an act of harassment or bullying.

*b.* A definition of harassment and bullying as set forth in this section.

*c.* A description of the type of behavior expected from school employees, volunteers, parents or guardians, and students relative to prevention measures, reporting, and investigation of harassment or bullying.

*d.* The consequences and appropriate remedial action for a person who violates the antiharassment and antibullying policy.

*e.* A procedure for reporting an act of harassment or bullying, including the identification by job title of the school official responsible for ensuring that the policy is implemented, and the identification of the person or persons responsible for receiving reports of harassment or bullying.

*f.* A procedure for the prompt investigation of complaints, either identifying the school superintendent or the superintendent's designee as the individual responsible for conducting the investigation, including a statement that investigators will consider the totality of circumstances presented in determining whether conduct objectively constitutes harassment or bullying under this section.

*g.* A statement of the manner in which the policy will be publicized.

4. *Programs encouraged.* The board of directors of a school district and the authorities in charge of each accredited nonpublic school are encouraged to establish programs designed to eliminate harassment and bullying in schools. To the extent that funds are available for these purposes, school districts and accredited nonpublic schools shall do the following:

*a.* Provide training on antiharassment and antibullying policies to school employees and volunteers who have significant contact with students.

*b.* Develop a process to provide school employees, volunteers, and students with the skills and knowledge to help reduce incidents of harassment and bullying.

5. *Immunity.* A school employee, volunteer, or student, or a student's parent or guardian who promptly, reasonably, and in good faith reports an incident of harassment or bullying, in compliance with the procedures in the policy adopted pursuant to this section, to the appropriate school official designated by the school district or accredited nonpublic school, shall be immune from civil or criminal liability relating to such report and to participation in any administrative or judicial proceeding resulting from or relating to the report.

6. *Collection requirement.* The board of directors of a school district and the authorities in charge of each nonpublic school shall develop and maintain a system to collect harassment and bullying incidence data.

7. *Integration of policy and reporting.* The board of directors of a school district and the authorities in charge of each nonpublic school shall integrate its antiharassment and antibullying policy into the comprehensive school improvement plan required under section 256.7, subsection 21, and shall report data collected under subsection 6, as specified by the department, to the local community.

8. *Existing remedies not affected.* This section shall not be construed to preclude a victim from seeking administrative or legal remedies under any applicable provision of law.

2007 Acts, ch 9, §2

**280.29 Enrollment of children in foster care — transfer of educational records.**

In order to facilitate the educational stability of children in foster care, a school district, upon notification by an agency of the state that a child in foster care is transferring into the school district, shall provide for the immediate and appropriate enrollment of the child. A school district or an accredited nonpublic school, upon notification by an agency of the state that a child in foster care is transferring from the school district or accredited nonpublic school to another school district or accredited nonpublic school, shall promptly provide for the transfer of all of the educational records of the child not later than five school days after receiving the notification.

2009 Acts, ch 120, §5

# CHAPTER 280A

## IOWA LEARNING TECHNOLOGY INITIATIVE

Repealed by 2010 Acts, ch 1031, §275, 276

# CHAPTERS 280B to 281

## RESERVED

# CHAPTER 282

## SCHOOL ATTENDANCE AND TUITION

Referred to in §321.194


282.1 School age — nonresidents.
282.1A Extended school programs. Repealed by 2006 Acts, ch 1152, §56.
282.2 Offsetting tax.
282.3 Admission and exclusion of pupils.
282.4 Suspension — expulsion.
282.5 Readmission of student.
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282.18 Open enrollment.
282.19 Child living in substance abuse or foster care placement.
282.20 Tuition fees — payment.
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282.22 and 282.23 Repealed by 81 Acts, ch 90, §2.
282.24 Tuition fees established.
282.25 Repealed by 81 Acts, ch 90, §2.
282.26 High school students attending advanced courses.
282.27 Children living in psychiatric hospitals or institutions — payment.
282.28 Repealed by 2003 Acts, ch 178, §59.
282.29 Children placed by district court.
282.30 Special programs.
282.31 Funding for special programs.
282.32 Appeal.
282.33 Funding for children residing in state mental health institutes or institutions.


**282.1 School age — nonresidents.**

1. Persons between five and twenty-one years of age are of school age. Nonresident children shall be charged the maximum tuition rate as determined in section 282.24, subsection 1, with the exception that those residing temporarily in a school corporation may attend school in the corporation upon terms prescribed by the board. A school district discontinuing grades under section 282.7, subsection 1 or 3, shall be charged tuition as provided in section 282.24, subsection 1.

2. For purposes of this section, *"resident"* means a child who is physically present in a district, whose residence has not been established in another district by operation of law, and who meets any of the following conditions:

*a.* Is in the district for the purpose of making a home and not solely for school purposes.

*b.* Meets the definitional requirements of the term *"homeless individual"* under 42 U.S.C. § 11302(a) and (c).

*c.* Lives in a juvenile detention center or residential facility in the district.

[C73, §1795; C97, §2804; C24, 27, 31, 35, 39, §**4268;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §282.1]

83 Acts, ch 31, §3; 88 Acts, ch 1263, §6; 89 Acts, ch 210, §8; 92 Acts, ch 1130, §1; 2006 Acts, ch 1152, §38; 2009 Acts, ch 120, §6; 2010 Acts, ch 1061, §48; 2012 Acts, ch 1021, §61

Referred to in §282.8, 282.18

**282.1A Extended school programs.** Repealed by 2006 Acts, ch 1152, § 56.

**282.2 Offsetting tax.**

The parent or guardian whose child or ward attends school in a district of which the parent or guardian is not a resident shall be allowed to deduct the amount of school tax paid by the parent or guardian in said district from the amount of tuition required to be paid.

[C97, §2804; C24, 27, 31, 35, 39, §**4269;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §282.2]

88 Acts, ch 1158, §59

**282.3 Admission and exclusion of pupils.**

1. The board may exclude from school children under the age of six years when in its judgment such children are not sufficiently mature to be benefited by regular instruction, or any child who is found to be physically or mentally unable to attend school under section 299.5, or whose presence in school has been found to be injurious to the health of other pupils, or is efficiently taught for the scholastic year at a state institution. However, the board shall provide special education programs and services under chapters 256B, 257, and 273 for all children requiring special education.

2. The conditions of admission to public schools for work in the year immediately preceding the first grade and in the first grade shall be as follows:

*a.* A child under the age of six years on the fifteenth of September of the current school year shall not be admitted to a public school unless the board of directors of the school has adopted and put into effect courses of study for the school year immediately preceding the first grade, approved by the department of education, and has employed a practitioner or practitioners for this work with standards of training approved by the board of educational examiners.

*b.* No child shall be admitted to school work for the year immediately preceding the first grade unless the child is five years of age on or before the fifteenth of September of the current school year.

*c.* No child shall be admitted to the first grade unless the child is six years of age on or before the fifteenth of September of the current school year; except that a child under six years of age who has been admitted to school work for the year immediately preceding the first grade under conditions approved by the department of education, or who has demonstrated the possession of sufficient ability to profit by first-grade work on the basis of tests or other means of evaluation recommended or approved by the department of education, may be admitted to first grade at any time before December 31.

3. Nothing herein provided shall prohibit a school board from requiring the attainment of a greater age than the age requirements herein set forth.

[C97, §2782; C24, 27, 31, 35, 39, §**4270;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §282.3]

89 Acts, ch 135, §85; 89 Acts, ch 210, §9; 89 Acts, ch 265, §36; 2010 Acts, ch 1061, §180

Referred to in §279.9A

**282.4 Suspension — expulsion.**

1. The board may, by a majority vote, expel any student from school for a violation of the regulations or rules established by the board, or when the presence of the student is detrimental to the best interests of the school. The board may confer upon any teacher, principal, or superintendent the power temporarily to suspend a student, notice of the suspension being at once given in writing to the president of the board.

2. A student who commits an assault, as defined under section 708.1, against a school employee in a school building, on school grounds, or at a school-sponsored function shall be suspended for a time to be determined by the principal. Notice of the suspension shall be

immediately sent to the president of the board. By special meeting or at the next regularly scheduled board meeting, the board shall review the suspension and decide whether to hold a disciplinary hearing to determine whether or not to order further sanctions against the student, which may include expelling the student. In making its decision, the board shall consider the best interests of the school district, which shall include what is best to protect and ensure the safety of the school employees and students from the student committing the assault.

3. A student shall not be suspended or expelled pursuant to this section if the suspension or expulsion would violate the federal Individuals with Disabilities Education Act.

4. Notwithstanding section 282.6, if a student has been expelled or suspended from school and has not met the conditions of the expulsion or suspension, the student shall not be permitted to enroll in a school district until the board of directors of the school district approves, by a majority vote, the enrollment of the student.

[C73, §1735, 1756; C97, §2782; C24, 27, 31, 35, 39, §**4271;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §282.4]

89 Acts, ch 210, §10; 94 Acts, ch 1131, §7; 94 Acts, ch 1199, §66; 95 Acts, ch 218, §27; 96 Acts, ch 1215, §51; 2010 Acts, ch 1061, §180; 2013 Acts, ch 90, §71

Referred to in §279.9A, 280.21B, 282.5

Subsection 2, paragraphs a and b redesignated as subsections 2 and 3 and former subsection 3 renumbered as 4

**282.5 Readmission of student.**

When a student is suspended by a teacher, principal, or superintendent, pursuant to section 282.4, the student may be readmitted by the teacher, principal, or superintendent when the conditions of the suspension have been met, but when expelled by the board the student may be readmitted only by the board or in the manner prescribed by the board.

[R60, §2054; C73, §1735, 1756; C97, §2782; C24, 27, 31, 35, 39, §**4272;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §282.5]

94 Acts, ch 1091, §23; 95 Acts, ch 218, §28; 96 Acts, ch 1215, §52

Referred to in §279.9A

**282.6 Tuition.**

1. For purposes of this section, *"resident"* means a person who is physically present in a district, whose residence has not been established in another district by operation of law, and who meets any of the following conditions:

*a.* Is in the district for the purpose of making a home and not solely for school purposes.

*b.* Meets the definitional requirements of the term *"homeless individual"* under 42 U.S.C. § 11302(a) and (c).

*c.* Lives in a residential correctional facility in the district.

2. Every school shall be free of tuition to all actual residents between the ages of five and twenty-one years and to resident veterans as defined in section 35.1, as many months after becoming twenty-one years of age as they have spent in the armed forces of the United States before they became twenty-one, provided, however, fees may be charged covering instructional costs for a summer school or driver education program. The board of education may, in a hardship case, exempt a student from payment of the above fees. Every person, however, who shall attend any school after graduation from a four-year course in an approved high school or its equivalent shall be charged a sufficient tuition fee to cover the cost of the instruction received by the person.

3. This section shall not apply to tuition authorized by chapter 260C.

[C73, §1724, 1727; C97, §2773; S13, §2773; C24, 27, 31, 35, 39, §**4273;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §282.6]

89 Acts, ch 210, §11; 92 Acts, ch 1135, §2; 99 Acts, ch 180, §14; 2010 Acts, ch 1069, §80; 2011 Acts, ch 25, §23

Referred to in §282.4

**282.7 Attending in another corporation — payment.**

1. The board of directors of a school district by record action may discontinue any or all of grades seven through twelve and negotiate an agreement for attendance of the pupils enrolled

in those grades in the schools of one or more contiguous school districts having accredited school systems. If the board designates more than one contiguous district for attendance of its pupils, the board shall draw boundary lines within the school district for determining the school districts of attendance of the pupils. The portion of a district so designated shall be contiguous to the accredited school district designated for attendance. Only entire grades may be discontinued under this subsection and if a grade is discontinued, all higher grades in that district shall also be discontinued. A school district that has discontinued one or more grades under this subsection has complied with the requirements of section 275.1 relating to the maintenance of kindergarten and twelve grades. A pupil who graduates from another school district under this subsection shall receive a diploma from the receiving district. The boards of directors entering into an agreement under this section shall provide for sharing the costs and expenses as provided in sections 282.10 through 282.12. The agreement shall provide for transportation and authority and liability of the affected boards.

2. If the vocational program offered by a school district does not meet the state board of vocational education's standards for program approval, the district shall be granted one year to meet the standards for approval. If a district chooses to waive the one-year grace period, or the district fails to meet the approval standards after one year, the director of the board of vocational education shall delegate the authority to the regional planning board established pursuant to section 258.16 to direct the district to contract with another school district or a community college which has an approved program, for the provision of vocational education for students of the district. The district that has waived the one-year grace period or has failed to meet the approval standards shall pay to the district or community college that has an approved program an amount equal to the percent of the school day in which a pupil is receiving vocational education in the approved program times the district cost per pupil of the district of residence of the pupil. The regional planning board established pursuant to section 258.16 shall contract with an approved program for delivery of vocational education in the district which has failed to meet the approval standards or has waived the one-year grace period. Transportation to and from the approved program shall be provided by the school district that has waived the one-year grace period or has failed to meet approval standards. Reasonable effort shall be made to conduct the approved program at an attendance center in the district that has failed to meet the approval standards or has waived the one-year grace period.

3. Notwithstanding sections 28E.9 and 282.8, a school district may negotiate an agreement under subsection 1 for attendance of its pupils in a school district located in a contiguous state subject to a reciprocal agreement by the two state boards in the manner provided in this subsection. Prior to negotiating an agreement with the school district in the contiguous state, the board of directors shall file a written request with the state board of education for a determination whether the school district in the contiguous state meets requirements substantially similar to those required for accredited or approved school districts in this state and the school district receives or has available services equivalent to those that would be provided in this state by an area education agency. The school district shall also obtain approval by the department of education of the sharing proposal, before the agreement becomes effective. Six months before making the request for approval, the district shall request a feasibility study from the department of education. If the state board of this state and the corresponding state board in the contiguous state agree that the school districts of their respective states meet substantially similar requirements and have substantially similar services available to the school district, and if the Iowa department of education approves the proposed contract, the two state boards may sign a reciprocal agreement for attendance of their pupils in the school district of the other state, subject to the agreement signed between the boards of directors of the two districts. A school district that

negotiates an agreement with a school district in a contiguous state under this subsection is not eligible for supplementary weighting under section 257.11 as a result of that agreement.

[C51, §1143; R60, §2024; C73, §1793; C97, §2803; C24, 27, 31, 35, 39, §**4274;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §282.7]

83 Acts, ch 31, §4, 5; 85 Acts, ch 212, §13; 86 Acts, ch 1245, §1484; 87 Acts, ch 224, §59; 88 Acts, ch 1263, §7; 89 Acts, ch 135, §86; 89 Acts, ch 278, §7; 2008 Acts, ch 1032, §108

Referred to in §256.9, 275.1, 275.2, 282.1, 282.10, 282.24

**282.8 Attending school outside state.**

The boards of directors of school districts located near the state boundaries may designate schools of equivalent standing across the state line for attendance of both elementary and high school pupils when the public school in the adjoining state is nearer than any appropriate public school in a pupil's district of residence or in Iowa. Distance shall be measured by the nearest traveled public road. Arrangements shall be subject to reciprocal agreements made between the chief state school officers of the respective states. Notwithstanding section 282.1, arrangements between districts pursuant to the reciprocal agreements made under this section shall establish tuition and transportation fees in an amount acceptable to the affected boards, but the tuition and transportation fees shall not be less than the lower average cost per pupil for the previous school year of the two affected school districts. For the purpose of this section average cost per pupil for the previous school year is determined by dividing the district's operating expenditures for the previous school year by the number of children enrolled in the district in the previous school year on the date specified in section 257.6, subsection 1. A person attending school in another state shall continue to be treated as a pupil of the district of residence in the apportionment of the current school fund and the payment of state aid.

[C31, 35, §4274-c1, -c2, 4275; C39, §**4274.01, 4274.02, 4275;** C46, §282.8, 282.9, 282.17; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §282.8, 282.17; 81 Acts, ch 89, §1]

87 Acts, ch 4, §1; 2006 Acts, ch 1152, §39

Referred to in §275.1, 282.7

**282.9 Enrollment of person listed on sex offender registry.**

1. Notwithstanding sections 275.55A, 256F.4, and 282.18, or any other provision to the contrary, prior to knowingly enrolling an individual who is required to register as a sex offender under chapter 692A, but who is otherwise eligible to enroll in a public school, the board of directors of a school district shall determine the educational placement of the individual. Upon receipt of notice that a student who is enrolled in the district is required to register as a sex offender under chapter 692A, the board shall determine the educational placement of the student. The tentative agenda for the meeting of the board of directors at which the board will consider such enrollment or educational placement shall specifically state that the board is considering the enrollment or educational placement of an individual who is required to register as a sex offender under chapter 692A. If the individual is denied enrollment in a school district under this section, the school district of residence shall provide the individual with educational services in an alternative setting.

2. Notwithstanding section 692A.121, or any other provision of law to the contrary, the county sheriff shall provide to the boards of directors of the school districts located within the county the name of any individual under the age of twenty-one who is required to register as a sex offender under chapter 692A.

2004 Acts, ch 1140, §1; 2009 Acts, ch 119, §41

Referred to in §692A.120

**282.10 Whole grade sharing.**

1. Whole grade sharing is a procedure used by school districts whereby all or a substantial portion of the pupils in any grade in two or more school districts share an educational program for all or a substantial portion of a school day under a written agreement pursuant to section 256.13, 280.15, or 282.7, subsection 1 or 3. Whole grade sharing may either be one-way or two-way sharing.

2. One-way whole grade sharing occurs when a school district sends pupils to one or more

other school districts for instruction and does not receive a substantial number of pupils from those districts in return.

3. Two-way whole grade sharing occurs when a school district sends pupils to one or more other school districts for instruction and receives a substantial number of pupils from those school districts in return.

4. A whole grade sharing agreement shall be signed by the boards of the districts involved in the agreement not later than February 1 of the school year preceding the school year for which the agreement is to take effect. The boards of the districts shall negotiate as part of the new or existing agreement the disposition of funding provided under chapter 284.

87 Acts, ch 224, §60; 88 Acts, ch 1263, §8; 2008 Acts, ch 1181, §75; 2012 Acts, ch 1021, §62; 2013 Acts, ch 88, §19

Referred to in §256.9, 256.13, 257.11, 275.2, 280.15, 282.7, 285.1

Subsection 4 amended

**282.11 Procedure.**

1. For the purposes of this section, *"affected pupils"* are those who under the whole grade sharing agreement are attending or scheduled to attend the school district specified in the agreement, other than the district of residence, during the term of the agreement.

2. Not less than ninety days prior to signing a whole grade sharing agreement whereby all or a substantial portion of the pupils in a grade in the district will attend school in another district, the board of directors of each school district that is negotiating, extending, or renewing a sharing agreement, shall publicly announce its intent to negotiate a sharing agreement under section 21.4, subsection 1. Within thirty days of the board's public notice, a petition may be filed with the department of education requesting that a feasibility study be completed. The petition shall be signed by twenty percent of the eligible electors in the district. The director of the department of education may determine that a feasibility study conducted by the board satisfies the request, provided that the study conforms with the criteria contained in section 256.9.

3. Not less than thirty days prior to signing a whole grade sharing agreement whereby all or a substantial portion of the pupils in a grade in the district will attend school in another district, the board of directors of each school district that is a party to a proposed sharing agreement shall hold a public hearing at which the proposed agreement is described, and at which the parent or guardian of an affected pupil and certificated employees of the school district shall have an opportunity to comment on the proposed agreement.

4. *a.* Within the thirty-day period prior to the signing of the agreement, the parent or guardian of an affected pupil may request the board of directors to send the pupil to another contiguous school district. The request shall be based upon one of the following:

(1) That the agreement will not meet the educational program needs of the pupil.

(2) That adequate consideration was not given to geographical factors.

*b.* The board shall allow or disallow the request prior to the signing of the agreement, or the request shall be deemed granted. If the board disallows the request, the board shall indicate the reasons why the request is disallowed and shall notify the parent or guardian that the decision of the board may be appealed as provided in this section.

*c.* If the board disallows the request of a parent or guardian of an affected pupil, the parent or guardian, not later than March 1, may appeal the sending of that pupil to the school district specified in the agreement, to the state board of education. The basis for the appeal shall be the same as the basis for the request to the board. An appeal shall specify a contiguous school district to which the parent or guardian wishes to send the affected pupil.

*d.* If the parent or guardian appeals, the standard of review of the appeal is a preponderance of evidence that the parent's or guardian's hardship outweighs the benefits and integrity of the sharing agreement. The state board may require the district of residence to pay tuition to the contiguous school district specified by the parent or guardian, or may deny the appeal by the parent or guardian. If the state board requires the district of residence to pay tuition to the contiguous school district specified by the parent or guardian, the tuition shall be equal to the tuition established in the sharing agreement. The decision of the state

board is binding on the boards of directors of the school districts affected, except that the decision of the state board may be appealed by either party to the district court.

87 Acts, ch 224, §61; 88 Acts, ch 1263, §10; 93 Acts, ch 160, §16; 2010 Acts, ch 1069, §81
Referred to in §256.9, 256.13, 257.11, 280.15, 282.7, 291.6

**282.12 Funding.**

1. An agreement for whole grade sharing shall establish a method for determination of costs, if any, associated with the sharing agreement.

2. For one-way sharing, the sending district shall pay no less than one-half of the district cost per pupil of the sending district.

3. For two-way sharing, the costs shall be determined by mutual agreement of the boards.

4. The number of pupils participating in a whole grade sharing agreement shall be determined on the date specified in section 257.6, subsection 1, and on the third Friday of February of each year.

87 Acts, ch 224, §62; 2006 Acts, ch 1152, §40
Referred to in §256.13, 257.11, 280.15, 282.7

**282.13 through 282.17** Reserved.

**282.18 Open enrollment.**

1. *a.* It is the goal of the general assembly to permit a wide range of educational choices for children enrolled in schools in this state and to maximize ability to use those choices. It is therefore the intent that this section be construed broadly to maximize parental choice and access to educational opportunities which are not available to children because of where they live.

*b.* For the school year commencing July 1, 1989, and each succeeding school year, a parent or guardian residing in a school district may enroll the parent's or guardian's child in a public school in another school district in the manner provided in this section.

2. *a.* By March 1 of the preceding school year for students entering grades one through twelve, or by September 1 of the current school year for students entering kindergarten, the parent or guardian shall send notification to the district of residence and the receiving district, on forms prescribed by the department of education, that the parent or guardian intends to enroll the parent's or guardian's child in a public school in another school district. If a parent or guardian fails to file a notification that the parent intends to enroll the parent's or guardian's child in a public school in another district by the deadline specified in this subsection, the procedures of subsection 4 apply.

*b.* The board of the receiving district shall enroll the pupil in a school in the receiving district for the following school year unless the receiving district has insufficient classroom space for the pupil. The board of directors of a receiving district may adopt a policy granting the superintendent of the school district authority to approve open enrollment applications. If the request is granted, the board shall transmit a copy of the form to the parent or guardian and the school district of residence within five days after board action, but not later than June 1 of the preceding school year. The parent or guardian may withdraw the request at any time prior to the start of the school year. A denial of a request by the board of a receiving district is not subject to appeal.

*c.* Every school district shall adopt a policy which defines the term *"insufficient classroom space"* for that district.

3. *a.* The superintendent of a district subject to a voluntary diversity or court-ordered desegregation plan, as recognized by rule of the state board of education, may deny a request for transfer under this section if the superintendent finds that enrollment or release of a pupil will adversely affect the district's implementation of the desegregation order or diversity plan, unless the transfer is requested by a pupil whose sibling is already participating in open enrollment to another district, or unless the request for transfer is submitted to the district in a timely manner as required under subsection 2 prior to the adoption of a desegregation plan by the district. If a transfer request would facilitate a voluntary diversity or court-ordered desegregation plan, the district shall give priority to granting the request over other requests.

*b.* A parent or guardian, whose request has been denied because of a desegregation order or diversity plan, may appeal the decision of the superintendent to the board of the district in which the request was denied. The board may either uphold or overturn the superintendent's decision. A decision of the board to uphold the denial of the request is subject to appeal to the district court in the county in which the primary business office of the district is located. The state board of education shall adopt rules establishing definitions, guidelines, and a review process for school districts that adopt voluntary diversity plans. The guidelines shall include criteria and standards that school districts must follow when developing a voluntary diversity plan. The department of education shall provide technical assistance to a school district that is seeking to adopt a voluntary diversity plan. A school district implementing a voluntary diversity plan prior to July 1, 2008, shall have until July 1, 2009, to comply with guidelines adopted by the state board pursuant to this section.

*c.* The board of directors of a school district subject to voluntary diversity or court-ordered desegregation shall develop a policy for implementation of open enrollment in the district. The policy shall contain objective criteria for determining when a request would adversely impact the desegregation order or voluntary diversity plan and criteria for prioritizing requests that do not have an adverse impact on the order or plan.

4. *a.* After March 1 of the preceding school year and until the date specified in section 257.6, subsection 1, the parent or guardian shall send notification to the district of residence and the receiving district, on forms prescribed by the department of education, that good cause, as defined in paragraph "*b*", exists for failure to meet the March 1 deadline. The board of directors of a receiving school district may adopt a policy granting the superintendent of the school district authority to approve open enrollment applications submitted after the March 1 deadline. The board of the receiving district shall take action to approve the request if good cause exists. If the request is granted, the board shall transmit a copy of the form to the parent or guardian and the school district of residence within five days after board action. A denial of a request by the board of a receiving district is not subject to appeal.

*b.* For purposes of this section, "*good cause*" means a change in a child's residence due to a change in family residence, a change in the state in which the family residence is located, a change in a child's parents' marital status, a guardianship or custody proceeding, placement in foster care, adoption, participation in a foreign exchange program, or participation in a substance abuse or mental health treatment program, a change in the status of a child's resident district such as removal of accreditation by the state board, surrender of accreditation, or permanent closure of a nonpublic school, revocation of a charter school contract as provided in section 256F.8, the failure of negotiations for a whole grade sharing, reorganization, dissolution agreement or the rejection of a current whole grade sharing agreement, or reorganization plan. If the good cause relates to a change in status of a child's school district of residence, however, action by a parent or guardian must be taken to file the notification within forty-five days of the last board action or within thirty days of the certification of the election, whichever is applicable to the circumstances.

*c.* If a resident district believes that a receiving district is violating this subsection, the resident district may, within fifteen days after board action by the receiving district, submit an appeal to the director of the department of education.

*d.* The director, or the director's designee, shall attempt to mediate the dispute to reach approval by both boards as provided in subsection 14. If approval is not reached under mediation, the director or the director's designee shall conduct a hearing and shall hear testimony from both boards. Within ten days following the hearing, the director shall render a decision upholding or reversing the decision by the board of the receiving district. Within five days of the director's decision, the board may appeal the decision of the director to the state board of education under the procedures set forth in chapter 290.

5. Open enrollment applications filed after March 1 of the preceding school year that do not qualify for good cause as provided in subsection 4 shall be subject to the approval of the board of the resident district and the board of the receiving district. The parent or guardian shall send notification to the district of residence and the receiving district that the parent or guardian seeks to enroll the parent's or guardian's child in the receiving district. A decision of either board to deny an application filed under this subsection involving repeated acts of

harassment of the student or serious health condition of the student that the resident district cannot adequately address is subject to appeal under section 290.1. The state board shall exercise broad discretion to achieve just and equitable results that are in the best interest of the affected child or children.

6. A request under this section is for a period of not less than one year. If the request is for more than one year and the parent or guardian desires to have the pupil enroll in a different district, the parent or guardian may petition the current receiving district by March 1 of the previous school year for permission to enroll the pupil in a different district for a period of not less than one year. Upon receipt of such a request, the current receiving district board may act on the request to transfer to the other school district at the next regularly scheduled board meeting after the receipt of the request. The new receiving district shall enroll the pupil in a school in the district unless there is insufficient classroom space in the district or unless enrollment of the pupil would adversely affect the court-ordered or voluntary desegregation plan of the district. A denial of a request to change district enrollment within the approved period is not subject to appeal. However, a pupil who has been in attendance in another district under this section may return to the district of residence and enroll at any time, once the parent or guardian has notified the district of residence and the receiving district in writing of the decision to enroll the pupil in the district of residence.

7. A pupil participating in open enrollment shall be counted, for state school foundation aid purposes, in the pupil's district of residence. A pupil's residence, for purposes of this section, means a residence under section 282.1. The board of directors of the district of residence shall pay to the receiving district the state cost per pupil for the previous school year, plus any moneys received for the pupil as a result of the non-English speaking weighting under section 280.4, subsection 3, for the previous school year multiplied by the state cost per pupil for the previous year. If the pupil participating in open enrollment is also an eligible pupil under section 261E.6, the receiving district shall pay the tuition reimbursement amount to an eligible postsecondary institution as provided in section 261E.7.

8. If a request filed under this section is for a child requiring special education under chapter 256B, the request to transfer to the other district shall only be granted if the receiving district maintains a special education instructional program which is appropriate to meet the child's educational needs and the enrollment of the child in the receiving district's program would not cause the size of the class in that special education instructional program in the receiving district to exceed the maximum class size in rules adopted by the state board of education for that program. For children requiring special education, the board of directors of the district of residence shall pay to the receiving district the actual costs incurred in providing the appropriate special education.

9. *a.* If a parent or guardian of a child, who is participating in open enrollment under this section, moves to a different school district during the course of either district's academic year, the child's first district of residence shall be responsible for payment of the cost per pupil plus weightings or special education costs to the receiving school district for the balance of the school year in which the move took place. The new district of residence shall be responsible for the payments during succeeding years.

*b.* If a request to transfer is due to a change in family residence, change in the state in which the family residence is located, a change in a child's parents' marital status, a guardianship proceeding, placement in foster care, adoption, participation in a foreign exchange program, or participation in a substance abuse or mental health treatment program, and the child who is the subject of the request is enrolled in any grade from kindergarten through grade twelve at the time of the request and is not currently using any provision of open enrollment, the parent or guardian of the child shall have the option to have the child remain in the child's original district of residence under open enrollment with no interruption in the child's kindergarten through grade twelve educational program. If a parent or guardian exercises this option, the child's new district of residence is not required to pay the amount calculated in subsection 7 until the start of the first full year of enrollment of the child.

*c.* Quarterly payments shall be made to the receiving district.

*d.* If the transfer of a pupil from one district to another results in a transfer from one area

education agency to another, the sending district shall forward a copy of the request to the sending district's area education agency. The receiving district shall forward a copy of the request to the receiving district's area education agency. Any moneys received by the area education agency of the sending district for the pupil who is the subject of the request shall be forwarded to the receiving district's area education agency.

*e.* A district of residence may apply to the school budget review committee if a student was not included in the resident district's enrollment count during the fall of the year preceding the student's transfer under open enrollment.

10. *a.* Notwithstanding section 285.1 relating to transportation of nonresident pupils, the parent or guardian is responsible for transporting the pupil without reimbursement to and from a point on a regular school bus route of the receiving district. For purposes of this subsection, *"a point on a regular school bus route of the receiving district"* includes any school bus stop on the regular school bus route of the receiving district that existed prior to road construction that necessitates a change in the regular school bus route, whether or not the change in the regular school bus route resulting from the road construction necessitates sending school vehicles from the receiving district into the district of residence in order to safely, economically, or efficiently transport students to or from the preexisting point.

*b.* A receiving district may send school vehicles into the district of residence of the pupil using the open enrollment option under this section, for the purpose of transporting the pupil to and from school in the receiving district, if the boards of both the sending and receiving districts agree to this arrangement.

*c.* If the pupil meets the economic eligibility requirements established by the department and state board of education, the sending district is responsible for providing transportation or paying the pro rata cost of the transportation to a parent or guardian for transporting the pupil to and from a point on a regular school bus route of a contiguous receiving district unless the cost of providing transportation or the pro rata cost of the transportation to a parent or guardian exceeds the average transportation cost per pupil transported for the previous school year in the district. If the cost exceeds the average transportation cost per pupil transported for the previous school year, the sending district shall only be responsible for that average per pupil amount. A sending district which provides transportation for a pupil to a contiguous receiving district under this subsection may withhold, from the district cost per pupil amount that is to be paid to the receiving district, an amount which represents the average or pro rata cost per pupil for transportation, whichever is less.

11. A pupil who participates in open enrollment for purposes of attending a grade in grades nine through twelve in a school district other than the district of residence is ineligible to participate in varsity interscholastic athletic contests and athletic competitions during the pupil's first ninety school days of enrollment in the district except that the pupil may participate immediately in a varsity interscholastic sport if the pupil is entering grade nine for the first time and did not participate in an interscholastic athletic competition for another school or school district during the summer immediately following eighth grade, if the district of residence and the other school district jointly participate in the sport, if the sport in which the pupil wishes to participate is not offered in the district of residence, if the pupil chooses to use open enrollment to attend school in another school district because the district in which the student previously attended school was dissolved and merged with one or more contiguous school districts under section 256.11, subsection 12, if the pupil participates in open enrollment because the pupil's district of residence has entered into a whole grade sharing agreement with another district for the pupil's grade, or if the parent or guardian of the pupil participating in open enrollment is an active member of the armed forces and resides in permanent housing on government property provided by a branch of the armed services. A pupil who has paid tuition and attended school, or has attended school pursuant to a mutual agreement between the two districts, in a district other than the pupil's district of residence for at least one school year is also eligible to participate immediately in interscholastic athletic contests and athletic competitions under this section, but only as a member of a team from the district that pupil had attended. For purposes of this subsection, *"school days of enrollment"* does not include enrollment in summer school. For purposes of this subsection, *"varsity"* means the same as defined in section 256.46.

12. If a pupil, for whom a request to transfer has been filed with a district, has been suspended or expelled in the district, the pupil shall not be permitted to transfer until the pupil has been reinstated in the sending district. Once the pupil has been reinstated, however, the pupil shall be permitted to transfer in the same manner as if the pupil had not been suspended or expelled by the sending district. If a pupil, for whom a request to transfer has been filed with a district, is expelled in the district, the pupil shall be permitted to transfer to a receiving district under this section if the pupil applies for and is reinstated in the sending district. However, if the pupil applies for reinstatement but is not reinstated in the sending district, the receiving district may deny the request to transfer. The decision of the receiving district is not subject to appeal.

13. If a request under this section is for transfer to a laboratory school, as described in chapter 265, the student, who is the subject of the request, shall not be included in the basic enrollment of the student's district of residence, and the laboratory school shall report the enrollment of the student directly to the department of education, unless the number of students from the district attending the laboratory school during the current school year, as a result of open enrollment under this section, exceeds the number of students enrolled in the laboratory school from that district during the 1989-1990 school year. If the number of students enrolled in the laboratory school from a district during the current year exceeds the number of students enrolled from that district during the 1989-1990 school year, those students who represent the difference between the current and the 1988-1989 school year enrollment figures shall be included in the basic enrollment of the students' districts of residence and the districts shall retain any moneys received as a result of the inclusion of the student in the district enrollment. The total number of students enrolled at a laboratory school during a school year shall not exceed six hundred seventy students. The regents institution operating the laboratory school and the board of directors of the school district in the community in which the regents institution is located shall develop a student transfer policy designed to protect and promote the quality and integrity of the teacher education program at the laboratory school, the viability of the education program of the local school district in which the regents institution is located, and to indicate the order in which and reasons why requests to transfer to a laboratory school shall be considered. A laboratory school may deny a request for transfer under the policy. A denial of a request to transfer under this subsection is not subject to appeal under section 290.1.

14. An application for open enrollment may be granted at any time with approval of the resident and receiving districts.

15. *a.* If a request under this section is for transfer to the research and development school, as described in chapter 256G, the student who is the subject of the request shall be included in the basic enrollment of the student's district of residence and the board of directors of the district of residence shall pay to the research and development school the state cost per pupil for the previous school year, plus any moneys received for the pupil as a result of the non-English speaking weighting under section 280.4, subsection 3, for the previous school year multiplied by the state cost per pupil for the previous year.

*b.* Notwithstanding subsection 7, a district of residence shall not be required to pay the state cost per pupil for a student attending the research and development school during the school year beginning July 1, 2010, if the student was not included in the district of residence's enrollment count for funding purposes in the school year beginning July 1, 2009.

16. *a.* The total enrollment of the research and development school shall be limited to six hundred fifty students.

*b.* Open enrollment requests accepted by the research and development school shall be limited to a five percent increase per year of students from each of the Cedar Falls community school district and the Waterloo school district over the previous year's enrollment at the research and development school.

*c.* The total number of students enrolled in the research and development school from the Cedar Falls community school district shall be limited to not more than ten percent of the total district enrollment of the Cedar Falls community school district.

*d.* Open enrollment requests accepted by the research and development school from a school district shall be limited to not more than two percent of a school district's previous

year's total enrollment count. This subsection does not apply to the Cedar Falls community and Waterloo school districts.

17. The director of the department of education shall recommend rules to the state board of education for the orderly implementation of this section. The state board shall adopt rules as needed for the implementation of this section.

88 Acts, ch 1113, §1; 89 Acts, ch 12, §1; 89 Acts, ch 319, §81; 90 Acts, ch 1182, §1, 5; 90 Acts, ch 1233, §10; 91 Acts, ch 97, §62; 91 Acts, ch 202, §1; 92 Acts, ch 1135, §3 – 5; 92 Acts, ch 1163, §64; 93 Acts, ch 149, §1; 94 Acts, ch 1091, §24; 94 Acts, ch 1131, §8; 94 Acts, ch 1175, §10; 96 Acts, ch 1157, §1 – 3; 97 Acts, ch 23, §31, 32; 2002 Acts, ch 1129, §4; 2002 Acts, ch 1140, §17 – 23; 2002 Acts, ch 1124, §13, 16; 2003 Acts, ch 79, §5, 7, 8; 2003 Acts, ch 180, §35, 36, 72; 2005 Acts, ch 79, §2; 2005 Acts, ch 179, §93 – 95; 2006 Acts, ch 1152, §41 – 43; 2008 Acts, ch 1071, §1; 2008 Acts, ch 1181, §64; 2009 Acts, ch 18, §1; 2009 Acts, ch 133, §104; 2009 Acts, ch 177, §54, 57; 2010 Acts, ch 1069, §39, 40; 2012 Acts, ch 1021, §63

Referred to in §85.20, 85.61, 256.7, 256.41, 256.46, 256F.4, 256F.9, 256G.3, 257.6, 261E.7, 275.15, 282.9, 290.1, 321.178, 321.194

For future amendment to subsection 7, effective July 1, 2014, see 2013 Acts, ch 121, §57, 75

Section not amended; footnote added

**282.19 Child living in substance abuse or foster care placement.**

1. A child who is living in a facility that provides residential treatment as "*facility*" is defined in section 125.2, which is located in a school district other than the school district in which the child resided before entering the facility may enroll in and attend an accredited school in the school district in which the child is living.

2. A child who is living in a licensed individual or agency child foster care facility, as defined in section 237.1, or in an unlicensed relative foster care placement, shall remain enrolled in and attend an accredited school in the school district in which the child resided and is enrolled at the time of placement, unless it is determined by the juvenile court or the public or private agency of this state that has responsibility for the child's placement that remaining in such school is not in the best interests of the child. If such a determination is made, the child may attend an accredited school located in the school district in which the child is living and not in the school district in which the child resided prior to receiving foster care.

3. The instructional costs for students who do not require special education shall be paid as provided in section 282.31, subsection 1, paragraph "*b*", or for students who require special education shall be paid as provided in section 282.31, subsection 2 or 3.

[C24, 27, 31, 35, §4283; C39, §**4275.1, 4283, 4283.01;** C46, 50, 54, 58, 62, §282.18, 282.22, 282.23; C66, 71, 73, 75, 77, 79, 81, §282.18, 282.22, 282.23, 282.25; 81 Acts, ch 90, §1]

85 Acts, ch 212, §21; 86 Acts, ch 1244, §34; 86 Acts, ch 1245, §1485; 87 Acts, ch 233, §480; 89 Acts, ch 319, §74; 2009 Acts, ch 120, §7

Referred to in §282.31

**282.20 Tuition fees — payment.**

1. The school corporation in which the student resides shall pay from the general fund to the secretary of the corporation in which the student is permitted to enroll, a tuition fee as prescribed in section 282.24.

2. It shall be unlawful for any school district to rebate to any pupils or their parents, directly or indirectly, any portion of the tuition collected or to be collected or to authorize or permit such pupils to receive at the expense of the district, directly or indirectly, any special compensation, benefit, privilege, or other thing of value that is not and cannot legally be made available to all other pupils enrolled in its schools. Any superintendent or board members responsible for such unlawful act shall each be personally liable to a fine of not to exceed one hundred dollars. Action to recover such penalty or action to enjoin such unlawful act may be instituted by the board of any school district or by a taxpayer in any school district.

3. On or before February 15 and July 15 of each year the secretary of the creditor district shall deliver to the secretary of the debtor district an itemized statement of such tuition fees.

[SS15, §2733-1a; C24, 27, 31, 35, 39, §**4277;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §282.20]

83 Acts, ch 31, §6; 2013 Acts, ch 88, §20

Unnumbered paragraphs 1 – 3 editorially designated as subsections 1 – 3

Subsection 3 amended

**282.21 Collection of tuition fees.**

If payment is not made, the board of the creditor corporation shall file with the auditor of the county of the pupil's residence a statement certified by its president specifying the amount due for tuition, and the time for which the same is claimed. The auditor shall transmit to the county treasurer an order directing the county treasurer to transfer the amount of such account from the funds of the debtor corporation to the creditor corporation, and the county treasurer shall pay the same accordingly.

[SS15, §2733-1a; C24, 27, 31, 35, 39, §**4278;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §282.21]

Referred to in §275.26, 331.502, 331.552

**282.22 and 282.23** Repealed by 81 Acts, ch 90, § 2.

**282.24 Tuition fees established.**

1. *a.* The maximum tuition fee that may be charged for elementary and high school students residing within another school district or corporation except students attending school in another district under section 282.7, subsection 1 or 3, is the district cost per pupil of the receiving district as computed in section 257.10.

*b.* A school corporation which owns facilities used as attendance centers for students shall maintain an itemized statement of the appraised value of all buildings owned by the school corporation. The appraisal shall be updated at least once every five years.

*c.* This subsection does not prevent the corporation or district in which the student resides from paying a tuition in excess of the maximum computed tuition rates, if the actual per pupil cost of the preceding year so warrants, but the receiving district or corporation shall not demand more than the maximum rate.

2. For the purpose of this section, "*high school*" means a school which commences with either grade nine or grade ten as determined by the board of directors of the district, and "*junior high school*" means the remaining grades commencing with grade seven.

[C35, §4233-e3; C39, §**4233.3;** C46, §279.18; C50, 54, 58, 62, 66, 71, 73, 75, §279.18, 282.24; C77, 79, 81, §282.24]

83 Acts, ch 31, §7; 85 Acts, ch 212, §21; 87 Acts, ch 224, §63; 88 Acts, ch 1263, §9; 89 Acts, ch 135, §87; 2009 Acts, ch 54, §10; 2010 Acts, ch 1069, §82; 2013 Acts, ch 90, §72

Referred to in §275.55A, 282.1, 282.20, 291.6

Subsection 1, paragraph a amended

**282.25** Repealed by 81 Acts, ch 90, § 2.

**282.26 High school students attending advanced courses.**

1. The board of any community college may, by mutual agreement with any college or university, permit any specially qualified high school student to attend advanced courses of academic instruction at the college or university.

2. The state board of regents and the state board of education may by rule permit such students to attend any institution of higher learning under their jurisdiction. Credit earned in any such course at a college or university may be applied toward credit for high school graduation. Public school funds shall not be expended for payment of tuition or other costs for such attendance at a college or university, unless the payment is expressly permitted or required by law.

3. Subsections 1 and 2 shall also apply to colleges and universities in adjacent states when

the institutions are located nearer to the homes or schools of the school district than the closest college or university within the state.

[C66, 71, 73, 75, 77, 79, 81, §282.26]

90 Acts, ch 1233, §11; 90 Acts, ch 1253, §89; 2009 Acts, ch 133, §105

**282.27 Children living in psychiatric hospitals or institutions — payment.**

The public school district in which is located a psychiatric unit of a hospital licensed under chapter 135B or a psychiatric medical institution for children licensed under chapter 135H, which is not operated by the state, shall be responsible for the provision of educational services to children residing in the unit or institution. Children residing in the unit or institution shall be included in the basic enrollment of their districts of residence, as defined in section 282.31, subsection 4.

The board of directors of each district of residence shall pay to the school district in which is located such psychiatric unit or institution, for the provision of educational services to the child, a portion of the district of residence's district cost per pupil for each of such children based upon the proportion that the time each child is provided educational services while in such unit or institution is to the total time for which the child is provided educational services during a normal school year.

92 Acts, ch 1230, §10

**282.28** Repealed by 2003 Acts, ch 178, § 59.

**282.29 Children placed by district court.**

Notwithstanding section 282.31, subsection 1, a child who has been identified as requiring special education, who has been placed in a facility, home, or other placement by the district court, and for whom parental rights have been terminated by the district court, shall be provided special education programs and services on the same basis as the programs and services are provided for children requiring special education who are residents of the school district in which the child has been placed. The special education instructional costs shall be paid as provided in section 282.31, subsection 2 or 3.

87 Acts, ch 233, §482; 2009 Acts, ch 120, §8

Referred to in §256.7, 282.31

**282.30 Special programs.**

1. *a.* An area education agency shall provide or make provision for an appropriate educational program for each child living in the following types of facilities located within its boundaries:

(1) An approved or licensed shelter care home, as defined in section 232.2, subsection 34.

(2) An approved juvenile detention home, as defined in section 232.2, subsection 32.

*b.* The area education agency shall provide the educational program by any one of, but not limited to, the following:

(1) Providing for the enrollment of the child in the district of residence of the child, subject to the approval of the district in which the child is living.

(2) Cooperating with the district of residence of the child and obtaining the course of study and textbooks of the child for use in the special facility into which the child has been placed.

(3) Providing for the enrollment of the child in the district in which the child is living, subject to the approval of the district in which the child is living.

*c.* An area education agency shall not provide educational services to a facility specified in paragraph "*a*" unless the facility makes a request for educational services to the area education agency by either of the following dates:

(1) December 1 of the school year prior to the beginning of the school year for which the services are being requested.

(2) Ninety days prior to the beginning of the time for which the services are being requested if the facility is a newly established facility.

2. The area education agency where the child is living, the school district of residence, the other appropriate area education agency or agencies, and other appropriate agencies involved

with the care or placement of the child shall cooperate with the school district where the child is living in sharing educational information, textbooks, curriculum, assignments, and materials in order to plan and to provide for the appropriate education of the child living in such facility specified in subsection 1.

87 Acts, ch 233, §483; 2000 Acts, ch 1121, §1, 2
Referred to in §256.7, 282.31

**282.31 Funding for special programs.**

1. *a.* A child who lives in a facility pursuant to section 282.30, subsection 1, paragraph "*a*", and who is not enrolled in the educational program of the district of residence of the child, shall receive appropriate educational services. The area education agency shall submit a proposed program and budget to the department of education by January 1 for the next succeeding school year. The department of education shall review and approve or modify the program and proposed budget and shall notify the department of administrative services and the area education agency of its action by February 1. The department of administrative services shall pay the approved budget amount for an area education agency in monthly installments beginning September 15 and ending June 15 of the next succeeding school year. The installments shall be as nearly equal as possible as determined by the department of management, taking into consideration the relative budget and cash position of the state's resources. The department of administrative services shall transfer the approved budget amount for an area education agency from the moneys appropriated under section 257.16 and make the payment to the area education agency. The area education agency shall submit an accounting for the actual cost of the program to the department of education by August 1 of the following school year. The department shall review and approve or modify all expenditures incurred in compliance with the guidelines pursuant to section 256.7, subsection 10, and shall notify the department of administrative services of the approved accounting amount. The approved accounting amount shall be compared with any amounts paid by the department of administrative services to the area education agency and any differences added to or subtracted from the October payment made under this paragraph for the next school year. Any amount paid by the department of administrative services shall be deducted monthly from the state foundation aid paid under section 257.16 to all school districts in the state during the subsequent fiscal year. The portion of the total amount of the approved budget that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for that budget year in which the deduction is made.

*b.* (1) A child who lives in a facility or other placement pursuant to section 282.19, and who does not require special education and who is enrolled in the educational program of the district of residence at the time the child is placed, shall be included in the basic enrollment of the school district in which the child is enrolled. A child who lives in a facility or other placement pursuant to section 282.19, and who does not require special education and who is not enrolled in the educational program of the district of residence of the child, shall be included in the basic enrollment of the school district in which the facility or other placement is located.

(2) However, on June 30 of a school year, if the board of directors of a school district determines that the number of children under this paragraph "*b*" who were counted in the basic enrollment of the school district in that school year in accordance with section 257.6, subsection 1, is fewer than the sum of the number of months all children were enrolled in the school district under this paragraph "*b*" during the school year divided by nine, the secretary of the school district may submit a claim to the department of education by August 1 following the school year for an amount equal to the district cost per pupil of the district for the previous school year multiplied by the difference between the number of children counted and the number of children calculated by the number of months of enrollment. The amount of the claim shall be paid by the department of administrative services to the school district by October 1. The department of administrative services shall transfer the total amount of the approved claim of a school district from the moneys appropriated under section 257.16 and the amount paid shall be deducted monthly from the state foundation aid paid to all school

districts in the state during the remainder of the subsequent fiscal year in the manner provided in paragraph *"a"*.

2. *a.* The actual special education instructional costs incurred for a child who lives in a facility or other placement pursuant to section 282.19 or for a child who is placed in a facility or home pursuant to section 282.29, who requires special education and who is not enrolled in the educational program of the district of residence of the child but who receives an educational program from the district in which the facility, home, or other placement is located, shall be paid by the district of residence of the child to the district in which the facility, home, or other placement is located, and the costs shall include the cost of transportation.

*b.* A child shall not be denied special education programs and services because of a dispute over the determination of district of residence of the child. The director of the department of education shall determine the district of residence when a dispute arises regarding the determination of the district of residence for a child who requires special education pursuant to this subsection.

3. The actual special education instructional costs, including transportation, for a child who requires special education shall be paid by the department of administrative services to the school district in which the facility or home is located, only when a district of residence cannot be determined, and the child was not included in the weighted enrollment of any district pursuant to section 256B.9, and the payment pursuant to subsection 2, paragraph *"a"*, was not made by any district. The district shall submit a proposed program and budget to the department of education by January 1 for the next succeeding school year. The department of education shall review and approve or modify the program and proposed budget and shall notify the district by February 1. The district shall submit a claim by August 1 following the school year for the actual cost of the program. The department shall review and approve or modify the claim and shall notify the department of administrative services of the approved claim amount by September 1. The total amount of the approved claim shall be paid by the department of administrative services to the school district by October 1. The total amount paid by the department of administrative services shall be deducted monthly from the state foundation aid paid under section 257.16 to all school districts in the state during the subsequent fiscal year. The portion of the total amount of the approved claims that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for the budget year in which the deduction is made. The department of administrative services shall transfer the total amount of the approved claims from moneys appropriated under section 257.16 for payment to the school district.

4. For purposes of this section, *"district of residence"* means the school district in which the parent or legal guardian of the child resides or the district in which the district court is located if the district court is the guardian of the child.

5. Programs may be provided during the summer and funded under this section if the school district or area education agency determines a valid educational reason to do so.

87 Acts, ch 233, §484; 88 Acts, ch 1284, §48; 90 Acts, ch 1272, §72; 92 Acts, ch 1163, §66; 95 Acts, ch 214, §6, 7; 2003 Acts, ch 145, §286; 2006 Acts, ch 1152, §44; 2007 Acts, ch 22, §66; 2009 Acts, ch 120, §9, 10

Referred to in §256.7, 282.19, 282.27, 282.29, 282.32

**282.32 Appeal.**

An area education agency or local school district may appeal a decision made pursuant to section 282.31 to the state board of education. The decision of the state board is final.

87 Acts, ch 233, §485; 2003 Acts, ch 178, §57

**282.33 Funding for children residing in state mental health institutes or institutions.**

1. A child who resides in an institution for children under the jurisdiction of the director of human services referred to in section 218.1, subsection 3, 5, 7, or 8, and who is not enrolled in the educational program of the district of residence of the child, shall receive appropriate educational services. The institution in which the child resides shall submit a proposed program and budget based on the average daily attendance of the children

residing in the institution to the department of education and the department of human services by January 1 for the next succeeding school year. The department of education shall review and approve or modify the proposed program and budget and shall notify the department of administrative services of its action by February 1. The department of administrative services shall pay the approved budget amount to the department of human services in monthly installments beginning September 15 and ending June 15 of the next succeeding school year. The installments shall be as nearly equal as possible as determined by the department of administrative services, taking into consideration the relative budget and cash position of the state's resources. The department of administrative services shall pay the approved budget amount for the department of human services from the moneys appropriated under section 257.16 and the department of human services shall distribute the payment to the institution. The institution shall submit an accounting for the actual cost of the program to the department of education by August 1 of the following school year. The department shall review and approve or modify all expenditures incurred in compliance with the guidelines adopted pursuant to section 256.7, subsection 10, and shall notify the department of administrative services of the approved accounting amount. The approved accounting amount shall be compared with any amounts paid by the department of administrative services to the department of human services and any differences added to or subtracted from the October payment made under this subsection for the next school year. Any amount paid by the department of administrative services shall be deducted monthly from the state foundation aid paid under section 257.16 to all school districts in the state during the subsequent fiscal year. The portion of the total amount of the approved budget that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for that budget year in which the deduction is made.

2. Programs may be provided during the summer and funded under this section if the institution determines a valid educational reason to do so and the department of education approves the program in the manner provided in subsection 1.

2003 Acts, ch 145, §286; 2003 Acts, ch 178, §58; 2004 Acts, ch 1101, §32

Referred to in §256.7

# CHAPTER 283

## ACCEPTANCE AND DISTRIBUTION OF FEDERAL FUNDS

283.1 Federal funds accepted. 283.2 Reserved.

**283.1 Federal funds accepted.**

The director of the department of education is the *"state educational authority"* for the purpose of accepting and administering funds appropriated by Congress for educational purposes and the funds shall be deposited with the treasurer of state and disbursed through the department of administrative services on vouchers audited as provided by law. When state matching funds are required as a condition to the acceptance of federal funds, the director of the department of education may make expenditures for matching only from funds provided by the legislature for that purpose. However, when federal funds may be matched with expenditures from funds appropriated for the general operation of the department of education, this may be done with the approval of the legislative council.

[C39, §**4283.02 – 4283.08, 4283.10;** C46, 50, 54, 58, §283.1 – 283.7, 283.9; C62, 66, 71, 73, 75, 77, 79, 81, §283.1]

84 Acts, ch 1067, §29; 86 Acts, ch 1245, §1487; 2003 Acts, ch 145, §286

**283.2** Reserved.

# CHAPTER 283A

## SCHOOL MEAL PROGRAMS

Referred to in §256.7, 256F.3, 298A.11


283A.1 Definitions.
283A.2 School lunch and breakfast programs.
283A.3 Expenditure of federal funds.
283A.4 Administration of program.
283A.5 Accounts, records, reports, and operations.
283A.6 Repealed by 73 Acts, ch 10, §7.
283A.7 Federal benefits accepted.
283A.8 Use of school meal facilities by senior citizens.
283A.9 Building for school meal facility.
283A.10 School breakfast or lunch in nonpublic schools.


**283A.1 Definitions.**

For the purpose of this chapter:

1. *"Nutritionally adequate meal"* means a lunch or breakfast which meets the guidelines established by the department of education.

2. *"School"* means a public school of high school grade or under.

3. *"School board"* means a board of school directors regularly elected by the registered voters of a school corporation or district of the state of Iowa.

4. *"School breakfast or lunch program"* means a program under which breakfasts or lunches are served by any public school in the state of Iowa on a nonprofit basis to children in attendance, including any such program under which a school receives assistance out of funds appropriated by the Congress of the United States.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §283A.1]

90 Acts, ch 1152, §2; 94 Acts, ch 1169, §58; 94 Acts, ch 1193, §23

Referred to in §283A.10

**283A.2 School lunch and breakfast programs.**

1. School boards may use gifts, funds disbursed to them under the provisions of this chapter, funds received from sale of school breakfasts or lunches, and any other funds legally available for the purpose of operating a school breakfast or lunch program.

2. A school district shall operate or provide for the operation of lunch programs at all attendance centers in the district. A school district may operate or provide for the operation of school breakfast programs at all attendance centers in the district, or provide access to a school breakfast program at an alternative site to students who wish to participate in a school breakfast program. The programs shall provide students with nutritionally adequate meals and shall be operated in compliance with the rules of the state board of education and pertinent federal law and regulation. The school lunch program shall be provided for all students in each district who attend public school four or more hours each school day and wish to participate in a school lunch program. School districts may provide school breakfast and lunch programs for other students.

3. Each school district that operates or provides for a school breakfast or lunch program shall provide for the forwarding of information from the applications for the school breakfast or lunch program, for which federal funding is provided, to identify children for enrollment in the medical assistance program pursuant to chapter 249A or the healthy and well kids in Iowa program pursuant to chapter 514I to the department of human services.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §283A.2]

90 Acts, ch 1152, §3; 94 Acts, ch 1193, §24, 36, 38; 99 Acts, ch 147, §1, 2; 2000 Acts, ch 1223, §32; 2002 Acts, ch 1140, §24, 25; 2007 Acts, ch 218, §105

**283A.3 Expenditure of federal funds.**

The director of the department of education shall accept and direct the disbursement of funds appropriated by any Act of Congress and appropriated to the state of Iowa for use in connection with school breakfast or lunch programs. The director shall deposit the funds

with the treasurer of the state of Iowa, who shall make disbursements upon the direction of the director.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §283A.3]
85 Acts, ch 212, §21; 94 Acts, ch 1193, §25

**283A.4 Administration of program.**

The director of the department of education may enter into agreements with any agency of the federal government, with any school board, or with any other agency or person, adopt rules, employ personnel, and take other action as the director may deem necessary to provide for the establishment, maintenance, operation, and expansion of any school breakfast or lunch program, and to direct the disbursement of federal and state funds, in accordance with any applicable provisions of federal or state law. The director may give technical advice and assistance to any school board in connection with the establishment and operation of any school breakfast or lunch program and may assist in training personnel engaged in the operation of the program. The director of the department of education and any school board may accept any gift for use in connection with any school breakfast or lunch program.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §283A.4]
85 Acts, ch 212, §21, 22; 94 Acts, ch 1193, §26

**283A.5 Accounts, records, reports, and operations.**

The director of the department of education shall adopt rules for the keeping of accounts and records and the making of reports by or under the supervision of school boards. The accounts and records shall at all times be available for inspection and audit by authorized officials and shall be preserved for such period of time, not in excess of five years, as the director may lawfully prescribe. The director shall conduct or cause to be conducted such audits and inspections with respect to school breakfast or lunch programs as may be necessary to determine whether its agreement with school boards and rules adopted pursuant to this chapter are being complied with, and to insure that school breakfast or lunch programs are effectively administered and nutritionally adequate meals are served.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §283A.5]
85 Acts, ch 212, §21; 90 Acts, ch 1152, §4; 94 Acts, ch 1193, §27

**283A.6** Repealed by 73 Acts, ch 10, § 7.

**283A.7 Federal benefits accepted.**

The provisions of the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751 – 1785, and the benefit of all funds appropriated under the Acts, are accepted by the state of Iowa.

[C71, 73, 75, 77, 79, 81, §283A.7]
94 Acts, ch 1193, §28

**283A.8 Use of school meal facilities by senior citizens.**

Boards of directors of school corporations may authorize the use by senior citizen organizations of school meal facilities subject to reasonable rules and regulations of the board. Such use shall not interfere with the use of the facilities for public school purposes. The board may charge for such use an amount not to exceed the cost to the district.

[C71, 73, 75, 77, 79, 81, §283A.8]
94 Acts, ch 1193, §29

**283A.9 Building for school meal facility.**

School districts may purchase, erect, or otherwise acquire a building for use as a school meal facility, and equip a building for that use, and pay for the acquisition or equipping from funds available in the physical plant and equipment levy fund, subject to the terms of section 298.2.

[C75, 77, 79, 81, §283A.9]
89 Acts, ch 135, §91; 94 Acts, ch 1029, §20; 94 Acts, ch 1193, §30

**283A.10 School breakfast or lunch in nonpublic schools.**

The authorities in charge of nonpublic schools may operate or provide for the operation of school breakfast or lunch programs in schools under their jurisdiction and may use funds appropriated to them by the general assembly, gifts, funds received from sale of school breakfasts or lunches under such programs, and any other funds available to the nonpublic school. However, school breakfast or lunch programs shall not be required in nonpublic schools. The department of education shall direct the disbursement of state funds to nonpublic schools for school breakfast or lunch programs in the same manner as state funds are disbursed to public schools. If a nonpublic school receives state funds for the operation of a school breakfast or lunch program, meals served under the program shall be nutritionally adequate meals, as defined in section 283A.1.

[C75, 77, 79, 81, §283A.10]

90 Acts, ch 1152, §5; 94 Acts, ch 1193, §31

Referred to in §256.9

# CHAPTER 284

## TEACHER PERFORMANCE, COMPENSATION, AND CAREER DEVELOPMENT

Referred to in §256.9, 256.29, 256C.3, 256F.4, 257.10, 257.37A, 261E.9, 279.19, 282.10

Legislative intent; 2001 Acts, ch 161, §1


284.1 Student achievement and teacher quality program.
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284.3 Iowa teaching standards.
284.3A Teacher compensation — single salary system.
284.4 Participation.
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284.14A Career ladder pilots. Repealed by 2012 Acts, ch 1119, §8.
284.15 Iowa teacher career paths, leadership roles, and compensation framework.
284.16 Instructional coach model.
284.17 Comparable system criteria.


**284.1 Student achievement and teacher quality program.**

A student achievement and teacher quality program is established to promote high student achievement. The program shall consist of the following four major elements:

1. Mentoring and induction programs that provide support for beginning teachers in accordance with section 284.5.

2. Career paths with compensation levels that strengthen Iowa's ability to recruit and retain teachers.

3. Professional development designed to directly support best teaching practices.

4. Evaluation of teachers against the Iowa teaching standards.

2001 Acts, ch 161, §2; 2006 Acts, ch 1182, §5, 6; 2007 Acts, ch 108, §12; 2011 Acts, ch 34, §73

**284.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Beginning teacher"* means an individual serving under an initial or intern license, issued under chapter 272, who is assuming a position as a teacher. *"Beginning teacher"* includes an individual who is an initial teacher. For purposes of the beginning teacher mentoring and induction program created pursuant to section 284.5, *"beginning teacher"*

also includes preschool teachers who are licensed under chapter 272 and are employed by a school district or area education agency. *"Beginning teacher"* does not include a teacher whose employment with a school district or area education agency is probationary unless the teacher is serving under an initial or teacher intern license issued under chapter 272.

2. *"Comprehensive evaluation"* means a summative evaluation of a beginning teacher conducted by an evaluator for purposes of determining a beginning teacher's level of competency, for recommendation for licensure based upon the Iowa teaching standards, and to determine whether the teacher's practice meets the school district expectations for a career teacher.

3. *"Department"* means the department of education.

4. *"Director"* means the director of the department of education.

5. *"Evaluator"* means an administrator or other practitioner who successfully completes an evaluator training program pursuant to section 284.10.

6. *"Intensive assistance"* means the provision of organizational support and technical assistance to teachers, other than beginning teachers, for the remediation of identified teaching and classroom management concerns for a period not to exceed twelve months.

7. *"Mentor"* means an individual employed by a school district or area education agency as a teacher or a retired teacher who holds a valid license issued under chapter 272. The individual must have a record of three years of successful teaching practice, must be employed on a nonprobationary basis, and must demonstrate professional commitment to both the improvement of teaching and learning and the development of beginning teachers.

8. *"Performance review"* means a summative evaluation of a teacher other than a beginning teacher that is used to determine whether the teacher's practice meets school district expectations and the Iowa teaching standards in accordance with section 284.8.

9. *"School board"* means the board of directors of a school district, a collaboration of boards of directors of school districts, or the board of directors of an area education agency, as the context requires.

10. *"State board"* means the state board of education.

11. *"Teacher"* means an individual who holds a practitioner's license issued under chapter 272, or a statement of professional recognition issued under chapter 272 who is employed in a nonadministrative position by a school district or area education agency pursuant to a contract issued by a board of directors under section 279.13. A teacher may be employed in both an administrative and a nonadministrative position by a board of directors and shall be considered a part-time teacher for the portion of time that the teacher is employed in a nonadministrative position.

2001 Acts, ch 161, §3; 2002 Acts, ch 1152, §7, 8; 2003 Acts, ch 180, §37; 2006 Acts, ch 1182, §7 – 10; 2007 Acts, ch 108, §13, 14; 2008 Acts, ch 1181, §76; 2009 Acts, ch 177, §34; 2013 Acts, ch 121, §58

Subsections 1, 7, and 8 amended

**284.3 Iowa teaching standards.**

1. For purposes of this chapter and for developing teacher evaluation criteria under chapter 279, the Iowa teaching standards are as follows:

*a.* Demonstrates ability to enhance academic performance and support for and implementation of the school district's student achievement goals.

*b.* Demonstrates competence in content knowledge appropriate to the teaching position.

*c.* Demonstrates competence in planning and preparing for instruction.

*d.* Uses strategies to deliver instruction that meets the multiple learning needs of students.

*e.* Uses a variety of methods to monitor student learning.

*f.* Demonstrates competence in classroom management.

*g.* Engages in professional growth.

*h.* Fulfills professional responsibilities established by the school district.

2. A school board shall provide for the following:

*a.* For purposes of comprehensive evaluations, standards and criteria which measure a beginning teacher's performance against the Iowa teaching standards specified in subsection 1, and the criteria for the Iowa teaching standards developed by the department

in accordance with section 256.9, to determine whether the teacher's practice meets the requirements specified for a career teacher. These standards and criteria shall be set forth in an instrument provided by the department. The comprehensive evaluation and instrument are not subject to negotiations or grievance procedures pursuant to chapter 20 or determinations made by the board of directors under section 279.14. A local school board and its certified bargaining representative may negotiate, pursuant to chapter 20, evaluation and grievance procedures for beginning teachers that are not in conflict with this chapter. If, in accordance with section 279.19, a beginning teacher appeals the determination of a school board to an adjudicator under section 279.17, the adjudicator selected shall have successfully completed training related to the Iowa teacher standards, the criteria adopted by the state board in accordance with subsection 3, and any additional training required under rules adopted by the public employment relations board in cooperation with the state board.

*b.* For purposes of performance reviews for teachers other than beginning teachers, evaluations that contain, at a minimum, the Iowa teaching standards specified in subsection 1, as well as the criteria for the Iowa teaching standards developed by the department in accordance with section 256.9, subsection 46. A local school board and its certified bargaining representative may negotiate, pursuant to chapter 20, additional teaching standards and criteria. A local school board and its certified bargaining representative shall negotiate, pursuant to chapter 20, evaluation and grievance procedures for teachers other than beginning teachers that are not in conflict with this chapter.

3. The state board shall adopt by rule pursuant to chapter 17A the criteria developed by the department in accordance with section 256.9, subsection 46.

2001 Acts, ch 161, §4; 2002 Acts, ch 1152, §9, 10; 2003 Acts, ch 108, §49; 2003 Acts, ch 180, §38, 39; 2007 Acts, ch 108, §15; 2013 Acts, ch 121, §59

Referred to in §284.8, 284.15

Subsection 2, paragraph a amended

**284.3A Teacher compensation — single salary system.**

1. *a.* For the school year beginning July 1, 2009, if the licensed employees of a school district or area education agency receiving funds pursuant to sections 257.10 and 257.37A are organized under chapter 20 for collective bargaining purposes, the school board and the certified bargaining representative for the licensed employees shall negotiate the distribution of the funds among the teachers employed by the school district or area education agency according to chapter 20.

*b.* If the licensed employees of a school district or area education agency are not organized for collective bargaining purposes, the board of directors shall determine the method of distribution of such funds.

*c.* For the school years beginning July 1, 2008, and July 1, 2009, a school district or area education agency receiving funds pursuant to sections 257.10 and 257.37A, shall determine the amount to be paid to teachers in accordance with this subsection and the amount determined to be paid to an individual teacher shall be divided evenly by the appropriate number of pay periods and paid in each pay period of the fiscal year beginning with the October payroll.

2. *a.* For the school budget year beginning July 1, 2010, and each succeeding school year, school districts and area education agencies shall combine payments made to teachers under sections 257.10 and 257.37A with regular wages to create a combined salary. The teacher contract issued under section 279.13 must include the combined salary. If a school district or area education agency uses a salary schedule, a combined salary schedule shall be used for regular wages and for distribution of payments under sections 257.10 and 257.37A, incorporating the salary minimums required in section 284.7, or required under a framework or comparable system approved pursuant to section 284.15. The combined salary schedule must use only the combined salary and cannot differentiate regular salaries and distribution of payments under sections 257.10 and 257.37A.

*b.* If the licensed employees of a school district or area education agency are organized under chapter 20 for collective bargaining purposes, the creation of the new combined salary shall be subject to the scope of negotiations specified in section 20.9. A reduction in the

teacher salary supplement per pupil amount shall also be subject to the scope of negotiations specified in section 20.9.

*c.* If the licensed employees of a school district or area education agency are not organized for collective bargaining purposes, the board of directors shall create the new combined salary. The board of directors shall determine adjustments in salaries resulting from a reduction in the teacher salary supplement per pupil amount.

3. A school district or area education agency shall not be required to maintain a separate account within its budget based on source of funds for payments received and expenditures made pursuant to this section. The school district or area education agency shall annually certify to the department of education that funding received pursuant to sections 257.10 and 257.37A was expended on salaries for qualified teachers.

4. The teacher salary supplement district cost as calculated under section 257.10, subsection 9, and the area education agency teacher salary supplement district cost as calculated under section 257.37A, subsection 1, are not subject to a uniform reduction in accordance with section 8.31.

2009 Acts, ch 68, §9; 2010 Acts, ch 1183, §32, 33, 43; 2013 Acts, ch 121, §60
Referred to in §257.10, 257.37A, 284.15
Subsection 2, paragraph a amended

**284.4 Participation.**

1. A school district or area education agency is eligible to receive moneys appropriated for purposes specified in this chapter if the school board applies to the department to participate in the student achievement and teacher quality program and submits a written statement declaring the school district's or agency's willingness to do all of the following:

*a.* Commit and expend local moneys to improve student achievement and teacher quality.

*b.* Implement a beginning teacher mentoring and induction program as provided in this chapter.

*c.* Create a teacher quality committee. The committee shall have equal representation of administrators and teachers. The teacher members shall be appointed by the certified employee organization if one exists, and if not, by the school district's or agency's administration. The administrator members shall be appointed by the school board. However, if a school district can demonstrate that an existing professional development, curriculum, or student improvement committee has significant stakeholder involvement and a leadership role in the school district, the appointing authorities may mutually agree to assign to the existing committee the responsibilities set forth in this paragraph "*c*", to appoint members of the existing committee to the teacher quality committee, or to authorize the existing committee to serve in an advisory capacity to the teacher quality committee. The committee shall do all of the following:

(1) Monitor the implementation of the requirements of statutes and administrative code provisions relating to this chapter, including requirements that affect any agreement negotiated pursuant to chapter 20.

(2) Monitor the evaluation requirements of this chapter to ensure evaluations are conducted in a fair and consistent manner throughout the school district or agency. In addition to any negotiated evaluation procedures, develop model evidence for the Iowa teaching standards and criteria. The model evidence will minimize paperwork and focus on teacher improvement. The model evidence will determine which standards and criteria can be met with observation and which evidence meets multiple standards and criteria.

(3) Determine, following the adoption of the Iowa professional development model by the state board of education, the use and distribution of the professional development funds calculated and paid to the school district or agency as provided in section 257.9, subsection 10, or section 257.10, subsection 10, based upon school district or agency, attendance center, and individual teacher and professional development plans.

(4) Monitor the professional development in each attendance center to ensure that the professional development meets school district or agency, attendance center, and individual professional development plans.

(5) Ensure the agreement negotiated pursuant to chapter 20 determines the compensation for teachers on the committee for work responsibilities required beyond the normal work day.

*d.* Adopt school district, attendance center, and teacher professional development plans in accordance with this chapter.

*e.* Adopt a teacher evaluation plan that, at minimum, requires a performance review of teachers in the district at least once every three years based upon the Iowa teaching standards and individual professional development plans, and requires administrators to complete evaluator training in accordance with section 284.10.

*f.* Adopt teacher career paths based upon demonstrated knowledge and skills in accordance with this chapter.

2. By July 1, 2002, each school district shall participate in the student achievement and teacher quality program if the general assembly appropriates moneys for purposes of the student achievement and teacher quality program established pursuant to this chapter.

2001 Acts, ch 161, §5; 2001 Acts, ch 177, §3, 15; 2002 Acts, ch 1152, §11, 12; 2003 Acts, ch 180, §40; 2005 Acts, ch 169, §29; 2006 Acts, ch 1182, §11; 2007 Acts, ch 108, §16 – 19; 2009 Acts, ch 177, §35

Referred to in §256G.4, 284.5, 284.7, 284.13

**284.5 Beginning teacher mentoring and induction program.**

1. A beginning teacher mentoring and induction program is created to promote excellence in teaching, enhance student achievement, build a supportive environment within school districts and area education agencies, increase the retention of promising beginning teachers, and promote the personal and professional well-being of teachers.

2. Each school district and area education agency shall provide a beginning teacher mentoring and induction program for all teachers who are beginning teachers, and notwithstanding section 284.4, subsection 1, a school district and an area education agency shall be eligible to receive moneys under section 284.13, subsection 1, paragraph "*b*", for purposes of implementing a beginning teacher mentoring and induction program in accordance with this section.

3. Each school district and area education agency shall develop a plan for the program. A school district shall include its plan in the school district's comprehensive school improvement plan submitted pursuant to section 256.7, subsection 21. The plan shall, at a minimum, provide for a two-year sequence of induction program content and activities to support the Iowa teaching standards and beginning teacher professional and personal needs; mentor training that includes, at a minimum, skills of classroom demonstration and coaching, and district expectations for beginning teacher competence on Iowa teaching standards; placement of mentors and beginning teachers; the process for dissolving mentor and beginning teacher partnerships; district organizational support for release time for mentors and beginning teachers to plan, provide demonstration of classroom practices, observe teaching, and provide feedback; structure for mentor selection and assignment of mentors to beginning teachers; a district facilitator; and program evaluation.

4. A beginning teacher shall be informed by the school district or the area education agency, prior to the beginning teacher's participation in a mentoring and induction program, of the criteria upon which the beginning teacher shall be evaluated and of the evaluation process utilized by the school district or area education agency.

5. Upon completion of the program, the beginning teacher shall be comprehensively evaluated to determine if the teacher meets expectations to move to the career level. The school district or area education agency that employs the beginning teacher shall recommend for a standard license a beginning teacher who is determined through a comprehensive evaluation to demonstrate competence in the Iowa teaching standards. A school district or area education agency may offer a beginning teacher a third year of participation in the program if, after conducting a comprehensive evaluation, the school district determines that the teacher is likely to successfully complete the mentoring and induction program by the end of the third year of eligibility. A teacher granted a third year of eligibility shall develop a teacher's mentoring and induction program plan in accordance with this chapter and shall undergo a comprehensive evaluation at the end of the third year. The board of educational

examiners shall grant a one-year extension of the beginning teacher's initial license upon notification by the school district that the teacher will participate in a third year of the school district's program.

6. If a beginning teacher who is participating in a mentoring and induction program leaves the employ of a school district or area education agency prior to completion of the program, the school district or area education agency subsequently hiring the beginning teacher shall credit the beginning teacher with the time earned in the program prior to the subsequent hiring.

7. If the general assembly appropriates moneys for purposes of this section, a school district or area education agency is eligible to receive state assistance for up to two years under this section for each teacher the school district or area education agency employs who was formerly employed in an accredited nonpublic school or in another state as a first-year teacher. The school district or area education agency employing the teacher shall determine the conditions and requirements of a teacher participating in a program in accordance with this subsection. The school district or area education agency that employs the teacher shall recommend the teacher for an educational license if the teacher, through a comprehensive evaluation, is determined to demonstrate competence in the Iowa teaching standards.

2001 Acts, ch 161, §6; 2001 Acts, ch 177, §4, 15; 2002 Acts, ch 1152, §13; 2003 Acts, ch 180, §41; 2003 Acts, ch 182, §15; 2006 Acts, ch 1182, §12; 2013 Acts, ch 121, §61, 62

Referred to in §284.1, 284.2

Subsection 2 stricken and former subsection 3 renumbered as 2

Former subsection 4 amended and renumbered as 3

Former subsections 5 – 8 renumbered as 4 – 7

**284.6 Teacher professional development.**

1. The department shall coordinate a statewide network of professional development for Iowa teachers. A school district or professional development provider that offers a professional development program in accordance with section 256.9, subsection 46, shall demonstrate that the program contains the following:

*a.* Support that meets the professional development needs of individual teachers and is aligned with the Iowa teaching standards.

*b.* Research-based instructional strategies aligned with the school district's student achievement needs and the long-range improvement goals established by the district.

*c.* Instructional improvement components including student achievement data, analysis, theory, classroom demonstration and practice, technology integration, observation, reflection, and peer coaching.

*d.* An evaluation component that documents the improvement in instructional practice and the effect on student learning.

2. The department shall identify models of professional development practices that produce evidence of the link between teacher training and improved student learning.

3. A school district shall incorporate a district professional development plan into the district's comprehensive school improvement plan submitted to the department in accordance with section 256.7, subsection 21. The district professional development plan shall include a description of the means by which the school district will provide access to all teachers in the district to professional development programs or offerings that meet the requirements of subsection 1. The plan shall align all professional development with the school district's long-range student learning goals and the Iowa teaching standards. The plan shall indicate the school district's approved professional development provider or providers.

4. In cooperation with the teacher's evaluator, the career teacher employed by a school district shall develop an individual teacher professional development plan. The evaluator shall consult with the teacher's supervisor on the development of the individual teacher professional development plan. The purpose of the plan is to promote individual and group professional development. The individual plan shall be based, at minimum, on the needs of the teacher, the Iowa teaching standards, and the student achievement goals of the attendance center and the school district as outlined in the comprehensive school improvement plan. The individual plan shall include goals for the individual which

are beyond those required under the attendance center professional development plan developed pursuant to subsection 7.

5. The teacher's evaluator shall annually meet with the teacher to review progress in meeting the goals in the teacher's individual plan. The teacher shall present to the evaluator evidence of progress. The purpose of the meeting shall be to review the teacher's progress in meeting professional development goals in the plan and to review collaborative work with other staff on student achievement goals and to modify as necessary the teacher's individual plan to reflect the individual teacher's and the school district's needs and the individual's progress in meeting the goals in the plan. The teacher's supervisor and the evaluator shall review, modify, or accept modifications made to the teacher's individual plan.

6. School districts, a consortium of school districts, area education agencies, higher education institutions, and other public or private entities including professional associations may be approved by the state board to provide teacher professional development. The professional development program or offering shall, at minimum, meet the requirements of subsection 1. The state board shall adopt rules for the approval of professional development providers and standards for the district development plan.

7. Each attendance center shall develop an attendance center professional development plan. The purpose of the plan is to promote group professional development. The attendance center plan shall be based, at a minimum, on the needs of the teachers, the Iowa teaching standards, district professional development plans, and the student achievement goals of the attendance center and the school district as set forth in the comprehensive school improvement plan.

8. For each year in which a school district receives funds calculated and paid to school districts for professional development pursuant to section 257.10, subsection 10, or section 257.37A, subsection 2, the school district shall create quality professional development opportunities. Not less than thirty-six hours in the school calendar, held outside of the minimum school day, shall be set aside during nonpreparation time or designated professional development time to allow practitioners to collaborate with each other to deliver educational programs and assess student learning, or to engage in peer review pursuant to section 284.8, subsection 1. The funds may be used to implement the professional development provisions of the teacher career paths and leadership roles specified in section 284.7 or 284.15, including but not limited to providing professional development to teachers, including additional salaries for time beyond the normal negotiated agreement; pay for substitute teachers, professional development materials, speakers, and professional development content; and costs associated with implementing the individual professional development plans. The use of the funds shall be balanced between school district, attendance center, and individual professional development plans, making every reasonable effort to provide equal access to all teachers.

9. Moneys received pursuant to section 257.10, subsection 10, or section 257.37A, subsection 2, shall be maintained as a separate listing within a school district's or area education agency's budget for funds received and expenditures made pursuant to this subsection. A school district shall certify to the department of education how the school district allocated the funds and that moneys received under this subsection were used to supplement, not supplant, the professional development opportunities the school district would otherwise make available.

10. If funds are allocated for purposes of professional development pursuant to section 284.13, subsection 1, paragraph "*d*", the department shall, in collaboration with the area education agencies, establish teacher development academies for school-based teams of teachers and instructional leaders. Each academy shall include an institute and shall provide follow-up training and coaching.

2001 Acts, ch 161, §7; 2002 Acts, ch 1152, §14; 2003 Acts, ch 180, §42; 2006 Acts, ch 1182, §13, 14; 2007 Acts, ch 108, §20 – 23; 2009 Acts, ch 177, §36; 2011 Acts, ch 34, §74; 2012 Acts, ch 1119, §5; 2013 Acts, ch 121, §63

Referred to in §256.7, 256C.3, 284.13

Subsection 8 amended

**284.7 Iowa teacher career path.**

To promote continuous improvement in Iowa's quality teaching workforce and to give Iowa teachers the opportunity for career recognition that reflects the various roles teachers play as educational leaders, an Iowa teacher career path is established for teachers employed by school districts. A school district shall use funding calculated and paid pursuant to section 257.10, subsection 9, to raise teacher salaries to meet the requirements of this section. The Iowa teacher career path and salary minimums are as follows:

1. The following career path levels are established and shall be implemented in accordance with this chapter:

*a. Beginning teacher.*

(1) A beginning teacher is a teacher who meets the following requirements:

(a) Has successfully completed an approved practitioner preparation program as defined in section 272.1 or holds an intern teacher license issued by the board of educational examiners under chapter 272.

(b) Holds an initial or intern teacher license issued by the board of educational examiners.

(c) Participates in the beginning teacher mentoring and induction program as provided in this chapter.

(2) Beginning July 1, 2008, the minimum salary for a beginning teacher shall be twenty-eight thousand dollars.

*b. Career teacher.*

(1) A career teacher is a teacher who holds a statement of professional recognition issued by the board of educational examiners under chapter 272 or who meets the following requirements:

(a) Has successfully completed the beginning teacher mentoring and induction program and has successfully completed a comprehensive evaluation as provided in this chapter.

(b) Is reviewed by the school district as demonstrating the competencies of a career teacher.

(c) Holds a valid license issued by the board of educational examiners.

(d) Participates in teacher professional development as set forth in this chapter and demonstrates continuous improvement in teaching.

(2) Beginning July 1, 2008, the minimum salary for a first-year career teacher shall be thirty thousand dollars.

2. It is the intent of the general assembly to establish and require the implementation of and provide for the implementation of the following additional career path levels:

*a. Career II teacher.*

(1) A career II teacher is a teacher who meets the requirements of subsection 1, paragraph "*b*", has met the requirements established by the school district that employs the teacher, and is evaluated by the school district as demonstrating the competencies of a career II teacher. The teacher shall have successfully completed a performance review in order to be classified as a career II teacher.

(2) It is the intent of the general assembly that the participating district shall establish a minimum salary for a career II teacher that is at least five thousand dollars greater than the minimum career teacher salary. It is further intended that the district shall adopt a plan that facilitates the transition of a career teacher to a career II level.

*b. Advanced teacher.*

(1) An advanced teacher is a teacher who meets the following requirements:

(a) Receives the recommendation of the review panel that the teacher possesses superior teaching skills and that the teacher should be classified as an advanced teacher.

(b) Holds a valid license from the board of educational examiners.

(c) Participates in teacher professional development as outlined in this chapter and demonstrates continuous improvement in teaching.

(d) Possesses the skills and qualifications to assume leadership roles.

(2) It is the intent of the general assembly that the participating district shall establish a minimum salary for an advanced teacher that is at least thirteen thousand five hundred dollars greater than the minimum career teacher salary. In conjunction with the development of the review panel pursuant to section 284.9, the department shall make recommendations to the

general assembly by January 1, 2002, regarding the appropriate district-to-district recognition for advanced teachers and methods that facilitate the transition of a teacher to the advanced level.

3. A teacher shall be promoted one level at a time and a teacher promoted to the next career level shall remain at that level for at least one year before requesting promotion to the next career level.

4. A teacher employed in a district shall not receive less compensation in that district than the teacher received in the school year preceding participation, as set forth in section 284.4 due to implementation of this chapter. A teacher who achieves national board for professional teaching standards certification and meets the requirements of section 256.44 shall continue to receive the award as specified in section 256.44 in addition to the compensation set forth in this section.

5. A school district that is unable to meet the provisions of subsection 1 with funds calculated and paid to the school district pursuant to section 257.10, subsection 9, may request a waiver from the department to use funds calculated and paid under section 257.10, subsection 11, to meet the provisions of subsection 1 if the difference between the funds calculated and paid pursuant to section 257.10, subsection 9, and the amount required to comply with subsection 1 is not less than ten thousand dollars. The department shall consider the average class size of the school district, the school district's actual unspent balance from the preceding year, and the school district's current financial position.

6. This section is repealed July 1, 2016.

2001 Acts, ch 161, §8; 2001 Acts, ch 177, §5, 6, 15; 2002 Acts, ch 1152, §15, 16; 2003 Acts, ch 180, §43 – 46; 2006 Acts, ch 1182, §15 – 21; 2007 Acts, ch 108, §24 – 30; 2008 Acts, ch 1181, §77 – 80; 2009 Acts, ch 68, §8; 2009 Acts, ch 177, §37 – 39; 2013 Acts, ch 121, §64

Referred to in §284.3A, 284.6, 284.8

NEW subsection 6

**284.8 Performance review requirements for teachers — peer group reviews.**

1. A school district shall provide for an annual review of each teacher's performance for purposes of assisting teachers in making continuous improvement, documenting continued competence in the Iowa teaching standards, identifying teachers in need of improvement, or to determine whether the teacher's practice meets school district expectations for career advancement in accordance with section 284.7. The review shall include, at minimum, classroom observation of the teacher, the teacher's progress, and implementation of the teacher's individual professional development plan, subject to the level of resources provided to implement the plan; and shall include supporting documentation from parents, students, and other teachers. The first and second year of review shall be conducted by a peer group of teachers. The peer group shall review all of the peer group members. Peer group reviews shall be formative and shall be conducted on an informal, collaborative basis that is focused on assisting each peer group member in achieving the goals of the teacher's individual professional development plan. Peer group reviews shall not be the basis for recommending that a teacher participate in an intensive assistance program, and shall not be used to determine the compensation, promotion, layoff, or termination of a teacher, or any other determination affecting a teacher's employment status. However, as a result of a peer group review, a teacher may elect to participate in an intensive assistance program. Members of the peer group shall be reviewed every third year by at least one evaluator certified in accordance with section 284.10.

2. If a supervisor or an evaluator determines, at any time, as a result of a teacher's performance that the teacher is not meeting district expectations under the Iowa teaching standards specified in section 284.3, subsection 1, paragraphs "*a*" through "*h*", the criteria for the Iowa teaching standards developed by the department in accordance with section 256.9, subsection 46, and any other standards or criteria established in the collective bargaining agreement, the evaluator shall, at the direction of the teacher's supervisor, recommend to the district that the teacher participate in an intensive assistance program. The intensive assistance program and its implementation are subject to negotiation and

grievance procedures established pursuant to chapter 20. All school districts shall be prepared to offer an intensive assistance program.

3. If a teacher is denied advancement to the career II or advanced teacher level based upon a performance review, the teacher may appeal the decision to an adjudicator under the process established under section 279.17. However, the decision of the adjudicator is final.

4. A teacher who is not meeting the applicable standards and criteria based on a determination made pursuant to subsection 2 shall participate in an intensive assistance program.

2001 Acts, ch 161, §9; 2002 Acts, ch 1152, §17; 2003 Acts, ch 180, §47; 2006 Acts, ch 1182, §22; 2007 Acts, ch 108, §31, 32; 2007 Acts, ch 215, §253; 2008 Acts, ch 1181, §81; 2012 Acts, ch 1119, §6

Referred to in §284.2, 284.6

**284.9 Review panel.**

1. A career II teacher seeking to receive an advanced designation shall submit a portfolio of work evidence aligned with the Iowa teaching standards to a review panel established in accordance with subsection 2. A majority of the evidence in the portfolio shall be classroom-based. The review panel shall evaluate the career II teacher's portfolio to determine whether the teacher demonstrates superior teaching skills and shall make a recommendation to the board of educational examiners whether or not the teacher shall receive an advanced designation. The standards for recommendation include, but are not limited to, meeting the Iowa teaching standards at an advanced level.

2. The department shall establish up to five regional review panels consisting of five members per panel. Each panel shall include, at a minimum, a nationally board-certified teacher and a school district administrator. Panel members shall be appointed by the director and shall possess the knowledge necessary to determine the quality of the evidence submitted in an applicant's portfolio. Panel members shall serve staggered three-year terms and may be reappointed to a second term. The department shall provide support and evaluation training for panel members and convene panels as needed. Panel members shall be reimbursed for mileage expenses incurred while engaged in the performance of official duties and shall receive per diem compensation by the department.

3. To assure fairness and consistency in the evaluation process, the review panels may perform random audits of the comprehensive evaluations and performance reviews conducted by evaluators throughout the state, and may randomly review how the evaluators are evaluating teachers based upon the Iowa teaching standards.

4. A teacher who does not receive a recommendation from a review panel may appeal that denial to an administrative law judge located in the department of inspections and appeals. The state shall not be liable for a teacher's attorney fees, costs, or damages that may result from an appeal of a review panel's decision. The state board shall adopt rules to administer this section.

5. This section is repealed July 1, 2016.

2001 Acts, ch 161, §10; 2001 Acts, ch 177, §7, 15; 2003 Acts, ch 180, §48; 2013 Acts, ch 121, §65

Referred to in §284.7

NEW subsection 5

**284.10 Evaluator training program.**

1. The department shall establish an evaluator training program to improve the skills of school district evaluators in making employment decisions, making recommendations for licensure, and moving teachers through a career path as established under this chapter. The department shall consult with persons representing teachers, national board-certified teachers, administrators, school boards, higher education institutions with approved practitioner and administrator preparation programs, and with persons from the private sector knowledgeable in employment evaluation and evaluator training in order to develop standards and requirements for the program. Evaluator training programs offered pursuant to this chapter may be provided by a public or private entity. The department shall distribute a list of evaluator training program providers to each school district.

2. An administrator licensed under chapter 272 who conducts evaluations of teachers for purposes of this chapter shall complete the evaluator training program. A practitioner licensed under chapter 272 who is not an administrator may enroll in the evaluator training program. Enrollment preference shall be given to administrators. Upon successful completion, the provider shall certify that the administrator or other practitioner is qualified to conduct evaluations for employment, make recommendations for licensure, and make recommendations that a teacher is qualified to advance from one career path level to the next career path level pursuant to this chapter. Certification is for a period of five years and may be renewed.

3. A higher education institution approved by the state board to provide an administrator preparation program shall incorporate the evaluator training program into the program offered by the institution.

4. The board of educational examiners shall require certification as a condition of issuing or renewing an administrator's license.

5. By July 1, 2007, the director shall develop and implement an evaluator training certification renewal program for administrators and other practitioners who need to renew a certificate issued pursuant to this section.

2001 Acts, ch 161, §11, 25; 2001 Acts, ch 177, §8, 15; 2002 Acts, ch 1152, §18; 2003 Acts, ch 180, §49; 2004 Acts, ch 1175, §95; 2006 Acts, ch 1182, §23

Referred to in §284.2, 284.4, 284.8, 284.13

**284.11 State supplemental assistance for high-need schools.**

1. *Findings and intent.* The general assembly finds that students whose first language is not English, who have special needs, or who come from low-income backgrounds face potential obstacles to learning. Schools across Iowa, both urban and rural, have increasing numbers of students who face these challenges. Therefore, it is the intent of the general assembly to provide supplemental assistance to the highest-need schools in Iowa to address these challenges. This section provides for state assistance to allow school districts to develop extended learning time programs, hire instructional support staff, provide additional professional development, or supplement the salary of teachers in the identified schools.

2. *Department's responsibilities.* The department shall do the following:

*a.* Collect relevant data and establish a list of high-need schools eligible for state supplemental assistance. The department shall establish a process and criteria to determine which schools are placed on the list and the department shall revise the list annually. Criteria for the determination of which high-need schools shall be placed on the list shall be based upon factors that include but are not limited to the socioeconomic status of the students enrolled in the school, the percentage of the school's student body who are limited English proficient students, student academic growth, certified instructional staff attrition, and geographic balance. The department may approve or disapprove requests for revision of the list, which a school district submits pursuant to subsection 3.

*b.* Develop a standardized process for distributing moneys appropriated for supplemental assistance for high-need schools under section 284.13, subsection 1, paragraph "*f*", to school districts. In determining the process for distribution of such moneys, the department shall take into consideration the amount of moneys appropriated for supplemental assistance in high-need schools for the given year and the minimal amount of moneys needed to increase the academic achievement of students. A school district receiving moneys pursuant to this section shall certify annually to the department how the moneys distributed to the school district pursuant to this section were used by the school district.

*c.* Review the use and effectiveness of the funds distributed to school districts for supplemental assistance in high-need schools under this section, and consider the findings and recommendations of the commission on educator leadership and compensation submitted pursuant to section 284.15, subsection 13, relating to the use and effectiveness of the funds distributed to school districts under this section. The department shall submit its findings and recommendations in a report to the general assembly by January 15 annually.

3. *School district request for approval.* A school district may request on an annual basis approval from the department for additions to the list of high-need schools the department

maintains pursuant to subsection 2 based upon the unique local conditions and needs of the school district. The criteria used to determine the placement of high-need schools on the list in accordance with subsection 2 does not restrict the department from adding a high-need school to the list as requested by a school district on the basis of unique local conditions and needs pursuant to this subsection.

4. *Moneys received and miscellaneous income.* The distribution of moneys allocated pursuant to section 284.13, subsection 1, paragraph *"f"*, to a school district shall be made in one payment on or about October 15 of the fiscal year for which the appropriation is made, taking into consideration the relative budget and cash position of the state resources. Such moneys shall not be commingled with state aid payments made under section 257.16 to a school district and shall be accounted for by the local school district separately from state aid payments. Payments made to school districts under this section are miscellaneous income for purposes of chapter 257. A school district shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this section.

5. *Moneys received to supplement salaries.* Moneys received by a school district pursuant to section 284.13, subsection 1, paragraph *"f"*, shall be used to supplement and not supplant the salary being received by a teacher in a high-need school, and shall not be considered under chapter 20 by an arbitrator or other third party in determining a comparison of the wages of teachers in that high-need school with the wages of teachers in other buildings or in another school district.

2013 Acts, ch 121, §66
Referred to in §284.13, 284.15
NEW section

**284.12 Reports — rules.**

1. The department shall annually report the statewide progress on the following:

*a.* Student achievement scores in mathematics and reading at the fourth and eighth grade levels on a district-by-district basis as reported to the local communities pursuant to section 256.7, subsection 21, paragraph *"c"*.

*b.* Evaluator training program.

*c.* Changes and improvements in the evaluation of teachers under the Iowa teaching standards.

2. The report shall be made available to the chairpersons and ranking members of the senate and house committees on education, the deans of the colleges of education at approved practitioner preparation institutions in this state, the state board, the governor, and school districts by January 1. School districts shall provide information as required by the department for the compilation of the report and for accounting and auditing purposes.

3. In developing administrative rules for consideration by the state board, the department shall consult with persons representing teachers, administrators, school boards, approved practitioner preparation institutions, and other appropriate education stakeholders.

2001 Acts, ch 161, §13; 2001 Acts, ch 177, §11, 15; 2003 Acts, ch 45, §1; 2005 Acts, ch 19, §39; 2007 Acts, ch 108, §34, 35

**284.13 State program allocation.**

1. For each fiscal year in which moneys are appropriated by the general assembly for purposes of the student achievement and teacher quality program, the moneys shall be allocated as follows in the following priority order:

*a.* For the fiscal year beginning July 1, 2013, and ending June 30, 2014, to the department of education, the amount of eight hundred forty-six thousand two hundred fifty dollars for the issuance of national board certification awards in accordance with section 256.44. Of the amount allocated under this paragraph, not less than eighty-five thousand dollars shall be used to administer the ambassador to education position in accordance with section 256.45.

*b.* For the fiscal year beginning July 1, 2013, and ending June 30, 2014, an amount up to three million five hundred thirty-seven thousand eight hundred seventy-five dollars for first-year and second-year beginning teachers, to the department of education for distribution to school districts and area education agencies for purposes of the beginning

teacher mentoring and induction programs. A school district or area education agency shall receive one thousand three hundred dollars per beginning teacher participating in the program. If the funds appropriated for the program are insufficient to pay mentors, school districts, and area education agencies as provided in this paragraph, the department shall prorate the amount distributed to school districts and area education agencies based upon the amount appropriated. Moneys received by a school district or area education agency pursuant to this paragraph shall be expended to provide each mentor with an award of five hundred dollars per semester, at a minimum, for participation in the school district's or area education agency's beginning teacher mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district or area education agency.

*c.* For the fiscal year beginning July 1, 2013, and ending June 30, 2014, up to seven hundred eighty-six thousand eight hundred sixteen dollars to the department for purposes of implementing the professional development program requirements of section 284.6, assistance in developing model evidence for teacher quality committees established pursuant to section 284.4, subsection 1, paragraph "*c*", and the evaluator training program in section 284.10. A portion of the funds allocated to the department for purposes of this paragraph may be used by the department for administrative purposes and for not more than four full-time equivalent positions.

*d.* For the fiscal year beginning July 1, 2013, and ending June 30, 2014, an amount up to one million one hundred thirty-six thousand four hundred ten dollars to the department for the establishment of teacher development academies in accordance with section 284.6, subsection 10. A portion of the funds allocated to the department for purposes of this paragraph may be used for administrative purposes.

*e.* (1) For the following years, to the department of education, for purposes of teacher leadership supplemental aid payments to school districts for implementing the career paths, leadership roles, and compensation framework or comparable system approved in accordance with section 284.15, subsection 6, the following amounts:

(a) For the fiscal year beginning July 1, 2014, and ending June 30, 2015, fifty million dollars.

(b) For the fiscal year beginning July 1, 2015, and ending June 30, 2016, fifty million dollars.

(c) For the fiscal year beginning July 1, 2016, and ending June 30, 2017, fifty million dollars.

(2) (a) For the initial school year for which a school district receives department approval for and implements a framework or comparable system in accordance with section 284.15, teacher leadership supplement foundation aid payable to that school district shall be paid from the allocation made in subparagraph (1) for that school year. For that school year, the teacher leadership supplement foundation aid payable to the school district is the product of the teacher leadership district cost per pupil for the school year multiplied by the school district's budget enrollment.

(b) For budget years subsequent to the initial school year for which a school district implemented a system and received funding pursuant to subparagraph division (a), the teacher leadership supplement foundation aid payable to that school district shall be paid from the appropriation made in section 257.16.

(3) Of the moneys allocated to the department for the purposes of this paragraph "*e*", for each fiscal year included in subparagraph (1), not more than seven hundred thousand dollars shall be used by the department for the development of a delivery system to assist in implementing the career paths and leadership roles considered pursuant to sections 284.15, 284.16, and 284.17, including but not limited to planning grants to school districts and area education agencies, technical assistance for the department, technical assistance for districts and area education agencies, training and staff development, and the contracting of external expertise and services. In using moneys allocated for purposes of this subparagraph (3), the department shall give priority to school districts with certified enrollments of fewer than six

hundred students. A portion of the moneys allocated annually to the department for purposes of this subparagraph (3) may be used by the department for administrative purposes and for not more than five full-time equivalent positions.

(4) Of the moneys allocated to the department for purposes of this paragraph *"e"*, for each fiscal year of the fiscal period beginning July 1, 2014, and ending June 30, 2017, the amount remaining after the allocations in subparagraph (3) shall be payable to the school districts that have an approved career path, leadership roles, and compensation framework or approved comparable system as provided in section 284.15.

(5) For each fiscal year of the fiscal period beginning July 1, 2014, and ending June 30, 2017, moneys received by a school district pursuant to this paragraph *"e"* shall not be considered under chapter 20 by an arbitrator or other third party in determining a comparison of the wages of teachers in that school district with the wages of teachers in another school district.

(6) The receipt of funding by a school district for the purposes of this paragraph *"e"*, and the need for additional funding for the purposes of this paragraph *"e"*, or the enrollment count of eligible students under this chapter, shall not be considered to be unusual circumstances, create an unusual need for additional funds, or qualify under any other circumstances that may be used by the school budget review committee to grant supplemental aid to or establish a modified supplemental amount for a school district under section 257.31.

*f.* For the fiscal year beginning July 1, 2014, and for each subsequent fiscal year, to the department of education, ten million dollars for purposes of implementing the supplemental assistance for high-need schools provisions of section 284.11. Annually, of the moneys allocated to the department for purposes of this paragraph, up to one hundred thousand dollars may be used by the department for administrative purposes and for not more than one full-time equivalent position.

*g.* Notwithstanding section 8.33, any moneys remaining unencumbered or unobligated from the moneys allocated for purposes of paragraphs *"a"* through *"f"* shall not revert but shall remain available in the succeeding fiscal year for expenditure for the purposes designated. The provisions of section 8.39 shall not apply to the funds appropriated pursuant to this subsection.

2. Moneys received by a school district under this chapter are miscellaneous income for purposes of chapter 257 or are considered encumbered. A school district shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this section.

3. The state board may adopt rules which assure the allocation of resources under this section in a manner that optimizes the fulfillment of the purposes specified in sections 284.11, 284.15, 284.16, and 284.17.

2001 Acts, ch 177, §12, 15; 2002 Acts, ch 1152, §19, 20; 2003 Acts, ch 179, §116, 117; 2003 Acts, ch 182, §16, 17, 19, 20; 2004 Acts, ch 1175, §97, 98, 100; 2005 Acts, ch 169, §30 – 33; 2006 Acts, ch 1180, §26, 27; 2006 Acts, ch 1182, §25, 26; 2007 Acts, ch 108, §36 – 45, 64; 2007 Acts, ch 215, §103; 2008 Acts, ch 1181, §82 – 85; 2009 Acts, ch 177, §40 – 42, 45, 48; 2010 Acts, ch 1183, §34; 2011 Acts, ch 132, §19, 106; 2012 Acts, ch 1132, §13; 2013 Acts, ch 121, §67 – 69; 2013 Acts, ch 141, §20

Referred to in §257.9, 257.10, 284.5, 284.6, 284.11
Subsection 1, paragraphs a – d amended
Subsection 1, NEW paragraphs e and f and former paragraph e amended and redesignated as g
NEW subsection 3

**284.14 Pay-for-performance program.**

1. *Intent.* The intent of this section is to create a process by which select Iowa school districts research, develop, and implement projects designed to identify promising practices related to enhanced teacher compensation career ladders and performance pay models.

2. *Commission.* A pay-for-performance commission is established to design and implement a pay-for-performance pilot project and provide a study relating to teacher and staff compensation containing a pay-for-performance component. The study shall measure the cost and effectiveness in raising student achievement of a compensation system that

provides financial incentives based on student performance. The commission is part of the executive branch of government.

3. *Development of program.* Beginning July 1, 2006, the commission shall gather sufficient information to identify a pay-for-performance program based upon student achievement gains and global content standards where student achievement gains cannot be easily measured. The commission shall review pay-for-performance programs in both the public and private sectors.

*a.* Commencing with the school year beginning July 1, 2007, the commission shall initiate planning pilots, in selected kindergarten through grade twelve schools, to test the effectiveness of the pay-for-performance program. The purpose of the planning pilots is to identify the strengths and weaknesses of various pay-for-performance program designs, evaluate cost effectiveness, analyze student achievement needs, select formative and summative student achievement measures that align to identify needs, consider necessary supports related to the student achievement goals in the school district's comprehensive school improvement plan, review assessment needs, identify mechanisms to account for existing teacher contract provisions within the proposed career ladder salary increments, allow thorough review of data, and make necessary adjustments before proposing implementation of the pay-for-performance program statewide.

*b.* Commencing with the school year beginning July 1, 2007, the commission shall select two school districts as planning pilots. Participants shall provide reports or other information as required by the commission.

*c.* Commencing with the school year beginning July 1, 2008, the commission shall administer two implementation pilots in the school districts selected for planning pilots under paragraph "*b*".

4. *Reports and final study.* Based on the information generated by the planning and implementation pilots, the commission shall prepare an interim report by January 14, 2008, followed by interim progress reports annually, followed by a final study report analyzing the effectiveness of pay-for-performance in raising student achievement levels. The final study report shall be completed no later than six months after the completion of the planning and implementation pilots. The commission shall provide copies of the final study report to the department of education and to the general assembly.

5. *Iowa excellence fund.*

*a.* An Iowa excellence fund is created within the office of the treasurer of state, to be administered by the commission. Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain in the fund.

*b.* The commission may provide grants from this fund, according to criteria developed by the commission, for implementation of the pay-for-performance program.

2006 Acts, ch 1182, §27; 2007 Acts, ch 108, §46 – 48; 2010 Acts, ch 1061, §102

**284.14A Career ladder pilots.** Repealed by 2012 Acts, ch 1119, § 8.

**284.15 Iowa teacher career paths, leadership roles, and compensation framework.**

1. To promote continuous improvement in Iowa's quality teaching workforce and to give Iowa teachers the opportunity for career recognition that reflects the various roles teachers play as educational leaders, a framework for Iowa teacher career paths, leadership roles, and compensation is established under subsection 2 for teachers employed by school districts. Pursuant to subsection 6, a school district may apply to the department for approval to implement the framework or a comparable system of career paths and compensation for teachers that contains differentiated, multiple leadership roles as provided in this section, and sections 284.16 and 284.17. A teacher employed by an area education agency may be included in a framework or comparable system established by a school district if the area education agency and the school district enter into a contract for such purpose. The framework is designed to accomplish the following goals:

*a.* To attract able and promising new teachers by offering competitive starting salaries and offering short-term and long-term professional development and leadership opportunities.

*b.* To retain effective teachers by providing enhanced career opportunities.

*c.* To promote collaboration by developing and supporting opportunities for teachers in schools and school districts statewide to learn from each other.

*d.* To reward professional growth and effective teaching by providing pathways for career opportunities that come with increased leadership responsibilities and involve increased compensation.

*e.* To improve student achievement by strengthening instruction.

2. The Iowa teacher career paths, leadership roles, and compensation requirements under the framework shall be as follows:

*a.* Initial teacher.

(1) The salary for an initial teacher who has successfully completed an approved practitioner preparation program as defined in section 272.1 or holds an initial or intern teacher license issued under chapter 272, and who participates in the initial teacher mentoring and induction program as provided in this chapter, shall be at least thirty-three thousand five hundred dollars, which shall also constitute the minimum salary for an Iowa teacher.

(2) An initial teacher shall complete a teacher residency during the first year of employment that has all of the following characteristics:

(a) Intensive supervision or mentoring by a mentor teacher or lead teacher.

(b) Sufficient collaboration time for the initial teacher in the residency year to be able to observe and learn from model teachers, mentor teachers, and lead teachers employed by school districts located in this state.

(c) A teaching contract issued under section 279.13 that establishes an employment period which is five days longer than that required for career teachers employed by the school district of employment. The five additional contract days shall be used to strengthen instructional leadership in accordance with this subsection.

(d) Frequent observation, evaluation, and professional development opportunities.

*b.* Career teacher. A career teacher is a teacher who holds a statement of professional recognition issued under chapter 272 or who meets all of the following requirements:

(1) Has successfully completed the initial teacher mentoring and induction program and has successfully completed a comprehensive evaluation.

(2) Has demonstrated the competencies of a career teacher as determined under the school district's comprehensive evaluation of the initial teacher.

(3) Holds a valid license issued under chapter 272.

(4) Participates in teacher professional development as set forth in this chapter and demonstrates continuous improvement in teaching.

*c.* Model teacher. A model teacher is a teacher who meets the requirements of paragraph "*b*", has met the requirements established by the school district that employs the teacher, is evaluated by the school district as demonstrating the competencies of a model teacher, has participated in a rigorous review process, and has been recommended for a one-year assignment as a model teacher by a site-based review council appointed pursuant to subsection 4. A school district shall designate at least ten percent of its teachers as model teachers, though the district may enter into an agreement with one or more other districts or an area education agency to meet this requirement through a collaborative arrangement. The terms of the teaching contracts issued under section 279.13 to model teachers shall exceed by five days the terms of teaching contracts issued under section 279.13 to career teachers, and the five additional contract days shall be used to strengthen instructional leadership in accordance with this subsection. A model teacher shall receive annually a salary supplement of at least two thousand dollars.

*d.* Mentor teacher. A mentor teacher is a teacher who is evaluated by the school district as demonstrating the competencies and superior teaching skills of a mentor teacher, and has been recommended for a one-year assignment as a mentor teacher by a site-based review council appointed pursuant to subsection 4. In addition, a mentor teacher shall hold a valid license issued under chapter 272, participate in teacher professional development as outlined in this chapter, demonstrate continuous improvement in teaching, and possess the skills and qualifications to assume leadership roles. A mentor teacher shall have a teaching

load of not more than seventy-five percent student instruction to allow the teacher to mentor other teachers. A school district shall designate at least ten percent of its teachers as mentor teachers, though the district may enter into an agreement with one or more other districts or an area education agency to meet this requirement through a collaborative arrangement. The terms of the teaching contracts issued under section 279.13 to mentor teachers shall exceed by ten days the terms of teaching contracts issued under section 279.13 to career teachers, and the ten additional contract days shall be used to strengthen instructional leadership in accordance with this subsection. A mentor teacher shall receive annually a salary supplement of at least five thousand dollars.

*e.* Lead teacher. A lead teacher is a teacher who holds a valid license issued under chapter 272 and has been recommended for a one-year assignment as a lead teacher by a site-based review council appointed pursuant to subsection 4. The recommendation from the council must assert that the teacher possesses superior teaching skills and the ability to lead adult learners. A lead teacher shall assume leadership roles that may include but are not limited to the planning and delivery of professional development activities designed to improve instructional strategies; the facilitation of an instructional leadership team within the lead teacher's building, school district, or other school districts; the mentoring of other teachers; and participation in the evaluation of student teachers. A lead teacher shall have a teaching load of not more than fifty percent student instruction to allow the lead teacher to spend time on co-teaching; co-planning; peer reviews; observing career teachers, model teachers, and mentor teachers; and other duties mutually agreed upon by the superintendent and the lead teacher. A school district shall designate at least five percent of its teachers as lead teachers, though the district may enter into an agreement with one or more other districts or an area education agency to meet this requirement through a collaborative arrangement. The terms of the teaching contracts issued under section 279.13 to lead teachers shall exceed by fifteen days the terms of teaching contracts issued under section 279.13 to career teachers, and the fifteen additional contract days shall be used to strengthen instructional leadership in accordance with this subsection. A lead teacher shall receive annually a salary supplement of at least ten thousand dollars.

3. The salary supplement received by a teacher assigned to a leadership role shall fully cover the salary costs of the additional contract days required of teachers in those leadership roles. Notwithstanding any provision of law to the contrary, the determinations of salary supplements paid pursuant to this section are not subject to appeal.

4. The school board shall appoint a site-based review council for the district's attendance centers. Attendance centers may share a site-based review council if the appointments meet the requirements specified in paragraph "*a*".

*a.* Each council shall be comprised of equal numbers of teachers and administrators.

*b.* The council shall accept and review applications submitted to the school's or the school district's administration for assignment or reassignment in a teacher leadership role, and shall make recommendations regarding the applications to the superintendent of the school district. In developing recommendations, the council shall utilize measures of teacher effectiveness and professional growth, consider the needs of the school district, and review the performance and professional development of the applicants. Any teacher recommended for assignment or reassignment in a teacher leadership role shall have demonstrated to the council's satisfaction competency on the Iowa teaching standards as set forth in section 284.3.

*c.* An assignment in a teacher leadership role under an approved framework or comparable system shall be subject to review by the school's or the school district's administration at least annually. The review shall include peer feedback on the effectiveness of the teacher's performance of duty specific to the teacher's career path. A teacher who completes the time period of assignment in a teacher leadership role may apply to the school's or the school district's administration for assignment in a new role, if appropriate, or for reassignment.

5. A teacher employed in a school district shall not receive less compensation in that district than the teacher received in the school year preceding implementation of the framework or a comparable system approved pursuant to this section. A teacher who

achieves national board for professional teaching standards certification and meets the requirements of section 256.44 shall continue to receive the award as specified in section 256.44 in addition to the compensation set forth in this section.

6. *a.* A school district may apply to the department for approval to implement the career paths, leadership roles, and compensation framework specified in subsection 2, or a comparable system of career paths and compensation for teachers that contains differentiated multiple leadership roles. The director shall consider the recommendations of the commission established pursuant to subsection 12 when approving or disapproving applications submitted pursuant to this section. A school district may modify an approved framework or comparable system if the director approves the modification. A school district may appeal the director's decision to the state board and the state board's decision is final.

*b.* At any time during a school year, a school district approved to implement the framework or a comparable system pursuant to this subsection may apply to the department to waive full or partial implementation of the approved framework or system for the current school year. The school district shall submit to the department for approval a modified implementation plan for the school year following the school year for which the district received a waiver pursuant to this paragraph if the school district wishes to continue partial implementation beyond the school year for which the district received a waiver. The state board may adopt by rule a limitation on the number of times a school district may apply for a waiver in accordance with this paragraph.

*c.* A school district approved to implement the framework or a comparable system pursuant to this subsection shall submit to the department for approval any proposed change to the framework or comparable system.

*d.* By March 1 of the school year preceding implementation, a school district that has been approved to implement the framework or a comparable system pursuant to this subsection may opt out of implementation of the framework or comparable system by notifying the department of its intent to withdraw from implementation. The department shall notify the department of management that the school district is no longer approved to implement the framework or comparable system and is not eligible to receive teacher leadership supplement foundation aid under chapter 257 or this chapter.

*e.* A school district whose application for approval to implement a comparable system or modified comparable system is denied may appeal the department's decision to the state board.

7. The department shall establish criteria and a process for application and approval of the framework established under subsection 1, and for comparable systems that meet the requirements of section 284.16 or 284.17, which a school district may implement pursuant to subsection 6 in order to receive teacher leadership supplement foundation aid calculated under section 257.10, subsection 12.

8. For purposes of this section a comparable system means either of the following:

*a.* An instructional coach model as set forth in section 284.16 and approved by the department pursuant to this section.

*b.* A system of career paths and compensation for teachers that contains differentiated, multiple leadership roles as set forth in section 284.17 and approved by the department pursuant to this section.

9. A school district is encouraged to utilize appropriately licensed teachers emeritus in the implementation of this section and sections 284.16 and 284.17.

10. The framework or comparable system approved and implemented by a school district in accordance with this section shall be applicable to teachers in every attendance center operated by the school district.

11. Subject to an appropriation by the general assembly for purposes of this subsection, a school district may apply to the department for a planning grant to design an implementation strategy for the framework established pursuant to subsection 1 or a comparable system of career paths and compensation for teachers that contains differentiated multiple leadership roles. The planning grant shall be used to facilitate a local decision-making process that includes representation of administrators, teachers, and parents and guardians of students.

The department shall establish and make available an application for the awarding of planning grants for purposes of this subsection.

12. The department shall establish, and provide staffing and administrative support for a commission on educator leadership and compensation. The commission shall monitor with fidelity the implementation of the frameworks and comparable systems by school districts pursuant to this section and sections 284.16 and 284.17. The commission shall also evaluate and make recommendations to the department on applications for approval of a framework or comparable system submitted to the department pursuant to subsection 6, and on the expenditure of moneys appropriated for purposes of this section. In addition, the commission shall review the use and effectiveness of the funds distributed to school districts for supplemental assistance to high-need schools under section 284.11.

*a.* The commission shall be comprised of nineteen voting members. The director of the department or the director's designee shall serve as a nonvoting, ex officio member. The voting members shall include the following:

(1) Members appointed by the following designated organizations, at the discretion of the organization:

(a) Five teachers by the Iowa state education association.

(b) Three school administrators by the school administrators of Iowa.

(c) Two school board members by the Iowa association of school boards.

(d) One person appointed jointly by the administrators of the area education agencies created under chapter 273.

(2) Members appointed by the director as follows:

(a) Two teachers, each of whom shall be employed by a school district, an area education agency, or an accredited nonpublic school.

(b) One person who is a parent of a child enrolled in a school district.

(c) One person who is a business leader.

(d) One person who represents the largest approved practitioner preparation institution in the state.

(3) The executive director of the Iowa state education association or the executive director's designee.

(4) The executive director of the school administrators of Iowa or the executive director's designee.

(5) The executive director of the Iowa association of school boards or the executive director's designee.

*b.* Members shall be appointed to staggered three-year terms which begin and end as provided in section 69.19. Appointments shall comply with sections 69.16, 69.16A, and 69.16C. Vacancies on the commission shall be filled in the same manner as the original appointment. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. Members are entitled to reimbursement of actual expenses incurred in performance of their official duties.

*c.* By December 15 annually, the commission shall submit its findings and any recommendations, including but not limited to any recommendations for changes to the framework established in subsections 1 and 2, and the comparable systems set forth in sections 284.16 and 284.17, and for changes to section 284.11 relating to state supplemental assistance to high-need schools, in a report to the director, the state board, the governor, and the general assembly.

13. *a.* Teacher leadership supplement foundation aid calculated under section 257.10, subsection 12, shall be paid as part of the state aid payments made to school districts in accordance with section 257.16.

*b.* Notwithstanding section 284.3A, teacher leadership supplement foundation aid shall not be combined with regular wages to create a combined salary.

*c.* The teacher leadership supplement district cost as calculated under section 257.10, subsection 12, is not subject to a uniform reduction in accordance with section 8.31.

14. The provisions of this chapter shall be subject to legislative review at least every three years. The review shall be based upon a status report from the commission on educator leadership and compensation, which shall be prepared with the assistance of the

departments of education, management, and revenue. The status report shall review and report on the department's assignment and utilization of full-time equivalent positions, and shall include information on teacher retention, teacher compensation, academic quality of beginning teachers, teacher evaluation results, student achievement trend and comparative data, and recommendations for changes to the teacher leadership supplement foundation aid and the framework or comparable systems approved pursuant to this section. The first status report shall be submitted to the general assembly by January 15, 2017, with subsequent status reports prepared and submitted to the general assembly by January 15 at least every third year thereafter.

2013 Acts, ch 121, §70

Referred to in §256.9, 257.10, 284.3A, 284.6, 284.11, 284.13, 284.16, 284.17

For FY 2013-2014 appropriation for implementation of education reform provisions, see 2013 Acts, ch 121, §110; 2013 Acts, ch 141, §6

NEW section

**284.16 Instructional coach model.**

1. *Instructional coach model.* The instructional coach and curriculum and professional development leader model shall include, at a minimum, the following levels and requirements:

*a. Beginning teacher level.* The beginning teacher shall be paid not less than thirty-three thousand five hundred dollars and shall meet the following requirements:

(1) Has successfully completed an approved practitioner preparation program as defined in section 272.1 or holds an intern teacher license issued under chapter 272.

(2) Holds an initial or intern teacher license issued under chapter 272.

(3) Participates in the beginning teacher mentoring and induction program as provided in this chapter.

(4) Completes, during the initial year of teaching, a teacher residency that meets the requirements set forth in section 284.15, subsection 2, paragraph *"a"*, subparagraph (2).

*b. Career teacher level.* A career teacher is a teacher who holds a statement of professional recognition issued under chapter 272 or who meets the following requirements:

(1) Has successfully completed the beginning teacher mentoring and induction program and has successfully completed a comprehensive evaluation.

(2) Is reviewed by the school district as demonstrating the competencies of a career teacher.

(3) Holds a valid license issued under chapter 272.

(4) Participates in teacher professional development as set forth in this chapter and demonstrates continuous improvement in teaching.

*c. Instructional coach level.*

(1) An instructional coach shall, at a minimum, meet the requirements specified for a career teacher in paragraph *"b"*, and engage full-time in instructional coaching.

(2) For purposes of this paragraph, *"instructional coaching"* means additional guidance in one or more aspects of the teaching profession provided to teachers.

(3) Assignment as an instructional coach to an individual teacher shall be based on either a request from a principal or from an individual teacher upon approval of a principal.

(4) Instructional coaching shall include detailed preliminary discussions as to areas in which the teachers being coached desire to improve; formulation of an action plan to bring about such improvement; in-class supervision by the instructional coach; postclass discussion of strengths, weaknesses, and strategies for improvement; and dialogue between the instructional coach and students and school officials regarding the teachers being coached. An instructional coach shall coordinate instructional coaching activities relating to training and professional development with an area education agency where appropriate.

(5) The contract term for an instructional coach shall exceed by ten days the contract term issued to career teachers under section 279.13. An instructional coach shall receive a stipend of not less than five thousand nor more than seven thousand dollars annually in addition to the teacher's salary as a career teacher.

*d. Curriculum and professional development leader level.* The contract term for a curriculum and professional development leader shall exceed by fifteen days the contract term issued to model teachers under section 279.13, and the curriculum and professional

development leader shall receive a stipend of not less than ten thousand nor more than twelve thousand dollars annually in addition to the teacher's salary as a career teacher. A curriculum and professional development leader shall do the following:

(1) Provide and demonstrate teaching on an ongoing basis.

(2) Routinely work strategically with teachers in planning, monitoring, reviewing, and implementing best instructional practices.

(3) Observe and coach teachers in effective instructional practices.

(4) Support teacher growth and reflective practices.

(5) Work with and train classroom teachers to provide interventions aligned by subject area.

(6) Support instruction and learning through the use of technology.

(7) Actively participate in collaborative problem solving and reflective practices which include but are not limited to professional study groups, peer observations, grade level planning, and weekly team meetings.

(8) Plan and deliver professional development activities designed to improve instructional strategies.

(9) Engage in the development, adoption, and implementation of curriculum and curricular materials.

*e. Model teacher level.*

(1) A model teacher is a teacher who meets the requirements of paragraph *"b"*, has met the requirements established by the school district that employs the teacher, is evaluated by the school district as demonstrating the competencies of a model teacher, has participated in a rigorous review process, and has been recommended for a one-year assignment as a model teacher by a site-based review council in the manner provided under section 284.15, subsection 4.

(2) The contract term for a model teacher shall exceed by five days the contract term issued to career teachers under section 279.13, and the five additional contract days shall be used to strengthen instructional leadership. A model teacher shall receive annually a salary supplement of at least two thousand dollars.

2. *Goals.* Each school district approved under section 284.15 to implement the instructional coach model as specified in this section shall establish the following goals for leadership participation:

*a. Instructional coach goal.* Assignment, annually, of at least one instructional coach at each attendance center or at least one instructional coach for every five hundred students enrolled in an attendance center, whichever number is greater.

*b. Model teacher goal.* Assignment of at least ten percent of its teachers annually as model teachers.

*c. Equivalent leadership participation goal.* As nearly as possible, the total number of hours of coaching and leadership duties performed by instructional coaches and curriculum and professional development leaders shall be equal to the total number of hours of noninstructional, mentoring, and leadership duties for a school district teaching staff of equal size implementing the framework as set forth in section 284.15, subsection 2.

3. *Requirements for implementation and receipt of teacher leadership supplement funds.* A school district implementing the instructional coach model shall receive funds under section 257.10, subsection 12.

4. *Applicability.* The provisions of section 284.15, subsections 3 through 11, shall apply to school districts implementing the instructional coach model.

2013 Acts, ch 121, §71
Referred to in §284.13, 284.15, 284.17
NEW section

**284.17 Comparable system criteria.**

Any comparable system of career paths and compensation for teachers approved pursuant to section 284.15, including the instructional coach model set forth in section 284.16, shall include, at a minimum, all of the following components:

1. A minimum salary of thirty-three thousand five hundred dollars for a full-time teacher.

2. Increased support for new teachers and veteran teachers where appropriate, such as additional coaching, mentoring, and opportunities for observing exceptional instructional practice.

3. Differentiated, multiple teacher leadership roles beyond the initial teacher and career teacher levels, in which a goal of at least twenty-five percent of the teacher workforce serves additional contract days with compensation commensurate with the responsibilities for the leadership role. A district shall demonstrate that a good-faith effort has been made to attain participation by twenty-five percent of the teacher workforce and that no other practical alternative is available to meet the goal. These leadership roles may include but shall not be limited to all of the following:

*a.* Instructional coaches who engage full-time or part-time in instructional coaching.

*b.* Peer coaches who provide additional guidance in one or more aspects of the teaching profession to other teachers during normal noninstructional time. Peer coaches may be used only as one element of a more extensive teacher leadership plan.

*c.* Curriculum and professional development leaders who engage full-time or part-time in the planning, development, and implementation of curriculum and professional development.

*d.* Model teachers who teach full-time and serve as models of exemplary teaching practice.

*e.* Mentor teachers who teach full-time or part-time and also support the professional development of initial and career teachers.

*f.* Lead teachers who teach full-time or part-time and also plan and deliver professional development activities or engage in other activities designed to improve instructional strategies.

4. A rigorous selection process for placement into and retention in teacher leadership roles. The process shall include all of the following components:

*a.* The use of measures of effectiveness and professional growth to determine suitability for the role.

*b.* A selection committee that includes teachers and administrators who shall accept and review applications for assignment or reassignment to a teacher leadership role and shall make recommendations regarding the applications to the superintendent of the school district.

*c.* An annual review of the assignment to a teacher leadership role by the school's or school district's administration. The review shall include peer feedback on the effectiveness of the teacher's performance of duty specific to the teacher's leadership role. A teacher who completes the time period of assignment to a leadership role may apply to the school's or the school district's administration for assignment in a new leadership role, if appropriate, or for reassignment.

*d.* A requirement that a teacher assigned to a leadership role must have at least three years of teaching experience, and at least one year of experience in the school district.

5. A professional development system facilitated by teachers and other education experts and aligned with the Iowa professional development model adopted by the state board.

6. A school district approved to implement a comparable system pursuant to section 284.15, and which meets the requirements of this section, shall receive funds under section 257.10, subsection 12.

2013 Acts, ch 121, §72

Referred to in §284.13, 284.15

NEW section

# CHAPTER 284A

## ADMINISTRATOR QUALITY PROGRAM

Referred to in §256.9


284A.1 Administrator quality program.
284A.2 Definitions.
284A.3 Iowa standards for school administrators evaluations.
284A.4 Participation.
284A.5 Beginning administrator mentoring and induction program.
284A.6 Administrator professional development.
284A.7 Evaluation requirements for administrators.
284A.8 Beginning administrator mentoring and induction program — program funds.


**284A.1 Administrator quality program.**

An administrator quality program is established to promote high student achievement and enhanced educator quality. The program shall consist of the following three major components:

1. Mentoring and induction programs that provide support for administrators in accordance with section 284A.5.
2. Professional development designed to directly support best practices for leadership.
3. Evaluation of administrators against the Iowa standards for school administrators.

2007 Acts, ch 108, §54

Former §284A.1 transferred to §284A.2 pursuant to directive in 2007 Acts, ch 108, §60

**284A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means an individual holding a professional administrator license issued under chapter 272 who is employed in a school district administrative position by a school district or area education agency pursuant to a contract issued by a board of directors under section 279.23 and is engaged in instructional leadership. An administrator may be employed in both an administrative and a nonadministrative position by a board of directors and shall be considered a part-time administrator for the portion of time that the individual is employed in an administrative position. *"Administrator"* does not include assistant principals or assistant superintendents.
2. *"Beginning administrator"* means an individual serving under an administrator license, issued by the board of educational examiners under chapter 272, who is assuming a position as a school district principal or superintendent for the first time.
3. *"Comprehensive evaluation"* means a summative evaluation of a beginning administrator conducted by an evaluator in accordance with section 284A.3 for purposes of determining a beginning administrator's level of competency for recommendation for licensure based on the Iowa standards for school administrators adopted pursuant to section 256.7, subsection 27.
4. *"Department"* means the department of education.
5. *"Director"* means the director of the department of education.
6. *"Evaluation"* means a summative evaluation of an administrator used to determine whether the administrator's practice meets school district expectations and the Iowa standards for school administrators adopted pursuant to section 256.7, subsection 27.
7. *"Mentor"* means an individual employed by a school district or area education agency as a school district administrator or a retired administrator who holds a valid license issued under chapter 272. The individual must have a record of four years of successful administrative experience and must demonstrate professional commitment to both the improvement of teaching and learning and the development of beginning administrators.
8. *"School board"* means the board of directors of a school district or a collaboration of boards of directors of school districts.
9. *"State board"* means the state board of education.

2006 Acts, ch 1182, §28

C2007, §284A.1
2007 Acts, ch 108, §50, 60
CS2007, §284A.2
2009 Acts, ch 177, §43; 2010 Acts, ch 1183, §35
Former §284A.2 transferred to §284A.5 pursuant to directive in 2007 Acts, ch 108, §61

**284A.3 Iowa standards for school administrators evaluations.**

By July 1, 2008, each school board shall provide for evaluations for administrators under individual professional development plans developed in accordance with section 279.23A, and the Iowa standards for school administrators and related criteria adopted by the state board in accordance with section 256.7, subsection 27. A local school board may establish additional administrator standards and related criteria.

2007 Acts, ch 108, §55
Referred to in §272.9A, 284A.2
Former §284A.3 transferred to §284A.8 pursuant to directive in 2007 Acts, ch 108, §62

**284A.4 Participation.**

Effective July 1, 2007, each school district shall participate in the administrator quality program, and the board of directors of each school district shall do all of the following:

1. Implement a beginning administrator mentoring and induction program as provided in this chapter.
2. Adopt individual administrator professional development plans in accordance with this chapter.
3. Adopt an administrator evaluation plan that, at a minimum, requires an evaluation of administrators in the school district annually pursuant to section 279.23A and based upon the Iowa standards for school administrators and individual administrator professional development plans.

2007 Acts, ch 108, §56

**284A.5 Beginning administrator mentoring and induction program.**

1. A beginning administrator mentoring and induction program is created to promote excellence in school leadership, improve classroom instruction, enhance student achievement, build a supportive environment within school districts, increase the retention of promising school leaders, and promote the personal and professional well-being of administrators.
2. The department, in collaboration with other educational partners, shall develop a model beginning administrator mentoring and induction program for all beginning administrators.
3. Each school board shall establish an administrator mentoring program for all beginning administrators. The school board may adopt the model program developed by the department pursuant to subsection 2. Each school board's beginning administrator mentoring and induction program shall, at a minimum, provide for one year of programming to support the Iowa standards for school administrators adopted pursuant to section 256.7, subsection 27, and beginning administrators' professional and personal needs. Each school board shall develop and implement a beginning administrator mentoring and induction plan. The plan shall describe the mentor selection process, describe supports for beginning administrators, describe program organizational and collaborative structures, provide a budget, provide for sustainability of the program, and provide for program evaluation. The school board employing an administrator shall determine the conditions and requirements of an administrator participating in a program established pursuant to this section. A school board shall include its plan in the school district's comprehensive school improvement plan submitted pursuant to section 256.7, subsection 21.
4. A beginning administrator shall be informed by the school district or the area education agency, prior to the beginning administrator's participation in a mentoring and induction program, of the criteria upon which the administrator will be evaluated and of the evaluation process utilized by the school district or area education agency.
5. By the end of a beginning administrator's first year of employment, the beginning administrator may be comprehensively evaluated to determine if the administrator meets

expectations to move to a professional administrator license, where appropriate. The school district or area education agency that employs a beginning administrator shall recommend the beginning administrator for a professional administrator license, where appropriate, if the beginning administrator is determined through a comprehensive evaluation to demonstrate competence in the Iowa standards for school administrators adopted pursuant to section 256.7, subsection 27. A school district or area education agency may allow a beginning administrator a second year to demonstrate competence in the Iowa standards for school administrators if, after conducting a comprehensive evaluation, the school district or area education agency determines that the administrator is likely to successfully demonstrate competence in the Iowa standards for school administrators by the end of the second year. Upon notification by the school district or area education agency, the board of educational examiners shall grant a beginning administrator who has been allowed a second year to demonstrate competence a one-year extension of the beginning administrator's initial license. An administrator granted a second year to demonstrate competence shall undergo a comprehensive evaluation at the end of the second year.

2006 Acts, ch 1182, §29
C2007, §284A.2
2007 Acts, ch 108, §51 – 53, 61
CS2007, §284A.5
2010 Acts, ch 1183, §36
Referred to in §256.9, 284A.1

**284A.6 Administrator professional development.**

1. Each school district shall be responsible for the provision of professional growth programming for individuals employed in a school district administrative position by the school district or area education agency as deemed appropriate by the board of directors of the school district or area education agency. School districts may collaborate with other educational stakeholders including other school districts, area education agencies, professional organizations, higher education institutions, and private providers regarding the provision of professional development for school district administrators. Professional development programming for school district administrators may include support that meets the professional development needs of individual administrators aligned to the Iowa standards for school administrators adopted pursuant to section 256.7, subsection 27, and meets individual administrator professional development plans.

2. In cooperation with the administrator's evaluator, the administrator who has a professional administrator license issued by the board of educational examiners pursuant to chapter 272 and is employed by a school district or area education agency in a school district administrative position shall develop an individual administrator professional development plan. The purpose of the plan is to promote individual and group professional development. The individual plan shall be based, at a minimum, on the needs of the administrator, the Iowa standards for school administrators adopted pursuant to section 256.7, subsection 27, and the student achievement goals of the attendance center and the school district as outlined in the comprehensive school improvement plan.

3. The administrator's evaluator shall meet annually as provided in section 279.23A with the administrator to review progress in meeting the goals in the administrator's individual plan. The purpose of the meeting shall be to review collaborative work with other staff on student achievement goals and to modify as necessary the administrator's individual plan to reflect the individual administrator's and the school district's needs and the individual's progress in meeting the goals in the plan. The administrator shall present to the evaluator evidence of progress. The administrator's supervisor and the evaluator shall review and the supervisor may modify the administrator's individual plan.

2007 Acts, ch 108, §57; 2010 Acts, ch 1183, §37
Referred to in §272.9A

**284A.7 Evaluation requirements for administrators.**

A school district shall conduct an annual evaluation of an administrator who holds a professional administrator license issued under chapter 272 for purposes of assisting the administrator in making continuous improvement, documenting continued competence in the Iowa standards for school administrators adopted pursuant to section 256.7, subsection 27, or to determine whether the administrator's practice meets school district expectations. The evaluation shall include, at a minimum, an assessment of the administrator's competence in meeting the Iowa standards for school administrators and the goals of the administrator's individual professional development plan, including supporting documentation or artifacts aligned to the Iowa standards for school administrators and the individual administrator's professional development plan.

2007 Acts, ch 108, §58; 2010 Acts, ch 1183, §38; 2012 Acts, ch 1119, §7

**284A.8 Beginning administrator mentoring and induction program — program funds.**

1. To the extent moneys are available, a school district shall receive one thousand five hundred dollars per beginning administrator participating in the program. Moneys received by a school district pursuant to this section shall be expended to provide each mentor with an award of five hundred dollars per semester, at a minimum, for participation in the school district's beginning administrator mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district.

2. If the funds appropriated for the program are insufficient to pay mentors and school districts as provided in this section, the department shall prorate the amount distributed to school districts based upon the amount appropriated. A school district shall give priority to fully funding the obligation to principal mentors. Remaining moneys, if any, shall first be used to fund superintendent mentors and then to fund other program costs and applicable costs described in subsection 1.

2006 Acts, ch 1182, §30
C2007, §284A.3
2007 Acts, ch 108, §62; 2007 Acts, ch 214, §39
CS2007, §284.8
2010 Acts, ch 1183, §39

# CHAPTER 285

## STATE AID FOR TRANSPORTATION

Referred to in §256F.4, 261E.9


285.1 When entitled to state aid.
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**285.1 When entitled to state aid.**

1. *a.* The board of directors in every school district shall provide transportation, either directly or by reimbursement for transportation, for all resident pupils attending public school, kindergarten through twelfth grade, except that:

(1) Elementary pupils shall be entitled to transportation only if they live more than two miles from the school designated for attendance.

(2) High school pupils shall be entitled to transportation only if they live more than three miles from the school designated for attendance.

(3) Children attending prekindergarten programs offered or sponsored by the district or nonpublic school and approved by the department of education or department of human services or children participating in preschool in an approved local program under chapter 256C may be provided transportation services. However, transportation services provided to nonpublic school children are not eligible for reimbursement under this chapter.

(4) Districts are not required to maintain seating space on school buses for students who are otherwise to be provided transportation under this subsection if the students do not or will not regularly utilize the district's transportation service for extended periods during the school year. The student, or the student's parent or legal guardian if the student is less than eighteen years of age, shall be notified by the district before transportation services may be suspended, and the suspension may continue until the student, or the student's parent or legal guardian, notifies the district that regular student ridership will continue.

*b.* For the purposes of this subsection, *"high school"* means a school which commences with either grade nine or grade ten, as determined by the board of directors of the school district or by the governing authority of the nonpublic school in the case of nonpublic schools.

*c.* Boards in their discretion may provide transportation for some or all resident pupils attending public school or pupils who attend nonpublic schools who are not entitled to transportation. Boards in their discretion may collect from the parent or guardian of the pupil not more than the pro rata cost for such optional transportation, determined as provided in subsection 12.

2. Any pupil may be required to meet a school bus on the approved route a distance of not to exceed three-fourths of a mile without reimbursement.

3. In a district where transportation by school bus is impracticable, where necessary to implement a whole grade sharing agreement under section 282.10, or where school bus service is not available, the board may require parents or guardians to furnish transportation for their children to the schools designated for attendance. Except as provided in section 285.3, the parent or guardian shall be reimbursed for such transportation service for public and nonpublic school pupils by the board of the resident district in an amount equal to eighty dollars plus seventy-five percent of the difference between eighty dollars and the previous school year's statewide average per pupil transportation cost, as determined by the department of education. However, a parent or guardian shall not receive reimbursement for furnishing transportation for more than three family members who attend elementary school and one family member who attends high school.

4. In all districts where unsatisfactory roads or other conditions make it advisable, the board at its discretion may require the parents or guardians of public and nonpublic school pupils to furnish transportation for their children up to two miles to connect with vehicles of transportation. The parents or guardians shall be reimbursed for such transportation by the boards of the resident districts at the rate of twenty-eight cents per mile per day, one way, per family for the distance from the pupil's residence to the bus route.

5. Where transportation by school bus is impracticable or not available or other existing conditions warrant it, arrangements may be made for use of common carriers according to uniform standards established by the director of the department of education and at a cost based upon the actual cost of service and approved by the board.

6. When the school designated for attendance of pupils is engaged in the transportation of pupils, the sending or designating school shall use these facilities and pay the pro rata cost of transportation except that a district sending pupils to another school may make other arrangements when it can be shown that such arrangements will be more efficient and economical than to use facilities of the receiving school, providing such arrangements are approved by the board of the area education agency.

7. If a local board closes either elementary or high school facilities and is approved by the board of the area education agency to operate its own transportation equipment, the full cost

of transportation shall be paid by the board for all pupils living beyond the statutory walking distance from the school designated for attendance.

8. Transportation service may be suspended upon any day or days, due to inclemency of the weather, conditions of roads, or the existence of other conditions, by the board of the school district operating the buses, when in their judgment it is deemed advisable and when the school or schools are closed to all children.

9. Distance to school or to a bus route shall in all cases be measured on the public highway only and over the most passable and safest route as determined by the area education agency board, starting in the roadway opposite the private entrance to the residence of the pupil and ending in the roadway opposite the entrance to the school grounds or designated point on bus route.

10. The board in any district providing transportation for nonresident pupils shall collect the pro rata cost of transportation from the district of pupil's residence for all properly designated pupils so transported.

11. Boards in districts operating buses may transport nonresident pupils who attend public school, kindergarten through junior college, who are not entitled to free transportation provided they collect the pro rata cost of transportation from the parents.

12. The pro rata cost of transportation shall be based upon the actual cost for all the children transported in all school buses. It shall include one-seventh of the original net cost of the bus and other items as determined and approved by the director of the department of education but no part of the capital outlay cost for school buses and transportation equipment for which the school district is reimbursed from state funds or that portion of the cost of the operation of a school bus used in transporting pupils to and from extracurricular activities shall be included in determining the pro rata cost. In a district where, because of unusual conditions, the cost of transportation is in excess of the actual operating cost of the bus route used to furnish transportation to nonresident pupils, the board of the local district may charge a cost equal to the cost of other schools supplying such service to that area, upon receiving approval of the director of the department of education.

13. When a local board fails to pay transportation costs due to another school for transportation service rendered, the board of the creditor corporation shall file a sworn statement with the area education agency board specifying the amount due. The agency board shall check such claim and if the claim is valid shall certify to the county auditor. The auditor shall transmit to the county treasurer an order directing the county treasurer to transfer the amount of such claim from the funds of the debtor corporation to the creditor corporation and the treasurer shall pay the same accordingly.

14. Resident pupils attending a nonpublic school located either within or without the school district of the pupil's residence shall be entitled to transportation on the same basis as provided for resident public school pupils under this section. The public school district providing transportation to a nonpublic school pupil shall determine the days on which bus service is provided, which shall be based upon the days for which bus service is provided to public school pupils, and the public school district shall determine bus schedules and routes. In the case of nonpublic school pupils the term *"school designated for attendance"* means the nonpublic school which is designated for attendance by the parents of the nonpublic school pupil.

15. If the nonpublic school designated for attendance is located within the public school district in which the pupil is a resident, the pupil shall be transported to the nonpublic school designated for attendance as provided in this section.

16. *a.* If the nonpublic school designated for attendance of a pupil is located outside the boundary line of the school district of the pupil's residence, the pupil may be transported by the district of residence to a public school or other location within the district of the pupil's residence. A public school district in which a nonpublic school is located may establish school bus collection locations within its district from which nonresident nonpublic school pupils may be transported to and from a nonpublic school located in the district. If a pupil receives such transportation, the district of the pupil's residence shall be relieved of any requirement to provide transportation.

*b.* As an alternative to paragraph *"a"* of this subsection, subject to section 285.9,

subsection 3, where practicable, and at the option of the public school district in which a nonpublic school pupil resides, the school district may transport a nonpublic school pupil to a nonpublic school located outside the boundary lines of the public school district if the nonpublic school is located in a school district contiguous to the school district which is transporting the nonpublic school pupils, or may contract with the contiguous public school district in which a nonpublic school is located for the contiguous school district to transport the nonpublic school pupils to the nonpublic school of attendance within the boundary lines of the contiguous school district.

*c.* If the nonpublic school designated for attendance of a pupil is located outside the boundary line of the school district of the pupil's residence and the district of residence meets the requirements of subsections 14 to 16 of this section by using subsection 17, paragraph "*c*", of this section and the district in which the nonpublic school is located is contiguous to the district of the pupil's residence and is willing to provide transportation under subsection 17, paragraph "*a*" or "*b*", of this section, the district in which the nonpublic school is located may provide transportation services, subject to section 285.9, subsection 3, and may make the claim for reimbursement under section 285.2. The district in which the nonpublic school is located shall notify the district of the pupil's residence that it is making the claim for reimbursement, and the district of the pupil's residence shall be relieved of the requirement for providing transportation and shall not make a claim for reimbursement for those nonpublic school pupils for which a claim is filed by the district in which the nonpublic school is located.

17. The public school district may meet the requirements of subsections 14 to 16 by any of the following:

*a.* Transportation in a school bus operated by a public school district.

*b.* Contracting with private parties as provided in section 285.5. However, contracts shall not provide payment in excess of the average per pupil transportation costs of the school district for that year.

*c.* Utilizing the transportation reimbursement provision of subsection 3.

*d.* Contracting with a contiguous public school district to transport resident nonpublic school pupils the entire distance from the nonpublic pupil's residence to the nonpublic school located in the contiguous public school district or from the boundary line of the public school district to the nonpublic school.

18. The director of the department of education may review all transportation arrangements to see that they meet all legal and established uniform standard requirements.

19. Transportation authorized by this chapter is exempt from all laws of this state regulating common carriers.

20. Transportation for which the pro rata cost or other charge is collected shall not be provided outside the state of Iowa except in accordance with rules adopted by the department of education in accordance with chapter 17A. The rules shall take into account any applicable federal requirements.

21. Boards in districts operating buses may in their discretion transport senior citizens, children, persons with disabilities, and other persons and groups, who are not otherwise entitled to free transportation, and shall collect the pro rata cost of transportation. Transportation under this subsection shall not be provided when the school bus is being used to transport pupils to or from school unless the board determines that such transportation is desirable and will not interfere with or delay the transportation of pupils.

22. Notwithstanding subsection 1, paragraph "*a*", subparagraph (1), a parent or guardian of an elementary pupil entitled to transportation pursuant to subsection 1, may request that a child care facility be designated for purposes of subsection 9 rather than the residence of the pupil. The request shall be submitted for a period of time of at least one semester and may not be submitted more than twice during a school year.

[S13, §2794-b, -c, -d, -e; SS15, §2794-a, -g; C24, 27, 31, §4179 – 4181, 4184, 4186; C35, §4179 – 4181, 4184, 4186, 4233-e5; C39, §**4179 – 4181, 4184, 4186, 4233.5;** C46, §276.26, 276.28, 276.29, 276.32, 276.34, 279.20, 285.1, 285.5; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.1]

85 Acts, ch 212, §21; 86 Acts, ch 1246, §135; 87 Acts, ch 6, §1; 87 Acts, ch 115, §42; 87 Acts, ch 233, §488; 88 Acts, ch 1263, §11; 93 Acts, ch 127, §4; 94 Acts, ch 1060, §1, 2; 95 Acts, ch

209, §15; 96 Acts, ch 1129, §113; 99 Acts, ch 192, §33; 2007 Acts, ch 148, §9; 2009 Acts, ch 41, §109

Referred to in §257.31, 282.18, 285.2, 285.3, 285.11, 321.18, 331.502

Parent or guardian required to pay cost of transporting pupil participating in open enrollment to receiving district's regular school bus route; §282.18

**285.2 Payment of claims for nonpublic school pupil transportation.**

1. *a.* Boards of directors of school districts shall be required to provide transportation services to nonpublic school pupils as provided in section 285.1 when the general assembly appropriates funds to the department of education for the payment of claims for transportation costs submitted by the school district.

*b.* There is appropriated from the general fund of the state to the department of education funds sufficient to pay the approved claims of public school districts for transportation services to nonpublic school pupils as provided in this section. The portion of the amount appropriated for approved claims under section 285.1, subsection 3, shall be determined under section 285.3.

2. The costs of providing transportation to nonpublic school pupils as provided in section 285.1 shall not be included in the computation of district cost under chapter 257, but shall be shown in the budget as an expense from miscellaneous income. Any transportation reimbursements received by a local school district for transporting nonpublic school pupils shall not affect district cost limitations of chapter 257. The reimbursements provided in this section are miscellaneous income as defined in section 257.2.

3. *a.* Claims for reimbursement shall be made to the department of education by the public school district providing transportation or transportation reimbursement during a school year on a form prescribed by the department, and the claim shall state the services provided and the actual costs incurred. A claim shall not exceed the average transportation costs of the district per pupil transported except as otherwise provided. If transportation is provided under section 285.1, subsection 3, the amount of a claim shall be determined under section 285.3 regardless of the average transportation costs of the district per pupil transported.

*b.* Claims shall be accompanied by an affidavit of an officer of the public school district affirming the accuracy of the claim.

*c.* By February 1 and on or about June 15 of each year, the department shall certify to the department of administrative services the amounts of approved claims to be paid, and the department of administrative services shall draw warrants payable to school districts which have established claims.

4. *a.* Claims shall be allowed where practical, and at the option of the public school district of the pupil's residence, subject to approval by the area education agency of the pupil's residence, under section 285.9, subsection 3, the public school district of the pupil's residence may transport a pupil to a school located in a contiguous public school district outside the boundary lines of the public school district of the pupil's residence.

*b.* The public school district of the pupil's residence may contract with the contiguous public school district or with a private contractor under section 285.5 to transport the pupils to the school of attendance within the boundary lines of the contiguous public school district. The public school district in which the pupil resides may contract with the contiguous public school district or with a private contractor under section 285.5 to transport the pupil from the pupil's residence or from designated school bus collection locations to the school located within the boundary lines of the contiguous public school district, subject to the approval of the area education agency of the pupil's residence. The public school district of the pupil's residence may utilize the reimbursement provisions of section 285.1, subsection 3.

[C75, 77, 79, 81, §285.2]

84 Acts, ch 1302, §19; 86 Acts, ch 1246, §136, 137; 89 Acts, ch 135, §92; 94 Acts, ch 1181, §14, 18; 95 Acts, ch 214, §10, 11; 2003 Acts, ch 145, §286; 2010 Acts, ch 1061, §180

Referred to in §285.1

**285.3 Parental reimbursement for nonpublic school pupil transportation.**

1. A parent or legal guardian of a student attending an accredited nonpublic school,

who furnishes transportation for the student pursuant to section 285.1, subsection 17, paragraph "*c*", and who meets the requirements of subsection 2 of this section, is entitled to reimbursement equal to an amount calculated under the provisions of section 285.1, subsection 3. In addition, a parent or guardian who transports one or more family members more than four miles to their nonpublic school of attendance shall be entitled to one supplemental mileage payment per family, per claim period, equal to thirteen percent of the parental reimbursement for the claim period rounded to the nearest whole dollar.

2. To qualify for parental reimbursement under subsection 1, a parent or guardian of a student attending an accredited nonpublic school who furnishes transportation for the student in accordance with this section, shall submit a notice of nonpublic school attendance to the resident public school district, notifying the district that the student is enrolled in and will attend an accredited nonpublic school during the period for which parental reimbursement is being requested. The notice shall be filed with the resident public school district not later than December 1 for the first semester claim and May 1 for the second semester claim each year. The notice shall include the parent's name and address, the name, age, and grade level of the student, and the name of the nonpublic school and its location. The resident public school district shall submit claims for reimbursement to the department of education on behalf of the parent or guardian if the parent or guardian meets the requirements of this section.

87 Acts, ch 6, §2; 2002 Acts, ch 1140, §26

Referred to in §285.1, 285.2

**285.4 Pupils sent to another district.**

When a board closes its elementary school facilities for lack of pupils or by action of the board, it shall, if there is a school bus service available in the area, designate for attendance the school operating the buses, provided the board of such school is willing to receive them and the facilities and curricular offerings are adequate. The board of the district where the pupils reside may with the approval of the area education agency board, subject to legal limitations and established uniform standards, designate another rural school and provide their own transportation if the transportation costs will be less than to use the established bus service.

All designations must be submitted to the area education agency board on or before July 15, for review and approval. The agency board shall after due investigation alter or change designations to make them conform to legal requirements and established uniform standards for making designations and for locating and establishing bus routes. After designations are made, they will remain the same from year to year except that on or before July 15, of each year, the rural board or parents may petition the agency board for a change of designation to another school. Appeals from the decision of the agency board on designations may be made by either the parents or board to the director of the department of education as provided in section 285.12 and section 285.13.

[C35, §4274-e1, -e3, -e4, -e6; C39, §**4274.03, 4274.05, 4274.06, 4274.08;** C46, §282.10, 282.12, 282.13, 282.15, 285.4; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.4]

85 Acts, ch 212, §21

**285.5 Contracts for transportation.**

1. *a.* Contracts for school bus service with private parties shall be in writing and be for the transportation of children who attend public school and children who attend nonpublic school. Such contracts shall define the route, the length of time, service contracted for, the compensation, and the vehicle to be used. The contract shall prescribe the duties of the contractor and driver of the vehicles and shall provide that every person in charge of a vehicle conveying children to and from school shall be at all times subject to any rules said board shall adopt for the protection of the children, or to govern the conduct of the persons in charge of said conveyance. Contracts may be made for a period not to exceed three years.

*b.* The contract shall provide that the contractor will sell the equipment to the board should the contractor desire to terminate the contract, provided the board should desire to purchase said equipment, the price of the equipment to be determined by an appraisal board

composed of one person appointed by the school board, one appointed by the owner of the equipment, and a third selected by these two.

2. The contractor shall operate the vehicle or provide a driver who must be approved by the board. The contractor and driver shall be subject to all laws and prescribed standards for school bus drivers. Failure to comply shall constitute grounds for dismissal of the driver or cancellation of the contract if the board so desires.

3. All vehicles of transportation provided by contractor shall be inspected, approved and certified before being put into operation.

4. All contracts may be terminated by either party on a ninety-day notice.

5. The director of the department of education shall prepare a uniform contract containing provisions not in conflict with this chapter which shall be used by all schools in contracting for transportation service.

6. All contractors shall carry liability insurance in amounts and kind as provided in the official contract.

7. All contracts for transportation service and for drivers of school-owned and operated buses shall be made with someone outside the board except where no other transportation service is available, a board member may transport the member's own children.

8. Private buses other than common carriers not used exclusively in transportation of pupils while under contract to a school district shall meet all requirements for school-owned buses, as to construction and operation.

9. All bus drivers for school-owned equipment shall be under contract with the board. The director of the department of education shall prepare a uniform contract containing provision not in conflict with this chapter which shall be used by all school boards in contracting with drivers of school-owned vehicles.

[SS15, §2794-a; C24, 27, 31, 35, 39, §**4182, 4183;** C46, §276.30, 276.31; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.5]

85 Acts, ch 212, §21; 2010 Acts, ch 1061, §180; 2011 Acts, ch 25, §24

Referred to in §285.1, 285.2, 452A.17

**285.6 Personnel — expenses.**

The director of the department of education shall employ the necessary qualified personnel to implement this chapter. The appropriation provided by this chapter may be expended in part for the direction and supervision provided by the chapter which shall include salaries and all necessary traveling expense incurred by personnel in the performance of their official duties.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.6]

85 Acts, ch 212, §22; 86 Acts, ch 1245, §1488

**285.7** Repealed by 67 Acts, ch 356, § 28.

**285.8 Powers and duties of department.**

The powers and duties of the department shall be to:

1. Exercise general supervision over the school transportation system in the state.

2. Review and establish the location of bus routes which are located in more than one area education agency when the area education agency boards of the affected area education agencies after formal action do not approve.

3. Establish uniform standards for locating and operating bus routes and for the protection of the health and safety of pupils transported.

4. Inspect or cause to be inspected all vehicles used as school buses to transport school children to determine if such vehicles meet all legal and established standards of construction and can be operated with safety, comfort, and economy. When it is determined that further use of such vehicles is dangerous to the pupils transported and to the safety and welfare of the traveling public, the department of education shall order such vehicle to be withdrawn from further use on a specified date. School buses which do not conform to the requirements of the department of education may be issued a temporary certificate of operation provided that such school buses can be operated with safety, and provided further

that no such certificate shall be issued for a period in excess of one year. All equipment can be required to be altered, or safety equipment added in order to make vehicles reasonably safe for operation. New buses after initial inspection and approval shall be issued a seal of inspection. After each annual inspection a seal of inspection and approval shall be issued. Said seals shall be mounted on the lower right hand corner of the windshield.

5. Aid in the enforcement of the motor vehicle laws relating to the transportation of school children.

6. Prescribe uniform standards and regulations:

*a.* For the efficient operation and maintenance of school transportation equipment and for the protection of the health and safety of children transported.

*b.* For locating and establishing bus routes.

*c.* For procedures and requirements in making designations.

*d.* For standard of safety in construction of school transportation equipment.

*e.* For procedures for purchase of buses.

*f.* For qualification of school bus drivers.

*g.* As deemed necessary for the efficient administration of this chapter.

7. Review all transportation arrangements when deemed necessary and shall disapprove any arrangements that are not in conformity with the law and established standards and require the same to be altered or changed so that they do conform.

8. Conduct schools of instruction for transportation personnel as needed or requested.

9. Establish a fee for conducting school bus inspections in accordance with subsection 4 and issuing school bus driver authorizations in accordance with section 321.376, which shall not exceed the budgeted cost for conducting inspections and administering authorizations.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.8]

85 Acts, ch 212, §24; 2002 Acts, ch 1140, §27

**285.9 Powers and duties of area boards.**

The powers and duties of the respective area education agency boards shall be to:

1. Enforce all laws and all rules and regulations of the department of education relating to transportation.

2. Review and approve all transportation arrangements between districts in the agency and in all districts in the agency not operating high schools. If such transportation arrangements, designations, and contracts are not in conformity to law or established uniform standards for the locating and operating of bus routes, the agency board shall, after receiving all facts, make such alterations or changes as necessary to make the arrangements, designations, and contracts conform to the legal and established requirements and shall notify local board of such action.

3. Approve all bus routes outside the boundary of the district of the school operating buses.

4. When a local board fails to make designations and other necessary arrangements for transportation as required by law, the agency board shall, after due notice to the local board, make necessary arrangements in conformity with law and established requirements. Notice shall be given to the local board of the arrangements as made. The arrangements shall be binding on the local board which shall pay the costs for service as arranged.

[C35, §4274-e1, -e2; C39, §**4274.03, 4274.04;** C46, §282.10, 282.11, 285.9; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.9]

Referred to in §285.1, 285.2

**285.10 Powers and duties of local boards.**

The powers and duties of the local school boards shall be to:

1. Provide transportation for each resident pupil who attends public school, and each resident pupil who attends a nonpublic school, and who is entitled to transportation under the laws of this state.

2. Establish, maintain, and operate bus routes for the transportation of pupils so as to provide for the economical and efficient operation thereof without duplication of facilities, and to properly safeguard the health and safety of the pupils transported.

3. Purchase or lease buses and other transportation facilities, and maintain same, and to enter into contracts for transportation subject to any provisions of law affecting same.

4. Employ such drivers and other employees as may be necessary and prescribe their qualifications and adopt rules for their conduct.

5. Exercise any and all powers and duties relating to transportation of pupils enjoined upon them by law.

6. Shall purchase liability insurance and other insurance coverage which the board deems advisable to insure the school district, its officers, employees, and agents against liability incurred as a result of operating school buses, including but not limited to liability to pupils or other persons lawfully transported. Section 670.7 shall apply to such insurance. However, the board of directors in its discretion shall determine the insurance coverages and limits, and the school district and directors shall not be liable as a result of any such discretionary decision.

7. When a school qualifies to purchase buses, they may be purchased as follows:

*a.* From funds available in the general fund or in the physical plant and equipment levy fund.

*b.* By purchasing buses and entering into contracts to pay for such buses over a five-year period as follows: one-fourth of the cost when the bus is delivered and the balance in equal annual installments, plus simple interest due. The interest rate shall be the lowest rate available and shall not exceed the rate in effect under section 74A.2. The bus shall serve as security for balance due. Competitive bids on comparable equipment shall be requested on all school bus purchases and shall be based upon minimum construction standards established by the department of education. Bids shall be requested unless the bus is a used or demonstrator bus.

8. Boards in school districts which have sufficient resident pupils they are required to transport to warrant the purchase of transportation equipment may purchase buses needed to provide the transportation.

9. In the discretion of the board, furnish a school bus and services of a qualified driver to an organization of, or sponsoring activities for, senior citizens, children, persons with disabilities, or other persons and groups in this state. The board shall charge and collect an amount sufficient to reimburse all costs of furnishing the bus and driver except when the bus is used for transporting pupils to and from extracurricular activities sponsored by the school. A school bus shall be used as provided in this subsection only at times when it is not needed for transportation of pupils.

10. In the discretion of the board, furnish a school bus and services of a qualified driver for transportation of persons other than pupils to activities in which pupils from the school are participants or are attending the activity or for which the school is a sponsor. The board shall charge and collect an amount sufficient to reimburse all costs of furnishing the bus and driver. A school bus shall be used as provided in this subsection only at times when it is not needed for transportation of pupils.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.10]

92 Acts, ch 1187, §5; 93 Acts, ch 127, §5; 94 Acts, ch 1029, §21; 96 Acts, ch 1129, §113; 2003 Acts, ch 180, §52; 2004 Acts, ch 1086, §58

Referred to in §279.48, 285.11, 321.18

**285.11 Bus routes — basis of operation.**

The establishment and operation of bus routes and the contracting for transportation shall be based upon the following considerations:

1. Each bus route shall be planned and adjusted to utilize the normal seating capacity of each bus insofar as it is possible to do so.

2. Each bus route shall serve only those pupils living in those areas where transportation by bus is the most economical method for providing adequate transportation facilities.

3. A route shall not be extended for the purpose of accommodating pupils whose homes are nearer another bus route.

4. Special contracts for transportation of pupils entitled to transportation shall be entered into only when it is more economical to make such special provision than to provide same by

regular bus route, or when by reason of physical or mental disability of the pupil such pupil cannot be transported with safety by bus.

5. The boards shall take advantage of all tax exemptions on fuel, equipment, and of such other economies as are available.

6. The use of school buses shall be restricted to transporting pupils to and from school and to and from extracurricular activities sponsored by the school when such extracurricular activity is under the direction of a qualified member of the faculty and a part of the regular school program and to transporting other persons to the extent permitted by section 285.1, subsection 1, and section 285.10, subsections 9 and 10. School employees of districts operating buses may be transported to and from school and approved activities which they are required to attend as a result of their responsibilities. Provided, however, nothing in this subsection shall prohibit the use of school buses in transporting a school teacher going to and from the teacher's school when such school is on an established school bus route and such teacher makes arrangements with the district operating such school bus.

7. No bus shall leave the public highway to receive or discharge pupils unless their safety is enhanced thereby, or the private road is maintained in the same manner as a public roadway.

8. Bus routes shall be established only to give service to properly designated pupils.

[C39, §**4179.1;** C46, §276.27, 285.11; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.11]

90 Acts, ch 1230, §4; 96 Acts, ch 1129, §113; 2006 Acts, ch 1152, §45

**285.12 Disputes — hearings and appeals.**

In the event of a disagreement between a school patron and the board of the school district, the patron if dissatisfied with the decision of the district board, may appeal to the area education agency board, notifying the secretary of the district in writing within ten days of the decision of the board and by filing an affidavit of appeal with the agency board within the ten-day period. The affidavit of appeal shall include the reasons for the appeal and points at issue. The secretary of the local board on receiving notice of appeal shall certify all papers to the agency board which shall hear the appeal within ten days of the receipt of the papers and decide it within three days of the conclusion of the hearing and shall immediately notify all parties of its decision. Either party may appeal the decision of the agency board to the director of the department of education by notifying the opposite party and the agency administrator in writing within five days after receipt of notice of the decision of the agency board and by filing with the director of the department of education an affidavit of appeal, reasons for appeal, and the facts involved in the disagreement within five days after receipt of notice of the decision of the agency board. The agency administrator shall, within ten days of receipt of the notice, file with the director all records and papers pertaining to the case, including action of the agency board. The director shall hear the appeal within fifteen days of the filing of the records in the director's office, notifying all parties and the agency administrator of the date and time of hearing. The director shall notify all parties of the decision and return all papers with a copy of the decision to the agency administrator. The decision of the director shall be subject to judicial review in accordance with chapter 17A. Pending final order made by the director, upon any appeal prosecuted to such director, the order of the agency board from which the appeal is taken shall be operative and be in full force and effect.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.12]

85 Acts, ch 212, §21 – 23; 2001 Acts, ch 159, §15; 2002 Acts, ch 1140, §28; 2003 Acts, ch 108, §127, 132

Referred to in §285.4, 285.13

**285.13 Disagreements between boards.**

In the event of a disagreement between the board of a school district and the board of an area education agency, the board of the school district may appeal to the director of the department of education and the procedure and times provided for in section 285.12 shall

prevail in any such case. The decision of the director shall be subject to judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.13]

85 Acts, ch 212, §21; 2003 Acts, ch 44, §114

Referred to in §285.4

**285.14 Nonstandard buses — penalties.**

Any person who operates or permits to be operated as a school bus to transport pupils, any vehicle which does not comply with the requirements provided by law or by the rules and regulations of the department of education, or for which there is not a valid temporary certificate for operation, shall be guilty of a simple misdemeanor.

A vehicle used for an approved driver education course in which the driver education teacher transports driver education students from their residences for street or highway driving is not a school bus.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.14]

**285.15 Forfeiture of reimbursement rights.**

The failure of any local district to comply with the provisions of this chapter or any other laws relating to the transportation of pupils, or any rules made by the department of education under this chapter or the final decisions of the area education agency board, or the final decisions of the department of education shall during the period such failure to comply existed forfeit the rights to collect transportation costs from school or parents while operating in such illegal manner. Any superintendent, board, or board member who knowingly operates or permits to be operated any school bus transporting public school pupils in violation of any school transportation law shall be deemed guilty of a simple misdemeanor.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §285.15]

**285.16 "Nonpublic school" defined.**

As used in this chapter, *"nonpublic school"* means those nonpublic schools accredited by the department of education as provided in section 256.11 and nonpublic institutions which comply with state board of education standards for providing special education programs.

[C79, 81, §285.16]

87 Acts, ch 115, §43

# CHAPTERS 286 and 286A

RESERVED

# CHAPTER 287

## SOCIETIES AND FRATERNITIES


287.1 Secret societies and fraternities.
287.2 Enforcement.
287.3 Suspension or dismissal.
287.4 Repealed by 76 Acts, ch 1245(4), §525.


**287.1 Secret societies and fraternities.**

It shall be unlawful for any pupil, registered as such, and attending any public high school, district, primary, or graded school, which is partially or wholly maintained by public funds, to join, become a member of, or to solicit any other pupil of any such school to join, or become a member of, any fraternity or society wholly or partially formed from the membership of

pupils attending any such schools, or to take part in the organization or formation of any such fraternity or society, except such societies or associations as are sanctioned by the directors of such schools.

[S13, §2782-a; C24, 27, 31, 35, 39, §**4284;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §287.1]

Referred to in §287.2, 287.3

**287.2 Enforcement.**

The directors of all schools shall enforce the provisions of section 287.1 and shall have full power and authority to make, adopt, and modify all rules and regulations which, in their judgment and discretion, may be necessary for the proper governing of such schools and enforcing all the provisions of section 287.1.

[S13, §2782-b; C24, 27, 31, 35, 39, §**4285;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §287.2]

**287.3 Suspension or dismissal.**

The directors of such schools shall have full power and authority, pursuant to the adoption of such rules and regulations made and adopted by them, to suspend or dismiss any pupil or pupils of such schools therefrom, or to prevent them, or any of them, from graduating or participating in school honors when, after investigation, in the judgment of such directors, or a majority of them, such pupil or pupils are guilty of violating any of the provisions of section 287.1, or are guilty of violating any rule, rules, or regulations adopted by such directors for the purpose of governing such schools or enforcing said section.

[S13, §2782-c; C24, 27, 31, 35, 39, §**4286;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §287.3]

**287.4** Repealed by 76 Acts, ch 1245(4), § 525.

# CHAPTER 288

## EVENING SCHOOLS

Repealed by 2006 Acts, ch 1152, §55

# CHAPTER 289

## PART-TIME SCHOOLS

Repealed by 2006 Acts, ch 1152, §55

# CHAPTER 290

## APPEAL FROM DECISIONS OF BOARDS OF DIRECTORS

Referred to in §256.7, 256F.3, 256F.8, 275.15, 280.13A, 282.18, 296.3

290.1 Appeal to state board.
290.2 Notice — transcript — hearing.
290.3 Hearing — shorthand reporter — decision.
290.4 Witnesses — fees — collection.
290.5 Decision of state board — rules for appeals.
290.6 Money judgment.

**290.1 Appeal to state board.**

An affected pupil, or the parent or guardian of an affected pupil who is a minor, who is aggrieved by a decision or order of the board of directors of a school corporation in a matter of law or fact, or a decision or order of a board of directors under section 282.18, subsection 5, may, within thirty days after the rendition of the decision or the making of the order, appeal the decision or order to the state board of education; the basis of the proceedings shall be an affidavit filed with the state board by the party aggrieved within the time for taking the appeal, which affidavit shall set forth any error complained of in a plain and concise manner.

[R60, §2133 – 2135; C73, §1829 – 1831; C97, §2818; C24, 27, 31, 35, 39, §**4298;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §290.1]

87 Acts, ch 224, §64; 88 Acts, ch 1263, §12; 89 Acts, ch 12, §4; 2002 Acts, ch 1140, §29

Referred to in §256G.3, 282.18

**290.2 Notice — transcript — hearing.**

The state board of education shall, within five days after the filing of such affidavit, notify the secretary of the proper school corporation in writing of the taking of such appeal, who shall, within ten days after being thus notified, file with the state board a complete certified transcript of the record and proceedings relating to the decision appealed from. Thereupon, the state board shall notify in writing all persons adversely interested of the time when and place where the matter of appeal will be heard.

[R60, §2136, 2137; C73, §1832 – 1834; C97, §2819; C24, 27, 31, 35, 39, §**4299;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §290.2]

**290.3 Hearing — shorthand reporter — decision.**

At the time fixed for the hearing, it shall hear testimony for either party, and may cause the same to be taken down and transcribed by a shorthand reporter, whose fees shall be fixed by the state board and be taxed as a part of the costs in the case, and it shall make such decision as may be just and equitable, which shall be final unless appealed from as hereinafter provided.

[C97, §2819; C24, 27, 31, 35, 39, §**4300;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §290.3]

**290.4 Witnesses — fees — collection.**

The state board of education in all matters triable before it shall have power to issue subpoenas for witnesses, which may be served by any peace officer, compel the attendance of those thus served, and the giving of evidence by them, in the same manner and to the same extent as the district court may do, and such witnesses and officers may be allowed the same compensation as is paid for like attendance or service in such court, which shall be paid out of the general fund of the proper school corporation, upon the certificate of the state board to and warrant of the secretary upon the treasurer; but if the board is of the opinion that the proceedings were instituted without reasonable cause therefor, or if, in case of an appeal, it shall not be sustained, it shall enter such findings in the record, and tax all costs to the party responsible therefor. A transcript thereof shall be filed in the office of the clerk of the district court and a judgment entered thereon by the clerk, which shall be collected as other judgments.

[C97, §2821; C24, 27, 31, 35, 39, §**4301;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §290.4]

Referred to in §602.8102(49)

Contempts, chapter 665

Fees for serving subpoenas, §331.655(1c)

Witness fees and mileage; §622.69 – 622.75

**290.5 Decision of state board — rules for appeals.**

The decision of the state board shall be final. The state board may adopt rules of procedure for hearing appeals which shall include the power to delegate the actual hearing of the appeal to the director of the department of education or the director's designee, and members of the director's staff designated by the director. The record of appeal so heard shall be available to the state board and the decision recommended by the director of the department of education

or the designated administrative law judge shall be approved by the state board in the manner provided in section 256.7, subsection 6.

[R60, §2139; C73, §1835; C97, §2820; C24, 27, 31, 35, 39, §**4302;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §290.5]

85 Acts, ch 212, §21 – 23; 89 Acts, ch 210, §12

**290.6 Money judgment.**

Nothing in this chapter shall be so construed as to authorize the state board of education to render judgment for money; neither shall they be allowed any other compensation than is now allowed by law. All necessary postage must first be paid by the party aggrieved.

[R60, §2140; C73, §1836; C97, §2820; C24, 27, 31, 35, 39, §**4303;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §290.6]

# CHAPTER 291

## PRESIDENT, SECRETARY, AND TREASURER OF BOARD

Referred to in §260C.12


291.1 President — duties.
291.2 Bonds of secretary and treasurer.
291.3 Cost of bond.
291.4 Oath.
291.5 Action on bond.
291.6 Duties of secretary.
291.7 Monthly receipts, disbursements, and balances.
291.8 Payments and electronic funds transfers.
291.9 Repealed by 86 Acts, ch 1016, §8.
291.10 Reports by secretary.
291.11 Officers reported.
291.12 Duties of treasurer — receipts and expenditures.
291.13 Repealed by 94 Acts, ch 1029, §32, 33.
291.14 Financial statement.
291.15 Repealed by 92 Acts, ch 1187, §11.


**291.1 President — duties.**

The president of the board of directors shall preside at all of its meetings, sign all contracts made by the board, and appear on behalf of the corporation in all actions brought by or against it, unless individually a party, in which case this duty shall be performed by the secretary. The president or the president's designee shall sign, using an original or facsimile signature, all school district payments drawn and authorize electronic funds transfers as provided by law. The board of directors, by resolution, may designate an individual, who shall not be the secretary, to sign payments or authorize electronic funds transfers on behalf of the president.

[C51, §1122, 1123, 1125; R60, §2039, 2040; C73, §1739, 1740; C97, §2759; C24, 27, 31, 35, 39, §**4304;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.1]

94 Acts, ch 1175, §11; 2013 Acts, ch 88, §21

Section amended

**291.2 Bonds of secretary and treasurer.**

The secretary and treasurer, within ten days after appointment and before entering upon the duties of the office, shall execute to the school corporation a surety bond in an amount sufficient to cover current operations as determined by the board. All such bonds shall be continued to the faithful discharge of the duties of the office. The amount and sufficiency of all surety bonds shall be determined and approved by the board and shall be filed with the president. The cost of the surety bond shall be paid by the school corporation. If a single person serves as secretary and treasurer, pursuant to section 279.3 or 260C.12, only one bond is necessary for that person. The secretary and treasurer may give bond under a single bond covering other employees of the district.

[C51, §1144; R60, §2037; C73, §1731; C97, §2760; C24, 27, 31, 35, 39, §**4305;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.2; 82 Acts, ch 1012, §2, ch 1086, §2]

93 Acts, ch 127, §6

Referred to in §260C.12, 279.3

**291.3 Cost of bond.**

If the bond of an association or corporation as surety is furnished, the reasonable cost of such bond may be paid by the school corporation.

[C27, 31, 35, §4305-a1; C39, §**4305.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.3]

**291.4 Oath.**

Each shall take the oath required of civil officers, which shall be endorsed upon the bond, and shall complete the qualification within ten days.

[C97, §2760; C24, 27, 31, 35, 39, §**4306;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.4]

Oath of office, §63.10

**291.5 Action on bond.**

In case of a breach of the bond, the president shall bring action thereon in the name of the school corporation.

[C51, §1144; R60, §2037; C73, §1731; C97, §2760; C24, 27, 31, 35, 39, §**4307;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.5]

**291.6 Duties of secretary.**

The secretary shall:

1. *Preservation of records.* File and preserve copies of all reports made and all papers transmitted pertaining to the business of the corporation.

2. *Minutes.* Keep a complete record of all the proceedings of the meetings of the board and of all regular or special elections in the corporation in separate books.

3. *Accounting records.* Keep an accurate accounting record of each payment or electronic funds transfer from each fund which shall be provided monthly to the board of directors. The secretary of the creditor district shall prepare and deliver to debtor districts an itemized statement of tuition fees charged in accordance with sections 275.55A and 282.11, and section 282.24, subsection 1.

4. *Claims.* Keep an accurate accounting of all expenses incurred by the corporation, and present the same to the board for audit and payment.

[C51, §1126, 1128; R60, §2041, 2042; C73, §1741, 1743; C97, §2761; S13, §2761; C24, 27, 31, 35, 39, §**4308;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.6]

2013 Acts, ch 88, §22, 23

Subsection 3 stricken and rewritten

Subsection 4 amended

**291.7 Monthly receipts, disbursements, and balances.**

The secretary of each district shall file monthly with the board of directors a complete statement of all receipts and disbursements from each individual fund during the preceding month, and also the balance remaining on hand in each individual fund at the close of the period covered by the statement, which monthly statements shall be open to public inspection.

[S13, §2761; C24, 27, 31, 35, 39, §**4309;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.7]

93 Acts, ch 127, §7; 2013 Acts, ch 88, §24

Section amended

**291.8 Payments and electronic funds transfers.**

The secretary shall make each authorized payment, countersign using an original or facsimile signature, and maintain accounting records of the payments or electronic funds transfers, showing the number, date, payee, originating fund, the purpose, and the amount, and shall provide to the board at each regular annual meeting a copy of the accounting records maintained by the secretary.

[C51, §1122, 1123, 1126; R60, §2039, 2041, 2061; C73, §1739, 1741, 1782; C97, §2762; S13, §2762; C24, 27, 31, 35, 39, §**4310;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.8]

94 Acts, ch 1175, §12; 2013 Acts, ch 88, §25

Section stricken and rewritten

**291.9** Repealed by 86 Acts, ch 1016, § 8.

**291.10 Reports by secretary.**

1. The school district shall file an annual report with the director of the department of education on forms prepared for that purpose.

2. The annual report shall include the financial information required in section 423F.5, subsection 1, as related to moneys received under chapter 423E or 423F, as applicable, for each budget year.

[C51, §1127; R60, §2046; C73, §1744, 1745; C97, §2765; S13, §2765; C24, 27, 31, 35, 39, §**4313;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.10]

84 Acts, ch 1219, §17; 85 Acts, ch 212, §21, 22; 86 Acts, ch 1016, §4, 5; 92 Acts, ch 1187, §6; 2010 Acts, ch 1193, §120

Referred to in §256.9

**291.11 Officers reported.**

The secretary shall report to the director of the department of education, the county auditor, and county treasurer the name and post office address of the president, treasurer and secretary of the board as soon as practicable after the qualification of each.

[C73, §1736; C97, §2766; C24, 27, 31, 35, 39, §**4314;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.11]

85 Acts, ch 212, §21

**291.12 Duties of treasurer — receipts and expenditures.**

The treasurer shall receive all moneys belonging to the corporation, pay the same out only upon the order of the president countersigned by the secretary, and shall keep an accurate accounting record of all receipts and expenditures. The treasurer shall register all payments and electronic funds transfers made and reported to the treasurer by the secretary, showing the number, date, to whom drawn, the fund from which each payment and transfer was made, the purpose and amount.

[C51, §1138 – 1140; R60, §2048 – 2050; C73, §1747 – 1750; C97, §2768; S13, §2768; C24, 27, 31, 35, 39, §**4316;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.12]

2013 Acts, ch 88, §26

Section amended

**291.13** Repealed by 94 Acts, ch 1029, § 32, 33.

**291.14 Financial statement.**

The treasurer shall render a statement of the finances of the corporation whenever required by the board, and the treasurer's accounting records shall always be open for inspection.

[C51, §1141; R60, §2051; C73, §1751; C97, §2769; S13, §2769; C24, 27, 31, 35, 39, §**4320;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §291.14]

2013 Acts, ch 88, §27

Section amended

**291.15** Repealed by 92 Acts, ch 1187, § 11.

# CHAPTER 292

## SCHOOL INFRASTRUCTURE PROGRAM

292.1 Definitions.
292.2 School infrastructure program.
292.3 Rules.
292.4 Appropriation. Repealed by 2005 Acts, ch 179, §28, 29.

**292.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Capacity per pupil"* means the sum of a school district's property tax infrastructure capacity per pupil and the sales tax capacity per pupil.

2. *"Committee"* means the school budget review committee established in section 257.30.

3. *"Department"* means the department of education established in section 256.1.

4. *"Fund"* means the school infrastructure fund created in section 12.82.

5. *"Local match percentage"* means a percentage equivalent to either of the following, whichever is less:

*a.* Fifty percent.

*b.* The quotient of a school district's capacity per pupil divided by the capacity per pupil of the school district at the fortieth percentile, multiplied by fifty percent, except that the percentage in this paragraph shall not be less than twenty percent.

6. *"Program"* means the school infrastructure program established in section 292.2.

7. *"Property tax infrastructure capacity per pupil"* means the sum of a school district's levies under sections 298.2 and 298.18 when the levies are imposed to the maximum extent allowable under law in the budget year divided by the school district's basic enrollment for the budget year.

8. *"Sales tax capacity per pupil"* means the estimated amount of revenues that a school district receives or would receive from the secure an advanced vision for education fund pursuant to section 423F.2, divided by the school district's basic enrollment for the budget year.

9. *"School infrastructure"* means activities initiated on or after July 1, 2000, as authorized in section 296.1 but does not include those activities related to stadiums, bus barns, a home or homes of a teacher or superintendent, procuring and improving a site for an athletic field, or improving a site already owned for an athletic field.

2000 Acts, ch 1174, §26; 2008 Acts, ch 1134, §39

**292.2 School infrastructure program.**

1. *a.* The department shall establish and administer a school infrastructure program to provide financial assistance in the form of grants to school districts with school infrastructure needs.

*b.* The department of education, in consultation with the department of management, shall annually compute the property tax infrastructure capacity per pupil for each school district in the state.

*c.* The department of education, in consultation with the department of revenue and the legislative services agency, shall annually calculate the estimated tax for school infrastructure that is or would be received by each school district in the state pursuant to section 423F.2. These calculations shall be made on a total tax and on a tax per pupil basis for each school district.

*d.* The department of education, in consultation with the department of revenue and the department of management, shall annually compute capacity per pupil and the local match percentage for each school district in the state. The calculations shall be released not later than September 1 of each year.

2. *a.* A school district's local match requirement is equivalent to the total investment of a project multiplied by the school district's local match percentage. A school district may submit an application to the department for financial assistance under the program if the school district meets the district's local match requirement through one or more of the following sources:

(1) The issuance of bonds pursuant to section 298.18.

(2) Tax moneys received pursuant to section 423F.2.

(3) A physical plant and equipment levy under chapter 298.

(4) Other moneys locally obtained by the school district excluding other state or federal grant moneys.

*b.* If the project is in collaboration with other public or private entities, the school district shall be eligible to apply for only the school district's portion of the project. As such, state or federal grants received by the other entities cannot be used toward the local match requirement under paragraph *"a"*, subparagraph (4).

*c.* A school district may submit an application for a project which includes activities at more than one attendance center. However, if the activities relate to new construction, the project shall only relate to one attendance center.

*d.* A school district may submit an application for conditional approval to the department for financial assistance under the program if the school district submits a plan for securing the school district's local match requirement under paragraph "*a*". If a school district does not meet the local match requirement of paragraph "*a*" within nine months of receiving conditional approval from the department, the application for financial assistance shall be denied by the department and the financial assistance shall be carried forward to be made available under the allocation provided under subsection 4, paragraph "*d*", for the next available grant cycle.

*e.* For the fiscal year beginning July 1, 2000, applications shall be submitted to the department by March 1, 2001. For the fiscal year beginning July 1, 2001, and every fiscal year thereafter, applications shall be submitted to the department by October 15 of each year.

*f.* For the fiscal year beginning July 1, 2000, the department shall notify all approved applicants by May 1, 2001, regarding the approval of the application. For the fiscal year beginning July 1, 2001, and every fiscal year thereafter, the department shall notify all approved applicants by December 15 of each year regarding the approval of the application.

*g.* An applicant which is not successful in obtaining financial assistance under the program may reapply for financial assistance in succeeding years.

3. The application shall include, but shall not be limited to, the following information:

*a.* The total capital investment of the project.

*b.* The amount and percentage of moneys which the school district will be providing for the project.

*c.* The infrastructure needs of the school district, especially the fire and health safety needs of the school district, and including the extent to which the project would allow the school district to meet the infrastructure needs of the school district on a long-term basis.

*d.* The financial assistance needed by the school district based upon the capacity per pupil.

*e.* Any previous efforts by the school district to secure infrastructure funding from federal, state, or local resources, including any funding received for any project under the Iowa demonstration construction grant program. The previous efforts shall be evaluated on a case-by-case basis.

*f.* Evidence that the school district meets or will meet the local match requirement in subsection 2, paragraph "*a*".

*g.* The nature of the proposed project and its relationship to improving educational opportunities for the students.

*h.* Evidence that the school district has reorganized on or after July 1, 2000, or that the school district has initiated a resolution to reorganize by July 1, 2004, or entered into an innovative collaboration with another school district or school districts.

4. A school district shall not receive more than one grant under the program. The financial assistance shall be in the form of grants and shall be allocated in the following manner:

*a.* Twenty-five percent of the financial assistance each year shall be awarded to school districts with an enrollment of one thousand one hundred ninety-nine students or less.

*b.* Twenty-five percent of the financial assistance each year shall be awarded to school districts with an enrollment of more than one thousand one hundred ninety-nine students but not more than four thousand seven hundred fifty students.

*c.* Twenty-five percent of the financial assistance each year shall be awarded to school districts with an enrollment of more than four thousand seven hundred fifty students.

*d.* Twenty-five percent of the financial assistance each year, any financial assistance not awarded under paragraphs "*a*" through "*c*", and financial assistance not awarded in previous fiscal years shall be awarded to school districts with any size enrollment.

5. A district shall receive the lesser of one million dollars of financial assistance under the program, or the total capital investment of the project minus the local match requirement. The program shall provide grants in an amount of not more than ten million dollars during the fiscal year beginning July 1, 2000, not more than twenty million dollars during the fiscal year beginning July 1, 2001, and not more than twenty million dollars during the fiscal year

beginning July 1, 2002. If the amount of grants awarded in a fiscal year is less than the maximum amount provided for grants for that fiscal year in this subsection, the amount of the difference shall be carried forward to subsequent fiscal years for purposes of providing grants under the program and the maximum amount of grants for each fiscal year, as provided in this subsection, shall be adjusted accordingly.

6. The school budget review committee shall review all applications for financial assistance under the program and make recommendations regarding the applications to the department. The department shall make the final determination on grant awards. The school budget review committee shall base the recommendations on the criteria established pursuant to subsections 3 and 7.

7. The department shall form a task force to review applications for financial assistance and provide recommendations to the school budget review committee. The task force shall include, at a minimum, representatives from the kindergarten through grade twelve education community, the state fire marshal, and individuals knowledgeable in school infrastructure and construction issues. The department, in consultation with the task force, shall establish the parameters and the details of the criteria for awarding grants based on the information listed in subsection 3, including greater priority to the following:

*a.* A school district with a lower capacity per pupil.

*b.* A school district whose plans address specific occupant safety issues.

*c.* A school district reorganizing or collaborating as described in subsection 3, paragraph "*h*".

*d.* A school district receiving minimal revenues under section 423F.2 when the total enrollment of the school district is considered.

8. An applicant receiving financial assistance under the program shall submit a progress report to the department of education as requested by the department which shall include a description of the activities under the project, the status of the implementation of the project, and any other information required by the department.

9. If a school district receives financial assistance under the vision Iowa program created under section 15F.302 pursuant to a joint application submitted under section 15F.302, subsection 3, the school district shall not be eligible to receive financial assistance under the school infrastructure program.

2000 Acts, ch 1174, §27; 2002 Acts, ch 1129, §5; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 145, §286; 2008 Acts, ch 1134, §40 – 44

Referred to in §12.81, 12.82, 12.83, 292.1

**292.3 Rules.**

The department shall adopt rules, pursuant to chapter 17A, necessary for administering the school infrastructure program and fund.

2000 Acts, ch 1174, §28

**292.4 Appropriation.** Repealed by 2005 Acts, ch 179, § 28, 29.

# CHAPTER 293

RESERVED

# CHAPTER 294

## TEACHERS

Referred to in §12B.10, 12B.10A, 12B.10B, 12B.10C, 279.46, 284.13, 284A.8

GENERAL PROVISIONS

294.1 Qualifications — compensation prohibited.
294.2 Repealed by 89 Acts, ch 265, §43.
294.3 State aid and tuition.
294.4 Daily register.
294.5 Reports.
294.6 and 294.7 Repealed by 63 Acts, ch 176, §1.

PENSION AND ANNUITY RETIREMENT SYSTEM

294.8 Pension system.
294.9 Fund.
294.10 Management.
294.10A Pickup of teacher assessments.
294.10B Rights not transferable or subject to legal process — exceptions.
294.11 Termination resolution adopted.
294.12 Pension fund held for survivors upon termination.
294.13 General fund replacements.
294.14 Estimate of funds needed — levy.
294.15 Repealed by 96 Acts, ch 1215, §59.
294.16 Investment contracts.

## GENERAL PROVISIONS

**294.1 Qualifications — compensation prohibited.**

No person shall be employed as a teacher in a common school without having a certificate issued by some officer duly authorized by law.

No compensation shall be recovered by a teacher for services rendered while without such certificate.

[R60, §2062; C73, §1758; C97, §2788; C24, 27, 31, 35, 39, §**4336;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.1]

**294.2** Repealed by 89 Acts, ch 265, § 43.

**294.3 State aid and tuition.**

A school shall not be deprived of its right to be approved for state aid or approved for tuition by reason of the employment of any practitioner as authorized under section 272.9.

[C24, 27, 31, 35, 39, §**4338;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.3]
89 Acts, ch 265, §37

**294.4 Daily register.**

Each teacher shall keep a daily register which shall correctly exhibit the name or number of the school, the district and county in which it is located, the day of the week, month, year, and the name, age, and attendance of each scholar, and the branches taught; and when scholars reside in different districts separate registers shall be kept for each district, and a certified copy of the register shall, immediately at the close of the school, be filed by the teacher in the office of the secretary of the board.

[R60, §2062; C73, §1759, 1760; C97, §2789; C24, 27, 31, 35, 39, §**4339;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.4]

**294.5 Reports.**

The teacher shall file with the school superintendent and the director of the department of education such reports and in such manner as may be required.

[C97, §2789; C24, 27, 31, 35, 39, §**4340;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.5]
85 Acts, ch 212, §21

**294.6 and 294.7** Repealed by 63 Acts, ch 176, § 1.

## PENSION AND ANNUITY RETIREMENT SYSTEM

**294.8 Pension system.**

A school district located in whole or in part within a city having a population of twenty-five thousand one hundred or more may establish a pension and annuity retirement system for the public school teachers of such district. However, in cities having a population less than seventy-five thousand, establishment of the system shall be ratified by a vote of the people at a regular school election.

[C24, 27, 31, 35, 39, §**4345;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.8]
2009 Acts, ch 57, §79
Referred to in §294.11, 294.12

**294.9 Fund.**

The fund for such retirement system shall be created from the following sources:

1. From the proceeds of an assessment of teachers in the school district not exceeding one percent of their salaries in a given school year, or such greater percentage as the board of directors of such school district may authorize and a majority of such teachers shall, at the time of such authorization by the board, agree to pay.
2. From the proceeds of an annual tax levy.
3. From the interest on any permanent fund which may be created by gift, bequest, or otherwise.

[C24, 27, 31, 35, 39, §**4346;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.9]
Referred to in §294.10A, 294.11

**294.10 Management.**

The board of directors of the school district shall constitute the board of trustees and shall formulate the plan of the retirement; and shall make all necessary rules and regulations for the operation of said retirement system.

[C24, 27, 31, 35, 39, §**4347;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.10]
Referred to in §294.11

**294.10A Pickup of teacher assessments.**

1. Notwithstanding section 294.9 or other provisions of this chapter, for federal income tax purposes beginning January 1 following the submission by a board of trustees of an application to the federal internal revenue service requesting qualification of a plan in accordance with the requirements of the Internal Revenue Code, as defined in section 422.3, and for state income tax purposes beginning January 1, 1999, or January 1 following an application for qualification, whichever is later, teacher assessments required under section 294.9 which are picked up by an employing school district shall be considered employer contributions for federal and state income tax purposes, and each employing school district establishing a pension and annuity retirement system pursuant to this chapter shall pick up the teacher assessments to be made under section 294.9 by its employees commencing on the applicable date on which the assessments shall be considered employer contributions for income tax purposes under this subsection. Each employing school district shall pick up these teacher assessments by reducing the salary of each of the teachers covered by this chapter by the amount which each teacher is required to contribute through assessments under section 294.9 and shall pay to the board of trustees the amount picked up in lieu of the teacher assessments for recording and deposit in the fund.
2. Teacher assessments picked up by each employing school district under subsection 1 shall be treated as employer contributions for federal and state income tax purposes only and for all other purposes of this chapter shall be treated as teacher assessments and deemed part of the teacher's wages or salary.

94 Acts, ch 1183, §64; 95 Acts, ch 67, §22; 98 Acts, ch 1174, §3, 6

**294.10B Rights not transferable or subject to legal process — exceptions.**

The right of any person to any future payment under a pension and annuity retirement system established in this chapter shall not be transferable or assignable, at law or in equity, and shall not be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law, except for the purposes of enforcing child, spousal, or medical support obligations, or marital property orders. For the purposes of enforcing child, spousal, or medical support obligations, the garnishment or attachment of or the execution against benefits due a person under such a retirement system shall not exceed the amount specified in 15 U.S.C. § 1673(b).

96 Acts, ch 1187, §79

**294.11 Termination resolution adopted.**

Any school district which has in operation the pension and annuity retirement system created pursuant to sections 294.8 to 294.10 may terminate such system by the adoption by the board of directors of such district, of a resolution declaring such system terminated as of a date specified therein.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.11]

Referred to in §294.12

**294.12 Pension fund held for survivors upon termination.**

In the event of such termination, all assessments of teachers shall cease upon such date of termination, or upon such earlier date as may be prescribed in such resolution, and no additional taxes shall be levied or assessed for the operation of such system, save as in section 294.13. All undisposed of funds and accumulations derived from the operation of said system, including the proceeds, when collected, of any annual tax heretofore levied for the operation of said system, and including the proceeds of any annual tax levied hereafter pursuant to the provisions of section 294.13, shall constitute a retirement liquidation fund. Such liquidation fund shall be held for the benefit of those surviving beneficiaries under such system as of said date of termination, and of members of such system as of date of termination. There shall be set aside from such retirement liquidation fund an amount sufficient to provide for the payment of all surviving beneficiaries who shall be entitled to receive benefits under such system as of said date of termination, providing an actuarial computation has been made of the amount required to meet such benefit payments, providing the amount in the retirement liquidation fund is sufficient for this purpose, and the amount set aside shall be used for no other purpose than for the payment of claims to such beneficiaries. Any amount in excess of the actuarial equivalent of the sum required to pay such benefit payments shall be apportioned to persons who were as of the effective date of the termination of the system, members of such system, in proportion to the amount which the accumulated contribution of each such person bears to the total funds of such retirement system subject to such apportionment. Any member of such system as of the date of termination thereof, may, in lieu of receiving the cash refund of the member's share of the liquidation fund, elect to come under the coverage of any new pension and annuity retirement system established by the district, to which the member is eligible, with credits toward future benefits in consideration of the member's prior contributions and length of service, and may direct the transfer of the amount payable to the member to the assets of the new pension and annuity retirement system. In any case where the board of directors of a school district including a teachers retirement system established under the provisions of section 294.8, whose members were not under coverage of the Iowa old-age and survivors' insurance system prior to May 1, 1953, the board of directors may authorize the payment from funds in excess of the actuarial amount estimated as required for the payment of benefits to persons entitled to them, and for the purpose of obtaining retroactive social security coverage from January 1, 1951, until the effective date of federal coverage of Iowa public employees as provided by chapter 97C. Each surviving beneficiary entitled to receive retirement benefits of the date of termination of the system will be entitled to receive retirement benefits at the time and in the amount in effect with respect to such beneficiary immediately prior to the date of termination.

In any school district which has pursuant to section 294.11 terminated a previously existing

pension and annuity retirement system and has after actuarial computation established a retirement reserve fund pursuant to this section in order to pay to surviving beneficiaries entitled to receive retirement benefits at date of termination of said system in the amount in effect with respect to such beneficiaries immediately prior to the date of termination, the board of directors may authorize each and every payment to each surviving beneficiary falling due subsequent to June 30, 1971, to be increased by an amount to be determined by the board such increased payments to be paid from the retirement reserve fund according to an actuarial computation thereof plus such additional amounts transferred from the general fund as may be required. In order to provide the additional amounts required from the general fund for such increased payments, the board of directors may annually at the meeting at which it estimates the amount required for the general fund in accordance with section 298.1 estimate such additional amount as an actuarial computation shall show is necessary from the general fund for the payment of such increased benefits for the current school year; provided the amount estimated and certified to be transferred from the general fund to the retirement reserve fund shall not exceed one and four-tenths cents per thousand dollars of the assessed valuation of the taxable property of the school corporation. The board of supervisors shall in accordance with the provisions of section 298.8 levy the taxes necessary to raise the amount estimated by the board of directors as above provided and certified to the board of supervisors. Upon the death of the last beneficiary to survive, any balance remaining in said retirement reserve fund shall be transferred to the general fund of said school district.

Notwithstanding the provisions of this section, the plan provisions of a pension and annuity retirement system of a school district established under this chapter regarding the determination and distribution of benefits upon termination of the retirement system shall be effective if the school district has received a favorable determination letter from the federal internal revenue service as to the qualified status of such retirement system under applicable provisions of the Internal Revenue Code.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.12]

98 Acts, ch 1183, §109

Referred to in §294.14

**294.13 General fund replacements.**

The board of directors of said district shall each year at the meeting at which it estimates the amount required for the general fund, in accordance with the provisions of section 298.1, estimate the additional amount, if any, necessary to provide the required annual payments to surviving beneficiaries, which amount shall be levied by the board of supervisors in accordance with the provisions of section 298.8. Upon the death of the last beneficiary to survive, any balance remaining in said fund, including any undisposed of accumulations, shall be transferred to the general fund of said school district.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.13]

Referred to in §294.12

**294.14 Estimate of funds needed — levy.**

The board of directors of said district shall annually, for a period of five years after the effective date of the termination of its pension system, at the meeting at which it estimates the amount required for the general fund, in accordance with the provisions of section 298.1, estimate the additional amount if any necessary to pay to participants in the pension system who are not entitled to receive benefits under such system at the date of termination thereof, one-fifth of the amount paid into said pension fund by such participants therein, without interest, which amount shall be levied by the board of supervisors, in accordance with provisions of section 298.8 and, in addition thereto, the board of directors of said district shall each year at the meeting at which it estimates the amount required for the general fund, in accordance with the provisions of section 298.1, estimate the additional amount, if any, necessary to provide the required annual payments to surviving beneficiaries of said pension system, as defined in section 294.12, which amount shall be levied by the board of supervisors, in accordance with the provisions of section 298.8. Upon the death of the last beneficiary, as defined in section 294.12, to survive, any balance remaining in said fund,

including any undisposed of accumulations, shall be transferred to the general fund of said school district.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §294.14]

**294.15** Repealed by 96 Acts, ch 1215, § 59.

**294.16 Investment contracts.**

1. The school district may establish a plan, in accordance with section 403(b) of the Internal Revenue Code, as defined in section 422.3, for employees, which plan shall consist of one or more investment contracts, on a group or individual basis, acquired from a company, or a salesperson for that company, that is authorized to do business in this state.

2. The selection of investment contracts to be included within the plan established by the school district shall be made either pursuant to a competitive bidding process conducted by the school district, in coordination with employee organizations representing employees eligible to participate in the plan, or pursuant to an agreement with the department of administrative services to make available investment contracts included in a deferred compensation or similar plan established by the department pursuant to section 8A.438, which plan meets the requirements of this section. The determination of whether to select investment contracts for the plan pursuant to a competitive bidding process or by agreement with the department of administrative services shall be made by agreement between the school district and the employee organizations representing employees eligible to participate in the plan.

3. The school district may make elective deferrals in accordance with the plan as authorized by an eligible employee for the purpose of making contributions to the investment contract on behalf of the employee. The deferrals shall be made in the manner which will qualify contributions to the investment contract for the benefits under section 403(b) of the Internal Revenue Code, as defined in section 422.3. In addition, the school district may make nonelective employer contributions to the plan.

4. As used in this section, unless the context otherwise requires, *"investment contract"* shall mean a custodial account utilizing mutual funds or an annuity contract which meets the requirements of section 403(b) of the Internal Revenue Code, as defined in section 422.3.

[C66, 71, 73, 75, 77, 79, 81, §294.16]

86 Acts, ch 1213, §7; 88 Acts, ch 1112, §701; 94 Acts, ch 1183, §65; 2008 Acts, ch 1171, §65, 68

# CHAPTER 294A

## EDUCATIONAL EXCELLENCE PROGRAM — TEACHERS

Section 294A.22 repealed by 2010 Acts, ch 1069, §67, 147; balance of chapter repealed by 89 Acts, ch 135, §135, 136; 2003 Acts, ch 180, §70; 2008 Acts, ch 1181, §104; 2009 Acts, ch 68, §11; and 2009 Acts, ch 179, §50, 53

# CHAPTER 295

## SCHOOL IMPROVEMENT TECHNOLOGY PROGRAM

Repealed by its own terms effective July 1, 2001;
96 Acts, ch 1086, §5

# CHAPTER 296

## INDEBTEDNESS OF SCHOOL CORPORATIONS

Referred to in §28E.41, 28E.42


| | | | |
|---|---|---|---|
| 296.1 | Indebtedness authorized. | 296.5 | Repealed by 75 Acts, ch 81, §154. |
| 296.2 | Petition for election. | 296.6 | Bonds. |
| 296.3 | Election called. | 296.7 | Indebtedness for insurance authorized — tax levy. |
| 296.4 | Notice — ballots. | | |


**296.1 Indebtedness authorized.**

Subject to the approval of the voters thereof, school districts are hereby authorized to contract indebtedness and to issue general obligation bonds to provide funds to defray the cost of purchasing, building, furnishing, reconstructing, repairing, improving or remodeling a schoolhouse or schoolhouses and additions thereto, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home or homes, and procuring a site or sites therefor, or purchasing land to add to a site already owned, or procuring and improving a site for an athletic field, or improving a site already owned for an athletic field, and for any one or more of such purposes. Taxes for the payment of said bonds shall be levied in accordance with chapter 76, and said bonds shall mature within a period not exceeding twenty years from date of issue, shall bear interest at a rate or rates not exceeding that permitted by chapter 74A and shall be of such form as the board of directors of such school district shall by resolution provide, but the aggregate indebtedness of any school district shall not exceed five percent of the actual value of the taxable property within said school district, as ascertained by the last preceding state and county tax lists.

[S13, §2820-d1; C24, 27, 31, 35, 39, §**4353;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §296.1]

Referred to in §292.1, 423E.4

**296.2 Petition for election.**

Before indebtedness can be contracted in excess of one and one-quarter percent of the assessed value of the taxable property, a petition signed by eligible electors equal in number to twenty-five percent of those voting at the last election of school officials shall be filed with the president of the board of directors, asking that an election be called, stating the amount of bonds proposed to be issued and the purpose or purposes for which the indebtedness is to be created, and that the purpose or purposes cannot be accomplished within the limit of one and one-quarter percent of the valuation. The petition may request the calling of an election on one or more propositions and a proposition may include one or more purposes.

[S13, §2820-d2; C24, 27, 31, 35, 39, §**4354;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §296.2]

83 Acts, ch 90, §18; 95 Acts, ch 189, §20

Referred to in §296.3

**296.3 Election called.**

Within ten days of receipt of a petition filed under section 296.2, the president of the board of directors shall call a meeting of the board. The meeting shall be held within thirty days after the petition was received. At the meeting, the board shall call the election, fixing the time of the election, which may be at the time and place of holding the regular school election. However, if the board determines by unanimous vote that the proposition or propositions requested by a petition to be submitted at an election are grossly unrealistic or contrary to the needs of the school district, no election shall be called. If more than one petition has been received by the time the board meets to consider the petition triggering the meeting, the board shall act upon the petitions in the order they were received at the meeting called to consider the initial petition. The decision of the board may be appealed to the state board

of education as provided in chapter 290. The president shall notify the county commissioner of elections of the time of the election.

[S13, §2820-d3; C24, 27, 31, 35, 39, §**4355;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §296.3; 81 Acts, ch 91, §1]

83 Acts, ch 90, §19; 85 Acts, ch 67, §33; 2002 Acts, ch 1134, §92, 115

**296.4 Notice — ballots.**

Notice of the election shall be given by the county commissioner of elections by publication in accordance with section 49.53. The county commissioner of elections shall conduct the election pursuant to the provisions of chapters 39 to 53 and certify the results to the board of directors.

[S13, §2820-d3; C24, 27, 31, 35, 39, §**4356;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §296.4]

Form of ballot, §49.43 et seq.

**296.5** Repealed by 75 Acts, ch 81, § 154.

**296.6 Bonds.**

If the vote in favor of the issuance of such bonds is equal to at least sixty percent of the total vote cast for and against said proposition at said election, the board of directors shall issue the same and make provision for payment thereof.

[S13, §2820-d4; C24, 27, 31, 35, 39, §**4358;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §296.6]

Referred to in §275.12

Vote required to authorize bonds, §75.1

**296.7 Indebtedness for insurance authorized — tax levy.**

1. *a.* A school district or community college corporation may contract indebtedness and issue general obligation bonds or enter into insurance agreements obligating the school district or corporation to make payments beyond its current budget year for one or more of the following mechanisms to protect the school district or corporation from tort liability, loss of property, environmental hazards, or any other risk associated with the operation of the school district or corporation:

(1) To procure or provide for a policy of insurance.

(2) To provide a self-insurance program.

(3) To establish and maintain a local government risk pool.

*b.* However, this subsection does not apply to an insurance program described in subsection 3.

2. For purposes of subsection 1, an employee benefit plan which includes a specific or aggregate excess loss coverage or a program that self-insures only a per-employee or per-family deductible for each year and which transfers the risk remaining beyond this deductible is not a self-insurance program, but is instead an insurance program. As used in this section, an *"employee benefit plan"* includes, but is not limited to benefits for hospital and surgical, medical expense, major medical, dental, prescription drug, disability, or life insurance costs or benefits.

3. A school district, providing an insurance program as described in subsection 2, shall not contract indebtedness and issue general obligation bonds or enter into insurance agreements obligating the school district to make payments beyond its current budget year for that employee benefit plan. A school district may, however, apply to the school budget review committee for relief if necessitated by the expenses in the school district's insurance program as described in subsection 2.

4. *a.* Taxes may be levied in excess of any limitation imposed by statute for payment of one or more of the following authorized by subsection 1:

(1) Principal, premium, or interest on bonds.

(2) Premium on an insurance policy, including a stop loss or reinsurance policy, except as limited by subsection 3.

(3) Costs of a self-insurance program.

(4) Costs of a local government risk pool.

(5) Amounts payable under an insurance agreement.

*b.* However, for a school district, a tax levied under this section shall be included in the district management levy under section 298.4.

5. A self-insurance program or local government risk pool authorized by subsection 1 is not insurance and is not subject to regulation under chapters 505 through 523C. However, those self-insurance plans regulated pursuant to section 509A.14 shall remain subject to the requirements of section 509A.14 and rules adopted pursuant to that section.

6. Notwithstanding the other provisions of this section or any other statute, the tax levy authorized by this section shall not be used to pay the costs of employee benefits, including, but not limited to costs for hospital and surgical, medical expense, major medical, dental, prescription drug, disability, or life insurance benefits.

7. If the board by resolution restricts the use of money in a fund as a reserve for uninsured liability or a self-insurance program, the use shall be restricted and unavailable for any other purpose until the board removes the restriction. The removal is not effective until all obligations of the restricted fund have been satisfied, or the next fiscal year, whichever occurs later.

86 Acts, ch 1211, §18; 89 Acts, ch 135, §103; 90 Acts, ch 1234, §1; 90 Acts, ch 1253, §121; 2010 Acts, ch 1061, §180

Referred to in §298.4, 670.7

# CHAPTER 297

## SCHOOLHOUSES AND SCHOOLHOUSE SITES

Referred to in §99B.11, 99B.12


GENERAL PROVISIONS

297.1 Location.
297.2 Ten-acre limitation.
297.3 Thirty-acre limitation.
297.4 Vacancy notification.
297.5 Repealed by 89 Acts, ch 135, §136.
297.6 Condemnation.
297.7 Construction, renovation, and repair of school buildings — review of plans — aviation programs.
297.8 Emergency repairs.
297.9 Use for other than school purposes.
297.10 Compensation.
297.11 Use forbidden.
297.12 Renting schoolroom.
297.13 Fence around schoolhouse sites. Repealed by 2006 Acts, ch 1152, §56.
297.14 Barbed wire.
297.15 Reversion of schoolhouse site.
297.16 Appraisers.
297.17 Notice.
297.18 Appraisement.
297.19 Public sale.
297.20 Sale of improvements.
297.21 Repealed by 97 Acts, ch 184, §7.

SALE OR LEASE OF PROPERTY

297.22 Power to sell, lease, or dispose of property — tax.
297.23 and 297.24 Repealed by 97 Acts, ch 184, §7.
297.25 Rule of construction.

MINING CAMP SCHOOLS

297.26 Sale by department.
297.27 Preference to owner of tract.
297.28 Appraisers.
297.29 Report filed.
297.30 Public sale.
297.31 Improvements.
297.32 Equipment and supplies.
297.33 and 297.34 Reserved.

LOAN AGREEMENTS

297.35 Continuation of loan agreement. Repealed by 2013 Acts, ch 88, §37.
297.36 Loan agreements.

## GENERAL PROVISIONS

**297.1 Location.**

The board of each school district may fix the site for each schoolhouse, which shall be upon some public highway already established or procured by such board and not in any public park, and except in cities and villages, not less than thirty rods from the residence of any landowner who objects thereto.

In fixing such site, the board shall take into consideration the number of scholars residing in the various portions of the school district and the geographical location and convenience of any proposed site.

[R60, §2037; C73, §1724, 1825, 1826; C97, §2773, 2814; S13, §2773, 2814; C24, 27, 31, 35, 39, §**4359;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.1]

**297.2 Ten-acre limitation.**

Except as hereinafter provided, any school district may take and hold so much real estate as may be required for such site, for the location or construction thereon of schoolhouses, and the convenient use thereof, but not to exceed ten acres exclusive of public highway.

[C73, §1825; C97, §2814; S13, §2814; C24, 27, 31, 35, 39, §**4360;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.2]

**297.3 Thirty-acre limitation.**

Any school district, including a city or village, may take and hold an area equal to two blocks exclusive of the street or highway, for a schoolhouse site, and not exceeding thirty acres for school playground, stadium, or field house, or other purposes for each such site.

[C97, §2814; S13, §2814; C24, 27, 31, 35, 39, §**4361;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.3]

**297.4 Vacancy notification.**

The board of directors shall notify the cities located within the school district, the counties in which the school district may be located, and the department of administrative services annually of the facilities and buildings owned by the public school corporation which are vacant and available to be leased or purchased.

[82 Acts, ch 1148, §2]
2003 Acts, ch 145, §286

**297.5** Repealed by 89 Acts, ch 135, § 136.

**297.6 Condemnation.**

If the owner of real estate desired for any purpose for which any school may be authorized to take and hold real estate refuses to convey the same, or is dead or unknown or cannot be found, or if in the judgment of the board of directors of the corporation they cannot agree with such owner as to the price to be paid therefor, such real estate may be taken under condemnation proceedings in accordance with the provisions of chapter 6B.

[C73, §1827; C97, §2815; C24, 27, 31, 35, 39, §**4364;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.6]

**297.7 Construction, renovation, and repair of school buildings — review of plans — aviation programs.**

1. Chapter 26 is applicable to the construction and repair of school buildings and other public improvements as defined in section 26.2.

2. Any other law to the contrary notwithstanding, the board of directors of a school district may acquire by purchase, lease, or other arrangement real estate located within or adjoining the boundaries of a municipal airport, and may take title, leasehold, or other interest, subject to a right of purchase or repurchase by the city owning or controlling the municipal airport. The city may purchase, repurchase, or repossess such real estate and

the improvements constructed on the real estate upon terms and conditions as agreed to by the board of directors and the city council. The board of directors of any such school district may construct a technical school on the real estate to carry on vocational instruction in aviation mechanics and other aviation programs upon compliance with conditions and limitations otherwise provided by law.

[R60, §2037; C73, §1723; C97, §2779; C24, 27, 31, 35, 39, §**4370;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.7; 81 Acts, ch 28, §7, ch 91, §2]

84 Acts, ch 1036, §1; 2002 Acts, ch 1140, §30; 2006 Acts, ch 1017, §25, 42, 43

Referred to in §278.3, 314.1

**297.8 Emergency repairs.**

When emergency repairs costing more than the competitive bid threshold in section 26.3, or as established in section 314.1B, are necessary in order to ensure the continued use of any school or school facility, the provisions of the law with reference to advertising for bids shall not apply, and in that event the board may contract for such emergency repairs without advertising for bids. However, before such emergency repairs can be made to any schoolhouse or school facility, it shall be necessary to procure a certificate from the area education agency administrator that such emergency repairs are necessary to ensure the continued use of the school or school facility.

[C31, 35, §4370-c1; C39, §**4370.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.8; 81 Acts, ch 28, §8]

2006 Acts, ch 1017, §26, 42, 43; 2009 Acts, ch 65, §8

See §297.7

**297.9 Use for other than school purposes.**

The board of directors of any school district may authorize the use of any schoolhouse and its grounds within such district for the purpose of meetings of granges, lodges, agricultural societies, and similar societies, for parent-teacher associations, for community recreational activities, community education programs, election purposes, other meetings of public interest, public forums and similar community purposes; provided that such use shall in no way interfere with school activities; such use to be for such compensation and upon such terms and conditions as may be fixed by said board for the proper protection of the schoolhouse and the property belonging therein, including that of pupils, except that in the case of community education programs, any compensation necessary for programs provided specifically by community education and not those provided through community education by other agencies or organizations shall be compensated from the funding provided for community education programs.

[C24, 27, 31, 35, 39, §**4371;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.9]

Schoolhouses as polling places, §49.24

Use by county conservation board, §350.8

**297.10 Compensation.**

Any compensation for the use of a schoolhouse and schoolhouse grounds shall be paid into the general fund and be expended in the upkeep and repair of and in purchasing supplies for that school property.

[C24, 27, 31, 35, 39, §**4372;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.10]

2009 Acts, ch 133, §108

**297.11 Use forbidden.**

If the voters of such district at a regular election forbid the use of any schoolhouse or grounds, the board shall not permit that use until the action of the voters is rescinded by the voters at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*".

[C24, 27, 31, 35, 39, §**4373;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.11]

2008 Acts, ch 1115, §48, 71; 2009 Acts, ch 41, §110

**297.12 Renting schoolroom.**

The board may, when necessary, rent a room and employ a teacher, where there are ten children for whose accommodation there is no schoolhouse.

[C73, §1725; C97, §2774; C24, 27, 31, 35, 39, §**4374;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.12]

**297.13 Fence around schoolhouse sites.** Repealed by 2006 Acts, ch 1152, § 56.

**297.14 Barbed wire.**

No school attendance center fence shall be constructed of barbed wire, nor shall any barbed wire fence be placed within ten feet of any school attendance center. Any person violating the provisions of this section shall be guilty of a simple misdemeanor.

[C97, §2817; C24, 27, 31, 35, 39, §**4378;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.14]
2006 Acts, ch 1152, §47; 2007 Acts, ch 126, §51

**297.15 Reversion of schoolhouse site.**

Any real estate, owned by a school district, containing less than two acres, situated wholly outside of a city, and not adjacent thereto, and heretofore used as a schoolhouse site shall revert to the then owner of the tract from which the same was taken, provided that said owner of the tract last aforesaid shall, within the time hereinafter prescribed, pay the value thereof to such school district.

Any such schoolhouse site containing two or more acres shall be subject to the law as otherwise provided.

[C73, §1828; C97, §2816; S13, §2816; C24, 27, 31, 35, 39, §**4379;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.15]
Referred to in §297.22

**297.16 Appraisers.**

In case the school district and said owner of the tract from which such school site was taken, do not agree as to the value of such site, the chief judge of the judicial district of the county in which the greater part of such school district is situated, shall, on the written application of either party, appoint three disinterested voters of the county from the list of persons eligible to serve as compensation commissioners to appraise the site.

[C97, §2816; S13, §2816; C24, 27, 31, 35, 39, §**4380;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.16]
Referred to in §297.22

**297.17 Notice.**

The county sheriff shall give notice to both parties of the time and place of making such appraisement, which notice shall be served in the same manner and for the same time as for the commencement of action in the district court.

[C24, 27, 31, 35, 39, §**4381;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.17]
Referred to in §297.22, 331.653
Time and manner of service, R.C.P. 1.302 – 1.315

**297.18 Appraisement.**

Such appraisers shall inspect the premises and, at the time and place designated in the notice, appraise said site in writing, which appraisement, after being duly verified, shall be filed with the county sheriff.

[C24, 27, 31, 35, 39, §**4382;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.18]
Referred to in §297.22

**297.19 Public sale.**

If the owner of the tract from which said site was taken fails to pay the amount of such appraisement to such school district within twenty days after the filing of same with the

county sheriff, the school district may sell said site to any other person at the appraised value, or may sell the same at public sale to the highest bidder.

[C24, 27, 31, 35, 39, §**4383;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.19]
Referred to in §297.22

**297.20 Sale of improvements.**

If there are improvements on said site, the improvements may, at the request of either party, be appraised and sold separately.

[C97, §2816; S13, §2816; C24, 27, 31, 35, 39, §**4384;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.20]
Referred to in §297.22

**297.21** Repealed by 97 Acts, ch 184, § 7.

SALE OR LEASE OF PROPERTY

**297.22 Power to sell, lease, or dispose of property — tax.**

1. *a.* The board of directors of a school district may sell, lease, or dispose of, in whole or in part, a schoolhouse, school site, or other property belonging to the district. If the real property contains less than two acres, is located outside of a city, is not adjacent to a city, and was previously used as a schoolhouse site, the procedure contained in sections 297.15 through 297.20 shall be followed in lieu of this section.

*b.* Proceeds from the sale or disposition of real property shall be placed in the physical plant and equipment levy fund. Proceeds from the sale or disposition of property other than real property shall be placed in the general fund. Proceeds from the lease of real or other property shall be placed in the general fund.

*c.* Before the board of directors may sell, lease for a period in excess of one year, or dispose of any property belonging to the school, the board shall hold a public hearing on the proposal. The board shall set forth its proposal in a resolution and shall publish notice of the time and the place of the public hearing on the resolution. The notice shall also describe the property. A locally known address for real property may be substituted for a legal description of real property contained in the resolution. Notice of the time and place of the public hearing shall be published at least once not less than ten days but not more than twenty days prior to the date of the hearing in a newspaper of general circulation in the district. After the public hearing, the board may make a final determination on the proposal contained in the resolution.

*d.* However, property having a value of not more than five thousand dollars, other than real property, may be disposed of by any procedure which is adopted by the board and each sale shall be published by at least one insertion each week for two consecutive weeks in a newspaper having general circulation in the district.

2. *a.* The board of directors of a school district may sell, lease, exchange, give, or grant, and accept any interest in real property to, with, or from a county, municipal corporation, school district, township, or area education agency if the real property is within the jurisdiction of both the grantor and grantee.

*b.* The board of directors of a school district may lease a portion of an existing school building in which the remaining portion of the building will be used for school purposes for a period of not to exceed five years. The lease may be renewed at the option of the board. The notice and public hearing requirements of subsection 1 of this section do not apply to the lease of a portion of an existing school building. A school district shall pay out of the revenue from a lease to the state of Iowa, and to the city, school district and any other political subdivision authorized to levy taxes, an amount as determined by this section. The amount shall be determined by applying the annual tax rate of the taxing district to the assessed value of the portion of the building leased, prorated for the term of the lease during the appropriate taxing period. The provisions of this section relating to the payment of property tax because

of leases shall only apply to leases to private, for-profit entities which lease a portion of a school building for a period of thirty or more consecutive days.

3. The provisions in subsections 1 and 2 relating to the sale, lease, or disposition of school district property do not apply to student-constructed buildings and the property on which student-constructed buildings are located. The board of directors of a school district may sell, lease, or dispose of a student-constructed building and the property on which the student-constructed building is located, and may purchase sites for the erection of additional structures, by any procedure which is adopted by the board.

[C27, 31, 35, §4385-a1; C39, §**4385.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.22; 81 Acts, ch 93, §1 – 4]

85 Acts, ch 8, §1; 86 Acts, ch 1223, §1 – 3; 90 Acts, ch 1018, §1; 94 Acts, ch 1029, §22; 94 Acts, ch 1089, §2; 97 Acts, ch 184, §3; 98 Acts, ch 1100, §37; 2008 Acts, ch 1148, §2; 2009 Acts, ch 10, §2, 4

Referred to in §7.20, 273.3, 278.1, 297.25, 331.361, 364.21

Sale for defense projects, §274.39 – 274.41

**297.23 and 297.24** Repealed by 97 Acts, ch 184, § 7.

**297.25 Rule of construction.**

Section 297.22 shall be construed as independent of the power vested in the electors by section 278.1, and as additional to such power. If a board of directors has exercised its independent power under section 297.22 regarding the disposition of real or personal property of the school district and has by resolution approved such action, the electors may subsequently proceed to exercise their power under section 278.1 for a purpose directly contrary to an action previously approved by the board of directors in accordance with section 297.22. However, the electors shall be limited to ten days after an action by the board to exercise such power for a purpose directly contrary to the board's action.

[C27, 31, 35, §4385-a4; C39, §**4385.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.25]

97 Acts, ch 184, §4; 2008 Acts, ch 1148, §3; 2009 Acts, ch 10, §3, 4

Referred to in §278.1

## MINING CAMP SCHOOLS

**297.26 Sale by department.**

Any school building or any school site, the title of which is vested in the state of Iowa by reason of it having been provided by state mining camp funds for schools in mining camps, shall be sold by the department when the director of the department of education determines it is no longer needed for school purposes.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.26]

86 Acts, ch 1238, §55, 56, 58; 86 Acts, ch 1245, §1489, 1984

**297.27 Preference to owner of tract.**

When the buildings or sites are sold, the owners of the tract from which the same was originally taken shall have first option on the purchase of the same.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.27]

86 Acts, ch 1245, §1985

**297.28 Appraisers.**

If the department and the owner of the tract from which the school site was taken do not agree as to the value of such site or building, the chief judge of the judicial district of the county in which the greater part of such school site is situated shall, on the written application of either party, appoint three disinterested voters of the county from the list of compensation commissioners to appraise such site. The county sheriff shall give notice to both parties of

the time and place of making such appraisement, which notice shall be served in the same manner and for the same time as for the commencement of an action in the district court.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.28]

86 Acts, ch 1245, §1986

Referred to in §331.653

**297.29 Report filed.**

Such appraisers shall inspect the premises and at the time and place designated in the notice, appraise such site or building in writing, which appraisement, after being duly verified, shall be filed with the sheriff.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.29]

**297.30 Public sale.**

If the owner of the tract from which said site was taken fails to pay the amount of such appraisement to such executive council within thirty days after the filing of the same with the sheriff, the executive council may sell said site or building to any other person at the appraised value, or may sell the same at public sale to the highest bidder and the proceeds of such sale are to be added to the permanent school fund of the state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.30]

**297.31 Improvements.**

If there are improvements on said site the same may at the request of either party be appraised and sold separately.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.31]

**297.32 Equipment and supplies.**

If there is any school equipment, supplies, or other usable school materials, such as desks, blackboards, playground equipment, or the like, in or on said buildings or grounds, the director of the department of education may remove the same and divert their use to other public school districts.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.32]

85 Acts, ch 212, §21

**297.33 and 297.34** Reserved.

LOAN AGREEMENTS

**297.35 Continuation of loan agreement.** Repealed by 2013 Acts, ch 88, § 37.

**297.36 Loan agreements.**

In order to make immediately available proceeds of the voter-approved physical plant and equipment levy which has been approved by the voters as provided in section 298.2, the board of directors may, with or without notice, borrow money and enter into loan agreements in anticipation of the collection of the tax with a bank, investment banker, trust company, insurance company, or insurance group.

By resolution, the board shall provide for an annual levy which is within the limits of the voter-approved physical plant and equipment levy to pay for the amount of the principal and interest due each year until maturity. The board shall file a certified copy of the resolution with the auditor of each county in which the district is located. The filing of the resolution with the auditor makes it the duty of the auditor to annually levy the amount certified for collection until funds are realized to repay the loan and interest on the loan in full.

The loan must mature within the period of time authorized by the voters and shall bear interest at a rate which does not exceed the limits under chapter 74A. A loan agreement entered into pursuant to this section shall be in a form as the board of directors shall by resolution provide and the loan shall be payable as to both principal and interest from the

proceeds of the annual levy of the voter-approved physical plant and equipment levy, or so much thereof as will be sufficient to pay the loan and interest on the loan.

The proceeds of a loan must be deposited in the physical plant and equipment levy fund. Warrants paid from this fund must be for purposes authorized for the voter-approved physical plant and equipment levy.

This section does not limit the authority of the board of directors to levy the full amount of the voter-approved physical plant and equipment levy, but if and to whatever extent the tax is levied in any year in excess of the amount of principal and interest falling due in that year under a loan agreement, the first available proceeds, to an amount sufficient to meet maturing installments of principal and interest under the loan agreement, shall be paid into the debt service fund for the loan before the taxes are otherwise made available to the school corporation for other school purposes, and the amount required to be annually set aside to pay principal of and interest on the money borrowed under the loan agreement constitutes a first charge upon the proceeds of the voter-approved physical plant and equipment levy, which tax shall be pledged to pay the loan and the interest on the loan.

This section is supplemental and in addition to existing statutory authority to finance the purposes specified in section 298.2 for the physical plant and equipment levy, and for the borrowing of money and execution of loan agreements in connection with that section, and is not subject to any other law. The fact that a school corporation may have previously borrowed money and entered into loan agreements under authority of this section does not prevent the school corporation from borrowing additional money and entering into further loan agreements if the aggregate of the amount payable under all of the loan agreements does not exceed the proceeds of the voter-approved physical plant and equipment levy.

83 Acts, ch 185, §8, 62; 89 Acts, ch 135, §105; 94 Acts, ch 1029, §23
Referred to in §298.2

# CHAPTER 298

## SCHOOL TAXES AND BONDS

Referred to in §28E.41, 28E.42, 292.2


298.1 School taxes.
298.2 Imposition of physical plant and equipment levy.
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298.7 Contract for use of library — tax levy.
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298.11 Apportionment of school funds.
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298.13 Direct deposit of tax revenue.
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298.18 Bond tax — election — leasing buildings.
298.18A Levy adjustment.
298.19 Levy.
298.20 Funding or refunding bonds.
298.21 School bonds.
298.22 Form — rate of interest — where registered.
298.23 Redemption.
298.24 Record of bond buyers.


### 298.1 School taxes.

The board of each school district shall estimate the amount of the proposed expenditures and proposed receipts for the general school purposes at a time and in a manner to effectuate

the provisions of chapter 257 and sections 256B.9 and 256B.11. Compliance with chapter 24 shall be observed.

[C51, §1152; R60, §2033, 2034, 2037, 2038, 2044, 2088; C73, §1777, 1778; C97, §2806; S13, §2806; SS15, §2794-a; C24, 27, 31, 35, 39, §**4386;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.1]

89 Acts, ch 135, §106

Referred to in §294.12, 294.13, 294.14

**298.2 Imposition of physical plant and equipment levy.**

1. A physical plant and equipment levy of not exceeding one dollar and sixty-seven cents per thousand dollars of assessed valuation in the district is established except as otherwise provided in this subsection. The physical plant and equipment levy consists of the regular physical plant and equipment levy of not exceeding thirty-three cents per thousand dollars of assessed valuation in the district and a voter-approved physical plant and equipment levy of not exceeding one dollar and thirty-four cents per thousand dollars of assessed valuation in the district. However, the voter-approved physical plant and equipment levy may consist of a combination of a physical plant and equipment property tax levy and a physical plant and equipment income surtax as provided in subsection 4 with the maximum amount levied and imposed limited to an amount that could be raised by a one dollar and thirty-four cent property tax levy.

2. If the electors of a school district have authorized a voter-approved physical plant and equipment levy not exceeding sixty-seven cents per thousand dollars of assessed valuation in the district prior to July 1, 1997, the levy shall continue for the period authorized under the voter-approved levy, and the maximum levy that can be authorized by the electors under the voter-approved levy on or after July 1, 1997, under this section, is an additional sixty-seven cents for a period to coincide with the period for which the initial physical plant and equipment levy in the district was approved.

3. The board of directors of a school district may certify for levy by April 15 of a school year a tax on all taxable property in the school district for the regular physical plant and equipment levy.

4. *a.* The board may on its own motion, and upon the written request of not less than one hundred eligible electors or thirty percent of the number of eligible electors voting at the last regular school election, whichever is greater, shall, direct the county commissioner of elections to provide for submitting the proposition of levying the voter-approved physical plant and equipment levy for a period of time authorized by the voters at the election, not to exceed ten years. The election shall be held on a date specified in section 39.2, subsection 4, paragraph "*c*". The proposition is adopted if a majority of those voting on the proposition at the election approves it. The voter-approved physical plant and equipment levy shall be funded either by a physical plant and equipment property tax or by a combination of a physical plant and equipment property tax and a physical plant and equipment income surtax, as determined by the board. However, if the board intends to enter into a rental or lease arrangement under section 279.26, or intends to enter into a loan agreement under section 297.36, only a property tax shall be levied for those purposes. Subject to the limitations of section 298.14, if the board uses a combination of a physical plant and equipment property tax and a physical plant and equipment surtax, for each fiscal year the board shall determine the percent of income surtax to be imposed expressed as full percentage points, not to exceed twenty percent.

*b.* If a combination of a property tax and income surtax is used, by April 15 of the previous school year, the board shall certify the percent of the income surtax to be imposed and the amount to be raised to the department of management and the department of management shall establish the rate of the property tax and income surtax for the school year. The physical plant and equipment property tax and income surtax shall be levied or imposed, collected, and paid to the school district in the manner provided for the instructional support program in sections 257.21 through 257.26.

5. *a.* The proposition to levy the voter-approved physical plant and equipment levy is not affected by a change in the boundaries of the school district, except as otherwise provided

in this section. If each school district involved in a school reorganization under chapter 275 has adopted the voter-approved physical plant and equipment levy, and if the voters have not voted upon the proposition to levy the voter-approved physical plant and equipment levy in the reorganized district, the existing voter-approved physical plant and equipment levy is in effect for the reorganized district for the least amount and the shortest time for which it is in effect in any of the districts.

*b.* An authorized levy for the period of time approved is not affected as a result of a failure of a proposition proposed to expand the purposes for which the funds may be expended.

89 Acts, ch 135, §107; 92 Acts, ch 1187, §7; 93 Acts, ch 1, §9, 10; 97 Acts, ch 182, §1, 2; 2009 Acts, ch 57, §80; 2010 Acts, ch 1033, §42; 2013 Acts, ch 88, §28, 29

Referred to in §257.19, 257.31, 274.37, 275.12, 275.20, 279.26, 283A.9, 292.1, 297.36, 298.14, 298A.4, 403.19, 423F.3
Limit on total surtax, §298.14
Subsections 1 and 5 amended
Subsection 6 stricken

**298.3 Revenues from the levies.**

1. The revenue from the regular and voter-approved physical plant and equipment levies shall be placed in the physical plant and equipment levy fund and expended only for the following purposes:

*a.* The purchase and improvement of grounds. For the purpose of this paragraph:

(1) *"Purchase of grounds"* includes the legal costs relating to the property acquisition, costs of surveys of the property, costs of relocation assistance under state and federal law, and other costs incidental to the property acquisition.

(2) *"Improvement of grounds"* includes grading, landscaping, paving, seeding, and planting of shrubs and trees; constructing sidewalks, roadways, retaining walls, sewers and storm drains, and installing hydrants; surfacing and soil treatment of athletic fields and tennis courts; exterior lighting, including athletic fields and tennis courts; furnishing and installing flagpoles, gateways, fences, and underground storage tanks which are not parts of building service systems; demolition work; and special assessments against the school district for public improvements, as defined in section 384.37.

*b.* The construction of schoolhouses or buildings and opening roads to schoolhouses or buildings.

*c.* The purchase, lease, or lease-purchase of equipment or technology exceeding five hundred dollars in value per purchase, lease, or lease-purchase transaction. Each transaction may include multiple equipment or technology units.

*d.* The payment of debts contracted for the erection or construction of schoolhouses or buildings, not including interest on bonds.

*e.* Procuring or acquisition of library facilities.

*f.* Repairing, remodeling, reconstructing, improving, or expanding the schoolhouses or buildings and additions to existing schoolhouses. For the purpose of this paragraph:

(1) *"Repairing"* means restoring an existing structure or thing to its original condition, as near as may be, after decay, waste, injury, or partial destruction, but does not include maintenance.

(2) *"Reconstructing"* means rebuilding or restoring as an entity a thing which was lost or destroyed.

*g.* Expenditures for energy conservation, including payments made pursuant to a guarantee furnished by a school district entering into a financing agreement for energy management improvements, limited to agreements pursuant to section 473.19, 473.20, or 473.20A.

*h.* The rental of facilities under chapter 28E.

*i.* Purchase of transportation equipment for transporting students.

*j.* The purchase of buildings or lease-purchase option agreements for school buildings.

*k.* Equipment purchases for recreational purposes.

*l.* Payments to a municipality or other entity as required under section 403.19, subsection 2.

*m.* Demolition, clean up, and other costs if such costs are necessitated by, and incurred within two years of, a disaster as defined in section 29C.2, subsection 4.

2. Interest earned on money in the physical plant and equipment levy fund may be expended for a purpose listed in this section.

3. Unencumbered funds collected prior to July 1, 1991, from the levy previously authorized under section 297.5, Code 1991, may be expended for the purposes listed in this section.

4. Revenue from the regular and voter-approved physical plant and equipment levies shall not be expended for school district employee salaries or travel expenses, supplies, printing costs or media services, or for any other purpose not expressly authorized in this section.

89 Acts, ch 135, §108; 92 Acts, ch 1187, §8, 9; 94 Acts, ch 1029, §24, 25; 94 Acts, ch 1141, §1, 2; 94 Acts, ch 1175, §14; 97 Acts, ch 182, §3; 2000 Acts, ch 1054, §1, 3; 2002 Acts, ch 1118, §1; 2003 Acts, ch 13, §1, 2; 2008 Acts, ch 1041, §2; 2009 Acts, ch 65, §9; 2009 Acts, ch 133, §109; 2011 Acts, ch 132, §20, 30, 106

Referred to in §279.41, 423E.4, 423F.3

School district-to-community college program and facilities sharing pilot program; participating consortiums to report by January 1, 2014; 2011 Acts, ch 91, §1

2011 amendment to subsection 1, paragraph c, applies to school budget years beginning on or after July 1, 2011; 2011 Acts, ch 132, §30

Section not amended; internal reference change applied

**298.4 District management levy.**

1. The board of directors of a school district may certify for levy by April 15 of a school year, a tax on all taxable property in the school district for a district management levy. The revenue from the tax levied in this section shall be placed in the district management levy fund of the school district. The district management levy shall be expended only for the following purposes:

*a.* To pay the cost of unemployment benefits as provided in section 96.31.

*b.* To pay the costs of liability insurance and the costs of a judgment or settlement relating to liability together with interest accruing on the judgment or settlement to the expected date of payment.

*c.* To pay the costs of insurance agreements under section 296.7.

*d.* To pay the costs of a judgment under section 298.16.

*e.* To pay the cost of early retirement benefits to employees under section 279.46.

2. Unencumbered funds collected from the levies authorized in sections 96.31, 279.46, and 296.7 prior to July 1, 1991, may be expended for the purposes listed in subsection 1, paragraphs "*a*", "*c*", and "*e*".

89 Acts, ch 135, §109; 90 Acts, ch 1168, §41; 92 Acts, ch 1187, §10; 93 Acts, ch 1, §11; 94 Acts, ch 1029, §26, 27; 2010 Acts, ch 1061, §103; 2010 Acts, ch 1193, §48

Referred to in §96.31, 257.19, 296.7, 298A.3, 670.10

**298.5 Taxes estimated.**

School corporations containing territory in adjoining counties may vote and estimate all taxes for school purposes in dollars and cents per thousand dollars of assessed value.

[C97, §2806; S13, §2806; C24, 27, 31, 35, 39, §**4389;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.5]

**298.6 Public disclosure of outstanding levies.**

The board of directors of a school district shall, prior to certifying any levy by board approval, or submitting a levy for voter approval, facilitate public access to a complete listing of all outstanding levies within the school district by rate, amount, duration, and the applicable maximum levy limitations. The information relating to outstanding levies shall be posted on an internet site maintained by the school district by January 1 of each school year, and updated prior to board approval or submission for voter approval of any levy during the school year. If the school district does not maintain or develop an internet site, the school district shall either distribute or post written copies of the listing at specified locations throughout the school district.

2006 Acts, ch 1152, §15; 2009 Acts, ch 54, §11; 2013 Acts, ch 90, §257

Code editor directive applied

**298.7 Contract for use of library — tax levy.**

1. The board of directors of a school corporation in which there is no free public library may contract with a free public library for the free use of the library by the residents of the school district, and pay the library the amount agreed upon for the use of the library as provided by law. During the existence of the contract, the board shall certify annually a tax sufficient to pay the library the consideration agreed upon, not exceeding twenty cents per thousand dollars of assessed value of the taxable property of the district. During the existence of the contract, the school corporation is relieved from the requirement that the school treasurer withhold funds for library purposes. This section does not apply in townships where a contract for other library facilities is in existence.

2. However, if a school district which is qualified to contract for library services under subsection 1 levies a tax not to exceed twenty cents per thousand dollars of assessed valuation of the taxable property for school library purposes in the fiscal year before a reorganization involving the district, the tax levy shall remain valid for succeeding fiscal years, and shall be levied and collected against the taxable property of the former district which is part of the reorganized district for school library purposes. The contract and the tax levy may be discontinued by a petition signed by eligible electors residing in the former district. The petition requesting the discontinuance must be signed by no fewer than one hundred eligible electors or thirty percent of the number voting at the last preceding school election in the former district, whichever is greater. The petition must be filed with the secretary of the board of directors of the school district at least seventy-five days before the next regular school election. The proposal to discontinue the levy shall be deemed adopted if the vote in favor of the discontinuance is equal to at least a majority of the total vote cast on the proposal by the electors of the former school district.

[S13, §2806; C24, 27, 31, 35, 39, §**4391;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.7]

84 Acts, ch 1288, §1; 93 Acts, ch 74, §1

Referred to in §298A.7

**298.8 Levy by board of supervisors.**

The board of supervisors shall at the time of levying taxes for county purposes levy the taxes necessary to raise the various funds authorized by law and certified to it by law, but if the amount certified for any such fund is in excess of the amount authorized by law, it shall levy only so much thereof as is authorized by law.

[R60, §2059; C73, §1779, 1780; C97, §2807; SS15, §1303; C24, 27, 31, 35, 39, §**4393;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.8]

Referred to in §294.12, 294.13, 294.14

**298.9 Special levies.**

If the voter-approved physical plant and equipment levy, consisting solely of a physical plant and equipment property tax levy, is approved by the voters at an election held on a date specified in section 39.2, subsection 4, paragraph "c", and certified to the board of supervisors after the regular levy is made, the board shall at its next regular meeting levy the tax and cause it to be entered upon the tax list to be collected as other school taxes. If the certification is filed prior to May 1, the annual levy shall begin with the tax levy of the year of filing. If the certification is filed after May 1 in a year, the levy shall begin with the levy of the fiscal year succeeding the year of the filing of the certification.

[C97, §2807; SS15, §1303; C24, 27, 31, 35, 39, §**4394;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.9]

89 Acts, ch 135, §110; 95 Acts, ch 67, §23; 96 Acts, ch 1215, §54; 2008 Acts, ch 1115, §49, 71; 2009 Acts, ch 57, §81, 97

**298.10 Levy for cash reserve.**

1. The board of directors of a school district may certify for levy by April 15 of a school year, a tax on all taxable property in the school district in order to raise an amount for a necessary cash reserve for a school district's general fund. The amount raised for a necessary cash reserve does not increase a school district's authorized expenditures as defined in section 257.7.

2. For fiscal years beginning on or after July 1, 2009, if the school budget review committee determines that a school district's unexpended fund balance is in excess of the amount necessary for operations, the school budget review committee shall direct the school district to use the unexpended fund balance in lieu of levying property taxes and shall direct the department of management to do one of the following:

*a.* For the fiscal period beginning July 1, 2009, and ending June 30, 2012, limit the school district's cash reserve levy to a level that is not excessive as determined by the school budget review committee.

*b.* For fiscal years beginning on or after July 1, 2012, limit the school district's cash reserve levy to a level that is not excessive as determined by the school budget review committee and does not exceed the cash reserve limitation in subsection 3.

3. For fiscal years beginning on or after July 1, 2012, the cash reserve levy for a budget year shall not exceed twenty percent of the general fund expenditures for the year previous to the base year minus the unexpended fund balance, as defined in section 257.2, for the year previous to the base year.

[81 Acts, ch 94, §1, 18; 82 Acts, ch 1128, §1, 5]

89 Acts, ch 135, §111; 93 Acts, ch 1, §12; 2009 Acts, ch 183, §70, 74; 2010 Acts, ch 1004, §7, 8, 10

Referred to in §257.31

**298.11 Apportionment of school funds.**

The county auditor shall, on the first Monday in April and the first Monday in October of each year, apportion the school tax, together with rents on unsold school lands to which the county is entitled as shown in notice from the director of the department of administrative services, and all other money in the hands of the county treasurer belonging in common to the schools of the county and not included in a previous apportionment, among the corporations in the county in the manner provided by law.

The county auditor shall immediately notify the county treasurer of such apportionment and of the amount due thereby to each corporation.

The county treasurer shall thereupon give notice to the president of each corporation, and shall pay out such apportionment moneys in the same manner that the county treasurer is authorized to pay other school moneys to the treasurers of the several school districts.

[R60, §1966, 2060, 2061; C73, §1781, 1782, 1841; C97, §2808; S13, §2808; C24, 27, 31, 35, 39, §**4396;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.11]

86 Acts, ch 1016, §6; 2003 Acts, ch 145, §286

Referred to in §331.502, 331.552

**298.12** Repealed by 80 Acts, ch 1013, § 7.

**298.13 Direct deposit of tax revenue.**

Before the fifteenth day of each month, the county treasurer shall send the amount collected for each fund through the last day of the preceding month for direct deposit into the depository and account designated by the school board. The county treasurer shall send a notice to the secretary of the school board stating the amount deposited, the date, the amount to be credited to each fund according to the budget, and the source of revenue.

[C73, §1784, 1785; C97, §2810; C24, 27, 31, 35, 39, §**4398;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §298.13; 81 Acts, ch 117, §1210; 82 Acts, ch 1195, §1]

Referred to in §331.552, 331.558

**298.14 School district income surtaxes.**

For each fiscal year, the cumulative total of the percents of surtax approved by the board of directors of a school district and collected by the department of revenue under sections 257.21, 257.29, and 298.2, and the enrichment surtax under section 442.15, Code 1989, and an income surtax collected by a political subdivision under chapter 422D, shall not exceed twenty percent.

A school district income surtax fund is created in the office of treasurer of state. Income surtaxes collected by the department of revenue under sections 257.21, 257.29, and 298.2 and

section 442.15, Code 1989, shall be deposited in the school district income surtax fund to the credit of each school district. A separate accounting of each surtax, by school district, shall be maintained.

The director of the department of administrative services shall draw warrants in payment of the surtaxes collected in each school district. Warrants shall be payable in two installments to be paid on approximately the first day of December and the first day of February following collection of the taxes and shall be delivered to the respective school districts.

89 Acts, ch 135, §112; 92 Acts, ch 1226, §1; 2000 Acts, ch 1072, §2; 2003 Acts, ch 145, §234
Referred to in §257.19, 257.24, 257.26, 257.29, 298.2
See also §422D.2 for limit on total surtax

**298.15 Payment of judgment.**

When a judgment shall be obtained against a school corporation, its board shall order the payment thereof out of the proper fund by an order on the treasurer, not in excess, however, of the funds available for that purpose.

[R60, §2095; C73, §1787; C97, §2811; C24, 27, 31, 35, 39, §**4400;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.15]

**298.16 Judgment tax.**

If the proper fund is not sufficient, then, unless its board has provided by the issuance of bonds for raising the amount necessary to pay a judgment, the cost of the judgment shall be included in the district management levy.

[R60, §2095; C73, §1787; C97, §2811; C24, 27, 31, 35, 39, §**4401;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.16]

89 Acts, ch 135, §113
Referred to in §298.4

**298.17** Repealed by 89 Acts, ch 135, § 136.

**298.18 Bond tax — election — leasing buildings.**

1. *a.* The board of each school corporation shall, when estimating and certifying the amount of money required for general purposes, estimate and certify to the board of supervisors of the proper county for the debt service fund the amount required to pay interest due or that may become due for the fiscal year beginning July 1, thereafter upon lawful bonded indebtedness, and in addition thereto such amount as the board may deem necessary to apply on the principal.

*b.* The amount estimated and certified to apply on principal and interest for any one year shall not exceed two dollars and seventy cents per thousand dollars of the assessed valuation of the taxable property of the school corporation except as otherwise provided in this section.

*c.* For the sole purpose of computing the amount of bonds which may be issued as a result of the application of any limitation referred to in this section, all interest on the bonds in excess of that accruing in the first twelve months may be excluded from the first annual levy of taxes, so that the need for including more than one year's interest in the first annual levy of taxes to pay the bonds and interest shall not operate to further restrict the amount of bonds which may be issued, and in certifying the annual levies to the county auditor or auditors such first annual levy of taxes shall be sufficient to pay all principal of and interest on said bonds becoming due prior to the next succeeding annual levy and the full amount of such first annual levy shall be entered for collection by said auditor or auditors, as provided in chapter 76.

*d.* The amount estimated and certified to apply on principal and interest for any one year may exceed two dollars and seventy cents per thousand dollars of assessed value by the amount approved by the voters of the school corporation, but not exceeding four dollars and five cents per thousand dollars of the assessed value of the taxable property within any school corporation, provided that the registered voters of such school corporation have first approved such increased amount at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*".

2. The proposition submitted to the voters at such election shall be in substantially the following form:

Shall the board of directors of the ..... (insert name of school corporation) in the County of ....., State of Iowa, be authorized to levy annually a tax exceeding two dollars and seventy cents per thousand dollars, but not exceeding ..... dollars and ..... cents per thousand dollars of the assessed value of the taxable property within said school corporation to pay the principal of and interest on bonded indebtedness of said school corporation, it being understood that the approval of this proposition shall not limit the source of payment of the bonds and interest but shall only operate to restrict the amount of bonds which may be issued?

3. Notice of the election shall be given by the county commissioner of elections according to section 49.53. The county commissioner of elections shall conduct the election pursuant to the provisions of chapters 39 through 53 and certify the results to the board of directors. The proposition shall not be deemed carried or adopted unless the vote in favor of such proposition is equal to at least sixty percent of the total vote cast for and against the proposition at the election. Whenever such a proposition has been approved by the voters of a school corporation as hereinbefore provided, no further approval of the voters of such school corporation shall be required as a result of any subsequent change in the boundaries of such school corporation.

4. The voted tax levy referred to in this section shall not limit the source of payment of bonds and interest but shall only restrict the amount of bonds which may be issued.

5. *a.* The ability of a school corporation to exceed two dollars and seventy cents per thousand dollars of assessed value to service principal and interest payments on bonded indebtedness is limited and conferred only to those school corporations engaged in the administration of elementary and secondary education.

*b.* If a school corporation leases a building or property, which has been used as a junior college by such corporation, to a community college, the annual amounts certified as herein provided by such leasing school corporation for payment of interest and principal due on lawful bonded indebtedness incurred by such leasing school corporation for purchasing, building, furnishing, reconstructing, repairing, improving, or remodeling the building leased or acquiring or adding to the site of such property leased, to the extent of the respective annual rent the school corporation will receive under such lease, shall not be considered as a part of the total amount estimated and certified for the purposes of determining if such amount exceeds any limitation contained in this section.

[C73, §1823; C97, §2813; S13, §2813; C24, 27, 31, 35, 39, §**4403;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.18]

90 Acts, ch 1253, §109; 94 Acts, ch 1029, §28; 2001 Acts, ch 56, §14; 2008 Acts, ch 1115, §50, 71; 2009 Acts, ch 133, §110; 2010 Acts, ch 1061, §49

Referred to in §292.1, 292.2, 298.18A, 298.19, 423F.3

**298.18A Levy adjustment.**

If, in the opinion of the board of a school corporation, after having originally estimated and certified the amount required to pay interest and principal due upon bonded indebtedness incurred before July 1, 1995, an adjustment in the amount certified in excess of that previously levied by the resolution authorizing issuance of the bonds becomes necessary in anticipation of future projected revenue shortfalls resulting from a machinery and equipment-related taxable valuation decrease from the valuation as of January 1, 1994, an adjustment shall be permitted subject to the following limitations:

1. An adjustment shall be permitted only in a district in which machinery and equipment valuation exceeds twenty percent of total taxable valuation as of January 1, 1994.

2. The adjustment shall not result in a total amount levied in excess of the two dollar and seventy cent per thousand dollars of assessed valuation limit provided in section 298.18. An

adjustment in excess of the two dollar and seventy cent per thousand dollars of assessed valuation limit shall be subject to the election provisions for increases of up to four dollars and five cents per thousand dollars of assessed valuation provisions of section 298.18.

3. The amount of the adjustment, when added to the amount originally estimated and certified, for any one year, shall not exceed the least of:

*a.* The amount required to pay interest and principal due upon bonded indebtedness for the three-year period beginning on the date of the adjustment.

*b.* One hundred twenty-five percent of the amount originally estimated and certified.

*c.* One hundred ten percent of the total district levies for the fiscal year preceding the fiscal year in which the adjustment is to be added.

4. The amount of the adjustment plus the amount of state replacement moneys received under section 427B.19A which is attributable to the amount of the adjustment, when added to the amount originally estimated and certified, shall not result in the levying of an amount over the life of the issue in excess of the amount necessary for principal and interest repayment.

5. Amounts collected pursuant to this section shall be deposited in a separate debt service account distinct from the account established to hold principal and interest revenues resulting from the original levy.

6. An adjustment shall not be permitted which results in extending a levy beyond the earlier of the following:

*a.* Ten years from the original date of certification of the amount required to pay interest and principal.

*b.* June 30, 2007.

96 Acts, ch 1179, §1; 2008 Acts, ch 1115, §51, 71

Referred to in §423F.3

**298.19 Levy.**

The board of supervisors of the county to which the certificate is addressed within the contemplation of section 298.18 shall levy the necessary tax to raise the amount estimated, or so much thereof as may be lawful and within the limitation of said section which levy shall be made as other taxes for school purposes.

[S13, §2813-a; C24, 27, 31, 35, 39, §**4404;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.19]

**298.20 Funding or refunding bonds.**

For the purpose of providing for the payment of any indebtedness of any school corporation represented by judgments or bonds, the board of directors of such school corporation, at any time or times, may provide by resolution for the issuance of bonds of such school corporation, to be known as funding or refunding bonds. The proceeds derived from the public or private sale of such funding or refunding bonds shall be applied in payment of such indebtedness; or the funding bonds or refunding bonds may be issued in exchange for the evidences of such indebtedness, par for par.

[S13, §2812-c; C24, 27, 31, 35, 39, §**4405;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.20]

90 Acts, ch 1272, §74

**298.21 School bonds.**

The board of directors of any school corporation when authorized by the voters at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*", may issue the negotiable, interest-bearing school bonds of the corporation for borrowing money for any or all of the following purposes:

1. To acquire sites for school purposes.
2. To erect, complete, or improve buildings authorized for school purposes.
3. To acquire equipment for schools, sites, and buildings.

[S13, §2812-d; C24, 27, 31, 35, 39, §**4406;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.21]

2008 Acts, ch 1115, §52, 71

Vote required to authorize bonds, §75.1

**298.22 Form — rate of interest — where registered.**

All of said bonds shall be substantially in the form provided for county bonds, but subject to changes that will conform them to the action of the board providing therefor; shall run not more than twenty years, and may be sooner paid if so nominated in the bond; bear a rate of interest not exceeding that permitted by chapter 74A, payable semiannually; be signed by the president and countersigned by the secretary of the board of directors; and shall not be disposed of for less than par value, nor issued for other purposes than this chapter provides.

All of said bonds, when issued, shall be delivered to the secretary of the board of directors, who shall register them in a book to be kept for that purpose, and shall deliver them when they have been properly countersigned.

The expenses of engraving and printing of bonds may be paid out of the general fund.

[S13, SS15, §2812-e; C24, 27, 31, 35, 39, §**4407;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.22]

Form of county bonds, §331.446
Legalizing Act, 77 Acts, ch 97, §7

**298.23 Redemption.**

Whenever the amount in the hands of the treasurer, belonging to the funds set aside to pay bonds, is sufficient to redeem one or more of the bonds which by their terms are subject to redemption, the treasurer shall give the owner of said bonds thirty days' written notice of the readiness of the district to pay and the amount it desires to pay. If not presented for payment or redemption within thirty days after the date of such notice, the interest on such bonds shall cease and the amount due thereon shall be set aside for its payment whenever it is presented.

[S13, §2812-f; C24, 27, 31, 35, 39, §**4408;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.23]

**298.24 Record of bond buyers.**

All redemptions shall be made in the order of their numbers. The treasurer shall keep a record of the parties to whom the bonds are sold, together with their post office addresses, and notice mailed to the address as shown by such record shall be sufficient.

[S13, §2812-f; C24, 27, 31, 35, 39, §**4409;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §298.24]

# CHAPTER 298A

## SCHOOL DISTRICT FUND STRUCTURE

Referred to in §256C.4


298A.1 Effective date.
298A.2 General fund.
298A.3 District management levy fund.
298A.4 Physical plant and equipment levy fund.
298A.5 Schoolhouse tax levy fund. Repealed by 2013 Acts, ch 88, §37.
298A.6 Public education and recreation levy fund.
298A.7 Library levy fund.
298A.8 Student activity fund.
298A.9 Capital project funds.
298A.10 Debt service fund.
298A.11 School nutrition fund.
298A.12 Child care fund.
298A.13 Trust, permanent, or agency funds.
298A.14 Other funds.
298A.15 Entrepreneurial education funds.


**298A.1 Effective date.**

This chapter establishes the fund structure which shall be used by school districts commencing with the school budget year which begins on July 1, 1995.

94 Acts, ch 1029, §1

**298A.2 General fund.**
All moneys received by a school corporation from taxes and other sources must be accounted for in the general fund, except moneys required by law to be accounted for in another fund.
94 Acts, ch 1029, §2

**298A.3 District management levy fund.**
The district management levy fund is a special revenue fund. A district management levy fund must be established in any school corporation which levies the tax authorized under section 298.4.
94 Acts, ch 1029, §3

**298A.4 Physical plant and equipment levy fund.**
The physical plant and equipment levy fund is a capital project fund. A physical plant and equipment levy fund must be established in any school corporation which levies the tax authorized, whether regular or voter-approved, under section 298.2.
94 Acts, ch 1029, §4; 2013 Acts, ch 88, §30
Section amended

**298A.5 Schoolhouse tax levy fund.** Repealed by 2013 Acts, ch 88, § 37.

**298A.6 Public education and recreation levy fund.**
The public education and recreation levy fund is a special revenue fund. A public education and recreation levy fund must be established in any school corporation which levies the tax authorized under section 300.2 or which receives revenue from a chapter 28E agreement authorized under section 300.1.
94 Acts, ch 1029, §6

**298A.7 Library levy fund.**
The library levy fund is a special revenue fund. A library levy fund must be established in any school corporation which levies the tax authorized under section 298.7.
94 Acts, ch 1029, §7

**298A.8 Student activity fund.**
The student activity fund is a special revenue fund. A student activity fund must be established in any school corporation receiving money from student-related activities such as admissions, activity fees, student dues, student fund-raising events, or other student-related cocurricular or extracurricular activities. Moneys in this fund shall be used to support only the cocurricular program defined in department of education administrative rules.
94 Acts, ch 1029, §8
Referred to in §298A.15

**298A.9 Capital project funds.**
A capital project fund must be established in any school corporation which issues bonds or other authorized indebtedness for capital projects or which initiates a capital project, or which receives grants or other funds for capital projects. Boards are authorized to establish more than one capital project fund as necessary. Any balance remaining in a capital project fund after the capital project is completed may be retained for future capital projects in accordance with the original purpose of the bond issue or voter-approved levy; or may be transferred, by board resolution, to the debt service fund, to the physical plant and equipment levy fund or another capital project fund, or to the fund from which the surplus originated; or transferred to the general fund in accordance with section 278.1, subsection 1, paragraph "*e*".
94 Acts, ch 1029, §9; 2013 Acts, ch 88, §31
Section amended

**298A.10 Debt service fund.**

A debt service fund must be established in any school corporation which issues bonds or other authorized indebtedness. The debt service fund shall be used to pay interest as it becomes due and the amount necessary to pay the principal when due on bonds or other authorized indebtedness issued by the district, and to make payments required under a loan, lease-purchase agreement, or other evidence of indebtedness authorized by this Code. Moneys available to service this debt and received from other sources shall be transferred to the debt service fund and the payment of the debt shall be made from this fund. Funds remaining in the debt service fund after payment of all outstanding debt in accordance with the original purpose of the indebtedness may be transferred by board resolution to the physical plant and equipment levy fund or transferred to the general fund in accordance with section 278.1, subsection 1, paragraph *"e"*.

94 Acts, ch 1029, §10

**298A.11 School nutrition fund.**

A school nutrition fund is an enterprise fund. A school nutrition fund must be established in any school corporation receiving moneys from the school meal program authorized under chapter 283A.

94 Acts, ch 1029, §11; 95 Acts, ch 67, §24

**298A.12 Child care fund.**

A child care fund is an enterprise fund. A child care fund must be established in any school corporation receiving moneys from the child care program authorized under section 279.49.

94 Acts, ch 1029, §12; 99 Acts, ch 192, §33

**298A.13 Trust, permanent, or agency funds.**

Trust, permanent, or agency funds shall be established by any school corporation to account for gifts it receives to be used for a particular purpose or to account for money and property received and administered by the district as trustee or custodian or in the capacity of an agent. Boards may establish trust, permanent, or agency funds as necessary.

94 Acts, ch 1029, §13; 2013 Acts, ch 88, §32

Section amended

**298A.14 Other funds.**

A school corporation may establish other funds in accordance with generally accepted accounting principles and may certify other taxes to be levied for the funds as provided by state law. The status of each fund must be included in the annual report. The treasurer shall keep a separate account for each fund, and shall not pay an order that fails to state the fund upon which it is drawn and the specific use to which it is to be applied.

94 Acts, ch 1029, §14

**298A.15 Entrepreneurial education funds.**

1. *Funds established — purposes.* For the purposes of enhancing student learning by encouraging students to develop and practice entrepreneurial skills at an early age and of fostering a business-ready workforce in this state, a school corporation may establish an entrepreneurial education fund at the request of a student organization or club and upon approval by the school board. An entrepreneurial education fund is a special revenue fund and shall consist only of moneys earned through entrepreneurial activities or returns on investments made for entrepreneurial purposes by the student organization or club, private donations and private contributions, and any interest earned on such moneys, that are deposited in the fund. Moneys in the fund shall be used only for investments made, or activities undertaken, for entrepreneurial purposes in accordance with this section. The student organization or club may designate an entrepreneurial purpose for the use of moneys in the fund in accordance with this section. A school corporation may expend moneys in the fund for use by the student organization or club in accordance with this section upon approval of the designated entrepreneurial purpose by the school board. A school

organization or club shall deposit any return on an investment made with moneys from the fund in the school corporation's entrepreneurial education fund. The school corporation shall not transfer or contribute to the fund any other moneys that are not moneys earned through entrepreneurial activities or returns on investments made for entrepreneurial purposes by the student organization or club.

2. *Funds transferred.* At the request of a student organization or club and upon approval by the school board, a school corporation shall transfer moneys in a student activity fund established under section 298A.8, for deposit by the student organization or club in an entrepreneurial education fund. However, a school corporation shall not transfer such moneys unless the moneys are attributable through appropriate documentation to the specific student organization or club and unless the student organization or club shows through appropriate documentation that the student organization or club earned the moneys through entrepreneurial activities as defined in subsection 5, paragraph "*a*".

3. *Conflicts of interest prohibited.* A student organization or club shall not invest moneys from an entrepreneurial education fund for an entrepreneurial purpose in which a member of the student organization or club, an advisor or supervisor of the student organization or club, or an immediate family member of such persons, has a financial interest. Sections 279.7A and 301.28 apply to this section.

4. *Fund closure.* A school corporation shall close an entrepreneurial education fund at the request of the student organization or club for which the school corporation established the fund. All moneys in the fund on the date of closure and any subsequent return on an investment made with moneys from the fund shall be deposited in the school corporation's student activity fund established under section 298A.8.

5. *Definitions.* For purposes of this section:

*a.* *"Entrepreneurial activities"* means starting, maintaining, or expanding a business venture, including a seasonal business venture, or rendering other labor or services in return for compensation. *"Entrepreneurial activities"* does not include charitable contributions or other donations or gifts received by the student organization or club for which no labor or services are rendered.

*b.* *"Entrepreneurial purpose"* means establishing or investing in a start-up company, early-stage company, or existing company developing a new product or new technology if the investment is in keeping with the education program of the school corporation; if the student organization or club or its members will, as a stated condition of the investment, take an active role in the company which active role directly relates to and furthers the educational purposes for which the student organization or club is established; and if a reasonable return upon the investment is expected.

*c.* *"Immediate family member"* means a spouse; natural or adoptive parent, child, or sibling; or stepparent, stepchild, or stepsibling.

2013 Acts, ch 71, §3 – 5

Referred to in §11.6, 12B.10

Subsection 2 applies to moneys in a student activity fund in existence on or after April 25, 2013, that are attributable to a specific student organization or club and were earned by the organization or club through entrepreneurial activities; 2013 Acts, ch 71, §5

NEW section

# CHAPTER 299

## COMPULSORY EDUCATION

Referred to in §135.105D, 232C.4, 234.4, 256B.6, 299A.1, 714.19


299.1 Attendance requirements.
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299.10 Truancy officers — appointment.
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299.12 Violation of attendance policy — attendance cooperation meeting — agreement.
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299.18 Education of certain children who are deaf, blind, or have severe disabilities.
299.19 Proceeding against parent.
299.20 Order.
299.21 Contempt.
299.22 When deaf and blind children excused.
299.23 Agent of state board of regents.
299.24 Religious groups exempted from school standards.


**299.1 Attendance requirements.**

1. Except as provided in section 299.2, the parent, guardian, or legal or actual custodian of a child who is of compulsory attendance age shall cause the child to attend some public school or an accredited nonpublic school, or place the child under competent private instruction or independent private instruction in accordance with the provisions of chapter 299A, during a school year, as defined under section 279.10.

2. The board of directors of a public school district or the governing body of an accredited nonpublic school shall set the number of days of required attendance for the schools under its control. The board of directors of a public school district or the governing body of an accredited nonpublic school may, by resolution, require attendance for the entire time when the schools are in session in any school year and adopt a policy or rules relating to the reasons considered to be valid or acceptable excuses for absence from school.

[S13, §2823-a; C24, 27, 31, 35, 39, §**4410;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.1]

83 Acts, ch 17, §2, 4; 85 Acts, ch 6, §3; 88 Acts, ch 1087, §2; 88 Acts, ch 1259, §2, 3; 89 Acts, ch 265, §41; 91 Acts, ch 200, §3; 2010 Acts, ch 1061, §50; 2013 Acts, ch 121, §91

Referred to in §234.4, 299.2, 299.6, 299.11, 299.12, 299A.1

For future amendment to subsection 2, effective July 1, 2014, see 2013 Acts, ch 121, §83, 85

Subsection 1 amended

**299.1A Compulsory attendance age.**

1. Except as provided in subsections 2 and 3, a child who has reached the age of six and is under sixteen years of age by September 15 is of compulsory attendance age. However, if a child enrolled in a school district or accredited nonpublic school reaches the age of sixteen on or after September 15, the child remains of compulsory age until the end of the regular school calendar.

2. A child who has reached the age of five by September 15 and who is enrolled in a school district shall be considered to be of compulsory attendance age unless the parent or guardian of the child notifies the school district in writing of the parent's or guardian's intent to remove the child from enrollment in the school district.

3. A child who has reached the age of four by September 15 and who is enrolled in the statewide preschool program under chapter 256C shall be considered to be of compulsory

attendance age unless the parent or guardian of the child submits written notice to the school district implementing the program of the parent's or guardian's intent to remove the child from enrollment in the preschool program.

91 Acts, ch 200, §4; 2001 Acts, ch 110, §1; 2012 Acts, ch 1119, §40; 2013 Acts, ch 78, §2, 3
Referred to in §256C.3, 299.6, 299.11, 299A.1
Subsection 1 amended
NEW subsection 3

**299.1B Failure to attend — driver's license.**

A person who is of compulsory attendance age who does not meet the requirements for an exception under section 299.2, who does not attend a public school or an accredited nonpublic school, who is not receiving competent private instruction or independent private instruction in accordance with the provisions of chapter 299A, and who does not attend an alternative school or adult education classes, shall not receive an intermediate or full driver's license until age eighteen.

94 Acts, ch 1172, §32; 2005 Acts, ch 8, §1; 2013 Acts, ch 121, §92
Referred to in §299.6, 299.11, 299A.1, 321.213B
See §321.178
Section amended

**299.2 Exceptions.**

Section 299.1 shall not apply to any child:

1. Who has completed the requirements for graduation in an accredited school or has obtained a high school equivalency diploma under chapter 259A.
2. Who is excused for sufficient reason by any court of record or judge.
3. While attending religious services or receiving religious instructions.
4. Who is attending a private college preparatory school accredited or probationally accredited under section 256.11, subsection 13.
5. Who has been excused under section 299.22.
6. Who is exempted under section 299.24.

[S13, §2823-a; C24, 27, 31, 35, 39, §**4411;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.2]

86 Acts, ch 1245, §1490; 91 Acts, ch 200, §5
Referred to in §299.1, 299.1B, 299.6, 299.11, 299A.1, 321.178

**299.3 Reports from accredited nonpublic schools.**

Within ten days from receipt of notice from the secretary of the school district within which an accredited nonpublic school is conducted, the principal of the accredited nonpublic school shall, once during each school year, and at any time when requested in individual cases, furnish to the secretary of the public school district, within which the accredited nonpublic school is located, a certificate and report in duplicate on forms provided by the public school district of the names and ages of each pupil of the accredited nonpublic school who is of compulsory attendance age and the grade level of each pupil, during the preceding year and from the time of the last preceding report to the time at which a report is required. In addition, the report shall identify all students of compulsory attendance age who were truant as defined by law or school policy and the number of days of truancy for the period covered by the report, and children who dropped out, withdrew from enrollment, or transferred to another Iowa school and the date their attendance ceased at the accredited nonpublic school. The secretary shall retain one of the reports and file the other with the secretary of the area education agency.

[S13, §2823-b; C24, 27, 31, 35, 39, §**4412;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.3]

91 Acts, ch 200, §6; 93 Acts, ch 101, §207
Referred to in §299.6, 299.11, 299A.1

**299.4 Reports as to private instruction.**

1. The parent, guardian, or legal custodian of a child who is of compulsory attendance age, who places the child under competent private instruction under section 299A.2, not in an accredited school or a home school assistance program operated by a school district or

accredited nonpublic school, shall furnish a report in duplicate on forms provided by the public school district, to the district by the earliest starting date specified in section 279.10, subsection 1. The secretary shall retain and file one copy and forward the other copy to the district's area education agency. The report shall state the name and age of the child, the period of time during which the child has been or will be under competent private instruction for the year, an outline of the course of study, texts used, and the name and address of the instructor. The parent, guardian, or legal custodian of a child, who is placing the child under competent private instruction for the first time, shall also provide the district with evidence that the child has had the immunizations required under section 139A.8, and, if the child is elementary school age, a blood lead test in accordance with section 135.105D. The term "*outline of course of study*" shall include subjects covered, lesson plans, and time spent on the areas of study.

2. A home school assistance program operated by a school district or accredited nonpublic school shall furnish a report on forms provided by the department. The report shall, at a minimum, state the name and age of the child and the period of time during the school year in which the child has been or will be under competent private instruction by the home school assistance program.

[S13, §2823-b; C24, 27, 31, 35, 39, §**4413;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.4]

88 Acts, ch 1259, §4; 91 Acts, ch 200, §7; 92 Acts, ch 1135, §9; 2000 Acts, ch 1066, §45; 2007 Acts, ch 79, §4; 2008 Acts, ch 1191, §110; 2013 Acts, ch 121, §86

Referred to in §299.6, 299.11, 299A.1, 299A.3

For future amendment to subsection 1, effective July 1, 2014, see 2013 Acts, ch 121, §84, 85

Subsection 1 amended

**299.5 Proof of mental or physical condition.**

The parent, guardian, or legal or actual custodian of a child who is of compulsory attendance age, who is physically or mentally unable to attend school, or whose presence in school would be injurious to the health of other pupils, shall furnish proofs by certificate under sections 256B.6 and 256B.7 as to the physical or mental condition of the child.

[S13, §2823-b; C24, 27, 31, 35, 39, §**4414;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.5]

88 Acts, ch 1259, §5; 91 Acts, ch 200, §8

Referred to in §282.3, 299.6, 299.11, 299.22

**299.5A Mediation.**

If a child is truant as defined in section 299.8, school officers shall attempt to find the cause for the child's absence and use every means available to the school to assure that the child does attend. For a child who has completed educational requirements through the sixth grade, the means may include but are not limited to the use of an attendance cooperation process which substantially conforms with the provisions of section 299.12. If the parent, guardian, or legal or actual custodian, or child refuses to accept the school's attempt to assure the child's attendance or the school's attempt to assure the child's attendance is otherwise unsuccessful, the truancy officer shall refer the matter to the county attorney for mediation or prosecution.

If the matter is referred for mediation, the county attorney shall cause a notice of the referral to be sent to the parent, guardian, or legal or actual custodian and designate a person to serve as mediator in the matter. If mediation services are available in the community, those services may be used as the designated mediation service. If mediation services are not available in the community, mediation shall be provided by the county attorney or the county attorney's designee. The mediator shall contact the school, the parent, guardian, or legal or actual custodian, and any other person the mediator deems appropriate in the matter and arrange meeting dates and times for discussion of the child's nonattendance. The mediator shall attempt to ascertain the cause of the child's nonattendance, attempt to cause the parties to arrive at an agreement relative to the child's attendance, and initiate referrals to any agencies or counseling that the mediator believes to be appropriate under the circumstances.

If the parties reach an agreement, the agreement shall be reduced to writing and signed by

a school officer, parent, guardian, or legal or actual custodian, and the child. The mediator, the school, and the parent, guardian, or legal or actual custodian shall each receive a copy of the agreement, which shall set forth the settlement of the issues and future responsibilities of each party.

The school district shall be responsible for monitoring any agreements arrived at through mediation. If a parent, guardian, or legal or actual custodian refuses to engage in mediation or violates a term of the agreement, the matter shall be rereferred to the county attorney for prosecution under section 299.6. The county attorney's office or the mediation service shall require the parent, guardian, or legal or actual custodian and the school to pay a fee to help defray the administrative cost of mediation services. The county attorney's office or the mediation service shall establish a sliding scale of fees to be charged parents, guardians, and legal or actual custodians based upon ability to pay. A parent, guardian, or legal or actual custodian shall not be denied the services of a mediator solely because of inability to pay the fee.

The mediator may refer a truant to the juvenile court if mediation breaks down without an agreement being reached.

91 Acts, ch 200, §9; 94 Acts, ch 1172, §33; 97 Acts, ch 174, §2
Referred to in §299.6, 299.11, 299.13

**299.6 Violations — community service or fine or imprisonment.**

1. Any person who violates a mediation agreement under section 299.5A, who is referred for prosecution under section 299.5A and is convicted of a violation of any of the provisions of sections 299.1 through 299.5, who violates any of the provisions of sections 299.1 through 299.5, or who refuses to participate in mediation under section 299.5A, commits a public offense.

*a.* A first offense is a simple misdemeanor and a conviction is punishable by imprisonment not exceeding ten days or a fine not exceeding one hundred dollars. The court may order the person to perform not more than forty hours of unpaid community service instead of any fine or imprisonment.

*b.* A second offense is a serious misdemeanor and a conviction is punishable by imprisonment not exceeding twenty days or a fine not exceeding five hundred dollars, or both a fine and imprisonment. The court may order the person to perform unpaid community service instead of any fine or imprisonment.

*c.* A third or subsequent offense is a serious misdemeanor and a conviction is punishable by imprisonment not exceeding thirty days or a fine not exceeding one thousand dollars, or both a fine and imprisonment. The court may order the person to perform unpaid community service instead of any fine or imprisonment.

2. If community service is imposed as part of a sentencing order, the court may require that part or all of the service be performed for a public school district or nonpublic school if the court finds that service in the school is appropriate under the circumstances.

3. If a parent, guardian, or legal or actual custodian of a child who is truant, has made reasonable efforts to comply with the provisions of sections 299.1 through 299.5, but is unable to cause the child to attend school, the parent, guardian, or legal or actual custodian may file an affidavit listing the reasonable efforts made by the parent, guardian, or legal or actual custodian to cause the child's attendance and the parent, guardian, or legal or actual custodian shall not be criminally liable for the child's nonattendance.

[S13, §2823-a; C24, 27, 31, 35, 39, §**4415;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.6]

88 Acts, ch 1259, §6; 91 Acts, ch 200, §10; 97 Acts, ch 174, §3; 2004 Acts, ch 1043, §5; 2013 Acts, ch 90, §73
Referred to in §299.5A, 299.6A, 299A.1
Section amended

**299.6A Civil penalty — distribution of funds.**

1. In lieu of a criminal proceeding under section 299.6, a county attorney may bring a civil action against a parent, guardian, or legal or actual custodian of a child who is of compulsory attendance age, has not completed educational requirements, and is truant, if the parent,

guardian, or legal or actual custodian has failed to cause the child to attend a public school or an accredited nonpublic school, or placed the child under competent private instruction or independent private instruction in the manner provided in this chapter. If the court finds that the parent, guardian, or legal or actual custodian has failed to cause the child to attend as required in this section, the court shall assess a civil penalty of not less than one hundred but not more than one thousand dollars for each violation established.

2. Funds received from civil penalties assessed pursuant to this section shall be paid to the school district of residence or school district of enrollment, if open enrolled, of the person against whom the court assessed the penalty. The school district shall use moneys received under this subsection to support programs for students who meet the definition of at-risk children adopted by the department of education.

97 Acts, ch 174, §4; 2004 Acts, ch 1043, §6; 2013 Acts, ch 121, §93
Subsection 1 amended

**299.7 Custody of records.**

All such certificates, reports, and proofs shall be filed and preserved in the office of the secretary of the school corporation as a part of the records of the office, and the secretary shall furnish certified copies thereof to any person requesting the same.

[S13, §2823-b, -c; C24, 27, 31, 35, 39, §**4416;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.7]

**299.8 "Truant" defined.**

Any child of compulsory attendance age who fails to attend school as provided in this chapter, or as required by the school board's or school governing body's attendance policy, or who fails to attend competent private instruction or independent private instruction under chapter 299A, without reasonable excuse for the absence, shall be deemed to be a truant. A finding that a child is truant, however, shall not by itself mean that the child is a child in need of assistance within the meaning of chapter 232 and shall not be the sole basis for a child in need of assistance petition.

[S13, §2823-e; C24, 27, 31, 35, 39, §**4417;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.8]

91 Acts, ch 200, §11; 2013 Acts, ch 121, §94
Referred to in §299.5A
Section amended

**299.9 Truants — rules for punishment.**

The board of directors of a public school district or the authorities in charge of an accredited nonpublic school shall prescribe reasonable rules for the punishment of truants.

[S13, §2823-d, -h; C24, 27, 31, 35, 39, §**4418;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.9]

91 Acts, ch 200, §12

**299.10 Truancy officers — appointment.**

The board of each school district may appoint a truancy officer. The board of each school district, which does not appoint a truancy officer for the district, shall designate a suitable person to collect information on the numbers of children in the district who are truant.

The board may appoint a member of the police force, marshal, teacher, school official, or other suitable person to serve as the district truancy officer.

[S13, §2823-e; C24, 27, 31, 35, 39, §**4419;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.10]

91 Acts, ch 200, §13
Referred to in §299.12

**299.11 Duties of truancy officer.**

1. The truancy officer may take into custody without warrant any apparently truant child and place the child in the charge of the school principal, or the principal's designee, designated by the board of directors of the school district in which the child resides, or in

the charge of any nonpublic school or any authority providing competent private instruction or independent private instruction as defined in section 299A.1, designated by the parent, guardian, or legal or actual custodian; but if it is other than a public school, the instruction and maintenance of the child shall be without expense to the school district. If a child is taken into custody under this section, the truancy officer shall make every reasonable attempt to immediately notify the parent, guardian, or legal or actual custodian of the child's location.

2. The truancy officer shall promptly institute proceedings against any person violating any of the provisions of sections 299.1 through 299.5A.

[S13, §2823-e, -f; C24, 27, 31, 35, 39, §**4420;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.11]

91 Acts, ch 200, §14; 2013 Acts, ch 121, §95
Unnumbered paragraphs 1 and 2 editorially redesignated as subsections 1 and 2
Subsection 1 amended

**299.12 Violation of attendance policy — attendance cooperation meeting — agreement.**

1. For the purposes of this section, *"school truancy officer"* means a truancy officer appointed under section 299.10 or any other person designated by a public school board or a governing body of an accredited nonpublic school to administer provisions of this section.

2. This section is not applicable to a child who is receiving competent private instruction or independent private instruction in accordance with the requirements of chapter 299A. If a child is not in compliance with the attendance requirements established under section 299.1, and has not completed educational requirements through the sixth grade, and the school has used every means available to assure the child does attend, the school truancy officer shall contact the child's parent, guardian, or legal or actual custodian to participate in an attendance cooperation meeting. The parties to the attendance cooperation meeting may include the child and shall include the child's parent, guardian, or legal or actual custodian and the school truancy officer. The school truancy officer contacting the participants in the attendance cooperation meeting may invite other school officials, a designee of the juvenile court, the county attorney or the county attorney's designee, or other persons deemed appropriate to participate in the attendance cooperation meeting.

3. The purpose of the attendance cooperation meeting is for the parties participating in the meeting to attempt to ascertain the cause of the child's nonattendance, to cause the parties to arrive at an agreement relative to addressing the child's attendance, and to initiate referrals to any services or counseling that the parties believe to be appropriate under the circumstances. The terms agreed to shall be reduced to writing in an attendance cooperation agreement and signed by the parties to the agreement. Each party signing the agreement shall receive a copy of the agreement, which shall set forth the cause identified for the child's nonattendance and future responsibilities of each party.

4. If the parties to an attendance cooperation meeting determine that a monitor would improve compliance with the attendance cooperation agreement, the parties may designate a person to monitor the agreement. The monitor shall be a designee of the public school board or governing body of the accredited nonpublic school. The monitor may be a volunteer if the volunteer is approved by all parties to the agreement and receives a written authorization for access to confidential information and for performing monitor activities from the child's parent, guardian, or custodian. A monitor shall contact parties to the attendance cooperation agreement on a periodic basis as appropriate to monitor performance of the agreement.

5. If the parties fail to enter into an attendance cooperation agreement, or the child's parent, guardian, or custodian acting as a party violates a term of the attendance cooperation agreement or fails to participate in an attendance cooperation meeting, the child shall be deemed to be truant.

6. A public school board or governing body of an accredited nonpublic school shall exercise the authority granted under this section as a means of increasing and ensuring

school attendance of young children, as education is a critical element in the success of individuals and good attendance habits should be developed and reinforced at an early age.

97 Acts, ch 41, §32; 97 Acts, ch 174, §5, 7; 2004 Acts, ch 1043, §7, 8, 10; 2013 Acts, ch 121, §96

Referred to in §299.5A, 299.13

Subsection 2 amended

**299.13 Civil enforcement.**

A person shall not disseminate or redisseminate information shared with the person pursuant to section 299.5A or 299.12, unless specifically authorized to do so by section 217.30, 299.5A, or 299.12. Unless a prohibited dissemination or redissemination of information is subject to injunction or sanction under other state or federal law, an action for judicial enforcement may be brought in accordance with this section. An aggrieved person, the attorney general, or a county attorney may seek judicial enforcement of the requirements of this section in an action brought against the public school or accredited nonpublic school or any other person who has been granted access to information pursuant to section 299.5A or 299.12. Suits to enforce this section shall be brought in the district court for the county in which the information was disseminated or redisseminated. Upon a finding by a preponderance of the evidence that a person has violated this section, the court shall issue an injunction punishable by civil contempt ordering the person in violation of this section to comply with the requirements of, and to refrain from any violations of section 299.5A or 299.12 with respect to the dissemination or redissemination of information shared with the person pursuant to section 299.5A or 299.12.

97 Acts, ch 174, §6; 2004 Acts, ch 1043, §9

**299.14** Repealed by 91 Acts, ch 200, § 31.

**299.15 Reports by school officers and employees.**

All school officers and employees shall promptly report to the secretary of the school corporation any violations of the truancy law of which they have knowledge, and the secretary shall inform the president of the board of directors who shall, if necessary, call a meeting of the board to take such action thereon as the facts justify.

[S13, §2823-g; C24, 27, 31, 35, 39, §**4424;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.15]

**299.16 Failure to attend — report.** Repealed by 2009 Acts, ch 54, § 14.

**299.17** Repealed by 72 Acts, ch 1065, § 1.

**299.18 Education of certain children who are deaf, blind, or have severe disabilities.**

Children who are of compulsory attendance age and who are so deaf or blind or have such severe disabilities so as to be unable to obtain an education in the public or accredited nonpublic schools shall be sent to the appropriate state-operated school, or shall receive appropriate special education under chapter 256B, unless exempted, and any person having such a child under the person's control or custody shall see that the child attends the state-operated school or special education program during the scholastic year.

[S13, §2718-c; C24, 27, 31, 35, 39, §**4427;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.18]

91 Acts, ch 200, §16; 96 Acts, ch 1129, §76

Referred to in §299.19, 299.20

**299.19 Proceeding against parent.**

Upon the failure of a person having the custody and control of a child who is blind, deaf, or has severe disabilities to require the child's attendance as provided in section 299.18, the state board of regents may make application to the district court or the juvenile court of the county

in which the person resides for an order requiring the person to compel the attendance of the child at the proper state-operated school.

[S13, §2718-d, -e; C24, 27, 31, 35, 39, §**4428;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.19]

91 Acts, ch 200, §17; 96 Acts, ch 1129, §77

Referred to in §299.20

**299.20 Order.**

Upon the filing of the application mentioned in section 299.19, the time of hearing shall be determined by the juvenile court or the district court. If, upon hearing, the court determines that the person required to appear has the custody and control of a child who should be required to attend a state-operated school under section 299.18, the court shall make an order requiring the person to keep the child in attendance at the state-operated school.

[C24, 27, 31, 35, 39, §**4429;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.20]

91 Acts, ch 200, §18

**299.21 Contempt.**

A failure to comply with the order of the court shall subject the person against whom the order is made to punishment the same as in ordinary contempt cases.

[C24, 27, 31, 35, 39, §**4430;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.21]

Contempts, chapter 665

**299.22 When deaf and blind children excused.**

Attendance at the state-operated school may be excused when the superintendent of the state-operated school certifies that an interdisciplinary staffing team has determined, pursuant to the requirements of chapter 256B, that the child is efficiently taught for the scholastic year in an accredited nonpublic or other school devoted to the instruction, by a private tutor, in the public schools, or is shown to be physically or mentally unable to attend school under section 299.5.

[S13, §2718-f; C24, 27, 31, 35, 39, §**4431;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.22]

91 Acts, ch 200, §19

Referred to in §299.2

**299.23 Agent of state board of regents.**

The state board of regents may employ an agent to aid in the enforcement of law relative to the education of deaf and blind children. The agent shall seek out children who should be in attendance at the state schools but who are not, and require such attendance. The agent shall institute proceedings against persons who violate the provisions of said law. The agent shall be allowed compensation at a rate fixed by the board of regents, and necessary traveling and hotel expenses while away from home in the performance of duty.

[C24, 27, 31, 35, 39, §**4432;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §299.23]

**299.24 Religious groups exempted from school standards.**

When members or representatives of a local congregation of a recognized church or religious denomination established for ten years or more within the state of Iowa prior to July 1, 1967, which professes principles or tenets that differ substantially from the objectives, goals, and philosophy of education embodied in standards set forth in section 256.11, and rules adopted in implementation thereof, file with the director of the department of education proof of the existence of such conflicting tenets or principles, together with a list of the names, ages, and post office addresses of all persons of compulsory school age desiring to be exempted from the compulsory education law and the educational standards law, whose parents or guardians are members of the congregation or religious denomination, the director, subject to the approval of the state board of education, may exempt the members of the congregation or religious denomination from compliance with any or all requirements of the compulsory education law and the educational standards law for two school years. When the exemption has once been granted, renewal of such exemptions for each succeeding

school year may be conditioned by the director, with the approval of the board, upon proof of achievement in the basic skills of arithmetic, the communicative arts of reading, writing, grammar, and spelling, and an understanding of United States history, history of Iowa, and the principles of American government, by persons of compulsory school age exempted in the preceding year, which shall be determined on the basis of tests or other means of evaluation selected by the director with the approval of the state board. The testing or evaluation, if required, shall be accomplished prior to submission of the request for renewal of the exemption. Renewal requests shall be filed with the director on or before April 15 of the school year preceding the school year for which the applicants desire exemption.

[C71, 73, 75, 77, 79, 81, §299.24]

85 Acts, ch 212, §21, 22; 89 Acts, ch 296, §26

Referred to in §280.3, 299.2

# CHAPTER 299A

## PRIVATE INSTRUCTION

Referred to in §256.7, 257.6, 257.31, 261E.3, 261E.8, 299.1, 299.1B, 299.8, 299.12


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**299A.1 Competent private instruction and independent private instruction.**

1. The parent, guardian, or legal custodian of a child of compulsory attendance age who places the child under private instruction shall provide, unless otherwise exempted, competent private instruction or independent private instruction in accordance with this chapter. A parent, guardian, or legal custodian of a child of compulsory attendance age who places the child under private instruction which is not competent private instruction or independent private instruction, or otherwise fails to comply with the requirements of this chapter, is subject to the provisions of sections 299.1 through 299.4 and the penalties provided in section 299.6.

2. For purposes of this chapter and chapter 299:

*a.* "*Competent private instruction*" means private instruction provided on a daily basis for at least one hundred forty-eight days during a school year, to be met by attendance for at least thirty-seven days each school quarter, by or under the supervision of a licensed practitioner in the manner provided under section 299A.2, which results in the student making adequate progress.

*b.* "*Independent private instruction*" means instruction that meets the following criteria:

(1) Is not accredited.

(2) Enrolls not more than four unrelated students.

(3) Does not charge tuition, fees, or other remuneration for instruction.

(4) Provides private or religious-based instruction as its primary purpose.

(5) Provides enrolled students with instruction in mathematics, reading and language arts, science, and social studies.

(6) Provides, upon written request from the superintendent of the school district in which the independent private instruction is provided, or from the director of the department of education, a report identifying the primary instructor, location, name of the authority responsible for the independent private instruction, and the names of the students enrolled.

(7) Is not a nonpublic school and does not provide competent private instruction as defined in this subsection.

(8) Is exempt from all state statutes and administrative rules applicable to a school, a school board, or a school district, except as otherwise provided in chapter 299 and this chapter.

c. *"Private instruction"* means instruction using a plan and a course of study in a setting other than a public or organized accredited nonpublic school.

91 Acts, ch 200, §20; 2013 Acts, ch 121, §87, 97
Referred to in §299.11, 321.178
See Code editor's note on simple harmonization
Section amended

**299A.2 Competent private instruction by licensed practitioner.**

If a licensed practitioner provides competent instruction to a school-age child, the practitioner shall possess a valid license or certificate which has been issued by the state board of educational examiners under chapter 272 and which is appropriate to the ages and grade levels of the children to be taught. Competent private instruction may include but is not limited to a home school assistance program which provides instruction or instructional supervision offered through an accredited nonpublic school or public school district by a teacher, who is employed by the accredited nonpublic school or public school district, who assists and supervises a parent, guardian, or legal custodian in providing instruction to a child. If competent private instruction is provided through a public school district, the child shall be enrolled and included in the basic enrollment of the school district as provided in section 257.6. Sections 299A.3 through 299A.7 do not apply to competent private instruction provided by a licensed practitioner under this section. However, the reporting requirement contained in section 299A.3, subsection 1, shall apply to competent private instruction provided by licensed practitioners that is not part of a home school assistance program offered through an accredited nonpublic school or public school district.

91 Acts, ch 200, §21; 92 Acts, ch 1135, §10; 92 Acts, ch 1247, §48; 2011 Acts, ch 132, §21, 31, 106
Referred to in §261E.3, 299.4, 299A.1, 321.178A
2011 amendment applies retroactively to the base year beginning July 1, 2009; 2011 Acts, ch 132, §31

**299A.3 Private instruction by nonlicensed person.**

A parent, guardian, or legal custodian of a child of compulsory attendance age providing private instruction to the child may meet all of the following requirements:

1. Complete and send, in a timely manner, the report required under section 299.4 to the school district of residence of the child.

2. Ensure that the child under the parent's, guardian's, or legal custodian's instruction is evaluated annually to determine whether the child is making adequate progress, as defined in section 299A.6.

3. Ensure that the results of the child's annual evaluation are reported to the school district of residence of the child and to the department of education by a date not later than June 30 of each year in which the child is under private instruction.

91 Acts, ch 200, §22; 2013 Acts, ch 121, §88
Referred to in §299A.2, 321.178A
Unnumbered paragraph 1 amended

**299A.4 Annual achievement evaluations — requirements and procedure.**

1. Each child of compulsory attendance age who is receiving competent private instruction shall either be evaluated annually by May 1, using a nationally recognized standardized achievement evaluation or other assessment tool developed or recognized by the department of education and chosen by the child's parent, guardian, or legal custodian from a list of approved evaluations or assessment tools provided by the department of education or be evaluated annually in the manner provided in subsection 7. The department shall provide information on the cost of and the administration time required for each of the approved evaluations. The department shall provide, as part of approval procedures for evaluations to be used under this section, a mechanism which permits the introduction

and approval of new or alternate methods of educational assessment which meet the requirements of this chapter.

2. A child, who is seven years of age and is receiving competent private instruction or who is placed under competent private instruction for the first time, shall be administered an evaluation for purposes of obtaining educational baseline data.

3. The director of the department of education, or the director's designee, which may include a school district or an area education agency, shall conduct the evaluations required under subsections 1 and 2 for children under competent private instruction. Evaluation shall occur at a time and a place to be determined by the person responsible for conducting the evaluation. Persons conducting the evaluations shall make every reasonable effort to conduct the evaluations at times and places which are convenient for the parent, guardian, or legal custodian.

4. The parent, guardian, or legal custodian of a child receiving competent private instruction may be present when the child is evaluated, but only if both the parent, guardian, or legal custodian and the child are under the supervision of the evaluation administrator.

5. The conducting of evaluations shall include, but is not limited to, purchasing of evaluation materials, giving the evaluations, scoring and interpreting the evaluations, and reporting the evaluation results.

6. A school district or area education agency shall, if requested, administer the annual achievement evaluation at no cost to the parent, guardian, or legal custodian of the child being evaluated, and, in addition, the parent, guardian, or legal custodian is not required to reimburse the evaluating entity for costs incurred as a result of evaluation under section 299A.9. The administration of the annual achievement evaluation shall not constitute a dual enrollment purpose under section 299A.8.

7. *a.* In lieu of annual achievement evaluations, a parent, guardian, or legal custodian of a child may submit, as evidence of adequate academic progress, all of the following:

(1) A book of lesson plans, a diary, or other written record indicating the subjects taught and activities in which the child has been engaged.

(2) A portfolio of the child's work, including but not limited to, an outline of the curriculum used by the child, copies of homework completed in conjunction with the curriculum and instruction, and copies of evaluations completed by the child which have been produced by the parent, guardian, or legal custodian.

(3) Completed assessment evaluations, other than the annual achievement evaluation, if assessment evaluations are administered to a pupil as part of the competent private instruction by the parent, guardian, or legal custodian.

*b.* If a parent, guardian, or legal custodian submits evidence under this section, the information shall be reviewed by a qualified, licensed, Iowa practitioner selected as the evaluator by the parent, guardian, or legal custodian and approved by the superintendent of the local school district or the superintendent's designee. The evaluator shall prepare a report based on a review of the child's work submitted, which shall include an assessment of the child's achievement or academic progress levels, and submit a copy of the report to the child's parent, guardian, or legal custodian, the school district of residence of the child, and the department of education. If the evidence demonstrates, in the evaluator's opinion, that the child is achieving adequate progress, the report shall create a presumption that the child is making adequate progress.

91 Acts, ch 200, §23; 92 Acts, ch 1163, §68; 2010 Acts, ch 1061, §180; 2013 Acts, ch 88, §33
Referred to in §261E.3, 299A.2, 299A.6
Subsection 6 amended

**299A.5 Reporting of evaluation results.**

The results of evaluations administered to children of compulsory attendance age who are under competent private instruction shall be reported by the evaluation administrator to the child's parent, guardian, or legal custodian, the school district of residence of the child, and the department of education. Personally identifiable information relating to or contained in

the evaluation scores is confidential and shall not be released without the prior consent of the child's parent, guardian, or custodian except as otherwise permitted by law.

91 Acts, ch 200, §24; 92 Acts, ch 1163, §69
Referred to in §299A.2

**299A.6 Failure to make adequate progress.**

If the results of evaluations, administered to a child of compulsory attendance age who is under competent private instruction, indicate that the student has failed to make adequate progress, the parent, guardian, or legal custodian shall cause the child to attend an accredited public or nonpublic school at the beginning of the next school year unless, before the beginning of the next school year, the child retakes a different form of the same evaluation, or another evaluation from the approved list of tests or assessment tools recognized by the department of education, and the results indicate that adequate progress has been made, the child has demonstrated adequate performance in the opinion of an evaluator and documented in a report under section 299A.4, subsection 7, or the director of the department of education, or the director's designee, grants approval for competent private instruction to continue under a plan for remediation.

A child who is required to attend an accredited public or nonpublic school under this section shall continue attendance at an accredited public or nonpublic school until the child achieves adequate progress.

For purposes of this chapter, *"adequate progress"* means, for children in all grade levels of competent private instruction, evaluation scores which are above the thirtieth percentile, nationally normed, in each of the areas of reading, mathematics, and language arts, and which indicate either that the child has made six months' progress from the previous evaluation results or that the child is at or above grade level for the child's age. For children in grade levels six and above, *"adequate progress"* also means that the child has achieved evaluation scores in both science and social studies which are above the thirtieth percentile, nationally normed, and which either indicate that the child has made six months' progress from the previous evaluation results or that the child is at or above grade level for the child's age.

91 Acts, ch 200, §25; 91 Acts, ch 258, §41; 92 Acts, ch 1135, §11
Referred to in §299A.2, 299A.3

**299A.7 Notice to parents — remediation.**

If a child is placed under competent private instruction and the child fails to make adequate progress under competent private instruction, the director of the department of education, or the director's designee, shall notify the parent, guardian, or custodian of the child that the child is required to attend an accredited public or nonpublic school, unless approval for competent private instruction under a remediation plan is granted. The director, or the director's designee, may provisionally approve continued competent private instruction under an approved remediation plan designed to improve instruction for up to one year.

91 Acts, ch 200, §26
Referred to in §299A.2

**299A.8 Dual enrollment.**

1. If a parent, guardian, or legal custodian of a school-age child who is receiving competent private instruction under this chapter submits a request, the child shall also be registered in a public school for dual enrollment purposes. If the child is enrolled in a public school district for dual enrollment purposes, the child shall be permitted to participate in any academic activities in the district and shall also be permitted to participate on the same basis as public school children in any extracurricular activities available to children in the child's grade or group. Dual enrollment of a child solely for purposes of accessing the annual achievement evaluation shall not constitute a dual enrollment purpose.

2. If the child is enrolled for dual enrollment purposes, the child shall be included in the public school's basic enrollment under section 257.6. A pupil who is participating only in extracurricular activities shall be counted under section 257.6, subsection 1, paragraph *"a"*, subparagraph (6). A pupil enrolled in grades nine through twelve under this section shall

be counted in the same manner as a shared-time pupil under section 257.6, subsection 1, paragraph "*a*", subparagraph (3).

91 Acts, ch 200, §27; 92 Acts, ch 1163, §70; 92 Acts, ch 1247, §49; 2001 Acts, ch 159, §16; 2001 Acts, ch 176, §38; 2007 Acts, ch 22, §67; 2011 Acts, ch 132, §22, 31, 106; 2013 Acts, ch 88, §34

Referred to in §257.6, 299A.4

2011 amendment applies retroactively to the base year beginning July 1, 2009; 2011 Acts, ch 132, §31

Section amended

**299A.9 Children requiring special education.**

A child of compulsory attendance age who is identified as requiring special education under chapter 256B is eligible for placement under competent private instruction with prior approval of the placement by the director of special education of the area education agency of the child's district of residence.

A child who has been placed under competent private instruction, whose performance indicates that the child may require special education, shall be referred for evaluation under chapter 256B and the rules of the state board of education. Evaluation shall occur at a time and a place to be determined by the person responsible for conducting the evaluation. Persons conducting the evaluations shall make every reasonable effort to conduct the evaluations at times and places which are convenient for the parent, guardian, or legal custodian.

91 Acts, ch 200, §28

Referred to in §299A.4

**299A.10 Rulemaking.**

The department of education shall develop and recommend and the state board shall adopt rules to implement this chapter.

91 Acts, ch 200, §29

**299A.11 Student records confidential.**

Notwithstanding any provision of law or rule to the contrary, personal information in records regarding a child receiving competent private instruction or independent private instruction pursuant to this chapter, which are maintained, created, collected, or assembled by or for a state agency, shall be kept confidential in the same manner as personal information in student records maintained, created, collected, or assembled by or for a school corporation or educational institution in accordance with section 22.7, subsection 1.

2006 Acts, ch 1152, §48; 2013 Acts, ch 121, §98

Section amended

**299A.12 Home school assistance program.**

1. The board of directors of a school district shall expend moneys received pursuant to section 257.6, subsection 1, paragraph "*a*", subparagraph (5), for purposes of providing a home school assistance program.

2. Purposes for which a school district may expend funds received pursuant to section 257.6, subsection 1, paragraph "*a*", subparagraph (5), shall include but not be limited to the following:

*a.* Instruction for students and assisting parents with instruction.

*b.* Support services for students and teaching parents and staff support services.

*c.* Salary and benefits for the supervising teacher of the home school assistance program students. If the teacher is a part-time home school assistance program teacher and a part-time regular classroom teacher, funds received pursuant to section 257.6, subsection 1, paragraph "*a*", subparagraph (5), may be used only for the portion of time in which the teacher is a home school assistance program teacher.

*d.* Salary and benefits for clerical and office staff of the home school assistance program. If the staff members are shared with other programs or functions within the district, funds received pursuant to section 257.6, subsection 1, paragraph "*a*", subparagraph (5), shall only be expended for the portion of time spent providing the home school assistance program services.

*e.* Staff development for the home school assistance program teacher.

*f.* Travel for the home school assistance program teacher.

*g.* Resources, materials, computer software and hardware, supplies, and purchased services that meet the following criteria:

(1) Are necessary to provide the services of home school assistance.

(2) Are retained as the possessions of the school district for its prekindergarten through grade twelve home school assistance program.

3. Purposes for which a school district shall not expend funds received pursuant to section 257.6, subsection 1, paragraph "*a*", subparagraph (5), include but are not limited to the following:

*a.* Indirect costs or use charges.

*b.* Operational or maintenance costs other than those necessary to operate and maintain the program.

*c.* Capital expenditures other than equipment or facility acquisition, including the lease or rental of space to supplement existing schoolhouse facilities.

*d.* Student transportation except in cases of home school assistance program-approved field trips or other educational activities.

*e.* Administrative costs other than the costs necessary to administer the program.

*f.* Concurrent and dual enrollment costs and postsecondary enrollment options program costs.

*g.* Any other expenditures not directly related to providing the home school assistance program. A home school assistance program shall not provide moneys to parents or students utilizing the program.

2010 Acts, ch 1183, §40; 2011 Acts, ch 132, §23 – 26, 106

Referred to in §257.6

# CHAPTER 300

## EDUCATIONAL AND RECREATIONAL TAX

Referred to in §276.10, 276.11


| | | | |
|---|---|---|---|
| 300.1 | Public recreation. | 300.3 | Discontinuance of levy. |
| 300.2 | Tax levy. | 300.4 | Community education. |


**300.1 Public recreation.**

Boards of directors of school districts may establish and maintain for children and adults public recreation places and playgrounds, and necessary accommodations for the recreation places and playgrounds, in the public school buildings and grounds of the district. The board may cooperate under chapter 28E with a public agency having the custody and management of public parks or public buildings and grounds, and with a private agency having custody and management of buildings or grounds open to the public, located within the school district, and may provide for the supervision and instruction necessary to carry on public educational and recreational activities in the parks, buildings, and grounds located within the district.

[S13, §2823-u; C24, 27, 31, 35, 39, §**4433;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §300.1; 81 Acts, ch 95, §2]

Referred to in §298A.6

**300.2 Tax levy.**

1. The board of directors of a school district may, and upon receipt of a petition signed by eligible electors equal in number to at least twenty-five percent of the number of voters at the last preceding school election, shall, direct the county commissioner of elections to submit to the registered voters of the school district the question of whether to levy a tax of not to exceed thirteen and one-half cents per thousand dollars of assessed valuation for public educational and recreational activities authorized under this chapter. The question shall be submitted at an election held on a date specified in section 39.2, subsection 4, paragraph "*c*".

2. If a majority of the votes cast upon the proposition is in favor of the proposition, the board shall certify the amount required for a fiscal year to the county board of supervisors by April 15 of the preceding fiscal year. The board of supervisors shall levy the amount certified. The amount shall be placed in the public education and recreation levy fund of the district and shall be used only for the purposes specified in this chapter.

3. The proposition to levy the public recreation and playground tax is not affected by a change in the boundaries of a school district, except as otherwise provided in this section. If each district involved in school reorganization under chapter 275 has adopted the public recreation and playground tax, and if the voters have not voted upon the proposition to levy the public recreation and playground tax in the reorganized district, the existing public recreation and playground tax shall be in effect for the reorganized district for the least amount that has been approved in any of the districts and until discontinued pursuant to section 300.3.

[S13, §2823-u1, -u2; C24, 27, 31, 35, 39, §**4434, 4435;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §300.2, 300.3; 81 Acts, ch 95, §3]

93 Acts, ch 1, §13; 93 Acts, ch 160, §17; 94 Acts, ch 1029, §29; 95 Acts, ch 67, §53; 2008 Acts, ch 1115, §53, 71

Referred to in §276.12, 298A.6, 300.3, 300.4, 423F.3

**300.3 Discontinuance of levy.**

Once approved at an election, the authority of the board to levy and collect the tax under section 300.2 shall continue until the board votes to rescind the levy and collection of the tax or the voters of the school district by majority vote order the discontinuance of the levy and collection of the tax. The tax shall be discontinued in the manner provided in this section or in the manner provided for imposition of the tax in section 300.2.

[S13, §2823-u4, -u5; C24, 27, 31, 35, 39, §**4437, 4438;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §300.5, 300.6; 81 Acts, ch 95, §4]

Referred to in §300.2, 300.4

**300.4 Community education.**

The tax levied under sections 300.2 and 300.3 may also be used for community education purposes under chapter 276.

[81 Acts, ch 95, §5]

# CHAPTER 301

## TEXTBOOKS


DISTRICT UNIFORMITY

301.1 Adoption — purchase and sale — accredited nonpublic school pupil textbook services.

301.2 Custodian — bond.

301.3 Annual settlement by board of directors.

301.4 Payment from general fund.

301.5 Purchase — exchange.

301.6 Suit on bond.

301.7 through 301.9 Reserved.

301.10 Textbook suppliers.

301.11 Bond.

RESERVED

301.12 through 301.23 Reserved.

FREE TEXTBOOKS

301.24 Petition — election.

301.25 Loaning books.

301.26 General regulations.

301.27 Discontinuance of loaning.

301.28 Officers and teachers as agents for books and supplies — penalty.

301.29 and 301.30 Repealed by 2002 Acts, ch 1140, §44.

DISTRICT UNIFORMITY

**301.1 Adoption — purchase and sale — accredited nonpublic school pupil textbook services.**

1. The board of directors of each and every school district is hereby authorized and empowered to adopt textbooks for the teaching of all branches that are now or may hereafter be authorized to be taught in the public schools of the state, and to contract for and buy said books and any and all other necessary school supplies at said contract prices, and to sell the same to the pupils of their respective districts at cost, loan such textbooks to such pupils free, or rent them to such pupils at such reasonable fee as the board shall fix, and said money so received shall be returned to the general fund.

2. Textbooks adopted and purchased by a school district shall, to the extent funds are appropriated by the general assembly, be made available to pupils attending accredited nonpublic schools upon request of the pupil or the pupil's parent under comparable terms as made available to pupils attending public schools. If the general assembly appropriates moneys for purposes of making textbooks available to accredited nonpublic school pupils, the department of education shall ascertain the amount available to a school district for the purchase of nonsectarian, nonreligious textbooks for pupils attending accredited nonpublic schools. The amount shall be in the proportion that the basic enrollment of a participating accredited nonpublic school bears to the sum of the basic enrollments of all participating accredited nonpublic schools in the state for the budget year. For purposes of this section, a *"participating accredited nonpublic school"* means an accredited nonpublic school that submits a written request on behalf of the school's pupils in accordance with this subsection, and that certifies its actual enrollment to the department of education by October 1, annually. By November 1, annually, the department of education shall certify to the director of the department of administrative services the annual amount to be paid to each school district, and the director of the department of administrative services shall draw warrants payable to school districts in accordance with this subsection. For purposes of this subsection, an accredited nonpublic school's enrollment count shall include only students who are residents of Iowa. The costs of providing textbooks to accredited nonpublic school pupils as provided in this subsection shall not be included in the computation of district cost under chapter 257, but shall be shown in the budget as an expense from miscellaneous income. Textbook expenditures made in accordance with this subsection shall be kept on file in the school district. In the event that a participating accredited nonpublic school physically relocates to another school district, textbooks purchased for the nonpublic school with funds appropriated for purposes of this chapter shall be transferred to the school district in which the nonpublic school has relocated and may be made available to the nonpublic school. Funds distributed to a school district for purposes of purchasing textbooks in accordance with this subsection which remain unexpended and available for the purchase of textbooks for the nonpublic school that relocated in the fiscal year in which the funds were distributed shall also be transferred to the school district in which the nonpublic school has relocated.

3. As used in subsection 2, *"textbooks"* means any of the following:

*a.* Books and loose-leaf or bound manuals, systems of reusable instructional materials or combinations of books and supplementary instructional materials which convey information to the student or otherwise contribute to the learning process.

*b.* Electronic textbooks, including but not limited to computer software, applications using computer-assisted instruction, interactive videodisc, and other computer courseware and magnetic media.

*c.* Laptop computers or other portable personal computing devices which are used for nonreligious instructional purposes only.

[C97, §2824; C24, 27, 31, 35, 39, §**4446;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.1]

93 Acts, ch 63, §1; 96 Acts, ch 1113, §1; 2002 Acts, ch 1140, §31; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §33; 2005 Acts, ch 169, §34; 2006 Acts, ch 1152, §49; 2010 Acts, ch 1077, §1; 2011 Acts, ch 34, §75

**301.2 Custodian — bond.**

The books and supplies so purchased shall be under the charge of the board, who may select one or more persons within the county to keep said books and supplies as the depository agent of the board under such rules and regulations as the board shall adopt. The board shall require of each person so appointed a bond in such sum as may seem to the board to be desirable, the reasonable cost of which, if a bond of an association or corporation as surety is furnished, shall be paid by the district. The board shall adopt rules and regulations to provide that no textbook in any branch determined by the board to be taught in the schools under its charge, shall be sold or rented by such depository agent to the pupils in such schools as a textbook other than those textbooks authorized by said board for use by the pupils in such schools; to provide that no such textbook shall be sold or rented by such depository agent at a price or fee higher than that fixed by the said board; and to provide such other measures not in conflict with law as are necessary properly to govern said depository agents and safeguard the said books and moneys.

[C97, §2824; C24, 27, 31, 35, 39, §**4447;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.2]

**301.3 Annual settlement by board of directors.**

At the close of each school year the board of directors in each school district shall cause a complete settlement to be made with each depository agent. A complete inventory of the textbooks on hand, with a statement itemized to show the expenses authorized and paid by the board, and the amount of money collected from each such depository agent during the year from the sale or rental of textbooks, shall be made in duplicate, signed by the secretary of the board and the depository agent and one copy filed with the secretary and one with the depository agent.

[C39, §**4447.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.3]

**301.4 Payment from general fund.**

All the books and other supplies purchased under the provisions of this chapter shall be paid for out of the general fund.

[C97, §2825; C24, 27, 31, 35, 39, §**4448;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.4]

**301.5 Purchase — exchange.**

In the purchasing of textbooks it shall be the duty of the board of directors to take into consideration the books then in use in the respective districts, and they may buy such additional number of said books as may from time to time become necessary to supply their schools, and they may arrange on equitable terms for exchange of books in use for new books adopted.

[C97, §2826; C24, 27, 31, 35, 39, §**4449;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.5]

**301.6 Suit on bond.**

If at any time the publishers of such books as shall have been adopted by any board of directors shall neglect or refuse to furnish such books when ordered by said board in accordance with the provisions of this chapter, at the very lowest price, either contract or wholesale, that such books are furnished any other district or state board, then said board of directors may and it is hereby made their duty to bring suit upon the bond given them by the contracting publisher.

[C97, §2827; C24, 27, 31, 35, 39, §**4450;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.6]

**301.7 through 301.9** Reserved.

**301.10 Textbook suppliers.**

A person or firm desiring to furnish books or supplies under this chapter shall do all of the following:

1. Make available samples of all textbooks accompanied by lists giving the lowest wholesale and contract prices for the textbooks.
2. If requested by the department of education, make available a machine-readable

version of a textbook purchased by a school district to the department in the best available format for electronic braille translation.

[C97, §2830; C24, 27, 31, 35, 39, §**4454;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.10]
93 Acts, ch 59, §2; 94 Acts, ch 1175, §15

**301.11 Bond.**

The board of directors shall require any person or persons with whom they contract for furnishing any books or supplies to enter into a good and sufficient bond, in such sum and with such conditions and sureties as may be required by such board of directors for the faithful performance of any such contract. Bonds of surety companies duly authorized under the laws of Iowa shall be accepted.

[C97, §2830; C24, 27, 31, 35, 39, §**4455;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.11]

RESERVED

**301.12 through 301.23** Reserved.

FREE TEXTBOOKS

**301.24 Petition — election.**

Whenever a petition signed by one hundred eligible electors residing in the school district or a number of eligible electors residing in the school district equal to at least ten percent of the number of voters in the last preceding regular school election, whichever is greater, is filed with the secretary sixty days or more before the regular school election, asking that the question of providing free textbooks for the use of pupils in the school district's attendance centers be submitted to the voters at the next regular school election, the secretary shall cause notice of the proposition to be given in the notice of the election.

[C97, §2836; C24, 27, 31, 35, 39, §**4464;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.24]
2001 Acts, ch 56, §15; 2006 Acts, ch 1044, §1; 2009 Acts, ch 57, §82
Referred to in §301.27

**301.25 Loaning books.**

If, at such election, a majority of the legal voters present and voting by ballot thereon shall authorize the board of directors of said school district to loan textbooks to the pupils free of charge, then the board shall procure such books as shall be needed, in the manner provided by law for the purchase of textbooks, and loan them to the pupils.

[C97, §2837; C24, 27, 31, 35, 39, §**4465;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.25]

**301.26 General regulations.**

The board shall hold pupils responsible for any damage to, loss of, or failure to return any such books, and shall adopt such rules and regulations as may be reasonable and necessary for the keeping and preservation thereof. Any pupil shall be allowed to purchase any textbook used in the school at cost. No pupil already supplied with textbooks shall be supplied with others without charge until needed.

[C97, §2837; C24, 27, 31, 35, 39, §**4466;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.26]

**301.27 Discontinuance of loaning.**

The electors may, at any election called as provided in section 301.24, direct the board to discontinue the loaning of textbooks to pupils.

[C97, §2837; C24, 27, 31, 35, 39, §**4467;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.27]

**301.28 Officers and teachers as agents for books and supplies — penalty.**

1. A school district director, officer, or teacher shall not act as agent for school textbooks

or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the school district during such term of office or employment.

2. An area education agency director, officer, or teacher shall not act as an agent for school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the area education agency or any school district located within the area education agency during such time of office or employment.

3. A school district or area education agency director, officer, or teacher who acts as agent or dealer in school textbooks or school supplies during the person's term of office or employment in violation of this section shall be deemed guilty of a serious misdemeanor.

[C97, §2834; C24, 27, 31, 35, 39, §**4468;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §301.28]
2009 Acts, ch 54, §12; 2010 Acts, ch 1069, §41
Referred to in §298A.15

**301.29 and 301.30** Repealed by 2002 Acts, ch 1140, § 44.

# CHAPTERS 301A and 302

RESERVED

# SUBTITLE 7

## CULTURAL AFFAIRS

# CHAPTER 303

## DEPARTMENT OF CULTURAL AFFAIRS

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## SUBCHAPTER I

## ADMINISTRATION OF DEPARTMENT

**303.1 Department of cultural affairs.**

1. The department of cultural affairs is created. The department has primary responsibility for development of the state's interest in the areas of the arts, history, and other cultural matters. In fulfilling this responsibility, the department will be advised and assisted by the state historical society and its board of trustees, and the Iowa arts council.

2. The department shall:

*a.* Develop a comprehensive, coordinated, and efficient policy to preserve, research, interpret, and promote to the public an awareness and understanding of local, state, and regional history.

*b.* Stimulate and encourage throughout the state the study and presentation of the performing and fine arts and public interest and participation in them.

*c.* Implement tourism-related art and history projects as directed by the general assembly.

*d.* Design a comprehensive, statewide, long-range plan with the assistance of the Iowa arts council to develop the arts in Iowa. The department is designated as the state agency for carrying out the plan.

*e.* Encourage the use of volunteers throughout its divisions, especially for purposes of restoring books and manuscripts.

3. The department may:

*a.* By rule, establish advisory groups necessary for the receipt of federal funds or grants or the administration of any of the department's programs.

*b.* Develop and implement fee-based educational programming opportunities, including preschool programs, related to arts, history, and other cultural matters for Iowans of all ages.

4. The department shall consist of the following:

*a.* Historical division.

*b.* Arts division.

*c.* Other divisions created by rule.

*d.* Administrative section.

*e.* Film office.

5. The department is under the control of a director who shall be appointed by the governor, subject to confirmation by the senate, and shall serve at the pleasure of the governor. The salary of the director shall be set by the governor within a range set by the general assembly. The director may create, combine, eliminate, alter, or reorganize the organization of the department by rule.

6. The divisions shall be administered by administrators who shall be appointed by the director and serve at the director's pleasure. The administrators shall:

*a.* Organize the activities of the division.

*b.* Submit a biennial report to the governor on the activities and an evaluation of the division and its programs and policies.

*c.* Control all property of the division.

*d.* Perform other duties imposed by law.

86 Acts, ch 1245, §1301

C87, §303.1

87 Acts, ch 211, §3; 90 Acts, ch 1065, §1; 91 Acts, ch 120, §1; 91 Acts, ch 157, §9; 93 Acts, ch 48, §48; 98 Acts, ch 1215, §53; 2007 Acts, ch 215, §104; 2010 Acts, ch 1069, §83; 2012 Acts, ch 1136, §31, 41

Referred to in §7E.5, 303A.3

Confirmation, see §2.32

**303.1A Director's duties.**

1. The duties of the director shall include but are not limited to the following:

*a.* Adopt rules that are necessary for the effective administration of the department.

*b.* Direct and administer the programs and services of the department.

*c.* Prepare the departmental budget request by September 1 of each year on the forms furnished, and including the information required by the department of management.

*d.* Accept, receive, and administer grants or other funds or gifts from public or private agencies including the federal government for the various divisions and the department.

*e.* Appoint and approve the technical, professional, secretarial, and clerical staff necessary to accomplish the purposes of the department subject to chapter 8A, subchapter IV.

*f.* Administer the Iowa cultural trust as provided in chapter 303A and do all of the following:

(1) Develop and adopt by rule criteria for the issuance of trust fund credits by measuring the efforts of qualified organizations, as defined in section 303A.3, to increase their endowment or other resources for the promotion of the arts, history, or the sciences and humanities in Iowa. If the director determines that the organizations have increased the amount of their endowment and other resources, the director shall certify the amount of increase in the form of trust fund credits to the treasurer, who shall deposit in the Iowa cultural trust fund, from moneys received for purposes of the trust fund as provided in section 303A.4, subsection 2, an amount equal to the trust fund credits. If the amount of the trust fund credits issued by the director exceeds the amount of moneys available to be deposited in the trust fund as provided in section 303A.4, subsection 2, the outstanding trust fund credits shall not expire but shall be available to draw down additional moneys which become available to be deposited in the trust fund as provided in section 303A.4, subsection 2.

(2) Develop and implement, in accordance with chapter 303A, a grant application process for grants issued to qualified organizations as defined in section 303A.3.

(3) Develop and adopt by rule criteria for the approval of Iowa cultural trust grants. The criteria shall include but shall not be limited to the future stability and sustainability of a qualified organization.

(4) Compile, in consultation with the Iowa arts council and the state historical society of Iowa, a list of grant applications recommended for funding in accordance with the amount available for distribution as provided in section 303A.6, subsection 3. The list of recommended grant applications shall be submitted to the Iowa cultural trust board of trustees for approval.

(5) Monitor the allocation and use of grant moneys by qualified organizations to determine whether moneys are used in accordance with the provisions of this paragraph "*f*" and chapter 303A. The director shall annually submit the director's findings and recommendations in a report to the Iowa cultural trust board of trustees prior to final board action in approving grants for the next succeeding fiscal year.

2. The director may appoint a member of the staff to be acting director who shall have

the powers delegated by the director in the director's absence. The director may delegate the powers and duties of that office to the administrators.

86 Acts, ch 1245, §1302; 87 Acts, ch 211, §4; 93 Acts, ch 48, §49; 2002 Acts, ch 1115, §1; 2003 Acts, ch 145, §235; 2010 Acts, ch 1061, §104

Referred to in §303A.4, 303A.6

**303.2 Division responsibilities.**

1. The administrative services section shall provide administrative, accounting, public relations and clerical services for the department, report to the director and perform other duties assigned to it by the director.

2. The historical division shall:

*a.* Administer and care for historical sites under the authority of the division, and maintain collections within these buildings.

(1) Except for the state board of regents, a state agency which owns, manages, or administers a historical site must enter into an agreement with the department of cultural affairs under chapter 28E to insure the proper management, maintenance, and development of the site.

(2) For the purposes of this section, *"historical site"* is defined as any district, site, building, or structure listed on the national register of historic sites or identified as eligible for such status by the state historic preservation officer or that is identified according to established criteria by the state historic preservation officer as significant in national, state, and local history, architecture, engineering, archaeology, or culture.

*b.* Encourage and assist local county and state organizations and museums devoted to historical purposes.

*c.* Develop standards and criteria for the acquisition of historic properties and for the preservation, restoration, maintenance, operation, and interpretation of properties under the jurisdiction of the division. The administrator of the division shall serve as the state historic preservation officer, certified by the governor, pursuant to federal requirements. The recommendations and decisions of the state historic preservation officer shall be subject to the review and approval of the director.

*d.* Administer the state archives and records program in accordance with chapter 305.

*e.* Identify and document historic properties.

*f.* Prepare and maintain a state register of historic places, including those listed on the national register of historic places.

*g.* Conduct historic preservation activities pursuant to federal and state requirements.

*h.* Publish matters of historical value to the public, and pursue historical, architectural, and archaeological research and development which may include but are not limited to continuing surveys, excavation, scientific recording, interpretation, and publication of the historical, architectural, archaeological, and cultural sites, buildings, and structures in the state.

*i.* Buy or receive by other means historical materials including, but not limited to, artifacts, art, books, manuscripts, and images. Such materials are not personal property under sections 8A.321 and 8A.324 and shall be received and cared for under the rules of the department. The historical division may sell or otherwise dispose of those materials according to the rules of the department and be credited for any revenues credited by the disposal less the costs incurred.

*j.* Administer the historical resource development program established in section 303.16.

*k.* Administer, preserve, and interpret the battle flag collection assembled by the state in consultation and coordination with the department of veterans affairs and the department of administrative services. A portion of the battle flag collection shall be on display at the state capitol and the state historical building at all times, unless on loan approved by the department of cultural affairs.

*l.* Establish, maintain, and administer a digital collection of historical manuscripts, documents, records, reports, images, and artifacts and make the collection available to the public through an online research center.

3. The arts division shall:

*a.* Make surveys as deemed advisable of existing artistic and cultural programs and activities within the state, including but not limited to music, theater, dance, painting, sculpture, architecture, and allied arts and crafts.

*b.* Submit a report to the governor and to the general assembly not later than ten calendar days following the commencement of each first session of the general assembly concerning the studies undertaken during the biennium and recommending legislation and other action as necessary for the implementation and enforcement of this subsection and subchapter VI of this chapter.

86 Acts, ch 1238, §52; 86 Acts, ch 1245, §1303

C87, §303.2

87 Acts, ch 211, §5; 90 Acts, ch 1065, §2; 90 Acts, ch 1097, §1; 91 Acts, ch 157, §10; 92 Acts, ch 1246, §51; 93 Acts, ch 48, §50, 51; 98 Acts, ch 1017, §2; 2001 Acts, ch 86, §1; 2002 Acts, ch 1119, §39; 2003 Acts, ch 92, §3; 2003 Acts, ch 145, §236, 286; 2005 Acts, ch 115, §30, 40; 2008 Acts, ch 1005, §1; 2008 Acts, ch 1057, §1; 2011 Acts, ch 4, §1, 3

Referred to in §427.16

Battle flag restoration fund established; 2012 Acts, ch 1136, §27

**303.2A** Repealed by 93 Acts, ch 48, § 55.

**303.3 Cultural grant programs.**

1. The department shall establish a grant program for cities and nonprofit, tax-exempt community organizations for the development of community programs that provide local jobs for Iowa residents and also promote Iowa's historic, ethnic, and cultural heritages through the development of festivals, music, drama, cultural programs, or tourist attractions. A city or nonprofit, tax-exempt community organization may submit an application to the department for review. The department shall establish criteria for the review and approval of grant applications. The amount of a grant shall not exceed fifty percent of the cost of the community program. Each application shall include information demonstrating that the city or nonprofit, tax-exempt community organization will provide matching funds of fifty percent of the cost of the program. The matching funds requirement may be met by substituting in-kind services, based on the value of the services, for actual dollars.

2. The department shall establish a grant program which provides general operating budget support to major, multidisciplined cultural organizations which demonstrate cultural and managerial excellence on a continuing basis to the citizens of Iowa. Applicant organizations must be incorporated under chapter 504, be exempt from federal taxation, and not be attached or affiliated with an educational institution. Eligible organizations shall be operated on a year-round basis and employ at least one full-time, paid professional staff member. The department shall establish criteria for review and approval of grant applications. Criteria established shall include, but are not limited to, a matching funds requirement. The matching funds requirement shall permit an applicant to meet the matching requirement by demonstrating that the applicant's budget contains funds, other than state and federal funds, in excess of the grant award.

3. Notwithstanding section 8.33, moneys committed to grantees under this section that remain unencumbered or unobligated on June 30 of the fiscal year for which the funds were appropriated shall not revert but shall be available for expenditure for the following fiscal year for the purposes of subsection 2.

90 Acts, ch 1272, §77; 91 Acts, ch 120, §2; 97 Acts, ch 212, §32; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393

Referred to in §99F.11, 303.3B

**303.3A Arts and cultural conferences and caucuses.**

1. For the purposes of this section, the following definitions apply:

*a.* *"Arts"* means music, dance, theater, opera and music theater, visual arts, literature, design arts, media arts, and folk and traditional arts.

*b.* *"Culture"* or *"cultural"* means programs and activities which explore past and present human experience.

*c.* *"Department"* means the department of cultural affairs.

*d.* *"Enhancement"* means programs that allow arts and cultural organizations to improve or enhance the quality of programs currently offered, and increase and support professional and student artists and arts educators.

*e.* *"Outreach"* means programs that increase rural access to cultural resources, social awareness, cultural diversity, and which serve special populations.

2. The department shall administer regional conferences and a statewide caucus on arts and cultural enhancement. The purpose of the conferences and caucus is to encourage the development of the arts and culture in the state by identifying opportunities for programs involving education, outreach, and enhancement; by reviewing possible changes in enhancement program policies, programs, and funding; and by making recommendations to the department regarding funding allocations and priorities for arts and cultural enhancement.

3. Every four years beginning in June 2001, the department shall convene a statewide caucus on arts and cultural enhancement.

*a.* Prior to the statewide caucus, the department shall make arrangements to hold a conference in each of several regions of the state as determined by the Iowa arts council. The department shall promote attendance of interested persons at each conference. A designee of the department shall serve as temporary chairperson until persons attending the conference elect a chairperson. The department shall provide persons attending the conference with current information regarding cultural programs and expenditures. Persons attending the conference shall identify opportunities for programs in the areas of education, outreach, and enhancement, and make recommendations in the form of a resolution. The persons attending the conference shall elect six persons from among the attendees to serve as regional, voting delegates to the statewide caucus. The conference attendees shall elect a chairperson from among the six representatives. Other interested persons are encouraged to attend the statewide caucus as nonvoting attendees.

*b.* The department shall charge a reasonable fee for attendance at the statewide caucus on arts and cultural enhancement.

*c.* A designee of the department shall call the statewide caucus to order and serve as temporary chairperson until persons attending the caucus elect a chairperson. Persons attending the caucus shall discuss the recommendations of the regional conferences and decide upon recommendations to be made to the department and the general assembly. Elected chairpersons of the regional conferences shall meet with representatives of the department and present the recommendations of the caucus.

98 Acts, ch 1215, §54

**303.3B Cultural and entertainment districts.**

1. The department of cultural affairs shall establish and administer a cultural and entertainment district certification program. The program shall encourage the growth of communities through the development of areas within a city or county for public and private uses related to cultural and entertainment purposes.

2. A city or county may create and designate a cultural and entertainment district subject to certification by the department of cultural affairs, in consultation with the economic development authority. A cultural and entertainment district is encouraged to include a unique form of transportation within the district and for transportation between the district and recreational trails. A cultural and entertainment district certification shall remain in effect for ten years following the date of certification. Two or more cities or counties may apply jointly for certification of a district that extends across a common boundary. Through the adoption of administrative rules, the department of cultural affairs shall develop a certification application for use in the certification process. The provisions of this subsection relating to the adoption of administrative rules shall be construed narrowly.

3. The department of cultural affairs shall encourage development projects and activities located in certified cultural and entertainment districts through incentives under cultural grant programs pursuant to section 303.3, chapter 303A, and any other grant programs.

2005 Acts, ch 150, §19; 2011 Acts, ch 118, §85, 89

Referred to in §15.274, 404A.4

**303.3C Iowa great places program.**

1. *a.* The department of cultural affairs shall establish and administer an Iowa great places program for purposes of combining resources of state government in an effort to showcase the unique and authentic qualities of communities, regions, neighborhoods, and districts that make such places exceptional places to work and live. The department of cultural affairs shall provide administrative assistance to the Iowa great places board. The department of cultural affairs shall coordinate the efforts of the Iowa great places board with the efforts of state agencies participating in the program which shall include, but not be limited to, the economic development authority, the Iowa finance authority, the department of human rights, the department of natural resources, the state department of transportation, and the department of workforce development.

*b.* The program shall combine resources from state government to capitalize on all of the following aspects of the chosen Iowa great places:

(1) Arts and culture.
(2) Historic fabric.
(3) Architecture.
(4) Natural environment.
(5) Housing options.
(6) Amenities.
(7) Entrepreneurial incentive for business development.
(8) Diversity.

*c.* Initially, three Iowa great places projects shall be identified by the Iowa great places board. The board may identify additional Iowa great places for participation under the program when places develop dimensions and meet readiness criteria for participation under the program.

*d.* The department of cultural affairs shall work in cooperation with the vision Iowa and community attraction and tourism programs for purposes of maximizing and leveraging moneys appropriated to identified Iowa great places.

*e.* As a condition of receiving state funds, an identified Iowa great place shall present information to the board concerning the proposed activities and total financial needs of the project.

*f.* The department of cultural affairs shall account for any funds appropriated from the endowment for Iowa's health restricted capitals fund for an identified Iowa great place.

2. *a.* The Iowa great places board is established consisting of twelve members. The board shall be located for administrative purposes within the department of cultural affairs and the director shall provide office space, staff assistance, and necessary supplies and equipment for the board. The director shall budget moneys to pay the compensation and expenses of the board. In performing its functions, the board is performing a public function on behalf of the state and is a public instrumentality of the state.

*b.* The members of the board shall be appointed by the governor, subject to confirmation by the senate. At least one member shall be less than thirty years old on the date the member is appointed by the governor. The board shall include representatives of cities and counties, local government officials, cultural leaders, housing developers, business owners, and parks officials.

*c.* The chairperson and vice chairperson shall be elected by the board members from the membership of the board. In the case of the absence or disability of the chairperson and vice chairperson, the members of the board shall elect a temporary chairperson by a majority vote of those members who are present and voting, provided a quorum is present.

*d.* Members of the board shall be appointed to three-year staggered terms and the terms shall commence and end as provided in section 69.19. If a vacancy occurs, a successor shall be appointed in the same manner and subject to the same qualifications as the original appointment to serve the unexpired term.

*e.* A majority of the members of the board constitutes a quorum.

*f.* A member of the board shall abstain from voting on the provision of financial assistance to a project which is located in the county in which the member of the board resides.

*g.* The members of the board are entitled to receive reimbursement for actual expenses

incurred while engaged in the performance of official duties. A board member may also be eligible to receive compensation as provided in section 7E.6.

3. The board shall do all of the following:

*a.* Organize.

*b.* Identify Iowa great places for purposes of receiving a package of resources under the program.

*c.* Identify a combination of state resources which can be provided to Iowa great places.

4. Notwithstanding any restriction, requirement, or duty to the contrary, in considering an application for a grant, loan, or other financial or technical assistance for a project identified in an Iowa great places agreement developed pursuant to this section, a state agency shall give additional consideration or additional points in the application of rating or evaluation criteria to such applications. This subsection applies to applications filed within three years of the Iowa great places board's identification of the project for participation in the program.

2005 Acts, ch 150, §87; 2006 Acts, ch 1179, §51 – 53; 2007 Acts, ch 43, §1, 2; 2011 Acts, ch 118, §85, 89

Referred to in §15H.6, 303.3D, 404A.4
Confirmation, see §2.32
Endowment for Iowa's health account, §12E.12
Community attraction and tourism program, §15F.202
Vision Iowa program, §15F.302

**303.3D Iowa great places program fund.**

1. An Iowa great places program fund is created under the authority of the department of cultural affairs. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. Notwithstanding section 12C.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the Iowa great places program fund shall be credited to the Iowa great places program fund.

2. Moneys appropriated for a fiscal year to the fund shall be used by the general assembly to fund capital infrastructure projects for identified Iowa great places through the Iowa great places program established in section 303.3C. Moneys appropriated for a fiscal year shall be available for a project identified in an Iowa great places agreement for a period of three years from the time the project is identified.

3. In awarding moneys the department of cultural affairs shall give consideration to the particular needs of each identified Iowa great place.

4. Notwithstanding section 8.33, moneys credited to the great places program fund shall not revert to the fund from which appropriated but shall remain available for expenditure for the purposes designated for subsequent fiscal years.

2006 Acts, ch 1179, §54; 2008 Acts, ch 1179, §55

**303.3E Culture, history, and arts teams program.**

1. The department of cultural affairs shall establish and administer a statewide program facilitating the promotion of culture, history, and arts in Iowa. The program's purpose shall be to encourage cooperation and collaboration among the various state and local organizations working in these areas to improve Iowa's quality of life.

2. The department shall implement the program by working with the local organizations to establish local committees. Each committee shall:

*a.* Include representatives from local organizations dedicated to promoting culture, history, and arts.

*b.* Gather and disseminate information on the cultural, historical, and arts opportunities in the regions.

*c.* Enhance communication among the local organizations.

*d.* Assist the staff members of local organizations in obtaining technical and professional training.

3. The department shall assist local organizations in the delivery of technical services, professional training, and programming opportunities by working with these committees.

2008 Acts, ch 1057, §2

## SUBCHAPTER II

## HISTORICAL DIVISION

**303.4 State historical society of Iowa — board of trustees.**

1. A state historical society board of trustees is established consisting of twelve members selected as follows:

*a.* Three members shall be elected by the members of the state historical society according to rules established by the board of trustees.

*b.* The governor shall appoint one member from each of the state's congressional districts.

*c.* The governor shall appoint four members from the state at large, at least one of whom shall be on the faculty of a college or university in the state engaged in a discipline related to the activities of the historical society.

2. The term of office of members of the board of trustees is three years beginning on July 1 and ending June 30. The terms of office of the governor's appointees are staggered terms of three years each, so that three members are appointed each year.

[C73, §1885, 1901; C97, §2858, 2883; S13, §2881-a; C24, 27, 31, 35, §4512 – 4514, 4543; C39, §**4541.01, 4541.02, 4543;** C46, 50, 54, 58, 62, 66, 71, 73, §303.1, 303.2, 304.2; C75, 77, 79, 81, §303.1; 82 Acts, ch 1238, §2]

86 Acts, ch 1245, §1305

C87, §303.4

89 Acts, ch 78, §1; 93 Acts, ch 18, §1; 2005 Acts, ch 80, §1

Referred to in §103A.41

**303.5 Powers and duties of state historical society administrator.**

The state historical society administrator may:

1. Make and sign any agreements and perform any acts which are necessary, desirable, or proper to carry out the purpose of the division.

2. Request and obtain assistance and data from any department, division, board, bureau, commission, or agency of the state.

3. Accept any federal funds granted, by act of Congress or by executive order, for all or any purposes of this subchapter.

89 Acts, ch 78, §2

**303.6 Officers — meetings.**

The state historical society board of trustees shall annually elect a chairperson and vice chairperson from its membership. The board shall meet as often as deemed necessary, upon the call of the chairperson, or at the request of a majority of the members of the board.

Members of the board are entitled to be reimbursed for actual expenses while engaged in their official duties. Members may also be eligible for compensation as provided in section 7E.6.

[C75, 77, 79, 81, §303.2; 82 Acts, ch 1238, §3]

86 Acts, ch 1245, §1306

C87, §303.6

Referred to in §303A.5

Compensation; see §303.2, Code 1985, and §7E.6(1)

**303.7 Membership in state historical society.**

1. The state historical society board of trustees shall recommend to the director rules for membership of the general public in the state historical society, including rules relating to membership fees. Members shall be persons who indicate an interest in the history, progress, and development of the state and who pay the prescribed fee. The members of the state historical society may meet at least one time per year to further the understanding of the history of this state. The members of the society shall not determine policy for the department of cultural affairs but may advise the director and perform functions to stimulate interest in the history of this state among the general public. The society may perform other activities related to history which are not contrary to this chapter.

2. As used in this chapter, *"state historical society"* means the state historical society of Iowa, an agency of the state which is part of the department of cultural affairs. It does not mean or include any private entity.

3. Unless designated otherwise, a gift, bequest, devise, endowment, or grant to or application for membership in the state historical society shall be presumed to be to or in the state historical society of Iowa.

4. Notwithstanding section 633.63, the board may enter into agreements authorizing nonprofit foundations acting solely for the support of the state historical society to administer its membership program and funds.

[C73, §1902; C97, §2884; C24, 27, 31, 35, 39, §**4544;** C46, 50, 54, 58, 62, 66, 71, 73, §304.3; C75, 77, 79, 81, §303.3, 303.4; 82 Acts, ch 1238, §5]

C83, §303.4

86 Acts, ch 1245, §1307

C87, §303.7

89 Acts, ch 78, §3

**303.8 Powers and duties of board and division.**

1. The state historical society board of trustees shall:

*a.* Recommend to the state historical society a comprehensive, coordinated, and efficient policy to preserve, research, interpret, and promote to the public an awareness and understanding of local, state, and regional history.

*b.* Make recommendations to the division administrator on historically related matters.

*c.* Review and recommend to the director or the director's designee policy decisions regarding the division.

*d.* Recommend to the state historic preservation officer for approval the state preservation plan.

*e.* Perform other functions prescribed by law to further historically related matters in the state.

2. The department shall:

*a.* Have authority to acquire by fee simple title historic properties by gift, purchase, devise, or bequest; preserve, restore, transfer, and administer historic properties; and charge reasonable admission to historic properties.

*b.* Maintain research centers in Des Moines and Iowa City.

[C73, §1902; C97, §2858, 2884; S13, §2881-a; C24, 27, 31, 35, §4515 – 4517, 4544; C39, §**4541.03, 4544;** C46, 50, 54, 58, 62, 66, 71, 73, §303.3, 304.3; C75, 77, 79, 81, §303.4, 303.5; 82 Acts, ch 1238, §7]

C83, §303.6

86 Acts, ch 1245, §1309

C87, §303.8

89 Acts, ch 78, §4

**303.9 Funds received by department.**

1. All funds received by the department, including but not limited to gifts, endowments, funds from the sale of memberships in the state historical society, funds from the sale of mementos and other items relating to Iowa history as authorized under subsection 2, interest generated by the life membership trust fund, and fees, shall be credited to the account of the department and are appropriated to the department to be invested or used for programs and purposes under the authority of the department. Interest earned on funds credited to the department, except funds appropriated to the department from the general fund of the state, shall be credited to the department. Section 8.33 does not apply to funds credited to the department under this section.

2. The department may sell mementos and other items relating to Iowa history and historic sites on the premises of property under control of the department and at the state capitol. Notwithstanding sections 8A.321 and 8A.327, the department may directly and independently enter into rental and lease agreements with private vendors for the purpose of selling mementos. All fees and income produced by the sales and rental or lease agreements

shall be credited to the account of the department. The mementos and other items sold by the department or vendors under this subsection are exempt from section 8A.311.

3. Notwithstanding section 633.63, the board may authorize nonprofit foundations acting solely for the support of the state historical society of Iowa to accept and administer trusts deemed by the board to be beneficial to the division's operations. The board and the foundation may act as trustees in such instances.

[C75, 77, 79, 81, §303.9; 81 Acts, ch 10, §11; 82 Acts, ch 1238, §8]

86 Acts, ch 1244, §36; 88 Acts, ch 1284, §8; 89 Acts, ch 78, §5; 2003 Acts, ch 145, §237; 2003 Acts, 1st Ex, ch 2, §160, 205

**303.9A Iowa heritage fund.**

1. An Iowa heritage fund is created in the state treasury to be administered by the state historical society. The fund shall consist of all moneys allocated to the fund by the treasurer of state.

2. Moneys in the fund shall be used in accordance with the following:

*a.* Ninety percent shall be retained by the state historical society and used to maintain and expand Iowa's history curriculum, to provide teacher training in Iowa history, and to support museum exhibits, historic sites, and adult education programs.

*b.* Five percent shall be retained by the state historical society to be used for start-up costs for the one hundred seventy-fifth and two hundredth anniversaries of Iowa statehood.

*c.* Five percent shall be retained by the state historical society to be used for the promotion of the sale of the Iowa heritage registration plate issued under section 321.34.

96 Acts, ch 1088, §2; 2001 Acts, ch 144, §1; 2008 Acts, ch 1005, §2

Referred to in §321.34

**303.10 Acceptance and use of money grants.**

All federal grants to and the federal receipts of the agencies receiving funds under this chapter are appropriated for the purpose set forth in the federal grants or receipts.

[C75, 77, 79, 81, §303.10]

**303.11 Gifts.**

The division may accept gifts and bequests which shall be used in accordance with the desires of the donor if expressed. Funds contained in an endowment fund for either the department of history and archives or the state historical society existing on July 1, 1974, remain an endowment of the division. Gifts shall be accepted only on behalf of the division, and gifts to a part, branch, or section of the division are presumed to be gifts to the division.

If publication of a book is financed by the endowment fund, this chapter does not prevent the return of moneys from sales of the book to the endowment fund.

[C24, 27, 31, 35, §4526, 4527; C39, §**4541.07, 4541.08;** C46, 50, 54, 58, 62, §303.7, 303.8; C66, 71, 73, §303.7, 303.8, 304.13; C75, 77, 79, 81, §303.11; 82 Acts, ch 1238, §9]

86 Acts, ch 1244, §37; 89 Acts, ch 78, §6

**303.12 through 303.15** Repealed by 2003 Acts, ch 92, § 21. See chapter 305.

**303.16 Historical resource development program.**

1. The historical division shall administer a program of grants and loans for historical resource development throughout the state, subject to funds for such grants and loans being made available through the appropriations process or otherwise provided by law.

2. The purpose of the historical resource development program is to preserve, conserve, interpret, and enhance historical resources that will encourage and support the economic and cultural health and development of the state and the communities in which the resources are located. For this purpose, the division may make grants and loans as otherwise provided by law with funds as may be made available by applicable law.

3. The following persons are eligible to receive historical resource grants and loans:

*a.* County and city governments.

*b.* Nonprofit corporations.

*c.* Private corporations and businesses.
*d.* Individuals.
*e.* State agencies.
*f.* Governments and traditional tribal societies of recognized resident American Indian tribes in Iowa.
*g.* Other units of government.
4. Grants and loans may be made for the following purposes:
*a.* Acquisition and development of historical resources.
*b.* Preservation and conservation of historical resources.
*c.* Interpretation of historical resources.
*d.* Professional training and educational programs on the acquisition, development, preservation, conservation, and interpretation of historical resources.
5. *a.* Grants and loans shall be awarded in each of the following categories:
(1) Museums.
(2) Documentary collections.
(3) Historic preservation.
*b.* Not less than twenty percent and not more than sixty percent of the program's funds appropriated in one fiscal year shall be allocated to any single category.
6. Grants and loans are subject to the following restrictions:
*a.* Not more than twenty percent of the total grant moneys combined shall be given to or received by state agencies and institutions, or their representatives or agents.
*b.* A portion of the applicant's operating expenses may be used as a cash match or in-kind match as specified by the division's rules.
*c.* Grant or loan funds shall not be used to support public relations or marketing expenses.
*d.* Not more than one hundred thousand dollars or twenty percent of the annual appropriation, whichever is more, shall be granted and loaned to recipients within a single county in any given grant cycle.
*e.* Not more than one hundred thousand dollars or ten percent of the annual appropriation, whichever is more, shall be granted and loaned to any single recipient or its agent within a single fiscal year.
*f.* Grants under this program may be given only after review and recommendation by the state historical society board of trustees. The division may contract with lending institutions chartered in this state to act as agents for the administration of loans under the program, in which case, the lending institution may have the right of final approval of loans, subject to the division's administrative rules. If the division does not contract with a lending institution, loans may be made only after review and recommendation by the state historical society board of trustees.
*g.* The division shall not award grants or loans to be used for goods or services obtained outside the state, unless the proposed recipient demonstrates that it is neither feasible nor prudent to obtain the goods or services within the state.
*h.* Grant or loan funds shall not be awarded to a city or county government for a project in the historic preservation category unless the city or county government has been approved as a certified local government by the state historic preservation officer.
7. For each dollar of grant funds the following recipients must provide the following matching cash and in-kind resources:
*a.* All units of government and nonprofit corporations, fifty cents, of which at least twenty-five cents must be in cash.
*b.* For other private corporations and businesses, one dollar of which at least seventy-five cents must be in cash.
*c.* For individuals, seventy-five cents of which at least fifty cents must be in cash.
8. The division may use ten percent of the annual appropriation to the division, but in no event more than seventy-five thousand dollars for administration of the grant and loan program.
9. *a.* (1) The division may establish a historical resource grant and loan fund composed of any money appropriated by the general assembly for that purpose, funds allocated pursuant to section 455A.19, and of any other moneys available to and obtained or accepted by the

division from the federal government or private sources for placement in that fund. Each loan made under this section shall be for a period not to exceed ten years, shall bear interest at a rate determined by the state historical board, and shall be repayable to the revolving loan fund in equal yearly installments due March 1 of each year the loan is in effect. The interest rate upon loans for which payment is delinquent shall accelerate immediately to the current legal usury limit. Applicants are eligible for not more than one hundred thousand dollars in loans outstanding at any time under this program. A single lending institution contracting with the division pursuant to this section shall not hold more than five hundred thousand dollars worth of outstanding loans under the program.

(2) Any applicant, who is otherwise eligible, who receives a direct or indirect appropriation from the general assembly for a project or portion of a project is ineligible for a historical resources development grant for that same project during the fiscal year for which the appropriation is made. For purposes of this paragraph, *"project"* includes any related activities, including but not limited to construction, restoration, supplies, equipment, consulting, or other services.

*b.* The division may:

(1) Contract and adopt administrative rules necessary to carry out the provisions of this section, but the division shall not in any manner directly or indirectly pledge the credit of the state of Iowa.

(2) Authorize payment from the historical resource grant and loan fund, from fees and from any income received by investments of money in the fund for costs, commissions, attorney fees and other reasonable expenses related to and necessary for making and protecting direct loans under this section, and for the recovery of moneys loaned or the management of property acquired in connection with such loans.

10. *a.* The general assembly finds that the country school that served Iowa's educational needs for much of its history offered a unique opportunity to students and communities, providing for multigenerational attendance, high educational performance, a safe environment, a focus for community support, and a caring, attentive environment.

*b.* A country schools historical resource preservation grant program is therefore established to be administered by the historical division for the preservation of one-room and two-room buildings once used as country schools. In developing grant approval criteria, the division shall place a priority on the educational uses planned for the country school building, which may include, but are not limited to, historical interpretation and use as a teaching museum or as an operational classroom accessible to a school district or accredited nonpublic school for provisional instructional purposes.

*c.* Notwithstanding any other provision of this section, the amount of a grant shall not exceed twenty-five thousand dollars and applicants shall match grant funding on a dollar-for-dollar basis, of which at least one-half of the local match must be in cash.

86 Acts, ch 1238, §54; 86 Acts, ch 1245, §1314; 87 Acts, ch 17, §8; 89 Acts, ch 78, §11, 12; 89 Acts, ch 236, §12 – 14; 89 Acts, ch 319, §79; 90 Acts, ch 1097, §2 – 8; 91 Acts, ch 73, §1 – 7; 99 Acts, ch 205, §44; 2010 Acts, ch 1061, §180

Referred to in §303.2, 455A.19

**303.17 Iowa studies — findings — curriculum — committee.** Repealed by its own terms; 2010 Acts, ch 1188, § 31, 33.

Section repeal is effective July 1, 2013; 2010 Acts, ch 1188, §31, 33

**303.18 Rural electric cooperatives and municipal utilities — historic properties — archeological site surveys.**

1. The state historic preservation officer shall only recommend that a rural electric cooperative or a municipal utility constructing electric distribution and transmission facilities for which it is receiving federal funding conduct an archeological site survey of its proposed route when, based upon a review of existing information on historic properties within the area of potential effects of the construction, the state historic preservation officer has determined that a historic property, as defined by the federal National Historic Preservation Act of 1966, as amended, is likely to exist within the proposed route.

2. The state historic preservation officer shall not require a level of archeological identification effort which is greater than the reasonable and good faith effort required by the federal agency. Such effort shall reflect the public interest and shall take into account the likelihood and magnitude of potential impacts to historic properties and project costs.

2011 Acts, ch 4, §2, 3; 2011 Acts, ch 131, §92, 102

**303.19 American civil war sesquicentennial advisory committee.**

1. *Establishment and purpose.* A civil war sesquicentennial advisory committee is established within the historical division of the department of cultural affairs for the purpose of advising and assisting the division in its efforts to commemorate the sesquicentennial of Iowa's involvement in the American civil war.

2. *Membership and qualifications.* The committee shall consist of twenty members appointed by the administrator of the historical division. Each member shall be from an academic institution, a museum, or a civic organization or otherwise be someone with an interest in the preservation of Iowa's civil war heritage. Membership of the committee shall reflect multicultural diversity and shall be appointed pursuant to the requirements of sections 69.16 and 69.16A. Vacancies shall be filled by an appointment by the administrator of the historical division in the same manner as other appointments.

3. *Expenses and reimbursement.* The members of the committee are not entitled to receive per diem compensation but are entitled to receive reimbursement for actual expenses incurred while engaged in the performance of official duties.

4. *Duties and authority.* The committee shall, for the period beginning in 2010 and ending in 2016, advise and assist the historical division as it plans, coordinates, and implements activities and programs relating to the commemoration of the sesquicentennial of Iowa's involvement in the American civil war.

*a.* The activities and programs of the division may include but are not limited to creating interpretive and educational materials such as exhibitions, literature and films, planning and promoting special events, designing logos and advertising campaigns, and producing commemorative items and memorabilia. The division shall have the authority to sell or offer for sale any of the materials, or other goods or services produced pursuant to this section, notwithstanding section 23A.2.

*b.* The division may hold copyrights or trademarks in the materials created during the commemoration, including but not limited to the interpretive materials and memorabilia it designs and produces. In addition, the division, at its discretion, may license the rights to the materials. For the purposes of this section, section 22.2 shall not be interpreted to prevent the division's exclusive ability to license the use, reproduction, or dissemination of the materials produced for the commemoration.

*c.* The division may adopt, in consultation with the committee and pursuant to chapter 17A, any rules necessary for the licensing of materials created during the commemoration.

5. *Dissolution.* The committee shall complete its duties no later than June 30, 2017, but may complete its duties and dissolve itself prior to that date.

6. *Repeal.* This section is repealed June 30, 2017.

2008 Acts, ch 1057, §3

## SUBCHAPTER III

## HISTORICAL PRESERVATION DISTRICTS

**303.20 Definitions.**

As used in this subchapter of this chapter, unless the context otherwise requires:

1. *"Area of historical significance"* means contiguous pieces of property of no greater area than one hundred sixty acres under diverse ownership which:

*a.* Are significant in American history, architecture, archaeology and culture, and

*b.* Possess integrity of location, design, setting, materials, skill, feeling and association, and

*c.* Are associated with events that have been a significant contribution to the broad patterns of our history, or

*d.* Are associated with the lives of persons significant in our past, or

*e.* Embody the distinctive characteristics of a type; period; method of construction; represent the work of a master; possess high artistic values; represent a significant and distinguishable entity whose components may lack individual distinction.

*f.* Have yielded, or may be likely to yield, information important in prehistory or history.

2. *"Commission"* is the five-person body, elected by the registered voters in the historical preservation district from persons living in the district for the purpose of administering this subchapter of this chapter.

3. *"District"* means a historical preservation district established under this subchapter of this chapter.

4. *"Department"* means the department of cultural affairs.

5. *"Exterior features"* means the architectural style, general design and general arrangement of the exterior of a building or other structure, including the kind and texture of the building material and the type and style of all windows, doors, light fixtures, signs and other appurtenant fixtures. In the case of an outdoor advertising sign, *"exterior features"* means the style, material, size and location of the sign.

6. *"Property owner"* means an individual or corporation who is the owner of real estate for taxation purposes.

[C77, 79, 81, §303.20; 82 Acts, ch 1238, §14]
86 Acts, ch 1245, §1315; 95 Acts, ch 67, §53
Referred to in §303.33, 303.34, 427.16

**303.21 Petition.**

Not less than ten percent of the eligible voters in an area of asserted historical significance may petition the department for a referendum for the establishment of a district.

The petition shall contain a description of the property suggested for inclusion in the district and the reasons justifying the creation of the district.

[C77, 79, 81, §303.21; 82 Acts, ch 1238, §15]
2001 Acts, ch 24, §45
Referred to in §303.33, 303.34

**303.22 Action by department.**

The department shall hold a hearing not less than thirty days or more than sixty days after the petition is received. The department shall publish notice of the hearing, at a reasonable time before the hearing is to take place, and shall post notice of the hearing in a reasonable number of places within the suggested district. The cost of notification shall be paid by the persons who petition for the establishment of a district.

At the hearing the department shall hear interested persons, accept written presentations, and shall determine whether the suggested district is an area of historical significance which may properly be established as a historical preservation district pursuant to the provisions of this subchapter of this chapter. The department may determine the boundaries which shall be established for the district. The department shall not include property which is not included in the suggested district unless the owner of the property is given an opportunity to be heard.

The department, if it determines that the suggested district meets the criteria for establishment as a historical preservation district, shall indicate the owners of the property and residents included and shall forward a list of owners and residents to the county commissioner of elections.

If the department determines that the suggested district does not meet the criteria for establishment as a historical preservation district, it shall so notify the petitioners.

[C77, 79, 81, §303.22; 82 Acts, ch 1238, §16]
Referred to in §303.33, 303.34

**303.23 Referendum.**

Within thirty days after the receipt of the list of owners of property and residents within the suggested historical preservation district, the department shall fix a date not more than

forty-five days from the receipt of the petition seeking a referendum on the question of establishment of a historical preservation district. The department, after consultation with the county commissioner of elections, shall specify the polling place within the suggested district that will best serve the convenience of the voters and shall appoint from residents of the proposed district three judges and two clerks of election.

[C77, 79, 81, §303.23; 82 Acts, ch 1238, §17]

Referred to in §303.33, 303.34

**303.24 Notice.**

The department, after consultation with the county commissioner of elections, shall post notice of the referendum in a reasonable number of places within the suggested district a reasonable time before it is to take place. The notice shall state the purpose of the referendum, a description of the district, the date of the referendum, the location of the polling place, and the hours when the polls will open and close.

[C77, 79, 81, §303.24; 82 Acts, ch 1238, §18]

Referred to in §303.33, 303.34

**303.25 Voting.**

A person shall be qualified to vote at the referendum if such person is a registered voter of the area embraced by the proposed historic district.

An historic preservation district is established if a majority of the persons voting at the referendum votes in favor of its establishment.

[C77, 79, 81, §303.25]

94 Acts, ch 1169, §64

Referred to in §303.33, 303.34

**303.26 Commission.**

At the same time the referendum is held, an election shall be held for the commission. Each voter at the referendum may write upon the ballot the names of not more than five persons who are eligible voters within the district to be members of the commission.

The five persons receiving the highest number of votes shall constitute the commission. In the event one of the five receiving the highest number of votes elects not to serve on the commission, the person receiving the next highest number of votes shall serve.

Of the initial commission the person receiving the highest number of votes shall receive a five-year term of office, the next highest a four-year term, the next highest a three-year term, the next highest a two-year term, and the fifth highest a one-year term. Thereafter, an election shall be held annually in the district to elect a member to a five-year term as each term expires.

Vacancies in the commission occurring between elections shall be filled by the remaining members of the commission by majority vote. Should a majority of those voting vote not to establish the district, the election shall be void.

[C77, 79, 81, §303.26]

Referred to in §303.33, 303.34

**303.27 Controls.**

After the establishment of a district, an exterior portion of any building, exterior fixture, or other exterior structure, or any aboveground utility structure or any type of outdoor advertising sign shall not be erected, altered, restored, moved or demolished within such district until after an application for a certificate of appropriateness as to exterior features has been submitted to and approved by the commission.

[C77, 79, 81, §303.27]

Referred to in §303.33, 303.34

**303.28 Interior.**

The commission shall not consider or attempt to control the interior arrangement of any building in the district.

[C77, 79, 81, §303.28]

Referred to in §303.33, 303.34

**303.29 Use of structures.**

No change in the use of any structure or property within a designated historical district shall be permitted until after an application for a certificate of appropriateness has been submitted to and approved by the commission. For purposes of this section *"use"* means the legal enjoyment of property that consists in its employment, exercise, or practice.

[C77, 79, 81, §303.29]
Referred to in §303.33, 303.34

**303.30 Procedures.**

Prior to issuance or denial of a certificate of appropriateness the commission shall take such action as may reasonably be required to inform persons likely to be materially affected by the application, and shall give the applicant and such persons an opportunity to be heard. In cases where the commission deems it necessary, it may hold a public hearing concerning the application. The commission shall vote upon any application for a certificate of appropriateness within sixty days after its submission to the commission.

If the commission determines that the proposed construction, reconstruction, alteration, restoration, moving, demolition, or the change in use is appropriate, it shall forthwith approve such application and shall issue to the applicant a certificate of appropriateness.

If the commission determines that the proposed construction, reconstruction, alteration, restoration, moving or demolition of buildings, structures, appurtenant fixtures, outdoor advertising signs or natural features, or the proposed change in use would be incongruous with the historical, architectural, archaeological or cultural aspects of the district, a certificate of appropriateness shall not be issued, and the commission shall place upon its records the reasons for such determination and shall notify the applicant of such determination, furnishing the applicant an attested copy of its reasons and its recommendations, if any, as appearing in the records of the commission.

The commission may approve the application in any case where a person would suffer extreme hardship, not including loss of profit, unless the certificate of appropriateness was issued. Any applicant aggrieved by a determination of the commission may appeal to the district court for the county in which the land concerned is located within sixty days of the commission's action.

[C77, 79, 81, §303.30]
Referred to in §303.33, 303.34

**303.31 Action by commission.**

The commission shall take action to enjoin any attempts to construct, reconstruct, alter, restore, move, or demolish any exterior feature, or to change the use of the property within the district without a certificate of appropriateness.

[C77, 79, 81, §303.31]
Referred to in §303.33, 303.34

**303.32 Ordinary maintenance and repair.**

Nothing in this subchapter of this chapter shall be construed to prevent the ordinary maintenance or repair of any exterior feature in a district which does not involve a change in design, material or outer appearance, nor to prevent the construction, reconstruction, alteration, restoration or demolition of any such feature which is required by public safety because of an unsafe or dangerous condition.

[C77, 79, 81, §303.32]
Referred to in §303.33, 303.34

**303.33 Termination of district.**

Two years after the establishment of a district, a referendum for the termination of the district shall be held if ten percent of the eligible voters in the district so request. If the registered voters, by a majority of those voting, favor termination, sections 303.20 through 303.32 will no longer have any effect on the property formerly included in the district.

If an election is held to terminate a district under this section and such attempt fails, another

referendum for termination of the district in question shall not take place for a period of two years.

[C77, 79, 81, §303.33]

95 Acts, ch 67, §53; 96 Acts, ch 1034, §18

Referred to in §303.34

**303.34 Areas of historical significance.**

The provisions of sections 303.20 to 303.33 do not apply within the limits of a city. However, in order for a city to designate an area which is deemed to merit preservation as an area of historical significance, the following shall apply:

1. An area of historical significance shall be proposed by the governing body of the city on its own motion or upon the receipt by the governing body of a petition signed by residents of the city. The city shall submit a description of the proposed area of historical significance or the petition describing the proposed area, if the proposed area is a result of the receipt of a petition, to the historical division which shall determine if the proposed area meets the criteria in subsection 2 and may make recommendations concerning the proposed area. Any recommendations made by the division shall be made available by the city to the public for viewing during normal working hours at a city government place of public access.

2. A city shall not designate an area as an area of historical significance unless it contains contiguous pieces of property under diverse ownership which meets the criteria specified in section 303.20, subsection 1, paragraphs *"a"* to *"f"*.

3. A city may provide by ordinance for the establishment of a commission to deal with matters involving areas of historical significance but shall provide by ordinance for such commission upon the enactment of the ordinance designating an area as an area of historical significance as required in subsection 4. Upon the establishment of the commission the city shall provide by ordinance for the method of appointment, the number, and terms, of members of the commission and for the duties and powers of the commission. The commission shall contain not less than three members. The members of the commission shall be appointed with due regard to proper representation of residents and property owners of the city and their relevant fields of knowledge including but not limited to history, urban planning, architecture, archaeology, law, and sociology. At least one resident of each designated area of historical significance shall be appointed to the commission. Cities with a population of more than fifty thousand shall not appoint more than one-third of the members to the commission of an area of historical significance that are members of a city zoning commission appointed pursuant to chapter 414. The commission shall have the power to approve or deny applications for proposed alterations to exterior features within an area designated as an area of historical significance. An aggrieved party may appeal the commission's action to the governing body of the city. If not satisfied by the decision of the governing body, the party may appeal within sixty days of the governing body's decision to the district court for the county in which the designated area is located. On appeal the governing body or the district court as the case may be shall consider whether the commission has exercised its powers and followed the guidelines established by the law and ordinance, and whether the commission's action was patently arbitrary or capricious.

4. An area shall be designated an area of historical significance upon enactment of an ordinance of the city. Before the ordinance or an amendment to it is enacted, the governing body of the city shall submit the ordinance or amendment to the historical division for its review and recommendations.

[C81, §303.34; 82 Acts, ch 1238, §19]

89 Acts, ch 145, §1; 92 Acts, ch 1204, §7

Referred to in §414.2, 427.16

**303.35 through 303.40** Reserved.

## SUBCHAPTER IV

## LAND USE DISTRICTS

**303.41 Eligibility and purpose.**

A land use district shall not be created under this subchapter unless it is an area of contiguous territory encompassing twenty thousand acres or more of predominately rural and agricultural land owned by a single entity which has within its general boundaries at least seven platted villages which are not incorporated as municipalities at the time the district is organized. The eligible electors may create a land use district to conserve the distinctive historical and cultural character and peculiar suitability of the area for particular uses with a view to conserving the value of all existing and proposed structures and land and to preserve the quality of life of those citizens residing within the boundaries of the contiguous area by preserving its historical and cultural quality.

83 Acts, ch 108, §1

Referred to in §303.48, 303.64

**303.42 Petition.**

Eligible electors residing within the limits of a proposed land use district equal in number to at least ten percent or more of the registered voters residing within the limits of a proposed land use district may file a petition in the office of the county auditor of the county in which the proposed land use district, or its major portion, is located, requesting that there be submitted to the registered voters of the proposed district the question of whether the territory within the boundaries of the proposed district shall be organized as a land use district under this subchapter. The petition shall be addressed to the board of supervisors of the county where it is filed and shall set forth the following:

1. An intelligible description of the boundaries of the territory to be embraced in the district.
2. The name of the proposed district.
3. That the territory to be embraced in the district has a distinctive historical and cultural character which might be preserved by the establishment of the district.
4. That the public welfare will be promoted by the establishment of the district.
5. The signatures of the petitioners.

83 Acts, ch 108, §2; 2001 Acts, ch 56, §16

Referred to in §303.48, 303.64

**303.43 Jurisdiction — decisions — records.**

The board of supervisors of the county in which the proposed land use district, or its major portion, is located has jurisdiction of the proceedings on the petition as provided in this subchapter and the decision of a majority of the members of that board is necessary for adoption. All orders of the board made under this subchapter shall be spread at length upon the records of the proceedings of the board of supervisors, but need not be published.

83 Acts, ch 108, §3

Referred to in §303.48, 303.64

**303.44 Date and notice of hearing.**

The board of supervisors to whom the petition is addressed, at its next regular, special, or adjourned meeting, shall set the time and place when it will meet for a hearing upon the petition, and direct the county auditor in whose office the petition is filed to cause notice to be given to all persons whom it may concern, without naming them, of the pendency and prayer of the petition, by publication of a notice once each week for two consecutive weeks in some newspaper of general circulation published in the proposed district. The last publication shall not be less than twenty days prior to the date set for the hearing of the petition. If no such newspaper is published in the proposed district, then notice shall be by posting at least five copies of the notice in the proposed district at least twenty days before the hearing. Proof of giving notice shall be made by affidavit of the publisher or affidavit of the person who posted the notices, and the proof shall be on file with the county auditor at the time the hearing

begins. The notice of hearing shall be directed to all persons it may concern, and shall state the following:

1. That a petition has been filed with the county auditor of that county for establishment of a proposed land use district and the name of the proposed district.

2. An intelligible description of the boundaries of the territory to be embraced in the district.

3. The date, hour, and place where the petition will come on for hearing before the board of supervisors of the named county.

4. That the board of supervisors will fix and determine the boundaries of the proposed district as described in the petition, and at the hearing all interested persons shall have an opportunity to be heard regarding the location and boundaries of the proposed district and to make suggestions regarding it.

83 Acts, ch 108, §4
Referred to in §303.45, 303.46, 303.48, 303.64

**303.45 Hearing of petition and order.**

The board of supervisors to whom the petition is addressed shall preside at the hearing provided for in section 303.44 and shall continue the hearing in session, with adjournments from day to day, if necessary, until completed, without being required to give any further notice of it. Proof of the residence and qualification of the petitioners as eligible electors shall be made by affidavit or otherwise as the board may direct. The board shall consider the boundaries of the proposed land use district, whether they shall be as described in the petition or otherwise, and for that purpose may alter and amend the petition and limit or change the boundaries of the proposed district as stated in the petition. The boundaries of a proposed district shall not be changed to include property not included in the original petition and published notice until the owner of that property is given notice as on the original hearing. All persons in the proposed district shall have an opportunity to be heard regarding the location and boundaries of the proposed district and to make suggestions regarding them. The board of supervisors, after hearing the statements, evidence, and suggestions made and offered at the hearing, shall enter an order fixing the boundaries of the proposed district and directing that an election be held for the purpose of submitting to the registered voters residing within the boundaries of the proposed district the question of organization and establishment of the proposed land use district as determined by the board of supervisors. The order shall fix a date for the election not more than sixty days after the date of the order, establish voting precincts within the proposed district and define their boundaries, and specify the polling places which in the board's judgment will best serve the convenience of the voters, and shall appoint from residents of the proposed district three judges and two clerks of election for each voting precinct established.

83 Acts, ch 108, §5; 2001 Acts, ch 56, §17
Referred to in §303.48, 303.64

**303.46 Notice of election.**

In its order for the election the board of supervisors shall direct the county auditor to cause notice of the election to be given by posting at least five copies of the notice in public places in the proposed district at least twenty days before the date of election and by publication of the notice once each week for three consecutive weeks in some newspaper of general circulation published in the proposed district, or, if no such newspaper is published within the proposed district, then in such a newspaper published in the county in which the major part of the proposed district is located. The last publication is to be at least twenty days prior to the date of election. The notice shall state the time and place of holding the election and the hours when the polls will be open and closed, the purpose of the election, with the name of the proposed district and a description of its boundaries, and shall set forth briefly the limits of each voting precinct and the location of the polling places. Proof of posting and publication shall be made in the manner provided in section 303.44 and filed with the county auditor.

83 Acts, ch 108, §6
Referred to in §303.48, 303.64

**303.47 Election.**

1. Each registered voter residing within the proposed district may cast a ballot at the election and a person shall not vote in any precinct but that of the person's residence. Ballots at the election shall be in substantially the following form:

For Land Use District .....
Against Land Use District .....

2. The election shall be conducted in the manner provided by law for general elections and the ballots so cast shall be issued, received, returned, and canvassed in the same manner and by the same officers, in the county whose board of supervisors is vested with jurisdiction of the proceedings, as provided by law in the case of ballots cast for county officers, except as modified by this subchapter. The board of supervisors shall cause a statement of the result of the election to be spread upon the records of the county auditor. If a majority of the votes cast upon the question of incorporation of the proposed district is in favor of the proposed district, the proposed district becomes an organized district under this subchapter.

83 Acts, ch 108, §7; 2001 Acts, ch 56, §18
Referred to in §303.48, 303.64

**303.48 Expenses and costs of election.**

All expenses incurred in carrying out sections 303.41 through 303.47, including the costs of the election, as determined by the board of supervisors, shall be paid by the county whose board is vested with jurisdiction of the proceedings.

83 Acts, ch 108, §8
Referred to in §303.64

**303.49 Election of trustees — terms — vacancies.**

1. If the proposition to establish a land use district carries, a special election shall be called by the board of supervisors of the county which conducted the election to form the district. This special election shall be held within the newly created district at a single polling place designated by the county auditor not more than ninety days after the organization of the land use district. The election shall be held for the purpose of electing the initial seven members of the board of trustees of the land use district. The county auditor shall cause notice of the election to be posted and published, and shall perform all other acts with reference to the election, and conduct it in like manner, as nearly as may be, as provided in this subchapter for the election on the question of establishing the district. Each trustee must be a United States citizen not less than eighteen years of age and a resident of the district. Each registered voter at the election may write in upon the ballot the names of not more than seven persons whom the voter desires for trustees and may cast not more than one vote for each of the seven persons. The seven persons receiving the highest number of votes cast shall constitute the first board of trustees of the district.

2. Following the initial special election, an annual election shall be held at a single polling place within the district designated by the county auditor for the purpose of electing a trustee to replace a trustee whose term will expire. The board of trustees, in consultation with the county auditor, shall select the election date. The county auditor shall perform all other acts with reference to the election and conduct it in like manner, as nearly as may be, as provided in chapters 45 and 49. Each registered voter at the election may vote for one person whom the voter desires as a trustee for each expiring term. The term of office for each trustee elected shall be three years.

3. Vacancies in the office of trustee of a land use district may be filled by the remaining members of the board of trustees for the period extending to the next annual election at which time the registered voters of the district shall elect a new trustee to fill the vacancy for the unexpired term. Expenses incurred in carrying out the annual elections of trustees shall be paid for by the land use district.

4. When the initial board of trustees is elected under this section the trustees shall be ranked in the order of votes received from highest to lowest. Any ties shall be resolved by

a random method. The last ranked trustee shall receive an initial term expiring at the next annual election for trustees, the sixth and fifth ranked trustees receive an initial term expiring one year later, the fourth ranked trustee receives an initial term expiring two years after that election, the third and second ranked trustees receive initial terms expiring three years after that election, and the first ranked trustee shall receive an initial term expiring four years after that election.

83 Acts, ch 108, §9; 85 Acts, ch 161, §1; 94 Acts, ch 1169, §64; 97 Acts, ch 83, §1
Referred to in §303.64

**303.50 Trustee's bond.**

Each trustee shall, before entering upon the duties of office, execute a bond payable to the district, with security to be approved by the board of supervisors which had jurisdiction of the petition for establishment of the district, in a form and amount as that board of supervisors may determine, and file the bond with the county auditor of that county.

83 Acts, ch 108, §10
Referred to in §303.64

**303.51 Land use district to be a body corporate.**

A land use district organized under this subchapter is a body corporate and politic, with the name and style under which it was organized, and by that name and style may sue and be sued, contract and be contracted with, acquire and hold real and personal property necessary for corporate purposes, adopt a corporate seal and alter it, and exercise all the powers conferred in this chapter.

The courts of this state shall take judicial notice of the existence of a land use district organized under this subchapter.

83 Acts, ch 108, §11
Referred to in §303.64

**303.52 Board of trustees — powers and duties.**

1. The trustees elected under this subchapter constitute the board of trustees for the district, which is the corporate authority of the district, and shall exercise all the powers and manage and control all the affairs of the district. A majority of the board of trustees is a quorum, but a smaller number may adjourn from day to day. The board of trustees may elect a president, vice president, clerk, and a treasurer from their own number and, from without their own number, employees of the district. The compensation of members of the board of trustees is fixed not to exceed ten dollars per day, or any part of a day, for each day the board is actually in session and ten dollars per day when not in session but employed on board service, and twenty cents for every mile traveled in going to and from sessions of the board and in going to and from the place of performing board service. Members of the board shall not receive compensation for more than sixty days of session and board service each year.

2. The board of trustees shall formulate and administer a land use plan which includes all ordinances, resolutions, rules, and regulations necessary for the proper administration of the land use district. The land use plan shall be created for the primary purpose of regulating and restricting, where deemed necessary, the erection, construction, reconstruction, alteration, repair, or use of buildings, structures, or land in a manner which would maintain or enhance the distinctive historical and cultural character of the district. The ordinances, resolutions, rules, and regulations shall not apply to any tillable farmland, pastureland, timber pasture or forestland located within the district except to structures of an advertising or commercial nature located on the land.

3. The board of trustees shall provide for the manner in which the land use plan shall be established and enforced and amended, supplemented, or changed. However, a plan shall not become effective until after a public hearing on it, at which parties in interest and citizens of the district shall have an opportunity to be heard. At least fifteen days' notice of the time and place of the hearing shall be published in a newspaper of general circulation within the district giving the time, date, and location of the public hearing.

4. The board of trustees shall appoint an administrative officer authorized to enforce the

resolutions or ordinances adopted by the board of trustees. The board of trustees may pay the administrative officer the compensation it deems fit from the funds of the district.

83 Acts, ch 108, §12; 85 Acts, ch 161, §2
Referred to in §303.64
Section not amended; editorial change applied

**303.52A Inclusion or exclusion of land.**

If at least sixty percent of the registered voters of a land area petition the board of supervisors for inclusion in or exclusion from a land use district, the board shall review the petition and determine if the petition contains a sufficient number of registered voters residing in the affected land area and, if the petition is sufficient, submit it to the board of trustees of the land use district. The land area to be included in or excluded from the land use district must be contiguous to the land use district. If two thirds of the membership of the board of trustees vote in favor of the petition, the petition shall be granted and the land area included in or excluded from the district.

85 Acts, ch 161, §3; 2001 Acts, ch 56, §19
Referred to in §303.64

**303.53 Changes and amendments.**

The land use plan, once established, may be amended, supplemented, changed, modified, or repealed. In case, however, of a protest against a change signed by the owners of twenty percent or more either of the area included in the proposed change, or of the immediately adjacent area and within five hundred feet of the boundaries, the amendment shall not become effective except by the favorable vote of at least eighty percent of all of the members of the board of trustees.

83 Acts, ch 108, §13
Referred to in §303.64

**303.54 Board of adjustment.**

The board of trustees of the district shall provide for the appointment of a board of adjustment, shall provide that the board of adjustment may, in appropriate cases, and subject to appropriate conditions and safeguards, make special exceptions to the terms of the land use plan which are in harmony with its general purpose and intent and in accordance with the general or specific rules of the plan, and provide that a property owner aggrieved by the action of the board of trustees in the adoption of the land use plan may petition the board of adjustment directly to modify regulations and restrictions as applied to those property owners.

83 Acts, ch 108, §14
Referred to in §303.64

**303.55 Membership — term — compensation.**

The board of adjustment shall consist of five members, all of whom shall reside within the district, each to be appointed for a term of five years. For the initial board one member shall be appointed for a term of five years, one for a term of four years, one for a term of three years, one for a term of two years, and one for a term of one year. Members are removable for cause by the appointing authority upon written charges and after public hearing. Vacancies shall be filled for the unexpired term of a member whose term becomes vacant. The compensation for the members of the board of adjustment is the same as for the members of the board of trustees.

83 Acts, ch 108, §15; 85 Acts, ch 161, §4
Referred to in §303.64

**303.56 Rules.**

The board of adjustment shall adopt rules in accordance with any regulation or ordinance adopted by the board of trustees pursuant to this subchapter. Meetings of the board of adjustment shall be held at the call of the chairperson and at other times as the board determines. The chairperson, or the acting chairperson, may administer oaths and compel the attendance of witnesses. All meetings of the board shall be open to the public. The board

shall keep minutes of its proceedings, showing the vote of each member upon each question, or if absent or failing to vote, indicating that fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the board and shall be a public record.

83 Acts, ch 108, §16
Referred to in §303.64

**303.57 Appeals to board of adjustment.**

Appeals to the board of adjustment may be taken by any person aggrieved or affected by the land use plan or by a decision of the administrative officer. The appeal shall be taken within a reasonable time, as provided by the rules of the board of adjustment, by filing with the administrative officer and the board of adjustment a notice of appeal specifying the grounds of the appeal.

83 Acts, ch 108, §17; 85 Acts, ch 161, §5
Referred to in §303.64

**303.58 Powers of board.**

The board of adjustment may:

1. Hear and decide appeals where it is alleged there is error in an order, requirement, decision, or determination made by an administrative official in the enforcement of this subchapter or of any ordinance adopted pursuant to it.

2. Hear and decide special exceptions to the terms of the ordinance upon which the board is required to pass under the ordinance.

3. Authorize upon appeal, in specific cases, a variance from the terms of the land use plan which are not contrary to the public interest, where owing to special conditions a literal enforcement of the plan would result in unnecessary hardship, and so that the spirit of the plan shall be observed and substantial justice done.

83 Acts, ch 108, §18
Referred to in §303.64

**303.59 Powers on appeal.**

In exercising its powers the board may, in conformity with this subchapter, reverse or affirm, wholly or partly, or may modify the order, requirement, decision, or determination appealed from and may make the order, requirement, decision, or determination as should be made, and to that end have all the powers of the administrative officer of the board.

83 Acts, ch 108, §19; 85 Acts, ch 161, §6
Referred to in §303.64

**303.60 Vote required.**

The concurring vote of three members of the board is necessary to reverse an order, requirement, decision, or determination, or to decide in favor of the applicant on a matter upon which it is required to pass under an ordinance or to effect a variation in the land use plan.

83 Acts, ch 108, §20
Referred to in §303.64

**303.61 Petition to court.**

Any persons, jointly or severally, aggrieved by a decision of the board of adjustment under this subchapter, or any taxpayer, may present to a court of record a petition, duly verified, setting forth that the decision is illegal, in whole or in part, specifying the grounds of the illegality. The petition shall be presented to the court within thirty days after the filing of the decision in the office of the board.

83 Acts, ch 108, §21
Referred to in §303.64

**303.62 Review by court.**

Upon the presentation of a petition, the court may allow a writ of certiorari directed to the board of adjustment to review the decision of the board of adjustment prescribing the time

within which a return must be made and served upon the relator's attorney, which shall not be less than ten days and may be extended by the court. The allowance of the writ does not stay proceedings upon the decision appealed from, but the court may, on application, on notice to the board and on due cause shown, grant a restraining order.

83 Acts, ch 108, §22
Referred to in §303.64

**303.63 Trial to court.**

If upon the hearing, which shall be tried de novo, it appears to the court that testimony is necessary for the proper disposition of the matter, it may take evidence or appoint a referee to take evidence as it directs and report the evidence to the court with findings of fact and conclusions of law, which shall constitute a part of the proceedings upon which the determination of the court shall be made. The court may reverse or affirm, wholly or partly, or may modify the decision brought up for review.

Costs shall not be allowed against the board unless it appears to the court that it acted with gross negligence or in bad faith or with malice in making the decision appealed from.

83 Acts, ch 108, §23
Referred to in §303.64

**303.64 Precedence.**

All issues in any proceedings under sections 303.41 through 303.63 have preference over all other civil actions and proceedings.

83 Acts, ch 108, §24

**303.65 Restraining order.**

If a building or structure is erected, constructed, reconstructed, altered, repaired, converted, or maintained, or a building, structure, or land is used in violation of this subchapter or of an ordinance or other regulation made under this subchapter, the board of trustees, in addition to other remedies, may institute any appropriate action or proceedings to prevent the unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance, or use, to restrain, correct, or abate the violation, to prevent the occupancy of the building, structure, or land, or to prevent any illegal act, conduct, business, or use in, or about the premises.

83 Acts, ch 108, §25

**303.66 Taxes — power to levy — tax sales.**

The board of trustees of a land use district organized under this subchapter may by ordinance levy annually for the purpose of paying the administrative costs of the district, a tax upon real property within the territorial limits of the land use district not exceeding twenty-seven cents per thousand dollars of the adjusted taxable valuation of the property for the preceding fiscal year. The tax shall not be levied on any tillable farmland, pastureland, timber pasture or forestland located within the district.

Taxes levied by the board shall be certified on or before the first day of March to the county auditor of each county where any of the property included within the territorial limits of the land use district is located, and shall be placed upon the tax list for the current year, and the county treasurer shall collect the taxes in the same manner as other taxes, and when delinquent they shall draw the same interest and penalties. All taxes so levied and collected shall be paid over to the treasurer of the district.

Sales for delinquent taxes owing to a land use district shall be made at the same time and in the same manner as sales are made for other taxes, and all provisions of the law of this state relating to the sale of property for delinquent taxes are applicable, so far as may be, to such sales.

83 Acts, ch 108, §26

**303.67 Records and disbursements.**

The clerk of each land use district shall keep a record of all the proceedings and actions of the trustees. The treasurer shall receive, collect, and disburse all moneys belonging to the

district, and no claim shall be paid or disbursement made until it has been duly audited by the board of trustees.

83 Acts, ch 108, §27

**303.68 Conflict with other regulations.**

If the regulations made under this subchapter impose higher standards than are required in any other statute or local ordinance or regulation, the regulations made under this subchapter govern. If any other statute or local ordinance or regulation imposes higher standards than are required by the regulations made under authority of this subchapter, that statute or ordinance or regulation governs. If a regulation proposed or made under this subchapter relates to a structure, building, dam, obstruction, deposit, or excavation in or on the flood plains of a river or stream, prior approval of the department of natural resources is required to establish, amend, supplement, change, or modify the regulation or to grant a variation or exception from it.

83 Acts, ch 108, §28

**303.69 through 303.74** Reserved.

## SUBCHAPTER V

## PUBLIC BROADCASTING DIVISION

**303.75 through 303.85** Repealed by 93 Acts, ch 48, § 55. See § 256.80 et seq.

## SUBCHAPTER VI

## ARTS DIVISION

Referred to in §303.2

**303.86 Arts council.**

The Iowa arts council is created as an advisory council, consisting of fifteen members, appointed by the governor from among citizens of Iowa who are recognized for their interest or experience in connection with the performing and fine arts. In making appointments, due consideration shall be given to the recommendations made by representative civic, educational, and professional associations and groups concerned with or engaged in the production or presentation of the performing and fine arts.

The term of office of each member of the Iowa arts council is three years. The governor shall designate a chairperson and a vice chairperson from the members of the council to serve at the pleasure of the governor. All vacancies shall be filled for the balance of any unexpired term in the same manner as original appointments. The members of the council shall not receive compensation for their services, but shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties as members of the council. Members may also be eligible for compensation as provided in section 7E.6.

86 Acts, ch 1245, §1325; 2002 Acts, ch 1119, §151

Referred to in §303A.5

**303.87 Duties of council.**

The arts council shall:

1. Advise the director with respect to policies, programs, and procedures for carrying out the administrator's functions, duties, or responsibilities.

2. Review programs to be supported and make recommendations on the programs to the director.

86 Acts, ch 1245, §1326; 90 Acts, ch 1065, §3; 91 Acts, ch 157, §11

**303.88 Administrator's powers and authority.**

The arts division administrator may:

1. Make and sign any agreements and perform any acts which are necessary, desirable, or proper to carry out the purpose of the division.

2. Request and obtain assistance and data from any department, division, board, bureau, commission, or agency of the state.

3. Accept any federal funds granted, by Act of Congress or by executive order, for all or any purposes of this subchapter, and receive and disburse as the official agent of the state any funds made available by the national endowment for the arts.

4. Accept gifts, contributions, endowments, bequests, or other moneys available for all or any of the purposes of the division. Interest earned on the gifts, contributions, endowments, bequests, or other moneys accepted under this subsection shall be credited to the fund or funds to which the gifts, contributions, endowments, bequests, or other moneys have been deposited, and is available for all or any of the purposes of the division.

86 Acts, ch 1245, §1327; 88 Acts, ch 1158, §60

**303.89 State poet laureate designated — nominating committee.**

1. A state poet laureate nominating committee is created. At the request of the governor, the executive director of humanities Iowa and the executive director of the Iowa arts council shall each appoint three persons who reside in this state to a poet laureate nominating committee. At its initial meeting held at the call of the executive directors of humanities Iowa and the Iowa arts council, the state poet laureate nominating committee shall elect a chairperson and vice chairperson from among its members and adopt rules of procedure. The members of the state poet laureate nominating committee shall be invited to serve without compensation for their services. The nominating committee is charged with considering the diversity of the people and poetry of Iowa.

2. If more than one meeting is required, the state poet laureate nominating committee shall meet at the call of the chairperson or as determined by the nominating committee and select a list of three nominees, along with biographical and professional information and supporting representative material, who are residents of Iowa and who, based on their poetic accomplishments, deserve recognition as the state poet laureate. The list of nominees shall be transmitted to the governor. The governor may select the state poet laureate from the list of nominees for a two-year term of office. The state poet laureate is an honorary state office and the incumbent is entitled to no compensation as a result of the appointment.

99 Acts, ch 161, §1

**303.90** Repealed by 91 Acts, ch 157, § 13.

## SUBCHAPTER VII

## LIBRARY DIVISION

**303.91 through 303.94** Repealed by 93 Acts, ch 48, § 55. See § 256.50 et seq.

## SUBCHAPTER VIII

## FILM OFFICE

**303.95 Film office establishment and purpose.**

The department shall establish and administer a film office. The purpose of the film office is to assist legitimate film, television, and video producers in the production of film, television, and video projects in the state and to increase the fiscal impact on the state's economy of film, television, and video projects produced in the state.

2012 Acts, ch 1136, §32, 41

# CHAPTER 303A

## IOWA CULTURAL TRUST

Referred to in §303.1A, 303.3B


| | | | |
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| 303A.3 | Definitions. | | |
| 303A.4 | Iowa cultural trust and trust fund. | 303A.7 | Iowa cultural trust grant account. |


**303A.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Cultural Trust Act"*.

2002 Acts, ch 1115, §2

**303A.2 Legislative findings.**

The general assembly finds and declares that cultural organizations generate millions of dollars in economic activity in Iowa; attract people to live and work in Iowa's communities; contribute to a revitalization of those communities; are a magnet for tourists; train minds for the creative economy jobs of the future; and build social capital. However, these organizations are often undercapitalized. Therefore, to bring financial stability to these organizations through fluctuating economic conditions, it is the intent of the general assembly that a public trust be established the income from which may be made available to supplement the operating budgets of nonprofit cultural organizations that meet certain criteria, including a commitment to strategies to attain long-term financial stability and sustainability. It is further the intent of the general assembly that income from the public trust may be used initially for a statewide educational program to assist cultural organizations in endowment development.

2002 Acts, ch 1115, §3

**303A.3 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Board"* means the board of trustees of the Iowa cultural trust created in section 303A.5.
2. *"Department"* means the department of cultural affairs created in section 303.1.
3. *"Director"* means the director of the department of cultural affairs.
4. *"Grant account"* means the Iowa cultural trust grant account created in section 303A.7.
5. *"Qualified organization"* means a tax-exempt, nonprofit organization whose primary mission is to promote the arts, history, or the sciences and humanities in Iowa.
6. *"Trust fund"* means the Iowa cultural trust fund created in section 303A.4.

2002 Acts, ch 1115, §4

Referred to in §303.1A

**303A.4 Iowa cultural trust and trust fund.**

1. The Iowa cultural trust is created as a public body corporate organized for the purposes, with the powers, and subject to the restrictions, set forth in this chapter.

2. An Iowa cultural trust fund is created in the office of the treasurer of state for the purpose of receiving moneys appropriated by the general assembly and any other moneys available to the trust fund due to the issuance of trust fund credits by the director as provided in section 303.1A, subsection 1, paragraph *"f"*.

3. The trust fund may also receive any devise, gift, bequest, donation, or federal or other grant from any person, firm, partnership, or corporation. Any assets received by the trust fund from federal or private sources shall at all times be preserved, invested, and expended solely for the purposes of the trust fund and shall be held in trust as provided for in this section. No property rights in the assets received by the trust fund from federal or private sources shall exist in favor of the state.

4. *a.* The treasurer of state shall act as custodian of the fund, shall invest moneys in the trust fund, and shall transfer the interest attributable to the investment of trust fund moneys

to the grant account created in section 303A.7. The trust fund's principal shall not be used or accessed by the department or the board for any purpose.

*b.* Notwithstanding paragraph "*a*", for each of the following fiscal years, the treasurer of state shall transfer the following amounts from the principal of the trust fund to the grant account created in section 303A.7:

(1) For the fiscal year beginning July 1, 2013, and ending June 30, 2014, fifty thousand dollars.

(2) For the fiscal year beginning July 1, 2014, and ending June 30, 2015, fifty thousand dollars.

5. Notwithstanding section 8.33, moneys remaining in the trust fund at the end of the fiscal year shall be retained in the trust fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the trust fund shall be credited to the trust fund.

2002 Acts, ch 1115, §5; 2010 Acts, ch 1061, §166; 2013 Acts, ch 137, §35
Referred to in §303.1A, 303A.3, 303A.7
Subsection 4 amended

**303A.5 Board of trustees.**

1. A board of trustees of the Iowa cultural trust is created. The general responsibility for the proper operation of the trust is vested in the board of trustees, which shall consist of thirteen members as follows:

*a.* Nine public members, five of whom shall be appointed by the governor, subject to confirmation by the senate. The majority leader of the senate, the minority leader of the senate, the speaker of the house, and the minority leader of the house of representatives shall each appoint one public member. A public member of the board appointed in accordance with this section shall not also serve concurrently as a member of the state historical society board of trustees or the Iowa state arts council.

*b.* Four ex officio, nonvoting members, consisting of the treasurer of state or the treasurer's designee, the director of the department of cultural affairs or the director's designee, the chairperson of the state historical society board of trustees elected pursuant to section 303.6, and the chairperson of the Iowa arts council designated pursuant to section 303.86.

2. Members appointed by the general assembly shall be appointed to terms as provided in section 69.16B. The public members appointed by the governor shall serve five-year staggered terms beginning and ending as provided in section 69.19. Vacancies on the board shall be filled for the unexpired portion of the term in the same manner as the original appointments.

3. Members appointed by the governor are subject to the requirements of sections 69.16, 69.16A, and 69.19.

4. Public members shall serve without compensation, but shall be reimbursed for all actual and necessary expenses they incur through service on the board.

5. The board shall elect a chairperson and vice chairperson from among its membership. The board shall meet at the call of its chairperson or upon written request of a majority of its voting members. Five voting members constitute a quorum. The concurrence of a majority of the voting members of a board is required to take any action relating to its duties.

6. The board shall be located for administrative purposes within the department. The department, subject to approval by the board, shall adopt administrative rules pursuant to chapter 17A necessary to administer the income derived from the Iowa cultural trust fund and to perform specific powers and duties as provided in section 303A.6. The director shall budget funds to pay the expenses of the board and administer this chapter.

2002 Acts, ch 1115, §6; 2009 Acts, ch 106, §10, 14
Referred to in §303A.3
Confirmation, see §2.32

**303A.6 Board of trustees — powers and duties.**

The board shall do any or all of the following:

1. Enter into agreements with any qualified organization, the state, or any federal or other state agency, or other entity as required to administer this chapter.

2. Approve or disapprove the grants recommended for approval by the director, in consultation with the Iowa arts council and the state historical society of Iowa, in accordance with section 303.1A, subsection 1, paragraph *"f"*, subparagraph (3). The board may delete any recommendation, but shall not add to or otherwise amend the list of recommended grants.

3. Upon approving a grant, the board shall certify to the treasurer of state the amount of financial assistance payable from the grant account to the qualified organization whose grant application is approved.

4. Determine, in consultation with the treasurer of state, the amount of investment income attributable to the trust fund that will be available for distribution as grants to qualified organizations.

5. Accept any devise, gift, bequest, donation, or federal or other grant from any person, firm, partnership, or corporation, which the treasurer of state shall deposit into the trust fund.

2002 Acts, ch 1115, §7; 2003 Acts, ch 108, §51; 2010 Acts, ch 1061, §167
Referred to in §303.1A, 303A.5

**303A.7 Iowa cultural trust grant account.**

1. An Iowa cultural trust grant account is created in the office of the treasurer of state under the control of the board to receive interest attributable to the investment of trust fund moneys as required by section 303A.4, subsection 4. The moneys in the grant account are appropriated to the board for purposes of the Iowa cultural trust created in section 303A.4. Moneys in the grant account shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes of the Iowa cultural trust. The treasurer of state shall act as custodian of the grant account and disburse moneys contained in the grant account as directed by the board. The board shall make expenditures from the grant account consistent with the purposes of the Iowa cultural trust.

2. Moneys in the grant account are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the grant account shall be credited to the grant account.

3. At any time when the principal balance in the trust fund equals or exceeds three million dollars, the board may use moneys in the grant account for a statewide educational program to promote participation in, expanded support of, and local endowment building for, Iowa nonprofit arts, history, and sciences and humanities organizations.

2002 Acts, ch 1115, §8; 2002 Acts, ch 1175, §82; 2007 Acts, ch 73, §1
Referred to in §303A.3, 303A.4

# CHAPTERS 303B and 303C

RESERVED

# CHAPTER 304

STATE FORMS AND RECORDS

Repealed by 2003 Acts, ch 92, §20; see chapter 305

# CHAPTER 304A

## FINE ARTS PROJECTS

DIVISION I

IOWA STATE ARTS COUNCIL

304A.1 through 304A.7 Repealed by 86 Acts, ch 1245, §1340.

DIVISION II

FINE ARTS PROJECTS IN STATE BUILDINGS

304A.8 Definitions.
304A.9 Consultation.
304A.10 Cost of fine arts — percentage.
304A.11 Cooperating parties.
304A.12 Separate contract.
304A.13 Competition of artists.
304A.14 Title in state.
304A.15 through 304A.20 Reserved.

DIVISION III

INDEMNIFICATION FOR SPECIAL EXHIBIT ITEMS LOST OR DAMAGED

304A.21 through 304A.30 Repealed by 2008 Acts, ch 1005, §3.

## DIVISION I

## IOWA STATE ARTS COUNCIL

**304A.1 through 304A.7** Repealed by 86 Acts, ch 1245, § 1340. See § 303.86 et seq.

## DIVISION II

## FINE ARTS PROJECTS IN STATE BUILDINGS

**304A.8 Definitions.**

When used in this division:

1. *"State building"* means any permanent structure, wholly or partially enclosed, which is intended to provide offices, laboratories, workshops, courtrooms, hearing and meeting rooms, storage space and other facilities for carrying on the functions of a state agency, including the board of regents; or auditoriums, meeting rooms, classrooms and other educational facilities; eating or sleeping facilities, medical or dental facilities, libraries and museums which are intended for the use or accommodation of the general public or state employees; together with all grounds and appurtenant structures and facilities; provided, however, it shall not mean maintenance sheds, separate garages, cellhouses or other secure sleeping facilities for prisoners, or buildings used solely as storage or warehouse facilities.

2. *"Fine arts"* means sculpture, fountains, bas-reliefs, mosaics, frescoes, wall hangings, crafts, photography, pictures or other enhancements to be integrated into the total environment of the building or complex of buildings. *"Fine arts"* does not include the incidental ornamental detail of functional structural elements, or hardware and other accessories.

3. *"Principal user"* means the designated person or entity having principal administrative responsibility for the actual utilization of a proposed state building.

[C79, 81, §304A.8]

86 Acts, ch 1245, §1333

**304A.9 Consultation.**

Whenever a state building is to be constructed, the contracting officer or principal user shall, at the time of engaging or directing an architect to prepare plans and specifications for the building, contact the arts division of the department of cultural affairs, which shall have authority to ensure that the fine arts elements will be integrated within, on, or about the total environment of such construction. Notwithstanding this section and sections 304A.11 and 304A.12, if the state building is under the control of the state board of regents the work on

the fine arts element shall be administered by the state board of regents in consultation with the arts division.

[C79, 81, §304A.9]

86 Acts, ch 1245, §1334

**304A.10 Cost of fine arts — percentage.**

The total estimated cost of the fine arts elements included in a plan and specifications for a state building or group of state buildings in accordance with the purposes of this division shall in no case be less than one-half of one percent of the total estimated cost of such building or group of buildings. This percentage allocation shall not be diminished by professional fees. By September 1 annually, the contracting officer or principal user shall submit to the department of cultural affairs the total amount of state financial assistance expended in accordance with this section during the previous fiscal year. If deemed in the best interests of the citizens, funds allocated for the acquisition of fine arts may be accumulated over more than one appropriation or fiscal period or combined to complete significant projects. By January 1 annually, the department of cultural affairs shall submit a summary of the total amount of state financial assistance expended in accordance with this section and for which state buildings the assistance was expended.

[C79, 81, §304A.10]

86 Acts, ch 1245, §1335; 98 Acts, ch 1215, §55; 2010 Acts, ch 1041, §1

Referred to in §304A.11, 304A.12

**304A.11 Cooperating parties.**

The arts division shall administer, in consultation with the contracting officer, the principal user and the building architect, all matters relating to the selection of the fine arts elements to be included or purchased for a state building as authorized by section 304A.10.

[C79, 81, §304A.11]

86 Acts, ch 1245, §1336

Referred to in §304A.9

**304A.12 Separate contract.**

Contracts for the fine arts elements shall be executed within the limits of the actual costs as determined by section 304A.10. Funds shall be transferred to the arts division for administration of the program. All expenses related to the acquisition of the fine arts elements shall be contracted for separately by the contracting agency or principal user with the funds allocated for these purposes.

[C79, 81, §304A.12]

86 Acts, ch 1245, §1337; 2010 Acts, ch 1041, §2

Referred to in §304A.9

**304A.13 Competition of artists.**

Selection of fine arts works may be made by public competition of artists. Preference shall be given to the selection of works produced, created or otherwise made by living or deceased Iowa artists. Competitive bidding shall be used where applicable.

[C79, 81, §304A.13]

**304A.14 Title in state.**

Title to all works of art acquired rests with the principal user or contracting agency in the name of the state. The principal user or contracting agency and the arts division upon agreement may loan works of art between state-owned buildings whenever in their judgment the loan will be to the benefit of the citizens of this state. However, all such works shall be returned to the principal user or the contracting agency at its request.

[C79, 81, §304A.14]

86 Acts, ch 1245, §1338

**304A.15 through 304A.20** Reserved.

DIVISION III

INDEMNIFICATION FOR SPECIAL EXHIBIT ITEMS LOST OR DAMAGED

**304A.21 through 304A.30** Repealed by 2008 Acts, ch 1005, § 3.

# CHAPTER 305

## STATE RECORDS AND ARCHIVES

Referred to in §163.37, 303.2


305.1 Citation.
305.2 Definitions.
305.3 Commission created.
305.4 Commission purpose.
305.5 Expenses.
305.6 Meetings.
305.7 Administration.
305.8 Commission responsibilities.
305.9 Department of cultural affairs responsibilities.
305.10 Agency head responsibilities.
305.11 Termination of state agency — records transfer.
305.12 Duplicates.
305.13 Records state property.
305.14 Liability precluded.
305.15 Exemptions — duties of state department of transportation and state board of regents.
305.16 Iowa historical records advisory board established.


**305.1 Citation.**

This chapter shall be known and may be cited as the "*State Archives and Records Act*".

2003 Acts, ch 92, §4

**305.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "*Agency*" means any executive or legislative branch department, office, commission, board, or other unit of state government except as otherwise provided by law.

2. "*Archives*" means records that have been appraised by the state records commission as having sufficient historical, research, evidential, or informational value to warrant permanent preservation and that have been transferred to the custody of the state archives.

3. "*Commission*" means the state records commission created in section 305.3.

4. "*Custody*" means guardianship or control of records, including both physical possession, referred to as physical custody, and legal responsibility, referred to as legal custody, unless one or the other is specified.

5. "*Designee*" means an appointee of a commission member listed in section 305.3, who is a year-round, full-time state employee, appointed to regularly represent the commission member in the activities of the commission for a period of at least two years.

6. "*Government records program*" means a systematic state government program for the creation, organization, administrative use, maintenance, security, public availability, and final disposition of records.

7. "*Guideline*" means a suggested method of operation for specific activities.

8. "*Policy*" means a basic statement describing the boundaries within which activities are to take place.

9. "*Record*" means a document, book, paper, electronic record, photograph, sound recording, or other material, regardless of physical form or characteristics, made, produced, executed, or received pursuant to law in connection with the transaction of official business of state government. "*Record*" does not include library and museum material made or acquired and preserved solely for reference or exhibition purposes or stocks of publications and unprocessed forms.

10. "*Records inventory*" means a detailed listing of the volume, scope, and complexity of

an agency's records that is compiled for the purpose of creating records series retention and disposition schedules.

11. *"Records officer"* means a year-round, full-time agency official who possesses a broad understanding of programs and records of an agency and who is designated by the agency head to coordinate the records program or programs within the agency.

12. *"Records series retention and disposition schedule"* means a timetable established by the state records commission that describes the length of time a records series of an agency or multiple agencies must be retained in active and inactive status and provides authorization for a final disposition of the records series by destruction or permanent retention.

13. *"Standard"* means a specific rule or principle established to measure quality or value.

14. *"Vital operating record"* means a record containing information essential to continue or to reestablish an agency in the event of a natural or other disaster, allowing the re-creation of the state's legal and financial status, and the determination of the rights and obligations of the state and its citizens.

2003 Acts, ch 92, §5; 2004 Acts, ch 1120, §1

**305.3 Commission created.**

A state records commission is created. The commission shall consist of the following officials or their designees:

1. The secretary of state.
2. The director of the department of cultural affairs.
3. The treasurer of state.
4. The director of revenue.
5. The director of the department of management.
6. The state librarian.
7. The auditor of state.
8. The director of the department of administrative services.

2003 Acts, ch 92, §6; 2003 Acts, ch 179, §70, 84

Referred to in §305.2

**305.4 Commission purpose.**

The commission shall adopt government information policies, standards, and guidelines to do all of the following:

1. Provide for economy and efficiency in the creation, organization, maintenance, administrative use, security, public availability, and final disposition of government records.

2. Ensure creation of proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of state government agencies to protect the legal and financial rights of the state and of persons directly affected by the government's activities.

3. Identify and preserve state government records that document the history and development of the state.

2003 Acts, ch 92, §7

**305.5 Expenses.**

Members of the commission shall serve without compensation but may receive their actual expenses incurred in the performance of their duties.

2003 Acts, ch 92, §8

**305.6 Meetings.**

The commission shall have its offices at the seat of government but may hold meetings in other locations. The commission shall meet quarterly and at the call of the chairperson.

2003 Acts, ch 92, §9

**305.7 Administration.**

The department of cultural affairs, through the state archives and records program, is the primary agency responsible for providing administrative personnel and services for the commission.

2003 Acts, ch 92, §10

**305.8 Commission responsibilities.**

1. The commission shall do all of the following:

*a.* Develop and adopt government information policies, standards, and guidelines for the creation, storage, retention, and disposition of records.

*b.* In consultation with the department of homeland security and emergency management, establish policies, standards, and guidelines for the identification, protection, and preservation of records essential for the continuity or reestablishment of governmental functions in the event of an emergency arising from a natural or other disaster.

*c.* Provide planning, policy development, and review for the government records program.

*d.* Adopt rules pursuant to chapter 17A that provide government information policies and standards.

*e.* Adopt and maintain an interagency records manual containing the rules governing records management, as well as records series retention and disposition schedules, guidelines, and other information relating to implementation of this chapter.

*f.* Make recommendations, in consultation with the department of administrative services, to the governor and the general assembly for the continued reduction of printed reports throughout state government in a manner that protects the public's right to access such reports.

*g.* Provide advice, counsel, and services to the legislative, judicial, and executive branch agencies subject to this chapter on the care and management of state government records.

*h.* Report to the governor and the general assembly on the status of the government records program.

*i.* Perform any act necessary and proper to carry out its duties.

2. The commission may do all of the following:

*a.* Examine records in the possession, constructive possession, or control of state agencies to carry out the purposes of this chapter.

*b.* Enter into agreements and contracts.

*c.* Secure appropriations, grants, or other outside funding.

*d.* Appoint advisory committees of citizens, public officials, or professional consultants to secure advice on records issues.

*e.* Make, or cause to be made, preservation duplicates of records, which may include existing copies of original state records. Any preservation duplicate record shall be durable, accurate, complete, and clear, and shall be made by means designated by the commission.

*f.* Develop appropriate charges for services provided for the convenience of state agencies, the judicial and legislative branches, political subdivisions, or the public.

*g.* Provide advice and counsel to political subdivisions on the care and management of local government records.

*h.* Establish a centralized records storage facility.

2003 Acts, ch 92, §11; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §157; 2005 Acts, ch 3, §60; 2005 Acts, ch 35, §30; 2005 Acts, ch 80, §2; 2013 Acts, ch 29, §49

Subsection 1, paragraph b amended

**305.9 Department of cultural affairs responsibilities.**

1. The department of cultural affairs shall do all of the following:

*a.* Provide administrative support to the state records commission through the state archives and records program.

*b.* Appoint a state archivist to head the state archives and records program.

*c.* Maintain all official records of the state records commission.

*d.* Provide training, advice, and counsel to agencies on government information policies, standards, and guidelines.

*e.* Recommend records series retention and disposition schedules to the commission for consideration.

*f.* Recommend plans, policies, standards, and guidelines on records issues to the commission for consideration.

*g.* Compile, update, and distribute the state records manual as adopted by the commission.

*h.* Manage any centralized records storage facility established by the commission for the temporary storage of agency records prior to their final disposition by destruction or permanent preservation in accordance with the records series retention and disposition schedules.

*i.* Develop and distribute operating procedures for agencies to use to implement the plans, policies, standards, and guidelines adopted by the commission.

*j.* Provide advice, counsel, and services to the legislative, judicial, and executive branch agencies subject to this chapter on the care and management of state government records.

*k.* Manage the state archives and develop operating procedures for the transfer, accession, arrangement, description, preservation, protection, and public access of those records the commission identifies as having permanent value.

*l.* Maintain physical custody and legal custody of archives that have been transferred and delivered to the state archives.

(1) Upon receipt by the state archivist, the archives shall not be removed without the state archivist's consent except in response to a subpoena of a court of record or in accordance with approved records series retention and disposition schedules or after review and approval of the commission.

(2) Upon request, the state archivist shall make a certified copy of any record in the legal custody or in the physical custody of the state archivist, or a certified transcript of any record if reproduction is inappropriate because of legal or physical considerations. If a copy or transcript is properly authenticated, it has the same legal effect as though certified by the officer from whose office it was transferred or by the secretary of state. The department of cultural affairs shall establish reasonable fees for certified copies or certified transcripts of records in the legal custody or physical custody of the state archivist.

*m.* Establish, maintain, and administer an archive of records created and maintained in electronic format in order to preserve and provide public access to state government records identified as having permanent historical value by the commission.

2. The department of cultural affairs may:

*a.* Upon written consent of the state archivist, accept records of political subdivisions that are voluntarily transferred to the state archives.

*b.* Provide advice and counsel to political subdivisions on the care and management of local government records.

2003 Acts, ch 92, §12; 2004 Acts, ch 1086, §60; 2008 Acts, ch 1057, §4

**305.10 Agency head responsibilities.**

1. Each agency head shall do all of the following:

*a.* Make and maintain records containing adequate and proper documentation of the agency organization, functions, policies, decisions, procedures, and essential transactions designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities.

*b.* Designate one or more agency officials with broad understanding of agency programs and records to be an agency records officer to coordinate records programs within the agency and to be the point of contact with the state archives and records program.

*c.* Cooperate with the state records commission and the state archives and records program in the development and implementation of government information policies, standards, and guidelines, and in the development and implementation of records series retention and disposition schedules.

*d.* Comply with requests from the state records commission or the state archives and records program to examine records in the possession, constructive possession, or control of the agency in order to carry out the purposes of this chapter.

*e.* Inventory agency records in accordance with state records commission policies to draft records series retention and disposition schedules.

*f.* Identify vital operating records in accordance with the policies, standards, and guidelines of the state records commission.

*g.* Provide for the identification, protection, and preservation of vital operating records in the custody of the agency.

*h.* Prepare all mandated reports, newsletters, and publications for electronic distribution in accordance with government information policies, standards, and guidelines. A reference copy of all mandated reports, newsletters, and publications shall be located at an electronic repository for public access.

*i.* Provide for maximum economy and efficiency in the day-to-day recordkeeping activities of the agency.

*j.* Provide for compliance with this chapter and the rules adopted by the state records commission.

2. Agency heads may petition the state records commission to create or modify government information policies, standards, and guidelines, and to create or modify records series retention and disposition schedules.

2003 Acts, ch 92, §13; 2003 Acts, ch 145, §286; 2008 Acts, ch 1184, §35

**305.11 Termination of state agency — records transfer.**

Upon the termination of a state agency whose functions have not been transferred to another agency, custody of the records of the agency shall transfer to the commission.

2003 Acts, ch 92, §14

**305.12 Duplicates.**

A preservation duplicate record shall have the same force and effect for all purposes as the original record whether or not the original record is in existence. A certified transcript, exemplification, or copy of a preservation duplicate record shall be deemed for all purposes to be a certified transcript, exemplification, or copy of the original record.

2003 Acts, ch 92, §15

**305.13 Records state property.**

All records made or received by or under the authority of or coming into the custody, control, or possession of public officials of this state in the course of their public duties are the property of the state and shall not be mutilated, destroyed, transferred, removed, or otherwise damaged or disposed of, in whole or in part, except as provided by law or by rule.

2003 Acts, ch 92, §16

**305.14 Liability precluded.**

No member of the commission or head of an agency shall be held liable for damages or loss, or civil or criminal liability, because of the destruction of public records pursuant to the provisions of this chapter or any other law authorizing their destruction.

2003 Acts, ch 92, §17

**305.15 Exemptions — duties of state department of transportation and state board of regents.**

The state department of transportation and the agencies and institutions under the control of the state board of regents are exempt from the state records manual and the provisions of this chapter. However, the state department of transportation and the state board of regents shall adopt rules pursuant to chapter 17A for their employees, agencies, and institutions that are consistent with the objectives of this chapter. The rules shall be approved by the state records commission.

2003 Acts, ch 92, §18

**305.16 Iowa historical records advisory board established.**

An Iowa historical records advisory board is established in accordance with 36 C.F.R. § 1206.36 – 1206.38.

1. *Membership.* The board shall consist of nine members appointed by the governor for three-year staggered terms. Members shall be eligible for reappointment. The members shall have experience in a field of research or an activity that administers or makes extensive use of historical records. The majority of the members shall have professional qualifications and experience in the administration of government records, historical records, or archives. The administrator of the historical division of the department of cultural affairs shall serve as an ex officio member of the board.

2. *Coordinator.* The state archivist shall serve as chair of the board and as state historical records coordinator.

3. *Administration.* The department of cultural affairs, through the state archives and records program, is the primary agency responsible for providing administrative personnel and services for the board.

4. *Meetings.* The board shall meet at least three times annually and at the call of the chair. At least one meeting annually shall be held outside the state capital or in conjunction with a meeting of a relevant statewide professional organization.

5. *Expenses.* Members of the board shall serve without compensation but may receive their actual expenses incurred in the performance of their duties.

6. *Responsibilities.*

*a.* The board shall do all of the following:

(1) Serve as the central advisory body for historical records planning in the state and as a coordinating body to facilitate cooperation among historical records repositories and other information agencies within the state.

(2) Serve as a state level review body for grant proposals submitted to the national historical publications and records commission.

*b.* The board may do all of the following:

(1) Serve in an advisory capacity to the state records commission, the state archives and records program, and other statewide archival or records agencies.

(2) Seek funds from the national historical publications and records commission or other grant-funding bodies for sponsoring and publishing surveys of the conditions and needs of historical records in the state; for developing, revising, and distributing funding priorities for historical records projects in Iowa; for implementing projects to be carried out in the state for the preservation of historical records and publications; or for reviewing through reports and otherwise, the operation and progress of records projects in the state.

2003 Acts, ch 92, §19

# CHAPTER 305A

RESERVED

# CHAPTER 305B

## MUSEUM PROPERTY


| | |
|---|---|
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| 305B.2 | Definitions. |
| 305B.3 | Basic notice requirement. |
| 305B.4 | Conservation or disposal of loaned property. |
| 305B.5 | Notice of injury or loss. |
| 305B.6 | Notice of intent to terminate loan — acquiring title to loaned property. |
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| 305B.8 | Notice of intent to preserve an interest in property — requirements — form — disclosure. |
| 305B.9 | Limitations on actions against museums. |
| 305B.10 | Museum obligations. |
| 305B.11 | Required museum recordkeeping. |
| 305B.12 | Lender obligations to museum. |
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**305B.1 Short title.**

This chapter may be cited as the *"Museum Property Act"*.

88 Acts, ch 1117, §1

Referred to in §305B.13

**305B.2 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Claimant"* means a person who files a notice of intent to preserve an interest in property on loan to a museum as provided in section 305B.8.

2. *"Claimant's address"* means the most recent address as shown on a notice of intent to preserve an interest in property on loan to a museum, or notice of change of address, which notice is on file with the museum.

3. *"Lender"* means a person whose name appears on the records of the museum as the person legally entitled to property held or owing by the museum.

4. *"Lender's address"* means the most recent address as shown on the museum's records pertaining to the property on loan from the lender.

5. *"Loan"* means a deposit of property not accompanied by a transfer of title to the property.

6. *"Museum"* means an institution located in Iowa operated by a nonprofit corporation or a public agency, primarily for educational, scientific, historic preservation, or aesthetic purposes, which owns, borrows, cares for, exhibits, studies, archives, or catalogs property. *"Museum"* includes, but is not limited to, historical societies, historic sites or landmarks, parks, monuments, and libraries.

7. *"Property"* means a tangible object, animate or inanimate, under a museum's care which has intrinsic historic, artistic, scientific, or cultural value.

8. *"Undocumented property"* means property in the possession of a museum for which the museum cannot determine by reference to the museum's records the property's owner.

88 Acts, ch 1117, §2

Referred to in §305B.13

**305B.3 Basic notice requirement.**

1. *Contents.* In addition to any other information prescribed for a particular notice, all notices given pursuant to this chapter shall contain the following information:

*a.* Lender's name, or claimant's name, as appropriate.

*b.* Lender's last known address, or claimant's last known address, as appropriate.

*c.* Brief description of the property on loan.

*d.* Date of the loan, if known.

*e.* Name of the museum.

*f.* Name, address, and telephone number of the appropriate person or office to be contacted regarding the property.

2. *Mailed notice.* All notices given by a museum pursuant to this chapter shall be mailed to the lender's, and any claimant's, last known address by restricted certified mail, as defined

in section 618.15. Notice is deemed given if the museum receives proof of receipt within thirty days of mailing the notice.

3. *Published notice.* If the museum does not know the identity of the lender, or does not have an address for the lender, or if proof of receipt is not received by the museum within thirty days of mailing a notice under subsection 2, notice is deemed given if the museum publishes notice at least once a week for three consecutive weeks in a newspaper of general circulation in both of the following:

*a.* The county in which the museum is located.

*b.* The county of the lender's or claimant's address, if any.

88 Acts, ch 1117, §3
Referred to in §305B.13

**305B.4 Conservation or disposal of loaned property.**

1. Unless there is a written loan agreement to the contrary, a museum may apply conservation measures to or dispose of property on loan to the museum without the lender's or claimant's permission, or formal notice, if immediate action is required to protect the property on loan or other property in the custody of the museum or if the property on loan is a hazard to the health and safety of the public or the museum staff and if any of the following apply:

*a.* The museum is unable to reach the lender or claimant at the lender's or claimant's last known address or phone number if action is to be taken within more than three days but less than one week from the time the museum determined action was necessary.

*b.* The museum is unable to reach the lender or claimant at the lender's or claimant's last known phone number prior to taking action if the action is to be taken within three days or less from the time the museum determined action was necessary.

*c.* The lender or claimant does not respond or will not agree to the protective measures the museum recommends, yet is unwilling or unable to terminate the loan and retrieve the property.

2. If a museum applies conservation measures to or disposes of property under this section, or with the agreement of the lender and claimants unless the agreement provides otherwise, the museum:

*a.* Has a lien on the property and on the proceeds of any disposition of the property for the costs incurred by the museum.

*b.* Is not liable for injury to or loss of the property if the museum:

(1) Had a reasonable belief at the time the action was taken that the action was necessary to protect the property on loan or other property in the custody of the museum or that the property on loan was a hazard to the health and safety of the public or the museum staff.

(2) Exercised reasonable care in the choice and application of conservation measures.

88 Acts, ch 1117, §4
Referred to in §305B.13

**305B.5 Notice of injury or loss.**

A museum shall give a lender or claimant prompt notice of any known injury to or loss of property on loan. The department of cultural affairs shall adopt by rule a form for notice of injury or loss, no later than January 1, 1989, and shall distribute the rule and form to all identified museums in Iowa within sixty days after adoption of the rule. The notice shall be mailed to the lender's or claimant's last known address in event of injury or loss of property on loan to the museum. Published notice of injury or loss of undocumented property shall not be required.

88 Acts, ch 1117, §5
Referred to in §305B.13

**305B.6 Notice of intent to terminate loan — acquiring title to loaned property.**

1. A museum may acquire title to loaned property pursuant to this section. A museum may give notice of termination of a loan of property at any time if either of the following apply:

*a.* The property was loaned to the museum for an indefinite term.

*b.* The property was loaned to the museum for a specified term, and that term has expired.

2. If the lender or claimant does not respond to the notice of termination provided under subsection 1 within one year by filing a notice of intent to preserve an interest in property on loan, the museum acquires title to the property.

3. A notice of intent to terminate a loan must include a statement containing substantially the following information:

The records of (name of museum) indicate that you have property on loan to it. The institution wishes to terminate the loan. You must contact the institution, establish your ownership of the property pursuant to section 305B.8, and make arrangements to collect the property. If you fail to do so promptly, you will be considered to have donated the property to the institution.

88 Acts, ch 1117, §6
Referred to in §305B.9, 305B.10, 305B.13

**305B.7 Acquiring title to undocumented property.**

1. A museum may acquire title to undocumented property held by a museum for seven years or longer with no valid claim or written contact by any person, all verifiable through the museum's written records, by giving notice of acquisition of title to undocumented property.

2. If a lender or claimant does not respond to the notice provided in subsection 1 within three years by filing a notice of intent to retain an interest in property on loan, the museum's title to the property becomes uncontestable under section 305B.9.

3. A notice of acquisition of title must include a statement containing substantially the following information:

The records of (name of museum) fail to indicate the owner of record of certain property in its possession. The museum intends to acquire title to the below described property: (general description of the property). If you claim ownership or other legal interest in this property you must contact the institution, establish your ownership of the property pursuant to section 305B.8, and make arrangements to collect the property. If you fail to do so promptly, you will be considered to have waived any claim you may have had to the property.

88 Acts, ch 1117, §7
Referred to in §305B.13

**305B.8 Notice of intent to preserve an interest in property — requirements — form — disclosure.**

1. A notice of intent to preserve an interest in property on loan to a museum filed pursuant to this chapter shall be in writing and contain all of the following information:

*a.* A description of the property adequate to enable the museum to identify the property.

*b.* Documentation sufficient to establish the claimant as owner of the property.

*c.* A statement attesting to the truth, to the best of the signer's knowledge, of all information included in or with the notice.

*d.* The signature, under penalty of perjury, of the claimant or a person authorized to act on behalf of the claimant.

2. The museum need not retain a notice which does not meet the requirements set forth in subsection 1. If, however, the museum does not intend to retain a notice for this reason, the museum shall promptly notify the claimant at the address given on the notice that the museum believes the notice is ineffective to preserve an interest, and the reasons for the insufficiency. The fact that a museum retains a notice under section 305B.12 does not mean that the museum accepts the sufficiency or accuracy of the notice or that the notice is effective to preserve an interest in property on loan to the museum.

3. The department of cultural affairs shall adopt by rule a form for notice of intent to preserve an interest in property on loan to a museum. The form shall satisfy the requirements

of subsection 1 and shall notify the claimant of the rights and procedures to preserve an interest in museum property. The form shall also facilitate recordkeeping and record retrieval by a museum. At a minimum the form shall provide a place for recording evidence of receipt of a notice by a museum, including the date of receipt, signature of the person receiving the notice, and the date on which a copy of the receipt is returned to the claimant.

88 Acts, ch 1117, §8
Referred to in §305B.2, 305B.6, 305B.7, 305B.9, 305B.10, 305B.12, 305B.13

**305B.9 Limitations on actions against museums.**

1. An action shall not be brought against a museum for damages because of injury to or loss of property loaned to the museum more than three years from the date the museum gives the lender or claimant notice of the injury or loss or ten years from the date of the injury or loss, whichever occurs earlier.

2. An action shall not be brought against a museum to recover property on loan more than one year from the date the museum gives the lender or claimant notice of its intent to terminate the loan or notice of acquisition of title to undocumented property.

3. An action shall not be brought against a museum to recover property on loan more than seven years from the date of the last written contact between the lender or claimant and the museum as evidenced by the museum's records.

4. A lender or claimant is considered to have donated loaned property to the museum if the lender fails to file an action to recover the property on loan to the museum within the periods specified in subsections 1 through 3.

5. A person who purchases property from a museum acquires good title to the property if the museum represents that it has acquired title to the property pursuant to subsection 4.

6. Notwithstanding subsections 3 and 4, a lender or claimant who was not given notice as provided in this chapter that the museum intended to terminate a loan, as provided in section 305B.6, and who proves that the museum received an adequate notice of intent to preserve an interest in loaned property, which satisfies all of the requirements of section 305B.8, within the seven years immediately preceding the filing of an action to recover the property, may recover the property or, if the property has been disposed of, the reasonable value of the property at the time it was disposed of plus interest at the legal rate.

7. A museum is not liable at any time, in the absence of a court order, for returning property to the original lender, even if a claimant other than the lender has filed a notice of intent to preserve an interest in property. If persons claim competing interests in property in the possession of a museum, the burden is upon the claimants to prove their interest in an action in equity initiated by a claimant. A museum is not liable at any time for returning property to an uncontested claimant who produced reasonable proof of ownership pursuant to section 305B.8.

88 Acts, ch 1117, §9
Referred to in §305B.7, 305B.13

**305B.10 Museum obligations.**

In order to take title pursuant to this chapter a museum has the following obligations to a lender or claimant:

1. The museum shall retain all written records regarding the property for at least three years from the date of taking title pursuant to this chapter.

2. The museum shall keep written records on all loaned property acquired pursuant to section 305B.6. Records shall contain the following information:

*a.* Lender's name, address, and phone number.

*b.* Claimant's name, address, and phone number.

*c.* The nature and terms of the loan.

*d.* The beginning date of the loan period, if known.

3. A museum accepting a loan of property on or after January 1, 1989, shall inform the lender in writing at the time of the loan of the provisions of this chapter. A copy of the form notice prescribed in section 305B.8, or a citation to this chapter, is adequate for this purpose.

4. The museum is responsible for notifying a lender or claimant of the museum's change of address or dissolution.

88 Acts, ch 1117, §10

**305B.11 Required museum recordkeeping.**

1. On or after January 1, 1989, a museum shall at minimum maintain and retain the following records, either originals or accurate copies, for a period of not less than twenty-five years:

*a.* A notice of intent to preserve an interest in property.

*b.* The loan agreement, if any, and a receipt or ledger for property on loan.

*c.* A receipt or ledger for property delivered to an owner or claimant.

*d.* Records containing the following information, as available, for property in the museum's possession:

(1) Lender's name, address, and phone number.

(2) Claimant's name, address, and phone number.

(3) Donor's name, address, and phone number.

(4) Seller's name, address, and phone number.

(5) The nature and terms of the transaction (loan for specified term, loan for unspecified term, donation, purchase, etc.).

(6) The beginning date of the loan period or transaction date.

2. The department of cultural affairs may by rule determine the minimum form and substance of recordkeeping by museums with regard to museum property to implement this chapter.

88 Acts, ch 1117, §11; 2010 Acts, ch 1061, §180

**305B.12 Lender obligations to museum.**

1. The lender or claimant of property on loan to a museum shall notify the museum of a change of address or change in ownership of the property. Failure to notify the museum of these changes may result in the lender's or claimant's loss of rights in the property.

2. The lender or claimant of property on loan to a museum may file with the museum a notice of intent to preserve an interest in the property as provided for in section 305B.8. The filing of a notice of intent to preserve an interest in property on loan to a museum does not validate or make enforceable any claim which would be extinguished under the terms of a written agreement, or which would otherwise be invalid or unenforceable.

88 Acts, ch 1117, §12

Referred to in §305B.8

**305B.13 Retroactive applicability.**

1. Sections 305B.1 through 305B.8 are retroactively applicable to all property in the possession of a museum within the state on or after January 1, 1988.

2. Section 305B.9 is effective July 1, 1989, and when effective is retroactively applicable to all property in the possession of the museum before July 1, 1989, and is prospectively applicable to all property in the possession of the museum on or after July 1, 1989, for which a claim is filed on or after July 1, 1989.

88 Acts, ch 1117, §13

# TITLE VIII

## TRANSPORTATION

# SUBTITLE 1

## HIGHWAYS AND WATERWAYS

# CHAPTER 306

## ESTABLISHMENT, ALTERATION, AND VACATION OF HIGHWAYS

Referred to in §6A.21, 6B.56, 28J.27, 306A.3, 306A.4, 306A.5, 306A.6, 306A.7, 306A.8, 307.24, 310.22, 311.32, 313.2, 331.362

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## JURISDICTION AND CONTROL

**306.1** Repealed by 98 Acts, ch 1075, § 17. See § 306.3, 313.2.

**306.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agency"* means any governmental body which exercises jurisdiction over any road as provided in section 306.4.

2. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

3. *"Department"* means the state department of transportation.

[C75, 77, 79, 81, §306.2]

2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201

**306.3 Definition throughout Code.**

As used in this chapter or in any chapter of the Code relating to highways:

1. *"Area service"* or *"area service system"* means those secondary roads that are not part of the farm-to-market road system.

2. *"County conservation parkways"* or *"county conservation parkway system"* means those parkways located wholly within the boundaries of county lands operated as parks, forests, or public access areas.

3. *"Farm-to-market roads"* or *"farm-to-market road system"* means those county jurisdiction intracounty and intercounty roads which serve principal traffic generating areas and connect such areas to other farm-to-market roads and primary roads. The farm-to-market road system includes those county jurisdiction roads providing service for short-distance intracounty and intercounty traffic or providing connections between farm-to-market roads and area service roads, and includes those secondary roads which are federal aid eligible. The farm-to-market road system shall not exceed thirty-five thousand miles.

4. *"Interstate roads"* or *"interstate road system"* means those roads and streets of the primary road system that are designated by the secretary of the United States department of transportation as the national system of interstate and defense highways in Iowa.

5. *"Municipal street system"* means those streets within municipalities that are not primary roads or secondary roads.

6. *"Primary roads"* or *"primary road system"* means those roads and streets both inside and outside the boundaries of municipalities which are under department jurisdiction.

7. *"Public road right-of-way"* means an area of land, the right to possession of which is secured or reserved by the state or a governmental subdivision for roadway purposes. The right-of-way for all secondary roads is sixty-six feet in width, unless otherwise specified by the county board of supervisors of the respective counties.

8. *"Road"* or *"street"* means the entire width between property lines through private property or the designated width through public property of every way or place of whatever nature if any part of such way or place is open to the use of the public, as a matter of right, for purposes of vehicular traffic.

9. *"Secondary roads"* or *"secondary road system"* means those roads under county jurisdiction.

10. *"State park, state institution, and other state land road system"* consists of those roads and streets wholly within the boundaries of state lands operated as parks, or on which institutions or other state governmental agencies are located.

[C24, 27, §4636; C31, 35, §4644-c2; C39, §**4644.02;** C46, 50, §309.2; C54, 58, 62, 66, §306.2; C71, 73, 75, 77, 79, 81, §306.3]

92 Acts, ch 1153, §1; 98 Acts, ch 1075, §1; 2003 Acts, ch 144, §1

Referred to in §307A.2, 309.3, 310.10, 315.3, 321.285

**306.4 Jurisdiction of systems.**

The jurisdiction and control over the roads and streets of the state are vested as follows:

1. Jurisdiction and control over the primary roads shall be vested in the department.

2. Jurisdiction and control over the secondary roads shall be vested in the county board of supervisors of the respective counties.

3. *a.* Effective July 1, 2004, jurisdiction and control over a farm-to-market extension or road transferred pursuant to section 306.8A within a city with a population of less than five hundred shall be vested in the county board of supervisors of the respective county.

*b.* If the population of a city drops below five hundred after July 1, 2004, as determined by the latest available federal census or special census, jurisdiction and control over a farm-to-market extension located within the city shall be vested in the county board of supervisors of the respective county effective July 1 following census certification by the secretary of state.

*c.* If the population of a city from which jurisdiction and control over a road has been transferred pursuant to paragraph *"a"* or *"b"* exceeds seven hundred fifty, as determined by the latest available federal census or special census, such jurisdiction and control shall be transferred back to the city effective July 1 following census certification by the secretary of state.

4. *a.* Jurisdiction and control over the municipal street system shall be vested in the governing bodies of each municipality; except that the department and the municipal governing body shall exercise concurrent jurisdiction over the municipal extensions of primary roads in all municipalities. When concurrent jurisdiction is exercised, the department shall consult with the municipal governing body as to the kind and type of construction, reconstruction, repair, and maintenance and the two parties shall enter into agreements with each other as to the division of costs thereof.

*b.* When the two parties cannot initially come to agreement as to the division of costs under this subsection, they shall contract with an organization in this state to provide mediation services. The costs of the mediation services shall be equally allocated between the two parties. If after submitting to mediation the parties still cannot come to agreement as to the division of costs, the mediator shall sign a statement that the parties did not reach an agreement, and the parties shall then submit the matter for binding arbitration to a mutually agreed-upon third party. If the parties cannot agree upon a third-party arbitrator, they shall submit the matter to an arbitrator selected under the rules of the American arbitration association.

5. Jurisdiction and control over the roads and streets in any state park, state institution or other state land shall be vested in the board, commission, or agency in control of such park, institution, or other state land; except that:

*a.* The department and the controlling agency shall have concurrent jurisdiction over any road which is an extension of a primary road and which both enters and exits from the state land at separate points. The department may expend the moneys available for such roads in the same manner as the department expends such funds on other roads over which the department exercises jurisdiction and control. The parties exercising concurrent jurisdiction may enter into agreements with each other as to the kind and type of construction, reconstruction, repair and maintenance and the division of costs thereof. In the absence of such agreement the jurisdiction and control of such road shall remain in the department.

*b.* The board of supervisors of any county and the controlling state agency shall have concurrent jurisdiction over any road which is an extension of a secondary road and which both enters and exits from the state land at separate points. The board of supervisors of any county may expend the moneys available for such roads in the same manner as the board expends such funds on other roads over which the board exercises jurisdiction and control. The parties exercising concurrent jurisdiction may enter into agreements with each other as to the kind and type of construction, reconstruction, repair and maintenance and the division of costs thereof. In the absence of such agreement, the jurisdiction and control of such road shall remain in the board of supervisors of the county.

6. Jurisdiction and control over parkways within county parks and conservation areas shall be vested in the county conservation boards within their respective counties; except that:

*a.* The department and the county conservation board shall have concurrent jurisdiction over an extension of a primary road which both enters and exits from a county park or other county conservation area at separate points. The department may expend moneys available for such roads in the same manner as the department expends such funds on other roads over which the department exercises jurisdiction and control. The parties exercising concurrent jurisdiction may enter into agreements with each other as to the kind and type of construction, reconstruction, repair and maintenance and the division of costs thereof. In the absence of such agreement, the jurisdiction and control of such roads shall remain in the department.

*b.* The board of supervisors of any county and the county conservation board shall have concurrent jurisdiction over an extension of a secondary road which both enters and exits from a county park or other county conservation area at separate points. The board of supervisors of any county may expend moneys available for such roads in the same manner as the board expends such funds on other roads over which the board exercises jurisdiction and control. The parties exercising concurrent jurisdiction may enter into agreements with each other as to the kind and type of construction, reconstruction, repair and maintenance and the division of costs thereof. In the absence of such agreement, the jurisdiction and control of such roads shall remain in the board of supervisors of the county.

[C51, §514; R60, §819; C73, §920; C97, §1482; C24, 27, §4560, 4635 – 4677, 4780 – 4812; C31, 35, §4560, 4644-c1; C39, §**4560, 4644.01;** C46, 50, §309.1; C54, 58, 62, 66, §306.3; C71, 73, 75, 77, 79, 81, §306.4]

89 Acts, ch 134, §1; 2003 Acts, ch 144, §2; 2010 Acts, ch 1061, §180

Referred to in §306.2, 307.22, 307A.2, 308.5, 312.3, 331.362

**306.5 Continuity of farm-to-market road system in municipalities, parks, and institutions.**

The farm-to-market road system shall be a continuous interconnected system and provision shall be made for continuity by the designation of extensions within municipalities, state parks, state institutions, other state lands, and county parks and conservation areas. The mileage of such extensions of the system shall be included in the total mileage of the farm-to-market road system.

[C71, 73, 75, 77, 79, 81, §306.5]

98 Acts, ch 1075, §2

**306.6 Farm-to-market review board.**

A farm-to-market review board is created. Members shall be appointed by the Iowa county engineers association. This board shall select a chairperson from among its members by majority vote of the total membership.

The farm-to-market review board shall review any and all farm-to-market system modification proposals. The farm-to-market review board shall make final administrative determinations based on sound farm-to-market road system designation principles for all modifications relative to the farm-to-market road system.

[C71, 73, 75, 77, 79, 81, §306.6; 81 Acts, ch 97, §1]

86 Acts, ch 1245, §2034; 87 Acts, ch 43, §6; 90 Acts, ch 1223, §25; 95 Acts, ch 3, §1; 98 Acts, ch 1075, §3

**306.6A Farm-to-market road system modifications.**

1. Modifications to the existing farm-to-market road system and designation of farm-to-market routes on new alignment shall be accomplished in accordance with procedural rules adopted by the farm-to-market review board, subject to the following procedures:

*a.* Counties shall initiate system modifications by submitting a resolution from the board of supervisors to the department.

*b.* The department shall submit the resolution to the farm-to-market review board and provide additional material as requested by the board.

*c.* Upon receipt of a county's resolution requesting a farm-to-market system modification,

the farm-to-market review board shall review the proposed system modification and shall consider, but not be limited to consideration of, the following factors:

(1) Intracounty and intercounty continuity of systems.
(2) Properly integrated systems.
(3) Existing and potential traffic.
(4) Land use.
(5) Location.
(6) Equitable distribution of farm-to-market mileage among the counties.

2. Upon completion of the review process, the farm-to-market review board may do any of the following:

*a.* Approve the requested modifications to the farm-to-market road system and submit the modifications to the department for processing.

*b.* Deny the requested modifications.

*c.* Request additional information for further review.

98 Acts, ch 1075, §4

**306.7** Repealed by 98 Acts, ch 1075, § 17.

**306.8 Transfer of jurisdiction.**

Prior to a change in jurisdiction of a road or street, the unit of government having jurisdiction shall either place the road or street and any structures on the road or street in good repair or provide for the transfer of money to the appropriate jurisdiction in an amount sufficient for the repairs to the road or street and any structures on the road or street.

Transfers of the jurisdiction and control of roads and streets may take place if agreements are entered into between the jurisdictions of government involved in the transfer of such roads and streets.

[C71, §306.8; C73, 75, 77, §306.8, 313.2; C79, 81, §306.8]

98 Acts, ch 1075, §5

Referred to in §306.8A

**306.8A Transfer of roads identified in report.**

1. The department shall maintain on file the transfer of jurisdiction report compiled by the ad hoc road use tax fund committee. Such report identifies primary roads for transfer to local jurisdictions.

2. The jurisdiction and control of only those primary roads identified in the transfer of jurisdiction report that are also classified by the department as local service roads shall be transferred from the state to the appropriate county or city effective July 1, 2003. Such transfers are not subject to the terms and conditions provided in section 306.8.

2003 Acts, ch 144, §3

Referred to in §306.4, 307.22, 313.4

**306.9 Diagonal roads — restoring and improving existing roads.**

It is the policy of the state of Iowa that relocation of primary highways through cultivated land shall be avoided to the maximum extent possible. When the volume of traffic for which the road is designed or other conditions, including designation as part of the network of commercial and industrial highways, require relocation, diagonal routes shall be avoided if feasible and prudent alternatives consistent with efficient movement of traffic exist.

The improvement of two-lane roads shall utilize the existing right-of-way unless alignment or other conditions, including designation as part of the network of commercial and industrial highways, make changes imperative, and when a two-lane road is expanded to a four-lane road, the normal procedure shall be that the additional right-of-way be contiguous to the existing right-of-way unless relocated for compelling reasons, including the need to provide efficient movement of traffic on the network of commercial and industrial highways. This policy does not apply to a highway project for which the corridor has been approved by the state department of transportation and the corridor has been finalized by September 1, 1977.

It is the policy of the state of Iowa that in constructing primary highways designed with four-lane divided roadways, access controls shall be limited to the minimum level necessary,

as determined by the department, to ensure the safe and efficient movement of traffic or to comply with federal aid requirements.

Unless otherwise required by the federal law or regulation, it is also the policy of this state that road use tax fund moneys shall be used to rehabilitate or reconstruct existing roads, streets, and bridges using substantially existing right-of-way. This paragraph does not apply where additional right-of-way is needed for the construction or completion of designated interstate or city routes and highway bypasses or highways designated as part of the network of commercial and industrial highways.

[C79, 81, §306.9; 81 Acts 2d Ex, ch 2, §1]

83 Acts, ch 198, §14; 89 Acts, ch 134, §2; 98 Acts, ch 1075, §6

**306.10 Power to establish, alter, or vacate.**

In the construction, improvement, operation or maintenance of any highway, or highway system, the agency which has control and jurisdiction over such highway or highway system, shall have power, on its own motion, to alter or vacate and close any such highway or railroad crossing thereon, and to establish new highways or railroad crossing thereon which are or are intended to become a part of the highway system over which said agency has jurisdiction and control.

[C73, §937, 954; C97, §1496, 1509; S13, §1509; C24, §4577, 4593, 4732; C27, 31, §4577, 4593, 4755-b27, 4755-d2; C35, §4577, 4593, 4631-e1, 4755-b27, 4755-d2; C39, §**4577, 4593, 4631.1, 4755.23, 4755.37;** C46, 50, §306.18, 306.34, 308.2, 313.25, 313.46; C54, 58, 62, 66, §306.4; C71, 73, 75, 77, 79, 81, §306.10]

**306.11 Hearing — place — date.**

In proceeding to the vacation and closing of a road, part thereof, or railroad crossing, the agency in control of the road, or road system, shall fix a date for a hearing on the vacation and closing in the county where the road, or part thereof, or crossing, is located, and if located in more than one county, then in a county in which any part of the road or crossing is located. If the road to be vacated or changed is a secondary road located in more than one county, the boards of supervisors of the counties, acting jointly, shall fix a date for a hearing on the vacation or change in either or any of the counties where the road, or part thereof, is located. If the proposed vacation is of part of a road right-of-way held by easement and will not change the existing traveled portion of the road or deny access to the road by adjoining landowners, a hearing is not required.

[C31, 35, §4755-d2, 4755-d3; C39, §**4755.37, 4755.38;** C46, 50, §313.46, 313.47; C54, 58, 62, 66, §306.5; C71, 73, 75, 77, 79, 81, §306.11]

2000 Acts, ch 1074, §1; 2000 Acts, ch 1232, §65

Referred to in §306.12, 306A.6

**306.12 Notice — service.**

Notice of the hearing under section 306.11 shall be published in a newspaper of general circulation in the county or counties where the road is located, not less than four nor more than twenty days prior to the date of hearing. The agency which is holding the hearing shall notify all adjoining property owners, all utility companies whose facilities adjoin the road right-of-way or are on the road right-of-way, and the department, boards of supervisors, or agency in control of affected state lands, of the time and place of the hearing, by certified mail.

[SS15, §1527-r7; C24, 27, §4621; C31, 35, §4621, 4755-d4; C39, §**4621, 4755.39;** C46, 50, §306.62, 313.48; C54, 58, 62, 66, §306.6; C71, 73, 75, 77, 79, 81, §306.12]

92 Acts, ch 1049, §1; 94 Acts, ch 1013, §1; 95 Acts, ch 54, §1; 2000 Acts, ch 1074, §2

Referred to in §306A.6

**306.13 Notice — requirements.**

Said notice shall state the time and place of such hearing, the location of the particular road, or part thereof, or crossing, the vacation and closing of which is to be considered, and such other data as may be deemed pertinent.

[C31, 35, §4755-d5; C39, §**4755.40;** C46, 50, §313.49; C54, 58, 62, 66, §306.7; C71, 73, 75, 77, 79, 81, §306.13]

Referred to in §306A.6

**306.14 Objections — claims for damages.**

The department, the board of supervisors, or the agency in control of affected state lands and any interested person, may appear and be heard at the hearing. Any person owning land abutting on a road proposed to be vacated and closed, shall have the right to file, in writing, a claim for damages at any time on or before the date fixed for hearing. However, for purposes of this chapter, if an occupied homestead is not located on the abutting land and if the vacating and closing of the road will not landlock the abutting land, a person shall not have a right to claim damages.

[C31, 35, §4755-d6; C39, §**4755.41;** C46, 50, §313.50; C54, 58, 62, 66, §306.8; C71, 73, 75, 77, 79, 81, §306.14]

94 Acts, ch 1013, §2

Referred to in §306A.6

**306.15 Purchase and sale of property.**

If as to any one or more properties affected by the proposed vacation and closing of a secondary road, it appears to the board of supervisors to be in the interest of economy or public welfare, the board may purchase or condemn, by proceeding as this chapter provides, the entire properties, and make payment for them. After the road has been vacated and closed the board shall sell the properties at the best attainable price.

[C31, 35, §4755-d7; C39, §**4755.42;** C46, 50, §313.51; C54, 58, 62, 66, §306.9; C71, 73, 75, 77, 79, 81, §306.15]

83 Acts, ch 123, §107, 209

Referred to in §306A.6, 331.429

**306.16 Final order.**

After the hearing, the agency which instituted the proceedings and conducted the hearing shall enter an order either dismissing the proceedings, or vacating and closing the road, part thereof, or crossing, in which event it shall determine and state in the order the amount of the damages allowed to each claimant. The order thus entered shall be final except as to the amount of the damages unless the order is rescinded as provided in section 306.17. A copy of the order shall be filed with the county auditor of the county or counties in which the road, part thereof, or crossing, is located and with the department and the agency in control of any affected state land.

[C31, 35, §4755-d7; C39, §**4755.42;** C46, 50, §313.51; C54, 58, 62, 66, §306.10; C71, 73, 75, 77, 79, 81, §306.16]

Referred to in §306A.6

**306.17 Appeal.**

Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, any claimant for damages may, by serving, within twenty days after the order has been issued, a written notice upon the agency which instituted and conducted the proceedings, appeal as to the amount of damages, to the district court of the county in which the land is located, in the manner and form prescribed in chapter 6B with reference to appeals from condemnation, and the proceedings shall thereafter conform to the applicable provisions of that chapter. If, in the opinion of the agency, the damages as finally determined on appeal are excessive, the agency may rescind its order vacating and closing the road, part thereof, or crossing, and the right-of-way shall remain under the jurisdiction of the agency. If the order is rescinded at any

time after an appeal is taken, the agency shall pay reasonable attorney fees incurred by the claimant as taxed by the court.

[R60, §873; C73, §959; C97, §1513; C24, 27, §4597; C31, 35, §4597, 4755-d8; C39, §**4597, 4755.43;** C46, 50, §306.38, 313.52; C54, 58, 62, 66, §306.11; C71, 73, 75, 77, 79, 81, §306.17]

2003 Acts, ch 44, §114

Referred to in §306.16, 306A.6

**306.18 Establishment.**

In the establishment of any road, the agency in control of such road or road system need not cause a hearing to be held thereon or notice to be published thereof, but may do so.

[C51, §535, 536; R60, §840, 841; C73, §934; C97, §1493; C24, 27, 31, 35, 39, §**4573;** C46, 50, §306.14; C54, 58, 62, 66, §306.12; C71, 73, 75, 77, 79, 81, §306.18]

**306.19 Right-of-way — access — notice.**

1. In the maintenance, relocation, establishment, or improvement of any road, including the extension of such road within cities, the agency having jurisdiction and control of such road shall have authority to purchase or to institute and maintain proceedings for the condemnation of the necessary right-of-way therefor. Such agency shall likewise have power to purchase or institute and maintain proceedings for the condemnation of land necessary for highway drainage, or land containing gravel or other suitable material for the improvement or maintenance of highways, together with the necessary road access or right of access thereto.

2. Whenever the agency condemns or purchases property access rights or alters by lengthening any existing driveway to a road from abutting property, except during the time required for construction and maintenance of the road or highway, the agency shall:

*a.* Compensate the owner for any diminution in the market value of the property by the denial or alteration by lengthening the driveway. In computing the diminution in value, no consideration shall be given to the additional maintenance expense for maintaining the additional length of driveway, but in lieu thereof, both in condemnation proceedings or negotiated purchases, the agency shall pay to the owner the sum of twenty dollars for every lineal foot of additional length of driveway located on the owner's property. This payment shall represent just compensation to the property owner for the additional driveway maintenance caused by reason of the highway or road project.

*b.* If in the opinion of the agency it would be more economical to purchase the entire tract of the property owner than to provide and pay the maintenance expense required under the provisions of this section, proceed with the acquisition of the entire tract of land; or

*c.* If mutually agreeable, move buildings from an existing location to a location requiring an equal or lesser length of driveway and provide an adequate driveway to a public road.

3. None of the foregoing requirements shall prohibit the property owner and the agency from entering into a mutually acceptable agreement for the replacement, relocation, construction, or maintenance of any alternate driveway on the owner's property. Compensation for any property rights taken in the establishment of any alternative temporary or permanent access shall be paid as in any other purchase or condemnation of property.

4. Proceedings for the condemnation of land for any highway shall be under the provisions of chapter 6A and chapter 6B. Provided that, in the condemnation of right-of-way for secondary roads that is contiguous to existing road right-of-way for the maintenance, safety improvement, or upgrade of the existing secondary road, the board of supervisors may proceed as provided in sections 306.28 to 306.37.

5. *a.* The department may notify a city or county that a road under the jurisdiction or control of the department will be established, improved, relocated, or maintained and that the department may need to acquire additional right-of-way or property rights within an area described by the department. The notice shall include a depiction of the area on a map provided by the city, county, or the department. This notice shall be valid for a period of three years from the date of notification to the city or county and may be refiled by the department every three years. Within seven days of filing the notice, the department shall publish in

a newspaper of public record a description and map of the area and a description of the potential restrictions applied to the city or county with respect to the granting of building permits, approving of subdivision plats, or zoning changes within the area.

*b.* The city or county shall notify the department of an application for a building permit for construction valued at twenty-five thousand dollars or more, of the submission of a subdivision plat, or of a proposed zoning change within the area at least thirty days prior to granting the proposed building permit, approving the subdivision plat, or changing the zoning.

*c.* If the department, within the thirty-day period, notifies the city or county that the department is proceeding to acquire all or part of the property or property rights affecting the area, the city or county shall not issue the building permit, approve the subdivision plat, or change the zoning. The department may apply to the city or county for an extension of the thirty-day period. After a public hearing on the matter, the city or county may grant an additional sixty-day extension of the period.

*d.* The department shall begin the process of acquiring property or property rights from affected persons within ten days of the department's written notification of intent to the city or county.

6. If the agency determines that it is necessary to relocate a utility facility, the agency shall have the authority to institute and maintain proceedings on behalf of the owner of the utility facility for the condemnation of replacement property rights. The replacement property rights shall be equal in substance to the existing rights of the owner of the utility facility, except that the replacement property rights shall be for a width and location deemed appropriate and necessary for the needs of the owner of the utility facility, as determined by the agency and the owner of the facility. The replacement property rights of the owner of the utility facility shall be subordinate to the rights of the agency only to the extent necessary for the construction and maintenance of the designated road. Within a reasonable time after completion of the relocation, all previously owned property rights of the owner of the utility facility no longer required for operation and maintenance of the utility facility shall be released or conveyed to the appropriate parties. The authority of the agency under this subsection may only be exercised upon execution of a relocation agreement between the agency and the owner of the utility facility. For purposes of this subsection, "*utility facility*" means an electric, gas, water, steam power, or materials transmission or distribution system; a transportation system; a communications system, including cable television; and fixtures, equipment, or other property associated with the operation, maintenance, or repair of the system. A utility facility may be publicly, privately, or cooperatively owned.

7. For the purposes of this section, the term "*driveway*" shall mean a way of ingress and egress located entirely on private property, consisting of a lane or passageway leading from a residence to a public roadway or highway.

[C24, §4732; C27, 31, 35, §4755-b27; C39, §**4658, 4683.23, 4755.23;** C46, 50, §309.64, 310.23, 313.25; C54, 58, 62, 66, §306.13; C71, 73, 75, 77, 79, 81, §306.19]

91 Acts, ch 114, §1; 94 Acts, ch 1030, §1; 95 Acts, ch 135, §2; 96 Acts, ch 1126, §1; 99 Acts, ch 171, §26, 27, 42; 2001 Acts, ch 32, §1

Referred to in §331.304

**306.20 Cemeteries.**

No road shall be established through any cemetery or burying ground without the consent of all the parties affected by the same.

[C51, §525; R60, §830; C73, §925; C97, §1487; SS15, §1527-r4; C24, §4566, 4732; C27, 31, 35, §4566, 4755-b27; C39, §**4566, 4755.23;** C46, 50, §306.7, 313.25; C54, 58, 62, 66, §306.14; C71, 73, 75, 77, 79, 81, §306.20]

**306.21 Plans, plats and field notes filed.**

All road plans, plats and field notes and true and accurate diagrams of water, sewage and electric power lines for rural subdivisions shall be filed with and approved by the board of supervisors and the county engineer before the subdivision is laid out or recorded. Such plans shall be clearly designated as "completed", "partially completed" or "proposed" with a

statement of the portion completed and the expected date of full completion. If such road plans are not approved as provided in this section such roads shall not become the part of any road system as defined in this chapter.

[C51, §533, 550; R60, §838, 855; C73, §933, 949; C97, §1492, 1504; C24, 27, §4571, 4589; C31, 35, §4571, 4589, 4755-c1; C39, §**4571, 4589, 4619, 4686.24, 4755.24;** C46, 50, §306.12, 306.30, 306.60, 310.24, 313.26; C54, 58, 62, 66, §306.15; C71, 73, 75, 77, 79, 81, §306.21]

90 Acts, ch 1236, §43

Referred to in §331.502, 543C.1, 714.16

**306.22 Sale of unused right-of-way.**

1. When title to any tract of land has been or may be acquired for the construction or improvement of any highway, and when in the judgment of the agency in control of the highway, the tract will not be used in connection with or for the improvement, maintenance, or use of the highway, the agency in control of the highway may sell the tract for cash.

2. The department may contract for the sale of any tract of land subject to the following terms and conditions:

*a.* The discounted present market value of the contract offer, including the cash down payment, shall exceed one hundred ten percent of the highest cash offer submitted for the tract if a cash offer is received. The discount rate shall be the rate of interest stated in the contract.

*b.* The cash down payment shall be equal to or in excess of five percent of the total purchase price.

*c.* The term of the contract shall not exceed ten years.

*d.* The rate of interest stated in the contract shall not be less than the prevailing rate of interest charged on contract land sales by sellers in the county or general area in which the tract of land is located.

*e.* The department shall advertise for cash bids and contract offers before accepting a contract offer.

*f.* The appraised value of property sold under a land contract sale shall be at least five thousand dollars.

*g.* Any tract of land sold on contract shall be listed on the tax rolls by and taxed to the contract purchaser, as provided in chapters 428 and 443; assessed and valued as provided in chapter 441; taxes levied as provided in chapter 444; collected as provided in chapter 445; and subject to tax sale, redemption, and apportionment of taxes as provided in chapters 446 to 449. The contract purchaser shall discharge and pay all taxes.

3. If any tract of land is sold, the sale shall be subject to the right of a utility association, company, or corporation to continue in possession of a right-of-way in use at the time of the sale.

[C35, §4755-f1; C39, §**4755.44;** C46, 50, §313.53; C54, 58, 62, 66, §306.16; C71, 73, 75, 77, 79, 81, §306.22]

86 Acts, ch 1245, §1987; 92 Acts, ch 1163, §71; 2010 Acts, ch 1061, §180

Referred to in §306.42

**306.23 Notice — preference of sale.**

1. The agency in control of a tract, parcel, or piece of land, or part thereof, which is unused right-of-way shall send by certified mail to the last known address of the present owner of adjacent land from which the tract, parcel, piece of land, or part thereof, was originally purchased or condemned for highway purposes, and to the person who owned the land at the time it was purchased or condemned for highway purposes, notice of the agency's intent to sell the land, the name and address of any other person to whom a notice was sent, and the fair market value of the real property based upon an appraisal by an independent appraiser.

2. The notice shall give an opportunity to the present owner of adjacent property and to the person who owned the land at the time it was purchased or condemned for highway purposes to be heard and make offers within sixty days of the date the notice is mailed for the tract, parcel, or piece of land to be sold. An offer which equals or exceeds in amount any other offer received and which equals or exceeds the fair market value of the property

shall be given preference by the agency in control of the land. If no offers are received within sixty days or if no offer equals or exceeds the fair market value of the land, the agency shall transfer the land for a public purpose or proceed with the sale of the property.

3. For the purposes of this section, "*public purpose*" means the transfer to a state agency or a city, county, or other political subdivision for a public purpose.

[C35, §4755-f2; C39, §**4755.45;** C46, 50, §313.54; C54, 58, 62, 66, §306.17; C71, 73, 75, 77, 79, 81, §306.23; 81 Acts, ch 98, §1; 82 Acts, ch 1104, §7]

87 Acts, ch 35, §1; 97 Acts, ch 149, §2, 3

Referred to in §331.361

**306.24 Conditions.**

Any sale of land as herein authorized shall be upon the conditions that the tract, parcel, or piece of land so sold shall not be used in any manner so as to interfere with the use of the highway by the public, or to endanger public safety in the use of the highway, or to the material damage of the adjacent owner.

[C35, §4755-f3; C39, §**4755.46;** C46, 50, §313.55; C54, 58, 62, 66, §306.18; C71, 73, 75, 77, 79, 81, §306.24]

**306.25 Execution of conveyance.**

If a sale of land in connection with a primary road, state park road, or institutional road has been authorized as provided in this chapter, written conveyances containing the conditions as prescribed by the controlling state agency shall be made in the name of the state and signed by the governor and secretary of state, with the great seal of the state of Iowa attached. If a sale of land in connection with a secondary road has been authorized by the board of supervisors as provided in this chapter, written conveyances containing the provisions prescribed by the board of supervisors shall be made in the name of the county and signed by the chairperson of the board of supervisors and the county auditor.

[C35, §4755-f4; C39, §**4755.47;** C46, 50, §313.56; C54, 58, 62, 66, §306.19; C71, 73, 75, 77, 79, 81, §306.25]

92 Acts, ch 1163, §72

Referred to in §331.502

**306.26 Payment of damages and right-of-way cost — proceeds of sale.**

Damages allowed on account of the vacation of any highway and costs incident thereto, right-of-way or land purchased or condemned for or on account of any highway and costs incident thereto, and the funds received from the sale or rental of any highway right-of-way or land, shall be paid from or credited to, as the case may be, the road fund or funds applicable to said highway or highway system.

[C51, §546; R60, §851; C73, §946; C97, §1501; C24, 27, §4586; C31, 35, §4586, 4755-d8, -f5; C39, §**4586, 4755.43, 4755.48;** C46, 50, §306.27, 313.52, 313.57; C54, 58, 62, 66, §306.20; C71, 73, 75, 77, 79, 81, §306.26]

## CHANGES IN ROADS, STREAMS, OR DRY RUNS

**306.27 Changes for safety, economy, and utility.**

The state department of transportation as to primary roads and the boards of supervisors as to secondary roads on their own motion may change the course of any part of any road or stream, watercourse, or dry run and may pond water in order to avoid the construction and maintenance of bridges, or to avoid grades, or railroad crossings, or to straighten a road, or to cut off dangerous corners, turns or intersections on the highway, or to widen a road above statutory width, or for the purpose of preventing the encroachment of a stream, watercourse, or dry run upon the highway. The department and the board of supervisors shall conduct their proceedings in the manner and form prescribed in chapter 6B, except that the board of supervisors may use the form prescribed in sections 306.28 to 306.37 for the condemnation of right-of-way that is contiguous to existing road right-of-way and

necessary for the maintenance, safety improvement, or upgrade of the existing secondary road. Changes are subject to chapter 455B and chapter 459, subchapters II and III.

[C97, §427; SS15, §1527-r1; C24, 27, 31, 35, 39, §**4607;** C46, 50, §306.48; C54, 58, 62, 66, §306.21; C71, 73, 75, 77, 79, 81, §306.27]

83 Acts, ch 101, §66; 87 Acts, ch 61, §1; 99 Acts, ch 171, §28, 42

Referred to in §331.304

**306.28 Appraisers.**

If the board is unable, by agreement with the owner, to acquire the necessary right-of-way to effect such change, a compensation commission shall be selected pursuant to section 6B.4, to appraise the damages consequent on the taking of the right-of-way.

[SS15, §1527-r1, -r2; C24, 27, 31, 35, 39, §**4610;** C46, 50, §306.51; C54, 58, 62, 66, §306.22; C71, 73, 75, 77, 79, 81, §306.28]

99 Acts, ch 171, §29, 42

Referred to in §306.19, 306.27, 331.304

**306.29 Notice.**

The county auditor shall cause the following notice to be served on the individual owner of each tract or parcel of land to be taken for such right-of-way, as shown by the transfer books in the office of such county auditor, and upon each person owning or holding a mortgage, or lease, upon such land as shown by the county records, and upon the actual occupant of such land if other than the owner thereof:

To whom it may concern: Notice is given that the board of supervisors of ..... county, Iowa, propose to condemn for road purposes the following described real estate in said county: (Here describe the right-of-way, and the tract or tracts from which such right-of-way will be taken.) The damages caused by said condemnation will be assessed by a compensation commission appointed as provided by law for the purpose of appraising the damages. All parties interested are further notified that the compensation commission will, when duly appointed, proceed to appraise the damages, will report the appraisement to the board of supervisors and that the board will pass thereon as provided by law, and that at all such times and places you may be present. You are further notified that at the hearing before the supervisors you may file objections to the use of the land for road purposes and that all such objections not so made will be deemed waived.

.....

County Auditor.

[SS15, §1527-r2, -r3, -r6; C24, 27, 31, 35, 39, §**4611;** C46, 50, §306.52; C54, 58, 62, 66, §306.23; C71, 73, 75, 77, 79, 81, §306.29]

99 Acts, ch 171, §30, 42

Referred to in §306.19, 306.27, 331.304, 331.502

**306.30 Service of notice.**

Owners, occupants, and mortgagees of record who are residents of the county shall be personally served in the manner in which and for the time original notices in the district court are required to be served.

Owners and mortgagees of record who do not reside in the county and owners and mortgagees of record who do reside in the county when the officer returns that they cannot be found in the county, shall be served by publishing the notice as provided in section 331.305 and also by mailing by certified mail a copy of the notice to the owner and mortgagee of record addressed to the owner's and mortgagee of record's last known address, and the

county auditor shall furnish to the board of supervisors the county auditor's affidavit that the notice has been sent, which affidavit shall be conclusive evidence of the mailing of the notice.

Personal service outside the county but within the state shall take the place of service by publication.

No service need be had on one who has exercised the right to select an appraiser.

[SS15, §1527-r2, -r3; C24, 27, 31, 35, 39, §**4612;** C46, 50, §306.53; C54, 58, 62, 66, §306.24; C71, 73, 75, 77, 79, 81, §306.30]

87 Acts, ch 43, §7

Referred to in §306.19, 306.27, 331.304, 331.502

Time and manner of service, R.C.P. 1.302 – 1.315

**306.31 Assessment.**

The appraisers shall forthwith proceed to the assessment of damages and shall make written report of the damages to the board of supervisors.

[SS15, §1527-r2; C24, 27, 31, 35, 39, §**4613;** C46, 50, §306.54; C54, 58, 62, 66, §306.25; C71, 73, 75, 77, 79, 81, §306.31]

99 Acts, ch 171, §31, 42

Referred to in §306.19, 306.27, 331.304, 331.502

**306.32 Hearing — adjournment.**

The board shall proceed to a hearing on the objections or assessment of damages of any owner, mortgagee of record, and the actual occupant of such land if any of whom it has acquired jurisdiction, or if there be owners, mortgagee of record, and the actual occupant of such land if any over whom jurisdiction has not been acquired, the board may adjourn such hearing until a date when jurisdiction will be complete as to all owners.

[SS15, §1527-r3; C24, 27, 31, 35, 39, §**4614;** C46, 50, §306.55; C54, 58, 62, 66, §306.26; C71, 73, 75, 77, 79, 81, §306.32]

Referred to in §306.19, 306.27, 331.304

**306.33 Hearing on objections.**

The board shall, at the final hearing, first pass on the objections to the proposed change. If objections be sustained the proceedings shall be dismissed unless the board finds that the objections may be avoided by a change of plans, and to this end an adjournment may be ordered, if necessary, in order to secure service on additional parties.

[SS15, §1527-r3; C24, 27, 31, 35, 39, §**4615;** C46, 50, §306.56; C54, 58, 62, 66, §306.27; C71, 73, 75, 77, 79, 81, §306.33]

Referred to in §306.19, 306.27, 331.304

**306.34 Hearing on claims for damages.**

When objections to the proposed change are overruled, the board shall proceed to determine the damages to be awarded to each claimant. If the damages finally awarded are, in the opinion of the board, excessive, the proceedings shall be dismissed; if not excessive, the board may, by proper order, establish such proposed change.

[SS15, §1527-r3; C24, 27, 31, 35, 39, §**4616;** C46, 50, §306.57; C54, 58, 62, 66, §306.28; C71, 73, 75, 77, 79, 81, §306.34]

Referred to in §306.19, 306.27, 331.304

**306.35 Appeals.**

Claimants for damages may appeal to the district court from the award of damages in the manner and time for taking appeals from the orders establishing highways generally.

[C97, §428; SS15, §1527-r3; C24, 27, 31, 35, 39, §**4617;** C46, 50, §306.58; C54, 58, 62, 66, §306.29; C71, 73, 75, 77, 79, 81, §306.35]

Referred to in §306.19, 306.27, 331.304

**306.36 Damages on appeal — rescission of order.**

If the damages as finally determined on appeal be, in the opinion of the board, excessive, the board may rescind its order establishing such change.

[SS15, §1527-r3; C24, 27, 31, 35, 39, §**4618;** C46, 50, §306.59; C54, 58, 62, 66, §306.30; C71, 73, 75, 77, 79, 81, §306.36]

Referred to in §306.19, 306.27, 331.304

**306.37 Tender of damages.**

No appeal from an award of damages shall delay the prosecution of the work when the amount of the award is tendered in writing to the claimant and such tender is kept good. An order to the auditor to issue warrants to claimants for damages shall constitute a valid tender, if funds are available to promptly meet such warrants. Acceptance of the amount of such tender bars an appeal. Should possession of the condemned premises be taken pending appeal and the final award be not paid, the county shall be liable for all damages caused during such possession.

[SS15, §1527-r3; C24, 27, 31, 35, 39, §**4620;** C46, 50, §306.61; C54, 58, 62, 66, §306.31; C71, 73, 75, 77, 79, 81, §306.37]

Referred to in §306.19, 306.27, 331.304, 331.502

GENERAL PROVISIONS

**306.38 Rental of acquired property pending use.**

In the event that land acquired for improvement of any highway is not immediately needed for such improvement, the agency in control of said highway may rent such land or buildings thereon to responsible persons for a cash rental consistent with the fair market value of similar property. The said agency may employ a local real estate firm for management and collection of rentals or may do so directly through its own personnel. The commission or service charge of such real estate company shall be paid out of such rentals.

[C62, 66, §306.32; C71, 73, 75, 77, 79, 81, §306.38]

**306.39 Flooding highways — federal water resources projects.**

The agency which has control and jurisdiction over any highway or highway system which may be affected by a federal water resources project may grant, sell, exchange, or convey to the United States of America, the perpetual right, power, privilege and easement to overflow, flood, and submerge all of the portion of easements for highway purposes under the control and jurisdiction of such agency.

[C66, §306.33; C71, 73, 75, 77, 79, 81, §306.39]

Referred to in §306.40

**306.40 Easements conveyed.**

If an easement authorized under section 306.39 is conveyed in connection with a primary road, state park road, or institutional road, written conveyances containing the conditions as prescribed by the controlling state agency shall be made in the name of the state and signed by the governor and secretary of state, with the seal of the state of Iowa attached. If the easement is conveyed in connection with a secondary road, written conveyances containing the provisions prescribed by the board of supervisors shall be made in the name of the county and signed by the chairperson of the board and the county auditor.

[C66, §306.34; C71, 73, 75, 77, 79, 81, §306.40]

92 Acts, ch 1163, §73

Referred to in §331.502

**306.41 Temporary closing for construction.**

The agency having jurisdiction and control over any highway in the state, or the chief engineer of said agency when delegated by such agency, may temporarily close sections of a highway by formal resolution entered upon the minutes of such agency when reasonably necessary because of construction, reconstruction, maintenance or natural disaster and

shall cause to be erected "road closed" signs and partial or total barricades in the roadway at each end of the closed highway section and on the closed highway where that highway is intersected by other highways if such intersection remains open. Any numbered road closed for over forty-eight hours shall have a designated detour route. The agency having jurisdiction over a section of highway closed in accordance with the provisions of this section, or the persons or contractors employed to carry out the construction, reconstruction, or maintenance of the closed section of highway, shall not be liable for any damages to any vehicle that enters the closed section of highway or the contents of such vehicle or for any injuries to any person that enters the closed section of highway, unless the damages are caused by gross negligence of the agency or contractor.

Nothing herein shall be construed to prohibit or deny any person from gaining lawful access to the person's property or residence, nor shall it change or limit liability to such persons.

[C71, 73, 75, 77, 79, 81, §306.41]

**306.42 Transfer of rights-of-way.**

1. This section is intended to vest all documents of title in road right-of-way in the jurisdiction responsible for the road. This section establishes a simple method to transfer road rights-of-way by quitclaim deed and to authorize the use of available descriptions, plats, maps or engineering drawings to effect such transfers and to provide an orderly method by which such transfers may be filed, indexed and recorded.

2. The department shall transfer by quitclaim deed to the county or to the city having jurisdiction over a road, all of the state's legal or equitable title and interest in right-of-way for the road or street and may transfer any adjacent unused right-of-way or land in excess of that needed as right-of-way. The deed shall be executed by the director of the department. However, if the department owns any adjacent unused right-of-way in excess of that needed as right-of-way which is located outside the incorporated limits of a city and is suitable for purposes specified in section 350.4, subsection 2, the department may, at the request of the county and the county conservation board, transfer the property by quitclaim deed to the county for the use and benefit of the county conservation board.

3. The county or the city shall transfer by quitclaim deed to the state department of transportation when having jurisdiction over a road, all of the county's or the city's legal or equitable title and interest in rights-of-way for the road and may transfer any adjacent unused right-of-way or land in excess of that needed as right-of-way. The deed shall be executed by the chairperson of the board of supervisors by order of the board for county roads and by the mayor or city manager by order of the city council for city streets.

4. Transfers under this section shall be subject to the right of a utility, association, company or corporation to continue in possession of a right-of-way in use at the time of the transfer. Transfers shall be subject to rights of ingress and egress whether excepted, reserved or granted by the transferring authority to land or to owners of land adjacent to the right-of-way. Transfers shall include an index of parcels transferred by the character of the instrument or proceeding, the grantor and grantee, and date of the last instrument or proceeding acquiring rights to each parcel. Transfers shall locate the right-of-way by quarter-quarter section, township and range or if so acquired, by lot, block and subdivision. The transferring jurisdiction shall transmit to the receiving jurisdiction all available original documents of title or a certified true copy if the right-of-way was acquired by condemnation or the original deed is lost. Transfers shall be recorded and indexed in the county in which the land is located.

5. Notwithstanding chapter 542B and sections 6A.20, 306.22, 354.13, 354.15, and 364.7, legal descriptions, plats, maps, or engineering drawings used to describe transfers of right-of-way shall, where available, be descriptions, plats, maps, or engineering drawings of record and shall be incorporated by reference to the title instrument or proceedings. If a part but not all of the land acquired by a single conveyance or condemnation is being transferred, the description of that part to be transferred shall be abstracted from the present legal description, plat, map, or engineering drawing of record.

6. Notwithstanding any other provision of the Code, for transfers of roads and streets made after May 1, 1987, neither the transferring jurisdiction or the receiving jurisdiction

shall be held liable for any claim or damage for any act or omission relating to the design, construction, or maintenance of the road or street that occurred prior to the effective date of the transfer. This paragraph shall apply to all transfers pursuant to this chapter or section 313.2.

[C79, 81, S81, §306.42; 81 Acts, ch 99, §1, ch 117, §1044]
86 Acts, ch 1245, §1902; 87 Acts, ch 232, §18; 90 Acts, ch 1236, §44

**306.43** Repealed by 98 Acts, ch 1075, § 17.

**306.44 Study of road systems.**

Transfers not executed as of April 1, 1981, shall be void unless mutually agreed upon by the parties involved. The department shall conduct a study to determine the size of the primary road systems, and the department in conjunction with the county boards of supervisors or the supervisors' designee shall conduct a study to determine the size of the secondary road systems and provide the general assembly with alternative primary and secondary road systems prior to February 1, 1982, for its review. The general assembly may approve a method for classifying the primary and secondary road systems.

[81 Acts, ch 96, §1]

**306.45 Easements on highway rights-of-way.**

The department may grant easements across land under its jurisdiction if the department determines that the easement will not adversely affect the construction and maintenance of the highway system. Written conveyances containing any easement conditions prescribed by the department shall be made in the name of the state and signed by the governor and the secretary of state, with the seal of the state of Iowa affixed.

98 Acts, ch 1075, §18

**306.46 Public utility facilities — public road rights-of-way.**

1. A public utility may construct, operate, repair, or maintain its utility facilities within a public road right-of-way. The location of new utility facilities shall comply with section 318.9. A utility facility shall not be constructed or installed in a manner that causes interference with public use of the road.

2. For purposes of this section, *"public utility"* means a public utility as defined in section 476.1, and shall also include waterworks, municipally owned waterworks, joint water utilities, rural water districts incorporated under chapter 357A or chapter 504, and cooperative water associations. For the purposes of this section, *"utility facilities"* means any cables, conduits, wire, pipe, casing pipe, supporting poles, guys, and other material and equipment utilized for the furnishing of electric, gas, communications, water, or sewer service.

3. This section shall not impair or interfere with a city's authority to grant, amend, extend, or renew a franchise as provided in section 364.2, and shall not impair or interfere with a city's existing general police powers to control the use of its right-of-way.

2004 Acts, ch 1014, §1, 2; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §332, 346; 2005 Acts, ch 3, §61; 2006 Acts, ch 1097, §14

**306.47 Utility facilities relocation policy.**

1. It is the policy of the general assembly that a proactive, cooperative coordination between the department, local governments, private and public utility companies, and other affected parties is the most effective way to minimize costs, eliminate the need for utilities to relocate facilities, limit disruption of utility services related to federal, state, or local highway construction projects, and limit the potential need for relocation of utility facilities.

2. All potentially affected parties shall be invited to participate in development meetings at the design phase of a highway construction project to review plans, understand goals and objectives of the proposed project, and discuss options that would limit the impact of the construction on utility facilities and thereby minimize or even eliminate costs associated with utility facility relocation. All jurisdictions and other interested parties shall cooperate to discuss strategies and policies to utilize the Iowa one call system in the development of a

highway construction project. Failure of the affected parties to respond or participate during the design phase shall not in any way affect the ability of the federal, state, or local agency to proceed with design and construction.

2008 Acts, ch 1124, §1

Iowa one call system, see chapter 480

**306.48 and 306.49** Reserved.

SOIL AND WATER CONSERVATION IMPACT

**306.50 Construction program notice.**

The appropriate highway authority shall provide copies of its annual construction program to the soil and water conservation district commissioners' office in each county. The soil and water conservation district commissioners' office shall review the construction program submitted by each highway authority to determine those projects which may impact upon soil erosion and water diversion or retention.

85 Acts, ch 106, §2; 87 Acts, ch 23, §7

**306.51 Soil erosion impact.**

The soil and water conservation district commissioners shall, within thirty days after receipt of the construction program, notify the appropriate highway authority of the projects which will impact upon soil erosion and water drainage and request that the appropriate highway authority notify them of the date, time, and place for holding the design hearing on preliminary plans.

85 Acts, ch 106, §3; 87 Acts, ch 23, §8

**306.52 Review of plans.**

Upon examining the preliminary plans on a road project, the soil and water conservation district commissioners may review each road project for which a drainage structure is required. The soil and water conservation commissioners shall ascertain whether or not the proposed erosion control or runoff control structure is suitable to reduce the velocity of runoff, reduce gully erosion, or provide for sedimentation or other improvement that would enhance soil conservation. The soil and water conservation commissioners shall also ascertain whether any other aspect of the road construction will affect soil and water conservation.

85 Acts, ch 106, §4; 87 Acts, ch 23, §9

**306.53 Submission of recommendations — contribution to cost.**

The soil and water conservation district commissioners shall submit their findings and recommendations to the appropriate highway authority not later than twenty days following examination of the construction plans.

The appropriate highway authority shall respond to the soil and water conservation district commissioners and indicate its agreement to the suggested installation or its rejection of the proposal.

Where feasible and cost-sharing funds are available, the soil and water conservation district may contribute in part or in its entirety to any additional cost for the erosion control structure.

85 Acts, ch 106, §5; 87 Acts, ch 23, §10

**306.54 Reporting.**

If the proposal is rejected, the appropriate highway authority shall provide a written report documenting the reason for the rejection to the soil and water conservation district commissioners and the state department of transportation. The state department of transportation shall submit a written report to the general assembly not later than March 1 of each year. The report shall contain only a list of those highway projects where a disagreement exists between the department and the soil and water conservation district

commissioners and the reasons for rejecting the recommendations of the soil and water conservation district commissioners. The report shall be filed with the secretary of the senate and the chief clerk of the house of representatives.

85 Acts, ch 106, §6; 87 Acts, ch 23, §11

# CHAPTER 306A

## CONTROLLED-ACCESS HIGHWAYS

Referred to in §307.24

CONTROLLED ACCESS FACILITIES AND SERVICE ROADS

306A.1 Declaration of policy.
306A.2 Definition of a controlled-access facility.
306A.3 Authority to establish controlled-access facilities — utility accommodation policy.
306A.4 Design of controlled-access facility.
306A.5 Acquisition of property and property rights.
306A.6 New and existing facilities — grade-crossing eliminations.
306A.7 Authority of local units to consent.
306A.8 Local service roads.
306A.9 Repealed by 65 Acts, ch 259, §1.

RELOCATION OF UTILITY FACILITIES

306A.10 Notice to relocate — costs paid.
306A.11 What costs included.
306A.12 Limitation on reimbursement.
306A.13 Definition.

## CONTROLLED ACCESS FACILITIES AND SERVICE ROADS

**306A.1 Declaration of policy.**

The legislature hereby finds, determines, and declares that this chapter is necessary for the immediate preservation of the public peace, health, and safety, and for the promotion of the general welfare.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §306A.1]

**306A.2 Definition of a controlled-access facility.**

For the purposes of this chapter, a controlled-access facility is defined as a highway or street especially designed for through traffic, and over, from or to which owners or occupants of abutting land or other persons have no right or easement or only a controlled right or easement of access, light, air, or view by reason of the fact that their property abuts upon such controlled-access facility or for any other reason. Such highways or streets may be freeways open to use by all customary forms of street and highway traffic or they may be parkways from which trucks, buses, and other commercial vehicles shall be excluded.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §306A.2]

Referred to in §306A.3

**306A.3 Authority to establish controlled-access facilities — utility accommodation policy.**

Cities and highway authorities having jurisdiction and control over the highways of the state, as provided by chapter 306, acting alone or in cooperation with each other or with any federal, state, or local agency or any other state having authority to participate in the construction and maintenance of highways, are authorized to plan, designate, establish, regulate, vacate, alter, improve, maintain, and provide controlled-access facilities for public use if traffic conditions, present or future, will justify special facilities; provided, that within a city such authority shall be subject to municipal consent as may be provided by law. In addition to the specific powers granted in this chapter, cities and highway authorities shall have any additional authority vested in them relative to highways or streets within their

respective jurisdictions. Cities and highway authorities may regulate, restrict, or prohibit the use of controlled-access facilities by various classes of vehicles or traffic in a manner consistent with section 306A.2.

The state department of transportation shall adopt rules, pursuant to chapter 17A, embodying a utility accommodation policy which imposes reasonable restrictions on placements occurring on or after the effective date of the rules, on primary road rights-of-way. The rules may require utilities to give notice to the department prior to installation of a utility system on a primary road right-of-way and obtain prior permission from the department for the proposed installation. The rules shall recognize emergency situations and the need for immediate installation of service extensions subject to the standards adopted by the department and the utilities board. The rules shall be no less stringent than the standards adopted by the utilities board pursuant to chapters 478, 479, and 479B. This paragraph shall not be construed as granting the department authority which has been expressly granted to the utilities board to determine the route of utility installations. If the department requires a utility company permit, the department shall be required to act upon the permit application within thirty days of its filing. In cases of federal-aid highway projects on nonprimary highways, the local authority with jurisdiction over the highway and the department shall comply with all federal regulations and statutes regarding utility accommodation.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §306A.3]

91 Acts, ch 147, §1; 95 Acts, ch 192, §2; 2005 Acts, ch 32, §1; 2006 Acts, ch 1010, §82

Referred to in §318.8

**306A.4 Design of controlled-access facility.**

Cities and highway authorities having jurisdiction and control over the highways of the state, as provided by chapter 306, are authorized to so design any controlled-access facility and to so regulate, restrict, or prohibit access as to best serve the traffic for which such facility is intended. In this connection such cities and highway authorities are authorized to divide and separate any controlled-access facility into separate roadways by the construction of raised curbings, central dividing sections, or other physical separations, or by designating such separate roadways by signs, markers, stripes, and other devices. No person shall have any right of ingress or egress to, from, or across controlled-access facilities to or from abutting lands, except at such designated points at which access may be permitted, upon such terms and conditions as may be specified from time to time.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §306A.4]

**306A.5 Acquisition of property and property rights.**

For the purposes of this chapter, cities and highway authorities having jurisdiction and control over the highways of the state, as provided by chapter 306, may acquire private or public property rights for controlled-access facilities and service roads, including rights of access, air, view, and light, by gift, devise, purchase, or condemnation in the same manner as such units are authorized by law to acquire such property or property rights in connection with highways and streets within their respective jurisdictions. All property rights acquired under this chapter shall be in fee simple. In connection with the acquisition of property or property rights for a controlled-access facility or portion of, or service road in connection with a controlled-access facility, the cities and highway authorities, in their discretion, may acquire an entire lot, block, or tract of land, if by so doing the interests of the public will be best served, even though the entire lot, block, or tract is not immediately needed for the right-of-way proper.

No access rights to any highway shall be acquired by any authority having jurisdiction and control over the highways of this state by adverse possession or prescriptive right. No action heretofore or hereafter taken by any such authority shall form the basis for any claim of adverse possession of, or prescriptive right to any access rights by any such authority.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §306A.5]

89 Acts, ch 83, §39

**306A.6 New and existing facilities — grade-crossing eliminations.**

Cities and highway authorities having jurisdiction and control over the highways of the state, as provided by chapter 306 may designate and establish an existing street or highway as included within a controlled-access facility. The state or any of its subdivisions shall have authority to provide for the elimination of intersections at grade of controlled-access facilities with existing state and county roads, and city or village streets, by grade separation or service road, or by closing off such roads and streets at the right-of-way boundary line of such controlled-access facility, the provisions of sections 306.11 to 306.17 shall apply and govern the procedure for the closing of such road or street and the method of ascertaining damages sustained by any person as a consequence of such closing, provided, however, that the highway authority desiring the closing of such road or street shall conduct the hearing and carry out the procedure therefor and pay any damages, including any allowed on appeal, as a consequence thereof, any law to the contrary notwithstanding, and after the establishment of any controlled-access facility, no highway or street which is not part of said facility shall intersect the same at grade. No city or village street, county or state highway, or other public way shall be opened into or connected with any such controlled-access facility without the consent and previous approval of the highway authority in the state, county, city or village having jurisdiction over such controlled-access facility. Such consent and approval shall be given only if the public interest shall be served thereby.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §306A.6]

**306A.7 Authority of local units to consent.**

Cities and highway authorities having jurisdiction and control over the highways of the state, as provided by chapter 306 are authorized to enter into agreements with each other, or with the federal government, respecting the financing, planning, establishment, improvement, maintenance, use, regulation, or vacation of controlled-access facilities or other public ways in their respective jurisdictions, to facilitate the purposes of this chapter.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §306A.7]

**306A.8 Local service roads.**

In connection with the development of any controlled-access facility cities and highway authorities having jurisdiction and control over the highways of the state, as provided by chapter 306, are authorized to plan, designate, establish, use, regulate, alter, improve, maintain, and vacate local service roads and streets or to designate as local service roads and streets any existing road or street, and to exercise jurisdiction over service roads in the same manner as is authorized over controlled-access facilities under the terms of this chapter, if, in their opinion, such local service roads and streets are necessary or desirable. Such local service roads or streets shall be of appropriate design, and shall be separated from the controlled-access facility proper by means of all devices designated as necessary or desirable by the proper authority.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §306A.8]

**306A.9** Repealed by 65 Acts, ch 259, § 1.

RELOCATION OF UTILITY FACILITIES

**306A.10 Notice to relocate — costs paid.**

Whenever the state department of transportation, city or county determines that relocation or removal of any utility facility now located in, over, along, or under any highway or street, is necessitated by the construction of a project on routes of the national system of interstate and defense highways including extensions within cities or on streets or highways resulting from interstate substitutions in a qualified metropolitan area under Tit. 23, U.S.C., the utility owning or operating the facility shall relocate or remove the same in accordance with statutory notice. The costs of relocation or removal, including the costs of installation in a new location, shall be ascertained by the authority having jurisdiction over the project

or as determined in condemnation proceedings for such purposes and may be paid from participating federal aid or other funds.

[C62, 66, 71, 73, 75, 77, 79, 81, §306A.10]

83 Acts, ch 198, §15

**306A.11 What costs included.**

Cost of relocation or removal shall include the entire amount paid by such utility properly attributable to such relocation or removal except the cost of land or any rights or interest in land, after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.

[C62, 66, 71, 73, 75, 77, 79, 81, §306A.11]

**306A.12 Limitation on reimbursement.**

A reimbursement shall not be made for any relocation or removal of facilities under this chapter unless funds to be provided by federal aid amount to at least eighty-five percent of each reimbursement payment.

[C62, 66, 71, 73, 75, 77, 79, 81, §306A.12]

83 Acts, ch 198, §16

**306A.13 Definition.**

The term *"utility"* shall include all privately, publicly, municipally or cooperatively owned systems for supplying water, sewer, electric lights, street lights and traffic lights, gas, power, telegraph, telephone, transit, pipeline, heating plants, railroads and bridges, or the like service to the public or any part thereof if such system be authorized by law to use the streets or highways for the location of its facilities.

[C62, 66, 71, 73, 75, 77, 79, 81, §306A.13]

# CHAPTER 306B

## OUTDOOR ADVERTISING ALONG INTERSTATE HIGHWAYS

Referred to in §306C.10, 306C.11, 306C.13, 306C.15, 306C.18, 306C.24, 306D.4, 307.24, 321.252


306B.1 Definitions.
306B.2 Advertising prohibited — exceptions.
306B.3 Rules.
306B.4 Purchase of existing signs.
306B.5 Removal after notice.
306B.6 Misdemeanor.
306B.7 Federal agreements.
306B.8 Funds accepted.


**306B.1 Definitions.**

As used in this chapter:

1. *"Advertising device"* includes any outdoor sign, display, device, figure, painting, drawing, message, placard, poster, billboard, or any other device designed, intended, or used to advertise or to give information in the nature of advertising and having the capacity of being visible from the traveled portion of any highway of the interstate system in this state.

2. *"Department"* means the state department of transportation.

3. *"Interstate system"* means the system of highways as described in 23 U.S.C. § 103(c) or amendments thereto.

4. *"National policy"* means the provisions relating to control of advertising devices adjacent to the interstate system contained in 23 U.S.C. § 131 or amendments thereto and the national standards promulgated pursuant to such provisions.

[C66, 71, 73, 75, 77, 79, 81, §306B.1]

2010 Acts, ch 1061, §180; 2011 Acts, ch 25, §25

**306B.2 Advertising prohibited — exceptions.**

No advertising device shall be erected or maintained within six hundred sixty feet of the edge of the right-of-way of the interstate system except the following:

1. Directional or other official signs or notices that are erected by public officers or agencies and required or authorized by law.

2. Advertising devices in compliance with national policy and rules promulgated by the department which indicate the sale or lease of the property upon which such devices are located or which advertise activities being conducted on the property where the devices are located providing said rules promulgated by the said department shall not be more restrictive than required to conform to the national standards as set forth in Tit. 23, United States Code.

3. Advertising devices in compliance with national policy and rules promulgated by the department which are designed to give information in the specific interest of the traveling public.

4. Advertising devices that are located in areas zoned and used for commercial or industrial purposes under authority of law, regulation, or ordinance of this state or a political subdivision of this state. For purposes of this subsection, *"areas zoned and used for commercial or industrial purposes"* means an area zoned for commercial or industrial purposes in accordance with chapter 414, in the case of city zoning, or in accordance with chapter 335, in the case of county zoning, in which one or more commercial or industrial activities, as defined under the city or county zoning ordinance, are located.

[C66, 71, 73, 75, 77, 79, 81, §306B.2]

97 Acts, ch 104, §1; 2002 Acts, ch 1070, §1, 2

Referred to in §306B.3, 306C.10, 306C.13

**306B.3 Rules.**

The department shall promulgate and enforce rules consistent with the safety of the traveling public and in compliance with national policy governing the erection, maintenance, and frequency of advertising devices within six hundred sixty feet of the edge of the right-of-way of the interstate system which are authorized by this chapter and which are outside of commercial and industrial zones designated in section 306B.2, subsection 4.

[C66, 71, 73, 75, 77, 79, 81, §306B.3]

**306B.4 Purchase of existing signs.**

The department shall acquire by purchase, gift, or condemnation all advertising devices existing on May 21, 1965, which violate the provisions of this chapter or which fail to conform to rules promulgated by the said department under this chapter and all rights and interests of all persons in and to such devices; except that in instances involving any authorized device which fails to conform to rules, the said department shall give notice to the owner of the device and to the owner of the land on which the device is located and shall give the owner and landowner time to conform to such rules as provided in section 306B.5 before proceeding as directed in this section. The provisions of chapters 6A and 6B shall be applicable to any such condemnation and the said department shall have the right to take immediate possession of and remove such devices under the procedures of section 6B.25.

[C66, 71, 73, 75, 77, 79, 81, §306B.4]

**306B.5 Removal after notice.**

Any advertising device erected or maintained adjacent to any interstate system after May 21, 1965 in violation of this chapter or the rules promulgated by the department, is a public nuisance and may be removed by the department upon thirty days' notice, by certified mail, to the owner of the advertising device and to the owner of the land on which the advertising device is located. The notice shall require such owners to remove the advertising device if it is prohibited or to cause it to conform to this chapter or rules promulgated by the department if it is not prohibited.

1. If the owner of the advertising device or the landowner fails to act within thirty days as required in the notice, the advertising device shall be deemed to be forfeited and the department may enter upon the land and remove the advertising device. Such entry after

notice, shall not be deemed a trespass and the department may be aided by injunction to abate the nuisance and to insure peaceful entry.

2. The cost of removal, including fees, costs and expenses which arise out of an action brought by the department to insure peaceful entry and removal, may be assessed against the owner of the advertising device. If the owner of the advertising device fails to pay the fees, costs, or expenses within thirty days after assessment, the department may commence an action to collect the fees, costs, or expenses, which when collected shall be paid into the "highway beautification fund".

[C66, 71, 73, 75, 77, 79, 81, §306B.5]

83 Acts, ch 186, §10067, 10201

Referred to in §306B.4, 306C.10

Nuisances in general, chapter 657

**306B.6 Misdemeanor.**

Whoever erects or maintains an advertising device in violation of this chapter or in violation of rules and regulations promulgated by the department under this chapter shall be guilty of a simple misdemeanor.

[C66, 71, 73, 75, 77, 79, 81, §306B.6]

**306B.7 Federal agreements.**

The department may enter into agreements with the secretary of commerce of the United States concerning the erection, maintenance, regulation, location, frequency and related matters of advertising devices permitted under this chapter.

[C66, 71, 73, 75, 77, 79, 81, §306B.7]

**306B.8 Funds accepted.**

The department may accept any allotment of funds by the United States or any department or agency thereof appropriated under Tit. 23 U.S.C. or amendments thereto to accomplish the purposes of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §306B.8]

# CHAPTER 306C

## JUNKYARD BEAUTIFICATION AND BILLBOARD CONTROL

Referred to in §306D.4, 307.24


DIVISION I

JUNKYARD BEAUTIFICATION

306C.1 Definitions.
306C.2 Junkyards prohibited — exceptions.
306C.3 Junkyards lawfully in existence.
306C.4 Requirements as to screening.
306C.5 Acquisition of land for screening or removal.
306C.6 Nuisance — injunction.
306C.7 Interpretation.
306C.8 Agreements with the United States authorized.
306C.9 Compensation.

DIVISION II

BILLBOARD CONTROL

306C.10 Definitions.
306C.11 Advertising prohibited.
306C.12 None visible from highway.
306C.13 Control by department of transportation.
306C.14 Existing signs — six-year limit.
306C.15 Acquisition of signs.
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306C.17 Condemnation.
306C.18 Permit required.
306C.19 Removal after notice.
306C.20 Bonus funds agreements.
306C.21 Information centers and rest areas.
306C.22 Political signs. Repealed by 2003 Acts, ch 8, §6.
306C.23 Special event signs.
306C.24 Compensation for sign removal.

## DIVISION I

## JUNKYARD BEAUTIFICATION

**306C.1 Definitions.**

For the purposes of this division unless the context otherwise requires:

1. *"Department"* means the state department of transportation.

2. *"Interstate highway"* includes *"interstate road"* and *"interstate system"* and means any highway of the primary system at any time officially designated as a part of the national system of interstate and defense highways by the department and approved by the appropriate authority of the federal government.

3. *"Junk"* means old or scrap copper, brass, rope, rags, batteries, paper, trash, rubber debris, waste, or junked, dismantled, or wrecked automobiles, or parts of automobiles, or iron, steel, or other old or scrap ferrous or nonferrous material.

4. *"Junkyard"* means an establishment or place of business which is maintained, operated, or used primarily for storing, keeping, buying, or selling junk; and the term includes garbage dumps, sanitary fills, and automobile graveyards.

[C73, 75, 77, 79, 81, §306C.1]

2003 Acts, ch 8, §1

Referred to in §555B.1

**306C.2 Junkyards prohibited — exceptions.**

A person shall not establish, operate, or maintain a junkyard, any portion of which is within one thousand feet of the nearest edge of the right-of-way of any interstate highway, except:

1. Those which are screened by natural objects, plantings, fences, or other appropriate means obscuring them from view from the main-traveled portion of the highway.

2. Those located within areas which are zoned for industrial use under authority of law.

3. Those located within unzoned industrial areas which areas shall be determined from actual land uses and defined by regulations to be promulgated by the department under the provisions of chapter 17A in accordance with the standards, criteria, and rules and regulations promulgated under authority of Tit. 23, United States Code.

4. Those which are not visible from the main-traveled portion of the highway.

[C73, 75, 77, 79, 81, §306C.2]

2003 Acts, ch 8, §2

Referred to in §306C.6

**306C.3 Junkyards lawfully in existence.**

Any junkyard located outside a zoned or unzoned industrial area lawfully in existence on July 1, 1972, which is within one thousand feet of the nearest edge of the right-of-way and visible from the main-traveled portion of any highway on the interstate system shall be screened, if feasible, by the department, or by the owner under rules and direction of the department, at locations on the highway right-of-way or in areas acquired for such purposes outside the right-of-way in order to obscure the junkyard from the main-traveled way of such highways.

[C73, 75, 77, 79, 81, §306C.3]

2003 Acts, ch 8, §3

Referred to in §306C.6

**306C.4 Requirements as to screening.**

The department may adopt rules pursuant to chapter 17A governing the location, planting, construction, and maintenance of screening or fencing required by this chapter including materials to be used. However, such rules shall be in accordance with the standards, criteria and rules promulgated under authority of Tit. 23, United States Code.

[C73, 75, 77, 79, 81, §306C.4]

**306C.5 Acquisition of land for screening or removal.**

When the department determines that it is in the best interests of the state, it may acquire by gift, purchase, exchange, or condemnation, as provided by law, such property or rights or interests in property as may be necessary to provide adequate screening for junkyards. When the department determines that the topography of the land adjoining the highway will not permit adequate screening, or screening would not be economically feasible, the department may acquire such property or rights or interests in property as may be necessary to secure the relocation, removal, or disposal of the junkyard, and shall pay the cost of such relocation, removal, or disposal, with federal participation. However, no plan for relocation, removal, or disposal which qualifies for federal participation shall be undertaken unless the department has received notification from the federal government that the federal share to be paid is immediately available for that purpose.

[C73, 75, 77, 79, 81, §306C.5]

**306C.6 Nuisance — injunction.**

Any junkyard which does not conform to the requirements of this division and which is not excepted under section 306C.2 or 306C.3, is a public nuisance. The department may apply for an injunction to abate any nuisance arising from a violation of the provisions of this division or rules adopted pursuant to this division.

[C73, 75, 77, 79, 81, §306C.6]

Nuisances in general, chapter 657

**306C.7 Interpretation.**

Nothing in this chapter shall be construed to abrogate or affect the provisions of any lawful ordinance, regulation, or resolution, which are more restrictive than the provisions of this division.

[C73, 75, 77, 79, 81, §306C.7]

**306C.8 Agreements with the United States authorized.**

The department may enter into agreements with the United States secretary of transportation as provided by Tit. 23, United States Code, relating to control of junkyards in areas adjacent to the interstate system, and take action in the name of the state to comply with the terms of such agreements.

[C73, 75, 77, 79, 81, §306C.8]

2003 Acts, ch 8, §4

**306C.9 Compensation.**

Nothing in this division shall be construed as permitting the taking of private property or the restriction of the reasonable and existing uses of such property without just compensation and in accordance with the provisions of chapter 6B and Tit. 23, United States Code.

[C73, 75, 77, 79, 81, §306C.9]

## DIVISION II

## BILLBOARD CONTROL

Referred to in §321.252

**306C.10 Definitions.**

For the purposes of this division, unless the context otherwise requires:

1. *"Adjacent area"* means an area which is contiguous to and within six hundred sixty feet of the nearest edge of the right-of-way of any interstate, freeway primary, or primary highway.

2. *"Advertising device"* includes any outdoor sign, display, device, figure, painting, drawing, message, placard, poster, billboard, or any other device designed, intended, or used to advertise or give information in the nature of advertising, and having the capacity of being visible from the traveled portion of any interstate or primary highway.

3. *"Bonus interstate highways"* includes all interstate highways except those interstate

highways adjacent to areas excepted from control under chapter 306B by authority of section 306B.2, subsection 4.

4. *"Commercial or industrial activities"* means those activities generally recognized as commercial or industrial by zoning authorities in this state, except that none of the following activities shall be considered commercial or industrial:

*a.* Outdoor advertising structures.

*b.* Agricultural, forestry, grazing, farming, and related activities, including but not limited to wayside fresh produce.

*c.* Activities in operation less than three months per year.

*d.* Activities conducted in a building principally used as a residence.

*e.* Railroad tracks and minor spurs.

*f.* Activities outside of adjacent areas, as defined by this division and section 306B.5.

*g.* Activities which have been used in defining and delineating an unzoned area but which have since been discontinued or abandoned.

*h.* Residential housing developments.

*i.* Manufactured home communities or mobile home parks.

*j.* Institutions of learning.

*k.* State, county, and charitable institutions.

*l.* State and county conservation and recreation areas, public parks, forests, playgrounds, or other areas of historic interest or areas designated as scenic beautification areas under section 313.67.

5. *"Commercial or industrial zone"* means those areas zoned commercial or industrial under authority of a law, regulation, or ordinance of this state, its subdivisions, or a municipality.

6. *"Department"* means the state department of transportation.

7. *"Erect"* means to construct, reconstruct, build, raise, assemble, place, affix, attach, create, paint, draw, or in any other way bring into being or establish; however, it shall not include any of the foregoing activities when performed incidental to the customary maintenance of an advertising device.

8. *"Freeway primary highway"* means those primary highways which have been constructed as a fully controlled access facility with no access to the facility except at established interchanges.

9. *"Information center"* means a site, either with or without structures or buildings, established and maintained at a rest area for the purpose of providing "specific information of interest to the traveling public", as defined in subsection 18.

10. *"Interstate highway"* includes *"interstate road"* and *"interstate system"* and means any highway of the primary system at any time officially designated as a part of the national system of interstate and defense highways by the department and approved by the appropriate authority of the federal government.

11. *"Maintain"* means to cause to remain in a state of good repair but does not include reconstruction.

12. *"Main-traveled way"* means the portion of the roadway for movement of vehicles on which through traffic is carried exclusive of shoulders and auxiliary lanes. In the case of a divided highway, the main-traveled way includes each of the separated roadways for traffic in opposite directions, exclusive of frontage roads, turning roadways, or parking areas.

13. *"Primary highways"* includes the entire primary system as officially designated, or as may hereafter be so designated, by the department.

14. *"Reconstruction"* means any repair to the extent of sixty percent or more of the replacement cost of the structure, excluding buildings.

15. *"Rest area"* means an area or site established and maintained under authority of section 313.67 within the right-of-way of an interstate, freeway primary, or primary highway under supervision and control of the department for the safety, recreation, and convenience of the traveling public.

16. *"Right-of-way"* means land area dedicated to public use for the highway and its maintenance, and includes land acquired in fee simple or by permanent easement for

highway purposes, but does not include temporary easements or rights for supplementary highway appurtenances.

17. *"Special event sign"* means a temporary advertising device, not larger than thirty-two square feet in area, erected for the purpose of notifying the public of noncommercial community events including but not limited to fairs, centennials, festivals, and celebrations open to the general public and sponsored or approved by a city, county, or school district.

18. *"Specific information of interest to the traveling public"* means only information about public places for camping, lodging, eating, and motor fuel and associated services, including trade names, which have telephone facilities available when the public place is open for business and businesses engaged in selling motor fuel which have free air for tire inflation and restroom facilities available when the public place is open for business.

19. *"Structure"* means any sign supporting device including but not limited to buildings.

20. *"Unzoned commercial or industrial area"* means those areas not zoned by state or local law, regulation, or ordinance, which are occupied by one or more commercial or industrial activities, and the land along the interstate highways and primary highways for a distance of seven hundred fifty feet immediately adjacent to the activities. All measurements shall be from the outer edge of the regularly used buildings, parking lots, storage, or processing areas of the activities and shall be parallel to the edge of pavement of the highway. Measurements shall not be from the property line of the activities unless that property line coincides with the limits of the activities. Unzoned commercial or industrial areas shall not include land on the opposite side of the highway from the commercial or industrial activities.

21. *"Visible"* means capable of being read or comprehended without visual aid by a person of normal visual acuity.

[C73, 75, 77, 79, 81, §306C.10]

2001 Acts, ch 153, §16; 2003 Acts, ch 8, §5; 2009 Acts, ch 133, §111, 235; 2011 Acts, ch 25, §26

Referred to in §314.27

**306C.11 Advertising prohibited.**

Subject to the provisions made in section 306C.13 regarding control of bonus interstate highways and section 306D.4 regarding scenic highways or byways, an advertising device shall not be erected or maintained within any adjacent area, or on the right-of-way of any primary highway, except the following:

1. Advertising devices concerning the sale or lease of property upon which they are located.

2. Advertising devices concerning activities conducted on the property on which they are located, nor shall the property upon which they are located be construed to mean located upon any contiguous area having inconsistent use, size, shape, or ownership. However, businesses located within the limits of a commercial or industrial development may be advertised on a sign located anywhere within the development regardless of land ownership.

3. *a.* Advertising devices within the adjacent area located in commercial or industrial zones or in unzoned commercial or industrial areas in compliance with the regulatory standards of this division and rules promulgated by the department.

*b.* The rules shall be consistent with national standards promulgated pursuant to 23 U.S.C. § 131 and shall include at least the following:

(1) Provision for a fee schedule to cover the direct and indirect costs related to issuing permits and control of outdoor advertising.

(2) Specific permit requirements.

(3) Criteria for on-premise signs.

(4) Provisions specifying the measurement of required spacing.

(5) Provisions specifying conforming sign configurations.

4. Official and directional signs and notices which shall include but not be limited to signs and notices pertaining to natural wonders, scenic and historic attractions, and recreational attractions. The signs and notices shall conform with rules promulgated by the department, provided that such rules shall be consistent with national standards promulgated pursuant to 23 U.S.C. § 131(c).

5. *a.* Signs, displays, and devices giving specific information of interest to the traveling public shall be erected by the department and maintained within the right-of-way in the areas, and at appropriate distances from interchanges on the interstate system and freeway primary highways as shall conform with the rules adopted by the department. The rules shall be consistent with national standards promulgated from time to time or as permitted by the appropriate authority of the federal government pursuant to 23 U.S.C. § 131(f) except as provided in this section. The rules shall include but are not limited to the following:

(1) Criteria for eligibility for signing.

(2) Criteria for limiting or excluding businesses that maintain advertising devices that do not conform to the requirements of chapter 306B, this division, or other statutes or administrative rules regulating outdoor advertising.

(3) Provisions for a fee schedule to cover the direct and indirect costs of sign erection and maintenance and related administrative costs.

(4) Provisions for specifying the maximum distance to eligible businesses.

(5) Provisions specifying the maximum number of signs permitted per panel and per interchange.

(6) Provisions for determining what businesses are signed when there are more applicants than the maximum number of signs permitted.

(7) Provisions for removing signs when businesses cease to meet minimum requirements for participation and related costs.

*b.* Business signs supplied to the department by commercial vendors shall be on panels, with dimensional and material specifications established by the department. A business sign included under the provisions of this section shall not be posted unless it is in compliance with these specifications. The commercial vendor shall pay to the department a fee based upon the schedule adopted under this subsection for each business sign supplied for posting. Upon furnishing the business signs to the department and payment of all fees, the department shall post the business signs on eligible specific information panels. Faded signs shall be replaced and the commercial vendor charged for the cost of replacement based upon the fee schedule adopted. There is created in the office of the treasurer of state a fund to be known as the highway beautification fund and all funds received for the posting on specific information panels shall be deposited in the highway beautification fund. Information on motor fuel and associated services may include vehicle service and repair where the same is available.

6. The publication title of a newspaper on a delivery receptacle attached to a mailbox or mailbox support.

[C73, 75, 77, 79, 81, §306C.11; 82 Acts, ch 1240, §1]

90 Acts, ch 1183, §1, 2; 95 Acts, ch 135, §3; 97 Acts, ch 104, §2; 98 Acts, ch 1075, §19; 2006 Acts, ch 1068, §1; 2006 Acts, ch 1142, §83; 2007 Acts, ch 143, §1; 2009 Acts, ch 133, §112

Referred to in §306C.12, 306C.13, 306C.18

**306C.12 None visible from highway.**

An advertising device shall not be constructed or reconstructed beyond the adjacent area in unincorporated areas of the state if it is visible from the main-traveled way of any interstate or primary highway except for advertising devices permitted in section 306C.11, subsections 1 and 2. Any advertising device permitted beyond an adjacent area in unincorporated areas of the state shall be subject to the applicable permit provisions of section 306C.18.

[C73, 75, 77, 79, 81, §306C.12]

2006 Acts, ch 1068, §2

**306C.13 Control by department of transportation.**

The department shall control the erection and maintenance of advertising devices authorized by section 306C.11, subsection 3, in accord with the following criteria, except that in the case of bonus interstate highways the department shall maintain the controls required under chapter 306B or the controls required by this division, whichever controls are stricter:

1. Advertising devices located within the adjacent area of interstate highways and freeway primary highways shall not be erected or maintained closer to another advertising device facing in the same direction than five hundred feet outside of cities, and within two hundred

fifty feet if inside of cities. An advertising device may not be located within two hundred fifty feet of an interchange, or rest area. The measurement shall be from the nearest widening constructed for the purpose of acceleration or deceleration of traffic movement to or from the main-traveled way to the advertising device.

2. Advertising devices located within the adjacent area of primary highways shall not be erected or maintained closer to another advertising device facing in the same direction than one hundred feet if inside the corporate limits of a municipality. No advertising device, other than as excepted or permitted by subsections 4, 5, or 6 of this section, shall be located within the triangular area formed by the line connecting two points each fifty feet back from the point where the street right-of-way lines of the main-traveled way and the intersecting street meet, or would meet, if extended.

3. Advertising devices located within the adjacent area of primary highways shall not be erected or maintained closer to another advertising device facing in the same direction than three hundred feet if outside the corporate limits of a municipality. No advertising device, other than those excepted or permitted by subsections 4, 5, or 6 of this section, shall be located within the triangular area formed by a line connecting two points each one hundred feet back from the point where the street right-of-way lines of the main-traveled way and the intersecting street meet, or would meet, if extended.

4. The distance spacing measurements fixed by subsections 2 and 3 of this section shall not apply to advertising devices which are separated by a building in such a manner that only one advertising device located within the minimum spacing distance is visible from a highway at any one time.

5. Within a triangular area, as defined by subsections 2 and 3 of this section, occupied by a building or structure, no advertising device shall be erected or maintained closer to the intersection than the building or structure itself, except that a wall advertising device may be attached to said building or structure not to protrude more than twelve inches.

6. Official and directional signs and notices and advertising devices concerning the sale or lease of the property or activities conducted upon the property as specified in 23 U.S.C. § 131(c) shall not be taken into consideration in determining compliance with spacing requirements.

7. The minimum distance between two advertising devices facing the same direction shall apply without regard to the side of the highway on which the advertising devices may be located and shall be measured along the center line of the highway between points directly opposite the advertising devices.

8. Advertising devices shall not be erected, maintained, or illuminated:

*a.* In a manner to obscure or otherwise physically interfere with an official traffic sign, signal, or device, or to obstruct or physically interfere with any driver's view of approaching, merging, or intersecting traffic.

*b.* Unless effectively shielded to prevent light from being directed at any portion of the traveled highway with such intensity or brilliance as to cause glare or to impair the vision of the driver of any motor vehicle.

*c.* Which contain, include, or are illuminated by any flashing, intermittent, or moving light or lights, except those giving public service information such as, but not limited to time, date, temperature, weather, news and similar information.

*d.* Which imitate or resemble an official sign or signal or device or which are erected or maintained within or closer than three hundred feet from scenic areas, as defined and determined by the department, or which are located or maintained upon trees, or painted or drawn upon rocks or natural features, or which are structurally unsafe or in substantial disrepair.

*e.* Which exceed one thousand two hundred square feet in area or in the case of a back-to-back or V-type advertising device, with a maximum of two facings per advertising device, seven hundred fifty square feet in area, including border and trim but excluding base or apron, support, and other structural members.

*f.* Which do not comply with all applicable state or local laws, regulations and ordinances, including but not limited to zoning, building, and sign codes as locally interpreted and applied and enforced, or which violate chapter 318; however, nothing in this division

shall prevent or restrict county or local zoning authorities from making a determination of customary use concerning size, lighting, and spacing of advertising devices in zoned commercial or industrial adjacent areas, and such determinations will be accepted in lieu of the standards of this division. The provisions of this division shall not prevent or restrict county or local zoning authorities within their respective jurisdictions from establishing standards imposing controls stricter than those required by this division.

*g.* The standards contained in this section pertaining to size, lighting, and spacing shall not apply to advertising devices erected or maintained within six hundred sixty feet of the right-of-way of those portions of the interstate highway system exempted from control under chapter 306B by authority of section 306B.2, subsection 4, nor to advertising devices erected and maintained within adjacent areas along primary highways within zoned and unzoned commercial and industrial areas, unless said advertising devices were erected subsequent to July 1, 1972.

[C73, 75, 77, 79, 81, §306C.13]

2006 Acts, ch 1097, §15

Referred to in §306C.11, 306C.24

**306C.14 Existing signs — six-year limit.**

Any advertising device lawfully in existence in an adjacent area on July 1, 1972, which does not conform with the provisions of this division, shall be required to be brought into conformity or removed within six years after July 1, 1972. Any advertising device lawfully erected after said date which subsequently becomes nonconforming, shall be required to be brought into conformity or removed within five years after the date the nonconformity occurs. However, no advertising device shall be acquired or be required to be removed pursuant to this division unless the department has received notification from the federal government that the federal share of just compensation to be paid is immediately available to contribute to the cost of acquisition or removal; this requirement shall not apply to the acquisition or removal of advertising devices for which no federal share is payable.

[C73, 75, 77, 79, 81, §306C.14]

Referred to in §306C.24

**306C.15 Acquisition of signs.**

The department shall acquire by purchase, gift, or condemnation, and shall pay just compensation upon the removal of any of the following advertising devices which are not in conformity with the provisions of this division:

1. Advertising devices lawfully in existence on July 1, 1972.

2. Advertising devices lawfully in existence on land adjoining any highway made an interstate, freeway primary, or primary highway after July 1, 1972.

3. Advertising devices lawfully erected on or after July 1, 1972, but which subsequently become nonconforming.

4. Any advertising device erected on the mistaken or negligent advice of any official or employee of the state of Iowa as to the interpretation, effect, or operation of this division, chapter 306B, or rules promulgated by the department.

[C73, 75, 77, 79, 81, §306C.15]

Referred to in §306C.16, 306C.18

**306C.16 Compensation.**

Compensation required by section 306C.15 or 306C.24 shall be paid for the following:

1. The taking from the owner of such advertising device of all right, title, leasehold, and interest in such advertising device.

2. The taking from the owner of real property on which an advertising device is located, of the right to erect and maintain such advertising devices upon that real property.

[C73, 75, 77, 79, 81, §306C.16]

89 Acts, ch 317, §24

Referred to in §306C.24

**306C.17 Condemnation.**

The provisions of chapters 6A and 6B shall be applicable to any such condemnation commenced pursuant to this division, and the department may take immediate possession of and remove such advertising devices under the procedures of section 6B.25.

[C73, 75, 77, 79, 81, §306C.17]

**306C.18 Permit required.**

The owner of every advertising device regulated by this chapter, except signs and advertising devices excepted by section 306C.11, subsections 1, 2, and 5, and official signs erected by public officers or agencies, shall be required to make application to the department for a permit.

1. The application for a permit shall be on a form provided by the department and shall contain the name and address of the owner of the advertising device and the name and address of the owner of the real property on which it is located; the date of its erection; a description of its location; its dimensions; and such other information required by the department, together with a permit fee as provided in this section or rule adopted by the department.

2. After July 1, 1972, no new advertising device for which an application for a permit is required may be erected without first obtaining a permit from the department, except in the case of advertising devices lawfully in existence in areas adjacent to any highway made an interstate, freeway primary, or primary highway after July 1, 1972. The owner shall be required to make application for a permit as provided for in this section within thirty days after the date the said highway acquired said designation.

3. Upon receipt of an application containing all the required information in due form and properly executed together with the fee required, the department shall issue a permit to be affixed to the advertising device if the advertising device will not violate any provision of this division or chapter 306B, or any rule promulgated by the department, provided that in the case of advertising devices to be acquired pursuant to section 306C.15, a provisional permit shall be issued.

4. The fee for both types of permits for calendar years 1997 and 1998 shall be one hundred dollars for the initial fee and fifteen dollars for each annual renewal for signs up to three hundred seventy-five square feet in area, twenty-five dollars for each annual renewal for signs at least three hundred seventy-six, but not more than nine hundred ninety-nine, square feet in area, and fifty dollars for each annual renewal for signs one thousand square feet or more in area. Beginning January 1, 1999, fees shall be as determined by rule by the department. The fees collected for the above permits shall be credited to the highway beautification fund created in section 306C.11, subsection 5, and all salaries and expenses incurred in administering this chapter shall be paid from this fund or from specific appropriations for this purpose, except that surveillance of, and removal of, advertising devices performed by regular maintenance personnel are not to be charged against the fund.

[C73, 75, 77, 79, 81, §306C.18]

91 Acts, ch 176, §1; 96 Acts, ch 1218, §34; 97 Acts, ch 104, §3; 2006 Acts, ch 1068, §3; 2013 Acts, ch 90, §74

Referred to in §306C.12, 306C.24

Subsection 4 amended

**306C.19 Removal after notice.**

Any advertising device erected or maintained after July 1, 1972, in violation of this division or the rules promulgated by the department, is a public nuisance and may be removed by the department upon thirty days' notice, by certified mail, to the owner of the advertising device and to the owner of the land on which the advertising device is located. The notice shall require such owners to remove the advertising device if it is prohibited, or to cause it to conform to this division or rules promulgated by the department if it is not prohibited.

1. If the owner of the advertising device or the landowner fails to act within thirty days as required in the notice, the advertising device shall be deemed to be forfeited and the department may enter upon the land and remove the advertising device. Such entry after

notice, shall not be deemed a trespass and the department may be aided by injunction to abate the nuisance and to insure peaceful entry.

2. The cost of removal, including fees, costs and expenses which arise out of an action brought by the department to insure peaceful entry and removal, may be assessed against the owner of the advertising device. If the owner of the advertising device fails to pay the fees, costs, or expenses within thirty days after assessment, the department may commence an action to collect the fees, costs, or expenses, which when collected shall be paid into the highway beautification fund.

[C73, 75, 77, 79, 81, §306C.19]
83 Acts, ch 186, §10068, 10201
Nuisances in general, chapter 657

**306C.20 Bonus funds agreements.**

The department shall enter into agreements with the duly constituted federal authorities in order to secure for the state all bonus federal funds allotted and appropriations to the state and to avoid loss or reduction, under 23 U.S.C. § 131, of federal aid funds apportioned or to be apportioned to the state under 23 U.S.C. § 104. The department may accept funds from whatever source, including any allotment of funds by the United States, or any of its departments or agencies, appropriated to carry out the purposes of 23 U.S.C. § 131. The department shall take such steps as may be necessary to obtain from the United States or any of its departments or agencies, funds allotted and appropriated for the purpose of paying the federal share of just compensation to be paid to advertising device owners and owners of the real property under the terms of this chapter and 23 U.S.C. § 131(g). All moneys received pursuant to the provisions of this chapter shall be deposited in the highway beautification fund.

[C73, 75, 77, 79, 81, §306C.20]
2010 Acts, ch 1061, §51

**306C.21 Information centers and rest areas.**

The department may establish or enter into agreements with private persons, firms, or corporations for the establishment of information centers in rest areas on the interstate, freeway primary, and primary highways, subject to the approval of the appropriate authority of the federal government. After January 1, 1997, private persons, firms, or corporations entering into an agreement with the department under this section shall not develop, establish, or own any commercial business located on land adjacent to the rest area which is subject to the agreement.

An interstate rest area shall be located entirely on the interstate right-of-way, including, but not limited to, all entrance and exit ramps, all rest area buildings including information centers, and all parking facilities. Department money and resources shall not be used for any other type of interstate rest area. Whenever an interstate rest area is reconstructed, the area available for parking shall be equal to or more than the area available for parking prior to the reconstruction.

[C73, 75, 77, 79, 81, §306C.21]
97 Acts, ch 76, §1

**306C.22 Political signs.** Repealed by 2003 Acts, ch 8, § 6.

**306C.23 Special event signs.**

It is lawful to place a special event sign on private property with permission of the owner or person in charge of the property at any time during the period beginning sixty days prior to the date of the special event to which the sign pertains and ending on the day of the special event. Special event signs shall be removed not later than twenty-four hours following the end of the special event. This section does not authorize placement of a special event sign at a location where it may, because of its size, location, content, coloring, or lighting, constitute a traffic hazard or a detriment to traffic safety by obstructing the vision of drivers, by detracting from

the visibility of a traffic-control device or by being confused with an authorized traffic-control device.

[C81, §306C.23]

92 Acts, ch 1100, §1

**306C.24 Compensation for sign removal.**

1. *Definition.* As used in this section, *"off-premises advertising device"* means an advertising device which does not qualify as an *"on-premises sign"* under rules adopted by the department pursuant to chapter 17A.

2. *Just compensation required.* Political subdivisions of this state shall not remove, take, alter, or cause to be removed, taken, or altered a lawfully erected off-premises advertising device without paying just compensation in cash to the owner of the advertising device and to the owner of the real property on which the advertising device is located, as provided in section 306C.16. The department shall not remove, take, alter or cause to be removed, taken, or altered a lawfully erected off-premises advertising device subject to control under chapter 306B or this chapter without paying just compensation when required under 23 U.S.C. § 131(g) to the owner of the advertising device and to the owner of the real property on which the advertising device is located, as provided in section 306C.16. For the department, the sole intent of this section is to comply with 23 U.S.C. § 131(g) and it is not the intent of this section to, in any manner, relinquish any powers of the department relating to the control and removal of advertising devices under police power.

3. *Exceptions.* This section does not apply to the removal, taking, or altering of an off-premises advertising device under any of the following conditions:

*a.* The device is unlawfully erected or is being maintained in violation of the provisions of section 306C.13, subsection 8, or section 306C.18.

*b.* The device has been abandoned or not used for a period of at least six months.

4. *Department authorization.* If required by 23 U.S.C. § 131(g), the department may acquire through purchase or condemnation and shall pay just compensation as provided in section 306C.16 for off-premises advertising devices removed after July 1, 1989, through amortization by an ordinance of a political subdivision enacted prior to July 1, 1989. Notwithstanding the requirements of section 306C.14, the department may first pay just compensation from the highway beautification fund and then claim reimbursement for the federal share of the payment from the federal government.

5. *Savings clause.* If any provision of this section which relates to the department is inconsistent or conflicts with, or is not required by, 23 U.S.C. § 131 to avoid the loss of federal funds, the provision shall be suspended but only to the extent necessary to eliminate the inconsistency, conflict, or requirement. If any part of this section is found to be invalid or unconstitutional, such judgment shall not affect the validity of the section as a whole or any provision or part of the section not found to be invalid or unconstitutional.

89 Acts, ch 317, §25; 2006 Acts, ch 1010, §83

Referred to in §306C.16

# CHAPTER 306D

## SCENIC ROUTES

Referred to in §307.24

306D.1 Statement of purpose — intent.
306D.2 Statewide scenic highways program — objectives and agency duties.
306D.3 Plan recommendations and pilot projects.
306D.4 Scenic highway advertising.

**306D.1 Statement of purpose — intent.**

1. The general assembly finds that:

*a.* The state offers numerous regions through which people can drive for the pleasure of viewing unusually scenic and interesting landscapes; however, routes to and through these areas have not been adequately identified for Iowans and state visitors.

*b.* Among those things that attract motorists to the state's landscape are agricultural lands, forests, river basins, distinctive landforms, interesting architecture, metropolitan areas, small rural towns, and historic sites.

*c.* The landscape qualities of unusually scenic routes throughout the state have not been protected from visual and resource deterioration particularly along routes which pass near the state's nationally significant areas such as the bluffs of the Mississippi and Missouri rivers, the Amana colonies, the Herbert Hoover national historic site, federal reservoirs, communities surrounding the state's natural lakes, the Des Moines river greenbelt, the great river road, and many others.

*d.* A principal goal of economic development in this state is to increase the influence which travel and tourism have on the state's economic expansion.

*e.* Iowans and visitors should be encouraged to travel to and through unusually scenic areas of the state.

*f.* A program should be established, following a statewide plan, to identify and promote highways and secondary routes which pass through unusually scenic landscapes and to protect and enhance the scenic qualities of the landscape through which these routes pass.

2. In addition to other goals for the program, it is the intention of the general assembly that the scenic highways program be coordinated with the state's open space program.*

87 Acts, ch 175, §1

Referred to in §306D.2

*Open space program, chapter 465A

**306D.2 Statewide scenic highways program — objectives and agency duties.**

1. The state department of transportation shall prepare a statewide, long-range plan for the protection, enhancement, and identification of highways and secondary roads which pass through unusually scenic areas of the state as identified in section 306D.1. The department of natural resources, department of economic development, and department of cultural affairs, private organizations, county conservation boards, city park and recreation departments, and the federal agencies having jurisdiction over land in the state shall be encouraged to assist in preparing the plan. The plan shall be coordinated with the state's open space plan if a state open space plan has been approved by the general assembly. The plan shall include, but is not limited to, the following elements:

*a.* Preparation of a statewide inventory of scenic routes and ranking of relative uniqueness for each route. The degree to which these routes suffer from negative visual intrusions shall be documented.

*b.* Recommended techniques for preserving and enhancing the scenic qualities associated with each route.

*c.* Forecasts of significant changes in traffic volumes and environmental, social, and economic impacts if scenic routes are publicly identified and promoted as tourism attractions.

*d.* Recommended techniques for incorporating scenic highway routes in state and local tourism development and marketing programs.

*e.* Landscape management needs including maintenance, rehabilitation, and improvements to scenic areas.

*f.* Funding levels needed to accomplish the statewide scenic highway program.

*g.* Recommendations of how federal and state transportation programs can be modified or developed to assist the state's scenic highway program.

2. The preparation of the plan is subject to an appropriation by the general assembly for that purpose. The plan shall be submitted to the general assembly by January 15, 1988. Prior to submission of the plan to the general assembly, the department shall request comments on the proposed plan from state agencies, federal agencies, and private organizations with interests in scenic highways. The comments shall be submitted to the general assembly.

87 Acts, ch 175, §2; 2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1021, §64

Duties of former department of economic development were assumed by economic development authority beginning July 1, 2011, pursuant to 2011 Acts, ch 118

**306D.3 Plan recommendations and pilot projects.**

1. The department's recommendations to the general assembly shall include proposed legislation for the state to acquire and protect scenic landscapes along public roads and highways.

2. Before January 1, 1989, the department shall identify four pilot scenic highway routes across two or more counties each for trial promotion in the state's tourism marketing program.

87 Acts, ch 175, §3

**306D.4 Scenic highway advertising.**

1. The department of transportation shall have the authority to adopt rules to control the erection of new advertising devices on a highway designated as a scenic highway or scenic byway in order to comply with federal requirements concerning the implementation of a scenic byways program.

2. Notwithstanding subsection 1, if an advertising device was lawfully erected along an interstate highway within the corporate limits of a city prior to designation of the highway as a scenic byway and, after such designation occurs, the advertising device is displaced due to the reconstruction, improvement, or relocation of the highway, the advertising device may be relocated to a location determined by the department to be substantially the same location, subject to approval by the federal highway administration, and shall not be considered an erection of a new advertising device, if all of the following apply:

*a.* The location conforms to the requirements of chapters 306B and 306C.

*b.* The materials, number and type of supports, lighting, face size, and height of the advertising device remain the same.

95 Acts, ch 135, §4; 2013 Acts, ch 140, §22

Referred to in §306C.11

Section amended

# CHAPTER 307

## DEPARTMENT OF TRANSPORTATION (DOT)

Department to report annually regarding registered flexible fuel vehicles; see §452A.33


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**307.1 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Director"* means the director of transportation or the director's designee.
2. *"Department"* means the state department of transportation.
3. *"Commission"* means the state transportation commission.

[C75, 77, 79, 81, §307.1; 81 Acts, ch 22, §2]
86 Acts, ch 1245, §1903

**307.2 Department of transportation.**

There is created a state department of transportation which shall be responsible for the planning, development, regulation and improvement of transportation in the state as provided by law.

[C75, 77, 79, 81, §307.2]
Referred to in §7E.5

**307.3 Transportation commission.**

There is created a state transportation commission which shall consist of seven members, not more than four of whom shall be from the same political party. The governor shall appoint the members of the state transportation commission for a term of four years beginning and ending as provided by section 69.19, subject to confirmation by the senate.

The commission shall meet in May of each year for the purpose of electing one of its members as chairperson.

[SS15, §1527-s; C24, 27, 31, 35, 39, §**4622, 4623;** C46, 50, 54, 58, 62, 66, 71, 73, §307.1, 307.2; C75, 77, 79, 81, §307.3]
83 Acts, ch 101, §67
Confirmation, see §2.32

**307.4 Conflict of interest.**

A person shall not serve as a member of the state transportation commission who has an interest in a contract or job of work or material or the profits thereof or service to be performed for the department. Any member of the state transportation commission who accepts employment with or acquires any stock, bonds, or other interest in any company or corporation doing business with the department shall be disqualified from remaining a member of the state transportation commission.

[C75, 77, 79, 81, §307.4]

**307.5 Vacancies on commission.**

Any vacancy shall be filled in the same manner as regular appointments are made for the unexpired portion of the regular term.

In the event the governor fails to make an appointment to fill a vacancy or fails to submit the appointment to the senate for confirmation as required by section 2.32, the senate may make the appointment prior to adjournment of the general assembly.

[SS15, §1527-s; C24, 27, 31, 35, 39, §**4624;** C46, 50, 54, 58, 62, 66, 71, 73, §307.3; C75, 77, 79, 81, §307.5]

**307.6 Compensation — commission members.**

Each member of the commission shall be compensated as provided in section 7E.6.

[SS15, §1527-s1; C24, 27, 31, 35, 39, §**4625;** C46, 50, 54, 58, 62, 66, 71, 73, §307.4; C75, 77, 79, 81, §307.6]

86 Acts, ch 1245, §1904

**307.7 Commission meetings.**

The commission shall meet at the call of the chairperson or when any four members of the commission file a written request with the chairperson for a meeting. Written notice of the time and place of each meeting shall be given to each member of the commission. A majority of the commission members shall constitute a quorum.

[C75, 77, 79, 81, §307.7]

**307.8 Expenses.**

Members of the commission, the director, and other employees of the department shall be allowed their actual and necessary expenses incurred in the performance of their duties. All expenses and salaries shall be paid from appropriations for such purposes and the department shall be subject to the budget requirements of chapter 8.

[C75, 77, 79, 81, §307.8]

**307.9 Removal from office.**

Any member of the commission may be removed for any of the causes and in the manner provided in chapter 66 and such removal shall not be in lieu of any other punishment that may be prescribed by the laws of this state.

[C75, 77, 79, 81, §307.9]

**307.10 Duties of commission.**

The commission shall:

1. Develop and coordinate a comprehensive transportation policy for the state not later than January 1, 1975, which shall be submitted to the general assembly for its approval, and develop a comprehensive transportation plan by January 1, 1976, to be submitted to the governor and the general assembly, and to update the transportation policy and plan annually.

2. Promote the coordinated and efficient use of all available modes of transportation for the benefit of the state and its citizens including but not limited to the designation and development of multimodal public transfer facilities if carriers or other private businesses fail to develop such facilities.

3. Identify the needs for city, county and regional transportation facilities and services in the state and develop programs appropriate to meet these needs.

4. Identify methods of improving transportation safety in the state and develop programs appropriate to meet these needs.

5. Consider the energy and environmental issues in transportation development.

6. Enter into such contracts and agreements as provided in this chapter.

7. Promote the efforts of political subdivisions in developing energy-efficient public transit systems including bus and rail systems.

8. Promote the development of rural bus systems.

9. Develop and implement a bus system subsidization program.

10. Act as a resource and referral source for van poolers in the state.

11. Conduct a comprehensive transportation planning study to examine pedestrian accessibility in new commercial development.

12. Establish transit accessibility impact guidelines by July 1, 1992, to be used in evaluating proposals for the construction or acquisition of publicly financed facilities.

13. Develop statistical measures to ascertain the impact of public transit systems on the minimization of motor vehicle accidents and reduction in fuel utilization by July 1, 1992, and the impact of public transit systems on the reduction of hazardous emissions of mobile sources, as identified pursuant to Tit. II of the federal Clean Air Act of 1990, Pub. L. No. 101-549, by July 1, 1993.

14. By July 1, 1992, create a statewide transit services marketing steering committee which includes providers, consumer advocates, and public relations representatives. The committee shall develop criteria for the evaluation of the adequacy and public awareness of transit service delivery by January 1, 1993.

15. Approve all rules prior to their adoption by the director pursuant to section 307.12, subsection 1, paragraph *"j"*.

[C75, 77, 79, 81, §307.10; 82 Acts, ch 1199, §92, 93, 96]

83 Acts, ch 9, §1, 8; 84 Acts, ch 1231, §1; 86 Acts, ch 1245, §1905, 1906; 91 Acts, ch 253, §14; 92 Acts, ch 1065, §1; 2005 Acts, ch 20, §1; 2010 Acts, ch 1061, §168, 180

See also §307A.2

**307.11 Director of transportation — qualifications — salary.**

The governor shall appoint a director of transportation, subject to confirmation by the senate, who shall serve at the pleasure of the governor and who shall not be a member of the commission. The director shall not hold any other office under the laws of the United States or of this or any other state or hold any other position for profit. The director shall not engage in any occupation, business, or profession interfering with or inconsistent with the director's duties, serve on or under a committee of a political party, or contribute to the campaign fund of any person or political party. The director shall be appointed on the basis of executive and administrative abilities and shall devote full time to the duties of the position.

The director shall receive a salary as fixed by the governor within a salary range set by the general assembly.

[C75, 77, 79, 81, §307.11]

86 Acts, ch 1245, §1907, 1908

Confirmation; see §2.32

**307.12 Duties of the director.**

1. The director shall:

*a.* Manage the internal operations of the department and establish guidelines and procedures to promote the orderly and efficient administration of the department.

*b.* Employ personnel as necessary to carry out the duties and responsibilities of the department, consistent with chapter 8A, subchapter IV.

*c.* Assist the commission in developing state transportation policy and a state transportation plan.

*d.* Establish temporary advisory boards of a size the director deems appropriate to advise the department.

*e.* Prepare a budget for the department and prepare reports required by law.

*f.* Present the department's proposed budget to the commission prior to December 31 of each year.

*g.* Appoint the deputy director of transportation and the administrators of the department.

*h.* Review and submit legislative proposals necessary to maintain current state transportation laws.

*i.* Enter into reciprocal agreements relating to motor vehicle inspections with authorized officials of any other state, subject to approval by the commission. The director may exempt or impose requirements upon nonresident motor vehicles consistent with those imposed upon vehicles of Iowa residents operated in other states.

*j.* Adopt rules in accordance with chapter 17A as the director deems necessary for the administration of the department and the exercise of the director's and department's powers and duties.

*k.* Reorganize the administration of the department as needed to increase administrative efficiency.

*l.* Provide for the receipt or disbursement of federal funds allocated to the state and its political subdivisions for transportation purposes.

*m.* Include in the department's annual budget all estimated federal funds to be received or allocated to the department.

*n.* Adopt, after consultation with the department of natural resources and the department of public safety, rules relating to enforcement of the rules regarding transportation of hazardous wastes adopted by the department of natural resources. The department and the division of state patrol of the department of public safety shall carry out the enforcement of the rules.

*o.* Prepare and submit a report to the general assembly on or before January 15 of each fiscal year describing the prior fiscal year's highway construction program, actual expenditures of the program, and contractual obligations of the program.

*p.* Administer chapter 327J.

2. If in the interest of the state, the director may allow a subsistence expense to an employee under the supervision of the department's administrator for highways for continuous stay in one location while on duty away from established headquarters and place of domicile for a period not to exceed forty-five days; and allow automobile expenses in accordance with section 8A.363, for moving an employee and the employee's family from place of present domicile to new domicile, and actual transportation expense for moving of household goods. The household goods for which transportation expense is allowed shall not include pets or animals.

[C75, 77, 79, 81, §307.12]

86 Acts, ch 1245, §1909; 91 Acts, ch 268, §510; 92 Acts, ch 1210, §1; 98 Acts, ch 1074, §19; 2003 Acts, ch 145, §239, 240; 2005 Acts, ch 35, §31; 2005 Acts, ch 179, §125; 2006 Acts, ch 1068, §5; 2010 Acts, ch 1061, §105

Referred to in §307.10

**307.13 Reassignment of personnel.**

The director may reassign personnel within the department among the various divisions of the department in order to properly coordinate the work of the divisions and perform the duties and responsibilities of the department efficiently and economically.

However, any employee so transferred or transferred from one employment system to another either administratively or legislatively, shall not be considered to be a probationary employee simply because of this action.

[C75, 77, 79, 81, §307.13]

**307.14 Official Iowa map.**

The department shall publish a map of the state of Iowa. At the request of a citizen of a particular city or town, the department shall add the city or town to the existing map of Iowa and identify the main road leading into the city or town if the city or town meets two or more of the following criteria:

1. Has a zip coded post office in the city or town.

2. Has a population of twenty-five or more.
3. Has a building on the national register of historic places in the city or town.
4. Has an association with a public recreation area managed by the department of natural resources in the city or town.
5. Has a high school, grade school, private school, church, or cemetery in the city or town.
6. Has a retail business in the city or town.
7. Has an annual festival or celebration.

91 Acts, ch 139, §1, 2

**307.15 through 307.19** Repealed by 86 Acts, ch 1245, § 1969.

**307.20 Biodiesel and biodiesel blended fuel revolving fund.**

1. A biodiesel and biodiesel blended fuel revolving fund is created in the state treasury. The biodiesel and biodiesel blended fuel revolving fund shall be administered by the department and shall consist of moneys received from the sale of EPAct credits banked by the department on April 19, 2001, moneys appropriated by the general assembly, and any other moneys obtained or accepted by the department for deposit in the fund. Moneys in the fund are appropriated to and shall be used by the department for the purchase of biodiesel and biodiesel blended fuel for use in department vehicles. The department shall submit an annual report not later than January 31 to the members of the general assembly and the legislative services agency, of the expenditures made from the fund during the preceding fiscal year. Section 8.33 does not apply to any moneys in the fund and, notwithstanding section 12C.7, subsection 2, earnings or interest on moneys deposited in the fund shall be credited to the fund.

2. A departmental motor vehicle operating using biodiesel or biodiesel blended fuel shall be affixed with a brightly visible sticker that notifies the traveling public that the motor vehicle uses biodiesel blended fuel.

3. For purposes of this section the following definitions apply:

*a.* *"Biodiesel"* and *"biodiesel blended fuel"* mean the same as defined in section 214A.1.

*b.* *"EPAct credit"* means a credit issued pursuant to the federal Energy Policy Act (EPAct), 42 U.S.C. § 13201 et seq.

2001 Acts, ch 52, §1, 3; 2003 Acts, ch 35, §45, 49; 2006 Acts, ch 1142, §78

**307.21 Administrative services.**

1. The department's administrator of administrative services shall:

*a.* Provide for the proper maintenance and protection of the grounds, buildings, and equipment of the department, in cooperation with the department of administrative services.

*b.* Establish, supervise, and maintain a system of centralized electronic data processing for the department, in cooperation with the department of administrative services.

*c.* Assist the director in preparing the departmental budget.

*d.* Provide centralized purchasing services for the department, if authorized by the department of administrative services. The administrator shall, when the price is reasonably competitive and the quality as intended, purchase soybean-based inks and plastic products with recycled content, including but not limited to plastic garbage can liners, and shall purchase these items in accordance with the schedule established in section 8A.315. However, the administrator need not purchase garbage can liners in accordance with the schedule if the liners are utilized by a facility approved by the environmental protection commission created under section 455A.6, for purposes of recycling. For purposes of this section, *"recycled content"* means that the content of the product contains a minimum of thirty percent postconsumer material.

*e.* Assist the director in employing the professional, technical, clerical, and secretarial staff for the department and maintain employee records, in cooperation with the department of administrative services and provide personnel services, including but not limited to training, safety education, and employee counseling.

*f.* Assist the director in coordinating the responsibilities and duties of the various divisions within the department.

*g.* Carry out all other general administrative duties for the department.

*h.* Perform such other duties and responsibilities as may be assigned by the director.

2. When performing the duty of providing centralized purchasing services under subsection 1, the administrator shall do all of the following:

*a.* Purchase and use recycled printing and writing paper in accordance with the schedule established in section 8A.315.

*b.* Establish a wastepaper recycling program in accordance with recommendations made by the department of natural resources and the requirements of section 8A.329.

*c.* Require in accordance with section 8A.311 product content statements and compliance with requirements regarding procurement specifications.

*d.* Comply with the requirements for the purchase of lubricating oils, industrial oils, greases, and hydraulic fluids as established pursuant to section 8A.316.

*e.* Give preference to purchasing designated biobased products in the same manner as provided in section 8A.317.

3. The department shall report to the general assembly by February 1 of each year, the following:

*a.* A listing of plastic products which are regularly purchased by the board for which recycled content product alternatives are available, including the cost of the plastic products purchased and the cost of the recycled content product alternatives.

*b.* Information relating to soybean-based inks and plastic garbage can liners with recycled content regularly purchased by the department, including the cost of purchasing soybean-based inks and plastic garbage can liners with recycled content and the percentages of soybean-based inks and plastic garbage can liners with recycled content that have been purchased.

4. A gasoline-powered vehicle purchased by the administrator shall not operate on gasoline other than ethanol blended gasoline as defined in section 214A.1. A diesel-powered motor vehicle purchased by the administrator shall not operate on diesel fuel other than biodiesel fuel as defined in section 214A.1, if commercially available. A state-issued credit card shall not be valid to purchase gasoline other than ethanol blended gasoline or to purchase diesel fuel other than biodiesel fuel, if commercially available. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline or biodiesel fuel, as applicable. However, the sticker is not required to be affixed to an unmarked vehicle used for purposes of providing law enforcement or security.

5. *a.* Of all new passenger vehicles and light pickup trucks purchased by the administrator, a minimum of ten percent of all such vehicles and trucks purchased shall be equipped with engines which utilize alternative methods of propulsion, including but not limited to any of the following:

(1) A flexible fuel which is any of the following:

(a) E-85 gasoline as provided in section 214A.2.

(b) B-20 biodiesel blended fuel as provided in section 214A.2.

(c) A renewable fuel approved by the office of renewable fuels and coproducts pursuant to section 159A.3.

(2) Compressed or liquefied natural gas.

(3) Propane gas.

(4) Solar energy.

(5) Electricity.

*b.* The provisions of this subsection do not apply to vehicles and trucks purchased and directly used for law enforcement or off-road maintenance work.

6. The administrator shall, whenever technically feasible, purchase and use degradable loose foam packing material manufactured from grain starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources. For the purposes of this subsection, *"packing material"* means material, other than an exterior packing shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

7. The administrator of administrative services may purchase items from the department

of administrative services and may cooperate with the director of the department of administrative services by providing purchasing services for the department of administrative services.

[C75, 77, 79, 81, §307.21]

86 Acts, ch 1245, §1910, 1911; 88 Acts, ch 1185, §3; 89 Acts, ch 272, §24; 90 Acts, ch 1237, §4; 91 Acts, ch 97, §42; 91 Acts, ch 254, §18; 92 Acts, ch 1095, §3; 93 Acts, ch 26, §6; 93 Acts, ch 176, §40; 94 Acts, ch 1119, §28; 95 Acts, ch 44, §3; 95 Acts, ch 62, §4; 98 Acts, ch 1082, §6; 99 Acts, ch 114, §17; 99 Acts, ch 121, §10; 2000 Acts, ch 1109, §6; 2003 Acts, ch 145, §241, 242, 286; 2006 Acts, ch 1142, §66, 67; 2007 Acts, ch 22, §68; 2008 Acts, ch 1104, §6; 2008 Acts, ch 1169, §39, 42; 2009 Acts, ch 133, §113; 2010 Acts, ch 1031, §75

Section not amended; footnote deleted

**307.22 Planning and research.**

1. The department's administrator of planning and research shall:

*a.* Assist the director in planning all modes of transportation in order to develop an integrated transportation system providing adequate transportation services for all citizens of the state.

*b.* Develop and maintain transportation statistical data for the department.

*c.* Assist the director in establishing, analyzing, and evaluating alternative transportation policies for the state.

*d.* Coordinate planning and research duties and responsibilities with the planning functions carried on by other administrators of the department.

*e.* (1) Annually report by July 1 of each year, for both secondary and farm-to-market systems, miles of earth, granular, and paved surface roads; the daily vehicle miles of travel; and lineal feet of bridge deck under the jurisdiction of each county's secondary road department, as of the preceding January 1, taking into account roads whose jurisdiction has been transferred from the department to a county or from a county to the department during the previous year. The annual report shall include those roads transferred to a county pursuant to section 306.8A.

(2) Miles of secondary and farm-to-market roads shall not include those miles of farm-to-market extensions within cities under five hundred population that are placed under county secondary road jurisdiction pursuant to section 306.4.

(3) The annual report of updated road and bridge data of both the secondary and farm-to-market roads shall be submitted to the Iowa county engineers association service bureau.

*f.* Perform such other planning functions as may be assigned by the director.

2. The functions of planning and research do not include the detailed design of highways or other modal transportation facilities, but are restricted to the needs of this state for multimodal transportation systems.

[C75, 77, 79, 81, §307.22]

86 Acts, ch 1245, §1912, 1913; 2002 Acts, ch 1063, §6, 16; 2003 Acts, ch 144, §4; 2005 Acts, ch 20, §2; 2005 Acts, ch 142, §1; 2010 Acts, ch 1061, §180

**307.23 General counsel.**

The general counsel shall be a special assistant attorney general appointed by the attorney general who shall act as the attorney for the department and the general counsel shall have the following duties and responsibilities:

Act as legal advisor to the commission and the director, and provide all legal services for the department.

The attorney general shall appoint additional assistant attorneys general as the director deems necessary to carry out the duties assigned to the office of the general counsel. The salary of the general counsel shall be fixed by the director, subject to the approval of the

attorney general. The director shall provide and furnish a suitable office for the general counsel upon request of the attorney general.

[SS15, §1527-s, -s2; C24, 27, §307.8; C31, 35, §4630, 4630-c1; C39, §**4630, 4630.1;** C46, 50, 54, 58, 62, 66, 71, 73, §307.8, 307.9; C75, 77, 79, 81, §307.23]

86 Acts, ch 1245, §1914, 1915

**307.24 Administration of highways.**

The department's administrator of highways is responsible for the planning, design, construction, and maintenance of the state primary highways and shall administer chapters 306 to 320 and perform other duties as assigned by the director. The administration of highways shall be organized to provide administration for urban systems, for secondary roads, and other categories of administration as necessary.

[C75, 77, 79, 81, §307.24]

86 Acts, ch 1245, §1916; 2009 Acts, ch 97, §8

**307.25 Aeronautics and public transit.**

The department's administrator for aeronautics and public transit shall:

1. Advise and assist the director in the development of aeronautics, including but not limited to the location of air terminals, accessibility of air terminals by other modes of public transportation, protective zoning provisions considering safety factors, noise, and air pollution, facilities for private and commercial aircraft, air freight facilities and such other physical and technical aspects as may be necessary to meet present and future needs.

2. Advise and assist the director in the study of local and regional transportation of goods and people including intracity and intercity bus systems, dial-a-bus facilities, rural and urban bus and taxi systems, the collection of data from these systems, feasibility study of increased government subsidy assistance and determination of the allocation of such subsidies to each mass transportation system, such other physical and technical aspects which may be necessary to meet present and future needs and apply for, accept and expend federal, state or private funds for the improvement of mass transit.

3. Advise and assist the director to study and develop highway transport economics to assure availability and productivity of highway transport services.

4. Administer chapters 328, 329, and 330.

5. Perform other duties and responsibilities as assigned by the director.

[C75, 77, 79, 81, §307.25]

86 Acts, ch 1245, §1917 – 1919; 90 Acts, ch 1233, §12; 98 Acts, ch 1100, §38

**307.26 Rail and water.**

The department's administrator for rail and water shall:

1. Advise and assist the director in conducting research on the basic railroad problems and identify the present capability of the existing railroads in order to determine the present obligation of the railroads to provide acceptable levels of public service.

2. Advise and assist the director in the development of rail transportation systems for expansion of passenger and freight services.

3. Advise and assist the director in developing programs in anticipation of railroad abandonment, including:

*a.* Development and evaluation of programs which will encourage improvement of rail freight and the upgrading of rail lines in order to improve freight service.

*b.* Development of alternative modes of transportation to areas and communities which lose rail service.

*c.* Advise the director when it may appear in the best interest of the state to assume the role of advocate in railroad abandonments and railroad rate schedules.

4. Develop and maintain a federal-state relationship of programs relating to railroad safety enforcement, track standards, rail equipment, operating rules and transportation of hazardous materials.

5. Advise and assist the director in the conduct of research on railroad-highway grade

crossings and encourage and develop a safety program in order to reduce injuries or fatalities including, but not limited to, the following:

*a.* The implementation of a program of constructing rumble strips at grade crossings on selected hard surface roads.

*b.* The establishment of standards for warning devices for particularly hazardous crossings or for classes of crossings on highways, which standards are designed to reduce injuries, fatalities and property damage. Such standards shall regulate the use of warning devices and signs which shall be in addition to the requirements of section 327G.2. Implementation of such standards shall be the responsibility of the government agency or department or political subdivision having jurisdiction and control of the highway and such implementation shall be deemed adequate for the purposes of railroad grade crossing protection. The department, or the political subdivision having jurisdiction, may direct the installation of temporary protection while awaiting installation of permanent protection. A railroad crossing shall not be found to be particularly hazardous for any purpose unless the department has determined it to be particularly hazardous.

*c.* The development and adoption of classifications of crossings on public highways based upon their characteristics, conditions, and hazards, and standards for warning devices, signals, and signs of each crossing classification. The department shall recommend a schedule for implementation of the standards to the government agency, department, or political subdivision having jurisdiction of the highway and shall provide an annual report to the general assembly on the development and adoption of classifications and standards under this paragraph and their implementation, including information about financing installation of warning devices, signals, and signs. The department shall not be liable for the development or adoption of the classifications or standards. A government agency, department, or political subdivision shall not be liable for failure to implement the standards. A crossing warning or improvement installed or maintained pursuant to standards adopted by the department under this paragraph shall be deemed an adequate and appropriate warning for the crossing.

6. Apply for, accept, and expend federal, state or private funds for the improvement of rail transportation.

7. Advise and assist the director on studies for coordination of railway service with that of other transportation modes.

8. Advise and assist the director with studies of regulatory changes deemed necessary to effectuate economical and efficient railroad service.

9. Advise and assist the director regarding agreements with railroad corporations for the restoration, conservation or improvement of railroad as defined in section 327D.2, subsection 3, on such terms, conditions, rates, rentals, or subsidy levels as may be in the best interest of the state. The commission may enter into contracts and agreements which are binding only to the extent that appropriations have been or may subsequently be made by the legislature to effectuate the purposes of this subsection.

10. Administer chapters 327C through 327H.

11. Perform such other duties and responsibilities as may be assigned by the director and the commission.

12. Advise and assist in the establishment and development of railroad districts upon request.

13. Conduct innovative experimental programs relating to rail transportation problems within the state.

14. Enter the role of “applicant” pursuant to the Railroad Revitalization and Regulatory Reform Act of 1976, Pub. L. No. 94-210, and take such actions as are necessary to accomplish this role.

15. Identify those segments of railroad trackage which, if improved, may provide increased transportation services for the citizens of this state. The department shall develop and implement programs to encourage the improvement of rail freight services on such railroad trackage.

16. Promote river transportation and coordinate river programs with other transportation modes.

17. Advise and assist the director in the development of river transportation and port facilities in the state.

[C75, 77, §307.26, 327H.19; C79, 81, §307.26]

86 Acts, ch 1245, §1920, 1921; 90 Acts, ch 1233, §13; 94 Acts, ch 1199, §50; 2006 Acts, ch 1010, §84

Referred to in §321.342

**307.27 Motor vehicles.**

The department's administrator of motor vehicles shall:

1. Administer and supervise the registration of motor vehicles pursuant to chapter 321.
2. Administer and supervise the licensing of motor vehicle manufacturers, distributors and dealers pursuant to chapter 322.
3. Administer the inspection of motor vehicles pursuant to chapter 321.
4. Administer motor vehicle registration reciprocity pursuant to chapter 326.
5. Administer the provisions of chapters 321A, 321E, 321F, and 321J relating to motor vehicle financial responsibility, the implied consent law, the movement of vehicles of excessive size and weight and the leasing and renting of vehicles.
6. Administer the regulation of motor vehicle franchisers pursuant to chapter 322A.
7. Administer the regulation of motor carriers pursuant to chapter 325A.
8. Administer the registration of interstate authority of motor carriers pursuant to chapter 327B as provided in 49 U.S.C. § 14504a and United States department of transportation regulations.

[C75, 77, 79, 81, §307.27]

86 Acts, ch 1220, §27; 86 Acts, ch 1245, §1922; 90 Acts, ch 1233, §14; 98 Acts, ch 1100, §39, 40; 2003 Acts, ch 108, §53; 2011 Acts, ch 38, §1

**307.28 Prorating departmental costs.**

The director shall, with the approval of the commission, prorate the costs of the department which will be expended for highways and such costs shall be paid from money appropriated from the road use tax fund. Prorated costs payable from the road use tax fund shall be based upon that portion of the department's duties related to the construction, maintenance, and supervision of the public highways within the state or for the payment of bonds issued for the construction of public highways and the payment of interest on such bonds. The general assembly shall appropriate from the general fund of the state the remaining necessary departmental costs.

[C75, 77, 79, 81, §307.28]

**307.29** Repealed by 89 Acts, ch 4, § 3.

**307.30 Federal tax compliance.**

The department shall adopt rules under chapter 17A to provide for certification of federal heavy vehicle use tax collections required by the Surface Transportation Assistance Act of 1982.

83 Acts, ch 9, §2, 8

**307.31 Periodic review of revenues — evaluation of alternative funding sources.**

1. The department shall periodically review the current revenue levels of the road use tax fund and the sufficiency of those revenues for the projected construction and maintenance needs of city, county, and state governments in the future. The department shall submit a written report to the general assembly regarding its findings by December 31 every five years, beginning in 2011. The report may include recommendations concerning funding levels needed to support the future mobility and accessibility for users of Iowa's public road system.

2. The department shall evaluate alternative funding sources for road maintenance and construction and report to the general assembly at least every five years on the advantages and disadvantages and the viability of alternative funding mechanisms. The department's

evaluation of alternative funding sources may be included in the report submitted to the general assembly under subsection 1.
2007 Acts, ch 200, §5

**307.32 through 307.34** Reserved.

**307.35 Inspectors to perform several functions.**
The department shall institute a program to combine inspection functions where feasible and to train construction inspectors to perform several inspection functions to reduce the number of construction inspectors employed by the department and the number of construction inspectors required for each construction project.
[81 Acts 2d Ex, ch 2, §2]

**307.36 Project needs — retention of property.**
It is the intent of the general assembly that not later than July 1, 1992, the state department of transportation shall dispose of all right-of-way owned by the department and not needed for projects. In determining need, the department shall consider both its five-year program requirements and its long-range, statewide corridor development needs, including the development of the network of commercial and industrial highways. The department may also act to preserve right-of-way for improvements to the network of commercial and industrial highways by acquiring options, easements, rights of first refusal, or other property interests less than fee title. In determining need based upon long-range, statewide corridor development, the department shall give careful consideration to economically depressed urban areas not served directly by the national system of interstate and defense highways.
83 Acts, ch 114, §1; 89 Acts, ch 134, §3

**307.37 Motor vehicle fraud and odometer law enforcement.**
The department shall investigate and prosecute violators of the laws concerning motor vehicle fraud including, but not limited to, the state and federal odometer law. The department shall refer available evidence concerning a possible violation of the laws concerning motor vehicle fraud including, but not limited to, section 321.71 or the federal odometer law or a rule or order issued under section 321.71 or the federal odometer law, to the attorney general. The attorney general, with or without the referral, may institute appropriate criminal proceedings or may direct the case to the appropriate county attorney to institute appropriate criminal proceedings. The attorney general may use those funds available to the department of justice for this purpose and law enforcement agencies may be reimbursed for expenses incurred in the enforcement of those laws, rules, or orders with the approval of the attorney general.
84 Acts, ch 1305, §45; 88 Acts, ch 1089, §1

**307.38** Repealed by 99 Acts, ch 114, § 54.

**307.39** Repealed by 92 Acts, ch 1238, § 43.

**307.40 Copies of contracts to legislative services agency.**
The department shall give a copy of each contract for construction or reconstruction of roads, streets, or bridges entered into by the department in which the contract price is for five million dollars or more to the legislative services agency.
88 Acts, ch 1278, §26; 2003 Acts, ch 35, §45, 49

**307.41 and 307.42** Reserved.

**307.43 Federal donations.**
If the government of the United States provides for free distribution among the states of machinery or other equipment suitable for use in road improvement, the director may receive and receipt for the machinery and equipment, and take action to secure to the state the benefit of any such tenders by the federal authorities. The director may make an apportionment of

the machinery or other equipment among the counties of the state which in the director's judgment will best facilitate work in progress or contemplated by the counties, but the title and right of possession of the property received from the federal government is at all times in the director for the use and benefit of the state.

86 Acts, ch 1245, §1924

**307.44 Use of federal moneys — cooperation.**

If funds are allotted or appropriated by the government of the United States for the improvement of transportation facilities and services in this state, the department may cooperate with the government of the United States, and any agency or department thereof, in the planning, acquisition, contract letting, construction, improvement, maintenance, and operation of transportation facilities and services in this state; may comply with the federal statutes and rules; and may cooperate with the federal government in the expenditure of the federal funds.

In order to avoid delays, payment for the street and highway projects or improvements constructed in cooperation with the federal government may be advanced from the primary road fund.

86 Acts, ch 1244, §39; 93 Acts, ch 87, §2

Referred to in §263B.6

**307.45 State-owned lands — assessment.**

1. Cities and counties may assess the cost of a public improvement against the state when the improvement benefits property owned by the state and under the jurisdiction and control of the department's administrator of highways. The director shall pay from the primary road fund the portion of the cost of the improvement which would be legally assessable against the land if privately owned.

2. Assessments against property under the jurisdiction of the department's administrator of highways shall be made in the same manner as those made against private property, except that the city or county making the assessment shall cause a copy of the public notice of hearing to be mailed to the director by certified mail.

3. Assessments against property owned by the state and not under the jurisdiction and control of the department's administrator of highways shall be made in the same manner as those made against private property and payment shall be subject to authorization by the executive council. There is appropriated from moneys in the general fund not otherwise appropriated an amount necessary to pay the expense authorized by the executive council.

86 Acts, ch 1244, §40; 91 Acts, ch 268, §511; 2009 Acts, ch 179, §77; 2011 Acts, ch 131, §33, 158

Referred to in §312.2, 312.4, 313.4, 384.56

**307.46 Use of reversions.**

1. Notwithstanding the provisions of section 8.33 or any other provision of law to the contrary, if on June 30 of a fiscal year a balance of an operational appropriation remains unexpended or unencumbered, not more than fifty percent of the balance may be encumbered by the department and used as provided in this section and the remaining balance shall be deposited in the fund from which the money was appropriated. The department shall not encumber an amount in excess of five hundred thousand dollars under this section in any fiscal year. Moneys encumbered under this section shall be used by the department during the succeeding fiscal year for employee training and for technology enhancement. Moneys which are encumbered under this section but not used shall revert to the fund from which the money was appropriated on June 30 of the succeeding fiscal year.

2. On or before June 30 of the fiscal year following the fiscal year in which funds were encumbered under this section, the department shall report to the joint transportation, infrastructure, and capitals appropriations subcommittee, the legislative services agency, the department of management, and the legislative fiscal and oversight committees of the legislative council detailing how the moneys were expended. Moneys shall not be encumbered under this section from an appropriation which received a transfer from another appropriation pursuant to section 8.39.

3. For purposes of this section, "*operational appropriation*" means an appropriation from the road use tax fund or primary road fund providing for salaries, support, maintenance, and miscellaneous purposes.

99 Acts, ch 120, §1, 5; 2003 Acts, ch 35, §45, 49

**307.47 Materials and equipment revolving fund — annual purchase report.**

1. The highway materials and equipment revolving fund is created from moneys appropriated out of the primary road fund. From this fund shall be paid all costs for materials and supplies, inventoried stock supplies, maintenance and operational costs of equipment, and equipment replacements incurred in the operation of centralized purchasing under the supervision of the department's administrator of highways. Direct salaries and expenses properly chargeable to direct salaries shall be paid from the fund. For each month the director shall render a statement to each unit under the supervision of the administrator of highways for the actual cost of materials and supplies, operational and maintenance costs of equipment, and equipment depreciation used. The expense shall be paid by the administrator of highways in the same manner as other interdepartmental billings are paid and when the expense is paid by the administrator of highways, the sum paid shall be credited to the highway materials and equipment revolving fund.

2. If surplus accrues to the revolving fund in excess of one hundred thousand dollars for which there is no anticipated need or use, the governor shall order that surplus reverted to the primary road fund.

3. When the units under the supervision of the administrator of highways share equipment with other administrative units of the department, the director shall prorate the costs of the equipment among the administrative units using the equipment.

4. The department shall present a purchase report to the legislative services agency prior to the beginning of each regular annual session of the general assembly. The report shall cover all equipment and vehicle purchases through the highway materials and equipment revolving fund during the preceding fiscal year.

86 Acts, ch 1244, §41; 88 Acts, ch 1278, §27; 2003 Acts, ch 35, §45, 49

Referred to in §12.28

**307.48 Longevity pay.**

An employee of the department who was hired by the state highway commission on or before June 30, 1971, is entitled to longevity pay. An employee eligible for longevity pay under this section whose employment is terminated on or after July 1, 1971, if reemployed by the department, forfeits any right the employee may have had to longevity pay.

An employee under the supervision of the department's administrator of highways who became an employee of the state department of transportation on July 1, 1974, retains all rights to longevity pay so long as the employee continues employment with the department.

86 Acts, ch 1245, §1925; 88 Acts, ch 1158, §63

Referred to in §8A.439

**307.49 Contract bids.**

1. A bidder awarded a contract with the department shall disclose the names of all subcontractors, who will work on the project being bid or who the bidder anticipates will work on the project being bid, within forty-eight hours after the award of the contract. If a subcontractor named by a bidder awarded a contract is replaced, or if the cost of work to be done by a subcontractor is reduced, the bidder shall disclose the name of the new subcontractor or the amount of the reduced cost. If a subcontractor is added by a bidder awarded a contract, the bidder shall disclose the name of the new subcontractor.

2. The department shall issue electronic project bid notices for distribution to the targeted small business internet site located at the economic development authority. The notices shall be provided to the targeted small business marketing manager forty-eight hours prior to the issuance of all project bid notices. The notices shall contain a description of the project, a point of contact for each project, and any subcontract goals included in the bid.

90 Acts, ch 1161, §3; 98 Acts, ch 1212, §5; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 90, §257

Code editor directive applied

# CHAPTER 307A

## TRANSPORTATION COMMISSION

Referred to in §307.24, 461.11

307A.1 Definitions.
307A.2 Duties.
307A.3 through 307A.5 Repealed by 86 Acts, ch 1245, §1969.
307A.6 Repealed by 76 Acts, ch 1176, §6.
307A.7 and 307A.8 Repealed by 86 Acts, ch 1245, §1969.

**307A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commission"* means the state transportation commission of the state department of transportation.

2. *"Department"* means the state department of transportation.

[C75, 77, 79, 81, §307A.1]

**307A.2 Duties.**

Said commission shall:

1. Devise and adopt standard plans of highway construction and furnish the same to the counties and provide information to the counties on the maintenance practices and policies of the department.

2. Furnish information and instruction to, answer inquiries of, and advise with, highway officers on matters of highway construction and maintenance and the reasonable cost thereof.

3. Reserved.

4. Make surveys, plans, and estimates of cost, for the elimination of danger at railroad crossings on highways, and confer with local and railroad officials with reference to elimination of the danger.

5. Assist the board of supervisors and the department general counsel in the defense of suits wherein infringement of patents, relative to highway construction, is alleged.

6. Make surveys for the improvement of highways upon or adjacent to state property when requested by the board or department in control of said lands.

7. Record all important operations of said commission and, at the time provided by law, report the same to the governor.

8. Incur no expense to the state by sending out road lecturers.

9. Order the removal or alteration of any lights or light-reflecting devices, whether on public or private property, other than railroad signals or crossing lights, located adjacent to a primary road and within three hundred feet of a railroad crossing at grade, which in any way interfere with the vision of or may be confusing to a person operating a motor vehicle on such highway in observing the approach of trains or in observing signs erected for the purpose of giving warning of such railroad crossing.

10. Order the removal or alteration of any lights or light-reflecting devices, whether on public or private property, located adjacent to a primary road and within three hundred feet of an intersection with another primary road, which in any way interfere with the vision of or may be confusing to a person operating a motor vehicle on such highway in observing the approach of other vehicles or signs erected for the purpose of giving warning of such intersection.

11. Construct, reconstruct, improve, and maintain state institutional roads and state park roads, which are part of the state park, state institution, and other state land road system as defined in section 306.3, and bridges on such roads, roads located on state fairgrounds as defined in chapter 173, and the roads and bridges located on community college property as defined in chapter 260C, upon the request of the state board, department, or commission which has jurisdiction over such roads. This shall be done in such manner as may be agreed upon by the state transportation commission and the state board, department, or commission which has jurisdiction. The commission may contract with any county or municipality for the construction, reconstruction, improvement, or maintenance of such roads and bridges.

Any state park road which is an extension of either a primary or secondary highway which both enters and exits from a state park at separate points shall be constructed, reconstructed, improved, and maintained as provided in section 306.4. Funds allocated from the road use tax fund for the purposes of this subsection shall be apportioned in the following manner and amounts:

*a.* For department of natural resources facility roads, forty-five and one-half percent.
*b.* For department of human services facility roads, six and one-half percent.
*c.* For department of corrections facility roads, five and one-half percent.
*d.* For national guard facility roads, four percent.
*e.* For state board of regents facility roads, thirty percent.
*f.* For state fair board facility roads, two percent.
*g.* For department of administrative services facility roads, one-half percent.
*h.* For department of education facility roads, six percent.

12. Prepare, adopt, and cause to be published a long-range program for the primary road system, in conjunction with the state transportation plan adopted by the commission. Such program shall be prepared for a period of at least five years and shall be revised, brought up-to-date, and republished at least once every year in order to have a continuing five-year program. The program shall include, insofar as such estimates can be made, an estimate of the money expected to become available during the period covered by the program and a statement of the construction, maintenance, and other work planned to be performed during such period. The commission shall conduct periodic reinspections of the primary roads in order to revise, from time to time, its estimates of future needs to conform to the physical and service conditions of the primary roads. The commission shall annually cause to be published a sufficiency rating report showing the relative conditions of the primary roads. Before the last day of December of each year, the commission shall adopt and cause to be published from its long-range program, a plan of improvements to be accomplished during the next calendar year. However, in years when the federal government is reauthorizing federal highway funding, the commission shall not be required to adopt and publish the annual plan of improvements to be accomplished until at least ninety days from the enactment of the new federal funding formula. This annual program shall list definite projects in order of urgency and shall include a reasonable year's work with the funds estimated to be available. The annual program shall be final and followed by the commission in the next year except that deviations may be made in case of disaster or other unforeseen emergencies or difficulties. The relative urgency of the proposed improvements shall be determined by a consideration of the physical condition, safety, and service characteristics of the various primary roads.

13. The criteria used by the commission for allocating funds as a result of any long-range planning process shall be adopted in accordance with the provisions of chapter 17A. The commission shall adopt such rules and regulations in accordance with the provisions of chapter 17A as it may deem necessary to transact its business and for the administration and exercise of its powers and duties.

14. Identify, within the primary road system, a network of commercial and industrial highways in accordance with section 313.2A. The improvement of this network shall be considered in the development of the long-range program and plan of improvements under this section.

[C97, §1532; S13, §1532; SS15, §1527-s1, -s2; C24, 27, 31, 35, 39, §**4626, 4631, 4632, 4633;** C46, 50, 54, 58, §307.5, 308.1, 308.3, 308.4; C62, 66, 71, 73, §307.5; C75, 77, 79, 81, §307A.2]

84 Acts, ch 1043, §1; 86 Acts, ch 1245, §1926; 88 Acts, ch 1019, §1; 89 Acts, ch 134, §4; 90 Acts, ch 1253, §120; 92 Acts, ch 1100, §2; 96 Acts, ch 1064, §1; 96 Acts, ch 1126, §2; 98 Acts, ch 1075, §7; 2002 Acts, ch 1063, §7, 8, 16; 2005 Acts, ch 20, §3

Referred to in §173.16, 312.2, 312.4, 313.4
See also §307.10
Time of filing report and period covered, §7A.9

**307A.3 through 307A.5** Repealed by 86 Acts, ch 1245, § 1969.

**307A.6** Repealed by 76 Acts, ch 1176, § 6.

**307A.7 and 307A.8** Repealed by 86 Acts, ch 1245, § 1969.

# CHAPTER 307B

RESERVED

# CHAPTER 307C

## MISSOURI RIVER BARGE COMPACT

Referred to in §307.24

COMPACT BETWEEN IOWA, KANSAS, MISSOURI, AND NEBRASKA FOR THE DEVELOPMENT OF THE MISSOURI RIVER FOR BARGE TRAFFIC

307C.1 Missouri river barge compact.

ADMINISTRATION AND INTERPRETATION OF COMPACT

307C.2 Jurisdiction and control.
307C.3 Duties of the state department of transportation.
307C.4 Liberal interpretation.
307C.5 No conflict of local functions.

## COMPACT BETWEEN IOWA, KANSAS, MISSOURI, AND NEBRASKA FOR THE DEVELOPMENT OF THE MISSOURI RIVER FOR BARGE TRAFFIC

**307C.1 Missouri river barge compact.**

The Missouri river interstate barge compact is enacted into law and entered into with all other states which legally join in the compact in substantially the following form:

1. *Article I.* The purposes of this compact are to provide for planning for the most efficient use of the waters of the Missouri river, to increase the amount of barge traffic on that segment of the Missouri river below Sioux City, Iowa, to take necessary steps to develop the Missouri river and its banks to handle more barge traffic than is presently handled, to encourage barge use on that segment of the Missouri river for transporting bulk goods, especially farm commodities, to insure that the intended increase in barge traffic does not impose unacceptable damage on the Missouri river in all its various uses, including agriculture, wildlife management, and recreational opportunities, to consider the effects of diversion of the waters of the Missouri river on navigation, and to promote joint action between the compact parties to accomplish these purposes. The purposes of the compact do not include lobbying activities against user fees for barge traffic and such activities under this compact are prohibited.

2. *Article II.* It is the responsibility of the four states to accomplish the purposes in article I through the official in each state charged with the duty of administering the public waters and to collect and correlate through those officials the data necessary for the proper administration of the compact. Those officials may, by unanimous action, adopt rules and regulations to accomplish the purposes of this compact.

3. *Article III.* The states of Iowa, Missouri, Kansas, and Nebraska agree that within a reasonable time they shall fulfill the obligations of this compact and that each shall authorize the proper official or agency in its state to take the necessary steps to promote barge use and develop the Missouri river as it flows between and within the compact states for additional barge traffic.

4. *Article IV.* This compact does not limit the powers granted in any other act to enter

into interstate or other agreements relating to the Missouri river flowing between and within the compact states, alter the relations between the respective internal responsibilities of the government of a party state and its subdivisions, or impair or affect any rights, powers, or jurisdiction of the United States, or those acting by or under its authority, in, over, and to those waters of the Missouri river. Adoption of this compact by the general assembly shall not require the signatory states to adopt any legislation or to appropriate funds for its implementation.

5. *Article V.*

*a.* Other states having an interest in the promotion of barge traffic on the Missouri river can join in this compact by unanimous consent of the member states.

*b.* Any member state can withdraw at any time by appropriate action of its legislature.

84 Acts, ch 1257, §1; 2008 Acts, ch 1032, §201

ADMINISTRATION AND
INTERPRETATION OF COMPACT

**307C.2 Jurisdiction and control.**

The state department of transportation has jurisdiction and authority to implement the Missouri river barge compact.

84 Acts, ch 1257, §2

**307C.3 Duties of the state department of transportation.**

The state department of transportation shall, with the cooperation of the economic development authority, the department of natural resources, and the member states' officials or agencies, take the necessary steps to achieve the purposes set forth in this chapter.

84 Acts, ch 1257, §3; 2011 Acts, ch 118, §85, 89

**307C.4 Liberal interpretation.**

This compact shall be liberally construed so as to effectuate its purposes. The compact is severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability of the compact to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability of it to any government, agency, person or circumstance shall not be affected. If this compact is held to be contrary to the constitution of any state participating in the compact, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

84 Acts, ch 1257, §4

**307C.5 No conflict of local functions.**

The Missouri river barge compact does not supersede or limit the functions, powers, duties and discretions of counties, townships, school districts, cities, levee districts, drainage districts, levee and drainage districts, or any other governmental subdivisions or of their governing officials.

84 Acts, ch 1257, §5

# CHAPTER 307D

RESERVED

# CHAPTER 308

## MISSISSIPPI RIVER PARKWAY

Referred to in §15.108, 307.24


| | | | |
|---|---|---|---|
| 308.1 | Planning commission. | 308.6 | Transferring jurisdiction. |
| 308.2 | Assent to federal Act. | 308.7 | Duties of department of natural resources. |
| 308.3 | Definitions. | 308.8 | Agreements authorized. |
| 308.4 | Transportation commission duties. | 308.9 | Establishing locations for the highway. |
| 308.5 | Jurisdiction and control. | | |


**308.1 Planning commission.**

The Mississippi parkway planning commission shall be composed of ten members appointed by the governor, five members to be appointed for two-year terms beginning July 1, 1959, and five members to be appointed for four-year terms beginning July 1, 1959. In addition to the above members there shall be seven advisory ex officio members who shall be as follows: One member from the state transportation commission, one member from the natural resource commission, one member from the state soil conservation committee, one member from the state historical society of Iowa, one member from the faculty of the landscape architectural division of the Iowa state university of science and technology, one member from the economic development authority, and one member from the environmental protection commission. Members and ex officio members shall serve without pay, but the actual and necessary expenses of members and ex officio members may be paid if the commission so orders and if the commission has funds available for that purpose.

[C62, 66, 71, 73, 75, 77, 79, 81, §308.1; 82 Acts, ch 1199, §61, 96]

2003 Acts, ch 108, §54; 2011 Acts, ch 118, §84, 89

**308.2 Assent to federal Act.**

The general assembly of the state of Iowa hereby declares that the intent of this chapter is to assent to any Act of the United States Congress authorizing the development of any national parkway located wholly or partly within the state of Iowa, to the full extent that is necessary to secure any benefits under such Act, provided that the hunting of migratory game birds and other game and fishing shall not be prohibited or otherwise restricted by the United States government or any of its designated agencies in control of said project, and to authorize the appropriate state boards, commissions, departments and the governing bodies of counties, cities and villages and especially the state transportation commission to cooperate in the planning and development of all national parkways that may be proposed for development in Iowa, with any agency or department of the government of the United States in which is vested the necessary authority to construct or otherwise develop such national parkways. Whenever authority shall exist for the planning and development of any national parkway, of which any portion shall be located in the state of Iowa, it shall be the duty of the state transportation commission to make such investigations and studies in cooperation with the appropriate federal agency, and such state boards, commissions, and departments as shall have an interest in such parkway development, to the extent that shall be desirable and necessary in order to provide that the state shall secure all advantages that may accrue through such parkway development and that the interests of the counties, cities, and villages along the route shall be served.

[C62, 66, 71, 73, 75, 77, 79, 81, §308.2]

98 Acts, ch 1199, §1, 27; 98 Acts, ch 1223, §30

**308.3 Definitions.**

As used in this chapter:

1. *"Conservation area"* means land in which the state department of transportation or the department of natural resources has acquired rights, other than that land necessary for a right-of-way.

2. *"Great river road"* means a scenic and recreational highway consisting of a designated system of roads and streets along the Mississippi river in this state.

3. *"National parkway"* has the same meaning as defined in Pub. L. No. 93-87, first session, Ninety-third Congress of the United States.

4. *"Right-of-way"* means land area dedicated to public use for a highway and its maintenance, and includes land acquired in fee simple or by permanent easement for highway purposes, but does not include temporary easements or rights for supplementary highway appurtenances.

5. *"A scenic and recreational highway"* means a public highway designated to allow enjoyment of aesthetic and scenic views, points of historical, archaeological and scientific interest, state parks and other recreational areas and includes both the right-of-way and conservation area.

6. *"Scenic easement"* means a servitude which is acquired by gift, purchase, exchange or condemnation and is designed to permit land to remain in private ownership for its normal agricultural, residential or other use and, at the same time, to restrict and control the future use of the land for the purpose of preserving, restoring or enhancing the natural and historic beauty of the land subject to the scenic easement.

7. *"Secretary"*, *"parkway"*, *"scenic landscape"*, *"sightly or safety easement"*, *"access"*, *"parkway road"*, *"parkway development"*, *"frontage"* and other similar terms have the same meaning as defined in any Act of the Congress of the United States related to a national parkway.

[C62, 66, 71, 73, 75, 77, 79, 81, §308.3]

86 Acts, ch 1245, §1928; 2006 Acts, ch 1010, §85; 2008 Acts, ch 1032, §44

**308.4 Transportation commission duties.**

1. The state transportation commission shall make such investigations, surveys, studies and plans in connection with any proposed national parkway or parkway development as it shall deem necessary or desirable to determine if the proposed development is under the terms of the Act of the United States Congress applicable to such parkway or any regulations under such Act and is advantageous to the state. Such parkway development may be any portion of the proposed parkway which is proposed to be constructed as a project under such Act.

2. The state transportation commission, with the cooperation of the department of natural resources, shall plan, designate, and establish the exact routing of the great river road, utilizing the general guidelines established in Tit. 23, United States Code.

3. The director of transportation, with the cooperation of the department of natural resources, shall:

*a.* Acquire all rights in land necessary for reconstruction or relocation of any portions of the great river road where reconstruction or relocation is imperative for the safety of the traveling public, or where the condition or location of existing segments of the highway is not in keeping with the intent of this chapter. Acquisitions of such rights in land shall be by gift, purchase, exchange, or by instituting and maintaining proceedings for condemnation. Gift, purchase, exchange, and condemnation include acquisition of a scenic easement. A scenic easement acquired under this chapter constitutes an easement both at law and in equity, and all legal and equitable remedies, including prohibitory and mandatory injunctions, are available to protect and enforce the state's interest in such scenic easements. A scenic easement acquired under this chapter is deemed to be appurtenant to the roadway to which it is adjacent or from which it is visible. The duties created by a scenic easement acquired under this chapter are binding upon and enforceable against the original owner of the land subject to the scenic easement and the original owner's heirs, successors, and assigns in perpetuity, unless the instrument creating the scenic easement expressly provides for a lesser duration. A court shall not declare a scenic easement acquired under this chapter to have been extinguished or to have become unenforceable by virtue of changed conditions or frustration of purpose.

*b.* Accept and administer state, federal, and any other public or private funds made available for the acquisition of rights in land and for the planning and construction or

reconstruction of any segment of the great river road, and state and federal funds for the maintenance of that part of the great river road constituting the right-of-way.

[C62, 66, 71, 73, 75, 77, 79, 81, §308.4; 81 Acts, ch 14, §23]

83 Acts, ch 198, §17; 85 Acts, ch 108, §1; 86 Acts, ch 1245, §1929; 86 Acts, ch 1246, §28; 2008 Acts, ch 1032, §45

Referred to in §308.7

**308.5 Jurisdiction and control.**

Jurisdiction and control of the great river road is vested as provided in section 306.4.

[C75, 77, 79, 81, §308.5]

85 Acts, ch 108, §2

**308.6 Transferring jurisdiction.**

The director of transportation, with the concurrence of the department of natural resources, shall transfer jurisdiction of any adjacent conservation area to the department of natural resources upon completion of a new segment of the great river road.

[C75, 77, 79, 81, §308.6]

86 Acts, ch 1245, §1930

**308.7 Duties of department of natural resources.**

The department of natural resources, with the cooperation of the director of transportation, shall:

1. Control the conservation area acquired by the director of transportation.
2. Protect all scenic easements.
3. Maintain, improve, and beautify according to plans made under section 308.4, subsection 2, all conservation areas, including the establishment of off-road-vehicle trails, equestrian trails and hiking paths.
4. Accept and administer state, federal and any other public or private funds made available for the maintenance, improvement and beautification of conservation areas.

[C75, 77, 79, 81, §308.7]

86 Acts, ch 1245, §1931

**308.8 Agreements authorized.**

The director of transportation and the department of natural resources may enter into agreements with the United States secretary of transportation, as provided under the United States Code, Tit. 23 relating to the scenic and recreational highway system, and with any other agency and jurisdiction, and take action in the name of the state to comply with the terms of any agreement.

[C75, 77, 79, 81, §308.8]

86 Acts, ch 1245, §1932

**308.9 Establishing locations for the highway.**

1. *a.* When, as a result of its investigations and studies, the state transportation commission, in cooperation with the department of natural resources, finds that there may be a need in the future for the development and construction or reconstruction of segments of the great river road, and when the state transportation commission determines that in order to prevent conflicting costly economic development on areas of lands to be available for the great river road when needed for future development, there is need to establish and to inform the public of the approximate location and widths of new or improved segments of the great river road to be needed, the state transportation commission may proceed to establish the location and the approximate widths in the manner provided in this section.

*b.* The state transportation commission shall give notice and hold a public hearing on the matter in a convenient place in the area to be affected by the proposed improvement of the great river road. The state transportation commission shall consider and evaluate the testimony presented at the public hearing and shall make a study and prepare a map showing the location of the proposed new or reconstructed segment of the great river road and the

approximate widths of right-of-way needed. The map shall show the existing roadway and the property lines and record owners of lands to be needed. The approval of the map shall be recorded by reference in the state transportation commission's minutes, and a notice of the action and a copy of the map showing the lands or interest in the lands needed in any county shall be filed in the office of the county recorder of that county. Notice of the action and of the filing shall be published once in a newspaper of general circulation in the county, and within sixty days following the filing, notice of the filing shall be served by registered mail on the owners of record on the date of filing. Using the same procedures for approval, notice and publications, and notice to the affected record owners, the state transportation commission may amend the map.

2. After such location is established, within the area of the great river road as shown on the map or in such proximity to it as to result in consequential damages when the rights in land for the great river road are acquired, a person shall not erect or move in any additional structure or rebuild, alter or add to any existing structure, without giving to the state transportation commission by registered mail sixty days' notice of such contemplated construction, alteration, or addition describing the same. However, this prohibition and requirement shall not apply to any normal or emergency repairs or replacements which are necessary to maintain an existing structure of a facility in approximately its previously existing functioning condition. When the rights in land for a segment of the great river road are acquired, damages shall not be allowed for any construction, alterations, or additions in violation of this subsection.

3. Without limiting any authority otherwise existing, rights in land needed for the great river road may be acquired at any time by the state, the county, or the municipality in which such segment of the great river road is located. If an owner's contiguous land is acquired to an extent which is less than the total amount shown on the map as needed, consequential damages to the land not acquired shall be allowed as found to exist.

[C62, 66, 71, 73, §308.5; C75, 77, 79, 81, §308.9]

88 Acts, ch 1158, §64; 98 Acts, ch 1075, §8; 2008 Acts, ch 1032, §46

# CHAPTER 308A

## RECREATIONAL BIKEWAYS

Referred to in §307.24

308A.1 Department of natural resources and transportation commissions to cooperate.
308A.2 Funds.
308A.3 Certain elevated structures prohibited — exception.

**308A.1 Department of natural resources and transportation commissions to cooperate.**

The department of natural resources, in consultation with the state transportation commission, is hereby authorized to establish recreational bikeways within this state for the use, enjoyment, and participation of the public in nonmotorized bicycling. The routes established for such bikeways shall be designed to maximize the safety of cyclists and motorists and may utilize secondary roads when the normal flow of motor vehicle traffic will not be hindered, as well as other infrequently traveled roads, streets, parkways, and appropriate thoroughfares. Such bikeways shall be routed, wherever possible, to allow the enjoyment of scenic views and points of historical interest, and may connect state parks and other recreational areas throughout the state.

Bikeway routes shall be clearly marked with appropriate signs to guide cyclists and to alert motorists. Such signs shall be placed at intervals and designed in such form as prescribed by the department of natural resources in consultation with the state transportation commission.

The department of natural resources is hereby authorized to cooperate with county conservation boards, boards of supervisors, city councils, or any private organizations

interested in the establishment of bikeways, and may consult with such groups in the planning of appropriate bikeway routes and related activities.

[C71, 73, 75, 77, 79, 81, §308A.1]

**308A.2 Funds.**

The department of natural resources may accept in the name of the state funds contributed by such groups; and such funds shall be used exclusively in the establishment of bikeways as herein provided. Additional funds as may be necessary in purchasing signs and otherwise carrying out the provisions of this chapter may be expended by the department of natural resources if authorized by the general assembly pursuant to appropriations for such purposes; and the department shall be authorized to accept and expend federal funds made available for the purposes of aiding in the implementation of this chapter.

[C71, 73, 75, 77, 79, 81, §308A.2]

**308A.3 Certain elevated structures prohibited — exception.**

Bikeways and walkways approved as either incidental features of highway construction projects primarily for motor vehicular traffic or as an independent bikeway or walkway construction project constructed pursuant to the Highway Act of 1973, 23 U.S.C. 217, shall not be constructed as elevated structures joining private buildings or so constructed to provide elevated access or egress facilities to private buildings unless the following condition is met:

That portion of project funds necessary to obtain federal funds is provided by private parties benefited by the facilities.

[C77, 79, 81, §308A.3]

# CHAPTER 309

## SECONDARY ROADS

Referred to in §73A.21, 307.24, 311.32, 331.362, 331.502

Subject to reciprocal resident bidder preference in §73A.21

SECONDARY ROAD AND BRIDGE SYSTEMS IN GENERAL

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309.76 through 309.78 Reserved.
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COUNTY SECONDARY ROAD BUDGETS

309.93 Itemized statement.
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309.95 Amendments.
309.96 Operation of budgeted program.
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## SECONDARY ROAD AND BRIDGE SYSTEMS IN GENERAL

**309.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. *"Bridge"* includes any structure including supports, erected over a depression or an obstruction, such as water, a highway, or railway. A bridge has a track or passageway for carrying traffic or other moving loads and has an opening measured along the center of the roadway of more than twenty feet. The measurement shall be between the inside faces of abutments, the inside faces of the exterior walls of multiple box culverts, the spring lines of arches, and the horizontal measurement of circular or elliptical structures.

*a.* The length of a bridge is the overall measurement from back to back of backwalls and abutments measured along the center of the roadway.

*b.* Multiple pipes, where the distance between openings is less than half the smaller contiguous opening, may be included as a bridge, provided the pipes meet the other definitional requirements for bridges in this subsection.

3. *"Culvert"* includes any structure not classified as a bridge which provides an opening under any roadway, except that this term does not include tile crossing the road, or intakes thereto, where the tile are a part of a tile line or system designed to aid subsurface drainage.

4. *"Department"* means the state department of transportation.

5. *"Fiscal year"* means the period of twelve months beginning on July 1 and ending on June 30.

[C75, 77, 79, 81, §309.1]

84 Acts, ch 1102, §2; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §40, 200, 201

**309.2** Reserved.

**309.3 Secondary bridge system.**

The secondary bridge system of a county shall embrace all bridges and culverts on secondary roads as defined in section 306.3.

[C24, 27, §4664, 4665; C31, 35, §4644-c3; C39, §**4644.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.3]

98 Acts, ch 1075, §9

**309.4 through 309.9** Reserved.

**309.10 Use of farm-to-market road fund.**

1. Notwithstanding section 310.4, if the board of supervisors of a county does not plan to utilize its farm-to-market road fund allocation for the succeeding fiscal year for farm-to-market projects, the board may annually, by stipulation in the secondary road construction program and secondary road budget submitted to the department in accordance with sections 309.22 and 309.93, determine an amount of the unobligated portion of its allocation, up to a maximum of fifty percent of its anticipated total annual allocation, for the construction and reconstruction of local secondary roads. However, moneys from the farm-to-market road fund shall not be so used if the moneys are needed to match federal funds available for farm-to-market road projects.

2. A county shall not use farm-to-market road funds as described in this section unless the total funds that the county transferred or provided during the prior fiscal year pursuant to section 331.429, subsection 1, paragraphs *"a"*, *"b"*, *"d"*, and *"e"*, are at least seventy-five percent of the sum of the following:

*a.* From the general fund of the county, the dollar equivalent of a tax of sixteen and seven-eighths cents per thousand dollars of assessed value on all taxable property in the county.

*b.* From the rural services fund of the county, the dollar equivalent of a tax of three dollars and three-eighths of a cent per thousand dollars of assessed value on all taxable property not located within the corporate limits of a city in the county.

[C81, S81, §309.10; 81 Acts, ch 117, §1045]

83 Acts, ch 123, §108, 208, 209; 84 Acts, ch 1102, §3; 84 Acts, ch 1178, §4; 90 Acts, ch 1267, §29; 91 Acts, ch 258, §42; 2010 Acts, ch 1061, §180

Referred to in §331.401

**309.11** Repealed by 98 Acts, ch 1075, § 17.

**309.12 Construction of terms.**

The classification of county road funds into "secondary road construction funds" and "secondary road maintenance funds" is hereby abolished. Wherever in any statute the words, *"secondary road construction fund"* or *"secondary road maintenance fund"* appear, they shall be construed to mean, *"secondary road fund"*.

[C24, 27, §4635, 4797; C31, 35, §4644-c13; C39, §**4644.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.12]

Section not amended; editorial change applied

**309.13 through 309.15** Reserved.

**309.16 Duty of department.**

The department shall when requested by the board of supervisors advise with said board as to the manner of constructing and maintaining the secondary roads.

[C31, 35, §4644-c18; C39, §**4644.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.16]

## COUNTY ENGINEER

**309.17 Engineer — term.**

The board of supervisors shall employ one or more licensed civil engineers who shall be known as county engineers. The board shall fix their term of employment which shall not exceed three years, but the tenure of office may be terminated at any time by the board.

[C24, 27, §4641; C31, 35, §4644-c19; C39, §**4644.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.17]

2007 Acts, ch 126, §52

Referred to in §331.321

**309.18 Compensation.**

The board shall fix the compensation of the engineers.

Said engineers shall, in the performance of their duties, work under the directions of said board and shall give bonds for the faithful performance of their duties in a sum not less than two thousand nor more than five thousand dollars, to be approved by the board.

[C24, 27, §4641; C31, 35, §4644-c20, -c21; C39, §**4644.18, 4644.19;** C46, 50, 54, 58, 62, 66, §309.18, 309.19; C71, 73, 75, 77, 79, 81, §309.18]

83 Acts, ch 123, §109, 209

Referred to in §331.321, 331.429

**309.19 Adjacent counties joining in employment.**

The boards of supervisors of two or more adjacent counties may enter into an agreement to jointly employ a county engineer, employ professional and clerical assistants for the engineer, and to provide such services as can be carried on jointly and will operate to their mutual benefit. Such agreement shall be written and entered in their respective minutes. The engineer employed under such agreement shall be the official county engineer for each of the respective boards and shall be employed for such term of years as shall be determined by the boards but in no event longer than the period of time the mutual agreement between the boards is to be in effect. The written agreement shall provide for the determination of the cost of such joint program and the manner of allocation of the cost to each board for inclusion in the respective budgets. The boards by mutual agreement shall designate one board to make payments for salaries and other costs of the joint program. The board shall be reimbursed by the other board or boards in accordance with the joint agreement. The provisions of chapter 28E shall be applicable to this section.

[C71, 73, 75, 77, 79, 81, §309.19]

Referred to in §331.321

**309.20 Engineers — itemized account.**

County engineers and their assistants shall file an itemized and verified account with the board of supervisors for the reimbursement of all expenses incurred. Mileage may be claimed as provided in section 70A.9.

[C24, 27, §4642; C31, 35, §4644-c22; C39, §**4644.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.20]

**309.21 Supervision of construction and maintenance work.**

All construction and maintenance work shall be performed under the direct and immediate supervision of the county engineer who shall be deemed responsible for the efficient, economical and good-faith performance of said work.

[C31, 35, §4644-c23; C39, §**4644.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.21]

Referred to in §309.67

## CONSTRUCTION PROGRAM

**309.22 Construction project — progress report by engineer.**

On or before the fifteenth day of April of each year the board of supervisors, with the assistance of the county engineer, shall, subject to the approval of the department, adopt a secondary road construction program which shall include a project accomplishment list for the next fiscal year, and a project priority list for the succeeding four fiscal years based upon the construction funds, local secondary and farm-to-market, estimated to be available for the period. Subject to departmental approval, any project on the approved priority list may be advanced to and constructed in the accomplishment year and the project accomplishment list may be revised due to unforeseen conditions.

After the close of each fiscal year, and not later than September 15, the county engineer shall submit an annual report to the department. The annual report shall include a statement of the progress made toward the completion of each project contained in the approved project accomplishment list on which work was accomplished, a statement of the total amount expended on each project during the year, and a statement of what portion of the work on each project was done on contract and the amount expended on each contract for each project.

[C31, 35, §4644-c24; C39, §**4644.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.22]

84 Acts, ch 1102, §4

Referred to in §309.10

**309.23 Review by department and operation of program.**

The secondary road construction program is subject to review by the department under section 309.94 and subject to program operation requirements under section 309.96, subsection 2.

84 Acts, ch 1102, §5

**309.24 Uniform and unified plan required.**

Said program or project shall be planned on the basis of one general, uniform, and unified plan for the complete and permanent construction of the roads embraced therein as to bridge, culvert, tile, and grading or other improvements.

[C31, 35, §4644-c26; C39, §**4644.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.24]

**309.25 Material considerations for farm-to-market roads.**

In planning and in adopting said program or project by the board of supervisors, said board and the county engineer shall give due and careful consideration, to the location of primary roads, and of roads heretofore improved as county roads, to the market centers and main roads leading thereto, and to rural mail and school bus routes, it being the intent of this chapter that said program or project will, when finally executed, afford the highest possible systematic, intracounty and intercounty connections of all roads of the county.

[C31, 35, §4644-c27; C39, §**4644.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.25]

Farm-to-market roads, chapter 310

**309.26 Provisional selection of roads.**

The board after due consultation with the county engineer, shall first select in a provisional way the roads which they then consider advisable to embrace in said program, and direct said engineer to make a reconnaissance survey and estimate of all said roads, or of such part thereof as, in view of the public necessity and convenience, present the most urgent need and necessity for early construction.

[C24, 27, §4643; C31, 35, §4644-c28; C39, §**4644.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.26]

**309.27 Report of engineer.**
In addition to the foregoing, the engineer, when so ordered by the board, shall make written report to the board and shall designate therein in their order of importance the roads which, in the engineer's judgment, are most urgently in need of construction.
[C24, 27, §4643; C31, 35, §4644-c29; C39, §**4644.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.27]

**309.28 Recommendations.**
The engineer may in the engineer's report recommend that certain definitely described roads or parts thereof be omitted from the provisional program or project, or that certain definitely described roads or parts thereof be added thereto, and in such case the engineer shall clearly enter on the report the reasons therefor.
[C31, 35, §4644-c30; C39, §**4644.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.28]

**309.29 Map required.**
A map of the county showing the location of the proposed program or project shall accompany the report of the engineer.
[C24, 27, §4644; C31, 35, §4644-c31; C39, §**4644.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.29]

**309.30 Additional estimates.**
Additional reconnaissance surveys and estimates may be ordered by the board when it deems the same necessary or advisable.
[C31, 35, §4644-c32; C39, §**4644.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.30]

**309.31 through 309.33** Reserved.

**309.34 Record required.**
After the construction program or project is finally determined, the county auditor shall record the same at length in a county road book.
[C24, 27, §4646; C31, 35, §4644-c36; C39, §**4644.34;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.34]

**309.35 When surveys required.**
Before proceeding to the construction of any road or roads included in the secondary road construction program where the grading, exclusive of bridges and culverts, is estimated to cost over ten thousand dollars per mile, the county engineer shall cause detailed surveys and plans for the road or roads to be prepared.
[C24, 27, §4643; C31, 35, §4644-c37; C39, §**4644.35;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.35]
2001 Acts, ch 32, §2

**309.36 Nature of survey.**
The engineer's survey shall be on the basis of the permanent improvement of said roads, as to bridge, culvert, tile, and road work.
[C24, 27, §4644; C31, 35, §4644-c38; C39, §**4644.36;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.36]

**309.37 Details of survey.**
Said survey shall show:
1. A division into sections of all of the roads embraced in said provisional program, a designation of each section by some appropriate number, name, or letter, the starting point and terminus of each section, and the mileage of each section.
2. An accurate plan and profile of the roads surveyed, showing all of the following:
*a.* Cuts and fills.
*b.* Outline of grades.

*c.* All existing permanent bridges, culverts and grades.

*d.* Proper bench marks on each bridge and culvert.

3. The drainage, both surface and subdrainage, necessary to prepare said roads for complete construction.

4. The location of all lines of tile and size thereof.

5. All necessary bridges and culverts, their length, height, and width and foundation soundings.

6. An estimate of the watershed having relation to each bridge and culvert.

7. An estimate of the construction cost of said roads on the basis of permanent bridges, culverts, tile, and road work.

[C24, 27, §4644; C31, 35, §4644-c39; C39, §**4644.37;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.37]

2011 Acts, ch 34, §76

**309.38 Existing surveys.**

The engineer may adopt any existing survey of any road or part thereof which is embraced in said program or project, provided such existing survey substantially complies, or is made to comply, with the requirements of this chapter.

[C31, 35, §4644-c40; C39, §**4644.38;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.38]

**309.39 Contracts and specifications.**

The various contracts for the carrying out of said construction program or project in the most efficient, practicable and economical manner shall, as far as possible, be accompanied by standard specifications, and no traveled roadway shall be less than twenty-two feet from shoulder to shoulder.

[C31, 35, §4644-c41; C39, §**4644.39;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.39]

**309.40 Advertisement and letting.**

All contracts for road or bridge construction work and materials for which the engineer's estimate exceeds fifty thousand dollars, except surfacing materials obtained from local pits or quarries, shall be advertised and let at a public letting.

[C24, 27, §4647; C31, 35, §4644-c42; C39, §**4644.40;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.40]

91 Acts, ch 53, §1

Referred to in §309.40A, 309.41, 314.1, 314.1B, 331.341

**309.40A Emergency highway and bridge projects.**

Notwithstanding section 309.40, a county may contract for the emergency repair, restoration, or reconstruction of a highway or bridge under the county's jurisdiction without advertising for bids if all of the following conditions are met:

1. The emergency was caused by an unforeseen event causing the failure of a highway, bridge, or other highway structure so that the highway is unserviceable, or where immediate action is necessary to prevent further damage or loss.

2. The county solicits written bids from three or more contractors engaged in the type of work needed.

3. The necessary work can be done for less than one hundred thousand dollars.

4. If possible, the county notifies the appropriate Iowa highway contractors' associations of the proposed work.

2001 Acts, ch 32, §3

Referred to in §309.41, 314.1, 331.341

**309.41 Optional advertisement and letting.**

Contracts not embraced within the provisions of section 309.40 or 309.40A shall be either advertised and let at a public letting; or, where the cost does not exceed the engineer's estimate, let through informal bid procedure by contacting at least three qualified bidders prior to letting the contract. The informal bids received together with a statement setting

forth the reasons for use of the informal procedure and bid acceptance shall be entered in the minutes of the board of supervisors meeting at which such action was taken.

Nothing contained in this section shall be deemed to prohibit the board of supervisors from purchasing material and using county equipment and regularly employed county road personnel on a project within their capability as determined by the county engineer.

[C24, 27, §4648; C31, 35, §4644-c43; C39, §**4644.41;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.41]

2002 Acts, ch 1119, §41

Referred to in §331.341

**309.42** Repealed by 99 Acts, ch 13, § 28, 29.

**309.43 Record of bids.**

All bids received shall be publicly opened, at the time and place specified in the advertisement, and shall be recorded in detail, in the road book, by the county auditor; and the county engineer shall in all instances of day labor, private or public contracts, file a detailed cost accounting sheet with the county auditor; said book and cost sheets shall at all times be open to public inspection.

[C24, 27, §4649; C31, 35, §4644-c45; C39, §**4644.43;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.43]

Referred to in §331.341

**309.44 and 309.45** Reserved.

ANTICIPATION OF FUNDS

**309.46 Construction fund anticipated.**

The board before issuing anticipatory certificates shall seek the advice of the department and issue said certificates to an amount not exceeding fifty percent of the estimated funds which will accrue to the secondary road fund during any stated period of from one to two years.

[C31, 35, §4644-c48; C39, §**4644.46;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.46]

Referred to in §331.402, 331.478

**309.47 Anticipatory resolution.**

Such certificates shall be authorized by a duly adopted resolution which shall specify:

1. The secondary road funds, specifying the year or years, which are to be anticipated.
2. The amount of certificates authorized.
3. The denomination of each certificate.
4. The rate of interest which each certificate shall bear which shall not exceed that permitted by chapter 74A, payable annually.
5. The authorization of the chairperson of the board of supervisors and of the county auditor, respectively, to sign and countersign such certificates.

[C31, 35, §4644-c49; C39, §**4644.47;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.47]

Referred to in §331.402, 331.478

**309.48 Recitals.**

Each certificate shall recite:

1. The annual accruing secondary road funds (naming the year) of which the certificate is anticipatory.
2. That said certificate shall be payable on or before December 31 of said year.
3. That said certificate is payable solely from said accruing secondary road funds.

[C31, 35, §4644-c50; C39, §**4644.48;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.48]

Referred to in §331.402, 331.478

**309.49 Consecutive numbering and payment.**

The series of certificates which anticipate the accruing of funds during a given year shall be numbered consecutively and paid in the order of said numbering.

[C31, 35, §4644-c51; C39, §**4644.49;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.49]

Referred to in §331.402, 331.478

**309.50 Execution.**

Upon the signing of each of said certificates by the chairperson of the board, said certificates shall be delivered to the county auditor, who shall countersign the same, charge the county treasurer with the amount thereof, and deliver the same to such latter officer, who shall be responsible therefor on the county treasurer's bond.

[C31, 35, §4644-c52; C39, §**4644.50;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.50]

Referred to in §331.402, 331.478, 331.552

**309.51 Taxation.**

Said certificates shall be exempt from taxation.

[C31, 35, §4644-c53; C39, §**4644.51;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.51]

Referred to in §331.402, 331.478, 331.552

**309.52 Duty of treasurer.**

The treasurer shall sell the certificates in accordance with chapter 75, or if unable to sell the certificates for par plus accrued interest, the treasurer may apply the certificates at par plus accrued interest in payment of any warrants duly authorized and issued for secondary road work.

[C31, 35, §4644-c54; C39, §**4644.52;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.52]

83 Acts, ch 123, §110, 209

Referred to in §331.402, 331.429, 331.478, 331.552

**309.53 Registration of certificate holders.**

The county treasurer shall enter on a record to be kept by the county treasurer the name and post office address of all persons to whom any of said certificates are issued, with a particular designation of the certificates delivered to each person.

[C31, 35, §4644-c55; C39, §**4644.53;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.53]

Referred to in §331.402, 331.478, 331.552

**309.54 Registration of new holder.**

Any subsequent holder may present certificates to the county treasurer and cause the subsequent holder's name and post office address to be entered in lieu of that of such former holder.

[C31, 35, §4644-c56; C39, §**4644.54;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.54]

Referred to in §331.402, 331.478, 331.552

**309.55 Terminating interest.**

When the accruing funds in the hands of the county treasurer, for a year covered by anticipatory certificates, are sufficient to pay the first retirable certificate or certificates, the county treasurer shall, by mail, as shown by the county treasurer's records, promptly notify the holder of such certificate of such fact, and ten days from and after the mailing of such letter all interest on such certificates shall cease.

[C31, 35, §4644-c57; C39, §**4644.55;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.55]

98 Acts, ch 1107, §3

Referred to in §331.402, 331.478, 331.552

## MISCELLANEOUS PROVISIONS

**309.56** Repealed by 99 Acts, ch 13, § 28, 29.

**309.57 Area service classification.**

1. The county board of supervisors, after consultation with the county engineer, and for purposes of specifying levels of maintenance effort and access, may classify the area service system into three classifications termed area service "A", area service "B", and area service "C". The area service "A" classification shall be maintained in conformance with applicable statutes. Area service "B" classification roads may have a lesser level of maintenance as specified by the county board of supervisors, after consultation with the county engineer. Area service "C" classification roads may have restricted access and a minimal level of maintenance as specified by the county board of supervisors after consultation with the county engineer.

2. Roads within area service "B" and "C" classifications shall have appropriate signs, conforming to the Iowa state sign manual, installed and maintained by the county at all access points to roads on this system from other public roads, to adequately warn the public they are entering a section of road which has a lesser level of maintenance effort than other public roads. In addition, area service "C" classification roads shall adequately warn the public that access is limited.

3. Roads may only be classified as area service "C" by ordinance or resolution. The ordinance or resolution shall specify the level of maintenance effort and the persons who will have access rights to the road. The county shall only allow access to the road to the owner, lessee, or person in lawful possession of any adjoining land, or the agent or employee of the owner, lessee, or person in lawful possession, or to any peace officer, magistrate, or public employee whose duty it is to supervise the use or perform maintenance of the road. Access to the road shall be restricted by means of a gate or other barrier.

4. Notwithstanding section 716.7, subsection 2, paragraph "*b*", subparagraph (2), entering or remaining upon an area service "C" classification road without justification after being notified or requested to abstain from entering or to remove or vacate the road by any person lawfully allowed access shall be a trespass as defined in section 716.7.

5. A road with an area service "C" classification shall retain the classification until such time as a petition for reclassification is submitted to the board of supervisors. The petition shall be signed by one or more adjoining landowners. The board of supervisors shall approve or deny the request for reclassification within sixty days of receipt of the petition.

6. The county and officers, agents, and employees of the county are not liable for injury to any person or for damage to any vehicle or equipment, or contents of any vehicle or equipment, which occurs proximately as a result of the maintenance of a road which is classified as area service "B" or "C" if the road has been maintained to the level required for roads classified as area service "B" or "C".

[S81, §309.57; 81 Acts, ch 100, §1]

96 Acts, ch 1103, §1; 2002 Acts, ch 1063, §10; 2003 Acts, ch 144, §5; 2013 Acts, ch 90, §242
Subsection 4 amended

**309.58 Action on bond — limitation.**

No provision in a contract shall be valid which seeks to limit the time to less than five years in which an action may be brought upon the bond covering concrete work nor to less than one year upon the bond covering other work.

[S13, §1527-s18; C24, 27, 31, 35, 39, §**4652;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.58]

**309.59 and 309.60** Reserved.

**309.61 Advance payment of payrolls.**

The board of supervisors may authorize the county auditor to draw warrants for the amount of payrolls for labor furnished under the day labor system, when said payrolls are certified to by the engineer in charge of the work. Said bills shall be passed on by the board at the first meeting following said payment.

[SS15, §1527-s11; C24, 27, 31, 35, 39, §**4655;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.61]

**309.62** Reserved.

**309.63 Gravel beds.**

The board of supervisors of any county may, within the limits of such county and without the limits of any city, purchase or condemn any lands for the purpose of obtaining gravel or other suitable material with which to improve the secondary highways of such county, including a sufficient roadway to such land by the most reasonable route, or the board may purchase such material outside the limits of their county, and in either case pay for the same out of the secondary road funds.

[S13, §4024-i; C24, 27, 31, 35, 39, §**4657;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.63]

**309.64** Reserved.

**309.65 Sale of gravel bed property.**

Notwithstanding section 309.66, after notice as provided in section 331.305 and a public hearing, the board of supervisors may sell all or part of the property acquired for gravel and other highway improvement materials if the property has been owned by the county for more than five years and the board finds that the property to be sold is not needed for highway improvement purposes or the property is not suitable for those purposes.

88 Acts, ch 1254, §1

**309.66 Use of gravel beds.**

The board of supervisors may permit private parties or municipal corporations to take materials from such acquired lands in order to improve any street or highway in the county, but it shall be a serious misdemeanor for any person to use or for the board of supervisors to dispose of any such material for any purpose other than for the improvement of such streets or highways.

[S13, §2024-i1, -i2; C24, 27, 31, 35, 39, §**4659;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.66]

Referred to in §309.65

**309.67 Duties of county board of supervisors and the county engineer.**

The county board of supervisors is charged with the duty of establishing policies and providing adequate funds to properly maintain the secondary road system. The county engineer, pursuant to section 309.21 and board policy, shall adopt such methods and recommend such personnel and equipment necessary to maintain continuously, in the best condition practicable, the entire mileage of said system.

[S13, §1527-s15; C24, 27, 31, 35, §4660; C39, §**4660, 4778;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.67]

Duty to remove obstruction, chapter 318

**309.68 Intercounty highways.**

Boards of supervisors of adjoining counties in this state shall:

1. Make proper connections between roads which cross county lines and which afford continuous lines of travel.

2. Adopt plans and specifications for road, bridge, and culvert construction, reconstruction, and repairs upon highways along and across county boundary lines, and make an equitable division between counties of the cost and work attending the execution of the plans and specifications.

3. Make joint agreements for the location, construction, and maintenance of roads under their jurisdiction wholly within one county to provide road access to lands in an adjoining county, when the location provides the most economical and practical method of providing road access. The expense of constructing and maintaining the road shall be equitably shared by the counties in a proportion as the boards may determine.

[C24, 27, 31, 35, 39, §**4661;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.68; 82 Acts, ch 1110, §3]

**309.69 Enforcement of duty.**

If the boards are unable to agree and one of the boards appeals to the department, the department shall notify the auditors of the interested counties that it will, on a day not less than ten days hence, at a named time and place within any of the interested counties, hold a hearing to determine all matters relating to any anticipated duty. At the hearing the department shall fully investigate all questions pertaining to the disputed matters, and shall, as soon as practicable, certify its decision to the different boards, which decision shall be final, and the boards shall forthwith comply with the order in the same manner as though the work was located wholly within the county.

[C24, 27, 31, 35, 39, §**4662;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.69; 82 Acts, ch 1110, §4]

**309.70 through 309.73** Reserved.

**309.74 Width of bridges and culverts.**

All culverts shall have a clear width of roadway of at least twenty feet. Bridges shall have a clear width of roadway of at least sixteen feet.

[C51, §517; R60, §822; C73, §1001; C97, §1572; S13, §1527-s7; C24, 27, 31, 35, 39, §**4667;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.74]

**309.75** Repealed by 2002 Acts, ch 1119, § 110. See § 309.1.

**309.76 through 309.78** Reserved.

**309.79 Bridge specifications.**

Standard specifications for all bridges and culverts, railroad overhead crossings, or subways, shall be furnished without cost to the counties and railroad companies by the department, and work shall be done in accordance therewith.

[SS15, §1527-s11; C24, 27, 31, 35, 39, §**4671;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.79]

**309.80** Reserved.

**309.81 Record of plans.**

Before beginning the construction of a permanent bridge or culvert by day labor or by contract, the plans, specifications, estimate of drainage area, estimates of costs, and specific designation of the location of the bridge or culvert shall be filed in the county engineer's office by the engineer.

[SS15, §1527-s11; C24, 27, 31, 35, 39, §**4673;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.81]

**309.82 Record of final cost.**

On completion of a bridge or culvert, a detailed statement of cost, and of additions or alterations to the plans shall be filed by the engineer, all of which shall be retained in the county engineer's office as permanent records.

[SS15, §1527-s11; C24, 27, 31, 35, 39, §**4674;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.82]

94 Acts, ch 1173, §13

**309.83 through 309.92** Reserved.

## COUNTY SECONDARY ROAD BUDGETS

**309.93 Itemized statement.**

On or before April 15 of each year, the board of supervisors, with the assistance of the county engineer, shall adopt and submit to the department for approval the county secondary road budget for the next fiscal year. The budget shall include an itemized statement of:

1. Estimated revenues to be raised by property taxation for secondary road purposes.
2. Estimated revenues to be received from the state road use tax fund.
3. Estimated revenues from all other sources for secondary road purposes.
4. The proposed expenditures from the road fund during the next fiscal year. The estimates of proposed expenditures shall be itemized and classified in a manner prescribed by the department.
5. The actual expenditures for the preceding two fiscal years and the estimated expenditures for the current fiscal year. These shall be itemized and classified in the same manner as proposed expenditures.
6. The cash balance of the road fund at the end of the preceding fiscal year, an estimate of the cash balance at the end of the current fiscal year, and an estimate of the cash balance at the end of the next fiscal year.
7. A detailed cost accounting of all instances in the previous fiscal year of the use of day labor or public or private contracts for construction, reconstruction, or improvement projects on either the farm-to-market or secondary road system, in the manner prescribed by rule of the department under section 314.1A. The statement shall also include the costs of purchasing, leasing, or renting construction or maintenance equipment and an accounting of the use of such equipment for construction, reconstruction, or improvement projects on either the farm-to-market or secondary road system during the previous fiscal year.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §309.93]
84 Acts, ch 1102, §6; 2001 Acts, ch 32, §4, 14
Referred to in §309.10, 309.97, 314.1A, 331.401, 331.478

**309.94 Review by department.**

The department shall approve or disapprove the budget adopted by the board of supervisors. If the budget is not approved, the department shall state the reasons for disapproval when the budget is returned to the county. The department shall act upon a budget and return the budget to the county not later than June 1. Upon disapproval of any proposed expenditure in a budget, the county may submit a revised budget to the department for approval. The department shall act upon the revised budget within thirty days.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §309.94]
84 Acts, ch 1102, §7
Referred to in §309.23, 309.97, 331.401

**309.95 Amendments.**

The budget shall be binding except that should bona fide unforeseen conditions arise, the board of supervisors may amend such budget during the year for which it was adopted. Such amendments shall be submitted to the department for approval with a statement of the reasons necessitating the amendment. The department shall approve or disapprove such amendments in the same manner as original budget estimates except that the department shall act upon and return such amendments within thirty days after their receipt by the department. The department acting upon budget amendments is directed to approve only such amendments as are actually necessitated by unforeseen conditions.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §309.95]
Referred to in §309.97, 331.401

**309.96 Operation of budgeted program.**

1. No county shall expend from the secondary road fund an amount in excess of the total amount of the budget or amended budget as adopted by the board of supervisors, whether such budget is approved or disapproved by the department. In order to permit any county to

adjust its secondary road income to changed needs that may occur after the budget has been approved by the department the expenditures for any individual item within the budget may exceed by not more than ten percent the amount budgeted for that item without department approval or the submission of an amended budget, provided, however, that the expenditures for one or more other individual items are less than budgeted and the total expenditures from the secondary road fund do not exceed the total secondary road budget.

2. In the event that a county secondary road budget or amended budget thereto is disapproved by the department, the county may elect either to revise such budget or amended budget so as to receive approval or the county may elect to operate with such disapproved budget or amended budget. In the event the county secondary road budget is disapproved in whole or in part, within twenty days after receipt of the department's report, the board of supervisors shall cause to be published in the official newspapers of the county, notice of a public hearing to be held within ten days of said publication, on the department's recommendations, and at said hearing the board of supervisors shall amend or adopt their original budget.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §309.96]

Referred to in §309.23, 309.97, 331.401

**309.97 Construction of law.**

Nothing in sections 309.93 to 309.96 shall contravene or affect the provisions of chapter 24.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §309.97]

Referred to in §331.401

# CHAPTER 310

## FARM-TO-MARKET ROADS

Referred to in §73A.21, 307.24, 331.362

Subject to reciprocal resident bidder preference in §73A.21


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**310.1 Definitions.**

As used in this chapter, the following words, terms or phrases shall be construed or defined as follows:

1. *"County's allotment of road use tax fund"* or *"allotment of road use tax fund"* means that part of the road use tax fund allotted to any county by the treasurer of state from the portion of the state road use tax fund which the treasurer has credited to the secondary road fund of the counties.

2. *"Federal aid"* or *"federal aid secondary road fund"* shall mean funds allotted to the state of Iowa by the federal government to aid in the construction of secondary roads and which funds must be matched with funds under the control of the department.

3. *"Department"* means the state department of transportation.

[C39, §**4686.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.1]

83 Acts, ch 123, §111, 209

**310.2 Supervisors agreement.**

The county board of supervisors of any county is empowered, on behalf of the county, to enter into any arrangement or agreement with or required by the duly constituted federal or state authorities in order to secure the full cooperation of the government of the United States and of the state of Iowa, and the benefit of all present and future federal or state allotments in aid of secondary road construction, reconstruction or improvement.

[C39, §**4686.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.2]

**310.3 Funds.**

There is hereby created a fund which shall be known as the farm-to-market road fund which shall be made up as follows:

1. All federal aid secondary road funds received by the state.
2. All road use tax funds by law credited to the farm-to-market road fund.
3. All other funds which may, under the provisions of this chapter or any other law, be credited or appropriated for the use of the farm-to-market road fund.

[C39, §**4686.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.3]

Allocation of funds, §312.2

**310.4 Use of fund.**

Said farm-to-market road fund is hereby appropriated for and shall be used in the establishment, construction, reconstruction or improvement of the farm-to-market road system, including the drainage, grading, surfacing, resurfacing, construction of bridges and culverts, the elimination, protection, or improvement of railroad crossings, the acquiring of additional right-of-way and all other expenses incurred in the construction, reconstruction or improvement of said farm-to-market road system under this chapter.

[C39, §**4686.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.4]

Referred to in §309.10

**310.5** Reserved.

**310.6 Accounts by department.**

The department shall keep accounts in relation to the farm-to-market road fund and each county's allotment thereof, crediting each fund with all amounts by law creditable thereto, and charging each with all duly and finally approved vouchers for claims properly chargeable thereto.

[C39, §**4686.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.6]

**310.7 Treasurer's monthly statement.**

The account of the farm-to-market road fund, kept by the director of the department of administrative services and the state treasurer, shall deal with said funds as a single fund with all credits thereto and disbursements therefrom.

[C39, §**4686.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.7]

2003 Acts, ch 145, §286

See treasurer's report to department of transportation, §312.4

**310.8 Quarterly statement to county engineer.**

The department shall, quarterly, advise each county engineer of the condition of said county's allotment of the farm-to-market road fund. Said statement shall show the balance in said county's allotment at the beginning of said period, the amount or amounts allotted to said county during said period, the amount disbursed from said county's allotment during

said period, and the balance in said county's allotment at the end of the said period. Said statement shall also show the estimated outstanding obligations against the said county's allotment at the date of said statement.

[C39, §**4686.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.8]

**310.9 Projects authorized by department.**

Before authorizing for letting any farm-to-market road project, the department shall satisfy itself that the county engineer's office in that county is organized, equipped and financed to discharge satisfactorily the duties required in this chapter.

[C39, §**4686.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.9; 82 Acts, ch 1110, §6]

**310.10 Farm-to-market road system defined.**

The farm-to-market road system means the farm-to-market road system as defined in section 306.3.

[C39, §**4686.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.10]
89 Acts, ch 293, §8; 98 Acts, ch 1075, §10

**310.11 Participating county — funds reserved.**

Any county having complied with the provisions of this chapter may by its board of supervisors submit to the department for its approval project statements for the construction, reconstruction, or improvement of farm-to-market roads.

[C39, §**4686.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.11]

**310.12** Reserved.

**310.13 Surveys, plans and estimates.**

The county engineer shall make or cause to be made, the surveys, plans and estimates for any project, and submit them to the board of supervisors for approval and the department for authorization for letting. The construction work on a project shall be done in accordance with the plans, except insofar as they are modified to meet unforeseen or better understood conditions.

[C39, §**4686.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.13; 82 Acts, ch 1110, §7]

**310.14 Bids — department or county supervisors.**

When the plans and specifications for any farm-to-market funded project are filed with and authorized for letting by the department, it shall, if the estimated cost exceeds one thousand dollars, proceed to advertise for bids and make a recommendation to award or reject a contract. The recommendation to award a contract shall be submitted to the board of supervisors of the county in which the project is located for its approval and award of contract. Upon receiving the approval of the county board on the recommended contract award, the department shall take final action to concur in the award of the contract. For a project without federal funds the above procedure may be reversed and the county board may be authorized to advertise for bids, and, subject to concurrence by the department, award a contract for the construction work.

[C39, §**4686.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.14; 82 Acts, ch 1110, §8]
Referred to in §314.1, 314.1B, 331.341
See §314.2

**310.15** Reserved.

**310.16 Claims charged to county allotment.**

All claims for improving farm-to-market roads hereunder shall be paid from the farm-to-market road fund and charged to the allotment of said fund for the county in which said project is located.

[C39, §**4686.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.16]

**310.17** Reserved.

**310.18 Partial payments during construction.**

Partial payments may be made on work in progress, but no such partial payment shall be deemed final acceptance of the work nor a waiver of any defect in the work. The board of supervisors, the county engineer, or the department may approve claims. Approval may be evidenced by the signature of the county engineer or chairperson of the board or department, or a majority of the members of the board or department, on the individual claims or on the abstract of a number of claims with the individual claims attached to the abstract.

[C39, §**4686.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.18]

97 Acts, ch 104, §4

**310.19 Supervision and inspection of work.**

The county engineer is charged with the duty of supervision, inspection and direction of the work of construction of farm-to-market road projects under this chapter. In this capacity, the county engineer is responsible for the efficient, economical, and good-faith performance of the work.

[C39, §**4686.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.19; 82 Acts, ch 1110, §9]

**310.20 Supervisors resolution to state treasurer.**

Any county may, in any year, by resolution of its board of supervisors, make available for improvement or construction of farm-to-market roads within the county any portion of its allotment of road use tax funds. Upon certification of such a resolution, the state treasurer shall place in the county's allotment of the farm-to-market road fund the amount authorized by such resolution.

[C39, §**4686.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.20]

Referred to in §312.5

**310.21** Reserved.

**310.22 Right-of-way — how acquired.**

Right-of-way for farm-to-market road projects under this chapter shall be acquired by the county in accordance with chapter 306 and chapter 316.

[C39, §**4686.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.22; 82 Acts, ch 1110, §10]

**310.23 through 310.26** Reserved.

**310.27 Period of allocation — reversion — temporary transfers.**

The farm-to-market road fund allotted to any county as provided in this chapter shall remain available for expenditure in said county for three years after the close of the fiscal year during which said sums respectively were allocated. Any sum remaining unexpended at the end of the period during which it is available for expenditure, shall be reapportioned among all the counties as provided in section 312.5 for original allocations.

For the purposes of this section, any sums of the farm-to-market road fund allotted to any county shall be presumed to have been *"expended"* when a contract has been awarded obligating the sums. When projects and their estimated costs, which are proposed to be funded from the farm-to-market road fund, are submitted to the department for approval, the department shall estimate the total funding necessary and the period during which claims for the projects will be filed. After anticipating the funding necessary for approved projects, the department may temporarily allocate additional moneys from the farm-to-market road fund for use in any other farm-to-market projects. However, a county shall not be temporarily allocated funds for projects in excess of the county's anticipated farm-to-market road fund allocation for the current fiscal year plus the four succeeding fiscal years.

If in the judgment of the department the anticipated claims against the primary road fund for any month are in excess of moneys available, a temporary transfer for highway construction costs may be made from the farm-to-market road fund to the primary road fund providing there will remain in the transferring fund a sufficient balance to meet the anticipated obligations. All transfers shall be repaid from the primary road fund to the

farm-to-market road fund within sixty days from the date of the transfer. A transfer shall be made only with the approval of the director of management and shall comply with the director of management's rules relating to the transfer of funds. Similar transfers may be made by the department from the primary road fund to the farm-to-market road fund and these transfers shall be subject to the same terms and conditions that transfers from the farm-to-market road fund to the primary road fund are subject.

[C39, §**4686.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.27]

85 Acts, ch 83, §1; 86 Acts, ch 1058, §1

**310.28 Engineering and other expense.**

Engineering, inspection and administration expense in connection with any farm-to-market road project may be paid from said county's allotment of the farm-to-market road fund. Any such expense incurred by the department may in the first instance be advanced out of the primary road fund, said amounts later being reimbursed to said funds out of the farm-to-market road fund.

Provided, that no part of the salary or expense of the county engineer, any member of the county board of supervisors, any member of the department, the chief engineer, or any department head or district engineer of the department shall be paid out of the farm-to-market road fund.

[C39, §**4686.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.28]

**310.29 Maintenance by county.**

Any farm-to-market road constructed under this chapter shall be maintained by the county. If any county fails to satisfactorily maintain any road that is part of the federal aid secondary system, the department shall give the board of supervisors notice of that fact. If within sixty days after receipt of notice the highway has not been placed in proper condition of maintenance the department may withhold authorization for letting of any project using farm-to-market funds until a proper condition of maintenance has been restored.

[C39, §**4686.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.29; 82 Acts, ch 1110, §11]

**310.30 through 310.33** Reserved.

**310.34 Secondary road research fund.**

Notwithstanding any law to the contrary, the department is hereby authorized to set aside each year not to exceed one and one-half percent of the receipts in the farm-to-market road fund in a fund to be known as the secondary road research fund.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.34]

**310.35 Use of fund.**

The secondary road research fund shall be used by the department solely for the purpose of financing engineering studies and research projects which have as their objective the more efficient use of funds and materials that are available for the construction and maintenance of secondary roads, including bridges and culverts located thereon.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.35]

Referred to in §310.36

**310.36 Report to governor.**

The research projects and engineering studies authorized shall be conducted in cooperation with the county engineers. On or before January 31 each year the department shall file a report with the governor, state transportation commission, county engineers, chief clerk of the house of representatives, and secretary of the senate showing the work accomplished and projects undertaken under section 310.35.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §310.36]

86 Acts, ch 1245, §1933

Annual report, §7A.9

# CHAPTER 311

## SECONDARY ROAD ASSESSMENT DISTRICTS

Referred to in §307.24, 331.362, 331.552


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**311.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**311.1A Power to establish.**

In order to provide for improvements such as grading, draining, bridging, aggregate surfacing, paving, or resurfacing of secondary roads, the board of supervisors may, on petition, establish secondary road assessment districts.

[C24, 27, 31, 35, 39, §**4746;** C46, §311.3; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.1]

85 Acts, ch 143, §1

C2001, §311.1A

**311.2 Width of district.**

Any such secondary road assessment district shall be not more than one-half mile wide on each side of the road or roads to be improved by said district.

[C24, 27, 31, 35, 39, §**4746;** C46, §311.3; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.2]

**311.3 Amount of assessment.**

Special assessments in the aggregate amount of not less than fifty percent of the total estimated cost of improvement of a road included in a secondary road assessment district project shall be apportioned and levied on the lands included in the secondary road assessment district.

[C24, 27, 31, 35, 39, §**4753;** C46, §311.10; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.3]

85 Acts, ch 143, §2

**311.4 County line road.**

When it is desired to improve a secondary road on a county line, as a secondary road assessment district project, the board of supervisors of any county may establish an assessment district in its county, and levy and collect special assessments for the payment of that portion of the estimated cost of the project assessable against lands in that county. Each

county shall pay its share of the cost of the project as provided in this chapter, in the same manner as though the project were located wholly within that county.

[C24, 27, 31, 35, 39, §**4746;** C46, §311.3; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.4]
85 Acts, ch 143, §3

**311.5 Project in city.**

A road or street which is a continuation of a secondary road within a city and which the county board desires to improve, may by resolution of the county board and concurrence by the council of the city be improved as a secondary road assessment district project or part of a project as provided in this chapter. The lands within the city abutting on or adjacent to the street or road may be included within the secondary road assessment district and assessed for the improvement upon the same basis and in the same manner as though the lands were located outside of a city.

[C24, §4754; C27, 31, 35, §4745-a1; C39, §**4745.1;** C46, §311.2; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.5]
85 Acts, ch 143, §4

**311.6 Petition — information required.**

The petition for a secondary road assessment district proposing to establish the district shall intelligibly describe the road or roads proposed to be improved, the nature of the proposed improvement, the percentage of the estimated cost of improving the road proposed to be assessed against the property in the district and the lands proposed to be included in the district.

The petition shall be signed by fifty percent of the owners of the lands within the proposed district, or by fifty percent of the owners of the land within the proposed district who reside within the county.

[C24, 27, 31, 35, 39, §**4746;** C46, §311.3; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.6]
85 Acts, ch 143, §5

**311.7 Improvement by private funds.**

1. *a.* The owner or a group of owners of not less than seventy-five percent of the lands adjacent to, or abutting upon any secondary road may, on or before October 1 of any year, petition the board of supervisors of their county for the improvement of the road, and for the assessment of not less than fifty percent, or a greater portion as provided in the petition, of the cost of the improvement, to the lands adjacent to, or abutting upon the road. When the petition has been filed, the board of supervisors shall review the project proposed by the petition and may accept or reject the proposed project. If the board of supervisors accepts the petition, the board shall include the project in the secondary road construction program of the county and establish a priority for the completion of the project.

*b.* The board of supervisors shall proceed with the construction and completion of the project in accordance with its assigned priority and under the same procedure as is prescribed generally for the improvement of secondary roads by assessment, and shall establish a special secondary road assessment district and assess against the lands included in the district not less than fifty percent, or a greater portion as provided in the petition, of the engineer's estimated cost of the improvements of the road included in the project against all the lands adjacent to or abutting upon the road.

*c.* However, if the owners of all the lands included in any special secondary road assessment district under this section, subscribe and deposit with the county treasurer an amount not less than fifty percent, or a greater portion as provided in the petition, of the engineer's estimated cost of the improvement of the road included in the project, the board of supervisors shall not establish the special assessment district, but shall accept the donations in lieu of an assessment, and shall otherwise proceed to the improvement of the road.

2. The total expenditure of secondary road funds of the county in any year for or on account of special secondary road assessment district projects on local secondary roads under this section shall not exceed the total secondary road funds legally expendable for construction on local secondary roads in the county in the year.

3. Upon the completion of the road, and the satisfaction of all claims in relation to the road, any balance then remaining of the funds provided by the sponsors shall be returned to them according to their respective interests, providing all guarantees made by the sponsors have been fulfilled.

[C24, 27, 31, 35, 39, §**4747, 4753;** C46, §311.4, 311.10; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.7]

83 Acts, ch 123, §112, 209; 85 Acts, ch 143, §6; 86 Acts, ch 1024, §1; 2010 Acts, ch 1061, §180

Referred to in §331.429

**311.8 County engineer's report.**

Upon the filing of the petition with the county engineer proposing the establishment of a secondary road assessment district, the county engineer shall prepare a report on the proposed district, which report shall include:

1. An estimate of the cost of the improvement proposed on the road included in the proposed district.
2. A plat of said proposed district which plat shall show the road or roads proposed to be improved, the various tracts and parcels of real estate included in said proposed district, and the ownership of such lands.
3. An approximately equitable apportionment of not less than fifty percent of the estimated cost of the improvement among the tracts and parcels of real estate included in the proposed district.
4. A statement whether all of the secondary roads to be improved in the proposed secondary road assessment district project have been built to permanent grade and properly drained.
5. Any information the county engineer may deem pertinent.

[C24, 27, 31, 35, 39, §**4746, 4748;** C46, §311.3, 311.5; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §311.8; 81 Acts, ch 117, §1211]

85 Acts, ch 143, §7

**311.9 Publicly owned real estate.**

In making said apportionment, real estate owned by the state, county or any city, shall be treated as other real estate, but no other publicly owned real estate shall be included. In apportioning benefits to real estate owned by a city, the county or the state, no consideration shall be given to the buildings thereon.

[C24, §4707; C27, 31, 35, §4753-a1; C39, §**4753.01;** C46, §311.11; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.9]

**311.10 Estimate and apportionment — presumption.**

Said estimated cost shall carry the presumption, in the absence of a contrary showing, that the same correctly represents the probable cost of said project as nearly as can be determined in advance of the actual doing and completion of the work. Said apportionment shall carry the presumption, in the absence of a contrary showing, that the same is fair, just, equitable, and in proportion to the benefits and not in excess thereof.

[C24, §4707; C27, 31, 35, §4753-a1; C39, §**4753.01;** C46, §311.11; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.10]

**311.11 Hearing — notice.**

The board of supervisors shall fix a time for hearing on the proposal for the establishment of the secondary road assessment district and on the apportionment of not less than fifty percent of the estimated cost of the proposed improvement, and shall cause the county engineer to publish notice of the hearing. The notice shall state:

1. The time and place of hearing,
2. The road or roads proposed to be improved,
3. The type of surfacing proposed,
4. The estimated cost of the proposed improvement,
5. A description of the lands lying within said proposed district,

6. The ownership of said lands as shown by the transfer books in the auditor's office,

7. A statement of the amount apportioned to each tract or parcel of real estate as shown by the engineer's report,

8. That at said hearing the amount apportioned to any tract or parcel of land may be increased or decreased without further notice,

9. That all objections to the establishment of the district, to the apportionment report, or to the proceedings relating to the district or report must be specifically made in writing and filed with the county engineer on or before noon of the day set for the hearing, and

10. That a failure to make and file such objections will be deemed a conclusive waiver of all such objections.

[C24, §4707, 4750, 4751; C27, 31, 35, §4750, 4751, 4753-a1; C39, §**4750, 4751, 4753.01;** C46, §311.7, 311.8, 311.11; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §311.11; 81 Acts, ch 117, §1212]

85 Acts, ch 143, §8

**311.12 Publication of notice.**

The notice shall be published as provided in section 331.305 in the county as near as practicable to the district. Proof of the publication shall be made by the publisher by affidavit filed with the county engineer.

[C24, §4707; C27, 31, 35, §4753-a1; C39, §**4753.01;** C46, §311.11; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §311.12; 81 Acts, ch 117, §1213]

87 Acts, ch 43, §8

**311.13 Errors in notice or apportionment report.**

Any omission or error in said apportionment report or notice with respect to any tract or parcel of real estate or the description thereof, or the name of the owner, or the amount of the assessment apportioned thereto, shall work no loss of jurisdiction on the part of the board over such proceeding. Such omission or error shall only affect the particular tract of real estate or person in question. If, before or after the board has entered its final order in the establishment of the said district or in the apportionment proceedings such omission or error is discovered, the board shall fix a time for a hearing as to such party or real estate and shall cause service of notice to be made upon them, either by publication as in this chapter provided, or by personal service in the time and manner required for service of original notices in the district court. After such hearing the board shall proceed as to such person or land as though such omission or error had not occurred.

[C24, §4707; C27, 31, 35, §4753-a1; C39, §**4753.01;** C46, §311.11; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.13]

**311.14 Appearance.**

The appearance of any interested party, either in writing or personally, or by authorized agent, before the board of supervisors at any stage of the pending proceedings for a secondary road assessment district shall be deemed a full appearance. Only interested parties shall have the right to appear in such proceedings. All persons so appearing shall state for whom they appear. The clerk of the board shall make definite entry accordingly in the minutes of the board.

[C24, §4707; C27, 31, 35, §4753-a1; C39, §**4753.01;** C46, §311.11; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.14]

**311.15 Hearing — adjournment — order.**

Hearings on the proposed establishment of said district may be adjourned from time to time without loss of jurisdiction by the board. On final hearing the board shall proceed to a determination of said matters. It may reject, approve, or modify and approve said proposal. The board may exclude lands from the district or may add lands thereto or otherwise modify the proposal.

Should the proposal be approved in whole or in part, the board shall establish such district. The order of the board establishing such district shall state the road or roads to be improved,

the type of improvement, and the lands included in said district. Said order shall be final. No lands shall thereafter be added to or excluded from said district.

[C24, §4709; C27, 31, 35, §4753-a2; C39, §**4753.02;** C46, §311.12; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.15]

**311.16 Final hearing — assessment levied.**

On final hearing the board shall hear and determine all objections filed. The board may increase, diminish, annul, or affirm the apportionment made in said report, or any part thereof, as may appear to the board to be just and equitable.

On the final determination the board shall levy the assessments and all installments thereof upon the real estate within the district as finally established. The entire amount of the assessment shall be then due and payable, and bear interest at a rate not exceeding that permitted by chapter 74A commencing twenty days from the date of the levy, and shall be collected at the succeeding September semiannual payment of ordinary taxes.

[C24, §4710; C27, 31, 35, §4753-a3; C39, §**4753.03;** C46, §311.13; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.16]

**311.17 Assessments over five hundred dollars — waiver.**

1. If an owner other than the state or a county or city, of any tracts of land on which the assessment is more than five hundred dollars, shall, within twenty days from the date of the assessment, agree in writing filed in the office of the county auditor, that in consideration of the owner having the right to pay the assessment in installments, the owner will not make any objection of illegality or irregularity as to the assessment upon the real estate, and will pay the assessment plus interest, the assessment shall be payable in ten equal installments. The first installment shall be payable on the date of the agreement. The other installments shall be paid annually at the same time and in the same manner as the September semiannual payment of ordinary taxes with interest accruing as provided in section 384.65, subsection 3. The rate of interest shall be as established by the board, but not exceeding that permitted by chapter 74A.

2. An owner of land who has used the ten-year option may at any time discharge the assessment by paying the balance then due on all unpaid installments, with interest on the entire amount of the unpaid installments to the following December 1.

[C24, §4710; C27, 31, 35, §4753-a3; C39, §**4753.03;** C46, §311.13; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.17]

98 Acts, ch 1107, §4; 2012 Acts, ch 1138, §95

**311.18 Assessment delinquent — interest.**

The assessed taxes shall become delinquent from October 1 after their maturity. However, when the last day of September is a Saturday or Sunday, the assessed taxes shall become delinquent from the second business day of October. Taxes assessed pursuant to this chapter which become delinquent shall bear the same interest, and be attended with the same rights and remedies for collection, as ordinary taxes.

[C24, §4710; C27, 31, 35, §4753-a3; C39, §**4753.03;** C46, §311.13; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.18]

92 Acts, ch 1016, §3; 98 Acts, ch 1107, §5; 2005 Acts, ch 34, §1, 26

**311.19 Assessment five hundred dollars or less.**

Assessments of five hundred dollars or less against any tract of land, and assessments against lands owned by the state, county, or city, shall be due and payable from the date of levy by the board of supervisors, or in the case of any appeal, from the date of final confirmation of the levy by the court.

In case of assessments on lands owned by the county, the assessments shall be paid from the county treasury. In case of assessments on lands owned by the state, the assessments shall be paid out of any funds in the state treasury not otherwise appropriated. In case of

assessments on lands owned by a city, the assessments shall be paid from any available city fund.

[C24, §4710; C27, 31, 35, §4753-a3; C39, §**4753.03;** C46, §311.13; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.19]

83 Acts, ch 123, §113, 209; 98 Acts, ch 1107, §6; 2012 Acts, ch 1138, §96

**311.20 Variation between estimated and actual cost.**

Any variation between the engineer's estimated cost and the actual cost of a secondary road assessment district project shall in no way affect the validity of the assessment. It is the intent of this chapter that the assessment shall be based on the estimated cost and not on the actual cost.

[C24, §4711; C27, 31, 35, §4753-a4; C39, §**4753.04;** C46, §311.14; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.20]

**311.21 Procedures.**

The preparation and approval of plans and specifications, the advertising for bids, the award and approval of contract, the supervision and inspection of construction work, and the approval and payment of claims on any secondary road assessment district project, shall be conducted in the manner provided in the laws for secondary road construction work generally.

[C24, 27, 31, 35, 39, §**4749, 4752;** C46, §311.6, 311.9; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.21]

**311.22 Road graded and drained.**

Any such secondary road shall be built to permanent grade and drained in a manner approved by the county engineer before being surfaced, as provided in this chapter.

[C27, 31, 35, 39, §**4746;** C46, §311.3; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.22]

**311.23 Payment of construction costs.**

The total cost of any secondary road assessment district project shall in the first instance be paid out of the county treasury. Any assessments which are paid in cash and in anticipation of which assessments no certificates have been issued, shall be transferred to the county treasury.

If no special assessment certificates are issued and sold on account of any particular secondary road assessment district, the special assessments on lands included in that district, and the interest on the assessments when collected, shall be transferred to the secondary road fund of the county. If certificates are issued and sold in anticipation of the special assessments levied on a district, the proceeds of the certificates shall be credited to the county treasury. In that event, the special assessments in anticipation of which certificates have been issued, and the interest on the assessments shall, when collected, be used to retire the certificates.

[C24, 27, 31, 35, 39, §**4752;** C46, §311.9; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.23]

83 Acts, ch 123, §114, 209

Referred to in §331.429

**311.24 Appeal from assessment.**

Any owner of land in a secondary road assessment district may appeal to the district court from the order of the board of supervisors in levying the assessment against the owner's real estate, by filing with the county engineer within fifteen days of the date of the levy, a bond conditioned to pay all costs in case the appeal is not sustained, and a written notice of appeal where the owner shall, with particularity, point out the specific objection which the owner desires to lodge against the levy. The appeal has precedence over all other business pending before the court except criminal matters. The appeal shall be heard as in equity. The court may raise or lower the assessment in question and make an equitable assessment in the judgment of the court. The clerk of the district court shall, upon the entry of the final order of

the court, certify the final order to the county engineer. The board of supervisors shall adjust the assessments to comply with the final order of the court.

[C24, §4713; C27, 31, 35, §4753-a5; C39, §**4753.05;** C46, §311.15; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §311.24; 81 Acts, ch 117, §1214]

Referred to in §602.8102(50)

**311.25 Appeal docketed.**

When an appeal is taken, the county engineer shall make a transcript of the notice of appeal and appeal bond and transmit them to the district court. The appellant shall, within twenty days after perfection of the appeal, docket the appeal and file a petition setting forth the order or decision of the board of supervisors appealed from, and the appellant's specific objections. A failure to comply with either of these requirements is a conclusive waiver of the appeal and the court shall dismiss the petition. Appellee need not file answer, but may do so.

[C24, §4714; C27, 31, 35, §4753-a6; C39, §**4753.06;** C46, §311.16; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §311.25; 81 Acts, ch 117, §1215]

**311.26 Assessments certified to county treasurer.**

When the board of supervisors has entered its final order as to the amounts of all special assessments on a given improvement, the county engineer shall at once certify a list of the assessments and a list of real estate upon which each assessment has been levied, with the specific designation of the district embracing the real estate, to the county treasurer, who shall enter each assessment on the tax books and continue the entry until the assessment is paid.

Each special assessment and all installments of the special assessments are a lien upon the real estate upon which levied from the date of the certificate by the county engineer to the same extent and in the same manner as taxes levied for state and county purposes. Changes in the amount of a special assessment by reason of a ruling of the district court on appeals shall be likewise certified and the county treasurer shall make the proper correction on the books.

[C24, §4715; C27, 31, 35, §4753-a7; C39, §**4753.07;** C46, §311.17; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §311.26; 81 Acts, ch 117, §1216]

**311.27 Each district separate unit.**

Each assessment district shall be considered a unit and all funds received by the county treasurer for or on behalf of such unit shall be carried as a distinct and separate account and under the same specific name as that used by the board in establishing such unit.

[C24, §4716; C27, 31, 35, §4753-a8; C39, §**4753.08;** C46, §311.18; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.27]

**311.28 Certificates anticipating assessments.**

In order to render immediately available that amount of the estimated cost of an improvement which has been specially assessed, the board may issue road certificates in the name of the county in an aggregate amount not exceeding the then unpaid amount of the special assessment levied in the district. Each issue of certificates shall be under, and in accordance with, a duly adopted resolution of the board which shall recite all of the following:

1. The name or designation of the road district on account of which the certificates are issued.
2. That a stated amount has been specially assessed against the lands within the district.
3. That a stated amount of the aggregate special assessment has not yet been paid.
4. That it is necessary to render the unpaid amount immediately available.
5. The number of road certificates authorized and the specific amount of each certificate.
6. The specific numbering or designation of the certificates.
7. The rate of interest which each certificate shall bear from date, not exceeding that permitted by chapter 74A.

8. The fact that the certificates are payable solely from the proceeds of the special assessments which have been levied on the lands within the districts.

9. That each certificate shall be payable on or before January 1 of the first year following the maturity of the last installment of the special assessments, and that interest on the certificate shall be paid annually.

10. The authorization to the chairperson of the board, and to the county treasurer, to sign and countersign each of the certificates.

[C24, §4717; C27, 31, 35, §4753-a9; C39, §**4753.09;** C46, §311.19; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §311.28; 81 Acts, ch 117, §1217]

**311.29 Sale of certificates.**

Upon the signing of each of the certificates by the chairperson of the board, the certificates shall be delivered to the county treasurer, who shall countersign them and who shall be responsible for them on the treasurer's bond. The treasurer may apply the certificates in payment of warrants duly authorized and issued for improving the roads within the district, or the treasurer may sell the certificates for the best attainable price and for not less than par, plus accrued interest. The certificates shall be retired in the order of their numbering.

[C24, §4717; C27, 31, 35, §4753-a9; C39, §**4753.09;** C46, §311.19; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §311.29; 81 Acts, ch 117, §1218]

83 Acts, ch 123, §115, 209; 85 Acts, ch 143, §9

Referred to in §331.429

**311.30 Certificates registered — payment.**

The county treasurer shall, in connection with the road account for said district, enter the name and post office address of all persons to whom any of said certificates are issued, with a particular designation of the certificates delivered to each person. Any subsequent holder may present the certificate to the county treasurer and cause the subsequent holder's name and post office address to be entered in lieu of that of such former holder. Whenever the fund for such particular district has money to pay the first retirable certificate or certificates, the county treasurer shall, by mail, as shown by the county treasurer's records, promptly notify the holder of such certificate of such fact and that from and after ten days after the mailing of such letter all interest on such certificates will cease.

[C24, §4717; C27, 31, 35, §4753-a9; C39, §**4753.09;** C46, §311.19; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §311.30]

**311.31** Repealed by 87 Acts, ch 115, § 83.

**311.32 Administration and maintenance of roads.**

Any road established by petition and any road improved by petition under this chapter shall be administered and maintained by the county under chapters 306, 309, 314, 317, and 318. However, the fact that right-of-way is donated by property owners for the establishment of a road or a portion of the cost of a road improvement is paid by property owners under this chapter, does not preclude the board of supervisors from exercising its responsibility over these roads as secondary roads.

86 Acts, ch 1024, §2; 2006 Acts, ch 1097, §16

# CHAPTER 312

## ROAD USE TAX FUND

Referred to in §307.24


312.1 Fund created.
312.2 Allocations from fund.
312.2A Repealed by 96 Acts, ch 1218, §70.
312.3 Apportionment to counties and cities.
312.3A Street research fund.
312.3B Iowa county engineers association service bureau support fund.
312.3C Secondary road fund distribution committee.
312.3D Street construction fund distribution advisory committee.
312.4 Treasurer's report to the department of transportation.
312.5 Division of farm-to-market road funds.
312.6 Limitation on use of funds.
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312.8 Amana colonies.
312.9 Fund not for personnel expense.
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312.11 Accounts of expenditures.
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312.13 Repealed by 73 Acts, ch 205, §2.
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312.15 When funds not allocated.
312.16 Definitions.


**312.1 Fund created.**

1. There is hereby created, in the state treasury, a road use tax fund. The road use tax fund shall include all of the following:

*a.* All the net proceeds of the registration of motor vehicles under chapter 321.

*b.* All the net proceeds of the motor fuel tax or license fees under chapter 452A.

*c.* Revenue derived from the excise tax imposed upon the rental of automobiles, under chapter 423C, to the extent provided by section 321.145, subsection 2.

*d.* Revenue derived from the use tax collected under sections 423.26 and 423.26A, to the extent provided under section 321.145, subsection 2.

*e.* Any other funds which may by law be credited to the road use tax fund.

2. Notwithstanding section 12C.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the road use tax fund and the funds to which moneys from the road use tax fund are credited shall be credited to the road use tax fund.

[C50, §308A.1; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §312.1; 82 Acts, ch 1100, §17]

88 Acts, ch 1019, §2; 89 Acts, ch 293, §9; 90 Acts, ch 1235, §7; 92 Acts, ch 1006, §1; 92 Acts, 2nd Ex, ch 1001, §203; 2003 Acts, 1st Ex, ch 2, §161, 205; 2006 Acts, ch 1142, §83; 2008 Acts, ch 1113, §32; 2010 Acts, ch 1108, §2, 15

Referred to in §15E.208, 424.7

See §321.145

**312.2 Allocations from fund.**

1. The treasurer of state shall, on the first day of each month, credit all road use tax funds which have been received by the treasurer, to the primary road fund, the secondary road fund of the counties, the farm-to-market road fund, and the street construction fund of cities in the following manner and amounts:

*a.* To the primary road fund, forty-seven and one-half percent.

*b.* To the secondary road fund of the counties, twenty-four and one-half percent.

*c.* To the farm-to-market road fund, eight percent.

*d.* To the street construction fund of the cities, twenty percent.

2. The treasurer of state shall before making the allotments in subsection 1 credit annually to the highway grade crossing safety fund the sum of seven hundred thousand dollars, credit annually from the road use tax fund the sum of nine hundred thousand dollars to the highway railroad grade crossing surface repair fund, credit monthly to the primary road fund the dollars yielded from an allotment of sixty-five hundredths of one percent of all road use tax funds for the express purpose of carrying out subsection 11 of section 307A.2, section 313.4, subsection 2, and section 307.45, and credit annually to the primary road fund the sum of five

hundred thousand dollars to be used for paying expenses incurred by the state department of transportation other than expenses incurred for extensions of primary roads in cities. All unobligated funds provided by this subsection, except those funds credited to the highway grade crossing safety fund, shall at the end of each year revert to the road use tax fund. Funds in the highway grade crossing safety fund shall not revert to the road use tax fund except to the extent they exceed five hundred thousand dollars at the end of any biennium. The cost of each highway railroad grade crossing repair project shall be allocated in the following manner:

*a.* Twenty percent of the project cost shall be paid by the railroad company.

*b.* Twenty percent of the project cost shall be paid by the highway authority having jurisdiction of the road crossing the railroad.

*c.* Sixty percent of the project cost shall be paid from the highway railroad grade crossing surface repair fund.

3. The treasurer of state shall before making the allotments provided for in this section credit monthly to the state department of transportation funds sufficient in amount to pay the costs of purchasing certificate of title and registration forms, and supplies and materials and for the cost of prison labor used in manufacturing motor vehicle registration plates, decalcomania emblems, and validation stickers at the prison industries.

4. The treasurer of state, before making the allotments provided in this section, shall credit annually to the primary road fund from the road use tax fund the sum of seven million one hundred thousand dollars.

5. *a.* The treasurer of state, before making any allotments to counties under this section, shall reduce the allotment to a county for the secondary road fund by the amount by which the total funds that the county transferred or provided during the prior fiscal year under section 331.429, subsection 1, paragraphs *"a"*, *"b"*, *"d"*, and *"e"*, are less than seventy-five percent of the sum of the following:

(1) From the general fund of the county, the dollar equivalent of a tax of sixteen and seven-eighths cents per thousand dollars of assessed value on all taxable property in the county.

(2) From the rural services fund of the county, the dollar equivalent of a tax of three dollars and three-eighths of a cent per thousand dollars of assessed value on all taxable property not located within the corporate limits of a city in the county.

*b.* Funds remaining in the secondary road fund of the counties due to a reduction of allocations to counties for failure to maintain a minimum local tax effort shall be reallocated to counties that are not reduced under this subsection pursuant to the allocation provisions of section 312.3, subsection 1, based upon the needs and area of the county. Information necessary to make allocations under this subsection shall be provided by the state department of transportation or the director of the department of management upon request by the treasurer of state.

6. The treasurer of state, before making the allotments provided for in this section, shall credit annually to the living roadway trust fund created under section 314.21 one hundred fifty thousand dollars from the road use tax fund.

7. The treasurer of state, before making the other allotments provided for in this section, shall credit annually to the primary road fund from the road use tax fund the sum of four million four hundred thousand dollars and to the farm-to-market road fund from the road use tax fund the sum of one million five hundred thousand dollars for partial compensation of allowing trucks to operate on the roads of this state as provided in section 321.463.

8. The treasurer of state, before making the allotments provided for in this section, shall credit annually to the living roadway trust fund created under section 314.21 one hundred thousand dollars from the road use tax fund.

9. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the revitalize Iowa's sound economy fund, created under section 315.2, the revenue accruing to the road use tax fund in the amount equal to the revenues collected under each of the following:

*a.* From the excise tax on motor fuel and special fuel imposed under the tax rate of

section 452A.3 except aviation gasoline, the amount of excise tax collected from one and three-fourths cents per gallon.

*b.* From the excise tax on special fuel for diesel engines, the amount of excise tax collected from one and three-fourths cents per gallon.

10. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the secondary road fund the revenue accruing to the road use tax fund in the amount equal to the revenues collected under each of the following:

*a.* From the excise tax on motor fuel and special fuel imposed under the tax rate of section 452A.3, except aviation gasoline, the amount of excise tax collected from one-fourth cent per gallon.

*b.* From the excise tax on special fuel for diesel engines, the amount of excise tax collected from one-fourth cent per gallon.

11. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the state department of transportation for county, city, and state traffic safety improvement projects an amount equal to one-half of one percent of moneys credited to the road use tax fund.

12. *a.* The treasurer of state, before making the allotments provided for in this section, for the fiscal year beginning July 1, 1990, and each succeeding fiscal year, shall credit from the road use tax fund two million dollars to the county bridge construction fund, which is hereby created. Moneys credited to the county bridge construction fund shall be allocated to counties by the department for bridge construction, reconstruction, replacement, or realignment based on needs in accordance with rules adopted by the department.

*b.* The treasurer of state, before making the allotments provided for in this section, for the fiscal year beginning July 1, 1990, and each succeeding fiscal year, shall credit from the road use tax fund five hundred thousand dollars to the city bridge construction fund, which is hereby created. Moneys credited to the city bridge construction fund shall be allocated to cities by the department for bridge construction and reconstruction based on needs in accordance with rules adopted by the department.

13. The treasurer of state, before making the allotments provided for in this section, shall credit annually from the road use tax fund to the state department of transportation the sum of six hundred fifty thousand dollars for the purpose of providing county treasurers with automation and telecommunications equipment and support for vehicle registration and titling and driver licensing. Notwithstanding section 8.33, unobligated funds credited under this subsection remaining on June 30 of the fiscal year shall not revert but shall remain available for expenditure for purposes of this subsection in subsequent fiscal years.

14. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the primary road fund an amount equal to ten percent of the revenues collected from the operation of section 321.105A, subsection 2, to be used for the commercial and industrial highway network.

15. *a.* The treasurer of state, before making the allotments provided for in this section, shall credit monthly to the TIME-21 fund created in section 312A.2, an amount equal to ten dollars from each fee for issuance of a certificate of title collected pursuant to sections 321.20; 321.20A; 321.23; 321.42; 321.46, other than a title issued for a returned vehicle under section 322G.12; section 321.47; and section 321.109 and an amount equal to eight dollars from each fee collected for issuance of a certificate of title pursuant to section 321.46 for a returned vehicle under section 322G.12 and from each fee collected for issuance of a salvage certificate of title pursuant to section 321.52.

*b.* This subsection is repealed June 30, 2028.

16. *a.* The treasurer of state, before making the allotments provided for in this section, shall credit monthly to the TIME-21 fund created in section 312A.2 the following amounts:

(1) One-half of the amount received by the treasurer from trailer registration fees pursuant to section 321.123, subsection 1, paragraph "*a*", subparagraph (1).

(2) Two-thirds of the amount received by the treasurer from trailer registration fees collected pursuant to section 321.123, subsection 1, paragraph "*a*", subparagraph (2).

(3) One-third of the amount received by the treasurer from trailer registration fees collected pursuant to section 321.123, subsection 2.

*b.* This subsection is repealed June 30, 2028.

17. *a.* The treasurer of state, before making the allotments provided for in this section, shall credit annually to the TIME-21 fund created in section 312A.2, the revenue accruing to the road use tax fund from annual motor vehicle registration fees for passenger cars, multipurpose vehicles, and motor trucks in excess of three hundred ninety-two million dollars annually.

*b.* This subsection is repealed June 30, 2028.

[C50, §308A.2, 422.62; C54, 58, 62, 66, §312.2, 422.62; C71, 73, §312.2, 422.69(2); C75, 77, 79, 81, S81, §312.2; 81 Acts, ch 117, §1046]

83 Acts, ch 123, §116, 208, 209; 83 Acts, ch 198, §18, 19, 20; 84 Acts, ch 1178, §5; 84 Acts, ch 1305, §46; 84 Acts, ch 1309, §10; 85 Acts, ch 231, §1; 87 Acts, ch 115, §47; 87 Acts, ch 206, §1; 87 Acts, ch 232, §19, 20; 88 Acts, ch 1019, §3, 4; 88 Acts, ch 1089, §2; 88 Acts, ch 1134, §66; 88 Acts, ch 1205, §1; 88 Acts, ch 1278, §28 – 30; 89 Acts, ch 246, §1, 2; 89 Acts, ch 293, §10 – 13; 90 Acts, ch 1230, §5; 90 Acts, ch 1267, §30; 91 Acts, ch 258, §43; 91 Acts, ch 260, §1223, 1224; 91 Acts, ch 264, §906; 91 Acts, ch 268, §512, 513; 92 Acts, ch 1212, §28; 92 Acts, ch 1238, §26; 93 Acts, ch 131, §10, 11; 93 Acts, ch 180, §75; 94 Acts, ch 1023, §102; 94 Acts, ch 1107, §50; 96 Acts, ch 1218, §36; 98 Acts, ch 1073, §9; 98 Acts, ch 1075, §11; 98 Acts, ch 1212, §6; 99 Acts, ch 114, §18; 2001 Acts, ch 180, §5; 2002 Acts, 2nd Ex, ch 1002, §3, 4; 2003 Acts, 1st Ex, ch 2, §162, 205; 2007 Acts, ch 200, §6; 2008 Acts, ch 1113, §1, 11, 12, 21, 22, 25, 33, 34; 2009 Acts, ch 130, §19, 37; 2009 Acts, ch 133, §114

Referred to in §312A.2, 313.4, 314.21, 327G.30

Legislative intent that moneys directed to be deposited in road use tax fund under §312.1 not be used for loans, grants, or other financial assistance for passenger rail service; 2000 Acts, ch 1168, §4

**312.2A** Repealed by 96 Acts, ch 1218, § 70.

**312.3 Apportionment to counties and cities.**

The treasurer of state shall, on the first day of each month:

1. For the fiscal year ending June 30, 2006, apportion among the counties the road use tax funds credited to the secondary road fund by using the allocation method contained in section 312.3, subsection 1, Code 2005. For subsequent fiscal years, apportion among the counties the road use tax funds credited to the secondary road fund by using the distribution methodology adopted pursuant to section 312.3C.

2. *a.* Apportion among the cities of the state, in the ratio which the population of each city, as shown by the latest available federal census, bears to the total population of all such cities in the state, the percentage of the road use tax funds which is credited to the street construction fund of the cities, and shall remit to the city clerk of each such city the amount so apportioned to such city. A city may have one special federal census taken each decade, and the population figure thus obtained shall be used in apportioning amounts under this subsection beginning the calendar year following the year in which the special census is certified by the secretary of state.

*b.* The apportionment of moneys from the street construction fund of the cities to a city with a farm-to-market extension under county jurisdiction pursuant to section 306.4 shall be reduced in the proportion which the share of mileage of the farm-to-market extension bears to the total mileage of streets within the city. The amount of moneys by which the apportionment to the city is reduced shall be transferred to the secondary road fund of the respective county, to be used only for the maintenance or construction of roads under the county's jurisdiction, and all interest and earnings on the moneys transferred shall remain in the secondary road fund of the county, to be used for the same purposes.

*c.* The apportionment of moneys from the transfer of jurisdiction fund pursuant to section 313.4, subsection 6, paragraph "*b*", subparagraph (1), to a city with a street under county jurisdiction pursuant to section 306.4, subsection 3, shall be transferred to the secondary road fund of the respective county.

*d.* For purposes of apportioning among the cities of the state the percentage of the road use tax fund to be credited to the street construction fund of the cities for each month beginning

March 2011 and ending March 2021 pursuant to this subsection, the population of each city shall be determined by the greater of the population of the city as of the last preceding certified federal census or as of the April 1, 2010, population estimates base as determined by the United States census bureau.

3. In any case where a city has been incorporated since the latest available federal census the mayor and council shall certify to the state treasurer the actual population of such incorporated city as of the date of incorporation and its apportionment of funds under this section shall be based upon such certification until the next federal census enumeration. Any community which has dissolved its corporation shall not receive any apportionment of funds under this certificate for any period after said corporation has been dissolved.

4. In any case where a city has annexed any territory since the last available federal census or special federal census, the mayor and council shall certify to the treasurer of state the actual population of such annexed territory as determined by the last certified federal census of said territory and the apportionment of funds under this section shall be based upon the population of said city as modified by the certification of the population of the annexed territory until the next federal or special federal census enumeration.

5. In any case where two or more cities have consolidated, the apportionment of funds under this section shall be based upon the population of the city resulting from said consolidation and shall be determined by combining the population of all cities involved in the consolidation as determined by the last available federal or special federal census enumeration for said consolidating city.

[C50, §308A.3; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §312.3; 81 Acts, 2nd Ex, ch 2, §3]

84 Acts, ch 1219, §18; 90 Acts, ch 1267, §31; 91 Acts, ch 258, §44; 92 Acts, ch 1100, §3; 92 Acts, ch 1238, §27, 46; 94 Acts, ch 1023, §103; 2002 Acts, ch 1063, §9, 16; 2003 Acts, ch 144, §6; 2005 Acts, ch 142, §2; 2013 Acts, ch 140, §113, 115, 116

Referred to in §312.2, 312.3A, 312.3B, 312.8, 312A.3

See §310.1

Subsection 2, paragraph d, takes effect June 20, 2013, and applies retroactively to March 2011; 2013 Acts, ch 140, §115, 116

Subsection 2, NEW paragraph d

**312.3A Street research fund.**

Prior to the allocation to the cities under section 312.3, subsection 2, the department is authorized to set aside each year two hundred thousand dollars from the street construction fund of the cities in a fund to be known as the street research fund. The street research fund shall be used by the department solely for the purpose of financing engineering studies and research projects which have as their objective the more efficient use of funds and materials that are available for the construction and maintenance of city streets, including city street bridges and culverts. The research projects and engineering studies authorized shall be conducted in cooperation with the city engineers. On or before January 31 each year the department shall file a report with the governor, state transportation commission, city engineers, chief clerk of the house of representatives, and secretary of the senate showing the work accomplished and projects undertaken under this section.

89 Acts, ch 293, §14

**312.3B Iowa county engineers association service bureau support fund.**

Prior to the allocation to the counties under section 312.3, subsection 1, the department is authorized to set aside each year twenty-five hundredths of one percent from the secondary road fund for deposit in a fund to be known as the Iowa county engineers association service bureau support fund. The Iowa county engineers association service bureau support fund shall be used by the department solely for the purpose of supporting the Iowa county engineers association service bureau. Unobligated funds remaining in the Iowa county engineers association service bureau support fund on June 30 of the fiscal year shall revert to the secondary road fund. On or before January 31 of each year, the Iowa county engineers association service bureau shall file a report with the governor, state transportation commission, county engineers, chief clerk of the house of representatives, and secretary of the senate showing the activity accomplished under this section.

The Iowa county engineers association service bureau shall annually compute the

secondary road fund and farm-to-market road fund distributions using the methodology determined by the secondary road fund distribution committee pursuant to section 312.3C. The Iowa county engineers association service bureau shall report the computations to the secondary road fund distribution committee, the department, the treasurer of state, and the counties.

2002 Acts, ch 1063, §11, 16; 2005 Acts, ch 142, §3; 2006 Acts, ch 1010, §86

**312.3C Secondary road fund distribution committee.**

A secondary road fund distribution committee is established to develop one or more alternative methodologies for distribution of moneys in the secondary road fund and farm-to-market road fund. The committee shall be comprised of representatives appointed by the president of the Iowa county engineers association, the president of the Iowa county supervisors association, and the department.

The committee shall determine the methodology to be used for distribution of moneys in the secondary road fund and the farm-to-market road fund. The methodology shall be phased in over a five-year time period, beginning July 1, 2006.

The committee shall adopt rules pursuant to chapter 17A to govern the determination and modification of the methodology to be used for distribution of moneys in the secondary road fund and the farm-to-market road fund.

2002 Acts, ch 1063, §12, 16; 2005 Acts, ch 142, §4

Referred to in §312.3, 312.3B, 312.5, 312A.3

**312.3D Street construction fund distribution advisory committee.**

A street construction fund distribution advisory committee is established to consider methodologies for distribution of moneys in the street construction fund of the cities. The committee shall be comprised of representatives appointed by the president of the Iowa section of the American public works association, the president of the Iowa league of cities, and the department. The committee shall recommend to the general assembly by January 1, 2004, for the general assembly's consideration and adoption, one or more alternative methodologies for distribution of moneys in the street construction fund of the cities.

2003 Acts, ch 144, §7

**312.4 Treasurer's report to the department of transportation.**

The treasurer of state shall, each month, certify to the department:

1. The amount which the treasurer has received and credited to the road use tax fund from each source of revenue creditable to the said road use tax fund.

2. The amount of the road use tax fund which the treasurer has credited to the following:

*a.* The primary road fund.

*b.* The secondary road fund of the counties.

*c.* The farm-to-market road fund.

*d.* The street fund of the cities.

3. The amount of the federal aid primary and urban funds which the treasurer has received from the federal government and credited to the primary road fund.

4. The amount of federal aid secondary road funds which the treasurer has received from the federal government and credited to the farm-to-market road fund.

5. The amount of the road use tax fund which has been credited to carry out the provisions of section 307A.2, subsection 11, section 313.4, subsection 2, and section 307.45.

[C24, §4693; C27, 31, 35, §4755-b7; C39, §**4686.07, 4755.07;** C46, §310.7, 313.7; C50, §308A.4; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §312.4]

2011 Acts, ch 34, §77

**312.5 Division of farm-to-market road funds.**

1. For the fiscal year ending June 30, 2006, the treasurer of state shall apportion among the counties the road use tax funds credited to the farm-to-market road fund by using the allocation method contained in section 312.5, subsection 1, Code 2005. For subsequent fiscal years, the treasurer of state shall apportion among the counties the road use tax funds

credited to the farm-to-market road fund by using the distribution methodology adopted pursuant to section 312.3C.

2. All farm-to-market road funds, except funds which under section 310.20 come from any county's allotment of the road use tax funds, shall be apportioned among the counties as provided by this section.

[C39, §**4686.05;** C46, §310.5; C50, §308A.5; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §312.5]

84 Acts, ch 1219, §19; 90 Acts, ch 1267, §32; 91 Acts, ch 258, §45; 92 Acts, ch 1100, §4; 92 Acts, ch 1238, §28, 46; 2002 Acts, ch 1063, §13, 16; 2005 Acts, ch 142, §5

Referred to in §310.27

**312.6 Limitation on use of funds.**

Funds received by municipal corporations from the road use tax fund shall be used for any purpose relating to the construction, maintenance, and supervision of the public streets.

[C39, §**4686.21, 4686.25;** C46, §310.21, 310.25; C50, §308A.6; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §312.6]

Referred to in §423B.3

**312.7 Balance maintained in fund.**

The treasurer of state shall maintain in the road use tax fund in the state treasury, of the funds collected as provided in chapter 321 or as said chapter may be amended, a cash balance sufficient, when added to the cash balance of receipts in the road use tax fund from other sources, to pay the anticipated expenditures from the road use tax fund for the ensuing month.

When necessary to restore the balance in the road use tax fund in the state treasury, the treasurer of state shall draw upon the treasurer of each county of the state in proportion to the amounts in their possession, respectively, of the funds collected under the provisions of chapter 321 or as said chapter may be amended, and credited to the road use tax fund, a sum sufficient in the aggregate to restore the cash balance in the road use tax fund. Such drafts shall be honored by the treasurer of each county upon presentation.

[C24, 27, 31, 35, §4772, 5003; C39, §**4686.26, 4772, 5010.03;** C46, §310.26, 316.17, 321.147; C50, §308A.7; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §312.7]

**312.8 Amana colonies.**

Where a tract of land is owned by a corporation organized under the provisions of chapter 490 with assets of the value of one million dollars or more, and having one or more platted villages located within the territorial limits of said tract of land, all of the territory within the plats of said villages with their addition or subdivisions shall, for the purposes of this chapter, be deemed to be one incorporated city. All funds to become due to said villages so consolidated shall be paid to the county auditor of the county in which said tract of land and said villages are situated. Said fund shall, thereupon, be administered and expended by the county board of supervisors of said county for the construction, reconstruction, repair, and maintenance of roads and streets within the plats of such villages in the same manner and with the same powers and duties as city councils in cities. In the event the population of such villages shall not have been separately enumerated in the federal census, then said county board of supervisors shall cause a census of said villages to be taken as soon as may be after this chapter becomes effective, which census shall be used in lieu of the federal census provided for in section 312.3, subsection 2.

All payments made under this section prior to July 4, 1961, are hereby legalized.

[C50, §308A.8; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §312.8]

90 Acts, ch 1205, §10

Referred to in §9H.4, 331.362

**312.9 Fund not for personnel expense.**

Moneys credited to the road use tax fund shall not be appropriated for the payment of salaries, support, or maintenance of any personnel in the department of public safety.

[81 Acts 2d Ex, ch 2, §4]

**312.10** Repealed by 78 Acts, ch 1108, § 24.

**312.11 Accounts of expenditures.**

Each city shall keep accounts showing the amount spent on street construction and reconstruction on extensions of rural systems and city streets. The amount spent shall be shown on the annual street report required by section 312.14.

[C62, 66, 71, 73, 75, 77, 79, 81, §312.11]

98 Acts, ch 1075, §12

Referred to in §312.15

**312.12** Repealed by 98 Acts, ch 1080, § 11.

**312.13** Repealed by 73 Acts, ch 205, § 2.

**312.14 Cities to submit report.**

Cities in the state which receive allotments of funds from road use tax funds shall prepare and deliver on or before September 30 each year to the department an annual report showing all street receipts and expenditures for the city for the previous fiscal year. The report shall include a detailed cost accounting of all instances of the use of day labor or public or private contracts for construction, reconstruction, or improvement projects on the municipal street system during the previous fiscal year, in the manner prescribed by rule of the department under section 314.1A. The report shall also include the costs of purchasing, leasing, or renting construction or maintenance equipment and an accounting of the use of such equipment for construction, reconstruction, or improvement projects on the municipal street system during the previous fiscal year.

[C62, 66, 71, 73, 75, 77, 79, 81, §312.14]

90 Acts, ch 1121, §2; 2001 Acts, ch 32, §5, 14

Referred to in §312.11, 312.15, 314.1A

**312.15 When funds not allocated.**

Funds shall not be allocated to any city until such city shall have complied with the provisions of sections 312.11 and 312.14.

If a city has not complied with the provisions of section 312.14, the treasurer of state shall withhold funds allocated to the city until the city complies. If a city has not complied with the provisions of section 312.14 by December 31 following the date the report was required, funds shall not be allocated to the city until the city has complied and all funds withheld under this paragraph shall revert to the street construction fund of the cities.

The department shall notify the treasurer of state if any city fails to comply with the provisions of sections 312.11 and 312.14.

[C62, 66, 71, 73, 75, 77, 79, 81, §312.15]

90 Acts, ch 1121, §3; 98 Acts, ch 1080, §1

**312.16 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the state department of transportation.

2. *"Fiscal year"* means the period of twelve months beginning on July 1 and ending on June 30.

[C75, 77, 79, 81, §312.16]

89 Acts, ch 293, §15

# CHAPTER 312A

## TIME-21 FUND

Referred to in §307.24

Chapter to be repealed June 30, 2028; see §312A.4

312A.1 Definitions.
312A.2 Transportation investment moves the economy in the twenty-first century (TIME-21) fund.
312A.3 Allocation and use of funds.
312A.4 Future repeal.

**312A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the state department of transportation.

2. *"Fund"*, or *"TIME-21 fund"*, means the transportation investment moves the economy in the twenty-first century fund.

2007 Acts, ch 200, §1

**312A.2 Transportation investment moves the economy in the twenty-first century (TIME-21) fund.**

1. A transportation investment moves the economy in the twenty-first century fund is created in the state treasury under the control of the department. The fund shall be known and referred to as the TIME-21 fund. The fund shall consist of any moneys appropriated by the general assembly and any revenues credited by law to the TIME-21 fund. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2. Notwithstanding subsection 1 and section 312.2, for the fiscal year beginning July 1, 2008, and for each fiscal year thereafter, not more than a total of two hundred twenty-five million dollars shall be deposited in the TIME-21 fund for any fiscal year. Any remaining moneys directed to be deposited in the TIME-21 fund for a fiscal year shall be deposited or retained in the road use tax fund.

2007 Acts, ch 200, §2; 2009 Acts, ch 130, §45, 46

Referred to in §312.2

**312A.3 Allocation and use of funds.**

Moneys in the TIME-21 fund shall be credited and used as follows:

1. Sixty percent for deposit in the primary road fund to be used exclusively for highway maintenance and construction, including purchase of right-of-way but not including project planning and design. The following projects are eligible for funding under this subsection and shall have funding priority in the order listed:

*a.* Completion of projects on highways designated as access Iowa highways pursuant to 2005 Iowa Acts, ch. 178, section 41.

*b.* Projects on highways in the commercial and industrial highway network that are included in the department's five-year plan, or in the long-range plan, for the primary road system. Priority shall be given to projects in areas of the state that have existing biodiesel, ethanol, or other biorefinery plants.

*c.* Projects on interstate highways.

2. Twenty percent for deposit in the secondary road fund, for apportionment according to the methodology adopted pursuant to section 312.3C, to be used by counties for construction and maintenance projects on secondary road bridges and on highways in the farm-to-market road system. At least ten percent of the moneys allocated to a county under this subsection shall be used for bridge construction, repair, and maintenance, with priority given to projects that aid and support economic development and job creation.

3. Twenty percent for deposit in the street construction fund of the cities, apportioned on

the basis of population in the manner provided in section 312.3, to be used to sustain and improve the municipal street system.
2007 Acts, ch 200, §3

**312A.4 Future repeal.**
This chapter is repealed June 30, 2028.
2007 Acts, ch 200, §4

# CHAPTER 313

## PRIMARY ROADS

Referred to in §307.24, 315.9


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## GENERAL PROVISIONS

**313.1 Federal and state cooperation.**
The department is empowered on behalf of the state to enter into any arrangement or contract with and required by the duly constituted federal authorities, in order to secure the full cooperation of the government of the United States, and the benefit of all present and future federal allotments in aid of highway construction, reconstruction, improvement

or maintenance. The good faith of the state is hereby pledged to cause to be made available each year, sufficient funds to equal the total of any sums now or hereafter apportioned to the state for road purposes by the United States government for such year, and to maintain the roads constructed with said funds.

[C24, §4688; C27, 31, 35, §4755-b1; C39, §**4755.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.1]

**313.2 "Road systems" defined — roadside parks.**

The roads and streets of the state are, for the purpose of this chapter, those roads and streets established under chapter 306.

Whenever the board of supervisors of a county and the department mutually determine that a portion of a highway under the jurisdiction of either party should be transferred to the jurisdiction of the other party, the board and department may enter into an agreement to effect such transfer. Such agreement may provide that each party may undertake or share responsibility for improving said road with the costs of such improvement to be borne entirely by either the county or the department or equitably divided between the two jurisdictions. All such improvements shall be completed and all actual costs thereof paid or reimbursed prior to the time transfer of the road is made. In carrying out such agreement, the board of supervisors may expend secondary road funds of the county and the department may expend primary road funds.

However, prior to entering into the agreement, a notice of intent to execute such agreement shall be published in a newspaper of general circulation within the county and the cost of such notice shall be jointly borne by the department and the board of supervisors. If one hundred or more residents of the county request by petition or in writing that a hearing be held in regard to such agreement within ten days after the publication of the notice, the board of supervisors and the department shall hold such a hearing not more than seven days after receiving the petition or written instrument, and based upon evidence presented at such hearing shall reexamine the merits of executing such agreement and make a decision in regard to it.

The department may, for the purpose of affording access to cities or state parks, or for the purpose of shortening the direct line of travel on important routes, or to effect connections with interstate roads at the state line, add such road or roads to the primary system.

The department, either alone or in cooperation with any county, shall have the authority to utilize any land acquired incidental to the acquisition of land for highway right-of-way and to also accept by gift, lands not exceeding two acres in area for roadside parks and parking areas. The department may furnish necessary maintenance. The department shall also have authority to accept by gift, equipment or other installations incidental to the use of said parks and parking areas. Said parks and parking areas shall be a part of the primary road system and the department may at its discretion sell or otherwise dispose of said lands.

Reasonable maintenance and surveillance of rest area sites and buildings located thereon shall be provided by employees of the department within the limits of appropriations provided for such purpose.

[C24, §4689; C27, 31, 35, §4755-b2; C39, §**4755.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.2]

88 Acts, ch 1072, §1; 98 Acts, ch 1075, §13

Referred to in §306.42, 331.362

**313.2A Commercial and industrial highways.**

1. *Purpose.* It is the purpose of this section to enhance opportunities for the development and diversification of the state's economy through the identification and improvement of a network of commercial and industrial highways. The network shall consist of interconnected routes which provide long distance route continuity. The purpose of this highway network shall be to improve the flow of commerce; to make travel more convenient, safe, and efficient; and to better connect Iowa with regional, national, and international markets. The commission shall concentrate a major portion of its annual construction budget on this network of commercial and industrial highways. In order to ensure the greatest possible availability of funds for the improvement of the network, primary highway funds shall not

be spent beyond continuing maintenance for improvements to route segments that will be bypassed by the relocation of portions of the commercial and industrial highway network.

2. *Network selection.*

*a.* The commission shall identify, within the primary road system, a network of commercial and industrial highways. The commission shall consider all of the following factors in the identification of this network:

(1) The connection by the most direct routes feasible of major urban areas and regions of the state to each other and to the national system of interstate and defense highways and priority routes in adjacent states.

(2) The existence of high volumes of total traffic and commercial traffic.

(3) Long distance traffic movements.

(4) Area coverage and balance of spacing with service to major growth centers within the state.

(5) Metropolitan area bypasses consistent with metropolitan or regional area plans established through cooperation by the department and local officials.

*b.* The network of commercial and industrial highways shall not exceed two thousand six hundred miles including municipal extensions of these highways.

3. *Standards.* The department shall establish standards pertaining to the specific location, design, and access control for each segment of the commercial and industrial highways.

4. *Network development.* In establishing priorities for improvement projects, the department shall take into consideration the following additional criteria: urban area bypasses that improve urban or regional accessibility or improve corridor travel; projects consistent with regional or metropolitan transportation plans established through cooperation by the department and local officials; and the willingness of local officials to provide financial or other assistance for the development of projects.

89 Acts, ch 134, §5; 90 Acts, ch 1267, §34, 35; 91 Acts, ch 268, §514, 515; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1032, §1

Referred to in §15E.194, 307A.2

**313.3 Primary road fund.**

1. There is hereby created a primary road fund which shall include and embrace:

*a.* All road use tax funds which are by law credited to the primary road fund.

*b.* All federal aid primary and urban road funds received by the state.

*c.* All other funds which may by law be credited to the primary road fund.

*d.* All revenue accrued or accruing to the state of Iowa on or after January 26, 1949, from the sale of public lands within the state, under Acts of Congress approved March 3, 1845, supplemental to the Act for the Admission of the States of Iowa and Florida into the Union, chapters 75 and 76, 5 Stat. 788, 790, shall be placed in the primary road fund.

2. Unless otherwise provided, the primary road fund is hereby appropriated for highway construction.

[C24, §4690; C27, 31, 35, §4755-b3; C39, §**4755.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.3]

2010 Acts, ch 1061, §180; 2012 Acts, ch 1023, §41

Allocation of funds, §312.2, 312A.3

**313.4 Disbursement of fund.**

1. *a.* Said primary road fund is hereby appropriated for and shall be used in the establishment, construction, and maintenance of the primary road system, including the drainage, grading, surfacing, construction of bridges and culverts, the elimination or improvement of railroad crossings, the acquiring of additional right-of-way, all other expense incurred in the construction and maintenance of said primary road system and the maintenance and housing of the department.

*b.* The department may expend moneys from the fund for dust control on a secondary road or municipal street within a municipal street system when there is a notable increase in

traffic on the secondary road or municipal street due to closure of a road by the department for purposes of establishing, constructing, or maintaining a primary road.

2. Such fund is also appropriated and shall be used for the construction, reconstruction, improvement and maintenance of state institutional roads and state park roads and bridges on such roads and roads and bridges on community college property as provided in section 307A.2, subsection 11, for restoration of secondary roads used as primary road detours and for compensation of counties for such use, for restoration of municipal streets so used and for compensation of cities for such use, and for the payments required in section 307.45.

3. There is appropriated from funds appropriated to the department which would otherwise revert to the primary road fund pursuant to the provisions of the Act appropriating the funds or chapter 8, an amount sufficient to pay the increase in salaries, which increase is not otherwise provided for by the general assembly in an appropriation bill, resulting from the annual review of the merit pay plan as provided in section 8A.413, subsection 3. The appropriation herein provided shall be in effect from the effective date of the revised pay plan to the end of the fiscal biennium in which it becomes effective.

4. *a.* Such fund is appropriated and shall be used by the department to provide energy and for the operation and maintenance of those primary road freeway lighting systems within the corporate boundaries of cities including energy and maintenance costs associated with interchange conflict lighting on existing and future freeway and expressway segments constructed to interstate standards.

*b.* The costs of serving freeway lighting for each utility providing the service shall be determined by the utilities division of the department of commerce, and rates for such service shall be no higher than necessary to recover these costs. Funds received under the provisions of this subsection shall be used solely for the operation and maintenance of a freeway lighting system.

5. During the fiscal year beginning July 1, 1990, and ending June 30, 1991, and each subsequent fiscal year, the department shall spend from the primary road fund an amount of not less than thirty million dollars for the network of commercial and industrial highways.

6. *a.* A transfer of jurisdiction fund is created in the office of the treasurer of state under the control of the department. For each fiscal year in the period beginning July 1, 2003, and ending June 30, 2013, there is transferred from the primary road fund to the transfer of jurisdiction fund one and seventy-five hundredths percent of the moneys credited to the primary road fund pursuant to section 312.2, subsection 1, paragraph *"a"*.

*b.* For each fiscal year in the period beginning July 1, 2003, and ending June 30, 2013, there is appropriated the following percentages of the moneys deposited in the transfer of jurisdiction fund for the fiscal year for the following purposes:

(1) Seventy-five percent of the moneys shall be apportioned among the counties and cities that assume jurisdiction of primary roads pursuant to section 306.8A. Such apportionment shall be made based upon the specific construction needs identified for the specific counties and cities in the transfer of jurisdiction report on file with the department pursuant to section 306.8A. All funds, including any interest or other earnings on the funds, received by a county from the transfer of jurisdiction fund shall be deposited in the secondary road fund of the county to be used only for the maintenance and construction of roads under the county's jurisdiction. All funds received by a city from the transfer of jurisdiction fund shall be used only for the maintenance and construction of roads under the city's jurisdiction.

(2) Twenty-two and one-half percent of the moneys shall be deposited in the secondary road fund.

(3) Two and one-half percent of the moneys shall be deposited in the street construction fund of the cities.

7. For the fiscal year beginning July 1, 2013, and ending June 30, 2014, and each subsequent fiscal year, there is transferred the following percentages of the moneys credited to the primary road fund pursuant to section 312.2, subsection 1, paragraph *"a"*, to the following funds:

*a.* One and five hundred seventy-five thousandths percent to the secondary road fund.

*b.* One hundred seventy-five thousandths of one percent to the street construction fund of the cities.

[C24, §4690; C27, 31, 35, §4755-b4; C39, §**4755.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.4]

88 Acts, ch 1019, §6; 90 Acts, ch 1253, §120; 92 Acts, ch 1163, §74; 92 Acts, ch 1238, §29; 99 Acts, ch 118, §1; 2000 Acts, ch 1017, §1; 2003 Acts, ch 144, §8; 2003 Acts, ch 145, §243; 2008 Acts, ch 1031, §110; 2009 Acts, ch 133, §236, 237; 2011 Acts, ch 25, §27

Referred to in §312.2, 312.3, 312.4, 313.5

**313.5 Biennial appropriation — budget.**

1. The department shall submit to the department of management, as provided by chapter 8, a detailed estimate of the amount required by the department during each succeeding biennium for the support of the department and for engineering and administration of highway work and maintenance of the primary road system. Such estimate shall be in the same general form and detail as is required by chapter 8 and said chapter shall apply to the budgeting, appropriation, and expenditure of funds in the primary road fund in the same manner as such chapter applies to other departments. However, the amount of contracts for bituminous resurfacing, bridge painting and repair, pavement and shoulder repair, agreements with cities for maintenance on primary road extensions and agreements with counties, cities, and institutions for maintenance on state park, state institution, and other state land roads need not be included in the amount appropriated for maintenance.

2. The provisions of chapter 8 shall apply except that the provisions of section 8.39 shall not apply to funds appropriated to the department under section 313.4, however, the first paragraph of section 8.39 shall apply to appropriations for support of the department and for engineering and administration of highway work and maintenance of the primary road system.

3. Any contingent fund appropriated to the department from the primary road fund shall be subject to the following conditions:

*a.* A written statement from the department of management shall be obtained, recommending expenditures from the fund for the purposes requested by the department.

*b.* The department of management and the governor shall determine that the expenditures contemplated are in the best interest of the state, and that the purpose or project for which funds are requested was not presented to the general assembly by way of a bill and which failed to become enacted into law.

[C39, §**4755.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.5]

2010 Acts, ch 1061, §180

**313.6 Accounts and records required.**

The department shall keep accounts in relation to the primary road fund, crediting said fund with all amounts by law creditable thereto and charging said fund with the amount of all duly and finally approved vouchers for claims properly chargeable thereto.

[C24, §4692; C27, 31, 35, §4755-b6; C39, §**4755.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.6]

**313.7 Monthly certification of funds.**

The account of the primary road fund kept by the department of administrative services and the state treasurer shall show the amount of the primary road fund with all credits thereto and disbursements therefrom.

[C24, §4693; C27, 31, 35, §4755-b7; C39, §**4755.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.7]

2003 Acts, ch 145, §286

**313.8 Improvement of primary system.**

The department shall proceed to the improvement of the primary road system as rapidly as funds become available therefor until the entire mileage of the primary road system is built to established grade, bridged and surfaced with pavement or other surface suited to the traffic

on such road. Improvements shall be made and carried out in such manner as to equalize the condition of the primary roads and accessibility for commercial and industrial economic development purposes, as nearly as possible, in all sections of the state.

[C27, 31, 35, §4755-b8; C39, §**4755.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.8]
88 Acts, ch 1019, §7

**313.9 Surveys, plans, and specifications.**

Before proceeding with the improvement of any primary road, the department shall cause suitable surveys, plans and specifications for said proposed work to be prepared and filed in its office, and the work shall be done in accordance therewith, except insofar as the same may be modified to meet unforeseen or better understood conditions, and no such modification shall be deemed an invalidating matter.

[C24, §4699; C27, 31, 35, §4755-b9; C39, §**4755.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.9]

**313.10 Bids — advertising.**

1. As soon as the approved plans and specifications for any primary road construction project are filed with the department, the department shall, if the estimated cost exceeds one thousand dollars, proceed to advertise for bids for the construction of the improvement.

2. The department may contract for the emergency repair, restoration, or reconstruction of a highway or bridge without advertising for bids if all of the following conditions are met:

*a.* The emergency was caused by an unforeseen event causing the failure of a highway, bridge, or other highway structure so that the highway is unserviceable, or where immediate action is necessary to prevent further damage or loss.

*b.* The department solicits written bids from three or more contractors engaged in the type of work needed.

*c.* The necessary work can be done for less than one million dollars.

*d.* If possible, the department notifies the appropriate Iowa highway contractors' associations of the proposed work.

[C24, §4700; C27, 31, 35, §4755-b10; C39, §**4755.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.10]
2001 Acts, ch 32, §6; 2008 Acts, ch 1124, §2
Referred to in §313.11, 314.1
See §314.2

**313.11 Bids — specialized construction.**

The department may contract for specialized construction work for beam straightening, beam replacement, and beam repair on bridges, without advertising for bids as required under section 313.10, if all of the following conditions are met:

1. The work is of a specialized type in which fewer than five contractors engage.

2. The department solicits written bids from all available contractors engaged in the specialized type of work.

3. The work can be done for less than forty thousand dollars.

90 Acts, ch 1137, §1

**313.12 Supervision and inspection.**

The department is expressly charged with the duty of supervision, inspection and direction of the work of construction of primary roads on behalf of the state, and of supervising the expenditure of all funds paid on account of such work by the state or the county on the primary system and it shall do and perform all other matters and things necessary to the faithful completion of the work herein authorized.

[C24, §4701; C27, 31, 35, §4755-b12; C39, §**4755.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.12]

**313.13 Engineers — bonds.**

All engineers having responsible charge of any improvements, shall give bonds for the faithful performance of their duties and for like accounting for all property entrusted to their

custody. All bonds given by such engineers in the employ of the department shall be deemed to embrace any and all improvements of which they may be in charge.

[C24, §4701; C27, 31, 35, §4755-b13; C39, §**4755.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.13]

**313.14 Claims.**

All claims for improving and maintaining the primary road system shall be paid from the primary road fund.

[C24, §4702; C27, 31, 35, §4755-b14; C39, §**4755.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.14]

**313.15** Reserved.

**313.16 Payment of awards or judgments.**

There is hereby appropriated from the primary road fund to the department a sum sufficient for the purpose of paying any award or judgment to a claimant under chapters 25 and 669 on a claim arising out of activities of the department when such an award cannot be charged to a current appropriation.

[C71, 73, 75, 77, 79, 81, §313.16]

**313.17 Contingent fund.**

The state treasurer is hereby directed to set aside from the primary road fund the sum of five hundred thousand dollars to be known as the primary road contingent fund.

[C24, §4703; C27, 31, 35, §4755-b17; C39, §**4755.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.17]

**313.18 Use of contingent fund.**

When claims for labor, freight, or other items which must be paid promptly are presented to the said department for payment, the said department may direct that warrants in payment of said claims be drawn on said primary road contingent fund. Such warrants when so drawn and signed by the director of the department of administrative services, shall be honored by the treasurer of state for payment from said contingent fund. The primary road contingent fund shall be reimbursed for expenditures made by the state department of transportation from the fund to which the expenditure should be properly charged.

[C24, §4704; C27, 31, 35, §4755-b18; C39, §**4755.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.18]

2003 Acts, ch 145, §286

**313.19 Audit of contingent claims.**

The claims in payment of which warrants are drawn on the primary road contingent fund, shall be audited in the usual manner prescribed by law and shall have noted thereon that warrants in payment thereof have been drawn on the said contingent fund. After the final audit of such claims, the director of the department of administrative services shall draw warrants therefor payable to the treasurer of state and forward the same to the department for record. When such warrants have been recorded in the office of the said department, they shall be forwarded to the state treasurer who shall redeem the same, charge them to the proper fund and credit the primary road contingent fund with the amount thereof.

[C24, §4705; C27, 31, 35, §4755-b19; C39, §**4755.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.19]

2003 Acts, ch 145, §286

**313.20 Auditor — appointment — bond — duties.**

The director of the department of administrative services shall appoint the auditor of the department who shall give bond in the sum of fifty thousand dollars for the faithful performance of the auditor's duties. The premium on said bond shall be paid by the department from the primary road fund. Said auditor shall check and audit all claims

against the department before such claims are approved by the department, and shall keep all records and accounts relating to the expenditures of the department. The auditor shall, in the checking and auditing of claims against the department, and keeping the records and accounts of the department, be under the direction and supervision of the director of the department of administrative services, and act as an agent of said director. The department shall furnish said auditor with such help and assistants as may be necessary to properly perform the duties herein specified. The said auditor may be removed by the director of the department of administrative services.

[C24, §4706; C27, 31, 35, §4755-b20; C39, §**4755.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.20]

2003 Acts, ch 145, §286

**313.21 Primary extension improvements in cities.**

The department, upon consultation with the council, may construct, reconstruct, improve, and maintain extensions of the primary road system within any city, including the construction, reconstruction, and improvement of storm sewers and electrical traffic control devices reasonably incident and necessary thereto. However, the improvement, exclusive of storm sewers, shall not exceed in width that of the primary road system and the amount of funds expended in any one year shall not exceed thirty-five percent of the primary road construction fund.

The department shall consult with the council to consider the proposed improvement in its relationship to municipal improvements such as sewers, water lines, sidewalks, and other public improvements, and the establishment or reestablishment of street grades. The location of the primary road extensions and the location, design, and degree of access control for improvements to them shall be determined by the department.

[C24, §4731; C27, 31, 35, §4755-b26; C39, §**4755.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.21]

89 Acts, ch 134, §6

Referred to in §384.76

See §313.36

**313.22 Paving of whole street by department.**

Any city and the department may enter into an agreement with respect to any project for the paving of any portion of a primary road extension, and for the construction, reconstruction, and improvement of storm sewers and electrical traffic control devices reasonably incident and necessary thereto, within such city. Said agreement shall specify that the city shall pay for that portion of the cost of said project which is not payable out of primary road funds, and may authorize the department to advertise for bids, let contracts, and supervise the construction of that portion of said project to be paid for by the city. Such agreement shall be a valid and binding obligation on the parties thereto.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.22]

Referred to in §384.76

**313.23 Reimbursement by city.**

Payment for the work, including the city's portion thereof, may in the first instance be made out of the primary road fund. Upon completion of the project, the city shall reimburse the department for the amount so advanced out of the primary road fund, including the city's portion of the engineering and inspection costs.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.23]

Referred to in §384.76

**313.24 Separated cities.**

The department shall designate the street or streets which shall constitute the primary road extensions in any city of the state, which city is separated from the remainder of the state by a river more than five hundred feet in width from bank to bank. The laws of this state relating to the construction, reconstruction or maintenance of the extensions of primary roads in cities, and to the purchase or condemnation of right-of-way therefor, and to the expenditure

of primary road funds thereon, shall apply to the roads or streets designated hereunder, the same as though said community were not so separated from the rest of the state.

[C39, §**4755.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.24]

**313.25 and 313.26** Reserved.

**313.27 Bridges, viaducts, etc., on municipal primary extensions.**

The department may construct or aid in the construction, and may maintain bridges, viaducts, and railroad grade crossing eliminations on primary road extensions in cities.

[C31, 35, §4755-d1; C39, §**4755.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.27]

See §313.36

**313.28 Temporary primary road detours.**

1. When the department, for the purpose of establishing, constructing, or maintaining any primary road, determines that any secondary road or portion thereof is necessary for a detour or haul road, the department, after consultation with the county board of supervisors having jurisdiction of the route, shall by order temporarily designate the secondary road or portion thereof as a temporary primary road detour or as a temporary primary road haul road, and the department shall maintain the same as a primary road until it shall revoke the temporary designation order. Prior to use of a secondary road as a primary haul road or detour, the department shall designate a representative to inspect the secondary road with the county engineer to determine and note the condition of the road.

2. Prior to revoking the designation, the department shall:

*a.* Restore the secondary road or portion thereof to as good condition as it was prior to its designation as a temporary primary road, or

*b.* Determine such amount as will adequately compensate the county exercising exclusive or concurrent jurisdiction over the secondary road or portion thereof for excessive traffic upon the secondary road or portion thereof during the period of its designation as a temporary primary road. The department shall certify the amount determined to the director of the department of administrative services. The director of the department of administrative services shall credit the amount to the county.

3. If on examination of the route, it is determined that the road can be restored to its original condition only by reconstruction, the department shall cause plans to be drawn, award the necessary contracts for work and proceed to reconstruct and make payments for in the same manner as is prescribed for primary construction projects.

[C71, 73, 75, 77, 79, 81, §313.28]

83 Acts, ch 123, §117, 209; 2003 Acts, ch 145, §286; 2010 Acts, ch 1069, §84

Referred to in §313.29, 331.429

**313.29 Detours located in city.**

When the temporary primary road detour or temporary primary road haul road, or any portion thereof, is located within the corporate limits of a city, then as to the portion so located, the provisions of section 313.28 as to consultation, designation, restoration and payment by the department shall apply in like manner to the benefit of the city, and credits thereunder shall be made to the general fund of the city. A city may designate the county engineer or city engineer to inspect such street so used jointly with the representative of the department.

[C71, 73, 75, 77, 79, 81, §313.29]

**313.30 through 313.35** Reserved.

**313.36 Maintenance — limitation in cities.**

Primary roads shall be maintained by the department and the cost thereof paid out of the primary road fund. Extensions of primary roads in cities may be maintained by the department and the cost thereof paid out of the primary road fund.

The total amount of funds expended in any one year on extensions of primary roads in cities shall not exceed thirty-five percent of the primary road fund.

[C24, §4736; C27, 31, 35, §4775-b29; C39, §**4755.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.36]

See also §306.10 and 313.21

**313.37 Road equipment.**

The department is authorized to purchase road material or road machinery required in the improvement or maintenance of the primary roads, after receiving competitive bids, and to pay for the same out of the primary road fund, and is directed to purchase, rent or lease any machinery or other articles necessary for the use and most economical operation of the field engineering work, the testing of materials, the preparation of plans, and for all allied purposes, in order to enable the department to carry out the provisions of this chapter.

[C24, §4738; C27, 31, 35, §4755-b30; C39, §**4755.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.37]

**313.38 through 313.41** Reserved.

**313.42 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commission"* means the state transportation commission.
2. *"Department"* means the state department of transportation.

[C75, 77, 79, 81, §313.42]

89 Acts, ch 134, §7

MARKINGS FOR MUNICIPALITIES

**313.43 Lateral or detour routes in cities.**

1. Any city located on the primary road system and in which the primary road extension as officially designated does not pass through the main part or business district of such city, may designate and mark a lateral or detour route in order to facilitate such primary road traffic as may desire to get into and out of such business district.

2. Lateral or detour routes shall be marked with standard markings adopted by the department for that purpose, which markings shall clearly indicate that the lateral route is not the official primary road extension but is in fact a lateral or detour extending to the business district.

3. The cost of the markings shall be without expense to the state.

[C31, 35, §4755-c2; C39, §**4755.34;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.43]

2013 Acts, ch 90, §75

Section amended

**313.44 Standard markings required.** Repealed by 2013 Acts, ch 90, § 216. See §313.43.

**313.45 Cost.** Repealed by 2013 Acts, ch 90, § 216. See §313.43.

**313.46 through 313.58** Reserved.

INTERSTATE BRIDGES — GIFT OR PURCHASE

**313.59 Gift of bridge to state — acceptance.**

Should the owner of any bridge, for highway traffic, over the Mississippi river or the Missouri river, on the boundary of the state of Iowa, and which bridge is a connecting link between a primary road or primary road extension in a city of this state and a corresponding road or extension thereof in an adjoining state, offer to give such bridge and approaches

thereto, or any part thereof, to the state, the department is hereby authorized, in its discretion, to accept such offer in the name of the state of Iowa, and to enter into written agreements evidencing such acceptance.

[C46, §313.28; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.59]
Referred to in §313.64, 313.65

**313.60 Indebtedness paid.**

When all outstanding indebtedness or other obligations against such bridge and approaches thereto have been paid and discharged the department shall accept transfer of title thereof to the state and is thereafter authorized to take possession of, operate and maintain such bridge and approaches, or any part thereof, free of tolls, as a part of the primary road system.

[C46, §313.29; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.60]
Referred to in §313.64, 313.65

**313.61 Taxes forgiven.**

Any such bridge and approaches, which has been offered to the department and with respect to which the department has entered into a written agreement accepting such offer, shall after the date of such agreement, be free from state and local property and income taxes in this state.

[C46, §313.30; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.61]
Referred to in §313.64, 313.65

**313.62 Department authority.**

The authority herein given to the department to enter into agreements for, accept, take over, operate and maintain such bridges may be exercised by the said department independently or in cooperation with other governmental agencies within this state or in adjoining states.

[C46, §313.31; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.62]
Referred to in §313.64, 313.65

**313.63 Action by adjoining state.**

The department shall not enter into an agreement of acceptance until the adjoining state enters into an agreement to accept ownership of that portion of the bridge being within the adjoining state.

[C46, §313.32; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.63]
87 Acts, ch 232, §21
Referred to in §313.64, 313.65

**313.64 Financial statement annually.**

If the department accepts the offer of any bridge over a boundary stream and enters into a written agreement in relation to the bridge as provided in sections 313.59 to 313.63, this section, and section 313.65, the owner or operator of the bridge shall thereafter and until all indebtedness or other obligations against the bridge have been paid and discharged annually file with the department a sworn statement of its financial condition. The statement shall show funds on hand and indebtedness at the beginning and end of the year, receipts, disbursements, indebtedness retired during the year and any other information required by the department to show the true and complete condition of the finances with respect to the bridge and bridge approaches.

The annual budget of authorized operating and other expenditures for or on behalf of such bridge and approaches shall be approved by the department before becoming effective. Expenditures during the year shall not exceed the approved budget unless an increase in the annual budget be likewise approved by the department.

[C46, §313.33; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.64]
2013 Acts, ch 90, §76
Referred to in §313.65
Unnumbered paragraph 1 amended

**313.65 Approval of taxing bodies.**

Before any bridge owned by any individual or private corporation shall be accepted by the department under the provisions of sections 313.59 to 313.64, the said proposal and acceptance shall first be approved by the following tax levying and tax certifying bodies located in the said tax district: The board of supervisors, the city councils and the school board or boards.

[C46, §313.34; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.65]

Referred to in §313.64

**313.66 Mississippi bridges purchased.**

1. The department may purchase one-half of any bridge and its approaches for highway traffic over the Mississippi river on the boundary of the state and which is in receivership and is a connecting link between a primary road or primary road extension in a city of the state and a corresponding road or extension thereof in an adjoining state, providing proper approval is granted by the court having jurisdiction of such receivership.

2. The department is authorized to make payment for any such bridge and its approaches from the primary road fund provided however, that in no event shall the amount of such payment be more than one hundred thousand dollars for any one bridge and approaches thereto, and provided further that such purchase shall not be completed or payment made therefor until the adjoining state shall either have purchased or agreed to purchase ownership of the remaining one-half of said bridge and approaches, and agrees to pay the costs of repairing or maintaining such portion of the bridge and all approaches.

3. The department, after the purchase of any such bridge, is authorized to take possession thereof and maintain such portion of the bridge and its approaches thereto free of tolls as a part of the primary road system.

4. Before the purchase of any such bridge shall be completed by the department under the provisions of this section, the purchase thereof shall first be approved by the following tax levying and tax certifying bodies located in said district: The board of supervisors, the city councils, and the school board or boards.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §313.66]

## SCENIC PRIMARY ROADS — IMPROVEMENT FUND

**313.67 Scenic and improvement fund.**

There is hereby created a primary road scenic and improvement fund which shall include and embrace all funds hereafter credited thereto. Said fund shall be administered by the department and shall be used for the construction, reconstruction, improvement and maintenance of roadside safety rest areas and scenic beautification areas along the primary roads of the state including the acquisition of such property and property rights needed to accomplish said purposes. Part or all of said fund may be used to match federal allotments made available to the state of Iowa for the purposes provided in this section and to this end, the department is empowered on behalf of the state to enter into any agreements or contracts with the duly constituted federal authorities in order to secure the benefit of all present and future federal allotments.

[C66, 71, 73, 75, 77, 79, 81, §313.67]

Referred to in §306C.10

**313.68 Bridge safety fund.** Repealed by 2010 Acts, ch 1184, § 95.

# CHAPTER 313A

## INTERSTATE BRIDGES

Referred to in §307.24


313A.1 Definitions.
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313A.36 Purposes of powers granted.
313A.37 Failure to pay toll — penalty.
313A.38 Independent of any other law.
313A.39 Construction.


**313A.1 Definitions.**

The following words or terms, as used in this chapter, shall have the respective meanings as stated:

1. *"Acquisition by purchase, gift, or condemnation"* as used in this chapter shall mean acquisition by the department, whether such terms "purchase, gift, or condemnation" are used singularly or in sequence.

2. *"Construct, constructing, construction or constructed"* shall include the completion, reconstruction, remodeling, repair, or improvement of any existing toll bridge or any partially constructed interstate bridge, as well as the construction of any new toll bridge.

3. *"Department"* shall mean the state department of transportation.

4. *"Federal bridge commission"* shall mean any bridge commission organized and operating pursuant to an Act of the Congress of the United States, even though such Act of Congress may declare the bridge commission not to be an agency of the federal government.

5. *"Toll bridge"* shall mean an interstate bridge constructed, purchased or acquired under the provisions of this chapter, upon which tolls are charged, together with all appurtenances, additions, alterations, improvements, and replacements thereof, and the approaches thereto, and all lands and interests therein used therefor, and buildings and improvements thereon.

[C71, 73, 75, 77, 79, 81, §313A.1]

**313A.2 Bridge to be controlled by department.**

The department shall have full charge of the construction and acquisition of all toll bridges constructed or acquired under the provisions of this chapter, the operation and maintenance thereof and the imposition and collection of tolls and charges for the use thereof. The department shall have full charge of the design of all toll bridges constructed under the provisions of this chapter. The department shall proceed with the construction of such toll bridges and other facilities and the approaches thereto by contract immediately upon there being made available funds for such work and shall prosecute such work to completion as rapidly as practicable. The department shall advertise for bids for the construction, reconstruction, improvement, repair or remodeling of any toll bridge by publication of a

notice once each week for at least two consecutive weeks in a newspaper published and having a general circulation throughout the state of Iowa, the first publication to appear at least fifteen days prior to the date set for receiving bids. The department shall have the power to accept such offer or offers, propositions or bids, and enter into such contract or contracts as it shall deem to be to the best interest of the state.

[C71, 73, 75, 77, 79, 81, §313A.2]

**313A.3 Toll bridges constructed over boundary rivers.**

The department is hereby authorized to establish and construct toll bridges upon any public highway, together with approaches thereto, wherever it is considered necessary or advantageous and practical for crossing any navigable river between this state and an adjoining state. The necessity or advantage and practicality of any toll bridge shall be determined by the department. To obtain information for the consideration of the department upon the construction of any toll bridge or any other matter pertaining thereto, any officer or employee of the state, upon the request of the department, shall make reasonable examination, investigation, survey, or reconnaissance to determine material facts pertaining thereto and shall report such findings to the department. The cost thereof shall be borne by the department or office conducting it from funds provided for its functions.

[C71, 73, 75, 77, 79, 81, §313A.3]

**313A.4 Investigation of feasibility.**

The department is hereby authorized to enter into agreements with any federal bridge commission or any county or city of this state, and with an adjoining state or county, city, or town thereof, for the purpose of implementing an investigation of the feasibility of any toll bridge project for the bridging of a navigable river forming a portion of the boundary of this state and such adjoining state. The department may use any funds available for the purposes of this section. Such agreements may provide that in the event any such project is determined to be feasible and adopted, any advancement of funds by any state, county or city may be reimbursed out of any proceeds derived from the sale of bonds or out of tolls and revenues to be derived from such project.

[C71, 73, 75, 77, 79, 81, §313A.4]

**313A.5 Acquiring existing bridge — bonds.**

Whenever the department deems it necessary or advantageous and practical, it may acquire by gift, purchase, or condemnation any interstate bridge which connects with or may be connected with the public highways and the approaches thereto, except that the department may not condemn an existing interstate bridge used for interstate highway traffic and combined highway and railway traffic and presently owned by a municipality, or a person, firm, or corporation engaged in interstate commerce. The department may also acquire by gift or purchase two or more existing interstate bridges and any partially constructed interstate bridge, all located within ten miles of each other, complete the partially constructed bridge and dismantle the bridge which it is designed to replace. In connection with the acquisition of any such bridge, bridges, or partially constructed bridge, the department and any federal bridge commission or any city, county, or other political subdivision of the state are authorized to do all acts and things as in this chapter are provided for the establishing and constructing of toll bridges and operating, financing, and maintaining such bridges insofar as such powers and requirements are applicable to the acquisition of any toll bridge and its operation, financing, and maintenance. In so doing, they shall act in the same manner and under the same procedures as provided for establishing, constructing, operating, financing, and maintaining toll bridges insofar as such manner and procedures are applicable. Without limiting the generality of the above provisions, the department is hereby authorized to cause surveys to be made to determine the propriety of acquiring any such bridge and the rights-of-way necessary therefor, and other facilities necessary to carry out the provisions hereof; to issue, sell, redeem bonds or issue and exchange bonds with present holders of outstanding bonds of bridges being acquired under the provisions of this chapter and deposit and pay out of the proceeds of the bonds for the

financing thereof, to impose, collect, deposit, and expend tolls therefrom; to secure and remit financial and other assistance in connection with the purchase thereof; and to carry insurance thereon.

[C71, 73, 75, 77, 79, 81, §313A.5]

**313A.6 Rules adopted — financial statements.**

The department, its officials, and all state officials are hereby authorized to perform such acts and make such agreements consistent with the law which are necessary and desirable in connection with the duties and powers conferred upon them regarding the construction, maintenance, and operation and insurance of toll bridges or the safeguarding of the funds and revenues required for such construction and the payment of the indebtedness incurred therefor. The department shall adopt such rules and regulations in accordance with the provisions of chapter 17A as it may deem necessary for the administration and exercise of its powers and duties granted by this chapter, and shall prepare annual financial statements regarding the operation of such toll bridges which shall be made available for inspection by the public and by the holders of revenue bonds issued by the department under the provisions of this chapter at all reasonable times.

[C71, 73, 75, 77, 79, 81, §313A.6]

**313A.7 Resolution of public interest and necessity — revenue bonds.**

Whenever the department deems it to be in the best interest of the primary highway system that any new toll bridge be constructed upon any public highway and across any navigable river between this state and an adjoining state, the department shall adopt a resolution declaring that the public interest and necessity require the construction of such toll bridge and authorizing the issuance of revenue bonds in an amount sufficient for the purpose of obtaining funds for such construction. The issuance of bonds as provided in this chapter for the construction, purchase, or acquisition of more than one toll bridge may, at the discretion of the department, be included in the same authority and issue or issues of bonds, and the department is hereby authorized to pledge the gross revenues derived from the operation of any such toll bridge under its control and jurisdiction to pay the principal of and interest on bonds issued to pay the cost of purchasing, acquiring, or constructing any such toll bridge financed under the provisions of this chapter. The department is hereby granted wide discretion, in connection with the financing of the cost of any toll bridge, to pledge the gross revenues of a single toll bridge for the payment of bonds and interest thereon issued to pay the cost of such bridge and to pledge the gross revenues of two or more toll bridges to pay bonds issued to pay the cost of one or more toll bridges and interest thereon as long as the several bridges included herein are not more than ten miles apart.

In addition, if the department in its discretion determines that the construction of a toll bridge cannot be financed entirely through revenue bonds and that the construction of such toll bridge is necessary, the department may advance funds from the primary highway fund to pay for that part of the construction cost, including the cost of approaches and all incidental costs, which is not paid out of the proceeds of revenue bonds. However, said funds advanced from the primary highway fund shall be used only to pay the construction cost, including the cost of approaches and all incidental costs, with respect to that part of the bridge which is or will be located within the state of Iowa. After all revenue bonds and interest thereon issued and sold pursuant to this chapter and payable from the tolls and revenues of said bridge have been fully paid and redeemed or funds sufficient to pay said bonds and interest, including premium, if any, have been set aside and pledged for that purpose, then such amount advanced from the primary road fund shall be repaid to the primary road fund from the tolls and revenues of said bridge before said bridge is made a toll free bridge under the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §313A.7]

Referred to in §313A.16

**313A.8 Right-of-way secured.**

Whenever the department shall authorize the construction of any toll bridge, the department is empowered to secure rights-of-way therefor and for approaches thereto by gift or purchase or by condemnation in the manner provided by law for the taking of private property for public purposes.

[C71, 73, 75, 77, 79, 81, §313A.8]

**313A.9 Consent to cross state property.**

The right-of-way is hereby given, dedicated, and set apart upon which to locate, construct, and maintain toll bridges or approaches thereto or other highway crossings, and transportation facilities thereof or thereto, through, over or across any of the lands which are now or may be the property of this state, including highways; and through, over, or across the streets, alleys, lanes, and roads within any city, county, or other political subdivision of the state. If any property belonging to any city, county or other political subdivision of the state is required to be taken for the construction of any such bridge or approach thereto or should any such property be injured or damaged by such construction, such compensation therefor as may be proper or necessary and as shall be agreed upon may be paid by the department to the particular county, city or other political subdivision of the state owning such property, or condemnation proceedings may be brought for the determination of such compensation.

[C71, 73, 75, 77, 79, 81, §313A.9]

**313A.10 Resolution precedent to action.**

Before the department shall proceed with any action to secure right-of-way or with the construction of any toll bridge under the provisions of this chapter, it shall first pass a resolution finding that public interest and necessity require the acquisition of right-of-way for and the construction of such toll bridge. Such resolution shall be conclusive evidence of the public necessity of such construction and that such property is necessary therefor. To aid the department in determining the public interest, a public hearing shall be held in the county or counties of this state in which any portion of a bridge is proposed to be located. Notice of such hearing shall be published at least once in a newspaper published and having a general circulation in the county or counties where such bridge is proposed to be located, not less than twenty days prior to the date of the hearing. When it becomes necessary for the department to condemn any real estate to be used in connection with any such bridge, or to condemn any existing bridge, such condemnation shall be carried out in a manner consistent with the provisions of chapters 6A and 6B. In eminent domain proceedings to acquire property for any of the purposes of this chapter, any bridge, real property, personal property, franchises, rights, easements, or other property or privileges appurtenant thereto appropriated or dedicated to a public use or purpose by any person, firm, private, public or municipal corporation, county, city, district or any political subdivision of the state, may be condemned and taken, and the acquisition and use thereof as herein provided for the same public use or purpose to which such property has been so appropriated or dedicated, or for any other public use or purpose, shall be deemed a superior and permanent right and necessity, and a more necessary use and purpose than the public use or purpose to which such property has already been appropriated or dedicated, and any condemnation award may be paid from the proceeds of revenue bonds issued under the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §313A.10]

**313A.11 Payment from available funds.**

If the department determines that any toll bridge should be constructed or acquired under its authority, all costs thereof, including land, right-of-way, surveying, engineering, construction, legal and administrative expenses, and fees of any fiscal adviser, shall be paid out of any funds available for payment of the cost of the bridge.

[C71, 73, 75, 77, 79, 81, §313A.11]

**313A.12 Revenue bonds.**

The department is hereby authorized and empowered to issue revenue bonds for the acquisition, purchase or construction of any interstate bridge. Any and all bonds issued by the department for the acquisition, purchase, or construction of any interstate bridge under the authority of this chapter shall be issued in the name of the department and shall constitute obligations only of the department, shall be identified by some appropriate name, and shall contain a recital on the face thereof that the payment or redemption of said bonds and the payment of the interest thereon are secured by a direct charge and lien upon the tolls and other revenues of any nature whatever received from the operation of the particular bridge for the acquisition, purchase, or construction of which the bonds are issued and of such other bridge or bridges as may have been pledged therefor, and that neither the payment of the principal or any part thereof nor of the interest thereon or any part thereof constitutes a debt, liability, or obligation of the state of Iowa. When it is determined by the department to be in the best public interest, any bonds issued under the provisions of this chapter may be refunded and refinanced at a lower rate, the same rate or a higher rate or rates of interest and from time to time as often as the department shall find it to be advisable and necessary so to do. Bonds issued to refund other bonds theretofore issued by the department under the provisions of this chapter may either be sold in the manner hereinafter provided and the proceeds thereof applied to the payment of the bonds being refunded, or the refunding bonds may be exchanged for and in payment and discharge of the bonds being refunded. The refunding bonds may be sold or exchanged in installments at different times or an entire issue or series may be sold or exchanged at one time. Any issue or series of refunding bonds may be exchanged in part or sold in part in installments at different times or at one time. The refunding bonds may be sold at any time on, before, or after the maturity of any of the outstanding bonds to be refinanced thereby and may be issued for the purpose of refunding a like or greater principal amount of bonds, except that the principal amount of the refunding bonds may exceed the principal amount of the bonds to be refunded to the extent necessary to pay any premium due on the call of the bonds to be refunded or to fund interest in arrears or about to become due. The gross revenues of any toll bridge pledged to the payment of the bonds being refunded, together with the unpledged gross revenues of any other toll bridges located within ten miles of said bridge, may be pledged by the department to pay the principal of and interest on the refunding bonds and to create and maintain reserves therefor.

The department is empowered to receive and accept funds from the state of Iowa or the federal government or any other state upon a cooperative or other basis for the acquisition, purchase, or construction of any interstate bridge authorized under the provisions of this chapter and is empowered to enter into such agreements with the state of Iowa or any other state or the federal government as may be required for the securing of such funds.

The department is authorized and empowered to spend from annual primary road fund receipts sufficient moneys to pay the cost of operation, maintenance, insurance, collection of tolls and accounting therefor and all other charges incidental to the operation and maintenance of any toll bridge administered under the provisions of this chapter. However, said annual primary road fund receipts shall be used only to pay such costs and charges with respect to that part of the bridge which is located within the state of Iowa.

The department may also issue its revenue bonds to pay all or any part of the cost of acquiring two or more existing interstate bridges and any partially constructed interstate bridge, all located within ten miles of each other, of completing the partially constructed bridge and of dismantling the bridge which it is designed to replace, and to impose and collect tolls on all of such bridges and to pledge the revenues derived therefrom to the payment of the bonds issued to finance such project. The department may also issue its revenue bonds to pay all or any part of the cost of reconstructing, completing, improving, repairing, or remodeling any interstate bridge or partially constructed bridge, impose and collect tolls, and pledge the bridge revenues to the payment of said bonds.

[C71, 73, 75, 77, 79, 81, §313A.12]

Referred to in §313A.16

**313A.13 Sale and exchange or retirement of bonds.**

The revenue bonds may be issued and sold or exchanged by the department from time to time and in such amounts as it deems necessary to provide sufficient funds for the acquisition, purchase, or construction of any such bridge and to pay interest on bonds issued for the construction of any toll bridge during the period of actual construction and for six months after completion thereof. The department is hereby authorized to adopt all necessary resolutions prescribing the form, conditions, and denominations of the bonds, the maturity dates therefor, and the interest rate or rates which the bonds shall bear. All bonds of the same issue need not bear the same interest rate. Principal and interest of the bonds shall be payable at such place or places within or without the state of Iowa as determined by the department, and the bonds may contain provisions for registration as to principal or interest, or both. Interest shall be payable at such times as determined by the department and the bonds shall mature at such times and in such amounts as the department prescribes. The department may provide for the retirement of the bonds at any time prior to maturity, and in such manner and upon payment of such premiums as it may determine in the resolution providing for the issuance of the bonds. All such bonds and any coupons attached thereto shall be signed by such officials of the department as the department may direct. Successive issues of such bonds within the limits of the original authorization shall have equal preference with respect to the payment of the principal thereof and the payment of interest thereon. The department may fix different maturity dates, serially or otherwise, for successive issues under any one original authorization. All bonds issued under the provisions of this chapter shall have all the qualities of negotiable instruments under the laws of the state of Iowa. All bonds issued and sold hereunder shall be sold to the highest and best bidder on the basis of sealed proposals received pursuant to a notice specifying the time and place of sale and the amount of bonds to be sold which shall be published at least once not less than seven days prior to the sale in a newspaper published in the state of Iowa and having a general circulation in said state. None of the provisions of chapter 75 shall apply to bonds issued under the provisions of this chapter but such bonds shall be sold upon terms of not less than par plus accrued interest. The department may reject any or all bids received at the public sale and may thereafter sell the bonds at private sale on such terms and conditions as it deems most advantageous to its own interests, but not at a price below that of the best bid received at the advertised sale. The department may enter into contracts and borrow money through the sale of bonds of the same character as those herein authorized, from the United States or any agency thereof, upon such conditions and terms as may be agreed to and the bonds shall be subject to all the provisions of this chapter, except that any bonds issued hereunder to the United States or any agency thereof need not first be offered at public sale. The department may also provide for the private sale of bonds issued under the provisions of this chapter to the state treasurer of Iowa upon such terms and conditions as may be agreed upon, and in such event said bonds need not first be offered at public sale. Temporary or interim bonds, certificates, or receipts, of any denomination, and with or without coupons attached, signed by such official as the department may direct, may be issued and delivered until the definitive bonds are executed and available for delivery.

[C71, 73, 75, 77, 79, 81, §313A.13]

**313A.14 Proceeds in trust fund.**

The proceeds from the sale of all bonds authorized and issued under the provisions of this chapter shall be deposited by the department in a fund designated as the construction fund of the particular interstate bridge or bridges for which such bonds were issued and sold, which fund shall not be a state fund and shall at all times be kept segregated and set apart from all other funds and in trust for the purposes herein set out. Such proceeds shall be paid out or disbursed solely for the acquisition, purchase, or construction of such interstate bridge or bridges and expenses incident thereto, the acquisition of the necessary lands and easements therefor and the payment of interest on such bonds during the period of actual construction and for a period of six months thereafter, only as the need therefor shall arise and the department may agree with the purchaser of said bonds upon any conditions or limitations restricting the disbursement of such funds that may be deemed advisable, for

the purpose of assuring the proper application of such funds. All moneys in such fund and not required to meet current construction costs of the interstate bridge or bridges for which such bonds were issued and sold, and all funds constituting surplus revenues which are not immediately needed for the particular object or purpose to which they must be applied or are pledged may be invested in obligations issued or guaranteed by the United States or by any person controlled by or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States; provided, however, that the department may provide in the proceedings authorizing the issuance of said bonds that the investment of such moneys shall be made only in particular bonds and obligations within the classifications eligible for such investment and such provisions shall thereupon be binding upon the department and all officials having anything to do with such investment. Any surplus which may exist in said construction fund shall be applied to the retirement of bonds issued for the acquisition, purchase, or construction of any such interstate bridge by purchase or call and, in the event such bonds cannot be purchased at a price satisfactory to the department and are not by their terms callable prior to maturity, such surplus shall be paid into the fund applicable to the payment of principal and interest of said bonds and shall be used for that purpose. The proceedings authorizing the issuance of bonds may provide limitations and conditions upon the time and manner of applying such surplus to the purchase and call of outstanding bonds and the terms upon which they shall be purchased or called and such limitations and conditions shall be followed and observed in the application and use of such surplus. All bonds so retired by purchase or call shall be immediately canceled.

[C71, 73, 75, 77, 79, 81, §313A.14]

**313A.15 Toll revenue fund.**

All tolls or other revenues received from the operation of any toll bridge acquired, purchased, or constructed with the proceeds of bonds issued and sold hereunder shall be deposited by the department to the credit of a special trust fund to be designated as the toll revenue fund of the particular toll bridge or toll bridges producing such tolls or revenue, which fund shall be a trust fund and shall at all times be kept segregated and set apart from all other funds.

[C71, 73, 75, 77, 79, 81, §313A.15]

**313A.16 Funds transferred to place of payment.**

From the money so deposited in each separate construction fund as hereinabove provided, at the direction of the department there shall be transferred to the place or places of payment named in said bonds such sums as may be required to pay the interest as it becomes due on all bonds issued and outstanding for the construction of such particular toll bridge or toll bridges during the period of actual construction and during the period of six months immediately thereafter. The department shall thereafter transfer from each separate toll revenue fund to the place or places of payment named in the bonds for which said revenues have been pledged such sums as may be required to pay the interest on said bonds and redeem the principal thereof as such interest and principal become due. All funds so transferred for the payment of principal of or interest on bonds issued for any particular toll bridge or toll bridges shall be segregated and applied solely for the payment of said principal or interest. The proceedings authorizing the issuance of the bonds may provide for the setting up of a reserve fund or funds out of the tolls and other revenues not needed for the payment of principal and interest, as the same currently matures and for the preservation and continuance of such fund in a manner to be provided therein, and such proceedings may also require the immediate application of all surplus moneys in such toll revenue fund to the retirement of such bonds prior to maturity, by call or purchase, in such manner and upon such terms and the payment of such premiums as may be deemed advisable in the judgment of the department. The moneys remaining in each separate toll revenue fund after providing the amount required for the payment of principal of and interest on bonds as hereinabove provided, shall be held and applied as provided in the proceedings authorizing the issuance of said bonds. In the event the proceedings authorizing the issuance of said bonds do not require surplus revenues to be held or applied in any particular manner, they shall be allocated and used for such other

purposes incidental to the construction, operation, and maintenance of any toll bridge as the department may determine and as permitted under sections 313A.7 and 313A.12.

[C71, 73, 75, 77, 79, 81, §313A.16]

**313A.17 Warrants for payment.**

Warrants for payments to be made on account of such bonds shall be drawn by the department on duly approved vouchers. Moneys required to meet the costs of purchase or construction and all expenses and costs incidental to the acquisition, purchase, or construction of any particular interstate bridge or to meet the costs of operating, maintaining, and repairing the same, shall be paid by the department from the proper fund therefor upon duly approved vouchers. All interest received or earned on money deposited in each and every fund herein provided for shall be credited to and become a part of the particular fund upon which said interest accrues.

[C71, 73, 75, 77, 79, 81, §313A.17]

**313A.18 Depositaries or paying agents.**

The department may provide in the proceedings authorizing the issuance of bonds or may otherwise agree with the purchasers of bonds regarding the deposit of all moneys constituting the construction fund and the toll revenue fund and provide for the deposit of such money at such times and with such depositaries or paying agents and upon the furnishing of such security as may meet with the approval of the purchasers of such bonds.

[C71, 73, 75, 77, 79, 81, §313A.18]

**313A.19 Expenses of department.**

Notwithstanding any provision contained in this chapter, the proceeds received from the sale of bonds and the tolls or other revenues received from the operation of any toll bridge may be used to defray any expenses incurred by the department in connection with and incidental to the issuance and sale of bonds for the acquisition, purchase, or construction of any such toll bridge including expenses for the preparation of surveys and estimates, legal, fiscal and administrative expenses, and the making of such inspections and examinations as may be required by the purchasers of such bonds; provided, that the proceedings authorizing the issuance of such bonds may contain appropriate provisions governing the use and application of said bond proceeds and toll or other revenues for the purposes herein specified.

[C71, 73, 75, 77, 79, 81, §313A.19]

**313A.20 No diminution of duties while bonds outstanding.**

While any bonds issued by the department remain outstanding, the powers, duties or existence of the department or of any other official or agency of the state shall not be diminished or impaired in any manner that will affect adversely the interests and rights of the holders of such bonds. The holder of any bond may by mandamus or other appropriate proceeding require and compel the performance of any of the duties imposed upon any state department, official, or employee or imposed upon the department or its officers, agents, and employees in connection with the acquisition, purchase, construction, maintenance, operation, and insurance of any bridge and in connection with the collection, deposit, investment, application, and disbursement of all tolls and other revenues derived from the operation and use of any bridge and in connection with the deposit, investment, and disbursement of the proceeds received from the issuance of bonds; provided, that the enumeration of such rights and remedies herein shall not be deemed to exclude the exercise or prosecution of any other rights or remedies by the holders of such bonds.

[C71, 73, 75, 77, 79, 81, §313A.20]

**313A.21 Insurance or indemnity bond.**

When any toll bridge authorized hereunder is being built by the department it may carry or cause to be carried such an amount of insurance or indemnity bond or bonds as protection against loss or damage as it may deem proper. The department is hereby further empowered to carry such an amount of insurance to cover any accident or destruction in part or in

whole to any toll bridge. All moneys collected on any indemnity bond or insurance policy as the result of any damage or injury to any such toll bridge shall be used for the purpose of repairing or rebuilding of any such toll bridge as long as there are revenue bonds against any such structure outstanding and unredeemed. The department is also empowered to carry insurance or indemnity bonds insuring against the loss of tolls or other revenues to be derived from any such toll bridge by reason of any interruption in the use of such toll bridge from any cause whatever, and the proceeds of such insurance or indemnity bonds shall be paid into the fund into which the tolls and other revenues of the bridge thus insured are required to be paid and shall be applied to the same purposes and in the same manner as other moneys in the said fund. Such insurance or indemnity bonds may be in an amount equal to the probable tolls and other revenues to be received from the operation of such toll bridge during any period of time that may be determined upon by the department and fixed in its discretion, and be paid for out of the toll revenue fund as may be specified in said proceedings. The department may provide in the proceedings authorizing the issuance of bonds for the carrying of insurance as authorized by this chapter and the purchase and carrying of insurance as authorized by this chapter shall thereupon be obligatory upon the department and be paid for out of the toll revenue fund as may be specified in said proceedings.

[C71, 73, 75, 77, 79, 81, §313A.21]

**313A.22 Toll charges fixed by department.**

The department is hereby empowered to fix the rates of toll and other charges for all interstate bridges acquired, purchased, or constructed under the terms of this chapter. Toll charges so fixed may be changed from time to time as conditions may warrant. The department in establishing toll charges shall give due consideration to the amount required annually to pay the principal of and interest on bonds payable from the revenues thereof. The tolls and charges shall be at all times fixed at rates sufficient to pay the bonds and interest as they mature, together with the creation and maintenance of bond reserve funds and other funds as established in the proceedings authorizing the issuance of the bonds, for any particular toll bridge. The amounts required to pay the principal of and interest on bonds shall constitute a charge and lien on all such tolls and other revenues and interest thereon and sinking funds created therefrom received from the use and operation of said toll bridge, and the department is hereby authorized to pledge a sufficient amount of said tolls and revenues for the payment of bonds issued under the provisions of this chapter and interest thereon and to create and maintain a reserve therefor. Such tolls and revenues, together with the interest earned thereon, shall constitute a trust fund for the security and payment of such bonds and shall not be used or pledged for any other purpose as long as such bonds or any of them are outstanding and unpaid.

[C71, 73, 75, 77, 79, 81, §313A.22]

**313A.23 Political subdivision may aid.**

Whenever a proposed interstate bridge is to be acquired, purchased or constructed, any city, county, or other political subdivision located in relation to such facility so as to benefit directly or indirectly thereby, may, either jointly or separately, at the request of the department advance or contribute money, rights-of-way, labor, materials, and other property toward the expense of acquiring, purchasing or constructing the bridge, and for preliminary surveys and the preparation of plans and estimates of cost therefor and other preliminary expenses. Any such city, county, or other political subdivision may, either jointly or separately, at the request of the department advance or contribute money for the purpose of guaranteeing the payment of interest or principal on the bonds issued by the department to finance the bridge. Appropriations for such purposes may be made from any funds available, including county road funds received from or credited by the state, or funds obtained by excess tax levies made pursuant to law or the issuance of general obligation bonds for this purpose. Money or property so advanced or contributed may be immediately transferred or delivered to the department to be used for the purpose for which contribution was made. The department may enter into an agreement with a city, county, or other political subdivision to repay any money

or the value of a right-of-way, labor, materials or other property so advanced or contributed. The department may make such repayment to a city, county, or other political subdivision and reimburse the state for any expenditures made by it in connection with the bridge out of tolls and other revenues for the use of the bridge.

[C71, 73, 75, 77, 79, 81, §313A.23]
Referred to in §331.429

**313A.24 Sale of excess land to political subdivisions.**

If the department deems that any land, including improvements thereon, is no longer required for toll bridge purposes and that it is in the public interest, it may negotiate for the sale of such land to the state or to any city, county, or other political subdivision or municipal corporation of the state. The department shall certify the agreement for the sale to the state executive council, with a description of the land and the terms of the sale and the state executive council may execute the deed and deliver it to the grantee.

[C71, 73, 75, 77, 79, 81, §313A.24]
Referred to in §313A.28

**313A.25 Sale to public.**

If the department is of the opinion that any land, including improvements thereon, is no longer required for toll bridge purposes, it may be offered for sale upon publication of a notice once each week for two consecutive weeks in a newspaper published and having a general circulation throughout the state of Iowa, specifying the time and place fixed for the receipt of bids.

[C71, 73, 75, 77, 79, 81, §313A.25]
Referred to in §313A.28

**313A.26 Acceptance or rejection of bids.**

The department may reject all such bids if the highest bid does not equal the reasonable fair market value of the real property, plus the value of the improvements thereon, computed on the basis of the reproduction value less depreciation. The department may accept the highest and best bid, and certify the agreement for the sale to the state executive council, with a description of the land and the terms of the sale and the state executive council shall execute the deed and deliver it to the grantee.

[C71, 73, 75, 77, 79, 81, §313A.26]
Referred to in §313A.28

**313A.27 Franchises for use of bridge.**

If the department deems it consistent with the use and operation of any toll bridge, the department may grant franchises to persons, firms, associations, private or municipal corporations, the United States government or any agency thereof, to use any portion of the property of any toll bridge, including approaches thereto, for the construction and maintenance of water pipes, flumes, gas pipes, telephone, telegraph and electric light and power lines and conduits, trams or railways, and any other such facilities in the manner of granting franchises on state highways.

[C71, 73, 75, 77, 79, 81, §313A.27]
Referred to in §313A.28

**313A.28 Deposit of proceeds.**

Any moneys received pursuant to the provisions of sections 313A.24 through 313A.27 shall be deposited by the department into the separate and proper trust fund established for the bridge.

[C71, 73, 75, 77, 79, 81, §313A.28]

**313A.29 Tolls imposed for improving other bridges.**

The department shall have the right to impose and reimpose tolls for pedestrian or vehicular traffic over any interstate bridges under its control and jurisdiction for the purpose of paying the cost of reconstructing and improving existing bridges and their approaches, purchasing existing bridges, and constructing new bridges and approaches, provided that

any such existing bridge or new bridge is located within ten miles of the bridge on which tolls are so imposed or reimposed, to pay interest on and create a sinking fund for the retirement of revenue bonds issued for the account of such projects and to pay any and all costs and expenses incurred by the department in connection with and incidental to the issuance and sale of bonds and for the preparation of surveys and estimates and to establish the required interest reserves for and during the estimated construction period and for six months thereafter.

[C71, 73, 75, 77, 79, 81, §313A.29]

Referred to in §313A.30

**313A.30 Bridges as part of primary roads.**

The bridges herein provided for may be incorporated into the primary road system as toll free bridges whenever the costs of the construction of the bridges and the approaches thereto and the reconstruction and improvement of existing bridges and approaches thereto, including all incidental costs, have been paid and when all revenue bonds and interest thereon issued and sold pursuant to this chapter and payable from the tolls and revenues thereof shall have been fully paid and redeemed or funds sufficient to pay said bonds and interest, including premium, if any, have been set aside and pledged for that purpose. However, tolls may again be imposed as provided in section 313A.29.

[C71, 73, 75, 77, 79, 81, §313A.30]

**313A.31 Revenue bonds.**

The department shall have the power and is hereby authorized by resolution to issue, sell, or pledge its revenue bonds in an amount sufficient to provide funds to pay all or any part of the costs of construction of a new bridge and approaches thereto and the reconstruction, improvement, and maintaining of an existing bridge and approaches thereto, including all costs of survey, acquisition of right-of-way, engineering, legal, fiscal and incidental expenses, to pay the interest due thereon during the period beginning with the date of issue of the bonds and ending at the expiration of six months after the first imposition and collection of tolls from the users of said bridges, and all costs incidental to the issuance and sale of the bonds.

Except as may be otherwise specifically provided by statute, all of the other provisions of this chapter shall govern the issuance and sale of revenue bonds issued under this section, the execution thereof, the disbursement of the proceeds of issuance thereof, the interest rate or rates thereon, their form, terms, conditions, covenants, negotiability, denominations, maturity date or dates, the creation of special funds or accounts safeguarding and providing for the payment of the principal thereof and interest thereon, and their manner of redemption and retirement.

Such bonds shall include a covenant that the payment of the principal thereof and the interest thereon are secured by a first and direct charge and lien on all of the tolls and other gross revenues received from the operation of said toll bridges and from any interest which may be earned from the deposit or investment of any such revenues.

The tolls and charges shall be at all times fixed at rates sufficient to pay the bonds and interest as they mature, together with the creation and maintenance of bond reserve funds and other funds as established in the proceedings authorizing the issuance of the bonds.

[C71, 73, 75, 77, 79, 81, §313A.31]

**313A.32 Operation and control of bridge.**

The department is hereby authorized to operate and to assume the full control of said toll bridges and each portion thereof whether within or without the borders of the state of Iowa, with full power to impose and collect tolls from the users of such bridges for the purpose of providing revenues at least sufficient to pay the cost and incidental expenses of construction and acquisition of said bridges and approaches in both states in which located and for the payment of the principal of and interest on its revenue bonds as authorized by this chapter.

[C71, 73, 75, 77, 79, 81, §313A.32]

**313A.33 No obligation of state.**

Under no circumstances shall any bonds issued under the terms of this chapter be or become or be construed to constitute a debt of or charge against the state of Iowa within the purview of any constitutional or statutory limitation or provision. No taxes, appropriations or other funds of the state of Iowa may be pledged for or used to pay such bonds or the interest thereon, but any such bonds shall be payable solely and only as to both principal and interest from the tolls and revenues derived from the operation of any toll bridge or toll bridges acquired, purchased, or constructed under this chapter, and the sole remedy for any breach or default of the terms of any such bonds or proceedings for their issuance shall be a proceeding either in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by this chapter and the terms of the resolution under which such bonds are issued.

[C71, 73, 75, 77, 79, 81, §313A.33]

**313A.34 Agreements with other states.**

The director of transportation may, subject to the approval of the state transportation commission, enter into such agreement or agreements with other state highway commissions and the governmental agencies or subdivisions of the state of Iowa or other states and with federal bridge commissions as they shall find necessary or convenient to carry out the purposes of this chapter, and is authorized to do any and all acts contained in such agreement or agreements that are necessary or convenient to carry out the purposes of this chapter. Such agreements may include, but shall not be restricted to, the following provisions:

1. A provision that the department shall assume and have complete responsibility for the operation of such bridges and approaches thereto, and with full power to impose and collect all toll charges from the users of such bridges and to disburse the revenue derived therefrom for the payment of principal and interest on any revenue bonds herein provided for and to carry out the purposes of this chapter.

2. A provision that the department shall provide for the issuance, sale, exchange or pledge, and payment of revenue bonds payable solely from the revenues derived from the imposition and collection of tolls upon such toll bridges.

3. A provision that the department, after consultation with the other governmental agencies or subdivisions who are parties to such agreements, shall fix and revise the classifications and amounts of tolls to be charged and collected from the users of the toll bridges, with the further provision that such toll charges shall be removed after all costs of planning, designing, and construction of such toll bridges and approaches thereto and all incidental costs shall have been paid, and all of said revenue bonds, and interest thereon, issued pursuant to this chapter shall have been fully paid and redeemed or funds sufficient therefor have been set aside and pledged for that purpose.

4. A provision that all acts pertaining to the design and construction of such toll bridges may be done and performed by the department and that any and all contracts for the construction of such toll bridges shall be awarded in the name of the department.

5. A provision that the state of Iowa and adjoining state and all governmental agencies or subdivisions party to such agreement shall be reimbursed out of the proceeds of the sale of such bonds or out of tolls and revenues as herein allowed for any advances they may have made or expenses they may have incurred for any of the purposes for which said revenue bonds may be issued, after duly verified itemized statements of such advances and expenses have been submitted to and been approved by all parties to such agreement.

6. A provision for the division of ownership with the adjoining state and for a proportional division of the maintenance costs of the bridge when all outstanding indebtedness or other obligations payable from the revenues of the bridge have been paid.

[C71, 73, 75, 77, 79, 81, §313A.34]

87 Acts, ch 232, §22

**313A.35** Repealed by 81 Acts, ch 117, § 1097.

**313A.36 Purposes of powers granted.**

The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of the state of Iowa, for the increase of their commerce and prosperity and for the improvement of their health and living conditions, and as the acquisition, construction, operation, and maintenance by the department of the projects herein defined will constitute the performance of essential governmental functions, the department shall not be required to pay any taxes or assessments upon such projects or upon any property acquired or used by the department under the provisions of this chapter or upon the income from such projects, and the bonds issued under the provisions of this chapter, their transfer and the income therefrom including any profit made on the sale thereof shall at all times be free from taxation by or within the state of Iowa.

[C71, 73, 75, 77, 79, 81, §313A.36]

Referred to in §422.7

**313A.37 Failure to pay toll — penalty.**

Any person who uses any toll bridge and fails or refuses to pay the toll provided therefor shall be guilty of a simple misdemeanor.

[C71, 73, 75, 77, 79, 81, §313A.37]

**313A.38 Independent of any other law.**

This chapter shall be construed as providing an alternative and independent method for the acquisition, purchase, or construction of interstate bridges, for the issuance and sale or exchange of bonds in connection therewith and for refunding bonds pertinent thereto, and for the imposition, collection, and application of the proceeds of tolls and charges for the use of interstate bridges, without reference to any other statute, and shall not be construed as an amendment of or subject to the provisions of any other law, and no publication of any notice, and no other or further proceeding in respect to the issuance or sale or exchange of bonds under this chapter shall be required except such as are prescribed by this chapter, any provisions of other statutes of the state to the contrary notwithstanding.

[C71, 73, 75, 77, 79, 81, §313A.38]

**313A.39 Construction.**

This chapter, being necessary for the public safety and welfare, shall be liberally construed to effectuate the purposes thereof.

[C71, 73, 75, 77, 79, 81, §313A.39]

# CHAPTER 314

## ADMINISTRATIVE PROVISIONS FOR HIGHWAYS

Referred to in §307.24, 311.32, 331.362


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**314.1 Bidding procedures — basis for awarding contracts.**

1. The agency having charge of the receipt of bids and the award of contracts for the construction, reconstruction, improvement, or repair or maintenance of a highway, bridge, or culvert may require, for any highway, bridge, or culvert contract letting, that each bidder file with the agency a statement showing the bidder's financial standing, equipment, and experience in the execution of like or similar work. The statements shall be on standard forms prepared by the department and shall be filed with the agency prior to the letting at which the bidder expects to bid. The agency may, in advance of the letting, notify the bidder as to the amount and the nature of the work for which the bidder is deemed qualified to bid. A bidder who is prequalified under this subsection by the department shall be deemed qualified for a highway, bridge, or culvert contract letting by any other agency and shall submit proof of the prequalification in a manner determined by the department if required to do so by the agency.

2. Notwithstanding any other provision of law to the contrary, a public improvement that involves the construction, reconstruction, or improvement of a highway, bridge, or culvert and that has a cost in excess of the applicable threshold in section 73A.18, 262.34, 297.7, 309.40, 310.14, or 313.10, as modified by the bid threshold subcommittee pursuant to section 314.1B, shall be advertised and let for bid, except such public improvements that involve emergency work pursuant to section 309.40A, 313.10, or 384.103, subsection 2. For a city having a population of fifty thousand or less, a public improvement that involves the construction, reconstruction, or improvement of a highway, bridge, or culvert that has a cost in excess of twenty-five thousand dollars, as modified by the bid threshold subcommittee pursuant to section 314.1B, shall be advertised and let for bid, excluding emergency work. However, a public improvement that has an estimated total cost to a city in excess of a threshold of fifty thousand dollars, as modified by the bid threshold subcommittee pursuant to section 314.1B, and that involves the construction, reconstruction, or improvement of a highway, bridge, or culvert that is under the jurisdiction of a city with a population of more than fifty thousand, shall be advertised and let for bid. Cities required to competitively

bid highway, bridge, or culvert work shall do so in compliance with the contract letting procedures of sections 26.3 through 26.13.

3. *a.* In the award of contracts for the construction, reconstruction, improvement, or repair or maintenance of a highway, bridge, or culvert, the agency having charge of awarding such contracts shall give due consideration not only to the prices bid but also to the mechanical or other equipment and the financial responsibility and experience in the performance of like or similar contracts. The agency may reject any or all bids. The agency may readvertise and relet the project without conducting an additional public hearing if no substantial changes are made to the project's plans or specifications. The agency may let by private contract or build by day labor, at a cost not in excess of the lowest bid received.

*b.* Upon the completion of any contract or project on either the farm-to-market or secondary road system, the county engineer shall file with the county auditor a statement showing the total cost thereof with certificate that the work has been done in accordance with the plans and specifications. Upon completion of a contract or project on the municipal street system, the city public works department or city engineer shall file with the city clerk a statement showing the total cost of the contract or project with a certificate that the work has been done in accordance with the plans and specifications. All contracts shall be in writing and shall be secured by a bond for the faithful performance thereof as provided by law.

[S13, §1527-s18; C24, §4651, 4700; C27, 31, 35, §4644-c41, 4651, 4755-b11; C39, §**4644.39, 4651, 4686.15, 4755.11;** C46, §309.57, 310.15, 313.11; C50, §308A.10, 309.39; C54, §309.39, 314.1; C58, 62, 66, 71, 73, 75, 77, 79, 81, §314.1]

2001 Acts, ch 32, §7, 14; 2006 Acts, ch 1017, §27, 42, 43; 2006 Acts, ch 1185, §80; 2010 Acts, ch 1061, §106

Referred to in §91C.2, 314.1B, 314.14, 331.341

**314.1A Detailed cost accountings by cities and counties — rules.**

1. The department shall adopt rules prescribing the manner by which cities and counties shall provide a detailed cost accounting under section 309.93 or 312.14, of all instances of the use of day labor or public or private contracts for construction, reconstruction, or improvement projects of a highway, bridge, or culvert within their jurisdiction.

2. The department shall adopt rules prescribing the manner by which governmental entities, as defined in section 26.2, shall administer section 26.14 concerning public improvement quotations.

3. The rules shall include definitions concerning types of projects and uniform requirements and definitions that cities and counties under subsection 1 and governmental entities under subsection 2 shall use in determining costs for such projects. The department shall establish horizontal and vertical infrastructure advisory committees composed of representatives of public sector agencies, private sector vertical and horizontal contractor organizations, and certified public employee collective bargaining organizations to make recommendations for such rules.

2001 Acts, ch 32, §8; 2006 Acts, ch 1017, §28, 42, 43

Referred to in §309.93, 312.14, 314.1B

**314.1B Bid threshold subcommittees — adjustments — notice.**

1. *Horizontal infrastructure.*

*a.* The director of the department shall appoint, from the members of the appropriate advisory committee established under section 314.1A, a horizontal infrastructure bid threshold subcommittee for highway, bridge, or culvert projects. The subcommittee shall consist of seven members, three of whom shall be representatives of cities and counties, three of whom shall be representatives of private sector contractor organizations, and with the remaining member being the director or the director's designee, who shall serve as chairperson of the subcommittee. A vacancy in the membership of the subcommittee shall be filled by the director.

*b.* The subcommittee shall review the competitive bid thresholds applicable to city and county highway, bridge, and culvert projects. The subcommittee shall review price adjustments for all types of city and county highway, bridge, and culvert construction,

reconstruction, and improvement projects, based on changes in the construction price index from the preceding year. Upon completion of the review the subcommittee may make adjustments in the applicable bid thresholds for types of work based on the price adjustments.

*c.* A bid threshold, under this subsection, shall not be adjusted to an amount that is less than the bid threshold applicable to a city or county on July 1, 2006, as provided in section 73A.18, 309.40, 310.14, or 314.1. An adjusted bid threshold shall take effect as provided in subsection 3, and shall remain in effect until a new adjusted bid threshold is established and becomes effective as provided in this section.

2. *Vertical infrastructure.*

*a.* The director of the department shall appoint, from the members of the appropriate advisory committee established under section 314.1A, a vertical infrastructure bid threshold subcommittee for public improvements as defined in section 26.2. The subcommittee shall consist of seven members, three of whom shall be representatives of governmental entities as defined in section 26.2, three of whom shall be representatives of private sector vertical infrastructure contractor organizations, and with the remaining member being the director or the director's designee, who shall serve as chairperson of the subcommittee. A vacancy in the membership of the subcommittee shall be filled by the director.

*b.* The subcommittee appointed under this subsection shall review the competitive bid thresholds applicable to governmental entities under chapter 26. The subcommittee shall review price adjustments for all types of construction, reconstruction, and public improvement projects based on the changes in the construction price index, building cost index, and material cost index from the preceding adjustment. Upon completion of the review the subcommittee may make adjustments in the applicable bid thresholds for types of work based on the price adjustments.

*c.* The subcommittee shall not make an initial adjustment to the competitive bid threshold in section 26.3 to be effective prior to January 1, 2012. Thereafter, the subcommittee shall adjust the bid threshold amount in accordance with subsection 3 but shall not adjust the bid threshold to an amount less than the bid threshold applicable to a governmental entity on January 1, 2007.

*d.* Beginning July 1, 2006, the subcommittee shall make adjustments to the competitive quotation threshold amounts in section 26.14 for vertical infrastructure in accordance with the methodology of paragraph *"b"*.

*e.* After 2012, the subcommittee shall adjust the competitive quotation threshold amounts in section 26.14 at the same time and by the same percentage as adjustments are made to the competitive bid threshold.

3. *Review — publication.* Each subcommittee shall meet to conduct the review and make the adjustments described in this section on or before August 1 of every other year, or of every year if determined necessary by the subcommittee. By September 1 of each year in which a subcommittee makes adjustments in the bid or quotation thresholds, the director shall cause an advisory notice to be published in the Iowa administrative bulletin and in a newspaper of general circulation in this state, stating the adjusted bid and quotation thresholds to be in effect on January 1 of the following year, as established by the subcommittees under this section.

2001 Acts, ch 32, §9, 14; 2006 Acts, ch 1017, §29, 42, 43; 2007 Acts, ch 144, §11, 12

Referred to in §8A.311, 26.3, 26.5, 26.12, 26.14, 26.15, 28J.9, 35A.10, 73A.2, 73A.18, 161C.2, 218.58, 273.14, 297.8, 314.1, 330A.12, 331.341, 357.14, 904.314, 904.315

**314.2 Interest in contract prohibited.**

No state or county official or employee, elective or appointive, shall be directly or indirectly interested in any contract for the construction, reconstruction, improvement, or maintenance of any highway, bridge, or culvert, or the furnishing of materials therefor. The letting of a contract in violation of this section shall invalidate the contract and such violation shall be a

complete defense to any action to recover any consideration due or earned under the contract at the time of its termination.

[S13, §1527-s15; C24, §4685, 4700; C27, 31, 35, §4685, 4755-b10; C39, §**4685, 4686.14, 4755.10;** C46, §309.92, 310.14, 313.10; C50, § 308A.11; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §314.2]

2009 Acts, ch 133, §115

Referred to in §331.341, 331.342

**314.3 Claims — approval and payment.**

All claims for construction, reconstruction, improvement, repair, or maintenance on any highway shall be itemized on voucher forms prepared for that purpose, certified to by the claimants and by the engineer in charge, and then forwarded to the agency in control of that highway for final audit and approval. Claims payable from the farm-to-market road fund shall be approved by both the board of supervisors and the department. Upon approval by the department of vouchers which are payable from the farm-to-market road fund, or from the primary road fund, as the case may be, such vouchers shall be forwarded to the director of the department of administrative services, who shall draw warrants therefor and said warrants shall be paid by the treasurer of the state from the farm-to-market road fund or from the primary road fund, as the case may be.

If the engineer makes such certificate or a member of the agency approves such claim when said work has not been done in accordance with the plans and specifications, and said work be not promptly made good without additional cost, the engineer or member shall be liable on the person's bond for the amount of such claim.

[SS15, §1527-s10; C24, §4653, 4702; C27, 31, 35, §4653, 4755-b15; C39, §**4653, 4686.17, 4755.15;** C46, §309.59, 310.17, 313.15; C50, §308A.12; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §314.3]

2003 Acts, ch 145, §286

**314.4 Partial payments.**

Partial payments may be made on highway contract work during the progress thereof, but no such partial payment shall be deemed final acceptance of the work nor a waiver of any defect therein. The approval of any claim by the agency in control of the work, or highway on which the work is located, may be evidenced by the signature of the chairperson of said agency, or of a majority of the members of said agency, on the individual claims or on the abstract of a number of claims with the individual claims attached to said abstract.

[SS15, §1527-s10; C24, §4654, 4702; C27, 31, 35, §4654, 4755-b16; C39, §**4654, 4755.16;** C46, §309.60, 313.16; C50, §308A.13; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §314.4]

**314.5 Extensions in certain cities.**

The agency in control of a secondary road, subject to approval of the council, may eliminate danger at railroad crossings and construct, reconstruct, improve, repair, and maintain any road or street which is an extension of the secondary road within a city. However, this authority does not apply to the extensions of secondary roads located in cities over twenty-five hundred population, where the houses or business houses average less than two hundred feet apart.

The phrase *"subject to the approval of the council"* as it appears in this section, shall be construed as authorizing the council to consider said proposed improvement only in its relationship to municipal improvements such as sewers, water lines, establishing grades, change of established street grades, sidewalks and other public improvements. The locations of such road extensions shall be determined by the agency in control of such road or road system.

[C31, 35, §4644-c47; C39, §**4644.45, 4686.21;** C46, §309.45, 310.21; C50, §308A.14; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §314.5]

89 Acts, ch 134, §8

**314.6 Highways along city limits.**

Whenever any public highway located along the corporate line of any city is an extension of a farm-to-market road, or of a primary road, it may be included in the farm-to-market road system or the primary road system, as the case may be, and may be constructed, reconstructed, improved, repaired, and maintained as a part of said road system.

[C24, §4735; C27, 31, 35, §4755-b28; C39, §**4686.25, 4755.26;** C46, §310.25, 313.35; C50, §308A.15; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §314.6]

**314.7 Trees — ingress or egress — drainage.**

Officers, employees, and contractors in charge of improvement or maintenance work on any highway shall not cut down or injure any tree growing by the wayside which does not materially obstruct the highway, or tile drains, or interfere with the improvement or maintenance of the road, and which stands in front of any city lot, farmyard orchard or feed lot, or any ground reserved for any public use. Nor shall they destroy or injure reasonable ingress or egress to any property, or turn the natural drainage of the surface water to the injury of adjoining owners. It shall be their duty to use strict diligence in draining the surface water from the public road in its natural channel. To this end they may enter upon the adjoining lands for the purpose of removing from such natural channel obstructions that impede the flow of such water.

[C24, 27, §4791; C31, 35, §4644-c46; C39, §**4644.44;** C46, §309.44; C50, §308A.16; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §314.7]

**314.8 Government markers preserved.**

1. If it is necessary in grading a highway to make a cut that will disturb, or fill that will cover up, a government or other established corner or land monument, the engineer in charge of the project shall establish permanent witness corners or monuments, and make a record of the same, that show the distance and direction the witness corner is from the corner disturbed or covered up. When the construction work is completed the engineer shall permanently reestablish the corner or monument.

2. If the duties in subsection 1 are not performed, the agency in control of the highway on which a project described in subsection 1 has been or is being completed shall pay the costs of restoring the original position of the established corner or land monument.

[S13, §1527-s7; C24, 27, 31, 35, 39, §**4656;** C46, §309.62; C50, §308A.17; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §314.8]

2002 Acts, ch 1063, §14

Referred to in §542B.2, 716.6

**314.9 Entering private property.**

The agency in control of a highway may after thirty days' written notice by restricted certified mail addressed to the owner and also to the occupant, enter upon private property for the purpose of making surveys, soundings, drillings, appraisals, and examinations as the agency deems appropriate or necessary to determine the advisability or practicability of locating and constructing a highway on the property or for the purpose of determining whether gravel or other material exists on the property of suitable quality and in sufficient quantity to warrant the purchase or condemnation of the property. The entry shall not be deemed a trespass, and the agency may be aided by injunction to insure peaceful entry. The agency shall pay actual damages caused by the entry, surveys, soundings, drillings, appraisals, or examinations.

Any damage caused by the entry, surveys, soundings, drillings, appraisals, or examinations shall be determined by agreement or in the manner provided for the award of damages in condemnation of the property for highway purposes. Soundings or drillings shall not be done within one hundred fifty feet of the dwelling house or within fifty feet of other buildings without written consent of the owner.

[C27, 31, 35, §4658-a1; C39, §**4658.1;** C46, §309.65; C50, §308A.18; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §314.9]

96 Acts, ch 1126, §3

**314.10 State-line highways.**

The agency in control of any highway or bridge bordering on or crossing a state line is authorized to confer and agree with the agency or official of such border state, or subdivision of such state, having control of such highway or bridge relative to the interstate connection, the plans for the improvement, and maintenance, the division of work and the apportionment of cost of such highway or bridge.

[S13, §1570-a; SS15, §1527-s3; C24, 27, 31, 35, 39, §**4663;** C46, §309.72; C50, §308A.19; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §314.10]

**314.11 Use of bridges by utility companies.**

Telephone, telegraph, electric transmission and pipe lines may be permitted to use any highway bridge on or across a state line on such terms and conditions as the agency or officials jointly constructing, maintaining or operating such bridge may jointly determine. No discrimination shall be made in the use of such bridge as between such utilities. Joint use of telephone, telegraph, electric transmission or pipe lines may not be required. No grant to any public utility to use such bridge shall in any way interfere with the use of such bridge by the public for highway purposes.

[S13, §424-e; C24, 27, 31, 35, 39, §**4683;** C46, §309.90; C50, §308A.20; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §314.11]

**314.12 Borrow pits — topsoil preserved.**

In the award of contracts for the construction, reconstruction, improvement, repair or maintenance of any highway, the agency having charge of awarding such contracts shall require that when fill dirt, soil or other materials are to be removed from borrow pits acquired by title or easement, whether by agreement or condemnation, for use in the project, adequate provision shall be made for the restoration of the borrow pit area, either by removal and replacement of a minimum of eight inches of topsoil, or by fertilizing, mulching, reseeding or other appropriate measures to provide vegetative cover or prevent erosion, except where a lake or subwater table conditions are designed, or where the area is zoned for commercial, industrial, or residential use, or where the borrow is in locations of white oak, sand, loess or undrainable clays. When the borrow pit is acquired by easement, the restoration method shall be determined by agreement with the landowner.

[C71, 73, 75, 77, 79, 81, §314.12]

Referred to in §314.12A

**314.12A Preservation of topsoil in highway construction.**

In the award of contracts for the construction, reconstruction, improvement, and repair, except for minor maintenance, of a highway, the state department of transportation shall require that when fill dirt, soil, or other materials are to be removed from an area acquired by title or easement, whether by agreement or condemnation, for use in the project, adequate provision shall be made for the salvage of topsoil from the area for use in the restoration of the specified critical areas of the project by replacement of salvaged topsoil, by fertilizing and mulching if necessary, or by other appropriate measures to provide vegetative cover to prevent erosion, including filling or covering the area with compost, except where a lake or subwater table conditions exist, where deep loess is present, or where outside ditch bottoms and backslopes are present in rock cut areas. This section shall not apply to borrow pits covered by section 314.12.

2002 Acts, ch 1103, §1

**314.13 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agency"* means any governmental body which exercises jurisdiction over any road as provided by law.

2. *"Committee"* means the integrated roadside vegetation management technical advisory committee created in section 314.22.

3. *"Coordinator"* means the integrated roadside vegetation management coordinator.

4. *"Department"* means the state department of transportation.

5. *"Disadvantaged business enterprise"* means a small business which meets both of the following:

*a.* The business is at least fifty-one percent owned by one or more socially and economically disadvantaged individuals.

*b.* The management and daily business operations of the business are controlled by one or more of the socially and economically disadvantaged individuals who own the business.

6. *"Highway"* or *"street"* means the entire width between property lines of every way or place of whatever nature when any part thereof is open to the use of the public, as a matter of right, for purposes of vehicular traffic.

7. *"Prequalified"* means that a small business has been approved by the department as a small business, is a recognized contractor engaged in the class of work provided for in the plans and specifications, possesses sufficient resources to complete the work, and is able to furnish a performance bond for one hundred percent of the contract.

8. *"Small business"* means any enterprise, which is operated for profit and under a single management, and which has either fewer than twenty employees or an annual gross income of less than four million dollars computed as the average of the three preceding fiscal years. This definition does not apply to any program or activity for which a definition for small business is provided for the program or activity by federal law or regulation or other state law.

9. *"Socially and economically disadvantaged individual"* means an individual who is a citizen of the United States or who is a lawfully admitted permanent resident of the United States and who is a woman, Black American, Hispanic American, Native American, Asian-Pacific American, Asian-Indian American, or any other minority person or individual found to be disadvantaged by the United States small business administration. However, the department may also determine, on a case-by-case basis, that an individual who is not a member of one of the enumerated groups is a socially and economically disadvantaged individual. A rebuttable presumption exists that individuals in the following groups are socially and economically disadvantaged:

*a.* *"Asian-Indian Americans"*, which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal, or Sri Lanka.

*b.* *"Asian-Pacific Americans"*, which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia, Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the United States trust territories of the Pacific Islands, and the Northern Marianas, Macao, Fiji, Tonga, Kirbati, Juvalu, Nauru, Micronesia, or Hong Kong.

*c.* *"Black Americans"*, which includes persons having origins in any of the black racial groups of Africa.

*d.* *"Hispanic Americans"*, which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race.

*e.* *"Native Americans"*, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians.

[C75, 77, 79, 81, §314.13]

89 Acts, ch 246, §3; 2001 Acts, ch 32, §10; 2010 Acts, ch 1098, §1

**314.13A Contract assessment — socially and economically disadvantaged individuals.**

1. The department shall annually assess the impact of federal and nonfederal awarded contracts on socially and economically disadvantaged individuals, including women and persons with a disability, as defined in section 15.102, in the state.

2. The assessment shall include the following:

*a.* Any disproportionate or unique impact the contract may have on socially and economically disadvantaged individuals in the state.

*b.* A rationale for the contract having an impact on socially and economically disadvantaged individuals in the state.

*c.* Consultation with representatives of socially and economically disadvantaged

individuals in cases where the contract has an identifiable impact on socially and economically disadvantaged individuals in the state.

3. This section shall be carried out to the extent consistent with federal law.
4. The assessment shall be used for informational purposes.

2010 Acts, ch 1098, §2

**314.14 Contracts set aside for small businesses.**

Notwithstanding section 314.1, there may be set aside contracts for bidding by prequalified small businesses a percentage of the total annual dollar amount of public contracts let by the department. The annual dollar amount set aside for bidding by prequalified small businesses shall not exceed ten percent of the total dollar amount of highway construction contracts let by the department and transit dollars administered by the department. The director may estimate the set-aside amount at the beginning of each fiscal year and a suit shall not be brought by any party as a result of this estimate. Set-aside contracts will be awarded to the lowest responsible prequalified small business. This section shall not be construed as limiting the department's right to refuse any or all small business bids.

84 Acts, ch 1229, §1; 2009 Acts, ch 41, §111, 112; 2010 Acts, ch 1098, §3

Disadvantaged business enterprise funding reauthorized in section 1101(b) of the federal Moving Ahead for Progress in the 21st Century Act (MAP-21), approved July 6, 2012, Pub.L. No. 112-141; see also 49 C.F.R. pt 26

Section not amended; footnote deleted

**314.15 Disadvantaged business enterprises — rules.**

The department of transportation shall promulgate rules establishing affirmative action requirements to encourage and increase participation of disadvantaged individuals in business enterprises in all federal aid projects made available by and through the department.

90 Acts, ch 1161, §4

**314.16 Interstate 80 — route designation.**

The interstate which runs from Council Bluffs on the western border through Des Moines to Davenport on the eastern border shall be known as interstate 80. The state transportation commission shall be prohibited from changing the route of interstate 80 as designated on January 1, 1992.

92 Acts, ch 1010, §1

**314.17 Mowing on interstates, primary highways, and secondary roads.**

Mowing roadside vegetation on the rights-of-way or medians on any primary highway, interstate highway, or secondary road prior to July 15 is prohibited, except as follows:

1. Within two hundred yards of an inhabited dwelling.
2. On rights-of-way within one mile of the corporate limits of a city.
3. To promote native species of vegetation or other long-lived and adaptable vegetation.
4. To establish control of damaging insect populations, noxious weeds, and invasive plant species.
5. For visibility and safety reasons.
6. Within rest areas, weigh stations, and wayside parks.
7. Within fifty feet of a drainage tile or tile intake.
8. For access to a mailbox or for other accessibility purposes.
9. On rights-of-way adjacent to agricultural demonstration or research plots.

98 Acts, ch 1212, §7; 2010 Acts, ch 1164, §1; 2010 Acts, ch 1193, §121

Referred to in §317.19

**314.18 Responsibility for bridge inspection.**

The department, counties, cities, and other public entities shall be responsible for the safety inspection and evaluation of all highway bridges under their jurisdiction which are located on public roads, in accordance with the national bridge inspection standards. These responsibilities include inspection policies and procedures, inspections, reports, load

ratings, quality control and quality assurance, maintaining a bridge inventory, and other requirements of the national bridge inspection standards.

2006 Acts, ch 1068, §4

**314.19 Reseeding open ditches.**

The department shall have the topsoil of each open ditch along the side of a highway reseeded with prairie grass seed and the seed of other adapted grass and legumes including native grass species after the construction, reconstruction, improvement, repair, or maintenance of a highway whenever feasible.

84 Acts, ch 1114, §1

**314.20 Utility easements on highway right-of-way.**

The department shall develop an accommodation plan for the longitudinal utility use of freeway right-of-way, in consultation with the utilities board. The plan shall be consistent with the rules of the federal highway administration of the United States department of transportation and shall be submitted to the federal highway administration for its approval by January 1, 1989. In developing the plan, the department shall provide for extended payment and lease agreements to provide continuous funding for the living roadway trust fund. The plan shall provide for charges for the use of the right-of-way and all moneys collected shall be credited to the living roadway trust fund established under section 314.21.

88 Acts, ch 1019, §9; 89 Acts, ch 246, §4

**314.21 Living roadway trust fund.**

1. *a.* The living roadway trust fund is created in the office of the treasurer of state. The moneys in this fund shall be used exclusively for the development and implementation of integrated roadside vegetation plans. Except as provided in subsections 2 and 3, the moneys shall only be expended for areas on or adjacent to road, street, and highway right-of-ways. The state department of transportation in consultation with the department of natural resources shall establish standards relating to the type of projects available for assistance. For the fiscal period beginning July 1, 1988, and ending March 31, 1990, the moneys in the fund shall be expended as follows: fifty-six percent on state department of transportation projects; thirty percent on county projects; and fourteen percent on city projects.

*b.* A city or county which has a project which qualifies for the use of these funds shall submit a request for the funds to the state department of transportation. A city or county may, at its option, apply moneys allocated for use on city or county projects under this subsection toward qualifying projects on the primary system. The state department of transportation in consultation with the department of natural resources shall determine which projects qualify for the funds and which projects shall be funded if the requests for the funds exceed the availability of the funds. In ranking applications for funds, the department shall consider the proportion of political subdivision matching funds to be provided, if any, and the proportion of private contributions to be provided, if any. In considering the proportion of political subdivision matching funds provided, the department shall consider only those moneys which are in addition to those which the political subdivision has historically provided toward such projects. Funds allocated to the cities, the counties, and the department which are not programmed by the end of each fiscal year shall be available for redistribution to any eligible applicant regardless of the original allocation of funds. Such funds shall be awarded for eligible projects based upon their merit in meeting the program objectives established by the department under section 314.22. The department shall submit a report of all projects funded in the previous fiscal year to the governor and to the general assembly on January 15 of each year.

*c.* Beginning April 1, 1990, the moneys in the living roadway trust fund shall be allocated between the state, counties, and cities in the same proportion that the road use tax funds are allocated under section 312.2, subsection 1, paragraphs "*a*", "*b*", "*c*", and "*d*". However, after April 1, 1990, a city or county shall not be eligible to receive moneys from the living roadway trust fund unless the city or county has an integrated roadside vegetation management plan in place consistent with the objectives in section 314.22.

2. *a.* The department may authorize projects which provide grants or loans to local governments and organizations which are developing community entryway enhancement and other planting demonstration projects. Planning, public education, installation, and initial maintenance planning and development may be determined by the department to be eligible activities for funding under this paragraph. Projects approved under this paragraph require a local match or contribution toward the overall project cost.

*b.* The department may authorize projects which provide grants or loans to local governments for the purchase of specialized equipment and special staff training for the establishment of alternative forms of roadside vegetation. Projects approved under this paragraph require a local match or contribution toward the overall project cost.

*c.* The department, in order to create greater visual effect, shall investigate alternatives for concentrating plantings at strategic locations to gain a greater visual impact and appeal as well as stronger scenic value. Equal attention shall be given to providing safe and effective habitats for wildlife which can coexist with highways.

*d.* The department may authorize projects which provide grants or loans to local jurisdictions for increased protection through the use of easements, fee title acquisition, covenants, zoning ordinances, or other provisions for protection of vegetation and desirable environment adjacent to the right-of-way. Off-right-of-way projects shall emphasize vegetation protection or enhancement, scenic and wildlife values, erosion control and enhancement of vegetation management projects within the right-of-ways.

3. *a.* Moneys allocated to the state under subsection 1 shall be expended as follows:

(1) Fifty thousand dollars annually to the department for the services of the integrated roadside vegetation management coordinator and support.

(2) One hundred thousand dollars annually for education programs, research and demonstration projects, and vegetation inventories and strategies, under section 314.22, subsections 5, 6, and 8.

(3) All remaining moneys for the gateways program under section 314.22, subsection 7.

*b.* Moneys allocated to the counties under subsection 1 shall be expended as follows:

(1) For the fiscal year beginning July 1, 1995, and ending June 30, 1996, and each subsequent fiscal year, seventy-five thousand dollars to the university of northern Iowa to maintain the position of the state roadside specialist and to continue its integrated roadside vegetation management program providing research, education, training, and technical assistance.

(2) All remaining money for grants or loans under subsection 2, paragraph "*a*".

*c.* Moneys allocated to the cities shall be expended for grants or loans under subsection 2, paragraph "*a*".

88 Acts, ch 1019, §5; 89 Acts, ch 246, §5; 89 Acts, ch 317, §28; 91 Acts, ch 268, §516; 93 Acts, ch 169, §16; 95 Acts, ch 220, §26; 2009 Acts, ch 133, §238

Referred to in §312.2, 314.20, 314.22, 455A.19

**314.22 Integrated roadside vegetation management.**

1. *Objectives.* It is declared to be in the general public welfare of Iowa and a highway purpose for the vegetation of Iowa's roadsides to be preserved, planted, and maintained to be safe, visually interesting, ecologically integrated, and useful for many purposes. The state department of transportation shall provide an integrated roadside vegetation management plan and program which shall be designed to accomplish all of the following:

*a.* Maintain a safe travel environment.

*b.* Serve a variety of public purposes including erosion control, wildlife habitat, climate control, scenic qualities, weed control, utility easements, recreation uses, and sustenance of water quality.

*c.* Be based on a systematic assessment of conditions existing in roadsides, preservation of valuable vegetation and habitats in the area, and the adoption of a comprehensive plan and strategies for cost-effective maintenance and vegetation planting.

*d.* Emphasize the establishment of adaptable and long-lived vegetation, often native species, matched to the unique environment found in and adjacent to the roadside.

*e.* Incorporate integrated management practices for the long-term control of damaging insect populations, weeds, and invader plant species.

*f.* Build upon a public education program allowing input from adjacent landowners and the general public.

*g.* Accelerate efforts toward increasing and expanding the effectiveness of plantings to reduce wind-induced and water-induced soil erosion and to increase deposition of snow in desired locations.

*h.* Incorporate integrated roadside vegetation management with other state agency planning and program activities including the recreation trails program, scenic highways, open space, and tourism development efforts. Agencies should annually report their progress in this area to the general assembly.

2. *Counties may adopt plans.* A county may adopt an integrated roadside vegetation management plan consistent with the integrated roadside vegetation management plan adopted by the department under subsection 1.

3. *Integrated roadside vegetation management technical advisory committee.*

*a.* The director of the department shall appoint members to an integrated roadside vegetation management technical advisory committee which is created to provide advice on the development and implementation of a statewide integrated roadside vegetation management plan and program and related projects. The department shall report annually in January to the general assembly regarding its activities and those of the committee. Activities of the committee may include, but are not limited to, providing advice and assistance in the following areas:

(1) Research efforts.

(2) Demonstration projects.

(3) Education and orientation efforts for property owners, public officials, and the general public.

(4) Activities of the integrated roadside vegetation management coordinator for integrated roadside vegetation management.

(5) Reviewing applications for funding assistance.

(6) Securing funding for research and demonstrations.

(7) Determining needs for revising the state weed law and other applicable Code sections.

(8) Liaison with the Iowa state association of counties, the Iowa league of cities, and other organizations for integrated roadside vegetation management purposes.

*b.* The director may appoint any number of persons to the committee but, at a minimum, the committee shall consist of all of the following:

(1) One member representing the utility industry.

(2) One member from the Iowa academy of sciences.

(3) One member representing county government.

(4) One member representing city government.

(5) Two members representing the private sector including community interest groups.

(6) One member representing soil conservation interests.

(7) One member representing the department of natural resources.

(8) One member representing county conservation boards.

*c.* Members of the committee shall serve without compensation, but may be reimbursed for allowable expenses from the living roadway trust fund created under section 314.21. No more than a simple majority of the members of the committee shall be of the same gender as provided in section 69.16A. The director of the department shall appoint the chair of the committee and shall establish a minimum schedule of meetings for the committee.

4. *Integrated roadside vegetation management coordinator.* The integrated roadside vegetation management coordinator shall administer the department's integrated roadside vegetation management plan and program. The department may create the position of integrated roadside vegetation management coordinator within the department or may contract for the services of the coordinator. The duties of the coordinator include, but are not limited to, the following:

*a.* Conducting education and awareness programs.

*b.* Providing technical advice to the department and the department of natural resources, counties, and cities.

*c.* Conducting demonstration projects.

*d.* Coordinating inventory and implementation activities.

*e.* Providing assistance to local community-based groups for undertaking community entryway projects.

*f.* Being a clearinghouse for information from Iowa projects as well as from other states.

*g.* Periodically distributing information related to integrated roadside vegetation management.

*h.* General coordination of research efforts.

*i.* Other duties assigned by the director of transportation.

5. *Education programs.* The department shall develop educational programs and provide educational materials for the general public, landowners, governmental employees, and board members as part of its program for integrated roadside vegetation management. The educational program shall provide all of the following:

*a.* The development of public service announcements and television programs about the importance of roadside vegetation in Iowa.

*b.* The expansion of existing training sessions and educational curriculum materials for county weed commissioners, government contract sprayers, maintenance staff, and others to include coverage of integrated roadside management topics such as basic plant species identification, vegetation preservation, vegetation inventory techniques, vegetation management and planning procedures, planting techniques, maintenance, communication, and public relations. County and municipal engineers, public works staffs, planning and zoning representatives, parks and habitat managers, and others should be encouraged to participate.

*c.* The conducting of statewide and regional conferences and seminars about integrated roadside vegetation management, community entryways, scenic values of land adjoining roadsides, and other topics relating to roadside vegetation.

*d.* The preparation, display, and distribution of a variety of public relations material, in order to better inform and educate the traveling public on roadside vegetation management activities. The public relations material shall inform motorists of a variety of roadside vegetation issues including all of the following:

(1) Benefits of various types of roadside vegetation.

(2) Long-term results expected from planting and maintenance practices.

(3) Purposes for short-term disturbances in the roadside landscapes.

(4) Interesting aspects of the Iowa landscape and individual landscape regions.

(5) Other aspects relating to wildlife and soil erosion.

*e.* Preparation and distribution of educational material designed to inform adjoining property owners, farm operators, and others of the importance of roadside vegetation and their responsibilities of proper stewardship of that vegetation resource.

6. *Research and demonstration projects.* The department, as part of its plan to provide integrated roadside vegetation management, shall conduct research and feasibility studies including demonstration projects of different kinds at a variety of locations around the state. The research and feasibility studies may be conducted in, but are not limited to, any of the following areas:

*a.* Cost effectiveness or comparison of planting, establishing and maintaining alternative or warm-season, native grass and forb roadside vegetation and traditional cool-season nonnative vegetation.

*b.* Identification of the relationship that roadsides and roadside vegetation have to maintaining water quality, through drainage wells, sediment and pollutant collection and filtration, and other means.

*c.* Impacts of burning as an alternative vegetation management tool on all categories of roads.

*d.* Techniques for more quickly establishing erosion control and permanent vegetative cover on recently disturbed ground as well as interplanting native species in existing vegetative cover.

*e.* Effectiveness of techniques for reduced or selected use of herbicides to control weeds.

*f.* Identification of cross section and slope steepness design standards which provide for motorist safety as well as for improved establishment, maintenance, and replacement of different types of vegetation.

*g.* Identification of a uniform inventory and assessment technique which could be used by many counties in establishing integrated roadside management programs.

*h.* Equipment innovations for seeding and harvesting grasses in difficult terrain settings, roadway ditches, and fore-slopes and back-slopes.

*i.* Identification of the perceptions of motorists and landowners to various types of roadside vegetation and configuration of plantings.

*j.* Market or economic feasibility studies for native seed, forb, and woody plant production and propagation.

*k.* Impacts of vegetation modifications on increasing or decreasing wildlife populations in rural and urban areas.

*l.* Effects of vegetation on the number and location of wildlife road-kills in rural and urban areas.

*m.* Costs to the public for improper off-site resource management adjacent to roadsides.

*n.* Advantages, disadvantages, and techniques of establishing pedestrian access adjacent to highways and their impacts on vegetation management.

*o.* Identification of alternative techniques for snow catchment on farmland adjacent to roadsides.

7. *Gateways program.* The department shall develop a gateways program to provide meaningful visual impacts including major new plantings at the important highway entry points to the state and its communities. Substantial and distinctive plantings shall also be designed and installed at these points. Creative and artistic design solutions shall be sought for these improvements. Communications about these projects shall be provided to local groups in order to build community involvement, support, and understanding of their importance. Consideration shall be given to a requirement that gateways projects produce a local match or contribution toward the overall project cost.

8. *Vegetation inventories and strategies.*

*a.* The department shall coordinate and compile integrated roadside vegetation inventories, classification systems, plans, and implementation strategies for roadsides. Areas of increased program and project emphasis may include, but are not limited to, all of the following:

(1) Additional development and funding of state gateways projects.

(2) Accelerated replacement of dead and unhealthy plants with native and hardy trees and shrubs.

(3) Special interest plantings at selected highly visible locations along primary and interstate highways.

(4) Pilot and demonstration projects.

(5) Additional snow and erosion control plantings.

(6) Welcome center and rest area plantings with native and aesthetically interesting species to create mini-arboretums around the state.

*b.* The department shall coordinate and compile a reconnaissance of lands to develop an inventory of sites having the potential of being harvested for native grass, forb, and woody plant material seed and growing stock. Highway right-of-ways, parks and recreation areas, converted railroad right-of-ways, state board of regents' property, lands owned by counties, and other types of public property shall be surveyed and documented for seed source potential. Sites volunteered by private organizations may also be included in the inventory. Inventory information shall be made available to state agencies' staffs, county engineers, county conservation board directors, and others.

89 Acts, ch 246, §6; 95 Acts, ch 3, §2; 2010 Acts, ch 1061, §107

Referred to in §314.13, 314.21, 317.11

**314.23 Environmental protection.**

It is declared to be in the general public welfare of Iowa and a highway purpose that highway maintenance, construction, reconstruction, and repair shall protect and preserve, by not causing unnecessary destruction, the natural or historic heritage of the state. In order to provide for the protection and preservation, the following shall be accomplished in the design, construction, reconstruction, relocation, repair, or maintenance of roads, streets, and highways:

1. *Woodlands.* Woodland removed shall be replaced by plantings as close as possible to the initial site, or by acquisition of an equal amount of woodland in the general vicinity for public ownership and preservation, or by other mitigation deemed to be comparable to the woodland removed, including, but not limited to, the improvement, development, or preservation of woodland under public ownership.

2. *Wetlands.* Wetland removed shall be replaced by acquisition of wetland, in the same general vicinity if possible, for public ownership and preservation, or by other mitigation deemed to be comparable to the wetland removed, including, but not limited to, the improvement, development, or preservation of wetland under public ownership.

3. *Public parks.* Highways, streets, and roads constructed on or through publicly owned lands comprising parks, preserves, or recreation areas, shall be located and designed, in consultation with the public entity owning the land, so as to blend aesthetically with the areas and to minimize noise. When land is taken from the areas for highway construction and if, in consultation with the public entity owning the land, mitigation is deemed necessary, the land shall be replaced by an equal or greater amount for public use, or by other mitigation, undertaken in consultation with the public entity owning the land, and deemed to be appropriate to the amount of land taken, including, but not limited to, the improvement, development, or preservation of the areas.

4. *Prime agricultural lands.* Topsoil removed may be utilized for landscaping and other necessary construction. Excess topsoil shall be made available to the former landowner or other landowners whose land was purchased for the construction or others, and if not acquired by one of these parties, it may be disposed.

89 Acts, ch 311, §26

**314.24 Natural and historic preservation.**

Cities, counties, and the department shall to the extent practicable preserve and protect the natural and historic heritage of the state in the design, construction, reconstruction, relocation, repair, or maintenance of roads, streets, or highways. Destruction or damage to natural areas, including but not limited to prime agricultural land, parks, preserves, woodlands, wetlands, recreation areas, greenbelts, historical sites, or archaeological sites shall be avoided, if reasonable alternatives are available for the location of roads, streets, or highways at no significantly greater cost. In implementing this section, cities, counties, and the department shall make a diligent effort to identify and examine the comparative cost of utilizing alternative locations for roads, streets, or highways.

89 Acts, ch 317, §30

**314.25 Green space provided.**

The department shall use the property owned by it in the city of Council Bluffs which is bounded by Broadway, Seventh street, Kanesville boulevard, and Sixth street, exclusively for green space, and, if sold by the department, the department shall sell the property with the restricted covenant that the property shall be used exclusively for green space or else revert to the department.

89 Acts, ch 317, §29

**314.26 Schwengel Bridge.**

The interstate 80 bridge crossing the Mississippi river between the states of Iowa and Illinois shall be known as the “Schwengel Bridge” in honor of Fred Schwengel, who served

for five terms as a member of the general assembly of the state of Iowa and was elected to the Congress of the United States in 1954, 1956, 1958, 1960, 1962, 1966, 1968, and 1970.

93 Acts, ch 133, §1

**314.27 Refreshments at rest areas on certain holidays.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Free refreshments"* means water, coffee, cookies, any nonintoxicating, noncarbonated beverage which is not already bottled or canned, doughnuts, or baked dessert goods dispensed by a nonprofit organization, provided that the refreshments are furnished to motorists by a nonprofit organization without charge.

*b.* *"Holiday periods"* means the Memorial Day and Labor Day weekends, commencing at noon on the preceding Friday and ending at midnight between the Monday and Tuesday of the holiday weekend, and the period surrounding Independence Day, commencing at noon on July 1 and ending at midnight between July 6 and July 7.

2. Nonprofit organizations shall be allowed to provide free refreshments to motorists and to accept, without active solicitation, voluntary donations from motorists during holiday periods at rest areas, as defined in section 306C.10, subject to approval by the department. The department shall approve or disapprove applications by nonprofit organizations, and notify those nonprofit organizations, at least sixty days prior to the holiday period.

3. The department shall adopt rules governing the provision of refreshments at rest areas in accordance with this section.

95 Acts, ch 18, §1

**314.28 Keep Iowa beautiful fund.**

1. A keep Iowa beautiful fund is created in the office of the treasurer of state. The fund is composed of moneys appropriated or available to and obtained or accepted by the treasurer of state for deposit in the fund. All interest earned on moneys in the fund shall be credited to and remain in the fund. Section 8.33 does not apply to moneys in the fund.

2. Moneys in the fund that are authorized by the department for expenditure are appropriated, and shall be used, to educate and encourage Iowans to take greater responsibility for improving their community environment and enhancing the beauty of the state through litter prevention, improving waste management and recycling efforts, and beautification projects.

3. The department may authorize payment of moneys from the fund upon approval of an application from a private or public organization. The applicant shall submit a plan for litter prevention, improving waste management and recycling efforts, or a beautification project along with its application. The department shall establish standards relating to the type of projects available for assistance.

2001 Acts, ch 160, §1; 2004 Acts, ch 1175, §435; 2004 Acts, ch 1177, §3; 2006 Acts, ch 1182, §60; 2011 Acts, ch 34, §78

**314.29 Dick Drake Way.**

The highway currently known as the industrial connector in Muscatine shall be renamed "Dick Drake Way" in honor of Richard Drake, who served for thirty-six years as a member of the general assembly of the state of Iowa.

2008 Acts, ch 1124, §3

# CHAPTER 315

## REVITALIZE IOWA'S SOUND ECONOMY FUND

Referred to in §307.24

(RISE fund)


315.1 Definitions.
315.2 Revitalize Iowa's sound economy fund.
315.3 Use of fund.
315.4 Allocation of fund.
315.5 Administration of fund.
315.6 Funding of projects.
315.7 Monthly certification of funds.
315.8 Accounts and records required.
315.9 Project development.
315.10 Rules.
315.11 Additional factors and requirements.


**315.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the state department of transportation.
2. *"Fund"* or *"RISE fund"* means the revitalize Iowa's sound economy fund.

85 Acts, ch 231, §2

**315.2 Revitalize Iowa's sound economy fund.**

A revitalize Iowa's sound economy fund is created, which includes:

1. All motor fuel and special fuel excise taxes credited by law to the RISE fund.
2. All other funds by law credited to the RISE fund.

85 Acts, ch 231, §3

Referred to in §312.2

**315.3 Use of fund.**

1. The fund is appropriated for and shall be used in the establishment, construction, improvement and maintenance of roads and streets which promote economic development in the state by having any of the following effects:

*a.* Improving or maintaining highway access to specific development sites, including existing and future industrial locations.

*b.* Improving or maintaining highway access between urban centers or between urban centers and the interstate road system as defined in section 306.3.

*c.* Improving or maintaining highway access to economically depressed areas of the state.

*d.* Improving or maintaining highway access to points of shipment or processing of products.

*e.* Improving or maintaining highway access to trucking terminals and places of embarkation or shipment by other transportation modes.

*f.* Improving or maintaining highway access to scenic, recreational, historic and cultural sites or other locations identified as tourist attractions.

2. The fund is also appropriated and shall be used for the reimbursement or payment to cities or counties of all or part of the interest and principal on general obligation bonds issued by cities or counties for the purpose of financing approved road and street projects meeting the requirements of subsection 1.

3. *a.* If the state transportation commission receives and files a letter from the director of transportation certifying that federal funding is not forthcoming due to the failure of the United States Congress to pass and the president of the United States to approve legislation providing long-term federal transportation funding to the state of Iowa, the commission may authorize the temporary transfer of funds from the RISE fund to the primary road fund. Transferred funds shall be repaid to the RISE fund within three months of transfer.

*b.* If the state transportation commission receives and files a letter from the director of transportation certifying that the cash flow funding of the department may be inadequate to meet anticipated road construction costs, the commission may authorize the temporary transfer of funds from the RISE fund to the primary road fund. Funds transferred under this paragraph shall be repaid to the RISE fund within six months of transfer.

*c.* The commission shall manage the RISE fund to ensure that funds will be available to meet contract obligations on approved RISE projects.

85 Acts, ch 231, §4; 88 Acts, ch 1019, §10; 98 Acts, ch 1001, §1, 2; 2001 Acts, ch 180, §6
Referred to in §315.5

**315.4 Allocation of fund.**

1. Moneys credited to the RISE fund shall be allocated as follows:

*a.* Four-sevenths for deposit in the primary road fund for the use of the department on primary road projects as follows:

(1) Fifty percent for highways that support the production or transport of renewable fuels, including primary highways that connect biofuel facilities to highways in the commercial and industrial highway network.

(2) Fifty percent for highways that have been designated by the state transportation commission as access Iowa highways pursuant to 2005 Iowa Acts, ch. 178, section 41.

*b.* One-seventh for the use of counties on secondary road projects, including secondary roads that connect biofuel facilities to highways in the commercial and industrial highway network.

*c.* Two-sevenths for the use of cities on city street projects.

2. Commencing June 30, 1990, all uncommitted moneys in the RISE fund on June 30 of each year which are allocated under this section for the use of counties on secondary road projects shall be credited to the secondary road fund.

85 Acts, ch 231, §5; 89 Acts, ch 293, §16; 92 Acts, ch 1238, §30; 2007 Acts, ch 200, §7
Referred to in §315.6

**315.5 Administration of fund.**

Qualifying road and street projects shall be selected by the state transportation commission for full or partial financing from the fund after consultation with organizations representing interests of counties and cities. Counties and cities may make application for qualifying road and street projects with the department. In ranking applications for funds, the department shall, in addition to effects listed in section 315.3, subsection 1, consider the proportion of political subdivision matching funds to be provided, if any, the proportion of private contributions to be provided, if any, the total number of jobs to be created, the level of need, the impact of the proposed project on the economy of the area affected, and the factors and requirements in section 315.11. The proportion of funding shall be determined by the department or, in the case of cooperative projects, by agreement between the department and the city councils of participating cities, or boards of supervisors of participating counties, or other participating public agencies or private parties.

85 Acts, ch 231, §6; 86 Acts, ch 1245, §1934; 88 Acts, ch 1257, §2
Referred to in §315.11

**315.6 Funding of projects.**

1. Qualifying projects may be funded as follows:

*a.* Primary road and state park road projects may be financed entirely by the fund, or by combining money from the fund with money from the primary road fund, federal aid primary funds received by the state, money from cities or counties raised through the sale of general obligation bonds of the cities or counties, other city or county revenues, or money from participating private parties.

*b.* Secondary road, state park road, and county conservation parkway projects may be funded entirely by the fund or by combining money from the fund with money from the county's portion of road use tax funds, federal aid secondary funds, other county revenues, money raised through the sale of general obligation bonds of the county, or money from participating private parties.

*c.* City street and state park road projects may be funded entirely by the fund, or by combining money from the fund with money from the city's portion of road use tax funds, federal aid urban system funds, other municipal revenues, money raised through the sale of general obligation bonds of the city, or money from participating private parties.

2. A county or city may, at its option, apply moneys allocated for use on secondary road or

city street projects under section 315.4, subsection 1, paragraph "*b*" or "*c*", toward qualifying primary road, state park road, and county conservation parkway projects.

85 Acts, ch 231, §7; 87 Acts, ch 172, §1

**315.7 Monthly certification of funds.**

The account of the fund shall be kept by the director of the department of administrative services and the treasurer of state and shall show the amount of the fund including all credits to the fund and disbursements. The director of the department of administrative services shall report monthly to the department an account of the fund including all credits and disbursements. Upon certification by the department in accordance with rules adopted by the director of the department of administrative services, the director of the department of administrative services shall issue warrants for disbursements from the fund.

85 Acts, ch 231, §8; 2003 Acts, ch 145, §286

Referred to in §8A.111

**315.8 Accounts and records required.**

The department shall keep accounts in relation to the allocation of moneys to the fund including all amounts credited to the fund and all amounts of duly and finally approved vouchers for claims chargeable to the fund. The department shall also keep accounts in relation to agreements with counties and cities for the reimbursement of interest and principal costs for general obligation bonds of counties or cities issued for the purpose of financing road or street projects under this chapter.

85 Acts, ch 231, §9

**315.9 Project development.**

The department shall be responsible for the development of qualifying projects under this chapter in the same manner as prescribed for primary road system improvements under chapter 313, including surveys, plans, specifications, bids, contracts, supervision and inspection. The department may delegate responsibility for project development to another participating governmental unit.

85 Acts, ch 231, §10

**315.10 Rules.**

The department shall adopt rules pursuant to chapter 17A as necessary for the administration of this chapter.

85 Acts, ch 231, §11

**315.11 Additional factors and requirements.**

In addition to other effects and factors to be considered under section 315.5, for applications submitted after July 1, 1988, the following factors and requirements shall be considered or applied:

1. The impact of the proposed project on other businesses in competition with the business being considered for assistance. The department shall make a good faith effort to identify existing Iowa businesses within an industry in competition with the business being considered for assistance. The department shall make a good faith effort to determine the probability that the proposed financial assistance will displace employees of the existing businesses. In determining the impact on businesses in competition with the business being considered for assistance, jobs created as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created.

2. The economic impact to the state of the proposed project. In measuring the economic impact the department shall award more points for the following:

*a.* A business with a greater percentage of sales out-of-state or of import substitution.

*b.* A business with a higher proportion of in-state suppliers.

*c.* A project which would provide greater diversification of the state economy.

*d.* A business with fewer in-state competitors.

*e.* A potential for future job growth.

*f.* A project which is not a retail operation.

3. The quality of jobs to be provided. Jobs that have a higher wage scale, have a lower turnover rate, are full-time, or are career-type positions are considered higher in quality. Businesses that have wage scales substantially below that of existing Iowa businesses in that area should be rated as providing the lowest quality of jobs and should therefore be given the lowest ranking for providing such assistance.

4. If the business has a record of violations of the law over a period of time that tends to show a consistent pattern, the business shall be given the lowest ranking for providing assistance. The department shall make a good faith effort to compile this information.

5. If a business has, within three years of application for assistance, acquired or merged with an Iowa corporation or company, the business shall make a good faith effort to hire the workers of the merged or acquired company.

6. To be eligible for assistance a business shall provide for a preference for hiring residents of the state or the economic development area, except for out-of-state employees offered a transfer to Iowa or the economic development area.

7. All known required environmental permits must be granted and regulations met before moneys are released.

88 Acts, ch 1257, §3; 2009 Acts, ch 82, §16

Referred to in §315.5

# CHAPTER 316

## RELOCATION OF PERSONS DISPLACED BY HIGHWAYS

Referred to in §6B.42, 307.24, 310.22, 331.382


316.1 Definitions.
316.2 Effect on acquisitions and condemnations.
316.3 Declaration of policy — authorization — divisibility of application.
316.4 Moving and related expenses.
316.5 Replacement housing for homeowner.
316.6 Replacement housing for tenants and certain others.
316.7 Relocation assistance advisory services.
316.8 Housing replacement by the displacing agency.
316.9 Rules.
316.10 and 316.11 Repealed by 89 Acts, ch 20, §21.
316.12 Payments to displaced persons not to be considered as income.
316.13 Administration.
316.14 Funding.
316.15 Federal grants — payment of right-of-way and relocation assistance benefits.


**316.1 Definitions.**

As used in this chapter the term:

1. *"Administrative rules"* means all rules subject to the provisions of chapter 17A.

2. *"Business"* means any lawful activity, excepting a farm operation, conducted primarily:

*a.* For the purchase, sale, lease and rental of personal and real property, and for the manufacture, processing, or marketing of products, commodities, or any other personal property;

*b.* For the sale of services to the public;

*c.* By a nonprofit organization; or

*d.* Solely for the purposes of section 316.4, for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of an outdoor advertising display or displays, whether or not the display or displays are located on the premises on which any of the above activities are conducted.

3. *"Comparable replacement dwelling"* means any single family residential unit that is all of the following:

*a.* Decent, safe, and sanitary.

*b.* Adequate in size to accommodate the occupants.

*c.* Within the financial means of the displaced person.

*d.* Functionally equivalent to the displaced person's dwelling.

*e.* In an area not subject to unreasonably adverse environmental conditions.

*f.* In a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, services, and the displaced person's place of employment.

4. *"Department"* means the state department of transportation.

5. *"Displaced person"* means:

*a.* A person who moves from real property or moves the person's personal property from real property in any of the following circumstances:

(1) As a direct result of a written notice of intent to acquire, the initiation of negotiations for, or the acquisition of, the real property in whole or in part for a program or project undertaken with federal financial assistance.

(2) The person moved or moved the person's personal property from real property on which the person is either a residential tenant or conducts a small business, a farm operation, or a business as defined in subsection 2, paragraph *"d"*, as a direct result of rehabilitation or demolition for a program or project undertaken with federal financial assistance in a case in which the head of the displacing agency determines that the displacement is permanent.

(3) As a direct result of a written notice of intent to acquire by condemnation, the initiation of negotiations for, or the acquisition of, the real property in whole or in part by the state of Iowa or by an entity or person conferred the right to condemn private property.

*b.* For purposes of section 316.4, subsections 1 and 2, and section 316.7, a person who moves from real property, or moves the person's personal property from real property in any of the following circumstances:

(1) As a direct result of a written notice of intent to acquire, the initiation of negotiations for, or the acquisition of, other real property in whole or in part if the person conducts a business or farm operation on the other real property for a program or project undertaken with federal financial assistance.

(2) As a direct result of rehabilitation or demolition of other real property on which the person conducts a business or a farm operation for a program or project undertaken with federal financial assistance in a case in which the head of the displacing agency determines that the displacement is permanent.

(3) As a direct result of a written notice of intent to acquire by condemnation, the initiation of negotiations for, or the acquisition of, other real property in whole or in part by the state of Iowa or by an entity or person conferred the right to condemn private property if the person conducts a business or farm operation on the other real property.

*c.* The term *"displaced person"* does not include any of the following:

(1) A person who has been determined to be either in unlawful occupancy of the real property or who has occupied the real property for the purpose of obtaining assistance under this chapter.

(2) A person, other than the person who was the occupant of the real property at the time it was acquired, who occupies the real property on a rental basis for a short term or a period subject to termination when the real property is needed for the program or project.

(3) An owner-occupant who voluntarily sells the owner-occupant's property, after being informed in writing that if a mutually satisfactory agreement of sale cannot be reached the state agency will not acquire the property.

(4) A person who retains the right of use and occupancy of the real property for life following its acquisition by a state agency.

6. *"Displacing agency"* means the state or a state agency carrying out a program or project, or any person carrying out a program or project with federal financial assistance, which causes a person to be a displaced person.

7. *"Farm operation"* means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

8. *"Federal financial assistance"* means a grant, loan, or contribution provided by the United States; however, *"federal financial assistance"* does not include any federal guarantee or insurance and any interest reduction payment to an individual in connection with the purchase and occupancy of a residence by that individual.

9. *"Federal Uniform Relocation Act"* means the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. No. 91-646, as amended by the Uniform Relocation Act Amendments of 1987, Tit. IV, Pub. L. No. 100-17.

10. *"Mortgage"* means such classes of liens as are commonly given to secure advances on, or the unpaid purchase price of real property, under the laws of this state, together with the credit instruments, if any, secured thereby.

11. *"Person"* means any individual, partnership, corporation, or association.

12. *"State agency"* means any of the following:

*a.* A department, agency, or instrumentality of the state or of a political subdivision of the state.

*b.* A department, agency, or instrumentality of two or more political subdivisions of the state, or states.

*c.* A person who has the authority to acquire property by eminent domain under state law.

[C71, 73, 75, 77, 79, 81, §316.1]

89 Acts, ch 20, §1 – 5; 99 Acts, ch 171, §32, 42

Referred to in §6B.42, 316.4

**316.2 Effect on acquisitions and condemnations.**

1. The provisions of this chapter shall not affect the validity of any property acquisitions by purchase or condemnation.

2. Nothing in this chapter shall be construed as creating in any condemnation proceedings brought under the power of eminent domain, any element of value or of damage not in existence immediately prior to the date of this chapter.

3. *a.* A payment made or to be made under the authority granted in this chapter shall be for compensating or reimbursing the displaced person or owner of real property in accordance with the requirements of the federal Uniform Relocation Act and this chapter and the payments shall not for any purpose be deemed or considered compensation for real property acquired or compensation for damages to remaining property.

*b.* Payments authorized to be made by the federal Uniform Relocation Act and this chapter shall be made as relocation payments, and in order to prevent unjust enrichment or a duplication of payments to any condemnee in any condemnation proceeding or appeal from any condemnation proceeding, an allowance shall not be made in determining just compensation in a condemnation proceeding for any damages, for any item of damage, or any cost, which is authorized to be paid as a relocation payment.

*c.* Moving cost payments and allowances for personal property which is damaged or destroyed or reduced in value by an acquisition of property authorized under section 6B.14 or any other provision of the Code under the powers of eminent domain on projects where relocation assistance payments are paid under this chapter shall be those payments and allowances authorized by this chapter and shall not be made or included as part of an award of damages in any condemnation proceeding or appeal from any condemnation proceeding.

[C71, §316.8; C73, 75, 77, 79, 81, §316.2]

89 Acts, ch 20, §6; 2010 Acts, ch 1061, §180

**316.3 Declaration of policy — authorization — divisibility of application.**

1. The purpose of this chapter is to establish a uniform policy for the fair and equitable treatment of persons displaced as a result of federally assisted programs or projects in order that the persons shall not suffer disproportionate injuries as a result of programs or projects designed for the benefit of the public as a whole and to minimize the hardship of displacement on the persons. The general assembly declares that relocation assistance for persons displaced by programs and projects is a necessary and essential part of the programs and projects. This chapter shall be known and may be cited as the *"Relocation Assistance Law."*

2. If a displacing agency subject to the provisions of the federal Uniform Relocation Act, or if another entity required or electing to provide any of the programs or payments authorized by this chapter, undertakes a project which results in the acquisition of real property or in a person being displaced from the person's home, business, or farm, the displacing agency or other entity may provide relocation assistance, and make relocation payments to the displaced person and do the other acts and follow the procedures and practices as may be necessary to comply with the provisions of the federal Uniform Relocation Act and this chapter. Displacing agencies may provide all or a part of the program and payments authorized under this chapter to persons displaced by any program or project regardless of the funding source. However, to the extent a program or a payment is provided, the program or payment shall be provided on a uniform basis to all displaced persons.

3. If a provision, clause, or phrase of this chapter, or application of this chapter to a person or circumstance is adjudged invalid by any court of competent jurisdiction, the judgment shall not invalidate the remainder of the chapter, and the application of the chapter to other persons or circumstances shall not be affected by the adjudication.

[C73, 75, 77, 79, 81, §316.3]

89 Acts, ch 20, §7

**316.4 Moving and related expenses.**

1. If a program or project undertaken by a displacing agency will result in the displacement of a person, the displacing agency shall make a payment to the displaced person, upon proper application as approved by the displacing agency, for actual reasonable and necessary expenses incurred in moving the person, the person's family, business, farm operation, or other personal property subject to rules and limits established by the department. The payment may also provide for actual direct losses of tangible personal property, purchase of substitute personal property, business reestablishment expenses, storage expenses, and expenses incurred in searching for a replacement business or farm.

2. A displaced person eligible for payments under subsection 1, who is displaced from a dwelling and who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection 1, may receive a moving expense and dislocation allowance determined according to a schedule established by the department.

3. A displaced person, as defined in section 316.1, subsection 2, paragraph "*a*", eligible for payments under subsection 1, who is displaced from the person's place of business or farm operation and who is eligible, may elect to accept the payment authorized by this subsection in lieu of the payment authorized by subsection 1. The payment shall consist of a fixed payment in an amount to be determined according to criteria established by the department. A person whose sole business at the displaced dwelling is the rental of the real property does not qualify for a payment under this subsection.

[C71, §316.3; C73, 75, 77, 79, 81, §316.4]

89 Acts, ch 20, §8

Referred to in §316.1

**316.5 Replacement housing for homeowner.**

1. In addition to payments otherwise authorized by this chapter, the displacing agency shall make an additional payment to a displaced person who is displaced from a dwelling actually owned and occupied by the displaced person for not less than one hundred eighty days immediately prior to the initiation of negotiations for the acquisition of the property. All determinations to carry out this section shall be made in accordance with administrative rules adopted by the department. The additional payment shall include the following elements:

*a.* The amount, if any, which when added to the acquisition cost of the dwelling acquired by the displacing agency, equals the reasonable cost of a comparable replacement dwelling.

*b.* The amount, if any, which will compensate the displaced person for any increased interest costs and other debt service costs which the displaced person is required to pay for financing the acquisition of a comparable replacement dwelling. The amount shall be paid only if the dwelling acquired by the displacing agency was encumbered by a bona fide

mortgage which was a valid lien on the dwelling for not less than one hundred and eighty days immediately prior to the initiation of negotiations for the acquisition of the dwelling.

*c.* Actual, reasonable, and necessary expenses incurred by the displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of a replacement dwelling, but not including prepaid expenses.

2. The additional payment authorized by this section shall be made only to a displaced person who purchases and occupies a decent, safe, and sanitary replacement dwelling within one year after the date on which the person receives final payment from the displacing agency of all costs of the acquired dwelling, or on the date on which the obligation of the displacing agency under section 316.8 is met, whichever is the later, except that the displacing agency may extend the eligibility period for good cause. If the period is extended, the payment under this section shall be based on the costs of relocating the person to a comparable replacement dwelling within one year of the applicable date.

[C71, §316.4(1), 316.5; C73, 75, 77, 79, 81, §316.5]

89 Acts, ch 20, §9

Referred to in §316.6, 316.8

**316.6 Replacement housing for tenants and certain others.**

In addition to amounts otherwise authorized by this chapter, the displacing agency shall make a payment to or for a displaced person, displaced from a dwelling, not eligible to receive a payment under section 316.5, which dwelling was actually and lawfully occupied by the displaced person for not less than ninety days immediately prior to the initiation of negotiations for acquisition of the dwelling, or as a result of the written order of the displacing agency to vacate the real property. All determinations to carry out this section shall be made in accordance with administrative rules adopted by the department. The displaced person may elect either of the following:

1. The amount necessary to enable the displaced person to lease or rent a comparable replacement dwelling. At the discretion of the displacing agency, a payment under this subsection may be made in periodic installments. Computations of a payment under this subsection to a low-income displaced person for a comparable replacement dwelling shall take into account the person's income.

2. The amount necessary to enable the person to make a down payment, including incidental expenses described in section 316.5, subsection 1, paragraph "*c*", on the purchase of a decent, safe, and sanitary dwelling. The person may, at the discretion of the displacing agency, be eligible under this subsection for the maximum payment allowed under subsection 1, except that, in the case of a displaced homeowner who has owned and occupied the displaced dwelling for at least ninety days but not more than one hundred and eighty days immediately prior to the initiation of negotiations for the acquisition of the dwelling, the payment shall not exceed the payment the person would otherwise have received under section 316.5, subsection 1, had the person owned and occupied the displaced dwelling for one hundred and eighty days immediately prior to the initiation of the negotiations.

[C71, §316.4(2), 316.5; C73, 75, 77, 79, 81, §316.6]

89 Acts, ch 20, §10

Referred to in §316.8

**316.7 Relocation assistance advisory services.**

1. A displacing agency shall ensure that relocation assistance advisory services are made available to all persons displaced by the displacing agency. If the displacing agency determines that a person occupying property adjacent to the real property where the displacing activity occurs, is caused substantial economic injury as a result of the displacing activity, the displacing agency may offer the person relocation assistance advisory services.

2. The displacing agency shall cooperate to the maximum extent feasible with federal, state, or local agencies to ensure that the displaced persons receive the maximum assistance available to them.

3. Each relocation assistance advisory program required by subsection 1 shall include

such measures, facilities, or services as may be necessary or appropriate in order to comply with the provisions of the federal Uniform Relocation Act and this chapter.

4. The displacing agency shall provide other advisory services to displaced persons in order to minimize hardships to the displaced persons in adjusting to relocation.

5. The displacing agency shall coordinate relocation activities with project work, and other planned or proposed governmental actions or displacing activities in the community or nearby areas which may affect the carrying out of relocation assistance programs.

[C71, §316.2; C73, 75, 77, 79, 81, §316.7]

89 Acts, ch 20, §11

Referred to in §316.1

**316.8 Housing replacement by the displacing agency.**

1. If a project cannot proceed on a timely basis because comparable replacement dwellings are not available, and the displacing agency determines that such dwellings cannot otherwise be made available, the displacing agency may take such action as is necessary or appropriate to provide the dwellings by use of funds authorized for the program or project. The displacing agency may let contracts for the construction of the dwellings, approve plans and specifications for the building of the dwellings, and supervise, inspect, and approve the dwellings once constructed in order that the dwellings so constructed comply with the terms and conditions of this chapter. The displacing agency may under this section exceed the maximum amounts which may be paid under sections 316.5 and 316.6 on a case-by-case basis for good cause as determined in accordance with administrative rules adopted by the department.

2. A person shall not be required to move from the person's dwelling on or after July 1, 1971, on account of any program or project, unless the displacing agency is satisfied that a comparable replacement dwelling is available to the person.

[C73, 75, 77, 79, 81, §316.8]

89 Acts, ch 20, §12

Referred to in §316.5

**316.9 Rules.**

1. The department shall adopt administrative rules pursuant to chapter 17A as necessary to effect the provisions of this chapter and to assure:

*a.* Compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. No. 91-646, as amended by the Uniform Relocation Act Amendments of 1987, Tit. IV, Pub. L. No. 100-17.

*b.* The payments authorized by this chapter are fair and reasonable and as uniform as practicable.

*c.* A displaced person who makes proper application for a payment authorized by this chapter is paid promptly after a move or, in hardship cases, is paid in advance.

2. A person aggrieved by a determination as to eligibility for assistance or a payment authorized by this chapter, or the amount of a payment, upon application may have the matter reviewed.

3. Rules governing reviews shall provide for a prompt one-step uncomplicated fact-finding process. Such a review is an appeal of an agency action as defined in section 17A.2, subsection 2, and is not a contested case. The decision rendered shall be the displacing agency's final agency action.

[C71, 73, 75, 77, 79, 81, §316.9]

88 Acts, ch 1209, §1; 89 Acts, ch 20, §13; 2010 Acts, ch 1069, §85

Referred to in §6B.54

**316.10 and 316.11** Repealed by 89 Acts, ch 20, § 21.

**316.12 Payments to displaced persons not to be considered as income.**

Except for any federal or state law providing low-income housing assistance, a payment received by a displaced person under this chapter shall not be considered as income for the

purpose of determining the eligibility or extent of eligibility of any person for assistance under any federal or state law or for the purposes of chapter 422.

[C73, 75, 77, 79, 81, §316.12]

89 Acts, ch 20, §14

**316.13 Administration.**

In order to prevent unnecessary expenses and duplications of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons, the displacing agency may enter into contracts with any individual, firm, association, or corporation for services in connection with the programs, or may carry out its functions through any governmental agency, political subdivision, or instrumentality having an established organization for conducting relocation assistance programs. If practicable, the services of state or local housing agencies, or other agencies having experience in the administration or conduct of similar housing assistance activities shall be used.

[C73, 75, 77, 79, 81, §316.13]

89 Acts, ch 20, §15

**316.14 Funding.**

Funds appropriated or otherwise available to any state agency for a program or project shall also be available to carry out the provisions of this chapter.

Payments and expenditures under this chapter for highway projects are incident to and arise out of the construction, maintenance, and supervision of public highways and streets, and, in the case of any federal-aid highway project, may be made by the department from the primary road fund and funds made available by the federal government for the purpose of carrying out this chapter. Payments made under this chapter may be made from the primary road fund in case of a primary road project only, and in other cases may be made from appropriate funds under the control of a political subdivision.

[C71, §316.6; C73, 75, 77, 79, 81, §316.14]

83 Acts, ch 123, §118, 209; 89 Acts, ch 20, §16

Referred to in §331.429

**316.15 Federal grants — payment of right-of-way and relocation assistance benefits.**

The department may do all things necessary to carry out the provisions of this chapter and to secure federal grants to make the payments required by this chapter, but the absence of federal aid to make such payments shall not discharge the obligation to make the payments. The department is authorized to pay all right-of-way and relocation assistance benefits in the full amount authorized by federal standards and rules. In order to avoid delays, payment for such benefits made in cooperation with the federal government may be advanced from the primary road fund.

[C71, §316.7; C73, 75, 77, 79, 81, §316.15]

87 Acts, ch 232, §23

# CHAPTER 317

## WEEDS

Referred to in §307.24, 311.32, 327F.13, 327F.27, 327G.81, 331.362, 331.428


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**317.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. *"Commissioner"* means the county weed commissioner or the commissioner's deputy within each county.

2000 Acts, ch 1148, §1; 2010 Acts, ch 1069, §86; 2010 Acts, ch 1193, §49

**317.1A Noxious weeds.**

1. The following weeds are hereby declared to be noxious and shall be divided into two classes, as follows:

*a.* Primary noxious weeds, which shall include:

(1) Quack grass (Elymus repens).
(2) Perennial sow thistle (Sonchus arvensis).
(3) Canada thistle (Cirsium arvense).
(4) Bull thistle (Cirsium vulgare).
(5) European morning glory or field bindweed (Convolvulus arvensis).
(6) Horse nettle (Solanum carolinense).
(7) Leafy spurge (Euphorbia esula).
(8) Perennial pepper-grass (Cardaria draba).
(9) Russian knapweed (Acroptilon repens).
(10) Buckthorn (Rhamnus spp., not to include Frangula alnus, syn. Rhamnus frangula).
(11) All other species of thistles belonging in the genera of Cirsium and Carduus.

*b.* Secondary noxious weeds, which shall include:

(1) Butterprint (Abutilon theophrasti) annual.
(2) Cocklebur (Xanthium strumarium) annual.
(3) Wild mustard (Sinapis arvensis) annual.
(4) Wild carrot (Daucus carota) biennial.
(5) Buckhorn (Plantago lanceolata) perennial.
(6) Sheep sorrel (Rumex acetosella) perennial.
(7) Sour dock (Rumex crispus) perennial.
(8) Smooth dock (Rumex altissimus) perennial.
(9) Poison hemlock (Conium maculatum).
(10) Multiflora rose (Rosa multiflora).
(11) Wild sunflower (wild strain of Helianthus annuus L.) annual.

(12) Puncture vine (Tribulus terrestris) annual.
(13) Teasel (Dipsacus spp.) biennial.
(14) Shattercane (Sorghum bicolor) annual.

2. *a.* The multiflora rose (Rosa multiflora) shall not be considered a secondary noxious weed when cultivated for or used as understock for cultivated roses or as ornamental shrubs in gardens, or in any county whose board of supervisors has by resolution declared it not to be a noxious weed.

*b.* Shattercane (Sorghum bicolor) shall not be considered a secondary noxious weed when cultivated or in any county whose board of supervisors has by resolution declared it not to be a noxious weed.

[S13, §1565-b; C24, 27, 31, 35, §4818; C39, §**4829.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.1]

85 Acts, ch 171, §1; 2000 Acts, ch 1154, §20
C2001, §317.1A
2010 Acts, ch 1061, §108; 2011 Acts, ch 34, §79
See also §199.1

**317.2 State botanist.**

The secretary of agriculture shall appoint as state botanist the head of the botany and plant pathology section of the Iowa agricultural experiment station whose duty shall be to cooperate in developing a constructive weed eradication program.

[C39, §**4829.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.2]

**317.3 Weed commissioner — standards for noxious weed control.**

The board of supervisors of each county may annually appoint a county weed commissioner who may be a person otherwise employed by the county and who passes minimum standards established by the department of agriculture and land stewardship for noxious weed identification and the recognized methods for noxious weed control and elimination. The county weed commissioner's appointment shall be effective as of March 1 and shall continue for a term at the discretion of the board of supervisors unless the commissioner is removed from office as provided for by law. The county weed commissioner may, with the approval of the board of supervisors, require that commercial applicators and their appropriate employees pass the same standards for noxious weed identification as established by the department of agriculture and land stewardship. The name and address of the person appointed as county weed commissioner shall be certified to the county auditor and to the secretary of agriculture within ten days of the appointment. The board of supervisors shall fix the compensation of the county weed commissioner and deputies. In addition to compensation, the commissioner and deputies shall be paid their necessary travel expenses. At the discretion of the board of supervisors, the weed commissioner shall attend a seminar or school conducted or approved by the department of agriculture and land stewardship relating to the identification, control, and elimination of noxious weeds.

The board of supervisors shall prescribe the time of year the weed commissioner shall perform the powers and duties of county weed commissioner under this chapter which may be during that time of year when noxious weeds can effectively be killed. Compensation shall be for the period of actual work only although a weed commissioner assigned other duties not related to weed eradication may receive an annual salary. The board of supervisors shall likewise determine whether employment shall be by hour, day or month and the rate of pay for the employment time.

[S13, §1565-c, -d, -f; C24, 27, §4817; C31, 35, §4817, 4817-d1; C39, §**4829.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.3]

83 Acts, ch 123, §119, 209; 85 Acts, ch 160, §1; 94 Acts, ch 1173, §14
Referred to in §331.321

**317.4 Direction and control.**

Each commissioner, subject to direction and control by the county board of supervisors, shall supervise the control and destruction of all noxious weeds in the county, including those growing within the limits of cities, within the confines of abandoned cemeteries, and

along streets and highways unless otherwise provided. A commissioner shall notify the department of public safety of the location of marijuana plants found growing on public or private property. A commissioner may enter upon any land in the county at any time for the performance of the commissioner's duties, and shall hire the labor and equipment necessary subject to the approval of the board of supervisors.

[S13, §1565-c, -d, -f; C24, 27, 31, 35, §4817; C39, §**4829.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §317.4; 81 Acts, ch 117, §1047]

83 Acts, ch 123, §120, 209; 90 Acts, ch 1179, §2; 2010 Acts, ch 1069, §87

**317.5 Weeds in abandoned cemeteries.**

The commissioner shall control the weeds growing in abandoned cemeteries in the county as needed. Spraying for control of weeds shall be limited to those circumstances when it is not practical to mow or otherwise control the weeds.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §317.5]

89 Acts, ch 246, §7

**317.6 Entering land to destroy weeds — notice.**

1. If there is a substantial failure by the owner or person in possession or control of any land to comply with any order of destruction pursuant to the provisions of this chapter, the county weed commissioner, including the weed commissioner's deputies, or employees acting under the weed commissioner's direction may enter upon any land within the commissioner's county for the purpose of destroying noxious weeds.

2. The entry may be made without the consent of the landowner or person in possession or control of the land. However, the actual work of destruction shall not be commenced until five days after the landowner and the person in possession or control of the land have been notified.

3. The notice shall state the facts relating to failure of compliance with the county program of weed destruction order or orders made by the board of supervisors. The notice shall be delivered by personal service on the owner and persons in possession and control of the land. The personal service may be served by the weed commissioner or any person designated in writing by the weed commissioner. However, in lieu of personal service, the weed commissioner may provide that the notice be delivered by certified mail. A copy of the notice shall be filed in the office of the county auditor. The last known address of the owner or person in possession or control of the land may be ascertained, if necessary, from the last tax list in the county treasurer's office. Where any person owning land within the county has filed a written instrument in the office of the county auditor designating the name and address of its agent, the notice may be delivered to that agent. In computing time for notice, it shall be from the date of service as evidenced on the return of service. If delivery is made by certified mail, it shall be from the date of mailing.

[S13, §1565-c, -d, -f; C24, §4817; C27, 31, 35, §4817, 4823-b1; C39, §**4829.05, 4829.06;** C46, §317.5, 317.6; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.6]

2005 Acts, ch 39, §1; 2010 Acts, ch 1061, §109

Referred to in §317.16

**317.7 Report to board.**

Each weed commissioner shall for the territory under the commissioner's jurisdiction on or before the first day of November of each year make a written report to the board of supervisors. Said report shall state:

1. The name and location of all primary noxious weeds, and any new weed which appears to be a serious pest.

2. A detailed statement of the treatment used, and future plans, for eradication of weeds on each infested tract on which the commissioner has attempted to exterminate weeds, together with the costs and results obtained.

3. A summary of the weed situation within the jurisdiction, together with suggestions and

recommendations which may be proper and useful, a copy of which shall be forwarded to the state secretary of agriculture.

[S13, §1565-c, -d, -f; C24, 27, 31, 35, §4817; C39, §**4829.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.7]

**317.8 Duty of secretary of agriculture or secretary's designee.**

The secretary of agriculture or the secretary's designee is vested with the following duties, powers and responsibilities:

1. The secretary or the secretary's designee shall serve as state weed commissioner, and shall cooperate with all boards of supervisors and weed commissioners, and shall furnish blank forms for reports made by the supervisors and commissioners.

2. The secretary or the secretary's designee may, upon recommendation of the state botanist, temporarily declare noxious any new weed appearing in the state which possesses the characteristics of a serious pest.

3. The secretary or the secretary's designee shall aid the supervisors in the interpretation of the weed law, and make suggestions to promote extermination of noxious weeds.

4. The secretary or the secretary's designee shall aid the supervisors in enforcement of the weed law as it applies to all state lands, state parks and primary roads, and may impose a maximum penalty of a ten dollar fine for each day, up to ten days, that the state agency in control of land fails to comply with an order for destruction of weeds made pursuant to this chapter.

[S13, §1565-c, -d, -f; C24, 27, 31, 35, §4817; C39, §**4829.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.8]

85 Acts, ch 171, §2; 87 Acts, ch 115, §48

**317.9 Duty of board to enforce.**

The responsibility for the enforcement of the provisions of this chapter shall be vested in the board of supervisors as to all farm lands, railroad lands, abandoned cemeteries, state lands and state parks, primary and secondary roads; roads, streets and other lands within cities unless otherwise provided.

[S13, §1565-c, -d, -f; C24, 27, 31, 35, §4817; C39, §**4829.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.9]

**317.10 Duty of owner or tenant.**

Each owner and each person in the possession or control of any lands shall cut, burn, or otherwise destroy, in whatever manner may be prescribed by the board of supervisors, all noxious weeds thereon as defined in this chapter at such times in each year and in such manner as shall be prescribed in the program of weed destruction order or orders made by the board of supervisors, and shall keep said lands free from such growth of any other weeds, as shall render the streets or highways adjoining said land unsafe for public travel.

[SS15, §1565-a; C24, 27, 31, 35, §4819; C39, §**4829.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.10]

**317.11 Weeds on roads — harvesting of grass.**

1. The county boards of supervisors and the state department of transportation shall control noxious weeds growing on the roads under their jurisdiction. Spraying for control of noxious weeds shall be limited to those circumstances when it is not practical to mow or otherwise control the noxious weeds.

2. Nothing under this chapter shall prevent the landowner from harvesting, in proper season on or after July 15, the grass grown on the road along the landowner's land except for vegetation maintained for highway purposes as part of an integrated roadside vegetation management plan which is consistent with the objectives in section 314.22.

[S13, §1565-c, -d, -f; SS15, §1565-a; C24, 27, 31, 35, §4817, 4819; C39, §**4829.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.11]

89 Acts, ch 246, §8; 2010 Acts, ch 1164, §2

**317.12 Weeds on railroad or public lands and gravel pits.**

All noxious weeds on railroad lands, public lands and within incorporated cities shall be treated in such manner, approved by the board of supervisors, as shall prevent seed production and either destroy or prevent the spread of noxious weeds to adjoining lands. Gravel pits infested with noxious weeds shall not be used as sources of gravel for public highways without previous treatment approved by board of supervisors.

[S13, §1565-c, -d, -f; SS15, §1565-a; C24, 27, 31, 35, §4817, 4819; C39, §**4829.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.12]

**317.13 Program of control.**

The board of supervisors of each county may each year, upon recommendation of the county weed commissioner by resolution prescribe and order a program of weed control for purposes of complying with all sections of this chapter. The county board of supervisors of each county may also by adopting an integrated roadside vegetation management plan prescribe and order a program of weed control for purposes of complying with all sections of this chapter. The program for weed control ordered or adopted by the county board of supervisors shall provide that spraying for control of weeds shall be limited to those circumstances when it is not practical to mow or otherwise control the weeds.

The program of weed control shall include a program of permits for the burning, mowing, or spraying of roadsides by private individuals. The county board of supervisors shall allow only that burning, mowing, or spraying of roadsides by private individuals that is consistent with the adopted integrated roadside vegetation management plan. This paragraph applies only to those roadside areas of a county which are included in an integrated roadside vegetation management plan.

[S13, §1565-c, -d; C24, 27, 31, 35, §4821; C39, §**4829.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.13]

85 Acts, ch 171, §3; 89 Acts, ch 246, §9; 90 Acts, ch 1267, §36

Referred to in §317.14

**317.14 Notice of program.**

1. Notice of any order made pursuant to section 317.13 shall be given by one publication in the official newspapers of the county and shall be directed to all property owners.

2. The notice shall state:

*a.* The time for destruction.

*b.* The manner of destruction, if other than cutting above the surface of the ground.

*c.* That, unless the order is complied with, the weed commissioner shall cause the weeds to be destroyed and the cost of destroying the weeds will be taxed against the real estate on which the noxious weeds are destroyed.

[S13, §1565-c, -d; C24, 27, 31, 35, §4822; C39, §**4829.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.14]

2010 Acts, ch 1061, §110

**317.15 Loss or damage to crops.**

The loss or damage to crops or property incurred by reason of such destruction shall be borne by the titleholder of said real estate, unless said real estate shall be sold under contract whereby possession has been delivered to the purchaser, in which event such purchaser shall bear such loss or damage, excepting where a contract has been entered into providing a different adjustment for such loss or damage.

[S13, §1565-c, -d; C24, 27, 31, 35, §4822; C39, §**4829.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.15]

**317.16 Failure to comply.**

1. In case of a substantial failure to comply by the date prescribed in any order of destruction of weeds made pursuant to this chapter, the weed commissioner may do any of the following:

*a.* Enter upon the land as provided in section 317.6 and provide for the destruction of the weeds as provided in section 317.6.

*b.* Impose a maximum penalty of a ten dollar fine for each day, up to ten days, that the owner or person in possession or control of the land fails to comply. If a penalty is imposed and the owner or person in possession or control of the land fails to comply, the weed commissioner shall cause the weeds to be destroyed.

2. If the weed commissioner enters the land and causes the weeds to be destroyed, the actual cost and expense of cutting, burning, or otherwise destroying the weeds, along with the cost of providing notice and special meetings or proceedings, if any, shall be paid by the county and, together with the additional assessment to apply toward costs of supervision and administration, be recovered by an assessment against the tract of real estate on which the weeds were growing, as provided in section 317.21. Any fine imposed under this section shall be recovered by a similar assessment.

[S13, §1565-c, -d; C24, 27, 31, 35, §4823; C39, §**4829.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.16]

83 Acts, ch 123, §121, 209; 85 Acts, ch 171, §4; 2005 Acts, ch 39, §2

Referred to in §317.21

**317.17 Additional noxious weeds.**

The board of supervisors shall order the weed commissioner, or commissioners, to destroy or cause to be destroyed any new weeds declared to be noxious by the secretary of agriculture, the cost of which shall be borne by the county.

[C39, §**4829.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.17]

**317.18 Order for weed control on roads.**

The board of supervisors may order all noxious weeds, within the right-of-way of all roads under county jurisdiction to be cut, burned, or otherwise controlled to prevent seed production, either upon its own motion or upon receipt of written notice requesting the action from any residents of the township in which the roads are located, or any person regularly using the roads. The order shall be consistent with the county integrated roadside vegetation management plan, if the county has adopted such a plan, and the order shall define the roads along which noxious weeds are required to be cut, burned, or otherwise controlled and shall require the weeds to be cut, burned, or otherwise controlled within fifteen days after the publication of the order in the official newspapers of the county or as prescribed in the county's integrated roadside vegetation management plan. The order shall provide that spraying for control of noxious weeds shall be limited to those circumstances when it is not practical to mow or otherwise control the weeds.

[C39, §**4829.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.18]

83 Acts, ch 123, §122, 209; 85 Acts, ch 171, §5; 89 Acts, ch 246, §10; 98 Acts, ch 1075, §14

**317.19 Road clearing appropriation.**

1. The board of supervisors may appropriate moneys to be used for the purposes of cutting, burning, or otherwise controlling weeds or brush within the right-of-way of roads under county jurisdiction in a manner consistent with the county's roadside vegetation management plan, if the county has adopted such a plan, or in time to prevent reseeding, except as provided in section 314.17. The moneys appropriated shall not be spent on spraying for control of weeds except in those circumstances when it is not practical to mow or otherwise control the weeds.

2. The board of supervisors may purchase or hire necessary equipment or contract with the adjoining landowner to carry out this section.

83 Acts, ch 123, §123, 209; 84 Acts, ch 1219, §20; 85 Acts, ch 171, §6; 89 Acts, ch 246, §11; 98 Acts, ch 1075, §15; 2010 Acts, ch 1164, §3

**317.20 Equipment and materials — use on private property.**

The board of supervisors may appropriate moneys for the purpose of purchasing weed eradicating equipment and materials to carry out the duties of the commissioner for use on

all lands in the county, public or private, and for the payment of the necessary expenses and compensation of the commissioner, and the commissioner's deputies, if any. When equipment or materials so purchased are used on private property within the corporate limits of cities by the commissioner, the cost of materials used and an amount to be fixed by the board of supervisors for the use of the equipment shall be returned by the county treasurer upon the collection of the special assessment taxed against the property. In the certification to the county treasurer by the county auditor this apportionment shall be designated along with the special tax assessed under section 317.21. The equipment and its use are subject to the authorization and direction of the county board of supervisors.

83 Acts, ch 123, §124, 209

Referred to in §331.559

**317.21 Cost of weed destruction.**

When the commissioner destroys any weeds under the authority of section 317.16, after failure of the landowner responsible to destroy such weeds pursuant to the order of the board of supervisors, the cost of the destruction shall be assessed against the land and collected from the landowner responsible in the following manner:

1. Annually, after the weed commissioner has completed the program of destruction of weeds by reason of noncompliance by persons responsible for the destruction, the board of supervisors shall determine as to each tract of real estate the actual cost of labor and materials used by the commissioner in cutting, burning, or otherwise destroying the weeds, the cost of serving notice, and of special meetings or proceedings, if any. To the total of all sums expended, the board shall add an amount equal to twenty-five percent of that total to compensate for the cost of supervision and administration and assess the resulting sum against the tract of real estate by a special tax, which shall be certified to the county auditor and county treasurer by the clerk of the board of supervisors, and shall be placed upon the tax books, and collected, with interest after delinquent, in the same manner as other unpaid taxes. The tax shall be due on March 1 after assessment, and shall be delinquent from April 1 after due. However, when the last day of March is a Saturday or Sunday, such amount shall be delinquent from the second business day of April. When collected, the moneys shall be paid into the fund from which the costs were originally paid.

2. Before making any such assessment, the board of supervisors shall prepare a plat or schedule showing the several lots, tracts of land or parcels of ground to be assessed which shall be in accord with the assessor's records and the amount proposed to be assessed against each of the same for destroying or controlling weeds during the fiscal year.

3. Such board shall thereupon fix a time for the hearing on such proposed assessments, which time shall not be later than December 15 of the year, and at least twenty days prior to the time thus fixed for such hearing shall give notice thereof to all concerned that such plat or schedule is on file, and that the amounts as shown therein will be assessed against the several lots, tracts of land or parcels of ground described in said plat or schedule at the time fixed for such hearing, unless objection is made thereto. Notice of such hearing shall be given by one publication in official county newspapers in the county in which the property to be assessed is situated; or by posting a copy of such notice on the premises affected and by mailing a copy by certified mail to the last known address of the person owning or controlling said premises. At such time and place the owner of said premises or anyone liable to pay such assessment, may appear with the same rights given by law before boards of review, in reference to assessments for general taxation.

[S13, §1565-c, -d; C24, 27, §4824, 4825; C31, 35, §4824, 4825, 4825-c1, -c2; C39, §**4829.19;** C46, §317.20; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.21]

85 Acts, ch 171, §7; 92 Acts, ch 1016, §4; 98 Acts, ch 1107, §7; 2005 Acts, ch 34, §2, 26

Referred to in §317.16, 317.20, 331.502, 331.559

**317.22 Duty of highway maintenance personnel.**

All officers directly responsible for the care of public highways shall make a complaint to the weed commissioners or board of supervisors, if it appears that the provisions of this chapter may not be complied with in time to prevent the blooming and maturity of noxious

weeds or the unlawful growth of weeds or marijuana, whether in the streets or highways for which they are responsible or upon lands adjacent to the same.

[S13, §1565-c, -e; C24, 27, 31, 35, §4826; C39, §**4829.20;** C46, §317.21; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.22]

90 Acts, ch 1179, §3

**317.23 Duty of county attorney.**

It shall be the duty of the county attorney upon complaint of any citizen that any officer charged with the enforcement of the provisions of this chapter has neglected or failed to perform the officer's duty, to enforce the performance of such duty.

[C24, 27, 31, 35, §4828; C39, §**4829.21;** C46, §317.22; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.23]

Referred to in §331.756(56)

**317.24 Punishment of officer.**

Any officer referred to in this chapter who neglects or fails to perform the duties incumbent upon the officer under the provisions of this chapter shall be guilty of a simple misdemeanor.

[S13, §1565-i; C24, 27, 31, 35, §4829; C39, §**4829.22;** C46, §317.23; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §317.24]

**317.25 Invasive plants prohibited — exception — penalty.**

1. A person shall not import, sell, offer for sale, or distribute teasel (Dipsacus) biennial, the multiflora rose (Rosa multiflora), purple loosestrife (Lythrum salicaria), purple loosestrife (Lythrum virgatum), garlic mustard (Alliaria petiolata), oriental bittersweet (Celastrus orbiculatus), Japanese knotweed (Fallopia japonica), or Japanese hop (Humulus japonicus), including the seeds of those plants, in any form in this state. However, this subsection does not prohibit the sale, offer for sale, or distribution of the multiflora rose (Rosa multiflora) used for understock for either cultivated roses or ornamental shrubs in gardens.

2. Any person violating subsection 1 is subject to a fine not to exceed one hundred dollars.

[C75, 77, 79, 81, §317.25]

89 Acts, ch 193, §1; 90 Acts, ch 1111, §1; 91 Acts, ch 5, §1; 91 Acts, ch 258, §46; 2001 Acts, ch 91, §1; 2002 Acts, ch 1050, §31; 2013 Acts, ch 74, §1

Section amended

**317.26 Alternative remediation practices.**

The director of the department of natural resources, in cooperation with the secretary of agriculture and county conservation boards or the board of supervisors, shall develop and implement projects which utilize alternative practices in the remediation of noxious weeds and other vegetation within highway rights-of-way.

87 Acts, ch 225, §231

# CHAPTER 318

## OBSTRUCTIONS IN HIGHWAY RIGHTS-OF-WAY

Referred to in §306C.13, 307.24, 311.32, 331.362


318.1 Definitions.
318.2 Purpose.
318.3 Obstructions in highway right-of-way.
318.4 Duty of highway authorities.
318.5 Removal and cost.
318.6 Public nuisance.
318.7 Injunction to restrain obstructions.
318.8 Permit required.
318.9 Utility structures.
318.10 Fences.
318.11 Billboards and signs.
318.12 Enforcement.


**318.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the state department of transportation.
2. *"Highway authority"* means the county board of supervisors, in the case of secondary roads, and the department, in the case of primary roads.
3. *"Highway right-of-way"* means the total area of land, whether reserved by public ownership or easement, that is reserved for the operation and maintenance of a legally established public roadway. This area shall be deemed to consist of two portions, a central traveled way including the shoulders and that remainder on both sides of the road, between the outside shoulder edges and the outer boundaries of the right-of-way.
4. *"Obstruction"* means an obstacle in the highway right-of-way or an impediment or hindrance which impedes, opposes, or interferes with free passage along the highway right-of-way, not including utility structures installed in accordance with an approved permit.
5. *"Officer"* means any department employee, county employee, or elected county official.
6. *"Traveled portion of the right-of-way"* means that area of the highway right-of-way, not including the shoulders, on which vehicles normally travel.
7. *"Utility"* means all private, public, municipal, or cooperative owned systems for water, sewer, natural gas, electric, telegraph, telephone, transit, pipeline, heating plants, railroads, bridges, street lights, or traffic control signals.
8. *"Utility structures"* means the aboveground devices, required by a utility, including poles, lines, and wires, used for telephone, electric, natural gas, and other distribution or transmission purposes, and natural gas and electrical substations.

2006 Acts, ch 1097, §1

**318.2 Purpose.**

The purpose of this chapter is to enhance public safety for those traveling the public roads and allow economical maintenance of highway rights-of-way.

2006 Acts, ch 1097, §2

**318.3 Obstructions in highway right-of-way.**

A person shall not place, or cause to be placed, an obstruction within any highway right-of-way. This prohibition includes, but is not limited to, the following actions:

1. The excavation, filling, or making of any physical changes to any part of the highway right-of-way, except as provided under section 318.8.
2. The cultivation or growing of crops within the highway right-of-way.
3. The destruction of plants placed within the highway right-of-way.
4. The placing of fences or ditches within the highway right-of-way.
5. The alteration of ditches, water breaks, or drainage tiles within the highway right-of-way.
6. The placement of trash, litter, debris, waste material, manure, rocks, crops or crop residue, brush, vehicles, machinery, or other items within the highway right-of-way.
7. The placement of billboards, signs, or advertising devices within the highway right-of-way.
8. The placement of any red reflector, or any object or other device which shall cause the effect of a red reflector on the highway right-of-way which is visible to passing motorists.

2006 Acts, ch 1097, §3
Referred to in §318.6, 318.8
See also §318.5, 318.10, and 318.11

**318.4 Duty of highway authorities.**

The highway authority shall cause all obstructions in a highway right-of-way under its jurisdiction to be removed.

2006 Acts, ch 1097, §4

**318.5 Removal and cost.**

1. An obstruction in a highway right-of-way which constitutes an immediate and dangerous hazard shall, without notice or liability in damages, be removed by the highway authority.
2. An obstruction not constituting an immediate and dangerous hazard shall be removed

by the highway authority without liability after forty-eight-hour notice served in the same manner in which an original notice is served, or in writing by certified mail, or in any other manner reasonably calculated to apprise the person responsible for the obstruction that the obstruction will be removed at the person's expense. The highway authority shall assess the removal cost.

3. Upon removal of the obstruction, the highway authority may immediately send a statement of the cost to the person responsible for the obstruction. If within ten days after sending the statement the cost is not paid, the highway authority may institute legal proceedings to collect the cost of removal. The removal costs shall be assessed against the following persons, as applicable:

*a.* The vehicle owner in the case of an abandoned vehicle.

*b.* The abutting property owner in the case of a fence, other than a right-of-way line fence, or other temporary obstruction placed within the highway right-of-way by the owner or tenant of the abutting property.

*c.* The owner or person responsible for placement of any other obstruction.

4. All removals shall be without liability on the part of any officer ordering or effecting such removal.

2006 Acts, ch 1097, §5
Referred to in §68A.406, 318.9, 318.10
Manner of service, R.C.P. 1.302 – 1.315

**318.6 Public nuisance.**

1. Any person who places, or causes to be placed, any obstruction in a highway right-of-way as prohibited under section 318.3 is deemed to have created a public nuisance punishable as provided in chapter 657.

2. If a person is found guilty of placing an obstruction within a highway right-of-way, the court may, in addition to any fine imposed, or judgment for damages or costs for which a separate execution may issue, order that the obstruction be abated or removed at the expense of the defendant. The costs for abatement or removal of the obstruction may be entered as a personal judgment against the defendant or assessed against the property where the obstruction occurred, or both.

2006 Acts, ch 1097, §6

**318.7 Injunction to restrain obstructions.**

A highway authority may maintain a suit in equity aided by injunction to restrain an obstruction in a highway right-of-way. In such actions, the highway authority may cause the legal boundary lines of the highway to be adjudicated provided all interested parties are impleaded.

2006 Acts, ch 1097, §7

**318.8 Permit required.**

A person shall not excavate, fill, or make a physical change within a highway right-of-way without obtaining a permit from the applicable highway authority. At the request of a permittee, a modification may be granted in the discretion of the highway authority. Work performed under the permit shall be performed in conformity with the specifications prescribed by the highway authority. If the work does not conform to permit specifications, the person shall be notified to make the conforming changes. If after twenty days the changes have not been made, the highway authority may make the necessary changes and immediately send a statement of the cost to the responsible person. If within thirty days after sending the statement the cost is not paid, the highway authority may institute legal proceedings to collect the cost of correction. A violation of the permit specifications shall be considered a violation of section 318.3. A public utility subject to section 306A.3 is exempt from this section.

2006 Acts, ch 1097, §8
Referred to in §318.3

**318.9 Utility structures.**

1. *a.* A utility structure in a highway right-of-way used for telephone, electric, natural gas, or other distribution or transmission purposes shall be removed by the owner or operator of the transmission lines upon written notice from the highway authority of not less than ninety days, to the owner and operator. The notice shall, with reasonable certainty, specify the utility structure to be removed and shall be served in the same manner that original notices are required to be served. If the owner or operator of the transmission line is unable to remove the utility structure within the required time due to circumstances beyond the control of the owner or operator, the owner or operator shall file a request with the highway authority for an extension of time to complete the work.

*b.* If the owner or operator of a transmission line needs authorization from the utilities board or other governmental authority to relocate a utility structure or to obtain a new private easement right for relocation of the utility structure, the owner or operator shall request an extension of time within which to remove the utility structure. The highway authority shall grant an extension of time for at least ninety days following the date authorization is granted or the easement right is obtained.

2. Upon written application, the highway authority shall locate the construction of new telephone, electric, or transmission lines or parts of lines, including natural gas pipeline, for the roads within the highway authority's jurisdiction, subject to the jurisdiction of the utilities board under chapters 476, 478, and 479, as follows:

*a.* The county engineer, or the board of supervisors if a county engineer is not available, shall locate the lines for secondary roads.

*b.* The department shall locate the lines for primary roads.

3. The department and the county engineer, or the board of supervisors if a county engineer is not available, may designate the location of a utility structure within a highway right-of-way. A utility structure that is not properly located within the highway right-of-way shall be removed within a time prescribed to a designated location. If not so removed, the highway authority may remove the utility structure and recover costs as provided in section 318.5.

2006 Acts, ch 1097, §9

Referred to in §306.46

Manner of service, R.C.P. 1.302 – 1.315

**318.10 Fences.**

1. A fence which constitutes an immediate and dangerous hazard shall, without notice or liability in damages, be removed by the highway authority. In all other cases where a fence is an obstruction in a highway right-of-way, notice in writing of not less than thirty days shall be given to the owner, occupant, or agent of the land enclosed by the fence.

2. The notice shall, with reasonable certainty, specify the line to which the fences shall be removed and shall be served in the same manner that original notices are required to be served, or in writing by certified mail, or in any other manner reasonably calculated to apprise the person responsible for the fence.

3. The department and the county engineer, or the board of supervisors if a county engineer is not available, may designate the location of a fence within a highway right-of-way. A fence that is not properly located within the highway right-of-way shall be removed within a time prescribed to a designated location. If not so removed, the highway authority may remove the fences and recover costs as provided in section 318.5.

2006 Acts, ch 1097, §10

Manner of service. R.C.P. 1.302 – 1.315

**318.11 Billboards and signs.**

1. No billboard or advertising sign or device, except a sign or device authorized by law or approved by the highway authority, shall be placed or erected upon a highway right-of-way.

2. A billboard or advertising sign, whether on public or private property, that obstructs the view of any portion of a public highway or of a railway track making the use of the traveled portion of the right-of-way dangerous is a public nuisance and shall be abated. The person

responsible for the erection and maintenance of the billboard or sign may be punished as provided in chapter 657.

2006 Acts, ch 1097, §11
Referred to in §331.756(57)

**318.12 Enforcement.**

A highway authority shall enforce the provisions of this chapter by appropriate civil or criminal proceeding or by both such proceedings.

2006 Acts, ch 1097, §12
Nuisances in general, chapter 657

# CHAPTER 319

## OBSTRUCTIONS IN HIGHWAYS

Repealed by 2006 Acts, ch 1097, §19; see chapter 318

# CHAPTER 320

## USE OF HIGHWAYS FOR SIDEWALKS, SERVICE MAINS, OR CATTLEWAYS

Referred to in §307.24


320.1 Construction of sidewalks in certain school districts.
320.2 Assessment of costs.
320.3 Repairs.
320.4 Water and gas mains, sidewalks, and cattleways.
320.5 Term of grant.
320.6 Conditions — damages.
320.7 Failure to maintain.
320.8 Penalty.


**320.1 Construction of sidewalks in certain school districts.**

Where an independent or community school district has within its limits a city of one hundred twenty-five thousand population or more, and has a schoolhouse located outside the city limits of such city and outside the limits of any city, the board of supervisors of the county in which such school district is located shall upon the filing of a petition signed by the owners of at least seventy-five percent of the property which will be assessed, order the construction or reconstruction of a permanent sidewalk not less than four feet in width along the highway adjacent to the property described and leading to such schoolhouse.

[C27, 31, 35, §4857-b1; C39, §**4857.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §320.1]
Referred to in §331.362

**320.2 Assessment of costs.**

Said work shall be undertaken and consummated and the cost thereof assessed to the abutting property in the manner and method and with the same effect as provided for the construction of sidewalks and the assessment of the costs thereof against benefited property by city councils within the limits of a city.

[C27, 31, 35, §4857-b2; C39, §**4857.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §320.2]
Referred to in §331.362

**320.3 Repairs.**

After the construction of such sidewalk the board of supervisors shall keep the same in repair and assess and certify the cost thereof in the same manner and to the same extent in which like repairs are assessed and certified by city councils.

[C27, 31, 35, §4857-b3; C39, §**4857.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §320.3]
Referred to in §331.362

**320.4 Water and gas mains, sidewalks, and cattleways.**

The state department of transportation in case of primary roads, and the board of supervisors in case of secondary roads, on written application designating the particular highway and part of the highway, the use of which is desired, may grant permission:

1. To lay gas mains in highways outside cities to local municipal distributing plants or companies, but not to pipeline companies. This section shall not apply to or include pipeline companies required to obtain a license from the utilities division of the department of commerce.
2. To construct and maintain cattleways over or under such highways.
3. To construct sidewalks on and along such highways.
4. To lay water mains in, under, or along highways.

[C97, §1524; S13, §1527-e; SS15, §1527-b; C24, 27, 31, 35, 39, §**4858;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §320.4]

Referred to in §320.5, 331.362, 589.29

Legalizing Act for water mains laid prior to July 1, 1979; see §589.29

**320.5 Term of grant.**

A grant made under section 320.4 shall be on such reasonable conditions as the state department of transportation or the board of supervisors may exact, and on such conditions as the general assembly may prescribe.

[C97, §1524; S13, §1527-e; C24, 27, 31, 35, 39, §**4859;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §320.5]

2001 Acts, ch 32, §11

Referred to in §331.362

**320.6 Conditions — damages.**

Such mains, pipes, and cattleways shall be so erected and maintained as not to interfere with public travel or with the future improvement of the highway. The owner of such mains, pipes, and cattleways shall be responsible for all damages arising from the laying, maintenance, or erection of the same or from the same not being kept in a proper state of repair.

The location of such mains or pipes shall be changed, on reasonable notice, when such change shall be necessary in the improvement or maintenance of the highway.

[C97, §1524; S13, §1527-e; SS15, §1527-b; C24, 27, 31, 35, 39, §**4860;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §320.6]

Referred to in §331.362

**320.7 Failure to maintain.**

Failure of the grantee to comply with the terms of the grant shall be ground for forfeiture of the grant.

[C24, 27, 31, 35, 39, §**4861;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §320.7]

Referred to in §331.362

**320.8 Penalty.**

Failure to comply with any of the conditions of said grant, whether made such by statute or by agreement, or the laying of any such mains, or the constructing of any such cattleways, without having secured the grant of permission as provided by law shall be deemed a simple misdemeanor. It shall be the duty of the state department of transportation and of the board of supervisors, as regards the highways under their respective jurisdictions, to enforce the provisions of this section and the laws relating thereto.

[S13, §1527-d; C24, 27, 31, 35, 39, §**4862;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §320.8]

Referred to in §331.362

# SUBTITLE 2

## VEHICLES

# CHAPTER 321

## MOTOR VEHICLES AND LAW OF THE ROAD

Referred to in §7.10, 103A.55, 123.46, 123.47, 135B.34, 135C.33, 232.8, 307.27, 312.1, 312.7, 321A.3, 321E.29, 321F.8, 321G.9, 321H.2, 321I.1, 321I.31, 321J.4B, 321J.20, 321M.1, 321M.2, 321M.6, 322.2, 322.4, 322.9, 322.29, 322A.1, 322C.4, 322C.6, 326.5, 326.6, 326.11, 326.12, 326.22, 326.30, 331.362, 422.11N, 423.1, 423B.4, 435.26A, 462A.33, 516E.1, 535.2, 554.9311, 554.9503, 554.13104, 602.8106, 690.2, 692.1, 692A.101, 707.6A, 714.2, 805.6, 805.8A(14i), 805.9, 805.16, 809.1, 809A.3, 811.9, 903.1, 910.1

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## GENERAL PROVISIONS

**321.1 Definitions of words and phrases.**

The following words and phrases when used in this chapter shall, for the purpose of this chapter, have the meanings respectively ascribed to them.

1. *"Agricultural hazardous material"* means a hazardous material, other than hazardous waste, whose end use directly supports the production of an agricultural commodity, including, but not limited to, a fertilizer, pesticide, soil conditioner, or fuel. *"Agricultural hazardous material"* is limited to material in class 3, 8, or 9, division 2.1, 2.2, 5.1, or 6.1, or an ORM-D material as defined in 49 C.F.R. § 171.8.

1A. *"Alcohol concentration"* means the number of grams of alcohol per any of the following:

*a.* One hundred milliliters of blood.

*b.* Two hundred ten liters of breath.

*c.* Sixty-seven milliliters of urine.

2. *"Alcoholic beverage"* includes alcohol, wine, spirits, beer, or any other beverage which contains ethyl alcohol and is fit for human consumption.

3. *"Alley"* means a thoroughfare laid out, established, and platted as such, by constituted authority.

4. *"All-terrain vehicle"* means a motor vehicle designed to travel on three or more wheels and designed primarily for off-road recreational use. *"All-terrain vehicle"* includes off-road utility vehicles, but does not include farm tractors or equipment, construction equipment, forestry vehicles, or lawn and grounds maintenance vehicles.

5. *"Ambulance"* means a motor vehicle which is equipped with life support systems and used to transport sick and injured persons who require emergency medical care to medical facilities.

6. *"Authorized emergency vehicle"* means vehicles of the fire department, police vehicles, ambulances, and emergency vehicles owned by the United States, this state, any subdivision of this state, or any municipality of this state, and privately owned vehicles as are designated or authorized by the director of transportation under section 321.451.

6A. *"Bona fide business address"* means the current street or highway address of a firm, association, or corporation.

6B. *"Bona fide residence"* or *"bona fide address"* means the current street or highway address of an individual's residence. The bona fide residence of a person with more than one dwelling is the dwelling for which the person claims a homestead tax credit under chapter 425, if applicable. The bona fide residence of a homeless person is a primary nighttime residence meeting one of the criteria listed in section 48A.2, subsection 2.

7. *"Business district"* means the territory contiguous to and including a highway when fifty percent or more of the frontage thereon for a distance of three hundred feet or more is occupied by buildings in use for business.

7A. *"Business-trade truck"* means a model year 2010 or newer motor truck with an unladen weight of ten thousand pounds or less which is owned by a corporation, limited liability company, or partnership or by a person who files a schedule C or schedule F form with the federal internal revenue service and which is eligible for depreciation under § 167 of the Internal Revenue Code. If the motor truck is a leased vehicle, the motor truck is a business-trade truck only if the lessee is a corporation, limited liability company, or partnership and the truck is used primarily for purposes of the business operations of the corporation, limited liability company, or partnership or the lessee is a person who files a schedule C or schedule F form with the federal internal revenue service and the truck is used primarily for purposes of the person's own business or farming operation.

8. *"Chauffeur"* means a person who operates a motor vehicle, including a school bus, in the transportation of persons for wages, compensation, or hire, or a person who operates a truck tractor, road tractor, or a motor truck which has a gross vehicle weight rating exceeding sixteen thousand pounds.

*a.* A person is not a chauffeur when the operation of the motor vehicle, other than a truck tractor, by the owner or operator is occasional and merely incidental to the owner's or operator's principal business.

*b.* A person is not a chauffeur when the operation is by a volunteer fire fighter operating fire apparatus, or is by a volunteer ambulance or rescue squad attendant operating ambulance or rescue squad apparatus. If a volunteer fire fighter or ambulance or rescue squad operator receives nominal compensation not based upon the value of the services performed, the fire fighter or operator shall be considered to be receiving no compensation and classified as a volunteer.

*c.* If authorized to transport inmates, probationers, parolees, or work releasees by the director of the Iowa department of corrections or the director's designee, an employee of

the Iowa department of corrections or a district department of correctional services is not a chauffeur when transporting the inmates, probationers, parolees, or work releasees.

*d.* A farmer or the farmer's hired help is not a chauffeur when operating a truck, other than a truck tractor, owned by the farmer and used exclusively in connection with the transportation of the farmer's own products or property.

*e.* If authorized to transport patients or clients by the director of the department of human services or the director's designee, an employee of the department of human services is not a chauffeur when transporting the patients or clients in an automobile.

*f.* A person is not a chauffeur when the operation is by a home care aide in the course of the home care aide's duties.

*g.* If authorized to transport students or clients by the superintendent of the Iowa braille and sight saving school or of the Iowa school for the deaf, or the superintendent's respective designee, an employee of the Iowa braille and sight saving school or the Iowa school for the deaf is not a chauffeur when transporting the students or clients.

*h.* If authorized to transport patients or residents of the Iowa veterans home by the commandant or the commandant's designee, an employee of or volunteer at the Iowa veterans home is not a chauffeur when transporting the patients or residents in an automobile in the course of the employee's or volunteer's normal duties.

9. *"Combination"* or *"combination of vehicles"* shall be construed to mean a group consisting of two or more motor vehicles, or a group consisting of a motor vehicle and one or more trailers, semitrailers or vehicles, which are coupled or fastened together for the purpose of being moved on the highways as a unit.

10. *a.* *"Combined gross weight"* means the gross weight of a combination of vehicles.

*b.* *"Gross combination weight rating"* means the combined gross vehicle weight ratings for each vehicle in a combination of vehicles. In the absence of a weight specified by the manufacturer for a towed vehicle, the gross vehicle weight rating of the towed vehicle is its gross weight.

11. For purposes of administering and enforcing the commercial driver's license provisions:

*a.* *"Commercial driver"* means the operator of a commercial motor vehicle.

*b.* *"Commercial driver's license"* means a driver's license valid for the operation of a commercial motor vehicle.

*c.* *"Commercial driver's license information system"* means the national information system established to serve as a clearinghouse for locating information related to the licensing and identification of commercial motor vehicle drivers.

*d.* *"Commercial motor carrier"* means a person responsible for the safe operation of a commercial motor vehicle.

*e.* *"Commercial motor vehicle"* means a motor vehicle or combination of vehicles used to transport passengers or property if any of the following apply:

(1) The combination of vehicles has a gross combination weight rating of twenty-six thousand one or more pounds provided the towed vehicle or vehicles have a gross weight rating or gross combination weight rating of ten thousand one or more pounds.

(2) The motor vehicle has a gross vehicle weight rating of twenty-six thousand one or more pounds.

(3) The motor vehicle is designed to transport sixteen or more persons, including the operator, or is of a size and design to transport sixteen or more persons, including the operator, but is redesigned or modified to transport less than sixteen persons with disabilities.

(4) The motor vehicle is used in the transportation of hazardous material of a type or quantity requiring vehicle placarding.

*f.* *"Employer"* means any person, including the United States, a state, the District of Columbia, or a political subdivision of a state, who owns or leases a commercial motor vehicle or assigns an employee to operate such a vehicle.

*g.* *"Foreign jurisdiction"* means a jurisdiction outside the fifty United States, the District of Columbia, and Canada.

*h.* *"Nonresident commercial driver's license"* means a commercial driver's license issued to a person who is not a resident of the United States or Canada.

*i.* *"Tank vehicle"* means a commercial motor vehicle that is designed to transport any liquid or gaseous materials within a tank that is either permanently or temporarily attached to the vehicle or chassis. For purposes of this paragraph, *"tank"* does not include a portable tank with a rated capacity of less than one thousand gallons or a permanent tank with a rated capacity of one hundred nineteen gallons or less.

12. *"Commercial vehicle"* means a vehicle or combination of vehicles designed principally to transport passengers or property of any kind if any of the following apply:

*a.* The vehicle or any combination of vehicles has a gross weight or combined gross weight of ten thousand one or more pounds.

*b.* The vehicle or any combination of vehicles has a gross vehicle weight rating or gross combination weight rating of ten thousand one or more pounds.

*c.* The vehicle is designed to transport sixteen or more persons, including the driver.

*d.* The vehicle is used in the transportation of hazardous material of a type or quantity requiring vehicle placarding.

12A. *"Completed motor vehicle"* means a motor vehicle which does not require any additional manufacturing operations to perform its intended function except the addition of readily attachable equipment, components, or minor finishing operations. *"Completed motor vehicle"* also includes a glider kit vehicle.

13. *"Component part"* means any part of a vehicle, other than a tire, having a component part number.

14. *"Component part number"* means the vehicle identification derivative consisting of numerical and alphabetical designations affixed to a component part by the manufacturer or the department or affixed by, or caused to be affixed by, the owner pursuant to rules promulgated by the department as a means of identifying the component part.

15. *"Conviction"* means a final conviction, including but not limited to a plea of guilty or nolo contendere accepted by the court; a final administrative ruling or determination; or an unvacated forfeiture of bail or collateral deposited to secure a person's appearance in court.

15A. *"Crane"* means a machine for raising, shifting, and lowering heavy weights by means of a projecting swinging arm.

16. *"Crosswalk"* means that portion of a roadway ordinarily included within the prolongation or connection of the lateral lines of sidewalks at intersections, or any portion of a roadway distinctly indicated for pedestrian crossing by lines or other markings on the surface.

17. *"Dealer"* means every person engaged in the business of buying, selling, or exchanging vehicles of a type required to be registered hereunder and who has an established place of business for such purpose in this state. *"Dealer"* includes those persons required to be licensed as dealers under chapters 322 and 322C.

18. *"Demolisher"* means any agency or person whose business is to convert a vehicle to junk, processed scrap, or scrap metal, or otherwise to wreck or dismantle vehicles.

19. *"Department"* means the state department of transportation. *"Commission"* means the state transportation commission.

20. *"Director"* means the director of the state department of transportation or the director's designee.

20A. *"Driver's license"* means any license or permit issued to a person to operate a motor vehicle on the highways of this state, including but not limited to a temporary restricted or temporary license and an instruction, chauffeur's instruction, commercial driver's instruction, or temporary permit. For purposes of license suspension, revocation, bar, disqualification, cancellation, or denial under this chapter and chapters 321A, 321C, and 321J, *"driver's license"* includes any privilege to operate a motor vehicle.

20B. *"Electric personal assistive mobility device"* means a self-balancing, nontandem two-wheeled device powered by an electric propulsion system that averages seven hundred fifty watts and is designed to transport one person, with a maximum speed on a paved level surface of less than twenty miles per hour. The maximum speed shall be calculated based on operation of the device by a person who weighs one hundred seventy pounds when the

device is powered solely by the electric propulsion system. For purposes of this chapter, *"electric personal assistive mobility device"* does not include an assistive device as defined in section 216E.1.

21. *"Endorsement"* means an authorization to a person's driver's license required to permit the person to operate certain types of motor vehicles or to transport certain types or quantities of hazardous materials.

22. *"Essential parts"* mean all integral and body parts of a vehicle of a type required to be registered hereunder, the removal, alteration, or substitution of which would tend to conceal the identity of the vehicle or substantially alter its appearance, model, type, or mode of operation.

23. *"Established place of business"* means the place actually occupied either continuously or at regular periods by a dealer or manufacturer where the dealer's or manufacturer's books and records are kept and a large share of the dealer's or manufacturer's business is transacted.

24. *"Farm tractor"* means every motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines, and other implements of husbandry.

24A. *"Fence-line feeder"* means a vehicle used exclusively for the mixing and dispensing of nutrients to bovine animals at a feedlot.

24B. *"Financial liability coverage"* means any of the following:

*a.* An owner's policy of liability insurance which is issued by an insurance carrier authorized to do business in Iowa to or for the benefit of the person named in the policy as insured, and insuring the person named as insured and any person using an insured motor vehicle with the express or implied permission of the named insured against loss from liability imposed by law for damages arising out of the ownership, maintenance, or use of an insured motor vehicle within the United States of America or Canada, but subject to minimum limits, exclusive of interest and costs, in the amounts specified in section 321A.21 or specified in another provision of the Code, whichever is greater.

*b.* A bond filed with the department pursuant to section 321A.24.

*c.* A certificate of deposit filed with the department as provided in section 321A.25.

*d.* A valid certificate of self-insurance issued by the department pursuant to section 321A.34.

25. *"Fire vehicle"* means a motor vehicle which is equipped with pumps, tanks, hoses, nozzles, ladders, generators, or other fire apparatus used to transport fire personnel, fight fires, and respond to emergencies.

26. *"Foreign vehicle"* means every vehicle of a type required to be registered hereunder brought into this state from another state, territory, or country other than in the ordinary course of business by or through a manufacturer or dealer and not registered in this state.

27. The linear measure of the plot of ground upon which the building is located abutting upon the highway shall be deemed *"frontage occupied by the building"*, and the phrase *"frontage on such highway for a distance of three hundred feet or more"* shall mean the total frontage on both sides of the highway for such distance.

28. *"Garage"* means every place of business where motor vehicles are received for housing, storage, or repair for compensation.

28A. *"Glider kit vehicle"* means a commercial motor vehicle, as defined in subsection 11, that is a combination of a new cab and a new frame with an engine, transmission, and drive axle that are not new such that the resulting vehicle is not a newly manufactured vehicle pursuant to 49 C.F.R. § 571.7(e).

28B. *"Grain cart"* means a vehicle with a nonsteerable single or tandem axle designed to move grain.

29. *a.* *"Gross weight"* means the empty weight of a vehicle plus the maximum load to be carried by the vehicle. The maximum load to be carried by a passenger-carrying vehicle shall be determined by multiplying one hundred fifty pounds by the number of passenger seats carried by such vehicle.

*b.* *"Unladen weight"* means the weight of a vehicle or vehicle combination without load.

*c.* *"Gross vehicle weight rating"* means the weight specified by the manufacturer as the loaded weight of a single vehicle.

30. *"Guaranteed arrest bond certificate"* means any printed, unexpired certificate issued by an automobile club or association to any of its members, or any printed, unexpired certificate issued by an insurance company authorized to write automobile liability insurance within this state, which certificate is signed by such member or insured and contains a printed statement that such automobile club, association, or insurance company and a surety company which is doing business in this state under the provisions of section 515.48, subsection 2, guarantee the appearance of the person whose signature appears on the certificate and that they will, in the event of failure of such person to appear in court at the time of trial, pay any fine or forfeiture imposed on such person in an amount not to exceed one thousand dollars. If such insurance company is itself qualified under the provisions of section 515.48, subsection 2, the insurance company may be its own surety. Bail in this form shall be subject to the forfeiture and enforcement provisions with respect to bail bonds in criminal cases as provided by law.

31. *"Hazardous material"* means a substance or material which has been determined by the United States secretary of transportation to be capable of posing an unreasonable risk to health, safety, and property when transported in commerce, and which has been so designated.

32. *"Implement of husbandry"* means a vehicle or special mobile equipment manufactured, designed, or reconstructed for agricultural purposes and, except for incidental uses, exclusively used in the conduct of agricultural operations. *"Implements of husbandry"* includes all-terrain vehicles operated in compliance with section 321.234A, subsection 1, paragraph *"a"*, fence-line feeders, and vehicles used exclusively for the application of organic or inorganic plant food materials, organic agricultural limestone, or agricultural chemicals. To be considered an implement of husbandry, a self-propelled implement of husbandry must be operated at speeds of thirty-five miles per hour or less. *"Reconstructed"* as used in this subsection means materially altered from the original construction by the removal, addition, or substitution of essential parts, new or used.

A vehicle covered under this subsection, if it otherwise qualifies, may be operated as special mobile equipment and under such circumstances this subsection shall not be applicable to such vehicle, and such vehicle shall not be required to comply with sections 321.384 through 321.423, when such vehicle is moved during daylight hours; however, the provisions of section 321.383 shall remain applicable to such vehicle.

33. *"Intersection"* means the area embraced within the prolongation or connection of the lateral curb lines, or, if none, then the lateral boundary lines of the roadways of two highways which join one another at, or approximately at, right angles, or the area within which vehicles traveling upon different highways joining at any other angle may come in conflict.

34. *"Laned highway"* means a highway the roadway of which is divided into three or more clearly marked lanes for vehicular traffic.

35. *"Light delivery truck"*, *"panel delivery truck"*, or *"pickup"* means any motor vehicle designed to carry merchandise or freight of any kind, not to exceed two thousand pounds.

36. *"Local authorities"* means every county, municipal, and other local board or body having authority to adopt local police regulations under the Constitution and laws of this state.

36A. *"Low-speed vehicle"* means a motor vehicle manufactured in compliance with the national highway and traffic safety administration standards for low-speed vehicles in 49 C.F.R. § 571.500. A low-speed vehicle which is in compliance with the equipment requirements in 49 C.F.R. § 571.500 shall be deemed to be in compliance with all equipment requirements of this chapter.

36B. *"Manufactured home"* is a factory-built structure constructed under authority of 42 U.S.C. § 5403, which is required by federal law to display a seal from the United States department of housing and urban development, and was constructed on or after June 15, 1976.

36C. *a. "Manufactured or mobile home"* means any vehicle without motive power used or so manufactured or constructed as to permit its being used as a conveyance upon the public streets and highways and so designed, constructed, or reconstructed as will permit the vehicle to be used as a place for human habitation by one or more persons.

*b.* *"Travel trailer"* means a vehicle without motive power used, manufactured, or constructed to permit its use as a conveyance upon the public streets and highways and designed to permit its use as a place of human habitation by one or more persons. The vehicle may be up to eight feet six inches in width and its overall length shall not exceed forty feet. The vehicle shall be customarily or ordinarily used for vacation or recreational purposes and not used as a place of permanent habitation. If the vehicle is used in this state as a place of human habitation for more than ninety consecutive days in one location it shall be classed as a manufactured or mobile home regardless of the size limitations provided in this paragraph.

*c.* *"Fifth-wheel travel trailer"* means a type of travel trailer which is towed by a pickup by a connecting device known as a fifth wheel. However, this type of travel trailer may have an overall length which shall not exceed forty feet.

*d.* *"Motor home"* means a motor vehicle designed as an integral unit to be used as a conveyance upon the public streets and highways and for use as a temporary or recreational dwelling and having at least four, two of which shall be systems specified in subparagraphs (1), (4), or (5) of this paragraph, of the following permanently installed systems which meet American national standards institute and national fire protection association standards in effect on the date of manufacture:

(1) Cooking facilities.

(2) Ice box or mechanical refrigerator.

(3) Potable water supply including plumbing and a sink with faucet either self-contained or with connections for an external source, or both.

(4) Self-contained toilet or a toilet connected to a plumbing system with connection for external water disposal, or both.

(5) Heating or air conditioning system or both, separate from the vehicle engine or the vehicle engine electrical system.

(6) A one hundred ten – one hundred fifteen volt alternating current electrical system separate from the vehicle engine electrical system either with its own power supply or with a connection for an external source, or both, or a liquefied petroleum system and supply.

37. *"Manufacturer"* means every person engaged in the business of fabricating or assembling vehicles of a type required to be registered. *"Manufacturer"* does not include a person who converts, modifies, or alters a completed motor vehicle manufactured by another person or a person who assembles a glider kit vehicle. *"Manufacturer"* includes a person who uses a completed motor vehicle manufactured by another person to construct a class "B" motor home as defined in section 321.124.

38. *"Metal tire"* means every tire the surface of which in contact with the highway is wholly or partly of metal or other hard, nonresilient material.

39. Reserved.

40. *a.* *"Motorcycle"* means every motor vehicle having a saddle or seat for the use of the rider and designed to travel on not more than three wheels in contact with the ground including a motor scooter but excluding a tractor and a motorized bicycle.

*b.* *"Motorized bicycle"* means a motor vehicle having a saddle or a seat for the use of a rider, designed to travel on not more than three wheels in contact with the ground, and not capable of operating at a speed in excess of thirty miles per hour on level ground unassisted by human power.

*c.* *"Bicycle"* means either of the following:

(1) A device having two wheels and having at least one saddle or seat for the use of a rider which is propelled by human power.

(2) A device having two or three wheels with fully operable pedals and an electric motor of less than seven hundred fifty watts (one horsepower), whose maximum speed on a paved level surface, when powered solely by such a motor while ridden, is less than twenty miles per hour.

41. *"Motor truck"* means every motor vehicle designed primarily for carrying livestock, merchandise, freight of any kind, or over nine persons as passengers.

42. *a.* *"Motor vehicle"* means a vehicle which is self-propelled and not operated upon rails.

*b.* *"Used motor vehicle"* or *"secondhand motor vehicle"* or *"used car"* means a motor

vehicle of a type subject to registration under the laws of this state which has been sold *"at retail"* as defined in chapter 322 and previously registered in this or any other state.

*c.* *"New motor vehicle or new car"* means a motor vehicle subject to registration which has not been sold "at retail" as defined in chapter 322.

*d.* *"Car"* or *"automobile"* means a motor vehicle designed primarily for carrying nine passengers or less, excluding motorcycles and motorized bicycles.

43. Reserved.

44. *"Multipurpose vehicle"* means a motor vehicle designed to carry not more than ten people, and constructed either on a truck chassis or with special features for occasional off-road operation.

45. *"Nonresident"* means every person who is not a resident of this state.

46. *"Official traffic-control devices"* means all signs, signals, markings, and devices not inconsistent with this chapter placed or erected by authority of a public body or official having jurisdiction, for the purpose of regulating, warning, or guiding traffic.

47. *"Official traffic-control signal"* means any device, whether manually, electrically or mechanically operated, by which traffic is alternately directed to stop and to proceed.

47A. *"Off-road utility vehicle"* means a motorized flotation-tire vehicle with not less than four and not more than eight low-pressure tires that is limited in engine displacement to less than one thousand five hundred cubic centimeters and in total dry weight to not more than one thousand eight hundred pounds and that has a seat that is of bucket or bench design, not intended to be straddled by the operator, and a steering wheel or control levers for control.

48. *"Operator"* or *"driver"* means every person who is in actual physical control of a motor vehicle upon a highway.

49. *"Owner"* means a person who holds the legal title of a vehicle, or in the event a vehicle is the subject of a security agreement with an immediate right of possession vested in the debtor, then such debtor shall be deemed the owner for the purpose of this chapter.

50. *"Peace officer"* means every officer authorized to direct or regulate traffic or to make arrests for violations of traffic regulations in addition to its meaning in section 801.4.

51. *"Pedestrian"* means any person afoot.

52. *"Person"* means every natural person, firm, partnership, association, or corporation. Where the term "person" is used in connection with the registration of a motor vehicle, it shall include any corporation, association, partnership, company, firm, or other aggregation of individuals which owns or controls such motor vehicle as actual owner, or for the purpose of sale or for renting, whether as agent, salesperson, or otherwise.

53. *"Pneumatic tire"* means every tire in which compressed air is designed to support the load.

54. *"Private road"* or *"driveway"* means every way or place in private ownership and used for vehicular travel by the owner and those having express or implied permission from the owner but not by other persons.

54A. *"Product identification number"* or the acronym PIN means a group of unique numerical or alphabetical designations assigned to a complete fence-line feeder, grain cart, or tank wagon by the manufacturer or by the department and affixed to the vehicle, pursuant to rules adopted by the department, as a means of identifying the vehicle or the year of manufacture.

54B. *"Proof of financial liability coverage card"* means either a liability insurance card issued under section 321.20B, a bond insurance card issued under section 321A.24, a security insurance card issued under section 321A.25, or a self-insurance card issued under section 321A.34.

55. *"Railroad"* means a carrier of persons or property upon cars operated upon stationary rails.

56. *"Railroad corporation"* means any corporation organized under the laws of this state or any other state for the purpose of operating the railroad within this state.

57. *"Railroad sign"* or *"signal"* means any sign, signal, or device erected by authority of a public body or official or by a railroad and intended to give notice of the presence of railroad tracks or the approach of a railroad train.

58. *"Railroad train"* means an engine or locomotive with or without cars coupled thereto, operated upon rails.

59. *"Reconstructed vehicle"* means every vehicle of a type required to be registered under this chapter materially altered from its original construction by the removal, addition, or substitution of essential parts, new or used. *"Reconstructed vehicle"* does not include a street rod, replica vehicle, or glider kit vehicle.

59A. *"Registration fees"*, unless otherwise specified, means both the annual vehicle registration fee and the fee for new registration, to the extent applicable, for purposes of administering the provisions of this chapter concerning vehicle registration fees.

60. *"Registration year"* means the period of twelve consecutive months beginning on the first day of the month following the month of the birth of the owner of the vehicle for vehicles registered by the county treasurer, except that *"registration year"* means the calendar year for motor trucks and truck tractors which are registered by the county treasurer in two equal semiannual installments pursuant to sections 321.120, 321.121, and 321.122, and *"registration year"* means the period of twelve consecutive months, as determined by the owner, for motor trucks and truck tractors that are registered by the county treasurer on an annual basis pursuant to sections 321.120, 321.121, and 321.122. For leased vehicles registered by the county treasurer, except for motor trucks and truck tractors registered pursuant to sections 321.120, 321.121, and 321.122, *"registration year"* means the period of twelve consecutive months beginning on the first day of the month following the month in which the lease expires. For vehicles registered under chapter 326, *"registration year"* means the twelve-month period determined by the department pursuant to section 326.14.

61. *"Replica vehicle"* means any completed motor vehicle other than a motorcycle or motorized bicycle with a gross vehicle weight rating of less than ten thousand pounds consisting of a body, frame, and other essential parts, assembled as a reproduction of a vehicle originally manufactured by a generally recognized manufacturer of motor vehicles with the substitution or addition of essential parts to update the vehicle for purposes of safety, performance, or reliability. For purposes of vehicle registration, the model year of a replica vehicle shall be the same as the model year of the motor vehicle that it is designed to resemble.

62. *"Rescue vehicle"* means a motor vehicle which is equipped with rescue, fire, or life support equipment used to assist and rescue persons in emergencies or support emergency personnel in the performance of their duties.

63. *"Residence district"* means the territory within a city contiguous to and including a highway, not comprising a business, suburban, or school district, where forty percent or more of the frontage on such highway for a distance of three hundred feet or more is occupied by dwellings or by dwellings and buildings in use for business.

63A. *"Retractable axle"* means an axle designed with the capability of manipulation or adjustment of the weight on the axle.

64. *"Right-of-way"* means the privilege of the immediate use of the highway.

64A. *"Road tractor"* means every motor vehicle designed and used for drawing other vehicles and not so constructed as to carry any load thereon either independently or any part of the weight of a vehicle or load so drawn.

65. *"Roadway"* means that portion of a highway improved, designed, or ordinarily used for vehicular travel.

66. *"Road work zone"* means the portion of a highway which is identified by posted or moving signs as the site of construction, maintenance, survey, or utility work. The zone starts upon meeting the first sign identifying the zone and continues until a posted or moving sign indicates that the work zone has ended.

67. *"Rural residence district"* means an unincorporated area established by a county board of supervisors which is contiguous to and including a secondary highway, not comprising a business district, where forty percent or more of the frontage of the highway for a distance of three hundred feet or more is occupied by dwellings or by dwellings and buildings in use for business. For purposes of this subsection, farm houses and farm buildings are not to be considered.

68. *"Safety zone"* means the area or space officially set apart within a roadway for the

exclusive use of pedestrians and which is protected or so marked or indicated by adequate signs as to be plainly visible at all times while set apart as a safety zone.

68A. *"Salvage pool"* means the business of selling at auction wrecked or salvage vehicles, as defined in section 321.52.

69. *"School bus"* means every vehicle operated for the transportation of children to or from school, except vehicles which are:

*a.* Privately owned and not operated for compensation;

*b.* Used exclusively in the transportation of the children in the immediate family of the driver;

*c.* Operated by a municipally or privately owned urban transit company or a regional transit system as defined in section 324A.1 for the transportation of children as part of or in addition to their regularly scheduled service; or

*d.* Designed to carry not more than nine persons as passengers, either school owned or privately owned, which are used to transport pupils to activity events in which the pupils are participants or used to transport pupils to their homes in case of illness or other emergency situations. The vehicles operated under the provisions of this paragraph shall be operated by employees of the school district who are specifically approved by the local superintendent of schools for the assignment.

70. *"School district"* means the territory contiguous to and including a highway for a distance of two hundred feet in either direction from a schoolhouse in a city.

71. *"Semitrailer"* means every vehicle without motive power designed for carrying persons or property and for being drawn by a motor vehicle and so constructed that some part of its weight and that of its load rests upon or is carried by another vehicle.

Wherever the word *"trailer"* is used in this chapter, same shall be construed to also include *"semitrailer"*.

A *"semitrailer"* shall be considered in this chapter separately from its power unit.

72. *"Sidewalk"* means that portion of a street between the curb lines, or the lateral lines of a roadway, and the adjacent property lines intended for the use of pedestrians.

73. *"Solid tire"* means every tire of rubber or other resilient material which does not depend upon compressed air for the support of the load.

74. *"Special mobile equipment"* means every vehicle not designed or used primarily for the transportation of persons or property and incidentally operated or moved over the highways, including road construction or maintenance machinery and ditch-digging apparatus. This description does not exclude other vehicles which are within the general terms of this subsection.

75. *"Special truck"* means a motor truck or truck tractor not used for hire with a gross weight registration of six through thirty-two tons used by a person engaged in farming to transport commodities produced only by the owner, or to transport commodities purchased by the owner for use in the owner's own farming operation or occasional use for charitable purposes. *"Special truck"* also means a motor truck or truck tractor not used for hire with a gross weight registration of six through thirty-two tons used by a person engaged in farming who assists another person engaged in farming through an exchange of services. A *"special truck"* does not include a truck tractor operated more than fifteen thousand miles annually.

76. *"Specially constructed vehicle"* means every vehicle of a type required to be registered under this chapter not originally constructed under a distinctive name, make, model, or type by a generally recognized manufacturer of vehicles and not materially altered from its original construction. *"Specially constructed vehicle"* does not include a street rod, replica vehicle, or glider kit vehicle.

77. *"Stinger-steered automobile transporter"* means any vehicle combination designed and used specifically for the transport of assembled highway vehicles, recreational vehicles, or boats in which the fifth wheel is located on a drop frame located below and behind the rearmost axle of the power unit.

78. *"Street"* or *"highway"* means the entire width between property lines of every way or place of whatever nature when any part thereof is open to the use of the public, as a matter of right, for purposes of vehicular traffic.

78A. *"Street rod"* means any car or motor truck with a gross vehicle weight rating of less

than ten thousand pounds required to be registered under this chapter, manufactured by a generally recognized manufacturer of motor vehicles prior to the year 1949, which may contain a body or frame not manufactured by the original manufacturer, or any motor vehicle designed and manufactured to resemble a motor vehicle manufactured prior to the year 1949. For purposes of vehicle registration, the model year of a street rod shall be the same as the model year of the motor vehicle that it is designed to resemble.

79. *"Suburban district"* means all other parts of a city not included in the business, school, or residence districts.

80. *"Tandem axle"* means any two or more consecutive axles whose centers are more than forty inches but not more than ninety-six inches apart.

80A. *"Tank wagon"* means a vehicle designed to carry liquid animal or human excrement.

81. *"Through (or thru) highway"* means every highway or portion thereof at the entrances to which vehicular traffic from intersecting highways is required by law to stop before entering or crossing the same and when stop signs are erected as provided in this chapter or such entrances are controlled by a peace officer or traffic-control signal. The term *"arterial"* is synonymous with *"through"* or *"thru"* when applied to highways of this state.

82. *"Tourist attraction"* means a business, activity, service, or site where a major portion of the product or service provided is tourist oriented.

83. *"Tourist-oriented directional sign"* means a sign providing identification and directional information for a tourist attraction.

83A. *"Towing or recovery vehicle"* means a motor vehicle equipped with booms, winches, slings, or wheel lifts used to tow, recover, or transport other motor vehicles.

83B. *"Tracked implement of husbandry"* means a fence-line feeder, grain cart, or tank wagon that is mounted on a chassis attached to a pair of tracks that transfer the weight of the implement to the ground or the roadway surface.

84. *"Traffic"* means pedestrians, ridden or herded animals, vehicles, streetcars, and other conveyances either singly or together while using any highway for purposes of travel.

85. *"Trailer"* means every vehicle without motive power designed for carrying persons or property and for being drawn by a motor vehicle and so constructed that no part of its weight rests upon the towing vehicle.

86. Reserved.

87. *"Transporter"* means a person engaged in the business of delivering vehicles of a type required to be registered or titled in this state who has received authority to make delivery as specified by rules adopted by the department.

88. *"Truck tractor"* means every motor vehicle designed and used primarily for drawing other vehicles and not so constructed as to carry a load other than a part of the weight of the vehicle and load so drawn. However, a truck tractor may have a box, deck, or plate for carrying freight, mounted on the frame behind the cab, and forward of the fifth-wheel connection point.

89. *"Used vehicle parts dealer"* means a person engaged in the business of selling bodies, parts of bodies, frames, or component parts of used vehicles subject to registration under this chapter.

90. *"Vehicle"* means every device in, upon, or by which any person or property is or may be transported or drawn upon a highway. *"Vehicle"* does not include:

*a.* Any device moved by human power.

*b.* Any device used exclusively upon stationary rails or tracks.

*c.* Any integral part of a truck tractor or road tractor which is mounted on the frame of the truck tractor or road tractor immediately behind the cab and which may be used to transport persons and property but which cannot be drawn upon the highway by the truck tractor or another motor vehicle.

*d.* Any steering axle, dolly, auxiliary axle, or other integral part of another vehicle which in and of itself is incapable of commercially transporting any person or property but is used primarily to support another vehicle.

91. *"Vehicle identification number"* or the initials VIN mean the numerical and alphabetical designations affixed to a vehicle or a component part of a vehicle by the

manufacturer or the department or affixed by, or caused to be affixed by, the owner pursuant to rules promulgated by the department as a means of identifying the vehicle.

92. *"Vehicle rebuilder"* means a person engaged in the business of rebuilding or restoring to operating condition vehicles subject to registration under this chapter, which have been damaged or wrecked.

93. *"Vehicle salvager"* means a person engaged in the business of scrapping vehicles, dismantling or storing wrecked or damaged vehicles or selling reusable parts of vehicles or storing vehicles not currently registered which vehicles are subject to registration under this chapter.

94. *"Where a vehicle is kept"* shall refer to the county of residence of the owner or to the county where the vehicle is mainly kept if said owner is a nonresident of the state.

[S13, §1571-m1, -m20; C24, 27, §4863, 5030, 13012; C31, 35, §4863, 4960-d1, 5030, 13012; C39, §**5000.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.1; 81 Acts, ch 101, §1; 81 Acts 2d Ex, ch 2, §5; 82 Acts, ch 1056, §1, ch 1122, §1, ch 1254, §1]

82 Acts, ch 1062, §1, 2, 38; 83 Acts, ch 9, §3, 8; 83 Acts, ch 24, §1, 12; 84 Acts, ch 1219, §21; 84 Acts, ch 1252, §1; 84 Acts, ch 1292, §2; 85 Acts, ch 21, §41; 85 Acts, ch 35, §1, 2; 85 Acts, ch 37, §1; 85 Acts, ch 40, §1; 86 Acts, ch 1056, §1; 86 Acts, ch 1071, §1; 86 Acts, ch 1210, §1, 2; 86 Acts, ch 1237, §19; 86 Acts, ch 1238, §13; 87 Acts, ch 170, §2 – 4; 87 Acts, ch 186, §1, 2; 87 Acts, ch 189, §1; 88 Acts, ch 1047, §1; 88 Acts, ch 1083, §1, 2; 89 Acts, ch 34, §1; 89 Acts, ch 83, §40, 41; 89 Acts, ch 118, §1; 90 Acts, ch 1183, §3; 90 Acts, ch 1230, §6 – 14; 91 Acts, ch 56, §1; 91 Acts, ch 219, §14; 92 Acts, ch 1048, §1; 92 Acts, ch 1104, §1; 92 Acts, ch 1175, §19, 28; 93 Acts, ch 114, §1; 93 Acts, ch 139, §7; 94 Acts, ch 1087, §1; 95 Acts, ch 10, §1; 95 Acts, ch 55, §1, 2; 95 Acts, ch 56, §1; 95 Acts, ch 118, §1, 2; 96 Acts, ch 1005, §1; 96 Acts, ch 1129, §113; 97 Acts, ch 100, §1; 97 Acts, ch 104, §5; 97 Acts, ch 108, §1, 2; 97 Acts, ch 139, §1, 17, 18; 97 Acts, ch 148, §7, 9; 98 Acts, ch 1073, §1 – 4; 98 Acts, ch 1075, §20; 98 Acts, ch 1121, §8; 99 Acts, ch 13, §1 – 3, 29; 99 Acts, ch 108, §1 – 3; 99 Acts, ch 188, §1; 2000 Acts, ch 1005, §1; 2000 Acts, ch 1016, §1; 2000 Acts, ch 1025, §1, 6; 2000 Acts, ch 1133, §1; 2001 Acts, ch 32, §15; 2001 Acts, ch 132, §1; 2001 Acts, ch 153, §15, 17; 2001 Acts, ch 176, §80; 2002 Acts, ch 1063, §17, 18; 2003 Acts, ch 6, §1; 2003 Acts, ch 24, §2; 2004 Acts, ch 1013, §1, 35; 2004 Acts, ch 1132, §80; 2004 Acts, ch 1175, §397, 400; 2005 Acts, ch 8, §2, 3; 2005 Acts, ch 20, §4; 2006 Acts, ch 1068, §6, 7, 41; 2008 Acts, ch 1018, § 1 – 3; 2008 Acts, ch 1021, §1 – 4; 2008 Acts, ch 1032, §106; 2008 Acts, ch 1044, §1 – 4, 8; 2008 Acts, ch 1113, §2, 11, 38; 2009 Acts, ch 90, §1; 2009 Acts, ch 130, §20; 2010 Acts, ch 1035, §1; 2010 Acts, ch 1061, §111; 2010 Acts, ch 1186, §3; 2011 Acts, ch 38, §2; 2012 Acts, ch 1013, §1, 2; 2012 Acts, ch 1093, §1; 2013 Acts, ch 37, §1; 2013 Acts, ch 103, §2 – 4, 21

Referred to in §123.48, 142D.2, 159A.11, 321.20B, 321.24, 321.56, 321.105A, 321.121, 321.126, 321.235A, 321.260, 321.285, 321.471, 321.474, 321.486, 321A.1, 321A.32, 321E.7, 321E.14, 321E.34, 321G.9, 321G.20, 321G.24, 321I.7, 321I.21, 321J.6, 321J.8, 322.2, 322.3, 322.4, 322.27A, 322.35, 322D.1, 325A.2, 326.2, 327F.39, 423.1, 423.6, 423B.2, 452A.74A, 452A.76, 453A.4, 455B.301, 462A.34A, 476.27, 481A.54, 522A.2, 537.3604, 537B.2, 537B.4, 669.14, 670.4, 707.6A, 713.6A, 713.6B, 714.2, 714.8, 805.8A(14i), 805.9, 805.16, 811.9

Subsection 12A amended

Subsection 24B, paragraph c amended

NEW subsection 28A and former subsection 28A renumbered as 28B

Subsection 37, 59, and 60 amended

Subsection 74 amended and renumbered as 76 and former subsections 75 and 76 renumbered as 74 and 75

**321.1A Presumption of residency.**

1. For purposes of this chapter there is a rebuttable presumption that a natural person is a resident of this state if any of the following elements exist:

*a.* The person has filed for a homestead tax exemption on property in this state.

*b.* The person is a veteran who has filed for a military tax exemption on property in this state.

*c.* The person is registered to vote in this state.

*d.* The person enrolls the person's child to be educated in a public elementary or secondary school in this state.

*e.* The person is receiving public assistance from this state.

*f.* The person resides or has continuously remained in this state for a period exceeding thirty days except for infrequent or brief absences.

*g.* The person has accepted employment or engages in any trade, profession, or occupation within this state, except as provided in section 321.55.

2. *"Resident"* does not include either of the following:

*a.* A person who is attending a college or university in this state, if the person has a domicile in another state and has a valid driver's license issued by the state of domicile.

*b.* Members of the armed forces who are stationed in Iowa, provided that their vehicles are properly registered in their state of residency.

3. A corporation, association, partnership, company, firm, or other aggregation of individuals whose principal place of business is located within this state is a resident of this state.

83 Acts, ch 125, §1; 90 Acts, ch 1230, §15; 98 Acts, ch 1073, §9; 2010 Acts, ch 1069, §88
Referred to in §321.182

**321.2 Administration and enforcement.**

1. Except as otherwise provided by law, the state department of transportation shall administer and enforce the provisions of this chapter.

2. The division of state patrol of the department of public safety shall enforce the provisions of this chapter relating to traffic on the public highways of the state, including those relating to the safe and legal operation of passenger cars, motorcycles, motor trucks and buses, and to see that proper safety rules are observed.

3. The state department of transportation and the department of public safety shall cooperate to insure the proper and adequate enforcement of the provisions of this chapter.

4. The director of revenue shall administer and enforce the collection of the fee for new registration as provided in section 321.105A.

[C24, 27, 31, 35, §4863; C39, §**5000.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.2]
98 Acts, ch 1074, §20; 2005 Acts, ch 35, §31; 2008 Acts, ch 1113, §39

**321.3 Powers and duties of director.**

The director is hereby vested with the power and is charged with the duty of observing, administering, and enforcing the provisions of this chapter.

[C39, §**5000.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.3]

**321.4 Rules.**

The commissioner of public safety is authorized to adopt and promulgate administrative rules governing procedures as may be necessary to carry out the provisions of this chapter; and to carry out any other laws the enforcement of which is vested in the department of public safety.

[C24, 27, 31, 35, §5004; C39, §**5000.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.4]

**321.5 Duty to obey.**

All local officials charged with the administration and enforcement of this chapter shall be governed in their official acts by the rules promulgated by the department.

[C24, 27, 31, 35, §5005; C39, §**5000.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.5]
Referred to in §331.653

**321.6 Reciprocal enforcement — patrol beats.**

There shall be reciprocal cooperation between the members of the department, the state department of public safety and local authorities in the enforcing of local and state traffic laws and in making inspections, although this section shall not be construed to give the state department of public safety any right to establish regular patrol beats inside municipal limits unless requested for a special occasion or emergency by the mayor of such city or the sheriff of the county.

[C24, 27, 31, 35, §5017; C39, §**5000.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.6]
2012 Acts, ch 1023, §157
Referred to in §331.653

**321.7 Seal of department.**

The department may adopt an official seal.

[C39, §**5000.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.7]

**321.8 Director to prescribe forms.**

The director shall prescribe and provide suitable forms of applications, registration cards, certificates of title and all other forms requisite or deemed necessary to carry out the provisions of this chapter and any other laws, the enforcement and administration of which are vested in the department except manufacturer's or importer's certificates. Manufacturer's and importer's certificates shall be provided by the manufacturer or importer and be in the form prescribed by the department.

[C39, §**5000.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.8]

83 Acts, ch 41, §1

**321.9 Authority to administer oaths and acknowledge signatures.**

Officers and employees of the department designated by the director, county officials authorized under this chapter to issue motor vehicle registrations and titles, and county officials authorized under chapter 321M to issue driver's licenses are authorized, for the purpose of administering the motor vehicle laws, to administer oaths and acknowledge signatures, and shall do so without fee.

[C39, §**5000.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.9]

2005 Acts, ch 8, §4

**321.10 Certified copies of records.**

1. The director and officers of the department designated by the director are authorized to prepare under the seal of the department and provide upon request a certified copy of any record of the department, charging a fee of fifty cents for each document so authenticated, and every such certified copy shall be admissible in any proceeding in any court in like manner as the original and shall be considered to be true and accurate unless shown otherwise by an objecting party. The seal of the department may be applied electronically on certified copies of records.

2. Any records or certified copies of records prepared pursuant to this section and any certified abstract, or a copy of a certified abstract, of the operating record of a driver or a motor vehicle owner prepared pursuant to this chapter, chapter 321A, or chapter 321J shall be received in evidence if determined to be relevant, in any court, preliminary hearing, grand jury proceeding, civil proceeding, administrative hearing, or forfeiture proceeding in the same manner and with the same force and effect as if the director or the director's designee had testified in person.

[C39, §**5000.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.10]

98 Acts, ch 1075, §21; 2006 Acts, ch 1010, §87; 2008 Acts, ch 1018, §4

Referred to in §321.11

**321.11 Records of department.**

1. All records of the department, other than those made confidential or not permitted to be open in accordance with 18 U.S.C. § 2721 et seq., adopted as of a specific date by rule of the department, shall be open to public inspection during office hours.

2. Notwithstanding subsection 1, personal information shall not be disclosed to a requester, except as provided in 18 U.S.C. § 2721, unless the person whose personal information is requested has provided express written consent allowing disclosure of the person's personal information. As used in this section, "*personal information*" means information that identifies a person, including a person's photograph, social security number, driver's license number, name, address, telephone number, and medical or disability information, but does not include information on vehicular accidents, driving violations, and driver's status or a person's zip code.

3. Notwithstanding other provisions of this section to the contrary, the department shall not release personal information to a person, other than to an officer or employee of a law enforcement agency, an employee of a federal or state agency or political subdivision in the performance of the employee's official duties, a contract employee of the department of inspections and appeals in the conduct of an investigation, or a licensed private investigation agency or a licensed security service or a licensed employee of either, if the information

is requested by the presentation of a registration plate number. In addition, an officer or employee of a law enforcement agency may release the name, address, and telephone number of a motor vehicle registrant to a person requesting the information by the presentation of a registration plate number if the officer or employee of the law enforcement agency believes that the release of the information is necessary in the performance of the officer's or employee's duties.

4. The department shall not release personal information that is in the form of a person's photograph or digital image or a digital reproduction of a person's photograph to a person other than an officer or employee of a law enforcement agency, an employee of a federal or state agency or political subdivision in the performance of the employee's official duties, a contract employee of the department of inspections and appeals in the conduct of an investigation, or a licensed private investigation agency or a licensed security service or a licensed employee of either, regardless of whether a person has provided express written consent to disclosure of the information. The department may collect reasonable fees for copies of records or other services provided pursuant to this section or section 22.3, 321.10, or 622.46.

[C39, §**5000.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.11]

96 Acts, ch 1102, §1, 3; 97 Acts, ch 108, §3; 98 Acts, ch 1035, §1; 99 Acts, ch 198, §4; 2000 Acts, ch 1133, §2, 18; 2001 Acts, ch 90, §1

Referred to in §321.11A, 321.183, 321A.3

**321.11A Personal information disclosure — exception.**

1. Notwithstanding section 321.11, the department, upon request, shall provide personal information that identifies a person by the social security number of the person to the following:

*a.* The department of revenue for the purpose of collecting debt.

*b.* The judicial branch for the purpose of collecting court debt pursuant to section 602.8107.

*c.* The department of administrative services for the purpose of administering the setoff program pursuant to section 8A.504.

2. The social security number obtained by the department of revenue or the judicial branch shall retain its confidentiality and shall only be used for the purposes provided in this section.

2008 Acts, ch 1172, §17

**321.12 Destruction of records.**

1. The director may destroy any records of the department which have been maintained on file for three years which the director deems obsolete and of no further service in carrying out the powers and duties of the department, except as otherwise provided in this section.

2. Operating records relating to a person who has been issued a commercial driver's license shall be maintained on file in accordance with rules adopted by the department.

3. The following records may be destroyed according to the following requirements:

*a.* Records concerning suspensions authorized under section 321.210, subsection 1, paragraph "*a*", subparagraph (7), and section 321.210A may be destroyed six months after the suspension is terminated and the requirements of section 321.191 have been satisfied.

*b.* Records concerning suspensions and surrender of licenses or registrations required under section 321A.31 for failing to maintain proof of financial responsibility, as defined in section 321A.1, may be destroyed six months after the requirements of sections 321.191 and 321A.29 have been satisfied.

4. The director shall not destroy any operating records pertaining to arrests or convictions for operating while intoxicated, in violation of section 321J.2 or operating records pertaining to revocations for violations of section 321J.2A, except that a conviction or revocation under section 321J.2 or 321J.2A that is not subject to 49 C.F.R. § 383 shall be deleted from the operating records twelve years after the date of conviction or the effective date of revocation. Convictions or revocations that are retained in the operating records for more than twelve

years under this subsection shall be considered only for purposes of disqualification actions under 49 C.F.R. § 383.

[C39, §**5000.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.12]

90 Acts, ch 1230, §16; 94 Acts, ch 1164, §1, 2; 95 Acts, ch 48, §2; 95 Acts, ch 55, §3; 97 Acts, ch 177, §1; 98 Acts, ch 1138, §1, 37; 2005 Acts, ch 8, §5; 2010 Acts, ch 1061, §169

Referred to in §321J.2

**321.13 Authority to grant or refuse applications.**

The department shall examine and determine the genuineness, regularity, and legality of every application made to the department, and may investigate or require additional information. The department may reject any application if not satisfied of the genuineness, regularity, or legality of the application or the truth of any statement made within the application, or for any other reason, when authorized by law. The department may retain possession of any record or document until the investigation of the application is completed if it appears that the record or document is fictitious or unlawfully or erroneously issued and shall not return the record or document if it is determined to be fictitious or unlawfully or erroneously issued.

[C39, §**5000.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.13]

95 Acts, ch 118, §3

**321.14 Seizure of documents and plates.**

The department is hereby authorized to take possession of any registration card, certificate of title, permit, or registration plate, certificate of inspection or any inspection document or form, upon expiration, revocation, cancellation, or suspension thereof, or which is fictitious, or which has been unlawfully or erroneously issued.

[C39, §**5000.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.14]

**321.15 Publication of law.**

The department shall issue, in pamphlet or electronic form, such parts of this chapter together with such rules, instructions, and explanatory matter as may seem advisable. Such information shall be distributed as determined by the department and shall be furnished to each county treasurer.

[C24, 27, 31, 35, §5018; C39, §**5000.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.15]

2004 Acts, ch 1013, §2, 35

Referred to in §321J.1A

**321.16 Giving of notices.**

1. When the department is authorized or required to give notice under this chapter or any other law regulating the operation of vehicles, unless a different method of giving notice is expressly prescribed, notice shall be given either by personal delivery to the person to be so notified or by personal service in the manner of original notice by rule of civil procedure 1.305(1), or by first class mail addressed to the person at the address shown in the records of the department, notwithstanding chapter 17A. The department shall adopt rules regarding the giving of notice by first class mail, the updating of addresses in department records, and the development of affidavits verifying the mailing of notices under this chapter and chapter 321J. A person's refusal to accept or a claim of failure to receive a notice of revocation, suspension, or bar mailed by first class mail to the person's last known address shall not be a defense to a charge of driving while suspended, revoked, denied, or barred.

2. Proof of the giving of notice by personal service may be made by the certificate of any officer or employee of the department or affidavit of any person over eighteen years of age, naming the person to whom such notice was given and specifying the time, place, and manner of the giving thereof.

3. If a peace officer serves notice of immediate suspension or revocation of a driver's

license as provided in this chapter or any other chapter, the peace officer may destroy the license or send the license to the department.

[C39, §**5000.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.16]

85 Acts, ch 121, §1; 2001 Acts, ch 32, §41; 2007 Acts, ch 143, §7

Referred to in §321.211A, 321.556

## REGISTRATION, CERTIFICATE OF TITLE, AND PROOF OF SECURITY AGAINST FINANCIAL LIABILITY

**321.17 Misdemeanor to violate registration provisions.**

It is a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 2, for any person to drive or move or for an owner knowingly to permit to be driven or moved upon the highway a vehicle of a type required to be registered under this chapter which is not registered, or for which the appropriate fees have not been paid, except as provided in section 321.109, subsection 3.

[C24, 27, 31, 35, §5085; C39, §**5001.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.17]

96 Acts, ch 1152, §1; 2001 Acts, ch 176, §49, 59; 2008 Acts, ch 1113, §48; 2010 Acts, ch 1190, §32

Referred to in §331.557, 805.8A(2a)

**321.18 Vehicles subject to registration — exception.**

Every motor vehicle, trailer, and semitrailer when driven or moved upon a highway shall be subject to the registration provisions of this chapter except:

1. Any such vehicle driven or moved upon a highway in conformance with the provisions of this chapter relating to manufacturers, transporters, dealers, or nonresidents as contemplated by section 321.53 and chapter 326, or under a temporary registration permit issued by the department as hereinafter authorized.
2. Any such vehicle which is driven or moved upon a highway only for the purpose of crossing such highway from one property to another.
3. Any implement of husbandry.
4. Any special mobile equipment as herein defined.
5. Any vehicle which is used exclusively for interplant purposes, in the operation of an industrial or manufacturing plant, consisting of a single unit comprising a group of buildings separated by streets, alleys, or railroad tracks, and which vehicle is used solely to transport materials from one part of the plant to another or from an adjacent railroad track to the plant and in so doing incidentally using said streets or alleys for not more than one thousand feet.
6. Any vehicle which is propelled by electric power obtained from overhead trolley wires, but not operated upon rails.
7. Any school bus in this state used exclusively for the transportation of pupils to and from school or a school function or for the purposes provided in section 285.1, subsection 1, and section 285.10, subsection 9, or used exclusively for the transportation of children enrolled in a federal head start program. Upon application the department shall, without charge, issue a registration certificate and registration plates. The plates shall be attached to the front and rear of each bus exempt from registration under this subsection.
8. Any mobile home or manufactured home and any temporary undercarriage used solely for transporting manufactured homes, modular homes, or other portable buildings used or intended to be used for human occupancy.
9. Any trailer that is used exclusively for the transportation, display, and distribution of flags honoring deceased veterans in parades or ceremonies held on Memorial Day, Veterans Day, or other patriotic occasions as authorized by resolution of the local government of the community where the parade or ceremony takes place. A trailer exempt from registration under this subsection shall only be used on city streets or secondary roads on the day of

a parade or ceremony specified in the local government's resolution, and a copy of the resolution shall be carried at all times in the vehicle pulling the trailer.

[C24, 27, 31, 35, §4864; C39, §**5001.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.18; 82 Acts, ch 1251, §4]

95 Acts, ch 118, §4; 99 Acts, ch 188, §2; 2001 Acts, ch 153, §17; 2006 Acts, ch 1068, §8; 2007 Acts, ch 131, §1, 6; 2009 Acts, ch 130, §21; 2010 Acts, ch 1193, §122; 2012 Acts, ch 1021, §65, 142

Referred to in §321.20B, 331.557, 423.1, 423B.2, 452A.17

**321.18A Records of implements of husbandry.**

A person selling at retail new implements of husbandry with a retail list price in excess of five thousand dollars upon which the manufacturer has affixed a vehicle identification number, shall maintain for ten years a record of the number, the name and address of the purchaser, and the date of sale.

91 Acts, ch 97, §43

Referred to in §331.557

**321.19 Exemptions — distinguishing plates — definitions of urban transit company and regional transit system.**

1. All vehicles owned or leased for a period of sixty days or more by the government and used in the transaction of official business by the representatives of foreign governments or by officers, boards, or departments of the government of the United States, and by the state, counties, municipalities and other political subdivisions of the state including vehicles used by an urban transit company operated by a municipality or a regional transit system, and self-propelling vehicles used neither for the conveyance of persons for hire, pleasure, or business nor for the transportation of freight other than those used by an urban transit company operated by a municipality or a regional transit system, all fire trucks, providing they are not owned and operated for a pecuniary profit, and authorized emergency vehicles used only in disaster relief owned and operated by an organization not operated for pecuniary profit, are exempted from the payment of the registration fees imposed by this chapter, except as provided for urban transit companies in subsection 2, but are not exempt from the penalties provided in this chapter.

The department shall furnish, on application, free of charge, distinguishing plates for vehicles thus exempted, which plates except plates on state patrol vehicles shall bear the word "official" and the department shall keep a separate record. Registration plates issued for state patrol vehicles, except unmarked patrol vehicles, shall bear two red stars on a yellow background, one before and one following the registration number on the plate, which registration number shall be the officer's badge number. Registration plates issued for county sheriff's patrol vehicles shall display one seven-pointed gold star followed by the letter "S" and the call number of the vehicle. However, the director of the department of administrative services or the director of transportation may order the issuance of regular registration plates for any exempted vehicle used by peace officers in the enforcement of the law, persons enforcing chapter 124 and other laws relating to controlled substances, persons in the department of justice, the alcoholic beverages division of the department of commerce, disease investigators of the Iowa department of public health, the department of inspections and appeals, and the department of revenue, who are regularly assigned to conduct investigations which cannot reasonably be conducted with a vehicle displaying "official" state registration plates, persons in the Iowa lottery authority whose regularly assigned duties relating to security or the carrying of lottery tickets cannot reasonably be conducted with a vehicle displaying "official" registration plates, persons in the economic development authority who are regularly assigned duties relating to existing industry expansion or business attraction, and mental health professionals or health care professionals who provide off-site or in-home medical or mental health services to clients of publicly funded programs. For purposes of sale of exempted vehicles, the exempted governmental body, upon the sale of the exempted vehicle, may issue for in-transit purposes a pasteboard card bearing the words "Vehicle in Transit", the name of the official body from

which the vehicle was purchased, together with the date of the purchase plainly marked in at least one-inch letters, and other information required by the department. The in-transit card is valid for use only within forty-eight hours after the purchase date as indicated on the bill of sale which shall be carried by the driver.

2. "*Urban transit company*" means any person, firm, corporation, company, or municipality which operates buses or trolley cars or both, primarily upon the streets of cities over well-defined routes between certain termini, for the transportation of passengers for a uniform fare, and which accepts for passengers all who present themselves for transportation without discrimination up to the limit of the capacity of each vehicle. Included are street railways, plants, equipment, property, and rights, used and useful in the transportation of passengers. Motor carriers and interurbans subject to the jurisdiction of the state department of transportation, and taxicabs, are not included.

The department, in accordance with subsection 1, shall furnish distinguishing plates for vehicles used by urban transit companies operated by a municipality. No other provision of law providing for the payment of taxes, registration, or license fees for vehicles shall be applicable to any bus, car, or vehicle for the transportation of passengers owned and operated by any urban transit company.

Chapter 326 is not applicable to urban transit companies or systems.

3. *"Regional transit system"* means a public transit system serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor, except as agreed upon by the department. Each county board of supervisors within the region is responsible for determining the service and funding within its county. However, the administration and overhead support services for the overall regional transit system shall be consolidated into one existing or new agency to be mutually agreed upon by the participating members. Privately chartered bus services and uses other than providing services that are open and public on a shared ride basis shall not be construed to be a regional transit system.

[C24, 27, 31, 35, §4867, 4922; C39, §**5001.03;** C46, 50, 54, 58, 62, §321.19; C66, 71, 73, §321.19, 386C.1 – 386C.3; C75, 77, 79, 81, §321.19]

83 Acts, ch 40, §1; 84 Acts, ch 1253, §1 – 3; 85 Acts, ch 67, §34; 85 Acts, ch 115, §2; 86 Acts, ch 1042, §10; 92 Acts, ch 1244, §41; 95 Acts, ch 118, §5; 96 Acts, ch 1034, §19; 96 Acts, ch 1066, §1; 96 Acts, ch 1211, §33; 97 Acts, ch 104, §6; 97 Acts, ch 158, §1; 98 Acts, ch 1028, §1; 98 Acts, ch 1074, §21; 99 Acts, ch 141, §37; 2003 Acts, ch 145, §244; 2003 Acts, ch 178, §109, 121; 2003 Acts, ch 179, §142; 2005 Acts, ch 35, §31; 2006 Acts, ch 1022, §1; 2008 Acts, ch 1113, §49; 2011 Acts, ch 118, §85, 89

Referred to in §8A.362, 321.39, 321.166, 321E.11, 331.557, 721.8

See also §8A.362, 321.170

**321.20 Application for registration and certificate of title.**

1. Except as provided in this chapter, an owner of a vehicle subject to registration shall make application to the county treasurer of the county of the owner's residence, or if a nonresident, to the county treasurer of the county where the primary users of the vehicle are located, or if a lessor of the vehicle pursuant to chapter 321F which vehicle has a gross vehicle weight of less than ten thousand pounds, to the county treasurer of the county of the lessee's residence, or if a firm, association, or corporation with vehicles in multiple counties, the owner may make application to the county treasurer of the county where the primary user of the vehicle is located, for the registration and issuance of a certificate of title for the vehicle upon the appropriate form furnished by the department. However, upon the transfer of ownership, the owner of a vehicle subject to the apportioned registration provisions of chapter 326 shall make application for issuance of a certificate of title to either the department or the appropriate county treasurer. The application shall be accompanied by a fee of twenty dollars, and shall bear the owner's signature. A nonresident owner of two or more vehicles subject to registration may make application for registration and issuance of a certificate of title for all vehicles subject to registration to the county treasurer of the county where the primary user of any of the vehicles is located. The owner of a mobile home or manufactured home shall make application for a certificate of title under this section from

the county treasurer of the county where the mobile home or manufactured home is located. The application shall contain:

*a.* The full legal name; social security number or Iowa driver's license number or Iowa nonoperator's identification card number; date of birth; bona fide residence; and mailing address of the owner and of the lessee if the vehicle is being leased. If the owner or lessee is a firm, association, or corporation, the application shall contain the bona fide business address and federal employer identification number of the owner or lessee. Up to three owners' names may be listed on the application. If the vehicle is a leased vehicle, the application shall state whether the notice of registration renewal shall be sent to the lessor or to the lessee and whether the lessor or the lessee shall receive the refund of the annual registration fee, if any. Information relating to the lessee of a vehicle shall not be required on an application for registration and a certificate of title for a vehicle with a gross vehicle weight rating of ten thousand pounds or more.

*b.* A description of the vehicle including, insofar as the specified data may exist with respect to a given vehicle, the make, model, type of body, the number of cylinders, the type of motor fuel used, the vehicle identification number or other assigned number, and whether new or used and, if a new vehicle, the date of sale by the manufacturer or dealer to the person intending to operate the vehicle. If the vehicle is a new low-speed vehicle, the manufacturer's or importer's certificate required to accompany the application under paragraph "*d*" shall certify that the vehicle was manufactured in compliance with the national highway traffic safety administration standards for low-speed vehicles in 49 C.F.R. § 571.500.

*c.* Such further information as may reasonably be required by the department.

*d.* A statement of the applicant's title and of all liens or encumbrances upon the vehicle and the names and mailing addresses of all persons having any interest in the vehicle and the nature of every such interest. When the application refers to a new vehicle, it shall be accompanied by a manufacturer's or importer's certificate duly assigned as provided in section 321.45.

*e.* The amount of the fee for new registration to be paid under section 321.105A, the amount of tax to be paid under section 423.26, subsection 1, or the amount of tax to be paid under section 423.26A.

*f.* If the vehicle is owned by a nonresident but is subject to issuance of an Iowa certificate of title or registration, the application shall also contain the full legal name, Iowa driver's license number or Iowa nonoperator's identification card number, date of birth, bona fide residence, and mailing address of the primary user of the vehicle. If the primary user is a firm, association, or corporation, the application shall contain the bona fide business address and federal employer identification number of the primary user. The primary user's name and address shall not be printed on the registration receipt or the certificate of title.

2. Notwithstanding contrary provisions of this chapter or chapter 326 regarding titling and registration by means other than electronic means, the department may develop and implement a program to allow for electronic applications, titling, registering, and electronic funds transfer for vehicles subject to registration in order to improve the efficiency and timeliness of the processes and to reduce costs for all parties involved.

3. The department shall adopt rules on the method for providing signatures for applications made by electronic means.

[S13, SS15, §1571-m2; C24, 27, 31, 35, §4869, 5008, 5009; C39, §**5001.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.20; 82 Acts, ch 1251, §5]

84 Acts, ch 1305, §47; 87 Acts, ch 46, §1; 87 Acts, ch 108, §1; 95 Acts, ch 194, §1, 12; 97 Acts, ch 104, §7; 98 Acts, ch 1073, §9; 99 Acts, ch 8, §1; 99 Acts, ch 188, §3; 2000 Acts, ch 1005, §2; 2000 Acts, ch 1016, §39 – 41, 47; 2000 Acts, ch 1134, §1; 2001 Acts, ch 153, §17; 2003 Acts, 1st Ex, ch 2, §163, 205; 2004 Acts, ch 1013, §3, 35; 2005 Acts, ch 34, §3, 26; 2006 Acts, ch 1068, §9; 2006 Acts, ch 1070, §2; 2008 Acts, ch 1018, §5; 2008 Acts, ch 1113, §13, 21, 50, 51; 2010 Acts, ch 1108, §3, 15; 2012 Acts, ch 1093, §2

Referred to in §312.2, 321.29, 321.47, 321.52A, 321.109, 321.126, 331.557, 435.27

Surcharge imposed; §321.52A

**321.20A Certificate of title and registration fees — commercial vehicles.**

1. Notwithstanding other provisions of this chapter, the owner of a commercial vehicle subject to the apportioned registration provisions of chapter 326 may make application to the department or the appropriate county treasurer for a certificate of title. The application for certificate of title shall be made within thirty days of purchase or transfer and shall be accompanied by a twenty dollar title fee and the appropriate fee for new registration. The department or the county treasurer shall deliver the certificate of title to the owner if there is no security interest. If there is a security interest, the title, when issued, shall be delivered to the first secured party. Delivery may be made using electronic means.

2. An owner of more than fifty commercial vehicles subject to the apportioned registration provisions of chapter 326 who is issued a certificate of title under this section shall not be subject to annual registration fees until the commercial vehicle is driven or moved upon the highways. The annual registration fee due shall be prorated for the remaining unexpired months of the registration year. Ownership of the commercial vehicle shall not be transferred until annual registration fees have been paid to the department.

95 Acts, ch 118, §6; 96 Acts, ch 1089, §1; 96 Acts, ch 1152, §2; 2000 Acts, ch 1016, §2; 2001 Acts, ch 132, §2; 2004 Acts, ch 1013, §4, 35; 2006 Acts, ch 1070, §3; 2008 Acts, ch 1113, §14, 21, 52; 2012 Acts, ch 1093, §3

Referred to in §312.2, 321.47, 321.52A, 331.557

Surcharge imposed, §321.52A

**321.20B Proof of security against liability — driving without liability coverage.**

1. *a.* Notwithstanding chapter 321A, which requires certain persons to maintain proof of financial responsibility, a person shall not drive a motor vehicle on the highways of this state unless financial liability coverage, as defined in section 321.1, subsection 24B, is in effect for the motor vehicle and unless the driver has in the motor vehicle the proof of financial liability coverage card issued for the motor vehicle, or if the vehicle is registered in another state, other evidence that financial liability coverage is in effect for the motor vehicle. A proof of financial liability coverage card may be produced in paper or electronic format. Acceptable electronic formats include electronic images displayed on a cellular telephone or any other portable electronic device that has a display screen with touch input or a miniature keyboard.

*b.* It shall be conclusively presumed that a motor vehicle driven upon a parking lot which is available to the public without charge or which is available to customers or invitees of a business or facility without charge was driven on the highways of this state in order to enter the parking lot, and this section shall be applicable to such a motor vehicle. As used in this section, *"parking lot"* includes access roads, drives, lanes, aisles, entrances, and exits to and from a parking lot described in this paragraph.

*c.* This subsection does not apply to the operator of a motor vehicle owned by or leased to the United States, this state or another state, or any political subdivision of this state or of another state, or to a motor vehicle which is subject to section 325A.6.

2. *a.* An insurance company transacting business in this state shall issue to its insured owners of motor vehicles registered in this state a financial liability coverage card for each motor vehicle insured. Each financial liability coverage card shall identify the registration number or vehicle identification number of the motor vehicle insured and shall indicate the expiration date of the applicable insurance coverage. The financial liability coverage card shall also contain the name and address of the insurer or the name of the insurer and the name and address of the insurance agency, the name of the insured, and an emergency telephone number of the insurer or emergency telephone number of the insurance agency. An insurance company may issue a financial liability coverage card in either paper format or, if requested by the insured, electronic format.

*b.* The department shall adopt rules regarding the contents of a financial liability coverage card to be issued pursuant to this section.

(1) Notwithstanding the provisions of this section, a fleet owner who is issued a certificate of self-insurance pursuant to section 321A.34, subsection 1, is not required to maintain in each vehicle a financial liability coverage card with the individual registration number or the vehicle identification number of the vehicle included on the card. Such fleet owner shall be

required to maintain a financial liability coverage card in each vehicle in the fleet including information deemed appropriate by the director.

(2) An association of individual members that is issued a certificate of self-insurance pursuant to section 321A.34, subsection 2, is required to maintain in each vehicle of an individual member a financial liability coverage card that complies with the provisions of this section and in addition contains information relating to the association and the association's certificate of self-insurance as is deemed appropriate by the director.

3. If the financial liability coverage for a motor vehicle which is registered in this state is canceled or terminated effective prior to the expiration date indicated on the financial liability coverage card issued for the vehicle, the person to whom the financial liability coverage card was issued shall destroy the card.

4. *a.* If a peace officer stops a motor vehicle registered in this state and the driver is unable to provide proof of financial liability coverage, the peace officer shall do one of the following:

(1) Issue a warning memorandum to the driver.

(2) Issue a citation to the driver.

(3) Issue a citation and remove the motor vehicle's license plates and registration receipt.

(a) Upon removing the license plates and registration receipt, the peace officer shall deliver the plates for destruction, as appropriate, and forward the registration receipt and evidence of the violation, as determined by the department, to the county treasurer of the county in which the motor vehicle is registered.

(b) The motor vehicle may be driven for a time period of up to forty-eight hours after receiving the citation solely for the purpose of removing the motor vehicle from the highways of this state, unless the driver's operating privileges are otherwise suspended. After receiving the citation, the driver shall keep the citation in the motor vehicle at all times while driving the motor vehicle as provided in this subparagraph, as proof of the driver's privilege to drive the motor vehicle for such limited time and purpose.

(4) (a) Issue a citation, remove the motor vehicle's license plates and registration receipt, and impound the motor vehicle. The peace officer shall deliver the plates for destruction, as appropriate, and forward the registration receipt and evidence of the violation, as determined by the department, to the county treasurer of the county in which the motor vehicle is registered.

(b) A motor vehicle which is impounded may be claimed by a person if the owner provides proof of financial liability coverage and proof of payment of any applicable fine and the costs of towing and storage for the motor vehicle. If the motor vehicle is not claimed within thirty days after impoundment, the motor vehicle may be treated as an abandoned vehicle pursuant to section 321.89.

(c) The holder of a security interest in a motor vehicle which is impounded pursuant to this subparagraph shall be notified of the impoundment within seventy-two hours of the impoundment of the motor vehicle and shall have the right to claim the motor vehicle upon the payment of all fees. However, if the value of the vehicle is less than the security interest, all fees shall be divided equally between the lienholder and the political subdivision impounding the vehicle.

*b.* An owner or driver of a motor vehicle who is charged with a violation of subsection 1 and issued a citation under paragraph "*a*", subparagraph (3) or (4), is subject to the following:

(1) An owner or driver who produces to the clerk of court, prior to the date of the individual's court appearance as indicated on the citation, proof that financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited, or, if the driver is not the owner of the motor vehicle, proof that liability coverage was in effect for the driver with respect to the motor vehicle being driven at the time the driver was stopped and cited, in the same manner as if the motor vehicle were owned by the driver, shall be given a receipt indicating that such proof was provided and be subject to one of the following:

(a) If the person was cited pursuant to paragraph "*a*", subparagraph (3), the owner or driver shall provide a copy of the receipt to the county treasurer of the county in which the motor vehicle is registered and the owner shall be assessed a fifteen dollar administrative fee

by the county treasurer who shall issue new license plates and registration to the person after payment of the fee.

(b) If the person was cited pursuant to paragraph *"a"*, subparagraph (4), the owner or driver, after the owner provides proof of financial liability coverage to the clerk of court, may claim the motor vehicle after such person pays any applicable fine and the costs of towing and storage for the motor vehicle, and the owner or driver provides a copy of the receipt and the owner pays to the county treasurer of the county in which the motor vehicle is registered a fifteen dollar administrative fee, and the county treasurer shall issue new license plates and registration to the person.

(2) An owner or driver who is charged with a violation of subsection 1 and is unable to show that financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited may do either of the following:

(a) Sign an admission of violation on the citation and remit to the clerk of court a scheduled fine as provided in section 805.8A, subsection 14, paragraph *"f"*, for a violation of subsection 1. Upon payment of the fine to the clerk of court of the county where the citation was issued, payment of a fifteen dollar administrative fee to the county treasurer of the county in which the motor vehicle is registered, and providing proof of payment of any applicable fine and proof of financial liability coverages to the county treasurer of the county in which the motor vehicle is registered, the treasurer shall issue new license plates and registration to the owner.

(b) Request an appearance before the court on the matter. If the matter goes before the court, and the owner or driver is found guilty of a violation of subsection 1, the court may impose a fine as provided in section 805.8A, subsection 14, paragraph *"f"*, for a violation of subsection 1, or the court may order the person to perform unpaid community service instead of the fine. Upon the payment of the fine or the entry of the order for unpaid community service, the person shall provide proof of payment or entry of such order and the county treasurer of the county in which the motor vehicle is registered shall issue new license plates and registration to the owner upon the owner providing proof of financial liability coverage and paying a fifteen dollar administrative fee to the county treasurer.

*c.* An owner or driver cited for a violation of subsection 1, who produces to the clerk of court prior to the date of the person's court appearance as indicated on the citation proof that financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited, shall not be convicted of such violation and the citation issued shall be dismissed by the court. Upon dismissal, the court or clerk of court shall assess the costs of the action against the defendant named on the citation.

5. If the motor vehicle is not registered in this state and the driver is a nonresident, the peace officer shall do one of the following:

*a.* Issue a warning memorandum to the driver.

*b.* Issue a citation. An owner or driver who produces to the clerk of court prior to the date of the person's court appearance as indicated on the citation proof that the financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited, or if the driver is not the owner of the motor vehicle, proof that liability coverage was in effect for the driver with respect to the motor vehicle being driven at the time the driver was stopped and cited in the same manner as if the motor vehicle were owned by the driver, shall be given a receipt indicating that proof was provided, and the citation issued shall be dismissed by the court. Upon dismissal, the court or clerk of court shall assess the costs of the action against the defendant named on the citation.

6. This section does not apply to a motor vehicle identified in section 321.18, subsection 1, 2, 3, 4, 5, 6, or 8.

7. This section does not apply to a lienholder who has a security interest in a motor vehicle subject to the registration requirements of this chapter, so long as such lienholder maintains financial liability coverage for any motor vehicle driven or moved by the lienholder in which the lienholder has an interest.

8. This section does not apply to a motor vehicle owned by a motor vehicle dealer or wholesaler licensed pursuant to chapter 322.

9. The director of transportation and the commissioner of insurance shall adopt rules pursuant to chapter 17A to administer this section.

97 Acts, ch 139, §2, 17, 18; 98 Acts, ch 1100, §41; 98 Acts, ch 1121, §1 – 4, 8, 9; 99 Acts, ch 110, §1; 99 Acts, ch 114, §19; 2001 Acts, ch 32, §16; 2002 Acts, ch 1050, §32; 2003 Acts, ch 151, §23 – 25; 2006 Acts, ch 1144, §1 – 3; 2007 Acts, ch 215, §105; 2008 Acts, ch 1031, §111; 2012 Acts, ch 1138, §29; 2013 Acts, ch 103, §5, 6

Referred to in §321.1, 321.54, 321.55, 321A.34, 321K.1, 326.25, 331.557, 805.8A(14f)

Subsection 1, paragraph a amended

Subsection 2, paragraph a amended

**321.21** Repealed by 99 Acts, ch 13, § 28, 29; 2000 Acts, ch 1154, § 46, 50.

**321.22 Urban and regional transit equipment certificates and plates.**

1. An urban transit company or system having a franchise to operate in any city and any regional transit system may make application to the department, upon forms furnished by the department, for a certificate containing a distinguishing number and for one or more pairs of registration plates to be attached to the front and rear of buses owned or operated by the transit company or system.

2. The department shall issue to the applicant a certificate, or certificates, containing but not limited to the applicant's name and address, the distinguishing number assigned to the applicant, and such other information deemed necessary by the department for proper identification of the buses.

3. The department shall issue registration plates to the applicant.

4. The department shall issue the certificates and plates without fee.

[C66, 71, 73, 75, 77, 79, 81, §321.22]

84 Acts, ch 1253, §4; 85 Acts, ch 195, §31; 92 Acts, ch 1244, §42; 2009 Acts, ch 130, §22

Referred to in §331.557

**321.23 Titles to specially constructed and reconstructed vehicles, street rods, replica vehicles, and foreign vehicles.**

1. *a.* If the vehicle to be registered is a specially constructed vehicle, reconstructed vehicle, street rod, replica vehicle, or foreign vehicle, such fact shall be stated in the application. A fee of ten dollars shall be paid by the person making the application upon issuance of a certificate of title by the county treasurer. For a specially constructed vehicle, reconstructed vehicle, street rod, or replica vehicle subject to registration, the application shall be accompanied by a statement from the department authorizing the motor vehicle to be titled and registered in this state.

*b.* The department shall cause a physical inspection to be made of all specially constructed vehicles, reconstructed vehicles, street rods, and replica vehicles upon application for a certificate of title by the owner, to determine whether the motor vehicle complies with the definition of specially constructed vehicle, reconstructed vehicle, street rod, or replica vehicle in this chapter and to determine that the integral component parts are properly identified and that the rightful ownership is established before issuing the owner the authority to have the motor vehicle registered and titled. The purpose of the physical inspection under this section is not to determine whether the motor vehicle is in a condition safe to operate.

*c.* The owner of a specially constructed vehicle, reconstructed vehicle, street rod, or replica vehicle shall apply for a certificate of title and registration for the vehicle at the county treasurer's office within thirty days of the inspection. For a foreign vehicle which has been registered outside this state, the owner shall surrender to the treasurer all registration plates, registration cards, and certificates of title, or if the vehicle to be registered is from a nontitle state, the evidence of foreign registration and ownership as may be prescribed by the department except as provided in subsection 2.

*d.* Upon completion of every specially constructed vehicle, reconstructed vehicle, street rod, or replica vehicle, the owner shall certify on a form prescribed by the department that such vehicle is in compliance with all equipment specifications required under this chapter.

2. Where in the course of operation of a vehicle registered in another state it is desirable to retain registration of said vehicle in such other state, such applicant need not surrender

but shall submit for inspection said evidence of such foreign registration and the treasurer upon a proper showing shall register said vehicle in this state but shall not issue a certificate of title for such vehicle.

3. In the event an applicant for registration of a foreign vehicle for which a certificate of title has been issued is able to furnish evidence of being the registered owner of the vehicle to the county treasurer of the owner's residence, although unable to surrender such certificate of title, the county treasurer may issue a registration receipt and plates upon receipt of the required annual registration fee and the fee for new registration but shall not issue a certificate of title thereto. Upon surrender of the certificate of title from the foreign state, the county treasurer shall issue a certificate of title to the owner, or person entitled thereto, of such vehicle as provided in this chapter. The owner of a vehicle registered under this subsection shall not be required to obtain a certificate of title in this state and may transfer ownership of the vehicle to a motor vehicle dealer licensed under chapter 322 if, at the time of the transfer, the certificate of title is held by a secured party and the dealer has forwarded to the secured party the sum necessary to discharge the security interest pursuant to section 321.48, subsection 1.

4. A vehicle which does not meet the equipment requirements of this chapter due to the particular use for which it is designed or intended, may be registered by the department upon payment of appropriate fees and after inspection and certification by the department that the vehicle is not in an unsafe condition. A person is not required to have a certificate of title to register a vehicle under this subsection. If the owner elects to have a certificate of title issued for the vehicle, a fee of twenty dollars shall be paid by the person making the application upon issuance of a certificate of title. If the department's inspection reveals that the vehicle may be safely operated only under certain conditions or on certain types of roadways, the department may restrict the registration to limit operation of the vehicle to the appropriate conditions or roadways. This subsection does not apply to snowmobiles as defined in section 321G.1. Section 321.382 does not apply to a vehicle registered under this subsection which is operated exclusively by a person with a disability who has obtained a persons with disabilities parking permit as provided in section 321L.2, if the persons with disabilities parking permit is carried in or on the vehicle and shown to a peace officer on request.

[C39, §**5001.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.23]

83 Acts, ch 9, §4, 8; 84 Acts, ch 1305, §48; 88 Acts, ch 1158, §65; 89 Acts, ch 247, §3; 96 Acts, ch 1171, §1; 97 Acts, ch 70, §2; 98 Acts, ch 1073, §5; 99 Acts, ch 13, §4; 2005 Acts, ch 8, §6; 2008 Acts, ch 1044, §5, 8; 2008 Acts, ch 1113, §15, 21, 53; 2008 Acts, ch 1191, §127

Referred to in §312.2, 321.30, 321.47, 321.52A, 321.67, 331.557

Surcharge imposed; §321.52A

**321.23A Affidavit of correction.**

When information is printed incorrectly on a certificate of title, application for certificate of title, damage disclosure statement, or other document required for a title transfer or when these documents contain an alteration or erasure, the county treasurer may accept a notarized affidavit of correction. This section does not apply to an odometer certification statement. The department shall consult with a representative of the Iowa state county treasurer's association and shall promulgate rules and adopt a standard affidavit form or forms to administer this section.

2004 Acts, ch 1092, §1

Referred to in §331.557

**321.24 Issuance of registration and certificate of title.**

1. Upon receipt of the application for title and payment of the required fees for a motor vehicle, trailer, or semitrailer, the county treasurer or the department shall, when satisfied as to the application's genuineness and regularity, and, in the case of a mobile home or manufactured home, that taxes are not owing under chapter 423 or 435, issue a certificate of title and, except for a mobile home or manufactured home, a registration receipt, and shall file the application, the manufacturer's or importer's certificate, the certificate of title, or other evidence of ownership, as prescribed by the department. The registration receipt shall be delivered to the owner and shall contain upon its face the date issued, the name and

address of the owner, the registration number assigned to the vehicle, the amount of the fee paid, the type of fuel used, a description of the vehicle as determined by the department, and a form for notice of transfer of the vehicle. The name and address of any lessee of the vehicle shall not be printed on the registration receipt or certificate of title. Up to three owners may be listed on the registration receipt and certificate of title.

2. The county treasurer shall maintain in the county record system information contained on the registration receipt. The information shall be accessible by registration number and shall be open for public inspection during reasonable business hours. Copies the department requires shall be sent to the department in the manner and at the time the department directs.

3. The certificate of title shall contain upon its face the identical information required upon the face of the registration receipt. In addition, the certificate of title shall contain a statement of the owner's title, the title number assigned to the owner or owners of the vehicle, the name and address of the previous owner, and a statement of all security interests and encumbrances as shown in the application, upon the vehicle described, including the nature of the security interest, date of perfection, and name and mailing address of the secured party.

4. If the prior certificate of title is from another state and indicates that the vehicle was rebuilt, the new certificate of title and registration receipt shall contain the designation "REBUILT" printed on its face together with the name of the state issuing the prior title. The designation shall be retained on the face of all subsequent certificates of title and registration receipts for the vehicle.

5. If the prior certificate of title is from another state and indicates that the vehicle was junked, an Iowa junking certificate shall be issued according to section 321.52, subsections 2 and 3. If the prior certificate of title from another state indicates that the vehicle is salvaged and not rebuilt or is a salvage certificate of title, an Iowa salvage certificate of title shall be issued and a "SALVAGE" designation shall be retained on all subsequent Iowa certificates of title and registration receipts for the vehicle, except as provided under section 321.52, subsection 4, paragraph *"b"*. The department may require that subsequent Iowa certificates of title retain other states' designations which indicate that a vehicle had incurred prior damage. The department shall determine the manner in which other states' rebuilt, salvage, or other designations are to be indicated on Iowa titles.

6. If the prior certificate of title is from another state and indicates that the vehicle was returned to the manufacturer pursuant to a law of another state similar to chapter 322G, the new registration receipt and certificate of title, and all subsequent registration receipts and certificates of title issued for the vehicle, shall contain a designation indicating the vehicle was returned to the manufacturer. The department shall determine the manner in which other states' designations are to be indicated on Iowa registration receipts and certificates of title. The department may determine that a "REBUILT" or "SALVAGE" designation supersedes the designation required by this subsection and include the "REBUILT" or "SALVAGE" designation on the registration receipt and certificate of title in lieu of the designation required by this subsection.

7. The certificate shall contain the name of the county treasurer or of the department and, if the certificate of title is printed, the signature of the county treasurer, the deputy county treasurer, or the department director or deputy designee. The certificate of title shall contain upon the reverse side a form for assignment of title or interest and warranty by the owner, for reassignments by a dealer licensed in this state or in another state if the state in which the dealer is licensed permits Iowa licensed dealers to similarly reassign certificates of title. However, titles for mobile homes or manufactured homes shall not be reassigned by licensed dealers. Notwithstanding section 321.1, subsection 17, as used in this paragraph *"dealer"* means every person engaged in the business of buying, selling, or exchanging vehicles of a type required to be registered under this chapter.

8. The original certificate of title shall be delivered to the owner if there is no security interest. Otherwise the certificate of title shall be delivered by the county treasurer or the department to the person holding the first security interest. Delivery may be made using electronic means.

9. The county treasurer or the department shall maintain in the county or department records system information contained on the certificate of title. The information shall be

accessible by title certificate number for a period of three years from the date of notification of cancellation of title or that a new title has been issued as provided in this chapter. Copies the department requires shall be sent to the department in the manner and at the time the department directs. The department shall designate a uniform system of title numbers to indicate the county of issuance.

10. A vehicle shall be registered for the registration year. A vehicle registered for the first time in this state shall be registered for the remaining unexpired months of the registration year and pay an annual registration fee prorated for the remaining unexpired months of the registration year plus a fee for new registration if applicable pursuant to section 321.105A. Except for a vehicle registered under chapter 326, a vehicle registered for the first time during the eleventh month of the owner's registration year may be registered for the remaining unexpired months of the registration year as provided in this paragraph or for the remaining unexpired months of the registration year and for the next registration year, upon payment of the applicable registration fees.

11. If the county treasurer or department is not satisfied as to the ownership of the vehicle or that there are no undisclosed security interests in it, or a junking certificate has been issued for the vehicle but a certificate of title will not be reissued under section 321.52, subsection 3, and the vehicle qualifies as an antique vehicle under section 321.115, subsection 1, the county treasurer or department may register the vehicle but shall, as a condition of issuing a certificate of title and registration receipt, require the applicant to file with the department a bond in the form prescribed by the department and executed by the applicant, and either accompanied by the deposit of cash with the department or also executed by a person authorized to conduct a surety business in this state. The owner of a vehicle subject to the bond requirements of this subsection shall apply for a certificate of title and registration for the vehicle at the county treasurer's office within thirty days of issuance of written authorization from the department. The bond shall be in an amount equal to one and one-half times the current value of the vehicle as determined by the department and conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney fees, by reason of the issuance of the certificate of title for the vehicle or on account of any defect in or undisclosed security interest upon the right, title, and interest of the applicant in and to the vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond, and any deposit accompanying it, shall be returned at the end of three years or earlier if the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered to the department, unless the department has been notified of the pendency of an action to recover on the bond. The department may authorize issuance of a certificate of title as provided in this subsection for a vehicle with an unreleased security interest upon presentation of satisfactory evidence that the security interest has been extinguished or that the holder of the security interest cannot be located to release the security interest as provided in section 321.50.

12. A person who violates this section commits a simple misdemeanor.

[C24, 27, 31, 35, §4873; C39, §**5001.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.24; 82 Acts, ch 1251, §8]

82 Acts, ch 1062, §3, 38; 87 Acts, ch 108, §2; 87 Acts, ch 130, §1; 88 Acts, ch 1089, §3; 89 Acts, ch 185, §1; 90 Acts, ch 1116, §1; 91 Acts, ch 142, §1; 92 Acts, ch 1104, §2; 94 Acts, ch 1199, §77; 95 Acts, ch 45, §1; 99 Acts, ch 188, §4; 2000 Acts, ch 1016, §42, 47; 2000 Acts, ch 1028, §1, 4; 2000 Acts, ch 1047, §1, 4; 2001 Acts, ch 153, §17; 2003 Acts, 1st Ex, ch 2, §164, 205; 2004 Acts, ch 1013, §5, 35; 2005 Acts, ch 8, §7, 8; 2006 Acts, ch 1070, §4; 2007 Acts, ch 143, §8; 2008 Acts, ch 1018, §6; 2008 Acts, ch 1113, §54; 2009 Acts, ch 41, §113; 2010 Acts, ch 1140, §1

Referred to in §321.46, 321.52, 321.69, 321.152, 331.557

Certain trailers exempt, see §321.123

**321.25 Application for registration and title — cards attached.**

A vehicle may be operated upon the highways of this state without registration plates for a period of forty-five days after the date of delivery of the vehicle to the purchaser from a dealer if a card bearing the words "registration applied for" is attached on the rear of the vehicle. The card shall have plainly stamped or stenciled the registration number of the dealer from whom the vehicle was purchased and the date of delivery of the vehicle. In addition, a dealer licensed to sell new motor vehicles may attach the card to a new motor vehicle delivered by the dealer to the purchaser even if the vehicle was purchased from an out-of-state dealer and the card shall bear the registration number of the dealer that delivered the vehicle. A dealer shall not issue a card to a person known to the dealer to be in possession of registration plates which may be attached to the vehicle. A dealer shall not issue a card unless an application for registration and certificate of title has been made by the purchaser and a receipt issued to the purchaser of the vehicle showing the fee paid by the person making the application. Dealers' records shall indicate the agency to which the fee is sent and the date the fee is sent. The dealer shall forward the application by the purchaser to the county treasurer or state office within thirty calendar days from the date of delivery of the vehicle. However, if the vehicle is subject to a security interest and has been offered for sale pursuant to section 321.48, subsection 1, the dealer shall forward the application by the purchaser to the county treasurer or state office within thirty calendar days from the date of the delivery of the vehicle to the purchaser.

The department shall, upon request by any dealer, furnish "registration applied for" cards free of charge. Only cards furnished by the department shall be used. Only one card shall be issued in accordance with this subsection for each vehicle purchased.

[S13, §1571-m10; C24, 27, 31, 35, §4880; C39, §**5001.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §321.25; C77, §321.25 – 321.27; C79, 81, §321.25]

83 Acts, ch 82, §1; 93 Acts, ch 47, §1; 97 Acts, ch 108, §4; 99 Acts, ch 13, §5; 2000 Acts, ch 1016, §3

Referred to in §321.46, 331.557, 805.8A(2b)

For applicable scheduled fine, see §805.8A, subsection 2

**321.26 Multiple registration periods and adjustments.**

1. There are established twelve registration periods for the registration of vehicles by the county treasurer. Each registration period shall commence on the first day of each calendar month following the month of the birth of the owner of the vehicle and end on the last day of the twelfth month.

2. The county treasurer may adjust the renewal or expiration date of vehicles when deemed necessary to equalize the number of vehicles registered in each twelve-month period or for the administrative efficiency of the county treasurer's office. The adjustment shall be accomplished by delivery of a written notice to the vehicle owner of the adjustment and allowance of a credit for the remaining months of the unused portion of the annual registration fee, rounded to the nearest whole dollar, which amount shall be deducted from the annual registration fee due at the time of registration. Upon receipt of the notification the owner shall, within thirty days, surrender the registration card and registration plates to the county treasurer of the county where the vehicle is registered, except that the registration plates shall not be surrendered if validation stickers or other emblems are used to designate the month and year of expiration of registration. Upon payment of the annual registration fee, less the credit allowed for the remaining months of the unused portion of the annual registration fee, the county treasurer shall issue a new registration card and registration plates, validation stickers, or emblems which indicate the month and year of expiration of registration.

3. Except for motor trucks or truck tractors registered by the county treasurer pursuant to sections 321.120, 321.121, and 321.122, vehicles subject to registration which are owned by

a person other than a natural person shall be registered for a registration year as determined by the county treasurer.

82 Acts, ch 1062, §34, 38; 83 Acts, ch 24, §8, 12; 2008 Acts, ch 1113, §55; 2013 Acts, ch 103, §7

Referred to in §331.557
Subsection 3 amended

**321.27** Repealed by 97 Acts, ch 108, § 49.

**321.28 Failure to register.**

The treasurer shall withhold the registration of any vehicle the owner of which shall have failed to register the same under the provisions of this chapter, for any previous period or periods for which it appears that registration should have been made, until the fee for such previous period or periods shall be paid.

[C24, 27, 31, 35, §4870; C39, §**5001.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.28]

Referred to in §321.101, 331.557

**321.29 Renewal not permitted.**

Any vehicle once registered in the state and by removal no longer subject to registration in this state, shall upon being returned to this state and subject to registration be again registered in accordance with section 321.20.

[C24, 27, 31, 35, §4876; C39, §**5001.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.29]

Referred to in §331.557

**321.30 Grounds for refusing registration or title.**

1. The department or the county treasurer shall refuse registration and issuance of a certificate of title or any transfer of title and registration upon any of the following grounds:

*a.* That the application contains any false or fraudulent statement or that the applicant has failed to furnish required information or reasonable additional information requested by the department or that the applicant is not entitled to registration and issuance of a certificate of title of the vehicle under this chapter.

*b.* That the vehicle is mechanically unfit or unsafe to be operated or moved upon the highways, providing such condition is revealed by a member of this department, or any peace officer.

*c.* That the department or the county treasurer has reasonable ground to believe that the vehicle is a stolen or embezzled vehicle or that the granting of registration and issuance of a certificate of title would constitute a fraud against the rightful owner.

*d.* That the registration of the vehicle stands suspended or revoked for any reason as provided in the motor vehicle laws of this state.

*e.* That the required registration fees have not been paid except as provided in section 321.48.

*f.* For a vehicle subject only to a certificate of title or a manufactured home, that the required use tax has not been paid.

*g.* If application for registration and certificate of title for a new vehicle is not accompanied by a manufacturer's or importer's certificate duly assigned.

*h.* If application for a transfer of registration and issuance of a certificate of title for a used vehicle registered in this state is not accompanied by a certificate of title duly assigned.

*i.* If application and supporting documents are insufficient to authorize the issuance of a certificate of title as provided by this chapter, except that an initial registration or transfer of registration may be issued as provided in section 321.23.

*j.* In the case of a mobile home or manufactured home, that taxes are owing under chapter 435 for a previous year.

*k.* In the case of a mobile home or manufactured home converted from real estate, real estate taxes which are delinquent.

*l.* If a commercial motor vehicle has been assigned to be operated by a commercial motor carrier whose ability to operate has been terminated or denied by a federal agency.

*m.* If the applicant is under eighteen years of age, unless the applicant has an Iowa driver's

license or the application is being made by more than one applicant and one of the applicants is at least eighteen years of age.

2. *a.* Unless otherwise provided for in this chapter, the department or the county treasurer shall refuse registration and issuance of a certificate of title unless the vehicle bears a manufacturer's label pursuant to 49 C.F.R. pt. 567 certifying that the vehicle meets federal motor vehicle safety standards.

*b.* A military vehicle, other than a vehicle that runs on continuous tracks or wheels and tracks, that was originally manufactured for and sold directly to the armed forces of the United States in conformity with contractual specifications, as provided in 49 C.F.R. § 571.7, may be registered and issued a certificate of title if the owner provides satisfactory evidence to the department that the vehicle is substantially in compliance with federal motor vehicle safety standards. The department may adopt rules as necessary concerning the registration and titling of military vehicles in accordance with this chapter.

3. The department or the county treasurer shall refuse registration of a vehicle if the applicant for registration of the vehicle has failed to pay the required annual registration fee or the fee for new registration of any vehicle owned or previously owned when the fee was required to be paid by the applicant, and for which vehicle the registration was suspended or revoked under section 321.101, subsection 1, paragraph "*d*", or section 321.101A, until the fee is paid together with any accrued penalties.

[C39, §**5001.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.30; 82 Acts, ch 1164, §1, ch 1251, §9]

85 Acts, ch 98, §3; 87 Acts, ch 108, §3 – 5; 95 Acts, ch 55, §4; 95 Acts, ch 194, §2, 12; 99 Acts, ch 188, §5; 2000 Acts, ch 1016, §4, 5; 2001 Acts, ch 153, §17; 2003 Acts, ch 145, §245; 2006 Acts, ch 1068, §10, 41; 2007 Acts, ch 126, §53; 2008 Acts, ch 1018, §7, 8; 2008 Acts, ch 1113, §56, 57; 2012 Acts, ch 1091, §1

Referred to in §321.101, 331.557

See also §321.40

**321.31 Records system.**

A state and county records system shall be maintained in the following manner:

1. *State records system.*

*a.* The department shall install and maintain a records system which shall contain the name and address of the vehicle owner, current and previous registration number, vehicle identification number, make, model, style, date of purchase, registration certificate number, maximum gross weight, weight, list price or value of the vehicle as fixed by the department, fees paid and date of payment. The records system shall also contain a record of the certificate of title including such information as the department deems necessary. The information to be kept in the records system shall be entered within forty-eight hours after receipt insofar as is practical. The records system shall constitute the permanent record of ownership of each vehicle titled under the laws of this state.

*b.* The department may make photostatic, microfilm, or other photographic copies of certificates of title, registration receipts, or other records, reports or documents which are required to be retained by the department. When copies have been made, the department may destroy the original records in such manner as prescribed by the director. The photostatic, microfilm, or other photographic copies, when no longer of use, may be destroyed in the manner prescribed by the director, subject to the approval of the state records commission. Photostatic, microfilm, or other photographic copies of records shall be admissible in evidence when duly certified and authenticated by the officer having custody and control of the copies of records. Records of vehicle certificates of title may be destroyed seven years after the date of issue.

*c.* The director shall maintain a records system of delinquent accounts owed to the state using information provided through the computerized data bank established in section 421.17. The department and county treasurers shall use the information maintained in the records system to determine if applicants for renewal of registration have delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by the state as provided pursuant to section 8A.504. The director, the director of the department of

administrative services, and the director of revenue shall establish procedures for updating the delinquent accounts records to add and remove accounts, as applicable.

2. *County records system.*

*a.* Each county treasurer's office shall maintain a county records system for vehicle registration and certificate of title documents. The records system shall consist of information from the certificate of title, including the date of perfection and cancellation of security interests, and information from the registration receipt. The information shall be maintained in a manner approved by the department.

*b.* Records of vehicle certificates of title for vehicles that are delinquent for five or more consecutive years may be destroyed by the county treasurer. Automated files, optical disks, microfiche records, and photostatic, microfilm or other photographic copies of records shall be admissible in evidence when duly certified and authenticated by the officer having custody and control of the records.

[S13, §1571-m2; C24, 27, 31, 35, §5010; C39, §**5001.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.31]

89 Acts, ch 185, §2; 95 Acts, ch 194, §3, 12; 2003 Acts, ch 145, §246; 2004 Acts, ch 1013, §6, 35; 2010 Acts, ch 1061, §180

Referred to in §331.557

**321.32 Registration card carried and exhibited — exception.**

1. A vehicle's registration card shall at all times be carried in the vehicle to which it refers and shall be shown to any peace officer upon the officer's request.

2. This section shall not apply when the registration card is being used for the purpose of making application for renewal of registration or upon a transfer of registration for that vehicle.

[S13, §1571-m11; C24, 27, 31, 35, §4879; C39, §**5001.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.32]

91 Acts, ch 27, §1; 2010 Acts, ch 1069, §89

Referred to in §331.557, 805.8A(2c)

For applicable scheduled fine, see §805.8A, subsection 2

**321.33 Exception.** Repealed by 2010 Acts, ch 1069, § 140. See § 321.32.

**321.34 Plates or validation sticker furnished — retained by owner — special plates.**

1. *Plates issued.* The county treasurer upon receiving application, accompanied by proper fee, for registration of a vehicle shall issue to the owner one registration plate for a motorcycle, motorized bicycle, truck tractor, trailer, or semitrailer and two registration plates for every other motor vehicle. The registration plates, including special registration plates, shall be assigned to the owner of a vehicle. When the owner of a registered vehicle transfers or assigns ownership of the vehicle to another person, the owner shall remove the registration plates from the vehicle. The owner shall forward the plates to the county treasurer where the vehicle is registered or the owner may have the plates assigned to another vehicle within thirty days after transfer, upon payment of the fees required by law. The owner shall immediately affix registration plates retained by the owner to another vehicle owned or acquired by the owner, providing the owner complies with section 321.46. The department shall adopt rules providing for the assignment of registration plates to the transferee of a vehicle for which a credit is allowed under section 321.46, subsection 6.

2. *Validation stickers.*

*a.* In lieu of issuing new registration plates each registration year for a vehicle renewing registration, the department may reassign the registration plates previously issued to the vehicle and may adopt and prescribe an annual validation sticker indicating payment of annual registration fees. The department shall issue one validation sticker for each set of registration plates. The sticker shall specify the month and year of expiration of the registration plates. The sticker shall be displayed only on the rear registration plate, except that the sticker shall be displayed on the front registration plate of a truck tractor.

*b.* The state department of transportation shall adopt rules to provide for the placement of the motor vehicle registration validation sticker.

3. *Radio operators plates.* The owner of an automobile, motorcycle, trailer, or motor truck who holds an amateur radio license issued by the federal communications commission may, upon written application to the county treasurer accompanied by a fee of five dollars, order special registration plates bearing the call letters authorized the radio station covered by the person's amateur radio license. When received by the county treasurer, such special registration plates shall be issued to the applicant in exchange for the registration plates previously issued to the person. Not more than one set of special registration plates may be issued to an applicant. Said fee shall be in addition to and not in lieu of the fee for regular registration plates. Special registration plates must be surrendered upon expiration of the owner's amateur radio license and the owner shall thereupon be entitled to the owner's regular registration plates. The county treasurer shall validate special plates in the same manner as regular registration plates, upon payment of five dollars in addition to the regular annual registration fee.

4. *Permanent plates.* In lieu of issuing annual registration plates for trailers, semitrailers, motor trucks, and truck tractors, the department may issue a permanent registration plate for trailers, semitrailers, motor trucks, and truck tractors licensed under chapter 326, upon payment of the appropriate registration fee. Payment of fees for trailers and semitrailers for a permanent registration plate shall, at the option of the registrant, be made at five-year intervals or on an annual basis. Fees from five-year payments shall not be reduced or prorated. Payment of fees for motor trucks and truck tractors shall be made on an annual basis.

5. *Personalized registration plates.*

*a.* Upon application and the payment of a fee of twenty-five dollars, the director may issue to the owner of a motor vehicle registered in this state or a trailer or travel trailer registered in this state, personalized registration plates marked with up to seven initials, letters, or combination of numerals and letters requested by the owner. However, personalized registration plates for motorcycles and motorized bicycles shall be marked with no more than six initials, letters, or combinations of numerals and letters. Upon receipt of the personalized registration plates, the applicant shall surrender the regular registration plates to the county treasurer. The fee for issuance of the personalized registration plates shall be in addition to the regular annual registration fee.

*b.* The county treasurer shall validate personalized registration plates in the same manner as regular registration plates are validated under this section at an annual fee of five dollars in addition to the regular annual registration fee. A person renewing a personalized registration plate within one month following the time requirements under section 321.40 may renew the personalized plate without paying the additional registration fee under paragraph "*a*" but shall pay the five-dollar fee in addition to the regular annual registration fee and any penalties subject to regular registration plate holders for late renewal.

*c.* The fees collected by the director under this subsection shall be paid to the treasurer of state and credited by the treasurer of state as provided in section 321.145.

6. *Sample vehicle registration plates.* Vehicle registration plates displaying the general design of regular registration plates, with the word "sample" displayed on the plate, may be furnished to any person upon payment of a fee of three dollars, except that such plates may be furnished to governmental agencies without cost. Sample registration plates shall not be attached to a vehicle moved on the highways of this state.

7. *Collegiate plates.*

*a.* Upon application and payment of the proper fees, the director may issue to the owner of a motor vehicle subject to registration under section 321.109, subsection 1, motor truck, motor home, multipurpose vehicle, trailer over two thousand pounds, or travel trailer registered in this state, collegiate registration plates created pursuant to this subsection. Upon receipt of the collegiate registration plates, the applicant shall surrender the regular registration plates to the county treasurer.

*b.* Collegiate registration plates shall be designed for each of the three state universities. The collegiate registration plates shall be designated as follows:

(1) The letters "ISU" followed by a four-digit number all in cardinal on a gold background for Iowa state university of science and technology.

(2) The letters "UNI" followed by a four-digit number all in purple on a gold background for the university of northern Iowa.

(3) The letters "UI" followed by a four-digit number all in black on a gold background for the state university of Iowa.

(4) In lieu of the letter-number designation provided under subparagraphs (1) through (3), the collegiate registration plates may be designated in the manner provided for personalized registration plates under subsection 5, paragraph *"a"*, in the colors designated for the respective universities under subparagraphs (1) through (3).

*c.* (1) The fees for a collegiate registration plate are as follows:

(a) A registration fee of twenty-five dollars.

(b) A special collegiate registration fee of twenty-five dollars.

(2) These fees are in addition to the regular annual registration fee. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall credit monthly from the statutory allocations fund created under section 321.145, subsection 2, to Iowa state university of science and technology, the university of northern Iowa, and the state university of Iowa respectively, the amount of the special collegiate registration fees collected in the previous month for collegiate registration plates designed for the university. The moneys credited are appropriated to the respective universities to be used for scholarships for students attending the universities.

*d.* The county treasurer shall validate collegiate registration plates in the same manner as regular registration plates are validated under this section at an annual fee of five dollars in addition to the regular annual registration fee.

*e.* A collegiate registration plate shall not be issued if its combination of alphanumeric characters are identical to those contained on a current personalized registration plate issued under subsection 5. However, the owner of a motor vehicle who has a personalized registration plate issued for the motor vehicle may, after proper application and payment of fees, be issued a collegiate registration plate containing the same alphanumeric characters as those on the personalized plate. Upon receipt of the collegiate registration plates, the owner shall surrender the personalized registration plates to the county treasurer.

7A. *Collegiate plates — Private four-year colleges and universities.*

*a.* Upon application by a private four-year college or university located in this state and payment of the initial set-up costs for establishing the collegiate plate, the department, in consultation with the college or university, may design a special collegiate registration plate displaying the colors associated with the college or university.

*b.* Upon application and payment of the proper fees, the director may issue to the owner of a motor vehicle subject to registration under section 321.109, subsection 1, motor truck, motor home, multipurpose vehicle, trailer over two thousand pounds, or travel trailer registered in this state, collegiate registration plates created pursuant to this subsection. The fee for the issuance of collegiate registration plates is twenty-five dollars, which fee is in addition to the regular annual registration fee for the vehicle. An applicant may obtain a personalized collegiate registration plate upon payment of the additional fee for a personalized plate as provided in subsection 5 in addition to the collegiate plate fee and the regular registration fee. The county treasurer shall validate collegiate registration plates issued under this subsection in the same manner as regular registration plates, upon payment of five dollars in addition to the regular annual registration fee. Upon receipt of the collegiate registration plates, the applicant shall surrender the regular registration plates to the county treasurer.

*c.* A personalized collegiate registration plate shall not be issued if its combination of alphanumeric characters are identical to those contained on a current personalized registration plate issued under subsection 5. However, the owner of a motor vehicle who has a personalized registration plate issued for the motor vehicle may, after proper application and payment of fees, be issued a collegiate registration plate containing the same alphanumeric characters as those on the personalized plate. Upon receipt of the collegiate registration plates, the owner shall surrender the personalized registration plates to the county treasurer.

8. *Medal of honor plates.*

*a.* The owner of a motor vehicle subject to registration under section 321.109, subsection 1, motorcycle, trailer, or motor truck who has been awarded the medal of honor may, upon written application to the department, order special registration plates which shall be red, white, and blue in color and shall bear an emblem of the medal of honor and an identifying number. Each applicant applying for special registration plates under this subsection may order only one set of registration plates under this subsection. The application is subject to approval by the department and the special registration plates shall be issued at no charge to the applicant in exchange for the registration plates previously issued to the person. A person who is issued special plates under this subsection is exempt from payment of any annual registration fee for the motor vehicle bearing the special plates. The department shall validate the special plates in the same manner as regular registration plates are validated under this section. The department shall not issue special registration plates until service organizations in the state have furnished the department either the special dies or the cost of the special dies necessary for the manufacture of the special registration plate.

*b.* The surviving spouse of a person who was issued special plates under this subsection may continue to use the special plates subject to registration of the special plates in the surviving spouse's name. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

8A. *Ex-prisoner of war special plates.*

*a.* The owner of a motor vehicle subject to registration under section 321.109, subsection 1, motorcycle, trailer, or motor truck who was a prisoner of war during a time of military conflict may, upon written application to the department, order only one set of special registration plates with an ex-prisoner of war processed emblem. The emblem shall be designed by the department in cooperation with the adjutant general and shall signify that the owner was a prisoner of war as described in this subsection. The application is subject to approval by the department, in consultation with the adjutant general. The special plates shall be issued at no charge and are subject to an annual registration fee of fifteen dollars. The county treasurer shall validate the special plates in the same manner as regular registration plates are validated under this section.

*b.* The surviving spouse of a person who was issued special plates under this subsection may continue to use or apply for and use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual registration fee. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

9. *Leased vehicles.* Registration plates under this section, including disabled veteran plates specified in section 321.105, may be issued to the lessee of a motor vehicle if the lessee provides evidence of a lease for a period of more than sixty days and if the lessee complies with the requirements, under this section, for issuance of the specific registration plates.

10. *Fire fighter plates.*

*a.* An owner referred to in subsection 12 who is a current or retired member of a paid or volunteer fire department may, upon written application to the department, order special registration plates, designed by the department in cooperation with representatives designated by the Iowa fire fighters' associations, which signify that the applicant is a current or retired member of a paid or volunteer fire department.

*b.* The application shall be approved by the department in consultation with representatives designated by the Iowa fire fighters' associations, and the special registration plates shall be issued to the applicant in exchange for the registration plates previously issued to the person. An applicant who is the owner of a business-trade truck or special truck shall not be issued special fire fighter registration plates for more than one vehicle. The fee for the special plates is twenty-five dollars which shall be paid in addition to the regular annual registration fee. The department shall validate the special plates in the same manner as regular registration plates are validated under this section at the regular annual registration fee.

*c.* The special fees collected by the director under this subsection shall be paid monthly

to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the Paul Ryan memorial fire fighter safety training fund created pursuant to section 100B.12 the amount of the special fees collected in the previous month for the fire fighter plates.

*d.* For purposes of this subsection, a person is considered to be retired if the person is recognized by the chief of the fire department where the individual served, and on record, as officially retired from the fire department. Special registration plates with a fire fighter emblem shall be surrendered, as provided in subsection 12, in exchange for regular registration plates upon termination of the motor vehicle owner's membership in the paid or volunteer fire department, unless the person is a retired member in good standing.

10A. *Emergency medical services plates.*

*a.* The owner of a motor vehicle referred to in subsection 12 who is a current member of a paid or volunteer emergency medical services agency may, upon written application to the department, order special registration plates, designed by the department in cooperation with representatives designated by the Iowa emergency medical services association, which plates signify that the applicant is a current member of a paid or volunteer emergency medical services agency. The application shall be approved by the department, in consultation with representatives designated by the Iowa emergency medical services association, and the special registration plates shall be issued to the applicant in exchange for the registration plates previously issued to the person. The fee for the special plates is twenty-five dollars which is in addition to the regular annual registration fee. The department shall validate the special plates in the same manner as regular registration plates are validated under this section at the regular annual registration fee.

*b.* The special fees collected by the director under this subsection shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the emergency medical services fund created in section 135.25 the amount of the special fees collected in the previous month for issuance of emergency medical services plates.

11. *Natural resources plates.*

*a.* Upon application and payment of the proper fees, the director may issue natural resources plates to the owner of a motor vehicle subject to registration under section 321.109, subsection 1, motor truck, motor home, multipurpose vehicle, motorcycle, trailer, or travel trailer.

*b.* Natural resources plates shall be designed by the department in cooperation with the department of natural resources which design shall include on the plate the name of the county where the vehicle is registered.

*c.* (1) The special natural resources fee for letter-number designated natural resources plates is forty-five dollars. The fee for personalized natural resources plates is forty-five dollars which shall be paid in addition to the special natural resources fee of forty-five dollars. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall credit monthly from the statutory allocations fund created under section 321.145, subsection 2, to the Iowa resources enhancement and protection fund created pursuant to section 455A.18, the amount of the special natural resources fees collected in the previous month for the natural resources plates.

(2) From the moneys credited to the Iowa resources enhancement and protection fund under subparagraph (1), ten dollars of the fee collected for each natural resources plate issued, and fifteen dollars from each renewal fee, shall be allocated to the department of natural resources wildlife bureau to be used for nongame wildlife programs.

*d.* Upon receipt of the special registration plates, the applicant shall surrender the current registration plates to the county treasurer. The county treasurer shall validate the special registration plates in the same manner as regular registration plates are validated under this section. The annual special natural resources fee for letter-number designated plates is twenty-five dollars which shall be paid in addition to the regular annual registration fee. The

annual fee for personalized natural resources plates is five dollars which shall be paid in addition to the annual special natural resources fee and the regular annual registration fee. The annual special natural resources fee shall be credited as provided under paragraph "*c*".

11A. *Love our kids plates.*

*a.* Upon application and payment of the proper fees, the director may issue "love our kids" plates to the owner of a motor vehicle subject to registration under section 321.109, subsection 1, motor truck, motor home, multipurpose vehicle, motorcycle, trailer, or travel trailer.

*b.* Love our kids plates shall be designed by the department in cooperation with the Iowa department of public health.

*c.* The special fee for letter-number designated love our kids plates is thirty-five dollars. The fee for personalized love our kids plates is twenty-five dollars, which shall be paid in addition to the special love our kids fee of thirty-five dollars. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the Iowa department of public health the amount of the special fees collected in the previous month for the love our kids plates. Notwithstanding section 8.33, moneys transferred under this subsection shall not revert to the general fund of the state.

*d.* Upon receipt of the special registration plates, the applicant shall surrender the current registration plates to the county treasurer. The county treasurer shall validate the special registration plates in the same manner as regular registration plates are validated under this section. The annual special love our kids fee for letter-number designated plates is ten dollars, which shall be paid in addition to the regular annual registration fee. The annual fee for personalized love our kids plates is five dollars, which shall be paid in addition to the annual special love our kids fee and the regular annual registration fee. The annual love our kids fee shall be credited as provided under paragraph "*c*".

11B. *Motorcycle rider education plates.*

*a.* Upon application and payment of the proper fees, the director may issue "motorcycle rider education" plates to the owner of a motor vehicle subject to registration under section 321.109, subsection 1, motor truck, motor home, multipurpose vehicle, motorcycle, trailer, or travel trailer.

*b.* Motorcycle rider education plates shall be designed by the department.

*c.* The special fee for letter-number designated motorcycle rider education plates is thirty-five dollars. The fee for personalized motorcycle rider education plates is twenty-five dollars, which shall be paid in addition to the special motorcycle rider education fee of thirty-five dollars. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the department for use in accordance with section 321.179, the amount of the special fees collected in the previous month for the motorcycle rider education plates.

*d.* Upon receipt of the special registration plates, the applicant shall surrender the current registration plates to the county treasurer. The county treasurer shall validate the special registration plates in the same manner as regular registration plates are validated under this section. The annual special motorcycle rider education fee for letter-number designated plates is ten dollars, which shall be paid in addition to the regular annual registration fee. The annual fee for personalized motorcycle rider education plates is five dollars, which shall be paid in addition to the annual special motorcycle rider education fee and the regular annual registration fee. The annual motorcycle rider education fee shall be credited as provided under paragraph "*c*".

12. *Special registration plates — general provisions.*

*a.* The owner of a motor vehicle subject to registration pursuant to section 321.109, subsection 1, motor truck, motor home, multipurpose vehicle, motorcycle, trailer, or travel trailer may, upon written application to the department, order special registration plates with a distinguishing processed emblem as authorized by this section or as approved by the department. The fee for the issuance of special registration plates is twenty-five dollars

for each vehicle, unless otherwise provided by this section, which fee is in addition to the regular annual registration fee. The county treasurer shall validate special registration plates with a distinguishing processed emblem in the same manner as regular registration plates, upon payment of five dollars in addition to the regular annual registration fee.

*b.* Upon receipt of a special registration plate with a distinguishing processed emblem as authorized by this section or as approved by the department, the applicant shall surrender the regular registration plates to the county treasurer. An applicant no longer eligible for a special registration plate shall surrender the special vehicle registration plates to the county treasurer for issuance of regular registration plates.

*c.* An applicant may, upon payment of the additional fee for a personalized plate as provided in subsection 5, obtain a personalized special registration plate with a processed emblem. Personalized plates authorized by this section with the processed emblem shall be limited to no more than five initials, letters, or combinations of numerals and letters.

*d.* A special registration plate issued for a motorcycle or motorized bicycle under this section shall be designated in the manner provided for personalized registration plates under subsection 5, paragraph *"a"*.

12A. *Special registration plates — armed forces services.*

*a.* An owner of a vehicle referred to in subsection 12 who applies for any type of special registration plates associated with service in the United States armed forces shall be issued one set of the special registration plates at no charge, but shall be subject to the annual registration fee of fifteen dollars, if the owner is eligible for, but has relinquished to the department or the county treasurer or has not been issued, ex-prisoner of war or legion of merit special registration plates under this section.

*b.* An owner of a vehicle referred to in subsection 12 who applies for any type of special registration plates associated with service in the United States armed forces shall be issued one set of the special registration plates at no charge and subject to no annual registration fee if the owner is eligible for, but has relinquished to the department or the county treasurer or has not been issued, medal of honor registration plates under subsection 8 or disabled veteran registration plates under section 321.105.

*c.* The owner shall provide the appropriate information regarding the owner's eligibility for any of the special registration plates described in paragraph *"a"* or *"b"*, and regarding the owner's eligibility for the special registration plates for which the owner has applied, as required by the department.

*d.* The surviving spouse of a person who was issued special plates under this subsection may continue to use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the same annual registration fee, if applicable. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

13. *New special registration plates — department review.*

*a.* Any person may submit a request to the department to recommend a new special registration plate with a processed emblem. The request shall provide a proposed design for the processed emblem, the purpose of the special registration plate with the processed emblem, any eligibility requirements for purchase or receipt of the special registration plate with the processed emblem, and evidence there is sufficient interest in the special registration plate with the processed emblem to pay implementation costs. The department shall consider the request and make a recommendation based upon criteria established by the department which shall include consideration of the information included in the request, the number of special registration plates with processed emblems currently authorized, and any other relevant factors.

*b.* If a request for a proposed special registration plate with a processed emblem meets the criteria established by the department, the department shall, in consultation with the persons seeking the special registration plate with the processed emblem, approve a recommended design for the processed emblem, and propose eligibility requirements for the special registration plate with the processed emblem.

*c.* The department shall adopt rules pursuant to chapter 17A regarding the approval and issuance of special registration plates.

*d.* A state agency may submit a request to the department recommending a special registration plate. The alternate fee for letter-number designated plates is thirty-five dollars with a ten dollar annual special renewal fee. The fee for personalized plates is twenty-five dollars which is in addition to the alternative fee of thirty-five dollars with an annual personalized plate renewal fee of five dollars which is in addition to the special renewal fee of ten dollars. The alternate fees are in addition to the regular annual registration fee. The alternate fees collected under this paragraph shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall credit monthly from the statutory allocations fund created under section 321.145, subsection 2, the amount of the alternate fees collected in the previous month to the state agency that recommended the special registration plate.

14. *Persons with disabilities special plates.* An owner referred to in subsection 12 or an owner of a trailer used to transport a wheelchair who is a person with a disability, or who is the parent or guardian of a child who resides with the parent or guardian owner and who is a person with a disability, as defined in section 321L.1, may, upon written application to the department, order special registration plates with a persons with disabilities processed emblem designed by the department bearing the international symbol of accessibility. The special registration plates with a persons with disabilities processed emblem shall only be issued if the application is accompanied with a statement from a physician licensed under chapter 148 or 149, a physician assistant licensed under chapter 148C, an advanced registered nurse practitioner licensed under chapter 152, or a chiropractor licensed under chapter 151, written on the physician's, physician assistant's, nurse practitioner's, or chiropractor's stationery, stating the nature of the applicant's or the applicant's child's disability and such additional information as required by rules adopted by the department, including proof of residency of a child who is a person with a disability. If the application is approved by the department, the special registration plates with a persons with disabilities processed emblem shall be issued to the applicant. There shall be no fee in addition to the regular annual registration fee for the special registration plates with a persons with disabilities processed emblem. The authorization for special registration plates with a persons with disabilities processed emblem shall not be renewed without the applicant furnishing evidence to the department that the owner of the vehicle or the owner's child is still a person with a disability as defined in section 321L.1. An owner who has a child who is a person with a disability shall provide satisfactory evidence to the department that the child with a disability continues to reside with the owner. The registration plates with a persons with disabilities processed emblem shall be surrendered in exchange for regular registration plates as provided in subsection 12 when the owner of the vehicle or the owner's child no longer qualifies as a person with a disability as defined in section 321L.1 or when the owner's child who is a person with a disability no longer resides with the owner.

15. *Legion of merit special plates.*

*a.* The owner of a motor vehicle subject to registration under section 321.109, subsection 1, motorcycle, trailer, or motor truck who has been awarded the legion of merit shall be issued one set of special registration plates with a legion of merit processed emblem, upon written application to the department and presentation of satisfactory proof of the award of the legion of merit as established by the Congress of the United States. The emblem shall be designed by the department in cooperation with the adjutant general and shall signify that the owner was awarded the legion of merit. The application is subject to approval by the department, in consultation with the adjutant general. The special plates shall be issued at no charge and are subject to an annual registration fee of fifteen dollars. The county treasurer shall validate the special plates in the same manner as regular registration plates are validated under this section.

*b.* The surviving spouse of a person who was issued special plates under this subsection may continue to use or apply for and use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual registration fee. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

16. *National guard special plates.*

*a.* An owner referred to in subsection 12 who is a member of the national guard, as defined in chapter 29A, may, upon written application to the department, order special registration plates with a national guard processed emblem with the emblem designed by the department in cooperation with the adjutant general which emblem signifies that the applicant is a member of the national guard. The application shall be approved by the department in consultation with the adjutant general. The special plate fees collected by the director under subsection 12, paragraphs "*a*" and "*c*", from the issuance and annual validation of letter-number designated and personalized national guard plates shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected under subsection 12, paragraph "*a*", in the previous month for national guard plates. Special registration plates with a national guard processed emblem shall be surrendered, as provided in subsection 12, in exchange for regular registration plates upon termination of the owner's membership in the active national guard.

*b.* The surviving spouse of a person who was issued special plates under this subsection may continue to use or apply for and use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual five-dollar special plate fee and the regular annual registration fee for the vehicle. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

17. *Pearl Harbor special plates.*

*a.* An owner referred to in subsection 12 who was at Pearl Harbor, Hawaii, as a member of the armed services of the United States on December 7, 1941, may, upon written application to the department, order special registration plates with a Pearl Harbor processed emblem. The emblem shall be designed by the department in consultation with service organizations. The application is subject to approval by the department. The special plate fees collected by the director under subsection 12, paragraphs "*a*" and "*c*", from the issuance and annual validation of letter-number designated and personalized Pearl Harbor plates shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected under subsection 12, paragraph "*a*", in the previous month for Pearl Harbor plates.

*b.* The surviving spouse of a person who was issued special plates under this subsection may continue to use or apply for and use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual five-dollar special plate fee and the regular annual registration fee for the vehicle. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

18. *Purple heart special plates.*

*a.* An owner referred to in subsection 12 who was awarded a purple heart medal by the United States government for wounds received in military or naval combat against an armed enemy of the United States may, upon written application to the department and presentation of satisfactory proof of the award of the purple heart medal, order special registration plates with a purple heart processed emblem. The design of the emblem shall include a representation of a purple heart medal and ribbon. The application is subject to approval by the department in consultation with the adjutant general. The special plate fees collected by the director under subsection 12, paragraphs "*a*" and "*c*", from the issuance and annual validation of letter-number designated and personalized purple heart plates shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected under subsection 12, paragraph "*a*", in the previous month for purple heart plates.

*b.* The surviving spouse of a person who was issued special plates under this subsection may continue to use or apply for and use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual five-dollar special plate fee and the regular annual registration fee for the vehicle. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

19. *United States armed forces retired special plates.*

*a.* An owner referred to in subsection 12 who is a retired member of the United States armed forces may, upon written application to the department and upon presentation of satisfactory proof of membership, order special registration plates with a United States armed forces retired processed emblem. The emblem shall be designed by the department in consultation with service organizations. The application is subject to approval by the department. For purposes of this subsection, a person is considered to be retired if the person is recognized by the United States armed forces as retired from the United States armed forces. The special plate fees collected by the director under subsection 12, paragraphs "*a*" and "*c*", from the issuance and annual validation of letter-number designated and personalized armed forces retired plates shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected under subsection 12, paragraph "*a*", in the previous month for armed forces retired plates.

*b.* The surviving spouse of a person who was issued special plates under this subsection may continue to use or apply for and use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual five-dollar special plate fee and the regular annual registration fee for the vehicle. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

20. *Silver or bronze star plates.*

*a.* An owner referred to in subsection 12 who was awarded a silver or a bronze star by the United States government, may, upon written application to the department and presentation of satisfactory proof of the award of the silver or bronze star, order special registration plates with a silver or bronze star processed emblem. The emblem shall be designed by the department in consultation with the adjutant general. The special plate fees collected by the director under subsection 12, paragraphs "*a*" and "*c*", from the issuance and annual validation of letter-number designated and personalized silver star and bronze star plates shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected under subsection 12, paragraph "*a*", in the previous month for silver star and bronze star plates.

*b.* The surviving spouse of a person who was issued special plates under this subsection may continue to use or apply for and use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual five-dollar special plate fee and the regular annual registration fee for the vehicle. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

20A. *Distinguished service, navy, or air force cross plates.*

*a.* An owner referred to in subsection 12 who was awarded a distinguished service cross, a navy cross, or an air force cross by the United States government may, upon written application to the department and presentation of satisfactory proof of the award, order special registration plates with a distinguished service cross, navy cross, or air force cross processed emblem. The emblem shall be designed by the department in consultation with the adjutant general. The special plate fees collected by the director under subsection 12, paragraphs "*a*" and "*c*", from the issuance and annual validation of letter-number designated and personalized distinguished service cross, navy cross, and air force cross plates shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer

of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected under subsection 12, paragraph "*a*", in the previous month for distinguished service cross, navy cross, and air force cross plates.

*b.* The surviving spouse of a person who was issued special plates under this subsection may continue to use or apply for and use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual five-dollar special plate fee and the regular annual registration fee for the vehicle. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

20B. *Soldier's, navy and marine corps, or airman's medal plates.*

*a.* An owner referred to in subsection 12 who was awarded a soldier's medal, a navy and marine corps medal, or an airman's medal by the United States government may, upon written application to the department and presentation of satisfactory proof of the award, order special registration plates with a soldier's medal, navy and marine corps medal, or airman's medal processed emblem. The emblem shall be designed by the department in consultation with the adjutant general. The special plate fees collected by the director under subsection 12, paragraphs "*a*" and "*c*", from the issuance and annual validation of letter-number designated and personalized soldier's medal, navy and marine corps medal, and airman's medal plates shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected under subsection 12, paragraph "*a*", in the previous month for soldier's medal, navy and marine corps medal, and airman's medal plates.

*b.* The surviving spouse of a person who was issued special plates under this subsection may continue to use or apply for and use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual five-dollar special plate fee and the regular annual registration fee for the vehicle. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

20C. *Combat infantryman badge, combat action badge, combat action ribbon, air force combat action medal, and combat medical badge plates.*

*a.* The department, in consultation with the adjutant general, shall design combat infantryman badge, combat action badge, combat action ribbon, air force combat action medal, and combat medical badge distinguishing processed emblems. Upon receipt of two hundred fifty orders for combat infantryman badge, combat action badge, combat action ribbon, air force combat action medal, or combat medical badge special registration plates, accompanied by a start-up fee of twenty dollars per order, the department shall begin issuing special registration plates with the applicable distinguishing processed emblem as provided in paragraphs "*b*" and "*c*". The minimum order requirement shall apply separately to each of the special registration plates created under this subsection.

*b.* An owner referred to in subsection 12 who was awarded a combat infantryman badge, combat action badge, combat action ribbon, air force combat action medal, or combat medical badge by the United States government may, upon written application to the department and presentation of satisfactory proof of the award, order special registration plates with a combat infantryman badge, combat action badge, combat action ribbon, air force combat action medal, or combat medical badge processed emblem. The special plate fees collected by the director under subsection 12, paragraphs "*a*" and "*c*", from the issuance and annual validation of letter-number designated and personalized combat infantryman badge, combat action badge, combat action ribbon, air force combat action medal, and combat medical badge plates shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected under subsection 12, paragraph "*a*", in the previous

month for combat infantryman badge, combat action badge, combat action ribbon, air force combat action medal, and combat medical badge plates.

*c.* The surviving spouse of a person who was issued special plates under this subsection may continue to use or apply for and use the special plates subject to registration of the special plates in the surviving spouse's name and upon payment of the annual five-dollar special plate fee and the regular annual registration fee for the vehicle. If the surviving spouse remarries, the surviving spouse shall return the special plates to the department and the department shall issue regular registration plates to the surviving spouse.

21. *Iowa heritage special plates.*

*a.* An owner referred to in subsection 12 may, upon written application to the department, order special registration plates with an Iowa heritage emblem. The emblem shall contain a picture of the American gothic house and the words "Iowa Heritage" and shall be designed by the department in consultation with the state historical society of Iowa.

*b.* The special Iowa heritage fee for letter-number designated plates is thirty-five dollars. The special fee for personalized Iowa heritage plates is twenty-five dollars which shall be paid in addition to the special fee of thirty-five dollars. The annual special Iowa heritage fee is ten dollars for letter-number designated registration plates and is fifteen dollars for personalized registration plates which shall be paid in addition to the regular annual registration fee.

*c.* The special fees collected by the director under this subsection shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall credit monthly from the statutory allocations fund created under section 321.145, subsection 2, to the Iowa heritage fund created under section 303.9A the amount of the special fees collected in the previous month for the Iowa heritage plates.

22. *Education plates.*

*a.* An owner referred to in subsection 12, upon written application to the department, may order special registration plates with an education emblem. The education emblem shall be designed by the department in cooperation with the department of education.

*b.* The special school transportation fee for letter-number designated education plates is thirty-five dollars. The fee for personalized education plates is twenty-five dollars, which shall be paid in addition to the special school transportation fee of thirty-five dollars. The annual special school transportation fee is ten dollars for letter-number designated registration plates and is fifteen dollars for personalized registration plates which shall be paid in addition to the regular annual registration fee. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the school budget review committee in accordance with section 257.31, subsection 17, the amount of the special school transportation fees collected in the previous month for the education plates.

23. *Breast cancer awareness plates.*

*a.* Upon application and payment of the proper fees, the director may issue breast cancer awareness plates to an owner of a motor vehicle referred to in subsection 12.

*b.* Breast cancer awareness plates shall contain an image of a pink ribbon and shall be designed by the department in consultation with the Susan G. Komen foundation.

*c.* The special fee for letter-number designated breast cancer awareness plates is thirty-five dollars. The fee for personalized breast cancer awareness plates is twenty-five dollars, which shall be paid in addition to the special breast cancer awareness fee of thirty-five dollars. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the Iowa department of public health the amount of the special fees collected in the previous month for the breast cancer awareness plates and such funds are appropriated to the Iowa department of public health. The Iowa department of public health shall distribute one hundred percent of the funds received monthly in the form of grants to support breast cancer screenings for both men and women who meet eligibility requirements like those established by the Susan G. Komen foundation. In the awarding of grants, the Iowa department of public health shall give first consideration to affiliates of the

Susan G. Komen foundation and similar nonprofit organizations providing for breast cancer screenings at no cost in Iowa. Notwithstanding section 8.33, moneys transferred under this subsection shall not revert to the general fund of the state.

*d.* Upon receipt of the special registration plates, the applicant shall surrender the current registration plates to the county treasurer. The county treasurer shall validate the special registration plates in the same manner as regular registration plates are validated under this section. The annual special breast cancer awareness fee for letter-number designated plates is ten dollars, which shall be paid in addition to the regular annual registration fee. The annual special fee for personalized breast cancer awareness plates is five dollars, which shall be paid in addition to the annual special breast cancer awareness fee and the regular annual registration fee. The annual special breast cancer awareness fee shall be credited and transferred as provided under paragraph "*c*".

24. *Gold star plates.* An owner referred to in subsection 12 who is the surviving spouse, parent, child, or sibling of a deceased member of the United States armed forces who died while serving on active duty during a time of military conflict or who died as a result of such service may order special registration plates bearing a gold star emblem upon written application to the department accompanied by satisfactory supporting documentation as determined by the department. The gold star emblem shall be designed by the department in cooperation with the commission of veterans affairs. The special plate fees collected by the director under subsection 12, paragraphs "*a*" and "*c*", from the issuance and annual validation of letter-number designated and personalized gold star plates shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected under subsection 12, paragraph "*a*", in the previous month for gold star plates.

25. *Civil war sesquicentennial plates.*

*a.* The department, in consultation with the adjutant general, shall design a civil war sesquicentennial distinguishing processed emblem. Upon receipt of two hundred fifty orders for civil war sesquicentennial special registration plates, accompanied by a start-up fee of twenty dollars per order, the department shall begin issuing special registration plates with a civil war sesquicentennial processed emblem as provided in paragraph "*b*".

*b.* An owner referred to in subsection 12, upon written application to the department, may order special registration plates with a civil war sesquicentennial processed emblem. The special plate fees collected by the director under subsection 12, paragraphs "*a*" and "*c*", from the issuance and annual validation of letter-number designated and personalized civil war sesquicentennial plates shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from the statutory allocations fund created under section 321.145, subsection 2, to the department of cultural affairs the amount of the special fees collected under subsection 12, paragraph "*a*", in the previous month for civil war sesquicentennial plates, and such funds are appropriated to the department of cultural affairs to be used for the Iowa battle flag project.

26. *Fallen peace officers plates.*

*a.* The department, in consultation with the department of public safety and concerns of police survivors, inc., shall design a fallen peace officers distinguishing processed emblem. Upon receipt of two hundred fifty orders for fallen peace officers special registration plates, accompanied by a start-up fee of twenty dollars per order, the department shall begin issuing special registration plates with a fallen peace officers processed emblem as provided in paragraphs "*b*" and "*c*".

*b.* An owner of a motor vehicle referred to in subsection 12, upon written application to the department, may order special registration plates with a fallen peace officers processed emblem. The special fee for letter-number designated fallen peace officers plates is thirty-five dollars. The fee for personalized fallen peace officers plates is twenty-five dollars, which shall be paid in addition to the special fallen peace officers fee of thirty-five dollars. The fees collected by the director under this paragraph shall be paid monthly to the treasurer of state and deposited in the road use tax fund. The treasurer of state shall transfer monthly from

the statutory allocations fund created under section 321.145, subsection 2, to the department of public safety the amount of the special fees collected in the previous month for the fallen peace officers plates and such funds are appropriated to the department of public safety. The department of public safety shall distribute one hundred percent of the funds received monthly in the form of grants to nonprofit organizations that provide resources to assist in the rebuilding of the lives of surviving families and affected coworkers of law enforcement officers killed in the line of duty. In the awarding of grants, the department of public safety shall give first consideration to concerns of police survivors, inc., and similar nonprofit organizations providing such resources. Notwithstanding section 8.33, moneys transferred under this subsection shall not revert to the general fund of the state.

*c.* Upon receipt of the special registration plates, the applicant shall surrender the current registration plates to the county treasurer. The county treasurer shall validate the special registration plates in the same manner as regular registration plates are validated under this section. The annual special fallen peace officers fee for letter-number designated plates is ten dollars, which shall be paid in addition to the regular annual registration fee. The annual special fee for personalized fallen peace officers plates is five dollars, which shall be paid in addition to the annual special fallen peace officers fee and the regular annual registration fee. The annual special fallen peace officers fee shall be credited and transferred as provided under paragraph *"b"*.

[SS15, §1571-m5; C24, 27, 31, 35, §4874; C39, §**5001.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.34]

82 Acts, ch 1032, §2, 4; 82 Acts, ch 1062, §4, 38; 84 Acts, ch 1027, §1; 84 Acts, ch 1250, §1; 84 Acts, ch 1305, §49; 85 Acts, ch 67, §35; 85 Acts, ch 87, §1; 86 Acts, ch 1182, §1; 86 Acts, ch 1225, §1; 87 Acts, ch 77, §1; 88 Acts, ch 1215, §1 – 4; 88 Acts, ch 1222, §1; 89 Acts, ch 17, §1; 89 Acts, ch 27, §1; 89 Acts, ch 247, §4; 89 Acts, ch 296, §27; 89 Acts, ch 317, §31; 90 Acts, ch 1128, §1; 90 Acts, ch 1151, §1; 91 Acts, ch 49, §1, 2; 91 Acts, ch 58, §1; 91 Acts, ch 259, §3; 92 Acts, ch 1175, §29; 92 Acts, 2nd Ex, ch 1001, §204, 205; 93 Acts, ch 2, §1; 94 Acts, ch 1104, §1; 95 Acts, ch 118, §7 – 9, 40; 96 Acts, ch 1065, §1; 96 Acts, ch 1088, §3, 4, 8; 96 Acts, ch 1171, §2; 96 Acts, ch 1219, §21 – 24; 97 Acts, ch 2, §1, 2; 97 Acts, ch 70, §3, 15; 97 Acts, ch 104, §8 – 10; 97 Acts, ch 108, §5; 97 Acts, ch 123, §1; 97 Acts, ch 212, §33; 98 Acts, ch 1079, §1 – 3; 99 Acts, ch 7, §1 – 9; 99 Acts, ch 114, §20; 99 Acts, ch 141, §38; 99 Acts, ch 180, §15; 2000 Acts, ch 1154, §21; 2000 Acts, ch 1157, §1; 2000 Acts, ch 1206, §1; 2001 Acts, ch 24, §73, 74; 2001 Acts, ch 32, §17; 2001 Acts, ch 144, §2, 3; 2002 Acts, ch 1119, §42; 2003 Acts, ch 3, §1; 2003 Acts, ch 7, §1 – 9; 2003 Acts, ch 105, §2; 2003 Acts, 1st Ex, ch 2, §165 – 171, 205; 2004 Acts, ch 1013, §7 – 10, 35; 2004 Acts, ch 1175, §333, 347; 2005 Acts, ch 8, §9; 2007 Acts, ch 143, §9; 2007 Acts, ch 178, §2, 3; 2007 Acts, ch 184, §2 – 5, 7; 2007 Acts, ch 215, §106, 107, 130; 2008 Acts, ch 1018, §9 – 16; 2008 Acts, ch 1088, §118; 2008 Acts, ch 1113, §58 – 77; 2008 Acts, ch 1124, §4, 5; 2008 Acts, ch 1130, §8, 10; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1069, §142; 2011 Acts, ch 68, §1, 5; 2011 Acts, ch 114, §2; 2011 Acts, ch 131, §59, 60, 158; 2012 Acts, ch 1093, §4

Referred to in §35A.11, 100B.12, 257.31, 303.9A, 321.105, 321.145, 321.166, 321L.1, 321L.2, 321L.2A, 331.557, 805.8A(2d)

For applicable scheduled fines, see §805.8A, subsection 2

2011 amendment to subsection 10, paragraph b, applies for registration plates issued during registration periods beginning on or after January 1, 2012; phased-in elimination of business-trade and special truck plates; 2011 Acts, ch 68, §4, 5

**321.35 Plates — reflective material — bidding procedures.**

All motor vehicle registration plates shall be treated with a reflective material according to specifications proposed by the director and approved by the commission.

The department shall not enter into any contract requiring an expenditure of at least five hundred thousand dollars for the manufacture of motor vehicle registration plates to be reissued to owners under this chapter unless competitive bidding procedures as provided in chapter 8A, subchapter III, are followed.

[C62, 66, 71, 73, 75, 77, 79, 81, §321.35]

95 Acts, ch 118, §10; 2003 Acts, ch 145, §247

Referred to in §331.557

**321.36** Repealed by 77 Acts, ch 103, § 64.

**321.37 Display of plates.**

1. Registration plates issued for a motor vehicle other than a motorcycle, motorized bicycle or a truck tractor shall be attached to the motor vehicle, one in the front and the other in the rear. The registration plate issued for a motorcycle or other vehicle required to be registered hereunder shall be attached to the rear of the vehicle. The registration plate issued for a truck tractor shall be attached to the front of the truck tractor. The special plate issued to a dealer shall be attached on the rear of the vehicle when operated on the highways of this state.

2. Registration plates issued for a motor vehicle which is model year 1948 or older, and reconstructed or specially constructed vehicles built to resemble a model year 1948 vehicle or older, other than a truck registered for more than five tons, motorcycle, or truck tractor, may display one registration plate on the rear of the vehicle if the other registration plate issued to the vehicle is carried in the vehicle at all times when the vehicle is operated on a public highway.

3. It is unlawful for the owner of a vehicle to place any frame around or over the registration plate which does not permit full view of all numerals and letters printed on the registration plate.

[S13, §1571-m11; C24, 27, 31, 35, §4877; C39, §**5001.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.37]

84 Acts, ch 1305, §50; 90 Acts, ch 1233, §16; 97 Acts, ch 104, §11

Referred to in §321.57, 331.557, 805.8A(2e)

For applicable scheduled fine, see §805.8A, subsection 2

**321.38 Plates, method of attaching — imitations prohibited.**

Every registration plate shall at all times be securely fastened in a horizontal position to the vehicle for which it is issued so as to prevent the plate from swinging and at a height of not less than twelve inches from the ground, measuring from the bottom of the plate, in a place and position to be clearly visible and shall be maintained free from foreign materials and in a condition to be clearly legible. An imitation plate or plates imitating or purporting to imitate the official registration plate of any other state or territory of the United States or of any foreign government shall not be fastened to the vehicle.

[S13, §1571-m11; C24, 27, 31, 35, §4877; C39, §**5001.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.38]

85 Acts, ch 195, §32

Referred to in §321.57, 331.557, 805.8A(2f)

For applicable scheduled fine, see §805.8A, subsection 2

**321.39 Expiration of registration.**

Except as provided in this chapter every vehicle registration, registration card, and registration plate shall expire as follows:

1. For vehicles registered by the county treasurer, at midnight on the last day of the registration year. A person shall not be considered to be driving a motor vehicle with an expired registration for a period of one month following the expiration date of the vehicle registration. The one-month period shall be the same as the period defined in section 321.134, subsection 1.

2. For vehicles on which the first installment of an annual registration fee has been paid, at midnight on the last day of June or the first business day of July when June 30 falls on Saturday, Sunday, or a holiday; for vehicles on which the second installment of an annual registration fee has been paid, at midnight on the last day of December or the first business day of January when December 31 falls on Saturday, Sunday, or a holiday.

3. For vehicles registered without payment of annual registration fees as provided in section 321.19, when designated by the department.

4. Registration for every vehicle registered by the county treasurer shall expire upon transfer of ownership.

[S13, §1571-m16; C24, 27, 31, 35, §4868; C39, §**5001.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.39]

82 Acts, ch 1062, §5, 38; 89 Acts, ch 83, § 42; 2003 Acts, ch 24, §3; 2008 Acts, ch 1113, §78; 2012 Acts, ch 1093, §5

Referred to in §331.557

**321.40 Application for renewal — notification — reasons for refusal.**

1. Application for renewal for a vehicle registered under this chapter shall be made on or after the first day of the month prior to the month of expiration of registration and up to and including the last day of the month following the month of expiration of registration. The registration shall be renewed upon payment of the appropriate annual registration fee. Application for renewal for a vehicle registered under chapter 326 shall be made on or after the first day of the month prior to the month of expiration of registration and up to and including the last day of the month of expiration of registration.

2. On or before the fifteenth day of the eleventh month of a vehicle's registration year, the department shall create an electronic file and the county treasurer shall send a statement of fees due to the appropriate owner of record. After the department has generated the electronic file used to produce statements for a registration month, and before the fifteenth day of the month following expiration of a vehicle's registration year, the department shall create a subsequent electronic file and the county treasurer shall send a statement of fees due to the appropriate owner of record for any vehicle subsequently registered for that registration month. The statement shall be mailed or electronically transmitted to the most current address of record, showing information sufficient to identify the vehicle and a listing of the various fees as appropriate. Failure to receive a statement shall have no effect upon the accrual of penalty at the appropriate date.

3. Registration receipts issued for renewals shall have the word "renewal" imprinted thereon and, if the owner making a renewal application has been issued a certificate of title, the title number shall appear on the registration receipt. All registration receipts for renewals shall be typewritten or printed by other mechanical means. The applicant shall receive a registration receipt.

4. The county treasurer shall refuse to renew the registration of a vehicle registered to a person when notified by the department through the distributed teleprocessing network that the person has not paid restitution as defined under section 910.1, subsection 4, to a clerk of the court located within the state. Each clerk of court shall, on a daily basis, notify the department through the Iowa court information system of the full name and social security number of all persons who owe delinquent restitution and whose restitution obligation has been satisfied or canceled. This subsection does not apply to the transfer of a registration or the issuance of a new registration.

5. The county treasurer shall refuse to renew the registration of a vehicle registered to the applicant for renewal of registration if the applicant has failed to pay any local vehicle taxes due in that county on that vehicle or any other vehicle owned or previously owned by the applicant until such local vehicle taxes are paid.

6. *a.* The department or the county treasurer shall refuse to renew the registration of a vehicle registered to the applicant if the department or the county treasurer knows that the applicant has a delinquent account, charge, fee, loan, taxes, or other indebtedness owed to or being collected by the state, from information provided pursuant to sections 8A.504 and 421.17. An applicant may contest this action by requesting a contested case proceeding from the agency that referred the debt for collection pursuant to section 8A.504. The department of revenue and the department of transportation shall notify the county treasurers through the distributed teleprocessing network of persons who owe such a delinquent account, charge, fee, loan, taxes, or other indebtedness.

*b.* The county treasurer of the county of the person's residence and in which the person's vehicle is registered, in cooperation with the department of revenue, may collect delinquent taxes including penalties and interest owed to the state from a person applying for renewal of

a vehicle registration. The applicant may remit full payment of the taxes including applicable penalties and interest, along with a processing fee of five dollars, to the county treasurer at the time of registration renewal. Upon full payment of the required taxes including applicable penalties and interest, the processing fee, and the vehicle registration fee, the county treasurer shall issue the registration to the person. A county treasurer collecting on behalf of the department of revenue shall update the vehicle registration records through the distributed teleprocessing network on a daily basis for all persons who have paid taxes pursuant to this subsection. A county treasurer shall forward all funds collected for the department of revenue to the department of revenue.

7. The county treasurer shall refuse to renew the registration of a vehicle registered to an applicant if the county treasurer knows that the applicant has one or more uncontested, delinquent parking tickets issued pursuant to section 321.236, subsection 1, paragraph "*b*", owing to the county, or owing to a city with which the county has an agreement authorized under section 331.553. However, a county treasurer may renew the registration if the treasurer determines that an error was made by the county or city in identifying the vehicle involved in the parking violation or if the citation has been dismissed as against the owner of the vehicle pursuant to section 321.484. This subsection does not apply to the transfer of a registration or the issuance of a new registration. Notwithstanding section 28E.10, a county treasurer may utilize the department's vehicle registration and titling system to facilitate the purposes of this subsection.

8. When application is made for the renewal of a motor vehicle registration on or after December 1, 1982, the person in whose name the registration is recorded shall notify the county treasurer of the type of fuel used by the vehicle if the type of fuel used is different from that which is shown on the registration receipt. If a motor vehicle registration indicates that the vehicle uses or may use a special fuel as defined in chapter 452A the county treasurer shall issue a special fuel user identification sticker. The person who owns or controls the vehicle shall affix the sticker in a prominent place on the vehicle adjacent to the place where the special fuel is delivered into the motor vehicle fuel supply tank.

9. *a.* The clerk of the district court shall notify the county treasurer of any delinquent court debt, as defined in section 602.8107, which is being collected by the centralized collection unit of the department of revenue pursuant to section 602.8107, subsection 3, or the county attorney pursuant to section 602.8107, subsection 4. The county treasurer shall refuse to renew the vehicle registration of the applicant upon such notification from the clerk of the district court in regard to such applicant.

*b.* If the applicant enters into or renews a payment plan that is satisfactory to the centralized collection unit of the department of revenue, the county attorney, or the county attorney's designee, the centralized collection unit or the county attorney shall provide the county treasurer with written or electronic notice of the payment plan within five days of entering into such a plan. The county treasurer shall temporarily lift the registration hold on an applicant for a period of ten days if the treasurer receives such notice in order to allow the applicant to register a vehicle for the year. If the applicant remains current with the payment plan entered into with the centralized collection unit or the county attorney or the county attorney's designee, subsequent lifts of registration holds shall be granted without additional restrictions.

[S13, §1571-m6; C24, 27, 31, 35, §4875; C39, §**5001.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.40; 82 Acts, ch 1218, §1]

82 Acts, ch 1062, §6, 7, 38; 85 Acts, ch 32, §78; 85 Acts, ch 77, §1; 85 Acts, ch 87, §2; 95 Acts, ch 57, §1; 95 Acts, ch 169, §1, 10; 95 Acts, ch 194, §4, 12; 97 Acts, ch 104, §12, 61; 2000 Acts, ch 1028, §2, 4; 2002 Acts, ch 1043, §1; 2003 Acts, ch 145, §248; 2005 Acts, ch 54, §1, 12; 2007 Acts, ch 126, §54; 2008 Acts, ch 1113, §79; 2008 Acts, ch 1172, §18; 2009 Acts, ch 41, §250; 2010 Acts, ch 1146, §2, 3, 26; 2012 Acts, ch 1093, §6

Referred to in §321.34, 321.152, 321.153, 321.236, 331.553, 331.557, 364.2, 421.17, 422.20, 422.72, 423B.2

**321.41 Change of address or name or fuel type.**

1. Whenever any person after making application for or obtaining the registration of a vehicle shall move from the address named in the application or shown upon a registration

card such person shall within ten days thereafter notify the county treasurer of the county in which the registration of said vehicle is of record, in writing of the person's old and new addresses.

2. Whenever the name of any person who has made application for or obtained the registration of a vehicle is thereafter legally changed such person shall within ten days notify the county treasurer of the county in which the title of said vehicle is of record, of such former and new name.

3. A person who has registered a vehicle in a county, other than the county designated on the vehicle registration plate, may apply to the county treasurer where the vehicle is registered for new registration plates upon payment of a fee of five dollars and the return of the former county registration plates.

4. When a motor vehicle is modified to use a different fuel type or to use more than one fuel type the person in whose name the vehicle is registered shall within thirty days notify the county treasurer of the county in which the registration of the vehicle is of record of the new fuel type or alternative fuel types. The county treasurer shall make the record of such changes available to the department of revenue. If the vehicle uses or may use a special fuel the county treasurer shall issue a special fuel identification sticker.

[C39, §**5001.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.41; 82 Acts, ch 1218, §2]
2003 Acts, ch 145, §286
Referred to in §331.557, 805.8A(2g)
For applicable scheduled fine, see §805.8A, subsection 2

**321.42 Lost or damaged certificates, cards, and plates — replacements.**

1. If a registration card, plate, or pair of plates is lost or becomes illegible, the owner shall immediately apply for replacement. The fee for a replacement registration card is three dollars. The fee for a replacement plate or pair of plates other than a replacement of a special plate issued pursuant to section 321.60 is five dollars. The fee for replacement of a special plate issued pursuant to section 321.60 is forty dollars. When the owner has furnished information required by the department and paid the proper fee, a duplicate, substitute, or new registration card, plate, or pair of plates may be issued. The county treasurer or the department may waive the fee for a replacement plate if the plate is lost during a documented accident.

2. *a.* If a certificate of title is lost or destroyed, the owner or lienholder shall apply for a replacement copy of the original certificate of title. The owner or lienholder of a motor vehicle may also apply for a replacement copy of the original certificate of title upon surrender of the original certificate of title with the application. The application shall be made to the department or county treasurer who issued the original certificate of title. The application shall be signed by the owner or lienholder and accompanied by a fee of twenty dollars.

*b.* After five days, the department or county treasurer shall issue a replacement copy using the applicant's most recent bona fide address; however, the five-day waiting period does not apply to an applicant who is a lienholder or to an applicant who has surrendered the original certificate of title to the department or county treasurer. The replacement copy shall be clearly marked "replacement" and shall include security interests and liens. When a replacement copy has been issued, the previous certificate is void. The department or county treasurer is not authorized to refund fees collected for a replacement title under this section or section 321.52A.

*c.* If a security interest noted on the face of an original certificate of title was released by the lienholder on a separate form pursuant to section 321.50, subsection 5, and the signature of the lienholder, or the person executing the release on behalf of the lienholder, is notarized, but the lienholder has not delivered the original certificate to the appropriate party as provided in section 321.50, subsection 5, the owner may apply for and receive a replacement certificate of title without the released security interest noted thereon. The lienholder shall return the original certificate of title to the department or to the treasurer of the county where the title was issued.

*d.* A new purchaser or transferee is entitled to receive an original title upon presenting the assigned replacement copy to the treasurer of the county where the new purchaser or

transferee resides. At the time of purchase, a purchaser may require the seller to indemnify the purchaser and all future purchasers of the vehicle against any loss which may be suffered due to claims on the original certificate. A person recovering an original certificate of title for which a replacement has been issued shall surrender the original certificate to the county treasurer or the department.

3. If a county treasurer mails vehicle registration documents which become lost or are damaged in transit through the United States postal service, the person to whom the documents were being sent may apply for reissuance without cost. The application shall be made with the county treasurer who originally issued the documents not less than twenty days from the date the documents were placed with the United States postal service. If the original documents are received after reissuance of duplicates, the original documents shall be surrendered to the county treasurer within five days of the time they are received.

[SS15, §1571-m5; C24, 27, 31, 35, §4886; C39, §**5001.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §321.42; 81 Acts, ch 102, §1]

84 Acts, ch 1305, §51; 85 Acts, ch 209, §1; 99 Acts, ch 13, §6; 2000 Acts, ch 1016, §43, 47; 2004 Acts, ch 1013, §11, 35; 2005 Acts, ch 34, §4, 26; 2006 Acts, ch 1068, §11; 2008 Acts, ch 1113, §16, 21; 2008 Acts, ch 1124, §6

Referred to in §312.2, 321.52A, 331.557, 648.22A

Surcharge imposed; §321.52A

**321.43 New identifying numbers.**

The department may assign a distinguishing number to a vehicle when the vehicle identification number on the vehicle is destroyed or obliterated and issue to the owner a special plate bearing the distinguishing number which shall be affixed to the vehicle in a position to be determined by the director. The vehicle shall be registered and titled under the distinguishing number in lieu of the former vehicle identification number within thirty days of issuance of the distinguishing number.

[C27, 31, 35, §5083-b4; C39, §**5001.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.43]

84 Acts, ch 1067, §31; 2005 Acts, ch 8, §10; 2005 Acts, ch 179, §126

Referred to in §331.557

**321.44 Rules governing change of engines, drivetrain assemblies and related parts.**

The director shall adopt and enforce rules governing registration and titling of motor vehicles as deemed necessary by the director and compatible with the public interest with respect to the change or substitution of engines, drivetrain assemblies or related parts in any motor vehicle.

[C39, §**5001.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.44]

88 Acts, ch 1278, §32

Referred to in §331.557

**321.44A Voluntary contribution — anatomical gift public awareness and transplantation fund — amount retained by county treasurer.**

For each application for registration or renewal, the county treasurer or the department shall request through use of a written form, and, if the application is made in person, through verbal communication, that an applicant make a voluntary contribution of one dollar or more to the anatomical gift public awareness and transplantation fund established pursuant to section 142C.15. One hundred percent of the moneys collected by the county and one hundred percent of the moneys collected by the department in the form of contributions shall be remitted to the treasurer of state for deposit in the fund to be used for the purposes specified for the fund. However, up to five percent of the moneys collected by the county may be retained by the county treasurer for deposit in the general fund of the county. The director shall adopt rules to administer this section.

96 Acts, ch 1076, §3; 97 Acts, ch 121, §1; 98 Acts, ch 1107, §8

Referred to in §142C.15, 331.557

## TRANSFERS OF TITLE OR INTEREST

**321.45 Title must be transferred with vehicle.**

1. *a.* No manufacturer, importer, dealer, or other person shall sell or otherwise dispose of a new vehicle subject to registration under the provisions of this chapter to a dealer to be used by such dealer for purposes of display and lease or resale without delivering to such dealer a manufacturer's or importer's certificate duly executed and with such assignments thereon as may be necessary to show title in the purchaser thereof; nor shall such dealer purchase or acquire a new vehicle that is subject to registration without obtaining from the seller thereof such manufacturer's or importer's certificate. In addition to the assignments stated herein, such manufacturer's or importer's certificate shall contain thereon the identification and description of the vehicle delivered and the name and address of the dealer to whom said vehicle was originally sold over the signature of an authorized official of the manufacturer or importer who made the original delivery.

*b.* For each new mobile home, manufactured home, travel trailer, and camping trailer said manufacturer's or importer's certificate shall also contain thereon the exterior length and exterior width of said vehicle not including any area occupied by any hitching device, and the manufacturer's shipping weight.

*c.* Completed motor vehicles, other than class "B" motor homes, which are converted, modified, or altered shall retain the identity and model year of the original manufacturer of the vehicle. Motor homes and all other motor vehicles manufactured from chassis or incomplete motor vehicles manufactured by another may have the identity and model year assigned by the final manufacturer.

*d.* Notwithstanding paragraph "*c*", a glider kit vehicle shall take the identity of the new cab and the new frame used in the assembly of the glider kit vehicle.

2. *a.* A person shall not acquire any right, title, claim, or interest in or to any vehicle subject to registration under this chapter from the owner thereof except by virtue of a certificate of title issued or assigned to the person for such vehicle or by virtue of a manufacturer's or importer's certificate delivered to the person for such vehicle and waiver or estoppel shall not operate in favor of any person claiming title to or interest in any vehicle against a person having possession of the certificate of title or manufacturer's or importer's certificate for such vehicle for a valuable consideration except in the following cases:

(1) The perfection of a lien or security interest as provided in section 321.50.

(2) The perfection of a security interest in new or used vehicles held as inventory for sale as provided in uniform commercial code, chapter 554, article 9.

(3) A dispute between a buyer and the selling dealer who has failed to deliver or procure the certificate of title as promised.

(4) Except for the purposes of section 321.493.

*b.* Except in the cases enumerated in paragraph "*a*", no court in any case at law or equity shall recognize the right, title, claim, or interest of any person in or to any vehicle subject to registration sold or disposed of, or mortgaged or encumbered, unless evidenced by a certificate of title or manufacturer's or importer's certificate duly issued or assigned in accordance with the provisions of this chapter.

3. Upon the transfer of any registered vehicle, the owner, except as otherwise provided in this chapter, shall endorse an assignment and warranty of title upon the certificate of title for such vehicle with a statement of all liens and encumbrances thereon, and the owner shall deliver the certificate of title to the purchaser or transferee at the time of delivering the vehicle except as otherwise provided in this chapter. The owner shall indicate to the transferee the name of the county in which the vehicle was last registered and the registration expiration date.

4. After acquiring a used mobile home or manufactured home to be titled in Iowa, a manufactured or mobile home retailer, as defined in section 103A.51, shall within thirty days apply for and obtain from the county treasurer of the county where the mobile home or manufactured home is located a new certificate of title for the mobile home or manufactured home. In the event that there is a prior lien or encumbrance to be released, as required by

section 321.50, subsection 5, the thirty-day time period in this subsection does not begin to run until the lien or encumbrance is released.

[S13, §1571-m9; C24, 27, 31, 35, §4961; C39, §**5002.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.45; 82 Acts, ch 1251, §10]

87 Acts, ch 130, §2; 88 Acts, ch 1215, §5; 95 Acts, ch 57, §2; 99 Acts, ch 188, §6, 7; 2000 Acts, ch 1085, §1; 2001 Acts, ch 153, §17; 2002 Acts, ch 1119, §43; 2004 Acts, ch 1013, §12, 35; 2006 Acts, ch 1090, §17, 26; 2010 Acts, ch 1069, §90; 2013 Acts, ch 96, §1; 2013 Acts, ch 103, §8, 21

Referred to in §103A.55, 321.20, 321.46, 321.49, 321.67, 321.104, 321.493, 331.557, 805.8A(2h)
For applicable scheduled fines, see §805.8A, subsection 2
Subsection 1, NEW paragraph d
Subsection 4 amended

**321.46 New title and registration upon transfer of ownership — credit.**

1. The transferee shall, within thirty calendar days after purchase or transfer, apply for and obtain from the county treasurer of the person's residence, or if a nonresident, the county treasurer of the county where the primary users of the vehicle are located or the county where all other vehicles owned by the nonresident are registered, or in the case of a mobile home or manufactured home, the county treasurer of the county where the mobile home or manufactured home is located, or if a firm, association, or corporation with vehicles in multiple counties, the transferee may apply for and obtain from the county treasurer of the county where the primary user of the vehicle is located, a new registration and a new certificate of title for the vehicle except as provided in section 321.25, 321.48, or 322G.12. The transferee shall present with the application the certificate of title endorsed and assigned by the previous owner and shall indicate the name of the county in which the vehicle was last registered and the registration expiration date.

2. Upon filing the application for a new registration and a new title, the applicant shall pay a title fee of twenty dollars, an annual registration fee prorated for the remaining unexpired months of the registration year, and a fee for new registration if applicable. A manufacturer applying for a certificate of title pursuant to section 322G.12 shall pay a title fee of ten dollars. However, a title fee shall not be charged to a manufactured or mobile home retailer applying for a certificate of title for a used mobile home or manufactured home, titled in Iowa, as required under section 321.45, subsection 4. The county treasurer, if satisfied of the genuineness and regularity of the application, and in the case of a mobile home or manufactured home, that taxes are not owing under chapter 435, and that applicant has complied with all the requirements of this chapter, shall issue a new certificate of title and, except for a mobile home, manufactured home, or a vehicle returned to and accepted by a manufacturer as described in section 322G.12, a registration card to the purchaser or transferee, shall cancel the prior registration for the vehicle, and shall forward the necessary copies to the department on the date of issuance, as prescribed in section 321.24. Mobile homes or manufactured homes titled under chapter 448 that have been subject under section 446.18 to a public bidder sale in a county shall be titled in the county's name, with no fee, and the county treasurer shall issue the title.

3. The applicant shall be entitled to a credit for that portion of the annual registration fee of the vehicle sold, traded, or junked which had not expired prior to the transfer of ownership of the vehicle. The annual registration fee for the new registration for the vehicle acquired shall be reduced by the amount of the credit. The credit shall be computed on the basis of the number of months remaining in the registration year, rounded to the nearest whole dollar. The credit shall be subject to the following limitations:

*a.* The credit shall be claimed within six months from the date the vehicle for which credit is granted was sold, transferred, or junked. After six months, all credits shall be disallowed.

*b.* Any credit granted to the owner of a vehicle which has been sold, traded, or junked may only be claimed by that person toward the annual registration fee for another vehicle purchased and the credit may not be sold, transferred, or assigned to any other person.

*c.* When the amount of the credit is computed to be an amount of less than ten dollars, a credit shall be disallowed.

*d.* To claim a credit for the unexpired annual registration fee on a junked vehicle, the

county treasurer shall disallow any claim for credit unless the owner presents a junking certificate or other evidence as required by the department to the county treasurer.

*e.* A credit shall not be allowed to any person who has made claim to receive a refund under section 321.126.

*f.* If the credit allowed exceeds the amount of the annual registration fee for the vehicle acquired, the owner may claim a refund under section 321.126, subsection 1, paragraph "*f*", for the balance of the credit.

*g.* The credit shall be computed on the unexpired number of months computed from the date of purchase of the vehicle acquired.

4. If the annual registration fee upon application is delinquent, the applicant shall be required to pay the delinquent fee from the first day the annual registration fee was due prorated to the month of application for new title.

5. The seller or transferor may file an affidavit on forms prescribed and provided by the department with the county treasurer of the county where the vehicle is registered certifying the sale or transfer of ownership of the vehicle and the assignment and delivery of the certificate of title for the vehicle. Upon receipt of the affidavit, the county treasurer shall file the affidavit with the copy of the registration receipt for the vehicle on file in the treasurer's office and on that day the treasurer shall note receipt of the affidavit in the vehicle registration and titling system. Upon filing the affidavit, it shall be presumed that the seller or transferor has assigned and delivered the certificate of title for the vehicle. For a leased vehicle, the lessor licensed pursuant to chapter 321F or the lessee may file an affidavit as provided in this subsection certifying that the lease has expired or been terminated and the date that the leased vehicle was surrendered to the lessor.

6. An applicant for a new registration for a vehicle transferred to the applicant by a spouse, parent, or child of the applicant, or by operation of law upon inheritance, devise or bequest, from the applicant's spouse, parent, or child, or by a former spouse pursuant to a decree of dissolution of marriage, is entitled to a credit to be applied to the annual registration fee for the transferred vehicle. A credit shall not be allowed unless the vehicle to which the credit applies is registered within the time specified under subsection 1. The credit shall be computed on the basis of the number of unexpired months remaining in the registration year of the former owner computed from the date the vehicle was transferred, computed to the nearest whole dollar. The credit may exceed the amount of the annual registration fee for the transferred vehicle. When the amount of the credit is computed to be an amount of less than ten dollars, the credit shall be disallowed. The credit shall not be sold, transferred, or assigned to any other person.

7. If a motor vehicle is leased and the lessee purchases the vehicle upon termination of the lease, the lessor shall, upon claim by the lessee with the lessor within six months of the purchase, assign the annual registration fee credit and registration plates for the leased motor vehicle to the lessee. Credit shall be applied as provided in subsection 3.

[S13, §1571-m9; C24, 27, 31, 35, §4962; C39, §**5002.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.46; 82 Acts, ch 1251, §11]

82 Acts, ch 1062, §8, 38; 83 Acts, ch 24, §2 – 4, 12; 83 Acts, ch 82, §2; 84 Acts, ch 1305, §52; 85 Acts, ch 87, §3; 87 Acts, ch 130, §3; 88 Acts, ch 1215, §6; 90 Acts, ch 1154, §1 – 5; 91 Acts, ch 191, §6; 93 Acts, ch 87, §3; 98 Acts, ch 1073, §9; 99 Acts, ch 188, §8; 2000 Acts, ch 1016, §6; 2000 Acts, ch 1047, §2, 4; 2001 Acts, ch 153, §17, 18; 2002 Acts, ch 1119, §44; 2004 Acts, ch 1013, §13, 14, 35; 2005 Acts, ch 34, §5, 26; 2006 Acts, ch 1068, §12, 13; 2006 Acts, ch 1070, §6; 2008 Acts, ch 1113, §17, 21, 80; 2010 Acts, ch 1069, §143; 2013 Acts, ch 22, §1 – 3

Referred to in §312.2, 321.34, 321.47, 321.48, 321.52, 321.52A, 321.105, 321.109, 321.113, 321.121, 321.122, 321.126, 322G.12, 331.557, 805.8A(2i)

Surcharge imposed; §321.52A

For applicable scheduled fines, see §805.8A, subsection 2

2013 amendments to subsection 3, paragraph a, and subsection 7, take effect January 1, 2014; 2013 Acts, ch 22, §3

Subsection 3, paragraph a amended

Subsection 7 amended

**321.46A Change from apportioned registration — credit.**

An owner changing a vehicle's registration from apportioned registration under chapter 326 to registration under this chapter shall be entitled to a credit on the vehicle's annual

registration fees under this chapter. The credit may be allowed when the owner surrenders to the county treasurer proof of apportioned registration provided by the department. The amount of the credit shall be calculated based on the unexpired complete calendar months remaining in the registration year from the date the application is filed with the county treasurer.

87 Acts, ch 108, §6; 2008 Acts, ch 1113, §81; 2012 Acts, ch 1093, §7
Referred to in §331.557

**321.47 Transfers by operation of law.**

1. If ownership of a vehicle is transferred by operation of law upon inheritance, devise or bequest, dissolution decree, order in bankruptcy, insolvency, replevin, foreclosure or execution sale, abandoned vehicle sale, or when the engine of a motor vehicle is replaced by another engine, or a vehicle is sold or transferred to satisfy an artisan's lien as provided in chapter 577, a landlord's lien as provided in chapter 570, a storage lien as provided in chapter 579, a judgment in an action for abandonment of a manufactured or mobile home as provided in chapter 555B, upon presentation of an affidavit relating to the disposition of a valueless mobile, modular, or manufactured home as provided in chapter 555C, or repossession is had upon default in performance of the terms of a security agreement, the county treasurer in the transferee's county of residence or, in the case of a mobile home or manufactured home, the county treasurer of the county where the mobile home or manufactured home is located, upon the surrender of the prior certificate of title or the manufacturer's or importer's certificate, or when that is not possible, upon presentation of satisfactory proof to the county treasurer of ownership and right of possession to the vehicle and upon payment of a fee of twenty dollars and the presentation of an application for registration and certificate of title, may issue to the applicant a registration card for the vehicle and a certificate of title to the vehicle. A person entitled to ownership of a vehicle under a decree of dissolution shall surrender a reproduction of a certified copy of the dissolution and upon fulfilling the other requirements of this chapter is entitled to a certificate of title and registration receipt issued in the person's name.

2. The persons entitled under the laws of descent and distribution of an intestate's property to the possession and ownership of a vehicle owned in whole or in part by a decedent, upon filing an affidavit stating the name and date of death of the decedent, the right to possession and ownership of the persons filing the affidavit, and that there has been no administration of the decedent's estate, which instrument shall also contain an agreement to indemnify creditors of the decedent who would be entitled to levy execution upon the motor vehicle to the extent of the value of the motor vehicle, are entitled upon fulfilling the other requirements of this chapter, to the issuance of a registration card for the interest of the decedent in the vehicle and a certificate of title to it. If a decedent dies testate, and either the will is not probated or is admitted to probate without administration, the persons entitled to the possession and ownership of a vehicle owned in whole or in part by the decedent may file an affidavit and, upon fulfilling the other requirements of this chapter, are entitled to the issuance of a registration card for the interest of the decedent in the vehicle and a certificate of title to the vehicle. The affidavit shall contain the same information and indemnity agreement as is required in cases of intestacy pursuant to this section. A requirement of chapter 450 or 451 shall not be considered satisfied by the filing of the affidavit provided for in this section. If, from the records in the office of the county treasurer, there appear to be any liens on the vehicle, the certificate of title shall contain a statement of the liens unless the application is accompanied by proper evidence of their satisfaction or extinction. Evidence of extinction may consist of, but is not limited to, an affidavit of the applicant stating that a security interest was foreclosed as provided in chapter 554, article 9, part 6. The department shall waive the certificate of title fee and surcharge required under sections 321.20, 321.20A, 321.23, 321.46, 321.52, and 321.52A if the person entitled to possession and ownership of a vehicle, as provided in this subsection, is the surviving spouse of a decedent.

3. Whenever ownership of a vehicle is transferred under the provisions of this section, the registration plates shall be removed and forwarded to the county treasurer of the county where the vehicle is registered or to the department if the vehicle is owned by a nonresident.

Upon transfer the vehicle shall not be operated upon the highways of this state until the person entitled to possession of the vehicle applies for and obtains registration for the vehicle.

4. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 2.

[S13, §1571-m9; C24, 27, 31, 35, §4963; C39, §**5002.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.47]

84 Acts, ch 1243, §1; 84 Acts, ch 1305, §53; 91 Acts, ch 119, §1; 93 Acts, ch 154, §2; 95 Acts, ch 118, §11; 99 Acts, ch 83, §2; 2000 Acts, ch 1149, §165, 187; 2000 Acts, ch 1203, §2; 2001 Acts, ch 137, §5; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2004 Acts, ch 1092, §2; 2005 Acts, ch 34, §6, 26; 2008 Acts, ch 1113, §18, 21; 2008 Acts, ch 1119, §5; 2010 Acts, ch 1138, §51; 2010 Acts, ch 1190, §33; 2011 Acts, ch 38, §3

Referred to in §312.2, 321.52A, 321.69, 321.104, 321.105A, 321.113, 321.121, 321.122, 331.557, 555C.3, 578A.4, 805.8A(2j)
Surcharge imposed; §321.52A

**321.48 Vehicles acquired for resale.**

1. *a.* When the transferee of a vehicle is a dealer who holds the vehicle for resale and operates the vehicle only for purposes incident to a resale and displays a dealer plate on the vehicle or does not drive such vehicle or permit it to be driven upon the highways, such transferee shall not be required to obtain a new registration or a new certificate of title but upon transferring title or interest to another person shall execute and acknowledge an assignment and warranty of title upon the certificate of title assigned to the person and deliver the same to the person to whom such transfer is made.

*b.* A dealer licensed pursuant to chapter 322 or chapter 322C who has acquired a vehicle for resale which is subject to a security interest as provided in section 321.50 and who has forwarded to the secured party the sum necessary to discharge the security interest may offer the vehicle for sale prior to the receipt from the county treasurer of the certificate of title for the vehicle with the lien discharged for a period of not more than thirty days from the date the vehicle was acquired and the provisions of section 321.104, subsection 2, shall not apply.

2. A foreign registered vehicle purchased or otherwise acquired by a dealer for the purpose of resale shall be issued a certificate of title for the vehicle by the county treasurer of the dealer's residence upon proper application as provided in this chapter and upon payment of a fee of five dollars and the dealer is exempt from the payment of any and all registration fees for the vehicle. The application for certificate of title shall be made within thirty days after the vehicle comes within the border of the state. However, a dealer acquiring a vehicle registered in another state which permits Iowa dealers to reassign that state's certificates of title shall not be required to obtain a new registration or a new certificate of title and upon transferring title or interest to another person shall execute an assignment upon the certificate of title for the vehicle to the person to whom the transfer is made and deliver the assigned certificate of title to the person.

3. In a transaction in which a vehicle is traded to a dealer as defined in chapter 322 or chapter 322C toward the purchase price of another vehicle and each vehicle is owned in whole or in part by the same person, the person acquiring the vehicle from the dealer shall be entitled to a credit under section 321.46.

4. Nothing in this section shall be construed to prohibit a dealer from obtaining a new certificate of title or new registration in the same manner as other purchasers.

[C24, 27, 31, 35, §4965; C39, §**5002.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.48]

82 Acts, ch 1062, §9, 38; 83 Acts, ch 82, §3; 84 Acts, ch 1169, §1; 84 Acts, ch 1305, §54; 88 Acts, ch 1215, §7; 90 Acts, ch 1116, §2; 99 Acts, ch 13, §7; 2003 Acts, ch 8, §11; 2010 Acts, ch 1061, §180

Referred to in §321.23, 321.25, 321.30, 321.46, 321.49, 321.52A, 321.71, 321.104, 331.557, 805.8A(2k)
Surcharge imposed; §321.52A
For applicable scheduled fines, see §805.8A, subsection 2

**321.49 Time limit — penalty — power of attorney.**

1. Except as provided in section 321.52, if an application for transfer of registration and certificate of title is not submitted to the county treasurer of the residence of the transferee within thirty days of the date of assignment or transfer of title, or within thirty days of the

date of delivery to the purchaser if the vehicle is subject to a security interest and was offered for sale pursuant to section 321.48, subsection 1, a penalty of ten dollars shall accrue against the applicant, and no registration card or certificate of title shall be issued to the applicant for the vehicle until the penalty is paid.

2. Certificates of title to vehicles may be assigned by an attorney in fact of the owner under a power of attorney appointed and so empowered on forms provided by the department. Such power of attorney shall be filed by the transferee with the application for title.

3. A manufactured or mobile home retailer who acquires a used mobile home or manufactured home, titled in Iowa, and who does not apply for and obtain a certificate of title from the county treasurer of the county where the manufactured or mobile home is located within thirty days of the date of acquisition, as required under section 321.45, subsection 4, is subject to a penalty of ten dollars. A certificate of title shall not be issued to the manufactured or mobile home retailer until the penalty is paid.

[C24, 27, 31, 35, §4966; C39, §**5002.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.49]

85 Acts, ch 209, §2; 87 Acts, ch 130, §4; 93 Acts, ch 47, §2; 99 Acts, ch 13, §8; 99 Acts, ch 188, §9; 2000 Acts, ch 1154, §22; 2001 Acts, ch 153, §17, 18; 2002 Acts, ch 1119, §45; 2013 Acts, ch 96, §2

Referred to in §331.557
Subsection 3 amended

**321.50 Security interest provisions.**

1. A security interest in a vehicle subject to registration under the laws of this state or a mobile home or manufactured home, except trailers whose empty weight is two thousand pounds or less, and except new or used vehicles held by a dealer or manufacturer as inventory for sale, is perfected by the delivery to the county treasurer of the county where the certificate of title was issued or, in the case of a new certificate, to the county treasurer where the certificate will be issued, of an application for certificate of title which lists the security interest, or an application for notation of security interest signed by the owner or by one owner of a vehicle owned jointly by more than one person, or signed through electronic means as determined by the department, or a certificate of title from another jurisdiction which shows the security interest, and payment of a fee of ten dollars for each security interest shown. The department shall require the federal employer identification number of a secured party who is a firm, association, or corporation or, if a natural person, the social security number. Upon delivery of the application and payment of the fee, the county treasurer shall note the date of delivery on the application. If the delivery is by electronic means and the time is electronically recorded on the application along with the date, the time shall be included with the date on all subsequent documents and records where the date of perfection is required under this chapter. The date of delivery shall be the date of perfection of the security interest in the vehicle, regardless of the date the security interest is noted on the certificate of title. Up to three security interests may be perfected against a vehicle and shown on an Iowa certificate of title. If the owner or secured party is in possession of the certificate of title, it must also be delivered at this time. If a vehicle is subject to a security interest when brought into this state, the validity of the security interest and the date of perfection is determined by section 554.9303. Delivery as provided in this subsection constitutes perfection of a security interest on a certificate of title for purposes of this chapter and chapter 554.

2. Upon receipt of the application and the required fee, if the certificate of title was not delivered to the county treasurer along with the application, the county treasurer shall notify the holder of the certificate of title to deliver to the county treasurer, within five days from the receipt of notice, the certificate of title to permit notation of the security interest. If the holder of the certificate of title fails to deliver it within five days, the holder shall be liable to anyone harmed by the holder's failure.

3. Upon receipt of the application, the certificate of title, if any, and the required fee, the county treasurer shall note the security interest and the date of perfection of the security interest on the certificate of title. The county treasurer shall also note the security interest and the date of perfection of the security interest in the county records system. Upon receipt

of a certificate of title issued by a foreign jurisdiction, on which a security interest has been noted, the county treasurer shall note the security interest and the date the security interest was noted on the foreign certificate of title, if available, or if not, the date of issuance of the foreign certificate of title, on the face of the new certificate of title. The county treasurer shall also note the security interest and the date that was noted on the certificate of title in the county records system. The county treasurer shall then deliver the certificate of title to the first secured party as shown thereon.

4. Notwithstanding any provision of this section to the contrary, if a security interest has been delivered by electronic means, the county treasurer or department shall not print a certificate of title until all security interests have been released, but shall provide the first security interest holder with an electronic record of the certificate of title. When a vehicle is subject to an electronic lien, the certificate of title for the vehicle shall be considered to be physically held by the lienholder for purposes of compliance with odometer disclosure requirements under section 321.71.

5. *a.* When a security interest is discharged, the holder shall note a cancellation of the security interest on the face of the certificate of title over the holder's signature and deliver the certificate of title to the county treasurer where the title was issued. In the case of a security interest that has been delivered by electronic means, the holder shall notify the department or the county treasurer, in a manner prescribed by the department, of the release of the security interest. The county treasurer shall immediately note the cancellation of the security interest on the face of the certificate of title, if applicable, and in the county records system. The county treasurer shall on the same day deliver the certificate of title, if applicable, to the then first secured party or, if there is no such person, to the person as directed by the owner, in writing, on a form prescribed by the department or, if there is no person designated, then to the owner. The cancellation of the security interest shall be noted on the certificate of title by the county treasurer without charge. The holder of a security interest discharged by payment who fails to release the security interest within fifteen days after being requested in writing to do so shall forfeit to the person making the payment the sum of twenty-five dollars.

*b.* If a lien has been released by the lienholder but has not been sent to the county of record for clearance of the lien, any county may note the release on the face of the title and shall notify the county of record that the lien has been released as of the specified date and make entry upon the computer system. Notification to the county of record shall be made by an automated statewide system or by sending a photocopy of the released title to the county of record.

*c.* When a security interest is discharged, the lienholder shall note the cancellation of the security interest on the face of the title and, if applicable, may note the cancellation of the security interest on a form prescribed by the department and deliver a copy of the form in lieu of the title to the department or to the treasurer of the county in which the title was issued. The form may be delivered by electronic means. The department or county treasurer shall note the release of the security interest upon the statewide computer system and the county's records. A copy of the form, if used, shall be attached to the title by the lienholder, if the title is held by the lienholder, and shall be evidence of the release of the security interest. If the title is held by the lienholder, the lienholder shall deliver the title to the first lienholder, or if there is no such person, to the person as designated by the owner, or if there is no such person designated, to the owner. If a certificate of title has not been issued, upon release of a security interest, the lienholder shall notify the department or the county treasurer, in a manner prescribed by the department, of the release of the security interest.

6. The uniform commercial code, chapter 554, article 9, shall apply to all transactions intended to create a security interest in vehicles except as provided in this chapter.

7. Upon request of any person, the county treasurer shall certify whether there are, on the date and hour stated therein, any security interests or liens against a vehicle and the name and address of each secured party. The uniform fee for a certification shall be two dollars if the request for the certification is on a form conforming to standards prescribed by the secretary of state; otherwise, three dollars. Upon request and payment of the appropriate

fee, the county treasurer shall furnish a certified copy of any security interests for a uniform fee of one dollar per page.

[C24, 27, 31, 35, §4967; C39, §**5002.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.50]

83 Acts, ch 5, §3, 5; 84 Acts, ch 1305, §55; 89 Acts, ch 260, §3; 92 Acts, ch 1175, §30; 97 Acts, ch 108, §6; 99 Acts, ch 13, §9; 99 Acts, ch 188, §10; 2000 Acts, ch 1016, §7, 44, 47; 2000 Acts, ch 1149, §166, 187; 2001 Acts, ch 153, §17; 2003 Acts, ch 8, §13; 2003 Acts, ch 145, §286; 2004 Acts, ch 1013, §15 – 17, 35; 2004 Acts, ch 1092, §3

Referred to in §321.24, 321.42, 321.45, 321.48, 321.131, 331.557

**321.51 Terminal rental adjustment clause — vehicle leases that are not sales or security interests.**

An agreement involving the leasing of a motor vehicle or trailer does not create a sale or security interest solely because the agreement provides for an increase or decrease adjustment in the rental price of the motor vehicle or trailer based upon the amount realized upon sale or other disposition of the motor vehicle or trailer following the termination of the lease.

94 Acts, ch 1052, §1

Referred to in §331.557

**321.52 Out-of-state sales — junked, dismantled, wrecked, or salvage vehicles.**

1. When a vehicle is sold outside the state for purposes other than for junk, the owner, dealer or otherwise, shall detach the registration plates and registration card and shall indicate on the registration card the name and address of the foreign purchaser or transferee over the person's signature. Unless the registration plates are legally attached to another vehicle, the owner shall surrender the registration plates and registration card to the county treasurer, who shall cancel the records, destroy the registration plates, and forward the registration card to the department. The department shall make a notation on the records of the out-of-state sale and, after a reasonable period, may destroy the files for that particular vehicle. The department is not authorized to make a refund of annual registration fees on a vehicle sold out of state unless it receives the registration card completed as provided in this section.

2. The purchaser or transferee of a motor vehicle for which a certificate of title is issued which is sold for scrap or junk shall surrender the certificate of title, properly endorsed and signed by the previous owner, to the county treasurer of the county of residence of the transferee, and shall apply for a junking certificate from the county treasurer, within thirty days after assignment of the certificate of title. The county treasurer shall issue to such person without fee a junking certificate. A junking certificate shall authorize the holder to possess, transport, or transfer by endorsement the ownership of the junked vehicle. A certificate of title shall not again be issued for the vehicle subsequent to the issuance of a junking certificate except as provided in subsection 3. The county treasurer shall cancel the record of the vehicle. The junking certificate shall be printed on the registration receipt form and shall be imprinted with the words "junking certificate", as prescribed by the department. A space for transfer by endorsement shall be on the junking certificate. A separate form for the notation of the transfer of component parts shall be attached to the junking certificate when the certificate is issued.

3. *a.* When a vehicle for which a certificate of title is issued is junked or dismantled by the owner, the owner shall detach the registration plates and surrender the plates to the county treasurer, unless the plates are properly assigned to another vehicle. The owner shall also surrender the certificate of title to the county treasurer.

*b.* Upon the surrender of the certificate of title and application for junking certificate, the county treasurer shall issue to the person, without fee, a junking certificate, which shall authorize the holder to possess, transport, or transfer ownership of the junked vehicle by endorsement of the junking certificate. The county treasurer shall hold the surrendered certificate of title, registration receipt, application for junking certificate, and, if applicable, the registration plates for a period of fourteen days following the issuance of a junking certificate under this subsection.

*c.* Within the fourteen-day period, the person who was issued the junking certificate and to whom the vehicle was titled or assigned may surrender to the county treasurer the junking certificate, and upon the person's payment of appropriate fees and taxes and payment of any credit for annual registration fees received by the person for the vehicle under section 321.46, subsection 3, the county treasurer shall issue to the person a certificate of title for the vehicle. After the expiration of the fourteen-day period, a county treasurer shall not issue a certificate of title for a junked vehicle for which a junking certificate is issued. The county treasurer shall cancel the record of the vehicle and forward the certificate of title to the department.

*d.* However, upon application and a showing of good cause, the department may issue a certificate of title to a person after the fourteen-day period for a junked vehicle for which a junking certificate has been issued. For purposes of this subsection, *"good cause"* means that the junking certificate was obtained by mistake or inadvertence. If a person's application to the department is denied, the person may make application for a certificate of title under the bonding procedure as provided in section 321.24, if the vehicle qualifies as an antique vehicle under section 321.115, subsection 1, or the person may seek judicial review as provided under sections 17A.19 and 17A.20.

4. *a.* A vehicle rebuilder or a person engaged in the business of buying, selling, or exchanging vehicles of a type required to be registered in this state, upon acquisition of a wrecked or salvage vehicle, shall surrender the certificate of title or manufacturer's or importer's statement of origin properly assigned, together with an application for a salvage certificate of title, to the county treasurer of the county of residence of the purchaser or transferee within thirty days after the date of assignment of the certificate of title for the wrecked or salvage motor vehicle. This subsection applies only to vehicles with a fair market value of five hundred dollars or more, based on the value before the vehicle became wrecked or salvage. Upon payment of a fee of ten dollars, the county treasurer shall issue a salvage certificate of title which shall bear the word "SALVAGE" stamped or printed on the face of the title in a manner prescribed by the department. A salvage certificate of title may be assigned to an educational institution, a new motor vehicle dealer licensed under chapter 322, a person engaged in the business of purchasing bodies, parts of bodies, frames or component parts of vehicles for sale as scrap metal, a salvage pool, or an authorized vehicle recycler licensed under chapter 321H. An authorized vehicle recycler licensed under chapter 321H or a new motor vehicle dealer licensed under chapter 322 may assign or reassign an Iowa salvage certificate of title or a salvage certificate of title from another state to any person, and the provisions of section 321.24, subsection 5, requiring issuance of an Iowa salvage certificate of title shall not apply. A vehicle on which ownership has transferred to an insurer of the vehicle as a result of a settlement with the owner of the vehicle arising out of damage to, or unrecovered theft of, the vehicle shall be deemed to be a wrecked or salvage vehicle and the insurer shall comply with this subsection to obtain a salvage certificate of title within thirty days after the date of assignment of the certificate of title of the vehicle.

*b.* When a wrecked or salvage vehicle has been repaired, the owner may apply for a regular certificate of title by paying the appropriate fees and surrendering the salvage certificate of title and a properly executed salvage theft examination certificate. A motor vehicle with a gross vehicle weight rating of thirty thousand pounds or more is not subject to the salvage theft examination otherwise required under paragraph "*c*", and the owner of such vehicle is not required to submit a salvage theft examination certificate. The county treasurer shall issue a regular certificate of title which shall bear a designation printed on the face of the title and printed on the registration receipt indicating that the vehicle was previously titled on a salvage certificate of title in a form approved by the department. This designation shall be included on every Iowa certificate of title and registration receipt issued thereafter for the vehicle. However, if ownership of a stolen vehicle has been transferred to an insurer organized under the laws of this state or admitted to do business in this state, or if the transfer was the result of a settlement with the owner of the vehicle arising from damage to or the unrecovered theft of the vehicle, and if the insurer certifies to the county treasurer on a form approved by the department that the insurance company has received one or more written estimates which state that the retail cost of repairs including labor, parts, and other materials of all damage to the vehicle is less than three thousand dollars,

the county treasurer shall issue to the insurance company the regular certificate of title and registration receipt without this designation.

*c.* A salvage theft examination shall be made by a peace officer who has been specially certified and recertified when required by the Iowa law enforcement academy to do salvage theft examinations. The Iowa law enforcement academy shall determine standards for training and certification, conduct training, and may approve alternative training programs which satisfy the academy's standards for training and certification. The owner of the salvage vehicle shall make the vehicle available for examination at a time and location designated by the peace officer doing the examination. The owner may obtain a permit to drive the vehicle to and from the examination location by submitting a repair affidavit to the agency performing the examination stating that the vehicle is reasonably safe for operation and listing the repairs which have been made to the vehicle. The owner must be present for the examination and have available for inspection the salvage title, bills of sale for all essential parts changed, if applicable, and the repair affidavit. The examination shall be for the purposes of determining whether the vehicle or repair components have been stolen. The examination is not a safety inspection and a signed salvage theft examination certificate shall not be construed by any court of law to be a certification that the vehicle is safe to be operated. There shall be no cause of action against the peace officer or the agency conducting the examination or the county treasurer for failure to discover or note safety defects. If the vehicle passes the theft examination, the peace officer shall indicate that the vehicle passed examination on the salvage theft examination certificate. The permit and salvage theft examination certificate shall be on controlled forms prescribed and furnished by the department. The owner shall pay a fee of thirty dollars upon completion of the examination. The agency performing the examinations shall retain twenty dollars of the fee and shall pay five dollars of the fee to the department and five dollars of the fee to the treasurer of state for deposit in the general fund of the state. Moneys deposited to the general fund under this paragraph are subject to the requirements of section 8.60 and shall be used by the Iowa law enforcement academy to provide for the special training, certification, and recertification of officers as required by this subsection.

*d.* For purposes of this subsection, "*wrecked or salvage vehicle*" means a damaged motor vehicle subject to registration for which the cost of repair exceeds fifty percent of the fair market value of the vehicle, as determined in accordance with rules adopted by the department, before it became damaged.

5. The department shall adopt rules in accordance with chapter 17A to carry out this section.

[C24, 27, 31, 35, §4887; C39, §**5002.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.52; 81 Acts, ch 102, §3]

84 Acts, ch 1169, §2; 84 Acts, ch 1305, §56; 85 Acts, ch 67, §36; 85 Acts, ch 209, §3; 88 Acts, ch 1089, §4 – 6; 88 Acts, ch 1215, §8 – 10; 89 Acts, ch 185, §3; 89 Acts, ch 296, §28; 91 Acts, ch 142, §2, 3; 91 Acts, ch 260, §1225, 1226; 92 Acts, ch 1104, §3; 93 Acts, ch 131, §12; 94 Acts, ch 1107, §51; 95 Acts, ch 45, §2, 3; 97 Acts, ch 108, §7; 97 Acts, ch 121, §2; 2000 Acts, ch 1016, §8, 9; 2005 Acts, ch 8, §11; 2006 Acts, ch 1068, §14; 2006 Acts, ch 1070, §7; 2006 Acts, ch 1120, §12; 2007 Acts, ch 143, §10; 2008 Acts, ch 1018, §17, 18; 2008 Acts, ch 1032, §47, 48; 2008 Acts, ch 1113, §19, 21, 82; 2009 Acts, ch 41, §114

Referred to in §312.2, 321.1, 321.24, 321.47, 321.49, 321.52A, 321.69, 321.100, 321.126, 322C.6, 331.557, 805.8A(2l)
Surcharge imposed; §321.52A
For applicable scheduled fine, see §805.8A, subsection 2

**321.52A Certificate of title surcharge — allocation of moneys.**

In addition to the fee required for the issuance of a certificate of title under section 321.20, 321.20A, 321.23, 321.42, 321.46, 321.47, 321.48, or 321.52, a surcharge of five dollars shall be required. Of each surcharge collected under those sections, the county treasurer shall remit five dollars to the office of treasurer of state for deposit as set forth in section 321.145, subsection 2.

91 Acts, ch 267, §607; 95 Acts, ch 118, §12; 96 Acts, ch 1117, §1; 2001 Acts, ch 188, §25; 2002 Acts, ch 1121, §1; 2008 Acts, ch 1113, §35; 2009 Acts, ch 133, §116

Referred to in §321.42, 321.47, 321.145

## PERMITS TO NONRESIDENT OWNERS

**321.53 Nonresident owners of passenger vehicles and trucks.**

A nonresident owner, except as provided in sections 321.54 and 321.55, of a private passenger motor vehicle, not operated for hire, may operate or permit the operation of such vehicle within this state without registering such vehicle in, or paying any fees to, this state subject to the condition that such vehicle at all times when operated in this state is duly registered in, and displays upon it a valid registration plate or plates issued for such vehicle in the place of residence of such owner. A nonresident who leases a vehicle from a resident owner shall not be considered a nonresident owner of such vehicle for the purpose of exemption under this section. This section shall be operative to the extent that under the laws of the foreign country, state, territory, or federal district of such nonresident owner's residence like exemptions and privileges are granted to vehicles registered under the laws, and owned by residents, of this state. A truck, truck tractor, trailer or semitrailer owned by a nonresident and operated on Iowa highways must have displayed upon it a valid registration plate or plates and a valid registration certificate, card, or other official evidence of its allowable weight in the state, district or county in which it is registered.

[S13, §1571-m16; C24, 27, 31, 35, §4865; C39, §**5003.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.53]

Referred to in §321.18

**321.54 Registration and financial liability coverage required of certain nonresident carriers.**

1. Nonresident owners of foreign vehicles operated within this state for the intrastate transportation of persons or property for compensation or for the intrastate transportation of merchandise shall register and maintain financial liability coverage as required under section 321.20B for each vehicle and pay the same fees required for like vehicles owned by residents of this state.

2. The term "*intrastate transportation*" as used herein shall mean the transportation for compensation of persons or property originating at any point or place in the state of Iowa and destined to any other point or place in said state irrespective of the route or highway or highways traversed, including the crossing of any state line of the state of Iowa, or the ticket or bill of lading issued and used for such transportation.

[C39, §**5003.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.54]

97 Acts, ch 139, §3, 17, 18; 98 Acts, ch 1121, §8

Referred to in §321.53, 805.8A(13a)

For applicable scheduled fines, see §805.8A, subsection 13, paragraph a

**321.55 Registration and financial liability coverage required for certain vehicles owned or operated by nonresidents.**

1. A nonresident owner or operator engaged in remunerative employment within this state or carrying on business within this state and owning or operating a motor vehicle, trailer, or semitrailer within this state shall register and maintain financial liability coverage as required under section 321.20B for each vehicle and pay the same fees for registration as are paid for like vehicles owned by residents of this state. However, this subsection does not apply to a person commuting from the person's residence in another state or whose employment is seasonal or temporary, not exceeding ninety days.

2. *a.* A nonresident owner of a motor vehicle operated within this state by a resident of this state shall register the vehicle and shall maintain financial liability coverage as required under section 321.20B for the vehicle. The nonresident owner shall pay the same fees for registration as are paid for like vehicles owned by residents of this state. However, registration under this paragraph is not required for vehicles being operated by residents temporarily for not more than ninety days. For purposes of this paragraph, a vehicle is not operated in the state temporarily, and is therefore subject to registration and the owner is required to pay the applicable fees, if the vehicle is located in Iowa for more than ninety consecutive or nonconsecutive days and is operated on an Iowa highway by an Iowa resident

during that time. It is unlawful for a resident to operate within the state an unregistered motor vehicle required to be registered under this paragraph. The ninety-day temporary period of operation provided for under this paragraph does not apply to a vehicle owned by a shell business as provided in paragraph *"b"*.

*b.* On or after July 1, 2013, if the department, in consultation with the department of revenue, determines that the nonresident owner of a vehicle is a partnership, limited liability company, or corporation that is a shell business, it shall be rebuttably presumed that the Iowa resident in control of the vehicle is the actual owner of the vehicle, that the vehicle is subject to registration in this state, and that payment of the fee for new registration for the vehicle is owed by the Iowa resident.

(1) Factors which indicate that a partnership, limited liability company, or corporation is a shell business include but are not limited to the following:

(a) The partnership, limited liability company, or corporation lacks a specific business activity or purpose.

(b) The partnership, limited liability company, or corporation fails to maintain a physical location in the foreign state.

(c) The partnership, limited liability company, or corporation fails to employ individual persons and provide those persons with internal revenue service form W-2 wage and tax statements.

(d) The partnership, limited liability company, or corporation fails to file federal tax returns, or fails to file a required state tax return in the foreign state.

(2) Factors which indicate that a person is in control of a vehicle include but are not limited to the following:

(a) The person was the initial purchaser of the vehicle.

(b) The person operated or stored the vehicle in Iowa for any period of time.

(c) The person is a partner, member, or shareholder of the nonresident partnership, limited liability company, or corporation that purports to be the owner of the vehicle.

(d) The person is insured to drive the vehicle.

(3) If the department determines that the nonresident owner of a vehicle is a shell business, the department shall notify the Iowa resident in control of the vehicle in writing that the Iowa resident is required to obtain an Iowa certificate of title and registration for the vehicle and pay the fee for new registration owed for the vehicle not later than thirty days from the date of the notice.

[C39, §**5003.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.55]

83 Acts, ch 58, §1; 97 Acts, ch 139, §4, 17, 18; 98 Acts, ch 1121, §8; 2013 Acts, ch 140, §160

Referred to in §321.1A, 321.53, 321.105A, 805.8A(2m)

For applicable scheduled fine, see §805.8A, subsection 2

Section amended

**321.56 Repair of out-of-state commercial motor vehicles — permits.**

1. The operator of a commercial motor vehicle which is not registered within the state as required pursuant to this chapter or chapter 326 or which does not have an interstate fuel permit, as required under chapter 452A, may enter the state and travel to a commercial vehicle dealer or repair facility and exit the state if all of the following circumstances apply:

*a.* If the commercial motor vehicle is entering the state solely for the purposes of maintenance and repair to the commercial motor vehicle and is exiting the state after having completed vehicle maintenance or repair.

*b.* If the operator has obtained a temporary entry or exit permit from the department.

*c.* If the commercial motor vehicle is unladen.

2. The department shall provide a temporary entry and exit permit to a commercial motor vehicle operator which authorizes the operator to enter and exit the state as allowed under this section. Any operator of a commercial motor vehicle who has in the operator's possession the permit allowing entry into the state and exit from the state shall not be charged with a registration violation under this chapter or chapter 326 or with a motor fuel tax violation under chapter 452A, except for violations of section 452A.74A.

3. For purposes of this section, *"commercial motor vehicle"* means as defined in section 321.1, subsection 11, paragraph *"e"*, subparagraph (2).

2001 Acts, ch 132, §3; 2002 Acts, ch 1119, §46; 2006 Acts, ch 1142, §83

## SPECIAL PLATES TO MANUFACTURERS, TRANSPORTERS, WHOLESALERS, AND DEALERS

**321.57 Operation under special plates.**

1. A dealer owning any vehicle of a type otherwise required to be registered under this chapter may operate or move the vehicle upon the highways solely for purposes of transporting, testing, demonstrating, or selling the vehicle without registering the vehicle, upon condition that the vehicle display in the manner prescribed in sections 321.37 and 321.38 a special plate issued to the owner as provided in sections 321.58 through 321.62. A dealer may operate or move upon the highways a vehicle owned by the dealer for either private or business purposes without registering it if the vehicle is in the dealer's inventory and is continuously offered for sale at retail, and there is displayed on it a special plate issued to the dealer as provided in sections 321.58 through 321.62. A dealer may operate or move upon the highways an unregistered vehicle owned by a lessor licensed pursuant to chapter 321F solely for the purpose of delivering the vehicle to the owner or transporting the vehicle to or from an auction if there is displayed on the vehicle a special plate issued to the dealer as provided in sections 321.58 through 321.62.

2. In addition, while a service customer is having the customer's own vehicle serviced or repaired by the dealer, the service customer of the dealer may operate upon the highways a motor vehicle owned by the dealer, except a motor truck or truck tractor, upon which there is displayed a special plate issued to the dealer, provided all of the requirements of this section are complied with.

3. Also a transporter may operate or move any vehicle of like type upon the highways solely for the purpose of delivery upon likewise displaying thereon like plates issued to the transporter as provided in these sections.

4. The provisions of this section and sections 321.58 to 321.62 shall not apply to any vehicles offered for hire, work or service vehicles owned by a transporter or dealer.

5. A dealer licensed as a wholesaler for a new motor vehicle model under chapter 322 may operate a new motor vehicle of that model, owned by the wholesaler, upon the highway when there is displayed on the vehicle a special plate issued to the wholesaler as provided in sections 321.58 through 321.62 and when operated solely for the purposes of demonstration, show, or exhibition.

6. A manufacturer licensed under chapter 322 that manufactures ambulances, rescue vehicles, or fire vehicles may operate or move a new ambulance, rescue vehicle, or fire vehicle manufactured and owned by the manufacturer solely for purposes of transporting, demonstrating, showing, or exhibiting the vehicle when there is displayed on the vehicle a special plate issued to the manufacturer as provided in sections 321.58 through 321.62.

[SS15, §1571-m14; C24, 27, 31, 35, §4888, 4894, 4895; C39, §**5004.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.57; 82 Acts, ch 1251, §12]

92 Acts, ch 1175, §1; 97 Acts, ch 139, §5, 17; 98 Acts, ch 1121, §5, 9; 99 Acts, ch 188, §11; 2001 Acts, ch 153, §17, 18; 2002 Acts, ch 1063, §19; 2002 Acts, ch 1119, §47; 2006 Acts, ch 1068, §15; 2006 Acts, ch 1090, §18, 26; 2007 Acts, ch 102, §1

Referred to in §321.309, 321E.10, 805.8A(2n)

For applicable scheduled fine, see §805.8A, subsection 2

**321.58 Application.**

All dealers, transporters, and new motor vehicle wholesalers licensed under chapter 322, upon payment of a fee of seventy dollars for a two-year period or part thereof, may make application to the department upon the appropriate form for a certificate containing a general distinguishing number and for one or more special plates as appropriate to various types

of vehicles subject to registration. The applicant shall also submit proof of the applicant's status as a bona fide transporter, new motor vehicle wholesaler licensed under chapter 322, or dealer, as reasonably required by the department. Dealers in new vehicles shall furnish satisfactory evidence of a valid franchise with the manufacturer of the vehicles authorizing the dealership.

[SS15, §1571-m14; C24, 27, 31, 35, §4888; C39, §**5004.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.58; 82 Acts, ch 1251, §13]

92 Acts, ch 1175, §2; 2000 Acts, ch 1016, §10; 2001 Acts, ch 153, §18; 2002 Acts, ch 1063, §20; 2002 Acts, ch 1119, §48; 2006 Acts, ch 1068, §42, 57; 2006 Acts, ch 1090, §19, 26

Referred to in §321.57, 321.115, 321.309

**321.59 Issuance of certificate.**

The department, upon granting any such application, shall issue to the applicant a certificate containing the applicant's name and address and the general distinguishing number assigned to the applicant.

[SS15, §1571-m14; C24, 27, 31, 35, §4890, 4891; C39, §**5004.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.59]

Referred to in §321.57, 321.115

**321.60 Issuance of special plates.**

The department shall also issue special plates as applied for, which shall display the general distinguishing number assigned to the applicant. Each plate so issued shall also contain a number or symbol identifying the plate and distinguishing it from every other plate bearing the same general distinguishing number. The fee for each special plate is forty dollars for a two-year period or part thereof.

[SS15, §1571-m14; C24, 27, 31, 35, §4892; C39, §**5004.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.60]

84 Acts, ch 1305, §57; 92 Acts, ch 1175, §3; 2006 Acts, ch 1068, §43, 57

Referred to in §321.42, 321.57, 321.115

**321.61 Expiration of special plates.**

A special plate shall expire at midnight on December 31 of even-numbered years. A person shall not be considered to be driving a vehicle with an expired registration for one month following the expiration date of the special plate.

[S13, §1571-m16; C24, 27, 31, 35, §4868; C39, §**5004.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.61]

92 Acts, ch 1175, §4; 2006 Acts, ch 1068, §44, 57

Referred to in §321.57, 321.115

**321.62 Records required.**

Every transporter or dealer shall keep a written record of the vehicles upon which such special plates are used, which record shall be open to inspection by any police officer or any officer or employee of the department.

[C39, §**5004.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.62]

Referred to in §321.57, 321.115, 805.8A(2o)

For applicable scheduled fine, see §805.8A, subsection 2

**321.63 Different places of business.**

If a transporter or dealer has an established place of business in more than one city, the transporter or dealer shall secure a separate and distinct certificate of registration and number plates for each such place of business.

[SS15, §1571-m14; C24, 27, 31, 35, §4889; C39, §**5004.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.63]

**321.64** Repealed by 98 Acts, ch 1075, § 32.

## PUBLIC GARAGE RECORDS

**321.65 Garage record.**

Every person or corporation operating a public garage shall keep for public inspection a record of the registration number and engine serial number or manufacturer's vehicle identification number of every motor vehicle offered for sale or taken in for repairs in said garage.

[C24, 27, §4988 – 4990; C31, 35, §4990-c1; C39, §**5004.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.65]

2005 Acts, ch 179, §127

**321.66 Duty to hold vehicles.**

The proprietor of a garage and the proprietor's employees upon discovering that the engine number of a motor vehicle has been altered or obliterated shall immediately notify some member of the department or peace officer of the county in which the garage is located, and hold said vehicle for a period of twenty-four hours or until investigation shall have been made by such peace officer.

[C24, 27, 31, 35, §4991; C39, §**5004.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.66]

## USED MOTOR VEHICLE REQUIREMENTS — NEW AND USED MOTOR VEHICLE DISCLOSURE REQUIREMENTS

**321.67 Certificate of title must be executed.**

1. No person, except as provided in sections 321.23 and 321.45 shall sell or otherwise dispose of a registered vehicle or a vehicle subject to registration without delivering to the purchaser or transferee thereof a certificate of title with such assignment thereon as may be necessary to show title in the purchaser.

2. No person shall purchase or otherwise acquire or bring into this state a registered vehicle or a vehicle subject to registration without obtaining a certificate of title thereto except for temporary use or as provided in sections 321.23 and 321.45.

[C24, 27, 31, 35, §4898; C39, §**5005.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.67]

Referred to in §805.8A(2p)

For applicable scheduled fine, see §805.8A, subsection 2

**321.68 Sale in bulk.**

1. It shall be unlawful for any dealer in this state to sell and transfer the dealer's stock of used motor vehicles in bulk unless the dealer complies with the following requirements:

*a.* The vendor shall file with the county treasurer and the department, duplicate inventories of all used motor vehicles proposed to be transferred, giving the factory number, last registration number, if any, and description of each such used motor vehicle and the name and address of proposed vendee, with a certification signed by both the vendee and the vendor that the certificates of title pertaining to all the used motor vehicles listed on the inventory have been duly assigned to the vendee as prescribed in this chapter.

*b.* The vendee shall, if the vendee has not already secured a dealer's registration, immediately secure such registration from the department.

2. Upon the completion of such requirements the department shall certify to the county treasurer that such used motor vehicles are, from and after a date to be set by the department, the property of the vendee.

[C24, 27, 31, 35, §4899; C39, §**5005.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.68]

2010 Acts, ch 1061, §180

**321.69 Damage disclosure statement.**

1. A certificate of title shall not be issued for a motor vehicle unless a damage disclosure statement has been made by the transferor of the vehicle and is furnished with the application for certificate of title. A damage disclosure statement shall be provided by the transferor

to the transferee in a transfer of ownership of a motor vehicle. The new certificate of title and registration receipt shall state on the face whether a prior owner had disclosed that the vehicle was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph *"d"*.

2. The damage disclosure statement required by this section shall, at a minimum, state whether the transferor knows if the vehicle was titled as a salvage, rebuilt, or flood vehicle in this or any other state prior to the transferor's ownership of the vehicle and, if not, whether the transferor knows if the vehicle was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph *"d"*, during or prior to the transferor's ownership of the vehicle.

3. The damage disclosure statement shall be provided by the transferor to the transferee at or before the time of sale. If the transferor is not a resident of this state or if the transferee acquired the vehicle by operation of law as provided in section 321.47, the transferee shall not be required to submit a damage disclosure statement from the transferor with the transferee's application for title unless the state of the transferor's residence requires a damage disclosure statement. However, the transferee shall submit a damage disclosure statement with the transferee's application for title indicating whether a salvage, rebuilt, or flood title had ever existed for the vehicle, and if not, whether the vehicle was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph *"d"*, during or prior to the transferor's ownership of the vehicle, and the year, make, and vehicle identification number of the motor vehicle. The transferee shall not be required to indicate whether the vehicle was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph *"d"*, under this subsection if the transferor's certificate of title is from another state and if it indicates that the vehicle is salvaged and not rebuilt or is another state's salvage certificate of title.

4. A lessee who has executed a lease as defined in section 321F.1 shall provide a damage disclosure statement to the lessor at the termination of the lease. The damage disclosure statement shall be made on a separate disclosure document and shall state whether the vehicle was damaged during the term of the lease to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph *"d"*. The lessee's damage disclosure statement shall not be submitted with the application for title, but the lessor shall retain the lessee's damage disclosure statement for five years following the date of the statement.

5. The department shall retain each damage disclosure statement received and copies shall be available to the public and the attorney general upon request.

6. Authorized vehicle recyclers licensed under chapter 321H and motor vehicle dealers licensed under chapter 322 shall maintain copies of all damage disclosure statements where the recycler or dealer is either the transferor or the transferee for five years following the date of the statement. The copies shall be made available to the department or the attorney general upon request.

7. *a.* The damage disclosure statements shall be made on the back of the certificate of title if the title is available to the transferor at the time of sale. If the title is not available at the time of sale or if the face of the transferor's Iowa title contains no indication that the vehicle was previously salvaged or titled as a salvage, rebuilt, or flood vehicle and the transferor knows or reasonably should know that the vehicle was previously salvaged or titled as a salvage, rebuilt, or flood vehicle in another state, the transferor shall make the disclosure on a separate disclosure document. The damage disclosure statement forms shall be as approved by the department. The treasurer shall not accept a damage disclosure statement and issue a title unless the back of the title or separate disclosure document has been fully completed and signed and dated by the transferee and the transferor, if applicable. If a separate damage disclosure document from a prior owner is required to be furnished with the application for title, the transferor shall provide a copy of the separate damage disclosure document to the transferee at or before the time of sale.

*b.* In addition to the information required in subsection 2, a separate disclosure document shall state whether the vehicle's certificate of title indicates the existence of damage prior to the period of the transferor's ownership of the vehicle and whether the vehicle was titled

as a salvage, rebuilt, or flood vehicle during the period of the transferor's ownership of the vehicle.

8. A person, authorized vehicle recycler licensed under chapter 321H, or motor vehicle dealer licensed under chapter 322 shall not be liable to a subsequent owner, driver, or passenger of a vehicle because a prior owner or lessee gave a false or inaccurate damage disclosure statement or failed to disclose that the vehicle had previously been damaged and repaired or had been titled on a salvage, rebuilt, or flood certificate of title unless the person, recycler, or dealer knew or reasonably should have known that the prior owner or lessee gave a false or inaccurate damage disclosure statement or failed to disclose that the vehicle had been damaged and repaired or had been titled on a salvage, rebuilt, or flood certificate of title.

9. Except for subsections 10 and 11, this section does not apply to motor trucks and truck tractors with a gross vehicle weight rating of sixteen thousand pounds or more, vehicles more than seven model years old, motorcycles, motorized bicycles, and special mobile equipment. This section does apply to motor homes. The requirement in subsection 1 that the new certificate of title and registration receipt shall state on the face whether a prior owner had disclosed that the vehicle was damaged to the extent that it was a wrecked or salvage vehicle as defined in section 321.52, subsection 4, paragraph *"d"*, does not apply to a vehicle with a certificate of title bearing a designation that the vehicle was previously titled on a salvage certificate of title pursuant to section 321.52, subsection 4, paragraph *"b"*, or to a vehicle with a certificate of title bearing a "REBUILT" or "SALVAGE" designation pursuant to section 321.24, subsection 4 or 5. Except for subsections 10 and 11, this section does not apply to new motor vehicles with a true mileage, as defined in section 321.71, of one thousand miles or less, unless such vehicle has incurred damage as described in subsection 2.

10. *a.* A person shall not sell, lease, or trade a motor vehicle if the person knows or reasonably should know that the motor vehicle contains a nonoperative airbag that is part of an inflatable restraint system, or that the motor vehicle has had an airbag removed and not replaced, unless the person clearly discloses, in writing, to the person to whom the person is selling, leasing, or trading the vehicle, prior to the sale, lease, or trade, that the airbag is missing or nonoperative. In addition, a lessee who has executed a lease as defined in section 321F.1 shall provide the disclosure statement required in this subsection to the lessor upon termination of the lease.

*b.* The written disclosure required by this subsection shall be deemed to be a damage disclosure statement for the purposes of subsections 6, 8, and 11.

11. A person who knowingly makes a false damage disclosure statement or fails to make a damage disclosure statement required by this section commits a fraudulent practice. Failure of a person, authorized vehicle recycler licensed under chapter 321H, or motor vehicle dealer licensed under chapter 322 to comply with any duty imposed by this section constitutes a violation of section 714.16, subsection 2, paragraph *"a"*.

12. The department shall adopt rules as necessary to implement this section.

92 Acts, ch 1104, §4; 95 Acts, ch 45, §4, 5; 96 Acts, ch 1152, §3; 97 Acts, ch 108, §8; 98 Acts, ch 1034, §1; 2002 Acts, ch 1063, §21; 2003 Acts, ch 56, §1 – 5; 2003 Acts, ch 179, §71; 2004 Acts, ch 1007, §1; 2005 Acts, ch 19, §40, 41; 2006 Acts, ch 1010, §88; 2010 Acts, ch 1061, §180

Referred to in §714H.3

Fraudulent practices, see §714.8 – 714.14

**321.69A Disclosure of repairs to new vehicles.**

1. *a.* A person licensed as a new motor vehicle dealer pursuant to chapter 322 shall not be required to disclose to a prospective or actual buyer or lessee of a new motor vehicle repairs of damage to or adjustments on or replacements of parts with new parts on the motor vehicle if all of the following are true:

(1) The repairs, adjustments, or replacements were made to achieve compliance with factory specifications.

(2) The actual cost of any labor or parts charged to or performed by the dealer for any such repairs, adjustments, or parts does not exceed four percent of the dealer's adjusted cost.

(3) The dealer posts in a conspicuous place notice that repairs, adjustments, or replacements will be disclosed upon request.

(4) The dealer discloses any such repairs, adjustments, or replacements upon request.

*b.* The provisions of this section take precedence over and shall supersede section 714.16, subsection 2, paragraph *"a"*, unnumbered paragraph 4, and section 714H.4, subsection 2.

2. A person licensed as a new motor vehicle dealer pursuant to chapter 322 shall disclose in writing, at or before the time of sale or lease, to the buyer or lessee of a new motor vehicle that the vehicle has been subject to any repairs of damage to or adjustments on or replacements of parts with new parts if the actual cost of any labor or parts charged to or performed by the dealer for any such repairs, adjustments, or parts exceeds four percent of the dealer's adjusted cost. The written disclosure shall include the signature of the buyer or lessee and be in a form and in a format approved by the attorney general by rule. A dealer shall retain a copy of each written disclosure issued pursuant to this section for five years from the date of issuance.

3. As used in this section, *"dealer's adjusted cost"* means the amount paid by the dealer to the manufacturer or other source for the vehicle, including any freight charges, but excluding any sum paid by the manufacturer to the dealer as a holdback or other monetary incentive relating to the vehicle.

4. A violation of this section is an unlawful practice pursuant to section 714.16.

5. A violation of this section is a prohibited practice or act pursuant to section 714H.5.

2011 Acts, ch 90, §1

**321.70 Dealer vehicles.**

A dealer registered under this chapter shall not be required to register any vehicle owned by the dealer which is being held for sale or trade, provided the annual registration fee was not delinquent at the time the vehicle was acquired by the dealer. When a dealer ceases to hold any vehicle for sale or trade or the vehicle otherwise becomes subject to registration under this chapter the annual registration fee and delinquent annual registration fee, if any, shall be due for the registration year.

[C24, 27, 31, 35, §4901; C39, §**5005.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.70]

82 Acts, ch 1062, §11, 38; 2008 Acts, ch 1113, §83

**321.71 Odometer requirements.**

1. For the purposes of this section the following words and phrases shall have the meanings respectively ascribed to them:

*a.* *"Intent and purpose of this section"* is and shall mean to achieve the end that odometers of motor vehicles shall at all times correctly show the true mileage that the motor vehicle has been driven.

*b.* *"True mileage"* is the actual mileage the motor vehicle has been driven.

2. No person shall knowingly tamper with, adjust, alter, change, set back, disconnect or fail to connect the odometer of any motor vehicle, or cause any of the foregoing to occur to an odometer of a motor vehicle, so as to reflect a lower mileage than the true mileage driven by the motor vehicle.

3. No person shall conspire with any other person to evade the intent and purpose of this section.

4. No person shall with the intent to defraud operate a motor vehicle on any street or highway knowing that the odometer of the motor vehicle is disconnected or nonfunctional.

5. No person shall advertise for sale, sell, use or install on any part of a motor vehicle or on any odometer in a motor vehicle any device which causes the odometer to register any mileage other than the true mileage.

6. In the event any odometer is repaired or replaced, the reading of the repaired or replaced odometer shall be set at the reading of the odometer repaired or replaced immediately prior to repair or replacement, but where the odometer is incapable of registering the same mileage the odometer shall be adjusted to read zero and any adjustment made in accordance with the provisions of this subsection shall not be deemed a violation of any provision of this section.

7. A certificate of title shall not be issued for a motor vehicle less than ten model years old which is equipped with an odometer by the manufacturer, unless an odometer statement which is in compliance with federal law and regulations has been made by the transferor of the vehicle and is furnished with the application for certificate of title. The new certificate of title shall record on its face the odometer reading and the word "actual" if the true mileage is known. If the odometer reading is not the true mileage or the true mileage is unknown, the words "not actual" shall be recorded. If the odometer reading is greater than the odometer can mechanically count, the words "exceeds the mechanical limits" shall be recorded. However, a certificate of title may be issued for a motor vehicle to a person who moves into this state if the person acquired ownership of the motor vehicle prior to moving to this state. This subsection does not apply to motor vehicles having a gross vehicle weight rating of more than sixteen thousand pounds.

8. Any person who knowingly makes or delivers a false odometer statement as required by subsection 7 shall be guilty of a violation of this section.

9. An Iowa licensed motor vehicle dealer shall not have in possession as inventory for sale a used motor vehicle acquired by the dealer after the tenth model year prior to the current registration year, for which the dealer does not possess an odometer statement by the transferor which is in compliance with federal law and regulations unless a certificate of title has been issued for the vehicle in the name of the dealer. Transfer of a new motor vehicle with an ownership document which is a manufacturer's statement of origin requires an odometer statement only when transferred at retail.

10. A transferee of a motor vehicle reassigning the certificate of title to such motor vehicle pursuant to the provisions of section 321.48, subsection 1, shall not be guilty of a violation of this section if such transferee has in the transferee's possession an odometer statement by the transferor which is in compliance with federal law and regulations and if the transferee has no knowledge that the statement is false and that the transferee has no knowledge that the odometer does not reflect the true mileage of such motor vehicle.

11. The department may adopt rules which shall be in compliance with the federal Truth in Mileage Act of 1986, Pub. L. No. 99-579.

12. Any person who violates this section commits a fraudulent practice.

[C73, 75, 77, 79, 81, §321.71]

84 Acts, ch 1243, §2, 3; 84 Acts, ch 1305, §58; 90 Acts, ch 1131, §1, 2; 98 Acts, ch 1100, §43

Referred to in §307.37, 321.50, 321.69, 322.4

Fraudulent practices, see §714.8 – 714.14

**321.71A Nonoperative air bags.**

A person shall not install or reinstall for compensation, distribute, or sell a nonoperative air bag that is part of an inflatable restraint system for a motor vehicle if the person knows that the air bag is nonoperative. A violation of this section is an aggravated misdemeanor punishable by confinement for up to one year and a fine of at least five hundred dollars but not more than five thousand dollars.

For purposes of this section, *"nonoperative air bag"* includes an air bag that has been previously deployed, is nonfunctional, or is otherwise defective. *"Nonoperative air bag"* also includes anything that is inserted, or is intended to be inserted, in place of an air bag, which would prohibit an inflatable restraint system from functioning properly.

2001 Acts, ch 94, §1

## SPECIAL ANTITHEFT LAW

**321.72 Report of stolen and recovered motor vehicles.**

Every peace officer upon receiving reliable information that any vehicle registered under this chapter has been stolen shall immediately report the theft to the department unless prior thereto information has been received of the recovery of the vehicle. Any officer upon receiving information that any vehicle, which the officer has previously reported as stolen,

has been recovered, shall immediately report the fact of the recovery to the law enforcement agency which originated the theft report and to the department.

[C27, 31, 35, §13417-a1; C39, §**5006.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.72; 81 Acts, ch 103, §1]

Referred to in §321.74, 331.653

**321.73 Reports by owners.**

The owner, or person having a lien or encumbrance upon a registered vehicle which has been stolen or embezzled, may notify the department of such theft or embezzlement, but in the event of an embezzlement may make such report only after having procured the issuance of a warrant for the arrest of the person charged with such embezzlement.

Every owner or other person who has given any such notice must notify the department of a recovery of such vehicle.

[C39, §**5006.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.73]

Referred to in §321.74

**321.74 Action by department.**

The department, upon receiving a report of a stolen or embezzled vehicle as provided in section 321.72 or 321.73 or through the national motor vehicle title information system, shall file and appropriately index the same and shall immediately suspend the registration of the vehicle so reported and shall not transfer the certificate of title or registration of the vehicle until such time as the department is notified that the vehicle has been recovered.

[C39, §**5006.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.74]

2004 Acts, ch 1013, §18, 35

**321.75** Repealed by 77 Acts, ch 103, § 63.

**321.76 and 321.77** Repealed by 76 Acts, ch 1245(4), § 525.

**321.78 Injuring or tampering with vehicle.**

Any person who either individually or in association with one or more other persons willfully injures or tampers with any vehicle or breaks or removes any part or parts of or from a vehicle without the consent of the owner is guilty of a simple misdemeanor.

[C39, §**5006.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.78]

Referred to in §322C.6

**321.79 Intent to injure.**

Any person who with intent to commit any malicious mischief, injury, or other crime climbs into or upon a vehicle whether it is in motion or at rest or with like intent attempts to manipulate any of the levers, starting mechanism, brakes, or other mechanism or device of a vehicle while the same is at rest and unattended or with like intent sets in motion any vehicle while the same is at rest and unattended is guilty of a simple misdemeanor.

[C39, §**5006.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.79]

**321.80** Repealed by 76 Acts, ch 1245(4), § 525.

**321.81 Presumptive evidence.**

Whoever shall conceal, barter, sell, possess or dispose of any vehicle or component part which has been stolen, or shall disguise, alter, or change such vehicle or component part or the vehicle identification number or component part number thereof, or remove or change the registration plate thereon, or do any act designed to prevent identification of such vehicle or component part, shall be presumed to have knowledge that such vehicle or component part had been stolen.

[C24, 27, 31, 35, §5093; C39, §**5006.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.81]

**321.82 and 321.83** Repealed by 76 Acts, ch 1245(4), § 525.

**321.84 Seizure of vehicles.**

It shall be the duty of any peace officer who finds a vehicle or component part, the vehicle identification number or component part number of which has been altered, defaced, or tampered with, and who has reasonable cause to believe that the possessor of the vehicle or component part wrongfully holds it, to forthwith seize it, either with or without warrant, and deliver it to the sheriff of the county in which it is seized.

[C27, 31, 35, §5083-b1; C39, §**5006.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.84]

Referred to in §321.85

**321.85 Stolen vehicles or component parts.**

When a vehicle or component part is seized under section 321.84 or is stolen or embezzled, and is not claimed by the owner before the date on which the person charged with its stealing or embezzling is convicted, the officer having the vehicle or component part in the officer's custody shall, on that date by certified mail, notify the department that the officer has the vehicle or component part in the officer's possession, giving a full and complete description of it, including all vehicle identification numbers and component part numbers. If there is a dispute regarding a claim for the vehicle or component part, the agency holding the vehicle or component part shall conduct an evidentiary hearing to adjudicate the claim.

[C24, §12222; C27, 31, 35, §5083-b2, 12222; C39, §**5006.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.85]

85 Acts, ch 64, §1

Referred to in §8A.323

**321.86 Notice by director.**

The director shall, if the owner appears of record in the director's office, notify the owner of the fact that the vehicle or component part is in the custody of the officer, and if not of record in the director's office, the director shall mail the description to the county treasurer of each county.

[C24, 27, 31, 35, §12223; C39, §**5006.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.86]

Referred to in §8A.323

**321.87 Delivery to owner.**

If, within forty days thereafter, the owner of the vehicle or component part appears and properly identifies it, the officer having the vehicle or component part in custody shall deliver it to such owner upon payment by the owner of the costs incurred incident to the apprehension of the vehicle or component part and the location of the owner.

[C24, §12224; C27, 31, 35, §5083-b3, 12224; C39, §**5006.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.87]

Referred to in §8A.323

**321.88 Failure of owner to claim.**

If the owner does not appear within forty days, the motor vehicle shall be deemed abandoned and the officer having possession of the motor vehicle shall proceed as provided in section 321.89, subsections 3 and 4.

[C24, §12225; C27, 31, 35, §5083-b3, 12225; C39, §**5006.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.88]

Referred to in §8A.323

**321.89 Abandoned vehicles.**

1. *Definitions.* As used in this section and sections 321.90 and 321.91 unless the context otherwise requires:

*a.* *"Abandoned vehicle"* means any of the following:

(1) A vehicle that has been left unattended on public property for more than twenty-four hours and lacks current registration plates or two or more wheels or other parts which renders the vehicle totally inoperable.

(2) A vehicle that has remained illegally on public property for more than twenty-four hours.

(3) A vehicle that has been unlawfully parked on private property or has been placed on private property without the consent of the owner or person in control of the property for more than twenty-four hours.

(4) A vehicle that has been legally impounded by order of a police authority and has not been reclaimed for a period of ten days. However, a police authority may declare the vehicle abandoned within the ten-day period by commencing the notification process in subsection 3.

(5) Any vehicle parked on the highway determined by a police authority to create a hazard to other vehicle traffic.

(6) A vehicle that has been impounded pursuant to section 321J.4B by order of the court and whose owner has not paid the impoundment fees after notification by the person or agency responsible for carrying out the impoundment order.

*b.* *"Demolisher"* means a person licensed under chapter 321H whose business it is to convert a vehicle to junk, processed scrap, or scrap metal, or otherwise to wreck or dismantle vehicles.

*c.* *"Police authority"* means the state patrol, any law enforcement agency of a county or city, or any special security officer employed by the state board of regents under section 262.13.

2. *Authority to take possession of abandoned vehicles.* A police authority, upon the authority's own initiative or upon the request of any other authority having the duties of control of highways or traffic, shall take into custody an abandoned vehicle on public property and may take into custody an abandoned vehicle on private property. The police authority may employ its own personnel, equipment, and facilities or hire a private entity, equipment, and facilities for the purpose of removing, preserving, storing, or disposing of abandoned vehicles. A property owner or other person in control of private property may employ a private entity who is a garagekeeper, as defined in section 321.90, to dispose of an abandoned vehicle, and the private entity may take into custody the abandoned vehicle without a police authority's initiative. If a police authority employs a private entity to dispose of abandoned vehicles, the police authority shall provide the private entity with the names and addresses of the registered owners, all lienholders of record, and any other known claimant to the vehicle or the personal property found in the vehicle. The owners, lienholders, or other claimants of the abandoned vehicle shall not have a cause of action against a private entity for action taken under this section if the private entity provides notice as required by subsection 3, paragraph *"a"*.

3. *Notification of owner, lienholders, and other claimants.*

*a.* A police authority or private entity that takes into custody an abandoned vehicle shall notify, within twenty days, by certified mail, the last known registered owner of the vehicle, all lienholders of record, and any other known claimant to the vehicle or to personal property found in the vehicle, addressed to the parties' last known addresses of record, that the abandoned vehicle has been taken into custody. Notice shall be deemed given when mailed. The notice shall describe the year, make, model, and vehicle identification number of the vehicle, describe the personal property found in the vehicle, set forth the location of the facility where the vehicle is being held, and inform the persons receiving the notice of their right to reclaim the vehicle and personal property within ten days after the effective date of the notice upon payment of all towing, preservation, and storage charges resulting from placing the vehicle in custody and upon payment of the costs of notice required pursuant to this subsection. The notice shall also state that the failure of the owner, lienholders, or claimants to exercise their right to reclaim the vehicle or personal property within the time provided shall be deemed a waiver by the owner, lienholders, and claimants of all right, title, claim, and interest in the vehicle or personal property and that failure to reclaim the vehicle or personal property is deemed consent to the sale of the vehicle at a public auction or disposal of the vehicle to a demolisher and to disposal of the personal property by sale or destruction. If the abandoned vehicle was taken into custody by a private entity without a police authority's initiative, the notice shall state that the private entity may claim a garagekeeper's lien as described in section 321.90, subsection 1, and may proceed to sell or dispose of the vehicle. If the abandoned vehicle was taken into custody by a police

authority or by a private entity hired by a police authority, the notice shall state that any person claiming rightful possession of the vehicle or personal property who disputes the planned disposition of the vehicle or property by the police authority or private entity or of the assessment of fees and charges provided by this section may ask for an evidentiary hearing before the police authority to contest those matters. If the persons receiving notice do not ask for a hearing or exercise their right to reclaim the vehicle or personal property within the ten-day reclaiming period, the owner, lienholders, or claimants shall no longer have any right, title, claim, or interest in or to the vehicle or the personal property. A court in any case in law or equity shall not recognize any right, title, claim, or interest of the owner, lienholders, or claimants after the expiration of the ten-day reclaiming period.

*b.* If it is impossible to determine with reasonable certainty the identity and addresses of the last registered owner and all lienholders, notice by one publication in one newspaper of general circulation in the area where the vehicle was abandoned shall be sufficient to meet all requirements of notice under this section. The published notice may contain multiple listings of abandoned vehicles and personal property but shall be published within the same time requirements and contain the same information as prescribed for mailed notice in paragraph "*a*".

4. *Auction of abandoned vehicles.*

*a.* If an abandoned vehicle has not been reclaimed as provided for in subsection 3, the police authority or private entity shall make a determination as to whether or not the vehicle shall be sold for use upon the highways. If the vehicle is not sold for use upon the highways, it shall be sold for junk, or demolished and sold as scrap. The police authority or private entity shall sell the vehicle at public auction. Notwithstanding any other provision of this section, a police authority or private entity may dispose of the vehicle to a demolisher for junk without public auction after complying with the notification procedures in subsection 3. The purchaser of the vehicle takes title free and clear of all liens and claims of ownership, shall receive a sales receipt from the police authority or private entity, and is entitled to register the vehicle and receive a certificate of title if sold for use upon the highways. If the vehicle is sold or disposed of to a demolisher for junk, the demolisher shall make application for a junking certificate to the county treasurer within thirty days of purchase and shall surrender the sales receipt in lieu of the certificate of title.

*b.* From the proceeds of the sale of an abandoned vehicle the police authority, if the police authority did not hire a private entity, shall reimburse itself for the expenses of the auction, the costs of towing, preserving, and storing which resulted from placing the abandoned vehicle in custody, all notice and publication costs incurred pursuant to subsection 3, the cost of inspection, and any other costs incurred except costs of bookkeeping and other administrative costs. Any remainder from the proceeds of a sale shall be held for the owner of the vehicle or entitled lienholder for ninety days, and shall then be deposited in the road use tax fund. The costs to police authorities of auction, towing, preserving, storage, and all notice and publication costs, and all other costs which result from placing abandoned vehicles in custody, whenever the proceeds from a sale of the abandoned vehicles are insufficient to meet these expenses and costs, shall be paid from the road use tax fund and are the obligation of the last owner or owners, jointly and severally.

*c.* The director of transportation shall establish by rule a claims procedure to be followed by police authorities in obtaining expenses and costs from the fund and procedures for reimbursement of expenses and costs to a private entity hired by a police authority to take custody of an abandoned vehicle. If a private entity has been hired by a police authority, the police authority shall file a claim with the department for reimbursement of towing fees which shall be paid from the road use tax fund.

[C73, 75, 77, 79, 81, §321.89]

84 Acts, ch 1305, §59; 85 Acts, ch 64, §2; 87 Acts, ch 123, §1; 88 Acts, ch 1158, §66; 92 Acts, ch 1238, §31; 95 Acts, ch 48, §3; 95 Acts, ch 118, §13; 96 Acts, ch 1126, §4; 98 Acts, ch 1074, §22; 2000 Acts, ch 1016, §11; 2005 Acts, ch 35, §31; 2005 Acts, ch 64, §1; 2009 Acts, ch 130, §23, 24

Referred to in §8A.323, 80.39, 321.20B, 321.88, 321.90, 321.91, 321J.4B, 555B.1

**321.90 Disposal of abandoned motor vehicles.**

1. *Garagekeepers and abandoned motor vehicles.* Any motor vehicle left in a garage operated for commercial purposes after the period for which the vehicle was to remain on the premises shall, after notice by certified mail to the last known registered owner of the vehicle addressed to the owner's last known address of record to reclaim the vehicle within ten days of the date of the notice, be deemed an abandoned motor vehicle unless reclaimed by the owner within such ten-day period or the owner notifies the garagekeeper in writing within such period of time that such vehicle is not an abandoned motor vehicle and shall be reported by the garagekeeper to the police authority. If the identity or address of the last registered owner of the motor vehicle cannot be determined, the vehicle shall be deemed an abandoned motor vehicle on the eleventh day after the period for which the vehicle was to remain on the premises unless reclaimed by the owner within the ten-day period or the owner notifies the garagekeeper in writing within such period of time that such vehicle is not an abandoned motor vehicle and shall be reported by the garagekeeper to the police authority. All abandoned motor vehicles left in garages may be taken into custody by a police authority upon the request of the garagekeeper and sold in accordance with the procedures set forth in section 321.89, subsection 4, unless the motor vehicle is reclaimed. The proceeds of the sale shall be first applied to the garagekeeper's charges for towing and storage, and any surplus proceeds shall be distributed in accordance with section 321.89, subsection 4. Nothing in this section shall be construed to impair any lien of a garagekeeper under the laws of this state, or the right of a garagekeeper to foreclose the garagekeeper's lien, provided that a garagekeeper shall be deemed to have abandoned the garagekeeper's artisan lien when such vehicle is taken into custody by the police authority. For the purposes of this section "*garagekeeper*" means any operator of a parking place or establishment, motor vehicle storage facility, or establishment for the servicing, repair, or maintenance of motor vehicles.

2. *Disposal to demolisher.*

*a.* Any person, firm, corporation, or unit of government upon whose property or in whose possession is found any abandoned motor vehicle, or any person being the owner of a motor vehicle whose title certificate is faulty, lost, or destroyed and is thereby unable to transfer title to the motor vehicle, may apply to the police authority of the jurisdiction in which the motor vehicle is situated for authority to sell, give away, or otherwise dispose of the motor vehicle to a demolisher.

*b.* The application shall set out the name and address of the applicant, and the year, make, model, and vehicle identification number of the motor vehicle, if ascertainable, together with any other identifying features, and shall contain a concise statement of the facts surrounding the abandonment, or a statement that the title of the motor vehicle is lost or destroyed, or the reasons for the defect of title in the owner. The applicant shall execute an affidavit stating that the facts alleged are true and that no material fact has been withheld. An order for disposal obtained pursuant to section 555B.8, subsection 3, satisfies the application requirements of this paragraph.

*c.* If the police authority finds that the application is executed in proper form, and shows that the motor vehicle has been abandoned upon the property of the applicant, or if it shows that the motor vehicle is not abandoned but that the applicant appears to be the rightful owner, the police authority shall follow appropriate notification procedures as set forth in section 321.89, subsection 3, except that in the case of an order for disposal obtained pursuant to section 555B.8, subsection 3, no notification is required.

*d.* If the abandoned motor vehicle is not reclaimed in accordance with section 321.89, subsection 3, or no lienholder objects to the disposal in the case of an owner-applicant, the police authority shall give the applicant a certificate of authority allowing the applicant to obtain a junking certificate for the motor vehicle. The applicant shall make application for a junking certificate to the county treasurer within thirty days of receipt of the certificate of authority and surrender the certificate of authority in lieu of the certificate of title. The demolisher shall accept the junking certificate in lieu of the certificate of title to the motor vehicle.

*e.* Notwithstanding any other provisions of this section and sections 321.89 and 321.91, any person, firm, corporation, or unit of government upon whose property or in whose

possession is found any abandoned motor vehicle, or any person being the owner of a motor vehicle whose title certificate is faulty, lost, or destroyed, may dispose of such motor vehicle to a demolisher for junk without a title and without the notification procedures of section 321.89, subsection 3, if the motor vehicle lacks an engine or two or more wheels or other structural part which renders the vehicle totally inoperable. The police authority shall give the applicant a certificate of authority. The owner shall apply to the county treasurer for a junking certificate within thirty days of receipt of the certificate of authority and shall surrender the certificate of authority in lieu of the certificate of title.

*f.* The owner of an abandoned motor vehicle and all lienholders shall no longer have any right, title, claim, or interest in or to the motor vehicle; and no court in any case in law or equity shall recognize any right, title, claim, or interest of any owner or lienholders after the disposal of the motor vehicle to a demolisher.

*g.* Any proceeds from the sale of an abandoned motor vehicle to a demolisher under this section, by one other than the owner of the vehicle, except the sale of a vehicle pursuant to an order for disposal obtained pursuant to section 555B.8, subsection 3, shall first be applied to that person's expenses in effecting the sale, including storage, towing, and disposal charges, and any surplus shall be distributed in accordance with section 321.89, subsection 4. The proceeds from the sale of a vehicle disposed of pursuant to section 555B.8, subsection 3, shall be distributed in accordance with section 555B.9.

3. *Duties of demolishers.*

*a.* Any demolisher who purchases or otherwise acquires an abandoned motor vehicle for junk under the provisions of this section shall junk, scrap, wreck, dismantle, or demolish such motor vehicle. A demolisher shall not junk, scrap, wreck, dismantle, or demolish a vehicle until the demolisher has obtained the junking certificate issued for the vehicle.

*b.* A demolisher shall keep an accurate and complete record of all motor vehicles purchased or received by the demolisher in the course of the demolisher's business. These records shall contain the name and address of the person from whom each motor vehicle was purchased or received and the date when the purchases or receipts occurred. The records shall be open for inspection by any police authority at any time during normal business hours. Any record required by this section shall be kept by the demolisher for at least one year after the transaction to which it applies.

[C73, 75, 77, 79, 81, §321.90]

88 Acts, ch 1138, §12 – 14; 95 Acts, ch 118, §14, 15; 2005 Acts, ch 179, §128; 2008 Acts, ch 1018, §19

Referred to in §8A.323, 321.89, 321.91, 555B.9

**321.91 Limitation on liability — penalty for abandonment.**

1. No person, firm, corporation, unit of government, garagekeeper or police authority upon whose property an abandoned vehicle is found or who disposes of such abandoned vehicle in accordance with sections 321.89 and 321.90 shall be liable for damages by reason of the removal, sale, or disposal of such vehicle.

2. A person who abandons a vehicle is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph "*b*".

[C73, 75, 77, 79, 81, §321.91]

2000 Acts, ch 1203, §3; 2001 Acts, ch 137, §5; 2004 Acts, ch 1101, §35

Referred to in §8A.323, 321.89, 321.90, 805.8A(14b)

**321.92 Altering or changing numbers.**

1. *Fraudulent intent.*

*a.* No person shall with fraudulent intent, deface, destroy, or alter the vehicle identification number or component part number or other distinguishing number or identification mark of a vehicle or component part, including a rebuilt identification, nor shall a person place or stamp a serial, engine, or other number or mark upon a vehicle or component part, except one assigned thereto by the department.

*b.* The year of manufacture of a fence-line feeder, grain cart, or tank wagon manufactured on or after July 1, 2001, shall be permanently made a part of the identification plate on the

vehicle. A person shall not fraudulently alter, deface, or attempt to fraudulently alter or deface the year of manufacture or other product identification number on a fence-line feeder, grain cart, or tank wagon.

*c.* A violation of this subsection is a felony punishable as provided in section 321.483.

*d.* This subsection does not prohibit the restoration of an original vehicle identification number, component part number, or other number or mark when the restoration is made by the department, nor prevent a manufacturer from placing, in the ordinary course of business, numbers or marks upon vehicles or component parts.

2. *Vehicles without identification numbers.* A person who knowingly buys, receives, disposes of, sells, offers for sale, or has in the person's possession a vehicle, or a component part of a vehicle, from which the vehicle identification number, rebuilt identification, or component part number has been removed, defaced, covered, altered, or destroyed for the purpose of concealing or misrepresenting the identity of the vehicle or component part is guilty of a simple misdemeanor.

[SS15, §1571-m12a; C24, 27, 31, 35, §5080; C39, §**5006.09, 5006.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §321.80, 321.92; C79, 81, §321.92]

88 Acts, ch 1089, §7; 2009 Acts, ch 133, §117

Referred to in §321H.6, 321H.8, 322.3, 322.6, 322C.3, 322C.6

Similar provisions, §714.8(5)

**321.93 Defense.**

Under a charge of possessing a vehicle or component part, the vehicle identification number or component part number of which is defaced, altered, or tampered with, it shall be a complete defense that the accused at the time of such possession had in the accused's possession a certificate of title from the officer whose duty it is to register vehicles and component parts in the state in which the vehicle or component part is registered, showing good and sufficient reason why numbers are defaced, changed, or tampered with, the original vehicle identification number or component part number, and the ownership of the vehicle or component part.

[C24, 27, 31, 35, §5083; C39, §**5006.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.93]

**321.94 Test to determine true number.**

Where it appears that a vehicle identification number or component part number has been altered, defaced or tampered with, any peace officer, or any other person acting under a peace officer's direction, may apply any recognized process or test to the part containing the number for the purpose of determining the true number.

[C27, 31, 35, §5083-b5; C39, §**5006.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.94; 81 Acts, ch 103, §2]

**321.95 Right of inspection.**

1. Peace officers shall have the authority to inspect any vehicle or component part in possession of a vehicle rebuilder, vehicle salvager, used vehicle parts dealer, or any person licensed under chapter 322, or found upon the public highway or in any public garage, enclosure, or property in which vehicles or component parts are kept for sale, storage, hire, or repair and for that purpose may enter any such public garage, enclosure, or property. Every vehicle rebuilder, vehicle salvager, used vehicle parts dealer, or any person licensed under chapter 322, or a person having used engines or transmissions which are component parts for sale shall keep an accurate and complete record of all vehicles demolished and of such component parts purchased or received for resale as component parts in the course of business. These records shall contain the name and address of the person from whom each such vehicle or component part was purchased or received and the date when the purchase or receipt occurred or the junking certificate if required for the vehicle. These records shall be open for inspection by any peace officer at any time during normal business hours. Records required by this section shall be kept for at least three years after the transaction which they record.

2. A person who violates this section commits a simple misdemeanor.

[C27, 31, 35, §5083-b6; C39, §**5006.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.95]
2009 Acts, ch 130, §39; 2010 Acts, ch 1140, §2
Referred to in §805.8A(14j)
For applicable scheduled fine, see §805.8A, subsection 14, paragraph j

**321.96 Prohibited plates — certificates.**

1. A person shall not display or cause or permit to be displayed, or have in the person's possession, a vehicle identification number or component part number except as provided in this chapter, or a canceled, revoked, altered, or fictitious registration number plates, registration receipt, or certificate of title, as the same are respectively provided for in this chapter.

2. A person who violates this section commits a simple misdemeanor.

[C24, 27, 31, 35, §5084; C39, §**5006.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.96]
90 Acts, ch 1230, §17; 2010 Acts, ch 1140, §3

OFFENSES AGAINST REGISTRATION LAWS
AND SUSPENSION OR REVOCATION
OF REGISTRATION

**321.97 Fraudulent applications.**

Any person who fraudulently uses a false or fictitious name in any application for the registration of, or certificate of title to, a vehicle or knowingly makes a false statement or knowingly conceals a material fact or otherwise commits a fraud in any such application is guilty of a fraudulent practice.

[S13, §1571-m26; C24, 27, 31, 35, §5088; C39, §**5007.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.97]
Referred to in §322C.6
Fraudulent practices, see §714.8 – 714.14

**321.98 Operation without registration.**

1. Except as otherwise expressly permitted in this chapter, a person shall not operate and an owner shall not knowingly permit to be operated upon any highway any vehicle required to be registered and titled under this chapter unless:

*a.* A valid registration card and registration plate or plates issued for the vehicle for the current registration year are attached to and displayed on the vehicle when and as required by this chapter; and

*b.* A certificate of title has been issued for the vehicle.

2. Any violation of this section is a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 2.

[C24, 27, 31, 35, §5085; C39, §**5007.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.98]
2001 Acts, ch 176, §50, 59; 2010 Acts, ch 1190, §34; 2013 Acts, ch 90, §77
Referred to in §322C.6, 805.8A(2q)
Section amended

**321.99 Fraudulent use of registration.**

A person shall not knowingly lend to another a registration card, registration plate, special plate, or permit issued to the person if the other person desiring to borrow the card, plate, or permit would not be entitled to the use of it. A person shall not knowingly permit the use of a registration card, registration plate, special plate, or permit issued to the person by one not entitled to it, nor shall a person knowingly display upon a vehicle a registration card, registration plate, special plate, or permit not issued for that vehicle under this chapter. A

person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 2.

[SS15, §1571-m12a; C24, 27, 31, 35, §4878, 5080; C39, §**5007.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.99]

83 Acts, ch 125, §2; 86 Acts, ch 1055, §1; 2000 Acts, ch 1203, §4; 2001 Acts, ch 137, §5; 2010 Acts, ch 1190, §35

Referred to in §321H.6, 321H.8, 322.3, 322.6, 322C.3, 322C.6, 805.8A(2r)

**321.100 False evidences of registration.**

It is a fraudulent practice for any person to commit any of the following acts:

1. To alter with a fraudulent intent any certificate of title, manufacturer's or importer's certificate, registration card, registration plate, manufacturer's vehicle identification plate, or permit issued by the department or county treasurer.

2. To forge or counterfeit any such document or plate.

3. To hold or use any such document or plate knowing the same to have been so altered, forged, or falsified.

4. To hold or use any certificate of title, manufacturer's or importer's certificate, registration card, registration plate, manufacturer's vehicle identification plate, or permit issued by the department or county treasurer, for any vehicle to which such document or plate is not legally assigned.

5. To transfer in any manner or to offer to transfer in any manner a certificate of title, manufacturer's or importer's certificate to any vehicle on which a salvage certificate of title or junking certificate is required under section 321.52, with knowledge or reason to believe that the certificate will be used for a vehicle other than the vehicle for which the certificate is issued. *"Transfer"* for the purposes of this subsection means to sell, exchange, change possession or ownership or convey in any manner.

[SS15, §1571-m12a; C24, 27, 31, 35, §5080; C39, §**5007.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.100]

91 Acts, ch 97, §44

Referred to in §322C.6

Fraudulent practices, see §714.8 – 714.14

**321.101 Suspension or revocation of registration or cancellation of certificate of title by department.**

1. The department is hereby authorized to suspend or revoke the registration of a vehicle, registration card, registration plate, or any nonresident or other permit in any of the following events:

*a.* When the department is satisfied that such registration card, plate, or permit was fraudulently or erroneously issued.

*b.* When the department determines that a registered vehicle is mechanically unfit or unsafe to be operated or moved upon the highways.

*c.* When a registered vehicle has been dismantled or wrecked.

*d.* When the department determines that the required annual registration fee has not been paid and the fee is not paid upon reasonable notice and demand.

*e.* When a registration card, registration plate, or permit is knowingly displayed upon a vehicle other than the one for which issued.

*f.* When the department determines that the owner has committed any offense under this chapter involving the registration card, plate, or permit to be suspended or revoked.

*g.* When the department is so authorized under any other provision of law.

*h.* If a commercial motor vehicle has been assigned to be operated by a commercial motor carrier whose ability to operate has been terminated or denied by a federal agency.

2. The department shall cancel a certificate of title that appears to have been improperly issued or fraudulently obtained or, in the case of a mobile home or manufactured home, if taxes were owing under chapter 435 at the time the certificate was issued and have not been paid. However, before the certificate to a mobile home or manufactured home for which taxes were owing can be canceled, notice and opportunity to pay the taxes must be given to the person to whom the certificate was issued. Upon cancellation of a certificate of title, the

department shall notify the county treasurer who issued it, who shall enter the cancellation upon the records. The department shall also notify the person to whom the certificate of title was issued, as well as each lienholder who has a perfected lien, of the cancellation and shall demand the surrender of the certificate of title, but the cancellation shall not affect the validity of any perfected lien.

3. Notice of suspension or revocation of the registration of a vehicle, registration card, registration plate, or any nonresident or other permit under the terms of this section shall be by personal delivery of the notice to the person to be so notified or by certified mail addressed to the person at the person's address as shown on the registration record. A return acknowledgment is not necessary to prove such latter service.

4. If a vehicle, for which the registration has been suspended or revoked pursuant to subsection 1, paragraph *"d"*, or section 321.101A, is transferred to a bona fide purchaser for value without actual knowledge of such suspension or revocation, then the vehicle shall be deemed to be registered and the provisions of sections 321.28 and 321.30, subsection 1, paragraphs *"d"* and *"e"*, shall not be applicable to such vehicle for the failure of the previous owner to pay the required fees.

[C24, 27, 31, 35, §5090; C39, §**5007.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.101; 82 Acts, ch 1251, §14]

95 Acts, ch 55, §5; 99 Acts, ch 188, §12; 2000 Acts, ch 1016, §12; 2001 Acts, ch 153, §17; 2004 Acts, ch 1013, §19, 35; 2007 Acts, ch 126, §55; 2008 Acts, ch 1113, §84

Referred to in §321.30

**321.101A Revocation of registration by county treasurer.**

The county treasurer may revoke the registration and registration plates of a vehicle if the annual registration fee or the fee for new registration is paid by check, electronic payment, or credit card and the check, electronic payment, or credit card is not honored by the payer's financial institution or credit card company, upon reasonable notice and demand. The owner of the vehicle or person in possession of the registration and registration plates for the vehicle shall immediately return the revoked registration and registration plates to the appropriate county treasurer's office.

2000 Acts, ch 1016, §13; 2006 Acts, ch 1070, §8, 31; 2008 Acts, ch 1113, §85

Referred to in §321.30, 321.101

**321.102 Suspending or revoking special registration.**

The department is also authorized to suspend or revoke a certificate or the special plates issued to a manufacturer, transporter, or dealer upon determining that any said person is not lawfully entitled thereto or has made or knowingly permitted any illegal use of such plates or has committed fraud in the registration of vehicles or failed to give notices of transfer when and as required by this chapter.

[C39, §**5007.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.102]

**321.103 Owner to return evidences of registration and title.**

Whenever the department as authorized hereunder cancels, suspends, or revokes the registration of a vehicle, or certificate of title, or registration card, or registration plate or plates, or any nonresident or other permit or the registration of any dealer, the owner or person in possession of the same shall immediately return the evidences of registration, certificate of title, or plates so canceled, suspended, or revoked to the department.

[C39, §**5007.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.103]

**321.104 Penal offenses against title law.**

It is a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 2, for any person to commit any of the following acts:

1. To operate any motor vehicle upon the highways upon which the certificate of title has been canceled, or while a certificate of registration of a motor vehicle is suspended or revoked.

2. For a dealer or a person acting on behalf of a dealer to acquire, purchase, hold or display for sale a motor vehicle without having obtained a manufacturer's or importer's certificate or a certificate of title, or assignments thereof, unless otherwise provided in this chapter.

3. To fail to surrender a certificate of title, registration card, or registration plates upon cancellation, suspension, or revocation of the certificate or registration by the department and notice as prescribed in this chapter.

4. To sell, offer for sale, or transfer a motor vehicle, trailer, or semitrailer, except as provided in section 321.47 or 321.48, without obtaining a certificate of title in the name of the seller or transferor or without delivering to the purchaser or transferee a certificate of title or a manufacturer's or importer's certificate duly assigned to the purchaser or transferee as provided in this chapter.

5. To violate any of the other provisions of this chapter or any lawful rules adopted pursuant to this chapter.

6. For a manufactured or mobile home retailer to sell or transfer a mobile home or manufactured home without delivering to the purchaser or transferee a certificate of title or a manufacturer's or importer's certificate properly assigned to the purchaser, or to transfer a mobile home or manufactured home without disclosing to the purchaser the owner of the mobile home or manufactured home in a manner prescribed by the department pursuant to rules, or to fail to apply for and obtain a certificate of title for a used mobile home or manufactured home, titled in Iowa, acquired by the manufactured or mobile home retailer within thirty days from the date of acquisition as required under section 321.45, subsection 4.

[S13, §1571-m24; C24, 27, 31, 35, §5086; C39, §**5007.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.104; 82 Acts, ch 1251, §15]

85 Acts, ch 195, §33; 86 Acts, ch 1237, §20; 87 Acts, ch 130, §5; 97 Acts, ch 108, §9; 99 Acts, ch 188, §13; 2000 Acts, ch 1154, §23; 2000 Acts, ch 1203, §5; 2001 Acts, ch 137, §5; 2001 Acts, ch 153, §17; 2002 Acts, ch 1119, §49; 2010 Acts, ch 1190, §36

Referred to in §321.48, 805.8A(2s)

## REGISTRATION FEES

Local vehicle tax; see chapter 423B

**321.105 Annual registration fee required.**

1. An annual registration fee shall be paid for each vehicle operated upon the public highways of this state unless the vehicle is specifically exempted under this chapter. If a vehicle, which has been registered for the current registration year, is transferred during the registration year, the transferee shall reregister the vehicle as provided in section 321.46.

2. The annual registration fee shall be paid to the county treasurer at the same time the application is made for the registration or reregistration of the motor vehicle or trailer. An owner may, when applying for registration or reregistration of a motor vehicle or trailer, request that the plates be mailed to the owner's post office address. The owner's request shall be accompanied by a mailing fee as determined annually by the director in consultation with the Iowa county treasurers association.

3. Upon application by a financial institution, as defined in section 422.61, and approval of the application by the county treasurer, the county treasurer in any county may authorize the financial institution to receive applications for renewal of vehicle registrations and payment of the annual registration fees. The annual registration fees shall be delivered to the county treasurer at the time the county treasurer has processed the vehicle registration application. Annual registration fees received with vehicle registration applications shall be designated as public funds only upon receipt of such funds by the county treasurer from the financial institution.

4. In addition to the payment of an annual registration fee for each trailer and semitrailer to be issued a registration plate under chapter 326, an additional registration fee may be paid for a period of four subsequent registration years.

5. Seriously disabled veterans who have been provided with an automobile or other vehicle by the United States government under the provisions of § 1901 – 1903, Tit. 38 of the United States Code, 38 U.S.C. § 1901 et seq. (1970), shall be exempt from payment of the registration fee provided in this chapter for that vehicle, and shall be provided, without

fee, with one set of regular registration plates or one set of any type of special registration plates associated with service in the United States armed forces for which the disabled veteran qualifies under section 321.34. The disabled veteran, to be able to claim the benefit, must be a resident of the state of Iowa. In lieu of the set of regular or special military registration plates available without fee, the disabled veteran may obtain a set of nonmilitary special registration plates or personalized plates issued under section 321.34 by paying the additional fees associated with those plates.

[SS15, §1571-m7; C24, 27, 31, 35, §4904; C39, §**5008.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.105]

82 Acts, ch 1062, §12, 38; 83 Acts, ch 123, §125, 209; 86 Acts, ch 1182, §2; 95 Acts, ch 118, §16; 97 Acts, ch 108, §10; 97 Acts, ch 121, §3; 2000 Acts, ch 1216, §4; 2008 Acts, ch 1018, §20; 2008 Acts, ch 1113, §86; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1093, §8

Referred to in §25.1, 321.34, 321.105A, 321.145, 321.166, 321L.2, 326.2, 331.427, 331.557

Collection of mobile home tax, §435.24

**321.105A Fee for new registration.**

1. *Definitions.* The following terms, when used in this section, shall have the following meanings, except in those instances where the context clearly indicates otherwise:

*a.* *"Department"* means the department of revenue.

*b.* *"Director"* means the director of revenue.

*c.* *"Owner"* means as defined in section 321.1. For purposes of the fee for new registration imposed on leased vehicles under subsection 3, *"owner"* means the *"lessor"*.

*d.* *"Purchase"* means any transfer, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, for consideration.

2. *Fee imposed — exemptions.* In addition to the annual registration fee required under section 321.105, a "fee for new registration" is imposed in the amount of five percent of the purchase price for each vehicle subject to registration. The fee for new registration shall be paid by the owner of the vehicle to the county treasurer at the time application is made for a new registration and certificate of title, if applicable. A new registration receipt shall not be issued until the fee has been paid. The county treasurer or the department of transportation shall require every applicant for a new registration receipt for a vehicle subject to registration to supply information as the county treasurer or the director deems necessary as to the time of purchase, the purchase price, and other information relative to the purchase of the vehicle. On or before the tenth day of each month, the county treasurer or the department of transportation shall remit to the department of revenue the amount of the fees for new registration collected during the preceding month.

*a.* For purposes of this subsection, *"purchase price"* applies to the measure subject to the fee for new registration. *"Purchase price"* shall be determined in the same manner as *"sales price"* is determined for purposes of computing the tax imposed upon the sales price of tangible personal property under chapter 423, pursuant to the definition of sales price in section 423.1, subject to the following exemptions:

(1) Exempted from the purchase price of any vehicle subject to registration is the amount of any cash rebate which is provided by a motor vehicle manufacturer to the purchaser of the vehicle subject to registration so long as the rebate is applied to the purchase price of the vehicle.

(2) (a) In transactions, except those subject to subparagraph division (b), in which a vehicle subject to registration is traded toward the purchase price of another vehicle subject to registration, the purchase price is only that portion of the purchase price which is valued in money, whether received in money or not, if the following conditions are met:

(i) The vehicle traded to the retailer is the type of vehicle normally sold in the regular course of the retailer's business.

(ii) The vehicle traded to the retailer is intended by the retailer to be ultimately sold at retail or is intended to be used by the retailer or another in the remanufacturing of a like vehicle.

(b) In a transaction between persons, neither of which is a retailer of vehicles subject to registration, in which a vehicle subject to registration is traded toward the purchase price

of another vehicle subject to registration, the amount of the trade-in value allowed on the vehicle subject to registration traded is exempted from the purchase price.

(c) In order for the trade-in value to be excluded from the purchase price, the name or names on the title and registration of the vehicle being purchased must be the same name or names on the title and registration of the vehicle being traded. The following trades qualify under this subparagraph division (c):

(i) A trade involving spouses, if the traded vehicle and the acquired vehicle are titled in the name of one or both of the spouses, with no outside party named on the title.

(ii) A trade involving a grandparent, parent, or child, including adopted and step relationships, if the name of one of the family members from the title of the traded vehicle is also on the title of the newly acquired vehicle.

(iii) A trade involving a business, if one of the owners listed on the title of the traded vehicle is a business, and the names on the title are separated by "or".

(iv) A trade in which the vehicle being purchased is titled in the name of an individual other than the owner of the traded vehicle due to the cosigning requirements of a financial institution.

(3) Exempted from the purchase price of a replacement motor vehicle owned by a motor vehicle dealer licensed under chapter 322 which is being registered by that dealer and is not otherwise exempt from the fee for new registration is the fair market value of a replaced motor vehicle if all of the following conditions are met:

(a) The motor vehicle being registered is being placed in service as a replacement motor vehicle for a motor vehicle registered by the motor vehicle dealer.

(b) The motor vehicle being registered is taken from the motor vehicle dealer's inventory.

(c) Use tax or the fee for new registration on the motor vehicle being replaced was paid by the motor vehicle dealer when that motor vehicle was registered.

(d) The replaced motor vehicle is returned to the motor vehicle dealer's inventory for sale.

(e) The application for registration and title of the motor vehicle being registered is filed with the county treasurer within two weeks of the date the replaced motor vehicle is returned to the motor vehicle dealer's inventory.

(f) The motor vehicle being registered is placed in the same or substantially similar service as the replaced motor vehicle.

*b.* For purposes of this subsection, the fee for new registration on a vehicle registered in this state by the manufacturer of that vehicle from a manufacturer's statement of origin is calculated on the base value of fifty percent of the retail list price of the vehicle.

*c.* The following are exempt from the fee for new registration imposed under this subsection, as long as a valid affidavit is filed with the county treasurer at the time of application for registration:

(1) Entities listed in section 423.3, subsections 17, 18, 19, 20, 21, 22, 26, 27, 28, 31, and 79, to the extent that those entities are exempt from the tax imposed on the sale of tangible personal property, consisting of goods, wares, or merchandise, sold at retail in the state to consumers or users.

(2) Vehicles as defined in section 321.1, subsections 41, 64A, 71, 85, and 88, except such vehicles subject to registration which are designed primarily for carrying persons, when purchased for lease and actually leased to a lessee for use outside the state of Iowa and the subsequent sole use in Iowa is in interstate commerce or interstate transportation.

(3) (a) Vehicles subject to registration which are transferred from a business or individual conducting a business within this state as a sole proprietorship, partnership, or limited liability company to a corporation formed by the sole proprietorship, partnership, or limited liability company for the purpose of continuing the business when all of the stock of the corporation so formed is owned by the sole proprietor and the sole proprietor's spouse, by all the partners in the case of a partnership, or by all the members in the case of a limited liability company. This exemption is equally available where the vehicles subject to registration are transferred from a corporation to a sole proprietorship, partnership, or limited liability company formed by that corporation for the purpose of continuing the business when all of the incidents of ownership are owned by the same person or persons who were stockholders of the corporation.

(b) This exemption also applies where the vehicles subject to registration are transferred from a corporation as part of the liquidation of the corporation to its stockholders if within three months of such transfer the stockholders retransfer those vehicles subject to registration to a sole proprietorship, partnership, or limited liability company for the purpose of continuing the business of the corporation when all of the incidents of ownership are owned by the same person or persons who were stockholders of the corporation.

(c) This exemption applies to corporations that have been in existence for not longer than twenty-four months.

(4) Vehicles subject to registration which are transferred from a corporation that is primarily engaged in the business of leasing vehicles subject to registration to a corporation that is primarily engaged in the business of leasing vehicles subject to registration when the transferor and transferee corporations are part of the same controlled group for federal income tax purposes.

(5) (a) Vehicles registered or operated under chapter 326 and used substantially in interstate commerce. For purposes of this subparagraph (5), *"substantially in interstate commerce"* means that a minimum of twenty-five percent of the miles operated by the vehicle accrues in states other than Iowa. This subparagraph (5) applies only to vehicles which are registered for a gross weight of thirteen tons or more.

(b) For purposes of this subparagraph (5), trailers and semitrailers registered or operated under chapter 326 are deemed to be used substantially in interstate commerce and to be registered for a gross weight of thirteen tons or more.

(c) For the purposes of this subparagraph (5), if a vehicle meets the requirement that twenty-five percent of the miles operated accrues in states other than Iowa in each year of the first four-year period of operation, the exemption from the fee for new registration shall continue until the vehicle is sold or transferred. If the vehicle is found to have not met the exemption requirements or the exemption was revoked, the value of the vehicle upon which the fee for new registration shall be imposed is based on the original purchase price if revocation or nonqualification for this exemption occurs during the first year following registration. If revocation or nonqualification for this exemption occurs after the first year following registration, the value of the vehicle upon which the fee shall be imposed is the book or market value, whichever is less, at the time the exemption requirements were not met or the exemption was revoked.

(6) Vehicles subject to registration in any state when purchased for rental or registered and titled by a motor vehicle dealer licensed pursuant to chapter 322 for rental use, and held for rental for a period of one hundred twenty days or more and actually rented for periods of sixty days or less by a person regularly engaged in the business of renting vehicles including but not limited to motor vehicle dealers licensed pursuant to chapter 322 who rent automobiles to users, if the rental of the vehicles is subject to taxation under chapter 423C.

(7) Vehicles subject to registration in this state for which the applicant for registration has paid to another state a state sales, use, or occupational tax. However, if the tax paid to another state is less than the fee for new registration calculated for the vehicle, the difference shall be the amount to be collected as the fee for new registration.

(8) A vehicle subject to registration in this state which is owned by a person who has moved from another state with the intention of changing residency to Iowa, provided that the vehicle was purchased for use in the state from which the applicant moved and was not, at or near the time of purchase, purchased for use in Iowa.

(9) A vehicle that was previously registered in this state and was subsequently registered in another state is not subject to the fee for new registration when it is again registered in this state, provided that the applicant for registration has maintained ownership of the vehicle since its initial registration in this state and has previously paid the use tax or fee for new registration for the vehicle in this state.

(10) Vehicles transferred by operation of law as provided in section 321.47.

(11) Vehicles for which ownership is transferred to or from a revocable or irrevocable trust, if no consideration is present.

(12) Vehicles transferred to the surviving corporation for no consideration as a result of

a corporate merger according to the laws of this state in which the merging corporation is immediately extinguished and dissolved.

(13) Vehicles purchased in this state by a nonresident for removal to the nonresident's state of residence if the purchaser applies to the county treasurer for a transit plate under section 321.109.

(14) Vehicles purchased by a licensed motor vehicle dealer for resale.

(15) Vehicles purchased by a licensed wholesaler of new motor vehicles for resale.

(16) Homemade vehicles built from parts purchased at retail, upon which the consumer paid a tax to the seller, but only on such vehicles never before registered. This exemption does not apply for vehicles subject to registration which are made by a manufacturer engaged in the business for the purpose of sales or rental.

(17) Vehicles titled under a salvage certificate of title. However, when such a vehicle has been repaired and a regular certificate of title is applied for, the fee for new registration is due as follows:

(a) If the owner of the vehicle is a licensed recycler, unless the applicant is licensed as a vehicle dealer, the fee for new registration applies based on the fair market value of the vehicle, with deduction allowed for the cost of parts, supplies, and equipment for which sales tax was paid and which were used to rebuild the vehicle.

(b) If the owner is a person who is not licensed as a recycler or vehicle dealer, the fee for new registration applies based on the fair market value of the vehicle, with deduction allowed for the cost of parts, frames, chassis, auto bodies, or supplies that were purchased to rebuild the vehicle and for which sales tax was paid.

(18) A vehicle delivered to a resident Native American Indian on the reservation.

(19) A vehicle transferred from one individual to another as a gift in a transaction in which no consideration is present.

(20) A vehicle given by a corporation as a gift to a retiring employee.

(21) A vehicle sold by an entity where the profits from the sale are used by or donated to a nonprofit entity which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code, a government entity, or a nonprofit private educational institution, and where the entire proceeds from the sale of the vehicle are expended for any of the following purposes:

(a) Educational.

(b) Religious.

(c) Charitable. A charitable act is an act done out of goodwill, benevolence, and a desire to add to or to improve the good of humankind in general or any class or portion of humankind, with no pecuniary profit inuring to the person performing the service or giving the gift.

(22) A vehicle given or sold to be subsequently awarded as a raffle prize under chapter 99B.

(23) A vehicle won as a raffle prize under chapter 99B.

(24) A vehicle that is directly and primarily used in the recycling or reprocessing of waste products.

(25) Vehicles subject to registration under this chapter with a gross vehicle weight rating of less than sixteen thousand pounds when purchased for lease and titled by the lessor licensed pursuant to chapter 321F and actually leased for a period of twelve months or more if the lease of the vehicle is subject to the fee for new registration under subsection 3 or exempt from the fee for new registration pursuant to subsection 3, paragraph "*f*".

(a) A lessor may maintain the exemption under this subparagraph (25) for a qualifying lease that terminates at the conclusion or prior to the contracted expiration date if the lessor does not use the vehicle for any purpose other than for lease.

(b) Once the vehicle is used by the lessor for a purpose other than for lease, the exemption under this subparagraph (25) no longer applies and, unless there is another exemption from the fee for new registration, the fee for new registration is due on the fair market value of the vehicle determined at the time the lessor uses the vehicle for a purpose other than for lease, payable to the department.

(c) If the lessor holds the vehicle exclusively for sale, the fee for new registration is due

and payable on the purchase price of the vehicle at the time of purchase pursuant to this subsection.

(26) A vehicle repossessed by a licensed vehicle dealer pursuant to the uniform commercial code, chapter 554, provided there is a valid lien on the title and the dealer anticipates reselling the vehicle.

(27) A vehicle repossessed by a financial institution or an individual by means of a foreclosure affidavit pursuant to the uniform commercial code, chapter 554, provided there is a valid lien on the vehicle and the foreclosure affidavit is used for the sole purpose of retaining possession of the vehicle until a new buyer is found. However, if the financial institution or individual uses the foreclosure affidavit to take title to the vehicle and register the vehicle, the fee for new registration shall be due based on the outstanding loan amount on the vehicle.

(28) A damaged vehicle acquired by an insurance company from a client or financial institution, provided the insurance company has a vehicle dealers license.

(29) A vehicle returned to a manufacturer and titled in the manufacturer's name under section 322G.12.

(30) A vehicle purchased directly by a federal, state, or local governmental agency and titled in an individual's name pursuant to a governmental program authorized by law.

3. *Leased vehicles.*

*a.* A fee for new registration is imposed in an amount equal to five percent of the leased price for each vehicle subject to registration with a gross vehicle weight rating of less than sixteen thousand pounds which is leased by a lessor licensed pursuant to chapter 321F for a period of twelve months or more. The fee for new registration shall be paid by the owner of the vehicle to the county treasurer from whom the registration receipt or certificate of title is obtained. A registration receipt for a vehicle subject to registration or issuance of a certificate of title shall not be issued until the fee for new registration is paid in the initial instance.

*b.* The amount of the lease price subject to the fee for new registration shall be computed on each separate lease transaction by taking the total of the lease payments, plus the down payment, and excluding the following charges, if included as part of the lease payment:

(1) Title fee.

(2) Annual registration fees.

(3) Fee for new registration.

(4) Federal excise taxes attributable to the sale of the vehicle to the owner or to the lease of the vehicle by the owner.

(5) Optional service or warranty contracts subject to tax pursuant to section 423.2, subsection 1.

(6) Insurance.

(7) Manufacturer's rebate.

(8) Refundable deposit.

(9) Finance charges, if any, on items listed in subparagraphs (1) through (8).

*c.* If any or all of the items in paragraph "*b*", subparagraphs (1) through (8), are excluded from the lease price subject to the fee for new registration, the owner shall maintain adequate records of the amounts of those items. If the parties to a lease enter into an agreement providing that the fee for new registration is to be paid by the lessee or included in the monthly lease payments to be paid by the lessee, the total cost of the fee for new registration shall not be included in the computation of the lease price for the purpose of the fee for new registration under this section. The county treasurer or the department of transportation shall require every applicant for a registration receipt for a vehicle subject to a fee for new registration to supply information as the county treasurer or the director deems necessary as to the date of the lease transaction, the lease price, and other information relative to the lease of the vehicle.

*d.* On or before the tenth day of each month, the county treasurer or the department of transportation shall remit to the department of revenue the amount of the fees for new registration collected during the preceding month.

*e.* If the lease is terminated prior to the termination date contained in the lease agreement, no refund shall be allowed for a fee for new registration previously paid under this section, except as provided in section 322G.4.

*f.* The following are exempt from the fee for new registration imposed under this subsection as long as a valid affidavit is filed with the county treasurer at the time of application for registration:

(1) Vehicles leased to entities listed in section 423.3, subsections 17, 18, 19, 20, 21, 22, 26, 27, 28, 31, and 79, to the extent that those entities are exempt from the tax imposed on the sale of tangible personal property, consisting of goods, wares, or merchandise, sold at retail in the state to consumers or users.

(2) A vehicle leased directly to a federal, state, or local governmental agency and titled in an individual's name pursuant to a governmental program authorized by law.

4. *Administration and enforcement — director of revenue.*

*a.* The director of revenue in consultation with the department of transportation shall administer and enforce the fee for new registration as nearly as possible in conjunction with the administration and enforcement of the state use tax law, except that portion of the law which implements the streamlined sales and use tax agreement.

*b.* Section 422.25, subsection 4, sections 422.30, 422.67, and 422.68, section 422.69, subsection 1, sections 422.70, 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection 2, and sections 423.23, 423.24, 423.25, 423.32, 423.33, 423.35, 423.37 through 423.42, 423.45, and 423.47, consistent with the provisions of this section, apply with respect to the fees for new registration authorized under this section in the same manner and with the same effect as if the fees for new registration were retail use taxes within the meaning of those statutes.

5. *Collections by dealers.*

*a.* If an amount of the fee for new registration represented by a dealer to the purchaser of a vehicle is computed upon a purchase price that is not subject to the fee for new registration or the amount represented is in excess of the actual amount subject to the fee and the amount represented is actually paid by the purchaser to the dealer, the excess amount of fee for new registration paid shall be returned to the purchaser upon notification to the dealer by the department that an excess payment exists.

*b.* If an amount of the fee for new registration represented by a dealer to a purchaser is computed upon a purchase price that is not subject to the fee for new registration or the amount represented is in excess of the actual amount subject to the fee and the amount represented is actually paid by the purchaser to the dealer, the excess amount of fee for new registration paid shall be returned to the purchaser upon proper notification to the dealer by the purchaser that an excess payment exists. *"Proper"* notification is written notification which allows a dealer at least sixty days to respond and which contains enough information to allow a dealer to determine the validity of a purchaser's claim that an excess amount of fee for new registration has been paid. No cause of action shall accrue against a dealer for excess fee for new registration paid until sixty days after proper notification has been given the dealer by the purchaser.

*c.* In the circumstances described in paragraphs *"a"* and *"b"*, a dealer has the option to either return any excess amount of fee for new registration paid to a purchaser, or to remit the amount which a purchaser has paid to the dealer to the department.

6. *Refunds.*

*a.* A fee for new registration is not refundable, except in the following circumstances:

(1) If a vehicle is sold and later returned to the seller and the entire purchase price is refunded by the seller, the purchaser is entitled to a refund of the fee for new registration paid. To obtain a refund, the purchaser shall make application on forms provided by the department and show proof that the entire purchase price was returned and that the fee for new registration had been paid.

(2) If a vehicle manufacturer reimburses a purchaser for the fee for new registration paid on a returned defective vehicle, the manufacturer may obtain a refund from the department by providing proof that the fee was paid and the purchaser reimbursed in accordance with the provisions of chapter 322G.

(3) If the department determines that, as a result of a mistake, an amount of the fee for new registration has been paid which was not due, such amount shall be refunded to the vehicle owner by the department.

*b.* A claim for refund under this subsection that has not been filed with the department

within three years after the fee for new registration was paid shall not be allowed by the director.

7. *Penalty for false statement or evasion of fee.*

*a.* A person who willfully makes a false statement in regard to the purchase price of a vehicle subject to a fee for new registration or willfully attempts in any manner to evade payment of the fee required by this section is guilty of a fraudulent practice. A person who willfully makes a false statement in regard to the purchase price of such a vehicle with the intent to evade payment of the fee for new registration or willfully attempts in any manner to evade payment of the fee required by this section shall be assessed a penalty of seventy-five percent of the amount of the fee unpaid and required to be paid on the actual purchase price less trade-in allowance.

*b.* An Iowa resident found to be in control of a vehicle which is owned by a shell business and for which the fee for new registration has not been paid, as provided in section 321.55, subsection 2, is guilty of a fraudulent practice. An Iowa resident found to be in control of a vehicle which is owned by a shell business and for which the fee for new registration has not been paid, as provided in section 321.55, subsection 2, shall be assessed a penalty of seventy-five percent of the amount of the fee unpaid and required to be paid on the actual purchase price less trade-in allowance.

2008 Acts, ch 1113, §40; 2008 Acts, ch 1191, §128; 2009 Acts, ch 41, §251, 263; 2009 Acts, ch 60, §2, 3; 2009 Acts, ch 179, §122 – 124; 2010 Acts, ch 1145, §1, 17; 2011 Acts, ch 110, §1, 2; 2013 Acts, ch 30, §68; 2013 Acts, ch 140, §161

Referred to in §312.2, 321.2, 321.20, 321.24, 321.129, 321.145, 321.152, 322G.12, 331.557, 423.3
Fraudulent practices, see §714.8 – 714.14
Subsection 5, paragraph b amended
Subsection 7 amended

**321.106 Registration for fractional part of year.**

1. When a motor truck, truck tractor, or road tractor is registered by the county treasurer pursuant to section 321.120, 321.121, or 321.122 and there is no delinquency and the registration is made in February or succeeding months through November, the annual registration fee shall be prorated for the remaining unexpired months of the registration year. A fee shall not be required for the month of December for a vehicle registered on a calendar year basis on which there is no delinquency. However, when such a vehicle is registered in November, the vehicle may be registered for the remaining unexpired months of the registration year or for the remaining unexpired months of the registration year and for the next registration year, upon payment of the applicable registration fees.

2. When a vehicle is registered under chapter 326 and there is no delinquency and the registration is made in the second through eleventh month of the registration year, the annual registration fee shall be prorated for the remaining unexpired months of the registration year. However, when such a vehicle is registered in the eleventh month of the registration year, the vehicle may be registered for the remaining unexpired months of the registration year and for the next registration year, upon payment of the applicable registration fees.

3. When a vehicle is registered on a birth month basis and there is no delinquency and the registration is made in the month after the beginning of the registration year or succeeding months, the annual registration fee shall be prorated for the remaining unexpired months of the registration year. A fee shall not be required for the month of the owner's birthday for a vehicle on which there is no delinquency. However, when a vehicle registered on a birth month basis is registered during the eleventh month of the registration year, the vehicle may be registered for the remaining unexpired months of the registration year or for the remaining unexpired months of the registration year and for the next registration year, upon payment of the applicable registration fees.

4. If a fee computed under this section contains a fractional part of a dollar, the fee shall be computed to the nearest whole dollar. A fee computed under this section shall not be less than five dollars. The fee so computed shall be deemed to be the annual registration fee for the remainder of the registration year. This subsection does not apply to vehicles registered under chapter 326.

5. A reduction in the annual registration fee shall not be allowed by the department until the applicant files satisfactory evidence to prove that there is no delinquency in registration.

[SS15, §1571-m7; C24, 27, 31, 35, §4905; C39, §**5008.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.106]

82 Acts, ch 1062, §13, 38; 83 Acts, ch 24, §5, 12; 2000 Acts, ch 1028, §3, 4; 2008 Acts, ch 1113, §87; 2012 Acts, ch 1093, §9, 40; 2013 Acts, ch 103, §9

Referred to in §321.466, 331.557

Subsection 1 amended

**321.107** Repealed by 82 Acts, ch 1062, § 37, 38.

**321.108** Repealed by 83 Acts, ch 24, § 11, 12.

**321.109 Motor vehicle fee — transit fee.**

1. *a.* The annual fee for all motor vehicles including vehicles designated by manufacturers as station wagons, 1993 and subsequent model year multipurpose vehicles, and 2010 and subsequent model year motor trucks with an unladen weight of ten thousand pounds or less, except motor trucks registered under section 321.122, business-trade trucks, special trucks, motor homes, ambulances, hearses, motorcycles, motorized bicycles, and 1992 and older model year multipurpose vehicles, shall be equal to one percent of the value as fixed by the department plus forty cents for each one hundred pounds or fraction thereof of weight of vehicle, as fixed by the department. The weight of a motor vehicle, fixed by the department for registration purposes, shall include the weight of a battery, heater, bumpers, spare tire, and wheel. Provided, however, that for any new vehicle purchased in this state by a nonresident for removal to the nonresident's state of residence the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of ten dollars shall be paid. And provided, however, that for any used vehicle held by a registered dealer and not currently registered in this state, or for any vehicle held by an individual and currently registered in this state, when purchased in this state by a nonresident for removal to the nonresident's state of residence, the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of three dollars shall be paid. The county treasurer shall issue a nontransferable certificate of registration for which no refund shall be allowed; and the transit plates shall be void thirty days after issuance. Such purchaser may apply for a certificate of title by surrendering the manufacturer's or importer's certificate or certificate of title, duly assigned as provided in this chapter. In this event, the treasurer in the county of purchase shall, when satisfied with the genuineness and regularity of the application, and upon payment of a fee of twenty dollars, issue a certificate of title in the name and address of the nonresident purchaser delivering the title to the owner. If there is a security interest noted on the title, the county treasurer shall mail to the secured party an acknowledgment of the notation of the security interest. The county treasurer shall not release a security interest that has been noted on a title issued to a nonresident purchaser as provided in this paragraph. The application requirements of section 321.20 apply to a title issued as provided in this subsection, except that a natural person who applies for a certificate of title shall provide either the person's social security number, passport number, or driver's license number, whether the license was issued by this state, another state, or another country. The provisions of this subsection relating to multipurpose vehicles are effective for all 1993 and subsequent model years. The annual registration fee for multipurpose vehicles that are 1992 model years and older shall be in accordance with section 321.124.

*b.* The annual registration fee shall be sixty dollars for a vehicle with permanently installed equipment manufactured for and necessary to assist a person with a disability who is either the owner or lessee of the vehicle or a member of the owner's or lessee's household in entry and exit of the vehicle or if the owner or lessee of the vehicle or a member of the owner's or lessee's household uses a wheelchair as the only means of mobility. This paragraph applies only to vehicles that are otherwise subject to paragraph "*a*" and to motor trucks with an unladen weight of ten thousand pounds or less that are otherwise subject to section 321.122. For purposes of this paragraph, "*uses a wheelchair*" does not include use of a wheelchair due to a temporary injury or medical condition.

2. *a.* Dealers may, in addition to other provisions of this section, purchase from the department in-transit permits, for which a fee of two dollars per permit shall be paid at time of purchase. One such permit shall be displayed on each vehicle purchased from a dealer by a nonresident for removal to the state of the nonresident's residence, and one such permit shall also be displayed on each vehicle not currently registered in Iowa and purchased by an Iowa dealer for removal to the dealer's place of business in this state. The permits shall be void fifteen days after issuance by the selling dealer. Each permit shall contain the following information:

(1) The words "in-transit" in bold type.
(2) The dealer's license number.
(3) The date issued.
(4) The purchaser's name and address.
(5) The word "Iowa" in bold type.
(6) The words "good for fifteen days after the date of issuance".
(7) Other information the director requires.

*b.* The sales invoice verifying the sale shall be in the possession of the driver of the vehicle in transit and shall be signed by the owner or an authorized individual of the issuing dealership.

*c.* Motor vehicles brought into the state on a transit sticker for the purpose of installation of special equipment may also be subject to the provisions of this subsection.

3. The owner of an unregistered motor vehicle or motor vehicle for which the registration is delinquent may make application to the county treasurer of the county of residence or, if the unregistered or delinquent motor vehicle is purchased by a nonresident of the state, to the county treasurer in the county of purchase, for a temporary thirty-day permit for a fee of twenty-five dollars. The permit shall authorize the motor vehicle to be driven or towed upon the highway, but shall not authorize a motor truck or truck tractor to haul or tow a load. The permit fee shall not be considered a registration fee or exempt the owner from payment of all other fees, registration fees, and penalties due. If the annual registration fee for the motor vehicle is delinquent, the annual registration fee and penalty shall continue to accrue until paid. The permit fee shall not be prorated, refunded, or used as credit as provided under section 321.46. The permit shall be displayed in the upper left-hand corner of the rear window of all motor vehicles, except motorcycles. Permits issued for a motorcycle shall be attached to the rear of the motorcycle.

[C24, 27, 31, 35, §4908; C39, §**5008.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.109]

84 Acts, ch 1305, §60; 88 Acts, ch 1007, §1; 92 Acts, ch 1019, §1, 8; 92 Acts, ch 1222, §1; 92 Acts, ch 1232, §401, 412; 93 Acts, ch 165, §1; 96 Acts, ch 1129, §113; 96 Acts, ch 1152, §4; 2004 Acts, ch 1013, §20, 35; 2005 Acts, ch 8, §12, 13; 2006 Acts, ch 1068, §16, 41; 2008 Acts, ch 1042, §1; 2008 Acts, ch 1113, §3, 11, 20, 21, 88; 2010 Acts, ch 1035, §2; 2010 Acts, ch 1061, §180

Referred to in §312.2, 321.17, 321.34, 321.105A, 321.110, 321.113, 321.115A, 321.122, 321.124, 331.557

**321.110 Rejecting fractional dollars.**

When the annual registration fee, computed according to section 321.109, subsection 1, totals a fraction over a certain number of dollars the fee shall be arrived at by computing to the nearest even dollar.

[C27, 31, 35, §4908-a1; C39, §**5008.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.110]

2008 Acts, ch 1113, §89

Referred to in §331.557

**321.111 Conversion of car — effect.**

Any motor vehicle originally registered as a passenger car and thereafter converted into a truck with a loading capacity of less than one thousand pounds, shall be registered as a passenger car.

[C35, §4908-g1; C39, §**5008.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.111]

Referred to in §331.557

**321.112 Minimum motor vehicle fee.**

No motor vehicle, except as provided in section 321.117, shall be registered for a registration year for less than ten dollars.

[C24, 27, 31, 35, §4909; C39, §**5008.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.112]

82 Acts, ch 1062, §14, 38; 2007 Acts, ch 143, §11, 35; 2008 Acts, ch 1124, §37

Referred to in §331.557

**321.113 Automatic reduction.**

1. The annual registration fee for a motor vehicle shall not be automatically reduced under this section unless the fee is based on the value and weight of the motor vehicle as provided in section 321.109, subsection 1.

2. If a motor vehicle is more than seven model years old, the part of the annual registration fee that is based on the value of the vehicle shall be seventy-five percent of the rate as fixed when the motor vehicle was new and the total fee shall not be less than fifty dollars; except that if the registration is a renewal for a vehicle registered to the same owner prior to January 1, 2009, the annual registration fee shall not be more than the fee paid for the previous registration year.

3. If a motor vehicle is more than nine model years old, the part of the annual registration fee that is based on the value of the vehicle shall be fifty percent of the rate as fixed when the motor vehicle was new and the total fee shall not be less than fifty dollars; except that if the registration is a renewal for a vehicle registered to the same owner prior to January 1, 2009, the annual registration fee shall not be more than the fee paid for the previous registration year.

4. *a.* Except as provided in paragraph *"b"*, if a motor vehicle is twelve model years old or older, the annual registration fee is fifty dollars; except that if the registration is a renewal for a vehicle registered to the same owner prior to January 1, 2009, the annual registration fee shall not be more than the fee paid for the previous registration year.

*b.* If the registration is a renewal for a motor vehicle registered as an antique vehicle by the same owner prior to January 1, 2009, the annual registration fee shall be twenty-three dollars for a motor vehicle that is model year 1970 through 1983 and sixteen dollars for a motor vehicle that is model year 1969 or older.

*c.* For purposes of determining the portion of an annual registration fee under paragraph *"a"* or *"b"* that is based upon the value of the motor vehicle, sixty percent of the annual registration fee is attributable to the value of the vehicle.

5. As used in this section, *"owner"* includes a surviving spouse who is required to transfer title pursuant to section 321.46 or 321.47.

[SS15, §1571-m7; C24, 27, 31, 35, §4910; C39, §**5008.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.113]

82 Acts, ch 1062, §15, 38; 2001 Acts, ch 132, §4, 24; 2001 Acts, ch 176, §65; 2008 Acts, ch 1113, §4, 11, 90; 2011 Acts, ch 38, §4

Referred to in §321.115, 321.115A, 331.557

**321.114** Repealed by 82 Acts, ch 1062, § 37, 38.

**321.115 Antique vehicles — model year plates permitted.**

1. *a.* A motor vehicle twenty-five years old or older may be registered as an antique vehicle. The annual registration fee is the fee provided in section 321.113, 321.122, or 321.124.

*b.* The owner of a motor truck, truck tractor, road tractor, or motor home that is twenty-five years old or older who desires to use the vehicle exclusively for exhibition or educational purposes at state or county fairs, or at other places where the vehicle may be exhibited for entertainment or educational purposes, may register the vehicle as a "limited use" vehicle in accordance with sections 321.58 through 321.62. The "limited use" registration under this paragraph permits driving of the vehicle upon the public roads to and from state and county fairs or other places of entertainment or education for exhibition or educational purposes and to and from service stations for the purpose of receiving necessary maintenance, or for the purposes of transporting, testing, demonstrating, or selling the vehicle.

*c.* The owner of a motor vehicle registered under this subsection may display authentic Iowa registration plates from the model year of the motor vehicle, furnished by the person and approved by the department, in lieu of the current and valid Iowa registration plates issued for the vehicle, provided that the current and valid Iowa registration plates and the registration card issued for the vehicle are simultaneously carried within the vehicle and are available for inspection to any peace officer upon the officer's request.

2. The sale of a motor vehicle twenty years old or older which is primarily of value as a collector's item and not as transportation is not subject to chapter 322, and any person may sell such a vehicle at retail without a license as required under chapter 322.

3. Truck tractors and semitrailers used in combination for exhibition and educational purposes may be registered and driven according to the provisions of subsection 1. Truck tractors and semitrailers registered under this section shall not be used to haul loads.

4. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 2.

[C35, §4911-f1; C39, §**5008.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.115]

85 Acts, ch 101, §1; 88 Acts, ch 1204, §1; 92 Acts, ch 1175, §31; 97 Acts, ch 104, §13; 2000 Acts, ch 1203, §6; 2001 Acts, ch 137, §5; 2006 Acts, ch 1068, §17; 2007 Acts, ch 143, §12, 35; 2008 Acts, ch 1113, §120, 131; 2008 Acts, ch 1124, §35, 37; 2008 Acts, ch 1191, §136; 2010 Acts, ch 1190, §37

Referred to in §321.24, 321.52, 321.438, 331.557, 805.8A(2t)

**321.115A Replica vehicles and street rods — model year plates permitted — penalty.**

1. A motor vehicle may be registered as a replica vehicle or street rod. The annual registration fee is the fee provided for in section 321.109, 321.113, 321.122, or 321.124. The owner of a vehicle registered under this section may display registration plates from or representing the model year of the motor vehicle or the model year of the motor vehicle the registered vehicle is designed to resemble, furnished by the person and approved by the department, in lieu of the current and valid Iowa registration plates issued for the vehicle, provided that the current and valid Iowa registration plates and the registration card issued for the vehicle are simultaneously carried within the vehicle and are available for inspection to any peace officer upon the officer's request.

2. Truck tractors and semitrailers registered under this section shall not be used to haul loads.

3. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 2.

2008 Acts, ch 1044, §6, 8; 2010 Acts, ch 1069, §42; 2010 Acts, ch 1190, §38

Referred to in §331.557, 805.8A(2u)

**321.116 Electric automobiles.** Repealed by 2013 Acts, ch 140, § 162, 163.

Section repeal applies to registration of electric motor vehicles for registration years beginning on or after January 1, 2014; for provisions relating to the annual registration fee for electric motor vehicles registered to the same owner for a registration year beginning prior to January 1, 2014, see 2013 Acts, ch 140, §163

**321.117 Motorcycle, ambulance, and hearse fees.**

For all motorcycles the annual registration fee shall be twenty dollars. For all motorized bicycles the annual registration fee shall be seven dollars. When the motorcycle is more than five model years old, the annual registration fee shall be ten dollars. The annual registration fee for ambulances and hearses shall be fifty dollars. Passenger car plates shall be issued for ambulances and hearses.

[C24, 27, 31, 35, §4912; C39, §**5008.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.117]

82 Acts, ch 1062, §17, 38; 84 Acts, ch 1305, §61; 2008 Acts, ch 1113, §91

Referred to in §321.112, 331.557

**321.118** Repealed by 91 Acts, ch 56, § 2.

**321.119 Church buses.**

For motor vehicles designed to carry nine passengers or more which are owned and used exclusively by a church or religious organization to transport passengers to and from

activities of or sponsored by the church or religious organization and not operated for rent or hire for purposes unrelated to the activities of the church or religious organization, the annual registration fee shall be twenty-five dollars.

[C81, §321.119]

84 Acts, ch 1305, §62; 2008 Acts, ch 1113, §92

Referred to in §331.557

**321.120 Business-trade trucks.**

1. The annual registration fee for a business-trade truck shall be determined pursuant to section 321.122, subsection 1, paragraph *"a"*.

2. Upon application for a new registration, an owner who registers a motor vehicle as a business-trade truck shall be required to provide proof or affirm that the vehicle meets the definition of a business-trade truck. The department may adopt rules as necessary to prescribe the documentation required of the applicant as proof or affirmation under this subsection but shall not require that such documentation be notarized. If requested by the department of transportation or a county treasurer, the department of revenue shall confirm or refute, according to the most recent records available, that an applicant for registration of a business-trade truck is either a corporation, limited liability company, or partnership or a person who files a schedule C or schedule F form for federal income tax purposes and that the corporation, limited liability company, partnership, or person is allowed a depreciation deduction with respect to the vehicle under section 167 of the Internal Revenue Code.

3. Upon approval of the application and payment of the proper fees, the county treasurer shall issue regular registration plates for the business-trade truck. The department may adopt rules requiring the use of a sticker or other means to identify motor vehicles registered under this section.

4. If the department determines by audit or other means that a person has registered a vehicle as a business-trade truck that is not qualified for such registration, the person shall be required to pay the difference between the regular annual registration fees owed for the vehicle for each year the vehicle was registered in violation of this section and the fees actually paid.

5. If the department determines by audit or other means that the person had knowingly registered a vehicle as a business-trade truck that is not qualified for such registration, the person shall be required to pay a penalty for improper registration in the amount of seven hundred fifty dollars for each registration year in which the vehicle was registered in violation of this section, not to exceed two thousand two hundred fifty dollars.

2008 Acts, ch 1113, §5, 11; 2011 Acts, ch 68, §2, 5

Referred to in §321.1, 321.26, 321.106, 321.134, 321.152, 331.557, 422.20, 422.72

2011 amendment to subsection 3 applies for registration plates issued during registration periods beginning on or after January 1, 2012; phased-in elimination of business-trade truck plates; 2011 Acts, ch 68, §4, 5

**321.121 Special trucks for farm use.**

1. *a.* Except as provided in paragraph *"b"*, the annual registration fee for a special truck with a gross weight of six tons shall be one hundred dollars, and the annual registration fee for a special truck with a gross weight exceeding six tons but not exceeding eighteen tons shall be as follows:

| For a gross weight exceeding: | And not exceeding: | The annual registration fee shall be: |
|---|---|---|
| 6 Tons | 7 Tons | $125 |
| 7 Tons | 8 Tons | $155 |
| 8 Tons | 9 Tons | $170 |
| 9 Tons | 10 Tons | $190 |
| 10 Tons | 11 Tons | $205 |
| 11 Tons | 12 Tons | $225 |
| 12 Tons | 13 Tons | $245 |
| 13 Tons | 14 Tons | $265 |
| 14 Tons | 15 Tons | $280 |
| 15 Tons | 16 Tons | $295 |
| 16 Tons | 17 Tons | $305 |
| 17 Tons | 18 Tons | $315 |

*b.* If the registration is a renewal for a special truck registered to the same owner prior to January 1, 2009, the annual registration fee shall be eighty dollars for a gross weight of six tons, one hundred dollars for a gross weight of seven tons, one hundred twenty dollars for a gross weight of eight tons, and in addition, fifteen dollars for each ton over eight tons and not exceeding eighteen tons. As used in this paragraph, *"owner"* includes a surviving spouse who is required to transfer title pursuant to section 321.46 or 321.47.

*c.* The annual registration fee for a special truck with a gross weight registration exceeding eighteen tons but not exceeding nineteen tons shall be three hundred twenty-five dollars and for a gross weight registration exceeding nineteen tons but not exceeding twenty tons the annual registration fee shall be three hundred seventy-five dollars.

*d.* The additional annual registration fee for a special truck for a gross weight registration in excess of twenty tons is twenty-five dollars for each ton over twenty tons and not exceeding thirty-two tons.

2. Upon approval of the application and payment of the proper fees, the county treasurer shall issue regular registration plates for the special truck. The department may adopt rules requiring the use of a sticker or other means to identify motor vehicles registered under this section.

3. A person convicted of or found by audit to be using a motor vehicle registered as a special truck for any purpose other than permitted by section 321.1, subsection 75, shall, in addition to any other penalty imposed by law, be required to pay regular annual motor vehicle registration fees for such motor vehicle.

[C71, 73, 75, 77, 79, 81, §321.121; 81 Acts 2d Ex, ch 2, §6]

82 Acts, ch 1062, §18, 38; 86 Acts, ch 1210, §3; 2008 Acts, ch 1113, §6, 11, 93; 2011 Acts, ch 38, §5; 2011 Acts, ch 68, §3, 5

Referred to in §321.1, 321.26, 321.106, 321.134, 331.557

Subsection 2 applies for registration plates issued during registration periods beginning on or after January 1, 2012; phased-in elimination of special truck plates; 2011 Acts, ch 68, §4, 5

Section not amended; internal reference change applied

**321.122 Trucks, truck tractors, and road tractors — fees.**

1. The annual registration fee for truck tractors, road tractors, and motor trucks, except 2010 and subsequent model year motor trucks required to be registered under section 321.109 and motor trucks registered as special trucks, shall be based on the combined gross weight of the vehicle or combination of vehicles. All such trucks, truck tractors, or road tractors registered under this section shall be registered for a gross weight equal to or in excess of the unladen weight of the vehicle or combination of vehicles. The annual registration fee for such vehicles or combination of vehicles, except special trucks, shall be the applicable fee under paragraph *"a"* or *"b"*.

*a.* (1) For a combined gross weight of three tons or less, the annual registration fee is one hundred fifty dollars; for such a vehicle more than seven model years old, one hundred

twenty dollars; for such a vehicle more than nine model years old, one hundred dollars; and for such a vehicle twelve model years old or older, fifty dollars.

(2) For a combined gross weight exceeding three tons, the annual registration fee shall be as set forth in the following schedule:

| For a combined gross weight exceeding: | And not exceeding: | The annual registration fee shall be: |
|---|---|---|
| 3 Tons | 4 Tons | $ 165 |
| 4 Tons | 5 Tons | $ 180 |
| 5 Tons | 6 Tons | $ 195 |
| 6 Tons | 7 Tons | $ 215 |
| 7 Tons | 8 Tons | $ 220 |
| 8 Tons | 9 Tons | $ 225 |
| 9 Tons | 10 Tons | $ 235 |
| 10 Tons | 11 Tons | $ 270 |
| 11 Tons | 12 Tons | $ 305 |
| 12 Tons | 13 Tons | $ 340 |
| 13 Tons | 14 Tons | $ 375 |
| 14 Tons | 15 Tons | $ 445 |
| 15 Tons | 16 Tons | $ 485 |
| 16 Tons | 17 Tons | $ 525 |
| 17 Tons | 18 Tons | $ 565 |
| 18 Tons | 19 Tons | $ 610 |
| 19 Tons | 20 Tons | $ 675 |
| 20 Tons | 21 Tons | $ 715 |
| 21 Tons | 22 Tons | $ 755 |
| 22 Tons | 23 Tons | $ 795 |
| 23 Tons | 24 Tons | $ 835 |
| 24 Tons | 25 Tons | $ 965 |
| 25 Tons | 26 Tons | $1,010 |
| 26 Tons | 27 Tons | $1,060 |
| 27 Tons | 28 Tons | $1,105 |
| 28 Tons | 29 Tons | $1,150 |
| 29 Tons | 30 Tons | $1,200 |
| 30 Tons | 31 Tons | $1,245 |
| 31 Tons | 32 Tons | $1,295 |
| 32 Tons | 33 Tons | $1,340 |
| 33 Tons | 34 Tons | $1,415 |
| 34 Tons | 35 Tons | $1,465 |
| 35 Tons | 36 Tons | $1,510 |
| 36 Tons | 37 Tons | $1,555 |
| 37 Tons | 38 Tons | $1,605 |
| 38 Tons | 39 Tons | $1,650 |
| 39 Tons | 40 Tons | $1,695 |

*b.* If the registration is a renewal for a motor vehicle with a combined gross weight of nine tons or less registered to the same owner prior to January 1, 2009, the following applies:

(1) For a combined gross weight of three tons or less, the annual registration fee is sixty-five dollars; for such a vehicle which is more than ten model years old, fifty-five dollars; for such a vehicle which is more than thirteen model years old, forty-five dollars; and for such a vehicle which is more than fifteen model years old, thirty-five dollars.

(2) For a combined gross weight exceeding three tons but not exceeding nine tons, the annual registration fee shall be as set forth in the following schedule:

| For a combined gross weight exceeding: | And not exceeding: | The annual registration fee shall be: |
|---|---|---|
| 3 Tons | 4 Tons | $ 80 |
| 4 Tons | 5 Tons | $ 90 |
| 5 Tons | 6 Tons | $105 |
| 6 Tons | 7 Tons | $130 |
| 7 Tons | 8 Tons | $165 |
| 8 Tons | 9 Tons | $200 |

(3) As used in this paragraph *"b"*, *"owner"* includes a surviving spouse who is required to transfer title pursuant to section 321.46 or 321.47.

*c.* For a combined gross weight exceeding forty tons, the annual registration fee shall be one thousand six hundred ninety-five dollars plus eighty dollars for each ton over forty tons.

2. For truck tractors or road tractors equipped with two or more solid rubber tires, the annual registration fee shall be the fee for truck tractors or road tractors with pneumatic tires and of the same combined gross weight, plus twenty-five percent thereof.

3. This section shall not apply to a rubber-tired farm tractor not operated for hire upon the public highways.

4. A person who violates this section commits a simple misdemeanor.

[C31, 35, §4919-d1; C39, §**5008.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.122]

82 Acts, ch 1062, §19, 38; 86 Acts, ch 1182, §3; 86 Acts, ch 1210, §4; 88 Acts, ch 1019, §11, 12; 90 Acts, ch 1233, §17; 95 Acts, ch 118, §17; 2008 Acts, ch 1113, §7, 11, 23, 25; 2010 Acts, ch 1140, §4; 2011 Acts, ch 38, §6

Referred to in §321.1, 321.26, 321.106, 321.109, 321.115, 321.115A, 321.120, 321.134, 321E.12, 331.557

**321.123 Trailers.**

1. *a.* All trailers except farm trailers, mobile homes, and manufactured homes, unless otherwise provided in this section, are subject to an annual registration fee as follows:

(1) For trailers with an empty weight of two thousand pounds or less, the annual registration fee is twenty dollars.

(2) For trailers with an empty weight in excess of two thousand pounds, the annual registration fee is thirty dollars.

*b.* Trailers for which the empty weight is two thousand pounds or less are exempt from the certificate of title and lien provisions of this chapter.

*c.* For trailers and semitrailers licensed under chapter 326, the annual registration fee for the permanent registration plate shall be the applicable fee under paragraph *"a"*. The registration fees for a permanent registration plate, at the option of the registrant, shall be remitted to the department at five-year intervals or on an annual basis. Fees collected under this section shall not be reduced or prorated under chapter 326.

2. *a.* Travel trailers and fifth-wheel travel trailers, except those in manufacturer's or dealer's stock, shall be subject to an annual registration fee of thirty cents per square foot of floor space computed on the exterior overall measurements, but excluding three feet occupied by any trailer hitch as provided by and certified to by the owner, to the nearest whole dollar. When a travel trailer or fifth-wheel travel trailer is registered in Iowa for the first time or when title is transferred, the annual registration fee shall be prorated on a monthly basis. The annual registration fee shall be reduced to seventy-five percent of the full fee after the vehicle is more than six model years old.

*b.* A travel trailer may be stored under section 321.134, provided the travel trailer is not used for human habitation for any period during storage and is not moved upon the highways of the state. A travel trailer stored under section 321.134 is not subject to a manufactured or mobile home tax assessed under chapter 435.

3. Motor trucks or truck tractors pulling trailers or semitrailers shall be registered for the combined gross weight of the motor truck or truck tractor and trailer or semitrailer, except that:

*a.* Motor trucks registered for six tons or less not used for hire, pulling trailers or

semitrailers used by a person engaged in farming to transport commodities produced by the owner, or to transport commodities or livestock purchased by the owner for use in the owner's own farming operation or used by any person to transport horses shall not be subject to registration for the gross weight of such trailer or semitrailer provided the combined gross weight does not exceed twelve tons, plus the tolerance provided for in section 321.466.

*b.* Motor trucks registered for six tons or less not used for hire, pulling trailers or semitrailers used by a person in the person's own operations shall not be subject to registration for the gross weight of such trailer or semitrailer provided the combined gross weight does not exceed eight tons, plus the tolerance provided for in section 321.466.

[C24, 27, 31, 35, §4920; C39, §**5008.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.123; 82 Acts, ch 1251, §16 – 18]

82 Acts, ch 1062, §20, 38; 84 Acts, ch 1305, §63; 89 Acts, ch 296, §29; 95 Acts, ch 118, §18; 96 Acts, ch 1152, §5, 6; 99 Acts, ch 188, §14; 2000 Acts, ch 1016, §14; 2001 Acts, ch 153, §15, 17; 2001 Acts, ch 176, §80; 2006 Acts, ch 1070, §9, 31; 2008 Acts, ch 1113, §24, 25, 94, 95

Referred to in §312.2, 321.310, 331.557

**321.124 Motor homes and multipurpose vehicles — fees.**

1. Motor homes are classified as follows:

*a.* Class A motor home means a truck chassis or special chassis upon which is built a driver's compartment and an entire body which provides temporary living quarters. A class A motor home shall also mean a passenger carrying bus which has been registered at least five times as a motor truck and which has been converted, modified, or altered to provide temporary living quarters.

*b.* Class B motor home means a completed van-type vehicle which has been converted, modified, constructed, or altered to provide temporary living quarters.

*c.* Class C motor home means an incomplete vehicle upon which is permanently attached a body designed to provide temporary living quarters.

2. Class A motor homes and class C motor homes are exempt from the provisions of section 322.5, subsection 2, except that a motor vehicle dealer showing class A motor homes and class C motor homes shall apply for a temporary permit upon forms and for such time as provided in section 322.5, subsection 2, and the department may issue the temporary permit upon payment of the fee provided therein.

3. The annual registration fee for motor homes and 1992 and older model years for multipurpose vehicles is as follows:

*a.* For class A motor homes with a list price of eighty thousand dollars or more as certified to the department by the manufacturer, four hundred dollars for registration each year through five model years and three hundred dollars for each succeeding registration.

*b.* For class A motor homes with a list price of forty thousand dollars or more but less than eighty thousand dollars as certified to the department by the manufacturer, two hundred dollars for registration each year through five model years and one hundred fifty dollars for each succeeding registration.

*c.* For class A motor homes with a list price of twenty thousand dollars or more but less than forty thousand dollars as certified to the department by the manufacturer, one hundred forty dollars for the first five registrations and one hundred five dollars for each succeeding registration.

*d.* For class A motor homes with a list price of less than twenty thousand dollars as certified to the department by the manufacturer, one hundred twenty dollars for registration each year through five model years and eighty-five dollars for each succeeding registration.

*e.* For a class A motor home which is a passenger-carrying bus which has been registered at least five times as a motor truck and which has been converted, modified, or altered to provide temporary living quarters, ninety dollars for registration each year through ten model years and sixty-five dollars for each succeeding registration. In computing the number of registrations, the registrations shall be cumulative beginning with the registration of the class A motor home as a motor truck prior to its conversion, modification, or alteration to provide temporary living quarters.

*f.* For class B motor homes, ninety dollars for registration each year through five model years and sixty-five dollars for each succeeding registration.

*g.* For class C motor homes, one hundred ten dollars for registration each year through five model years and eighty dollars for each succeeding registration.

*h.* (1) For multipurpose vehicles in accordance with the following:

(a) Two hundred dollars for registration for the first and second model years.

(b) One hundred seventy-five dollars for registration for the third and fourth model years.

(c) One hundred fifty dollars for registration for the fifth model year.

(d) Seventy-five dollars for registration for the sixth model year.

(e) Fifty-five dollars for registration for each succeeding model year.

(f) The annual registration fee for a multipurpose vehicle with permanently installed equipment manufactured for and necessary to assist a person with a disability who is either the owner or a member of the owner's household in entry and exit of the vehicle or for a multipurpose vehicle if the vehicle's owner or a member of the vehicle owner's household uses a wheelchair as the only means of mobility shall be sixty dollars. For purposes of this subparagraph, *"uses a wheelchair"* does not include use of a wheelchair due to a temporary injury or medical condition.

(2) The registration fees required by this lettered paragraph are applicable to all 1992 and older model years for multipurpose vehicles beginning January 1, 1993. The registration fees for multipurpose vehicles that are 1993 and subsequent model years shall be in accordance with section 321.109.

(3) For purposes of determining that portion of the annual registration fee which is based upon the value of the multipurpose vehicle, sixty percent of the annual fee is attributable to the value of the vehicle.

[C81, §321.124]

82 Acts, ch 1062, §21, 38; 83 Acts, ch 75, §1, 2; 92 Acts, ch 1019, §2, 8; 92 Acts, ch 1222, §2; 92 Acts, ch 1232, §402, 412; 93 Acts, ch 165, §2; 96 Acts, ch 1129, §113; 2010 Acts, ch 1061, §180

Referred to in §321.1, 321.109, 321.115, 321.115A, 322.2, 331.557

**321.125 Effect of exemption.**

The exemption of a motor vehicle from an annual registration fee or a fee for new registration shall not exempt the operator of such vehicle from the performance of any other duty imposed on the operator by this chapter.

[C24, 27, 31, 35, §4923; C39, §**5008.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.125]

2008 Acts, ch 1113, §96

Referred to in §331.557

**321.126 Refunds of annual registration fees.**

1. Refunds of unexpired annual vehicle registration fees shall be allowed in accordance with this section, except that no refund shall be allowed and paid if the unused portion of the fee is less than ten dollars. Paragraphs *"a"* and *"b"* do not apply to vehicles registered by the county treasurer. The refunds shall be made as follows:

*a.* If the vehicle is destroyed by fire or accident, or junked and its identity as a vehicle entirely eliminated, the owner in whose name the vehicle was registered at the time of destruction or dismantling shall return the plates to the department and within thirty days thereafter make a statement of such destruction or dismantling and make claim for refund. With reference to the destruction or dismantling of a vehicle, no refund shall be allowed unless a junking certificate has been issued, as provided in section 321.52.

*b.* If the vehicle is stolen, the owner shall give notice of the theft to the department within five days. If the vehicle is not recovered by the owner thirty days prior to the end of the current registration year, the owner shall make a statement of the theft and make claim for refund.

*c.* If the vehicle is placed in storage by the owner upon the owner's entry into the military service of the United States, the owner shall return the plates to the county treasurer or the department and make a statement regarding the storage and military service and make claim

for refund. Whenever the owner of a vehicle so placed in storage desires to again register the vehicle, the county treasurer or department shall compute and collect the fees for registration for the registration year commencing in the month the vehicle is removed from storage.

*d.* If the vehicle is registered by the county treasurer during the current registration year and the owner or lessee registers the vehicle for apportioned registration under chapter 326, the owner of the registered vehicle shall surrender the registration plates to the county treasurer and may file a claim for refund. In lieu of a refund, a credit for the annual registration fees paid to the county treasurer may be applied by the department to the owner or lessee's apportioned registration fees upon the surrender of the county plates and registration.

*e.* A refund for trailers and semitrailers issued a permanent registration plate pursuant to chapter 326 shall be paid by the department upon application.

*f.* If a vehicle is sold or junked, the owner in whose name the vehicle was registered may make claim to the county treasurer or department for a refund of the sold or junked vehicle's annual registration fee. Also if the owner of a vehicle receives a vehicle registration fee credit under section 321.46, subsection 3, and the credit allowed exceeds the amount of the annual registration fee for the vehicle acquired, the owner may claim a refund for the balance of the credit. The refund is subject to the following limitations:

(1) If a vehicle registration fee credit has not been received by the owner of the vehicle under section 321.46, subsection 3, the refund shall be computed on the basis of the number of unexpired months remaining in the registration year at the time the vehicle was sold or junked. The refund shall be rounded to the nearest whole dollar. Section 321.127, subsection 1, does not apply.

(2) The refund shall only be allowed if the owner makes claim for the refund within six months after the date of the vehicle's sale, trade, or junking.

(3) This paragraph "*f*" does not apply to vehicles registered under chapter 326.

*g.* If the vehicle was leased and an affidavit was filed by the lessor or the lessee as provided in section 321.46, the lessor or the lessee, as applicable, may make a claim for a refund with the county treasurer of the county where the vehicle was registered within six months of the vehicle's surrender to the lessor. The refund shall be paid to either the lessor or the lessee, as specified on the application for title and registration pursuant to section 321.20.

*h.* If the owner of the vehicle moves out of state, the owner may make a claim for a refund by returning the Iowa registration plates, along with evidence of the vehicle's registration in another jurisdiction, to the county treasurer of the county in which the vehicle was registered within six months of the out-of-state registration. For purposes of section 321.127, the unexpired months remaining in the registration year shall be calculated on the basis of the effective date of the out-of-state registration. However, for the purpose of timely issuance of the refund, the claim for a refund under this paragraph is considered to be filed on the date the registration documents are received by the county treasurer.

2. Notwithstanding any provision of this section to the contrary, there shall be no refund of apportioned registration fees unless the state which issued the base plate for the vehicle allows such refund. If an owner subject to apportioned registration leases the vehicle for which the refund is sought, the claim shall be filed in the names of both the lessee and the lessor and the refund payment made payable to both the lessor and the lessee. The term "*owner*" for purposes of this section shall include a person in whom is vested right of possession or control of a vehicle which is subject to a lease, contract, or other legal arrangement vesting right of possession or control in addition to the term as defined in section 321.1, subsection 49.

[C24, 27, 31, 35, §4924; C39, §**5008.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.126]

82 Acts, ch 1062, §22, 23, 38; 85 Acts, ch 87, §4, 5; 87 Acts, ch 108, §7; 90 Acts, ch 1154, §6 – 11; 92 Acts, ch 1073, §3; 95 Acts, ch 118, §19, 40; 2004 Acts, ch 1013, §21, 35; 2005 Acts, ch 133, §1; 2006 Acts, ch 1068, §18; 2006 Acts, ch 1070, §10, 11, 31; 2008 Acts, ch 1113, §97; 2010 Acts, ch 1069, §91; 2012 Acts, ch 1093, §10, 11

Referred to in §321.46, 321.128, 326.15, 331.557

**321.127 Payment of refund.**

1. The refund of the annual registration fee for vehicles shall be computed on the basis of the number of unexpired months remaining in the registration year from date of filing of the claim for refund with the county treasurer, computed to the nearest dollar.

2. The department, unless reasonable grounds exist for delay, shall make refund on or before the last day of the month following the month in which the claim is filed with the department.

3. For trailers or semitrailers issued a permanent registration plate, a refund shall be paid equal to the annual fee for twelve months times the remaining number of complete registration years.

4. Refunds for vehicles registered for apportioned registration under chapter 326 shall be paid on the basis of unexpired complete calendar months remaining in the registration year from the date the claim for refund and the license plate are received by the department.

[C24, 27, 31, 35, §4924; C39, §**5008.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.127; 81 Acts, ch 104, §1]

82 Acts, ch 1062, §24, 38; 85 Acts, ch 87, §6; 87 Acts, ch 108, §8; 2002 Acts, ch 1063, §22; 2006 Acts, ch 1070, §12, 31; 2008 Acts, ch 1113, §98; 2012 Acts, ch 1093, §12

Referred to in §321.126, 321.128, 331.557

**321.128 Payment authorized.**

The department may make the payments under sections 321.126 and 321.127, when sufficient proof of such destruction by accident, or the junking and entire elimination of identity as a motor vehicle, theft, or storage by an owner entering the military service of the United States in time of war, is properly certified, approved by the county treasurer, and filed with the department.

[C24, 27, 31, 35, §4925; C39, §**5008.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.128]

83 Acts, ch 24, §10, 12

Referred to in §331.557

**321.129 When fees returnable.**

1. Whenever any application to the department is accompanied by a vehicle registration fee as required by law and the application is refused or rejected, the fee shall be returned to the applicant.

2. Whenever the department through error collects any vehicle registration fee not required to be paid under this chapter, the fee shall be refunded from the refund account to the person paying the fee upon application made within one year after the date of such payment.

3. This section does not apply to the fee for new registration administered by the department of revenue pursuant to section 321.105A.

[C39, §**5012.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.173]

2008 Acts, ch 1018, §21, 30; 2008 Acts, ch 1113, §121

C2009, §321.129

Referred to in §331.557

Section transferred from §321.173 in Code 2009 pursuant to directive in 2008 Acts, ch 1018, §30

**321.130 Fees in lieu of taxes.**

The registration fees imposed by this chapter upon private passenger motor vehicles or semitrailers are in lieu of all state and local taxes, except local vehicle taxes, to which motor vehicles or semitrailers are subject.

[S13, §1571-m8; C24, 27, 31, 35, §4927; C39, §**5008.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.130]

85 Acts, ch 32, §79; 89 Acts, ch 296, §30

Referred to in §331.557

**321.131 Lien of fee.**

All registration or other fees provided for in this chapter shall constitute a lien against the vehicle for which the fees are payable unless otherwise provided in this section until such time as they are paid as provided by law, with any accrued penalties. The county treasurer

may perfect a security interest in a vehicle for the amount of such fees as provided in section 321.50. If the lien is not perfected as provided in this section, the lien shall not be valid against a bona fide purchaser of the vehicle without actual notice to the purchaser.

[S13, §1571-m21; SS15, §1571-m7; C24, 27, 31, 35, §4928; C39, §**5008.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.131]

2004 Acts, ch 1013, §22, 35

Referred to in §331.557

**321.132 When lien attaches.**

The lien of the original annual registration fee attaches, at the time the fee is first payable, as provided by law, and the lien of all renewals of registration attach on the first day of each succeeding registration year.

[C24, 27, 31, 35, §4929; C39, §**5008.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.132]

82 Acts, ch 1062, §25, 38; 2008 Acts, ch 1113, §99

Referred to in §331.557

PENALTIES, COSTS, AND COLLECTIONS

**321.133 Methods of collection.**

The collection of all fees and penalties may be enforced against any vehicle or they may be collected by suit against the owner who shall remain personally liable therefor until such time as the transfer thereof shall be reported to the county treasurer and the department or until such time as said vehicle ceases to be in use and all fees and penalties to such date shall be paid.

[S13, §1571-m21; C24, 27, 31, 35, §4930; C39, §**5009.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.133]

Referred to in §331.557, 331.653

**321.134 Monthly penalty.**

1. On the first day of the second month following the beginning of each registration year a penalty of five percent of the annual registration fee shall be added to the annual registration fees not paid by that date and an additional penalty of five percent shall be added the first day of each succeeding month, until the fee is paid. A penalty shall not be less than five dollars. If the owner of a vehicle surrenders the registration plates for a vehicle prior to the plates becoming delinquent, to the county treasurer of the county where the vehicle is registered, or to the department if the vehicle is registered under chapter 326, the owner may register the vehicle any time thereafter upon payment of the annual registration fee for the registration year without penalty. To avoid a penalty or an additional penalty in the case of a delinquent registration through a county treasurer, if the last calendar day of a month falls on Saturday, Sunday, or a holiday, the payment deadline is extended to include the first business day of the following month. For payments made through a county treasurer's authorized internet site only, if the last day of the month falls on a Saturday, Sunday, or a holiday, the electronic payment must be initiated by midnight on the first business day of the next month. All other electronic payments must be initiated by midnight on the last day of the month preceding the delinquent date.

2. The annual registration fee for trucks, truck tractors, and road tractors registered by the county treasurer, as provided in sections 321.120, 321.121, and 321.122, may be payable in two equal semiannual installments if the annual registration fee exceeds the annual registration fee for a vehicle with a gross weight exceeding five tons. The penalties provided in subsection 1 shall be computed on the amount of the first installment only and on the first day of the seventh month of the registration period the same rate of penalty shall apply to the second installment, until the fee is paid.

3. If a penalty applies to an annual vehicle registration fee provided for in sections 321.120, 321.121, and 321.122, the same penalty shall be assessed on the fees collected to increase the registered gross weight of the vehicle, if the increased gross weight is requested within

forty-five days from the date the delinquent vehicle is registered for the current registration period.

4. Notwithstanding subsections 1 through 3, if a vehicle registration is delinquent for twenty-four months or more, a flat penalty and fee shall be assessed for the delinquent period in addition to the current annual registration fee. The flat penalty and fee shall be one hundred fifty percent of the current annual registration fee.

5. The department shall waive the penalties imposed by this section for an owner who is in the military service of the United States and who has been relocated as a result of being placed on active duty on or after September 11, 2001. The department shall adopt rules to implement this subsection, including, if necessary, procedures for refunding penalties collected prior to March 29, 2004.

[SS15, §1571-m7; C24, 27, 31, 35, §4931; C39, §**5009.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.134]

82 Acts, ch 1062, §26, 38; 83 Acts, ch 24, §6, 12; 89 Acts, ch 185, §4; 90 Acts, ch 1230, §18; 2002 Acts, ch 1043, §2; 2004 Acts, ch 1013, §23, 35; 2004 Acts, ch 1092, §4; 2007 Acts, ch 143, §13; 2008 Acts, ch 1113, §100; 2012 Acts, ch 1093, §13, 40; 2013 Acts, ch 90, §257; 2013 Acts, ch 103, §10

Referred to in §321.39, 321.123, 331.557, 331.653
Code editor directive applied
Subsections 2 and 3 amended

**321.135 When fees delinquent.**

Except as otherwise provided, annual registration fees become delinquent and penalties accrue the first of the month following the purchase of a new vehicle, and thirty days following the date a vehicle is brought into the state.

[C24, 27, 31, 35, §4932; C39, §**5009.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.135]

84 Acts, ch 1219, §22; 85 Acts, ch 209, §4; 2008 Acts, ch 1113, §101

Referred to in §331.557, 331.653

**321.136 through 321.144** Repealed by 80 Acts, ch 1094, § 51.

FUNDS

**321.145 Disposition of moneys and fees.**

1. Except for fines, forfeitures, court costs, and the collection fees retained by the county treasurer pursuant to section 321.152, and except as provided in subsection 2, moneys and motor vehicle registration fees collected under this chapter shall be credited by the treasurer of state to the road use tax fund.

2. Revenues derived from trailer registration fees collected pursuant to sections 321.105 and 321.105A, fees charged for driver's licenses and nonoperator's identification cards, fees charged for the issuance of a certificate of title, the certificate of title surcharge collected pursuant to section 321.52A, and revenues credited pursuant to section 423.43, subsection 2, and section 423C.5 shall be deposited in a fund to be known as the statutory allocations fund under the control of the department and credited as follows:

*a.* Moneys shall be deposited into and credited to the following funds:

(1) First, three million five hundred thousand dollars per quarter shall be deposited into and credited to the Iowa comprehensive petroleum underground storage tank fund created in section 455G.3, and the moneys so deposited are a continuing appropriation for expenditure under chapter 455G, and moneys so appropriated shall not be used for other purposes.

(2) Second, seven hundred fifty thousand dollars per quarter shall be deposited into and credited to the renewable fuel infrastructure fund created in section 159A.16, and the moneys so deposited are a continuing appropriation for expenditure under chapter 159A, subchapter III, and moneys so appropriated shall not be used for other purposes.

*b.* Moneys remaining after the operation of paragraph "*a*" shall be credited in order of priority as follows:

(1) An amount equal to four percent of the revenue from the operation of section

321.105A, subsection 2, shall be credited to the department, to be used for purposes of public transit assistance under chapter 324A.

(2) An amount equal to two dollars per year of license validity for each issued or renewed driver's license which is valid for the operation of a motorcycle shall be credited to the motorcycle rider education fund established under section 321.179.

(3) The amounts required to be transferred pursuant to section 321.34 from revenues available under this subsection shall be transferred and credited as provided in section 321.34, subsections 7, 10, 10A, 11, 11A, 11B, 13, 16, 17, 18, 19, 20, 20A, 20B, 20C, 21, 22, 23, 24, 25, and 26 for the various purposes specified in those subsections.

c. Any such revenues remaining shall be credited to the road use tax fund.

[SS15, §1571-m32; C24, 27, 31, 35, §4999; C39, §**5010.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.145]

90 Acts, ch 1230, §19; 2008 Acts, ch 1113, §30, 36; 2009 Acts, ch 97, §9; 2009 Acts, ch 130, §1; 2010 Acts, ch 1069, §144; 2011 Acts, ch 113, §47, 55, 56; 2011 Acts, ch 114, §3

Referred to in §312.1, 321.34, 321.52A, 321.211, 331.557, 423.43, 423C.5, 455G.3, 455G.6, 455G.8

Road use tax fund, §312.1

**321.146** Repealed by 77 Acts, ch 60, § 25.

**321.147** Reserved.

**321.148 Monthly estimate.**

The department shall, on the first day of each month, furnish an estimate in writing to the treasurer of state of the amount of expenditures to be made by the department during that month.

[C31, 35, §5003-c1; C39, §**5010.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.148]

Referred to in §331.557

**321.149 Supplies.**

The department shall prepare and furnish to the treasurer of each county all supplies required for the administration of this chapter in such form as the department may prescribe. Contracts for the supplies shall be awarded by the director of the department of administrative services to persons, firms, partnerships, or corporations engaged in the business of printing in Iowa unless, or through them, the persons, firms, partnerships, or corporations cannot provide the required printing set forth in this section. In lieu of purchasing under competitive bids, the director of the department of administrative services shall have authority to arrange with the director of the department of corrections to furnish the supplies as can be made in the state institutions.

[S13, §1571-m2; C24, 27, 31, 35, §5006; C39, §**5010.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.149]

82 Acts, ch 1062, §27, 38; 83 Acts, ch 96, §157, 159; 98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2003 Acts, ch 145, §249; 2004 Acts, ch 1013, §24, 35

Referred to in §331.557

**321.150 Time limit.**

Blanks or forms for listing used motor vehicles shall be placed in the hands of county treasurers not later than December 15 of any year.

[C24, 27, 31, 35, §5007; C39, §**5010.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.150]

Referred to in §331.557

**321.151 Duty and liability of treasurer.**

The county treasurer shall collect the registration fee, the fee for new registration, and penalties on each vehicle registered by the county treasurer and shall be responsible on the county treasurer's bond for such amount. The county treasurer shall remit such amount to the treasurer of state as provided in this chapter. Fees collected pursuant to participation in

county issuance of driver's licenses under chapter 321M shall be governed by the provisions of that chapter.

[C24, 27, 31, 35, §5011; C39, §**5010.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.151]

98 Acts, ch 1073, §12; 98 Acts, ch 1143, §18, 26; 2008 Acts, ch 1113, §102

Referred to in §331.557

**321.152 Collection fees retained by county.**

1. A county treasurer may retain for deposit in the county general fund the following:

*a.* Four percent of the total collection, excluding the amount of any fee for new registration, for each annual or semiannual vehicle registration and each duplicate registration card or plate issued.

*b.* Two dollars and fifty cents from each fee collected for certificates of title.

*c.* Forty percent of all fees collected for certified copies of certificates of title.

*d.* Sixty percent of all fees collected for perfection of security interests.

*e.* Twenty-five percent of each penalty collected for improper business-trade truck registration under section 321.120, subsection 5.

*f.* One dollar from each fee for new registration collected pursuant to section 321.105A.

2. The moneys retained under subsection 1 shall be deducted, and reported to the department when the county treasurer transfers the money collected under this chapter. However, a deduction is not lawful unless the county treasurer has complied with sections 321.24 and 321.153.

3. The five dollar processing fee charged by a county treasurer for collection of tax debt owed to the department of revenue pursuant to section 321.40, subsection 6, shall be retained for deposit in the county general fund.

4. This section does not apply to fees collected or retained by a county treasurer pursuant to participation in county issuance of driver's licenses under chapter 321M.

[C24, 27, 31, 35, §5012; C39, §**5010.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.152]

83 Acts, ch 123, §126, 209; 84 Acts, ch 1305, §64; 91 Acts, ch 267, §608; 92 Acts, ch 1238, §32; 98 Acts, ch 1073, §12; 98 Acts, ch 1143, §19, 26; 2004 Acts, ch 1013, §25, 35; 2008 Acts, ch 1113, §8, 11, 103, 104; 2010 Acts, ch 1146, §4, 26

Referred to in §321.145, 321.153, 331.427, 331.557

**321.153 Treasurer's report to department.**

1. The county treasurer on the tenth day of each month shall certify to the department a full and complete statement of all fees and penalties received by the county treasurer during the preceding calendar month and shall remit all moneys not retained for deposit under section 321.152 to the treasurer of state.

2. The distributed teleprocessing network shall be used in the collection, receipting, accounting, and reporting of any fee collected through the registration renewal or title process, with sufficient time and financial resources provided for implementation.

3. This section does not apply to fees collected or retained by a county treasurer pursuant to participation in county issuance of driver's licenses under chapter 321M.

4. This section does not apply to processing fees charged by a county treasurer for the collection of tax debt owed to the department of revenue pursuant to section 321.40.

[C24, 27, 31, 35, §5013; C39, §**5010.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.153]

89 Acts, ch 185, §5; 92 Acts, ch 1073, §4; 92 Acts, ch 1238, §33; 98 Acts, ch 1073, §12; 98 Acts, ch 1143, §20, 26; 2004 Acts, ch 1013, §26, 35; 2010 Acts, ch 1146, §5, 26

Referred to in §321.152, 331.555, 331.557, 331.558

**321.154 Reports by department.**

The department, immediately upon receiving said report, shall also report to the treasurer of state the amount so collected by such county treasurer.

[C24, 27, 31, 35, §5014; C39, §**5010.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.154]

Referred to in §331.557

**321.155 Duty of treasurer of state.**

The treasurer of state shall keep proper books of account for the purposes specified herein and shall report to the department each remittance from the county treasurer, when said remittance is received.

[C24, 27, 31, 35, §5015; C39, §**5010.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.155]
Referred to in §331.557

**321.156 Audit by department.**

The department shall check and audit all fees and penalties collected, and shall effect a settlement with the county treasurer annually.

[C24, 27, 31, 35, §5016; C39, §**5010.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.156]
Referred to in §331.557

VALUE AND WEIGHT OF VEHICLES

**321.157 Schedule of prices and weights.**

1. A manufacturer or importer of a motor vehicle sold or offered for sale in this state, either by the manufacturer, importer, distributor, dealer, or any other person, shall file in the office of the department a sworn statement showing the various models manufactured by the manufacturer, importer, distributor, dealer, or other person, and the retail list price and weight of each model concurrently with a public announcement of such prices or concurrently with notification of such prices to dealers licensed to sell such motor vehicles under chapter 322, whichever comes first. The manufacturer, importer, distributor, dealer, or other person shall also make the same report on subsequent new models manufactured.

2. In lieu of filing the sworn statement required under subsection 1, a manufacturer or importer of a motor vehicle sold or offered for sale in this state may electronically provide the information required in subsection 1 to the department, or, if the manufacturer or importer provides the required information to a third-party vendor, the manufacturer or importer shall make the required information available to the department through the third-party vendor.

[C24, 27, 31, 35, §4968; C39, §**5011.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.157]
2000 Acts, ch 1016, §45, 47
Referred to in §321.160, 321.161

**321.158 Registration dependent on schedule.**

No motor vehicle shall be registered in this state unless the manufacturer thereof has furnished to the department the sworn statement herein provided, giving the list price and weight of the model of the motor vehicle that is offered for registration, except as provided in section 321.159.

[C24, 27, 31, 35, §4970; C39, §**5011.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.158]

**321.159 Exceptional cases — annual registration fee.**

1. The department shall have the power to fix the annual registration fee on all makes and models of motor vehicles which are not now being furnished or upon which the statement from the factory cannot be obtained.

2. For a current year model of a motor vehicle for which the manufacturer or importer of the motor vehicle has not provided the weight and list price, the department shall set the annual registration fee at ten dollars greater than the annual registration fee for the previous year model. Once the manufacturer or importer provides the required information, the information shall be used to set the annual registration fee or the registration renewal fee for the succeeding registration or registration renewal time for the motor vehicle.

[C24, 27, 31, 35, §4971; C39, §**5011.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.159]
92 Acts, ch 1222, §3; 2000 Acts, ch 1016, §46, 47; 2008 Acts, ch 1113, §105
Referred to in §321.158

**321.160 Department to maintain statement.**

The department shall maintain a statement showing all the different makes and models of motor vehicles previously registered in the department, and all the different makes and models of motor vehicles, statements of which have been filed in the office by the manufacturers as provided in section 321.157, together with the retail list price and weight of the vehicles.

Copies of the statement shall be furnished to each county treasurer and additional copies may be sold by the department to other persons, at a price to be set by the department, covering the approximate cost of the copies and service involved. Copies of the statement required by this section may be provided electronically. All funds received shall be forwarded by the department to the treasurer of state.

[C24, 27, 31, 35, §4972; C39, §**5011.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.160]
2004 Acts, ch 1013, §27, 35

**321.161 Department to fix values and weight.**

The department shall annually, and at such other times as new makes or models of motor vehicles are offered for sale or sold in this state, fix the value and weight of each of the different makes and models of motor vehicles which are sold or offered for sale within the state. The value and weight as fixed by the department shall, on 1975 and subsequent year model motor vehicles, be based on the original certification as provided in section 321.157.

[C24, 27, 31, 35, §4973; C39, §**5011.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.161]

**321.162 Method of fixing value and weight.**

The value shall be fixed at the next even one hundred dollars above the retail list price F.O.B. the factory, and the weight shall be fixed at the next even one hundred pounds above the manufacturer's shipping weight or the actual weight of the vehicle fully equipped.

[C24, 27, 31, 35, §4974; C39, §**5011.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.162]

## PLATES AND SUPPLIES

**321.163** Repealed by 71 Acts, ch 84, § 99.

**321.164** Repealed by 72 Acts, ch 1019, § 7.

**321.165 Manufacture by state.**

The director shall have authority to arrange with the director of the department of corrections to furnish such supplies as may be made at the state institutions.

[C24, 27, 31, 35, §4977; C39, §**5012.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.165]
83 Acts, ch 96, §157, 159

**321.166 Vehicle plate specifications.**

Vehicle registration plates shall conform to the following specifications:

1. *a.* Registration plates shall be of metal and of a size not to exceed six inches by twelve inches, except that the size of plates issued for use on motorized bicycles, motorcycles, motorcycle trailers, and trailers with an empty weight of two thousand pounds or less shall be established by the department.

*b.* Trailers with empty weights of two thousand pounds or less may, upon request, be licensed with regular-sized license plates.

2. Every registration plate or pair of plates shall display a registration plate number which shall consist of alphabetical or numerical characters or a combination thereof and the name of this state, which may be abbreviated. Every registration plate issued by the county treasurer shall display the name of the county, including any plate issued pursuant to section 321.34, except Pearl Harbor and purple heart registration plates issued prior to January 1, 1997; registration plates issued pursuant to section 321.34, subsection 13, paragraph "*d*"; and collegiate, fire fighter, and medal of honor registration plates. Special truck registration

plates shall display the word "special". The department may adopt rules to implement this subsection.

3. The registration plate number shall be displayed in characters which shall not exceed a height of four inches nor a stroke width exceeding five-eighths of an inch. Special plates issued to dealers shall display the alphabetical character "D", which shall be of the same size as the characters in the registration plate. The registration plate number issued for motorized bicycles, motorcycles, trailers with an empty weight of two thousand pounds or less, and motorcycle trailers shall be a size prescribed by the department.

4. The registration plate number, except on motorized bicycles, motorcycles, motorcycle trailers, and trailers with an empty weight of two thousand pounds or less, shall be of sufficient size to be readable from a distance of one hundred feet during daylight.

5. There shall be a marked contrast between the color of the registration plates and the data which is required to be displayed on the registration plates. When a new series of registration plates is issued to replace a current series, the new registration plates shall be of a distinctively different color from the series which is replaced, except for collegiate registration plates issued under section 321.34, subsection 7 or 7A.

6. Registration plates issued to a disabled veteran under the provisions of section 321.105 shall display the alphabetical characters "DV" which shall precede the registration plate number. The plates may also display a persons with disabilities parking sticker if issued to the disabled veteran by the department under section 321L.2.

7. The year and month of expiration of registration, which may be abbreviated, shall be displayed on vehicle registration plates issued by the county treasurer. A distinctive emblem or validation sticker may be prescribed by the department to designate the year and month of expiration. The year and month of expiration shall not be required to be displayed on plates issued under section 321.19.

8. The owner of a trailer with an empty weight of two thousand pounds or less shall receive registration plates for the trailer smaller than plates regularly issued for automobiles pursuant to rules adopted by the department in accordance with this section unless the owner requests regular-sized plates.

9. Special registration plates issued pursuant to section 321.34, other than gold star, medal of honor, collegiate, fire fighter, and natural resources registration plates, shall be consistent with the design and color of regular registration plates but shall provide a space on a portion of the plate for the purpose of allowing the placement of a distinguishing processed emblem. Special registration plates shall also comply with the requirements for regular registration plates as provided in this section to the extent the requirements are consistent with the section authorizing a particular special vehicle registration plate.

10. If the department reissues a new registration plate design for a special registration plate under section 321.34, all persons who have purchased or obtained the special registration plates shall not be required to pay the issuance fee.

[S13, §1571-m12, -m13; C24, 27, 31, 35, §4978; C39, §**5001.19, 5001.20, 5012.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §321.35, 321.36, 321.166; C79, 81, §321.166]

82 Acts, ch 1032, §3, 4; 82 Acts, ch 1062, §28, 29, 36, 38; 83 Acts, ch 24, §7, 12; 86 Acts, ch 1225, §2; 88 Acts, ch 1215, §11; 89 Acts, ch 247, §5; 92 Acts, ch 1026, §1; 94 Acts, ch 1028, §1 – 4; 95 Acts, ch 118, §20, 40; 96 Acts, ch 1088, §5, 6; 96 Acts, ch 1152, §7, 8; 96 Acts, ch 1171, §3; 96 Acts, ch 1219, §25; 97 Acts, ch 70, §4; 97 Acts, ch 104, §14, 15; 99 Acts, ch 13, §10, 29; 2007 Acts, ch 184, §6, 7; 2008 Acts, ch 1124, §7; 2009 Acts, ch 130, §25, 26; 2010 Acts, ch 1061, §52, 180

Referred to in §321L.1

**321.167 Delivery of plates, stickers, and emblems.**

The department, upon requisition by the county treasurer, shall provide vehicle registration plates, validation stickers, and emblems as required for the administration of this chapter. Vehicle registration plates and validation stickers shall be provided to the county treasurer in numerical sequence.

[C24, 27, 31, 35, §4979; C39, §**5012.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.167]

82 Acts, ch 1062, §30, 38

**321.168 Additional deliveries.**
Thereafter, during the year, the department, upon requisition of the county treasurer, shall deliver additional number plates.
[C24, 27, 31, 35, §4980; C39, §**5012.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.168]

**321.169 Account of plates.**
The department shall keep an accurate record of all number plates issued to each county, and shall also keep a record showing the assignment thereof by the county treasurer to motor vehicles.
[C24, 27, 31, 35, §4981; C39, §**5012.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.169]

**321.170 Plates for exempt vehicles.**
The department shall furnish, on application, free of charge, distinguishing plates for motor vehicles exempted from annual registration fees and shall keep a separate record thereof.
[C24, 27, 31, 35, §4982; C39, §**5012.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.170]
2008 Acts, ch 1113, §106
See also §8A.362, 321.19

**321.171 Title of plates.**
All number plates issued shall be and remain the property of the state.
[C24, 27, 31, 35, §4983; C39, §**5012.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.171]

**321.172** Repealed by 63 Acts, ch 190, § 2.

**321.173 When fees returnable.** Transferred to § 321.129; 2008 Acts, ch 1018, § 30.

## DRIVER'S LICENSES

**321.174 Operators licensed — operation of commercial motor vehicles.**
1. A person, except those expressly exempted, shall not operate any motor vehicle upon a highway in this state unless the person has a driver's license issued by the department valid for the vehicle's operation.
2. *a.* A person operating a commercial motor vehicle shall not have more than one driver's license. A nonresident may operate a commercial motor vehicle in Iowa if the nonresident has been issued a license by another state, a nonresident commercial driver's license, or a driver's license issued by a foreign jurisdiction which the federal highway administration has determined to be issued in conformity with the federal commercial driver testing and licensing standards, if the license, commercial driver's license, or driver's license is valid for the vehicle operated.
*b.* A person who operates a commercial motor vehicle upon the highways of this state without having been issued a driver's license valid for the vehicle operated commits a simple misdemeanor.
*c.* A person who operates a commercial motor vehicle upon the highways of this state after the person's commercial driver's license has been downgraded to a noncommercial status pursuant to section 321.207 commits a simple misdemeanor.
3. A licensee shall have the licensee's driver's license in immediate possession at all times when operating a motor vehicle and shall display the same upon demand of a judicial magistrate, district associate judge, district judge, peace officer, or examiner of the department. However, a person charged with violating this subsection shall not be convicted and the citation shall be dismissed by the court if the person produces to the clerk of the district court, prior to the licensee's court date indicated on the citation, a driver's license issued to that person and valid for the vehicle operated at the time of the person's arrest or at

the time the person was charged with a violation of this section. Upon dismissal, the court or clerk of court shall assess the costs of the action against the defendant named on the citation.

[C31, 35, §4960-d2, -d29; C39, §**5013.01, 5013.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §321.174, 321.190; C77, 79, §321.174, 321.189; C81, §321.174]

90 Acts, ch 1230, §20; 98 Acts, ch 1073, §9; 2004 Acts, ch 1120, §2; 2006 Acts, ch 1144, §4; 2011 Acts, ch 38, §7

Referred to in §321.176, 805.8A(4a)

For applicable scheduled fines, see §805.8A, subsection 4

**321.174A Operation of motor vehicle with expired license.**

A person shall not operate a motor vehicle upon a highway in this state with an expired driver's license.

97 Acts, ch 108, §11; 98 Acts, ch 1073, §9

Referred to in §805.8A(4b)

For applicable scheduled fine, see §805.8A, subsection 4

**321.175** Repealed by 90 Acts, ch 1230, § 97.

**321.176 Persons exempt from driver's licensing requirements.**

The following persons are exempt from driver's licensing requirements:

1. Any person while operating a military motor vehicle in the service of the armed forces of the United States.

2. Any person while operating a farm tractor or implement of husbandry to or from the home farm buildings to any adjacent or nearby farmland for the exclusive purpose of conducting farm operations.

3. A nonresident operating a motor vehicle within the legal scope of the nonresident's home state or country license except a nonresident may operate a commercial motor vehicle only in compliance with section 321.174.

[C31, 35, §4960-d3, -d4; C39, §**5013.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.176; 81 Acts, ch 105, §1, 2]

90 Acts, ch 1230, §21; 98 Acts, ch 1073, §11

**321.176A Persons exempt from commercial driver's license requirements.**

The following operators are exempt from the commercial driver's license requirements:

1. A farmer or a person working for a farmer while operating a commercial motor vehicle controlled by the farmer within one hundred fifty air miles of the farmer's farm to transport the farmer's own agricultural products, farm machinery, or farm supplies to or from the farm. The exemption provided in this subsection shall apply to farmers who assist each other through an exchange of services and shall include operation of a commercial motor vehicle between the farms of the farmers who are exchanging services.

2. A fire fighter while operating a fire vehicle for a volunteer or paid fire organization or a peace officer, as defined in section 801.4, while operating a commercial motor vehicle for a law enforcement agency, under conditions necessary to preserve life or property or to execute related governmental functions.

3. The following persons when operating commercial motor vehicles for military purposes:

*a.* Active duty military personnel.

*b.* Members of the military reserves.

*c.* Members of the national guard on active duty, including personnel on full-time national guard duty, personnel on part-time national guard training, and national guard military technicians.

*d.* Active duty United States coast guard personnel.

4. A person while operating a motor home solely for personal or family use.

5. A person operating a motor vehicle with a gross vehicle weight rating of less than twenty-six thousand one pounds towing a travel trailer or fifth-wheel travel trailer solely for personal or family use.

6. A person exempted by rules adopted by the department pursuant to section 321.176B.

7. A home care aide operating a motor vehicle in the course of the home care aide's duties.

90 Acts, ch 1230, §22; 92 Acts, ch 1175, §20; 93 Acts, ch 139, § 8; 96 Acts, ch 1152, §9; 2005 Acts, ch 8, §14; 2006 Acts, ch 1068, §19

Referred to in §321.188, 321.189, 321.463

**321.176B Persons exempt by rule from commercial driver's license requirements.**

If after July 1, 1990, federal law or federal regulations are changed to allow exemptions from commercial driver's license requirements for suppliers of agricultural inputs or their employees while delivering these products to their customers, the department shall immediately, pursuant to chapter 17A, adopt rules which allow these exemptions from the commercial driver's license requirements.

90 Acts, ch 1230, §23

Referred to in §321.176A

**321.177 Persons not to be licensed.**

The department shall not issue a driver's license:

1. To any person who is under the age of eighteen years except as provided in section 321.180B. However, the department may issue a driver's license to certain minors as provided in section 321.178 or 321.194, or a driver's license restricted to motorized bicycles as provided in section 321.189.

2. To any person holding any other driver's license.

3. To any person whose driver's license or driving privilege is suspended or revoked.

4. To any person who is a chronic alcoholic, or is addicted to the use of an illegal narcotic drug.

5. To any person who has previously been adjudged to be incompetent by reason of mental illness and who has not at the time of application been restored to competency by the methods provided by law.

6. To any person who fails to pass an examination required by this chapter.

7. To any person when the director has good cause to believe the person by reason of physical or mental disability would not be able to operate a motor vehicle safely.

8. To any person to operate a commercial motor vehicle unless the person is eighteen years of age or older and the person qualifies under federal and state law to be issued a commercial driver's license in this state.

9. To any person, as a chauffeur, who is under the age of eighteen.

[C31, 35, §4960-d5 – 4960-d9; C39, §**5013.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.177]

85 Acts, ch 195, §34; 90 Acts, ch 1230, §24; 95 Acts, ch 194, §5; 98 Acts, ch 1073, §9; 98 Acts, ch 1112, §1, 14, 16; 2003 Acts, ch 145, §286; 2006 Acts, ch 1030, §35

Referred to in §321.180A

**321.178 Driver education — restricted license — reciprocity.**

1. *Approved course.*

*a.* An approved driver education course as programmed by the department shall consist of at least thirty clock hours of classroom instruction, of which no more than one hundred eighty minutes shall be provided to a student in a single day, and six or more clock hours of laboratory instruction of which at least three clock hours shall consist of street or highway driving. Classroom instruction shall include all of the following:

(1) A minimum of four hours of instruction concerning substance abuse.

(2) A minimum of twenty minutes of instruction concerning railroad crossing safety.

(3) Instruction relating to becoming an organ donor under the revised uniform anatomical gift Act as provided in chapter 142C.

(4) Instruction providing an awareness about sharing the road with bicycles and motorcycles. The instruction course shall be first approved by the state department of transportation. Instructional materials creating an awareness about sharing the road with bicycles and motorcycles shall also be distributed during the course of instruction.

*b.* (1) To be qualified as a classroom driver education instructor, a person shall have

satisfied the educational requirements for a teaching license at the elementary or secondary level and hold a valid license to teach driver education in the public schools of this state.

(2) (a) To be qualified to provide street or highway driving instruction, a person shall be certified by the department and authorized by the board of educational examiners. A person shall not be required to hold a current Iowa teacher or administrator license at the elementary or secondary level or to have satisfied the educational requirements for an Iowa teacher license at the elementary or secondary level in order to be certified by the department or authorized by the board of educational examiners to provide street or highway driving instruction.

(b) The department shall adopt rules pursuant to chapter 17A to provide for certification of persons qualified to provide street or highway driving instruction. The board of educational examiners shall adopt rules pursuant to chapter 17A to provide for authorization of persons certified by the department to provide street or highway driving instruction. The department may disqualify a person from providing street or highway driving instruction without concurrent or further action by the board of educational examiners, and the board of educational examiners may withhold or withdraw authorization to provide street or highway driving instruction without concurrent or further action by the department.

(3) The department shall not disqualify a person from providing street or highway driving instruction and the board of educational examiners shall not withhold or withdraw authorization to provide street or highway instruction for the sole reason that the person was involved in a motor vehicle accident, unless either of the following circumstances exist:

(a) The person contributed to the motor vehicle accident and the accident caused the death or serious injury of another person.

(b) The person contributed to the motor vehicle accident and it was the person's second or subsequent contributive motor vehicle accident in a two-year period.

(4) A person who provides street or highway driving instruction shall hold a driver's license valid for the vehicle operated.

*c.* Every public school district in Iowa shall offer or make available to all students residing in the school district, or Iowa students attending a nonpublic school or receiving competent private instruction or independent private instruction as defined in section 299A.1, in the district, an approved course in driver education. The receiving district shall be the school district responsible for making driver education available to a student participating in open enrollment under section 282.18. The courses may be offered at sites other than at the public school, including nonpublic school facilities within the public school districts. An approved course offered during the summer months, on Saturdays, after regular school hours during the regular terms or partly in one term or summer vacation period and partly in the succeeding term or summer vacation period, as the case may be, shall satisfy the requirements of this section to the same extent as an approved course offered during the regular school hours of the school term. A student who successfully completes and obtains certification in an approved course in driver education or an approved course in motorcycle education may, upon proof of such fact, be excused from any field test which the student would otherwise be required to take in demonstrating the student's ability to operate a motor vehicle. A student shall not be excused from any field test if a parent, guardian, or instructor requests that a test be administered. A final field test prior to a student's completion of an approved course shall be administered by a person qualified as a classroom driver education instructor and certified to provide street and highway driving instruction. A person qualified as a classroom driver education instructor but not certified to provide street and highway driving instruction may administer the final field test if accompanied by another person qualified to provide street and highway driving instruction.

*d.* *"Student"*, for purposes of this section, means a person between the ages of fourteen years and twenty-one years who satisfies the preliminary licensing requirements of the department.

*e.* Any person who successfully completes an approved driver education course at a private or commercial driver education school licensed by the department shall likewise be eligible for a driver's license as provided in section 321.180B or 321.194.

2. *Restricted license.*

*a.* (1) A person between sixteen and eighteen years of age who has completed an approved driver education course and is not in attendance at school and has not met the requirements described in section 299.2, subsection 1, may be issued a restricted license only for travel to and from work or to transport dependents to and from temporary care facilities, if necessary for the person to maintain the person's present employment. The restricted license shall be issued by the department only upon confirmation of the person's employment and need for a restricted license to travel to and from work or to transport dependents to and from temporary care facilities if necessary to maintain the person's employment. The employer shall notify the department if the employment of the person is terminated before the person attains the age of eighteen.

(2) (a) A person issued a restricted license under this section shall not use an electronic communication device or an electronic entertainment device while driving a motor vehicle unless the motor vehicle is at a complete stop off the traveled portion of the roadway. This subparagraph division does not apply to the use of electronic equipment which is permanently installed in the motor vehicle or to a portable device which is operated through permanently installed equipment.

(b) For the period beginning July 1, 2010, through June 30, 2011, peace officers shall issue only warning citations for violations of subparagraph division (a). The department, in cooperation with the department of public safety, shall establish educational programs to foster compliance with the requirements of subparagraph division (a).

*b.* The department may suspend a restricted driver's license issued under this section upon receiving satisfactory evidence that the licensee has violated the restrictions imposed under paragraph "*a*", subparagraph (2), subparagraph division (a). The department may also suspend a restricted license issued under this section upon receiving a record of the person's conviction for one violation and shall revoke the license upon receiving a record of conviction for two or more violations of a law of this state or a city ordinance regulating the operation of motor vehicles on highways, other than parking violations as defined in section 321.210. After revoking a license under this section the department shall not grant an application for a new license or permit until the expiration of one year or until the person attains the age of eighteen, whichever is the longer period.

*c.* A person who violates the restrictions imposed under paragraph "*a*", subparagraph (2), subparagraph division (a), may be issued a citation under this section and shall not be issued a citation under section 321.193. A violation of the restrictions imposed under paragraph "*a*", subparagraph (2), subparagraph division (a), shall not be considered a moving violation.

3. *Driver's license reciprocity.*

*a.* The department may issue a class C or M driver's license to a person who is sixteen or seventeen years of age and who is a current resident of the state, but who has been driving as a resident of another state for at least one year prior to residency within the state.

*b.* The following criteria must be met prior to issuance of a driver's license pursuant to this subsection:

(1) The minor must reside with a parent or guardian.

(2) The minor must have driven under a valid driver's license for at least one year in the prior state of residence. Six months of the one year computation may include driving with an instruction permit.

(3) The minor must have had no moving traffic violations on the minor's driving record.

(4) The minor must pass the written and driving skills tests as required by the department, but is not required to have taken a driver education class.

[C66, §321.177; C71, 73, 75, 77, 79, 81, §321.178; 82 Acts, ch 1215, §1, 2, ch 1248, §1]

84 Acts, ch 1022, §3; 86 Acts, ch 1220, §28; 89 Acts, ch 266, §1; 90 Acts, ch 1230, §25; 91 Acts, ch 128, §1, 2; 92 Acts, ch 1163, §75; 92 Acts, ch 1231, §44; 94 Acts, ch 1102, §1; 98 Acts, ch 1112, §2, 14, 16; 99 Acts, ch 13, §11; 2000 Acts, ch 1133, §3; 2001 Acts, ch 33, §1; 2002 Acts, ch 1140, §32, 33; 2003 Acts, ch 108, §55; 2005 Acts, ch 8, §15; 2006 Acts, ch 1021, §1; 2007 Acts, ch 44, §28; 2007 Acts, ch 214, §40; 2010 Acts, ch 1075, §1, 2; 2010 Acts, ch 1105, §1; 2011 Acts, ch 25, §28, 29; 2011 Acts, ch 38, §8; 2013 Acts, ch 121, §99

Referred to in §321.177, 321.178A, 321.180B, 321.191, 321.213B, 321.482A, 321A.17, 805.8A(4c)

Driver education courses to include instruction relating to energy efficiency and safety; 90 Acts, ch 1252, §54

Department of public health to cooperate to provide materials and information relating to becoming an organ donor; 94 Acts, ch 1102, §3

For applicable scheduled fine, see §805.8A, subsection 4
Additional penalties for violations of subsection 2, paragraph a, subparagraph (2) causing serious injury or death, see §321.482A
2010 enactment of subsection 1, paragraph b, subparagraph (3) takes effect March 19, 2010, and applies retroactively to July 1, 2008, and to any accident that occurred on or after that date; 2010 Acts, ch 1075, §2
Subsection 1, paragraph c amended

**321.178A Driver education — teaching parent.**

1. *Teaching parent.* As an alternative to the driver education requirements under section 321.178, a teaching parent may instruct a student in a driver education course that meets the requirements of this section and provide evidence that the requirements under this section have been met.

2. *Definitions.* For purposes of this section:

*a.* *"Approved course"* means driver education curriculum approved by the department pursuant to rules adopted under chapter 17A. An approved course shall, at a minimum, meet the requirements of subsection 3 and be appropriate for teaching-parent-directed driver education and related street or highway instruction. Driver education materials that meet or exceed standards established by the department for an approved course in driver education for a public or private school shall be approved unless otherwise determined by the department. The list of approved courses shall be posted on the department's internet site.

*b.* *"Student"* means a person between the ages of fourteen and twenty-one years who is within the custody and control of the teaching parent and who satisfies preliminary licensing requirements of the department.

*c.* *"Teaching parent"* means a parent, guardian, or legal custodian of a student who is currently providing competent private instruction to the student pursuant to section 299A.2 or 299A.3 and who provided such instruction to the student during the previous year; who has a valid driver's license, other than a motorized bicycle license or a temporary restricted license, that permits unaccompanied driving; and who has maintained a clear driving record for the previous two years. For purposes of this paragraph, *"clear driving record"* means the individual has not been identified as a candidate for suspension or revocation of a driver's license under the habitual violator or habitual offender provisions of the department's regulations; is not subject to a driver's license suspension, revocation, denial, cancellation, disqualification, or bar; and has no record of a conviction for a moving traffic violation determined to be the cause of a motor vehicle accident.

3. *Course of instruction.*

*a.* An approved course administered by a teaching parent shall consist of but not be limited to the following:

(1) Thirty clock hours of classroom instruction.

(2) Forty hours of street or highway driving including four hours of driving after sunset and before sunrise while accompanied by the teaching parent.

(3) Four hours of classroom instruction concerning substance abuse.

(4) A minimum of twenty minutes of instruction concerning railroad crossing safety.

(5) Instruction relating to becoming an organ donor under the revised uniform anatomical gift Act as provided in chapter 142C.

(6) Instruction providing an awareness about sharing the road with bicycles and motorcycles.

*b.* The content of the course of instruction required under this subsection shall be equivalent to that required under section 321.178. However, reference and study materials, physical classroom requirements, and extra vehicle safety equipment required for instruction under section 321.178 shall not be required for the course of instruction provided under this section.

4. *Course completion and certification.* Upon application by a student for an intermediate license, the teaching parent shall provide evidence showing the student's completion of an approved course and substantial compliance with the requirements of subsection 3 by affidavit signed by the teaching parent on a form to be provided by the department. The evidence shall include all of the following:

*a.* Documentation that the instructor is a teaching parent as defined in subsection 2.

*b.* Documentation that the student is receiving competent private instruction under section 299A.2 or the name of the school district within which the student is receiving instruction under section 299A.3.

*c.* The name of the approved course completed by the student.

*d.* An affidavit attesting to satisfactory completion of course work and street or highway driving instruction.

*e.* Copies of written tests completed by the student.

*f.* A statement of the number of classroom hours of instruction.

*g.* A log of completed street or highway driving instruction including the dates when the lessons were conducted, the student's and the teaching parent's name and initials noted next to each entry, notes on driving activities including a list of driving deficiencies and improvements, and the duration of the driving time for each session.

5. *Intermediate license.* Any student who successfully completes an approved course as provided in this section, passes a driving test to be administered by the department, and is otherwise qualified under section 321.180B, subsection 2, shall be eligible for an intermediate license pursuant to section 321.180B. Twenty of the forty hours of street or highway driving instruction required under subsection 3, paragraph "*a*", subparagraph (2), may be used to satisfy the requirement of section 321.180B, subsection 2.

6. *Full license.* A student must comply with section 321.180B, subsection 4, to be eligible for a full driver's license pursuant to section 321.180B.

2013 Acts, ch 121, §100
NEW section

**321.179 Motorcycle rider education fund.**

The motorcycle rider education fund is established in the office of the treasurer of state. The moneys credited to the fund are appropriated to the state department of transportation to be used to establish new motorcycle rider education courses and reimburse sponsors of motorcycle rider education courses for the costs of providing motorcycle rider education courses approved and established by the department. The department shall adopt rules under chapter 17A providing for the distribution of moneys to sponsors of motorcycle rider education courses based upon the cost of providing the education courses.

2010 Acts, ch 1069, §43
Referred to in §321.34, 321.145, 321.180B

**321.180 Instruction permits.**

1. *a.* (1) A person who is at least eighteen years of age and who, except for the person's lack of instruction in operating a motor vehicle, would be qualified to obtain a driver's license, shall, upon meeting the requirements of section 321.186 other than a driving demonstration, and upon paying the required fee, be issued an instruction permit by the department. Subject to the limitations in this subsection, an instruction permit entitles the permittee, while having the permit in the permittee's immediate possession, to operate a motor vehicle, other than a commercial motor vehicle or as a chauffeur or a motor vehicle with a gross vehicle weight rating of sixteen thousand one or more pounds, upon the highways for a period not to exceed four years from the licensee's birthday anniversary in the year of issuance. If the applicant for an instruction permit holds a driver's license issued in this state valid for the operation of a motorized bicycle or a motorcycle, the instruction permit shall be valid for such operation without the need of an accompanying person.

(2) A permittee shall not be penalized for failing to have the instruction permit in immediate possession if the permittee produces in court, within a reasonable time, an instruction permit issued to the permittee and valid at the time of the permittee's arrest or at the time the permittee was charged with failure to have the permit in the permittee's immediate possession.

*b.* (1) Except as otherwise provided, a permittee who is eighteen years of age or older must be accompanied by a person issued a driver's license valid for the vehicle operated who is a member of the permittee's immediate family if the family member is at least twenty-one years of age, an approved driver education instructor, a prospective driver

education instructor who is enrolled in a practitioner preparation program with a safety education program approved by the state board of education, or a person at least twenty-five years of age, and who is actually occupying a seat beside the driver.

(2) However, if the permittee is operating a motorcycle in accordance with this section or section 321.180B, the accompanying person must be within audible and visual communications distance from the permittee and be accompanying the permittee on or in a different motor vehicle. Only one permittee shall be under the immediate supervision of an accompanying qualified person.

2. A person who holds a class A, B, C, or D driver's license, upon meeting each of the following requirements, shall be eligible to apply for a commercial driver's instruction permit valid for the operation of a commercial motor vehicle, except a vehicle transporting hazardous materials requiring placarding, when the permittee is accompanied by a person properly licensed to operate a commercial motor vehicle and actually occupying a seat beside the permittee. An applicant must be at least eighteen years of age and qualified to obtain a valid commercial driver's license including the requirements of section 321.188 other than the knowledge examination and driving skills tests. The commercial driver's instruction permit shall be valid for a period not to exceed six months. A commercial driver's instruction permit may be renewed only once in any two-year period. If the applicant for a commercial driver's instruction permit holds a driver's license issued in this state valid for the operation of a commercial or noncommercial vehicle, the commercial driver's instruction permit shall be valid for such operation without the need of an accompanying person.

3. A person, upon meeting each of the following requirements, shall be eligible to apply for a chauffeur's instruction permit valid for the operation of a motor vehicle, other than a commercial motor vehicle, as a chauffeur when the permittee is accompanied by a person, possessing a valid class D driver's license or commercial driver's license valid for the operation of the motor vehicle and the accompanying person is actually occupying a seat beside the permittee. An applicant must be at least eighteen years of age, otherwise qualified to obtain a class D driver's license, and must meet the requirements of section 321.186 other than a driving demonstration. The chauffeur's instruction permit shall be valid for a period not to exceed two years from the licensee's birthday anniversary in the year of issuance and shall be returned to the department upon issuance of a class D driver's license or commercial driver's license. If the applicant for a chauffeur's instruction permit holds a driver's license issued under this chapter, the chauffeur's instruction permit shall be valid in the same manner as the driver's license would be for the operation of motor vehicles without the need of an accompanying person.

4. The instruction permit, chauffeur's instruction permit, and commercial driver's instruction permit are subject to suspension or revocation for the same reasons and in the same manner as suspension or revocation of a driver's license.

5. A motorcycle instruction permit issued under this section is not renewable.

[C31, 35, §4960-d23; C39, §**5013.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.180]

88 Acts, ch 1134, §67; 89 Acts, ch 265, §39; 90 Acts, ch 1230, §26; 98 Acts, ch 1073, §9; 98 Acts, ch 1112, §3, 4, 14, 16; 2006 Acts, ch 1068, §20, 21; 2010 Acts, ch 1061, §180

Referred to in §321.196, 805.8A(4d)
Fee, §321.191
For applicable scheduled fine, see §805.8A, subsection 4

**321.180A Special instruction permit.**

1. Notwithstanding other provisions of this chapter, a person with a physical disability, who is not suffering from a convulsive disorder and who can provide a favorable medical report, whose license renewal has been denied under section 321.177, subsection 6 or 7, or whose driver's license has been suspended under section 321.210, subsection 1, paragraph "*a*", subparagraph (3), upon meeting the requirements of section 321.186, other than a driving demonstration or the person's limitations which caused the denial under section 321.177, subsection 6 or 7, or suspension under section 321.210, subsection 1, paragraph "*a*", subparagraph (3), and upon paying the fee required in section 321.191, shall be issued a special instruction permit by the department. Upon issuance of the permit the denial or suspension shall be stayed and the stay shall remain in effect as long as the permit is valid.

2. *a.* A special instruction permit entitles the permittee, while having the permit in the permittee's immediate possession, to operate a noncommercial motor vehicle upon the highways for a period of six months from the date of issuance. However, the permittee must be accompanied by a person who is at least twenty-one years of age, who has been issued a driver's license valid for the vehicle being operated, and who is actually occupying a seat beside the permittee.

*b.* A permittee shall not be penalized for failing to have the permit in immediate possession if the permittee produces in court, within a reasonable time, the special instruction permit issued to the permittee which was valid at the time of the permittee's arrest.

3. The permittee may apply for a driver's license if thirty days have elapsed since issuance of the special instruction permit. The department shall issue a driver's license if the permittee is qualified, passes all required tests, including a driving test, and pays the required fees. If the person has not obtained a driver's license before expiration of the person's special instruction permit, the person's former denial or suspension under section 321.177, subsection 6 or 7, or section 321.210, subsection 1, paragraph "*a*", subparagraph (3), upon service of notice by the department, shall be reinstated. A permit shall be reissued for one additional six-month period if a permittee continues to meet the qualifications of subsection 1 and has incurred no motor vehicle violations.

90 Acts, ch 1230, §27; 96 Acts, ch 1129, §78; 98 Acts, ch 1073, §9; 2010 Acts, ch 1061, §170

**321.180B Graduated driver's licenses for persons aged fourteen through seventeen.**

Persons under age eighteen shall not be issued a license or permit to operate a motor vehicle except under the provisions of this section. However, the department may issue restricted and special driver's licenses to certain minors as provided in sections 321.178 and 321.194, and driver's licenses restricted to motorized bicycles as provided in section 321.189. A license or permit shall not be issued under this section or section 321.178 or 321.194 without the consent of a parent or guardian or a person having custody of the applicant under chapter 232 or 600A. An additional consent is required each time a license or permit is issued under this section or section 321.178 or 321.194. The consent must be signed by at least one parent, guardian, or custodian on an affidavit form provided by the department.

1. *Instruction permit.*

*a.* The department may issue an instruction permit to an applicant between the ages of fourteen and eighteen years if the applicant meets the requirements of sections 321.184 and 321.186, other than a driving demonstration, and pays the required fee. An instruction permit issued under this section shall be valid for a period not to exceed four years from the licensee's birthday anniversary in the year of issuance. A motorcycle instruction permit issued under this section is not renewable.

*b.* Subject to the limitations in this subsection, an instruction permit entitles the permittee, while having the permit in the permittee's immediate possession, to operate a motor vehicle other than a commercial motor vehicle or as a chauffeur or a motor vehicle with a gross vehicle weight rating of sixteen thousand one or more pounds upon the highways.

*c.* (1) Except as otherwise provided, a permittee who is less than eighteen years of age and who is operating a motor vehicle must be accompanied by a person issued a driver's license valid for the vehicle operated who is the parent, guardian, or custodian of the permittee, a member of the permittee's immediate family if the family member is at least twenty-one years of age, an approved driver education instructor, a prospective driver education instructor who is enrolled in a practitioner preparation program with a safety education program approved by the state board of education, or a person at least twenty-five years of age if written permission is granted by the parent, guardian, or custodian, and who is actually occupying a seat beside the driver. A permittee shall not operate a motor vehicle if the number of passengers in the motor vehicle exceeds the number of passenger safety belts in the motor vehicle. If the applicant for an instruction permit holds a driver's license issued in this state valid for the operation of a motorized bicycle or a motorcycle, the instruction permit shall be valid for such operation without the requirement of an accompanying person.

(2) If the permittee is operating a motorcycle in accordance with this section, the accompanying person must be within audible and visual communications distance from the

permittee and be accompanying the permittee on or in a different motor vehicle. Only one permittee shall be under the immediate supervision of an accompanying qualified person.

*d.* A permittee shall not be penalized for failing to have the instruction permit in the permittee's immediate possession if the permittee produces in court, within a reasonable time, an instruction permit issued to the permittee and valid at the time of the permittee's arrest or at the time the permittee was charged with failure to have the permit in the permittee's immediate possession.

2. *Intermediate license.*

*a.* The department may issue an intermediate driver's license to a person sixteen or seventeen years of age who possesses an instruction permit issued under subsection 1 or a comparable instruction permit issued by another state for a minimum of twelve months immediately preceding application, and who presents an affidavit signed by a parent, guardian, or custodian on a form to be provided by the department that the permittee has accumulated a total of twenty hours of street or highway driving of which two hours were conducted after sunset and before sunrise and the street or highway driving was with the permittee's parent, guardian, custodian, instructor, a person certified by the department, or a person at least twenty-five years of age who had written permission from a parent, guardian, or custodian to accompany the permittee, and whose driving privileges have not been suspended, revoked, or barred under this chapter or chapter 321J during, and who has been accident and violation free continuously for, the six-month period immediately preceding the application for an intermediate license. An applicant for an intermediate license must meet the requirements of section 321.186, including satisfactory completion of driver education as required in section 321.178 or 321.178A, and payment of the required license fee before an intermediate license will be issued. A person issued an intermediate license must limit the number of passengers in the motor vehicle when the intermediate licensee is operating the motor vehicle to the number of passenger safety belts. In addition, unless waived by the person's parent or guardian at the time the intermediate license is issued, for the first six months following issuance of the license, a person issued an intermediate license must limit the number of unrelated minor passengers in the motor vehicle when the intermediate licensee is operating the motor vehicle to one, except when the intermediate licensee is accompanied in accordance with subsection 1. For purposes of this subsection, *"unrelated minor passenger"* means a passenger who is under eighteen years of age and who is not a sibling of the driver, a stepsibling of the driver, or a child who resides in the same household as the driver. The department shall prescribe the form for waiver of the six-month restriction on unrelated minor passengers, which may be in an electronic format, and shall designate characteristics for the intermediate license that shall distinguish between an intermediate license that includes the six-month restriction on unrelated minor passengers and an intermediate license that does not include the six-month restriction on unrelated minor passengers.

*b.* Except as otherwise provided, a person issued an intermediate license under this subsection who is operating a motor vehicle between the hours of 12:30 a.m. and 5:00 a.m. must be accompanied by a person issued a driver's license valid for the vehicle operated who is the parent, guardian, or custodian of the intermediate licensee, a member of the intermediate licensee's immediate family if the family member is at least twenty-one years of age, an approved driver education instructor, a prospective driver education instructor who is enrolled in a practitioner preparation program with a safety education program approved by the state board of education, or a person at least twenty-five years of age if written permission is granted by the parent, guardian, or custodian, and who is actually occupying a seat beside the driver. However, a licensee may operate a vehicle to and from school-related extracurricular activities and work without an accompanying driver between the hours of 12:30 a.m. and 5:00 a.m. if the licensee possesses a waiver on a form to be provided by the department. An accompanying driver is not required between the hours of 5:00 a.m. and 12:30 a.m.

3. *Remedial driver improvement action — suspension of permit, intermediate license, or full license.*

*a.* A person who has been issued an instruction permit, an intermediate license, or a

full driver's license under this section, upon conviction of a moving traffic violation or involvement in a motor vehicle accident which occurred during the term of the instruction permit or intermediate license, shall be subject to remedial driver improvement action or suspension of the permit or current license. A person possessing an instruction permit who has been convicted of a moving traffic violation or has been involved in an accident shall not be issued an intermediate license until the person has completed the remedial driver improvement action and has been accident and violation free continuously for the six-month period immediately preceding the application for the intermediate license. A person possessing an intermediate license who has been convicted of a moving traffic violation or has been involved in an accident shall not be issued a full driver's license until the person has completed the remedial driver improvement action and has been accident and violation free continuously for the twelve-month period immediately preceding the application for a full driver's license.

*b.* The department may suspend an instruction permit, intermediate license, or full license issued under this section upon receiving satisfactory evidence that the person issued the instruction permit, intermediate license, or full license violated the restrictions imposed under subsection 1, 2, or 6 during the term of the instruction permit or intermediate license.

4. *Full driver's license.* A full driver's license may be issued to a person seventeen years of age who possesses an intermediate license issued under subsection 2 or a comparable intermediate license issued by another state for a minimum of twelve months immediately preceding application, and who presents an affidavit signed by a parent, guardian, or custodian on a form to be provided by the department that the intermediate licensee has accumulated a total of ten hours of street or highway driving of which two hours were conducted after sunset and before sunrise and the street or highway driving was with the licensee's parent, guardian, custodian, instructor, a person certified by the department, or a person at least twenty-five years of age who had written permission from a parent, guardian, or custodian to accompany the licensee, whose driving privileges have not been suspended, revoked, or barred under this chapter or chapter 321J during, and who has been accident and violation free continuously for, the twelve-month period immediately preceding the application for a full driver's license, and who has paid the required fee.

5. *Class M license education requirements.* A person under the age of eighteen applying for an intermediate or full driver's license valid for the operation of a motorcycle shall be required to successfully complete a motorcycle education course either approved and established by the department of transportation or from a private or commercial driver education school licensed by the department of transportation before the class M license will be issued. A public school district shall charge a student a fee which shall not exceed the actual cost of instruction minus moneys received by the school district under section 321.179.

6. *Use of electronic devices or equipment.*

*a.* A person issued an instruction permit or intermediate driver's license under this section shall not use an electronic communication device or an electronic entertainment device while driving a motor vehicle unless the motor vehicle is at a complete stop off the traveled portion of the roadway. This paragraph does not apply to the use of electronic equipment which is permanently installed in the motor vehicle or to a portable device which is operated through permanently installed equipment.

*b.* For the period beginning July 1, 2010, through June 30, 2011, peace officers shall issue only warning citations for violations of paragraph *"a"*. The department, in cooperation with the department of public safety, shall establish educational programs to foster compliance with the requirements of paragraph *"a"*.

7. *Citations for violation of restrictions.* A person who violates the restrictions imposed under subsection 1, 2, or 6 may be issued a citation under this section and shall not be issued a citation under section 321.193. A violation of the restrictions imposed under subsection 1, 2, or 6 shall not be considered a moving violation.

8. *Rules.* The department may adopt rules pursuant to chapter 17A to administer this section.

98 Acts, ch 1112, §5, 14, 16; 99 Acts, ch 13, §12, 13; 99 Acts, ch 128, §1 – 3; 2006 Acts, ch 1068, §22 – 24; 2009 Acts, ch 130, §2 – 5; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1069, §44; 2010 Acts, ch 1105, §2; 2011 Acts, ch 38, §9 – 11; 2012 Acts, ch 1021, §66; 2013 Acts, ch 80, §1, 3; 2013 Acts, ch 90, §78; 2013 Acts, ch 121, §101

Referred to in §321.177, 321.178, 321.178A, 321.180, 321.189, 321.194, 321.196, 321.218A, 321.482A, 321A.17, 805.8A(4e)

For applicable scheduled fine, see §805.8A, subsection 4

Additional penalties for violations causing injury or death, see §321.482A

2013 amendments to subsection 2 by 2013 Acts, ch 80, §1, changing the length of time that an applicant for an intermediate driver's license must have had an instruction permit to twelve months and allowing for additional restrictions on the number of unrelated minor passengers that may ride in a vehicle driven by an intermediate driver's license holder, take effect January 1, 2014; 2013 Acts, ch 80, §3

See Code editor's note on simple harmonization

Subsection 1, paragraphs c, d, and e amended and redesignated as paragraphs c and d

Subsection 2 amended

**321.181 Temporary permit.**

The department may issue a temporary permit to an applicant for a driver's license permitting the applicant to operate a motor vehicle while the department is completing its investigation and determination of all facts relative to the applicant's privilege to receive the driver's license. The permit must be in the applicant's immediate possession while operating a motor vehicle. The temporary permit shall be invalid and returned to the department when the applicant's license is issued or when the license is denied.

[C39, §**5013.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.181]

90 Acts, ch 1230, §28; 96 Acts, ch 1152, §10; 98 Acts, ch 1073, §9

Referred to in §321.190

**321.182 Application.**

Every applicant for a driver's license shall do all of the following:

1. *a.* Make application on a form provided by the department which shall include the applicant's full name, signature, current mailing address, current residential address, date of birth, social security number, and physical description including sex, height, and eye color. The application may contain other information the department may require by rule. Pursuant to procedures established by the department and for an applicant who is a foreign national temporarily present in this state, the department may waive the requirement that the application include the applicant's social security number.

*b.* A licensee shall notify the department when the licensee's mailing address changes and provide the new address within thirty days of obtaining the new address. The application provided by the department shall include a statement for the applicant to sign that acknowledges the applicant's knowledge of the requirement to notify the department of a mailing address change. The penalty under section 321.482 shall not apply to a licensee's failure to notify the department of such an address change.

2. Surrender all other driver's licenses and nonoperator's identification cards.

3. Certify that the applicant has no other driver's license and certify that the applicant is a resident of this state as provided in section 321.1A. However, certification of residency is not required for an applicant for a nonresident commercial driver's license who is a foreign national temporarily present in this state, as determined by the department.

4. Certify that the applicant is not currently subject to suspension, revocation, or cancellation of any driver's license and has committed no offense and has not acted in a manner which either alone or with previous actions or offenses could result in suspension, revocation, or cancellation of any driver's license.

[C31, 35, §4960-d12; C39, §**5013.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.182]

90 Acts, ch 1230, §29; 95 Acts, ch 118, §21; 98 Acts, ch 1073, §9, 10; 2001 Acts, ch 32, §42; 2002 Acts, ch 1063, §23, 55

Referred to in §321.188, 321.190, 321.196

Voter registration, see §48A.18

**321.183 Application for driver's license or nonoperator's identification card — selective service registration.**

1. A person who applies for a driver's license or nonoperator's identification card or for

renewal of a driver's license or nonoperator's identification card, and who is required by 50 U.S.C. app. § 451 et seq. to register with the United States selective service system, shall be registered by the department with the selective service system. The department shall forward to the selective service system in an electronic format the necessary personal information of such applicant, notwithstanding provisions to the contrary in section 321.11, subsection 3.

2. An applicant's submission of an application for a driver's license or nonoperator's identification card or for renewal of a driver's license or nonoperator's identification card shall indicate that the applicant has already registered with the selective service system or that the applicant authorizes the department to forward the applicant's personal information to the selective service system for registration. The department shall notify the applicant on the application that submission of the application shall serve as consent to registration with the selective service system, if the applicant is required by 50 U.S.C. app. § 451 et seq. to register.

3. Notwithstanding subsections 1 and 2, an applicant for a driver's license or nonoperator's identification card or for renewal of a driver's license or nonoperator's identification card who is required to register with the United States selective service system shall not be registered by the department if, after being given information on the penalties for failure to register, the applicant declines to be registered. The department shall forward to the selective service system in an electronic format the applicable personal information of such applicant indicating the applicant refused to be registered.

2003 Acts, ch 41, §1

Referred to in §321.190

**321.184 Applications of unmarried minors.**

1. *Consent required.* The application of an unmarried person under the age of eighteen years for a driver's license shall contain the verified consent and confirmation of the applicant's birthday by either parent of the applicant, the guardian of the applicant, or a person having custody of the applicant under chapter 232 or 600A. Officers and employees of the department may administer the oaths without charge.

2. *Withdrawal of consent.* The person who provided the signed consent under subsection 1 may withdraw that consent at any time. The withdrawal of consent shall be in writing, signed and verified. The department, upon receipt of the withdrawal of consent, shall cancel the applicant's driver's license and shall not issue a new license until such time as a new application, duly signed and verified, is made as required in this chapter. This subsection does not apply if the licensee or permittee has attained the age of eighteen years or is married.

[C31, 35, §4960-d13; C39, §**5013.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.184; 82 Acts, ch 1248, §2]

84 Acts, ch 1219, §23; 86 Acts, ch 1048, §1; 90 Acts, ch 1230, §30; 98 Acts, ch 1073, §9; 2009 Acts, ch 130, §6

Referred to in §321.180B

**321.185 Death of person signing application — effect.**

The department upon receipt of satisfactory evidence of the death of the persons who signed the application of a minor for a license shall cancel such license and shall not issue a new license until such time as a new application, duly signed and verified, is made as required by this chapter. This provision shall not apply in the event the minor has attained the age of eighteen years.

[C39, §**5013.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.185]

**321.186 Examination of new or incompetent operators.**

1. The department may examine every new applicant for a driver's license or any person holding a valid driver's license when the department has reason to believe that the person may be physically or mentally incompetent to operate a motor vehicle, or whose driving record appears to the department to justify the examination. The department shall make every effort to accommodate a functionally illiterate applicant when the applicant is taking a knowledge test. The department shall make every effort to have an examiner conduct the commercial driver's license driving skills tests at other locations in this state where skills may

be adequately tested when requested by a person representing ten or more drivers requiring driving skills testing.

2. The department shall make every effort to accommodate a commercial driver's license applicant's need to arrange an appointment for a driving skills test at an established test site other than where the applicant passed the required knowledge test. The department shall report to the governor and the general assembly on any problems, extraordinary costs, and recommendations regarding the appointment scheduling process.

3. The examination shall include a screening of the applicant's eyesight, a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic, a test of the applicant's knowledge of the traffic laws of this state, an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle, and other physical and mental examinations as the department finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways. However, an applicant for a new driver's license need not pass a vision test administered by the department if the applicant files with the department a vision report in accordance with section 321.186A which shows that the applicant's visual acuity level meets or exceeds those required by the department.

4. A physician licensed under chapter 148, an advanced registered nurse practitioner licensed under chapter 152 and registered with the board of nursing, a physician assistant licensed under chapter 148C, or an optometrist licensed under chapter 154 may report to the department the identity of a person who has been diagnosed as having a physical or mental condition which would render the person physically or mentally incompetent to operate a motor vehicle in a safe manner. The physician, advanced registered nurse practitioner, physician assistant, or optometrist shall make reasonable efforts to notify the person who is the subject of the report, in writing. The written notification shall state the nature of the disclosure and the reason for the disclosure. A physician, advanced registered nurse practitioner, physician assistant, or optometrist making a report under this section shall be immune from any liability, civil or criminal, which might otherwise be incurred or imposed as a result of the report. A physician, advanced registered nurse practitioner, physician assistant, or optometrist has no duty to make a report or to warn third parties with regard to any knowledge concerning a person's mental or physical competency to operate a motor vehicle in a safe manner. Any report received by the department from a physician, advanced registered nurse practitioner, physician assistant, or optometrist under this section shall be kept confidential. Information regulated by chapter 141A shall be subject to the confidentiality provisions and remedies of that chapter.

[C31, 35, §4960-d14; C39, §**5013.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.186]

90 Acts, ch 1230, §31; 92 Acts, ch 1175, §32; 98 Acts, ch 1029, §1; 98 Acts, ch 1073, §9; 99 Acts, ch 181, §16; 2002 Acts, ch 1032, §1; 2008 Acts, ch 1088, §119; 2011 Acts, ch 5, §1; 2012 Acts, ch 1021, §67

Referred to in §321.180, 321.180A, 321.180B

**321.186A Vision report in lieu of vision test.**

1. An applicant for a new or renewed driver's license need not take a vision test administered by the department if the applicant files with the department a vision report signed by a licensed vision specialist in accordance with this section.

2. An applicant for such a new or renewed driver's license who fails a vision test administered by the department may subsequently be issued the driver's license without need of passing a department administered vision test, if the applicant files with the department a vision report from a licensed vision specialist in accordance with this section.

3. The vision report shall state the visual acuity level of the applicant as measured by the vision specialist and shall be in the form and include other information as required by rule of the department. A vision report is valid only if the visual acuity level of the applicant has been measured by the licensed vision specialist within thirty days before the application for the new or renewed driver's license.

4. As used in this section, a *"licensed vision specialist"* means a physician licensed under chapter 148 or an optometrist licensed under chapter 154.

90 Acts, ch 1230, §32; 98 Acts, ch 1073, §9; 2008 Acts, ch 1088, §120; 2011 Acts, ch 38, §12
Referred to in §321.186, 321.189, 321.196

**321.187 Examiners.**

1. The department shall examine applicants for driver's licenses. Examiners of the department shall wear an identifying badge and uniform provided by the department.

2. The department may by rule designate community colleges to administer the driving skills test required for a commercial driver's license provided that all of the following occur:

*a.* The driving skills test is the same as that which would otherwise be administered by the state.

*b.* The examiner contractually agrees to comply with the requirements of 49 C.F.R. § 383.75 as adopted by rule by the department.

[C31, 35, §4960-d17; C39, §**5013.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.187]
90 Acts, ch 1230, §33; 98 Acts, ch 1073, §10; 99 Acts, ch 96, §29

**321.188 Commercial driver's license requirements.**

1. Before the department issues, renews, or upgrades a commercial driver's license and in addition to the requirements of section 321.182, the license applicant shall do all of the following:

*a.* Certify whether the applicant is subject to and meets applicable driver qualifications of 49 C.F.R. pt. 391 as adopted by rule by the department.

*b.* Certify the applicant is not subject to any commercial driver's license disqualification and has committed no offense and has not acted in a manner which either alone or with previous actions or offenses could result in commercial driver's license disqualification.

*c.* Successfully pass knowledge tests and driving skills tests, provide self-certification of type of driving, and provide a medical examiner's certificate prepared by a medical examiner, as defined in 49 C.F.R. § 390.5, as required by rule by the department. The rules adopted shall substantially comply with the federal minimum testing and licensing requirements in 49 C.F.R. pt. 383, subpts. E, G, and H, as adopted by rule by the department. Except as required under 49 C.F.R. pt. 383, subpt. E, G, or H, a commercial driver's license is renewable without a driving skills test within one year after its expiration date.

*d.* Certify the vehicle to be operated in the driving skills tests represents the largest class of vehicle the applicant will operate on the highway.

*e.* Certify that the applicant is a resident of Iowa or a resident of a foreign jurisdiction.

*f.* Identify all states where the applicant has been licensed to drive any type of motor vehicle during the previous ten years.

2. An applicant for a commercial driver's license may substitute for a driving skills test the applicant's operating record and previous passage of a driving skills test or the applicant's operating record and previous driving experience if all of the following conditions exist:

*a.* The applicant is currently licensed to operate a commercial motor vehicle.

*b.* The applicant certifies that during the two years immediately preceding application all of the following apply:

(1) The applicant has not held driver's licenses valid for the operation of commercial motor vehicles from more than one state simultaneously.

(2) The applicant has not had any convictions which are federal commercial driver's license disqualifying offenses under 49 C.F.R. § 383.51 as adopted by rule by the department while operating any type of vehicle.

(3) The applicant has not committed a traffic violation, other than a parking violation, arising in connection with a traffic accident.

(4) No record of an accident exists for which the applicant was convicted of a moving traffic violation.

(5) The applicant has not had any driver's license suspended, revoked, or canceled.

*c.* The applicant provides evidence of and certifies that the applicant is employed in a job

requiring operation of a commercial motor vehicle and the applicant has done one of the following:

(1) Has previously passed a driving skills test given by this state or its designee in a motor vehicle representative of the class of motor vehicle the applicant will operate.

(2) Has operated during the two-year period immediately preceding the application a motor vehicle representative of the class of motor vehicle the applicant will operate.

3. An applicant for a hazardous material endorsement must pass a knowledge test as required under 49 C.F.R. § 383.121 as adopted by rule by the department to obtain or retain the endorsement. However, an applicant for license issuance who was previously issued a commercial driver's license from another state may retain the hazardous material endorsement from the previously issued license if the applicant successfully passed the endorsement test within the preceding twenty-four months. Pursuant to procedures established by the department, an applicant for a hazardous material endorsement must also comply with the application and security threat assessment requirements established under 49 C.F.R. pt. 383, 384, and 1572. A hazardous material endorsement shall be revoked or denied if the department determines that the applicant has not complied with or met the security threat assessment standards.

4. The department shall check the applicant's driving record as maintained by the applicant's current licensing state, the national commercial driver's license information system, and the national driver register to determine whether the applicant qualifies to be issued a commercial driver's license. The department shall notify the national commercial driver's license information system of the issuance, renewal, or upgrade of a commercial driver's license and shall post the driver's self-certification of type of driving as required by rule. The department shall also post information from the medical examiner's certificate required under subsection 1, paragraph "*c*", to the national commercial driver's license information system, if required by rule.

5. A resident of this state holding a commercial driver's license issued by a former state of residence in conformity with the federal commercial driver testing and licensing standards shall not be required to take a knowledge or driving skills test prior to issuance of a commercial driver's license in this state, except a basic Iowa rules of the road knowledge test and, when applicable, motorcycle operator knowledge and driving skills tests. The commercial driver's license issued by this state shall be valid for operation of the same class of vehicles with the same endorsements and restrictions as in the former state of licensure. However, a person with a hazardous materials endorsement must comply with subsection 3.

6. *a.* The department may waive the requirement that an applicant pass a driving skills test specified in this section for an applicant who is on active duty in the military service, or who has separated from such service in the last ninety days, who certifies that during the two-year period immediately preceding application for a commercial driver's license, all of the following apply:

(1) The applicant has not had more than one driver's license, other than a military license.

(2) The applicant has not had any driver's license suspended, revoked, or canceled.

(3) The applicant has not been convicted of an offense committed while operating any type of motor vehicle that is listed as a disqualifying offense in 49 C.F.R. § 383.51(b).

(4) The applicant has not had more than one conviction for an offense committed while operating any type of motor vehicle that is listed as a serious traffic violation in 49 C.F.R. § 383.51(c).

(5) The applicant has not had a conviction for a violation of a state or local law relating to motor vehicle traffic control, other than a parking violation, arising in connection with any traffic accident and has no record of a traffic accident in which the applicant was at fault.

*b.* An applicant for a waiver of the driving skills test under this subsection shall certify and provide evidence as required by the department that the following apply:

(1) The applicant is regularly employed or was regularly employed within the last ninety days in a military position requiring operation of a commercial motor vehicle.

(2) The applicant was exempt from commercial driver licensing requirements pursuant to section 321.176A, subsection 3, or a comparable law of another state implementing 49 C.F.R. § 383.3(c).

(3) The applicant was operating a motor vehicle representative of the class of motor vehicle the applicant operates or expects to operate for at least two years immediately preceding honorable separation from military service as evidenced by the person's certificate of release or discharge from active duty, commonly referred to as a DD214.

*c.* An applicant who obtains a driving skills test waiver under this subsection shall take and successfully pass the knowledge test required pursuant to subsection 1.

90 Acts, ch 1230, §34; 92 Acts, ch 1175, §21; 98 Acts, ch 1073, §9, 10; 99 Acts, ch 96, §30 – 32; 2000 Acts, ch 1133, §4; 2004 Acts, ch 1013, §28, 35; 2006 Acts, ch 1068, §25; 2011 Acts, ch 25, §30; 2011 Acts, ch 38, §13, 14; 2012 Acts, ch 1058, §1; 2012 Acts, ch 1138, §62; 2013 Acts, ch 90, §79

Referred to in §321.180, 321.196, 321.207

Subsection 6, paragraph c amended

**321.189 Driver's license — content.**

1. *Classification and issuance.*

*a.* Upon payment of the required fee, the department shall issue to every qualified applicant a driver's license. Driver's licenses shall be classified as follows:

(1) Class A — Valid for the operation of vehicles with a gross combination weight rating of twenty-six thousand one or more pounds if the towed vehicle or vehicles have a gross vehicle weight rating or gross combination weight rating of ten thousand one or more pounds, and also valid for the operation of vehicles with lower gross combination weight ratings and other vehicles except motorcycles.

(2) Class B — Valid for the operation of a vehicle with a gross vehicle weight rating of twenty-six thousand one or more pounds or a combination of vehicles with a gross combination weight rating of twenty-six thousand one or more pounds if the towing vehicle has a gross vehicle weight rating of twenty-six thousand one or more pounds and the towed vehicle or vehicles have a gross vehicle weight rating or gross combination weight rating of less than ten thousand one pounds, and also valid for the operation of vehicles with lower gross vehicle weight ratings or gross combination weight ratings except motorcycles.

(3) Class C — Valid for the operation of a vehicle, other than a motorcycle, or a combination of vehicles with a gross combination weight rating of twenty-six thousand one or more pounds provided the towing vehicle has a gross vehicle weight rating of less than twenty-six thousand one pounds and each towed vehicle has a gross vehicle weight rating of less than ten thousand one pounds, or a combination of vehicles with a gross vehicle weight rating or gross combination weight rating of less than twenty-six thousand one pounds and also valid for the operation of any vehicle, other than a motorcycle, for which the operator is exempt from commercial driver's license requirements under section 321.176A.

(4) Class D — Valid for the operation of a motor vehicle as a chauffeur.

(5) Class M — Valid for the operation of a motorcycle.

*b.* A driver's license may be issued for more than one class. Class A and B driver's licenses shall only be issued as commercial driver's licenses. Class C and M driver's licenses may be issued as commercial driver's licenses. A driver's license is not valid for the operation of a vehicle requiring an endorsement unless the driver's license is endorsed for the vehicle. A class D driver's license is also valid as a noncommercial class C driver's license. The holder of a commercial driver's license is not required to obtain a class D driver's license to operate a motor vehicle as a chauffeur. When necessary, the department shall by rule create additional classes or modify existing classes of driver's licenses, however, the rule shall be temporary and if within sixty days after the next regular session of the general assembly convenes the general assembly has not made corresponding changes in this chapter, the temporary classification or modification shall be nullified.

2. *Content of license.*

*a.* Appearing on the driver's license shall be a distinguishing number assigned to the licensee; the licensee's full name, date of birth, sex, and residence address; a colored photograph; a physical description of the licensee; the name of the state; the dates of issuance and expiration; and the usual signature of the licensee. The license shall identify the

class of vehicle the licensee may operate and the applicable endorsements and restrictions which the department shall require by rule.

*b.* A commercial driver's license shall include the licensee's address as required under federal regulations, and the words "commercial driver's license" or "CDL" shall appear prominently on the face of the license. If the applicant is a nonresident, the license must conspicuously display the word "nonresident".

*c.* The department shall assign an applicant for a driver's license a distinguishing driver's license number other than the applicant's social security number.

*d.* The license may contain other information as required under the department's rules.

3. *Replacement.* If prior to the renewal date, a person desires to obtain a driver's license in the form authorized by this section, a license may be issued as a voluntary replacement upon payment of the required fee as set by the department by rule. A person shall return a driver's license and be issued a new license when the first license contains inaccurate information upon payment of the required fee as set by the department by rule.

4. *Symbols.* Upon the request of a licensee, the department shall indicate on the license the presence of a medical condition, that the licensee is a donor under the revised uniform anatomical gift Act as provided in chapter 142C, or that the licensee has in effect a medical advance directive. For purposes of this subsection, a medical advance directive includes but is not limited to a valid durable power of attorney for health care as defined in section 144B.1. The license may contain such other information as the department may require by rule.

5. *Tamperproofing.* The department shall issue a driver's license by a method or process which prevents as nearly as possible the alteration, reproduction, or superimposition of a photograph on the license without ready detection.

6. *Licenses issued to persons under age twenty-one.* A driver's license issued to a person under eighteen years of age shall contain the same information as any other driver's license except that the words "under eighteen" shall appear prominently on the face of the license. A driver's license issued to a person eighteen years of age or older but less than twenty-one years of age shall contain the same information as any other driver's license except that the words "under twenty-one" shall appear prominently on the face of the license. Upon attaining the age of eighteen or upon attaining the age of twenty-one, and upon payment of a one dollar fee, the person shall be entitled to a new driver's license or nonoperator's identification card for the unexpired months of the driver's license or card. An instruction permit or intermediate license issued under section 321.180B, subsection 1 or 2, shall include a distinctive color bar. An intermediate license issued under section 321.180B, subsection 2, shall include the words "intermediate license" printed prominently on the face of the license.

7. *Motorized bicycle.*

*a.* The department may issue a driver's license valid only for operation of a motorized bicycle to a person fourteen years of age or older who has passed a vision test or who files a vision report as provided in section 321.186A which shows that the applicant's visual acuity level meets or exceeds those required by the department and who passes a written examination on the rules of the road. A person under the age of sixteen applying for a driver's license valid only for operation of a motorized bicycle shall also be required to successfully complete a motorized bicycle education course approved and established by the department or successfully complete an approved motorized bicycle education course at a private or commercial driver education school licensed by the department. A public school district shall charge a student a fee which shall not exceed the actual cost of instruction. A driver's license valid only for operation of a motorized bicycle entitles the licensee to operate a motorized bicycle upon the highway while having the license in the licensee's immediate possession. The license is valid for a period not to exceed two years from the licensee's birthday anniversary in the year of issuance, subject to termination or cancellation as provided in this section.

*b.* A driver's license valid only for operation of a motorized bicycle shall be canceled upon a conviction for a moving traffic violation and reapplication may be made thirty days after the date of cancellation. The cancellation of the license upon conviction for a moving traffic violation shall not result in requiring the applicant to maintain proof of financial

responsibility under section 321A.17, unless the conviction would otherwise result in a suspension or revocation of a person's driver's license.

*c.* As used in this section, "*moving traffic violation*" does not include a parking violation as defined in section 321.210 or a violation of a section of the Code or municipal ordinance pertaining to standards to be maintained for motor vehicle equipment except sections 321.430 and 321.431, or except a municipal ordinance pertaining to motor vehicle brake requirements as applicable to motorized bicycles.

*d.* The holder of any class of driver's license may operate a motorized bicycle.

*e.* A person who violates this subsection commits a simple misdemeanor.

8. *Veterans status.* A licensee who is an honorably discharged veteran of the armed forces of the United States may request that the license be marked to reflect the licensee's veteran status. Upon such a request, the word "VETERAN" shall be marked prominently on the face of the license. Such a license shall be issued only upon receipt of satisfactory proof of veteran status pursuant to procedures established by the department in consultation with the department of veterans affairs.

[C31, 35, §4960-d19, -d20, -d22, -d28; C39, §**5013.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §321.189; C77, 79, 81, §321.189; 81 Acts, ch 107, §1, 2]

84 Acts, ch 1022, §4; 84 Acts, ch 1292, §3; 87 Acts, ch 167, §1; 87 Acts, ch 206, §2, 3; 90 Acts, ch 1230, §35; 92 Acts, ch 1175, §22, 23; 93 Acts, ch 164, §1; 94 Acts, ch 1102, §2; 95 Acts, ch 67, §25; 95 Acts, ch 95, §1; 95 Acts, ch 118, §22; 96 Acts, ch 1017, §1 – 3; 97 Acts, ch 74, §1; 98 Acts, ch 1073, §9; 98 Acts, ch 1112, §6, 7, 14, 16; 99 Acts, ch 13, §14; 2001 Acts, ch 90, §2; 2001 Acts, ch 132, §5; 2001 Acts, ch 180, §7; 2003 Acts, ch 108, §56; 2006 Acts, ch 1068, §26; 2007 Acts, ch 44, §29; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1140, §5; 2012 Acts, ch 1091, §2; 2013 Acts, ch 82, §1

Referred to in §321.177, 321.180B, 321.189A, 321.190, 321.191, 321.213

Driver's license fees, see §321.191

Intermediate driver's license to indicate applicability of six-month restriction on unrelated minor passengers; see §321.180B(2)

Subsection 8 amended

**321.189A Driver's license for undercover law enforcement officers — fee — penalties.**

1. The department may issue undercover driver's licenses to certified peace officers employed by a local authority or by the state or federal law enforcement officers for use in the line of duty when a fictitious identity is necessary. The department, in cooperation with the commissioner of public safety, shall adopt rules pursuant to chapter 17A regarding the issuance, use, and cancellation of licenses issued pursuant to this section.

2. A license issued pursuant to this section shall only be issued to a certified peace officer or federal law enforcement officer, who is qualified to obtain the class of license sought, at the request of the law enforcement agency employing the officer for official use when the officer is involved in duty in which a fictitious identity is necessary. An officer issued a license pursuant to this section shall surrender the license when the license is no longer needed.

3. *a.* A license issued pursuant to this section shall only be used in the line of duty when it is necessary for the officer holding the license to assume a fictitious identity. An officer issued a license pursuant to this section shall report as soon as practical to the law enforcement agency employing the officer any traffic citation issued to the officer while using the officer's fictitious identity.

*b.* An officer using a license issued under this section shall not be prosecuted for a public offense under this chapter if the offense was committed in the line of duty and was necessary to protect the identity of the officer. However, this paragraph shall not apply to a violation of subsection 4, paragraph "*a*".

4. *a.* An officer who provides the department false information for the purposes of obtaining a license under this section commits a class "D" felony.

*b.* An officer who displays or uses a license issued pursuant to this section during the commission or attempted commission of a public offense other than a public offense referred to in subsection 3 or who knowingly permits another person to use the license issued under this section commits a class "D" felony.

*c.* An officer who displays or uses a license issued pursuant to this section in any manner which is not a public offense but which is not authorized under this section or who

knowingly fails or refuses to surrender the license upon demand by the department commits an aggravated misdemeanor.

5. The fee for issuing a license under this section shall be the same as for licenses issued pursuant to section 321.189.

6. The department shall keep as confidential public records under section 22.7, all records regarding licenses issued under this section.

97 Acts, ch 92, §2; 98 Acts, ch 1073, §10
Referred to in §22.7

**321.190 Issuance of nonoperator's identification cards — fee.**

1. *Application for and contents of card.*

*a.* The department shall, upon application and payment of the required fee, issue to an applicant a nonoperator's identification card. To be valid the card shall bear a distinguishing number other than a social security number assigned to the cardholder, the full name, date of birth, sex, residence address, a physical description and a colored photograph of the cardholder, the usual signature of the cardholder, and such other information as the department may require by rule. An applicant for a nonoperator's identification card shall apply for the card in the manner provided in section 321.182, subsections 1 through 3. The card shall be issued to the applicant at the time of application pursuant to procedures established by rule. An applicant for a nonoperator's identification card who is required by 50 U.S.C. app. § 451 et seq. to register with the United States selective service system shall be registered by the department with the selective service system as provided in section 321.183.

*b.* (1) The department shall not issue a card to a person holding a driver's license. However, a card may be issued to a person holding a temporary permit under section 321.181. The card shall be identical in form to a driver's license issued under section 321.189 except the word "nonoperator" shall appear prominently on the face of the card.

(2) A nonoperator's identification card issued to a person under eighteen years of age shall contain the same information as any other nonoperator's identification card except that the words "under eighteen" shall appear prominently on the face of the card.

(3) A nonoperator's identification card issued to a person eighteen years of age or older but under twenty-one years of age shall contain the same information as any other nonoperator's identification card except that the words "under twenty-one" shall appear prominently on the face of the card.

(4) A nonoperator's identification card issued to an honorably discharged veteran of the armed forces of the United States who satisfies the requirements of section 321.189, subsection 8, shall contain the same information as any other nonoperator's identification card except the word "VETERAN" shall appear prominently on the face of the card.

*c.* The department shall use a process or processes for issuance of a nonoperator's identification card that prevent, as nearly as possible, the opportunity for alteration or reproduction of, and the superimposition of a photograph on the nonoperator's identification card without ready detection.

*d.* The fee for a nonoperator's identification card shall be eight dollars and the card shall be valid for a period of eight years from the date of issuance. If an applicant for a nonoperator's identification card is a foreign national who is temporarily present in this state, the nonoperator's identification card shall be issued only for the length of time the foreign national is authorized to be present as determined by the department, not to exceed two years. An issuance fee shall not be charged for a person whose driver's license or driving privilege has been suspended under section 321.210, subsection 1, paragraph "*a*", subparagraph (3), or voluntarily surrendered by the person in lieu of suspension under section 321.210, subsection 1, paragraph "*a*".

2. *Cancellation.* The department shall cancel a person's nonoperator's identification card upon determining the person was not entitled to be issued the card, did not provide

correct information, committed fraud in applying for the card, or unlawfully used a nonoperator's identification card.

[C77, 79, 81, §321.190]

84 Acts, ch 1305, §65; 89 Acts, ch 317, §32; 90 Acts, ch 1230, §36, 37; 96 Acts, ch 1090, §2; 96 Acts, ch 1152, §11; 97 Acts, ch 74, §2; 98 Acts, ch 1073, §9; 2001 Acts, ch 132, §6; 2002 Acts, ch 1063, §24; 2003 Acts, ch 41, §2; 2006 Acts, ch 1068, §27; 2010 Acts, ch 1061, §112; 2011 Acts, ch 34, §80; 2012 Acts, ch 1091, §3; 2013 Acts, ch 82, §2, 5

Referred to in §123.48, 142C.2, 321M.1, 453A.4

Voter registration, see §48A.18

For provisions relating to the transition from five-year to eight-year renewal periods for driver's licenses and nonoperator's identification cards, see 2013 Acts, ch 104, § 2, 4

Subsection 1, paragraph d amended

**321.191 Fees for driver's licenses.**

1. *Instruction permits.* The fee for an instruction permit, other than a special instruction permit, chauffeur's instruction permit, or commercial driver's instruction permit, is six dollars. The fee for a special instruction permit is ten dollars. The fee for a chauffeur's instruction permit or commercial driver's instruction permit is twelve dollars.

2. *Noncommercial driver's licenses.* The fee for a noncommercial driver's license, other than a class D driver's license or any type of instruction permit, is four dollars per year of license validity.

3. *Licenses for chauffeurs.* The fee for a noncommercial class D driver's license is eight dollars per year of license validity.

4. *Commercial driver's licenses.* The fee for a commercial driver's license, other than an instruction permit, for the operation of a commercial motor vehicle is eight dollars per year of license validity.

5. *Licenses valid for motorcycles.* An additional fee of two dollars per year of license validity is required to issue a license valid to operate a motorcycle.

6. *Special minors' licenses.* Notwithstanding subsection 2, the fee for a driver's license issued to a minor under section 321.194 or a restricted license issued to a minor under section 321.178, subsection 2, is eight dollars.

7. *Endorsements and removal of air brake restrictions.* The fee for a double/triple trailer endorsement, tank vehicle endorsement, and hazardous materials endorsement is five dollars for each endorsement. The fee for a passenger endorsement or a school bus endorsement is ten dollars. The fee for removal of an air brake restriction on a commercial driver's license is ten dollars. Fees imposed under this subsection for endorsements or removal of restrictions are valid for the period of the license. Upon renewal of a commercial driver's license, no fee is payable for retaining endorsements or the removal of the air brake restriction for those endorsements or restrictions which do not require the taking of either a knowledge or a driving skills test for renewal.

8. *Driver's license reinstatements.* The fee for reinstatement of a driver's license shall be twenty dollars for a license which is, after notice and opportunity for hearing, canceled, suspended, revoked, or barred. However, reinstatement of the privilege suspended under section 321.210, subsection 1, paragraph "*a*", subparagraph (3), shall be without fee. The fee for reinstatement of the privilege to operate a commercial motor vehicle after a period of disqualification shall be twenty dollars.

9. *Upgrading a license class privilege — fee adjustment.*

*a.* If an applicant wishes to upgrade a license class privilege, the fee charged shall be prorated on full-year fee increments of the new license in accordance with rules adopted by the department. The expiration date of the new license shall be the expiration date of the currently held driver's license. The fee for a commercial driver's license endorsement, the removal of an air brake restriction, or a commercial driver's license instruction permit shall not be prorated.

*b.* As used in this subsection "*to upgrade a license class privilege*" means to add any privilege to a valid driver's license. The addition of a privilege includes converting from a noncommercial to a commercial license, converting from a noncommercial class C to a class D license, converting an instruction permit to a class license, adding any privilege to

a section 321.189, subsection 7, license, adding an instruction permit privilege, adding a section 321.189, subsection 7, license to an instruction permit, and adding any privilege relating to a driver's license issued to a minor under section 321.194 or 321.178.

[C31, 35, §4960-d26; C39, §**5013.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.191; 82 Acts, ch 1160, §1, ch 1167, §1]

84 Acts, ch 1305, §66; 86 Acts, ch 1220, §29; 87 Acts, ch 167, §2; 87 Acts, ch 206, §4; 90 Acts, ch 1230, §38; 96 Acts, ch 1152, §12; 98 Acts, ch 1073, §9, 10; 2002 Acts, ch 1063, §25 – 27; 2003 Acts, ch 8, §14, 26; 2005 Acts, ch 8, §16, 17; 2008 Acts, ch 1113, §29; 2010 Acts, ch 1061, §171

Referred to in §321.12, 321.180A, 321.210B, 321.211, 321.212

**321.192 Waivers or refunds of fees.** Repealed by 2009 Acts, ch 130, § 17.

**321.193 Restrictions on licenses — penalty.**

1. *a.* As provided by rule, the department may impose restrictions suitable to the licensee's driving ability with respect to the type of motor vehicle or special mechanical control devices required on a motor vehicle which the licensee may operate or other restrictions applicable to the licensee as the department may determine to be appropriate.

*b.* The department may set forth restrictions upon the driver's license.

2. The department may suspend or revoke the driver's license upon receiving satisfactory evidence of any violation of the license's restrictions.

3. It is a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 4, for a person to operate a motor vehicle in any manner in violation of the restrictions imposed on a restricted license issued to that person under this section.

[C39, §**5013.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.193]

90 Acts, ch 1230, §39; 92 Acts, ch 1175, §33; 98 Acts, ch 1073, §9, 12; 2001 Acts, ch 176, §51, 59; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1190, §39

Referred to in §321.178, 321.180B, 321.194, 321.213, 805.8A(4f)

**321.194 Special minors' licenses.**

1. *Driver's license issued for travel to and from school.* Upon certification of a special need by the school board, superintendent of the applicant's school, or principal, if authorized by the superintendent, the department may issue a class C or M driver's license to a person between the ages of fourteen and eighteen years whose driving privileges have not been suspended, revoked, or barred under this chapter or chapter 321J during, and who has not been convicted of a moving traffic violation or involved in a motor vehicle accident for, the six-month period immediately preceding the application for the special minor's license and who has successfully completed an approved driver education course. However, the completion of a course is not required if the applicant demonstrates to the satisfaction of the department that completion of the course would impose a hardship upon the applicant. The department shall adopt rules defining the term *"hardship"* and establish procedures for the demonstration and determination of when completion of the course would impose a hardship upon an applicant.

*a.* The driver's license entitles the holder, while having the license in immediate possession, to operate a motor vehicle other than a commercial motor vehicle or as a chauffeur:

(1) During the hours of 5:00 a.m. to 10:00 p.m. over the most direct and accessible route between the licensee's residence and schools of enrollment or the closest school bus stop or public transportation service, and between schools of enrollment, for the purpose of attending duly scheduled courses of instruction and extracurricular activities within the school district.

(2) To a service station for the purpose of refueling, so long as the service station is the station closest to the route the licensee is traveling on under subparagraph (1).

(3) At any time when the licensee is accompanied in accordance with section 321.180B, subsection 1.

*b.* Unless accompanied in accordance with section 321.180B, subsection 1, a person issued a driver's license pursuant to this section must limit the number of unrelated minor passengers in the motor vehicle when the licensee is operating the motor vehicle to one. For purposes of this section, *"unrelated minor passenger"* means a passenger who is under

eighteen years of age and who is not a sibling of the driver, a stepsibling of the driver, or a child who resides in the same household as the driver.

*c.* Each application shall be accompanied by a statement from the school board, superintendent, or principal, if authorized by the superintendent, of the applicant's school. The statement shall be upon a form provided by the department. The school board, superintendent, or principal, if authorized by the superintendent, shall certify that a need exists for the license and that the board, superintendent, or principal authorized by the superintendent is not responsible for actions of the applicant which pertain to the use of the driver's license. Upon receipt of a statement of necessity, the department shall issue the driver's license. The fact that the applicant resides at a distance less than one mile from the applicant's school of enrollment is prima facie evidence of the nonexistence of necessity for the issuance of a license. The school board shall develop and adopt a policy establishing the criteria that shall be used by a school district administrator to approve or deny certification that a need exists for a license. The student may appeal to the school board the decision of a school district administrator to deny certification. The decision of the school board is final. The driver's license shall not be issued for purposes of attending a public school in a school district other than either of the following:

(1) The district of residence of the parent or guardian of the student.

(2) A district which is contiguous to the district of residence of the parent or guardian of the student, if the student is enrolled in the public school which is not the school district of residence because of open enrollment under section 282.18 or as a result of an election by the student's district of residence to enter into one or more sharing agreements pursuant to the procedures in chapter 282.

*d.* (1) A person issued a driver's license under this section shall not use an electronic communication device or an electronic entertainment device while driving a motor vehicle unless the motor vehicle is at a complete stop off the traveled portion of the roadway. This subparagraph does not apply to the use of electronic equipment which is permanently installed in the motor vehicle or to a portable device which is operated through permanently installed equipment.

(2) For the period beginning July 1, 2010, through June 30, 2011, peace officers shall issue only warning citations for violations of subparagraph (1). The department, in cooperation with the department of public safety, shall establish educational programs to foster compliance with the requirements of subparagraph (1).

2. *Suspension and revocation.* A driver's license issued under this section is subject to suspension or revocation for the same reasons and in the same manner as suspension or revocation of any other driver's license. The department may also suspend a driver's license issued under this section upon receiving satisfactory evidence that the licensee has violated the restrictions of the license or has been involved in one or more accidents chargeable to the licensee. The department may suspend a driver's license issued under this section upon receiving a record of the licensee's conviction for one violation. The department shall revoke the license upon receiving a record of conviction for two or more violations of a law of this state or a city ordinance regulating the operation of motor vehicles on highways other than parking violations as defined in section 321.210. After a person licensed under this section receives two or more convictions which require revocation of the person's license under this section, the department shall not grant an application for a new driver's license until the expiration of one year.

3. *Citations for violation of restrictions.* A person who violates the restrictions imposed under subsection 1, paragraph *"a"* or *"d"*, may be issued a citation under this section and shall not be issued a citation under section 321.193. A violation of the restrictions imposed under subsection 1, paragraph *"a"* or *"d"*, shall not be considered a moving violation.

[C31, 35, §4960-d5; C39, §**5013.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.194; 82 Acts, ch 1248, §3]

83 Acts, ch 49, §1, 4; 83 Acts, ch 101, §68; 84 Acts, ch 1022, §5; 84 Acts, ch 1219, §24; 89 Acts, ch 266, §2; 90 Acts, ch 1230, §40; 98 Acts, ch 1073, §9; 98 Acts, ch 1112, §8, 14, 16; 2001

Acts, ch 159, §17; 2005 Acts, ch 8, §18; 2009 Acts, ch 130, §7, 8; 2010 Acts, ch 1105, §3; 2011 Acts, ch 38, §15, 16; 2013 Acts, ch 80, §2, 3
Referred to in §321.177, 321.178, 321.180B, 321.191, 321.213, 321.482A, 321A.17, 805.8A(4g)
For applicable scheduled fine, see §805.8A, subsection 4
Additional penalties for violations causing injury or death, see §321.482A
Subsection 1, NEW paragraph b, takes effect January 1, 2014; 2013 Acts, ch 80, §3
Subsection 1, NEW paragraph b and former paragraphs b and c redesignated as c and d

**321.195 Replacement of driver's licenses and nonoperator's identification cards.**

A fee of ten dollars shall be charged for the replacement of a driver's license or nonoperator's identification card. If a driver's license or nonoperator's identification card issued under this chapter is lost or destroyed, the person to whom the license or card was issued must furnish proof satisfactory to the department that the driver's license or nonoperator's identification card has been lost or destroyed in order to obtain a replacement.

[C31, 35, §4960-d27; C39, §**5013.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.195]
89 Acts, ch 317, §33; 91 Acts, ch 27, §2; 98 Acts, ch 1073, §9, 10; 2013 Acts, ch 82, §3
Section amended

**321.196 Expiration of license — renewal.**

1. Except as otherwise provided, if the licensee is between the ages of seventeen years eleven months and seventy-two years on the date of issuance of the license, a driver's license, other than an instruction permit, chauffeur's instruction permit, or commercial driver's instruction permit issued under section 321.180, expires eight years from the licensee's birthday anniversary occurring in the year of issuance, but not to exceed the licensee's seventy-fourth birthday. If the licensee is under the age of seventeen years eleven months or age seventy-two or over, the license is effective for a period of two years from the licensee's birthday anniversary occurring in the year of issuance. A licensee whose license is restricted due to vision or other physical deficiencies may be required to renew the license every two years. If a licensee is a foreign national who is temporarily present in this state, the license shall be issued only for the length of time the foreign national is authorized to be present as verified by the department, not to exceed two years.

2. Except as required in section 321.188, and except for a motorcycle instruction permit issued in accordance with section 321.180 or 321.180B, a driver's license is renewable without a driving test or written examination within a period of one year after its expiration date. A person shall not be considered to be driving with an invalid license during a period of sixty days following the license expiration date. However, for a license renewed within the sixty-day period, the date of issuance shall be considered to be the previous birthday anniversary on which it expired.

3. For the purposes of this section, the birthday anniversary of a person born on February 29 shall be deemed to occur on March 1.

4. The department in its discretion may authorize the renewal of a valid driver's license other than a commercial driver's license upon application without an examination provided that the applicant meets one of the following conditions:

*a.* The applicant satisfactorily passes a vision test as prescribed by the department.

*b.* The applicant files a vision report in accordance with section 321.186A which shows that the applicant's visual acuity level meets or exceeds those required by the department.

*c.* The applicant is eligible for license renewal electronically, pursuant to rules adopted by the department. An applicant shall not be eligible for electronic renewal of a driver's license if the most recent previous renewal of the applicant's driver's license occurred electronically.

5. An application for renewal of a driver's license shall include a statement for the applicant to sign that acknowledges the applicant's knowledge of the requirement to notify the department of a mailing address change under section 321.182, subsection 1.

6. A resident of Iowa holding a valid driver's license who is temporarily absent from the state or incapacitated, may, at the time for renewal of such license, apply to the department for a temporary extension of the license. The department upon receipt of the application

shall, upon a showing of good cause, issue a temporary extension of the driver's license for a period not to exceed six months.

[C31, 35, §4960-d15, -d30; C39, §**5013.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.196]

84 Acts, ch 1219, §25; 85 Acts, ch 195, §35; 86 Acts, ch 1220, §30; 87 Acts, ch 167, §3; 89 Acts, ch 296, §31; 90 Acts, ch 1230, §41; 93 Acts, ch 51, §1; 98 Acts, ch 1073, §9; 98 Acts, ch 1112, §9, 14, 16; 2000 Acts, ch 1133, §5; 2001 Acts, ch 32, §43; 2001 Acts, ch 180, §8; 2002 Acts, ch 1063, §28; 2008 Acts, ch 1018, §22; 2009 Acts, ch 124, §1; 2013 Acts, ch 82, §4, 5; 2013 Acts, ch 104, §1, 4

For provisions relating to the transition from five-year to eight-year renewal periods for driver's licenses and nonoperator's identification cards, see 2013 Acts, ch 104, § 2, 4

Subsection 1 amended

Subsection 4 amended, divided, and renumbered as subsections 4 and 5 and former subsection 5 renumbered as 6

**321.197** Repealed by its own terms; 90 Acts, ch 1230, § 42.

**321.198 Military service exception.**

1. *a.* The effective date of a valid driver's license issued under the laws of this state, held by any person at the time of entering the military service of the United States or of the state of Iowa, notwithstanding the expiration of the license according to its terms, is extended without fee until six months following the initial separation from active duty of the person from the military service, provided the person is not suffering from physical disabilities which impair the person's competency as an operator, and provided further that the licensee shall furnish, upon demand of any peace officer, satisfactory evidence of the person's military service. However, a person entitled to the benefits of this section who is charged with operating a motor vehicle without a valid driver's license shall not be convicted if the person produces in court, within a reasonable time, a valid driver's license previously issued to that person along with satisfactory evidence of the person's military service as provided in this paragraph.

*b.* The department is authorized to renew any driver's license falling within the provisions and limitations of paragraph "*a*", without examination, upon application and payment of fee made within six months following separation from the military service.

*c.* For purposes of this subsection, a United States department of defense common access card issued to a person is satisfactory evidence of the person's current military service, and a certificate of release or discharge from active duty, commonly referred to as a DD214, is satisfactory evidence of a person's previous military service and separation from active duty. A person who produces a valid driver's license previously issued to the person along with the person's common access card or DD214 shall not be required to produce any additional documentation to satisfy the requirements of paragraph "*a*".

2. The provisions of this section shall also apply to the spouse and children, or ward of such military personnel when such spouse, children, or ward are living with the above described military personnel outside of the state of Iowa and provided that such extension of license does not exceed five years.

3. A person whose period of validity of the person's driver's license is extended under this section may file an application in accordance with rules adopted by the department to have the person's record of issuance of a driver's license retained in the department's record system during the period for which the driver's license remains valid. If a person has had the record of issuance of the person's driver's license removed from the department's records, the person shall have the person's record of driver's license issuance reentered by the department upon request if the request is accompanied by a letter from the applicable person's commanding officer verifying the military service.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.198]

87 Acts, ch 167, §5; 87 Acts, ch 170, §5; 90 Acts, ch 1230, § 43, 44; 98 Acts, ch 1073, §9; 2005 Acts, ch 8, §19; 2010 Acts, ch 1069, §92; 2012 Acts, ch 1070, §1

**321.199 Driver's license records.**

The department shall file every application for a license received by it and shall maintain suitable indexes containing, in alphabetical order, all of the following:

1. All applications denied and the reasons for the denial.
2. All applications granted.
3. The name of every licensee who has been disqualified from operating a commercial motor vehicle or whose license has been suspended, revoked, or canceled by the department and after each name a note on the reasons for the action.

[C31, 35, §4960-d18; C39, §**5013.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.199]
90 Acts, ch 1230, §45; 98 Acts, ch 1073, §9

**321.200 Conviction and accident file.**

The department shall also file all accident reports and abstracts of court records of convictions received by it under the laws of this state or any other state or foreign jurisdiction and in connection therewith maintain convenient records or make suitable notations in order that an individual record of each licensee showing the convictions of such licensee and the traffic accidents in which the licensee has been involved shall be readily ascertainable and available for the consideration of the department upon any application for renewal of license and at other suitable times.

[C39, §**5013.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.200]
2005 Acts, ch 8, §20
Referred to in §321.213, 321.267A

**321.200A Convictions based upon fraud.**

1. If a person discovers a record of conviction for a scheduled violation under this chapter was entered by fraudulent use of the person's name or by use of other fraudulent identification, the person may, within one year of the date of the discovery of the conviction, submit a written application to the department to investigate the allegation. The department may summarily reject the application as submitted or proceed to investigate the application. If the department investigates the application, the department may either deny the application or, if the department determines the allegation is warranted, approve the application. If the department investigates the application, the department shall also issue a report and findings with the decision of the department. The rejection, approval, or denial of an application is not subject to contested case proceedings or further review as provided in chapter 17A. If the application is investigated, the department shall provide the applicant with a certified copy of the decision of the department. If the department approves the application, the department shall also provide the applicant with a certified copy of the investigative report and findings. The department shall also provide certified copies of the department's decision approving or denying the application together with the investigative report and findings to the appropriate prosecuting attorney in the city or county that prosecuted the scheduled violation and to the district court in the county that prosecuted the scheduled violation. The department may electronically provide copies of any decision approving or denying the application and the investigative report and findings to the district court.

2. A person who discovers that a record of conviction for a scheduled violation under this chapter was entered by fraudulent use of the person's name or by use of other fraudulent identification may bypass the application process in subsection 1 and move in district court to set aside the judgment of conviction within one year of discovery of the conviction. An applicant with an approved application under subsection 1 shall also move in district court to set aside the judgment of conviction in order to have the department expunge or alter the records of the department or rescind or modify an administrative sanction. If the district court grants the motion to set aside the judgment, the district court shall order the charging agency or official to modify the records of the agency or official to reflect the order setting aside the judgment. The clerk of the district court shall provide the court order setting aside the judgment, either by regular mail or electronic means, to the charging agency or official,

and the department of transportation. The clerk of the district court shall also provide the applicant with a certified copy of the court order at no cost to the applicant.

3. Notwithstanding the department's approval of an application pursuant to subsection 1, the department shall not expunge or alter the records of the department or rescind or modify an administrative sanction unless the department receives an order from the district court setting aside the previous judgment of the court as provided in subsection 2. Upon receiving a copy of an order from the district court setting aside the previous judgment of the court, the department shall expunge the record and shall rescind any administrative sanction imposed upon the applicant as a result of the judgment, unless the applicant is subject to sanctions for other reasons. The department may impose a new sanction if expunging the judgment would result in a lesser or different sanction.

4. The department shall adopt rules pursuant to chapter 17A to implement this section.

2009 Acts, ch 124, §2

Referred to in §811.9

## CANCELLATION, SUSPENSION, OR REVOCATION OF LICENSES

**321.201 Cancellation and return of license — prohibition from issuance of commercial driver's license for false information.**

1. *a.* The department may cancel a driver's license upon determination of any of the following:

(1) That the licensee was not entitled to the issuance of the license.

(2) That the licensee failed to give required or correct information or committed fraud in making the application.

*b.* Upon cancellation, the licensee shall immediately return the license to the department.

2. Upon cancellation of a commercial driver's license for providing false information or committing fraud in the application, the applicant shall not operate a commercial motor vehicle in this state and shall not be issued a license valid to operate a commercial motor vehicle for a period of sixty days.

[C31, 35, §4960-d33; C39, §**5014.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.201]

90 Acts, ch 1230, §46; 98 Acts, ch 1073, §9; 2010 Acts, ch 1061, §180

**321.202** Repealed by 90 Acts, ch 1230, § 97.

**321.203 Suspending privileges of nonresidents.**

A nonresident's privilege to operate a motor vehicle on a highway in this state is subject to suspension or revocation for the same reasons and in the same manner as suspension or revocation of a resident's driver's license and is also subject to suspension as provided in section 321.513.

[C31, 35, §4960-d37; C39, §**5014.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.203]

90 Acts, ch 1230, §47

**321.204 Certification of conviction — notification of commercial driver's license disqualification.**

1. The department is authorized, upon receiving a record of the conviction in this state of a nonresident operator of a motor vehicle for any offense under the motor vehicle laws of this state, to forward a certified written or electronic record of the conviction to the motor vehicle administrator in the licensing state.

2. The department shall notify the commercial driver's license information system and the commercial motor vehicle administrator in the licensing state, if applicable, of the disqualification of a commercial driver within ten days of any of the following:

*a.* The disqualification of the commercial driver under section 321.208 if the disqualification is for sixty days or more.

*b.* The suspension or revocation of a commercial driver's license if the suspension or revocation is for sixty days or more.

*c.* The cancellation of a commercial driver's license.

[C31, 35, §4960-d41; C39, §**5014.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.204]

90 Acts, ch 1230, §48

Referred to in §321.208

**321.205 Conviction or administrative decision in another jurisdiction.**

The department is authorized to suspend or revoke the driver's license of a resident of this state or disqualify a resident of this state from operating a commercial motor vehicle for any of the following reasons:

1. Upon receiving notice of the conviction of the resident in another state for an offense which, if committed in this state, would be grounds for the suspension or revocation of the license or disqualification of the person from operating a commercial motor vehicle.

2. Upon receiving notice of a final administrative decision in another state that the resident has acted in a manner which would be grounds for suspension or revocation of the license or disqualification of the person from operating a commercial motor vehicle in this state.

[C31, 35, §4960-d39; C39, §**5014.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.205]

90 Acts, ch 1230, §49; 93 Acts, ch 16, §3; 93 Acts, ch 87, § 4; 96 Acts, ch 1218, §58; 98 Acts, ch 1073, §9; 2005 Acts, ch 8, §21

Referred to in §321.210C

**321.206 Surrender of license — duty of court.**

If a person is convicted in court of an offense for which this chapter requires mandatory revocation of the person's driver's license or, if the person's license is a commercial driver's license and the conviction disqualifies the person from operating a commercial motor vehicle, the court shall require the person to surrender the driver's license held by the person and the court shall destroy the license or forward the license together with a record of the conviction to the department as provided in section 321.491.

[C31, 35, §4960-d32; C39, §**5014.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.206]

90 Acts, ch 1230, §50; 98 Acts, ch 1073, §9; 2007 Acts, ch 143, §14

Referred to in §321.210D

**321.207 Downgrade of commercial driver's license.**

The department shall adopt rules for downgrading a commercial driver's license to a noncommercial status upon a driver's failure to provide a medical examiner's certificate as required pursuant to section 321.188, subsection 1, paragraph "*c*", or upon a driver's failure to provide a self-certification of type of driving as required pursuant to section 321.188, subsection 1, paragraph "*c*". The rules shall substantially comply with 49 C.F.R. § 383.71 and 383.73, as adopted by rule by the department.

2011 Acts, ch 38, §17

Referred to in §321.174

**321.208 Commercial driver's license disqualification — replacement driver's license — temporary license.**

1. A person is disqualified from operating a commercial motor vehicle for one year upon a conviction or final administrative decision that the person has committed any of the following acts or offenses in any state or foreign jurisdiction while operating a commercial motor vehicle:

*a.* Operating a commercial motor vehicle with an alcohol concentration, as defined in section 321J.1, of 0.04 or more.

*b.* Operating a commercial motor vehicle when, as a result of prior violations committed while operating a commercial motor vehicle, the person's commercial driver's license is revoked, suspended, or canceled or the person is disqualified from operating a commercial motor vehicle.

*c.* Operating a commercial motor vehicle involved in a fatal accident and being convicted of manslaughter or vehicular homicide.

2. A person is disqualified from operating a commercial motor vehicle for one year upon a conviction or final administrative decision that the person has committed any of the following acts or offenses in any state or foreign jurisdiction while operating a commercial motor vehicle or while operating a noncommercial motor vehicle and holding a commercial driver's license:

*a.* Operating a motor vehicle while intoxicated, as provided in section 321J.2, subsection 1.

*b.* Refusal to submit to chemical testing required under chapter 321J.

*c.* Leaving the scene or failure to stop or render aid at the scene of an accident involving the person's vehicle.

*d.* A felony or aggravated misdemeanor involving the use of a motor vehicle other than an offense involving manufacturing, distributing, or dispensing a controlled substance.

3. A person is disqualified from operating a commercial motor vehicle for three years if an act or offense described in subsection 1 or 2 occurred while the person was operating a commercial motor vehicle transporting hazardous material of a type or quantity requiring vehicle placarding.

4. A person is disqualified from operating a commercial motor vehicle for life if convicted or found to have committed two or more of the acts or offenses described in subsection 1 or 2 arising out of two or more separate incidents. However, a disqualification for life is subject to a reduction to a ten-year disqualification as provided in 49 C.F.R. § 383.51 as adopted by rule by the department.

5. A person is disqualified from operating a commercial motor vehicle for life upon a conviction that the person used a commercial or noncommercial motor vehicle in the commission of a felony or aggravated misdemeanor involving the manufacturing, distributing, or dispensing of a controlled substance as defined in section 124.101 and held a commercial driver's license at the time the offense was committed.

6. A person is disqualified from operating a commercial motor vehicle if the person receives convictions for committing within any three-year period two or more of the following offenses while operating a commercial motor vehicle, or while operating a noncommercial motor vehicle and holding a commercial driver's license if the convictions result in the revocation, cancellation, or suspension of the person's commercial driver's license or noncommercial motor vehicle driving privileges:

*a.* Operating a commercial motor vehicle upon a highway when not issued a commercial driver's license.

*b.* Operating a commercial motor vehicle upon a highway when not issued the proper class of commercial driver's license or endorsements for the specific vehicle group being operated or for the passengers or type of cargo being transported.

*c.* Operating a commercial motor vehicle upon a highway without immediate possession of a driver's license valid for the vehicle operated.

*d.* Speeding fifteen miles per hour or more over the legal speed limit.

*e.* Reckless driving.

*f.* Any violation of the traffic laws, except a parking violation or a vehicle weight violation, which arises in connection with a fatal traffic accident.

*g.* Following another motor vehicle too closely.

*h.* Improper lane changes in violation of section 321.306.

*i.* Violating a state or local law or ordinance on motor vehicle traffic control prohibiting texting while driving a commercial motor vehicle.

*j.* Violating a state or local law or ordinance on motor vehicle traffic control restricting or prohibiting the use of a hand-held mobile telephone while driving a commercial motor vehicle.

7. The period of disqualification under subsection 6 shall be sixty days for two offenses within any three-year period and one hundred twenty days for three offenses within any three-year period. Multiple periods of disqualification shall be consecutive.

8. A person is disqualified from operating a commercial motor vehicle when the person's driving privilege is suspended or revoked.

9. A person is disqualified from operating a commercial motor vehicle:

*a.* For no less than one hundred eighty days and no more than one year upon conviction for the first violation of an out-of-service order; for no less than two and not more than five years upon conviction for a second violation of an out-of-service order in separate incidents within a ten-year period; and for not less than three and not more than five years upon conviction for a third or subsequent violation of an out-of-service order in separate incidents within a ten-year period.

*b.* For one year upon conviction for the first violation and for not less than three years and not more than five years upon conviction for a second or subsequent violation of an out-of-service order while transporting hazardous materials required to be placarded, or while operating a commercial motor vehicle designed to transport more than fifteen passengers including the driver.

10. A person is disqualified from operating a commercial motor vehicle if the person is convicted of a first, second, or third railroad crossing at grade violation as follows:

*a.* A person is disqualified from operating a commercial motor vehicle for sixty days if the person is convicted of a first railroad crossing at grade violation under section 321.341 or 321.343 and the violation occurred while the person was operating a commercial motor vehicle.

*b.* A person is disqualified from operating a commercial motor vehicle for one hundred twenty days if the person is convicted of a second railroad crossing at grade violation under section 321.341 or 321.343, the violation occurred while the person was operating a commercial motor vehicle, and the violation occurred within three years after a first such violation.

*c.* A person is disqualified from operating a commercial motor vehicle for one year if the person is convicted of a third or subsequent railroad crossing at grade violation under section 321.341 or 321.343, the violation occurred while the person was operating a commercial motor vehicle, and the violation occurred within three years after a first such violation.

11. Upon receiving a record of a person's disqualifying conviction, administrative decision, suspension, or revocation, the department shall, by rule, without preliminary hearing and upon thirty days' advance notice, disqualify the person from operating a commercial motor vehicle upon a highway.

12. *a.* A person is disqualified from operating a commercial motor vehicle if the person either refuses to submit to chemical testing required under chapter 321J or submits to chemical testing and the results show an alcohol concentration as defined in section 321J.1 of 0.04 or more. The department, upon receipt of the peace officer's certification, subject to penalty for perjury, that the peace officer had reasonable grounds to believe the person to have been operating a commercial motor vehicle with an alcohol concentration of 0.04 or more and that the person refused to submit to the chemical testing or submitted to chemical testing and the results show an alcohol concentration as defined in section 321J.1 of 0.04 or more, shall, without preliminary hearing and upon thirty days' advance notice, disqualify the person from operating a commercial motor vehicle upon a highway.

*b.* The effective date of disqualification shall be thirty days after notification. Immediate notice of disqualification may be served on a person operating a commercial motor vehicle who refused to submit to a test or whose test results indicate an alcohol concentration of 0.04 or more by the peace officer administering the chemical test or, notwithstanding chapter 17A, the department may notify the person by first class mail. If immediate notice is served, the peace officer shall take the commercial driver's license or permit of the driver, if issued within the state, and issue a temporary commercial driver's license effective for only thirty days. The peace officer shall immediately send the person's commercial driver's license to the department in addition to the officer's certification required by this subsection.

13. Upon notice, the disqualified person shall surrender the person's commercial driver's license to the department and the department may issue a driver's license valid only to operate a noncommercial motor vehicle upon payment of a one dollar fee. The department shall notify the commercial driver's license information system of the disqualification if required to do so under section 321.204.

14. Notwithstanding the Iowa administrative procedure Act, chapter 17A, the filing of a

petition for judicial review shall stay the disqualification pending the determination by the district court.

15. The department may reinstate a qualified person's privilege to operate a commercial motor vehicle after a period of disqualification and after payment of required fees.

16. As used in this section, the terms *"acts"*, *"actions"*, and *"offenses"* mean acts, actions, or offenses which occur on or after July 1, 1990.

[C39, §**5014.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.208]

90 Acts, ch 1230, §51; 92 Acts, ch 1175, §24 – 26; 95 Acts, ch 55, §6; 96 Acts, ch 1152, §13; 98 Acts, ch 1073, §9; 99 Acts, ch 96, §33; 2000 Acts, ch 1133, §6; 2001 Acts, ch 32, §44; 2001 Acts, ch 132, §7; 2002 Acts, ch 1063, §29; 2003 Acts, ch 44, §114; 2005 Acts, ch 8, §22 – 25; 2006 Acts, ch 1068, §28; 2008 Acts, ch 1021, §5 – 9; 2009 Acts, ch 130, §9, 10; 2013 Acts, ch 103, §11, 12

Referred to in §321.204, 321.218, 321A.17, 321J.8, 321J.13

Subsection 6, unnumbered paragraph 1 amended

Subsection 6, NEW paragraphs i and j

**321.208A Operation in violation of out-of-service order — penalties.**

1. A person required to hold a commercial driver's license to operate a commercial motor vehicle shall not operate a commercial motor vehicle on the highways of this state in violation of an out-of-service order issued by a peace officer for a violation of the out-of-service rules adopted by the department. A driver who violates an out-of-service order commits a simple misdemeanor and shall be subject to a fine of not less than two thousand five hundred dollars upon conviction for the first violation of an out-of-service order and not less than five thousand dollars for a second or subsequent violation of an out-of-service order in separate incidents within a ten-year period.

2. An employer shall not knowingly allow, require, permit, or authorize an employee to drive a commercial motor vehicle in violation of an out-of-service order. An employer who violates this subsection commits a simple misdemeanor and shall be subject to a fine of not less than two thousand seven hundred fifty dollars and not more than twenty-five thousand dollars.

90 Acts, ch 1230, §52; 95 Acts, ch 55, §7; 97 Acts, ch 108, §12; 98 Acts, ch 1178, §1; 2001 Acts, ch 137, §5; 2008 Acts, ch 1021, §10; 2010 Acts, ch 1140, §6

**321.209 Mandatory revocation.**

The department, upon thirty days' notice and without preliminary hearing, shall revoke the license or operating privilege of an operator upon receiving a record of the operator's conviction for any of the following offenses, when such conviction has become final:

1. Manslaughter resulting from the operation of a motor vehicle.

2. A felony if during the commission of the felony a motor vehicle is used.

3. Failure to stop and render aid as required under the laws of this state in the event of a motor vehicle accident resulting in the death or personal injury of another.

4. Perjury or the making of a false affidavit or statement under oath to the department under this chapter or under any other law relating to the ownership or operation of motor vehicles.

5. Conviction, or forfeiture of bail not vacated, upon two charges of reckless driving.

6. Conviction of drag racing.

7. Eluding or attempting to elude a law enforcement vehicle as provided in section 321.279.

[C31, 35, §4960-d33, 5027-d1; C39, §**5014.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.209; 82 Acts, ch 1167, §2]

83 Acts, ch 125, §3; 86 Acts, ch 1220, §31; 90 Acts, ch 1230, §53; 93 Acts, ch 16, §4; 96 Acts, ch 1152, §14; 96 Acts, ch 1218, §59

Referred to in §321.210D, 321.212, 321.213, 321.215

**321.210 Suspension.**

1. *a.* The department is authorized to establish rules providing for the suspension of

the license of an operator upon thirty days' notice and without preliminary hearing upon a showing by its records or other sufficient evidence that the licensee:

(1) Is an habitually reckless or negligent driver of a motor vehicle.

(2) Is an habitual violator of the traffic laws.

(3) Is physically or mentally incapable of safely operating a motor vehicle.

(4) Has permitted an unlawful or fraudulent use of the license.

(5) Has committed an offense or acted in a manner in another state or foreign jurisdiction which in this state would be grounds for suspension or revocation.

(6) Has committed a serious violation of the motor vehicle laws of this state.

(7) Is subject to a license suspension under section 321.513.

*b.* Prior to a suspension taking effect under paragraph "*a*", subparagraphs (1), (2), (3), (4), (5), or (6), the licensee shall have received thirty days' advance notice of the effective date of the suspension. Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, the filing of a petition for judicial review shall, except for suspensions under paragraph "*a*", subparagraph (3), operate to stay the suspension pending the determination by the district court.

2. In determining suspension the department shall not consider the following:

*a.* Violation of motor vehicle equipment standards if repairs are made within seventy-two hours of the violation and satisfactory evidence of repair is immediately sent to the department.

*b.* Violations of requirements to install and use safety belts, safety harnesses, and child restraint devices under sections 321.445 and 321.446.

*c.* Parking violations, meaning violation of a local authority parking ordinance or violation of sections 321L.4, 321.366, subsection 1, paragraph "*f*", and sections 321.354 through 321.361 except section 321.354, subsection 1, paragraph "*a*".

*d.* The first two speeding violations within any twelve-month period of ten miles per hour or less over the legal speed limit in speed zones having a legal speed limit between thirty-four miles per hour and fifty-six miles per hour.

*e.* Violations of section 321.276.

[C31, 35, §4960-d35; C39, §**5014.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.210; 82 Acts, ch 1100, §18, 19]

84 Acts, ch 1016, §2; 84 Acts, ch 1022, §1; 86 Acts, ch 1009, §1; 86 Acts, ch 1220, §32; 87 Acts, ch 120, §1; 87 Acts, ch 167, §6; 89 Acts, ch 247, §6; 90 Acts, ch 1230, §54; 96 Acts, ch 1152, §15; 97 Acts, ch 23, §33; 97 Acts, ch 104, §16; 2010 Acts, ch 1061, §113, 172; 2010 Acts, ch 1105, §4; 2013 Acts, ch 90, §243

Referred to in §321.12, 321.178, 321.180A, 321.189, 321.190, 321.191, 321.194, 321.210C, 321.212, 321.213, 321.215, 321.218, 321.555, 321A.17

Subsection 2, paragraph c amended

**321.210A Suspension for failure to pay fine, penalty, surcharge, or court costs.**

1. The department shall suspend the driver's license of a person who, upon conviction of violating a law regulating the operation of a motor vehicle, has failed to pay the criminal fine or penalty, surcharge, or court costs, as follows:

*a.* Upon the failure of a person to timely pay the fine, penalty, surcharge, or court costs the clerk of the district court shall notify the person by regular mail that if the fine, penalty, surcharge, or court costs remain unpaid after sixty days from the date of mailing, the clerk will notify the department of the failure for purposes of instituting suspension procedures.

*b.* Upon the failure of a person to pay the fine, penalty, surcharge, or court costs within sixty days' notice by the clerk of the district court as provided in paragraph "*b*", the clerk shall report the failure to the department.

*c.* Upon receipt of a report of a failure to pay the fine, penalty, surcharge, or court costs from the clerk of the district court, the department shall in accordance with its rules, suspend the person's driver's license until the fine, penalty, surcharge, or court costs are paid.

2. If after suspension, the person enters into an installment agreement with the county attorney, the county attorney's designee, or the centralized collection unit of the department of revenue in accordance with section 321.210B to pay the fine, penalty, court cost, or

surcharge, the person's license shall be reinstated by the department upon receipt of a report of an executed installment agreement.

3. If the county attorney or the county attorney's designee, while collecting delinquent court debt pursuant to section 602.8107, determines that the person has been convicted of an additional violation of a law regulating the operation of a motor vehicle, the county attorney or the county attorney's designee shall notify the clerk of the district court of the appropriate case numbers, and the clerk of the district court shall notify the department for the purpose of instituting suspension procedures pursuant to this section.

85 Acts, ch 197, §3; 86 Acts, ch 1019, §1; 98 Acts, ch 1073, §9; 2007 Acts, ch 196, §1; 2008 Acts, ch 1172, §19, 20; 2009 Acts, ch 130, §11

Referred to in §321.12, 321.210B, 321.212, 321.215, 321.218, 321A.17, 602.8102(50A)

**321.210B Installment agreement.**

1. If a person's fine, penalty, surcharge, or court cost is deemed delinquent as provided in section 602.8107, subsection 2, and the person's driver's license has been suspended pursuant to section 321.210A, the person may execute an installment agreement with the county attorney, the county attorney's designee, or the centralized collection unit of the department of revenue to pay the delinquent amount and the fee assessed in subsection 7 in installments. Prior to execution of the installment agreement, the person shall provide the county attorney, the county attorney's designee, or the centralized collection unit of the department of revenue with a financial statement in order for the parties to the agreement to determine the amount of the installment payments.

2. If the person enters into an installment agreement with the county attorney or the county attorney's designee, the person shall execute an installment agreement in the county where the fine, penalty, surcharge, or court cost was imposed. If the county where the fine, penalty, surcharge, or court cost was imposed does not have an installment agreement program, the person shall execute an installment agreement in the person's county of residence. If the county of residence does not have an installment agreement program, the person may execute an installment agreement with any county attorney or county attorney's designee.

3. The county attorney, the county attorney's designee, or the centralized collection unit of the department of revenue shall file the installment agreement with the clerk of the district court in the county where the fine, penalty, surcharge, or court cost was imposed, within five days of execution of the agreement.

4. Upon receipt of an executed installment agreement and after the first installment payment, the clerk of the district court shall report the receipt of the executed installment agreement to the department of transportation.

5. Upon receipt of the report from the clerk of the district court and payment of the reinstatement fee as provided in section 321.191, the department shall immediately reinstate the driver's license of the person unless the driver's license of the person is otherwise suspended, revoked, denied, or barred under another provision of law.

6. If a driver's license is reinstated upon receipt of a report of an executed installment agreement the driver shall provide proof of financial responsibility pursuant to section 321A.17, if otherwise required by law.

7. *a.* A civil penalty assessed pursuant to section 321.218A, 321A.32A, or 321J.17 shall be added to the amount owing under the installment agreement.

*b.* The clerk of the district court shall transmit to the department, from the first moneys collected, an amount equal to the amount of any civil penalty assessed pursuant to section 321.218A or 321A.32A and added to the installment agreement. The department shall transmit the money received from the clerk of the district court pursuant to this paragraph to the treasurer of state for deposit in the juvenile detention home fund created in section 232.142.

*c.* The clerk of the district court shall transmit to the department, from the first moneys collected, an amount equal to the amount of any civil penalty assessed pursuant to section 321J.17 and added to the installment agreement. The department shall transmit the money received from the clerk of the district court pursuant to this paragraph to the treasurer of state

who shall deposit one-half of the money in the separate fund established in section 915.94 and one-half of the money in the general fund of the state.

8. Upon determination by the county attorney, the county attorney's designee, or the centralized collection unit of the department of revenue that the person is in default, the county attorney, the county attorney's designee, or the centralized collection unit shall notify the clerk of the district court.

9. The clerk of the district court, upon receipt of a notification of a default from the county attorney, the county attorney's designee, or the centralized collection unit of the department of revenue, shall report the default to the department of transportation.

10. Upon receipt of a report of a default from the clerk of the district court, the department shall suspend the driver's license of a person as provided in section 321.210A. For purposes of suspension and reinstatement of the driver's license of a person in default, the suspension and any subsequent reinstatement shall be considered a suspension pursuant to section 321.210A.

11. If a new fine, penalty, surcharge, or court cost is imposed on a person after the person has executed an installment agreement with the county attorney, the county attorney's designee, or the centralized collection unit of the department of revenue, and the new fine, penalty, surcharge, or court cost is deemed delinquent as provided in section 602.8107, subsection 2, and the person's driver's license has been suspended pursuant to section 321.210A, the person may enter into a second installment agreement with the county attorney, county attorney's designee, or the centralized collection unit of the department of revenue to pay the delinquent amount and the fee, if assessed, in subsection 7 in installments.

12. If an installment agreement is in default, the fine, penalty, surcharge, or court cost covered under the agreement shall not become part of any new installment agreement.

13. A person is eligible to enter into five installment agreements in the person's lifetime.

14. Except for a civil penalty assessed and collected pursuant to subsection 7, any amount collected under the installment agreement by the county attorney or the county attorney's designee shall be distributed as provided in section 602.8107, subsection 4, and any amount collected by the centralized collection unit of the department of revenue shall be deposited with the clerk of the district court for distribution under section 602.8108.

2007 Acts, ch 196, §2, 17; 2008 Acts, ch 1018, §23, 31; 2008 Acts, ch 1172, §21

Referred to in §321.210A, 321.218A, 321A.32A, 321J.17, 331.756(5d), 602.8107

**321.210C Probation period.**

1. A person whose driver's license or operating privileges have been suspended, revoked, or barred under this chapter for a conviction of a moving traffic violation, or suspended, revoked, or barred under section 321.205 or section 321.210, subsection 1, paragraph *"a"*, subparagraph (5), must satisfactorily complete a twelve-month probation period beginning immediately after the end of the period of suspension, revocation, or bar. Upon a second conviction of a moving traffic violation which occurred during the probation period, the department may suspend the driver's license or operating privileges for an additional period equal in duration to the original period of suspension, revocation, or bar, or for one year, whichever is the shorter period.

2. A person whose driver's license or operating privileges have been revoked under chapter 321J, must satisfactorily complete a twelve-month probation period beginning immediately after the end of the period of revocation. Upon conviction of a moving traffic violation which occurs during the probation period, the department may revoke the driver's license or operating privileges for an additional period equal in duration to the original period of revocation, or for one year, whichever is the shorter period.

3. For purposes of determining a conviction under this section, the department shall not consider the first two speeding violations within the probation period that are ten miles per hour or less over the legal speed limit in speed zones having a legal speed limit between thirty-four miles per hour and fifty-six miles per hour.

98 Acts, ch 1112, §10, 14, 16; 2006 Acts, ch 1010, §89; 2007 Acts, ch 196, §4; 2010 Acts, ch 1061, §173

**321.210D Vehicular homicide suspension — termination upon revocation of license — reopening of suspension.**

1. If a trial information or indictment is filed charging a person with the offense of homicide by vehicle under section 707.6A, subsection 1 or 2, the clerk of the district court shall, upon the filing of the information or indictment, forward notice to the department including the name and address of the party charged, the registration number of the vehicle involved, if known, the nature of the offense, and the date of the filing of the indictment or information.

2. Upon receiving notice from the clerk of the district court that an indictment or information has been filed charging an operator with homicide by vehicle under section 707.6A, subsection 1 or 2, the department shall notify the person that the person's driver's license will be suspended effective ten days from the date of issuance of the notice. The department shall adopt rules relating to the suspension of the license of an operator pursuant to this section which shall include, but are not limited to, procedures for the surrender of the person's license to the department upon the effective date of the suspension.

3. If a person whose driver's license has been suspended pursuant to this section is not convicted of the charge of homicide by vehicle under section 707.6A, subsection 1 or 2, upon record entry of disposition of the charge, the clerk of the district court shall forward a notice including the name and address of the party charged, the registration number of the vehicle involved, the nature of the offense charged by indictment or information, the date of the filing of the indictment or information, and of the disposition of the charge to the department. Upon receipt of the notice from the clerk, the department shall automatically rescind the suspension and reinstate the person's driver's license without payment of any charge or penalty.

4. Upon receiving a record of conviction under section 321.206, for a violation of section 707.6A, subsection 1 or 2, and upon revocation of the person's license or operating privileges under section 321.209, the suspension under subsection 2 shall automatically terminate in favor of the revocation.

98 Acts, ch 1073, §12; 98 Acts, ch 1088, §1; 2000 Acts, ch 1133, §7
Referred to in §321A.17

**321.211 Notice and hearing — appropriation.**

1. Upon suspending the license of a person as authorized, the department shall immediately notify the licensee in writing and upon the licensee's request shall afford the licensee an opportunity for a hearing before the department of inspections and appeals as early as practical within thirty days after receipt of the request. The hearing shall be held by telephone conference unless the licensee and the department of inspections and appeals agree to hold the hearing in the county in which the licensee resides or in some other county. Upon the hearing the department of inspections and appeals may administer oaths and issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require a reexamination of the licensee. Upon the hearing and issuance of a recommendation by the department of inspections and appeals, the state department of transportation shall either rescind its order of suspension or for good cause may extend the suspension of the license or revoke the license. This section does not preclude the director from attempting to effect an informal settlement under chapter 17A.

2. There is appropriated each year from the road use tax fund to the department of transportation two hundred twenty-five thousand dollars or as much thereof as is necessary to be used to pay the cost of notice and personal delivery of service, as necessary to meet the notice requirement of this section. The department shall adopt rules governing the payment of the cost of personal delivery of service. The reinstatement fees collected under section 321.191 shall be deposited in the road use tax fund in the manner provided in section 321.145, as reimbursement for the costs of notice under this section.

3. A peace officer stopping a person for whom a notice of a suspension or revocation has been issued or to whom a notice of a hearing has been sent under the provisions of this section may personally serve such notice upon forms approved by the department to satisfy the notice requirements of this section. The peace officer may confiscate the driver's license of such

person if the license has been revoked or has been suspended subsequent to a hearing and the person has not forwarded the driver's license to the department as required.

[C31, 35, §4960-d36; C39, §**5014.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.211; 81 Acts, ch 14, §24]

83 Acts, ch 198, §21; 86 Acts, ch 1246, §29; 89 Acts, ch 273, §1; 89 Acts, ch 317, §34; 90 Acts, ch 1230, §55; 90 Acts, ch 1267, §37; 92 Acts, ch 1238, §34; 98 Acts, ch 1073, §9; 2010 Acts, ch 1061, §180

**321.211A Appeal of extended suspension or revocation.**

Notwithstanding any provision of law to the contrary, if a person was not served with notice of a suspension or revocation under section 321.16, or section 321J.9, subsection 4, or section 321J.12, subsection 3, the person may appeal to the department an extension of the period of suspension or revocation based upon a conviction under section 321.218 or 321J.21. At the hearing on the appeal, the sole issue shall be whether the department failed to send notice of the underlying suspension or revocation to the person at the address contained in the department's records. If the department determines it failed to send such notice, the department shall rescind the extended suspension or revocation resulting from the conviction and send notice of the department's determination to the court that rendered the conviction. Upon receipt of the notice, the court shall enter an order exonerating the person of the conviction and ordering that the record of the conviction be expunged by the clerk of the district court.

2001 Acts, ch 32, §45

**321.212 Period of suspension or revocation — surrender of license.**

1. *a.* (1) Except as provided in section 321.210A or 321.513 the department shall not suspend a license for a period of more than one year, except that a license suspended because of incompetency to drive a motor vehicle shall be suspended until the department receives satisfactory evidence that the former holder is competent to operate a motor vehicle and a refusal to reinstate constitutes a denial of license within section 321.215; upon revoking a license the department shall not grant an application for a new license until the expiration of one year after the revocation, unless another period is specified by law.

(2) A suspension under section 321.210, subsection 1, paragraph "*a*", subparagraph (4), for a violation of section 321.216B shall not exceed six months. As soon as practicable after the period of suspension has expired, but not later than six months after the date of expiration, the department shall expunge information regarding the suspension from the person's driving record.

*b.* The department shall not revoke a license under the provisions of subsection 5 of section 321.209 for more than thirty days nor less than five days as recommended by the trial court.

*c.* The department shall revoke a license for six months for a first offense under the provisions of section 321.209, subsection 6, where the violation charged did not result in a personal injury or damage to property.

*d.* The department shall revoke a driver's license according to an order issued pursuant to section 901.5, subsection 10, for one hundred eighty days. If the person has not been issued a driver's license, the issuance of a driver's license shall be delayed for one hundred eighty days after the person is first eligible. If the person's operating privileges have been suspended or revoked at the time the person is convicted, the one-hundred-eighty-day revocation period shall not begin until all other suspensions or revocations have terminated.

2. The department upon suspending or revoking a driver's license shall require that the license be surrendered to and be retained by the department. At the end of the period of suspension the license surrendered shall be reissued to the licensee upon payment of the

reinstatement fee under section 321.191. At the end of a period of revocation the licensee must apply for a new driver's license.

[C31, 35, §4960-d40, -d42, -d45; C39, §**5014.12, 5014.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.212, 321.213; 82 Acts, ch 1167, §3]

85 Acts, ch 197, §4; 90 Acts, ch 1230, §56; 93 Acts, ch 16, §5; 93 Acts, ch 164, §2; 96 Acts, ch 1218, §60; 98 Acts, ch 1073, §9; 2010 Acts, ch 1061, §114

**321.213 License suspensions or revocations due to violations by juvenile drivers.**

Upon the entering of a dispositional order suspending or revoking the driver's license or operating privileges of the juvenile under section 232.52, subsection 2, paragraph "*a*", the clerk of the juvenile court shall forward a copy of the adjudication and the dispositional order to the department. Notwithstanding section 232.55, a final adjudication in a juvenile court that the child violated a provision of this chapter or chapter 321A or 321J constitutes a final conviction for purposes of section 321.189, subsection 7, paragraph "*b*", and sections 321.193, 321.194, 321.200, 321.209, 321.210, 321.215, 321.555, 321A.17, 321J.2, 321J.3, and 321J.4.

[82 Acts, ch 1070, §1]

C83, §321.213

86 Acts, ch 1220, §33; 89 Acts, ch 296, §32; 90 Acts, ch 1230, §57; 93 Acts, ch 16, §6; 93 Acts, ch 87, §6; 95 Acts, ch 55, §8; 96 Acts, ch 1218, § 61; 98 Acts, ch 1073, §9

**321.213A License suspension for juveniles adjudicated delinquent for certain drug or alcohol offenses.**

Upon the entering of a dispositional order under section 232.52, subsection 2, paragraph "*a*", the clerk of the juvenile court shall forward a copy of the adjudication and the dispositional order suspending or revoking the driver's license or operating privileges of the juvenile to the department. The department shall suspend the license or operating privilege of the child for one year. The child may receive a temporary restricted license, if eligible, as provided in section 321.215.

94 Acts, ch 1172, §34; 95 Acts, ch 55, §9; 96 Acts, ch 1034, §20; 96 Acts, ch 1218, §62; 98 Acts, ch 1073, §9; 2001 Acts, ch 132, §8

Referred to in §321A.17

**321.213B Suspension for failure to attend.**

The department shall establish procedures by rule for suspending the license of a juvenile who has been issued a driver's license and is not in compliance with the requirements of section 299.1B or issuing the juvenile a restricted license under section 321.178.

94 Acts, ch 1172, §35; 96 Acts, ch 1152, §16; 2005 Acts, ch 8, §26

Referred to in §321.215, 321A.17

**321.214** Repealed by 90 Acts, ch 1230, § 97.

**321.215 Temporary restricted license.**

1. *a.* The department, on application, may issue a temporary restricted license to a person whose noncommercial driver's license is suspended or revoked under this chapter, allowing the person to drive to and from the person's home and specified places at specified times which can be verified by the department and which are required by any of the following:

(1) The person's full-time or part-time employment.

(2) The person's continuing health care or the continuing health care of another who is dependent upon the person.

(3) The person's continuing education while enrolled in an educational institution on a part-time or full-time basis and while pursuing a course of study leading to a diploma, degree, or other certification of successful educational completion.

(4) The person's substance abuse treatment.

(5) The person's court-ordered community service responsibilities.

(6) The person's appointments with the person's parole or probation officer.

*b.* However, a temporary restricted license shall not be issued to a person whose license is revoked pursuant to a court order issued under section 901.5, subsection 10, or under

section 321.209, subsections 1 through 5 or subsection 7; to a juvenile whose license has been suspended or revoked pursuant to a dispositional order under section 232.52, subsection 2, paragraph *"a"*, for a violation of chapter 124 or 453B or section 126.3; to a juvenile whose license has been suspended under section 321.213B; or to a person whose license has been suspended pursuant to a court order under section 714.7D. A temporary restricted license may be issued to a person whose license is revoked under section 321.209, subsection 6, only if the person has no previous drag racing convictions. A person holding a temporary restricted license issued by the department under this section shall not operate a motor vehicle for pleasure.

2. Upon conviction and the suspension or revocation of a person's noncommercial driver's license under section 321.209, subsection 5 or 6, or section 321.210, 321.210A, or 321.513; or upon revocation pursuant to a court order issued under section 901.5, subsection 10; or upon the denial of issuance of a noncommercial driver's license under section 321.560, based solely on offenses enumerated in section 321.555, subsection 1, paragraph *"c"*, or section 321.555, subsection 2; or upon suspension or revocation of a juvenile's driver's license pursuant to a dispositional order under section 232.52, subsection 2, paragraph *"a"*, for a violation of chapter 124 or 453B, or section 126.3; or upon suspension of a driver's license pursuant to a court order under section 714.7D, the person may apply to the department for a temporary restricted license to operate a motor vehicle for the limited purpose or purposes specified in subsection 1. The application may be granted only if all of the following criteria are satisfied:

*a.* The temporary restricted license is requested only for a case of hardship or circumstances where alternative means of transportation do not exist.

*b.* The temporary restricted license is restricted to the limited purpose or purposes specified in subsection 1 at times specified in the license.

*c.* Proof of financial responsibility is established as defined in chapter 321A. However, such proof is not required if the driver's license was suspended under section 321.210A or 321.513 or revoked pursuant to a court order issued under section 901.5, subsection 10.

3. The temporary restricted license shall be canceled upon conviction of a moving traffic violation or upon a violation of a term of the license. A *"moving traffic violation"* does not include a parking violation as defined in section 321.210.

4. The temporary restricted license is not valid to operate a commercial motor vehicle if a commercial driver's license is required for the person's operation of the commercial motor vehicle.

[C31, 35, §4960-d43, -d44; C39, §**5014.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.215]

84 Acts, ch 1022, §6; 84 Acts, ch 1219, §26; 90 Acts, ch 1230, §58; 93 Acts, ch 16, §7 – 9; 95 Acts, ch 55, §10; 95 Acts, ch 143, §1; 96 Acts, ch 1152, §17; 96 Acts, ch 1218, §63 – 65; 98 Acts, ch 1073, §9; 2000 Acts, ch 1133, §8 – 10; 2001 Acts, ch 132, §9; 2002 Acts, ch 1050, §33; 2005 Acts, ch 8, §27; 2005 Acts, ch 141, §1, 2; 2007 Acts, ch 196, §3; 2010 Acts, ch 1097, §1

Referred to in §321.212, 321.213, 321.213A, 321.560, 321.561

## LICENSES AND NONOPERATOR'S IDENTIFICATION CARDS — VIOLATIONS

**321.216 Unlawful use of license or nonoperator's identification card — penalty.**

It is a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 4, for any person:

1. To display or cause or permit to be displayed or have in the person's possession a canceled, revoked, suspended, fictitious, or fraudulently altered driver's license or nonoperator's identification card.

2. To lend that person's driver's license or nonoperator's identification card to another person or knowingly permit the use of the license by another.

3. To display or represent as one's own a driver's license or nonoperator's identification card not issued to that person.

4. To fail or refuse to surrender to the department upon its lawful demand a driver's license or nonoperator's identification card which has been suspended, revoked, or canceled.

5. To permit an unlawful use of a driver's license or nonoperator's identification card issued to that person.

[C31, 35, §4960-d46, -d52; C39, §**5015.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.216]

89 Acts, ch 84, §1; 90 Acts, ch 1230, §59; 96 Acts, ch 1090, §3; 98 Acts, ch 1073, §9; 2001 Acts, ch 176, §52, 59; 2010 Acts, ch 1190, §40

Referred to in §123.48, 453A.4, 805.8A(4h)

**321.216A Falsifying driver's licenses, nonoperator's identification cards, or forms.**

It is a serious misdemeanor for a person to do any of the following:

1. Make a driver's license, a nonoperator's vehicle identification card, or a blank driver's license form if the person has no authority or right to make the license, card, or form.

2. Obtain, possess, or have in the person's control or on the person's premises, driver's license or nonoperator's identification card forms.

3. Obtain, possess, or have in the person's control or on the person's premises, a driver's license or a nonoperator's identification card, or blank driver's license or nonoperator's identification card form, which has been made by a person having no authority or right to make the license, card, or form.

4. Use a false or fictitious name in any application for a driver's license or nonoperator's identification card or to knowingly make a false statement or knowingly conceal a material fact or otherwise commit fraud on an application.

89 Acts, ch 84, §2; 96 Acts, ch 1090, §4; 98 Acts, ch 1073, §9, 10

Referred to in §123.48, 453A.4

**321.216B Use of driver's license or nonoperator's identification card by underage person to obtain alcohol.**

A person who is under the age of twenty-one, who alters or displays or has in the person's possession a fictitious or fraudulently altered driver's license or nonoperator's identification card and who uses the license to violate or attempt to violate section 123.47, commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 4. The court shall forward a copy of the conviction to the department.

93 Acts, ch 164, §3; 96 Acts, ch 1090, §5; 97 Acts, ch 126, §40; 98 Acts, ch 1073, §9; 98 Acts, ch 1100, §45; 2001 Acts, ch 176, §53, 59; 2010 Acts, ch 1190, §41

Referred to in §123.48, 321.212, 321A.17, 805.8A(4i)

Legislative intent regarding effect on insurance rates; 93 Acts, ch 164, §6

**321.216C Use of driver's license or nonoperator's identification card by underage person to obtain cigarettes or tobacco products.**

A person who is under the age of eighteen, who alters or displays or has in the person's possession a fictitious or fraudulently altered driver's license or nonoperator's identification card and who uses the license or card to violate or attempt to violate section 453A.2, subsection 2, commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 4. The court shall forward a copy of the conviction to the department.

2000 Acts, ch 1105, §1; 2001 Acts, ch 176, §54, 59; 2010 Acts, ch 1190, §42

Referred to in §453A.4, 805.8A(4j)

**321.217 Perjury.**

Any person who makes any false affidavit, or knowingly swears or affirms falsely to any matter or thing required by the terms of this chapter to be sworn to or affirmed, is guilty of a class "D" felony.

[C31, 35, §4960-d47; C39, §**5015.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.217]

Perjury, §720.2

**321.218 Operating without valid driver's license or when disqualified — penalties.**

1. A person whose driver's license or operating privilege has been denied, canceled,

suspended, or revoked as provided in this chapter or as provided in section 252J.8 or section 901.5, subsection 10, and who operates a motor vehicle upon the highways of this state while the license or privilege is denied, canceled, suspended, or revoked, commits a simple misdemeanor. In addition to any other penalties, the punishment imposed for a violation of this subsection shall include assessment of a fine of not less than two hundred fifty dollars nor more than one thousand five hundred dollars.

2. The sentence imposed under this section shall not be suspended by the court, notwithstanding section 907.3 or any other statute.

3. *a.* The department, upon receiving the record of the conviction of a person under this section upon a charge of operating a motor vehicle while the license of the person is suspended or revoked, shall, except for licenses suspended under section 252J.8, 321.210, subsection 1, paragraph *"a"*, subparagraph (3), or section 321.210A or 321.513, extend the period of suspension or revocation for an additional like period or for one year, whichever period is shorter, and the department shall not issue a new driver's license to the person during the extended period.

*b.* If the department receives a record of a conviction of a person under this section but the person's driving record does not indicate what the original grounds of suspension were, the period of suspension under this subsection shall be for a period not to exceed six months.

4. A person who operates a commercial motor vehicle upon the highways of this state when disqualified from operating the commercial motor vehicle under section 321.208 or the imminent hazard provisions of 49 C.F.R. § 383.52 commits a serious misdemeanor if a commercial driver's license is required for the person to operate the commercial motor vehicle.

5. The department, upon receiving the record of a conviction of a person under this section upon a charge of operating a commercial motor vehicle while the person is disqualified, shall extend the period of disqualification for an additional like period or for the time period specified in section 321.208, whichever is longer.

[C31, 35, §4960-d34, -d51; C39, §**5015.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.218; 82 Acts, ch 1167, §4]

84 Acts, ch 1142, §1; 85 Acts, ch 195, §36; 86 Acts, ch 1220, §34; 89 Acts, ch 83, §43; 90 Acts, ch 1230, §60; 93 Acts, ch 164, §4; 95 Acts, ch 48, §4; 96 Acts, ch 1090, §6, 7; 97 Acts, ch 104, §17; 98 Acts, ch 1073, §9; 99 Acts, ch 153, §2; 2005 Acts, ch 8, §28; 2006 Acts, ch 1030, §36; 2009 Acts, ch 130, §12; 2010 Acts, ch 1061, §174

Referred to in §321.211A, 321J.4B

**321.218A Civil penalty — disposition — reinstatement.**

When the department suspends, revokes, or bars a person's driver's license or nonresident operating privilege for a conviction under this chapter, the department shall assess the person a civil penalty of two hundred dollars. However, for persons age nineteen or under, the civil penalty assessed shall be fifty dollars. The civil penalty does not apply to a suspension issued for a violation of section 321.180B. The money collected by the department under this section shall be transmitted to the treasurer of state who shall deposit the money in the juvenile detention home fund created in section 232.142. Except as provided in section 321.210B, a temporary restricted license shall not be issued or a driver's license or nonresident operating privilege reinstated until the civil penalty has been paid. A person assessed a penalty under this section may remit the civil penalty along with a processing fee of five dollars to a county treasurer authorized to issue driver's licenses under chapter 321M, or the civil penalty may be paid directly to the department.

97 Acts, ch 190, §1; 98 Acts, ch 1073, §9; 98 Acts, ch 1112, §11, 16; 2001 Acts, ch 191, §42; 2005 Acts, ch 54, §2, 12; 2007 Acts, ch 196, §5

Referred to in §232.142, 321.210B, 321M.9, 331.557A

**321.219 Permitting unauthorized minor to drive.**

1. A person shall not cause or knowingly permit the person's child or ward under the age of eighteen years to drive a motor vehicle upon any highway when the minor is not authorized under this chapter.

2. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 4.

[C31, 35, §4960-d48; C39, §**5015.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.219]

2000 Acts, ch 1203, §7; 2001 Acts, ch 137, §5; 2002 Acts, ch 1119, §152; 2010 Acts, ch 1190, §43

Referred to in §805.8A(4k)

**321.220 Permitting unauthorized person to drive.**

1. A person shall not knowingly authorize or permit a motor vehicle owned by the person or under the person's control to be driven upon a highway by a person who is not issued a driver's license valid for the vehicle's operation.

2. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 4.

[C31, 35, §4960-d50; C39, §**5015.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.220]

90 Acts, ch 1230, §61; 98 Acts, ch 1073, §9; 2000 Acts, ch 1203, §8; 2001 Acts, ch 137, §5; 2010 Acts, ch 1190, §44

Referred to in §805.8A(4l)

**321.221 Employing unlicensed chauffeur.**

A person shall not employ as a chauffeur of a motor vehicle a person not then holding a class D driver's license or a commercial driver's license as provided in this chapter.

[C31, 35, §4960-d49; C39, §**5015.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.221]

90 Acts, ch 1230, §62

**321.222 Renting motor vehicle to another.**

No person shall rent a motor vehicle to any other person unless the latter person is then duly licensed hereunder or, in the case of a nonresident, then duly licensed under the laws of the state or country of residence except a nonresident whose home state or country does not require that an operator be licensed.

[C39, §**5015.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.222]

**321.223 Driver's license inspection for motor vehicle rental.**

A person shall not rent a motor vehicle to another person without inspecting the driver's license of the person to whom the vehicle is to be rented and doing all of the following:

1. A comparison and verification of the signature on the driver's license with the signature of such person written in the inspecting person's presence.

2. A comparison and verification of the person to whom the motor vehicle is to be rented with the photograph and other identification information on the person's driver's license.

3. A determination that the driver's license of the person to whom the vehicle is to be rented is valid for operating the vehicle to be rented.

[C39, §**5015.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.223]

90 Acts, ch 1230, §63; 98 Acts, ch 1073, §9

**321.224 Record kept.**

Every person renting a motor vehicle to another shall keep a record of the registration number of the motor vehicle so rented, the name and address of the person to whom the vehicle is rented, the number of the license of the latter person and the date and place when and where the license was issued. The record shall be open to inspection by any peace officer as defined in section 801.4, subsection 11, paragraphs *"a"*, *"b"*, *"c"* and *"h"* or employee of the department.

[C39, §**5015.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.224; 81 Acts, ch 103, §3]

HOURS OF OPERATION

**321.225 through 321.227** Repealed by 87 Acts, ch 170, § 20.

## OBEDIENCE TO AND EFFECT OF TRAFFIC LAWS

**321.228 Provisions refer to highways — exceptions.**

The provisions of this chapter relating to the operation of vehicles refer exclusively to the operation of vehicles upon highways except:

1. Where a different place is specifically referred to in a given section.
2. The provisions of sections 321.261 to 321.273, and sections 321.277 and 321.280 shall apply upon highways and elsewhere throughout the state.

[C39, §**5017.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.228]
86 Acts, ch 1220, §35; 98 Acts, ch 1178, §2

**321.229 Obedience to peace officers.**

No person shall willfully fail or refuse to comply with any lawful order or direction of any peace officer invested by law with authority to direct, control, or regulate traffic.

[S13, §1571-m18; C24, 27, 31, 35, §5064; C39, §**5017.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.229]
Referred to in §805.8A(14a)
For applicable scheduled fine, see §805.8A, subsection 14, paragraph a

**321.230 Public officers not exempt.**

The provisions of this chapter applicable to the drivers of vehicles upon the highways shall apply to the drivers of all vehicles owned or operated by the United States, this state or any county, city, district, or any other political subdivision of the state, subject to such specific exceptions as are set forth in this chapter with reference to authorized emergency vehicles.

[C39, §**5017.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.230]

**321.231 Authorized emergency vehicles and police bicycles.**

1. The driver of an authorized emergency vehicle, when responding to an emergency call or when in the pursuit of an actual or suspected perpetrator of a felony or in response to an incident dangerous to the public or when responding to but not upon returning from a fire alarm, may exercise the privileges set forth in this section.
2. The driver of any authorized emergency vehicle, may:

*a.* Park or stand an authorized emergency vehicle, irrespective of the provisions of this chapter.

*b.* Disregard laws or regulations governing direction of movement for the minimum distance necessary before an alternative route that conforms to the traffic laws and regulations is available.

3. The driver of a fire department vehicle, police vehicle, or ambulance, or a peace officer riding a police bicycle in the line of duty may do any of the following:

*a.* Proceed past a red or stop signal or stop sign, but only after slowing down as may be necessary for safe operation.

*b.* Exceed the maximum speed limits so long as the driver does not endanger life or property.

4. The exemptions granted to an authorized emergency vehicle under subsection 2 and for a fire department vehicle, police vehicle, or ambulance as provided in subsection 3 shall apply only when such vehicle is making use of an audible signaling device meeting the requirements of section 321.433 or a visual signaling device, except that use of an audible or visual signaling device shall not be required when exercising the exemption granted under subsection 3, paragraph *"b"* of this section when the vehicle is operated by a peace officer, pursuing a suspected violator of the speed restrictions imposed by or pursuant to this chapter, for the purpose of determining the speed of travel of such suspected violator.
5. The provisions of this section shall not relieve the driver of an authorized emergency vehicle or the rider of a police bicycle from the duty to drive or ride with due regard for

the safety of all persons, nor shall such provisions protect the driver or rider from the consequences of the driver's or rider's reckless disregard for the safety of others.

[C39, §**5017.04, 5017.05, 5023.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §321.231, 321.232, 321.296; C77, 79, 81, §321.231]

97 Acts, ch 71, §1; 98 Acts, ch 1080, §2; 98 Acts, ch 1100, §46; 2009 Acts, ch 133, §118

Referred to in §613.17, 805.8A(11a)

For applicable scheduled fines, see §805.8A, subsection 11

**321.232 Speed detection jamming devices — penalty.**

1. A person shall not sell, operate, or possess a speed detection jamming device, except as otherwise provided in this section, when the device is in a vehicle operated on the highways of this state or the device is held for sale in this state.

2. This section does not apply to speed measuring devices purchased by, held for purchase for, or operated by peace officers using the devices in performance of their official duties.

3. A speed detection jamming device sold, operated, or possessed in violation of subsection 1 may be seized by a peace officer and is subject to forfeiture as provided by chapter 809 or 809A.

4. For the purposes of this section:

*a.* *"Speed detection jamming device"* means any active or passive device, instrument, mechanism, or equipment that is designed or intended to interfere with, disrupt, or scramble the radar or laser that is used by a peace officer to measure the speed of motor vehicles. *"Speed detection jamming device"* does not include equipment that is legal under federal communications commission regulations, such as a citizens' band radio, a ham radio, or other similar electronic equipment.

*b.* *"Speed measuring device"* includes but is not limited to devices commonly known as radar speed meters or laser speed meters.

[81 Acts, ch 109, §1]

96 Acts, ch 1133, §41; 2013 Acts, ch 140, §158

Referred to in §805.8A(14g), 809A.3

For applicable scheduled fines, see §805.8A, subsection 14, paragraph g

Section amended

**321.233 Road workers exempted.**

This chapter, except sections 321.277 and 321.280, does not apply to persons and motor vehicles and other equipment while actually engaged in work upon the surface of a highway officially closed to traffic but does apply to such persons and vehicles when traveling to or from such work. The minimum speed restriction of section 321.285, subsection 5, and the provisions of sections 321.297, 321.298, and 321.323 do not apply to road workers operating maintenance equipment on behalf of any state or local authority while engaged in road maintenance, road blading, snow and ice control and removal, and granular resurfacing work on a highway, whether or not the highway is closed to traffic.

[C39, §**5017.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.233; 82 Acts, ch 1154, §1]

85 Acts, ch 167, §1; 86 Acts, ch 1220, §36; 90 Acts, ch 1230, §64; 97 Acts, ch 104, §18; 2009 Acts, ch 133, §239

**321.234 Bicycles, animals, or animal-drawn vehicles.**

1. A person riding an animal or driving an animal drawing a vehicle upon a roadway is subject to the provisions of this chapter applicable to the driver of a vehicle, except those provisions of this chapter which by their nature can have no application.

2. A person, including a peace officer, riding a bicycle on the highway is subject to the provisions of this chapter and has all the rights and duties under this chapter applicable to the driver of a vehicle, except those provisions of this chapter which by their nature can have no application or those provisions for which specific exceptions have been set forth regarding police bicycles.

3. A person propelling a bicycle on the highway shall not ride other than upon or astride a permanent and regular seat attached to the bicycle.

4. A person shall not use a bicycle on the highway to carry more persons at one time than the number of persons for which the bicycle is designed and equipped.

5. This section does not apply to the use of a bicycle in a parade authorized by proper permit from local authorities.

[C39, §**5017.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.234]

85 Acts, ch 40, §2; 97 Acts, ch 71, §2

Referred to in §321.236, 805.8A(9a)

For applicable scheduled fines, see §805.8A, subsection 9

**321.234A All-terrain vehicles — highway use.**

1. All-terrain vehicles shall not be operated on a highway unless one or more of the following conditions apply:

*a.* The operation is between sunrise and sunset and is incidental to the vehicle's use for agricultural purposes. For purposes of this paragraph, *"incidental to the vehicle's use for agricultural purposes"* includes stopping in the course of agricultural use to obtain fuel for the all-terrain vehicle or to obtain food or a nonalcoholic beverage for the operator.

*b.* The operation is incidental to the vehicle's use for the purpose of surveying by a licensed engineer or land surveyor.

*c.* The all-terrain vehicle is operated by an employee or agent of a political subdivision or public utility for the purpose of construction or maintenance on or adjacent to the highway.

*d.* The all-terrain vehicle is operated by an employee or agent of a public agency as defined in section 34.1 for the purpose of providing emergency services or rescue.

*e.* The all-terrain vehicle is operated for the purpose of mowing, installing approved trail signs, or providing maintenance on a snowmobile or all-terrain vehicle trail designated by the department of natural resources.

*f.* The all-terrain vehicle is operated on a county roadway in accordance with section 321I.10, subsection 2, or a city street in accordance with section 321I.10, subsection 3.

2. A person operating an all-terrain vehicle on a highway shall have a valid driver's license and the vehicle shall be operated at speeds of thirty-five miles per hour or less.

3. An all-terrain vehicle that is owned by the owner of land adjacent to a highway, other than an interstate road, may be operated by the owner of the all-terrain vehicle, or by a member of the owner's family, on the portion of the highway right-of-way that is between the shoulder of the roadway, or at least five feet from the edge of the roadway, and the owner's property line. A person operating an all-terrain vehicle within the highway right-of-way under this subsection shall comply with the registration, safety, and age requirements under chapter 321I.

4. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 3.

85 Acts, ch 35, §3; 90 Acts, ch 1230, §65; 98 Acts, ch 1073, §9; 99 Acts, ch 108, §4; 2000 Acts, ch 1203, §9; 2001 Acts, ch 137, §5; 2002 Acts, ch 1001, §1; 2004 Acts, ch 1132, §81; 2006 Acts, ch 1036, §1; 2007 Acts, ch 141, §1; 2010 Acts, ch 1186, §4, 5; 2010 Acts, ch 1190, §45

Referred to in §321.1, 321I.1, 321I.9, 321I.10, 805.8A(3a)

**321.235 Provisions uniform.**

The provisions of this chapter shall be applicable and uniform throughout this state and in all political subdivisions and municipalities therein and no local authority shall enact or enforce any rule or regulation in conflict with the provisions of this chapter unless expressly authorized herein. Local authorities may, however, adopt additional traffic regulations which are not in conflict with the provisions of this chapter.

[C39, §**5017.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.235]

State patrol, see chapter 80

**321.235A Electric personal assistive mobility devices.**

An electric personal assistive mobility device, which is a two-wheeled device as defined in section 321.1, subsection 20B, may be operated by a person at least sixteen years of age on sidewalks and bikeways in accordance with this section.

1. None of the following are required for operation of an electric personal assistive mobility device:

*a.* Licensure or registration of the electric personal assistive mobility device under this chapter.

*b.* Possession of a driver's license or permit by the operator of the electric personal assistive mobility device.

*c.* Proof of financial responsibility.

2. A person operating an electric personal assistive mobility device on a sidewalk or bikeway shall do all of the following:

*a.* Yield the right-of-way to pedestrians and human-powered devices.

*b.* Give an audible signal before overtaking and passing a pedestrian or human-powered device.

3. A person shall not operate an electric personal assistive mobility device at the times specified in section 321.384 unless the person or the electric personal assistive mobility device is equipped with a headlight visible from the front of the electric personal assistive mobility device and at least one red reflector visible from the rear of the electric personal assistive mobility device.

4. Violations of this section are punishable as a scheduled violation under section 805.8A, subsection 9A.

2002 Acts, ch 1063, §30; 2004 Acts, ch 1013, §29, 35; 2004 Acts, ch 1175, §397, 400
Referred to in §321.236, 805.8A(9A)

## POWERS OF LOCAL AUTHORITIES

**321.236 Powers of local authorities.**

Local authorities shall have no power to enact, enforce, or maintain any ordinance, rule, or regulation in any way in conflict with, contrary to, or inconsistent with the provisions of this chapter, and no such ordinance, rule, or regulation of said local authorities heretofore or hereafter enacted shall have any force or effect. However, the provisions of this chapter shall not be deemed to prevent local authorities, with respect to streets and highways under their jurisdiction and within the reasonable exercise of the police power, from doing any of the following:

1. Regulating the standing or parking of vehicles.

*a.* Parking meter, snow route, and overtime parking violations which are contested shall be charged and proceed before a court the same as other traffic violations. Filing fees and court costs shall be assessed as provided in section 602.8106, subsection 1, and section 805.6, subsection 1, paragraph "*a*" for parking violation cases.

*b.* Parking violations which are uncontested shall be charged and collected upon a simple notice of a fine payable to the city clerk. The fine for each violation charged under a simple notice of a fine shall be established by ordinance. The fine may be increased by five dollars if the parking violation is not paid within thirty days of the date upon which the violation occurred. Violations of section 321L.4, subsection 2, shall be charged and collected upon a simple notice of a one hundred dollar fine payable to the city clerk. Costs or other charges shall not be assessed. All fines collected by a city pursuant to this paragraph shall be retained by the city and all fines collected by a county pursuant to this paragraph shall be retained by the county, except as provided by an agreement between a city and a county treasurer for the collection of fines pursuant to section 331.553, subsection 8.

*c.* (1) If the local authority regulating the standing or parking of vehicles under this subsection is located in a county where the renewal of registration of a vehicle shall be refused for unpaid restitution under section 321.40, the simple notice of fine under paragraph "*b*" shall contain the following statement:

FAILURE TO PAY RESTITUTION OWED BY YOU CAN BE GROUNDS FOR REFUSING TO RENEW YOUR MOTOR VEHICLE'S REGISTRATION.

(2) This paragraph *"c"* does not invalidate forms for notice of parking violations in existence prior to July 1, 1980. Existing forms may be used until supplies are exhausted.

*d.* (1) If the local authority regulating the standing or parking of vehicles under this subsection is a county or is a city which has an agreement with a county treasurer by which the renewal of registration of a vehicle shall be refused for uncontested and unpaid parking fines under section 321.40, the simple notice of a fine under paragraph *"b"* shall contain the following statement:

FAILURE TO PAY PARKING FINES OWED BY YOU CAN BE GROUNDS FOR REFUSING TO RENEW YOUR MOTOR VEHICLE'S REGISTRATION.

(2) This paragraph *"d"* does not invalidate forms for notice of parking violations in existence prior to July 1, 2007. Existing forms may be used until supplies are exhausted.

*e.* Cities that enter into chapter 28E agreements for the collection of delinquent parking fines in conjunction with renewal of motor vehicle registrations pursuant to section 321.40 shall be responsible for computer programming costs incurred by the department to accommodate the collection and dissemination of delinquent parking ticket information to county treasurers, with each such city paying a per capita share of the costs as provided in this paragraph. The department's programming costs shall be paid by the first city to enter into such an agreement. Thereafter, cities that enter into such agreements on or before June 30, 2010, shall pay a pro rata share of the department's programming costs on or before September 30, 2010, to the city which first paid the costs, based on the respective populations of each city as of the last decennial census.

2. Regulating traffic by means of police officers or traffic-control signals.

3. Regulating or prohibiting processions or assemblages on the highways.

4. Designating particular highways as one-way highways and requiring that all vehicles thereon be moved in one specific direction.

5. Regulating the speed of vehicles in public parks.

6. Designating any highway as a through highway and requiring that all vehicles stop or yield the right-of-way before entering or crossing the same or designating any intersection as a stop intersection and requiring all vehicles to stop at one or more entrances to such intersections.

7. Licensing and regulating the operation of vehicles offered to the public for hire and used principally in intracity operation.

8. Restricting the use of highways as authorized in sections 321.471 to 321.473.

9. Regulating or prohibiting the turning of vehicles at and between intersections.

10. Regulating the operation of bicycles and requiring the registration and licensing of the same, including the requirement of a registration fee. However, the regulations shall not conflict with the provisions of section 321.234.

11. Establishing speed limits in public alleys and providing the penalty for violation thereof.

12. Designating highways or portions of highways as snow routes.

*a.* When conditions of snow or ice exist on the traffic surface of a designated snow route, it is unlawful for the driver of a vehicle to impede or block traffic if the driving wheels of the vehicle are not equipped with snow tires, tire chains, or a nonslip differential.

*b.* A person charged with impeding or blocking traffic for lack of snow tires, chains, or nonslip differential shall have the charge dismissed upon a showing to the court that the person's motor vehicle was equipped with snow tires, chains, or a nonslip differential.

13. Establishing a rural residence district.

*a.* The board of supervisors of a county with respect to highways under its jurisdiction may establish, by ordinance or resolution, rural residence districts and may, by ordinance or resolution, regulate the speed and parking of vehicles within the rural residence district consistent with sections 321.239, 321.285, and 321.293.

*b.* Before establishing a rural residence district, the board of supervisors shall hold a public hearing on the proposal, notice of which shall be published in a newspaper having

a general circulation in the area where the proposed district is located at least twenty days before the date of hearing. The notice shall state the time and place of the hearing, the proposed location of the district, and other data considered pertinent by the board of supervisors.

14. Regulating or prohibiting the operation of electric personal assistive mobility devices authorized pursuant to section 321.235A.

15. A violation of a local ordinance, rule, or regulation promulgated under the authority of this section shall be prosecuted under the local ordinance, without reference to this section.

[S13, §1571-m18, -m20; C24, 27, 31, 35, §4992, 4995, 4997; C39, §**5018.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.236; 82 Acts, ch 1111, §1]

85 Acts, ch 40, §3; 86 Acts, ch 1056, §2; 86 Acts, ch 1238, §14; 90 Acts, ch 1102, §1; 90 Acts, ch 1151, §2; 90 Acts, ch 1170, §2, 3; 92 Acts, ch 1122, §1; 95 Acts, ch 169, §2; 97 Acts, ch 108, §13; 97 Acts, ch 147, §1; 2002 Acts, ch 1063, §31; 2003 Acts, ch 178, §14; 2005 Acts, ch 54, §3, 4, 12; 2009 Acts, ch 21, §1, 2; 2009 Acts, ch 41, §115, 252; 2010 Acts, ch 1140, §7

Referred to in §321.40, 321.237, 321.285, 321.449, 331.362, 364.3, 602.8103, 602.8106, 805.6, 805.8A(1a, 5a, 6a, 8a, 9b)

For fines applicable to offenses charged as scheduled violations, see §805.8A

**321.237 Signs — requirement — notice.**

A traffic ordinance or regulation enacted under section 321.236, subsection 4, 5, 6, 8, 12, or 13, shall not be effective until signs, giving notice of such local traffic regulations as specified in the department manual on uniform traffic-control devices, are posted upon or at the entrances to the highway or part thereof affected as may be most appropriate and shall be erected at the expense of the local authority.

When a city has adopted an ordinance as authorized in section 321.236, subsection 12, or an ordinance which prohibits standing or parking of vehicles upon a street or streets during any time when snow-removal operations are in progress and before such operations have resulted in the removal or clearance of snow from such street or streets, signs as specified in the above manual, posted as hereinabove provided shall be deemed sufficient notice of the existence of such restrictions.

[C39, §**5018.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.237]

86 Acts, ch 1056, §3

Referred to in §331.362

Section not amended; editorial change applied

**321.238 Use of electronic devices while driving — preemption of local legislation.**

The provisions of this chapter restricting the use of electronic communication devices and electronic entertainment devices by motor vehicle operators shall be implemented uniformly throughout the state. Such provisions shall preempt any county or municipal ordinance regarding the use of an electronic communication device or electronic entertainment device by a motor vehicle operator. In addition, a county or municipality shall not adopt or continue in effect an ordinance regarding the use of an electronic communication device or electronic entertainment device by a motor vehicle operator.

2010 Acts, ch 1105, §5

Referred to in §331.362

**321.239 Counties may restrict parking of vehicles.**

1. The county board of supervisors may adopt, amend, or repeal traffic ordinances to regulate or prohibit the standing or parking of vehicles within the right-of-way of any highway under its jurisdiction.

2. Any person violating a traffic ordinance adopted under this section shall be guilty of a misdemeanor and shall, upon conviction, be fined not to exceed twenty-five dollars, or be imprisoned not to exceed seven days in the county jail. The form and style of the information shall be in the name of the county and as against the person in violation of the traffic ordinance.

[C73, 75, 77, 79, 81, §321.239]

Referred to in §321.236, 331.362, 602.8103, 602.8106, 805.8A(1a)

For fines applicable to offenses charged as scheduled violations, see §805.8A, subsection 1, paragraph a

**321.240** Repealed by 96 Acts, ch 1152, § 26.

**321.241 through 321.246** Repealed by 71 Acts, ch 183, § 7.

**321.247 Golf cart operation on city streets.**

1. *a.* Incorporated areas may, upon approval of their governing body, allow the operation of golf carts on city streets by persons possessing a valid driver's license. However, a golf cart shall not be operated upon a city street which is a primary road extension through the city but shall be allowed to cross a city street which is a primary road extension through the city.

*b.* The golf carts shall be equipped with a slow moving vehicle sign and a bicycle safety flag and operate on the streets only from sunrise to sunset.

*c.* Golf carts operated on city streets shall be equipped with adequate brakes and shall meet any other safety requirements imposed by the governing body.

2. Golf carts are not subject to the registration provisions of this chapter.

3. A person who violates subsection 1 commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 3.

[82 Acts, ch 1041, §1]

90 Acts, ch 1230, §66; 98 Acts, ch 1073, §9; 2000 Acts, ch 1203, §10; 2001 Acts, ch 137, §5; 2010 Acts, ch 1069, §45; 2010 Acts, ch 1190, §46

Referred to in §331.362, 805.8A(3b)

**321.248 Parks and cemeteries.**

Local authorities may by general rule, ordinance, or regulation exclude vehicles from any cemetery or ground used for the burial of the dead, or exclude vehicles used solely or principally for commercial purposes, from any park or part of a park system where such general rule, ordinance, or regulation is applicable equally and generally to all other vehicles used for the same purpose, if, at the entrance, or at each entrance if there be more than one, to such cemetery or park from which vehicles are so excluded, there shall have been posted a sign plainly legible from the middle of the public highway on which such cemetery or park opens, plainly indicating such exclusion and prohibition.

[S13, §1571-m20; C24, 27, 31, 35, §4994; C39, §**5018.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.248]

Referred to in §331.362

**321.249 School zones.**

Cities and counties shall have the power to establish school zones and provide for the stopping of all motor vehicles approaching the school zones, when movable stop signs have been placed in the streets in the cities and highways in counties at the limits of the zones, notwithstanding the provisions of any statute to the contrary. All traffic-control devices provided for school zones shall conform to specifications included in the manual of traffic-control devices adopted by the department, except the provision prohibiting the use of portable or part-time stop signs.

[C31, 35, §4997-d1; C39, §**5018.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.249]

97 Acts, ch 108, §14

Referred to in §331.362

**321.250 Discriminations.**

When the local authorities of other states shall, by the adoption of rules and regulations or otherwise, prohibit motor vehicles registered under the laws of this state from operating upon highways in any subdivision of such other state, the local authorities of this state may, by ordinance or otherwise, require the motor vehicles of the subdivisions of such other state while operating by their own power in this state to be registered under the laws of this state.

[C24, 27, 31, 35, §4998; C39, §**5018.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.250]

Referred to in §331.362

**321.251 Rights of owners of real property — manufactured home communities or mobile home parks.**

1. This chapter shall not be construed to prevent the owner of real property used by the public for purposes of vehicular travel by permission of the owner and not as matter of right from prohibiting such use, or from requiring other or different or additional conditions than those specified in this chapter, or otherwise regulating such use as may seem best to such owner.

2. *a.* The owner of real property upon which a manufactured home community or mobile home park is located may elect to have the vehicular traffic provisions of this chapter, or the ordinances, rules, or regulations of the local authority where the real property is located, apply to the real property and any persons located on the real property by granting authority to any peace officer to enforce the vehicular traffic provisions of this chapter, or the ordinances, rules, or regulations of the local authority as well as any regulations or conditions imposed on the real property pursuant to subsection 1. An election made pursuant to this subsection shall not create a higher priority for the enforcement of traffic laws on real property upon which a manufactured or mobile home is located than exists for the enforcement of traffic laws on public property.

*b.* A written notice of election shall be filed with the designated officials of the local authority whose ordinances, rules, or regulations will govern the vehicular traffic. The appropriate officials shall be the city clerk and chief of police of the city in which the real property is located and the county sheriff and the county recorder of the county in which the real property is located. The notice shall include the legal description of the real property, the street address, if any, and the date and time when the owner wishes the election to become effective. The notice shall be signed by every titleholder of the real property and acknowledged by a notary public as provided in chapter 9B.

*c.* An election shall terminate fourteen days following the filing of a written notice of withdrawal with the designated officials of the local authority whose ordinances, rules, or regulations will govern.

*d.* For purposes of this subsection, "*titleholder of real property*" means the person or entity whose name appears on the documents of title filed in the official county records as the owner of the real property upon which a manufactured home community or mobile home park is located.

3. The titleholder of real property under subsection 2 may elect to waive the right to have the vehicular traffic provisions of this chapter, or the ordinances, rules, or regulations of the local authority where the real property is located, apply to the real property and any persons located on the real property, by recording a waiver with the county recorder of each county in which the property is located. The waiver shall include the legal description of the real property and shall bind the titleholder of the real property and any successors in interest. The waiver may only be rescinded if each law enforcement jurisdiction, in which the titleholder of real property wishes to obtain the benefit of this section, consents to the rescission of the waiver through adoption of a resolution.

[C39, §**5018.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.251]

91 Acts, ch 91, §1; 92 Acts, ch 1068, §1; 93 Acts, ch 109, §2; 2001 Acts, ch 153, §15, 16; 2001 Acts, ch 176, §80; 2012 Acts, ch 1050, §41, 60

## TRAFFIC SIGNS, SIGNALS, AND MARKINGS

**321.252 Department to adopt sign manual.**

1. *a.* The department shall adopt a manual and specifications for a uniform system of traffic-control devices consistent with the provisions of this chapter for use upon highways within this state. Such uniform system shall correlate with and so far as possible conform to the system then current as approved by the American association of state highway and transportation officials.

*b.* The department shall include in its manual of traffic-control devices, specifications for

a uniform system of highway signs for the purpose of guiding traffic to organized off-highway permanent camps, and camp areas, operated by recognized and established civic, religious, and nonprofit charitable organizations and to for-profit campgrounds and ski areas. The department shall purchase, install, and maintain the signs upon the prepayment of the costs by the organization or owner.

2. The department shall also establish criteria for guiding traffic on all fully controlled-access, divided, multilaned highways including interstate highways to each tourist attraction which is located within thirty miles of the highway and receives fifteen thousand or more visitors annually. Nothing in this subsection shall be construed to prohibit the department from erecting signs to guide traffic on these highways to tourist attractions which are located more than thirty miles from the highway or which receive fewer than fifteen thousand visitors annually.

3. *a.* The department shall establish, by rule, in cooperation with a tourist signing committee, the standards for tourist-oriented directional signs and shall annually review the list of attractions for which signing is in place. The rules shall conform to national standards for tourist-oriented directional signs adopted under 23 U.S.C. § 131(q) and to the manual of uniform traffic-control devices.

(1) The tourist signing committee shall be made up of the directors or their designees of the departments of agriculture and land stewardship, natural resources, cultural affairs, and transportation, the director or the director's designee of the economic development authority, the chairperson or the chairperson's designee of the Iowa travel council, and a member of the outdoor advertising association of Iowa. The director or the director's designee of the economic development authority shall be the chairperson of the committee.

(2) The department of transportation shall be responsible for calling and setting the date of the meetings of the committee which meetings shall be based upon the amount of activity relating to signs. However, the committee shall meet at least once a month.

*b.* A tourist attraction is not subject to a minimum number of visitors annually to qualify for tourist-oriented directional signing.

4. The rules shall not be applicable to directional signs relating to historic sites on land owned or managed by state agencies, as provided in section 321.253A. The rules shall include but are not limited to the following:

*a.* Criteria for eligibility for signing.

*b.* Criteria for limiting or excluding businesses, activities, services, and sites that maintain signs that do not conform to the requirements of chapter 306B, chapter 306C, division II, or other statutes or administrative rules regulating outdoor advertising.

*c.* Provisions for a fee schedule to cover the direct and indirect costs of sign manufacture, erection, and maintenance, and related administrative costs.

*d.* Provisions specifying maximum distances to eligible businesses, activities, services, and sites. Tourist-oriented directional signs may be placed on highways within the maximum travel distance that have the greatest traffic count per day, if sufficient space is available. If an adjacent landowner complains to the department about the placement of a tourist-oriented directional sign, the department shall attempt to reach an agreement with the landowner for relocating the sign. If possible, the sign shall be relocated from the place of objection. If the sign must be located on an objectionable place, it shall be located on the least objectionable place possible.

*e.* Provisions for trailblazing to facilities that are not on the crossroad. Appropriate trailblazing shall be installed over the most desirable routes on lesser traveled primary highways, secondary roads, and city streets leading to the tourist attraction.

*f.* Criteria for determining when to permit advance signing.

*g.* Provisions specifying conditions under which the time of operation of a business, activity, service, or site is shown.

*h.* Provisions for masking or removing signs during off seasons for businesses, activities, services, and sites operated on a seasonal basis. Faded signs shall be replaced and the commercial vendor charged for the cost of replacement based upon the fee schedule adopted.

*i.* Provisions specifying the maximum number of signs permitted per intersection.

*j.* Provisions for determining what businesses, activities, services, or sites are signed when there are more applicants than the maximum number of signs permitted.

*k.* Provisions for removing signs when businesses, activities, services, or sites cease to meet minimum requirements for participation and related costs.

5. Local authorities shall adhere to the specifications for signs as established by the department, and shall purchase, install, and maintain signs in their respective jurisdictions upon prepayment by the organization of the cost of such purchase, installation, and maintenance. The department shall include in its manual of traffic-control devices specifications for a uniform system of traffic-control devices in legally established school zones.

[C24, 27, §4627; C31, 35, §4627, 5079-d7; C39, §**5019.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.252]

86 Acts, ch 1060, §1, 2; 90 Acts, ch 1183, §4; 2010 Acts, ch 1069, §93; 2011 Acts, ch 118, §85, 89

Referred to in §321.342, 668.10

**321.253 Department to erect signs.**

1. The department shall place and maintain such traffic-control devices, conforming to its manual and specifications, upon all primary highways as it deems necessary to indicate and to carry out the provisions of this chapter or to regulate, warn, or guide traffic. Whenever practical, the devices or signs shall be purchased from the director of the Iowa department of corrections.

2. The department shall post signs informing motorists of the penalties for speeding in a road work zone and that the scheduled fine for committing any other moving traffic violation in a road work zone is doubled.

[C24, 27, §4627; C31, 35, §4627, 5079-d7; C39, §**5019.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.253]

83 Acts, ch 96, §157, 159, 160; 93 Acts, ch 114, §2; 97 Acts, ch 104, §19; 2008 Acts, ch 1124, §8

Analogous provisions, §321.345

**321.253A Directional signs relating to historic sites on land owned or managed by state agencies.**

1. The department shall place and maintain directional signs upon primary highways which provide information about historic sites which are located on land owned or managed by an agency as defined in section 17A.2. The signs shall conform to the manual of uniform traffic devices. However, the directional signs are not subject to requirements applicable to tourist-oriented directional signs.

2. Upon request by a city or county in which a historic site is located on land owned or managed by an agency, the department shall distribute a directional sign as provided in this section to the city or county for erection upon roads or streets within their jurisdictions.

3. The location of the historic site shall be memorialized on transportation maps of the state published under the direction of the department and generally made available to the public. However, if it is not reasonable and feasible to display specific historic sites on the state transportation map, the department shall consult with the agency managing the historic site.

4. The department shall not erect, maintain, or distribute a directional sign or include on a transportation map information about a historic site located on land owned or managed by an agency if the department receives an objection by the agency.

90 Acts, ch 1183, §5

Referred to in §321.252

**321.253B Metric signs restricted.**

The department shall not place a sign relating to a speed limit, distance, or measurement on a highway if the sign establishes the speed limit, distance, or measurement solely by using the metric system, unless specifically required by federal law.

95 Acts, ch 118, §23

**321.254 Local authorities restricted.**

No local authority shall place or maintain any traffic-control device upon any highway under the jurisdiction of the department except by the latter's permission.

[C39, §**5019.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.254]

Referred to in §331.362

**321.255 Local traffic-control devices.**

Local authorities in their respective jurisdiction shall place and maintain such traffic-control devices upon highways under their jurisdiction as they may deem necessary to indicate and to carry out the provisions of this chapter or local traffic ordinances or to regulate, warn, or guide traffic. All such traffic-control devices hereafter erected shall conform to the state manual and specifications.

[C39, §**5019.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.255]

Referred to in §331.362

**321.256 Obedience to official traffic-control devices.**

No driver of a vehicle shall disobey the instructions of any official traffic-control device placed in accordance with the provisions of this chapter, unless at the time otherwise directed by a peace officer subject to the exceptions granted the driver of an authorized emergency vehicle.

[C39, §**5019.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.256]

Referred to in §321.482A, 321E.17, 805.8A(8b)

For applicable scheduled fine, see §805.8A, subsection 8

Additional penalties for violations causing injury or death, see §321.482A

**321.257 Official traffic-control signal.**

1. For the purposes of this section *"stop at the official traffic-control signal"* means stopping at the first opportunity at either the clearly marked stop line or before entering the crosswalk or before entering the intersection.

2. Official traffic-control signals consisting of colored lights or colored lighted arrows shall regulate vehicle and pedestrian traffic in the following manner:

*a.* A *"steady circular red"* light means vehicular traffic shall stop. Vehicular traffic shall remain standing until a signal to proceed is shown or vehicular traffic, unless prohibited by a sign, may cautiously enter the intersection to make a right turn from the right lane of traffic or a left turn from a one-way street to a one-way street from the left lane of traffic on a one-way street onto the leftmost lane of traffic on a one-way street. Turns made under this paragraph shall be made in a manner that does not interfere with other vehicular or pedestrian traffic lawfully using the intersection. Pedestrian traffic facing a steady circular red light shall not enter the roadway unless the pedestrian can safely cross the roadway without interfering with any vehicular traffic.

*b.* A *"steady circular yellow"* or *"steady yellow arrow"* light means vehicular traffic is warned that the related green movement is being terminated and vehicular traffic shall no longer proceed into the intersection and shall stop. If the stop cannot be made in safety, a vehicle may be driven cautiously through the intersection. Pedestrian traffic is warned that there is insufficient time to cross the intersection and any pedestrian starting to cross the roadway shall yield the right-of-way to all vehicles.

*c.* A *"steady circular green"* light means vehicular traffic may proceed straight, turn right or turn left through the intersection unless otherwise specifically prohibited. Vehicular traffic shall yield the right-of-way to other vehicular and pedestrian traffic lawfully within the intersection.

*d.* A *"steady green arrow"* light shown alone or with another official traffic-control signal means vehicular traffic may cautiously enter the intersection and proceed in the direction indicated by the arrow. Vehicular traffic shall yield the right-of-way to other vehicles and pedestrians lawfully within the intersection.

*e.* A *"flashing circular red"* light means vehicular traffic shall stop and after stopping may proceed cautiously through the intersection yielding to all vehicles not required to stop or yield which are within the intersection or approaching so closely as to constitute a hazard, but then may proceed.

*f.* A *"flashing yellow"* light means vehicular traffic shall proceed through the intersection or past such signal with caution.

*g.* A *"don't walk"* light is a pedestrian signal which means that pedestrian traffic facing the illuminated pedestrian signal shall not start to cross the roadway in the direction of the pedestrian signal, and pedestrian traffic in the crossing shall proceed to a safety zone.

*h.* A *"walk"* light is a pedestrian signal which means that pedestrian traffic facing the illuminated pedestrian signal may proceed to cross the roadway in the direction of the pedestrian signal and shall be given the right-of-way by drivers of all vehicles.

[C39, §**5019.06, 5019.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §321.257, 321.258; C79, 81, §321.257]

Referred to in §321.482A, 805.8A(7a, 9c)
For applicable scheduled fines, see §805.8A, subsections 7 and 9
Additional penalties for violations causing injury or death, see §321.482A

**321.258 Arrangement of lights on official traffic-control signals.**

1. Colored lights placed on a vertical official traffic-control signal face shall be arranged from the top to the bottom in the following order when used: Circular red, circular yellow, circular green, straight through yellow arrow, straight through green arrow, left turn yellow arrow, left turn green arrow, right turn yellow arrow, and right turn green arrow.

2. Colored lights placed on a horizontal official traffic-control signal face shall be arranged from the left to the right in the following order when used: Circular red, circular yellow, left turn yellow arrow, left turn green arrow, circular green, straight through yellow arrow, straight through green arrow, right turn yellow arrow, and right turn green arrow.

[C79, 81, §321.258]

**321.259 Unauthorized signs, signals, or markings.**

No person shall place, maintain, or display upon or in view of any highway any sign, signal, marking, or device which purports to be or is an imitation of or resembles an official parking sign, curb or other marking, traffic-control device or railroad sign or signal, or which attempts to direct the movement of traffic, or which hides from view or interferes with the effectiveness of any official traffic-control device or any railroad sign or signal, if such sign, signal, marking, or device has not been authorized by the department and local authorities with reference to streets and highways under their jurisdiction and no person shall place or maintain nor shall any public authority permit upon any highway any traffic sign or signal bearing thereon any commercial advertising. This shall not be deemed to prohibit the erection upon private property adjacent to highways of signs giving useful directional information of a type that cannot be mistaken for official signs.

Every such prohibited sign, signal, or marking is hereby declared to be a public nuisance and the authority having jurisdiction over the highway is hereby empowered to remove the same or cause it to be removed without notice.

[C39, §**5019.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.259]

Nuisances in general, chapter 657

**321.260 Interference with devices, signs, or signals — unlawful possession — traffic signal preemption devices.**

1. *a.* A person who willfully and intentionally, without lawful authority, attempts to or in fact alters, defaces, injures, knocks down, or removes an official traffic-control device, an authorized warning sign or signal or barricade, whether temporary or permanent, a railroad sign or signal, an inscription, shield, or insignia on any of such devices, signs, signals, or barricades, or any other part thereof, shall, upon conviction, be guilty of a simple misdemeanor and shall be required to make restitution to the affected jurisdiction. In addition to any other penalties, the punishment imposed for a violation of this subsection shall include assessment of a fine of not less than two hundred fifty dollars.

*b.* A person who is convicted under paragraph *"a"* of an act relating to a stop sign or a yield sign may be required to complete community service in addition to making restitution to the affected jurisdiction.

2. It shall be unlawful for any person to have in the person's possession any official

traffic-control device except by legal right or authority. Any person convicted of unauthorized possession of any official traffic-control device shall upon conviction be guilty of a simple misdemeanor. In addition to any other penalties, the punishment imposed for a violation of this subsection shall include assessment of a fine of not less than two hundred fifty dollars.

3. *a.* A person shall not sell, own, possess, or use a traffic signal preemption device except as permitted in connection with the lawful operation of an authorized emergency vehicle as defined in section 321.1 or as otherwise authorized by the jurisdiction owning and operating an official traffic control signal. A person who is convicted of the unauthorized sale, ownership, possession, or use of a traffic signal preemption device is guilty of a simple misdemeanor. In addition to any other penalties, the punishment imposed for a violation under this subsection shall include assessment of a fine of not less than two hundred fifty dollars, and if the violation involves the unauthorized use of a traffic signal preemption device, the person may also be required to complete community service.

*b.* For purposes of this subsection, *"traffic signal preemption device"* means a device that, when activated, is capable of changing an official traffic control signal to green out of sequence.

[C39, §**5019.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.260]

90 Acts, ch 1064, §1; 91 Acts, ch 131, §1; 99 Acts, ch 153, §3, 4; 2005 Acts, ch 63, §1

## ACCIDENTS

**321.261 Death or personal injuries.**

1. The driver of any vehicle involved in an accident resulting in injury to or death of any person shall immediately stop the vehicle at the scene of the accident or as close as possible and if able, shall then return to and remain at the scene of the accident in accordance with section 321.263. Every such stop shall be made without obstructing traffic more than is necessary.

2. Any person failing to stop or to comply with the requirements in subsection 1 of this section, in the event of an accident resulting in an injury to any person is guilty upon conviction of a serious misdemeanor.

3. Notwithstanding subsection 2, any person failing to stop or to comply with the requirements in subsection 1, in the event of an accident resulting in a serious injury to any person, is guilty upon conviction of an aggravated misdemeanor. For purposes of this section, *"serious injury"* means as defined in section 702.18.

4. A person failing to stop or to comply with the requirements in subsection 1, in the event of an accident resulting in the death of a person, is guilty upon conviction of a class "D" felony.

5. The director shall revoke the driver's license of a person convicted of a violation of this section.

[S13, §1571-m23; C24, 27, 31, 35, §5072, 5074; C39, §**5020.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.261; 81 Acts, ch 103, §4]

90 Acts, ch 1230, §67; 98 Acts, ch 1073, §9; 2006 Acts, ch 1082, §1, 2

Referred to in §321.228, 321.484, 321.555, 515D.4, 902.12, 915.80

**321.262 Leaving scene of traffic accident — vehicle damage only.**

The driver of any vehicle involved in an accident resulting only in damage to a vehicle which is driven or attended by any person shall immediately stop such vehicle at the scene of such accident or as close thereto as possible but shall forthwith return to and in every event shall remain at the scene of such accident until the driver has fulfilled the requirements of section 321.263. Every such stop shall be made without obstructing traffic more than is necessary. Any person failing to stop or comply with said requirements under such circumstances shall be guilty of a misdemeanor and punished as provided in section 321.482.

[S13, §1571-m23; C24, 27, 31, 35, §5079; C39, §**5020.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.262]

Referred to in §321.228, 321.484

**321.263 Information and aid — leaving scene of personal injury accident.**

1. The driver of a vehicle involved in an accident resulting in injury to or death of a person or damage to a vehicle which is driven or attended by a person shall give the driver's name, address, and the registration number of the vehicle the driver is driving and shall upon request and if available exhibit the driver's driver's license to the person struck, the driver or occupant of, or the person attending the vehicle involved in the accident and shall render to a person injured in the accident reasonable assistance, including the transporting or arranging for the transporting of the person for medical treatment if it is apparent that medical treatment is necessary or if transportation for medical treatment is requested by the injured person.

2. If the accident causes the death of a person, all surviving drivers shall remain at the scene of the accident except to seek necessary aid or to report the accident to law enforcement authorities. Before leaving the scene of the fatal accident, each surviving driver shall leave the surviving driver's driver's license, automobile registration receipt, or other identification data at the scene of the accident. After leaving the scene of the accident, a surviving driver shall promptly report the accident to law enforcement authorities, and shall immediately return to the scene of the accident or inform the law enforcement authorities where the surviving driver can be located.

[S13, §1571-m23; C24, 27, 31, 35, §5072, 5079; C39, §**5020.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.263]

90 Acts, ch 1230, §68; 98 Acts, ch 1073, §9

Referred to in §321.228, 321.261, 321.262, 321.555

**321.264 Striking unattended vehicle.**

The driver of any vehicle which collides with any vehicle which is unattended shall immediately stop and shall then and there either locate and notify the operator or owner of such vehicle of the name and address of the driver and owner of the vehicle striking the unattended vehicle or shall leave in a conspicuous place in the vehicle struck a written notice giving the name and address of the driver and of the owner of the vehicle doing the striking and a statement of the circumstances thereof.

[C24, 27, 31, 35, §5079; C39, §**5020.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.264]

Referred to in §321.228, 321.484

**321.265 Striking fixtures upon a highway.**

The driver of a vehicle involved in an accident resulting in damage to property legally upon or adjacent to a highway shall take reasonable steps to locate and notify the owner, a peace officer, or person in charge of the damaged property of the damage and shall inform the person of the driver's name and address and the registration number of the vehicle causing the damage and shall, upon request and if available, exhibit the driver's license of the driver of the vehicle and shall report the accident when and as required in section 321.266.

[C24, 27, 31, 35, §5079; C39, §**5020.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.265]

90 Acts, ch 1230, §69; 98 Acts, ch 1073, §6

Referred to in §321.228

**321.266 Reporting accidents.**

1. The driver of a vehicle involved in an accident resulting in injury to or death of any person shall immediately by the quickest means of communication give notice of such accident to the sheriff of the county in which said accident occurred, or the nearest office of the state patrol, or to any other peace officer as near as practicable to the place where the accident occurred.

2. The driver of a vehicle involved in an accident resulting in injury to or death of any person, or total property damage to an apparent extent of one thousand five hundred dollars or more shall, within seventy-two hours after the accident, forward a written report of the accident to the department. However, such report is not required when the accident is investigated by a law enforcement agency.

3. Every law enforcement officer who, in the regular course of duty, investigates a motor vehicle accident of which report must be made as required in subsections 1 to 3 of this section, either at the time of and at the scene of the accident or thereafter by interviewing participants

or witnesses shall, within twenty-four hours after completing such investigation, forward a written report of such accident to the department.

4. Notwithstanding section 455B.386, a carrier transporting hazardous material upon a public highway in this state, in the case of an accident involving the transportation of the hazardous material, shall immediately notify the police radio broadcasting system established pursuant to section 693.1 or shall notify a peace officer of the county or city in which the accident occurs. When a local law enforcement agency is informed of the accident, the agency shall notify the state patrol and the state department of transportation office of motor vehicle enforcement. A person who violates a provision of this subsection is guilty of a serious misdemeanor.

[S13, §1571-m23; C24, §5073, 5075, 5104; C27, 31, 35, §5073, 5075, 5105-a35, 5105-c21; C39, §**5020.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.266; 81 Acts, ch 103, §5]

87 Acts, ch 170, §6; 97 Acts, ch 72, §1; 97 Acts, ch 108, § 15; 98 Acts, ch 1074, §23; 2002 Acts, ch 1063, §32; 2005 Acts, ch 35, §31; 2010 Acts, ch 1157, §1

Referred to in §321.228, 321.265, 321.267, 321.271, 321G.10, 321I.11

**321.267 Supplemental reports.**

The department may require any driver of a vehicle involved in an accident of which report must be made as provided in section 321.266 to file supplemental reports whenever the original report is insufficient in the opinion of the department and may require witnesses of accidents to render reports to the department.

[C39, §**5020.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.267]

Referred to in §321.228

**321.267A Traffic accidents involving certified law enforcement officers or other emergency responders — reports.**

1. Any traffic accident involving the operation of a motor vehicle by a certified law enforcement officer or other emergency responder shall be reported to the department by the officer's or responder's employer. The officer's or responder's employer shall certify to the department whether or not the accident occurred in the line of duty while operating an official government vehicle or during the responder's deployment on an emergency call. Such a certification is effective only for the purposes of this section.

2. Notwithstanding section 321.200, upon receiving a certification pursuant to subsection 1, the department shall not include a notation of the accident described in the certification on the officer's or responder's driving record.

3. The provisions of this section shall not relieve a certified law enforcement officer or other emergency responder operating a motor vehicle of the duty to drive with due regard for the safety of all persons.

4. For the purposes of this section, *"certified law enforcement officer"* includes a law enforcement officer who is certified through the Iowa law enforcement academy as provided in section 80B.13, subsection 3, or a reserve peace officer certified through the Iowa law enforcement academy as provided in section 80D.4A.

5. For the purposes of this section, *"other emergency responder"* means a fire fighter certified as a fire fighter I pursuant to rules adopted under chapter 100B and trained in emergency driving or an emergency medical care provider certified under chapter 147A and trained in emergency driving.

2006 Acts, ch 1137, §1; 2010 Acts, ch 1084, §1; 2010 Acts, ch 1149, §17

Referred to in §321.228

**321.268 Driver unable to report.**

Whenever the driver of a vehicle is physically incapable of making a required accident report and there was another occupant in the vehicle at the time of the accident capable of making a report, such occupant shall make or cause to be made said report.

[C39, §**5020.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.268]

Referred to in §321.228

**321.269 Accident report forms.**

The department shall prepare and upon request supply to police departments, coroners, sheriffs, and other suitable agencies or individuals, forms for accident reports required hereunder, which reports shall call for sufficiently detailed information to disclose with reference to a traffic accident the cause, condition then existing, and the persons and vehicles involved.

Every required accident report shall be made on a form approved by the department if said form is available.

[C39, §**5020.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.269]

Referred to in §321.228

**321.270** Reserved.

**321.271 Reports confidential — without prejudice — exceptions.**

1. All accident reports filed by a driver of a vehicle involved in an accident as required under section 321.266 shall be in writing. The report shall be without prejudice to the individual so reporting and shall be for the confidential use of the department, except that upon the request of any person involved in the accident, the person's insurance company or its agent, or the attorney for such person, the department shall disclose the identity and address of other persons involved in the accident and may disclose the name of the insurance companies with whom the other persons have liability insurance. The department, upon written request of the person making the report, shall provide the person with a copy of that person's report. The written report filed with the department shall not be admissible in or used in evidence in any civil or criminal case arising out of the facts on which the report is based.

2. All written reports filed by a law enforcement officer as required under section 321.266 shall be made available to any party to an accident, the party's insurance company or its agent, the party's attorney, the federal motor carrier safety administration, or the attorney general, on written request to the department and the payment of a fee of four dollars for each copy. If a copy of an investigating officer's report of a motor vehicle accident filed with the department is retained by the law enforcement agency of the officer who filed the report, a copy shall be made available to any party to the accident, the party's insurance company or its agent, the party's attorney, the federal motor carrier safety administration, or the attorney general, on written request and the payment of a fee. However, the attorney general and the federal motor carrier safety administration shall not be required by the department or the law enforcement agency to pay a fee for a copy of a report filed by a law enforcement or investigating officer.

3. Notwithstanding subsections 1 and 2, the date, time, specific location, and immediate facts and circumstances surrounding a crime or incident shall not be kept confidential under this section, except in those unusual circumstances where disclosure would plainly and seriously jeopardize an investigation or pose a clear and present danger to the safety of an individual.

[C39, §**5020.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.271; 81 Acts, ch 14, §25]

83 Acts, ch 72, §1; 90 Acts, ch 1054, §1, 2; 98 Acts, ch 1073, §7; 2001 Acts, ch 32, §18; 2003 Acts, ch 8, §16

Referred to in §321.228, 321.273

**321.272 Tabulation of reports.**

The department shall tabulate and may analyze all accident reports and shall publish annually or at more frequent intervals statistical information based thereon as to the number and circumstances of traffic accidents.

[C39, §**5020.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.272]

Referred to in §321.228

**321.273 City may require reports.**

Any incorporated city or other municipality may by ordinance require that the driver of a vehicle involved in an accident shall also file with a designated city department a report of

such accident or a copy of any report herein required to be filed with the department. All such reports shall be for the confidential use of the city department and subject to the provisions of section 321.271.

[C39, §**5020.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.273]

Referred to in §321.228

**321.274** Repealed by 98 Acts, ch 1178, § 16.

## OPERATION OF MOTORCYCLES AND MOTORIZED BICYCLES

**321.275 Operation of motorcycles and motorized bicycles.**

1. *General.* The motor vehicle laws apply to the operators of motorcycles and motorized bicycles to the extent practically applicable.

2. *Riders.*

*a. Motorized bicycles.* A person operating a motorized bicycle on the highways shall not carry any other person on the vehicle.

*b. Motorcycles.* A person shall not operate or ride a motorcycle on the highways with another person on the motorcycle unless the motorcycle is designed to carry more than one person. The additional passenger may ride upon the permanent and regular seat if designed for two persons, or upon another seat firmly attached to the motorcycle at the rear of the operator. The motorcycle shall be equipped with footrests for the passenger unless the passenger is riding in a sidecar or enclosed cab. The motorcycle operator shall not carry any person nor shall any other person ride in a position that will interfere with the operation or control of the motorcycle or the view of the operator.

3. *Sitting position.* A person operating a motorcycle or motorized bicycle shall ride only upon the vehicle's permanent and regular attached seat. Every person riding upon the vehicle shall be sitting astride the seat, facing forward with one leg on either side of the vehicle.

4. *Use of traffic lanes.* Persons shall not operate motorcycles or motorized bicycles more than two abreast in a single lane. Except for persons operating such vehicles two abreast, a motor vehicle shall not be operated in a manner depriving a motorcycle or motorized bicycle operator of the full use of a lane. A motorcycle or motorized bicycle shall not be operated between lanes of traffic or between adjacent lines or rows of vehicles. The operator of a motorcycle or motorized bicycle shall not overtake and pass in the same lane occupied by the vehicle being overtaken unless the vehicle being overtaken is a motorcycle or motorized bicycle.

5. *Headlights on.* A person shall not operate a 1977 or later model year motorcycle or any model year motorized bicycle upon the highways without displaying at least one lighted headlamp of the type described in section 321.409. However, this subsection is subject to the exceptions with respect to parked vehicles as provided in this chapter.

6. *Packages.* The operator of a motorcycle or motorized bicycle shall not carry any package, bundle, or other article which prevents the operator from keeping both hands on the handlebars.

7. *Parades.* The provisions of this section do not apply to motorcycles or motorized bicycles when used in a parade authorized by proper permit from local authorities.

8. *Bicycle safety flags required on motorized bicycles.* When operated on a highway, a motorized bicycle shall have a bicycle safety flag which extends not less than five feet above the ground attached to the rear of the motorized bicycle. The bicycle safety flag shall be triangular in shape with an area of not less than thirty square inches, and be Day-Glo in color.

[C71, 73, 75, 77, 79, 81, §321.275]

89 Acts, ch 184, §1; 98 Acts, ch 1075, §22; 98 Acts, ch 1178, §3

Referred to in §321.482A, 805.8A(6b, 9d)

For applicable scheduled fines, see §805.8A, subsections 6 and 9

Additional penalties for violations of subsection 4 causing serious injury or death, see §321.482A

CRIMINAL OFFENSES

**321.276 Use of electronic communication device while driving — text-messaging.**

1. For purposes of this section:

*a.* *"Engage in a call"* means talking or listening on a mobile telephone or other portable electronic communication device.

*b.* *"Hand-held electronic communication device"* means a mobile telephone or other portable electronic communication device capable of being used to write, send, or read a text message. *"Hand-held electronic communication device"* does not include a voice-operated or hands-free device which allows the user to write, send, or read a text message without the use of either hand except to activate or deactivate a feature or function. *"Hand-held electronic communication device"* does not include a wireless communication device used to transmit or receive data as part of a digital dispatch system. *"Hand-held electronic communication device"* includes a device which is temporarily mounted inside the motor vehicle, unless the device is a voice-operated or hands-free device.

*c.* *"Text message"* includes a text-based message, an instant message, and electronic mail.

*d.* The terms *"write"*, *"send"*, and *"read"*, with respect to a text message, mean the manual entry, transmission, and retrieval of a text message, respectively, to communicate with any other person or device.

2. A person shall not use a hand-held electronic communication device to write, send, or read a text message while driving a motor vehicle unless the motor vehicle is at a complete stop off the traveled portion of the roadway.

*a.* A person does not violate this section by using a global positioning system or navigation system or when, for the purpose of engaging in a call, the person selects or enters a telephone number or name in a hand-held mobile telephone or activates, deactivates, or initiates a function of a hand-held mobile telephone.

*b.* The provisions of this subsection relating to reading a text message do not apply to the following persons:

(1) A member of a public safety agency, as defined in section 34.1, performing official duties.

(2) A health care professional in the course of an emergency situation.

(3) A person receiving safety-related information including emergency, traffic, or weather alerts.

3. Nothing in this section shall be construed to authorize a peace officer to confiscate a portable electronic communication device from the driver or occupant of a motor vehicle.

4. *a.* A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph *"l"*.

*b.* A violation of this section shall not be considered a moving violation for purposes of this chapter or rules adopted pursuant to this chapter.

5. A peace officer shall not stop or detain a person solely for a suspected violation of this section. This section is enforceable by a peace officer only as a secondary action when the driver of a motor vehicle has been stopped or detained for a suspected violation of another provision of this chapter, a local ordinance equivalent to a provision of this chapter, or other law.

6. The department, in cooperation with the department of public safety, shall establish educational programs to foster compliance with the requirements of this section.

2010 Acts, ch 1105, §6; 2013 Acts, ch 90, §80

Referred to in §321.210, 321.482A, 321.555, 805.8A(14l)

Additional penalties for violations causing injury or death, see §321.482A

Subsection 5, paragraphs a and b amended and redesignated as subsections 5 and 6

**321.277 Reckless driving.**

Any person who drives any vehicle in such manner as to indicate either a willful or a wanton disregard for the safety of persons or property is guilty of reckless driving.

Every person convicted of reckless driving shall be guilty of a simple misdemeanor.

[C73, §4071; C97, §5039; S13, §1571-m19; C24, 27, 31, 35, §5028; C39, §**5022.04, 5022.05;** C46, 50, 54, 58, 62, §321.283, 321.284; C66, 71, 73, §321.283; C75, 77, 79, 81, §321.277]

Referred to in §321.228, 321.233, 707.6A, 915.80

**321.277A Careless driving.**

A person commits careless driving if the person intentionally operates a motor vehicle on a public road or highway in any one of the following ways:

1. Creates or causes unnecessary tire squealing, skidding, or sliding upon acceleration or stopping.
2. Simulates a temporary race.
3. Causes any wheel or wheels to unnecessarily lose contact with the ground.
4. Causes the vehicle to unnecessarily turn abruptly or sway.

97 Acts, ch 147, §2

Referred to in §805.8A(6c)

For applicable scheduled fine, see §805.8A, subsection 6

**321.278 Drag racing prohibited.**

No person shall engage in any motor vehicle speed contest or exhibition of speed on any street or highway of this state and no person shall aid or abet any motor vehicle speed contest or speed exhibition on any street or highway of this state, except that a passenger shall not be considered as aiding and abetting. Motor vehicle speed contest or exhibition of speed are defined as one or more persons competing in speed in excess of the applicable speed limit in vehicles on the public streets or highways.

Any person who violates the provisions of this section shall be guilty of a simple misdemeanor.

[C66, 71, 73, §321.284; C75, 77, 79, 81, §321.278]

Referred to in §707.6A, 707.8, 805.8A(5d)

**321.279 Eluding or attempting to elude pursuing law enforcement vehicle.**

1. The driver of a motor vehicle commits a serious misdemeanor if the driver willfully fails to bring the motor vehicle to a stop or otherwise eludes or attempts to elude a marked official law enforcement vehicle driven by a uniformed peace officer after being given a visual and audible signal to stop. The signal given by the peace officer shall be by flashing red light, or by flashing red and blue lights, and siren. For purposes of this section, *"peace officer"* means those officers designated under section 801.4, subsection 11, paragraphs *"a"*, *"b"*, *"c"*, *"f"*, *"g"*, and *"h"*.

2. The driver of a motor vehicle commits an aggravated misdemeanor if the driver willfully fails to bring the motor vehicle to a stop or otherwise eludes or attempts to elude a marked official law enforcement vehicle that is driven by a uniformed peace officer after being given a visual and audible signal as provided in this section and in doing so exceeds the speed limit by twenty-five miles per hour or more.

3. The driver of a motor vehicle commits a class "D" felony if the driver willfully fails to bring the motor vehicle to a stop or otherwise eludes or attempts to elude a marked official law enforcement vehicle that is driven by a uniformed peace officer after being given a visual and audible signal as provided in this section, and in doing so exceeds the speed limit by twenty-five miles per hour or more, and if any of the following occurs:

*a.* The driver is participating in a public offense, as defined in section 702.13, that is a felony.

*b.* The driver is in violation of section 321J.2 or 124.401.

*c.* The offense results in bodily injury to a person other than the driver.

[C81, §321.279]

94 Acts, ch 1069, §1; 99 Acts, ch 31, §1; 2002 Acts, ch 1119, §153; 2008 Acts, ch 1147, §3

Referred to in §321.209, 321.555, 707.6A

**321.280 Assaults and homicide.**

A conviction of the violation of any of the provisions of this chapter shall not be a bar to a prosecution for an assault or for a homicide committed by any person in operating motor vehicles.

[S13, §1571-m30; C24, 27, 31, 35, §5091; C39, §**5022.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.280]

Referred to in §321.228, 321.233

**321.281 Actions against bicyclists.**

1. A person operating a motor vehicle shall not steer the motor vehicle unreasonably close to or toward a person riding a bicycle on a highway, including the roadway or the shoulder adjacent to the roadway.

2. A person shall not knowingly project any object or substance at or against a person riding a bicycle on a highway.

3. A person who violates this section commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph *"k"*.

2010 Acts, ch 1193, §143

Referred to in §805.8A(14k)

**321.282 and 321.283** Repealed by 86 Acts, ch 1220, § 47 – 49.

**321.284 Open containers in motor vehicles — drivers.**

1. A driver of a motor vehicle upon a public street or highway shall not possess in the passenger area of the motor vehicle an open or unsealed bottle, can, jar, or other receptacle containing an alcoholic beverage. *"Passenger area"* means the area designed to seat the driver and passengers while the motor vehicle is in operation and any area that is readily accessible to the driver or a passenger while in their seating positions, including the glove compartment. An open or unsealed receptacle containing an alcoholic beverage may be transported in the trunk of the motor vehicle. An unsealed receptacle containing an alcoholic beverage may be transported behind the last upright seat of the motor vehicle if the motor vehicle does not have a trunk. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph *"e"*.

2. A person under the age of twenty-one who violates this section is guilty of a violation of section 123.47.

95 Acts, ch 48, §5; 98 Acts, ch 1100, §47; 98 Acts, ch 1204, §3; 99 Acts, ch 77, §1; 2001 Acts, ch 137, §5; 2010 Acts, ch 1128, §5

Referred to in §123.30, 805.8A(14e)

**321.284A Open containers in motor vehicles — passengers.**

1. A passenger in a motor vehicle upon a public street or highway shall not possess in the passenger area of the motor vehicle an open or unsealed bottle, can, jar, or other receptacle containing an alcoholic beverage. *"Passenger area"* means the area of a motor vehicle designed to seat the driver and passengers while the motor vehicle is in operation and any area that is readily accessible to the driver or a passenger while in their seating positions, including the glove compartment. An open or unsealed receptacle containing an alcoholic beverage may be transported in the trunk of the motor vehicle. An unsealed receptacle containing an alcoholic beverage may be transported behind the last upright seat of the motor vehicle if the motor vehicle does not have a trunk.

2. This section does not apply to a passenger being transported in a motor vehicle designed, maintained, or used primarily for the transportation of persons for compensation, or a passenger being transported in the living quarters of a motor home, manufactured or mobile home, travel trailer, or fifth-wheel travel trailer.

3. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph *"e"*.

4. A person under the age of twenty-one years who violates this section is guilty of a violation of section 123.47.

5. The department shall not include a conviction for a violation of this section on the

individual driving record of the person committing the violation and the conviction shall not be considered by the department in any proceeding for suspension, revocation, barring, or denying of the person's driver's license or upon any application for renewal of driving privileges.

99 Acts, ch 77, §2; 2001 Acts, ch 137, §5; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2010 Acts, ch 1128, §6

Referred to in §123.30, 805.8A(14e)

## SPEED RESTRICTIONS

**321.285 Speed restrictions.**

1. Any person driving a motor vehicle on a highway shall drive the same at a careful and prudent speed not greater than nor less than is reasonable and proper, having due regard to the traffic, surface, and width of the highway and of any other conditions then existing, and no person shall drive any vehicle upon a highway at a speed greater than will permit the person to bring it to a stop within the assured clear distance ahead, such driver having the right to assume, however, that all persons using said highway will observe the law.

2. *a.* Unless otherwise provided by this section, or except as posted pursuant to sections 262.68, 321.236, subsection 5, section 321.288, subsection 2, paragraph "*f*", sections 321.289, 321.290, 321.293, 321.295, and 461A.36, the following shall be the lawful speed and any speed in excess thereof shall be unlawful:

(1) Twenty miles per hour in any business district.

(2) Twenty-five miles per hour in any residence or school district.

(3) Forty-five miles per hour in any suburban district.

*b.* Each school district as defined in section 321.1, subsection 70, shall be marked by distinctive signs as provided by the current manual of uniform traffic control devices adopted by the department and placed on the highway at the limits of such school district.

3. Unless otherwise provided in this section or by other speed restrictions, the speed limit for all vehicular traffic shall be fifty-five miles per hour.

4. A reasonable and proper speed is required, but not greater than fifty-five miles per hour at any time between sunrise and sunset, and not greater than fifty miles per hour at any time between sunset and sunrise, on secondary roads unless such roads are surfaced with concrete or asphalt or a combination of both, in which case the speed limits shall be the same as provided in subsection 3. When the board of supervisors of any county shall determine upon the basis of an engineering and traffic investigation that the speed limit on any secondary road is greater than is reasonable and proper under the conditions found to exist at any intersection or other place or upon any part of a secondary road, the board shall determine and declare a reasonable and proper speed limit at the intersection or other part of the secondary road. The speed limits as determined by the board of supervisors shall be effective when appropriate signs giving notice of the speed limits are erected by the board of supervisors at the intersection or other place or part of the highway.

5. *a.* Notwithstanding any other speed restrictions, the speed limit for all vehicular traffic on fully controlled-access, divided, multilaned highways is sixty-five miles per hour. However, the speed limit for all vehicular traffic on highways that are part of the interstate road system, as defined in section 306.3, is seventy miles per hour. The department may establish a speed limit of sixty-five miles per hour on certain divided, multilaned highways not otherwise described in this paragraph.

*b.* The department, on its own motion or in response to a recommendation of a metropolitan or regional planning commission or council of governments, may establish a lower speed limit on a highway described in this subsection.

*c.* For the purposes of this subsection, "*fully controlled-access highway*" means a highway that gives preference to through traffic by providing access connections with selected public roads only and by prohibiting crossings at grade or direct private driveway connections.

*d.* A minimum speed may be established by the department on the highways referred to in this subsection if warranted by engineering and traffic investigations.

*e.* Any kind of vehicle, implement, or conveyance incapable of attaining and maintaining a speed of forty miles per hour shall be prohibited from using the interstate road system.

6. Notwithstanding any other speed restrictions, a self-propelled implement of husbandry equipped with flotation tires that is designed to be loaded and operated in the field and used exclusively for the application of organic or inorganic plant food materials, agricultural limestone, or agricultural chemicals shall not be operated on a highway at a speed in excess of thirty-five miles per hour.

7. A person who violates this section for excessive speed in violation of a speed limit commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 5. A person who violates this section for excessive speed as an operator of a school bus commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 10. A person who violates any other provision of this section commits a simple misdemeanor.

[S13, §1571-m19, -m20; C24, 27, 31, 35, §5029, 5030; C39, §**5023.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.285]

87 Acts, ch 120, §2; 93 Acts, ch 47, §3 – 7; 94 Acts, ch 1173, §15; 96 Acts, ch 1126, §5; 96 Acts, ch 1191, §1; 2005 Acts, ch 165, §1; 2007 Acts, ch 143, §15; 2009 Acts, ch 133, §119; 2010 Acts, ch 1140, §8; 2012 Acts, ch 1083, §1; 2013 Acts, ch 90, §81

Referred to in §321.233, 321.236, 321.291, 321.292, 321.293, 331.362, 805.8A(5a, 10)
Speed limits at regents institutions, see §262.68
Stopping on traveled way, see §321.354
Subsection 7 amended

**321.286 and 321.287** Repealed by 93 Acts, ch 47, § 14.

**321.288 Control of vehicle — reduced speed.**

1. A person operating a motor vehicle shall have the vehicle under control at all times.

2. A person operating a motor vehicle shall reduce the speed to a reasonable and proper rate:

*a.* When approaching and passing a person walking in the traveled portion of the public highway.

*b.* When approaching and passing an animal which is being led, ridden, or driven upon a public highway.

*c.* When approaching and traversing a crossing or intersection of public highways, or a sharp turn, curve, or steep descent in a public highway.

*d.* When approaching and passing an emergency warning device displayed in accordance with rules adopted under section 321.449, or an emergency vehicle displaying a revolving or flashing light.

*e.* When approaching and passing a slow moving vehicle displaying a reflective device or alternative reflective device as provided by section 321.383.

*f.* When approaching and passing through a road work zone.

[S13, §1571-m18; C24, 27, 31, 35, §5031; C39, §**5023.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.288]

85 Acts, ch 167, §2; 87 Acts, ch 170, §7; 89 Acts, ch 296, §33; 97 Acts, ch 104, §20; 99 Acts, ch 102, §1; 2012 Acts, ch 1083, §2

Referred to in §321.285, 805.8A(6d)
For applicable scheduled fine, see §805.8A, subsection 6

**321.289 Speed signs — duty to install.**

The department shall furnish and place on primary roads or on extensions of primary roads within any city suitable standard signs showing the points at which the rate of speed changes and the maximum rate of speed in the district which the vehicle is entering. On all other main highways the city shall furnish and erect suitable signs giving similar information to traffic on such highways.

[S13, §1571-m20; C24, §5030; C27, 31, 35, §5030-b2; C39, §**5023.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.289]

Referred to in §321.285

**321.290 Special restrictions.**

Whenever the department shall determine upon the basis of an engineering and traffic investigation that any speed limit hereinbefore set forth is greater or less than is reasonable or safe under the conditions found to exist at any intersection or other place or upon any part of the primary road system or upon any part of a primary road extension, said department shall determine and declare a reasonable and safe speed limit thereat which shall be effective when appropriate signs giving notice thereof are erected at such intersection or other place or part of the highway.

Whenever the council in any city shall determine upon the basis of an engineering and traffic investigation that any speed limit hereinbefore set forth is greater or less than is reasonable or safe under the conditions found to exist at any intersection or other place or upon any part of the city street system, except primary road extensions, said council shall determine and adopt by ordinance such higher or lower speed limit as it deems reasonable and safe thereat. Such speed limit shall be effective when proper and appropriate signs giving notice thereof are erected at such intersections or other place or part of the street.

[C39, §**5023.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.290]

Referred to in §321.285

**321.291 Information or notice.**

In every charge of violation of section 321.285 the information, and also the notice to appear, shall specify the speed at which the defendant is alleged to have driven and the speed limit applicable within the district or at the location.

[C39, §**5023.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.291]

93 Acts, ch 47, §8; 94 Acts, ch 1023, §104

**321.292 Civil action unaffected.**

The provisions of section 321.285 shall not be construed to relieve the plaintiff in any civil action from the burden of proving negligence upon the part of the defendant as the proximate cause of an accident.

[C39, §**5023.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.292]

93 Acts, ch 47, §9; 2009 Acts, ch 41, §116

**321.293 Local authorities may alter limits.**

Local authorities in their respective jurisdiction may in their discretion subject to the approval of the department authorize by ordinance higher speeds than those stated in section 321.285 upon through highways or upon highways or portions thereof where stop or yield signs have been erected at the entrances thereto provided signs are erected giving notice of the authorized speed, but local authorities shall not have authority to authorize by ordinance a speed in excess of fifty-five miles per hour. If local authorities fail to authorize by ordinance higher speeds than those stated in section 321.285 upon through highways or upon highways or portions thereof where stop signs have been erected at the entrances thereto, the department may recommend, upon the basis of an engineering and traffic investigation, to the local authorities that the speed limit be increased. If local authorities fail to increase the speed limit upon said recommendation of the department, said department shall declare a reasonable and safe speed limit which shall be effective when appropriate signs are erected giving notice thereof.

[C39, §**5023.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.293]

Referred to in §321.236, 321.285

**321.294 Minimum speed regulation.**

A person shall not drive a motor vehicle at such a slow speed as to impede or block the normal and reasonable movement of traffic except when reduced speed is necessary for safe operation or in compliance with law. Peace officers are hereby authorized to enforce this provision by directions to drivers, and in the event of apparent willful disobedience to this provision and refusal to comply with direction of an officer in accordance herewith

the continued slow operation by a driver shall be a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 8.

[C31, 35, §5021-c1; C39, §**5023.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.294]
2000 Acts, ch 1203, §11; 2001 Acts, ch 137, §5
Referred to in §805.8A(8c)
See also §321.382

**321.295 Limitation on bridge or elevated structures.**

1. A person shall not drive a vehicle on any public bridge or elevated structure at a speed which is greater than the maximum speed permitted under this chapter on the street or highway at a point where said street or highway joins said bridge or elevated structure. However, if the maximum speed permitted on said street or highway differs from the maximum speed on any other street or highway joining said bridge or elevated structure, then the lowest of those maximum speeds shall be the maximum speed limit on said bridge or elevated structure unless the department, upon request from any local authority or upon its own initiative, has conducted an investigation of the bridge or other elevated structure constituting a part of the highway, and has found that the structure cannot with safety to itself withstand vehicles traveling at the speed otherwise permissible under this chapter. Under those circumstances, the department shall determine and declare the maximum speed of vehicles which the structure can withstand, and shall cause or permit suitable signs stating such maximum speed to be erected and maintained at a distance of two hundred feet before each end of such structure.

2. A person shall not drive a vehicle over any bridge or other elevated structure constituting a part of a highway at a speed which is greater than the maximum speed which can be maintained with safety to such bridge or structure, when the structure is signposted as provided in this section.

3. Upon the trial of any person charged with driving a vehicle at a speed which is greater than the maximum speed which can be maintained with safety to such bridge or structure, proof of such determination of the maximum speed by said department and the existence of said signs shall constitute conclusive evidence of the maximum speed which can be maintained with safety to such bridge or structure.

[C39, §**5023.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.295]
2010 Acts, ch 1069, §46
Referred to in §321.285, 805.8A(5e)
For applicable scheduled fine, see §805.8A, subsection 5, paragraph e

**321.296** Repealed by 76 Acts, ch 1165, § 37.

## DRIVING ON RIGHT SIDE OF ROADWAY — OVERTAKING AND PASSING — TOWING

**321.297 Driving on right-hand side of roadway — exceptions.**

1. A vehicle shall be driven upon the right half of the roadway upon all roadways of sufficient width, except as follows:

*a.* When overtaking and passing another vehicle proceeding in the same direction under the rules governing such movement.

*b.* When an obstruction exists making it necessary to drive to the left of the center of the roadway, provided, any person so doing shall yield the right-of-way to all vehicles traveling in the proper direction upon the unobstructed portion of the roadway within such distance as to constitute an immediate hazard.

*c.* Upon a roadway divided into three marked lanes for traffic under the rules applicable thereon.

*d.* Upon a roadway restricted to one-way traffic.

2. Any vehicle proceeding at less than the normal speed of traffic at the time and place and under the conditions then existing shall be driven in the right-hand lane then available for traffic upon all roadways, or as close as practicable to the right-hand curb or edge of

the roadway, except when overtaking and passing another vehicle proceeding in the same direction or when preparing for a left turn at an intersection, an alley, private road or driveway.

3. A vehicle shall not be driven upon any roadway having four or more lanes for moving traffic and providing for two-way movement of traffic, to the left of the center line of the roadway, except when authorized by official traffic-control devices designating certain lanes to the left side of the center of the roadway for use by traffic not otherwise permitted to use such lanes, or except as permitted under subsection 1, paragraph *"b"*. This subsection shall not be construed as prohibiting the crossing of the center line in making a left turn into or from an alley, private road, or driveway.

[S13, §1571-m18; C24, 27, 31, 35, §5019; C39, §**5024.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.297]

Referred to in §321.233, 321.298, 321.482A, 805.8A(6e)
For applicable scheduled fine, see §805.8A, subsection 6
Additional penalties for violations causing serious injury or death, see §321.482A

**321.298 Meeting and turning to right.**

Except as otherwise provided in section 321.297, vehicles or persons on horseback meeting each other on any roadway shall yield one-half of the roadway by turning to the right.

[R60, §908; C73, §1000; C97, §1569; S13, §1569; C24, 27, 31, 35, §5020; C39, §**5024.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.298]

Referred to in §321.233, 321.482A, 805.8A(7b)
For applicable scheduled fine, see §805.8A, subsection 7
Additional penalties for violations causing serious injury or death, see §321.482A

**321.299 Overtaking a vehicle.**

The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction, subject to those limitations, exceptions, and special rules hereinafter stated:

1. The driver of a vehicle overtaking another vehicle proceeding in the same direction shall pass to the left of the other vehicle at a safe distance and shall not again drive to the right side of the roadway until safely clear of the overtaken vehicle.

2. Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle shall give way to the right in favor of the overtaking vehicle and shall not increase the speed of the overtaken vehicle until completely passed by the overtaking vehicle.

[S13, §1569, 1571-m18; C24, 27, 31, 35, §5021, 5022; C39, §**5024.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.299]

89 Acts, ch 296, §34; 2010 Acts, ch 1061, §115

Referred to in §321.482A, 805.8A(6f)
Passing on right, §321.302
For applicable scheduled fine, see §805.8A, subsection 6
Additional penalties for violations causing serious injury or death, see §321.482A

**321.300 and 321.301** Repealed by 92 Acts, ch 1175, § 42.

**321.302 Overtaking and passing.**

1. Unless otherwise prohibited by law, the driver of a vehicle on a roadway with unobstructed pavement of sufficient width for two or more lines of traffic moving in the same direction as the vehicle being passed may overtake and pass upon the right of another vehicle which is making or about to make a left turn when such movement can be made in safety.

2. Unless otherwise prohibited by law, the driver of a vehicle may overtake and, allowing sufficient clearance, pass another vehicle proceeding in the same direction either upon the left or upon the right on a roadway with unobstructed pavement of sufficient width for four or more lines of moving traffic when such movement can be made in safety.

3. The driver of a vehicle shall not drive off the pavement or upon the shoulder of the roadway or upon the apron or roadway of an intersecting roadway in overtaking or passing on the right or the left.

4. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 6.

[C39, §**5024.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.302]

2000 Acts, ch 1203, §12; 2001 Acts, ch 137, §5; 2003 Acts, ch 6, §2; 2010 Acts, ch 1190, §47

Referred to in §321.482A, 805.8A(6g)

Additional penalties for violations causing serious injury or death, see §321.482A

**321.303 Limitations on overtaking on the left.**

A vehicle shall not be driven to the left side of the center of the roadway in overtaking and passing another vehicle proceeding in the same direction unless the left side is clearly visible and is free of oncoming traffic for a sufficient distance ahead to permit the overtaking and passing to be completely made without interfering with the safe operation of a vehicle approaching from the opposite direction or a vehicle overtaken. The overtaking vehicle shall return to the right-hand side of the roadway before coming within three hundred feet of a vehicle approaching from the opposite direction when traveling on a roadway having a legal speed limit in excess of thirty miles per hour, and the overtaking vehicle shall return to the right-hand side of the roadway before coming within one hundred feet of a vehicle approaching from the opposite direction when traveling on a roadway having a legal speed limit of thirty miles per hour or less.

[C39, §**5024.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.303]

83 Acts, ch 125, §4

Referred to in §321.482A, 805.8A(6h)

For applicable scheduled fine, see §805.8A, subsection 6

Additional penalties for violations causing serious injury or death, see §321.482A

**321.304 Prohibited passing.**

No vehicle shall, in overtaking and passing another vehicle or at any other time, be driven to the left side of the roadway under the following conditions:

1. When approaching the crest of a grade or upon a curve in the highway where the driver's view along the highway is obstructed for a distance of approximately seven hundred feet.

2. When approaching within one hundred feet of any narrow bridge, viaduct, or tunnel, when so signposted, or when approaching within one hundred feet of or traversing any intersection or railroad grade crossing.

3. Where official signs are in place directing that traffic keep to the right or a distinctive center line or off-center line is marked, which distinctive line also so directs traffic as declared in the sign manual adopted by the department of transportation.

[C35, §5024-e1; C39, §**5024.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.304]

Referred to in §321.482A, 805.8A(6i, 8d)

For applicable scheduled fines, see §805.8A, subsections 6 and 8

Additional penalties for violations causing serious injury or death, see §321.482A

**321.305 One-way roadways and rotary traffic islands.**

1. Upon a roadway designated and signposted for one-way traffic a vehicle shall be driven only in the direction designated.

2. A vehicle passing around a rotary traffic island shall be driven only to the right of such island.

[C39, §**5024.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.305]

Referred to in §321.482A, 805.8A(6j)

For applicable scheduled fine, see §805.8A, subsection 6

Additional penalties for violations causing serious injury or death, see §321.482A

**321.306 Roadways laned for traffic.**

Whenever any roadway has been divided into three or more clearly marked lanes for traffic the following rules in addition to all others consistent herewith shall apply:

1. A vehicle shall be driven as nearly as practical entirely within a single lane and shall not be moved from such lane until the driver has first ascertained that such movement can be made with safety.

2. If a roadway is divided into three lanes, a vehicle shall not be driven in the center lane except as follows:

*a.* When overtaking and passing another vehicle where the roadway is clearly visible and such center lane is clear of traffic within a safe distance.

*b.* In preparation for a left turn or where such center lane is at the time allocated exclusively to traffic moving in the direction the vehicle is proceeding and is signposted to give notice of such allocation.

3. Official signs may be erected directing slow-moving traffic to use a designated lane or allocating specified lanes to traffic moving in the same direction and drivers of vehicles shall obey the directions of every such sign.

4. Vehicles moving in a lane designated for slow-moving traffic shall yield the right-of-way to vehicles moving in the same direction in a lane not so designated when such lanes merge to form a single lane.

5. A portion of a highway provided with a lane for slow-moving vehicles does not become a roadway marked for three lanes of traffic.

[C39, §**5024.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.306]

2010 Acts, ch 1069, §94

Referred to in §321.208, 321.482A, 805.8A(6k)

For applicable scheduled fine, see §805.8A, subsection 6

Additional penalties for violations causing serious injury or death, see §321.482A

**321.307 Following too closely.**

The driver of a motor vehicle shall not follow another vehicle more closely than is reasonable and prudent, having due regard for the speed of such vehicles and the traffic upon and the condition of the highway.

[C39, §**5024.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.307]

Referred to in §321.482A, 805.8A(7c)

For applicable scheduled fine, see §805.8A, subsection 7

Additional penalties for violations causing serious injury or death, see §321.482A

**321.308 Motor trucks and towed vehicles — distance requirements.**

The driver of any motor truck, or of a motor vehicle drawing another vehicle, when traveling upon a roadway, outside of a business or residence district shall not follow within three hundred feet of another motor truck, or of a motor vehicle drawing another vehicle. The provisions of this section shall not be construed to prevent overtaking and passing nor shall the same apply upon any lane specially designated for use by motor trucks.

[C31, 35, §5067-d9; C39, §**5024.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.308]

Referred to in §321.482A, 805.8A(7d)

See §321.309 for convoys or caravans

For applicable scheduled fine, see §805.8A, subsection 7

Additional penalties for violations causing serious injury or death, see §321.482A

**321.309 Towing — convoys.**

1. A person shall not pull or tow by motor vehicle, for hire, another motor vehicle over any highway outside the limits of any incorporated city, except in case of temporary movement of a disabled motor vehicle to the place where repairs will be made, unless the person has complied with the provisions of sections 321.57 and 321.58. Provided, however, if the person is a nonresident of the state of Iowa and has complied with the laws of the state of that person's residence governing licensing and registration as a transporter of motor vehicles, the person shall not be required to pay the fee provided in section 321.58 but only to submit proof of the person's status as a bona fide manufacturer or transporter as may reasonably be required by the department.

2. A person pulling or towing by motor vehicle another motor vehicle in convoy or caravan shall maintain a distance of at least five hundred feet between the units of the convoy or caravan.

[C31, 35, §5067-d9; C39, §**5024.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.309]

83 Acts, ch 101, §69; 97 Acts, ch 108, §16

Referred to in §321.482A, 805.8A(12a)

For applicable scheduled fines, see §805.8A, subsection 12, paragraph a

Additional penalties for violations of subsection 2 causing serious injury or death, see §321.482A

**321.310 Towing four-wheeled trailers.**

1. A motor vehicle shall not tow a four-wheeled trailer with a steering axle, or more than one trailer or semitrailer, or both in combination. However, this section does not apply to a motor home, multipurpose vehicle, motor truck, truck tractor or road tractor nor to a farm tractor towing a four-wheeled trailer, nor to a farm tractor or motor vehicle towing implements of husbandry, nor to a wagon box trailer used by a farmer in transporting produce, farm products or supplies hauled to and from market.

2. Any four-wheeled trailer towed by a truck tractor or road tractor shall be registered under the semitrailer provisions of section 321.123, provided, however, that the provisions of this section shall not be applicable to motor vehicles drawing wagon box trailers used by a farmer in transporting produce, farm products or supplies hauled to and from market.

[C39, §**5024.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.310]

84 Acts, ch 1226, §1

Referred to in §805.8A(12a)

For applicable scheduled fines, see §805.8A, subsection 12, paragraph a

## TURNING AND STARTING AND SIGNALS ON STOPPING AND TURNING

**321.311 Turning at intersections.**

1. The driver of a vehicle intending to turn at an intersection shall do so as follows:

*a.* Both the approach for a right turn and right turn shall be made as close as practical to the right-hand curb or edge of the roadway.

*b.* Approach for a left turn shall be made in that portion of the right half of the roadway nearest the center line thereof and after entering the intersection the left turn shall be made so as to depart from the intersection to the right of the center line of the roadway being entered.

*c.* Approach for a left turn from a two-way street into a one-way street shall be made in that portion of the right half of the roadway nearest the center line thereof and by passing to the right of such center line where it enters the intersection. A left turn from a one-way street into two-way street shall be made by passing to the right of the center line of the street being entered upon leaving the intersection.

2. Local authorities in their respective jurisdictions may cause markers, buttons, or signs to be placed within or adjacent to intersections and thereby require and direct that a different course from that specified in this section be traveled by vehicles turning at an intersection, and when markers, buttons, or signs are so placed no driver of a vehicle shall turn a vehicle at an intersection other than as directed and required by such markers, buttons, or signs.

[S13, §1571-m18; C24, 27, 31, 35, §5033; C39, §**5025.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.311]

Referred to in §321.354, 321.482A, 805.8A(6l)

For applicable scheduled fine, see §805.8A, subsection 6

Additional penalties for violations causing serious injury or death, see §321.482A

**321.312 Turning on curve or crest of grade.**

No vehicle shall be turned so as to proceed in the opposite direction upon any curve, or upon the approach to, or near the crest of a grade or hill, where such vehicle cannot be seen by the driver of any other vehicle approaching from either direction within five hundred feet.

[C39, §**5025.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.312]

Referred to in §805.8A(6m)

For applicable scheduled fine, see §805.8A, subsection 6

**321.313 Starting parked vehicle.**

No person shall start a vehicle which is stopped, standing, or parked unless and until such movement can be made with reasonable safety.

[C39, §**5025.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.313]

Referred to in §805.8A(7e)

For applicable scheduled fine, see §805.8A, subsection 7

**321.314 When signal required.**

No person shall turn a vehicle from a direct course upon a highway unless and until such movement can be made with reasonable safety and then only after giving a clearly audible signal by sounding the horn if any pedestrian may be affected by such movement or after giving an appropriate signal in the manner hereinafter provided in the event any other vehicle may be affected by such movement.

[S13, §1571-m18; C24, 27, 31, 35, §5032; C39, §**5025.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.314]

Referred to in §805.8A(6n)

For applicable scheduled fine, see §805.8A, subsection 6

**321.315 Signal continuous.**

A signal of intention to turn right or left shall be given continuously during not less than the last one hundred feet traveled by the vehicle before turning when the speed limit is forty-five miles per hour or less and a continuous signal during not less than the last three hundred feet when the speed limit is in excess of forty-five miles per hour.

[C39, §**5025.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.315]

Referred to in §805.8A(6o)

For applicable scheduled fine, see §805.8A, subsection 6

**321.316 Stopping.**

No person shall stop or suddenly decrease the speed of a vehicle without first giving an appropriate signal in the manner provided herein to the driver of any vehicle immediately to the rear when there is opportunity to give such signal.

[S13, §1571-m18; C24, 27, 31, 35, §5032; C39, §**5025.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.316]

Referred to in §805.8A(6p)

For applicable scheduled fine, see §805.8A, subsection 6

**321.317 Signals by hand and arm or signal device.**

1. The signals required under the provisions of this chapter may be given either by means of the hand and arm as provided in section 321.318, or by a mechanical or electrical directional signal device or light conforming to the provisions of this chapter.

2. Directional signal devices shall be designed with a white, yellow or amber lamp or lamps to be displayed on the front of vehicles and with a lamp or lamps of red, yellow or amber to be displayed on the rear of vehicles. Such devices shall be capable of clearly indicating any intention to turn either to the right or to the left and shall be visible and understandable during both daylight and darkness from a distance of at least one hundred feet from the front and rear of a vehicle equipped therewith.

3. It is unlawful for any person to sell or offer for sale or operate on the highways of the state any vehicle subject to registration under the provisions of this chapter which has never been registered in this or any other state prior to January 1, 1954, unless the vehicle is equipped with a directional signal device of a type in compliance with the provisions of subsection 2. Motorcycles, motorized bicycles, and semitrailers and trailers less than forty inches in width are exempt from the provisions of this section.

4. When a vehicle is equipped with a directional signal device, such device shall at all times be maintained in good working condition. No directional signal device shall project a glaring or dazzling light. All directional signal devices shall be self-illuminated when in use while other lamps on the vehicle are lighted.

5. Whenever any vehicle or combination of vehicles is disabled or for other reason may present a vehicular traffic hazard requiring unusual care in approaching, overtaking or passing, the operator then may display on the vehicle or combination of vehicles four directional signals of a type complying with the provisions of this section relating to directional signal devices in simultaneous operation.

[S13, §1571-m18; C24, 27, 31, 35, §5032; C39, §**5025.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.317]

87 Acts, ch 170, §8; 97 Acts, ch 108, §17, 18

Referred to in §321.404A, 805.8A(3c)

For applicable scheduled fines, see §805.8A, subsection 3

**321.318 Method of giving hand and arm signals.**

All signals herein required which may be given by hand and arm shall when so given be given from the left side of the vehicle and the following manner and interpretation thereof is suggested:

1. Left turn — Hand and arm extended horizontally.
2. Right turn — Hand and arm extended upward.
3. Stop or decrease of speed — Hand and arm extended downward.

[C39, §**5025.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.318]

Referred to in §321.317, 805.8A(6q)
For applicable scheduled fine, see §805.8A, subsection 6

RIGHT-OF-WAY

**321.319 Entering intersections from different highways.**

When two vehicles enter an intersection from different highways or public streets at approximately the same time, the driver of the vehicle on the left shall yield the right-of-way to the vehicle on the right.

The foregoing rule is modified at through highways and otherwise as hereinafter stated in this chapter.

[S13, §1571-m18; C24, 27, 31, 35, §5035; C39, §**5026.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.319]

Referred to in §321.482A, 805.8A(7f)
For applicable scheduled fine, see §805.8A, subsection 7
Additional penalties for violations causing serious injury or death, see §321.482A

**321.320 Left turns — yielding.**

The driver of a vehicle intending to turn to the left within an intersection or into an alley, private road, or driveway shall yield the right-of-way to all vehicles approaching from the opposite direction which are within the intersection or so close thereto as to constitute an immediate hazard, then said driver, having so yielded and having given a signal when and as required by this chapter, may make such left turn.

[S13, §1571-m18; C24, 27, 31, 35, §5035; C39, §**5026.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.320]

Referred to in §321.482A, 805.8A(7g)
For applicable scheduled fine, see §805.8A, subsection 7
Additional penalties for violations causing serious injury or death, see §321.482A

**321.321 Entering through highways.**

The driver of a vehicle shall stop or yield as required by this chapter at the entrance to a through highway and shall yield the right-of-way to other vehicles which have entered the intersection from said through highway or which are approaching so closely on said through highway as to constitute a hazard, but said driver having so yielded may proceed cautiously and with due care enter said through highway.

[C27, §5079-b2, -b3; C31, 35, §5079-b2, -b3, -d2, -d3; C39, §**5026.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.321]

Referred to in §321.482A, 805.8A(7h)
For applicable scheduled fine, see §805.8A, subsection 7
Additional penalties for violations causing serious injury or death, see §321.482A

**321.322 Vehicles entering stop or yield intersection.**

1. The driver of a vehicle approaching a stop intersection indicated by a stop sign shall stop at the first opportunity at either the clearly marked stop line or before entering the crosswalk or before entering the intersection or at the point nearest the intersecting roadway where the driver has a view of approaching traffic on the intersecting roadway before entering the intersection. Before proceeding, the driver shall yield the right-of-way to any vehicle on the intersecting roadway which has entered the intersection or which is approaching so closely as to constitute an immediate hazard during the time the driver is moving across or within the intersection.

2. The driver of a vehicle approaching a yield sign shall slow to a speed reasonable for the existing conditions and, if required for safety, shall stop at the first opportunity at either the clearly marked stop line or before entering the crosswalk or before entering the intersection or at the point nearest the intersecting roadway where the driver has a view of approaching traffic on the intersecting roadway. After slowing or stopping, the driver shall yield the right-of-way to any vehicle on the intersecting roadway which has entered the intersection or which is approaching so closely as to constitute an immediate hazard during the time the driver is moving across or within the intersection.

[C27, §5079-b2, -b3; C31, 35, §5079-b2, -b3, -d2, -d3; C39, §**5026.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.322]

Referred to in §321.482A, 805.8A(8e)
For applicable scheduled fines, see §805.8A, subsection 8
Additional penalties for violations causing serious injury or death, see §321.482A

**321.323 Moving vehicle backward on highway.**

A person shall not cause a vehicle to be moved in a backward direction on a highway unless and until the vehicle can be backed with reasonable safety, and shall yield the right-of-way to any approaching vehicle on the highway or an intersecting highway which is so close as to constitute an immediate hazard.

[C66, 71, 73, 75, 77, 79, 81, §321.323]

89 Acts, ch 296, §35

Referred to in §321.233, 321.482A, 805.8A(6r)
For applicable scheduled fine, see §805.8A, subsection 6
Additional penalties for violations causing serious injury or death, see §321.482A

**321.323A Approaching certain stationary vehicles.**

1. The operator of a motor vehicle approaching a stationary authorized emergency vehicle that is displaying flashing yellow, amber, white, red, or red and blue lights shall approach the authorized emergency vehicle with due caution and shall proceed in one of the following manners, absent any other direction by a peace officer:

*a.* Make a lane change into a lane not adjacent to the authorized emergency vehicle if possible in the existing safety and traffic conditions.

*b.* If a lane change under paragraph *"a"* would be impossible, prohibited by law, or unsafe, reduce the speed of the motor vehicle to a reasonable and proper speed for the existing road and traffic conditions, which speed shall be less than the posted speed limit, and be prepared to stop.

2. The operator of a motor vehicle approaching a stationary towing or recovery vehicle, a stationary utility maintenance vehicle, a stationary municipal maintenance vehicle, or a stationary highway maintenance vehicle, that is displaying flashing yellow, amber, or red lights, shall approach the vehicle with due caution and shall proceed in one of the following manners, absent any other direction by a peace officer:

*a.* Make a lane change into a lane not adjacent to the towing, recovery, utility maintenance, municipal maintenance, or highway maintenance vehicle if possible in the existing safety and traffic conditions.

*b.* If a lane change under paragraph *"a"* would be impossible, prohibited by law, or unsafe, reduce the speed of the motor vehicle to a reasonable and proper speed for the existing road and traffic conditions, which speed shall be less than the posted speed limit, and be prepared to stop.

3. *a.* A person convicted of a violation of this section commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 11.

*b.* A person convicted of a violation of this section which resulted in an accident causing bodily injury to or the death of another person may be subject to the following penalties in addition to the penalty provided for a scheduled violation in section 805.8A, subsection 11, or any other penalty provided by law:

(1) For a violation causing bodily injury to another person, a fine of five hundred dollars.

(2) For a violation causing death, a fine of one thousand dollars.

*c.* Upon receiving a record of a person's conviction for a violation under paragraph *"a"* which resulted in an accident causing damage to the property of another person or bodily

injury to or death of another person, the department shall suspend the person's driver's license or operating privileges, upon thirty days' notice and without preliminary hearing, as follows:

(1) For a violation causing damage to the property of another person, but not resulting in bodily injury to or death of another person, the department shall suspend the violator's driver's license or operating privileges for ninety days.

(2) For a violation causing bodily injury to another person, the department shall suspend the violator's driver's license or operating privileges for one hundred eighty days.

(3) For a violation causing death, the department shall suspend the violator's driver's license or operating privileges for one year.

2002 Acts, ch 1013, §1; 2003 Acts, ch 2, §1; 2012 Acts, ch 1083, §3; 2012 Acts, ch 1138, §63
Referred to in §805.8A(11b)

**321.324 Operation on approach of emergency vehicles.**

1. For the purposes of this section, *"red light"* or *"blue light"* means a light or lighting device that, when illuminated, will exhibit a solid flashing or strobing red or blue light.

2. Upon the immediate approach of an authorized emergency vehicle with any lamp or device displaying a red light or red and blue lights, or an authorized emergency vehicle of a fire department displaying a blue light, or when the driver is giving audible signal by siren, exhaust whistle, or bell, the driver of every other vehicle shall yield the right-of-way and shall immediately drive to a position parallel to, and as close as possible to, the right-hand edge or curb of the highway clear of any intersection and shall stop and remain in such position until the authorized emergency vehicle has passed, except when otherwise directed by a police officer.

3. Upon the approach of an authorized emergency vehicle, as described in subsection 2, the driver of every streetcar shall immediately stop such car clear of any intersection and keep it in such position until the authorized emergency vehicle has passed, except when otherwise directed by a police officer.

4. This section shall not operate to relieve the driver of an authorized emergency vehicle from the duty to drive with due regard for the safety of all persons using the highway.

[C39, §**5026.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.324]
2000 Acts, ch 1045, §1; 2010 Acts, ch 1069, §95
Referred to in §321.482A, 805.8A(11c)
See also §321.231
For applicable scheduled fines, see §805.8A, subsection 11
Additional penalties for violations causing serious injury or death, see §321.482A

**321.324A Funeral processions.**

1. For purposes of this section, *"funeral procession"* means a procession of motor vehicles accompanying the body of a deceased person during daylight hours which is being escorted by a vehicle continually displaying its emergency signal lamps flashing simultaneously and using lighted headlamps and identifying flags, or an escort vehicle displaying a flashing or revolving red and amber light visible to pedestrians in all directions, and keeping all other motor vehicles with lighted headlamps in close formation.

2. Upon the immediate approach of a funeral procession, the driver of every other vehicle, except an authorized emergency vehicle, shall yield the right-of-way. An operator of a motor vehicle which is part of a funeral procession shall not be charged with violating traffic rules and regulations relating to traffic signals and devices while participating in the procession unless the operation is reckless.

3. The funeral establishment in charge of the funeral procession is liable only in connection with the procession for any negligent, reckless, or intentional act by the funeral establishment or any employee or agent of the funeral establishment that results in any death, personal injury or property damage suffered during a funeral procession.

94 Acts, ch 1139, §1; 2006 Acts, ch 1070, §13
Referred to in §321.423, 321.482A
Flashing lights, see §321.423
Penalties for violations causing serious injury or death, see §321.482A

## PEDESTRIANS' RIGHTS AND DUTIES

**321.325 Pedestrians subject to signals.**

Pedestrians shall be subject to traffic-control signals at intersections as heretofore declared in this chapter, but at all other places pedestrians shall be accorded the privileges and shall be subject to the restrictions stated in sections 321.327 to 321.331.

[C39, §**5027.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.325]

Referred to in §805.8A(9e)

For applicable scheduled fine, see §805.8A, subsection 9

**321.326 Pedestrians on left.**

Pedestrians shall at all times when walking on or along a highway, walk on the left side of such highway.

[C39, §**5027.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.326]

Referred to in §805.8A(9f)

For applicable scheduled fine, see §805.8A, subsection 9

**321.327 Pedestrians' right-of-way.**

1. Where traffic-control signals are not in place or in operation the driver of a vehicle shall yield the right-of-way, slowing down or stopping if need be to so yield, to a pedestrian crossing the roadway within any marked crosswalk or within any unmarked crosswalk at an intersection, except as otherwise provided in this chapter.

2. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 7.

[C39, §**5027.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.327]

2000 Acts, ch 1203, §13; 2001 Acts, ch 137, §5; 2010 Acts, ch 1190, §48

Referred to in §321.325, 321.482A, 805.8A(7i)

Additional penalties for violations causing serious injury or death, see §321.482A

**321.328 Crossing at other than crosswalk.**

1. Every pedestrian crossing a roadway at any point other than within a marked crosswalk or within an unmarked crosswalk at an intersection shall yield the right-of-way to all vehicles upon the roadway except that cities may restrict such a crossing by ordinance.

2. Any pedestrian crossing a roadway at a point where a pedestrian tunnel or overhead pedestrian crossing has been provided shall yield the right-of-way to all vehicles upon the roadway.

3. Where traffic-control signals are in operation at any place not an intersection pedestrians shall not cross at any place except in a marked crosswalk.

[C39, §**5027.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.328]

Referred to in §321.325, 321.329, 805.8A(9g)

For applicable scheduled fines, see §805.8A, subsection 9

**321.329 Duty of driver — pedestrians crossing or working on highways.**

1. Notwithstanding the provisions of section 321.328 every driver of a vehicle shall exercise due care to avoid colliding with any pedestrian upon any roadway and shall give warning by sounding the horn when necessary and shall exercise due care upon observing any child or any confused or incapacitated person upon a roadway.

2. Every driver of a vehicle shall yield the right-of-way to pedestrian workers engaged in maintenance or construction work on a highway whenever the driver is notified of the presence of such workers by a flagman or a warning sign.

[C39, §**5027.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.329]

Referred to in §321.325, 321.482A, 805.8A(7j)

For applicable scheduled fine, see §805.8A, subsection 7

Additional penalties for violations causing serious injury or death, see §321.482A

**321.330 Use of crosswalks.**

Pedestrians shall move, whenever practicable, upon the right half of crosswalks.

[C39, §**5027.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.330]

Referred to in §321.325

**321.331 Pedestrians soliciting rides.**

1. No person shall stand in a roadway for the purpose of soliciting a ride from the driver of any private vehicle.

2. Nothing in this section or this chapter shall be construed so as to prevent any pedestrian from standing on that portion of the highway or roadway, not ordinarily used for vehicular traffic, for the purpose of soliciting a ride from the driver of any vehicle.

[C39, §**5027.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.331]

Referred to in §321.325, 805.8A(9h)

For applicable scheduled fines, see §805.8A, subsection 9

**321.332 White canes restricted to blind persons.**

For the purpose of guarding against accidents in traffic on the public thoroughfares, it shall be unlawful for any person except persons wholly or partially blind to carry or use on the streets, highways, and public places of the state any white canes or walking sticks which are white in color or white tipped with red.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.332]

Referred to in §216C.8, 321.334, 805.8A(9i)

For applicable scheduled fine, see §805.8A, subsection 9; see also §321.334

**321.333 Duty of drivers.**

Any driver of a vehicle or operator of a motor-driven vehicle who approaches or comes in contact with a person wholly or partially blind carrying a cane or walking stick white in color or white tipped with red, or being led by a guide dog wearing a harness and walking on either side of or slightly in front of said blind person, shall immediately come to a complete stop, and take such precautions as may be necessary to avoid accident or injury to the person carrying a cane or walking stick white in color or white tipped with red or being led by a guide dog.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.333]

Referred to in §216C.8, 321.482A, 805.8A(7k)

For applicable scheduled fine, see §805.8A, subsection 7

Additional penalties for violations causing serious injury or death, see §321.482A

**321.334 Penalties.**

Any person who shall carry a cane or walking stick such as prescribed in section 321.332 contrary to the provisions hereof, or who shall fail to heed the approach of a person lawfully so carrying a cane or walking stick white in color or white tipped with red, or being led by a guide dog, or who shall fail to immediately come to a complete stop, and take such precautions against accident or injury to such person, shall be fined not less than one dollar nor more than one hundred dollars for each offense.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.334]

For scheduled fine applicable to §321.332 violations, see §805.8A, subsection 9

**321.335 through 321.339** Repealed by 75 Acts, ch 170, § 33.

**321.340 Driving through safety zone.**

No vehicle shall at any time be driven through or within a safety zone.

[C39, §**5028.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.340]

Referred to in §805.8A(6s)

For applicable scheduled fine, see §805.8A, subsection 6

## SPECIAL STOPS REQUIRED

**321.341 Obedience to signal indicating approach of railroad train or railroad track equipment.**

1. When a person driving a vehicle approaches a railroad grade crossing and warning is given by automatic signal, crossing gates, a flag person, or otherwise of the immediate approach of a railroad train or railroad track equipment, the driver of the vehicle shall stop the vehicle within fifty feet but not less than fifteen feet from the nearest rail and shall not proceed until the driver can do so safely.

2. The driver of a vehicle shall stop the vehicle and the vehicle shall remain standing and not traverse such a grade crossing when a crossing gate is lowered or when a human flagman gives or continues to give a signal of the approach or passage of a railroad train or railroad track equipment.

[C39, §**5029.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.341]
87 Acts, ch 170, §9; 2012 Acts, ch 1044, §1; 2013 Acts, ch 90, §82
Referred to in §321.208, 321.343A, 321.344A, 321.344B, 321.484, 805.8A(14h)
For applicable scheduled fines, see §805.8A, subsection 14, paragraph h
Section amended

**321.342 Stop at certain railroad crossings — posting warning.**

1. The driver of any vehicle approaching a railroad grade crossing across which traffic is regulated by a stop sign, a railroad sign directing traffic to stop, or an official traffic control signal displaying a flashing red or steady circular red colored light shall stop prior to driving across the railroad grade crossing at the first opportunity at either the clearly marked stop line or at a point near the crossing where the driver has a clear view of the approaching railroad train or railroad track equipment.

2. The department, city or county shall be required to post the standard sign as prescribed by the manual on uniform traffic-control devices adopted by the department pursuant to section 321.252 in advance of each railroad grade crossing to warn the motorist that the motorist is approaching a railroad grade crossing. Upon properly posting all railroad grade crossings within its jurisdiction and upon implementing the standards established in accordance with section 307.26, the department, city, or county shall not have any other affirmative duty to warn a motor vehicle operator approaching or at the railroad grade crossing.

[C39, §**5029.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.342]
2012 Acts, ch 1044, §2
Referred to in §321.344A, 321.344B, 321.484, 805.8A(14h)
For applicable scheduled fines, see §805.8A, subsection 14, paragraph h

**321.343 Certain vehicles must stop.**

1. The driver of a motor vehicle carrying passengers for hire, a school bus, or a vehicle carrying hazardous material and required to stop before driving across a railroad track by motor carrier safety rules adopted under section 321.449, before driving across at grade any track of a railroad, shall stop the vehicle within fifty feet but not less than fifteen feet from the nearest rail. While stopped, the driver shall listen and look in both directions for an approaching railroad train or railroad track equipment, and for signals indicating the approach of a railroad train or railroad track equipment, and shall not proceed until the driver can do so safely.

2. The driver of a commercial motor vehicle shall comply with all of the following provisions that apply to the driver:

*a.* If the driver is not always required to stop at a railroad crossing, slow down when approaching the crossing and check that the railroad tracks are clear of an approaching railroad train or railroad track equipment before proceeding.

*b.* If the driver is not always required to stop at a railroad crossing, stop before reaching the crossing if the railroad tracks are not clear.

*c.* Refrain from proceeding through a railroad crossing if sufficient space is not available to drive completely through the crossing without stopping.

*d.* Obey a traffic-control device or the directions of an enforcement official at a railroad crossing.

*e.* Have sufficient undercarriage clearance before negotiating a railroad crossing.

3. No stop need be made at a crossing where a peace officer or a traffic-control device directs traffic to proceed. No stop need be made at a crossing designated by an “exempt”

sign. An "exempt" sign shall be posted only where the tracks have been partially removed on either side of the roadway.

[C27, 31, 35, §5105-a33; C39, §**5029.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.343; 82 Acts, ch 1200, §1]

87 Acts, ch 170, §10; 2001 Acts, ch 132, §10; 2012 Acts, ch 1044, §3, 4

Referred to in §321.208, 321.343A, 321.344A, 321.344B, 321.484, 805.8A(14h)

For applicable scheduled fines, see §805.8A, subsection 14, paragraph h

**321.343A Employer violations — penalty.**

An employer shall not knowingly allow, require, permit, or authorize a driver to operate a commercial motor vehicle in violation of section 321.341 or 321.343 or any other federal or local law or regulation pertaining to railroad grade crossings. An employer who violates this section shall be subject to a fine of not more than ten thousand dollars.

2008 Acts, ch 1021, §11

**321.344 Heavy equipment at crossing.**

1. No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller, or any equipment or structure having a normal operating speed of six or less miles per hour or a vertical body or load clearance of less than nine inches above the level surface of a roadway upon or across any tracks at a railroad grade crossing without first complying with this section.

2. Notice of the intended crossing shall be given to a superintendent of the railroad, and a reasonable time shall be given to the railroad to provide proper protection at the crossing.

3. Before making the crossing, the person operating or moving the vehicle or equipment shall first stop the vehicle or equipment not less than ten feet nor more than fifty feet from the nearest rail of the railroad and, while stopped, shall listen and look in both directions along the track for any approaching railroad train or railroad track equipment and for signals indicating the approach of a railroad train or railroad track equipment, and shall not proceed until the crossing can be made safely.

4. No such crossing shall be made when warning is given by automatic signal or crossing gates or a flagman or otherwise of the immediate approach of a railroad train or railroad track equipment.

[C39, §**5029.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.344]

2012 Acts, ch 1044, §5

Referred to in §321.344A, 321.344B, 321.484, 805.8A(14h)

For applicable scheduled fines, see §805.8A, subsection 14, paragraph h

**321.344A Reported violations for failure to stop at a railroad crossing — citations.**

1. The employee of a railroad who observes a violation of section 321.341, 321.342, 321.343, or 321.344 may prepare a written report on a form provided by the department of public safety indicating that a violation has occurred. The railroad employee may deliver the report not more than seventy-two hours after the violation occurred to a peace officer of the state or a peace officer of the county or municipality in which the violation occurred. The report shall state the time and the location at which the violation occurred and shall include the registration plate number and a description of the vehicle involved in the violation.

2. A peace officer may initiate an investigation not more than seven calendar days after receiving a report of a violation pursuant to this section. The peace officer may request that the owner of the vehicle supply information identifying the driver of the vehicle in accordance with section 321.484, or in the case of a commercial motor vehicle, the peace officer may request that the employer of the driver provide information identifying the driver of the vehicle.

*a.* If from the investigation, the peace officer is able to identify the driver of the vehicle and has reasonable cause to believe a violation has occurred, the peace officer shall prepare a uniform traffic citation for the violation and shall serve it personally or by certified mail on the driver of the vehicle.

*b.* If, from the investigation, the peace officer has reasonable cause to believe that a violation occurred but is unable to identify the driver, the peace officer shall serve a uniform

traffic citation for the violation on the owner of the motor vehicle or, in the case of a commercial motor vehicle, on the employer of the driver. Notwithstanding section 321.484, in a proceeding where the peace officer who conducted the investigation was not able to identify the driver of the motor vehicle, proof that the motor vehicle described in the uniform traffic citation was used to commit the violation of section 321.341, 321.342, 321.343, or 321.344, together with proof that the defendant named in the citation was the owner of the motor vehicle or, in the case of a commercial motor vehicle, the employer of the driver, at the time the violation occurred, constitutes a permissible inference that the owner or employer was the person who committed the violation.

*c.* For purposes of this subsection, *"owner"* means a person who holds the legal title to a motor vehicle; however, if the motor vehicle is the subject of a security agreement with a right of possession in the debtor, the debtor shall be deemed the owner for purposes of this subsection, or if the motor vehicle is leased as defined in section 321.493, the lessee shall be deemed the owner for purposes of this subsection.

92 Acts, ch 1152, §1; 2005 Acts, ch 92, §1; 2008 Acts, ch 1021, §12

**321.344B Immediate safety threat — penalty.**

A violation of section 321.341, 321.342, 321.343, or 321.344 which creates an immediate threat to the safety of a person or property is a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph *"h"*.

2000 Acts, ch 1134, §2; 2001 Acts, ch 137, §5

Referred to in §805.8A(14h)

**321.345 Stop or yield at highways.**

The department, based on an engineering study, with reference to primary highways, and local authorities with reference to other highways under their jurisdiction may designate through highways and erect stop signs or yield signs, in accordance with specifications established by the department at specified entrances to the highway or may designate any intersection as a stop intersection or as a yield intersection and erect like signs at one or more entrances to such intersection.

[C27, §5079-b3, -b4; C31, 35, §5079-b3, -b4, -d3, -d4; C39, §**5029.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.345]

Analogous provision, §321.253

**321.346 Cost of signs.**

The cost of the signs on primary highways shall be paid out of the primary road fund. The cost of the signs on secondary roads shall be paid by the county.

[C27, §5079-b4; C31, 35, §5079-b4, -d4; C39, §**5029.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.346]

83 Acts, ch 123, §128, 209

**321.347 Exceptions.**

Provided that at intersections of such through highways with boulevards or heavy traffic streets in cities, the council, subject to the approval of the department, may determine that the through highway traffic shall come to a stop, or may erect traffic-control signals, or may adopt such other means of handling the traffic as may be deemed practical and proper.

[C31, 35, §5079-c1; C39, §**5029.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.347]

Referred to in §321.349

**321.348 Limitations on cities.**

It shall be unlawful for any city to close or obstruct any street or highway which is used as the extension of a primary road within such city, except at times of fires or for the purpose of doing construction or repair work on such street or highway, or for other reasons with the consent of the department, and it shall also be unlawful for any city to erect or cause to

be erected or maintained any traffic sign or signal inconsistent with the provisions of this chapter.

[C31, 35, §5079-c2; C39, §**5029.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.348]

Referred to in §321.349

**321.349 Exceptions.**

The provisions of sections 321.347 and 321.348 as concerns the erection and maintenance of "stop" and "go" signals shall not apply to cities with a population of four thousand or over where said signals are situated within business districts of said city.

[C31, 35, §5079-c3; C39, §**5029.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.349]

**321.350 Primary roads as through highways.**

Primary roads, and extensions of primary roads within cities are hereby designated as through highways.

[C27, 31, 35, §5079-b1; C39, §**5029.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.350]

**321.351** Reserved.

**321.352 Additional signs — cost.**

The county board of supervisors shall, at places deemed by them unusually dangerous on the local county roads, furnish and erect suitable warning signs. The cost of the signs shall be paid by the county.

[C31, 35, §5079-d5; C39, §**5029.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.352]

83 Acts, ch 123, §129, 209

Referred to in §331.362

**321.353 Stop before crossing sidewalk — right-of-way.**

1. The driver of a vehicle emerging from a private roadway, alley, driveway, or building shall stop such vehicle immediately prior to driving onto the sidewalk area and thereafter the driver shall proceed into the sidewalk area only when the driver can do so without danger to pedestrian traffic and the driver shall yield the right-of-way to any vehicular traffic on the street into which the driver's vehicle is entering.

2. The driver of a vehicle about to enter or cross a highway from a private road or driveway shall stop such vehicle immediately prior to driving on said highway and shall yield the right-of-way to all vehicles approaching on said highway.

[S13, §1571-m18; C24, 27, 31, 35, §5035; C39, §**5026.05, 5029.13;** C46, §321.323, 321.353; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.353]

Referred to in §805.8A(6t)

For applicable scheduled fine, see §805.8A, subsection 6

## STOPPING, STANDING, AND PARKING

**321.354 Stopping on traveled way.**

1. A person shall not stop, park, or leave standing an attended or unattended vehicle upon any highway outside of a business district, rural residence district, or residence district as follows:

*a.* Upon the paved part of the highway when it is practical to stop, park, or leave the vehicle off that part of the highway, however, a clear and unobstructed width of at least twenty feet of the paved part of the highway opposite the standing vehicle shall be left for the free passage of other vehicles. As used in this subsection, "*paved highway*" includes an asphalt surfaced highway.

*b.* Upon the main traveled part of a highway other than a paved highway when it is practical to stop, park, or leave the vehicle off that part of the highway. However, a clear and unobstructed width of that part of the highway opposite the standing vehicle shall be left to allow for the free passage of other vehicles.

2. A clear view of the stopped vehicle shall be available from a distance of two hundred

feet in each direction upon the highway. However, school buses may stop on the highway for receiving and discharging pupils and all other vehicles shall stop for school buses which are stopped to receive or discharge pupils, as provided in section 321.372. This section does not apply to a vehicle making a turn as provided in section 321.311. This section also does not apply to the stopping or parking of a maintenance vehicle operated by a highway authority on the main traveled way of any roadway when necessary to the function being performed and when early warning devices are properly displayed.

[C24, 27, 31, 35, §5066; C39, §**5030.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.354]
84 Acts, ch 1022, §2; 86 Acts, ch 1056, §4; 98 Acts, ch 1075, §23; 2013 Acts, ch 90, §83
Referred to in §321.210, 321.355, 321.356, 805.8A(6u)
For applicable scheduled fine, see §805.8A, subsection 6
Section amended

**321.355 Disabled vehicle.**

Section 321.354 shall not apply to the driver of any vehicle which is disabled while on the paved or improved or main traveled portion of a highway in such manner and to such extent that it is impossible to avoid stopping and temporarily leaving such disabled vehicle in such position.

[C39, §**5030.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.355]
Referred to in §321.210, 321.356

**321.356 Officers authorized to remove.**

Whenever any peace officer finds a vehicle standing upon a highway in violation of any of the provisions of sections 321.354 and 321.355, such officer is hereby authorized to move such vehicle, or require the driver or other person in charge of the vehicle to move the same, to a position off the paved or improved or main traveled part of such highway.

[C39, §**5030.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.356]
2009 Acts, ch 41, §117
Referred to in §321.210

**321.357 Removed from bridge.**

Whenever any peace officer finds a vehicle unattended upon any bridge or causeway or in any tunnel where such vehicle constitutes an obstruction to traffic, such officer is hereby authorized to provide for the removal of such vehicle to the nearest garage or other place of safety.

[C39, §**5030.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.357]
Referred to in §321.210

**321.358 Stopping, standing or parking.**

No person shall stop, stand, or park a vehicle, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic-control device, in any of the following places:

1. On a sidewalk, except a bicycle may stop, stand, or park on a sidewalk if not prohibited by a local jurisdiction.
2. In front of a public or private driveway.
3. Within an intersection.
4. Within five feet of a fire hydrant.
5. On a crosswalk.
6. Within ten feet upon the approach to any flashing beacon, stop sign, or traffic-control signal located at the side of a roadway.
7. Between a safety zone and the adjacent curb or within ten feet of points on the curb immediately opposite the ends of a safety zone, unless any city indicates a different length by signs or markings.
8. Within fifty feet of the nearest rail of a railroad crossing, except when parked parallel with such rail and not exhibiting a red light.
9. Within twenty feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within seventy-five feet of said entrance when properly signposted.

10. Alongside or opposite any street excavation or obstruction when such stopping, standing, or parking would obstruct traffic.

11. On the roadway side of any vehicle stopped or parked at the edge or curb of a street.

12. Upon any bridge or other elevated structure upon a highway outside of cities or within a highway tunnel.

13. At any place where official signs prohibit stopping or parking.

14. Upon any street within the corporate limits of a city when the same is prohibited by a general ordinance of uniform application relating to removal of snow or ice from the streets.

15. In front of a curb cut or ramp which is located on public or private property in a manner which blocks access to the curb cut or ramp.

[S13, §1571-m18; C24, 27, 31, 35, §5057, 5058, 5060; C39, §**5030.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.358]

85 Acts, ch 40, §4; 89 Acts, ch 247, §7

Referred to in §321.210, 602.8103, 602.8106, 805.8A(1a)

For fines applicable to offenses charged as scheduled violations, see §805.8A, subsection 1, paragraph a

**321.359 Moving other vehicle.**

No person shall move a vehicle not owned by such person into any such prohibited area or away from a curb such distance as is unlawful.

[C39, §**5030.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.359]

Referred to in §321.210

**321.360 Theaters, hotels and auditoriums.**

A space of not to exceed fifty feet is hereby reserved at the side of the street in front of any theater, auditorium, hotel having more than twenty-five sleeping rooms, or other buildings where large assemblages of people are being held, within which space, when clearly marked as such, no motor vehicle shall be left standing, parked, or stopped except in taking on or discharging passengers or freight, and then only for such length of time as is necessary for such purpose.

[S13, §1571-m18; C24, 27, 31, 35, §5059; C39, §**5030.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.360]

Referred to in §321.210, 602.8103, 602.8106, 805.8A(1a)

For applicable scheduled fine, see §805.8A, subsection 1, paragraph a

**321.361 Additional parking regulations.**

1. Except as otherwise provided in this section every vehicle stopped or parked upon a roadway where there are adjacent curbs shall be so stopped or parked with the right-hand wheels of such vehicle parallel to and within eighteen inches of the right-hand curb.

2. Local authorities may by ordinance permit parking of vehicles with the left-hand wheels adjacent to and within eighteen inches of the left-hand curb of a one-way roadway.

3. Local authorities may by ordinance permit angle or center parking on any roadway under their jurisdiction.

[S13, §1571-m18; C24, 27, 31, 35, §4997, 5056; C39, §**5030.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.361]

Referred to in §321.210, 602.8103, 602.8106, 805.8A(1a)

For fines applicable to offenses charged as scheduled violations, see §805.8A, subsection 1, paragraph a

## MISCELLANEOUS RULES

**321.362 Unattended motor vehicle.**

No person driving or in charge of a motor vehicle shall permit it to stand unattended without first stopping the engine, or when standing upon any perceptible grade without effectively setting the brake thereon and turning the front wheels to the curb or side of the highway.

[S13, §1571-m18; C24, 27, 31, 35, §5038; C39, §**5031.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.362]

Referred to in §805.8A(1a)

For applicable scheduled fine, see §805.8A, subsection 1, paragraph a

**321.363 Obstruction to driver's view.**

1. No person shall drive a vehicle when it is so loaded, or when there are in the front seat such number of persons, exceeding three, as to obstruct the view of the driver to the front or sides of the vehicle or as to interfere with the driver's control over the driving mechanism of the vehicle.

2. No passenger in a vehicle shall ride in such position as to interfere with the driver's view ahead or to the sides, or to interfere with the driver's control over the driving mechanism of the vehicle.

[C39, §**5031.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.363]

Referred to in §805.8A(6v)

For applicable scheduled fine, see §805.8A, subsection 6

**321.364 Preventing contamination of food by hazardous material.**

Food intended for human consumption shall not be shipped in a vehicle or container which has been used to transport a hazardous material unless the vehicle or container has been purged of any hazardous material or the transportation is made in a manner that prevents any contact between the food and the hazardous material.

[S13, §1571-m18; C24, 27, 31, 35, §5031, 5043; C39, §**5031.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.364]

87 Acts, ch 170, §11

Referred to in §805.8A(13c)

For applicable scheduled fine, see §805.8A, subsection 13, paragraph c

**321.365 Coasting prohibited.**

The driver of a motor vehicle shall not drive with the source of motive power disengaged from the driving wheels except when disengagement is necessary to stop or to shift gears.

[C39, §**5031.04, 5031.05;** C46, 50, 54, 58, 62, §321.365, 321.366; C66, 71, 73, 75, 77, 79, 81, §321.365]

87 Acts, ch 170, §12

Referred to in §805.8A(6w)

For applicable scheduled fine, see §805.8A, subsection 6

**321.366 Acts prohibited on fully controlled-access facilities.**

1. It is unlawful for a person, except a person operating highway maintenance equipment or an authorized emergency vehicle, to do any of the following on a fully controlled-access facility:

*a.* Drive a vehicle over, upon, or across a curb, central dividing section, or other separation or dividing line.

*b.* Make a left turn or a semicircular or U-turn at a maintenance cross-over where an official sign prohibits the turn.

*c.* Drive a vehicle except in the proper lane provided for that purpose and in the proper direction and to the right of the central dividing curb, separation, section, or line.

*d.* Drive a vehicle into the facility from a local service road.

*e.* Stop, park, or leave standing a vehicle, whether attended or unattended, upon the paved portion.

*f.* Stop, park, or leave standing a vehicle, whether attended or unattended, upon the shoulders, or the right-of-way except at designated rest areas or in case of an emergency or other dire necessity.

2. For the purpose of this section, fully controlled-access facility is a highway which gives preference to through traffic by providing access connections at interchanges with selected public roads only and by prohibiting crossings at grade or direct access at driveway connections.

3. Violations of this section are punishable as a scheduled violation under section 805.8A, subsection 6.

[C58, 62, §306A.9; C66, 71, 73, 75, 77, 79, 81, §321.366]

84 Acts, ch 1022, §8; 84 Acts, ch 1219, §27; 2000 Acts, ch 1203, §14; 2001 Acts, ch 137, §5; 2010 Acts, ch 1061, §116; 2010 Acts, ch 1190, §49

Referred to in §321.210, 805.8A(6x)

**321.367 Following fire apparatus.**

The driver of any vehicle other than one on official business shall not follow any fire apparatus traveling in response to a fire alarm closer than five hundred feet or drive into or park such vehicle within the block where fire apparatus has stopped in answer to a fire alarm.

[C39, §**5031.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.367]

Referred to in §805.8A(11d)

For applicable scheduled fine, see §805.8A, subsection 11

**321.368 Crossing fire hose.**

No vehicle shall be driven over any unprotected hose of a fire department when laid down on any street, private driveway, or streetcar track, to be used at any fire or alarm of fire, without the consent of the fire department official in command.

[C39, §**5031.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.368]

Referred to in §805.8A(11e)

For applicable scheduled fine, see §805.8A, subsection 11

**321.369 Putting debris on highway.**

A person shall not throw or deposit upon a highway any glass bottle, glass, nails, tacks, wire, cans, trash, garbage, rubbish, litter, offal, or any other debris. A person shall not throw or deposit upon a highway a substance likely to injure any person, animal, or vehicle upon the highway. A person who violates this section or section 321.370 commits a misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph *"d"*.

[S13, §4808-a, -b; C24, 27, 31, 35, §13118; C39, §**5031.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.369]

97 Acts, ch 147, §3; 2001 Acts, ch 137, §5

Referred to in §321.370, 602.8108, 805.8A(14d)

See §455B.363

**321.370 Removing injurious material.**

Any person who drops, or permits to be dropped or thrown, upon any highway any destructive or injurious material and other material as defined in section 321.369 shall immediately remove the same or cause it to be removed.

[C39, §**5031.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.370]

Referred to in §321.369, 602.8108, 805.8A(14d)

For applicable scheduled fines, see §805.8A, subsection 14, paragraph d

**321.371 Clearing up wrecks.**

1. Any person removing a wrecked or damaged vehicle from a highway shall remove any glass or other injurious substance dropped upon the highway from such vehicle.

2. A person who violates this section commits a simple misdemeanor.

[C39, §**5031.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.371]

2010 Acts, ch 1140, §9

## SCHOOL BUSES

**321.372 Discharging pupils — stopping requirements — penalties.**

This section shall be known and may be cited as the *"Keep Aware Driving — Youth Need School Safety Act"*.

1. *a.* The driver of a school bus used to transport children to and from a public or private school shall, when stopping to receive or discharge pupils, turn on flashing warning lamps at a distance of not less than three hundred feet nor more than five hundred feet from the point where the pupils are to be received or discharged from the bus if the speed limit at that point is forty-five miles per hour or greater and shall turn on flashing warning lamps at a distance of not less than one hundred fifty feet from the point where the pupils are to be received or discharged from the bus if the speed limit at that point is less than forty-five miles per hour. At the point of receiving or discharging pupils the driver of the bus shall bring the

bus to a stop, turn off the amber flashing warning lamps, turn on the red flashing warning lamps, and extend the stop arm. After receiving or discharging pupils, the bus driver shall turn off all flashing warning lamps, retract the stop arm and proceed on the route. Except to the extent that reduced visibility is caused by fog, snow, or other weather conditions, a school bus shall not stop to receive or discharge pupils unless there is at least three hundred feet of unobstructed vision in each direction. However, the driver of a school bus is not required to use flashing warning lamps and the stop arm when receiving or discharging pupils at a designated loading and unloading zone at a school attendance center or at extracurricular or educational activity locations where students exiting the bus do not have to cross the street or highway.

*b.* If a school district contracts with an urban transit system to transport children to and from a public or private school, the school bus which is provided by the urban transit system shall not be required to be equipped with flashing warning lights and a stop arm. If the school bus provided by an urban transit system is equipped with flashing warning lights and a stop arm, the driver of the school bus shall use the flashing warning light and stop arm as required by law.

*c.* A school bus, when operating on a highway with four or more lanes shall not stop to load or unload pupils who must cross the highway, except at designated stops where pupils who must cross the highway may do so at points where there are official traffic control devices or police officers.

*d.* A school bus shall, while carrying passengers, have its headlights turned on.

2. All pupils shall be received and discharged from the right front entrance of every school bus and if said pupils must cross the highway, they shall be required to pass in front of the bus, look in both directions, and proceed to cross the highway only on signal from the bus driver.

3. *a.* The driver of a vehicle, including the driver of a vehicle operating on a private road or driveway, when meeting a school bus with flashing amber warning lamps shall reduce the vehicle's speed to not more than twenty miles per hour, and shall bring the vehicle to a complete stop when the school bus stops and the stop signal arm is extended. The vehicle shall remain stopped until the stop signal arm is retracted after which time the driver may proceed with due caution.

*b.* The driver of a vehicle, including the driver of a vehicle operating on a private road or driveway, overtaking a school bus shall not pass a school bus when red or amber warning signal lights are flashing. The driver shall bring the vehicle to a complete stop no closer than fifteen feet from the school bus when it is stopped and the stop arm is extended, and the vehicle shall remain stopped until the stop arm is retracted and the school bus resumes motion.

4. The driver of a vehicle upon a highway providing two or more lanes in each direction need not stop upon meeting a school bus which is traveling in the opposite direction even though the school bus is stopped.

5. *a.* The driver of a school bus who commits a violation of subsection 1 or 2 is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 10.

*b.* A person convicted of a violation of subsection 3 is subject to the following:

(1) For a first offense under subsection 3, the person is guilty of a simple misdemeanor punishable by a fine of at least two hundred fifty dollars but not more than six hundred seventy-five dollars or by imprisonment for not more than thirty days, or by both.

(2) For a second or subsequent offense under subsection 3, the person is guilty of a serious misdemeanor.

[C31, 35, §5079-c8, -c10, -c11; C39, §**5032.01, 5032.03;** C46, §321.372, 321.374; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.372; 81 Acts, ch 108, §2, 3]

91 Acts, ch 70, §1; 95 Acts, ch 118, §24; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1015, §1, 2

Referred to in §321.354, 321.372A, 321.373, 321.378, 321.380, 321.423, 321.482A, 321.484, 331.653, 805.8A(10)

**321.372A Prompt investigation of reported violation of failing to obey school bus warning devices — citation issued to driver or owner.**

1. The driver of a school bus who observes a violation of section 321.372, subsection 3, may prepare a written report on a form provided by the department of public safety indicating that a violation has occurred. The school bus driver or a school official may deliver the report not more than seventy-two hours after the violation occurred to a peace officer of the state or a peace officer of the county or municipality in which the violation occurred. The report shall state the time and the location at which the violation occurred and shall include the registration plate number and a description of the vehicle involved in the violation.

2. Not more than seven calendar days after receiving a report of a violation of section 321.372, subsection 3, from a school bus driver or a school official, the peace officer shall initiate an investigation of the reported violation and contact the owner of the motor vehicle involved in the reported violation and request that the owner supply information identifying the driver in accordance with section 321.484.

*a.* If, from the investigation, the peace officer is able to identify the driver and has reasonable cause to believe a violation of section 321.372, subsection 3, has occurred, the peace officer shall prepare a uniform traffic citation for the violation and shall serve it personally or by certified mail to the driver of the vehicle.

*b.* If, from the investigation, the peace officer has reasonable cause to believe that a violation of section 321.372, subsection 3, occurred but is unable to identify the driver, the peace officer shall serve a uniform traffic citation for the violation to the owner of the motor vehicle. Notwithstanding section 321.484, in a proceeding where the peace officer who conducted the investigation was not able to identify the driver of the motor vehicle, proof that the motor vehicle described in the uniform traffic citation was used to commit the violation of section 321.372, subsection 3, together with proof that the defendant named in the citation was the owner of the motor vehicle at the time the violation occurred, constitutes a permissible inference that the owner was the driver who committed the violation.

*c.* For purposes of this subsection, *"owner"* means a person who holds the legal title to a motor vehicle; however, if the motor vehicle is the subject of a security agreement with a right of possession in the debtor, the debtor shall be deemed the owner for purposes of this subsection, or if the motor vehicle is leased as defined in section 321.493, the lessee shall be deemed the owner for purposes of this subsection.

88 Acts, ch 1203, §1; 90 Acts, ch 1101, §1; 2004 Acts, ch 1164, §1; 2005 Acts, ch 92, §2, 3
Referred to in §321.378, 321.380, 331.653

**321.373 Required construction — rules adopted.**

1. Every school bus except private passenger vehicles used as school buses shall be constructed and equipped to meet safety standards prescribed in rules adopted by the state board of education. Such rules shall conform to safety standards set forth in federal laws and regulations and shall conform, insofar as practicable, to the minimum standards for school buses recommended by the national conference on school transportation administered by the national commission on safety education and published by the national education association.

2. Rules prescribed for school buses shall provide standards for structural strength, materials, and insulation of the school bus body; color; seat and aisle arrangement; dimension and construction of service door; control of the front door or doors; emergency door and its location and construction; windows; roof ventilators; heaters; location, filling, and draining of the fuel tank; bumpers and how they shall be attached to the bus; lettering and identification of the bus; stop signal arm; warning lights and flashing lights.

3. The rules prescribed for school buses shall include special rules for passenger automobiles, and other vehicles designed to carry eight or fewer pupils, when used as school buses.

4. Every school bus shall be equipped with a comfortable seat for each child.

5. Vehicles owned by private parties and used as school buses shall have reversed or covered the words "school bus" wherever they appear on the vehicle when the vehicle is not

in use as a school bus. It shall be unlawful to operate flashing stop warning signals on such privately owned vehicles except as provided in section 321.372.

6. No vehicle except a school bus shall be operated on a public highway if the vehicle is painted the color known as national school bus glossy yellow. A school bus which has been permanently converted for a purpose other than transporting pupils to or from school shall be painted a color other than national school bus glossy yellow, and shall have the "school bus" signs, stop arm, and the special signal lamps removed.

7. A school bus may be equipped with a white flashing strobe light mounted on the roof of the bus to afford optimum visibility during periods of inclement weather. The light shall be installed and operated in accordance with rules promulgated by the department of education. Each new school bus put into initial service after January 1, 1977, shall be equipped with such a light.

8. A person who violates this section commits a simple misdemeanor.

[C31, 35, §5079-c9, -c10, -c11; C39, §**5032.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.373]

97 Acts, ch 108, §19; 2010 Acts, ch 1140, §10

Referred to in §321.378, 321.379, 321.380, 321.423, 331.653

**321.374 Inspection — seal of approval.**

No vehicle shall be put into service as a school bus until it is given an original inspection to determine if it meets all legal and established uniform standards of construction for the protection of the health and safety of children to be transported. Vehicles which are approved shall be issued a seal of approval by the director of the department of education. All vehicles used as school buses shall be given a safety inspection at least once a year. Buses passing the inspection shall be issued an inspection seal of approval by the director of the department of education. The seal of original inspection and the annual seal of inspection shall be affixed to the lower right hand corner of the windshield.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.374]

92 Acts, ch 1082, §1, 2

Referred to in §321.378, 321.380, 331.653

**321.375 School bus drivers — qualifications — grounds for suspension.**

1. A driver of a school bus must meet all of the following requirements:

*a.* Be at least eighteen years of age.

*b.* Be physically and mentally competent.

*c.* Not possess personal or moral habits which would be detrimental to the best interests of the safety and welfare of the children transported.

*d.* Possess a current certificate of qualification for operation of a commercial motor vehicle issued by a physician licensed pursuant to chapter 148, physician's assistant, advanced registered nurse practitioner, or chiropractor or any other person identified by federal and state law as authorized to perform physical examinations.

2. Prior to hiring an applicant for a school bus driver position, including a contract position, an employer shall have access to and shall review the information in the Iowa court information system available to the general public, the sex offender registry information under section 692A.121 available to the general public, the central registry for child abuse information established under section 235A.14, and the central registry for dependent adult abuse information established under section 235B.5 for information regarding the applicant. An employer shall follow the same procedure upon the renewal of an employee's or contract employee's school bus driver's license issued by the department of transportation valid for the operation of a school bus. An employer shall pay for the cost of the registry checks conducted pursuant to this subsection. An employer shall maintain documentation demonstrating compliance with this subsection.

3. Any of the following shall constitute grounds for the immediate suspension from duties of a school bus driver, including a part-time or substitute bus driver, pending a termination hearing by the board of directors of a public school district or the authorities in charge in a

nonpublic school, or pending confirmation of the grounds by the employer of the school bus driver if the employer is not a school district or accredited nonpublic school:

*a.* Use of nonprescription controlled substances or alcoholic beverages during working hours.

*b.* Operating a school bus while under the influence of nonprescription controlled substances or alcoholic beverages.

*c.* Fraud in the procurement or renewal of a school bus driver's authorization to operate a school bus.

*d.* The commission of or conviction for a public offense as defined by the Iowa criminal code, if the offense is relevant to and affects driving ability, or if the offense includes sexual involvement with a minor student with the intent to commit acts and practices proscribed under sections 709.2 through 709.4, section 709.8, and sections 725.1 through 725.3, or is a violation of the rules of the department of education adopted to implement section 280.17.

*e.* The school bus driver is listed in the sex offender registry established under chapter 692A, the central registry for child abuse information established under section 235A.14, or the central registry for dependent adult abuse information established under section 235B.5. A termination hearing conducted pursuant to this paragraph shall be limited to the question of whether the school bus driver was incorrectly listed in the registry.

*f.* A change in circumstances indicating that the driver is no longer physically or mentally competent. For the purpose of an insulin-dependent diabetic, a change in circumstances includes the following:

(1) Results of a glycosylated hemoglobin test indicating values less than 6.0 percent or greater than 9.5 percent unless accompanied by the required medical opinion that the event was incidental and not an indication of failure to control glucose levels.

(2) Results of self-monitoring indicate glucose levels less than one hundred milligrams per deciliter or greater than three hundred milligrams per deciliter, until self-monitoring indicates compliance with specifications.

(3) Experiencing a loss of consciousness or control relating to diabetes.

(4) Failing to maintain or falsifying the required reports.

4. *a.* Notwithstanding any provision to the contrary, an insulin-dependent diabetic may qualify under subsection 1, paragraph "*d*", for purposes of operating a school bus under this section if a person identified by federal or state law as authorized to perform physical examinations annually provides a signed statement indicating that based upon an annual physical examination the individual is physically able to perform the required functions despite insulin dependency. The insulin-dependent diabetic shall not qualify to operate a school bus if, at minimum, the individual results of a glycosylated hemoglobin test indicate values less than 6.0 percent or greater than 9.5 percent on other than an incidental basis and not as a result of failure to control glucose levels. The statement shall also indicate that within the past three years the insulin-dependent diabetic has completed instruction to address diabetes management and driving safety, signs and symptoms of hypoglycemia and hyperglycemia, and what procedures must be followed if complications arise.

*b.* A school district or authorities in charge of the nonpublic school that employs or otherwise secures the services of an individual with an authorization who is an insulin-dependent diabetic shall monitor the insulin-dependent diabetic to determine that they are in compliance with all of the following:

(1) Self-monitoring blood glucose and demonstrating conformance with requirements, more than one hundred milligrams per deciliter and less than three hundred milligrams per deciliter, within one hour before driving a school bus and approximately every four hours while on duty using a United States food and drug administration approved device.

(2) Reporting immediately to the school district or school any failure to comply with specific glucose level requirements as listed in subparagraph (1) or loss of consciousness or control.

(3) Carrying a source of readily absorbable, fast-acting glucose while on duty.

(4) Maintaining a daily log of all glucose test results for the previous six-month period and providing copies to the school district or school, the examining physician, and the department of education upon request.

(5) Submitting all required department of education forms within the prescribed timelines.

[C31, 35, §4960-d10; C39, §**5032.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.375]

89 Acts, ch 210, §13; 90 Acts, ch 1230, §70; 93 Acts, ch 127, §8; 2002 Acts, ch 1140, §34, 35, 48; 2003 Acts, ch 180, §57 – 59; 2006 Acts, ch 1152, §50; 2008 Acts, ch 1088, §121; 2012 Acts, ch 1047, §3, 4; 2013 Acts, ch 88, §35

Referred to in §279.69, 321.376, 321.378, 321.380, 331.653

Subsection 2 amended

**321.376 License — authorization — instruction requirement.**

1. The driver of a school bus shall hold a driver's license issued by the department of transportation valid for the operation of the school bus and a certificate of qualification for operation of a commercial motor vehicle issued by a physician or osteopathic physician licensed pursuant to chapter 148, physician's assistant, advanced registered nurse practitioner, or chiropractor or any other person identified by federal and state law as authorized to perform physical examinations, and shall successfully complete an approved course of instruction in accordance with subsection 3. A person holding a temporary restricted license issued under chapter 321J shall be prohibited from operating a school bus.

2. The department of education shall refuse to issue an authorization to operate a school bus to any person who, after notice and opportunity for hearing, is determined to have met any of the grounds listed under section 321.375, subsection 3. The department of education shall take adverse action against any person who, after notice and opportunity for hearing, is determined to have met any of the grounds listed under section 321.375, subsection 3. Such action may include a reprimand or warning of the person or the suspension or revocation of the person's authorization to operate a school bus. A hearing pursuant to section 321.375, subsection 3, paragraph *"e"*, shall be limited to the question of whether the person was incorrectly listed in the registry. The department of education shall recommend, and the state board of education shall adopt under chapter 17A, rules and procedures for issuing and suspending or revoking authorization to operate a school bus in this state. Rules and procedures adopted shall include but are not limited to provisions for the revocation or suspension of, or refusal to issue, authorization to persons who are determined to have met any of the grounds listed under section 321.375, subsection 3.

3. A person applying for employment or employed as a school bus driver shall successfully complete a department of education approved course of instruction for school bus drivers before or within the first six months of employment and at least every twenty-four months thereafter. If an employee fails to provide an employer with a certificate of completion of the required school bus driver's course, the driver's employer shall report the failure to the department of education and the employee's authorization to operate a school bus shall be revoked. The department of education shall send notice of the revocation to both the employee and the employer. A person whose school bus authorization has been revoked under this section shall not be issued another authorization until certification of the completion of an approved school bus driver's course is received by the department of education.

4. As used in this section and section 321.375, *"driver of a school bus"* or *"school bus driver"* does not include a mechanic, delivery driver, or other person operating an empty school bus for purposes other than the transportation of passengers. Such persons must still hold a commercial driver's license valid for the operation of a vehicle of the size and type operated, including a passenger endorsement, but are not required to hold a driver's license with a school bus endorsement.

[C39, §**5032.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.376]

89 Acts, ch 222, §1; 90 Acts, ch 1230, §71; 91 Acts, ch 201, §1; 92 Acts, ch 1163, §76; 93 Acts, ch 127, §9; 2002 Acts, ch 1140, §36; 2006 Acts, ch 1152, §51; 2009 Acts, ch 133, §120; 2011 Acts, ch 38, §18; 2012 Acts, ch 1047, §5

Referred to in §285.8, 321.378, 321.380, 331.653

**321.377 Regional transit system transportation.**

A vehicle operated by a regional transit system as defined in section 324A.1 may only provide school transportation services pursuant to rules adopted by the state department of transportation in consultation with the department of education.

99 Acts, ch 13, §15

Referred to in §321.378, 321.380, 331.653

**321.378 Applicability.**

The provisions of sections 321.372 to 321.380, shall apply to all public and nonpublic schools where children are transported to and from school.

[C39, §**5032.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.378]

Referred to in §321.380, 331.653

**321.379 Violations.**

A school board, individual, or organization shall not purchase, construct, or contract for use, to transport pupils to or from school, any school bus which does not comply with the minimum requirements of section 321.373 and any individual, or any member or officer of such board or organization who authorizes, the purchase, construction, or contract for any such bus not complying with these minimum requirements commits a simple misdemeanor.

[C31, 35, §5079-c9, -c10, -c11; C39, §**5032.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.379]

2010 Acts, ch 1140, §11

Referred to in §321.378, 321.380, 331.653

**321.380 Enforcement.**

It shall be the duty of all peace officers and of the state patrol to enforce the provisions of sections 321.372 to 321.379.

[C39, §**5032.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.380]

98 Acts, ch 1074, §24; 2005 Acts, ch 35, §31

Referred to in §321.378

## SAFETY STANDARDS

**321.381 Movement of unsafe or improperly equipped vehicles.**

It is a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 3, for any person to drive or move or for the owner to cause or knowingly permit to be driven or moved on any highway any vehicle or combination of vehicles which is in such unsafe condition as to endanger any person, or which does not contain those parts or is not at all times equipped with such lamps and other equipment in proper condition and adjustment as required in this chapter, or which is equipped with one or more unsafe tires or which is equipped in any manner in violation of this chapter.

[C39, §**5033.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.381]

2000 Acts, ch 1203, §15; 2001 Acts, ch 137, §5; 2010 Acts, ch 1190, §50

Referred to in §805.8A(3d)

**321.381A Operation of low-speed vehicles.**

A low-speed vehicle shall not be operated on a street with a posted speed limit greater than thirty-five miles per hour. This section shall not prohibit a low-speed vehicle from crossing a street with a posted speed limit greater than thirty-five miles per hour.

2000 Acts, ch 1005, §4

Referred to in §805.8A(3e)

For applicable scheduled fine, see §805.8A, subsection 3

**321.382 Upgrade pulls — minimum speed.**

A motor vehicle or combination of vehicles, which cannot proceed up a three percent grade, on dry concrete pavement, at a minimum speed of twenty miles per hour, shall not be operated upon the highways of this state.

[C39, §**5033.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.382]

83 Acts, ch 101, §70

Referred to in §321.23, 805.8A(3f)

For applicable scheduled fine, see §805.8A, subsection 3

**321.383 Exceptions — slow vehicles identified.**

1. This chapter with respect to equipment on vehicles does not apply to implements of husbandry, road machinery, or bulk spreaders and other fertilizer and chemical equipment defined as special mobile equipment, except as made applicable in this section. However, the movement of implements of husbandry on a roadway is subject to safety rules adopted by the department. The safety rules shall prohibit the movement of any power unit towing more than one implement of husbandry from the manufacturer to the retail seller, from the retail seller to the farm purchaser, or from the manufacturer to the farm purchaser.

2. When operated on a highway in this state at a speed of thirty-five miles per hour or less, every farm tractor, or tractor with towed equipment, self-propelled implement of husbandry, road construction or maintenance vehicle, road grader, horse-drawn vehicle, or any other vehicle principally designed for use off the highway and any such tractor, implement, vehicle, or grader when manufactured for sale or sold at retail after December 31, 1971, shall be identified with a reflective device in accordance with the standards of the American society of agricultural engineers; however, this provision shall not apply to such vehicles when traveling in an escorted parade. If a person operating a vehicle drawn by a horse or mule objects to using a reflective device that complies with the standards of the American society of agricultural engineers for religious reasons, the vehicle may be identified by an alternative reflective device that is in compliance with rules adopted by the department. The reflective device or alternative reflective device shall be visible from the rear. A vehicle other than those specified in this section shall not display a reflective device or an alternative reflective device. On vehicles operating at speeds above thirty-five miles per hour, the reflective device or alternative reflective device shall be removed or hidden from view.

3. Garbage collection vehicles, when operated on the streets or highways of this state at speeds of thirty-five miles per hour or less, may display a reflective device that complies with the standards of the American society of agricultural engineers. At speeds in excess of thirty-five miles per hour the device shall not be visible.

4. Any person who violates any provision of this section shall be fined as provided in section 805.8A, subsection 3.

[C39, §**5033.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.383; 82 Acts, ch 1254, §2]

87 Acts, ch 186, §3; 96 Acts, ch 1152, §18; 97 Acts, ch 108, §20; 98 Acts, ch 1080, §3; 99 Acts, ch 102, §2; 99 Acts, ch 108, §5; 2001 Acts, ch 137, §5; 2010 Acts, ch 1061, §117; 2010 Acts, ch 1069, §96; 2010 Acts, ch 1190, §51

Referred to in §321.1, 321.288, 321.398, 321.438, 805.8A(3g)

See also §321.423(6)

## LIGHTING EQUIPMENT

**321.384 When lighted lamps required.**

1. Every motor vehicle upon a highway within the state, at any time from sunset to sunrise, and at such other times when conditions such as fog, snow, sleet, or rain provide insufficient lighting to render clearly discernible persons and vehicles on the highway at a distance of five hundred feet ahead, shall display lighted headlamps as provided in section 321.415, subject to exceptions with respect to parked vehicles as hereinafter stated.

2. Whenever requirement is hereinafter declared as to the distance from which certain lamps and devices shall render objects visible or within which such lamps or devices shall be

visible, said provisions shall apply during the times stated in subsection 1 of this section upon a straight level unlighted highway under normal atmospheric conditions unless a different time or condition is expressly stated.

[S13, §1571-m17; C24, 27, 31, 35, §5044; C39, §**5033.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.384]

Referred to in §321.1, 321.235A, 321.392, 321.394, 321.395, 321.397, 321.398, 321.405, 321.415, 321.418, 321.419, 456A.12, 805.8A(3h)
For applicable scheduled fine, see §805.8A, subsection 3

**321.385 Headlamps on motor vehicles.**

Every motor vehicle other than a motorcycle or motorized bicycle shall be equipped with at least two headlamps with at least one on each side of the front of the motor vehicle, which headlamps shall comply with the requirements and limitations set forth in this chapter.

[S13, §1571-m17; C24, 27, 31, 35, §5044; C39, §**5033.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.385]

Referred to in §321.1, 321.385A, 321.404A, 456A.12, 805.8A(3i)
For applicable scheduled fine, see §805.8A, subsection 3

**321.385A Citation for unlighted headlamp, rear lamp, or rear registration plate light.**

1. *a.* A citation issued for failure to have headlamps as required under section 321.385 shall first provide for a seventy-two hour period within which the person charged with the violation shall replace or repair the headlamp.

*b.* A citation issued for failure to have rear lamps as required under section 321.387 or a rear registration plate light as required under section 321.388 shall first provide for a seventy-two hour period within which the person charged with the violation shall replace or repair the lamps or light.

2. If the person complies with the directive to replace or repair the headlamp, rear lamps, or rear registration plate light within the allotted time period, the citation shall be expunged. If the person fails to comply within the allotted time period, the citation shall be processed in the same manner as other citations.

3. A citation issued under this section shall include a written notice of replacement or repair which shall indicate the date of replacement or repair and the manner in which the replacement or repair occurred and which shall be returned to the issuing authority within the seventy-two hour time period.

92 Acts, ch 1175, §34; 2010 Acts, ch 1069, §47
Referred to in §321.1, 456A.12

**321.386 Headlamps on motorcycles and motorized bicycles.**

Every motorcycle and motorized bicycle shall be equipped with at least one and not more than two headlamps which shall comply with the requirements and limitations of this chapter.

[S13, §1571-m17; C24, 27, 31, 35, §5047; C39, §**5033.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.386]

Referred to in §321.1, 321.404A, 456A.12, 805.8A(3j)
For applicable scheduled fine, see §805.8A, subsection 3

**321.387 Rear lamps.**

Every motor vehicle and every vehicle which is being drawn at the end of a train of vehicles shall be equipped with a lighted rear lamp or lamps, exhibiting a red light plainly visible from a distance of five hundred feet to the rear. All lamps and lighting equipment originally manufactured on a motor vehicle shall be kept in working condition or shall be replaced with equivalent equipment.

[S13, §1571-m17; C24, 27, 31, 35, §5045, 5046; C39, §**5033.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.387]

92 Acts, ch 1175, §35
Referred to in §321.1, 321.385A, 321.404A, 456A.12, 805.8A(3k)
For applicable scheduled fine, see §805.8A, subsection 3

**321.388 Illuminating plates.**

Either the rear lamp or a separate lamp shall be so constructed and placed as to illuminate with a white light the rear registration plate and render it clearly legible from a distance of

fifty feet to the rear. When the rear registration plate is illuminated by an electric lamp other than the required rear lamp, the two lamps shall be turned on or off only by the same control switch at all times when headlamps are lighted.

[S13, §1571-m17; C24, 27, 31, 35, §5045; C39, §**5033.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.388]

85 Acts, ch 195, §38

Referred to in §321.1, 321.385A, 456A.12, 805.8A(3l)

For applicable scheduled fine, see §805.8A, subsection 3

**321.389 Reflector requirement.**

Every new motor vehicle, trailer, or semitrailer hereafter sold and every commercial vehicle hereafter operated on a highway shall also carry at the rear, either as a part of the rear lamp or separately, a red reflector meeting the requirements of this chapter.

[C39, §**5033.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.389]

Referred to in §321.1, 456A.12, 805.8A(3m)

For applicable scheduled fine, see §805.8A, subsection 3

**321.390 Reflector requirements.**

Whenever a red reflector is required or permitted to be used in substitution of lamps upon a vehicle under any one of the provisions of this chapter, such reflector shall be mounted upon the vehicle at a height not to exceed forty-two inches nor less than twenty inches above the ground upon which the vehicle stands, and every such reflector shall be so designed and maintained as to be visible at night from all distances within three hundred feet to fifty feet from such vehicle, except that on a commercial vehicle the reflector shall be visible from all distances within five hundred feet to fifty feet from such vehicle when directly in front of a motor vehicle displaying lawfully lighted headlamps as provided in section 321.409.

[C31, 35, §4863; C39, §**5033.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.390]

Referred to in §321.1, 456A.12, 805.8A(3n)

For applicable scheduled fine, see §805.8A, subsection 3

**321.391** Repealed by 97 Acts, ch 108, § 49.

**321.392 Clearance and identification lights.**

Every motor truck, and every trailer or semitrailer of over three thousand pounds gross weight, shall be equipped with the following lighting devices and reflectors in addition to other requirements of this chapter, and such devices shall be lighted at the times mentioned in section 321.384.

1. Every motor truck, whatever its size shall have the following:

*a.* On each side, one reflector, at or near the rear; and

*b.* On the rear, two reflectors, one at each side.

2. Every motor truck, eighty inches or more in width shall have the following in addition to the requirements of subsection 1:

*a.* If thirty feet or less in overall length:

(1) On the front, two clearance lamps, one at each side; and

(2) On the rear, two clearance lamps, one at each side.

*b.* If more than thirty feet in overall length:

(1) On the front, two clearance lamps, one at each side;

(2) On each side, two side-marker lamps, one at or near the front, and one at or near the rear, and an additional reflector at or near the front; and

(3) On the rear, two clearance lamps, one at each side.

3. Every truck tractor or road tractor shall have the following:

*a.* On the front, two clearance lamps, one at each side if the tractor cab is as wide as, or wider than, the widest part of the vehicle or vehicles towed;

*b.* On each side, one side-marker lamp at or near the front; and

*c.* On the rear, one tail lamp.

4. Every trailer or semitrailer having a gross weight in excess of three thousand pounds shall have the following:

*a.* On the front, two clearance lamps, one at each side, if the trailer is wider in its widest part than the cab of the vehicle towing it;

*b.* On each side, one side-marker lamp at or near the rear; two reflectors, one at or near the front and one at or near the rear; and

*c.* On the rear, two clearance lamps, one at each side; one stop light; one tail lamp; and two reflectors, one at each side.

5. Every motor truck or combination of motor truck and trailer having a length in excess of thirty feet or a width in excess of eighty inches shall be equipped with three identification lights on both front and rear. Each such group shall be evenly spaced not less than six nor more than twelve inches apart along a horizontal line near the top of the vehicle.

[C31, 35, §5044-d1, -d2, 5105-c19; C39, §**5034.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.392]

Referred to in §321.1, 456A.12, 805.8A(3o)
For applicable scheduled fine, see §805.8A, subsection 3

**321.393 Color and mounting.**

1. A lighting device or reflector, when mounted on or near the front of a motor truck or trailer, except a school bus, shall not display any other color than white, yellow, or amber.

2. No lighting device or reflector, when mounted on or near the rear of any motor truck or trailer, shall display any other color than red, except that the stop light may be red, yellow, or amber.

3. Clearance lamps shall be mounted on the permanent structure of the vehicle in such manner as to indicate the extreme width of the vehicle or its load.

4. The provisions of this section shall not prohibit the use of a lighting device or reflector displaying an amber light when such lighting device or reflector is mounted on a motor truck, trailer, tractor, or motor grader owned by the state, or any political subdivision of the state, or any municipality therein, while such equipment is being used for snow removal, sanding, maintenance, or repair of the public streets or highways.

[C39, §**5034.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.393]

89 Acts, ch 83, §44
Referred to in §321.1, 456A.12, 805.8A(3p)
For applicable scheduled fines, see §805.8A, subsection 3

**321.394 Lamp or flag on projecting load.**

Whenever the load upon any vehicle extends to the rear four feet or more beyond the bed or body of such vehicle there shall be displayed at the extreme rear end of the load, at the times specified in section 321.384, a red light or lantern plainly visible from a distance of at least five hundred feet to the sides and rear. The red light or lantern required under this section shall be in addition to the red rear light required upon every vehicle. At any other time there shall be displayed at the extreme rear end of such load a red flag or cloth not less than sixteen inches square.

[C39, §**5034.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.394]

Referred to in §321.1, 456A.12, 805.8A(12a)
For applicable scheduled fines, see §805.8A, subsection 12, paragraph a

**321.395 Lamps on parked vehicles.**

Whenever a vehicle is parked or stopped upon a roadway or shoulder adjacent to the roadway, outside of a business district whether attended or unattended during the times mentioned in section 321.384, such vehicle shall be equipped with one or more lamps which shall exhibit a white or amber light on the roadway side visible from a distance of five hundred feet to the front of such vehicle and a red light visible from a distance of five hundred feet to the rear, except that local authorities may provide by ordinance or resolution that no lights need be displayed upon any such vehicle when stopped or parked in accordance with local parking regulations upon a highway where there is sufficient light to

reveal any person or object within a distance of five hundred feet upon such highway. Any lighted headlamps upon a parked vehicle shall be depressed or dimmed.

[C24, 27, 31, 35, §5054; C39, §**5034.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.395]
98 Acts, ch 1178, §4
Referred to in §321.1, 321.396, 456A.12, 805.8A(6y)
For applicable scheduled fine, see §805.8A, subsection 6

**321.396 Exception.**

Section 321.395 shall not apply when an accident extinguishes said light and renders a vehicle incapable of use, and when the person in control of the vehicle erects, at the earliest opportunity after the accident, such proper light at or near the vehicle as will give warning of the presence of said vehicle.

[C24, 27, 31, 35, §5055; C39, §**5034.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.396]
Referred to in §321.1, 456A.12

**321.397 Lamps on bicycles.**

Every bicycle shall be equipped with a lamp on the front exhibiting a white light, at the times specified in section 321.384, visible from a distance of at least three hundred feet to the front and with a lamp on the rear exhibiting a red light visible from a distance of three hundred feet to the rear; except that a red reflector may be used in lieu of a rear light. A peace officer riding a police bicycle is not required to use either front or rear lamps if duty so requires.

[C31, 35, §5045-d1; C39, §**5034.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.397]
97 Acts, ch 71, §3; 97 Acts, ch 108, §21
Referred to in §321.1, 456A.12, 805.8A(9j)
For applicable scheduled fine, see §805.8A, subsection 9

**321.398 Lamps on other vehicles and equipment.**

All vehicles, including animal-drawn vehicles and including those referred to in section 321.383 not hereinbefore specifically required to be equipped with lamps, shall at the times specified in section 321.384 be equipped with at least one lighted lamp or lantern exhibiting a white light visible from a distance of five hundred feet to the front of such vehicle and, except for animal-drawn vehicles, with a lamp or lantern exhibiting a red light visible from a distance of five hundred feet to the rear. Animal-drawn vehicles shall be equipped with a flashing amber light visible from a distance of five hundred feet to the rear of the vehicle during the time specified in section 321.384.

[C31, 35, §5045-d1; C39, §**5034.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.398]
Referred to in §321.1, 321.423, 456A.12, 805.8A(3q)
For applicable scheduled fines, see §805.8A, subsection 3

**321.399 through 321.401** Repealed by 75 Acts, ch 182, § 1.

**321.402 Spot lamps.**

Any motor vehicle may be equipped with not to exceed one spot lamp and every lighted spot lamp shall be so aimed and used upon approaching another vehicle that no part of the high-intensity portion of the beam will be directed to the left of the prolongation of the extreme left side of the vehicle nor more than one hundred feet ahead of the vehicle.

[C24, 27, 31, 35, §5051; C39, §**5034.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.402]
Referred to in §321.1, 456A.12, 805.8A(3r)
For applicable scheduled fine, see §805.8A, subsection 3

**321.403 Auxiliary driving lamps.**

Any motor vehicle may be equipped with not to exceed three auxiliary driving lamps mounted on the front at a height not less than twelve inches nor more than forty-two inches above the level surface upon which the vehicle stands, and every such auxiliary driving lamp or lamps shall meet the requirements and limitations set forth in this chapter.

[C24, 27, 31, 35, §5050; C39, §**5034.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.403]
Referred to in §321.1, 456A.12, 805.8A(3s)
For applicable scheduled fine, see §805.8A, subsection 3

**321.404 Signal lamps and signal devices.**

Every motor vehicle shall be equipped with a signal lamp or signal device which is so constructed and located on the vehicle as to give a signal of intention to stop, which shall be red or yellow in color, which signal shall be plainly visible and understandable in normal sunlight and at night from a distance of one hundred feet to the rear but shall not project a glaring or dazzling light.

[C39, §**5034.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.404]

Referred to in §321.1, 321.404A, 456A.12, 805.8A(3t)

For applicable scheduled fine, see §805.8A, subsection 3

**321.404A Light-restricting devices prohibited.**

1. A person shall not operate a motor vehicle, motorcycle, or motorized bicycle on the highways of this state if it is equipped with a device that restricts the light output of a headlamp required under section 321.385 or 321.386, a rear lamp required under section 321.387, a signal lamp or signal device required under section 321.404, or a directional signal device as described in section 321.317.

2. A person who violates this section shall be subject to a scheduled fine under section 805.8A, subsection 3.

99 Acts, ch 13, §16; 2001 Acts, ch 137, §5; 2010 Acts, ch 1190, §52

Referred to in §321.1, 456A.12, 805.8A(3u)

**321.405 Self-illumination.**

All mechanical signal devices shall be self-illuminated when in use at the times mentioned in section 321.384.

[C39, §**5034.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.405]

Referred to in §321.1, 456A.12

**321.406 Cowl lamps.** Repealed by 2010 Acts, ch 1045, § 1.

**321.407** Repealed by 89 Acts, ch 296, § 96.

**321.408 Back-up lamps.**

1. A motor vehicle may be equipped with a back-up lamp either separately or in combination with another lamp.

2. A back-up lamp shall not be continuously lighted when the motor vehicle is in forward motion.

3. A person who violates this section commits a simple misdemeanor.

[C24, 27, 31, 35, §5050; C39, §**5034.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.408]

2010 Acts, ch 1140, §13

Referred to in §321.1, 456A.12

**321.409 Mandatory lighting equipment.**

1. Except as hereinafter provided, the headlamps or the auxiliary driving lamp or the auxiliary passing lamp or combination thereof on motor vehicles other than motorcycles or motorized bicycles shall be so arranged that the driver may select at will between distributions of light projected to different elevations and the lamps may, in addition, be so arranged that selection can be made automatically, subject to the following limitations:

*a.* There shall be an uppermost distribution of light, or composite beam, so aimed and of sufficient intensity to reveal persons and vehicles at a distance of at least three hundred fifty feet ahead for all conditions.

*b.* There shall be a lowermost distribution of light, or composite beam so aimed and of sufficient intensity to reveal persons and vehicles at a distance of at least one hundred feet ahead. On a straight level road under any condition of loading none of the high-intensity portion of the beam shall be directed to strike the eyes of an approaching driver.

2. Every new motor vehicle, other than a motorcycle or motorized bicycle which has multiple-beam road-lighting equipment shall be equipped with a beam indicator, which shall be lighted whenever the uppermost distribution of light from the headlamps is in use, and

shall not otherwise be lighted. The indicator shall be so designed and located that when lighted it will be readily visible without glare to the driver of the vehicle.

[C24, 27, 31, 35, §5049, 5052; C39, §**5034.18 – 5034.22;** C46, 50, 54, §321.409 – 321.413; C58, 62, 66, 71, 73, 75, 77, 79, 81, §321.409]

2010 Acts, ch 1061, §118

Referred to in §321.1, 321.275, 321.390, 321.415, 321.417, 321.418, 456A.12, 805.8A(3v)

For applicable scheduled fine, see §805.8A, subsection 3

**321.410 through 321.414** Reserved.

**321.415 Required usage of lighting devices.**

1. Whenever a motor vehicle is being operated on a roadway or shoulder during the times specified in section 321.384, the driver shall use a distribution of light, or composite beam, directed high enough and of sufficient intensity to reveal persons and vehicles at a safe distance in advance of the vehicle, subject to the following requirements and limitations:

*a.* Whenever a driver of a vehicle approaches an oncoming vehicle within one thousand feet, the driver shall use a distribution of light, or composite beam, so aimed that the glaring rays are not projected into the eyes of the oncoming driver. The lowermost distribution of light, or composite beam, specified in section 321.409, subsection 1, paragraph *"b"*, shall be deemed to avoid glare at all times, regardless of road contour and loading.

*b.* Whenever the driver of a vehicle follows another vehicle within four hundred feet to the rear, except when engaged in the act of overtaking and passing, the driver shall use a distribution of light permissible under this chapter other than the uppermost distribution of light specified in section 321.409, subsection 1, paragraph *"a"*.

2. The provisions of subsection 1, paragraphs *"a"* and *"b"*, do not apply to motorcycles or motorized bicycles being operated between sunrise and sunset.

[C39, §**5034.23 – 5034.25;** C46, 50, 54, §321.414 – 321.416; C58, 62, 66, 71, 73, 75, 77, 79, 81, §321.415]

92 Acts, ch 1175, §36; 2010 Acts, ch 1061, §175

Referred to in §321.1, 321.384, 321.418, 456A.12, 805.8A(3w)

For applicable scheduled fines, see §805.8A, subsection 3

**321.416** Reserved.

**321.417 Single-beam road-lighting equipment.**

Headlamps arranged to provide a single distribution of light not supplemented by auxiliary driving lamps shall be permitted on motor vehicles manufactured and sold prior to July 1, 1938, in lieu of multiple-beam road-lighting equipment specified in section 321.409 if the single distribution of light complies with the following requirements and limitations:

1. The headlamps shall be so aimed that when the vehicle is not loaded none of the high-intensity portion of the light shall at a distance of twenty-five feet ahead project higher than a level of five inches below the level of the center of the lamp from which it comes, and in no case higher than forty-two inches above the level on which the vehicle stands at a distance of seventy-five feet ahead.

2. The intensity of the light shall be sufficient to reveal persons and vehicles at a distance of at least two hundred feet.

[C24, 27, 31, 35, §5049; C39, §**5034.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.417]

2010 Acts, ch 1069, §97

Referred to in §321.1, 321.418

**321.418 Alternate road-lighting equipment.**

Any motor vehicle may be operated under the conditions specified in section 321.384 when equipped with two lighted lamps upon the front thereof capable of revealing persons and objects seventy-five feet ahead in lieu of lamps required in sections 321.409 and 321.415, or section 321.417, provided, however, that at no time shall it be operated at a speed in excess of twenty miles per hour.

[C39, §**5034.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.418]

Referred to in §321.1

**321.419 Number of driving lamps required or permitted.**

At all times specified in section 321.384 at least two lighted lamps, except where one only is permitted, shall be displayed, one on each side at the front of every motor vehicle except when such vehicle is parked subject to the regulations governing lights on parked vehicles.

[C39, §**5034.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.419]

Referred to in §321.1, 805.8A(3x)

For applicable scheduled fine, see §805.8A, subsection 3

**321.420 Number of lamps lighted.**

Whenever a motor vehicle equipped with headlamps as herein required is also equipped with any auxiliary lamps or a spot lamp or any other lamp on the front thereof projecting a beam of an intensity greater than three hundred candlepower, not more than a total of four of any such lamps on the front of a vehicle shall be lighted at any one time when upon a highway.

[C39, §**5034.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.420]

Referred to in §321.1, 805.8A(3y)

For applicable scheduled fine, see §805.8A, subsection 3

**321.421 Special restrictions on lamps.**

1. Any lighted lamp or illuminating device upon a motor vehicle other than headlamps, spot lamps, or auxiliary driving lamps which projects a beam of light of an intensity greater than three hundred candlepower shall be so directed that no part of the beam will strike the level of the roadway on which the vehicle stands at a distance of more than seventy-five feet from the vehicle.

2. A person convicted of a violation of this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 3.

[C39, §**5034.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.421]

2000 Acts, ch 1203, §16; 2001 Acts, ch 137, §5; 2010 Acts, ch 1190, §53

Referred to in §321.1, 805.8A(3z)

**321.422 Red light in front — rear lights.**

1. No person shall drive or move any vehicle or equipment upon any highway with any lamp or device thereon displaying or reflecting a red light visible from directly in front thereof. No person shall display any color of light other than red on the rear of any vehicle, except that stop lights and directional signals may be red, yellow, or amber.

2. This section shall not apply to authorized emergency vehicles, or school buses and vehicles as provided in section 321.423, subsection 6.

[C39, §**5034.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.422]

2010 Acts, ch 1069, §98

Referred to in §321.1, 805.8A(3aa)

See also §321.383

For applicable scheduled fine, see §805.8A, subsection 3

**321.423 Flashing lights.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Emergency medical care provider"* means as defined in section 147A.1.

*b.* *"Fire department"* means a paid or volunteer fire protection service provided by a benefited fire district under chapter 357B or by a county, municipality or township, or a private corporate organization that has a valid contract to provide fire protection service for a benefited fire district, county, municipality, township or governmental agency.

*c.* *"Member"* means a person who is a member in good standing of a fire department or a person who is an emergency medical care provider employed by an ambulance, rescue, or first response service.

2. *Prohibited lights.* A flashing light on or in a motor vehicle is prohibited except as follows:

*a.* On an authorized emergency vehicle.

*b.* On a vehicle as a means of indicating a right or left turn, a mechanical failure, or an emergency stop or intent to stop.

*c.* On a motor vehicle used by a rural mail carrier when stopping or stopped on or near a

highway in the process of delivering mail, if such a light is any shade of color between white and amber and if it is mounted as a dome light on the roof of the vehicle.

*d.* On a vehicle being operated under an excess size permit issued under chapter 321E.

*e.* A flashing blue light on a vehicle upon which a blue light is permitted pursuant to subsection 3 of this section.

*f.* A flashing white light is permitted on a vehicle pursuant to subsection 7.

*g.* Flashing red and amber warning lights on a school bus as described in section 321.372, and a white flashing strobe light mounted on a school bus as permitted under section 321.373, subsection 7.

*h.* A flashing amber light is permitted on a towing or recovery vehicle, a utility maintenance vehicle, a municipal maintenance vehicle, a highway maintenance vehicle, or a vehicle operated in accordance with subsection 6 or section 321.398 or 321.453.

*i.* Modulating headlamps in conformance with 49 C.F.R. § 571.108 S7.9.4. are permitted on a motorcycle.

*j.* On a vehicle being operated as an escort vehicle for a funeral procession as provided in section 321.324A.

3. *Blue light.*

*a.* A blue light shall not be used on any vehicle except for the following:

(1) A vehicle owned or exclusively operated by a fire department.

(2) A vehicle authorized by the chief of the fire department if the vehicle is owned by a member of the fire department, the request for authorization is made by the member on forms provided by the department, and necessity for authorization is demonstrated in the request.

(3) An authorized emergency vehicle, other than a vehicle described in paragraph "*a*", subparagraph (1) or (2), if the blue light is positioned on the passenger side of the vehicle and is used in conjunction with a red light positioned on the driver side of the vehicle.

*b.* A person shall not use only a blue light on a vehicle unless the vehicle meets the requirements of paragraph "*a*", subparagraph (1) or (2).

4. *Expiration of authority.* The authorization shall expire at midnight on the thirty-first day of December five years from the year in which it was issued, or when the vehicle is no longer owned by the member, or when the member has ceased to be an active member of the fire department or of an ambulance, rescue, or first response service, or when the member has used the blue or white light beyond the scope of its authorized use. A person issued an authorization under subsection 3, paragraph "*a*", subparagraph (2), shall return the authorization to the fire chief upon expiration or upon a determination by the fire chief or the department that the authorization should be revoked.

5. *When used.* The certificate of authorization shall be carried at all times with the certificate of registration of the authorized vehicle and the operator of the vehicle shall not illuminate the blue or white light except in any of the following circumstances:

*a.* When the member is en route to the scene of a fire or is responding to an emergency in the line of duty requiring the services of the member.

*b.* When the authorized vehicle is transporting a person requiring emergency care.

*c.* When the authorized vehicle is at the scene of an emergency.

*d.* The use of the blue or white light in or on a private motor vehicle shall be for identification purposes only.

6. *Amber flashing light.* A farm tractor, farm tractor with towed equipment, self-propelled implement of husbandry, road construction or maintenance vehicle, road grader, or other vehicle principally designed for use off the highway which, when operated on a primary or secondary road, is operated at a speed of thirty-five miles an hour or less, shall be equipped with and display an amber flashing light visible from the rear at any time from sunset to sunrise. If the amber flashing light is obstructed by the towed equipment, the towed equipment shall also be equipped with and display an amber flashing light as required under this subsection. All vehicles specified in this subsection which are manufactured for sale or sold in this state shall be equipped with an amber flashing light in accordance with the standards of the American society of agricultural engineers.

7. *Flashing white light.*

*a.* Except as provided in section 321.373, subsection 7, and subsection 2, paragraphs "*c*"

and "*i*" of this section, a flashing white light shall only be used on a vehicle in the following circumstances:

(1) On a vehicle owned or exclusively operated by an ambulance, rescue, or first response service.

(2) On a vehicle authorized by the director of public health when all of the following apply:

(a) The vehicle is owned by a member of an ambulance, rescue, or first response service.

(b) The request for authorization is made by the member on forms provided by the Iowa department of public health.

(c) Necessity for authorization is demonstrated in the request.

(d) The head of an ambulance, rescue, or first response service certifies that the member is in good standing and recommends that the authorization be granted.

(3) On an authorized emergency vehicle.

*b*. The Iowa department of public health shall adopt rules to establish issuance standards, including allowing local emergency medical service providers to issue certificates of authorization, and shall adopt rules to establish certificate of authorization revocation procedures.

[C39, §**5034.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.423]

85 Acts, ch 37, §2; 90 Acts, ch 1225, §1 – 7; 91 Acts, ch 131, §2 – 4; 94 Acts, ch 1087, §2; 95 Acts, ch 41, §25; 95 Acts, ch 118, §25; 96 Acts, ch 1034, §21 – 23; 97 Acts, ch 108, §22; 2000 Acts, ch 1045, §2, 3; 2001 Acts, ch 32, §19; 2005 Acts, ch 8, §29 – 31; 2006 Acts, ch 1070, §14; 2010 Acts, ch 1069, §99

Referred to in §321.1, 321.422, 805.8A(3ab)

See also §321.383

For applicable scheduled fines, see §805.8A, subsection 3

**321.424 through 321.429** Reserved.

## BRAKES, HITCHES, AND SWAY CONTROL

**321.430 Brake, hitch, and control requirements.**

1. Every motor vehicle, other than a motorcycle, or motorized bicycle, when operated upon a highway shall be equipped with brakes adequate to control the movement of and to stop and hold such vehicle, including two separate means of applying the brakes, each of which means shall be effective to apply the brakes to at least two wheels. If these two separate means of applying the brakes are connected in any way, they shall be so constructed that failure of any one part of the operating mechanism shall not leave the motor vehicle without brakes on at least two wheels.

2. Every motorcycle and motorized bicycle, when operated upon a highway, shall be equipped with at least one brake, which may be operated by hand or foot.

3. Every trailer, semitrailer, or travel trailer of a gross weight of three thousand pounds or more shall be equipped with brakes adequate to control the movement of and to stop and hold such vehicle when operated on the highways of this state. Every trailer, semitrailer, or travel trailer with a gross weight of three thousand pounds or more shall be equipped with a separate, auxiliary means of applying the brakes on the trailer, semitrailer, or travel trailer from the cab of the towing vehicle, or with self-actuating brakes, and shall also be equipped with a weight equalizing hitch with a sway control. Trailers or semitrailers with a truck or truck tractor need only comply with the brake requirements.

4. Except as otherwise provided in this chapter, every new motor vehicle, trailer, or semitrailer hereafter sold in this state and operated upon the highways shall be equipped with service brakes upon all wheels of every such vehicle with the following exceptions:

*a*. Any motorcycle or motorized bicycle.

*b*. Any trailer or semitrailer of less than three thousand pounds gross weight need not be equipped with brakes.

*c*. Trucks and truck tractors equipped with three or more axles and manufactured before July 25, 1980, need not have brakes on the front wheels, except that such vehicles equipped

with two or more front axles shall be equipped with brakes on at least one of the axles; however, the service brakes of the vehicle shall comply with the performance requirements of section 321.431.

*d.* Only such brakes on the vehicle or vehicles being towed in a driveaway-towaway operation need be operative as may be necessary to insure compliance by the combination of vehicles with the performance requirements of section 321.431. The term *"driveaway-towaway"* operation as used in this subsection means any operation in which any motor vehicle or motor vehicles, new or used, constitute the commodity being transported, when one set or more of wheels of any such motor vehicle or motor vehicles are on the roadway during the course of transportation, whether or not any such motor vehicle furnishes the motive power.

[S13, §1571-m17; C24, 27, 31, 35, §5039; C39, §**5034.39;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.430]

88 Acts, ch 1044, §1; 97 Acts, ch 108, §24; 2006 Acts, ch 1068, §29

Referred to in §321.189, 321.464, 805.8A(3ac)

For applicable scheduled fine, see §805.8A, subsection 3

**321.431 Performance ability.**

1. The service brakes upon any motor vehicle or combination of motor vehicles, when upon dry asphalt or concrete pavement surface free from loose material where the grade does not exceed one percent, when traveling twenty miles an hour shall be adequate:

*a.* To stop such vehicle or vehicles having a gross weight of less than five thousand pounds within a distance of thirty feet.

*b.* To stop such vehicle or vehicles having a gross weight in excess of five thousand pounds within a distance of forty-five feet.

2. Under the above conditions the hand brake shall be adequate to hold such vehicle or vehicles stationary on any grade upon which operated.

3. Under the above conditions the service brakes upon a motor vehicle equipped with two-wheel brakes only, and when permitted hereunder, shall be adequate to stop the vehicle within a distance of forty-five feet and the hand brake adequate to stop the vehicle within a distance of fifty-five feet.

4. All braking distances specified in this section shall apply to all vehicles mentioned, whether such vehicles are not loaded or are loaded to the maximum capacity permitted under this chapter.

5. All brakes shall be maintained in good working order and shall be so adjusted as to operate as equally as practicable with respect to the wheels on opposite sides of the vehicle.

6. A person who violates this section commits a simple misdemeanor.

[S13, §1571-m17; C24, 27, 31, 35, §5039; C39, §**5034.40;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.431]

2010 Acts, ch 1140, §14

Referred to in §321.189, 321.430, 321.464

## MISCELLANEOUS EQUIPMENT AND DRIVER SAFETY PROVISIONS

**321.432 Horns and warning devices.**

Every motor vehicle when operated upon a highway shall be equipped with a horn in good working order and capable of emitting sound audible under normal conditions from a distance of not less than two hundred feet, but no horn or other warning device shall emit an unreasonably loud or harsh sound or a whistle. The driver of a motor vehicle shall when reasonably necessary to insure safe operation give audible warning with the horn but shall not otherwise use such horn when upon a highway.

[S13, §1571-m17; C24, 27, 31, 35, §5040, 5041; C39, §**5034.41;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.432]

Referred to in §805.8A(3ad)

For applicable scheduled fine, see §805.8A, subsection 3

**321.433 Sirens, whistles, and bells prohibited.**

A vehicle shall not be equipped with and a person shall not use upon a vehicle any siren, whistle, or bell, except as otherwise permitted in this section. It is permissible but not required that any commercial vehicle be equipped with a theft alarm signal device which is so arranged that it cannot be used by the driver as an ordinary warning signal. Any authorized emergency vehicle may be equipped with a siren, whistle, or bell capable of emitting sound audible under normal conditions from a distance of not less than five hundred feet, but the siren, whistle, or bell shall not be used except when the vehicle is operated in response to an emergency call or in the immediate pursuit of an actual or suspected violator of the law, and the driver of the vehicle shall sound the siren, whistle, or bell when necessary to warn pedestrians and other drivers of the approach of the vehicle.

[C39, §**5034.42;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.433]

98 Acts, ch 1080, §4

Referred to in §321.231, 805.8A(3ae)

For applicable scheduled fine, see §805.8A, subsection 3

**321.434 Bicycle sirens or whistles.**

A bicycle shall not be equipped with and a person shall not use upon a bicycle any siren or whistle. This section shall not apply to bicycles ridden by peace officers in the line of duty.

[C39, §**5034.43;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.434]

97 Acts, ch 71, §4

Referred to in §805.8A(9k)

For applicable scheduled fine, see §805.8A, subsection 9

**321.435 Motorcycles equipped with detachable stabilizing wheels.**

Notwithstanding any other provision of law, a motor vehicle that is originally designed as a two-wheeled motorcycle and is modified using conversion hardware which allows for the attachment and detachment of two stabilizing rear wheels may be operated on a highway with the stabilizing wheels attached in accordance with the provisions of this chapter applicable to motorcycles. A motorcycle shall not be determined to be reconstructed based on the sole fact that two stabilizing wheels have been added as described in this section.

2011 Acts, ch 15, §1

**321.436 Mufflers, prevention of noise.**

Every motor vehicle shall at all times be equipped with a muffler in good working order and in constant operation to prevent excessive or unusual noise and annoying smoke, and no person shall use a muffler cutout, bypass or similar device upon a motor vehicle on a highway.

[S13, §1571-m18; C24, 27, 31, 35, §5061 – 5063; C39, §**5034.45;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.436]

Referred to in §805.8A(3af)

For applicable scheduled fine, see §805.8A, subsection 3

**321.437 Mirrors.**

1. Every motor vehicle shall be equipped with a mirror so located as to reflect to the driver a view of the highway for a distance of at least two hundred feet to the rear of such vehicle. Any motor vehicle so loaded, or towing another vehicle in such manner, as to obstruct the view in a rear view mirror located in the driver's compartment shall be equipped with a side mirror so located that the view to the rear will not be obstructed; however, when such vehicle is not loaded or towing another vehicle the side mirrors shall be retracted or removed. All van or van type motor vehicles shall be equipped with outside mirrors of unit magnification, each with not less than nineteen point five square inches of reflective surface, installed with stable supports on both sides of the vehicle, located so as to provide the driver a view to the rear along both sides of the vehicle, and adjustable in both the horizontal and vertical directions to view the rearward scene.

2. Notwithstanding this chapter or chapter 321E, a combination of vehicles coupled together which is used exclusively for the transportation of passenger vehicles, light delivery trucks, panel delivery trucks, pickups, boats, and recreational chassis, may permanently attach a convex-type mirror on either or both of the vertical supports, forward of the steering

axle of the power unit, provided that the mirror shall not extend beyond the limit of any other rearview mirror on the vehicle.

[C31, 35, §5105-c20; C39, §**5034.46;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.437]

86 Acts, ch 1210, §5

Referred to in §805.8A(12b)

For applicable scheduled fines, see §805.8A, subsection 12, paragraph b

Section not amended; editorial change applied

**321.438 Windshields and windows.**

1. A person shall not drive a motor vehicle equipped with a windshield, sidewings, or side or rear windows which do not permit clear vision.

2. A person shall not operate on the highway a motor vehicle equipped with a front windshield, a side window to the immediate right or left of the driver, or a side-wing forward of and to the left or right of the driver which is excessively dark or reflective so that it is difficult for a person outside the motor vehicle to see into the motor vehicle through the windshield, window, or sidewing. The department shall adopt rules establishing a minimum measurable standard of transparency which shall apply to violations of this subsection.

3. Every motor vehicle except a motorcycle, or a vehicle included in the provisions of section 321.383 or section 321.115 shall be equipped with a windshield in accordance with section 321.444.

[C39, §**5034.47;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.438]

83 Acts, ch 125, §5

Referred to in §805.8A(3ag)

For applicable scheduled fine, see §805.8A, subsection 3

**321.439 Windshield wipers.**

The windshield on every motor vehicle shall be equipped with a device for cleaning rain, snow, or other moisture from the windshield, which device shall be so constructed as to be controlled or operated by the driver of the vehicle.

[C39, §**5034.48;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.439]

Referred to in §805.8A(3ah)

For applicable scheduled fine, see §805.8A, subsection 3

**321.440 Restrictions as to tire equipment.**

1. Every solid rubber tire on a vehicle shall have rubber on its entire traction surface at least one inch thick above the edge of the flange of the entire periphery. Any pneumatic tire on a vehicle shall be considered unsafe if it has:

*a.* Any part of the ply or cord exposed;

*b.* Any bump, bulge or separation;

*c.* A tread design depth of less than one-sixteenth of an inch measured in any two or more adjacent tread grooves, exclusive of tie bars or, for those tires with tread wear indicators, worn to the level of the tread wear indicators in any two tread grooves;

*d.* A marking "not for highway use", "for racing purposes only", "unsafe for highway use";

*e.* Tread or sidewall cracks, cuts or snags deep enough to expose the body cord;

*f.* Such other conditions as may be reasonably demonstrated to render it unsafe;

*g.* Been regrooved or recut below the original tread design depth, excepting special tires which have extra under tread rubber and are identified as such, or if a pneumatic tire was originally designed without grooves or tread.

2. A vehicle, except an implement of husbandry, equipped with either solid rubber or pneumatic tires shall not be operated where the weight per inch of tire width is greater than five hundred seventy-five pounds per inch of tire width based on the tire width rating, except on a steering axle, in which case six hundred pounds per inch of tire width is permitted based on the tire width rating.

[C31, 35, §5065-c1; C39, §**5034.49;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.440]

97 Acts, ch 100, §2, 3, 12

Referred to in §805.8A(3ai)

For applicable scheduled fine, see §805.8A, subsection 3

**321.441 Metal tires prohibited.**

No person shall operate or move on a paved highway any motor vehicle, trailer, or semitrailer having any metal tire or metal track in contact with the roadway.

[C24, 27, 31, 35, §4918, 4919; C39, §**5034.50;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.441]

Referred to in §805.8A(3aj)
For applicable scheduled fine, see §805.8A, subsection 3

**321.442 Projections on wheels.**

No tire on a vehicle moved on a highway shall have on its periphery any block, stud, flange, cleat, or spike or any other protuberances of any material other than rubber which projects beyond the tread of the traction surface of the tire except that it shall be permissible to use:

1. Farm machinery with tires having protuberances which will not injure the highway.

2. Tire chains of reasonable proportions upon any vehicle when required for safety because of snow, ice, or other conditions tending to cause a vehicle to skid.

3. Pneumatic tires with inserted ice grips or tire studs projecting not more than one-sixteenth inch beyond the tread of the traction surface of the tire upon any vehicle from November 1 of each year to April 1 of the following year, except that a school bus and fire department emergency apparatus may use such tires at any time.

[S13, §1571-1a; C24, 27, 31, 35, §5068, 5070; C39, §**5034.51;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.442]

Referred to in §805.8A(3ak)
For applicable scheduled fine, see §805.8A, subsection 3

**321.443 Exceptions.**

The department and local authorities in their respective jurisdictions shall review any application for a special permit and may, with good cause being shown, issue special permits authorizing the operation upon a highway of traction engines or tractors having movable tracks with transverse corrugations upon the periphery of such movable tracks or farm tractors or other farm machinery, the operation of which upon a highway would otherwise be prohibited under this chapter.

[C24, 27, 31, 35, §5069; C39, §**5034.52;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.443]

**321.444 Safety glass.**

1. No person shall sell any new motor vehicle nor shall any motor vehicle, manufactured since July 1, 1935, be registered, or operated unless such vehicle is equipped with safety glass wherever glass is used in doors, windows, and windshields. Replacements of glass in doors, windows, or windshields shall be of safety glass.

2. *"Safety glass"* means any product composed of glass, so manufactured, fabricated, or treated as substantially to prevent shattering and flying of the glass when struck or broken. Safety glass and glazing materials shall comply with federal motor vehicle safety standard number 205 as published in 49 C.F.R. § 571.205.

[C35, §4991-f1, -f4; C39, §**5034.53, 5034.54, 5034.55;** C46, 50, 54, 58, 62, §321.444, 321.445, 321.446; C66, 71, 73, 75, 77, 79, 81, §321.444]

97 Acts, ch 108, §25; 98 Acts, ch 1080, §5
Referred to in §321.438, 805.8A(3al)
For applicable scheduled fine, see §805.8A, subsection 3

**321.445 Safety belts and safety harnesses — use required.**

1. Except for motorcycles or motorized bicycles, 1966 model year or newer motor vehicles subject to registration in Iowa shall be equipped with safety belts and safety harnesses which conform with federal motor vehicle safety standard numbers 209 and 210 as published in 49 C.F.R. § 571.209 – 571.210 and with prior federal motor vehicle safety standards for seat belt assemblies and seat belt assembly anchorages applicable for the motor vehicle's model year.

2. *a.* The driver and front seat occupants of a type of motor vehicle that is subject to registration in Iowa, except a motorcycle or a motorized bicycle, shall each wear a properly adjusted and fastened safety belt or safety harness any time the vehicle is in forward motion

on a street or highway in this state except that a child under eighteen years of age shall be secured as required under section 321.446.

*b.* This subsection does not apply to:

(1) The driver or front seat occupants of a motor vehicle which is not required to be equipped with safety belts or safety harnesses.

(2) The driver and front seat occupants of a motor vehicle who are actively engaged in work which requires them to alight from and reenter the vehicle at frequent intervals, providing the vehicle does not exceed twenty-five miles per hour between stops.

(3) The driver of a motor vehicle while performing duties as a rural letter carrier for the United States postal service. This exemption applies only between the first delivery point after leaving the post office and the last delivery point before returning to the post office.

(4) Passengers on a bus.

(5) A person possessing a written certification from a health care provider licensed under chapter 148 or 151 on a form provided by the department that the person is unable to wear a safety belt or safety harness due to physical or medical reasons. The certification shall specify the time period for which the exemption applies. The time period shall not exceed twelve months, at which time a new certification may be issued unless the certifying health care provider is from a United States military facility, in which case the certificate may specify a longer period of time or a permanent exemption.

(6) Front seat occupants of an authorized emergency vehicle while they are being transported in an emergency. However, this exemption does not apply to the driver of the authorized emergency vehicle.

*c.* The department, in cooperation with the department of public safety and the department of education, shall establish educational programs to foster compliance with the safety belt and safety harness usage requirements of this subsection.

3. The driver and front seat passengers may be each charged separately for improperly used or nonused equipment under subsection 2. However, the driver shall not be charged for a violation committed by a passenger who is fourteen years of age or older unless the passenger is unable to properly fasten a seat belt due to a temporary or permanent disability. The owner of the motor vehicle may be charged for equipment violations under subsection 1.

4. *a.* The nonuse of a safety belt or safety harness by a person is not admissible or material as evidence in a civil action brought for damages in a cause of action arising prior to July 1, 1986.

*b.* In a cause of action arising on or after July 1, 1986, brought to recover damages arising out of the ownership or operation of a motor vehicle, the failure to wear a safety belt or safety harness in violation of this section shall not be considered evidence of comparative fault under section 668.3, subsection 1. However, except as provided in section 321.446, subsection 6, the failure to wear a safety belt or safety harness in violation of this section may be admitted to mitigate damages, but only under the following circumstances:

(1) Parties seeking to introduce evidence of the failure to wear a safety belt or safety harness in violation of this section must first introduce substantial evidence that the failure to wear a safety belt or safety harness contributed to the injury or injuries claimed by the plaintiff.

(2) If the evidence supports such a finding, the trier of fact may find that the plaintiff's failure to wear a safety belt or safety harness in violation of this section contributed to the plaintiff's claimed injury or injuries, and may reduce the amount of plaintiff's recovery by an amount not to exceed five percent of the damages awarded after any reductions for comparative fault.

5. The department shall adopt rules pursuant to chapter 17A providing exceptions from application of subsections 1 and 2 for front seats and front seat passengers of motor vehicles owned, leased, rented, or primarily used by persons with disabilities who use collapsible wheelchairs.

[C66, 71, 73, 75, 77, 79, 81, §321.445]

84 Acts, ch 1016, §3; 86 Acts, ch 1009, §2; 86 Acts, ch 1211, §43; 87 Acts, ch 120, §5; 92 Acts, ch 1175, §37; 96 Acts, ch 1129, §79; 97 Acts, ch 104, §21; 97 Acts, ch 108, §26; 98 Acts,

ch 1080, §6, 7; 2002 Acts, ch 1119, §50; 2004 Acts, ch 1113, §1; 2008 Acts, ch 1088, §122; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1079, §10; 2010 Acts, ch 1186, §6, 7
Referred to in §321.210, 321.446, 321.555, 805.8A(14c)
For applicable scheduled fines, see §805.8A, subsection 14, paragraph c

**321.446 Child restraint devices.**

1. *a.* A child under one year of age and weighing less than twenty pounds who is being transported in a motor vehicle subject to registration, except a school bus or motorcycle, shall be secured during transit in a rear-facing child restraint system that is used in accordance with the manufacturer's instructions.

*b.* A child under six years of age who does not meet the description in paragraph *"a"* and who is being transported in a motor vehicle subject to registration, except a school bus or motorcycle, shall be secured during transit by a child restraint system that is used in accordance with the manufacturer's instructions.

2. A child at least six years of age but under eighteen years of age who is being transported in a motor vehicle subject to registration, except a school bus or motorcycle, shall be secured during transit by a child restraint system that is used in accordance with the manufacturer's instructions or by a safety belt or safety harness of a type approved under section 321.445.

3. This section does not apply to the following:

*a.* Peace officers acting on official duty.

*b.* The transportation of children in 1965 model year or older vehicles, authorized emergency vehicles, buses, or motor homes, except when a child is transported in a motor home's passenger seat situated directly to the driver's right.

*c.* The transportation of a child who has been certified by a physician licensed under chapter 148 as having a medical, physical, or mental condition that prevents or makes inadvisable securing the child in a child restraint system, safety belt, or safety harness.

*d.* A back seat occupant of a motor vehicle for whom no safety belt is available because all safety belts are being used by other occupants or cannot be used due to the use of a child restraint system in the seating position for which a belt is provided.

4. A person who violates this section is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph "*c*". Violations shall be charged as follows:

*a.* An operator who transports a passenger under fourteen years of age in violation of subsection 1 or 2 may be charged with a violation of this section.

*b.* If a passenger fourteen years of age or older is unable to properly fasten a seatbelt due to a temporary or permanent disability, an operator who transports such a person in violation of subsection 2 may be charged with a violation of this section. Otherwise, a passenger fourteen years of age or older who violates subsection 2 shall be charged in lieu of the operator.

*c.* If a child under fourteen years of age, or a child fourteen years of age or older who is unable to fasten a seatbelt due to a temporary or permanent disability, is being transported in a taxicab in a manner that is not in compliance with subsection 1 or 2, the parent, legal guardian, or other responsible adult traveling with the child shall be served with a citation for a violation of this section in lieu of the taxicab operator. Otherwise, if a passenger being transported in the taxicab is fourteen years of age or older, the citation shall be served on the passenger in lieu of the taxicab operator.

5. A person who is first charged for a violation of subsection 1 and who has not purchased or otherwise acquired a child restraint system shall not be convicted if the person produces in court, within a reasonable time, proof that the person has purchased or otherwise acquired a child restraint system which meets federal motor vehicle safety standards.

6. Failure to use a child restraint system, safety belts, or safety harnesses as required by this section does not constitute negligence nor is the failure admissible as evidence in a civil action.

7. For purposes of this section, *"child restraint system"* means a specially designed seating

system, including a belt-positioning seat or a booster seat, that meets federal motor vehicle safety standards set forth in 49 C.F.R. § 571.213.

84 Acts, ch 1016, §1; 86 Acts, ch 1069, §1; 2000 Acts, ch 1133, §11; 2001 Acts, ch 132, §11; 2001 Acts, ch 137, §5; 2004 Acts, ch 1113, §2, 3; 2005 Acts, ch 8, §32; 2008 Acts, ch 1088, §123; 2010 Acts, ch 1186, §8, 9

Referred to in §321.210, 321.445, 321.555, 805.8A(14c)

**321.447 and 321.448** Repealed by 87 Acts, ch 170, § 20.

**321.449 Motor carrier safety rules.**

1. *a.* A person shall not operate a commercial vehicle on the highways of this state except in compliance with rules adopted by the department under chapter 17A. The rules shall be consistent with the federal motor carrier safety regulations promulgated under United States Code, Tit. 49, and found in 49 C.F.R. pts. 385, 390 – 399 and adopted under chapter 17A.

*b.* The department shall also adopt rules concerning hours of service for drivers of vehicles operated for hire and designed to transport seven or more persons, including the driver. The rules shall not apply to vehicles offered to the public for hire that are used principally in intracity operation and that are regulated by local authorities pursuant to section 321.236.

2. Rules adopted under this section concerning driver qualifications, hours of service, and recordkeeping requirements do not apply to the operators of public utility trucks, trucks hauling gravel, construction trucks and equipment, trucks moving implements of husbandry, and special trucks, other than a truck tractor, operating intrastate. Except as otherwise provided in this section, trucks for hire on construction projects are not exempt from this section.

3. Rules adopted under this section concerning driver age qualifications do not apply to drivers for private and for-hire motor carriers which operate solely intrastate except when the vehicle being driven is transporting a hazardous material in a quantity which requires placarding. The minimum age for the exempted intrastate operations is eighteen years of age.

4. *a.* Notwithstanding other provisions of this section, rules adopted under this section for drivers of commercial vehicles shall not apply to a driver of a commercial vehicle who is engaged exclusively in intrastate commerce, when the commercial vehicle's gross vehicle weight rating is twenty-six thousand pounds or less, unless the vehicle is used to transport hazardous materials requiring a placard or if the vehicle is designed to transport more than fifteen passengers, including the driver. For the purpose of complying with the hours of service recordkeeping requirements under 49 C.F.R. § 395.1(e)(1)(v)(A – D), a driver's report of daily beginning and ending on-duty time submitted to the motor carrier at the end of each workweek shall be considered acceptable motor carrier time records.

*b.* In addition, rules adopted under this section shall not apply to a driver operating intrastate for a farm operation as defined in section 352.2, or for an agricultural interest when the commercial vehicle is operated between the farm as defined in section 352.2 and another farm, between the farm and a market for farm products, or between the farm and an agribusiness location.

*c.* A driver or a driver-salesperson for a private carrier, who is not for hire and who is engaged exclusively in intrastate commerce, may drive twelve hours, be on duty sixteen hours in a twenty-four-hour period, and be on duty seventy hours in seven consecutive days or eighty hours in eight consecutive days. A "*driver-salesperson*" means as defined in 49 C.F.R. § 395.2, as adopted by the department by rule.

*d.* For-hire drivers who are engaged exclusively in intrastate commerce and who operate trucks and truck tractors exclusively for the movement of construction materials and equipment to and from construction projects may also drive twelve hours, be on duty sixteen hours in a twenty-four-hour period, and be on duty seventy hours in seven consecutive days or eighty hours in eight consecutive days.

5. *a.* Notwithstanding other provisions of this section, rules adopted under this section concerning physical and medical qualifications for drivers of commercial vehicles engaged in intrastate commerce shall not be construed as disqualifying any individual who was employed

as a driver of commercial vehicles engaged in intrastate commerce whose physical or medical condition existed prior to July 29, 1996.

*b.* Notwithstanding other provisions of this section, rules adopted under this section concerning physical and medical qualifications for a driver shall not apply to a farmer or a farmer's hired help when operating a vehicle owned by the farmer while it is being used in connection with the intrastate transportation of fertilizers and chemicals used in the farmer's crop production.

*c.* Notwithstanding other provisions of this section, rules adopted under this section concerning physical and medical qualifications for a driver shall not apply to a farmer or a farmer's hired help when operating a vehicle owned by the farmer while it is being used in connection with the intrastate transportation of agricultural commodities or feed.

6. Notwithstanding other provisions of this section, rules adopted under this section shall not impose any requirements which impose any restrictions upon a person operating an implement of husbandry or pickup to transport fertilizers and pesticides in that person's agricultural operations.

7. Rules adopted under this section shall not apply to vehicles engaged in intrastate commerce and used in combination, provided the gross vehicle weight rating of the towing unit is ten thousand pounds or less and the gross combination weight rating is twenty-six thousand pounds or less.

8. In the course of enforcing the motor carrier safety rules adopted by the department under chapter 17A, the department's peace officers are authorized, at reasonable times and places and with reasonable notice, to enter a motor carrier's place of business for the purpose of performing a motor carrier safety audit or compliance review. Nothing in this subsection by itself permits the seizure of the property of a motor carrier. Any audit or review shall be conducted in compliance with the federal motor carrier safety regulations in 49 C.F.R. pts. 105 – 185, 382, 383, 385, and 390 – 399. A peace officer of the department is authorized to inspect and copy motor carrier records required by 49 C.F.R. pts. 105 – 185, 382, 383, 385, and 390 – 399.

[C39, §**5034.58;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.449]

87 Acts, ch 170, §13; 88 Acts, ch 1083, §3 – 7; 88 Acts, ch 1278, §50; 92 Acts, ch 1175, §38; 93 Acts, ch 47, §15; 95 Acts, ch 171, §1; 96 Acts, ch 1063, §1; 99 Acts, ch 13, §17, 29; 99 Acts, ch 96, §34; 2000 Acts, ch 1134, §3; 2001 Acts, ch 132, §12; 2003 Acts, ch 8, §17, 18; 2005 Acts, ch 8, §33; 2009 Acts, ch 130, §40, 41; 2010 Acts, ch 1069, §48

Referred to in §321.288, 321.343, 321.450, 325A.2, 805.8A(13b)

For applicable scheduled fines, see §805.8A, subsection 13, paragraph b

**321.449A Rail crew transport drivers.**

1. A driver of a motor vehicle operated for hire which is designed to transport seven or more persons but fewer than sixteen persons including the driver and is used to transport railroad workers to or from their places of employment or during the course of their employment is subject to the following limitations:

*a.* The driver shall not drive such a vehicle more than ten hours following eight consecutive hours of uninterrupted rest.

*b.* The driver shall not drive such a vehicle for any period after having been on duty for fifteen hours following eight consecutive hours of uninterrupted rest.

*c.* The driver shall not accept a call for service from the driver's employer during a period of uninterrupted rest.

2. For purposes of this section, the following definitions apply:

*a.* *"Employer"* means a railroad worker transportation company, as defined in section 327F.39, for whom the driver performs a service, either for wages or as an independent contractor.

*b.* *"On duty"* means all time from the time a driver begins work or is required to be ready to work until the time the driver is relieved from work and all responsibility for performing work, whether or not the driver is compensated for all of the time. A driver may drive more than one assigned trip, as long as the trip falls within the on-duty period. A driver *"begins*

*work"* when the driver enters a transport vehicle to begin a trip assignment and is not *"relieved from work"* until the driver has exited the transport vehicle for the final time.

*c. "Uninterrupted rest"* means that the employer shall not communicate with the driver by telephone, pager, or in any other manner that could reasonably be expected to disrupt the driver's rest.

3. A person who violates this section commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 13, paragraph *"b"*.

2013 Acts, ch 47, §1
Referred to in §327F.39, 805.8A(13b)
NEW section

**321.450 Hazardous materials transportation regulations.**

1. A person shall not transport or have transported or shipped within this state any hazardous material except in compliance with rules adopted by the department under chapter 17A. The rules shall be consistent with the federal hazardous materials regulations adopted under United States Code, Tit. 49, and found in 49 C.F.R. § 107, 171 to 173, 177, 178, and 180.

2. Notwithstanding other provisions of this section, rules adopted under this section concerning physical and medical qualifications for drivers of commercial vehicles engaged in intrastate commerce shall not be construed as disqualifying any individual who was employed as a driver of commercial vehicles engaged in intrastate commerce, and whose physical or medical condition existed, prior to July 29, 1996.

3. Notwithstanding other provisions of this section, or the age requirements under section 321.449, the age requirements under section 321.449 and the rules adopted under this section pertaining to compliance with regulations adopted under United States Code, Tit. 49, and found in 49 C.F.R. § 177.804, shall not apply to retail dealers of fertilizers, petroleum products, and pesticides and their employees while delivering fertilizers, petroleum products, and pesticides to farm customers within a one-hundred-mile radius of their retail place of business.

4. Notwithstanding other provisions of this section, rules adopted under this section shall not apply to a farmer or employees of a farmer when transporting an agricultural hazardous material, except class 2 material, between the sites in the farmer's agricultural operations unless the material is being transported on the interstate highway system. As used in this subsection, *"farmer"* means a person engaged in the production or raising of crops, poultry, or livestock; *"farmer"* does not include a person who is a commercial applicator of agricultural chemicals or fertilizers.

5. Notwithstanding other provisions of this section to the contrary, a driver who is engaged exclusively in intrastate commerce and who operates a truck or truck tractor exclusively for the movement of refined oil products may drive twelve hours, be on duty sixteen hours in a twenty-four-hour period, and be on duty seventy hours in seven consecutive days, or eighty hours in eight consecutive days.

[C39, §**5034.59;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.450]

87 Acts, ch 170, §14; 88 Acts, ch 1083, §8; 89 Acts, ch 70, §1, 2; 89 Acts, ch 186, §1; 91 Acts, ch 127, §1; 97 Acts, ch 108, §27, 28; 98 Acts, ch 1178, §5, 17; 2001 Acts, ch 32, §20; 2003 Acts, ch 8, §19; 2010 Acts, ch 1061, §180
Referred to in §325A.2, 805.8A(13c)
For applicable scheduled fines, see §805.8A, subsection 13, paragraph c

**321.451 Emergency vehicles — certificate of designation.**

1. The director or the director's designee may designate a privately owned vehicle as an authorized emergency vehicle and issue a certificate of designation for the vehicle, upon written request being made on forms provided by the department and showing necessity for the designation. A certificate of designation may be issued for the following privately owned vehicles:

*a.* An ambulance or fire or rescue vehicle.

*b.* A state or county medical examiner vehicle.

*c.* A vehicle owned by a sheriff or full-time paid deputy sheriff if the authorized emergency vehicle designation is requested by the sheriff.

*d.* A vehicle owned by a chief of police or any officer of the police department if the authorized emergency vehicle designation is requested by the chief of police.

*e.* A vehicle owned by a chief of a full-time paid fire department if the authorized emergency vehicle designation is requested by the chief of the fire department.

*f.* A towing or recovery vehicle, subject to rules adopted by the department.

2. The application for a certificate of designation must include the name of the owner of the vehicle, vehicle identification information, a description of the vehicle's equipment, and a description of how the vehicle will be used as an authorized emergency vehicle.

3. The certificate of designation shall at all times be carried with the registration receipt for the vehicle to which the certificate refers. The certificate may be revoked by the director upon a showing of abuse.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.451]

85 Acts, ch 37, §3; 2000 Acts, ch 1133, §12; 2005 Acts, ch 8, §34, 35

Referred to in §321.1

## SIZE, WEIGHT, AND LOAD

**321.452 Scope and effect.**

1. A person shall not drive or move, and the owner of such vehicle shall not cause or knowingly permit to be driven or moved, on any highway any vehicle or vehicles of a size or weight exceeding the limitations stated in this chapter, and the maximum size and weight of vehicles herein specified shall be lawful throughout this state, and local authorities shall have no power or authority to alter said limitations except as express authority is granted in this chapter.

2. A person who violates this section commits a simple misdemeanor.

[C39, §**5035.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.452]

2010 Acts, ch 1140, §15

Referred to in §321E.2

**321.453 Exceptions.**

The provisions of this chapter governing size, weight, and load, and the permit requirements of chapter 321E do not apply to fire apparatus; road maintenance equipment owned by, under lease to, or used in the performance of a contract with any state or local authority; or to implements of husbandry moved or moving upon a highway, except for those implements of husbandry moved or moving on any portion of the interstate and except as provided in sections 321.463, 321.471, and 321.474. A vehicle, carrying an implement of husbandry, which is exempted from the permit requirements under this section shall be equipped with an amber flashing light visible from the rear. If the amber flashing light is obstructed by the loaded implement, the loaded implement shall also be equipped with and display an amber flashing light. The vehicle shall also be equipped with warning flags on that portion of the vehicle which protrudes into oncoming traffic, and shall only operate from thirty minutes prior to sunrise to thirty minutes following sunset.

[C39, §**5035.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.453; 82 Acts, ch 1154, §3, ch 1254, §3]

86 Acts, ch 1210, §6; 87 Acts, ch 186, §4; 94 Acts, ch 1087, §3; 94 Acts, ch 1198, §45; 98 Acts, ch 1003, §1; 98 Acts, ch 1223, §26; 99 Acts, ch 13, §18; 99 Acts, ch 108, §6

Referred to in §321.423, 321E.2

**321.454 Width of vehicles.**

The total outside width of a vehicle or the load on the vehicle shall not exceed eight feet six inches. This limitation on the total outside width of a vehicle or the load on the vehicle does not include safety equipment on a vehicle or incidental appurtenances or retracted awnings on motor homes, travel trailers, or fifth-wheel travel trailers if the incidental appurtenance or

retracted awning is less than six inches in width. However, if hay, straw, or stover is moved on an implement of husbandry and the total width of load of the implement of husbandry exceeds eight feet six inches, the implement of husbandry is not subject to the permit requirements of chapter 321E. If hay, straw, or stover is moved on any other vehicle subject to registration, the moves are subject to the permit requirements for transporting loads exceeding eight feet six inches in width as required under chapter 321E.

[C24, §5067, 5104; C27, §5067, 5105-a32; C31, 35, §5067, 5105-a32, 5105-c18; C39, §**5035.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.454]

83 Acts, ch 9, §5, 8; 87 Acts, ch 186, §5; 87 Acts, ch 189, §2; 94 Acts, ch 1087, §4, 5; 95 Acts, ch 67, §26; 2000 Acts, ch 1016, §15

Referred to in §321E.2, 321E.10, 321E.17, 805.8A(12c)

For applicable scheduled fines, see §805.8A, subsection 12, paragraph c

**321.455 Projecting loads on passenger vehicles.**

No passenger-type vehicle shall be operated on any highway with any load carried thereon extending beyond the line of the fenders on the left side of such vehicle nor extending more than six inches beyond the line of the fenders on the right side thereof. Passengers shall not ride on any part of any vehicle unless it is expressly designed either for passenger use or designed for carrying livestock, merchandise, or freight.

[C31, 35, §5067-d1; C39, §**5035.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.455]

Referred to in §321E.2, 805.8A(12c)

For applicable scheduled fines, see §805.8A, subsection 12, paragraph c

**321.456 Height of vehicles.**

A vehicle unladen or with load shall not exceed a height of thirteen feet, six inches, except that a vehicle or combination of vehicles coupled together and used exclusively for the transportation of passenger vehicles, light delivery trucks, panel delivery trucks, pickup trucks, or recreational vehicle chassis may operate with a height not to exceed fourteen feet. This section shall not be construed to require any railroad or public authorities to provide sufficient vertical clearance to permit the operation of such vehicle upon the highways of this state. Any damage to highways, highway or railroad structures, or underpasses caused by the height of any vehicle provided for by this section shall be borne by the operator or owner of the vehicle.

[C31, 35, §5067-d2; C39, §**5035.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.456]

86 Acts, ch 1182, §4; 97 Acts, ch 100, §4; 2005 Acts, ch 8, §36

Referred to in §321E.2, 321E.17, 805.8A(12c)

For applicable scheduled fines, see §805.8A, subsection 12, paragraph c

**321.457 Maximum length.**

1. A combination of four vehicles is not allowed on the highways of this state, except for power units saddle mounted on other power units which shall be restricted to a maximum overall length of ninety-seven feet.

2. The maximum length of any motor vehicle or combination of vehicles operated on the highways of this state is as follows:

*a.* A single truck, unladen or with load, shall not have an overall length, inclusive of front and rear bumpers, in excess of forty-one feet. When determining the overall length of a single truck, the following shall be excluded:

(1) Cargo extending not more than three feet beyond the front bumper and not more than four feet beyond the rear bumper when transporting motor vehicles, boats, and chassis.

(2) An unladen cargo carrying device extending no greater than twenty-four inches from the rear of the bed of the truck.

(3) A cargo carrying device with load.

*b.* A single bus shall not have an overall length, inclusive of front and rear bumpers, in excess of forty-five feet, except that buses constructed so as to contain a flexible part allowing articulation shall not exceed sixty-one feet.

*c.* A manufactured or mobile home not in excess of forty-eight feet in length may be drawn by any motor vehicle, except a motor truck, provided that the manufactured or mobile home and its towing unit are not in excess of an overall length of sixty feet. For the purposes of this

subsection, a light delivery truck, panel delivery truck, or "pickup" is not a "*motor truck*". A portable livestock loading chute not in excess of a length of thirteen feet including its hitch or tongue may be drawn by any vehicle or combination of vehicles, provided that the vehicle or combination of vehicles drawing the loading chute is not in excess of the legal length provided for such vehicles or combinations.

*d.* A combination of three vehicles coupled together one of which is a motor vehicle, unladen or with load, other than a truck tractor, shall not have an overall length, inclusive of front and rear bumpers, in excess of seventy feet.

*e.* A motor vehicle or combination of vehicles may be operated upon the highways of this state, irrespective of the length and weight limitations imposed by the laws of this state, if the motor vehicle or combination of vehicles is operated within the corporate limits of a city abutting a border of this state and such operations have been approved by ordinance of the city council and if the length and weight of the motor vehicle or combination of vehicles is in conformity with the laws relating to length and weight of the abutting state. If a city council has authorized such operation upon highways within the corporate limits, then the limit of travel for such motor vehicles or combination of vehicles within the state is extended to the commercial zones as described by federal regulations concerning interstate commerce, 49 C.F.R. § 1048.101, and to the interstate system as provided in 23 U.S.C. § 127 and 49 U.S.C. § 31112(c), as amended by Pub. L. No. 104-59.

*f.* A trailer or semitrailer, laden or unladen, shall not have an overall length in excess of fifty-three feet when operating in a truck tractor-semitrailer combination exclusive of retractable extensions used to support the load. However, when a trailer or semitrailer is used exclusively for the transportation of passenger vehicles, light delivery trucks, panel delivery trucks, pickup trucks, recreational vehicle chassis, or boats, the load carried on the trailer or semitrailer may extend up to three feet beyond the front bumper and up to four feet beyond the rear bumper of the trailer or semitrailer. A lowboy semitrailer, laden or unladen, which is designed and exclusively used for the transportation of construction equipment shall not have an overall length in excess of fifty-seven feet when used in a truck tractor-semitrailer combination.

*g.* A trailer or semitrailer, laden or unladen, shall not have an overall length in excess of twenty-eight feet six inches when operating in a truck tractor-semitrailer-trailer combination or truck tractor-semitrailer-semitrailer combination. When the semitrailers in a truck tractor-semitrailer-semitrailer combination are connected by a rigid frame extension including a fifth-wheel connection point attached to the rear frame of the first semitrailer, the length of the frame extension shall not be included when determining the overall length of the first semitrailer.

*h.* Power units designed to carry cargo, when used in combination with a trailer or semitrailer shall not exceed sixty-five feet in overall length for the combination exclusive of retractable extensions used to support the load. However, if a combination of vehicles is used exclusively for the transportation of passenger vehicles, light delivery trucks, panel delivery trucks, pickup trucks, recreational vehicle chassis, or boats, the load may extend up to three feet beyond the front bumper of the power unit and up to four feet beyond the rear bumper of the trailer or semitrailer.

*i.* A stinger-steered automobile transporter shall not have an overall length exceeding seventy-five feet, exclusive of retractable extensions used to support the load and all other devices or appurtenances related to the safe and efficient operation of the vehicle, except that the load may extend up to three feet beyond the front bumper and up to four feet beyond the rear bumper.

*j.* A motor home shall not have an overall length, excluding front and rear bumpers and safety equipment, in excess of forty-five feet.

*k.* A combination of two vehicles coupled together, one of which is a motor home, shall not have an overall length in excess of sixty-five feet.

*l.* A combination of two vehicles coupled together, one of which is a travel trailer or fifth-wheel travel trailer, shall not have an overall length in excess of sixty-five feet.

*m.* Notwithstanding any other provision of this chapter, and to the extent allowed under federal law, the maximum length of a towaway trailer transporter combination operated on

the highways of this state is eighty-five feet. For purposes of this paragraph, *"towaway trailer transporter combination"* means a combination of vehicles consisting of a towing vehicle and two unladen trailers or unladen semitrailers in which the trailers or semitrailers constitute inventory property of the manufacturer intended for sale and which are being transported from a trailer manufacturer to a trailer distributor or authorized trailer dealer.

*n.* (1) Notwithstanding paragraph *"g"* or any other provision of this chapter, the department is authorized to adopt rules providing for economic export corridors for the transportation of goods or products manufactured in Iowa to or through the state of South Dakota and for the return of unladen semitrailers or unladen full trailers used for the transportation of those goods or products. The rules may authorize the operation of the following combinations of vehicles on an economic export corridor:

(a) A truck tractor-semitrailer-semitrailer converted to a full trailer by use of a dolly equipped with a fifth wheel which is considered a part of the trailer for all purposes, and not a separate unit.

(b) A truck tractor-semitrailer-full trailer.

(c) A truck tractor-semitrailer-semitrailer combination, where the semitrailers are connected by a rigid frame extension including a fifth wheel connection point attached to the rear frame of the first semitrailer. The length of the frame extension shall not be included when determining the overall length of the first semitrailer.

(2) Rules adopted pursuant to this paragraph *"n"* shall provide that combinations of vehicles authorized to operate on an economic export corridor shall meet all of the following requirements:

(a) The length of the combination of vehicles, excluding the length of the truck tractor, shall not exceed eighty-one and one-half feet.

(b) The length of either semitrailer or full trailer shall not exceed forty-five feet.

(c) The weight of the second semitrailer or full trailer shall not exceed the weight of the first semitrailer by more than three thousand pounds.

(d) The gross weight of the combination of vehicles shall not exceed eighty thousand pounds and the combination of vehicles shall not exceed the gross axle weight limits of section 321.463, subsection 2.

(e) The load on each semitrailer or full trailer in the combination shall be an indivisible load. For the purpose of issuing permits for height or width under chapter 321E, the combination of vehicles shall be considered an indivisible load so long as the load on each semitrailer or full trailer in the combination remains an indivisible load.

(3) An economic export corridor established by the department shall not include any segment of the interstate system or any part of the national network of highways identified pursuant to 23 C.F.R. pt. 658. This subparagraph does not prohibit operation on any segment of the interstate system or part of the national network of highways that is permitted under paragraph *"e"*.

(4) For purposes of this paragraph *"n"*, *"full trailer"* means as defined in 49 C.F.R. § 390.5.

3. Fire fighting apparatus and vehicles operated during daylight hours when transporting poles, pipe, machinery, or other objects of a structural nature which cannot be readily disassembled when required for emergency repair of public service facilities or properties are not subject to the limitations on overall length of vehicles and combinations of vehicles imposed under this section. However, for operation during nighttime hours, these vehicles and the load being transported shall be equipped with a sufficient number of clearance lamps on both sides and marker lamps at the extreme ends of the projecting load to clearly mark the dimensions of the load. A member of the state patrol shall also be notified prior to the operation of the vehicle.

[C31, 35, §5067-d4; C39, §**5035.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.457; 82 Acts, ch 1056, §2, 3]

83 Acts, ch 9, §6, 7, 8; 83 Acts, ch 116, §2; 84 Acts, ch 1077, §1; 87 Acts, ch 186, §6 – 10; 88 Acts, ch 1208, §1; 89 Acts, ch 34, §2 – 5; 91 Acts, ch 31, §1, 2; 93 Acts, ch 87, §7; 94 Acts, ch 1087, §6, 7; 94 Acts, ch 1199, §78; 96 Acts, ch 1004, §1; 96 Acts, ch 1089, §2, 3; 96 Acts, ch 1219, §26; 98 Acts, ch 1074, §25; 98 Acts, ch 1075, §24; 2000 Acts, ch 1016, §16, 29; 2001 Acts,

ch 32, §21, 22; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2005 Acts, ch 35, §31; 2006 Acts, ch 1068, §30, 31; 2007 Acts, ch 143, §16, 35; 2012 Acts, ch 1090, §1; 2012 Acts, ch 1138, §64
Referred to in §321E.2, 321E.10, 321E.11, 321E.17, 805.8A(12c)
For applicable scheduled fines, see §805.8A, subsection 12, paragraph c
Section not amended; editorial change applied

**321.458 Loading beyond front.**

The load upon any vehicle operated alone, or the load upon the front vehicle of a combination of vehicles, shall not extend more than three feet beyond the front wheels of such vehicle or the front bumper of such vehicle if it is equipped with such a bumper.

[C39, §**5035.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.458]
Referred to in §321E.2, 805.8A(12c)
For applicable scheduled fine, see §805.8A, subsection 12, paragraph c

**321.459 Dual axle requirement.**

Axles of a motor vehicle, trailer, or semitrailer which are less than forty inches apart center to center shall be considered as a single axle for the purpose of determining permissible gross weight under section 321.463.

[C31, 35, §5067-d3; C39, §**5035.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.459]
Referred to in §321E.2

**321.460 Spilling loads on highways.**

A vehicle shall not be driven or moved on any highway by any person unless such vehicle is so constructed or loaded or the load securely covered as to prevent any of its load from dropping, sifting, leaking, or otherwise escaping or its load covering from dropping from the vehicle, except that sand may be dropped for the purpose of securing traction, or water or other substance may be sprinkled on a roadway in cleaning or maintaining such roadway. The provisions of this section shall not apply to vehicles loaded with hay or stover or the products listed in section 321.466, subsections 4 and 5.

[C39, §**5035.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.460]
Referred to in §321E.2, 805.8A(13c)
For applicable scheduled fine, see §805.8A, subsection 13, paragraph c
Section not amended; internal reference change applied

**321.461 Trailers and towed vehicles.**

1. When one vehicle is towing another the drawbar or other connection shall not exceed fifteen feet from one vehicle to the other except the connection between any two vehicles transporting poles, pipe, machinery, or other objects of structural nature which cannot readily be dismembered.

2. If the towing vehicle is a motor truck and the towed vehicle is a single trailer with a single point of articulation at the hitch connection, the drawbar or other connection shall not exceed twenty-one feet. The length of the drawbar or other connection shall be measured from the centerline of the hitch assembly on the towing vehicle to the front of the body of the towed vehicle. A vehicle which has a drawbar or other connection which measures between fifteen and twenty-one feet in length shall have at least one yellow reflector visible on each vertical face of the drawbar or other connection, located near the midpoint between the towing and the towed vehicle. A vehicle which has a drawbar or other connection which measures between fifteen and twenty-one feet in length shall have affixed to the rear of the towed vehicle a sign indicating that the vehicle is a towed vehicle.

[C39, §**5035.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.461]
91 Acts, ch 31, §3
Referred to in §321E.2, 805.8A(12a)
For applicable scheduled fines, see §805.8A, subsection 12, paragraph a

**321.462 Drawbars and safety chains.**

When one vehicle is towing or pulling another vehicle the drawbar or other connection shall be of sufficient strength to pull all weight towed thereby and shall be fastened to the frame of the towing vehicle in such manner as to prevent sidesway, and in addition to such

principal connection there shall be a safety chain which shall be so fastened as to be capable of holding the towed vehicle should the principal connection for any reason fail.

[C39, §**5035.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.462]

88 Acts, ch 1278, §33; 97 Acts, ch 108, §29

Referred to in §321E.2, 805.8A(12a)

For applicable scheduled fines, see §805.8A, subsection 12, paragraph a

**321.463 Maximum gross weight — exceptions — penalties.**

1. An axle may be divided into two or more parts, except that all parts in the same vertical transverse plane shall be considered as one axle.

2. The gross weight on any one axle of a vehicle, or of a combination of vehicles, operated on the highways of this state, shall not exceed twenty thousand pounds on an axle equipped with pneumatic tires, and shall not exceed fourteen thousand pounds on an axle equipped with solid rubber tires. The gross weight on any tandem axle of a vehicle, or any combination of vehicles, shall not exceed thirty-four thousand pounds on an axle equipped with pneumatic tires. This subsection does not apply to implements of husbandry.

3. Notwithstanding other provisions of this chapter to the contrary, indivisible loads operating under the permit requirements of sections 321E.7, 321E.8, 321E.9, and 321E.29A shall be allowed a maximum of twenty thousand pounds per axle.

4. *a.* Self-propelled implements of husbandry used exclusively for the application of organic or inorganic plant food materials, agricultural limestone, or agricultural chemicals, unless traveling under a permit issued pursuant to section 321E.8A, shall be operated in compliance with this section.

*b.* (1) Notwithstanding any provision of this section to the contrary, the weight on any one axle of a fence-line feeder, grain cart, or tank wagon operated on the highways of this state shall not exceed twenty-four thousand pounds from February 1 through May 31 or twenty-eight thousand pounds from June 1 through January 31, provided, however, that the maximum gross vehicle weight of the fence-line feeder, grain cart, or tank wagon shall not exceed ninety-six thousand pounds.

(2) Notwithstanding any provision of this section to the contrary, a tracked implement of husbandry operated on the highways of this state shall not have a maximum gross weight in excess of ninety-six thousand pounds.

(3) A fence-line feeder, grain cart, tank wagon, or tracked implement of husbandry shall comply with the other provisions of this section and chapter when operated over a bridge in this state. A local authority may issue a special permit, based on a statewide standard developed by the department, allowing the operation over a bridge within its jurisdiction of a fence-line feeder, grain cart, tank wagon, or tracked implement of husbandry with a weight in excess of the weights allowed under this chapter.

(4) For purposes of this paragraph *"b"*:

(a) *"Highway"* does not include a bridge.

(b) *"Fence-line feeder, grain cart, or tank wagon"* means all of the following:

(i) A fence-line feeder, grain cart, or tank wagon manufactured on or after July 1, 2001.

(ii) After July 1, 2005, any fence-line feeder, grain cart, or tank wagon.

5. *a.* The maximum gross weight allowed to be carried on a vehicle or combination of vehicles on highways which are part of the primary system is as follows:

MAXIMUM GROSS WEIGHT TABLE — PRIMARY HIGHWAYS

| Distance in feet | 2 Axles | 3 Axles | 4 Axles | 5 Axles | 6 Axles | 7 Axles |
|---|---|---|---|---|---|---|
| 4 | 34,000 | | | | | |
| 5 | 34,000 | | | | | |
| 6 | 34,000 | | | | | |
| 7 | 34,000 | 34,000 | | | | |
| 8 | 34,000 | 34,000 | | | | |
| 8'1" | 38,000 | 42,000 | | | | |
| 9 | 39,000 | 42,500 | | | | |
| 10 | 40,000 | 43,500 | 48,500 | | | |
| 11 | | 44,000 | 49,500 | | | |
| 12 | | 45,000 | 50,000 | | | |
| 13 | | 45,500 | 50,500 | 56,000 | | |
| 14 | | 46,500 | 51,500 | 57,000 | | |
| 15 | | 47,000 | 52,000 | 57,500 | | |
| 16 | | 48,000 | 52,500 | 58,000 | | |
| 17 | | 48,500 | 53,500 | 58,500 | 64,000 | |
| 18 | | 49,500 | 54,000 | 59,000 | 65,000 | |
| 19 | | 50,000 | 54,500 | 60,000 | 65,500 | |
| 20 | | 51,000 | 55,500 | 60,500 | 66,000 | 71,500 |
| 21 | | 51,500 | 56,000 | 61,000 | 66,500 | 72,500 |
| 22 | | 52,500 | 56,500 | 61,500 | 67,000 | 73,000 |
| 23 | | 53,000 | 57,500 | 62,500 | 68,000 | 73,500 |
| 24 | | 54,000 | 58,000 | 63,000 | 68,500 | 74,000 |
| 25 | | 54,500 | 58,500 | 63,500 | 69,000 | 74,500 |
| 26 | | 55,500 | 59,500 | 64,000 | 69,500 | 75,000 |
| 27 | | 56,000 | 60,000 | 65,000 | 70,000 | 76,000 |
| 28 | | 57,000 | 60,500 | 65,500 | 71,000 | 76,500 |
| 29 | | 57,500 | 61,500 | 66,000 | 71,500 | 77,000 |
| 30 | | 58,500 | 62,000 | 66,500 | 72,000 | 77,500 |
| 31 | | 59,000 | 62,500 | 67,500 | 72,500 | 78,000 |
| 32 | | 60,000 | 63,500 | 68,000 | 73,000 | 78,500 |
| 33 | | | 64,000 | 68,500 | 74,000 | 79,500 |
| 34 | | | 64,500 | 69,500 | 74,500 | 80,000 |
| 35 | | | 65,500 | 70,000 | 75,000 | |
| 36 | | | 68,000 | 70,500 | 75,500 | |
| 37 | | | 68,000 | 71,000 | 76,000 | |
| 38 | | | 68,000 | 72,000 | 77,000 | |
| 39 | | | 68,000 | 72,500 | 77,500 | |
| 40 | | | 68,500 | 73,000 | 78,000 | |
| 41 | | | 69,500 | 73,500 | 78,500 | |
| 42 | | | 70,000 | 74,000 | 79,000 | |
| 43 | | | 70,500 | 75,000 | 80,000 | |
| 44 | | | 71,500 | 75,500 | | |
| 45 | | | 72,000 | 76,000 | | |
| 46 | | | 72,500 | 76,500 | | |
| 47 | | | 73,500 | 77,500 | | |
| 48 | | | 74,000 | 78,000 | | |
| 49 | | | 74,500 | 78,500 | | |
| 50 | | | 75,500 | 79,000 | | |
| 51 | | | 76,000 | 80,000 | | |
| 52 | | | 76,500 | | | |
| 53 | | | 77,500 | | | |
| 54 | | | 78,000 | | | |
| 55 | | | 78,500 | | | |
| 56 | | | 79,500 | | | |
| 57 | | | 80,000 | | | |

*b*. The maximum gross weight allowed to be carried on a vehicle or combination of vehicles on nonprimary highways is as follows:

NONPRIMARY HIGHWAYS — MAXIMUM GROSS WEIGHT TABLE

| Distance in feet | 2 Axles | 3 Axles | 4 Axles | 5 Axles | 6 Axles | 7 Axles |
|---|---|---|---|---|---|---|
| 4 | 34,000 | | | | | |
| 5 | 34,000 | | | | | |
| 6 | 34,000 | | | | | |
| 7 | 34,000 | 34,000 | | | | |
| 8 | 34,000 | 34,000 | | | | |
| 8’1” | 38,000 | 42,000 | | | | |
| 9 | 39,000 | 42,500 | | | | |
| 10 | 40,000 | 43,500 | 45,000 | | | |
| 11 | | 44,000 | 46,000 | | | |
| 12 | | 45,000 | 47,000 | | | |
| 13 | | 45,500 | 48,000 | 48,500 | | |
| 14 | | 46,500 | 49,000 | 49,500 | | |
| 15 | | 47,000 | 50,000 | 50,500 | | |
| 16 | | 48,000 | 51,000 | 51,500 | | |
| 17 | | 48,500 | 52,000 | 52,500 | 54,000 | |
| 18 | | 49,500 | 53,000 | 53,500 | 55,000 | |
| 19 | | 50,000 | 54,500 | 54,500 | 56,000 | |
| 20 | | 51,000 | 55,500 | 55,500 | 57,000 | |
| 21 | | 51,500 | 56,000 | 56,500 | 58,000 | |
| 22 | | 52,500 | 56,500 | 57,500 | 59,000 | |
| 23 | | 53,000 | 57,500 | 58,500 | 60,000 | |
| 24 | | 54,000 | 58,000 | 59,500 | 61,000 | |
| 25 | | 54,500 | 58,500 | 60,500 | 62,000 | |
| 26 | | 55,500 | 59,500 | 61,500 | 63,000 | |
| 27 | | 56,000 | 60,000 | 62,500 | 64,000 | |
| 28 | | 57,000 | 60,500 | 63,500 | 65,000 | |
| 29 | | 57,500 | 61,500 | 64,500 | 66,000 | |
| 30 | | 58,500 | 62,000 | 65,500 | 67,000 | |
| 31 | | 59,000 | 62,500 | 66,500 | 68,000 | |
| 32 | | 60,000 | 63,500 | 67,500 | 69,000 | |
| 33 | | | 64,000 | 68,500 | 70,000 | |
| 34 | | | 64,500 | 69,500 | 71,000 | |
| 35 | | | 65,500 | 70,000 | 72,000 | |
| 36 | | | 68,000 | 70,500 | 73,000 | |
| 37 | | | 68,000 | 71,000 | 74,000 | |
| 38 | | | 68,000 | 72,000 | 75,000 | |
| 39 | | | 68,000 | 72,500 | 76,000 | |
| 40 | | | 68,500 | 73,000 | 77,000 | |
| 41 | | | 69,500 | 73,500 | 78,000 | 78,000 |
| 42 | | | 70,000 | 74,000 | 79,000 | 79,000 |
| 43 | | | 70,500 | 75,000 | 80,000 | 80,000 |
| 44 | | | 71,500 | 75,500 | | |
| 45 | | | 72,000 | 76,000 | | |
| 46 | | | 72,500 | 76,500 | | |
| 47 | | | 73,500 | 77,500 | | |
| 48 | | | 74,000 | 78,000 | | |
| 49 | | | 74,500 | 78,500 | | |
| 50 | | | 75,500 | 79,000 | | |
| 51 | | | 76,000 | 80,000 | | |
| 52 | | | 76,500 | | | |
| 53 | | | 77,500 | | | |
| 54 | | | 78,000 | | | |
| 55 | | | 78,500 | | | |
| 56 | | | 79,500 | | | |
| 57 | | | 80,000 | | | |

*c.* (1) The maximum gross weight allowed to be carried on a commercial motor vehicle, other than a special truck, on noninterstate highways, provided the vehicle is operated by a person with a commercial driver's license valid for the vehicle operated unless section 321.176A applies, is as follows:

NONINTERSTATE HIGHWAYS
MAXIMUM GROSS WEIGHT TABLE
COMMERCIAL MOTOR VEHICLE

| Distance in feet | 6 Axles | 7 Axles |
|---|---|---|
| 44 | 80,500 | 80,500 |
| 45 | 81,000 | 81,500 |
| 46 | 81,500 | 82,500 |
| 47 | 82,000 | 83,500 |
| 48 | 83,000 | 84,000 |
| 49 | 83,500 | 85,000 |
| 50 | 84,000 | 86,000 |
| 51 | 84,500 | 87,000 |
| 52 | 85,000 | 88,000 |
| 53 | 86,000 | 88,500 |
| 54 | 86,500 | 89,500 |
| 55 | 87,000 | 90,500 |
| 56 | 87,500 | 91,500 |
| 57 | 88,000 | 92,000 |
| 58 | 89,000 | 93,000 |
| 59 | 89,500 | 94,000 |
| 60 | 90,000 | 95,000 |
| 61 | | 95,500 |
| 62 | | 96,000 |

(2) Notwithstanding any provision of this section to the contrary, the maximum gross weight allowed to be carried on a noninterstate highway by a livestock vehicle with five axles, a minimum distance in feet between the centers of the first and fifth axles of sixty-one feet, and a minimum distance between the two rear axles of at least eight feet and one inch is eighty-six thousand pounds.

*d.* For the purposes of the maximum gross weight tables in paragraphs "*a*", "*b*", and "*c*", distance in feet is the measured distance in feet between the centers of the extreme axles of any group of axles, rounded to the nearest whole foot.

*e.* (1) The maximum gross weight allowed to be carried on a tracked implement of husbandry when operated on a noninterstate highway bridge is as follows:

NONINTERSTATE HIGHWAY BRIDGES
MAXIMUM GROSS WEIGHT TABLE
TRACKED IMPLEMENTS OF HUSBANDRY

| Length of Track in Feet | Weight in Pounds |
|---|---|
| 4 | 34,000 |
| 5 | 34,000 |
| 6 | 34,000 |
| 7 | 34,000 |
| 8 | 42,000 |
| 9 | 42,500 |
| 10 | 45,000 |
| 11 | 46,000 |
| 12 | 47,000 |
| 13 | 48,500 |
| 14 | 49,500 |

| | |
|---|---|
| 15 | 50,500 |
| 16 | 51,500 |
| 17 | 54,000 |
| 18 | 55,000 |
| 19 | 56,000 |
| 20 | 57,000 |
| 21 | 58,000 |
| 22 | 59,000 |
| 23 | 60,000 |
| 24 | 61,000 |
| 25 | 62,000 |
| 26 | 63,000 |
| 27 | 64,000 |
| 28 | 65,000 |
| 29 | 66,000 |
| 30 | 67,000 |
| 31 | 68,000 |
| 32 | 69,000 |
| 33 | 70,000 |
| 34 | 71,000 |
| 35 | 72,000 |
| 36 | 73,000 |
| 37 | 74,000 |
| 38 | 75,000 |
| 39 | 76,000 |
| 40 | 77,000 |
| 41 | 78,000 |
| 42 | 79,000 |
| 43 | 80,000 |

(2) *"Length of track in feet"* means the length of track on one side of the tracked implement of husbandry which is in contact with the ground or roadway surface.

6. The weight on any one axle, including a tandem axle, of a vehicle which is transporting livestock on highways not part of the interstate system may exceed the legal maximum weight given in this chapter providing that the gross weight on any particular group of axles on such vehicle does not exceed the gross weight allowable under this chapter for such groups of axles.

7. The weight on any one axle, including a tandem axle, of a vehicle which is transporting raw materials from a designated borrow site to a construction project or transporting raw materials from a construction project, and which is operating on a highway that is not part of the interstate system and along a route of travel approved by the department or the appropriate local authority, may exceed the legal maximum weight otherwise allowed under this chapter by ten percent if the gross weight on any particular group of axles on the vehicle does not exceed the gross weight allowed under this chapter for that group of axles. If the vehicle exceeds the ten percent tolerance allowed under this subsection, the fine shall be computed on the difference between the actual weight and the ten percent tolerance weight allowed for the axle or tandem axle.

8. A vehicle or combination of vehicles transporting materials or equipment on nonprimary highways to or from a construction project or commercial plant site may operate under the maximum gross weight table for primary highways in subsection 5, paragraph "*a*", if the route is approved by the appropriate local authority. Route approval is not required if the vehicle or combination of vehicles transporting materials or equipment to or from a construction project or commercial plant site complies with the maximum gross weight table for noninterstate highways in subsection 5, paragraph "*c*".

9. A vehicle designed to tow wrecked or disabled vehicles shall be exempt from the weight limitations in this section while the vehicle is towing a wrecked or disabled vehicle.

10. *a.* A person who operates a vehicle in violation of this section, and an owner, or any other person, employing or otherwise directing the operator of a vehicle, who requires or knowingly permits the operation of a vehicle in violation of this section shall be fined according to the following schedule:

AXLE, TANDEM AXLE, AND GROUP OF AXLES WEIGHT VIOLATIONS

| Pounds Overloaded | Amount of Fine |
|---|---|
| Up to and including 1,000 pounds | $12 |
| Over 1,000 pounds up to and including 2,000 pounds | $22 |
| Over 2,000 pounds up to and including 3,000 pounds | $155 |
| Over 3,000 pounds up to and including 4,000 pounds | $240 |
| Over 4,000 pounds up to and including 5,000 pounds | $375 |
| Over 5,000 pounds up to and including 6,000 pounds | $585 |
| Over 6,000 pounds up to and including 7,000 pounds | $850 |
| Over 7,000 pounds up to and including 8,000 pounds | $950 |
| Over 8,000 pounds up to and including 9,000 pounds | $1,050 |
| Over 9,000 pounds up to and including 10,000 pounds | $1,150 |
| Over 10,000 pounds up to and including 11,000 pounds | $1,300 |
| Over 11,000 pounds up to and including 12,000 pounds | $1,400 |
| Over 12,000 pounds up to and including 13,000 pounds | $1,500 |
| Over 13,000 pounds up to and including 14,000 pounds | $1,600 |
| Over 14,000 pounds up to and including 15,000 pounds | $1,700 |
| Over 15,000 pounds up to and including 16,000 pounds | $1,800 |
| Over 16,000 pounds up to and including 17,000 pounds | $1,900 |
| Over 17,000 pounds up to and including 18,000 pounds | $2,000 |
| Over 18,000 pounds up to and including 19,000 pounds | $2,100 |
| Over 19,000 pounds up to and including 20,000 pounds | $2,200 |
| Over 20,000 pounds | $2,200 plus ten cents per pound in excess of 20,000 pounds |

*b.* Fines for gross weight violations for vehicles or combinations of vehicles shall be assessed at one-half of the fine rate schedule for axle, tandem axle, and groups of axles weight violations.

*c.* Except as otherwise provided, the amount of the fine to be assessed shall be computed on the difference between the actual weight and the maximum legal weight specified in this section.

*d.* The schedule of fines may be assessed in addition to any other penalties provided for in this chapter.

11. Overloads on axles and tandem axles and overloads on groups of axles or on an entire vehicle or combination of vehicles shall be considered as separate violations of the provisions of this section.

12. A person shall not issue or execute, or cause to be issued or executed, a bill of lading, manifest, or shipping document of any kind which states a false weight of the cargo set forth on such bill, manifest, or document, which is less than the actual weight of the cargo.

13. *a.* A person operating a vehicle or combination of vehicles equipped with a retractable axle may raise the axle when necessary to negotiate a turn, provided that the retractable axle is lowered within one thousand feet following completion of the turn. This paragraph does not apply to a vehicle or combination of vehicles operated on an interstate highway, including a ramp to or from an interstate highway, or on a bridge.

*b.* A vehicle or combination of vehicles operated with a retractable axle raised as permitted under paragraph "*a*" is exempt from the weight limitations of this section as long as the vehicle or combination of vehicles is in compliance with the weight limitations of this section when the retractable axle is lowered.

*c.* This subsection does not prohibit the operation of a vehicle or combination of vehicles equipped with a retractable axle with the retractable axle raised when the vehicle or combination of vehicles is in compliance with the weight limitations of this section with the retractable axle raised.

14. A person who violates this section commits a simple misdemeanor.

[C24, 27, 31, 35, §5065; C39, §**5035.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.463; 81 Acts, ch 110, §1, ch 111]

89 Acts, ch 200, §1, 2; 92 Acts, ch 1238, §35; 94 Acts, ch 1199, §79; 95 Acts, ch 118, §26; 96 Acts, ch 1089, §4; 97 Acts, ch 100, §5, 12; 97 Acts, ch 104, §22; 98 Acts, ch 1103, §2; 98 Acts, ch 1178, §6, 7; 99 Acts, ch 108, §7; 2000 Acts, ch 1016, §17; 2000 Acts, ch 1040, §1; 2001 Acts, ch 32, §23 – 25; 2002 Acts, ch 1063, §33, 55; 2005 Acts, ch 20, §5 – 7, 12, 13; 2007 Acts, ch 143, §17; 2009 Acts, ch 133, §121; 2010 Acts, ch 1139, §1; 2010 Acts, ch 1140, §16, 17; 2013 Acts, ch 27, §1; 2013 Acts, ch 140, §62

Referred to in §312.2, 321.453, 321.457, 321.459, 321.473, 321E.2, 321E.7, 321E.8, 321E.8A, 321E.9, 321E.9A, 321E.16, 321E.17, 321E.29, 321E.29A, 321E.30, 805.8A(12e)

For scheduled fines listed in subsection 10, violations are charged and fines are applied pursuant to §805.8A, subsection 12, paragraph e

Subsection 5, paragraph e, unnumbered paragraphs 1 and 2 editorially designated as subparagraphs (1) and (2)

NEW subsection 13 and former subsection 13 renumbered as 14

**321.464 Investigation as to safety.**

The director upon registering any vehicle under the laws of this state which vehicle is designed and used primarily for the transportation of property or for the transportation of ten or more persons, may require such information and may make such investigation or test as necessary to enable the director to determine whether such vehicle may safely be operated upon the highways in compliance with all the provisions of this chapter. The director shall register every such vehicle for a permissible gross weight not exceeding the limitations set forth in this chapter. Every such vehicle shall meet the following requirements:

1. It shall be equipped with brakes as required in sections 321.430 and 321.431.

2. Every motor vehicle to be operated outside of business and residence districts shall have motive power adequate to propel at a reasonable speed such vehicle and any load thereon or to be drawn thereby.

[C39, §**5035.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.464]

Referred to in §321E.2

**321.465 Weighing vehicles and removal of excess.**

Any peace officer having reason to believe that the weight of a vehicle and load is unlawful is authorized to require the driver to stop and submit to a weighing of the same either by

means of portable or stationary scales and may require that such vehicle be driven to the nearest public scales.

If an officer upon weighing a vehicle and load determines that the weight is unlawful, the officer may require the driver to stop the vehicle in a suitable place until such portion of the load is removed as may be necessary to reduce the gross weight of the vehicle to the limit as permitted under this chapter. All material so unloaded shall be cared for by the owner or operator of the vehicle at the risk of the owner or operator. The owner or operator of an overweight vehicle, designed to transport solid waste and domiciled within the state, which is transporting solid waste, shall not be required to unload any portion of the load, if the load is indivisible, in a place other than a facility which is permitted to handle solid waste disposal, processing, or recycling. For purposes of this section *"solid waste"* means waste which is acceptable at a local sanitary landfill and the solid waste shall be considered to be an indivisible load.

A driver of a vehicle who fails or refuses to stop and submit the vehicle and load to a weighing, or who fails or refuses when directed by an officer upon a weighing of the vehicle to stop the vehicle and otherwise comply with this section, is guilty of a simple misdemeanor.

Upon weighing a vehicle and load, as above provided, if such load is a sealed load, the weight officer shall issue a certificate setting forth the weights as determined by the weight officer and the seal number or numbers, if requested by the operator.

[C31, 35, §4921-d1; C39, §**5035.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.465]
83 Acts, ch 101, §71; 92 Acts, ch 1170, §1; 94 Acts, ch 1087, §8
Referred to in §321E.2

**321.466 Increased loading capacity — reregistration.**

1. The owner of a motor truck, truck tractor, or road tractor, if the owner's operation has not resulted in a conviction or action pending under this section, may increase the gross weight registration of the vehicle to a higher gross weight registration by payment of one-twelfth of the difference between the annual fee for the higher gross weight and the amount of the fee for the gross weight at which the vehicle is registered, multiplied by the number of unexpired months of the registration year. If the owner's operation has resulted in a conviction or action pending under this section, any increase in the gross weight registration shall be obtained by payment of the difference between the annual fee for the higher gross weight and the amount of the fee for the gross weight at which the vehicle is registered.

2. Upon conversion of a truck to a truck tractor or a truck tractor to a truck, an increased gross weight registration of the proper type may be obtained for the vehicle by payment, except as provided in section 321.106, of one-twelfth of the difference between the annual fee for the higher gross weight and the amount of the annual fee for the gross weight at which the vehicle is registered, multiplied by the number of unexpired months of the registration year from the date of the conversion.

3. The registered gross weight of a vehicle or combination of vehicles may also be increased by installing and using an auxiliary axle or axles, and the combined registered gross weight of the vehicle and auxiliary axle or axles shall determine the total registered gross weight. An auxiliary axle shall not be used to convert a single axle to a tandem axle unless equipped with a device to equalize the load carried by the single axle and the auxiliary axle when in tandem and when in motion or when standing, and the load transmitted to the highway by either the single axle or the auxiliary axle shall not exceed that permitted for a single axle, nor shall the load transmitted to the highway when in tandem and when in motion or when standing, exceed that permitted for a tandem axle.

4. A person shall not operate a motor truck, trailer, truck tractor, road tractor, semitrailer, or combination thereof, or any such vehicle equipped with a transferable auxiliary axle or axles, on the public highways with a gross weight exceeding the gross weight for which it is registered by more than five percent; provided, however, that any vehicle or vehicle combination referred to in this subsection, while carrying a load of raw farm products, soil fertilizers including ground limestone, raw dairy products, livestock, live poultry, or eggs, or

a special truck, while carrying a load of distillers grains, may be operated with a gross weight of twenty-five percent in excess of the gross weight for which it is registered.

5. For the purposes of this section cracked or ground soybeans, sorgo, corn, wheat, rye, oats, or other grain shall be deemed to be raw farm products, provided that such products are being directly delivered to a farm, from the place where the whole grain had been delivered from a farm for the purpose of cracking or grinding and immediate delivery to the farm to which such cracked or ground products are being delivered.

6. The truck operator shall have in the truck operator's possession a receipt showing place of processing on the return trip.

[C24, 27, §4921; C31, 35, §4921-c1, -c2; C39, §**5035.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.466; 81 Acts, ch 110, §2]

82 Acts, ch 1062, §31, 32, 38; 90 Acts, ch 1233, §18; 2009 Acts, ch 113, §1; 2012 Acts, ch 1093, §14; 2013 Acts, ch 103, §13, 14

Referred to in §321.123, 321.460, 321E.2, 805.8A(12d)
See also §321.460
For applicable scheduled fines, see §805.8A, subsection 12, paragraph d
Subsection 1 stricken
Subsection 2 amended and renumbered as 1 and former subsections 3 – 7 renumbered as 2 – 6

**321.467 Retractable axles.**

1. A vehicle which is a model year 1999 or later vehicle shall not operate on a highway of this state with a retractable axle unless the weight on the retractable axle can only be adjusted by means of a manual device located on the vehicle that is not accessible to the operator of the vehicle during operation of the vehicle. However, the controls for raising and lowering the retractable axle may be accessible to the operator of the vehicle while the vehicle is in operation.

2. A person who violates this section commits a simple misdemeanor.

97 Acts, ch 100, §6; 2010 Acts, ch 1140, §18

**321.468 through 321.470** Reserved.

**321.471 Local authorities may restrict.**

1. *a.* Local authorities with respect to a highway under their jurisdiction may by ordinance or resolution prohibit the operation of vehicles upon the highway or impose restrictions as to the weight of vehicles to be operated upon the highway for a total period of not to exceed ninety days in any one calendar year, whenever the highway by reason of deterioration, rain, snow, or other climatic conditions will be seriously damaged or destroyed unless the use of vehicles on the highway is prohibited or the permissible weights reduced. The ordinance or resolution shall not apply to implements of husbandry as defined in section 321.1, implements of husbandry loaded on hauling units for transporting the implements to locations for repair, or fire apparatus and road maintenance equipment owned by, under lease to, or used in the performance of a contract with a state or local authority.

*b.* A person who violates the provisions of the ordinance or resolution shall, upon conviction or a plea of guilty, be subject to a fine determined by dividing the difference between the actual weight and the maximum weight established by the ordinance or resolution by one hundred, and multiplying the quotient by two dollars.

*c.* Local authorities may issue special permits during periods the restrictions are in effect to permit limited operation of vehicles upon specified routes with loads in excess of any restrictions imposed under this subsection, but not in excess of load restrictions imposed by any other provision of this chapter, and the authorities shall issue the permits upon a showing that there is a need to move to market farm produce of the type subject to rapid spoilage or loss of value or to move to any farm feeds or fuel for home heating purposes.

2. *a.* Upon a finding that a bridge or culvert does not meet established standards set forth by state and federal authorities, local authorities may by ordinance or resolution impose limitations for an indefinite period of time on the weight of vehicles upon bridges or culverts located on highways under their sole jurisdiction. The limitations shall be effective when signs giving notice of the limitations are erected. The ordinance or resolution shall not apply

to implements of husbandry loaded on hauling units for transporting the implements to locations for purposes of repair or to fire apparatus or road maintenance equipment owned by, under lease to, or used in the performance of a contract with a state or local authority.

*b.* A person who violates the ordinance or resolution shall, upon conviction or a guilty plea, be subject to a fine determined by dividing the difference between the actual weight of the vehicle and the maximum weight allowed by the ordinance or resolution by one hundred and multiplying the quotient by two dollars.

*c.* Local authorities may issue or approve special permits allowing the operation over a bridge or culvert of vehicles with weights in excess of restrictions imposed under the ordinance or resolution, but not in excess of load restrictions imposed by any other provision of this chapter. The local authority shall issue such a permit for not to exceed eight weeks upon a showing of agricultural hardship. The operator of a vehicle which is the subject of a permit issued under this paragraph shall carry the permit while operating the vehicle and shall show the permit to any peace officer upon request.

[C24, 27, §4996; C31, 35, §4686-c1, 4996; C39, §**5035.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.471]

87 Acts, ch 162, §1; 99 Acts, ch 108, §8; 99 Acts, ch 208, §52, 53; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1069, §100

Referred to in §321.236, 321.453, 321.472, 321E.17, 331.362

**321.472 Signs posted.**

The local authority enacting any ordinance or resolution authorized under section 321.471 shall erect and maintain signs designating the ordinance or resolution at each end of that portion of any highway or at the location of any bridge or culvert affected thereby, and the ordinance or resolution shall not be effective unless and until the signs are erected and maintained.

[C31, 35, §4686-c1; C39, §**5035.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.472]

87 Acts, ch 162, §2

Referred to in §321.236, 331.362

**321.473 Limitations on trucks by local authorities.**

1. Local authorities with respect to highways under their jurisdiction may also, by ordinance or resolution, prohibit the operation of trucks or other commercial vehicles, or may impose limitations as to the weight thereof, on designated highways, which prohibitions and limitations shall be designated by appropriate signs placed on such highways.

2. Local authorities may issue special permits, during periods such restrictions are in effect, to permit limited operation of vehicles upon specified routes with loads in excess of any restrictions imposed under this section, but not in excess of load restrictions imposed by any other provision of this chapter, and such authorities shall issue such permits upon a showing that there is a need to move to market farm produce or to move to any farm, feeds or fuel for home heating purposes.

3. *a.* A person who violates the provisions of an ordinance or resolution adopted pursuant to subsection 1 shall, upon conviction or a plea of guilty, be subject to a fine determined by dividing the difference between the actual weight and the maximum weight established by the ordinance or resolution by one hundred, and multiplying the quotient by two dollars.

*b.* The fine for violation of a special permit issued pursuant to subsection 2 shall be based upon the difference between the actual weight of the vehicle and load and the maximum weight allowed by the permit in accordance with section 321.463.

[C39, §**5035.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.473]

83 Acts, ch 131, §1; 98 Acts, ch 1178, §8; 2010 Acts, ch 1061, §180; 2013 Acts, ch 49, §1

Referred to in §321.236, 331.362

Section amended

**321.474 Department may restrict.**

1. The department shall have authority, as granted to local authorities, to determine by resolution and to impose restrictions as to the weight of vehicles, except implements of husbandry as defined in section 321.1, implements of husbandry loaded on hauling units for

transporting the implements to locations for repair, and fire apparatus and road maintenance equipment owned by, under lease to, or used in the performance of a contract with a state or local authority, operated upon any highway under the jurisdiction of the department for a definite period of time not to exceed twelve months. The restrictions shall be effective when signs giving notice of the restrictions and the expiration date of the restrictions are erected upon the affected highway or portion of highway.

2. Upon a finding that a bridge or culvert does not meet established standards set forth by state and federal authorities, the department may impose, by resolution, restrictions for an indefinite period of time on the weight of vehicles operated upon bridges or culverts located on highways under its jurisdiction. The restrictions shall be effective when signs giving notice of the restrictions are erected. The restrictions shall not apply to implements of husbandry loaded on hauling units for transporting the implements to locations for purposes of repair or to fire apparatus or road maintenance equipment owned by, under lease to, or used in the performance of a contract with a state or local authority.

3. For the purposes of restrictions imposed under this section, a triple axle is any group of three or more consecutive axles where the centers of any consecutive axles are more than forty inches apart and where the centers of the extreme axles are more than eighty-four inches apart but not more than one hundred sixty-eight inches apart. Where triple axle restrictions are imposed, the signs erected by the department shall give notice of the restrictions.

4. Any person who violates a restriction imposed by resolution pursuant to this section, upon conviction or a plea of guilty, is subject to a fine determined by dividing the difference between the actual weight of the vehicle and the maximum weight allowed by the restriction by one hundred and multiplying the quotient by two dollars.

5. The department may issue special permits, during periods the restrictions are in effect, to permit limited operation of vehicles upon specified routes with loads in excess of any restrictions imposed under this section, but not in excess of load restrictions imposed by this chapter. The department shall issue a special permit for not to exceed eight weeks upon a showing of agricultural hardship. The department shall issue special permits to trucks moving farm produce, which decays or loses its value if not speedily put to its intended use, to market upon a showing to the department that there is a requirement for trucking the produce, or to trucks moving any farm feeds or fuel necessary for home heating purposes. The operator of a vehicle which is the subject of a permit issued under this subsection shall carry the permit while operating the vehicle and shall show the permit to any peace officer upon request.

[C24, 27, 31, 35, §5066; C39, §**5035.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.474; 81 Acts, ch 110, §3]

99 Acts, ch 108, §9, 10; 99 Acts, ch 208, §54, 55; 2010 Acts, ch 1061, §119

Referred to in §321.453, 321E.17

**321.475 Liability for damage — rules.**

1. *a.* Any person driving any vehicle, object, or contrivance upon any highway or highway structure shall be liable for all damage which said highway or structure may sustain as a result of any illegal operation, driving, or moving of such vehicle, object, or contrivance, or as a result of operation, driving, or moving any vehicle, object, or contrivance weighing in excess of the maximum weight in this chapter but authorized by a special permit issued as provided in this chapter.

*b.* Whenever such driver is not the owner of such vehicle, object, or contrivance, but is so operating, driving, or moving the same with the express or implied permission of said owner, then said owner and driver shall be jointly and severally liable for any such damage. Such damage may be recovered in a civil action brought by the authorities in control of such highway or highway structure.

2. The department shall adopt rules pursuant to chapter 17A, stating the department's policy for recovery of damages to highways or highway structures pursuant to this section.

The policy shall exclude from recoverable damages the costs of traffic control at the scene of an accident.

[C39, §**5035.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.475]

91 Acts, ch 67, §1; 2010 Acts, ch 1061, §180

**321.476 Weighing vehicles by department.**

1. *a.* Authority is hereby given to the department to stop any motor vehicle or trailer on the highways for the purposes of weighing and inspection, to weigh and inspect the same and to enforce the provisions of the motor vehicle laws relating to the registration, size, weight, and load of motor vehicles and trailers.

*b.* Authority is also hereby granted to subject to weighing and inspection, vehicles which have moved from a highway onto private property under circumstances which indicate that the load of the vehicle, if any, is substantially the same as the load which the vehicle carried before moving onto the private property.

2. Any person who prevents or in any manner obstructs an officer attempting to carry out the provisions of this section is guilty of a simple misdemeanor.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.476]

2010 Acts, ch 1061, §180

Referred to in §321.480, 321.481

**321.477 Employees as peace officers — maximum age.**

The department may designate by resolution certain of its employees upon each of whom there is hereby conferred the authority of a peace officer to control and direct traffic and weigh vehicles, and to make arrests for violations of the motor vehicle laws relating to the operating authority, registration, size, weight, and load of motor vehicles and trailers and registration of a motor carrier's interstate transportation service with the department. The maximum age for a person employed as a peace officer pursuant to this section is sixty-five years of age.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.477]

98 Acts, ch 1183, §110

Referred to in §97B.49B, 321.480, 321.481, 801.4

**321.478 Bond.**

Prior to entering upon the discharge of the employee's duties as such peace officer, each of said designated employees shall furnish to the department a surety bond to the state in the sum of five hundred dollars, conditioned upon the faithful discharge of the peace officer's duties.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.478]

Referred to in §321.480, 321.481

**321.479 Badge of authority.**

The department shall supply each of said employees so designated with a badge of authority, bearing a serial number, which shall be conspicuously displayed by the employee while in the performance of the employee's duties as such peace officer.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.479]

Referred to in §321.480, 321.481

**321.480 Limitation on expense.**

For the purposes of sections 321.476 to 321.481 and the enforcement of the provisions of the motor vehicle laws relating to the size, weight, and load of motor vehicles and trailers the department is hereby authorized to expend from the primary road fund only the amount appropriated for each biennium.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.480]

Referred to in §321.481

**321.481 No impairment of other authority.**

Nothing in sections 321.476 to 321.480 shall be so construed as to limit or impair the authority or duties of other peace officers in the enforcement of the motor vehicle laws or any portion thereof.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.481]

Referred to in §321.480

CRIMINAL RESPONSIBILITY

**321.482 Violations — simple misdemeanors unless otherwise provided.**

It is a simple misdemeanor for a person to do an act forbidden or to fail to perform an act required by this chapter unless the violation is by this chapter or other law of this state declared to be a serious or aggravated misdemeanor or a felony. Chapter 232 has no application in the prosecution of offenses committed in violation of this chapter which are simple misdemeanors.

[S13, §1569, 1571-2a, -m21, -m22, -m26, -m27, -m29, 4808-b; SS15, §1571-m12a; C24, §4903, 5081, 5089, 13119; C27, §4903, 5055-b4, 5081, 5089, 13119; C31, §4686-c2, 4903, 5055-b4, 5079-d6, 5081, 5089, 13119; C35, §4686-c2, 4903, 4991-f5, 5024-e3, 5055-b4, 5067-e2, 5079-d6, 5081, 5089, 13119; C39, §**5036.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.482]

84 Acts, ch 1067, §33

Referred to in §321.182, 321.262, 321.482A

**321.482A Violations resulting in injury or death — additional penalties.**

Notwithstanding section 321.482, a person who is convicted of operating a motor vehicle in violation of section 321.178, subsection 2, paragraph *"a"*, subparagraph (2), section 321.180B, subsection 6, section 321.194, subsection 1, paragraph *"d"*, section 321.256, section 321.257, section 321.275, subsection 4, section 321.276, 321.297, 321.298, 321.299, 321.302, 321.303, 321.304, 321.305, 321.306, 321.307, 321.308, section 321.309, subsection 2, or section 321.311, 321.319, 321.320, 321.321, 321.322, 321.323, 321.324, 321.324A, 321.327, 321.329, 321.333, or 321.372, subsection 3, causing serious injury to or the death of another person may be subject to the following penalties in addition to the penalty provided for a scheduled violation in section 805.8A or any other penalty provided by law:

1. For a violation causing serious injury, a fine of five hundred dollars or suspension of the violator's driver's license or operating privileges for not more than ninety days, or both. For purposes of this subsection, *"serious injury"* means the same as defined in section 702.18.

2. For a violation causing death, a fine of one thousand dollars or suspension of the violator's driver's license or operating privileges for not more than one hundred eighty days, or both.

2006 Acts, ch 1021, §2; 2010 Acts, ch 1105, §7; 2010 Acts, ch 1193, §123; 2012 Acts, ch 1015, §3; 2012 Acts, ch 1083, §4

Section not amended; internal reference change applied

**321.483 Penalty for class "D" felony.**

Any person who is convicted of a violation of any of the provisions of this chapter herein declared to constitute a felony, and for which another punishment is not otherwise provided, shall be guilty of a class "D" felony.

[C24, 27, 31, 35, §5081; C39, §**5036.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.483]

Referred to in §321.92

**321.484 Offenses by owners.**

1. It is unlawful for the owner, or any other person, employing or otherwise directing the driver of any vehicle to require or knowingly to permit the operation of such vehicle upon a highway in any manner contrary to law.

2. The owner of a vehicle shall not be held responsible for a violation of a provision regulating the stopping, standing, or parking of a vehicle, whether the provision is contained

in this chapter, or chapter 321L, or an ordinance or other regulation or rule, if the owner establishes that at the time of the violation the vehicle was in the custody of an identified person other than the owner pursuant to a lease as defined in chapter 321F or pursuant to a rental agreement as defined in section 516D.3. The furnishing to the county attorney where the charge is pending of a copy of the lease prescribed by section 321F.6 or rental agreement that was in effect for the vehicle at the time of the alleged violation shall be prima facie evidence that the vehicle was in the custody of an identified person other than the owner within the meaning of this subsection. Upon receipt of such evidence, the appropriate authority shall dismiss as against the owner of the vehicle any citation issued for a violation within the meaning of this subsection that occurred while the vehicle was in the custody of the identified person.

3. If a peace officer as defined in section 801.4 has reasonable cause to believe the driver of a motor vehicle has violated section 321.261, 321.262, 321.264, 321.341, 321.342, 321.343, 321.344, or 321.372, the officer may request any owner of the motor vehicle to supply information identifying the driver. When requested, the owner of the vehicle shall identify the driver to the best of the owner's ability. However, the owner of the vehicle is not required to supply identification information to the officer if the owner believes the information is self-incriminating.

4. A person who violates this section commits a simple misdemeanor.

[C24, 27, 31, 35, §5085; C39, §**5037.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.484; 81 Acts, ch 49, §3; 82 Acts, ch 1144, §1]

89 Acts, ch 247, §8; 92 Acts, ch 1152, §2; 95 Acts, ch 118, §27; 96 Acts, ch 1034, §24; 2000 Acts, ch 1061, §1; 2003 Acts, ch 151, §26; 2005 Acts, ch 54, §5, 12; 2010 Acts, ch 1140, §19

Referred to in §321.40, 321.344A, 321.372A

**321.485 Notice to appear — promise to appear.**

1. Whenever a peace officer has reasonable cause to believe that a person has violated any provision of this chapter punishable as a simple, serious, or aggravated misdemeanor, such officer may:

*a.* Immediately arrest such person and take the person before a magistrate; or

*b.* Without arresting the person, either

(1) Prepare a written citation to appear in court containing the name and address of such person, the driver's license number, if any, the registration number, if any, of the person's vehicle, the offense charged, and the time and place the person shall appear in court; or

(2) Prepare a memorandum of the alleged traffic violation containing the name and address of such person, the registration number, if any, of the person's vehicle, the offense alleged to have been committed, and such other information as may be prescribed by the commissioner of public safety with the concurrence of the director of transportation.

2. If the officer prepares either a citation or a memorandum as provided in this section, the alleged offender shall be requested to sign it. If the person signs, the person may be released without arrest. In case a citation is issued, the signing shall constitute a written promise to appear as stated in the citation. A copy of the citation shall be presented to the person named therein. If a memorandum is prepared, the original shall be retained by the officer, and a copy shall be sent to the department, and a copy shall be presented to the person named therein.

3. For preparing the summons or memorandum referred to in this section, there shall be charged to the person named in the summons or memorandum, upon conviction, a fee of two dollars. The fee shall be assessed as part of the court costs.

4. The number of copies and the form of the citations and memorandums authorized by this section shall be as prescribed by the commissioner of public safety with the concurrence of the director of transportation.

5. This section shall not apply to a traffic offense which must be charged upon a uniform citation and complaint as provided in section 805.6.

[C24, 27, 31, 35, §5082; C39, §**5037.02, 5037.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §321.485, 321.486; C79, 81, §321.485]

83 Acts, ch 123, §130, 209; 90 Acts, ch 1230, §72; 98 Acts, ch 1073, §9

Referred to in §805.15

**321.486 Authorized bond forms.**

When bond or bail is required under section 811.2 to guarantee appearance for any offense charged under this chapter, the following nonexclusive forms shall be permitted subject to the following limitations:

1. A current guaranteed arrest bond certificate as defined in section 321.1, subsection 30, shall be considered sufficient surety if the defendant is charged with an offense where the penalty does not exceed one thousand dollars.

2. A valid credit card, as defined in section 537.1301, subsection 17, may be used and is sufficient surety when the defendant is charged with a scheduled offense under section 805.8A, 805.8B, or 805.8C. The defendant may use a credit card for bail purposes only in accordance with rules of the department of public safety adopted pursuant to chapter 17A.

[C39, §**5037.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.486]

83 Acts, ch 101, §72; 2001 Acts, ch 137, §5; 2003 Acts, ch 6, §3

Referred to in §805.15

**321.487 Violation of promise to appear.**

1. Any person willfully violating a citation to appear in court given as provided in this chapter, is guilty of a simple misdemeanor, regardless of the disposition of the charge upon which the person was cited. Venue shall be in the county where the defendant was to appear or in the county where the person resides.

2. An appearance in response to such citation may be made either in person or by counsel.

[C39, §**5037.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.487]

2010 Acts, ch 1140, §20

Referred to in §805.9, 805.15

**321.488 Procedure not exclusive.**

The provisions of this chapter shall govern all peace officers in making arrests without a warrant for violations of this chapter for offenses committed in their presence, but the procedure prescribed herein shall not be exclusive of any other method prescribed by law for the arrest and prosecution of a person.

[C39, §**5037.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.488]

2009 Acts, ch 133, §122

**321.489 Record inadmissible in a civil action.**

No record of the conviction of any person for any violation of this chapter shall be admissible as evidence in any court in any civil action.

[C39, §**5037.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.489]

**321.490 Conviction not to affect credibility.**

The conviction of a person upon a charge of violating any provision of this chapter or other traffic regulation less than a felony shall not affect or impair the credibility of such person as a witness in any civil or criminal proceeding.

[C39, §**5037.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.490]

**321.491 Convictions and recommendations for suspension to be reported.**

1. Every district judge, district associate judge, and judicial magistrate shall keep a full record of every case in which a person is charged with any violation of this chapter or of any other law regulating the operation of vehicles on highways.

2. *a.* Within ten days after the conviction or forfeiture of bail of a person upon a charge of violating any provision of this chapter or other law regulating the operation of vehicles on highways every magistrate of the court or clerk of the district court of record in which the conviction occurred or bail was forfeited shall prepare and immediately forward to the department an abstract of the record of the case. The abstract of the record of the case must be certified by the person preparing it to be true and correct.

*b.* A certified abstract of the record of the case prepared for the department shall only be available to the public from the department. A noncertified record of conviction or forfeiture of bail shall be available to the public from the judicial branch. The clerk of the district

court shall collect a fee of fifty cents for each noncertified copy of any record of conviction or forfeiture of bail furnished to any requester except the department or other local, state, or federal government entity. Moneys collected under this section shall be transferred to the department as a repayment receipt, as defined in section 8.2, to enhance the efficiency of the department to process records and information between the department and the Iowa court information system.

*c.* Notwithstanding any other provision in this section or chapter 22, the judicial branch shall be the provider of public electronic access to the clerk's records of convictions and forfeitures of bail through the Iowa court information system and shall, if all such records are provided monthly to a vendor, collect a fee from such vendor for the period beginning on July 1, 1997, and ending on June 30, 1999, which is the greater of three thousand dollars per month or the actual direct cost of providing the records. On and after July 1, 1999, if all such records are provided monthly to a vendor, the judicial branch shall collect a fee from such vendor which is the greater of ten thousand dollars per month or the actual direct cost of providing the records.

3. The abstract must be made upon a form furnished by the department or by copying a uniform citation and complaint or by using an electronic process which accurately reproduces or forms a durable medium for accurately and legibly reproducing an unaltered image or reproduction of the citation, and must include the name and address of the party charged, the registration number of the vehicle involved, the nature of the offense, the date of hearing, the plea, the judgment, or whether the bail was forfeited, the amount of the fine or forfeiture, and any court recommendation, if any, that the person's driver's license be suspended. The department shall consider and act upon the recommendation.

4. Every clerk of a court of record shall also forward a like report to the department upon the conviction of any person of manslaughter or other felony in the commission of which a vehicle was used.

5. The failure, refusal, or neglect of an officer to comply with the requirements of this section shall constitute misconduct in office and shall be grounds for removal from office.

6. All abstracts received by the department under this section shall be open to public inspection during reasonable business hours.

[S13, §1571-m23; C24, 27, 31, 35, §5076 – 5078; C39, §**5037.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.491]

90 Acts, ch 1230, §73; 93 Acts, ch 16, §10; 94 Acts, ch 1074, §2; 96 Acts, ch 1218, §66; 97 Acts, ch 104, §23; 98 Acts, ch 1047, §68; 98 Acts, ch 1073, §9; 98 Acts, ch 1178, §9; 99 Acts, ch 96, §35; 99 Acts, ch 207, §13; 2010 Acts, ch 1061, §120

Referred to in §321.206, 321.555, 602.8102(51), 805.6, 805.9

**321.492 Peace officers' authority.**

A peace officer is authorized to stop a vehicle to require exhibition of the driver's license of the driver, to serve a summons or memorandum of traffic violation, to inspect the condition of the vehicle, to inspect the vehicle with reference to size, weight, cargo, log book, bills of lading or other manifest of employment, tires, and safety equipment, or to inspect the registration certificate, the compensation certificate, travel order, or permit of the vehicle.

A peace officer having probable cause to stop a vehicle may require exhibition of the proof of financial liability coverage card issued for the vehicle if the vehicle is a motor vehicle registered in this state.

All peace officers as defined in section 801.4, subsection 11, paragraphs *"a"*, *"b"*, *"c"*, and *"h"* may, having reasonable grounds that equipment violations exist, conduct spot inspections.

The department may designate employees under the supervision of the department's administrator of motor vehicles to conduct spot inspections.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.492]

84 Acts, ch 1305, §69; 86 Acts, ch 1245, §1936; 97 Acts, ch 139, §6, 7, 17, 18; 98 Acts, ch 1073, §8, 9; 98 Acts, ch 1100, §48; 98 Acts, ch 1121, §8

**321.492A Quotas on citations prohibited.**

A political subdivision or agency of the state shall not order, mandate, require, or in any other manner, directly or indirectly, suggest to a peace officer employed by the political subdivision or agency that the peace officer shall issue a certain number of traffic citations, police citations, memorandums of traffic violations, or memorandums of faulty equipment on a daily, weekly, monthly, quarterly, or yearly basis.

85 Acts, ch 226, §1; 96 Acts, ch 1034, §25

## CIVIL LIABILITY

**321.493 Liability for damages.**

1. For purposes of this section:

*a.* *"Owner"* means the person to whom the certificate of title for the vehicle has been issued or assigned or to whom a manufacturer's or importer's certificate of origin for the vehicle has been delivered or assigned. However, if the vehicle is leased, *"owner"* means the person to whom the vehicle is leased, not the person to whom the certificate of title for the vehicle has been issued or assigned or to whom the manufacturer's or importer's certificate of origin for the vehicle has been delivered or assigned.

*b.* *"Leased"* means the transfer of the possession or right to possession of a vehicle to a lessee for a valuable consideration for a continuous period of twelve months or more, pursuant to a written agreement.

2. *a.* Subject to paragraph *"b"*, in all cases where damage is done by any motor vehicle by reason of negligence of the driver, and driven with the consent of the owner, the owner of the motor vehicle shall be liable for such damage.

*b.* The owner of a vehicle with a gross vehicle weight rating of seven thousand five hundred pounds or more who rents the vehicle for less than a year under an agreement which requires an insurance policy covering at least the minimum levels of financial responsibility prescribed by law, shall not be deemed to be the owner of the vehicle for the purpose of determining financial responsibility for the operation of the vehicle or for the acts of the operator in connection with the vehicle's operation.

3. A person who has made a bona fide sale or transfer of the person's right, title, or interest in or to a motor vehicle and who has delivered possession of the motor vehicle to the purchaser or transferee shall not be liable for any damage thereafter resulting from negligent operation of the motor vehicle by another, but the purchaser or transferee to whom possession was delivered shall be deemed the owner. The provisions of section 321.45, subsection 2, shall not apply in determining, for the purpose of fixing liability under this subsection, whether such sale or transfer was made.

[C24, 27, 31, 35, §4964, 5026; C39, §**5002.07, 5037.09;** C46, 50, 54, 58, 62, §321.51, 321.493; C66, 71, 73, 75, 77, 79, 81, §321.493]

95 Acts, ch 136, §1; 97 Acts, ch 108, §30; 2010 Acts, ch 1069, §101

Referred to in §321.45, 321.344A, 321.372A, 321A.1

Exemption from execution denied, §627.7

**321.494 through 321.497** Reserved.

## ACTIONS AGAINST NONRESIDENTS

**321.498 Legal effect of use and operation.**

1. The acceptance by any nonresident of this state of the privileges extended by the laws of this state to nonresident operators or owners of operating a motor vehicle, or having the same operated, within this state shall be deemed:

*a.* An agreement by the nonresident that the nonresident shall be subject to the jurisdiction of the district court of this state over all civil actions and proceedings against

the nonresident for damages to person or property growing or arising out of such use and operation, and

*b.* An appointment by such nonresident of the director of this state as the nonresident's lawful attorney upon whom may be served all original notices of suit pertaining to such actions and proceedings, and

*c.* An agreement by such nonresident that any original notice of suit so served shall be of the same legal force and validity as if personally served on the nonresident in this state.

2. *a.* *"Nonresident"* shall include any person who was, at the time of the accident or event, a resident of the state of Iowa but who removed from the state before the commencement of such action or proceedings.

*b.* *"Person"* shall mean:

(1) The owner of the vehicle whether it is being used and operated personally by the owner, or by the owner's agent.

(2) An agent using and operating the vehicle for the agent's principal.

(3) Any person who is in charge of the vehicle and of the use and operation thereof with the express or implied consent of the owner.

[C31, 35, §5079-d11; C39, §**5038.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.498]
2010 Acts, ch 1069, §102; 2013 Acts, ch 90, §84
Referred to in §321.556
Subsection 2 amended

**321.499 "Person" defined.** Repealed by 2013 Acts, ch 90, § 216. See §321.498.

**321.500 Original notice — form.**

The original notice of suit filed with the director of transportation against a nonresident shall be in form and substance the same as provided in rule of civil procedure 1.1901, form 2, Iowa court rules.

[C31, 35, §5079-d13; C39, §**5038.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.500]
83 Acts, ch 101, §73; 2002 Acts, ch 1119, §106
Referred to in §321.556

**321.501 Manner of service.**

Plaintiff in any such action shall cause the original notice of suit to be served as follows:

1. By filing a copy of said original notice of suit with said director, together with a fee of two dollars, and

2. By mailing to the defendant, and to each of the defendants if more than one, within ten days after said filing with the director, by restricted certified mail addressed to the defendant at the defendant's last known residence or place of abode, a notification of the said filing with the director.

[C31, 35, §5079-d14; C39, §**5038.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.501]
Referred to in §321.502, 321.556

**321.502 Notification to nonresident — form.**

The notification, provided for in section 321.501, shall be in substantially the following form, to wit:

To ..... (Here insert the name of each defendant and the defendant's residence or last known place of abode as definitely as known.)

You will take notice that an original notice of suit against you, a copy of which is hereto attached, was duly served upon you at Des Moines, Iowa, by filing a copy of said notice on the ..... day of ....., ....., with the director of transportation of the state of Iowa.

Dated at ....., Iowa, this ..... day of ....., .....
.....
Plaintiff.
By.....
Attorney for plaintiff.

[C31, 35, §5079-d15; C39, §**5038.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.502]
2001 Acts, ch 24, §46
Referred to in §321.556

**321.503** Reserved.

**321.504 Optional notification.**
In lieu of mailing said notification to the defendant in a foreign state, plaintiff may cause said notification to be personally served in the foreign state on the defendant by any adult person not a party to the suit, by delivering said notification to the defendant or by offering to make such delivery in case defendant refuses to accept delivery.
[C31, 35, §5079-d17; C39, §**5038.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.504]
Referred to in §321.556

**321.505 Proof of service.**
Proof of the filing of a copy of said original notice of suit with the director, and proof of the mailing or personal delivery of said notification to said nonresident shall be made by affidavit of the party doing said acts. All affidavits of service shall be endorsed upon or attached to the originals of the papers to which they relate. All proofs of service, including the restricted certified mail return receipt, shall be forthwith filed with the clerk of the district court.
[C31, 35, §5079-d18; C39, §**5038.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.505]
Referred to in §321.556

**321.506 Actual service within this state.**
The provisions of this chapter relative to service of original notice of suit on nonresidents shall not be deemed to prevent actual personal service in this state upon the nonresident in the time, manner, form, and under the conditions provided for service on residents.
[C31, 35, §5079-d19; C39, §**5038.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.506]
2009 Acts, ch 133, §123
Referred to in §321.556

**321.507 Venue of actions.**
Actions against nonresidents as contemplated by this law may be brought in the county of which plaintiff is a resident, or in the county in which the injury was received, or damage done.
[C31, 35, §5079-d20; C39, §**5038.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.507]

**321.508 Continuances.**
The court in which such action is pending shall grant such continuances to a nonresident defendant as may be necessary to afford the nonresident defendant reasonable opportunity to defend said action.
[C31, 35, §5079-d21; C39, §**5038.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.508]

**321.509 Duty of director.**
The director shall keep a record of all notices of suit filed with the director, shall not permit said filed notices to be taken from the director's office except on an order of court, and shall, on request, and without fee, furnish any defendant with a certified copy of the notice in which the person is defendant.
[C31, 35, §5079-d22; C39, §**5038.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.509]

**321.510 Expenses and attorney fees.**

If judgment is rendered against the plaintiff, upon the trial of said action, said judgment shall include the reasonable expenses incurred by the defendant and the defendant's attorney in appearing to and defending against said action, provided that in the judgment of the trial court said action was commenced maliciously or without probable cause.

[C31, 35, §5079-d23; C39, §**5038.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.510]

**321.511 Dismissal — effect.**

The dismissal of an action after the nonresident has entered a general appearance under the substituted service herein authorized, shall bar the recommencement of the same action against the same defendant unless said recommenced action is accompanied by actual personal service of the original notice of suit on said defendant in this state.

[C31, 35, §5079-d24; C39, §**5038.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.511]

**321.512 Action against insurance.**

Any contract insuring the liability of a nonresident motorist in Iowa shall, in the event of the death of said nonresident, be considered an asset of the nonresident's estate having a situs in Iowa in any civil action arising out of a motor vehicle accident in which said nonresident may be liable.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321.512]

**321.513 Nonresident traffic violator compact.**

1. *Authority to compact.* The director may enter into nonresident violator compacts with other jurisdictions. The compacts shall contain in substantially the same form the following provisions:

*a. Definitions.* For purposes of the nonresident violator compact, unless the context requires otherwise:

(1) "*Citation*" means a summons, ticket, or other official document issued by a police officer for a traffic violation containing an order which requires the motorist to respond.

(2) "*Collateral*" means cash or other security deposited to secure an appearance for trial, following the issuance by a police officer of a citation for a traffic violation.

(3) "*Court*" means a court of law or traffic tribunal.

(4) "*Driver's license*" means a license or privilege to operate a motor vehicle issued under the laws of the home jurisdiction.

(5) "*Home jurisdiction*" means the jurisdiction that issued the driver's license of the traffic violator.

(6) "*Issuing jurisdiction*" means the jurisdiction in which the traffic citation was issued to the motorist.

(7) "*Jurisdiction*" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(8) "*Motorist*" means a driver of a motor vehicle operating in a party jurisdiction other than the home jurisdiction.

(9) "*Personal recognizance*" means an agreement by a motorist made at the time of issuance of the traffic citation that the motorist will comply with the terms of that traffic citation.

(10) "*Police officer*" means a peace officer as defined in section 801.4 authorized by the party jurisdiction to issue a citation for a traffic violation.

(11) "*Terms of the citation*" means those options expressly stated upon the citation.

*b. Procedure for issuing jurisdiction.*

(1) When issuing a citation for a traffic violation, a police officer shall issue the citation to a motorist who possesses a driver's license issued by a party jurisdiction and shall not, except as provided in subparagraph (2) of this paragraph, require the motorist to post collateral to secure appearance, if the officer receives the motorist's signed personal recognizance that the motorist will comply with the terms of the citation.

(2) Unless prohibited by law, personal recognizance is acceptable. If mandatory

appearance is required by law, the appearance must take place immediately following issuance of the citation.

(3) Upon failure of a motorist to comply with the terms of a traffic citation, the appropriate official shall report the failure to comply to the licensing authority of the jurisdiction in which the traffic citation was issued, and that licensing authority shall transmit the information contained in the report to the licensing authority in the home jurisdiction of the motorist.

(4) The licensing authority of the issuing jurisdiction shall not suspend for failure to comply with the terms of a traffic citation the driving privilege of a motorist for whom a report has been transmitted.

(5) The licensing authority of the issuing jurisdiction shall not transmit a report on a violation if the date of transmission is more than six months after the date the traffic citation was issued.

(6) The licensing authority of the issuing jurisdiction shall not transmit a report on a violation where the date of issuance of the citation predates the most recent effective date of entry for the two jurisdictions.

*c. Procedure for home jurisdiction.* Upon receipt of a report of a failure to comply, the licensing authority of the home jurisdiction shall notify the motorist and initiate a suspension action, in accordance with the home jurisdiction's procedures, to suspend the motorist's driver's license until satisfactory evidence of compliance with the terms of the traffic citation has been furnished to the home jurisdiction licensing authority. Due process safeguards shall be accorded.

*d. Exceptions.* The provisions of the nonresident violator compact do not apply to parking or standing violations, highway weight limit violations, and violations of law governing the transportation of hazardous materials.

*e. Additional provisions.* The nonresident violator compact may contain other provisions the director reasonably determines are necessary or appropriate for inclusion in the compact.

2. *Rules.* The department may adopt rules pursuant to chapter 17A as necessary to carry out the provisions of this section.

3. *Enforcement.* The agencies and officers of this state and its political subdivisions shall enforce the nonresident violator compacts and shall do all things appropriate to accomplish their purpose and intent.

[C81, §321.513]

86 Acts, ch 1245, §1937

Referred to in §321.203, 321.210, 321.212, 321.215, 321.218, 321A.17

**321.514 through 321.554** Reserved.

## HABITUAL OFFENDER

**321.555 Habitual offender defined.**

As used in this division, "*habitual offender*" means any person who has accumulated convictions for separate and distinct offenses described in subsection 1, 2, or 3, committed after July 1, 1974, for which final convictions have been rendered, as follows:

1. Three or more of the following offenses, either singularly or in combination, within a six-year period:

*a.* Manslaughter resulting from the operation of a motor vehicle.

*b.* Operating a motor vehicle in violation of section 321J.2 or its predecessor statute.

*c.* Driving a motor vehicle while the person's driver's license is suspended, denied, revoked, or barred.

*d.* Perjury or the making of a false affidavit or statement under oath to the department of public safety.

*e.* An offense punishable as a felony under the motor vehicle laws of Iowa or any felony in the commission of which a motor vehicle is used.

*f.* Failure to stop and leave information or to render aid as required by sections 321.261 and 321.263.

*g.* Eluding or attempting to elude a pursuing law enforcement vehicle in violation of section 321.279.

*h.* Serious injury by a vehicle in violation of section 707.6A, subsection 4.

2. Six or more of any separate and distinct offenses within a two-year period in the operation of a motor vehicle, which are required to be reported to the department by section 321.491 or chapter 321C, except equipment violations, parking violations as defined in section 321.210, violations of registration laws, violations of sections 321.445 and 321.446, violations of section 321.276, operating a vehicle with an expired license or permit, failure to appear, weights and measures violations and speeding violations of less than fifteen miles per hour over the legal speed limit.

3. The offenses included in subsections 1 and 2 shall be deemed to include offenses under any valid town, city or county ordinance paralleling and substantially conforming to the provisions of the Code concerning such offenses.

[C75, 77, 79, 81, §321.555; 82 Acts, ch 1167, §10]

84 Acts, ch 1016, §4; 84 Acts, ch 1022, §9; 86 Acts, ch 1009, §3; 86 Acts, ch 1220, §37; 89 Acts, ch 296, §36; 90 Acts, ch 1230, §74 – 76; 93 Acts, ch 87, §8; 97 Acts, ch 104, §24; 97 Acts, ch 177, §2; 98 Acts, ch 1073, §9; 2010 Acts, ch 1105, §8

Referred to in §321.213, 321.215, 321.556, 321.560

**321.556 Notice and hearing — findings and order.**

1. If, upon review of the record of convictions of any person, the department determines that the person appears to be a habitual offender, the department shall immediately notify the person in writing and afford the licensee an opportunity for a hearing. Notwithstanding chapter 17A, the notice shall meet the requirements of section 321.16 and shall be served in the manner provided in that section. Service of notice on any nonresident of this state may be made in the same manner as provided in sections 321.498 through 321.506. A peace officer stopping a person for whom a notice has been issued under this section may personally serve the notice upon forms approved by the department to satisfy the notice requirements of this section. A peace officer may confiscate the driver's license of a person if the license has been revoked or has been suspended subsequent to a hearing and the person has not forwarded the driver's license to the department as required.

2. The hearing shall be conducted as provided in section 17A.12 before the department in the county where the alleged events occurred, unless the director and the person agree that the hearing may be held in some other county, or the hearing may be held by telephone conference at the discretion of the agency conducting the hearing. The hearing shall be recorded and its scope shall be limited to the issue of whether the person notified is a habitual offender.

3. An abstract certified by the director of transportation may be admitted as evidence as provided in section 622.43, at the hearing, and shall be prima facie evidence that the person named in the abstract was duly convicted by the court in which the conviction or holding was made of each offense shown by the abstract. If the person named in the abstract denies conviction of any of the relevant convictions contained in the abstract, the person shall have the burden of proving that the conviction is untrue. For purposes of this subsection, a conviction is relevant if it is for one of the offenses listed in section 321.555.

4. If the department finds that the person is not the same person named in the abstract, or otherwise concludes that the person is not a habitual offender as provided in section 321.555, the department shall issue a decision dismissing the proceedings. If the department's findings and conclusions are that the person is a habitual offender, the department shall issue an order prohibiting the person from operating a motor vehicle on the highways of this state for the period specified in section 321.560. If a person is found to be a habitual offender, the person shall surrender all licenses or permits to operate a motor vehicle in this state to the department. A person who is found to be a habitual offender may be assessed a fee by the department to cover the costs of the habitual offender proceedings. Fees assessed shall be

paid before the person may be issued a license or permit to operate a motor vehicle in this state.

[C75, 77, 79, 81, §321.556]

95 Acts, ch 143, §2; 98 Acts, ch 1073, §9; 2000 Acts, ch 1133, §13; 2001 Acts, ch 32, §46

**321.557 through 321.559** Repealed by 95 Acts, ch 143, § 13. See § 321.556.

**321.560 Period of revocation — temporary restricted licenses.**

1. A license to operate a motor vehicle in this state shall not be issued to any person declared to be a habitual offender under section 321.555, subsection 1, for a period of not less than two years nor more than six years from the date of the final decision of the department under section 17A.19 or the date on which the district court upholds the final decision of the department, whichever occurs later.

*a.* A temporary restricted license may be issued pursuant to section 321.215, subsection 2, to a person declared to be a habitual offender under section 321.555, subsection 1, paragraph "*c*".

*b.* A temporary restricted license may be issued pursuant to section 321J.20, subsection 2, to a person declared to be a habitual offender due to a combination of the offenses listed under section 321.555, subsection 1, paragraphs "*b*" and "*c*".

2. A license to operate a motor vehicle in this state shall not be issued to any person declared to be a habitual offender under section 321.555, subsection 2, for a period of one year from the date of the final decision of the department under section 17A.19 or the date on which the district court upholds the final decision of the department, whichever occurs later.

3. The department shall adopt rules under chapter 17A that establish a point system which shall be used to determine the period for which a person who is declared to be a habitual offender under section 321.555, subsection 1, shall not be issued a license.

4. A person who is determined to be a habitual offender while the person's license is already revoked for being a habitual offender under section 321.555 shall not be issued a license to operate a motor vehicle in this state for a period of not less than two years nor more than six years. The revocation period may commence either on the date of the final decision of the department under section 17A.19 or the date on which the district court upholds the final decision of the department, whichever occurs later, or on the date the previous revocation expires.

[C75, 77, 79, 81, §321.560]

95 Acts, ch 143, §3; 96 Acts, ch 1034, §26; 97 Acts, ch 108, §31; 2000 Acts, ch 1138, §2; 2001 Acts, ch 132, §13; 2002 Acts, ch 1119, §154; 2010 Acts, ch 1097, §2

Referred to in §321.215, 321.556, 321.561, 321J.20

**321.561 Punishment for violation.**

It shall be unlawful for any person found to be a habitual offender to operate any motor vehicle in this state during the period of time specified in section 321.560 except for a habitual offender who has been granted a temporary restricted license pursuant to section 321.215, subsection 2. A person violating this section commits an aggravated misdemeanor.

[C75, 77, 79, 81, §321.561]

87 Acts, ch 34, §1; 95 Acts, ch 143, §4; 96 Acts, ch 1034, §27; 2001 Acts, ch 132, §14

Referred to in §321J.4B

**321.562 Rule of construction.**

Nothing in this division shall be construed as amending, modifying, or repealing any existing law of this state or any ordinance of any political subdivision relating to the operation of motor vehicles, the licensing of persons to operate motor vehicles, or providing penalties for the violation thereof.

[C75, 77, 79, 81, §321.562]

# CHAPTER 321A

## MOTOR VEHICLE FINANCIAL RESPONSIBILITY

Referred to in §307.27, 321.1, 321.10, 321.20B, 321.213, 321.215, 690.2, 707.6A

For sanctions related to driving a motor vehicle without financial liability coverage, see §321.20B


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## WORDS AND PHRASES DEFINED

**321A.1 Definitions.**

The following words and phrases when used in this chapter shall, for the purposes of this chapter, have the meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

1. *County system.* *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor,

assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. *Department.* *"Department"* means the state department of transportation.

3. *Judgment.* A judgment which has become final by expiration without appeal during the time within which an appeal might have been perfected, or a judgment if an appeal from the judgment has been perfected, which has not been stayed by the execution, filing, and approval of a bond as provided in rule of appellate procedure 6.601(1), or a judgment which has become final by affirmation on appeal, rendered by a court of competent jurisdiction of a state or of the United States, upon a cause of action arising out of the ownership, maintenance, or use of a motor vehicle, as defined in this section, for damages, including damages for care and loss of services, because of bodily injury to or death of a person, or for damages because of injury to or destruction of property, including the loss of use of property, or upon a cause of action on an agreement of settlement for such damages.

4. *License.* A driver's license as defined in section 321.1 issued under the laws of this state.

5. *Motor vehicle.* *"Motor vehicle"* means every vehicle which is self-propelled, but not including vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires and not operated upon rails. The term *"car"* or *"automobile"* shall be synonymous with the term *"motor vehicle"*. *"Motor vehicle"* does not include special mobile equipment as defined in this section.

6. *Nonresident.* Every person who is not a resident of this state.

7. *Nonresident operating privilege.* The privilege conferred upon a nonresident by the laws of this state pertaining to the operation by the nonresident of a motor vehicle, or the use of a motor vehicle owned by the nonresident, in this state.

8. *Operator.* A person who is in actual physical control of a motor vehicle whether or not that person has a driver's license as required under the laws of this state.

9. *Owner.* *"Owner"* means a person who holds the legal title of a motor vehicle; however, if the motor vehicle is the subject of a security agreement with a right of possession in the debtor, the debtor shall be deemed the owner for purposes of this chapter or if the motor vehicle is leased as defined in section 321.493, the lessee shall be deemed the owner for purposes of this chapter.

10. *Person.* Every natural person, firm, partnership, association, or corporation.

11. *Proof of financial responsibility.* Proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of the proof, arising out of the ownership, maintenance, or use of a motor vehicle, in amounts as follows: With respect to accidents occurring on or after January 1, 1981, and prior to January 1, 1983, the amount of fifteen thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to the limit for one person, the amount of thirty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and the amount of ten thousand dollars because of injury to or destruction of property of others in any one accident; and with respect to accidents occurring on or after January 1, 1983, the amount of twenty thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to the limit for one person, the amount of forty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and the amount of fifteen thousand dollars because of injury to or destruction of property of others in any one accident.

12. *Registration.* Registration certificate or certificates and registration plates issued under the laws of this state pertaining to the registration of motor vehicles.

13. *Special mobile equipment.* *"Special mobile equipment"* means every vehicle not designed or used primarily for the transportation of persons or property and incidentally operated or moved over the highways, including road construction or maintenance machinery, ditch-digging apparatus, and implements of husbandry as defined in section 321.1, subsection 32. This description does not exclude other vehicles which are within the general terms of this subsection.

14. *State.* Any state, territory, or possession of the United States, the District of Columbia, or any province of the Dominion of Canada.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.1]

83 Acts, ch 101, §74; 90 Acts, ch 1230, §77; 92 Acts, ch 1175, §39; 95 Acts, ch 136, §2; 98 Acts, ch 1073, §9; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201; 2005 Acts, ch 131, §1, 2, 5; 2008 Acts, ch 1032, §106; 2009 Acts, ch 179, §36

Referred to in §321.12, 321A.24, 516A.1, 516A.2

## ADMINISTRATION

**321A.2 Department to administer chapter — judicial review.**

1. *a.* The department shall administer and enforce the provisions of this chapter and may make rules necessary for its administration and shall provide for hearings upon request of persons aggrieved by orders or acts of the department under the provisions of sections 321A.4 to 321A.11.

*b.* The hearings shall be held before the department as early as practicable within not to exceed twenty days after receipt of the request in the county in which the requesting person resides unless the department and the requesting person agree that the hearing may be held in some other county. Upon hearing the department may administer oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require an examination under oath of the person requesting the hearing.

2. Judicial review of the actions of the department may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.2]

88 Acts, ch 1278, §34; 92 Acts, ch 1175, §43; 2003 Acts, ch 44, §114; 2010 Acts, ch 1061, §180

**321A.3 Abstract of operating record — fees to be charged and disposition of fees.**

1. The department shall upon request furnish any person a certified abstract of the operating record of a person subject to chapter 321, 321J, or this chapter. The abstract shall also fully designate the motor vehicles, if any, registered in the name of the person. If there is no record of a conviction of the person having violated any law relating to the operation of a motor vehicle or of any injury or damage caused by the person, the department shall so certify. A fee of five dollars and fifty cents shall be paid for each abstract except for state, county, or city officials, court officials, public transit officials, or other officials of a political subdivision of the state or a nonprofit charitable organization described in section 501(c)(3) of the Internal Revenue Code. The department shall transfer the moneys collected under this section to the treasurer of state who shall credit to the general fund all moneys collected.

2. A sheriff may provide an abstract of the operating record of a person to the person or an individual authorized by the person. The sheriff shall charge a fee of five dollars and fifty cents for each abstract which the sheriff shall transfer to the department quarterly. The sheriff may charge an additional fee sufficient to cover costs incurred by the sheriff in producing the abstract.

3. The abstracts are not admissible as evidence in an action for damages or criminal proceedings arising out of a motor vehicle accident.

4. The abstract of operating record provided under this section shall designate which speeding violations occurring on or after July 1, 1986, but before May 12, 1987, are for violations of ten miles per hour or less over the legal speed limit in speed zones that have a legal speed limit greater than thirty-five miles per hour. For speeding violations occurring on or after May 12, 1987, the abstract provided under this section shall designate which speeding violations are for ten miles per hour or less over the legal speed limit in speed zones that have a legal speed limit equal to or greater than thirty-five miles per hour but not greater than fifty-five miles per hour.

5. The department shall not require a fee for a person to view their own operating record.

6. Fees under subsection 1 may be paid by credit cards, as defined in section 537.1301,

subsection 17, approved for that purpose by the department of transportation. The department shall enter into agreements with financial institutions extending credit through the use of credit cards to ensure payment of the fees. The department shall adopt rules pursuant to chapter 17A to implement the provisions of this subsection.

7. Notwithstanding chapter 22 or any other law of this state, except as provided in subsection 5, the department shall not make available a certified operating record in a manner which would result in a fee of less than that provided under subsection 1. Should the department make available certified copies of abstracts of operating records on magnetic tape or on disk or through electronic data transfer, the five dollar and fifty cent fee under subsection 1 applies to each abstract supplied, and an additional access fee may be charged for each abstract supplied through electronic data transfer.

8. *a.* (1) A person who purchases a certified abstract of an operating record directly from the department under this section shall only use, sell, disclose, or distribute the abstract or any portion of the abstract one time, for one purpose, and the person shall not supply that abstract or any portion of that abstract to more than one other person. The person shall make a subsequent request for the abstract and pay an additional fee for the request in the same manner as provided for the initial request for any subsequent use, sale, disclosure, or distribution of the same certified abstract or any portion of the abstract or to supply the same certified abstract or any portion of the abstract to another person, except as provided in subparagraph (2).

(2) Notwithstanding the limitation on use, sale, disclosure, and distribution of a certified abstract under subparagraph (1), a person who purchases a certified abstract under this section may provide a copy of the previously purchased certified abstract to the person who is an insurer who was originally supplied the certified abstract by the person who purchased the certified abstract.

*b.* A person who is supplied a certified abstract or any portion of the abstract by a person who purchases the certified abstract under paragraph "*a*" shall only use the abstract one time, for one purpose, and shall not reuse, sell, disclose, or distribute the abstract or any portion of the abstract except as provided in paragraph "*c*".

*c.* A person who is an insurer or an insurance producer licensed under chapter 522B who purchases a certified abstract under this section or a person who is supplied a certified abstract or any portion of the abstract pursuant to paragraph "*b*" may use the certified abstract pursuant to this paragraph "*c*" for more than one use for the following purposes:

(1) To provide a copy to a consumer with respect to a specific decision impacting the consumer and made in whole or in part based upon information contained in the certified abstract, as defined by rule of the department.

(2) Internal auditing purposes, or similar internal purposes as defined by rule of the department.

(3) Internal purposes in a manner consistent with the federal Driver's Privacy Protection Act, 18 U.S.C. § 2721 – 2725, by a person who is an insurer.

(4) To show compliance with the retention requirements imposed under this section or other applicable law.

(5) By an insurer, to provide a copy to an insurance producer licensed under chapter 522B and appointed by the insurer for purposes of a specific application for coverage. However, a producer who is provided a certified abstract pursuant to this subparagraph shall not reuse, sell, disclose, or distribute the abstract with respect to any transaction not associated with the insurer who appointed the producer.

(6) To provide a copy to an insurer for purposes of a specific application for coverage if the person requesting the certified abstract is an insurance producer licensed under chapter 522B and appointed by the insurer for purposes of the specific application for coverage.

(7) To provide a copy, for the purpose of a specific application for coverage or for a purpose as provided under subparagraphs (1) through (4), to an affiliate of the person who is an insurer who originally purchased or was supplied the certified abstract. An affiliate who receives a copy of a certified abstract pursuant to this subparagraph shall only use the copy of the abstract one time and shall not reuse, sell, disclose, or distribute the copy to any

other person, except as provided under subparagraphs (1) through (5) in the same manner as permitted for a person who is an insurer.

*d.* For purposes of this subsection, *"affiliate"* means an insurer who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the person who is an insurer.

*e.* A person who purchases a certified abstract directly from the department pursuant to this section shall keep records for a period of five years identifying the persons to whom the abstract is provided and the use of the abstract. Records maintained pursuant to this subsection shall be made available to the department upon request. A person who is otherwise supplied a certified abstract and who then provides that abstract to another person for a purpose other than the purposes identified under paragraph "c" shall also be subject to the recordkeeping requirements under this paragraph.

*f.* A person shall not use, sell, disclose, or distribute any abstract information or portion of the abstract information acquired under this section except as authorized by this section and any applicable rules of the department. Nothing in this section shall be construed to authorize the use, sale, disclosure, or distribution of personal information, protected personal information, or highly protected personal information as prohibited under section 321.11 or the federal Driver's Privacy Protection Act, 18 U.S.C. § 2721 – 2725.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.3; 81 Acts, ch 14, §26]

83 Acts, ch 80, §1; 87 Acts, ch 120, §6; 88 Acts, ch 1158, §67; 88 Acts, ch 1214, §1; 88 Acts, ch 1278, §35 – 39; 89 Acts, ch 296, §37; 89 Acts, ch 317, §35; 90 Acts, ch 1267, §38; 92 Acts, ch 1175, §43; 93 Acts, ch 169, §19; 99 Acts, ch 207, §14; 2008 Acts, ch 1191, §58, 59; 2009 Acts, ch 126, §1; 2009 Acts, ch 179, §37

Referred to in §692.20

For the fiscal years beginning July 1, 2013, and July 1, 2014, a portion of the fees collected for furnishing a certified abstract of a vehicle operating record to be transferred to the IowAccess revolving fund; 2013 Acts, ch 135, §3, 32

Section not amended; footnote revised

**321A.3A** Repealed by 90 Acts, ch 1267, § 45.

## SECURITY FOLLOWING ACCIDENT

**321A.4 Effect of failure to report accidents.**

The department shall suspend the license or any nonresident's operating privilege of any person who willfully fails, refuses, or neglects to make reports of a traffic accident as required by the laws of this state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.4]

92 Acts, ch 1175, §43

Referred to in §321A.2, 321A.8, 321A.9, 321A.10, 321A.11, 321A.33

**321A.5 Security required following accident — exceptions.**

1. The department shall, immediately or within sixty days after the receipt of a report of a motor vehicle accident within this state which has resulted in bodily injury or death or damage to the property of any one person in the amount of one thousand five hundred dollars or more, suspend the license of each operator and all registrations of each owner of a motor vehicle in any manner involved in the accident, and if the operator is a nonresident the privilege of operating a motor vehicle within this state, and if the owner is a nonresident the privilege of the use within this state of any motor vehicle owned by the owner, unless the operator or owner or both shall deposit security in a sum which shall be sufficient in the judgment of the department to satisfy any judgment or judgments for damages resulting from the accident as may be recovered against the operator or owner; provided notice of the suspension shall be sent by the department to the operator and owner not less than ten days prior to the effective date of the suspension and shall state the amount required as security.

2. This section shall not apply under the conditions stated in section 321A.6 or to any of the following:

*a.* To such operator or owner if such owner had in effect at the time of such accident an automobile liability policy with respect to the motor vehicle involved in such accident;

*b.* To such operator, if not the owner of such motor vehicle, if there was in effect at the time of such accident an automobile liability policy or bond with respect to the operator's operation of motor vehicles not owned by the operator;

*c.* To such operator or owner if the liability of such operator or owner for damages resulting from such accident is, in the judgment of the department, covered by any other form of liability insurance policy or bonds; or

*d.* To such owner if such owner is at the time of such accident qualified as a self-insurer under section 321A.34, or to any such operator operating such motor vehicle for such self-insurer.

3. A policy or bond is not effective under this section unless issued by an insurance company or surety company authorized to do business in this state, except that if the motor vehicle was not registered in this state, or was a motor vehicle which was registered elsewhere than in this state at the effective date of the policy or bond, or the most recent renewal thereof, the policy or bond is not effective under this section unless the insurance company or surety company if not authorized to do business in this state executes a power of attorney authorizing the department to accept service on its behalf of notice or process in any action upon the policy or bond arising out of the accident. However, with respect to accidents occurring on or after January 1, 1981, and before January 1, 1983, every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than fifteen thousand dollars because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, to a limit of not less than thirty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than ten thousand dollars because of injury to or destruction of property of others in any one accident; and with respect to accidents occurring on or after January 1, 1983, every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than twenty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, to a limit of not less than forty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than fifteen thousand dollars because of injury to or destruction of property of others in any one accident.

4. Upon receipt of a report of a motor vehicle accident and information that an automobile liability policy or surety bond meeting the requirements of this chapter was in effect at the time of this accident covering liability for damages resulting from such accident, the department shall forward by regular mail to the insurance carrier or surety carrier which issued such policy or bond a copy of such information concerning insurance or bond coverage, and it shall be presumed that such policy or bond was in effect and provided coverage to both the operator and the owner of the motor vehicle involved in such accident unless the insurance carrier or surety carrier shall notify the department otherwise within fifteen days from the mailing of such information to such carrier; provided, however, that in the event the department shall later ascertain that erroneous information had been given the department in respect to the insurance or bond coverage of the operator or owner of a motor vehicle involved in such accident, the department shall take such action as the department is otherwise authorized to do under this chapter within sixty days after the receipt by the department of correct information with respect to such coverage.

[C31, 35, §5079-c4; C39, §**5021.01;** C46, §321.275; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.5; 81 Acts, ch 103, §8]

92 Acts, ch 1175, §43; 97 Acts, ch 72, §2; 2006 Acts, ch 1068, §32; 2010 Acts, ch 1061, §180; 2011 Acts, ch 38, §19

Referred to in §321A.2, 321A.6, 321A.7, 321A.8, 321A.9, 321A.10, 321A.11, 321A.32

**321A.6 Exceptions to requirement of security.**

The requirements as to security and suspension in section 321A.5 shall not apply:

1. To the operator or the owner of a motor vehicle involved in any accident wherein no injury or damage was caused to the person or property of anyone other than such operator or owner.

2. To the operator or the owner of a motor vehicle if at the time of the accident the vehicle was stopped, standing, or parked, whether attended or unattended, except that the requirements of this chapter shall apply in the event the department determines that any such stopping, standing, or parking of the vehicle was illegal or that the vehicle was not equipped with lighted lamps or illuminating devices or flags when and as required by the laws of this state and that any such violation contributed to the accident.

3. To the owner of a motor vehicle if at the time of the accident the vehicle was being operated without the owner's permission, express or implied, or was parked by a person who had been operating such motor vehicle without such permission.

4. If, prior to the date that the department would otherwise suspend license and registration or nonresident's operating privilege under section 321A.5, there shall be filed with the department evidence satisfactory to the department that the person who would otherwise have to file security has been released from liability or been finally adjudicated not to be liable or has executed a warrant for confession of judgment, payable when and in such installments as the parties have agreed to, or has executed a duly acknowledged written agreement providing for the payment of an agreed amount in installments, with respect to all claims for injuries or damages resulting from the accident; provided, however, in the event there shall be any default in the payment of any installment under any confession of judgment, then, upon notice of such default, the department shall forthwith suspend the license and registration or nonresident's operating privilege of such person defaulting which shall not be restored unless and until the entire amount provided for in said confession of judgment has been paid; and provided, further, that in the event there shall be any default in the payment of any installment under any duly acknowledged written agreement, then, upon notice of such default, the department shall forthwith suspend the license and registration or nonresident's operating privilege of such person defaulting which shall not be restored unless and until:

*a.* Such person deposits and thereafter maintains security as required under section 321A.5 in such amount as the department may then determine; or

*b.* Twelve months after such security was required, provided the department has not been notified that an action upon such an agreement has been instituted in a court in this state within one year after such security was required.

5. To the operator or owner of special mobile equipment.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.6]

92 Acts, ch 1175, §43; 2005 Acts, ch 131, §3, 5

Referred to in §321A.2, 321A.5, 321A.7, 321A.8, 321A.9, 321A.10, 321A.11

**321A.7 Duration of suspension.**

If a person's license and registration or nonresident's operating privilege has been suspended as provided in section 321A.5, that license and registration or privilege shall remain suspended and shall not be renewed and a new license or registration shall not be issued to that person until one of the following has occurred:

1. The person deposits, or there is deposited on the person's behalf, the security required under section 321A.5.

2. Twelve months have elapsed after such accident and the department has not been notified by any party to the action or an attorney for any party that an action for damages arising out of such accident has been instituted within one year from the date of the accident.

3. Evidence satisfactory to the department has been filed with the department of a release from liability, or a final adjudication of nonliability, or a warrant for confession of judgment, or a duly acknowledged written agreement, in accordance with section 321A.6, subsection 4. If, however, there is any default in the payment of any installment under any confession of judgment, then, upon notice of such default, the department shall immediately suspend the license and registration or nonresident's operating privilege of such person defaulting which shall not be restored unless and until the entire amount provided for in

said confession of judgment has been paid. In addition, if there is any default in the payment of any installment under any duly acknowledged written agreement, then, upon notice of such default, the department shall immediately suspend the license and registration or nonresident's operating privilege of that person defaulting and the license and registration or nonresident's operating privilege shall not be restored unless and until one of the following occurs:

*a.* Such person deposits and thereafter maintains security as required under section 321A.5 in such amount as the department may then determine.

*b.* Twelve months have elapsed after such security was required and the department has not been notified by any party to the action or an attorney for any party that an action upon such an agreement has been instituted in a court in this state within one year after such security was required.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.7]

92 Acts, ch 1175, §43; 2009 Acts, ch 133, §124

Referred to in §321A.2, 321A.8, 321A.9, 321A.10, 321A.11

**321A.8 Application to unlicensed drivers and unregistered motor vehicles.**

In case the operator or the owner of a motor vehicle involved in an accident within this state has no license or registration, the operator or owner shall not be allowed a license or registration until the operator or owner has complied with the requirements of sections 321A.4 to 321A.11 to the same extent that would be necessary if, at the time of the accident, the operator or owner had held a license and registration.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.8]

Referred to in §321A.2, 321A.9, 321A.10, 321A.11

**321A.9 Form and amount of security.**

1. The security required under sections 321A.4 to 321A.11 shall be in such form and in such amount as the department may require but in no case in excess of the limits specified in section 321A.5 in reference to the acceptable limits of a policy or bond. The person depositing security shall specify in writing the person or persons on whose behalf the deposit is made and, at any time while such deposit is in the custody of the department or state treasurer, the person depositing it may, in writing, amend the specification of the person or persons on whose behalf the deposit is made to include an additional person or persons; provided, however, that a single deposit of security shall be applicable only on behalf of persons required to furnish security because of the same accident.

2. The department may reduce the amount of security ordered in any case within six months after the date of the accident if, in the department's judgment, the amount ordered is excessive. In case the security originally ordered has been deposited the excess deposited over the reduced amount ordered shall be returned to the depositor or the depositor's personal representative forthwith, notwithstanding the provisions of section 321A.10.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.9]

92 Acts, ch 1175, §43

Referred to in §321A.2, 321A.8, 321A.10, 321A.11

**321A.10 Custody, disposition, and return of security.**

Security deposited in compliance with the requirements of sections 321A.4 to 321A.11 shall be placed by the department in the custody of the state treasurer and shall be applicable only to the payment of a judgment or judgments rendered against the person or persons on whose behalf the deposit was made, for damages arising out of the accident in question in an action at law, begun not later than one year after the date of such accident, or within one year after the date of deposit of any security under subsection 3 of section 321A.7, and such deposit or any balance thereof shall be returned to the depositor or the depositor's personal representative when evidence satisfactory to the department has been filed with the department that there has been a release from liability, or a final adjudication of nonliability, or a warrant for confession of judgment, or a duly acknowledged agreement, in accordance with subsection 4 of section 321A.6, or whenever, after the expiration of one year from the date of the accident, or within one year after the date of deposit of any security under

subsection 3 of section 321A.7, the department shall be given reasonable evidence that there is no such action pending and no judgment rendered in such action left unpaid.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.10]

92 Acts, ch 1175, §43

Referred to in §321A.2, 321A.8, 321A.9, 321A.11

**321A.11 Matters not to be evidence in civil suits.**

Neither the report required by section 321A.4, the action taken by the department pursuant to sections 321A.4 to 321A.10 and this section, the findings, if any, of the department upon which action is based, nor the security filed as provided in said sections shall be referred to in any way, or be any evidence of the negligence or due care of either party, at the trial of any action at law to recover damages.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.11]

92 Acts, ch 1175, §43

Referred to in §321A.2, 321A.8, 321A.9, 321A.10

## PROOF OF FINANCIAL RESPONSIBILITY FOR THE FUTURE

**321A.12 Courts to report nonpayment of judgments.**

1. Whenever any person fails within sixty days to satisfy any judgment, it shall be the duty of the clerk of the district court, or of the judge of a court which has no clerk, in which any such judgment is rendered within this state, to forward to the department immediately after the expiration of the sixty days and upon written request of the judgment creditor, a certified copy of such judgment.

2. If the defendant named in any certified copy of a judgment reported to the department is a nonresident, the department shall transmit a certified copy of the judgment to the official in charge of the issuance of licenses and registration certificates of the state of which the defendant is a resident.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.12]

92 Acts, ch 1175, §43; 99 Acts, ch 144, §5

Referred to in §321A.13, 602.8102(53)

**321A.13 Suspension for nonpayment of judgments — exceptions.**

1. The department upon receipt of a certified copy of a judgment, shall forthwith suspend the license and registration and any nonresident's operating privilege of any person against whom such judgment was rendered, except as hereinafter otherwise provided in this section and in section 321A.16.

2. If the judgment creditor consents in writing, in such form as the department may prescribe, that the judgment debtor be allowed license and registration or nonresident's operating privilege, the same may be allowed by the department, in the department's discretion, for six months from the date of such consent and thereafter until such consent is revoked in writing, notwithstanding default in the payment of such judgment, or of any installments thereof prescribed in section 321A.16, provided the judgment debtor furnishes proof of financial responsibility.

3. Any person whose license, registration, or nonresident's operating privilege has been suspended or is about to be suspended or shall become subject to suspension under the provisions of sections 321A.12 to 321A.29 may be relieved from the effect of such judgment as hereinbefore prescribed in said sections by filing with the department an affidavit stating that at the time of the accident upon which such judgment has been rendered the affiant was insured, that the insurer is liable to pay such judgment, and the reason, if known, why such insurance company has not paid such judgment. Such a person shall also file the original policy of insurance or a certified copy thereof, if available, and such other documents as the department may require to show that the loss, injury, or damage for which such judgment was rendered, was covered by such policy of insurance. If the department is satisfied from

such papers that such insurer was authorized to issue such policy of insurance at the time and place of issuing such policy and that such insurer is liable to pay such judgment, at least to the extent and for the amounts required in this chapter, the department shall not suspend such license or registration or nonresident's operating privilege, or if already suspended shall reinstate them.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.13]

92 Acts, ch 1175, §43

Referred to in §321A.14

**321A.14 Suspension to continue until judgments paid and proof given.**

A license, registration, and nonresident's operating privilege shall remain suspended under section 321A.13, and shall not be renewed, nor shall any such license or registration be subsequently issued in the name of the person, including any person not previously licensed, until every judgment is satisfied in full or to the extent hereinafter provided, or until evidence is provided, to the satisfaction of the department, that the judgment has not been renewed and is no longer enforceable. A person whose license, registration, or nonresident's operating privilege was suspended under section 321A.13 must provide proof to the department of financial responsibility subject to the exemptions stated in sections 321A.13 and 321A.16 prior to obtaining a license, registration, or nonresident's operating privilege.

[C31, 35, §5079-c4; C39, §**5021.01;** C46, §321.275; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.14]

87 Acts, ch 14, §1; 2001 Acts, ch 132, §15

Referred to in §321A.13

**321A.15 Payments sufficient to satisfy requirements.**

1. *a.* Judgments referred to in this chapter and rendered upon claims arising from accidents occurring on or after January 1, 1981, and before January 1, 1983, shall, for the purpose of this chapter only, be deemed satisfied when the following occur:

(1) When fifteen thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident.

(2) When, subject to the limit of fifteen thousand dollars because of bodily injury to or death of one person, the sum of thirty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident.

(3) When ten thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

*b.* Judgments referred to in this chapter and rendered upon claims arising from accidents occurring on or after January 1, 1983, shall, for the purpose of this chapter only, be deemed satisfied when the following occur:

(1) When twenty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident.

(2) When, subject to the limit of twenty thousand dollars because of bodily injury to or death of one person, the sum of forty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident.

(3) When fifteen thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

2. Provided, however, payments made in settlements of any claims because of bodily

injury, death, or property damage arising from a motor vehicle accident shall be credited in reduction of the amounts provided for in this section.

[C31, 35, §5079-c4; C39, §**5021.02;** C46, §321.276; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.15]

Referred to in §321A.13

**321A.16 Installment payment of judgments — default.**

1. A judgment debtor upon due notice to the judgment creditor may apply to the court in which such judgment was rendered for the privilege of paying such judgment in installments and the court, in its discretion and without prejudice to any other legal remedies which the judgment creditor may have, may so order and fix the amounts and times of payment of the installments.

2. The department shall not suspend a license, registration, or nonresident's operating privilege, and shall restore any license, registration, or nonresident's operating privilege suspended following nonpayment of a judgment, when the judgment debtor gives proof of financial responsibility and obtains such an order permitting the payment of such judgment in installments, and while the payment of any said installment is not in default.

3. In the event the judgment debtor fails to pay any installment as specified by such order, then upon notice of such default, the department shall forthwith suspend the license, registration, or nonresident's operating privilege of the judgment debtor until such judgment is satisfied, as provided in this chapter.

[C31, 35, §5079-c4; C39, §**5021.02;** C46, §321.276; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.16]

92 Acts, ch 1175, §43

Referred to in §321A.13, 321A.14

**321A.17 Proof required upon certain convictions.**

1. Whenever the department, under any law of this state, suspends or revokes the license of any person upon receiving record of a conviction or a forfeiture of bail or revokes the license of any person pursuant to chapter 321J, the department shall also suspend the registration for all motor vehicles registered in the name of the person, except that the department shall not suspend the registration, unless otherwise required by law, if the person has previously given or immediately gives and thereafter maintains proof of financial responsibility with respect to all motor vehicles registered by the person.

2. Such license and registration shall remain suspended or revoked and shall not at any time thereafter be renewed nor shall any license be thereafter issued to such person, nor shall any motor vehicle be thereafter registered in the name of such person until permitted under the motor vehicle laws of this state and not then unless and until the person shall give and thereafter maintain proof of financial responsibility.

3. If a person is not licensed, but by final order or judgment is convicted of or forfeits any bail or collateral deposited to secure an appearance for trial for any offense requiring the suspension or revocation of license, or for operating an unregistered motor vehicle upon the highways, no license shall be thereafter issued to such person and no motor vehicle shall continue to be registered or thereafter be registered in the name of such person until the person shall give and thereafter maintain proof of financial responsibility.

4. An individual applying for a driver's license following a period of suspension or revocation pursuant to a dispositional order issued under section 232.52, subsection 2, paragraph "*a*", or under section 321.180B, section 321.210, subsection 1, paragraph "*a*", subparagraph (4), or section 321.210A, 321.213A, 321.213B, 321.216B, or 321.513, following a period of suspension under section 321.178 or 321.194, or following a period of revocation pursuant to a court order issued under section 901.5, subsection 10, or under section 321J.2A, is not required to maintain proof of financial responsibility under this section.

5. This section does not apply to a commercial driver's licensee who is merely disqualified from operating a commercial motor vehicle under section 321.208 if the licensee's driver's license is not suspended or revoked.

6. This section does not apply to an individual whose administrative license suspension

under section 321.210D has been rescinded and who is otherwise under no obligation to furnish proof of financial responsibility.

7. This section does not apply to an individual whose administrative license revocation has been rescinded under section 321J.13, and who is otherwise under no obligation to furnish proof of financial responsibility.

8. This section does not apply to an individual whose privilege to operate a motor vehicle has been suspended or revoked when the period of suspension or revocation has ended and the individual provides evidence satisfactory to the department that the individual has established residency in another state. The individual may not apply for an Iowa driver's license for two years from the effective date of the person's last suspension or revocation unless proof of financial responsibility is filed with the department, as required by this section.

9. The registration suspension required under this section does not apply to a motor vehicle awarded to an individual under an order entered pursuant to section 598.21, if all of the following apply:

*a.* The individual was the co-owner of the motor vehicle with a spouse who is required to file and maintain proof of financial responsibility.

*b.* The individual is not otherwise required to file and maintain proof of financial responsibility.

*c.* The individual is not able to obtain title to the motor vehicle in the individual's sole name due to a lien against the motor vehicle that existed at the time the order was entered pursuant to section 598.21.

[C31, 35, §5079-c5, -c6; C39, §**5021.03, 5021.04;** C46, §321.277, 321.278; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.17; 82 Acts, ch 1167, §11]

85 Acts, ch 197, §5; 86 Acts, ch 1220, §38; 89 Acts, ch 266, §3; 90 Acts, ch 1230, §78; 92 Acts, ch 1175, §43; 93 Acts, ch 16, §11; 93 Acts, ch 164, §5; 94 Acts, ch 1172, §36; 95 Acts, ch 48, §6; 95 Acts, ch 55, §11; 96 Acts, ch 1218, §67; 98 Acts, ch 1073, §9; 98 Acts, ch 1088, §2; 98 Acts, ch 1112, §12; 99 Acts, ch 13, §19, 29; 2002 Acts, ch 1063, §34, 35; 2009 Acts, ch 130, §27, 38; 2010 Acts, ch 1061, §176; 2011 Acts, ch 38, §20

Referred to in §321.189, 321.210B, 321.213, 321A.13

**321A.18 Alternate methods of giving proof.**

Proof of financial responsibility when required under this chapter may be given by filing any of the following:

1. A certificate of insurance as provided in section 321A.19 or section 321A.20.
2. A bond as provided in section 321A.24.
3. A certificate of deposit as provided in section 321A.25.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.18]

2000 Acts, ch 1025, §2, 6; 2013 Acts, ch 37, §2

Referred to in §321A.13

Subsection 3 amended

**321A.19 Certificate of insurance as proof.**

1. Proof of financial responsibility may be furnished by filing with the department the written certificate of any insurance carrier duly authorized to do business in this state certifying that there is in effect a motor vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility. Such certificate shall give the effective date of such motor vehicle liability policy, which date shall be the same as the effective date of the certificate, and shall designate by explicit description or by appropriate reference all motor vehicles covered thereby, unless the policy is issued to a person who is not the owner of a motor vehicle.

2. No motor vehicle shall be or continue to be registered in the name of any person required to file proof of financial responsibility unless such motor vehicle is so designated in such a certificate.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.19]

92 Acts, ch 1175, §43

Referred to in §321A.13, 321A.18, 321A.21, 321A.22

**321A.20 Certificate furnished by nonresident as proof.**

1. The nonresident owner of a motor vehicle not registered in this state may give proof of financial responsibility by filing with the department a written certificate or certificates of an insurance carrier authorized to transact business in the state in which the motor vehicle, or motor vehicles, described in such certificate is registered, or if such nonresident does not own a motor vehicle, then in the state in which the insured resides, provided such certificate otherwise conforms with the provisions of this chapter, and the department shall accept the same upon condition that said insurance carrier complies with the following provisions with respect to the policies so certified:

*a.* Said insurance carrier shall execute a power of attorney authorizing the department to accept service on its behalf of notice or process in any action arising out of a motor vehicle accident in this state.

*b.* Said insurance carrier shall agree in writing that such policies shall be deemed to conform with the laws of this state relating to the terms of motor vehicle liability policies issued herein.

2. If any insurance carrier not authorized to transact business in this state, which has qualified to furnish proof of financial responsibility, defaults in any said undertakings or agreements, the department shall not thereafter accept as proof any certificate of said carrier whether theretofore filed or thereafter tendered as proof, so long as such default continues.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.20]

92 Acts, ch 1175, §43

Referred to in §321A.13, 321A.18, 321A.21, 321A.22

**321A.21 "Motor vehicle liability policy" defined.**

1. A *"motor vehicle liability policy"* as said term is used in this chapter shall mean an owner's or an operator's policy of liability insurance, certified as provided in section 321A.19 or section 321A.20 as proof of financial responsibility, and issued, except as otherwise provided in section 321A.20, by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named therein as insured.

2. Such owner's policy of liability insurance:

*a.* Shall designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby to be granted; and

*b.* Shall insure the person named in the policy and any other person, as insured, using the motor vehicles with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of the motor vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such motor vehicle, as follows: With respect to all accidents which occur on or after January 1, 1981, and before January 1, 1983, fifteen thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, thirty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and ten thousand dollars because of injury to or destruction of property of others in any one accident; and with respect to all accidents which occur on or after January 1, 1983, twenty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, forty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and fifteen thousand dollars because of injury to or destruction of property of others in any one accident.

3. Such operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon the person by law for damages arising out of the use by the person of any motor vehicle not owned by the person, within the same territorial limits and subject to the same limits of liability as are set forth above with respect to an owner's policy of liability insurance.

4. Such motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period, and the limits of liability, and shall contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this chapter

as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this chapter.

5. Such motor vehicle liability policy need not insure any liability under any workers' compensation law nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance, or repair of any such motor vehicle nor any liability for damage to property owned by, rented to, in charge of, or transported by the insured.

6. Every motor vehicle liability policy shall be subject to the following provisions which need not be contained therein:

*a.* The liability of the insurance carrier with respect to the insurance required by this chapter shall become absolute whenever injury or damage covered by said motor vehicle liability policy occurs; said policy may not be canceled or annulled as to such liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage; no statement made by the insured or on the insured's behalf and no violation of said policy shall defeat or void said policy.

*b.* The satisfaction by the insured of a judgment for such injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of such injury or damage.

*c.* The insurance carrier shall have the right to settle any claim covered by the policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in paragraph "*b*" of subsection 2 of this section.

*d.* The policy, the written application therefor, if any, and any rider or endorsement which does not conflict with the provisions of the chapter shall constitute the entire contract between the parties.

7. Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy and such excess or additional coverage shall not be subject to the provisions of this chapter. With respect to a policy which grants such excess or additional coverage the term "*motor vehicle liability policy*" shall apply only to that part of the coverage which is required by this section.

8. Any motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this chapter.

9. Any motor vehicle liability policy may provide for the prorating of the insurance thereunder with other valid and collectible insurance.

10. The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers which policies together meet such requirements.

11. Any binder issued pending the issuance of a motor vehicle liability policy shall be deemed to fulfill the requirements for such a policy.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.21]

Referred to in §321.1, 321A.13

**321A.22 Notice of cancellation or termination of certified policy.**

When an insurance carrier has certified a motor vehicle liability policy under section 321A.19 or section 321A.20, the insurance so certified shall not be canceled or terminated until at least ten days after a notice of cancellation or termination of the insurance so certified shall be filed in the office of the department, except that such a policy subsequently procured and certified shall, on the effective date of its certification, terminate the insurance previously certified with respect to any motor vehicle designated in both certificates.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.22]

92 Acts, ch 1175, §43

Referred to in §321A.13

**321A.23 Chapter not to affect other policies.**

1. This chapter shall not be held to apply to or affect policies of automobile insurance against liability which may now or hereafter be required by any other law of this state, and

such policies, if they contain an agreement or are endorsed to conform with the requirements of this chapter, may be certified as proof of financial responsibility under this chapter.

2. This chapter shall not be held to apply to or affect policies insuring solely the insured named in the policy against liability resulting from the maintenance or use by persons in the insured's employ or on the insured's behalf of motor vehicles not owned by the insured.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.23]

Referred to in §321A.13

**321A.24 Bond as proof.**

1. *a.* Proof of financial responsibility may be evidenced by the bond of a surety company duly authorized to transact business within this state, or a bond with at least two individual sureties each owning real estate within this state, and together having equities equal in value to at least twice the amount of the bond, which real estate shall be scheduled in the bond approved by a judge or clerk of the district court, and which bond shall be conditioned for payment of the amounts specified in section 321A.1, subsection 11.

*b.* The bond shall be filed with the department and is not cancelable except after ten days' written notice to the department. The director shall issue to the person filing the bond a bond insurance card for each motor vehicle registered by the person in the state. The bond insurance card shall state the name and address of the person and the motor vehicle registration number of the vehicle for which the card is issued.

*c.* The bond constitutes a lien in favor of the state upon the real estate so scheduled of any surety, which lien exists in favor of any holder of a final judgment against the person who has filed the bond, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damage because of injury to or destruction of property, including the loss of use of the property, resulting from the ownership, maintenance, use, or operation of a motor vehicle after the bond was filed, upon the filing of notice to that effect by the department in the office of the proper clerk of the district court of the county where the real estate is located. An individual surety scheduling real estate security shall furnish satisfactory evidence of title to the property and the nature and extent of all encumbrances on the property and the value of the surety's interest in the property, in the manner the judge or clerk of the district court approving the bond requires. The notice filed by the department shall contain, in addition to any other matters deemed by the department to be pertinent, a legal description of the real estate scheduled, the name of the holder of the record title, the amount for which it stands as security, and the name of the person in whose behalf proof is so being made. Upon the filing of the notice the clerk of the district court shall retain the notice as part of the records of the court and enter upon the encumbrance book the date and hour of filing, the name of the surety, the name of the record titleholder, the description of the real estate, and the further notation that a lien is charged on the real estate pursuant to the filed notice. From and after the entry of the notice upon the encumbrance book all persons are charged with notice of it.

*d.* If the bond is canceled, the person who filed the bond shall surrender to the director all bond insurance cards issued to the person.

2. If such a judgment, rendered against the principal on such bond shall not be satisfied within sixty days after it has become final, the judgment creditor may, for the judgment creditor's own use and benefit and at the judgment creditor's sole expense, bring an action or actions in the name of the state against the company or persons executing such bond, including an action or proceeding to foreclose any lien that may exist upon the real estate of a person who has executed such bond. An action to foreclose any lien upon real estate scheduled by any surety under the provisions of this chapter shall be by equitable proceeding in the same manner as is provided for the foreclosure of real estate mortgages.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.24]

92 Acts, ch 1175, §43; 97 Acts, ch 139, §8, 17, 18; 98 Acts, ch 1121, §8

Referred to in §321.1, 321A.13, 321A.18, 602.8102(54)

**321A.25 Certificate of deposit as proof.**

1. Proof of financial responsibility may be evidenced by filing with the department

fifty-five thousand dollars in the form of a certificate of deposit made payable to the department. The certificate of deposit shall be obtained from an Iowa financial institution in the amount of fifty-five thousand dollars plus any early withdrawal penalty fee. Upon receipt of the certificate of deposit, the department shall issue to the person a security insurance card for each motor vehicle registered in this state by the person. The security insurance card shall state the name and address of the person and the registration number of the motor vehicle for which the card is issued. The department shall not accept a certificate of deposit unless accompanied by evidence that there are no unsatisfied judgments of any character against the person in the county where the person resides.

2. Such certificate of deposit shall be held by the department to satisfy, in accordance with this chapter, any execution on a judgment issued against the person filing the certificate of deposit, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use of property, resulting from the ownership, maintenance, use, or operation of a motor vehicle after the certificate of deposit was filed. A certificate of deposit so filed shall not be subject to attachment or execution unless the attachment or execution arises out of a suit for damages as previously provided in this subsection.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.25]

92 Acts, ch 1175, §43; 97 Acts, ch 139, §9, 17; 2000 Acts, ch 1025, §3, 6; 2013 Acts, ch 37, §3

Referred to in §321.1, 321A.13, 321A.18

Section amended

**321A.26 Owner may give proof for others.**

Whenever any person required to give proof of financial responsibility hereunder is or later becomes an operator in the employ of any owner, or is or later becomes a member of the immediate family or household of the owner, the department shall accept proof given by such owner in lieu of proof by such other person to permit such other person to operate a motor vehicle for which the owner has given proof as herein provided or has qualified as a self-insurer under section 321A.34. The department shall designate the restrictions imposed by this section on the face of such person's license.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.26]

92 Acts, ch 1175, §43

Referred to in §321A.13, 321A.33

**321A.27 Substitution of proof.**

The department shall consent to the cancellation of a bond or certificate of insurance or the department shall return a certificate of deposit to the person entitled to the certificate of deposit upon the substitution and acceptance of other adequate proof of financial responsibility pursuant to this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.27]

92 Acts, ch 1175, §43; 2000 Acts, ch 1025, §4, 6; 2013 Acts, ch 37, §4

Referred to in §321A.13

Section amended

**321A.28 Other proof may be required.**

Whenever any proof of financial responsibility filed under the provisions of this chapter no longer fulfills the purposes for which required, the department shall for the purpose of this chapter, require other proof as required by this chapter and shall suspend the license and registration or the nonresident's operating privilege pending the filing of such other proof.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.28]

92 Acts, ch 1175, §43

Referred to in §321A.13

**321A.29 Duration of proof — when proof may be canceled or returned.**

1. The department shall upon request consent to the immediate cancellation of a bond or certificate of insurance, or the department shall return to the person entitled thereto a certificate of deposit filed pursuant to this chapter as proof of financial responsibility, or the department shall waive the requirement of filing proof, in any of the following events:

*a.* At any time after two years from the date such proof was required when, during the two-year period preceding the request, the department has not received record of a conviction or a forfeiture of bail which would require or permit the suspension or revocation of the license, registration, or nonresident's operating privilege of the person by or for whom such proof was furnished.

*b.* In the event of the death of the person on whose behalf such proof was filed or the permanent incapacity of such person to operate a motor vehicle.

*c.* In the event the person who has given proof surrenders the person's license and registration to the department.

2. The department shall not consent to the cancellation of a bond or return a certificate of deposit in the event an action for damages upon a liability covered by such proof is then pending or a judgment upon any such liability is unsatisfied, or in the event the person who has filed such bond or such certificate of deposit has within one year immediately preceding such request been involved as an operator or owner in any motor vehicle accident resulting in injury or damage to the person or property of others. An affidavit of the applicant as to the nonexistence of such facts, or that the applicant has been released from all of the applicant's liability, or has been finally adjudicated not to be liable, for such injury or damage, shall be sufficient evidence thereof in the absence of evidence to the contrary in the records of the department.

3. If a person whose proof has been canceled or returned under subsection 1, paragraph "*c*", applies for a license or registration within a period of two years from the date proof was originally required, such application shall be refused unless the applicant reestablishes proof for the remainder of the two-year period.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.29]

92 Acts, ch 1175, §43; 2000 Acts, ch 1025, §5, 6; 2013 Acts, ch 37, §5, 6

Referred to in §321.12, 321A.13

Subsection 1, unnumbered paragraph 1 amended

Subsection 2 amended

## VIOLATIONS OF CHAPTER — PENALTIES

**321A.30 Transfer of registration to defeat purpose of chapter prohibited.**

This chapter shall not prevent the owner of a motor vehicle, the registration of which has been suspended hereunder, from effecting a bona fide sale of such motor vehicle to another person whose rights or privileges are not suspended under this chapter nor prevent the registration of such motor vehicle by such transferee. This chapter shall not in any wise affect the rights of any secured party or lessor of a motor vehicle registered in the name of another as owner who becomes subject to the provisions of this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.30]

**321A.31 Surrender of license and registration.**

Any person whose license or registration shall have been suspended as herein provided, or whose policy of insurance or bond, when required under this chapter, shall have been canceled or terminated, or who shall neglect to furnish other proof upon request of the department shall immediately return the person's license and registration to the department. If any person shall fail to return to the department the license or registration as provided herein, the department shall forthwith direct any peace officer to secure possession thereof and to return the same to the department.

[C31, 35, §5079-c4; C39, §**5021.01;** C46, §321.275; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.31]

92 Acts, ch 1175, §43

Referred to in §321.12, 321A.32

**321A.32 Other violations — penalties.**

1. Any person whose license or registration or nonresident's operating privilege has been suspended, denied, or revoked under this chapter or continues to remain suspended

or revoked under this chapter, and who, during such suspension, denial, or revocation, or during such continuing suspension or continuing revocation, drives any motor vehicle upon any highway or knowingly permits any motor vehicle owned by such person to be operated by another upon any highway, except as permitted under this chapter, shall be guilty of a simple misdemeanor. In addition to any other penalties, the punishment imposed for a violation of this subsection shall include assessment of a fine of not less than two hundred fifty dollars nor more than one thousand five hundred dollars.

2. Any person willfully failing to return license or registration as required in section 321A.31 shall be guilty of a simple misdemeanor.

3. A person who forges or, without authority, signs a notice provided for under section 321A.5 that a policy or bond is in effect, or any evidence of financial responsibility, or any evidence of financial liability coverage as defined in section 321.1, or who files or offers for filing any such notice or evidence knowing or having reason to believe that it is forged or signed without authority, is guilty of a serious misdemeanor.

4. Any person who shall violate any provision of this chapter for which no penalty is otherwise provided shall be guilty of a serious misdemeanor.

[C31, 35, §5079-c7; C39, §**5021.05;** C46, §321.279; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.32]

84 Acts, ch 1142, §2; 97 Acts, ch 139, §10, 17, 18; 98 Acts, ch 1121, §8; 99 Acts, ch 153, §5

Referred to in §321J.4B

**321A.32A Civil penalty — disposition — reinstatement.**

When the department suspends, revokes, or bars a person's driver's license or nonresident operating privilege under this chapter, the department shall assess the person a civil penalty of two hundred dollars. However, for persons age nineteen or under, the civil penalty assessed shall be fifty dollars. The money collected by the department under this section shall be transmitted to the treasurer of state who shall deposit the money in the juvenile detention home fund created in section 232.142. Except as provided in section 321.210B, a temporary restricted license shall not be issued or a driver's license or nonresident operating privilege reinstated until the civil penalty has been paid. A person assessed a penalty under this section may remit the civil penalty along with a processing fee of five dollars to a county treasurer authorized to issue driver's licenses under chapter 321M, or the civil penalty may be paid directly to the department.

97 Acts, ch 190, §2; 98 Acts, ch 1073, §9; 2001 Acts, ch 191, §43; 2005 Acts, ch 54, §6, 12; 2008 Acts, ch 1018, §24, 31

Referred to in §232.142, 321.210B, 321M.9, 331.557A

## GENERAL PROVISIONS

**321A.33 Exceptions.**

This chapter does not apply to any motor vehicle owned by the United States, this state, or any political subdivision of this state or to any operator, except for section 321A.4, while on official duty operating such motor vehicle. This chapter does not apply, except for sections 321A.4 and 321A.26, to any motor vehicle which is subject to section 325A.6.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.33; 82 Acts, ch 1150, §1]

98 Acts, ch 1100, §49; 2008 Acts, ch 1031, §112

**321A.34 Self-insurers.**

1. *a.* Any person in whose name more than twenty-five motor vehicles are registered may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the department as provided in paragraph *"b"*.

*b.* The department may, upon the application of such a person, issue a certificate of self-insurance if the department is satisfied that the person has and will continue to have the ability to pay judgments obtained against the person for damages arising out of the ownership, maintenance, or use of any vehicle owned by the person. A person issued a

certificate of self-insurance pursuant to this subsection shall maintain a financial liability coverage card as provided in section 321.20B, subsection 2, paragraph *"b"*, subparagraph (1).

2. *a.* Any association of individual members that is a legal entity with the power to sue and be sued in its own name and which is composed of individual members in whose names a total of more than twenty-five motor vehicles are registered, may qualify as a self-insurer by obtaining a certificate of insurance issued by the department as provided in paragraph *"b"*.

*b.* The department may, upon the application of such an association, issue a certificate of self-insurance if the department is satisfied that the association has and will continue to have the ability to pay judgments obtained against the association or against an individual member of the association for damages arising out of the ownership, maintenance, or use of any vehicle owned by an individual member of the association. An association issued a certificate of self-insurance pursuant to this paragraph shall maintain a financial liability coverage card as provided in section 321.20B, subsection 2, paragraph *"b"*, subparagraph (2).

3. Upon not less than five days' notice and a hearing pursuant to the notice, the department may upon reasonable grounds cancel a certificate of self-insurance. Failure to pay a judgment for damages arising out of the ownership, maintenance, or use of any vehicle owned by the self-insurer within thirty days after the judgment becomes final constitutes a reasonable ground for the cancellation of a certificate of self-insurance. Upon the cancellation of a certificate of self-insurance, the person who was issued the certificate shall surrender to the director all self-insurance cards issued to the person.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.34]

92 Acts, ch 1175, §43; 97 Acts, ch 139, §11, 17; 2007 Acts, ch 215, §108

Referred to in §321.1, 321.20B, 321A.5, 321A.26

**321A.35** Repealed by 90 Acts, ch 1230, § 97.

**321A.36 Chapter not to prevent other process.**

Nothing in this chapter shall be construed as preventing the plaintiff in any action at law from relying for relief upon the other processes provided by law.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.36]

**321A.37 Uniformity of interpretation.**

This chapter shall be so interpreted and construed as to effectuate its general purpose to make uniform the laws of those states which enact it.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.37]

**321A.38 Title of chapter.**

This chapter may be cited as the *"Motor Vehicle Financial and Safety Responsibility Act"*.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.38]

**321A.39 Liability insurance — statement.**

1. Whenever any dealer licensed under chapter 322 sells a motor vehicle at retail and the transaction does not include the sale of liability insurance coverage which will protect the purchaser under the Iowa motor vehicle financial and safety responsibility Act the purchase order or invoice evidencing the transaction shall contain a statement in the following form:

I understand that liability insurance coverage which would protect me under the Iowa Motor Vehicle Financial and Safety Responsibility Act IS NOT INCLUDED in my purchase of the herein described motor vehicle. I have received a copy of this statement.

.....

(Purchaser's signature)

2. The seller shall print or stamp the statement conspicuously on the purchase order or invoice. The statement shall be signed by the purchaser in the space provided on or before

the date of delivery of the motor vehicle described in the purchase order or invoice and a copy of the statement shall be given to the purchaser by the seller.

3. No civil liability shall arise on account of the failure of any person to comply with the provisions of this section.

4. Any person violating any provisions of this section shall be deemed guilty of a misdemeanor and shall be punished by a fine not exceeding fifty dollars.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.39]

2005 Acts, ch 8, §37; 2009 Acts, ch 133, §225

# CHAPTER 321B

RESERVED

# CHAPTER 321C

## INTERSTATE DRIVERS LICENSE COMPACTS

Referred to in §321.1, 321.555

321C.1 Power to enter into compact — terms.
321C.2 Enforcement.

**321C.1 Power to enter into compact — terms.**

The director of transportation may enter into drivers license compacts with other jurisdictions in substantially the following form and the contracting states agree:

1. *Article I — Findings and declaration of policy.*

*a.* The party states find that:

(1) The safety of their streets and highways is materially affected by the degree of compliance with state laws and local ordinances relating to the operation of motor vehicles.

(2) Violation of such a law or ordinance is evidence that the violator engages in conduct which is likely to endanger the safety of persons and property.

(3) The continuance in force of a license to drive is predicated upon compliance with laws and ordinances relating to the operation of motor vehicles, in whichever jurisdiction the vehicle is operated.

*b.* It is the policy of each of the party states to:

(1) Promote compliance with the laws, ordinances, and administrative rules and regulations relating to the operation of motor vehicles by their operators in each of the jurisdictions where such operators drive motor vehicles.

(2) Make the reciprocal recognition of licenses to drive and eligibility therefor more just and equitable by considering the overall compliance with motor vehicle laws, ordinances and administrative rules and regulations as a condition precedent to the continuance or issuance of any license by reason of which the licensee is authorized or permitted to operate a motor vehicle in any of the party states.

2. *Article II — Definitions.* As used in this compact:

*a.* *"State"* means a state, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

*b.* *"Home state"* means the state which has issued and has the power to suspend or revoke the use of the license or permit to operate a motor vehicle.

*c.* *"Conviction"* means a conviction of any offense related to the use or operation of a motor vehicle which is prohibited by state law, municipal ordinance or administrative rule or regulation, or a forfeiture of bail, bond or other security deposited to secure appearance by a person charged with having committed any such offense, and which conviction or forfeiture is required to be reported to the licensing authority.

3. *Article III — Reports of conviction.* The licensing authority of a party state shall report each conviction of a person from another party state occurring within its jurisdiction to the licensing authority of the home state of the licensee. Such report shall clearly identify the person convicted; describe the violation specifying the section of the statute, code or ordinance violated; identify the court in which action was taken; indicate whether a plea of guilty or not guilty was entered, or the conviction was a result of the forfeiture of bail, bond or other security; and shall include any special findings made in connection therewith.

4. *Article IV — Effect of conviction.*

*a.* The licensing authority in the home state, for the purposes of suspension, revocation or limitation of the license to operate a motor vehicle, shall give the same effect to the conduct reported, pursuant to article III of this compact, as it would if such conduct had occurred in the home state, in the case of convictions for:

(1) Manslaughter or negligent homicide resulting from the operation of a motor vehicle.

(2) Driving a motor vehicle while under the influence of intoxicating liquor or a narcotic drug, or under the influence of any other drug to a degree which renders the driver incapable of safely driving a motor vehicle.

(3) Any felony in the commission of which a motor vehicle is used.

(4) Failure to stop and render aid in the event of a motor vehicle accident resulting in the death or personal injury of another.

*b.* As to other convictions, reported pursuant to article III, the licensing authority in the home state shall give such effect to the conduct as is provided by the laws of the home state.

*c.* If the laws of a party state do not provide for offenses or violations denominated or described in precisely the words employed in paragraph *"a"* of this article, such party state shall construe the denominations and descriptions appearing in paragraph *"a"* hereof as being applicable to and identifying those offenses or violations of a substantially similar nature, and the laws of such party state shall contain such provisions as may be necessary to ensure that full force and effect is given to this article.

5. *Article V — Applications for new licenses.* Upon application for a license to drive, the licensing authority in a party state shall ascertain whether the applicant has ever held, or is the holder of a license to drive issued by any other party state. The licensing authority in the state where application is made shall not issue a license to drive to the applicant if:

*a.* The applicant has held such a license, but the same has been suspended by reason, in whole or in part, of a violation and if such suspension period has not terminated.

*b.* The applicant has held such a license, but the same has been revoked by reason, in whole or in part, of a violation and if such revocation has not terminated, except that after the expiration of one year from the date the license was revoked, such person may make application for a new license if permitted by law. The licensing authority may refuse to issue a license to any such applicant if, after investigation, the licensing authority determines that it will not be safe to grant to such person the privilege of driving a motor vehicle on the public highways.

*c.* The applicant is the holder of a license to drive issued by another party state and currently in force unless the applicant surrenders such license.

6. *Article VI — Applicability of other laws.* Except as expressly required by provisions of this compact, nothing contained herein shall be construed to affect the right of any party state to apply any of its other laws relating to licenses to drive to any person or circumstance, nor to invalidate or prevent any driver license agreement or other cooperative arrangement between a party state and a nonparty state.

7. *Article VII — Compact administrator and interchange of information.*

*a.* The head of the licensing authority of each party state shall be the administrator of this compact for that state. The administrators, acting jointly, shall have the power to formulate all necessary and proper procedures for the exchange of information under this compact.

*b.* The administrator of each party state shall furnish to the administrator of each other party state any information or documents reasonably necessary to facilitate the administration of this compact.

8. *Article VIII — Entry into force and withdrawal.*

*a.* This compact shall enter into force and become effective as to any state when it has enacted the same into law.

*b.* Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until six months after the executive head of the withdrawing state has given notice of the withdrawal to the executive heads of all other party states. No withdrawal shall affect the validity or applicability by the licensing authorities of states remaining party to the compact of any report of conviction occurring prior to the withdrawal.

9. *Article IX — Construction and severability.* This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable.

[C66, 71, 73, 75, 77, 79, 81, §321C.1]

86 Acts, ch 1245, §1938; 2008 Acts, ch 1032, §201

**321C.2 Enforcement.**

The agencies and officers of this state and its subdivisions and municipalities shall enforce this compact and do all things appropriate to effect its purpose and intent which may be within their respective jurisdictions.

[C66, 71, 73, 75, 77, 79, 81, §321C.2]

# CHAPTER 321D

## VEHICLE EQUIPMENT COMPACTS

321D.1 Power to enter into compact — terms.
321D.2 Enforcement.

**321D.1 Power to enter into compact — terms.**

The director of transportation may enter into vehicle equipment safety compacts with other jurisdictions in substantially the following form and the contracting states agree:

1. *Article I — Findings and purposes.*

*a.* The party states find that:

(1) Accidents and deaths on their streets and highways present a very serious human and economic problem with a major deleterious effect on the public welfare.

(2) There is a vital need for the development of greater interjurisdictional cooperation to achieve the necessary uniformity in the laws, rules, regulations and codes relating to vehicle equipment, and to accomplish this by such means as will minimize the time between the development of demonstrably and scientifically sound safety features and their incorporation into vehicles.

*b.* The purposes of this compact are to:

(1) Promote uniformity in regulation of and standards for equipment.

(2) Secure uniformity of law and administrative practice in vehicular regulation and related safety standards to permit incorporation of desirable equipment changes in vehicles in the interest of greater traffic safety.

(3) To provide means for the encouragement and utilization of research which will facilitate the achievement of the foregoing purposes, with due regard for the findings set forth in paragraph *"a"* of this article.

*c.* It is the intent of this compact to emphasize performance requirements and not to determine the specific detail of engineering in the manufacture of vehicles or equipment except to the extent necessary for the meeting of such performance requirements.

2. *Article II — Definitions.* As used in this compact:

*a.* *"Vehicle"* means every device in, upon or by which any person or property is or may be transported or drawn upon a highway, excepting devices moved by human power or used exclusively upon stationary rails or tracks.

*b.* *"State"* means a state, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

*c.* *"Equipment"* means any part of a vehicle or any accessory for use thereon which affects the safety of operation of such vehicle or the safety of the occupants.

3. *Article III — The commission.*

*a.* There is hereby created an agency of the party states to be known as the "Vehicle Equipment Safety Commission" hereinafter called the commission. The commission shall be composed of one commissioner from each party state who shall be appointed, serve and be subject to removal in accordance with the laws of the state which the commissioner represents. If authorized by the laws of the commissioner's party state, a commissioner may provide for the discharge of the commissioner's duties and the performance of the commissioner's functions on the commission, either for the duration of the commissioner's membership or for any lesser period of time, by an alternate. No such alternate shall be entitled to serve unless notification of the alternate's identity and appointment shall have been given to the commission in such form as the commission may require. Each commissioner, and each alternate, when serving in the place and stead of a commissioner, shall be entitled to be reimbursed by the commission for expenses actually incurred in attending commission meetings or while engaged in the business of the commission.

*b.* The commissioners shall be entitled to one vote each on the commission. No action of the commission shall be binding unless taken at a meeting at which a majority of the total number of votes on the commission are cast in favor thereof. Action of the commission shall be only at a meeting at which a majority of the commissioners, or their alternates, are present.

*c.* The commission shall have a seal.

*d.* The commission shall elect annually, from among its members, a chairperson, a vice chairperson and a treasurer. The commission may appoint an executive director and fix the executive director's duties and compensation. Such executive director shall serve at the pleasure of the commission, and together with the treasurer shall be bonded in such amount as the commission shall determine. The executive director also shall serve as secretary. If there be no executive director, the commission shall elect a secretary in addition to the other officers provided by this paragraph.

*e.* Irrespective of the civil service, personnel or other merit system laws of any of the party states, the executive director with the approval of the commission, or the commission if there be no executive director, shall appoint, remove or discharge such personnel as may be necessary for the performance of the commission's functions, and shall fix the duties and compensation of such personnel.

*f.* The commission may establish and maintain independently or in conjunction with any one or more of the party states, a suitable retirement system for its full-time employees. Employees of the commission shall be eligible for social security coverage in respect of old-age and survivor's insurance provided that the commission takes such steps as may be necessary pursuant to the laws of the United States, to participate in such program of insurance as a governmental agency or unit. The commission may establish and maintain or participate in such additional programs of employee benefits as may be appropriate.

*g.* The commission may borrow, accept or contract for the services of personnel from any party state, the United States, or any subdivision or agency of the aforementioned governments, or from any agency of two or more of the party states or their subdivisions.

*h.* The commission may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state, the United States, or any other governmental agency and may receive, utilize and dispose of the same.

*i.* The commission may establish and maintain such facilities as may be necessary for the transacting of its business. The commission may acquire, hold, and convey real and personal property and any interest therein.

*j.* The commission shall adopt bylaws for the conduct of its business and shall have the power to amend and rescind these bylaws. The commission shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto, with the appropriate agency or officer in each of the party states. The bylaws shall provide for

appropriate notice to the commissioners of all commission meetings and hearings and the business to be transacted at such meetings or hearings. Such notice shall also be given to such agencies or officers of each party state as the laws of such party state may provide.

*k.* The commission annually shall make to the governor and legislature of each party state a report covering the activities of the commission for the preceding year, and embodying such recommendations as may have been issued by the commission. The commission may make such additional reports as it may deem desirable.

4. *Article IV — Research and testing.* The commission shall have power to:

*a.* Collect, correlate, analyze and evaluate information resulting or derivable from research and testing activities in equipment and related fields.

*b.* Recommend and encourage the undertaking of research and testing in any aspect of equipment or related matters when, in its judgment, appropriate or sufficient research or testing has not been undertaken.

*c.* Contract for such equipment research and testing as one or more governmental agencies may agree to have contracted for by the commission, provided that such governmental agency or agencies shall make available the funds necessary for such research and testing.

*d.* Recommend to the party states changes in law or policy with emphasis on uniformity of laws and administrative rules, regulations or codes which would promote effective governmental action or coordination in the prevention of equipment-related highway accidents or the mitigation of equipment-related highway safety problems.

5. *Article V — Vehicular equipment.*

*a.* In the interest of vehicular and public safety, the commission may study the need for or desirability of the establishment of or changes in performance requirements or restrictions for any item of equipment. As a result of such study, the commission may publish a report relating to any item or items of equipment, and the issuance of such a report shall be a condition precedent to any proceedings or other action provided or authorized by this article. No less than sixty days after the publication of a report containing the results of such study, the commission upon due notice shall hold a hearing or hearings at such place or places as it may determine.

*b.* Following the hearing or hearings provided for in paragraph "*a*" of this article, and with due regard for standards recommended by appropriate professional and technical associations and agencies, the commission may issue rules, regulations or codes embodying performance requirements or restrictions for any item or items of equipment covered in the report, which in the opinion of the commission will be fair and equitable and effectuate the purposes of this compact.

*c.* Each party state obligates itself to give due consideration to any and all rules, regulations and codes issued by the commission and hereby declares its policy and intent to be the promotion of uniformity in the laws of the several party states relating to equipment.

*d.* The commission shall send prompt notice of its action in issuing any rule, regulation or code pursuant to this article to the appropriate motor vehicle agency of each party state and such notice shall contain the complete text of the rule, regulation or code.

*e.* If the constitution of a party state requires, or if its statutes provide, the approval of the legislature by appropriate resolution or act may be made a condition precedent to the taking effect in such party state of any rule, regulation or code. In such event, the commissioner of such party state shall submit any commission rule, regulation or code to the legislature as promptly as may be in lieu of administrative acceptance or rejection thereof by the party state.

*f.* Except as otherwise specifically provided in or pursuant to paragraphs "*e*" and "*g*" of this article, the appropriate motor vehicle agency of a party state shall in accordance with its constitution or procedural laws adopt the rule, regulation or code within six months of the sending of the notice, and, upon such adoption, the rule, regulation or code shall have the force and effect of law therein.

*g.* The appropriate motor vehicle agency of a party state may decline to adopt a rule, regulation or code issued by the commission pursuant to this article if such agency specifically finds, after public hearing on due notice, that a variation from the commission's

rule, regulation or code is necessary to the public safety, and incorporates in such finding the reasons upon which it is based. Any such finding shall be subject to review by such procedure for review of administrative determinations as may be applicable pursuant to the laws of the party state. Upon request, the commission shall be furnished with a copy of the transcript of any hearings held pursuant to this paragraph.

6. *Article VI — Finance.*

*a.* The commission shall submit to the executive head or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that party state for presentation to the legislature thereof.

*b.* Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states. The total amount of appropriations under any such budget shall be apportioned among the party states as follows: One-third in equal shares; and the remainder in proportion to the number of motor vehicles registered in each party state. In determining the number of such registrations, the commission may employ such source or sources of information as in its judgment present the most equitable and accurate comparisons among the party states. Each of the commission's budgets of estimated expenditures and requests for appropriations shall indicate the source or sources used in obtaining information concerning vehicular registrations.

*c.* The commission shall not pledge the credit of any party state. The commission may meet any of its obligations in whole or in part with funds available to it under article III, paragraph "*h*" of this compact, provided that the commission takes specific action setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it under article III, paragraph "*h*" hereof, the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.

*d.* The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its rules. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become part of the annual reports of the commission.

*e.* The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.

*f.* Nothing contained herein shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

7. *Article VII — Conflict of interest.*

*a.* The commission shall adopt rules and regulations with respect to conflict of interest for the commissioners of the party states, and their alternates, if any, and for the staff of the commission and contractors with the commission to the end that no member or employee or contractor shall have a pecuniary or other incompatible interest in the manufacture, sale or distribution of motor vehicles or vehicular equipment or in any facility or enterprise employed by the commission or on its behalf for testing, conduct of investigations or research. In addition to any penalty for violation of such rules and regulations as may be applicable under the laws of the violator's jurisdiction of residence, employment or business, any violation of a commission rule or regulation adopted pursuant to this article shall require the immediate discharge of any violating employee and the immediate vacating of membership, or relinquishing of status as a member on the commission by any commissioner or alternate. In the case of a contractor, any violation of any such rule or regulation shall make any contract of the violator with the commission subject to cancellation by the commission.

*b.* Nothing contained in this article shall be deemed to prevent a contractor for the commission from using any facilities subject to the contractor's control in the performance of the contract even though such facilities are not devoted solely to work of or done on

behalf of the commission; nor to prevent such a contractor from receiving remuneration or profit from the use of such facilities.

8. *Article VIII — Advisory and technical committees.* The commission may establish such advisory and technical committees as it may deem necessary, membership on which may include private citizens and public officials, and may cooperate with and use the services of any such committees and the organizations which the members represent in furthering any of its activities.

9. *Article IX — Entry into force and withdrawal.*

*a.* This compact shall enter into force when enacted into law by any six or more states. Thereafter, this compact shall become effective as to any other state upon its enactment thereof.

*b.* Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after the executive head of the withdrawing state has given notice in writing of the withdrawal to the executive heads of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

[C66, 71, 73, 75, 77, 79, 81, §321D.1]

86 Acts, ch 1245, §1939; 2008 Acts, ch 1032, §201

**321D.2 Enforcement.**

The agencies and officers of this state and its subdivisions and municipalities shall enforce this compact and do all things appropriate to effect its purpose and intent which may be within their respective jurisdictions.

[C66, 71, 73, 75, 77, 79, 81, §321D.2]

# CHAPTER 321E

## VEHICLES OF EXCESSIVE SIZE AND WEIGHT

Referred to in §307.27, 321.423, 321.437, 321.453, 321.454, 321.457, 331.362


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321E.34 Escort requirements.

**321E.1 Definition.**

As used in this chapter, unless the context otherwise requires, *"department"* means the state department of transportation.

[C75, 77, 79, 81, §321E.27]

2013 Acts, ch 49, §28

C2014, §321E.1

Former §321E.1 transferred to §321E.2

Section transferred from §321E.27 in Code 2014 pursuant to directive in 2013 Acts, ch 49, §28

**321E.2 Permits by department and local authorities.**

1. The department and local authorities may in their discretion and upon application and with good cause shown issue permits for the movement of special mobile equipment being temporarily moved on streets, roads, or highways and for vehicles with indivisible loads which exceed the maximum dimensions and weights specified in sections 321.452 through 321.466, but not to exceed the limitations imposed in this section and sections 321E.3 through 321E.15 except as provided in section 321E.29.

2. Vehicles permitted to transport indivisible loads may do any of the following:

*a.* Exceed the width and length limitations specified in sections 321.454 and 321.457 for the purpose of picking up an indivisible load or returning from delivery of the indivisible load. Vehicles with retractable body extensions used to support cargo must be reduced to legal dimensions unless the vehicle is loaded and the extension is in use.

*b.* Move indivisible special mobile equipment which does not otherwise exceed the maximum dimensions and weights specified in sections 321.452 through 321.466 if the vehicle has an overall width not to exceed nine feet and all other conditions of the vehicle's permit are met.

3. A permit issued under this chapter shall be in writing or in an electronic format and shall be carried in the cab of the vehicle for which the permit has been issued. Permits issued under this chapter and the vehicle for which the permit has been issued shall be open to inspection at all times by any peace officer or an authorized agent of any permit-issuing authority.

4. When in the judgment of the permit-issuing authority the movement of a vehicle with an indivisible load or special mobile equipment which exceeds the maximum dimensions and weights will be unduly hazardous to public safety or will cause undue damage to infrastructure or other public or private property, the permit shall be denied and the reasons for denial endorsed on the application. Permits shall designate the days when and routes upon which loads and special mobile equipment may be moved within a county on other than primary roads.

5. A permit-issuing authority may allow persons requesting permits under this chapter to do so in person, through the internet, by facsimile machine, or by telephone, authorizing payment for the permits to be made upon receipt of an invoice sent to the persons by the permit-issuing authority.

[C31, 35, §5067-d7, -d8; C39, §**5035.16, 5035.18, 5035.19;** C46, 50, 54, 58, 62, 66, §321.467, 321.469, 321.470; C71, 73, 75, 77, 79, 81, §321E.1]

83 Acts, ch 116, §3; 85 Acts, ch 257, §20; 94 Acts, ch 1087, §9, 10; 96 Acts, ch 1089, §5; 96 Acts, ch 1152, §19; 2008 Acts, ch 1124, §9; 2013 Acts, ch 49, §2, 28

C2014, §321E.2

Referred to in §321E.8, 321E.9, 321E.9A, 321E.9B

Former §321E.2 transferred to §321E.3

Section transferred from §321E.1 in Code 2014 pursuant to directive in 2013 Acts, ch 49, §28

Section amended

**321E.3 Permit-issuing authorities.**

1. Permits issued under this chapter shall be issued by the authority responsible for the maintenance of the system of highways or streets. However, the department may issue permits on primary road extensions in cities in conjunction with movements on the rural

primary road system. The department may issue an all-systems permit under section 321E.8 which is valid for movements on all highways or streets under the jurisdiction of either the state or those local authorities that have indicated to the department in writing, including by means of electronic communication, those streets or highways for which an all-systems permit is not valid. The department may issue annual permits pursuant to section 321E.8A valid only for operation on noninterstate highways in counties stipulated in the permit.

2. At the request of a local authority, the department shall issue permits under this chapter for highways or streets that are under the jurisdiction of the local authority if the local authority has indicated to the department in writing, including by means of electronic communication, those streets or highways for which a permit is not valid.

[C71, 73, 75, 77, 79, 81, §321E.2]

86 Acts, ch 1210, §7; 94 Acts, ch 1087, §11; 96 Acts, ch 1089, §6; 2007 Acts, ch 143, §18; 2013 Acts, ch 49, §3, 28

C2014, §321E.3

Referred to in §321E.2

Section transferred from §321E.2 in Code 2014 pursuant to directive in 2013 Acts, ch 49, §28

Section amended

**321E.4 through 321E.6** Reserved.

**321E.7 Load limits per axle.**

1. The gross weight on any axle of any vehicle or combination of vehicles traveling under a permit issued in accordance with this chapter shall not exceed the maximum axle load prescribed in section 321.463, except for the following:

*a.* Cranes being temporarily moved on streets, roads, or highways may have a gross weight of twenty-four thousand pounds on any single axle.

*b.* (1) Special mobile equipment other than cranes being temporarily moved on streets, roads, or highways may have a maximum gross weight of thirty-six thousand pounds on any single axle equipped with flotation pneumatic tires with a minimum size of twenty-six point five inches by twenty-five inches and a maximum gross weight of twenty thousand pounds on any single axle equipped with flotation pneumatic tires with a minimum size of eighteen inches by twenty-five inches.

(2) The department is authorized to adopt rules to permit the use of tire sizes and weights within the minimum and maximum specifications provided in subparagraph (1), provided that the total gross weight of the vehicle or combination of vehicles does not exceed one hundred twenty-six thousand pounds.

(3) A manufacturer of machinery or equipment manufactured or assembled in Iowa may be granted a permit for the movement of such machinery or equipment mounted on pneumatic tires with axle loads exceeding the maximum axle load prescribed in section 321.463 for distances not to exceed twenty-five miles at a speed not greater than twenty miles per hour. The movement of such machinery or equipment shall be over a specified route between the place of assembly or manufacture and a storage area, shipping point, proving ground, experimental area, weighing station, or another manufacturing plant.

*c.* Raw milk transporters operating under a permit issued pursuant to section 321E.29A shall not exceed the axle and gross weights specified in that section.

*d.* Compacted rubbish vehicles operating under a permit issued pursuant to section 321E.30 shall not exceed the axle and gross weights specified in that section.

2. The gross weight on any one axle of any vehicle or combination of vehicles traveling under a permit issued in accordance with this chapter shall not exceed the maximum axle load prescribed in section 321.463; except that any one axle on a vehicle or combination of vehicles transporting special mobile equipment shall be allowed a one thousand pound weight tolerance, provided the total gross weight of the vehicle or combination of vehicles does not exceed the gross weight allowed by the permit.

3. Special mobile equipment, as defined in section 321.1, subsection 74, is not subject to the requirements for distance in feet between the extremes of any group of axles or the extreme axles of the vehicle or combination of vehicles as required by this chapter when being moved upon the highways if the operator has a permit issued under this chapter.

4. Notwithstanding subsections 1 and 2, a self-propelled implement of husbandry traveling under a permit issued pursuant to section 321E.8A may exceed the maximum axle loads prescribed under section 321.463 only when operated on a noninterstate highway in a county covered under the permit, provided the weight on any one axle does not exceed twenty-five thousand pounds, and provided the current and valid permit is carried in the vehicle. However, a vehicle traveling under a permit issued pursuant to section 321E.8A is not exempt from posted weight limitations on bridges.

[C31, 35, §5067-d7, -d8; C39, §**5035.16;** C46, 50, 54, 58, 62, 66, §321.467; C71, 73, 75, 77, 79, 81, §321E.7]

83 Acts, ch 116, §4; 96 Acts, ch 1089, §7, 8; 96 Acts, ch 1152, §20; 97 Acts, ch 100, §7; 2003 Acts, ch 8, §20, 29; 2007 Acts, ch 143, §19; 2008 Acts, ch 1124, §10; 2013 Acts, ch 49, §4

Referred to in §321.463, 321E.2, 321E.8, 321E.8A, 321E.9, 321E.9A, 321E.14

Subsections 1 and 2 amended

**321E.8 Annual permits.**

Subject to the discretion and judgment provided for in section 321E.2, annual permits shall be issued in accordance with the following provisions:

1. Vehicles with indivisible loads, or manufactured or mobile homes including appurtenances, having an overall width not to exceed sixteen feet zero inches, an overall length not to exceed one hundred twenty feet zero inches, an overall height not to exceed fifteen feet five inches, and except for vehicles in compliance with section 321.463, subsection 5, paragraph "*c*", subparagraph (1), a total gross weight not to exceed eighty thousand pounds, may be moved as follows:

*a.* Vehicles with indivisible loads, or manufactured or mobile homes including appurtenances, having an overall width not to exceed twelve feet five inches, an overall length not to exceed one hundred twenty feet zero inches, and an overall height not to exceed thirteen feet ten inches may be moved for unlimited distances without route approval from the permit-issuing authority.

*b.* Vehicles with indivisible loads, or manufactured or mobile homes including appurtenances, having an overall width not to exceed fourteen feet six inches, an overall length not to exceed one hundred twenty feet zero inches, and an overall height not to exceed fifteen feet five inches may be moved on the interstate highway system and primary highways with more than one lane traveling in each direction for unlimited distances and no more than fifty miles from the point of origin on all other highways without route approval from the permit-issuing authority.

*c.* All other vehicles with indivisible loads operating under this subsection shall obtain route approval from the permit-issuing authority.

*d.* Vehicles with indivisible loads may operate under an all-systems permit in compliance with paragraph "*a*", "*b*", or "*c*".

2. Vehicles with indivisible loads, or manufactured or mobile homes including appurtenances, having an overall width not to exceed thirteen feet five inches and an overall length not to exceed one hundred twenty feet zero inches may be moved on highways specified by the permit-issuing authority for unlimited distances if the height of the vehicle and load does not exceed fifteen feet five inches and the total gross weight of the vehicle does not exceed one hundred fifty-six thousand pounds.

*a.* The vehicle owner or operator shall verify with the permit-issuing authority prior to movement of the load that highway conditions have not changed so as to prohibit movement of the vehicle.

*b.* Any cost to repair damage to highways or highway structures shall be borne by the owner or operator of the vehicle causing the damage.

*c.* Permitted vehicles under this subsection shall not be allowed to travel on any portion of the interstate highway system.

*d.* Vehicles with indivisible loads operating under the permit provisions of this subsection may operate under the permit provisions of subsection 1 provided the vehicle and load comply with the limitations described in subsection 1.

3. Notwithstanding any other provision of law to the contrary, cranes exceeding the

maximum gross weight on any axle as prescribed in section 321.463 or 321E.7 and used in the construction of alternative energy facilities may be moved with approval from the permit-issuing authority.

[C31, 35, §5067-d7, -d8; C39, §**5035.16;** C46, 50, 54, 58, 62, 66, §321.467; C71, 73, 75, 77, 79, §321E.3, 321E.8; C81, §321E.8; 82 Acts, ch 1075, §1]

88 Acts, ch 1208, §2; 91 Acts, ch 133, §1; 92 Acts, ch 1173, §1; 97 Acts, ch 100, §8; 97 Acts, ch 104, §25; 99 Acts, ch 13, §20, 29; 2001 Acts, ch 32, §26, 27; 2002 Acts, ch 1063, §36, 55; 2003 Acts, ch 44, §59; 2008 Acts, ch 1124, §11, 40; 2013 Acts, ch 49, §5

Referred to in §321.463, 321E.2, 321E.3, 321E.14, 321E.29A

Section amended

**321E.8A Self-propelled implement of husbandry — annual permit.**

1. A self-propelled implement of husbandry equipped with flotation tires that is designed to be loaded and operated in the field and used exclusively for the application of organic or inorganic plant food materials, agricultural limestone, or agricultural chemicals, and that, as newly manufactured, exceeds the axle weight limits under section 321.463 when unloaded, may be operated on noninterstate highways in a county pursuant to a permit issued by the department for travel within the county, provided the vehicle does not violate posted weight limitations on bridges. Prior to issuing a permit, the department shall collect a fee of six hundred dollars for each county in which the vehicle will be operated during the period of the permit beginning July 1 and ending June 30, provided that a permit shall not be issued for a vehicle for operation in more than ten counties and the total amount of fees collected for a vehicle for the period of the permit shall not exceed three thousand five hundred dollars. Moneys collected by the department on behalf of the counties in which the vehicle will be operated shall be allotted equally to those counties and deposited in the secondary road funds of those counties. A vehicle for which a permit is issued under this section shall be assigned a permit number that shall be displayed on the door of the vehicle in numbers that contrast sharply in color with the background on which the number is placed, be readily legible during daylight hours from a distance of fifty feet when the vehicle is stationary, and be maintained in a manner that retains the legibility. Only vehicles originally purchased or ordered prior to February 1, 2007, are eligible for a permit. New permits shall not be issued on or after July 1, 2007; however, a permit issued for a vehicle under this section prior to July 1, 2007, may be renewed for that vehicle annually upon payment of the appropriate county fees.

2. A vehicle described in subsection 1 shall not be operated on a highway without a permit issued under this section. The owner of a vehicle that is operated in violation of section 321E.7, subsection 4, or this section is subject to a civil penalty of ten thousand dollars, in addition to any other penalties that may apply.

2007 Acts, ch 143, §20; 2008 Acts, ch 1124, §12

Referred to in §321.463, 321E.2, 321E.3, 321E.7

**321E.9 Single-trip permits.**

Subject to the discretion and judgment provided for in section 321E.2, single-trip permits, which may include a round trip to and from a job or delivery site, shall be issued in accordance with the following provisions:

1. The maximum height, width, length, and weight of vehicles and loads operating under permits authorized by this section shall be limited to the maximum physical limitations and clearances of the roadway and infrastructure of the intended route of travel, provided that the gross weight on any one axle does not exceed the maximum prescribed in section 321.463, pursuant to rules adopted pursuant to chapter 17A. The permit-issuing authority shall make the final determination regarding the issuance of a permit and the suitability of the intended route based upon known roadway clearances and capacities. Permits shall be authorized only when the movement will not cause undue stress or damage to highway pavement, bridges, or other highway infrastructure. In addition to the dimension and weight limitations of an intended route, a permit-issuing authority shall consider the interests of public safety and, at the discretion of the permit-issuing authority, may deny the issuance of a permit when the intended movement of any vehicle or load poses a potential risk to the public.

2. Vehicles with indivisible loads may be moved in special or emergency situations,

provided the permit-issuing authority has reviewed the route and has approved the movement of the vehicle and load. The permit-issuing authority may impose any special restrictions on movements as deemed necessary or exempt movements from the restrictions of section 321E.11 by permit under this subsection.

3. Notwithstanding any other provision of law to the contrary, cranes exceeding the maximum gross weight on any axle as prescribed in section 321.463 or 321E.7 and used in the construction of alternative energy facilities may be moved with approval from the permit-issuing authority.

[C39, §**5035.18;** C46, 50, 54, 58, 62, 66, §321.469; C71, 73, 75, 77, 79, 81, §321E.9]

91 Acts, ch 133, §2; 94 Acts, ch 1087, §12; 96 Acts, ch 1152, §21; 97 Acts, ch 100, §9; 97 Acts, ch 104, §26, 27; 2008 Acts, ch 1124, §13, 40; 2013 Acts, ch 49, §6

Referred to in §321.463, 321E.2, 321E.14

Section amended

**321E.9A Multi-trip permits.**

Subject to the discretion and judgment provided for in section 321E.2, a multi-trip permit shall be issued for operation of vehicles, in accordance with the following:

1. Vehicles with indivisible loads having an overall length not to exceed one hundred twenty feet, an overall width not to exceed sixteen feet, and a height not to exceed fifteen feet five inches may be moved on highways specified by the permit-issuing authority, provided the gross weight on any one axle shall not exceed the maximum prescribed in section 321.463 and the total gross weight is not greater than one hundred fifty-six thousand pounds.

2. Vehicles or combinations of vehicles consisting of special mobile equipment not exceeding the height, length, and width limitations of this section being temporarily moved on highways with a maximum total gross weight limitation and a single axle weight limitation in accordance with section 321E.7 may be moved.

3. The department shall adopt rules pursuant to chapter 17A governing the issuance of permits under this section.

96 Acts, ch 1089, §9; 97 Acts, ch 100, §10; 2013 Acts, ch 49, §7; 2013 Acts, ch 140, §63

Referred to in §321E.2, 321E.14

Subsections 1 and 2 amended

**321E.9B Special alternative energy multi-trip permit.**

Subject to the discretion and judgment provided for in section 321E.2, a multi-trip permit shall be issued for operation of vehicles in accordance with the following provisions:

1. Vehicles with an indivisible load having an overall length not to exceed two hundred twenty-five feet, an overall width not to exceed sixteen feet, a height not to exceed sixteen feet, and a total gross weight not to exceed two hundred fifty-six thousand pounds may be moved on highways specified by the permit-issuing authority to an alternative energy construction site or staging area for alternative energy transportation, provided the gross weight on any one axle shall not exceed twenty thousand pounds.

2. The special alternative energy multi-trip permit shall not exceed twelve months in duration.

3. The permit-issuing authority shall have discretion to include restrictions and require special considerations, such as responsibility for protection or repair of the roadway and bridges, prior to issuance of the permit.

2008 Acts, ch 1124, §14, 40; 2013 Acts, ch 49, §8

Referred to in §321E.2, 321E.14

Subsections 1 and 3 amended

**321E.10 Semitrailers and trailers manufactured in Iowa.**

The department or local authorities may upon application issue annual permits for the movement of semitrailers and trailers manufactured or assembled in this state that exceed the maximum length specified in section 321.457 and the maximum width specified in section 321.454. Movement of the semitrailers and trailers shall be solely for the purpose of delivery or transfer from the point of manufacture or assembly to another point of manufacture or assembly within the state or to a point outside the state; shall be only on roadways of twenty-four feet or more in width or on four-lane highways; shall be on the most

direct route necessary for such movement; and shall display the special plates designated in section 321.57. All semitrailers and trailers under permit for such movement shall not contain freight or additional load. A vehicle or combination of two or more vehicles inclusive of front and rear bumpers, including towing units, involved in the movement of semitrailers and trailers shall not exceed an overall width of ten feet.

[C31, 35, §5067-d7, -d8; C39, §**5035.16;** C46, 50, 54, 58, 62, 66, §321.467; C71, 73, 75, 77, 79, 81, §321E.10]

83 Acts, ch 116, §5; 92 Acts, ch 1100, §5; 2013 Acts, ch 49, §9

Referred to in §321E.2

Section amended

**321E.11 Movement under permit — penalty.**

1. Movements under permit in accordance with this chapter shall be permitted only during the hours from thirty minutes prior to sunrise to thirty minutes following sunset unless the permit-issuing authority determines that the movement can be better accomplished at another period of time because of traffic volume or other roadway-related conditions or the vehicle subject to the permit qualifies for nighttime movement as specified in subsection 2.

2. A permitted vehicle which has an overall length not to exceed one hundred feet, an overall width not to exceed eleven feet, and an overall height not to exceed fourteen feet, six inches, may operate under permit from thirty minutes following sunset to thirty minutes prior to sunrise on primary and nonprimary highway system roadways that are at least twenty-two feet in total width with at least eleven feet of lane width. Vehicles operating under the provisions of this subsection shall be equipped with operating projecting-load lighting devices which are in addition to the required vehicle lighting and the signs, flags, and warning lights required for vehicles operating under permit. Additional safety lighting and escorts may be required for movement at night as determined by the permit-issuing authority.

3. Except as provided in section 321.457, no movement under permit shall be permitted on holidays, after 12:00 noon on days preceding holidays and holiday weekends, or special events when abnormally high traffic volumes can be expected. Such restrictions shall not be applicable to urban transit systems as defined in section 321.19, subsection 2.

4. For the purposes of this chapter, *"holidays"* shall include Memorial Day, Independence Day, and Labor Day.

5. A person who violates this section commits a simple misdemeanor.

[C71, 73, 75, 77, 79, 81, §321E.11]

94 Acts, ch 1087, §13; 95 Acts, ch 67, §27; 95 Acts, ch 118, §28; 97 Acts, ch 104, §28; 2010 Acts, ch 1061, §121; 2010 Acts, ch 1140, §21; 2013 Acts, ch 49, §10

Referred to in §321E.2, 321E.9

Section amended

**321E.12 Registration must be consistent.**

1. A vehicle traveling under permit shall be registered for the gross weight of the vehicle and load. A trip permit issued according to section 326.23 shall not be used in lieu of the registration provided for in this section.

2. A private carrier who is not for hire may transport special mobile equipment on a vehicle registered for the gross weight of the transport vehicle and cargo, minus the weight of the special mobile equipment, when the special mobile equipment is owned, leased, or rented and under exclusive control of the private carrier.

3. Vehicles, while being used for the transportation of buildings other than mobile homes and factory-built structures, may be registered for the combined gross weight of the vehicle and load on a single-trip basis. The fee is five cents per ton exceeding the weight registered under section 321.122 per mile of travel. Fees shall not be prorated for fractions of miles. This provision does not exempt these vehicles from any other provision of this chapter.

[C71, 73, 75, 77, 79, 81, §321E.12; 82 Acts, ch 1143, §1]

99 Acts, ch 13, §21, 29; 2005 Acts, ch 8, §38; 2013 Acts, ch 49, §11

Referred to in §321E.2

Section amended

**321E.13 Financial responsibility.**

Prior to the issuance of any permit, the applicant for a permit shall be required to file proof of financial responsibility or post a bond with the permit-issuing authority. The amount of the bond shall be determined by the permit-issuing authority and shall be used as security for repair or replacement of official signs, signals, and roadway foundations, surfaces, or structures which may be damaged or destroyed during the movement of a vehicle and load operating under the permit. The duration of the bond shall be determined by the permit-issuing authority for a period not to exceed one year.

[C71, 73, 75, 77, 79, 81, §321E.13]

2013 Acts, ch 49, §12

Referred to in §321E.2

Section amended

**321E.14 Fees for permits.**

1. Permit-issuing authorities may charge the following fees:

*a.* Twenty-five dollars for an annual permit issued pursuant to section 321E.8, subsection 1.

*b.* Three hundred dollars for an annual permit issued pursuant to section 321E.8, subsection 2.

*c.* Two hundred dollars for a multi-trip permit issued pursuant to section 321E.9A.

*d.* Six hundred dollars for a special alternative energy multi-trip permit issued pursuant to section 321E.9B.

*e.* Ten dollars for a single-trip permit issued pursuant to section 321E.9.

*f.* Twenty-five dollars for an annual permit for special mobile equipment, as defined in section 321.1, subsection 74, issued pursuant to section 321E.7, subsection 3, with a combined gross weight of not more than eighty thousand pounds.

*g.* Twenty-five dollars for a permit issued pursuant to section 321E.29 or 321E.29A.

*h.* One hundred dollars for a permit issued pursuant to section 321E.30.

*i.* One hundred twenty dollars for an annual all-systems permit issued pursuant to section 321E.8, which shall be deposited in the road use tax fund.

2. Fees for the movement of buildings, parts of buildings, or unusual vehicles or loads may be increased to cover the costs of inspections by the permit-issuing authority.

3. A fee not to exceed two hundred fifty dollars per day or a prorated fraction of that fee per person and car for escort service may be charged when requested or when required under this chapter. Proration of escort fees between state and local authorities when more than one governmental authority provides or is required to provide escort for a movement during the period of a day shall be determined by rule under section 321E.15.

4. The department and local authorities may charge a permit applicant for the cost of trimming trees and removal and replacement of natural obstructions or official signs and signals or other public or private property required to be removed during the movement of a vehicle and load.

[C71, 73, 75, 77, 79, 81, §321E.14]

83 Acts, ch 116, §6; 86 Acts, ch 1210, §8; 87 Acts, ch 186, §11; 91 Acts, ch 133, §3; 96 Acts, ch 1089, §10; 97 Acts, ch 23, §34; 97 Acts, ch 100, §11; 2001 Acts, ch 32, §28; 2002 Acts, ch 1063, §37; 2008 Acts, ch 1124, §15, 40; 2013 Acts, ch 49, §13

Referred to in §321E.2

Section amended

**321E.15 Rules made available.**

The department may adopt and make available upon request to interested parties printed rules and regulations necessary for the movement by permit of vehicles and indivisible loads under the provisions of this chapter. No rule or regulation shall be adopted without prior notice to city and county officials and without a hearing on the proposed rule or regulation. All rules and regulations adopted shall have due regard for the safety of the traveling public and

the protection of the highway surfaces and structures. Rules and regulations for permit travel on the interstate system shall be consistent with the federal requirements for the system.

[C71, 73, 75, 77, 79, 81, §321E.15]

Referred to in §321E.2, 321E.14, 321E.16

**321E.16 Violations — penalties.**

1. A person who violates a provision of a permit issued pursuant to this chapter or rules adopted under section 321E.15, other than a provision relating to weight, shall be subject to a scheduled fine under section 805.8A, subsection 12, paragraph *"f"*.

2. The fine for violation of the weight allowed by a permit shall be based upon the difference between the actual weight of the vehicle and load and the maximum allowable by permit in accordance with section 321.463. If a vehicle with an indivisible load traveling under permit is found to be in violation of weight limitations, the vehicle operator shall be allowed a reasonable amount of time to remove any ice, mud, snow, and other weight attributable to climatic conditions accumulated along the route prior to application of the penalties prescribed in section 321.463.

3. A person operating a civilian escort vehicle in violation of rules adopted pursuant to section 321E.15 shall be subject to a scheduled fine under section 805.8A, subsection 12, paragraph *"f"*.

[C71, 73, 75, 77, 79, 81, §321E.16]

83 Acts, ch 116, §7; 90 Acts, ch 1099, §1; 90 Acts, ch 1233, §19; 96 Acts, ch 1090, §8; 2001 Acts, ch 137, §5; 2013 Acts, ch 49, §14

Referred to in §321E.17, 805.8A(12f)

Section amended

**321E.17 Serious violations.**

Proof of imposition of a penalty for a violation of section 321.256, 321.454, 321.456, 321.457, 321.463, 321.471, 321.474, or 321E.16 or any combination of penalties for violation of those sections with respect to the operation of one or more vehicles by any one permit holder, whether operated personally or through agents, servants, or employees of the permit holder, shall constitute prima facie evidence that the permit holder has willfully operated or caused to be operated a vehicle or vehicles in violation of this chapter.

[C71, 73, 75, 77, 79, 81, §321E.17]

2013 Acts, ch 49, §15

Section amended

**321E.18 Overall operations considered.**

In any proceeding brought under this chapter, the permit-issuing authority shall consider evidence relating to the nature and severity of the violations and the extent of the operations of any vehicles by or on behalf of the permit holder upon the public highways of this state, which did not involve any violations.

[C71, 73, 75, 77, 79, 81, §321E.18]

2013 Acts, ch 49, §16

Section amended

**321E.19 Permit denial, change, suspension, or revocation.**

The permit-issuing authority may deny, change, suspend, or revoke any permit issued by the authority pursuant to this chapter for good cause. A decision of the department may be appealed in accordance with chapter 17A, and a decision of a local authority may be appealed in accordance with the appeal procedures of the local authority.

[C71, 73, 75, 77, 79, 81, §321E.19]

83 Acts, ch 116, §8; 89 Acts, ch 273, §2; 2013 Acts, ch 49, §17

Section amended

**321E.20 Suspension period.**

Whenever the permit-issuing authority finds from the evidence adduced at hearing that a permit holder has willfully operated or caused to be operated a vehicle or vehicles in violation of this chapter, the permit-issuing authority may enter an order suspending, modifying, or

revoking the permit in whole or in part at its discretion for a period not to exceed one hundred eighty days. If the permit-issuing authority finds in a subsequent proceeding within twelve months from the date of the initial suspension, modification, or revocation that a permit holder has again willfully operated in violation of this chapter, the permit-issuing authority shall order suspension, modification, or revocation of permit privileges in whole or in part for a period not to exceed two years.

[C71, 73, 75, 77, 79, 81, §321E.20]
83 Acts, ch 116, §9; 2013 Acts, ch 49, §18
Section amended

**321E.21 Process on nonresidents.** Repealed by 2013 Acts, ch 49, § 27.

**321E.22 Service of process.** Repealed by 2013 Acts, ch 49, § 27.

**321E.23 Failure to receive copy of process.** Repealed by 2013 Acts, ch 49, § 27.

**321E.24 Warning and lighting devices on oversize loads.**

The department shall adopt rules pursuant to chapter 17A regarding oversize load signs, warning flags, warning lights, and projecting-load lights.

[C71, 73, 75, 77, 79, 81, §321E.24]
83 Acts, ch 116, §10; 2013 Acts, ch 49, §19
Section stricken and rewritten

**321E.25 Use of highways of interstate system.**

Use of the national system of interstate and defense highways under the provisions of this chapter shall be restricted by regulation and other appropriate action of the department in such a manner as to not be in conflict with the applicable provisions of 23 U.S.C. § 127.

[C71, 73, 75, 77, 79, 81, §321E.25]
2013 Acts, ch 49, §20
Section amended

**321E.26** Reserved.

**321E.27 Definition.** Transferred to § 321E.1; 2013 Acts, ch 49, § 28.

**321E.28 Permits for manufactured or mobile homes or factory-built structures.** Repealed by 2013 Acts, ch 49, § 27.

**321E.29 Excess size divisible load permits.**

1. Vehicles or a combination of vehicles with divisible loads in excess of the width, length, or height requirements of chapter 321 may be moved on the highways of this state if the department or permit-issuing authority determines there is a special or emergency situation which warrants the issuance of a special permit. The combined gross weight or gross weight on any one axle or group of axles may exceed the limits established in section 321.463, subject to the limits and routes established by the permit-issuing authority.

2. Annual permits may be issued for vehicles with divisible loads of hay, straw or stover without a finding of special or emergency situations if the movement meets the requirements of this chapter, provided the following limits are not exceeded:

*a.* Overall width not to exceed twelve feet five inches.

*b.* Overall length not to exceed seventy-five feet.

*c.* Overall height not to exceed fourteen feet six inches.

*d.* Total gross weight of the vehicle or combination of vehicles not to exceed eighty thousand pounds.

[C79, 81, §321E.29]
2013 Acts, ch 49, §21
Referred to in §321E.2, 321E.14
Section amended

**321E.29A Raw milk transporters.**

A permit-issuing authority may issue annual permits authorizing a raw milk transporter to transport by motor truck raw milk to or from a milk plant, receiving station, or transfer station. The combined gross weight or gross weight on any axle or group of axles of the motor truck shall not exceed the limits established under section 321.463. The permit-issuing authority may specify weight limits or routes for each raw milk transporter or establish weight limits or routes under section 321E.8.

98 Acts, ch 1103, §1; 2013 Acts, ch 49, §22
Referred to in §321.463, 321E.7, 321E.14
Section amended

**321E.30 Compacted rubbish transporters.**

1. A permit-issuing authority may issue annual permits for the operation of compacted rubbish vehicles and vehicles which transport compacted rubbish from a rubbish collection point to a landfill area, exceeding the weight limitation of section 321.463 but not exceeding twenty thousand pounds per axle, and for tandem axle vehicles or transferrable axle vehicles, not exceeding a gross weight on the rear axles of thirty-six thousand pounds.

2. Vehicles operated pursuant to an annual permit issued under this section shall be operated only over routes designated by the permit-issuing authority.

3. Annual permits approved by the permit-issuing authority shall be issued upon payment of an annual fee, in addition to other registration fees imposed, to be paid to the permit-issuing authority for all nongovernmental vehicles.

2013 Acts, ch 49, §23
Referred to in §321E.7, 321E.14
NEW section

**321E.31 Permit for moving certain manufactured or mobile homes.** Repealed by 2013 Acts, ch 49, § 27.

**321E.32 Movement of structures and other loads on dolly axles.**

The movement of structures and other indivisible loads on dolly axles shall be subject to the same weight limits that apply to all other indivisible loads. However, when an indivisible load is moved and the transverse dolly axles under the load have a clear inside spacing of five feet or more, each axle shall be considered a separate axle in determining the axle weight limitations provided by law.

88 Acts, ch 1208, §4; 2013 Acts, ch 49, §24
Section amended

**321E.33 Oversize permit agreement.** Repealed by 2013 Acts, ch 49, § 27.

**321E.34 Escort requirements.**

1. The operator of an escort vehicle serving as an escort in the movement of vehicles and loads of excess size and weight under permits required by this chapter shall have a driver's license as defined in section 321.1 valid for the operation of the escort vehicle.

2. The department shall adopt rules pursuant to chapter 17A for all escort requirements. The rules shall include operator requirements; escort vehicle requirements; and length, height, width, and weight requirements for the load or vehicle being moved under an annual or single-trip permit or in a special or emergency situation.

97 Acts, ch 104, §29; 98 Acts, ch 1073, §9; 2013 Acts, ch 49, §25
Section amended

# CHAPTER 321F

## LEASING AND RENTING OF VEHICLES

Referred to in §307.27, 321.20, 321.46, 321.57, 321.105A, 321.484


| | |
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**321F.1 Definitions.**

When used in this chapter, unless the context requires otherwise:

1. *"Business"* means the business of leasing motor vehicles for use by others for compensation.

2. *"Director"* means the director of transportation or the director's designee.

3. *"Evidence of financial responsibility"* means:

*a.* A certificate of an insurance carrier certifying that the lessor under a lease is insured against liability for a judgment in the amount of fifty thousand dollars for personal injury to one individual and in an aggregate amount of one hundred thousand dollars for personal injuries to all individuals involved in a single accident, and in the amount of ten thousand dollars for property damage, resulting from any such single accident in which a motor vehicle under a lease is involved; or

*b.* A bond executed by a surety company authorized to do business in this state providing for the payment of judgments, against a lessor under a lease, within the limits set forth in paragraph *"a"* of this subsection.

4. *"Judgment"* means any judgment which shall have become final.

5. *"Lease"* means a written agreement providing for the leasing of a motor vehicle for a period of more than sixty days.

6. *"Licensee"* means a person licensed under the provisions of this chapter to engage in business.

7. *"Motor vehicle"* means every vehicle which is self-propelled and subject to registration under the laws of this state.

8. *"Person"* means an individual, partnership, corporation, association, or other business entity.

[C71, 73, 75, 77, 79, 81, §321F.1]

Referred to in §321.69

**321F.2 License required.**

No person shall engage in business in this state without first having obtained a license as provided in this chapter.

[C71, 73, 75, 77, 79, 81, §321F.2]

**321F.3 Application.**

The application for a license to engage in business in this state shall be filed with the director and shall provide such information relating to applicant's business as the director may require.

[C71, 73, 75, 77, 79, 81, §321F.3]

**321F.4 Fees and expiration.**

1. The license fee for a license to engage in the business of leasing vehicles in this state is thirty dollars for a two-year period or part thereof, to be paid at the time the application for a license is filed. If the application is denied, the amount of the fee shall be refunded to the applicant.

2. A license expires on December 31 of even-numbered years. A licensee shall have the month of expiration and the month after the month of expiration to renew the license. A person who fails to renew a license by the end of this time period and desires to hold a license shall file a new license application and pay the required fee.

[C71, 73, 75, 77, 79, 81, §321F.4]

92 Acts, ch 1175, §6; 2000 Acts, ch 1016, §18; 2006 Acts, ch 1068, §45, 57

**321F.4A** Repealed by 98 Acts, ch 1075, § 32.

**321F.5 Denial or suspension of license.**

A license shall be denied if the applicant has engaged in business in this state within one year prior to the date of application without first having obtained a license as provided in this chapter, or has violated any rules and regulations of the director adopted for the administration of this chapter.

The license of any licensee who shall have violated any provision of this chapter or any rules and regulations of the director adopted for the administration of this chapter shall be suspended and such license shall not be renewed nor shall a new license be issued to such licensee within one year after the date of suspension of the license; provided that the suspension of a license shall not invalidate any lease entered into by lessor prior to suspension and the parties to the lease shall have the authority and remain liable to perform their respective obligations under such leases.

[C71, 73, 75, 77, 79, 81, §321F.5]

**321F.6 Financial responsibility — lease.**

The lessee shall carry in the vehicle being leased, evidence of financial responsibility as required by this chapter and a copy of the lease, setting forth the name and address of the lessee, period of the lease, and other information as the director may require. The lease shall be shown to any peace officer upon request.

[C71, 73, 75, 77, 79, 81, §321F.6]

92 Acts, ch 1175, §8; 95 Acts, ch 118, §29

Referred to in §321.484

**321F.7** Repealed by 95 Acts, ch 118, § 38.

**321F.8 Registration of vehicle required.**

All motor vehicles which are primarily garaged or located in this state and which are the subject of a lease shall be registered in this state. This section shall not be construed to exempt any motor vehicle from registration which is otherwise subject to registration under the provisions of chapter 321, provided, however, that the provisions of this section shall not apply to motor vehicles in fleets whose registrations are apportioned under the provisions of chapter 326.

[C71, 73, 75, 77, 79, 81, §321F.8]

2012 Acts, ch 1093, §15

**321F.9 Option to purchase — dealer's license.**

Any person engaged in business in this state shall not enter into any agreement for the use of a motor vehicle under the terms of which that person grants to another an option to purchase the motor vehicle without first having obtained a motor vehicle dealer's license under the provisions of chapter 322, and all sales of motor vehicles under such options shall be subject to sales or use taxes imposed under the provisions of chapter 423. Nothing contained in this section shall require such person to have a place of business as provided by section 322.6, subsection 1, paragraph *"h"*.

[C71, 73, 75, 77, 79, 81, §321F.9]

2003 Acts, 1st Ex, ch 2, §172, 205; 2009 Acts, ch 130, §28

**321F.10 Department employees.**

Section 322.1, as it pertains to employees and the expenditure of funds shall apply to the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §321F.10]

**321F.11 Rules adopted — deposit of fees.**

The director shall adopt rules for the purpose of administering this chapter. All fees and funds accruing from the administration of this chapter shall be remitted to the treasurer of state monthly and deposited in the road use tax fund.

[C71, 73, 75, 77, 79, 81, §321F.11]

**321F.12 Penalty.**

Any person violating any provision of this chapter shall be guilty of a simple misdemeanor.

[C71, 73, 75, 77, 79, 81, §321F.12]

# CHAPTER 321G

## SNOWMOBILES

Referred to in §232.8, 350.5, 455A.4, 455A.5, 456A.14, 456A.24, 462A.33, 805.16, 903.1


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321G.23 Course of instruction.
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321G.32 Security interest — perfection and titles — fee.
321G.33 Vehicle identification number.
321G.34 Repeat offender — records, enforcement, and penalties.


**321G.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"All-terrain vehicle"* means the same as defined in section 321I.1.

2. *"'A' scale"* means the physical scale marked "A" graduated in decibels on a sound level meter which meets the requirements of the American national standards institute, incorporated, publication S1.4-1961, general purpose sound level meters.

3. *"Commission"* means the natural resource commission of the department.

4. *"Dealer"* means a person engaged in the business of buying, selling, or exchanging snowmobiles required to be registered under this chapter and who has an established place of business for that purpose in this state.

5. *"Department"* means the department of natural resources.

6. *"Designated snowmobile trail"* means a snowmobile riding trail on any public land, private land, or public ice that has been designated by the department, a political subdivision, or a controlling authority for snowmobile use.

7. *"Direct supervision"* means to provide supervision of another person while maintaining visual and verbal contact at all times.

8. *"Director"* means the director of the department.

9. *"Distributor"* means a person, resident or nonresident, who sells or distributes snowmobiles to snowmobile dealers in this state or who maintains distributor representatives.

10. *"Education certificate"* means a snowmobile education certificate, approved by the commission, which is issued to a qualified applicant who is twelve years of age or older.

11. *"Established place of business"* means the place actually occupied either continuously or at regular periods by a dealer or manufacturer where the books and records are kept and the dealer's or manufacturer's business is primarily transacted.

12. *"Manufacturer"* means a person engaged in the business of constructing or assembling snowmobiles required to be registered under this chapter and who has an established place of business for that purpose in this state.

13. *"Measurable snow"* means one-tenth of one inch of snow.

14. *"Nonambulatory person"* means an individual with paralysis of the lower half of the body with the involvement of both legs, usually caused by disease of or injury to the spinal cord, or caused by the loss of both legs or the loss of a part of both legs.

15. *"Nonresident"* means a person who is not a resident of this state.

16. *"Operate"* means to ride in or on, other than as a passenger, use, or control the operation of a snowmobile in any manner, whether or not the snowmobile is moving.

17. *"Operator"* means a person who operates or is in actual physical control of a snowmobile.

18. *"Owner"* means a person, other than a lienholder, having the property right in or title to a snowmobile. The term includes a person entitled to the use or possession of a snowmobile subject to an interest in another person, reserved or created by agreement and securing payment or performance of an obligation, but the term excludes a lessee under a lease not intended as security.

19. *"Person"* means an individual, partnership, firm, corporation, association, and the state, its agencies, and political subdivisions.

20. *"Public ice"* means any frozen, navigable waters within the territorial limits of this state and the frozen marginal river areas adjacent to this state, other than farm ponds, that are under the jurisdiction of the commission.

21. *"Public land"* means land owned by the federal government, the state, or political subdivisions of the state and land acquired or developed for public recreation pursuant to section 321G.7.

22. *"Public water"* means any navigable waters within the territorial limits of this state and the marginal river areas adjacent to this state, other than farm ponds, that are under the jurisdiction of the commission.

23. *"Railroad right-of-way"* means the full width of property owned, leased, or subject to easement for railroad purposes and is not limited to those areas on which tracks are located.

24. *"Resident"* means as defined in section 483A.1A.

25. *"Roadway"* means that portion of a highway improved, designed, or ordinarily used for vehicular travel.

26. *"Snowmobile"* means a motorized vehicle weighing less than one thousand pounds which uses sled-type runners or skis, endless belt-type tread with a width of forty-eight inches or less, or any combination of runners, skis, or tread, and is designed for travel on snow or ice. *"Snowmobile"* does not include an all-terrain vehicle, as defined in section 321I.1, which has been altered or equipped with runners, skis, belt-type tracks, or treads.

27. *"Special event"* means an organized race, exhibition, or demonstration of limited duration which is conducted on public land, public ice, or a designated snowmobile trail under the jurisdiction of the commission according to a prearranged schedule and in which general public interest is manifested.

28. *"Street"* or *"highway"* means the entire width between property lines of every way or

place of whatever nature when any part thereof is open to the use of the public, as a matter of right, for purposes of vehicular travel, except in public areas in which the boundary shall be thirty-three feet each side of the center line of the roadway.

29. *"Water skipping"* means the operation of a snowmobile on the surface of water by utilizing the skis, track, and bottom surface area of the snowmobile for flotation while the snowmobile is in motion.

[C71, 73, 75, 77, 79, 81, §321G.1; 81 Acts, ch 113, §2]

86 Acts, ch 1245, §1877, 1883; 89 Acts, ch 244, §1 – 3; 91 Acts, ch 236, §1; 95 Acts, ch 177, §1; 97 Acts, ch 148, §8, 9; 99 Acts, ch 113, §1; 2002 Acts, ch 1027, §1; 2004 Acts, ch 1132, §1, 2; 2005 Acts, ch 138, §1; 2007 Acts, ch 141, §2; 2012 Acts, ch 1100, §1 – 3

Referred to in §321.23, 321I.1, 322D.1

**321G.2 Rules.**

1. The commission may adopt rules for the following purposes:

*a.* Registration and titling of snowmobiles.

*b.* Use of snowmobiles as far as game and fish resources or habitats are affected.

*c.* Use of snowmobiles on designated snowmobile trails and public lands under the jurisdiction of the commission.

*d.* Use of snowmobiles on any waters of the state under the jurisdiction of the commission, while the waters are frozen.

*e.* Establishment of a program of grants, subgrants, and contracts to be administered by the department for the development, maintenance, signing, and operation of designated snowmobile trails and the operation of grooming equipment by political subdivisions and incorporated private organizations.

*f.* Issuance of education certificates.

*g.* Issuance of competition registrations and the participation of snowmobiles so registered in special events.

*h.* Issuance of annual user permits and establishment of administrative fees for issuance of the permits.

*i.* Establishment of a certified education course for the operation of snowmobile grooming equipment.

*j.* Establishment of a certified education course for the safe use and operation of snowmobiles.

*k.* Certification of volunteer snowmobile education instructors.

*l.* Maintenance, signing, and operation of designated snowmobile trails.

2. The director of transportation may adopt rules not inconsistent with this chapter regulating the use of snowmobiles on streets and highways. Cities may designate streets under the jurisdiction of cities within their respective corporate limits which may be used for snowmobiling.

3. In adopting the rules, consideration shall be given to the need to protect the environment and the public health, safety, and welfare; to protect private property, public parks, and other public lands; to protect wildlife and wildlife habitat; and to promote uniformity of rules relating to the use, operation, and equipment of snowmobiles. The rules shall be in conformance with chapter 17A.

[C71, 73, 75, 77, 79, 81, §321G.2]

86 Acts, ch 1031, §1; 89 Acts, ch 244, §4; 2002 Acts, ch 1027, §2; 2004 Acts, ch 1132, §3; 2007 Acts, ch 141, §3; 2009 Acts, ch 144, §1, 2; 2012 Acts, ch 1100, §4, 5

Referred to in §321G.23, 321G.24

**321G.3 Registration and user permit required — penalties.**

1. Each snowmobile used on public land, public ice, or a designated snowmobile trail of this state shall be currently registered. A person shall not operate, maintain, or give permission for the operation or maintenance of a snowmobile on public land, public ice, or a designated snowmobile trail unless the snowmobile is registered in accordance with this chapter or applicable federal laws or in accordance with an approved numbering system of

another state and the evidence of registration is in full force and effect. A snowmobile must also be issued a user permit in accordance with this chapter.

2. A violation of subsection 1 is punishable as a scheduled violation under section 805.8B, subsection 2, paragraph *"a"*. When the scheduled fine is paid, the violator shall submit proof to the department that a valid registration and user permit have been obtained by providing a copy of the registration and user permit to the department within thirty days of the date the fine is paid. A person who violates this subsection is guilty of a simple misdemeanor.

[C71, 73, 75, 77, 79, 81, §321G.3]

86 Acts, ch 1031, §2; 89 Acts, ch 244, §5; 2002 Acts, ch 1027, §3; 2004 Acts, ch 1132, §4; 2005 Acts, ch 138, §2; 2007 Acts, ch 141, §4; 2012 Acts, ch 1100, §6

Referred to in §805.8B(2a)

**321G.4 Registration — fee.**

1. The owner of each snowmobile required to be registered shall register it annually with the department through a county recorder. The department shall develop and maintain an electronic system for the registration of snowmobiles pursuant to this chapter. The department shall establish forms and procedures as necessary for the registration of snowmobiles.

2. The owner of the snowmobile shall file an application for registration with the department through the county recorder of the county of residence, or in the case of a nonresident owner, in the county of primary use, in the manner established by the commission. The application shall be completed by the owner and shall be accompanied by a fee of fifteen dollars and a writing fee as provided in section 321G.27. A snowmobile shall not be registered by the county recorder until the county recorder is presented with receipts, bills of sale, or other satisfactory evidence that the sales or use tax has been paid for the purchase of the snowmobile or that the owner is exempt from paying the tax. A snowmobile that has an expired registration certificate from another state may be registered in this state upon proper application, payment of all applicable registration and writing fees, and payment of a penalty of five dollars.

3. Upon receipt of the application in approved form accompanied by the required fees, the county recorder shall issue to the applicant a registration certificate and registration decal. The registration decal shall be displayed on the snowmobile as provided in section 321G.5. The registration certificate shall be carried either in the snowmobile or on the person of the operator of the snowmobile when in use. The operator of a snowmobile shall exhibit the registration certificate to a peace officer upon request, to a person injured in an accident involving a snowmobile, to the owner or operator of another snowmobile or the owner of personal or real property when the snowmobile is involved in a collision or accident of any nature with another snowmobile or the property of another person, or to the property owner or tenant when the snowmobile is being operated on private property without permission from the property owner or tenant.

4. Notwithstanding subsections 1 and 2, a snowmobile that is more than thirty years old may be registered for a one-time fee of twenty-five dollars, which shall exempt the owner from annual registration and fee requirements for that snowmobile. However, if ownership of such a snowmobile is transferred, the new owner shall register the snowmobile and pay the one-time fee as required under this subsection.

[C71, 73, 75, 77, 79, 81, §321G.4; 81 Acts, ch 113, §3]

86 Acts, ch 1235, §1; 89 Acts, ch 244, §6; 99 Acts, ch 113, §2; 99 Acts, ch 114, §21; 2003 Acts, ch 44, §60; 2004 Acts, ch 1132, §5, 97; 2005 Acts, ch 138, §3; 2007 Acts, ch 141, §5; 2012 Acts, ch 1100, §7

Referred to in §321G.29, 331.602, 331.605

**321G.4A User permit — fee.**

1. A person wishing to operate a snowmobile on public land, public ice, or a designated snowmobile trail of this state shall obtain a user permit from the department. A user permit shall be issued for use on only one snowmobile and is not transferable. A user permit shall be valid for the calendar year or time period specified in the permit.

2. A county recorder or a license agent designated by the director pursuant to section 483A.11 may issue user permits. The fee for a user permit shall be fifteen dollars plus an administrative fee established by the commission. A county recorder or a license agent shall retain a writing fee from the sale of each user permit as provided in section 321G.27.

2005 Acts, ch 138, §4; 2007 Acts, ch 141, §6; 2012 Acts, ch 1100, §8

Referred to in §321G.7, 331.602, 331.605

**321G.5 Display of registration and user permit decals.**

The owner of a snowmobile shall display the registration decal and user permit decal on the snowmobile in the manner prescribed by the rules of the commission.

[C71, 73, 75, 77, 79, 81, §321G.5]

86 Acts, ch 1031, §3; 89 Acts, ch 244, §7; 2002 Acts, ch 1027, §4; 2004 Acts, ch 1132, §6; 2007 Acts, ch 141, §7; 2012 Acts, ch 1100, §9

Referred to in §321G.4, 805.8B(2e)

For applicable scheduled fine, see §805.8B, subsection 2, paragraph e

**321G.6 Registration — renewal.**

1. Every snowmobile registration certificate and registration decal issued expires at midnight December 31 unless sooner terminated or discontinued in accordance with this chapter or rules of the commission. After the first day of September each year, an unregistered snowmobile may be registered and a registration may be renewed in one transaction. The fee is five dollars for the remainder of the current year, in addition to the registration fee of fifteen dollars for the subsequent year beginning January 1, and a writing fee as provided in section 321G.27.

2. An expired registration may be renewed for the same fee as if the owner is securing the original registration plus a penalty of five dollars and a writing fee as provided in section 321G.27.

3. Duplicate registrations may be issued by a county recorder or a license agent upon the payment of a five dollar fee plus a writing fee as provided in section 321G.27.

4. A county recorder or a license agent designated by the director pursuant to section 483A.11 may issue snowmobile registration renewals electronically pursuant to rules adopted by the commission. The fee for a registration renewal issued using an electronic system is fifteen dollars plus an administrative fee established by the commission and a writing fee as provided in section 321G.27.

[C71, 73, 75, 77, 79, 81, S81, §321G.6; 81 Acts, ch 113, §4, 5]

86 Acts, ch 1031, §4; 86 Acts, ch 1235, §2; 89 Acts, ch 244, §8 – 11; 91 Acts, ch 236, §2; 97 Acts, ch 148, §6, 9; 99 Acts, ch 113, §3; 2000 Acts, ch 1019, §1; 2002 Acts, ch 1027, §5; 2004 Acts, ch 1132, §7; 2005 Acts, ch 138, §5, 6; 2007 Acts, ch 141, §8; 2012 Acts, ch 1100, §10

Referred to in §331.602

**321G.7 Fees remitted to commission — appropriation.**

1. A county recorder or license agent shall remit to the commission the snowmobile fees collected by the recorder or license agent in the manner and time prescribed by the department.

2. The department shall remit the fees, including user permit fees collected pursuant to section 321G.4A, to the treasurer of state, who shall place the money in a special snowmobile fund. The money is appropriated to the department for the snowmobile programs of the state. The programs shall include grants, subgrants, contracts, or cost-sharing of snowmobile programs with political subdivisions or incorporated private organizations or both in accordance with rules adopted by the commission. Snowmobile fees may be used to support snowmobile programs on a usage basis. At least fifty percent of the special fund shall be available for political subdivisions or incorporated private organizations or both. Moneys from the special fund not used by the political subdivisions or incorporated private organizations or both shall remain in the fund and may be used by the department for the administration of the snowmobile programs. Notwithstanding section 8.33, moneys in the special fund shall not revert to the general fund of the state at the end of a fiscal year.

Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the special fund shall remain in the fund.

[C71, 73, 75, 77, 79, 81, S81, §321G.7; 81 Acts, ch 113, §6]

89 Acts, ch 102, §2; 89 Acts, ch 244, §12; 2004 Acts, ch 1132, §8; 2005 Acts, ch 138, §7; 2007 Acts, ch 141, §9; 2012 Acts, ch 1100, §11

Referred to in §321G.1, 321G.24, 321G.30, 321G.32, 331.427

**321G.8 Exempt vehicles.**

Registration and user permits shall not be required for the following described snowmobiles:

1. Snowmobiles owned by the United States, this state, or another state, or by a governmental subdivision thereof, and used for enforcement, search and rescue, or official research and studies, but not for recreational or commercial purposes.

2. Snowmobiles used exclusively as farm implements.

[C71, 73, 75, 77, 79, 81, §321G.8]

89 Acts, ch 244, §13; 2002 Acts, ch 1027, §6; 2004 Acts, ch 1132, §9; 2005 Acts, ch 138, §8; 2007 Acts, ch 141, §10; 2012 Acts, ch 1100, §12, 13

**321G.9 Operation on roadways and highways.**

A person shall not operate a snowmobile upon roadways or highways, as defined in section 321.1, except as provided in this chapter.

1. A snowmobile shall not be operated at any time within the right-of-way of any interstate highway or freeway within this state except when using an underpass located on an interstate highway or freeway if all of the following apply:

*a.* The underpass has been abandoned and is no longer being used by motor vehicles or trains.

*b.* Use of the underpass is the only alternative to the use of a traveled roadway.

*c.* Notwithstanding the provisions of chapter 321, use of the underpass does not conflict with any rules or regulations adopted by a federal governmental entity or this state or a political subdivision of this state.

2. A snowmobile may make a direct crossing of a street or highway provided all of the following occur:

*a.* The crossing is made at an angle of approximately ninety degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing.

*b.* The snowmobile is brought to a complete stop before crossing the shoulder or main traveled way of the highway.

*c.* The driver yields the right-of-way to all oncoming traffic which constitutes an immediate hazard.

*d.* In crossing a divided highway, the crossing is made only at an intersection of such highway with another public street or highway.

3. A snowmobile shall not be operated on public highways under any of the following conditions:

*a.* On the roadway portion of a highway and adjacent shoulder, or at least five feet on either side of the roadway, except as provided in subsection 4.

*b.* On limited access highways and approaches.

*c.* For racing any moving object.

*d.* Abreast with one or more other snowmobiles on a city highway.

4. A registered snowmobile may be operated under the following conditions:

*a.* Upon city highways which have not been plowed during the snow season or on such highways as designated by the governing body of a municipality.

*b.* On that portion of county roadways that have not been plowed during the snow season or not maintained or utilized for the operation of conventional two-wheel drive motor vehicles.

*c.* On highways in an emergency during the period of time when and at locations where snow upon the roadway renders travel by conventional motor vehicles impractical.

*d.* On the roadways of that portion of county highways designated by the county board

of supervisors for such use during a specified period. The county board of supervisors shall evaluate the traffic conditions on all county highways and designate roadways on which snowmobiles may be operated for the specified period without unduly interfering with or constituting an undue hazard to conventional motor vehicle traffic. Signs warning of the operation of snowmobiles on the roadway shall be placed and maintained on the portions of highway thus designated during the period specified for the operation.

*e.* On the roadway or shoulder when necessary to cross a bridge or culvert, or avoid an obstruction which makes it impossible to travel on the portion of the highway not intended for motor vehicles, if the snowmobile is brought to a complete stop before entering onto the roadway or shoulder and the driver yields the right-of-way to any approaching vehicle on the roadway.

*f.* Snowmobiles shall not be operated on all-terrain vehicle trails except where designated by the controlling authority and the primary all-terrain vehicle trail sponsor.

5. The headlight and taillight shall be lighted during the operation on a public highway at any time from sunset to sunrise, and at such other times when conditions such as fog, snow, sleet or rain provide insufficient lighting to render clearly discernible persons and vehicles at a distance of five hundred feet ahead.

6. A snowmobile shall not be operated within the right-of-way of a primary highway between the hours of sunset and sunrise except on the right-hand side of the right-of-way and in the same direction as the motor vehicular traffic on the nearest lane of traveled portion of the right-of-way.

[C71, 73, 75, 77, 79, 81, §321G.9]

89 Acts, ch 244, §14 – 21; 90 Acts, ch 1230, §80; 92 Acts, ch 1168, §1; 98 Acts, ch 1073, §9; 2004 Acts, ch 1132, §10 – 15; 2012 Acts, ch 1100, §14

Referred to in §331.362, 805.8B(2b)

For applicable scheduled fines, see §805.8B, subsection 2, paragraph b

**321G.10 Accident reports.**

If a snowmobile is involved in an accident resulting in injury or death to anyone or property damage amounting to one thousand five hundred dollars or more, either the operator or someone acting for the operator shall immediately notify the county sheriff or another law enforcement agency in the state. If the accident occurred on public land, public ice, or a designated snowmobile trail under the jurisdiction of the commission, the operator shall file with the commission a report of the accident, within seventy-two hours, containing information as the commission may require. All other accidents shall be reported as required under section 321.266.

[C71, 73, 75, 77, 79, 81, §321G.10; 81 Acts, ch 113, §7]

89 Acts, ch 244, §22; 2004 Acts, ch 1132, §16; 2010 Acts, ch 1157, §2; 2011 Acts, ch 38, §21; 2012 Acts, ch 1100, §15

**321G.11 Mufflers required.**

1. The exhaust of every internal combustion engine used in any snowmobile shall be effectively muffled by equipment constructed and used to muffle all snowmobile noise in a reasonable manner in accordance with rules adopted by the commission.

2. The commission may adopt rules with respect to the inspection of snowmobiles and testing of snowmobile mufflers.

3. A separate placard shall be affixed, permanently and conspicuously, to any new snowmobile sold or offered for sale in this state that does not meet the muffler requirements as stated above. The placard shall designate each snowmobile which does not meet the muffler requirements.

4. A snowmobile manufactured after July 1, 1975, which is sold, offered for sale or used in this state, except in an authorized special event, shall have a muffler system that limits engine

noise to not more than seventy-eight decibels as measured on the "A" scale at a distance of fifty feet.

[C71, 73, 75, 77, 79, 81, §321G.11]

89 Acts, ch 244, §23; 2004 Acts, ch 1132, §17; 2009 Acts, ch 144, §3

Referred to in §805.8B(2b)

For applicable scheduled fines, see §805.8B, subsection 2, paragraph b

**321G.12 Headlight — taillight — brakes.**

Every snowmobile shall be equipped with at least one headlight and one taillight. Every snowmobile shall be equipped with brakes.

[C71, 73, 75, 77, 79, 81, §321G.12]

89 Acts, ch 244, §24; 98 Acts, ch 1080, §8; 2004 Acts, ch 1132, §18; 2012 Acts, ch 1100, §16

Referred to in §805.8B(2c)

For applicable scheduled fines, see §805.8B, subsection 2, paragraph c

**321G.13 Unlawful operation.**

1. A person shall not drive or operate a snowmobile:

*a.* At a rate of speed greater than reasonable or proper under all existing circumstances.

*b.* In a careless, reckless, or negligent manner so as to endanger the person or property of another or to cause injury or damage thereto.

*c.* While under the influence of intoxicating liquor or narcotics or habit-forming drugs.

*d.* Without a lighted headlight and taillight from sunset to sunrise and at such other times when conditions provide insufficient lighting to render clearly discernible persons and vehicles at a distance of five hundred feet ahead.

*e.* In any tree nursery or planting in a manner which damages or destroys growing stock.

*f.* On any public land, public ice, or designated snowmobile trail, in violation of official signs of the commission prohibiting such operation in the interest of safety for persons, property, or the environment. Any officer appointed by the commission may post an official sign in an emergency for the protection of persons, property, or the environment.

*g.* (1) In any park, wildlife area, preserve, refuge, game management area, or any portion of a meandered stream, or any portion of the bed of a nonmeandered stream which has been identified as a navigable stream or river by rule adopted by the department and which is covered by water, except on designated snowmobile trails.

(2) This paragraph "*g*" does not prohibit the use of ford crossings of public or private roads or any other ford crossing when used for agricultural purposes; the operation of construction vehicles engaged in lawful construction, repair, or maintenance in a streambed; or the operation of snowmobiles on ice.

*h.* Upon an operating railroad right-of-way. A snowmobile may be driven directly across a railroad right-of-way only at an established crossing and, notwithstanding any other provisions of law, may, if necessary, use the improved portion of the established crossing after yielding to all oncoming traffic. This paragraph does not apply to a law enforcement officer or railroad employee in the lawful discharge of the officer's or employee's duties or to an employee of a utility with authority to enter upon the railroad right-of-way in the lawful performance of the employee's duties.

*i.* Upon the surface of any public water in a maneuver known as water skipping. This paragraph "*i*" does not apply to operation on rivers or streams between November 1 and April 1.

2. A person shall not operate or ride a snowmobile with a firearm in the person's possession unless it is unloaded and enclosed in a carrying case. However, a nonambulatory person may carry an uncased and unloaded firearm while operating or riding a snowmobile.

3. A person shall not drive or operate a snowmobile on public land or a designated snowmobile trail without a measurable snow cover.

[C71, 73, 75, 77, 79, 81, §321G.13; 81 Acts, ch 113, §8]

89 Acts, ch 244, §25, 26; 91 Acts, ch 236, §3; 99 Acts, ch 97, §1; 2002 Acts, ch 1001, §2; 2002 Acts, ch 1027, §7, 8; 2004 Acts, ch 1132, §19 – 22; 2005 Acts, ch 138, §9; 2007 Acts, ch 22, §69; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1100, §17 – 19

Referred to in §805.8B(2b)

For applicable scheduled fines, see §805.8B, subsection 2, paragraph b

**321G.14 Penalty.**

A person who violates this chapter or a rule of the commission or director of transportation is guilty of a simple misdemeanor.

Chapter 232 shall have no application in the prosecution of offenses which are committed in violation of this chapter and which constitute simple misdemeanors.

[C71, 73, 75, 77, 79, 81, §321G.14]

2004 Acts, ch 1132, §23

**321G.15 Operation pending registration.**

The commission shall furnish snowmobile dealers with pasteboard cards bearing the words "registration applied for" and space for the date of purchase. An unregistered snowmobile sold by a dealer shall bear one of these cards which entitles the purchaser to operate it for forty-five days immediately following the purchase. The purchaser of a registered snowmobile may operate it for forty-five days immediately following the purchase, without having completed a transfer of registration. A snowmobile dealer shall make application and pay all registration and title fees if applicable on behalf of the purchaser of a snowmobile.

[C73, 75, 77, 79, 81, §321G.15]

86 Acts, ch 1245, §1877; 89 Acts, ch 244, §27; 97 Acts, ch 148, §5, 9; 98 Acts, ch 1076, §1; 2004 Acts, ch 1132, §24; 2007 Acts, ch 141, §11

**321G.16 Special events.**

The department may authorize the holding of organized special events as defined in this chapter within this state. The department shall adopt rules relating to the conduct of special events held under department permits and designating the equipment and facilities necessary for safe operation of snowmobiles or for the safety of operators, participants, and observers in the special events. At least thirty days before the scheduled date of a special event in this state, an application shall be filed with the department for authorization to conduct the special event. The application shall set forth the date, time, and location of the proposed special event and any other information the department requires. The special event shall not be conducted without written authorization of the department. Copies of the rules shall be furnished by the department to any person making an application.

[C73, 75, 77, 79, 81, §321G.16]

89 Acts, ch 244, §28; 91 Acts, ch 236, §4; 2004 Acts, ch 1132, §25

**321G.17 Violation of stop signal.**

A person who has received a visual or audible signal from a peace officer to come to a stop, shall not operate a snowmobile in willful or wanton disregard of the signal, interfere with or endanger the officer or any other person or vehicle, increase speed, or attempt to flee or elude the officer.

[C73, 75, 77, 79, 81, §321G.17]

89 Acts, ch 244, §29; 2004 Acts, ch 1132, §26; 2012 Acts, ch 1100, §20

Referred to in §805.8B(2f)

For applicable scheduled fine, see §805.8B, subsection 2, paragraph f

**321G.18 Negligence.**

The owner and operator of a snowmobile are liable for any injury or damage occasioned by the negligent operation of the snowmobile. The owner of a snowmobile shall be liable for any such injury or damage only if the owner was the operator of the snowmobile at the time the injury or damage occurred or if the operator had the owner's consent to operate the snowmobile at the time the injury or damage occurred.

[C73, 75, 77, 79, 81, §321G.18]

89 Acts, ch 244, §30; 98 Acts, ch 1074, §26; 2000 Acts, ch 1133, §14; 2004 Acts, ch 1132, §27

**321G.19 Rented snowmobiles.**

1. The owner of a rented snowmobile shall keep a record of the name and address of each

person renting the snowmobile, its registration certificate, the departure date and time, and the expected time of return. The records shall be preserved for six months.

2. The owner of a snowmobile operated for hire shall not permit the use or operation of a rented snowmobile unless it has been provided with all equipment required by this chapter or rules of the commission or the director of transportation, properly installed and in good working order.

[C73, 75, 77, 79, 81, §321G.19]

89 Acts, ch 244, §31; 2003 Acts, ch 44, §61; 2004 Acts, ch 1132, §28; 2007 Acts, ch 141, §12

Referred to in §805.8B(2d)

For applicable scheduled fines, see §805.8B, subsection 2, paragraph d

**321G.20 Operation by minors.**

1. An owner or operator of a snowmobile shall not permit a person under twelve years of age to operate and a person less than twelve years of age shall not operate a snowmobile on a designated snowmobile trail, public land, or public ice except when accompanied on the same snowmobile by a responsible person of at least eighteen years of age who is experienced in snowmobile operation and who possesses a valid driver's license, as defined in section 321.1, or an education certificate issued under this chapter.

2. While operating a snowmobile on a designated snowmobile trail, public land, or public ice, a person twelve through fifteen years of age shall possess a valid education certificate issued under this chapter and must be under the direct supervision of a parent, guardian, or another adult authorized by the parent or guardian, who is experienced in snowmobile operation and possesses a valid driver's license, as defined in section 321.1, or an education certificate issued under this chapter.

3. A person under eighteen years of age but over the age of fifteen shall not operate a snowmobile on or across a public highway unless the person has in the person's possession an education certificate issued to the person pursuant to this chapter.

[C73, 75, 77, 79, 81, §321G.20]

89 Acts, ch 244, §32; 90 Acts, ch 1230, §81; 98 Acts, ch 1073, §9; 2004 Acts, ch 1132, §29; 2012 Acts, ch 1100, §21; 2013 Acts, ch 90, §85

Referred to in §805.8B(2g)

For applicable scheduled fine, see §805.8B, subsection 2, paragraph g

Subsection 2 amended

**321G.21 Manufacturer, distributor, or dealer — special registration.**

1. A manufacturer, distributor, or dealer owning a snowmobile required to be registered under this chapter may operate the snowmobile for purposes of transporting, testing, demonstrating, or selling it without the snowmobile being registered, except that a special registration decal issued to the owner as provided in this chapter shall be displayed on the snowmobile in the manner prescribed by rules of the commission. The special registration decal shall not be used on a snowmobile offered for hire or for any work or service performed by a manufacturer, distributor, or dealer.

2. Every manufacturer, distributor, or dealer shall register with the department by making application to the commission, upon forms prescribed by the commission, for a special registration certificate and decal. The applicant shall pay a registration fee of forty-five dollars and submit reasonable proof of the applicant's status as a bona fide manufacturer, distributor, or dealer as may be required by the commission.

3. The commission, upon granting an application, shall issue to the applicant a special registration certificate and decal. The special registration certificate shall contain the applicant's name, address, and general identification number; the word "manufacturer", "dealer", or "distributor"; and other information the commission prescribes.

4. The commission shall also issue duplicate special registration certificates and decals which shall have displayed thereon the general identification number assigned to the applicant. A county recorder may issue duplicate special registration certificates and decals electronically pursuant to rules adopted by the commission. The fee for each additional duplicate special registration certificate and decal shall be five dollars, plus a writing fee.

5. Each special registration certificate issued under this section shall be for a period of

three years and shall expire on December 31 of the renewal year. A new special registration certificate for the three-year renewal period may be obtained upon application to the commission and payment of the fee provided by law. A county recorder may issue special registration certificate renewals electronically pursuant to rules adopted by the commission.

6. If a manufacturer, distributor, or dealer has an established place of business in more than one location, the manufacturer, distributor, or dealer shall secure a separate and distinct special registration certificate and general identification number for each place of business.

7. A dealer shall make application and pay all registration and title fees if applicable on behalf of the purchaser of a snowmobile. If the registration has expired while in the dealer's possession, the purchaser may renew the registration for the same fee and writing fee as if the purchaser is securing the original registration.

8. Nothing in this section shall prohibit a dealer from obtaining a new registration and transfer of registration in the same manner as other purchasers.

9. The commission may adopt rules consistent with this chapter establishing minimum requirements for dealers. In adopting such rules, the commission shall consider the need to protect persons, property, and the environment and to promote uniformity of practices relating to the sale and use of snowmobiles. The commission may also adopt rules providing for the suspension or revocation of a dealer's special registration certificate issued pursuant to this section.

[C73, 75, 77, 79, 81, §321G.21]

89 Acts, ch 244, §33; 2002 Acts, ch 1027, §9; 2004 Acts, ch 1132, §30; 2007 Acts, ch 141, §13 – 17; 2009 Acts, ch 144, §4; 2012 Acts, ch 1100, §22

Referred to in §331.602, 805.8B(2h)

For applicable scheduled fine, see §805.8B, subsection 2, paragraph h

**321G.22 Limitation of liability by public bodies and adjoining owners.**

The state, its political subdivisions, and the owners or tenants of property adjoining public lands or the right-of-way of a public highway and their agents and employees owe no duty of care to keep the public lands, ditches, or land contiguous to a highway or roadway under the control of the state or a political subdivision safe for entry or use by persons operating a snowmobile, or to give any warning of a dangerous condition, use, structure, or activity on the premises to persons entering for such purposes, except in the case of willful or malicious failure to guard or warn against a dangerous condition, use, structure, or activity. The state, its political subdivisions, and the owners or tenants of property adjoining public lands or the right-of-way of a public highway and their agents and employees are not liable for actions taken to allow or facilitate the use of public lands, ditches, or land contiguous to a highway or roadway except in the case of a willful or malicious failure to guard or warn against a dangerous condition, use, structure, or activity.

This section does not create a duty of care or ground of liability on behalf of the state, its political subdivisions, or the owners or tenants of property adjoining public lands or the right-of-way of a public highway and their agents and employees for injury to persons or property in the operation of snowmobiles in a ditch or on land contiguous to a highway or roadway under the control of the state or a political subdivision. The state, its political subdivisions, and the owners or tenants of property adjoining public lands or the right-of-way of a public highway and their agents and employees are not liable for the operation of a snowmobile in violation of this chapter.

[C73, 75, 77, 79, 81, §321G.22]

86 Acts, ch 1070, §1; 89 Acts, ch 244, §34; 2004 Acts, ch 1132, §31

**321G.22A Recreational riding area — limitation of liability of prior landowners.** Repealed by 2004 Acts, ch 1132, § 96. See § 321I.24.

**321G.23 Course of instruction.**

1. The commission shall provide, by rules adopted pursuant to section 321G.2, for the establishment of certified courses of instruction to be conducted throughout the state for the safe use and operation of snowmobiles. The curriculum shall include instruction in the lawful and safe use, operation, and equipping of snowmobiles consistent with this chapter

and rules adopted by the commission and the director of transportation and other matters the commission deems pertinent for a qualified snowmobile operator. The commission may establish a fee for the course which shall not exceed the actual cost of instruction minus moneys received by the department from education certificate fees under section 321G.24.

2. The commission may certify any experienced, qualified operator to be an instructor of a class established under subsection 1. Each instructor shall be at least eighteen years of age.

3. Upon completion of the course of instruction, the commission shall provide for the administration of a written test to any student who wishes to qualify for an education certificate.

4. The commission shall provide education material relating to the operation of snowmobiles for the use of nonpublic or public elementary and secondary schools in this state.

5. The department may develop requirements and standards for online education offerings. Only vendors who have entered into a memorandum of understanding with the department shall be permitted to offer an online course that results in the issuance of an education certificate approved by the commission. Vendors may charge for their courses and collect the education certificate fee required under section 321G.24, subsection 2, on behalf of the department as agreed to in the memorandum of understanding.

[C75, 77, 79, 81, §321G.23]

89 Acts, ch 244, §35; 2004 Acts, ch 1132, §32; 2007 Acts, ch 141, §18; 2012 Acts, ch 1100, §23

**321G.24 Education certificate — fee.**

1. A person under eighteen years of age shall not operate a snowmobile on public land, public ice, a designated snowmobile trail, or land purchased with snowmobile registration funds in this state without obtaining a valid education certificate approved by the department and having the certificate in the person's possession, unless the person is accompanied on the same snowmobile by a responsible person of at least eighteen years of age who is experienced in snowmobile operation and possesses a valid driver's license, as defined in section 321.1, or an education certificate issued under this chapter.

2. Upon successful completion of the course and payment of a fee of five dollars, a qualified applicant shall be issued an education certificate which is valid until the certificate is suspended or revoked by the director for a violation of a provision of this chapter or a rule adopted pursuant to this chapter.

3. Any person who is required to have an education certificate under this chapter and who has completed a course of instruction established under section 321G.2, subsection 1, paragraph "*j*", including the successful passage of an examination which includes a written test relating to such course of instruction, shall be considered qualified to receive an education certificate.

4. The certificate fees collected under this section shall be credited to the special snowmobile fund created under section 321G.7 and shall be used for safety and educational programs.

5. A valid snowmobile safety or education certificate or license issued by a governmental authority of another state shall be considered a valid certificate or license in this state if the certification or licensing requirements of the governmental authority are substantially the same as the requirements of this chapter as determined by the commission.

[C75, 77, 79, 81, §321G.24; 81 Acts, ch 113, §9]

89 Acts, ch 244, §36; 90 Acts, ch 1230, §82; 91 Acts, ch 236, §5; 98 Acts, ch 1073, §9; 2004 Acts, ch 1132, §33; 2007 Acts, ch 141, §19; 2009 Acts, ch 144, §5; 2012 Acts, ch 1100, §24

Referred to in §321G.23, 805.8B(2g)

For applicable scheduled fine, see §805.8B, subsection 2, paragraph g

**321G.25 Stopping and inspecting — warnings.**

A peace officer may stop and inspect a snowmobile operated, parked, or stored on public streets, highways, public lands, public ice, or designated snowmobile trails of the state to determine if the snowmobile is registered, numbered, or equipped as required by this chapter

and commission rules. The officer shall not inspect an area that is not essential to determine compliance with the requirements. If the officer determines that the snowmobile is not in compliance, the officer may issue a warning memorandum to the operator and forward a copy to the commission. The warning memorandum shall indicate the items found not in compliance and shall direct the owner or operator of the snowmobile to have the snowmobile in compliance and return a copy of the warning memorandum with the proof of compliance to the commission within fourteen days. If the proof of compliance is not provided within fourteen days, the owner or operator is in violation of this chapter.

[81 Acts, ch 113, §1]

89 Acts, ch 244, §37; 2004 Acts, ch 1132, §34; 2012 Acts, ch 1100, §25

**321G.26 Termination of use.**

A person who receives a warning memorandum for a snowmobile shall stop using the snowmobile as soon as possible and shall not operate it on public streets, highways, public lands, public ice, or designated snowmobile trails of the state until the snowmobile is in compliance.

[81 Acts, ch 113, §1]

89 Acts, ch 244, §38; 2004 Acts, ch 1132, §35; 2012 Acts, ch 1100, §26

**321G.27 Writing fees.**

1. *a.* The county recorder shall collect a writing fee of one dollar and twenty-five cents for a snowmobile registration or for renewal of a registration by the county recorder's office.

*b.* The county recorder shall retain a writing fee of one dollar and twenty-five cents from the sale of each user permit issued by the county recorder's office.

*c.* The county recorder shall collect a writing fee of one dollar and twenty-five cents for each duplicate special registration certificate issued by the county recorder's office.

*d.* Writing fees collected or retained by the county recorder under this chapter shall be deposited in the general fund of the county.

2. *a.* A license agent shall collect a writing fee of one dollar for a snowmobile registration or for renewal of a registration by the license agent.

*b.* A license agent shall retain a writing fee of one dollar from the sale of each user permit issued by the license agent.

[S81, §321G.27; 81 Acts, ch 113, §1]

89 Acts, ch 244, §39; 2004 Acts, ch 1132, §36; 2007 Acts, ch 141, §20; 2012 Acts, ch 1100, §27

Referred to in §321G.4, 321G.4A, 321G.6

**321G.28 Consistent local laws — special local rules.**

1. This chapter and other applicable laws of this state shall govern the operation, equipment, numbering, and all other matters relating to a snowmobile when the snowmobile is operated or maintained in this state. However, this chapter does not prevent the adoption of an ordinance or local law relating to the operation or equipment of snowmobiles. The ordinances or local laws are operative only so long as they are not inconsistent with this chapter or the rules adopted by the commission.

2. A subdivision of this state, after public notice by publication in a newspaper having a general circulation in the subdivision, may make formal application to the commission for special rules concerning the operation of snowmobiles within the territorial limits of the subdivision and shall provide the commission with the reasons the special rules are necessary.

3. The commission, upon application by local authorities and in conformity with this chapter, may make special rules concerning the operation of snowmobiles within the territorial limits of a subdivision of this state.

[S81, §321G.28; 81 Acts, ch 113, §1]

89 Acts, ch 244, §40; 2004 Acts, ch 1132, §37

**321G.29 Owner's certificate of title — in general.**

1. The owner of a snowmobile acquired on or after January 1, 1998, other than a

snowmobile used exclusively as a farm implement or a snowmobile more than thirty years old registered as provided in section 321G.4, subsection 4, shall apply to the county recorder of the county in which the owner resides for a certificate of title for the snowmobile. The owner of a snowmobile used exclusively as a farm implement may obtain a certificate of title. A person who owns a snowmobile that is not required to have a certificate of title may apply for and receive a certificate of title for the snowmobile and, subsequently, the snowmobile shall be subject to the requirements of this chapter as if the snowmobile were required to be titled. All snowmobiles that are titled shall be registered.

2. A certificate of title shall contain the information and shall be issued on a form the department prescribes.

3. An owner of a snowmobile shall apply to the county recorder for issuance of a certificate of title within thirty days after acquisition. The application shall be on forms the department prescribes and accompanied by the required fee. The application shall include a certification signed in writing containing substantially the representation that statements made are true and correct to the best of the applicant's knowledge, information, and belief, under penalty of perjury. The application shall contain the date of sale and gross price of the snowmobile or the fair market value if no sale immediately preceded the transfer and any additional information the department requires. If the application is made for a snowmobile last previously registered or titled in another state or foreign country, the application shall contain this information and any other information the department requires.

4. If a dealer buys or acquires a snowmobile for resale, the dealer may apply for and obtain a certificate of title as provided in this chapter. If a dealer buys or acquires a used snowmobile, the dealer may apply for a certificate of title in the dealer's name within thirty days. If a dealer buys or acquires a new snowmobile for resale, the dealer may apply for a certificate of title in the dealer's name.

5. A manufacturer or dealer shall not transfer ownership of a new snowmobile without supplying the transferee with the manufacturer's or importer's certificate of origin signed by the manufacturer's or importer's authorized agent. The certificate shall contain information the department requires. The department may adopt rules providing for the issuance of a certificate of origin for a snowmobile by the department upon good cause shown by the owner.

6. A dealer transferring ownership of a snowmobile under this chapter shall assign the title to the new owner, or in the case of a new snowmobile, assign the certificate of origin. Within fifteen days the dealer shall forward all moneys and applications to the county recorder.

7. The county recorder shall maintain a record of any certificate of title which the county recorder issues and shall keep each certificate of title on record until the certificate of title has been inactive for five years. When issuing a title for a new snowmobile, the county recorder shall obtain and keep on file a copy of the certificate of origin. When issuing a title and registration for a used snowmobile for which there is no title or registration, the county recorder shall obtain and keep on file the affidavit for the unregistered and untitled snowmobile.

8. Once titled, a person shall not sell or transfer ownership of a snowmobile without delivering to the purchaser or transferee a certificate of title with an assignment on it showing title in the purchaser's or transferee's name. A person shall not purchase or otherwise acquire a snowmobile without obtaining a certificate of title for it in that person's name.

9. If the county recorder is not satisfied as to the ownership of the snowmobile or that there are no undisclosed security interests in the snowmobile, the county recorder may issue a certificate of title for the snowmobile but, as a condition of such issuance, may require the applicant to file with the department a bond in the form prescribed by the department and executed by the applicant, and also executed by a person authorized to conduct a surety business in this state. The form and amount of the bond shall be established by rule of the department. The bond shall be conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the snowmobile or person acquiring any security interest in the snowmobile, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney fees, by reason of the issuance of the certificate of title of the snowmobile on account of any defect in or undisclosed security interest upon the

right, title, and interest of the applicant in and to the snowmobile. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond shall be returned at the end of three years or prior thereto if the snowmobile is no longer registered in this state and the certificate of title is surrendered to the department, unless the department has been notified of the pendency of an action to recover on the bond.

97 Acts, ch 148, §1, 9; 99 Acts, ch 113, §4; 2002 Acts, ch 1027, §10; 2002 Acts, ch 1113, §3; 2004 Acts, ch 1132, §38; 2007 Acts, ch 141, §21, 22; 2011 Acts, ch 34, §81; 2012 Acts, ch 1050, §42, 60; 2012 Acts, ch 1100, §28; 2013 Acts, ch 132, §54

Subsection 3 amended

**321G.30 Fees — duplicates.**

1. The county recorder shall charge a ten dollar fee to issue a certificate of title, a transfer of title, a duplicate, or a corrected certificate of title.

2. If a certificate of title is lost, stolen, mutilated, destroyed, or becomes illegible, the first lienholder or, if there is none, the owner named in the certificate, as shown by the county recorder's records, shall within thirty days obtain a duplicate by applying to the county recorder. The applicant shall furnish information the department requires concerning the original certificate and the circumstances of its loss, mutilation, or destruction.

3. The duplicate certificate of title shall be marked plainly "duplicate" across its face and mailed or delivered to the applicant.

4. If a lost or stolen original certificate of title for which a duplicate has been issued is recovered, the original shall be surrendered promptly to the county recorder for cancellation.

5. Five dollars of the certificate of title fees collected under this section shall be remitted by the county recorder to the treasurer of state for deposit in the special snowmobile fund created under section 321G.7. The remaining five dollars shall be retained by the county and deposited into the general fund of the county.

97 Acts, ch 148, §2, 9; 2004 Acts, ch 1132, §39; 2007 Acts, ch 141, §23

**321G.31 Transfer or repossession by operation of law.**

1. If ownership of a snowmobile is transferred by operation of law, such as by inheritance, order in bankruptcy, insolvency, replevin, or execution sale, the transferee, within thirty days after acquiring the right to possession of the snowmobile, shall mail or deliver to the county recorder of the transferee's county of residence satisfactory proof of ownership as the county recorder requires, together with an application for a new certificate of title, and the required fee.

2. If a lienholder repossesses a snowmobile by operation of law and holds it for resale, the lienholder shall secure a new certificate of title and shall pay the required fee.

97 Acts, ch 148, §3, 9; 99 Acts, ch 113, §5; 2004 Acts, ch 1132, §40; 2012 Acts, ch 1100, §29

**321G.32 Security interest — perfection and titles — fee.**

1. A security interest created in this state in a snowmobile is not perfected until the security interest is noted on the certificate of title.

*a.* To perfect the security interest, an application for security interest must be presented along with the original title. The county recorder shall note the security interest on the face of the title and on the copy in the recorder's office.

*b.* The application fee for a security interest is ten dollars. Five dollars of the fee shall be credited to the special snowmobile fund created under section 321G.7. The remaining five dollars shall be retained by the county and deposited into the general fund of the county.

2. The certificate of title shall be presented to the county recorder when the application for security interest or for assignment of the security interest is presented and a new or endorsed certificate of title shall be issued to the secured party with the name and address of the secured party upon it.

3. When a security interest is discharged, the secured party shall note the cancellation of the security interest on the face of the certificate of title and send the title by first class mail to the office of the county recorder where the title was issued. If the title has been

lost or destroyed, the secured party may discharge the security interest by sending a signed, notarized statement to the office of the county recorder where the title was issued. The county recorder shall note the release of the security interest in the county records and attach the statement to the certificate of title as evidence of the release of the security interest.

97 Acts, ch 148, §4, 9; 99 Acts, ch 113, §6; 2004 Acts, ch 1132, §41, 42; 2007 Acts, ch 141, §24

**321G.33 Vehicle identification number.**

1. The department may assign a distinguishing number to a snowmobile when the serial number on the snowmobile is destroyed or obliterated and issue to the owner a special decal bearing the distinguishing number which shall be affixed to the snowmobile in a position to be determined by the department. The snowmobile shall be registered and titled under the distinguishing number in lieu of the former serial number. Every snowmobile shall have a vehicle identification number assigned and affixed as required by the department.

2. The commission shall adopt, by rule, the procedures for application and for issuance of a vehicle identification number for homebuilt snowmobiles.

3. A person shall not destroy, remove, alter, cover, or deface the manufacturer's vehicle identification number, the plate or decal bearing it, or any vehicle identification number the department assigns to a snowmobile without the department's permission.

4. A person other than a manufacturer who constructs or rebuilds a snowmobile for which there is no legible vehicle identification number shall submit to the department an affidavit which describes the snowmobile. In cooperation with the county recorder, the department shall assign a vehicle identification number to the snowmobile. The applicant shall permanently affix the vehicle identification number to the snowmobile in a manner that such alteration, removal, or replacement of the vehicle identification number would be obvious.

2002 Acts, ch 1027, §11; 2003 Acts, ch 44, §62; 2004 Acts, ch 1132, §43; 2012 Acts, ch 1100, §30

**321G.34 Repeat offender — records, enforcement, and penalties.**

1. The commission shall establish by rule a recordkeeping system and other administrative procedures necessary to administer this section.

2. A person who pleads guilty to or is convicted of a violation of any provision of this chapter while the person's registration privilege is suspended or revoked under administrative procedures is guilty of a simple misdemeanor if the person had no other violations within the previous three years which occurred while the person's registration privilege was suspended or revoked.

3. A person who pleads guilty to or is convicted of a violation of any provision of this chapter while the person's registration privilege is suspended or revoked under administrative procedures is guilty of a serious misdemeanor if the person had one other violation within the previous three years which occurred while the person's registration privilege was suspended or revoked.

4. A person who pleads guilty to or is convicted of a violation of any provision of this chapter while the person's registration privilege is suspended or revoked under administrative procedures is guilty of an aggravated misdemeanor if the person had two or more convictions within the previous three years which occurred while the person's registration privilege was suspended or revoked.

5. *a.* Upon the conviction of a person of any violation of this chapter or a rule adopted under this chapter, the court, as a part of the judgment, may suspend or revoke one or more snowmobile registration or user permit privileges of the person for any definite period.

*b.* The court shall revoke all of the person's snowmobile registrations or user permits and suspend the privilege of procuring a registration or user permit for a period of one year for any person who has been convicted twice within one year of trespassing while operating a snowmobile. A person shall not be issued a registration or user permit during the period of suspension or revocation.

2007 Acts, ch 141, §25

# CHAPTER 321H

## VEHICLE RECYCLERS

Referred to in §321.52, 321.69, 321.89, 322C.6


321H.1 Administration.
321H.2 Definitions.
321H.3 Prohibitions.
321H.4 License application and fees.
321H.4A Repealed by 98 Acts, ch 1075, §32.
321H.5 Display of license.
321H.6 Denial, suspension, or revocation of license.
321H.7 Fees.
321H.8 Penalties.


**321H.1 Administration.**

The administration of this chapter shall be vested in the director of the state department of transportation. The department may employ such employees as are necessary for the administration of this chapter, within applicable budget limitations.

[C79, 81, §321H.1]

**321H.2 Definitions.**

As used in this chapter and unless a different meaning appears from the context:

1. *"Authorized vehicle recycler"* means a person licensed to operate as a vehicle rebuilder, used vehicle parts dealer or vehicle salvager.
2. *"Department"* means the state department of transportation.
3. *"Extension"* means a place of business of an authorized vehicle recycler other than the principal place of business within the county of the principal place of business.
4. *"Person"* includes any individual, firm, corporation, partnership, joint adventure, or association, and the plural as well as the singular number.
5. *"Selling"* includes bartering, exchanging, or otherwise dealing in.
6. *"Used vehicle parts dealer"* means a person engaged in the business of selling bodies, parts of bodies, frames, or component parts of used vehicles subject to registration.
7. *"Vehicle"* means any vehicle as defined in chapter 321.
8. *"Vehicle rebuilder"* means a person engaged in the business of rebuilding or restoring to operating condition vehicles subject to registration which have been damaged or wrecked.
9. *"Vehicle salvager"* means a person engaged in the business of scrapping, recycling, dismantling, or storing wrecked or damaged vehicles or selling reusable parts of vehicles or storing vehicles not currently registered which vehicles are vehicles subject to registration.
10. *"Vehicle subject to registration"* means any vehicle that is of a type required to be registered under chapter 321 when operated on a public highway, including but not limited to a vehicle that is inoperable, salvage, or rebuilt.
11. *"Wrecked or salvage vehicle"* means a damaged vehicle for which the cost of repair exceeds fifty percent of the fair market value of the vehicle before it became damaged.

[C79, 81, §321H.2]

97 Acts, ch 108, §32; 2008 Acts, ch 1032, §106; 2009 Acts, ch 130, §29, 30

**321H.3 Prohibitions.**

Except for educational institutions; persons licensed as new vehicle dealers under chapter 322; persons engaged in a hobby not for profit; persons engaged in the business of purchasing bodies, parts of bodies, frames, or component parts of vehicles only for sale as scrap metal; or persons licensed under the provisions of this chapter as authorized vehicle recyclers, a person in this state shall not engage in the business of any of the following:

1. Selling or offering for sale used bodies, parts of bodies, frames, or component parts of more than six used vehicles subject to registration in a twelve-month period.
2. Dismantling, scrapping, recycling, or salvaging more than six vehicles subject to registration in a twelve-month period.
3. Rebuilding or restoring for sale more than six wrecked or salvage vehicles subject to registration in a twelve-month period.
4. Storing more than six vehicles not currently registered or storing damaged vehicles

except where such storing of damaged vehicles is incidental to the primary purpose of the repair of vehicles for others.

[C79, 81, §321H.3]

88 Acts, ch 1089, §8; 97 Acts, ch 108, §33; 2009 Acts, ch 130, §31; 2009 Acts, ch 179, §74; 2010 Acts, ch 1035, §3

**321H.4 License application and fees.**

1. Upon application and payment of a fee, a person may apply for a license to operate as an authorized vehicle recycler to engage in the business as one or more of the following:

*a.* A vehicle rebuilder.

*b.* A used vehicle parts dealer.

*c.* A vehicle salvager.

2. *a.* Application for a license as an authorized vehicle recycler shall be made to the department on forms provided by the department. The application shall be accompanied by a fee of seventy dollars for a two-year period or part thereof. The license shall be approved or disapproved within thirty days after application for the license. A license expires on December 31 of even-numbered years. A licensee shall have the month of expiration and the month after the month of expiration to renew the license. A person who fails to renew a license by the end of this time period and desires to hold a license shall file a new license application and pay the required fee. A separate license shall be obtained for each county in which an applicant conducts operations.

*b.* The applicant shall specify which business or businesses, as enumerated in subsection 1, the applicant is applying for a license to engage in. An applicant shall have or demonstrate that the applicant will have the facilities and equipment necessary to engage in the business or businesses for which the applicant is applying for a license. The license shall specify which business or businesses the applicant has been authorized to engage in.

3. Each licensee shall file with the department a supplemental statement form when the licensee's principal place of business, an extension, or the operation of business in the county is changed to differ from the information contained on the initial license application form at least ten days prior to any operational change. The department shall notify each licensee of the approval of a change in license status. If a change in license status is approved by the department, the licensee shall surrender the old license to the department together with a thirty-five dollar fee. The department shall issue a new license modified to reflect the principal place of business, each extension, and the operations of the licensee.

[C79, 81, §321H.4]

92 Acts, ch 1104, §5; 92 Acts, ch 1175, §10; 2000 Acts, ch 1016, §19; 2006 Acts, ch 1068, §46, 57; 2009 Acts, ch 130, §32

Referred to in §455D.11

**321H.4A** Repealed by 98 Acts, ch 1075, § 32.

**321H.5 Display of license.**

A license issued under the provisions of this chapter shall specify the location of the principal place of business, each extension within the county of the principal place of business and the license shall be conspicuously displayed at the principal place of business except during periods when the license is surrendered for modifications.

[C79, 81, §321H.5]

**321H.6 Denial, suspension, or revocation of license.**

The license of a person issued under the provisions of this chapter may be denied, revoked, or suspended if the department finds any of the following:

1. The licensee has violated any provision of this chapter.

2. The licensee has made any material misrepresentation to the department in connection with an application for a license, junking certificate, salvage certificate, certificate of title, or registration of a vehicle.

3. The licensee has been convicted of a fraudulent practice or any indictable offense in

connection with selling or other activity relating to vehicles, in this state or any other state, or has been convicted of three or more violations of section 321.92, subsection 2, or section 321.99.

4. The licensee has failed to maintain an established principal place of business in the county without notification to the department.

5. The licensee has had a license issued under the provisions of this chapter denied, suspended, or revoked within the previous three years.

6. The licensee has been determined in a final judgment of a court of competent jurisdiction to have violated section 714.16 in connection with selling or other activity relating to vehicles.

[C79, 81, §321H.6]

2009 Acts, ch 130, §33; 2010 Acts, ch 1035, §4, 5

Fraudulent practices, §714.8 – 714.14

**321H.7 Fees.**

All fees of whatever character accruing from the administration of this chapter shall be accounted for and paid by the department into the state treasury monthly and shall be credited to the road use tax fund.

[C79, 81, §321H.7]

**321H.8 Penalties.**

1. A person convicted of violating a provision of this chapter is guilty of a serious misdemeanor.

2. A person who has been convicted of a fraudulent practice, has been convicted of three or more violations of section 321.92, subsection 2, or section 321.99, or has been convicted of any indictable offense in connection with selling or other activity relating to vehicles, in this state or any other state, shall not for a period of five years from the date of conviction be an owner, salesperson, employee, officer of a corporation, or representative of an authorized vehicle recycler or represent themselves as an owner, salesperson, employee, officer of a corporation, or representative of an authorized vehicle recycler.

[C81, §321H.8]

97 Acts, ch 108, §34; 2009 Acts, ch 130, §34; 2010 Acts, ch 1035, §6

Fraudulent practices, §714.8 – 714.14

# CHAPTER 321I

## ALL-TERRAIN VEHICLES

Referred to in §232.8, 321.234A, 350.5, 455A.4, 455A.5, 456A.14, 456A.24, 462A.33, 805.16, 903.1


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**321I.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *a.* *"All-terrain vehicle"* means a motorized vehicle with not less than three and not more than six nonhighway tires that is limited in engine displacement to less than one thousand cubic centimeters and in total dry weight to less than one thousand two hundred pounds and that has a seat or saddle designed to be straddled by the operator and handlebars for steering control.

*b.* Off-road motorcycles shall be considered all-terrain vehicles for the purpose of registration. Off-road motorcycles shall also be considered all-terrain vehicles for the purpose of titling if a title has not previously been issued pursuant to chapter 321. An operator of an off-road motorcycle is subject to provisions governing the operation of all-terrain vehicles in this chapter, but is exempt from the education instruction and certification program requirements of sections 321I.25 and 321I.26.

2. *"'A' scale"* means the physical scale marked "A" graduated in decibels on a sound level meter which meets the requirements of the American national standards institute, incorporated, publication S1.4-1961, general purpose sound level meters.

3. *"Commission"* means the natural resource commission of the department.

4. *"Dealer"* means a person engaged in the business of buying, selling, or exchanging all-terrain vehicles required to be registered under this chapter and who has an established place of business for that purpose in this state.

5. *"Department"* means the department of natural resources.

6. *"Designated riding area"* means an all-terrain vehicle riding area on any public land or public ice under the jurisdiction of the department that has been designated by the department for all-terrain vehicle use.

7. *"Designated riding trail"* means an all-terrain vehicle riding trail on any public land, private land, or public ice that has been designated by the department, a political subdivision, or a controlling authority for all-terrain vehicle use.

8. *"Director"* means the director of the department.

9. *"Direct supervision"* means to provide supervision of another person while maintaining visual and verbal contact at all times.

10. *"Distributor"* means a person, resident or nonresident, who sells or distributes all-terrain vehicles to all-terrain vehicle dealers in this state or who maintains distributor representatives.

11. *"Education certificate"* means an all-terrain vehicle education certificate, approved by the commission, which is issued to a qualified applicant who is twelve years of age or older.

12. *"Established place of business"* means the place actually occupied either continuously or at regular periods by a dealer or manufacturer where the books and records are kept and the dealer's or manufacturer's business is primarily transacted.

13. *"Manufacturer"* means a person engaged in the business of constructing or assembling all-terrain vehicles required to be registered under this chapter and who has an established place of business for that purpose in this state.

14. *"Nonambulatory person"* means an individual with paralysis of the lower half of the body with the involvement of both legs, usually caused by disease of or injury to the spinal cord, or caused by the loss of both legs or the loss of a part of both legs.

15. *"Nonresident"* means a person who is not a resident of this state.

16. *"Off-road motorcycle"* means a two-wheeled motor vehicle that has a seat or saddle designed to be straddled by the operator and handlebars for steering control and that is intended by the manufacturer for use on natural terrain. *"Off-road motorcycle"* includes a motorcycle that was originally issued a certificate of title and registered for highway use under chapter 321, but which contains design features that enable operation over natural terrain.

17. *a.* *"Off-road utility vehicle"* means a motorized vehicle with not less than four and not more than eight nonhighway tires or rubberized tracks that is limited in engine displacement to less than one thousand five hundred cubic centimeters and in total dry weight to not more than two thousand pounds and that has a seat that is of bucket or bench design, not intended to be straddled by the operator, and a steering wheel or control levers for control.

*b.* The operator of an off-road utility vehicle is subject to provisions governing the operation of all-terrain vehicles in section 321.234A, this chapter, and administrative rules, but is exempt from the education instruction and certification program requirements of sections 321I.25 and 321I.26. An operator of an off-road utility vehicle shall not operate the vehicle on a designated riding area or designated riding trail unless the department has posted signage indicating the riding area or trail is open to the operation of off-road utility vehicles. Off-road utility vehicles are subject to the dealer registration and titling requirements of this chapter. A motorized vehicle that was previously titled or is currently titled under chapter 321 shall not be registered or operated as an off-road utility vehicle.

18. *"Operate"* means to ride in or on, other than as a passenger, use, or control the operation of an all-terrain vehicle in any manner, whether or not the all-terrain vehicle is moving.

19. *"Operator"* means a person who operates or is in actual physical control of an all-terrain vehicle.

20. *"Owner"* means a person, other than a lienholder, having the property right in or title to an all-terrain vehicle. The term includes a person entitled to the use or possession of an all-terrain vehicle subject to an interest in another person, reserved or created by agreement and securing payment or performance of an obligation, but the term excludes a lessee under a lease not intended as security.

21. *"Person"* means an individual, partnership, firm, corporation, association, and the state, its agencies, and political subdivisions.

22. *"Public ice"* means any frozen, navigable waters within the territorial limits of this state and the frozen marginal river areas adjacent to this state, other than farm ponds, that are under the jurisdiction of the commission.

23. *"Public land"* means land owned by the federal government, the state, or political subdivisions of the state and land acquired or developed for public recreation pursuant to section 321I.8.

24. *"Railroad right-of-way"* means the full width of property owned, leased, or subject to easement for railroad purposes and is not limited to those areas on which tracks are located.

25. *"Resident"* means as defined in section 483A.1A.

26. *"Roadway"* means that portion of a highway improved, designed, or ordinarily used for vehicular travel.

27. *"Snowmobile"* means the same as defined in section 321G.1.

28. *"Special event"* means an organized race, exhibition, or demonstration of limited duration which is conducted on public land, public ice, or a designated riding trail under the jurisdiction of the commission according to a prearranged schedule and in which general public interest is manifested.

29. *"Street"* or *"highway"* means the entire width between property lines of every way or place of whatever nature when any part thereof is open to the use of the public, as a matter of right, for purposes of vehicular travel, except in public areas in which the boundary shall be thirty-three feet each side of the center line of the roadway.

2004 Acts, ch 1132, §44; 2007 Acts, ch 141, §26, 27; 2009 Acts, ch 144, §6, 7; 2012 Acts, ch 1013, §3, 4; 2012 Acts, ch 1100, §31 – 34

Referred to in §321G.1, 322F.1

**321I.2 Rules.**

1. The commission may adopt rules for the following purposes:

*a.* Registration and titling of all-terrain vehicles.

*b.* Use of all-terrain vehicles as far as game and fish resources or habitats are affected.

*c.* Use of all-terrain vehicles on public lands under the jurisdiction of the commission.

*d.* Use of all-terrain vehicles on any waters of the state under the jurisdiction of the commission, while the waters are frozen.

*e.* Establishment of a program of grants, subgrants, and contracts to be administered by the department for the development, maintenance, and operation of designated all-terrain vehicle riding areas and trails by political subdivisions and incorporated private organizations.

*f.* Issuance of education certificates.

*g.* Issuance of competition registrations and the participation of all-terrain vehicles so registered in special events.

*h.* Issuance of annual user permits for nonresidents and establishment of administrative fees for the issuance of the permits.

*i.* Establishment of a certified education course for the safe use and operation of all-terrain vehicles.

*j.* Certification of volunteer all-terrain vehicle education instructors.

2. In adopting the rules, consideration shall be given to the need to protect the environment and the public health, safety, and welfare; to protect private property, public parks, and other public lands; to protect wildlife and wildlife habitat; and to promote uniformity of rules relating to the use, operation, and equipment of all-terrain vehicles. The rules shall be in conformance with chapter 17A.

2004 Acts, ch 1132, §45; 2005 Acts, ch 20, §8; 2008 Acts, ch 1161, §3; 2009 Acts, ch 144, §8 – 10; 2012 Acts, ch 1100, §35

Referred to in §321I.25, 321I.26

**321I.3 Registration required — penalties.**

1. Each all-terrain vehicle used on public land, public ice, or a designated riding trail of this state shall be currently registered. A person shall not operate, maintain, or give permission for the operation or maintenance of an all-terrain vehicle on public land, public ice, or a designated riding trail unless the all-terrain vehicle is registered in accordance with this chapter or applicable federal laws or in accordance with an approved numbering system of another state and the evidence of registration is in full force and effect. An all-terrain vehicle registered in another state must also be issued a user permit in this state in accordance with this chapter.

2. A violation of subsection 1 is punishable as a scheduled violation under section 805.8B,

subsection 2A, paragraph *"a"*. When the scheduled fine is paid, the violator shall submit proof to the department that a valid registration or user permit has been obtained by providing a copy of the registration or user permit to the department within thirty days of the date the fine is paid. A person who violates this subsection is guilty of a simple misdemeanor.

2004 Acts, ch 1132, §46; 2005 Acts, ch 3, §62; 2007 Acts, ch 141, §28; 2012 Acts, ch 1100, §36

Referred to in §805.8B(2Aa)

**321I.4 Registration — fee.**

1. The owner of each all-terrain vehicle required to be registered shall register it annually with the department through a county recorder. The department shall develop and maintain an electronic system for the registration of all-terrain vehicles pursuant to this chapter. The department shall establish forms and procedures as necessary for the registration of all-terrain vehicles.

2. The owner of the all-terrain vehicle shall file an application for registration with the department through the county recorder of the county of residence, or in the case of a nonresident owner, in the county of primary use, in the manner established by the commission. The application shall be completed by the owner and shall be accompanied by a fee of fifteen dollars and a writing fee as provided in section 321I.29. An all-terrain vehicle shall not be registered by the county recorder until the county recorder is presented with receipts, bills of sale, or other satisfactory evidence that the sales or use tax has been paid for the purchase of the all-terrain vehicle or that the owner is exempt from paying the tax. An all-terrain vehicle that has an expired registration certificate from another state may be registered in this state upon proper application, payment of all applicable registration and writing fees, and payment of a penalty of five dollars.

3. Upon receipt of the application in approved form accompanied by the required fees, the county recorder shall issue to the applicant a registration certificate and registration decal. The registration decal shall be displayed on the all-terrain vehicle as provided in section 321I.6. The registration certificate shall be carried either in the all-terrain vehicle or on the person of the operator of the all-terrain vehicle when in use. The operator of an all-terrain vehicle shall exhibit the registration certificate to a peace officer upon request, to a person injured in an accident involving an all-terrain vehicle, to the owner or operator of another all-terrain vehicle or the owner of personal or real property when the all-terrain vehicle is involved in a collision or accident of any nature with another all-terrain vehicle or the property of another person, or to the property owner or tenant when the all-terrain vehicle is being operated on private property without permission from the property owner or tenant.

2004 Acts, ch 1132, §47, 97; 2007 Acts, ch 141, §29; 2012 Acts, ch 1100, §37

Referred to in §331.602, 331.605

**321I.5 Nonresident user permits.**

1. A nonresident wishing to operate an all-terrain vehicle, other than an all-terrain vehicle registered pursuant to this chapter, on public land, public ice, or a designated riding trail of this state shall obtain a user permit from the department. A user permit shall be issued for use on only one all-terrain vehicle and is not transferable. A user permit shall be valid for the calendar year or time period specified in the permit.

2. A county recorder or a license agent designated by the director pursuant to section 483A.11 may issue user permits. The fee for a user permit shall be fifteen dollars plus an administrative fee established by the commission. A county recorder or a license agent shall retain a writing fee from the sale of each user permit as provided in section 321I.29.

2004 Acts, ch 1132, §48; 2007 Acts, ch 141, §30; 2012 Acts, ch 1100, §38

Referred to in §321I.8, 331.602, 331.605

**321I.6 Display of registration and user permit decals.**

The owner shall display the registration decal or nonresident user permit decal on an all-terrain vehicle in the manner prescribed by rules of the commission.

2004 Acts, ch 1132, §49; 2007 Acts, ch 141, §31

Referred to in §321I.4, 805.8B(2Ae)

For applicable scheduled fines, see §805.8B, subsection 2A, paragraph e

**321I.7 Registration — renewal.**

1. *a.* Every all-terrain vehicle registration certificate and registration decal issued expires at midnight December 31 unless sooner terminated or discontinued in accordance with this chapter or rules of the commission. After the first day of September each year, an unregistered all-terrain vehicle may be registered or a registration may be renewed for the subsequent year beginning January 1.

*b.* After the first day of September an unregistered all-terrain vehicle may be registered for the remainder of the current registration year and for the subsequent registration year in one transaction. The fee shall be five dollars for the remainder of the current year, in addition to the registration fee of fifteen dollars for the subsequent year beginning January 1, and a writing fee as provided in section 321I.29.

2. An expired all-terrain vehicle registration may be renewed for the same fee as if the owner is securing the original registration plus a penalty of five dollars and a writing fee as provided in section 321I.29.

3. Duplicate registrations may be issued by a county recorder or a license agent upon the payment of a five dollar fee plus a writing fee as provided in section 321I.29.

4. A motorcycle, as defined in section 321.1, subsection 40, paragraph *"a"*, may be registered as an all-terrain vehicle as provided in this section. A motorcycle registered as an all-terrain vehicle may participate in all programs established for all-terrain vehicles under this chapter except for the education instruction and certification program.

5. A county recorder or a license agent designated by the director pursuant to section 483A.11 may issue all-terrain vehicle registration renewals electronically pursuant to rules adopted by the commission. The fee for a registration renewal issued using an electronic system is fifteen dollars plus an administrative fee established by the commission and a writing fee as provided in section 321I.29.

2004 Acts, ch 1132, §50; 2007 Acts, ch 141, §32; 2012 Acts, ch 1100, §39; 2012 Acts, ch 1138, §65

Referred to in §331.602

**321I.8 Fees remitted to commission — appropriation.**

1. A county recorder or license agent shall remit to the commission the all-terrain vehicle fees collected by the recorder or license agent in the manner and time prescribed by the department.

2. The department shall remit the fees, including user fees collected pursuant to section 321I.5, to the treasurer of state, who shall place the money in a special all-terrain vehicle fund. The money is appropriated to the department for the all-terrain vehicle programs of the state. The programs shall include grants, subgrants, contracts, or cost-sharing of all-terrain vehicle programs with political subdivisions or incorporated private organizations or both in accordance with rules adopted by the commission. All-terrain vehicle fees may be used for the establishment, maintenance, and operation of all-terrain vehicle recreational riding areas through the awarding of grants administered by the department. All-terrain vehicle recreational riding areas established, maintained, or operated by the use of such grants shall not be operated for profit. All programs using cost-sharing, grants, subgrants, or contracts shall establish and implement an education instruction program either singly or in cooperation with other all-terrain vehicle programs. All-terrain vehicle fees may be used to support all-terrain vehicle programs on a usage basis. At least fifty percent of the special fund shall be available for political subdivisions or incorporated private organizations or both. Moneys from the special fund not used by the political subdivisions or incorporated private organizations or both shall remain in the fund and may be used by the department for the administration of the all-terrain vehicle programs. Notwithstanding section 8.33, moneys in the special fund shall not revert to the general fund of the state at the end of a fiscal year. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the special fund shall remain in the fund.

2004 Acts, ch 1132, §51; 2007 Acts, ch 141, §33; 2012 Acts, ch 1100, §40

Referred to in §321I.1, 321I.15A, 321I.17, 321I.32, 321I.34, 331.427

**321I.9 Exempt vehicles.**

Registration shall not be required for the following described all-terrain vehicles:

1. All-terrain vehicles owned by the United States, this state, or another state, or by a governmental subdivision thereof, and used for enforcement, search and rescue, or official research and studies, but not for recreational or commercial purposes.

2. All-terrain vehicles used in accordance with section 321.234A, subsection 1, paragraph "*a*".

3. All-terrain vehicles used exclusively as farm implements.

2004 Acts, ch 1132, §52; 2007 Acts, ch 141, §34; 2012 Acts, ch 1100, §41

**321I.10 Operation on roadways, highways, and trails.**

1. A person shall not operate an all-terrain vehicle or off-road utility vehicle upon roadways or highways except as provided in section 321.234A and this section.

2. A registered all-terrain vehicle or off-road utility vehicle may be operated on the roadways of that portion of county highways designated by the county board of supervisors for such use during a specified period. The county board of supervisors shall evaluate the traffic conditions on all county highways and designate roadways on which all-terrain vehicles or off-road utility vehicles may be operated for the specified period without unduly interfering with or constituting an undue hazard to conventional motor vehicle traffic. In designating such roadways, the board may authorize all-terrain vehicles and off-road utility vehicles to stop at service stations or convenience stores along a designated roadway.

3. Cities may designate streets under the jurisdiction of cities within their respective corporate limits which may be used for the operation of registered all-terrain vehicles or registered off-road utility vehicles. In designating such streets, the city may authorize all-terrain vehicles and off-road utility vehicles to stop at service stations or convenience stores along a designated street.

4. All-terrain vehicles shall not be operated on snowmobile trails except where designated by the controlling authority and the primary snowmobile trail sponsor.

5. The state department of transportation may issue a permit to a state agency, a county, or a city to allow an all-terrain vehicle trail to cross a primary highway. The trail crossing shall be part of an all-terrain vehicle trail designated by the state agency, county, or city. A permit shall be issued only if the crossing can be accomplished in a safe manner and allows for adequate sight distance for both motorists and all-terrain vehicle operators. The state department of transportation may adopt rules to administer this subsection.

2004 Acts, ch 1132, §53; 2004 Acts, ch 1175, §371; 2005 Acts, ch 20, §9; 2006 Acts, ch 1030, §37; 2009 Acts, ch 179, §125; 2010 Acts, ch 1186, §10

Referred to in §321.234A, 331.362, 805.8B(2Ab)

For applicable scheduled fines, see §805.8B, subsection 2A, paragraph b

**321I.11 Accident reports.**

If an all-terrain vehicle is involved in an accident resulting in injury or death to anyone or property damage amounting to one thousand five hundred dollars or more, either the operator or someone acting for the operator shall immediately notify the county sheriff or another law enforcement agency in the state. If the accident occurred on public land, public ice, or a designated riding trail under the jurisdiction of the commission, the operator shall file with the commission a report of the accident, within seventy-two hours, containing information as the commission may require. All other accidents shall be reported as required under section 321.266.

2004 Acts, ch 1132, §54; 2010 Acts, ch 1157, §3; 2011 Acts, ch 38, §22; 2012 Acts, ch 1100, §42

**321I.12 Mufflers required — inspections.**

1. An all-terrain vehicle shall not be operated without suitable and effective muffling devices. An all-terrain vehicle shall comply with the sound level standards and testing procedures established by the society of automotive engineers under SAE J1287.

2. The commission may adopt rules with respect to the inspection of all-terrain vehicles and testing of their mufflers.

2004 Acts, ch 1132, §55; 2007 Acts, ch 141, §35

Referred to in §805.8B(2Ab)

For applicable scheduled fines, see §805.8B, subsection 2A, paragraph b

**321I.13 Headlight — taillight — brakes.**

Every all-terrain vehicle operated during the hours of darkness shall display a lighted headlight and taillight. Every all-terrain vehicle shall be equipped with brakes.

2004 Acts, ch 1132, §56; 2012 Acts, ch 1100, §43

Referred to in §805.8B(2Ac)

For applicable scheduled fines, see §805.8B, subsection 2A, paragraph c

**321I.14 Unlawful operation.**

1. A person shall not drive or operate an all-terrain vehicle:

*a.* At a rate of speed greater than reasonable or proper under all existing circumstances.

*b.* In a careless, reckless, or negligent manner so as to endanger the person or property of another or to cause injury or damage thereto.

*c.* While under the influence of intoxicating liquor or narcotics or habit-forming drugs.

*d.* Without a lighted headlight and taillight from sunset to sunrise and at such other times when conditions provide insufficient lighting to render clearly discernible persons and vehicles at a distance of five hundred feet ahead.

*e.* In any tree nursery or planting in a manner which damages or destroys growing stock.

*f.* On any public land, public ice, or designated riding trail, in violation of official signs of the commission prohibiting such operation in the interest of safety for persons, property, or the environment. Any officer appointed by the commission may post an official sign in an emergency for the protection of persons, property, or the environment.

*g.* In any park, wildlife area, preserve, refuge, game management area, or any portion of a meandered stream, or any portion of the bed of a nonmeandered stream which has been identified as a navigable stream or river by rule adopted by the department and which is covered by water, except on designated riding areas and designated riding trails. This paragraph does not prohibit the use of ford crossings of public roads or any other ford crossing when used for agricultural purposes; the operation of construction vehicles engaged in lawful construction, repair, or maintenance in a streambed; or the operation of all-terrain vehicles on ice.

*h.* Upon an operating railroad right-of-way. An all-terrain vehicle may be driven directly across a railroad right-of-way only at an established crossing and, notwithstanding any other provisions of law, may, if necessary, use the improved portion of the established crossing after yielding to all oncoming traffic. This paragraph does not apply to a law enforcement officer or railroad employee in the lawful discharge of the officer's or employee's duties or to an employee of a utility with authority to enter upon the railroad right-of-way in the lawful performance of the employee's duties.

2. A person shall not operate or ride an all-terrain vehicle with a firearm in the person's possession unless it is unloaded and enclosed in a carrying case. However, a nonambulatory person may carry an uncased and unloaded firearm while operating or riding an all-terrain vehicle.

3. *a.* A person shall not operate an all-terrain vehicle with more persons on the vehicle than it was designed to carry.

*b.* Paragraph "*a*" does not apply to a person who operates an all-terrain vehicle as part of a farm operation as defined in section 352.2.

4. A person shall not operate an off-road utility vehicle on a designated riding area or designated riding trail unless the riding area or trail is signed by the department as open to off-road utility vehicle operation.

5. A person shall not operate a vehicle other than an all-terrain vehicle on a designated

riding area or designated riding trail unless the riding area or trail is signed by the department as open to such other use.

2004 Acts, ch 1132, §57; 2007 Acts, ch 141, §36, 37; 2008 Acts, ch 1161, §4; 2012 Acts, ch 1100, §44

Referred to in §321I.15A, 805.8B(2Ab)

For applicable scheduled fines, see §805.8B, subsection 2A, paragraph b

**321I.15 Penalty.**

1. A person who violates this chapter or a rule of the commission or director of transportation is guilty of a simple misdemeanor.

2. Chapter 232 shall have no application in the prosecution of offenses which are committed in violation of this chapter, and which constitute simple misdemeanors.

2004 Acts, ch 1132, §58; 2010 Acts, ch 1061, §180

Referred to in §321I.15A

**321I.15A Civil penalty and restitution.**

Upon conviction for a violation of section 321I.14, subsection 1, paragraph "*e*", "*f*", or "*g*", the defendant, in addition to any other penalty including the criminal penalty provided in section 321I.15, shall be subject to civil remedies as follows:

1. *a.* The court may assess the defendant a civil penalty of two hundred fifty dollars. The civil penalty shall be deposited in the special all-terrain vehicle fund created pursuant to section 321I.8.

*b.* The court may order the defendant to pay restitution to the titleholder of land for damages caused by the defendant's violation, to the extent that the titleholder consents to joining the action, and the titleholder's damages are established at trial. If the titleholder is the state, the amount of restitution ordered to be paid by the court shall be deposited in the special all-terrain vehicle fund created pursuant to section 321I.8. If the titleholder is a governmental entity other than the state, the moneys shall be paid to the governmental entity for deposit in any fund or account from which moneys are used for the maintenance, repair, or improvement of the land where the damage occurred.

2. The attorney general or a county attorney who prosecutes the criminal violation shall execute the civil judgment, in cooperation with the commission, as any other civil judgment.

2008 Acts, ch 1161, §5

**321I.16 Operation pending registration.**

The commission shall furnish all-terrain vehicle dealers with pasteboard cards bearing the words "registration applied for" and space for the date of purchase. An unregistered all-terrain vehicle sold by a dealer shall bear one of these cards which entitles the purchaser to operate it for forty-five days immediately following the purchase. The purchaser of a registered all-terrain vehicle may operate it for forty-five days immediately following the purchase without having completed a transfer of registration. An all-terrain vehicle dealer shall make application and pay all registration and title fees if applicable on behalf of the purchaser of an all-terrain vehicle.

2004 Acts, ch 1132, §59; 2007 Acts, ch 141, §38

**321I.17 Special events.**

The department may authorize the holding of organized special events as defined in this chapter within this state. The department shall adopt rules relating to the conduct of special events held under department permits and designating the equipment and facilities necessary for the safe operation of all-terrain vehicles, off-road motorcycles, and off-road utility vehicles and for the safety of operators, participants, and observers in the special events. A special event may require an entrance fee set by the organizer of the special event. The department may require that part of the entrance fee be credited to pay costs of all-terrain vehicle programs authorized pursuant to section 321I.8. At least thirty days before the scheduled date of a special event in this state, an application shall be filed with the department for authorization to conduct the special event. The application shall set forth the date, time, and location of the proposed special event and any other information the

department requires. The special event shall not be conducted without written authorization of the department.

2004 Acts, ch 1132, §60; 2012 Acts, ch 1100, §45

**321I.18 Violation of stop signal.**

A person who has received a visual or audible signal from a peace officer to come to a stop shall not operate an all-terrain vehicle in willful or wanton disregard of the signal, interfere with or endanger the officer or any other person or vehicle, increase speed, or attempt to flee or elude the officer.

2004 Acts, ch 1132, §61; 2012 Acts, ch 1100, §46

Referred to in §805.8B(2Af)

For applicable scheduled fines, see §805.8B, subsection 2A, paragraph f

**321I.19 Negligence.**

The owner and operator of an all-terrain vehicle are liable for any injury or damage occasioned by the negligent operation of the all-terrain vehicle. The owner of an all-terrain vehicle shall be liable for any such injury or damage only if the owner was the operator of the all-terrain vehicle at the time the injury or damage occurred or if the operator had the owner's consent to operate the all-terrain vehicle at the time the injury or damage occurred.

2004 Acts, ch 1132, §62

**321I.20 Rented all-terrain vehicles.**

1. The owner of a rented all-terrain vehicle shall keep a record of the name and address of each person renting the all-terrain vehicle, its registration certificate, the departure date and time, and the expected time of return. The records shall be preserved for six months.

2. The owner of an all-terrain vehicle operated for hire shall not permit the use or operation of a rented all-terrain vehicle unless it has been provided with all equipment required by this chapter or rules of the commission or the director of transportation, properly installed and in good working order.

2004 Acts, ch 1132, §63; 2007 Acts, ch 141, §39

Referred to in §805.8B(2Ad)

For applicable scheduled fines, see §805.8B, subsection 2A, paragraph d

**321I.21 Minors under twelve — supervision.**

A person under twelve years of age shall not operate an all-terrain vehicle, including an off-road motorcycle, on a designated riding area or designated riding trail or on public land or public ice unless one of the following applies:

1. The person is taking a prescribed education training course and the operation is under the direct supervision of a certified all-terrain vehicle education instructor.

2. The operation is under the direct supervision of a responsible parent or guardian of at least eighteen years of age who is experienced in all-terrain vehicle operation or off-road motorcycle operation and who possesses a valid driver's license as defined in section 321.1.

2004 Acts, ch 1132, §64; 2007 Acts, ch 141, §40; 2012 Acts, ch 1100, §47, 48

Referred to in §805.8B(2Ag)

For applicable scheduled fine, see §805.8B, subsection 2A, paragraph g

**321I.22 Manufacturer, distributor, or dealer — special registration.**

1. A manufacturer, distributor, or dealer owning an all-terrain vehicle required to be registered under this chapter may operate the all-terrain vehicle for purposes of transporting, testing, demonstrating, or selling it without the all-terrain vehicle being registered, except that a special registration decal issued to the owner as provided in this chapter shall be displayed on the all-terrain vehicle in the manner prescribed by rules of the commission. The special registration decal shall not be used on an all-terrain vehicle offered for hire or for any work or service performed by a manufacturer, distributor, or dealer.

2. Every manufacturer, distributor, or dealer shall register with the department by making application to the commission, upon forms prescribed by the commission, for a special registration certificate and decal. The applicant shall pay a registration fee of forty-five

dollars and submit reasonable proof of the applicant's status as a bona fide manufacturer, distributor, or dealer as may be required by the commission.

3. The commission, upon granting an application, shall issue to the applicant a special registration certificate and decal. The special registration certificate shall contain the applicant's name, address, and general identification number; the word "manufacturer", "dealer", or "distributor"; and other information the commission prescribes.

4. The commission shall also issue duplicate special registration certificates and decals which shall have displayed thereon the general identification number assigned to the applicant. A county recorder may issue duplicate special registration certificates and decals electronically pursuant to rules adopted by the commission. The fee for each additional duplicate special registration certificate and decal shall be five dollars plus a writing fee.

5. Each special registration certificate issued under this section shall be for a period of three years and shall expire on December 31 of the renewal year. A new special registration certificate for the three-year renewal period may be obtained upon application to the commission and payment of the fee provided by law. A county recorder may issue special registration certificate renewals electronically pursuant to rules adopted by the commission.

6. If a manufacturer, distributor, or dealer has an established place of business in more than one location, the manufacturer, distributor, or dealer shall secure a separate and distinct special registration certificate and general identification number for each place of business.

7. A dealer shall make application and pay all registration and title fees if applicable on behalf of the purchaser of an all-terrain vehicle. If the registration has expired while in the dealer's possession, the purchaser may renew the registration for the same fee and writing fee as if the purchaser is securing the original registration.

8. Nothing in this section shall prohibit a dealer from obtaining a new registration and transfer of registration in the same manner as other purchasers.

9. The commission may adopt rules consistent with this chapter establishing minimum requirements for dealers. In adopting such rules, the commission shall consider the need to protect persons, property, and the environment and to promote uniformity of practices relating to the sale and use of all-terrain vehicles. The commission may also adopt rules providing for the suspension or revocation of a dealer's special registration certificate issued pursuant to this section.

2004 Acts, ch 1132, §65; 2007 Acts, ch 141, §41 – 45; 2009 Acts, ch 144, §11; 2010 Acts, ch 1069, §49; 2012 Acts, ch 1100, §49

Referred to in §331.602, 805.8B(2Ah)

For applicable scheduled fine, see §805.8B, subsection 2A, paragraph h

**321I.23 Limitation of liability by public bodies and adjoining owners.**

The state, its political subdivisions, and the owners or tenants of property adjoining public lands or the right-of-way of a public highway and their agents and employees owe no duty of care to keep the public lands, ditches, or land contiguous to a highway or roadway under the control of the state or a political subdivision safe for entry or use by persons operating an all-terrain vehicle, or to give any warning of a dangerous condition, use, structure, or activity on the premises to persons entering for such purposes, except in the case of willful or malicious failure to guard or warn against a dangerous condition, use, structure, or activity. The state, its political subdivisions, and the owners or tenants of property adjoining public lands or the right-of-way of a public highway and their agents and employees are not liable for actions taken to allow or facilitate the use of public lands, ditches, or land contiguous to a highway or roadway except in the case of a willful or malicious failure to guard or warn against a dangerous condition, use, structure, or activity.

This section does not create a duty of care or ground of liability on behalf of the state, its political subdivisions, or the owners or tenants of property adjoining public lands or the right-of-way of a public highway and their agents and employees for injury to persons or property in the operation of all-terrain vehicles in a ditch or on land contiguous to a highway or roadway under the control of the state or a political subdivision. The state, its political subdivisions, and the owners or tenants of property adjoining public lands or the right-of-way

of a public highway and their agents and employees are not liable for the operation of an all-terrain vehicle in violation of this chapter.

2004 Acts, ch 1132, §66

**321I.24 Recreational riding area — limitation of liability of prior landowners.**

Prior owners of land on which an all-terrain vehicle recreational riding area is established, maintained, or operated owe no duty of care to keep the land safe for entry or use by persons operating an all-terrain vehicle or to give any warning of a dangerous condition, use, structure, or activity on such premises that would make the land unsafe for all-terrain vehicle usage.

2004 Acts, ch 1132, §67

**321I.25 Course of instruction.**

1. The commission shall provide, by rules adopted pursuant to section 321I.2, for the establishment of certified courses of instruction to be conducted throughout the state for the safe use and operation of all-terrain vehicles. The curriculum shall include instruction in the lawful and safe use, operation, and equipping of all-terrain vehicles consistent with this chapter and rules adopted by the commission. The commission may establish a fee for the course which shall not exceed the actual cost of instruction minus moneys received by the department from education certificate fees under section 321I.26.

2. The commission may certify any experienced, qualified operator to be an instructor of a class established under subsection 1. Each instructor shall be at least eighteen years of age.

3. Upon completion of the course of instruction, the commission shall provide for the administration of either a written test or the demonstration of adequate riding skills to any student who wishes to qualify for an education certificate.

4. The commission shall provide education material relating to the operation of all-terrain vehicles for the use of nonpublic or public elementary and secondary schools in this state.

5. The department may develop requirements and standards for online education offerings. Only vendors who have entered into a memorandum of understanding with the department shall be permitted to offer an online course that results in the issuance of an education certificate approved by the commission. Vendors may charge for their courses and collect the education certificate fee required under section 321I.26, subsection 2, on behalf of the department as agreed to in the memorandum of understanding.

2004 Acts, ch 1132, §68; 2007 Acts, ch 141, §46; 2012 Acts, ch 1100, §50

Referred to in §321I.1

**321I.26 Education certificate — fee.**

1. A person twelve years of age or older but less than eighteen years of age shall not operate an all-terrain vehicle on public land, public ice, a designated riding trail, or land purchased with all-terrain vehicle registration funds in this state without obtaining a valid education certificate approved by the department and having the certificate in the person's possession.

2. Upon successful completion of the course and payment of a fee of five dollars, a qualified applicant shall be issued an education certificate which is valid until the certificate is suspended or revoked by the director for a violation of a provision of this chapter or a rule adopted pursuant to this chapter.

3. Any person who is required to have an education certificate under this chapter and who has completed a course of instruction established under section 321I.2, subsection 1, paragraph "*i*", including the successful passage of an examination which includes either a written test relating to such course of instruction or the demonstration of adequate riding skills, shall be considered qualified to receive an education certificate.

4. The certificate fees collected under this section shall be credited to the special all-terrain vehicle fund and shall be used for educational programs.

5. A valid all-terrain vehicle safety or education certificate or license issued by a governmental authority of another state shall be considered a valid certificate or license in

this state if the certification or licensing requirements of the governmental authority are substantially the same as the requirements of this chapter as determined by the commission.

2004 Acts, ch 1132, §69; 2007 Acts, ch 141, §47; 2009 Acts, ch 144, §12; 2012 Acts, ch 1100, §51

Referred to in §321I.1, 321I.25, 805.8B(2Ag)
For applicable scheduled fine, see §805.8B, subsection 2A, paragraph g

**321I.27 Stopping and inspecting — warnings.**

A peace officer may stop and inspect an all-terrain vehicle operated, parked, or stored on public streets, highways, public lands, public ice, or designated riding trails of the state to determine if the all-terrain vehicle is registered, numbered, or equipped as required by this chapter and commission rules. The officer shall not inspect an area that is not essential to determine compliance with the requirements. If the officer determines that the all-terrain vehicle is not in compliance, the officer may issue a warning memorandum to the operator and forward a copy to the commission. The warning memorandum shall indicate the items found not in compliance and shall direct the owner or operator of the all-terrain vehicle to have the all-terrain vehicle in compliance and return a copy of the warning memorandum with the proof of compliance to the commission within fourteen days. If the proof of compliance is not provided within fourteen days, the owner or operator is in violation of this chapter.

2004 Acts, ch 1132, §70; 2012 Acts, ch 1100, §52

**321I.28 Termination of use.**

A person who receives a warning memorandum for an all-terrain vehicle shall stop using the all-terrain vehicle as soon as possible and shall not operate it on public streets, highways, public lands, public ice, or designated riding trails of the state until the all-terrain vehicle is in compliance.

2004 Acts, ch 1132, §71; 2012 Acts, ch 1100, §53

**321I.29 Writing fees.**

1. *a.* The county recorder shall collect a writing fee of one dollar and twenty-five cents for an all-terrain vehicle registration or for renewal of a registration by the county recorder's office.

*b.* The county recorder shall retain a writing fee of one dollar and twenty-five cents from the sale of each user permit issued by the county recorder's office.

*c.* The county recorder shall collect a writing fee of one dollar and twenty-five cents for each duplicate special registration certificate issued by the county recorder's office.

*d.* Writing fees collected or retained by the county recorder under this chapter shall be deposited in the general fund of the county.

2. *a.* A license agent shall collect a writing fee of one dollar for an all-terrain vehicle registration or for renewal of a registration issued by the license agent.

*b.* A license agent shall retain a writing fee of one dollar from the sale of each user permit issued by the license agent.

2004 Acts, ch 1132, §72; 2007 Acts, ch 141, §48; 2012 Acts, ch 1100, §54

Referred to in §321I.4, 321I.5, 321I.7

**321I.30 Consistent local laws — special local rules.**

1. This chapter and other applicable laws of this state shall govern the operation, equipment, numbering, and all other matters relating to an all-terrain vehicle when the all-terrain vehicle is operated or maintained in this state. However, this chapter does not prevent the adoption of an ordinance or local law relating to the operation or equipment of all-terrain vehicles. The ordinances or local laws are operative only so long as they are not inconsistent with this chapter or the rules adopted by the commission.

2. A subdivision of this state, after public notice by publication in a newspaper having a general circulation in the subdivision, may make formal application to the commission for special rules concerning the operation of all-terrain vehicles within the territorial limits of the subdivision and shall provide the commission with the reasons the special rules are necessary.

3. The commission, upon application by local authorities and in conformity with this

chapter, may make special rules concerning the operation of all-terrain vehicles within the territorial limits of a subdivision of this state.

2004 Acts, ch 1132, §73

**321I.31 Owner's certificate of title — in general.**

1. The owner of an all-terrain vehicle acquired on or after January 1, 2000, other than an all-terrain vehicle used exclusively as a farm implement or a motorcycle previously issued a title pursuant to chapter 321, shall apply to the county recorder of the county in which the owner resides for a certificate of title for the all-terrain vehicle. The owner of an all-terrain vehicle used exclusively as a farm implement may obtain a certificate of title. A person who owns an all-terrain vehicle that is not required to have a certificate of title may apply for and receive a certificate of title for the all-terrain vehicle and, subsequently, the all-terrain vehicle shall be subject to the requirements of this chapter as if the all-terrain vehicle were required to be titled. All all-terrain vehicles that are titled shall be registered.

2. A certificate of title shall contain the information and shall be issued on a form the department prescribes.

3. An owner of an all-terrain vehicle shall apply to the county recorder for issuance of a certificate of title within thirty days after acquisition. The application shall be on forms the department prescribes and accompanied by the required fee. The application shall include a certification signed in writing containing substantially the representation that statements made are true and correct to the best of the applicant's knowledge, information, and belief, under penalty of perjury. The application shall contain the date of sale and gross price of the all-terrain vehicle or the fair market value if no sale immediately preceded the transfer and any additional information the department requires. If the application is made for an all-terrain vehicle last previously registered or titled in another state or foreign country, the application shall contain this information and any other information the department requires.

4. If a dealer buys or acquires an all-terrain vehicle for resale, the dealer may apply for and obtain a certificate of title as provided in this chapter. If a dealer buys or acquires a used all-terrain vehicle, the dealer may apply for a certificate of title in the dealer's name within thirty days. If a dealer buys or acquires a new all-terrain vehicle for resale, the dealer may apply for a certificate of title in the dealer's name.

5. A manufacturer or dealer shall not transfer ownership of a new all-terrain vehicle without supplying the transferee with the manufacturer's or importer's certificate of origin signed by the manufacturer's or importer's authorized agent. The certificate shall contain information the department requires. The department may adopt rules providing for the issuance of a certificate of origin for an all-terrain vehicle by the department upon good cause shown by the owner.

6. A dealer transferring ownership of an all-terrain vehicle under this chapter shall assign the title to the new owner, or in the case of a new all-terrain vehicle, assign the certificate of origin. Within fifteen days the dealer shall forward all moneys and applications to the county recorder.

7. The county recorder shall maintain a record of any certificate of title which the county recorder issues and shall keep each certificate of title on record until the certificate of title has been inactive for five years. When issuing a title for a new all-terrain vehicle, the county recorder shall obtain and keep on file a copy of the certificate of origin. When issuing a title and registration for a used all-terrain vehicle for which there is no title or registration, the county recorder shall obtain and keep on file the affidavit for the unregistered and untitled all-terrain vehicle.

8. Once titled, a person shall not sell or transfer ownership of an all-terrain vehicle without delivering to the purchaser or transferee a certificate of title with an assignment on it showing title in the purchaser's or transferee's name. A person shall not purchase or otherwise acquire an all-terrain vehicle without obtaining a certificate of title for it in that person's name.

9. If the county recorder is not satisfied as to the ownership of the all-terrain vehicle or that there are no undisclosed security interests in the all-terrain vehicle, the county recorder may issue a certificate of title for the all-terrain vehicle but, as a condition of such issuance, may require the applicant to file with the department a bond in the form prescribed by the

department and executed by the applicant, and also executed by a person authorized to conduct a surety business in this state. The form and amount of the bond shall be established by rule of the department. The bond shall be conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the all-terrain vehicle or person acquiring any security interest in the all-terrain vehicle, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney fees, by reason of the issuance of the certificate of title of the all-terrain vehicle or on account of any defect in or undisclosed security interest upon the right, title, and interest of the applicant in and to the all-terrain vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond shall be returned at the end of three years or prior thereto if the all-terrain vehicle is no longer registered in this state and the certificate of title is surrendered to the department, unless the department has been notified of the pendency of an action to recover on the bond.

10. A motorcycle that has been issued a certificate of title pursuant to this section may be issued a title pursuant to chapter 321 upon proper application and surrender of the existing title. Upon issuance of a title pursuant to chapter 321, the certificate of title previously issued pursuant to this section shall be returned to the issuing county recorder.

2004 Acts, ch 1132, §74; 2007 Acts, ch 141, §49, 50; 2012 Acts, ch 1050, §43, 60; 2012 Acts, ch 1100, §55; 2013 Acts, ch 132, §55; 2013 Acts, ch 140, §97

See Code editor's note on simple harmonization

Subsection 3 amended

**321I.32 Fees — duplicates.**

1. The county recorder shall charge a ten dollar fee to issue a certificate of title, a transfer of title, a duplicate, or a corrected certificate of title.

2. If a certificate of title is lost, stolen, mutilated, destroyed, or becomes illegible, the first lienholder or, if there is none, the owner named in the certificate, as shown by the county recorder's records, shall within thirty days obtain a duplicate by applying to the county recorder. The applicant shall furnish information the department requires concerning the original certificate and the circumstances of its loss, mutilation, or destruction.

3. The duplicate certificate of title shall be marked plainly "duplicate" across its face and mailed or delivered to the applicant.

4. If a lost or stolen original certificate of title for which a duplicate has been issued is recovered, the original shall be surrendered promptly to the county recorder for cancellation.

5. Five dollars of the certificate of title fees collected under this section shall be remitted by the county recorder to the treasurer of state for deposit in the special all-terrain vehicle fund created under section 321I.8. The remaining five dollars shall be retained by the county and deposited into the general fund of the county.

2004 Acts, ch 1132, §75; 2007 Acts, ch 141, §51

**321I.33 Transfer or repossession by operation of law.**

1. If ownership of an all-terrain vehicle is transferred by operation of law, such as by inheritance, order in bankruptcy, insolvency, replevin, or execution sale, the transferee, within thirty days after acquiring the right to possession of the all-terrain vehicle, shall mail or deliver to the county recorder of the transferee's county of residence satisfactory proof of ownership as the county recorder requires, together with an application for a new certificate of title, and the required fee.

2. If a lienholder repossesses an all-terrain vehicle by operation of law and holds it for resale, the lienholder shall secure a new certificate of title and shall pay the required fee.

2004 Acts, ch 1132, §76; 2012 Acts, ch 1100, §56

**321I.34 Security interest — perfection and titles — fee.**

1. A security interest created in this state in an all-terrain vehicle is not perfected until the security interest is noted on the certificate of title.

*a.* To perfect the security interest, an application for security interest must be presented

along with the original title. The county recorder shall note the security interest on the face of the title and on the copy in the recorder's office.

*b.* The application fee for a security interest is ten dollars. Five dollars of the fee shall be credited to the special all-terrain vehicle fund created under section 321I.8. The remaining five dollars shall be retained by the county and deposited into the general fund of the county.

2. The certificate of title shall be presented to the county recorder when the application for security interest or for assignment of the security interest is presented and a new or endorsed certificate of title shall be issued to the secured party with the name and address of the secured party upon it.

3. When a security interest is discharged, the secured party shall note the cancellation of the security interest on the face of the certificate of title and send the title by first class mail to the office of the county recorder where the title was issued. If the title has been lost or destroyed, the secured party may discharge the security interest by sending a signed, notarized statement to the office of the county recorder where the title was issued. The county recorder shall note the release of the security interest in the county records and attach the statement to the certificate of title as evidence of the release of the security interest.

2004 Acts, ch 1132, §77; 2007 Acts, ch 141, §52

**321I.35 Vehicle identification number.**

1. The department may assign a distinguishing number to an all-terrain vehicle when the serial number on the all-terrain vehicle is destroyed or obliterated and issue to the owner a special decal bearing the distinguishing number which shall be affixed to the all-terrain vehicle in a position to be determined by the department. The all-terrain vehicle shall be registered and titled under the distinguishing number in lieu of the former serial number. Every all-terrain vehicle shall have a vehicle identification number assigned and affixed as required by the department.

2. The commission shall adopt, by rule, the procedures for application and for issuance of a vehicle identification number for homebuilt all-terrain vehicles.

3. A person shall not destroy, remove, alter, cover, or deface the manufacturer's vehicle identification number, the plate or decal bearing it, or any vehicle identification number the department assigns to an all-terrain vehicle without the department's permission.

4. A person other than a manufacturer who constructs or rebuilds an all-terrain vehicle for which there is no legible vehicle identification number shall submit to the department an affidavit which describes the all-terrain vehicle. In cooperation with the county recorder, the department shall assign a vehicle identification number to the all-terrain vehicle. The applicant shall permanently affix the vehicle identification number to the all-terrain vehicle in a manner that such alteration, removal, or replacement of the vehicle identification number would be obvious.

2004 Acts, ch 1132, §78; 2012 Acts, ch 1100, §57

**321I.36 Repeat offender — records, enforcement, and penalties.**

1. The commission shall establish by rule a recordkeeping system and other administrative procedures necessary to administer this section.

2. A person who pleads guilty to or is convicted of a violation of any provision of this chapter while the person's registration privilege is suspended or revoked under administrative procedures is guilty of a simple misdemeanor if the person had no other violations within the previous three years which occurred while the person's registration privilege was suspended or revoked.

3. A person who pleads guilty to or is convicted of a violation of any provision of this chapter while the person's registration privilege is suspended or revoked under administrative procedures is guilty of a serious misdemeanor if the person had one other violation within the previous three years which occurred while the person's registration privilege was suspended or revoked.

4. A person who pleads guilty to or is convicted of a violation of any provision of this chapter while the person's registration privilege is suspended or revoked under administrative procedures is guilty of an aggravated misdemeanor if the person had two

or more convictions within the previous three years which occurred while the person's registration privilege was suspended or revoked.

5. *a.* Upon the conviction of a person of any violation of this chapter or a rule adopted under this chapter, the court, as a part of the judgment, may suspend or revoke one or more all-terrain vehicle registration or user permit privileges of the person for any definite period.

*b.* The court shall revoke all of the person's all-terrain vehicle registrations or user permits and suspend the privilege of procuring a registration or user permit for a period of one year for any person who has been convicted twice within one year of trespassing while operating an all-terrain vehicle. A person shall not be issued a registration or user permit during the period of suspension or revocation.

2007 Acts, ch 141, §53

# CHAPTER 321J

## OPERATING WHILE INTOXICATED

Referred to in §307.27, 321.1, 321.10, 321.16, 321.180B, 321.194, 321.208, 321.210C, 321.213, 321.376, 321A.3, 321A.17, 331.653, 707.6A, 804.31, 809A.3, 901B.1, 902.11, 904.513, 904.909, 905.7, 905.10, 907.3, 911.2

1986 Iowa Acts, ch 1220 enactment of this chapter applies to any judicial or administrative action which arises due to a violation which occurs after July 1, 1986, and also applies to any judicial or administrative action which arose prior to July 1, 1986, due to a violation of a preceding Code section or implementing rule which was the same or substantially similar to a section in 1986 Iowa Acts, ch 1220, or an implementing rule, if the defendant or defendant's counsel requests that the action proceed under 1986 Iowa Acts, ch 1220
References to actions which occurred previously under "this chapter" or "this section" include the preceding Code chapter or section which covers the same or substantially similar actions;
86 Acts, ch 1220, §51, 52


321J.1 Definitions.
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321J.2A Persons under the age of twenty-one.
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321J.5 Preliminary screening test.
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321J.18 Other evidence.
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321J.20 Temporary restricted license — ignition interlock devices.
321J.21 Driving while license suspended, denied, revoked, or barred.
321J.22 Drinking drivers course.
321J.23 Legislative findings.
321J.24 Court-ordered visitation for offenders — immunity from liability.
321J.25 Youthful offender substance abuse awareness program.


### 321J.1 Definitions.

As used in this chapter unless the context otherwise requires:

1. *"Alcohol concentration"* means the number of grams of alcohol per any of the following:

*a.* One hundred milliliters of blood.
*b.* Two hundred ten liters of breath.
*c.* Sixty-seven milliliters of urine.
2. *"Alcoholic beverage"* includes alcohol, wine, spirits, beer, or any other beverage which contains ethyl alcohol and is fit for human consumption.
3. *"Arrest"* includes but is not limited to taking into custody pursuant to section 232.19.
4. *"Controlled substance"* means any drug, substance, or compound that is listed in section 124.204 or 124.206, or any metabolite or derivative of the drug, substance, or compound.
5. *"Department"* means the state department of transportation.
6. *"Director"* means the director of transportation or the director's designee.
7. *"Driver's license"* means any license or permit issued to a person to operate a motor vehicle on the highways of this state, including but not limited to a driver's, commercial driver's, temporary restricted, or temporary license and an instruction, chauffeur's instruction, commercial driver's instruction, or temporary permit.
8. *"Peace officer"* means:
*a.* A member of the state patrol.
*b.* A police officer under civil service as provided in chapter 400.
*c.* A sheriff.
*d.* A regular deputy sheriff who has had formal police training.
*e.* Any other law enforcement officer who has satisfactorily completed an approved course relating to motor vehicle operators under the influence of alcoholic beverages at the Iowa law enforcement academy or a law enforcement training program approved by the department of public safety.
9. *"Serious injury"* means the same as defined in section 702.18.
86 Acts, ch 1220, §1; 90 Acts, ch 1230, §83; 98 Acts, ch 1073, §9; 98 Acts, ch 1074, §27; 98 Acts, ch 1138, §10; 2001 Acts, ch 132, §16; 2005 Acts, ch 35, §31; 2010 Acts, ch 1073, §2
Referred to in §321.208, 321J.2A

**321J.1A Drunk driving public education campaign — pamphlets.**
1. The department of public safety, the governor's traffic safety bureau, the state department of transportation, the governor, and the attorney general shall cooperate in an ongoing public education campaign to inform the citizens of this state of the dangers and the specific legal consequences of driving drunk in this state. The entities shall use their best efforts to utilize all available opportunities for making public service announcements on television and radio broadcasts, and to obtain and utilize federal funds for highway safety and other grants in conducting the public education campaign.
2. The department shall publish pamphlets containing the criminal and administrative penalties for drunk driving, and related laws, rules, instructions, and explanatory matter. This information may be included in publications containing information related to other motor vehicle laws, issued pursuant to section 321.15. Copies of the pamphlets shall be given wide distribution, and a supply shall be made available to each county treasurer.
97 Acts, ch 177, §3; 2004 Acts, ch 1013, §30, 35

**321J.2 Operating while under the influence of alcohol or a drug or while having an alcohol concentration of .08 or more (OWI).**
1. A person commits the offense of operating while intoxicated if the person operates a motor vehicle in this state in any of the following conditions:
*a.* While under the influence of an alcoholic beverage or other drug or a combination of such substances.
*b.* While having an alcohol concentration of .08 or more.
*c.* While any amount of a controlled substance is present in the person, as measured in the person's blood or urine.
2. A person who violates subsection 1 commits:
*a.* A serious misdemeanor for the first offense.
*b.* An aggravated misdemeanor for a second offense.
*c.* A class "D" felony for a third offense and each subsequent offense.

3. A first offense is punishable by all of the following:

*a.* A minimum period of imprisonment in the county jail of forty-eight hours, but not to exceed one year, to be served as ordered by the court, less credit for any time the person was confined in a jail or detention facility following arrest or for any time the person spent in a court-ordered operating-while-intoxicated program that provides law enforcement security. However, the court, in ordering service of the sentence and in its discretion, may accommodate the defendant's work schedule.

*b.* (1) With the consent of the defendant, the court may defer judgment pursuant to section 907.3 and may place the defendant on probation upon conditions as it may require. Upon a showing that the defendant is not fulfilling the conditions of probation, the court may revoke probation and impose any sentence authorized by law. Before taking such action, the court shall give the defendant an opportunity to be heard on any matter relevant to the proposed action. Upon violation of the conditions of probation, the court may proceed as provided in chapter 908. Upon fulfillment of the conditions of probation and the payment of fees imposed and not waived by the judicial district department of correctional services under section 905.14, the defendant shall be discharged without entry of judgment.

(2) A person is not eligible for a deferred judgment under section 907.3 if the person has been convicted of a violation of this section or the person's driver's license has been revoked under this chapter, and any of the following apply:

(a) If the defendant's alcohol concentration established by the results of an analysis of a specimen of the defendant's blood, breath, or urine withdrawn in accordance with this chapter exceeds .15, regardless of whether or not the alcohol concentration indicated by the chemical test minus the established margin of error inherent in the device or method used to conduct the test equals an alcohol concentration of .15 or more.

(b) If the defendant has previously been convicted of a violation of subsection 1 or a statute in another state substantially corresponding to subsection 1.

(c) If the defendant has previously received a deferred judgment or sentence for a violation of subsection 1 or for a violation of a statute in another state substantially corresponding to subsection 1.

(d) If the defendant refused to consent to testing requested in accordance with section 321J.6.

(e) If the offense under this chapter results in bodily injury to a person other than the defendant.

*c.* Assessment of a fine of one thousand two hundred fifty dollars. However, in the discretion of the court, if no personal or property injury has resulted from the defendant's actions, the court may waive up to six hundred twenty-five dollars of the fine when the defendant presents to the court at the end of the minimum period of ineligibility a temporary restricted license issued pursuant to section 321J.20.

(1) Upon the entry of a deferred judgment, a civil penalty shall be assessed as provided in section 907.14 in an amount not less than the amount of the criminal fine authorized pursuant to this paragraph "*c*".

(2) As an alternative to a portion or all of the fine, the court may order the person to perform unpaid community service. However, the court shall not order the person to perform unpaid community service in lieu of a civil penalty or victim restitution. Surcharges and fees shall also be assessed pursuant to chapter 911.

*d.* Revocation of the person's driver's license for a minimum period of one hundred eighty days up to a maximum revocation period of one year, pursuant to section 321J.4, subsection 1, section 321J.9, or section 321J.12, subsection 2. If a revocation occurs due to test refusal under section 321J.9, the defendant shall be ineligible for a temporary restricted license for a minimum period of ninety days.

(1) A defendant whose alcohol concentration is .08 or more but not more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained and an accident resulting in personal injury or property damage occurred. The department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license. There shall be no such period of ineligibility

if no such accident occurred, and the defendant shall not be required to install an ignition interlock device.

(2) A defendant whose alcohol concentration is more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained, and an accident resulting in personal injury or property damage occurred or the defendant's alcohol concentration exceeded .15. There shall be no such period of ineligibility if no such accident occurred and the defendant's alcohol concentration did not exceed .15. In either case, where a defendant's alcohol concentration is more than .10, the department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license.

*e.* Assignment to substance abuse evaluation and treatment, a course for drinking drivers, and, if available and appropriate, a reality education substance abuse prevention program pursuant to section 321J.24.

4. A second offense is punishable by all of the following:

*a.* A minimum period of imprisonment in the county jail or community-based correctional facility of seven days but not to exceed two years.

*b.* Assessment of a minimum fine of one thousand eight hundred seventy-five dollars and a maximum fine of six thousand two hundred fifty dollars. Surcharges and fees shall be assessed pursuant to chapter 911.

*c.* Revocation of the defendant's driver's license for a period of one year, if a revocation occurs pursuant to section 321J.12, subsection 1. If a revocation occurs due to test refusal under section 321J.9, or pursuant to section 321J.4, subsection 2, the defendant's license shall be revoked for a period of two years.

*d.* Assignment to substance abuse evaluation and treatment, a course for drinking drivers, and, if available and appropriate, a reality education substance abuse prevention program pursuant to section 321J.24.

5. A third offense is punishable by all of the following:

*a.* Commitment to the custody of the director of the department of corrections for an indeterminate term not to exceed five years, with a mandatory minimum term of thirty days.

(1) If the court does not suspend a person's sentence of commitment to the custody of the director of the department of corrections under this paragraph "*a*", the person shall be assigned to a facility pursuant to section 904.513.

(2) If the court suspends a person's sentence of commitment to the custody of the director of the department of corrections under this paragraph "*a*", the court shall order the person to serve not less than thirty days nor more than one year in the county jail, and the person may be committed to treatment in the community under section 907.6.

*b.* Assessment of a minimum fine of three thousand one hundred twenty-five dollars and a maximum fine of nine thousand three hundred seventy-five dollars. Surcharges and fees shall be assessed pursuant to chapter 911.

*c.* Revocation of the person's driver's license for a period of six years pursuant to section 321J.4, subsection 4.

*d.* Assignment to substance abuse evaluation and treatment, a course for drinking drivers, and, if available and appropriate, a reality education substance abuse prevention program pursuant to section 321J.24.

6. To the extent that section 907.3 allows, the court may impose additional sentencing terms and conditions.

7. *a.* All persons convicted of an offense under subsection 2 shall be ordered, at the person's expense, to undergo, prior to sentencing, a substance abuse evaluation. The court shall order the person to follow the recommendations proposed in the substance abuse evaluation as provided in section 321J.3.

*b.* Where the program is available and is appropriate for the convicted person, a person convicted of an offense under subsection 2 shall be ordered to participate in a reality education substance abuse prevention program as provided in section 321J.24.

*c.* A minimum term of imprisonment in a county jail or community-based correctional facility imposed on a person convicted of a second or subsequent offense under subsection

2, paragraph "*b*" or "*c*" shall be served on consecutive days. However, if the sentencing court finds that service of the full minimum term on consecutive days would work an undue hardship on the person, or finds that sufficient jail space is not available and is not reasonably expected to become available within four months after sentencing to incarcerate the person serving the minimum sentence on consecutive days, the court may order the person to serve the minimum term in segments of at least forty-eight hours and to perform a specified number of hours of unpaid community service as deemed appropriate by the sentencing court.

8. In determining if a violation charged is a second or subsequent offense for purposes of criminal sentencing or license revocation under this chapter:

*a.* Any conviction or revocation deleted from motor vehicle operating records pursuant to section 321.12 shall not be considered as a previous offense.

*b.* Deferred judgments entered pursuant to section 907.3 for violations of this section shall be counted as previous offenses.

*c.* Convictions or the equivalent of deferred judgments for violations in any other states under statutes substantially corresponding to this section shall be counted as previous offenses. The courts shall judicially notice the statutes of other states which define offenses substantially equivalent to the one defined in this section and can therefore be considered corresponding statutes. Each previous violation on which conviction or deferral of judgment was entered prior to the date of the violation charged shall be considered and counted as a separate previous offense.

9. A person shall not be convicted and sentenced for more than one violation of this section for actions arising out of the same event or occurrence, even if the event or occurrence involves more than one of the conditions specified in subsection 1.

10. The clerk of the district court shall immediately certify to the department a true copy of each order entered with respect to deferral of judgment, deferral of sentence, or pronouncement of judgment and sentence for a defendant under this section.

11. *a.* This section does not apply to a person operating a motor vehicle while under the influence of a drug if the substance was prescribed for the person and was taken under the prescription and in accordance with the directions of a medical practitioner as defined in chapter 155A or if the substance was dispensed by a pharmacist without a prescription pursuant to the rules of the board of pharmacy, if there is no evidence of the consumption of alcohol and the medical practitioner or pharmacist had not directed the person to refrain from operating a motor vehicle.

*b.* When charged with a violation of subsection 1, paragraph "*c*", a person may assert, as an affirmative defense, that the controlled substance present in the person's blood or urine was prescribed or dispensed for the person and was taken in accordance with the directions of a practitioner and the labeling directions of the pharmacy, as that person and place of business are defined in section 155A.3.

12. In any prosecution under this section, evidence of the results of analysis of a specimen of the defendant's blood, breath, or urine is admissible upon proof of a proper foundation.

*a.* The alcohol concentration established by the results of an analysis of a specimen of the defendant's blood, breath, or urine withdrawn within two hours after the defendant was driving or in physical control of a motor vehicle is presumed to be the alcohol concentration at the time of driving or being in physical control of the motor vehicle.

*b.* The presence of a controlled substance or other drug established by the results of analysis of a specimen of the defendant's blood or urine withdrawn within two hours after the defendant was driving or in physical control of a motor vehicle is presumed to show the presence of such controlled substance or other drug in the defendant at the time of driving or being in physical control of the motor vehicle.

*c.* The department of public safety shall adopt nationally accepted standards for determining detectable levels of controlled substances in the division of criminal investigation's initial laboratory screening test for controlled substances.

13. *a.* In addition to any fine or penalty imposed under this chapter, the court shall order a defendant convicted of or receiving a deferred judgment for a violation of this section to make restitution for damages resulting directly from the violation, to the victim, pursuant to chapter 910. An amount paid pursuant to this restitution order shall be credited toward

any adverse judgment in a subsequent civil proceeding arising from the same occurrence. However, other than establishing a credit, a restitution proceeding pursuant to this section shall not be given evidentiary or preclusive effect in a subsequent civil proceeding arising from the same occurrence.

*b*. The court may order restitution paid to any public agency for the costs of the emergency response resulting from the actions constituting a violation of this section, not exceeding five hundred dollars per public agency for each such response. For the purposes of this paragraph, *"emergency response"* means any incident requiring response by fire fighting, law enforcement, ambulance, medical, or other emergency services. A public agency seeking such restitution shall consult with the county attorney regarding the expenses incurred by the public agency, and the county attorney may include the expenses in the statement of pecuniary damages pursuant to section 910.3.

14. In any prosecution under this section, the results of a chemical test shall not be used to prove a violation of subsection 1, paragraph *"b"* or *"c"*, if the alcohol, controlled substance, or other drug concentration indicated by the chemical test minus the established margin of error inherent in the device or method used to conduct the chemical test does not equal or exceed the level prohibited by subsection 1, paragraph *"b"* or *"c"*.

86 Acts, ch 1220, §2; 87 Acts, ch 118, §4; 87 Acts, ch 215, §46; 90 Acts, ch 1233, §20; 90 Acts, ch 1251, §33; 97 Acts, ch 177, §4, 5; 98 Acts, ch 1073, §9; 98 Acts, ch 1100, §50; 98 Acts, ch 1138, §2, 3, 11 – 13, 37; 99 Acts, ch 96, §36; 2000 Acts, ch 1118, §1; 2000 Acts, ch 1135, §1; 2002 Acts, ch 1042, §1; 2003 Acts, ch 60, §1, 2; 2003 Acts, ch 179, §120; 2003 Acts, 1st Ex, ch 2, §48, 209; 2006 Acts, ch 1010, §90; 2006 Acts, ch 1166, §1 – 3; 2007 Acts, ch 10, §174; 2010 Acts, ch 1124, §1, 9; 2010 Acts, ch 1193, §50, 81; 2011 Acts, ch 25, §31; 2011 Acts, ch 131, §93, 158

Referred to in §135B.34, 135C.33, 232.22, 321.12, 321.208, 321.213, 321.279, 321.555, 321J.2A, 321J.2B, 321J.3, 321J.4, 321J.4B, 321J.5, 321J.6, 321J.8, 321J.9, 321J.10, 321J.10A, 321J.12, 321J.13, 321J.15, 321J.16, 321J.20, 321J.22, 321J.24, 321J.25, 602.8102(51), 707.6A, 724.4C, 804.31, 902.3, 907.3, 910.1, 910.2, 910.3, 915.80

For provisions relating to third offense OWI driver's license revocations and restoration of driving privileges, see 99 Acts, ch 153, §25

**321J.2A Persons under the age of twenty-one.**

A person who is under the age of twenty-one shall not operate a motor vehicle while having an alcohol concentration, as defined under section 321J.1, of .02 or more. The driver's license or nonresident operating privilege of a person who is under the age of twenty-one and who operates a motor vehicle while having an alcohol concentration of .02 or more shall be revoked by the department for the period of time specified under section 321J.12. A revocation under this section shall not preclude a prosecution or conviction under any applicable criminal provisions of this chapter. However, if the person is convicted of a criminal offense under section 321J.2, the revocation imposed under this section shall be superseded by any revocation imposed as a result of the conviction.

In any proceeding regarding a revocation under this section, evidence of the results of analysis of a specimen of the defendant's blood, breath, or urine is admissible upon proof of a proper foundation. The alcohol concentration established by the results of an analysis of a specimen of the defendant's blood, breath, or urine withdrawn within two hours after the defendant was driving or in physical control of a motor vehicle is presumed to be the alcohol concentration at the time of driving or being in physical control of the motor vehicle.

95 Acts, ch 48, §7; 98 Acts, ch 1073, §9

Referred to in §321.12, 321A.17, 321J.2B, 321J.5, 321J.6, 321J.8, 321J.9, 321J.10A, 321J.12, 321J.13, 321J.15, 321J.16, 321J.20, 321J.25

**321J.2B Parental and school notification — persons under eighteen years of age.**

1. A peace officer shall make a reasonable effort to identify a person under the age of eighteen who violates section 321J.2 or 321J.2A and, if the person is not referred to juvenile court, the law enforcement agency of which the peace officer is an employee shall make a reasonable attempt to notify the person's custodial parent or legal guardian of the violation, whether or not the person is taken into custody, unless the officer has reasonable grounds to believe that notification is not in the best interests of the person or will endanger that person.

2. The peace officer shall also make a reasonable effort to identify the elementary or secondary school which the person attends if the person is enrolled in elementary or

secondary school and to notify the superintendent or the superintendent's designee of the school which the person attends, or the authorities in charge of the nonpublic school which the person attends, of the violation. If the person is taken into custody, the peace officer shall notify a juvenile court officer who shall make a reasonable effort to identify the elementary or secondary school the person attends, if any, and to notify the superintendent of the school district or the superintendent's designee, or the authorities in charge of the nonpublic school, of the violation. A reasonable attempt to notify the person includes, but is not limited to, a telephone call or notice by first-class mail.

2000 Acts, ch 1138, §4

**321J.3 Substance abuse evaluation or treatment — rules.**

1. *a.* In addition to orders issued pursuant to section 321J.2, subsections 3, 4, and 5, and section 321J.17, the court shall order any defendant convicted under section 321J.2 to follow the recommendations proposed in the substance abuse evaluation for appropriate substance abuse treatment for the defendant. Court-ordered substance abuse treatment is subject to the periodic reporting requirements of section 125.86.

*b.* If a defendant is committed by the court to a substance abuse treatment facility, the administrator of the facility shall report to the court when it is determined that the defendant has received the maximum benefit of treatment at the facility and the defendant shall be released from the facility. The time for which the defendant is committed for treatment shall be credited against the defendant's sentence.

*c.* The court may prescribe the length of time for the evaluation and treatment or it may request that the community college or other approved provider conducting the course for drinking drivers which the person is ordered to attend or the treatment program to which the person is committed immediately report to the court when the person has received maximum benefit from the course for drinking drivers or treatment program or has recovered from the person's addiction, dependency, or tendency to chronically abuse alcohol or drugs.

*d.* Upon successfully completing a course for drinking drivers or an ordered substance abuse treatment program, a court may place the person on probation for six months and as a condition of probation, the person shall attend a program providing posttreatment services relating to substance abuse as approved by the court.

*e.* A person committed under this section who does not possess sufficient income or estate to make payment of the costs of the treatment in whole or in part shall be considered a state patient and the costs of treatment shall be paid as provided in section 125.44.

*f.* A defendant who fails to carry out the order of the court shall be confined in the county jail for twenty days in addition to any other imprisonment ordered by the court or may be ordered to perform unpaid community service work, and shall be placed on probation for one year with a violation of this probation punishable as contempt of court.

*g.* In addition to any other condition of probation, the person shall attend a program providing substance abuse prevention services or posttreatment services related to substance abuse as ordered by the court. The person shall report to the person's probation officer as ordered concerning proof of attendance at the treatment program or posttreatment program ordered by the court. Failure to attend or complete the program shall be considered a violation of probation and is punishable as contempt of court.

2. *a.* Upon a second or subsequent offense in violation of section 321J.2, the court upon hearing may commit the defendant for inpatient treatment of alcoholism or drug addiction or dependency to any hospital, institution, or community correctional facility in Iowa providing such treatment. The time for which the defendant is committed for treatment shall be credited against the defendant's sentence.

*b.* The court may prescribe the length of time for the evaluation and treatment or it may request that the hospital to which the person is committed immediately report to the court when the person has received maximum benefit from the program of the hospital or institution or has recovered from the person's addiction, dependency, or tendency to chronically abuse alcohol or drugs.

*c.* A person committed under this section who does not possess sufficient income or estate

to make payment of the costs of the treatment in whole or in part shall be considered a state patient and the costs of treatment shall be paid as provided in section 125.44.

3. The state department of transportation, in cooperation with the judicial branch, shall adopt rules, pursuant to the procedure in section 125.33, regarding the assignment of persons ordered under section 321J.17 to submit to substance abuse evaluation and treatment. The rules shall be applicable only to persons other than those committed to the custody of the director of the department of corrections under section 321J.2. The rules shall be consistent with the practices and procedures of the judicial branch in sentencing persons to substance abuse evaluation and treatment under section 321J.2. The rules shall include the requirement that the treatment programs utilized by a person pursuant to an order of the department meet the licensure standards of the department of public health for substance abuse treatment programs under chapter 125. The rules shall also include provisions for payment of costs by the offenders, including insurance reimbursement on behalf of offenders, or other forms of funding, and shall also address reporting requirements of the facility, consistent with the provisions of sections 125.84 and 125.86. The department shall be entitled to treatment information contained in reports to the department, notwithstanding any provision of chapter 125 that would restrict department access to treatment information and records.

86 Acts, ch 1220, §3; 87 Acts, ch 118, §5; 90 Acts, ch 1251, §34; 90 Acts, ch 1253, §120; 97 Acts, ch 177, §6, 7; 98 Acts, ch 1047, §28; 2006 Acts, ch 1010, §91; 2010 Acts, ch 1124, §2, 9; 2011 Acts, ch 20, §15

Referred to in §125.44, 321.213, 321J.2

**321J.4 Revocation of license — ignition interlock devices — conditional temporary restricted license.**

1. If a defendant is convicted of a violation of section 321J.2 and the defendant's driver's license or nonresident operating privilege has not been revoked under section 321J.9 or 321J.12 for the occurrence from which the arrest arose, the department shall revoke the defendant's driver's license or nonresident operating privilege for one hundred eighty days if the defendant submitted to chemical testing and has had no previous conviction or revocation under this chapter and shall revoke the defendant's driver's license or nonresident operating privilege for one year if the defendant refused to submit to chemical testing and has had no previous conviction or revocation under this chapter. The defendant shall not be eligible for any temporary restricted license for at least ninety days if a test was refused under section 321J.9.

*a.* A defendant whose alcohol concentration is .08 or more but not more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained and an accident resulting in personal injury or property damage occurred. The department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license. There shall be no such period of ineligibility if no such accident occurred, and the defendant shall not be required to install an ignition interlock device.

*b.* A defendant whose alcohol concentration is more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained and an accident resulting in personal injury or property damage occurred or the defendant's alcohol concentration exceeded .15. There shall be no such period of ineligibility if no such accident occurred and the defendant's alcohol concentration did not exceed .15. In either case, where a defendant's alcohol concentration is more than .10, the department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license.

*c.* If the defendant is under the age of twenty-one, the defendant shall not be eligible for a temporary restricted license for at least sixty days after the effective date of revocation.

2. If a defendant is convicted of a violation of section 321J.2, and the defendant's driver's license or nonresident operating privilege has not already been revoked under section 321J.9

or 321J.12 for the occurrence from which the arrest arose, the department shall revoke the defendant's driver's license or nonresident operating privilege for one year if the defendant submitted to chemical testing and has had a previous conviction or revocation under this chapter and shall revoke the defendant's driver's license or nonresident operating privilege for two years if the defendant refused to submit to chemical testing and has had a previous revocation under this chapter. The defendant shall not be eligible for any temporary restricted license for forty-five days after the effective date of revocation if the defendant submitted to chemical testing and shall not be eligible for any temporary restricted license for ninety days after the effective date of revocation if the defendant refused chemical testing. The temporary restricted license shall be issued in accordance with section 321J.20, subsection 2. The department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license at the end of the minimum period of ineligibility. A temporary restricted license shall not be granted by the department until the defendant installs the ignition interlock device.

3. If the court defers judgment pursuant to section 907.3 for a violation of section 321J.2, and if the defendant's driver's license or nonresident operating privilege has not been revoked under section 321J.9 or 321J.12, or has not otherwise been revoked for the occurrence from which the arrest arose, the department shall revoke the defendant's driver's license or nonresident operating privilege for a period of not less than thirty days nor more than ninety days. The defendant shall not be eligible for any temporary restricted license for at least ninety days if a test was refused.

*a.* A defendant whose alcohol concentration is .08 or more but not more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained and an accident resulting in personal injury or property damage occurred. The department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license. There shall be no such period of ineligibility if no such accident occurred, and the defendant shall not be required to install an ignition interlock device.

*b.* A defendant whose alcohol concentration is more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained and an accident resulting in personal injury or property damage occurred or the defendant's alcohol concentration exceeded .15. There shall be no such period of ineligibility if no such accident occurred and the defendant's alcohol concentration did not exceed .15. In either case, where a defendant's alcohol concentration is more than .10, the department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license.

*c.* If the defendant is under the age of twenty-one, the defendant shall not be eligible for a temporary restricted license for at least sixty days after the effective date of the revocation.

4. Upon a plea or verdict of guilty of a third or subsequent violation of section 321J.2, the department shall revoke the defendant's driver's license or nonresident operating privilege for a period of six years. The defendant shall not be eligible for a temporary restricted license for one year after the effective date of the revocation. The department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license at the end of the minimum period of ineligibility. A temporary restricted license shall not be granted by the department until the defendant installs the ignition interlock device.

5. Upon a plea or verdict of guilty of a violation of section 321J.2 which involved a personal injury, the court shall determine in open court, from consideration of the information in the file and any other evidence the parties may submit, whether a serious injury was sustained by any person other than the defendant and, if so, whether the defendant's conduct in violation of section 321J.2 caused the serious injury. If the court so determines, the court shall order the department to revoke the defendant's driver's license or nonresident operating privilege

for a period of one year in addition to any other period of suspension or revocation. The defendant shall not be eligible for any temporary restricted license until the minimum period of ineligibility has expired under this section or section 321J.9, 321J.12, or 321J.20. The defendant shall surrender to the court any Iowa license or permit and the court shall forward it to the department with a copy of the order for revocation.

6. Upon a plea or verdict of guilty of a violation of section 321J.2 which involved a death, the court shall determine in open court, from consideration of the information in the file and any other evidence the parties may submit, whether a death occurred and, if so, whether the defendant's conduct in violation of section 321J.2 caused the death. If the court so determines, the court shall order the department to revoke the defendant's driver's license or nonresident operating privilege for a period of six years. The defendant shall not be eligible for any temporary restricted license for at least two years after the revocation. The defendant shall surrender to the court any Iowa license or permit and the court shall forward it to the department with a copy of the order for revocation.

7. If a license or permit to operate a motor vehicle is revoked or denied under this section or section 321J.9 or 321J.12, the period of revocation or denial shall be the period provided for such a revocation or until the defendant reaches the age of eighteen whichever period is longer.

8. *a.* On a conviction for or as a condition of a deferred judgment for a violation of section 321J.2, the court may order the defendant to install ignition interlock devices of a type approved by the commissioner of public safety on all motor vehicles owned or operated by the defendant which, without tampering or the intervention of another person, would prevent the defendant from operating the motor vehicle with an alcohol concentration greater than a level set by rule of the commissioner of public safety.

*b.* The commissioner of public safety shall adopt rules to approve certain ignition interlock devices and the means of installation of the devices, and shall establish the level of alcohol concentration beyond which an ignition interlock device will not allow operation of the motor vehicle in which it is installed.

*c.* The order to install ignition interlock devices shall remain in effect for a period of time as determined by the court which shall not exceed the maximum term of imprisonment which the court could have imposed according to the nature of the violation. While the order is in effect, the defendant shall not operate a motor vehicle which does not have an approved ignition interlock device installed.

*d.* If the defendant's driver's license or nonresident operating privilege has been revoked, the department shall not issue a temporary permit or a driver's license to the person without certification that approved ignition interlock devices have been installed in all motor vehicles owned or operated by the defendant while the order is in effect.

*e.* A defendant who fails within a reasonable time to comply with an order to install an approved ignition interlock device may be declared in contempt of court and punished accordingly.

*f.* A person who tampers with or circumvents an ignition interlock device installed under a court order while an order is in effect commits a serious misdemeanor.

86 Acts, ch 1220, §4; 88 Acts, ch 1168, §1; 90 Acts, ch 1230, §84; 92 Acts, ch 1212, §29; 95 Acts, ch 48, §8 – 10; 95 Acts, ch 55, §12; 96 Acts, ch 1090, §9 – 11; 96 Acts, ch 1152, §22; 97 Acts, ch 177, §8 – 11; 98 Acts, ch 1073, §9, 12; 98 Acts, ch 1138, §4, 36, 37; 2000 Acts, ch 1133, §15; 2000 Acts, ch 1138, §3; 2003 Acts, ch 60, §3; 2003 Acts, ch 179, §121, 122; 2007 Acts, ch 143, §21; 2009 Acts, ch 130, §13; 2010 Acts, ch 1097, §4 – 7

Referred to in §321.213, 321J.2, 321J.17, 321J.20

For provisions relating to third offense OWI driver's license revocations and restoration of driving privileges, see 99 Acts, ch 153, §25

**321J.4A** Repealed by 95 Acts, ch 48, § 24.

**321J.4B Motor vehicle impoundment or immobilization — penalty — liability of vehicle owner.**

1. For purposes of this section:

*a.* *"Immobilized"* means the installation of a device in a motor vehicle that completely

prevents a motor vehicle from being operated, or the installation of an ignition interlock device of a type approved by the commissioner of public safety.

*b.* *"Impoundment"* means the process of seizure and confinement within an enclosed area of a motor vehicle, for the purpose of restricting access to the vehicle.

*c.* *"Owner"* means the registered titleholder of a motor vehicle; except in the case where a rental or leasing agency is the registered titleholder, in which case the lessee of the vehicle shall be treated as the owner of the vehicle for purposes of this section.

2. *a.* A motor vehicle is subject to impoundment in the following circumstances:

(1) If a person operates a vehicle in violation of section 321J.2, and if convicted for that conduct, the conviction would be a second or subsequent offense under section 321J.2.

(2) If a person operates a vehicle while that person's driver's license or operating privilege has been suspended, denied, revoked, or barred due to a violation of section 321J.2.

*b.* The clerk of court shall send notice of a conviction of an offense for which the vehicle was impounded to the impounding authority upon conviction of the defendant for such offense.

*c.* Impoundment of the vehicle under this section may occur in addition to any criminal penalty imposed under chapter 321 or this chapter for the underlying criminal offense.

3. The motor vehicle operated by the person in the commission of any offense included in subsection 2 may be immediately impounded or immobilized in accordance with this section.

*a.* A person or agency taking possession of an impounded or immobilized motor vehicle shall do the following:

(1) Make an inventory of any property contained in the vehicle, according to the agency's inventory procedure. The agency responsible for the motor vehicle shall also deliver a copy of the inventory to the county attorney.

(2) Contact all rental or leasing agencies registered as owners of the vehicle, as well as any parties registered as holders of a secured interest in the vehicle, in accordance with subsection 12.

*b.* The county attorney shall file a copy of the inventory with the district court as part of each file related to criminal charges filed under this section.

4. An owner of a motor vehicle impounded or immobilized under this section, who knows of, should have known of, or gives consent to the operation of, the motor vehicle in violation of subsection 2, paragraph *"a"*, subparagraph (2), shall be:

*a.* Guilty of a simple misdemeanor, and

*b.* Jointly and severally liable for any damages caused by the person who operated the motor vehicle, subject to the provisions of chapter 668.

5. *a.* The following persons shall be entitled to immediate return of the motor vehicle without payment of costs associated with the impoundment or immobilization of the vehicle:

(1) The owner of the motor vehicle, if the person who operated the motor vehicle is not a co-owner of the motor vehicle.

(2) A motor vehicle rental or leasing agency that owns the vehicle.

(3) A person who owns the motor vehicle and who is charged but is not convicted of the violation of section 321.218, 321.561, 321A.32, 321J.2, or 321J.21, which resulted in the impoundment or immobilization of the motor vehicle under this section.

*b.* Upon conviction of the defendant for a violation of subsection 2, paragraph *"a"*, subparagraph (1), the court may order continued impoundment, or the immobilization, of the motor vehicle used in the commission of the offense, if the convicted person is the owner of the motor vehicle, and shall specify all of the following in the order:

(1) The motor vehicle that is subject to the order.

(2) The period of impoundment or immobilization.

(3) The person or agency responsible for carrying out the order requiring continued impoundment, or the immobilization, of the motor vehicle.

*c.* If the vehicle subject to the order is in the custody of a law enforcement agency, the court shall designate that agency as the responsible agency. If the vehicle is not in the custody of a law enforcement agency, the person or agency responsible for carrying out the order shall be any person deemed appropriate by the court, including but not limited to a law enforcement agency with jurisdiction over the area in which the residence of the vehicle owner is located.

The person or agency responsible for carrying out the order shall determine whether the motor vehicle shall be impounded or immobilized.

*d.* The period of impoundment or immobilization of a motor vehicle under this section shall be the period of license revocation imposed upon the person convicted of the offense or one hundred eighty days, whichever period is longer. The impoundment or immobilization period shall commence on the day that the vehicle is first impounded or immobilized.

*e.* The clerk of the district court shall send a copy of the order to the department, the person convicted of the offense, the person or agency responsible for executing the order for impoundment or immobilization, and any holders of any security interests in the vehicle.

*f.* (1) If the vehicle subject to the court order is not in the custody of a law enforcement agency, the person or agency designated in the order as the person or agency responsible for executing the order shall, upon receipt of the order, promptly locate the vehicle specified in the order, seize the motor vehicle and the license plates, and send or deliver the vehicle's license plates to the department.

(2) If the vehicle is located at a place other than the place at which the court order is to be carried out, the person or agency responsible for executing the order shall arrange for the vehicle to be moved to the place of impoundment or immobilization. When the vehicle is found, is impounded or immobilized, and is at the place of impoundment or immobilization, the person or agency responsible for executing the order shall notify the clerk of the date on which the order was executed. The clerk shall notify the department of the date on which the order was executed.

*g.* Upon receipt of a court order for continued impoundment or immobilization of the motor vehicle, the agency shall review the value of the vehicle in relation to the costs associated with the period of impoundment of the motor vehicle specified in the order. If the agency determines that the costs of impoundment of the motor vehicle exceed the actual wholesale value of the motor vehicle, the agency may treat the vehicle as an abandoned vehicle pursuant to section 321.89. If the agency elects to treat the motor vehicle as abandoned, the agency shall notify the registered owner of the motor vehicle that the vehicle shall be deemed abandoned and shall be sold in the manner provided in section 321.89 if payment of the total cost of impoundment is not received within twenty-one days of the mailing of the notice. The agency shall provide documentation regarding the valuation of the vehicle and the costs of impoundment. This paragraph shall not apply to vehicles that are immobilized pursuant to this section or if subsection 12, paragraph "*a*", subparagraph (1) or (2), applies.

6. Upon conviction of the defendant for a second or subsequent violation of subsection 2, paragraph "*a*", subparagraph (2), the court shall order, if the convicted person is the owner of the motor vehicle used in the commission of the offense, that that motor vehicle be seized and forfeited to the state pursuant to chapters 809 and 809A.

7. *a.* Upon receipt of a notice of conviction of the defendant for a violation of subsection 2, the impounding authority shall seize the motor vehicle's license plates and registration, and shall send or deliver them to the department.

*b.* The department shall destroy license plates received under this section and shall not authorize the release of the vehicle or the issuance of new license plates for the vehicle until the period of impoundment or immobilization has expired, and the fee and costs assessed under subsection 10 have been paid. The fee for issuance of new license plates and certificates of registration shall be the same as for the replacement of lost, mutilated, or destroyed license plates and certificates of registration.

8. *a.* Upon conviction for a violation of subsection 2, the court shall assess the defendant, in addition to any other penalty, a fee of one hundred dollars plus the cost of any expenses for towing, storage, and any other costs of impounding or immobilizing the motor vehicle, to be paid to the clerk of the district court.

*b.* The person or agency responsible for impoundment or immobilization under this section shall inform the court of the costs of towing, storage, and any other costs of impounding or immobilizing the motor vehicle. Upon payment of the fee and costs, the clerk shall forward a copy of the receipt to the department.

*c.* If a law enforcement agency impounds or immobilizes a motor vehicle, the amount of

the fee and expenses deposited with the clerk shall be paid by the clerk to the law enforcement agency responsible for executing the order to reimburse the agency for costs incurred for impoundment or immobilization equipment and, if required, in sending officers to search for and locate the vehicle specified in the impoundment or immobilization order.

9. Operating a motor vehicle on a street or highway in this state in violation of an order of impoundment or immobilization is a serious misdemeanor. A motor vehicle which is subject to an order of impoundment or immobilization that is operated on a street or highway in this state in violation of the order shall be seized and forfeited to the state under chapters 809 and 809A.

10. Once the period of impoundment or immobilization has expired, the owner of the motor vehicle shall have thirty days to claim the motor vehicle and pay all fees and charges imposed under this section. If the owner or the owner's designee has not claimed the vehicle and paid all fees and charges imposed under this section within seven days from the date of expiration of the period, the clerk shall send written notification to the motor vehicle owner, at the owner's last known address, notifying the owner of the date of expiration of the period of impoundment or immobilization and of the period in which the motor vehicle must be claimed. If the motor vehicle owner fails to claim the motor vehicle and pay all fees and charges imposed within the thirty-day period, the motor vehicle shall be forfeited to the state under chapters 809 and 809A.

11. *a.* (1) During the period of impoundment or immobilization the owner of an impounded or immobilized vehicle shall not sell or transfer the title of the motor vehicle which is subject to the order of impoundment or immobilization.

(2) A person convicted of an offense under subsection 2 shall not purchase or register any motor vehicle during the period of impoundment, immobilization, or license revocation.

*b.* If, during the period of impoundment or immobilization, the title to the motor vehicle which is the subject of the order is transferred by the foreclosure of a chattel mortgage, a sale upon execution, the cancellation of a conditional sales contract, or an order of a court, the court which enters the order that permits transfer of the title shall notify the department of the transfer of the title. The department shall enter notice of the transfer of the title to the motor vehicle in the previous owner's vehicle registration record.

*c.* Violation of paragraph "*a*" is a serious misdemeanor.

12. *a.* Notwithstanding other requirements of this section:

(1) Upon learning the address or phone number of a rental or leasing company which owns a motor vehicle impounded or immobilized under this section, the peace officer, county attorney, or attorney general shall immediately contact the company to inform the company that the vehicle is available for return to the company.

(2) The holder of a security interest in a vehicle which is impounded or immobilized pursuant to this section or forfeited in the manner provided in chapters 809 and 809A shall be notified of the impoundment, immobilization, or forfeiture within seventy-two hours of the seizure of the vehicle and shall have the right to claim the motor vehicle without payment of any fees or surcharges unless the value of the vehicle exceeds the value of the security interest held by the creditor.

(3) Any of the following persons may make application to the court for permission to operate a motor vehicle, which is impounded or immobilized pursuant to this section, during the period of impoundment or immobilization, if the applicant's driver's license or operating privilege has not been suspended, denied, revoked, or barred, and an ignition interlock device of a type approved by the commissioner of public safety is installed in the motor vehicle prior to operation:

(a) A person, other than the person who committed the offense which resulted in the impoundment or immobilization, who is not a member of the immediate family of the person who committed the offense but is a joint owner of the motor vehicle.

(b) A member of the immediate family of the person who committed the offense which resulted in the impoundment or immobilization, if the member demonstrates that the motor vehicle that is subject to the order for impoundment or immobilization is the only motor vehicle possessed by the family.

*b.* For purposes of this section, "*a member of the immediate family*" means a spouse, child, or parent of the person who committed the offense.

13. The impoundment, immobilization, or forfeiture of a motor vehicle under this chapter does not constitute loss of use of a motor vehicle for purposes of any contract of insurance.

95 Acts, ch 48, §11; 95 Acts, ch 143, §5; 96 Acts, ch 1133, §42, 43; 97 Acts, ch 177, §12; 98 Acts, ch 1073, §9; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1069, §103 – 106

Referred to in §321.89, 809A.3

**321J.5 Preliminary screening test.**

1. When a peace officer has reasonable grounds to believe that either of the following have occurred, the peace officer may request that the operator provide a sample of the operator's breath for a preliminary screening test using a device approved by the commissioner of public safety for that purpose:

*a.* A motor vehicle operator may be violating or has violated section 321J.2 or 321J.2A.

*b.* The operator has been involved in a motor vehicle collision resulting in injury or death.

2. The results of this preliminary screening test may be used for the purpose of deciding whether an arrest should be made or whether to request a chemical test authorized in this chapter, but shall not be used in any court action except to prove that a chemical test was properly requested of a person pursuant to this chapter.

86 Acts, ch 1220, §5; 95 Acts, ch 48, §12

**321J.6 Implied consent to test.**

1. A person who operates a motor vehicle in this state under circumstances which give reasonable grounds to believe that the person has been operating a motor vehicle in violation of section 321J.2 or 321J.2A is deemed to have given consent to the withdrawal of specimens of the person's blood, breath, or urine and to a chemical test or tests of the specimens for the purpose of determining the alcohol concentration or presence of a controlled substance or other drugs, subject to this section. The withdrawal of the body substances and the test or tests shall be administered at the written request of a peace officer having reasonable grounds to believe that the person was operating a motor vehicle in violation of section 321J.2 or 321J.2A, and if any of the following conditions exist:

*a.* A peace officer has lawfully placed the person under arrest for violation of section 321J.2.

*b.* The person has been involved in a motor vehicle accident or collision resulting in personal injury or death.

*c.* The person has refused to take a preliminary breath screening test provided by this chapter.

*d.* The preliminary breath screening test was administered and it indicated an alcohol concentration equal to or in excess of the level prohibited by section 321J.2.

*e.* The preliminary breath screening test was administered to a person operating a commercial motor vehicle as defined in section 321.1 and it indicated an alcohol concentration of 0.04 or more.

*f.* The preliminary breath screening test was administered and it indicated an alcohol concentration less than the level prohibited by section 321J.2, and the peace officer has reasonable grounds to believe that the person was under the influence of a controlled substance, a drug other than alcohol, or a combination of alcohol and another drug.

*g.* The preliminary breath screening test was administered and it indicated an alcohol concentration of .02 or more but less than .08 and the person is under the age of twenty-one.

2. The peace officer shall determine which of the three substances, breath, blood, or urine, shall be tested. Refusal to submit to a chemical test of urine or breath is deemed a refusal to submit, and section 321J.9 applies. A refusal to submit to a chemical test of blood is not deemed a refusal to submit, but in that case, the peace officer shall then determine which one of the other two substances shall be tested and shall offer the test. If the peace officer fails to offer a test within two hours after the preliminary screening test is administered or refused or the arrest is made, whichever occurs first, a test is not required, and there shall be no revocation under section 321J.9.

3. Notwithstanding subsection 2, if the peace officer has reasonable grounds to believe that the person was under the influence of a controlled substance, a drug other than alcohol, or a combination of alcohol and another drug, a blood or urine test shall be required even after another type of test has been administered. Section 321J.9 applies to a refusal to submit to a chemical test of urine or blood requested under this subsection.

86 Acts, ch 1220, §6; 90 Acts, ch 1230, §85; 95 Acts, ch 48, §13, 14; 98 Acts, ch 1138, §14 – 16; 2003 Acts, ch 60, §4

Referred to in §321J.2, 321J.7, 321J.9, 321J.10, 321J.12, 907.3

**321J.7 Dead or unconscious persons.**

A person who is dead, unconscious, or otherwise in a condition rendering the person incapable of consent or refusal is deemed not to have withdrawn the consent provided by section 321J.6, and the test may be given if a licensed physician, physician assistant, or advanced registered nurse practitioner certifies in advance of the test that the person is unconscious or otherwise in a condition rendering that person incapable of consent or refusal. If the certification is oral, a written certification shall be completed by the physician, physician assistant, or advanced registered nurse practitioner within a reasonable time of the test.

86 Acts, ch 1220, §7; 97 Acts, ch 147, §4; 97 Acts, ch 177, §13; 2005 Acts, ch 49, §1

Referred to in §321J.8, 321J.10

**321J.8 Statement of officer.**

1. A person who has been requested to submit to a chemical test shall be advised by a peace officer of the following:

*a.* If the person refuses to submit to the test, the person's driver's license or nonresident operating privilege will be revoked by the department as required by and for the applicable period specified under section 321J.9.

*b.* If the person submits to the test and the results indicate the presence of a controlled substance or other drug, or an alcohol concentration equal to or in excess of the level prohibited by section 321J.2 or 321J.2A, the person's driver's license or nonresident operating privilege will be revoked by the department as required by and for the applicable period specified under section 321J.12.

*c.* (1) If the person is operating a commercial motor vehicle as defined in section 321.1 and either refuses to submit to the test or submits to the test and the results indicate an alcohol concentration of 0.04 or more, the person is disqualified from operating a commercial motor vehicle for the applicable period under section 321.208 in addition to any revocation of the person's driver's license or nonresident operating privilege which may be applicable under this chapter.

(2) If the person is operating a noncommercial motor vehicle and holding a commercial driver's license as defined in section 321.1 and either refuses to submit to the test or submits to the test and the results indicate the presence of a controlled substance or other drug or an alcohol concentration equal to or in excess of the level prohibited by section 321J.2, the person is disqualified from operating a commercial motor vehicle for the applicable period under section 321.208 in addition to any revocation of the person's driver's license or nonresident operating privilege which may be applicable under this chapter.

2. This section does not apply in any case involving a person described in section 321J.7.

86 Acts, ch 1220, §8; 90 Acts, ch 1230, §86; 95 Acts, ch 48, §15; 98 Acts, ch 1073, §9; 98 Acts, ch 1138, §17; 2007 Acts, ch 69, §1; 2009 Acts, ch 130, §14

**321J.9 Refusal to submit — revocation.**

1. If a person refuses to submit to the chemical testing, a test shall not be given, but the department, upon the receipt of the peace officer's certification, subject to penalty for perjury, that the officer had reasonable grounds to believe the person to have been operating a motor vehicle in violation of section 321J.2 or 321J.2A, that specified conditions existed for chemical testing pursuant to section 321J.6, and that the person refused to submit to the chemical testing, shall revoke the person's driver's license and any nonresident operating privilege for the following periods of time:

*a.* One year if the person has no previous revocation under this chapter; and

*b.* Two years if the person has had a previous revocation under this chapter.

2. *a.* A person whose driver's license or nonresident operating privileges are revoked under subsection 1 shall not be eligible for a temporary restricted license for at least ninety days after the effective date of the revocation. A temporary restricted license issued to a person whose driver's license or nonresident driving privilege has been revoked under subsection 1, paragraph *"b"*, shall be issued in accordance with section 321J.20, subsection 2.

*b.* The department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license at the end of the minimum period of ineligibility. A temporary restricted license shall not be granted by the department until the defendant installs the ignition interlock device.

3. If the person is a resident without a license or permit to operate a motor vehicle in this state, the department shall deny to the person the issuance of a license or permit for the same period a license or permit would be revoked, and deny issuance of a temporary restricted license for the same period of ineligibility for receipt of a temporary restricted license, subject to review as provided in this chapter.

4. The effective date of revocation shall be ten days after the department has mailed notice of revocation to the person by first class mail, notwithstanding chapter 17A. The peace officer who requested or directed the administration of a chemical test may, on behalf of the department, serve immediate notice of intention to revoke and of revocation on a person who refuses to permit chemical testing. If the peace officer serves immediate notice, the peace officer shall take the Iowa license or permit of the driver, if any, and issue a temporary license effective for ten days. The peace officer shall immediately send the person's license to the department along with the officer's certificate indicating the person's refusal to submit to chemical testing.

86 Acts, ch 1220, §9; 95 Acts, ch 48, §16; 97 Acts, ch 177, §14; 98 Acts, ch 1073, §9; 2001 Acts, ch 32, §47; 2010 Acts, ch 1097, §8

Referred to in §321.211A, 321J.2, 321J.4, 321J.6, 321J.8, 321J.10, 321J.13, 321J.17, 321J.20, 915.80

**321J.10 Tests pursuant to warrants.**

1. Refusal to consent to a test under section 321J.6 does not prohibit the withdrawal of a specimen for chemical testing pursuant to a search warrant issued in the investigation of a suspected violation of section 707.5 or 707.6A if all of the following grounds exist:

*a.* A traffic accident has resulted in a death or personal injury reasonably likely to cause death.

*b.* There are reasonable grounds to believe that one or more of the persons whose driving may have been the proximate cause of the accident was violating section 321J.2 at the time of the accident.

2. Search warrants may be issued under this section in full compliance with chapter 808 or they may be issued under subsection 3.

3. Notwithstanding section 808.3, the issuance of a search warrant under this section may be based upon sworn oral testimony communicated by telephone if the magistrate who is asked to issue the warrant is satisfied that the circumstances make it reasonable to dispense with a written affidavit. The following shall then apply:

*a.* When a caller applies for the issuance of a warrant under this section and the magistrate becomes aware of the purpose of the call, the magistrate shall place under oath the person applying for the warrant.

*b.* The person applying for the warrant shall prepare a duplicate warrant and read the duplicate warrant, verbatim, to the magistrate who shall enter, verbatim, what is read to the magistrate on a form that will be considered the original warrant. The magistrate may direct that the warrant be modified.

*c.* The oral application testimony shall set forth facts and information tending to establish the existence of the grounds for the warrant and shall describe with a reasonable degree of specificity the person or persons whose driving is believed to have been the proximate cause

of the accident and from whom a specimen is to be withdrawn and the location where the withdrawal of the specimen or specimens is to take place.

*d.* If a voice recording device is available, the magistrate may record by means of that device all of the call after the magistrate becomes aware of the purpose of the call. Otherwise, the magistrate shall cause a stenographic or longhand memorandum to be made of the oral testimony of the person applying for the warrant.

*e.* If the magistrate is satisfied from the oral testimony that the grounds for the warrant exist or that there is probable cause to believe that they exist, the magistrate shall order the issuance of the warrant by directing the person applying for the warrant to sign the magistrate's name on the duplicate warrant. The magistrate shall immediately sign the original warrant and enter on its face the exact time when the issuance was ordered.

*f.* The person who executes the warrant shall enter the time of execution on the face of the duplicate warrant.

*g.* The magistrate shall cause any record of the call made by means of a voice recording device to be transcribed, shall certify the accuracy of the transcript, and shall file the transcript and the original record with the clerk. If a stenographic or longhand memorandum was made of the oral testimony of the person who applied for the warrant, the magistrate shall file a signed copy with the clerk.

*h.* The clerk of court shall maintain the original and duplicate warrants along with the record of the telephone call and any transcript or memorandum made of the call in a confidential file until a charge, if any, is filed.

4. *a.* Search warrants issued under this section shall authorize and direct peace officers to secure the withdrawal of blood specimens by medical personnel under section 321J.11. Reasonable care shall be exercised to ensure the health and safety of the persons from whom specimens are withdrawn in execution of the warrants.

*b.* If a person from whom a specimen is to be withdrawn objects to the withdrawal of blood, the warrant may be executed as follows:

(1) If the person is capable of giving a specimen of breath, and a direct breath testing instrument is readily available, the warrant may be executed by the withdrawal of a specimen of breath for chemical testing, unless the peace officer has reasonable grounds to believe that the person was under the influence of a controlled substance, a drug other than alcohol, or a combination of alcohol and another drug.

(2) If the testimony in support of the warrant sets forth facts and information that the peace officer has reasonable grounds to believe that the person was under the influence of a controlled substance, a drug other than alcohol, or a combination of alcohol and another drug, a urine sample shall be collected in lieu of a blood sample, if the person is capable of giving a urine sample and the sample can be collected without the need to physically compel the execution of the warrant.

5. The act of any person knowingly resisting or obstructing the withdrawal of a specimen pursuant to a search warrant issued under this section constitutes a contempt punishable by a fine not exceeding one thousand dollars or imprisonment in a county jail not exceeding one year or by both such fine and imprisonment. Also, if the withdrawal of a specimen is so resisted or obstructed, sections 321J.9 and 321J.16 apply.

6. Nonsubstantive variances between the contents of the original and duplicate warrants shall not cause a warrant issued under subsection 3 of this section to be considered invalid.

7. Specimens obtained pursuant to warrants issued under this section are not subject to disposition under section 808.9 or chapter 809 or 809A.

8. Subsections 1 to 7 of this section do not apply where a test may be administered under section 321J.7.

9. Medical personnel who use reasonable care and accepted medical practices in withdrawing blood specimens are immune from liability for their actions in complying with requests made of them pursuant to search warrants or pursuant to section 321J.11.

86 Acts, ch 1220, §10; 90 Acts, ch 1233, §21; 96 Acts, ch 1133, §44; 98 Acts, ch 1138, §18

Referred to in §321J.10A

**321J.10A Blood, breath, or urine specimen withdrawal without a warrant.**

1. Notwithstanding section 321J.10, if a person is under arrest for an offense arising out of acts alleged to have been committed while the person was operating a motor vehicle in violation of section 321J.2 or 321J.2A, and that arrest results from an accident that causes a death or personal injury reasonably likely to cause death, a chemical test of blood may be administered without the consent of the person arrested to determine the amount of alcohol or a controlled substance in that person's blood if all of the following circumstances exist:

*a.* The peace officer reasonably believes the blood drawn will produce evidence of intoxication.

*b.* The method used to take the blood sample is reasonable and performed in a reasonable manner by medical personnel under section 321J.11.

*c.* The peace officer reasonably believes the officer is confronted with an emergency situation in which the delay necessary to obtain a warrant under section 321J.10 threatens the destruction of the evidence.

2. If the person from whom a specimen of blood is to be withdrawn objects to the withdrawal, a breath or urine sample may be taken under the following circumstances:

*a.* If the person is capable of giving a specimen of breath, and a direct breath testing instrument is readily available, the withdrawal of a specimen of the person's breath may be taken for chemical testing, unless the peace officer has reasonable grounds to believe that the person was under the influence of a controlled substance, a drug other than alcohol, or a combination of alcohol and another drug.

*b.* If the peace officer has reasonable grounds to believe that the person was under the influence of a controlled substance, a drug other than alcohol, or a combination of alcohol and another drug, a urine sample shall be collected in lieu of a blood sample, if the person is capable of giving a urine sample and the sample can be collected.

2004 Acts, ch 1098, §1

**321J.11 Taking sample for test.**

Only a licensed physician, licensed physician assistant as defined in section 148C.1, medical technologist, or registered nurse, acting at the request of a peace officer, may withdraw a specimen of blood for the purpose of determining the alcohol concentration or the presence of a controlled substance or other drugs. However, any peace officer, using devices and methods approved by the commissioner of public safety, may take a specimen of a person's breath or urine for the purpose of determining the alcohol concentration, or may take a specimen of a person's urine for the purpose of determining the presence of a controlled substance or other drugs. Only new equipment kept under strictly sanitary and sterile conditions shall be used for drawing blood.

The person may have an independent chemical test or tests administered at the person's own expense in addition to any administered at the direction of a peace officer. The failure or inability of the person to obtain an independent chemical test or tests does not preclude the admission of evidence of the results of the test or tests administered at the direction of the peace officer. Upon the request of the person who is tested, the results of the test or tests administered at the direction of the peace officer shall be made available to the person.

86 Acts, ch 1220, §11; 88 Acts, ch 1225, §26; 98 Acts, ch 1138, §19

Referred to in §321J.10, 321J.10A

**321J.12 Test result revocation.**

1. Upon certification, subject to penalty for perjury, by the peace officer that there existed reasonable grounds to believe that the person had been operating a motor vehicle in violation of section 321J.2, that there existed one or more of the necessary conditions for chemical testing described in section 321J.6, subsection 1, and that the person submitted to chemical testing and the test results indicated the presence of a controlled substance or other drug, or an alcohol concentration equal to or in excess of the level prohibited by section 321J.2, or a combination of alcohol and another drug in violation of section 321J.2, the department shall revoke the person's driver's license or nonresident operating privilege for the following periods of time:

*a.* One hundred eighty days if the person has had no revocation under this chapter.

*b.* One year if the person has had a previous revocation under this chapter.

2. *a.* A person whose driver's license or nonresident operating privileges have been revoked under subsection 1, paragraph "*a*", whose alcohol concentration is .08 or more but not more than .10 shall not be eligible for any temporary restricted license for at least thirty days after the effective date of the revocation if a test was obtained and an accident resulting in personal injury or property damage occurred. The department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary license. There shall be no such period of ineligibility if no such accident occurred, and the defendant shall not be required to install an ignition interlock device.

*b.* A defendant whose alcohol concentration is more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained and an accident resulting in personal injury or property damage occurred or the defendant's alcohol concentration exceeded .15. There shall be no such period of ineligibility if no such accident occurred and the defendant's alcohol concentration did not exceed .15. In either case, where a defendant's alcohol concentration is more than .10, the department shall require the defendant to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license.

*c.* If the person is under the age of twenty-one, the person shall not be eligible for a temporary restricted license for at least sixty days after the effective date of the revocation.

*d.* A person whose license or privileges have been revoked under subsection 1, paragraph "*b*", for one year shall not be eligible for any temporary restricted license for forty-five days after the effective date of the revocation, and the department shall require the person to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license at the end of the minimum period of ineligibility. The temporary restricted license shall be issued in accordance with section 321J.20, subsection 2. A temporary restricted license shall not be granted by the department until the defendant installs the ignition interlock device.

3. The effective date of the revocation shall be ten days after the department has mailed notice of revocation to the person by first class mail, notwithstanding chapter 17A. The peace officer who requested or directed the administration of the chemical test may, on behalf of the department, serve immediate notice of revocation on a person whose test results indicated the presence of a controlled substance or other drug, or an alcohol concentration equal to or in excess of the level prohibited by section 321J.2, or a combination of alcohol and another controlled substance or drug in violation of section 321J.2.

4. If the peace officer serves that immediate notice, the peace officer shall take the person's Iowa license or permit, if any, and issue a temporary license valid only for ten days. The peace officer shall immediately send the person's driver's license to the department along with the officer's certificate indicating that the test results indicated the presence of a controlled substance or other drug, or an alcohol concentration equal to or in excess of the level prohibited by section 321J.2.

5. Upon certification, subject to penalty of perjury, by the peace officer that there existed reasonable grounds to believe that the person had been operating a motor vehicle in violation of section 321J.2A, that there existed one or more of the necessary conditions for chemical testing described in section 321J.6, subsection 1, and that the person submitted to chemical testing and the test results indicated an alcohol concentration of .02 or more but less than .08, the department shall revoke the person's driver's license or operating privilege for a period of sixty days if the person has had no previous revocation under this chapter, and for a period of ninety days if the person has had a previous revocation under this chapter.

6. The results of a chemical test may not be used as the basis for a revocation of a person's driver's license or nonresident operating privilege if the alcohol or drug concentration indicated by the chemical test minus the established margin of error inherent in the device or

method used to conduct the chemical test is not equal to or in excess of the level prohibited by section 321J.2 or 321J.2A.

86 Acts, ch 1220, §12; 95 Acts, ch 48, §17; 95 Acts, ch 143, §12; 96 Acts, ch 1090, §12; 97 Acts, ch 177, §15, 16; 98 Acts, ch 1073, §9; 98 Acts, ch 1138, §20; 2001 Acts, ch 32, §48; 2003 Acts, ch 60, §5, 6; 2003 Acts, ch 179, §123; 2010 Acts, ch 1097, §9

Referred to in §321.211A, 321J.2, 321J.2A, 321J.4, 321J.8, 321J.13, 321J.17, 321J.20, 915.80

**321J.13 Hearing on revocation — appeal.**

1. Notice of revocation of a person's noncommercial driver's license or operating privilege served pursuant to section 321J.9 or 321J.12 shall include a form accompanied by a preaddressed envelope on which the person served may indicate by a checkmark if the person only wishes to request a temporary restricted license after the mandatory ineligibility period for issuance of a temporary restricted license has ended, or if the person wishes a hearing to contest the revocation. The form shall clearly state on its face that the form must be completed and returned within ten days of receipt or the person's right to a hearing to contest the revocation is foreclosed. The form shall also be accompanied by a statement of the operation of and the person's rights under this chapter.

2. The department shall grant the person an opportunity to be heard within forty-five days of receipt of a request for a hearing if the request is made not later than ten days after receipt of notice of revocation served pursuant to section 321J.9 or 321J.12. The hearing shall be before the department in the county where the alleged events occurred, unless the director and the person agree that the hearing may be held in some other county, or the hearing may be held by telephone conference at the discretion of the agency conducting the hearing. The hearing may be recorded and its scope shall be limited to the issues of whether a peace officer had reasonable grounds to believe that the person was operating a motor vehicle in violation of section 321J.2 or 321J.2A and one or more of the following:

*a.* Whether the person refused to submit to the test or tests.

*b.* Whether a test was administered and the test results indicated an alcohol concentration equal to or in excess of the level prohibited under section 321J.2 or 321J.2A.

*c.* Whether a test was administered and the test results indicated the presence of alcohol, a controlled substance or other drug, or a combination of alcohol and another drug, in violation of section 321J.2.

3. After the hearing the department shall order that the revocation be either rescinded or sustained. Upon receipt of the decision of the department to sustain a revocation, the person contesting the revocation has ten days to file a request for review of the decision by the director. The director or the director's designee shall review the decision within thirty days and shall either rescind or sustain the revocation or order a new hearing. If the director orders a new hearing, the department shall grant the person a new hearing within twenty days of the director's order.

4. The department shall stay the revocation of a person's driver's license or operating privilege for the period that the person is contesting the revocation under this section or section 321J.14 if it is shown to the satisfaction of the department that the new evidence is material and that there were valid reasons for failure to present it in the contested case proceeding before the department. However, a stay shall not be granted for violations of section 321J.2A.

5. If the department fails to comply with the time limitations of this section regarding granting a hearing, review by the director or the director's designee, or granting a new hearing, and if the request for a hearing or review by the director was properly made under this section, the revocation of the driver's license or operating privilege of the person who made the request for a hearing or review shall be rescinded. This subsection shall not apply in those cases in which a continuance to the hearing has been granted at the request of either the person who requested the hearing or the peace officer who requested or administered the chemical test.

6. *a.* The department shall grant a request for a hearing to rescind the revocation if the person whose motor vehicle license or operating privilege has been or is being revoked under

section 321J.9 or 321J.12 submits a petition containing information relating to the discovery of new evidence that provides grounds for rescission of the revocation.

*b.* The person shall prevail at the hearing if, in the criminal action on the charge of violation of section 321J.2 or 321J.2A resulting from the same circumstances that resulted in the administrative revocation being challenged, the court held one of the following:

(1) That the peace officer did not have reasonable grounds to believe that a violation of section 321J.2 or 321J.2A had occurred to support a request for or to administer a chemical test.

(2) That the chemical test was otherwise inadmissible or invalid.

*c.* Such a holding by the court in the criminal action is binding on the department, and the department shall rescind the revocation. If the offense for which the revocation was imposed was committed while the person was operating a noncommercial motor vehicle and holding a commercial driver's license and the department disqualified the person from operating a commercial motor vehicle under section 321.208, subsection 2, paragraph "*a*" or "*b*", as a result of the revocation, the department shall also rescind the disqualification.

86 Acts, ch 1220, §13; 87 Acts, ch 148, §1; 88 Acts, ch 1109, §23; 88 Acts, ch 1214, §2; 89 Acts, ch 83, §46; 95 Acts, ch 48, §18; 97 Acts, ch 104, §30, 31; 98 Acts, ch 1073, §9; 98 Acts, ch 1138, §21; 99 Acts, ch 13, §22, 29; 2000 Acts, ch 1133, §16; 2009 Acts, ch 130, §15, 18

Referred to in §321A.17

2009 amendments to subsection 6, paragraphs a and c, take effect May 22, 2009, and apply retroactively to January 1, 2005, for disqualifications in effect on or after that date; 2009 Acts, ch 130, §18

**321J.14 Judicial review.**

Judicial review of an action of the department may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of that chapter, a petition for judicial review may be filed in the district court in the county where the alleged events occurred or in the county in which the administrative hearing was held.

86 Acts, ch 1220, §14

Referred to in §321J.13

**321J.15 Evidence in any action.**

Upon the trial of a civil or criminal action or proceeding arising out of acts alleged to have been committed by a person while operating a motor vehicle in violation of section 321J.2 or 321J.2A, evidence of the alcohol concentration or the presence of a controlled substance or other drugs in the person's body at the time of the act alleged as shown by a chemical analysis of the person's blood, breath, or urine is admissible. If it is established at trial that an analysis of a breath specimen was performed by a certified operator using a device intended to determine alcohol concentration and methods approved by the commissioner of public safety, no further foundation is necessary for introduction of the evidence.

86 Acts, ch 1220, §15; 95 Acts, ch 48, §19; 98 Acts, ch 1138, §22; 2008 Acts, ch 1032, §49

**321J.16 Proof of refusal admissible.**

If a person refuses to submit to a chemical test, proof of refusal is admissible in any civil or criminal action or proceeding arising out of acts alleged to have been committed while the person was operating a motor vehicle in violation of section 321J.2 or 321J.2A.

86 Acts, ch 1220, §16; 95 Acts, ch 48, §20

Referred to in §321J.10

**321J.17 Civil penalty — disposition — conditions for license reinstatement.**

1. If the department revokes a person's driver's license or nonresident operating privilege under this chapter, the department shall assess the person a civil penalty of two hundred dollars. The money collected by the department under this section shall be transmitted to the treasurer of state who shall deposit one-half of the money in the separate fund established in section 915.94 and one-half of the money in the general fund of the state. A temporary restricted license shall not be issued unless an ignition interlock device has been installed pursuant to section 321J.4. Except as provided in section 321.210B, a temporary restricted license shall not be issued or a driver's license or nonresident operating privilege reinstated until the civil penalty has been paid. A person assessed a penalty under this section may remit

the civil penalty along with a processing fee of five dollars to a county treasurer authorized to issue driver's licenses under chapter 321M, or the civil penalty may be paid directly to the department.

2. *a.* If the department or a court orders the revocation of a person's driver's license or nonresident operating privilege under this chapter, the department or court shall also order the person, at the person's own expense, to do the following:

(1) Enroll, attend, and satisfactorily complete a course for drinking drivers, as provided in section 321J.22.

(2) Submit to evaluation and treatment or rehabilitation services.

*b.* The court or department may request that the community college or substance abuse treatment providers licensed under chapter 125 or other approved provider conducting the course for drinking drivers that the person is ordered to attend immediately report to the court or department that the person has successfully completed the course for drinking drivers. The court or department may request that the treatment program which the person attends periodically report on the defendant's attendance and participation in the program, as well as the status of treatment or rehabilitation.

*c.* A driver's license or nonresident operating privilege shall not be reinstated until proof of completion of the requirements of this subsection is presented to the department.

3. The department shall also require certification of installation of an ignition interlock device of a type approved by the commissioner of public safety on all motor vehicles owned or operated by any person seeking reinstatement following a second or subsequent revocation under section 321J.4, 321J.9, or 321J.12. The requirement for the installation of an approved ignition interlock device shall be for one year from the date of reinstatement unless a longer time period is required by statute. The one-year period a person is required to maintain an ignition interlock device under this subsection shall be reduced by any period of time the person held a valid temporary restricted license during the revocation for the occurrence from which the arrest arose. The person shall not operate any motor vehicle which is not equipped with an approved ignition interlock device during the period in which an ignition interlock device must be maintained, and the department shall not grant reinstatement unless the person certifies installation of an ignition interlock device as required in this subsection.

86 Acts, ch 1220, §17; 87 Acts, ch 232, §24; 87 Acts, ch 234, §113; 89 Acts, ch 317, §37; 91 Acts, ch 258, §50; 93 Acts, ch 110, §1; 95 Acts, ch 143, §6; 97 Acts, ch 177, §17; 98 Acts, ch 1073, §9; 98 Acts, ch 1075, §25; 98 Acts, ch 1090, §67, 84; 2000 Acts, ch 1118, §2; 2002 Acts, ch 1119, §155; 2008 Acts, ch 1018, §25, 31; 2010 Acts, ch 1097, §10; 2011 Acts, ch 20, §16; 2013 Acts, ch 103, §15

Referred to in §321.210B, 321J.3, 321J.20, 321J.22, 321M.9, 331.557A

Subsections 1 and 3 amended

**321J.18 Other evidence.**

This chapter does not limit the introduction of any competent evidence bearing on the question of whether a person was under the influence of an alcoholic beverage or a controlled substance or other drug, including the results of chemical tests of specimens of blood, breath, or urine obtained more than two hours after the person was operating a motor vehicle.

86 Acts, ch 1220, §18; 98 Acts, ch 1138, §23

**321J.19 Information relayed to other states.**

When it has been finally determined under this chapter that a nonresident's privilege to operate a motor vehicle in this state has been revoked or denied, the department shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which the person has a license.

86 Acts, ch 1220, §19

**321J.20 Temporary restricted license — ignition interlock devices.**

1. *a.* The department may, on application, issue a temporary restricted license to a person whose noncommercial driver's license is revoked under this chapter allowing the person to drive to and from the person's home and specified places at specified times which can be verified by the department and which are required by the person's full-time

or part-time employment, continuing health care or the continuing health care of another who is dependent upon the person, continuing education while enrolled in an educational institution on a part-time or full-time basis and while pursuing a course of study leading to a diploma, degree, or other certification of successful educational completion, substance abuse treatment, court-ordered community service responsibilities, and appointments with the person's parole or probation officer if the person's driver's license has not been revoked previously under section 321J.4, 321J.9, or 321J.12 and if any of the following apply:

(1) The person's noncommercial driver's license is revoked under section 321J.4 and the minimum period of ineligibility for issuance of a temporary restricted license has expired. This subsection shall not apply to a revocation ordered under section 321J.4 resulting from a plea or verdict of guilty of a violation of section 321J.2 that involved a death.

(2) The person's noncommercial driver's license is revoked under section 321J.9 and the person has entered a plea of guilty on a charge of a violation of section 321J.2 which arose from the same set of circumstances which resulted in the person's driver's license revocation under section 321J.9 and the guilty plea is not withdrawn at the time of or after application for the temporary restricted license, and the minimum period of ineligibility for issuance of a temporary restricted license has expired.

(3) The person's noncommercial driver's license is revoked under section 321J.12, and the minimum period of ineligibility for issuance of a temporary restricted license has expired.

*b.* A temporary restricted license may be issued under this subsection if the person's noncommercial driver's license is revoked for two years under section 321J.4, subsection 2, or section 321J.9, subsection 1, paragraph *"b"*, and the first three hundred sixty-five days of the revocation have expired.

*c.* This subsection does not apply to a person whose license was revoked under section 321J.2A or section 321J.4, subsection 4 or 6, or to a person whose license is suspended or revoked for another reason.

*d.* Following the applicable minimum period of ineligibility, a temporary restricted license under this subsection shall not be issued until the applicant installs an ignition interlock device of a type approved by the commissioner of public safety on all motor vehicles owned or operated by the applicant in accordance with section 321J.2, 321J.4, 321J.9, or 321J.12. Installation of an ignition interlock device under this subsection shall be required for the period of time for which the temporary restricted license is issued and for such additional period of time following reinstatement as is required under section 321J.17, subsection 3.

2. *a.* Notwithstanding section 321.560, the department may, on application, and upon the expiration of the minimum period of ineligibility for a temporary restricted license provided for under section 321.560, 321J.4, 321J.9, or 321J.12, issue a temporary restricted license to a person whose noncommercial driver's license has either been revoked under this chapter, or revoked or suspended under chapter 321 solely for violations of this chapter, or who has been determined to be a habitual offender under chapter 321 based solely on violations of this chapter or on violations listed in section 321.560, subsection 1, paragraph *"b"*, and who is not eligible for a temporary restricted license under subsection 1. However, the department may not issue a temporary restricted license under this subsection for a violation of section 321J.2A or to a person under the age of twenty-one whose license is revoked under section 321J.4, 321J.9, or 321J.12. A temporary restricted license issued under this subsection may allow the person to drive to and from the person's home and specified places at specified times which can be verified by the department and which are required by the person's full-time or part-time employment; continuing education while enrolled in an educational institution on a part-time or full-time basis and while pursuing a course of study leading to a diploma, degree, or other certification of successful educational completion; or substance abuse treatment.

*b.* A temporary restricted license issued under this subsection shall not be issued until the applicant installs an approved ignition interlock device on all motor vehicles owned or operated by the applicant. Installation of an ignition interlock device under this subsection shall be required for the period of time for which the temporary restricted license is issued, and for such additional period of time following reinstatement as is required under section 321J.17, subsection 3. However, a person whose driver's license or nonresident operating privilege has been revoked under section 321J.21 may apply to the department

for a temporary restricted license without the requirement of an ignition interlock device if at least twelve years have elapsed since the end of the underlying revocation period for a violation of section 321J.2.

3. If a person required to install an ignition interlock device operates a motor vehicle which does not have an approved ignition interlock device or if the person tampers with or circumvents an ignition interlock device, in addition to other penalties provided, the person's temporary restricted license shall be revoked.

4. A person holding a temporary restricted license issued by the department under this section shall not operate a motor vehicle for pleasure.

5. A person holding a temporary restricted license issued by the department under this section shall not operate a commercial motor vehicle on a highway if a commercial driver's license is required for the person's operation of the commercial motor vehicle.

6. A person holding a temporary license issued by the department under this chapter shall be prohibited from operating a school bus.

7. Notwithstanding any provision of this chapter to the contrary, the department may issue a temporary restricted license to a person otherwise eligible for a temporary restricted license under this section, whose period of revocation under this chapter has expired, but who has not met all requirements for reinstatement of the person's driver's license or nonresident operating privileges.

8. A person who tampers with or circumvents an ignition interlock device installed as required in this chapter and while the requirement for the ignition interlock device is in effect commits a serious misdemeanor.

86 Acts, ch 1220, §20; 90 Acts, ch 1230, §87, 88; 95 Acts, ch 48, §21; 95 Acts, ch 143, §7; 97 Acts, ch 177, §18 – 20; 98 Acts, ch 1073, §9, 12; 98 Acts, ch 1138, §5, 36, 37; 2000 Acts, ch 1133, §17; 2003 Acts, ch 60, §7; 2007 Acts, ch 196, §6; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1097, §11; 2013 Acts, ch 103, §16, 17

Referred to in §321.560, 321J.2, 321J.4, 321J.9, 321J.12

Subsection 1, paragraph d amended

Subsection 2 amended

**321J.21 Driving while license suspended, denied, revoked, or barred.**

1. A person whose driver's license or nonresident operating privilege has been suspended, denied, revoked, or barred due to a violation of this chapter and who drives a motor vehicle while the license or privilege is suspended, denied, revoked, or barred commits a serious misdemeanor. In addition to any other penalties, the punishment imposed for a violation of this subsection shall include assessment of a fine of one thousand dollars.

2. In addition to the fine, the department, upon receiving the record of the conviction of a person under this section upon a charge of driving a motor vehicle while the license of the person was suspended, denied, revoked, or barred shall extend the period of suspension, denial, revocation, or bar for an additional like period, and the department shall not issue a new license during the additional period.

86 Acts, ch 1220, §21; 97 Acts, ch 177, §21; 98 Acts, ch 1073, §9; 99 Acts, ch 153, §6

Referred to in §321.211A, 321J.4B, 321J.20

See §321.555 – 321.562 for penalties applicable to habitual offenders

**321J.22 Drinking drivers course.**

1. As used in this section, unless the context otherwise requires:

*a. "Approved provider"* means a provider of a course for drinking drivers offered outside this state which has been approved by the department of education.

*b. "Course for drinking drivers"* means an approved course designed to inform the offender about drinking and driving and encourage the offender to assess the offender's own drinking and driving behavior in order to select practical alternatives.

*c. "Satisfactory completion of a course"* means receiving at the completion of a course a grade from the course instructor of "C" or "2.0" or better.

2. *a.* The course provided according to this section shall be offered on a regular basis at each community college as defined in section 260C.2, or by substance abuse treatment programs licensed under chapter 125, or may be offered at a state correctional facility listed

in section 904.102. However, a community college shall not be required to offer the course if a substance abuse treatment program licensed under chapter 125 offers the course within the merged area served by the community college.

*b.* Enrollment in the courses is not limited to persons ordered to enroll, attend, and successfully complete the course required under sections 321J.2 and 321J.17, subsection 2. However, any person under age eighteen who is required to attend the courses for violation of section 321J.2 or 321J.17 must attend a course offered by a substance abuse treatment program licensed under chapter 125.

*c.* The course required by this section shall be:

(1) Taught by a community college under the supervision of the department of education or by a substance abuse treatment program licensed under chapter 125, and may be offered at a state correctional facility.

(2) Approved by the department of education, in consultation with the community colleges, substance abuse treatment programs licensed under chapter 125, the department of public health, and the department of corrections.

*d.* The department of education may approve a provider of a course for drinking drivers offered outside this state upon proof to the department's satisfaction that the course is comparable to those offered by community colleges, substance abuse treatment programs licensed under chapter 125, and state correctional facilities as provided in this section. The department shall comply with the requirements of subsection 5 regarding such approved providers.

*e.* The department of education shall establish reasonable fees to defray the expense of obtaining classroom space, instructor salaries, and class materials for courses offered both by community colleges and by substance abuse treatment programs licensed under chapter 125, or for classes offered at a state correctional facility, and for administrative expenses incurred by the department of education in implementing subsection 5 on behalf of in-state and out-of-state offenders.

*f.* A person shall not be denied enrollment in a course by reason of the person's indigency.

3. An employer shall not discharge a person from employment solely for the reason of work absence to attend a course required by this section. Any employer who violates this section is liable for damages which include but are not limited to actual damages, court costs, and reasonable attorney fees. The person may also petition the court for imposition of a cease and desist order against the person's employer and for reinstatement to the person's previous position of employment.

4. The department of education, substance abuse treatment programs licensed under chapter 125, and state correctional facilities shall prepare for their respective courses a list of the locations of the courses taught under this section, the dates and times taught, the procedure for enrollment, and the schedule of course fees. The list shall be kept current and a copy of the list shall be sent to each court having jurisdiction over offenses provided in this chapter.

5. The department of education, substance abuse treatment programs licensed under chapter 125, and state correctional facilities shall maintain enrollment, attendance, successful and nonsuccessful completion data for their respective courses on the persons ordered to enroll, attend, and successfully complete a course for drinking drivers. This data shall be forwarded to the court by the department of education, substance abuse treatment programs licensed under chapter 125, and the department of corrections.

86 Acts, ch 1220, §22; 90 Acts, ch 1253, §120; 97 Acts, ch 177, §22; 2000 Acts, ch 1138, §5; 2002 Acts, ch 1140, §37; 2002 Acts, 2nd Ex, ch 1003, §240, 262; 2003 Acts, ch 180, §60; 2008 Acts, ch 1124, §16; 2011 Acts, ch 20, §17, 18

Referred to in §321J.17, 707.6A

**321J.23 Legislative findings.**

The general assembly finds and declares as follows:

1. Drivers often do not realize the consequences of drinking alcohol or using other drugs, and driving a motor vehicle.

2. Prompt intervention is needed to protect society, including drivers, from death or serious long-term injury.

3. The conviction of a driver for operating while intoxicated identifies that person as a risk to the health and safety of others, as well as to the intoxicated driver.

4. Close observation of the effects on others of alcohol and drug use by an intoxicated driver convicted of operating while intoxicated may have a marked effect on recidivism and should therefore be encouraged by the courts.

5. The reality education substance abuse prevention program provides guidelines for the operation of an intensive program to discourage recidivism.

92 Acts, ch 1231, §45

**321J.24 Court-ordered visitation for offenders — immunity from liability.**

1. As used in this section, unless the context otherwise requires:

*a. "Appropriate victim"* means a victim whose condition demonstrates the results of a motor vehicle accident involving intoxicated drivers without being excessively traumatic to the participant, as determined by the tour supervisor.

*b. "Participant"* means a person who is ordered by the court to participate in the reality education substance abuse prevention program.

*c. "Program"* means the reality education substance abuse prevention program.

*d. "Program coordinator"* means a person appointed by the court to coordinate the person's participation in the program.

*e. "Tour supervisor"* means a person selected by a participant's program coordinator to supervise a tour.

2. A reality education substance abuse prevention program is established in those judicial districts where the chief judge of the judicial district authorizes participation in the program. Upon a conviction or adjudication for a violation of section 321J.2, or the entry of a deferred judgment concerning a violation of section 321J.2, the court or juvenile court may order participation in the reality education substance abuse prevention program as a term and condition of probation or disposition in addition to any other term or condition of probation or disposition required or authorized by law. The court or juvenile court shall require the defendant or delinquent child to abstain from consuming any controlled substance, alcoholic liquor, wine, or beer while participating in the program.

3. The court or juvenile court shall consult with the defendant or delinquent child and the defendant's or delinquent child's attorney, if any, and may consult with any other person, including but not limited to the defendant's or delinquent child's parents or other family members, to determine if the defendant or delinquent child is suitable for participation in the program, if the program will be educational and meaningful to the defendant or delinquent child, and if any physical, emotional, mental, or other reasons exist which indicate that the program would be inappropriate or would cause any injury to the defendant or delinquent child.

4. The court or juvenile court may appoint a program coordinator, to coordinate all tours and select appropriate tour supervisors for each tour. The program coordinator shall monitor compliance by contacting each tour supervisor following the completion of a tour.

5. *a.* The court or juvenile court may include a requirement for a supervised educational tour by the defendant or delinquent child to any or all of the following:

(1) A hospital or other emergency medical care facility which regularly receives victims of motor vehicle accidents, to observe treatment of appropriate victims of motor vehicle accidents involving intoxicated drivers, under the supervision of a registered nurse, physician, paramedic, or emergency medical technician.

(2) A facility for the treatment of persons with substance-related disorders as defined in section 125.2, under the supervision of appropriately licensed medical personnel.

(3) If approved by the state or county medical examiner, a morgue or a similar facility to receive appropriate educational material and instruction concerning damage caused by the consumption of alcohol or other drugs, under the supervision of the county medical examiner or deputy medical examiner.

*b.* However, the court or juvenile court shall not order the defendant or delinquent child

to participate in a supervised education tour of a hospital or other facility specified in this subsection, unless the hospital or facility agrees to participate in the program.

6. Prior to a tour, the program coordinator shall explain and discuss the experiences which may be encountered during the tour to the participant. If the program coordinator determines at any time before or during a tour that the tour may be traumatic or otherwise inappropriate for the participant, the program coordinator shall terminate the tour without prejudice to the participant.

7. The court or juvenile court may order a personal conference after the tours with the participant, the participant's attorney, if any, and any other persons if available and deemed necessary by the court or juvenile court, to discuss the experiences of the participant in the program and how those experiences may impact the participant's conduct. The court or juvenile court may order the participant to write a report or letter concerning the participant's experiences in the program.

8. Tour supervisors and facilities toured during the program are not liable for any civil damages resulting from injury to the participant, or civil damages caused by the participant during or from any activities related to a tour, except for willful or grossly negligent acts intended to, or reasonably expected to result in, such injury or damage.

9. The chief judge of the judicial district shall determine fees to be paid by participants in the program. The judicial branch shall use the fees to pay all costs associated with the program. The court shall either require the participant to pay the fee in order to participate in the program, or may waive the fee or collect a lesser amount upon a showing of cause.

92 Acts, ch 1231, §46; 97 Acts, ch 177, §23, 24; 98 Acts, ch 1047, §29; 2010 Acts, ch 1061, §180; 2013 Acts, ch 90, §86

Referred to in §321J.2, 707.6A

Subsection 5, paragraph a, subparagraph (2) amended

**321J.25 Youthful offender substance abuse awareness program.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Participant"* means a person whose driver's license or operating privilege has been revoked for a violation of section 321J.2A.

*b.* *"Program"* means a substance abuse awareness program provided under a contract entered into between the provider and the Iowa department of public health under chapter 125.

*c.* *"Program coordinator"* means a person assigned the duty to coordinate a participant's activities in a program by the program provider.

2. A substance abuse awareness program is established in each of the regions established by the director of public health pursuant to section 125.12. The program shall consist of an insight class and a substance abuse evaluation, which shall be attended by the participant, to discuss issues related to the potential consequences of substance abuse. The parent or parents of the participant shall also be encouraged to participate in the program. The program provider shall consult with the participant or the parents of the participant in the program to determine the timing and appropriate level of participation for the participant and any participation by the participant's parents. The program may also include a supervised educational tour by the participant to any or all of the following:

*a.* A hospital or other emergency medical care facility which regularly receives victims of motor vehicle accidents, to observe treatment of appropriate victims of motor vehicle accidents involving intoxicated drivers, under the supervision of a registered nurse, physician, paramedic, or emergency medical technician.

*b.* A facility for the treatment of persons with substance-related disorders as defined in section 125.2, under the supervision of appropriately licensed medical personnel.

*c.* If approved by the state or county medical examiner, a morgue or a similar facility to receive appropriate educational material and instruction concerning damage caused by the consumption of alcohol or other drugs, under the supervision of the county medical examiner or deputy medical examiner.

3. If the program includes a tour, the program coordinator shall explain and discuss the experiences which may be encountered during the tour to the participant. If the program

coordinator determines at any time before or during a tour that the tour may be traumatic or otherwise inappropriate for the participant, the program coordinator shall terminate the tour without prejudice to the participant.

4. Upon the revocation of the driver's license or operating privileges of a person who is fourteen years of age or older for a violation of section 321J.2A, if the person has had no previous revocations under either section 321J.2 or section 321J.2A, a person may participate in the substance abuse awareness program. The state department of transportation shall notify a potential program participant of the possibility and potential benefits of attending a program and shall notify a potential program participant of the availability of programs which exist in the area in which the person resides. The state department of transportation shall consult with the Iowa department of public health to determine what programs are available in various areas of the state.

5. Program providers and facilities toured during the program are not liable for any civil damages resulting from injury to the participant, or civil damages caused by the participant during or from any activities related to a tour, except for willful or grossly negligent acts intended to, or reasonably expected to result in, such injury or damage.

6. The program provider shall determine fees to be paid by participants in the program. The program fees shall be paid on a sliding scale, based upon the ability of a participant and a participant's family to pay the fees, and shall not exceed one hundred dollars per participant. The program provider shall use the fees to pay all costs associated with the program.

95 Acts, ch 143, §8; 97 Acts, ch 177, §25; 98 Acts, ch 1073, §9; 2005 Acts, ch 175, §121, 122; 2013 Acts, ch 90, §87

Subsection 2, paragraph b amended

# CHAPTER 321K

## VEHICLE ROADBLOCKS

321K.1 Roadblocks conducted by law enforcement agencies.

**321K.1 Roadblocks conducted by law enforcement agencies.**

1. The law enforcement agencies of this state may conduct emergency vehicle roadblocks in response to immediate threats to the health, safety, and welfare of the public; and otherwise may conduct routine vehicle roadblocks only as provided in this section. Routine vehicle roadblocks may be conducted to enforce compliance with the law regarding any of the following:

*a.* The licensing of operators of motor vehicles.

*b.* The registration of motor vehicles.

*c.* The safety equipment required on motor vehicles.

*d.* The provisions of chapters 481A and 483A.

2. Any routine vehicle roadblock conducted under this section shall meet the following requirements:

*a.* The location of the roadblock, the time during which the roadblock will be conducted, and the procedure to be used while conducting the roadblock, shall be determined by policymaking administrative officers of the law enforcement agency.

*b.* The roadblock location shall be selected for its safety and visibility to oncoming motorists, and adequate advance warning signs, illuminated at night or under conditions of poor visibility, shall be erected to provide timely information to approaching motorists of the roadblock and its nature.

*c.* There shall be uniformed officers and marked official vehicles of the law enforcement agency or agencies involved, in sufficient quantity and visibility to demonstrate the official nature of the roadblock.

*d.* The selection of motor vehicles to be stopped shall not be arbitrary.

*e.* The roadblock shall be conducted to assure the safety of and to minimize the inconvenience of the motorists involved.

3. A law enforcement agency conducting a roadblock in accordance with this section may require the driver to provide proof of financial liability coverage required under section 321.20B.

86 Acts, ch 1220, §23; 2003 Acts, ch 6, §4

# CHAPTER 321L

## PARKING FOR PERSONS WITH DISABILITIES

Referred to in §321.484, 321M.1, 321M.2, 331.557A

Issuance of persons with disabilities identification devices by certain county treasurers; see chapter 321M


321L.1 Definitions.
321L.2 Persons with disabilities parking permits — application and issuance.
321L.2A Wheelchair parking cone.
321L.3 Return of persons with disabilities parking permits.
321L.4 Persons with disabilities parking — display and use of parking permit and persons with disabilities identification designation.
321L.5 Persons with disabilities parking spaces — location and requirements — review committees.
321L.6 Persons with disabilities parking sign.
321L.7 Penalty for failing to provide persons with disabilities parking spaces and signs.
321L.8 Persons with disabilities parking permits and parking — rules.
321L.9 Reciprocity.
321L.10 Repealed by 96 Acts, ch 1171, §15.


**321L.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Business district"* means that territory defined by city ordinance as required under section 321L.5.

2. *"Department"* means the state department of transportation.

3. *"Director"* means the director of transportation.

4. *"Lifelong disability"* means a disability described under subsection 8 which has been determined to be permanent by a person authorized to provide the statement of disability required by section 321L.2.

5. *"Persons with disabilities parking permit"* means a permit bearing the international symbol of accessibility issued by the department which allows the holder to park in a persons with disabilities parking space, and includes the following:

*a.* A persons with disabilities registration plate issued to or for a person with a disability under section 321.34, subsection 14.

*b.* A persons with disabilities parking sticker affixed to a registration plate issued to a disabled veteran under section 321.166, subsection 6, or to an operator under section 321.34.

*c.* A persons with disabilities removable windshield placard which is a two-sided placard for hanging from the rearview mirror when the motor vehicle is parked in a persons with disabilities parking space.

6. *"Persons with disabilities parking sign"* means a sign which bears the international symbol of accessibility that meets the requirements under section 321L.6.

7. *"Persons with disabilities parking space"* means a parking space, including the access aisle, designated for use by only motor vehicles displaying a persons with disabilities parking permit that meets the requirements of sections 321L.5 and 321L.6.

8. *"Person with a disability"* means a person with a disability that limits or impairs the person's ability to walk. A person shall be considered a person with a disability for purposes of this chapter under the following circumstances:

*a.* The person cannot walk two hundred feet without stopping to rest.

*b.* The person cannot walk without the use of, or assistance from, a brace, cane, crutch, another person, prosthetic device, wheelchair, or other assistive device.

*c.* The person is restricted by lung disease to such an extent that the person's forced expiratory volume for one second, when measured by spirometry, is less than one liter, or the arterial oxygen tension is less than sixty mm/hg on room air at rest.

*d.* The person uses portable oxygen.

*e.* The person has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American heart association.

*f.* The person is severely limited in the person's ability to walk due to an arthritic, neurological, or orthopedic condition.

89 Acts, ch 247, §9; 90 Acts, ch 1151, §3, 4; 96 Acts, ch 1171, §4, 5; 97 Acts, ch 23, §35; 97 Acts, ch 70, §6 – 8

Referred to in §321.34, 321L.5

**321L.2 Persons with disabilities parking permits — application and issuance.**

1. A resident of the state with a disability desiring a persons with disabilities parking permit shall apply to the department upon an application form furnished by the department providing the applicant's full legal name, address, date of birth, and social security number or Iowa driver's license number or Iowa nonoperator's identification card number, and shall also provide a statement from a physician licensed under chapter 148 or 149, a physician assistant licensed under chapter 148C, an advanced registered nurse practitioner licensed under chapter 152, or a chiropractor licensed under chapter 151, or a physician, physician assistant, nurse practitioner, or chiropractor licensed to practice in a contiguous state, written on the physician's, physician assistant's, nurse practitioner's, or chiropractor's stationery, stating the nature of the applicant's disability and such additional information as required by rules adopted by the department under section 321L.8. If the person is applying for a temporary persons with disabilities parking permit, the physician's, physician assistant's, nurse practitioner's, or chiropractor's statement shall state the period of time during which the person is expected to be disabled and the period of time for which the permit should be issued, not to exceed six months. The department may waive the requirement that the applicant furnish the applicant's social security number, Iowa driver's license number, or nonoperator's identification card number when the application for a temporary persons with disabilities parking permit is made on behalf of a person who is less than one year old.

*a.* A person with a disability may apply for one of the following persons with disabilities parking permits:

(1) Persons with disabilities registration plates. An applicant may order persons with disabilities registration plates pursuant to section 321.34. An applicant may order a persons with disabilities registration plate for a trailer used to transport a wheelchair pursuant to section 321.34 in addition to persons with disabilities registration plates ordered by the applicant for a motor vehicle used to tow such a trailer pursuant to section 321.34.

(2) Persons with disabilities parking sticker. An applicant who owns a motor vehicle for which the applicant has been issued registration plates under section 321.34 or registration plates as a seriously disabled veteran under section 321.105 may apply to the department for a persons with disabilities parking sticker to be affixed to the plates. The persons with disabilities parking stickers shall bear the international symbol of accessibility.

(3) Removable windshield placard. A person with a disability may apply for a temporary removable windshield placard which shall be valid for a period of up to six months or a nonexpiring removable windshield placard, as determined by the physician's, physician assistant's, nurse practitioner's, or chiropractor's statement under this subsection. A temporary removable windshield placard shall be renewed within thirty days of the date of expiration. Persons seeking temporary removable windshield placards shall be required to furnish evidence upon initial application that they have a temporary disability and, in addition, furnish evidence at subsequent intervals that they remain temporarily disabled. Temporary removable windshield placards shall be of a distinctively different color from

nonexpiring removable windshield placards. A nonexpiring removable windshield placard shall state on the face of the placard that it is a nonexpiring placard. The department shall issue one additional removable windshield placard upon the request of a person with a disability.

*b.* The department may issue expiring removable windshield placards to the following:

(1) An organization which has a program for transporting persons with disabilities or elderly persons.

(2) A person in the business of transporting persons with disabilities or elderly persons.

*c.* One expiring removable windshield placard may be issued for each vehicle used by the organization or person for transporting persons with disabilities or elderly persons. A placard issued under this paragraph shall be renewed every four years from the date of issuance and shall be surrendered to the department if the organization or person is no longer providing the service for which the placard was issued. Notwithstanding section 321L.4, a person transporting persons with disabilities or elderly persons in a motor vehicle for which a placard has been issued under this paragraph may display the placard in the motor vehicle and may use a persons with disabilities parking space while the motor vehicle is displaying the placard. A placard issued under this paragraph shall be of a distinctively different color from a placard issued under paragraph "*a*".

*d.* A new removable windshield placard can be issued if the previously issued placard is reported lost, stolen, or damaged. The placard reported as being lost or stolen shall be invalidated by the department. A placard which is damaged shall be returned to the department and exchanged for a new placard in accordance with rules adopted by the department.

2. Any person providing false information with the intent to defraud on the application for a persons with disabilities parking permit used in establishing proof under subsection 1 is subject to a civil penalty of three hundred dollars which may be imposed by the department. A physician, physician assistant, nurse practitioner, or chiropractor who provides false information with the intent to defraud on the physician's, physician assistant's, nurse practitioner's, or chiropractor's statement used in establishing proof under subsection 1 is subject to a civil penalty of three hundred dollars which may be imposed by the department. In addition to the civil penalty, the department shall revoke the permit issued pursuant to this section.

3. The removable windshield placard shall contain the following information:

*a.* Each side of the placard shall include all of the following:

(1) The international symbol of access, which is at least three inches in height, centered on the placard, and is white on a blue shield.

(2) An identification number.

(3) A date of expiration, which shall be of sufficient size to be readable from outside the vehicle.

(4) The seal or other identification of the issuing authority.

*b.* One side of the placard shall contain all of the following information:

(1) A statement printed on it as follows: "Unauthorized use of this placard as indicated in Iowa Code chapter 321L may result in a fine, invalidation of the placard, or revocation of the right to use the placard. This placard shall be displayed only when the vehicle is parked in a persons with disabilities parking space or in a parking space not designated as a persons with disabilities parking space if a wheelchair parking cone is used pursuant to Iowa Code section 321L.2A."

(2) The return address and telephone number of the department.

(3) The signature of the person who has been issued the placard.

4. A removable windshield placard shall only be displayed when the vehicle is parked in a persons with disabilities parking space.

5. A seriously disabled veteran who has been provided with an automobile or other vehicle by the United States government under the provisions of 38 U.S.C. § 1901 et seq. (1970) is not required to apply for a persons with disabilities parking permit under this section unless the veteran has been issued special registration plates or personalized plates for the vehicle. The regular registration plates issued for the disabled veteran's vehicle without fee pursuant

to section 321.105 entitle the disabled veteran to all of the rights and privileges associated with persons with disabilities parking permits under this chapter.

89 Acts, ch 247, §10; 90 Acts, ch 1151, §5; 90 Acts, ch 1267, §39; 95 Acts, ch 118, §30; 96 Acts, ch 1088, §7; 96 Acts, ch 1171, §6, 7; 97 Acts, ch 70, §9 – 13, 15; 97 Acts, ch 123, §2 – 4; 2000 Acts, ch 1206, §2, 3; 2005 Acts, ch 8, §39; 2006 Acts, ch 1068, §33; 2008 Acts, ch 1088, §124; 2008 Acts, ch 1124, §17; 2009 Acts, ch 41, §118; 2010 Acts, ch 1035, §7

Referred to in §321.23, 321.166, 321L.1, 321L.2A, 321L.4, 321L.5

**321L.2A Wheelchair parking cone.**

1. A person issued a persons with disabilities parking permit under section 321L.2 who uses a wheelchair due to a disability that renders the person permanently unable to walk may park in a persons with disabilities parking space, or a parking space not designated as a persons with disabilities parking space, and reserve up to an eight foot space adjacent to the motor vehicle for the purpose of exiting and entering the motor vehicle if all of the following conditions are met:

*a.* The person places a wheelchair parking cone within eight feet of the motor vehicle's entry.

*b.* The person displays the persons with disabilities parking permit in the motor vehicle as described in section 321L.4.

*c.* The motor vehicle and the wheelchair parking cone do not obstruct an aisle, street, or roadway so that other vehicles are unable to pass through the aisle, street, or roadway.

*d.* The parking space is provided by the state, a political subdivision of the state, or an entity providing nonresidential parking.

*e.* The person carries in the motor vehicle a copy of the statement from a physician, physician's assistant, advanced registered nurse practitioner, or chiropractor which accompanied the person's application for persons with disabilities registration plates under section 321.34 or other persons with disabilities parking permit under section 321L.2 and which indicates the person is permanently unable to walk. The person shall show the copy of the statement to any peace officer upon request.

2. A person issued a persons with disabilities parking permit who does not comply with the requirements of subsection 1 when using a wheelchair parking cone commits a misdemeanor punishable by a scheduled fine under section 805.8A, subsection 1, paragraph "*b*".

3. A person shall not interfere with a wheelchair parking cone properly placed under subsection 1. A violation of this subsection is a misdemeanor punishable by a scheduled fine under section 805.8A, subsection 1, paragraph "*c*".

4. The department shall adopt rules as necessary to administer this section.

97 Acts, ch 70, §15; 97 Acts, ch 147, §5; 98 Acts, ch 1080, §9; 2000 Acts, ch 1206, §4; 2001 Acts, ch 137, §5; 2005 Acts, ch 8, §40

Referred to in §321L.2, 321L.4, 805.8A(1b, 1c)

**321L.3 Return of persons with disabilities parking permits.**

1. Persons with disabilities parking permits shall be returned to the department upon the occurrence of any of the following:

*a.* The person to whom the persons with disabilities parking permit has been issued is deceased.

*b.* The person to whom the persons with disabilities parking permit has been issued has moved out of state.

*c.* A person has found or has in the person's possession a persons with disabilities parking permit that was not issued to that person.

*d.* The persons with disabilities parking permit has expired.

*e.* The persons with disabilities parking permit has been revoked.

*f.* The persons with disabilities parking permit reported lost or stolen is later found or retrieved after a subsequent persons with disabilities parking permit has been issued.

2. A person who fails to return the persons with disabilities parking permit and subsequently misuses the permit by illegally parking in a persons with disabilities parking

space is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 1, paragraph "*c*".

3. Persons with disabilities parking permits may be returned to the department as required by this section directly to the department, to a driver's license station, or to any law enforcement office.

89 Acts, ch 247, §11; 96 Acts, ch 1171, §8; 97 Acts, ch 70, §15; 98 Acts, ch 1073, §9; 2001 Acts, ch 176, §55, 59; 2002 Acts, ch 1050, §34; 2010 Acts, ch 1061, §180

Referred to in §805.8A(1c)

**321L.4 Persons with disabilities parking — display and use of parking permit and persons with disabilities identification designation.**

1. A persons with disabilities parking permit shall be displayed in a motor vehicle as a removable windshield placard or on a vehicle as a plate or sticker as provided in section 321L.2 when being used by a person with a disability, either as an operator or passenger. Each removable windshield placard shall be of uniform design and fabricated of durable material, suitable for display from within the passenger compartment of a motor vehicle, and readily transferable from one vehicle to another. The placard shall only be displayed when the motor vehicle is parked in a persons with disabilities parking space, except as provided in section 321L.2A.

2. The use of a persons with disabilities parking space, located on either public or private property as provided in sections 321L.5 and 321L.6, by an operator of a vehicle not displaying a persons with disabilities parking permit; by an operator of a vehicle displaying a persons with disabilities parking permit but not being used by a person issued a permit or being transported in accordance with section 321L.2, subsection 1, paragraph "*b*"; or by a vehicle in violation of the rules adopted by the department under section 321L.8, constitutes improper use of a persons with disabilities parking permit, which is a misdemeanor for which a scheduled fine shall be imposed upon the owner, operator, or lessee of the vehicle or the person to whom the persons with disabilities parking permit is issued. The scheduled fine for each violation shall be as established in section 805.8A, subsection 1, paragraph "*c*". Proof of conviction of two or more violations involving improper use of a persons with disabilities parking permit is grounds for revocation by the court or the department of the holder's privilege to possess or use the persons with disabilities parking permit.

3. A peace officer as designated in section 801.4, subsection 11, shall have the authority to and shall enforce the provisions of this section on public and private property.

89 Acts, ch 247, §12; 92 Acts, ch 1122, §2; 96 Acts, ch 1171, §9; 97 Acts, ch 70, §14, 15; 97 Acts, ch 147, §6; 2000 Acts, ch 1206, §5; 2001 Acts, ch 137, §5

Referred to in §321.210, 321.236, 321L.2, 321L.2A, 805.8A(1c)

Replacement of "handicapped" signs, placards, and other devices in normal course of business; 97 Acts, ch 70, §17

**321L.5 Persons with disabilities parking spaces — location and requirements — review committees.**

1. Persons with disabilities parking spaces and access loading zones for persons with disabilities that serve a particular building shall be located on the shortest accessible route to the nearest accessible entrance to the building.

2. A persons with disabilities parking space designated after July 1, 1990, shall comply with the dimension requirements specified in rules adopted by the department of public safety and in effect when the spaces are designated. The department shall adopt accepted national standards for dimensions of persons with disabilities spaces, consistent with the requirements of federal law. However, these dimension requirements do not apply to parallel on-street parking spaces.

3. *a.* The state or a political subdivision of the state which provides off-street public parking facilities or an entity providing nonresidential parking in off-street public parking facilities shall provide not less than two percent of the total parking spaces in each parking facility as persons with disabilities parking spaces, rounded to the nearest whole number of persons with disabilities parking spaces. However, such parking facilities having ten or more parking spaces shall set aside at least one persons with disabilities parking space.

*b.* An entity providing off-street nonresidential public parking facilities shall review the

utilization of existing persons with disabilities parking spaces for a one-month period not less than once every twelve months. If upon review, the average occupancy rate for persons with disabilities parking spaces in a facility exceeds sixty percent during normal business hours, the entity shall provide additional persons with disabilities parking spaces as needed.

*c.* An entity providing off-street nonresidential parking as a lessor shall provide a persons with disabilities parking space to an individual requesting to lease a parking space, if that individual possesses a persons with disabilities parking permit issued in accordance with section 321L.2.

*d.* A new nonresidential facility in which construction has been completed on or after July 1, 1991, providing parking to the general public shall provide persons with disabilities parking spaces as stipulated below:

| Total Parking Spaces in Lot | Required Minimum Number of Persons with Disabilities Parking Spaces |
|---|---|
| 10 to 25 | 1 |
| 26 to 50 | 2 |
| 51 to 75 | 3 |
| 76 to 100 | 4 |
| 101 to 150 | 5 |
| 151 to 200 | 6 |
| 201 to 300 | 7 |
| 301 to 400 | 8 |
| 401 to 500 | 9 |
| 501 to 1000 | 2 Percent of Total |
| 1001 and over | 20 Spaces Plus 1 for Each 100 Over 1000 |

*e.* Any other person may also set aside persons with disabilities parking spaces on the person's property provided each persons with disabilities parking space is clearly and prominently designated as a persons with disabilities parking space.

4. *a.* Cities which provide on-street parking areas within a business district shall by ordinance define and establish a business district or districts and shall designate not less than two percent of the total parking spaces within each business district as persons with disabilities parking spaces.

*b.* Upon petition by an individual possessing a persons with disabilities parking permit issued in accordance with section 321L.2, the city shall review utilization and location of existing persons with disabilities parking spaces for a one-month period but not more than once every twelve months. If, upon review, the average occupancy rate for persons with disabilities parking spaces exceeds sixty percent during normal business hours, the city shall provide additional persons with disabilities parking spaces as needed.

5. A persons with disabilities parking space located on a paved surface may be painted with a blue background upon which the international symbol of accessibility is painted in white or yellow paint. However, the blue background paint may be omitted. As used in this subsection, *"paved surface"* includes surfaces which are asphalt surfaced.

6. *a.* A persons with disabilities parking review committee may be established by the state and each political subdivision of the state which is required to provide persons with disabilities parking spaces in off-street public parking facilities according to subsection 3 and in political subdivisions required to provide persons with disabilities parking spaces for on-street parking within a business district according to subsection 4. The persons with disabilities parking review committee shall consist of five members who are persons with disabilities as defined in section 321L.1 and five members who are officials of the state or political subdivision. The persons with disabilities parking review committee shall have the

discretion to increase or decrease the numbers of persons with disabilities parking spaces required by this section. A decision to change the numbers or location of persons with disabilities parking spaces shall be based upon the needs of the community, the percentage of use of the present persons with disabilities parking spaces, and the past experience of the state or political subdivision regarding persons with disabilities parking.

*b.* An individual may request the persons with disabilities parking review committee to review the amounts and locations of persons with disabilities parking spaces. The persons with disabilities parking review committee shall investigate each individual's request and shall act upon such request if the investigation substantiates the individual's complaint.

89 Acts, ch 247, §13; 90 Acts, ch 1151, §6 – 8; 94 Acts, ch 1015, §1; 94 Acts, ch 1107, §21; 96 Acts, ch 1171, §10, 11; 97 Acts, ch 70, §15; 98 Acts, ch 1080, §10; 2009 Acts, ch 41, §119; 2010 Acts, ch 1061, §180

Referred to in §321L.1, 321L.4, 321L.7

**321L.6 Persons with disabilities parking sign.**

A persons with disabilities parking sign shall be displayed designating the persons with disabilities parking space.

1. The persons with disabilities parking sign shall have a blue background and bear the international symbol of accessibility in white. If an entity who owns or leases real property in a city is required to provide persons with disabilities parking spaces, the city shall provide, upon request, the signs for the entity at cost. If an entity who owns or leases real property outside the corporate limits of a city is required to provide persons with disabilities parking spaces, the county in which the property is located shall provide the signs for the entity at cost upon request.

2. The persons with disabilities parking sign shall be affixed vertically on another object so that it is readily visible to a driver of a motor vehicle approaching the persons with disabilities parking space. A persons with disabilities parking space designated only by the international symbol of accessibility being painted or otherwise placed horizontally on the parking space does not meet the requirements of this subsection.

89 Acts, ch 247, §14; 93 Acts, ch 169, §20; 97 Acts, ch 70, §15, 16; 97 Acts, ch 147, §7

Referred to in §321L.1, 321L.4, 321L.7

Replacement of "handicapped" signs, placards, and other devices in normal course of business; 97 Acts, ch 70, §17

**321L.7 Penalty for failing to provide persons with disabilities parking spaces and signs.**

Failure to provide proper persons with disabilities parking spaces as provided in section 321L.5 or to properly display persons with disabilities parking signs as provided in section 321L.6 is a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 1, paragraph "*c*".

89 Acts, ch 247, §15; 97 Acts, ch 70, §15; 2001 Acts, ch 176, §56, 59

Referred to in §805.8A(1c)

Replacement of "handicapped" signs, placards, and other devices in normal course of business; 97 Acts, ch 70, §17

**321L.8 Persons with disabilities parking permits and parking — rules.**

1. The department, pursuant to chapter 17A, shall adopt rules:

*a.* Establishing procedures for applying to the department for issuance of persons with disabilities parking permits under this chapter.

*b.* Governing the manner in which persons with disabilities parking permits are to be displayed in or on motor vehicles.

*c.* Regarding enforcement of this chapter.

2. The department of public safety shall adopt rules pursuant to chapter 17A governing the manner in which persons with disabilities parking spaces are provided.

89 Acts, ch 247, §16; 96 Acts, ch 1171, §12; 97 Acts, ch 70, §15

Referred to in §321L.2, 321L.4

**321L.9 Reciprocity.**

Persons with disabilities parking permits issued lawfully by other states and foreign governmental bodies or their political subdivisions shall be valid persons with disabilities parking permits for nonresidents traveling or visiting in this state.

89 Acts, ch 247, §17; 96 Acts, ch 1171, §13; 97 Acts, ch 70, §15

**321L.10** Repealed by 96 Acts, ch 1171, § 15.

# CHAPTER 321M

## COUNTY ISSUANCE OF DRIVER'S LICENSES

Referred to in §48A.7, 48A.9, 48A.18, 48A.21, 48A.27, 321.9, 321.151, 321.152, 321.153, 321.218A, 321A.32A, 321J.17, 331.557A


321M.1 Definitions.
321M.2 Relation to other laws.
321M.3 Authorization to issue licenses.
321M.4 Termination of authorization — failure to meet standards.
321M.5 Agreement between the department and issuing counties.
321M.6 Certification of commercial driver's license issuance.
321M.7 Training.
321M.8 Repealed by 2002 Acts, ch 1032, §10.
321M.9 Financial responsibility.
321M.10 Supervisory authority of department.
321M.11 Good faith efforts required.


**321M.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commercial driver's license"* means a driver's license valid for the operation of a commercial motor vehicle, as regulated by chapter 321.

2. *"County issuance"* means the system or process of issuing driver's licenses, nonoperator identification cards, and persons with disabilities identification devices, including all related testing, to the same extent that such items are issued by the department.

3. *"Department"* means the state department of transportation.

4. *"Digitized photolicensing equipment"* means the machines and related materials, obtained pursuant to contract, the use of which results in the on-site production of driver's licenses and nonoperator identification cards.

5. *"Driver's license"* means any license or permit issued to a person to operate a motor vehicle on the highways of this state, including but not limited to a driver's, commercial driver's, temporary restricted, or temporary license and an instruction, chauffeur's instruction, commercial driver's instruction, or temporary permit.

6. *"Issuing county"* means a county that is participating in county issuance.

7. *"Motor vehicle"* means a vehicle which is self-propelled, including but not limited to automobiles, cars, motor trucks, semitrailers, motorcycles, and similar vehicles regulated under chapter 321.

8. *"Nonoperator identification card"* means the card issued pursuant to section 321.190 that contains information pertaining to the personal characteristics of the applicant but does not convey to the person issued the card any operating privileges for any motor vehicle.

9. *"Persons with disabilities identification devices"* means those devices issued pursuant to chapter 321L.

98 Acts, ch 1073, §12; 98 Acts, ch 1143, §1, 26; 2001 Acts, ch 132, §17; 2002 Acts, ch 1032, §2

Referred to in §452A.2

**321M.2 Relation to other laws.**

Notwithstanding provisions of chapter 321 or 321L that grant sole authority to the department for the issuance of driver's licenses, nonoperator identification cards, and persons with disabilities identification devices, certain counties shall be authorized to

issue driver's licenses, nonoperator identification cards, and persons with disabilities identification devices, according to the requirements of this chapter.

98 Acts, ch 1073, §12; 98 Acts, ch 1143, §2, 26

**321M.3 Authorization to issue licenses.**

Adair, Adams, Allamakee, Appanoose, Audubon, Benton, Boone, Bremer, Buchanan, Buena Vista, Butler, Calhoun, Cass, Cedar, Cherokee, Chickasaw, Clarke, Clayton, Crawford, Dallas, Davis, Decatur, Delaware, Dickinson, Emmet, Fayette, Floyd, Franklin, Fremont, Greene, Grundy, Guthrie, Hamilton, Hancock, Hardin, Harrison, Henry, Howard, Humboldt, Ida, Iowa, Jackson, Jasper, Jefferson, Jones, Keokuk, Kossuth, Lee, Louisa, Lucas, Lyon, Madison, Mahaska, Marion, Mills, Mitchell, Monona, Monroe, Montgomery, O'Brien, Osceola, Page, Palo Alto, Plymouth, Pocahontas, Poweshiek, Ringgold, Sac, Shelby, Sioux, Tama, Taylor, Union, Van Buren, Warren, Washington, Wayne, Winnebago, Winneshiek, Worth, and Wright counties shall be authorized to issue driver's licenses, nonoperator identification cards, and persons with disabilities identification devices on a permanent basis, provided that such counties continue to meet the department's standards for issuance.

98 Acts, ch 1073, §12; 98 Acts, ch 1143, §3, 26; 2002 Acts, ch 1032, §3

Referred to in §321M.6

**321M.4 Termination of authorization — failure to meet standards.**

1. If a county is subject to termination of its county issuance authorization for failure to meet the department's standards for issuance, the county shall not issue driver's licenses, nonoperator identification cards, or persons with disabilities identification devices until the county has been reauthorized by the department.

2. The department is not obligated to provide service in a county for issuance of driver's licenses, nonoperator identification cards, or persons with disabilities identification devices if the county fails to meet the department's standards for issuance.

98 Acts, ch 1143, §4; 2002 Acts, ch 1032, §4

**321M.5 Agreement between the department and issuing counties.**

1. The department and each county participating in county issuance shall execute an agreement pursuant to chapter 28E, detailing the relative responsibilities and liabilities of each party to the agreement.

2. The agreement required by subsection 1 shall specifically address the following issues, in addition to other issues that may be required by chapter 28E or that may otherwise be deemed necessary for inclusion in the agreement by the parties to the agreement:

*a.* Responsibility for collection of, and accounting for, any fees and penalties associated with the licensing process.

*b.* Oversight guidelines.

*c.* Performance standards.

*d.* Progressive discipline standards and measures, including appeals.

3. An addendum to such an agreement may be executed by the parties, in accordance with chapter 28E.

98 Acts, ch 1143, §5; 2002 Acts, ch 1032, §5; 2005 Acts, ch 54, §7, 12

**321M.6 Certification of commercial driver's license issuance.**

1. A county shall be authorized to issue commercial driver's licenses if certified to do so by the department.

2. The department shall certify the commercial driver's license issuance in a county authorized to issue licenses pursuant to section 321M.3 if all of the following conditions are met:

*a.* The driving skills test is the same as that which would otherwise be administered by the state.

*b.* The county examiner contractually agrees to comply with the requirements of 49 C.F.R. § 383.75, as adopted by rule by the department.

*c.* The department provides supervision over the issuance of commercial driver's licenses,

including the administration of written and driving skills tests by the office of the county treasurer. However, the failure of the department to provide appropriate supervision shall not alone be used as a reason to deny certification.

*d.* The county otherwise complies with the procedures for issuance of commercial driver's licenses as provided in chapter 321.

3. If a county fails to meet the standards for certification under this section, and fails to correct deficiencies according to the department's operating standards, the county's right to issue commercial driver's licenses shall be terminated, and the county shall cease issuing commercial driver's licenses. Procedures and conditions for recertification shall be addressed in the operating standards for the department.

4. The department is not obligated to provide service in a county for issuance of commercial driver's licenses if the county fails to meet certification standards under this section.

98 Acts, ch 1143, §6; 99 Acts, ch 96, §37; 2002 Acts, ch 1032, §6, 7

**321M.7 Training.**

1. The department shall provide a minimum of eight weeks of initial training for county personnel participating in county issuance. The maximum class size for this initial training shall be twenty people.

2. The department shall also provide individualized additional training for county personnel within each participating county office following initial training.

3. The department shall periodically offer continuing education and training opportunities to county personnel.

4. The department shall not segregate training sessions for county personnel and department employees.

5. New county personnel, including new county treasurers, who will participate in county issuance, shall complete the initial training session prior to engaging in any licensing activities. A county treasurer shall use best efforts to complete initial training as soon as possible. A county treasurer who does not make reasonable attempts to begin initial training within three months of taking office may be subject to having the county issuance program in that county placed on probation.

98 Acts, ch 1143, §7

**321M.8** Repealed by 2002 Acts, ch 1032, § 10.

**321M.9 Financial responsibility.**

1. *Fees to counties.* Notwithstanding any other provision in the Code to the contrary, the county treasurer of a county authorized to issue driver's licenses under this chapter shall retain for deposit in the county general fund seven dollars of fees received for each issuance or renewal of driver's licenses and nonoperator's identification cards, but shall not retain any moneys for the issuance of any persons with disabilities identification devices. The five dollar processing fee charged by a county treasurer for collection of a civil penalty under section 321.218A, 321A.32A, or 321J.17 shall be retained for deposit in the county general fund. The county treasurer shall remit the balance of fees and all civil penalties to the department.

2. *Digitized photolicensing equipment.*

*a.* The department shall pay for all digitized photolicensing equipment, including that used by the department and authorized for use by issuing counties under this subsection. Moneys from the road use tax fund shall be used, subject to appropriation by the general assembly, for payment of costs associated with the purchase or lease of digitized photolicensing equipment.

*b.* An issuing county shall be entitled to one set of digitized photolicensing equipment, unless the county was served at multiple sites by the department, in which case the county shall be entitled to two sets of digitized photolicensing equipment.

3. *Other equipment.* The department shall pay for all other equipment needed by a county to participate in county issuance, comparable to the equipment provided for issuance activities by a department itinerant team, with the exception of the following:

*a.* Office furniture.

*b.* Computer hardware needed to access department computer databases, facsimile machines used to transmit documents between the department and the county, and similar office equipment of a general nature that is not dedicated solely or primarily to the issuance process.

98 Acts, ch 1073, §12; 98 Acts, ch 1143, §9, 26; 2002 Acts, ch 1032, §8; 2003 Acts, ch 8, §21; 2004 Acts, ch 1139, §1, 2; 2005 Acts, ch 54, §8, 12; 2008 Acts, ch 1018, §26, 31; 2013 Acts, ch 103, §18

Subsection 4 stricken

**321M.10 Supervisory authority of department.**

1. The department shall retain all supervisory authority over the county driver's license issuance program. The county treasurers and their employees shall be considered agents of the department when performing driver's licensing functions.

2. Approximately one supervisor shall be assigned from the department to every six issuance sites participating in county issuance.

3. Approximately one technical computer support employee shall be assigned from the department to every twenty-four counties participating in county issuance.

4. The department shall provide issuing counties access to computer databases at a level equal to that provided to comparable department employees.

5. The department may adopt rules pursuant to chapter 17A as necessary to administer this chapter. The department may also develop operating standards as necessary to administer this chapter. The department shall consult with the Iowa county treasurers association in developing operating standards and proposed rules.

98 Acts, ch 1073, §12; 98 Acts, ch 1143, §10, 26; 2002 Acts, ch 1032, §9

**321M.11 Good faith efforts required.**

The department and issuing counties shall use their best good faith efforts to work in cooperation in implementing and maintaining an effective system of county issuance.

The department and all persons involved with administration of this chapter, department procedures, and related administrative rules shall use their best good faith efforts to ensure that the application of the laws, rules, and procedures related to county issuance shall not be used to impede county issuance.

98 Acts, ch 1143, §11

# CHAPTER 322

## MOTOR VEHICLE MANUFACTURERS, DISTRIBUTORS, WHOLESALERS, AND DEALERS

Referred to in §307.27, 321.1, 321.20B, 321.23, 321.48, 321.52, 321.57, 321.58, 321.69, 321.69A, 321.95, 321.105A, 321.115, 321.157, 321A.39, 321F.9, 321H.3, 322A.2, 322A.12, 322A.14, 322C.4, 322C.6, 423C.2, 523H.1, 535.2, 537A.10

Court action required for termination of installment contract, foreclosure of mortgage, or repossession of property during military service; application for relief respecting obligation or liability incurred prior to military service; §29A.102, 29A.103, 29A.104, 29A.105


322.1 Administration.
322.2 Definitions.
322.3 Prohibited acts.
322.4 Application for license.
322.5 License fees — temporary permits.
322.6 Denial of license.
322.7 License of motor vehicle dealer.
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322.9 Revocation or suspension of license.
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322.27 Manufacturer's license.
322.27A Wholesaler's license.
322.28 Distributor or wholesaler's license.
322.29 Issuance of license — fees.
322.30 Display.
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322.32 Construction of applicability to contracts.
322.33 Applicability of the Iowa consumer credit code.
322.34 Reserved.
322.35 Disclosure of manufacturer's suggested price for certain motor vehicles — penalty.
322.36 Motorcycle dealer business hours.


### 322.1 Administration.

The administration of this chapter shall be vested in the director of transportation. The department may employ such employees as are necessary for the administration of this chapter, provided the amount expended in any one year shall not exceed the revenue derived from the provisions of this chapter.

The director may enter into reciprocity agreements with the authorized representatives of any jurisdiction to exchange information on dealer activity in order to pursue legal action for violations.

[C39, §**5039.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.1]
92 Acts, ch 1175, §12
Referred to in §321F.10

### 322.2 Definitions.

As used in this chapter and unless a different meaning appears from the context:

1. *"At retail"* means to dispose of a motor vehicle to a person who will devote it to a consumer use.

2. *"Completed motor vehicle"* means a motor vehicle which does not require any additional manufacturing operations to perform its intended function except the addition of readily attachable equipment, components, or minor finishing operations. *"Completed motor vehicle"* also includes a glider kit vehicle as defined in section 321.1.

3. *"Department"* means the state department of transportation.

4. *"Distributor"* or *"wholesaler"* means a person, resident or nonresident, who in whole or part, sells or distributes motor vehicles to motor vehicle dealers, or who maintains distributor representatives.

5. *"Distributor branch"* means a branch office similarly maintained by a distributor or wholesaler for the same purposes.

6. *"Distributor representative"* means a representative similarly employed by a distributor, distributor branch, or wholesaler.

7. *"Engaged in the business"* means doing any of the following acts for the purpose of the sale of motor vehicles at retail: acquiring, selling, exchanging, holding, offering, displaying, brokering, accepting on consignment, conducting a retail auction, or acting as an agent for the purpose of doing any of those acts. A person selling at retail more than six motor vehicles during a twelve-month period may be presumed to be engaged in the business.

8. *"Factory branch"* means a branch office maintained by a person who manufactures or assembles motor vehicles, for the sale of motor vehicles to distributors, or for the sale of motor vehicles to motor vehicle dealers or for directing or supervising in whole or part, its representatives.

9. *"Factory representative"* means a representative employed by a person who manufactures or assembles motor vehicles or by a factory branch, for the purpose of making or promoting the sale of its motor vehicles, or for supervising or contacting its dealers or prospective dealers.

10. The *"holder"* of a retail installment contract means the retail seller of the motor vehicle under or subject to the contract or, if the contract is purchased by a sales finance company or other assignee, the sales finance company or other assignee.

11. *"Manufacturer"* means any person engaged in the business of fabricating or assembling motor vehicles. *"Manufacturer"* does not include a person who converts, modifies, or alters a completed motor vehicle manufactured by another person or a person who assembles a glider kit vehicle as defined in section 321.1. *"Manufacturer"* includes a person who uses a completed motor vehicle manufactured by another person to construct a class "B" motor home as defined in section 321.124.

12. *"Motorcycle"* means as defined in section 321.1. *"Motorcycle"* does not include an all-terrain vehicle as defined in section 321.1.

13. *"Motor vehicle"* means any self-propelled vehicle subject to registration under chapter 321.

14. *"Person"* includes any individual, firm, corporation, partnership, joint adventure, or association, and the plural as well as the singular number.

15. *"Place of business"* means a designated location wherein proper and adequate facilities shall be maintained for displaying, reconditioning, and repairing either new or used cars.

16. *"Retail buyer"* or *"buyer"* means a person who buys a motor vehicle from a retail seller.

17. *"Retail installment contract"* or *"contract"* means an agreement, entered into in this state, pursuant to which the title to, the property in or a lien upon the motor vehicle, which is the subject matter of a retail installment transaction, is retained or taken by a retail seller from a retail buyer as security, in whole or in part, for the buyer's obligation. The term includes a chattel mortgage, a conditional sales contract and a contract for the bailment or leasing of a motor vehicle by which the bailee or lessee contracts to pay as compensation for its use a sum substantially equivalent to or in excess of its value and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner of the motor vehicle upon full compliance with the provisions of the contract.

18. *"Retail installment transaction"* means any sale evidenced by a retail installment contract between a retail buyer and a retail seller wherein the retail buyer buys a motor vehicle from a retail seller at a time price payable in one or more installments.

19. *"Retail seller"* or *"seller"* means a person who sells a motor vehicle to a retail buyer.

20. *"Sales finance company"* means a person engaged, in whole or in part, in the business of purchasing retail installment contracts from one or more retail sellers. The term also includes a retail seller engaged, in whole or in part, in the business of creating and holding retail installment contracts. The term does not include the pledgee of an aggregate number of such contracts to secure a bona fide loan thereon.

21. *"Selling"* includes bartering, exchanging, delivering, or otherwise dealing in.

22. *"Special equipment"* means equipment installed on a motor truck which, in combination with the motor truck on which the equipment is installed, constitutes a

self-contained unit configured for a specific purpose. To constitute special equipment, a minimum of seven thousand five hundred dollars or twenty-five percent of the retail value of the motor truck, whichever is greater, must be expended in installing the equipment on the motor truck, including the cost of the equipment. *"Special equipment"* does not include equipment designed for the transportation of passengers.

23. *"Used motor vehicle"* or *"second-hand motor vehicle"* means any motor vehicle of a type subject to registration under the laws of this state which has been sold "at retail" as defined in this chapter and previously registered in this or any other state.

[C39, §**5039.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.2]

97 Acts, ch 108, §35; 2000 Acts, ch 1134, §4; 2001 Acts, ch 32, §29; 2008 Acts, ch 1032, §106; 2010 Acts, ch 1069, §107; 2012 Acts, ch 1048, §1, 6; 2013 Acts, ch 103, §19, 21
Subsections 2 and 11 amended

**322.3 Prohibited acts.**

1. A person shall not engage in this state in the business of selling at retail new motor vehicles of any make or represent or advertise that the person is engaged or intends to engage in such business in this state unless the person is authorized to do so by a contract in writing with the manufacturer or distributor of such make of new motor vehicles and unless the department has licensed the person as a motor vehicle dealer in this state in motor vehicles of such make and has issued to the person a license in writing as provided in this chapter.

2. A person other than a licensed dealer in new motor vehicles shall not engage in this state in the business of selling at retail used motor vehicles or represent or advertise that the person is engaged or intends to engage in such business in this state unless and until the department has licensed the person as a used motor vehicle dealer in the state and has issued to the person a license in writing as provided in this chapter.

3. Subsections 1 and 2 shall not be construed to require the separate licensing of persons employed as salespersons of motor vehicles by a retail motor vehicle dealer. However, the department may promulgate reasonable rules as necessary for the proper identification of persons employed as salespersons.

4. A person who is engaged in the business of selling at retail motor vehicles shall not enter into any contract, agreement, or understanding, express or implied, with any manufacturer or distributor of any such motor vehicles that the person will sell, assign, or transfer any retail installment contracts arising from the retail installment sale of such motor vehicles only to a designated person or class of persons. A condition, agreement, or understanding between any manufacturer or distributor and a motor vehicle dealer in this state of this nature is hereby declared to be against the public policy of this state and to be unlawful and void.

5. A manufacturer or distributor of motor vehicles or any agent or representative of a manufacturer or distributor shall not terminate, threaten to terminate, or fail to renew any contract, agreement, or understanding for the sale of new motor vehicles to any motor vehicle dealer in this state without just, reasonable, and lawful cause or because the motor vehicle dealer failed to sell, assign, or transfer any retail installment contract arising from the retail sale of such motor vehicles or any one or more of them to a person or a class of persons designated by the manufacturer or distributor.

6. A person who is engaged in the business of selling at retail motor vehicles shall not make and enter into a retail installment contract unless the contract meets the following requirements:

*a.* Every retail installment contract shall be in writing, shall be signed by both the buyer and the seller, and shall be completed as to all essential provisions prior to the signing of the contract by the buyer except that, if delivery of the motor vehicle is not made at the time of the execution of the contract, the identifying numbers or marks of the motor vehicle or similar information and the due date of the first installment may be inserted in the contract after its execution.

*b.* The contract shall comply with the Iowa consumer credit code, chapter 537, where applicable.

7. This section shall not be construed to require that a place of business as defined in this chapter shall be maintained by a person selling motor vehicles at retail solely for the purpose

of disposing of motor vehicles acquired or repossessed by such person in exercise of powers or rights granted by lien or title-retention instruments or contracts given as security for loans or purchase money obligations.

8. A manufacturer or distributor of motor vehicles or agent or representative of a manufacturer or distributor shall not coerce or attempt to coerce any motor vehicle dealer to accept delivery of any motor vehicle or vehicles, parts, or accessories, or any other commodity or commodities which have not been ordered by the dealer.

9. A person licensed under this chapter shall not, either directly or through an agent, salesperson, or employee, engage in this state, or represent or advertise that the person is engaged or intends to engage in this state, in the business of buying or selling at retail new or used motor vehicles, other than mobile homes more than eight feet in width or more than thirty-two feet in length as defined in section 321.1, on the first day of the week, commonly known and designated as Sunday.

10. A manufacturer, distributor, or importer of motor vehicles or agent or representative of such manufacturer, distributor, or importer shall not require a motor vehicle dealer to submit to arbitration to resolve a controversy before the controversy arises. The parties may enter into a voluntary agreement to arbitrate a controversy after it arises. Such an agreement shall require that the arbitrator apply Iowa law in resolving the controversy. Either party may appeal a decision of an arbitrator to the district court on the grounds that the arbitrator failed to apply Iowa law.

11. A person who is engaged in the business of selling motor vehicles at retail shall not sell, offer for sale, display, represent, or advertise that the person intends to sell motor vehicles from a location other than the person's place of business, except as provided in section 322.5.

12. A person who has been convicted of a fraudulent practice, has been convicted of three or more violations of section 321.92, subsection 2, or section 321.99, or has been convicted of any other indictable offense in connection with selling or other activity relating to motor vehicles, in this state or any other state, shall not for a period of five years from the date of conviction be an owner, salesperson, employee, officer of a corporation, or representative of a licensed motor vehicle dealer or represent themselves as an owner, salesperson, employee, officer of a corporation, or representative of a licensed motor vehicle dealer.

13. *a.* A manufacturer, distributor, or importer of motor vehicles or agent or representative of such manufacturer, distributor, or importer shall not reduce the amount of compensation for, or disallow a claim for, any of the following if twelve months or more have passed since the claim was submitted to the manufacturer, distributor, or importer or agent or representative thereof:

(1) Warranty parts, repairs, or service supplied by a motor vehicle dealer.

(2) Sales or leasing incentives provided to a motor vehicle dealer or to a customer of a motor vehicle dealer including but not limited to rebates and discounted interest rates.

*b.* The twelve-month limitation shall not apply if a court of competent jurisdiction in this state finds the claim was fraudulent.

14. A manufacturer or importer shall not directly or indirectly be licensed as, own an interest in, operate, or control a motor vehicle dealer. This subsection shall not prohibit any of the following:

*a.* A manufacturer or importer from being licensed as a motor vehicle dealer or owning an interest in, operating, or controlling a motor vehicle dealership for a period not to exceed one year to facilitate transfer of the motor vehicle dealership to a new owner if both of the following apply:

(1) The prior owner transferred the motor vehicle dealership to the manufacturer or importer.

(2) The motor vehicle dealership is continuously offered for sale by the manufacturer or importer upon reasonable terms and conditions.

*b.* A manufacturer or importer from temporarily owning an interest in a motor vehicle dealership for the purpose of enhancing opportunities for persons who lack the financial resources to purchase the motor vehicle dealership without such assistance. A manufacturer or importer may temporarily own an interest in a motor vehicle dealership pursuant to this

paragraph only if the manufacturer or importer enters into a contract with a person pursuant to which all of the following apply:

(1) The person operates the motor vehicle dealership.

(2) The person has made a significant financial investment in the motor vehicle dealership and is subject to loss on such investment.

(3) The person has an ownership interest in the motor vehicle dealership.

(4) The person will acquire full ownership of the motor vehicle dealership within a reasonable time under reasonable conditions.

*c.* A manufacturer or importer from owning an interest in, operating, or controlling a person whose primary business is renting motor vehicles and who is licensed as a used motor vehicle dealer.

*d.* A manufacturer of motor homes, as defined in section 321.1, from owning an interest in, operating, or controlling a motor vehicle dealer of the motor homes manufactured by that manufacturer or from being licensed as a motor vehicle dealer only of the motor homes manufactured by that manufacturer.

*e.* A manufacturer from owning a minority interest in an entity that owns and operates motor vehicle dealers, licensed under this chapter or the laws of the jurisdiction in which they are located, of the line-make manufactured by the manufacturer if all of the motor vehicle dealers owned and operated by the entity in this state are motor vehicle dealers of only the line-make manufactured by the manufacturer and if, on January 1, 2000, there were not less than one and not more than three motor vehicle dealers of that line-make licensed under this chapter.

15. A manufacturer, distributor, or importer of motor vehicles or an agent or representative of a manufacturer, distributor, or importer shall not reduce the amount of compensation for, or disallow a claim for, warranty parts, repairs, or service supplied by a motor vehicle dealer on the grounds that the dealer failed to submit a claim fewer than sixty days after the motor vehicle dealer completed the work underlying the claim for warranty parts, repairs, or service.

[C39, §**5039.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.3]

90 Acts, ch 1061, §1; 96 Acts, ch 1090, §13; 97 Acts, ch 108, §36; 98 Acts, ch 1075, §26; 99 Acts, ch 69, §1; 2000 Acts, ch 1003, §1; 2000 Acts, ch 1232, §66; 2001 Acts, ch 32, §30, 31, 40; 2003 Acts, ch 44, §114; 2006 Acts, ch 1068, §34; 2009 Acts, ch 130, §35; 2010 Acts, ch 1011, §1; 2010 Acts, ch 1035, §8; 2010 Acts, ch 1061, §180

Referred to in §322.5, 322.6, 322.29

Fraudulent practices, see §714.8 – 714.14

**322.4 Application for license.**

1. Each person before engaging in this state in the business of selling at retail motor vehicles or representing or advertising that the person is engaged or intends to engage in such business in this state shall file in the office of the department an application for license as a motor vehicle dealer in the state in such form as the department may prescribe, duly verified by oath, which application shall include the following:

*a.* The name of the applicant and the applicant's principal place of business wherever situated, and the following, as appropriate:

(1) If the applicant is an individual, the name or style under which the individual intends to engage in such business.

(2) If the applicant is a partnership, the name or style under which the partnership intends to engage in such business and the name and bona fide address of two partners.

(3) If the applicant is a corporation, the state of incorporation and the name and bona fide address of two officers of the corporation.

*b.* The make or makes of new motor vehicles, if any, which the applicant will offer for sale at retail in this state.

*c.* The location of each place of business within this state to be used by the applicant for the conduct of the applicant's business.

*d.* If the applicant is a party to any contract or agreement or understanding with any manufacturer or distributor of motor vehicles or is about to become a party to such a contract,

agreement, or understanding, the applicant shall state the name of each such manufacturer or distributor and the make or makes of new motor vehicles, if any, which are the subject matter of each such contract.

*e.* A statement of the previous history, record, and association of the applicant and if the applicant is a partnership, of each partner thereof, and if the applicant is a corporation, of each officer and director thereof, which statement shall be sufficient to establish to the department the reputation in business of the applicant.

*f.* A description of the general plan and method of doing business in this state, which the applicant will follow if the license applied for in such application is granted.

*g.* Before the issuance of a motor vehicle dealer's license to a dealer engaged in the sale of vehicles for which a certificate of title is required under chapter 321, or the issuance of a temporary permit under section 322.5, subsection 6, paragraph *"b"*, the applicant shall furnish a surety bond executed by the applicant as principal and executed by a corporate surety company, licensed and qualified to do business within this state, which bond shall run to the state of Iowa, be in the amount of fifty thousand dollars and be conditioned upon the faithful compliance by the applicant as a dealer with all of the statutes of this state regulating or applicable to the business of a dealer in motor vehicles, and indemnifying any person who buys a motor vehicle from the dealer from any loss or damage occasioned by the failure of the dealer to comply with any of the provisions of chapter 321 and this chapter, including but not limited to the furnishing of a proper and valid certificate of title to the motor vehicle involved in a transaction. The bond shall also indemnify any motor vehicle purchaser from any loss or damage caused by the failure of the dealer to comply with the odometer requirements in section 321.71, regardless of whether the motor vehicle was purchased directly from the dealer. The bond shall be filed with the department prior to the issuance of a license or permit. The aggregate liability of the surety, however, shall not exceed the amount of the bond.

*h.* Proof that the applicant has financial liability coverage as defined in section 321.1, except that such coverage shall be in limits of not less than one hundred thousand dollars because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, three hundred thousand dollars because of bodily injury to or death of two or more persons in any one accident, and fifty thousand dollars because of injury to or destruction of property of others in any one accident.

*i.* If the applicant is applying for a used motor vehicle dealer license, certification that the applicant has met the educational requirements for licensure under section 322.7A. The certification may be transmitted to the department by the education provider in electronic format.

*j.* Such other information touching the business of the applicant as the department may require.

2. For the purpose of investigating the matters contained in such application, the department may withhold the granting of a license for a period not exceeding thirty days.

3. For purposes of this section, *"bona fide address"* means the same as defined in section 321.1.

[C39, §**5039.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.4]

90 Acts, ch 1057, §1; 94 Acts, ch 1199, §80; 97 Acts, ch 139, §12, 17; 2007 Acts, ch 51, §1; 2007 Acts, ch 143, §22; 2008 Acts, ch 1032, §107; 2012 Acts, ch 1048, §2, 6

Referred to in §322.5

**322.5 License fees — temporary permits.**

1. *a.* The license fee for a motor vehicle dealer for a two-year period or part thereof is the sum of seventy dollars for the licensee's principal place of business in each city or township and an additional twenty dollars for a two-year period or part thereof for each car lot which is in the city or township in which the principal place of business is located and which is not adjacent to that place, to be paid to the department at the time a license is applied for. In case the application is denied, the department shall refund the amount of the fee to the applicant.

*b.* For the purposes of this section, *"adjacent"* means that the principal place of business and each additional lot are adjoining parcels of property. Parcels of property shall be deemed

to be adjacent if the parcels are only separated by an alley, street, or highway that is not a controlled-access facility.

2. *a.* In addition to selling motor vehicles at the motor vehicle dealer's principal place of business and at car lots, a motor vehicle dealer may do any of the following:

(1) Display new motor vehicles at fairs, vehicle shows, and vehicle exhibitions, upon application for and receipt of a temporary permit issued by the department.

(2) Display, offer for sale, and negotiate sales of new motor vehicles at fair events, as defined in chapter 174, vehicle shows, and vehicle exhibitions, upon application for and receipt of a temporary permit issued by the department. Such activities may only be conducted at fair events, vehicle shows, and vehicle exhibitions that are held in the motor vehicle dealer's community, as defined in section 322A.1, for the vehicles that are displayed and offered for sale. A sale of a motor vehicle by a motor vehicle dealer shall not be completed and an agreement for the sale of a motor vehicle shall not be signed at a fair event, vehicle show, or vehicle exhibition. All such sales shall be consummated at the motor vehicle dealer's principal place of business.

*b.* An application for a temporary permit under this subsection shall be made upon a form provided by the department and shall be accompanied by a ten-dollar permit fee. The department may issue a temporary permit for a period not to exceed fourteen days. The department may issue multiple consecutive temporary permits.

3. A motor vehicle dealer may also, upon receipt of a temporary permit approved by the department, display and sell classic cars only at county fairs, as defined in chapter 174, vehicle shows, and vehicle exhibitions which have been approved by the department for purposes of classic car display and sale and the provisions of section 322.3, subsection 9, shall not be applicable. Application for a temporary permit shall be made on forms provided by the department and shall be accompanied by a ten-dollar permit fee. A permit shall be issued for a single period of not to exceed five days. Not more than three permits may be issued to a motor vehicle dealer in any one calendar year. For purposes of this subsection, *"classic car"* means a motor vehicle fifteen years old or older but less than twenty years old which is primarily of value as a collector's item and not as transportation.

4. *a.* A nonresident motor vehicle dealer, who is authorized by a written contract with a manufacturer or distributor of new motor trucks to sell at retail such new motor trucks, may display motor trucks within this state at qualified events approved by the department. The dealer must obtain a temporary permit from the department. An application for a temporary permit shall be made upon a form provided by the department and shall be accompanied by a ten-dollar permit fee. Permits shall be issued for a period not to exceed fourteen days. The department shall issue a temporary permit under this subsection only if the qualified event for which the permit is issued meets all of the following conditions:

(1) The sale of motor vehicles is not allowed during the qualified event.

(2) The qualified event is conducted in a controlled area and is not open to the public generally.

(3) The qualified event generally promotes the motor truck industry.

(4) The qualified event is conducted within the area of responsibility that is specified in the motor vehicle dealer's contract with the manufacturer or distributor.

*b.* A temporary permit shall not be issued under this subsection unless the state in which the nonresident motor vehicle dealer is licensed extends by reciprocity similar privileges to a motor vehicle dealer licensed by this state.

5. *a.* A manufacturer, distributor, or dealer may, upon receipt of a temporary permit approved by the department, display new ambulances, new fire vehicles, and new rescue vehicles for educational purposes only at vehicle shows and vehicle exhibitions conducted for the express purpose of educating fire and rescue personnel in new technology and techniques for fire fighting and rescue efforts. Application for temporary permits shall be made upon forms provided by the department and shall be accompanied by a ten-dollar permit fee. Permits shall be issued for a single show or exhibition, not to exceed five consecutive days.

*b.* A temporary permit shall not be issued under this subsection to a nonresident manufacturer, distributor, or dealer unless the state in which the nonresident manufacturer,

distributor, or dealer is licensed extends by reciprocity similar privileges to a manufacturer, distributor, or dealer licensed by this state.

6. *a.* Upon application for and receipt of a temporary permit issued by the department under this subsection, a motor vehicle dealer authorized to sell used motorcycles may display, offer for sale, and negotiate sales of used motorcycles at a motorcycle rally located in this state that meets all of the following conditions:

(1) The sponsor of the rally conducts not more than one rally annually in this state.

(2) The rally is conducted for a single period of not less than three and not more than seven consecutive days.

(3) Attendance at the rally is restricted to persons who have paid a nonrefundable admission fee to the sponsor of the rally.

*b.* A person licensed as a motor vehicle dealer in another state may apply for and be issued a temporary permit under this subsection if the person meets all of the following conditions:

(1) The person presents the department with a current motor vehicle dealer license valid for the sale of used motorcycles at retail in the person's state of residence.

(2) The state in which the person is licensed as a motor vehicle dealer allows a motor vehicle dealer licensed in Iowa to be issued a permit substantially similar to the temporary permit authorized under this subsection.

(3) The person furnishes to the department a surety bond that meets the requirements of section 322.4, subsection 1, paragraph "*g*".

(4) The person presents any additional information the department may require.

*c.* Application for a temporary permit under this subsection shall be made on forms provided by the department accompanied by a fee in the amount established for a temporary permit under subsection 2, paragraph "*b*".

*d.* A sale of a motorcycle at a motorcycle rally shall not be completed and an agreement for the sale of a motorcycle shall not be signed at a motorcycle rally. All such sales shall be consummated at the motor vehicle dealer's principal place of business.

*e.* The department may issue a temporary permit under this subsection for a period not to exceed seven consecutive days. A motor vehicle dealer may not receive more than one temporary permit issued under this subsection in a calendar year.

[C39, §**5039.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.5]

92 Acts, ch 1175, §13; 93 Acts, ch 45, §1, 2; 93 Acts, ch 174, §3, 4; 98 Acts, ch 1058, §1, 2; 99 Acts, ch 13, §23; 2001 Acts, ch 32, §32; 2002 Acts, ch 1063, §38; 2004 Acts, ch 1019, §28; 2005 Acts, ch 3, §63; 2006 Acts, ch 1068, §35, 47, 57; 2010 Acts, ch 1069, §108; 2012 Acts, ch 1048, §3, 4, 6; 2012 Acts, ch 1138, §66, 82, 83

Referred to in §321.124, 322.3, 322.4

Controlled-access facility, §306A.2

**322.6 Denial of license.**

1. The department may deny the application of a person for a license as a motor vehicle dealer and refuse to issue a license to the person if, after reasonable notice and a hearing, the department determines any of the following:

*a.* The applicant made a material false statement in the application for the license.

*b.* The applicant has not complied with the provisions of this chapter or any rules or regulations adopted by the department pursuant to this chapter, except as otherwise provided.

*c.* The applicant is of bad business repute.

*d.* The applicant has been convicted of a fraudulent practice or any indictable offense in connection with selling or other activity relating to motor vehicles, in this state or any other state, or has been convicted of three or more violations of section 321.92, subsection 2, or section 321.99.

*e.* The applicant is about to engage in a fraudulent practice or other indictable offense in connection with selling or other activity relating to motor vehicles in this or any other state.

*f.* The applicant has entered into a contract or agreement or is about to enter into a contract or agreement with a manufacturer or distributor of motor vehicles which is contrary to any provision of this chapter.

*g.* The applicant has a contract or agreement with a manufacturer or distributor of motor vehicles or is about to enter into a contract or agreement with a manufacturer or distributor of motor vehicles who, without just, reasonable, and lawful cause, has terminated within ninety days from the date of application a contract or agreement with a motor vehicle dealer in any county of the state in which the applicant proposes to engage in business.

*h.* The applicant does not have a place of business within the meaning of this chapter, unless the applicant is a person referred to in section 322.3, subsection 7.

*i.* The applicant has been determined in a final judgment of a court of competent jurisdiction to have violated section 714.16 in connection with selling or other activity relating to motor vehicles and the department determines that the applicant should not therefore be engaged in the business of selling motor vehicles.

*j.* Following a judicial determination that the applicant intentionally violated any provision of the Iowa consumer credit code, chapter 537, the applicant continues to make consumer credit sales, consumer loans, or consumer leases in violation of the Iowa consumer credit code, chapter 537.

*k.* The applicant is or will be acting on behalf of a person whose dealer license has been revoked as provided in this chapter.

2. It shall be sufficient cause for refusal or revocation of a license as a motor vehicle dealer in the case of a partnership or corporation if any member of the partnership or any officer or director of the corporation has committed an act or omission which would be cause for refusing to issue a license to, or revoking a license of, such person as an individual.

3. In considering whether or not a contract or agreement between a motor vehicle dealer and a manufacturer or distributor of motor vehicles has been terminated by the manufacturer or distributor without just and reasonable cause, the department shall take into consideration the circumstances existing at the time of the termination, including the amount of business transacted by the motor vehicle dealer pursuant to the contract or agreement and prior to the termination; the investment necessarily made and the obligation necessarily incurred by the motor vehicle dealer in the performance of the dealer's part of the contract; the permanency of such investment; the reasons for the termination by the manufacturer or distributor; and the fact that it is injurious to the public welfare for the business of a motor vehicle dealer to be disrupted by termination of a contract without just and reasonable cause.

4. Whenever the department determines to deny the application of a person for a license as a motor vehicle dealer and refuses to issue a license to the person, the department shall enter a final order with its findings relating to the determination within thirty days from the date of the hearing.

[C39, §**5039.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.6]

2003 Acts, ch 44, §114; 2009 Acts, ch 130, §36; 2010 Acts, ch 1035, §9, 10

Referred to in §321F.9, 322.9

Fraudulent practices, see §714.8 – 714.14

**322.7 License of motor vehicle dealer.**

1. If the department grants the application of any person for a license as a motor vehicle dealer, it shall evidence the granting thereof by a final order and shall issue to the person a license in such form as may be prescribed by the department, which license shall include the following:

*a.* If the applicant is an individual or a partnership, the name or style under which the licensee will engage in such business.

*b.* The principal place of business of the licensee and location therein of each place wherein the licensee is licensed to carry on such business.

*c.* The make or makes of new motor vehicles which the licensee is licensed to sell.

2. The instrument evidencing the license or a certified copy thereof provided by the department shall be kept posted conspicuously in the principal office of the licensee and in each place of business maintained and operated by the applicant pursuant to the license in this state.

3. The license of a motor vehicle dealer is valid for a two-year period and expires, unless revoked or suspended, on December 31 of even-numbered years.

4. The motor vehicle dealer license provided for in this chapter shall be renewed upon application in the form and content prescribed by the department and upon payment of the required fee. A used motor vehicle dealer license shall not be renewed for an applicant who is subject to continuing education requirements until the licensee certifies completion of the educational requirements for license renewal under section 322.7A. The certification may be transmitted to the department by the education provider in electronic format. A licensee shall have the month of expiration and the month after the month of expiration to renew the license. A person who fails to renew a license by the end of this time period and desires to hold a license shall file a new license application and pay the required fee.

[C39, §**5039.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.7]

92 Acts, ch 1175, §14; 2000 Acts, ch 1016, §20; 2006 Acts, ch 1068, §48, 57; 2007 Acts, ch 51, §2; 2007 Acts, ch 143, §23; 2008 Acts, ch 1032, §107

**322.7A Used motor vehicle dealer education program.**

1. An applicant for a license as a used motor vehicle dealer shall complete a minimum of eight hours of prelicensing education program courses pursuant to this section prior to submitting an application to the department.

2. A person seeking renewal of a used motor vehicle dealer license shall complete a minimum of five hours of continuing education program courses over a two-year period pursuant to this section prior to submitting an application for license renewal. However, an applicant for renewal of a used motor vehicle dealer license who has met the prelicensing education requirement under subsection 1 within the preceding twenty-four months is exempt from the continuing education requirement for license renewal.

3. To meet the requirements of this section, at least one individual who is associated with the used motor vehicle dealer as an owner, principal, corporate officer, director, or member or partner of a limited liability company or limited liability partnership shall complete the education program courses.

4. The Iowa independent automobile dealers association, in consultation with the state department of transportation, the department of education, the attorney general, and the Iowa association of community college trustees, shall develop the prelicensing and continuing education course curricula for the used motor vehicle dealer education program, which shall include but not be limited to examination of federal and state laws applicable to the motor vehicle industry and federal and state regulations pertaining to used motor vehicle dealers. The education program courses shall be provided by community colleges as defined in section 260C.2 or by the Iowa independent automobile dealers association in conjunction with a community college. The department of education shall adopt rules establishing reasonable fees to be charged for the prelicensing education courses and the continuing education courses.

5. A community college shall issue a certificate to each person who successfully completes the prelicensing education program or a continuing education program under this section. The current certificate of completion, or a copy of the certificate, shall be posted conspicuously in the principal office of the licensee.

6. The provisions of this section apply to all used motor vehicle dealers, including but not limited to individuals, corporations, and partnerships, except for the following:

*a.* Motor vehicle rental companies having a national franchise.

*b.* National motor vehicle auction companies.

*c.* Wholesale dealer-only auction companies.

*d.* Used car dealerships owned by a franchise motor vehicle dealer.

*e.* Banks, credit unions, and savings associations.

7. Each community college providing used motor vehicle dealer education program courses shall transmit a report on the program annually by December 31 to the director of transportation, the director of the department of education, the attorney general, and the president of the Iowa association of community college trustees.

2007 Acts, ch 51, §3; 2008 Acts, ch 1124, §18, 40; 2012 Acts, ch 1017, §71

Referred to in §322.4, 322.7

**322.8 Supplemental statements.**

Each motor vehicle dealer licensee shall promptly file with the department from time to time during the period of the license, statements supplemental to the statements contained in the application for license whenever any change shall occur in the licensee's personnel or in the licensee's plan or method of doing business or in the location of the place or places of business, so that the statements made in the application do, after such change, properly disclose the licensee's status and method and plan of doing business. The supplemental statement shall be in the form prescribed by the department and shall disclose such information as would have been required by this chapter if such changes had occurred prior to the licensee making application for a license.

A supplemental statement shall include any change in the licensee's financial liability coverage.

If the department finds that the changes set forth in the supplemental statement do not violate the provisions of this chapter and it grants to the licensee the privilege of doing business in the manner set forth therein, it shall upon surrender to it of the license of the motor vehicle dealer, issue to the dealer a new license appropriate to the dealer's original application as modified by such supplemental statement.

[C39, §**5039.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.8]

97 Acts, ch 139, §13, 17

**322.9 Revocation or suspension of license.**

1. The department may revoke or suspend the license of a retail motor vehicle dealer if, after notice and hearing by the department of inspections and appeals, it finds that the licensee has been guilty of an act which would be a ground for the denial of a license under section 322.6.

2. The department may revoke or suspend the license of a retail motor vehicle dealer if, after notice and hearing by the department of inspections and appeals, it finds that the licensee has been convicted or has forfeited bail on three charges of:

*a.* Failing upon the sale or transfer of a vehicle to deliver to the purchaser or transferee of the vehicle sold or transferred, a manufacturer's or importer's certificate, or a certificate of title duly assigned, as provided in chapter 321.

*b.* Failing upon the purchasing or otherwise acquiring of a vehicle to obtain a manufacturer's or importer's certificate, or a certificate of title duly assigned as provided in chapter 321.

*c.* Failing upon the purchasing or otherwise acquiring of a vehicle to obtain a new certificate of title to such vehicle when and where required in chapter 321.

[C39, §**5039.09;** C46, §322.9; C50, 54, §322.9, 322.16; C58, 62, 66, 71, 73, 75, 77, 79, 81, §322.9]

85 Acts, ch 67, §38; 89 Acts, ch 273, §3; 2010 Acts, ch 1061, §180

**322.10 Judicial review.**

Judicial review of actions of the department may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. The petitioner shall file with the clerk a bond for the use of the respondent, with sureties approved by the clerk and in an amount fixed by the clerk. In no case shall the bond be less than fifty dollars. All bonds shall include the condition that the petitioner shall perform the orders of the court.

[C39, §**5039.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.10]

2003 Acts, ch 44, §114; 2005 Acts, ch 19, §42

Referred to in §322A.17, 602.8102(55)

**322.11 Injunctions.**

Whenever the department shall believe from evidence satisfactory to it that any person has or is now violating any provision of this chapter, the department may, in addition to any other remedy, bring an action in the name and on behalf of the state of Iowa against such person and any other person concerned in or in any way participating in or about to participate in practices or acts in violation of this chapter, to enjoin such person and said other person

from continuing the same. In any such action, the department may apply for and on due showing be entitled to have issued the court's subpoena, requiring forthwith the appearance of any defendant, the defendant's agent and employees and the production of documents, books, and records as may appear necessary for the hearing of such petition to testify and give evidence concerning the acts or conduct or practices or things complained of in such application for injunction. In said action an order or judgment may be entered, awarding such preliminary or final injunctions as may be proper.

[C39, §**5039.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.11]

**322.12 Disposition of fees.**

All fees and funds of whatever character accruing from the administration of this chapter shall be accounted for and paid by the department into the state treasury monthly and shall be placed in the road use tax fund.

[C39, §**5039.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.12]

**322.13 Rules.**

1. The department shall have full authority to prescribe reasonable rules for the administration and enforcement of this chapter, in addition hereto and not inconsistent herewith. All rules shall be filed and entered by the department in its office in an indexed, permanent book or record, with the effective date thereof suitably indicated, and such book or record shall be a public document. The department may provide notice of a new rule or regulation by a posting on the department's internet site.

2. The department shall have power to prescribe the forms to be used in connection with the licensing of persons as herein provided.

[C39, §**5039.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.13]

2004 Acts, ch 1013, §31, 35; 2013 Acts, ch 90, §257

Code editor directive applied

**322.14 Penalties.**

1. A person who violates any of the provisions of this chapter for which a penalty is not specifically provided is guilty of a simple misdemeanor punishable by a fine of not less than two hundred fifty dollars nor more than one thousand five hundred dollars or by imprisonment not to exceed thirty days.

2. Notwithstanding subsection 1, if a provision of chapter 537 is applicable to a retail installment contract and a violation of that provision is subject to a penalty under chapter 537, that penalty shall apply in lieu of a penalty provided in this chapter.

[C39, §**5039.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.14]

97 Acts, ch 108, §37; 99 Acts, ch 13, §24

**322.15 Construction of chapter.**

1. All provisions of this chapter shall be liberally construed to the end that the practice or commission of fraud in the sale, barter, or disposition of motor vehicles at retail in this state may be prohibited and prevented, and irresponsible, unreliable, or dishonest persons may be prevented from engaging in the business of selling, bartering, or otherwise dealing in motor vehicles at retail in this state and reliable persons may be encouraged to engage in the business of selling, bartering, and otherwise dealing in motor vehicles at retail in this state.

2. Nothing contained herein shall be construed to require the licensing or to apply to any bank, credit union, or trust company in Iowa.

[C39, §**5039.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.15]

2010 Acts, ch 1069, §109

**322.16** Reserved.

**322.17 Copy of contract to buyer.**

A copy of every retail installment contract shall be furnished to the buyer at the time of the execution of the contract. An acknowledgment by the buyer contained in the body of

the retail installment contract of the delivery of a copy thereof shall be conclusive proof of delivery in any action or proceeding by or against any assignee of a retail installment contract.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §322.17]

**322.18 Dual-interest insurance.**

If dual-interest insurance on the motor vehicle is purchased by the holder it shall, within thirty days after execution of the retail installment contract, send or cause to be sent to the buyer a policy or policies or certificate of insurance, written by an insurance company authorized to do business in this state, clearly setting forth the amount of the premium, the kind or kinds of insurance and the coverages. The buyer shall have the privilege of purchasing such insurance from an agent or broker of the buyer's own selection and of selecting an insurance company acceptable to the holder; but in such case the inclusion of the insurance premium in the retail installment contract shall be optional with the seller. If any insurance is canceled, unearned insurance premium refunds received by the holder shall be credited to the final maturing installments of the contract except to the extent applied toward payment for similar insurance protecting the interests of the buyer and the holder or either of them.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §322.18]

**322.19 Finance charges — amount.**

1. Notwithstanding the provisions of any other existing law, a retail installment transaction may include a finance charge not in excess of the following rates:

*a.* Class 1. Any new motor vehicle designated by the manufacturer by a year model not earlier than the year in which the sale is made, an amount equivalent to one and three-fourths percent per month simple interest on the declining balance of the amount financed.

*b.* Class 2. Any new motor vehicle not in Class 1 and any used motor vehicle designated by the manufacturer by a year model of the same or not more than two years prior to the year in which the sale is made, an amount equivalent to two percent per month simple interest on the declining balance of the amount financed.

*c.* Class 3. Any used motor vehicle not in Class 2 and designated by the manufacturer by a year model more than two years prior to the year in which the sale is made, an amount equivalent to two and one-fourth percent per month simple interest on the declining balance of the amount financed.

2. For purposes of this chapter, *"amount financed"* means as defined in section 537.1301. However, notwithstanding section 322.33, subsection 3, the amount financed may also include additional charges for the following, which shall not be included in the finance charge:

*a.* A service contract as defined in section 516E.1.

*b.* Voluntary debt cancellation coverage, whether insurance or debt waiver, which may be excluded from the finance charge under the federal Truth in Lending Act as defined in section 537.1302.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §322.19; 82 Acts, ch 1153, §1, 18(1)]

2003 Acts, ch 8, §22; 2005 Acts, ch 70, §1; 2010 Acts, ch 1061, §180

Referred to in §322.20, 537.2201

**322.20 Extension of time.**

Sections 537.2503 and 537.3402 notwithstanding, if the holder of a retail installment contract in connection with the purchase or sale of a vehicle, at the request of the buyer, renews the loan or extends the scheduled due date of all or any part of an installment or installments, the holder may restate the amount of installments and the time schedule for paying installments and collect for installments, subject to the renewal or extension, a finance charge on the outstanding declining balance of the amount financed for the period of the extension or renewal. The finance charge on a renewal or extension under this subsection shall not exceed the rate on the original retail installment contract as limited by section 322.19.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §322.20]

90 Acts, ch 1088, §1

**322.21 Remaining balance on trade vehicle.**

The extension of credit by a retail seller to a retail buyer, pursuant to a retail installment contract, of the amount actually paid or to be paid by the retail seller to discharge a purchase-money security interest, as provided in section 554.9103, on a motor vehicle traded in by the retail buyer shall not subject the retail seller to the provisions of chapter 536 or 536A.

99 Acts, ch 13, §25; 2000 Acts, ch 1149, §167, 187

**322.22** Reserved.

**322.23 Complaints.**

Any retail buyer having reason to believe that the provisions of this chapter relating to the buyer's installment contract have been violated may file with the department a written complaint setting forth the details of such alleged violation and the department, upon the receipt of such complaint, may inspect the pertinent books, records, letters and contracts of the licensee or other person relating to such specific complaint.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §322.23]

**322.24 Hearing — subpoenas.**

The state department of transportation and the department of inspections and appeals may issue subpoenas to compel the attendance of witnesses and the production of documents, papers, books, records, and other evidence in any matter over which the respective department has jurisdiction, control, or supervision pertaining to this chapter.

If a person refuses to obey a subpoena, to give testimony, or to produce evidence as required, a judge of the district court of the state of Iowa in and for Polk county may, upon application and proof of the refusal, make an order awarding process of subpoena, or subpoena duces tecum, out of the court, for the witness to appear before the respective department, to give testimony, and to produce evidence as required. Upon filing the order in the office of the clerk of the district court, the clerk shall issue process of subpoena as directed, under the seal of the court, requiring the person to whom it is directed to appear at the time and place designated.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §322.24]

89 Acts, ch 273, §4

Referred to in §602.8102(55)

**322.25 and 322.26** Reserved.

**322.27 Manufacturer's license.**

A manufacturer, except an alien manufacturer represented by an importer, shall not engage in business as a manufacturer in this state or employ, appoint, or maintain distributors or wholesalers or dealers, without a license as provided in this chapter. However, new motor vehicle dealers may wholesale motor vehicles without an additional license and used motor vehicle dealers may wholesale used motor vehicles without an additional license.

[C66, 71, 73, 75, 77, 79, 81, §322.27]

2000 Acts, ch 1154, §24

**322.27A Wholesaler's license.**

A person shall not engage in business as a wholesaler of new motor vehicles in this state without a license as provided in this chapter.

Prior to the issuance of such license, the department, at a minimum, and in addition to any other information the department deems necessary to the application, shall require proof that the applicant has financial liability coverage as defined in section 321.1, except that such coverage shall be in limits of not less than one hundred thousand dollars because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, three hundred thousand dollars because of bodily injury to or death of two or more persons

in any one accident, and fifty thousand dollars because of injury to or destruction of property of others in any one accident.

98 Acts, ch 1121, §6, 9; 2006 Acts, ch 1068, §36

**322.28 Distributor or wholesaler's license.**

A distributor or wholesaler of new motor vehicles shall not sell or offer for sale a new motor vehicle at retail unless licensed as a new motor vehicle dealer. A licensed distributor or wholesaler of a new motor vehicle shall not register or title a new motor vehicle held for sale and shall transfer ownership of a new motor vehicle by assigning the manufacturer's statement of origin for the vehicle.

[C66, 71, 73, 75, 77, 79, 81, §322.28]

2001 Acts, ch 32, §33, 40

**322.29 Issuance of license — fees.**

1. Application for license shall be made to the department by a manufacturer, distributor, or wholesaler, in a form and containing information as the department requires and shall be accompanied by the required license fee. The license shall be granted or refused within thirty days after application. A license expires, unless sooner revoked or suspended, on December 31 of even-numbered years. A licensee shall have the month of expiration and the month after the month of expiration to renew the license. A person who fails to renew a license by the end of this time period and desires to hold a license shall file a new license application and pay the required fee.

2. License fees for each two-year period or part thereof are as follows:

*a.* For a motor vehicle manufacturer, seventy dollars.

*b.* For a new motor vehicle distributor or wholesaler, forty dollars.

3. A license shall not be issued to a person as a distributor or wholesaler for a new motor vehicle model unless the distributor or wholesaler has written authorization from the manufacturer as a distributor or wholesaler of the motor vehicle model.

4. Upon payment of the license fee as provided in this section, a person who rebuilds new completed motor vehicles by fabricating, altering, adding, or replacing essential parts, components, or equipment for the purpose of building an ambulance, rescue vehicle, fire vehicle, or towing or recovery vehicle as defined in chapter 321 may be issued a license as a wholesaler of new motor vehicles of the make and model rebuilt without written authorization from the manufacturer.

5. Upon payment of the license fee as provided in this section, a person who installs cranes, hook loaders, buckets, aerial ladders, tanks, or special equipment on new completed motor trucks with a gross vehicle weight rating of fourteen thousand five hundred pounds or more may be issued a license as a wholesaler of new motor vehicles of the make and model on which the equipment is installed without written authorization from the manufacturer.

6. Notwithstanding section 322.3, subsection 14, a person licensed as a wholesaler under subsection 4 may be licensed as a used motor vehicle dealer.

[C66, 71, 73, 75, 77, 79, 81, §322.29]

88 Acts, ch 1047, §2; 97 Acts, ch 108, §38; 2000 Acts, ch 1016, §21, 22; 2001 Acts, ch 32, §34; 2006 Acts, ch 1068, §37, 49 – 51, 57; 2007 Acts, ch 102, §2; 2008 Acts, ch 1018, §27

**322.30 Display.**

The licenses of manufacturers and distributors shall specify the location of the office and must be conspicuously displayed at such location. In case such location be changed, the department shall endorse the change of location on the license without charge if it be within the same municipality. A change of location to another municipality shall require a new license.

[C66, 71, 73, 75, 77, 79, 81, §322.30]

2000 Acts, ch 1154, §25

**322.31 Denial of license.**

The department may deny the application of any person for a license as a manufacturer, distributor, or wholesaler, if after reasonable notice and a hearing the department determines that such applicant has violated any provision of this chapter and may revoke or suspend any such license that has been issued if the department shall determine after reasonable notice and a hearing that such licensee has violated any provision of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §322.31]

97 Acts, ch 108, §39

**322.32 Construction of applicability to contracts.**

Nothing in this chapter shall be construed to impair the obligations of a contract or to prevent a licensee hereunder from requiring performance of a written contract entered into with another licensee hereunder, nor shall the requirement of such performance constitute a violation of any of the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §322.32]

**322.33 Applicability of the Iowa consumer credit code.**

1. The provisions of the Iowa consumer credit code, chapter 537, shall apply to a consumer credit sale in which a licensed motor vehicle dealer participates or engages, and any violation of that code shall be a violation of this chapter.

2. Chapter 537, article 2, parts 5 and 6, and chapter 537, article 3, sections 537.3203, 537.3206, 537.3209, 537.3304, 537.3305, and 537.3306, shall apply to any credit transaction, as defined in section 537.1301, that is a retail installment transaction. For the purpose of applying provisions of the consumer credit code in those transactions, *"consumer credit sale"* shall include a sale for a business purpose.

3. A provision of the Iowa consumer credit code, chapter 537, shall supersede a conflicting provision of this chapter.

[C75, 77, 79, 81, §322.33]

2003 Acts, ch 44, §114; 2013 Acts, ch 30, §69

Referred to in §322.19

Subsection 2 amended

**322.34** Reserved.

**322.35 Disclosure of manufacturer's suggested price for certain motor vehicles — penalty.**

1. A person shall not sell or offer for sale at retail a new car, multipurpose vehicle, or pickup, as those terms are defined in section 321.1, without a label securely affixed to the windshield or side window containing the manufacturer's clear and legible endorsement disclosing the following true and correct information:

*a.* The retail price of the vehicle suggested by the manufacturer.

*b.* The retail delivered price suggested by the manufacturer for each accessory or item of optional equipment, physically attached to the vehicle at the time of its delivery to the retail seller, which is not included within the price of the vehicle as stated pursuant to paragraph "*a*".

*c.* The amount charged, if any, to the retail seller for the transportation of the vehicle to the location at which it is delivered to the retail seller.

*d.* The total of the amounts specified pursuant to paragraphs "*a*", "*b*", and "*c*".

2. A person who violates this section commits a simple misdemeanor. Violation with respect to each vehicle constitutes a separate offense.

86 Acts, ch 1084, §1

**322.36 Motorcycle dealer business hours.**

A person in the business of selling motorcycles under chapter 322D is not required to maintain regular business hours at the dealer's principal place of business or other place of business.

97 Acts, ch 69, §1

# CHAPTER 322A

## MOTOR VEHICLE FRANCHISERS

Referred to in §307.27, 523H.1, 537A.10


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**322A.1 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Additional motor vehicle dealership"* includes a facility providing manufacturer-authorized or distributor-authorized service or warranty work for motor vehicles, except motor homes, of a line-make in a community in which the same line-make is represented.

2. *"Community"* means the franchisee's area of responsibility as stipulated in the franchise.

3. *"Consumer care"* means to perform, for the public, necessary maintenance and repairs to motor vehicles.

4. *"Department"* means the state department of transportation.

5. *a.* *"Franchise"* means a contract between two or more persons when all of the following conditions are included:

(1) A commercial relationship of definite duration or continuing indefinite duration is involved.

(2) The franchisee is granted the right to offer and sell motor vehicles manufactured or distributed by the franchiser.

(3) The franchisee, as an independent business, constitutes a component of the franchiser's distribution system.

(4) The operation of the franchisee's business is substantially associated with the franchiser's trademark, service mark, trade name, advertising, or other commercial symbol designating the franchiser.

(5) The operation of the franchisee's business is substantially reliant on the franchiser for the continued supply of motor vehicles, parts, and accessories.

*b.* *"Franchise"* includes a separate written agreement between the franchisee and the franchiser which materially affects the franchise, whether entered into prior to the date of the franchise, contemporaneously with the franchise, or subsequent to the date of the franchise.

6. *"Franchisee"* means a person who receives motor vehicles from the franchiser under a franchise and who offers and sells such motor vehicles to the general public.

7. *"Franchiser"* means a person who manufactures or distributes motor vehicles and who may enter into a franchise as hereinafter defined.

8. *"Motor vehicle"* means *"motor vehicles"* as defined in chapter 321 which are subject to registration pursuant to the provisions thereof.

9. *"Person"* means a sole proprietor, partnership, corporation, or any other form of business organization.

10. *"Substantially detrimental"* means that, by a preponderance of the evidence, the

market share of the franchiser's motor vehicles in the community will be significantly reduced in comparison to the franchiser's historical market share in the community.

11. *"Termination or noncontinuance"* includes a reduction of the geographic area of a community.

[C71, 73, 75, 77, 79, 81, §322A.1; 81 Acts, ch 22, §22]

86 Acts, ch 1245, §1940; 91 Acts, ch 27, §3; 99 Acts, ch 69, §2; 2001 Acts, ch 32, §35, 40; 2010 Acts, ch 1081, §1; 2013 Acts, ch 30, §70

Referred to in §322.5

Subsection 5, paragraph a, subparagraphs (3) and (5) amended

**322A.2 Discontinuing franchise.**

1. Unless otherwise provided in subsection 2, notwithstanding the terms, provisions, or conditions of any agreement or franchise, a franchiser shall not terminate or refuse to continue any franchise unless the franchiser has first established, in a hearing held under the provisions of this chapter, that both of the following apply:

*a.* The franchiser has good cause for termination or noncontinuance.

*b.* Upon termination or noncontinuance, another franchise in the same line-make will become effective in the same community, without diminution of the motor vehicle service formerly provided, or that the community cannot be reasonably expected to support such a dealership.

2. A franchiser may terminate a franchise for a particular line-make if the franchiser discontinues that line-make and a franchiser may terminate a franchise if the franchisee's license as a motor vehicle dealer is revoked pursuant to the provisions of chapter 322.

[C71, 73, 75, 77, 79, 81, §322A.2]

2010 Acts, ch 1069, §110

Referred to in §322A.22

**322A.3 New franchise.**

In the event that a franchiser is permitted to terminate or not continue a franchise, and is further permitted not to enter into a franchise for the line-make in the community, no franchise shall thereafter be entered into for the sale of motor vehicles of that line-make in the community, unless the franchiser has first established, in a hearing held under the provisions of this chapter, that there has been a change of circumstances so that the community at that time can be reasonably expected to support the dealership.

[C71, 73, 75, 77, 79, 81, §322A.3]

**322A.3A Alteration of franchise.**

1. A franchiser shall not unreasonably alter a franchisee's community.

2. A franchiser shall notify a franchisee of a proposed alteration to the franchisee's community at least sixty days prior to the effective date of the proposed alteration. Within thirty days of a request by the affected franchisee, unless otherwise provided in the notice, the franchiser shall provide the franchisee with an explanation of the basis for the proposed alteration.

3. Prior to the effective date of a proposed alteration of a franchisee's community and after the receipt of the explanation of the basis for the proposed alteration, a franchisee may object to the proposed alteration of the franchisee's community. Upon a franchisee's objection, a franchiser shall provide an internal appeal process for the franchisee. However, the franchiser is not required to provide an internal appeal process if the franchiser has already provided the franchisee with an opportunity to object to the alteration of the franchisee's community and to provide information in objection to the alteration for the franchiser's consideration prior to the franchiser's issuance of notice of the proposed alteration.

4. *a.* Within fifteen days of the completion of the franchiser's internal appeal process, a franchisee may challenge the reasonableness of the proposed alteration of the franchisee's community by filing an application with the department requesting a hearing to be held pursuant to section 322A.7.

*b.* After a hearing held as described in this subsection, the department of inspections and

appeals may affirm, deny, or modify the proposed alteration of a franchisee's community, may enter any other orders necessary to ensure that an alteration of the franchisee's community is reasonable in light of all the relevant circumstances, and may assess the costs of the hearing among the parties to the hearing as appropriate.

5. No change to the franchisee's community shall take effect during the pendency of the internal appeals process specified in subsection 3 or the hearing specified in subsection 4.

6. A franchiser shall not take any adverse action against a franchisee as a result of an alteration of the franchisee's community for at least twelve months after the effective date of the alteration.

2013 Acts, ch 63, §1
NEW section

**322A.4 Additional franchise.**

No franchiser shall enter into any franchise for the purpose of establishing an additional motor vehicle dealership in any community in which the same line-make is then represented, unless the franchiser has first established in a hearing held under the provisions of this chapter that there is good cause for such additional motor vehicle dealership under such franchise, and that it is in the public interest.

[C71, 73, 75, 77, 79, 81, §322A.4]

**322A.5 Warranties.**

Every franchiser and franchisee shall fulfill the terms of any express or implied warranty concerning the sale of a motor vehicle to the public of the line-make which is the subject of a contract or franchise agreement between the parties. If it is determined by the district court that either the franchiser or franchisee, or both, have violated an express or implied warranty, the court shall add to any award or relief granted an additional award for reasonable attorney fees and other necessary expenses for maintaining the litigation.

[C71, 73, 75, 77, 79, 81, §322A.5]

**322A.6 Application filed with the department.**

If a franchiser seeks to terminate or not continue a franchise, or seeks to enter into a franchise establishing an additional motor vehicle dealership of the same line-make, the franchiser shall file an application with the department for permission to terminate or not continue the franchise, or for permission to enter into a franchise for additional representation of the same line-make in that community.

An applicant seeking permission to enter into a franchise for additional representation of the same line-make in a community shall deposit with the department at the time the application is filed, an amount of money to be determined by the department of inspections and appeals to pay the costs of the hearing.

[C71, 73, 75, 77, 79, 81, §322A.6; 81 Acts, ch 22, §22]
86 Acts, ch 1244, §42; 89 Acts, ch 273, §5

**322A.7 Department of inspections and appeals to hold hearing.**

1. Upon receiving an application, the department shall notify the department of inspections and appeals which shall enter an order fixing a time, which shall be within ninety days of the date of the order, and place of hearing, and shall send by certified or registered mail, with return receipt requested, a copy of the order to the franchisee whose franchise the franchiser seeks to terminate or not continue, or to the franchiser who is seeking to alter a franchisee's community, as applicable. If the application requests permission to establish an additional motor vehicle dealership, a copy of the order shall be sent to all franchisees in the community who are then engaged in the business of offering to sell or selling the same line-make. If the application challenges the reasonableness of a proposed alteration to a franchisee's community, a copy of the order shall be sent to all franchisees located in Iowa surrounding the affected community which are then engaged in the business of offering to sell or selling the same line-make. Copies of orders shall be addressed to the franchisee at the place where the business is conducted. The department of inspections and appeals

may also give notice of the franchiser's application to any other parties deemed interested persons, the notice to be in the form and substance and given in the manner the department of inspections and appeals deems appropriate.

2. Any person who can show an interest in the application may become a party to the hearing, whether or not that person receives notice. However, a party not receiving notice shall be limited to participation at the hearing on the question of the public interest in the termination or continuation of the franchise or in the establishment of an additional motor vehicle dealership.

[C71, 73, 75, 77, 79, 81, §322A.7; 81 Acts, ch 22, §22]
86 Acts, ch 1245, §1941; 2013 Acts, ch 63, §2
Referred to in §322A.3A
Section amended

**322A.8 Continuation.**

If the department of inspections and appeals finds it desirable it may upon request continue the date of hearing for a period of ninety days, and may upon application, but not ex parte, continue the date of hearing for an additional period of ninety days.

[C71, 73, 75, 77, 79, 81, §322A.8; 81 Acts, ch 22, §22]

**322A.9 Burden of proof.**

1. Upon hearing, the franchiser shall have the burden of proof to establish that under the provisions of this chapter the franchiser should be granted permission to terminate or not continue the franchise, or to enter into a franchise establishing an additional motor vehicle dealership, or to alter a franchisee's community.

2. Nothing contained in this chapter shall be construed to require or authorize any investigation by the department of any matter before the department under this chapter. Upon hearing, the department of inspections and appeals shall hear the evidence introduced by the parties and shall make its decision solely upon the record so made.

[C71, 73, 75, 77, 79, 81, §322A.9; 81 Acts, ch 22, §22]
2013 Acts, ch 63, §3
Section amended

**322A.10 Rules of evidence.**

The rules of civil procedure relating to discovery and inspection shall apply to hearings held under the provisions of this chapter, and the department of inspections and appeals may issue orders to give effect to such rules.

In the event issues are raised which would involve violations of any state or federal antitrust or price-fixing law, all discovery and inspection proceedings which would be available under such issues in a state or federal court action shall be available to the parties to the hearing, and the department of inspections and appeals may issue orders to give effect to such proceedings.

Evidence which would be admissible under the issues in a state or federal court action is admissible in a hearing held by the department of inspections and appeals. The department of inspections and appeals shall apportion all costs between the parties.

[C71, 73, 75, 77, 79, 81, §322A.10; 81 Acts, ch 22, §22]

**322A.11 Condition barring change in franchise.**

Notwithstanding the terms, provisions, or conditions of any agreement or franchise, the following shall not be considered facts supporting a finding of good cause for the termination or noncontinuation of a franchise, or for entering into a franchise for the establishment of an additional dealership in a community for the same line-make:

1. The sole fact that franchiser desires further penetration of the market.

2. The change of ownership of the franchisee's dealership or the change of executive management of the franchisee's dealership, unless the franchiser, having the burden of proof, proves that such change of ownership or executive management will be substantially detrimental to the distribution of the franchiser's motor vehicles in the community and that good cause for the termination or noncontinuation of the franchise or for the establishment of an additional dealership otherwise exists.

3. The fact that the franchisee refused to purchase or accept delivery of any motor vehicle or vehicles, parts, accessories or any other commodity or service not ordered by the franchisee.

4. The fact that the dealership moved to another facility and location within the dealership's community which are equal to or superior to the dealership's former location and facility or the fact that the dealership added an additional line-make to the dealership if the dealership's facility is adequate to accommodate the additional line-make.

5. The fact that the dealership does not meet an index or standard established by the franchiser, unless the franchiser proves that the failure of the dealership to meet the index or standard will be substantially detrimental to the distribution of the franchiser's motor vehicles in the community and that good cause for the termination or noncontinuation of the franchise or for the establishment of an additional dealership otherwise exists.

[C71, 73, 75, 77, 79, 81, §322A.11]

98 Acts, ch 1075, §27; 2000 Acts, ch 1232, §26; 2001 Acts, ch 32, §36, 37, 40

Referred to in §322A.12, 322A.15, 322A.22

**322A.12 Sale or transfer of ownership.**

1. Notwithstanding the terms, provisions, or conditions of an agreement or franchise, subject to the provisions of section 322A.11, subsection 2, in the event of the sale or transfer of ownership of a franchisee's dealership by sale or transfer of the business or by stock transfer or in the event of a change in the executive management of a franchisee's dealership, the franchiser shall give effect to the change in the franchise unless the transfer of the franchisee's license under chapter 322 is denied or the new owner is unable to obtain a license under that chapter.

2. Notwithstanding the terms, provisions, or conditions of an agreement or franchise, the sale or transfer, or the proposed sale or transfer, of a franchisee's dealership, or the change or proposed change in the executive management of a franchisee's dealership shall not make applicable any right of first refusal of the franchiser.

[C71, 73, 75, 77, 79, 81, §322A.12]

2002 Acts, ch 1063, §39

**322A.13 Compulsory attendance at hearings.**

The department of inspections and appeals may issue subpoenas, administer oaths, compel the attendance of witnesses and production of books, papers, documents, and all other evidence. The department of inspections and appeals may apply to the district court of the county wherein the hearing is being held for a court order enforcing this section.

[C71, 73, 75, 77, 79, 81, §322A.13; 81 Acts, ch 22, §22]

**322A.14 License to dealer denied.**

In the event that a franchiser enters into or attempts to enter into a franchise, whether upon termination or refusal to continue another franchise or upon the establishment of an additional motor vehicle dealership in a community where the same line-make is then represented, without first complying with the provisions of this chapter, no license under chapter 322 shall be issued to that franchisee or proposed franchisee to engage in the business of selling motor vehicles manufactured or distributed by that franchiser.

[C71, 73, 75, 77, 79, 81, §322A.14]

**322A.15 Guidelines.**

1. In determining whether good cause has been established for terminating or not continuing a franchise, the department of inspections and appeals shall take into consideration the existing circumstances, including, but not limited to:

*a.* Amount of business transacted by the franchisee.

*b.* Investment necessarily made and obligations incurred by the franchisee in the performance of the franchisee's part of the franchise.

*c.* Permanency of the investment.

*d.* Whether it is injurious to the public welfare for the business of the franchisee to be disrupted.

*e.* Whether the franchisee has adequate motor vehicle service facilities, equipment, parts and qualified service personnel to reasonably provide consumer care for the motor vehicles sold at retail by the franchisee and any other motor vehicles of the same line-make.

*f.* Whether the franchisee refuses to honor warranties of the franchiser to be performed by the franchisee, provided that the franchiser reimburses the franchisee for such warranty work performed by the franchisee.

*g.* Except as provided in section 322A.11, failure by the franchisee to substantially comply with those requirements of the franchise which are determined by the department of inspections and appeals to be reasonable and material.

*h.* Except as provided in section 322A.11, bad faith by the franchisee in complying with those terms of the franchise which are determined by the department of inspections and appeals to be reasonable and material.

2. Good cause does not include a realignment, relocation, or reduction of dealerships.

[C71, 73, 75, 77, 79, 81, §322A.15; 81 Acts, ch 22, §22]

97 Acts, ch 108, §40; 2010 Acts, ch 1061, §180

**322A.16 Additional guidelines.**

In determining whether good cause has been established for entering into an additional franchise for the same line-make, the department of inspections and appeals shall take into consideration the existing circumstances, including, but not limited to:

1. Amount of business transacted by other franchisees of the same line-make in that community.

2. Investment necessarily made and obligations incurred by other franchisees of the same line-make, in that community, in the performance of their part of their franchises.

3. Permanency of the investment.

4. Effect on the retail motor vehicle business as a whole in that community.

5. Whether it is injurious to the public welfare for an additional franchise to be established.

6. Whether the franchisees of the same line-make in that community are providing adequate consumer care for the motor vehicles of the line-make which shall include the adequacy of motor vehicle service facilities, equipment, supply of parts and qualified service personnel.

[C71, 73, 75, 77, 79, 81, §322A.16; 81 Acts, ch 22, §22]

**322A.17 Review.**

A decision of the department of inspections and appeals is subject to review by the state department of transportation, whose decision is final agency action for the purpose of judicial review.

Judicial review of actions of the state department of transportation may be sought in the manner provided for in section 322.10.

[C71, 73, 75, 77, 79, 81, §322A.17; 81 Acts, ch 22, §22]

89 Acts, ch 273, §6

**322A.18 Duty of good faith.**

A franchise imposes on the parties a duty of good faith in performance and enforcement of the franchise agreement. *"Good faith"* means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade.

2010 Acts, ch 1081, §2

**322A.19 Jurisdiction.**

1. A condition, stipulation, or provision in a franchise restricting jurisdiction to a forum outside this state is void.

2. A condition, stipulation, or provision in a franchise providing that the franchisee consents to the jurisdiction of a forum outside this state is void.

3. A civil action or proceeding arising out of a franchise may be commenced wherever

jurisdiction over the parties or subject matter exists, even if the franchise limits actions or proceedings to a designated jurisdiction.
2010 Acts, ch 1081, §3

**322A.20 Choice of law.**
1. A condition, stipulation, or provision in a franchise requiring the application of the law of another state in lieu of this chapter is void.
2. A condition, stipulation, or provision in a franchise that the franchise is to be governed by or construed in accordance with the law of another state is void.
2010 Acts, ch 1081, §4

**322A.21 Waivers void.**
A condition, stipulation, or provision in a franchise requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by or a right provided by this chapter or order under this chapter is void. This section shall not affect the settlement of disputes, claims, controversies or civil lawsuits arising or brought pursuant to this chapter by written release or other written document where separate and adequate consideration is offered and accepted.
2010 Acts, ch 1081, §5

**322A.22 Other line-makes.**
A condition, stipulation, or provision in a franchise prohibiting or restricting the franchisee from continuing another line-make at the dealership or adding an additional line-make to the dealership is void. This section does not limit a franchiser from establishing good cause for the termination of a franchise pursuant to sections 322A.2 and 322A.11 on the grounds that the franchisee's dealership facility is not adequate to accommodate an additional line-make that has been added to the franchisee's dealership.
2010 Acts, ch 1081, §6

**322A.23 Customer lists.**
A condition, stipulation, or provision in a franchise which requires the franchisee to provide its customer lists or service files to the franchiser is void. This section shall not apply to notification by the franchisee to the franchiser of the delivery of a new motor vehicle to a customer, including information necessary to complete the sale of the vehicle, or to the submission to the franchiser of a claim for warranty parts, recalls, repairs, or services supplied or performed by the franchisee.
2010 Acts, ch 1081, §7

**322A.24 Construction.**
This chapter shall be liberally construed to effectuate its purposes.
2010 Acts, ch 1081, §8

# CHAPTER 322B

## MANUFACTURED OR MOBILE HOME RETAILERS

Repealed by 2006 Acts, ch 1090, §24, 26; see chapter 103A, division IV

# CHAPTER 322C

## TRAVEL TRAILER DEALERS, MANUFACTURERS, AND DISTRIBUTORS

Referred to in §321.1, 321.48, 523H.1, 537A.10

Court action required for termination of installment contract, foreclosure of mortgage, or repossession of property during military service; application for relief respecting obligation or liability incurred prior to military service; §29A.102, 29A.103, 29A.104, 29A.105


322C.1 Administration.
322C.2 Definitions.
322C.3 Prohibited acts — exception.
322C.4 Dealer's license application and fees.
322C.5 Display of license.
322C.6 Denial, suspension or revocation of license.
322C.7 Manufacturer's or distributor's license.
322C.8 Repealed by 2000 Acts, ch 1154, §49.
322C.9 License application and fees.
322C.10 Fees.
322C.11 Penalties.
322C.12 Semitrailer or travel trailer retail installment contract — finance charges.


**322C.1 Administration.**

This chapter shall be administered by the director of transportation. The state department of transportation may employ persons necessary for the administration of this chapter.

[C81, §322C.1]

**322C.2 Definitions.**

As used in this chapter unless the context otherwise requires:

1. To sell *"at retail"* means to sell a travel trailer to a person who will devote it to a consumer use.

2. *"Department"* means the state department of transportation.

3. *"Distributor"* means a person who sells or distributes travel trailers to travel trailer dealers either directly or through a representative employed by a distributor.

4. *"Fifth-wheel travel trailer"* means a type of travel trailer which is towed by a motor vehicle by a connecting device known as a fifth wheel. When used in this chapter, *"travel trailer"* includes a fifth-wheel travel trailer.

5. *"Manufacturer"* means a person engaged in the business of fabricating or assembling travel trailers of a type required to be registered.

6. *"New travel trailer"* means a travel trailer that has not been sold at retail.

7. *"Person"* includes any individual, partnership, corporation, association, fiduciary or other legal entity engaged in business, other than a unit or agency of government or governmental subdivision.

8. *"Place of business"* means a designated location where facilities are maintained for displaying, reconditioning and repairing either new or used travel trailers.

9. *"Sell"* includes barter, exchange and other methods of dealing.

10. *"Travel trailer"* means a vehicle without motive power used or so manufactured or constructed as to permit its being used as a conveyance upon the public streets and highways and designed to permit the vehicle to be used as a place of human habitation by one or more persons. The vehicle may be up to eight feet six inches in width and its overall length shall not exceed forty feet. *"Travel trailer"* does not include a vehicle that is so designed as to permit it to be towed exclusively by a motorcycle.

11. *"Used travel trailer"* means a travel trailer which has been sold at retail and previously registered in this or any other state.

[C81, §322C.2]

2000 Acts, ch 1016, §24; 2002 Acts, ch 1119, §156; 2012 Acts, ch 1048, §5, 6

**322C.3 Prohibited acts — exception.**

1. A person shall not engage in this state in the business of selling at retail new travel

trailers of any make, or represent or advertise that the person is engaged or intends to engage in such business in this state, unless the person is authorized by a contract in writing between that person and the manufacturer or distributor of that make of new travel trailers to sell the trailers in this state, and unless the department has issued to the person a license as a travel trailer dealer for the same make of travel trailer.

2. A person, other than a licensed travel trailer dealer in new travel trailers, shall not engage in the business of selling at retail used travel trailers or represent or advertise that the person is engaged or intends to engage in such business in this state unless the department has issued to the person a license as a used travel trailer dealer.

3. A person is not required to obtain a license as a travel trailer dealer if the person is disposing of a travel trailer acquired or repossessed, so long as the person is exercising a power or right granted by a lien, title-retention instrument, or security agreement given as security for a loan or a purchase money obligation.

4. A travel trailer dealer shall not enter into a contract, agreement, or understanding, expressed or implied, with a manufacturer or distributor that the dealer will sell, assign, or transfer an agreement or contract arising from the retail installment sale of a travel trailer only to a designated person or class of persons. Any such condition, agreement or understanding between a manufacturer or distributor and a travel trailer dealer is against the public policy of this state and is unlawful and void.

5. A manufacturer or distributor of travel trailers or an agent or representative of the manufacturer or distributor, shall not refuse to renew a contract for a term of less than five years, and shall not terminate or threaten to terminate a contract, agreement or understanding for the sale of new travel trailers to a travel trailer dealer in this state without just, reasonable and lawful cause or because the travel trailer dealer failed to sell, assign or transfer a contract or agreement arising from the retail sale of a travel trailer to only a person or a class of persons designated by the manufacturer or distributor.

6. A travel trailer dealer shall not make and enter into a security agreement or other contract unless the agreement or contract meets the following requirements:

*a.* The security agreement or contract is in writing, is signed by both the buyer and the seller and is complete as to all essential provisions prior to the signing of the agreement or contract by the buyer except that, if delivery of the travel trailer is not made at the time of the execution of the agreement or contract, the identifying numbers of the travel trailer or similar information and the due date of the first installment may be inserted in the agreement or contract after its execution.

*b.* The agreement or contract complies with the Iowa consumer credit code, chapter 537, where applicable.

7. A manufacturer or distributor of travel trailers or an agent or representative of a manufacturer or distributor shall not coerce or attempt to coerce a travel trailer dealer to accept delivery of a travel trailer or travel trailer parts or accessories, or any other commodity which has not been ordered by the dealer.

8. Except under subsection 9 of this section, a person licensed under section 322C.4 shall not, either directly or through an agent, salesperson or employee, engage or represent or advertise that the person is engaged or intends to engage in this state, in the business of buying or selling new or used travel trailers on Sunday.

9. A travel trailer dealer may display new travel trailers at fairs, shows, and exhibitions on any day of the week as provided in this subsection. Travel trailer dealers, in addition to selling travel trailers at their principal place of business and lots, may, upon receipt of a temporary permit approved by the department, display and offer new travel trailers for sale and negotiate sales of new travel trailers at fairs, shows, and exhibitions. Application for temporary permits shall be made upon forms provided by the department and shall be accompanied by a ten dollar permit fee. Temporary permits shall be issued for a period not to exceed fourteen days. The department may issue multiple consecutive temporary permits.

10. A person who has been convicted of a fraudulent practice, has been convicted of three or more violations of section 321.92, subsection 2, or section 321.99, or has been convicted of any other indictable offense in connection with selling or other activity relating to vehicles, in this state or any other state, shall not for a period of five years from the date of conviction

be an owner, salesperson, employee, officer of a corporation, or representative of a licensed travel trailer dealer or represent themselves as an owner, salesperson, employee, officer of a corporation, or representative of a licensed travel trailer dealer.

[C81, §322C.3]

2001 Acts, ch 32, §39; 2003 Acts, ch 44, §114; 2006 Acts, ch 1068, §39; 2011 Acts, ch 38, §23

Referred to in §322C.11

**322C.4 Dealer's license application and fees.**

1. Upon application and payment of a fee, a person may be licensed as a travel trailer dealer. The license fee is seventy dollars for a two-year period or part thereof. The person shall pay an additional fee of twenty dollars for a two-year period or part thereof for each travel trailer lot in addition to the principal place of business unless the lot is adjacent to the principal place of business. For purposes of this subsection, "*adjacent*" means that the principal place of business and each additional lot are adjoining parcels of property. The applicant shall file in the office of the department a verified application for license as a travel trailer dealer in the form the department prescribes, which shall include the following:

*a.* The name of the applicant and the applicant's principal place of business.

*b.* The name of the applicant's business and whether the applicant is an individual, partnership, corporation or other legal entity.

(1) If the applicant is a partnership the name under which the partnership intends to engage in business and the name and post office address of each partner.

(2) If the applicant is a corporation, the state of incorporation and the name and post office address of each officer and director.

*c.* The make or makes of new travel trailers, if any, which the applicant will offer for sale at retail in this state.

*d.* The location of each place of business within this state to be used by the applicant for the conduct of the business.

*e.* If the applicant is a party to a contract, agreement, or understanding with a manufacturer or distributor of travel trailers or is about to become a party to a contract, agreement, or understanding, the applicant shall state the name of each manufacturer and distributor and the make or makes of new travel trailers, if any, which are the subject matter of the contract, agreement, or understanding.

*f.* Other information concerning the business of the applicant the department reasonably requires for administration of this chapter.

2. The license shall be granted or refused within thirty days after application. A license is valid for a two-year period and expires, unless revoked or suspended by the department, on December 31 of even-numbered years. A licensee shall have the month of expiration and the month after the month of expiration to renew the license. A person who fails to renew a license by the end of this time period and desires to hold a license shall file a new license application and pay the required fee. A separate license shall be obtained for each county in which an applicant does business as a travel trailer dealer.

3. A licensee shall file with the department a supplemental statement when there is a change in an item of information required under paragraphs "*a*" to "*e*" of subsection 1, within fifteen days after the change. Upon filing a supplemental statement, the licensee shall surrender its license to the department together with a thirty-five-dollar fee. The department shall issue a new license modified to reflect the changes on the supplemental statement.

4. Before the issuance of a travel trailer dealer's license, the applicant shall furnish a surety bond executed by the applicant as principal and executed by a corporate surety company, licensed and qualified to do business within this state, which bond shall run to the state of Iowa, be in the amount of twenty-five thousand dollars and be conditioned upon the faithful compliance by the applicant as a dealer with all statutes of this state regulating or applicable to a travel trailer dealer, and shall indemnify any person dealing or transacting business with the dealer from loss or damage caused by the failure of the dealer to comply with the provisions of chapter 321 and this chapter, including the furnishing of a proper and valid certificate of title to a travel trailer, and that the bond shall be filed with the department

prior to the issuance of the license. A person licensed under chapter 322, with the same name and location or locations, is not subject to the provisions of this subsection.

[C81, §322C.4]

92 Acts, ch 1175, §17, 18; 97 Acts, ch 108, §41; 98 Acts, ch 1075, §29; 2000 Acts, ch 1016, §25; 2006 Acts, ch 1068, §54, 55, 57

Referred to in §322C.3, 322C.5, 322C.6

**322C.5 Display of license.**

A license issued under section 322C.4 shall specify the location of the principal place of business and the location of each additional place of business, if any, for which the license is issued, and the license shall be conspicuously displayed at the principal place of business except during periods when the license is surrendered for modification.

[C81, §322C.5]

**322C.6 Denial, suspension or revocation of license.**

A license issued under section 322C.4 or 322C.9 may be denied, revoked, or suspended, after opportunity for a hearing before the department of inspections and appeals in accordance with chapters 10A and 17A, if it is determined that the licensee or applicant has done any of the following:

1. Violated a provision of this chapter.
2. Made a material misrepresentation to the department in connection with an application for a license, certificate of title or registration of a travel trailer or other vehicle.
3. Been convicted of a fraudulent practice in connection with selling or offering for sale vehicles or parts of vehicles subject to registration under chapter 321.
4. Failed to maintain an established principal place of business in the county.
5. Had a license issued under this chapter, chapter 321H or 322, suspended or revoked within the previous three years.
6. Been convicted of a violation of any provision of section 321.52, 321.78, 321.92, 321.97, 321.98, 321.99, 321.100 or 714.16.
7. Knowingly made misleading, deceptive, untrue or fraudulent representations in the business as a distributor of travel trailers or engaged in unethical conduct or practice harmful or detrimental to the public.

[C81, §322C.6]

89 Acts, ch 273, §9

Fraudulent practices, see §714.8 – 714.14

**322C.7 Manufacturer's or distributor's license.**

A manufacturer or distributor of travel trailers shall not engage in business in this state without a license pursuant to this chapter.

[C81, §322C.7]

Referred to in §322C.11

**322C.8** Repealed by 2000 Acts, ch 1154, § 49.

**322C.9 License application and fees.**

Upon application and payment of a seventy dollar fee for a two-year period or part thereof, a person may be licensed as a manufacturer or distributor of travel trailers. The application shall be in the form and shall contain information as the department prescribes. The license shall be granted or refused within thirty days after application. The license expires, unless sooner revoked or suspended by the department, on December 31 of even-numbered years. A licensee shall have the month of expiration and the month after the month of expiration to renew the license. A person who fails to renew a license by the end of this time period and desires to hold a license shall file a new license application and pay the required fee.

[C81, §322C.9]

2000 Acts, ch 1016, §26; 2000 Acts, ch 1154, §26; 2006 Acts, ch 1068, §56, 57

Referred to in §322C.6

**322C.10 Fees.**

Fees accruing from the administration of this chapter shall be accounted for and paid by the department into the state treasury monthly and credited to the road use tax fund.

[C81, §322C.10]

**322C.11 Penalties.**

A person violating a provision of section 322C.3 or 322C.7 is guilty of a serious misdemeanor.

[C81, §322C.11]

2000 Acts, ch 1154, §27

**322C.12 Semitrailer or travel trailer retail installment contract — finance charges.**

1. A retail installment contract or agreement for the sale of a semitrailer or travel trailer may include a finance charge not in excess of the following rates:

*a.* Class 1. Any new semitrailer or travel trailer designated by the manufacturer by a year model not earlier than the year in which the sale is made, an amount equivalent to one and three-fourths percent per month simple interest on the declining balance of the amount financed.

*b.* Class 2. Any new semitrailer or travel trailer not in Class 1 and any used semitrailer designated by the manufacturer by a year model of the same or not more than two years prior to the year in which the sale is made, an amount equivalent to two percent per month simple interest on the declining balance of the amount financed.

*c.* Class 3. Any used semitrailer or travel trailer not in Class 2 and designated by the manufacturer by a year model more than two years prior to the year in which the sale is made, an amount equivalent to two and one-fourth percent per month simple interest on the declining balance of the amount financed.

2. Amount financed shall be as defined in section 537.1301.

3. The limitations contained in this section do not apply in a transaction referred to in section 535.2, subsection 2. With respect to a consumer credit sale, as defined in section 537.1301, the limitations contained in this section supersede conflicting provisions of chapter 537, article 2, part 2.

[C81, §322C.12; 82 Acts, ch 1153, §3, 18(1)]

2010 Acts, ch 1061, §180

This section was not enacted as a part of this chapter; 79 Acts, ch 128, §1

# CHAPTER 322D

## FARM IMPLEMENT, MOTORCYCLE, SNOWMOBILE, AND ALL-TERRAIN VEHICLE FRANCHISES

Referred to in §322.36, 523H.1, 537A.10

For provisions applicable to certain agricultural equipment dealership agreements, see chapter 322F, §322F.9


322D.1 Definitions.
322D.2 Franchisee's rights to payment.
322D.3 Exceptions.
322D.4 Franchiser failure to comply — civil penalty.
322D.5 Death of a franchisee or majority stockholder.
322D.6 Security interests not affected.
322D.7 Application — farm implement franchise agreements.
322D.8 Application — motorcycle franchise agreements.
322D.9 Application — all-terrain vehicles.
322D.10 Application — snowmobile franchise agreements.


**322D.1 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"All-terrain vehicle"* means a motor vehicle designed to travel on three or more wheels and designed primarily for off-road recreational use but not including farm tractors or equipment, construction equipment, forestry vehicles, or lawn and grounds maintenance vehicles.

2. *"Attachment"* means a machine or part of a machine designed to be used on and in conjunction with a farm implement, motorcycle, all-terrain vehicle, or snowmobile.

3. *"Farm implement"* means a machine designed or adapted and used exclusively for agricultural or horticultural operations or livestock raising.

4. *"Franchise"* means a contract between two or more persons when all of the following conditions are included:

*a.* A commercial relationship of definite duration or continuing indefinite duration is involved.

*b.* The franchisee is granted the right to offer and sell farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related parts or attachments manufactured or distributed by the franchiser.

*c.* The franchisee, as an independent business, constitutes a component of the franchiser's distribution system.

*d.* The operation of the franchisee's business is substantially associated with the franchiser's trademark, service mark, trade name, advertising, or other commercial symbol designating the franchiser.

*e.* The operation of the franchisee's business is substantially reliant on the franchiser for the continued supply of farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related parts or attachments.

5. *"Franchisee"* means a person who receives farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related parts or attachments from the franchiser under a franchise and who offers and sells the farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related parts or attachments to the general public.

6. *"Franchiser"* means a person who manufactures, wholesales, or distributes farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related parts or attachments, and who enters into a franchise.

7. *"Motorcycle"* means a motor vehicle as defined in section 321.1 other than an all-terrain vehicle, which has a saddle or seat for the use of a rider and that is designed to travel on not more than two wheels in contact with the ground, but excluding a motorized bicycle as defined in section 321.1.

8. *"Net cost"* means the price the franchisee actually paid for the merchandise to the franchiser less any applicable trade, volume, cash or bonus discounts.

9. *"Net price"* means the price listed in the franchiser's price list in effect at the time the franchise is canceled, less any applicable trade, volume or cash discounts.

10. *"Person"* means a sole proprietor, partnership, corporation, or any other form of business organization.

11. *"Snowmobile"* means the same as defined in section 321G.1.

84 Acts, ch 1087, §1; 85 Acts, ch 47, §1 – 4; 2002 Acts, ch 1011, §1 – 4; 2003 Acts, ch 28, §1 – 4, 8; 2004 Acts, ch 1132, §82; 2010 Acts, ch 1186, §11

**322D.2 Franchisee's rights to payment.**

1. A franchisee who enters into a written franchise with a franchiser to maintain a stock of farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related parts or attachments has the following rights to payment, at the option of the franchisee, if the franchise is terminated:

*a.* One hundred percent of the net cost of new, unused, complete farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related attachments, which were purchased from the franchiser. In addition, the franchisee shall have a right of payment for transportation charges on the farm implements, motorcycles, all-terrain vehicles, or snowmobiles, which have been paid by the franchisee.

*b.* Eighty-five percent of the net prices of any repair parts, including superseded parts,

which were purchased from the franchiser and held by the franchisee on the date that the franchise terminated.

*c.* Five percent of the net prices of parts resold under paragraph *"b"* for handling, packing, and loading of the parts. However, this payment shall not be due to the franchisee if the franchiser elects to perform the handling, packing, and loading.

2. Upon receipt of the payments due under subsection 1, the franchiser is entitled to possession of and title to the farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related parts or attachments.

3. The cost of farm implements, motorcycles, all-terrain vehicles, snowmobiles, or related attachments and the price of repair parts shall be determined by reference to the franchiser's price list or catalog in effect at the time of the franchise termination.

84 Acts, ch 1087, §2; 85 Acts, ch 26, §1; 85 Acts, ch 47, §5 – 7; 2002 Acts, ch 1011, §5; 2003 Acts, ch 28, §5, 8

Referred to in §322D.8, 322D.9, 322D.10

**322D.3 Exceptions.**

This chapter does not require repurchase from a franchisee of:

1. A repair part which has a limited storage life or is otherwise subject to deterioration, such as rubber items, gaskets or batteries.

2. A repair part which is in a broken or damaged package.

3. A single repair part which is priced as a set of two or more items.

4. A repair part which because of its condition is not resalable as a new part without repackaging or reconditioning.

5. Any inventory for which the franchisee is unable to furnish evidence of title and ownership in the franchisee that is free and clear of all claims, liens and encumbrances to the satisfaction of the franchiser.

6. Any inventory which a franchisee desires to keep, provided the franchisee has a contractual right in the franchise agreement to do so.

7. A farm implement, motorcycle, all-terrain vehicle, or snowmobile which is not in new, unused, undamaged, or complete condition.

8. A repair part which is not in new, unused, or undamaged condition.

9. A farm implement, motorcycle, all-terrain vehicle, or snowmobile which was purchased twenty-four months or more prior to the termination of the franchise.

10. Any inventory which was ordered by the franchisee on or after the date of notification of termination of the franchise.

11. Any inventory which was acquired by the franchisee from a source other than the franchiser with whom the franchise is being terminated.

12. A repair part not listed in the franchiser's current price list in effect on the date of notice of termination or classified as nonreturnable or obsolete by the franchiser as of the date of termination. However, this exception to the repurchase requirement applies only if the franchiser provided the franchisee with an opportunity to return the exempted part prior to notice of termination of the franchise.

84 Acts, ch 1087, §3; 85 Acts, ch 47, §8; 85 Acts, ch 67, §39; 2002 Acts, ch 1011, §6; 2003 Acts, ch 28, §6, 8

**322D.4 Franchiser failure to comply — civil penalty.**

In the event that any franchiser fails to make payment to the franchisee or the franchisee's heir or heirs as required by this chapter within sixty days after the inventory has been received by the franchiser, the franchiser is civilly liable for one hundred percent of the current net price of the inventory; transportation charges which have been paid by the franchisee; eighty-five percent of the current net price of repair parts; five percent of the current net price of repair parts to cover handling, packing and loading, if applicable; and attorney fees incurred by the franchisee or the franchisee's heir or heirs.

84 Acts, ch 1087, §4; 85 Acts, ch 47, §9

**322D.5 Death of a franchisee or majority stockholder.**

If the franchisee is a natural person, the rights under this chapter may be exercised by the heirs of the franchisee upon the death of the franchisee. If the franchisee is a business organization, the rights may be exercised by the heirs of a majority stockholder of the franchisee upon the death of the majority stockholder.

84 Acts, ch 1087, §5

**322D.6 Security interests not affected.**

The provisions of this chapter shall not be construed to affect, in any way, the existence or enforcement of any security interest which a supplier, any financial institution or any other person may have in the inventory of the retailer.

84 Acts, ch 1087, §6; 94 Acts, ch 1121, §1

**322D.7 Application — farm implement franchise agreements.**

This chapter applies until July 1, 1990, to all farm implement franchise agreements in effect before July 1, 1990, which have no expiration date and to all other such agreements entered into or renewed after April 12, 1985, but before July 1, 1990, which will expire after April 12, 1985. Any agreement in effect on April 12, 1985, which by its own terms will terminate on a subsequent date shall be governed by the law as it existed prior to April 12, 1985.

85 Acts, ch 26, §2; 90 Acts, ch 1077, §1

For provisions applicable on and after July 1, 1990, to agricultural equipment dealership agreements having no expiration date or entered into or renewed on or after July 1, 1990, see chapter 322F; §322F.9

**322D.8 Application — motorcycle franchise agreements.**

The rights under section 322D.2, subsection 1, apply to motorcycle franchise agreements in effect on July 1, 1985, which have no expiration date and are continuing agreements, and to those entered into or renewed after July 1, 1985, but only to motorcycles and motorcycle attachments and parts purchased after July 1, 1985.

85 Acts, ch 47, §10

**322D.9 Application — all-terrain vehicles.**

1. This chapter applies to a franchise for all-terrain vehicles only if chapter 322F does not apply to a dealership engaged in the retail sale of equipment designed to be principally used for agricultural operations under chapter 322F.

2. The rights under section 322D.2, subsection 1, shall apply to a franchise for all-terrain vehicles as follows:

*a.* All franchises in effect on July 1, 2002, that have no expiration date and are continuing franchises.

*b.* Franchises that have been executed or renewed on or after July 1, 2002, but only for all-terrain vehicles and related parts or attachments purchased on or after July 1, 2002.

2002 Acts, ch 1011, §7

**322D.10 Application — snowmobile franchise agreements.**

The rights under section 322D.2, subsection 1, apply to snowmobile franchises in effect on January 1, 2003, which have no expiration date and are continuing franchises, and to franchises executed or renewed on or after January 1, 2003, but only to snowmobiles and related parts or attachments purchased on or after January 1, 2003.

2003 Acts, ch 28, §7, 8

# CHAPTER 322E

## MOTOR HOMES AND MANUFACTURER'S CLUB RALLIES

Repealed pursuant to terms of former §322E.3 effective June 30, 2012; 2007 Acts, ch 131, §4

# CHAPTER 322F

## EQUIPMENT DEALERSHIP AGREEMENTS

Referred to in §322D.9, 523H.1, 537A.10

For provisions applicable to certain farm implement and all-terrain vehicle franchise agreements, see chapter 322D, §322D.7


322F.1 Definitions.
322F.2 Notice of termination.
322F.3 Termination of agreement — repurchase of equipment.
322F.4 Security interests not affected.
322F.5 Death or incapacity of dealer.
322F.5A Transfer of dealership.
322F.6 Assignees and successors in interest.
322F.7 Violations.
322F.8 Supplier liability.
322F.9 Applicability.


**322F.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural equipment"* means a device, part of a device, or an attachment to a device designed to be principally used for an agricultural purpose. *"Agricultural equipment"* includes but is not limited to equipment associated with livestock or crop production, horticulture, or floriculture. *"Agricultural equipment"* includes but is not limited to tractors; trailers; combines; tillage, planting, and cultivating implements; balers; irrigation implements; and all-terrain vehicles.

2. *"All-terrain vehicle"* means the same as defined in section 321I.1.

3. *"Construction equipment"*, *"industrial equipment"*, or *"utility equipment"* means a device, part of a device, or an attachment to a device designed to be principally used for a construction or industrial purpose. *"Construction equipment"*, *"industrial equipment"*, or *"utility equipment"* includes equipment associated with earthmoving, industrial material handling, mining, forestry, highway construction or maintenance, and landscaping. *"Construction equipment"*, *"industrial equipment"*, or *"utility equipment"* includes but is not limited to tractors, graders, excavators, loaders, and backhoes.

4. *"Dealer"* or *"dealership"* means a person engaged in the retail sale of equipment.

5. *"Dealership agreement"* means an oral or written agreement, either express or implied, between a supplier and a dealer which provides that the dealer is granted the right to sell, distribute, or service the supplier's equipment, regardless of whether the equipment carries a trade name, trademark, service mark, logotype, advertisement, or other commercial symbol, and which provides evidence of a continuing commercial relationship between the supplier and the dealer.

6. *"Equipment"* means agricultural equipment, construction equipment, industrial equipment, utility equipment, or outdoor power equipment. However, *"equipment"* does not include self-propelled machines designed primarily for the transportation of persons or property on a street or highway.

7. *"Good cause"* means a condition which occurs under any of the following circumstances:

*a.* The dealer fails to substantially comply with an essential and reasonable requirement imposed upon the dealer by the dealership agreement, but only if that requirement is also generally imposed upon similarly situated dealers.

*b.* The dealer has made a material misrepresentation or falsification of any record, contract, report, or other document which the dealer has submitted to the supplier.

*c.* The dealer transfers an interest in the dealership; a person with a substantial interest in the ownership or control of the dealership withdraws from the dealership, including an individual proprietor, partner, major shareholder, or manager; or a substantial reduction occurs in the interest of a partner or major shareholder in the dealership. However, good cause does not exist if the supplier consents to an action described in this paragraph.

*d.* The dealer has filed a voluntary petition in bankruptcy.

*e.* An involuntary petition in bankruptcy has been filed against the dealership and has not been discharged within thirty days after the filing.

*f.* The dealership is subject to a closeout or sale of a substantial part of the dealership equipment or assets related to the equipment.

*g.* A dissolution or liquidation of dealership assets has commenced.

*h.* The dealer's principal place of business is relocated, unless the supplier consents to the change in location.

*i.* The dealer has defaulted under a security agreement, including but not limited to a chattel mortgage, between the dealer and the supplier or any subsidiary or affiliate of the supplier.

*j.* A guarantee of the dealer's present or future obligations to the supplier is revoked or discontinued.

*k.* The dealer has failed to operate in the normal course of business for seven consecutive business days or has otherwise abandoned business operations.

*l.* The dealer has pleaded guilty to or has been convicted of a felony.

*m.* The dealer has engaged in conduct which is injurious or detrimental to the dealer's customers or to the public welfare, including but not limited to, misleading advertising, failing to provide reasonable service or replacement parts, or failing to honor warranty obligations.

*n.* The dealer consistently fails to comply with applicable state licensing requirements relating to the products and services represented on behalf of the supplier.

*o.* The dealer has inadequately represented the manufacturer's product relating to sales when compared to similarly situated dealers.

8. *"Net cost"* means the price the dealer paid to the supplier for the equipment, less applicable discounts.

9. *"Net price"* means the current price listed in the supplier's effective price list or catalog, less any applicable trade or cash discount.

10. *"Outdoor power equipment"* means equipment using small motors or engines, if the equipment is used principally for outside service, including but not limited to aerators, augers, blowers, brush clearers, brush cutters, chain saws, dethatchers, edgers, hedge trimmers, lawn mowers, pole saws, power rakes, snowblowers, and tillers.

11. *"Supplier"* means the manufacturer, wholesaler, or distributor of equipment sold by a dealer.

90 Acts, ch 1077, §2; 2002 Acts, ch 1011, §8, 9; 2003 Acts, ch 55, §1 – 3; 2004 Acts, ch 1086, §62; 2004 Acts, ch 1132, §83

Referred to in §175.37, 214A.1, 322F.2

**322F.2 Notice of termination.**

1. *a.* A supplier shall terminate a dealership agreement for equipment other than outdoor power equipment by cancellation, nonrenewal, or a substantial change in competitive circumstances only upon good cause and upon at least ninety days' prior written notice delivered to the dealer by certified mail or restricted certified mail. A supplier shall terminate a dealership agreement for outdoor power equipment by cancellation or nonrenewal only upon good cause and upon at least ninety days' prior written notice delivered to the dealer by restricted certified mail or hand delivered by a representative of the supplier to the dealer or a designated representative of the dealer.

*b.* A written termination notice must specify each deficiency constituting good cause for the action. The notice must also state that the dealer has sixty days to cure a specified deficiency. If the deficiency is cured within sixty days from the date that the notice is delivered, the notice is void. However, if the deficiency is based on a dealer's inadequate representation of a manufacturer's product relating to sales, as provided in section 322F.1,

the notice must state that the dealer has eighteen months to cure the deficiency. If the deficiency based on inadequate representation of a manufacturer's product relating to sales is cured within eighteen months from the date that notice is delivered, the notice is void.

2. The supplier shall have the right to terminate immediately without notice in the event the action is for good cause as defined in section 322F.1, subsection 7, paragraphs *"b"* through *"m"*.

90 Acts, ch 1077, §3; 2003 Acts, ch 55, §4
Referred to in §322F.8

**322F.3 Termination of agreement — repurchase of equipment.**

1. If a dealership agreement is terminated by cancellation or nonrenewal, the supplier must repurchase equipment and parts in the dealer's inventory and must repurchase special tools and computer hardware or software required for the dealership. The repurchase is subject to the following conditions:

*a.* The supplier must pay to the dealer or credit the dealer's account with one hundred percent of the net cost of all unused complete equipment including attachments. The equipment must be in new condition and purchased by the dealership from the supplier within twenty-four months preceding notification by either party of an intent to terminate the contract.

*b.* The supplier must pay to the dealer or credit the dealer's account with ninety percent of the net price for repair parts, including superseded parts listed in the price lists or catalogs in use by the supplier on the date of termination. The supplier shall also pay the dealer or credit the dealer's account with five percent of the net price on the date of termination on all parts returned for the dealer's handling, packing, and loading of the parts to be returned to the supplier. However, the supplier is not required to pay or credit the five percent if the supplier elects to perform the handling, packing, and loading.

*c.* The supplier shall pay to the dealer or credit the dealer's account with the amortized value of any specific computer hardware or software that the supplier required the dealer to purchase within the five years immediately preceding notification by either party of an intent to terminate the contract.

*d.* The supplier shall pay to the dealer or credit the dealer's account with the following amounts for special repair tools that were unique to the supplier's product line and that are in complete and resalable condition:

(1) Seventy-five percent of the net cost of special repair tools purchased within the three years immediately preceding notification by either party of an intent to terminate the contract.

(2) Fifty percent of the net cost of special repair tools purchased within the four to six years immediately preceding notification by either party of an intent to terminate the contract.

*e.* The supplier shall only be required to repurchase the items described in paragraphs *"c"* and *"d"* if the items are free and clear of all claims, liens, and encumbrances, to the satisfaction of the supplier.

*f.* The supplier must pay to the dealer or credit the dealer's account with one hundred percent of the net cost of all equipment used in demonstrations, including equipment leased primarily for demonstration or lease, at the equipment's agreed-upon depreciated value, provided that such equipment is in new condition and has not been abused.

2. Upon payment or allowance of a credit to the dealer's account as required in this section, the title to the repurchased equipment is transferred to the supplier making the repurchase, and the supplier may take immediate possession of the repurchased equipment.

3. The supplier must make payment or allowance of a credit as required under this section not later than ninety days from the date that the supplier takes possession of the repurchased equipment.

4. This section does not require repurchase from the dealer of repair parts which have a limited storage life or are otherwise subject to deterioration, including but not limited to rubber items, gaskets, and batteries. This section also does not require repurchase from the dealer of parts in broken or damaged packages, single repair parts priced as a set of two or

more items, or repair parts which because of their condition are not resalable as new parts without new packaging or reconditioning.

90 Acts, ch 1077, §4; 2001 Acts, ch 42, §1, 2; 2003 Acts, ch 55, §5

Referred to in §322F.5, 322F.8

**322F.4 Security interests not affected.**

This chapter shall not be construed to affect the existence or enforcement of a security interest which any person, including a supplier or financial institution, may have in the inventory of the dealer.

90 Acts, ch 1077, §5; 94 Acts, ch 1121, §2

**322F.5 Death or incapacity of dealer.**

If a dealer or a person holding a majority interest in a business entity operating a dealership dies or is incapacitated, the rights under this chapter may be exercised as an option by the heirs at law if the dealer or majority interest holder died intestate, or by the executor under the terms of the dealer's or majority interest holder's will. If the heirs or the executor do not exercise this option within twelve months from the date of death of the dealer or majority interest holder, the supplier must repurchase the equipment as if the supplier had terminated the dealership agreement pursuant to section 322F.3. However, this section does not entitle an heir, executor, administrator, legatee, or devisee of a deceased dealer or majority interest holder to continue to operate the dealership without the consent of the supplier.

90 Acts, ch 1077, §6; 2003 Acts, ch 55, §6

**322F.5A Transfer of dealership.**

1. If a supplier has contractual authority to approve or deny a request for a sale or transfer of a dealer's business or an equity ownership interest in the business, the supplier shall approve or deny the request within sixty days after receiving a written request from the dealer. If the supplier has not approved or denied the request within the sixty-day period, the request shall be deemed approved. The dealer's request shall include reasonable financial information, personal background information, character references, and work histories for each acquiring person.

2. If a supplier denies a request made pursuant to this section, the supplier shall provide the dealer with a written notice of the denial that states the reasons for the denial. A supplier may only deny a request based on the failure of a proposed transferee to meet the reasonable requirements consistently imposed by the supplier in determining whether to approve a transfer or a new dealership.

2005 Acts, ch 27, §1

Referred to in §322F.9

**322F.6 Assignees and successors in interest.**

The obligations under this chapter apply to the supplier's assignee or successor in interest. A successor in interest includes, but is not limited to, a purchaser of assets or stock, a surviving corporation resulting from a merger or liquidation, a receiver, or a trustee of the supplier.

90 Acts, ch 1077, §7

**322F.7 Violations.**

A violation of this chapter includes but is not limited to a supplier doing any of the following:

1. Requires a dealer to accept delivery of equipment that the dealer has not ordered.

2. Requires a dealer to order or accept delivery of equipment with special features or accessories not included in the base price list of equipment as publicly advertised by the supplier.

3. Requires a dealer to enter into any agreement, whether written or oral, which amends or supplements an existing dealership agreement with the supplier, unless the supplementary or amendatory agreement is imposed on other similarly situated dealers.

4. Requires as a condition of renewal or extension of a dealership agreement that the dealer complete substantial renovation of the dealer's place of business, or acquire new or

additional space to serve as the dealer's place of business, unless the supplier provides at least one year's written notice of the condition which states all grounds supporting the condition. The supplier must provide a reasonable time for the dealer to complete the renovation or acquisition.

5. Requires a dealer to refuse to purchase equipment distributed by another supplier.

6. Discriminates in the prices charged for equipment of like grade and quality sold by the supplier to similarly situated dealers. This subsection does not prevent the use of differentials which make only due allowance for costs related to the manufacture, sale, or delivery of equipment, or to methods or quantities of equipment sold or delivered.

7. *a.* (1) For a dealership agreement governing equipment other than outdoor power equipment, takes action terminating, canceling, or failing to renew the dealership agreement, or substantially changes the competitive circumstances intended by the dealership agreement, due to the results of conditions beyond the dealer's control, including drought, flood, labor disputes, or economic recession.

(2) For a dealership agreement governing outdoor power equipment, takes action terminating, canceling, or failing to renew the dealership agreement due to the results of conditions beyond the dealer's control, including drought, flood, labor disputes, or economic recession.

*b.* This subsection shall not apply if the dealer is in default of a security agreement in effect with the supplier.

90 Acts, ch 1077, §8; 2003 Acts, ch 55, §7; 2004 Acts, ch 1086, §63; 2011 Acts, ch 44, §1
Referred to in §322F.8

**322F.8 Supplier liability.**

1. *a.* (1) A dealer may bring a legal action against a supplier for damages sustained by the dealer as a consequence of the supplier's violation of any provision of this chapter, including but not limited to a violation described in section 322F.7. A supplier violating this chapter shall compensate the dealer for damages sustained by the dealer as a consequence of the supplier's violation, together with the actual costs of the action, including reasonable attorney fees.

(2) For a dealership agreement governing equipment other than outdoor power equipment, a dealer may be granted injunctive relief against unlawful termination, cancellation, or the nonrenewal of the dealership agreement, or a substantial change of competitive circumstances as provided in section 322F.2.

(3) For a dealership agreement governing outdoor power equipment, a dealer may be granted injunctive relief against unlawful termination, cancellation, or the nonrenewal of the dealership agreement as provided in section 322F.2.

*b.* The remedies in this section are in addition to any other remedies permitted by law.

2. *a.* If the payment or allowance of equipment repurchased pursuant to section 322F.3 is not made as required, or the supplier is found liable for damages pursuant to subsection 1, paragraph "*a*", subparagraph (1), the amount due to the dealer shall bear interest at the rate of one and one-half percent per month calculated from the date that the dealership agreement was terminated.

*b.* Upon termination of a dealership agreement by nonrenewal or cancellation, by a dealer or supplier, if the supplier fails to make payment or credit the account of the dealer as provided in any provision of this chapter, the supplier is liable in a civil action brought by the dealer for the repurchase amount set forth in section 322F.3, plus interest as calculated pursuant to paragraph "*a*". The supplier's civil liability as provided in this paragraph shall be in addition to and not in lieu of any remedy provided by subsection 1, paragraph "*a*", subparagraph (1).

3. The requirements of this chapter supplement any agreement between a dealer and a supplier. The dealer may elect either to pursue contractual remedies under the dealership agreement or remedies provided under this chapter. An election by the dealer to pursue a remedy provided under this chapter does not bar the dealer from pursuing any other remedy under law or equity, including contractual remedies. This chapter does not affect rights of

the supplier to charge back to the dealer's accounts amounts previously paid or credited as a discount to the dealer's purchase of goods, including equipment.

90 Acts, ch 1077, §9; 2003 Acts, ch 55, §8, 9; 2011 Acts, ch 44, §2, 3

**322F.9 Applicability.**

1. A term of a dealership agreement that is inconsistent with the terms of this chapter is void and unenforceable and does not waive any rights that are provided to a person by this chapter.

2. *a.* For all dealership agreements other than those provided for in this section, this chapter applies to those dealership agreements in effect that have no expiration date and all other dealership agreements entered into or renewed on or after July 1, 1990. Any such dealership agreement in effect on June 30, 1990, which by its own terms will terminate on a subsequent date, shall be governed by the law as it existed prior to July 1, 1990.

*b.* For all dealership agreements governing all-terrain vehicles, this chapter applies to those dealership agreements in effect that have no expiration date and all other such dealership agreements entered into or renewed on or after July 1, 2002. Any such dealership agreement in effect on July 1, 2002, which by its own terms will terminate on a subsequent date, shall be governed by the law as it existed prior to July 1, 2002.

*c.* For all dealership agreements governing agricultural equipment used principally for floriculture and for all dealership agreements governing construction equipment, industrial equipment, utility equipment, and outdoor power equipment, this chapter applies to those dealership agreements in effect that have no expiration date and all other such dealership agreements entered into or renewed on or after July 1, 2003. Any dealership agreement in effect on July 1, 2003, which by its own terms will terminate on a subsequent date, shall be governed by the law as it existed prior to July 1, 2003.

*d.* For all dealership agreements governing the sale or transfer of a dealer's business, section 322F.5A applies to those dealership agreements in effect that have no expiration date and all other such dealership agreements entered into or renewed on or after July 1, 2005. Any dealership agreement in effect on July 1, 2005, which by its own terms will terminate on a subsequent date, shall be governed by the law as it existed prior to July 1, 2005.

90 Acts, ch 1077, §10; 2002 Acts, ch 1011, §10; 2003 Acts, ch 55, §10; 2005 Acts, ch 27, §2

Applicability of chapter 322D to farm implement and all-terrain vehicle franchise agreements; §322D.7, 322D.9

# CHAPTER 322G

## DEFECTIVE MOTOR VEHICLES (LEMON LAW)

Referred to in §321.24, 321.105A


322G.1 Legislative intent.
322G.2 Definitions.
322G.3 Duties of manufacturer.
322G.4 Nonconformity of motor vehicles.
322G.5 Affirmative defenses.
322G.6 Informal dispute settlement procedures — operations and certification.
322G.7 Informal dispute settlement procedure — certification uniformity.
322G.8 Consumer remedies.
322G.9 Compliance and disciplinary action.
322G.10 Unfair or deceptive trade practice.
322G.11 Dealer liability.
322G.12 Resale of returned vehicles.
322G.13 Certain agreements void.
322G.14 Rulemaking authority.
322G.15 Applicability.


**322G.1 Legislative intent.**

The general assembly recognizes that a motor vehicle is a major consumer acquisition and that a defective motor vehicle undoubtedly creates a hardship for the consumer. The general assembly further recognizes that a duly franchised motor vehicle dealer is an authorized

service agent of the manufacturer. It is the intent of the general assembly that a good faith motor vehicle warranty complaint by a consumer be resolved by the manufacturer within a specified period of time. It is further the intent of the general assembly to provide the statutory procedures whereby a consumer may receive a replacement motor vehicle, or a full refund, for a motor vehicle which cannot be brought into conformity with the warranty provided for in this chapter. However, this chapter does not limit the rights or remedies which are otherwise available to a consumer under any other law.

91 Acts, ch 153, §1

**322G.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Collateral charges"* means those additional charges to a consumer wholly incurred as a result of the acquisition of the motor vehicle. For the purposes of this chapter, collateral charges include, but are not limited to, charges for manufacturer-installed or agent-installed items, earned finance charges, use taxes, and title charges.

2. *"Condition"* means a general problem that may be attributable to a defect in more than one part.

3. *"Consumer"* means the purchaser or lessee, other than for purposes of lease or resale, of a new or previously untitled motor vehicle, or any other person entitled by the terms of the warranty to enforce the obligations of the warranty during the duration of the lemon law rights period.

4. *"Days"* means calendar days.

5. *"Department"* means the attorney general.

6. *"Incidental charges"* means those reasonable costs incurred by the consumer, including, but not limited to, towing charges and the costs of obtaining alternative transportation, which are the direct result of the nonconformity or nonconformities which are the subject of the claim. Incidental charges do not include loss of use, loss of income, or personal injury claims.

7. *"Lease price"* means the aggregate of the following:

*a.* Lessor's actual purchase costs.

*b.* Collateral charges, if applicable.

*c.* Any fee paid to another to obtain the lease.

*d.* Any insurance or other costs expended by the lessor for the benefit of the lessee.

*e.* An amount equal to state and local use taxes, not otherwise included as collateral charges, paid by the lessor when the vehicle was initially purchased.

*f.* An amount equal to five percent of the lessor's actual purchase cost.

8. *"Lemon law rights period"* means the term of the manufacturer's written warranty, the period ending two years after the date of the original delivery of a motor vehicle to a consumer, or the first twenty-four thousand miles of operation attributable to a consumer, whichever expires first.

9. *"Lessee"* means any consumer who leases a motor vehicle for one year or more pursuant to a written lease agreement which provides that the lessee is responsible for repairs to the motor vehicle.

10. *"Lessee cost"* means the aggregate of the deposit and rental payments previously paid to the lessor for the leased vehicle.

11. *"Lessor"* means a person who holds the title to a motor vehicle leased to a lessee under a written lease agreement or who holds the lessor's rights under the agreement.

12. *"Manufacturer"* means a person engaged in the business of constructing or assembling new motor vehicles or installing on previously assembled vehicle chassis special bodies or equipment which, when installed, form an integral part of the new motor vehicle, or a person engaged in the business of importing new motor vehicles into the United States for the purpose of selling or distributing the new motor vehicles to new motor vehicle dealers.

13. *"Motor vehicle"* means a self-propelled vehicle purchased or leased in this state, except as provided in section 322G.15, and primarily designed for the transportation of persons or property over public streets and highways, but does not include mopeds, motorcycles, motor homes, or vehicles over ten thousand pounds gross vehicle weight rating.

14. *"Nonconformity"* means a defect, malfunction, or condition in a motor vehicle such that the vehicle fails to conform to the warranty, but does not include a defect, malfunction, or condition that results from an accident, abuse, neglect, modification, or alteration of the motor vehicle by persons other than the manufacturer or its authorized service agent.

15. *"Person"* means person as defined in section 714.16.

16. *"Program"* means an informal dispute settlement procedure established by a manufacturer which mediates and arbitrates motor vehicle warranty disputes arising in this state.

17. *"Purchase price"* means the cash price paid for the motor vehicle appearing in the sales agreement or contract, including any net allowance given for a trade-in vehicle.

18. *"Reasonable offset for use"* means the number of miles attributable to a consumer up to the date of the third attempt to repair the same nonconformity which is the subject of the claim, or the first attempt to repair a nonconformity that is likely to cause death or serious bodily injury, or the twentieth cumulative day when the vehicle is out of service by reason of repair of one or more nonconformities, whichever occurs first, multiplied by the purchase price of the vehicle, or in the event of a leased vehicle, the lessor's actual lease price plus an amount equal to two percent of the purchase price, and divided by one hundred twenty thousand.

19. *"Replacement motor vehicle"* means a motor vehicle which is identical or reasonably equivalent to the motor vehicle to be replaced, and as the motor vehicle to be replaced would have existed without the nonconformity at the time of original acquisition.

20. *"Substantially impair"* means to render the motor vehicle unfit, unreliable, or unsafe for warranted or ordinary use, or to significantly diminish the value of the motor vehicle.

21. *"Warranty"* means any written warranty issued by the manufacturer; or any affirmation of fact or promise made by the manufacturer, excluding statements made by the dealer, in connection with the sale or lease of a motor vehicle to a consumer, which relates to the nature of the material or workmanship and affirms or promises that the material or workmanship is free of defects or will meet a specified level of performance.

91 Acts, ch 153, §2; 95 Acts, ch 45, §6

**322G.3 Duties of manufacturer.**

1. At the time of the consumer's purchase or lease of the vehicle, the manufacturer shall provide to the consumer a written statement that explains the consumer's rights and obligations under this chapter. The written statement shall be prepared by the attorney general and shall contain a telephone number that the consumer can use to obtain information from the attorney general regarding the rights and obligations provided under this chapter.

2. At the time of the consumer's purchase or lease of the vehicle, the manufacturer shall provide to the consumer the address and phone number for the zone, district, or regional office of the manufacturer for this state where a claim may be filed by the consumer. This information shall be provided to the consumer in a clear and conspicuous manner. Within thirty days of the introduction of a new model year for each make and model of motor vehicle sold in this state, the manufacturer shall notify the attorney general of such introduction. The manufacturer shall also inform the attorney general that a copy of the owner's manual and applicable written warranties shall be provided upon request and provide information as to where the request should be made. The manufacturer shall inform the attorney general where such a request should be directed and shall provide the copy of the owner's manual and applicable written warranties within five business days of a request by the attorney general.

3. A manufacturer or the authorized service agent of the manufacturer shall make repairs as necessary to conform the vehicle to the warranty if a motor vehicle does not conform to the warranty and the consumer reports the nonconformity to the manufacturer or authorized service agent during the lemon law rights period. Such repairs shall be made irrespective of whether they can be made prior to the expiration of the lemon law rights period.

4. A manufacturer or the authorized service agent of the manufacturer, shall provide to the consumer, each time the motor vehicle is returned after being examined or repaired under the warranty, a fully itemized, legible statement or repair order indicating any

diagnosis made, and all work performed on the motor vehicle including, but not limited to, a general description of the problem reported by the consumer or an identification of the defect or condition, parts and labor, the date and the odometer reading when the motor vehicle was submitted for examination or repair, and the date when the repair or examination was completed.

5. Upon request from the consumer, the manufacturer, or the authorized service agent of the manufacturer, shall provide a copy of either or both of the following:

*a.* Any report or printout of any diagnostic computer operation compiled by the manufacturer or authorized service agent regarding an inspection or diagnosis of the motor vehicle.

*b.* A copy of any technical service bulletin issued by the manufacturer regarding the year and model of the motor vehicle as it pertains to any material, feature, component, or the performance of the motor vehicle.

91 Acts, ch 153, §3
Referred to in §322G.15

**322G.4 Nonconformity of motor vehicles.**

1. *a.* After three attempts have been made to repair the same nonconformity that substantially impairs the motor vehicle, or after one attempt to repair a nonconformity that is likely to cause death or serious bodily injury, the consumer may give written notification, which shall be by certified or registered mail or by overnight service, to the manufacturer of the need to repair the nonconformity in order to allow the manufacturer a final attempt to cure the nonconformity. The manufacturer shall, within ten days after receipt of such notification, notify and provide the consumer with the opportunity to have the vehicle repaired at a reasonably accessible repair facility and after delivery of the vehicle to the designated repair facility by the consumer, the manufacturer shall, within ten days, conform the motor vehicle to the warranty. If the manufacturer fails to notify and provide the consumer with the opportunity to have the vehicle repaired at a reasonably accessible repair facility or perform the repairs within the time periods prescribed in this subsection, the requirement that the manufacturer be given a final attempt to cure the nonconformity does not apply.

*b.* After twenty or more cumulative days when the motor vehicle has been out of service by reason of repair of one or more nonconformities, the consumer may give written notification to the manufacturer which shall be by certified or registered mail or by overnight service. Commencing upon the date such notification is received, the manufacturer has ten cumulative days when the vehicle has been out of service by reason of repair of one or more nonconformities to conform the motor vehicle to the warranty.

2. *a.* If the manufacturer, or its authorized service agent, has not conformed the motor vehicle to the warranty by repairing or correcting one or more nonconformities that substantially impair the motor vehicle after a reasonable number of attempts, the manufacturer shall, within forty days of receipt of payment by the manufacturer of a reasonable offset for use by the consumer, replace the motor vehicle with a replacement motor vehicle acceptable to the consumer, or repurchase the motor vehicle from the consumer or lessor and refund to the consumer or lessor the full purchase or lease price, less a reasonable offset for use. The replacement or refund shall include payment of all collateral and reasonably incurred incidental charges. The consumer has an unconditional right to choose a refund rather than a replacement. If the consumer elects to receive a refund, and the refund exceeds the amount of the payment for a reasonable offset for use, the requirement that the consumer pay the reasonable offset for use in advance does not apply, and the manufacturer shall deduct that amount from the refund due to the consumer. If the consumer elects a replacement motor vehicle, the manufacturer shall provide the consumer a substitute motor vehicle to use until such time as the replacement vehicle is delivered to the consumer. At the time of the refund or replacement, the consumer, lienholder, or lessor shall furnish to the manufacturer clear title to and possession of the original motor vehicle.

*b.* Refunds shall be made to the consumer and lienholder of record, if any, as their interests appear. If applicable, refunds shall be made to the lessor and lessee as follows: the lessee

shall receive the lessee's cost less a reasonable offset for use, and the lessor shall receive the lease price less the aggregate deposit and rental payments previously paid to the lessor for the leased vehicle. If it is determined that the lessee is entitled to a refund pursuant to this chapter, the consumer's lease agreement with the lessor is terminated upon payment of the refund and no penalty for early termination shall be assessed. The department of revenue shall refund to the manufacturer any use tax or fee for new registration which the manufacturer refunded to the consumer, lessee, or lessor under this section, if the manufacturer provides to the department of revenue a written request for a refund and evidence that the use tax or fee for new registration was paid when the vehicle was purchased and that the manufacturer refunded the use tax or fee for new registration to the consumer, lessee, or lessor.

3. *a.* It is presumed that a reasonable number of attempts have been undertaken to conform a motor vehicle to the warranty if, during the lemon law rights period, any of the following occur:

(1) The same nonconformity that substantially impairs the motor vehicle has been subject to examination or repair at least three times by the manufacturer or its authorized service agent, plus a final attempt by the manufacturer to repair the motor vehicle if undertaken as provided for in subsection 1, and such nonconformity continues to exist.

(2) A nonconformity that is likely to cause death or serious bodily injury has been subject to examination or repair at least one time by the manufacturer or its authorized service agent, plus a final attempt by the manufacturer to repair the motor vehicle if undertaken as provided for in subsection 1, and such nonconformity continues to exist.

(3) The motor vehicle has been out of service by reason of repair by the manufacturer, or its authorized service agent, of one or more nonconformities that substantially impair the motor vehicle for a cumulative total of thirty or more days, exclusive of down time for routine maintenance prescribed by the owner's manual. The thirty-day period may be extended by any period of time during which repair services are not available to the consumer because of war, invasion, strike, fire, flood, or natural disaster.

*b.* The terms of this subsection shall be extended for a period of up to two years after the date of the original delivery of a motor vehicle to a consumer, or the first twenty-four thousand miles of operation attributable to a consumer, whichever occurs first, if a nonconformity has been reported but has not been cured by the manufacturer, or its authorized service agent, before the expiration of the lemon law rights period.

4. A manufacturer, or its authorized service agent, shall not refuse to examine or repair any nonconformity for the purpose of avoiding liability under this chapter.

91 Acts, ch 153, §4; 2003 Acts, ch 145, §286; 2008 Acts, ch 1113, §107; 2010 Acts, ch 1061, §180

Referred to in §321.105A, 322G.6, 322G.8, 322G.12

**322G.5 Affirmative defenses.**

Any of the following is an affirmative defense to a claim under this chapter:

1. The alleged nonconformity or nonconformities do not substantially impair the motor vehicle.

2. A nonconformity is the result of an accident, abuse, neglect, or unauthorized modification or alteration of the motor vehicle by a person other than the manufacturer or its authorized service agent.

3. The claim by the consumer was not filed in good faith.

4. Any other defense allowed by law which may be raised against the claim.

91 Acts, ch 153, §5

**322G.6 Informal dispute settlement procedures — operations and certification.**

1. At the time of the consumer's purchase or lease of the vehicle, a manufacturer who has established a program certified pursuant to this section shall, at a minimum, clearly and conspicuously disclose to the consumer in written materials accompanying the vehicle how and where to file a claim with the program.

2. A certified program shall be funded and competently staffed at a level sufficient to ensure fair and expeditious resolution of all disputes, and shall not charge consumers any

fee for use of the program. The manufacturer shall take all steps necessary to ensure that a certified program and its staff and decision makers are sufficiently insulated from the manufacturer so that the performance of the staff and the decisions of the decision makers are not influenced by the manufacturer. Such steps, at a minimum, shall ensure that the manufacturer does not make decisions on whether a consumer's dispute proceeds to the decision maker. Staff and decision makers of a certified program shall be trained in the provisions of this chapter and rules adopted under this chapter.

3. *a.* A certified program shall allow an oral presentation by a party, or by a party's employee, agent, or representative.

*b.* Within five days following the consumer's notification to the certified program of the dispute, the program shall inform each party of their right to make an oral presentation.

*c.* Meetings of a certified program to hear and decide disputes shall be open to observers, including either party to the dispute, on reasonable and nondiscriminatory terms.

4. A certified program shall render a decision no later than sixty days from the day of the consumer's notification of the dispute, provided that a significant number of decisions are rendered within forty days. For the purposes of this section, notification is deemed to have occurred when a certified program has received the consumer's name and address; the current date and the date of the original delivery of the motor vehicle to a consumer; the year, make, model, and identification number of the motor vehicle; and a description of the nonconformity. If the consumer has not previously notified the manufacturer of the nonconformity, the sixty-day period is extended for an additional seven days.

5. A certified program shall, in rendering decisions, take into account the provisions of this chapter and all legal and equitable factors germane to a fair and just decision. The decision shall disclose to the consumer and the manufacturer the reasons for the decision, and the manufacturer's required actions, if applicable. If the decision is in favor of the consumer, the consumer shall have up to twenty-five days from the date of receipt of the certified program's decision to indicate acceptance of the decision. The decision shall prescribe a reasonable period of time, not to exceed thirty days from the date the consumer notifies the manufacturer of acceptance of the decision, within which the manufacturer must fulfill the terms of the decision. If the manufacturer has had a reasonable number of attempts to conform a motor vehicle to the warranty as set forth in section 322G.4, subsection 3, including a final attempt by the manufacturer to repair the motor vehicle, if undertaken as provided for in section 322G.4, subsection 1, and the consumer is entitled to a replacement vehicle or a refund under section 322G.4, subsection 2, the decision shall be limited to relief as allowed under section 322G.4, subsection 2. In an action brought by a consumer under this chapter, the decision of a certified program is admissible in evidence.

6. A certified program shall establish written procedures which explain operation of the certified program. Copies of the written procedures shall be made available to any person upon request and shall be sent to the consumer upon notification of the dispute.

7. A certified program shall retain all records for each dispute for at least four years after the final disposition of the dispute. A certified program shall have an independent audit conducted annually to determine whether the manufacturer and its performance and the program and its implementation are in compliance with this chapter. All records for each dispute shall be available for the audit. Such audit, upon completion, shall be forwarded to the attorney general.

8. Any manufacturer licensed to sell motor vehicles in this state may apply to the attorney general for certification of its program. A manufacturer seeking certification of its program in this state shall submit to the attorney general an application for certification on a form prescribed by the attorney general.

9. A program certified in this state or a program established by a manufacturer applying for certification in this state shall submit to the attorney general a copy of each settlement approved by the program or decision made by the decision maker within thirty days after the settlement is reached or the decision is rendered. The decision or settlement shall contain information prescribed by the attorney general.

10. The attorney general shall review the operations of any certified program at least once annually. The attorney general shall prepare annual and periodic reports evaluating the

operation of certified programs serving consumers in this state or programs established by motor vehicle manufacturers applying for certification in this state. The reports shall indicate whether certification should be granted, renewed, denied, or revoked.

11. If a manufacturer has established a program which the attorney general has certified as substantially complying with the provisions of and the rules adopted under this chapter, and has informed the consumer how and where to file a claim with the program pursuant to subsection 1, the provisions of section 322G.4, subsection 2, do not apply to any consumer who has not first resorted to the program.

91 Acts, ch 153, §6; 2010 Acts, ch 1061, §180

Referred to in §322G.7, 322G.15

**322G.7 Informal dispute settlement procedure — certification uniformity.**

To facilitate uniform application, interpretation, and enforcement of this section and section 322G.6, and in implementing rules adopted pursuant to section 322G.14, the attorney general may cooperate with agencies that perform similar functions in any other states that enact these or similar sections. The cooperation authorized by this subsection may include any of the following:

1. Establishing a central depository for copies of all applications and accompanying materials submitted by manufacturers for certification, and all reports prepared, notices issued, and determinations made by the attorney general under section 322G.6.
2. Sharing and exchanging information, documents, and records pertaining to program operations.
3. Sharing personnel to perform joint reviews, surveys, and investigations of program operations.
4. Preparing joint reports evaluating program operations.
5. Granting joint certifications and certification renewals.
6. Issuing joint denials or revocations of certification.
7. Holding a joint administrative hearing.
8. Formulating, in accordance with chapter 17A, the administrative procedure Act, rules or proposed rules on matters such as guidelines, forms, statements of policy, interpretative opinions, and any other information necessary to implement section 322G.6.

91 Acts, ch 153, §7

**322G.8 Consumer remedies.**

1. If a consumer resorts to a manufacturer's certified program and a decision is not rendered within the time periods allowed in this chapter, or a manufacturer has no certified program and the consumer has notified the manufacturer pursuant to section 322G.4, subsection 1, the consumer may file an action in district court under this chapter within one year from the expiration of the lemon law rights period or an extension of the period pursuant to section 322G.4, subsection 3.

2. If a consumer resorts to a manufacturer's certified program and is not satisfied with the performance of the manufacturer as ordered in the decision, or the manufacturer does not perform as directed by the decision within the time period specified in the decision, the consumer may file an action in district court under this chapter within six months after the date prescribed in the decision by which the manufacturer must fulfill the terms of the decision. If the consumer declines to accept the decision of the manufacturer's certified program, the consumer may appeal the decision pursuant to subsection 4. For purposes of this subsection, "*not satisfied with the performance of the decision*" means, following the consumer's acceptance of the decision, the consumer indicates that the manufacturer failed to comply with the terms of the decision within the time specified in the decision or failed to cure the nonconformity within the time specified in the decision if further repairs were ordered.

3. In an action under either subsection 1 or 2, the court shall award a consumer who prevails the amount of any pecuniary loss, including relief the consumer is entitled to under section 322G.4, subsection 2, reasonable attorney's fees, and costs. In addition, if the court

affirms the decision of the certified program, the court may award any additional amounts allowed under subsection 7.

4. A certified program's decision is final unless appealed by either party. A petition to the district court to appeal a decision must be made within fifty days after receipt of the decision or within twenty-five days from the date the consumer indicates acceptance of the decision to the manufacturer, whichever occurs first. Within seven days after the petition has been filed, the appealing party must send, by certified, registered, or express mail, a copy of the petition to the attorney general. If the attorney general receives no notice of the petition within sixty days after the manufacturer's receipt of a decision in favor of the consumer, and the consumer has indicated acceptance of the decision within the twenty-five days of receipt of the decision, but the manufacturer has neither complied with, nor petitioned to appeal the decision, the attorney general may apply to the court to impose a fine up to one thousand dollars per day against the manufacturer until the amount stands at twice the purchase price of the motor vehicle, unless the manufacturer provides clear and convincing evidence that the delay or failure was beyond its control or was acceptable to the consumer as evidenced by a written statement signed by the consumer. If the manufacturer fails to provide such evidence or fails to pay the fine, the attorney general shall initiate proceedings against the manufacturer for failure to pay the fine. The proceeds from the fine imposed shall be placed in the attorney general's motor vehicle fraud and odometer law enforcement fund for implementation and enforcement of this chapter.

5. If the manufacturer fails to comply with a decision which has been timely accepted by the consumer or fails to file a timely petition for appeal, the court shall affirm the board's decision upon application by the consumer.

6. An appeal of a decision by a certified program to the court by a consumer or a manufacturer shall be tried de novo, and may be based upon stipulated facts. In a written petition to appeal a decision by the board, the appealing party must state the action requested and the grounds relied upon for appeal.

7. If a decision of the certified program in favor of the consumer is affirmed or upheld by the court, recovery by the consumer shall include the pecuniary value of the award, including relief the consumer is entitled to under section 322G.4, subsection 2, attorney's fees incurred in obtaining confirmation of the award, and all costs and continuing damages in an amount of twenty-five dollars per day for all days beyond the twenty-five-day period following the manufacturer's receipt of the consumer's acceptance of the certified program's decision. If a court determines that a manufacturer filed a petition for appeal to be tried de novo in bad faith or brought such an appeal solely for the purpose of harassment, the court shall double, and may triple, the amount of the total award, after consideration of all circumstances.

8. Appellate review of a court decision in favor of the consumer may be conditioned upon payment by the manufacturer of the consumer's attorney's fees and giving security for costs and expenses resulting from the review period.

9. This chapter does not prohibit a consumer from pursuing other rights or remedies under any other law.

91 Acts, ch 153, §8

**322G.9 Compliance and disciplinary action.**

The attorney general may enforce and ensure compliance with the provisions of this chapter and rules adopted pursuant to section 322G.14, may issue subpoenas requiring the attendance of witnesses and the production of evidence, and may petition any court having jurisdiction to compel compliance with the subpoenas. The attorney general may levy and collect an administrative fine in an amount not to exceed one thousand dollars for each violation against any manufacturer found to be in violation of this chapter or rules adopted pursuant to section 322G.14. A manufacturer may request a hearing pursuant to chapter 17A, the administrative procedure Act, if the manufacturer contests the fine levied against it. The proceeds from any fine levied and collected pursuant to this section shall be placed in the attorney general's motor vehicle fraud and odometer law enforcement fund for implementation and enforcement of this chapter.

91 Acts, ch 153, §9

**322G.10 Unfair or deceptive trade practice.**

A violation by a manufacturer of this chapter is an unfair or deceptive trade practice in violation of section 714.16, subsection 2, paragraph "*a*".

91 Acts, ch 153, §10

**322G.11 Dealer liability.**

This chapter, except for the requirements of section 322G.12, does not impose any liability on a franchised motor vehicle dealer or create a cause of action by a consumer against a dealer. A dealer shall not be made a party defendant in any action involving or relating to this chapter, except as provided in this section. The manufacturer shall not charge back or require reimbursement by the dealer for any costs, including but not limited to any refunds or vehicle replacements, incurred by the manufacturer pursuant to this chapter, in the absence of a finding by a court that the related repairs had been carried out by the dealer in a manner substantially inconsistent with the manufacturer's published instructions. A manufacturer who is found by a court to have improperly charged back a dealer because of a violation of this section is liable to the injured dealer for full reimbursement plus reasonable costs and any attorney's fees.

91 Acts, ch 153, §11; 95 Acts, ch 45, §7

**322G.12 Resale of returned vehicles.**

A manufacturer who accepts the return of a motor vehicle pursuant to a settlement, determination, or decision under this chapter shall notify the state department of transportation, report the vehicle identification number of that motor vehicle within ten days after the acceptance, and obtain a new certificate of title for the vehicle in the manufacturer's name pursuant to section 321.46. In obtaining a new certificate of title, the manufacturer shall title the vehicle in the county of the transferor's residence and shall be exempt from the registration fee requirements of section 321.46 and the fee for new registration under section 321.105A. The new certificate of title, and all subsequent registration receipts and certificates of title issued for the motor vehicle, shall contain a designation indicating that the motor vehicle was returned to the manufacturer pursuant to this chapter or a similar law of another state. The state department of transportation shall determine the manner in which the designation is to be indicated on registration receipts and certificates of title and may determine that a "REBUILT" or "SALVAGE" designation supersedes the designation required by this paragraph and include the "REBUILT" or "SALVAGE" designation on the registration receipt and certificate of title in lieu of the designation required by this paragraph.

A person shall not knowingly lease, sell, either at wholesale or retail, or transfer a title to a motor vehicle returned by reason of a settlement, determination, or decision pursuant to this chapter or a similar law of another state unless the nature of the nonconformity is clearly and conspicuously disclosed to the prospective transferee, lessee, or buyer. The attorney general shall prescribe by rule the form, content, and procedure pertaining to such a disclosure statement, recognizing the need of manufacturers to implement a uniform disclosure form. The manufacturer shall make a reasonable effort to ensure that such disclosure is made to the first subsequent retail buyer or lessee. For purposes of this section, "*settlement*" includes an agreement entered into between the manufacturer and the consumer that occurs after the thirtieth day following the manufacturer's receipt of the consumer's written notification pursuant to section 322G.4.

91 Acts, ch 153, §12; 95 Acts, ch 45, §8; 2000 Acts, ch 1047, §3, 4; 2008 Acts, ch 1113, §108

Referred to in §312.2, 321.46, 321.105A, 322G.11

**322G.13 Certain agreements void.**

Any agreement entered into by a consumer that waives, limits, or disclaims the rights set forth in this chapter is void as contrary to public policy.

91 Acts, ch 153, §13

**322G.14 Rulemaking authority.**

1. The attorney general shall adopt rules as necessary to implement this chapter.

2. In prescribing rules and forms under this chapter, the attorney general may cooperate with agencies that perform similar functions in other states with a view to effectuating the policy of this chapter to achieve maximum uniformity in the form and content of certification, regulation, and procedural evaluation of manufacturer-established programs, required recordkeeping, required reporting wherever practicable, and required notices to consumers.

91 Acts, ch 153, §14
Referred to in §322G.7, 322G.9

**322G.15 Applicability.**

1. This chapter takes effect July 1, 1991, and applies to motor vehicles originally purchased or leased by consumers on or after that date.

2. This chapter applies to motor vehicles originally purchased or leased in this state and, except for section 322G.3, subsections 1 and 2, and section 322G.6, subsection 1, applies to motor vehicles originally purchased or leased in other states, if the consumer is a resident of this state at the time the consumer's rights are asserted under this chapter.

91 Acts, ch 153, §15; 95 Acts, ch 45, §9; 96 Acts, ch 1079, §10
Referred to in §322G.2

# CHAPTER 323

## MOTOR FUEL AND SPECIAL FUEL


323.1 Definitions.
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323.3 Discontinuing dealer franchise.
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**323.1 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Blender pump"* means a motor fuel blender pump as defined in section 214.1 that dispenses motor fuel or special fuel in a manner required pursuant to chapters 214 and 214A.

2. *"Dealer"* means a person, other than an employee of a distributor or franchiser, who operates, maintains or conducts a place of business from which motor fuel or special fuel is sold or offered for sale at retail to the ultimate consumer, and who holds a license, issued as provided in chapter 214, for each pump and meter operated upon the retail premises.

3. *"Dealer franchise"* means an agreement or contract, either written or oral, between a franchiser and a dealer or between a distributor and a dealer when all of the following conditions are included:

*a.* A commercial relationship of definite duration or continuing indefinite duration is involved.

*b.* The dealer is granted the right to offer and sell motor fuel or special fuel that is imported, refined or distributed by the franchiser or by the distributor.

*c.* The dealer's business is substantially reliant on the franchiser or distributor for the continued supply of motor fuel or special fuel.

4. *"Department"* means the department of inspections and appeals.

5. *a.* *"Dispenser"* means a meter or similar commercial weighing and measuring device used to measure and dispense motor fuel or special fuel, including renewable fuel, originating from a storage tank used to store fuel.

*b.* *"Dispenser"* includes but is not limited to a motor fuel pump or blender pump.

6. *"Distributor"* means distributor as defined in section 452A.2.

7. *"Distributor franchise"* means a written agreement or contract, either written or oral, between a franchiser and a distributor when all of the following conditions are included:

*a.* A commercial relationship of definite duration or continuing indefinite duration is involved.

*b.* The distributor is granted the right to offer and sell motor fuel or special fuel that is imported, refined or distributed by the franchiser.

*c.* The distributor, as an independent business, constitutes a component of the franchiser's distribution system.

*d.* The distributor's business, or a portion of it which is related to motor fuel or special fuel purchased from the franchiser is substantially reliant on the franchiser for the continued supply of motor fuel or special fuel.

*e.* The distributor's business or a portion of it which is related to motor fuel or special fuel purchased from the franchiser is substantially associated with the franchiser's trademark, service mark, trade name, advertising or other commercial symbol designating the franchiser.

8. *"Franchiser"* means a person who is engaged in the importation, refining or distribution of motor fuel or special fuel and who has entered into a distributor franchise or a dealer franchise.

9. *"Motor fuel"* means motor fuel as defined in chapter 452A.

10. *"Motor fuel pump"* means the same as defined in section 214.1 that dispenses motor fuel or special fuel in a manner that complies with standards set forth in chapters 214 and 214A.

11. *"Refiner"* means a person engaged in the refining of crude oil to produce motor fuel or special fuel, and includes any affiliate of such person.

12. *"Renewable fuel"* means the same as defined in section 214A.1 that complies with standards set forth in section 214A.2.

13. *"Retail premises"* means real estate either owned or leased by the dealer and used primarily for the sale at retail to the ultimate consumer of motor fuel or special fuel.

14. *"Retaliatory action"* means action contrary to the purpose or intent of this chapter and may include a refusal to continue to sell or lease, a reduction in the quality or quantity of services or products customarily available for sale or lease, a violation of privacy, or an inducement of others to retaliate.

15. *"Special fuel"* means special fuel as defined in chapter 452A.

16. *"Storage tank"* means a motor fuel storage tank as defined in section 214.1, including an underground storage tank subject to regulation under chapter 455G.

17. *"Supplier"* means the same as defined in section 452A.2.

[C75, 77, 79, 81, §323.1]

88 Acts, ch 1158, §68; 95 Acts, ch 155, §1; 96 Acts, ch 1034, §28; 2013 Acts, ch 127, §4

NEW subsection 1 and former subsections 1 – 3 renumbered as 2 – 4

NEW subsection 5 and former subsections 4 – 7 renumbered as 6 – 9

NEW subsections 10 – 12 and former subsections 8 – 10 renumbered as 13 – 15

NEW subsections 16 and 17

**323.2 Discontinuing distributor franchise.**

Notwithstanding the terms, provisions or conditions of any distributor franchise, a franchiser shall not terminate or refuse to renew a distributor franchise except as provided in this chapter. A franchiser shall not terminate or refuse to renew a distributor franchise unless the franchiser gives to the distributor thirty days' written notice of franchiser's intent to terminate or not renew. Notice shall be given by restricted certified mail, as defined in section 618.15. If a distributor, within thirty days after the date of delivery of the notice from the franchiser, applies to the department for a hearing under this chapter, the distributor franchise shall remain in effect pending a final order by the department. The application filed by the distributor shall state, under oath, that the distributor has not filed a petition in bankruptcy or been declared bankrupt within six months preceding the filing of the application, that the franchiser has not withdrawn entirely from the sale for resale of motor fuel and special fuel in this state, that there are no past due sums owing by the distributor

to the franchiser, and that the distributor has not consented in writing to the termination or nonrenewal of the distributor franchise.

[C75, 77, 79, 81, §323.2]

95 Acts, ch 155, §2

**323.3 Discontinuing dealer franchise.**

Notwithstanding the terms, provisions, or conditions of any dealer franchise, a distributor or franchiser shall not terminate or refuse to renew a dealer franchise except as provided in this chapter. A distributor or franchiser shall not terminate or refuse to renew a dealer franchise unless the distributor or franchiser gives to the dealer thirty days' written notice of distributor's or franchiser's intent to terminate or not renew. Notice shall be given by restricted certified mail, as defined in section 618.15. If a dealer, within thirty days after the date of delivery of the notice from the distributor or franchiser, applies to the department for a hearing under this chapter, the dealer franchise shall remain in effect pending a final order by the department. The application filed by the dealer shall state, under oath, that the dealer's license, issued pursuant to chapter 214, for pumps and meters located on the retail premises occupied by the dealer has not been canceled, that the dealer has not filed a petition in bankruptcy or been declared bankrupt within six months preceding the filing of the application, that the franchiser or distributor has not withdrawn entirely from the sale for resale of motor fuel and special fuel in this state, that there are no past due sums owing by the dealer to the franchiser or distributor, and that the dealer has not consented in writing to the termination or nonrenewal of the dealer franchise.

[C75, 77, 79, 81, §323.3]

**323.4 Continuance.**

The department may continue the date of hearing for a period of thirty days, and may upon application, but not ex parte, continue the date of hearing for an additional period of thirty days.

[C75, 77, 79, 81, §323.4]

**323.4A Use of renewable fuel.**

1. Except as provided in subsection 3, this section applies to a supply agreement or other document executed on or after July 1, 2013, by parties who are receiving and furnishing motor fuel or special fuel as follows:

*a.* A dealer who is a party receiving motor fuel or special fuel from another party who is a refiner, supplier, or distributor furnishing the motor fuel or special fuel.

*b.* A distributor who is a party receiving motor fuel or special fuel from another party who is a refiner, supplier, or other distributor furnishing the motor fuel or special fuel.

2. A supply agreement or other document shall not contain a provision restricting a dealer or distributor who is a party receiving motor fuel or special fuel from the other party furnishing the motor fuel or special fuel as described in subsection 1 from doing any of the following:

*a.* Installing, converting, or operating a storage tank or a dispenser located on the distributor's or dealer's business premises for use in storing or dispensing renewable fuel. However, this paragraph does not apply to a dealer or distributor whose business premises are leased from the other party furnishing the renewable fuel.

*b.* Using a dispenser to dispense ethanol blended gasoline, including gasoline with a specified blend or a range of blends under chapter 214A, if the dispenser is approved as required by the state fire marshal for dispensing the specified blend or range of blends, including as provided in section 455G.31.

*c.* Purchasing, selling, or dispensing motor fuel or special fuel that is a renewable fuel from a source other than the party furnishing other motor fuel or special fuel, if such party furnishing the other motor fuel or special fuel does not furnish motor fuel or special fuel that is a renewable fuel for sale by the distributor or dealer.

*d.* Marketing the sale of any renewable fuel, including but not limited to advertising its availability or price on a sign, on a dispenser, or by media.

*e.* Selling or dispensing renewable fuel in any specified area located on the distributor's or dealer's business premises, including but not limited to any area in which a name or logo of a franchiser or any other entity appears.

*f.* Using a payment form for the sale of a renewable fuel by the retail dealer that is the same type as the payment form used for the sale of another type of motor fuel or special fuel by the dealer on the dealer's retail premises.

3. This section does not apply to any activity that constitutes mislabeling, misbranding, willful adulteration, or other trademark violation by a dealer.

2013 Acts, ch 127, §5
Legislative intent regarding use of renewable fuels; 2013 Acts, ch 127, §1
NEW section

**323.5 Burden of proof.**

Upon hearing, if the department finds the statements contained in the application are true, then the franchiser or distributor that intends to terminate or not renew the distributor franchise or dealer franchise shall have the burden of proof to establish that the franchiser or distributor, as the case may be, has good cause for terminating or not renewing the franchise.

If the department finds the statements contained in the application are not true, the application shall be denied. Nothing contained in this chapter shall be construed to require or authorize any investigation by the department of any matter before the department under this chapter. Upon hearing the department shall hear the evidence introduced by the parties and shall make its decision solely upon the record made. If the department denies the termination or nonrenewal of the franchise, it may make such further order as may be necessary to require compliance with the terms of the franchise and to prevent retaliatory action.

[C75, 77, 79, 81, §323.5]

**323.6 Conditions barring change in distributor franchise.**

Notwithstanding the terms, provisions or conditions of a distributor franchise, the following shall not constitute good cause for the termination or refusal to renew a distributor franchise:

1. The sole fact that the franchiser desires further penetration of the market.

2. The change of executive management of the distributor, unless the franchiser, having the burden of proof, proves that the change of executive management will be substantially detrimental to the distribution of the franchiser's motor fuels or special fuels in the area served by the distributor.

3. The sale or change of ownership of the distributor's business.

[C75, 77, 79, 81, §323.6]

95 Acts, ch 155, §3
Referred to in §323.7

**323.7 Department's guidelines.**

In determining whether good cause has been established for terminating or not renewing a distributor franchise or dealer franchise, the department shall take into consideration the existing circumstances, including, but not limited to:

1. Amount of business transacted by the distributor or dealer.

2. Investments made and obligations incurred by the distributor or dealer in performance of the franchise.

3. Permanency of the investment.

4. Whether it is injurious to the public welfare for the business of the distributor or dealer to be disrupted.

5. Ability of the distributor or dealer to timely pay financial obligations.

6. Whether the distributor or dealer has adequate equipment and qualified personnel to reasonably provide for the distribution and marketing of the motor fuel or special fuel sold to the distributor or dealer.

7. Except as provided in section 323.6, failure of the distributor to substantially comply with those requirements of the distributor franchise that are determined by the department to be reasonable and material.

8. Failure of the dealer to substantially comply with those requirements of the dealer franchise that are determined by the department to be reasonable and material.
[C75, 77, 79, 81, §323.7]

**323.8 Compulsory attendance at hearings.**
The department may issue subpoenas, administer oaths, compel the attendance of witnesses and production of books, papers, documents and other evidence. The department may apply to the district court of the county in which the hearing is to be held for a court order to enforce actions taken under this section.
[C75, 77, 79, 81, §323.8]

**323.9 Violations.**
Any person violating the provisions of this chapter is guilty of a simple misdemeanor.
[C75, 77, 79, 81, §323.9]

**323.10 Intent.**
The provisions of this chapter are enacted in the exercise of the police powers of this state for the purpose of protecting the health, safety and general welfare of the people of this state and because methods and practices in the marketing and distribution of motor fuel and special fuel have impaired the availability to the public of the fuel and the services supplied by distributors and dealers who have entered into a franchise agreement with their respective suppliers.
[C75, 77, 79, 81, §323.10]

**323.11 Hearing.**
Upon receiving an application, the department shall order a hearing. The hearing shall be held within thirty days of receipt of the application and in accordance with the Iowa administrative procedure Act, chapter 17A. The department shall notify the franchiser or distributor of the time and place of the hearing. The department may also give notice of the application to any other party the department deems an interested person. The notice shall be in the form and substance and given in the manner determined by the department.
Any person who can show an interest in the application may become a party to the hearing, whether or not the person receives notice; but a party not receiving notice shall be limited to participation at the hearing on the question of the public interest in the termination or continuation of the franchise.
[C75, 77, 79, 81, §323.11]
2003 Acts, ch 44, §114

**323.12 Appeal.**
Appeal may be taken from the final order of the department by either the distributor, franchiser or dealer, to the district court of the county where the distributor or dealer either resides or maintains the principal place of business, within thirty days from the time the decision is filed with the department, by giving at least ten days' notice to the department to be served on its chairperson or secretary in the same manner as original notices are now served, and by filing with the clerk of court a bond for costs in the sum of not less than five hundred dollars. Appeal shall be taken in accordance with the provisions of the Iowa administrative procedure Act, chapter 17A.
[C75, 77, 79, 81, §323.12]
2003 Acts, ch 44, §114

**323.13 Waiver.**
Any provision of a dealer franchise or distributor franchise which is an attempted waiver of the benefits of this chapter shall be void and unenforceable.
[C75, 77, 79, 81, §323.13]

**323.14 Death of franchisee — successor — penalty.**

1. It is unlawful to include in any distributor franchise or dealer franchise agreement a term which provides for the termination of the franchise by the franchiser upon the death of the franchisee if the franchisee, prior to the franchisee's death, designates a successor-in-interest in a form prescribed by and delivered to the franchiser. For the purposes of this section, "successor-in-interest" is restricted to either a surviving spouse or adult child of the franchisee who, at the time of the franchisee's death, is able to meet reasonable qualifications then being required of distributors or dealers by the franchiser.

2. The successor-in-interest designated as provided in subsection 1 shall have twenty-one days after the death of the franchisee to give written notice of an election to assume and operate the franchise. The notification shall contain such information regarding business experience and credit worthiness as is reasonably required by the franchiser. The successor-in-interest must offer to assume and commence operation of the franchise within ten days after the franchiser approves the assumption.

3. The franchise available to the successor-in-interest pursuant to this section shall be the same as that which existed in the name of the deceased franchisee at the time of the franchisee's death.

4. A franchisee may designate a primary and one alternate successor-in-interest. The alternate, if one is designated, has no rights under this section in the event of an exercise of rights by the primary successor-in-interest. If an alternate desires to assume and operate the franchise in the event the primary successor-in-interest fails to do so, the alternate must give notice of such election and otherwise comply with subsection 2.

5. Unless otherwise specifically provided in this section, actions to be performed by the franchiser or by the successor-in-interest under this section shall be performed within a reasonable time.

6. Following the death of a franchisee, and prior to the operation of the franchise by the successor-in-interest as provided in this section, the executor or administrator of the estate of the deceased franchisee may operate the franchise.

7. If the successor-in-interest assumes the franchise, the successor-in-interest shall account to the heirs or estate of the deceased franchisee for the value of personal property of the franchisee located at or related to the franchise.

8. If the successor-in-interest does not assume the franchise, the franchiser shall account to the heirs or the estate of the deceased franchisee for the value of branded products purchased directly from the franchiser.

9. A franchisee or successor-in-interest may commence a civil action to compel compliance by a franchiser with this section, or to obtain damages caused by a failure to comply with this section, or both, within two years after the date the franchiser fails to comply with the requirements of this section.

[81 Acts, ch 114, §1, 2]

# CHAPTER 323A

## PURCHASING FUEL FROM ALTERNATE SOURCES

323A.1 Definitions.
323A.2 Purchase from other source.
323A.2A Purchase of E-85 gasoline from other source.
323A.3 Effective date.

**323A.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"E-85 gasoline"* means the same as defined in section 214A.1.

2. *"Ethanol blended gasoline"* means the same as defined in section 214A.1.

3. *"Franchise"* means a contract between a refiner and a distributor, a refiner and a retailer, a distributor and another distributor, or a distributor and a retailer under which a

refiner or distributor authorizes a retailer or distributor to use, in connection with the sale, consignment, or distribution of motor fuel, a trademark which is owned or controlled by the refiner or by a refiner which supplies motor fuel to the distributor which authorizes the use. *"Franchise"* includes any contract under which a retailer or distributor is permitted to occupy leased premises, which premises are to be used in connection with the sale, consignment, or distribution of motor fuel under a trademark which is owned or controlled by a refiner or a refiner which supplies motor fuel to the distributor and permits the occupancy of the leased premises.

4. *"Franchisor"* means a refiner or distributor who authorizes or permits, under a franchise, a retailer or distributor to use a trademark in connection with the sale, consignment, or distribution of motor fuel.

5. *"Franchisee"* means a retailer or distributor who is authorized or permitted, under a franchise, to use a trademark in connection with the sale, consignment, or distribution of motor fuel.

6. *"Motor fuel"* means the same as motor fuel as defined in section 214A.1, which is of a type distributed for use as a fuel in self-propelled vehicles designed primarily for use on public streets, roads, and highways.

[C81, §323A.1]

2006 Acts, ch 1142, §21, 22, 27

**323A.2 Purchase from other source.**

1. The orderly flow of an adequate supply of motor fuel is declared to be essential to the economy and to the welfare of the people of this state. Therefore, in the public interest and notwithstanding the terms, provisions, or conditions of any franchise, a franchisee unable to obtain motor fuel from the franchisor may purchase the fuel from another available source, subject to subsections 2 to 5 and provided the franchisee has done all of the following:

*a.* At least forty-eight hours prior to entering into an agreement to purchase motor fuel from another source, the franchisee has requested delivery of motor fuel from the franchisor and the requested motor fuel has not been delivered and the franchisor has given the franchisee notice that the franchisor is unable to provide the requested motor fuel, or prior to entering into an agreement the franchisor has stated to the franchisee that the requested motor fuel will not be delivered. The request to the franchisor for delivery shall be for a type of fuel normally provided by the franchisor to the franchisee and for a quantity of fuel not exceeding the average amount sold by the franchisee in one week, based upon average weekly sales in the three months preceding the request, except that this provision shall not restrict a franchisee from purchasing ethanol blended gasoline from a source other than the franchisor or limit the quantity to be purchased when the franchisor does not normally supply the franchisee with ethanol blended gasoline. A franchisee may also purchase E-85 gasoline as provided in section 323A.2A.

*b.* The franchisee has requested and has been denied delivery of motor fuel sold or distributed under the trademark named in the franchise from a person other than the franchisor.

*c.* The director of the economic development authority determines that the franchisee has demonstrated that a special hardship exists in the community served by the franchisee relating to the public health, safety, and welfare, as specified under the rules of the authority.

2. The quantity of motor fuel requested or purchased from another source including the source listed in subsection 1, paragraph *"b"*, shall not exceed the quantity requested from the franchisor.

3. At the time a franchisee enters into an agreement to purchase motor fuel from a source other than the franchisor, the franchisee shall inform the franchisor by the quickest available means.

4. If the franchisee sells motor fuel supplied from a source other than the franchisor, the franchisee shall prominently post a sign disclosing this fact to the public on each motor fuel pump used for dispensing the motor fuel. The size of the sign shall not be less than eight inches by ten inches and the letters on the sign shall be at least three inches in height.

5. A franchisee who sells motor fuel supplied from a source other than the franchisor

shall also fully indemnify the franchisor against any claims asserted by a user on which the claimant prevails and in which the court determines that motor fuel not acquired from the franchisor was the proximate cause of the injury.

6. Purchases of motor fuel in accordance with this section are not good cause for termination of a franchise.

[C81, §323A.2]

89 Acts, ch 83, §47; 91 Acts, ch 87, §2; 2006 Acts, ch 1142, §23, 27; 2009 Acts, ch 108, §15, 41; 2011 Acts, ch 25, §32; 2011 Acts, ch 118, §50, 87, 89

**323A.2A Purchase of E-85 gasoline from other source.**

1. *a.* When on and after May 30, 2006, a franchise is entered into or renewed, the franchisor shall provide for the delivery of volumes of E-85 gasoline at times demanded by the franchisee or shall allow the franchisee to purchase those volumes of E-85 gasoline at those times from another source.

*b.* If a franchise is in effect on May 30, 2006, and does not have an expiration date, the franchisor shall provide for the delivery of volumes of E-85 gasoline at times demanded by the franchisee or shall allow the franchisee to purchase those volumes of E-85 gasoline at those times from another source.

2. If the franchisee sells E-85 gasoline delivered from a source other than the franchisor, the franchisee shall prominently post a sign disclosing this fact to the public on each motor fuel pump used for dispensing the E-85 gasoline. The size of the sign shall not be less than eight inches by ten inches and the letters on the sign shall be at least three inches in height.

3. A franchisee who sells E-85 gasoline delivered from a source other than the franchisor shall also fully indemnify the franchisor against any claims asserted by a user on which the claimant prevails and in which the court determines that E-85 gasoline not acquired from the franchisor was the proximate cause of the injury.

4. *a.* A purchase of E-85 gasoline in accordance with this section is not good cause for the termination of a franchise.

*b.* A term of a franchise that is inconsistent with this section is void and unenforceable.

2006 Acts, ch 1142, §24, 27

Referred to in §323A.2

**323A.3 Effective date.**

The provisions of this chapter shall be applicable only to franchise agreements entered into or renewed after July 1, 1980.

[C81, §323A.3]

# SUBTITLE 3

## CARRIERS

## CHAPTER 324

RESERVED

## CHAPTER 324A

### TRANSPORTATION PROGRAMS

Referred to in §23A.2, 28M.1, 321.145

This chapter not enacted as a part of this title; transferred from chapter 601J in Code 1993


| | |
|---|---|
| 324A.1 | Definitions. |
| 324A.2 | Technical assistance. |
| 324A.3 | Fiscal and service plan. |
| 324A.4 | Federal, state, local, and private aid — report. |
| 324A.5 | Coordination of transportation services. |
| 324A.6 | Public transit assistance moneys. |
| 324A.6A | Public transit infrastructure grant fund. |
| 324A.7 | Urban public transit systems — intent. |


**324A.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Department"* means the state department of transportation.

2. *"Federal aid"* means any federal grants, loans, or other federal assistance whether or not state or local funds are required to match or contribute toward the costs of the program for which the aid is available.

3. *"Private aid"* means any grants, loans, or other assistance available from nonprofit corporations, foundations, and all private or nongovernmental sources, whether or not state or local funds are required to match or contribute toward the costs of the program for which the aid is available.

4. *"Public transit system"* means an urban or regional transit system providing transit services accessible to the general public and receiving federal, state or local tax support.

5. *"Regional transit system"* means a public transit system serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor except as agreed upon by the county and the department. Each county, through the county board of supervisors, within the region shall be responsible for determining the service and funding within its own county. However, the administration and overhead support services for the regional transit system shall be consolidated into one existing or new agency to be mutually agreed upon by the participating members.

6. "*Transportation*" means the movement of individuals in a four or more wheeled motorized vehicle designed to carry passengers, including a car, van, or bus, between one geographic point and another geographic point. "*Transportation*" does not include emergency or incidental transportation or transportation conducted by the department of human services at its institutions.

7. *"Transportation disadvantaged persons"* means persons with physical or mental disabilities, persons who are determined by the department to be economically disadvantaged and other persons or groups determined by the department to be disadvantaged in terms of the transportation services that are available to them.

8. *"Urban transit system"* means a system designated by the department in which motor

buses are operated primarily upon the streets of cities for the transportation of passengers who present themselves for transportation without discrimination up to the limit of the capacity of each motor bus. *"Urban transit system"* also includes motor buses operated upon the streets of adjoining cities, whether interstate or intrastate for the transportation of passengers without discrimination up to the limit of the capacity of each motor bus. A privately chartered bus service or interurban carrier subject to the jurisdiction of the state department of transportation is not an urban transit system.

[C77, 79, 81, §601J.1]
84 Acts, ch 1200, §1
C93, §324A.1
96 Acts, ch 1129, §80
Referred to in §321.1, 321.377, 423.3

**324A.2 Technical assistance.**

The department shall, at the request of a state agency, political subdivision, or public transit system or organization affected by this chapter, provide to them the following technical transportation assistance:

1. An evaluation of existing public transit systems, including but not limited to an evaluation of rolling stock, the costs of operation including the costs of fuel, maintenance and personnel and the development of common management and operating systems and procedures.

2. An analysis of existing urban and rural transit system services provided for transportation disadvantaged persons and the service needs of transportation disadvantaged persons, including an evaluation of specialized equipment required to meet the service needs of transportation disadvantaged persons.

[C77, 79, 81, §601J.2]
83 Acts, ch 60, §1; 84 Acts, ch 1200, §2
C93, §324A.2
2002 Acts, ch 1112, §1

**324A.3 Fiscal and service plan.**

The department shall at the request of a political subdivision, or public and private providers of transportation services affected by this chapter assist the providers in the development of a fiscal and service plan which may be used by them to coordinate and consolidate all forms of urban and rural transportation services except public school transportation, including but not limited to, the following:

1. Senior citizen transportation.
2. Head start transportation.
3. Services for persons with disabilities.
4. Cab companies.
5. Common carriers.
6. Transportation services provided by private nonprofit agencies to their clients or the general public.

[C77, 79, 81, §601J.3]
84 Acts, ch 1200, §3
C93, §324A.3
96 Acts, ch 1129, §81

**324A.4 Federal, state, local, and private aid — report.**

1. The department shall compile and maintain current information on the use of federal, state, local, and private aid affecting urban and rural public transit programs. Public, private, and private nonprofit organizations applying for or receiving federal, state, or local aid for providing transit services shall annually report to the department the costs of their transportation programs, depicting funds used for public transit programs and such other information as the department may require prior to receiving any federal or state funds or any aid from a political subdivision of the state. The report shall list all of the funding sources

of the organization along with the listing of funds expended by that organization during the preceding fiscal year. The department, in cooperation with the regional planning agencies as the responsible agency for annual updating the regional transit development programs, shall compile this information annually. A state agency or organization administering funds for transit services is required to submit all funding requests through the regional and state clearinghouse and the department. An organization, state agency, political subdivision, or public transit system, except public school transportation, receiving federal, state, or local aid to provide or contract for public transit services or transportation to the general public and specific client groups, must coordinate and consolidate funding and resulting service, to the maximum extent possible, with the urban or regional transit system.

2. *a.* Upon request, the department shall provide assistance to political subdivisions, state agencies, and organizations affected by this chapter for federal aid applications for urban and rural transit system program aid. The department, in cooperation with the regional planning agencies, shall maintain current information reflecting the amount of federal, state, and local aid received by the public and private nonprofit organizations providing public transit services and the purpose for which the aid is received. The department shall biennially prepare a report to be submitted to the general assembly and the governor prior to December 15 of even-numbered years. The report shall recommend methods to increase transportation coordination and improve the efficiency of federal, state, and local government programs used to finance public transit services and may address other topics as appropriate. The department of human services, the department on aging, and the officers and agents of the other affected state and local government units shall provide input as requested by the department.

*b.* The department shall use the following criteria to adopt rules to determine compliance with and exceptions to subsection 1:

(1) Elimination of duplicative and inefficient administrative costs, policies, and management.

(2) Utilization of resources for transportation services effectively and efficiently.

(3) Elimination of duplicative and inefficient transportation services.

(4) Development of transportation services which meet the needs of the general public and insure services adequate to the needs of transportation disadvantaged persons.

(5) Protection of the rights of private enterprise public transit providers.

(6) Coordination of planning for transportation services at the urban and regional level by all agencies or organizations receiving public funds that are purchasing or providing transportation services.

(7) Management of equipment and facilities purchased with public funds so that efficient and routine maintenance and replacement is accomplished.

(8) Training of transit management, drivers, and maintenance personnel to provide safe, efficient, and economical transportation services.

*c.* Eligibility to receive or expend federal, state, or local funds for transportation services by all agencies or organizations purchasing or providing these services shall be contingent upon compliance with these criteria as determined by the department.

3. The department shall receive and distribute federal aid to public transit systems unless precluded by federal statute; however, the department shall not retain or redirect any portion of funds received by the department for a particular public transit system except that the department may redirect unused funds after a project is completed in order to prevent the lapse of funds. The department may designate the public transit systems as the direct recipients of federal aid.

[C77, 79, 81, §601J.4]

84 Acts, ch 1200, §4, 5; 91 Acts, ch 27, §5

C93, §324A.4

2002 Acts, ch 1112, §2, 3; 2009 Acts, ch 23, §62; 2011 Acts, ch 38, §31

Referred to in §324A.5

**324A.5 Coordination of transportation services.**

The department of human services, department on aging, and the officers and agents of other state and local governmental units shall assist the department in carrying out section 324A.4, subsections 1 and 2, insofar as the functions of these respective officers and departments are concerned with the health, welfare and safety of any recipient of transportation services.

1. Any agency or organization found to be in noncompliance with section 324A.4 shall be notified in writing by the department of those activities which are not in compliance. The notice shall also provide for a period of thirty days during which compliance with section 324A.4 can be accomplished without penalty or sanction.

2. If noncompliant activities continue after the period of thirty days, the department shall, in cooperation with the attorney general and the director of the department of administrative services, initiate the following actions:

*a.* If the activities that are not in compliance with section 324A.4 are funded with state or federal funds which are administered by the state and can be used by agencies or organizations that are in compliance with section 324A.4, then upon notice by the department, the director of the department of administrative services shall not permit the expenditure of ten percent of the funds during the fiscal year immediately following the notice, an additional twenty percent of funds during the following year, an additional thirty percent during the third year, and the remaining funds in the fourth year that the activities remain in noncompliance. Any funds retained by the director of the department of administrative services shall be returned to the originating state agency for redistribution to agencies and organizations eligible to receive the funds for transportation purposes.

*b.* If the activities that are not in compliance with section 324A.4 are funded with state, federal or local funds which are not administered by the state or cannot be used by agencies and organizations that are in compliance with section 324A.4, then upon notice by the department, the attorney general shall file an action to enjoin agencies or organizations from expending funds for transportation purposes until and unless compliance with section 324A.4 is achieved. If federal funds are involved in such cases, then the attorney general shall notify the responsible federal agency of the actions and request its cooperation.

*c.* The department of inspections and appeals shall establish an appeal process pursuant to chapters 10A and 17A which allows those agencies or organizations determined to not be in compliance with this chapter an opportunity for a timely hearing before the department of inspections and appeals. A decision by the department of inspections and appeals is subject to review by the state department of transportation. The state department of transportation's decision is the final agency action. Judicial review of the action of the department may be sought in accordance with chapter 17A.

*d.* The department shall, in accordance with chapter 17A, adopt and enforce rules setting minimum standards for determination of compliance and certification. The rules and standards required by this section shall be formulated in consultation with all affected state agencies, local government units with professional and consumer groups affected, and shall be designed to further the accomplishment of the purposes of this chapter.

84 Acts, ch 1200, §6
C85, §601J.5
89 Acts, ch 273, §40; 90 Acts, ch 1233, §35
C93, §324A.5
2002 Acts, ch 1112, §4, 5; 2003 Acts, ch 145, §286; 2009 Acts, ch 23, §63

**324A.6 Public transit assistance moneys.**

1. *a.* Moneys appropriated for purposes of public transit assistance under this chapter shall be expended for providing assistance to public transit for the development, improvement, and maintenance of public transit systems. Moneys received by the department by agreements, grants, gifts, or other means from individuals, companies or other business entities, or cities and counties for the purposes stated in this section shall be credited to the general fund of the state.

*b.* Moneys received by the department by agreements, grants, gifts, or other means and

deposited into the state general fund as a result of this subsection are appropriated to the department for purposes of this subsection.

2. The department may enter into agreements with public transit systems, the United States government, cities, counties, business entities, or other persons for carrying out the purposes of this section.

3. The department may accept federal funds to carry out this section. Federal funds received under this section are appropriated for the purposes set forth in the federal grants.

4. Notwithstanding chapter 8, funds appropriated for public transit purposes to implement a state assistance plan shall be allocated in whole or in part to a public transit system prior to the time actual expenditures are incurred if the allocation is first approved by the department. A public transit system shall make application for advance allocations to the department specifically stating the reasons why an advance allocation is required and this allocation shall be included in the total to be audited.

84 Acts, ch 1151, §1
C85, §601J.6
86 Acts, ch 1245, §1968; 91 Acts, ch 260, §1249
C93, §324A.6
93 Acts, ch 131, §13; 94 Acts, ch 1107, §52; 2010 Acts, ch 1061, §180

**324A.6A Public transit infrastructure grant fund.**

A public transit infrastructure grant fund is established within the department. Moneys in the fund shall be awarded to public transit systems within the state for construction and infrastructure projects that meet the definition of "*vertical infrastructure*" in section 8.57, subsection 5, paragraph "*c*". The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. In awarding grant assistance, the office of public transit within the department shall, by rule, specify certain criteria that must be included in a grant application, which shall include but not be limited to information on the feasibility of completion of an individual infrastructure project. Notwithstanding section 8.33, moneys in the public transit infrastructure grant fund shall not revert to the fund from which they are appropriated but shall remain available indefinitely for expenditure under this section.

2006 Acts, ch 1179, §55; 2012 Acts, ch 1021, §138

**324A.7 Urban public transit systems — intent.**

An urban public transit system shall, to the extent practicable, utilize private-sector operators in the planning and provision of transit services.

2003 Acts, ch 8, §23

# CHAPTER 325

RESERVED

# CHAPTER 325A

## MOTOR CARRIER AUTHORITY

Referred to in §307.27, 805.8A(13e)

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325A.25 Certificates prior to January 1, 1998.

## SUBCHAPTER 1

## GENERAL PROVISIONS

Referred to in §325A.11

**325A.1 Definitions.**

As used in this chapter:

1. *"Bulk liquid commodities"* means liquid commodities or compressed gases transported in a vehicle having a total cargo tank shell capacity of more than two thousand gallons.

2. *"Department"* means the state department of transportation.

3. *"Highway"* means a street, road, bridge, or thoroughfare of any kind in this state.

4. *"Interstate motor carrier number"* means a United States department of transportation number or motor carrier number issued by the federal highway administration.

5. *"Intrastate"* means a movement of property or passengers from one location to another within this state. *"Intrastate"* does not include transportation of property or passengers which is a furtherance of an interstate movement.

6. *"Motor carrier"* means a person defined in subsection 8, 9, or 10.

7. *"Motor carrier certificate"* means a certificate issued by the department to any person transporting passengers on any highway of this state for hire. This certificate is transferable.

8. *"Motor carrier of bulk liquid commodities"* means a person engaged in the transportation, for hire, of bulk liquid commodities upon a highway in this state.

9. *"Motor carrier of household goods"* means a person engaged in the transportation, for hire, of personal effects and property used or to be used in a dwelling, and includes the following:

*a.* Furniture, fixtures, equipment, and the property of stores, offices, museums, institutions, hospitals, or other establishments when a part of the stock, equipment, or supply of such establishment; except, this paragraph shall not be construed to include the

stock-in-trade of any establishment, except when transported as an incident to the removal of the establishment from one location to another.

*b.* Articles including objects of art, displays, and exhibits, which because of their unusual nature or value, require the specialized handling and equipment usually employed in moving household goods.

10. *"Motor carrier of property"* means a person engaged in the transportation, for hire, of property by motor vehicle including a carrier transporting liquid commodities or compressed gases in a vehicle having a total cargo tank shell capacity of two thousand gallons or less.

11. *"Motor carrier permit"* means a permit issued by the department to any person operating any motor vehicle on any highway of this state to transport property for hire. A motor carrier permit is not transferable unless it was issued to a motor carrier of household goods.

12. *"Motor vehicle"* means an automobile, motor truck, truck tractor, road tractor, motor bus, or other self-propelled vehicle, or a trailer, semitrailer, or other device used in connection with the transportation of property or passengers. *"Motor vehicle"* does not include a motor vehicle owned by a school district or used exclusively in conveying school children to and from school or school activities.

13. *"Private carrier"* means a person who provides transportation of property or passengers by motor vehicle, is not a for-hire motor carrier, or transports commodities of which the person is the owner, lessee, or bailee and the transportation is a furtherance of the person's primary business or occupation.

14. *"Transportation for hire"* means all transportation of property or passengers made available by a person for compensation.

97 Acts, ch 104, §32, 61; 2001 Acts, ch 132, §18, 19

Referred to in §15.274, 325B.1

**325A.2 Duties of department and local authorities.**

1. The department shall do all of the following:

*a.* Prescribe and enforce safety and financial responsibility regulations for motor carriers and require the filing of reports regarding safety and financial responsibility.

*b.* Approve a tariff for motor carriers of household goods.

*c.* Issue, amend, suspend, or revoke motor carrier permits and certificates.

2. A local authority, as defined in section 321.1, shall not impose any regulations, including special registration or inspection requirements, upon the operation of motor carriers that are more restrictive than any of the provisions of this chapter, or section 321.449 or 321.450. This subsection does not, however, prohibit a local authority from exercising the home rule power of the local authority to impose additional or more restrictive regulations or requirements upon the operation of taxicabs or limousines engaged in nonfixed route transportation for hire.

97 Acts, ch 104, §33, 61; 98 Acts, ch 1178, §10; 2000 Acts, ch 1016, §30; 2010 Acts, ch 1035, §11

Referred to in §325A.7B

**325A.3 Application and issuance of permit or certificate.**

1. Upon the filing of an application by a motor carrier and compliance with the terms and conditions of this chapter, the department shall issue to the applicant a permit or certificate. The actual operation by a motor carrier of a motor vehicle shall not begin without the permit or certificate being issued by the department.

2. All applications shall be in writing and contain the following:

*a.* The name and tax identification number of the person making the application.

*b.* The applicant's principal place of business.

*c.* The type of permit or certificate being requested.

*d.* A signed statement agreeing to comply with all applicable safety regulations as prescribed by the department.

*e.* A copy of all existing tariffs provided to the department for approval by motor carriers of household goods.

*f.* A financial statement completed by motor carriers of bulk liquid commodities or passengers from which the department can determine the financial fitness of the applicant to engage in the transport of bulk liquid commodities or passengers.

*g.* A verification of liability and property damage insurance coverage as required in section 325A.6, in a form prescribed by the department.

3. The provisions of subsection 2, paragraph "*f*", and subsection 4 shall not apply to the transportation of dairy products.

4. Motor carriers of bulk liquid commodities or passengers shall complete a motor carrier safety education seminar provided by or approved by the department. This seminar must be completed within six months of the permit or certificate issuance.

5. A motor carrier shall keep a permit or certificate issued to the motor carrier under this section, or a copy of such permit or certificate, in the vehicle being operated by the motor carrier and shall show the permit or certificate, or copy thereof, to any peace officer upon request.

6. The department may deny issuance of a permit or certificate if the department determines that evidence exists showing that the motor carrier cannot comply with the requirements of this chapter or the rules adopted pursuant to this chapter, including safety regulations and financial fitness and insurance requirements.

97 Acts, ch 104, §34, 61; 2000 Acts, ch 1016, §27, 31, 32; 2001 Acts, ch 132, §20, 21

Referred to in §325A.25, 805.8A(13d, 13e)

For applicable scheduled fines, see §805.8A, subsection 13, paragraph d

**325A.3A Hearings.**

A person whose application for a permit or certificate under this chapter has been denied, or whose permit or certificate has been suspended, may contest the decision under chapter 17A and in accordance with rules adopted by the department. The request for a hearing shall be in writing to the director of the division of motor carrier services, state department of transportation, at its office in the capital city's metropolitan area.

97 Acts, ch 104, §47, 61

CS97, §325A.16

2000 Acts, ch 1016, §36; 2000 Acts, ch 1232, §93

C2001, §325A.3A

**325A.4 Fees.**

1. The department shall charge the following fees:

*a.* One hundred fifty dollars for a new application.

*b.* One hundred fifty dollars for a reinstatement.

*c.* Twenty-five dollars to change an address or name.

*d.* Ten dollars for tariff updates.

*e.* Twenty-five dollars for a duplicate permit or certificate.

2. Changes in ownership of motor carrier permits require a new application and the new application fee of one hundred fifty dollars shall be assessed.

3. The department shall collect a fee of two hundred dollars to cover the cost of the motor carrier safety education seminar.

97 Acts, ch 104, §35, 61; 2011 Acts, ch 38, §24

**325A.5 Fees — credited to road use tax fund — seminar receipts.**

All fees received for applications and permits or certificates under this chapter shall be remitted to the treasurer of state and credited to the road use tax fund. All fees collected for the motor carrier safety education seminar shall be considered a repayment receipt as defined in section 8.2, and shall be remitted to the department to be used to pay for the seminars.

97 Acts, ch 104, §36, 61

**325A.6 Insurance.**

All motor carriers subject to this chapter shall have minimum insurance coverage which meets the limits established in the federal motor carrier safety regulations in 49 C.F.R. ch. 387.

97 Acts, ch 104, §37, 61
Referred to in §321.20B, 321A.33, 325A.3

**325A.7 Charges.**

All charges filed under the tariff by any motor carrier of household goods for any service shall be just, reasonable, and nondiscriminating and every unjust, unreasonable, or discriminating charge for such service or any part thereof is prohibited and declared unlawful.

97 Acts, ch 104, §38, 61
Referred to in §325A.7B

**325A.7A Tariffs — approval by department.**

1. *Transportation prohibited.* A motor carrier of household goods shall not undertake to perform any service for, engage in, or participate in the transportation of personal effects or property between points within this state until the motor carrier's tariff has been filed, posted, and approved by the department.

2. *Change in tariff.* Unless the department orders otherwise, a motor carrier of household goods shall give thirty days' notice to the department and to the public, as provided by rules adopted by the department, prior to making a change in a tariff.

3. *Changes without notice.* The department, for good cause shown, may allow changes in a tariff without the thirty days' notice required in subsection 2 by issuing an order specifying the changes to be made and the time they shall take effect.

4. *Power to revise tariff.* Any time a tariff is filed with the department, the department may hold a hearing for the purpose of determining that the tariff is just, reasonable, and nondiscriminating. The hearing shall be conducted by the director or the director's designee.

5. *Suspension of tariff.* Pending the hearing and the decision of the department, the tariff shall not be put into effect; however, this period of suspension of the tariff shall not exceed one hundred twenty days beyond the time the tariff would otherwise have been effective after filing and thirty days' notice.

6. *Decision.* Following the hearing, the department shall establish the tariff changes proposed by the motor carrier in whole or in part, or establish other changes the department determines to be just, reasonable, and nondiscriminating.

2003 Acts, ch 8, §24, 29

**325A.7B Agency tariffs.**

1. *Authorization.* Sections 325A.2 and 325A.7 shall not be construed to prohibit the making of rates by two or more motor carriers of household goods.

2. *Agency tariffs.* The names of the several motor carriers that are parties to an agency tariff shall be specified in the tariff. Unless otherwise required by the department, the agency tariff may be filed by only one of the parties to the agency tariff, or by a tariff filing agent, under a power of attorney granted by each of the parties to the agency tariff not doing the filing and filed with the department on forms prescribed by the department.

2003 Acts, ch 8, §25, 29

**325A.8 Required marking.**

1. The motor carrier shall attach distinctive markings or tags to each motor vehicle. If a motor vehicle has both an interstate and intrastate motor carrier number, only the interstate motor carrier number must be displayed.

2. If a motor carrier is renting a vehicle on a daily basis, a copy of the lease must be carried in the vehicle. Violation of this section is a scheduled violation subject to the fine provided in section 805.8A, subsection 13, paragraph *"d"*.

97 Acts, ch 104, §39, 61; 2001 Acts, ch 137, §5
Referred to in §805.8A(13d, 13e)

**325A.9 Advertising.**

An advertisement to the general public concerning for-hire transportation must include the permit or motor carrier certificate number issued under this chapter.

97 Acts, ch 104, §40, 61

**325A.10 Rules for operation.**

The department shall adopt rules pursuant to chapter 17A as necessary to govern and control the operation, maintenance, and inspection of vehicles covered by this chapter upon the highways.

97 Acts, ch 104, §41, 61

SUBCHAPTER 2

PASSENGER TRANSPORTATION

**325A.11 Passenger transportation.**

In addition to the requirements of subchapter 1, motor carriers of passengers and charter carriers shall comply with the requirements of this subchapter.

97 Acts, ch 104, §42, 61

**325A.12 Definitions.**

As used in this subchapter:

1. *"Car pool"* means transportation of a group of at least two riders in a motor vehicle having a seating capacity of not more than eight passengers between a rider's, owner's, or operator's residence or other designated location and a rider's, owner's, or operator's place of employment or other common destination of the group, if the motor vehicle is driven by one of the members of the group.

2. *"Charter"* means an agreement whereby the owner of a motor vehicle lets the motor vehicle to a group of persons as one party for a specified sum and for a specified act of transportation at a specified time and over an irregular route.

3. *"Charter carrier"* means a person engaged in the business of transporting the public by motor vehicle under charter. *"Charter carrier"* does not include any of the following:

*a.* Taxicabs with a seating capacity of not more than eight passengers, or persons having a license, contract, or franchise with an Iowa city to carry or transport passengers for hire while operating within the guidelines of the license, contract, or franchise.

*b.* A city engaged in the business of carrying or transporting passengers for hire over regular routes.

*c.* School bus operators when engaged in transportation involving any school activity.

*d.* A regular-route motor carrier of passengers.

4. *"Regional transit system"* means a public transit system serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor except as agreed upon by the county or the department. Each county board of supervisors within the region is responsible for determining the service and funding within its county. However, the administration and overhead support services for the overall regional transit system shall be consolidated into one existing or new agency to be mutually agreed upon by the participating members. Privately chartered bus services and uses other than providing services that are open and public on a shared-ride basis shall not be construed to be a regional transit system.

5. *"Regular-route motor carrier of passengers"* means a person engaged in the for-hire transportation of passengers by motor vehicle over regular routes by scheduled service and available to the general public.

6. *"Van pool"* means transportation of a group of riders in a vehicle having a seating capacity of not less than eight passengers and not more than fifteen passengers between a rider's, owner's, or operator's residence or other designated location and a rider's, owner's,

or operator's place of employment or other common destination of the group, if the vehicle is driven by one of the members of the group.

97 Acts, ch 104, §43, 61

Referred to in §327C.2, 327D.1

**325A.13 Certificate of convenience and necessity and regular-route passenger certificate.**

1. It is unlawful for a charter carrier to transport passengers by motor vehicle for hire from any place in this state to another place in this state irrespective of the route or highway traversed, without first having obtained a charter passenger certificate from the department.

2. *a.* It is unlawful for a regular-route motor carrier of passengers to transport passengers for hire upon the highways of this state in intrastate commerce without first having obtained from the department a regular-route passenger certificate. The department shall issue a regular-route passenger certificate if the department finds that the applicant is fit, willing, and able.

*b.* In determining whether a regular-route motor carrier of passengers is fit, willing, and able, the department shall only consider the applicant's compliance with safety, financial fitness, and insurance requirements.

*c.* A regular-route passenger certificate authorizing the transportation of passengers includes the authority to transport newspapers, baggage of passengers, express packages, or mail in the same motor vehicle with passengers.

*d.* A regular-route motor carrier of passengers holding a regular-route passenger certificate may at any time commence scheduled service over any regular route from any point or place in this state to another place in this state irrespective of the route or highway traversed and may at any time discontinue any part of its regular-route service.

*e.* A regular-route motor carrier of passengers granted a certificate prior to January 1, 1998, which authorized motor carrier passenger operations, may continue to provide motor carrier passenger service with all rights and privileges granted by a regular-route passenger certificate issued under this section.

*f.* A regular-route motor carrier of passengers shall not operate as a charter carrier in this state unless it possesses a charter passenger certificate.

*g.* A charter carrier shall not operate as a regular-route passenger carrier in this state unless it possesses a regular-route passenger certificate.

*h.* An Iowa urban transit system as defined in section 452A.57, subsection 6, may operate within the metropolitan area which it serves and between its service area and another city which is located not more than ten miles from its service area without obtaining a regular-route passenger certificate if the other city is not served by another motor carrier of passengers operating under a regular-route passenger certificate.

3. A motor carrier providing primarily passenger service for persons who are elderly, persons with disabilities, and other transportation-disadvantaged persons is exempt from the certification requirements of this section if it satisfies all of the following requirements:

*a.* The motor carrier is not a corporation organized for profit under the laws of Iowa or any other state or the motor carrier is a governmental organization.

*b.* The motor carrier received or receives operating funds from federal, state, or local government sources.

*c.* The motor carrier does not duplicate a transportation service provided by a motor carrier issued a regular-route passenger certificate.

4. A person operating a motor vehicle in a car pool or van pool is exempt from the requirement of this chapter.

5. Except for a person operating a car pool or van pool, each motor carrier exempt from the requirement for obtaining a certificate under this section shall obtain a nontransferable permit from the department. Such motor carriers shall comply with all safety, insurance, and other rules of the department pertaining to a publicly funded transit system.

97 Acts, ch 70, §15; 97 Acts, ch 104, §44, 61; 2000 Acts, ch 1016, §33 – 35

**325A.14 and 325A.15** Repealed by 2000 Acts, ch 1016, § 38.

**325A.16** Transferred to § 325A.3A; 2000 Acts, ch 1232, § 93.

**325A.17 through 325A.20** Repealed by 2000 Acts, ch 1016, § 38.

**325A.21 Regular-route certificate nontransferable.**
A regular-route passenger certificate shall not be sold, transferred, leased, or assigned.
97 Acts, ch 104, §52, 61; 2000 Acts, ch 1016, §37; 2011 Acts, ch 38, §25

**325A.22 Riding on outside part.**
Passengers shall not ride on the running boards, fenders, or on any other outside part of passenger-carrying motor vehicles.
97 Acts, ch 104, §53, 61

SUBCHAPTER 3

SANCTIONS

**325A.23 Suspension or revocation of permit or certificate.**
The department may, in addition to other penalties, revoke or suspend the permit or certificate of a motor carrier for a violation of this chapter or a rule adopted under this chapter. For flagrant or persistent violations of safety or hazardous materials rules by the holder of a permit or certificate or the holder's agent, the department may suspend the permit or certificate of necessity until the rules adopted by the department are complied with, or the department may revoke the permit or certificate for continued noncompliance.
97 Acts, ch 104, §54, 61

**325A.24 Scheduled fines — penalty.**
A person who violates this chapter or a rule adopted pursuant to this chapter for which a penalty is not otherwise established, or who aids or abets a person in a failure to comply with this chapter or a rule adopted pursuant to this chapter, is subject to the fine provided in section 805.8A, subsection 13, paragraph *"e"*.
97 Acts, ch 104, §55, 61; 2001 Acts, ch 137, §5

SUBCHAPTER 4

TRANSITION PROVISIONS

**325A.25 Certificates prior to January 1, 1998.**
1. A certificate or permit, or both, which was issued under former chapter 325 before January 1, 1998, and which authorized a person to transport property in intrastate commerce by motor vehicle as a common carrier or contract carrier, or both, is void. However, to the extent a certificate or permit, or portion of a certificate or permit, authorized a person to transport household goods over irregular routes or passengers in intrastate commerce, this subsection does not apply.
2. A person who owned a certificate or permit, or both, that was a valid certificate or permit, or both, on December 31, 1997, is deemed to have a valid certificate or permit, unless the person's certificate or permit has been suspended, revoked, or transferred to another person as provided by law. A person deemed to have a valid certificate or permit under this subsection is not required to file an application pursuant to section 325A.3 to continue providing intrastate transportation, but rather, upon such person's compliance with the requirements of section 325A.3, subsection 2, the person is deemed to have a valid certificate or permit in force as required pursuant to section 325A.3, subsection 1, authorizing the person to transport property except household goods in intrastate commerce on the public highways, unless the person's certificate or permit is suspended, revoked, or transferred

to another person as provided by law. Within a reasonable time after January 1, 1998, the department shall issue certificates or permits to all persons who are deemed to be qualified under this subsection.

97 Acts, ch 104, §56, 61

# CHAPTER 325B

## MOTOR CARRIER TRANSPORTATION CONTRACTS

325B.1 Contents of motor carrier transportation contracts — certain provisions void.

**325B.1 Contents of motor carrier transportation contracts — certain provisions void.**

1. As used in this section:

*a.* *"Motor carrier"* means the same as defined in section 325A.1.

*b.* *"Motor carrier transportation contract"* means a contract, agreement, or understanding related to any of the following:

(1) The transportation for hire of property by a motor carrier.

(2) The entrance upon property by a motor carrier for the purpose of loading, unloading, or transporting property for transportation for hire.

(3) A service incidental to the activities described in subparagraph (1) or (2), including but not limited to the storage of property.

*c.* *"Transportation for hire"* means the same as defined in section 325A.1.

2. Notwithstanding any provision of law to the contrary, a motor carrier transportation contract, whether express or implied, shall not contain a provision, clause, covenant, or agreement that purports to indemnify, defend, or hold harmless, or has the effect of indemnifying, defending, or holding harmless, a promisee from or against any liability for injury, death, loss, or damage resulting from the negligence or intentional acts or omissions of that promisee, or any agents, employees, servants, or independent contractors who are directly responsible to that promisee. This prohibition applies to any provisions or agreements collateral to or affecting a motor carrier transportation contract. Any such provisions, clauses, covenants, or agreements are void and unenforceable. If any provision, clause, covenant, or agreement is deemed void and unenforceable under this section, the remaining provisions of the motor carrier transportation contract are severable and shall be enforceable unless otherwise prohibited by law.

3. This section does not apply to the uniform intermodal interchange and facilities access agreement administered by the intermodal association of north America, as amended, or other contracts or agreements providing for the interchange, use, or possession of intermodal chassis or other intermodal equipment.

4. This section applies to motor carrier transportation contracts entered into, extended, or renewed on or after July 1, 2010.

2010 Acts, ch 1155, §1

# CHAPTER 326

## REGISTRATION RECIPROCITY

Referred to in §307.27, 321.1, 321.18, 321.19, 321.20, 321.20A, 321.24, 321.34, 321.40, 321.46A, 321.56, 321.105, 321.105A, 321.106, 321.123, 321.126, 321.127, 321.134, 321F.8, 452A.68


326.1 Policy.
326.2 Definitions.
326.3 Additional definitions.
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326.6 Apportionable registration fees.
326.7 through 326.9 Repealed by 2012 Acts, ch 1093, §39.
326.10 Repealed by 2002 Acts, ch 1063, §54.
326.10A Payment.
326.11 Subsequently acquired vehicles.
326.12 Vehicles deleted — registration transferred.
326.13 Information under oath.
326.14 Credentials — registration year and renewal — penalty.
326.15 Refunds of registration fees.
326.16 Delinquent fees.
326.17 through 326.19 Repealed by 2012 Acts, ch 1093, §39.
326.19A Failure to maintain operational records — penalty.
326.20 Benefits extended to leased vehicles. Repealed by 2012 Acts, ch 1093, §39.
326.21 Laws of other jurisdictions — Iowa interests.
326.22 Operational laws of Iowa applicable.
326.23 Trip permits.
326.24 Registration denied or suspended.
326.25 Applications — investigations.
326.26 Forms.
326.27 Violations to negate agreements.
326.28 Copies of records — fee.
326.29 Fees to road use tax fund.
326.30 Motor vehicle law applicable.
326.31 Filing incorrect information — effect.
326.32 Additional fees or restrictions by other jurisdictions — effect.
326.33 Rules adopted.
326.34 through 326.45 Reserved.
326.46 Temporary unladen weight registration.


**326.1 Policy.**

It is the policy of this state to promote and encourage the fullest possible use of the state's highway system by authorizing the negotiation and execution of motor vehicle reciprocity agreements. Apportioned registration shall be conducted in accordance with the international registration plan with respect to vehicles registered in this and other jurisdictions, thus contributing to the economic and social development and growth of this state.

[C71, 73, 75, 77, 79, 81, §326.1]

2012 Acts, ch 1093, §16

**326.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commercial vehicle"* means any vehicle which is operated in interstate commerce or combined intrastate and interstate commerce and used for the transportation of persons for hire, compensation or profit, or designed or used primarily for the transportation of property.

2. *"Department"* means the department of transportation.

3. *"Director"* means the director of transportation or the director's designee.

4. *"International registration plan"* or *"plan"* means the registration reciprocity agreement among states of the United States, the District of Columbia, and provinces of Canada providing for payment of apportionable fees on the basis of total distance operated in all jurisdictions, in effect on January 1, 2011, or as later amended, published by international registration plan, inc., and available on the plan's internet site.

5. *"Registration fee"* means the annual motor vehicle registration fee imposed pursuant to section 321.105, unless otherwise specified.

6. *"Trip"* for purposes of section 326.23 means:

*a.* A one-way movement from one point originating outside this state and destined for another point outside this state.

*b.* A round-trip movement between two points within this state.

*c.* A round-trip movement originating in this state or destined for a point within this state.

7. The terms *"combination"* or *"combination of vehicles"*, *"gross weight"*, *"highway"*, *"motor vehicle"*, *"nonresident"*, *"owner"*, *"person"*, *"semitrailer"*, *"trailer"*, *"truck tractor"*, and *"vehicle"* mean as defined in section 321.1.

[C71, 73, 75, 77, 79, 81, §326.2]

2006 Acts, ch 1068, §40; 2008 Acts, ch 1113, §109; 2012 Acts, ch 1093, §17; 2013 Acts, ch 30, §71

Subsection 6, paragraph a amended

**326.3 Additional definitions.**

As used in this chapter, unless the context otherwise requires, the following terms have the following meaning, as provided in the international registration plan, or the meaning ascribed in the international registration plan as it may exist at the time of its applicability to the provisions of this chapter:

1. *"Applicant"* means a person in whose name an application is filed for registration under the plan.

2. *"Apportionable fee"* means any periodic recurring fee or tax required for registering vehicles, such as registration, license, or weight fees.

3. *a.* *"Apportionable vehicle"* means any power unit that is used or intended for use in two or more member jurisdictions and that is used for the transportation of persons for hire or designed, used, or maintained primarily for the transportation of property if one of the following applies:

(1) The power unit has two axles and a gross vehicle weight or registered gross vehicle weight in excess of twenty-six thousand pounds.

(2) The power unit has three or more axles, regardless of weight.

(3) The power unit is used in combination, when the gross vehicle weight of such combination exceeds twenty-six thousand pounds.

*b.* A recreational vehicle, a vehicle displaying restricted plates, a bus used in the transportation of chartered parties, or a government-owned vehicle is not an apportionable vehicle; except that a truck or truck tractor, or the power unit in a combination of vehicles having a gross vehicle weight of twenty-six thousand pounds or less, or a bus used in the transportation of chartered parties may be registered under the plan at the option of the registrant.

4. *"Apportioned vehicle"* means an apportionable vehicle that has been registered under the plan.

5. *"Audit"* means the physical examination of a registrant's operational records, including source documents, to verify the distances reported in the registrant's application for apportioned registration and the accuracy of the registrant's record-keeping system for its fleet. Such an examination may be of multiple fleets for multiple years.

6. *"Audit procedures manual"* or *"APM"* means the audit procedures manual required to be maintained in the plan.

7. *"Auxiliary axle"* means an auxiliary undercarriage assembly with a fifth wheel and tow bar used to convert a semitrailer to a trailer.

8. *"Axle"* means an assembly of a vehicle consisting of two or more wheels whose centers are in one horizontal plane, by means of which a portion of the weight of a vehicle and its load, if any, is continually transmitted to the roadway. For purposes of registration under the plan, an "axle" is any such assembly whether or not it is load-bearing only part of the time.

9. *"Base jurisdiction"* means the member jurisdiction, selected in accordance with the plan, to which an applicant applies for apportioned registration under the plan or the member jurisdiction that issues apportioned registration to a registrant under the plan.

10. *"Cab card"* means an evidence of registration, other than a plate, issued for an apportioned vehicle registered under the plan by the base jurisdiction and carried in or on the identified vehicle.

11. *"Chartered party"* means a group of persons who, pursuant to a common purpose and under a single contract, have acquired the exclusive use of a passenger-carrying motor vehicle to travel together as a group to a specified destination or for a particular itinerary, either agreed upon in advance or modified by the group after leaving the place of origin. *"Chartered*

*party*" includes services rendered to a number of passengers that a passenger carrier or its agent has assembled into a travel group through sales of a ticket to each individual passenger covering a round trip from one or more points of origin to a single advertised destination.

12. "*Credentials*" means the cab card and plate issued in accordance with the plan.

13. "*Fleet*" means one or more apportionable vehicles designated by a registrant for distance reporting under the plan.

14. "*Jurisdiction*" means a country or a state, province, territory, possession, or federal district of a country.

15. "*Lease*" means a transaction evidenced by a written document in which a lessor vests exclusive possession, control, and responsibility for the operation of a vehicle in a lessee for a specific term. A long-term lease is for a period of thirty calendar days or more. A short-term lease is for a period of less than thirty calendar days.

16. "*Lessee*" means a person that is authorized to have exclusive possession and control of a vehicle owned by another person under terms of a lease agreement.

17. "*Lessor*" means a person that, under the terms of a lease agreement, authorizes another person to have exclusive possession of, control of, and responsibility for the operation of a vehicle.

18. "*Member jurisdiction*" means a jurisdiction that has applied and has been approved for membership in the plan in accordance with the plan.

19. "*Operational records*" means source documents that evidence distance traveled by a fleet in each member jurisdiction, such as fuel reports, trip sheets, and driver logs, including those which may be generated through on-board devices and maintained electronically, as required by the audit procedures manual.

20. "*Plate*" means the license plate, including renewal decals, if any, issued for a vehicle registered under the plan by the base jurisdiction.

21. "*Power unit*" means a motor vehicle as distinguished from a trailer, semitrailer, or auxiliary axle, but not including an automobile or a motorcycle.

22. "*Properly registered vehicle*" means a vehicle which has been registered in full compliance with the laws of all jurisdictions in which it is intended to operate.

23. "*Reciprocity*" means the reciprocal grant by one jurisdiction of operating rights or privileges in properly registered vehicles registered by another jurisdiction, especially but not exclusively including privileges generally conferred by vehicle registration.

24. "*Reciprocity agreement*" means an agreement, arrangement, or understanding between two or more jurisdictions under which each of the participating jurisdictions grants reciprocal rights or privileges to properly registered vehicles that are registered under the laws of other participating jurisdictions.

25. "*Recreational vehicle*" means a vehicle used for personal pleasure or personal travel and not in connection with any commercial endeavor.

26. "*Registrant*" means a person in whose name a properly registered vehicle is registered.

27. "*Registration year*" means the twelve-month period during which, under the laws of the base jurisdiction, the registration issued to a registrant by the base jurisdiction is valid.

28. "*Reporting period*" means the period of twelve consecutive months immediately prior to July 1 of the calendar year immediately preceding the beginning of the registration year for which apportioned registration is sought. However, if the registration year begins on any date in July, August, or September, the reporting period shall be the previous such twelve-month period.

29. "*Restricted plate*" means a plate that has a time, geographic area, distance, or commodity restriction or a mass transit or other special plate issued for a bus leased or owned by a municipal government, a state or provincial transportation authority, or a private party, and operated as part of an urban mass transit system, as defined by the jurisdiction that issues the plate.

30. "*Total distance*" means all distance, including that accrued on trip permits, operated by a fleet of apportioned vehicles in all member jurisdictions during the reporting period.

31. "*Trip permit*" means a permit issued by a member jurisdiction in lieu of apportioned or full registration.

32. *"Truck"* means a power unit designed, used, or maintained primarily for the transportation of property.

2012 Acts, ch 1093, §18; 2012 Acts, ch 1138, §67

**326.4** Reserved.

**326.5 Reciprocity agreements.**

The director may enter into reciprocity agreements with the authorized representatives of any jurisdiction, exempting nonresidents of this state using the highways of this state from the registration requirements of chapter 321 and payment of fees to this state, with conditions, restrictions, and privileges the director deems advisable.

[S13, §1571-m16; C24, 27, 31, 35, §4866; C39, §**5003.04;** C46, 50, 54, 58, §321.56; C62, 66, §326.2; C71, 73, 75, 77, 79, 81, §326.5]

86 Acts, ch 1245, §1948

**326.6 Apportionable registration fees.**

The department may determine the sum total amount of registration fees necessary to register each and every vehicle in a fleet based on the annual registration fees prescribed in chapter 321.

[C71, 73, 75, 77, 79, 81, §326.6]

90 Acts, ch 1230, §89; 2012 Acts, ch 1093, §19

**326.7 through 326.9** Repealed by 2012 Acts, ch 1093, § 39.

**326.10** Repealed by 2002 Acts, ch 1063, § 54.

**326.10A Payment.**

The department shall accept payment of fees under this chapter by personal or corporate check, cash, wire transfer, or other means allowed by the department. A fee shall be deemed to have been paid upon receipt of the payment in full. If the payment is not honored, all fees and penalties shall accumulate as if the fee were not paid. After appropriate warning from the department, the registration account shall be suspended, collection pursued, and the delinquent registration fees shall become a debt due the state of Iowa. After a dishonored payment has been received from an applicant, payments submitted by the applicant during the following year must be made with guaranteed funds. However, the department may instead accept payment in the form of a corporate check made on behalf of the applicant from an approved company with a satisfactory payment history.

85 Acts, ch 61, §1; 2002 Acts, ch 1063, §40; 2007 Acts, ch 143, §24; 2012 Acts, ch 1093, §20

**326.11 Subsequently acquired vehicles.**

Vehicles acquired by a registrant after the commencement of the registration year and subsequently added to the fleet shall be apportioned pursuant to the provisions of chapter 321 and the international registration plan.

[C71, 73, 75, 77, 79, 81, §326.11; 81 Acts, ch 115, §1]

89 Acts, ch 317, §38; 2002 Acts, ch 1063, §41; 2005 Acts, ch 8, §41; 2012 Acts, ch 1093, §21

**326.12 Vehicles deleted — registration transferred.**

Registrants who delete commercial vehicles displaying Iowa base plates from the fleet after the commencement of the registration year shall be allowed to transfer registration credit to a replacement vehicle in accordance with this section. Iowa shall allow credit for non-Iowa based deleted vehicles only if the jurisdiction designated by the registrant as the base jurisdiction of the deleted vehicle permits transfer of registration credit to the replacement vehicle. Allowance of credit for deleted vehicles shall be subject to the following conditions:

1. The fee for issuance of registration credentials for a replacement vehicle shall be seven dollars.

2. If a leased vehicle is to be deleted from the fleet and unexpired registration fees applied

to the replacement vehicle, the lessee shall refund any unexpired registration fees paid by the lessor to the lessee on the transferred vehicle.

3. Credit shall be given for unexpired months.

4. The registration of the vehicle being added to the fleet is not delinquent under chapter 321.

[C71, 73, 75, 77, 79, 81, §326.12]

2002 Acts, ch 1063, §42; 2012 Acts, ch 1093, §22

**326.13 Information under oath.**

The department shall require registrants to submit under oath any information deemed necessary by the department to carry out the provisions of this chapter.

[S13, §1517-m16; C24, 27, 31, 35, §4866; C39, §**5003.04;** C46, 50, 54, 58, §321.56; C62, 66, §326.3; C71, 73, 75, 77, 79, 81, §326.13]

2012 Acts, ch 1093, §23

**326.14 Credentials — registration year and renewal — penalty.**

1. The department shall issue a single registration plate and registration receipt for each vehicle pursuant to apportionment agreements or provisions authorized under this chapter.

2. *a.* Each registration year for a vehicle registered pursuant to this chapter is a twelve-month period commencing on the first day of a calendar month and ending on the last day of the twelfth month in that twelve-month period. Vehicles subject to registration shall be registered for a registration year as determined by the department. The department may adjust the renewal or expiration date of a vehicle's registration when deemed necessary to equalize the number of vehicles registered in each twelve-month period or for the administrative efficiency of the department.

*b.* The department may establish a procedure for the implementation of a staggered registration system for vehicles registered pursuant to the international registration plan. Procedures established under this section may provide for a one-time collection of fewer than twelve or up to eighteen months of registration fees.

3. An application for renewal of registration shall be postmarked or received in the office of motor carrier services of the department no later than the last day of the registration expiration month. A five percent late filing penalty shall be assessed to an application for renewal postmarked or received on or after the first day following the last day of the registration expiration month, with an additional five percent penalty assessed the first of each month thereafter until the application is filed. The enforcement deadline for failure to display a registration plate and registration is 12:01 a.m. of the first day following the last day of the registration expiration month.

[C71, 73, 75, 77, 79, 81, §326.14]

2002 Acts, ch 1063, §43; 2012 Acts, ch 1093, §24

Referred to in §321.1

**326.15 Refunds of registration fees.**

1. Refunds of registration fees paid for motor vehicles under this chapter shall be in accordance with section 321.126. In addition, if a motor vehicle is removed from an apportioned fleet, the registrant shall return the registration plate to the department and make a claim for refund. A refund shall not be allowed without documentation of the subsequent registration of the motor vehicle.

2. A qualified registrant may certify to the department that the registration plate has been destroyed in lieu of surrendering the plate. The department shall adopt rules to define a qualified registrant.

[C71, 73, 75, 77, 79, 81, §326.15]

83 Acts, ch 161, §1; 2002 Acts, ch 1063, §44 – 47; 2004 Acts, ch 1013, §32, 35; 2012 Acts, ch 1093, §25

**326.16 Delinquent fees.**

1. If the fees for apportioned registration are not paid to each member jurisdiction entitled

thereto on the basis of the apportioned registration application and supporting documents filed with the department by the registrant within a reasonable amount of time as determined by the department, the department shall calculate late payment penalties. The registrant shall be notified by regular mail that fees and penalties are due and must be paid within thirty days of the invoice date. If fees and penalties are not received, the registrant shall be notified by regular mail that the registration has been suspended.

2. A five percent late payment penalty shall be assessed if an invoice is not paid within thirty days of the invoice date, with an additional five percent penalty assessed the first of each month thereafter until all fees and penalties are paid. In addition, the fees due for registration in this state shall be a debt due to the state of Iowa.

3. Failure to receive a renewal notice or an invoice by mail, facsimile transmission, or any other means of delivery does not relieve the registrant of the financial responsibility for the renewal fees, invoiced amount, or accrued penalties.

[S13, §1571-m16; C24, 27, 31, 35, §4866; C39, §**5003.04;** C46, 50, 54, 58, §321.56; C62, 66, §326.3; C71, 73, 75, 77, 79, 81, §326.16]

2002 Acts, ch 1063, §48; 2007 Acts, ch 143, §25; 2012 Acts, ch 1093, §26

**326.17 through 326.19** Repealed by 2012 Acts, ch 1093, § 39.

**326.19A Failure to maintain operational records — penalty.**

1. The department may assess a penalty in an amount equal to twenty percent of the apportioned fees if an audit conducted pursuant to the international registration plan confirms that the registrant has failed to maintain operational records on all of the following:

*a.* Verification of distance for the preceding year.

*b.* Reciprocity agreements to which the department may be a party.

2. The department shall adopt rules specifying the records and other information required for an audit under the international registration plan.

92 Acts, ch 1100, §7; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1093, §27

**326.20 Benefits extended to leased vehicles.** Repealed by 2012 Acts, ch 1093, § 39.

**326.21 Laws of other jurisdictions — Iowa interests.**

In the absence of an agreement with another jurisdiction, the department may examine the laws and requirements of such jurisdiction and declare the extent and nature of exemptions, benefits, and privileges to be extended to vehicles or owners of vehicles properly registered or licensed in such other jurisdiction. The department shall consider the interests of the state of Iowa and its citizens, the interests of the other jurisdictions and their citizens, and the benefits which will accrue to the economy of the state of Iowa from the uninterrupted flow of commerce in declarations made pursuant to this section. Each declaration shall specify that the extent of exemptions, benefits, and privileges is subject to revision without notice upon adoption by the general assembly of legislation in conflict with the terms of any such declaration.

[C71, 73, 75, 77, 79, 81, §326.21]

2012 Acts, ch 1093, §28

**326.22 Operational laws of Iowa applicable.**

A nonresident registered vehicle is subject to all laws and rules governing the operation of such vehicle on the highways of this state. The registration credentials assigned and furnished to any vehicle for the current registration year by the jurisdiction in which the vehicle is registered shall be displayed on the vehicle substantially as provided in chapter 321 for vehicles registered pursuant to the provisions of this chapter. In addition, a fee set by the department to cover actual cost shall be charged for each plate, sticker, or other identification furnished for each vehicle registered in accordance with the provisions of this section or extended reciprocity in accordance with the provisions of this section. A charge shall not be made for the initial credentials issued for each vehicle registered pursuant to an apportioned registration agreement. A fee set by the department to cover actual costs shall

be charged for issuance of duplicate plates, stickers, other required identification, or other credentials.

[S13, §1517-m16; C24, 27, 31, 35, §4866; C39, §**5003.04;** C46, 50, 54, 58, §321.56; C62, 66, §326.5; C71, 73, 75, 77, 79, 81, §326.22]

2002 Acts, ch 1063, §50; 2012 Acts, ch 1093, §29

Referred to in §805.8A(13a)

For applicable scheduled fines, see §805.8A, subsection 13, paragraph a

**326.23 Trip permits.**

1. The owner of a commercial vehicle which is properly registered and licensed in some other jurisdiction and is to be operated occasionally on highways in this state may, in lieu of payment of the annual registration fee for such vehicle, obtain a trip permit authorizing operation of the vehicle on the highways of this state for a period of not to exceed seventy-two hours. The fee for the trip permit shall be ten dollars.

2. The department may enter into agreements with owners and operators of truck stops to permit the owners and operators of truck stops to issue trip permits subject to any conditions imposed by the department. In addition to the trip permit fee, the owner or operator of a truck stop may charge an issuance fee which shall be disclosed to the purchaser. For the purposes of this section, *"truck stop"* means any place of business which sells fuel normally used by trucks and which is open twenty-four hours per day.

[C66, §326.7; C71, 73, 75, §326.23, 326.24; C77, 79, 81, §326.23]

2002 Acts, ch 1063, §51; 2005 Acts, ch 8, §42

Referred to in §321E.12, 326.2, 805.8A(13a)

For applicable scheduled fines, see §805.8A, subsection 13, paragraph a

**326.24 Registration denied or suspended.**

If the international fuel tax agreement license issued to an applicant or registrant under chapter 452A is suspended or revoked or if the director refuses to issue an international fuel tax agreement license because of unpaid debt, the director may deny or suspend the applicant's or registrant's registration under this chapter.

2007 Acts, ch 143, §26

**326.25 Applications — investigations.**

1. The department shall examine and determine the genuineness, regularity, and legality of every application lawfully made pursuant to this chapter, and may in all cases make investigations as may be deemed necessary or require additional information. The department shall reject any such application if not satisfied of the genuineness, regularity, or legality of the application or the truth of any statement contained in the application, or for any other reason, when authorized by law. The department is authorized to take possession of any indicia of apportioned registration or reciprocity upon expiration, revocation, cancellation, or suspension of the registration, or which is fictitious, or which has been unlawfully or erroneously issued.

2. The department may suspend or revoke the registration indicia of a vehicle registered on an apportioned basis in any one of the following events:

*a.* When the department is satisfied that such registration indicia was issued upon fraudulent application. Bona fide errors shall be corrected within fifteen days after notification by the department.

*b.* When the department determines that the required fee has not been paid and the fee is not paid upon reasonable notice and demand.

*c.* When the registration indicia is knowingly displayed on a vehicle which is not in the apportioned fleet of the registrant.

*d.* Upon a determination that the motor vehicle does not have financial liability coverage as required under section 321.20B.

[C71, 73, 75, 77, 79, 81, §326.25]

97 Acts, ch 139, §14, 17, 18; 98 Acts, ch 1121, §8; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1093, §30

**326.26 Forms.**

The department shall prescribe and provide suitable forms of application, credentials, and all other forms requisite or deemed necessary to carry out the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §326.26]

2012 Acts, ch 1093, §31

**326.27 Violations to negate agreements.**

Operation of a commercial vehicle or vehicles in violation of the requirements of this chapter, the motor vehicle registration laws of this state, or the terms of any agreement negotiated by the department pursuant to this chapter may, after due notice and hearing, be grounds for denial of reciprocal or apportioned registration privileges for the vehicle or vehicles of an owner so operated. An owner denied such reciprocal or apportioned registration privileges shall be subject to payment of full annual Iowa registration fees for any such vehicle operated on Iowa highways. In addition to denial of reciprocal or apportioned registration privileges, it shall be a simple misdemeanor, unless such act is declared under Iowa law to be a felony, for any person to operate under reciprocity or apportioned registration in violation of any requirements of this chapter.

[C66, §326.7; C71, 73, 75, 77, 79, 81, §326.27]

2012 Acts, ch 1093, §32

**326.28 Copies of records — fee.**

A fee shall be charged for copies of records provided by the department or the director.

[C71, 73, 75, 77, 79, 81, §326.28]

2012 Acts, ch 1093, §33

**326.29 Fees to road use tax fund.**

Fees collected by the department pursuant to this chapter shall be remitted to the treasurer of state for deposit in the road use tax fund except that fees collected for other jurisdictions shall be placed in a special fund known as the "reciprocity fund". The department, at least monthly, shall order the disbursement of such fees collected to the appropriate jurisdictions. Interest earned on the reciprocity fund shall be retained by the state and shall be credited to the road use tax fund.

[C71, 73, 75, 77, 79, 81, §326.29]

2012 Acts, ch 1093, §34

**326.30 Motor vehicle law applicable.**

All provisions of chapter 321, insofar as applicable, are extended to include owners who register and title vehicles in this state on an apportioned registration basis or who operate interstate on Iowa highways under reciprocity.

[C71, 73, 75, 77, 79, 81, §326.30]

87 Acts, ch 108, §9; 2012 Acts, ch 1093, §35

**326.31 Filing incorrect information — effect.**

1. If the director has reason to believe that a registrant has filed incorrect information with the department, for the purpose of reducing the registrant's obligation for registration fees or fuel taxes, the director may revoke the apportioned registration privileges on all of the vehicles owned by the person. A person who has such privileges revoked shall be required to register all of the vehicles owned by the person with the appropriate county treasurer for a period of no less than one year and no more than five years thereafter. The department may use all reports pertaining to the registration fees and motor fuel taxes in ascertaining the accuracy of reports filed pertaining to registration fees and motor fuel taxes.

2. A person whose privileges are revoked may request an administrative hearing of the action in accordance with chapter 17A, and during the period pending the hearing, the apportioned registration privileges shall be reinstated if the registrant posts security with the department in an amount sufficient to pay the full annual fees if an adverse decision is rendered at the hearing. At the hearing, the registrant shall have the burden of proof as to

the accuracy of any report filed by the registrant with the department. Judicial review of any decision reached at the administrative hearing may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C71, 73, 75, 77, 79, 81, §326.31]

2002 Acts, ch 1063, §52; 2003 Acts, ch 44, §114; 2012 Acts, ch 1093, §36

**326.32 Additional fees or restrictions by other jurisdictions — effect.**

If the laws of any other jurisdiction impose any taxes, fees, charges, penalties, obligations, prohibitions, or limitations of any kind upon the vehicles of residents of Iowa, in addition to those imposed upon the vehicles of residents of such other jurisdiction by the state of Iowa, the department may impose and collect fees and charges in the same amount and impose the same obligations, prohibitions, or limitations upon the owner or operator of a vehicle registered in such other jurisdiction.

[C71, 73, 75, 77, 79, 81, §326.32]

2012 Acts, ch 1093, §37

**326.33 Rules adopted.**

The department shall promulgate rules pursuant to chapter 17A as necessary to carry out the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §326.33]

**326.34 through 326.45** Reserved.

**326.46 Temporary unladen weight registration.**

The department may issue temporary registration for unregistered vehicles subject to registration under this chapter upon application by the owner and payment of a fee of ten dollars for each vehicle. The registration shall be valid for fifteen days and for one trip between specified points of origin and destination, with intermediate points authorized by the department. Property or passengers shall not be transported while the vehicle is subject to temporary registration.

[C81, §326.46]

2012 Acts, ch 1093, §38

# CHAPTERS 327 and 327A

RESERVED

# CHAPTER 327B

## REGISTRATION OF CARRIER AUTHORITY

Referred to in §307.27


327B.1 Authority secured and registered.
327B.2 Enforcement.
327B.3 Fees — use.
327B.4 Private carriers exempt. Repealed by 2007 Acts, ch 143, §34, 35.
327B.5 Penalty.
327B.6 Insurance or bond. Repealed by 2008 Acts, ch 1031, §71.
327B.7 Reciprocity for exempt commodity base state registration system. Repealed by 2007 Acts, ch 143, §34, 35.


**327B.1 Authority secured and registered.**

1. It is unlawful for a carrier to perform an interstate transportation service for

compensation upon the highways of this state without first registering the authority obtained from the United States department of transportation or evidence that such authority is not required with the state department of transportation.

2. The department shall participate in the unified carrier registration plan and agreement for regulated motor carriers as provided in 49 U.S.C. § 14504a and United States department of transportation regulations.

3. As provided in 49 U.S.C. § 14504a, a foreign or domestic motor carrier, motor private carrier, leasing company, broker, or freight forwarder shall not operate any motor vehicle on the highways of this state without first registering the motor vehicle under the unified carrier registration agreement and paying all required fees.

[C66, 71, 73, 75, 77, 79, 81, §327B.1]

93 Acts, ch 174, §2; 95 Acts, ch 118, §31; 2003 Acts, ch 108, §57; 2005 Acts, ch 20, §10; 2005 Acts, ch 179, §129; 2006 Acts, ch 1144, §5; 2007 Acts, ch 143, §27, 35; 2011 Acts, ch 38, §26

Referred to in §805.8A(13f)

For applicable scheduled fines, see §805.8A, subsection 13, paragraph f

**327B.2 Enforcement.**

The department of transportation may designate by resolution certain of its employees upon each of whom there is hereby conferred the authority of a peace officer to make arrests for violations of laws relating to registering a motor vehicle under the unified carrier registration agreement.

[C66, 71, 73, 75, 77, 79, 81, §327B.2]

2011 Acts, ch 38, §27

**327B.3 Fees — use.**

All fees paid under the provisions of this chapter shall be remitted to the treasurer of state and credited to the road use tax fund.

[C66, 71, 73, 75, 77, 79, 81, §327B.3]

**327B.4 Private carriers exempt.** Repealed by 2007 Acts, ch 143, § 34, 35.

**327B.5 Penalty.**

Any person violating the provisions of this chapter shall, upon conviction, be subject to a scheduled fine as provided in section 805.8A, subsection 13, paragraph "*f*".

[C77, 79, 81, §327B.5]

2005 Acts, ch 20, §11; 2011 Acts, ch 131, §61, 158

**327B.6 Insurance or bond.** Repealed by 2008 Acts, ch 1031, § 71.

**327B.7 Reciprocity for exempt commodity base state registration system.** Repealed by 2007 Acts, ch 143, § 34, 35.

# CHAPTER 327C

## SUPERVISION OF CARRIERS

Referred to in §307.26


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327C.40 Reserved.
327C.41 Additional reports.
327C.42 Uniform accounts.
327C.43 Violations.

**327C.1 Definition.**

As used in this chapter, unless the context otherwise requires, *"department"* means the department of transportation.

[C75, §474.54; C77, 79, 81, §327C.1; 81 Acts, ch 22, §22]

86 Acts, ch 1245, §1958

**327C.2 General jurisdiction of transportation department.**

The department has general supervision of all railroads in the state, express companies, car companies, freight and freight-line companies, motor carriers, and any common carrier engaged in the transportation of passengers or freight. However, the provisions of this chapter regarding the supervision of carriers do not apply to regular route motor carriers of passengers or charter carriers, as defined under section 325A.12.

[C97, §2112; S13, §2120-n; C24, 27, 31, 35, 39, §**7874;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.10; C77, 79, 81, §327C.2]

86 Acts, ch 1161, §16; 98 Acts, ch 1100, §51

Referred to in §6A.21, 6B.42

**327C.3 Removal of interfering lights.**

The department is hereby vested with authority to order the removal or alteration of any lights erected for illuminating purposes, whether on public or private property, when such lights interfere with the easy observation of railroad signals by those engaged in the operation of railroad trains or equipment.

[C39, §**7874.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.11; C77, 79, 81, §327C.3]

**327C.4 Inspection — notice to repair.**

The department shall inspect the condition of each railroad's rail track, and may inspect the condition of each railroad's rail facilities, equipment, rolling stock, operations and pertinent records at reasonable times and in a reasonable manner to insure proper operations. Employees of the department shall have proper identification which shall be displayed upon request. If found unsafe, the department shall immediately notify the railroad corporation whose duty it is to put the same in repair, which shall be done by it within such time as the department shall fix. If any corporation fails to perform this duty the department may forbid and prevent it from running trains over the defective portion while unsafe or may regulate the speed and operation of trains moving over the defective portion of the railroad. If the railroad corporation violates any requirement provided by the department, the railroad corporation shall be subject to a schedule "two" penalty for each day the repairs have not been made from the date the department set for repairs to be completed. The court may consider the willingness and ability of the railroad corporation to cooperate in removing the

safety hazard. Notwithstanding the provisions of chapter 669, the state shall not be held liable for damages for any act or failure to act under the provisions of this section.

[C97, §2113; S13, §2113; C24, 27, 31, 35, 39, §**7875;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.12; C77, 79, 81, §327C.4]

93 Acts, ch 87, §9

Referred to in §327C.6

**327C.5 Schedule violations — penalties.**

Violations of the provisions of this chapter and chapters 327D through 327G shall be punished as a schedule "one" penalty unless otherwise indicated. Violations of a continuing nature shall constitute a separate offense for each violation unless otherwise provided. The schedule of violations shall be:

1. *"Schedule one"* means a penalty of one hundred dollars per violation.
2. *"Schedule two"* means a penalty of not less than one hundred dollars nor more than five hundred dollars per violation.
3. *"Schedule three"* means a penalty of not less than five hundred dollars nor more than one thousand dollars per violation.
4. *"Schedule four"* means a penalty of not less than five hundred dollars nor more than five thousand dollars per violation.
5. *"Schedule five"* means a penalty of not less than five hundred dollars nor more than five thousand dollars for the first violation and not less than five thousand dollars nor more than ten thousand dollars for each subsequent violation.

[C79, 81, §327C.5]

2006 Acts, ch 1010, §92; 2007 Acts, ch 22, §70

Referred to in §327F.13, 327F.39

**327C.6 Changes in operation and improvements.**

When, in the judgment of the department, any railroad corporation fails in any respect to comply with the laws of the state; or if any railroad corporation fails to operate its railroad and business in a reasonable and expedient manner which is safe and convenient to the public, the department may order such changes as it finds to be proper and shall serve an order upon such corporation. Nothing in this section or section 327C.4 shall be construed as to nullify responsibility or liability for damage to person or property by any railroad corporation.

[C97, §2113; S13, §2113; C24, 27, 31, 35, 39, §**7877;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.14; C77, 79, 81, §327C.6]

**327C.7 Withdrawal of service.**

It shall be unlawful for any railroad corporation owning or operating any railroad in this state, to withdraw agency service, unless it shall first have filed notice of its intention with the department and otherwise complied with the provisions of this section and sections 327C.8 and 327C.9. Upon the receipt of such notice the department shall specify a notice be published and the railroad corporation shall, at its own expense, cause such notice to be published at least fifteen days in advance of the action to discontinue such agency and shall file proof of publication with the department. The notice shall be in such form as prescribed by the department and shall be published in a newspaper published in the county in which the station is located. An alternative notice procedure giving comparable public notice by registered mail to affected shippers may be prescribed by the department according to rules promulgated under chapter 17A.

[C39, §**7877.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.15; C77, 79, 81, §327C.7]

Referred to in §327C.8

**327C.8 Objections — hearing.**

A person directly affected by the proposed discontinuance of an agency may file written objections with the department stating the grounds for the objections, within fifteen days from the time of the publication of the notice as provided in section 327C.7. Upon the filing of objections the department shall request the department of inspections and appeals to hold a hearing, which shall be held within sixty days from the filing of the objections. Written

notice of the time and place of the hearing shall be mailed by the department of inspections and appeals to the railroad corporation and the person filing objections at least ten days prior to the date fixed for the hearing.

[C39, §**7877.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.16; C77, 79, 81, §327C.8; 81 Acts, ch 22, §22]

89 Acts, ch 273, §19

Referred to in §327C.7

**327C.9 Order of department.**

Upon said hearing the department may prohibit the discontinuance of such agency or may make such other order as is warranted by the evidence produced at such hearing. But if no objections are filed the department may make an order permitting the railroad corporation to proceed with such discontinuance.

[C39, §**7877.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.17; C77, 79, 81, §327C.9; 81 Acts, ch 22, §22]

Referred to in §327C.7

**327C.10 Investigation and inquiry.**

The department may investigate and inquire into the management of all common carriers subject to its jurisdiction. The department may obtain from the carriers full and complete information necessary to enable the department to perform its duties including the administration of railroad assistance agreements. The department may require the attendance and testimony of witnesses, and the production of all books, papers, tariff schedules, contracts, agreements, and documents, relating to any matter under investigation, and may inspect them; and may examine under oath or otherwise any officer, director, agent, or employee of a common carrier; and may issue subpoenas and enforce obedience to them.

[C97, §2115, 2133; C24, 27, 31, 35, 39, §**7878;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.18; C77, 79, 81, §327C.10; 81 Acts, ch 22, §22]

86 Acts, ch 1245, §1959

**327C.11** Repealed by 78 Acts, ch 1110, § 25.

**327C.12 Aid from courts.**

The department or the department of inspections and appeals may invoke the aid of any court of record in the state in requiring the attendance and testimony of witnesses and the production of books, papers, tariff schedules, agreements, and other documents. If a person refuses to obey a subpoena or other process, a court having jurisdiction of the inquiry shall issue an order requiring any of the officers, agents, or employees of a carrier or other person to appear before either department and produce all books and papers required by the order and testify in relation to any matter under investigation.

[C97, §2133; C24, 27, 31, 35, 39, §**7879;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.20; C77, 79, 81, §327C.12; 81 Acts, ch 22, §22]

89 Acts, ch 273, §20

Contempts, chapter 665

**327C.13 Hindering or obstructing department.**

Any person who shall willfully obstruct the department in the performance of their duties, or who shall refuse to give any information within that person's possession that may be required by the department within the line of their duty, shall, upon conviction, be subject to a schedule "two" penalty.

[C97, §2115; C24, 27, 31, 35, 39, §**7880;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.21; C77, 79, 81, §327C.13; 81 Acts, ch 22, §22]

See §327C.5

**327C.14 Cumulative remedies.**

Nothing in this chapter or chapter 327D shall be construed to estop or hinder any persons from bringing action against any railway corporation for any violation of the laws of the state.

[C97, §2118; C24, 27, 31, 35, 39, §**7882;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.23; C77, 79, 81, §327C.14]

**327C.15** Reserved.

**327C.16 Mandatory injunction — contempt.**

It shall be the duty of the court in which any such cause shall be pending to require the issue to be made up within twenty days after commencement of the action and to give the same precedence over other civil business. If the court shall find that such rule, regulation, or order is reasonable and just, and that in refusing compliance therewith said railway company is neglecting and omitting the performance of any public duty or obligation, the court shall decree a mandatory and perpetual injunction, compelling obedience to and compliance with such rule, order, or regulation by said railroad company or person, its officers, agents, servants and employees, and may grant such other relief as may be deemed just and proper. All violations of such decree shall render the company, persons, officers, agents, servants and employees who are in any manner instrumental in such violation, guilty of contempt of court, and the court may punish such contempt by a fine not exceeding one thousand dollars for each offense. Such decree shall continue and remain in effect and be enforced until the rule, order, or regulation shall be modified or vacated by the department.

[C97, §2119; S13, §2119; C24, 27, 31, 35, 39, §**7884;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.25; C77, 79, 81, §327C.16]

Referred to in §327C.21, 364.8

**327C.17 Penalty.**

If a railroad fails or refuses to comply with a rule or order made by the state department of transportation or the department of inspections and appeals within the time specified, the railroad is, for each day of such failure, subject to a schedule "two" penalty.

[S13, §2119; C24, 27, 31, 35, 39, §**7885;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.26; C77, 79, 81, §327C.17; 81 Acts, ch 22, §22]

89 Acts, ch 273, §21

Referred to in §327C.21

See §327C.5

**327C.18 Time may be extended to test legality.**

The time for the taking effect of any rule, order, or regulation affecting public rights, made by the department, may, in its discretion, be extended; and said extension of time may be granted for the purpose of testing the legality thereof, upon application by any such aggrieved railroad, showing reasonable grounds therefor, and that said application is made in good faith and not for the purpose of delay.

[S13, §2119; C24, 27, 31, 35, 39, §**7886;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.27; C77, 79, 81, §327C.18]

Referred to in §327C.21

**327C.19 Review.**

A decision of the department of inspections and appeals is subject to review by the state department of transportation.

Judicial review of the actions of the state department of transportation may be sought in accordance with chapter 17A.

[S13, §2119; C24, 27, 31, 35, 39, §**7887;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.28; C77, 79, 81, §327C.19]

89 Acts, ch 273, §22

Referred to in §327C.21

**327C.20 Remitting penalty.**

If a common carrier fails in a judicial review proceeding to secure a vacation of the order objected to, it may apply to the court in which the review proceeding is finally adjudicated for an order remitting the penalty which has accrued during the review proceeding. Upon a satisfactory showing that the petition for judicial review was filed in good faith and not for the purpose of delay, and that there were reasonable grounds to believe that the order was unreasonable or unjust or that the power of the department of transportation or the department of inspections and appeals to make the order was doubtful, the court may remit the penalty that has accrued during the review proceeding.

[S13, §2119; C24, 27, 31, 35, 39, §**7888;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.29; C77, 79, 81, §327C.20; 81 Acts, ch 22, §22]

89 Acts, ch 273, §23

Referred to in §327C.21

**327C.21 Costs — attorney's fees.**

When a decree shall be entered against a railroad corporation or person under sections 327C.16 to 327C.20 the court shall render judgment for costs, and attorney's fees for counsel representing the state.

[C97, §2120; C24, 27, 31, 35, 39, §**7889;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.30; C77, 79, 81, §327C.21]

**327C.22 Interstate freight rates.**

The department shall exercise constant diligence to ascertain the rates, charges, rules, and practices of common carriers operating in this state, in relation to the transportation of freight in interstate business. When it shall ascertain from any source or have reasonable grounds to believe that the rates charged on such interstate business or the rules or practices in relation thereto discriminate unjustly against any of the citizens, industries, interests, or localities of the state, or place any of them at an unreasonable disadvantage as compared with those of other states, or are in violation of the laws of the United States regulating commerce, or in conflict with the rulings, orders, or regulations of the surface transportation board, the department shall take the necessary steps to prevent the continuance of such rates, rules, or practices.

[S13, §2120-a; C24, 27, 31, 35, 39, §**7890;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.31; C77, 79, 81, §327C.22]

2003 Acts, ch 108, §59

**327C.23 Application to surface transportation board.**

When any common carrier has put in force any rates, rules, or practices in relation to interstate freight business, in violation of the laws of the United States regulating commerce, or of the orders, rules, or regulations of the surface transportation board, or shall unjustly discriminate against any of the citizens, industries, interests, or localities of the state, the department shall present the material facts involved in such violations or discrimination to the surface transportation board and seek relief therefrom, and, if deemed necessary or expedient, the department shall prosecute any charge growing out of such violation or discrimination, at the expense of the state, before the surface transportation board.

[S13, §2120-b; C24, 27, 31, 35, 39, §**7891;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.32; C77, 79, 81, §327C.23]

2003 Acts, ch 108, §60

**327C.24 Choice of remedies.**

Any person claiming damages from a common carrier on account of any violation of the provisions of chapter 327D may either make complaint to the department, or may bring action on the person's behalf for the recovery of such damages; but the person shall not have the right to pursue both of said remedies at the same time.

[C97, §2131; C24, 27, 31, 35, 39, §**7892;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.33; C77, 79, 81, §327C.24]

**327C.25 Complaints.**

A person may file with the department a petition setting forth any particular in which a common carrier has violated the law to which it is subject and the amount of damages sustained by reason of the violation. The department shall furnish a copy of the complaint to the carrier against which a complaint is filed. The department shall request the department of inspections and appeals to schedule a hearing in which the carrier shall answer the petition or satisfy the demands of the complaint. If the carrier fails to satisfy the complaint within the time fixed or there appears to be reasonable grounds for investigating the matters set forth in the petition, the department of inspections and appeals shall hear and determine the questions involved and make orders it finds proper. If the department of transportation has reason to believe that a carrier is violating any of the laws to which it is subject, the department may institute an investigation and request the department of inspections and appeals to conduct a hearing in relation to the matters as if a petition had been filed.

[C97, §2134; C24, 27, 31, 35, 39, §**7893;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.34; C77, 79, 81, §327C.25; 81 Acts, ch 22, §22]

89 Acts, ch 273, §24

**327C.26 Reports.**

When a hearing has been held before the department of inspections and appeals after notice, it shall make a report in writing setting forth the findings of fact and its conclusions together with its recommendations as to what reparation, if any, the offending carrier shall make to a party who has suffered damage. The findings of fact are prima facie evidence in all further legal proceedings of every fact found. All reports of hearings and investigations made by the department of inspections and appeals shall be entered of record and a copy furnished to the carrier against which the complaint was filed, to the party complaining, and to any other person having a direct interest in the matter. A reasonable fee not to exceed the actual duplication costs may be charged for the copies.

[C97, §2135; C24, 27, 31, 35, 39, §**7894;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.35; C77, 79, 81, §327C.26; 81 Acts, ch 22, §22]

89 Acts, ch 273, §25

**327C.27 Orders — compliance.**

When the department finds as the result of any investigation or hearing that a common carrier has violated or is violating any of the provisions of law to which it is subject, or that any complainant or other person has sustained damages by reason of such violation, the department shall order such carrier to cease such violation at once and shall fix a time within which it shall pay the amount of damage which has been found due to any person as a result of such violation.

[C97, §2136; C24, 27, 31, 35, 39, §**7895;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.36; C77, 79, 81, §327C.27; 81 Acts, ch 22, §22]

**327C.28 Violation of order — petition — notice.**

If a person violates or fails to obey a lawful order or requirement of the department of transportation or the department of inspections and appeals, the department of transportation or the department of inspections and appeals shall apply by petition in the name of the state against the person, to the district court, alleging the violation or failure to obey. The court shall hear and determine the matter set forth in the petition on reasonable notice to the person, to be fixed by the court and to be served in the same manner as an original notice for the commencement of action.

[C97, §2137; C24, 27, 31, 35, 39, §**7896;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.37; C77, 79, 81, §327C.28; 81 Acts, ch 22, §22]

89 Acts, ch 273, §26

Referred to in §327C.29, 327C.30

Manner of service, R.C.P. 1.302 – 1.315

**327C.29 Interested party may begin proceedings.**

A person interested in enforcing an order or requirement of the department of transportation or the department of inspections and appeals, may file a petition against the violator, alleging the failure to comply with the order or requirement and asking for summary relief to the same extent and in the same manner as the department of transportation or the department of inspections and appeals may under section 327C.28, and the proceedings after the filing of the petition shall be the same as in section 327C.28.

[C97, §2137; C24, 27, 31, 35, 39, §**7897;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.38; C77, 79, 81, §327C.29; 81 Acts, ch 22, §22]

89 Acts, ch 273, §27

Referred to in §327C.30

**327C.30 Duty of department, general counsel and county attorney.**

When any proceeding has been instituted under sections 327C.28 and 327C.29, the department general counsel shall prosecute the same, and the county attorney of the county in which such proceeding is pending shall render such assistance as the department general counsel may require.

[C97, §2137; C24, 27, 31, 35, 39, §**7898;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.39; C77, 79, 81, §327C.30; 81 Acts, ch 22, §22]

Referred to in §331.756(59)

**327C.31 Hearing in equity — injunction.**

All such causes shall be in equity, and the order or report of the department in question shall be considered prima facie evidence. If the court shall find that the order or requirement in question is lawful and has been violated, it shall issue an injunction or other proper process.

[C97, §2137; C24, 27, 31, 35, 39, §**7899;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.40; C77, 79, 81, §327C.31; 81 Acts, ch 22, §22]

**327C.32** Repealed by 76 Acts, ch 1245(4), § 525.

**327C.33 Appeal — effect.**

An appeal to the supreme court shall not stay or supersede the order of the court or the execution of any writ or process thereon. When appeal is taken by the department, it shall not be required to give an appeal bond or security for costs.

[C97, §2137; C24, 27, 31, 35, 39, §**7901;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.42; C77, 79, 81, §327C.33; 81 Acts, ch 22, §22]

**327C.34 Suits by the department.**

When the department has reason to believe that any person has been guilty of unjust discrimination, the department shall cause action to be commenced against such person. Such action may be brought in the district court of any county through which the railway owned or operated by such person may extend.

[C97, §2149, 2150; C24, 27, 31, 35, 39, §**7902;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.43; C77, 79, 81, §327C.34; 81 Acts, ch 22, §22]

**327C.35** Repealed by 78 Acts, ch 1110, § 25.

**327C.36 Rights and remedies not exclusive.**

Nothing in this chapter shall abridge any rights or remedies existing at common law or by statute, but shall be in addition to such remedies.

[C24, 27, 31, 35, 39, §**7904;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.45; C77, 79, 81, §327C.36]

**327C.37 Accidents — investigations of — report.**

Upon the occurrence of any serious accident upon any railroad within this state, which shall result in personal injury, or loss of life, the corporation operating the road upon which the accident occurred shall give immediate notice thereof to the department whose duty it shall be, if they deem it necessary, to investigate the same, and promptly report to the governor

the extent of the personal injuries, or loss of life, and whether the same was the result of mismanagement or neglect of the corporation on whose line the injury or loss of life occurred; but such report shall not be evidence or referred to in any case in any court.

[S13, §2120-k; C24, 27, 31, 35, 39, §**7905;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.46; C77, 79, 81, §327C.37]

**327C.38 Annual reports from companies.**

The department shall require annual reports from all common carriers subject to the provisions of chapter 327D and prescribe the manner in which specific answers to all questions upon which it may need information shall be made.

[C73, §1280; C97, §2143; C24, 27, 31, 35, 39, §**7906;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.47; C77, 79, 81, §327C.38]

**327C.39** Repealed by 78 Acts, ch 1110, § 25.

**327C.40** Reserved.

**327C.41 Additional reports.**

The department may also require of any and all common carriers subject to the provisions of chapter 327D such other reports, and fix the time for filing the same, as in its judgment shall be necessary and reasonable, which reports shall be in such form, and concerning such subjects, and be from such sources as it shall direct, except as otherwise provided herein.

[C97, §2143; C24, 27, 31, 35, 39, §**7909;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.50; C77, 79, 81, §327C.41]

**327C.42 Uniform accounts.**

The department may prescribe uniformity and methods of keeping accounts, as near as may be, and fix a time when such regulations shall take effect.

[C97, §2143; C24, 27, 31, 35, 39, §**7910;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.51; C77, 79, 81, §327C.42]

**327C.43 Violations.**

Any corporation, company, or individual owning or operating a railway within the state, neglecting or refusing to make the required reports by the date fixed by rule of the department, shall, upon conviction, be subject to a schedule "one" penalty for each and every day of delay in making the same after the date thus fixed.

[C73, §1281, 1282; C97, §2143; C24, 27, 31, 35, 39, §**7911;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.52; C77, 79, 81, §327C.43]

See §327C.5

# CHAPTER 327D

## REGULATION OF CARRIERS

Referred to in §307.26, 327C.5, 327C.14, 327C.24, 327C.38, 327C.41

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GENERAL PROVISIONS

**327D.1 Applicability of chapter.**

This chapter applies to intrastate transportation by for-hire common carriers of persons and property. However, this chapter does not apply to regular route motor carriers of passengers or charter carriers, as defined under section 325A.12.

[C97, §2122; C24, 27, 31, 35, 39, §**8036;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.1; C77, 79, 81, §327D.1]

83 Acts, ch 121, §3; 86 Acts, ch 1161, §17; 98 Acts, ch 1100, §52

Referred to in §327D.40

**327D.2 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Department"* means the state department of transportation.
2. *"Joint tariffs"* embraces joint rates, tolls, contracts, classifications and charges.
3. *"Railroad"* means the terminal facilities necessary in the transportation of persons and property and includes bridges, railroad right-of-way, trackage, switches and other appurtenances necessary for the operation of a railroad, whether owned, leased or operated under some other contractual agreement.
4. *"Railroad corporation"* means a railway corporation as defined in subsection 6.
5. *"Railway"* means a railroad as defined in subsection 3.
6. *"Railway corporation"* means all corporations, companies, or persons owning or operating any railroad or carrier in whole or in part within the state.
7. *"Rates"* means fares, tariffs, tolls, charges, and all classifications, contracts, practices and rules of common carriers relating to such rates.
8. *"Switching service"* means the shifting of a car between two points, both of which are within the industrial vicinity of an industry, a group of industries, a station, or a city, as such industrial vicinity may be defined by the department.
9. *"Transportation"* means all instrumentalities of shipment or carriage as well as services in connection with the actual transport.

[C97, §2122; SS15, §2125; C24, 27, 31, 35, 39, §**8037, 8082;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.2, 479.48; C77, 79, 81, §327D.2; 81 Acts, ch 22, §22]

86 Acts, ch 1245, §1960

Referred to in §307.26, 327D.40

**327D.3 Duty to furnish cars and transport freight.**

Every railway corporation shall upon reasonable notice, and within a reasonable time, furnish suitable cars to any and all persons who may apply therefor, for the transportation of any and all kinds of freight, and receive and transport such freight with all reasonable dispatch, and provide and keep suitable facilities for the receiving and handling thereof at any depot on the line of its road.

[C97, §2116; S13, §2116; C24, 27, 31, 35, 39, §**8038;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.3; C77, 79, 81, §327D.3]

Referred to in §327D.5, 327D.40

**327D.4 Connections.**

If a railroad corporation in this state refuses to connect by proper switches or tracks with the tracks of another railroad corporation or refuses to receive, transport, load, discharge, reload, or return cars furnished by another connecting railroad corporation, a petition requesting resolution of the dispute may be filed with the department. The department shall notify the department of inspections and appeals which shall hold a hearing on the dispute. Upon conclusion of the hearing, the department of inspections and appeals shall issue an order to

resolve the dispute. The order may include the allocation of costs between the parties. The order is subject to review by the department which review shall be the final agency action.

[C97, §2113, 2116; S13, §2113, 2116; C24, 27, 31, 35, 39, §**7876, 8039;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §474.13, 479.4; C77, 79, 81, §327D.4; 81 Acts, ch 22, §22]

91 Acts, ch 27, §4

Referred to in §327D.5, 327D.40

**327D.5 Burden of proof.**

In any action in court, or before the department, brought against a railroad corporation for the purpose of enforcing rights arising under the provisions of this and sections 327D.3 and 327D.4 the burden of proving that the provisions thereof have been complied with by such railroad corporation, shall be upon such railroad corporation.

[S13, §2116; C24, 27, 31, 35, 39, §**8041;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.6; C77, 79, 81, §327D.5]

Referred to in §327D.40

**327D.6** Reserved.

**327D.7 Transporting persons or property for hire — limitation on liability.**

A contract, receipt or rule shall not exempt any person engaged in transporting for hire from the liability of a common carrier, or carrier of passengers, which would exist had no contract, receipt or rule been made except as may be provided for liability for property loss by order of the department.

[C73, §2184; C97, §3136; C24, 27, 31, 35, 39, §**8043;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.8; C77, 79, 81, §327D.7; 81 Acts, ch 22, §22]

Referred to in §327D.40

**327D.8 Preference prohibited — exception.**

It shall be unlawful for any common carrier to give any preference or advantage to, or entail any prejudice or disadvantage upon any particular person, company, firm, corporation, locality, or any class of business or traffic, by any rate, rule, regulation, or practice whatsoever. This provision shall not prevent any common carrier from giving preference as to time of shipping livestock, live poultry, uncured meats, fruits, vegetables, or other perishable property.

[C97, §2125; SS15, §2125; C24, 27, 31, 35, 39, §**8044;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.9; C77, 79, 81, §327D.8]

Referred to in §327D.40

**327D.9 Interchange of traffic — switching and forwarding.**

Common carriers shall, according to their respective powers, afford all reasonable, proper, and equal facilities for the interchange of traffic between their respective lines, and for the receiving, forwarding, and switching of cars and property to and from their several lines, and to and from other lines and places connected therewith; and shall not discriminate in their accommodations, rates, and charges between such connecting lines. Any common carrier may be required to switch and transfer cars for another, for the purpose of being loaded or unloaded, upon such terms and conditions as may be ordered by the department.

[C97, §2125; SS15, §2125; C24, 27, 31, 35, 39, §**8045;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.10; C77, 79, 81, §327D.9; 81 Acts, ch 22, §22]

Referred to in §327D.40

**327D.10 Unjust discrimination — exceptions.**

If any common carrier subject to the provisions of this chapter shall directly or indirectly, by any special rate, rebate, drawback, or other device, charge, demand, collect, or receive from any person or persons a greater or less compensation for any service rendered, or to be rendered, in the transportation of passengers or property subject to the provisions of this chapter, than it charges, demands, collects, or receives from any other person or persons for doing a like and contemporaneous service in the transportation of a like kind of traffic, such common carrier shall be guilty of unjust discrimination, which is hereby prohibited and

declared to be unlawful; but this section shall not be construed as prohibiting a less rate per one hundred pounds in a carload lot than is charged, collected, or received for the same kind of freight in less than a carload lot.

[C97, §2124; C24, 27, 31, 35, 39, §**8046;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.11; C77, 79, 81, §327D.10]

Referred to in §327D.40

**327D.11 Reconsignment without charge.**

Upon request of the consignee it shall be the duty of any common carrier of freight to reconsign, rebill, and reship from any place of destination within the state to any other place within the state any property in carload lots brought to said place of destination over its own or other line and treat the same in all respects as an original shipment between such places, provided the charges to first place of destination are paid or secured to the satisfaction of such corporation.

[S13, §2157-r; C24, 27, 31, 35, 39, §**8047;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.12; C77, 79, 81, §327D.11]

Referred to in §327D.40

**327D.12 Charges to be reasonable.**

All rates and charges made for any service rendered or to be rendered in the transportation of passengers or property in this state, or for the receiving, delivering, storage, or handling of such property, shall be reasonable and just.

[C97, §2123; C24, 27, 31, 35, 39, §**8048;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.13; C77, 79, 81, §327D.12]

Referred to in §327D.40

**327D.13 Rates.**

1. *a.* A common carrier subject to this chapter shall not charge more for the transportation of persons or property than a fair and just rate or charge.

*b.* A common carrier shall not:

(1) Charge more for the transportation of persons or property for a shorter distance than for a longer distance in the same direction on the same route.

(2) Charge more for a through rate than the aggregate of the intermediate rates.

2. However, upon application by a common carrier, the department may in special cases and after investigation prescribe the extent to which the carrier is relieved from compliance with this section.

[C97, §2126; C24, 27, 31, 35, 39, §**8049;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.14; C77, 79, 81, §327D.13; 81 Acts, ch 22, §22]

86 Acts, ch 1245, §1961; 2010 Acts, ch 1061, §180

Referred to in §327D.40

**327D.14 Pooling contracts.**

It shall be unlawful for any common carrier subject to the provisions of this chapter to enter into any contract, agreement, or combination with any other common carrier for the pooling of freight of different and competing railroads, or divide between them the aggregate or net proceeds of the earnings of such railroads, or any portion thereof without the approval of the department when determined to be in the public interest by the department; and in case of an agreement for the pooling of freights without such approval, each day of its continuance shall be a separate offense.

[C73, §1297 – 1299; C97, §2127; C24, 27, 31, 35, 39, §**8050;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.15; C77, 79, 81, §327D.14; 81 Acts, ch 22, §22]

Referred to in §327D.40

**327D.15 Continuous shipments.**

It shall be unlawful for any common carrier subject to the provisions of this chapter to enter into any combination, contract or agreement, expressed or implied, to prevent, by change of time schedules, carriage in different cars, or, by other means or device, the carriage of freights from being continuous from place of shipment to the place of destination in the state; and

no break of bulk, stoppage, or interruption made by such common carrier shall prevent the carriage of freights from being treated as one continuous carriage from the place of shipment to the place of destination, unless such break, stoppage, or interruption was made in good faith for some necessary purpose, and without any intent to avoid or unnecessarily interrupt such continuous carriage, or to evade any of the provisions of this chapter.

[C97, §2129; C24, 27, 31, 35, 39, §**8051;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.16; C77, 79, 81, §327D.15]

Referred to in §327D.40

**327D.16 Violations — treble damages.**

In case any common carrier subject to the provisions of this chapter shall do, cause, or permit to be done anything herein prohibited or declared to be unlawful, or shall willfully fail to do anything in this chapter required to be done, it shall be liable to the person injured thereby for three times the amount of damages sustained in consequence, together with costs of suit, and a reasonable attorney fee to be fixed by the court, on appeal or otherwise, which shall be taxed and collected as part of the costs in the case; but in all cases demand in writing shall be made of the carrier for the money damages sustained before action is brought for a recovery under this section, and no action shall be brought until the expiration of fifteen days after such demand.

[C97, §2130; C24, 27, 31, 35, 39, §**8052;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.17; C77, 79, 81, §327D.16]

Referred to in §327D.40

**327D.17 Criminal liability.**

Except as otherwise specially provided for in this chapter, and unless relieved from the consequences of a violation of the law as provided herein, any common carrier subject to the provisions hereof, or, when such common carrier is a corporation, any director or officer thereof, or any receiver, trustee, lessee, agent, or person acting for or employed by such corporation, who, alone or with any other corporation, company, person, or party shall willfully do or cause to be done, or shall willfully suffer or permit to be done any act, matter, or thing in this chapter prohibited or declared to be unlawful, or who shall aid or abet therein, or shall willfully omit or fail to do any act, matter, or thing in this chapter required to be done, or shall cause or willingly suffer or permit any act, matter, or thing, so directed or required by the provisions of this chapter to be done, not to be so done; or shall aid or abet any such omission or failure, or shall be guilty of any infraction of the provisions of this chapter, or shall aid or abet therein, shall be guilty of a misdemeanor, and shall, upon conviction thereof, be subject to a schedule "four" penalty.

[C97, §2132; C24, 27, 31, 35, 39, §**8053;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.18; C77, 79, 81, §327D.17]

Referred to in §327D.40

See §327C.5

**327D.18** Reserved.

**327D.19 Discrimination — prima facie evidence.**

The provisions of the following subsections shall constitute prima facie evidence of undue and unjust discriminating rates, charges, accommodations, collections or receipts.

1. Charge, collect, or receive for the transportation of any passenger or freight of any description upon its railroad, for any distance within the state, a greater amount of toll or compensation than is at the same time charged, collected or received for the transportation in the same direction of any passenger or like quantity of freight of the same class, over a greater distance of the same railway; or

2. Charge, collect, or receive at any point upon its road a higher rate of toll or compensation for receiving, handling, or delivering freight of the same class and quantity than it shall at the same time charge, collect, or receive at any other point upon the same railway; or

3. Charge, collect, or receive for the transportation of any passenger or freight of any

description over its railway a greater amount as toll or compensation than shall at the same time be charged, collected, or received by it for the transportation of any passenger or like quantity of freight of the same class being transported in the same direction over any portion of the same railway of equal distance; or

4. Charge, collect, or receive from any person a higher or greater amount of toll or compensation than it shall at the same time charge, collect, or receive from any other person for receiving, handling, or delivering freight of the same class and like quantity at the same point upon its railway; or

5. Charge, collect, or receive from any person for the transportation of any freight upon its railway a higher or greater rate of toll or compensation than it shall at the same time charge, collect, or receive from any other person or persons for the transportation of the like quantity of freight of the same class being transported from the same point in the same direction over equal distances of the same railway; or

6. Charge, collect, or receive from any person for the use and transportation of any railway car or cars upon its railroad for any distance, a greater amount of toll or compensation than is at the same time charged, collected, or received from any other person for the use and transportation of any railway car of the same class or number, for a like purpose, being transported in the same direction over a greater distance of the same railway; or

7. Charge, collect, or receive from any person for the use and transportation of any railway car upon its railway a higher or greater compensation in the aggregate than it shall, at the same time, charge, collect, or receive from any other person for the use and transportation of any railway car of the same class for a like purpose, being transported from the same original point in the same direction, over an equal distance of the same railway; or

8. Charge any undue or unjust discriminatory rates, charges, accommodations, collections or receipts whether made directly or indirectly by means of a rebate or other method.

[C97, §2145; S13, §2145; C24, 27, 31, 35, 39, §**8055;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.20; C77, 79, 81, §327D.19]

Referred to in §327D.40

**327D.20 through 327D.26** Reserved.

**327D.27 Penalty for discrimination.**

Any corporation making any unjust discrimination as to freight rates, or the rates for the use and transportation of railway cars, or in receiving, handling, or delivering freight, shall, upon conviction, be subject to a schedule "four" penalty; or shall be subject to the liability prescribed in section 327D.28, to be recovered as therein provided.

[C97, §2147; C24, 27, 31, 35, 39, §**8064;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.29; C77, 79, 81, §327D.27]

Referred to in §327D.40
See §327C.5

**327D.28 Penalty.**

Any railway corporation making any unjust discrimination as to passenger or freight rates, or the rates for the use and transportation of railway cars, or in receiving, handling, or delivering freight, shall, upon conviction, forfeit and pay to the state an amount within the limits of a schedule "five" penalty. Money collected shall be deposited in the general fund of the state.

[C97, §2148; C24, 27, 31, 35, 39, §**8065;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.30; C77, 79, 81, §327D.28]

Referred to in §327D.27, 327D.40
See §327C.5

**327D.29 Free or reduced freight rates permitted.**

Nothing in this chapter shall apply to free or reduced rates for the transportation, storage or handling of:

1. Property for the United States, this state, or political subdivisions of this state.

2. Materials to be used by public authorities in constructing or maintaining public facilities.
3. Property for charitable purposes.
4. Property for exhibition at fairs or expositions.
5. Private property or goods for the family use of such employees as are entitled to free passenger transportation.
6. Private property in less than carload lots.
7. Coal.
8. Products transported to be recycled.

[C97, §2150; C24, 27, 31, 35, 39, §**8066;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.31; C77, 79, 81, §327D.29]
Referred to in §327D.40

**327D.30 through 327D.39** Reserved.

JOINT RATES

**327D.40 Authorization.**
Sections 327D.1 to 327D.29 of this chapter shall not be construed to prohibit the making of rates by two or more railway companies for the transportation of property over two or more of their respective lines within the state; and a less charge by each of said companies for its portion of such joint shipment than it charges for a shipment for the same distance wholly over its own line within the state shall not be considered a violation of said chapter, and shall not render such company liable to any of the penalties thereof.
[C97, §2152; C24, 27, 31, 35, 39, §**8067;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.32; C77, 79, 81, §327D.40]

**327D.41** Reserved.

**327D.42 Connecting lines.**
Every owner or consignor of freight to be transported by railway from any point within this state to any other point within this state shall have the right to require that the same shall be transported over two or more connecting lines of railway, to be transferred at the connecting point or points without change of car or cars if in carload lots, and with or without change of car or cars if in less than carload lots, whenever the distance from the place of shipment to destination, both being within this state, is less over two or more connecting lines of railway than it is over a single line of railway, or where the initial line does not reach the place of destination; and it shall be the duty, upon the request of any such owner or consignor of freight, made to the initial company, of such railway companies whose lines so connect, to transport the freight without change of car or cars if the shipment be in a carload lot or lots, and with change of car or cars if it be in less than carload lots, from the place of shipment to destination, whenever the distance from the place of shipment to destination, both being within this state, is less than the distance over a single line, or when the initial line does not reach the point of destination, for a reasonable joint through rate.
[C97, §2153; S13, §2153; C24, 27, 31, 35, 39, §**8069;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.34; C77, 79, 81, §327D.42]

**327D.43 Routing intrastate shipments.**
It shall be the duty of every common carrier subject to the provisions of this chapter, when shipments are tendered for transportation between points in this state, to route such shipments from shipping point to point of destination over the cheapest available route between such points except in cases where the shipper, in shipping orders or bills of lading,

specifically designates a particular route over which it is desired such shipments shall be moved.

[C31, 35, §8069-d1; C39, §**8069.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.35; C77, 79, 81, §327D.43]

**327D.44** Reserved.

**327D.45 Schedules of joint rates.**

The department may order a schedule of joint through railway rates for such traffic and on such routes as in its judgment the fair and reasonable conduct of business requires.

[C97, §2155; S13, §2155; C24, 27, 31, 35, 39, §**8071;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.37; C77, 79, 81, §327D.45; 81 Acts, ch 22, §22]

**327D.46 through 327D.52** Reserved.

**327D.53 Division of joint rates.**

Before the adoption of the rates, the department shall notify the railroad corporations interested in the schedule of joint rates fixed, and give them a reasonable time to agree upon a division of the charges provided. If the corporations fail to agree upon a division, and to notify the department of their agreement, the department shall, after a hearing conducted by the department of inspections and appeals, decide the rates, taking into consideration the value of terminal facilities and all the circumstances of the haul, and the division so determined by it is, in all controversies or actions between the railroad corporations interested, prima facie evidence of a just and reasonable division.

[C97, §2156; C24, 27, 31, 35, 39, §**8080;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.46; C77, 79, 81, §327D.53; 81 Acts, ch 22, §22]

89 Acts, ch 273, §28

**327D.54 through 327D.64** Reserved.

RATE SCHEDULES

**327D.65** Reserved.

**327D.66 Rate schedules — filing and public access.**

Every common carrier, except railway corporations, subject to the provisions of this chapter shall file with the department and shall print schedules showing the rates for the transportation within this state of persons and property from each point upon its route to all other points on the route and from all points upon its route to all points upon every other route leased, operated, or controlled by it; and from each point on its route or upon any route leased, operated, or controlled by it to all points upon the route of any other common carrier, whenever a through route and a joint rate have been established or ordered between any two points. If no joint rate over a through route has been established, the schedules of the several carriers in the through route shall show the separately established rates, applicable to the through transportation.

The schedules shall be plainly printed and a copy of often used schedules shall be kept by every carrier readily accessible to and for inspection by the public in every station and office of the carrier where passengers or property are received for transportation when the station or office is in the charge of an agent. A notice printed in bold type and stating that the often used schedules are on file with the agent and open to public inspection, and that the agent will assist any person to determine from the schedule any rate shall be posted by the carrier in public and conspicuous places in each station or office. The department shall, by rule, provide that adequate public access to schedules not often used be provided in a different manner.

Railway corporations shall maintain a copy of schedules and rates on file in the office of the carrier readily accessible to and for inspection by the public.

[C73, §1304; C97, §2128; C24, 27, 31, 35, 39, §**8083, 8085, 8087;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.49, 479.51, 479.53; C77, 79, 81, §327D.66; 81 Acts, ch 22, §16]

89 Acts, ch 57, §1, 2

**327D.67 Detailed requirements.**

The schedules shall plainly state the places between which such property and persons will be carried, and, separately, all terminal charges, storage charges, refrigeration charges, and all other charges which the department may require to be stated, all privileges or facilities granted or allowed, and all rules which may in any way change, affect, or determine any part or the aggregate of such rates, or the value of the various services rendered to the passenger, shipper, or consignee.

The form of every schedule shall be prescribed by the department and shall conform, in the case of common carriers, as nearly as may be to the form prescribed by the United States department of transportation.

[C73, §1304; C97, §2128; C24, 27, 31, 35, 39, §**8084, 8088;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.50, 479.54; C77, 79, 81, §327D.67; 81 Acts, ch 22, §22]

2003 Acts, ch 108, §61

**327D.68** Reserved.

**327D.69 Right to inspect.**

Any or all of such schedules kept as aforesaid shall be immediately produced by such carrier for inspection upon the demand of any person.

[C24, 27, 31, 35, 39, §**8086;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.52; C77, 79, 81, §327D.69]

**327D.70 and 327D.71** Reserved.

**327D.72 Interstate commerce schedules.**

When schedules and classifications required by the United States department of transportation contain in whole or in part the information required by the provisions of this chapter, the posting and filing of a copy of such schedules and classifications with the United States department of transportation shall be deemed a compliance with the filing requirements of this chapter insofar as such schedules and classifications contain the information required by this chapter, and any additional or different information may be posted and filed in a supplementary schedule.

[C24, 27, 31, 35, 39, §**8089;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.55; C77, 79, 81, §327D.72; 81 Acts, ch 22, §22]

89 Acts, ch 57, §3; 2003 Acts, ch 108, §62

**327D.73 Partial schedules.**

In lieu of filing its often used schedule in each station or office, any common carrier may file with the department and keep posted at the stations or offices, schedules of the rates applicable at, to, and from the places where the stations or offices are located.

[C97, §2128; C24, 27, 31, 35, 39, §**8090;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.56; C77, 79, 81, §327D.73; 81 Acts, ch 22, §17]

**327D.74 Changes in schedules.**

The department shall have power from time to time, in its discretion, to determine and prescribe by order such changes in the form of the schedules referred to in this chapter as it may find expedient, and to modify the requirements of any of its orders or rules in respect thereto.

[C97, §2128; C24, 27, 31, 35, 39, §**8091;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.57; C77, 79, 81, §327D.74; 81 Acts, ch 22, §22]

**327D.75 Joint tariff schedules.**

The names of the several common carriers which are parties to any joint tariff shall be specified in the schedule showing the same. Unless otherwise ordered by the department, a schedule showing such joint tariff need be filed with the department by only one of the parties if there is also filed with the department, in such form as the department may require, a concurrence in such joint tariff by each of the other parties thereto.

[C97, §2128; C24, 27, 31, 35, 39, §**8092;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.58; C77, 79, 81, §327D.75; 81 Acts, ch 22, §22]

**327D.76** Reserved.

**327D.77 Transportation prohibited.**

No common carrier shall undertake to perform any service nor engage or participate in the transportation of persons or property between points within this state, until its schedule of rates shall have been filed and posted as herein provided.

[C24, 27, 31, 35, 39, §**8094;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.60; C77, 79, 81, §327D.77]

**327D.78 Change in rate.**

Unless the department otherwise orders, no change shall be made by any common carrier in any rate, except after thirty days' notice to the department and to the public as herein provided. The department shall adopt rules to ensure public notice in any action instituted under this section.

[C97, §2128; C24, 27, 31, 35, 39, §**8095;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.61; C77, 79, 81, §327D.78; 81 Acts, ch 22, §22]

**327D.79 Notice of change.**

Such notice shall be given by filing with the department new schedules or supplements stating plainly the change to be made in the schedule then in effect, and the time when the change will go into effect.

[C97, §2128; C24, 27, 31, 35, 39, §**8096;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.62; C77, 79, 81, §327D.79; 81 Acts, ch 22, §22]

**327D.80 Changes without notice.**

The department, for good cause shown, may allow changes without requiring thirty days' notice by an order specifying the changes so to be made and the time when they shall take effect, and the manner in which they shall be filed and published.

[C97, §2128; C24, 27, 31, 35, 39, §**8097;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.63; C77, 79, 81, §327D.80; 81 Acts, ch 22, §22]

**327D.81 Indicating change.**

When any change is proposed in any rate, such proposed change shall be plainly indicated on the new schedule filed with the department, by some typographic character immediately preceding or following the item.

[C97, §2128; C24, 27, 31, 35, 39, §**8098;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.64; C77, 79, 81, §327D.81; 81 Acts, ch 22, §22]

**327D.82 Schedule charge mandatory — refunds and discrimination.**

No common carrier, except as otherwise provided, shall charge, demand, collect, or receive a greater or less or different compensation for the transportation of persons or property or for any service in connection therewith than the rates, fares, and charges applicable to such transportation as specified in its schedules filed and in effect at the time; nor shall any such carrier refund or remit in any manner or by any device any portion of the rates, fares, or charges so specified except upon order of the courts or of the department as may be now or

hereafter by law provided, nor extend to any shipper or person any privilege or facility in the transportation of passengers or property except such as are specified in such schedules.

[C97, §2128; C24, 27, 31, 35, 39, §**8099;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.65; C77, 79, 81, §327D.82; 81 Acts, ch 22, §22]

**327D.83 Rate hearing.**

If a schedule is filed with the department stating a rate, the department may, either upon complaint or upon its own motion, request the department of inspections and appeals to conduct a hearing concerning the propriety of the rate.

[C24, 27, 31, 35, 39, §**8100;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.66; C77, 79, 81, §327D.83; 81 Acts, ch 22, §22]

89 Acts, ch 273, §29

**327D.84 Suspension of rates.**

Pending the hearing and the decision thereon, such rate shall not go into effect; but the period of suspension of such rate shall not extend more than one hundred twenty days beyond the time when such rate would otherwise go into effect.

[C24, 27, 31, 35, 39, §**8101;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.67; C77, 79, 81, §327D.84]

**327D.85 Rate proposal — review.**

At the hearing the department of inspections and appeals shall propose the rates on the schedule, in whole or in part, or others in lieu thereof, which the department of inspections and appeals finds are just and reasonable rates. The action of the department of inspections and appeals is subject to review by the state department of transportation. The decision of the state department of transportation is the final agency action.

[C24, 27, 31, 35, 39, §**8102;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.68; C77, 79, 81, §327D.85; 81 Acts, ch 22, §22]

89 Acts, ch 273, §30

**327D.86 When rates effective.**

All such rates not so suspended shall, on the expiration of thirty days from the time of filing the same with the department or of such less time as the said department may grant, go into effect and be the established and effective rates, subject to the power of the department after a hearing had upon its own motion or upon complaint, as herein provided, to alter or modify the same.

[C24, 27, 31, 35, 39, §**8103;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.69; C77, 79, 81, §327D.86; 81 Acts, ch 22, §22]

**327D.87 Posting and filing of revised schedules.**

After such changes have been authorized by the department, copies of the new or revised schedules shall be posted or filed as provided in this chapter within such reasonable time as may be fixed by the department.

[C24, 27, 31, 35, 39, §**8104;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.70; C77, 79, 81, §327D.87; 81 Acts, ch 22, §22]

**327D.88** Reserved.

**327D.89 Complaint of violation.**

When a person complains to the department that the rate charged or published by a railway corporation, or the maximum rate fixed by law, is unreasonably high or discriminating, the department may investigate the matter, and request the department of inspections and appeals to conduct a hearing. The department of inspections and appeals shall give the parties notice of the time and place of the hearing.

[C97, §2139; C24, 27, 31, 35, 39, §**8106;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.72; C77, 79, 81, §327D.89; 81 Acts, ch 22, §22]

89 Acts, ch 273, §31

**327D.90 Hearing — evidence.**

At the time of the hearing the department of inspections and appeals shall receive any evidence and listen to any arguments presented by either party relevant to the matter under investigation, and the burden of proof is not upon the person making the complaint. The complainant shall add to the showing made at the hearing whatever information the complainant then has, or can obtain from any source. The department of inspections and appeals shall propose just and reasonable rates, which may be adopted in whole or in part or modified as the state department of transportation determines.

[C97, §2140; C24, 27, 31, 35, 39, §**8107;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.73; C77, 79, 81, §327D.90; 81 Acts, ch 22, §22]

89 Acts, ch 273, §32

**327D.91 through 327D.101** Reserved.

LIVESTOCK

**327D.102 Movement of livestock — burden of proof.**

It is hereby made the duty of all common carriers of freight within this state to move cars of livestock at the highest practicable speed consistent with reasonable safety and the reasonable movement of its general traffic. The burden of proof that cars of livestock are so moved shall be upon the carrier, and proof that such cars were moved according to schedule or timetable shall not be prima facie evidence that they were moved at the highest practicable speed consistent with reasonable safety.

[S13, §2157-s; C24, 27, 31, 35, 39, §**8114;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.80; C77, 79, 81, §327D.102]

**327D.103 through 327D.112** Reserved.

PASSENGER RATES

**327D.113 Names of free pass beneficiaries reported.**

Every common carrier of passengers within the provisions of this chapter shall, whenever so requested by the department, file with the department a sworn statement showing the names of all persons within this state holding, or to whom during the preceding year such carrier issued, furnished, or gave a free ticket, free pass, free transportation, or a discriminating reduced rate, except wage earners of common carriers in their ordinary employment and families of such wage earners, and disclosing such further information as will enable the department to determine whether the person to whom it was issued was within the exception of said provisions.

[S13, §2157-j; C24, 27, 31, 35, 39, §**8132;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.98; C77, 79, 81, §327D.113]

**327D.114 Passenger tickets — redemption.**

Every railroad corporation shall redeem in whole or in part any unused passenger ticket at a rate equal to the transportation value of the unused portion. Any redemption shall be made not more than forty-five days from the date of the refund request.

[S13, §2128-a; C24, 27, 31, 35, 39, §**8133;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.99; C77, 79, 81, §327D.114]

Referred to in §327D.116

**327D.115** Reserved.

**327D.116 Violations.**

Any railroad company, corporation, person, or persons, who as common carriers shall sell or issue tickets as set forth in section 327D.114, and shall refuse or neglect to redeem the same, as by said section provided, within ten days of date of demand, shall forfeit and pay to the owner of such ticket the purchase price of said ticket, and the further sum of one hundred dollars.

[S13, §2128-c; C24, 27, 31, 35, 39, §**8135;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.101; C77, 79, 81, §327D.116]

**327D.117 through 327D.126** Reserved.

WEIGHING BULK COMMODITIES

**327D.127 Railroad track scales — weighing — fee.**

Every railroad corporation operating within the state and having track scales shall maintain the scales in good order and of sufficient capacity to weigh carloads of bulk commodities transported over the railroad. The railroad shall weigh car lots of bulk commodities at the request of any owner, consignor, or consignee of such commodities, and furnish written certificates of the weights to the owner, consignor, or consignee. A reasonable charge may be made for such requested weighing.

[S13, §2157-l; C24, 27, 31, 35, 39, §**8137;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.103; C77, 79, 81, §327D.127]

Referred to in §215.25, 327D.131, 327D.132

**327D.128 Weighing — disagreement.**

If a railroad corporation and the owner, consignor, or consignee of car lots of bulk commodities cannot reach agreement relative to the weighing of the commodities, appeal may be made to the state department of transportation. The state department of transportation, after a hearing by the department of inspections and appeals, shall issue an order equitable to all parties including but not limited to allocation of costs and specification of the place and manner of weighing.

[C77, 79, 81, §327D.128; 81 Acts, ch 22, §22]

89 Acts, ch 273, §33

Referred to in §327D.131, 327D.132

**327D.129 Weight at destination.**

Bulk commodities shall be weighed at the destination upon request of the consignee when there are track scales at the destination. If the destination is not equipped with track scales, the weighing shall be done at the nearest practicable point agreed to by both parties.

[S13, §2157-n; C24, 27, 31, 35, 39, §**8139;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.105; C77, 79, 81, §327D.129]

Referred to in §327D.131, 327D.132

**327D.130 Weighing commodities.**

A scale ticket printed or stamped by automatic recorders pursuant to section 215.19, shall be furnished to the consignee. Settlement of freight charges shall be based upon those weights, but weight shall not be warranted for any other commercial purpose unless so stated upon the face of the scale ticket.

[S13, §2157-o; C24, 27, 31, 35, 39, §**8140;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.106; C77, 79, 81, §327D.130]

Referred to in §327D.131, 327D.132

**327D.131 Prima facie evidence.**

Certificates mentioned in sections 327D.127 to 327D.132 shall be prima facie evidence of the facts therein recited in any action arising between consignors and consignees and common carriers.

[S13, §2157-p; C24, 27, 31, 35, 39, §**8141;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.107; C77, 79, 81, §327D.131]

Referred to in §327D.132

**327D.132 Violation — penalty.**

Any common carrier operating in this state violating any of the provisions of sections 327D.127 to 327D.131 by neglecting or refusing to weigh cars or to furnish certificates of weights as therein provided shall, upon conviction, be subject to a schedule "one" penalty.

[S13, §2157-q; C24, 27, 31, 35, 39, §**8142;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.108; C77, 79, 81, §327D.132]

Referred to in §327D.131

See §327C.5

**327D.133 through 327D.159** Reserved.

ADJUSTMENT OF CLAIMS

**327D.160 Rules.**

The department shall prescribe, pursuant to chapter 17A, rules reasonably necessary for the orderly disposition of claims arising from loss or damage to property tendered for transportation.

[S13, §2074-c; C24, 27, 31, 35, 39, §**8150;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.116; C77, 79, 81, §327D.160; 81 Acts, ch 22, §18]

**327D.161 through 327D.172** Reserved.

TERMINATING CARRIER'S LIABILITY

**327D.173 Notice of arrival of shipment.**

All companies, corporations, or individuals that now, or hereafter, may own or operate any railroads, in whole or in part, in the state, and all persons, firms, or companies, and all associations of persons, whether incorporated or not, that shall do business as a common carrier upon any of the lines of railway in this state, shall be and remain liable as a common carrier upon all less than carload shipments until the consignee shall be notified of the arrival of the shipment and has reasonable time and opportunity to receive same.

[SS15, §2074-f; C24, 27, 31, 35, 39, §**8153;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.119; C77, 79, 81, §327D.173]

Referred to in §327D.174

**327D.174 Notice prescribed.**

A deposit in the United States post office or public mailing box of a written notice addressed to the consignee at the address given upon the bill of lading will constitute service of the notice required by section 327D.173, and forty-eight hours from the date of the mailing of such notice shall be a reasonable time in which to receive said shipment.

[SS15, §2074-f; C24, 27, 31, 35, 39, §**8154;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.120; C77, 79, 81, §327D.174]

**327D.175 through 327D.185** Reserved.

## NEGLIGENCE OF EMPLOYEES

**327D.186 Liability for negligence of employees.**

Every corporation operating a railway shall be liable for all damages sustained by any person, including employees of such corporation, in consequence of the neglect of the agents, or by any mismanagement of the engineers, or other employees thereof, and in consequence of the willful wrongs, whether of commission or omission, of such agents, engineers, or other employees, when such wrongs are in any manner connected with the use and operation of any railway on or about which they shall be employed, and no contract which restricts such liability shall be legal or binding.

[C73, §1307; C97, §2071; S13, §2071; C24, 27, 31, 35, 39, §**8156;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.122; C77, 79, 81, §327D.186]

Referred to in §327D.187, 327D.188

**327D.187 Relief or indemnity contract.**

No contract of insurance, relief, benefit, or indemnity in case of injury or death, entered into prior to the injury, between the person so injured and such corporation, or any other person or association acting for such corporation, and no acceptance of any such insurance, relief, benefit, or indemnity by the person injured, the person's surviving spouse, heirs, or legal representatives after the injury, from such corporation, person, or association, shall constitute any bar or defense to any cause of action brought under the provisions of section 327D.186; but nothing contained herein shall be construed to prevent or invalidate any settlement for damages between the parties subsequent to injuries received.

[S13, §2071; C24, 27, 31, 35, 39, §**8157;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.123; C77, 79, 81, §327D.187]

**327D.188 Contributory and comparative negligence.**

In all actions brought against any railway corporation to recover damages for the personal injury or death of any employee under or by virtue of any of the provisions of section 327D.186, the fact that the employee may have been guilty of contributory negligence shall not bar a recovery; but the damages shall be diminished by the jury in proportion to the amount of negligence attributable to such employee.

[S13, §2071; C24, 27, 31, 35, 39, §**8158;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.124; C77, 79, 81, §327D.188]

**327D.189 Unallowable pleas.**

No such employee who may be injured or killed shall be held to have been guilty of contributory negligence in any case where the violation by such common carrier or corporation of any statute enacted for the safety of employees contributed to the injury or death of such employee; nor shall it be any defense to such action that the employee who was injured or killed assumed the risks of the person's employment.

[S13, §2071; C24, 27, 31, 35, 39, §**8159;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.125; C77, 79, 81, §327D.189]

**327D.190 Damages by fire.**

Any corporation operating a railway shall be liable for all damages sustained by any person on account of loss of or injury to the person's property occasioned by fire set out or caused by the operation of such railway. Such damages may be recovered by the party injured in the manner set out in sections 327G.6 to 327G.8 and to the same extent, save as to double damages.

[C73, §1289; C97, §2056; C24, 27, 31, 35, 39, §**8160;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §479.126; C77, 79, 81, §327D.190]

**327D.191** Reserved.

**327D.192 Spot checks for hazardous cargo.**

An employee under the supervision of the department's administrator for rail and water designated by the director of the department may conduct spot inspections of vehicles subject to registration which are owned or operated by a railroad corporation to determine whether a vehicle is used to transport products or property which may be a safety hazard for the operator of the vehicle subject to registration or any other employee of the railroad corporation who is transported in the vehicle.

[C77, 79, 81, §327D.192]

88 Acts, ch 1134, §71

**327D.193 through 327D.199** Reserved.

**327D.200 Inconsistency with federal law — railroads.**

If any provision of this chapter is inconsistent or conflicts with federal laws, rules, or regulations applicable to railway corporations subject to the jurisdiction of the surface transportation board, the department shall suspend the provision, but only to the extent necessary to eliminate the inconsistency or conflict.

83 Acts, ch 121, §4; 2003 Acts, ch 108, §63

**327D.201 Railroad intrastate rates — rules.**

The department may issue rules relating to the regulation of railroad intrastate rates, classifications, rules, and practices in accordance with the standards and procedures of the surface transportation board applicable to rail carriers.

83 Acts, ch 121, §4; 2003 Acts, ch 108, §64

# CHAPTER 327E

## RAILWAY CORPORATIONS — POWERS

Referred to in §307.26, 327C.5

327E.1 Foreign railway companies.
327E.2 Sale or lease of railroad property.
327E.3 Motorbuses.

**327E.1 Foreign railway companies.**

Any railway corporation organized or created by or under the laws of any other state, owning and operating a line or lines of railroad in such state, may build its road or branches into this state, and shall possess all the powers and privileges, and be subject to the same liabilities, as like corporations organized and incorporated under the laws of this state, if it shall file with the secretary of state a copy of its articles of incorporation, if incorporated under a general law of such state, or a certified copy of the statute incorporating it where the charter thereof was granted by statute.

Any such railway corporation may take and hold voluntary grants of real estate and other property as are made to it to aid in the construction, maintenance, and continued operation of its railway. However, all real estate so received shall be held only as long as the real estate is used for the construction, maintenance, and continued operation of a railway.

[C97, §2048; C24, 27, 31, 35, 39, §**7941;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §476.22; C77, 79, 81, §327E.1; 82 Acts, ch 1207, §1]

**327E.2 Sale or lease of railroad property.**

Any railway corporation may sell or lease its property and franchises to, or make joint running arrangements not in conflict with law with, any corporation owning or operating

any connecting railway, and any corporation operating the railway of another shall be liable in the same manner and extent as though such railway belonged to it.

[C73, §1300; C97, §2066; C24, 27, 31, 35, 39, §**7942;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §476.23; C77, 79, 81, §327E.2]

Referred to in §617.4

**327E.3 Motorbuses.**

Any person operating a railroad in this state may own and operate any other common carrier subject to applicable state laws. Any such person may purchase and own capital stock and securities of a corporation organized for or engaged in the business of a common carrier.

[C31, 35, §7945-c1; C39, §**7945.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §476.27; C77, 79, 81, §327E.3]

# CHAPTER 327F

## CONSTRUCTION AND OPERATION OF RAILWAYS

Referred to in §307.26, 327C.5


327F.1 Crossing railway, canal or watercourse.
327F.2 Maintenance of bridges — damages.
327F.3 Catwalks and handrails.
327F.4 Rights of riparian owners.
327F.5 Railroad on riparian land or lots.
327F.6 through 327F.12 Reserved.
327F.13 Close-clearance warning devices.
327F.14 Lights on track power cars.
327F.15 through 327F.17 Reserved.
327F.18 Standard caboose cars.
327F.19 Minimum length — construction — equipment.
327F.20 Violations.
327F.21 through 327F.25 Reserved.
327F.26 Freight offices.
327F.27 Vegetation on right-of-way.
327F.28 Violations.
327F.29 Enforcement.
327F.30 Power to eject passenger.
327F.31 Political subdivision ordinances.
327F.32 and 327F.33 Reserved.
327F.34 Windshields on power track cars.
327F.35 Penalty.
327F.36 Screen exhaust fire controls.
327F.37 Reserved.
327F.38 First aid and medical treatment for employees.
327F.39 Transportation of railroad employees and equipment.


**327F.1 Crossing railway, canal or watercourse.**

Any railroad company may build its railway across, over, or under any other railway, canal or watercourse, when necessary, but shall not thereby unnecessarily impede travel, transportation or navigation. It shall be liable for all damages caused by such crossing.

[R60, §1325; C73, §1265; C97, §2020; C24, 27, 31, 35, 39, §**7946;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.1; C77, 79, 81, §327F.1]

**327F.2 Maintenance of bridges — damages.**

Every railroad company shall build, maintain, and keep in good repair all bridges, abutments, or other construction necessary to enable it to cross over or under any canal, watercourse, other railway, public highway, or other way, except as otherwise provided by law, and shall be liable for all damages sustained by any person by reason of any neglect or violation of the provisions of this section.

[R60, §1326, 1327; C73, §1266, 1267; C97, §2021; C24, 27, 31, 35, 39, §**7947;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.2; C77, 79, 81, §327F.2]

**327F.3 Catwalks and handrails.**

Any person operating a railroad in this state shall construct and maintain in good repair a catwalk and handrail on at least one side of every railway bridge and trestle which shall be constructed, or the structure of which is renovated in any manner, after January 1, 1976. The catwalk and handrail shall extend the length of the bridge or trestle.

[C77, 79, 81, §327F.3]

**327F.4 Rights of riparian owners.**

All owners or lessees of lands or lots situated upon the Iowa banks of the Mississippi or Missouri rivers upon which any business is carried on which is in any way connected with the navigation of either of said rivers, or to which such navigation is a proper or convenient adjunct, are authorized to construct and maintain in front of their property, piers, cribs, booms, and other proper and convenient erections and devices for the use of their respective pursuits, and the protection and harbor of rafts, logs, floats, and watercraft, in such manner as to create no material or unreasonable obstruction to the navigation of the stream, or to a similar use of adjoining property.

[C97, §2032; C24, 27, 31, 35, 39, §**7948;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.3; C77, 79, 81, §327F.4]

Referred to in §327F.5, 420.165

**327F.5 Railroad on riparian land or lots.**

No person or corporation shall construct or operate any railroad or other obstruction between the lots or lands referred to in section 327F.4 and either of said rivers, or upon the shore or margin thereof, unless the injury and damage to owners or lessees occasioned thereby shall be first ascertained and paid in the manner provided for taking private property for works of internal improvement.

[C97, §2033; C24, 27, 31, 35, 39, §**7949;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.4; C77, 79, 81, §327F.5]

Referred to in §420.165

Condemnation procedure, chapter 6B

**327F.6 through 327F.12** Reserved.

**327F.13 Close-clearance warning devices.**

1. The owner of a railroad track shall place a warning device at a location where the close clearance between the track and a building, machinery, trees, brush, or other object is such that the building, machinery, trees, brush, or other object physically impedes a person who is lawfully riding the side of a train in the course of the person's duties in service to a railroad company from clearing the building, machinery, trees, brush, or other object.

2. The warning device shall be placed in a location which provides adequate notice to a person riding the side of a train so that the person may prepare for the close clearance. Any signs posted shall not be a danger to other persons working on the property.

3. Placement of a warning device pursuant to this section does not relieve the owner of a railroad track from any duties required under chapter 317 or section 327F.27.

4. A violation of this section is punishable as a schedule "one" penalty under section 327C.5.

5. This section does not apply to a railroad that operates locomotives powered by overhead or suspended electric power lines.

6. The department of transportation shall adopt rules to implement this section. Notwithstanding any other provision, the department of transportation shall be allowed to enter any property on which railroad track is located for the purpose of administering and enforcing this section. Entry upon any private property shall be with knowledge and notice to the property owner.

7. This section only applies to a location where a close-clearance warning device is required to be placed pursuant to rules of the department when funds are available from the department to reimburse the owner of the railroad track for the cost of the close-clearance warning device, including cost of installation.

2007 Acts, ch 164, §1

**327F.14 Lights on track power cars.**

1. Any person, firm, or corporation owning or operating a track power car in this state shall insure that such track power car is equipped with an electric headlight that will enable the operator to see an unlighted obstruction on the track at a distance of three hundred feet in clear weather. A track power car shall also be equipped with two rear electric red lights of

such construction to be plainly visible during hours of darkness on a clear night at a distance of three hundred feet.

2. Such lights shall be in operation when the track power car is being operated.

3. These lighting requirements shall not be construed to penalize any person, firm, or corporation if it can be shown that such lighting equipment was present in good and sufficient working order at the beginning of a trip and became disabled during the trip.

4. A person, firm, or corporation found guilty of a violation of this section shall, upon conviction, be subject to a schedule "one" penalty.

[S13, §2083-g, -h; C24, 27, 31, 35, 39, §**7967, 7969, 7970;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.22, 477.24, 477.25; C77, §327F.14, 327F.16, 327F.17; C79, 81, §327F.14]

2010 Acts, ch 1069, §111

See §327C.5

**327F.15 through 327F.17** Reserved.

**327F.18 Standard caboose cars.**

The provisions of sections 327F.19 and 327F.20 shall apply to any person while engaged as a common carrier in the transportation by rail.

[S13, §2083-i; C24, 27, 31, 35, 39, §**7971;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.26; C77, 79, 81, §327F.18]

Referred to in §327F.20

**327F.19 Minimum length — construction — equipment.**

It shall be unlawful, except as otherwise provided in this chapter, for any such common carrier by railroad to use on its lines any caboose car or other car used for like purposes, unless such caboose or other car shall be at least twenty-four feet in length, exclusive of the platform, and equipped with two four-wheel trucks, and shall be provided with a door in each end thereof and an outside platform across each end of said car; each platform shall not be less than eighteen inches in width and shall be equipped with proper guard rails, and with grab irons and hand brakes, and steps for the safety of persons getting on and off said cars; said steps shall be equipped with a suitable rod, board, or other guard at each end and at the back thereof, properly designed to prevent slipping from said step. Such caboose or other car used for like purposes shall be provided with cupola, or side bay windows, and necessary closets and windows. Each caboose car shall be equipped with an emergency air valve and air gauge, which shall be placed on inside of said car; but the provisions hereof shall not apply to work trains, transfer service, or emergencies not exceeding thirty-six hours.

[S13, §2083-j; C24, 27, 31, 35, 39, §**7972;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.27; C77, 79, 81, §327F.19]

Referred to in §327F.18, 327F.20

**327F.20 Violations.**

Any common carrier as provided in section 327F.18 violating any of the provisions of section 327F.19 shall, upon conviction, be subject to a schedule "two" penalty.

[S13, §2083-m; C24, 27, 31, 35, 39, §**7973;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.28; C77, 79, 81, §327F.20]

Referred to in §327F.18

See §327C.5

**327F.21 through 327F.25** Reserved.

**327F.26 Freight offices.**

All railroads in the state shall establish and maintain operating offices at localities accessible and convenient to the public.

[C97, §2108; C24, 27, 31, 35, 39, §**7981;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.42; C77, 79, 81, §327F.26]

**327F.27 Vegetation on right-of-way.**

1. Every railroad corporation shall insure that vegetation on railroad property which is on or immediately adjacent to the roadbed be controlled so that it does not:

*a.* Become a fire hazard to track-carrying structures.

*b.* Obstruct visibility of railroad signs and signals.

*c.* Interfere with railroad employees performing normal trackside duties.

*d.* Prevent proper functioning of signal and communication lines.

*e.* Prevent railroad employees from visually inspecting moving equipment from their normal duty stations.

2. Nothing in this section shall be construed to exempt a railroad corporation from carrying out noxious weed control programs as provided in chapter 317.

[S13, §2110-i; C24, 27, 31, 35, 39, §**7992;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.53; C77, 79, 81, §327F.27]

2010 Acts, ch 1061, §180

Referred to in §327F.13, 327F.28, 327F.29

**327F.28 Violations.**

Any failure to comply with the provisions of section 327F.27 shall, upon conviction, be subject to a schedule "one" penalty.

[S13, §2110-j; C24, 27, 31, 35, 39, §**7993;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.54; C77, 79, 81, §327F.28]

Referred to in §327F.29

See §327C.5

**327F.29 Enforcement.**

It shall be the duty of the county attorneys in the respective counties to enforce the provisions of sections 327F.27 and 327F.28.

[S13, §2110-k; C24, 27, 31, 35, 39, §**7994;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.55; C77, 79, 81, §327F.29]

Referred to in §331.756(60)

**327F.30 Power to eject passenger.**

Any conductor of a railway train carrying passengers shall have the right to refuse to permit any person, not in the custody of an officer, to enter any passenger car on the train in the conductor's charge, who shall be in a state of intoxication; and shall have the further right to eject from the train at any station, or at any regular stop, any person found in a state of intoxication or disturbing the peace and for that purpose may call to the conductor's aid any employee of the railway.

[S13, §2461-g; C24, 27, 31, 35, 39, §**7996;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §477.57; C77, 79, 81, §327F.30]

**327F.31 Political subdivision ordinances.**

An ordinance or resolution adopted by a political subdivision of this state which relates to the speed of a train in an area within the jurisdiction of the political subdivision is subject to approval by the state department of transportation. Any speed ordinance or resolution adopted by a political subdivision of the state prior to July 1, 1988, which has not been approved by the department shall be referred to the department by the political subdivision and shall be in full force and effect upon approval of the ordinance or resolution by the department. This subsection does not abrogate, modify, or alter any historical or contractual agreement between a political subdivision of the state and a railroad corporation in existence on July 1, 1975.

88 Acts, ch 1079, §1

**327F.32 and 327F.33** Reserved.

**327F.34 Windshields on power track cars.**

All railroads shall be required to equip any regularly assigned section track power car used on its tracks with a transparent windshield sufficient in width and height to reasonably protect said employees; which windshield shall be of safety glass and shall be equipped with manually controlled windshield wiper which will remove rain, snow and sleet from the windshield while such power track car is in motion and tops of such material and construction to adequately provide reasonable protection for said employees from the inclement weather.

[C66, 71, 73, 75, §477.61; C77, 79, 81, §327F.34]

Referred to in §327F.35

**327F.35 Penalty.**

Any railroad corporation found guilty of violating the provisions of section 327F.34 shall, upon conviction, be subject to a schedule "one" penalty.

[C66, 71, 73, 75, §477.62; C77, 79, 81, §327F.35]

See §327C.5

**327F.36 Screen exhaust fire controls.**

1. No locomotive or other rolling stock shall be operated unless it is equipped with proper deflector and screen exhaust fire controls and uses adequate devices to prevent the escape of blowing or burning materials or substances and is maintained in good working order to protect against the start and spread of fires along the right-of-way.

2. A violation of this section is a public offense. The railroad corporation, and any officer, agent, lessee, or independent contractor found guilty of a violation of this section, upon conviction, shall be subject to a schedule "one" penalty.

3. In the event a right-of-way fire can be attributed to faulty screen exhaust fire control equipment, a local fire department may collect reasonable hourly charges, not to exceed a total of two hundred fifty dollars for each call from the railroad corporation.

[C71, 73, 75, §477.63; C77, 79, 81, §327F.36]

2010 Acts, ch 1069, §112

See §327C.5

**327F.37** Reserved.

**327F.38 First aid and medical treatment for employees.**

The department shall adopt rules requiring railroad corporations within the state to provide reasonable and adequate access to first aid and medical treatment for employees injured in the course of employment. A railroad corporation found guilty of a rule adopted pursuant to this section shall, upon conviction, be subject to a schedule "one" penalty.

2004 Acts, ch 1175, §334

**327F.39 Transportation of railroad employees and equipment.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a. "Administrator"* means the department's administrator for rail and water, or the administrator's designee.

*b. "Department"* means the state department of transportation.

*c. "Director"* means the director of transportation.

*d. "Driver"* means a person who operates a motor vehicle for the transportation of railroad workers in the motor vehicle on behalf of a railroad worker transportation company, whether the person is employed by the company for wages or drives for the company as an independent contractor.

*e. "Motor vehicle"* means a vehicle which is self-propelled and designed primarily for highway use, and which may or may not be equipped with retractably flanged wheels for operation on railroad tracks.

*f. "Owner"* means a person having the lawful use or control of a motor vehicle as holder of the legal title of the motor vehicle or under contract or lease or otherwise.

*g. "Place of employment"* means that location where one or more workers are actually performing the labor incident to their employment.

*h.* *"Railroad worker transportation company"* means a person, other than a railroad corporation, organized for the purpose of or engaged in the business of transporting, for hire, railroad workers to or from their places of employment or in the course of their employment in motor vehicles designed to carry seven or more persons but fewer than sixteen persons including the driver.

*i.* *"Worker"* means an individual employed for any period in work for which the individual is compensated, whether full-time or part-time.

2. *Compliance with regulations.* Motor vehicles, as defined in section 321.1, which are subject to registration and which are provided by a railroad company and used to transport railroad workers to and from their places of employment or during the course of their employment shall:

*a.* Meet all state and federal regulations pertaining to safe construction and maintenance of motor vehicles, including their coupling devices, lighting devices and reflectors, motor exhaust systems, rear-vision mirrors, service and parking brakes, steering mechanisms, tires, warning and signaling devices, and windshield wipers.

*b.* Meet all state and federal requirements for safety devices, first-aid kits, and sidewalls, canopies, tailgates, or other means of retaining freight safely.

*c.* Be operated in compliance with all state and federal regulations pertaining to driving, loading, carrying freight and employees, road warning devices, and the transportation of flammable material.

3. *Motor vehicle maintained in safe manner.* A motor vehicle provided by a railroad company and used to transport one or more workers to and from their places of employment or during the course of their employment shall be maintained in a safe manner at all times, whether or not used upon a public highway.

4. *Heating system.* The director shall adopt rules requiring a motor vehicle, as defined in section 321.1, which is subject to registration and which is provided by a railroad company and used to transport railroad workers to and from their places of employment or during the course of their employment to be provided with a safe heating system to maintain a reasonable comfort level in those spaces of the vehicle where the workers are required to ride.

5. *Rest periods for drivers.*

*a.* A railroad worker transportation company shall not require a driver to operate a motor vehicle in violation of section 321.449A. A railroad worker transportation company may require a period of uninterrupted rest for a driver at any time. The period of uninterrupted rest shall not be less than eight hours. A railroad worker transportation company shall clearly communicate to a driver when a period of uninterrupted rest is to begin.

*b.* A railroad company shall not require a driver to operate a motor vehicle in violation of section 321.449A or this subsection.

*c.* For purposes of this subsection, *"uninterrupted rest"* and *"on duty"* mean the same as defined in section 321.449A.

6. *Rule violations.* When the administrator finds that a motor vehicle used to transport workers to and from their places of employment or during the course of their employment violates a rule adopted under this section, the administrator shall make, enter, and serve upon the owner of the motor vehicle an order as necessary to protect the safety of workers transported in the motor vehicle. The administrator may direct in the order, as a condition to the continued use of the motor vehicle for transporting workers to and from their places of employment or during the course of their employment, that additions, repairs, improvements, or changes be made and that safety devices and safeguards be furnished and used as required to satisfy the rules in the manner and within the time specified in the order. The order may also require that any driver of the motor vehicle satisfy the minimum standards for a driver under the rules.

7. *Penalty.*

*a.* Violation by the owner of a motor vehicle of this section, a rule adopted under this section, or an order issued under subsection 6, or willful failure to comply with such an order is, upon conviction, subject to a schedule "one" penalty as provided under section 327C.5.

*b.* A violation of subsection 5 or rules adopted pursuant to subsection 5 by a railroad

worker transportation company or a railroad company is punishable as a schedule "one" penalty under section 327C.5.

88 Acts, ch 1079, §2; 92 Acts, ch 1163, §80; 2013 Acts, ch 30, §261; 2013 Acts, ch 47, §2 – 4; 2013 Acts, ch 140, §64

Referred to in §321.449A
Code editor directive applied
Subsection 1, NEW paragraph d and former paragraphs d – f redesignated as e – g
Subsection 1, NEW paragraph h and former paragraph g redesignated as i
NEW subsection 5 and former subsections 5 and 6 renumbered as 6 and 7
Subsection 7 amended

# CHAPTER 327G

## RAILROAD RIGHTS-OF-WAY, CROSSINGS, TRACKS, AND FENCING

Referred to in §307.26, 327C.5, 476.27


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## DIVISION I

## FENCES, CROSSINGS, AND INTERLOCKING SWITCHES

**327G.1 Definition.**

As used in this division, unless the context otherwise requires, "*department*" means the state department of transportation.

[C75, §478.37; C77, 79, 81, §327G.1; 81 Acts, ch 22, §22]

86 Acts, ch 1245, §1962

**327G.2 Crossings — signs.**

Every corporation constructing or operating a railway shall make and construct at all points where such railway crosses any public road good, sufficient, and safe crossings and erect at such points, at a sufficient elevation from such road as to admit a free passage of vehicles of every kind, a sign with large and distinct letters placed thereon, to give notice of the proximity of the railway, and warn persons of the necessity of looking out for trains. Any railway company neglecting or refusing to comply with the provisions of this section shall be liable for all damages sustained by reason of such refusal or neglect, and it shall only be necessary, in order to recover, for the injured party to prove such neglect or refusal.

[R60, §1331; C73, §1288; C97, §2054; C24, 27, 31, 35, 39, §**8000;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.1; C77, 79, 81, §327G.2]

Referred to in §307.26

**327G.3 Railway fences required.**

All railway corporations owning or operating a line of railway within the state shall construct, maintain, and keep in repair a fence on each side of the right-of-way, to prevent livestock getting upon the tracks.

[C97, §2057; S13, §2057; C24, 27, 31, 35, 39, §**8001;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.2; C77, 79, 81, §327G.3]

**327G.4 Specifications.**

1. All fences shall be not less than fifty-four inches high and may be of any of the following types:

*a.* Not less than five barbed wires, properly spaced.

*b.* Not less than three barbed wires above and not less than twenty-four inches of woven wire below.

*c.* Entirely of woven wire.

*d.* Five boards properly spaced.

*e.* Any other type which the fence viewers of any township through which it passes may determine as efficient as any of the above types.

2. Each of the above types shall be securely nailed to posts firmly set, not more than twenty feet apart for the first three types, nor more than eight feet apart for the fourth.

[C97, §2057; S13, §2057; C24, 27, 31, 35, 39, §**8003;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.4; C77, 79, 81, §327G.4]

2010 Acts, ch 1061, §180

**327G.5 Hog-tight fences.**

When any person owning land abutting on the right-of-way is maintaining a hog-tight fence on all sides thereof or any division of such land except along such right-of-way, the railway company owning such right-of-way shall, on written request of the landowner, make such right-of-way fence along such enclosed land hog-tight by the addition of barbed or woven wire or other equally efficient means.

[S13, §2057; C24, 27, 31, 35, 39, §**8004;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.5; C77, 79, 81, §327G.5]

**327G.6 Failure to fence.**

Any corporation operating a railway and failing to fence its right-of-way shall be liable to the owner of any stock killed or injured by reason of the want of such fence for the full amount of the damages sustained by the owner, unless it was occasioned by the willful act of such owner or the owner's agent; and to recover the same it shall only be necessary for the owner to prove the loss of or injury to the owner's property.

[C73, §1289; C97, §2055; C24, 27, 31, 35, 39, §**8005;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.6; C77, 79, 81, §327G.6]

Referred to in §327D.190

**327G.7 Double damages.**

If such corporation fails or neglects to pay such damages within ninety days after notice in writing that a loss or injury has occurred, accompanied by an affidavit thereof, served upon any officer or station or ticket agent employed by said corporation in the county where such loss or injury occurred, such owner shall be entitled to recover from the corporation double the amount of damages actually sustained by the owner.

[C73, §1289; C97, §2055; C24, 27, 31, 35, 39, §**8006;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.7; C77, 79, 81, §327G.7]

Referred to in §327D.190

**327G.8 Laws and local regulations not applicable.**

No law of the state or any local or police regulations of any county, township or city, relating to the restraint of domestic animals, or in relation to the fences of farmers or landowners, shall be applicable to railway rights-of-way, unless specifically so stated in such law and regulation.

[C73, §1289; C97, §2055; C24, 27, 31, 35, 39, §**8007;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.8; C77, 79, 81, §327G.8]

Referred to in §327D.190

**327G.9 Failure to fence — general penalty.**

If the railroad corporation refuses or neglects to comply with any provision of this chapter relating to the fencing of the tracks, such railroad corporation shall, upon conviction, be subject to a schedule "two" penalty and every thirty days' continuance of such refusal or neglect shall constitute a separate and distinct offense.

[C97, §2058; C24, 27, 31, 35, 39, §**8009;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.10; C77, 79, 81, §327G.9]

See §327C.5

**327G.10 Killing of stock — interpretative clause.**

Nothing herein contained shall be construed to relieve the corporation from liability arising from the killing or maiming of livestock on said track or right-of-way by its negligence or that of its employees, nor shall anything in this chapter interfere with the right of open or private crossings, or with the right of persons to such crossings, nor in any way limit or qualify the liability of any corporation or person owning or operating a railway that fails to fence the same against livestock running at large for any stock injured or killed by reason of the want of such fence.

[C97, §2058; C24, 27, 31, 35, 39, §**8010;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.11; C77, 79, 81, §327G.10]

**327G.11 Private farm crossings.**

When a person owns farmland on both sides of a railway, or when a railway runs parallel with a public highway thereby separating a farm from such highway, the corporation owning or operating the railway, on request of the owner of the farmland, shall construct and maintain a safe and adequate farm crossing or roadway across the railway and right-of-way at such reasonable place as the owner of the farmland may designate. A private farm

crossing established or installed pursuant to this section shall be used solely for farming or agricultural purposes.

[R60, §1329; C73, §1268; C97, §2022; S13, §2022; C24, 27, 31, 35, 39, §**8011;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.12; C77, 79, 81, §327G.11]

90 Acts, ch 1184, §1

Referred to in §327G.81

**327G.12 Overhead, underground, or more than one crossing.**

The owner of land may serve upon the railroad corporation a request in writing for more than one private crossing, or for an overhead or underground crossing, accompanied by a plat of the owner's land designating the location and character of crossing desired. If the railroad corporation refuses or neglects to comply within thirty days of a written request, the owner of the land may make written application to the department to determine the owner's rights. The department of inspections and appeals, after notice to the railroad corporation, shall hear the application and all objections to the application, and make an order which is reasonable and just, and if it requires the railroad company to construct any crossing or roadway, fix the time for compliance with the order and apportion the costs as appropriate. The order of the department of inspections and appeals is subject to review by the state department of transportation. The decision of the state department of transportation is the final agency action.

[S13, §2022; C24, 27, 31, 35, 39, §**8012;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.13; C77, 79, 81, §327G.12; 81 Acts, ch 22, §22]

89 Acts, ch 273, §34

Referred to in §327G.81

**327G.13 Signals at road crossings.**

A bell and a horn shall be placed on each locomotive engine operated on any railway, which horn shall be sounded at least one thousand feet before a road crossing is reached, and after the sounding of the horn the bell shall be rung continuously until the crossing is passed; but at street crossings within the limits of cities the sounding of the horn may be omitted, unless required by ordinance or resolution of the council thereof; and the company shall be liable for all damages which shall be sustained by any person by reason of such neglect.

[C97, §2072; C24, 27, 31, 35, 39, §**8018;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.19; C77, 79, 81, §327G.13]

Referred to in §327G.14

**327G.14 Violations.**

Any officer or employee of any railway corporation violating any of the provisions of section 327G.13 shall, upon conviction, be subject to a schedule "two" penalty.

[C97, §2072; C24, 27, 31, 35, 39, §**8019;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.20; C77, 79, 81, §327G.14]

Referred to in §327G.32

See §327C.5

**327G.15 Railway and highway crossing at grade.**

1. Wherever a railway track crosses or shall hereafter cross a highway, street or alley, the railway corporation owning such track and the department, in the case of primary highways, the board of supervisors of the county in which such crossing is located, in the case of secondary roads, or the council of the city, in the case of streets and alleys located within a city, may agree upon the location, manner, vacation, physical structure, characteristics and maintenance of the crossing and flasher lights or gate arm signals at the crossing and allocation of costs thereof. The department shall become a party to the agreement if grade crossing safety funds are to be used. Up to seventy-five percent of the maintenance cost of flasher lights or gate arm signals at the crossing and an unlimited portion of the cost of installing flasher lights or gate arm signals at the crossing may be paid from the grade crossing safety fund.

2. Notwithstanding other provisions of this section, maintenance of flasher lights or gate

signals installed or ordered to be installed before July 1, 1973, shall be assumed wholly by the railroad corporation.

3. *a.* Payments from the grade crossing safety fund shall be made by the treasurer of state upon certification by the department that the terms of the agreement have been followed.

*b.* The department shall promulgate rules according to chapter 17A for processing claims to the grade crossing safety funds.

4. The provisions of this section shall not apply to the repair of the grade crossing surface.

[R60, §1321, 1322; C73, §1262, 1263; C97, §2017, 2018; §SS15, §2017; C24, 27, 31, 35, 39, §**8020**, **8024**, **8025**; C46, §478.21, 478.25, 478.26; C50, 54, 58, 62, 66, 71, 73, 75, §478.21; C77, 79, 81, §327G.15]

2010 Acts, ch 1061, §180

Referred to in §327G.16, 331.362

**327G.16 Disagreement — application — notice.**

If the persons specified in section 327G.15 cannot reach an agreement, either party may make written application to the department requesting resolution of the disagreement. The department shall request the department of inspections and appeals to set a date for hearing. The department of inspections and appeals shall give ten days' written notice of the hearing date.

[SS15, §2017; C24, 27, 31, 35, 39, §**8021;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.22; C77, 79, 81, §327G.16; 81 Acts, ch 22, §19]

89 Acts, ch 273, §35

Referred to in §327G.31

**327G.17 Hearing — order.**

The department of inspections and appeals shall hear the evidence of each party to the controversy and shall make an order, which may include, pursuant to chapters 6A and 6B, authority to condemn, resolving the controversy. The order shall include the portion of the expense to be paid by each party to the controversy. In determining what portion of the expense shall be paid by each party the department of inspections and appeals may consider the ratio of the benefits accruing to the railroad or the governmental unit or both, to the general public use and benefit.

The order of the department of inspections and appeals is subject to review by the state department of transportation. The decision of the state department of transportation is the final agency action.

[SS15, §2017; C24, 27, 31, 35, 39, §**8022;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.23; C77, 79, 81, §327G.17; 81 Acts, ch 22, §22]

89 Acts, ch 273, §36

Referred to in §327G.31

**327G.18 Railway company to hold in trust.**

Any portion of the expense of making such crossing changes and alterations borne by any municipal corporation or township, the state or any person, shall forever be held in trust by such railroad corporation or its successors, and no part of such funds shall constitute any part of the value of its property on which it is entitled to receive a return.

[SS15, §2017; C24, 27, 31, 35, 39, §**8023;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.24; C77, 79, 81, §327G.18]

**327G.19 Grade crossing fund.**

There is hereby created a fund which shall be known as the highway grade crossing safety fund and shall be made up of the amount allocated by the state treasurer from the road use tax fund.

[C62, 66, 71, 73, 75, §478.25; C77, 79, 81, §327G.19]

**327G.20** Reserved.

**327G.21 Condition after change — temporary ways.**

When a railroad company changes, alters, or repairs a highway crossing, it shall upon completion of the work leave it free from obstructions to travel and in good condition. If travel will be obstructed while any alterations or repairs are being made, the railroad company shall provide safe and convenient temporary ways for the public to avoid or pass such obstructions.

[R60, §1321, 1324; C73, §1262, 1264; C97, §2017, 2019; SS15, §2017; C24, 27, 31, 35, 39, §**8026;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.27; C77, 79, 81, §327G.21]

**327G.22 Railway crossings near Mississippi river.**

When in the construction of a railway it becomes necessary to cross another railway near the shore of the Mississippi river, each shall be so constructed and maintained at the point of crossing that the respective roadbeds thereof shall be above high-water mark in such river; but where the crossing occurs within the limits of any city, the council may establish the crossing grade.

[C73, §1290; C97, §2059; C24, 27, 31, 35, 39, §**8027;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.28; C77, 79, 81, §327G.22]

**327G.23 Grade crossings.**

The department shall have jurisdiction over all crossings at grade of railways within the state. Upon the application of any railway or upon its own motion, the said department may require the trains of any railway to stop at any crossing of such railway tracks at grade or said department may make such rules in relation to speed or other methods of operation at such grade crossings as in its judgment are necessary to protect the public safety.

[C24, 27, 31, 35, 39, §**8028;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.29; C77, 79, 81, §327G.23]

**327G.24 Removal of tracks from crossings.**

Upon consummation of an abandonment of a railway line authorized under 49 U.S.C. § 10903 adopted as of a specific date by rule by the department, or upon interim use of railroad rights-of-way to establish appropriate trails pursuant to 16 U.S.C. § 1247(d) adopted as of a specific date by rule by the department, if the railway tracks adjacent to a crossing have been removed, but the railway tracks in the crossing have not been removed, the city, county, or other jurisdiction having authority over the highway, street, or alley containing the crossing may remove the tracks from the crossing. However, this section shall not be construed as reducing the obligation or liability of a railway corporation to remove the railway tracks from the crossing.

90 Acts, ch 1132, §1

**327G.25 Closing of crossing for repair or upgrade.**

A railway corporation shall not close a railway crossing to the traveling public for more than thirty days for the purpose of repairing or upgrading the crossing. A railway corporation violating this section shall, upon conviction, be subject to a schedule "one" penalty.

2000 Acts, ch 1134, §5

**327G.26 and 327G.27** Repealed by 78 Acts, ch 1110, § 25.

**327G.28 Compulsory establishment.**

Whenever in the judgment of the department it is necessary for the public safety, said department may require the establishment of an interlocking system or other safety device at any railroad crossing, junction or drawbridge.

[C24, 27, 31, 35, 39, §**8035;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §478.36; C77, 79, 81, §327G.28]

**327G.29 Grade crossing surface repair fund.**

1. There is established a highway railroad grade crossing surface repair fund in the office of the treasurer of state. The department may credit to this fund:

*a.* Moneys appropriated to the department from the general fund of the state.

*b.* Moneys appropriated to the department from the road use tax fund or the primary road fund.

*c.* Available federal funds.

*d.* Moneys acquired by the department from any gift, grant, or contributions from any source.

2. Notwithstanding the provisions of section 8.33, unencumbered funds remaining in the highway railroad grade crossing surface repair fund at the close of each fiscal year ending on June 30 shall revert to the road use tax fund.

[C77, 79, 81, §327G.29]

2010 Acts, ch 1061, §180

**327G.30 Adjustment of expense.**

1. If a grade crossing surface of a railroad track and a highway, street, or alley shall require repairs or maintenance, the costs for the maintenance may be paid as provided in section 312.2, subsection 2.

2. If the railroad corporation and the jurisdiction having authority agree on the method of crossing maintenance and establish an agreement to each contribute costs as provided in section 312.2, subsection 2, a copy of the agreement shall be filed with the department which shall allocate an amount of the cost for the work if funds are available in the highway railroad grade crossing surface repair fund. The department shall make appropriate notification if the fund is exhausted in which case agreements shall not be made under this section until additional funds are available. The fund shall be administered by the department.

3. Upon completion of the agreed repair work, a statement of costs shall be filed with the department by the railroad corporation in a form and manner prescribed by the department. The department, upon approval of the statement, shall pay to the railroad corporation an amount of the cost of the work from the highway railroad grade crossing surface repair fund as provided in section 312.2, subsection 2. The owner of the track and the jurisdiction entering into the agreement shall each pay the cost as provided in section 312.2, subsection 2.

[C77, 79, 81, §327G.30]

83 Acts, ch 198, §22; 2009 Acts, ch 133, §240

**327G.31 Disagreement resolved.**

If a railroad corporation and the jurisdiction having authority cannot reach agreement on grade crossing surface repair and maintenance, either party may appeal to the department of inspections and appeals if prior to disagreement both parties have filed a statement with the state department of transportation to the effect that they have entered into negotiations on grade crossing surface repair and maintenance of a particular crossing. The department of inspections and appeals shall resolve the dispute in the manner provided in section 327G.16 and section 327G.17, except for the allocation of costs.

[C77, 79, 81, §327G.31; 81 Acts, ch 22, §22]

**327G.32 Blocking highway crossing.**

1. A railroad corporation or its employees shall not operate a train in such a manner as to prevent vehicular use of a highway, street, or alley for a period of time in excess of ten minutes except in any of the following circumstances:

*a.* When necessary to comply with signals affecting the safety of the movement of trains.

*b.* When necessary to avoid striking an object or person on the track.

*c.* When the train is disabled.

*d.* When necessary to comply with governmental safety regulations including but not limited to speed ordinances and speed regulations.

2. *a.* An officer or employee of a railroad corporation violating a provision of this section is, upon conviction, subject to the penalty provided in section 327G.14.

*b.* An employee is not guilty of a violation if the employee's action was necessary to comply with the direct order or instructions of a railroad corporation or its supervisors. Guilt is then with the railroad corporation.

3. Other portions of this section notwithstanding, a political subdivision may pass an

ordinance regulating the length of time a specific crossing may be blocked if the political subdivision demonstrates that an ordinance is necessary for public safety or convenience. If an ordinance is passed, the political subdivision shall, within thirty days of the effective date of the ordinance, notify the department and the railroad corporation using the crossing affected by the ordinance. The ordinance does not become effective unless the department and the railroad corporation are notified within thirty days. The ordinance becomes effective thirty days after notification unless a person files an objection to the ordinance with the department. If an objection is filed the department shall notify the department of inspections and appeals which shall hold a hearing. After a hearing by the department of inspections and appeals, the state department of transportation may disapprove the ordinance if public safety or convenience does not require the ordinance. The decision of the state department of transportation is final agency action. The ordinance approved by the political subdivision is prima facie evidence that the ordinance is adopted to preserve public safety or convenience.

4. The department of inspections and appeals when considering rebuttal evidence shall weigh the benefits accruing to the political subdivision as they affect the general public use compared to the burden placed on the railroad operation. Public safety or convenience may include, but is not limited to, high traffic density at a specific crossing of a main artery or interference with the flow of authorized emergency vehicles.

5. A resolution regulating the length of time a specific crossing may be blocked, which was adopted before July 1, 1989, is an ordinance for the purposes of this section.

[C77, 79, 81, §327G.32; 81 Acts, ch 22, §20, 22]

85 Acts, ch 195, §39; 89 Acts, ch 39, §4, 5; 89 Acts, ch 273, §37; 2010 Acts, ch 1061, §180

**327G.33 through 327G.60** Reserved.

## DIVISION II

## PRIVATE BUILDINGS AND SPUR TRACKS

**327G.61 Definitions.**

As used in this division:

1. *"Department"* means the state department of transportation.

2. *"Spur track"* means a railroad track located wholly within the state connected to a main or branch line of a railroad and used to originate or terminate traffic at one or more industries or a railroad track not subject to the jurisdiction of the surface transportation board. A spur track shall not include a railroad line used to provide line-haul or intercity transportation.

[C75, §481.9; C77, 79, 81, §327G.61; 81 Acts, ch 22, §22]

86 Acts, ch 1245, §1963; 2003 Acts, ch 108, §65

**327G.62 Controversies — hearing — order — review.**

When a disagreement arises between a railroad corporation, its grantee, or its successor in interest, and the owner, lessee, or licensee of a building or other improvement, including trackage, used for receiving, storing, transporting, or manufacturing an article of commerce transported or to be transported, situated on a present or former railroad right-of-way or on land owned or controlled by the railroad corporation, its grantee, or its successor in interest, as to the terms and conditions on which the article is to be continued or removed, the railway corporation, its grantee, or its successor in interest, or the owner, lessee, or licensee may make written application to the department. The department shall notify the department of inspections and appeals which shall hear and determine the controversy and make an order which is just and equitable between the parties. That order is subject to review by the state

department of transportation. The decision of the state department of transportation is final agency action.

[S13, §2110-l; C24, 27, 31, 35, 39, §**8169;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §481.1; C77, 79, 81, §327G.62; 81 Acts, ch 22, §22; 82 Acts, ch 1207, §2]

86 Acts, ch 1245, §1964; 89 Acts, ch 273, §38

Referred to in §327G.63

**327G.63 Destruction of buildings.**

In the event that any building referred to in section 327G.62, situated on the right-of-way or other land of a railroad company used for railway purposes, shall be injured or destroyed by the negligence of the railroad company, or the servants or agents thereof in the conduct of the business of such company, the railroad company causing such injury or destruction shall be liable therefor to the same extent as if such building used for said purposes was not situated on the right-of-way or other land of such railroad company used for railway purposes, any provision in any lease or contract to the contrary notwithstanding.

[S13, §2110-m; C24, 27, 31, 35, 39, §**8170;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §481.2; C77, 79, 81, §327G.63]

**327G.64 Spur tracks.**

1. Every railroad corporation may acquire, by condemnation or purchase, the necessary rights-of-way and may construct, connect, operate and maintain a reasonably adequate and suitable spur track if the construction and operation is not unsafe and is in the public interest.

2. Any party may make application to the department to require a railroad corporation to construct a spur track. The department shall consider the location, necessity and expense of such a track and other equitable considerations.

3. A railroad corporation or any other party may make application to the department for permission to discontinue service on or remove a spur track. The department shall consider the location, necessity and expense of maintaining such track and other equitable considerations. The department may order the railroad company to discontinue service or remove the spur track, and may allocate the cost of removal between the parties in an equitable manner.

4. Any action commenced under the provisions of subsection 2 or 3 shall be completed within one year from the effective date of the department order. The department shall make a final determination of any action commenced under subsection 2 or 3 within one year from the date of the application.

[C24, 27, 31, 35, 39, §**8171;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §481.3; C77, 79, 81, §327G.64; 81 Acts, ch 22, §22]

**327G.65 Cost of construction.**

The railroad corporation may require the person primarily to be served to pay the legitimate cost and expense of acquiring, by condemnation or purchase, the necessary right-of-way for the spur track and of constructing it, as determined in separate items by the department. Except as provided in section 327G.66, the total cost as ascertained by the department shall be deposited with the railroad corporation before it is required to incur expense. If an agreement cannot be reached, the question shall be referred to the department which may, after a hearing conducted by the department of inspections and appeals, issue an order.

[C24, 27, 31, 35, 39, §**8172;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §481.4; C77, 79, 81, §327G.65; 81 Acts, ch 22, §22]

89 Acts, ch 273, §39

Referred to in §327G.68

**327G.66 Bond for construction.**

When the total estimated cost has been ascertained by the department such person, firm, corporation, or association shall have the option to either deposit said amount with the railroad company or to file with such company its written election to build and construct such spur track accompanied by a good and sufficient surety company bond running to such railroad company and conditioned upon the construction of such spur track in a good and

skillful manner according to plans and specifications furnished by such railroad company and approved by the department. If such person, firm, corporation, or association so elects to build such spur track it shall only be required to deposit with such railroad company the estimated cost of the necessary right-of-way for such spur track as ascertained by the department, and the total amount stated in such written election.

[C24, 27, 31, 35, 39, §**8173;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §481.5; C77, 79, 81, §327G.66]
Referred to in §327G.65, 327G.68

**327G.67 Costs in excess of deposit.**

In any event before the railroad company shall be required to incur any expense whatever in the construction of such spur track the person, firm, corporation, or association primarily to be served thereby shall give the railroad company a bond to be approved by the department as to form, amount, and surety, securing the railroad company against loss on account of any expense incurred beyond the amount so deposited with the railroad company.

[C24, 27, 31, 35, 39, §**8174;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §481.6; C77, 79, 81, §327G.67]
Referred to in §327G.68

**327G.68 Failure of company to act.**

In case of failure, neglect, or refusal of any railroad company to comply with any of the provisions of sections 327G.65 to 327G.67, the person, firm, corporation, or association primarily to be served thereby may file a complaint with the department setting forth the facts upon which such grievance is based. The said department after reasonable notice to the railroad company shall investigate and determine all matters in controversy and make such order as the facts in relation thereto will warrant. Any such order shall have the same force and effect as other orders made by said department in other proceedings within its jurisdiction and shall be enforced in the same manner.

[C24, 27, 31, 35, 39, §**8175;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §481.7; C77, 79, 81, §327G.68]

**327G.69 Connections with original spurs.**

Whenever such spur track is so connected with the main line, as provided in this chapter, at the expense of the owner of such proposed or existing mill, elevator, storehouse, dock, wharf, pier, manufacturing establishment, and any person, firm, corporation, or association shall desire a connection with such spur track, application therefor shall be made to the department, and such person, firm, corporation, or association shall be required to pay to the person, firm, corporation, or association that shall have paid or contributed to the primary cost and expense of acquiring the right-of-way for such original spur track, and of constructing the same, an equitable proportion thereof, to be determined by the department, upon such application and notice, to the persons, firms, corporations, or associations that have paid or contributed toward the original cost and expense of acquiring the right-of-way and constructing the same.

[C24, 27, 31, 35, 39, §**8176;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §481.8; C77, 79, 81, §327G.69]

**327G.70 through 327G.75** Reserved.

## DIVISION III

## REVERSION TO OWNERS UPON ABANDONMENT

**327G.76 Time of reversion.**

Railroad property rights which are extinguished upon cessation of service by the railroad divest when the department of transportation or the railroad, having obtained authority to abandon the rail line, removes the track materials to the right-of-way. If the department of transportation does not acquire the line and the railway company does not remove the track materials, the property rights which are extinguished upon cessation of service by the

railroad divest one year after the railway obtains the final authorization necessary from the proper authority to remove the track materials.

[C24, 27, 31, 35, 39, §**7861;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §473.1; C77, 79, 81, §327G.76]

83 Acts, ch 121, §5; 2009 Acts, ch 97, §10

Referred to in §327G.77

**327G.77 Reversion of railroad right-of-way.**

1. If a railroad easement is extinguished under section 327G.76, the property shall pass to the owners of the adjacent property at the time of abandonment. If there are different owners on either side, each owner will take to the center of the right-of-way. Section 614.24 which requires the filing of a verified claim does not apply to rights granted under this subsection.

2. An adjoining property owner may perfect title under subsection 1 by filing an affidavit of ownership with the county recorder. The affidavit shall include the name of the adjoining property owner, a description of the property, the present name of the railroad, the jurisdiction, docket number, and date of order authorizing the railroad to terminate service, and the approximate date the track materials on the right-of-way were removed. A copy of the affidavit must be mailed by the landowner by certified mail to the railroad. The landowner shall pay taxes on the right-of-way from the date the affidavit is filed.

3. Utility facilities located on abandoned railroad right-of-way shall remain on the right-of-way subject to payment by the utility of the fair market value of an easement for the facilities. The utility shall, within sixty days from the time the property is transferred from the railroad, extend a written offer to the landowner to purchase the easement at fair market value. The landowner shall accept or reject the utility's offer within sixty days from the time of receipt. If a disagreement arises between the parties concerning the price or other terms of the transaction, either party may make written application to a compensation commission as established pursuant to chapter 6B to resolve the disagreement. This application shall be made within sixty days from the time the landowner's response is served upon the utility. The compensation commission shall hear the controversy and make a final determination of the fair market value of the easement and the other terms of the transaction which were in dispute within ninety days after the application is filed. All correspondence shall be by certified mail.

[C73, §1260; C97, §2015; C24, 27, 31, 35, 39, §**7862;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §473.2; C77, 79, 81, §327G.77; 81 Acts, ch 22, §22]

83 Acts, ch 121, §6

Referred to in §327G.78

**327G.78 Sale of railroad property.**

Subject to sections 327G.77 and 6A.16, when a railroad corporation, its trustee, or its successor in interest has interests in real property adjacent to a railroad right-of-way that are abandoned by order of the surface transportation board, reorganization court, bankruptcy court, or the department, or when a railroad corporation, its trustee, or its successor in interest seeks to sell its interests in that property under any other circumstance, the railroad corporation, its trustee, or its successor in interest shall extend a written offer to sell at a fair market value price to the persons holding leases, licenses, or permits upon those properties, allowing sixty days from the time of receipt for a written response. If a disagreement arises between the parties concerning the price or other terms of the sale transaction, either or both parties may make written application to the department to resolve the disagreement. The application shall be made within sixty days from the time an initial written response is served upon the railroad corporation, trustee, or successor in interest by the person wishing to purchase the property. The department shall notify the department of inspections and appeals which shall hear the controversy and make a final determination of the fair market value of the property and the other terms of the transaction which were in dispute, within ninety days after the application is filed. The determination is subject to review by the department and the department's decision is the final agency action. All correspondence shall be by certified mail.

The decision of the department is binding on the parties, except that a person who seeks

to purchase the real property may withdraw the offer to purchase within thirty days of the decision of the department. If a withdrawal is made, the railroad corporation, trustee, or successor in interest may sell or dispose of the real property without further order of the department.

This section does not apply when a rail line is being sold for continued railroad use.

[82 Acts, ch 1207, §3]

83 Acts, ch 121, §7; 84 Acts, ch 1067, §34; 86 Acts, ch 1245, §1965; 93 Acts, ch 47, §16; 2003 Acts, ch 108, §66

**327G.79 Valuing property in controversy.**

The department of inspections and appeals' determination and order shall be just and equitable and in the case of the determination of the fair market value of the property, shall be based in part upon at least three independent appraisals prepared by certified appraisers. Each party shall select one appraiser and each appraisal shall be paid for by the party for whom the appraisal is prepared. The two appraisers shall select a third appraiser and the costs of this appraisal shall be divided equally between the parties. If the appraisers selected by the parties cannot agree on selection of a third appraiser, the state department of transportation shall appoint a third appraiser and the costs of this appraisal shall be divided equally between the parties.

The department of inspections and appeals' determination and order is final for the purpose of administrative review to the district court as provided in chapter 17A. The district court's scope of review shall be confined to whether there is substantial evidence to support the department of inspections and appeals' determination and order.

For purposes of this division, unless the context otherwise requires, "*department*" means the state department of transportation.

[82 Acts, ch 1207, §3]

86 Acts, ch 1245, §1966

**327G.80** Reserved.

## DIVISION IV

## ACQUISITION OF RIGHT-OF-WAY

**327G.81 Maintenance of improvements along rights-of-way.**

1. A person, including a state agency or political subdivision of the state, who acquires a railroad right-of-way after July 1, 1979, for a purpose other than farming has all of the following responsibilities concerning that right-of-way:

*a.* Construction, maintenance, and repair of the fence on each side of the property, however, this requirement may be waived by a written agreement with the adjoining landowner.

*b.* Private crossings as provided for in section 327G.11.

*c.* Drainage as delineated in chapter 468, subchapter V.

*d.* Overhead, underground, or multiple crossings in accord with section 327G.12.

*e.* Weed control in accord with chapter 317.

2. This section does not absolve the property owners of other duties and responsibilities that they may be assigned as property owners by law. Subsection 1, paragraph "*a*", does not apply to rights-of-way located on land within the corporate limits of a city except where the acquired right-of-way is contiguous to land assessed as agricultural land.

[C81, §327G.81]

2010 Acts, ch 1061, §122

# CHAPTER 327H

## RAILWAY ASSISTANCE

Referred to in §307.26


327H.1 through 327H.17 Repealed by 78 Acts, ch 1110, §25.
327H.18 Railroad assistance. Repealed by 2005 Acts, ch 178, §34.
327H.19 Repealed by 78 Acts, ch 1110, §25.
327H.20 Assistance agreements. Repealed by 2005 Acts, ch 178, §34.
327H.20A Railroad revolving loan and grant fund.
327H.21 Federal funds.
327H.22 Repealed by 81 Acts, ch 116, §7.
327H.23 Repealed by 81 Acts, ch 117, §1097.
327H.24 Repealed by 94 Acts, ch 1107, §98.
327H.25 Energy policy council agreements.
327H.26 Definition.


**327H.1 through 327H.17** Repealed by 78 Acts, ch 1110, § 25.

**327H.18 Railroad assistance.** Repealed by 2005 Acts, ch 178, § 34.

**327H.19** Repealed by 78 Acts, ch 1110, § 25.

**327H.20 Assistance agreements.** Repealed by 2005 Acts, ch 178, § 34.

Continuation of assistance agreements entered into pursuant to this chapter or former chapter 327I prior to July 1, 2009; 2009 Acts, ch 97, §15

**327H.20A Railroad revolving loan and grant fund.**

1. A railroad revolving loan and grant fund is established in the office of the treasurer of state under the control of the department. Moneys in the fund shall be expended for the following purposes:

*a.* Grants or loans to provide assistance for the restoration, conservation, improvement, and construction of railroad main lines, branch lines, switching yards, sidings, rail connections, intermodal yards, highway grade separations, and other railroad-related improvements.

*b.* Grants or loans for rail economic development projects that improve rail facilities, including the construction of branch lines, sidings, rail connections, intermodal yards, and other rail-related improvements that spur economic development and job growth.

2. The department shall administer a program for the granting and administration of loans and grants under this section. The department may establish a limit on the amount that may be awarded as a grant for any given project in order to maximize the use of the moneys in the fund. The department may enter into agreements with railroad corporations, the United States government, cities, counties, and other persons for carrying out the purposes of this section.

3. Notwithstanding any other provision to the contrary, on or after July 1, 2006, moneys received as repayments for loans made pursuant to this chapter or chapter 327I, Code 2009, before, on, or after July 1, 2005, other than repayments of federal moneys subject to section 327H.21, shall be credited to the railroad revolving loan and grant fund. Notwithstanding section 8.33, moneys in the railroad revolving loan and grant fund shall not revert to the fund from which the moneys were appropriated but shall remain available indefinitely for expenditure under this section.

98 Acts, ch 1223, §39; 2005 Acts, ch 178, §31; 2009 Acts, ch 97, §11; 2010 Acts, ch 1184, §93; 2011 Acts, ch 34, §82

Continuation of assistance agreements entered into pursuant to this chapter or former chapter 327I prior to May 4, 2009; 2009 Acts, ch 97, §15

**327H.21 Federal funds.**

The department may accept federal funds to carry out the purposes of this chapter. All federal funds received under this section and all interest and earnings on federal funds received under this section are appropriated for the purposes set forth in the federal grants.

[C77, 79, 81, S81, §327H.21; 81 Acts, ch 116, §3]

94 Acts, ch 1107, §55

Referred to in §327H.20A

**327H.22** Repealed by 81 Acts, ch 116, § 7.

**327H.23** Repealed by 81 Acts, ch 117, § 1097.

**327H.24** Repealed by 94 Acts, ch 1107, § 98.

**327H.25 Energy policy council agreements.**

All agreements for railroad assistance entered into by the energy policy council with railroads and other persons shall be carried out by the department.

[C77, 79, 81, S81, §327H.25; 81 Acts, ch 116, §5]

94 Acts, ch 1107, §56

**327H.26 Definition.**

As used in this chapter, unless the context otherwise requires, *"department"* means the state department of transportation.

[S81, §327H.26; 81 Acts, ch 116, §6]

2005 Acts, ch 178, §32; 2009 Acts, ch 97, §12

# CHAPTER 327I

## RAILWAY FINANCE AUTHORITY

Repealed by 2009 Acts, ch 97, §14
Continuation of assistance agreements entered into pursuant to this chapter and chapter 327H prior to July 1, 2009, effective date of this Code chapter repeal; 2009 Acts, ch 97, §15

# CHAPTER 327J

## PASSENGER RAIL SERVICE

Referred to in §307.12

327J.1 Definitions.
327J.2 Passenger rail service revolving fund.
327J.3 Administration.

**327J.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"AMTRAK"* means the national railroad passenger corporation created under 45 U.S.C. § 541.
2. *"Department"* means the state department of transportation.
3. *"Director"* means the director of transportation.
4. *"Fund"* means the passenger rail service revolving fund created under section 327J.2.
5. *"Midwest regional rail system"* means the passenger rail system identified through a multistate planning effort in cooperation with AMTRAK.
6. *"Passenger rail service"* means long-distance, intercity, and commuter passenger

transportation, including the midwest regional rail system, which is provided on railroad tracks.

92 Acts, ch 1210, §2; 2000 Acts, ch 1168, §1; 2009 Acts, ch 97, §16

**327J.2 Passenger rail service revolving fund.**

1. *Fund created.* The passenger rail service revolving fund is established as a separate fund in the state treasury under the control of the department. Moneys deposited in the fund shall be administered by the director and shall be used to pay the costs associated with the initiation, operation, and maintenance of passenger rail service.

2. *Funding.* To achieve the purposes of this chapter, moneys shall be credited to the passenger rail service revolving fund by the treasurer of state from the following sources:

*a.* Appropriations made by the general assembly.

*b.* Private grants and gifts intended for these purposes.

*c.* Federal, state, and local grants and loans intended for these purposes.

3. *No reversion.* Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the fund from which it was appropriated.

92 Acts, ch 1210, §3; 2009 Acts, ch 97, §17; 2010 Acts, ch 1184, §94

Referred to in §327J.1

Legislative intent that moneys directed to be deposited in road use tax fund under §312.1 not be used for loans, grants, or other financial assistance for passenger rail service; 2000 Acts, ch 1168, §4

**327J.3 Administration.**

1. The director may expend moneys from the fund to pay the costs associated with the initiation, operation, and maintenance of passenger rail service. The director shall report by February 1 of each year to the legislative services agency concerning the status of the fund including anticipated expenditures for the following fiscal year.

2. The director may enter into agreements with AMTRAK, other rail operators, local jurisdictions, and other states for the purpose of developing passenger rail service serving Iowa. The agreements may include any of the following:

*a.* Cost-sharing agreements associated with initiating service, capital costs, operating subsidies, and other costs necessary to develop and maintain service.

*b.* Joint powers agreements and other institutional arrangements associated with the administration, management, and operation of passenger rail service.

3. The director shall enter into discussions with members of Iowa's congressional delegation to foster passenger rail service in this state and the midwest and to maximize the level of federal funding for the service.

4. The director may provide assistance and enter into agreements with local jurisdictions along the proposed route of the midwest regional rail system or other passenger rail service operations serving Iowa to ensure that rail stations and terminals are designed and developed in accordance with the following objectives:

*a.* To meet safety and efficiency requirements outlined by AMTRAK and the federal railroad administration.

*b.* To aid intermodal transportation.

*c.* To encourage economic development.

5. The director shall report annually to the general assembly concerning the development and operation of the midwest regional rail system and the state's passenger rail service.

92 Acts, ch 1210, §4; 2000 Acts, ch 1168, §2; 2003 Acts, ch 35, §45, 49; 2009 Acts, ch 97, §18

# CHAPTER 327K

## MIDWEST INTERSTATE PASSENGER RAIL COMPACT

Repealed by 2011 Acts, ch 131, §100, 158

# SUBTITLE 4

## AVIATION

# CHAPTER 328

## AERONAUTICS

Referred to in §307.25, 692A.101


| | |
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| 328.2 | through 328.11 Repealed by 74 Acts, ch 1180, §197. |
| 328.12 | Duties and powers. |
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| 328.19 | Registration. |
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**328.1 Definitions.**

1. The following words, terms, and phrases when used in this chapter shall, for the purposes of this chapter, have the meanings herein given, unless otherwise specifically defined, or unless another intention clearly appears, or the context otherwise requires:

*a. "Aeronautics"* means transportation by aircraft, the operation, construction, repair, or maintenance of aircraft, aircraft power plants and accessories, including the repair, packing, and maintenance of parachutes, the design, establishment, construction, extension, operation, improvement, repair, or maintenance of landing areas, or other air navigation facilities, and air instruction.

*b. "Aeronautics instructor"* means any individual giving or offering to give instruction, in aeronautics, either in flying or ground subjects, or both, for hire or reward.

*c. "Air carrier airport"* means an existing public airport regularly served by an air carrier, other than a supplemental air carrier, certificated by the civil aviation board under section 401 of the federal Aviation Act of 1958.

*d. "Aircraft"* means any contrivance now known, or hereafter invented, used or designed for navigation of or flight in the air, for the purpose of transporting persons or property, or both.

*e. "Air instruction"* means the imparting of aeronautical information, by any aeronautics instructor, or in or by any air school or flying club.

*f. "Air navigation"* means the operation or navigation of aircraft in the air space over this state, or upon any landing area within this state.

*g. "Air navigation facility"* means any facility, other than one owned or controlled by the federal government, used, available for use, or designed for use, in aid of air navigation, including landing areas, and any structures, mechanisms, lights, beacons, markers, communicating systems, or other instrumentalities or devices having a similar purpose for guiding or controlling flight in the air or the landing and take-off of aircraft.

*h. "Airperson"* means any individual who engages, as the person in command, or as pilot, mechanic, or member of the crew, in the navigation of aircraft while under way and any individual who is directly in charge of the inspection, maintenance, overhauling, or repair of aircraft, aircraft engines, propellers, aircraft appliances, or parachutes; and any individual who serves in the capacity of aircraft dispatcher or air-traffic control-tower operator. It shall not include individuals engaged in aeronautics as an employee of the United States or any state or foreign country and any individuals employed by a manufacturer of aircraft, aircraft engines, propellers, or appliances to perform duties as inspector or mechanic in connection therewith, and any individual performing inspection or mechanical duties in connection with aircraft owned or operated by the individual.

*i. "Airport"* means any landing area used regularly by aircraft for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities, and all appurtenant rights-of-way, whether heretofore or hereafter established. *"Airport"* includes land within a city with a population greater than one hundred seventy-five thousand which is acquired to replace or mitigate land used in an airport runway project at an existing airport when federal law, grant, or action requires such replacement or mitigation.

*j. "Air school"* means any person engaged in giving, or offering to give, instruction, in aeronautics, either in flying or ground subjects, or both, for hire or reward, and who employs other persons for such purposes. It does not include any public school or university of this state, or any institution of higher learning duly accredited and approved for carrying on collegiate work.

*k. "Air taxi operator"* means an operator who engages in the air transportation of passengers, property, and mail by aircraft on public demand for compensation and does not directly or indirectly utilize aircraft with a capacity of more than thirty passengers or seventy-five hundred pounds maximum payload, unless exempted by the aeronautics and public transit administrator of the department.

*l. "Civil aircraft"* means any aircraft other than a public aircraft.

*m. "Commission"* means the state transportation commission of the state department of transportation.

*n. "Commuter air carrier"* means an air taxi operator which operates not less than five round trips per week between two or more points and publishes flight schedules which specify the times, days of the week, and places between which such flights are performed or transports mail pursuant to a current contract with the United States postal service.

*o. "Department"* means the state department of transportation.

*p. "Director"* means the director of transportation or the director's designee.

*q. "General aviation airport"* means any airport that is not an air carrier airport.

*r. "Governmental subdivision"* means any county or city of this state, and any other political subdivision, public corporation, authority, or district in this state which is or may be authorized by law to acquire, establish, construct, maintain, improve, and operate landing areas and other air navigation facilities.

*s. "Landing area"* means any locality, either of land or water, including intermediate landing fields, which is used or intended to be used, for the landing and take-off of aircraft, whether or not facilities are provided for the shelter, servicing, or repair of aircraft, or for receiving or discharging passengers or cargo; it does not include any intermediate landing field established or maintained by the federal government as a part of any civil airway.

*t. "Operation for hire"* shall mean hire to the general public or members or classes thereof,

and shall not include such operations as are incidental to the carrying on of the general business of an aircraft owner engaged in business other than aeronautics.

*u.* *"Operation of aircraft"* or *"operate aircraft"* means the use of aircraft for the purpose of air navigation, and includes the navigation or piloting of aircraft and shall embrace any person who causes or authorizes the operation of aircraft, whether with or without the right of legal control (in the capacity of owner, lessee, or otherwise).

*v.* *"Owner"* means a person owning or renting an aircraft, or having the exclusive use of an aircraft, for a period of more than thirty days.

*w.* *"Person"* means any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

*x.* *"Public aircraft"* means an aircraft used exclusively in the service of any government or of any political subdivision thereof, including the government of any state, territory, or possession of the United States, or the District of Columbia, but not including any government-owned aircraft engaged in carrying persons or property for commercial purposes.

2. The singular shall include the plural, and the plural the singular.

[C31, 35, §8338-c1; C39, §**8338.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.1]
88 Acts, ch 1063, §1; 2005 Acts, ch 178, §11; 2010 Acts, ch 1069, §113
Referred to in §6A.21

**328.2 through 328.11** Repealed by 74 Acts, ch 1180, § 197.

**328.12 Duties and powers.**

The director in carrying out the director's duties relating to aeronautics shall:

1. *Promotion of aeronautics.* Encourage, foster, and assist in the general development and promotion of aeronautics in this state, and make disbursements from moneys available for such purposes.

2. *Rules.* Make reasonable rules, consistent with this chapter, as deemed by the director to be necessary and expedient for the administration and enforcement of this chapter, and amend the rules at any time.

3. *Filing of rules.* Keep on file at the office of the director, for public inspection, a copy of all the department's aeronautic rules with all amendments, and mail copies to all registered landing areas in this state.

4. *Technical services available.* So far as reasonably possible, make available the engineering, management consulting, and other technical services of the department, without charge, in connection with aeronautics.

5. *Intervention.* Participate, at the director's discretion, as party plaintiff or defendant, or as intervenor, complainant, or movant, on behalf of the state or any governmental subdivision or citizen of the state, in any proceeding having to do with aeronautics.

6. *Enforcement of aeronautics laws.* Enforce and assist in the enforcement of this chapter and of all rules issued pursuant to this chapter, and of all other laws of this state relating to aeronautics; and, in the aid of enforcement and within the scope of the director's duties, general powers of peace officers are conferred upon the director, and officers and employees of the department designated by the director to exercise such powers. The director, in the name of this state, may enforce this chapter and the rules issued pursuant to this chapter by injunction in the courts of this state.

7. *Use of existing facilities.* In the discharge of all functions prescribed by this chapter, to every feasible extent, use the facilities of other agencies of the state; and other state agencies are authorized and directed to make available to the director such facilities and services.

8. *Investigations and inquiries.* Hold investigations and inquiries.

*a.* The director or the director's designee when acting for and with the authority of the director, may hold investigations and inquiries concerning matters covered by this chapter and orders and rules of the department. In an investigation or inquiry, the person acting for the director may administer oaths and affirmations, certify to all official acts, issue subpoenas,

and compel the attendance and testimony of witnesses, and the production of papers, books, and documents.

*b.* The reports of investigations or inquiries, or any part of them, shall not be admitted in evidence or used for any purpose in a civil suit growing out of a matter referred to in an investigation, inquiry, or report, except in criminal or other proceedings instituted in behalf of the director or this state under this chapter and other laws of this state relating to aeronautics.

9. *Authority to contract.* Enter into contracts necessary to the execution of the powers granted the director by this chapter.

10. *No exclusive rights granted.* Grant no exclusive right for the use of an airway, airport, landing area, or other air navigation facility under the director's jurisdiction.

11. *Sufficiency reports.* Issue sufficiency reports for all airports in the state, which are owned and operated by a governmental subdivision, based on the functional classification of those airports as set out in the department's transportation plan.

12. *Centralized purchasing agency.* Encourage governmental subdivisions to utilize the department's services as a centralized purchasing agency for items, including but not limited to airport and aeronautics equipment.

13. *Safety inspections.* Enter into agreements, at the director's discretion, and otherwise cooperate with federal authorities in the safety inspection of registered landing areas, and adopt safety standards for airports.

14. *Newsletter.* Have authority to publish and distribute by subscription a state aeronautics newsletter or magazine. The department may charge a reasonable fee for subscriptions to the newsletter or magazine.

15. *Commuter air carrier demonstration projects.* The department may encourage the development of commuter air carrier service in the state by:

*a.* Recommending routes between cities that may support such service.

*b.* Making available funding for demonstration projects from any federal funds made available to the state or from any state funds appropriated for such purposes.

*c.* Establishing specifications, operational requirements, terms and conditions under which demonstration projects will be participated in by the state.

[C35, §8338-f5, -f6, -f8, -f9, -f10, -f13; C39, §**8338.05, 8338.06, 8338.08, 8338.09, 8338.10, 8338.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.12]

86 Acts, ch 1245, §1967; 94 Acts, ch 1107, §65; 98 Acts, ch 1075, §30

**328.13** Repealed by 93 Acts, ch 87, § 5. See § 307.44.

**328.14 Authority to receive federal moneys for the state and governmental subdivisions.**

1. The department shall act as agent for the state and shall upon request act as agent for a governmental subdivision which owns a general aviation or air carrier airport in accepting, receiving and receipting for all federal moneys provided that the request is submitted to the department by March 1 of each year. The department when acting as agent shall contract for all airport projects in which planning, construction, acquisition or improvements include federal or state funds, and the political subdivision owning the airport shall select all consultants. The department shall not have jurisdiction over the operation or maintenance of the airport after completion of the project, except for those contractual stipulations agreed to by all parties prior to receipt of state funds.

2. The department shall include in the annual report made by the department to the governor a report of all federal moneys it accepts, receives and receipts for under the provisions of this section.

3. The department is the authorized agency of the state to receive and disburse federal funds for general aviation airports owned by political subdivisions of the state.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.14]

Referred to in §328.16

**328.15 Contracts — law governing.**

All contracts for the planning, acquisition, construction, improvement, maintenance, and operation of airports, or other air navigation facilities made by the department, either as

the agent of this state or of any governmental subdivision, shall be made pursuant to the laws of this state governing the making of like contracts; provided, however, that where such undertaking is financed wholly or partially with federal moneys, the department, as such agent, or the governmental subdivision acting for itself, may let contracts in the manner prescribed by the federal authorities, acting under the laws of the United States, and any rules or regulations made thereunder, notwithstanding any other state law to the contrary.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.15]

**328.16 Disposition of federal funds.**

All moneys accepted for disbursement by the department pursuant to section 328.14 shall be deposited in the state treasury, and, unless otherwise prescribed by the authority from which the money is received, kept in separate funds, designated according to the purposes for which the moneys were made available, and held by the state in trust for such purposes. All such moneys are hereby appropriated for the purposes for which the same were made available, to be expended in accordance with federal laws and regulations and with this chapter. The department is authorized, whether acting for this state or as the agent of any of its governmental subdivisions, or when requested by the United States government or any agency or department thereof, to disburse such moneys for the designated purposes, but this shall not preclude any other authorized method of disbursement.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.16]

**328.17 and 328.18** Repealed by 74 Acts, ch 1180, § 197.

**328.19 Registration.**

1. The department shall promulgate rules pursuant to the provisions of chapter 17A governing the issuance by the department of certificates of registration to all airports in this state which are open for use by the public and governing the annual renewal of those certificates. These rules shall require that an airport applying for a certificate of registration or for a renewal shall comply with minimum standards of safety as promulgated by the department, adopt safe air traffic patterns, and demonstrate that such air traffic patterns are safely coordinated with those of all existing airports and approved airport sites in its vicinity before the certificates of registration or certificate of renewal may be issued. Certificates of registration or renewal may be issued subject to any conditions the department deems necessary to carry out the purposes of this section. The department may, after notice and opportunity for hearing as provided in chapter 17A, revoke any certificate of registration or renewal, or may refuse to issue a renewal, when it determines:

*a.* That there has been an abandonment of the airport as such;

*b.* That there has been a failure to comply with the conditions of the registration or renewal thereof; or

*c.* That because of change of physical or legal conditions or circumstances the airport has become either unsafe or unusable for the aeronautical purposes for which the registration or renewal was issued.

2. The department shall promulgate rules pursuant to the provisions of chapter 17A governing the issuance by the department of certificates of airport site approval. These rules shall provide that any person or governmental subdivision desiring or planning to construct or establish an airport shall obtain a certificate of site approval prior to acquisition of the site or prior to the construction or establishment of the airport. The department shall charge a reasonable fee, based on the cost of a safety inspection of the site approval application, for the issuance of a certificate of site approval, and shall issue such a certificate if it finds:

*a.* That the site is adequate for the proposed airport;

*b.* That such proposed airport, if constructed or established, will conform to minimum standards of safety as promulgated by the department; and

*c.* That safe air traffic patterns are established for the proposed airport which are safely coordinated with the traffic patterns of all existing airports and approved airport sites in its vicinity.

3. A certificate of site approval shall remain in effect until a certificate of registration has

been issued to an airport located on the approved site as provided in subsection 1, unless the department, after notice and opportunity for hearing, revokes the certificate of site approval upon a finding that:

*a.* There has been an abandonment of the site as an airport site;

*b.* There has been a failure within two years to develop the site as an airport, or to comply with the conditions of the approval; or

*c.* Because of change of physical or legal conditions or circumstances the site is no longer usable for the aeronautical purposes for which the approval was granted.

4. No certificate of site approval shall be required for the site of any existing airport.

5. In considering an application for approval of a proposed airport site or the issuance of an airport registration certificate under subsections 1 and 2, the department may, on its own motion or upon the request of an affected or interested person, hold a hearing as provided in chapter 17A.

[C31, 35, §8338-c2; C39, §**8338.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.19]
Referred to in §328.26, 328.35

**328.20 Registration of aircraft.**

A civil aircraft owned either wholly or in part by persons residing in this state, or operated, or otherwise controlled within the boundaries of the state for a period of more than thirty days, unless specifically excepted under this chapter, shall be registered annually with the department, by the owner thereof.

The registration year begins on the first day of the calendar month in which the civil aircraft is registered for the first time in the state and ends on the last day of the twelfth month of the registration year.

For aircraft registered in this state before July 1, 1988, the registration year begins on the first day of the calendar month assigned by the department and ends on the last day of the twelfth month of the registration year.

[C31, 35, §8338-c2; C39, §**8338.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.20]
88 Acts, ch 1063, §2
Referred to in §328.26, 328.35, 423.3, 423.5, 423.6
Implementation of staggered registration; §328.56A

**328.21 Aircraft registration fees.**

An annual registration fee for each aircraft shall be paid to the department at the time of registration, to be computed as follows:

1. Unless otherwise provided in this section, for the first registration, a sum equal to one percent of the manufacturer's list price of the aircraft, not to exceed five thousand dollars.

2. The second year's registration fee is seventy-five hundredths of one percent of the manufacturer's list price of the aircraft; the third year's fee is fifty hundredths of one percent; and the fourth and subsequent year's fee is twenty-five hundredths of one percent. When an aircraft other than a new aircraft is registered in Iowa, the registration fee shall be based upon the number of years the aircraft was previously registered. However, an aircraft shall not be registered for a fee of less than thirty-five dollars or more than five thousand dollars.

3. The registration fee for an aircraft operated in scheduled interstate airline operation, owned by an Iowa person and operated part-time within this state shall be a fee of one hundred dollars. The application for registration shall be supported by such records as the department shall prescribe.

4. Should the department find and determine that no established manufacturer's list price exists for any such aircraft, the department is hereby authorized and empowered to determine and fix the fair value of such aircraft which fair value shall be used in lieu of a manufacturers' list price in computing the registration fee for each such aircraft as otherwise provided by this section. When the fee as so computed results in a fractional part of a dollar, it shall be computed to the nearest dollar.

5. An aircraft thirty years old or older, which is used exclusively for noncommercial purposes, shall be registered as an antique aircraft for a fee of thirty-five dollars.

6. An aircraft, unless exempt under section 328.35, which is not airworthy and is not in flying condition is not subject to registration fees if the owner of the aircraft submits

information required by the department. Upon receipt of that information, the department shall issue a certificate that states that the registration fee has not been paid and that the aircraft shall not use the airports or the air space overlying the state until the fee has been paid.

7. The registration fee for a helicopter used exclusively as an air ambulance is one thousand dollars.

8. An aircraft owned and operated by an aviation business located at a publicly owned, public use airport and providing, under agreement with the governing body of the airport, a specified minimum level of aviation services to the general public, shall be registered for a fee of one hundred dollars.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.21]

88 Acts, ch 1063, §3 – 5; 90 Acts, ch 1063, §1 – 4; 98 Acts, ch 1182, §1 – 3; 2002 Acts, ch 1112, §6; 2010 Acts, ch 1069, §114

Referred to in §328.36

**328.22** Repealed by 98 Acts, ch 1182, § 7.

**328.23** Repealed by 88 Acts, ch 1063, § 13.

**328.24 Refunds of fees.**

If, during the year for which an aircraft, except nonresident aircraft used for the application of herbicides and pesticides, was registered and the required fee paid the aircraft is destroyed by fire or accident or junked, and its identity as an aircraft entirely eliminated, or it is removed and continuously used beyond the boundaries of the state, then the owner in whose name it was registered at the time of destruction, dismantling, or removal from the state shall return the certificate of registration to the department within ten days and make affidavit of the destruction, dismantling, or removal and make claim for the refund. The refund shall be paid from the general fund of the state.

The registration fee for the unexpired portion of the year shall be refunded pro rata to the nearest full calendar month, except that a refund shall not be allowed if the unused portion of the fee is less than thirty-five dollars per aircraft.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.24]

88 Acts, ch 1063, §6; 94 Acts, ch 1107, §66

**328.25 Fees in lieu of taxes.**

The registration fees imposed by this chapter upon aircraft shall be in lieu of all taxes, general or local, except state sales or use tax, to which aircraft might otherwise be subject.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.25]

**328.26 Application for registration.**

Every application for registration pursuant to sections 328.19 and 328.20 shall be made upon such forms, and shall contain such information, as the department may prescribe, and every application shall be accompanied by the full amount of the registration fee.

When an aircraft is registered to a person for the first time, the fee submitted to the department shall include the tax imposed by section 423.2 or section 423.5 or evidence of the exemption of the aircraft from the tax imposed under section 423.2 or 423.5.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.26]

88 Acts, ch 1205, §18; 96 Acts, ch 1152, §23; 98 Acts, ch 1182, §4; 2003 Acts, 1st Ex, ch 2, §174, 205

**328.27 Issuance of certificates.**

The department shall issue, upon receipt of proper application and fee for registration, a certificate of registration which shall be numbered and recorded by the department, shall state the name and address of the person to whom it is issued, shall be titled with the designation of the class of registrant covered, and shall contain other information as the department may prescribe including, in the case of aircraft, a description of the aircraft.

A certificate of registration expires at midnight on the last day of the twelfth month of the registration year.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.27]
88 Acts, ch 1063, §7; 2002 Acts, ch 1112, §7

**328.28 Operation under special certificate.**

1. A manufacturer or dealer owning an aircraft otherwise required to be registered under this chapter may operate the aircraft for purposes of transporting, testing, demonstrating, or selling the aircraft without registering the aircraft, upon condition that a special certificate be obtained by the owner as provided in this section and sections 328.29 through 328.33.

2. A transporter may operate an aircraft described in subsection 1 solely for the purpose of delivery upon obtaining a special certificate issued to the transporter as provided in this section and sections 328.29 through 328.33.

3. The provisions of this section and sections 328.29 through 328.33 shall not apply to aircraft owned by a manufacturer, transporter, or dealer which are used for hire or principally for transportation of persons and property, aside from the transporting of the aircraft itself, or testing or demonstrating thereof.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.28]
2002 Acts, ch 1112, §8

**328.29 Application for special certificate — fee.**

A manufacturer, transporter, or dealer may, upon payment of a one hundred dollar fee, make application to the department upon such forms as the department may prescribe for a special certificate. The applicant shall also submit such reasonable proof of the applicant's status as a bona fide manufacturer, transporter, or dealer as the department may require. Dealers in new aircraft shall furnish satisfactory evidence of a valid franchise with the manufacturer or distributor of such aircraft authorizing such dealership.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.29]
90 Acts, ch 1063, §5; 2002 Acts, ch 1112, §9
Referred to in §328.28, 328.32

**328.30 Issuance of special certificate.**

The department upon granting an application shall issue to the applicant a special certificate containing the applicant's name, address, and other information as the department may prescribe.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.30]
90 Acts, ch 1063, §6; 2002 Acts, ch 1112, §10
Referred to in §328.28

**328.31** Repealed by 2002 Acts, ch 1112, § 15.

**328.32 Expiration of special certificate.**

A special certificate expires at midnight on June 30, and a new special certificate for the ensuing year may be obtained by the person to whom the expired special certificate was issued, upon application to the department and payment of the fee provided in section 328.29.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.32]
88 Acts, ch 1063, §8; 2002 Acts, ch 1112, §11
Referred to in §328.28

**328.33 Records required.**

A manufacturer, transporter, or dealer shall keep a written record of the aircraft in the manufacturer's, transporter's, or dealer's inventory, which records shall be open to inspection of any peace officer, or any officer or employee of the department.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.33]
2002 Acts, ch 1112, §12
Referred to in §328.28

**328.34 Grounds for refusing, revoking or suspending certificates.**

The department may refuse to issue, or may revoke or suspend a certificate of registration or special certificate for any one, or any combination, of the following reasons:

1. That the application contains any false or fraudulent material statement, or that the applicant has failed to furnish required information or reasonable additional information requested, or that the applicant is not entitled to registration of the aircraft under this chapter.

2. That the department has reasonable ground to believe that the aircraft is a stolen or embezzled aircraft, or that granting of registration would constitute a fraud against the rightful owner.

3. That the required fee has not been paid.

4. That the department has reasonable ground to believe that fraudulent use, against the state or any municipality or citizen thereof, is being made of such certificate of registration or special certificate.

5. That the person making application for, or holding, the certificate is not certificated or licensed by the government of the United States or any authorized agency thereof, pursuant to the laws of the United States or any rules or regulations promulgated thereunder, to do the acts for which the person has been, or seeks to be, registered as performing, or to perform, pursuant to the provisions of this chapter.

6. That the aircraft registered, or for which application for registration is made, is not certificated or licensed for operation by the government of the United States or any authorized agency thereof, pursuant to the laws of the United States or any rules or regulations promulgated thereunder.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.34]

**328.35 Exceptions to registration requirements.**

1. The provisions of sections 328.19 and 328.20 shall not apply to:

*a.* An aircraft which has been registered by a foreign country with which the United States has a reciprocal agreement covering the operations of registered aircraft.

*b.* An aircraft which is owned by a resident of this state but which is continuously located and operated beyond the boundaries of the state.

*c.* Any airport, landing area, or other air navigation facility owned or operated by the federal government within this state.

*d.* A lighter than air aircraft that is not engine driven.

*e.* An aircraft which is displayed in a museum.

*f.* An aircraft in the inventory of a manufacturer, transporter, or dealer who has a special certificate issued by the department and the special certificate is in effect.

2. No registration is required for an airport maintained for private use.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.35]

90 Acts, ch 1063, §8; 93 Acts, ch 87, §10, 11; 2000 Acts, ch 1168, §3; 2002 Acts, ch 1112, §13

Referred to in §328.21, 328.37

**328.36 Deposit and use of revenues.**

1. All moneys received by the department pursuant to section 328.21 shall be deposited into the state aviation fund in section 328.56.

2. Notwithstanding subsection 1, for the fiscal year beginning July 1, 2007, and ending June 30, 2008, fifty percent of the moneys collected under section 328.21 shall be deposited in the state aviation fund in section 328.56 and fifty percent shall be deposited in the general fund of the state.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.36]

88 Acts, ch 1205, §19; 91 Acts, ch 260, §1229; 93 Acts, ch 131, §16; 94 Acts, ch 1107, §67; 2006 Acts, ch 1179, §56, 66

Referred to in §328.56

**328.37 Operations unlawful without certificate.**

Except as provided in section 328.35, it is unlawful for a person to operate, or cause or authorize to be operated, a civil aircraft, airport, or landing area in this state, unless there

has been issued for the aircraft or to the airport or landing area an appropriate certificate of registration by the department and the certificate is in effect.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.37]

88 Acts, ch 1063, §9; 2002 Acts, ch 1112, §14

**328.38 Exhibition of certificates.**

Unless otherwise provided in this chapter, the certificate of registration or special certificate issued by the department or any agency of another state must be presented for inspection upon demand of any passenger, peace officer, authorized member, official, or employee of the department or any official, manager, or person in charge of any landing area in this state where landing is made and shall:

1. For an airperson or aeronautics instructor, be kept in that person's personal possession whenever engaging in aeronautics.
2. For an aircraft, be conspicuously displayed in the aircraft.
3. For a landing area, be conspicuously displayed in the office of the person in charge of the landing area.
4. For an air school, be conspicuously displayed in the principal office of the school.
5. For a navigation facility, be conspicuously displayed in the office of the person responsible for the operation of the facility.

[C31, 35, §8338-c3, -c5; C39, §**8338.16, 8338.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.38]

2010 Acts, ch 1069, §115

**328.39 Order of department — review.**

In any case where the department refuses to issue a certificate of registration or special certificate, or in any case where it shall issue any order requiring certain things to be done, or revoking or suspending any certificate, it shall set forth its reasons and shall state the requirements to be met before such certificate will be issued or such order will be modified or changed. Any order made by the department pursuant to the provisions of this chapter shall be served upon the interested persons by certified mail or in person.

Any order of the department or any refusal to issue, revocation or suspension of any certificate shall be subject to judicial review in accordance with chapter 17A.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.39]

**328.40 Penalties.**

Any person who violates any of the provisions of this chapter, or who makes any material false statement or representation in any application or statement filed with the department as required by this chapter or any of the rules and regulations issued pursuant thereto shall be guilty of a fraudulent practice.

[C31, 35, §8338-c8; C39, §**8338.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.40]

Fraudulent practices, see §714.8 – 714.14

**328.41 Operating recklessly or while intoxicated.**

It shall be unlawful for any person to operate an aircraft in the air space above this state or on the ground or water within this state, while under the influence of intoxicating liquor, narcotics, or other habit-forming drug, or to operate an aircraft in the air space above this state or on the ground or water within this state in a careless or reckless manner so as to endanger the life or property of another.

1. Any person who operates an aircraft in a careless or reckless manner in violation of the provisions of this section shall be guilty of a simple misdemeanor.
2. Any person who operates any aircraft, while in an intoxicated condition or under the influence of narcotic drugs in violation of this section, shall, upon conviction or a plea of guilty, be guilty of:

*a.* A serious misdemeanor for the first offense.

*b.* An aggravated misdemeanor for the second offense.

*c.* A class "D" felony for a third offense.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.41]
2010 Acts, ch 1061, §123

**328.42 Nonresident registration.**
Nonresident owners of aircraft operated within this state for the intrastate transportation of persons or property for compensation or the furnishing of services for compensation or for the intrastate transportation of merchandise, shall register each such aircraft and pay the same fees therefor as is required with reference to like aircraft owned by residents of this state.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.42]

**328.43 Transfer notice.**
Upon the transfer of ownership of any registered aircraft, the owner shall immediately give notice to the department upon the form on the reverse side of the certificate of registration, stating the date of such transfer, the name and post office address with street number, if in a city, of the person to whom transferred, the number of the registration certificate and such other information as the department may require.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.43]

**328.44 Application by new owner.**
The purchaser of the aircraft shall join in the notice of transfer to the department and shall, at the same time, make application for a new certificate of registration.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.44]

**328.45 New registration upon transfer.**
The department, if satisfied of the genuineness and regularity of such transfer, shall register said aircraft in the name of the transferee and issue a new certificate of registration as provided in this chapter.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.45]

**328.46 Penalty for delay.**
If a transfer of ownership of an aircraft subject to registration is not completed within thirty days of the actual change of possession, a penalty of five dollars shall accrue against the aircraft and a certificate of registration shall not be issued until the penalty is paid.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.46]
96 Acts, ch 1152, §24

**328.47 Lien of fees.**
All registration fees provided for in this chapter shall be and continue a lien against the aircraft for which said fees are payable until such time as they are paid as provided by law, with any accrued penalties.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.47]

**328.48 Attachment of lien.**
The lien of the original registration fee attaches at the time it is payable as provided by law and the liens of all renewals of registration attach on the first day of each registration year.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.48]
88 Acts, ch 1063, §10

**328.49 Collection of fees.**
The collection of all fees and penalties provided for in the chapter may be enforced against any aircraft or they may be collected by suit against the owner who shall remain personally liable therefor until such time as the transfer thereof shall be reported to the department or

until such time as the identity of such aircraft as an aircraft has been entirely eliminated and all fees and penalties to such date shall be paid.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.49]

**328.50 Penalty on delinquent registration.**

On the first day of the second month following the end of an aircraft registration period, a penalty of five percent of the annual registration fee shall be added to a fee not paid by that date, and five percent of the annual registration fee shall be added to the fee on the first day of each following month that the fee remains unpaid; however, the penalty shall not be less than one dollar.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.50]

88 Acts, ch 1063, §11

**328.51 Accrual of penalty.**

Failure to register shall be considered delinquent and a penalty shall accrue the first day of the month following thirty days from the date of the purchase of a new aircraft or the date an aircraft is brought into the state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.51]

90 Acts, ch 1063, §9; 96 Acts, ch 1152, §25

**328.52 Waiver.**

The department, if it finds that a delinquency in registration was excusable and upon making a record of such finding and the reasons for such delinquency, shall have the power to waive or reduce any of the penalties provided for delinquent registrations.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.52]

**328.53 Marking public aircraft.**

All aircraft owned by the state or a governmental subdivision of the state shall be marked to show ownership in a readily apparent manner. The department may promulgate regulations for marking such aircraft.

[C77, 79, 81, §328.53]

**328.54 Biennial report.**

The department shall publish biennially an airport directory which shall contain a listing of all airports in the state which are open to public use. The department may charge a reasonable fee based on the cost of publication and distribution to those persons receiving a copy of the directory.

[C77, 79, 81, §328.54]

**328.55 Inspections of governmental subdivision airports.**

All governmental subdivision airports shall be inspected by the department between July 1, 1976, and July 1, 1977, and shall have one year from the date of inspection to comply with the rules established by the department.

[C77, 79, 81, §328.55]

**328.56 State aviation fund.**

1. A state aviation fund is created under the authority of the department. The fund shall consist of moneys deposited in the fund pursuant to sections 328.36 and 452A.82 and other moneys appropriated to the fund.

2. Moneys in the state aviation fund are appropriated to the department of transportation for use by the department for airport engineering studies, construction or improvements, and the windsock program for public airports and marketing at commercial service airports. In awarding moneys, the department shall give preference to projects that demonstrate a collaborative effort between airports.

2006 Acts, ch 1179, §57, 66; 2007 Acts, ch 22, §115; 2007 Acts, ch 219, §40

Referred to in §328.36, 452A.82

**328.56A Staggered registration for aircraft — implementation.**

To implement the change from fiscal year registration to the registration system provided for in this chapter, aircraft registered after July 1, 1988, shall be registered as follows:

1. Aircraft shall be registered for the registration year as defined in this chapter. If the registration period is for a period of less than twelve months, the registration fee shall be prorated for the remaining unexpired months, except as provided in subsection 2.

2. The owner of an aircraft for which the registration year begins on August 1 may elect to register the aircraft for a period of one month or thirteen months. The owner of an aircraft for which the registration year begins on September 1 may elect to register the aircraft for a period of two months or fourteen months. The owner of an aircraft for which the registration year begins on October 1 may elect to register the aircraft for a period of three months or fifteen months.

88 Acts, ch 1063, §12

**328.57 Short title.**

This chapter may be cited as the *"State Aeronautics Act"*.

[C46, §328.41; C50, 54, 58, 62, 66, 71, 73, 75, §328.53; C77, 79, 81, §328.57]

# CHAPTER 329

## AIRPORT ZONING

Referred to in §307.25, 331.304, 331.321, 476A.5

Nuisances in general, chapter 657


329.1 Definitions.
329.2 Airport hazards contrary to public interest.
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329.13 Administration of airport zoning regulations.
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**329.1 Definitions.**

The following words, terms, and phrases, when used in this chapter, shall, for the purposes of this chapter, have the meaning herein given, unless otherwise specifically defined, or unless another intention clearly appears, or the context otherwise requires:

1. *"Airport"* means any area of land or water designed and set aside for the landing and take-off of aircraft and utilized, or to be utilized, in the interest of the public for such purposes.

2. *"Airport hazard"* means any structure or tree or use of land which would exceed the federal obstruction standards as contained in 14 C.F.R. § 77.21, 77.23 and 77.25 as revised March 4, 1972, and which obstruct the air space required for the flight of aircraft and landing or take-off at an airport or is otherwise hazardous to such landing or taking off of aircraft.

3. *"Airport hazard area"* means any area of land or water upon which an airport hazard might be established if not prevented as provided by this chapter.

4. *"Department"* means the state department of transportation.

5. *"Municipality"* means any county or city of this state.

6. *"Obstruction"* means any tangible, inanimate physical object, natural or artificial, protruding above the surface of the ground.

7. *"Person"* means any individual, firm, partnership, corporation, company, association,

joint stock association, or body politic, and includes any trustee, receiver, assignee, or other similar representative thereof.

8. *"Structure"* means any object constructed or installed by humans, including, but without limitation, buildings, towers, smokestacks, and overhead transmission lines, including the poles or other structures supporting the same.

9. *"Tree"* means any object of natural growth.

10. The singular shall include the plural, and the plural the singular.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.1]

2008 Acts, ch 1032, §106

**329.2 Airport hazards contrary to public interest.**

It is hereby found that an airport hazard endangers the lives and property of users of the airport and of occupants of land and other persons in its vicinity, and also, if of the obstruction type, in effect reduces the size of the area available for the landing, taking off and maneuvering of aircraft, thus tending to destroy or impair the utility of the airport and the public investment therein. Accordingly, it is hereby declared:

1. That the creation or establishment of an airport hazard is a public nuisance and an injury to the community served by the airport in question.

2. That it is necessary in the interest of the public health, safety, and general welfare that the creation or establishment of airport hazards be prevented.

3. That this should be accomplished, to the extent legally possible, by proper exercise of the police power.

4. That the prevention of the creation or establishment of airport hazards, and the elimination, removal, alteration, mitigation, or marking and lighting of existing airport hazards are public purposes for which municipalities may raise and expend public funds, as an incident to the operation of airports, to acquire land or property interests therein.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.2]

See §657.2(8)

**329.3 Zoning regulations — powers granted.**

Every municipality having an airport hazard area within its territorial limits may adopt, administer, and enforce in the manner and upon the conditions prescribed by this chapter, zoning regulations for such airport hazard area, which regulations may divide such area into zones and, within such zones, specify the land uses permitted, and regulate and restrict, for the purpose of preventing airport hazards, the height to which structures and trees may be erected or permitted to grow. Regulations adopted under this chapter shall be made with consideration of the smart planning principles under section 18B.1.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.3]

2010 Acts, ch 1184, §20

Referred to in §329.4, 329.6

**329.4 Extraterritorial airport hazard areas.**

When any airport hazard area appertaining to an airport owned or controlled by a municipality is located outside the territorial limits of said municipality:

1. *Ordinances.* The municipality owning or controlling the airport, and the municipality within which the airport hazard area is located, may by duly adopted ordinance adopt, administer, and enforce airport zoning regulations applicable to the airport hazard area.

2. *Petition to district court.* If the municipality within which is located such airport hazard area has failed or refused, within sixty days after demand has been made upon it by any municipality owning or controlling the airport, to adopt reasonably adequate airport zoning regulations under section 329.3, or to join in adopting joint airport zoning regulations as authorized in subsection 1 of this section, the municipality owning or controlling the airport may, upon a resolution of necessity therefor duly adopted by its governing body, petition the district court of the county in which such airport hazard area or any part thereof is located, in the name of the municipality owning or controlling the affected airport, praying that zoning regulations be established for the airport hazard area in question.

3. *Petition — contents.* Such petition shall allege all essential facts showing the necessity

for bringing such action, the relief sought including proposed zoning regulations, and the necessity therefor.

4. *Parties.* The parties defendant in such action shall be the municipality in which such airport hazard area is located, and all persons having an apparent or contingent interest in the property located within such area, who may be joined in said action generally as a class.

5. *Procedure.* The action shall be triable in equity and in accordance with general rules of civil procedure, except that such action shall have precedence over any other business of the court except criminal cases, and the court shall set said petition for hearing not less than sixty days nor more than one hundred twenty days from the date it is filed with the clerk of said court.

6. *Notice.* The original notice in such action shall be served upon the municipality in which such airport hazard area is located, and in the same manner as original notice of any other action but not less than thirty days prior to the date set for trial; and upon all other defendants by the publication of said notice in some newspaper or newspapers of general circulation within the area described in the petition, or as near thereto as possible, which publication shall be in the same manner as provided for the publication of other original notices, provided, however, that the last publication thereof shall be not less than thirty days prior to the date set for trial.

7. *Decree and modification.* Upon trial the court may enter decree establishing such zoning regulations as it shall find reasonable and necessary. The court having once taken jurisdiction of such matter shall retain continuing jurisdiction thereof for such subsequent modification as it may deem advisable, upon proper application of interested parties, and due showing made thereunder after such notice to possible adverse parties as the court shall prescribe.

8. *Appeal.* Any person or municipality adversely affected or aggrieved by any findings of the court may appeal therefrom as in other civil actions.

9. *Enforcement.* Following the entry of any final decree by the district court, and unless appeal has been taken therefrom, the zoning regulations established by such decree may be enforced, and violations thereof punished, as provided by section 329.14.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §329.4; 81 Acts, ch 117, §1050]

Referred to in §329.6

Service of notice, R.C.P. 1.302 – 1.315

**329.5 Prevention of airport hazards.**

Any municipality owning or controlling an airport may maintain actions in equity to restrain and abate as nuisances the creation or establishment of airport hazards appertaining to said airport, in violation of any zoning regulations adopted or established pursuant to the provisions of this chapter for any area whether within or without the territorial limits of said municipality.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.5]

See §657.2(8)

**329.6 Zoning powers.**

If any municipality owning or controlling an airport adjacent to which there is an airport hazard area shall fail or refuse, within sixty days after demand made upon it by the department, to adopt reasonably adequate airport zoning regulations under section 329.3, or to proceed as provided in section 329.4, the department may petition the district court of the county in which such airport hazard area, or any part thereof, is located, in the name of the state, praying that zoning regulations be established for the airport hazard area in question, and the provisions of section 329.4, subsections 3 to 9, shall apply to such actions provided, however, that such municipality shall be joined as a party defendant in any such action.

The department may maintain actions in equity to restrain and abate as nuisances the creation or establishment of airport hazards appertaining to any airport within the state, in violation of any zoning regulations adopted or established pursuant to the provisions of this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.6]

**329.7 Relation to comprehensive zoning regulations.**

Any municipality which adopts zoning ordinances under chapter 414 or chapter 335 may incorporate therein airport hazard area zoning regulations and administer and enforce them as provided in this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §329.7; 81 Acts, ch 117, §1051]

**329.8 Conflicting regulations.**

In the event of any conflict between any airport zoning regulations adopted or established under this chapter and any other regulations applicable to the same area, whether the conflict be with respect to the height of structures or trees, the use of land, or any other matter, the more stringent limitation or requirement shall govern and prevail.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.8]

**329.9 Procedure for adopting zoning regulations — zoning commission.**

In adopting, amending, and repealing airport zoning regulations under this chapter the governing body of a city shall follow the procedure in sections 414.4 and 414.6 and the board of supervisors of a county shall follow the procedure in sections 335.6 and 335.8. The commission so appointed shall be known as the airport zoning commission. The airport zoning commission shall consist of two members from each municipality selected by the governing body and one additional member to act as chairperson and to be selected by a majority vote of the members selected by the municipality. The terms of the members of the airport zoning commission shall be for six years excepting that when the board is first created, one of the members appointed by each municipality shall be appointed for a term of two years and one for a term of four years. Members may be removed for cause by the appointing authority upon written charges after public hearing. Vacancies shall be filled for the unexpired term of any member whose office becomes vacant in the same manner in which the member was selected.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §329.9; 81 Acts, ch 117, §1052]

Referred to in §331.321

**329.10 Airport zoning requirements.**

1. All airport zoning regulations adopted under this chapter shall be reasonable and none shall impose any requirement or restriction which is not necessary to effectuate the purposes of this chapter.

2. *a.* Airport zoning regulations adopted under this chapter may require, at the municipality's expense, the removal, lowering, or other change or alteration of any structure or tree, or a change in use, not conforming to the regulations when adopted or amended.

*b.* Airport zoning regulations adopted under this chapter may require a property owner to permit the municipality at its own expense to install, operate, and maintain on the property markers and lights as necessary to indicate to operators of aircraft the presence of the airport hazard.

3. All such regulations may provide that a preexisting nonconforming structure, tree, or use, shall not be replaced, rebuilt, altered, allowed to grow higher, or replanted, so as to constitute a greater airport hazard than it was when the airport zoning regulations or amendments to the regulations were adopted.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.10]

90 Acts, ch 1022, §1

**329.11 Variances.**

Any person desiring to erect or increase the height of any structure, or to permit the growth of any tree, or otherwise use the person's property in violation of airport zoning regulations adopted under this chapter, may apply to the board of adjustment for a variance from the zoning regulations. Such variances shall be allowed where a literal application or enforcement of the regulations would result in practical difficulty or unnecessary hardship and the relief granted would not be contrary to the public interest, but would do substantial justice and be in accordance with the spirit of the regulations and this chapter; provided,

however, that any such variance may be allowed subject to any reasonable conditions that the board of adjustment may deem necessary to effectuate the purposes of this chapter, including the reservation of the right of the municipality, at its own expense, to install, operate, and maintain thereon such markers and lights as may be necessary to indicate to operators of aircraft the presence of the airport hazard.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.11]

**329.12 Board of adjustment — creation — powers — duties.**

1. The governing body of any municipality seeking to exercise powers under this chapter shall by ordinance provide for the appointment of a board of adjustment, as provided in section 414.7 for a city, or as provided in section 335.10 for a county. The board of adjustment has the same powers and duties, and its procedure and appeals are subject to the same provisions as established in sections 414.9 to 414.19 for a city, or sections 335.12 to 335.21 for a county.

2. *a.* The board of adjustment shall consist of two members from each municipality, selected by the governing body thereof, and one additional member to act as chairperson and to be selected by a majority vote of the members selected by the municipality.

*b.* The terms of the members of the board of adjustment shall be for five years, excepting that when the board shall first be created, one of the members appointed by each municipality shall be appointed for a term of two years and one for a term of four years.

*c.* Vacancies shall be filled for the unexpired term of any member whose office becomes vacant in the same manner in which that member was selected.

*d.* Members shall be removable for cause by the appointing authority upon written charges and after public hearing.

3. The concurring vote of a majority of the board shall be necessary to do any of the following:

*a.* Reverse any order, requirement, decision, or determination of any administrative official.

*b.* Decide in favor of the applicant on any matter upon which the board is required to pass under any regulations adopted pursuant to this chapter.

*c.* Effect any variance from any regulations adopted pursuant to this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §329.12; 81 Acts, ch 117, §1053]
2010 Acts, ch 1069, §116

**329.13 Administration of airport zoning regulations.**

All airport zoning regulations adopted under this chapter shall provide for the administration and enforcement of such regulations by an administrative agency, which may be an agency created by such regulations, or by any official, board, or other existing agency of the municipality adopting the regulations, or of one or both of the municipalities which participated therein, but in no case shall such administrative agency be or include any member of the board of adjustment. The duties of any administrative agency designated pursuant to this chapter shall not include any of the powers herein delegated to the board of adjustment.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.13]
2005 Acts, ch 3, §64

**329.14 Enforcement and remedies.**

Each violation of this chapter or of any regulations, order, or rules promulgated pursuant to this chapter, shall constitute a simple misdemeanor and each day a violation continues to exist shall constitute a separate offense.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.14]
Referred to in §329.4

**329.15 Short title.**

This chapter shall be known and may be cited as the *"Airport Zoning Act"*.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.15]

# CHAPTER 330

## AIRPORTS

Referred to in §307.25


330.1 Definition.
330.2 Aviation hangar revolving loan fund. Repealed by 2003 Acts, ch 8, §7.
330.3 Repealed by 72 Acts, ch 1088, §263.
330.4 Joint exercise of powers.
330.5 through 330.7 Repealed by 81 Acts, ch 117, §1097.
330.8 Reserved.
330.9 Plans and specifications.
330.10 through 330.12 Repealed by 81 Acts, ch 117, §1097.
330.13 Federal aid.
330.14 through 330.16 Repealed by 81 Acts, ch 117, §1097.
330.17 Airport commission — election.
330.18 Notice of election.
330.19 Form of question.
330.20 Appointment of commission — terms.
330.21 Powers — funds.
330.22 Annual report — publishing.
330.23 No restriction on administrative agencies.
330.24 No restrictions on former commissions.


**330.1 Definition.**

The word *"airport"* as used in this chapter, shall include landing field, airdrome, aviation field, or other similar term used in connection with aerial traffic.

[C31, 35, §5903-c1; C39, §**5903.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.1]

**330.2 Aviation hangar revolving loan fund.** Repealed by 2003 Acts, ch 8, § 7.

**330.3** Repealed by 72 Acts, ch 1088, § 263.

**330.4 Joint exercise of powers.**

Agreements between political subdivisions for joint exercise of any powers relating to airports may provide for the creation and establishment of a joint airport commission which, when so created or established, shall function in accordance with the provisions of sections 330.17 to 330.24 insofar as provided by said agreements.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.4]

**330.5 through 330.7** Repealed by 81 Acts, ch 117, § 1097.

**330.8** Reserved.

**330.9 Plans and specifications.**

Before an airport is acquired by a city or county, the plans and specifications for it shall be submitted to the state department of transportation which shall require that they show the legal description and plat of the site, distance from the nearest post office and railroad station, location and type of highways, location and type of obstructions on and near the site, kind of soil and subsoil, costs and details of grading and draining, and location of proposed runways, hangars, buildings, and other structures.

The department shall issue approval of the plans and specifications if it finds that they are in substantial accord with the rules promulgated by the department or with the regulations of the federal aviation administration or other department of the federal government having general supervision of air navigation as it relates to plans and specifications for airports.

[C31, 35, §5903-c7; C39, §**5903.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.9]
83 Acts, ch 101, §75

**330.10 through 330.12** Repealed by 81 Acts, ch 117, § 1097.

**330.13 Federal aid.**

Any subdivision of government is authorized to accept, receive, and receipt for federal moneys, and other moneys, either public or private, for the acquisition, construction, enlargement, improvement, maintenance, equipment, or operation of airports, and other air navigation facilities, and sites for airports and other navigation facilities, and to comply with the laws of the United States and any regulations for the expenditure of federal moneys upon airports and other air navigation facilities.

All preapplications for funds authorized to be received pursuant to this section by any governmental subdivision, commission, or authority, whether acting alone or jointly with another governmental or private entity, shall be approved by the state transportation commission prior to being submitted to any federal agency or department. Approval shall be based on criteria consistent with the Iowa aviation system plan. However, this paragraph does not apply to preapplications from airports which receive federal primary commercial service entitlement funds if the airport making the preapplication files a copy of the preapplication with the state department of transportation.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.13]
93 Acts, ch 87, §12

**330.14 through 330.16** Repealed by 81 Acts, ch 117, § 1097.

**330.17 Airport commission — election.**

1. The council of any city or county which owns or acquires an airport may, and upon the council's receipt of a valid petition as provided in section 362.4, or receipt of a petition by the board of supervisors as provided in section 331.306 shall, at an election held on a date specified in section 39.2, subsection 4, paragraph *"a"* or *"b"*, as applicable, submit to the voters the question as to whether the management and control of the airport shall be placed in an airport commission. If a majority of the voters favors placing the management and control of the airport in an airport commission, the commission shall be established as provided in this chapter.

2. The management and control of an airport by an airport commission may be ended in the same manner. If a majority of the voters does not favor continuing the management and control of the airport in an airport commission, the commission shall stand abolished sixty days from and after the date of the election, and the power to maintain and operate the airport shall revert to the city or county.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §330.17; 81 Acts, ch 117, §1054]
91 Acts, ch 129, §24; 2008 Acts, ch 1115, §54, 71
Referred to in §330.4, 330.23, 330.24, 331.381, 331.382

**330.18 Notice of election.**

Notice of the election shall be given by publication in a newspaper of general circulation in the city, subject to section 362.3 or in the county, subject to section 331.305.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §330.18; 81 Acts, ch 117, §1055]
Referred to in §330.4, 330.23, 330.24, 331.381, 331.382

**330.19 Form of question.**

The question to be submitted shall be in the following form:

Shall the City (or County) of ..... place (or continue) the management and control of its airport (or airports) in an Airport Commission?

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §330.19; 81 Acts, ch 117, §1056]
Referred to in §330.4, 330.23, 330.24, 331.381, 331.382

**330.20 Appointment of commission — terms.**

When a majority of the voters favors airport control and management by a commission, the governing body shall, within ten days, appoint an airport commission of three or five

members, each of whom shall be a resident of the city or county establishing the commission or a resident of a city or county in this state served by the airport. At least two of the members of a three-member commission and at least three of the members of a five-member commission shall be residents of the city or county establishing the commission. The governing body shall by ordinance set the commencement dates of office and the length of the terms of office which shall be no more than six and no less than three years. The terms of the first appointees of a newly created commission shall be staggered by length of term and all subsequent appointments shall be for full terms. Vacancies shall be filled in the same manner as original appointments are made. Members of the airport commission shall serve without compensation. Each commissioner shall execute and furnish a bond in an amount fixed by the governing body and filed with the city clerk of the city, or county auditor of the county, establishing the commission. The commission shall elect from its own members a chairperson and a secretary who shall serve for a term as the commission shall determine.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.20]

83 Acts, ch 123, §131, 209; 91 Acts, ch 76, §1; 2009 Acts, ch 114, §1; 2011 Acts, ch 34, §83

Referred to in §330.4, 330.23, 330.24, 331.321, 331.381, 331.382

**330.21 Powers — funds.**

The commission has all of the powers in relation to airports granted to cities and counties under state law, except powers to sell the airport. The commission shall annually certify the amount of tax within the limitations of state law to be levied for airport purposes, and upon certification the governing body may include all or a portion of the amount in its budget.

All funds derived from taxation or otherwise for airport purposes shall be under the full and absolute control of the commission for the purposes prescribed by law, and shall be deposited with the county treasurer or city clerk to the credit of the airport commission, and shall be disbursed only on the written warrants or orders of the airport commission, including the payment of all indebtedness arising from the acquisition and construction of airports and their maintenance, operation, and extension.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §330.21; 81 Acts, ch 117, §1057; 82 Acts, ch 1104, §10]

Referred to in §330.4, 330.24

**330.22 Annual report — publishing.**

The airport commission shall immediately after the close of each municipal fiscal year, file with the city clerk or county auditor a detailed and audited written report of all money received and disbursed by the commission during said fiscal year, and shall publish a summary thereof in an official newspaper.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.22]

Referred to in §330.4, 330.24

**330.23 No restriction on administrative agencies.**

This chapter does not prohibit a city from establishing an administrative agency pursuant to chapter 392 to manage and control all or part of its airport in lieu of an airport commission under this chapter. A city may abolish an airport commission and provide for the management and control of its airport by an administrative agency.

Sections 330.17 through 330.20 do not apply to the abolition of an airport commission by a city pursuant to this section for the purpose of establishing an administrative agency pursuant to chapter 392 to manage and control all or part of its airport. The commission shall stand abolished sixty days from the date of the city council's final approval abolishing the airport commission pursuant to this section, unless the council designates a different effective date.

88 Acts, ch 1229, §1; 89 Acts, ch 182, §1

Referred to in §330.4

**330.24 No restrictions on former commissions.**

Nothing in sections 330.17 to 330.22 shall be interpreted as limiting or affecting airport commissions of cities in the above classification which have already been in existence and operation prior to January 1, 1941, under the provisions of this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.24]

Referred to in §330.4

# CHAPTER 330A

## AVIATION AUTHORITIES

Referred to in §331.382, 331.424


330A.1 Citation.
330A.2 Definitions.
330A.3 Creation.
330A.4 Repealed by 89 Acts, ch 182, §12.
330A.5 Board.
330A.6 Creation of an authority.
330A.7 Withdrawal.
330A.8 Purposes and powers — general.
330A.9 Purposes and powers — bonds and notes.
330A.10 Funds of an authority.
330A.11 Transfer of existing facilities to authority.
330A.12 Award of contract.
330A.13 Acquisition of lands and property.
330A.14 Use of aviation facilities.
330A.15 Tax for purposes of an authority.
330A.16 Exemption from taxation.
330A.17 Statute complete and additional authority.
330A.18 Cooperation between municipalities and authorities.
330A.19 Eligibility as investments and security for public funds.
330A.20 Dissolution of an authority.
330A.21 Transition.


**330A.1 Citation.**

This chapter shall be known and may be cited as the *"Aviation Authority Act"*.

[C71, 73, 75, 77, 79, 81, §330A.1]

**330A.2 Definitions.**

The following terms whenever used, or referred to, in this chapter shall have the following meanings, except in those instances where the context clearly indicates otherwise:

1. The term *"authority"* shall mean any aviation authority created pursuant to the provisions of this chapter.

2. The term *"aviation facilities"* shall mean and include airports, buildings, structures, terminal buildings, or space hangars, lands, warehouses, or other aviation facilities of any kind or nature, or any other facilities of any kind or nature related to or connected with said airports and other aviation facilities which an authority is authorized by law to construct, acquire, own, lease, or operate, including but not limited to parking facilities, restaurants, and related facilities together with all fixtures, equipment, and property, real or personal, tangible or intangible, necessary, appurtenant, or incidental thereto.

3. The term *"board"* shall mean the governing body of an authority.

4. The term *"federal government"* shall mean and include the United States of America, the president of the United States of America, and any department of, or corporation, agency, or instrumentality heretofore or hereafter created, designated, or established by the United States of America.

5. The term *"member municipality"* shall mean any municipality which shall join in the creation of an aviation authority as provided herein.

6. The term *"municipality"* shall mean any county or city of this state, and any political subdivision of any state whose borders are at any point conterminous with those of this state and whose laws shall permit the entry of and submission by such political subdivision to an authority created and operating pursuant to the provisions of this chapter.

7. The term *"person"* shall mean any individual, firm, partnership, corporation, company, association, or joint stock association, and includes any trustee, receiver, assignee, or similar representative thereof.

8. The term *"state"* shall mean the state of Iowa.

9. The term *"state government"* shall mean and include the state, the governor of the state, and any department thereof, or corporation, agency, or instrumentality heretofore or hereafter created, designated, or established by the state, exclusive of counties and cities.

[C71, 73, 75, 77, 79, 81, §330A.2]

**330A.3 Creation.**

One or more municipalities may provide by ordinance for the creation of an airport authority in the manner and for the purposes provided under this chapter. The authority shall be created by agreement adopted by ordinance between two or more municipalities, or by ordinance of a single municipality. An authority is a public instrumentality and public body corporate to be known as "..... Airport Authority". An airport authority may exercise its jurisdiction, powers, and duties as set forth in this chapter. Provisions for the disposition of the authority's rights and properties in the event of dissolution of the authority shall be set forth in the agreement or ordinance creating the authority.

[C71, 73, 75, 77, 79, 81, §330A.3]

89 Acts, ch 182, §2

**330A.4** Repealed by 89 Acts, ch 182, § 12.

**330A.5 Board.**

Each authority shall have a board of an odd number of three or more members and the board shall be the governing body of the authority exercising all of the rights, duties, and powers conferred by this chapter upon the authority. The board members shall be appointed by the governing bodies of the member municipalities. The number to be appointed by each municipality shall be provided for in the agreement or ordinance creating the authority. However, an elected official or full-time paid employee of a member municipality is not eligible for appointment to the board. Board members shall serve for terms of four years at the pleasure of the municipality appointing the members except members of the initial board shall determine their respective terms by lot so the terms of one-half of the members expire at the end of two years. The remaining initial terms shall expire at the end of four years. Each member of the board shall qualify by taking an oath to faithfully perform the duties of office. Within forty-five days after a vacancy occurs on the board by death, resignation, change of residence or removal of a member, or from any other cause, the successor of the member shall be appointed by the member municipality represented by the vacancy and shall serve until the term expires. The board shall, within ten days after its appointment, organize by electing a chairperson, a secretary, and a treasurer, each for a term of two years. The treasurer shall execute an adequate surety bond in a penal sum to be fixed by the authority, conditioned upon the faithful performance of the duties of office, the premium on which shall be paid by the authority. Board members and officers shall serve until their successors are duly elected and qualified. A salary shall not be paid to a board member; however, each board member shall be reimbursed for actual expenses incurred in the performance of the member's duties. All actions by an authority require the affirmative vote of a majority of the board of the authority.

[C71, 73, 75, 77, 79, 81, §330A.5]

89 Acts, ch 182, §3

Referred to in §330A.21

**330A.6 Creation of an authority.**

1. Whenever the governing body of any municipality shall desire to participate in the creation of an authority it shall adopt a resolution signifying its intention to do so and shall publish said resolution at least one time in a newspaper of general circulation in such municipality giving notice of a hearing to be held on the question of the municipality's entry into such authority. Such resolution shall be published at least fourteen days prior to the date of hearing, and shall contain therein the following information:

*a.* Intention to join in the creation of an authority pursuant to the provisions of this chapter.

*b.* The names of other municipalities which have expressed their intention to join in the creation of the authority.

*c.* Number of board members to be appointed by the municipality.

*d.* Name of authority.

*e.* Place, date and time of hearing.

2. After the hearing, and if in the best interests of the municipality, the municipality shall enact an ordinance authorizing the creation of the authority.

[C71, 73, 75, 77, 79, 81, §330A.6]

89 Acts, ch 182, §4, 5

Referred to in §330A.7, 330A.15

**330A.7 Withdrawal.**

1. One or more of the member municipalities may withdraw from the authority, except that a municipality shall not withdraw after any obligations have been incurred by the authority unless satisfactory provision has been made by the withdrawing municipality for the payment of its portion of the outstanding obligations. If an authority has been created pursuant to this chapter, a municipality which did not join in the original agreement may subsequently join the authority with the approval of the member municipalities.

2. A municipality wishing to withdraw from or to become a member of an existing authority shall signify its intention by resolution and shall publish the resolution at least one time in a newspaper of general circulation in the municipality giving notice of a hearing to be held on the question of withdrawing or joining and its intention to withdraw or join. The resolution shall be published at least fourteen days prior to the date of the hearing. A withdrawing municipality shall state in the resolution how it intends to pay its portion of the outstanding obligations of the authority, if any. A joining municipality shall state in the resolution the information required in section 330A.6. A copy of the resolution shall be certified to the authority by the municipality at least fourteen days in advance of the hearing. The board shall by resolution indicate whether a satisfactory provision has been made for the payment of the outstanding obligations of the authority, as required under subsection 1. After the hearing and if the outstanding obligations of the authority have been adequately provided for by the municipality, the municipality may enact an ordinance to withdraw from or join the authority.

3. An application to withdraw or join shall be submitted to the authority and shall in all cases be executed by the proper officers of the withdrawing or incoming municipality under its municipal seal and accompanied by a certified copy of the authorizing ordinance, and shall be joined in by the proper officers of the governing body of the authority.

4. A municipality that joins initially or subsequently or withdraws shall file notice of such joining or withdrawal with the secretary of state and the county recorder in which such municipality is located. Upon its creation, the authority shall file with the secretary of state and with the county recorder wherein each municipality or part thereof is located a copy of the agreement creating the authority.

[C71, 73, 75, 77, 79, 81, §330A.7]

89 Acts, ch 182, §6

**330A.8 Purposes and powers — general.**

An authority is hereby granted the following rights and powers, and shall have and may exercise all powers necessary, appurtenant, convenient, or incidental to the carrying out of the powers enumerated in this chapter:

1. To sue and be sued in all courts.

2. To adopt, use, and alter at will a seal.

3. To acquire, hold, construct, improve, maintain, operate, own, and lease as lessor or lessee, aviation facilities, provided that no lease of the authority's property whose primary term is in excess of three years shall be entered by the authority until after publication of notice of the terms of the proposed lease once in the county in which said property is located,

in the manner provided by section 618.14, together with the date, time, and place of a public hearing which shall be held not less than fourteen days thereafter, at which the authority will hear proponents for and objectors against the lease and may, thereafter, cause it to be executed.

4. To acquire, purchase, hold, own, operate, and lease as lessee and use any franchise, property, real, personal or mixed, tangible or intangible, or any interest therein, necessary or desirable for carrying out the purposes of an authority and this chapter, and to sell, mortgage, lease as lessor, transfer, and dispose of any property or interest therein at any time acquired by it.

5. To enter into and make leases, either as lessee or lessor, for such period or periods of time and under such terms and conditions as an authority shall determine. Such leases may be entered into for buildings, structures, or facilities constructed or acquired or to be constructed or acquired by an authority, or may be entered into for lands owned by an authority where the lessee of said lands agrees as a consideration for said lease to construct or acquire buildings, structures, or facilities on said lands which will become the property of an authority under such terms, rentals, and other conditions as the authority shall deem proper.

6. To acquire by purchase, lease, or otherwise, and to construct, improve, maintain, repair, and operate aviation facilities.

7. To fix, alter, charge, establish, and collect rates, fees, rentals, and other charges for the services and facilities of aviation facilities, or any part thereof, at reasonable and uniform rates to be determined exclusively by an authority for the purposes of carrying out the provisions of this chapter.

8. To borrow money, make and issue negotiable bonds, certificates, refunding bonds, and other obligations (herein called *"bonds"*) and notes of an authority and to secure the payment of such bonds or any part thereof by a pledge of any or all of an authority's revenues, rates, fees, rentals, or other charges, and any other funds which it has a right to, or may hereafter have the right to pledge for such purposes (hereafter sometimes referred to as *"revenues"*), and to mortgage its property as security for the payment of such bonds; and in general, to provide for the security of said bonds and the rights and remedies of the holders thereof. Such bonds may be issued to finance either one or more or a combination of aviation facilities and the revenues of any one or more aviation facilities may, subject to any prior rights of bondholders, be pledged for any one or more or a combination of aviation facilities. Any revenues from existing aviation facilities theretofore constructed or acquired pursuant to this chapter or existing laws, or existing aviation facilities constructed or acquired by an authority from any source may be pledged for any one or more or a combination of aviation facilities financed under this chapter, regardless of whether or not such existing aviation facilities are then being improved or financed by the proceeds of the bonds to be issued to finance the one or more or the combination of aviation facilities for which such revenues of such existing aviation facilities are to be pledged.

9. To make contracts of every kind and nature and to execute all instruments necessary or convenient for the carrying on of its business.

10. Without limitation of the foregoing, to borrow money and accept grants, contributions or loans from, and to enter into contracts, leases, or other transactions with, municipal, county, state, or federal government.

11. To have the power of eminent domain, but only as provided in section 330A.13.

12. To pledge, hypothecate, or otherwise encumber all or any part of the revenues, rates, fees, rentals, or other charges or receipts of an authority as security for all or any of the obligations issued by an authority.

13. To pledge, mortgage, hypothecate, or otherwise encumber all or any part of the property, real or personal, of the authority as security for all or any of the obligations issued by an authority.

14. To employ technical experts necessary to assist an authority in carrying out or exercising any powers granted hereby, including but not limited to architects, engineers, attorneys, fiscal advisors, fiscal agents, investment bankers, and aviation consultants.

15. To do all acts and things necessary or convenient for the promotion of its business

and the general welfare of an authority, in order to carry out the powers granted to it by this chapter or any other laws. An authority shall have no power at any time or in any manner to pledge the taxing power of the state or any political subdivision or agency thereof, nor shall any of the obligations issued by an authority be deemed to be an obligation of the state or any political subdivision or agency thereof secured by and payable from ad valorem taxes thereof, nor shall the state or any political subdivision or agency thereof be liable for the payment of principal of or interest on such obligations except from the special funds provided for in this chapter.

16. To designate employees upon whom are conferred all the powers of a peace officer as defined in section 801.4. The maximum age for a person designated as a peace officer pursuant to this subsection is sixty-five years of age.

[C71, 73, 75, 77, 79, 81, §330A.8]

89 Acts, ch 182, §7; 98 Acts, ch 1183, §111; 2006 Acts, 1st Ex, ch 1001, §30, 49

Referred to in §801.4

**330A.9 Purposes and powers — bonds and notes.**

1. The bonds issued by an authority pursuant to this chapter shall be authorized by resolution of the board and shall be either term or serial bonds, shall bear such date or dates, mature at such time or times, not exceeding forty years from their respective dates, bear interest at such rate or rates, not exceeding that permitted by chapter 74A payable semiannually, be in such denominations, be in such form, either coupon or fully registered, shall carry such registration, exchangeability and interchangeability privileges, be payable in such medium of payment and at such place or places, within or without the state, be subject to such terms of redemption and be entitled to such priorities on the revenues, rates, fees, rentals, or other charges or receipts of the authority as the resolution or any subsequent resolution may provide. The bonds shall be executed either by manual or facsimile signature by the officers as an authority shall determine, provided that the bonds shall bear at least one signature which is manually executed thereon, and the coupons attached to the bonds shall bear the facsimile signature or signatures of the officer or officers as shall be designated by an authority and the bonds shall have the seal of the authority, affixed, imprinted, reproduced, or lithographed thereon, all as may be prescribed in the resolution or resolutions. The bonds may be sold at public or private sale at the price or prices as the authority shall determine to be in the best interests of the authority. However, the net interest cost shall not exceed that permitted by chapter 74A. Pending the preparation of definitive bonds, interim certificates or temporary bonds may be issued to the purchaser or purchasers of the bonds, and may contain terms and conditions as the authority may determine.

2. An authority shall have the power, at any time and from time to time after the issuance of bonds shall have been authorized, to borrow money for the purposes for which the bonds are to be issued in anticipation of the receipt of the proceeds of the sale of the bonds and within the authorized maximum amount of the bond issue. Any loan shall be paid within three years after the date of the initial loan. Bond anticipation notes shall be issued for all moneys borrowed under this section, and the notes may be renewed from time to time, but all renewal notes shall mature within the time above limited for the payment of the initial loan. The notes shall be authorized by resolution of the board and shall be in such denomination or denominations, shall bear interest at such rate or rates not exceeding the maximum rate permitted by the resolution authorizing the issuance of the bonds, shall be in such form and shall be executed in such manner, all as the authority shall prescribe. The notes may be sold at public or private sale or, if the notes shall be renewal notes, they may be exchanged for notes then outstanding on such terms as the board shall determine. The board may, in its discretion, retire the notes from the revenues derived from its aviation facilities or from other moneys of the authority which are lawfully available or from a combination of each, in lieu of retiring them by means of bond proceeds. However, before the retirement of the notes by any means other than the issuance of bonds it shall amend or repeal the resolution authorizing the issuance of the bonds, in anticipation of the proceeds of the sale of which the notes were issued, so as to reduce the authorized amount of the bond issue by the amount of the notes retired. The amendatory or repealing resolution takes effect upon its passage.

3. Any such resolution or resolutions authorizing any bonds hereunder may contain provisions which shall be part of the contract with the holders of such bonds, as to:

*a.* The pledging of all or any part of the revenues, rates, fees, rentals, or other charges or receipts of an authority derived by an authority from all or any of its aviation facilities.

*b.* The construction, improvement, operation, extensions, enlargement, maintenance, repair, or lease of such aviation facilities and the duties of an authority with reference thereto.

*c.* Limitations on the purposes to which the proceeds of the bonds, then or thereafter to be issued, or of any loan or grant by the federal government or the state government or the county or any municipality therein, may be applied.

*d.* The fixing, charging, establishing, and collecting of rates, fees, rentals, or other charges for use of the services and facilities of the aviation facilities of an authority, or any part thereof.

*e.* The setting aside of reserves or sinking funds or repair and replacement funds or other funds and the regulation and disposition thereof.

*f.* Limitations on the issuance of additional bonds.

*g.* The terms and provisions of any deed of trust, mortgage, or indenture securing the bonds or under which the same may be issued.

*h.* Any other or additional agreements with the holders of the bonds as are customary and proper and which in the judgment of an authority will make said bonds more marketable.

4. An authority may enter into any deeds of trust, mortgages, indentures, or other agreements, with any bank or trust company or any other lender within or without the state as security for such bonds, and may assign and pledge all or any of the revenues, rates, fees, rentals, or other charges or receipts of an authority thereunder. Such deeds of trust, mortgages, indentures, or other agreements, may contain such provisions as may be customary in such instruments, or, as an authority may authorize, including, but without limitation, provisions as to:

*a.* The construction, improvement, operation, leasing, maintenance, and repair of the aviation facilities and duties of an authority with reference thereto.

*b.* The application of funds and the safeguarding and investment of funds on hand or on deposit.

*c.* The appointment of consulting engineers or architects and approval thereof by the holders of the bonds.

*d.* The rights and remedies of said trustee and the holders of the bonds.

*e.* The terms and provisions of the bonds or the resolution authorizing the issuance of the same.

5. Any of the bonds issued pursuant to this chapter are, and are hereby declared to be, negotiable instruments, and shall have all the qualities and incidents of negotiable instruments.

[C71, 73, 75, 77, 79, 81, §330A.9]

93 Acts, ch 118, §1; 2010 Acts, ch 1061, §124

**330A.10 Funds of an authority.**

1. Moneys of an authority shall be paid to the treasurer of the authority who shall not commingle said moneys with any other moneys, but shall deposit them in a separate account or accounts. The moneys in said accounts shall be paid out by check of the treasurer on requisition of the chairperson of the authority, or of such other person, or persons, as the authority may authorize to make such requisition.

2. Notwithstanding subsection 1, an authority is hereby authorized, and shall have the right, to deposit any of its rates, fees, rentals, or other charges, receipts or income with any bank or trust company within the state and to deposit the proceeds of any bonds issued hereunder with any bank or trust company within the state, all as may be provided in any agreement with the holders of bonds issued hereunder.

[C71, 73, 75, 77, 79, 81, §330A.10]

2009 Acts, ch 133, §125; 2011 Acts, ch 34, §84

**330A.11 Transfer of existing facilities to authority.**

1. Any municipality, airport commission, authority, or person may, and they are hereby

authorized to sell, lease, lend, grant, or convey to the authority, any aviation facilities or any part or parts thereof, or any interest in real or personal property, which are within or without geographical boundaries of one or more of the municipal members and which may be used by an authority in the construction, improvement, maintenance, leasing, or operation of any aviation facilities. Any municipality, airport commission, authority, or person is additionally authorized hereby to transfer, assign, and set over to an authority any contract or contracts which may have been awarded by said municipality, airport commission, authority, or person for the construction of aviation facilities not begun or, if begun, not completed.

2. The proposed action of an authority, and the proposed agreement to acquire, shall be approved by the governing body of the owner of the aviation facilities. Whenever the governing body of any municipality, airport commission, or authority, shall desire to sell, lease, lend, grant, or convey to the authority, any aviation facilities or any part or parts thereof, as aforesaid, it shall adopt a resolution signifying its intention to do so and shall publish said resolution at least one time in a newspaper of general circulation in said municipality and in a newspaper or newspapers, if necessary, of general circulation of the area served by said airport commission or authority giving notice of a hearing to be held on the question of said sale, lease, loan, grant, or conveyance. Such resolution shall be published at least fourteen days prior to the date of hearing. After the hearing and if in the public interest, said municipality shall enact an ordinance authorizing said sale, lease, loan, grant, or conveyance and said airport commission or authority shall pass a resolution authorizing said sale, lease, loan, grant, or conveyance.

3. An owner, transferring existing facilities to an authority under the provisions of this section must notify the authority of and make provision in the transfer documents for, where necessary, existing rights, liens, securities, and rights of reentry belonging to the state and federal government.

4. This section, without reference to any other law, shall be deemed complete authority for the acquisition by agreement, of aviation facilities as defined in this chapter, any provision of other laws to the contrary notwithstanding, and no proceedings or other action shall be required except as herein prescribed.

[C71, 73, 75, 77, 79, 81, §330A.11]

**330A.12 Award of contract.**

All contracts entered into by an authority for the construction, reconstruction, and improvement of aviation facilities shall be entered into pursuant to and shall comply with the competitive bid procedures in chapter 26. However, where an authority determines an emergency exists, it may enter into contracts obligating the authority for not in excess of the competitive bid threshold in section 26.3, or as established in section 314.1B per emergency without regard to the requirements of chapter 26 and the authority may proceed with the necessary action as expeditiously as possible to the extent necessary to resolve such emergency.

[C71, 73, 75, 77, 79, 81, §330A.12]

2006 Acts, ch 1017, §30, 42, 43

**330A.13 Acquisition of lands and property.**

An authority shall have the power to acquire, within or without the geographical boundaries of the member municipalities, by purchase or eminent domain proceedings, either the fees or such rights, title, interest, or easement in such lands and property, including but not limited to air rights and avigation easements, as the authority may deem necessary for any of the purposes of this chapter. The right of eminent domain herein conferred shall be exercised by the authority in the manner provided by law, as though the authority were a municipal corporation.

[C71, 73, 75, 77, 79, 81, §330A.13]

Referred to in §330A.8

**330A.14 Use of aviation facilities.**

The use of aviation facilities and the services and facilities thereof, by an authority and the operation of its business shall be subject to the rules and regulations, from time to time, adopted by the authority and applicable federal laws and regulations; provided, however, that an authority shall not be authorized to do anything which will impair the security of the holders of the obligations of the authority or violate any agreements with them or for their benefit.

[C71, 73, 75, 77, 79, 81, §330A.14]

**330A.15 Tax for purposes of an authority.**

The governing body of a municipality after joining an authority and after determination by the authority pursuant to planning studies may by ordinance provide for the assessment of an annual levy not to exceed twenty-seven cents per one thousand dollars of assessed value upon all the taxable property in such municipality for a period not to exceed forty years as shall be agreed by the member municipalities or for such longer time as any revenue bonds of an authority shall be outstanding or until such municipality withdraws from the authority, whichever is sooner. A county which is a member municipality may levy such tax only upon the property in the unincorporated area of such county. Such tax may be levied in excess of any tax limitation imposed by statute. Such ordinance shall be enacted only after publication of notice and hearing in the manner prescribed in section 330A.6. Upon such enactment, a copy thereof shall be certified to the authority. An authority shall have the power to enforce the collection of such levy by mandamus or other appropriate remedy and such levy shall be collected in the manner other taxes are collected and allocated and paid to the authority for the exclusive and proper use of the authority, including but not limited to the purchase of land, and the acquiring, establishing, constructing, enlarging, operating, and maintaining of aviation facilities. In addition to the purposes listed above, moneys in said fund may be pledged to the payment of the principal, interest, and redemption premium, if any, on bonds of the authority. Money paid to the authority pursuant to this section shall be deposited by the authority in a special trust fund to be called the "..... Authority Capital Reserve Fund". Member municipalities may, in addition, deposit money from current operating funds in the capital reserve fund pursuant to agreement for the purpose of providing initial funds to the authority to be used for funding studies, plans, and other expenses of an authority pending receipt of funds from the annual levy herein authorized. Any such money so deposited shall be considered a gift and is not repayable.

[C71, 73, 75, 77, 79, 81, §330A.15]

Referred to in §331.424, 384.12

**330A.16 Exemption from taxation.**

The effectuation of the authorized purposes of an authority shall be in all respects for the benefit of the people of the state and the member municipalities, for the increase of their commerce and prosperity, and for the improvement of their welfare, health, and living conditions, and since an authority will be performing essential governmental functions in effectuating such purposes, an authority shall not be required to pay any taxes or assessments of any kind or nature whatsoever upon any property required or used by it for such purposes, or any rates, fees, rentals, receipts, or incomes at any time received by it, and the bonds issued by an authority, their transfer and the income therefrom (including any profits made on the sale thereof) shall at all times be free from taxation of any kind by the state, or any political subdivision or taxing agency or instrumentality thereof.

[C71, 73, 75, 77, 79, 81, §330A.16]

Referred to in §422.7

**330A.17 Statute complete and additional authority.**

The powers conferred by this chapter shall be in addition and supplemental to any other law and this chapter shall not be construed so as to repeal any other law, except to the extent of any conflict between the provisions of this chapter and the provisions of any other law, in which event the provisions of this chapter shall be controlling and shall, to the extent of any such conflict, supersede the provisions of any other law. This chapter is intended to and shall

provide an alternative and complete method for the exercise of the powers granted by this chapter, and the aviation facilities authorized by this chapter may be constructed, acquired, or improved and bonds or other obligations issued pursuant to this chapter upon compliance with the provisions of this chapter without regard to or necessity for compliance with the limitations or restrictions contained in any other law. No approval of the registered voters or qualified freeholders of the state, or of any other political subdivision or taxing unit or agency thereof, or of the member municipalities shall be required for the issuance of any bonds by an authority pursuant to this chapter.

[C71, 73, 75, 77, 79, 81, §330A.17]

2001 Acts, ch 56, §20

**330A.18 Cooperation between municipalities and authorities.**

The effectuation of the authorized purposes of an authority being in all respects for the benefit of the people of the state and the member municipalities, each member municipality is hereby authorized to aid and cooperate with an authority in carrying out any authorized purposes of the authority. Each member municipality is hereby authorized to enter into cooperation agreements for the making of a loan, gift, grant, or contribution to the authority for the carrying out of its authorized purposes. Each member municipality is hereby further authorized to grant and convey to an authority real or personal property, of any kind or nature, or any interest therein, for the carrying out of its authorized purposes. Each member municipality is, further and additionally, authorized to covenant in any such cooperation agreement made pursuant to this section to pay all or any part of the costs of operation and maintenance of the aviation facilities of an authority from moneys derived from ad valorem taxation or from any other available funds of the municipality. Any such cooperation agreement may be made and entered into pursuant to this chapter for such time or times not exceeding forty years as shall be agreed by the parties thereto or for such longer time as any revenue bonds of an authority, including refundings thereof, remain outstanding and unpaid and may contain such other details, terms, provisions, and conditions as shall be agreed upon by the parties thereto. Any such cooperation agreement may be made and entered into for the benefit of the holders of any revenue bonds of an authority as well as the parties thereto and shall be enforceable in any court of competent jurisdiction by the holders of any such revenue bonds or of the coupons appertaining thereto.

[C71, 73, 75, 77, 79, 81, §330A.18]

**330A.19 Eligibility as investments and security for public funds.**

Notwithstanding the provisions of any other law or laws, all bonds issued by an authority pursuant to this chapter shall be and constitute legal investments for banks, savings banks, trustees, executors, and all other fiduciaries, and all such bonds shall be and constitute securities eligible for deposit for the securing of all state, municipal, and other public funds.

[C71, 73, 75, 77, 79, 81, §330A.19]

**330A.20 Dissolution of an authority.**

When an authority has fully discharged all of its debts and obligations or has arranged for the assumption of its debts and obligations by another public agency, it may be dissolved by unanimous consent of the member municipalities upon enactment of an ordinance to dissolve the authority by each member municipality. If all members withdraw from the authority, the authority is dissolved. When the business and affairs of an authority have been closed upon dissolution, that fact shall be certified by the chairperson of the board to the recorders of the counties in which the authority was situated and to the secretary of state.

89 Acts, ch 182, §8

**330A.21 Transition.**

For those authorities established prior to July 1, 1989, the terms of all board members in office shall expire on December 31, 1989. The provision for successor board members shall be by agreement of the member municipalities and in accordance with section 330A.5.

Authorities in existence prior to July 1, 1989, remain in existence on or after July 1, 1989, except as provided in this chapter.

89 Acts, ch 182, §9

# CHAPTER 330B

RESERVED

# TITLE IX

## LOCAL GOVERNMENT

Referred to in §199.1

# SUBTITLE 1

## COUNTIES

# CHAPTER 331

## COUNTY HOME RULE IMPLEMENTATION

Referred to in §28E.41, 28E.42, 28J.9, 73A.21, 169C.1, 192.141, 200.22, 206.34, 225C.4, 225C.6, 252.23, 252.24, 347.16, 354.1, 455D.21, 717.1, 717B.1

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## DIVISION I

## DEFINITIONS

**331.101 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Amendment"* means a revision or repeal of an existing ordinance or code of ordinances.
2. *"Auditor"* means the county auditor or a deputy auditor or employee designated by the county auditor.
3. *"Board"* means the board of supervisors of a county.
4. *"Book"*, *"record"*, and *"register"* include any mode of permanent recording including but not limited to, card files, microfilm or microfiche, electronic records and the like.
5. *"Charter"* means a formal document establishing the functions, powers, organization, structure, privileges, rights, and duties of county government not inconsistent with state law.
6. *"Clerk"* means the clerk of the district court or the clerk's designee.
7. *"Commission"* means a body of eligible electors authorized to study, review, analyze, and recommend an alternative form of county government.
8. *"County attorney"* means the county attorney or a deputy county attorney or assistant county attorney designated by the county attorney.
9. *"Measure"* means an ordinance, amendment, resolution, or motion.
10. *"Ordinance"* means a county law of a general and permanent nature.
11. *"Recorded vote"* means a record, roll call vote.
12. *"Recorder"* means the county recorder or a deputy recorder or employee designated by the county recorder.
13. *"Resolution"* or *"motion"* means a statement of policy or an order for action to be taken.
14. *"Sheriff"* means the county sheriff or a deputy sheriff designated by the sheriff.
15. *"State law"* includes the Constitution of the State of Iowa and state statutes.
16. *"Supervisor"* means a member of the board of supervisors.
17. *"Treasurer"* means the county treasurer or a deputy treasurer or employee designated by the county treasurer.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §343.13; S81, §331.101; 81 Acts, ch 117, §100]
88 Acts, ch 1229, §2; 90 Acts, ch 1233, §23
Referred to in §137.104, 911.4

**331.102 through 331.200** Reserved.

# DIVISION II

# ALTERNATIVE FORMS OF COUNTY GOVERNMENT

## PART 1

## BOARD OF SUPERVISORS

Referred to in §331.231, 331.233, 331.238

**331.201 Board membership — qualifications — term.**

1. The board shall consist of three members unless the membership is increased to five as provided in section 331.203.

2. A supervisor must be a registered voter of the county or supervisor district of the county which the supervisor represents.

3. The office of supervisor is an elective office except that if a vacancy occurs on the board, a successor may be appointed to the unexpired term as provided in section 69.14A.

4. The term of office of a supervisor is four years unless a change in the supervisor district representation plan or in the number of supervisors on the board requires the election of one or two supervisors for an initial term of two years.

[R60, §303; C73, §294, 299; C97, §410; SS15, §410; C24, 27, 31, 35, 39, §**5106;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §331.1; S81, §331.201; 81 Acts, ch 117, §200]

94 Acts, ch 1169, §64; 2009 Acts, ch 57, §83

Referred to in §331.238, 331.248, 331.261

**331.202** Reserved.

**331.203 Membership increased — vote.**

1. The board may by resolution, or shall upon petition of the number of eligible electors of the county as specified in section 331.306, submit to the registered voters of the county at a general election a proposition to increase the number of supervisors to five.

2. If a majority of the votes cast on the proposition is in favor of the increase to five members, the board shall be increased to five members effective on the first day in January which is not a Sunday or holiday following the next general election. The five-member board shall be elected according to the supervisor representation plan in effect in the county.

*a.* If plan "one" as defined in section 331.206 is in effect, two additional supervisors shall be elected at the next general election, one for a two-year term and one for a four-year term.

*b.* If plan "two" or plan "three" as defined in section 331.206 is in effect, the temporary county redistricting commission shall divide the county into five equal-population districts by December 15 of the year preceding the year of the next general election and at that general election, five board members shall be elected, two for initial terms of two years and three for four-year terms. The districts shall be drawn in the manner provided under sections 331.209 and 331.210. The terms of the three incumbent supervisors shall expire on the date that the five-member board becomes effective.

*c.* The length of term for which a person is a candidate and the date when the term begins shall be indicated on the ballot.

[R60, §303; C73, §294, 299; C97, §410; SS15, §410; C24, 27, 31, 35, 39, §**5107;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §331.2; S81, §331.203; 81 Acts, ch 117, §202; 82 Acts, ch 1091, §2, ch 1104, §29]

88 Acts, ch 1119, §35; 94 Acts, ch 1179, §19; 95 Acts, ch 67, §53

Referred to in §331.201, 331.209, 331.210A, 331.238, 331.248, 331.261

**331.204 Membership reduced — vote — new members.**

1. In a county having a five-member board, the board may by resolution, or shall upon petition of the number of eligible electors of the county as specified in section 331.306, submit to the registered voters of the county at a general election a proposition to reduce the number of supervisors to three.

2. If a majority of the votes cast on the proposition is in favor of the reduction to three members, the membership of the board shall remain at five until the first day in January which is not a Sunday or holiday following the next general election, at which time the terms of the five members shall expire.

3. At the next general election following the one at which the proposition to reduce the membership of the board to three is approved, the membership of the board shall be elected according to the supervisor representation plan in effect in the county. If the supervisor representation plan includes equal-population districts, the districts shall be designated by December 15 of the year preceding the year of the next general election by the temporary county redistricting commission. The districts shall be drawn in the manner provided under sections 331.209 and 331.210. One member of the board shall be elected to a two-year term and the remaining two members shall be elected to four-year terms. The length of the term for which a person is a candidate and the date when the term begins shall be indicated on the ballot.

[C73, §299; C97, §410; SS15, §410; C24, 27, 31, 35, 39, §**5108 – 5110;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §331.3, 331.6, 331.7; S81, §331.204; 81 Acts, ch 117, §203; 82 Acts, ch 1091, §3, ch 1104, §30]

88 Acts, ch 1119, §36; 94 Acts, ch 1179, §20; 95 Acts, ch 67, §53

Referred to in §331.209, 331.210A, 331.238, 331.248, 331.261

**331.205 Petition and vote in certain counties — exception.** Repealed by 2005 Acts, ch 125, § 1.

**331.206 Supervisor districts.**

1. One of the following supervisor district representation plans shall be used for the election of supervisors:

*a.* Plan "one." Election at large without district residence requirements for the members.

*b.* Plan "two." Election at large but with equal-population district residence requirements for the members.

*c.* Plan "three." Election from single-member equal-population districts, in which the electors of each district shall elect one member who must reside in that district.

2. *a.* The plan used under subsection 1 shall be selected by the board or by a special election as provided in section 331.207. A plan selected by the board shall remain in effect for at least six years unless it is changed by a special election as provided in section 331.207.

*b.* A plan selected by the board shall become effective on the first day in January which is not a Sunday or holiday following the next general election, at which time the terms of the members expire and the terms of the members elected under the requirements of the new supervisor representation plan at the general election as specified in section 331.208, 331.209, or 331.210 shall commence.

[C97, §416; S13, §416; C24, 27, 31, 35, 39, §**5111;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §331.8; S81, §331.206; 81 Acts, ch 117, §205]

93 Acts, ch 143, §46; 2010 Acts, ch 1061, §125

Referred to in §49.4, 331.203, 331.207, 331.208, 331.209, 331.210, 331.248, 331.261

**331.207 Special election — supervisor districts.**

1. The board, upon petition of the number of eligible electors of the county as specified in section 331.306, shall call a special election to be held for the purpose of selecting one of the supervisor representation plans specified in section 331.206 under which the board of supervisors shall be elected.

2. The petition shall be filed with the county commissioner by June 1 of an odd-numbered year, subject to subsection 6. The special election shall be held on the first Tuesday in August of the odd-numbered year. Notice of the special election shall be published once each week for three successive weeks in an official newspaper of the county, shall state the representation plans to be submitted to the electors, and shall state the date of the special election. The last in the series of publications shall occur not less than four nor more than twenty days before the election.

3. The supervisor representation plans submitted at the special election shall be stated in substantially the following manner:

The individual members of the board of supervisors in ..... county, Iowa, shall be elected:

Plan "one." At large and without district residence requirements for the members.

Plan "two." At large but with equal-population district residence requirements for the members.

Plan "three." From single-member equal-population districts in which the electors of each district shall elect one member who must reside in that district.

4. If the plan adopted by a plurality of the ballots cast in the special election is not the supervisor representation plan currently in effect in the county, the terms of the county supervisors serving at the time of the special election shall continue until the first day in January which is not a Sunday or holiday following the next general election, at which time the terms of the members shall expire and the terms of the members elected under the requirements of the new supervisor representation plan at the general election as specified in section 331.208, 331.209, or 331.210 shall commence.

5. If the plan adopted by a plurality of the ballots cast in the special election represents a change from plan "one" to plan "two" or "three", or from plan "two" to plan "three", as each plan is defined in section 331.206, the temporary county redistricting commission shall divide the county into districts as provided in sections 331.209 and 331.210. The plan shall be completed not later than November 1 following the special election and shall be submitted to the state commissioner of elections. The plan shall become effective the following January 1.

6. A supervisor representation plan adopted at a special election shall remain in effect for at least six years.

[C97, §417; C24, 27, 31, 35, 39, §**5112;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §331.9; S81, §331.207; 81 Acts, ch 117, §206; 82 Acts, ch 1104, §31]

88 Acts, ch 1119, §37; 2002 Acts, ch 1134, §93, 94, 115; 2010 Acts, ch 1033, §43

Referred to in §331.206, 331.208, 331.209, 331.210, 331.261

**331.208 Plan "one" terms of office.**

If plan "one" is selected pursuant to section 331.206 or 331.207, the board shall be elected as provided in this section.

1. In the primary and general elections, the number of supervisors, or candidates for the offices, which constitutes the board in the county, shall be elected by the registered voters of the county at large without district residence requirements.

2. In counties with three county supervisors, one person shall be elected as a member of the board for an initial term of two years and two persons shall be elected as members of the board for four years.

3. In counties with five supervisors, two persons shall be elected as members of the board for initial terms of two years and three persons shall be elected as members of the board for four years.

4. The determination as to whether a term of office shall be for two or four years shall be decided by lot before the primary election, and the results of the determination indicated on the ballot in the primary and general elections.

[C71, 73, 75, 77, 79, 81, §331.25; S81, §331.208; 81 Acts, ch 117, §207]

95 Acts, ch 67, §53

Referred to in §39.18, 331.206, 331.207, 331.209, 331.238, 331.248, 331.261

**331.209 Plan "two" terms of office.**

If plan "two" is selected pursuant to section 331.206 or 331.207, the board shall be elected as provided in this section.

1. Not later than ninety days after the redistricting of congressional and legislative

districts becomes law, or October 15 of the year immediately following each year in which the federal decennial census is taken, whichever is later, the temporary county redistricting commission shall divide the county into a number of supervisor districts corresponding to the number of supervisors in the county. However, if the plan is selected pursuant to section 331.207, the temporary county redistricting commission shall divide the county before February 15 of the election year. The supervisor districts shall be drawn, to the extent applicable, in compliance with the redistricting standards provided for senatorial and representative districts in section 42.4, and if a supervisor redistricting plan is challenged in court, the requirement of justifying any variance in excess of one percent contained in section 42.4, subsection 1, paragraph "*c*" applies to the board. If the temporary county redistricting commission adopts a supervisor redistricting plan with a variance in excess of one percent, the board shall publish the justification for the variance in one or more official newspapers as provided in chapter 349 within ten days after the action is taken. If more than one incumbent supervisor resides in the same supervisor district after the districts have been redrawn following the federal decennial census, the terms of office of those supervisors shall expire on the first day of January that is not a Sunday or a holiday following the next general election.

2. Each supervisor must reside in a separate supervisor district but shall be elected by the electors of the county at large. Election ballots shall be prepared to specify the district which each candidate seeks to represent and each elector may cast a vote for one candidate from each district for which a supervisor is to be chosen in the general election.

3. At the primary and general elections the number of supervisors, or candidates for the offices, which constitute the board in the county shall be elected as provided in this section. Terms of supervisors shall be the same as provided in section 331.208.

4. Each temporary county redistricting commission shall notify the state commissioner of elections when the boundaries of supervisor districts are changed, shall provide a map delineating the new boundary lines, and shall certify to the state commissioner of elections the populations of the new supervisor districts as determined under the latest federal decennial census. Upon failure of a temporary county redistricting commission to make the required changes by the dates specified by this section and sections 331.203 and 331.204 as determined by the state commissioner of elections, the state commissioner of elections shall make or cause to be made the necessary changes as soon as possible, and shall assess to the county the expenses incurred in so doing. The state commissioner of elections may request the services of personnel and materials available to the legislative services agency to assist the state commissioner in making required changes in supervisor district boundaries which become the state commissioner's responsibility.

[C71, 73, 75, 77, 79, 81, §331.26; S81, §331.209; 81 Acts, ch 117, §208; 82 Acts, ch 1091, §4, 5]

89 Acts, ch 296, §38; 90 Acts, ch 1233, §24; 91 Acts, ch 190, §1; 94 Acts, ch 1179, §21, 22; 2003 Acts, ch 35, §44, 49

Referred to in §39.18, 49.3, 49.7, 49.8, 331.203, 331.204, 331.206, 331.207, 331.210, 331.210A, 331.238, 331.248, 331.261

**331.210 Plan "three."**

If plan "three" is selected pursuant to section 331.206 or 331.207, the supervisor districts shall be drawn and supervisors shall be elected as provided in section 331.209, except the boundaries of supervisor districts shall follow voting precinct lines and each member of the board and each candidate for the office shall be elected or nominated at the primary and general elections by only the electors of the district which that candidate seeks to represent.

[C71, 73, 75, 77, 79, 81, §331.27; S81, §331.210; 81 Acts, ch 117, §209]

Referred to in §331.203, 331.204, 331.206, 331.207, 331.238, 331.248, 331.261

**331.210A Temporary county redistricting commission.**

1. *Appointment of members.*

*a.* Not later than May 15 of each year ending in one, a temporary county redistricting commission shall be established as provided by this section for counties which have either plan "two" or plan "three" supervisor representation plans. If a county has either plan "two"

or plan "three" supervisor representation plans and the number of members of the board is increased or decreased under section 331.203 or 331.204, the temporary county redistricting commission shall be established by May 15 of the year preceding the year of the next general election.

*b.* The board shall determine the size of the membership of the temporary county redistricting commission which may be three, five, or seven in number. The minimum number of members constituting a majority of the membership shall be appointed by the majority party members of the board. The remaining number of members of the temporary county redistricting commission shall be appointed by the minority party members of the board. If the members of the board are all members of one political party or if the minority members of the board are not all members of only one political party, the minority representation of the temporary county redistricting commission shall be appointed by the chair of the county central committee for the party, other than the party of the majority members of the board, which received the most votes in that county cast for its candidate for president of the United States or for governor at the last preceding general election, as the case may be. If that party's county central committee has no chair, the appointments shall be made by the chair of that party's state central committee.

*c.* A member of the county board of supervisors may be appointed as a member of the temporary county redistricting commission. No person shall be appointed to the temporary county redistricting commission who is not an eligible elector of the county at the time of appointment.

*d.* A vacancy on the temporary county redistricting commission shall be filled by the initial selecting authority within fifteen days after the vacancy occurs.

*e.* Members of the temporary county redistricting commission shall receive a per diem as specified by the board, travel expenses at the rate provided by section 70A.9, and reimbursement for other necessary expenses incurred in performing their duties.

*f.* Each of the appointing authorities shall certify to the county commissioner of elections the authority's appointment of a person to serve on the temporary county redistricting commission.

2. *Adoption of plans.*

*a.* The temporary county redistricting commission, upon appointment, shall acquire official census population data from the latest federal decennial census including the corresponding census maps and shall use that information in drawing and adopting the county's supervisor districting plan. The commission shall draw the plan, to the extent applicable, in accordance with section 42.4. If the county has a plan "three" supervisor representation plan, the temporary county redistricting commission shall also draw and adopt the county's corresponding precinct plan in accordance with sections 49.3, 49.4, and 49.6.

*b.* After the temporary county redistricting commission has finished its preliminary proposed county supervisor districting plan and corresponding precinct plan, if applicable, the commission shall at the earliest feasible time make available to the public all of the following information:

(1) Copies of the legal description of the plans.

(2) Maps illustrating the plans.

(3) A summary of the standards prescribed by law for development of the plans.

(4) A statement of the population of each district included in the plan, and the relative deviation of each district population from the ideal district population.

(5) A statement of the population of each precinct, if applicable.

*c.* Upon the completion of the county's preliminary proposed plans, the temporary county redistricting commission shall do all of the following:

(1) As expeditiously as possible, schedule and conduct at least one public hearing on the proposed plans.

(2) Allow members of the public to present alternative plans at the public hearing.

(3) Following the hearings, promptly prepare and make available to the public a report summarizing information and testimony received by the temporary county redistricting commission in the course of the hearings. The report shall include any comments and

conclusions which its members deem appropriate regarding the information and testimony received at the hearings, or otherwise presented to the temporary county redistricting commission.

*d.* (1) After the requirements of paragraphs "*a*" through "*c*" have been met, the temporary county redistricting commission shall adopt a supervisor district plan and corresponding precinct plan, if applicable, and shall submit the plan to the board of supervisors for their approval. Prior to adoption of a plan by the commission, any member of the temporary county redistricting commission may submit precinct or district plans to the commission for a vote, either independently or as an amendment to a plan presented by other members of the commission.

(2) The board of supervisors shall review the plan submitted by the temporary county redistricting commission and shall approve or reject the plan. If the plan is rejected, the board shall give written reasons for the rejection of the plan and shall direct the commission to prepare a second plan. The board of supervisors may amend the second plan submitted for approval by the commission. Any amendment must be accompanied by a written statement declaring that the amendment is necessary to bring the submitted plan closer in conformity to the standards in section 42.4.

*e.* (1) The plan approved by the board of supervisors shall be submitted to the state commissioner of elections for approval. If the state commissioner or the ethics and campaign disclosure board finds that the plan does not meet the standards of section 42.4, the state commissioner shall reject the plan, and the board of supervisors shall direct the commission to prepare and adopt an acceptable plan.

(2) For purposes of determining whether the standards of section 42.4 have been met, an eligible elector may file a complaint with the state commissioner of elections within fourteen days after a plan is approved by the board of supervisors of the county in which the eligible elector resides, on a form prescribed by the commissioner, alleging that the plan was drawn for improper political reasons as described in section 42.4, subsection 5. If a complaint is filed with the state commissioner of elections, the state commissioner shall forward the complaint to the ethics and campaign disclosure board established in section 68B.32 for resolution.

(3) If, after the initial proposed supervisor district plan or precinct plan has been submitted to the state commissioner for approval, it is necessary for the temporary county redistricting commission to make subsequent attempts at adopting an acceptable plan, the subsequent plans do not require public hearings.

*f.* (1) Notwithstanding the provisions of this section to the contrary, for a county with a population of one hundred eighty thousand or more that has adopted a charter for a city-county consolidated form of government or a community commonwealth form of government and which charter provides for representation by districts, the legislative services agency, and not the temporary county redistricting commission, shall draw a representation plan as provided by paragraph "*a*" pursuant to a contract executed with the county. The plan drawn by the legislative services agency shall be based upon the precinct plan adopted for use by the county and shall be drawn in accordance with section 42.4, to the extent applicable. After the legislative services agency has drawn the plan, the legislative services agency shall at the earliest feasible time make available to the public all of the information required to be made public by paragraph "*b*".

(2) The legislative services agency shall submit the plan to the governing body, and the governing body shall comply with the duties required by paragraph "*c*", to the extent applicable.

(3) After the requirements of paragraphs "*a*" through "*c*" have been met, the governing body shall review the plan submitted by the legislative services agency and shall approve or reject the plan. If the plan is rejected, the governing body shall give written reasons for the rejection and shall direct the legislative services agency to prepare a second plan, as provided in paragraph "*d*". The second plan may be amended by the governing body in accordance with the provisions of paragraph "*d*". After receiving the second plan, the governing body shall approve either the first plan or the second plan.

(4) The governing body, after approving a plan, shall comply with the requirements of paragraph "*e*".

3. *Open meetings and public records.* Chapters 21 and 22 shall apply to the temporary county redistricting commission.

4. *Termination.* The terms of the members of the temporary county redistricting commission shall expire twenty days following the date the county's supervisor district plan and corresponding precinct plan, if applicable, are approved or imposed by the state commissioner of elections under sections 49.7 and 331.209.

94 Acts, ch 1179, §23; 2004 Acts, ch 1066, §1, 31; 2008 Acts, ch 1115, §107
Referred to in §49.8, 68B.32A, 331.238, 331.248, 331.261

**331.211 Organization of the board.**

1. The board, at its first meeting in each year, shall:

*a.* Organize by choosing one of its members as chairperson who shall preside at all of its meetings during the year. The board may also select a vice chairperson who shall serve during the absence of the chairperson.

*b.* Choose one of its members to be a member of the board of directors of the judicial district department of correctional services as provided in section 905.3, subsection 1, paragraph "*a*", subparagraph (1).

2. The auditor shall serve as clerk to the board unless the board, with the consent of the auditor, appoints a permanent clerk. In the absence of the auditor, the auditor's designee as clerk, or the permanent clerk, the board may appoint a temporary clerk. The permanent or temporary clerk appointed by the board shall provide the auditor with all information necessary for the auditor to carry out the requirements of section 331.504.

[R60, §308, 312(1); C73, §300, 303(1); C97, §415, 422; SS15, §422; C24, 27, 31, 35, 39, §**5116, 5130;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §331.13, 332.3(1); S81, §331.211; 81 Acts, ch 117, §210]

86 Acts, ch 1004, §1; 2013 Acts, ch 90, §244
Referred to in §331.238, 331.248, 331.261, 905.3
Subsection 1, paragraph b amended

**331.212 Quorum — majority vote required.**

1. A majority of the members of the board constitutes a quorum to transact the official business of the county. If the board is equally divided on a question when less than the full membership is present, the question shall be continued until all of the members of the board are present.

2. The following actions of the board require the affirmative vote of a majority of its membership:

*a.* Levying of a tax.

*b.* Entering into a contract for the erection of a public building.

*c.* Making a settlement with a county officer.

*d.* Buying or selling real estate.

*e.* Designating a new site for a county building.

*f.* Changing the boundaries of a township.

*g.* Appropriating money to aid in the construction of a highway or a bridge.

*h.* Appointing or removing an officer from office.

[R60, §308, 313; C73, §297, 305; C97, §413, 440; C24, 27, §5117, 5121; C31, 35, §5903-c10, 5117, 5121; C39, §**5903.10, 5117, 5121;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.12, 331.14, 331.18; S81, §331.212; 81 Acts, ch 117, §211]
Referred to in §331.261

**331.213 Meetings of the board.**

1. The board shall hold its first meeting of each year on the first day in January which is not a Saturday, Sunday or holiday and shall hold all subsequent meetings of the year as scheduled by the board. All meetings of the board shall be scheduled and conducted in compliance with chapter 21.

2. If a quorum of the board fails to appear at a meeting, the clerk shall adjourn the meeting from day to day until a quorum is present.

[R60, §307, 309; C73, §296, 301; C97, §412, 420; S13, §412; C24, 27, 31, 35, 39, §**5118 – 5120;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §331.15 – 331.17; S81, §331.213; 81 Acts, ch 117, §212; 82 Acts, ch 1104, §32]

Referred to in §331.238, 331.248, 331.261

**331.214 Vacancy of supervisor's office.**

1. The circumstances which constitute a vacancy in office under section 69.2 shall be treated as a resignation of the office. At its next meeting after the sixty-day absence, the board, by resolution adopted and included in its minutes, shall declare the absent supervisor's seat vacant.

2. *a.* If the physical or mental status of a supervisor is in question, the board shall decide whether a vacancy exists. The board shall comply with the notice and hearing requirements of section 69.2, subsection 2. After a hearing, the board, by resolution adopted and included in its minutes, may declare the supervisor's seat vacant if the board determines either of the following:

(1) That the supervisor is physically or mentally incapable of performing the duties of office and there is reasonable cause to believe that the supervisor will not be able to perform the duties of office for the remainder of the supervisor's term. To make this determination, the board shall appoint a physician and the family of the supervisor shall appoint a physician to examine the supervisor. For purposes of this subsection, "*family*" means the parent, spouse, or child of the supervisor. If the family does not appoint a physician, the board shall appoint two physicians to examine the supervisor. The board shall receive the report of the physicians as evidence at the hearing. The board may only declare the supervisor's seat vacant if both physicians concur that the supervisor is physically or mentally incapable of performing the duties of office and there is reasonable cause to believe that the supervisor will not be able to perform the duties of office for the remainder of the supervisor's term. However, if the physicians concur that the supervisor is mentally incapable of performing the duties of office, the board shall not declare the supervisor's seat vacant for one year from the date of the hearing if the supervisor is receiving treatment for the mental incapacity.

(2) That the supervisor refuses or is unavailable for the examination required in subparagraph (1).

*b.* A supervisor whose seat is declared vacant under this subsection may appeal the board's decision to the district court.

*c.* If the board declares a vacancy under this subsection and the remaining balance of the supervisor's unexpired term is two and one-half years or more, a special election shall be held to fill the office as provided in section 69.14A, subsection 1, paragraph "*c*".

[C73, §298; C97, §414; C24, 27, 31, 35, 39, §**5115;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §331.12; S81, §331.214; 81 Acts, ch 117, §213]

2006 Acts, ch 1065, §3

Referred to in §69.14A, 331.261

**331.215 Compensation and expenses.**

1. The supervisors shall receive an annual salary or per diem compensation as determined under section 331.907. The annual salary or per diem shall be full payment for all services rendered to the county except for reimbursement for mileage and other expenses authorized in subsection 2.

2. A supervisor is entitled to reimbursement for mileage expenses incurred while engaged in the performance of official duties at the rate specified in section 70A.9. The total mileage expense for all supervisors in a county shall not exceed the product of the rate of mileage specified in section 70A.9 multiplied by the total number of supervisors in the county times ten thousand. The board may also authorize reimbursement for mileage and other actual

expenses incurred by its members when attending an educational course, seminar, or school which is related to the performance of their official duties.

[R60, §317; C73, §3791; C97, §469; S13, §469; C24, 27, 31, 35, 39, §**5125, 5127, 5260;** C46, 50, 54, 58, 62, 66, §331.22, 331.24, 343.12; C71, 73, 75, 77, 79, 81, §331.22, 343.12; S81, §331.215; 81 Acts, ch 117, §214, 216]

Referred to in §331.238, 331.261, 331.324

**331.216 Membership on appointive boards, committees and commissions.**

Unless otherwise provided by state statute, a supervisor may serve as a member of any appointive board, commission, or committee of this state, a political subdivision of this state, or a nonprofit corporation or agency receiving county funds.

[C81, §331.28; S81, §331.216; 81 Acts, ch 117, §215]

Referred to in §331.261

**331.217 through 331.230** Reserved.

## PART 2

## ALTERNATIVE FORMS

**331.231 Alternative forms of county government.**

The alternative forms of county government are as follows:

1. Board of supervisor form as provided in division II, part 1.
2. Board-elected executive form as provided in section 331.239.
3. Board-manager form as provided in section 331.241.
4. Charter government form as provided in section 331.246.
5. City-county consolidated form as provided in sections 331.247 through 331.252.
6. Multicounty consolidated form as provided in sections 331.253 through 331.257.
7. Community commonwealth form as provided in sections 331.260 through 331.263.

88 Acts, ch 1229, §3; 91 Acts, ch 256, §2, 3; 2004 Acts, ch 1066, §2, 31

Referred to in §373.4

**331.232 Plan for an alternative form of government.**

1. A charter to change a form of county government may be submitted to the electors of a county only by a commission established by resolution of the board upon petition of the number of eligible electors of the county equal to at least twenty-five percent of the votes cast in the county for the office of president of the United States or governor at the preceding general election or the signatures of at least ten thousand eligible electors of the county, whichever number is fewer. The board shall within ten days of the filing of a valid petition adopt such a resolution.

2. The council of any city wishing to participate in a city-county consolidation charter commission must notify the board by resolution within thirty days of the creation of the commission pursuant to subsection 1. A city's participation in a city-county consolidation charter commission may be proposed by the city council adopting a resolution in favor of participation or by eligible electors of the city equal in number to at least twenty-five percent of the persons who voted at the last regular city election petitioning the council to adopt a resolution in favor of participation. The council shall within ten days of the filing of a valid petition adopt such a resolution.

3. An alternative form of county government shall be submitted to the electorate by the commission in the form of a charter.

88 Acts, ch 1229, §4; 91 Acts, ch 256, §4; 2004 Acts, ch 1066, §3, 4, 31

Referred to in §28E.40, 331.260, 373.4

**331.233 Appointment of commission members.**

1. The members of a commission created to study the alternative forms of county government under division II, part 1, and sections 331.239, 331.241, 331.246, and 331.253,

shall be appointed within forty-five days after the adoption of the resolution creating the commission as follows:

*a.* Two members shall be appointed by each of the following officers:

(1) County auditor.

(2) County recorder.

(3) County treasurer.

(4) County sheriff.

(5) County attorney.

*b.* Two members shall be appointed by each member of the board.

*c.* Two members shall be appointed by each state representative whose legislative district is located in the county if a majority of the constituents of that legislative district resides in the county. However, if a county does not have a state representative's legislative district which has a majority of a state representative's constituency residing in the county, the state representative having the largest plurality of constituents residing in the county shall appoint two members.

2. Only eligible electors of the county not holding a city, county, or state office shall be members of the commission. In counties having multiple state legislative districts, the districts shall be represented as equally as possible. The membership shall be bipartisan and gender balanced and each appointing authority under subsection 1 shall provide for representation of various age groups, racial minorities, economic groups, and representatives of identifiable geographically defined populations, all in reasonable relationship to the proportions in which these groups are present in the population of the commission area. A vacancy on the commission shall be filled by appointment in the same manner as the original appointment. The county auditor shall notify the appropriate appointing authority of a vacancy.

3. The legislative appointing authorities shall be considered one appointing authority for the purpose of complying with subsection 2. The senior legislative appointing authority in terms of length of legislative service shall convene the legislative appointing authorities to consult for the purpose of complying with subsection 2.

4. If at any time during the commission process, the commission adopts a resolution by majority vote to prepare a charter proposing city-county consolidation or the community commonwealth form, additional members shall be appointed to the commission in order to comply with section 331.233A. The life of the commission shall be extended up to six months after the appointment of the additional members.

88 Acts, ch 1229, §5; 91 Acts, ch 256, §5 – 7; 2010 Acts, ch 1069, §118

Referred to in §331.233A, 373.4

**331.233A Appointment of commission members — city-county consolidation or community commonwealth.**

1. The members of a commission created to study city-county consolidation or the community commonwealth form shall be appointed within thirty days after the adoption of a resolution creating the commission as follows:

*a.* One city council member shall be appointed by the city council of each city participating in the charter process.

*b.* Two members of the board of supervisors shall be appointed by the board of each county participating in the charter process. One supervisor must be a resident of the unincorporated area of the county for each participating county. However, if no supervisor resides in the unincorporated area, the board shall appoint a resident of the unincorporated area of the county in lieu of appointing a supervisor.

*c.* One member shall be appointed by each state legislator whose legislative district is located in the commission area if a majority of the constituents of that legislative district resides in the commission area. However, if a commission area does not have a state legislative district which has a majority of its constituents residing in the commission area, the legislative district having the largest plurality of constituents residing in the commission area shall appoint one member.

*d.* An additional member shall be appointed by each city council and each county board

for every twenty-five thousand residents in the participating city or unincorporated area of the county, whichever is applicable. The member shall be a resident of the city or county, as applicable. The member shall be a person who is not holding elected office at the time of the appointment.

2. A vacancy on the commission shall be filled by appointment in the same manner as the original appointment. The county auditor shall notify the appropriate appointing authority of a vacancy.

3. If at any time during the commission process, the commission adopts a resolution by majority vote to prepare a charter proposing an alternative form other than city-county consolidation or the community commonwealth form, the resolution shall be submitted to the board of supervisors of the participating county, and the board shall proceed pursuant to section 331.233. The life of the commission shall be extended up to six months after the appointment of the new members.

91 Acts, ch 256, §8; 2004 Acts, ch 1066, §5, 31
Referred to in §331.233, 331.234, 331.247, 373.4

**331.234 Organization and expenses.**

1. Within thirty days after the appointment of the members of the commission, the county auditor shall give written notice of the date, time, and location of the first meeting of the commission. At the first meeting the commission shall organize by electing a chairperson, vice chairperson, and other officers as necessary. The commission shall adopt rules governing the conduct of its meetings, subject to chapter 21.

2. The members of the commission shall serve without compensation, but they are entitled to travel and other necessary expenses relating to their duties of office.

3. The board shall make available to the commission in-kind services such as office space, printing, supplies, and equipment and shall pay the other necessary expenses of the commission including compensation for secretarial, clerical, professional, and consultant services. The total annual expenses, not including the value of in-kind expenses, to be paid from public funds shall not exceed one hundred thousand dollars or an amount equal to thirty cents times the population of the commission area, according to the most recent certified federal census. The commission may employ staff as necessary.

4. Except as otherwise provided in subsection 5, the expenses of the commission may be paid from the general fund of the county. Expenses of the commission may also be paid from any combination of public or private funds available for that purpose. The commission's annual expenses may exceed the amount in subsection 3 only if the excess is paid from private funds. If a proposed charter is submitted to the electorate, private funds donated to the commission may be used to promote passage of the proposed charter.

5. In the case of a city-county consolidation charter commission or a community commonwealth charter commission, the expenses of the commission shall be paid by each city and county participating in the charter process pursuant to section 331.233A. Each participating city's share shall be its pro rata share of the expenses based upon the ratio that the population of the city bears to the total population in the county. The remainder shall be paid from the general fund of the county. The amount paid by each city and county participating in the charter process shall be deposited in a segregated account maintained by the county.

88 Acts, ch 1229, §6; 91 Acts, ch 256, §9; 2004 Acts, ch 1066, §6, 7, 31
Referred to in §373.4

**331.235 Commission procedures and reports.**

1. Within sixty days after its organization, the commission shall hold at least one public hearing for the purpose of receiving information and material which will assist in the drafting of a charter. Notice of the date, time, and place of the hearing shall be given as provided in chapter 21.

2. Within seven months after the organization of the commission, the commission shall submit a preliminary report to the board, which report may include the text of the proposed charter. If a proposed charter is included in the preliminary report, the report shall also

include an analysis of the fiscal impact of the proposed charter. Sufficient copies of the report shall be made available for distribution to residents of the county who request a copy. The commission shall hold at least one public hearing after submission of the preliminary report to obtain public comment. Notice of the date, time, and place of the hearing shall be given as provided in chapter 21.

3. Within twelve months after organization, the commission shall submit the final report to the board. However, a commission may adopt a motion granting itself a sixty-day extension of time for submission of its final report. If the commission recommends a charter including a form of government other than the existing form of government, the final report shall include the full text and an explanation of the proposed charter, an analysis of the fiscal impact of the proposed charter, any comments deemed desirable by the commission, and any minority reports. The final report may recommend no change to the existing form of government and that no charter be submitted to the electorate, in which case, the report shall state the reasons for and against a change in the existing form of government. The final report shall be made available to the residents of the county upon request. A summary of the final report shall be published by the commission in the official newspapers of the county and in a newspaper of general circulation in each participating city.

4. If a provision of this part is amended by enactment of the general assembly after a charter commission has submitted its final report to the board and before the proposed charter is submitted at an election, the commission may amend the proposed charter, only to the extent the charter amendment addresses the changes in the newly enacted law, and shall submit the amended proposed charter and an amended final report to the board in lieu of the original proposed charter. The amended proposed charter shall be placed on the ballot for the next general election if it is received by the board within the time set out in section 331.237, subsection 1. A summary of any amendments to the proposed charter shall be published by the commission as provided in subsection 3.

5. The commission is dissolved on the date of the general election at which the proposed charter is submitted to the electorate. However, if a charter proposing the city-county consolidated form or the community commonwealth form is adopted, the commission is dissolved on the date that the terms of office of the members of the governing body for the alternative form of government commence. If a charter is not recommended, the commission is dissolved upon submission of its final report to the board.

88 Acts, ch 1229, §7; 91 Acts, ch 256, §10; 2004 Acts, ch 1066, §8, 31
Referred to in §373.4

**331.236 Ballot requirements.**

1. Unless otherwise provided, the question of adopting the proposed alternative form of government shall be submitted to the electors in substantially the following form:

Should the (charter or amendment) described below be adopted
for (insert name of local government)?

2. The ballot must contain a brief description and summary of the proposed charter or amendment.

88 Acts, ch 1229, §8; 91 Acts, ch 256, §11; 2010 Acts, ch 1061, §126
Referred to in §331.244, 373.4

**331.237 Referendum — effective date.**

1. If a proposed charter for county government is received not less than five working days before the filing deadline for candidates for county offices specified in section 44.4 for the next general election, the board shall direct the county commissioner of elections to submit to the registered voters of the county at the next general election the question of whether the proposed charter shall be adopted. A summary of the proposed charter or amendment shall be published in the official county newspapers and in a newspaper of general circulation in each participating city, if applicable, at least ten but not more than twenty days before the date

of the election. Except as otherwise provided in sections 331.247 and 331.260, if a majority of the votes cast on the question is in favor of the proposal, the proposal is adopted.

2. If a proposed charter for county government is adopted:

*a.* The adopted charter shall take effect July 1 following the general election at which it is approved unless the charter provides a later effective date. If the adopted charter calls for a change in the form of government, officers to fill elective offices shall be elected in the general election in the even-numbered year following the adoption of the charter. Those county officers holding office at the time of the adoption of the charter shall continue in office until the general election in the even-numbered year following the adoption of the charter. If the charter provides that one or more elective offices are combined, the board of supervisors shall appoint one of the elective officers of the combined offices to serve until the general election in the even-numbered year. If the charter calls for the elimination of an elective office, that elective officer's term of office shall expire on the date the adopted charter takes effect.

*b.* The adoption of the alternative form of county government does not alter any right or liability of the county in effect at the time of the election at which the charter was adopted.

*c.* All departments and agencies shall continue to operate until replaced.

*d.* All ordinances or resolutions in effect remain effective until amended or repealed, unless they are irreconcilable with the adopted charter.

*e.* Upon the effective date of the adopted charter, the county shall adopt the alternative form by ordinance, and shall file a copy with the secretary of state, and maintain available copies for public inspection.

*f.* The former governing bodies shall continue to perform their duties until the new governing body is sworn into office, and shall assist the new governing body in planning the transition to the charter government.

3. If a charter is submitted to the electorate but is not adopted, another charter shall not be submitted to the electorate for two years. If a charter is adopted, it may be amended at any time. If a charter is adopted, a proposed charter for another alternative form of county government shall not be submitted to the electorate for six years.

4. Subsections 2 and 3 do not apply to the city-county consolidated form of government or the community commonwealth form of government.

88 Acts, ch 1229, §9; 91 Acts, ch 129, §25; 91 Acts, ch 256, §12 – 14; 94 Acts, ch 1180, §45, 46; 95 Acts, ch 67, §53; 2004 Acts, ch 1066, §9, 10, 31

Referred to in §331.235, 331.244, 373.4

**331.238 Limitations to alternative forms of county government.**

1. A county may adopt or amend an alternative form of county government subject to the requirements and limitations provided in this section.

2. *a.* An alternative form of county government shall provide for the exercise of home rule power and authority not inconsistent with state law and may include provisions for any of the following:

(1) A board of an odd number of members which may exceed the number of members specified in sections 331.201, 331.203, and 331.204.

(2) A supervisor representation plan for the county which may differ from the supervisor representation plans as provided in division II, part 1.

(3) The initial compensation for members of the board which, thereafter, shall be determined as provided in section 331.215.

(4) The method of selecting officers of the board and fixing their terms of office which may differ from the requirements of sections 331.208 through 331.211.

(5) Determining meetings of the board and rules of procedure which may differ from the requirements of section 331.213, except the meetings shall be scheduled and conducted in compliance with chapter 21.

(6) The combining of duties of elected officials or the elimination of elected offices and the assumption of the duties of those offices by appointed officials.

(7) The organization of county departments, agencies, or boards. The organization plan may provide for the abolition or consolidation of a board or a commission and the assumption

of its powers and duties by the board of supervisors or another officer. This paragraph does not apply to the board of trustees of a county hospital.

(8) In lieu of the election or appointment of township trustees, a method providing for the exercise of their powers and duties by the board of supervisors or other governing body of the county or another office.

(9) Consolidating city-county government or government functions.

(10) Consolidating county-county government or government functions.

*b.* This subsection does not apply to the board of trustees of a county hospital.

3. An alternative form of county government shall provide for the partisan election of its officers.

4. Subsections 1 and 2 do not apply to the city-county consolidated form of government or the community commonwealth form of government.

88 Acts, ch 1229, §10; 91 Acts, ch 256, §15 – 18; 2004 Acts, ch 1066, §11, 31; 2010 Acts, ch 1061, §180

Referred to in §331.246, 373.4

## BOARD-ELECTED EXECUTIVE FORM

**331.239 Board-elected executive form.**

The board-elected executive form consists of an elected board of an odd number with staggered terms of office and one elected executive whose term shall be the same as that of a member of the board. If the administrative offices of the county, excluding the county executive, are appointive under the plan, the board shall have at least five members. The board shall have a chairperson who shall be elected by the members of the board from their own number for a term established by ordinance, and who shall vote as a member of the board. The elected executive may veto ordinances and resolutions, subject to an override by a two-thirds vote of the board.

88 Acts, ch 1229, §11

Referred to in §331.231, 331.233, 373.4

**331.240 Duties of executive.**

The executive shall:

1. Enforce laws, ordinances, and resolutions of the county.
2. Perform duties required by law, ordinance, or resolution of the county.
3. Administer affairs of the county government.
4. Carry out policies established by the board.
5. Recommend measures to the board.
6. Report to the board on the affairs and financial condition of the county government.
7. Execute bonds, notes, contracts, and written obligations of the board, subject to the approval of the board.
8. Report to the board as the board may require.
9. Attend board meetings and take part in discussion, but shall not vote.
10. Prepare and execute the budget adopted by the board.
11. Appoint, with the consent of the board, all members of county boards, except the executive may appoint without the consent of the board temporary advisory committees established by the executive.
12. Appoint and remove all employees.

88 Acts, ch 1229, §12

Referred to in §373.4

## BOARD-MANAGER GOVERNMENT

**331.241 Board-manager form.**

The board-manager form consists of an elected board and a manager appointed by the board, who shall be the chief administrative officer of the county government. The board shall have staggered terms of office. The chairperson shall be elected by the members of the board from their own number for a term established by ordinance and shall vote as a member of the board. If the administrative offices of the county are appointive under the plan, the board shall have at least five members.

The manager shall be appointed by the board and removed only by a majority vote of the membership of the board. The manager shall be responsible to the board for the administration of all county government affairs placed in the manager's charge by law, ordinance, or resolution.

88 Acts, ch 1229, §13

Referred to in §331.231, 331.233, 331.261, 373.4

**331.242 Duties of manager.**

The manager shall:

1. Enforce laws, ordinances, and resolutions.
2. Perform the duties required of the manager by law, ordinance, or resolution.
3. Administer the affairs of the county government.
4. Direct, supervise, and administer all departments, agencies, and offices of the county government unit except as otherwise provided by law or ordinance.
5. Carry out policies established by the board.
6. Prepare the board agenda.
7. Recommend measures to the board.
8. Report to the board on the affairs and financial condition of the county government.
9. Execute bonds, notes, contracts, and written obligations of the board, subject to the approval of the board.
10. Report to the board as the board may require.
11. Attend board meetings and take part in the discussion, but shall not vote.
12. Prepare and present the budget to the board for its approval and execute the budget adopted by the board.
13. Appoint, suspend, and remove all employees of the county government except as otherwise provided by law or ordinance.
14. Appoint members of temporary advisory committees.

88 Acts, ch 1229, §14

Referred to in §331.261, 373.4

**331.243 Employees of board-manager government.**

1. Employees appointed by the manager or subordinates shall be administratively responsible to the manager.
2. The board or its members shall not dictate the appointment or removal of any employee appointed by the manager or any subordinate of the manager.
3. Except for the purpose of inquiry or investigation, the board or its members shall deal with the county employees who are subject to the direction and supervision of the manager solely through the manager, and the board or its members shall not give orders to an employee under the manager's direction or supervision.

88 Acts, ch 1229, §15

Referred to in §331.261, 373.4

## AMENDMENT TO COUNTY GOVERNMENT

**331.244 Amendment to county government.**

1. An amendment to county government organization shall only be made by submitting

the question of amendment to the electors of the county government pursuant to section 331.236. To become effective, a proposed amendment must receive an affirmative vote of a majority of the electors voting on the question. An amendment approved by the electors becomes effective pursuant to section 331.237.

2. An amendment to a county government organization may be proposed by initiative upon petition of the number of eligible electors of the county equal to at least ten percent of the votes cast at the preceding election for the office of president of the United States or governor, or by resolution adopted by the governing body. The question on amendment of county government organization shall be submitted to the electors as soon as possible after the submission of a petition or adoption of a resolution, either at a general election or at a special election.

3. This section does not apply to the city-county consolidated form of government or the community commonwealth form of government.

88 Acts, ch 1229, §16; 2004 Acts, ch 1066, §12, 31
Referred to in §373.4

**331.245 Limitations on amendments to county government.**

The electors of a county who have adopted an amendment to county government may not vote on the question of amending the county government for two years. An amendment shall not include an alternative form of county government.

This section does not apply to the city-county consolidated form of government or the community commonwealth form of government.

88 Acts, ch 1229, §17; 2004 Acts, ch 1066, §13, 31
Referred to in §373.4

## CHARTER FORM

**331.246 Charter form of government.**

The charter form of government shall be specified in a proposed charter written by a charter committee. The proposed charter shall establish an elected legislative body. The charter shall specify the number of members and term of office pursuant to section 331.238. If the administrative offices of the county, excluding an elected county executive, are appointive under the charter, the board shall have at least five members. The charter may establish legislative or administrative organizational structure. The charter may include the provisions necessary to permit an orderly transition to the charter form of government. However, the provisions shall be limited in scope consistent with the intent of, and in accordance with, section 331.238.

88 Acts, ch 1229, §18
Referred to in §331.231, 331.233, 373.4

## CITY-COUNTY CONSOLIDATION

**331.247 City-county consolidated form.**

1. A commission appointed pursuant to section 331.233A may propose a charter under which a county and one or more cities within the county may unite to form a single unit of local government, or may propose a charter under which a county and one or more cities within the county may create a unified government empowered to govern a city and a county with each retaining the separate status and power of a city or a county for all purposes and constituting separate political subdivisions under combined governance. Either option proposed shall be referred to as a city-county consolidated form of government. If more than fifty percent of the population of a city resides within the affected county, it is a city within the county for the purposes of this section and may continue its status as a city within the county even if the population of such city falls below the more than fifty percent threshold in a future census.

2. A majority vote by the charter commission is required for the submission to the electorate of a proposed charter for a city-county consolidated form of government.

3. A city-county consolidated form of government does not need to include more than one city. A city shall not be included unless the city participates in the commission process.

4. Adoption of the proposed consolidation charter requires the approval of a majority of the votes cast in the entire county and requires the approval of a majority of the votes cast in one or more cities named on the ballot. The consolidation charter shall be effective in regard to a city named on the ballot only if a majority of the votes cast in that city approves the consolidation charter.

5. An adopted charter takes effect July 1 following the general election at which it is approved unless the charter provides a later effective date. If the adopted charter calls for a change in the form of government, officers to fill elective offices created by the charter shall be elected in the general election in the even-numbered year following the adoption of the charter.

6. A city may request to join an existing city-county consolidated government by resolution of the city council or upon petition of eligible electors of the city equal in number to at least twenty-five percent of the persons who voted at the last regular city election. Within fifteen days after receiving a valid petition, the city council of the petitioning city shall adopt a resolution in favor of participation and shall, within ten days of adoption, forward the resolution to the governing body of the city-county consolidated government. If a majority of the governing body of the city-county consolidated government approves the resolution, the question of joining the city-county consolidated government shall be submitted to the electorate of the petitioning city within sixty days after approval of the resolution.

7. *a.* If a charter is adopted, it may be amended at any time by one of the following methods:

(1) The governing body of the city-county consolidated government, by resolution, may submit a proposed amendment to the voters, and the proposed amendment becomes effective only upon approval by a majority of those voting on the proposed amendment within the city-county consolidated area.

(2) The governing body of the city-county consolidated government, by ordinance, may amend the charter. However, within thirty days following publication of the ordinance, if a petition valid under the provisions of section 331.306 is filed with the governing body of the city-county consolidated government, the governing body must submit the charter amendment to the voters and, in such event, the amendment becomes effective only upon approval of a majority of those voting on the proposed amendment within the city-county consolidated area.

(3) If a petition valid under the provisions of section 331.306 is filed with the governing body of the city-county consolidated government, proposing an amendment to the charter, the governing body must submit the proposed amendment to the voters and, in such an event, the amendment becomes effective only upon approval of a majority of those voting on the proposed amendment within the city-county consolidated area.

*b.* The proposed amendment shall be submitted at the general election. However, if the amendment is proposed pursuant to paragraph "*a*", subparagraph (1), the proposed amendment may be submitted at a special election if the resolution submitting the amendment to the voters is adopted by a two-thirds majority of the membership of the governing body.

*c.* (1) If an election is held, the governing body shall submit the question of amending the charter to the electors in substantially the following form:

Should the amendment described below be adopted for the city-county consolidated charter of (insert name of county and of each consolidated city)?

(2) The ballot must contain a brief description and summary of the proposed amendment.

*d.* An amendment shall not adopt an alternative form of county government.

*e.* Notwithstanding paragraph "*b*", if an amendment to a charter proposes to increase or

decrease the number of members on the governing body, the amendment shall be submitted to the voters at a general election.

88 Acts, ch 1229, §19; 91 Acts, ch 256, §19, 20; 2004 Acts, ch 1066, §14, 31; 2010 Acts, ch 1061, §127

Referred to in §331.231, 331.237, 331.260, 331.262, 372.1, 373.4

**331.248 Charter of consolidation.**

1. The charter commission proposing a city-county consolidated form of government shall prepare, adopt, and cause to be submitted to the voters the charter.

2. The charter for a city-county consolidated form of government shall:

*a.* Provide for adjustment of existing bonded indebtedness and other obligations in a manner which will provide for a fair and equitable burden of taxation for debt service.

*b.* Provide for establishment of service areas, except that formation of a city-county consolidated form of government shall not affect the assignment of electric utility service territories pursuant to chapter 476, and shall not affect the rights of a city to grant a franchise under chapter 364.

*c.* Provide for the transfer or other disposition of property and other rights, claims, assets, and franchises of the county and each city consolidated under the alternative form.

*d.* Provide the official name of the city-county consolidated government.

*e.* Provide for the transfer, reorganization, abolition, absorption, and adjustment of boundaries of all existing boards, bureaus, commissions, agencies, special districts, and political subdivisions of the city-county consolidated government.

*f.* Provide for the exercise of home rule power and authority not inconsistent with state law.

*g.* Provide for a governing body of an odd number of members, not less than five, but which may exceed the number of members specified in sections 331.201, 331.203, and 331.204. The titles of the members of the governing body shall be determined by the charter.

*h.* Provide for a representation plan for the governing body which representation plan may differ from the representation plans provided in section 331.206 and in chapter 372. If the plan calls for representation by districts and the charter has been approved in a county whose population is one hundred eighty thousand or more, the plan shall be drawn pursuant to section 331.210A, subsection 2, paragraph "*f*". The initial representation plan for such a county shall be drawn as provided in section 331.210A, subsection 2, paragraph "*f*", within one hundred twenty days after the election at which the charter is approved. For the initial representation plan, the charter commission shall assume the role of the governing body for purposes of this paragraph and section 331.210A, subsection 2, paragraphs "*d*" through "*f*".

*i.* Provide for the initial compensation for members of the governing body and for a method of changing the compensation.

3. The charter may grant the legislative body of the consolidated government the authority to transfer, reorganize, and provide a method for adjusting the boundaries of the entities within the consolidated government.

4. *a.* The consolidation charter may include other provisions which the commission elects to include and which are not irreconcilable with state law. These provisions may include but are not limited to the following:

(1) Provide for a method of selecting officers of the governing body and fixing their terms of office which may differ from the requirements of sections 331.208 through 331.211 and the provisions of chapter 372.

(2) Provide for meetings of the governing body and rules of procedure which may differ from the requirements of section 331.213, except that the meetings shall be scheduled and conducted in compliance with chapter 21.

(3) Provide for combining the duties of elected officials of the county, for eliminating elected offices and the assumption of the duties of those offices by appointed officials, and for adding to, deleting from, or otherwise changing the duties of officials, elected or otherwise, of the county and each consolidated city. If the charter provides that one or more elective offices are combined, the board of supervisors shall appoint one of the elective officers of the combined offices to serve until new officers have been elected at the general election in the

even-numbered year and have qualified for office. If the charter calls for the elimination of an elective office, that elective officer's term of office shall expire on the date specified in the charter.

(4) Provide for the organization of city and county departments, agencies, or boards. The organization plan may provide for the abolition or consolidation of a department, agency, board, or commission and the assumption of its powers and duties by the governing body or by another department, agency, board, or commission.

(5) Provide for a method for the governing body or another office to exercise the powers and duties of the township trustees, in lieu of their election or appointment.

(6) Provide for a chief executive officer, a method of selecting that officer, the compensation for that officer, a method of changing the compensation, and the powers and duties of that officer.

(7) If the charter provides for a chief executive office, provide for the appointment of a chief executive officer pro tem, the compensation for that officer, a method of changing the compensation, and the manner in which that officer would exercise the powers and duties of the chief executive officer.

(8) Provide for the appointment of a city manager, a method for determining and changing the compensation for the city manager, and the powers and duties of the city manager.

*b.* This subsection does not apply to the board of trustees of a county hospital or to the board of trustees of a city hospital.

88 Acts, ch 1229, §20; 91 Acts, ch 256, §21, 22; 2004 Acts, ch 1066, §15 – 17, 31; 2010 Acts, ch 1061, §180

Referred to in §331.231, 331.261, 372.1, 373.4

**331.249 Effect of consolidation.**

1. *a.* A city-county consolidated form of government under which a county and one or more cities within the county unite to form a single unit of local government shall create a unified government which includes a municipal corporation and a county. The consolidated unit shall have the separate status of a county and a city for all purposes and shall constitute two political subdivisions, a consolidated city and a county, under combined governance. The consolidated unit shall retain one separate constitutional debt limitation with respect to its status as a city and a separate constitutional debt limitation with respect to its status as a county.

*b.* The governing body of a city-county consolidated form of government under which a county and one or more cities within the county create a unified government empowered to govern a city and a county shall have, with respect to the county, the power and authority of the board of supervisors of a county, and, with respect to each city, the power and authority of the city council of a city. Each consolidated city and the county constitute separate political subdivisions. Each consolidated city and the county shall each retain a separate constitutional debt limitation and shall each have the authority to issue bonds and incur financial obligations in accordance with the provisions of state law applicable to a city or a county, respectively.

2. *a.* The city-county consolidated form of government may include an area which is located in another county, but which is within the corporate boundaries of one of the consolidated cities. Services may be provided in the extra-county area and taxes to fund those services may be collected in the extra-county area by the consolidated government, to the extent permitted by the Constitution of the State of Iowa. In addition to the right to vote in the county of residence, electors residing in the extra-county area shall have the right to vote on any matter related to the city-county consolidated government, including election of its governing body and its chief executive officer, if any.

*b.* If a city-county consolidation charter is proposed, within ninety days following the final report of the commission, a resident or property owner of the commission area proposed to be consolidated may bring an action in district court for declaratory judgment to determine the legality of the proposed charter and to otherwise declare the effect of the charter. The court shall expedite its review and determination in this matter. The referendum on the proposed charter shall be stayed during pendency of the action and for such additional time during which the proposed charter or its enabling legislation does not conform to the Constitution

or laws of the State of Iowa. If in its final judgment the court determines that the proposed charter fails to conform to the Constitution or laws of this state, the commission shall have a period of six months in which to revise and resubmit the proposed charter.

3. All provisions of law authorizing contributions of any kind, in money or otherwise, from the state or federal government to counties and cities shall remain in full force with respect to each city and the county comprising a city-county consolidated government.

4. The adoption of a charter for a city-county consolidated government does not alter any right or liability of the county or consolidated city in effect at the time of the election at which the charter was adopted.

5. All departments and agencies of the county and of each consolidated city shall continue to operate until their authority to operate is superseded by action of the governing body.

6. Upon the effective date of the adopted charter, the county and each participating city shall adopt the city-county consolidated form of government by ordinance, and shall file a copy with the secretary of state and maintain available copies for public inspection. The county shall provide each participating city with a copy of the county's ordinance. Each participating city shall provide a copy of that city's ordinance to the county and to the other participating cities.

7. *a.* Members of the governing body of the county shall continue in office after the effective date of the charter until the members of the governing body and the chief executive officer, if any, of the city-county consolidated government have been elected and qualified, at which time the offices of the former governing body of the county shall be abolished and the terms of the members of the former governing body shall be terminated. Members of the governing body and the mayor of each consolidated city shall continue in office after the effective date of the charter until the members of the governing body of the city-county consolidated government and the chief executive officer, if any, have been elected and qualified, at which time the office of mayor and of the former governing body of each consolidated city shall be abolished and the term of the members of each governing body and the term of each mayor shall be terminated.

*b.* During the period between the effective date of the charter and the election and qualification of the members of the governing body of the city-county consolidated government and the election and qualification of the chief executive officer, if any, the former governing bodies of the county and each city and the mayor of each city shall continue to exercise the power of, and to perform the duties for, their respective county and city. The charter shall provide that these incumbent officers assist in planning and carrying out the transition to the city-county consolidated form of government. The board of supervisors shall include in its budget for the fiscal year in which the charter becomes effective funds sufficient to provide for the operating expenses of a transition committee and for expenses incurred in initially establishing districts if the charter provides for representation by districts and for salaries for newly elected officers of the city-county consolidated government, after consultation with the transition committee.

8. If a city-county consolidation charter is submitted to the electorate but is not adopted, another charter shall not be submitted to the electorate for at least two years from the date of the election at which the charter was rejected. If a city-county consolidation charter is adopted, a proposed charter for another alternative form of county government shall not be submitted to the electorate for at least six years from the date of the election at which the charter was adopted.

88 Acts, ch 1229, §21; 91 Acts, ch 256, §23, 24; 2004 Acts, ch 1066, §18, 31; 2010 Acts, ch 1061, §180

Referred to in §331.231, 372.1, 373.4

**331.250 General powers of consolidated local governments.**

The consolidation charter shall provide for the delivery of services to specified areas of the county and of each consolidated city. The governing body of the consolidated government shall supervise the administration of the provision of services in each of the designated service areas and shall have the authority to determine the boundaries of the service areas. For each service provided by the consolidated government, the consolidated government shall assume

the same statutory rights, powers, and duties relating to the provision of the service as if the county or the member city were itself providing the service to its citizens.

88 Acts, ch 1229, §22; 91 Acts, ch 256, §25; 2004 Acts, ch 1066, §19, 31
Referred to in §331.231, 372.1, 373.4

**331.251 Rules, ordinances, and resolutions of consolidated government.**

1. Each rule, ordinance, or resolution in force within a county or within a city on the effective date of the charter shall remain in force within that county or within that city until superseded by action of the new governing body, unless the rule, ordinance, or resolution is in conflict with a provision of the charter, in which case, the charter provision shall supersede the conflicting rule, ordinance, or resolution. The governing body of a participating city or county in office on the effective date of the charter shall retain its powers to adopt motions, resolutions, or ordinances provided that such motions, resolutions, or ordinances do not conflict with the provisions of the charter. Ordinances and resolutions relating to public improvements to be paid for in whole or in part by special assessments shall remain in effect until paid in full.

2. If a charter creating a city-county consolidated form of government provides for a chief executive officer with the power to veto an ordinance, an amendment to an ordinance, or a resolution, the governing body shall adopt legislation in accordance with the provisions of chapter 380. If a charter creating a city-county consolidated form of government does not provide for a chief executive officer, the governing body shall adopt legislation in accordance with the provisions of section 331.302. However, a charter may provide that approval of certain ordinances, amendments, or resolutions shall require the affirmative vote of more than a majority of all members of the governing body.

88 Acts, ch 1229, §23; 2004 Acts, ch 1066, §20, 31
Referred to in §331.231, 372.1, 373.4

**331.252 Form of ballot — city-county consolidation.**

1. The question of city-county consolidation shall be submitted to the electors in substantially the following form:

Should the charter described below be adopted for (insert name of county and each city proposing to consolidate)?

2. The ballot must contain a brief description and summary of the proposed charter.

88 Acts, ch 1229, §24; 91 Acts, ch 256, §26; 2004 Acts, ch 1066, §21, 31; 2010 Acts, ch 1061, §128
Referred to in §331.231, 331.260, 372.1, 373.4

MULTICOUNTY CONSOLIDATION

**331.253 Requirements for multicounty government consolidation.**

1. Consolidation may be placed on the ballot only by a joint report by two or more counties.

2. A final report must contain a consolidation charter if multicounty consolidation is recommended. The consolidation charter must conform to the provisions and requirements in accordance with this part.

88 Acts, ch 1229, §25; 91 Acts, ch 256, §27
Referred to in §331.231, 331.233

**331.254 Charter of consolidation.**

1. When multicounty consolidation is recommended, the consolidation charter shall provide for all of the following:

*a.* Adjustment of existing bonded indebtedness and other obligations in a manner which assures a fair and equitable burden of taxation for debt service.

*b.* Establishment of subordinate service districts.

*c.* The transfer or other disposition of property and other rights, claims, assets, and franchises of the counties consolidated under the charter.

*d.* The official name of the consolidated county.

*e.* The transfer, reorganization, abolition, absorption, and adjustment of boundaries of existing boards, subordinate service districts, local improvement districts, and agencies of the consolidated counties.

*f.* The merger of the elective offices of each consolidating county with the election of new officers within sixty days after the effective date of the charter. The elections shall be conducted by the county commissioner of elections of each county. No primary election shall be held. Nominations shall be made pursuant to section 43.78 and chapters 44 and 45, as applicable, except that the filing deadline shall be forty days before the election.

*g.* The merger of the appointive offices of each consolidating county.

2. The consolidation charter may include other provisions that are not inconsistent with state law.

88 Acts, ch 1229, §26; 91 Acts, ch 256, §28, 29; 94 Acts, ch 1180, §47; 2004 Acts, ch 1066, §22, 23, 31; 2010 Acts, ch 1061, §180

Referred to in §331.231

**331.255 Form of ballot — multicounty consolidation.**

1. The question of multicounty consolidation shall be submitted to the electors in substantially the following form:

Should the consolidation charter described below be adopted for (name of applicable county)?

2. The ballot must contain a brief description and summary of the proposed charter.

88 Acts, ch 1229, §27; 91 Acts, ch 256, §30; 2010 Acts, ch 1061, §129

Referred to in §331.231, 331.257

**331.256 Joining existing multicounty consolidated government.**

A county may join an existing multicounty consolidated government by resolution of the board of supervisors or upon petition of eligible electors of the county equal in number to at least twenty-five percent of the persons who voted at the last general election for the office of governor or president of the United States, whichever is fewer. Within fifteen days after receiving a valid petition, the board of the petitioning county shall adopt a resolution in favor of participation and shall immediately forward the resolution to the legislative body of the multicounty consolidated government. If a majority of the multicounty consolidated board of supervisors approves the resolution, the question of joining the multicounty consolidated government shall be submitted to the electorate of the petitioning county within sixty days after approval of the resolution.

91 Acts, ch 256, §31

Referred to in §331.231, 331.257

**331.257 Recognition of change in boundaries by general assembly.**

If a charter for multicounty consolidation is adopted pursuant to section 331.255 or if the question of joining a multicounty consolidated government is approved pursuant to section 331.256, the general assembly next convening following the election required by section 331.255 or 331.256 shall pass legislation recognizing the change in boundaries of the counties where the question of multicounty consolidation was approved. The boundaries recognized in the legislation shall conform to the boundaries contained in the consolidation charter. The legislation shall contain the official name of the consolidated county as that name is given in the consolidation charter.

2004 Acts, ch 1066, §24, 31

Referred to in §331.231

**331.258 and 331.259** Reserved.

COMMUNITY COMMONWEALTH

**331.260 Community commonwealth.**

1. A county and one or more cities or townships within the county, a contiguous county, and a city or a township within a contiguous county may unite to establish an alternative form of local government for the purpose of making more efficient use of their resources by providing for the delivery of regional services.

2. *a.* A charter proposing a community commonwealth as an alternative form of government may be submitted to the voters only by a commission established under section 331.232. A majority vote by the commission is required for the submission of a charter proposing a community commonwealth as an alternative form of local government. The commission submitting a community commonwealth form of government shall issue a final report and proposal. Adoption of the proposed community commonwealth charter requires the approval of a majority of the votes cast in the entire county and requires the approval of a majority of the votes cast in one or more cities named on the ballot. A city named on the ballot is included in the community commonwealth only if the proposed community commonwealth charter is approved by a majority of the votes cast in the city.

*b.* The question of forming a community commonwealth shall be submitted to the electorate in substantially the same form as provided in section 331.252. The effective date of the charter and election of new officers of the community commonwealth shall be as provided in section 331.247, subsection 5.

91 Acts, ch 256, §32; 2004 Acts, ch 1066, §25, 31; 2005 Acts, ch 19, §43; 2010 Acts, ch 1061, §180

Referred to in §28E.40, 331.231, 331.237, 372.1

**331.261 Charter — community commonwealth.**

1. The community commonwealth charter shall provide for the following:

*a.* The official name of the community commonwealth government.

*b.* An elective legislative body established in the manner provided for county boards of supervisors under sections 331.201 through 331.216 and section 331.248, subsection 2, the initial compensation for members of that body, and for a method of changing the compensation.

*c.* Appointment of a manager pursuant to sections 331.241 through 331.243.

*d.* Adjustment of existing bonded indebtedness and other obligations to the extent it relates to the delivery of services.

*e.* The transfer or other disposition of property and other rights, claims, assets, and franchises as they relate to the delivery of services.

*f.* The transfer, reorganization, abolition, adjustment, and absorption of existing boards, existing subordinate service districts, local improvement districts, and agencies of the participating county and cities.

*g.* A system of delivery of services to the entire community commonwealth pursuant to section 331.263.

*h.* A formula for the transfer of taxing authority from member cities to the community commonwealth governing body to fund the delivery of regional services.

*i.* The transfer into the community commonwealth of areawide services which had been provided by other boards, commissions, and local governments, except that formation of a community commonwealth shall not affect the assignment of electric utility service territories pursuant to chapter 476, and shall not affect the rights of a city to grant a franchise under chapter 364.

*j.* A process by which the governing body of the community commonwealth and the governing bodies of the member cities provide by mutual agreement for the delivery of specified services to the community commonwealth.

*k.* The partisan election of community commonwealth government officials.

2. The community commonwealth charter may include other provisions which the

commission elects to include and which are not irreconcilable with state law, including, but not limited to, those provisions in section 331.248, subsection 4.

91 Acts, ch 256, §33; 2004 Acts, ch 1066, §26, 27, 31; 2010 Acts, ch 1061, §180

Referred to in §28E.40, 331.231, 372.1

**331.262 Adoption of charter — effect.**

1. *a.* As a political subdivision of the state, the community commonwealth unit of local government shall have the statutory and constitutional status of a county and of a city to the extent the community commonwealth governing body assumes the powers and duties of cities as those powers and duties relate to the delivery of services. For each service provided by the community commonwealth, the community commonwealth shall assume the same statutory rights, powers, and duties relating to the provision of the service as if the member city were itself providing the service to its citizens.

*b.* On its effective date, the community commonwealth charter operates to replace the existing county government structure. The governments of participating cities shall remain in existence to render those services not transferred to the community commonwealth government.

2. The adoption of the community commonwealth form of government does not alter any right or liability of the county or member city in effect at the time of the election at which the charter was adopted.

3. All departments and agencies of the county and of each member city shall continue to operate until their authority to operate is superseded by action of the governing body.

4. All ordinances or resolutions in effect remain effective until amended or repealed, unless they are irreconcilable with the adopted charter.

5. Upon the effective date of the adopted charter, the county shall adopt the community commonwealth form of government by ordinance, and shall file a copy with the secretary of state and maintain available copies for public inspection.

6. Members of the governing body of the county and of each member city shall continue in office until the members of the governing body of the community commonwealth have been elected and sworn into office, at which time the offices of the former governing bodies shall be abolished, and the terms of the members of the former governing bodies shall be terminated. During the period between the effective date of the charter and the election and qualification of the elected members of the new governing body, the former governing bodies of each member city and of the county shall continue to perform their duties and shall assist in planning the transition to the community commonwealth form of government.

7. If a community commonwealth charter is submitted to the electorate but is not adopted, another charter shall not be submitted to the electorate for at least two years from the date of the election at which the charter was rejected. If a community commonwealth charter is adopted, a proposed charter for another alternative form of county government shall not be submitted to the electorate for at least six years from the date of the election at which the charter was adopted.

8. If a community commonwealth charter is adopted, the charter may be amended at any time. The charter shall be amended in the manner provided in section 331.247, subsection 7.

9. *a.* A city or county wishing to terminate its membership in the community commonwealth government must do so pursuant to the existing charter procedure under this chapter or chapter 372, whichever is applicable.

*b.* A city or county may join an existing community commonwealth government by resolution of the board or council, whichever is applicable, or upon petition of eligible electors of the city or county, whichever is applicable, equal in number to at least twenty-five percent of the persons who voted at the last general election for the office of governor or president of the United States, whichever is fewer. Within fifteen days after receiving a valid petition, the applicable governing body shall adopt a resolution in favor of participation and shall immediately forward the resolution to the governing body of the community commonwealth. If a majority of the community commonwealth governing body approves the

resolution, the question of joining the community commonwealth shall be submitted to the electorate of the petitioning city or county within sixty days after approval of the resolution.

91 Acts, ch 256, §34; 2004 Acts, ch 1066, §28, 31; 2010 Acts, ch 1061, §130

Referred to in §28E.40, 331.231, 372.1

**331.263 Service delivery.**

1. The governing body of the community commonwealth government shall administer the provision of services in each of the designated service areas and shall have the authority to determine the boundaries of the service areas.

2. The governing body of the community commonwealth shall have the authority to levy county taxes and shall have the authority to levy city taxes to the extent the city tax levy authority is transferred by the charter to the community commonwealth. A city participating in the community commonwealth shall transfer a portion of the city's tax levy authorized under section 384.1 or 384.12, whichever is applicable, to the governing body of the community commonwealth. The maximum rates of taxes authorized to be levied under sections 384.1 and 384.12 by a city participating in the community commonwealth shall be reduced by an amount equal to the rates of the same or similar taxes levied in the city by the governing body of the community commonwealth.

91 Acts, ch 256, §35

Referred to in §331.231, 331.261, 372.1

**331.264 through 331.300** Reserved.

## DIVISION III

## POWERS AND DUTIES OF A COUNTY

### PART 1

### GENERAL POWERS AND DUTIES

**331.301 General powers and limitations.**

1. A county may, except as expressly limited by the Constitution of the State of Iowa, and if not inconsistent with the laws of the general assembly, exercise any power and perform any function it deems appropriate to protect and preserve the rights, privileges, and property of the county or of its residents, and to preserve and improve the peace, safety, health, welfare, comfort, and convenience of its residents. This grant of home rule powers does not include the power to enact private or civil law governing civil relationships, except as incident to an exercise of an independent county power.

2. A power of a county is vested in the board, and a duty of a county shall be performed by or under the direction of the board except as otherwise provided by law.

3. The enumeration of a specific power of a county, the repeal of a grant of power, or the failure to state a specific power does not limit or restrict the general grant of home rule power conferred by the Constitution and this section. A county may exercise its general powers subject only to limitations expressly imposed by a state law.

4. An exercise of a county power is not inconsistent with a state law unless it is irreconcilable with the state law.

5. A county shall substantially comply with a procedure established by a state law for exercising a county power unless a state law provides otherwise. If a procedure is not established by state law, a county may determine its own procedure for exercising the power.

6. *a.* A county shall not set standards and requirements which are lower or less stringent than those imposed by state law, but may set standards and requirements which are higher or more stringent than those imposed by state law, unless a state law provides otherwise.

*b.* A county shall not impose any fee or charge on any individual or business licensed by the board for the right to perform plumbing, mechanical, HVAC, refrigeration, sheet metal,

or hydronic systems work within the scope of the license. This paragraph does not prohibit a county from charging fees for the issuance of permits for, and inspections of, work performed in its jurisdiction.

7. A county shall not levy a tax unless specifically authorized by a state statute.

8. A county is a body corporate for civil and political purposes and shall have a seal as provided in section 331.552, subsection 4.

9. Supervisors and other county officers may administer oaths and take affirmations as provided in chapter 63A.

10. A county may enter into leases or lease-purchase contracts for real or personal property in accordance with the following terms and procedures:

*a.* A county shall lease or lease-purchase property only for a term which does not exceed the economic life of the property, as determined by the board.

*b.* A lease or lease-purchase contract entered into by a county may contain provisions similar to those sometimes found in leases between private parties, including, but not limited to, the obligation of the lessee to pay any of the costs of operation or ownership of the leased property and the right to purchase the leased property.

*c.* A provision of a lease or lease-purchase contract which stipulates that a portion of the rent payments be applied as interest is subject to chapter 74A. Other laws relating to interest rates do not apply. Chapter 75 is not applicable. A county enterprise is a separate entity under this subsection, whether it is governed by the board or another governing body.

*d.* The board must follow substantially the same authorization procedure required for the issuance of general obligation bonds issued for the same purpose to authorize a lease or a lease-purchase contract made payable from the debt service fund.

*e.* The board may authorize a lease or lease-purchase contract which is payable from the general fund if the contract would not cause the total of lease and lease-purchase payments due from the general fund of the county in any single future fiscal year for all lease or lease-purchase contracts in force on the date of the authorization, excluding payments to exercise purchase options or to pay the expenses of operation or ownership of the property, to exceed ten percent of the last certified general fund budget amount in accordance with the following procedures:

(1) (a) The board must follow substantially the authorization procedures of section 331.443 to authorize a lease or lease-purchase contract for personal property which is payable from the general fund. The board must follow substantially the authorization procedures of section 331.443 to authorize a lease or lease-purchase contract for real property which is payable from the general fund if the principal amount of the lease-purchase contract does not exceed the following limits:

(i) Four hundred thousand dollars in a county having a population of twenty-five thousand or less.

(ii) Five hundred thousand dollars in a county having a population of more than twenty-five thousand but not more than fifty thousand.

(iii) Six hundred thousand dollars in a county having a population of more than fifty thousand but not more than one hundred thousand.

(iv) Eight hundred thousand dollars in a county having a population of more than one hundred thousand but not more than two hundred thousand.

(v) One million dollars in a county having a population of more than two hundred thousand.

(b) However, if the principal amount of a lease or lease-purchase contract pursuant to this subparagraph (1) is less than twenty-five thousand dollars, the board may authorize the lease or lease-purchase contract without following the authorization procedures of section 331.443.

(2) The board must follow the following procedures to authorize a lease or lease-purchase contract for real property which is payable from the general fund if the principal amount of the lease or lease-purchase contract exceeds the limits set forth in subparagraph (1):

(a) The board must institute proceedings for entering into a lease or lease-purchase contract payable from the general fund by causing a notice of the meeting to discuss entering into the lease or lease-purchase contract, including a statement of the principal amount

and purpose of the lease or lease-purchase and the right to petition for an election, to be published as provided in section 331.305 at least ten days prior to the discussion meeting. No sooner than thirty days following the discussion meeting shall the board hold a meeting at which it is proposed to take action to enter into the lease or lease-purchase contract.

(b) (i) If at any time before the end of the thirty-day period after which a meeting may be held to take action to enter into the lease or lease-purchase contract, a petition is filed with the auditor in the manner provided by section 331.306, asking that the question of entering into the lease or lease-purchase contract be submitted to the registered voters of the county, the board shall either by resolution declare the proposal to enter into the lease or lease-purchase contract to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of entering into the lease or lease-purchase contract. However, for purposes of this subparagraph (2), the petition shall not require signatures in excess of one thousand persons.

(ii) The question to be placed on the ballot shall be stated affirmatively in substantially the following manner:

Shall the county of ..... enter into a lease or lease-purchase contract in an amount of $ ..... for the purpose of .....?

(iii) Notice of the election and its conduct shall be in the manner provided in section 331.442, subsections 2 through 4.

(c) If a petition is not filed or if a petition is filed and the proposition of entering into a lease or lease-purchase contract is approved at the election, the board may proceed and enter into the lease or lease-purchase contract.

*f.* The governing body may authorize a lease or lease-purchase contract payable from the net revenues of a county enterprise or combined county enterprise by following the authorization procedures of section 331.464.

*g.* A lease or lease-purchase contract to which a county is a party or in which a county has a participatory interest is an obligation of a political subdivision of this state for the purposes of chapters 502 and 636, and is a lawful investment for banks, trust companies, savings associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and any other fiduciaries responsible for the investment of funds.

*h.* Property that is lease-purchased by a county is exempt under section 427.1, subsection 2.

*i.* A contract for construction by a private party of property to be leased or lease-purchased by a county is not a contract for a public improvement under section 331.341, subsection 1. However, if a lease-purchase contract is funded in advance by means of the lessor depositing moneys to be administered by a county, with the county's obligation to make rent payments commencing with its receipt of moneys, a contract for construction of the property in question awarded by the county is a public improvement and is subject to section 331.341, subsection 1.

11. A county may enter into insurance agreements obligating the county to make payments beyond its current budget year to procure or provide for a policy of insurance, a self-insurance program, or a local government risk pool to protect the county against tort liability, loss of property, or any other risk associated with the operation of the county. Such a self-insurance program or local government risk pool is not insurance and is not subject to regulation under chapters 505 through 523C. However, those self-insurance plans regulated pursuant to section 509A.14 shall remain subject to the requirements of section 509A.14 and rules adopted pursuant to that section.

12. The board of supervisors may credit funds to a reserve for the purposes authorized by subsection 11 of this section; section 331.424, subsection 1, paragraph "*a*", subparagraph (5); and section 331.441, subsection 2, paragraph "*b*". Moneys credited to the reserve, and interest earned on such moneys, shall remain in the reserve until expended for purposes authorized

by subsection 11 of this section; section 331.424, subsection 1, paragraph *"a"*, subparagraph (5); or section 331.441, subsection 2, paragraph *"b"*.

13. The board of supervisors may waive a tax penalty, interest, or costs related to the collection of a tax if the board finds that a clerical error resulted in the penalty, interest, or cost. This subsection does not apply to bonded special assessments without the approval of the affected taxing jurisdiction.

14. The county may establish a department of public works. The department shall be administered by the county engineer or other person appointed by the board of supervisors. In addition to other duties assigned by the board, the department shall provide technical assistance to political subdivisions in the county including special districts relating to their physical infrastructure and may provide managerial and administrative services for special districts and combined special districts.

15. *a.* A county may adopt and enforce an ordinance requiring the construction of a storm shelter at a manufactured home community or mobile home park which is constructed after July 1, 1999. In lieu of requiring construction of a storm shelter, a county may require a community or park owner to provide a plan for the evacuation of community or park residents to a safe place of shelter in times of severe weather including tornadoes and high winds if the county determines that a safe place of shelter is available within a reasonable distance of the manufactured home community or mobile home park for use by community or park residents. Each evacuation plan prepared pursuant to this subsection shall be filed with, and approved by, the local emergency management agency. If construction of a storm shelter is required, an ordinance adopted or enforced pursuant to this subsection shall not include any of the following requirements:

(1) That the size of the storm shelter be larger than the equivalent of seven square feet for each manufactured or mobile home space in the manufactured home community or mobile home park.

(2) That the storm shelter include a restroom if the shelter is used exclusively as a storm shelter.

(3) That the storm shelter exceed the construction specifications approved by a licensed professional engineer and presented by the owner of the manufactured home community or mobile home park.

(4) That the shelter be located any closer than one thousand three hundred twenty feet from any manufactured or mobile home in the manufactured home community or mobile home park.

*b.* For the purposes of this subsection:

(1) *"Manufactured home community"* means the same as land-leased community defined in sections 335.30A and 414.28A.

(2) *"Manufactured home community or mobile home park"* means a manufactured home community or mobile home park as defined in section 562B.7.

(3) *"Storm shelter"* means a single structure or multiple structures designed to provide persons with temporary protection from a storm.

16. The board of supervisors may by resolution allow a five dollar county enforcement surcharge to be assessed pursuant to section 911.4.

[C51, §93; R60, §221; C73, §279; C97, §394; C24, 27, 31, 35, 39, §**5128;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §332.1; S81, §331.301; 81 Acts, ch 117, §300]

85 Acts, ch 156, §1; 86 Acts, ch 1211, §19; 87 Acts, ch 115, §51; 89 Acts, ch 101, §1; 92 Acts, ch 1138, §1; 92 Acts, ch 1204, §8; 95 Acts, ch 67, §53; 95 Acts, ch 206, §8, 12; 99 Acts, ch 186, §1; 2001 Acts, ch 143, §1; 2001 Acts, ch 153, §9, 16; 2004 Acts, ch 1119, §1; 2006 Acts, ch 1010, §93; 2009 Acts, ch 100, §8, 21; 2010 Acts, ch 1061, §131, 132, 177; 2011 Acts, ch 100, §13, 15; 2012 Acts, ch 1017, §72; 2013 Acts, ch 77, §33, 36

Referred to in §346.27, 911.4

See also Iowa Constitution, Art. III, §39A

Subsection 6, paragraph b amended

**331.302 County legislation.**

1. The board shall exercise a power or perform a duty only by the passage of a motion, a resolution, an amendment, or an ordinance.

2. For a violation of an ordinance a county shall not provide a penalty in excess of the maximum fine and term of imprisonment for a simple misdemeanor under section 903.1, subsection 1, paragraph "*a*". The criminal penalty surcharge required by section 911.1 shall be added to a county fine and is not a part of the county's penalty.

3. The subject matter of an ordinance or amendment shall be generally described in its title.

4. An amendment to an ordinance or to a code of ordinances shall specifically repeal the ordinance or code, or the section, subsection, paragraph, or subpart to be amended, and shall set forth the ordinance, code, section, subsection, paragraph, or subpart as amended.

5. *a.* A county may by ordinance adopt by reference any portion of the Code of Iowa in effect at the time of the adoption in the manner provided in section 380.8 for adoption of a proposed code of ordinances containing a proposed new ordinance or amendment, subject to the following limitations:

(1) The ordinance shall describe the subject matter and identify the portion of the Code of Iowa adopted by chapter, section, and subsection or other subpart, as applicable.

(2) A portion of the Code of Iowa may be adopted by reference only if the criminal penalty provided by the law adopted does not exceed the maximum fine and term of imprisonment for a simple misdemeanor under section 903.1, subsection 1, paragraph "*a*".

(3) Amendments or other changes to those portions of the Code of Iowa which have been adopted by reference shall serve as an automatic modification of the applicable ordinance.

*b.* An ordinance which adopts by reference any portion of the Code of Iowa may provide that violations of the ordinance are county infractions and subject to the limitations of section 331.307.

6. *a.* A proposed ordinance or amendment shall be considered and voted on for passage at two meetings of the board prior to the meeting at which it is to be finally passed, unless this requirement is suspended by a recorded vote of not less than a majority of the supervisors.

*b.* However, if a summary of the proposed ordinance or amendment is published as provided in section 331.305 prior to its first consideration and copies are available at the time of publication at the office of the auditor, the ordinance or amendment shall be considered and voted on for passage at one meeting prior to the meeting at which it is to be finally passed, unless this requirement is suspended by a recorded vote of not less than a majority of the supervisors.

7. Passage of an ordinance, amendment, or resolution requires an affirmative vote of not less than a majority of the supervisors. Each supervisor's vote on an ordinance, amendment, or resolution shall be recorded.

8. A resolution becomes effective upon passage and an ordinance or amendment becomes a law when a summary of the ordinance or the complete text of the ordinance is published, unless a subsequent effective date is provided within the measure. As used in this subsection, "*summary*" shall mean a narrative description of the terms and conditions of an ordinance setting forth the main points of the ordinance in a manner calculated to inform the public in a clear and understandable manner the meaning of the ordinance and which shall provide the public with sufficient notice to conform to the desired conduct required by the ordinance. The description shall include the title of the ordinance, an accurate and intelligible abstract or synopsis of the essential elements of the ordinance, a statement that the description is a summary, the location and the normal business hours of the office where the ordinance may be inspected, when the ordinance becomes effective, and the full text of any provisions imposing fines, penalties, forfeitures, fees, or taxes. Legal descriptions of property set forth in ordinances shall be described in full, provided that maps or charts may be substituted for legal descriptions when they contain sufficient detail to clearly define the area with which the ordinance is concerned. The narrative description shall be written in a clear and coherent manner and shall, to the extent possible, avoid the use of technical or legal terms not generally familiar to the public. When necessary to use technical or legal terms not generally familiar to the public, the narrative description shall include definitions of those terms.

9. The auditor shall promptly record each measure, publish a summary of all ordinances or a complete text of the ordinances and amendments as provided in section 331.305, authenticate all measures except motions with signature and certification as to time and

manner of publication, if any, and maintain for public use copies of all effective ordinances and codes. A copy of the complete text of an ordinance or amendment shall also be available for distribution to the public at the office of the county auditor. The auditor's certification is presumptive evidence of the facts stated therein.

10. *a.* At least once every five years, the board shall compile a code of ordinances containing all of the county ordinances in effect.

(1) If a proposed code of ordinances contains only existing ordinances edited and compiled without change in substance, the board may adopt the code by ordinance.

(2) If a proposed code of ordinances contains a proposed new ordinance or amendment, the board shall hold a public hearing on the proposed code before adoption. The auditor shall publish notice of the hearing as provided in section 331.305. Copies of the proposed code of ordinances shall be available at the auditor's office and the notice shall so state. Within thirty days after the hearing, the board may adopt the proposed code of ordinances which becomes law upon publication of the ordinance adopting it. If the board substantially amends the proposed code of ordinances after a hearing, notice and hearing shall be repeated.

*b.* Ordinances and amendments which become effective after adoption of a code of ordinances may be compiled as a supplement to the code, and upon adoption of the supplement by resolution, become part of the code of ordinances.

*c.* An adopted code of ordinances is presumptive evidence of the passage, publication, and content of the ordinances therein as of the date of the auditor's certification of the ordinance adopting the code or supplement.

11. The compensation paid to a newspaper for a publication required by this section shall not exceed the fee provided in section 618.11. The compensation paid to a newspaper for publication of the complete text of an ordinance shall not exceed three-fourths of the fee provided in section 618.11.

12. The board may adopt the provisions of a statewide or nationally recognized standard code or portions of any such code by an ordinance which identifies the code by subject matter, source, and date, and incorporates the provisions either by reference or by setting them forth in full. The code or portion shall be adopted only after notice and hearing in the manner provided in subsection 10.

13. Immediately after the effective date of a measure establishing a zoning district, building lines, or fire limits, the auditor shall certify the measure and a plat showing the district, lines, or limits, to the recorder. The recorder shall record the measure and plat in the miscellaneous record or other book provided for special records, and shall index the record.

14. A measure voted upon is not invalid because a supervisor has a conflict of interest, unless the vote of the supervisor was decisive to passage of the measure. If a majority or unanimous vote of the board is required by statute, the majority or vote shall be computed on the basis of the number of supervisors not disqualified by reason of conflict of interest. However, a majority of all supervisors is required for a quorum. For the purposes of this subsection, the statement of a supervisor that the supervisor declines to vote by reason of conflict of interest is conclusive and shall be entered of record.

15. A valid measure adopted by a county prior to July 1, 1981, remains valid unless the measure is irreconcilable with a state law.

16. A county shall not provide a civil penalty in excess of seven hundred fifty dollars for the violation of an ordinance which is classified as a county infraction or if the infraction is a repeat offense, a civil penalty not to exceed one thousand dollars for each repeat offense. A county infraction is not punishable by imprisonment.

**1.** [C31, 35, §5903-c9; C39, §**5903.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.11; S81, §331.302(1); 81 Acts, ch 117, §301]

**2.** [C97, §1349; C24, 27, 31, 35, 39, §**5587, 7180;** C46, §361.7, 444.19; C50, 54, 58, §358A.26, 361.7, 444.19; C62, 66, 71, 73, 75, §332.30, 358A.26, 444.19; C77, 79, 81, §332.30, 332.51, 358A.26; S81, §331.302(2); 81 Acts, ch 117, §301]

**3 – 5.** [S81, §331.302(3 – 5); 81 Acts, ch 117, §301]

**6.** [C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §329.9; S81, §331.302(6); 81 Acts, ch 117, §301]

**7 – 10.** [S81, §331.302(7 – 10); 81 Acts, ch 117, §301]

**11.** [C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.25; S81, §331.302(11); 81 Acts, ch 117, §301]

**12 – 14.** [S81, §331.302(12 – 14); 81 Acts, ch 117, §301]

84 Acts, ch 1219, §30; 86 Acts, ch 1202, §3; 91 Acts, ch 145, §1, 2; 96 Acts, ch 1098, §1; 98 Acts, ch 1144, §1; 99 Acts, ch 153, §7, 8; 2000 Acts, ch 1203, §17, 18; 2003 Acts, ch 178, §21; 2004 Acts, ch 1111, §1; 2009 Acts, ch 21, §3, 4

Referred to in §331.251, 331.304A, 335.6, 368.26, 455B.146, 455B.175, 455B.192

See also Iowa Constitution, Art. III, §39A

**331.303 General duties of the board.**

The board shall:

1. Keep record books as follows:

*a.* A "*minute book*" which records all orders and decisions other than those relating to drainage districts. The minute book or a separate index book must contain an alphabetical index by subject matter categories of the proceedings shown by the minutes.

*b.* A "*warrant book*" which records each warrant drawn in the order of issuance by number, date, amount, and name of drawee, and refers to the order in the minute book authorizing its drawing. The board may authorize the auditor to issue checks in lieu of warrants. If the issuance of checks is authorized, the word "check" shall be substituted for the word "warrant" in those sections of this chapter and chapters 6B, 11, 35B, 336, 349, 350, 427B, and 468 in which the issuance of a check is authorized in lieu of a warrant.

*c.* A "*claim register*" which records all claims for money filed against the county. Claims shall be numbered consecutively in order of filing and entered alphabetically by the claimant's name. The claim register shall show the date of filing, the number of the claim and its general nature, and the action of the board on the claim including the fund against which it is allowed if it is allowed. The claims allowed at each meeting shall be listed in the minute book by claim number.

2. Maintain its records in accordance with chapter 22.

3. Act upon applications for cigarette tax permits in accordance with chapter 453A.

4. Act upon applications for liquor control licenses and retail beer permits in accordance with section 123.32.

5. Select official newspapers and cause official publications to be made in accordance with chapters 349 and 618.

6. Adopt rules relating to the labor of prisoners in the county jail in accordance with sections 356.16 to 356.19, and may establish the cost of board and provide for the transportation of certain prisoners in accordance with section 356.30.

7. Divide the county into townships, and proceed upon a petition to divide, dissolve or change the name of a township in accordance with chapter 359.

8. Approve the written investment policy for the county required under section 12B.10B.

9. Cause on-site inspections of pipeline construction projects as required in section 479.29, subsection 2, and the board may petition for rules as provided in that section.

10. Defend, save harmless, and indemnify its officers, employees, and agents against tort claims, and may settle the claims, in accordance with sections 670.8 and 670.9.

11. Perform other duties as required by law.

[R60, §318; C73, §308; C97, §442; C24, 27, 31, 35, 39, §**5122, 5123;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §331.19, 331.20; S81, §331.303; 81 Acts, ch 117, §302; 82 Acts, ch 1104, §33]

83 Acts, ch 186, §10069, 10201; 92 Acts, ch 1156, §13; 99 Acts, ch 204, §35; 2001 Acts, ch 45, §1; 2001 Acts, ch 176, §67; 2004 Acts, ch 1019, §27

Referred to in §331.504

**331.304 Procedural limitations on general county powers.**

If a county proposes to exercise any of the following powers, it shall do so in accordance with the following limitations:

1. The power to act jointly with other political subdivisions or public or private agencies shall be exercised in accordance with chapter 28E or 28I or other applicable state law.

2. The power to authorize games of skill or chance at amusement concessions shall be exercised in accordance with section 99B.4.

3. The power to adopt, administer and enforce the state building code shall be exercised in accordance with chapter 103A. The power to adopt by ordinance, administer, and enforce a county building code, is subject to the following restrictions:

*a.* A county building code shall not apply within the incorporated area of a city except at the option of the city, and shall not apply within a city's two-mile limit referred to in section 414.23, to the extent that the city has adopted a building code within the two-mile limit.

*b.* A county building code shall not apply to farm houses or other farm buildings which are primarily adapted for use for agricultural purposes, while so used or under construction for that use.

4. A county shall not license elevator inspectors or regulate elevator conveyances except as provided in section 89A.15.

5. The power to adopt airport zoning regulations applicable to airport hazard areas shall be exercised in accordance with chapter 329.

6. The power to adopt county zoning regulations shall be exercised in accordance with chapter 335.

7. The board may file a petition with the city development board as provided in section 368.11.

8. The power to take private property for public use shall only be exercised by counties for public purposes which are reasonable and necessary as an incident to the powers and duties conferred upon counties, and in accordance with chapters 6A and 6B. Section 306.19 is also applicable to condemnation of right-of-way for secondary roads. Sections 306.27 through 306.37 are applicable to the condemnation of right-of-way that is contiguous to existing road right-of-way and necessary for the maintenance, safety improvement, or upgrade of the existing secondary road.

9. The board, upon application, may grant permits for the display of fireworks as provided in section 727.2.

10. A county shall not adopt or enforce any ordinance imposing any registration or licensing system or registration or license fees for or relating to owner-occupied manufactured or mobile homes including the lots, lands, or manufactured home community or mobile home park upon or in which they are located. A county shall not adopt or enforce any ordinance imposing any registration or licensing system, or registration or license fees, or safety or sanitary standards for rental manufactured or mobile homes unless similar registration or licensing system, or registration or license fees, or safety or sanitary standards are required for other rental properties intended for human habitation. This subsection does not preclude the investigation and abatement of a nuisance or the enforcement of a tiedown system, or the enforcement of any regulations of the state or local board of health if those regulations apply to other rental properties or to owner-occupied housing intended for human habitation.

11. A county shall not adopt or enforce any ordinance imposing any limitation on the amount of rent that can be charged for leasing private residential or commercial property. This subsection does not prevent the right of a county to manage and control residential property in which the county has a property interest.

**1, 2.** [S81, §331.304(1, 2); 81 Acts, ch 117, §303]

**3.** [C50, 54, 58, 62, §358A.3; C66, 71, 73, 75, 77, 79, 81, §332.3(22), 358A.3; S81, §331.304(3); 81 Acts, ch 117, §303]

**4 – 7.** [S81, §331.304(4 – 7); 81 Acts, ch 117, §303]

**8.** [S13, §1644-a, -e, 2024-f; C24, 27, 31, 35, 39, §**7806;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §471.4; S81, §331.304(8); 81 Acts, ch 117, §303]

**9.** [S81, §331.304(9); 81 Acts, ch 117, §303]

86 Acts, ch 1245, §1116; 99 Acts, ch 171, §33, 42; 2000 Acts, ch 1083, §1; 2004 Acts, ch 1101, §37; 2007 Acts, ch 16, §16; 2008 Acts, ch 1191, §60

**331.304A Limitations on county legislation.**

1. As used in this section:

*a. "Aerobic structure"*, *"animal"*, *"animal feeding operation"*, *"animal feeding operation structure"*, and *"manure"* mean the same as defined in section 459.102.

*b. "County legislation"* means any ordinance, motion, resolution, or amendment adopted by a county pursuant to section 331.302.

2. A county shall not adopt or enforce county legislation regulating a condition or activity occurring on land used for the production, care, feeding, or housing of animals unless the regulation of the production, care, feeding, or housing of animals is expressly authorized by state law. County legislation adopted in violation of this section is void and unenforceable and any enforcement activity conducted in violation of this section is void. A condition or activity occurring on land used for the production, care, feeding, or housing of animals includes but is not limited to the construction, operation, or management of an animal feeding operation, an animal feeding operation structure, or aerobic structure, and to the storage, handling, or application of manure or egg washwater.

98 Acts, ch 1209, §9, 53

**331.305 Publication of notices.**

Unless otherwise provided by state law, if notice of an election, hearing, or other official action is required by this chapter, the board shall publish the notice at least once, not less than four nor more than twenty days before the date of the election, hearing, or other action, in one or more newspapers which meet the requirements of section 618.14. Notice of an election shall also comply with section 49.53.

[R60, §312(23); C73, §303(24); C97, §423; SS15, §423; C24, 27, 31, 35, 39, §**5261;** C46, 50, 54, 58, §330.18, 345.1; C62, 66, §111A.6, 330.18, 345.1; C71, §111A.6, 313A.35, 330.18, 345.1; C73, §111A.6, 313A.35, 330.18, 345.1, 361.5; C75, 77, 79, §111A.6, 313A.35, 330.18, 332.3(13), 345.1, 361.5; C81, §111A.6, 313A.35, 330.18, 332.3(13), 345.1, 361.5, 444.9(2); S81, §331.305; 81 Acts, ch 117, §304]

Referred to in §6B.11, 28J.21, 69.14A, 137.104, 306.30, 309.65, 311.12, 330.18, 331.301, 331.302, 331.361, 331.402, 331.425, 331.442, 331.443, 331.447, 331.464, 331.471, 331.479, 335.5, 335.6, 336.13, 336.16, 350.5, 357.4, 357C.3, 357E.4, 357H.3, 358.4, 358.6, 358.27, 358.29, 358.33, 358C.5, 358C.7, 358C.18, 358C.21, 358C.22, 359.7, 404.2, 404B.2, 404B.3, 427B.26, 461A.31A, 468.15

**331.306 Petitions of eligible electors.**

If a petition of the voters is authorized by this chapter, the petition is valid if signed by eligible electors of the county equal in number to at least ten percent of the votes cast in the county for the office of president of the United States or governor at the preceding general election, unless otherwise provided by state law. The petition shall include the signatures of the petitioners, a statement of their place of residence, and the date on which they signed the petition.

Petitions authorized by this chapter shall be filed with the board of supervisors not later than eighty-two days before the date of the general election if the question is to be voted upon at the general election. If the petition is found to be valid, the board of supervisors shall, not later than sixty-nine days before the general election, notify the county commissioner of elections to submit the question to the registered voters at the general election.

A petition shall be examined before it is accepted for filing. If it appears valid on its face it shall be accepted for filing. If it lacks the required number of signatures it shall be returned to the petitioners.

Petitions which have been accepted for filing are valid unless written objections are filed. Objections must be filed with the county auditor within five working days after the petition was filed. The objection process in section 44.7 shall be followed for objections filed pursuant to this section.

[C73, §299; C97, §410; SS15, §410; C24, 27, 31, 35, 39, §**5107, 5108;** C46, 50, 54, §330.17, 331.2; C58, 62, 66, §111A.2, 330.17, 331.2; C71, 73, 75, 77, 79, §111A.2, 330.17, 331.2, 331.9; C81, §111A.2, 174.10, 330.17, 331.2, 331.9; S81, §331.306; 81 Acts, ch 117, §305]

89 Acts, ch 136, §69; 94 Acts, ch 1180, §48; 95 Acts, ch 67, §53

Referred to in §69.14A, 99F.7, 330.17, 331.203, 331.204, 331.207, 331.247, 331.301, 331.402, 331.441, 331.442, 331.471, 350.2

**331.307 County infractions.**

1. A county infraction is a civil offense punishable by a civil penalty of not more than seven

hundred fifty dollars for each violation or if the infraction is a repeat offense a civil penalty not to exceed one thousand dollars for each repeat offense.

2. A county by ordinance may provide that a violation of an ordinance is a county infraction.

3. A county shall not provide that a violation of an ordinance is a county infraction if the violation is a felony, an aggravated misdemeanor, or a serious misdemeanor under state law or if the violation is a simple misdemeanor under chapters 687 through 747.

4. An officer authorized by a county to enforce a county code or regulation may issue a civil citation to a person who commits a county infraction. The citation may be served by personal service as provided in rule of civil procedure 1.305, by certified mail addressed to the defendant at the defendant's last known mailing address, return receipt requested, or by publication in the manner as provided in rule of civil procedure 1.310 and subject to the conditions of rule of civil procedure 1.311. A copy of the citation shall be retained by the issuing officer, and one copy shall be sent to the clerk of the district court. The citation shall serve as notification that a civil offense has been committed and shall contain the following information:

*a.* The name and address of the defendant.

*b.* The name or description of the infraction attested to by the officer issuing the citation.

*c.* The location and time of the infraction.

*d.* The amount of civil penalty to be assessed or the alternate relief sought, or both.

*e.* The manner, location, and time in which the penalty may be paid.

*f.* The time and place of court appearance.

*g.* The penalty for failure to appear in court.

5. In proceedings before the court for a county infraction:

*a.* The matter shall be tried before a magistrate or district associate judge in the same manner as a small claim.

*b.* The county has the burden of proof that the county infraction occurred and that the defendant committed the infraction. The proof shall be by clear, satisfactory, and convincing evidence.

*c.* The court shall ensure that the defendant has received a copy of the charges and that the defendant understands the charges. The defendant may question all witnesses who appear for the county and produce evidence or witnesses on the defendant's behalf.

*d.* The defendant may be represented by counsel of the defendant's own selection and at the defendant's own expense.

*e.* The defendant may answer by admitting or denying the infraction.

*f.* If a county infraction is proven, the court shall enter judgment against the defendant. If the infraction is not proven, the court shall dismiss it.

6. Notwithstanding section 602.8106, subsection 3, penalties or forfeitures collected by the court for county infractions shall be remitted to the county in the same manner as fines and forfeitures are remitted to cities for criminal violations under section 602.8106. If the person named in the citation is served as provided in this section and fails without good cause to appear in response to the civil citation, judgment shall be entered against the person cited.

7. A person against whom judgment is entered, shall pay court costs and fees as in small claims under chapter 631. If the action is dismissed, the county is liable for the court costs and court fees. Where the action is disposed of without payment, or provision for assessment, of court costs, the clerk shall at once enter judgment for costs against the county.

8. Seeking a civil penalty as authorized in this section does not preclude a county from seeking alternative relief from the court in the same action.

9. *a.* When judgment has been entered against a defendant, the court may do any of the following:

(1) Impose a civil penalty by entry of a personal judgment against the defendant.

(2) Direct that payment of the civil penalty be suspended or deferred under conditions imposed by the court.

(3) Grant appropriate alternative relief ordering the defendant to abate or cease the violation.

(4) Authorize the county to abate or correct the violation.

(5) Order that the county's costs for abatement or correction of the violation be entered as a personal judgment against the defendant or assessed against the property where the violation occurred, or both.

*b.* If a defendant willfully violates the terms of an order imposed by the court, the failure is contempt.

10. The magistrate or district associate judge shall have jurisdiction to assess or enter judgment for costs of abatement or correction in an amount not to exceed the jurisdictional amount for a money judgment in a civil action pursuant to section 631.1, subsection 1, for magistrates and section 602.6306, subsection 2, for district associate judges. If the county seeks abatement or correction costs in excess of those amounts, the case shall be referred to the district court for hearing and entry of an appropriate order. The procedure for hearing in the district court shall be the same procedure as that for a small claims appeal pursuant to section 631.13.

11. A defendant or the county may file a motion for a new trial or may appeal the decision of the magistrate or district associate judge to the district court. The procedure on appeal shall be the same as for a small claim pursuant to section 631.13. A factual determination made by the trial court, supported by substantial evidence as shown in the record, is binding for purposes of appeal relating to the violation at issue, but shall not be admissible or binding as to any future violation for the same or similar ordinance provision by the same defendant.

12. This section does not preclude a peace officer of a county from issuing a criminal citation for a violation of a county code or regulation if criminal penalties are also provided for the violation. Each day that a violation occurs or is permitted by the defendant to exist, constitutes a separate offense.

13. The issuance of a civil citation for a county infraction or the ensuing court proceedings do not provide an action for false arrest, false imprisonment, or malicious prosecution.

86 Acts, ch 1202, §4; 87 Acts, ch 99, §1 – 3; 89 Acts, ch 150, §1 – 4; 98 Acts, ch 1144, §2; 2003 Acts, ch 178, §22; 2010 Acts, ch 1061, §133

Referred to in §137.117, 331.302, 455B.146, 455B.175, 455B.192

**331.308 Neglected animals.**

A county may rescue, provide maintenance, or dispose of neglected livestock or another animal, as provided in chapters 717 and 717B.

94 Acts, ch 1103, §2

**331.309 Elections on public measures.**

Unless otherwise stated, the dates of elections on public measures authorized in this chapter are limited to those specified for counties in section 39.2.

2008 Acts, ch 1115, §55, 71

**331.310 through 331.320** Reserved.

## PART 2

## DUTIES AND POWERS OF THE BOARD RELATING TO COUNTY AND TOWNSHIP OFFICERS AND EMPLOYEES

**331.321 Appointments — removal.**

1. The board shall appoint:

*a.* A veterans memorial commission in accordance with sections 37.9, 37.10, and 37.15, when a proposition to erect a memorial building or monument has been approved by the voters.

*b.* A county conservation board in accordance with section 350.2, when a proposition to establish the board has been approved by the voters.

*c.* The members of the county board of health in accordance with section 137.105.

*d.* One member of the convention to elect the state fair board as provided in section 173.2, subsection 3.

*e.* A temporary board of community mental health center trustees in accordance with section 230A.110, subsection 3, paragraph *"b"*, when the board decides to establish a community mental health center, and members to fill vacancies in accordance with section 230A.110, subsection 3, paragraph *"b"*.

*f.* The members of the service area advisory board in accordance with section 217.43.

*g.* A county commission of veteran affairs in accordance with sections 35B.3 and 35B.4.

*h.* A general assistance director in accordance with section 252.26.

*i.* One or more county engineers in accordance with sections 309.17 to 309.19.

*j.* A weed commissioner in accordance with section 317.3.

*k.* A county medical examiner in accordance with section 331.801, and the board may provide facilities, deputy examiners, and other employees in accordance with that section.

*l.* Two members of the county compensation board in accordance with section 331.905.

*m.* Members of an airport zoning commission as provided in section 329.9, if the board adopts airport zoning under chapter 329.

*n.* Members of an airport commission in accordance with section 330.20 if a proposition to establish the commission has been approved by the voters.

*o.* Two members of the civil service commission for deputy sheriffs in accordance with section 341A.2 or 341A.3, and the board may remove the members in accordance with those sections.

*p.* A temporary board of hospital trustees in accordance with sections 347.9, 347.9A, and 347.10 if a proposition to establish a county hospital has been approved by the voters.

*q.* An initial board of hospital trustees in accordance with section 347A.1 if a hospital is established under chapter 347A.

*r.* A county zoning commission, an administrative officer, and a board of adjustment in accordance with sections 335.8 to 335.11, if the board adopts county zoning under chapter 335.

*s.* A board of library trustees in accordance with sections 336.4 and 336.5, if a proposition to establish a library district has been approved by the voters, or section 336.18 if a proposition to provide library service by contract has been approved by the voters.

*t.* Local representatives to serve with the city development board as provided in section 368.14.

*u.* Members of a city planning and zoning commission and board of adjustment when a city extends its zoning powers outside the city limits, in accordance with section 414.23.

*v.* A list of residents eligible to serve as a compensation commission in accordance with section 6B.4, in condemnation proceedings under chapter 6B.

*w.* Members of the county judicial magistrate appointing commission in accordance with section 602.6503.

*x.* A member of the judicial district department of corrections as provided in section 905.3, subsection 1, paragraph *"a"*, subparagraph (1).

*y.* Members of a county enterprise commission or joint county enterprise commission if the commission is approved by the voters as provided in section 331.471.

*z.* Other officers and agencies as required by state law.

2. If the board proposes to appoint a county surveyor, it shall appoint a person qualified in accordance with chapter 542B and provide the surveyor with a suitable book in which to record field notes and plats.

3. Except as otherwise provided by state law, a person appointed as provided in subsection 1 may be removed by the board by written order. The order shall give the reasons and be filed in the office of the auditor, and a copy shall be sent by certified mail to the person removed who, upon request filed with the auditor within thirty days of the date of mailing the copy, shall be granted a public hearing before the board on all issues connected with the removal. The hearing shall be held within thirty days of the date the request is filed unless the person removed requests a later date.

4. A board or commission appointed by the board of supervisors shall notify the county auditor of the name and address of its clerk or secretary.

5. A supervisor serving on another county board or commission shall be paid only as a supervisor for a day which includes official service on both boards.

**1.** [S81, §331.321(1, 2); 81 Acts, ch 117, §320]

**2.** [C51, §208; R60, §418; C73, §375; C97, §539; C24, 27, 31, 35, 39, §**5487;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §355.6; S81, §331.321(3); 81 Acts, ch 117, §320]

**3.** [C51, §411; R60, §642; C73, §766; C97, §298, 481, 491, 496, 510; S13, §496; SS15, §298, 481, 491, 510-b; C24, 27, 31, 35, 39, §**5240;** C46, 50, 54, 58, §341.3; C62, 66, 71, 73, 75, 77, 79, 81, §111A.2, 341.3; S81, §331.321(4); 81 Acts, ch 117, §320]

**4.** [S81, §331.321(5); 81 Acts, ch 117, §320]

**5.** [C39, §**3661.011;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §234.10; S81, §331.321(6); 81 Acts, ch 117, §320]

83 Acts, ch 186, §10070, 10201; 84 Acts, ch 1067, §35; 87 Acts, ch 227, §24; 88 Acts, ch 1161, §12; 90 Acts, ch 1236, §45; 92 Acts, ch 1139, §24; 92 Acts, ch 1212, §30; 93 Acts, ch 54, §10; 94 Acts, ch 1173, §16; 98 Acts, ch 1075, §16; 2000 Acts, ch 1011, §1; 2000 Acts, ch 1057, §1; 2001 Acts, ch 95, §1; 2001 Acts, 2nd Ex, ch 4, §8, 9; 2009 Acts, ch 110, §4; 2010 Acts, ch 1036, §21; 2010 Acts, ch 1061, §53; 2013 Acts, ch 90, §88, 245

Referred to in §350.2

Subsection 1, paragraphs e and x amended

**331.322 Duties relating to county and township officers.**

The board shall:

1. Require and approve official bonds in accordance with chapter 64 and section 636.6, and pay the cost of certain officers' bonds as provided in section 64.11 and section 331.324, subsection 6.

2. Make temporary appointments in accordance with section 66.19, when an officer is suspended under chapter 66.

3. Fill vacancies in county offices in accordance with sections 69.8 to 69.14A, and make appointments in accordance with section 69.16 unless a special election is called pursuant to section 69.14A.

4. Provide suitable offices for the meetings of the county conservation board and the safekeeping of its records.

5. Furnish offices within the county for the sheriff, and at the county seat for the recorder, treasurer, auditor, county attorney, county surveyor or engineer, county assessor, and city assessor. The board shall furnish the officers with fuel, lights, and office supplies. However, the board is not required to furnish the county attorney with law books. The board shall not furnish an office also occupied by a practicing attorney to an officer other than the county attorney.

6. Review the final compensation schedule of the county compensation board and determine the final compensation schedule in accordance with section 331.907.

7. Provide necessary office facilities and the technical and clerical assistance requested by the county compensation board to accomplish the purposes of sections 331.905 and 331.907.

8. Provide the sheriff with county-owned automobiles or contract for privately owned automobiles as needed for the sheriff and deputies to perform their duties, the need to be determined by the board.

9. Provide the sheriff and the sheriff's full-time deputies with necessary uniforms and accessories in accordance with section 331.657.

10. Pay for the cost of board furnished prisoners in the sheriff's custody, as provided in section 331.658, appoint and pay salaries of assistants at the jails, furnish supplies, and inspect the jails.

11. Furnish necessary equipment and materials for the sheriff to carry out the provisions of section 690.2.

12. Install radio materials in the office of the sheriff as provided in section 693.4.

13. Provide for the examination of the accounts of an officer who neglects or refuses to report fees collected, if a report is required by state law. The expense of the examination shall be charged to the officer and collectible on the officer's bond.

14. Establish and pay compensation of township trustees and township clerk, as provided in sections 359.46 and 359.47.

15. Furnish quarters for meetings of the board of review of assessments.

16. Pay reasonable compensation to assistants for the jury commission established under chapter 607A.

**1.** [R60, §312; C73, §303; C97, §422; SS15, §422; C24, 27, 31, 35, 39, §**5130;** C46, 50, 54, 58, 62, 66, 71, §322.3(8); C73, 75, 77, 79, 81, §332.3(8), 332.43; S81, §331.322; 81 Acts, ch 117, §321]

**2, 3.** [S81, §331.322(2, 3); 81 Acts, ch 117, §321]

**4.** [C58, 62, 66, 71, 73, 75, 77, 79, 81, §111A.3; S81, §331.322(4); 81 Acts, ch 117, §321]

**5.** [C73, §3844; C97, §468; C24, 27, 31, 35, 39, §**5133, 5134;** C46, §332.9, 332.10, 405.12; C50, 54, 58, §332.9, 332.10, 405.12, 441.7; C62, §332.9, 332.10, 441.14; C66, 71, 73, 75, 77, 79, 81, §332.9, 332.10, 336A.9, 441.14; S81, §331.322(5); 81 Acts, ch 117, §321; 82 Acts, ch 1104, §34]

**6.** [C66, 71, 73, 75, §340.3; C77, 79, 81, §340A.6; S81, §331.322(6); 81 Acts, ch 117, §321]

**7.** [C77, 79, 81, §340A.5; S81, §331.322(7); 81 Acts, ch 117, §321]

**8.** [C31, 35, 39, §**5130;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §332.3(18); C77, 79, 81, §332.3(18), 332.35; S81, §331.322(8); 81 Acts, ch 117, §321]

**9.** [C66, 71, 73, §332.10; C75, 77, 79, §332.10, 337A.2; C81, §337A.2; S81, §331.322(9); 81 Acts, ch 117, §321]

**10.** [C51, §2536; R60, §4145; C73, §3788; C24, 27, §5197-d1; C31, 35, §5197-d1, -d2, -d3, -d5; C39, §**5191, 5197.01 – 5197.03, 5197.05;** C46, 50, 54, 58, 62, 66, 71, 73, §337.11, 338.1 – 338.3, 338.5; C75, 77, 79, 81, §338.1 – 338.3, 338.5; S81, §331.322(10); 81 Acts, ch 117, §321]

**11.** [C27, 31, 35, §13417-b2; C39, §**13417.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §749.3; C79, 81, §690.3; S81, §331.322(11); 81 Acts, ch 117, §321]

**12.** [C31, 35, §13417-d4; C39, §**13417.6;** C46, 50, 54, 58, §750.4; C62, 66, 71, 73, 75, 77, §750.4, 750.6; C79, 81, §693.4, 693.6; S81, §331.322(12); 81 Acts, ch 117, §321]

**13.** [C97, §548; C24, 27, 31, 35, 39, §**5253;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §343.5; S81, §331.322(13); 81 Acts, ch 117, §321]

**14.** [C51, §2548; R60, §911, 4156; C73, §3808, 3809; C97, §590, 591; S13, §590, 591; C24, 27, 31, 35, 39, §**5571, 5572;** C46, 50, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.46, 359.47; S81, §331.322(14); 81 Acts, ch 117, §321]

**15.** [C46, 50, 54, 58, §405.17; C62, 66, 71, 73, 75, 77, 79, 81, §441.34; S81, §331.322(15); 81 Acts, ch 117, §321]

**16.** [C24, 27, 31, 35, 39, §**10858;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §608.11; S81, §331.322(16); 81 Acts, ch 117, §321]

83 Acts, ch 14, §3; 83 Acts, ch 186, §10071, 10201; 86 Acts, ch 1108, §1; 87 Acts, ch 227, §25; 88 Acts, ch 1161, §13; 89 Acts, ch 215, §5

Referred to in §331.324

**331.323 Powers relating to county officers — combining duties.**

1. *a.* A county may combine the duties of two or more of the following county officers and employees as provided in this subsection:

(1) Sheriff
(2) Treasurer
(3) Recorder
(4) Auditor
(5) Medical examiner
(6) General assistance director
(7) County care facility administrator
(8) Commission on veteran affairs
(9) Director of social welfare
(10) County assessor
(11) County weed commissioner.

*b.* If a petition of electors equal in number to twenty-five percent of the votes cast for the county office receiving the greatest number of votes at the preceding general election is filed

with the auditor no later than five working days before the filing deadline for candidates for county offices as specified in section 44.4 for the next general election, the board shall direct the commissioner of elections to call an election for the purpose of voting on the proposal. If the petition contains more than one proposal for combining duties, each proposal shall be listed on the ballot as a separate issue. If the majority of the votes cast is in favor of a proposal, the board shall take all steps necessary to combine the duties as specified in the petition.

*c.* The petition shall state the offices and positions to be combined and the offices or positions to be abolished. Offices and positions that have been combined may be subsequently separated by a petition and election in the same manner.

*d.* If an appointive officer or position is abolished, the term of office of the incumbent shall terminate one month from the day the proposal is approved. If an elective office is abolished, the incumbent shall hold office until the completion of the term for which elected, except that if a proposal is approved at a general election which fills the abolished office, the person elected shall not take office.

*e.* When the duties of an officer or employee are assigned to one or more elected officers, the board shall set the initial salary for each elected officer. Thereafter, the salary shall be determined as provided in section 331.907.

2. The board may:

*a.* Require additional security on an officer's bond, in accordance with sections 65.2 and 65.3, or hear a petition of the surety for release and require a new bond, in accordance with sections 65.4 to 65.8.

*b.* Require any county officer to make a report to it under oath on any subject connected with the duties of the office, and remove from office by majority vote an officer who refuses or neglects to make a report or give a bond required by the board within twenty days after the requirement is made known to the officer.

*c.* Compromise an unsatisfied judgment rendered in favor of the county against a county officer and the sureties on the officer's bond, if the county is satisfied that the full amount cannot be collected. The county may compromise with one or more of the sureties and release those sureties if the officer and each of the sureties on the officer's bond execute a written consent to the compromise and to the release of each of the sureties who agree to the compromise, and in the writing agree that the compromise and release do not release any of the sureties who do not agree to the compromise. The written consent shall be filed with the auditor. If the judgment is based upon a default in county funds, the money received under the compromise shall be paid pro rata to the funds in proportion to the amount each fund was in default at the time the judgment was rendered.

*d.* Authorize a county officer to destroy records in the officer's possession which have been on file for more than ten years, and are not required to be kept as permanent records.

*e.* Enter into an agreement with one or more other counties to share the services of a county attorney, in accordance with section 331.753.

*f.* Provide that the county attorney be a full-time or part-time officer in accordance with section 331.752.

*g.* Establish the number of deputies, assistants, and clerks for the offices of auditor, treasurer, recorder, sheriff, and county attorney.

*h.* Exercise other powers authorized by state law.

**1.** [C62, 66, 71, 73, 75, 77, 79, 81, §332.17 – 332.22; S81, §331.323(1); 81 Acts, ch 117, §322]

**2.** a. [S81, §331.323(2); 81 Acts, ch 117, §322]

b. [R60, §312; C73, §303; C97, §422; SS15, §422; C24, 27, 31, 35, 39, §**5130(8, 9);** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §332.3(8, 9); S81, §331.323; 81 Acts, ch 117, §322]

c. [C97, §437 – 439; C24, 27, 31, 35, 39, §**5136 – 5138;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §332.12 – 332.14; S81, §331.323(2); 81 Acts, ch 117, §322]

d. [C24, 27, 31, 35, 39, §**5139;** C46, 50, §332.15; C54, 58, 62, 66, 71, §332.15, 343.13; C73, 75, 77, §110.9, 332.15, 335.11, 343.13; C79, 81, §110.16, 332.15, 335.11, 343.13; S81, §331.323; 81 Acts, ch 117, §322]

e, f. [S81, §331.323(2); 81 Acts, ch 117, §322]

g. [C97, §298, 303, 481, 491, 496, 510, 2734; S13, §303-a; SS15, §298, 481, 491, 510-b, 2734-b; C24, 27, 31, 35, 39, §**5238;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §341.1; S81, §331.323(2); 81 Acts, ch 117, §322]

h. [S81, §331.323(2); 81 Acts, ch 117, §322]

83 Acts, ch 186, §10072, 10073, 10201; 86 Acts, ch 1155, §3; 87 Acts, ch 115, §52; 87 Acts, ch 227, §26; 92 Acts, ch 1212, §31; 93 Acts, ch 143, §47; 2010 Acts, ch 1061, §180

Referred to in §331.502, 331.552, 331.602, 331.610, 331.653, 331.756(85), 441.56

**331.324 Duties and powers relating to county and township officers and employees.**

1. The board shall:

*a.* Carry out the duties of a public employer to engage in collective bargaining in accordance with chapter 20.

*b.* Grant claims for mileage and expenses of officers and employees in accordance with sections 70A.9 to 70A.13 and section 331.215, subsection 2.

*c.* Provide workers' compensation benefits to officers and employees as required by chapter 85.

*d.* Provide occupational disease compensation to employees as required by chapter 85A.

*e.* Cooperate with the workers' compensation commissioner and comply with requirements imposed upon counties under chapters 86 and 87.

*f.* Comply with occupational safety and health standards as required by chapter 88.

*g.* Comply with wage payment requirements imposed upon counties under chapter 91A.

*h.* Comply with employment security requirements imposed upon counties under chapter 96.

*i.* Participate in the Iowa public employees' retirement system as required by chapter 97B.

*j.* Participate in the federal Social Security Act as required by chapter 97C.

*k.* Provide for support of the civil service commission for deputy sheriffs in accordance with section 341A.20.

*l.* Establish the compensation of deputies and assistants in accordance with section 331.904.

*m.* Provide a deferred compensation program for any employee, in accordance with section 509A.12.

*n.* Employ persons who are blind or partially blind and persons with disabilities in accordance with section 216C.2.

*o.* Fix the compensation for services of county and township officers and employees if not otherwise fixed by state law.

*p.* Perform other duties required by state law.

2. If the board wishes to participate in a program of interchange of employees, it shall do so in accordance with chapter 28D.

3. In exercising its power to resolve disputes with officers and employees, the board may arbitrate disputes in accordance with chapter 679B.

4. If the liability of a county officer or employee in the performance of official duties is not fully indemnified by insurance, the board shall pay a loss for which the officer or employee is found liable beyond the amount of insurance, and may compromise and settle any such claim.

5. If a board provides group insurance for county employees, it shall also provide the insurance to a full-time county extension office assistant employed in the county, if the county is reimbursed for the premium by the county extension district.

6. In carrying out the requirement of section 331.322, subsection 1, the board may purchase an individual or a blanket surety bond insuring the fidelity of county officers and county employees who are accountable for county funds or property subject to the minimum surety bond requirements of chapter 64. An elected county officer is deemed to have furnished surety if the officer is covered by a blanket bond purchased as provided in this subsection.

**1.** a – n. [S81, §331.324(1); 81 Acts, ch 117, §323]

o. [R60, §312; C73, §303; C97, §422; SS15, §422; C24, 27, 31, 35, 39, §**5130;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §332.3(10); S81, §331.324(1); 81 Acts, ch 117, §323]

p. [S81, §331.324(1); 81 Acts, ch 117, §323]

**2, 3.** [S81, §331.324(2 – 4); 81 Acts, ch 117, §323]

**4.** [C73, 75, 77, 79, 81, §332.43; S81, §331.324(5); 81 Acts, ch 117, §323; 82 Acts, ch 1104, §35]

**5.** [C75, 77, 79, 81, §509A.7; 82 Acts, ch 1101, §1]

83 Acts, ch 14, §4; 83 Acts, ch 186, §10074, 10075, 10201; 94 Acts, ch 1173, §17; 96 Acts, ch 1129, §83; 98 Acts, ch 1061, §11; 2010 Acts, ch 1079, §11

Referred to in §137.110, 331.322

**331.325 Control and maintenance of pioneer cemeteries — cemetery commission.**

1. As used in this section, *"pioneer cemetery"* means a cemetery where there have been twelve or fewer burials in the preceding fifty years.

2. Each county board of supervisors may adopt an ordinance assuming jurisdiction and control of pioneer cemeteries in the county. The board shall exercise the powers and duties of township trustees relating to the maintenance and repair of cemeteries in the county as provided in sections 359.28 through 359.40 except that the board shall not certify a tax levy pursuant to section 359.30 or 359.33 and except that the maintenance and repair of all cemeteries under the jurisdiction of the county including pioneer cemeteries shall be paid from the county general fund. The maintenance and improvement program for a pioneer cemetery may include restoration and management of native prairie grasses and wildflowers.

3. In lieu of management of the cemeteries, the board of supervisors may create, by ordinance, a cemetery commission to assume jurisdiction and management of the pioneer cemeteries in the county. The ordinance shall delineate the number of commissioners, the appointing authority, the term of office, officers, employees, organizational matters, rules of procedure, compensation and expenses, and other matters deemed pertinent by the board. The board may delegate any power and duties relating to cemeteries which may otherwise be exercised by township trustees pursuant to sections 359.28 through 359.40 to the cemetery commission except the commission shall not certify a tax levy pursuant to section 359.30 or 359.33 and except that the expenses of the cemetery commission shall be paid from the county general fund.

4. Notwithstanding sections 359.30 and 359.33, the costs of management, repair, and maintenance of pioneer cemeteries shall be paid from the county general fund.

96 Acts, ch 1182, §1; 2005 Acts, ch 128, §1; 2009 Acts, ch 132, §3

Referred to in §331.424B, 359.28, 459.102

**331.326 through 331.340** Reserved.

## PART 3

## DUTIES AND POWERS OF THE BOARD RELATING TO COUNTY CONTRACTS

Referred to in §331.486, 468.586

Subject to reciprocal resident bidder preference in §73A.21

**331.341 Contracts.**

1. When the estimated total cost of a public improvement, other than improvements which may be paid for from the secondary road fund, exceeds the competitive bid threshold in section 26.3, or as established in section 314.1B, the board shall follow the competitive bid procedures for governmental entities in chapter 26 and the contract letting procedures in section 384.103. As used in this section, *"public improvement"* means the same as defined in section 26.2 as modified by this subsection.

2. The board shall give preference to Iowa products in accordance with chapter 73 and shall comply with bid and contract requirements in chapter 26.

3. Contracts for improvements which may be paid for from the secondary road fund shall be awarded in accordance with sections 309.40 to 309.43, 310.14, 314.1, 314.2, and other applicable state law.

4. If the contract price for a public improvement is twenty-five thousand dollars or more, the board shall require a contractor's bond in accordance with chapter 573.

5. In exercising its power to contract for public improvements, the board may contract for the application of contract termination procedures in accordance with chapter 573A.

[C24, 27, 31, 35, 39, §**351, 5131, 5132;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §23.1, 332.7, 332.8; C77, 79, 81, §23.1, 332.7; S81, §331.341; 81 Acts, ch 117, §340]

94 Acts, ch 1173, §18; 95 Acts, ch 71, §2; 98 Acts, ch 1153, §1; 2006 Acts, ch 1017, §31, 32, 42, 43; 2007 Acts, ch 144, §13; 2011 Acts, ch 133, §8, 10, 11

Referred to in §28J.3, 28M.4, 331.301, 331.471, 346A.2, 350.6, 357H.7

2011 amendment to subsection 2 takes effect September 1, 2011, and applies to all public improvement, public works, and public road projects, and to contracts for public improvement, public works, and public road projects entered into on or after that date; 2011 Acts, ch 133, §10, 11

**331.342 Conflicts of interest in public contracts.**

1. As used in this section, "*contract*" means a claim, account, or demand against or agreement with a county, express or implied, other than a contract to serve as an officer or employee of the county. However, contracts subject to section 314.2 are not subject to this section.

2. An officer or employee of a county shall not have an interest, direct or indirect, in a contract with that county. A contract entered into in violation of this section is void. The provisions of this section do not apply to:

*a.* The designation of a bank or trust company as a depository, paying agent, or for investment of funds.

*b.* An employee of a bank or trust company, who serves as treasurer of a county.

*c.* Contracts made by a county upon competitive bid in writing, publicly invited and opened.

*d.* Contracts in which a county officer or employee has an interest solely by reason of employment, or a stock interest of the kind described in paragraph "*h*", or both, if the contracts are made by competitive bid, publicly invited and opened, or if the remuneration of employment will not be directly affected as a result of the contract and the duties of employment do not directly involve the procurement or preparation of any part of the contract. The competitive bid qualification of this paragraph does not apply to a contract for professional services not customarily awarded by competitive bid.

*e.* The designation of official newspapers.

*f.* A contract in which a county officer or employee has an interest if the contract was made before the time the officer or employee was elected or appointed, but the contract shall not be renewed.

*g.* A contract with volunteer fire fighters or civil defense volunteers.

*h.* A contract with a corporation in which a county officer or employee has an interest by reason of stockholdings when less than five percent of the outstanding stock of the corporation is owned or controlled directly or indirectly by the officer or employee or the spouse or immediate family of the officer or employee.

*i.* A contract made by competitive bid, publicly invited and opened, in which a member of a county board, commission, or administrative agency has an interest, if the member is not authorized by law to participate in the awarding of the contract. The competitive bid qualification of this paragraph does not apply to a contract for professional services not customarily awarded by competitive bid.

*j.* Contracts not otherwise permitted by this section, for the purchase of goods or services by a county, which benefit a county officer or employee, if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of one thousand five hundred dollars in a fiscal year.

*k.* A contract that is a bond, note, or other obligation of the county and the contract is not acquired directly from the county, but is acquired in a transaction with a third party, who may or may not be the original underwriter, purchaser, or obligee of the contract.

[S81, §331.342; 81 Acts, ch 117, §341]

90 Acts, ch 1209, §3, 4; 2003 Acts, ch 36, §2, 3; 2010 Acts, ch 1061, §134

Referred to in §28J.3, 28M.4, 331.471

**331.343 through 331.360** Reserved.

## PART 4

## DUTIES AND POWERS OF THE BOARD RELATING TO COUNTY PROPERTY

**331.361 County property.**

1. Counties bounded by a body of water have concurrent jurisdiction over the entire body of water lying between them.

2. In disposing of an interest in real property by sale or exchange, by lease for a term of more than three years, or by gift, the following procedures shall be followed, except as otherwise provided by state law:

*a.* The board shall set forth its proposal in a resolution and shall publish notice of the time and place of a public hearing on the proposal, in accordance with section 331.305.

*b.* After the public hearing, the board may make a final determination on the proposal by resolution.

*c.* When unused highway right-of-way is not being sold or transferred to another governmental authority, the county shall comply with the requirements of section 306.23.

3. An interest in real property which is assessed for taxation as residential or commercial multifamily property may be disposed of through a public request for proposals process. A proposal submitted pursuant to this section shall state the housing use planned by the person submitting the proposal. The board shall publish the proposals in a notice of the time and place of a public hearing on the proposals, in accordance with section 331.305. After the public hearing, the board may choose by resolution from among the proposals submitted or may reject all proposals and submit a new request for proposals.

4. The board shall not dispose of real property by gift except for a public purpose, as determined by the board, in accordance with other state law.

5. The board shall:

*a.* Proceed upon a petition to establish a memorial hall or monument under chapter 37, as provided in that chapter.

*b.* Comply with section 103A.10, subsection 4, in the construction of new buildings.

*c.* Proceed upon a petition to, or with approval of the voters, establish a county public hospital under chapter 347 or sell or lease a county hospital for use as a private hospital or as a merged area hospital under chapter 145A or sell or lease a county hospital in conjunction with the establishment of a merged area hospital in accordance with procedures set out in chapter 347.

*d.* Bid for real property at a tax sale as required under section 446.19, and handle the property in accordance with section 446.31 and chapter 569.

*e.* Require the conduction of a life cycle cost analysis for county facilities in accordance with chapter 470.

*f.* Comply with chapter 216D if food service is provided in public buildings.

*g.* Comply with section 216C.9 if curb ramps and sloped areas are constructed.

*h.* Provide facilities for the district court in accordance with section 602.1303.

*i.* Perform other duties required by state law.

6. In exercising its power to manage county real property, the board may lease land for oil and gas exploration as provided in section 458A.21.

7. The board shall not lease, purchase, or construct a facility or building before considering the leasing of a vacant facility or building which is located in the county and owned by a public school corporation. The board may lease a facility or building owned by the public school corporation with an option to purchase the facility or building in compliance with section 297.22. The lease shall provide that the public school corporation may terminate the lease if the corporation needs to use the facility or building for school

purposes. The public school corporation shall notify the board at least thirty days before the termination of the lease.

**1.** [C51, §95; R60, §223; C73, §280; C97, §395; C24, 27, 31, 35, 39, §**5129;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §332.2; S81, §331.361(1); 81 Acts, ch 117, §360]

**2, 3.** [C24, 27, 35, 39, §**5130;** C46, 50, 54, 58, 62, 66, §332.3; C71, 73, 75, 77, 79, §332.3, 569.8; C81, §332.3(13); S81, §331.361(2, 3); 81 Acts, ch 117, §360]

**4.** [C39, §**5130.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §332.5; S81, §331.361(4); 81 Acts, ch 117, §360]

**5.** [C24, 27, 31, 35, 39, §**487;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.5; S81, §331.361(5); 81 Acts, ch 117, §360]

**6.** [S81, §331.361(6); 81 Acts, ch 117, §360]

**7.** [82 Acts, ch 1148, §3]

83 Acts, ch 186, §10076, 10201; 85 Acts, ch 185, §1; 87 Acts, ch 35, §2; 94 Acts, ch 1173, §19; 96 Acts, ch 1204, §30; 97 Acts, ch 184, §5; 2007 Acts, ch 54, §32; 2010 Acts, ch 1079, §12

Referred to in §350.4, 446.19A, 569.8, 589.28

**331.362 Roads and traffic.**

1. A county has jurisdiction over secondary roads as provided in section 306.4, subsection 2, section 306.4, subsection 5, paragraph "*b*", and section 306.4, subsection 6, paragraph "*b*".

2. The board shall exercise the county's jurisdiction over secondary roads in accordance with chapters 306, 309, 310, 314, and other applicable laws.

3. The board may establish secondary road assessment districts as provided in chapter 311.

4. If a county has land subject to section 312.8, the board shall administer road funds available under that section as prescribed in that section.

5. The board may enter into agreements with the department of transportation as provided in section 313.2.

6. The board shall provide for the control of noxious weeds in accordance with chapter 317.

7. The board shall cause the removal of obstructions on the secondary roads, in accordance with chapter 318.

8. The board shall proceed upon a petition to construct a sidewalk in accordance with sections 320.1 to 320.3. The board may grant permission to lay gas and water mains, construct and maintain cattleways, or construct sidewalks in connection with the secondary roads, in accordance with sections 320.4 to 320.8.

9. A county may regulate traffic on and use of the secondary roads, in accordance with sections 321.236 to 321.250, 321.254, 321.255, 321.285, subsection 4, sections 321.352, 321.471 to 321.473, and other applicable provisions of chapter 321, chapter 321E, and sections 321G.9, 321I.10, and 327G.15.

[S81, §331.362; 81 Acts, ch 117, §361]

2004 Acts, ch 1132, §84; 2006 Acts, ch 1097, §17; 2009 Acts, ch 133, §241; 2013 Acts, ch 30, §72; 2013 Acts, ch 49, §26

Subsections 1 and 9 amended

**331.363 through 331.380** Reserved.

## PART 5

## DUTIES AND POWERS OF THE BOARD RELATING TO COUNTY SERVICES

**331.381 Duties relating to services.**

The board shall:

1. Proceed in response to a petition to establish a unified law enforcement district in accordance with sections 28E.21 to 28E.28A, or the board may proceed under those sections on its own motion.

2. Provide for emergency management planning in accordance with sections 29C.9 through 29C.13.

3. Proceed in response to a petition to establish a county conservation board in accordance with section 350.2.

4. Comply with chapter 222, including but not limited to sections 222.13, 222.14, and 222.59 to 222.82, in regard to the care of persons with an intellectual disability.

5. Comply with chapters 227, 229 and 230, including but not limited to sections 227.11, 227.14, 229.42, 230.25, 230.27, and 230.35, in regard to the care of persons with mental illness.

6. Audit and pay the burial expense for indigent veterans, as provided in section 35B.15.

7. Make determinations regarding emergency relief services in accordance with sections 251.5 and 251.6.

8. Administer general assistance for the poor in accordance with chapter 252.

9. Comply with chapters 269 and 270 in regard to the payment of costs for pupils at the Iowa braille and sight saving school and the school for the deaf.

10. Enforce the interstate library compact in accordance with sections 256.70 through 256.73.

11. Proceed in response to a petition to establish or end an airport commission in accordance with sections 330.17 to 330.20.

12. Proceed in response to a petition for a city hospital to become a county hospital in accordance with section 347.23.

13. Provide for the seizure, impoundment, and disposition of dogs in accordance with chapter 351.

14. Proceed in response to a petition to establish a county library district in accordance with sections 336.2 to 336.5, or a petition to provide library service by contract or to terminate the service under section 336.18.

15. Establish a sanitary disposal project in accordance with sections 455B.302, 455B.305, and 455B.306.

16. *a.* Furnish a place for the confinement of prisoners as required in section 903.4, and in accordance with chapter 356 or 356A.

*b.* Notwithstanding paragraph "*a*", after consulting with and obtaining the approval of the chief judge of the judicial district, the board of a county with a population of less than fifteen thousand according to the 1990 census may enter into an agreement with a contiguous county to share costs and to provide space for the county's prisoners and space for the district court.

17. Perform other duties required by state law.

**1 – 7.** [S81, §331.381(1 – 7); 81 Acts, ch 117, §380]

**8.** [C51, §820, 825 – 827; R60, §1388, 1393 – 1395; C73, §1365, 1369 – 1371; C97, §2234, 2238 – 2240; S13, §2234; C24, 27, §5329, 5334 – 5336; C31, 35, §5329, 5334, 5334-c1, 5335, 5336; C39, §**3828.106, 3828.110 – 3828.113;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §252.34, 252.38 – 252.41; S81, §331.381(8); 81 Acts, ch 117, §380]

**9.** [C35, §2554-g9; C39, §**2554.09;** C46, 50, 54, 58, 62, §150.9; C66, 71, 73, 75, 77, 79, 81, §150.9, 150A.5; S81, §331.381(9); 81 Acts, ch 117, §380]

**10 – 13.** [S81, §331.381(10 – 13); 81 Acts, ch 117, §380]

**14.** [C97, §458; S13, §458; C24, 27, 31, 35, 39, §**5425;** C46, 50, 54, 58, §351.6; C62, 66, 71, 73, 75, 77, 79, 81, §332.3(21), 351.6; S81, §331.381(14); 81 Acts, ch 117, §380]

**15.** [S81, §331.381(15); 81 Acts, ch 117, §380]

**16.** [C62, 66, 71, 73, 75, 77, 79, §332.31; S81, §331.381(16); 81 Acts, ch 117, §380]

**17, 18.** [S81, §331.381(17, 18); 81 Acts, ch 117, §380]

83 Acts, ch 79, §3; 92 Acts, ch 1139, §25; 92 Acts, ch 1164, §1; 92 Acts, ch 1212, §32; 93 Acts, ch 48, §52; 94 Acts, ch 1173, §20; 96 Acts, ch 1129, §113; 2005 Acts, ch 167, §53, 66; 2012 Acts, ch 1019, §113

Referred to in §23A.2, 602.6105

**331.382 Powers and limitations relating to services.**

1. The board may exercise the following powers in accordance with the sections designated, and may exercise these or similar powers under its home rule powers or other provisions of law:

*a.* Establishment of parks outside of cities as provided in section 461A.34.

*b.* Establishment of a water recreational area as provided in sections 461A.59 to 461A.78.

*c.* Establishment of a merged area hospital as provided in chapter 145A.

*d.* Acquisition and operation of a limestone quarry for the sale of agricultural lime, in accordance with chapter 353.

*e.* Provision of preliminary diagnostic evaluation before admissions to state mental health institutes as provided in sections 225C.14 through 225C.17.

*f.* Establishment of a community mental health center as provided in chapter 230A.

*g.* Establishment of a county care facility as provided in chapter 347B, and sections 135C.23 and 135C.24.

*h.* Provision of relocation programs and payments as provided in chapter 316.

*i.* Establishment of an airport commission as provided in sections 330.17 to 330.20.

*j.* Creation of an airport authority as provided in chapter 330A.

2. The power to establish reserve peace officers is subject to chapter 80D.

3. The power to legislate in regard to chemical substance abuse is subject to section 125.40.

4. The power to establish a county hospital is subject to the licensing requirements of chapter 135B and the power to establish a county health care facility is subject to the licensing requirements of chapter 135C.

5. The board shall not regulate, license, inspect, or collect license fees from food establishments or food and beverage vending machines except as provided in chapter 137F or from hotels except as provided in chapter 137C.

6. The power to operate juvenile detention and shelter care homes is subject to approval of the homes by the director of the department of human services or the director's designee, as provided in section 232.142.

7. If a law library is provided in the county courthouse, judges of the district court of the county shall supervise and control the law library.

8. *a.* The board is subject to chapter 161F, chapters 357 through 358, or chapter 468, subchapters I through III, chapter 468, subchapter IV, parts 1 and 2, or chapter 468, subchapter V, as applicable, in acting relative to a special district authorized under any of those chapters.

*b.* However, the board may assume and exercise the powers and duties of a governing body under chapter 357, 357A, 357B, 358, or chapter 468, subchapter III, if a governing body established under one of those chapters has insufficient membership to perform its powers and duties, and the board, upon petition of the number of property owners within a proposed district and filing of a bond as provided in section 357A.2, may establish a service district within the unincorporated area of the county and exercise within the district the powers and duties granted in chapters 357, 357A, 357B, 357C, 357I, 358, 359, chapter 384, division IV, or chapter 468, subchapter III.

9. The power to establish and administer an air pollution control program in lieu of state administration is subject to sections 455B.144 and 455B.145.

10. The board shall issue permits, conduct inspections, and adopt standards related to the construction of semipublic sewage disposal systems, as defined in section 455B.171, in relation to authority delegated by the department of natural resources pursuant to sections 455B.174 and 455B.183. Construction standards adopted pursuant to this subsection shall be consistent with and equivalent to the construction standards adopted by the environmental protection commission pursuant to section 455B.173, subsection 3. The county may adopt such standards by reference.

**1.** a – f. [S81, §331.382(1); 81 Acts, ch 117, §381]

g. [C51, §828; R60, §1396; C73, §1372; C97, §2241; SS15, §2241; C24, 27, 31, 35, §5338; C39, §**3828.115;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §253.1; S81, §331.382; 81 Acts, ch 117, §381]

h – j. [S81, §331.382(1); 81 Acts, ch 117, §381]

**2 – 6.** [S81, §331.382(2 – 6); 81 Acts, ch 117, §381]

**7.** [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §332.6; S81, §331.382(7); 81 Acts, ch 117, §381]

**8.** [C77, 79, 81, §332.3(33); S81, §331.382(8); 81 Acts, ch 117, §381]

**9.** [S81, §331.382(9); 81 Acts, ch 117, §381]

83 Acts, ch 96, §157, 159; 83 Acts, ch 101, §76; 89 Acts, ch 20, §17; 98 Acts, ch 1162, §27, 30; 2008 Acts, ch 1124, §19; 2009 Acts, ch 41, §120; 2011 Acts, ch 97, §1; 2013 Acts, ch 30, §73

Contracts to provide services to tax-exempt property; see §364.19

Subsection 8, paragraph a amended

**331.383 Duties and powers relating to elections.**

The board shall ensure that the county commissioner of elections conducts primary, general, city, school, and special elections in accordance with applicable state law. The board shall canvass elections in accordance with sections 43.49 to 43.51, 43.60 to 43.62, 46.24, 50.13, 50.24 to 50.29, 50.44 to 50.47, 260C.39, 275.25, 277.20, 376.1, 376.7, and 376.9. The board shall prepare and deliver a list of persons nominated in accordance with section 43.55, provide for a recount in accordance with section 50.48, provide for election precincts in accordance with sections 49.3, 49.4, 49.6 to 49.8, and 49.11, pay election costs as provided in section 47.3, participate in election contests as provided in sections 62.1A and 62.9, and perform other election duties required by state law. The board may provide for the use of an optical scan voting system as provided in sections 52.2, 52.3, and 52.8, and exercise other election powers as provided by state law.

[S81, §331.383; 81 Acts, ch 117, §382; 82 Acts, ch 1104, §36]

2007 Acts, ch 190, §40; 2009 Acts, ch 57, §84; 2010 Acts, ch 1060, §7

**331.384 Abatement of public health and safety hazards — special assessments.**

1. A county may:

*a.* Require the abatement of a nuisance, public or private, in any reasonable manner.

*b.* Require the removal of diseased trees or dead wood, except on publicly owned property or right-of-way.

*c.* Require the removal, repair, or dismantling of an abandoned or dangerous building or structure.

*d.* Require the numbering of buildings.

*e.* Require connection to public drainage systems from abutting property when necessary for public health or safety.

*f.* Require the cutting or destruction of weeds or other growth which constitutes a health, safety, or fire hazard.

2. If the property owner does not perform an action required under this section within a reasonable time after notice, a county may perform the required action and assess the costs against the property for collection in the same manner as a property tax. Notice may be in the form of an ordinance or by certified mail to the property owner as shown by the records of the county auditor, and shall state the time within which action is required. However, in an emergency, a county may perform any action which may be required under this section without prior notice and assess the costs as provided in this section after notice to the property owner and hearing.

3. If any amount assessed against property under this section exceeds five hundred dollars, a county may permit the assessment to be paid in up to ten annual installments in the same manner and with the same interest rates provided for assessments against benefited property under chapter 384, division IV.

4. A special assessment levied pursuant to this section, including all interest and penalties, is a lien against the benefited property from the date of filing the schedule of assessments until the assessment is paid. A special assessment has equal precedence with ordinary taxes and is not divested by judicial sale.

5. The procedures for making and levying a special assessment pursuant to this section and for an appeal of the assessment are the same procedures as provided in sections 384.59 through 384.67 and sections 384.72 through 384.75, provided that the references in those sections to the council shall be to the board of supervisors and the references to the city shall be to the county.

90 Acts, ch 1197, §1; 96 Acts, ch 1204, §25; 2012 Acts, ch 1138, §97

**331.385 Powers and duties relating to emergency services.**

1. A county may, by resolution, assume the exercise of the powers and duties of township trustees relating to fire protection service and emergency medical service for any township located in the unincorporated area of the county.

2. The board of supervisors shall publish notice of the proposed resolution, and of a public hearing to be held on the proposed resolution, in a newspaper of general circulation in the county at least ten days but no more than twenty days before the date of the public hearing. If, after notice and hearing, the resolution is adopted, the board of supervisors shall assume the exercise of the powers and duties of township trustees relating to fire protection service and emergency medical service as set forth in sections 359.42 through 359.45.

3. All of the real and personal township property used to provide fire protection service or emergency medical service shall be transferred to the county. The county shall assume all of the outstanding obligations of the township relating to fire protection service or emergency medical service. If the township provides fire protection outside of the county's boundaries, the county shall continue to provide fire protection to this area for at least ninety days after adoption of the resolution.

4. Fire protection service and emergency medical service shall be paid from the emergency services fund of the county authorized in section 331.424C.

5. *a.* Notwithstanding subsection 1, if as of July 1, 2006, a township has in force an agreement entered into pursuant to chapter 28E for a city or another township to provide fire protection service or fire protection service and emergency medical service for the township, or if a township is otherwise contracting with a city or another township for provision to the township of fire protection service or fire protection service and emergency medical service, the county board of supervisors shall, for the fiscal year beginning July 1, 2007, and subsequent fiscal years, negotiate for and enter into an agreement pursuant to chapter 28E providing for continued fire protection service, or fire protection service and emergency medical service, to the township, and shall certify taxes for levy in the township, pursuant to section 331.424C, in amounts sufficient to meet the financial obligations pertaining to the agreement.

*b.* This subsection applies to a county with a population in excess of three hundred thousand. This subsection does not prohibit a county with a population in excess of three hundred thousand from also assuming the powers and duties of township trustees in accordance with the provisions of subsections 1 through 4, for those townships in the county that are not subject to paragraph *"a"*.

2000 Acts, ch 1117, §18; 2004 Acts, ch 1146, §1, 2; 2005 Acts, ch 74, §1, 3, 4
Referred to in §331.424C, 359.42

**331.386 and 331.387** Reserved.

PART 6

MENTAL HEALTH AND DISABILITY SERVICES — REGIONAL SERVICE SYSTEMS

**331.388 Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Department"* means the department of human services.

2. *"Disability services"* means the same as defined in section 225C.2.

3. *"Population"* means the population shown by the latest preceding certified federal census or the latest applicable population estimate issued by the United States census bureau, whichever is most recent.

4. *"Regional administrator"* means the administrative office, organization, or entity formed by agreement of the counties participating in a region to function on behalf of those counties in accordance with this part.

5. *"State commission"* means the mental health and disability services commission created in section 225C.5.

2012 Acts, ch 1120, §31, 37, 39

Referred to in §225C.2, 225C.7A

Except as specifically provided, this section applies beginning July 1, 2013; 2012 Acts, ch 1120, §39

**331.389 Mental health and disability services regions — criteria.**

1. *a.* Local access to mental health and disability services for adults shall be provided either by counties organized into a regional service system or by individual counties that are exempted as provided by this subsection. The department of human services shall encourage counties to enter into a regional system when the regional approach is likely to increase the availability of services to residents of the state who need the services. It is the intent of the general assembly that the adult residents of this state should have access to needed mental health and disability services regardless of the location of their residence.

*b.* The director of human services shall exempt a county from being required to enter into a regional service system if the county furnishes evidence that the county complies with the requirements in subsection 3, paragraphs "*c*", "*d*", "*e*", and "*f*", and is able to provide the core services required by law to the county's residents in a manner that is as cost effective and with outcomes that are at least equal to what could be provided to the residents if the county would provide the services through a regional service system. The director shall identify criteria for evaluating the evidence provided by counties applying for the exemption. The criteria identified shall be specified in rule adopted by the state commission.

*c.* If a county has been exempted pursuant to this subsection from the requirement to enter into a regional service system, the county and the county's board of supervisors shall fulfill all requirements under this chapter and chapter 225C for a regional service system, regional service system management plan, regional governing board, and regional administrator, and any other provisions applicable to a region of counties providing local mental health and disability services.

2. The director of human services shall approve any region meeting the requirements of subsection 3. However, the director of human services, in consultation with the state commission, may grant a waiver from the requirement relating to the minimum number of counties if there is convincing evidence that compliance with such requirement is not workable.

3. Each county in the state shall participate in an approved mental health and disability services region, unless exempted pursuant to subsection 1. A mental health and disability services region shall comply with all of the following requirements:

*a.* The counties comprising the region are contiguous except that a region may include a county that is not contiguous with any of the other counties in the region, if the county that is not contiguous has had a formal relationship for two years or longer with one or more of the other counties in the region for the provision of mental health and disability services.

*b.* The region has at least three counties.

*c.* The region has the capacity to provide required core services and perform required functions.

*d.* At least one community mental health center or a federally qualified health center with providers qualified to provide psychiatric services, either directly or through contractual arrangements with mental health professionals qualified to provide psychiatric services, is located within the region, has the capacity to provide outpatient services for the region, and is either under contract with the region or has provided documentation of intent to contract with the region to provide the services.

*e.* A hospital with an inpatient psychiatric unit or a state mental health institute is located in or within reasonably close proximity to the region, has the capability to provide inpatient services for the region, and is either under contract with the region or has provided documentation of intent to contract with the region to provide the services.

*f.* The regional administrator structure proposed for or utilized by the region has clear lines of accountability and the regional administrator functions as a lead agency utilizing shared county staff or other means of limiting administrative costs.

4. County formation of a mental health and disability services region is subject to all of the following:

*a.* On or before April 1, 2013, counties voluntarily participating in a region have complied with all of the following formation criteria:

(1) The counties forming the region have been identified and the board of supervisors of the counties have approved a written letter of intent to join together to form the region.

(2) The proposed region complies with the requirements in subsection 3.

(3) The department provides written notice to the boards of supervisors of the counties identified for the region in the letter of intent that the counties have complied with the requirements in subsection 3.

*b.* Upon compliance with the provisions of paragraph "*a*", the participating counties are eligible for technical assistance provided by the department.

*c.* During the period of April 2, 2013, through July 1, 2013, the department shall work with any county that has not agreed to be part of a region in accordance with paragraph "*a*" and with the regions forming around the county to resolve issues preventing the county from joining a region. By July 1, 2013, a county that has not agreed to be part of a region in accordance with paragraph "*a*" shall be assigned by the department to a region, unless exempted pursuant to subsection 1.

*d.* On or before December 31, 2013, all counties shall be part of a region that is in compliance with the provisions of paragraph "*a*" other than meeting the April 1, 2013, date.

*e.* On or before June 30, 2014, unless exempted pursuant to subsection 1, all counties shall be in compliance with all of the following mental health and disability services region implementation criteria:

(1) The board of supervisors of each county participating in the region has voted to approve a chapter 28E agreement.

(2) The duly authorized representatives of all the counties participating in the region have signed the chapter 28E agreement that is in compliance with section 331.390.

(3) The county board of supervisors' or supervisors' designee members and other members of the region's governing board have been appointed in accordance with section 331.390.

(4) Executive staff for the region's regional administrator have been identified or engaged.

(5) An initial draft of a regional service management transition plan has been developed which identifies the steps to be taken by the region to do all of the following:

(a) Designate local access points for the disability services administered by the region.

(b) Designate the region's targeted case manager providers funded by the medical assistance program.

(c) Identify the service provider network for the region.

(d) Define the service access and service authorization process to be utilized for the region.

(e) Identify the information technology and data management capacity to be employed to support regional functions.

(f) Establish business functions, funds accounting procedures, and other administrative processes.

(g) Comply with data reporting and other information technology requirements identified by the department.

(6) The department has approved the region's chapter 28E agreement and the initial draft of the regional management transition plan.

*f.* If the department, in consultation with the state commission, determines that a region is in substantial compliance with the implementation criteria in paragraph "*e*" and has sufficient operating capacity to begin operations, the region may commence partial or full operations prior to July 2014.

5. If the department determines that a region or an exempted county is not adequately fulfilling the requirements under this chapter for a regional service system, the department shall address the region or county in the following order:

*a.* Require compliance with a corrective action plan.

*b.* Reduce the amount of the annual state funding provided for the regional service system, not to exceed fifteen percent of the amount.

*c.* Withdraw approval for the region or for the county exemption, as applicable.

2012 Acts, ch 1120, §32, 37, 39; 2013 Acts, ch 140, §170, 186

Referred to in §225C.2, 331.393, 426B.3

Except as specifically provided, and except for the adoption of administrative rules relating to criteria for the evaluation of an application for an exemption from regionalization, this section applies beginning July 1, 2013; 2012 Acts, ch 1120, §38, 39

Strike of subsection 1, paragraph b, subparagraph (2) pursuant to its own terms takes effect July 1, 2013, 2012 Acts, ch 1120, §32

Subsection 1, paragraph b, subparagraph (2) stricken and former subparagraph (1) redesignated as an unnumbered paragraph

Subsection 3, paragraph a amended

**331.390 Regional governance structure.**

1. The counties comprising a mental health and disability services region shall enter into an agreement under chapter 28E to form a regional administrator under the control of a governing board to function on behalf of those counties.

2. The governing board shall comply with all of the following requirements:

*a.* The voting membership of the governing board shall consist of at least one board of supervisors member from each county comprising the region or their designees.

*b.* The membership of the governing board shall also include one individual who utilizes mental health and disability services or is an actively involved relative of such an individual. This member shall be designated by the advisory committee or committees formed by the governing board pursuant to this section. The member designated in accordance with this paragraph shall serve in a nonvoting, ex officio capacity.

*c.* The membership of the governing board shall not include employees of the department of human services.

*d.* The membership of the governing board shall also consist of one member representing service providers in the region. This member shall be designated by the advisory committee or committees formed by the governing board pursuant to this section. The member designated in accordance with this paragraph shall serve in a nonvoting, ex officio capacity.

*e.* The governing board shall have a regional advisory committee consisting of individuals who utilize services or actively involved relatives of such individuals, service providers, and regional governing board members.

3. *a.* The regional administrator shall be under the control of the governing board. The regional administrator shall enter into performance-based contracts with the department in accordance with section 225C.4, subsection 1, paragraph "*u*", for the regional administrator to manage, on behalf of the counties comprising the region, the mental health and disability services that are not funded by the medical assistance program under chapter 249A and for coordinating with the department the provision of mental health and disability services that are funded under the medical assistance program.

*b.* The regional administrator staff shall include one or more coordinators of disability services. A coordinator shall possess a bachelor's or higher level degree in a human services-related or administration-related field, including but not limited to social work, psychology, nursing, or public or business administration, from an accredited college or university. However, in lieu of a degree in public or business administration, a coordinator may provide documentation of relevant management experience. An action of a coordinator involving a clinical decision shall be made in conjunction with a professional who is trained in the delivery of the mental health or disability service addressed by the clinical decision. The regional administrator shall determine whether referral to a coordinator of disability services is required for a person seeking to access a service through a local access point of the regional service system.

2012 Acts, ch 1120, §33, 37, 39; 2013 Acts, ch 30, §74, 75

Referred to in §225C.4, 331.389

Except as specifically provided, this section applies beginning July 1, 2013; 2012 Acts, ch 1120, §39

Subsection 2, paragraph a amended

Subsection 3, paragraph b amended

**331.391 Regional finances.**

1. The funding under the control of the governing board shall be maintained in a combined account, in separate county accounts that are under the control of the governing board, or

pursuant to other arrangements authorized by law that limit the administrative burden of such control while facilitating public scrutiny of financial processes.

2. The accounting system and financial reporting to the department shall conform with the cost principles for state, local, and Indian tribal governments issued by the United States office of management and budget. The information shall segregate expenditures for administration, purchase of service, and enterprise costs for which the region is a service provider or is directly billing and collecting payments and shall be identified along with other financial information in a uniform chart of accounts prescribed by the department of management. Following periodic review of administrative costs, the department shall make recommendations, in consultation with the legislative services agency, for standards defining region administrative costs and the methodology for calculating a region's administrative load. Such standards shall be specified in rule adopted by the state commission.

3. The funding provided pursuant to appropriations from the mental health and disability regional services fund created in section 225C.7A and from performance-based contracts with the department shall be credited to the account or accounts under the control of the governing board.

2012 Acts, ch 1120, §34, 37, 39
Except as specifically provided, this section applies beginning July 1, 2013; 2012 Acts, ch 1120, §39
Section not amended; editorial changes applied

**331.392 Regional governance agreements.**

1. In addition to compliance with the applicable provisions of chapter 28E, the chapter 28E agreement entered into by the counties comprising a mental health and disability services region in forming the regional administrator to function on behalf of the counties shall comply with the requirements of this section.

2. The organizational provisions of the agreement shall include all of the following:

*a.* A statement of purpose, goals, and objectives of entering into the agreement.

*b.* Identification of the governing board membership and the terms, methods of appointment, voting procedures, and other provisions applicable to the operation of the governing board. The voting procedures may provide for a weighted vote on decisions identified by the governing board. A weighted vote may provide for assignment of a number of votes to each of the counties comprising the region equal to its population within the region, may require at least three-fourths of the total votes cast for approval of a decision, or may provide for another weighted vote option determined by the governing board.

*c.* The identification of the process for selecting the executive staff of the regional administrator serving as the single point of accountability for the region.

*d.* The counties participating in the agreement.

*e.* The time period of the agreement and terms for termination or renewal of the agreement.

*f.* The circumstances under which additional counties may join the region.

*g.* Methods for dispute resolution and mediation.

*h.* Methods for termination of a county's participation in the region.

*i.* Provisions for formation and assigned responsibilities for one or more advisory committees consisting of individuals who utilize services or actively involved relatives of such individuals, service providers, governing board members, and persons representing other interests identified in the agreement.

3. The administrative provisions of the agreement shall include all of the following:

*a.* Responsibility of the governing board in appointing and evaluating the performance of the chief executive officer of the regional administrator.

*b.* A general list of the functions and responsibilities of the regional administrator's chief executive officer and other administrative staff.

*c.* Specification of the functions to be carried out by each party to the agreement and by any subcontractor of a party to the agreement. A contract with a provider network shall be separately addressed.

4. The financial provisions of the agreement shall include all of the following:

*a.* Methods for pooling, management, and expenditure of the funding under the control of

the regional administrator. If the agreement does not provide for pooling of the participating county moneys in a single fund, the agreement shall specify how the participating county moneys will be subject to the control of the regional administrator.

*b.* Methods for allocating administrative funding and resources.

*c.* Contributions and uses of initial funding or related contributions made by the counties participating in the region for purposes of commencing operations by the regional administrator.

*d.* Methods for acquiring or disposing of real property.

*e.* A process for determining the use of savings for reinvestment.

*f.* A process for performance of an annual independent audit of the regional administrator.

5. If implementation of a region's regional administrator results in a change in the employer of county employees assigned to the central point of coordination administrator under section 331.440, Code Supplement 2011, to another public employer and the employees were covered under a collective bargaining agreement, such employees shall be retained and the agreement shall be continued by the successor employer as though there had not been a change in employer.

2012 Acts, ch 1120, §35, 37, 39; 2013 Acts, ch 90, §89

Referred to in §97B.1A, 331.424A

Except as specifically provided, this section applies beginning July 1, 2013; 2012 Acts, ch 1120, §39

Subsection 2, paragraph i amended

**331.393 Regional service system management plan.**

1. The mental health and disability services provided by counties operating as a region shall be delivered in accordance with a regional service system management plan approved by the region's governing board and implemented by the regional administrator in accordance with this section. The requirements for a regional service system management plan and plan format shall be specified in rule adopted by the state commission pursuant to a recommendation made by the department. A regional management plan shall include an annual service and budget plan, a policies and procedures manual, and an annual report. Each region's initial plan shall be submitted to the department by April 1, 2014.

2. Each region shall submit to the department an annual service and budget plan approved by the region's governing board and subject to approval by the director of human services. Provisions for the director of human services' approval of the annual service and budget plan, and any amendments to the plan, and other requirements shall be specified in rule adopted by the state commission. The provisions addressed in the annual plan shall include but are not limited to all of the following:

*a.* The region's budget and financing provisions for the next fiscal year. The provisions shall address how county, regional, state, and other funding sources will be used to meet the service needs within the region.

*b.* The scope of services included in addition to the required core services. Each service included shall be described and projection of need and the funding necessary to meet the need shall be included.

*c.* The location of the local access points for services.

*d.* The plan for assuring effective crisis prevention, response, and resolution.

*e.* The provider reimbursement provisions. A region's use of provider reimbursement approaches in addition to fee-for-service reimbursement and for compensating the providers engaged in a systems of care approach and other nontraditional providers shall be encouraged. A region also shall be encouraged to use and the department shall approve funding approaches that identify and incorporate all services and sources of funding used by persons receiving services, including medical assistance program funding.

*f.* Financial forecasting measures.

*g.* The targeted case managers designated for the region.

3. Each region shall submit an annual report to the department on or before December 1. The annual report shall provide information on the actual numbers of persons served, moneys expended, and outcomes achieved.

4. The region shall have in effect a policies and procedures manual for the regional service system. The manual shall be approved by the region's governing board and is subject

to approval by the director of human services. An approved manual shall remain in effect subject to amendment. An amendment to the manual shall be submitted to the department at least forty-five days prior to the date of implementation of the amendment. Prior to implementation of an amendment to the manual, the amendment must be approved by the director of human services in consultation with the state commission. The manual shall include but is not limited to all of the following:

*a.* A description of the region's policies and procedures for financing and delivering the services included in the annual service and budget plan.

*b.* The enrollment and eligibility process.

*c.* The method of annual service and budget plan administration.

*d.* The process for managing utilization and access to services and other assistance. The process shall also describe how coordination between the services included in the annual service and budget plan and the disability services administered by the state and others will be managed.

*e.* The quality management and improvement processes.

*f.* The risk management provisions and fiscal viability of the annual service and budget plan, if the region contracts with a private entity.

*g.* The requirements for designation of targeted case management providers and for implementation of evidence-based models of case management. The requirements shall be designed to provide the person receiving the case management with a choice of providers, allow a service provider to be the case manager but prohibit the provider from referring a person receiving the case management only to services administered by the provider, and include other provisions to ensure compliance with but not exceed federal requirements for conflict-free case management. The qualifications of targeted case managers and other persons providing service coordination under the management plan shall be specified in the rules. The rules shall also include but are not limited to all of the following relating to targeted case management and service coordination services:

(1) Performance and outcome measures relating to the health, safety, work performance, and community residency of the persons receiving the services.

(2) Standards for delivery of the services, including but not limited to social history, assessment, service planning, incident reporting, crisis planning, coordination, and monitoring for persons receiving the services.

(3) Methodologies for complying with the requirements of this paragraph "*g*" which may include the use of electronic recordkeeping and remote or internet-based training.

*h.* A plan for a systems of care approach in which multiple public and private agencies partner with families and communities to address the multiple needs of the persons and their families involved with the regional service system.

*i.* Measures to provide services in a decentralized manner that utilize the strengths and assets of the administrators and service providers within and available to the region.

*j.* A plan for provider network formation and management.

*k.* Service provider payment provisions.

*l.* A process for resolving grievances.

*m.* Measures for implementing interagency and multisystem collaboration and care coordination.

5. The provisions of a regional service system management plan shall include measures to address the needs of persons who have two or more co-occurring mental health, intellectual or other developmental disability, brain injury, or substance-related disorders and individuals with specialized needs. Implementation of measures to meet the needs of persons with a developmental disability other than intellectual disability, brain injury, or substance-related disorders is contingent upon identification of a funding source to meet those needs and implementation of provisions to engage the entity under contract with the state to provide services to address substance-related disorders within the regional service system.

6. If a county has been exempted pursuant to section 331.389 from the requirement to enter into a regional service system, the county and the county's board of supervisors shall fulfill all requirements under this chapter for a regional service system, regional

service system management plan, regional governing board, and regional administrator, and any other provisions applicable to a region of counties providing local mental health and disability services.

7. The region may either directly implement a system of service management and contract with service providers, or contract with a private entity to manage the regional service system, provided all requirements of this section are met by the private entity. The regional service system shall incorporate service management and functional assessment processes developed in accordance with applicable requirements.

8. A region may provide assistance to service populations with disabilities to which the counties comprising the region have historically provided assistance but who are not included in the core services required under section 331.397, subject to the availability of funding.

9. If a region determines that the region cannot provide services for the fiscal year in accordance with the regional plan and remain in compliance with applicable budgeting requirements, the region may implement a waiting list for the services. The procedures for establishing and applying a waiting list shall be specified in the regional plan. If a region implements a waiting list for services, the region shall notify the department of human services. The department shall maintain on the department's internet site an up-to-date listing of the regions that have implemented a waiting list and the services affected by each waiting list.

10. The director's approval of a regional plan shall not be construed to constitute certification of the respective county budgets or of the region's budget.

2012 Acts, ch 1120, §12, 18, 19

Referred to in §331.424A

Section applies beginning July 1, 2013; 2012 Acts, ch 1120, §19

**331.394 County of residence — services to residents — service authorization appeals — disputes between counties or regions and the department.**

1. For the purposes of this section, unless the context otherwise requires:

*a.* "*County of residence*" means the county in this state in which, at the time a person applies for or receives services, the person is living and has established an ongoing presence with the declared, good faith intention of living in the county for a permanent or indefinite period of time. The county of residence of a person who is a homeless person is the county where the homeless person usually sleeps. A person maintains residency in the county in which the person last resided while the person is present in another county receiving services in a hospital, a correctional facility, a halfway house for community-based corrections or substance-related treatment, a nursing facility, an intermediate care facility for persons with an intellectual disability, or a residential care facility, or for the purpose of attending a college or university.

*b.* "*Homeless person*" means the same as defined in section 48A.2.

*c.* "*Mental health professional*" means the same as defined in section 228.1.

*d.* "*Person*" means a person who is a United States citizen or a qualified alien as defined in 8 U.S.C. § 1641.

2. If a person appeals a decision regarding a service authorization or other services-related decision made by a regional administrator that cannot be resolved informally, the appeal shall be heard in a contested case proceeding by a state administrative law judge. The administrative law judge's decision shall be considered final agency action under chapter 17A.

3. If a service authorization or other services-related decision made by a regional administrator concerning a person varies from the type and amount of service identified to be necessary for the person in a clinical determination made by a mental health professional and the mental health professional believes that failure to provide the type and amount of service identified could cause an immediate danger to the person's health or safety, the person may request an expedited review of the regional administrator's decision to be made by the department of human services. An expedited review held in accordance with this subsection is subject to the following procedures:

*a.* The request for the expedited review shall be filed within five business days of

receiving the notice of decision by the regional administrator. The request must be in writing, plainly state the request for an expedited review in the caption and body of the request, and be supported by written documentation from the mental health professional who made the clinical determination stating how the notice of decision on services could cause an immediate danger to the person's health or safety.

*b.* The expedited review shall be performed by a mental health professional, who is either the administrator of the division of mental health and disability services of the department of human services or the administrator's designee. If the administrator is not a mental health professional, the expedited review shall be performed by a designee of the administrator who is a mental health professional and is free of any conflict of interest to perform the expedited review. The expedited review shall be performed within two business days of the time the request is filed. If the reviewer determines the information submitted in connection with the request is inadequate to perform the review, the reviewer shall request the submission of additional information and the review shall be performed within two business days of the time that adequate information is submitted. The regional administrator and the person, with the assistance of the mental health professional who made the clinical determination, shall each provide a brief statement of facts, conclusions, and reasons for the decision made. Supporting clinical information shall also be attached. All information related to the proceedings and any related filings shall be considered to be mental health information subject to chapter 228.

*c.* The administrator or designee shall issue an order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the order, to justify the decision made concerning the expedited review. If the decision concurs with the contention that there is an immediate danger to the person's health or safety, the order shall identify the type and amount of service which shall be provided for the person. The administrator or designee shall give such notice as is practicable to persons who are required to comply with the order. The order is effective when issued.

*d.* The decision of the administrator or designee shall be considered a final agency action and is subject to judicial review in accordance with section 17A.19. The record for judicial review consists of any documents regarding the matter that were considered or prepared by the administrator or designee. The administrator or designee shall maintain these documents as the official record of the decision. If the matter is appealed to the district court, the record shall be filed as confidential.

4. If a county of residence is part of a mental health and disability services region that has agreed to pool funding and liability for services, the responsibilities of the county under law regarding such services shall be performed on behalf of the county by the regional administrator. The county of residence or the county's mental health and disability services region, as applicable, is responsible for paying the public costs of the mental health and disability services that are not covered by the medical assistance program under chapter 249A and are provided in accordance with the region's approved service management plan to persons who are residents of the county or region.

5. *a.* The dispute resolution process implemented in accordance with this subsection applies to residency disputes. The dispute resolution process is not applicable to disputes involving persons committed to a state facility pursuant to chapter 812 or rule of criminal procedure 2.22, Iowa court rules, or to disputes involving service authorization decisions made by a region.

*b.* If a county, region, or the department, as applicable, receives a billing for services provided to a resident in another county or region, or objects to a residency determination certified by the department or another county's or region's regional administrator and asserts either that the person has residency in another county or region or the person is not a resident of this state or the person's residency is unknown so that the person is deemed a state case, the person's residency status shall be determined as provided in this subsection. The county or region shall notify the department of the county's or region's assertion within one hundred twenty days of receiving the billing. If the county or region asserts that the person has residency in another county or region, that county or region shall be notified at the same time as the department. If the department disputes a residency determination

certification made by a regional administrator, the department shall notify the affected counties or regions of the department's assertion.

*c.* The department, county, or region that received the notification, as applicable, shall respond to the party that provided the notification within forty-five days of receiving the notification. If the parties cannot agree to a settlement as to the person's residency status within ninety days of the date of notification, on motion of any of the parties, the matter shall be referred to the department of inspections and appeals for a contested case hearing under chapter 17A before an administrative law judge assigned in accordance with section 10A.801 to determine the person's residency status.

*d.* (1) The administrative law judge's determination of the person's residency status shall be considered final agency action, notwithstanding contrary provisions of section 17A.15. The party that does not prevail in the determination or subsequent judicial review is liable for costs associated with the proceeding, including reimbursement of the department of inspections and appeals' actual costs associated with the administrative proceeding. Judicial review of the determination may be sought in accordance with section 17A.19.

(2) If following the determination of a person's residency status in accordance with this subsection, additional evidence becomes available that merits a change in that determination, the parties affected may change the determination by mutual agreement. Otherwise, a party may move that the matter be reconsidered by the department, county, or region, or by the administrative law judge.

*e.* (1) Unless a petition is filed for judicial review, the administrative law judge's determination of the person's residency status shall result in one of the following:

(a) If a county or region is determined to be the person's residence, the county or region shall pay the amounts due and shall reimburse any other amounts paid for services provided by the other county or region or the department on the person's behalf prior to the determination.

(b) If it is determined that the person is not a resident of this state or the person's residency is unknown so that the person is deemed to be a state case, the department shall pay the amounts due and shall reimburse the county or region, as applicable, for any payment made on behalf of the person prior to the determination.

(2) The payment or reimbursement shall be remitted within forty-five days of the date the determination was issued. After the forty-five-day period, a penalty of not greater than one percent per month may be added to the amount due.

6. *a.* The dispute resolution process implemented in accordance with this subsection applies beginning July 1, 2012, to billing disputes between the state and a county or region, other than residency disputes or other dispute processes under this section, involving the responsibility for service costs for services provided on or after July 1, 2011, under any of the following:

(1) Chapter 221.
(2) Chapter 222.
(3) Chapter 229.
(4) Chapter 230.
(5) Chapter 249A.
(6) Chapter 812.

*b.* If a county, region, or the department, as applicable, disputes a billing for service costs listed in paragraph "*a*", the dispute shall be resolved as provided in this subsection. The county or region shall notify the department of the county's or region's assertion within ninety days of receiving the billing. However, for services provided on or after July 1, 2011, for which a county has received the billing as of July 1, 2012, the county shall notify the department of the county's assertion on or before October 1, 2012. If the department disputes such a billing of a regional administrator, the department shall notify the affected counties or regions of the department's assertion.

*c.* The department, county, or region that received the notification, as applicable, shall respond to the party that provided the notification within forty-five days of receiving the notification. If the parties cannot agree to a settlement as to the dispute within ninety days of the date of notification, on motion of any of the parties, the matter shall be referred to the

department of inspections and appeals for a contested case hearing under chapter 17A before an administrative law judge assigned in accordance with section 10A.801 to determine facts and issue a decision to resolve the dispute.

*d.* (1) The administrative law judge's decision is a final agency action, notwithstanding contrary provisions of section 17A.15. The party that does not prevail in the decision or subsequent judicial review is liable for costs associated with the proceeding, including reimbursement of the department of inspections and appeals' actual costs associated with the administrative proceeding. Judicial review of the decision may be sought in accordance with section 17A.19.

(2) If following the decision regarding a dispute in accordance with this subsection, additional evidence becomes available that merits a change in that decision, the parties affected may change the decision by mutual agreement. Otherwise, a party may move that the matter be reconsidered by the department, county, or region, or by the administrative law judge.

*e.* (1) Unless a petition is filed for judicial review, the administrative law judge's decision regarding a disputed billing shall result in one of the following:

(a) If a county or region is determined to be responsible for the disputed amounts, the county or region shall pay the amounts due and shall reimburse any other amounts paid for services provided by the other county or region or the department on the person's behalf prior to the decision.

(b) If it is determined that the state is responsible for the disputed amounts, the state shall pay the amounts due and shall reimburse the county or region, as applicable, for any payment made on behalf of the person prior to the decision.

(2) The payment or reimbursement shall be remitted within forty-five days of the date the decision was issued. After the forty-five-day period, a penalty of not greater than one percent per month may be added to the amount due.

2012 Acts, ch 1120, §36, 37, 39

Referred to in §222.63, 222.65, 222.67, 222.70, 230.2, 230.4, 230.6, 230.9, 230.12, 232.141, 252.23

Except as specifically provided, this section applies beginning July 1, 2013; 2012 Acts, ch 1120, §39

**331.395 Financial eligibility requirements.**

1. A person must comply with all of the following financial eligibility requirements to be eligible for services under the regional service system:

*a.* The person must have an income equal to or less than one hundred fifty percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services, to be eligible for regional service system public funding. It is the intent of the general assembly to consider increasing this income eligibility provision to two hundred percent of the federal poverty level.

*b.* A person who is eligible for federally funded services and other support must apply for such services and support.

*c.* The person must be in compliance with resource limitations identified in rule adopted by the state commission. The limitation shall be derived from the federal supplemental security income program resource limitations. A person with resources above the federal supplemental security income program resource limitations may be eligible subject to limitations adopted in rule by the state commission pursuant to a recommendation made by the department. If a person does not qualify for federally funded services and other support but meets income, resource, and functional eligibility requirements for regional services, the following types of resources shall be disregarded:

(1) A retirement account that is in the accumulation stage.

(2) A burial, medical savings, or assistive technology account.

2. *a.* A region or a service provider contracting with the region shall not apply a copayment, sliding fee scale, or other cost-sharing requirement for a particular service to a person with an income equal to or less than one hundred fifty percent of the federal poverty level.

*b.* Notwithstanding subsection 1, paragraph "*a*", a person with an income above one

hundred fifty percent of the federal poverty level may be eligible for services subject to a copayment, sliding fee scale, or other cost-sharing requirement approved by the department.

*c.* A provider under the regional service system of a service that is not funded by the medical assistance program under chapter 249A may waive the copayment or other cost-sharing arrangement if the provider is not reimbursed for the cost with public funds.

2012 Acts, ch 1120, §13, 18, 19; 2013 Acts, ch 90, §90

Referred to in §331.396

Section applies beginning July 1, 2013; 2012 Acts, ch 1120, §19

Section amended

**331.396 Diagnosis — functional assessment.**

1. A person must comply with all of the following requirements to be eligible for mental health services under the regional service system:

*a.* The person complies with financial eligibility requirements under section 331.395.

*b.* The person is at least eighteen years of age and is a resident of this state. However, a person who is seventeen years of age, is a resident of this state, and is receiving publicly funded children's services may be considered eligible for services through the regional service system during the three-month period preceding the person's eighteenth birthday in order to provide a smooth transition from children's to adult services.

*c.* The person has had at any time during the preceding twelve-month period a mental health, behavioral, or emotional disorder or, in the opinion of a mental health professional, may now have such a diagnosable disorder. The diagnosis shall be made in accordance with the criteria provided in the diagnostic and statistical manual of mental disorders, fourth edition, text revision, published by the American psychiatric association, and shall not include the manual's "V" codes identifying conditions other than a disease or injury. The diagnosis shall also not include substance-related disorders, dementia, antisocial personality, or developmental disabilities, unless co-occurring with another diagnosable mental illness.

*d.* Notwithstanding paragraphs "*a*" through "*c*", if funds are available without limiting or reducing core services and it is approved as part of the regional service system management plan, eligibility may be provided for a person who is less than eighteen years of age and a resident of this state for those mental health services made available to all or a portion of the residents of the region of the same age and eligibility class under the county management plan of one or more counties of the region applicable prior to formation of the region.

*e.* The person's eligibility for individualized services shall be determined in accordance with the standardized functional assessment methodology approved for mental health services by the director of human services in consultation with the state commission.

2. A person must comply with all of the following requirements to be eligible for intellectual disability services under the regional service system:

*a.* The person complies with financial eligibility requirements under section 331.395.

*b.* The person is at least eighteen years of age and is a resident of this state. However, a person who is seventeen years of age, is a resident of this state, and is receiving publicly funded children's services may be considered eligible for services through the regional service system during the three-month period preceding the person's eighteenth birthday in order to provide a smooth transition from children's to adult services.

*c.* The person has a diagnosis of intellectual disability.

*d.* Notwithstanding paragraphs "*a*" through "*c*", if funds are available without limiting or reducing core services and it is approved as part of the regional service system management plan, eligibility may be provided for a person who is less than eighteen years of age and a resident of this state for those intellectual disability services made available to all or a portion of the residents of the region of the same age and eligibility class under the county management plan of one or more counties of the region applicable prior to formation of the region.

*e.* The person's eligibility for individualized services shall be determined in accordance with the standardized functional assessment methodology approved for intellectual disability and developmental disability services by the director of human services.

3. A person must comply with all of the following requirements to be eligible for brain injury services under the regional service system:

*a.* The person complies with financial eligibility requirements under section 331.395.

*b.* The person is at least eighteen years of age and is a resident of this state. However, a person who is seventeen years of age, is a resident of this state, and is receiving publicly funded children's services may be considered eligible for services through the regional service system during the three-month period preceding the person's eighteenth birthday in order to provide a smooth transition from children's to adult services.

*c.* The person has a diagnosis of brain injury.

*d.* The person's eligibility for individualized services shall be determined in accordance with a standardized functional assessment methodology approved for this purpose by the director of human services.

2012 Acts, ch 1120, §14, 18, 19; 2013 Acts, ch 140, §171, 172, 186
Section applies beginning July 1, 2013; 2012 Acts, ch 1120, §19
Subsection 1, NEW paragraph d and former paragraph d redesignated as e
Subsection 2, NEW paragraph d and former paragraph d redesignated as e

**331.397 Regional core services.**

1. For the purposes of this section, unless the context otherwise requires, "*domain*" means a set of similar services that can be provided depending upon a person's service needs.

2. *a.* (1) A region shall work with service providers to ensure that services are available to residents of the region, regardless of potential payment source for the services.

(2) Subject to the available appropriations, the director of human services shall ensure the initial core service domains listed in subsection 4 are covered services for the medical assistance program under chapter 249A to the greatest extent allowable under federal regulations. Within funds available, the region shall pay for such services for eligible persons when payment through the medical assistance program or another third-party payment is not available, unless the person is on a waiting list for such payment or it has been determined that the person does not meet the eligibility criteria for any such service.

*b.* Until funding is designated for other service populations, eligibility for the service domains listed in this section shall be limited to such persons who are in need of mental health or intellectual disability services. However, if a county in a region was providing services to an eligibility class of persons with a developmental disability other than intellectual disability or a brain injury prior to formation of the region, the class of persons shall remain eligible for the services provided when the region is formed, provided that funds are available to continue such services without limiting or reducing core services.

*c.* It is the intent of the general assembly to address the need for funding so that the availability of the service domains listed in this section may be expanded to include such persons who are in need of developmental disability or brain injury services.

3. Pursuant to recommendations made by the director of human services, the state commission shall adopt rules as required by section 225C.6 to define the services included in the initial and additional core service domains listed in this section. The rules shall provide consistency, to the extent possible, with similar service definitions under the medical assistance program. The rules relating to the credentialing of a person directly providing services shall require all of the following:

*a.* The person shall provide services and represent the person as competent only within the boundaries of the person's education, training, license, certification, consultation received, supervised experience, or other relevant professional experience.

*b.* The person shall provide services in substantive areas or use intervention techniques or approaches that are new only after engaging in appropriate study, training, consultation, and supervision from a person who is competent in those areas, techniques, or approaches.

*c.* If generally recognized standards do not exist with respect to an emerging area of practice, the person shall exercise careful judgment and take responsible steps, including obtaining appropriate education, research, training, consultation, and supervision, in order to ensure competence and to protect from harm the persons receiving the services in the emerging area of practice.

4. The initial core service domains shall include the following:

*a.* Treatment designed to ameliorate a person's condition, including but not limited to all of the following:

(1) Assessment and evaluation.
(2) Mental health outpatient therapy.
(3) Medication prescribing and management.
(4) Mental health inpatient treatment.
*b.* Basic crisis response provisions, including but not limited to all of the following:
(1) Twenty-four-hour access to crisis response.
(2) Evaluation.
(3) Personal emergency response system.
*c.* Support for community living, including but not limited to all of the following:
(1) Home health aide.
(2) Home and vehicle modifications.
(3) Respite.
(4) Supportive community living.
*d.* Support for employment, including but not limited to all of the following:
(1) Day habilitation.
(2) Job development.
(3) Supported employment.
(4) Prevocational services.
*e.* Recovery services, including but not limited to all of the following:
(1) Family support.
(2) Peer support.
*f.* Service coordination including coordinating physical health and primary care, including but not limited to all of the following:
(1) Case management.
(2) Health homes.
5. A region shall ensure that access is available to providers of core services that demonstrate competencies necessary for all of the following:
*a.* Serving persons with co-occurring conditions.
*b.* Providing evidence-based services.
*c.* Providing trauma-informed care that recognizes the presence of trauma symptoms in persons receiving services.
6. A region shall ensure that services within the following additional core service domains are available to persons not eligible for the medical assistance program under chapter 249A or receiving other third-party payment for the services, when public funds are made available for such services:
*a.* Comprehensive facility and community-based crisis services, including but not limited to all of the following:
(1) Twenty-four-hour crisis hotline.
(2) Mobile response.
(3) Twenty-three-hour crisis observation and holding, and crisis stabilization facility and community-based services.
(4) Crisis residential services.
*b.* Subacute services provided in facility and community-based settings.
*c.* Justice system-involved services, including but not limited to all of the following:
(1) Jail diversion.
(2) Crisis intervention training.
(3) Civil commitment prescreening.
*d.* Advances in the use of evidence-based treatment, including but not limited to all of the following:
(1) Positive behavior support.
(2) Assertive community treatment.
(3) Peer self-help drop-in centers.
7. A regional service system may provide funding for other appropriate services or other support and may implement demonstration projects for an initial period of up to three years to model the use of research-based practices. In considering whether to provide such funding, a region may consider the following criteria for research-based practices:

*a.* Applying a person-centered planning process to identify the need for the services or other support.

*b.* The efficacy of the services or other support is recognized as an evidence-based practice, is deemed to be an emerging and promising practice, or providing the services is part of a demonstration and will supply evidence as to the services' effectiveness.

*c.* A determination that the services or other support provides an effective alternative to existing services that have been shown by the evidence base to be ineffective, to not yield the desired outcome, or to not support the principles outlined in Olmstead v. L.C., 527 U.S. 581 (1999).

2012 Acts, ch 1120, §15, 18, 19; 2013 Acts, ch 140, §173, 174, 186
Referred to in §331.393
Section applies beginning July 1, 2013; 2012 Acts, ch 1120, §19
Subsection 2, paragraph b amended
Subsection 7, unnumbered paragraph 1 amended

**331.398 Regional service system financing.**

1. The financing of a regional mental health and disability service system is limited to a fixed budget amount. The fixed budget amount shall be the amount identified in a regional service system management plan and budget for the fiscal year. A region shall receive state funding for growth in non-Medicaid expenditures through the mental health and disability regional services fund created in section 225C.7A to address increased service costs, additional service populations, additional core service domains, and increased numbers of persons receiving services.

2. A region shall implement its regional service system management plan in a manner so as to provide adequate funding of services for the entire fiscal year by budgeting for ninety-nine percent of the funding anticipated to be available for the regional plan for the fiscal year. A region may expend all of the funding anticipated to be available for the regional plan.

2012 Acts, ch 1120, §16, 18, 19
Section applies beginning July 1, 2013; 2012 Acts, ch 1120, §19
Section not amended; editorial changes applied

**331.399 Governmental body.**

Mental health and disability services regions formed pursuant to this part shall be a governmental body for purposes of chapter 21 and shall be a government body for purposes of chapter 22.

2013 Acts, ch 143, §14, 18
NEW section

**331.400** Reserved.

## DIVISION IV

## POWERS AND DUTIES OF THE BOARD RELATING TO COUNTY FINANCES

Law enforcement officer training reimbursement; §384.15(7)

## PART 1

## GENERAL FINANCIAL POWERS AND DUTIES

**331.401 Duties relating to finances.**

1. The board shall:

*a.* Audit expenses charged to the county for the annual examination by the auditor of state and approve or object to the expenses as provided in section 11.21.

*b.* Establish budgets for the farm-to-market road fund and the secondary road fund in accordance with sections 309.10 and 309.93 to 309.97.

*c.* Pay expenses of administration of juvenile justice, attributable to the county under section 232.141.

*d.* Provide for the expense of persons committed to the county jail or a regional detention facility in accordance with section 356.15.

*e.* Adopt resolutions authorizing the county assessor to provide forms for homestead exemption claimants as provided in section 425.2 and military service tax exemptions as provided in section 426A.14.

*f.* Examine and allow or disallow claims for homestead exemption in accordance with section 425.3 and claims for military service tax exemption in accordance with chapter 426A. The board, by a single resolution, may allow or disallow the exemptions recommended by the assessor.

*g.* Hear appeals relating to the agricultural land tax credit in accordance with section 426.6.

*h.* Order the suspension of property taxes of certain persons in accordance with section 427.9.

*i.* Approve or deny an application for a property tax exemption for impoundment structures, as provided in section 427.1, subsection 20.

*j.* Serve on the conference board as provided in section 441.2.

*k.* Levy taxes as certified to it by tax-certifying bodies in the county, in accordance with the statutes authorizing the levies and in accordance with chapter 24 and sections 444.1 to 444.8, and levy taxes as required in chapters 433, 434, 437, and 438.

*l.* Carry out duties in regard to the collection of taxes as provided in sections 445.16, 445.60, and 445.62.

*m.* Apportion taxes upon receipt of a petition, in accordance with sections 449.1A to 449.3.

*n.* Comply with chapters 12B and 12C in the management of public funds.

*o.* Allocate payments from flood control projects as provided in sections 161E.13 and 161E.14.

*p.* Examine and settle all accounts of the receipts and expenditures of the county and all claims against the county, except as otherwise provided by state law.

*q.* Require a local historical society to submit to it a proposed budget, including the amount of available funds and estimated expenditures, as a prerequisite to receiving funds. A local historical society receiving funds shall present to the board an annual report describing in detail its use of the funds received.

*r.* Retain overpayments of moneys paid to the county in an amount of five dollars or less, unless the payor has requested a refund of the overpayment.

*s.* Perform other financial duties as required by state law.

2. The board shall not pay membership dues for a county officers association in this state other than the Iowa state association of counties or an organization affiliated with it. This subsection does not prohibit expenditures for organizations with which the Iowa state association or its affiliates are affiliated.

3. The board shall not pay bounties on crows, rattlesnakes, foxes, or wolves other than coyotes.

**1.** a – o. [S81, §331.401(1); 81 Acts, ch 117, §400]

p. [R60, §312; C73, §303; C97, §422; SS15, §422; C24, 27, 31, 35, 39, §**5130;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §332.3(5); S81, §331.401(1); 81 Acts, ch 117, §400]

r. [S81, §331.401(1); 81 Acts, ch 117, §400]

**2.** [C73, 75, 77, 79, 81, §332.3(27); S81, §331.401(2); 81 Acts, ch 117, §400]

**3.** [79, 81, §350.2; S81, §331.401(3); 81 Acts, ch 117, §400]

83 Acts, ch 123, §132 – 135, 209; 86 Acts, ch 1001, §18; 90 Acts, ch 1236, §46; 91 Acts, ch 191, §7; 2002 Acts, ch 1150, §1; 2007 Acts, ch 75, §1; 2007 Acts, ch 185, §1

Referred to in §331.902

**331.402 Powers relating to finances — limitations.**

1. The payment of county obligations by anticipatory warrants is subject to chapters 74 and 74A and other applicable state law. Anticipatory warrants drawn on the secondary road fund are also subject to sections 309.46 to 309.55.

2. The board may:

*a.* Require a person who is not a part of county government but is receiving county funds to submit to audit by auditors chosen by the county. The person shall make available all pertinent records needed for the audit.

*b.* Enter into an agreement with the state department of human services for assistance in accordance with section 249A.12.

*c.* Levy within a township at a rate not to exceed the rate permitted under sections 359.30 and 359.33 for the care and maintenance of cemeteries, if the township officials fail to levy the tax as needed.

*d.* Authorize the county auditor to issue warrants for certain purposes as provided in section 331.506, subsection 3.

*e.* Authorize the auditor to issue checks in lieu of warrants. The checks shall be charged directly against a bank account controlled by the county treasurer.

*f.* Impose a hotel and motel tax in accordance with chapter 423A.

*g.* Order the suspension of property taxes or cancel and remit the taxes of certain persons as provided in sections 427.8 and 427.10.

*h.* Provide for a partial exemption from property taxation in accordance with chapter 427B.

*i.* Contract with certified public accountants to conduct the annual audit of the financial accounts and transactions of the county as provided in section 11.6.

3. A county may enter into loan agreements to borrow money for any public purpose in accordance with the following terms and procedures:

*a.* A loan agreement entered into by a county may contain provisions similar to those sometimes found in loan agreements between private parties, including, but not limited to, the issuance of notes to evidence its obligations.

*b.* A provision of a loan agreement which stipulates that a portion of the payments be applied as interest is subject to chapter 74A. Other laws relating to interest rates do not apply. Chapter 75 is not applicable. A county enterprise is a separate entity under this subsection, whether it is governed by the board or another governing body.

*c.* The board shall follow substantially the same authorization procedure required for the issuance of general obligation bonds issued for the same purpose to authorize a loan agreement made payable from the debt service fund.

*d.* The board may authorize a loan agreement which is payable from the general fund if the loan agreement would not cause the total of scheduled annual payments of principal or interest or both principal and interest due from the general fund of the county in any single future fiscal year with respect to all loan agreements in force on the date of the authorization to exceed ten percent of the last certified general fund budget amount in accordance with the following procedures:

(1) The board shall follow substantially the authorization procedures of section 331.443 to authorize a loan agreement for personal property which is payable from the general fund. The board must follow substantially the authorization procedures of section 331.443 to authorize a loan agreement for real property which is payable from the general fund if the principal amount of the loan agreement does not exceed the following limits:

(a) Four hundred thousand dollars in a county having a population of twenty-five thousand or less.

(b) Five hundred thousand dollars in a county having a population of more than twenty-five thousand but not more than fifty thousand.

(c) Six hundred thousand dollars in a county having a population of more than fifty thousand but not more than one hundred thousand.

(d) Eight hundred thousand dollars in a county having a population of more than one hundred thousand but not more than two hundred thousand.

(e) One million dollars in a county having a population of more than two hundred thousand.

(2) The board must follow the following procedures to authorize a loan agreement for real property which is payable from the general fund if the principal amount of the loan agreement exceeds the limits set forth in subparagraph (1):

(a) The board must institute proceedings for entering into a loan agreement payable from the general fund by causing a notice of the meeting to discuss entering into the loan agreement, including a statement of the principal amount and purpose of the loan agreement and the right to petition for an election, to be published as provided in section 331.305 at least ten days prior to the discussion meeting. No sooner than thirty days following the discussion meeting shall the board hold a meeting at which it is proposed to take action to enter into the loan agreement.

(b) (i) If at any time before the end of the thirty-day period after which a meeting may be held to take action to enter into the loan agreement, a petition is filed with the auditor in the manner provided by section 331.306 asking that the question of entering into the loan agreement be submitted to the registered voters of the county, the board shall either by resolution declare the proposal to enter into the loan agreement to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of entering into the loan agreement. However, for purposes of this subparagraph (2), the petition shall not require signatures in excess of one thousand persons.

(ii) The question to be placed on the ballot shall be stated affirmatively in substantially the following manner:

Shall the county of ..... enter into a loan agreement in amount of $ ..... for the purpose of .....?

(iii) Notice of the election and its conduct shall be in the manner provided in section 331.442, subsections 2 through 4.

(c) If a petition is not filed or if a petition is filed and the proposition of entering into the loan agreement is approved at an election, the board may proceed and enter into the loan agreement.

*e.* The governing body may authorize a loan agreement payable from the net revenues of a county enterprise or combined county enterprise by following the authorization procedures of section 331.464.

*f.* A loan agreement to which a county is a party or in which a county has a participatory interest is an obligation of a political subdivision of this state for the purpose of chapters 502 and 636, and is a lawful investment for banks, trust companies, savings associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and any other fiduciaries responsible for the investment of funds.

**1.** [S81, §331.402(1); 81 Acts, ch 117, §401]

**2.** a. [C77, 79, 81, §332.3(31); S81, §331.402(2); 81 Acts, ch 117, §401]

b. [S81, §331.402(2); 81 Acts, ch 117, §401]

c. [C77, 79, 81, §24.37(14), 332.3(30); S81, §331.402(2); 81 Acts, ch 117, §401]

d – g. [S81, §331.402(2); 81 Acts, ch 117, §401]

83 Acts, ch 96, §157, 159; 84 Acts, ch 1123, §2; 87 Acts, ch 103, §1; 92 Acts, ch 1138, §2; 95 Acts, ch 67, §53; 2001 Acts, ch 45, §2; 2009 Acts, ch 100, §9, 21; 2010 Acts, ch 1061, §135; 2011 Acts, ch 34, §85; 2012 Acts, ch 1017, §73

**331.403 Annual reports — financial report — urban renewal report.**

1. Not later than December 1 of each year on forms and pursuant to instructions prescribed by the department of management, a county shall prepare an annual financial report showing for each county fund the financial condition as of June 30 and the results of operations for the year then ended. Copies of the report shall be maintained as a public record at the auditor's office and shall be filed with the director of the department of management and with the auditor of state by December 1. A summary of the report, in a form prescribed by the director, shall be published by each county not later than December 1 of each year in one or more newspapers which meet the requirements of section 618.14.

2. Beginning with the fiscal year ending June 30, 1985, the annual financial report required in subsection 1 shall be prepared in conformity with generally accepted accounting principles.

3. *a.* Each county that had an urban renewal plan and area in effect at any time during

the most recently ended fiscal year shall complete for each such urban renewal plan and area and file with the department of management an urban renewal report by December 1 following the end of such fiscal year. Each report shall be approved by the affirmative vote of a majority of the board and be prepared in the format and submitted electronically pursuant to the instructions prescribed by the department of management in consultation with the legislative services agency.

*b*. The report required under this subsection shall include all of the following as of June 30 of the most recently ended fiscal year or the information for such fiscal year, as applicable:

(1) Whether the urban renewal area is determined by the county to be a slum area, blighted area, economic development area or a combination of those areas, and the date such determination was made.

(2) A map clearly identifying the boundaries of the urban renewal area.

(3) A copy of the ordinance providing for a division of revenue in the urban renewal area under section 403.19.

(4) A copy of the urban renewal plan adopted for the urban renewal area, the date of each amendment to the plan, and a copy of such amendment.

(5) A list and description of all urban renewal projects within the urban renewal area that are in process and all urban renewal projects that were completed during the fiscal year.

(6) A description of each expenditure during the fiscal year from the county's special fund created in section 403.19. Each such expenditure shall be classified by the county according to categories established by the department of management and shall be designated as corresponding to the specific loan, advance, indebtedness, or bond which qualifies for payment from the special fund under section 403.19. Each such expenditure shall also be designated as corresponding to one or more specific urban renewal projects. This description shall not be required for the report required to be filed on or before December 1, 2012.

(7) The amount of loans, advances, indebtedness, or bonds, including interest negotiated on such loans, advances, indebtedness, or bonds, which qualify for payment from the special fund created in section 403.19, and which were incurred or issued during the fiscal year. Each such loan, advance, debt, or bond shall be classified by the county according to categories established by the department of management and shall be designated as corresponding to one or more specific urban renewal projects.

(8) The amount of loans, advances, indebtedness, or bonds that remain unpaid at the close of the fiscal year, and which qualify for payment from the special fund created in section 403.19, including interest negotiated on such loans, advances, indebtedness, or bonds.

(9) The total amount of property taxes that were exempted, rebated, refunded, or reimbursed by the county, used to fund a grant provided by the county, or directly paid by the county during the fiscal year for property in the urban renewal area using moneys in the county's special fund created in section 403.19 and such amounts agreed to by the county for future fiscal years.

(10) A list of all properties, including the owner of such properties, and the amount of property taxes due and payable for the fiscal year that were exempted, rebated, refunded, or reimbursed by the county, used to fund a grant provided by the county, or directly paid by the county during the fiscal year using moneys in the county's special fund created in section 403.19 and information for such amounts agreed to by the county for future fiscal years.

(11) The balance of the county's special fund created in section 403.19.

(12) The aggregate assessed value of the taxable property in the urban renewal area, as shown on the assessment roll used to calculate the amount of taxes under section 403.19, subsection 1, for the fiscal year.

(13) The aggregate assessed value of each classification of taxable property located in the urban renewal area.

(14) That portion of the assessed value of all taxable property located in the urban renewal area that was used to calculate the amount of excess taxes under section 403.19, subsection 2.

(15) The amount of taxes determined under section 403.19, subsection 2, in excess of the amount required to pay the applicable loans, advances, indebtedness, and bonds, if any,

and interest thereon, for the fiscal year that was paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(16) Interest or earnings received by each urban renewal area during the fiscal year on amounts deposited into the special fund created in section 403.19 and the net proceeds during the fiscal year from the sale of assets purchased using amounts deposited into the special fund created in section 403.19.

(17) For each taxing district for which the county divided taxes, the amount of taxes determined under section 403.19, subsection 2, that, in lieu of allocation to the taxing district, were deposited into the county's special fund during the fiscal year.

(18) The amount of expenditures by the county during the fiscal year for the purpose of providing or aiding in the provision of public improvements related to housing and residential development.

(19) The amount of assistance to low and moderate income housing provided by the county under section 403.22 during the fiscal year if applicable.

(20) When required as part of an urban renewal development or redevelopment agreement that includes the use of incremental taxes collected pursuant to section 403.19, subsection 2, the total number of jobs to be created, the wages associated with those jobs, the total private capital investment, and the total cost of the public infrastructure constructed.

(21) All other additional information or documentation relating to a county's urban renewal activities or use of divisions of revenue under chapter 403 deemed relevant by the department of management, in consultation with the county finance committee.

*c.* By December 1, 2012, the department of management, in collaboration with the legislative services agency, shall make publicly available on an internet site a searchable database of all such information contained in the reports required under this subsection. Reports from previous years shall be retained by the department and shall continue to be available and searchable on the internet site.

*d.* The legislative services agency, in consultation with the department of management, shall annually prepare a report for submission to the governor and the general assembly that summarizes and analyzes the information contained in the reports submitted under this subsection, section 357H.9, subsection 2, and section 384.22, subsection 2. The report prepared by the legislative services agency shall be submitted not later than February 15 following the most recently ended fiscal year for which the reports were filed.

*e.* For purposes of this subsection, "*indebtedness*" includes but is not limited to written agreements whereby the county agrees to exempt, rebate, refund, or reimburse property taxes, provide a grant for property taxes paid, or make a direct payment of taxes, with moneys in the special fund created in section 403.19, and bonds, notes, or other obligations that are secured by or subject to repayment from moneys appropriated by the county from moneys in the special fund created in section 403.19.

4. The annual financial report shall be prepared on forms and pursuant to instructions prescribed by the department of management and shall be filed with the department of management. The urban renewal report shall be filed with the department of management. Each report must be filed prior to the publication and adoption of the county budget under section 331.434 for the fiscal year beginning July 1 following the date such reports are due. If such reports are not filed pursuant to the requirements of this section, the department of management shall not certify the county's taxes back to the county auditor under section 24.17.

83 Acts, ch 123, §2, 209; 86 Acts, ch 1245, §113; 97 Acts, ch 206, §14, 15, 24; 2003 Acts, ch 178, §2; 2012 Acts, ch 1124, §5, 6, 25

Referred to in §11.11, 331.431, 331.434, 333A.4, 357H.9, 403.5, 403.23, 426B.5

**331.404 to 331.420** Reserved.

## PART 2

## COUNTY LEVIES, FUNDS, BUDGETS, AND EXPENDITURES

**331.421 Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Basic levy"* means a levy authorized and limited by section 331.423 for general county services and rural county services.
2. *"Committee"* means the county finance committee established in chapter 333A.
3. *"Debt service"* means expenditures for servicing the county's debt.
4. *"Debt service levy"* means a levy authorized and limited by section 331.422, subsection 3.
5. *"Emergency services levy"* means a levy authorized and limited by section 331.424C.
6. *"Fiscal year"* means the period of twelve months beginning July 1 and ending on the following June 30.
7. *"General county services"* means the services which are primarily intended to benefit all residents of a county, including secondary road services, but excluding services financed by other statutory funds.
8. *"Rural county services"* means the services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas, including secondary road services, but excluding services financed by other statutory funds.
9. *"Secondary road services"* means the services related to secondary road construction and maintenance, excluding debt service and services financed by other statutory funds.
10. *"Supplemental levy"* means a levy authorized and limited by section 331.424 for general county services and rural county services.

83 Acts, ch 123, §5, 209; 84 Acts, ch 1178, §6; 86 Acts, ch 1237, §21; 2000 Acts, ch 1117, §19

**331.422 County property tax levies.**

Subject to this section and sections 331.423 through 331.426 or as otherwise provided by state law, the board of each county shall certify property taxes annually at its March session to be levied for county purposes as follows:

1. Taxes for general county services shall be levied on all taxable property within the county.
2. Taxes for rural county services shall be levied on all taxable property not within incorporated areas of the county.
3. Taxes in the amount necessary for debt service shall be levied on all taxable property within the county, except as otherwise provided by state law.
4. Other taxes shall be levied as provided by state law.

83 Acts, ch 123, §6, 209

Referred to in §331.421

**331.423 Basic levies — maximums.**

Annually, the board may certify basic levies, subject to the following limits:

1. For general county services, three dollars and fifty cents per thousand dollars of the assessed value of all taxable property in the county.
2. For rural county services, three dollars and ninety-five cents per thousand dollars of the assessed value of taxable property in the county outside of incorporated city areas.

83 Acts, ch 123, §7, 209; 86 Acts, ch 1237, §22

Referred to in §28M.5, 331.421, 331.422, 331.425, 331.426, 331.434, 331.435

**331.424 Supplemental levies.**

To the extent that the basic levies are insufficient to meet the county's needs for the following services, the board may certify supplemental levies as follows:

1. *a.* For general county services, an amount sufficient to pay the charges for the following:

(1) To the extent that the county is obligated by statute to pay the charges for:

(a) The costs of inpatient or outpatient substance abuse admission, commitment, transportation, care, and treatment at any of the following:

(i) The alcoholic treatment center at Oakdale. However, the county may require that an admission to the center shall be reported to the board by the center within five days as a condition of the payment of county funds for that admission.

(ii) A state mental health institute, or a community-based public or private facility or service.

(b) Care of children admitted or committed to the Iowa juvenile home at Toledo.

(c) Clothing, transportation, medical, or other services provided persons attending the Iowa braille and sight saving school, the Iowa school for the deaf, or the university of Iowa hospitals and clinics' center for disabilities and development for children with severe disabilities at Iowa City, for which the county becomes obligated to pay pursuant to sections 263.12, 269.2, and 270.4 through 270.7.

(2) Foster care and related services provided under court order to a child who is under the jurisdiction of the juvenile court, including court-ordered costs for a guardian ad litem under section 232.71C.

(3) Elections, and voter registration pursuant to chapter 48A.

(4) Employee benefits under chapters 96, 97B, and 97C, which are associated with salaries for general county services.

(5) Tort liability insurance, property insurance, and any other insurance that may be necessary in the operation of the county, costs of a self-insurance program, costs of a local government risk pool, and amounts payable under any insurance agreements to provide or procure such insurance, self-insurance program, or local government risk pool.

(6) The maintenance and operation of the courts, including but not limited to the salary and expenses of the clerk of the district court and other employees of the clerk's office, and bailiffs, court costs if the prosecution fails or if the costs cannot be collected from the person liable, costs and expenses of prosecution under section 189A.17, salaries and expenses of juvenile court officers under chapter 602, court-ordered costs in domestic abuse cases under section 236.5, the county's expense for confinement of prisoners under chapter 356A, temporary assistance to the county attorney, county contributions to a retirement system for bailiffs, reimbursement for judicial magistrates under section 602.6501, claims filed under section 622.93, interpreters' fees under section 622B.7, uniform citation and complaint supplies under section 805.6, and costs of prosecution under section 815.13.

(7) Court-ordered costs of conciliation procedures under section 598.16.

(8) Establishment and maintenance of a joint county indigent defense fund pursuant to an agreement under section 28E.19.

(9) The maintenance and operation of a local emergency management agency established pursuant to chapter 29C.

*b.* The board may require a public or private facility, as a condition of receiving payment from county funds for services it has provided, to furnish the board with a statement of the income, assets, and legal residence including township and county of each person who has received services from that facility for which payment has been made from county funds under paragraph "*a*", subparagraphs (1) and (2). However, the facility shall not disclose to anyone the name or street or route address of a person receiving services for which commitment is not required, without first obtaining that person's written permission.

*c.* Parents or other persons may voluntarily reimburse the county or state for the reasonable cost of caring for a patient or an inmate in a county or state facility.

2. For rural county services, an amount sufficient to pay the charges for the following:

*a.* Employee benefits under chapters 96, 97B, and 97C, which are associated with salaries for rural county services.

*b.* An aviation authority under chapter 330A, to the extent that the county contributes to the authority under section 330A.15.

83 Acts, ch 123, §8, 209; 84 Acts, ch 1178, §7; 84 Acts, ch 1312, §8; 86 Acts, ch 1211, §20; 90 Acts, ch 1233, §25; 92 Acts, ch 1139, §26; 94 Acts, ch 1169, §59; 94 Acts, ch 1170, §52; 95

Acts, ch 206, §9, 12; 96 Acts, ch 1129, §84; 96 Acts, ch 1219, §102; 97 Acts, ch 35, §22, 25; 2001 Acts, ch 181, §25; 2010 Acts, ch 1061, §136; 2012 Acts, ch 1060, §1, 7

Referred to in §23A.2, 29C.17, 123.38, 218.99, 331.301, 331.421, 331.422, 331.425, 331.426, 331.427, 331.428, 331.434, 331.435

2012 strike of former subsection 1, paragraph a, subparagraph (5) applies to property taxes due and payable in fiscal years beginning on or after July 1, 2013; 2012 Acts, ch 1060, §7

Section not amended; footnote revised

**331.424A County mental health and disabilities services fund.**

1. For the purposes of this chapter and chapter 426B, unless the context otherwise requires:

*a.* *"Base year expenditures for mental health and disabilities services"* means the same as defined in section 331.438, Code Supplement 2011, minus the amount the county received from the property tax relief fund pursuant to section 426B.1, Code 2011, for the fiscal year beginning July 1, 2008.

*b.* *"County population expenditure target amount"* means the product of the statewide per capita expenditure target amount multiplied by a county's general population.

*c.* *"County services fund"* means a county mental health and disabilities services fund created pursuant to this section.

*d.* *"Per capita growth amount"* means the amount by which the statewide per capita expenditure target amount may grow from one year to the next.

*e.* *"Statewide per capita expenditure target amount"* means the dollar amount of a statewide expenditure target per person as established by statute.

2. The county finance committee created in section 333A.2 shall consult with the department of human services and the department of management in adopting rules and prescribing forms for administering the county services funds.

3. County revenues from taxes and other sources designated by a county for mental health and disabilities services shall be credited to the county mental health and disabilities services fund which shall be created by the county. The board shall make appropriations from the fund for payment of services provided under the regional service system management plan approved pursuant to section 331.393. The county may pay for the services in cooperation with other counties by pooling appropriations from the county services fund with appropriations from the county services fund of other counties through the county's regional administrator, or through another arrangement specified in the regional governance agreement entered into by the county under section 331.392.

4. Receipts from the state or federal government for the mental health and disability services administered or paid for by a county shall be credited to the county services fund, including moneys distributed to the county from the department of human services and moneys allocated under chapter 426B.

5. For each fiscal year, the county shall certify a levy for payment of services. For each fiscal year, county revenues from taxes imposed by the county credited to the services fund shall not exceed an amount equal to the amount of base year expenditures for mental health and disability services. A levy certified under this section is not subject to the appeal provisions of section 331.426 or to any other provision in law authorizing a county to exceed, increase, or appeal a property tax levy limit.

6. Appropriations specifically authorized to be made from the mental health and disabilities services fund shall not be made from any other fund of the county.

7. Notwithstanding subsection 5, for the fiscal years beginning July 1, 2013, and July 1, 2014, county revenues from taxes levied by the county and credited to the county services fund shall not exceed the lower of the following amounts:

*a.* The amount of the county's base year expenditures for mental health and disabilities services.

*b.* The amount equal to the product of the statewide per capita expenditure target for the fiscal year beginning July 1, 2013, multiplied by the county's general population for the same fiscal year.

95 Acts, ch 206, §10; 96 Acts, ch 1183, §33; 96 Acts, ch 1205, §1; 96 Acts, ch 1219, §103; 97 Acts, ch 198, §2; 2000 Acts, ch 1090, §1, 6; 2000 Acts, ch 1232, §5, 9, 10; 2001 Acts, ch 155, §1,

9 – 11; 2002 Acts, ch 1119, §157; 2002 Acts, ch 1146, §7; 2004 Acts, ch 1090, §18; 2011 Acts, ch 123, §22, 27; 2012 Acts, ch 1019, §114; 2012 Acts, ch 1120, §132, 139, 140
Referred to in §123.38, 218.99, 225C.12, 226.9C, 249N.8, 331.422, 331.426, 331.432, 331.434, 331.435, 426B.5
See Iowa Acts for special provisions relating to appropriations for MH/MR/DD services costs in a given year
2012 amendment to this section by 2012 Acts, ch 1120, §132, takes effect July 1, 2013, and is applicable commencing with the budget and tax levy certification process for the fiscal year beginning on that date; 2012 Acts, ch 1120, §139, 140
See Code editor's note
Section amended

**331.424B Cemetery levy.**

The board may levy annually a tax not to exceed six and three-fourths cents per thousand dollars of the assessed value of all taxable property in the county to repair and maintain all cemeteries under the jurisdiction of the board including pioneer cemeteries and to pay other expenses of the board or the cemetery commission as provided in section 331.325. The proceeds of the tax levy shall be credited to the county general fund.

96 Acts, ch 1182, §2; 2002 Acts, ch 1119, §158
Referred to in §331.422, 331.426, 331.434, 331.435

**331.424C Emergency services fund.**

A county that is providing fire protection service or emergency medical service to a township pursuant to section 331.385 shall establish an emergency services fund and may certify taxes for levy in the township not to exceed the amounts authorized in section 359.43. The county has the authority to use a portion of the taxes levied and deposited in the fund for the purpose of accumulating moneys to carry out the purposes of section 359.43, subsection 4.

2000 Acts, ch 1117, §20; 2003 Acts, ch 44, §63; 2004 Acts, ch 1146, §3; 2005 Acts, ch 74, §2, 3
Referred to in §331.385, 331.421, 331.422, 331.426, 331.434, 331.435

**331.425 Additions to levies — special levy election.**

The board may certify an addition to a levy in excess of the amounts otherwise permitted under sections 331.423, 331.424, and 331.426 if the proposition to certify an addition to a levy has been submitted at a special levy election and received a favorable majority of the votes cast on the proposition. A special levy election is subject to the following:

1. The election shall be held only if the board gives notice to the county commissioner of elections, not later than February 15, that the election is to be held.
2. The election shall be held on the first Tuesday in March and be conducted by the county commissioner of elections in accordance with the law.
3. The proposition to be submitted shall be substantially in the following form:

Vote for only one of the following:
Shall the county of ..... levy an additional tax at a rate of $..... each year for ..... years beginning next July 1 in excess of the statutory limits otherwise applicable for the (general county services or rural county services) fund?

or

The county of ..... shall continue the (general county services or rural county services fund) under the maximum rate of $.....

4. The canvass shall be held on the second day that is not a holiday following the special levy election, and shall begin no earlier than 1:00 p.m. on that day.
5. Notice of the proposed special levy election shall be published at least twice in a newspaper as specified in section 331.305 prior to the date of the special levy election. The first notice shall appear as early as practicable after the board has decided to seek a special levy.

83 Acts, ch 123, §9, 209; 2009 Acts, ch 57, §85; 2010 Acts, ch 1033, §44
Referred to in §331.422, 331.426, 331.434, 331.435

**331.426 Additions to basic levies.**

If a county has unusual circumstances, creating a need for additional property taxes for general county services or rural county services in excess of the amount that can be raised by the levies otherwise permitted under sections 331.423 through 331.425, the board may certify additions to each of the basic levies as follows:

1. The basis for justifying an additional property tax under this section must be one or more of the following:

*a.* An unusual increase in population as determined by the preceding certified federal census.

*b.* A natural disaster or other emergency.

*c.* Unusual problems relating to major new functions required by state law.

*d.* Unusual staffing problems.

*e.* Unusual need for additional moneys to permit continuance of a program which provides substantial benefit to county residents.

*f.* Unusual need for a new program which will provide substantial benefit to county residents, if the county establishes the need and the amount of necessary increased cost.

*g.* A reduced or unusually low growth rate in the property tax base of the county.

2. *a.* The public notice of a hearing on the county budget required by section 331.434, subsection 3, shall include the following additional information for the applicable class of services:

(1) A statement that the accompanying budget summary requires a proposed basic property tax rate exceeding the maximum rate established by the general assembly.

(2) A comparison of the proposed basic tax rate with the maximum basic tax rate, and the dollar amount of the difference between the proposed rate and the maximum rate.

(3) A statement of the major reasons for the difference between the proposed basic tax rate and the maximum basic tax rate.

*b.* The information required by this subsection shall be published in a conspicuous form as prescribed by the committee.

83 Acts, ch 123, §10, 209; 2010 Acts, ch 1061, §180

Referred to in §331.422, 331.424A, 331.425, 331.434, 331.435

**331.427 General fund.**

1. Except as otherwise provided by state law, county revenues from taxes and other sources for general county services shall be credited to the general fund of the county, including revenues received under sections 9I.11, 101A.3, 101A.7, 123.36, 123.143, 142D.9, 176A.8, 321.105, 321.152, 321G.7, 321I.8, section 331.554, subsection 6, sections 341A.20, 364.3, 368.21, 423A.7, 428A.8, 433.15, 434.19, 445.57, 453A.35, 458A.21, 483A.12, 533.329, 556B.1, 583.6, 602.8108, 904.908, and 906.17, and the following:

*a.* License fees for business establishments.

*b.* Moneys remitted by the clerk of the district court and received from a magistrate or district associate judge for fines and forfeited bail imposed pursuant to a violation of a county ordinance.

*c.* Other amounts in accordance with state law.

2. Fees and charges including service delivery fees, credit card fees, and electronic funds transfer charges payable to a third party, not to the county, that are imposed for completing an electronic financial transaction with the county are not considered county revenues for purposes of subsection 1.

3. The board may make appropriations from the general fund for general county services, including but not limited to the following:

*a.* Expenses of a local emergency management commission under chapter 29C.

*b.* Development, operation, and maintenance of memorial buildings or monuments under chapter 37.

*c.* Purchase of voting systems and equipment under chapter 52.

*d.* Expenses incurred by the county conservation board established under chapter 350, in carrying out its powers and duties.

*e.* Local health services. The county auditor shall keep a complete record of

appropriations for local health services and shall issue warrants on them only on requisition of the local or district health board.

*f.* Expenses relating to county fairs, as provided in chapter 174.

*g.* Maintenance of a juvenile detention home under chapter 232.

*h.* Relief of veterans under chapter 35B.

*i.* Care and support of the poor under chapter 252.

*j.* Operation, maintenance, and management of a health center under chapter 346A.

*k.* For the use of a nonprofit historical society organized under chapter 504, Code 1989, or current chapter 504, a city-owned historical project, or both.

*l.* Services listed in section 331.424, subsection 1, and section 331.554.

*m.* Closure and postclosure care of a sanitary disposal project under section 455B.302.

4. Appropriations specifically authorized to be made from the general fund shall not be made from the rural services fund, but may be made from other sources.

83 Acts, ch 123, §11, 209; 84 Acts, ch 1107, §1; 84 Acts, ch 1206, §1; 85 Acts, ch 195, §40; 85 Acts, ch 201, §2; 89 Acts, ch 83, §48; 90 Acts, ch 1230, §90; 90 Acts, ch 1236, §47; 91 Acts, ch 191, §8; 92 Acts, ch 1139, §27; 94 Acts, ch 1074, §3; 95 Acts, ch 216, §37; 97 Acts, ch 158, §2; 2000 Acts, ch 1090, §2, 6; 2001 Acts, ch 155, §2, 9 – 11; 2003 Acts, ch 18, §3; 2003 Acts, ch 108, §67; 2003 Acts, ch 178, §3; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1132, §85; 2004 Acts, ch 1175, §394; 2005 Acts, ch 140, §17; 2007 Acts, ch 174, §92; 2007 Acts, ch 185, §2; 2008 Acts, ch 1084, §14; 2009 Acts, ch 57, §86; 2012 Acts, ch 1021, §68

Referred to in §12C.1, 12C.4, 37.9

**331.428 Rural services fund.**

1. Except as otherwise provided by state law, county revenues from taxes and other sources for rural county services shall be credited to the rural services fund of the county.

2. The board may make appropriations from the rural services fund for rural county services, including but not limited to the following:

*a.* Road clearing, weed eradication, and other expenses incurred under chapter 317.

*b.* Maintenance of a county library and library contracts under chapter 336.

*c.* Planning, operating, and maintaining sanitary disposal projects under chapter 455B.

*d.* Services listed under section 331.424, subsection 2.

3. Appropriations specifically authorized to be made from the rural services fund shall not be made from the general fund, but may be made from other sources.

83 Acts, ch 123, §12, 209

**331.429 Secondary road fund.**

1. Except as otherwise provided by state law, county revenues for secondary road services shall be credited to the secondary road fund, including the following:

*a.* Transfers from the general fund not to exceed in any year the dollar equivalent of a tax of sixteen and seven-eighths cents per thousand dollars of assessed value on all taxable property in the county multiplied by the ratio of current taxes actually collected and apportioned for the general basic levy to the total general basic levy for the current year, and an amount equivalent to the moneys derived by the general fund from military service tax credits under chapter 426A, manufactured or mobile home taxes under section 435.22, and delinquent taxes for prior years collected and apportioned to the general basic fund in the current year, multiplied by the ratio of sixteen and seven-eighths cents to three dollars and fifty cents. The limit on transfers in this paragraph applies only to property tax revenue and is not a limit on transfers of revenue generated from sources other than property taxes.

*b.* Transfers from the rural services fund not to exceed in any year the dollar equivalent of a tax of three dollars and three-eighths cents per thousand dollars of assessed value on all taxable property not located within the corporate limits of a city in the county multiplied by the ratio of current taxes actually collected and apportioned for the rural services basic levy to the total rural services basic levy for the current year and an amount equivalent to the moneys derived by the rural services fund from military service tax credits under chapter 426A, manufactured or mobile home taxes under section 435.22, and delinquent taxes for prior years collected and apportioned to the rural services basic fund in the current year,

multiplied by the ratio of three dollars and three-eighths cents to three dollars and ninety-five cents. The limit on transfers in this paragraph applies only to property tax revenue and is not a limit on transfers of revenue generated from sources other than property taxes.

*c.* Moneys allotted to the county from the state road use tax fund.

*d.* Moneys provided by individuals from their own contributions for the improvement of any secondary road.

*e.* Other moneys dedicated to this fund by law including but not limited to sections 306.15, 309.52, 311.23, 311.29, and 313.28.

2. The board may make appropriations from the secondary road fund for the following secondary road services:

*a.* Construction and reconstruction of secondary roads and costs incident to the construction and reconstruction.

*b.* Maintenance and repair of secondary roads and costs incident to the maintenance and repair.

*c.* Payment of all or part of the cost of construction and maintenance of bridges in cities having a population of eight thousand or less and all or part of the cost of construction of roads which are located within cities of less than four hundred population and which lead to state parks.

*d.* Special drainage assessments levied on account of benefits to secondary roads.

*e.* Payment of interest and principal on bonds of the county issued for secondary roads, bridges, or culverts constructed by the county.

*f.* A legal obligation in connection with secondary roads and bridges, which obligation is required by law to be taken over and assumed by the county.

*g.* Secondary road equipment, materials, and supplies, and garages or sheds for their storage, repair, and servicing.

*h.* Assignment or designation of names or numbers to roads in the county and erection, construction, or maintenance of guideposts or signs at intersections of roads in the county.

*i.* The services provided under sections 306.15, 309.18, 309.52, 311.7, 311.23, 313A.23, 316.14, 468.43, 468.108, 468.341, and 468.342, or other state law relating to secondary roads.

83 Acts, ch 123, §13, 209; 84 Acts, ch 1178, §8 – 10; 87 Acts, ch 160, §1; 87 Acts, ch 169, §5; 88 Acts, ch 1250, §12; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2008 Acts, ch 1124, §20

Referred to in §309.10, 312.2, 331.432, 357I.11

**331.430 Debt service fund.**

1. Except as otherwise provided by state law, county revenues from taxes and other sources for debt service shall be credited to the debt service fund of the county. However, moneys pledged or available to service general obligation bonds, and received from sources other than property taxes, shall be deposited in the fund from which the debt is to be retired.

2. The board may make appropriations from the debt service fund for the following debt service:

*a.* Judgments against the county, except those authorized by law to be paid from sources other than property tax.

*b.* Interest as it becomes due and the amount necessary to pay, or to create a sinking fund to pay, the principal at maturity of all general obligation bonds issued by the county.

*c.* Payments required to be made from the debt service fund under a lease or lease-purchase agreement.

*d.* Payments authorized to be made from the debt service fund to a flood project fund under section 418.14, subsection 4.

3. A tax levied for the debt service fund is not invalid if it raises moneys in excess of those needed for a specific purpose. Only excess moneys remaining after retirement of all indebtedness payable from the debt service fund may be transferred from the fund to the fund most closely related to the project for which the indebtedness arose, or to the general fund, subject to the terms of the original bond issue. This subsection shall not be construed to give a county board of supervisors authority to increase the debt service levy for the purpose of creating excess moneys in the fund to be used for purposes other than those related to retirement of debt.

4. When the amount in the hands of the treasurer belonging to the debt service fund, after setting aside the sum required to pay interest maturing before the next levy, is sufficient to redeem one or more bonds which by their terms are subject to redemption, the treasurer shall notify the owner of the bonds. If the bonds are not presented for payment or redemption within thirty days after the date of notice, the interest on the bonds shall cease, and the amount due shall be set aside for payment when presented. Redemptions shall be made in the order of the bond numbers.

5. For the purposes of this section, warrants issued by a county in anticipation of revenue, refunding or refinancing of such warrants, and judgments based on a default in payment of such warrants shall not be considered debt payable from the debt service fund.

6. The taxes realized from the tax levy imposed under section 346.27, subsection 22, for a joint county-city building shall be deposited into a separate account in the county's debt service fund for the payment of the annual rent and shall be disbursed pursuant to section 346.27, subsection 22.

83 Acts, ch 123, §14, 209; 84 Acts, ch 1178, §11; 85 Acts, ch 156, §2; 97 Acts, ch 25, §1, 2; 2010 Acts, ch 1069, §119, 120; 2012 Acts, ch 1060, §2, 7; 2012 Acts, ch 1094, §2, 18

Referred to in §331.432, 331.441, 331.447

Subsection 6 applies to property taxes due and payable in fiscal years beginning on or after July 1, 2013; 2012 Acts, ch 1060, §7

**331.431 Additional funds.**

A county may establish other funds in accordance with generally accepted accounting principles. Taxes may be levied for those funds as provided by state law. The condition and operations of each fund shall be included in the annual financial report required in section 331.403.

83 Acts, ch 123, §15, 209

**331.432 Interfund transfers.**

1. It is unlawful to make permanent transfers of money between the general fund and the rural services fund.

2. Moneys credited to the secondary road fund for the construction and maintenance of secondary roads shall not be transferred.

3. Except as authorized in section 331.477, transfers of moneys between the county mental health and disabilities services fund created pursuant to section 331.424A and any other fund are prohibited.

4. Other transfers, including transfers from the debt service fund made in accordance with section 331.430, and transfers from the general or rural services fund to the secondary road fund in accordance with section 331.429, subsection 1, paragraphs "*a*" and "*b*", are not effective until authorized by resolution of the board.

5. The transfer of inactive funds is subject to section 24.21.

83 Acts, ch 123, §16, 209; 98 Acts, ch 1213, §1, 2; 2012 Acts, ch 1019, §115; 2012 Acts, ch 1120, §133, 139

2012 amendment to subsection 3 by 2012 Acts, ch 1120, §133, takes effect July 1, 2013; 2012 Acts, ch 1120, §139

See Code editor's note

Subsection 3 amended

**331.433 Estimates submitted by departments.**

1. On or before January 15 of each year, each elective or appointive officer or board, except tax certifying boards as defined in section 24.2, subsection 2, having charge of a county office or department, shall prepare and submit to the auditor or other official designated by the board an estimate, itemized in the detail required by the board and consistent with existing county accounts, showing all of the following:

*a*. The proposed expenditures of the office or department for the next fiscal year.

*b*. An estimate of the revenues, except property taxes, to be collected for the county by the office during the next fiscal year.

2. On or before January 20 of each year, the auditor or other designated official shall compile the various office and department estimates and submit them to the board. In the preparation of the county budget the board may consult with any officer or department

concerning the estimates and requests and may adjust the requests for any county office or department.

83 Acts, ch 123, §17, 209

**331.434 County budget — notice and hearing — appropriations.**

Annually, the board of each county, subject to section 331.403, subsection 4, sections 331.423 through 331.426, and other applicable state law, shall prepare and adopt a budget, certify taxes, and provide appropriations as follows:

1. The budget shall show the amount required for each class of proposed expenditures, a comparison of the amounts proposed to be expended with the amounts expended for like purposes for the two preceding years, the revenues from sources other than property taxation, and the amount to be raised by property taxation, in the detail and form prescribed by the director of the department of management. For each county that has established an urban renewal area, the budget shall include estimated and actual tax increment financing revenues and all estimated and actual expenditures of the revenues, proceeds from debt and all estimated and actual expenditures of the debt proceeds.

2. Not less than twenty days before the date that a budget must be certified under section 24.17 and not less than ten days before the date set for the hearing under subsection 3 of this section, the board shall file the budget with the auditor. The auditor shall make available a sufficient number of copies of the budget to meet the requests of taxpayers and organizations and have them available for distribution at the courthouse or other places designated by the board.

3. The board shall set a time and place for a public hearing on the budget before the final certification date and shall publish notice of the hearing not less than ten nor more than twenty days prior to the hearing in the county newspapers selected under chapter 349. A summary of the proposed budget, in the form prescribed by the director of the department of management, shall be included in the notice. Proof of publication shall be filed with and preserved by the auditor. A levy is not valid unless and until the notice is published and filed. The department of management shall prescribe the form for the public hearing notice for use by counties.

4. At the hearing, a resident or taxpayer of the county may present to the board objections to or arguments in favor of any part of the budget.

5. After the hearing, the board shall adopt by resolution a budget and certificate of taxes for the next fiscal year and shall direct the auditor to properly certify and file the budget and certificate of taxes as adopted. The board shall not adopt a tax in excess of the estimate published, except a tax which is approved by a vote of the people, and a greater tax than that adopted shall not be levied or collected. A county budget and certificate of taxes adopted for the following fiscal year becomes effective on the first day of that year.

6. The board shall appropriate, by resolution, the amounts deemed necessary for each of the different county officers and departments during the ensuing fiscal year. Increases or decreases in these appropriations do not require a budget amendment, but may be provided by resolution at a regular meeting of the board, as long as each class of proposed expenditures contained in the budget summary published under subsection 3 of this section is not increased. However, decreases in appropriations for a county officer or department of more than ten percent or five thousand dollars, whichever is greater, shall not be effective unless the board sets a time and place for a public hearing on the proposed decrease and publishes notice of the hearing not less than ten nor more than twenty days prior to the hearing in the county newspapers selected under chapter 349.

7. Taxes levied by a county whose budget is certified after March 15 shall be limited to the prior year's budget amount. However, this penalty may be waived by the director of the department of management if the county demonstrates that the March 15 deadline was missed because of circumstances beyond the control of the county.

83 Acts, ch 123, §18, 209; 86 Acts, ch 1245, §114; 91 Acts, ch 164, §1; 97 Acts, ch 206, §16, 17, 24; 2007 Acts, ch 186, §3; 2012 Acts, ch 1124, §7, 8

Referred to in §331.403, 331.426, 331.435, 331.907, 333A.4

**331.435 Budget amendment.**

The board may amend the adopted county budget, subject to sections 331.423 through 331.426 and other applicable state law, to permit increases in any class of proposed expenditures contained in the budget summary published under section 331.434, subsection 3.

The board shall prepare and adopt a budget amendment in the same manner as the original budget, as provided in section 331.434, and the amendment is subject to protest as provided in section 331.436, except that the director of the department of management may by rule provide that amendments of certain types or up to certain amounts may be made without public hearing and without being subject to protest. A county budget for the ensuing fiscal year shall be amended by May 31 to allow time for a protest hearing to be held and a decision rendered before June 30. An amendment of a budget after May 31 which is properly appealed but without adequate time for hearing and decision before June 30 is void.

83 Acts, ch 123, §19, 209; 86 Acts, ch 1245, §20

**331.436 Protest.**

Protests to the adopted budget must be made in accordance with sections 24.27 through 24.32 as if the county were the municipality under those sections except that the number of people necessary to file a protest under this section shall not be less than one hundred.

83 Acts, ch 123, §20, 209; 2003 Acts, ch 178, §17

Referred to in §331.435

**331.437 Expenditures exceeding appropriations.**

It is unlawful for a county official, the expenditures of whose office come under this part, to authorize the expenditure of a sum for the official's department larger than the amount which has been appropriated for that department by the board.

A county official in charge of a department or office who violates this law is guilty of a simple misdemeanor. The penalty in this section is in addition to the liability imposed in section 331.476.

83 Acts, ch 123, §21, 209

**331.438 County mental health, intellectual disability, and developmental disabilities services expenditures — joint state-county planning, implementing, and funding.** Repealed by its own terms; 2011 Acts, ch 123, § 23.

Section repeal is effective July 1, 2013; 2011 Acts, ch 123, §23

**331.439 Eligibility for state payment.** Repealed by its own terms; 2011 Acts, ch 123, § 24.

Section repeal is effective July 1, 2013; 2011 Acts, ch 123, §24

With respect to proposed amendment to former §331.439, subsection 5, paragraph b, by 2013 Acts, ch 90, §257, see Code editor's note on simple harmonization

**331.440 Mental health, intellectual disability, and developmental disabilities services — central point of coordination process — state case services.** Repealed by its own terms; 2011 Acts, ch 123, § 25.

Section repeal is effective July 1, 2013; 2011 Acts, ch 123, §25

With respect to proposed amendment to former §331.440, subsection 2, paragraph b, by 2012 Acts, ch 1120, §126, 130, see Code editor's note on simple harmonization

**331.440A Adult mental health, mental retardation, and developmental disabilities services funding decategorization pilot project.** Repealed by 2007 Acts, ch 218, § 86.

## PART 3

## GENERAL OBLIGATION BONDS

Referred to in §28M.3, 331.552, 350.6, 403.12, 423A.7

**331.441 Definitions.**

1. As used in this part, the use of the conjunctive *"and"* includes the disjunctive *"or"* and

the use of the disjunctive *"or"* includes the conjunctive *"and"*, unless the context clearly indicates otherwise.

2. As used in this part, unless the context otherwise requires:

*a. "General obligation bond"* means a negotiable bond issued by a county and payable from the levy of ad valorem taxes on all taxable property within the county through its debt service fund which is required to be established by section 331.430.

*b. "Essential county purpose"* means any of the following:

(1) An optical scan voting system.

(2) Bridges on highways or parts of highways which are located along the corporate limits of cities and are partly within and partly without the limits and are in whole or in part secondary roads.

(3) Sanitary disposal projects as defined in section 455B.301.

(4) Works and facilities useful for the collection, treatment, and disposal of sewage and industrial waste in a sanitary manner, for the collection and disposal of solid waste, and for the collection and disposal of surface waters and streams, including the planning, acquisition, leasing, construction, reconstruction, extension, remodeling, improvement, repair, equipping, maintenance, and operation of the works and facilities.

(5) Public buildings, including the site or grounds of, and the erection, equipment, remodeling, or reconstruction of, and additions or extensions to the buildings, and including the provision and maintenance of juvenile detention or shelter care facilities, when the cost does not exceed the following limits:

(a) Six hundred thousand dollars in a county having a population of twenty-five thousand or less.

(b) Seven hundred fifty thousand dollars in a county having a population of more than twenty-five thousand but not more than fifty thousand.

(c) Nine hundred thousand dollars in a county having a population of more than fifty thousand but not more than one hundred thousand.

(d) One million two hundred thousand dollars in a county having a population of more than one hundred thousand but not more than two hundred thousand.

(e) One million five hundred thousand dollars in a county having a population of more than two hundred thousand.

(6) Funding or refunding outstanding indebtedness if the outstanding indebtedness exceeds five thousand dollars on the first day of January, April, June, or September in any year. However, a county shall not levy taxes to repay refunding bonds for bridges on property within cities.

(7) Enlargement and improvement of a county hospital acquired and operated under chapter 347A, subject to a maximum of two percent of the assessed value of the taxable property in the county. However, notice of the proposed bond issue shall be published once each week for two consecutive weeks and if, within twenty days following the date of the first publication, a petition requesting an election on the proposal and signed by eligible electors of the county equal in number to at least twenty percent of the votes cast at the preceding election for governor is filed with the county auditor, the proposal is subject to the election requirements in section 331.442, subsections 2, 3, and 4, for general county purpose bonds.

(8) The provision of insurance, or funding a self-insurance program or local government risk pool, including but not limited to the investigation and defense of claims, the payment of claims, and the administration and management of such self-insurance program or local government risk pool.

(9) The acquisition, restoration, or demolition of abandoned, dilapidated, or dangerous buildings, structures or properties or the abatement of a nuisance.

(10) The establishment or funding of programs to provide for or assist in providing for the acquisition, restoration, or demolition of housing, as part of a municipal housing project under chapter 403 or otherwise, or for other purposes as may be authorized under chapter 403A.

(11) The acquiring, developing, and improving of a geographic computer data base system suitable for automated mapping and facilities management.

(12) Funding the acquisition, construction, reconstruction, improvement, repair, or

equipping of waterworks, water mains and extensions, ponds, reservoirs, capacity, wells, dams, pumping installations, real and personal property, or other facilities available or used for the storage, transportation, or utilization of water.

(a) The county board of supervisors may on its own motion or upon a written petition of a water supplier established under chapter 357A or 504 direct the county auditor to establish a special service area tax district for the purpose of issuing general obligation bonds. The special service area tax district shall include only unincorporated portions of the county and shall be drawn according to engineering recommendations provided by the water supplier or the county engineer and, in addition, shall be drawn in order that an election provided for in subparagraph division (b) can be administered. The county's debt service tax levy for the county general obligation bonds issued for the purposes set out in this subparagraph shall be levied only against taxable property within the county which is included within the boundaries of the special service area tax district. An owner of property not included within the boundaries of the special service area tax district may petition the board of supervisors to be included in the special service area tax district subsequent to its establishment.

(b) General obligation bonds for the purposes described in this subparagraph are subject to an election held in the manner provided in section 331.442, subsections 1 through 4, if not later than fifteen days following the action by the county board of supervisors, eligible electors file a petition with the county commissioner of elections asking that the question of issuing the bonds be submitted to the registered voters of the special service area tax district. The petition must be signed by eligible electors equal in number to at least five percent of the registered voters residing in the special service area tax district. If the petition is duly filed within the fifteen days, the board of supervisors shall either adopt a resolution declaring that the proposal to issue the bonds is abandoned, or direct the county commissioner of elections to call a special election within a special service area tax district upon the question of issuing the bonds.

(13) The acquisition, pursuant to a chapter 28E agreement, of a city convention center or veterans memorial auditorium, including the renovation, remodeling, reconstruction, expansion, improvement, or equipping of such a center or auditorium, provided that debt service funds shall not be derived from the division of taxes under section 403.19.

(14) The aiding of the planning, undertaking, and carrying out of urban renewal projects under the authority of chapter 403 and for the purposes set out in section 403.12. However, bonds issued for this purpose are subject to the right of petition for an election as provided in section 331.442, subsection 5, without limitation on the amount of the bond issue or the population of the county, and the board shall include notice of the right of petition in the notice of proposed action required under section 331.443, subsection 2.

(15) The establishment, construction, reconstruction, repair, equipping, remodeling, extension, maintenance, and operation of works, vehicles, and facilities of a regional transit district.

(16) Capital projects for the construction, reconstruction, improvement, repair, or equipping of bridges, roads, and culverts if such capital projects assist in economic development which creates jobs and wealth, if such capital projects relate to damage caused by a disaster as defined in section 29C.2, or if such capital projects are designed to prevent or mitigate future disasters as defined in section 29C.2.

(17) Peace officer communication equipment and other emergency services communication equipment and systems.

(18) The remediation, restoration, repair, cleanup, replacement, and improvement of property, buildings, equipment, and public facilities that have been damaged by a disaster as defined in section 29C.2 and that are located in an area that the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster. Bonds issued pursuant to section 331.443 for the purposes specified in this subparagraph shall be issued not later than ten years after the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster, whichever is later.

(19) The reimbursement of the county's general fund or other funds of the county for expenditures made related to remediation, restoration, repair, and cleanup of damage caused by a disaster as defined in section 29C.2, if the damage is located in an area that

the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster. Bonds issued pursuant to section 331.443 for the purposes specified in this subparagraph shall be issued not later than ten years after the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster, whichever is later.

*c.* *"General county purpose"* means any of the following:

(1) A memorial building or monument to commemorate the service rendered by members of the armed services of the United States, including the acquisition of ground and the purchase, erection, construction, reconstruction, and equipment of the building or monument, to be managed by a commission as provided in chapter 37.

(2) Acquisition and development of land for a public museum, park, parkway, preserve, playground, or other recreation or conservation purpose to be managed by the county conservation board. The board may submit a proposition under this subparagraph only upon receipt of a petition from the county conservation board asking that bonds be issued for a specified amount.

(3) The building and maintenance of a bridge over state boundary line streams. The board shall submit a proposition under this subparagraph to an election upon receipt of a petition which is valid under section 331.306.

(4) Contributions of money to the state department of transportation to help finance the construction of toll bridges across navigable rivers constituting boundaries between the county and an adjoining state.

(5) An airport, including establishment, acquisition, equipment, improvement, or enlargement of the airport.

(6) A joint city-county building, established by contract between the county and its county seat city, including purchase, acquisition, ownership, and equipment of the county portion of the building.

(7) A county health center as defined in section 346A.1, including additions and facilities for the center and including the acquisition, reconstruction, completion, equipment, improvement, repair, and remodeling of the center, additions, or facilities. Bonds for the purpose specified in this subparagraph are exempt from taxation by the state and the interest on the bonds is exempt from state income taxes.

(8) A county public hospital, including procuring a site and the erection, equipment, and maintenance of the hospital, and additions to the hospital, subject to the levy limits in section 347.7.

(9) Public buildings, including the site or grounds of, the erection, equipment, remodeling, or reconstruction of, and additions or extensions to the buildings, and including the provision and maintenance of juvenile detention or shelter care facilities, when the cost exceeds the limits stated in subsection 2, paragraph *"b"*, subparagraph (5).

(10) The undertaking of any project jointly or in cooperation with any other governmental body which, if undertaken by the county alone, would be for a general county purpose, including the joint purchase, acquisition, construction, ownership, or control of any real or personal property.

(11) Any other purpose which is necessary for the operation of the county or the health and welfare of its citizens.

3. The *"cost"* of a project for an essential county purpose or general county purpose includes construction contracts and the cost of engineering, architectural, technical, and legal services, preliminary reports, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential damages or costs, easements, rights-of-way, supervision, inspection, testing, publications, printing and sale of bonds, interest during the period or estimated period of construction and for twelve months thereafter or for twelve months after the acquisition date, and provisions for contingencies.

**1, 2**a. [S81, §331.441(1, 2a); 81 Acts, ch 117, §440]

**2**b(1). [S13, §1137-a14; C24, 27, 31, 35, 39, §**906;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §52.3; S81, §331.441(2b); 81 Acts, ch 117, §440]

b(2). [SS15, §1527-s3; C24, 27, 31, 35, 39, §**4666;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.73; S81, §331.441(2b); 81 Acts, ch 117, §440]

b(3). [C71, 73, 75, 77, 79, 81, §346.23; S81, §331.441(2b); 81 Acts, ch 117, §440]
b(4). [C79, 81, §332.52; S81, §331.441(2b); 81 Acts, ch 117, §440]
b(5). [C51, §114, 117; R60, §250, 253; C73, §309, 312; C97, §443, 448; SS15, §448; C24, 27, 31, 35, 39, §**5263, 5268;** C46, 50, 54, 58, 62, §345.4, 345.9; C66, 71, 73, 75, 77, §232.22, 345.4, 345.9; C79, 81, §232.142, 345.4, 345.9; S81, §331.441(2b); 81 Acts, ch 117, §440]
b(6). [C73, §289; C97, S13, §403; C24, 27, 31, 35, 39, §**5275, 5276;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §346.1, 346.2; S81, §331.441(2b); 81 Acts, ch 117, §440]
b(7). [C62, 66, 71, 73, 75, 77, 79, 81, §347A.7; S81, §331.441(2b); 81 Acts, ch 117, §440]
**2**c(1). [C24, 27, 31, 35, 39, §**488;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §37.6; S81, §331.441(2c); 81 Acts, ch 117, §440; 82 Acts, ch 1104, §45]
c(2). [C62, 66, 71, 73, 75, 77, 79, 81, §111A.6; S81, §331.441(2c); 81 Acts, ch 117, §440]
c(3). [S13, §424-b; C24, 27, 31, 35, 39, §**4682;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §309.89; S81, §331.441(2b); 81 Acts, ch 117, §440; 82 Acts, ch 1104, §44, 46]
c(4). [C71, 73, 75, 77, 79, 81, §313A.35; S81, §331.441(2c); 81 Acts, ch 117, §440]
c(5). [C31, 35, §5903-c6, -c8; C39, §**5903.06, 5903.08;** C46, 50, §330.8, 330.10, 330.16; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.7, 330.10, 330.16; S81, §331.441(2c); 81 Acts, ch 117, §440]
c(6). [C50, §368.58, 368.59; C54, 58, 62, 66, 71, 73, §368.20, 368.21; C75, 77, 79, 81, §346.26; S81, §331.441(2c); 81 Acts, ch 117, §440]
c(7). [C71, 73, 75, 77, 79, 81, §346A.3 – 346A.5; S81, §331.441(2c); 81 Acts, ch 117, §440]
c(8). [S13, §409-a, -b, -f; C24, 27, 31, 35, §5348 – 5351, 5354; C39, §**5348, 5348.1, 5349 – 5351, 5354;** C46, 50, 54, 58, §347.1 – 347.5, 347.8; C62, 66, 71, 73, 75, 77, 79, 81, §37.27, 347.1 – 347.5, 347.8; S81, §331.441(2c); 81 Acts, ch 117, §440]
c(9). [C51, §114, 117; R60, §250, 253; C73, §309, 312; C97, §443, 448; SS15, §448; C24, 27, 31, 35, 39, §**5263, 5268;** C46, 50, 54, 58, 62, §345.4, 345.9; C66, 71, 73, 75, 77, §232.22, 345.4, 345.9; C79, 81, §232.142, 345.4, 345.9; S81, §331.441(2c); 81 Acts, ch 117, §440]
c(10, 11). [S81, §331.441(2c); 81 Acts, ch 117, §440]
**3.** [S81, §331.441(3); 81 Acts, ch 117, §440]
83 Acts, ch 123, §136 – 139, 209; 86 Acts, ch 1211, §21; 87 Acts, ch 103, §2 – 4; 89 Acts, ch 189, §2; 90 Acts, ch 1255, §18; 92 Acts, ch 1102, §1; 92 Acts, ch 1138, §3; 93 Acts, ch 180, §76; 94 Acts, ch 1014, §1; 94 Acts, ch 1182, §5; 95 Acts, ch 67, §53; 96 Acts, ch 1204, §35; 2000 Acts, ch 1188, §1; 2001 Acts, ch 56, §22, 23; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1072, §6; 2004 Acts, ch 1175, §393; 2007 Acts, ch 109, §1, 2; 2007 Acts, ch 190, §41; 2008 Acts, ch 1013, §1, 3; 2009 Acts, ch 41, §263; 2009 Acts, ch 57, §87; 2009 Acts, ch 100, §10, 21; 2009 Acts, ch 173, §33, 36
Referred to in §23A.2, 37.6, 37.27, 52.3, 76.1, 232.142, 331.301, 331.443, 331.444, 331.445, 350.6, 359.45, 422.7

**331.442 General county purpose bonds.**

1. A county which proposes to carry out any general county purpose within or without its boundaries, and to contract indebtedness and issue general obligation bonds to provide funds to pay all or any part of the costs of a project, shall do so in accordance with this part.

2. *a.* The board shall publish notice of the proposal to issue the bonds, including a statement of the amount and purpose of the bonds and a statement of the estimated cost of the project for which the bonds are to be issued. The notice shall be published as provided in section 331.305 with the minutes of the meeting at which the board adopts a resolution to call a county special election to vote upon the question of issuing the bonds. The cost of the project, as published in the notice pursuant to this paragraph, is an estimate and is not intended to be binding on the board in later proceedings related to the project.

*b.* Before the board may institute proceedings for the issuance of bonds for a general county purpose, it shall call a county special election to vote upon the question of issuing the bonds. At the election the proposition shall be submitted in the following form:

Shall the county of ....., state of Iowa, issue its general obligation bonds in an amount not exceeding the amount of $..... for the purpose of .....?

3. Notice of the election shall be given by publication as specified in section 331.305. At the election the ballot used for the submission of the proposition shall be in substantially the form for submitting special questions at general elections.

4. The proposition of issuing bonds for a general county purpose is not carried or adopted unless the vote in favor of the proposition is equal to at least sixty percent of the total vote cast for and against the proposition at the election. If the proposition of issuing the general county purpose bonds is approved by the voters, the board may proceed with the issuance of the bonds.

5. *a.* Notwithstanding subsection 2, a board, in lieu of calling an election, may institute proceedings for the issuance of bonds for a general county purpose by causing a notice of the proposal to issue the bonds, including a statement of the amount and purpose of the bonds, and the right to petition for an election, to be published as provided in section 331.305 at least ten days prior to the meeting at which it is proposed to take action for the issuance of the bonds subject to the following limitations:

(1) In counties having a population of twenty thousand or less, in an amount of not more than one hundred thousand dollars.

(2) In counties having a population of over twenty thousand and not over fifty thousand, in an amount of not more than two hundred thousand dollars.

(3) In counties having a population of over fifty thousand, in an amount of not more than three hundred thousand dollars.

*b.* If at any time before the date fixed for taking action for the issuance of the bonds, a petition is filed with the auditor in the manner provided by section 331.306 asking that the question of issuing the bonds be submitted to the registered voters of the county, the board shall either by resolution declare the proposal to issue the bonds to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of issuing the bonds. Notice of the election and its conduct shall be in the manner provided in subsections 2, 3 and 4.

*c.* If no petition is filed, or if a petition is filed and the proposition of issuing the bonds is approved at an election, the board may proceed with the authorization and issuance of the bonds.

[C31, 35, §5903-c5; C39, §**5903.05;** C46, 50, §330.7; C54, 58, §330.7; C62, 66, §111A.6, 330.7; C71, 73, 75, 77, 79, 81, §111A.6, 313A.35, 330.7, 346A.3; S81, §331.442; 81 Acts, ch 117, §441; 82 Acts, ch 1104, §47]

95 Acts, ch 67, §53; 2007 Acts, ch 109, §3; 2009 Acts, ch 2, §1, 3, 4

Referred to in §37.6, 37.27, 232.142, 331.301, 331.402, 331.441, 331.443, 331.445, 331.461, 359.45

2009 amendment to subsection 2 applies retroactively to validate projects authorized by ballot proposition that approved the issuance of county general obligation bonds at elections held prior to February 16, 2009, if, on February 16, 2009, the cost of the project does not exceed one hundred ten percent of the project cost stated on the ballot; board of supervisors action to adopt resolution stating compliance; 2009 Acts, ch 2, §3, 4

**331.443 Essential county purpose bonds.**

1. A county which proposes to carry out an essential county purpose within or without its boundaries, and to contract indebtedness and issue general obligation bonds to provide funds to pay all or any part of the cost of a project shall do so in accordance with this part.

2. Before the board may institute proceedings for the issuance of bonds for an essential county purpose, a notice of the proposed action, including a statement of the amount and purposes of the bonds, and the time and place of the meeting at which the board proposes to take action for the issuance of the bonds, shall be published as provided in section 331.305. At the meeting, the board shall receive oral or written objections from any resident or property owner of the county. After all objections have been received and considered, the board, at that meeting or a date to which it is adjourned, may take additional action for the issuance of the bonds or abandon the proposal to issue the bonds. Any resident or property owner of the county may appeal the decision of the board to take additional action to the district court of the county, within fifteen days after the additional action is taken, but the additional action of the board is final and conclusive unless the court finds that the board exceeded its authority. The provisions of this subsection with respect to notice, hearing, and appeal, are in lieu of any other law.

3. *a.* Notwithstanding subsection 2, a board may institute proceedings for the issuance of bonds for an essential county purpose specified in section 331.441, subsection 2, paragraph *"b"*, subparagraph (18) or (19), in an amount equal to or greater than three million dollars by causing a notice of the proposal to issue the bonds, including a statement of the amount and purpose of the bonds, together with the maximum rate of interest which the bonds are to bear, and the right to petition for an election, to be published at least once in a newspaper of general circulation within the county at least ten days prior to the meeting at which it is proposed to take action for the issuance of the bonds.

*b.* If at any time before the date fixed for taking action for the issuance of the bonds, a petition is filed with the county auditor, signed by eligible electors of the county equal in number to twenty percent of the persons in the county who voted for the office of president of the United States at the last preceding general election that had such office on the ballot, asking that the question of issuing the bonds be submitted to the registered voters of the county, the board shall either by resolution declare the proposal to issue the bonds to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of issuing the bonds. Notice of the election and its conduct shall be in the manner provided in section 331.442.

*c.* If a petition is not filed, or if a petition is filed and the proposition of issuing the bonds is approved at an election, the board may proceed with the authorization and issuance of the bonds.

[S81, §331.443; 81 Acts, ch 117, §442]

2009 Acts, ch 100, §11, 21

Referred to in §37.6, 37.27, 232.142, 331.301, 331.402, 331.441, 359.45

**331.444 Sale of bonds.**

1. The board may sell general obligation bonds at public or private sale in the manner prescribed by chapter 75.

2. General obligation funding or refunding bonds issued for the purposes specified in section 331.441, subsection 2, paragraph *"b"*, subparagraph (7), may be exchanged for the evidences of the legal indebtedness being funded or refunded, or the funding or refunding bonds may be sold in the manner prescribed by chapter 75 and the proceeds applied to the payment of the indebtedness. Funding or refunding bonds may bear interest at the same rate as, or at a higher or lower rate or rates of interest than the indebtedness being funded or refunded.

[C24, 27, 31, 35, 39, §**5278;** C46, 50, 54, 58, 62, 66, §346.4; C71, 73, 75, 77, 79, 81, §346.4, 346A.3; S81, §331.444; 81 Acts, ch 117, §443]

Referred to in §37.6, 37.27, 232.142, 359.45

**331.445 Categories for general obligation bonds.**

The board may issue general obligation bonds pursuant to a resolution adopted at a regular or special meeting by a majority of the total number of supervisors. Each subparagraph of section 331.441, subsection 2, paragraphs *"b"* and *"c"*, describes a separate category. Separate categories of essential county purposes and of general county purposes may be incorporated in a single notice of intention to institute proceedings for the issuance of bonds, or separate categories may be incorporated in separate notices, and after an opportunity has been provided for filing objections, or after a favorable election has been held, if required, the board may include in a single resolution and sell as a single issue of bonds, any number or combination of essential county purposes or general county purposes. If an essential county purpose is combined with a general county purpose in a single notice of intention to institute proceedings to issue bonds, then the entire issue is subject to the election requirement in section 331.442.

[S81, §331.445; 81 Acts, ch 117, §444]

Referred to in §37.6, 37.27, 232.142, 331.447, 359.45

**331.446 Form and execution — negotiability.**

1. As provided by resolution of the board, general obligation bonds may:

*a.* Bear dates.

*b.* Bear interest at rates not exceeding any limitations imposed by chapter 74A.

*c.* Mature in one or more installments.

*d.* Be in either coupon or registered form.

*e.* Carry registration and conversion privileges.

*f.* Be payable as to principal and interest at times and places.

*g.* Be subject to terms of redemption prior to maturity with or without premium.

*h.* Be in one or more denominations.

*i.* Be designated with a brief reference to purpose, or if issued for a combination of purposes, be designated "county purpose bond".

*j.* Contain other provisions not in conflict with state law.

2. General obligation bonds shall be executed by the chairperson of the board and the auditor. If coupons are attached to the bonds, they shall be executed with the original or facsimile signature of the auditor. A general obligation bond is valid and binding if it bears the signatures of the officers in office on the date of the execution of the bonds, notwithstanding that any or all persons whose signatures appear have ceased to be such officers prior to the delivery of the bonds.

3. General obligation bonds issued pursuant to this part are negotiable instruments.

[C73, §289; C97, S13, §403; C24, 27, 31, 35, 39, §**5277;** C46, 50, 54, 58, 62, 66, §346.3; C71, 73, §345.16, 346.3, 346A.3; C75, 77, 79, 81, §330.16, 345.16, 346.3, 346A.3; S81, §331.446; 81 Acts, ch 117, §445]

Referred to in §37.6, 37.27, 232.142, 359.45

**331.447 Taxes to pay bonds.**

1. Taxes for the payment of general obligation bonds shall be levied in accordance with chapter 76, and the bonds are payable from the levy of unlimited ad valorem taxes on all the taxable property within the county through its debt service fund required by section 331.430 except that:

*a.* The amount estimated and certified to apply on principal and interest for any one year shall not exceed the maximum rate of tax, if any, provided by this division for the purpose for which the bonds were issued. If general obligation bonds are issued for different categories, as provided in section 331.445, the maximum rate of levies, if any, for each purpose shall apply separately to that portion of the bond issue for that category and the resolution authorizing the bond issue shall clearly set forth the annual debt service requirements with respect to each purpose in sufficient detail to indicate compliance with the rate of tax levy, if any.

*b.* The amount estimated and certified to apply on principal and interest for any one year may only exceed the statutory rate of levy limit, if any, by the amount that the registered voters of the county have approved at a special election, which may be held at the same time as the general election and may be included in the proposition authorizing the issuance of bonds, if an election on the proposition is necessary, or may be submitted as a separate proposition at the same election or at a different election. Notice of the election shall be given as specified in section 331.305.

(1) If the proposition includes issuing bonds and increasing the levy limit, it shall be in substantially the following form:

Shall the county of ....., state of Iowa, be authorized to ..... (here state purpose of project) and issue its general obligation bonds in an amount not exceeding the amount of $..... for that purpose, and be authorized to levy annually a tax not exceeding ..... dollars and ..... cents per thousand dollars of the assessed value of the taxable property within the county to pay the principal of and interest on the bonds?

(2) If the proposition includes only increasing the levy limit it shall be in substantially the following form:

Shall the county of ....., state of Iowa, be authorized to levy annually a tax not exceeding ..... dollars and ..... cents per thousand dollars of the assessed value of the taxable property within the county to pay principal and interest on the bonded indebtedness of the county for the purpose of .....?

2. A statutory or voted tax levy limitation does not limit the source of payment of bonds and interest, but only restricts the amount of bonds which may be issued.

3. For the sole purpose of computing the amount of bonds which may be issued as the result of the application of a statutory or voted tax levy limitation, all interest on the bonds in excess of that accruing in the first twelve months may be excluded from the first annual levy of taxes, so that the need for including more than one year's interest on the first annual levy of taxes to pay the bonds and interest does not operate to further restrict the amount of bonds which may be issued, and in certifying the annual levies, the first annual levy of taxes shall be sufficient to pay all principal of and interest on the bonds becoming due prior to the next succeeding annual levy and the full amount of the annual levy shall be entered for collection as provided in chapter 76.

[C66, §309.73; C71, 73, §309.73, 346A.3; C75, 77, 79, 81, §309.73, 330.16, 346A.3; S81, §331.447; 81 Acts, ch 117, §446; 82 Acts, ch 1104, §48]

83 Acts, ch 123, §140, 209; 95 Acts, ch 67, §53; 2009 Acts, ch 2, §2 – 4

Referred to in §37.6, 37.27, 232.142, 359.45

2009 amendment to subsection 1, paragraph b, applies retroactively to validate projects authorized by ballot proposition that approved the issuance of county general obligation bonds at elections held prior to February 16, 2009, if, on February 16, 2009, the cost of the project does not exceed one hundred ten percent of the project cost stated on the ballot; board of supervisors action to adopt resolution stating compliance; 2009 Acts, ch 2, §3, 4

**331.448 Statute of limitation — powers — conflicts.**

1. An action shall not be brought which questions the legality of general obligation bonds or the power of the county to issue the bonds or the effectiveness of any proceedings relating to the authorization and issuance of the bonds from and after sixty days from the time the bonds are ordered issued by the county.

2. The enumeration in this part of specified powers and functions is not a limitation of the powers of counties, but this part and the procedures prescribed for exercising the powers and functions enumerated in this part control in the event of a conflict with any other law.

[S81, §331.448; 81 Acts, ch 117, §447]

Referred to in §37.6, 37.27, 232.142, 359.45

**331.449 Prior projects preserved.**

Projects and proceedings for the issuance of general obligation bonds commenced before July 1, 1981, may be consummated and completed as required or permitted by any statute amended or repealed by 1981 Iowa Acts, chapter 117, as though the repeal or amendment had not occurred, and the rights, duties, and interests following from such projects and proceedings remain valid and enforceable. Projects commenced prior to July 1, 1981, may be financed by the issuance of general obligation bonds under any such amended or repealed law or by the issuance of general obligation bonds under this part. For the purposes of this section, commencement of a project includes but is not limited to action taken by the board or an authorized officer to fix a date for a hearing in connection with any part of the project, and commencement of proceedings for the issuance of general obligation bonds includes but is not limited to action taken by the board to fix a date for either a hearing or a sale in connection with any part of the general obligation bonds, or to order any part thereof to be issued.

[S81, §331.449; 81 Acts, ch 117, §448]

2011 Acts, ch 34, §86

Referred to in §37.6, 37.27, 232.142, 359.45

**331.450 through 331.460** Reserved.

## PART 4

## REVENUE BONDS

Referred to in §145A.20, 331.552, 347A.3

**331.461 Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Combined county enterprise"* means two or more county enterprises combined and operated as a single enterprise.

2. *"County enterprise"* means any of the following:

*a.* Airports and airport systems.

*b.* Works and facilities useful and necessary for the collection, treatment, purification, and disposal in a sanitary manner of the liquid and solid waste, sewage, and industrial waste of the county, including sanitary disposal projects as defined in section 455B.301 and sanitary sewage systems, and including the acquisition, establishment, construction, purchase, equipment, improvement, extension, operation, maintenance, reconstruction, and repair of the works and facilities within or without the limits of the county, and including works and facilities to be jointly used by the county and other political subdivisions.

*c.* Swimming pools and golf courses, including their acquisition, establishment, construction, purchase, equipment, improvement, extension, operation, maintenance, reconstruction, and repair.

*d.* The equipment, enlargement, and improvement of a county public hospital previously established and operating under chapter 347, including acquisition of the necessary lands, rights-of-way, and other property, subject to approval by the board of hospital trustees. However, notice of the proposed bond issue shall be published at least once each week for two consecutive weeks and if, within thirty days following the date of the first publication, a petition requesting an election on the proposal and signed by eligible electors of the county equal to at least twenty percent of the votes cast at the preceding election for governor is filed with the county auditor, the proposal is subject to the election requirements in section 331.442, subsections 2, 3, and 4, for general county purpose bonds. Bonds issued under this paragraph shall mature in not more than thirty years from date of issuance.

*e.* In a county with a population of less than one hundred fifty thousand, a county hospital established under chapter 37 or 347A, including its acquisition, construction, equipment, enlargement, and improvement, and including necessary lands, rights-of-way, and other property. However, bonds issued under this paragraph shall mature in not more than thirty years from date of issuance, and are subject to the notice and election requirements of bonds issued under paragraph *"d"*.

*f.* A waterworks or single benefited water district under section 357.35, including land, easements, rights-of-way, fixtures, equipment, accessories, improvements, appurtenances, and other property necessary or useful for the operation of the waterworks or district.

*g.* Housing for persons who are elderly or persons with disabilities.

3. *"Gross revenue"* means all income and receipts derived from the operation of a county enterprise or combined county enterprise.

4. *"Net revenues"* means gross revenues less operating expenses.

5. *"Operating expense"* means salaries, wages, cost of maintenance and operation, materials, supplies, insurance, and all other items normally included under recognized accounting practices, but does not include allowances for depreciation in the value of physical property.

6. *"Pledge order"* means a promise to pay out of the net revenues of a county enterprise or combined county enterprise, which is delivered to the contractors or other persons in payment of all or part of the cost of the project.

7. *"Project"* means the acquisition, construction, reconstruction, extending, remodeling, improving, repairing, and equipping of all or part of a county enterprise or combined county enterprise within or without the boundaries of the county.

8. *"Rates"* means rates, fees, tolls, rentals, and charges for the use of or service provided by a county enterprise or combined county enterprise.

9. *"Revenue bond"* means a negotiable bond issued by a county and payable from the net revenues of a county enterprise or combined county enterprise.

[S81, §331.461; 81 Acts, ch 117, §460; 82 Acts, ch 1104, §49]

**2**a. [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §330.14; S81, §331.461(1); 81 Acts, ch 117, §460]

b. [C35, §6066-f1, -f5, -f8; C39, §**6066.24 – 6066.32;** C46, 50, 54, 58, §394.1, 394.5 – 394.9; C62, 66, 71, 73, §394.1, 394.5 – 394.9, 394.12; C75, 77, §332.44; C79, 81, §332.44, 332.52; S81, §331.461(1); 81 Acts, ch 117, §460]

c. [C35, §6066-f1, 6066-f3, 6066-f6 – 6066-f8; C39, §**6066.24, 6066.26, 6066.29 – 6066.32;** C46, 50, 54, 58, 62, 66, §394.1, 394.3, 394.6 – 394.9; C71, 73, §394.1, 394.3, 394.6 – 394.9, 394.13; C75, 77, 79, 81, §332.44; S81, §331.461(1); 81 Acts, ch 117, §460]

d. [C73, 75, 77, 79, 81, §347.27; S81, §331.461(1); 81 Acts, ch 117, §460]

e. [C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §347A.1 – 347A.4; S81, §331.461(1); 81 Acts, ch 117, §460]

f. [C79, 81, §332.52; S81, §331.461(1); 81 Acts, ch 117, §460; 82 Acts, ch 1219, §2]

**1, 3 – 9.** [S81, §331.461(2 – 9); 81 Acts, ch 117, §460]

99 Acts, ch 76, §1, 2; 2001 Acts, ch 56, §24; 2004 Acts, ch 1072, §7; 2005 Acts, ch 37, §5; 2010 Acts, ch 1079, §13

Referred to in §6B.2D, 23A.2, 331.465, 347.7, 347A.1, 357.35, 358.25

**331.462 County enterprises — combined county enterprises.**

1. A county which proposes to establish, own, acquire by purchase, condemnation, or otherwise, lease, sell, construct, reconstruct, extend, remodel, improve, repair, equip, maintain and operate within or without its corporate limits a county enterprise or combined county enterprise financed by revenue bonds shall do so in accordance with this part.

2. If a combined county enterprise is dissolved, each county enterprise which was a part of the combined county enterprise shall continue in existence as a separate county enterprise until it is abandoned by the board.

3. A combined county enterprise may be established, but if there are obligations outstanding which by their terms are payable from the revenues of any county enterprise involved, the obligations shall be assumed by the board subject to all terms established at the time of the original issue, or refunded through the issuance of revenue bonds of the combined county enterprise as a part of the procedure for the establishment of the combined county enterprise, or funds sufficient to pay the principal of and all interest and premium, if any, on the outstanding obligations at and prior to maturity shall be set aside and pledged for that purpose. Revenues earmarked for payment of the obligations shall be handled by the board in the same manner as they were handled for the county enterprise involved. A county enterprise shall not be abandoned and a combined county enterprise shall not be dissolved so long as there are obligations outstanding which by their terms are payable from the revenues of the county enterprise or combined county enterprise unless funds sufficient to pay the principal of and all interest and premium, if any, on the outstanding obligations at and prior to maturity have been set aside and pledged for that purpose.

[S81, §331.462; 81 Acts, ch 117, §461]

Referred to in §28M.3, 358.25

**331.463 Procedure for financing.**

1. *a.* The board may carry out projects, borrow money, and issue revenue bonds and pledge orders to pay all or part of the cost of projects, the revenue bonds and pledge orders to be payable solely out of the net revenues of the county enterprise or combined county enterprise involved in the project. The cost of a project includes the construction contracts, interest upon the revenue bonds and pledge orders during the period or estimated period of construction and for twelve months thereafter, or for twelve months after the acquisition date, reserve funds as the board deems advisable in connection with the project and the issuance of revenue bonds and pledge orders, and the costs of engineering, architectural, technical and legal services, preliminary reports, surveys, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential

damages or costs, easements, rights-of-way, supervision, inspection, testing, publications, printing and sale of bonds and provisions for contingencies. The board may sell revenue bonds or pledge orders at public or private sale in the manner prescribed by chapter 75 and may deliver revenue bonds and pledge orders to the contractors, sellers, and other persons furnishing materials and services constituting a part of the cost of the project in payment therefor.

*b*. The board may deliver its revenue bonds to the federal government or any agency thereof which has loaned the county money for sanitary or solid waste projects, water projects, or other projects, for which the government has a loan program.

2. The board may issue revenue bonds to refund revenue bonds, pledge orders, and other obligations which are by their terms payable from the net revenues of the same county enterprise or combined county enterprise, or from a county enterprise comprising a part of the combined county enterprise, at lower, the same, or higher rates of interest. A county may sell refunding revenue bonds at public or private sale in the manner prescribed by chapter 75 and apply the proceeds to the payment of the obligations being refunded, and may exchange refunding revenue bonds in payment and discharge of the obligations being refunded. The principal amount of refunding revenue bonds may exceed the principal amount of the obligations being refunded to the extent necessary to pay any premium due on the call of the obligations being refunded and to fund interest accrued and to accrue on the obligations being refunded.

3. The board may contract to pay not to exceed ninety-five percent of the engineer's estimated value of the acceptable work completed during the month to the contractor at the end of each month for work, material, or services. Payment may be made in warrants drawn on any fund from which payment for the work may be made. If such funds are depleted, anticipatory warrants may be issued bearing a rate of interest not exceeding that permitted by chapter 74A even if a collection of taxes or special assessments or income from the sale of bonds which have been authorized and are applicable to the public improvement takes place after the fiscal year in which the warrants are issued. If the board arranges for the private sale of anticipatory warrants, they may be sold and the proceeds used to pay the contractor. The warrants may also be used to pay other persons furnishing services constituting a part of the cost of the public improvement.

[S81, §331.463; 81 Acts, ch 117, §462; 82 Acts, ch 1104, §50]
2010 Acts, ch 1061, §180
Referred to in §28M.3, 358.25

**331.464 Revenue bonds.**

1. The board may issue revenue bonds pursuant to a resolution adopted at a regular or special meeting by a majority of the total number of members of the board.

2. Before the board institutes proceedings for the issuance of revenue bonds, it shall fix a time and place of meeting at which it proposes to take action, and give notice by publication in the manner directed in section 331.305. The notice must include a statement of the time and place of the meeting, the maximum amount of the proposed revenue bonds, the purpose for which the revenue bonds will be issued, and the county enterprise or combined county enterprise whose net revenues will be used to pay the revenue bonds and interest thereon. At the meeting the board shall receive oral or written objections from any resident or property owner of the county. After all objections have been received and considered, the board, at the meeting or a date to which it is adjourned, may take additional action for the issuance of the bonds or abandon the proposal to issue bonds. Any resident or property owner of the county may appeal a decision of the board to take additional action to the district court of the county within fifteen days after the additional action is taken, but the additional action of the board is final and conclusive unless the court finds that the board exceeded its authority. The provisions of this subsection with respect to notice, hearing, and appeal are in lieu of those contained in any other law.

3. Revenue bonds may bear dates, bear interest at rates not exceeding those permitted by chapter 74A, mature in one or more installments, be in either coupon or registered form, carry registration and conversion privileges, be payable as to principal and interest at times and

places, be subject to terms of redemption prior to maturity with or without premium, and be in one or more denominations, all as provided by the resolution of the board authorizing their issuance. The resolution may also prescribe additional provisions, terms, conditions, and covenants which the board deems advisable, consistent with this part, including provisions for creating and maintaining reserve funds, the issuance of additional revenue bonds ranking on a parity with such revenue bonds and additional revenue bonds junior and subordinate to such revenue bonds, and that such revenue bonds shall rank on a parity with or be junior and subordinate to any revenue bonds which may be then outstanding. Revenue bonds are a contract between the county and holders and the resolution is a part of the contract.

4. Revenue bonds shall be executed by the chairperson of the board and the auditor. If coupons are attached to the revenue bonds, they shall be executed with the original or facsimile signature of the auditor. A revenue bond is valid and binding for all purposes if it bears the signatures of the officers in office on the date of the execution of the bonds notwithstanding that any or all persons whose signatures appear have ceased to be such officers prior to the delivery of the bonds. The issuance of revenue bonds shall be recorded in the office of the treasurer, and a certificate of the recording by the treasurer shall be printed on the back of each revenue bond.

5. Revenue bonds, pledge orders and warrants issued under this part are negotiable instruments.

6. The board may issue pledge orders pursuant to a resolution adopted by a majority of the total number of supervisors, at a regular or special meeting, ordering their issuance and delivery in payment for all or part of the cost of a project. Pledge orders may bear interest at rates not exceeding those permitted by chapter 74A.

7. The physical properties of a county enterprise or combined county enterprise shall not be pledged or mortgaged to secure the payment of revenue bonds or pledge orders or the interest thereon.

[S81, §331.464; 81 Acts, ch 117, §463]

Referred to in §28M.3, 331.301, 331.402, 358.25

**331.465 Rates for proprietary functions.**

1. The board may establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the county enterprise or combined county enterprise and, if revenue bonds or pledge orders are issued and outstanding under this part, shall establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the county enterprise or combined county enterprise, and to leave a balance of net revenues sufficient at all times to pay the principal of and interest on the revenue bonds and pledge orders as they become due and to maintain a reasonable reserve for the payment of the principal and interest, and a sufficient portion of net revenues shall be pledged for that purpose. Rates shall be established by ordinance. Rates or charges for the services of a county enterprise defined in section 331.461, subsection 2, paragraph "*b*", if not paid as provided by ordinance, constitute a lien upon the premises served and may be certified to the county treasurer and collected in the same manner as taxes. The treasurer may charge five dollars for each lien certified as an administrative expense, which amount shall be added to the amount of the lien to be collected at the time of payment of the assessment from the payor and credited to the county general fund.

2. The board may:

*a.* By ordinance establish, impose, adjust and provide for the collection of charges for connection to a county enterprise or combined county enterprise.

*b.* Contract for the use of or services provided by a county enterprise or combined county enterprise with persons whose type or quantity of use or service is unusual.

*c.* Lease for a period not to exceed fifteen years all or part of a county enterprise or combined county enterprise, if the lease will not reduce the net revenues to be produced by the county enterprise or combined county enterprise.

*d.* Contract for a period not to exceed forty years with other governmental bodies for the

use of or the services provided by the county enterprise or combined county enterprise on a wholesale basis.

*e.* Contract for a period not to exceed forty years with persons including but not limited to other governmental bodies for the purchase or sale of water.

[S81, §331.465; 81 Acts, ch 117, §464]

93 Acts, ch 73, §1

Referred to in §28M.3, 358.25, 445.1

Collection of taxes, see chapter 445

**331.466 Records — accounts — funds.**

1. The governing body of each county enterprise or combined county enterprise operated on a revenue producing basis shall maintain a proper system of books, records and accounts.

2. The gross revenues of each county enterprise or combined county enterprise shall be deposited with the treasurer and kept by the treasurer in a separate account apart from the other funds of the county and from each other. The treasurer shall apply the gross revenues of each county enterprise or combined county enterprise only as ordered by the board and in strict compliance with the orders, including the provisions, terms, conditions and covenants of any and all resolutions of the board pursuant to which revenue bonds or pledge orders are issued and outstanding.

[S81, §331.466; 81 Acts, ch 117, §465]

Referred to in §28M.3, 358.25

**331.467 Pledge — payment — remedy.**

1. The pledge of any net revenues of a county enterprise or combined county enterprise is valid and effective as to all persons including but not limited to other governmental bodies when it becomes valid and effective between the county and the holders of the revenue bonds or pledge orders.

2. Revenue bonds and pledge orders are payable both as to principal and interest solely out of the portion of the net revenues of the county enterprise or combined county enterprise pledged to their payment and are not a debt of or charge against the county within the meaning of any constitutional or statutory debt limitation provision.

3. The sole remedy for a breach or default of a term of a revenue bond or pledge order is a proceeding in law or in equity by suit, action, or mandamus to enforce and compel performance of the duties required by this part and of the terms of the resolution authorizing the issuance of the revenue bonds or pledge orders, or to obtain the appointment of a receiver to take possession of and operate the county enterprise or combined county enterprise, and to perform the duties required by this part and the terms of the resolution authorizing the issuance of the revenue bonds or pledge orders.

[S81, §331.467; 81 Acts, ch 117, §466]

Referred to in §28M.3, 358.25

**331.468 Funds — payments.**

1. If a county enterprise or combined county enterprise has on hand surplus funds, after making all deposits into all funds required by the terms, covenants, conditions, and provisions of outstanding revenue bonds, pledge orders, and other obligations which are payable from the revenues of the county enterprise or combined county enterprise and after complying with all of the requirements, terms, covenants, conditions and provisions of the proceedings and resolutions pursuant to which revenue bonds, pledge orders, and other obligations are issued, the board may transfer the surplus funds to any other fund of the county in accordance with applicable law, provided that a transfer shall not be made if it conflicts with any of the requirements, terms, covenants, conditions, or provisions of any resolution authorizing the issuance of revenue bonds, pledge orders, or other obligations which are payable from the revenues of the county enterprise or combined county enterprise which are then outstanding.

2. This part does not prohibit or prevent the board from using funds derived from the issuance of general obligation bonds, the levy of special assessments and the issuance of special assessment bonds, and any other source which may be properly used for such purpose, to pay a part of the cost of a project.

3. The county shall pay for the use of or the services provided by the county enterprise or combined county enterprise as any other customer, except that the county may pay for use or service at a reduced rate or receive free use or service so long as the county complies with the provisions, terms, conditions and covenants of all resolutions pursuant to which revenue bonds or pledge orders are issued and outstanding.

[S81, §331.468; 81 Acts, ch 117, §467]

Referred to in §28M.3, 358.25

**331.469 Statute of limitation — powers — conflicts.**

1. An action shall not be brought which questions the legality of revenue bonds, the power of the board to issue revenue bonds, or the effectiveness of any proceedings relating to the authorization and issuance of revenue bonds, from and after sixty days from the time the bonds are ordered issued by the board.

2. The enumeration in this part of specified powers and functions is not a limitation of the powers of counties, but this part and the procedures prescribed for exercising the powers and functions enumerated in this part control in the event of a conflict with any other law.

[S81, §331.469; 81 Acts, ch 117, §468]

Referred to in §28M.3, 358.25

**331.470 Prior projects preserved.**

Projects and proceedings for the issuance of revenue bonds, pledge orders, and other temporary obligations, commenced before July 1, 1981 may be completed as required or permitted by any statute amended or repealed by 1981 Iowa Acts, chapter 117, as though the amendment or repeal had not occurred, and the rights, duties, and interests resulting from the projects and proceedings remain valid and enforceable. Projects commenced prior to July 1, 1981, may be financed by the issuance of revenue bonds, pledge orders, and other temporary obligations under any such amended or repealed law or by the issuance of revenue bonds and pledge orders under this part. For purposes of this section, commencement of a project includes but is not limited to action taken by the board or an authorized officer to fix a date for either a hearing or an election in connection with any part of the project, and commencement of proceedings for the issuance of revenue bonds, pledge orders, and other temporary obligations includes but is not limited to action taken by the board to fix a date for either a hearing or a sale in connection with any part of such revenue bonds, pledge orders, or other temporary obligations or to order any part thereof to be issued.

[S81, §331.470; 81 Acts, ch 117, §469]

2011 Acts, ch 34, §87

Referred to in §358.25

**331.471 County enterprise commissions.**

1. As used in this section, "*commission*" means a commission established under this section to manage a county enterprise or combined county enterprise. Upon receipt of a valid petition as defined in section 331.306 requesting that a proposal for establishment or discontinuance of a commission be submitted to the voters, or upon its own motion, the board shall submit the proposal at the next general election or at an election which includes a proposal to establish, acquire, lease, or dispose of the county enterprise or combined county enterprise.

2. A proposal for the establishment of a county enterprise commission shall specify a commission of either three or five members. If a majority of those voting approves the proposal, the board shall proceed as proposed. If a majority of those voting does not approve the proposal, the same or a similar proposal shall not be submitted to the voters of the county and the board shall not establish a commission for the same purpose for at least four years from the date of the election at which the proposal was defeated.

3. If a proposal to discontinue a commission receives a favorable majority vote, the commission is dissolved at the time provided in the proposal and shall turn over to the board the management of the county enterprise or combined county enterprise and all property relating to it.

4. If a proposal to establish a commission receives a favorable majority vote, the

commission is established at the time provided in the proposal. The board shall appoint the commission members, as provided in the proposal and this section. The board shall provide by resolution for staggered six-year terms for and shall set the compensation of commission members.

5. A commission member appointed to fill a vacancy occurring by reason other than the expiration of a term is appointed for the balance of the unexpired term.

6. The title of a commission shall be appropriate to the county enterprise or combined county enterprise administered by the commission. A commission may be a party to legal action. A commission may exercise all powers of the board in relation to the county enterprise or combined county enterprise it administers, with the following exceptions:

*a.* A commission shall not certify taxes to be levied, pass ordinances or amendments, or issue general obligation bonds.

*b.* The title to all property of a county enterprise or combined county enterprise shall be held in the name of the county, but the commission has all the powers and authorities of the board with respect to the acquisition by purchase, condemnation or otherwise, lease, sale or other disposition of the property, and the management, control and operation of the property, subject to the requirements, terms, covenants, conditions and provisions of any resolutions authorizing the issuance of revenue bonds, pledge orders, or other obligations which are payable from the revenues of the county enterprise or combined county enterprise, and which are then outstanding.

*c.* A commission shall make to the board a detailed annual report, including a complete financial statement.

*d.* Immediately following a regular or special meeting of a commission, the secretary of the commission shall prepare a condensed statement of the proceedings of the commission and cause the statement to be published as provided in section 331.305. The statement shall include a list of all claims allowed, showing the name of the person or firm making the claim, the reason for the claim, and the amount of the claim. If the reason for the claims is the same, two or more claims made by the same vendor, supplier, or claimant may be consolidated if the number of claims consolidated and the total consolidated claim amount are listed in the statement. However, the commission shall provide at its office upon request an unconsolidated list of all claims allowed. Salary claims must show the gross amount of the claim except that salaries paid to persons regularly employed by the commission, for services regularly performed by the persons shall be published once annually showing the gross amount of the salary. In counties having more than one hundred fifty thousand population the commission shall each month prepare in pamphlet form the statement required in this paragraph for the preceding month, and furnish copies to the public library, the daily and official newspapers of the county, the auditor, and to persons who apply at the office of the secretary, and the pamphlet shall constitute publication as required. Failure by the secretary to make publication is a simple misdemeanor.

7. A commission shall control tax revenues allocated to the county enterprise or combined county enterprise it administers and all moneys derived from the operation of the county enterprise or combined county enterprise, the sale of its property, interest on investments, or from any other source related to the county enterprise or combined county enterprise.

8. All moneys received by the commission shall be held by the county treasurer in a separate fund, with a separate account or accounts for each county enterprise or combined county enterprise. Moneys may be paid out of each account only at the direction of the appropriate commission.

9. A commission is subject to section 331.341, subsections 1, 2, 4 and 5, and section 331.342, in contracting for public improvements.

[S81, §331.471; 81 Acts, ch 117, §470]

83 Acts, ch 42, §1; 2006 Acts, ch 1018, §3

Referred to in §331.321

**331.472 through 331.475** Reserved.

## PART 5

## CURRENT AND NONCURRENT DEBT

**331.476 Expenditures confined to receipts.**

Except as otherwise provided in section 331.478, a county officer or employee shall not allow a claim, issue a warrant, or execute a contract which will result during a fiscal year in an expenditure from a county fund in excess of an amount equal to the collectible revenues in the fund for that fiscal year plus any unexpended balance in the fund from a previous year. A county officer or employee allowing a claim, issuing a warrant, or executing a contract in violation of this section is personally liable for the payment of the claim or warrant or the performance of the contract.

83 Acts, ch 123, §23, 209

Referred to in §331.437

**331.477 Current debt authorized.**

A debt payable from resources which will have accrued in a fund by the end of the fiscal year in which the debt is incurred may be authorized only by resolution of the board. The debt may take the form of:

1. Anticipatory warrants subject to chapter 74.
2. Loans from other county funds.
3. Other formal short-term debt instruments or obligations.

83 Acts, ch 123, §24, 209

Referred to in §331.432

**331.478 Noncurrent debt authorized.**

1. A county may contract indebtedness and issue bonds as otherwise provided by state law.

2. The board may by resolution authorize noncurrent debt as defined in subsection 3 which is payable from resources accruing after the end of the fiscal year in which the debt is incurred, in accordance with section 331.479, for any of the following purposes:

*a.* Expenditures for bridges or buildings destroyed by fire, flood, or other extraordinary casualty.

*b.* Expenditures incurred in the operation of the courts.

*c.* Expenditures for bridges which are made necessary by the construction of a public drainage improvement.

*d.* Expenditures for the benefit of a person entitled to receive assistance from public funds.

*e.* Expenditures authorized by vote of the electorate.

*f.* Contracts executed on the basis of the budget submitted as provided in section 309.93.

*g.* Expenditures authorized by supervisors acting in the capacity of trustees or directors of a drainage district or other special district.

*h.* Expenditures for land acquisition and capital improvements for county conservation purposes not to exceed in any year the monetary equivalent of a tax of six and three-fourths cents per thousand dollars of assessed value on all the taxable property in the county.

*i.* Expenditures for purposes for which counties may issue general obligation bonds without an election under state law.

3. Noncurrent debt authorized by subsection 2 may take any of the following forms:

*a.* Anticipatory warrants subject to chapter 74. Anticipatory warrants drawn on the secondary road fund are also subject to sections 309.46 through 309.55.

*b.* Advances from other funds.

*c.* Installment purchase contracts.

*d.* Other formal debt instruments or obligations other than bonds.

4. Noncurrent debt as defined in subsection 3 shall be retired from resources of the fund from which the expenditure was made for which the debt was incurred.

83 Acts, ch 123, §25, 209; 87 Acts, ch 161, §1

Referred to in §331.476, 331.479

**331.479 Other noncurrent debt issuance.**

Before the board may institute proceedings for the incurrence of debt for the purposes listed in section 331.478, subsection 2, a notice of the proposed action, including a statement of the amount, purposes, and form of the debt, the proposed time of its liquidation, and the time and place of the meeting at which the board proposes to take action to authorize the debt, shall be published as provided in section 331.305. At the meeting, the board shall receive oral or written objections from any resident or property owner of the county. After all objections have been received and considered, the board, at that meeting or a date to which it is adjourned, may take additional action to authorize the debt or abandon the proposal.

83 Acts, ch 123, §26, 209

Referred to in §331.478

**331.480 through 331.484** Reserved.

PART 6

SPECIAL ASSESSMENT DISTRICTS

**331.485 Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Cost"* means cost as defined in section 384.37.

2. *"County special assessment district"* means the area of a county outside of cities within boundaries established by the board of supervisors for the purpose of assessment of the cost of a public improvement.

3. *"District"* means a joint special assessment district, and a county special assessment district.

4. *"Joint special assessment district"* means a district defined by a county and one or more other counties or one or more cities within the county or within an adjacent county pursuant to an agreement entered into by the county and one or more other counties or cities in accordance with chapter 28E and this part with respect to public improvements which the parties to the agreement determine benefit the property located in the cities and the designated area of the counties outside of cities, which are parties to the agreement.

5. *"Public improvement"* means public improvement as defined in section 384.37.

90 Acts, ch 1115, §1

**331.486 Assessment of costs of public improvements.**

A county may assess to property within a county special assessment district the cost of construction and repair of public improvements benefiting the district and may assess to property within a joint special assessment district the cost of construction and repair of public improvements benefiting the district. A county may construct and assess the cost of public improvements within a district in the same manner as a city may proceed under chapter 384, division IV, and chapter 384, division IV, applies to counties with respect to public improvements, the assessment of their costs, and the issuance of bonds for the public improvements. A county may contract for a public improvement benefiting a district under this part pursuant to chapter 331, division III, part 3.

90 Acts, ch 1115, §2; 92 Acts, ch 1073, §5

**331.487 Special assessment bonds for public improvements.**

A county may issue special assessment bonds in anticipation of the collection of special assessments for the cost of public improvements benefiting a district in the same manner as provided for cities under chapter 384, division IV.

90 Acts, ch 1115, §3

**331.488 Joint agreements for public improvements.**

An agreement entered into between a county and a city or another county in accordance with chapter 28E with respect to a public improvement may include, but is not limited to, the following:

1. The sharing of the total cost of the public improvement among all parties to the agreement.
2. The amount of total assessments against private property within each city and within the area of each county outside a city included within the district.
3. The method of specially assessing and determining benefits.
4. The amount of funds, if any, to be contributed by each city and each county to the project other than special assessments.
5. The rates to be established and imposed upon property within the district to pay the expenses of operation and maintenance of the public improvements.
6. The reduction of the county's debt service tax levy rate against property within a city which is a party to the joint agreement.

90 Acts, ch 1115, §4

**331.489 Rates and charges relating to public improvements.**

A county which has created a district for a public improvement and, to the extent provided in the agreement creating a joint special assessment district, each county or city which is a party to the agreement, may establish, impose, adjust, and provide for the collection of rates and charges to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of a public improvement, against property within the district and, where appropriate, establish, impose, adjust, and provide for the collection of charges for connection to a public improvement. The rates and charges must be established by ordinance of the governing body of the county or the city imposing the rates or charges. The rates and charges established as provided in this section, if not paid as provided by the ordinance of the governing body, are a lien upon the premises served or benefited by the public improvement and may be certified to the county treasurer and collected in the same manner as property taxes.

90 Acts, ch 1115, §5; 93 Acts, ch 73, §2

Referred to in §445.1

Collection of taxes, see chapter 445

**331.490 Cities subject to debt service tax levy — rates.**

1. If a county and city have entered into an agreement to create a joint special assessment district and issue county general obligation bonds to fund the costs of a public improvement benefiting that district, the county's debt service tax levy for the county general obligation bonds shall not be levied against property located in any city except a city which has entered into the agreement.
2. Counties and cities entering into an agreement for a joint special assessment district may provide in the agreement for a different rate of the county's debt service tax levy against property in areas of the county outside a city and property within the cities.

90 Acts, ch 1115, §6

**331.491 Authority.**

The authority of a county or a city under this part with respect to districts and the financing of public improvements is in addition to any other authority of a county or city to contract and levy special assessments and issue bonds to fund the costs.

90 Acts, ch 1115, §7

**331.492 through 331.500** Reserved.

# DIVISION V

# COUNTY OFFICERS

## PART 1

## COUNTY AUDITOR

**331.501 Office of county auditor.**

1. The office of auditor is an elective office except that if a vacancy occurs in the office, a successor shall be elected or appointed to the unexpired term as provided in chapter 69.

2. A person elected or appointed to the office of auditor shall qualify by taking the oath of office as provided in section 63.10 and giving bond as provided in section 64.8.

3. The term of office of the auditor is four years.

[C73, §589; C97, S13, §1072; C24, 27, 31, 35, 39, §**520;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.17; S81, §331.501; 81 Acts, ch 117, §500]

2010 Acts, ch 1033, §45

**331.502 General duties.**

The auditor shall:

1. Have general custody and control of the courthouse, subject to the direction of the board.

2. Provide, upon request and payment of the legal fee, a certified copy of any record or account kept in the auditor's office.

3. Carry out duties relating to the administration of local governmental budgets as provided in chapter 24 and section 384.19.

4. Report the approval of the bond of a public officer approved by the auditor on behalf of the board as provided in section 64.21.

5. Have custody of the official bonds of county and township officers as provided in section 64.23.

6. Take temporary possession of the office and all official books and papers in the office of treasurer when a vacancy occurs and hold the office, books, and records until a successor qualifies as provided in section 69.3. The auditor shall also serve temporarily as the recorder if a vacancy occurs in that office and, if there is no chief deputy assessor, act temporarily as the assessor as provided in section 441.8.

7. Serve as a member of an appointment board to fill a vacancy in the membership of the board as provided in section 69.8, subsection 4.

8. Notify the chairperson of the county agricultural extension education council when the bond of the council treasurer has been filed as provided in section 176A.14.

9. Attest to anticipatory warrants issued by the board for the operation of a county limestone quarry as provided in section 353.7.

10. Carry out duties relating to the determination of residency, collection of funds due the county, and support of persons with an intellectual disability as provided in sections 222.13, 222.50, 222.61 to 222.66, 222.69, and 222.74.

11. Collect the costs relating to the treatment and care of private patients at the state psychiatric hospital as provided in sections 225.23, 225.24, and 225.35.

12. Carry out duties relating to the hospitalization and support of persons with mental illness as provided in sections 229.42, 230.3, 230.11, 230.15, 230.21, 230.22, 230.25, and 230.26.

13. With acceptable sureties, approve the bonds of the members of a county commission of veteran affairs as provided in section 35B.6.

14. Issue warrants and maintain a book containing a record of persons receiving veteran assistance as provided in section 35B.10.

15. If the legal settlement of a poor person receiving financial assistance is in another

county, notify the auditor of that county of the financial assistance as provided in section 252.22.

16. Make available to schools, voting equipment or sample ballots for instructional purposes as provided in section 280.9A.

17. Carry out duties relating to the collection and payment of funds for educating and supporting deaf students as provided in sections 270.6 and 270.7.

18. Order the treasurer to transfer tuition payments from the account of the debtor school corporation to the creditor school corporation as provided in section 282.21.

19. Order the treasurer to transfer transportation service fees from the account of the debtor school corporation to the creditor school corporation as provided in section 285.1, subsection 13.

20. Apportion school taxes, rents, and other money dedicated for public school purposes as provided in section 298.11.

21. Carry out duties relating to school lands and funds as provided in chapter 257B.

22. Carry out duties relating to the establishment, alteration, and vacation of public highways as provided in sections 306.21, 306.25, 306.29 to 306.31, 306.37, and 306.40.

23. Carry out duties relating to the establishment and maintenance of secondary roads as provided in chapter 309.

24. Collect costs incurred by the county weed commissioner as provided in section 317.21.

25. Maintain a file of certificates of appointment issued by county officers as provided in section 331.903.

26. Furnish information and statistics requested by the governor or the general assembly as provided in section 331.901, subsection 1.

27. Carry out duties relating to the organization, expansion, reduction, or dissolution of a rural water district as provided in chapter 357A.

28. Carry out duties related to posting financial information of a township as provided in sections 359.23 and 359.49.

29. Acknowledge the receipt of funds refunded by the state as provided in section 12B.18.

30. Be responsible for all public money collected or received by the auditor's office. The money shall be deposited in a bank approved by the board as provided in chapter 12C.

31. Carry out duties relating to the establishment and management of levee and drainage districts as provided in chapter 468, subchapter I, parts 1 to 5, chapter 468, subchapter II, parts 1, 3, and 6, and chapter 468, subchapters III and V.

32. Serve as a trustee for funds of a cemetery association as provided in section 523I.505.

33. Notify the state department of transportation of claims filed for improvements on public roads payable from the primary road fund as provided in section 573.24.

34. Certify to the clerk of the district court the names, addresses, and expiration date of the terms of office of persons appointed to the county judicial magistrate appointing commission as provided in section 602.6503.

35. Serve as an ex officio member of the jury commission as provided in section 607A.9.

36. Destroy outdated records as ordered by the board.

37. Carry out duties relating to the selection of jurors as provided in chapter 607A.

38. Designate newspapers in which official notices of the auditor's office shall be published as provided in section 618.7.

39. Carry out duties relating to lost property as provided in sections 556F.2, 556F.4, 556F.7, 556F.10, and 556F.16.

40. For payment of a permanent school fund mortgage, acknowledge satisfaction of the mortgage by execution of a written instrument referring to the mortgage as provided in section 655.1.

41. Receive and record in a book kept for that purpose, moneys recovered from a person willfully committing waste or trespass on real estate as provided in section 658.10.

42. Have the authority to audit, at the auditor's discretion, the financial condition and transactions of all county funds and accounts for compliance with state and federal law.

43. Carry out other duties required by law and duties assigned pursuant to section 331.323 or 331.610.

**1.** [C73, §323; C97, §473; C24, 27, 31, 35, 39, §**5141;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §333.1(8); S81, §331.502(1); 81 Acts, ch 117, §501]

**2.** [R60, C73, §320; C97, §470; C24, 27, 31, 35, 39, §**5141;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §333.1(7); S81, §331.502(2); 81 Acts, ch 117, §501]

**3 – 7.** [S81, §331.502(3 – 7); 81 Acts, ch 117, §501]

**8.** [C97, §497; C24, 27, 31, 35, 39, §**5170;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §335.1; S81, §331.502(8); 81 Acts, ch 117, §501]

**9 – 49.** [S81, §331.502(9 – 52); 81 Acts, ch 117, §501; 82 Acts, ch 1104, §51, 52]

83 Acts, ch 101, §77; 83 Acts, ch 185, §29, 62; 83 Acts, ch 186, §10080 – 10083, 10201; 86 Acts, ch 1108, §2, 3; 86 Acts, ch 1155, §4; 87 Acts, ch 115, §53; 87 Acts, ch 227, §27; 88 Acts, ch 1158, §69; 88 Acts, ch 1262, §7; 93 Acts, ch 148, §1; 94 Acts, ch 1173, §21, 22; 96 Acts, ch 1129, §113; 98 Acts, ch 1107, §9; 2000 Acts, ch 1117, §21; 2003 Acts, ch 35, §42, 49; 2003 Acts, ch 145, §251; 2005 Acts, ch 128, §2; 2005 Acts, ch 167, §54, 66; 2009 Acts, ch 57, §88; 2012 Acts, ch 1019, §124; 2012 Acts, ch 1113, §18; 2012 Acts, ch 1120, §127, 130; 2013 Acts, ch 135, §58

Amendment to subsection 10 by 2012 Acts, ch 1120, §127, takes effect July 1, 2013; 2012 Acts, ch 1120, §130
Subsection 10 amended
New subsection 42 and former subsection 42 renumbered as 43

**331.503 General powers.**

The auditor may:

1. Administer oaths and take affirmations on matters relating to the business of the office of auditor.

2. Subject to requirements of section 331.903, appoint and remove deputies, clerks and assistants. If a deputy auditor is not appointed and the requirements of office require the temporary employment of assistants, the auditor shall file a bill for the services with the board at its next meeting. The board shall allow reasonable compensation for the temporary appointees.

[C51, §411; R60, §642; C73, §766; C97, §481; SS15, §481; C24, 27, 31, 35, 39, §**5238, 5240, 5244;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §341.1, 341.3, 341.8; S81, §331.503; 81 Acts, ch 117, §502]

Referred to in §331.903

**331.504 Duties as clerk to the board.**

The auditor shall:

1. Record the proceedings of the board. The minutes of the board shall include a record of all actions taken and the complete text of the motions, resolutions, amendments, and ordinances adopted by the board. Upon the request of a supervisor present at a meeting, the minutes shall include a record of the vote of each supervisor on any question before the board.

2. Maintain the books and records required to be kept by the board under section 331.303.

3. Sign all orders issued by the board for the payment of money.

4. Record the reports of the treasurer of the receipts and disbursements of the county.

5. Maintain a file of all accounts acted upon by the board with the board's action on each account. If the board allows an expenditure from an account, the auditor shall indicate the amount of expenditure and the bill or claim for which the expenditure is allowed.

6. Furnish a copy of the proceedings of the board required to be published as provided in section 349.18.

7. Number each claim consecutively in the order of filing and enter the claim in the claim register alphabetically by the name of the claimant and including the date of filing, the number of the claim and its general nature, the action of the board, and if allowed, the fund from which the claim is paid. A record of the claims allowed at each session of the board shall be included in the minute book by reference to the numbers of the claims as entered in the claim register.

8. File for presentation to the board all unliquidated claims against the county and all claims for fees or compensation, except salaries fixed by state law. The claims, before being audited or paid, shall be itemized to clearly show the basis of the claim and whether for

property sold or furnished for services rendered or for another purpose. An action shall not be brought against the county relating to a claim until the claim is filed as provided in this subsection and the payment refused or neglected.

[R60, §319; C73, §320, 2610, 3843; C97, §470, 1300, 3528; C24, 27, 31, 35, 39, §**5123, 5124, 5141;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §333.1(1 – 6), 331.20, 331.21; S81, §331.504; 81 Acts, ch 117, §503]

83 Acts, ch 29, §1

Referred to in §331.211

**331.505 Duties relating to elections.**

The auditor shall:

1. Serve as county commissioner of elections as provided in chapter 47.
2. Conduct all elections held within the county.
3. Serve as a member of a board to hear and decide objections made to a certification of nomination as provided in section 44.7.
4. Serve as county commissioner of registration as provided in chapter 48A.
5. Serve as clerk of the election contest court as provided in chapter 62.
6. Record the orders of suspension and temporary appointment of county and township officers as provided in section 66.19.

[S81, §331.505; 81 Acts, ch 117, §504]

94 Acts, ch 1169, §60

**331.506 Issuance of warrants.**

1. *a.* Except as provided in subsections 2 and 3, the auditor shall prepare and sign a county warrant only after issuance of the warrant has been approved by the board by recorded vote. Each warrant shall be numbered and the date, amount, number, name of the person to whom issued, and the purpose for which the warrant is issued shall be entered in the county system. Each warrant shall be made payable to the person performing the service or furnishing the supplies for which the warrant makes payment.

*b.* The auditor shall not issue a warrant to a drawee until the auditor has transmitted to the treasurer a list of the warrants to be issued. The list shall include the date, amount, and number of the warrant, name of the person to whom the warrant is issued, and the purpose for which the warrant is issued. The treasurer shall acknowledge receipt of the list by affixing the treasurer's signature at the bottom of the list and immediately returning the list to the auditor. The requirement that the treasurer sign to acknowledge receipt of the list is satisfied by use of a secure electronic signature if the county auditor and treasurer have complied with the applicable provisions of chapter 554D.

*c.* The warrant list signed by the treasurer shall be preserved by the auditor for at least two years. The requirement that the list be preserved is satisfied by preservation of the list in electronic form if the requirements of section 554D.113 are met.

*d.* The requirement that the county auditor sign a warrant is satisfied by use of a secure electronic signature if the county auditor has complied with the applicable provisions of chapter 554D.

*e.* In lieu of the auditor issuing a warrant to a drawee, the auditor may issue a warrant payment order to the county treasurer. Upon receipt of the warrant payment order, the treasurer may submit payment to the drawee through an electronic funds transfer system.

2. The auditor may issue warrants to pay the following claims against the county without prior approval of the board:

*a.* Witness fees and mileage for attendance before a grand jury, as certified by the county attorney and the foreman of the jury.

*b.* Witness fees and mileage in trials of criminal actions prosecuted under county ordinance, as certified by the county attorney.

*c.* Fees and costs payable to the clerk of the district court or other state officers or employees in connection with criminal and civil actions when due, as shown in the statement submitted by the clerk of court under section 602.8109.

*d.* Expenses of the grand jury, upon order of a district judge.

3. The board, by resolution, may authorize the auditor to issue warrants to make the following payments without prior approval of the board:

*a.* For fixed charges including, but not limited to, freight, express, postage, water, light, telephone service or contractual services, after a bill is filed with the auditor.

*b.* For salaries and payrolls if the compensation has been fixed or approved by the board. The salary or payroll shall be certified by the officer or supervisor under whose direction or supervision the compensation is earned.

4. The bills paid under subsections 2 and 3 shall be submitted to the board for review and approval at its next meeting following the payment. The action of the board shall be recorded in the minutes of the board.

5. An officer certifying an erroneous bill or claim against the county is liable on the officer's official bond for a loss to the county resulting from the error.

[R60, C73, §321; C97, §471; C24, 27, 31, 35, 39, §**5142 – 5147;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §333.2 – 333.7; S81, §331.506; 81 Acts, ch 117, §505]

83 Acts, ch 29, §2; 83 Acts, ch 186, §10084, 10201; 85 Acts, ch 197, §6; 95 Acts, ch 57, §3; 2000 Acts, ch 1084, §1; 2000 Acts, ch 1232, §67; 2005 Acts, ch 19, §44

Referred to in §331.402, 331.552

**331.507 Collection of money and fees.**

1. The auditor may collect or receive money due the county except when otherwise provided by law.

2. The auditor is entitled to collect the following fees:

*a.* For a transfer of property made in the transfer records, five dollars for each separate real estate transaction described in section 558.57, or transfer of title certified by the clerk of the district court. However, the fee shall not exceed fifty dollars for a transfer of property which is described in one instrument of transfer.

(1) For the purposes of this paragraph, a parcel of real estate includes:

(a) For real estate located outside of the corporate limits of a city, all contiguous land lying within a numbered section.

(b) For real estate located within the corporate limits of a city, all contiguous land lying within a platted block or subdivision.

(2) Within a numbered section, platted block, or subdivision, land separated only by a public street, alley, or highway remains contiguous.

*b.* For indexing a change of name for each parcel of real estate owned in the county, five dollars.

3. Fees collected or received by the auditor shall be accounted for and paid into the county treasury as provided in section 331.902.

**1.** [C97, §473; C24, 27, 31, 35, 39, §**5149;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §333.9; S81, §331.507(1); 81 Acts, ch 117, §506]

**2**a. [C73, §3797; C97, §478; C24, 27, 31, 35, 39, §**5155;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §333.15; S81, §331.507(2a – c); 81 Acts, ch 117, §506; 82 Acts, ch 1104, §53]

b. [S13, §4471-i; C24, 27, 31, 35, 39, §**12656;** C46, 50, 54, 58, 62, 66, 71, §674.12; C73, 75, 77, 79, 81, §674.14; S81, §331.507(2d); 81 Acts, ch 117, §506]

**3.** [S81, §331.507(3); 81 Acts, ch 117, §506]

**4.** [C97, §480; S13, §550-c; C24, 27, 31, 35, 39, §**5246, 5247;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §342.2, 342.3; S81, §331.507(4); 81 Acts, ch 117, §506]

84 Acts, ch 1198, §1; 85 Acts, ch 97, §1; 85 Acts, ch 159, §1; 94 Acts, ch 1025, §2; 94 Acts, ch 1173, §23; 95 Acts, ch 67, §28; 98 Acts, ch 1032, §8; 2004 Acts, ch 1144, §1

Referred to in §558.66, 598.21, 674.14

Indexing change of name, see §674.14

**331.508 Books and records.**

The auditor shall keep the following books and records:

1. Election book for contested proceedings as provided in section 62.3.
2. Record of official bonds as provided in section 64.24.
3. Lost property book as provided in chapter 556F.

4. Account book and index of persons receiving mental health treatment as provided in section 230.26.
5. A record book of the names and addresses of persons receiving veteran assistance as provided in section 35B.10.
6. Record of fees as provided in section 331.902.
7. Benefited water district record book as provided in section 357.32.
8. Completed assessment rolls, schedules and book as provided in section 441.26.
9. Tax rate book as provided in section 444.6.
10. Real estate transfer book, index book, and plat book as provided in sections 558.60, 558.63, and 558.65 through 558.67.

[C97, §480; S13, §498; C24, 27, 31, 35, 39, §**5246;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §342.2; S81, §331.508; 81 Acts, ch 117, §507]

86 Acts, ch 1001, §19; 94 Acts, ch 1173, §24; 95 Acts, ch 49, §8; 97 Acts, ch 121, §4; 2010 Acts, ch 1061, §54

**331.509** Repealed by 83 Acts, ch 123, § 206, 209.

**331.510 Reports by the auditor.**

The auditor shall make:

1. A report to the governor of a vacancy, except by resignation, in the office of state representative or senator as provided in section 69.5.
2. A report to the secretary of state of the name, office, and term of office of each appointed or elected county officer within ten days of the officer's election or appointment and qualification.
3. An annual report not later than January 1 to the department of management of the valuation by class of property for each taxing district in the county on forms provided by the department of management. The valuations reported shall be those valuations used for determining the levy rates necessary to fund the budgets of the taxing districts for the following fiscal year.
4. An annual report not later than January 1 to the governing body of each taxing district in the county of the assessed valuations of taxable property in the taxing district as reported to the department of management.

[R60, §291; C73, §324; C97, §474; C24, 27, 31, 35, 39, §**5150;** C46, 50, 54, 58, 62, 66, 71, §333.10; C73, 75, 77, §333.10, 442.2; C79, 81, §333.10, 333.16; S81, §331.510; 81 Acts, ch 117, §509]

83 Acts, ch 123, §141, 209; 85 Acts, ch 21, §42; 85 Acts, ch 197, §7; 88 Acts, ch 1134, §72

**331.511 Duties relating to platting.**

The county auditor shall:

1. Record each plat as provided in section 354.18.
2. Record changes in names of platted streets as provided in section 354.26.
3. Record notations of errors or omissions on recorded plats as provided in section 354.24.
4. Record resurveyed plats as provided in section 354.25.
5. Provide for the platting of real estate which cannot otherwise be accurately assessed for taxation as provided in section 354.13.
6. Carry out other duties as provided by law.

[S81, §331.511; 81 Acts, ch 117, §510]

90 Acts, ch 1236, §48

**331.512 Duties relating to taxation.**

The auditor shall:

1. Include on the tax list:

*a.* The levy of county taxes authorized by the board as provided by law.

*b.* The levy of taxes to pay the principal and interest on bonds as provided in sections 76.2 and 76.3.

*c.* The levy of a mulct tax against the property of a person maintaining a nuisance as certified by the clerk of the district court as provided in section 99.28.

*d.* A levy against the property of a bee owner sufficient to pay the costs of disinfecting or destroying diseased bees as provided in section 160.8.

*e.* The levy for taxes for the brucellosis and tuberculosis eradication fund as provided in section 165.18.

*f.* The levy of a tax for the operation of a community college as provided in section 260C.17.

*g.* The levy of a tax to pay the principal and interest under a loan agreement entered into by community college authorities as provided in section 260C.22.

*h.* The levy of community school taxes as provided by law.

*i.* The levy of a tax as certified by the board of trustees of a sanitary district as provided in section 358.18.

*j.* The levy of taxes certified by the board of trustees of a township as provided in chapters 359 and 360.

*k.* The levy of city taxes and assessments as certified by the city council as provided by law.

*l.* Other tax levies as provided by law.

2. Carry out duties relating to tax sales of property within special charter cities as provided in sections 420.220 to 420.229.

3. Carry out duties relating to the homestead tax credit and agricultural land tax credit as provided in chapters 425 and 426.

4. Prepare and certify to the county treasurer the total amount of dollars for military service tax credits claimed and allowed as provided under sections 426A.3 and 426A.11 through 426A.14.

5. Carry out duties relating to the business property tax credit as provided in chapter 426C.

6. Carry out duties relating to the preparation of the tax list as provided in sections 428.4, 441.17, 441.21, 443.2 to 443.9, and 443.21.

7. Carry out duties relating to the valuation and taxation of telegraph and telephone companies as provided in sections 433.8 to 433.10 including mapping requirements as provided in sections 433.14 and 433.15.

8. Transmit to other local government officials the order stating the length of the main track and the assessed value of each railway located within the county as provided in section 434.22.

9. Transmit to other local government officials the order stating the length of the electric transmission lines and the assessed value of the property of the electric transmission line companies located within the county as provided in section 437.10.

10. Carry out duties relating to the valuation and taxation of pipeline companies as provided in sections 438.14 to 438.16.

11. Furnish the assessor a plat book which is platted with the lands and lots within the assessment district as provided in section 441.29.

12. Carry out duties relating to levy of school taxes as provided in chapter 257.

13. Carry out duties relating to the computation of tax rates as provided under chapter 444.

14. When an order of apportionment is made, correct the tax books or records in the auditor's possession as provided in section 449.4.

15. Carry out duties relating to the calculation and payment of commercial and industrial property tax replacement claims under section 441.21A.

16. Carry out other duties as provided by law.

[S81, §331.512; 81 Acts, ch 117, §511]

83 Acts, ch 123, §142, 209; 89 Acts, ch 135, §115; 90 Acts, ch 1253, §110; 91 Acts, ch 191, §9; 94 Acts, ch 1078, §8; 94 Acts, ch 1173, §25; 2002 Acts, ch 1150, §2; 2005 Acts, ch 19, §45; 2010 Acts, ch 1118, §3; 2012 Acts, ch 1023, §42; 2013 Acts, ch 123, §1, 13, 15, 22, 23

Subsection 5 takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

Subsection 15 takes effect June 12, 2013, and applies retroactively to January 1, 2013, for assessment years beginning on or after that date; 2013 Acts, ch 123, §22, 23

NEW subsection 5 and former subsections 5 – 13 renumbered as 6 – 14

NEW subsection 15 and former subsection 14 renumbered as 16

**331.513 through 331.550** Reserved.

PART 2

COUNTY TREASURER

**331.551 Office of county treasurer.**

1. The office of treasurer is an elective office except that if a vacancy occurs in the office, a successor shall be elected or appointed to the unexpired term as provided in chapter 69.

2. A person elected or appointed to the office of treasurer shall qualify by taking the oath of office as provided in section 63.10 and give bond as provided in section 64.10.

3. The term of office of the treasurer is four years.

[C51, §96, 151, 239; R60, §224, 473; C73, §589; C97, S13, §1072; C24, 27, 31, 35, 39, §**520;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.17; S81, §331.551; 81 Acts, ch 117, §550]

2010 Acts, ch 1033, §46

**331.552 General duties.**

The treasurer shall:

1. Receive all money payable to the county unless otherwise provided by law.

2. Disburse money owed or payable by the county on warrants or checks drawn and signed by the auditor and sealed with the official county seal.

3. Keep a true account of all receipts and disbursements of the county, which account shall be available for inspection by the board at any reasonable time.

4. Keep the official county seal provided by the county. The official seal shall be an impression seal on the face of which shall appear the name of the county, the word "county" which may be abbreviated, the word "treasurer" which may be abbreviated, and the word "Iowa".

5. Account for, report, and pay into the state treasury any money, property, or securities received on behalf of the state as provided in sections 8A.506 to 8A.508.

6. Account for and report to the board the amount of swampland indemnity funds received from the treasurer of state under section 12.16.

7. Register and call tax anticipatory warrants issued for a memorial hospital as provided under section 37.30.

8. Serve on a nomination appeals commission to hear nomination objections filed with the county commissioner of elections as provided in section 44.7.

9. Keep on file the bond and oath of the auditor as provided in section 64.23.

10. Reserved.

11. Serve as treasurer of an area hospital located outside the corporate limits of a city as provided in section 145A.15.

12. Register and call anticipatory warrants related to the sale of limestone as provided in section 353.8.

13. Make transfer payments to the state for school expenses for blind and deaf children and support of persons with mental illness as provided in sections 230.21, 269.2, and 270.7.

14. Transfer funds to pay the expenses of creating or changing the boundaries of a school district as provided in section 275.26.

15. Transfer funds to pay tuition expenses owed by a debtor school district to a creditor school district as provided in section 282.21.

16. Pay to the treasurers of the school corporations located in the county the taxes and other moneys due as provided in section 298.11 and send amounts collected for each fund of a school corporation for direct deposit into the depository and account designated as provided in section 298.13.

17. Pay monthly to the treasurer of state proceeds of public lands sold and escheated estates as provided in section 257B.2 and pay annually on February 1 interest collected from public lands sold on credit as provided in section 257B.5.

18. Maintain a permanent school fund account and records of school funds received as provided in section 257B.31.

19. Carry out duties relating to the sale and redemption of anticipatory certificates for secondary road construction as provided in sections 309.50 to 309.55.

20. Carry out duties relating to the establishment of secondary road assessment districts as provided in chapter 311.

21. Carry out duties relating to the sale and redemption of county bonds as provided in division IV, parts 3 and 4.

22. Notify the chairperson of the county hospital board of trustees and pay to the hospital treasurer the tax revenue collected for the county hospital during the preceding month as provided in section 347A.1.

23. Collect a fee of twenty dollars for issuing a tax sale certificate.

24. Carry out duties relating to the condemnation of property as provided in section 331.656, subsection 4.

25. Carry out duties relating to the funding of drainage districts as provided in chapter 468, subchapter I, parts 1 to 5, chapter 468, subchapter II, parts 1, 5, and 6, chapter 468, subchapter III, and chapter 468, subchapter IV, parts 1 and 2.

26. Collect and disburse funds for soil and water conservation districts as provided in sections 161A.33 and 161A.34.

27. Credit the remainder of funds received from a hotelkeeper's sale to satisfy a lien to the county general fund as provided in section 583.6.

28. Designate the newspapers in which the official notices of the treasurer's office are to be published as provided in section 618.7.

29. Send, before the fifteenth day of each month, the amount of tax revenue, special assessments, and other moneys collected for each tax-certifying or tax-levying public agency in the county for direct deposit into the depository or financial institution and account designated by the governing body of the public agency. The treasurer shall send notice to the chairperson or other designated officer of the public agency stating the amount deposited, the date, the amount to be credited to each fund according to the budget, and the source of revenue.

30. Carry out other duties as required by law and duties assigned pursuant to section 331.323.

31. Collect all penalties that have accrued prior to April 1, 1992, on unpaid taxes, as defined in section 445.1, and process them as interest.

32. File with the county auditor the name of a designated employee, if other than the first deputy treasurer, authorized to perform the duties of the treasurer during the absence or disability of the treasurer and the name of any employee authorized to sign, on behalf of the treasurer, any form, notice, or document requiring the signature of the treasurer.

33. Carry out duties relating to warrant lists provided by the county auditor pursuant to section 331.506, subsection 1.

34. Destroy tax sale redemption certificates and all associated tax sale records after ten years have elapsed from the end of the fiscal year in which the certificate was redeemed. If a tax sale certificate of purchase is canceled as required by section 446.37 or 448.1, all associated tax sale records shall be destroyed after ten years have elapsed from the end of the fiscal year in which the tax sale certificate of purchase was canceled. This subsection applies to documents described in this subsection that are in existence before, on, or after July 1, 2003.

35. Destroy special assessment records required by section 445.11 within the county system after ten years have elapsed from the end of the fiscal year in which the special assessment was paid in full. The county treasurer shall also destroy the resolution of necessity, plat, and schedule of assessments required by section 384.51 after ten years have elapsed from the end of the fiscal year in which the entire schedule was paid in full. This subsection applies to documents described in this subsection that are in existence before, on, or after July 1, 2003.

36. Destroy mobile home and manufactured home tax lists after ten years have elapsed from the end of the fiscal year in which the list was created. This subsection applies to mobile

home and manufactured home tax lists and associated documents in existence before, on, or after July 1, 2003.

**1 – 3.** [C51, §152; R60, §360; C73, §327; C97, §482; C24, 27, 31, 35, 39, §**5156;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.1; S81, §331.552(1 – 3); 81 Acts, ch 117, §551]

**4.** [C24, 27, 31, 35, 39, §**5157;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.2; S81, §331.552(4); 81 Acts, ch 117, §551]

**5 – 15.** [S81, §331.552(5 – 17); 81 Acts, ch 117, §551]

**16.** [S81, §331.552(18); 81 Acts, ch 117, §551; 82 Acts, ch 1195, §2]

**17 – 20.** [S81, §331.552(19 – 22); 81 Acts, ch 117, §551]

**21.** [C73, §290; C97, S13, §404; C24, 27, 31, 35, 39, §**5278 – 5282;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §346.4 – 346.8; S81, §331.552(23); 81 Acts, ch 117, §551]

**22.** [S81, §331.552(24); 81 Acts, ch 117, §551]

**23.** [C73, §3797; C97, §478; C24, 27, 31, 35, 39, §**5155;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §333.15; S81, §331.507(2b, c); 81 Acts, ch 117, §506, 82 Acts, ch 1104, §53, 54]

**24 – 28 and 30.** [S81, §331.552(25 – 33); 81 Acts, ch 117, §551; 82 Acts, ch 1104, §55]

83 Acts, ch 123, §143 – 146, 209; 83 Acts, ch 185, §31, 32, 62; 83 Acts, ch 186, §10088, 10089, 10201, 10204; 84 Acts, ch 1003, §1; 86 Acts, ch 1001, §20; 86 Acts, ch 1155, §5; 91 Acts, ch 191, §10; 92 Acts, ch 1016, §5; 94 Acts, ch 1173, §26; 95 Acts, ch 57, §4; 96 Acts, ch 1129, §113; 2000 Acts, ch 1084, §2; 2001 Acts, ch 45, §3; 2003 Acts, ch 24, §4; 2003 Acts, ch 145, §252; 2004 Acts, ch 1092, §5; 2005 Acts, ch 167, §55, 66; 2006 Acts, ch 1070, §15, 16, 31; 2008 Acts, ch 1018, §28; 2010 Acts, ch 1118, §4; 2013 Acts, ch 30, §76

Referred to in §176A.12, 260C.17, 260C.22, 331.301, 347.12, 347A.1, 359.21, 446.29, 446.30

Subsection 25 amended

**331.553 General powers.**

The treasurer may:

1. Administer oaths and take affirmations as provided in sections 63A.2 and 421.21.

2. Subject to the requirements of section 331.903, appoint and remove deputies, clerks and assistants.

3. Require that payment be made by guaranteed funds for tax sale redemptions, issuance of plat clearances, issuance of tax clearances for mobile homes, payments of taxes or assessments made within the thirty days prior to the annual tax sale or any adjournment of the tax sale, and any other payment which is to be collected by the county treasurer. For the purposes of this subsection, *"guaranteed funds"* means cash, cashier's check, money order, travelers' check, or certified check.

4. Charge five dollars, as an administrative expense, for every rate, charge, rental, or special assessment certified as a lien to the treasurer for collection. This amount shall be added to the amount of the lien, collected at the time of payment from the payor, and credited to the county general fund. If the amount of the lien is paid in annual installments, an administrative expense charge shall be added to each annual installment.

5. Accept credit cards and electronic transfers of funds in payment of moneys due to the county, including but not limited to credits and reimbursements received from the state, tax payments, and tax sale redemptions. A county treasurer may adjust fees to reflect the cost of processing such payments.

6. Require a payor or an agent of a payor to make payment by electronic transfer of the funds through the county treasurer's authorized internet site when the payment totals fifty thousand dollars or more.

7. Treat a payment made by electronic funds transfer as if it were a paper check for purposes of section 554.3512.

8. Pursuant to an agreement under chapter 28E, collect delinquent parking fines on behalf of a city in conjunction with renewal of motor vehicle registrations pursuant to section 321.40. If the agreement provides for a fee to be paid to or retained by the county treasurer from the collection of parking fines, such fees shall be credited to the county general fund. Fines collected pursuant to this subsection shall be remitted biannually to the city. Notwithstanding

section 28E.10, a county treasurer may utilize the state department of transportation's vehicle registration and titling system to facilitate the purposes of this subsection.

[C51, §411; R60, §642; C73, §766; C97, SS15, §491; C24, 27, 31, 35, 39, §**5238, 5240;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §341.1, 341.3; S81, §331.553; 81 Acts, ch 117, §552]

91 Acts, ch 191, §11; 95 Acts, ch 57, §5; 97 Acts, ch 121, §5; 2002 Acts, ch 1043, §3; 2003 Acts, ch 18, §4; 2004 Acts, ch 1092, §6; 2005 Acts, ch 34, §7, 8, 26; 2005 Acts, ch 54, §9, 12; 2013 Acts, ch 90, §257

Referred to in §321.40, 321.236, 445.1

For definitions applicable to subsection 3, see §445.1

Code editor directive applied

**331.554 Duties relating to warrants.**

1. Upon receipt of a warrant, scrip, or other evidence of the county's indebtedness, the treasurer shall endorse on it the date of payment.

2. Reserved.

3. The treasurer shall enter into the county system the warrant number, date paid, and interest paid, if any.

4. The treasurer shall return the paid warrants to the auditor. The original warrant shall be preserved for at least two years. The requirement that the original warrant be preserved is satisfied by preservation of the warrant in electronic form if the requirements of section 554D.113 are met. The treasurer shall make monthly reports to show for each warrant the number, date, drawee's name, when paid, to whom paid, original amount, and interest.

5. *a.* When a warrant legally drawn on the county treasury is presented for payment and not paid because of a deficiency, the treasurer shall carry out duties relating to the endorsement and payment of interest on the amount of deficiency as provided in chapter 74.

*b.* In lieu of the requirements and procedures specified in sections 74.1, 74.2, and 74.3, when warrants other than anticipatory warrants are presented for payment and not paid for want of funds or are only partially paid, the treasurer may issue a warrant order for an amount equal to the unpaid warrants drawn on a fund. The warrant order shall be dated and include the fund name, amount, and the rate of interest established under section 74A.6. The warrant order shall be endorsed by the treasurer, "not paid for want of funds", and include the treasurer's signature. The treasurer shall keep a list of all warrants comprising a warrant order and shall submit a duplicate copy of the warrant order to the auditor. The procedures of sections 74.4 to 74.7 apply to warrant orders.

6. The amount of a check, other than a warrant, outstanding for more than one year shall be canceled, removed from the list of outstanding checks, deposited to the account on which the check was written, and credited as unclaimed fees and trusts. The treasurer shall maintain a list of the checks for one year after cancellation. A person may claim the amount of the canceled treasurer's check for a period of one year after cancellation upon proper proof of ownership by filing a claim with the county auditor.

7. A warrant outstanding for more than one year shall be canceled by the auditor and the amount of the warrant shall be credited to the fund upon which the warrant was drawn. A person may file a claim with the auditor for the amount of the canceled warrant within one year of the date of the cancellation, and upon showing of proper proof that the claim is true and unpaid, the auditor shall issue a warrant drawn upon the fund from which the original canceled warrant was drawn. This subsection does not apply to warrants issued upon drainage or levee district funds or any fund upon which the county treasurer has issued a warrant order or stamped a warrant for want of funds.

**1.** [R60, §2187; C73, §557; C97, §597; C24, 27, 31, 35, 39, §**5158;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.3; S81, §331.554(1); 81 Acts, ch 117, §553]

**2.** [C51, §154, 490; R60, §362, 755; C73, §329; C97, §485; C24, 27, 31, 35, 39, §**5162;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.5; S81, §331.554(2); 81 Acts, ch 117, §553]

**3.** [C51, §155; R60, §363; C73, §330; C97, §486; C24, 27, 31, 35, 39, §**5163;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.6; S81, §331.554(3); 81 Acts, ch 117, §553]

**4.** [C51, §159, 160; R60, §365, 366; C73, §332, 333; C97, §488; C24, 27, 31, 35, 39, §**5164;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.7; S81, §331.554(4); 81 Acts, ch 117, §553]

**5.** [S81, §331.554(5); 81 Acts, ch 117, §553; 82 Acts, ch 1048, §1]

**6.** [C97, §456; C24, 27, 31, 35, 39, §**5169;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §334.12; S81, §331.554(6); 81 Acts, ch 117, §553]

83 Acts, ch 65, §1, 2; 83 Acts, ch 123, §147, 209; 95 Acts, ch 57, §6, 7; 2000 Acts, ch 1084, §3, 4; 2000 Acts, ch 1232, §68; 2001 Acts, ch 45, §4

Referred to in §74.4, 74.6, 74.7, 331.427, 331.558

**331.555 Fund management.**

1. During each term of office, the treasurer shall keep a separate account of the taxes levied for state, county, school, highway, or other purposes and of all other funds created by law whether of regular, special, or temporary nature. The treasurer shall not pay out or use the money in a fund for any purpose except as specifically authorized by law. The treasurer shall be charged with the amount of tax or other funds collected or received by the treasurer and shall be credited with the amount of taxes or other funds disbursed from each account as authorized by law.

2. Except as provided in section 321.153, on or before the fifteenth day of each month, the treasurer shall prepare sworn statements of the amount of money held by the treasurer on the last day of the preceding month belonging to the state treasury and mail a copy of the statement and the remittance to the treasurer of state. Another copy of the statement shall be mailed to the director of the department of administrative services. However, in lieu of mailing the remittance to the treasurer of state, the treasurer may deposit the remittance to the credit of the treasurer of state in an interest-bearing account in a bank in the county as designated by the treasurer of state.

3. If a treasurer fails to comply with the requirements of subsection 2, the treasurer shall forfeit for each failure a sum of not less than one hundred dollars nor more than five hundred dollars to be recovered in an action against the treasurer's bond brought in the name of the director of the department of administrative services or the treasurer of state.

4. The treasurer shall make a complete settlement with the county semiannually and when the treasurer leaves office as provided in section 12B.7.

5. The treasurer shall maintain custody of all public moneys in the treasurer's possession and deposit or invest the moneys as provided in section 12B.10 and chapter 12C.

6. The treasurer shall keep all funds invested to the extent practicable and may invest the funds jointly with one or more counties, judicial district departments of correctional services, cities, city utilities, or rural water districts created under chapter 357A pursuant to a joint investment agreement. All investments of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law.

[C51, §156, 161; R60, §364, 367, 799; C73, §331, 334, 914; C97, §487, 489, 1459; C24, 27, 31, 35, 39, §**5165, 5166, 5168;** C46, 50, 54, §334.8, 334.9 – 334.11; C58, 62, 66, 71, 73, 75, 77, 79, 81, §334.8, 334.9, 334.11; S81, §331.555; 81 Acts, ch 117, §554]

87 Acts, ch 105, §1; 88 Acts, ch 1084, §1; 90 Acts, ch 1233, §26; 92 Acts, ch 1156, §14; 95 Acts, ch 77, §1; 2003 Acts, ch 145, §286

**331.556** Repealed by 88 Acts, ch 1108, § 4.

**331.557 Duties relating to vehicle registrations and certificates of title.**

The treasurer shall:

1. Issue, renew, and replace lost or damaged vehicle registration cards or plates and issue and transfer certificates of title for vehicles as provided in sections 321.17 to 321.52.

2. Collect, pay to the state, or refund registration fees as provided in sections 321.105 to 321.156.

3. Collect and forward the use tax on vehicles subject only to a certificate of title and on manufactured housing as provided in section 423.14, section 423.26, subsection 1, and section 423.26A.

4. Carry out other duties as required by law.

[S81, §331.557; 81 Acts, ch 117, §556]

84 Acts, ch 1305, §72; 96 Acts, ch 1125, §1; 2003 Acts, 1st Ex, ch 2, §175, 205; 2008 Acts, ch 1113, §111; 2010 Acts, ch 1108, §4, 15

**331.557A Duties relating to issuance of driver's licenses.**

The treasurer of any county participating in county issuance of driver's licenses under chapter 321M shall:

1. Issue, renew, and replace lost or damaged nonoperator identification cards and driver's licenses, including commercial driver's licenses, according to the provisions of chapter 321M.
2. Issue persons with disabilities parking permits under chapter 321L.
3. Collect fees associated with nonoperator identification cards and driver's licenses, including commercial driver's licenses, and pay to the state amounts in excess of the amount the treasurer is permitted to retain for deposit in the county general fund for license issuance.
4. Accept payment of civil penalties pursuant to sections 321.218A, 321A.32A, and 321J.17 and remit the penalties to the state department of transportation.
5. Participate in voter registration according to the terms of chapter 48A, and submit completed voter registration forms to the state registrar of voters.
6. Attend initial training as required by chapter 321M, and participate in continuing education as offered by the state department of transportation.
7. Comply with the terms of any applicable agreements created pursuant to chapter 28E, and state department of transportation operating standards for license issuance.

98 Acts, ch 1073, §12; 98 Acts, ch 1143, §21, 26; 2005 Acts, ch 54, §10, 12; 2008 Acts, ch 1018, §29, 31

**331.558 Reports by the treasurer.**

The treasurer shall make:

1. A monthly report to the secretary of the school board of the amount of taxes collected for each fund and other information as provided in section 298.13.
2. A monthly report to the department of transportation of the fees and penalties collected relating to the issuance of vehicle registrations and certificates of title as provided in section 321.153.
3. A report to the board of the fees collected during the preceding quarter as provided in section 331.902.
4. A monthly report to the auditor of the county warrants returned to the treasurer for payment as provided in section 331.554, subsection 4.
5. Other reports as required by law.

[C73, §3796; C97, §492; C24, 27, 31, 35, 39, §**5247;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §342.3; S81, §331.558; 81 Acts, ch 117, §557; 82 Acts, ch 1195, §3]

94 Acts, ch 1025, §3

**331.559 Duties relating to taxation.**

The treasurer shall:

1. Determine and collect taxes on mobile homes and manufactured homes as provided in sections 435.22 to 435.26.
2. Collect the tax levied for the brucellosis and tuberculosis eradication fund as provided in section 165.18.
3. Collect the tax levied for the county agricultural extension education fund and pay it to the extension treasurer as provided in section 176A.12.
4. Collect the costs assessed by the secretary of agriculture relating to the treatment or destruction of agricultural or horticultural plants or products as provided in section 177A.17.
5. Collect the tax levied for the erection and equipping of community college facilities as provided in section 260C.22.
6. Collect the costs assessed against a property owner for the destruction or eradication of weeds as provided in sections 317.20 and 317.21.
7. Levy a tax sufficient to pay any deficiency in the assessments collected to pay the

principal and interest on bonds issued by a benefited water district as provided in section 357.22.

8. Collect city taxes certified to the auditor as provided in section 384.2.

9. Send the amounts of each city's tax revenue and special assessments collected on its behalf for direct deposit into the depository and account designated as provided in section 384.11.

10. Accept a partial payment of the annual installment of a special assessment before its due date as provided in section 384.65, subsection 6.

11. Serve as an agent of the director of revenue to collect state taxes as provided in section 422.71, subsection 5.

12. Carry out duties relating to the administration of the homestead tax credit as provided in sections 425.4, 425.5, 425.7, 425.9, 425.10, and 425.25.

13. Carry out duties relating to the administration of the agricultural land tax credit as provided in section 426.8.

14. Carry out duties relating to the administration of the military service tax credit as provided in sections 426A.3, 426A.5, 426A.8, and 426A.9.

15. Carry out duties relating to the business property tax credit as provided in chapter 426C.

16. Maintain a suspended tax list book as provided in section 427.12. After ten years from the date of payment, abatement, or cancellation of a suspended tax, special assessment, rate, or charge, the county treasurer may dispose of the official record of the suspended tax, special assessment, rate, or charge. This subsection applies to official records and associated documents in existence before, on, or after July 1, 2003.

17. Collect taxes levied against the property of telephone and telegraph companies as provided in section 433.10.

18. Collect taxes levied against the property of railway companies as provided in section 434.22.

19. Carry out duties relating to the collection and expenditure of assessment expense funds as provided in section 441.16.

20. Apportion and collect the costs assessed by the district court against the board of review or any taxing body resulting from an appeal of property assessments as provided in section 441.40.

21. Carry out duties relating to the preparation and correction of the tax list as provided in chapter 443. After ten years from the date of receipt, the county treasurer may dispose of the tax list delivered to the county treasurer pursuant to chapter 443. This subsection applies to tax lists and associated documents in existence before, on, or after July 1, 2003.

22. Carry out duties relating to the collection of property taxes as provided in chapter 445.

23. Carry out duties relating to the sale of parcels for delinquent taxes as provided in chapter 446.

24. Carry out duties relating to the redemption of parcels sold for delinquent taxes as provided in chapter 447.

25. Carry out duties relating to the issuance of a tax deed or certificate of title for parcels, as defined in section 445.1, sold for delinquent taxes as provided in chapter 448.

26. Correct tax books or records in accordance with an order of apportionment issued as provided in chapter 449.

27. Carry out duties relating to the calculation and payment of commercial and industrial property tax replacement claims under section 441.21A.

28. Carry out other duties relating to taxation as provided by state law.

[S81, §331.559; 81 Acts, ch 117, §558; 82 Acts, ch 1104, §56, ch 1195, §4]

83 Acts, ch 123, §148, 149, 209; 84 Acts, ch 1003, §5; 90 Acts, ch 1253, §111; 91 Acts, ch 191, §12; 2001 Acts, ch 45, §5; 2002 Acts, ch 1043, §4; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §38; 2006 Acts, ch 1070, §17; 2010 Acts, ch 1118, §5; 2012 Acts, ch 1023, §43; 2013 Acts, ch 123, §2, 13, 16, 22, 23

Subsection 15 takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

Subsection 27 takes effect June 12, 2013, and applies retroactively to January 1, 2013, for assessment years beginning on or after that date; 2013 Acts, ch 123, §22, 23

NEW subsection 15 and former subsections 15 – 25 renumbered as 16 – 26
NEW subsection 27 and former subsection 26 renumbered as 28

**331.560 through 331.600** Reserved.

PART 3

COUNTY RECORDER

**331.601 Office of county recorder.**

1. The office of recorder is an elective office except that if a vacancy occurs in the office, a successor shall be elected or appointed to the unexpired term as provided in chapter 69.

2. A person elected or appointed to the office of recorder shall qualify by taking the oath of office as provided in section 63.10 and giving bond as provided in section 64.8.

3. The term of office of the recorder is four years.

4. In counties in which the office of county recorder has been abolished, the board of supervisors shall reassign the duties of the county recorder who also serves as the county registrar pursuant to chapter 144.

[C51, §96, 239; R60, §224, 473; C73, §589; C97, §1072; S13, §1072; C24, 27, 31, 35, 39, §**520;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.17; S81, §331.601; 81 Acts, ch 117, §600]

95 Acts, ch 124, §9, 26; 2010 Acts, ch 1033, §47

**331.601A Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Batch basis"* means the delivery of an accumulation of electronic documents or records recorded or maintained by the county recorder.

2. *"Document"* or *"instrument"* means a writing or drawing presented to the recorder for recording, consisting of one or more pages of text and attachments.

3. *"Electronic document"* means a document or instrument that is received, processed, disseminated, or maintained in an electronic format. The submission of an electronic document through the county land record information system electronic submission service shall be equivalent to delivery of a document through the United States postal service or by personal delivery at designated offices in each county. Persons who submit electronic documents for recording are responsible for ensuring that the electronic documents comply with all requirements for recording.

4. *"File or submit"* means the act of delivering a document or instrument to a recording office for recording into the public records.

5. *"Grantor and grantee"* means the names of the transferor and transferee in the transaction used to create the recording index.

6. *"Legible"* means capable of being read or deciphered without magnification regardless of the recording process.

7. *"Page"* means a writing, printing, or drawing, other than a plat or survey or a drawing related to a plat or survey, occurring on one side only and covering all or part of such side, and not larger than eight and one-half inches in width and fourteen inches in length.

8. *"Record"* means a process whether by manual, mechanical, electronic, optical, magnetic, microfilm, or other methods of storage, after filing or submission, to incorporate a document or instrument into the public record.

9. *"Transaction"* means a specific legal action in the form of or evidenced by one of the following:

*a.* A title or caption including but not limited to a deed, deed of trust, mortgage, or power of attorney.

*b.* A subsequent reference to an original document or instrument including but not limited to an assignment or release or satisfaction of mortgage.

2004 Acts, ch 1069, §1, 4; 2009 Acts, ch 159, §1

**331.602 General duties.**

The recorder shall:

1. Record all documents or instruments presented to the recorder's office for recordation upon payment of the proper fees and compliance with other recording requirements as provided by law.

2. Rerecord an instrument without fee upon presentation of the original instrument by the owner if an error is made in recording the instrument. The recorder shall also note on the new record a reference to the original record and on the original record a reference to the new record.

3. If an error is made in indexing an instrument, reindex the instrument without fee.

4. Reserved.

5. Reserved.

6. Carry out duties as a member of a nomination appeals commission as provided in section 44.7.

7. Carry out duties relating to the recordation of oil and gas leases as provided in sections 458A.22 and 458A.24.

8. Endorse on each notice of an unemployment contribution lien the day, hour, and minute that the lien is filed for recording and the document reference number, index the notice of lien, and record the lien as provided in section 96.14, subsection 3.

9. Carry out duties relating to the registration of vessels as provided in sections 462A.5, 462A.23, 462A.51, 462A.52, 462A.54, and 462A.55.

10. Carry out duties relating to the issuance of hunting, fishing, and fur harvester licenses as provided in sections 483A.10, 483A.12, 483A.13, 483A.14, 483A.15, and 483A.22.

11. Collect migratory game bird fees as provided in chapter 484A.

12. Record the orders and decisions of the fence viewers and index the record in the name of each adjoining owner of land affected by the order or decision as provided in section 359A.10. The recorder shall also note that a judgment has been rendered on an appeal of an order or decision of the fence viewers as provided in section 359A.24.

13. Reserved.

14. Reserved.

15. Record without fee a sheriff's deed for land under foreclosure procedures as provided in section 257B.35.

16. Issue snowmobile and all-terrain vehicle registrations and user permits as provided in sections 321G.4, 321G.4A, 321G.6, 321G.21, 321I.4, 321I.5, 321I.7, and 321I.22.

17. Record the measure and plat of a zoning district, building line, or fire limit adopted by a city as provided in section 380.11.

18. Carry out duties relating to the platting of land as provided in chapter 354.

19. Submit monthly to the director of revenue a report of the real property transfer tax received.

20. Carry out duties relating to the endorsement, indexing, and recording of income tax liens as provided in section 422.26.

21. Carry out duties relating to the taxation of real estate transfers as provided in chapter 428A.

22. Carry out duties relating to the recording and indexing of affidavits and claims affecting real estate as provided in section 448.17.

23. Forward to the director of revenue a copy of any deed, bill of sale, or other transfer which shows that it is made or intended to take effect at or after the death of the person executing the instrument as provided in section 450.81.

24. Record papers, statements, and certificates relating to the condemnation of property as provided in section 6B.38, and carry out duties related to the filing of certain condemnation documents with the office of secretary of state.

25. Carry out duties relating to the recordation of articles of incorporation and other instruments for state banks as provided in chapter 524.

26. Carry out duties relating to the recordation of articles of incorporation and other instruments for credit unions as provided in chapter 533.

27. Reserved.

28. Carry out duties relating to the filing of financing statements or instruments as provided in chapter 554, article 9, part 5.

29. Record the name and description of a farm as provided in sections 557.22 to 557.26.

30. Record a statement of claim provided in chapter 557C relating to mineral interests in coal.

31. Record conveyances and leases of agricultural land as provided in section 558.44.

32. Collect the recording fee and the auditor's transfer fee for real property being conveyed as provided in section 558.58.

33. Reserved.

34. Record and index a notice of title interest in land as provided in section 614.35.

35. Designate the newspapers in which the notices pertaining to the office of recorder shall be published as provided in section 618.7.

36. Record a conveyance of property presented by a commissioner appointed by the district court as provided in section 624.35.

37. Carry out duties relating to the indexing of name changes, and the recorder shall charge fees for indexing as provided in section 331.604.

38. Report to the board the fees collected as provided in section 331.902.

39. Accept applications for passports.

40. Carry out other duties as provided by law and duties assigned pursuant to section 331.323.

**1.** [C51, §150; R60, §358; C73, §335; C97, S13, §494; C24, 27, 31, 35, 39, §**5171;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §335.2; S81, §331.602(1); 81 Acts, ch 117, §601]

**2, 3.** [S13, §494; C24, 27, 31, 35, 39, §**5172;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §335.3; S81, §331.602(2, 3); 81 Acts, ch 117, §601]

**4.** [C39, §**5176.1, 5176.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §335.12, 335.13; S81, §331.602(4); 81 Acts, ch 117, §601]

**5.** [C66, 71, 73, 75, 77, 79, 81, §335.16; S81, §331.602(5); 81 Acts, ch 117, §601]

**6 – 44.** [S81, §331.602(6 – 44); 81 Acts, ch 117, §601; 82 Acts, ch 1104, §57]

83 Acts, ch 101, §78; 85 Acts, ch 195, §41; 86 Acts, ch 1091, §1 – 3; 86 Acts, ch 1108, §4; 86 Acts, ch 1155, §6; 87 Acts, ch 30, §17; 88 Acts, ch 1046, §1; 90 Acts, ch 1081, §1; 90 Acts, ch 1205, §11; 90 Acts, ch 1236, §49; 91 Acts, ch 183, §1; 91 Acts, ch 211, §2; 92 Acts, ch 1073, §6 – 8; 92 Acts, ch 1163, §83; 94 Acts, ch 1023, §105; 94 Acts, ch 1025, §4; 94 Acts, ch 1055, §1; 95 Acts, ch 124, §10, 26; 95 Acts, ch 160, §1; 96 Acts, ch 1034, §29; 96 Acts, ch 1186, §23; 97 Acts, ch 23, §37; 97 Acts, ch 116, §1; 98 Acts, ch 1199, §2, 27; 98 Acts, ch 1223, §30; 99 Acts, ch 83, §3, 4, 11; 99 Acts, ch 171, §34, 42; 2000 Acts, ch 1085, §2; 2000 Acts, ch 1149, §168, 187; 2001 Acts, ch 44, §4, 5; 2001 Acts, ch 45, §6; 2002 Acts, ch 1017, §4, 8; 2002 Acts, ch 1113, §5; 2003 Acts, ch 5, §1; 2003 Acts, ch 108, §123; 2003 Acts, ch 145, §286; 2004 Acts, ch 1069, §2, 4; 2004 Acts, ch 1101, §39; 2004 Acts, ch 1132, §86; 2005 Acts, ch 138, §10; 2006 Acts, ch 1031, §1; 2009 Acts, ch 27, §4; 2012 Acts, ch 1017, §74

Referred to in §331.610

**331.603 General powers.**

1. The recorder may administer oaths and take affirmations on matters relating to the business of the office of recorder as provided in section 63A.2.

2. Subject to the requirements of section 331.903, the recorder may appoint and remove deputies, assistants, and clerks.

3. The recorder may reproduce in miniature on a durable medium any instrument to be recorded. When a recorded instrument involves a release, assignment, or other subsequent reference to an original document, the separate instrument filed acknowledging the release, assignment, or other subsequent reference shall be reproduced. In lieu of marginal entries, the recorder shall cross-reference the release, assignment, or other subsequent reference with the record of the original document. When an official record is produced in miniature, a security copy shall be reproduced at the same time and kept outside of the courthouse.

4. The recorder may, in lieu of maintaining separate index books, prepare and maintain a combined index record or system which shall contain the same data and information as required to be kept in the separate index books.

5. *a.* The governing board of the county land record information system shall not enter into an agreement to provide access to electronic documents or records on a batch basis. The county recorder may collect reasonable fees for access to electronic documents and records pursuant to an agreement. The fees shall not exceed the actual cost of providing access to the electronic documents and records. *"Actual cost"* means only those expenses directly attributable to providing access to electronic documents and records. *"Actual cost"* shall not include costs such as employment benefits, depreciation, maintenance, electricity, or insurance associated with the administration of the office of the county recorder or the county land record information system.

*b.* Electronic documents and records made available under this subsection shall not include personally identifiable information and shall be subjected to a redaction process prior to the transfer of the electronic documents or records to another person pursuant to an agreement under paragraph *"a"*.

**1, 2.** [C51, §411; R60, §642; C73, §766; C97, §496; S13, §496; C24, 27, 31, 35, 39, §**5238, 5240;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §341.1, 341.3; S81, §331.603; 81 Acts, ch 117, §602]

**3, 4.** [C54, 58, 62, 66, §343.13; C71, 73, 75, 77, 79, 81, §335.17, 343.13; S81, §331.603; 81 Acts, ch 117, §602]

2001 Acts, ch 44, §6; 2006 Acts, ch 1031, §2; 2009 Acts, ch 27, §5; 2009 Acts, ch 159, §2

**331.604 Recording and filing fees.**

1. Except as otherwise provided by state law, subsection 4, or section 331.605, the recorder shall collect a fee of five dollars for each page or fraction of a page of an instrument which is filed or recorded in the recorder's office. If a page or fraction of a page contains more than one transaction, the recorder shall collect the fee for each transaction.

2. *a.* The recorder shall also collect a fee of one dollar for each recorded transaction for which a fee is paid pursuant to subsection 1 to be used exclusively for the purpose of preserving and maintaining public records. The treasurer, on behalf of the recorder, shall establish and maintain a county recorder's records management fund into which all moneys collected pursuant to this subsection shall be deposited. Interest earned on moneys deposited in the fund shall be credited to the county recorder's records management fund. The recorder shall use the moneys deposited in the fund to produce and maintain public records that meet archival standards, and to enhance the technological storage, retrieval, and transmission capabilities related to archival quality records. The recorder may cooperate with other entities, boards, and agencies to establish methods of records management, and participate in other joint ventures which further the purposes of this subsection.

*b.* Fees collected pursuant to this subsection shall be used to accomplish the following purposes:

(1) Preserve and maintain public records.

(2) Assist counties in reducing record preservation costs.

(3) Encourage and foster maximum access to public records maintained by county recorders at locations throughout the state.

(4) Establish plans for anticipated and possible future needs, including the handling and preservation of vital statistics.

3. *a.* Each county shall participate in the county land record information system and shall comply with the policies and procedures established by the governing board of the county land record information system.

*b.* (1) For the period beginning July 1, 2004, and ending June 30, 2009, the county recorder shall also collect a fee of one dollar for each recorded transaction, regardless of the number of pages, for which a fee is paid pursuant to subsection 1 to be used for the purpose set forth in paragraph *"d"*.

(2) For the period beginning July 1, 2009, and ending June 30, 2011, the recorder shall also collect a fee of three dollars for each recorded transaction, regardless of the number of pages, for which a fee is paid pursuant to subsection 1 to be used for the following purposes:

(a) Maintaining the statewide internet site and the county land record information system.

(b) Integrating information contained in documents and records maintained by the

recorder and other land record information from other sources with the county land record information system.

(c) Implementing and maintaining a process for redacting personally identifiable information contained in electronic documents that are displayed for public access through an internet site or that are transferred to another person.

(3) Beginning July 1, 2011, the recorder shall also collect a fee of one dollar for each recorded transaction, regardless of the number of pages, for which a fee is paid pursuant to subsection 1 to be used for the purposes in subparagraph (2) and for the following purposes:

(a) Establishing and implementing standards for recording, processing, and archiving electronic documents and records.

(b) Expanding access to records by encouraging electronic indexing and scanning of documents and instruments recorded in prior years.

(4) Notwithstanding subparagraph (2), the fee collected by the recorder under this subsection for recording a plat of survey is one dollar, regardless of the number of pages. For purposes of this subparagraph, "*plat of survey*" means the same as defined in section 355.1, subsection 9.

(5) Fees collected in excess of the amount needed for the purposes specified in this subsection shall be used by the county land record information system to reduce or eliminate service fees for electronic submission of documents and instruments.

*c.* The county treasurer, on behalf of the recorder, shall establish and maintain a county recorder's electronic transaction fund into which all moneys collected pursuant to paragraph "*b*" shall be deposited. Interest earned on moneys deposited in this fund shall be computed based on the average monthly balance in the fund and shall be credited to the county recorder's electronic transaction fund.

*d.* The local government electronic transaction fund is established in the office of the treasurer of state under the control of the treasurer of state. Moneys deposited into the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on moneys in the local government electronic transaction fund shall be credited to the fund. Moneys in the local government electronic transaction fund are not subject to transfer, appropriation, or reversion to any other fund, or any other use except as provided in this subsection. On a monthly basis, the county treasurer shall pay the fees deposited into the county recorder's electronic transaction fund to the treasurer of state for deposit into the local government electronic transaction fund. Moneys credited to the local government electronic transaction fund are appropriated to the treasurer of state for the payment of claims approved by the governing board of the county land record information system. Except as otherwise provided in this subsection, expenditures from the fund shall be for the purpose of planning and implementing electronic recording and electronic transactions in each county, developing county and statewide internet sites to provide electronic access to records and information, and to pay the ongoing costs of integrating and maintaining the statewide internet site.

*e.* The recorder shall make available any information required by the county auditor or auditor of state concerning the fees collected under this subsection for the purposes of determining the amount of fees collected and the uses for which such fees are expended.

4. A county shall not be required to pay a fee to the recorder for filing or recording instruments. However, a county treasurer is required to pay recording fees pursuant to sections 437A.11 and 437B.7.

[C51, §2534; R60, §4143; C73, §3792; C97, S13, §498; C24, 27, 31, 35, 39, §**5177;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §335.14; S81, §331.604; 81 Acts, ch 117, §603]

84 Acts, ch 1124, §1; 91 Acts, ch 191, §13; 92 Acts, ch 1005, §1; 92 Acts, ch 1212, §33; 2009 Acts, ch 27, §6; 2009 Acts, ch 159, §3; 2013 Acts, ch 90, §257; 2013 Acts, ch 94, §2, 35, 36

Referred to in §10A.108, 96.14, 124C.4, 331.602, 331.605B, 331.609, 359A.10, 359A.12, 422.26, 424.11, 437A.11, 437A.22, 437B.7, 437B.18, 468.628, 499A.1, 499B.3, 501.105, 501B.7, 547.3, 557.24, 557.26, 558.66, 598.21, 633.481, 674.14

2013 amendment to subsection 4 takes effect May 9, 2013, and applies retroactively to property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Code editor directive applied

Subsection 4 amended

**331.605 Other fees.**

1. The recorder shall collect:

*a.* For the issuance of a registration or transfer for a vessel or boat:

(1) A registration fee as provided in section 462A.5.

(2) A writing fee as provided in section 462A.53.

(3) A transfer and writing fee as provided in section 462A.44.

*b.* For issuance of hunting, fishing, and fur harvester licenses:

(1) The fees specified in section 483A.1.

(2) The writing fee as provided in section 483A.12.

*c.* A state migratory game bird fee as provided in section 483A.1.

*d.* For the issuance of snowmobile registrations and user permits, the fees specified in sections 321G.4 and 321G.4A.

*e.* For the issuance of all-terrain vehicle registrations and user permits, the fees specified in sections 321I.4 and 321I.5.

*f.* A county fee of four dollars for a certified copy of a birth record, death record, or marriage certificate.

*g.* For filing an application for the license to marry, thirty-five dollars, which includes payment for one certified copy of the original certificate of marriage, to be issued following filing of the original certificate of marriage, four dollars of which shall be retained by the county pursuant to paragraph "*f*". For issuing an application for an order of the district court authorizing the validation of a license to marry before the expiration of three days from the date of issuance of the license, five dollars. The district court shall authorize the early validation of a marriage license without the payment of any fees imposed in this paragraph upon showing that the applicant is unable to pay the fees.

*h.* Other fees as provided by law.

2. However, the county shall not be required to pay the fees required in this section.

[S81, §331.605; 81 Acts, ch 117, §604]

85 Acts, ch 159, §2; 92 Acts, ch 1005, §2; 95 Acts, ch 124, §11, 26; 96 Acts, ch 1034, §30; 98 Acts, ch 1020, §1, 2; 98 Acts, ch 1199, §3, 4, 27; 98 Acts, ch 1223, §30; 99 Acts, ch 96, §38; 99 Acts, ch 141, §39; 2000 Acts, ch 1140, §43, 49; 2004 Acts, ch 1132, §87; 2006 Acts, ch 1030, §38; 2010 Acts, ch 1061, §137

Referred to in §144.36, 144.46, 232.2, 331.604, 331.610, 501B.7

**331.605A Document management fee.** Repealed by 2009 Acts, ch 27, § 39.

**331.605B Fees collected — audit.**

1. The recorder shall make available any information required by the county or state auditor concerning the fees collected under section 331.604, subsection 2, for the purposes of determining the amount of fees collected and the uses for which such fees are expended.

2. A recorder or the governing board of the county land record information system shall collect only statutorily authorized fees for land records management. A recorder or the governing board of the county land record information system shall not collect a fee for viewing, accessing, or printing documents in the county land record information system unless specifically authorized by statute. However, a recorder or the governing board of the county land record information system may collect actual third-party fees associated with accepting and processing statutorily authorized fees, including credit card fees, treasury management fees, and other transaction fees required to enable electronic payment. For the purposes of this subsection, the term "*third-party*" does not include the county land record information system, the Iowa state association of counties, or any of the association's affiliates.

93 Acts, ch 151, §2; 2006 Acts, ch 1158, §4; 2009 Acts, ch 27, §7; 2009 Acts, ch 159, §4

**331.605C Electronic transaction fee — audit.** Repealed by 2009 Acts, ch 27, § 39.

**331.606 General filing requirements.**

1. In addition to other requirements specified by law, the recorder shall note in the county

system the date of filing of each instrument, the number and character of the instrument, and the name of each grantor and grantee named in the instrument. In numbering the instruments, the recorder may start with the number one immediately following the date of annual settlement with the board and continue to number them consecutively until the next annual settlement with the board or the recorder may start with number one on the first working day of the calendar year and continue to number the instruments consecutively until the last working day of the calendar year.

2. The recorder shall also note in the index the exact time of the filing of each instrument.

3. The county recorder may give the county sheriff the records filed under this chapter or chapter 695, Code 1977, pertaining to the sale and registration of weapons or may dispose of those records if the sheriff does not wish to receive the records.

4. The recorder shall permanently archive an unaltered version of each recorded document or instrument. A document or instrument may be archived in its original format, as an electronic document, or in another format suitable for preserving information in the document or instrument. A person may view and copy an original or unaltered document or instrument in the office of the recorder.

[S13, §498; C24, 27, 31, 35, 39, §**5178, 5246;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §335.15, 342.23; S81, §331.606; 81 Acts, ch 117, §605]

90 Acts, ch 1021, §1; 96 Acts, ch 1015, §1; 97 Acts, ch 121, §6; 2001 Acts, ch 44, §8; 2005 Acts, ch 179, §130; 2009 Acts, ch 159, §5

**331.606A Document content — personally identifiable information.**

1. *Definitions.*

*a.* *"Personally identifiable information"* means one or more of the following specific unique identifiers when combined with an individual's name:

(1) Social security number.

(2) Checking, savings, or share account number, credit, debit, or charge card number.

*b.* *"Preparer"* means the person or entity who creates, drafts, edits, revises, or last changes the documents that are recorded with the recorder.

*c.* *"Redact"* or *"redaction"* means the process of permanently removing all or a portion of personally identifiable information from documents.

2. *Inclusion of personally identifiable information.* The preparer of a document shall not include an individual's personally identifiable information in a document that is prepared and presented for recording in the office of the recorder. This subsection shall not apply to documents that were executed by an individual prior to July 1, 2007.

3. *Redaction from electronic documents.* Personally identifiable information that is contained in electronic documents that are displayed for public access on an internet site, or which are transferred to any person, shall be redacted prior to displaying or transferring the documents. Each recorder that displays electronic documents and the county land record information system that displays electronic documents on behalf of a county shall implement a system for redacting personally identifiable information. The recorder and the governing board of the county land record information system shall establish a procedure by which individuals may request that personally identifiable information contained in an electronic document displayed on an internet site be redacted, at no fee to the requesting individual. The requirements of this subsection shall be fully implemented not later than December 31, 2011.

4. *Dissemination of documents.* Persons who have contracted with a county recorder or the governing board of the county land record information system to redact personally identifiable information from electronic documents pursuant to subsection 3 shall not sell, transfer, or otherwise disseminate the electronic documents in an unaltered or redacted form, except as provided for in the contract.

5. *Liability of preparer.* A preparer who, in violation of subsection 2, enters personally identifiable information in a document that is prepared and presented for recording is liable to the individual whose personally identifiable information appears in the recorded public document for actual damages of up to five hundred dollars for each act of recording.

6. *Applicability.*

*a.* Subsection 2 shall not apply to a preparer of a state or federal tax lien or release, a military separation or discharge record, or a death certificate that is prepared for recording in the office of county recorder.

*b.* Subsection 3 shall not apply to a military separation or discharge record, a birth record, a death certificate, or marriage certificate unless such record or certificate is incorporated within another document or instrument that is recorded and displayed for public access on an internet site.

*c.* If a military separation or discharge record or a death certificate is recorded in the office of the county recorder, the military separation or discharge record or the death certificate shall not be displayed for public access on an internet site, public access terminal or other medium, or be transferred to any person.

7. *Limitation of liability.* The county land record information system is a unit of local government for purposes of chapter 670, relating to tort liability of governmental subdivisions. However, persons who have contracted with the governing board of the county land record information system to carry out the duties of the board are not employees for purposes of chapter 670, relating to tort liability of governmental subdivisions.

2002 Acts, ch 1113, §4; 2007 Acts, ch 123, §1, 3; 2009 Acts, ch 159, §6 – 11; 2013 Acts, ch 90, §91, 92, 257

Referred to in §331.606B
Code editor directive applied
Subsection 3 amended
Subsection 6, paragraph b amended

**331.606B Document or document formatting standards.**

1. Except as otherwise provided in subsection 6, the county recorder shall refuse any document or instrument presented for recording that does not meet the following requirements:

*a.* Each document or instrument shall consist of one or more individual pages not permanently bound or in a continuous form. The document or instrument shall not have any attachment stapled or otherwise affixed to any page except as necessary to comply with statutory requirements. However, the individual pages of a document or instrument may be stapled together for presentation for recording. A label that is firmly attached with a bar code or return address may be accepted for recording.

*b.* All preprinted text shall be at least eight point in size and no more than twenty characters and spaces per inch. All other text typed or computer generated, including but not limited to all names of parties to an agreement, shall be at least ten point in size and no more than sixteen characters and spaces per inch. If a document or instrument, other than a plat or survey or a drawing related to a plat or survey, presented for recording contains type smaller than eight point type for the preprinted text and ten point type for all other text, the document or instrument shall be accompanied by an exact typewritten or printed copy that meets the requirements of this section.

*c.* Each document shall be of sufficient legibility to produce a clear reproduction. If a document or instrument, other than a plat or survey or a drawing related to a plat or survey, is not sufficiently legible to produce a clear reproduction, the document or instrument shall be accompanied by an exact typewritten or printed copy that meets the type size requirements of paragraph *"b"* and shall be recorded contemporaneously as additional pages of the document or instrument.

*d.* Each document or instrument, other than a plat or survey or a drawing related to a plat or survey, shall be on white paper of not less than twenty-pound weight without watermarks or other visible inclusions. All text within the document or instrument shall be of sufficient color and clarity to ensure that the text is readable when reproduced from the record.

*e.* All signatures on a document or instrument shall be in black or dark blue ink and of sufficient color and clarity to ensure that the signatures are readable when the document or instrument is reproduced from the record. The corresponding name shall be typed, printed, or stamped beneath the original signature. The typing or printing of a name or the application of an embossed or inked stamp shall not cover or otherwise materially interfere with any

part of the document or instrument except where provided by law. Failure to print or type signatures as provided in this paragraph does not invalidate the document or instrument.

*f.* The first page of each document or instrument, other than a plat or survey or a drawing related to a plat or survey, shall have a top margin of at least three inches of vertical space from left to right which shall be reserved for the recorder's use. All other margins on the document or instrument shall be a minimum of three-fourths of one inch. Nonessential information including but not limited to form numbers, page numbers, or customer notations may be placed in a margin except the top margin. The recorder shall not incur any liability for not showing a seal or information that extends beyond the margin of the permanent archival record.

*g.* Each document or instrument presented for recording shall meet the requirements of section 331.606A, subsection 2.

2. Each document or instrument, other than a plat or survey or a drawing related to a plat or survey, that is presented for recording shall contain the following information on the first page below the three-inch margin:

*a.* The name, address, and telephone number of the individual who prepared the document.

*b.* For any instrument of conveyance, the name of the taxpayer and a complete mailing address.

*c.* A return address.

*d.* The title of the document or instrument.

*e.* All grantors' names.

*f.* All grantees' names.

*g.* Any address required by statute.

*h.* The legal description of the property and parcel identification number, if required.

*i.* A document or instrument number for statutory requirements, if applicable.

3. If insufficient space exists on the first page for all of the information described in subsection 2, the page reference of the document or instrument where the information is located shall be noted on the first page.

4. The recorder may record the following documents or instruments which are exempt from the format requirements of this section:

*a.* A document or instrument that was signed before July 1, 2005.

*b.* A military separation document or instrument.

*c.* A document or instrument executed outside the United States.

*d.* A certified copy of a document or instrument issued by a governmental agency, including a vital record.

*e.* A document or instrument where one of the original parties is deceased or otherwise incapacitated.

*f.* A document or instrument formatted to meet court requirements.

*g.* A federal tax lien.

*h.* A filing under the uniform commercial code, chapter 554.

5. A document or instrument rejected for recording by a recorder shall be returned to the preparer or presenter accompanied by an explanation of the reason for rejection.

6. *a.* On and after July 1, 2005, a document or instrument that does not conform to the format standards specified in subsections 1 through 3 shall not be accepted for recording except upon payment of an additional recording fee of ten dollars per document or instrument. The requirement applies only to documents or instruments dated on or after July 1, 2005, and does not apply to those documents or instruments specifically exempted in subsection 4.

*b.* On and after July 1, 2009, a document or instrument that does not conform to the format standards specified in subsection 1, paragraphs "*c*" and "*e*", or subsection 2, paragraph "*b*", shall not be accepted for recording. This paragraph applies only to documents

or instruments dated on or after July 1, 2009, and does not apply to those documents or instruments specifically exempted in subsection 4.

2004 Acts, ch 1069, §3, 4; 2004 Acts, ch 1175, §372; 2006 Acts, ch 1031, §3; 2009 Acts, ch 27, §8, 9; 2009 Acts, ch 159, §12

Referred to in §354.1

**331.607 Books and records.**

The recorder shall keep the following books and records:

1. Military personnel records as provided in section 331.608.
2. An index of unemployment contribution liens as provided in section 96.14, subsection 3.
3. A record of fees as provided in section 331.902.
4. An index of income tax liens as provided in section 422.26.
5. An index for records of private drainage systems as provided in section 468.623.
6. A record of the names and descriptions of farms as provided in section 557.22.
7. Index and records for instruments affecting real estate as provided under chapter 558.
8. An index and record of homesteads as provided in section 561.4.
9. A claimant's index and record for the notices of title interests in land as provided in section 614.35.
10. A book of copies of original entries which has been compared with the originals and certified as true copies of land records by the register of the United States land office as provided in section 622.44.
11. Other indexes and records as provided by law.

[S81, §331.607; 81 Acts, ch 117, §606]

94 Acts, ch 1055, §2; 97 Acts, ch 121, §7; 2001 Acts, ch 44, §9; 2003 Acts, ch 5, §2; 2006 Acts, ch 1031, §4; 2009 Acts, ch 27, §10

**331.608 Military personnel records.**

1. The recorder shall maintain a record in which, upon request, the discharge of a veteran shall be recorded without charge.
2. If an official discharge was not issued or if the veteran was killed in action or died in service, the recorder shall record an official certificate, general or special order, letter, or telegram from a competent authority, including letters from the United States department of defense, the United States department of veterans affairs, or other governmental office, which shows the termination of the veteran's service.
3. The recorder shall record without charge the commissions and warrants of veteran officers and noncommissioned officers; orders citing a veteran for bravery and meritorious action; citations and bestowals of medals from the state, federal, or foreign governments; and any other documents needed to perfect a claim.
4. The recorder shall record without charge the discharge or other records of a deceased veteran which are presented on behalf of the deceased veteran by a veterans organization.
5. The recorder shall keep an alphabetical index referring to the name of the veteran whose discharge paper is recorded.
6. Unless otherwise provided by the person who requested the recording of a record under this section, notwithstanding section 22.2, subsection 1, such record shall be confidential and shall not be made available for examination or copying except as follows:

*a.* To the person who is the subject of the record, to a member of that person's immediate family, or to that person's agent or representative duly authorized in writing.

*b.* To a person requesting to examine or copy a record when the event that resulted in the record being made occurred more than seventy-five years prior to the request.

*c.* To a person who is a funeral director licensed pursuant to chapter 156 and who has custody of the body of a deceased veteran.

*d.* When otherwise ordered by a court of competent jurisdiction.

*e.* When otherwise required by a department or agency of the federal or state government or a political subdivision. The recorder shall make these records available to the department of veterans affairs. The department of veterans affairs and its employees shall be subject to

the same state and federal confidentiality restrictions and requirements that are imposed on the recorder.

7. If a certified copy of a record is required to perfect the claim of a veteran in service or honorably discharged or a claim of a dependent of the veteran, the certified copy shall be furnished by the custodian of the record without charge.

8. If the recorder periodically publishes notice of the services provided to military persons and veterans under this section, the recorder shall pay the cost of the publication in the same manner as other expenses of the recorder's office.

9. As used in this section, "*veteran*" means a veteran as defined in section 35.1, who enlisted or was inducted from the county, resided at any time in the county, or is buried in the county. For purposes of records maintained for claims filed under chapter 426A, "*veteran*" also means a veteran as defined in section 426A.11, subsection 4.

[C24, 27, 31, 35, 39, §**5173 – 5175;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §335.4 – 335.10; S81, §331.608; 81 Acts, ch 117, §607]

92 Acts, ch 1140, §37; 99 Acts, ch 180, §16; 2001 Acts, ch 44, §10; 2003 Acts, ch 114, §2, 3; 2004 Acts, ch 1149, §4, 5; 2005 Acts, ch 115, §31, 40; 2006 Acts, ch 1031, §5; 2009 Acts, ch 26, §14

Referred to in §22.7, 331.607

**331.609 Federal liens.**

1. *a.* Notices of liens, certificates, and other notices affecting federal tax liens or other federal liens must be filed or recorded in accordance with this section.

*b.* Notices of liens upon real property for obligations payable to the United States, and certificates and notices affecting the liens shall be recorded in the office of the recorder of the county in which the real property subject to a federal lien is situated.

*c.* Notices of federal liens upon tangible or intangible personal property for obligations payable to the United States and certificates and notices affecting the liens shall be filed or recorded as follows:

(1) If the person against whose interest the lien applies is a corporation or a partnership whose principal executive office is in this state, as these entities are defined in the internal revenue laws of the United States, in the office of the secretary of state.

(2) In all other cases, in the office of the recorder of the county where the person against whose interest the lien applies resides at the time of recording of the notice of lien.

2. Certification of notices of liens, certificates, or other notices affecting federal liens by the secretary of the treasury of the United States, or a designee of the secretary, or by any official or entity of the United States responsible for the filing or certification of any other lien, entitles them to be filed or recorded, and no other attestation, certification, or acknowledgment is necessary.

3. *a.* If a notice of federal lien, a refiling or rerecording of a notice of lien, or a notice of revocation of a certificate described in paragraph "*b*" is presented to the filing officer:

(1) If the filing officer is the secretary of state, the secretary shall cause the notice to be marked, held, and indexed in accordance with section 554.9519, as if the notice were a financing statement as provided in chapter 554, article 9, part 5.

(2) If the filing officer is a recorder, the recorder shall endorse on the notice the recorder's identification and the date and time of receipt and record it alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of receipt, the title and address of the official or entity certifying the lien, and the total appearing on the notice of lien. The recorder may return the original instrument to the sender or dispose of the instrument if the sender does not wish the instrument returned. A document filed in the recorder's office before July 1, 1990, may be returned to the sender or disposed of if the sender does not wish to have the document returned and if there is an official copy of that document in the recorder's office.

*b.* If a certificate of release, nonattachment, discharge, or subordination of a lien is presented to the secretary of state for filing, the secretary shall:

(1) Cause a certificate of release or nonattachment to be marked, held, and indexed as if the certificate were a termination statement within the meaning of the uniform commercial

code, chapter 554, except that the notice of lien to which the certificate relates shall not be removed from the files.

(2) Cause a certificate of discharge or subordination to be marked, held, and indexed as if the certificate were a release of collateral within the meaning of the uniform commercial code, chapter 554.

*c.* If a refiled notice of federal lien referred to in paragraph *"a"* or any of the certificates or notices referred to in paragraph *"b"* is presented for recording with a recorder, the recorder shall enter the refiled notice or the certificate with the date of recording in an alphabetical index and make a notation on the original record of a reference to the refiled notice or certificate.

*d.* Upon request of a person, the filing or recording officer shall issue a certificate showing whether there is on file or recorded, on the date and hour stated, a notice of federal lien or certificate or notice affecting the lien, filed or recorded on or after July 1, 1989, naming a particular person, and if a notice or certificate is on file or recorded, giving the date and hour of filing or recording of each notice or certificate. The fee for a certificate is six dollars. Upon request the filing or recording officer shall furnish a copy of any notice of federal tax lien or notice or certificate affecting a federal tax lien for a fee of five dollars per page.

4. The fees for filing or recording, and indexing each notice of lien or certificate or notice affecting the lien shall be as provided in section 331.604. The officer shall bill the internal revenue service or any other appropriate federal agency on a monthly basis for fees for documents filed or recorded by it.

5. Filing or recording officers with whom notices of federal tax liens, certificates, and notices affecting the liens have been filed or recorded on or before July 1, 1970, shall, after that date, continue to maintain a file labeled "federal tax lien notices filed prior to July 1, 1970" containing notices and certificates filed in numerical order of receipt. If a notice of lien was filed or recorded on or before July 1, 1970, a certificate or notice affecting the lien shall be filed or recorded in the same office.

6. Filing or recording officers with whom notices of federal tax liens, certificates, and notices affecting the liens have been filed or recorded after July 1, 1970, and before July 1, 1989, shall, after July 1, 1989, continue to maintain a file labeled "federal tax lien notices filed after July 1, 1970, and before July 1, 1989" containing notices and certificates filed or recorded in numerical order of receipt. If a notice of lien was filed or recorded on or after July 1, 1970, and before July 1, 1989, a certificate or notice affecting the lien shall be filed or recorded in the same office.

7. This section may be cited as the *"Uniform Federal Lien Registration Act"*.

[C24, 27, 31, 35, 39, §**5176;** C46, 50, 54, 58, 62, 66, §335.11; C71, 73, 75, 77, 79, 81, §335.18 – 335.23; S81, §331.609; 81 Acts, ch 117, §608]

88 Acts, ch 1275, §33; 89 Acts, ch 36, §1; 90 Acts, ch 1021, §2; 2000 Acts, ch 1149, §169, 187; 2001 Acts, ch 44, §11; 2005 Acts, ch 3, §66; 2009 Acts, ch 27, §11

**331.610 Abolition of office of recorder — identification of office — place of filing.**

If the office of county recorder is abolished in a county, the auditor of that county shall be referred to as the county auditor and recorder. After abolition of the office of county recorder, references in the Code requiring filing or recording of documents with the county recorder shall be deemed to require the filing in the office of the county auditor and recorder, and all duties of the abolished office of recorder shall be performed by the county auditor and recorder. However, the board of supervisors may direct that any of the duties of the abolished office of recorder prescribed in section 331.602, subsection 9, 10, 11, or 16, or section 331.605, subsection 1, paragraph *"a"*, *"b"*, *"c"*, *"d"*, or *"e"*, shall be performed by other county officers or employees as provided in section 331.323.

93 Acts, ch 148, §2; 95 Acts, ch 38, §1; 2007 Acts, ch 126, §56; 2010 Acts, ch 1061, §178

Referred to in §331.502

**331.611 Vital statistics.**

1. The recorder shall be the county registrar and carry out duties as provided in chapter 144.

2. The duties include, but are not limited to, the following:

*a.* Register and maintain certifications of birth as provided in sections 144.13 through 144.18, 144.45, and 144.46.

*b.* Register and maintain certifications of death as provided in sections 144.26 through 144.35, 144.45, and 144.46.

*c.* Issue and maintain marriage certificates as provided in sections 144.36, 144.45, and 144.46, and chapter 595.

95 Acts, ch 124, §12, 26

**331.612 through 331.650** Reserved.

## PART 4

## COUNTY SHERIFF

Law enforcement officer training reimbursement; §384.15

**331.651 Office of county sheriff.**

1. The office of sheriff is an elective office. However, if a vacancy occurs in the office, the first deputy shall assume the office after qualifying as provided in this section. The first deputy shall hold the office until a successor is appointed or elected to the unexpired term as provided in chapter 69. If a sheriff is suspended from office, the district court may appoint a sheriff until a temporary appointment is made by the board as provided in section 66.19.

2. A person elected or appointed sheriff shall meet all the following qualifications:

*a.* Have no felony convictions.

*b.* Be age twenty-one or over at the time of assuming the office of sheriff.

*c.* Be a certified peace officer recognized by the Iowa law enforcement academy council under chapter 80B or complete the basic training course provided at the Iowa law enforcement academy's central training facility or a location other than the central training facility within one year of taking office. A person shall be deemed to have completed the basic training course if the person meets all course requirements except the physical training requirements.

3. A person elected or appointed to the office of sheriff shall qualify by taking the oath of office as provided in section 63.10 and give bond as provided in section 64.8.

4. The term of office of the sheriff is four years.

[C51, §96, 239; R60, §224, 473; C73, §589; C97, S13, §1072; C24, 27, 31, 35, 39, §**520;** C46, §39.17; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.17, 337.20; S81, §331.651; 81 Acts, ch 117, §650]

94 Acts, ch 1010, §1; 2002 Acts, ch 1134, §95, 115; 2010 Acts, ch 1061, §138

**331.652 General powers of the sheriff.**

1. The sheriff may call upon any person for assistance to:

*a.* Keep the peace or prevent the commitment of crime.

*b.* Arrest a person who is liable to arrest.

*c.* Execute a process of law.

2. The sheriff, when necessary, may summon the power of the county to carry out the responsibilities of office.

3. The sheriff may use the services of the department of public safety in the apprehension of criminals and detection of crime.

4. The sheriff, with the cooperation of the commissioner of public safety, may hold an annual conference and school of instruction for all peace officers within the county, including regularly organized reserve peace officers under the sheriff's jurisdiction, at which time instruction may be given in all matters relating to the duties of peace officers.

5. The sheriff may administer oaths and take affirmations on matters relating to the business of the office of sheriff as provided in section 63A.2.

6. The sheriff may serve a subpoena or order issued under authority of the department of revenue as provided in section 421.22.

7. Subject to the requirements of chapter 341A and section 331.903, the sheriff may appoint and remove deputies, assistants, and clerks.

8. The sheriff may appoint one or more civil process servers, subject to the provisions of section 331.903.

*a.* A person appointed by the sheriff as a civil process server may, under the direction of the sheriff, execute and return all writs and other legal process issued to the sheriff by legal authority.

*b.* The court shall take judicial notice of a civil process server's signature.

*c.* All costs for service of writs and other legal process by a civil process server shall be collected in accordance with the provisions of section 331.655.

*d.* A civil process server shall not be considered to be a sheriff or a deputy sheriff for purposes of this chapter or chapter 97B or 341A.

9. The sheriff may dispose of personal property under section 80.39.

**1 – 4.** [C51, §173; R60, §386; C73, §340; C97, §502; S13, §499-a; C24, 27, §5182; C31, 35, §5182, 5182-d1; C39, §**5182, 5182.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §337.1, 337.2; S81, §331.652(1 – 4); 81 Acts, ch 117, §651]

**5, 6.** [S81, §331.652(5, 6); 81 Acts, ch 117, §651]

**7.** [C51, §411, 415; R60, §642, 646; C73, §766, 769; C97, §510; SS15, §510-b; C24, 27, 31, 35, 39, §**5238, 5240;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §341.1, 341.3; S81, §331.652(7); 81 Acts, ch 117, §651]

2000 Acts, ch 1203, §19; 2002 Acts, ch 1022, §1; 2003 Acts, ch 108, §68; 2003 Acts, ch 145, §286; 2012 Acts, ch 1023, §157

Referred to in §331.654

**331.653 General duties of the sheriff.**

The sheriff shall:

1. Execute and return all writs and other legal process issued to the sheriff by legal authority. The sheriff shall execute and return any legal process in the sheriff's possession at the expiration of the sheriff's term of office and if a vacancy occurs in the office of sheriff, the sheriff's deputies shall execute and return the legal processes in their possession as if the sheriff had continued in office. The sheriff's successor or other officer authorized to discharge the duties of the office of sheriff may execute and return the legal processes on behalf of the outgoing sheriff and the sheriff's deputies, but the outgoing sheriff and the sheriff's deputies remain liable for the execution and return of the legal processes in their possession when the sheriff leaves office or the vacancy occurs.

2. Upon written order of the county attorney, make a special investigation of any alleged infraction of the law within the county and report the findings to the county attorney within a reasonable time. Upon completion of the investigation, the sheriff shall file with the auditor a detailed, sworn statement of the expenses of the investigation accompanied by the written order of the county attorney. The board shall audit and pay the reasonable and necessary expenses of the investigation.

3. Upon leaving office, deliver to the sheriff's successor and take the successor's receipt for all books and papers pertaining to the office except as provided in subsection 1, property attached and levied upon, and prisoners in the county jail. The receipt is sufficient indemnity to the outgoing sheriff.

4. Provide bailiff and other law enforcement service to the district judges, district associate judges, and associate juvenile judges, and judicial magistrates of the county upon request.

5. Serve as a member of the local emergency management commission as provided in section 29C.9.

6. Enforce the provisions of chapter 718A relating to the desecration of flags and insignia.

7. Carry out duties relating to election contests as provided in sections 57.6, 62.4, and 62.19.

8. Carry out duties relating to the seizure and disposition of illegal oil and gas supplies as provided in section 458A.15.

9. Serve a notice or subpoena received from a board of arbitration as provided in section 679B.10.

10. Cooperate with the division of labor services of the department of workforce development in the enforcement of child labor laws as provided in section 92.22.

11. Carry out duties relating to the seizure and forfeiture of cigarettes, vehicles, and other property used in violation of cigarette tax laws as provided in section 453A.32.

12. Observe and inspect any licensed premise for gambling devices and report findings to the license-issuing authority as provided in section 99A.4.

13. Carry out duties relating to the issuance of permits for the possession, transportation, and detonation of explosive materials as provided in sections 101A.3, 101A.5, 101A.7, and 101A.8.

14. Seize fish and game taken, possessed, or transported in violation of the state fish and game laws as provided in section 481A.12.

15. Carry out duties relating to the enforcement of state liquor and beer laws as provided in sections 123.14, 123.117, and 123.118.

16. Reserved.

17. Enforce the payment of the manufactured or mobile home tax as provided in section 435.24.

18. Carry out duties relating to the reporting of persons injured in the commission of a crime, either as perpetrators or victims, as provided in sections 147.111 and 147.112.

19. Carry out duties relating to the enforcement of livestock transportation laws as provided in chapter 172B.

20. Investigate disputes in the ownership or custody of branded animals as provided in section 169A.10.

21. Reserved.

22. Reserved.

23. Carry out duties relating to the involuntary hospitalization of persons with mental illness as provided in sections 229.7 and 229.11.

23A. Carry out duties related to service of a summons, notice, or subpoena pursuant to sections 232.35, 232.37, and 232.88.

24. Carry out duties relating to the assessment of reported child abuse cases and the protection of abused children as provided in section 232.71B.

25. Remove, upon court order, an indigent person to the county or state of the person's legal settlement as provided in section 252.18.

26. Reserved.

27. Give notice of the time and place of making an appraisement of unneeded school land as provided in sections 297.17 and 297.28.

28. Cooperate with the state department of transportation, the department of public safety, and other law enforcement agencies in the enforcement of local and state traffic laws and inspections as provided in sections 321.5 and 321.6.

29. Report the theft and recovery of a registered motor vehicle as provided in section 321.72.

30. Collect unpaid motor vehicle fees and penalties as provided in sections 321.133 to 321.135.

31. Reserved.

32. Enforce sections 321.372 to 321.379 relating to school buses.

33. Carry out duties relating to the enforcement of laws prohibiting the operation of a motor vehicle while intoxicated as provided in chapter 321J.

34. Upon request, assist the department of revenue and the state department of transportation in the enforcement of motor fuel tax laws as provided in section 452A.76.

35. Have charge of the county jails in the county and custody of the prisoners committed to the jails as provided in chapter 356.

36. Reserved.

37. Reserved.

38. Notify the department of natural resources of hazardous conditions of which the sheriff is notified as provided in section 455B.386.

39. Carry out duties relating to condemnation of private property as provided under chapter 6B.

40. Carry out duties relating to the removal and disposition of abandoned motor vehicles as provided in section 556B.1.

41. Carry out duties relating to the determination of what is included in a homestead as provided in section 561.8.

42. Carry out duties relating to liens for services of animals as provided in chapter 580.

43. Carry out duties relating to the service of notice on a jury commissioner or jury manager as provided in section 607A.44.

44. Reserved.

45. Designate the newspapers in which notices pertaining to the sheriff's office are published as provided in section 618.7.

46. Carry out duties relating to the execution of judgments and orders of the court as provided in chapter 626.

47. Add the amount of an advancement made by the holder of the sheriff's sale certificate to the execution, upon verification by the clerk as provided by section 629.3.

48. Upon appointment of the court, serve as a receiver of property of a judgment debtor as provided in sections 630.7 and 630.9.

49. Carry out duties relating to the attachment of property as provided in chapters 639, 640, and 641.

50. Carry out duties relating to garnishment under chapter 642.

51. Carry out duties relating to an action of replevin as provided in chapter 643.

52. Carry out orders of the court or a judge relating to the service or execution of a writ of habeas corpus as provided under chapter 663.

53. Carry out duties relating to the disposition of lost property as provided in chapter 556F.

54. Carry out orders of the court requiring the sheriff to take custody and deposit or deliver trust funds as provided in section 636.30.

55. Carry out legal processes directed by an appellate court as provided in section 625A.14.

56. Furnish the division of criminal investigation with the criminal identification records and other information upon direction by the commissioner of public safety as provided in section 690.1.

57. Take the fingerprints of all persons specified under section 690.2 and forward the fingerprint records to the commissioner of public safety.

58. Report information on crimes committed and delinquent acts committed, which would be a serious or aggravated misdemeanor or felony if committed by an adult, and furnish disposition reports on persons arrested and juveniles taken into custody, for a delinquent act which would be a serious or aggravated misdemeanor or felony if committed by an adult, and criminal complaints or information or juvenile delinquency petitions, alleging a delinquent act which would be a serious or aggravated misdemeanor or felony if committed by an adult, filed in any court as provided in section 692.15.

59. Carry out duties relating to firearm training and the issuance and revocation of firearm permits as provided in chapter 724.

60. Accept custody of persons handed over to the sheriff by the department of public safety as provided in section 804.28.

61. Carry out duties relating to the forfeiture and judgment of bail as provided in section 811.6.

62. Resume custody of a defendant who is recommitted after bail by order of a magistrate as provided in section 811.7.

63. Carry out duties relating to the confinement of persons who are considered dangerous persons under section 811.1A or persons with a mental disorder as provided in chapter 812.

64. Release a defendant in custody upon receipt of a certificate of release as provided in section 814.14.

65. Upon call of the governor or attorney general, render assistance in the enforcement of the law as provided in section 817.2.

65A. Carry out the duties imposed under sections 915.11 and 915.16.

66. Upon court order, take an accused person into custody from the warden of a penal institution and convey the person to the place of trial as provided in rule of criminal procedure 2.7.

67. Receive and detain a defendant transferred from another county under a change of venue as provided in rule of criminal procedure 2.11(10).

68. Carry out duties relating to the execution of a judgment for confinement or other execution as provided in rule of criminal procedure 2.26.

69. Carry out duties relating to the return of service in civil cases as provided in rule of civil procedure 1.308.

70. Serve a writ of certiorari as provided in rule of civil procedure 1.1407.

71. Carry out other duties required by law and duties assigned pursuant to section 331.323.

**1.** [C51, §170, 177; R60, §383, 390, 3264; C73, §337, 344, 346; C97, §499, 504, 506; S13, §499-b; C24, 27, 31, 35, 39, §**5183, 5188, 5190;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §337.3, 337.8, 337.10; S81, §331.653(1); 81 Acts, ch 117, §652]

**2.** [S13, §499-c; C24, 27, 31, 35, 39, §**5184;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §337.4; S81, §331.653(2); 81 Acts, ch 117, §652]

**3.** [C51, §178; R60, §391; C73, §345; C97, §505; C24, 27, 31, 35, 39, §**5189;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §337.9; S81, §331.653(3); 81 Acts, ch 117, §652]

**4.** [C51, §174; R60, §387; C73, §341; C97, §503; C24, 27, 31, 35, 39, §**5187;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §337.7; S81, §331.653(4); 81 Acts, ch 117, §652]

**5 – 71.** [S81, §331.653(5 – 71); 81 Acts, ch 117, §652]

83 Acts, ch 101, §79; 83 Acts, ch 186, §10090, 10091, 10201; 85 Acts, ch 67, §41; 86 Acts, ch 1108, §5; 86 Acts, ch 1121, §2; 86 Acts, ch 1155, §7; 86 Acts, ch 1220, §39; 87 Acts, ch 115, §54; 90 Acts, ch 1230, §91; 91 Acts, ch 191, §14; 92 Acts, ch 1139, §28; 94 Acts, ch 1103, §3; 94 Acts, ch 1173, §27; 95 Acts, ch 67, §29; 95 Acts, ch 191, §24; 96 Acts, ch 1111, §1; 96 Acts, ch 1129, §113; 96 Acts, ch 1186, §23; 97 Acts, ch 35, §23, 25; 97 Acts, ch 126, §41, 42; 98 Acts, ch 1090, §68, 84; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2003 Acts, ch 145, §286; 2003 Acts, ch 151, §27; 2004 Acts, ch 1084, §3; 2005 Acts, ch 167, §56, 66; 2006 Acts, ch 1034, §2; 2008 Acts, ch 1181, §37; 2009 Acts, ch 133, §126; 2012 Acts, ch 1021, §69; 2013 Acts, ch 90, §93

Referred to in §331.654
Subsection 33 amended

**331.654 Faithful discharge of duties — penalty for disobedience.**

1. The provisions of section 331.652, subsections 1 and 2, and section 331.653, subsections 1 and 2, do not relieve a sheriff or deputy sheriff from the full and faithful discharge of all duties required of the officer by law.

2. The disobedience of a sheriff or deputy sheriff to the command of a legal process is a contempt of the court from which the process is issued and is punishable as provided in chapter 665. The sheriff or deputy sheriff is also liable to action by any person injured by the disobedience.

[C51, §171; R60, §384; C73, §338; C97, §500; S13, §499-d; C24, 27, 31, 35, 39, §**5185, 5186;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §337.5, 337.6; S81, §331.654; 81 Acts, ch 117, §653]

**331.655 Fees — mileage — expenses.**

1. The sheriff shall collect the following fees:

*a.* For serving a notice and returning it, for the first person served, fifteen dollars, and each additional person, fifteen dollars except the fee for serving additional persons in the same household shall be ten dollars for each additional service, or if the service of notice cannot be made or several attempts are necessary, the repayment of all necessary expenses actually incurred by the sheriff while attempting in good faith to serve the notice.

*b.* For each warrant served, twenty dollars, and the repayment of necessary expenses

incurred in executing the warrant, as sworn to by the sheriff, or if service of the warrant cannot be made, the repayment of all necessary expenses actually incurred by the sheriff while attempting in good faith to serve the warrant.

*c.* For serving and returning a subpoena, for each person served, twenty dollars, and the necessary expenses incurred while serving subpoenas in criminal cases or cases relating to hospitalization of persons with mental illness.

*d.* For summoning a grand or trial jury, all necessary and actual expenses incurred by the sheriff.

*e.* For summoning a jury to assess the damages to the owners of lands taken for works of internal improvement, and attending them, one hundred dollars per day, and necessary expenses incurred. This subsection does not allow a sheriff to make separate charges for different assessments which can be made by the same jury and completed in one day of ten hours.

*f.* For serving an execution, attachment, order for the delivery of personal property, injunction, or any order of court, and returning it, fifteen dollars.

*g.* For making and executing a certificate or deed for lands sold on execution, or a bill of sale for personal property sold, thirty dollars.

*h.* For the time necessarily employed in making an inventory of personal property attached or levied upon, ten dollars per hour.

*i.* For a copy of any paper required by law, made by the sheriff, fifty cents.

*j.* Mileage at the rate specified in section 70A.9 in all cases required by law, going and returning. Mileage fees do not apply where provision is made for expenses, and both mileage and expenses shall not be allowed for the same services and for the same trip. If the sheriff transports one or more persons by auto to a state institution or any other destination required by law or if one or more legal papers are served on the same trip, the sheriff is entitled to one mileage, the mileage cost of which shall be prorated to the persons transported or papers served. However, in serving original notices in civil cases and in serving and returning a subpoena, the sheriff shall be allowed mileage in each action where the original notice or subpoena is served, with a minimum mileage of one dollar for each service. The sheriff may refuse to serve any legal processes in civil cases until the fees and estimated mileage for service have been paid.

*k.* For attending sale of property, fifty dollars.

*l.* For conveying one or more persons to a state, county, or private institution by order of court or commission, necessary expenses for the sheriff and the person conveyed and fifteen dollars per hour for the time necessarily employed in going to and from the institution, the expenses and hourly rate to be charged and accounted for as fees. If the sheriff needs assistance in taking a person to an institution, the assistance shall be furnished at the expense of the county.

*m.* For serving a warrant for the seizure of intoxicating liquors, five dollars; for the removal and custody of the liquor, actual expenses; for the destruction of the liquor under the order of the court, five dollars and actual expenses; for posting and leaving notices in these cases, five dollars and actual expenses.

*n.* For posting a notice or advertisement, five dollars.

*o.* For delivering prisoners under a change of venue, the fee authorized under section 815.8.

2. The mileage fees allowed by law may be retained by the sheriff as an addition to the sheriff's annual salary. In counties having a population of one hundred thousand or more, the county may contract with the sheriff for the use of an automobile on a monthly basis in lieu of payment of mileage in the service of criminal processes.

3. The sheriff shall keep an accurate record of the fees collected in the county system, make a quarterly report of the fees collected to the board, and pay the fees belonging to the county into the county treasury as provided in section 331.902.

4. The sheriff shall deposit funds collected and held by the sheriff in an approved depository as provided in chapter 12C.

**1.** [C51, §2536; R60, §1570, 4145; C73, §3788, 3789, 3807; C97, S13, §511; C24, 27, 31, 35, 39, §**5191;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §337.11; S81, §331.655(1); 81 Acts, ch 117, §654]

**2.** [C24, §5192; C27, 31, 35, §5191-a1, 5192; C39, §**5191.2, 5192;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §337.13, 337.14; S81, §331.655(2); 81 Acts, ch 117, §654]

**3.** [C97, S13, §508; C24, 27, 31, 35, 39, §**5246, 5247;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §342.2, 342.3; S81, §331.655(3); 81 Acts, ch 117, §654]

**4.** [S81, §331.655(4); 81 Acts, ch 117, §654]

83 Acts, ch 198, §23; 85 Acts, ch 118, §1; 88 Acts, ch 1133, §2; 90 Acts, ch 1230, §92; 96 Acts, ch 1129, §85; 97 Acts, ch 121, §8; 2001 Acts, ch 92, §1

Referred to in §331.652, 815.8

**331.656 Management of condemnation funds.**

1. A sheriff receiving funds from a condemnation proceeding shall list the funds in detail in a book kept for that purpose. The sheriff shall pay the funds to the persons entitled to them upon final adjudication of a condemnation case. If the funds are held after final adjudication of the case until the end of the fiscal year, the funds shall be paid to the treasurer as provided in subsection 2.

2. Not later than July 1 of each year, the sheriff shall make a detailed report under oath of all funds received and in the sheriff's possession from condemnation proceedings which have been finally adjudicated. The report shall include the names of the parties to whom the funds belong, when the funds were received, and a description of the property condemned. The report shall be filed with the treasurer and the amount of the condemnation funds specified in the report shall be paid to the treasurer. The sheriff shall be given a detailed receipt for the funds.

3. If the sheriff possesses condemnation funds which have not been finally adjudicated, the sheriff shall prepare a detailed report of those funds, including the same information as required in subsection 2, which report shall be filed with the auditor for examination and audit by the board. When a sheriff's term of office expires, the sheriff shall pay the condemnation funds which are not finally adjudicated to the sheriff's successor. The outgoing sheriff shall receive a detailed receipt for the funds.

4. The treasurer shall keep a record of the condemnation funds received from the sheriff in a book kept for that purpose. The book shall include a list of the names of persons to whom the funds are due, a description of the property condemned, and the amount due for each property item. The treasurer shall pay the amount due to each person from the condemnation fund on warrants ordered by the board and issued by the auditor. The treasurer and the bond sureties of the treasurer are liable for the condemnation funds in the same manner as for other funds received by the treasurer in an official capacity.

5. The sheriff and the bond sureties of the sheriff are liable for the condemnation funds received by the sheriff until the funds are paid to the persons to which the funds are due, the treasurer, or the sheriff's successor as provided in this section.

[C24, 27, 31, 35, 39, §**5193 – 5197;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §337.15 – 337.19; S81, §331.656; 81 Acts, ch 117, §655]

Referred to in §331.552

**331.657 Standard uniforms.**

1. The sheriff and the full-time deputy sheriffs shall wear the standard uniform and display a standard badge of office when on duty except:

*a.* The sheriff may designate other apparel to be worn when the sheriff or a deputy sheriff is engaged in assignments involving special investigation, civil process, court duties, jail duties, and the handling of persons with mental illness.

*b.* A district court judge, district associate judge, or judicial magistrate may direct that deputy sheriffs who act as bailiffs dress in wearing apparel other than the standard uniform while the court is in session.

*c.* Special deputy sheriffs appointed by the sheriff are excluded from the requirements of this subsection.

2. The standard uniforms and accessories required by the sheriff for the proper outfitting of the sheriff and the sheriff's full-time deputies under this section shall be provided by the county. The uniforms and accessories issued to the sheriff and the sheriff's deputies remain the property of the county.

3. The colors and design of the standard uniform for the sheriffs and deputy sheriffs shall be designated by rule of the commissioner of public safety after consideration of the recommendations of the Iowa state association of sheriffs and deputy sheriffs. The uniform shall include standard shirts, shoulder patches, badges, nameplates, hats, trousers, neckties, jackets, socks, shoes and boots, and leather goods. The uniforms shall be readily distinguishable from the uniforms of other law enforcement agencies of the state. The rules shall allow for appropriate individual county designations on the uniforms. The rules shall be adopted and may be amended in compliance with chapter 17A.

[C66, 71, 73, §332.10; C75, 77, 79, §332.10, 337A.1, 337A.2, 337A.4, 337A.6; C81, §337A.1, 337A.2, 337A.4, 337A.6; S81, §331.657; 81 Acts, ch 117, §656]

96 Acts, ch 1129, §113; 98 Acts, ch 1137, §1

Referred to in §331.322

**331.658 Care of prisoners.**

1. The sheriff shall provide board and care for prisoners in the sheriff's custody in the county jail without personal compensation except for the sheriff's annual salary.

2. The county shall pay the costs of the board and care of the prisoners in the county jail, which costs, in the board's judgment, are necessary to enable the sheriff to carry out the sheriff's duties under this section. The board may determine the manner in which meals are provided for the prisoners.

3. The sheriff is accountable to the board for fees due or collected for boarding, lodging, and providing other services for prisoners in the sheriff's custody under the order of another state or a federal court.

4. The sheriff shall allow access by the board at any reasonable time to the county jail and to supplies provided by the county for the purpose of inspecting the jail and determining whether the supplies are used for the purpose of boarding and caring for prisoners as provided in this section.

[C51, §2536; R60, §4145; C73, §3788; C24, 27, §5197-d1; C31, 35, §5197-d1 – 5197-d3, 5197-d9; C39, §**5191, 5197.01 – 5197.03, 5197.09;** C46, 50, 54, 58, 62, 66, 71, 73, §337.11, 338.1 – 338.3, 338.9; C75, 77, 79, 81, §338.1 – 338.3, 338.9; S81, §331.658; 81 Acts, ch 117, §657]

2004 Acts, ch 1117, §1, 4

Referred to in §331.322

**331.659 Prohibited actions.**

1. *a.* A sheriff or a deputy sheriff shall not:

(1) Appear in any court as an attorney or legal counsel for another party.

(2) Make or prepare a writing, document or process to commence a legal action or proceeding.

(3) Use a writing, document or process prepared by the sheriff or deputy sheriff in a legal action or proceeding.

*b.* The document, writing, or process prepared or made by a sheriff or a deputy sheriff in violation of this subsection is void.

2. A sheriff or a deputy sheriff shall not be the purchaser, directly or indirectly, of property which is being sold by the sheriff or deputy sheriff under process of law. A purchase made in violation of this subsection is void.

[C51, §175, 176; R60, §388, 389; C73, §342, 343; C97, §546, 547; C24, 27, 31, 35, 39, §**5251, 5252;** C46, 50, 58, 62, 66, 71, 73, 75, 77, 79, 81, §343.3, 343.4; S81, §331.659; 81 Acts, ch 117, §658]

2010 Acts, ch 1061, §180

**331.660 Appropriation — Indian settlement officer.** Repealed by 2009 Acts, ch 179, § 14.

**331.661 Multicounty office.**

1. Two or more county boards of supervisors may adopt resolutions proposing to share the services of a county sheriff. The resolutions shall also propose that the question of establishing the office of multicounty sheriff be submitted to the electorate of the counties proposing to share the services of a county sheriff. The proposal is adopted in those counties where a majority of the electors voting approves the proposal.

2. The county sheriff shall be elected by a majority of the votes cast for the office of county sheriff in all of the counties which the county sheriff will serve. The election shall be conducted in accordance with section 47.2, subsection 2.

3. The office of multicounty sheriff is created effective on January 1 of the year following the next general election at which the county sheriff is elected as provided by this section and section 39.17.

91 Acts, ch 189, §1

**331.662 to 331.700** Reserved.

PART 5

RESERVED

**331.701 to 331.750** Reserved.

PART 6

COUNTY ATTORNEY

**331.751 Office of county attorney.**

1. The office of county attorney is an elective office except that if a vacancy occurs in the office, a successor shall be elected or appointed to the unexpired term as provided in chapter 69.

2. A person elected or appointed to the office of county attorney shall be a registered voter of the county, be admitted to the practice of law in the courts of this state as provided by law, qualify by taking the oath of office as provided in section 63.10, and give bond as provided in section 64.8. A person is not qualified for the office of county attorney while the person's license to practice law in this or any other state is suspended or revoked.

3. The term of office of the county attorney is four years.

[C51, §96, 239; R60, §224; C97, §1072; S13, §308-b, 1072; C24, 27, 31, 35, 39, §**520, 5179;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §39.17, 336.1; S81, §331.751; 81 Acts, ch 117, §750]

94 Acts, ch 1169, §64; 2010 Acts, ch 1033, §48

**331.752 Full-time or part-time attorney.**

1. The board may provide that the county attorney is a full-time or part-time county officer in the manner provided in this section. A full-time county attorney shall refrain from the private practice of law.

2. The board may provide, by resolution, that the county attorney shall be a full-time county officer. The resolution shall include an effective date which shall not be less than sixty days from the date of adoption. However, if the county attorney or county attorney-elect objects to the full-time status, the effective date of the change to a full-time status shall be delayed until January 1 of the year following the next general election at which a county attorney is elected. The board shall not adopt a resolution changing the status of the county attorney between March 1 and the date of the general election of the year in which the county attorney is regularly elected as provided in section 39.17.

3. The board may change the status of a full-time county attorney to a part-time county attorney by following the same procedures as provided in subsection 2. If the incumbent county attorney objects to the change in status, the change shall be delayed until January 1 following the next election of a county attorney.

4. A resolution changing the full-time or part-time status of a county attorney may take effect at any time before the sixty days expire upon agreement of the board of supervisors and the affected county attorney or county attorney-elect.

5. The resolution changing the status of a county attorney shall state the initial annual salary to be paid to the county attorney when the full-time or part-time status is effective. The annual salary specified in the resolution shall remain effective until changed as provided in section 331.907. Except in counties having a population of more than two hundred thousand, the annual salary of a full-time county attorney shall be an amount which is between forty-five percent and one hundred percent of the annual salary received by a district court judge.

[C79, 81, §332.61 – 332.63; S81, §331.752; 81 Acts, ch 117, §751, 752]

88 Acts, ch 1267, §18; 94 Acts, ch 1173, §28

Referred to in §236.3B, 331.323

**331.753 Multicounty office.**

1. If two or more counties agree, pursuant to chapter 28E, to share the services of a county attorney, the county attorney shall be elected by a majority of the votes cast for the office of county attorney in all of the counties which the county attorney will serve as provided in the agreement. The election shall be conducted in accordance with section 47.2, subsection 2.

2. The effective date of the agreement shall be January 1 of the year following the next general election at which the county attorney is elected as provided by this section and section 39.17.

[C79, 81, §336.6; S81, §331.753; 81 Acts, ch 117, §753]

Referred to in §331.323

**331.754 Absence or disqualification of county attorney and assistants.**

1. In case of absence, sickness, or disability of the county attorney and the assistant county attorneys, the board of supervisors may appoint an attorney to act as county attorney. Upon application of the county attorney or the attorney general, the chief judge or the chief judge's designee may appoint an attorney to act temporarily as county attorney until the board has had sufficient time to appoint an acting county attorney. As an alternative, upon the application of the county attorney or the attorney general, the chief judge or the chief judge's designee may appoint the attorney general to temporarily act as county attorney if the attorney general consents to the appointment.

2. If the county attorney and all assistant county attorneys are disqualified because of a conflict of interest from performing duties and conducting official business in a juvenile, criminal, contempt, or commitment proceeding which requires the attention of the county attorney, the chief judge or the chief judge's designee, upon application by the county attorney or the attorney general certifying that there is a bona fide reason for the disqualification based upon a principle of law or court rule, may appoint an attorney to act as county attorney in the proceeding. As an alternative, upon application of the county attorney or attorney general certifying that there is a bona fide reason for the disqualification, the chief judge or the chief judge's designee may appoint the attorney general to act as county attorney in the proceeding if the attorney general consents to the appointment. If the attorney general does not consent to the appointment, the chief judge or the chief judge's designee may appoint an attorney designated by the attorney general.

3. Upon any application of the attorney general pursuant to subsection 1 or 2, the county attorney shall be given notice and shall be provided an opportunity to file an objection prior to the appointment of any attorney. This subsection shall not apply if giving notice would jeopardize a criminal investigation.

4. The board may appoint an attorney to act as county attorney in a civil proceeding if the county attorney and all assistant county attorneys are disqualified because of a conflict of interest from performing duties and conducting official business.

5. A temporary or acting county attorney has the same authority and is subject to the same responsibilities as a county attorney.

6. A temporary or acting county attorney shall receive a reasonable compensation as determined by the board for services rendered in proceedings before a judicial magistrate or rendered on behalf of a county officer or employee. If the proceedings are held before a district associate judge or a district judge, the judge shall determine a reasonable compensation for the temporary or acting county attorney. If the proceedings are held before an associate juvenile judge or a judicial hospitalization referee, the temporary or acting county attorney shall be compensated at a rate approved by the judge who appointed the associate juvenile judge or referee. The compensation shall be paid from funds to be appropriated to the office of county attorney by the board.

7. Notwithstanding subsections 1 through 6, upon request by a county attorney, the attorney general or an assistant attorney general may act as county attorney in a criminal proceeding, on behalf of the state, without appointment by the board, the chief judge, or the chief judge's designee.

[C97, §304; C24, §13675; C27, 31, 35, §5180-a1; C39, §**5180.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §336.3; S81, §331.754; 81 Acts, ch 117, §754]

88 Acts, ch 1066, §1; 92 Acts, ch 1124, §3; 2000 Acts, ch 1057, §2; 2002 Acts, ch 1052, §1

**331.755 Prohibited actions.**

A county attorney shall not:

1. Accept a fee or reward from or on behalf of a person for services rendered in a prosecution or the conduct of official business.

2. Engage directly or indirectly as an attorney or an agent for a party other than the state or the county in an action or proceeding arising in the county which is based upon substantially the same facts as a prosecution or proceeding which has been commenced or prosecuted by the county attorney in the name of the state or the county. This prohibition also applies to the members of a law firm with which the county attorney is associated.

3. Receive assistance from another attorney who is interested in any civil action in which a recovery is asked based upon matters involved in a criminal prosecution commenced or prosecuted by the county attorney.

[C97, §305; C24, §13677; C27, 31, 35, §1580-a3; C39, §**5180.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §336.5; S81, §331.755; 81 Acts, ch 117, §755]

**331.756 Duties of the county attorney.**

The county attorney shall:

1. Diligently enforce or cause to be enforced in the county, state laws and county ordinances, violations of which may be commenced or prosecuted in the name of the state, county, or as county attorney, except as otherwise provided.

2. Appear for the state and the county in all cases and proceedings in the courts of the county to which the state or the county is a party, except actions or proceedings resulting from a change of venue from another county, and appear in the appellate courts in all cases in which the county is a party, and appear in all actions or proceedings which are transferred on a change of venue to another county or which require the impaneling of a jury from another county and in which the county or the state is a party.

3. Prosecute all preliminary hearings for charges triable upon indictment.

4. Prosecute misdemeanors under chapter 664A. The county attorney shall prosecute other misdemeanors when not otherwise engaged in the performance of other official duties.

5. *a.* Enforce all forfeited bonds and recognizances and prosecute all proceedings necessary for the recovery of debts, revenues, moneys, fines, penalties, restitution of court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender, and forfeitures accruing to the state, the county or a road district in the county, and all suits in the county against public service corporations which are brought in the name of the state. To assist in this duty, the county attorney may procure a designee to assist with collection efforts.

*b.* If the designee is a professional collection services agency, the county attorney shall

file with the clerk of the district court an indication of the satisfaction of each obligation to the full extent of all moneys collected in satisfaction of that obligation, including all fees and compensation retained by the designee incident to the collection and not paid into the office of the clerk.

*c.* Before a county attorney designates another county official or agency to assist with collection of debts, revenues, moneys, fines, penalties, restitution of court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender, and forfeitures, the board of supervisors of the county must approve the designation.

*d.* All fines, penalties, court costs, fees, and restitution for court-appointed attorney fees ordered pursuant to section 815.9, including the expenses of a public defender which are delinquent as defined in section 602.8107 may be collected by the county attorney or the county attorney's designee. The county attorney or the county attorney's designee may collect delinquent obligations under an installment agreement pursuant to section 321.210B.

*e.* As used in this subsection, *"designee"* means a professional collection services agency operated by a person or organization, including a private attorney, that is generally considered to have knowledge and special abilities not generally possessed by the state, a local government, or another county official or agency, or a county attorney or a county attorney's designee in another county where the fine, penalty, surcharge, or court cost was not imposed.

6. Commence, prosecute, and defend all actions and proceedings in which a county officer, in the officer's official capacity, or the county is interested or a party.

7. Give advice or a written opinion, without compensation, to the board and other county officers and to township officers, when requested by an officer, upon any matters in which the state, county, or township is interested, or relating to the duty of the officer in any matters in which the state, county, or township may have an interest, but the county attorney shall not appear before the board at a hearing in which the state or county is not interested.

8. Attend the grand jury when necessary for the purpose of examining witnesses before it or giving it legal advice. The county attorney shall procure subpoenas or other process for witnesses and prepare all informations and bills of indictment.

9. Give a receipt to all persons from whom the county attorney receives money in an official capacity and file a duplicate receipt with the county auditor.

10. Make reports relating to the duties and the administration of the county attorney's office to the governor when requested by the governor.

11. Cooperate with the auditor of state to secure correction of a financial irregularity as provided in section 11.53.

12. Submit reports as to the condition and operation of the county attorney's office when required by the attorney general as provided in section 13.2, subsection 1, paragraph *"h"*.

13. Reserved.

14. Hear and decide objections to a nomination filed with the county election commissioner as provided in section 44.7.

15. Review the report and recommendations of the ethics and campaign disclosure board and proceed to institute the recommended actions or advise the board that prosecution is not merited, as provided in sections 68B.32C and 68B.32D.

16. Prosecute or assist in the prosecution of actions to remove public officers from office as provided in section 66.11.

17. Institute legal proceedings against persons who violate laws administered by the division of labor services of the department of workforce development as provided in section 91.11.

18. Investigate complaints and prosecute violations of child labor laws as provided in section 92.22.

19. Prosecute violations of employment security laws and rules as provided in section 96.17, subsection 2.

20. Assist, at the request of the director of revenue, in the enforcement of cigar and tobacco tax laws as provided in sections 453A.32 and 453A.49.

21. Prosecute nuisances as provided in section 99.24.

22. Attend the hearing, interrogate witnesses, and advise a license-issuing authority

relating to the revocation of a license for violation of gambling laws as provided in section 99A.7. The county attorney shall also represent the license-issuing authority in appeal proceedings taken under section 99A.6.

23. Represent the state fire marshal in legal proceedings as provided in section 100.20.

24. Prosecute, at the request of the director of the department of natural resources or an officer appointed by the director, violations of the state fish and game laws as provided in section 481A.35.

25. Assist the department of public safety in the enforcement of beer and liquor laws as provided in section 123.14. The county attorney shall also prosecute nuisances, forfeitures of abatement bonds, and foreclosures of the bonds as provided in sections 123.62 and 123.86.

26. Reserved.

27. Serve as attorney for the county health care facility administrator in matters relating to the administrator's service as a conservator or guardian for a resident of the health care facility as provided in section 135C.24.

28. Reserved.

29. At the request of the director of public health, commence legal action to enjoin the unlawful use of radiation-emitting equipment as provided in section 136C.5.

30. Reserved.

31. Prosecute violations of the Iowa veterinary practice Act as provided in section 169.19.

32. Assist the department of inspections and appeals in the enforcement of the rules setting minimum standards to protect consumers from foodborne illness adopted pursuant to section 137F.2 and the Iowa hotel sanitation code, as provided in sections 137C.30 and 137F.19.

33. Institute legal procedures on behalf of the state to prevent violations of chapter 9H or 202B.

34. Prosecute violations of the Iowa dairy industry laws as provided in section 179.11.

35. Prosecute persons who fail to file an annual or special report with the secretary of agriculture under the meat and poultry inspection Act as provided in section 189A.17.

36. Cooperate with the secretary of agriculture in the enforcement of label requirements for food packages as provided in section 191.7.

37. Prosecute violations of the Iowa commercial feed law as provided in section 198.13, subsection 3.

38. Cooperate with the secretary of agriculture in the enforcement of the agricultural seed laws as provided in section 199.14.

39. Prosecute violations of the Iowa fertilizer law as provided in section 200.18, subsection 5.

40. Prosecute violations of the Iowa drug, device, and cosmetic Act as requested by the board of pharmacy as provided in section 126.7.

41. Provide the Iowa department of corrections with information relating to the background and criminal acts committed by each person sentenced to a state correctional institution from the county as provided in section 904.202.

42. Carry out duties relating to the commitment of a person with an intellectual disability as provided in section 222.18.

43. Proceed to collect, as requested by the county, the reasonable costs for the care, treatment, training, instruction, and support of a person with an intellectual disability from parents or other persons who are legally liable for the support of the person with an intellectual disability as provided in section 222.82.

44. Reserved.

45. Appear on behalf of the administrator of the division of mental health and disability services of the department of human services in support of an application to transfer a person with mental illness who becomes incorrigible and dangerous from a state hospital for persons with mental illness to the Iowa medical and classification center as provided in section 226.30.

46. Carry out duties relating to the hospitalization of persons for mental illness as provided in section 229.12.

47. Carry out duties relating to the collection of the costs for the care, treatment, and support of persons with mental illness as provided in sections 230.25 and 230.27.

48. Carry out duties relating to the care, guidance, and control of juveniles as provided in chapter 232.

49. Prosecute violations of law relating to the family investment program, medical assistance, and supplemental assistance as provided in sections 239B.15, 249.13, and 249A.56.

50. Commence legal proceedings to enforce the rights of children placed under foster care arrangements as provided in section 233A.11.

51. Commence legal proceedings, at the request of the superintendent of the Iowa juvenile home, to recover possession of a child as provided in section 233B.12.

52. Furnish, upon request of the governor, a copy of the minutes of evidence and other pertinent facts relating to an application for a pardon, reprieve, commutation, or remission of a fine or forfeiture as provided in section 914.5.

53. Reserved.

54. Reserved.

55. At the request of the state geologist, commence legal proceedings to obtain a copy of the map of a mine or mine extension as provided in section 456.12.

56. Enforce, upon complaint, the performance of duties by officers charged with the responsibilities of controlling or eradicating noxious weeds as provided in section 317.23.

57. Commence legal proceedings to remove billboards and signs which constitute a public nuisance as provided in section 318.11.

58. Reserved.

59. Assist, upon request, the department of transportation's general counsel in the prosecution of violations of common carrier laws and regulations as provided in section 327C.30.

60. Enforce the control of vegetation on railroad property by the railroad corporations as provided in section 327F.29.

61. Appoint a member of the civil service commission for deputy sheriffs as provided in section 341A.2 or 341A.3.

62. Represent the civil service commission for deputy sheriffs in civil suits initiated by the commission for the proper enforcement of the civil service law as provided in section 341A.16.

63. Present to the grand jury at its next session a copy of the report filed by the department of corrections of its inspection of the jails in the county as provided in section 356.43.

64. Represent the township trustees in counties having a population of less than twenty-five thousand except when the interests of the trustees and the county are adverse as provided in section 359.18.

64A. Reserved.

64B. Make a written report to the department of inspections and appeals within fifteen days of the end of each calendar quarter of the amount of funds which were owed to the state for indigent defense services and which were recouped pursuant to subsection 5.

65. Represent the assessor and the board of review in legal proceedings relating to assessments as provided in section 441.41.

66. Represent the state in litigation relating to the inheritance tax if requested by the department of revenue as provided in section 450.1.

67. Institute proceedings to enjoin persons from violating water treatment laws as provided in section 455B.224.

68. Conduct legal proceedings relating to the condemnation of private property as provided in section 6B.2.

69. Reserved.

70. Institute legal proceedings against violations of insurance laws as provided in section 511.7.

71. Assist, as requested by the attorney general, with the enforcement of the Iowa competition law as provided in section 553.7.

72. Initiate proceedings to enforce provisions relating to the recordation of conveyances and leases of agricultural land as provided in section 558.44.

73. Reserved.

74. Bid on real estate on behalf of the county when necessary to secure the county from loss as provided by section 569.2.

75. Reserved.

76. Reserved.

77. Prosecute a complaint to establish paternity and compel support for a child as provided in section 600B.19.

78. Give to an accused person a copy of each report of the findings of the criminalistics laboratory in the investigation of an indictable criminal charge against the accused as provided in section 691.4.

79. Notify state and local governmental agencies issuing licenses or permits, of a person's conviction of obscenity laws relating to minors as provided in section 728.8.

80. In the case of appeal from the district court, furnish the attorney general with a copy of the notice of appeal and pertinent material from the district court proceedings as provided in section 814.8.

81. Certify fees and mileage payable to witnesses subpoenaed by the county attorney before the district court as provided in section 815.3.

82. Carry out duties relating to extradition of fugitive defendants as provided in chapter 820 and securing witnesses as provided in chapter 819.

83. Advise the director of the judicial district department of correctional services of the facts and circumstances surrounding the crime committed and the record and history of the defendant granted probation as provided in section 907.8.

83A. Carry out the duties imposed under sections 915.12 and 915.13.

83B. Establish a child protection assistance team in accordance with section 915.35.

84. Bring an action in the nature of quo warranto as provided in rule of civil procedure 1.1302.

85. Perform other duties required by law and duties assigned pursuant to section 331.323.

[C97, SS15, §301; C24, 27, 31, 35, 39, §**5180;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §336.2; S81, §331.756; 81 Acts, ch 117, §756; 82 Acts, ch 1021, §10, 12(1), ch 1100, §28, ch 1104, §59]

83 Acts, ch 96, §111, 112, 157, 159; 84 Acts, ch 1163, §2; 84 Acts, ch 1299, §9; 85 Acts, ch 195, §42; 86 Acts, ch 1001, §21; 86 Acts, ch 1112, §11; 86 Acts, ch 1155, §8; 86 Acts, ch 1238, §17; 86 Acts, ch 1245, §1117; 87 Acts, ch 30, §18; 87 Acts, ch 98, §4; 88 Acts, ch 1134, §73; 89 Acts, ch 197, §30; 90 Acts, ch 1165, §17; 92 Acts, ch 1242, §30, 31; 93 Acts, ch 97, §39; 93 Acts, ch 110, §2 – 4; 93 Acts, ch 142, §12; 93 Acts, ch 163, §32; 94 Acts, ch 1023, §106; 94 Acts, ch 1170, §53; 94 Acts, ch 1173, §29, 30; 95 Acts, ch 49, §9; 95 Acts, ch 143, §9; 95 Acts, ch 169, §3; 96 Acts, ch 1034, §31; 96 Acts, ch 1111, §2; 96 Acts, ch 1129, §113; 96 Acts, ch 1131, §1; 96 Acts, ch 1186, § 23; 97 Acts, ch 41, §32; 98 Acts, ch 1090, §69, 84; 98 Acts, ch 1162, §28, 30; 2002 Acts, ch 1119, §159; 2003 Acts, ch 107, §3; 2003 Acts, ch 115, §15, 19; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §40; 2005 Acts, ch 167, §57, 66; 2006 Acts, ch 1010, §94; 2006 Acts, ch 1097, §18; 2006 Acts, ch 1115, §33; 2006 Acts, ch 1185, §121; 2007 Acts, ch 10, §175; 2007 Acts, ch 152, §51; 2007 Acts, ch 196, §7; 2007 Acts, ch 215, §219; 2008 Acts, ch 1032, §199; 2008 Acts, ch 1172, §22; 2011 Acts, ch 43, §3 – 5; 2011 Acts, ch 75, §39; 2012 Acts, ch 1019, §125; 2012 Acts, ch 1021, §70

Referred to in §96.11

For future amendment striking subsection 42, effective July 1, 2014, see 2013 Acts, ch 130, §32, 35

Section not amended; footnote added and internal reference change applied

**331.757 Temporary and full-time assistants.**

1. The county attorney may employ, with the approval of a judge of the district court, a temporary assistant to assist in the trial of a person charged with a felony. The temporary assistant shall be paid a reasonable compensation as determined by the board upon certification of the services rendered by the district judge before whom the defendant was tried.

2. The county attorney may appoint, with the approval of the board, an assistant county attorney to serve as a full-time prosecutor. A full-time prosecutor shall refrain from the private practice of law. The county attorney shall determine the compensation paid to a full-time prosecutor within the budget set for the county attorney's office by the board. Except in

counties having a population of more than two hundred thousand, the annual salary of an assistant county attorney shall not exceed eighty-five percent of the maximum annual salary of a full-time county attorney.

[C97, §303; S13, §303-a; C24, 27, 31, 35, 39, §**5243;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §341.7; C77, 79, 81, §341.7, 341.9; S81, §331.757; 81 Acts, ch 117, §757]

83 Acts, ch 123, §150, 209; 88 Acts, ch 1267, §19

Referred to in §331.758, 331.903

**331.758 General powers.**

The county attorney may:

1. Administer oaths and take affirmations as provided in section 63A.2.

2. Appoint and remove deputies, clerks and assistants subject to the requirements of sections 331.757 and 331.903.

[C97, §303; S13, §303-a; C24, 27, 31, 35, 39, §**5238, 5240;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §341.1, 341.3; S81, §331.758; 81 Acts, ch 117, §758]

**331.759 Appointment of private legal counsel.**

At any stage of legal proceedings in which a county attorney is authorized to represent a county officer acting in the officer's official capacity, the county attorney may apply to the court for permission to withdraw from representation of the officer for cause. If the court allows the county attorney to withdraw, it shall appoint an attorney to represent the county officer. The costs of representing a county officer acting in the officer's official capacity shall be paid from the court expense fund or the general fund of the county.

[S81, §331.759; 81 Acts, ch 119, §1]

**331.760 to 331.774** Reserved.

## PART 7

## RESERVED

**331.775 to 331.800** Reserved.

## PART 8

## COUNTY MEDICAL EXAMINER

Referred to in §97B.1A

**331.801 County medical examiner — appointment, qualifications and assistants.**

1. A county medical examiner shall be appointed by the board for a two-year term. The term of office shall commence on the first day in January which is not a Sunday or holiday and continue for two years or until a successor is appointed and qualifies as provided in this section. A vacancy shall be filled by the board for the unexpired term.

2. To serve as a county medical examiner a person shall be licensed in this state as a doctor of medicine and surgery, a doctor of osteopathic medicine and surgery, or an osteopathic physician. The medical examiner shall be appointed by the board from lists of two or more names submitted by the medical society and the osteopathic society of the county in which the candidate resides. If names are not submitted by either society, the board may appoint any licensed physician, osteopathic physician and surgeon, or osteopathic physician of the county. If a qualified physician of the county will not serve, the board may appoint a physician from another county. If a county medical examiner is unable to serve in a particular case or for a period of time, the medical examiner shall promptly notify the chairperson of the board who shall designate some other qualified physician to serve temporarily.

3. The board may provide laboratory facilities, deputy medical examiners, and other professional, technical and clerical assistance as required by the county medical examiner

in the performance of official duties. However, the requirements shall be subject to prior approval by the state medical examiner.

**1.** [C62, 66, 71, 73, 75, 77, 79, 81, §339.1; S81, §331.801(1); 81 Acts, ch 117, §800, 805]

**2.** [C51, §201, 202; R60, §411, 412; C73, §367, 368; C97, §528, 529; C24, 27, 31, 35, 39, §**5217, 5218;** C46, 50, 54, 58, §339.21, 339.22; C62, 66, 71, 73, 75, 77, 79, 81, §339.2; S81, §331.801(2); 81 Acts, ch 117, §800]

**3.** [S13, §520; C24, 27, 31, 35, 39, §**5206;** C46, 50, 54, 58, §339.9; C62, 66, §339.8; C71, 73, 75, 77, 79, 81, §339.3; S81, §331.801(3); 81 Acts, ch 117, §800]

Referred to in §141A.5, 142C.2, 331.321

**331.802 Deaths — reported and investigated.**

1. A person's death which affects the public interest as specified in subsection 3 shall be reported to the county medical examiner or the state medical examiner by the physician in attendance, any law enforcement officer having knowledge of the death, the embalmer, or any other person present. The appropriate medical examiner shall notify the city or state law enforcement agency or sheriff and take charge of the body.

2. *a.* If a person's death affects the public interest, the county medical examiner shall conduct a preliminary investigation of the cause and manner of death, prepare a written report of the findings, promptly submit the full report to the state medical examiner on forms prescribed for that purpose, and submit a copy of the report to the county attorney.

*b.* Except as provided in section 218.64 or as otherwise provided by law, for each preliminary investigation and the preparation and submission of the required reports, the county medical examiner shall receive from the county of appointment a fee determined by the board plus the examiner's actual expenses. The fee and expenses paid by the county of appointment shall be reimbursed to the county of appointment by the county of the person's residence. However, if the person's death is caused by a defendant for whom a judgment of conviction and sentence is rendered under section 707.2, 707.3, 707.4, 707.5, or 707.6A, the county of the person's residence may recover from the defendant the fee and expenses.

*c.* The fee and expenses of the county medical examiner who performs an autopsy or conducts an investigation of a person who dies after being brought into this state for emergency medical treatment by or at the direction of an out-of-state law enforcement officer or public authority shall be paid by the state. A claim for payment shall be filed with the state appeal board and, if authorized by the board, shall be paid out of moneys in the general fund of the state not otherwise appropriated.

3. A death affecting the public interest includes, but is not limited to, any of the following:

*a.* Violent death, including homicidal, suicidal, or accidental death.

*b.* Death caused by thermal, chemical, electrical, or radiation injury.

*c.* Death caused by criminal abortion including self-induced, or by sexual abuse.

*d.* Death related to disease thought to be virulent or contagious which may constitute a public hazard.

*e.* Death that has occurred unexpectedly or from an unexplained cause.

*f.* Death of a person confined in a prison, jail, or correctional institution.

*g.* Death of a person who was prediagnosed as a terminal or bedfast case who did not have a physician in attendance within the preceding thirty days; or death of a person who was admitted to and had received services from a hospice program as defined in section 135J.1, if a physician or registered nurse employed by the program was not in attendance within thirty days preceding death.

*h.* Death of a person if the body is not claimed by a person authorized to control the deceased person's remains under section 144C.5, or a friend.

*i.* Death of a person if the identity of the deceased is unknown.

*j.* Death of a child under the age of two years if death results from an unknown cause or if the circumstances surrounding the death indicate that sudden infant death syndrome may be the cause of death.

*k.* Death of a person committed or admitted to a state mental health institute, a state resource center, the state training school, or the Iowa juvenile home.

4. The county medical examiner shall conduct the investigation in the manner required

by the state medical examiner and shall determine whether the public interest requires an autopsy or other special investigation. However, if the death occurred in the manner specified in subsection 3, paragraph *"j"*, the county medical examiner shall order an autopsy, claims for the payment of which shall be filed with the state appeal board and, if authorized by the board, shall be paid out of moneys in the general fund of the state not otherwise appropriated. In determining the need for an autopsy, the county medical examiner may consider the request for an autopsy from a public official or private person, but the state medical examiner or the county attorney of the county where the death occurred may require an autopsy.

5. *a.* A person making an autopsy shall promptly file a complete record of the findings in the office of the state medical examiner and the county attorney of the county where death occurred and the county attorney of the county where any injury contributing to or causing the death was sustained.

*b.* A summary of the findings resulting from an autopsy of a child under the age of two years whose death occurred in the manner specified in subsection 3, paragraph *"j"*, shall be transmitted immediately by the physician who performed the autopsy to the county medical examiner. The report shall be forwarded to the parent, guardian, or custodian of the child by the county medical examiner or a designee of the county medical examiner, or through the infant's attending physician. A copy of the autopsy report filed with the county attorney shall be available to the parents, guardian, or custodian upon request.

6. The report of an investigation made by the state medical examiner or a county medical examiner and the record and report of an autopsy made under this section or chapter 691, shall be received as evidence in any court or other proceedings, except that statements by witnesses or other persons and conclusions on extraneous matters included in the report are not admissible. The person preparing a report or record given in evidence may be subpoenaed as a witness in any civil or criminal case by any party to the cause. A copy of a record, photograph, laboratory finding, or record in the office of the state medical examiner or any medical examiner, when attested to by the state medical examiner or a staff member or the medical examiner in whose office the record, photograph, or finding is filed, shall be received as evidence in any court or other proceedings for any purpose for which the original could be received without proof of the official character of the person whose name is signed to it.

7. In case of a sudden, violent, or suspicious death after which the body is buried without an investigation or autopsy, the county medical examiner, upon being advised of the facts, shall notify the county attorney. The county attorney shall apply for a court order requiring the body to be exhumed in accordance with chapter 144. Upon receipt of the court order, an autopsy shall be performed by a medical examiner or by a pathologist designated by the medical examiner and the facts disclosed by the autopsy shall be communicated to the court ordering the disinterment for appropriate action.

8. Where donation of the remains of the deceased to a medical school or similar institution equipped with facilities to perform autopsies is provided by will or directed by the person authorized to control the deceased person's remains under section 144C.5, any autopsy under this section shall be performed at the direction of the school or institution, and in such a manner as to further the purpose of the donation, while serving the public interest.

**1, 2.** [C51, §186, 187, 202, 2539; R60, §396, 397, 412, 4148; C73, §352, 353, 368, 3799; C97, §515, 517, 526, 529, 531; C24, 27, 31, 35, 39, §**5200, 5202, 5214, 5218, 5237;** C46, 50, 54, 58, §339.3, 339.5, 339.17, 339.19, 339.22, 340.19; C62, 66, §339.5; C71, 73, 75, 77, 79, 81, §339.4; S81, §331.802(1, 2); 81 Acts, ch 117, §801]

**3.** [C51, §186; R60, §396; C73, §352; C24, 27, 31, 35, 39, §**5200, 5201;** C46, 50, 54, 58, §339.3, 339.4; C62, 66, §339.4; C71, 73, 75, 77, 79, 81, §339.6; S81, §331.802(3); 81 Acts, ch 117, §801]

**4.** [C71, 73, 75, 77, 79, 81, §339.7; S81, §331.802(4); 81 Acts, ch 117, §801]

**5.** [C51, §187, 188, 193; R60, §397, 398, 403; C73, §353, 354, 359; C97, §517, 518, 521; C24, 27, 31, 35, 39, §**5202, 5203, 5208;** C46, 50, 54, 58, §339.5, 339.6, 339.11; C62, 66, §339.6; C71, 73, 75, 77, 79, 81, §339.8; S81, §331.802(5); 81 Acts, ch 117, §801]

**6.** [C51, §190 – 192, 199; R60, §400 – 402, 409; C73, §356 – 358, 365; C97, S13, §520; C24, 27, 31, 35, 39, §**5205, 5206;** C46, 50, 54, 58, §339.8, 339.9; C62, 66, §339.9; C71, 73, 75, 77, 79, 81, §339.10; S81, §331.802(6); 81 Acts, ch 117, §801]

**7.** [C62, 66, §339.7; C71, 73, 75, 77, 79, 81, §339.14; S81, §331.802(7); 81 Acts, ch 117, §801]

**8.** [S81, §331.802(8); 81 Acts, ch 117, §801]

87 Acts, ch 69, §1; 96 Acts, ch 1139, §1; 98 Acts, ch 1024, §1; 99 Acts, ch 141, §40; 2002 Acts, ch 1098, §3; 2008 Acts, ch 1051, §17, 18, 22; 2008 Acts, ch 1187, §137, 138; 2013 Acts, ch 81, §2, 3

Referred to in §141A.5, 144.28, 144.56, 218.64, 222.12, 226.34, 331.805, 691.6, 910.3A
Subsection 2, paragraph c amended
Subsection 4 amended

**331.803 Examination certificate — fee.**

Upon application and payment of a fee determined by the board, the county medical examiner shall provide an examination certificate to the person requesting it and file a copy of the certificate in the medical examiner's office. The certificate is not required in the case of a stillborn infant if a physician was present at the stillbirth and the cause of the stillbirth, as certified by the attending physician as provided in chapter 144, does not require an investigation by a medical examiner.

[C62, 66, §339.12; C71, 73, 75, 77, 79, 81, §339.13; S81, §331.803; 81 Acts, ch 117, §802]

Referred to in §141A.5, 144.56

**331.804 Disposition of body and other property.**

1. After an investigation has been completed, including an autopsy if one is performed, the body shall be prepared for transportation. The body shall be transported by a funeral director chosen by a person authorized to control the remains of the deceased person under section 144C.5, for burial or other appropriate disposition. A medical examiner shall not use influence in favor of a particular funeral director. However, if a person other than a funeral director assumes custody of a dead body, the person shall secure a burial transit permit pursuant to section 144.32. If no one claims a body, it shall be disposed of as provided in chapter 142.

2. If no one is entitled by law to the property or money found on a deceased person, the property shall be deposited with the clerk of the district court who shall dispose of it as provided by law.

[C51, §200; R60, §410; C73, §366; C97, §527, 532, 533; C24, 27, 31, 35, 39, §**5215, 5216;** C46, 50, 54, 58, §339.19, 339.20; C62, 66, §339.10, 339.11; C71, 73, 75, 77, 79, 81, §339.11, 339.12; S81, §331.804; 81 Acts, ch 117, §803]

2002 Acts, ch 1098, §4; 2008 Acts, ch 1051, §19, 22

Referred to in §141A.5, 144.56

**331.805 Prohibited actions — cremation permit — penalties.**

1. When a death occurs in the manner specified in section 331.802, subsection 3, the body, clothing, and any articles upon or near the body shall not be disturbed or removed from the position in which it is found, and physical or biological evidence shall not be obtained or collected from the body, without authorization from the county medical examiner or the state medical examiner except for the purpose of preserving the body from loss or destruction or permitting the passage of traffic on a highway, railroad or airport, or unless the failure to immediately remove the body might endanger life, safety, or health. A person who moves, disturbs, or conceals a body, clothing, or any articles upon or near the body or who obtains or collects physical or biological evidence in violation of this subsection or chapter 691 is guilty of a simple misdemeanor.

2. It is unlawful to embalm a body when the embalmer has reason to believe death occurred in a manner specified in section 331.802, subsection 3, when there is evidence sufficient to arouse suspicion of crime in connection with the cause of death of the deceased, or where it is the duty of a medical examiner to view the body and investigate the death of the deceased person, until the permission of a county medical examiner has been obtained. When feasible, the body shall be released to the funeral director for embalming within twenty-four hours of death.

3. *a.* It is unlawful to cremate, bury, or send out of the state the body of a deceased person when death occurred in a manner specified in section 331.802, subsection 3, until a medical

examiner certifies in writing that the examiner has viewed the body, has made personal inquiry into the cause and manner of death, and all necessary autopsy or postmortem examinations have been completed. However, the body of a deceased person may be sent out of state for the purpose of an autopsy or postmortem examination if the county medical examiner certifies in writing that the out-of-state autopsy or postmortem examination is necessary or, in the case of a death which is not of public interest as specified in section 331.802, subsection 3, if the attending physician certifies to the county medical examiner that the performance of the autopsy out of state is proper.

*b.* If the person authorized to control the remains of a deceased person under section 144C.5 has requested that the body of the deceased person be cremated, a permit for cremation must be obtained from a medical examiner. Cremation permits by the medical examiner must be made on the most current forms prepared at the direction of and approved by the state medical examiner, with copies forwarded to the state medical examiner's office. Costs for the cremation permit issued by a medical examiner shall not exceed seventy-five dollars. The costs of the permit and other reasonable cremation expenses may be paid from the decedent's estate pursuant to section 633.425, subsection 3.

4. A person who violates a provision of subsection 2 or 3 is guilty of a serious misdemeanor.

[C62, 66, §339.12; C71, 73, 75, 77, 79, 81, §339.9, 339.13; S81, §331.805; 81 Acts, ch 117, §804]

89 Acts, ch 81, §1; 96 Acts, ch 1148, §11; 2002 Acts, ch 1098, §5; 2005 Acts, ch 89, §37; 2008 Acts, ch 1051, §20, 22

Referred to in §141A.5

**331.806 through 331.900** Reserved.

## PART 9

## MISCELLANEOUS PROVISIONS

**331.901 General duties of county officers.**

1. Except as otherwise provided by state law, a county officer shall furnish to the governor or either house of the general assembly, upon their request, any information which the officer possesses.

2. A county officer shall not appear as an agent, attorney, or solicitor for another person in a matter pending before the board.

3. If a county officer who is required to report the collection of fees to the board neglects or refuses to make the report, the board shall employ an expert accountant to examine the books, papers, and accounts of the delinquent officer and to make the required report. The expense of employing the expert accountant shall be charged to the delinquent officer and may be collected upon the official bond of the officer.

4. A county officer, deputy officer, or employee shall not take, purchase, receive in payment, or exchange a warrant, scrip, or other evidence of the county's indebtedness or demand against the county for an amount less than the amount expressed on the face of the warrant, scrip, or other evidence of indebtedness or demand, plus the accrued interest.

5. A county or township officer or employee shall not appropriate, give, or loan public funds to or in favor of an institution, school, association, or object which is under ecclesiastical or sectarian management or control.

6. All reports and forms required to be submitted by a county officer to a state officer or agency shall be submitted on standardized forms furnished by the state officer or agency. The state officers and agencies which receive reports and forms from county officers shall consult with the department of management, shall devise standardized reports and forms which will permit computer processing of the information submitted, and shall distribute the standardized reports and forms to the county officers.

7. A county officer, deputy officer, or employee who violates subsection 4 or 5 is guilty of a simple misdemeanor.

**1.** [C97, §544; C24, 27, 31, 35, 39, §**5249;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §343.1; S81, §331.901(1); 81 Acts, ch 117, §900]

**2.** [C73, §326; C97, §545; C24, 27, 31, 35, 39, §**5250;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §343.2; S81, §331.901(2); 81 Acts, ch 117, §900]

**3.** [C97, §548; C24, 27, 31, 35, 39, §**5253;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §343.5; S81, §331.901(3); 81 Acts, ch 117, §900]

**4.** [R60, §2186; C73, §556; C97, §596; C24, 27, 31, 35, 39, §**5255;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §343.7; S81, §331.901(4); 81 Acts, ch 117, §900]

**5.** [C73, §552; C97, §593; C24, 27, 31, 35, 39, §**5256;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §343.8; S81, §331.901(5); 81 Acts, ch 117, §900]

**6.** [C71, 73, 75, 77, 79, 81, §343.14; S81, §331.901(7); 81 Acts, ch 117, §900]

**7.** [R60, §2188; C73, §558; C97, §598; C24, 27, 31, 35, 39, §**5257;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §343.9; S81, §331.901(8); 81 Acts, ch 117, §900]

83 Acts, ch 123, §152, 209; 83 Acts, ch 186, §10096, 10201

Referred to in §331.502

**331.902 Collection and disposition of fees.**

1. Unless otherwise specifically provided by statute, the fees and other charges collected by the auditor, treasurer, recorder, and sheriff, and their deputies or employees, belong to the county.

2. Each elective officer specified in subsection 1 shall maintain a record in the county system of each fee and charge collected. The record shall show the date, amount, payor, and type of service, and, when the fee is for recording an instrument, the names of the parties to the instrument. The record of the fees collected shall be retained for three years after audit of the county pursuant to section 11.6.

3. Each elective officer specified in subsection 1 shall make a quarterly report to the board showing, by type, the fees collected during the preceding quarter. The officer shall pay at least quarterly to the county treasury the fees and charges collected, except for the county auditor's transfer fees, which shall be paid directly to the county treasurer by the county recorder. The officer shall receive a receipt and maintain a record of the date and amount of each payment into the county treasury. This subsection does not apply to the county treasurer if the county treasurer credits the fees daily to the county treasury and reports the receipts on the monthly report to the auditor and the board of supervisors.

4. When examining, settling, or verifying reports or accounts of fees or other monetary receipts of the county under section 331.401, subsection 1, paragraph *"p"*, this section, or chapter 12B, the cash on hand in the office of the county officer or employee subject to the settlement or examination need not be counted in the presence of, or by, the board of supervisors or other examining county officer. This section does not prohibit the actual counting of cash on hand in a county at the time of the examination or settlement if the examining authority requests the actual count.

5. Each elective officer specified in subsection 1 shall retain overpayments of fees and other charges paid to the county in an amount of five dollars or less, unless the payor has requested a refund of the overpayment.

[C51, §212; R60, §423, 431; C73, §3785, 3796; C97, §299, 480, 492, 495, 508; S13, §498, 508, 550-c; SS15, §479-a, 490-a, 495; C24, 27, 31, 35, 39, §**5245 – 5247;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §342.1 – 342.3; S81, §331.902; 81 Acts, ch 117, §901; 82 Acts, ch 1073, §1]

83 Acts, ch 6, §1; 83 Acts, ch 186, §10097, 10201; 84 Acts, ch 1125, §1; 86 Acts, ch 1079, §1; 94 Acts, ch 1025, §1; 97 Acts, ch 121, §9; 2000 Acts, ch 1085, §3; 2007 Acts, ch 75, §2

Referred to in §331.507, 331.508, 331.558, 331.602, 331.607, 331.655, 558.66

**331.903 Appointment of deputies, assistants and clerks.**

1. The auditor, treasurer, recorder, sheriff, and county attorney may each appoint, with approval of the board, one or more deputies, assistants, or clerks for whose acts the principal officer is responsible. The number of deputies, assistants, and clerks for each office shall be

determined by the board and the number and approval of each appointment shall be adopted by a resolution recorded in the minutes of the board.

2. When an appointment has been approved by the board, the principal officer making the appointment shall issue a written certificate of appointment which shall be filed and kept in the office of the auditor. A certificate of appointment may be revoked in writing by the principal officer making the appointment, which revocation shall also be filed and kept in the office of the auditor.

3. Each deputy officer shall give bond in an amount determined by the officer who has the authority to approve the bond of the deputy's principal officer, with sureties to be approved by that officer. Upon approval, the bond shall be filed and kept in the office of the auditor. Each deputy officer shall take the same oath as the deputy's principal officer which shall be endorsed on the certificate of appointment. The bond of a deputy sheriff shall be either a bond or liability policy as required by the sheriff with the approval of the board.

4. Each deputy officer, assistant and clerk shall perform the duties assigned by the principal officer making the appointment. During the absence or disability of the principal officer, the first deputy, or designee in those instances where there is no first deputy or in the absence or disability of the first deputy, shall perform the duties of the principal officer.

5. The auditor may also appoint temporary assistants as provided in section 331.503 and the county attorney may appoint temporary assistants or a full-time prosecutor as provided in section 331.757.

6. The maximum age for a person to be employed as a deputy sheriff appointed pursuant to this section is sixty-five years of age.

[C51, §411, 412, 415, 416; R60, §642, 643, 646, 647, 2069; C73, §766, 767, 769, 770, 1770; C97, §298, 303, 481, 491, 496, 510, 2734; S13, §303-a, 496; SS15, §298, 481, 491, 496, 510-b, 2734-b; C24, 27, §5238 – 5244; C31, 35, §5238 – 5241, 5241-d1, 5242 – 5244; C39, §**5238 – 5241, 5241.1, 5242 – 5244;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §341.1 – 341.8; C77, 79, 81, §341.1 – 341.9; S81, §331.903; 81 Acts, ch 117, §902]

83 Acts, ch 186, §10098, 10201; 86 Acts, ch 1061, §1; 94 Acts, ch 1173, §31; 98 Acts, ch 1183, §112

Referred to in §97B.49C, 97B.49G, 331.502, 331.503, 331.553, 331.603, 331.652, 331.758

**331.904 Salaries of deputies, assistants, and clerks.**

1. *a.* The annual base salary of the first and second deputy officer of the office of auditor, treasurer, and recorder, the deputy in charge of the motor vehicle registration and title division, and the deputy in charge of driver's license issuance shall each be an amount not to exceed eighty-five percent of the annual salary of the deputy's principal officer. In offices where more than two deputies are required, the annual base salary of each additional deputy shall be an amount not to exceed eighty percent of the principal officer's salary. The amount of the annual base salary of each deputy shall be certified by the principal officer to the board and, if a deputy's annual base salary does not exceed the limitations specified in this subsection, the board shall certify the annual base salary to the auditor. The board shall not certify a deputy's annual base salary which exceeds the limitations of this subsection.

*b.* As used in this subsection, "*base salary*" means the basic compensation excluding overtime pay, longevity pay, shift differential pay, or other supplement pay and fringe benefits.

2. Each deputy sheriff shall receive an annual base salary as follows:

*a.* The annual base salary of a first or second deputy sheriff shall not exceed eighty-five percent of the annual base salary of the sheriff.

*b.* The annual base salary of any other deputy sheriff shall not exceed the annual base salary of the first or second deputy sheriff.

*c.* The sheriff shall set the annual base salary of each deputy sheriff who is classified as exempt under the federal Fair Labor Standards Act of 1938, as amended, subject to the limitations specified in paragraphs "*a*" and "*b*". The sheriff shall certify the annual base salaries of the exempt deputy sheriffs to the board and, if the limitations of paragraphs "*a*" and "*b*" are not exceeded, the board shall certify the annual base salaries to the county auditor.

*d.* The board shall set the annual base salaries of any deputy sheriffs who are not classified

as exempt under the federal Fair Labor Standards Act of 1938, as amended. Upon certification by the sheriff, the board shall review, and may modify, the annual base salaries of the deputy sheriffs who are not classified as exempt. The annual base salaries set by the board are subject to the limitations specified in paragraphs "*a*" and "*b*".

*e*. As used in this subsection, "*base salary*" means the basic compensation excluding overtime pay, longevity pay, shift differential pay, or other supplement pay and fringe benefits.

3. The annual salary of each assistant county attorney shall be determined by the county attorney within the budget set for the county attorney's office by the board. The salary of an assistant county attorney shall not exceed eighty-five percent of the maximum salary of a full-time county attorney. The county attorney shall inform the board of the full-time or part-time status of each assistant county attorney. In the case of a part-time assistant county attorney, the county attorney shall inform the board of the approximate number of hours per week the assistant county attorney shall devote to official duties.

4. The board shall determine the compensation of extra help and clerks appointed by the principal county officers.

5. The deputy officers, assistants, clerks, and other employees of the county are also entitled to reimbursement for actual and necessary expenses incurred in the performance of their official duties.

**1.** [C51, §417; R60, §648; C73, §771; C97, §298, 481, 491, 496; S13, §496; SS15, §298, 298-a, 481, 491; C24, 27, 31, 35, 39, §**5221, 5223, 5225, 5331;** C46, §340.2, 340.4, 340.6, 340.12; C50, 54, 58, 62, §340.2; C66, 71, 73, 75, 77, 79, 81, §340.4; S81, §331.904(1); 81 Acts, ch 117, §903]

**2.** [C51, §417; R60, §648; C73, §771; C97, §510; SS15, §510-b; C24, 27, 31, 35, 39, §**5227;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §340.8; S81, §331.904(2); 81 Acts, ch 117, §903]

**3.** [C97, §303; S13, §303-a; C24, 27, 31, 35, 39, §**5229;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §340.10; C77, 79, 81, §340.10, 341.9; S81, §331.904(3); 81 Acts, ch 117, §903]

**4.** [C51, §417; R60, §648; C73, §771; C97, §298, 481, 491, 496, 510; S13, §496; SS15, §298, 298-a, 481, 491, 510-b; C24, 27, 31, 35, 39, §**5221, 5223, 5225, 5227, 5331;** C46, §340.2, 340.4, 340.6, 340.8, 340.12; C50, 54, 58, 62, §340.2, 340.8; C66, 71, 73, 75, 77, 79, 81, §340.4, 340.8; S81, §331.904(4); 81 Acts, ch 117, §903]

**5.** [S81, §331.904(5); 81 Acts, ch 117, §903]

83 Acts, ch 34, §1; 83 Acts, ch 123, §153, 209; 83 Acts, ch 186, §10099, 10201; 85 Acts, ch 195, §43; 94 Acts, ch 1004, §1; 97 Acts, ch 142, §1; 2006 Acts, ch 1070, §18; 2007 Acts, ch 123, §2, 3; 2010 Acts, ch 1061, §180

Referred to in §28E.30, 331.324, 341A.7

**331.905 County compensation board.**

1. There is created in each county a county compensation board which shall be composed of seven members who are residents of the county. The members of the county compensation board shall be selected as follows:

*a*. Two members shall be appointed by the board of supervisors.

*b*. One member shall be appointed by each of the following county officers: the county auditor, county attorney, county recorder, county treasurer, and county sheriff.

2. The members of the county compensation board shall be appointed to four-year, staggered terms of office. The members of the county compensation board shall not be officers or employees of the state or a political subdivision of the state. A term shall be effective on the first of July of the year of appointment and a vacancy shall be filled for the unexpired term in the same manner as the original appointment.

3. The members of the county compensation board shall receive no compensation, but they shall be reimbursed for their actual and necessary expenses incurred in the performance of their official duties.

4. The county compensation board shall elect a chairperson and vice chairperson annually from among its membership. The county compensation board shall meet at the call of the chairperson or upon written request of a majority of its membership. The concurrence of a majority of the members of the county compensation board shall determine any matter relating to its duties.

5. The board of supervisors shall provide the necessary office facilities and the technical and clerical assistance requested by the county compensation board to carry out its duties.

6. The expenses of the county compensation board members, the salaries and expenses of any technical and clerical assistance, and the cost of providing any facilities shall be paid from the general fund of the county.

[C77, 79, 81, §340A.1, 340A.4, 340A.5, 340A.7; S81, §331.905; 81 Acts, ch 117, §904, 907; 82 Acts, ch 1104, §60]

87 Acts, ch 227, §28

Referred to in §331.321, 331.322

**331.906** Repealed by 87 Acts, ch 227, § 34.

**331.907 Compensation schedule — preparation and adoption.**

1. The annual compensation of the auditor, treasurer, recorder, sheriff, county attorney, and supervisors shall be determined as provided in this section. The county compensation board annually shall review the compensation paid to comparable officers in other counties of this state, other states, private enterprise, and the federal government. In setting the salary of the county sheriff, the county compensation board shall consider setting the sheriff's salary so that it is comparable to salaries paid to professional law enforcement administrators and command officers of the state patrol, the division of criminal investigation of the department of public safety, and city police agencies in this state. The county compensation board shall prepare a compensation schedule for the elective county officers for the succeeding fiscal year. A recommended compensation schedule requires a majority vote of the membership of the county compensation board.

2. At the public hearing held on the county budget as provided in section 331.434, the county compensation board shall submit its recommended compensation schedule for the next fiscal year to the board of supervisors for inclusion in the county budget. The board of supervisors shall review the recommended compensation schedule for the elected county officers and determine the final compensation schedule which shall not exceed the compensation schedule recommended by the county compensation board. In determining the final compensation schedule if the board of supervisors wishes to reduce the amount of the recommended compensation schedule, the amount of salary increase proposed for each elected county officer, except as provided in subsection 3, shall be reduced an equal percentage. A copy of the final compensation schedule shall be filed with the county budget at the office of the director of the department of management. The final compensation schedule takes effect on July 1 following its adoption by the board of supervisors.

3. The board of supervisors may adopt a decrease in compensation paid to supervisors irrespective of the county compensation board's recommended compensation schedule or other approved changes in compensation paid to other elected county officers. A decrease in compensation paid to supervisors shall be adopted by the board of supervisors no less than thirty days before the county budget is certified under section 24.17.

4. The elected county officers are also entitled to receive their actual and necessary expenses incurred in performance of official duties of their respective offices. The board of supervisors may authorize the reimbursement of expenses related to an educational course, seminar, or school which is attended by a county officer after the county officer is elected, but prior to the county officer taking office.

5. In counties having two courthouses, a principal elected county officer and the principal officer's first deputy or assistant may agree in writing to a division of their annual salaries. The division shall not allow for payment to the elected officer and the first deputy or assistant which is greater than the sum of the two salaries otherwise authorized by law. Upon certification to the board by the elected officer involved, the board shall certify to the auditor the annual salaries certified by the elected officer.

**1 – 3.** [C51, §169, 211, 213, 2536; R60, §380, 381, 422, 424, 4145; C73, §3775, 3784, 3788, 3789, 3792, 3793, 3798; C97, §297, 308, 479, 490, 495, 509; S13, §297; SS15, §308, 479, 490, 490-a, 495, 510-a, -c; C24, 27, 31, 35, 39, §**5220, 5222, 5224, 5226, 5228, 5230;** C46, 50, 54, 58,

62, §340.1, 340.3, 340.5, 340.7, 340.9, 340.11; C66, 71, 73, 75, §340.1, 340.3, 340.7, 340.9; C77, 79, 81, §340.1, 340.7, 340.9, 340A.6; S81, §331.907(1 – 3); 81 Acts, ch 117, §906]

**4.** [C71, 73, 75, 77, 79, 81, §340.12; S81, §331.907(4); 81 Acts, ch 117, §906]

83 Acts, ch 123, §154, 209; 83 Acts, ch 186, §10100, 10201; 86 Acts, ch 1095, §1; 87 Acts, ch 227, §29; 98 Acts, ch 1074, §28; 2005 Acts, ch 35, §31; 2008 Acts, ch 1184, §71; 2009 Acts, ch 179, §126, 127

Referred to in §28E.30, 331.215, 331.322, 331.323, 331.752

**331.908 Motor vehicles required to operate on ethanol blended gasoline.**

A motor vehicle purchased or used by a county to provide county services shall not operate on gasoline other than ethanol blended gasoline as defined in section 214A.1. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline. However, the sticker is not required to be affixed to an unmarked vehicle used for purposes of providing law enforcement or security.

91 Acts, ch 254, §21; 93 Acts, ch 26, §7; 2006 Acts, ch 1142, §68

Motor vehicle purchases, restrictions, fuel economy, see §8A.362

**331.909 Multidisciplinary community services teams.**

1. A county or multicounty consortium of agencies providing health, counseling, economic assistance, education, law enforcement, or therapeutic services may establish a multidisciplinary team for the more effective planning and delivery of services to an individual or family under the following conditions:

*a.* The team complies with federal regulations regarding confidentiality.

*b.* The agencies comprising the team have written confidentiality standards.

*c.* The agencies comprising the team enter into an annual interagency agreement to comply with confidentiality standards specified in the agreement.

*d.* An agency initiating a multidisciplinary team obtains a signed agreement from an individual authorizing the team to share information concerning the individual or the individual's family on a confidential basis.

2. The activities of a multidisciplinary community services team shall not duplicate the activities of a multidisciplinary team for child abuse under section 235A.13, dependent adult abuse activities under section 235B.6, or child victim services provided under section 915.35.

3. A multidisciplinary community services team shall select a chairperson and other officers as deemed necessary by the members of the team. A multidisciplinary community services team is not a governmental body as defined in section 21.2 and is not subject to the provisions of chapter 21, relating to open meetings. Notwithstanding chapter 22, the confidentiality of information in the possession of a multidisciplinary team which is required by law to be confidential shall be maintained except as specifically provided by this section.

4. The members of a multidisciplinary community services team are expressly authorized to orally disclose personally identifying information to one another which is otherwise required by law to be confidential. Disclosure of confidential information other than oral information between team members under provisions of this section is expressly prohibited.

5. A member of a multidisciplinary community services team shall not use confidential information obtained from another team member except in the best interests of the subject of the confidential information and shall not disclose such information to another person except as otherwise authorized by law. A member of a multidisciplinary community services team who willfully uses or discloses confidential information in violation of this section commits a serious misdemeanor. Notwithstanding section 903.1, the penalty for a person convicted pursuant to this subsection is a fine of not more than five hundred dollars in the case of a first offense and not more than five thousand dollars in the case of each subsequent offense.

96 Acts, ch 1156, §1; 98 Acts, ch 1090, §70, 84; 2003 Acts, ch 180, §61

# CHAPTERS 332 and 333

RESERVED

# CHAPTER 333A

## COUNTY FINANCE COMMITTEE

Referred to in §331.421, 426B.5


333A.1 Definition.
333A.2 County finance committee.
333A.3 Office — staff — compensation.
333A.4 Powers and duties of the committee.
333A.5 Repealed by 86 Acts, ch 1245, §123.
333A.6 Repealed by 83 Acts, ch 123, §206, 209.


**333A.1 Definition.**

As used in this chapter, "*committee*" means the county finance committee.

[C81, §333A.1]

Section not amended; editorial change applied

**333A.2 County finance committee.**

1. There is created a county finance committee consisting of eight members. The members of the committee shall be:

*a.* The auditor of state or a designee of the auditor of state.

*b.* Five elected county officials who are regularly involved in budget preparation. One county official shall be from a county with a population of less than eleven thousand five hundred, one from a county with a population of more than eleven thousand five hundred but not more than sixteen thousand, one from a county with a population of more than sixteen thousand but not more than twenty-two thousand five hundred, one from a county with a population of more than twenty-two thousand five hundred but not more than eighty thousand and one from a county with a population of more than eighty thousand. The governor shall select and appoint the county officials, subject to the approval of two-thirds of the members of the senate.

*c.* A certified public accountant experienced in governmental accounting selected and appointed by the governor with the approval of two-thirds of the members of the senate.

*d.* An operations research analyst experienced in cost effectiveness analysis of county services appointed jointly by the majority and minority leaders of the senate and the speaker and the minority leader of the house of representatives.

2. The members of the committee appointed by the governor are appointed for four-year terms except that of the initial appointments, two county official members shall be appointed to two-year terms. When a county official member no longer holds the office which qualified the official for appointment, the official shall no longer be a member of the committee. Any person appointed to fill a vacancy shall be appointed to serve the unexpired term. Any member is eligible for reappointment, but a member shall not be appointed to serve more than two four-year terms.

[C81, §333A.2]

86 Acts, ch 1245, §116; 2008 Acts, ch 1156, §43, 58

Referred to in §2.32A, 331.424A

**333A.3 Office — staff — compensation.**

1. The committee is located for administrative purposes within the department of management. The director shall provide office space, staff assistance, and necessary supplies and equipment for the committee. The director shall budget funds to pay the compensation and expenses of the committee.

2. Each member is entitled to reimbursement for actual and necessary expenses incurred

in the performance of committee duties. Each member, except officers and employees of the state and full-time elected county officials, is entitled to receive a per diem as specified in section 7E.6 for each day spent in the performance of committee duties.

3. The committee shall select its own officers and meet at the call of the director of the department of management or at the request of a majority of the committee.

[C81, §333A.3]

86 Acts, ch 1245, §117; 90 Acts, ch 1250, §3; 90 Acts, ch 1256, §46

**333A.4 Powers and duties of the committee.**

The committee shall:

1. Design budget forms required by section 331.434 and annual financial report forms required by section 331.403 for all county funds.

2. Establish guidelines for program budgeting and accounting and the preparation of capital improvement plans. It shall, where practicable, use recommendations of the national council on governmental accounting or its successor organization.

3. Review and comment on county budgets to county officials and provide assistance to enable counties to improve upon and use sound financial procedures.

4. Conduct studies of county revenues and expenditures.

5. Advise and make recommendations annually to the governor and the general assembly concerning county budgets and finance.

6. Promulgate its rules in compliance with chapter 17A.

[C81, §333A.4]

83 Acts, ch 123, §155, 209

**333A.5** Repealed by 86 Acts, ch 1245, § 123.

**333A.6** Repealed by 83 Acts, ch 123, § 206, 209.

# CHAPTERS 334 and 334A

RESERVED

# CHAPTER 335

## COUNTY ZONING

Referred to in §18B.2, 306B.2, 329.7, 331.304, 331.321, 354.1, 427B.2, 455B.305, 476A.5


335.1 Where applicable.
335.2 Farms exempt.
335.3 Powers.
335.4 Areas and districts.
335.5 Regulations and comprehensive plan — considerations and objectives — notice, adoption, distribution.
335.6 Procedure — hearings — notice.
335.7 Changes — protest.
335.8 Commission appointed — powers and duties.
335.9 Administrative officer.
335.10 Board of adjustment — review and remand.
335.11 Membership of board.
335.12 Rules.
335.13 Appeals to board.
335.14 Stay of proceedings.
335.15 Powers of board.
335.16 Decision.
335.17 Vote required.
335.18 Petition to court.
335.19 Review by court.
335.20 Record advanced.
335.21 Trial to court.
335.22 Precedence.
335.23 Restraining order.
335.24 Conflict with other regulations.
335.25 Zoning for family homes.
335.26 Reserved.
335.27 Agricultural land preservation ordinance.
335.28 and 335.29 Reserved.
335.30 Manufactured and modular homes.
335.30A Land-leased communities.
335.31 Elder family homes. Repealed by 2004 Acts, ch 1101, §95.
335.32 Homes for persons with disabilities.
335.33 Elder group homes.
335.34 Home and community-based services waiver recipient residence.


**335.1 Where applicable.**

The provisions of this chapter shall be applicable to any county of the state at the option of the board of supervisors of any such county.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.1]

C93, §335.1

Referred to in §335.25

**335.2 Farms exempt.**

Except to the extent required to implement section 335.27, no ordinance adopted under this chapter applies to land, farm houses, farm barns, farm outbuildings or other buildings or structures which are primarily adapted, by reason of nature and area, for use for agricultural purposes, while so used. However, the ordinances may apply to any structure, building, dam, obstruction, deposit or excavation in or on the flood plains of any river or stream.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §358A.2; 81 Acts, ch 117, §1070; 82 Acts, ch 1245, §16]

C93, §335.2

Referred to in §335.3, 368.26, 414.23

**335.3 Powers.**

Subject to section 335.2, the board of supervisors may by ordinance regulate and restrict the height, number of structures, and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards, courts, and other open spaces, the density of population, and the location and use of buildings, structures, and land for trade, industry, residence, or other purposes, and may regulate, restrict, and prohibit the use for residential purposes of tents, trailers, and portable or potentially portable structures. However, such powers shall be exercised only with reference to land and structures located within the county but lying outside of the corporate limits of any city.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §358A.3; 81 Acts, ch 117, §1071]

C93, §335.3

**335.4 Areas and districts.**

For any and all of said purposes the board of supervisors may divide the county, or any area or areas within the county, into districts of such number, shape, and area as may be deemed best suited to carry out the purposes of this chapter; and within such districts it may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings, structures or land. All such regulations and restrictions shall be uniform for each class or kind of buildings throughout each district, but the regulations in one district may differ from those in other districts.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.4]

C93, §335.4

Referred to in §335.7

**335.5 Regulations and comprehensive plan — considerations and objectives — notice, adoption, distribution.**

1. The regulations shall be made in accordance with a comprehensive plan and designed to preserve the availability of agricultural land; to consider the protection of soil from wind and water erosion; to encourage efficient urban development patterns; to lessen congestion in the street or highway; to secure safety from fire, flood, panic, and other dangers; to protect health and the general welfare; to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to promote the conservation of energy resources; to promote reasonable access to solar energy; and to facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements. However, provisions of this section relating to the objectives of energy conservation and access to solar energy shall not be construed as voiding any zoning regulation existing on July 1, 1981, or to require zoning in a county that did not have zoning prior to July 1, 1981.

2. The regulations shall be made with reasonable consideration, among other things, as to the character of the area of the district and the peculiar suitability of such area for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such county.

3. The regulations and comprehensive plan shall be made with consideration of the smart planning principles under section 18B.1 and may include the information specified in section 18B.2, subsection 2.

4. *a.* A comprehensive plan recommended for adoption by the zoning commission established under section 335.8, may be adopted by the board of supervisors. The board of supervisors may amend a proposed comprehensive plan prior to adoption. The board of supervisors shall publish notice of the meeting at which the comprehensive plan will be considered for adoption. The notice shall be published as provided in section 331.305.

*b.* Following its adoption, copies of the comprehensive plan shall be sent or made available to neighboring counties, cities within the county, the council of governments or regional planning commission where the county is located, and public libraries within the county.

*c.* Following its adoption, a comprehensive plan may be amended by the board of supervisors at any time.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §358A.5; 81 Acts, ch 125, §1; 82 Acts, ch 1245, §17]

C93, §335.5

2010 Acts, ch 1184, §21

Referred to in §335.8

**335.6 Procedure — hearings — notice.**

The board of supervisors shall provide for the manner in which the regulations and restrictions and the boundaries of the districts shall be determined, established, and enforced, and from time to time amended, supplemented, or changed. However, the regulation, restriction, or boundary shall not become effective until after a public hearing, at which parties in interest and citizens shall have an opportunity to be heard. Notice of the time and place of the hearing shall be published as provided in section 331.305. The notice

shall state the location of the district affected by naming the township and section, and the boundaries of the district shall be expressed in terms of streets or roads if possible. The regulation, restriction, or boundary shall be adopted in compliance with section 331.302.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.6]

87 Acts, ch 31, §1; 87 Acts, ch 43, §12

C93, §335.6

Referred to in §329.9, 335.7, 427B.1, 427B.20, 657.9

**335.7 Changes — protest.**

The regulations, restrictions, and boundaries may be amended, supplemented, changed, modified, or repealed. Notwithstanding section 335.4, as a part of an ordinance changing land from one zoning district to another zoning district or an ordinance approving a site development plan, a board of supervisors may impose conditions on a property owner which are in addition to existing regulations if the additional conditions have been agreed to in writing by the property owner before the public hearing required under this section or any adjournment of the hearing. The conditions must be reasonable and imposed to satisfy public needs which are directly caused by the requested change. In case, however, of a protest against the change signed by the owners of twenty percent or more either of the area included in the proposed change, or of the area immediately adjacent to the proposed change and within five hundred feet of the boundaries of the proposed change, the amendment shall not become effective except by the favorable vote of at least sixty percent of all of the members of the board of supervisors. The provisions of section 335.6 relative to public hearings and official notice shall apply equally to all changes or amendments.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.7]

85 Acts, ch 9, §1

C93, §335.7

**335.8 Commission appointed — powers and duties.**

1. In order to avail itself of the powers conferred by this chapter, the board of supervisors shall appoint a commission, a majority of whose members shall reside within the county but outside the corporate limits of any city, to be known as the county zoning commission, to recommend the boundaries of the various original districts and appropriate regulations and restrictions to be enforced therein. Such commission shall, with due diligence, prepare a preliminary report and hold public hearings thereon before submitting its final report; and the board of supervisors shall not hold its public hearings or take action until it has received the final report of such commission. After the adoption of such regulations, restrictions, and boundaries of districts, the zoning commission may, from time to time, recommend to the board of supervisors amendments, supplements, changes or modifications.

2. The zoning commission may recommend to the board of supervisors for adoption a comprehensive plan pursuant to section 335.5, or amendments thereto.

3. The zoning commission, with the approval of the board of supervisors, may contract with professional consultants, regional planning commissions, the economic development authority, or the federal government, for local planning assistance.

[C50, 54, 58, §358A.8; C62, 66, 71, 73, §358A.8, 373.21; C75, 77, 79, 81, §358A.8]

C93, §335.8

2010 Acts, ch 1184, §22; 2011 Acts, ch 118, §85, 89

Referred to in §329.9, 331.321, 335.5, 657.9

**335.9 Administrative officer.**

The board of supervisors shall appoint an administrative officer authorized to enforce the resolutions or ordinances adopted by the board of supervisors. The administrative officer may be a person holding other public office in the county, or in a city or other governmental

subdivision within the county, and the board of supervisors is authorized to pay to the officer compensation as it deems fit.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.9]
83 Acts, ch 123, §161, 209
C93, §335.9
Referred to in §331.321

**335.10 Board of adjustment — review and remand.**

The board of supervisors shall provide for the appointment of a board of adjustment, and in the regulations and restrictions adopted pursuant to the authority of this chapter shall provide that the said board of adjustment may, in appropriate cases, and subject to appropriate conditions and safeguards, make special exceptions to the terms of the ordinances or regulations in harmony with its general purpose and intent and in accordance with the general or specific rules therein contained, and provide that any property owner aggrieved by the action of the board of supervisors in the adoption of such regulations and restrictions may petition the said board of adjustment direct to modify regulations and restrictions as applied to such property owners.

The board of supervisors may provide for its review of variances granted by the board of adjustment before their effective date. The board of supervisors may remand a decision to grant a variance to the board of adjustment for further study. If remanded, the effective date of the variance is delayed for thirty days from the date of the remand.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.10]
89 Acts, ch 55, §1
C93, §335.10
Referred to in §329.12, 331.321

**335.11 Membership of board.**

The board of adjustment shall consist of five members, a majority of whom shall reside within the county but outside the corporate limits of any city, each to be appointed for a term of five years, excepting that when the board shall first be created one member shall be appointed for a term of five years, one for a term of four years, one for a term of three years, one for a term of two years, and one for a term of one year. Members shall be removable for cause by the appointing authority upon written charges and after public hearing. Vacancies shall be filled for the unexpired term of any member whose term becomes vacant.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.11]
C93, §335.11
Referred to in §331.321

**335.12 Rules.**

The board shall adopt rules in accordance with the provisions of any regulation or ordinance adopted pursuant to this chapter. Meetings of the board shall be held at the call of the chairperson and at such other times as the board may determine. Such chairperson, or in the chairperson's absence, the acting chairperson, may administer oaths and compel the attendance of witnesses. All meetings of the board shall be open to the public. The board shall keep minutes of its proceedings, showing the vote of each member upon each question, or if absent or failing to vote, indicating such fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the board and shall be a public record.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.12]
C93, §335.12
Referred to in §329.12

**335.13 Appeals to board.**

Appeals to the board of adjustment may be taken by any person aggrieved or by any officer, department, board or bureau of the county affected by any decision of the administrative officer. Such appeal shall be taken within a reasonable time, as provided by the rules of the board of adjustment, by filing with the officer from whom the appeal is taken and with

the board of adjustment a notice of appeal specifying the grounds thereof. The officer from whom the appeal is taken shall forthwith transmit to the board of adjustment all the papers constituting the record upon which the action appealed from was taken.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.13]

C93, §335.13

Referred to in §329.12

**335.14 Stay of proceedings.**

An appeal stays all proceedings in furtherance of the action appealed from, unless the officer from whom the appeal is taken certifies to the board of adjustment after the notice of appeal shall have been filed with the officer that by reason of facts stated in the certificate a stay would, in the officer's opinion, cause imminent peril to life or property. In such case proceedings shall not be stayed otherwise than by a restraining order which may be granted by the board of adjustment or by a court of record on application on notice to the officer from whom the appeal is taken and on due cause shown.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.14]

C93, §335.14

Referred to in §329.12

**335.15 Powers of board.**

The board of adjustment shall have the following powers:

1. To hear and decide appeals where it is alleged there is error in any order, requirement, decision or determination made by an administrative official in the enforcement of this chapter or of any ordinance adopted pursuant thereto.

2. To hear and decide special exceptions to the terms of the ordinance upon which such board is required to pass under such ordinance.

3. To authorize upon appeal, in specific cases, such variance from the terms of the ordinance as will not be contrary to the public interest, where owing to special conditions a literal enforcement of the provisions of the ordinance will result in unnecessary hardship, and so that the spirit of the ordinance shall be observed and substantial justice done.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.15]

C93, §335.15

Referred to in §329.12

**335.16 Decision.**

In exercising the above mentioned powers such board may, in conformity with the provisions of this chapter, reverse or affirm, wholly or partly, or may modify the order, requirement, decision, or determination appealed from and may make such order, requirement, decision, or determination as ought to be made, and to that end shall have all the powers of the officer from whom the appeal is taken.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.16]

C93, §335.16

Referred to in §329.12

**335.17 Vote required.**

The concurring vote of three members of the board shall be necessary to reverse any order, requirement, decision, or determination of any such administrative official, or to decide in favor of the applicant on any matter upon which it is required to pass under any such ordinance or to effect any variation in such ordinance.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.17]

C93, §335.17

Referred to in §329.12

**335.18 Petition to court.**

Any person or persons, jointly or severally, aggrieved by any decision of the board of adjustment under the provisions of this chapter, or any taxpayer, or any officer, department, board or bureau of the county, may present to a court of record a petition, duly verified, setting forth that such decision is illegal, in whole or in part, specifying the grounds of the

illegality. Such petition shall be presented to the court within thirty days after the filing of the decision in the office of the board.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.18]

C93, §335.18

Referred to in §329.12, 335.22

**335.19 Review by court.**

Upon the presentation of such petition, the court may allow a writ of certiorari directed to the board of adjustment to review such decision of the board of adjustment and shall prescribe therein the time within which a return thereto must be made and served upon the relator's attorney, which shall not be less than ten days and may be extended by the court. The allowance of the writ shall not stay proceedings upon the decision appealed from, but the court may, on application, on notice to the board and on due cause shown, grant a restraining order.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.19]

C93, §335.19

Referred to in §329.12, 335.22

**335.20 Record advanced.**

The board of adjustment shall not be required to return the original papers acted upon by it, but it shall be sufficient to return certified or sworn copies thereof or of such portions hereof as may be called for by such writ. The return shall concisely set forth such other facts as may be pertinent and material to show the grounds of the decision appealed from and shall be verified.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.20]

C93, §335.20

Referred to in §329.12, 335.22

**335.21 Trial to court.**

If upon the hearing which shall be tried de novo it shall appear to the court that testimony is necessary for the proper disposition of the matter, it may take evidence or appoint a referee to take such evidence as it may direct and report the same to the court with the referee's findings of fact and conclusions of law, which shall constitute a part of the proceedings upon which the determination of the court shall be made. The court may reverse or affirm, wholly or partly, or may modify the decision brought up for review.

Costs shall not be allowed against the board unless it shall appear to the court that it acted with gross negligence or in bad faith or with malice in making the decision appealed from.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.21]

C93, §335.21

Referred to in §329.12, 335.22

**335.22 Precedence.**

All issues in any proceedings under sections 335.18 through 335.21 shall have preference over all other civil actions and proceedings.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.22]

C93, §335.22

2009 Acts, ch 133, §127

**335.23 Restraining order.**

In case any building or structure is erected, constructed, reconstructed, altered, repaired, converted, or maintained; or any building, structure, or land is used in violation of this chapter or of any ordinance or other regulation made under authority conferred thereby, the board of supervisors, in addition to other remedies, may institute any appropriate action or proceedings to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance, or use, to restrain, correct, or abate such violation, to

prevent the occupancy of said building, structure, or land, or to prevent any illegal act, conduct, business, or use in or about such premises.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.23]

C93, §335.23

**335.24 Conflict with other regulations.**

If the regulations made under this chapter require a greater width or size of yards, courts or other open spaces, or require a lower height of building or less number of stories, or require a greater percentage of lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, the regulations made under this chapter govern. If any other statute or local ordinance or regulation requires a greater width or size of yards, courts or other open spaces, or requires a lower height of building or a less number of stories, or a greater percentage of lot to be left unoccupied, or imposes other higher standards than are required by the regulations made under this chapter, the other statute or local ordinance or regulation governs. If a regulation proposed or made under this chapter relates to any structure, building, dam, obstruction, deposit, or excavation in or on the floodplains of any river or stream, prior approval of the department of natural resources is required to establish, amend, supplement, change, or modify the regulation or to grant any variation or exception from the regulation.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358A.24; 82 Acts, ch 1199, §67, 96]

C93, §335.24

2003 Acts, ch 108, §69

**335.25 Zoning for family homes.**

1. It is the intent of this section to assist in improving the quality of life of persons with a developmental disability or brain injury by integrating them into the mainstream of society by making available to them community residential opportunities in the residential areas of this state. In order to implement this intent, this section shall be liberally construed.

2. *a.* *"Brain injury"* means brain injury as defined in section 135.22.

*b.* *"Developmental disability"* means a disability of a person which has continued or can be expected to continue indefinitely and which is one of the following:

(1) Attributable to an intellectual disability, cerebral palsy, epilepsy, or autism.

(2) Attributable to any other condition found to be closely related to an intellectual disability because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with an intellectual disability or requires treatment and services similar to those required for the persons.

(3) Attributable to dyslexia resulting from a disability described in either subparagraph (1) or (2).

(4) Attributable to a mental or nervous disorder.

*c.* *"Family home"* means a community-based residential home which is licensed as a residential care facility under chapter 135C or as a child foster care facility under chapter 237 to provide room and board, personal care, habilitation services, and supervision in a family environment exclusively for not more than eight persons with a developmental disability or brain injury and any necessary support personnel. However, family home does not mean an individual foster family home licensed under chapter 237.

*d.* *"Permitted use"* means a use by right which is authorized in all residential zoning districts.

*e.* *"Residential"* means regularly used by its occupants as a permanent place of abode, which is made one's home as opposed to one's place of business and which has housekeeping and cooking facilities for its occupants only.

3. Notwithstanding the optional provision in section 335.1 and any other provision of this chapter to the contrary, a county, county board of supervisors, or a county zoning commission shall consider a family home a residential use of property for the purposes of zoning and shall treat a family home as a permitted use in all residential zones or districts, including all single-family residential zones or districts, of the county. A county, county board of supervisors, or a county zoning commission shall not require that a family home,

its owner, or operator obtain a conditional use permit, special use permit, special exception, or variance. However, new family homes owned or operated by public or private agencies shall be dispersed through the residential zones and districts and shall not be located within contiguous areas equivalent in size to city block areas. Section 135C.23, subsection 2, shall apply to all residents of a family home.

4. A restriction, reservation, condition, exception, or covenant in a subdivision plan, deed, or other instrument of or pertaining to the transfer, sale, lease, or use of property in a county which permits residential use of property but prohibits the use of property as a family home for persons with a developmental disability or brain injury, to the extent of the prohibition, is void as against the public policy of this state and shall not be given legal or equitable effect.

83 Acts, ch 11, §1
CS83, §358A.25
C93, §335.25
93 Acts, ch 90, §2; 94 Acts, ch 1023, §107; 94 Acts, ch 1170, §8; 96 Acts, ch 1129, §113; 2012 Acts, ch 1019, §126
Referred to in §135C.9, 335.32, 335.33, 504C.1

**335.26** Reserved.

**335.27 Agricultural land preservation ordinance.**

If a county adopts an agricultural land preservation ordinance under this chapter which subjects farmland to the same use restrictions provided in section 352.6 for agricultural areas, section 6B.3, subsection 1, paragraph *"f"*, and sections 352.10 to 352.12 shall apply to farms and farm operations which are subject to the agricultural land preservation ordinance.

[82 Acts, ch 1245, §15, 20]
C83, §358A.27
C93, §335.27
Referred to in §335.2, 352.6

**335.28 and 335.29** Reserved.

**335.30 Manufactured and modular homes.**

A county shall not adopt or enforce zoning regulations or other ordinances which disallow the plans and specifications of a proposed residential structure solely because the proposed structure is a manufactured home. However, a zoning ordinance or regulation shall require that a manufactured home be located and installed according to the same standards, including but not limited to, a permanent foundation system, set-back, and minimum square footage which would apply to a site-built, single family dwelling on the same lot, and shall require that the home is assessed and taxed as a site-built dwelling. A zoning ordinance or other regulation shall not require a perimeter foundation system for a manufactured home which is incompatible with the structural design of the manufactured home structure. A county shall not require more than one permanent foundation system for a manufactured home. For purposes of this section, a permanent foundation may be a pier footing foundation system designed and constructed to be compatible with the structure and the conditions of the site. When units are located outside a manufactured home community or mobile home park, requirements may be imposed which ensure visual compatibility of the permanent foundation system with surrounding residential structures. As used in this section, *"manufactured home"* means a factory-built structure, which is manufactured or constructed under the authority of 42 U.S.C. § 5403 and is to be used as a place for human habitation, but which is not constructed or equipped with a permanent hitch or other device allowing it to be moved other than for the purpose of moving to a permanent site, and which does not have permanently attached to its body or frame any wheels or axles. This section shall not be construed as abrogating a recorded restrictive covenant.

A county shall not adopt or enforce construction, building, or design ordinances, regulations, requirements, or restrictions which would mandate width standards greater than twenty-four feet, roof pitch, or other design standards for manufactured housing if

the housing otherwise complies with 42 U.S.C. § 5403. A county shall not adopt or enforce zoning or subdivision regulations or other ordinances which mandate width standards for a single modular or manufactured home which is sited upon land otherwise zoned as agricultural land. However, this paragraph shall not prohibit a county from adopting and enforcing zoning regulations related to transportation, water, sewerage, or other land development.

84 Acts, ch 1238, §1
C85, §358A.30
C93, §335.30
93 Acts, ch 154, §3; 94 Acts, ch 1110, §1; 97 Acts, ch 86, §1; 2001 Acts, ch 153, §16

**335.30A Land-leased communities.**

A county shall not adopt or enforce zoning or subdivision regulations or other ordinances which disallow or make infeasible the plans and specifications of land-leased communities because the housing within the land-leased community will be manufactured housing.

*"Land-leased community"* means any site, lot, field, or tract of land under common ownership upon which ten or more occupied manufactured homes are harbored, either free of charge or for revenue purposes, and shall include any building, structure, or enclosure used or intended for use as part of the equipment of the land-leased community. The term *"land-leased community"* shall not be construed to include homes, buildings, or other structures temporarily maintained by any individual, educational institution, or company on their own premises and used exclusively to house their own labor or students. A manufactured home located in a land-leased community shall be taxed under section 435.22 as if the manufactured home were located in a mobile home park.

97 Acts, ch 86, §2; 98 Acts, ch 1107, §10, 33
Referred to in §331.301, 364.3, 435.1, 562B.7

**335.31 Elder family homes.** Repealed by 2004 Acts, ch 1101, § 95.

**335.32 Homes for persons with disabilities.**

A county board of supervisors or county zoning commission shall consider a home for persons with disabilities a family home, as defined in section 335.25, for the purposes of zoning, in accordance with chapter 504C.

93 Acts, ch 90, §3; 94 Acts, ch 1023, §108; 2010 Acts, ch 1079, §14

**335.33 Elder group homes.**

A county board of supervisors or county zoning commission shall consider an elder group home a family home, as defined in section 335.25, for purposes of zoning, in accordance with section 231B.4, and may establish limitations regarding the proximity of one proposed elder group home to another.

93 Acts, ch 72, §7; 2005 Acts, ch 62, §22
Similar provision, see §414.31

**335.34 Home and community-based services waiver recipient residence.**

1. A county, county board of supervisors, or county zoning commission shall consider the residence of the recipient of services under a home and community-based services waiver as a residential use of property for the purposes of zoning and shall treat the use of the residence as a permitted use in all residential zones or districts, including all single-family residential zones or districts, of the county.

2. A county, county board of supervisors, or a county zoning commission shall not require that the recipient, or the owner of such a residence if other than the recipient, obtain a conditional use permit, special use permit, special exception, or variance. A county, county board of supervisors, or county zoning commission shall not establish limitations regarding the proximity of one such residence to another.

3. This section applies to the residence of a recipient of services under a home and community-based services waiver if the residence meets any of the following conditions:

*a.* The residence is a single-family dwelling owned or rented by the recipient.

*b.* The residence is a multifamily dwelling which does not hold itself out to the public as a community-based residential provider otherwise regulated by law, including but not limited to a residential care facility, and which provides dwelling units to no more than four recipients of services under a home and community-based services waiver at any one time.

4. For the purposes of this section, *"home and community-based services waiver"* means *"waiver"* as defined in section 249A.29.

2007 Acts, ch 218, §130, 132

Similar provision, see §414.32

# CHAPTER 336

## LIBRARY DISTRICTS

Referred to in §8D.2, 8D.11, 256.57, 331.303, 331.428


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**336.1** Reserved.

**336.2 Library districts formed.**

1. A library district may be established composed of one or more counties, one or more cities, or any combination of cities and counties.

2. *a.* Eligible electors residing within the proposed district in a number not less than five percent of those voting for president of the United States or governor, as the case may be, within the district at the last general election may petition the board of supervisors of the county, or the city council, for the establishment of the library district. The petition shall clearly designate the area to be included in the district, the total number of board members, and how representation on the board shall be divided among the jurisdictions.

*b.* The board of supervisors of each county and the city council of each city containing area within the proposed district shall submit the question to the registered voters within their respective counties and cities at the next general election. The petition shall be filed not less than eighty-two days before the election.

3. *a.* A library district shall be established if a majority of the electors voting on the question and residing in the proposed library district favor its establishment.

*b.* The result of the election within cities maintaining a free public library shall be considered separately, and no city shall be included within the library district unless a majority of its electors voting on the question favor its inclusion. In such cases the boundaries of an established district may vary from those of the proposed district.

4. After the establishment of a library district, other areas may be included subject to the approval of the board of trustees of the library district and the passage of a referendum by the electors of the area sought to be included.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358B.2]

C93, §336.2
95 Acts, ch 67, §53; 2001 Acts, ch 158, §26; 2002 Acts, ch 1134, §96, 115; 2010 Acts, ch 1031, §322; 2010 Acts, ch 1061, §139
Referred to in §331.381

**336.3 Gifts.**
When a gift for library purposes is accepted by a county or city, its use for the library may be enforced against the board of supervisors or city council by the library board by an action of mandamus or by other proper action.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §358B.3; 81 Acts, ch 117, §1072]
C93, §336.3
2001 Acts, ch 158, §27
Referred to in §331.381

**336.4 Library trustees.**
In any area in which a library district has been established in accordance with this chapter, a board of library trustees, consisting of five, seven, or nine members who reside within the library district, shall be appointed by the governing bodies of the jurisdictions comprising the library district.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358B.4]
C93, §336.4
2001 Acts, ch 158, §28; 2010 Acts, ch 1031, §323; 2010 Acts, ch 1193, §51
Referred to in §331.321, 331.381, 336.5

**336.5 Terms — vacancies.**
1. Of the trustees appointed in accordance with section 336.4 on boards consisting of nine members, three shall hold office for two years, three for four years, and three for six years; on boards consisting of seven members, two shall hold office for two years, two for four years, and three for six years; and on boards consisting of five members, one shall hold office for two years, two for four years, and two for six years, from the first day of July following their appointment in each case. At the first meeting of the board, members shall cast lots for their respective terms, reporting the result of such lot to the governing body of each jurisdiction forming the library district. All subsequent appointments, whatever the size of the board, shall be for terms of six years each.
2. A vacancy exists when a member ceases to be a resident of the jurisdiction the member represents or is absent for six consecutive regular meetings of the board.
3. Vacancies shall be filled for unexpired terms by the governing body of the jurisdiction represented by the vacancy.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358B.5]
C93, §336.5
2010 Acts, ch 1031, §324
Referred to in §331.321, 331.381

**336.6 Removal or absence of trustee.** Repealed by 2010 Acts, ch 1031, § 334.

**336.7 No compensation.**
Members of said board shall receive no compensation for their services.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358B.7]
C93, §336.7

**336.8 Powers.**
The board of library trustees shall have and exercise the following powers:
1. To meet and elect from among its members a president of the board, a secretary, and such other officers as the board may deem necessary.
2. To direct and control all affairs of the library district, as well as to have charge and supervision of the library and its rooms, appurtenances, and fixtures.
3. To employ a librarian and authorize the librarian to employ such assistants and

employees as may be necessary for the proper management of the library district. The board shall fix the compensation of such employees. Prior to such employment, the compensation of the librarian, assistants, and employees shall be fixed by a majority of the members of the board voting.

4. To remove, by a two-thirds vote of the board, the librarian, and provide procedures for the removal of assistants or employees for misdemeanor, incompetency, or inattention to duty.

5. To authorize the librarian to select and make purchases of books, magazines, periodicals, papers, maps, journals, furniture, fixtures, technology, and supplies for the library district.

6. To authorize the use of the public library by nonresidents of the area which is taxed to support the public library and to fix charges for library services.

7. To make and adopt, amend, modify, or repeal bylaws, rules and regulations, not inconsistent with law, for the care, use, government, and management of the public library and the business of the board, fixing and enforcing penalties for violations. The board shall keep a record of its proceedings.

8. To have exclusive control of all funds allocated for public library purposes, all moneys available by gift or otherwise for the erection of public library buildings, and all other moneys belonging to the public library, including fines and rental fees collected, under the rules of the board.

9. To accept gifts of real property, personal property, or mixed property, and devises and bequests, including trust funds; to take the title to the property in the name of the public library; to execute deeds and bills of sale for the conveyance of the property; and to expend the funds generated from the gifts, for the improvement of the public library.

10. To make agreements with local county historical associations to set apart the necessary room and to care for articles that come into the possession of the association. The board may purchase necessary receptacles and materials for the preservation and protection of articles which are of an historical and educational nature.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358B.8]
83 Acts, ch 123, §162, 209
C93, §336.8
2010 Acts, ch 1031, §325

**336.9 Methods of service.** Repealed by 2010 Acts, ch 1031, § 334.

**336.10 Library fund.**

1. All moneys appropriated or received for the maintenance of the public library shall be deposited in the treasury of the county or city, as determined by the board of library trustees, and expenditures shall be paid by the treasurer of the county or city in which the moneys are deposited on warrants ordered by the board of trustees, signed by the board's president and secretary.

2. The treasurer of the county or city in which the public library moneys are deposited pursuant to subsection 1 shall be required to furnish a bond conditioned as provided by section 64.2 in an amount as agreed upon by the participating boards of supervisors and city councils and the cost shall be paid by the participating counties and cities.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §358B.10; 81 Acts, ch 117, §1073]
83 Acts, ch 123, §163, 209
C93, §336.10
2001 Acts, ch 158, §29; 2010 Acts, ch 1031, §326

**336.11 Annual report.**

The board of library trustees shall, within ninety days after the close of each fiscal year, submit a report to the governing bodies of the respective jurisdictions comprising the library district. The report shall contain a statement of the condition of the library, the number of books and other resources added, the number of books and other resources circulated, the number of books and other resources not returned or lost, the amount of fines collected, and

the amount of money expended in the maintenance of the public library during the preceding fiscal year, together with any other information the board deems important.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358B.11]
C93, §336.11
2001 Acts, ch 158, §30; 2010 Acts, ch 1031, §327

**336.12 Real estate acquired.**

The board of library trustees may purchase real estate in the name of the library district for the location of public library buildings and branch libraries, and for the purpose of enlarging the grounds.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358B.12]
C93, §336.12
2001 Acts, ch 158, §31; 2010 Acts, ch 1031, §328

**336.13 Maintenance expense on proportionate basis.**

1. The maintenance of a public library established in accordance with this chapter shall be on the basis of each participating unit bearing its share of the total cost in proportion to its population as compared to the total population of the library district.

2. The board of library trustees shall make an estimate of the amount necessary for the maintenance of the library, the sources of direct library revenue, and the amount to be contributed from taxes or other revenues by the participating city or county and hold a hearing on the estimate after notice of the hearing is published as provided in section 331.305 or section 362.3, as appropriate. On or before January 10 of each year, the board of library trustees shall transmit the estimate in dollars to the governing bodies of the jurisdictions participating in the library district. Each board of supervisors participating shall review the estimate and appropriate for library purposes its share from the county rural services fund budget. Each city council participating shall review the estimate for the city and appropriate for library purposes its share from the city general fund budget. Each participating city or county shall contribute its share from taxation or from other sources available for library purposes on an equitable basis. With approval of a city council, the county treasurer may withhold a reasonable portion of the taxes collected for a city to meet the city's contribution for library purposes and deliver a receipt to the city clerk for the amount withheld.

3. This section shall not affect the taxing authority provided under section 256.69.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §358B.13; 81 Acts, ch 117, §1074; 82 Acts, ch 1104, §13]
83 Acts, ch 123, §164, 209; 84 Acts, ch 1168, §1
C93, §336.13
2001 Acts, ch 158, §32; 2010 Acts, ch 1031, §329

**336.14 Not applicable to contract service.**

The provisions of this chapter pertaining to the establishment of a library district shall not apply to any area receiving library service from any city library, unless the petition for a library district, in addition to the required signatures of electors, is signed by the governing body of the area receiving library service under contract.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358B.14]
C93, §336.14
2001 Acts, ch 158, §33

**336.15 Existing contracts assumed.**

Whenever a library district is established in accordance with this chapter, its board of trustees shall assume all the obligations of the existing library service contracts made by jurisdictions participating in the library district.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358B.15]
C93, §336.15
2001 Acts, ch 158, §34; 2010 Acts, ch 1031, §330

**336.16 Withdrawal from district — termination.**

1. A city may withdraw from the library district upon a majority vote in favor of withdrawal by the electorate of the city in an election held on a motion by the city council. The election shall be held simultaneously with a general or city election. Notice of a favorable vote to withdraw shall be sent by certified mail to the board of library trustees of the library district and the county auditor or city clerk, as appropriate, prior to January 10, and the withdrawal shall be effective on July 1.

2. A county may withdraw from the district after a majority of the voters of the unincorporated area of the county voting on the issue favor the withdrawal. The board of supervisors shall call for the election which shall be held at the next general election.

3. A city or county election shall not be called until a hearing has been held on the proposal to submit a proposition of withdrawal to an election. A hearing may be held only after public notice is published as provided in section 362.3 in the case of a city or section 331.305 in the case of a county. A copy of the notice submitted for publication shall be mailed to the public library on or before the date of publication. The proposal presented at the hearing must include a plan for continuing adequate library service with or without all participants and the respective allocated costs and levels of service shall be stated. At the hearing, any interested person shall be given a reasonable time to be heard, either for or against the withdrawal or the plan to accompany it.

4. A library district may be terminated if a majority of the electors of the unincorporated area of the county and the cities included in the library district voting on the issue favor the termination. If the vote favors termination, the termination shall be effective on the succeeding July 1.

5. An election for withdrawal from or termination of a library district shall not be held more than once each four years.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358B.16]

84 Acts, ch 1168, §2; 85 Acts, ch 125, §1

C93, §336.16

2001 Acts, ch 158, §35; 2002 Acts, ch 1119, §51; 2002 Acts, ch 1134, §97, 115; 2010 Acts, ch 1031, §331; 2010 Acts, ch 1061, §140; 2011 Acts, ch 25, §33

**336.17 Historical association.** Repealed by 2010 Acts, ch 1031, § 334. See § 336.8.

**336.18 Contracts to use city library.**

1. A school corporation, township, or library district may contract for the use by its residents of a city library. A contract by a county shall supersede all contracts by townships or school corporations within the county outside of cities.

2. *a.* Contracts shall provide for the amount to be contributed. They may, by mutual consent of the contracting parties, be terminated at any time. They may also be terminated by a majority of the voters represented by either of the contracting parties, voting on the question to terminate which shall be submitted by the governing body upon a written petition of eligible electors in a number not less than five percent of those who voted in the area for president of the United States or governor at the last general election.

*b.* The question may be submitted at any election provided by law which covers the area of the unit seeking to terminate the contract. The petition shall be presented to the governing body not less than ten days before the last day candidates may file nomination petitions for the election at which the question is to be submitted.

3. The board of trustees of any township which has entered into a contract shall at the April meeting levy a tax not exceeding six and three-fourths cents per thousand dollars of assessed valuation on all taxable property in the township to create a fund to fulfill its obligation under the contract.

4. *a.* Eligible electors of that part of any county outside of cities in a number of not less than twenty-five percent of those in the area who voted for president of the United States or governor at the last general election may petition the board of supervisors to submit the question of requiring the board to provide library service for them and their area by contract as provided by this section.

*b.* The board of supervisors shall submit the question to the voters of the county residing outside of cities at the next general election. The petition shall be filed not less than ten days before the last day candidates may file nomination petitions for the election at which the question is to be submitted.

*c.* If a majority of those voting upon the question favors it, the board of supervisors shall contract with a library for library use or service for the benefit of the residents and area represented by it.

[S13, §592-a, 792-a; SS15, §422; C24, 27, 31, 35, 39, § **5859, 5861 – 5863;** C46, 50, 54, 58, 62, 66, 71, 73, §378.11, 378.13 – 378.15; C75, 77, 79, 81, S81, §358B.18; 81 Acts, ch 117, §1075]

83 Acts, ch 123, §166, 167, 209

C93, §336.18

2001 Acts, ch 56, §25, 26; 2001 Acts, ch 158, §36; 2002 Acts, ch 1134, §98, 99, 115; 2010 Acts, ch 1031, §332

Referred to in §331.321, 331.381

**336.19 Contracts for use of public library.**

1. *Contracting.* The board of library trustees may contract with any other board of trustees of a free public library or any other city, school corporation, institution of higher learning, township, or county, or with the trustees of any county library district for the use of the library by their respective residents.

2. *Termination.* A contract entered into pursuant to subsection 1 may be terminated as follows:

*a.* By mutual consent of the contracting parties.

*b.* By a majority vote of the electors represented by either of the contracting parties. Upon a written petition of a number of eligible electors equaling five percent or more of the number of electors voting at the last general election within the jurisdiction of the contracting party, a termination proposition shall be submitted to the electors by the governing body of the contracting party. The petition shall be presented to the governing body not less than forty days prior to the next general election or special election held throughout the jurisdiction of the party seeking to terminate the contract. The proposition shall be submitted at the next general election or next special election held throughout the jurisdiction of the party seeking to terminate the contract.

2010 Acts, ch 1031, §333

# CHAPTERS 336A to 341

RESERVED

# CHAPTER 341A

## CIVIL SERVICE FOR DEPUTY COUNTY SHERIFFS

Referred to in §80F.1, 331.652


341A.1 Definitions.
341A.2 Civil service commission.
341A.3 Combined civil service system.
341A.4 Statutory authority.
341A.5 Organization.
341A.6 Powers and duties.
341A.7 Classifications.
341A.8 Bases of appointments and promotions.
341A.9 Appointment as of effective date.
341A.10 Citizenship.
341A.11 Probationary period — permanent status.
341A.12 Discipline — hearing — appeals.
341A.13 Vacant positions filled.
341A.14 Payroll certified.
341A.15 Leave of absence.
341A.16 Civil suits.
341A.17 Examination or registration right.
341A.18 Civil rights respected.
341A.19 Aid from all county officers and employees.
341A.20 Budget.
341A.21 Misdemeanor.


**341A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commission"* means the civil service commission or a combined county civil service commission created pursuant to the provisions of this chapter.

2. *"Commissioner"* means a member of the commission defined in subsection 1.

3. *"County"* means a single county or several counties combined for the purposes enumerated in section 341A.3.

[C75, 77, 79, 81, §341A.1]

**341A.2 Civil service commission.**

1. Subject to the alternate plan enumerated in section 341A.3, there is created in each county a civil service commission composed of three members. Two members shall be appointed by the county board of supervisors and one member shall be appointed by the county attorney of each county. Appointees to the commission shall be residents of the county for at least two years immediately preceding appointment, and shall be electors. Terms of office shall be six years; however, the initial members of the commission shall be appointed as follows:

*a.* One of the members appointed by the board of supervisors shall serve for a period of two years while the other member shall serve for a period of six years and the board shall specify the term of each member so appointed.

*b.* The member appointed by the county attorney shall serve for a period of four years.

2. Any member of the commission may be removed by the appointing authority for incompetence, dereliction of duty, malfeasance in office, or for other good cause; however, no member of the commission shall be removed until apprised in writing of the nature of the charges against the member and a hearing on such charges has been held before the board of supervisors. In the event a vacancy occurs in the commission for any reason other than expiration of the term, an appointment to fill the vacancy for the unexpired term shall be made in the same manner as the original appointment.

3. A majority vote of the membership of the commission shall be sufficient to transact the business of the commission.

4. Not more than two commissioners shall be members of the same political party. Commissioners shall hold no elective or other appointive public office during their terms of appointment to the commission. Commissioners shall serve without compensation but shall be reimbursed for necessary expense and mileage incurred in the actual performance of their duties.

[C75, 77, 79, 81, §341A.2]

2000 Acts, ch 1057, §3; 2013 Acts, ch 30, §77

Referred to in §331.321, 331.756(61), 341A.3

Section amended

**341A.3 Combined civil service system.**

Any combination of counties in this state may, by resolution of the boards of supervisors in each county, establish a combined civil service system to serve such counties. The specific terms of the agreement regarding the operation of the combined civil service system, including the appointment of qualified commissioners, and any other matters pertinent to the operation of such system shall be contained in the resolutions adopted by the respective boards of supervisors of the participating counties. Counties participating in a combined civil service system need not be contiguous.

Appointment of commissioners in combined counties shall be by joint meeting of the boards of supervisors and county attorneys, respectively. Each group meeting jointly shall appoint one commissioner whose term shall be six years, except that initial terms shall be as provided in section 341A.2.

[C75, 77, 79, 81, §341A.3]

2000 Acts, ch 1057, §4

Referred to in §331.321, 331.756(61), 341A.1, 341A.2

**341A.4 Statutory authority.**

If a county or combination of counties has a civil service commission, this commission shall serve as the commission established by this chapter and shall have all the powers and duties provided by this chapter.

If more than one civil service commission exists, the one from the county with the largest population shall serve as the commission under this chapter.

[C75, 77, 79, 81, §341A.4]

**341A.5 Organization.**

The commission shall hold an organizational meeting immediately after its establishment and shall elect one of its members as chairperson. The commission shall hold regular meetings at least once annually, and may hold additional meetings as may be required in the fulfillment of its responsibilities. All commission meetings shall be public meetings.

The commission shall appoint a personnel director who shall act as its secretary and such other personnel as may be necessary. The personnel director shall keep and preserve all records of the commission, including reports submitted to it and examinations held under its direction, advise the commission in all matters pertaining to the civil service system, and perform such other duties as the commission may prescribe. The commission may add the personnel director's duties to a presently employed county employee.

[C75, 77, 79, 81, §341A.5]

89 Acts, ch 187, §1

**341A.6 Powers and duties.**

The commission shall have the following powers and duties:

1. To adopt, and amend as necessary, rules pursuant to the provisions of this chapter, which shall specify the manner in which examinations are to be held and appointments, promotions, transfers, reinstatements, demotions, suspensions, and discharges are to be made. The rules may make such other provisions regarding personnel administration and practices as are necessary or desirable in carrying out the purposes of this chapter. The commission rules, and their amendments, shall be printed and made available without cost to the public.

2. To administer practical tests designed to determine the ability of persons examined to perform the duties of the position for which they are seeking appointment. Such tests shall be designed and prepared by the director of the Iowa law enforcement academy, shall be administered by each commission in a uniform manner prescribed by the director, and shall be consistent with standards established pursuant to chapter 80B governing standards for employment of Iowa law enforcement officers. Notice of such tests shall be posted in the office of the sheriff and the office of the board of supervisors not less than thirty days prior to giving such tests.

3. To conduct and prepare annual investigations and reports concerning the effectiveness

of, and compliance with, the provisions of this chapter and the rules adopted by the commission, and pursuant thereto, to inspect all departments, offices, and positions of employment affected by this chapter. In making such investigations a commissioner or the personnel director may administer oaths, issue subpoenas and require the attendance of witnesses and the production of books, documents, and accounts pertaining to such investigation, and may also cause the deposition of witnesses to be taken as in civil actions in the district court.

4. To conduct informal hearings concerning matters contemplated by this chapter. The validity of any such hearing shall not be affected by the manner in which it is conducted, however, a majority of the commissioners shall affirm all orders, rules, and decisions made pursuant to such hearings.

5. To hear and determine appeals or complaints respecting the allocation of positions of employment, rejection of those persons certified to the sheriff for appointment, and such other matters as may be referred to the commission.

6. To arrange, compile, and administer competitive tests to determine the relative qualifications of persons seeking employment in any class of position and as a result thereof establish eligible lists for the various classes of positions, and provide that persons discharged because of curtailment of expenditures, reduction in force, and for like causes, head the list in the order of their seniority, to the end that they shall be the first to be reemployed. Notice of competitive tests to be given shall be published at least two weeks prior to holding the tests in a newspaper of general circulation in the county or counties in which a vacancy exists.

7. To certify to the county sheriff when a vacant position is to be filled, on written request, a list of the names of the persons passing the examination.

8. To keep such records as may be necessary for the proper administration of this chapter.

9. To classify deputy sheriffs and subdivide them into groups according to rank and grade which shall be based upon the duties and responsibilities of the deputy sheriffs.

10. To purchase all necessary supplies, enter into contracts, and do all things necessary to carry out the provisions of this chapter.

11. To keep records of the service of each employee in the classified service. These records shall contain facts and statements on all matters relating to the character and quality of the work done and the attitude of the individual to the work. All such service records and employee records shall be subject only to the inspection of the commission.

[C75, 77, 79, 81, §341A.6]

2012 Acts, ch 1023, §157

**341A.7 Classifications.**

1. The classified civil service positions covered by this chapter include persons actually serving as deputy sheriffs who are salaried pursuant to section 331.904, subsection 2, but do not include a chief deputy sheriff, two second deputy sheriffs in counties with a population of more than one hundred thousand, three second deputy sheriffs in counties with a population of more than one hundred fifty thousand, and four second deputy sheriffs in counties with a population of more than two hundred thousand. However, a chief deputy sheriff or second deputy sheriff who becomes a candidate for a partisan elective office for remuneration is subject to section 341A.18. A deputy sheriff serving with permanent rank under this chapter may be designated chief deputy sheriff or second deputy sheriff and retain that rank during the period of service as chief deputy sheriff or second deputy sheriff and shall, upon termination of the duties as chief deputy sheriff or second deputy sheriff, revert to the permanent rank.

2. If the positions of two second deputy sheriffs of a county were exempt from classified civil service coverage under this chapter based on the 1980 decennial census, the two second deputy positions shall remain exempt from classified civil service coverage under this chapter.

[C75, 77, 79, 81, S81, §341A.7; 81 Acts, ch 117, §1219]

90 Acts, ch 1119, §1; 91 Acts, ch 110, §1; 2008 Acts, ch 1184, §68, 69

Referred to in §341A.9

**341A.8 Bases of appointments and promotions.**

All appointments to and promotions to classified civil service positions in the office of county sheriff shall be made solely on merit, efficiency, and fitness, which shall be ascertained by open competitive examinations and impartial investigations, and no person in the classified civil service shall be reinstated in or transferred, suspended, or discharged from any such place, position, or employment contrary to the provisions of this chapter.

Whenever possible, vacancies shall be filled by promotion. Promotion shall be made from among deputy sheriffs qualified by competitive examination, training and experience to fill the vacancies and whose length of service entitles them to consideration. The commission shall for the purpose of certifying to the sheriff the list of deputy sheriffs eligible for promotion, rate the qualified deputy sheriffs on the basis of their service record, experience in the work, seniority, and military service ratings. Seniority shall be controlling only when other factors are equal. The names of not more than the ten highest on the list of ratings shall be certified. The certified eligible list for promotion shall hold preference for promotion until the beginning of a new examination, but in no case shall such preference continue longer than two years following the date of certification, after which said list shall be canceled and no promotion to such grade shall be made until a new list has been certified eligible for promotion. The sheriff shall appoint one of the ten certified persons.

[C75, 77, 79, 81, §341A.8]

Referred to in §341A.9

**341A.9 Appointment as of effective date.**

All persons holding a position on August 15, 1973, which is deemed classified by section 341A.7 are eligible for a permanent appointment under civil service to the offices or positions currently held if they qualify for appointment pursuant to section 341A.8, and every such person shall be inducted permanently into civil service in the office or position of employment which the person then holds. The commission shall designate a permanent rank for those persons as chief deputy on August 15, 1973, and such persons shall be inducted permanently into civil service in that rank.

[C75, 77, 79, 81, §341A.9]

**341A.10 Citizenship.**

An applicant for any position under civil service shall be a citizen of the United States who can read and write the English language, and shall meet the minimum requirements of the Iowa law enforcement academy for a law enforcement officer.

[C75, 77, 79, 81, §341A.10]

**341A.11 Probationary period — permanent status.**

The tenure of every deputy sheriff holding an office or position of employment under the provisions of this chapter shall be conditional upon a probationary period. If the employee has successfully completed training at the Iowa law enforcement academy or a regional training facility certified by the director of the Iowa law enforcement academy prior to initial appointment as a deputy sheriff, the probationary period shall be for a period of up to nine months and shall commence with the date of initial appointment as a deputy sheriff. If the employee has not successfully completed training at the Iowa law enforcement academy or a regional training facility certified by the director of the Iowa law enforcement academy prior to initial appointment as a deputy sheriff, the probationary period shall commence with the date of initial employment as a deputy sheriff and shall continue for a period of up to nine months following the date of successful completion of training at the Iowa law enforcement academy or a regional training facility certified by the director of the Iowa law enforcement academy. During the probationary period, the appointee may be removed or discharged by the sheriff without the right of appeal to the commission. Each deputy sheriff who transfers from one jurisdiction to another shall be employed subject to a probationary period of up to nine months. After the probationary period, the deputy sheriff may be removed or discharged, suspended without pay, demoted, or reduced in rank, or deprived of vacation privileges or other privileges for any of the following reasons:

1. Incompetency, inefficiency, or inattention to or dereliction of duty.
2. Dishonesty, intemperance, immoral conduct, insubordination, discourteous treatment of the public or a fellow employee, or any other act of omission or commission tending to injure the public, or any other willful failure to properly conduct oneself, or any willful violation of the provisions of this chapter or the rules to be adopted hereunder.
3. Mental or physical unfitness for the position held.
4. Dishonest, disgraceful, or prejudicial conduct.
5. Drunkenness or habitual use of intoxicating liquor, or use of narcotics, or any other habit-forming drug, liquid, preparation or controlled substance.
6. Conviction of a felony or a misdemeanor involving moral turpitude.
7. Any other act or failure to act or to follow reasonable regulations prescribed by the sheriff which in the judgment of the commission is sufficient to show the offender to be unsuitable or unfit for employment.

[C75, 77, 79, 81, §341A.11]
98 Acts, ch 1124, §2

**341A.12 Discipline — hearing — appeals.**

1. No person in the classified civil service who has been permanently appointed or inducted into civil service under provisions of this chapter shall be removed, suspended, or demoted except for cause, and only upon written accusation of the county sheriff, which shall be served upon the accused, and a duplicate filed with the commission. Any person so removed, suspended, or reduced in rank or grade may, within ten days after presentation to the person of the order of removal, suspension or reduction, appeal to the commission from such order. The commission shall, within two weeks from the filing of such appeal, hold a hearing thereon, and fully hear and determine the matter, and either affirm, modify, or revoke such order. The appellant shall be entitled to appear in person, produce evidence, and to have counsel. The finding and decision of the commission shall be certified to the sheriff, and shall be enforced and followed by the sheriff, but under no condition shall the employee who has appealed to the commission be permanently removed, suspended, or reduced in rank until such finding and decision of the commission is certified to the sheriff pursuant to the rules of civil procedure.
2. The county or the accused may appeal from the commission's finding and decision to the district court of the county where the accused resides. Such appeal shall be taken by serving upon the commission within thirty days after the entry of its finding and decision, a written notice of appeal, stating the grounds thereof, and demanding that a certified transcript of the record and of all papers on file in the office of the commission affecting or relating to its finding and decision, be filed by the commission with the court. The commission shall, within ten days after the filing of the notice make, certify, and file such transcript with the court. The court shall proceed to hear and determine the appeal in a summary manner. Such hearing shall be confined to the determination of whether the finding and decision of the commission to affirm, modify, or revoke the order of the sheriff was made in good faith and for cause, and no appeal shall be taken except upon such grounds. The decision of the district court may be appealed to the supreme court.

[C75, 77, 79, 81, §341A.12]
2007 Acts, ch 58, §1; 2008 Acts, ch 1031, §46
Referred to in §80F.1
Internal investigations and rights of peace officers and public safety and emergency personnel, see §80F.1

**341A.13 Vacant positions filled.**

Whenever a position in the classified service is to be filled, the sheriff shall notify the commission of that fact, and the commission shall certify the names and addresses of the ten candidates standing highest on the eligibility list for the class or grade for the position to be filled. The sheriff shall appoint one of the ten persons so certified, and the appointment shall be deemed permanent.

[C75, 77, 79, 81, §341A.13]

**341A.14 Payroll certified.**

No treasurer, auditor, or other officer, or employee of any county subject to this chapter shall approve the payment of or be in any manner involved in paying, auditing, or approving salary, wage, or other compensation for services to any person subject to the provisions of this chapter, unless a payroll, estimate, or account for such salary, wage or other compensation containing the names of the persons to be paid, the amount to be paid to each person, the services on account of which same is paid, and any other information which, in the judgment of the civil service commission should be furnished on such payroll, bears the certificate of the civil service commission, or of its personnel director or other duly authorized agent. The certificate shall state that the persons named therein have been appointed or employed in compliance with the terms of this chapter and the rules of the commission, and that the payroll, estimate, or account is, insofar as known to the commission, a true and accurate statement. The commission shall refuse to certify the pay of any public officer or employee whom it finds to be illegally or improperly appointed, and may further refuse to certify the pay of any public officer or employee who, willfully or through culpable negligence, violates or fails to comply with this chapter or with the rules of the commission.

[C75, 77, 79, 81, §341A.14]

**341A.15 Leave of absence.**

Leave of absence, without pay, may be granted by any county sheriff to any person under civil service. The sheriff shall give notice of leave to the commission.

[C75, 77, 79, 81, §341A.15]

2013 Acts, ch 90, §94

Section amended

**341A.16 Civil suits.**

The commission shall initiate and conduct all civil suits necessary for the proper enforcement of this chapter and the rules of the commission. The commission shall be represented in such suits by the county attorney. In the case of the combined counties, any one or more of the county attorneys of such combined counties may be selected by the commission to represent it.

[C75, 77, 79, 81, §341A.16]

Referred to in §331.756(62)

**341A.17 Examination or registration right.**

A commissioner or any other person shall not, in person or in cooperation with another, deceive or obstruct any person in respect to the person's right of examination or registration according to the commission rules, or falsely mark, grade, estimate, or report upon the examination or proper standing of any person examined, registered, or certified pursuant to this chapter, or aid in so doing, or make any false representation concerning the same, or concerning the person examined. A commissioner or other person shall not furnish any person with special or secret information for the purpose of improving or reducing the prospects or chances of any person who is or will be examined, registered, or certified, or persuade any other person, or permit or aid in any manner any other person to impersonate the person who is or will be examined, registered, or certified, in connection with any examination or registration of application or request to be examined or registered. The right of any person to an appointment or promotion shall not be withheld because of sex, color, creed, national origin, political affiliation or belief, nor shall any person be dismissed, demoted, or reduced in grade for such reason.

[C75, 77, 79, 81, §341A.17]

2012 Acts, ch 1023, §157

**341A.18 Civil rights respected.**

A person shall not be appointed or promoted to, or demoted or discharged from, any position subject to civil service, or in any way favored or discriminated against with respect to employment in the sheriff's office because of the person's political or religious opinions or affiliations or race or national origin or sex, or age.

A person holding a position subject to civil service shall not, during the person's scheduled working hours or when performing duties or when using county equipment or at any time on county property, take part in any way in soliciting any contribution for any political party or any person seeking political office, nor shall such employee engage in any political activity that will impair the employee's efficiency during working hours or cause the employee to be tardy or absent from work. The provisions of this section do not preclude any employee from holding any office for which no pay is received or any office for which only token pay is received.

A person shall not seek or attempt to use any political endorsement in connection with any appointment to a position subject to civil service.

A person shall not use or promise to use, directly or indirectly, any official authority or influence, whether possessed or anticipated, to secure or attempt to secure for any person an appointment or advantage in the appointment to a position subject to civil service, or an increase in pay or other advantage in employment in any such position, for the purpose of influencing the vote or political action of any person or for any consideration.

An employee shall not use the employee's official authority or influence for the purpose of interfering with an election or affecting the results thereof.

Any officer or employee subject to civil service who violates any of the provisions of this section shall be subject to suspension, dismissal, or demotion subject to the right of appeal herein.

All employees shall retain the right to vote as they please and to express their opinions on all subjects.

An officer or employee subject to civil service and a chief deputy sheriff or second deputy sheriff, who becomes a candidate for a partisan elective office for remuneration, upon request, shall automatically be given a leave of absence without pay, commencing thirty days before the date of the primary election and continuing until the person is eliminated as a candidate or wins the primary, and commencing thirty days before the date of the general election and continuing until the person is eliminated as a candidate or wins the general election, and during the leave period shall not perform any duties connected with the office or position so held. The officer or employee subject to civil service, or chief deputy sheriff or second deputy sheriff, may, however, use accumulated paid vacation time for part or all of any leave of absence under this section. The county shall continue to provide health benefit coverages, and may continue to provide other fringe benefits, to any officer or employee subject to civil service, or to any chief deputy sheriff or second deputy sheriff during any leave of absence under this section.

[C75, 77, 79, 81, §341A.18]

90 Acts, ch 1119, §2; 2000 Acts, ch 1033, §1, 2

Referred to in §80F.1, 341A.7

**341A.19 Aid from all county officers and employees.**

All officers and employees of each county shall aid in carrying out the provisions of this chapter. Rules as may, from time to time, be prescribed by the commission shall afford the commission, its members, and employees, all reasonable facilities and assistance in the inspection of books, documents, and accounts applying or in any way pertaining to all offices, places, positions, and employments subject to civil service. All officers and employees of a county shall produce books, documents, and accounts, and attend and testify, whenever required to do so by the commission or any commissioner.

[C75, 77, 79, 81, §341A.19]

**341A.20 Budget.**

The county board of supervisors of each county shall provide in the county budget for each fiscal year a sum equal to one-half of one percent of the preceding year's total payroll of those included under the jurisdiction and scope of this chapter. The funds so provided shall be used for the support of the commission. Any part of the funds not expended for the support of the commission during the fiscal year shall be returned to the county, or counties, according

to the ratio of contribution, on the first day of January which is not a Saturday, Sunday, or holiday following the end of the fiscal year.

[C75, 77, 79, 81, §341A.20]

83 Acts, ch 123, §156, 209

Referred to in §331.324, 331.427

**341A.21 Misdemeanor.**

Any person who willfully violates any of the provisions of this chapter shall be guilty of a simple misdemeanor. The district court shall have jurisdiction of all such offenses.

[C75, 77, 79, 81, §341A.21]

# CHAPTERS 342 to 345

RESERVED

# CHAPTER 346

## JOINT COUNTY AND CITY BUILDINGS

346.1 through 346.23 Repealed by 81 Acts, ch 117, §1097.
346.24 Limit on indebtedness for general purposes.
346.25 and 346.26 Repealed by 81 Acts, ch 117, §1097.
346.27 "Authority" for control of joint property.

**346.1 through 346.23** Repealed by 81 Acts, ch 117, § 1097.

**346.24 Limit on indebtedness for general purposes.**

No county or other political corporation shall become indebted for its general or ordinary purposes to an amount exceeding in the aggregate one and one-fourth percent of the actual value of the taxable property within the corporation. The value of property shall be ascertained by the last tax list previous to the incurring of the indebtedness. Indebtedness incurred by a county solely for poor relief purposes is not for its general or ordinary purposes.

[S13, §1306-b; C24, 27, 31, 35, 39, §**6238;** C46, 50, 54, 58, 62, 66, 71, 73, §407.1; C75, 77, 79, 81, §346.24]

**346.25 and 346.26** Repealed by 81 Acts, ch 117, § 1097.

**346.27 "Authority" for control of joint property.**

1. Any joint building acquired, owned, erected, constructed, controlled, or occupied in accordance with the authorization contained in this section is declared to be acquired, owned, erected, constructed, controlled, or occupied for a public purpose and as a matter of public need.

2. Any county may join with its county seat to incorporate an "Authority" for the purpose of acquiring, constructing, demolishing, improving, enlarging, equipping, furnishing, repairing, maintaining, and operating a public building, and to acquire and prepare the necessary site, including demolition of any structures, for the joint use of the county and city or any school district which is within or is a part of the county or city.

3. The incorporation of an authority shall be accomplished by the adoption of articles of incorporation by the governing body of each incorporating unit. For adoption, the affirmative vote of a majority of the members of each governing body is required. The

articles of incorporation shall be executed for and on behalf of each incorporating unit by the following officers:

*a.* For the county, by the chairperson of the board of supervisors.

*b.* For the city, by its mayor and city clerk.

4. The articles of incorporation shall set forth the name of the authority, the name of the incorporating units, the purpose for which the authority is created, the number, terms, and manner of selection of its officers including its governing body which shall be known as the "*commission*", the powers and duties of the authority and of its officers, the date upon which the authority becomes effective, the name of the newspaper in which the articles of incorporation shall be published, and any other matters.

5. The authority shall be directed and governed by a board of commissioners of three members, one to be elected by the board of supervisors of the county from the area outside of the county seat, one to be elected by the council of the city from the area inside the city, and one to be elected by the joint action of the board of supervisors of the county and the council of the city, and if the governing bodies are unable to agree upon a choice for the third member within sixty days of the election of the first member, then the third member shall be appointed by the governor. The commissioners shall serve for six-year terms. Of the first appointees, the member appointed by the board of supervisors shall be for a term of two years, the member appointed by the city council shall be for a term of four years, and the member appointed by the joint action of the board and council shall be for a term of six years. The board of commissioners shall designate one of their number as chairperson, one as secretary, and one as treasurer, and shall adopt bylaws and rules of procedure and provide therein for regular meetings and for the proper safekeeping of its records. No commissioner shall receive any compensation in connection with services as commissioner. Each commissioner, however, shall be entitled to reimbursement for any necessary expenditures in connection with the performance of the commissioner's duties.

6. The articles of incorporation shall be recorded in the office of the county recorder and filed with the secretary of state, and shall be published once in a newspaper designated in the articles of incorporation and having a general circulation within the county, and upon such recording and publication, the authority shall be deemed to come into existence.

7. Amendments may be made to the articles of incorporation if adopted by the governing body of each incorporating unit; provided that no amendment shall impair the obligation of any bond or other contract. Each amendment shall be adopted, executed, recorded and published in the same manner as specified for the original articles of incorporation.

8. Any incorporating unit may make donations of property, real or personal, including gratuitous lease, to the authority as deemed proper and appropriate in aiding the authority to effectuate its purposes.

9. The authority shall be a body corporate with power to sue and be sued in any court of this state, have a seal and alter the same at its pleasure, and make and execute contracts, leases, deeds, and other instruments necessary or convenient to the exercise of its powers. In addition, it shall have and exercise the following public and essential governmental powers and functions and all other powers incidental or necessary to carry out and effectuate its express powers:

*a.* To select, locate, and designate an area lying wholly within the territorial limits of the county seat of the county in which the authority is incorporated as the site to be acquired for the construction, alteration, enlargement, or improvement of a building. The site selected is subject to approval by a majority of the members of each governing body of the incorporating units.

*b.* To acquire in the corporate name of the authority the fee simple title to the real property located within the area by purchase, gift, devise, or by the exercise of the power of eminent domain consistent with the provisions of chapters 6A and 6B, or to take possession of real estate by lease.

*c.* To demolish, repair, alter, or improve any building within the designated area, to construct a new building within the area and to furnish, equip, maintain, and operate the building.

*d.* To construct, repair, and install streets, sidewalks, sewers, water pipes, and other similar facilities and otherwise improve the site.

*e.* To make provisions for off-street parking facilities.

*f.* To operate, maintain, manage, and enter into contracts for the operation, maintenance, and management of buildings, and to provide rules for the operation, maintenance and management.

*g.* To employ and fix the compensation of technical, professional, and clerical assistance as necessary and expedient to accomplish the objects and purposes of the authority.

*h.* To lease all or any part of a building to the incorporating units for a period of time not to exceed fifty years, upon rental terms agreed upon between the authority and the incorporating units. The rentals specified shall be subject to increase by agreement of the incorporating units and the authority if necessary in order to provide funds to meet obligations.

*i.* To procure insurance of any and all kinds in connection with the building. The bidding procedures provided in section 73A.18 shall be utilized in the procurement of insurance.

*j.* To accept donations, contributions, capital grants, or gifts from individuals, associations, municipal and private corporations, and the United States, or any agency or instrumentality thereof, and to enter into agreements in connection therewith.

*k.* To borrow money and to issue and sell revenue bonds in an amount and with maturity dates not in excess of fifty years from date of issue, to provide funds for the purpose of acquiring, constructing, demolishing, improving, enlarging, equipping, furnishing, repairing, maintaining, and operating buildings, and to acquire and prepare sites, convenient therefor, and to pay all incidental costs and expenses, including, but not limited to architectural, engineering, legal, and financing expense and to refund and refinance revenue bonds as often as deemed advantageous by the board of commissioners.

*l.* The provisions of chapter 73A applicable to other municipalities are applicable to an authority.

10. *a.* After the incorporation of an authority, and before the sale of any issue of revenue bonds, except refunding bonds, the authority shall submit to the voters the question of whether the authority shall issue and sell revenue bonds. The ballot shall state the amount of the bonds and the purposes for which the authority is incorporated. All registered voters of the county shall be entitled to vote on the question. The question may be submitted at an election held on a date specified in section 39.2, subsection 4, paragraph "*a*" or "*b*", as applicable. An affirmative vote of a majority of the votes cast on the question is required to authorize the issuance and sale of revenue bonds.

*b.* In addition to the notice required by section 49.53, a notice of the election shall be published once each week for at least two weeks in some newspaper published in the county stating the date of the election, the hours the polls will be open, and a copy of the question. The authority shall call this election with the concurrence of both incorporating units. The election shall be conducted by the commissioner in accordance with the provisions of chapters 49 and 50.

11. When the board of commissioners decides to issue bonds subject to the election requirement, it shall adopt a resolution describing the area to be acquired, the nature of the existing improvements, the disposition to be made of the improvements, and a general description of any new buildings to be constructed.

12. The resolution shall set out the limit of the cost of the project, including the cost of acquiring and preparing the site, determine the period of usefulness and fix the amount of revenue bonds to be issued, the date or dates of maturity, the dates on which interest is payable, the sinking fund provisions, and all other details in connection with the bonds. The board shall determine and fix the rate of interest of any revenue bonds issued, in a resolution adopted by the board prior to the issuance. The resolution, trust agreement, or other contract entered into with the bondholders may contain covenants and restrictions concerning the issuance of additional revenue bonds as necessary or advisable for the assurance of the payment of the bonds authorized.

13. Bonds shall be issued in the name of the authority and are declared to have all the qualities and incidents of negotiable instruments under the laws of this state.

14. Bonds issued under this section may be issued as serial or term bonds, shall be of such denomination or denominations and form, including interest coupons to be attached, shall be payable at such place or places and bear such date as the board of commissioners fix by the resolution authorizing the bonds, shall mature within a period not to exceed fifty years, and may be redeemable prior to maturity with or without premium, at the option of the board of commissioners, upon terms and conditions the board shall fix by the resolution authorizing the issuance of bonds. The board of commissioners may provide for the registration of bonds in the name of the owner as to the principal alone or as to both principal and interest upon terms and conditions the board determines. All bonds issued by an authority shall be sold at a price so that the interest cost to the commission of the proceeds of the bonds shall not exceed that permitted by chapter 74A, payable semiannually, computed to maturity, and shall be sold in the manner and at the time the board of commissioners determines.

15. Bonds issued by an authority, and the interest thereon, shall be payable solely from the revenues derived from the operation, management, or use of the buildings acquired or to be acquired by the authority, which revenues shall include payments received under any leases or other contracts for the use of the buildings. Bonds shall recite that the principal and interest thereon are payable only from the revenues pledged, and shall state on their face that they are not an indebtedness of the authority or a claim against the property of the authority.

16. Bonds shall be executed in the name of the commission by the chairperson of the board of commissioners or by another officer of the commission as the board, by resolution, may direct, and be attested by the secretary, or by another officer of the commission as the board, by resolution, may direct, and shall be sealed with the commission's corporate seal. In case any officer whose signature appears on the bonds or coupons shall cease to be such officer before delivery of the bonds, the officer's signature shall be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

17. In its discretion, the authority may issue refunding bonds to refund its bonds prior to their maturity, refund its outstanding matured bonds, refund matured coupons evidencing interest upon its outstanding bonds, refund interest at the coupon rate that has accrued upon its outstanding matured bonds, and refund its bonds which by their terms are subject to call or redemption before maturity. All bonds redeemed or purchased shall be canceled.

18. To secure the payment of revenue bonds and for the purpose of setting forth the covenants and undertakings of the authority in connection with the issuance of revenue bonds and the issuance of any additional revenue bonds payable from such revenue income to be derived from the operation, management, or use of the buildings acquired or to be acquired by the authority, the authority may execute and deliver a trust agreement except that no lien upon any physical property of the authority shall be created.

19. The resolution shall provide for the creation of a sinking fund account into which shall be payable from the revenues of the project, from month to month as such revenues are collected, the sums in excess of the cost of maintenance and operation of the project and the cost of administration of the authority, sufficient to comply with the covenants of the bond resolution and sufficient to pay the accruing interest and retire the bonds at maturity. The board of commissioners, in a resolution, may provide for other accounts as necessary for the sale of the bonds. Moneys in the accounts shall be applied in the manner provided by the resolution, the trust agreement, or other contract with the bondholders.

20. No such bonds shall constitute a debt of the authority or of any public body within the meaning of any statutory or constitutional limitation as to debt.

21. From and after the issuance of bonds the board of commissioners shall establish and fix rates, rentals, fees, and charges for the use of any and all buildings or space owned and operated by the authority, sufficient at all times to pay maintenance and operation costs and to pay the accruing interest and retire the bonds at maturity and to make all payments to all accounts created by any bond resolution and to comply with all covenants of any bond resolution.

22. When an incorporating unit enters into a lease with the authority, the governing body of the incorporating unit shall provide by ordinance or resolution for the levy and collection of a direct annual tax sufficient to pay the annual rent payable under the lease as and when it becomes due and payable. The tax shall be levied and collected in like manner with the

other taxes of the incorporating unit and shall be in addition to all other taxes authorized to be levied by that incorporating unit. This tax shall not be included within and shall be in addition to any statutory limitation of rate or amount for that incorporating unit. The taxes realized from the tax levy shall be deposited into an account in the debt service fund of the incorporating unit for the payment of the annual rent and shall not be disbursed for any other purpose until the annual rental has been paid in full.

23. All leases, contracts, deeds of conveyance, bonds, or other instruments in writing on behalf of the authority, shall be executed in the name of the authority by the chairperson and secretary of the authority, or by other officers as the board of commissioners, by resolution, directs, and the seal of the authority shall be affixed.

24. All property owned by any authority shall be exempt from taxation by the state or any taxing unit of the state. However, any interest derived from bonds issued by the authority shall be subject to taxation.

25. *a.* When all bonds issued by an authority have been retired, the authority may convey the title to the property owned by the authority to the incorporating units in accordance with the provisions contained in the articles of incorporation. If articles of incorporation do not exist, the conveyance may be made in accordance with any agreement adopted by the respective governing bodies of the incorporating units and the authority.

*b.* The question of whether a conveyance shall be made shall be submitted to the registered voters of the county. An affirmative vote equal to at least a majority of the total votes cast on the question shall be required to authorize the conveyance. If the question does not carry, the authority shall continue to operate, maintain, and manage the building under a lease arrangement with the incorporating units.

26. Any incorporating unit may enter into a lease with an authority that the authority and the incorporating unit determine is necessary and convenient to effectuate their purposes and the purposes of this section. The power to enter into leases under this section is in addition to other powers granted to cities and counties to enter into leases and the provisions of chapter 75, section 364.4, subsection 4, and section 331.301, subsection 10, are not applicable to leases entered into under this section.

[C62, §368.50 – 368.53; C66, 71, 73, §368.54, 368.55, 368.57 – 368.71; C75, 77, 79, 81, §346.27]

95 Acts, ch 67, §53; 2002 Acts, ch 1134, §100, 101, 115; 2003 Acts, ch 178, §26; 2004 Acts, ch 1175, §247, 248, 287; 2006 Acts, 1st Ex, ch 1001, §31, 49; 2008 Acts, ch 1115, §56, 71; 2012 Acts, ch 1060, §3, 7

Referred to in §331.430, 384.4, 403.19

2012 amendment to subsection 22 applies to property taxes due and payable in fiscal years beginning on or after July 1, 2013; 2012 Acts, ch 1060, §7

# CHAPTER 346A

## COUNTY HEALTH CENTERS

Referred to in §331.427

346A.1 Definitions.
346A.2 Authorized in certain counties.
346A.3 through 346A.5 Repealed by 81 Acts, ch 117, §1097.

**346A.1 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Board"* means the board of supervisors of the county.

2. *"Health center"* means a building or buildings, together with necessary equipment, furnishings, facilities, accessories and appurtenances and the site or sites therefor used primarily for the purposes of providing centralized locations, at which a county may:

*a.* Provide those health, welfare and social services which such a county is presently or hereafter authorized or required by law to provide;

*b.* Lease space in such building or buildings to other public corporations, public agencies and private nonprofit agencies which provide health, welfare and social services.

3. *"Project"* means the acquisition by purchase or construction of health centers, additions thereto and facilities therefor, the reconstruction, completion, equipment, improvement, repair or remodeling of health centers, additions thereto and facilities therefor, and the acquisition of property therefor of every kind and description, whether real, personal or mixed, by gift, purchase, lease, condemnation or otherwise and the improvement of the property. *"Project"* also means the use of funds for the provision of health services by local boards of health pursuant to chapter 137 and the provision of health, welfare or social services which a county is permitted or required by law to provide.

[C71, 73, 75, 77, 79, 81, §346A.1; 82 Acts, ch 1156, §1]
83 Acts, ch 12, §1, 4
Referred to in §331.441, 346A.2

**346A.2 Authorized in certain counties.**

Counties may undertake and carry out any project as defined in section 346A.1, and the boards may operate, control, maintain and manage health centers and additions to and facilities for health centers. The boards may appoint committees, groups, or operating boards as they deem necessary and advisable to facilitate the operation and management of health centers, additions and facilities. A board may lease space in any health center to other public corporations, public agencies and private nonprofit agencies engaged in furnishing health, welfare and social services which lease shall be on terms and conditions the board deems advisable. All contracts for the construction, reconstruction, completion, equipment, improvement, repair or remodeling of any buildings, additions or facilities shall be let in accordance with section 331.341, subsection 1.

[C71, 73, 75, 77, 79, 81, S81, §346A.2; 81 Acts, ch 117, §1060; 82 Acts, ch 1156, §2]
83 Acts, ch 12, §2, 4; 83 Acts, ch 123, §157, 209

**346A.3 through 346A.5** Repealed by 81 Acts, ch 117, § 1097.

# CHAPTER 347

## COUNTY HOSPITALS

Referred to in §11.1, 21.5, 37.27, 97B.52A, 135B.31, 331.361, 331.461, 476B.1


347.1 through 347.6 Repealed by 81 Acts, ch 117, §1097.
347.7 Tax levies.
347.8 Repealed by 81 Acts, ch 117, §1097.
347.9 Trustees — appointment — terms of office.
347.9A Trustee eligibility — conflict of interest.
347.10 Vacancies.
347.11 Organization — meetings — quorum.
347.12 Revenue collected — accounting practices.
347.13 Board of trustees — duties.
347.14 Board of trustees — powers.
347.15 Repealed by 2001 Acts, ch 65, §2.
347.16 Treatment in county hospital — terms.
347.17 Accounts — collection.
347.18 Discrimination. Repealed by 2009 Acts, ch 110, §17.
347.19 Compensation — expenses.
347.20 Municipal jurisdiction.
347.21 and 347.22 Repealed by 81 Acts, ch 117, §1097.
347.23 City hospital changed to county hospital.
347.23A Memorial hospital or county hospital payable from revenue bonds changed to county hospital.
347.24 Law applicable to other hospitals.
347.25 Election of trustees.
347.26 Health care facility in existing hospital.
347.27 Repealed by 81 Acts, ch 117, §1097.
347.28 through 347.30 Repealed by 2009 Acts, ch 110, §17.
347.31 Community recreation facilities and programs.
347.32 Tax status.

**347.1 through 347.6** Repealed by 81 Acts, ch 117, § 1097.

**347.7 Tax levies.**

1. *a.* If a county hospital is established, the board of supervisors, at the time of levying ordinary taxes, shall levy a tax at the rate voted not to exceed fifty-four cents per thousand dollars of assessed value in any one year for the erection and equipment of the hospital, and also a tax not to exceed twenty-seven cents per thousand dollars of value for the improvement, maintenance, and replacements of the hospital, as certified by the board of hospital trustees. However, in counties having a population of two hundred twenty-five thousand or over, the levy for taxes payable in the fiscal year beginning July 1, 2001, and for subsequent fiscal years, for improvements and maintenance of the hospital shall not exceed two dollars and five cents per thousand dollars of assessed value in any one year.

*b.* The proceeds of the taxes constitute the county public hospital fund. The fund is subject to review by the board of supervisors in counties having a population of two hundred twenty-five thousand or over. However, the board of trustees of a county hospital, where funds are available in the county public hospital fund of the county which are unappropriated, may use the unappropriated funds for erecting and equipping hospital buildings and additions to the hospital buildings without authority from the voters of the county.

2. A levy shall not be made for the improvement, maintenance, or replacements of the hospital until the hospital has been constructed, staffed, and receiving patients. If revenue bonds are issued and outstanding under section 331.461, subsection 2, paragraph *"d"*, the board may levy a tax to pay operating and maintenance expenses in lieu of the authority otherwise contained in this section not to exceed twenty-seven cents per thousand dollars of assessed value or not to exceed one dollar and twenty-one and one-half cents per thousand dollars of assessed value for improvements and maintenance of the hospital in counties having a population of two hundred twenty-five thousand or over.

3. In addition to levies otherwise authorized by this section, the board of hospital trustees may certify for levy a tax at the rate, not to exceed twenty-seven cents per thousand dollars of assessed value, necessary to raise the amount budgeted by the board of hospital trustees for support of ambulance service as authorized in section 347.14, subsection 8.

4. *a.* The tax levy authorized by this section for operation and maintenance of the hospital may be available in whole or in part to any county with or without a county hospital organized under this chapter, to be used to enhance rural health services in the county. However, the tax levied may be expended for enhancement of rural health care services only following a local planning process. The Iowa department of public health shall establish guidelines to be followed by counties in implementing the local planning process which shall require legal notice, public hearings, and a referendum in accordance with this subsection prior to the authorization of any new levy or a change in the use of a levy. The notice shall describe the new levy or the change in the use of the levy, indicate the date and location of the hearing, and shall be published at least once each week for two consecutive weeks in a newspaper having general circulation in the county. The hearing shall not take place prior to two weeks after the second publication.

*b.* Enhancement of rural health services for which the tax levy may be used includes but is not limited to emergency medical services, health care services shared with other hospitals, rural health clinics, and support for rural health care practitioners and public health services.

*c.* When alternative use of funds from the tax levy is proposed in a county with a county hospital organized under this chapter, use of the funds shall be agreed upon by the elected board of trustees of the county hospital. When alternative use of funds from the tax levy is proposed in a county without a county hospital organized under this chapter, use of the funds shall be agreed upon by the board of supervisors and any publicly elected hospital board of trustees within the county prior to submission of the question to the voters.

*d.* Moneys raised from a tax levied in accordance with this subsection for the purpose of enhancing rural health services in a county without a county hospital shall be designated and

administered by the board of supervisors in a manner consistent with the purposes of the levy.

[S13, §409-b, -j; C24, 27, 31, 35, 39, §**5353;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §347.7; 81 Acts, ch 117, §1061]

85 Acts, ch 185, §2; 89 Acts, ch 304, §704; 95 Acts, ch 159, §1, 2; 2001 Acts, ch 75, §1, 2; 2009 Acts, ch 110, §5; 2009 Acts, ch 179, §38

Referred to in §331.441, 347.13

Additional levies, see §347.13(10)

**347.8** Repealed by 81 Acts, ch 117, § 1097.

**347.9 Trustees — appointment — terms of office.**

When it has been determined by the voters of a county to establish a county public hospital, the board shall appoint seven trustees chosen from among the resident citizens of the county with reference to their fitness for office, and not more than four of the trustees shall be residents of the city at which the hospital is located. The trustees shall hold office until the following general election, at which time their successors shall be elected, two for a term of two years, two for four years, and three for six years, and they shall determine by lot their respective terms, and thereafter their successors shall be elected for regular terms of six years each.

[S13, §409-c; C24, 27, 31, 35, 39, §**5355;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §347.9]

86 Acts, ch 1200, §3; 99 Acts, ch 36, §3; 2001 Acts, ch 65, §1; 2009 Acts, ch 110, §6

Referred to in §331.321

**347.9A Trustee eligibility — conflict of interest.**

1. The following persons shall not be eligible to serve as a trustee for a county public hospital:

*a.* A person or spouse of a person with medical or special staff privileges in the county public hospital.

*b.* A person or spouse of a person who receives direct compensation in an amount greater than one thousand five hundred dollars in a calendar year from the county public hospital.

2. The transactions of a hospital trustee or a hospital trustee's spouse shall be limited as follows:

*a.* A conflict of interest transaction is a transaction with the hospital in which a hospital trustee or a hospital trustee's spouse has a direct interest of less than or equal to one thousand five hundred dollars or indirect interest in any amount. A conflict of interest transaction is not voidable on the basis of the conflict of interest if all of the following are true:

(1) The material facts of the transaction and the interest of the trustee or the trustee's spouse were disclosed or known to the board of hospital trustees.

(2) The board of hospital trustees authorized, approved, or ratified the transaction. A conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the disinterested trustees at a meeting where a quorum is present and where three or more trustees are disinterested in the conflict of interest transaction.

(3) The transaction was fair to the hospital at the time of the transaction.

*b.* For the purposes of this section, a trustee has an indirect interest in a transaction if either of the following is true:

(1) Another entity in which the trustee or the trustee's spouse has a material interest or in which the trustee or the trustee's spouse is a general partner is party to the transaction.

(2) Another entity of which the trustee or the trustee's spouse is a director, officer, or trustee is a party to the transaction.

3. This section does not prohibit a licensed health care practitioner from serving as a hospital trustee if the practitioner's sole use of the county hospital is to provide health care service to an individual with an intellectual disability as defined in section 4.1.

2009 Acts, ch 110, §7; 2012 Acts, ch 1019, §127

Referred to in §331.321

**347.10 Vacancies.**

Vacancies on the board of trustees may, until the next general election, be filled by appointment by the remaining members of the board of trustees or, if fewer than four trustees remain on the board, by the board of supervisors for the period until the vacancies are filled by election. An appointment made under this section shall be for the unexpired balance of the term of the preceding trustee. If a board member is absent for four consecutive regular board meetings, without prior excuse, the member's position shall be declared vacant and filled as set out in this section.

[S13, §409-e; C24, 27, 31, 35, 39, §**5356;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §347.10]

94 Acts, ch 1180, §49; 2009 Acts, ch 110, §8

Referred to in §331.321, 392.6

**347.11 Organization — meetings — quorum.**

Hospital trustees shall qualify by taking the usual oath of office as provided in chapter 63 and organize by the election of a chairperson, a secretary, and a treasurer. The secretary shall report to the county auditor and county treasurer the names of the chairperson, secretary, and treasurer of the board of hospital trustees as soon as practicable after the qualification of each. A board of hospital trustees shall meet as necessary to adequately oversee the operation of the hospital. Four trustees shall constitute a quorum necessary for actions by the board of hospital trustees. The secretary shall maintain a complete record of board meetings, proceedings, and actions.

[S13, §409-d; C24, 27, 31, 35, 39, §**5357;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §347.11]

97 Acts, ch 170, §86; 2009 Acts, ch 110, §9

**347.12 Revenue collected — accounting practices.**

1. Before the fifteenth day of each month, the county treasurer shall give notice to the chairperson of the board of hospital trustees or the chairperson's designee of the amount of revenue collected for each fund of the hospital to the first day of that month and the county treasurer shall pay the taxes to the treasurer of the hospital as provided in section 331.552, subsection 29.

2. *a.* The hospital administrator, or the administrator's designee, shall ensure that all accounts, funds, reports, and financial statements of the county hospital conform to generally accepted accounting principles as established by the governmental accounting standards board.

*b.* The hospital administrator, or the administrator's designee, shall file a financial report with the board of hospital trustees on or before the date of each regularly scheduled board meeting for the period of time since the board's previous regularly scheduled meeting.

[S13, §409-d; C24, 27, 31, 35, 39, §**5358;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §347.12]

84 Acts, ch 1003, §6; 92 Acts, ch 1024, §2; 99 Acts, ch 36, §4; 2009 Acts, ch 110, §10

Referred to in §37.9

**347.13 Board of trustees — duties.**

A board of hospital trustees' duties shall include all of the following:

1. Engage in all activities necessary to manage, control, and govern the hospital unless otherwise prohibited under this chapter.

2. Exercise all the rights and duties of hospital trustees including but not limited to authorizing the delivery of any health care service, assisted or independent living service, or other ancillary service.

3. Adopt bylaws and rules for its own guidance and for the government of the hospital.

4. Exercise fiduciary duties in accordance with section 504.831, subsections 1 through 5.

5. Employ or contract for an administrator and fix the administrator's compensation. The administrator shall have authority to oversee the day-to-day operations of the hospital and its employees.

6. Approve the appointment of a qualified medical staff and oversee the quality of medical care and services provided by the hospital.

7. Manage and control the hospital's funds in accordance with chapter 540A. In addition to investments permitted under section 12B.10, county hospital investments may include common stocks.

8. Establish charity care policies for free treatment or financial assistance for care provided by the hospital, and fix the price to be charged to other patients admitted to the hospital for care and treatment.

9. Procure and pay premiums on any and all insurance policies required for the prudent management of the hospital including but not limited to public liability, professional malpractice liability, workers' compensation, and vehicle liability. Said insurance may include as additional insureds members of the board of trustees and employees of the hospital. This subsection applies to all county hospitals whether organized under this chapter, chapter 347A, chapter 37, or otherwise established by law.

10. Certify levies for a tax in excess of any tax levy limit to meet its obligations to pay the premium costs on tort liability insurance, property insurance, workers' compensation insurance, and any other insurance that may be necessary for the prudent management and operation of the county public hospital, the costs of a self-insurance program, the costs of a local government risk pool, and amounts payable under any insurance agreements to provide or procure such insurance, self-insurance program, or local government risk pool.

11. Publish quarterly in each of the official newspapers of the county as selected by the board of supervisors pursuant to section 349.1 the schedule of bills allowed, and publish annually in such newspapers the schedule of salaries paid by job classification and category, but not by listing names of individual employees. The names, business addresses, salaries, and job classification of employees paid in whole or in part from a tax levy shall be a public record and open to inspection at reasonable times as designated by the board of trustees.

12. Fix the amount necessary for the improvement and maintenance of the hospital and for support of ambulance service during the ensuing fiscal year, and certify the amount to the county auditor before March 15 of each year, subject to any limitation in section 347.7.

[S13, §409-d, -g, -h, -j, -l, -m, -p, -r; C24, 27, 31, 35, 39, §**5359;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §347.13; 81 Acts, ch 117, §1062, ch 120, §1]

84 Acts, ch 1201, §1, 2; 85 Acts, ch 185, §3; 99 Acts, ch 36, §5, 6; 2004 Acts, ch 1032, §1; 2008 Acts, ch 1115, §57, 71; 2009 Acts, ch 110, §11

Referred to in §21.5, 145A.12, 347.14

**347.14 Board of trustees — powers.**

The board of trustees may:

1. Purchase, condemn, or lease a site for such public hospital and provide and equip suitable hospital buildings.

2. Cause plans and specifications to be made and adopted for all hospital buildings, and advertise for bids, as required by law for other county buildings, before making a contract for the construction of a building.

3. Accept property by gift, devise, bequest, or otherwise. If the board deems it advisable, the board may sell, lease, exchange, or otherwise dispose of any hospital property upon a concurring vote of a majority of all members of the board of hospital trustees. The proceeds of such sale, lease, exchange, or other disposition may be applied to any lawful purpose, subject to approval of the board.

4. Borrow moneys to be secured solely by hospital revenues for the purposes of improvement, maintenance, or replacement of the hospital or for hospital equipment.

5. Establish and maintain in connection with the hospital a training school for nurses or other health professions.

6. Establish a fund for depreciation as a separate fund. Moneys deposited in the fund shall remain in the fund until such time as in the judgment of the board of trustees it is deemed advisable to use the funds for hospital purposes. Interest earned on moneys in the fund shall be deposited in the fund.

7. Operate a health care facility as defined in section 135C.1 in conjunction with the hospital.

8. Purchase, lease, equip, maintain, and operate an ambulance or ambulances to provide necessary and sufficient ambulance service or to contract for such vehicles, equipment, maintenance, or service when such ambulance service is not otherwise available.

9. *a.* Submit to the voters at an election held on a date specified in section 39.2, subsection 4, paragraph *"a"*, a proposition to sell or lease a county public hospital for use as a private hospital or as a merged area hospital under chapter 145A or to sell or lease a county hospital in conjunction with the establishment of a merged area hospital. The authorization of the board of hospital trustees submitting the proposition may, but is not required to, contain conditions which provide for maintaining hospital care within the county, for the retention of county public hospital employees and staff, and for the continuation of the board of trustees for the purpose of carrying out provisions of contracts. Proceeds from the sale or lease of the county hospital or other assets of the board of trustees shall not be used for the prepayment of health care services for residents of the county with the purchaser or lessee of the county hospital or to underwrite the sale or lease of the county hospital.

*b.* The proposition submitted to the voters of the county shall not be set forth at length, but it shall be in substantially the following form:

Shall the board of hospital trustees of ..... county, state of Iowa, be authorized to ..... (state authorization which may exclude the conditions) in accordance with the terms of authorization approved at the meeting of ..... (cite date) of the board of hospital trustees?

*c.* If the proposition is approved by a majority of the total votes cast for and against the proposition at the election, the board of hospital trustees shall proceed to carry out the authorization granted.

10. If the board authorizes delivery of additional health care services, assisted or independent living services, or other ancillary services under section 347.13, subsection 2, the board is granted all of the powers and duties necessary for the management, control, and government of the institutions including but not limited to any applicable powers and duties granted boards of trustees under other provisions of the Code relating to hospitals, nursing homes, assisted or independent living services, and other ancillary services irrespective of the chapter of the Code under which such an entity is established, organized, operated, or maintained, unless such provisions are in conflict with this section and section 347.13.

[S13, §409-d, -k, -o, -q; C24, 27, 31, 35, 39, §**5360;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §347.14; 81 Acts, ch 78, §20, 47]

85 Acts, ch 185, §4; 91 Acts, ch 160, §11; 99 Acts, ch 36, §7, 8; 2008 Acts, ch 1115, §58, 71; 2009 Acts, ch 110, §12

Referred to in §145A.12, 347.7

Powers under consolidation, §348.2

**347.15** Repealed by 2001 Acts, ch 65, § 2.

**347.16 Treatment in county hospital — terms.**

1. Any resident of a county in this state who is sick or injured shall be entitled to care and treatment in any public hospital established and maintained by that county under this chapter, so long as that person observes the rules of conduct prescribed by the board of hospital trustees. Each patient admitted under this subsection, or the person legally liable for that patient's support, shall pay to the board of hospital trustees reasonable compensation for that patient's care and treatment according to the rules established by the board, unless subsection 2 is applicable.

2. Free care and treatment shall be furnished in a county public hospital to any sick or injured person who fulfills the residency requirements under section 47.4, subsection 1, paragraph *"d"*, Code 1993, in the county maintaining the hospital, and who is indigent.

The board of hospital trustees shall determine whether a person is indigent and entitled to free care under this subsection, or may delegate that determination to the general assistance director or the office of the department of human services in that county, subject to guidelines the board may adopt in conformity with applicable statutes.

3. Care and treatment may be furnished in a county public hospital to any sick or injured person who has legal settlement outside the county which maintains the hospital, subject to such policies and rules as the board of hospital trustees may adopt. If care and treatment is provided under this subsection to a person who is indigent, the county in which that person has legal settlement shall pay to the board of hospital trustees the fair and reasonable cost of the care and treatment provided by the county public hospital unless the cost of the indigent person's care and treatment is otherwise provided for. If care and treatment is provided to an indigent person under this subsection, the county public hospital furnishing the care and treatment shall immediately notify, by regular mail, the auditor of the county of legal settlement of the indigent person of the provision of care and treatment to the indigent person. However, if the care and treatment is provided by a county through the county's mental health and disability services system implemented under chapter 331, liability for the assistance and maintenance is the responsibility of the person's county of residence.

[S13, §409-k; C24, 27, 31, 35, 39, §**5362;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §347.16]

83 Acts, ch 96, §157, 159; 92 Acts, ch 1212, §34; 95 Acts, ch 49, §10; 95 Acts, ch 119, §3, 5; 2009 Acts, ch 110, §13; 2012 Acts, ch 1120, §128, 130

Referred to in §347.17

2012 amendment to subsection 3 takes effect July 1, 2013; 2012 Acts, ch 1120, §130

Subsection 3 amended

**347.17 Accounts — collection.**

It shall be the duty of the trustees either by themselves or through the superintendent to make collections of all accounts for hospital services rendered to persons other than indigent patients or patients entitled to free care as provided in section 347.16. Such account shall be payable on presentation to the person liable therefor of an itemized statement and if not paid or secured within sixty days after such presentation the said trustees shall proceed to enforce collections by such means as are necessary and are authorized to employ any person for that purpose, and if legal proceedings are required they may employ counsel, the employment in either event to be on such arrangement for compensation as the trustees deem appropriate, provided, however, that should the county attorney act as attorney for the board in any such legal proceedings the county attorney shall serve without additional compensation.

[C24, 27, 31, 35, 39, §**5363;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §347.17]

**347.18 Discrimination.** Repealed by 2009 Acts, ch 110, § 17.

**347.19 Compensation — expenses.**

A trustee shall not receive any compensation for services performed under this chapter, but a trustee shall be reimbursed for actual and necessary expenses incurred in the performance of the trustee's duties.

[S13, §409-d; C24, 27, 31, 35, 39, §**5365;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §347.19]

2009 Acts, ch 110, §14

**347.20 Municipal jurisdiction.**

When such hospital is located on land outside of, but adjacent to a city, the ordinances of such city relating to fire and police protection and control, sanitary regulations, and public utility service, shall be in force upon and over such hospital and grounds, and such city shall have jurisdiction to enforce such ordinances.

[S13, §409-i; C24, 27, 31, 35, 39, §**5366;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §347.20]

**347.21 and 347.22** Repealed by 81 Acts, ch 117, § 1097.

**347.23 City hospital changed to county hospital.**

1. Any hospital organized and existing as a city hospital may become a county hospital organized and managed as provided for in this chapter, upon a proposition for such purpose being submitted to and approved by a majority of the electors of both the city in which such hospital is located and of the county under whose management it is proposed that such hospital be placed. The proposition shall be placed upon the ballot by the board of supervisors when requested by a petition signed by eligible electors of the county equal in number to five percent of the votes cast for president of the United States or governor, as the case may be, at the last general election. The proposition shall be submitted at an election held on a date specified in section 39.2, subsection 4, paragraph *"a"*. Upon the approval of the proposition the hospital, its assets and liabilities, will become the property of the county and this chapter will govern its future management.

2. The question shall be submitted in substantially the following form:

Shall the municipal hospital of ....., Iowa, be transferred to and become the property of, and be managed by the county of ....., Iowa?

3. For the purpose of computing whether or not said proposition is carried, the votes of the residents of the city in which said hospital is located shall be counted both for the purpose of ascertaining whether or not the proposition is carried within the city and also for the purpose of ascertaining whether or not the proposition is carried within the county.

[C62, 66, 71, 73, §347.23, 380.12; C75, 77, 79, 81, §347.23]

2001 Acts, ch 56, §27; 2008 Acts, ch 1115, §59, 71

Referred to in §331.381

**347.23A Memorial hospital or county hospital payable from revenue bonds changed to county hospital.**

1. A hospital established as a memorial hospital under chapter 37 or a county hospital supported by revenue bonds and organized under chapter 347A may become, in accordance with the provisions of this section, a county hospital organized and managed as provided for in this chapter. If the hospital is established by a city as a memorial hospital, the city must be located in the county which will own and manage the hospital. A proposition for the change must be submitted to and approved by a majority of the electors of the county which will own and manage the hospital as provided for in this chapter. In addition, if the hospital is a memorial hospital organized by a city under chapter 37, the proposition must also be approved by a majority of the electors of that city. The proposition shall be submitted to the electors at an election called by the county board of supervisors and held on a date specified in section 39.2, subsection 4, paragraph *"a"*.

2. The proposition shall be placed upon the ballot by the board of supervisors if requested by the hospital's board of trustees or governing commission and the request is endorsed by a petition for this purpose signed by eligible electors of the county equal in number to five percent of the votes cast for president of the United States or governor, as the case may be, at the last general election. Upon the approval of the proposition the hospital, its assets and liabilities, shall become the property of the county and this chapter shall govern its future management.

*a.* The question for a memorial hospital established by a city under chapter 37 shall be submitted in substantially the following form:

Shall the ..... hospital of ....., Iowa, be transferred to and become the property of, and be managed by the county of ....., Iowa, under provision of chapter 347 of the Code of Iowa?

*b.* The question for a memorial hospital established by a county under chapter 37 or a

county hospital supported by revenue bonds and organized under chapter 347A shall be submitted in substantially the following form:

Shall the ..... hospital of ....., Iowa, organized and governed under chapter ..... of the Code of Iowa be changed to be established and governed under chapter 347 of the Code of Iowa?

3. For the purpose of computing whether or not the proposition is carried, if the hospital is a memorial hospital established by a city under the provisions of chapter 37, the votes of the residents of that city shall be counted both for the purpose of ascertaining whether or not the proposition is carried within the city and also for the purpose of ascertaining whether or not the proposition is carried within the county.

94 Acts, ch 1135, §2; 2001 Acts, ch 56, §28; 2008 Acts, ch 1115, §60, 71

**347.24 Law applicable to other hospitals.**

Hospitals organized under chapter 37 or chapter 347A may be operated as provided for in this chapter in any way not clearly inconsistent with the specific provisions of their chapters.

[C62, 66, 71, 73, 75, 77, 79, 81, §347.24]

**347.25 Election of trustees.**

The election of hospital trustees whose offices are established by this chapter or chapter 145A or 347A shall take place at the general election on ballots which shall not reflect a nominee's political affiliation. Nomination shall be made by petition in accordance with chapter 45. The petition form shall be furnished by the county commissioner of elections, signed by fifty eligible electors of the county, and shall be filed with the county commissioner of elections. A plurality is sufficient to elect hospital trustees.

If any of the provisions of this section shall be in conflict with any of the laws of this state, then the provisions of this section shall prevail.

[C62, 66, 71, 73, 75, 77, 79, 81, §347.25]

85 Acts, ch 135, §1; 91 Acts, ch 129, §26

Referred to in §39.21, 145A.11

**347.26 Health care facility in existing hospital.**

In any county where there is a county hospital in existence, a health care facility as defined in section 135C.1 may be established to be operated in conjunction therewith, and all of the provisions of this chapter and all of the proceedings authorized thereby relating to hospital buildings and additions thereto, shall apply to erecting, equipping and procuring sites for such facilities and additions thereto, as well as for improvements, maintenance and replacements of such facilities.

[C62, 66, 71, 73, 75, 77, 79, 81, §347.26]

**347.27** Repealed by 81 Acts, ch 117, § 1097.

**347.28 through 347.30** Repealed by 2009 Acts, ch 110, § 17.

**347.31 Community recreation facilities and programs.**

A county or city hospital may expend available funds for establishment and operation of facilities, programs, and services which provide health benefits to persons served by those facilities, programs, or services. Where appropriate, the county or city hospital shall enter into an agreement pursuant to chapter 28E.

86 Acts, ch 1072, §1

**347.32 Tax status.**

This chapter does not deprive any hospital of its tax exempt or nonprofit status except that portion of hospital property which is used for other than nonprofit, health-related purposes shall be subject to property tax as provided for in section 427.1, subsection 14.

86 Acts, ch 1200, §7

# CHAPTER 347A

## COUNTY HOSPITALS PAYABLE FROM REVENUE

Referred to in §11.1, 21.5, 97B.52A, 331.321, 331.441, 331.461, 347.13, 347.23A, 347.24, 347.25, 476B.1

See §347.13(9), 347.24


347A.1 Revenue bonds — trustees — administration.
347A.2 Repealed by 81 Acts, ch 117, §1097.
347A.3 Tax for maintenance and operation.
347A.4 Repealed by 81 Acts, ch 117, §1097.
347A.5 Discrimination prohibited. Repealed by 2009 Acts, ch 110, §17.
347A.6 Collection of accounts.
347A.7 and 347A.8 Repealed by 81 Acts, ch 117, §1097.


**347A.1 Revenue bonds — trustees — administration.**

1. A county having a population less than one hundred fifty thousand may issue revenue bonds for a county hospital as provided in section 331.461, subsection 2, paragraph "*e*".

2. *a.* The administration and management of the hospital shall be vested in a board of hospital trustees consisting of five or seven members. Appointments for a five-member board shall be made by the board of supervisors from among the resident citizens of the county with reference to their fitness for office, and not more than two of the trustees shall be residents of the same township.

*b.* The trustees shall hold office until the next succeeding election, at which time their successors shall be elected, two for a term of two years, two for a term of four years, and one for a term of six years, and thereafter their successors shall be elected for regular terms of six years each. Vacancies on the board of trustees may be filled in the same manner as original appointments, to hold office until the vacancies are filled pursuant to section 69.12.

*c.* The trustees shall qualify by taking the usual oath of office as provided in chapter 63, but no bond shall be required of them. The trustees shall receive no compensation but shall be reimbursed for all expenses incurred by them in the performance of their duties.

*d.* The board first appointed shall organize promptly following its appointment and shall serve until successors are elected and qualified. Thereafter, and no later than December 1 of each year, the board shall reorganize by the appointment of a chairperson, secretary, and treasurer. The secretary shall report to the county auditor and the county treasurer the names of the chairperson, secretary, and treasurer of the board as soon as practicable after the appointment of each.

*e.* Expansion from a five-member to a seven-member board of trustees shall occur only on approval of a majority of the five-member board of trustees. The five-member board of trustees shall appoint members to the additional vacancies; one appointee shall serve until the succeeding general election, and the other appointee shall serve until the second succeeding general election at which times successors shall be elected.

3. *a.* Before the fifteenth day of each month, the county treasurer shall give notice to the chairperson of the board of trustees, or the chairperson's designee, of the amount of revenue collected for each fund of the hospital to the first day of that month and the county treasurer shall pay the taxes to the treasurer of the hospital as provided in section 331.552, subsection 29.

*b.* The hospital administrator, or the administrator's designee, shall ensure that all

accounts, funds, reports, and financial statements of the county hospital conform to generally accepted accounting principles as established by the governmental accounting standards board.

*c.* The hospital administrator, or the administrator's designee, shall file a financial report with the board of hospital trustees on or before the date of each regularly scheduled board meeting for the period of time since the board's previous regularly scheduled meeting.

4. *a.* The board of trustees shall make all rules and regulations governing its meetings and the management, government, and operation of the county hospital and shall fix charges for the services furnished so that the revenues will be at all times sufficient in the aggregate to provide for the payment of the interest on and principal of all revenue bonds issued and outstanding for the hospital, and for the payment of all operating and maintenance expenses of the hospital.

*b.* The board of trustees shall have all of the powers and duties necessary to manage, control, and govern the county hospital including but not limited to any applicable powers and duties granted boards of trustees under other provisions of the Code relating to hospitals, nursing homes, assisted or independent living services, and other ancillary services irrespective of the chapter of the Code under which such institutions are established, organized, operated, or maintained, unless such provisions are in conflict with this section.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §347A.1; 81 Acts, ch 117, §1063]

84 Acts, ch 1003, §7; 90 Acts, ch 1118, §1; 92 Acts, ch 1024, §3; 97 Acts, ch 170, §87; 99 Acts, ch 36, §10; 2009 Acts, ch 110, §15

Referred to in §331.321, 331.552

**347A.2** Repealed by 81 Acts, ch 117, § 1097.

**347A.3 Tax for maintenance and operation.**

If in any year, after payment of the accruing interest on and principal due of revenue bonds issued under chapter 331, division IV, part 4, and payable from the revenues derived from the operation of the county hospital, there is a balance of such revenues insufficient to pay the expenses of operation, maintenance, and funded depreciation of the hospital, the board of hospital trustees shall certify that fact as soon as ascertained to the board of supervisors of the county, and the board of supervisors shall make the amount of the deficiency for paying the expenses of operation, maintenance, and funded depreciation of the hospital available from other county funds or shall levy a tax not to exceed one dollar and eight cents per thousand dollars of assessed value in any one year on all the taxable property in the county in an amount sufficient for that purpose. However, general county funds or the proceeds of taxes shall not be used or applied to the payment of the interest on or principal of revenue bonds issued under chapter 331, division IV, part 4, but general county funds or proceeds of taxes may only be used and applied to pay expenses of operation, maintenance, and funded depreciation of the hospital which cannot be paid from available revenue derived from its operation.

A tax levied under this section for paying the expenses of operation, maintenance, and funded depreciation of a merged area hospital pursuant to the authority granted a merged area under section 145A.20, shall only be levied on the assessed value of property in that portion of a county which is part of the merged area, in accordance with the plan or merger established, approved, and implemented under sections 145A.3, 145A.4, 145A.5, and 145A.14.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §347A.3; 81 Acts, ch 117, §1097; 82 Acts, ch 1104, §12]

85 Acts, ch 123, §13; 90 Acts, ch 1118, §2

Referred to in §145A.20

**347A.4** Repealed by 81 Acts, ch 117, § 1097.

**347A.5 Discrimination prohibited.** Repealed by 2009 Acts, ch 110, § 17.

**347A.6 Collection of accounts.**

It shall be the duty of the hospital trustees either by themselves or through the superintendent or similar person to make collections of all accounts for hospital services. Such account shall be payable on presentation to the person liable thereby of an itemized statement and if not paid or secured within sixty days after such presentation the said trustees shall proceed to enforce collections by such means as are necessary and are authorized to employ any person for that purpose and, if legal proceedings are required, may employ counsel, the employment in either event to be on such arrangement for compensation as the hospital trustees deem appropriate.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §347A.6]

**347A.7 and 347A.8** Repealed by 81 Acts, ch 117, § 1097.

# CHAPTER 347B

## COUNTY CARE FACILITIES

Referred to in §135B.18, 135C.23, 218.95, 331.382, 714.8

Exemption from hospital licenses, §135B.18
This chapter not enacted as a part of this title; transferred from chapter 253 in Code 1993
See §218.95 for provisions pertaining to construction of synonymous terms


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**347B.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**347B.2 Establishment — submission to vote.**

If the board of supervisors proposes to establish a county care facility under this chapter at a cost in excess of fifteen thousand dollars, it shall first submit the proposition to a vote of the people.

[C51, §828; R60, §1396; C73, §1372; C97, §2241; SS15, §2241; C24, 27, 31, 35, §5338; C39, §**3828.115;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §253.1; 81 Acts, ch 117, §1041]

C93, §347B.1

C2001, §347B.2

**347B.3 Annual published report.**

The board of supervisors, prior to September 1 of each year, shall publish in the official papers of the county as part of its proceedings, a financial statement of the receipts of the county care facility, or county farm, itemizing them and stating their source, which report shall also set forth the total expenditures and the value of the property on hand on July 1 of the year for which the report is made and a comparison with the inventory of the previous

year. The inventory need not specifically account by item for individual items of personal property valued at less than one hundred dollars.

[C24, 27, 31, 35, §5340; C39, §**3828.117;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §253.3; 81 Acts, ch 117, §1042]

89 Acts, ch 214, §1

C93, §347B.3

**347B.4** Reserved.

**347B.5 Admission — labor required.**

The county care facility shall maintain a record of the name and age of each person admitted and the date of admission. The board may require of any resident of the county care facility, with approval of a physician, reasonable and moderate labor suited to the resident's age and bodily strength. Any income realized through the labor of residents, together with the receipts from operation of the county farm if one is maintained, shall be appropriated for use by the county care facility as the board of supervisors directs.

[C51, §835, 836; R60, §1403, 1404; C73, §1375, 1376; C97, §2244; S13, §2244; C24, 27, 31, 35, §5342; C39, §**3828.119;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §253.5; 81 Acts, ch 117, §1043]

C93, §347B.5

**347B.6 Order for admission.**

No person shall be admitted into the county care facility as a resident except upon order of the board of supervisors, which shall be issued only after the person seeking admission has received a preadmission physical examination by a physician. However, if the need for admission of the person to the county care facility is immediate and no physician is readily available to perform the examination, the board may order the person's admission pending an examination by a physician, any provisions of sections 135C.3 and 135C.4 to the contrary notwithstanding. When an admission is so ordered, the physical examination shall be completed within three days after the person's admission to the county care facility.

[C51, §837; R60, §1405; C73, §1377; C97, §2244; S13, §2244; C24, 27, 31, 35, §5343; C39, §**3828.120;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §253.6]

C93, §347B.6

**347B.7** Reserved.

**347B.8 Visitation and inspection.**

The board shall cause the county care facility to be visited at least once a month by one of its body, who shall carefully examine the condition of the residents and the manner in which they are fed and clothed and otherwise provided for and treated, ascertain what labor they are required to perform, inspect the books and accounts of the administrator, and look into all matters pertaining to the county care facility and its residents, and report to the board.

[C51, §842; R60, §1410; C73, §1380; C97, §2246; S13, §2246; C24, 27, 31, 35, §5345; C39, §**3828.122;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §253.8]

C93, §347B.8

**347B.9 Temporary admission.**

The district court may order temporary admission of persons under its jurisdiction to the county care facility until other arrangements are made for care of such persons.

A judge, magistrate, or judicial hospitalization referee shall make all placements to a county care facility pursuant to section 135C.23.

[C75, 77, 79, 81, §253.9]

87 Acts, ch 190, §3

C93, §347B.9

**347B.10 through 347B.13** Reserved.

**347B.14 Effect of approval of plans.**

When plans for construction or modification of a county care facility have been properly approved by the Iowa department of public health or other appropriate state agency, the facility constructed in accord with the plans so approved shall not for a period of at least ten years from completion of the construction or modification be considered deficient or ineligible for licensing by reason of failure to meet any regulation or standard established subsequent to approval of the construction and modification plans, unless a clear and present danger exists that would adversely affect the residents of the facility.

[C75, 77, 79, 81, §253.14]

C93, §347B.14

# CHAPTER 348

## CONSOLIDATION OF HOSPITAL SERVICE

Merged area hospitals; see chapter 145A


348.1 Consolidation and powers.
348.2 Consolidation — powers of trustees.
348.3 Discrimination prohibited.
348.4 Sale of property after consolidation.
348.5 Repealed by 72 Acts, ch 1088, §286.


**348.1 Consolidation and powers.**

The purpose of this chapter is to grant to hospital trustees additional powers, and to consolidate and combine under one management all of the public hospital service of the counties and cities coming within its provisions.

[C27, 31, 35, §5368-a1; C39, §**5368.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §348.1]

**348.2 Consolidation — powers of trustees.**

In all counties of the state having a population of one hundred thirty-five thousand inhabitants or over, and in which consolidation of hospital service has been completed as contemplated in this chapter, said board of hospital trustees shall:

1. Have general supervision and care of all grounds and buildings in said county and city occupied and used for public hospital purposes.
2. Have control and supervision over the physicians, nurses, attendants, and patients in all such hospitals.
3. Establish, maintain, and supervise, at a convenient place in such city located in said county, an emergency station for the treatment of emergency cases, including such venereal treatment as may be necessary for the protection of the public.
4. Establish, as early as funds are available, as a department in connection with said hospital, a suitable building or place for the isolation and detention of persons afflicted with contagious diseases subject to quarantine.

[C27, 31, 35, §5368-a2; C39, §**5368.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §348.2]

**348.3 Discrimination prohibited.**

In the management and control of hospitals coming within the provisions of this chapter, no distinction or discrimination shall be made between city and county patients.

[C27, 31, 35, §5368-a3; C39, §**5368.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §348.3]

**348.4 Sale of property after consolidation.**

In all cities located in counties in which both a public county and city hospital are being conducted under separate supervision and management, such cities are hereby authorized and directed, when consolidation is completed under this chapter and upon the recommendation of the board of hospital trustees, to sell the property now owned and used by such cities for hospital purposes, both real and personal, at public or private sale, the

proceeds of such sale to be used, first, for the retirement and payment of any outstanding bonds issued in connection with the purchase of such hospital property, and the remainder, if any, shall be turned into the county public hospital fund.

[C27, 31, 35, §5368-a4; C39, §**5368.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §348.4]

**348.5** Repealed by 72 Acts, ch 1088, § 286.

# CHAPTER 349

## OFFICIAL NEWSPAPERS

Referred to in §331.209, 331.303, 331.434

See also chapter 618


349.1 Time of selection.
349.2 Source of selection.
349.3 Number.
349.4 Application — contest.
349.5 Contest — verified statements.
349.6 Determination of contest — evidence.
349.7 Subscribers — how determined.
349.8 Tie lists.
349.9 Fraudulent lists.
349.10 New date fixed if all rejected.
349.11 Appeal.
349.12 Transcript.
349.13 Trial of appeal.
349.14 Publication pending contest — interest payable.
349.15 Division of compensation.
349.16 What published.
349.17 Official publication fee.
349.18 Supervisors' proceedings — each payee listed — publication.


**349.1 Time of selection.**

The board of supervisors shall, at the January session each year, select the newspapers in which the official proceedings shall be published for the ensuing year.

[R60, §314; C73, §307; C97, §441; SS15, §441; C24, 27, 31, 35, 39, §**5397;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.1]

Referred to in §347.13, 455B.305A, 455H.207

**349.2 Source of selection.**

Such selection shall be from newspapers published, and having the largest number of bona fide yearly subscribers, within the county. When counties are divided into two divisions for district court purposes, each division shall be regarded as a county.

[C73, §307; C97, §441; SS15, §441; C24, 27, 31, 35, 39, § **5398;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.2]

**349.3 Number.**

The number of such newspapers to be selected shall be as follows:

1. In counties having a population of less than fifteen thousand, two such newspapers, or one, if there be but one published therein.

2. In counties having a population of more than fifty thousand, divided into two divisions for court purposes, three such newspapers in each such division, not more than two of which shall be published in the same city.

3. In counties having a population of less than fifty thousand, divided into two divisions for court purposes, two such newspapers in each such division.

4. In all other counties, three such newspapers, not more than two of which shall be published in the same city.

[C73, §307; C97, §441; SS15, §441; C24, 27, 31, 35, 39, §**5399;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.3]

**349.4 Application — contest.**

Any publisher who desires that the publisher's newspaper be so selected may make written application therefor to the board of supervisors at any time prior to the making of the selection. If more applications are filed than there are newspapers to be selected, a contest shall exist.

[C24, 27, 31, 35, 39, §**5400;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.4]

**349.5 Contest — verified statements.**

In case of a contest, each applicant shall deposit with the county auditor, in a sealed envelope, a statement, verified by the applicant, showing the names of the applicant's bona fide yearly subscribers living within the county and the place at which each such subscriber receives such newspaper, and the manner of its delivery.

[C97, §441; SS15, §441; C24, 27, 31, 35, 39, §**5401;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.5]

**349.6 Determination of contest — evidence.**

The county auditor shall, on the direction of the board while it is in session, open said envelopes. The board may receive other evidence of circulation. In counties in which two newspapers are to be selected, the two newspapers showing the largest number of bona fide yearly subscribers living within the county shall be selected as such official newspapers. In counties in which three newspapers are to be selected, the three showing the largest number of such subscribers shall be selected except when such three newspapers are all published in the same city, in which case the two newspapers in such city having the largest lists of such subscribers and the newspaper having the next largest list of such subscribers and published outside such city, shall be selected as such official newspapers.

For purposes of this section, in counties where there are more newspapers than the number required for official county newspapers, newspapers under common ownership published in the same city, and having approximately the same subscriber list or offered for sale in or delivered to the same geographic area, shall be treated as one newspaper. Each such newspaper under common ownership should be considered eligible for publishing public notices, but such newspapers shall be treated as one newspaper for payment purposes to allow for flexibility in notice publication schedules.

[C97, §441; SS15, §441; C24, 27, 31, 35, 39, §**5402;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.6]

86 Acts, ch 1013, §1

**349.7 Subscribers — how determined.**

The board of supervisors shall determine the bona fide yearly subscribers of a newspaper within the county, as follows:

1. Those subscribers listed by the publisher whose papers are delivered, by or for the publisher, by mail or otherwise, upon an order or subscription for same by the subscriber, and in accordance with the postal laws and regulations, and who have been subscribers at least six consecutive months prior to date of application.

2. Those subscribers who have been subscribers at least six consecutive months before the date of application, whose papers are regularly delivered by carrier upon an order or subscription, or whose papers are purchased from the publisher for resale and delivery by independent carriers who have filed with the publisher a list of their subscribers.

[C39, §**5402.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.7]

86 Acts, ch 1183, §1

**349.8 Tie lists.**

When newspapers are, by equality of circulation, equally entitled to such selection, the board shall, in the presence of the contestants, determine the question by lot.

[C24, 27, 31, 35, 39, §**5403;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.8]

**349.9 Fraudulent lists.**

No newspaper shall be selected as an official newspaper when it is made to appear that the verified list deposited by the applicant contains the names of persons who are not bona fide subscribers within the county and that such names were knowingly and willfully entered on such list by the applicant, or at the applicant's instance, with intent to deceive the board.

[SS15, §441; C24, 27, 31, 35, 39, §**5404;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.9]

Referred to in §349.10

**349.10 New date fixed if all rejected.**

If all certified statements are rejected under the provisions of section 349.9, the board shall fix a new date for the selection of official newspapers and nothing herein shall be construed to prevent the applicants so rejected from filing new certified statements.

[SS15, §441; C24, 27, 31, 35, 39, §**5405;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.10]

**349.11 Appeal.**

Any applicant may, within twenty days after the selection of official newspapers, appeal to the district court from the decision of the board of supervisors as to the selection of any or all newspapers so selected by filing in the office of the county auditor a bond for costs, in a sum and with sureties to be approved by said auditor, and by serving upon each applicant, whose selection the appellant desires to contest, and the county auditor, a notice of appeal.

[SS15, §441; C24, 27, 31, 35, 39, §**5406;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.11]

Presumption of approval of bond, §636.10

**349.12 Transcript.**

The auditor shall forthwith file with the clerk of the district court a transcript of all the proceedings before the board, together with all papers filed in connection with said matter.

[SS15, §441; C24, 27, 31, 35, 39, §**5407;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.12]

**349.13 Trial of appeal.**

Said appeal shall be triable de novo as an equitable action without formal pleadings at any time after the expiration of twenty days following the filing of such transcript.

[SS15, §441; C24, 27, 31, 35, 39, §**5408;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.13]

Trial on appeal, §624.4

**349.14 Publication pending contest — interest payable.**

After the selection by the board of supervisors of official newspapers, no publisher shall receive pay for publishing official proceedings until the contest is finally determined, insofar as the publisher is concerned. After determination of the contest, payment for publications made during the contest shall include interest at the rate of one-half percent per month calculated from date of publication to the date of payment, less thirty days.

[C97, §441; SS15, §441; C24, 27, 31, 35, 39, §**5409;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.14]

86 Acts, ch 1183, §2

**349.15 Division of compensation.**

If in any county the publishers of two or more newspapers, at least one of which by reason of its location and circulation is entitled to be selected as a county official newspaper, have entered into an agreement to publish the official proceedings or have united in a request to have their publication selected for such purposes, and such agreement or request has been filed with the board of supervisors prior to the naming of the official newspapers, the board of supervisors shall designate each of them a county official newspaper, but the combined compensation of the newspapers so requesting or agreeing, added to that of the other official newspaper or newspapers, if any, shall not exceed the combined compensation allowed by law to two official newspapers in counties having a population below fifteen thousand or to three official newspapers in counties having a population of fifteen thousand or more.

[SS15, §441; C24, 27, 31, 35, 39, §**5410;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.15]

**349.16 What published.**

There shall be published in each of said official newspapers at the expense of the county during the ensuing year:

1. The proceedings of the board of supervisors, excluding from the publication of said proceedings, its canvass of the various elections, as provided by law; witness fees of witnesses before the grand jury and in the district court in criminal cases.

2. The schedule of bills allowed by said board.

3. The reports of the county treasurer, including a schedule of the receipts and expenditures of the county and the current cash balance in each fund in the treasurer's office together with the total of warrants outstanding against each of the funds as shown by the warrant register in the auditor's office. A listing of warrants outstanding is not required if the county issues checks in lieu of warrants, and there are no remaining outstanding warrants issued by the county.

4. A synopsis of the expenditures of township trustees for road purposes as provided by law.

[R60, §313; C73, §304; C97, §441; SS15, §441; C24, 27, 31, 35, 39, §**5411;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.16]

2006 Acts, ch 1070, §19, 31

Referred to in §349.17, 357.1B, 358.3, 358.32

**349.17 Official publication fee.**

The cost of official publications provided for in section 349.16 shall not exceed the fee provided in section 618.11 for the publication of legal notices. An official publication shall not be printed in type smaller than six point.

[C73, §307; C97, §441; SS15, §441; C24, 27, 31, 35, 39, §**5412;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.17]

86 Acts, ch 1183, §3; 89 Acts, ch 214, §2

**349.18 Supervisors' proceedings — each payee listed — publication.**

1. All proceedings of each regular, adjourned, or special meeting of a board of supervisors, including the schedule of bills allowed, shall be published immediately after the adjournment of the meeting.

2. The publication of the schedule of the bills allowed shall include a list of all claims allowed, including salary claims for services performed, showing the name of the person or firm making the claim, the reason for the claim, and the amount of the claim, except that the publication of claims shall comply with the following:

*a.* The names of persons receiving relief shall not be published.

*b.* The salaries paid to persons regularly employed by the county shall only be published annually showing the total amount of the annual salary.

*c.* If the reason for the claims is the same, two or more claims made by the same vendor, supplier, or claimant may be consolidated if the number of claims consolidated and the total consolidated claim amount are listed in the statement. However, the board shall provide at its office upon request an unconsolidated list of all claims allowed.

3. The county auditor shall furnish a copy of the proceedings to be published, within one week following the adjournment of the board.

[C27, 31, 35, §5412-a1; C39, §**5412.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §349.18]

83 Acts, ch 123, §158, 209; 84 Acts, ch 1069, §1; 2006 Acts, ch 1018, §4

Referred to in §331.504

# CHAPTER 350

## COUNTY CONSERVATION BOARDS

Referred to in §331.303, 331.427, 456A.19, 456A.24, 481A.1, 481A.130, 717F.7

This chapter not enacted as a part of this title; transferred from chapter 111A in Code 1993


350.1 Purposes.
350.2 Petition — board membership.
350.3 Meetings — records — annual report.
350.4 Powers and duties.
350.5 Regulations — penalty — officers.
350.6 Moneys — contracts — bonds.
350.7 Joint operations.
350.8 School property used.
350.9 Advice and assistance.
350.10 Statutes applicable.
350.11 County conservation boards created.
350.12 Iowa's county beautification program.


**350.1 Purposes.**

The purposes of this chapter are to create a county conservation board and to authorize counties to acquire, develop, maintain, and make available to the inhabitants of the county, public museums, parks, preserves, parkways, playgrounds, recreational centers, county forests, wildlife and other conservation areas, and to promote and preserve the health and general welfare of the people, to encourage the orderly development and conservation of natural resources, and to cultivate good citizenship by providing adequate programs of public recreation.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §111A.1]
C93, §350.1
Referred to in §461.36

**350.2 Petition — board membership.**

Upon a petition to the board of supervisors which meets the requirements of section 331.306, the board shall submit to the voters at the next general election the question of whether a county conservation board shall be created as provided for in this chapter. If at the election the majority of votes favors the creation of a county conservation board, the board of supervisors within sixty days after the election shall create a county conservation board to consist of five bona fide residents of the county. The members first appointed shall hold office for the term of one, two, three, four, and five years respectively, as indicated and fixed by the board of supervisors. Thereafter, succeeding members shall be appointed for a term of five years, except that vacancies occurring otherwise than by expiration of term shall be filled by appointment for the unexpired term. When a member of the board, during the term of office, ceases to be a bona fide resident of the county, the member is disqualified as a member and the office becomes vacant. Members of the board shall be selected and appointed on the basis of their demonstrated interest in conservation matters, and shall serve without compensation, but may be paid their actual and necessary expenses incurred in the performance of their official duties. Members of the county conservation board may be removed for cause by the board of supervisors as provided in section 331.321, subsection 3, if the cause is malfeasance, nonfeasance, disability, or failure to participate in board activities as set forth by the rules of the conservation board.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §111A.2; 81 Acts, ch 117, §1012]
90 Acts, ch 1238, §34
C93, §350.2
Referred to in §331.321, 331.381, 350.11

**350.3 Meetings — records — annual report.**

Within thirty days after the appointment of members of the board, the board shall organize by selecting from its members a president and secretary and such other officers as are deemed necessary, who shall hold office for the calendar year in which elected and until their successors are selected and qualify. Three members of the board shall constitute a quorum for the transaction of business. The board shall hold regular monthly meetings.

Special meetings may be called by the president, and shall be called on the request of a majority of members, as the necessity may require. The county conservation board shall have power to adopt bylaws, to adopt and use a common seal, and to enter into contracts. The county board of supervisors shall provide suitable offices for the meetings of the county conservation board and for the safekeeping of its records. Such records shall be subject to public inspection at all reasonable hours and under such regulations as the county conservation board may prescribe. The board shall annually make a full and complete report to the county board of supervisors of its transactions and operations for the preceding year. Such report shall contain a full statement of its receipts, disbursements, and the program of work for the period covered, and may include such recommendations as may be deemed advisable.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §111A.3]
86 Acts, ch 1245, §1879; 92 Acts, ch 1025, §1
C93, §350.3

**350.4 Powers and duties.**

The county conservation board shall have the custody, control and management of all real and personal property heretofore or hereafter acquired by the county for public museums, parks, preserves, parkways, playgrounds, recreation centers, county forests, county wildlife areas, and other county conservation and recreation purposes and is authorized and empowered:

1. To study and ascertain the county's museum, park, preserve, parkway, and recreation and other conservation facilities, the need for such facilities, and the extent to which such needs are being currently met, and to prepare and adopt a coordinated plan of areas and facilities to meet such needs.

2. To acquire in the name of the county by gift, purchase, lease, agreement, exchange, or otherwise, in fee or with conditions, suitable real estate within or without the territorial limits of the county for public museums, parks, preserves, parkways, playgrounds, recreation centers, forests, wildlife, and other conservation purposes and for participation in watershed, drainage, and flood control programs for the purpose of increasing the recreational resources of the county. The natural resource commission, the county board of supervisors, or the governing body of any city, upon request of the county conservation board, may transfer to the county conservation board for use as museums, parks, preserves, parkways, playgrounds, recreation centers, play fields, tennis courts, skating rinks, swimming pools, gymnasiums, rooms for arts and crafts, camps and meeting places, community forests, wildlife areas, and other recreational purposes, any land and buildings owned or controlled by the department of natural resources or the county or city and not devoted or dedicated to any other inconsistent public use. In acquiring or accepting land, due consideration shall be given to its scenic, historic, archaeologic, recreational, or other special features, and land shall not be acquired or accepted unless, in the opinion of the board, it is suitable or, in the case of exchange, is suitable and of substantially the same value as the property exchanged from the standpoint of its proposed use. An exchange of property approved by the county conservation board and the board of supervisors is not subject to section 331.361, subsection 2.

3. The county conservation board shall file with the natural resource commission all acquisitions or exchanges of land within one year.

4. To plan, develop, preserve, administer and maintain all such areas, places and facilities, and construct, reconstruct, alter and renew buildings and other structures, and equip and maintain the same.

5. To accept in the name of the county gifts, bequests, contributions and appropriations of money and other personal property for conservation purposes.

6. To employ and fix the compensation of a director who shall be responsible to the county conservation board for the carrying out of its policies. The director, subject to the approval of the board, may employ and fix the compensation of assistants and employees as necessary for carrying out this chapter.

7. To charge and collect reasonable fees for the use of the parks, facilities, privileges and conveniences as may be provided and for admission to amateur athletic contests,

demonstrations and exhibits, and other noncommercial events. The board shall not allow the exclusive use of a park by one or more organizations.

8. To operate concessions or to lease concessions and to let out and rent privileges in or upon any property under its control upon such terms and conditions as are deemed by it to be in the public interest.

9. *a.* To participate in watershed projects of soil and water conservation districts and the federal government and in projects of drainage districts organized under the provisions of chapter 161F, chapter 468, subchapter I, parts 1 through 5, and chapter 468, subchapter II, parts 1, 5, and 6, for the purpose of increasing the recreational resources of the county.

*b.* Any agreement for such participation by or with a board of supervisors or trustees concerning drainage districts shall be in writing, shall be duly adopted by a resolution of the board of supervisors or trustees and shall be spread in its entirety upon the permanent records of the drainage district or districts affected.

10. To furnish suitable uniforms for the director and those employees as the director may designate to wear uniforms, when on official duty. The cost of the uniforms shall not exceed three hundred dollars per person in any year. The uniforms shall at all times remain the property of the county.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §111A.4; 81 Acts, ch 117, §1013]

84 Acts, ch 1097, §1; 86 Acts, ch 1097, §1; 86 Acts, ch 1245, §1867; 89 Acts, ch 191, §1; 89 Acts, ch 239, §1

C93, §350.4

2010 Acts, ch 1061, §180; 2013 Acts, ch 30, §78

Referred to in §306.42

Subsection 9, paragraph a amended

**350.5 Regulations — penalty — officers.**

The county conservation board may make, alter, amend or repeal regulations for the protection, regulation, and control of all museums, parks, preserves, parkways, playgrounds, recreation centers, and other property under its control. The regulations shall not be contrary to, or inconsistent with, the laws of this state. The regulations shall not take effect until ten days after their adoption by the board and after their publication as provided in section 331.305 and after a copy of the regulations has been posted near each gate or principal entrance to the public ground to which they apply. After the publication and posting, a person violating a provision of the regulations which are then in effect is guilty of a simple misdemeanor. The board may designate the director and those employees as the director may designate as police officers who shall have all the powers conferred by law on police officers, peace officers, or sheriffs in the enforcement of the laws of this state and the apprehension of violators upon all property under its control within and without the county. The board may grant the director and those employees of the board designated as police officers the authority to enforce the provisions of chapters 321G, 321I, 461A, 462A, 481A, and 483A on land not under the control of the board within the county.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §111A.5]

84 Acts, ch 1097, §2; 87 Acts, ch 43, §3; 88 Acts, ch 1193, §1; 89 Acts, ch 88, §1

C93, §350.5

2004 Acts, ch 1132, §88

Referred to in §97B.49B, 350.10, 462A.31

See §462A.31

**350.6 Moneys — contracts — bonds.**

Upon request of the county conservation board, the board of supervisors shall establish a reserve for county conservation land acquisition and capital improvement projects. The board of supervisors may periodically credit an amount of money to the reserve. Moneys credited to the reserve shall remain in the reserve until expended for the projects upon warrants requisitioned by the county conservation board. The interest earned on moneys received from bequests and donations in the reserve account which are invested pursuant to section 12C.1 shall be credited to the reserve account.

Annually, the total amount of money credited to the reserve, plus moneys appropriated

for conservation purposes from sources other than the reserve, shall not be less than the amount of gifts, contributions, and bequests of money, rent, licenses, fees, charges, and other revenues received by the county conservation board. However, moneys given, bequeathed, or contributed upon specified trusts shall be held, appropriated, and expended in accordance with the trust specified.

Grants provided by the natural resource commission from its county conservation board fund shall be expended solely for the purposes of carrying out the provisions of this chapter.

The county auditor shall keep a complete record of the appropriations and shall issue warrants on them only on requisition of the county conservation board. The county conservation board is subject to the contract letting procedures in section 331.341, subsections 1, 2, and 4. Upon request of the county conservation board, the board of supervisors may issue general county purpose bonds for the purposes in section 331.441, subsection 2, paragraph "c", subparagraph (2), as provided in chapter 331, division IV, part 3.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §111A.6; 81 Acts, ch 28, §3, ch 117, §1014, 1015]

83 Acts, ch 123, §58, 209; 84 Acts, ch 1262, §5; 86 Acts, ch 1245, §1879; 88 Acts, ch 1216, §45

C93, §350.6

**350.7 Joint operations.**

Any county conservation board may cooperate with the federal government or the state government or any department or agency thereof to carry out the purposes and provisions of this chapter. Any county conservation board may also cooperate with a private, not-for-profit organization to carry out public projects and programs authorized under this chapter. Any county conservation board may join with any other county board or boards to carry out this chapter, and to that end may enter into agreement with each other and may do any and all things necessary or convenient to aid and cooperate in carrying out the chapter. Any city, village, or school district may aid and cooperate with any county conservation board or any combination of boards in equipping, operating, and maintaining museums, parks, preserves, parkways, playgrounds, recreation centers, and conservation areas, and for providing, conducting, and supervising programs of activities, and may appropriate money for such purposes. The natural resource commission, county engineer, county agricultural agent, and other county officials shall render assistance which does not interfere with their regular employment. The board of supervisors may be reimbursed to the credit of the proper fund from county conservation funds for actual expense of operation of county-owned equipment, use of county equipment operators, supplies, and materials of the county, or for the reasonable value for the use of county real estate made available for the use of the county conservation board.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §111A.7; 81 Acts, ch 117, §1016]

86 Acts, ch 1245, §1879

C93, §350.7

99 Acts, ch 48, §1

**350.8 School property used.**

The governing body of any school district may grant the use of any buildings, grounds, or equipment of the district to any county conservation board for the purpose of carrying out the provisions of this chapter whenever such use of the school buildings, grounds or equipment for such purposes will not interfere with the use of the buildings, grounds, and equipment for any purpose of the public school system.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §111A.8]

C93, §350.8

See §297.9

**350.9 Advice and assistance.**

The natural resource commission and the department of education shall advise with and may assist any county or counties in carrying out the purposes of this chapter.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §111A.9]
86 Acts, ch 1245, §1879
C93, §350.9

**350.10 Statutes applicable.**

Sections 461A.35 through 461A.57 apply to all lands and waters under the control of a county conservation board, in the same manner as if the lands and waters were state parks, lands, or waters. As used in sections 461A.35 through 461A.57, *"natural resource commission"* includes a county conservation board, and *"director"* includes a county conservation board or its director, with respect to lands or waters under the control of a county conservation board. However, sections 461A.35 through 461A.57 may be modified or superseded by rules adopted as provided in section 350.5.

[C71, 73, 75, 77, 79, 81, §111A.10]
84 Acts, ch 1097, §3; 86 Acts, ch 1245, §1868
C93, §350.10

**350.11 County conservation boards created.**

Notwithstanding the referendum specified in section 350.2, the board of supervisors of any county in which a county conservation board has not been established as of January 1, 1989, shall create a county conservation board to become effective July 1, 1989. The membership of a county conservation board created pursuant to this section, shall be appointed during the month of January 1989, for the purposes of organizing, planning, and budgeting for the fiscal year beginning July 1, 1989. A county conservation board created as provided in this section shall become fully operational as of July 1, 1989.

88 Acts, ch 1193, §2
C89, §111A.11
C93, §350.11

**350.12 Iowa's county beautification program.**

1. A county conservation board may establish an Iowa's county beautification program to encourage the prevention and cleanup of litter in public areas of the county. The county conservation director shall prepare and implement the program which is designed to employ persons from fourteen years of age to eighteen years of age in a six-week summer program. The program may include public informational activities, but shall be directed primarily toward encouraging and facilitating involvement in litter prevention and cleanup. The program shall also include weekly instruction on safety in the workplace while employed with an Iowa's county beautification program. Financial assistance for an Iowa's county beautification program may be received through the county conservation account pursuant to section 455A.19. County matching funds shall not be required for eligibility for funding an Iowa's county beautification program.

2. A county conservation board shall coordinate its Iowa's county beautification program with the county engineer or director of the county secondary road department and with the district highway engineer of the state department of transportation. The respective county and state highway authorities, within time and budgetary limitations, shall cooperate with the county conservation board in implementing the litter program in regard to the rights-of-way of primary and secondary roads when requested by the county conservation board.

89 Acts, ch 236, §10
CS89, §111A.12
C93, §350.12

# CHAPTER 351

## DOGS AND OTHER ANIMALS

Referred to in §331.381


351.1 through 351.24 Repealed by 94 Acts, ch 1173, §42.
351.25 Dog as property.
351.26 Right and duty to kill untagged dog.
351.27 Right to kill tagged dog.
351.28 Liability for damages.
351.29 Construction clause.
351.30 through 351.32 Repealed by 67 Acts, ch 118, §9.
351.33 Rabies vaccination.
351.34 Repealed by 94 Acts, ch 1173, §42.
351.35 How and when.
351.36 Enforcement.
351.37 Dogs running at large — impoundment — disposition.
351.38 Owner's duty.
351.39 Confinement.
351.40 Quarantine.
351.41 Not a limitation on power of municipalities and counties.
351.42 Exempt dogs.
351.43 Penalty.


**351.1 through 351.24** Repealed by 94 Acts, ch 1173, §42.

**351.25 Dog as property.**

All dogs under six months of age, and all dogs over said age and wearing a collar with a valid rabies vaccination tag attached to the collar, shall be deemed property. Dogs not provided with a rabies vaccination tag shall not be deemed property.

[C24, 27, 31, 35, 39, §**5447;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §351.25]

94 Acts, ch 1173, §32

**351.26 Right and duty to kill untagged dog.**

It shall be lawful for any person, and the duty of all peace officers within their respective jurisdictions unless such jurisdiction shall have otherwise provided for the seizure and impoundment of dogs, to kill any dog for which a rabies vaccination tag is required, when the dog is not wearing a collar with rabies vaccination tag attached.

[C24, 27, 31, 35, 39, §**5448;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §351.26]

94 Acts, ch 1173, §33

**351.27 Right to kill tagged dog.**

It shall be lawful for any person to kill a dog, wearing a collar with a rabies vaccination tag attached, when the dog is caught in the act of chasing, maiming, or killing any domestic animal or fowl, or when such dog is attacking or attempting to bite a person.

[C73, §1485; C97, §2340; S13, §2340; C24, 27, 31, 35, 39, §**5449;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §351.27]

94 Acts, ch 1173, §34; 2007 Acts, ch 111, §1

**351.28 Liability for damages.**

The owner of a dog shall be liable to an injured party for all damages done by the dog, when the dog is caught in the action of worrying, maiming, or killing a domestic animal, or the dog is attacking or attempting to bite a person, except when the party damaged is doing an unlawful act, directly contributing to the injury. This section does not apply to damage done by a dog affected with hydrophobia unless the owner of the dog had reasonable grounds to know that the dog was afflicted with hydrophobia and by reasonable effort might have prevented the injury.

[C73, §1485; C97, §2340; S13, §2340; C24, 27, 31, 35, 39, §**5450;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §351.28]

83 Acts, ch 117, §1

**351.29 Construction clause.**

A holding that one or more sections hereof are unconstitutional shall not be held to invalidate the remaining sections.

[C24, 27, 31, 35, 39, §**5451;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §351.29]

**351.30 through 351.32** Repealed by 67 Acts, ch 118, § 9.

**351.33 Rabies vaccination.**

Every owner of a dog shall obtain a rabies vaccination for such animal. It shall be unlawful for any person to own or have a dog in the person's possession, six months of age or over, which has not been vaccinated against rabies. Dogs kept in kennels and not allowed to run at large shall not be subject to these vaccination requirements.

[C66, 71, 73, 75, 77, 79, 81, §351.33]

Referred to in §351.35, 351.36, 351.42, 351.43

**351.34** Repealed by 94 Acts, ch 1173, § 42.

**351.35 How and when.**

The rabies vaccination required by section 351.33 shall be an injection of antirabies vaccine approved by the state department of agriculture and land stewardship, and the frequency of revaccination necessary for approved vaccinations shall be as established by such department. The vaccine shall be administered by a licensed veterinarian and shall be given as approved by the state department of agriculture and land stewardship. The veterinarian shall issue a tag with the certificate of vaccination, and such tag shall at all times be attached to the collar of the dog.

[C66, 71, 73, 75, 77, 79, 81, §351.35]

Referred to in §351.36, 351.42, 351.43

**351.36 Enforcement.**

Local health and law enforcement officials shall enforce the provisions of sections 351.33 to 351.43 relating to vaccination and impoundment of dogs. Such public officials shall not be responsible for any accident or disease of a dog resulting from the enforcement of the provisions of said sections.

[C66, 71, 73, 75, 77, 79, 81, §351.36]

Referred to in §351.42, 351.43

**351.37 Dogs running at large — impoundment — disposition.**

A dog shall be apprehended and impounded by a local board of health or law enforcement official if the dog is running at large and the dog is not wearing a valid rabies vaccination tag or a rabies vaccination certificate is not presented to the local board of health or law enforcement official.

The local board of health or law enforcement official shall provide written notice to the owner if the local board of health or law enforcement official can reasonably determine the owner's name and current address by accessing a tag or other device that is on or a part of the dog. The notice shall be sent within two days after the dog has been impounded. The notice shall provide that if the owner does not redeem the dog within seven days from the date that the notice is delivered, the dog may be humanely destroyed or otherwise disposed of in accordance with law. For purposes of this section, notice is delivered when the local board of health or law enforcement official mails the notice which may be by regular mail. An owner may redeem a dog by having it immediately vaccinated and paying the cost of impoundment.

If the owner of the impounded dog fails to redeem the dog within seven days from the date of the delivery of the notice to the dog's owner as provided in this section, the dog may be disposed of in accordance with law. If the dog is destroyed, it must be destroyed by euthanasia as defined in section 162.2.

[C66, 71, 73, 75, 77, 79, 81, §351.37]

2002 Acts, ch 1130, §1

Referred to in §351.36, 351.42, 351.43

**351.38 Owner's duty.**

It shall be the duty of the owner of any dog, cat or other animal which has bitten or attacked a person or any person having knowledge of such bite or attack to report this act to a local health or law enforcement official. It shall be the duty of physicians and veterinarians to report to the local board of health the existence of any animal known or suspected to be suffering from rabies.

[C66, 71, 73, 75, 77, 79, 81, §351.38]

Referred to in §351.36, 351.42, 351.43

**351.39 Confinement.**

If a local board of health receives information that an animal has bitten a person or that a dog or animal is suspected of having rabies, the board shall order the owner to confine such animal in the manner it directs. If the owner fails to confine such animal in the manner directed, the animal shall be apprehended and impounded by such board, and after ten days the board may humanely destroy the animal. If such animal is returned to its owner, the owner shall pay the cost of impoundment. This section shall not apply if a police service dog or a horse used by a law enforcement agency and acting in the performance of its duties has bitten a person.

[C66, 71, 73, 75, 77, 79, 81, §351.39]

2001 Acts, ch 19, §1; 2001 Acts, ch 176, §68

Referred to in §351.36, 351.42, 351.43

**351.40 Quarantine.**

If a local board of health believes rabies to be epidemic, or believes there is a threat of epidemic, in its jurisdiction, it may declare a quarantine in all or part of the area under its jurisdiction and such declaration shall be reported to the Iowa department of public health. During the period of quarantine, any person owning or having a dog in the person's possession in the quarantined area shall keep such animal securely enclosed or on a leash for the duration of the quarantine period.

[C66, 71, 73, 75, 77, 79, 81, §351.40]

Referred to in §351.36, 351.42, 351.43

**351.41 Not a limitation on power of municipalities and counties.**

This chapter does not limit the power of any city or county to prohibit dogs and other animals from running at large, whether or not they have been vaccinated for rabies, and does not limit the power of any city or county to provide additional measures for the restriction of dogs and other animals for the control of rabies and for other purposes.

[C66, 71, 73, 75, 77, 79, 81, S81, §351.41; 81 Acts, ch 117, §1065]

Referred to in §351.36, 351.42, 351.43

**351.42 Exempt dogs.**

Dogs that are under the control of the owner or handlers and which are in transit, or are to be exhibited shall be exempt from the vaccination provisions of these sections if they are within the state for less than thirty days. Dogs assigned to a research institution or a like facility shall be exempt from the provisions of sections 351.33 to 351.43.

[C66, 71, 73, 75, 77, 79, 81, §351.42]

Referred to in §351.36, 351.43

**351.43 Penalty.**

Any person refusing to comply with the provisions of sections 351.33 to 351.42 or violating any of their provisions, shall be deemed guilty of a simple misdemeanor.

[C66, 71, 73, 75, 77, 79, 81, §351.43]

Referred to in §351.36, 351.42

# CHAPTER 351A

RESERVED

# CHAPTER 352

## COUNTY LAND PRESERVATION AND USE COMMISSIONS

Referred to in §6B.3, 159.6, 173.3, 455B.275

Chapter does not invalidate ordinances existing on July 1, 1982,
or require adoption of zoning ordinance;
see 82 Acts, ch 1245, §20
This chapter not enacted as a part of this title;
transferred from chapter 176B in Code 1993


352.1 Purpose.
352.2 Definitions.
352.3 County land preservation and use commissions established.
352.4 County inventories.
352.5 County land preservation and use plan.
352.6 Creation or expansion of agricultural areas.
352.7 Duties of county board.
352.8 Requirement that description of agricultural areas be filed with the county.
352.9 Withdrawal.
352.10 Limitation on power of certain public agencies to impose public benefit assessments or special assessments.
352.11 Incentives for agricultural land preservation — payment of costs and fees in nuisance actions.
352.12 State regulation.
352.13 Repealed by 98 Acts, ch 1032, §10.


**352.1 Purpose.**

It is the intent of the general assembly and the policy of this state to provide for the orderly use and development of land and related natural resources in Iowa for residential, commercial, industrial, and recreational purposes, preserve private property rights, protect natural and historic resources and fragile ecosystems of this state including forests, wetlands, rivers, streams, lakes and their shorelines, aquifers, prairies, and recreational areas to promote the efficient use and conservation of energy resources, to promote the creation and maintenance of wildlife habitat, to consider the protection of soil from wind and water erosion and preserve the availability and use of agricultural land for agricultural production, through processes that emphasize the participation of citizens and local governments.

The general assembly recognizes the importance of preserving the state's finite supply of agricultural land. Conversion of farmland to urban development, and other nonfarm uses, reduces future food production capabilities and may ultimately undermine agriculture as a major economic activity in Iowa.

It is the intent of the general assembly to provide local citizens and local governments the means by which agricultural land may be protected from nonagricultural development pressures. This may be accomplished by the creation of county land preservation and use plans and policies, adoption of an agricultural land preservation ordinance, or establishment of agricultural areas in which substantial agricultural activities are encouraged, so that land inside these areas or subject to those ordinances is conserved for the production of food, fiber, and livestock, thus assuring the preservation of agriculture as a major factor in the economy of this state.

[C79, 81, §93A.1; 82 Acts, ch 1245, §2]
C87, §176B.1
C93, §352.1
Referred to in §352.6, 352.12

**352.2 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Agricultural area"* means an area meeting the qualifications of section 352.6 and designated under section 352.7.

2. *"County board"* means the county board of supervisors.

3. *"County commission"* means the county land preservation and use commission.

4. *"Farm"* means the land, buildings, and machinery used in the commercial production of farm products.

5. *"Farmland"* means those parcels of land suitable for the production of farm products.

6. *"Farm operation"* means a condition or activity which occurs on a farm in connection with the production of farm products and includes but is not limited to the raising, harvesting, drying, or storage of crops; the care or feeding of livestock; the handling or transportation of crops or livestock; the treatment or disposal of wastes resulting from livestock; the marketing of products at roadside stands or farm markets; the creation of noise, odor, dust, or fumes; the operation of machinery and irrigation pumps; ground and aerial seeding and spraying; the application of chemical fertilizers, conditioners, insecticides, pesticides, and herbicides; and the employment and use of labor.

7. *"Farm products"* means those plants and animals and their products which are useful to people and includes but is not limited to forages and sod crops, grains and feed crops, dairy and dairy products, poultry and poultry products, livestock, fruits, vegetables, flowers, seeds, grasses, trees, fish, honey, and other similar products, or any other plant, animal, or plant or animal product which supplies people with food, feed, fiber, or fur.

8. *"Livestock"* means the same as defined in section 267.1.

9. *"Nuisance"* means a public or private nuisance as defined either by statute, administrative rule, ordinance, or the common law.

10. *"Nuisance action or proceeding"* means an action, claim, or proceeding, whether brought at law, in equity, or as an administrative proceeding, which is based on nuisance.

[C79, 81, §93A.2; 82 Acts, ch 1245, §3]
C87, §176B.2
C93, §352.2
93 Acts, ch 146, §1, 2
Referred to in §321.449, 321I.14, 480.9

**352.3 County land preservation and use commissions established.**

1. *a.* In each county a county land preservation and use commission is created composed of the following members:

(1) One member appointed by and from the county agricultural extension council.

(2) Two members appointed by the district soil and water conservation commissioners, one of whom must be a member of the district soil and water conservation board of commissioners and one must be a person who is not a commissioner, but is actively operating a farm in the county.

(3) One member appointed by the board of supervisors from the residents of the county who may be a member of the board.

(4) One member appointed by and from a convention of the mayors and councilpersons of the cities of the county. If a participating city contains fifty percent or more of the total population of the participating cities, that city may appoint the member appointed under this paragraph.

*b.* However, if a city contains more than fifty percent of the population of a county which has a population exceeding fifty thousand persons, that city shall not participate in the convention of mayors and councilpersons and the members appointed under paragraph *"a"*, subparagraph (4), shall be one member appointed by and from the mayor and councilpersons of that city and one member appointed by and from the convention of mayors and councilpersons and the member appointed under paragraph (a), subparagraph (3), shall be a resident of the county engaged in actual farming operations appointed by the board of supervisors.

2. The county commission shall meet and organize by the election of a chairperson and vice chairperson from among its members by October 1, 1982. A majority of the members

of the county commission constitutes a quorum. Concurrence of a quorum is required to determine any matter relating to its official duties.

3. The state agricultural extension service shall provide county commissions with technical, informational, and clerical assistance.

4. A vacancy in the county commission shall be filled in the same manner as the appointment of the member whose position is vacant. The term of a county commissioner is four years. However, in the initial appointments to the county commission, the members appointed under subsection 1, paragraph "*a*", subparagraphs (1) and (2) shall be appointed to terms of two years. Members may be appointed to succeed themselves.

[C79, 81, §93A.3(1, 2, 4); 82 Acts, ch 1245, §4]
C87, §176B.3
87 Acts, ch 23, §6
C93, §352.3
2010 Acts, ch 1061, §141

**352.4 County inventories.**

1. Each county commission shall compile a county land use inventory of the unincorporated areas of the county by July 1, 1984. The county inventories shall where adequate data is available contain at least the following:

*a.* The land available and used for agricultural purposes by soil suitability classifications or land capability classification, whichever is available.

*b.* The lands used for public facilities, which may include parks, recreation areas, schools, government buildings and historical sites.

*c.* The lands used for private open spaces, which may include woodlands, wetlands and water bodies.

*d.* The land used for each of the following uses: commercial, industrial including mineral extraction, residential and transportation.

*e.* The lands which have been converted from agricultural use to residential use, commercial or industrial use, or public facilities since 1960.

2. In addition to that provided under subsection 1, the county inventory shall also contain the land inside the boundaries of a city which is taxed as agricultural land.

3. The information required by subsection 1 shall be provided both in narrative and map form. The county commission shall provide a cartographic display which contrasts the county's present land use with the land use in the county in 1960 based on the best available information. The display need only show the areas in agriculture, private open spaces, public facilities, commercial, industrial, residential and transportation uses.

4. The state department of agriculture and land stewardship, department of management, department of natural resources, geological survey, state agricultural extension service, and the economic development authority shall, upon request, provide to each county commission any pertinent land use information available to assist in the compiling of the county land use inventories.

[C79, 81, §93A.4(9); 82 Acts, ch 1245, §5]
83 Acts, ch 101, §6; 83 Acts, ch 137, §26; 84 Acts, ch 1303, §22
C87, §176B.4
C93, §352.4
2011 Acts, ch 118, §85, 89
Referred to in §352.5

**352.5 County land preservation and use plan.**

1. By March 1, 1985, after at least one public hearing, a county commission shall propose to the county board a county land use plan for the unincorporated areas in the county, or it shall transmit to the county board the county land use inventory completed pursuant to section 352.4 together with a set of written findings on the following factors considered by the county commission:

*a.* Methods of preserving agricultural lands for agricultural production.

*b.* Methods of preserving and providing for recreational areas, forests, wetlands, streams, lakes and aquifers.

*c.* Methods of providing for housing, commercial, industrial, transportational and recreational needs.

*d.* Methods to promote the efficient use and conservation of energy resources.

*e.* Methods to promote the creation and maintenance of wildlife habitat.

*f.* Methods of implementing the plan, if adopted, including a formal countywide system to allow variances from the county plan that incorporates the examination of alternative land uses and a public hearing on such alternatives.

*g.* Methods of encouraging the voluntary formation of agricultural areas by the owners of farmland.

*h.* Methods of considering the platting of subdivisions and its effect upon the availability of farmland.

2. Upon receipt of the inventory and findings, the county board may direct the county commission to prepare a county land use plan for the consideration of the county board.

3. *a.* Upon receipt of a plan, the county board may rerefer the plan to the county commission for modification, reject the plan or adopt the plan either as originally submitted or as modified.

*b.* If the plan is approved by the county board, it shall be the land use policy of the county and shall be administered and enforced by the county in the unincorporated areas. The county commission shall review the county plan periodically for the purpose of considering amendments to it. If the commission proposes amendments to the plan, it shall forward the proposal to the county board which may rerefer the amendments to the commission for modification or reject or adopt the amendments.

4. Within thirty days after the completion of the county land use inventory compiled pursuant to section 352.4 or any county land use plan or set of written findings completed pursuant to this section, the county commission shall transmit one copy of each to the interagency resource council.

[C79, 81, §93A.3(3, 5, 6); 82 Acts, ch 1245, §6]
C83, §93A.5
84 Acts, ch 1303, §23
C87, §176B.5
C93, §352.5
2010 Acts, ch 1061, §180

**352.6 Creation or expansion of agricultural areas.**

1. An owner of farmland may submit a proposal to the county board for the creation or expansion of an agricultural area within the county. An agricultural area, at its creation, shall include at least three hundred acres of farmland; however, a smaller area may be created if the farmland is adjacent to farmland subject to an agricultural land preservation ordinance pursuant to section 335.27 or adjacent to land located within an existing agricultural area. The proposal shall include a description of the proposed area to be created or expanded, including its boundaries. The territory shall be as compact and as nearly adjacent as feasible. Land shall not be included in an agricultural area without the consent of the owner. Agricultural areas shall not exist within the corporate limits of a city. The county board may consult with the department of natural resources when creating or expanding an agricultural area contiguous to a location which is under the direct supervision of the department, including a state park, state preserve, state recreation area, or sovereign lake. Agricultural areas may be created in a county which has adopted zoning ordinances. Except as provided in this section, the use of the land in agricultural areas is limited to farm operations.

2. The following shall be permitted in an agricultural area:

*a.* Residences constructed for occupation by a person engaged in farming or in a family farm operation. Nonconforming preexisting residences may be continued in residential use.

*b.* Property of a telephone company, city utility as defined in section 390.1, public utility as defined in section 476.1, or pipeline company as defined in section 479.2.

3. The county board of supervisors may permit any use not listed in subsection 2 in an agricultural area only if it finds all of the following:

*a.* The use is not inconsistent with the purposes set forth in section 352.1.

*b.* The use does not interfere seriously with farm operations within the area.

*c.* The use does not materially alter the stability of the overall land use pattern in the area.

[82 Acts, ch 1245, §7]
C83, §93A.6
C87, §176B.6
C93, §352.6
93 Acts, ch 146, §3; 2010 Acts, ch 1061, §142
Referred to in §335.27, 352.2

**352.7 Duties of county board.**

1. Within thirty days of receipt of a proposal to create or expand an agricultural area which meets the statutory requirements, the county board shall provide notice of the proposal by publishing notice in a newspaper of general circulation in the county. Within forty-five days after receipt of the proposal, the county board shall hold a public hearing on the proposal.

2. Within sixty days after receipt, the county board shall adopt the proposal or any modification of the proposal it deems appropriate, unless to do so would be inconsistent with the purposes of this chapter.

[82 Acts, ch 1245, §8]
C83, §93A.7
C87, §176B.7
C93, §352.7
93 Acts, ch 146, §4
Referred to in §352.2

**352.8 Requirement that description of agricultural areas be filed with the county.**

Upon the creation or expansion of an agricultural area, its description shall be filed by the county board with the county auditor and placed on record with the recording officer in the county.

[82 Acts, ch 1245, §9]
C83, §93A.8
C87, §176B.8
C93, §352.8
93 Acts, ch 146, §5

**352.9 Withdrawal.**

At any time after three years from the date of creation of an agricultural area, an owner may withdraw from an agricultural area by filing with the county board a request for withdrawal containing a legal description of the land to be withdrawn and a statement of the reasons for the withdrawal. The county board shall, within sixty days of receipt of the request, approve or deny the request for withdrawal. At any time after six years from the date of creation of an agricultural area, an owner may withdraw from an agricultural area by filing with the county board a notice of withdrawal containing a legal description of the land to be withdrawn.

The board shall cause the description of that agricultural area filed with the county auditor and recording officer in the county to be modified to reflect any withdrawal. Withdrawal shall be effective on the date of recording. The agricultural area from which the land is withdrawn shall continue in existence even if smaller than three hundred acres after withdrawal.

[82 Acts, ch 1245, §10]
C83, §93A.9
C87, §176B.9
C93, §352.9
93 Acts, ch 146, §6
Referred to in §352.11

**352.10 Limitation on power of certain public agencies to impose public benefit assessments or special assessments.**

A political subdivision or a benefited district providing public services such as sewer, water, or lights or for nonfarm drainage shall not impose benefit assessments or special assessments on land used primarily for agricultural production within an agricultural area on the basis of frontage, acreage, or value, unless the benefit assessments or special assessments were imposed prior to the formation of the agricultural area, or unless the service is provided to the landowner on the same basis as others having the service.

[82 Acts, ch 1245, §11]
C83, §93A.10
C87, §176B.10
C93, §352.10
Referred to in §335.27

**352.11 Incentives for agricultural land preservation — payment of costs and fees in nuisance actions.**

1. *Nuisance restriction.*

*a.* A farm or farm operation located in an agricultural area shall not be found to be a nuisance regardless of the established date of operation or expansion of the agricultural activities of the farm or farm operation. This paragraph shall apply to a farm operation conducted within an agricultural area for six years following the exclusion of land within an agricultural area other than by withdrawal as provided in section 352.9.

*b.* Paragraph *"a"* does not apply to a nuisance which is the result of a farm operation determined to be in violation of a federal statute or regulation or state statute or rule. Paragraph *"a"* does not apply if the nuisance results from the negligent operation of the farm or farm operation. Paragraph *"a"* does not apply to actions or proceedings arising from injury or damage to a person or property caused by the farm or a farm operation before the creation of the agricultural area. Paragraph *"a"* does not affect or defeat the right of a person to recover damages for an injury or damage sustained by the person because of the pollution or change in condition of the waters of a stream, the overflowing of the person's land, or excessive soil erosion onto another person's land, unless the injury or damage is caused by an act of God.

*c.* A person shall not bring an action or proceeding based on a claim of nuisance arising from a farm operation unless the person proceeds with mediation as provided in chapter 654B.

*d.* If a defendant is a prevailing party in an action or proceeding based on a claim of nuisance and arising from a farm operation conducted on farmland within an agricultural area, the plaintiff shall pay court costs and reasonable attorney fees incurred by the defendant, if the court determines that the claim is frivolous.

2. *Water priority.* In the application for a permit to divert, store, or withdraw water and in the allocation of available water resources under a water permit system, the department of natural resources shall give priority to the use of water resources by a farm or farm operation, exclusive of irrigation, located in an agricultural area over all other uses except the competing uses of water for ordinary household purposes.

[82 Acts, ch 1245, §12]
C83, §93A.11
83 Acts, ch 101, §7; 83 Acts, ch 137, §27
C87, §176B.11
C93, §352.11
93 Acts, ch 146, §7
Referred to in §335.27, 455B.275
Nuisances in general, chapter 657

**352.12 State regulation.**

In order to accomplish the purposes set forth in section 352.1, a rule adopted by a state agency after July 1, 1982 which would restrict or regulate farms or farm operations may contain standards which are less restrictive for farms or farm operations inside an

agricultural area than for farms or farm operations outside such an area. A rule containing such a discrimination shall not for the fact of such discrimination alone be found or held to be unreasonable, arbitrary, capricious, beyond the authority delegated to the agency, or characterized by an abuse of discretion or clearly unwarranted exercise of discretion.

[82 Acts, ch 1245, §13]
C83, §93A.12
C87, §176B.12
C93, §352.12
Referred to in §335.27

**352.13** Repealed by 98 Acts, ch 1032, § 10.

# CHAPTER 353

## COUNTY LIMESTONE QUARRIES

Referred to in §331.382

This chapter not enacted as a part of this title; transferred from chapter 202 in Code 1993


| | | | |
|---|---|---|---|
| 353.1 | Definitions. | 353.6 | Anticipatory warrants. |
| 353.1A | Board may establish. | 353.7 | Contents of warrants. |
| 353.2 | Equipment to operate. | 353.8 | Registration — call. |
| 353.3 | Petition by farm owners. | 353.9 | Price of lime. |
| 353.4 | Assessment lien. | 353.10 | Cost calculated. |
| 353.5 | Interest on installments. | 353.11 | Relief labor. |


**353.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1
See §189.1 for additional definitions applicable to this chapter

**353.1A Board may establish.**

The board of supervisors of any county where there is no privately owned quarry, or when a privately owned quarry is unable to supply limestone in the same amount and at the same price and terms, shall have the jurisdiction, power and authority, at any regular, special or adjourned session to establish, locate, acquire by purchase or lease for the county use, any limestone quarry not at that time being operated by private individuals, corporations or associations, suitable for agricultural purposes. Such quarry shall not be so established, located, acquired, or leased unless and until the board has determined by actual investigation that the county can produce by such method lime at less cost than lime of the same quality may be purchased by the county and delivered in the county from other sources.

[C39, §**3142.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.1]
C93, §353.1
C2001, §353.1A

**353.2 Equipment to operate.**

The board of supervisors shall have the authority and power to acquire such equipment as it shall deem necessary for the operation of any limestone quarry acquired for the production of agricultural lime.

[C39, §**3142.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.2]
C93, §353.2

**353.3 Petition by farm owners.**

When a petition signed by fifty or more owners of farms within the county requesting the board of supervisors to sell lime to them under this chapter is filed with the board of supervisors, or when a petition signed by any number of owners of farms within the county requesting the board of supervisors to sell to them under this chapter an amount of lime aggregating not less than five thousand tons, is filed with the board of supervisors, said board may provide for and sell, under the provisions of this chapter, such lime as is requested to the said farm owners signing the petition and to any others requesting such sale of lime.

[C39, §**3142.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.3]

C93, §353.3

**353.4 Assessment lien.**

The board shall have full power and authority to quarry, pulverize and sell or to purchase and resell to said farm owners in their respective counties, limestone for their use on their farms and may either sell same for cash, or on application of any farm owner in the county, written notice having been first given to the mortgage or lienholder and consent of said lienholders having been obtained in writing, which consent shall be filed in the office of the county auditor, provide agricultural lime, and deliver same to farm of applicant, payment for same to be provided for by a special assessment tax levy against the real estate so benefited in the amount of the sales value and transportation of said agricultural lime, which assessment shall be payable at the option of the owner of the farm or the owner's legal heirs or assignees in its entirety on or before December 1 following the receipt of said lime or may be paid in five equal annual installments payable on October 1 of each succeeding year with the ordinary taxes until said special assessment is fully paid. The special assessment shall, by consent, be a lien prior to any lien or liens upon said real estate.

[C39, §**3142.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.4]

C93, §353.4

Referred to in §353.5

**353.5 Interest on installments.**

All unpaid installments of the special assessment tax levied against the property described in section 353.4 shall bear interest at a rate not exceeding that permitted by chapter 74A and all delinquent installments shall be subject to the same penalties as are now applied to delinquent general taxes.

[C39, §**3142.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.5]

C93, §353.5

**353.6 Anticipatory warrants.**

The board shall have the authority for the purpose of financing and carrying out the provisions of this chapter to issue anticipatory warrants drawn on the county, in denominations of one hundred dollars, five hundred dollars and one thousand dollars, which anticipatory warrants shall draw interest at a rate not exceeding that permitted by chapter 74A; and shall not be a general obligation on the county and be secured only by the special assessment tax levy as herein provided.

[C39, §**3142.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.6]

C93, §353.6

**353.7 Contents of warrants.**

All such anticipatory warrants shall be signed by the chairperson of the board of supervisors and attested by the county auditor with the auditor's official seal attached thereto, and dated as of the date of sale, and shall not be sold for less than par value. Said bonds may be drawn and sold from time to time as the need for funds to carry out the purpose of this chapter arises.

[C39, §**3142.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.7]

C93, §353.7

Referred to in §331.502

**353.8 Registration — call.**

All anticipatory warrants drawn under the provisions of this chapter, shall be numbered consecutively, and be registered in the office of the county treasurer and be subject to call in numerical order at any time when sufficient money derived from the sale of such limestone or the payment of a special assessment levied therefor, is in the hands of the county treasurer to retire any of said warrants together with accrued interest thereon.

[C39, §**3142.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.8]

C93, §353.8

Referred to in §331.552

**353.9 Price of lime.**

The cost price of this agricultural lime shall be fixed by the board of supervisors, at not less than the actual cost of production at the quarry with ten percent added to provide for the cost of and depreciation on the equipment used in the production of said agricultural lime, together with any cost in transportation of the lime from the quarry to the farm of applicant.

[C39, §**3142.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.9]

C93, §353.9

Referred to in §353.10

**353.10 Cost calculated.**

In calculating the cost price of the agricultural lime to the county as referred to in section 353.9, all elements of the cost of the operations, including the amortization of the purchase price of any quarries, lands, or equipment over the period during which any bonds, warrants or other obligations incurred by the county therefor shall mature, cost of all labor, proportionate and actual administrative overhead of county officials and other county executive employees in administering said chapter and conducting said business, repairs to plant machinery and equipment, wages of all employees and all other costs of production shall be kept in a separate system of accounts, and all books and records with respect to the cost of said agricultural limestone and the methods of bookkeeping and all records in connection with the production, disposal and sale of said agricultural limestone shall be open to the inspection of the public at all times.

[C39, §**3142.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.10]

C93, §353.10

**353.11 Relief labor.**

The board is specifically authorized to use relief labor in the production of agricultural lime as provided for in this chapter, but shall pay the prevailing labor scale for that type of work, customary in that vicinity.

[C39, §**3142.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §202.11]

C93, §353.11

# CHAPTER 354

## PLATTING — DIVISION AND SUBDIVISION OF LAND

Referred to in §331.602, 441.72, 543C.1, 592.3, 714.16

Standards for land surveys and plats, see also chapter 355


354.1 Statement of purpose.
354.2 Definitions.
354.3 Covenant of warranty.
354.4 Divisions requiring a plat of survey or acquisition plat.
354.4A Entry upon land for survey purposes.
354.5 Descriptions and conveyance according to plat of survey or acquisition plat.
354.6 Subdivision plats.
354.7 Conveyances by reference to official plat.
354.8 Review and approval by governing bodies.
354.9 Review of plats within two miles of a city.
354.10 Appeal of review or disapproval.
354.11 Attachments to subdivision plats.
354.12 Bonds to secure liens.
354.13 Auditor's plats and plats of survey.
354.14 Appeal of notice.
354.15 Review of auditor's plats.
354.16 Attachments to auditor's plats and plats of survey.
354.17 Costs and collection of costs.
354.18 Recording of plats.
354.19 Dedication of land.
354.20 Action to annul plats.
354.21 Limitation of actions on official plats.
354.22 Vacation of official plats.
354.23 Vacation of streets or other public lands.
354.24 Errors on recorded plats.
354.25 Survey and replat of official plats.
354.26 Corrections or changes to plats.
354.27 Noting the permanent real estate index number.


**354.1 Statement of purpose.**

It is the purpose of this chapter to provide for a balance between the review and regulation authority of governmental agencies concerning the division and subdivision of land and the rights of landowners. It is therefore determined to be in the public interest:

1. To provide for accurate, clear, and concise legal descriptions of real estate in order to prevent, wherever possible, land boundary disputes or real estate title problems.

2. To provide for a balance between the land use rights of individual landowners and the economic, social, and environmental concerns of the public when a city or county is developing or enforcing land use regulations.

3. To provide for statewide, uniform procedures and standards for the platting of land while allowing the widest possible latitude for cities and counties to establish and enforce ordinances regulating the division and use of land, within the scope of, but not limited to, chapters 331, 335, 364, 414, and this chapter. All documents presented for recording pursuant to this chapter shall comply with section 331.606B.

4. To encourage orderly community development and provide for the regulation and control of the extension of public improvements, public services, and utilities, the improvement of land, and the design of subdivisions, consistent with an approved comprehensive plan or other specific community plans, if any.

90 Acts, ch 1236, §15
C91, §409A.1
C93, §354.1
2001 Acts, ch 44, §12; 2005 Acts, ch 19, §46

**354.2 Definitions.**

As used by this chapter, unless the context clearly indicates otherwise:

1. *"Acquisition plat"* means the graphical representation of the division of land or rights in land, created as the result of a conveyance or condemnation for right-of-way purposes by an agency of the government or other persons having the power of eminent domain.

2. *"Aliquot part"* means a fractional part of a section within the United States public land survey system. Only the fractional parts one-half, one-quarter, one-half of one-quarter, or one-quarter of one-quarter shall be considered an aliquot part of a section.

3. *"Auditor's plat"* means a subdivision plat required by either the auditor or the assessor, prepared by a surveyor under the direction of the auditor.

4. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

5. *"Conveyance"* means an instrument filed with a recorder as evidence of the transfer of title to land, including any form of deed or contract.

6. *"Division"* means dividing a tract or parcel of land into two parcels of land by conveyance or for tax purposes. The conveyance of an easement, other than a public highway easement, shall not be considered a division for the purpose of this chapter.

7. *"Forty-acre aliquot part"* means one-quarter of one-quarter of a section.

8. *"Governing body"* means a city council or the board of supervisors, within whose jurisdiction the land is located, which has adopted ordinances regulating the division of land.

9. *"Government lot"* means a tract, within a section, which is normally described by a lot number as represented and identified on the township plat of the United States public land survey system.

10. *"Lot"* means a tract of land represented and identified by number or letter designation on an official plat.

11. *"Metes and bounds description"* means a description of land that uses distances and angles, uses distances and bearings, or describes the boundaries of the parcel by reference to physical features of the land.

12. *"Official plat"* means either an auditor's plat or a subdivision plat that meets the requirements of this chapter and has been filed for record in the offices of the recorder, auditor, and assessor.

13. *"Parcel"* means a part of a tract of land.

14. *"Permanent real estate index number"* means a unique number or combination of numbers assigned to a parcel of land pursuant to section 441.29.

15. *"Plat of survey"* means the graphical representation of a survey of one or more parcels of land, including a complete and accurate description of each parcel within the plat, prepared by a licensed professional land surveyor.

16. *"Proprietor"* means a person who has a recorded interest in land, including a person selling or buying land pursuant to a contract, but excluding persons holding a mortgage, easement, or lien interest.

17. *"Subdivision"* means a tract of land divided into three or more lots.

18. *"Subdivision plat"* means the graphical representation of the subdivision of land, prepared by a licensed professional land surveyor, having a number or letter designation for each lot within the plat and a succinct name or title that is unique for the county where the land is located.

19. *"Surveyor"* means a licensed professional land surveyor who engages in the practice of land surveying pursuant to chapter 542B.

20. *"Tract"* means an aliquot part of a section, a lot within an official plat, or a government lot.

90 Acts, ch 1236, §16
C91, §409A.2
C93, §354.2
2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201; 2012 Acts, ch 1009, §1
Referred to in §354.4A, 542B.2

**354.3 Covenant of warranty.**

The duty to file for record a plat as provided in sections 354.4 and 354.6 attaches as a covenant of warranty in all conveyances by a grantor who divides land against all assessments, costs, and damages paid, lost, or incurred by a grantee or person claiming under a grantee, in consequence of the omission on the part of the grantor to file the plat. A conveyance of land is deemed to be a warranty that the description contained in the conveyance is sufficiently certain and accurate for the purposes of assessment, taxation, and entry on the transfer books and plat books required to be kept by the auditor. The description contained in a conveyance shall be sufficiently certain and accurate for assessment and

taxation purposes if it provides sufficient information to allow all the boundaries to be accurately determined and does not overlap with or create a gap between adjoining land descriptions.

A recorded conveyance in violation of this chapter may be entered on the transfer books of the auditor's office. The auditor shall notify the grantor and the grantee that the conveyance is in violation of this chapter and demand compliance as provided for in section 354.13.

90 Acts, ch 1236, §17
C91, §409A.3
C93, §354.3
Referred to in §354.13

**354.4 Divisions requiring a plat of survey or acquisition plat.**

1. The grantor of land which has been divided using a metes and bounds description shall have a plat of survey made of the division, except as provided for in subsection 3. The grantor or the surveyor shall contact the county auditor who, for the purpose of assessment and taxation, shall review the division to determine whether the survey shall include only the parcel being conveyed or both the parcel being conveyed and the remaining parcel. The plat of survey shall be prepared in compliance with chapter 355 and shall be recorded. The plat shall be clearly marked by the surveyor as a plat of survey and shall include the following information for each parcel included in the survey:

*a.* A parcel letter or number designation approved by the auditor.

*b.* The names of the proprietors.

*c.* An accurate description of each parcel.

*d.* The total acreage of each parcel.

*e.* The acreage of any portion lying within a public right-of-way.

2. The auditor shall note a permanent real estate index number upon each parcel shown on a plat of survey according to section 441.29 for real estate tax administration purposes. The surveyor shall not assign parcel letters or prepare a metes and bounds description for any parcel shown on a plat of survey unless the parcel was surveyed by the surveyor in compliance with chapter 355. Parcels within a plat of survey prepared pursuant to this section are subject to the regulations and ordinances of the governing body.

3. When land or rights in land are divided for right-of-way purposes by an agency of the government or other persons having the power of eminent domain and the description of the land or rights acquired is a metes and bounds description then an acquisition plat shall be made and attached to the description when the acquisition instrument is recorded. Acquisition plats shall be clearly marked as an acquisition plat and shall conform to the following:

*a.* Acquisition plats shall not be required to conform to the provisions of chapter 355.

*b.* The information shown on the plat shall be developed from instruments of record together with information developed by field measurements. The unadjusted error of field measurements shall not be greater than one in five thousand.

*c.* The plat shall be signed and dated by a surveyor, bear the surveyor's Iowa license number and legible seal, and shall show a north arrow and bar scale.

*d.* The original drawing shall remain the property of the surveyor or the surveyor's agency and shall not be less than eight and one-half by eleven inches in size.

*e.* If the right-of-way on an acquisition plat is a portion of lots within an official plat, reference shall be made to both the lots and plat name. If the right-of-way acquisition plat is not within an official plat, reference shall be made to the government lot or quarter-quarter section and to the section, township, range, and county.

*f.* The plat shall indicate whether the monuments shown are existing monuments or monuments to be established. Monuments shall be established as necessary to construct or maintain the right-of-way project.

*g.* The acquisition plat shall identify the project for which the right-of-way was acquired and a parcel designation shall be assigned to each right-of-way parcel.

4. The acreage shown for each parcel included in a plat of survey or acquisition plat shall be to the nearest one-hundredth acre. If a parcel described as part of the United States

public land survey system and not entirely within an official plat, lies within more than one forty-acre aliquot part of a section, the acreage shall be shown only for assessment and taxation purposes for each portion of the parcel that lies within each forty-acre aliquot part. The surveyor shall not be required to establish the location of the forty-acre aliquot line by survey but is required to use reasonable assumptions in determining its approximate location for assessment and taxation purposes.

5. Governmental agencies shall not be required to survey a remaining parcel when land is divided for right-of-way purposes and shall not be required to contact the auditor for approval of parcel designations shown on an acquisition plat.

90 Acts, ch 1236, §18
C91, §409A.4
91 Acts, ch 191, §15
C93, §354.4
2005 Acts, ch 19, §47; 2012 Acts, ch 1009, §2
Referred to in §354.3, 354.13

**354.4A Entry upon land for survey purposes.**

1. *a.* A land surveyor may enter public or private land or water in the state only to occupy, locate, relocate, install, or replace survey monuments, to locate boundaries, rights-of-way, and easements, to determine geodetic positions, and to make surveys and maps and may carry with them their customary equipment and vehicles. A surveyor may not enter buildings or other structures located on the land. Entry under the right granted in this section shall not constitute trespass, and land surveyors shall not be liable to arrest or a civil action by reason of the entry.

*b.* For purposes of this section, *"land surveyor"* means a land surveyor licensed pursuant to chapter 542B or a person under the direct supervision of a licensed land surveyor.

*c.* Vehicular access to perform surveys under this section is limited to established roads and trails, unless approval for other vehicular access is granted by the landowner.

2. A vehicle used for or during entry pursuant to this section shall be identified on the exterior by a legible sign listing the name, address, and telephone number of the land surveyor or the firm employing the land surveyor.

3. Land surveyors shall announce and identify themselves and their intentions before entering upon private property. A land surveyor shall provide written notice to the landowner, or the person who occupies the land as a tenant or lessee, not less than seven days prior to the entry. The notice shall be sent by ordinary mail, postmarked not less than seven days prior to the entry, or delivered personally. A mailing is deemed sufficient if the surveyor mails the required notice to the address of the landowner as contained in the property tax records. For civil liability purposes, receipt of this notice shall not be considered consent. This notice is not required for a survey along previously surveyed boundaries within a platted subdivision accepted or recorded by the federal government or an official plat as defined in section 354.2, subsection 12.

4. The written notice of the pending survey shall contain all of the following:

*a.* The identity of the party for whom the survey is being performed and the purpose for which the survey will be performed.

*b.* The employer of the surveyor.

*c.* The identity of the surveyor.

*d.* The dates the land will be entered; the time, location, and timetable for such entry; the estimated completion date; and the estimated number of entries that will be required.

5. This section shall not be construed as giving authority to land surveyors to destroy, injure, or damage anything on the lands of another without the written permission of the landowner, and this section shall not be construed as removing civil liability for such destruction, injury, or damage.

6. A land surveyor who enters on private land must comply with all biosecurity and restricted-access protocols established by the owner or occupant of the private land.

7. A landowner or occupant shall owe the same duty to a land surveyor entering land

without the consent of the landowner or occupant as the landowner or occupant would owe to a trespasser on that land.

2009 Acts, ch 157, §1

**354.5 Descriptions and conveyance according to plat of survey or acquisition plat.**

1. A conveyance of a parcel shown on a recorded plat of survey shall describe the parcel by using the description provided on the plat of survey or by reference to the plat of survey, which reference shall include all of the following:

*a.* The parcel letter or number designation.

*b.* The document reference number of the recorded plat of survey.

*c.* The lot number or letter and name of the official plat, if the parcel lies within an official plat.

*d.* The section, township, and range number and reference to the aliquot part of the section, if the parcel lies outside of an official plat.

2. A conveyance of a parcel shown on a recorded acquisition plat shall describe the parcel by using the description provided on the acquisition instrument or by reference to the acquisition plat, which reference shall include all of the following:

*a.* The parcel designation and reference to the project for which the right-of-way was acquired.

*b.* The document reference number of the recorded acquisition plat.

*c.* The lot number or letter and name of the official plat, if the parcel lies within an official plat.

*d.* The section, township, and range number and reference to the aliquot part of the section, if the parcel lies outside of an official plat.

3. A description by reference to the recorded plat of survey, in compliance with subsection 1, is valid.

4. A description by reference to the recorded acquisition plat, in compliance with subsection 2, is valid.

5. A description by reference to a permanent real estate index number is valid for the purpose of assessment and taxation under the permanent real estate index number system pursuant to section 441.29.

90 Acts, ch 1236, §19
C91, §409A.5
91 Acts, ch 191, §16
C93, §354.5
2001 Acts, ch 44, §13, 14; 2005 Acts, ch 19, §48

**354.6 Subdivision plats.**

1. A subdivision plat shall be made when a tract of land is subdivided by repeated divisions or simultaneous division into three or more parcels, any of which are described by metes and bounds description for which no plat of survey is recorded. A subdivision plat is not required when land is divided by conveyance to a governmental agency for public improvements.

2. A subdivision plat shall have a succinct name or title that is unique, as approved by the auditor, for the county in which the plat lies. The auditor shall evidence the approval of such name or title in a statement that shall accompany the plat as provided in section 354.11. The plat shall include an accurate description of the land included in the subdivision and shall give reference to two section corners within the United States public land survey system in which the plat lies or, if the plat is a subdivision of any portion of an official plat, two established monuments within the official plat. Each lot within the plat shall be assigned a progressive number. Streets, alleys, parks, open areas, school property, other areas of public use, or areas within the plat that are set aside for future development shall be assigned a progressive letter and shall have the proposed use clearly designated. A strip of land shall not be reserved by the subdivider unless the land is of sufficient size and shape to be of practical use or service as determined by the governing body. Progressive block numbers or letters may be assigned to groups of lots separated from other lots by streets or other physical features of the land. The surveyor shall not assign lot numbers or letters to a lot shown within a subdivision

plat unless the lot has been surveyed by the surveyor in compliance with chapter 355. The auditor may note a permanent real estate index number upon each lot within a subdivision plat. Sufficient information, including dimensions and angles or bearings, shall be shown on the plat to accurately establish the boundaries of each lot, street, and easement. Easements necessary for the orderly development of the land within the plat shall be shown and the purpose of the easement shall be clearly stated.

3. If a subdivision plat, described as part of the United States public land survey system and not entirely within an official plat, lies within more than one forty-acre aliquot part of a section, the acreage shall be shown only for assessment and taxation purposes for the portion of the subdivision that lies within each forty-acre aliquot part of the section. The area of the irregular lots within the plat shall be shown and may be expressed in either acres, to the nearest one-hundredth acre, or square feet, to the nearest ten square feet. The surveyor shall not be required to establish the location of a forty-acre aliquot line by survey but is required to use reasonable assumptions in determining its approximate location for assessment and taxation purposes.

90 Acts, ch 1236, §20
C91, §409A.6
C93, §354.6
2006 Acts, ch 1012, §1
Referred to in §354.3, 354.8, 354.11, 354.13, 354.16

**354.7 Conveyances by reference to official plat.**

A description of land by reference to lot number or letter designation and block, if block designations are shown on the plat, and the title or name of the official plat, is valid.

90 Acts, ch 1236, §21
C91, §409A.7
C93, §354.7

**354.8 Review and approval by governing bodies.**

1. A proposed subdivision plat lying within the jurisdiction of a governing body shall be submitted to that governing body for review and approval prior to recording. Governing bodies shall apply reasonable standards and conditions in accordance with applicable statutes and ordinances for the review and approval of subdivisions. The governing body, within sixty days of application for final approval of the subdivision plat, shall determine whether the subdivision conforms to its comprehensive plan and shall give consideration to the possible burden on public improvements and to a balance of interests between the proprietor, future purchasers, and the public interest in the subdivision when reviewing the proposed subdivision and when requiring the installation of public improvements in conjunction with approval of a subdivision. The governing body shall not issue final approval of a subdivision plat unless the subdivision plat conforms to sections 354.6, 354.11, and 355.8.

2. If the subdivision plat and all matters related to final approval of the subdivision plat conform to the standards and conditions established by the governing body, and conform to this chapter and chapter 355, the governing body, by resolution, shall approve the plat and certify the resolution which shall be recorded with the plat. The recorder shall refuse to accept a subdivision plat presented for recording without a resolution from each applicable governing body approving the subdivision plat or waiving the right to review.

3. As used in this section, the term *"subdivision improvements"* means any fixture, structure, or other improvement to land required to be constructed or installed by the proprietor as a condition of the governing body's approval of a subdivision plat.

4. *a.* For a city with a population equal to or greater than fifty thousand, if the proprietor or the contractor for the construction of subdivision improvements has provided the name and facsimile number or electronic mail address of the contractor, the city shall notify the contractor, either by facsimile or electronic mail, not less than forty-eight hours in advance of the date on which the city will consider the acceptance of subdivision improvements constructed by the contractor.

*b.* For a city with a population equal to or greater than twenty-five thousand but less than fifty thousand, a proprietor or the contractor for the construction of subdivision improvements may request that the city notify the contractor, either by facsimile or electronic mail, not less than forty-eight hours in advance of the date on which the city will consider the acceptance of subdivision improvements constructed by the contractor. Upon the receipt of such a request to notify the contractor, the city shall provide such notice.

*c.* A city's failure to provide notice pursuant to paragraph "*a*" or "*b*" shall not impose any responsibility on the city for the payment of any amounts owed by a proprietor to a contractor.

5. A city may establish jurisdiction to review subdivisions or plats of survey outside its boundaries pursuant to the provisions of section 354.9. In the case of a city, the provisions of this section apply to the review by the city of both subdivision plats and plats of survey.

90 Acts, ch 1236, §22
C91, §409A.8
C93, §354.8
2002 Acts, ch 1132, §1, 2, 11; 2011 Acts, ch 64, §1
Referred to in §354.11

**354.9 Review of plats within two miles of a city.**

1. If a city, which has adopted ordinances regulating the division of land, desires to review subdivision plats or plats of survey for divisions or subdivisions outside the city's boundaries, then the city shall establish by ordinance specifically referring to the authority of this section, the area subject to the city's review and approval. The area of review may be identified by individual tracts, by describing the boundaries of the area, or by including all land within a certain distance of the city's boundaries, which shall not extend more than two miles distance from the city's boundaries. The ordinance establishing the area of review or modifying the area of review by a city, shall be recorded in the office of the recorder and filed with the county auditor.

2. If a subdivision lies in a county, which has adopted ordinances regulating the division of land, and also lies within the area of review established by a city pursuant to this section, then the subdivision plat or plat of survey for the division or subdivision shall be submitted to both the city and county for approval. The standards and conditions applied by a city or county for review and approval of the subdivision shall be the same standards and conditions used for review and approval of subdivisions within the city limits or shall be the standards and conditions for review and approval established by agreement of the city and county pursuant to chapter 28E. Either the city or county may, by resolution, waive its right to review the subdivision or waive the requirements of any of its standards or conditions for approval of subdivisions, and certify the resolution which shall be recorded with the plat.

3. If cities establish overlapping areas of review outside their boundaries, then the cities shall establish by agreement pursuant to chapter 28E reasonable standards and conditions for review of subdivisions within the overlapping area. If no agreement is recorded pursuant to chapter 28E, then the city which is closest to the boundary of the subdivision shall have authority to review the subdivision.

4. For purposes of this section, "*subdivision*" also includes a declaration for the establishment of a horizontal property regime under chapter 499B. A declaration of a horizontal property regime that is proposed to be located within the area of review established by a city pursuant to this section shall be subject to review and approval in the same manner as a subdivision.

90 Acts, ch 1236, §23
C91, §409A.9
C93, §354.9
2002 Acts, ch 1132, §3, 11; 2010 Acts, ch 1051, §1; 2013 Acts, ch 30, §79
Referred to in §354.8, 499B.3
Subsection 3 amended

**354.10 Appeal of review or disapproval.**

1. When application is made to a governing body for approval of a subdivision plat,

the applicant or a second governing body, which also has jurisdiction for review, may be aggrieved by any of the following:

*a.* The requirements imposed by a governing body as a condition of approval.

*b.* The governing body exceeding the time for review established by ordinance.

*c.* The denial of the application.

*d.* Failure of the governing body to approve or reject a subdivision plat within sixty days from the date of application for final approval.

2. If the plat is disapproved by the governing body, such disapproval shall state how the proposed plat is objectionable. The applicant has the right to appeal, within twenty days, the failure of the governing body to issue final approval of the plat as provided in this section.

3. The applicant or the aggrieved governing body has the right to appeal to the district court within twenty days after the date of the denial of the application or the date of the receipt by the applicant of the requirements for approval of the subdivision. Notice of appeal shall be served on the governing body in the manner provided for the service of original notice pursuant to the rules of civil procedure. The appeal shall be tried de novo as an equitable proceeding and accorded a preference in assignment so as to assure its prompt disposition.

90 Acts, ch 1236, §24
C91, §409A.10
C93, §354.10
2010 Acts, ch 1061, §180

**354.11 Attachments to subdivision plats.**

1. A subdivision plat, other than an auditor's plat, that is presented to the recorder for recording shall conform to section 354.6 and shall not be accepted for recording unless accompanied by the following documents:

*a.* A statement by the proprietors and their spouses, if any, that the plat is prepared with their free consent and in accordance with their desire, signed and acknowledged before an officer authorized to take the acknowledgment of deeds. The statement by the proprietors may also include a dedication to the public of all lands within the plat that are designated for streets, alleys, parks, open areas, school property, or other public use, if the dedication is approved by the governing body.

*b.* A statement from the mortgage holders or lienholders, if any, that the plat is prepared with their free consent and in accordance with their desire, signed and acknowledged before an officer authorized to take the acknowledgment of deeds. An affidavit and bond as provided for in section 354.12, may be recorded in lieu of the consent of the mortgage or lienholder. When a mortgage or lienholder consents to the subdivision, a release of mortgage or lien shall be recorded for any areas conveyed to the governing body or dedicated to the public.

*c.* An opinion by an attorney at law who has examined the abstract of title of the land being platted. The opinion shall state the names of the proprietors and holders of mortgages, liens, or other encumbrances on the land being platted and shall note the encumbrances, along with any bonds securing the encumbrances. Utility easements shall not be construed to be encumbrances for the purpose of this section.

*d.* A certified resolution by each governing body as required by section 354.8 either approving the subdivision or waiving the right to review.

*e.* A statement by the auditor approving the name or title of the subdivision plat.

*f.* A certificate of the treasurer that the land is free from certified taxes and certified special assessments or that the land is free from certified taxes and that the certified special assessments are secured by bond in compliance with section 354.12.

2. A subdivision plat which includes no land set apart for streets, alleys, parks, open areas, school property, or public use other than utility easements, shall be accompanied by the documents listed in subsection 1, paragraphs "*a*", "*b*", "*c*", "*d*", and "*e*" and a certificate of the treasurer that the land is free from certified taxes other than certified special assessments.

90 Acts, ch 1236, §25
C91, §409A.11

C93, §354.11
2006 Acts, ch 1012, §2, 3; 2010 Acts, ch 1061, §143
Referred to in §354.6, 354.8, 354.16, 354.25

**354.12 Bonds to secure liens.**

1. A bond in double the amount of the lien shall be secured and recorded if a lien exists on the land included in a subdivision plat and the required consent of the lienholder is not attached for one of the following reasons:

*a.* The lienholder cannot be found, in which case an affidavit by the proprietor stating that the lienholder could not be found shall be recorded with the bond.

*b.* The lienholder will not accept payment or cannot, because of the nature of the lien, accept payment in full of the lien, in which case an affidavit by the lienholder stating that payment of the lien was offered but refused shall be recorded with the bond.

2. The bond shall run to the county and be for the benefit of purchasers of lots within the plat and shall be conditioned for the payment and cancellation of the debt as soon as practicable and to hold harmless purchasers or their assigns and the governing body from the lien.

90 Acts, ch 1236, §26
C91, §409A.12
C93, §354.12
2010 Acts, ch 1061, §180
Referred to in §354.11

**354.13 Auditor's plats and plats of survey.**

If a tract is divided or subdivided in violation of section 354.4 or 354.6 or the descriptions of one or more parcels within a tract are not sufficiently certain and accurate for the purpose of assessment and taxation under the guidelines of section 354.3, the auditor shall notify the proprietors of the parcels within the tract for which no plat has been recorded as required by this chapter, and demand that a plat of survey or a subdivision plat be recorded as required by this chapter. Notice shall be served by mail and a certified copy of the notice shall be recorded. The auditor shall mail a copy of the notice to the applicable governing bodies. If the proprietors fail, within thirty days of the notice, to comply with the notice or file with the auditor a statement of intent to comply, the auditor shall contract with a surveyor to have a survey made of the property and have a plat of survey or an auditor's plat recorded as necessary to comply with this chapter. Upon receipt of a statement of intent to comply, the auditor may extend the time period for compliance.

90 Acts, ch 1236, §27
C91, §409A.13
C93, §354.13
Referred to in §306.42, 331.511, 354.3, 354.15, 354.16, 354.17

**354.14 Appeal of notice.**

A proprietor aggrieved by a notice to plat by the auditor may appeal to the district court within twenty days after service of notice. Upon appeal, the auditor shall take no further action pending a decision of the district court. The appeal shall be tried de novo as an equitable proceeding.

90 Acts, ch 1236, §28
C91, §409A.14
C93, §354.14

**354.15 Review of auditor's plats.**

A proposed auditor's plat shall be filed with the applicable governing body which shall review the plat within the time specified by ordinance, and if it conforms to chapter 355, the governing body shall by resolution approve the plat and certify the resolution to be recorded with the plat. The governing body may state in the resolution whether the lots within the auditor's plat meet the standards and conditions established by ordinance for subdivision lots. The lots within a recorded auditor's plat and parcels within a recorded plat of survey

prepared under section 354.13 are individually subject to local regulations and ordinances. Approval of an auditor's plat shall not impose any liability on a governing body to install or maintain public improvements or utilities within the plat. Approval of an auditor's plat by a governing body shall not constitute a waiver of ordinances requiring a subdivision plat.

90 Acts, ch 1236, §29
C91, §409A.15
C93, §354.15
Referred to in §306.42

**354.16 Attachments to auditor's plats and plats of survey.**

1. A plat of survey prepared pursuant to section 354.13 shall be accompanied by a certificate of the auditor that the plat of survey was prepared at the direction of the auditor because the proprietors failed to file a plat.

2. An auditor's plat shall conform to section 354.6, but is exempt from section 354.11. An auditor's plat presented to the recorder for recording shall be accompanied by the following documents:

*a.* A certificate of the auditor that the auditor's plat was prepared at the direction of the auditor because the proprietors failed to file a plat, that the plat was prepared for assessment and taxation purposes, and that the recording of the plat does not constitute a dedication or impose any liability upon the state or governmental agency.

*b.* A certified resolution by the governing body, approving the plat or waiving the right to review.

*c.* A list for each lot within the plat of the proprietor's names, the area, expressed in acreage or square feet, the document reference number of the recorded conveyance to the proprietors, and the permanent real estate index number, where established.

*d.* A certificate of the auditor that no search was made at the time of the recording of the plat to determine the existence of any liens, mortgages, delinquent taxes, or special assessments, that no search was made, other than the records of the auditor's office, to establish title to the property within the plat, and that the lots within the plat are subject individually to the regulations and ordinances of the applicable governing body.

90 Acts, ch 1236, §30
C91, §409A.16
C93, §354.16
2002 Acts, ch 1113, §6

**354.17 Costs and collection of costs.**

The surveyor shall present to the auditor a statement of the total cost of the surveying, platting, and recording of a plat prepared pursuant to section 354.13. The surveyor shall also present a statement of the part of the total cost to be assessed to each parcel included in the plat based on the time involved in establishing the boundaries of each parcel. The auditor shall certify to the treasurer an assessment for the platting costs against the lots within the plat which shall be collected in the same manner as general taxes, except that the board of supervisors, by resolution, may establish not more than ten equal annual installments and provide for interest on unpaid installments at a rate not to exceed that permitted by chapter 74A.

90 Acts, ch 1236, §31
C91, §409A.17
C93, §354.17
Referred to in §354.25
Collection of taxes, see chapter 445

**354.18 Recording of plats.**

A plat of survey prepared pursuant to this chapter and a subdivision plat, with attachments, shall be recorded in the office of the county recorder, and an exact copy of the plat shall be filed in the offices of the county auditor and assessor. A replat of any part of an official plat pursuant to section 354.25, or a recorded subdivision plat of any part of an existing

official plat shall supersede that part of the original official plat, including unused public utility easements.

The recorder shall examine each plat of survey and subdivision plat to determine whether the plat is clearly legible and whether the approval by the applicable governing body and the other attachments required by this chapter are presented with the plat. The recorder shall also keep a reproducible copy of the plat from which legible copies can be made. The recorder may specify the material and the size of the plat, not less than eight and one-half inches by eleven inches, that will be accepted for recording in order to comply with this section. The recorder shall not record a subdivision plat that violates this chapter.

90 Acts, ch 1236, §32
C91, §409A.18
C93, §354.18
Referred to in §331.511

**354.19 Dedication of land.**

An official plat which conforms to this chapter and has attached to the plat a dedication by the proprietors to the public and approval of the dedication by the governing body is equivalent to a deed in fee simple from the proprietors to the public of any land within the plat that is dedicated for street, alley, walkway, park, open area, school property, or other public use. An approved dedication of land for street purposes by the proprietors establishes an easement for public access, whether or not a deed has been recorded or the improvement of the street is complete, except when the resolution approving the plat specifically sets aside portions of the dedicated land as not being open for public access at the time of recording for public safety reasons. The recording of a subdivision plat shall dedicate to the public any utility, sewer, drainage, access, walkway, or other public easement shown on the plat.

The recording of an auditor's plat shall not serve to dedicate streets, alleys, parks, open areas, school property, public improvements, or utilities. The failure to show the existence of an easement or any public interest on the auditor's plat shall not remove or otherwise affect the interest.

90 Acts, ch 1236, §33
C91, §409A.19
C93, §354.19

**354.20 Action to annul plats.**

If a plat is filed and recorded in violation of this chapter, a governing body or a proprietor aggrieved by the violation, after filing written notice with the proprietors who joined in the acknowledgment of the plat or their successors in interest, may institute a suit in equity in the district court. The court may order the plat annulled except as provided in section 354.21.

90 Acts, ch 1236, §34
C91, §409A.20
C93, §354.20

**354.21 Limitation of actions on official plats.**

An action shall not be maintained, at law or in equity, in any court, against a proprietor, based upon an omission of data shown on an official plat or upon an omission, error, or inconsistency in any of the documents required by this chapter unless the action is commenced within ten years after the date of recording of the official plat. Limitation of actions based on claims other than those provided for in this section shall be consistent with chapter 614.

90 Acts, ch 1236, §35
C91, §409A.21
C93, §354.21
Referred to in §354.20

**354.22 Vacation of official plats.**

1. The proprietors of lots within an official plat who wish to vacate any portion of the official plat shall file a petition for vacation with the governing body which would have

jurisdiction to approve the plat at the time the petition is filed. After the petition has been filed, the governing body shall fix the time and place for public hearing on the petition. Written notice of the proposed vacation shall be served in the manner of original notices as provided in Iowa rules of civil procedure and be served upon proprietors and mortgagees within the official plat that are within three hundred feet of the area to be vacated. If a portion of the official plat adjoins a river or state-owned lake, the Iowa department of natural resources shall be served written notice of the proposed vacation. Notice of the proposed vacation shall be published twice, with fourteen days between publications, stating the date, time, and place of the hearing.

2. The official plat or portion of the official plat shall be vacated upon recording of all of the following documents:

*a.* An instrument signed, executed, and acknowledged by all the proprietors and mortgagees within the area of the official plat to be vacated, declaring the plat to be vacated. The instrument shall state the existing lot description for each proprietor along with an accurate description to be used to describe the land after the lots are vacated.

*b.* A resolution by the governing body approving the vacation and providing for the conveyance of those areas included in the vacation which were previously set aside or dedicated for public use.

*c.* A certificate of the auditor that the vacated part of the plat can be adequately described for assessment and taxation purposes without reference to the vacated lots.

3. No part of this section authorizes the closing or obstructing of public highways.

4. The vacation of a portion of an official plat shall not remove or otherwise affect a recorded restrictive covenant, protective covenant, building restriction, or use restriction. Recorded restrictions on the use of property within an official plat shall be modified or revoked by recording a consent to the modification or removal, signed and acknowledged by the proprietors and mortgagees within the official plat.

90 Acts, ch 1236, §36
C91, §409A.22
92 Acts, ch 1055, §1
C93, §354.22
2010 Acts, ch 1061, §180
Referred to in §354.23

**354.23 Vacation of streets or other public lands.**

A city or a county may vacate part of an official plat that had been conveyed to the city or county or dedicated to the public which is deemed by the governing body to be of no benefit to the public.

The city or county shall vacate by resolution following a public hearing or by ordinance and the vacating instrument shall be recorded. The city or county may convey the vacated property by deed or may convey the property to adjoining proprietors through the vacation instrument. If the vacating instrument is used to convey property then the instrument shall include a list of adjoining proprietors to whom the vacated property is being conveyed along with the corresponding description of each parcel being conveyed. A recorded vacation instrument which conforms to this section is equivalent to a deed of conveyance and the instrument shall be filed and indexed as a conveyance by the recorder and auditor.

A vacation instrument recorded pursuant to this section shall not operate to annul any part of an official plat except as provided for in section 354.22.

90 Acts, ch 1236, §37
C91, §409A.23
C93, §354.23

**354.24 Errors on recorded plats.**

If an error or omission in the data shown on a recorded plat is detected by subsequent examinations or revealed by retracing the lines shown on the plat, the original surveyor or two surveyors confirming the error through independent surveys shall record an affidavit confirming that the error or omission was made. The affidavit shall describe the nature and

extent of the error or omission and also describe the corrections or additions to be made to the plat and note a document reference number of the recorded plat. The recorder shall note on the record of the plat the word "corrected", and note the document reference number of the recorded affidavit. A copy of the recorded affidavit shall be filed with the auditor and assessor. The affidavit shall raise a presumption from the date of recording that the purported facts stated in the affidavit are true, and after the lapse of three years from the date of recording the presumption shall be conclusive.

90 Acts, ch 1236, §38
C91, §409A.24
C93, §354.24
2001 Acts, ch 44, §15
Referred to in §331.511

**354.25 Survey and replat of official plats.**

1. A survey of an official plat shall conform as nearly as possible to the original lot lines shown on the official plat. The surveyor may summon witnesses, administer oaths, and prepare affidavits and boundary line agreements as necessary in order to establish the location of property lines or lot lines. If a substantial error is discovered in an official plat or if it is found to be materially defective, a proprietor may petition the governing body which would have jurisdiction to approve the plat at the time the petition is filed for a replat of any part of the official plat. Notice of the proposed replat shall be served, in the manner of original notice as provided in Iowa rules of civil procedure, to the proprietors of record and holders of easements specifically recorded within the area to be replatted. The governing body has jurisdiction of the matter upon proof of publication of notice of the petition once each week for two weeks in a newspaper of general circulation within the area of the replat.

2. All of the following shall apply to a replat of an official plat ordered by the governing body:

*a.* The replat shall be prepared by a surveyor pursuant to chapter 355 and recorded.

*b.* The replat shall be exempt from the provisions of section 354.11.

*c.* The replat shall have attached to the plat a statement by the surveyor that the replat is prepared at the direction of the governing body.

3. The costs of the replat shall be presented to the auditor and assessed against the property included in the replat as provided for in section 354.17.

90 Acts, ch 1236, §39
C91, §409A.25
C93, §354.25
2010 Acts, ch 1069, §121
Referred to in §331.511, 354.18
Manner of service, R.C.P. 1.302 – 1.315

**354.26 Corrections or changes to plats.**

A vacation, correction, or replatting as provided for in this chapter shall be recorded and an exact copy shall be filed with the auditor and assessor. If a governing body changes the addresses or street names shown on an official plat, notice of the change shall note the name or other designation of each official plat affected and shall be filed with the recorder, auditor, and assessor. The recorder shall note the vacation, correction, or replatting on the index and record of the official plat or upon an attachment to the official plat for that purpose. The auditor shall make the proper changes on the plats required to be kept by the auditor.

90 Acts, ch 1236, §40
C91, §409A.26
C93, §354.26
2001 Acts, ch 44, §16
Referred to in §331.511, 592.7

**354.27 Noting the permanent real estate index number.**

When a permanent real estate index number system is established by a county pursuant to section 441.29, the auditor shall note the permanent real estate index number on every conveyance.

90 Acts, ch 1236, §41
C91, §409A.27
C93, §354.27
2005 Acts, ch 19, §49

# CHAPTER 355

## STANDARDS FOR LAND SURVEYING

Referred to in §354.4, 354.6, 354.8, 354.15, 354.25

Platting and subdivisions; see also chapter 354
This chapter not enacted as a part of this title; transferred from chapter 114A in Code 1993

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IOWA PLANE COORDINATE SYSTEM

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## GENERAL PROVISIONS

**355.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Corner"* means a point at which two or more lines meet.

2. *"Division"* means dividing a tract or parcel of land into two parcels of land by conveyance or for tax purposes. The conveyance of an easement, other than a public highway easement, shall not be considered a division for the purpose of this chapter.

3. *"Government lot"* means a tract, within a section, which is normally described by a lot number as represented and identified on the township plat of the United States public land survey system.

4. *"Land surveying"* means surveying of land pursuant to chapter 542B.

5. *"Lot"* means a tract of land, generally a subdivision of a city or town block, represented and identified as a lot on a recorded plat.

6. *"Meander line"* means a traverse approximately along the margin of a body of water. A meander line provides data for computing areas and approximately locates the margin of the body of water. A meander line does not ordinarily determine or fix boundaries.

7. *"Monument"* means a physical structure which marks the location of a corner or other survey point.

8. *"Offset line"* means a supplementary traverse close to and approximately parallel with an irregular boundary line. An offset line provides data for computing areas and locates

salient points on the irregular boundary line by measured distances referenced to the offset line.

9. *"Plat of survey"* means a graphical representation of a survey of one or more parcels of land, including a complete and accurate description of each parcel within the plat, prepared by a licensed professional land surveyor.

10. *"Subdivision"* means a tract of land divided into three or more lots.

11. *"Subdivision plat"* means a graphical representation of the subdivision of land, prepared by a licensed professional land surveyor, having a number or letter designation for each lot within the plat and a succinct name or title that is unique for the county where the land is located.

12. *"Surveyor"* means a licensed professional land surveyor who engages in the practice of land surveying pursuant to chapter 542B.

90 Acts, ch 1236, §1
C91, §114A.1
C93, §355.1
2012 Acts, ch 1009, §3
Referred to in §331.604, 716.6

**355.2 Applicability.**

This chapter applies to all agencies of the United States government, this state, or a political subdivision of this state and to all persons engaged in the practice of land surveying.

90 Acts, ch 1236, §2
C91, §114A.2
C93, §355.2

**355.3 Rules.**

Pursuant to chapter 542B, the engineering and land surveying examining board may adopt rules consistent with the rules prescribed by the Acts of Congress and the instructions of the United States Secretary of the Interior.

90 Acts, ch 1236, §3
C91, §114A.3
C93, §355.3

**355.4 Boundary location.**

The surveyor shall acquire data necessary to retrace record title boundaries, center lines, and other boundary line locations in accordance with the legal descriptions including applicable provisions of chapter 650. The surveyor shall analyze the data and make a careful determination of the position of the boundaries of the parcel or tract of land being surveyed. The surveyor shall make a field survey, locating and connecting monuments necessary for location of the parcel or tract and coordinate the facts of the survey with the analysis and legal description. The surveyor shall place monuments marking the corners of the parcel or tract unless monuments already exist at the corners.

90 Acts, ch 1236, §4
C91, §114A.4
C93, §355.4

**355.5 Measurements.**

1. Measurements shall be made with instruments and methods capable of attaining the required accuracy for the particular problem involved.

2. Measurements as placed on plats shall be in conformance with the capabilities of the instruments used.

3. In a closed traverse the sum of the measured angles shall agree with the theoretical sum by a difference not greater than thirty seconds times the square root of the number of angles.

4. Distances shall be shown in decimal feet in accordance with the definition of the U. S. survey foot. Distance measurements shall refer to the horizontal plane.

90 Acts, ch 1236, §5
C91, §114A.5
C93, §355.5
2007 Acts, ch 143, §4

**355.6 Monumentation.**

1. The surveyor shall confirm the prior establishment of control monuments at each controlling corner on the boundaries of the parcel or tract of land being surveyed. If no control monuments exist, the surveyor shall place the monuments. Control monuments shall be constructed of reasonably permanent material solidly embedded in the ground and capable of being detected by commonly used magnetic or electronic equipment. The surveyor shall affix a cap of reasonably inert material bearing an embossed or stencil cut marking of the Iowa license number of the surveyor to the top of each monument which the surveyor places.

2. Control monuments shall be placed at the following locations:

*a.* Each corner and angle point of each lot, block, or parcel of land surveyed.

*b.* Each point of intersection of the outer boundary of the survey with an existing or created right-of-way line of a street, railroad, or other way.

*c.* Each point of curve, tangency, reversed curve, or compounded curve on each right-of-way line established.

3. If the placement of a monument required by this chapter at the prescribed location is impractical, a reference monument shall be established near the prescribed location. If a point requiring monumentation has been previously monumented, the existence of the monument shall be confirmed by the surveyor.

4. At least a minimum number of two survey control monuments are required to be placed before the recording of a subdivision provided the surveyor includes in the surveyor's statement a declaration that additional monuments shall be placed before a date specified in the statement or within one year from the date the subdivision is recorded, whichever is earlier.

90 Acts, ch 1236, §6
C91, §114A.6
C93, §355.6
2012 Acts, ch 1009, §4
Referred to in §355.7, 355.8

**355.7 Plats of survey.**

A plat of survey shall be made, showing information developed by the survey, for each land survey performed for the purpose of correcting boundaries, correcting descriptions of surveyed land, or for the division of land. Each plat of survey shall conform to the following provisions:

1. The original plat drawing shall remain the property of the surveyor.

2. The size of each plat sheet shall not be less than eight and one-half inches by eleven inches.

3. The scale of the plat drawing shall be clearly stated and graphically illustrated by a bar scale on every plat sheet.

4. An arrow indicating the northern direction shall be shown on each plat sheet.

5. The plat shall show that the survey is tied to a physically monumented land line which is identified by two United States public land survey system corners, or by two physically monumented corners of a recorded subdivision.

6. *a.* The plat shall show the lengths and bearings of the boundaries of the parcels surveyed. The course of each boundary line shown on the plat may be indicated by a direct bearing reference or by an angle between the boundary line and an intersecting line having a shown bearing, except when the boundary line has an irregular or constantly changing course, as along a body of water, or when a description of the boundary line is better

achieved by measurements shown at points or intervals along a meander line or an offset line having a shown course. The bearings shall be referenced to a United States public land survey system land line, or recorded subdivision line. If the boundary lines show bearings, lengths, or locations which vary from those recorded in deeds, abutting plats, or other instruments of record, the following note shall be placed along the lines:

Recorded as (show recorded bearing, length, or location).

*b*. Bearings and angles shown shall be given to at least the nearest minute of arc.

7. The plat shall show and identify all monuments necessary for the location of the parcel and shall indicate whether the monuments were found or placed.

8. If United States public land survey system corners control the land description, the corners shall be clearly identified on the plat including a description of the monumentation and shall indicate whether the monuments were found or placed.

9. Control monuments shall be adequately described and clearly identified on the plat and noted as found or placed. If additional monuments are to be placed subsequent to the recording of a subdivision as provided in section 355.6, the location of the additional monuments shall be shown on the plat.

10. Distance shall be shown in decimal feet in accordance with the definition of the U. S. survey foot. Distance measurements shall refer to the horizontal plane.

11. Curve data shall be stated in terms of radius, central angle, and length of curve, and as otherwise specified by local ordinance. In all cases, the curve data must be shown for the line affected.

12. The unadjusted error of closure shall not be greater than one in five thousand for an individual parcel.

13. If any part of the surveyed land is bounded by an irregular line, that part shall be enclosed by a meander line or an offset line showing complete data with distances along all lines extending beyond the enclosure to the irregular boundary, and shown with as much certainty as can be determined or as "more or less", if variable. In all cases, the true boundary shall be clearly indicated on the plat.

14. The plat shall be captioned to show the date of the survey, and shall be accompanied by a description of the parcel.

15. The plat shall contain a statement by a surveyor that the work was done and the plat was prepared by the surveyor or under the surveyor's direct personal supervision, shall be signed and dated by the surveyor, and shall bear the surveyor's Iowa license number and legible seal.

90 Acts, ch 1236, §7
C91, §114A.7
C93, §355.7
2007 Acts, ch 143, §5; 2012 Acts, ch 1009, §5; 2013 Acts, ch 30, §80
Subsection 6 amended

**355.8 Plats for subdivisions.**

Subdivision plats shall conform to the following provisions where applicable:

1. The original plat drawing shall remain the property of the surveyor.

2. The size of each plat sheet shall not be less than eight and one-half inches by eleven inches.

3. If more than one sheet is used, each sheet shall display both the number of the sheet and the total number of sheets included in the plat, and clearly labeled match lines indicating where the other sheets adjoin. An index shall be provided to show the relationship between the sheets.

4. The scale of the plat drawing shall be clearly stated and graphically illustrated by a bar scale on every plat sheet.

5. Each subdivision plat shall be designated, by name or as otherwise prescribed, in bold letters inside the margin at the top of each plat sheet.

6. An arrow indicating the northern direction shall be shown on each plat sheet.

7. The plat shall show that the subdivision is tied to a physically monumented land line which is identified by two United States public land survey system corners, or by two physically monumented corners of a recorded subdivision.

8. *a.* The plat shall show the lengths and bearings of the boundaries of the tracts surveyed. The course of each boundary line shown on the plat may be indicated by a direct bearing reference or by an angle between the boundary line and an intersecting line having a shown bearing, except when the boundary line has an irregular or constantly changing course, as along a body of water, or when a description of the boundary line is better achieved by measurements shown at points or intervals along a meander line or an offset line having a shown course. The bearing shall be referenced to a United States public land survey system land line, or recorded subdivision line. If the boundary lines show bearings, lengths, or locations which vary from those recorded in deeds, abutting plats, or other instruments of record, the following note shall be placed along the lines:

Recorded as (show recorded bearing, length, or location).

*b.* Bearings and angles shown shall be given to at least the nearest minute of arc.

9. The plat shall show and identify all monuments necessary for the location of the tracts and shall indicate whether the monuments were found or placed.

10. If United States public land survey system corners control the land description, the corners shall be clearly identified on the plat including a description of the monumentation and shall indicate whether the monuments were found or placed.

11. Control monuments shall be adequately described and clearly identified on the plat and noted as found or placed. If additional monuments are to be placed subsequent to the recording of a subdivision as provided in section 355.6, the location of the additional monuments shall be shown on the plat.

12. Survey data shall be shown to positively describe the bounds of every lot, block, street, easement, or other areas shown on the plat, and the boundaries of the surveyed lands.

13. Distances shall be shown in feet to at least the nearest one-tenth of a foot in accordance with the definition of the U. S. survey foot. Distance measurements shall refer to the horizontal plane.

14. Curve data shall be stated in terms of radius, central angle, and length of curve. Unless otherwise specified by local ordinance, curve data for streets of uniform width need only be shown with reference to the center line and lots fronting on such curves need only show the chord bearing and distance of the part of the curve included in the lot boundary. Otherwise, the curve data shall be shown for the line affected.

15. The unadjusted error of closure shall not be greater than one in ten thousand for subdivision boundaries and shall not be greater than one in five thousand for an individual lot.

16. If part of the surveyed land is bounded by an irregular line, that part shall be enclosed by a meander line or an offset line showing complete data with distances along all lines extending beyond the enclosure to the irregular boundary, and shown with as much certainty as can be determined or as “more or less”, if variable. In all cases, the true boundary shall be clearly indicated on the plat.

17. Interior excepted parcels shall be clearly indicated and labeled, “not a part of this survey (or subdivision)”.

18. Adjoining properties shall be identified, and if the adjoining properties are a part of a recorded subdivision, the name of that subdivision shall be shown. If the survey is a subdivision of a portion of a previously recorded subdivision plat, sufficient ties shall be shown to controlling lines appearing on such plat to permit a comparison to be made.

19. The purpose of any easement shown on the plat shall be clearly stated.

20. The purpose of areas dedicated to the public shall be clearly indicated on the plat.

21. The plat shall be accompanied by a description of the land included in the subdivision and shall contain a statement by the surveyor that the work was done and the plat was prepared by the surveyor or under the surveyor’s direct personal supervision and shall be

signed and dated by the surveyor and bear the surveyor's Iowa license number and legible seal.

90 Acts, ch 1236, §8
C91, §114A.8
C93, §355.8
2007 Acts, ch 143, §6; 2012 Acts, ch 1009, §6; 2013 Acts, ch 30, §81
Referred to in §354.8
Subsection 8 amended

**355.9 Descriptions.**

A description defining land boundaries written for conveyance or other purposes shall be complete, providing definite and unequivocal identification of the property lines or boundaries. The description shall be sufficient to enable the description to be platted and retraced. The description shall commence at or relate to a physically monumented corner or boundary line of record.

1. If the land is located in a recorded subdivision, the description shall contain the number or other description of the lot, block, or other part of the subdivision, or shall describe the land by reference to a known corner of the lot, block, or other part.

2. If the land is not located in a recorded subdivision, the description shall identify the section, township, range, and county, and shall describe the land by reference to government lot, by quarter-quarter section, by quarter section, or by metes and bounds commencing with a corner marked and established in the United States public land survey system.

90 Acts, ch 1236, §9
C91, §114A.9
C93, §355.9

**355.10 Record.**

1. The surveyor shall record a plat and description with the county recorder no later than thirty days after signature on the plat by the surveyor if the survey was made for one of the following purposes:

*a.* To correct boundaries and descriptions of land.

*b.* For the division of land.

2. The plat and description shall show distinctly what piece of land was surveyed, the surveyor, and the date of the survey.

3. The thirty-day requirement shall not apply to subdivision plats.

90 Acts, ch 1236, §10
C91, §114A.10
C93, §355.10

**355.11 United States public land survey corner certificate.**

1. A United States public land survey corner certificate shall be prepared as part of any land surveying which includes the use of a United States public land survey system corner, having the status of a corner of a quarter-quarter section or larger aliquot part of a section, if one or more of the following conditions exist:

*a.* There is no certificate for the corner on file with the recorder of the county in which the corner is located.

*b.* The surveyor in responsible charge of the land surveying accepts a corner position which differs from that shown in the public records of the county in which the corner is located.

*c.* The corner monument is replaced or modified in any way.

*d.* The reference ties referred to in an existing public record are not correct.

2. The surveyor shall record the required certificate with the recorder and forward a copy to the county engineer of the county in which the corner is located within thirty days after completion of the surveying. The certificate shall comply with the following requirements:

*a.* The size of the sheet or sheets making up the certificate shall not be less than eight and one-half inches by eleven inches.

*b.* The identity of the corner, with reference to the United States public land survey system, shall be clearly indicated.

*c.* The certificate shall contain a narrative explaining the reason for preparing the certificate, the evidence and detailed procedures used in establishing the corner position, and the monumentation found or placed perpetuating the corner position including reference monumentation.

*d.* The certificate shall contain a plan-view site drawing depicting the relevant monuments, physical surroundings, and reference ties in sufficient detail to enable recovery of the corner.

*e.* The certificate shall contain at least three reference ties, measured to the nearest one-hundredth of a foot from the corner to durable physical objects near the corner, which are located so that the intersection of any two of the ties will yield a strong corner position recovery.

*f.* The certificate shall contain a statement by the surveyor that the work was done and the certificate was prepared by the surveyor or under the surveyor's direct personal supervision and shall be signed and dated by the surveyor and bear the surveyor's Iowa license number and seal.

3. A public land survey corner certificate may contain more than one corner that is being certified as part of the land surveying project. The recorder shall accept for recording a certificate containing multiple corners certified pursuant to this section.

90 Acts, ch 1236, §11
C91, §114A.11
C93, §355.11
2012 Acts, ch 1009, §7; 2012 Acts, ch 1024, §1

**355.12 Indexing of survey documents by recorder.**

The recorder shall index survey documents and United States public land corner certificates by township, range, and section number. If the survey is in a recorded subdivision, the recorder shall also index the document alphabetically by subdivision name.

90 Acts, ch 1236, §12
C91, §114A.12
C93, §355.12

**355.13 Surveys authorized by the United States government.**

1. A person employed in the execution of a survey authorized by the United States government may enter upon lands within this state for the purpose of exploring, triangulating, leveling, surveying, and doing any other work necessary to carry out the objects of laws relative to surveys, and may establish permanent station marks, and erect the necessary signals and temporary observatories, doing no unnecessary injury thereby.

2. If the parties interested cannot agree upon the amount to be paid for damages caused by entry upon lands pursuant to subsection 1, either of them may petition the district court in the county in which the land is situated and the district court shall appoint a time for a hearing. The district court shall order at least twenty days' notice to be given to all interested parties, and, with or without a view of the premises as the court may determine, hear the parties and their witnesses and assess damages.

3. The person entering upon land, pursuant to subsection 1, may tender to the injured party damages caused thereby, and if, in case of petition or complaint to the district court, the damages finally assessed do not exceed the amount tendered, the person entering shall recover costs. Otherwise, the prevailing party shall recover costs.

4. The costs to be allowed in cases taken pursuant to this section shall be the same as allowed according to the rules of the court and provisions of law relating to costs.

90 Acts, ch 1236, §13
C91, §114A.13
C93, §355.13

**355.14 Federal surveys — defacement.**

If a person willfully defaces, injures, or removes a signal, monument, building, or other property of the United States national geodetic survey, or the United States geological survey, constructed or used under the federal law, the person is subject to a civil penalty not exceeding fifty dollars for each offense, and is liable for damages sustained by the United States in consequence of the defacing, injury, or removal, to be recovered in a civil action in any court of competent jurisdiction.

90 Acts, ch 1236, §14
C91, §114A.14
C93, §355.14

**355.15** Reserved.

IOWA PLANE COORDINATE SYSTEM

**355.16 Iowa plane coordinate system defined.**

As used in this section, and sections 355.17 through 355.19, unless the context otherwise requires, *"Iowa plane coordinate system"* or *"coordinate system"* means the system of plane coordinates established by the United States national ocean survey, or the United States national geodetic survey, or a successor agency, for defining and stating the geographic positions or locations of points on the surface of the earth within the state of Iowa.

93 Acts, ch 50, §1

**355.17 Designation of coordinate zones.**

The Iowa plane coordinate system is divided into two zones designated as follows:

1. *a.* The area now included in the following counties constitutes the north zone: Allamakee, Benton, Black Hawk, Boone, Bremer, Buchanan, Buena Vista, Butler, Calhoun, Carroll, Cerro Gordo, Cherokee, Chickasaw, Clay, Clayton, Crawford, Delaware, Dickinson, Dubuque, Emmet, Fayette, Floyd, Franklin, Greene, Grundy, Hamilton, Hancock, Hardin, Howard, Humboldt, Ida, Jackson, Jones, Kossuth, Linn, Lyon, Marshall, Mitchell, Monona, O'Brien, Osceola, Palo Alto, Plymouth, Pocahontas, Sac, Sioux, Story, Tama, Webster, Winnebago, Winneshiek, Woodbury, Worth, and Wright.

*b.* The coordinate system north zone is a Lambert conformal conic projection of the North American datum of 1983, having standard parallels at north latitudes forty-two degrees, four minutes, and forty-three degrees, sixteen minutes, along which parallels the scale shall be exact. The origin of coordinates is at the intersection of the meridian ninety-three degrees, thirty minutes west of Greenwich, and the parallel forty-one degrees, thirty minutes north latitude. This origin is given the coordinates: x equals one million five hundred thousand meters exact and y equals one million meters exact.

2. *a.* The area now included in the following counties constitutes the south zone: Adair, Adams, Appanoose, Audubon, Cass, Cedar, Clarke, Clinton, Dallas, Davis, Decatur, Des Moines, Fremont, Guthrie, Harrison, Henry, Iowa, Jasper, Jefferson, Johnson, Keokuk, Lee, Louisa, Lucas, Madison, Mahaska, Marion, Mills, Monroe, Montgomery, Muscatine, Page, Polk, Pottawattamie, Poweshiek, Ringgold, Scott, Shelby, Taylor, Union, Van Buren, Wapello, Warren, Washington, and Wayne.

*b.* The coordinate system south zone is a Lambert conformal conic projection of the North American datum of 1983, having standard parallels at north latitudes forty degrees, thirty-seven minutes, and forty-one degrees, forty-seven minutes, along which parallels the scale shall be exact. The origin of coordinates is at the intersection of the meridian ninety-three degrees, thirty minutes west of Greenwich, and the parallel forty degrees, zero minutes north latitude. This origin is given the coordinates: x equals five hundred thousand meters exact and y equals zero meters exact.

93 Acts, ch 50, §2; 93 Acts, ch 180, §78
Referred to in §355.16

**355.18 Identification of geographic locations.**

The plane coordinate values for a point on the earth's surface used to express the geographic position or location of the point in the appropriate zone of the coordinate system shall consist of two distances expressed in meters and decimals of a meter. One of these distances, to be known as the "x-coordinate", shall give the position in an east-and-west direction; the other, to be known as the "y-coordinate", shall give the position in a north-and-south direction. These coordinates shall be made to depend upon and conform to plane rectangular coordinate values for the monumented points of the North American horizontal geodetic control network as published by the United States national ocean survey, or the United States national geodetic survey, or a successor agency. Any monumented point may be used for establishing a survey connection to the coordinate system.

93 Acts, ch 50, §3
Referred to in §355.16

**355.19 Application of terms.**

The use of the term *"Iowa plane coordinate system north zone"* or *"Iowa plane coordinate system south zone"* on a map, report of survey, or other document shall be limited to coordinates based on the Iowa plane coordinate system as defined in this chapter.

93 Acts, ch 50, §4
Referred to in §355.16

# CHAPTER 356

## JAILS AND MUNICIPAL HOLDING FACILITIES

Referred to in §331.381, 331.653, 805.16


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**356.1 How used.**

1. The jails in the several counties in the state shall be in the charge of the respective sheriffs and used as prisons:

*a.* For the detention of persons charged with an offense and committed for trial or examination.

*b.* For the detention of persons who may be committed to secure their attendance as witnesses on the trial of a criminal cause.

*c.* For the confinement of persons under sentence, upon conviction for any offense, and of all other persons committed for any cause authorized by law.

*d.* For the confinement of persons subject to imprisonment under the ordinances of a city.

2. The provisions of this section extend to persons detained or committed by authority of the courts of the United States as well as of any state.

[C51, §3103; R60, §5122; C73, §485, 4723; C97, §735, 5637; C24, 27, 31, 35, 39, §**5497, 5772;** C46, 50, §356.1, 368.40; C54, 58, 62, 66, 71, 73, §356.1, 368.15; C75, 77, 79, 81, §356.1]

2004 Acts, ch 1117, §2, 4; 2005 Acts, ch 3, §67

Referred to in §356A.1, 356A.7

**356.2 Duty.**

The sheriff shall have charge and custody of the prisoners in the jail or other prisons of the sheriff's county, and shall receive those lawfully committed, and keep them until discharged by law.

[C51, §172; R60, §385; C73, §339; C97, §501; C24, 27, 31, 35, 39, §**5498;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.2]

**356.3 Minors separately confined.**

Any sheriff, city marshal, or chief of police, having in the officer's care or custody any prisoner under the age of eighteen years, shall keep such prisoner separate and apart, and prevent communication by such prisoner with prisoners above that age, while such prisoners are not under the personal supervision of such officer, if suitable buildings or jails are provided for that purpose, unless such prisoner is likely to or does exercise an immoral influence over other minors with whom the prisoner may be imprisoned.

A person under the age of eighteen years prosecuted under chapter 232 and not waived to criminal court shall be confined in a jail only under the conditions provided in chapter 232.

Any officer having charge of prisoners who without just cause or excuse neglects or refuses to perform the duties imposed on the officer by this section may be suspended or removed from office therefor.

[C97, §5638; C24, 27, 31, 35, 39, §**5499;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.3]

Referred to in §232.22

**356.4 Separation of men and women.**

All jails shall be equipped with separate cells for men and women. Men and women prisoners shall not be allowed in the same cell within a jail at the same time.

[C97, §5639; C24, 27, 31, 35, 39, §**5500;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.4]

85 Acts, ch 21, §43

**356.5 Keeper's duty.**

The keeper of each jail shall:

1. See that the jail is kept in a clean and healthful condition.
2. Furnish each prisoner with necessary bedding, clothing, towels, fuel, and medical aid.
3. Serve each prisoner three times each day with an ample quantity of wholesome food.
4. Furnish each prisoner sufficient clean, fresh water for drinking purposes and for personal use.
5. Keep an accurate account of the items furnished each prisoner.
6. Keep a matron on the jail premises at all times during the incarceration of one or more female prisoners; keep either a jailer or matron on the premises at all times during the incarceration of one or more male prisoners, and make nighttime inspections while

any prisoners are confined, or provide for incarceration in a jail which conforms to the provisions of this subsection.

[C51, §3104, 3108; R60, §5123, 5127; C73, §4724, 4727; C97, §5640, 5643; C24, 27, 31, 35, 39, §**5501;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.5]

Referred to in §356.7, 356A.2

**356.6 Sheriff's duty.**

The sheriff must keep an accurate calendar of each prisoner committed to the sheriff's care, which shall contain the prisoner's name, place of abode, the day and hour of commitment and discharge, the cause and term of commitment, the authority that committed the prisoner, and a description of the prisoner, a statement of the prisoner's occupation, education, and general habits. When any prisoner is discharged, such calendar must show the day and hour when and the authority by which it took place, and if a person escapes, it must state particularly the time and manner thereof.

[C51, §3105; R60, §5124; C73, §4725; C97, §5641; C24, 27, 31, 35, 39, §**5502;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.6]

Referred to in §356A.5

**356.6A Duty to inform about veteran services.**

1. The personnel of a jail or municipal holding facility shall inquire whether the prisoner is a veteran, and if so, shall inform the prisoner, within twenty-four hours of incarceration, that the prisoner may be entitled to a visit from a veteran service officer to determine if veteran services are required or available. Within seventy-two hours of determining a prisoner is a veteran, the personnel of a jail or municipal holding facility shall provide the prisoner with the contact information for the county commission of veteran affairs of the county where the jail or facility is located, and the prisoner shall be allowed to contact the county commission of veteran affairs to request a visit from a veteran service officer.

2. As used in this section, "*veteran*" means a person who was a member of the regular component of the armed forces of the United States, national guard, or reserves.

2010 Acts, ch 1101, §1

**356.7 Charges for administrative costs and room and board — enforcement procedures.**

1. The county sheriff, or a municipality operating a temporary municipal holding facility or jail, may charge a prisoner who is eighteen years of age or older and who has been convicted of a criminal offense or sentenced for contempt of court for violation of a domestic abuse order for the actual administrative costs relating to the arrest and booking of that prisoner, for room and board provided to the prisoner while in the custody of the county sheriff or municipality, and for any medical aid provided to the prisoner under section 356.5. Moneys collected by the sheriff or municipality under this section shall be credited respectively to the county general fund or the city general fund and distributed as provided in this section. If a prisoner who has been convicted of a criminal offense or sentenced for contempt of court for violation of a domestic abuse order fails to pay for the administrative costs, the room and board, or medical aid, the sheriff or municipality may file a reimbursement claim with the district court as provided in subsection 2. The county attorney may file the reimbursement claim on behalf of the sheriff and the county or the municipality. The attorney for the municipality may also file a reimbursement claim on behalf of the municipality. This section does not apply to prisoners who are paying for their room and board by court order pursuant to sections 356.26 through 356.35.

2. The sheriff, municipality, or the county attorney, on behalf of the sheriff, or the attorney for the municipality, may file a reimbursement claim with the clerk of the district court which shall include all of the following information, if known:

*a.* The name, date of birth, and social security number of the person who is the subject of the claim.

*b.* The present address of the residence and principal place of business of the person named in the claim.

*c.* The criminal proceeding pursuant to which the claim is filed, including the name of the court, the title of the action, and the court's file number.

*d.* The name and office address of the person who is filing the claim.

*e.* A statement that the notice is being filed pursuant to this section.

*f.* The amount of room and board charges the person owes.

*g.* The amount of administrative costs the person owes.

*h.* The amount of medical aid the person owes.

*i.* If the sheriff or municipality wishes to have the amount of the claim for charges owed included within the amount of restitution determined to be owed by the person, a request that the amount owed be included within the order for payment of restitution by the person.

3. Upon receipt of a claim for reimbursement, the court shall approve the claim in favor of the sheriff or the county, or the municipality, for the amount owed by the prisoner as identified in the claim and any fees or charges associated with the filing or processing of the claim with the court. The sheriff or municipality may choose to enforce the claim in the manner provided in chapter 626. Once approved by the court, the claim for the amount owed by the person shall have the force and effect of a judgment for purposes of enforcement by the sheriff or municipality. However, irrespective of whether the judgment lien for the amount of the claim has been perfected, the claim shall not have priority over competing claims for child support obligations owed by the person.

4. This section does not limit the right of the sheriff or municipality to obtain any other remedy authorized by law.

5. *a.* Of the moneys collected and credited to the county general fund as provided in this section, sixty percent of the moneys collected shall be used for the following purposes:

(1) Courthouse security equipment and law enforcement personnel costs.

(2) Infrastructure improvements of a jail, including new or remodeling costs.

(3) Infrastructure improvements of juvenile detention facilities, including new or remodeling costs.

*b.* The sheriff may submit a plan or recommendations to the county board of supervisors for the use of the funds as provided in this subsection or the sheriff and board may jointly develop a plan for the use of the funds. Subject to the requirements of this subsection, funds may be used in the manner set forth in an agreement entered into under chapter 28E.

*c.* The county board of supervisors shall review the plan or recommendations submitted by the sheriff during the normal budget process of the county.

6. Of the moneys collected and credited to the city general fund as provided in this section, sixty percent of the moneys collected shall be used for police or law enforcement budget expenditures.

7. As used in this section, *"administrative costs relating to the arrest and booking of a prisoner"* means those functions or automated functions that are performed to receive a prisoner into jail or a temporary holding facility including the following:

*a.* Patting down and searching, booking, wristbanding, bathing, clothing, fingerprinting, photographing, and medical and dental screening.

*b.* Document preparation, retrieval, updating, filing, and court scheduling.

*c.* Warrant service and processing.

*d.* Inventorying of a prisoner's money and subsequent account creation.

*e.* Inventorying and storage of a prisoner's property and clothing.

*f.* Management and supervision.

96 Acts, ch 1081, §1; 96 Acts, ch 1219, §71; 97 Acts, ch 140, §1; 98 Acts, ch 1116, §1; 2003 Acts, ch 113, §1; 2003 Acts, ch 179, §72; 2004 Acts, ch 1101, §41; 2006 Acts, ch 1150, §1, 2; 2010 Acts, ch 1061, §180

Referred to in §602.8107, 910.1, 910.2, 910.3, 910.9

**356.8 Removal.**

When a jail or any building contiguous or near thereto is on fire, and there is reason to apprehend that the prisoners therein may be injured thereby, the sheriff or keeper must remove such prisoners to some safe and convenient place, and there confine them so long as it may be necessary to avoid such danger.

[C51, §3109; R60, §5128; C73, §4728; C97, §5644; C24, 27, 31, 35, 39, §**5504;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.8]

**356.9 through 356.13** Repealed by 81 Acts, ch 59, § 3.

**356.14 Refractory prisoners.**

If any person confined in a jail is refractory or disorderly or willfully destroys or injures any part of the jail or of its contents, the sheriff may secure the person or cause the person to be kept in solitary confinement not more than ten days for any one offense, during which time the person may be fed minimum diet requirements as established by the Iowa department of corrections unless other food is necessary for the preservation of the person's health.

[C51, §3115; R60, §5134; C73, §4734; C97, §5650; C24, 27, 31, 35, 39, §**5510;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.14]

83 Acts, ch 96, §113, 159

**356.15 Expenses.**

All charges and expenses for the safekeeping and maintenance of prisoners shall be allowed by the board of supervisors, except those committed or detained by the authority of the courts of the United States, in which cases the United States must pay such expenses to the county, or those committed for violation of a city ordinance, in which case the city shall pay expenses to the county, or those committed or detained from another state, in which case the governmental entity from the other state sending the prisoners shall pay expenses to the county.

[C51, §3116; R60, §5135; C73, §485, 4735; C97, §735, 5651; C24, 27, 31, 35, 39, §**5511, 5772;** C46, 50, §356.15, 368.40; C54, 58, 62, 66, 71, 73, §356.15, 368.15; C75, 77, 79, 81, §356.15]

2004 Acts, ch 1117, §3, 4

Referred to in §331.401

**356.16 Hard labor.**

Able-bodied persons over the age of sixteen, confined in any jail under the judgment of any tribunal authorized to imprison for the violation of any law, ordinance, bylaw or police regulation, may be required to labor during the whole or part of the time of their sentences, as hereinafter provided, and such tribunal, when passing final judgment of imprisonment, whether for nonpayment of fine or otherwise, shall have the power to and shall determine whether such imprisonment shall be at hard labor or not.

[C51, §3107; R60, §5126; C73, §4736; C97, §5652; S13, §5652; C24, 27, 31, 35, 39, §**5512;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.16]

Referred to in §331.303

**356.17 Labor on public works.**

Such labor may be on the streets or public roads, on or about public buildings or grounds, or at such other places in the county where confined, and during such reasonable time of the day as the person having charge of the prisoners may direct, not exceeding eight hours each day.

[C73, §4737; C97, §5653; C24, 27, 31, 35, 39, §**5513;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.17]

Referred to in §331.303

**356.18 Supervision.**

If the sentence be for the violation of any of the statutes of the state, the sheriff of the county shall superintend the performance of the labor, and furnish the tools and materials, if necessary, to work with, at the expense of the county in which the convict is confined, and such county shall be entitled to the convict's earnings.

[C51, §3107; R60, §5126; C73, §4738; C97, §5654; C24, 27, 31, 35, 39, §**5514;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.18]

Referred to in §331.303

**356.19 Rules — labor not to be leased.**

Such labor shall be performed in accordance with such rules as may be made by resolution of the board of supervisors, not inconsistent with the provisions of this chapter, and such labor shall not be leased.

[C97, §5654; C24, 27, 31, 35, 39, §**5515;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.19]

Referred to in §331.303

**356.20 Violation of city ordinance.**

When the imprisonment is under the judgment of any court, for the violation of any ordinance, the marshal or chief of police shall superintend the labor and furnish the tools and materials, if necessary, at the expense of the city requiring the labor, and the city shall be entitled to the earnings of its convicts.

[C73, §4739; C97, §5655; C24, 27, 31, 35, 39, §**5516;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.20]

**356.21 Control and punishment.**

The officer having charge of any prisoner may use such means as are necessary to prevent the prisoner's escape, and if the prisoner attempts to escape or if, being convicted, the prisoner refuses to labor, the officer having the prisoner in charge may, to secure the prisoner or cause the prisoner to labor, deal with the prisoner as with other disorderly or refractory prisoners. Such punishment shall be inflicted within the jail or jail enclosure, and the time of such solitary confinement shall not be considered as any part of the time for which the prisoner is sentenced.

[C73, §4740; C97, §5656; C24, 27, 31, 35, 39, §**5517;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.21]

**356.22 Credit for labor.**

For every day of labor performed by any convict under the provisions hereof, there shall be credited on any judgment for fine and costs against the convict the sum of one dollar and fifty cents.

[C73, §4741; C97, §5657; C24, 27, 31, 35, 39, §**5518;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.22]

**356.23 Cruel treatment.**

If any officer or other person treats any prisoner in a cruel or inhuman manner, the officer or other person shall be guilty of a serious misdemeanor.

[C73, §4742; C97, §5658; C24, 27, 31, 35, 39, §**5519;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.23]

**356.24 Protecting prisoners.**

The officer having a prisoner in charge shall protect the prisoner from insult and annoyance and communication with others while at labor, and in going to and returning from the same, and may use such means as are necessary and proper therefor.

[C73, §4743; C97, §5659; C24, 27, 31, 35, 39, §**5520;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.24]

**356.25 Annoyance of prisoner.**

Any person persisting in insulting or annoying or communicating with any prisoner, after being commanded by such officer to desist, shall be guilty of a simple misdemeanor.

[C73, §4743; C97, §5659; C24, 27, 31, 35, 39, §**5521;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §356.25]

**356.26 Leaving jail for certain purposes — intermittent sentencing — in-home detention.**

1. The district court may grant by appropriate order to any person sentenced to a county jail the privilege of a sentence to accommodate the work schedule of the person or the privilege of leaving the jail at necessary and reasonable hours for any of the following purposes:

*a.* Seeking employment.

*b.* Working at the person's employment.

*c.* Conducting the person's own business or other self-employed occupation, including housekeeping and attending to family needs.

*d.* Attendance at an educational institution.

*e.* Medical treatment.

2. All released prisoners shall remain, while absent from the jail, in the legal custody of the sheriff, and shall be subject, at any time, to being taken into custody and returned to the jail.

3. The district court may also grant by order to any person held in a county jail the privilege of in-home detention if the county sheriff has certified to the court that the jail has an in-home detention program.

[C66, 71, 73, 75, 77, 79, 81, §356.26]

88 Acts, ch 1105, §1; 90 Acts, ch 1251, §36; 91 Acts, ch 267, §413; 92 Acts, ch 1071, §1; 2010 Acts, ch 1061, §180

Referred to in §356.7, 356.28, 356.29, 356.30, 356.33, 356A.4, 903.3

**356.27 Privilege expressly granted.**

Unless such privilege is expressly granted by the court, the prisoner is sentenced to ordinary confinement. Any prisoner may petition the court for such privilege at the time of sentencing or thereafter, and the court in its discretion may review the petition and make appropriate orders. The court may withdraw the privilege at any time by order entered with or without notice or hearing.

[C66, 71, 73, 75, 77, 79, 81, §356.27]

Referred to in §356.7, 356.28, 356.29, 356.30, 356.33, 356A.4, 903.3

**356.28 Employment.**

The sheriff or any suitable person or agency designated by the court may endeavor to secure employment for unemployed prisoners granted privileges under sections 356.26 to 356.35.

[C66, 71, 73, 75, 77, 79, 81, §356.28]

Referred to in §356.7, 356.29, 356.30, 356.33, 356A.4, 903.3

**356.29 Wages or salary collected by sheriff.**

If a prisoner is employed for wages or salary the sheriff may collect the same or require the prisoner to turn over the wages or salary in full when received, and the sheriff shall deposit the same in a trust checking account and shall keep a ledger showing the status of the account of each prisoner. Such wages or salary are not subject to garnishment during the prisoner's term and shall be disbursed only as provided in sections 356.26 through 356.35.

[C66, 71, 73, 75, 77, 79, 81, §356.29]

84 Acts, ch 1144, §1

Referred to in §356.7, 356.28, 356.30, 356.33, 356A.4, 903.3

**356.30 Prisoner to pay for board — limitations.**

Every prisoner of a county jail under a sentence to accommodate the person's work schedule in accordance with section 356.26 is liable for the cost of the prisoner's board in the jail as fixed by the county board of supervisors. The sheriff shall charge the prisoner's account for the board and any meals provided in section 356.31. If the prisoner is gainfully self-employed the prisoner shall pay the sheriff for the board, in default of which the prisoner's privilege under this chapter is automatically forfeited. If necessarily absent from jail at a meal time, the prisoner shall at the prisoner's request be furnished with a lunch to carry to work. If the jail food is furnished directly, by the county, the sheriff shall account for and pay over the meal payments to the county treasurer. The county board of supervisors may by resolution provide that the county furnish or pay for the transportation of prisoners employed under sections 356.26 to 356.35 to and from the place of employment. However, the charges for board and meals under this section shall not exceed fifty percent of the wages or salaries of the prisoner, after deductions required by law, including deductions to

satisfy any court-ordered child support obligations, earned during the period of time for which the charges are made.

[C66, 71, 73, 75, 77, 79, 81, §356.30]

84 Acts, ch 1144, §2; 88 Acts, ch 1105, §2

Referred to in §331.303, 356.7, 356.28, 356.29, 356.33, 356A.4, 903.3

**356.31 Application of wages.**

By order of the court, the wages, salaries, or other income of employed prisoners shall be disbursed by the sheriff for the following purposes and in the order stated.

1. The meals of the prisoner.
2. Necessary travel expense to and from work including reimbursement for travel furnished by the county, and other incidental expenses of the prisoner.
3. Support of the prisoner's dependents, if any.
4. Payment, either in full or ratably, of the prisoner's obligations if acknowledged by the prisoner in writing or which have been reduced to judgment.
5. The balance, if any, to the prisoner upon the prisoner's release.

[C66, 71, 73, 75, 77, 79, 81, §356.31]

Referred to in §356.7, 356.28, 356.29, 356.30, 356.33, 356A.4, 903.3

**356.32 Employment in another county.**

The court may by order authorize the sheriff to whom the prisoner is committed, to contract with a sheriff of another county, for the employment of the prisoner in the other's county, and while so employed to be in the other's custody, but in other respects to be and continue subject to the commitment.

[C66, 71, 73, 75, 77, 79, 81, §356.32]

Referred to in §356.7, 356.28, 356.29, 356.30, 356.33, 356A.4, 903.3

**356.33 Orders of courts.**

District judges, district associate judges, and judicial magistrates, within their respective jurisdictional authority, may make all determinations and orders under sections 356.26 to 356.35.

If the prisoner was convicted in a court in another county, the district court in the county where the prisoner is jailed, at the request or the concurrence of the committing court, may make all determinations and orders under this section as might otherwise be made by the sentencing court after the prisoner is received at the jail.

[C66, 71, 73, 75, 77, 79, 81, §356.33]

Referred to in §356.7, 356.28, 356.29, 356.30, 356A.4, 903.3

**356.34 Support of dependents.**

The sheriff or any other suitable person or agency designated by the court shall, at the request of the court, investigate and report to the court the amount necessary for the support of the prisoner's dependents.

[C66, 71, 73, 75, 77, 79, 81, §356.34]

Referred to in §356.7, 356.28, 356.29, 356.30, 356.33, 356A.4, 903.3

**356.35 Suspension of privileges.**

The sheriff may in the sheriff's discretion suspend the privilege provided the sheriff files with the court the next regular court day a statement of the reasons therefor. Unless the court acts to rescind its order, such suspension of the privileges may not exceed five days.

[C66, 71, 73, 75, 77, 79, 81, §356.35]

Referred to in §356.7, 356.28, 356.29, 356.30, 356.33, 356A.4, 903.3

**356.36 Jail standards.**

1. The Iowa department of corrections, in consultation with the Iowa state sheriff's association, the Iowa peace officers association, the Iowa league of cities, and the Iowa board of supervisors association, shall draw up minimum standards for the regulation of jails, alternative jails, facilities established pursuant to chapter 356A and municipal holding

facilities. When completed by the department, the standards shall be adopted as rules pursuant to chapter 17A.

2. The sole remedy for violation of a rule adopted pursuant to this section, is by a proceeding for compliance initiated by request to the Iowa department of corrections. A violation of a rule does not permit any civil action to recover damages against the state of Iowa, its departments, agents, or employees or any county, its agents or employees, or any city, its agents or employees.

[C66, 71, 73, 75, 77, 79, §356.37 – 356.43; C81, §356.36; 82 Acts, ch 1133, §1]

83 Acts, ch 96, §114, 159; 84 Acts, ch 1127, §1; 95 Acts, ch 3, §3; 2012 Acts, ch 1023, §44

Referred to in §356.37, 356.43, 356A.7

**356.37 Confinement and detention report — design proposals.**

The division of criminal and juvenile justice planning of the department of human rights, in consultation with the department of corrections, the Iowa county attorneys association, the Iowa state sheriff's association, the Iowa peace officers association, a statewide organization representing rural property taxpayers, the Iowa league of cities, and the Iowa board of supervisors association, shall prepare a report analyzing the confinement and detention needs of jails and facilities established pursuant to this chapter and chapter 356A. The report for each type of jail or facility shall include but is not limited to an inventory of prisoner space, daily prisoner counts, options for detention of prisoners with mental illness or substance abuse service needs, and the compliance status under section 356.36 for each jail or facility. The report shall contain an inventory of recent jail or facility construction projects in which voters have approved the issuance of general obligation bonds, essential county purpose bonds, revenue bonds, or bonds issued pursuant to chapter 423B. The report shall be revised periodically as directed by the administrator of the division of criminal and juvenile justice planning. The first submission of the report shall include recommendations on offender data needed to estimate jail space needs in the next two, three, and five years, on a county, geographic region, and statewide basis, which may be based upon information submitted pursuant to section 356.49.

2002 Acts, ch 1051, §1, 2; 2002 Acts, ch 1175, §83; 2007 Acts, ch 22, §71; 2012 Acts, ch 1023, §45

**356.38 through 356.42** Repealed by 79 Acts, ch 53, § 6.

**356.43 Inspection — hearing — remedial action — report.**

The Iowa department of corrections and its inspectors and agents shall make periodic inspections of each jail or municipal holding facility and all facilities established pursuant to chapter 356A, and officially notify the governing body of the political subdivision in writing to comply fully with section 356.36.

The Iowa department of corrections may order the governing body of a political subdivision to either correct violations found in the inspection of a jail or municipal holding facility within a designated period, or may prohibit the confinement of prisoners in the jail or municipal holding facility. If the governing body fails to comply with the order within the period designated, the Iowa department of corrections may schedule a hearing on the alleged violation. The department may subpoena witnesses, documents, and other information deemed necessary to determine the validity of the alleged violation. The department shall upon written request from the governing body of the political subdivision grant representatives of the political subdivision the right to appear before the department at the hearing. The representatives have the right to counsel and may produce witnesses and present statements, documents, and other information with respect to the alleged violation for consideration at the hearing.

The department after the hearing shall affirm, revoke, or modify the original order. If the order is upheld, the department may include a schedule for correction of the violations and designate the date by which each violation shall be corrected.

If the political subdivision does not comply with the order within the designated period, the department may petition the attorney general to institute proceedings to enjoin the political

subdivision from confining prisoners in the jail or municipal holding facility and require the transfer of prisoners to a jail or municipal holding facility declared by the director to be suitable for confinement. The county or municipality from which prisoners are transferred is liable for the cost of transfer and expenditures incurred in the confinement of prisoners in the jail or municipal holding facility to which transferred. Following inspection of any jail or municipal holding facility, a report of the inspection shall be filed with the director of the Iowa department of corrections. A copy of the report shall also be filed with the sheriff or chief of police, the governing body of the political subdivision, and one copy with the county attorney, which shall be presented at the next session of the grand jury of that county.

[C66, 71, 73, 75, 77, 79, 81, §356.43]

83 Acts, ch 96, §115, 159; 84 Acts, ch 1127, §2

Referred to in §331.756(63)

**356.44 Rules of sheriff.**

The county sheriff shall formulate rules for the conduct and behavior of county jail prisoners. These rules may include provisions for county jail prisoners to do all necessary cleaning and upkeep of cells, compartments, dormitories and day rooms. Extra penalties may be provided for intentional damage of county jail property. Such rules and regulations shall be approved by a district judge from the district in which the county jail is located.

[C66, 71, 73, 75, 77, 79, 81, §356.44]

**356.45** Repealed by 83 Acts, ch 96, § 156, 159.

**356.46 Time off for good behavior.**

Every prisoner in the county jail may, upon the recommendation of the sheriff or person in charge of the detention of the prisoner, and at the discretion of the sentencing judge, receive a reduction of sentence in an amount to be determined by the judge, if:

1. No infraction of the rules of discipline of the county jail or of the laws of the state has been recorded against the prisoner since the beginning of the prisoner's incarceration; and
2. The prisoner has performed in a faithful manner the duties assigned to the prisoner.

[C73, 75, 77, 79, 81, §356.46]

83 Acts, ch 78, §1

**356.47 Sentence suspended.**

A judge who sentences a person to the county jail or other detention facility pursuant to this chapter, may suspend any part of such sentence and place such person on probation, upon such terms and conditions as the sentencing judge may direct, after such person has served that part of the person's sentence which was not suspended.

[C73, 75, 77, 79, 81, §356.47]

**356.48 Required test.**

1. A person confined to a jail or in the custody of a peace officer, who bites another person, who causes an exchange of bodily fluids with another person, or who causes any bodily secretion to be cast upon another person, shall submit to the withdrawal of a bodily specimen for testing to determine if the person is infected with a contagious or infectious disease as defined in section 141A.2. The bodily specimen to be taken shall be determined by the attending physician of the jail or the county medical examiner. The specimen taken shall be sent to the state hygienic laboratory at the state university at Iowa City or some other laboratory approved by the Iowa department of public health. If a person to be tested pursuant to this section refuses to submit to the withdrawal of a bodily specimen, the sheriff, person in charge of the jail, or any potentially infected person may file an application with the district court for an order compelling the person that may have caused an infection to submit to the withdrawal and, if infected, to receive available treatment. An order authorizing the withdrawal of a specimen for testing may be issued only by a district judge or district associate judge upon application by the sheriff, person in charge of the jail, or any other potentially infected person.

2. A person who fails to comply with an order issued pursuant to this section is guilty of a serious misdemeanor.

3. Personnel at the jail shall be notified if a person confined is found to have a contagious or infectious disease.

4. The sheriff, person in charge of the jail, or any other potentially infected person shall take any appropriate measure to prevent the transmittal of a contagious or infectious disease to other persons. The sheriff or person in charge of the jail shall also segregate a confined person who tests positive for acquired immune deficiency syndrome from other confined persons.

5. For purposes of this section, "*potentially infected person*" includes a care provider as defined in section 139A.2.

87 Acts, ch 185, §2; 2005 Acts, ch 87, §1

**356.49 Jail report.**

A county sheriff shall file, on a monthly basis, a written report with the director of the department of corrections. The report shall include, but not be restricted to, the total number of men, women, and juveniles held in the jail for the reporting month. The director shall adopt and provide a uniform reporting form to be utilized by county sheriffs.

89 Acts, ch 159, §1

Referred to in §356.37

**356.50 Private transportation of prisoners.**

If a county sheriff contracts with a private person or entity for the transportation of prisoners to or from a county jail, the contract shall include provisions which require the following:

1. The private person or any officers or employees of the private person or private entity shall not have been convicted of any of the following:

*a.* A felony.

*b.* Within the three-year period immediately preceding the date of the execution of the contract, a violation of the laws pertaining to operation of motor vehicles punishable as a serious misdemeanor or greater offense.

*c.* Domestic abuse assault in which bodily injury was inflicted or attempted to be inflicted.

*d.* A crime involving illegal manufacture, use, possession, sale, or an attempt to illegally manufacture, use, possess, or sell alcohol or a controlled substance or other drug.

2. The person or persons actually transporting the prisoners shall be trained and proficient in the safe use of firearms.

3. Any employees of a private entity which has entered into the contract for transportation of prisoners shall only possess and use security and restraint equipment, including any firearms, which has been issued by the private entity.

4. The person or persons actually transporting the prisoners shall be trained and proficient in appropriate transportation procedures.

5. The person or entity complies, within one year of publication, with any applicable standards for the transportation of prisoners promulgated by the American corrections association.

98 Acts, ch 1131, §2

# CHAPTER 356A

## COUNTY DETENTION FACILITIES

Referred to in §331.381, 331.424, 356.36, 356.37, 356.43, 805.16

See also division IX of chapter 904


356A.1 County supervisors may act — county halfway houses.
356A.2 Contract.
356A.3 Alternative confinement of prisoners.
356A.4 Work release.
356A.5 Calendar kept.
356A.6 Transfer.
356A.7 Contract with another county.


**356A.1 County supervisors may act — county halfway houses.**

A county board of supervisors may, by majority vote, establish and maintain by lease, purchase, or contract with a public or private nonprofit agency or corporation, facilities where persons may be detained or confined pursuant to a court order as provided in section 356.1. The facilities may be in lieu of or in addition to the county jail. The board shall establish rules and regulations for the operation of each facility. A person detained or confined to such a facility shall be required to do all cleaning, upkeep, maintenance, minor repairs, and anything else necessary to properly maintain, operate, and preserve the facility. The sheriff shall not have charge or custody of a person detained or confined in such facility or transferred thereto. Such facility need not contain cells, cell blocks, or bars, if it is not necessary for the protection of the public, as determined by the board.

[C73, 75, 77, 79, 81, §356A.1]

Referred to in §356A.3, 356A.4, 356A.5, 356A.6

**356A.2 Contract.**

If the board of supervisors contracts with a public or private nonprofit agency or corporation for the establishment and maintenance of such a facility, the contract shall state the charge per person per day to be paid by the county; that each facility shall insure the performance of the duties of the keeper as defined in section 356.5; the activities and service to be provided those detained or confined; the extent of security to be provided in the best interests of the community; the maximum number of persons that can be detained or committed at any one time; the number of employees to be provided by the contracting private nonprofit agency or corporation for the maintenance, supervision, control, and security of persons detained or confined in the facility; and any other matters deemed necessary by the supervisors. A contract shall be for a period not to exceed two years. The board of supervisors shall deliver a copy of the contract to each judicial officer of the district which includes that county.

[C73, 75, 77, 79, 81, §356A.2]

83 Acts, ch 186, §10101, 10201

Referred to in §356A.3, 356A.4, 356A.5, 356A.6

**356A.3 Alternative confinement of prisoners.**

A district judge may sentence and commit a person to a facility established and maintained pursuant to section 356A.1 or 356A.2 instead of the county jail. A district judge may order the transfer of a person sentenced and committed to the county jail to such a facility upon the judge's own motion, the motion of the sentenced and committed person, or the motion of the sheriff. The original order of commitment or the order of transfer to the facility shall set forth the terms and conditions of the detention or commitment and that the detained or committed person shall abide by the terms and conditions of this chapter and the rules of the facility to which committed or transferred. The order shall be read to the detained, committed, or transferred person in open court. The committing court or a district judge may order a person who has been detained, committed, or transferred to such a facility to be transferred to the county jail if, upon hearing, the court determines the person has been refractory or disorderly, has willfully destroyed or injured any property in the facility, or has violated any of the terms and conditions of the order of detention, commitment, or transfer or the provisions of this chapter or the rules of the facility where the person was detained or

committed. Any violations of the order of detention, commitment, or transfer shall further be punished as contempt of court pursuant to chapter 665. Section 719.4 is applicable to any person detained, committed, or transferred to a facility established and maintained pursuant to this chapter. The county or city to which the cause originally belonged is liable for the expense of the original detention, commitment, or transfer and the subsequent expenses of maintaining the person in the facility.

[C73, 75, 77, 79, 81, S81, §356A.3; 81 Acts, ch 117, §1067]
83 Acts, ch 123, §160, 209

**356A.4 Work release.**

A person detained, committed, or transferred to a facility established and maintained pursuant to section 356A.1 or 356A.2, may further be released from such facility during necessary and reasonable hours, by court order, for the purposes stated in section 356.26. Such release and any wages earned shall be governed by the provisions of sections 356.27 to 356.35 except that during such time the released person shall not be in the legal custody of the sheriff; any wages earned shall be collected, managed, and dispensed by the person in charge of the facility and not the sheriff; and any wages earned shall first be applied to the reasonable cost of housing such person in the facility.

[C73, 75, 77, 79, 81, §356A.4]
See also division IX of chapter 904

**356A.5 Calendar kept.**

Any person sentenced, detained, committed, or transferred to a facility established and maintained pursuant to section 356A.1 or 356A.2 shall be discharged therefrom upon completion of the original term of detention or commitment. The person in charge of the facility shall keep a calendar as required in section 356.6.

[C73, 75, 77, 79, 81, S81, §356A.5; 81 Acts, ch 121, §2]

**356A.6 Transfer.**

A judicial officer of the district court may originally commit a person to the county jail to serve any part of the sentence pronounced, and thereafter the person may be transferred to a facility established and maintained pursuant to section 356A.1 or 356A.2.

[C73, 75, 77, 79, 81, §356A.6]
83 Acts, ch 186, §10102, 10201

**356A.7 Contract with another county.**

A county board of supervisors may contract with another county or a city maintaining a jail meeting the minimum standards for the regulation of jails established pursuant to section 356.36 for detention and commitment of persons pursuant to section 356.1. A person detained or confined in the jail shall be in the charge and custody of the governmental unit maintaining the jail. The cost of detention and confinement shall be levied and paid by the city or the county to which the cause originally belonged.

[C73, 75, 77, 79, 81, S81, §356A.7; 81 Acts, ch 117, §1068]

# SUBTITLE 2

## SPECIAL DISTRICTS

# CHAPTER 357

## WATER DISTRICTS

Referred to in §331.382, 357A.21, 358.1B, 499.5A

City annexation; arbitration; see §357A.21


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**357.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**357.1A Petition — limitation.**

1. The board of supervisors of any county shall, on the petition of twenty-five percent or more of the eligible electors residing in any proposed benefited water district, grant a hearing relative to the establishment of the proposed water district. The petition shall set out the following and any other pertinent facts:

*a.* The need of a public water supply.

*b.* The approximate district to be served.

*c.* The approximate number of families in the district.

*d.* The proposed source of supply.

*e.* The type of service desired, whether domestic only or for fire protection and other uses.

2. The board of supervisors may, at its option, require a bond of the petitioners as provided in section 468.9.

3. A benefited water district located wholly within the corporate limits of a city is not subject to the provisions of this chapter.

4. Water services, other than water services provided as of April 1, 1987, shall not be provided within two miles of the limits of a city except as provided in this section.

5. A benefited water district established under this chapter may give notice of intent to provide water service to a new area within two miles of a city by submitting a water plan to the city. The plan is only required to indicate the area within two miles of the city which the benefited water district intends to serve. If the city fails to respond to the benefited

water district's plan within ninety days of receipt of the plan, the benefited water district may provide service in the area designated in the plan. The city may inform the benefited water district within ninety days of receipt of the plan that the city requires additional time or information to study the question of providing water service outside the limits of the city. If additional time or information is required, the city shall respond to the benefited water district's plan within one hundred eighty days of receipt of the plan. In responding to the plan, the city may waive its right to provide water service within the areas designated for service by the benefited water district, or the city may reserve the right to provide water service in some or all of the areas which the benefited water district intends to serve. If the city reserves the right to provide water service within some or all of the areas which the benefited water district intends to serve, the city shall provide service within four years of receipt of the plan. This section does not preclude a city from providing water service in an area which is annexed by the city.

[C24, 27, 31, 35, §5523; C39, §**5526.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.1]
87 Acts, ch 109, §1; 92 Acts, ch 1015, §1, 2; 92 Acts, ch 1204, §9
C2001, §357.1A
2010 Acts, ch 1061, §180
Referred to in §357.1B, 499.5

**357.1B Combined water and sanitary district.**

1. Upon receipt of a petition having the required signatories as provided in section 357.1A or 358.2, the board of supervisors shall grant a hearing relative to the establishment of a proposed combined water and sanitary district. The petition shall include the information required in sections 357.1A and 358.2 for proposed water districts and sanitary districts. The board of supervisors of the county in which the proposed combined district or largest part of the proposed combined district is located, shall have jurisdiction of the proceedings on the petition and the decision of a majority of the members of that board of supervisors is necessary for adoption. The orders of the board of supervisors made pursuant to this chapter and chapter 358 relating to the proposed combined district shall be kept as official records, but the records need not be published under section 349.16. An existing district may petition the board of supervisors to establish a combined water and sanitary district after the approval of a majority of the district electorate.

2. The board of supervisors having jurisdiction to establish the proposed combined water and sanitary district may proceed with its establishment under this chapter or chapter 358 in the same manner as a benefited water district or a sanitary district is separately established under those chapters. The differences between this chapter and chapter 358 including, but not limited to, the membership of the board of trustees, per diem, and maximum annual per diem, or a power or duty relating to rents, fees, taxation, or bonded indebtedness shall be resolved as a part of the petition submitted to the board of supervisors. Before becoming effective, a change in the membership, per diem, maximum annual per diem, or a power or duty relating to rents, fees, the levy of a tax, or the issuance of bonds, or other differences specified on the petition shall be submitted for the approval of the district electorate. However, the number of members, per diem, maximum annual per diem, or differences in powers and duties included in a combined district shall not be inconsistent with this chapter or chapter 358.

3. For the purpose of establishing, operating, or dissolving a combined water and sanitary district under this chapter and chapter 358, the term *"benefited water district"* includes combined water and sanitary district where applicable.

4. Water services and a water service plan prepared by the combined district are subject to approval by an affected city as provided in section 357.1A.

92 Acts, ch 1204, §10
C93, §357.1A
C2001, §357.1B
Referred to in §358.1B

**357.2 Territory included.**

The benefited water district may include part or all of any incorporated city or cities, together with or without contiguous or noncontiguous territory including cemeteries and all publicly owned land. The publicly owned property shall pay and bear its proportionate share of the cost and expense of the water system upon the same basis as privately owned property.

[C39, §**5526.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.2]

92 Acts, ch 1204, §11

**357.3 Scope of assessment.**

The special assessment hereinafter provided for may be used to cover the costs of installing all the necessary elements of a water system, for both production and distribution.

[C24, 27, 31, 35, §5522; C39, §**5526.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.3]

**357.4 Public hearing.**

When the board of supervisors receives a petition for the establishment of a benefited water district, a public hearing shall be held within thirty days of the presentation of the petition. Notice of the hearing shall be given publication as provided in section 331.305.

[C24, 27, 31, 35, §5523; C39, §**5526.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.4]

92 Acts, ch 1204, §12

Referred to in §357.12

**357.5 Decision at hearing.**

On the day fixed for such hearing, the board of supervisors shall by resolution establish the benefited water district or disallow the petition. For adequate reasons the board of supervisors may defer action on such petition for not to exceed ten days after the day first set for a hearing.

[C24, 27, 31, 35, §5523; C39, §**5526.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.5]

**357.6 Examination by engineer.**

When the board of supervisors shall have established the benefited water district, they shall appoint a competent disinterested civil engineer and instruct the engineer to examine the proposed improvement, make preliminary designs in sufficient detail to make an accurate estimate of the cost of the proposed water system. The civil engineer shall also report as to the suitability of the proposed source of water supply.

[C39, §**5526.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.6]

**357.7 Water source without district.**

When in any proposed benefited water district, it is anticipated that the source of supply will be without the district, and not under its control, the board of supervisors shall instruct the engineer who is appointed to make the preliminary design and dummy assessment, to also obtain from the corporation or municipality which controls the proposed source of supply, a statement in writing, outlining the terms upon which water will be furnished to the district, or to the individuals within the district and on what terms in either case.

This preliminary proposal from the governing body of the source of supply shall be binding, and shall be in the nature of an option to purchase water by the district, or the individual within the same, if and when the proposed benefited water district shall have completed its construction, and is ready to use water. This proposal shall accompany and be a part of the engineer's preliminary report to the board of supervisors.

[C39, §**5526.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.7]

**357.8 Plat.**

The said engineer shall prepare a preliminary plat showing the proper design in general outline, the size and location of the water mains, the general location of hydrants, if such are included in said petition, valves and other appurtenances, and shall show the lots and parcels of land within the proposed district as they appear on the county auditor's plat books,

together with the names of the owners and the amount which it is estimated that such lot or parcel will be assessed.

[C39, §**5526.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.8]

**357.9 Compensation of engineer.**

The compensation of such engineer on the preliminary investigation shall be determined by the board of supervisors and may be by percentage or per diem.

[C39, §**5526.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.9]

**357.10 Filing of report and plat.**

The engineer's report, together with the dummy plat showing the tentative design and assessment, shall be filed with the county auditor within thirty days of such engineer's appointment, unless for adequate reasons it is impossible for the engineer to do so, in which case the board of supervisors may extend the time therefor.

[C39, §**5526.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.10]

**357.11 Hearing on report.**

On receipt of the engineer's report, the board of supervisors shall give notice in the same manner as before, of a hearing on the engineer's tentative design and dummy plat. On the day set, or within ten days thereafter, the board of supervisors shall approve or disapprove the engineer's plan and proposed assessment. If it shall appear advisable, the board of supervisors may make changes in the design and assessment, as they appear on the dummy plat.

[C39, §**5526.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.11]

**357.12 Election.**

When the preliminary design and assessment have been approved by the board of supervisors, a date not more than thirty days after the approval shall be set for an election within the district to determine whether or not the proposed improvement shall be constructed and to choose candidates for the offices of trustee within the district. The proposal to approve or disapprove the improvement and the selection of candidates for trustees shall be presented at the same election. Notice of the election, including the time and place of holding the election, shall be given in the same manner as for the public hearing provided for in section 357.4. The vote shall be by ballot which shall state clearly the proposition to be voted upon, and any registered voter residing within the district at the time of the election may vote. The county commissioner of elections shall conduct elections held pursuant to this chapter, and the elections shall be conducted in accordance with chapter 49 where those procedures are not in conflict with this chapter. Precinct election officials shall be appointed to serve without pay, by the commissioner of elections, from among the registered voters of the district. The proposition shall be deemed to have carried if a majority of those voting on the proposition votes in favor of it.

[C24, 27, 31, 35, §5524; C39, §**5526.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.12]

92 Acts, ch 1204, §13; 94 Acts, ch 1169, §64

Referred to in §357.13

**357.13 Trustees — qualification and terms.**

1. At the initial election provided for in section 357.12, the names of the trustees shall be written by the voter on blank ballots without formal nomination and the board of supervisors shall appoint three from among the five receiving the highest number of votes as trustees for the district, one to serve for one year, one for two years, and one for three years. The trustees and their successors shall give bond in the amount the board of supervisors may require, the premium of which shall be paid by the district which the trustees represent. Vacancies during a term may be filled by election, or by appointment by the board of supervisors, at the option of the remaining trustees. The trustees must be residents of the district. The term of succeeding trustees shall be for three years.

2. After the initial board of trustees is selected, a candidate for trustee shall be nominated

by a personal affidavit of the candidate or by petition of at least ten eligible electors of the district and the candidate's affidavit, which shall be filed with the county commissioner of elections at least twenty-five days before the date of the election. The form of the candidate's affidavit shall be substantially the same as provided in section 45.3.

[C24, 27, 31, 35, §5524; C39, §**5526.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.13]
91 Acts, ch 111, §1; 92 Acts, ch 1204, §14

**357.14 Bids for construction.**

If the result of said election be in favor of said improvement, the board of supervisors shall instruct the engineer to complete the plans and specifications, ready for receiving bids for construction of the project, which the engineer shall do within thirty days of receiving notice to do so, unless for adequate reason the board shall extend the time.

When the completed plans and specifications are on file with the county auditor, and the estimated total cost of the project exceeds the competitive bid threshold in section 26.3, or as established in section 314.1B, the board of supervisors shall comply with the competitive bid procedures in chapter 26 for the construction of the project.

[C24, 27, 31, 35, §5524; C39, §**5526.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.14]
84 Acts, ch 1055, §6; 2006 Acts, ch 1017, §33, 42, 43

**357.15 Inadequate assessment.**

When bids have been received, if it is apparent that the final assessment will need to be increased more than ten percent over the preliminary assessment, the board of supervisors shall, at its option, reject bids and readvertise for bids as provided herein, or reject bids and revise the dummy assessment. If the dummy assessment is revised, another election shall be held within the district in the same manner and with the same notices as the first, except that the candidates for trustees shall not be voted for.

[C39, §**5526.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.15]

**357.16 Second election.**

If the majority of the votes cast at said second election be in favor of said improvement, the board of supervisors shall again advertise for bids in the same manner as before. If the bids at the second letting will not necessitate raising the second preliminary assessment more than ten percent, the board may let the contract to the lowest responsible bidder.

[C24, 27, 31, 35, §5524; C39, §**5526.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.16]

**357.17 Bond of contractor.**

The successful bidder, when awarded a contract, shall be required to give an approved surety bond for one hundred percent of the contract price, guaranteeing completion of the work in accordance with the plans and specifications, and for maintenance, including backfilling, for one year after the final acceptance of the work.

If the contractor shall fail to complete the work as provided in the contract, or shall abandon the same, or fail to proceed in a reasonable manner toward its final completion, the board may proceed against the contractor and surety as provided in sections 468.104 and 468.105.

[C39, §**5526.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.17]

**357.18 Acceptance of work.**

When in the opinion of the engineer in charge, the construction in any benefited water district has been completed in accordance with the plans, specifications, and contract, the engineer shall certify this fact to the board of supervisors, and recommend the acceptance of the work by the said board. The board of supervisors shall proceed in accordance with sections 468.101 and 468.102.

[C39, §**5526.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.18]

**357.19 Completing assessment.**

After the final acceptance of the work by the board of supervisors, the engineer shall complete the final assessment, which shall be made on all the property within the district,

whether abutting or not, for an amount approximately ten percent greater than the total cost of the project. The assessment shall not exceed benefits conferred and shall take into consideration the location and value of the property assessed. Where a pipe in excess of six inches in diameter is used, the assessment against the abutting property shall be limited to the cost of a six-inch pipe, and the difference between the cost of the pipe used and a six-inch pipe shall be paid by a uniform assessment against all benefited property within the water district. The final assessment on any lot or parcel of land shall not exceed the final preliminary assessment by more than ten percent, and shall in no case exceed twenty-five percent of the actual value of the property. The board of supervisors may alter an assessment to increase or decrease it within the limits outlined above, and must approve by resolution the final assessment as made.

[C24, 27, 31, 35, §5522; C39, §**5526.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.19]

**357.20 Due date — bonds.**

Assessments of five hundred dollars or less will come due at the first taxpaying date after the approval of the final assessment, and assessments of more than five hundred dollars may be paid in ten annual installments with interest on the unpaid balance at a rate not exceeding that permitted by chapter 74A. The board of supervisors shall issue bonds against the completed assessment in an amount equal to the total cost of the project, so that the amount of the assessment will be approximately ten percent greater than the amount of the bonds.

[C24, 27, 31, 35, §5522; C39, §**5526.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.20]
99 Acts, ch 83, §5; 2012 Acts, ch 1138, §98
Referred to in §357.35

**357.21 Substance of bonds.**

Each of such bonds shall be numbered, and have printed upon its face that it is a benefited water district bond, stating the county and the number of the district for which it is issued, and the date of maturity; that it is in pursuance of a resolution of the board of supervisors, and that it is to be paid for only from special assessment theretofore levied and taxes levied as hereinafter provided for that purpose within the said district for which the bond is issued. The provisions of sections 468.76 and 468.78 shall govern the issuance of these bonds except that the contractor will not be paid anything on the work until its completion and final acceptance.

[C39, §**5526.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.21]
Referred to in §357.35

**357.22 Lien of assessments — tax.**

When the assessment has been completed, the bonds have been sold and delivered to the county auditor, and the schedule of assessment has been delivered to the county treasurer, the installments due thereon shall be collected in the same manner as ordinary taxes and shall constitute a lien on the property against which they are made. If the treasurer does not receive sufficient funds to enable the treasurer to pay the interest and retire the bonds as they become due, the auditor shall levy an annual tax of eighty-one cents per thousand dollars of assessed value of all taxable property within the district to pay such deficiency, and the county treasurer shall apply the proceeds of such levy to the payment of the bonds and the interest on the same so long as the bonds are in arrears on either interest or principal.

[C24, 27, 31, 35, §5525; C39, §**5526.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.22]
2010 Acts, ch 1118, §8
Referred to in §331.559, 357.35

**357.23 Surplus.**

The board of supervisors shall be required to levy the annual tax of eighty-one cents per thousand dollars of assessed value of taxable property so long as the bonds are in arrears.

[C39, §**5526.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.23]
Referred to in §357.35

**357.24 Fee of engineer.**

The fee for engineering services shall be fixed by the board of supervisors and the engineer may be paid either a percentage or a per diem, from proceeds of the bond sale or by cash from the contractor, if the contractor takes bonds in settlement for the contractor's work under the contract.

[C39, §**5526.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.24]

**357.25 Management by trustees.**

After the final acceptance of the work by the board of supervisors, the management of the utility shall automatically go to the three trustees previously appointed by the board of supervisors. The trustees of a benefited water district located in a county with a population of two hundred fifty thousand or less shall have power to levy an annual tax not to exceed thirteen and one-half cents per thousand dollars of assessed value of all taxable property in the district, for the maintenance of the system. However, the trustees of a benefited water district located in a county with a population of more than two hundred fifty thousand may levy an annual tax on the taxable value of all taxable property in the district in an amount as may be necessary for the maintenance of the system, with the approval of the board of supervisors. This levy shall be optional with the trustees. The trustees may purchase material and employ labor to properly maintain and operate the utility. The trustees shall be allowed necessary expenses in the discharge of their duties, but shall not receive any salary.

[C24, 27, 31, 35, §5526; C39, §**5526.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §357.25; 81 Acts, ch 123, §1]

**357.26 Duties of trustees.**

It is anticipated that this law will usually be utilized to finance a distribution system where the source of supply is without the district, and not under its control, and that individuals within the district will pay water rent to a municipality or corporation without the district. It is intended that the trustees may so operate the utility as will best serve the users, and they are expressly authorized to buy and sell water, to fix the rates to consumers and make all contracts reasonable or necessary to accomplish the purpose of this chapter and to carry on all the operations incident to maintaining and operating said utility and to the procuring and furnishing of water to the consumers therein. If the development of a source of supply is within the means of the district, the trustees may install wells, tanks, meters and any other equipment properly pertaining to operate it.

[C39, §**5526.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.26]

Referred to in §357.35

**357.27 Public property in district.**

Whenever property of the state of Iowa, or any political subdivision thereof, shall be included either wholly or in part within such water district and shall own facilities which may be used as a part of such water system, the executive council, board of supervisors or city council, as the case may be, may permit such use of said facilities for such consideration and on such terms as may be agreed upon with the board of trustees.

[C39, §**5526.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.27]

**357.28 Private mains — additional assessments.**

Any person or persons within any water district, who may, after the initial installation of the improvement in any such district, desire to construct additional mains, and who have been assessed on the original assessment, may with the consent of the trustees, connect such lateral mains as they desire with the original system to serve property within the district which has been assessed, provided that the entire cost thereof shall be borne by the parties so interested.

The trustees shall have power to make additional assessments on unimproved lots or parcels of land within the district when said unimproved lots or parcels are improved and ready to receive the full benefits of the district. This additional assessment shall be determined and fixed by the trustees and shall not exceed the average assessment for

improved property in said districts less the original assessment on said unimproved lots or parcels. Said assessments shall be paid to the county treasurer before service pipes are laid into said improvement. The assessment shall be put in the benefited water district fund of the district of which said lots or parcels are a part and shall be used by the county treasurer for the retirement of bonds and interest. When the bonds are all retired, the trustees shall be authorized to use said fund for maintenance purposes, changing size of mains, eliminating dead ends, or extending mains for the benefit of the district.

[C39, §**5526.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.28]

**357.29 Subdistricts.**

If the cost of the desired extensions will be as much as five thousand dollars, the interested parties may petition the board of supervisors to organize a subdistrict, and in such case the board shall proceed in the same manner as for a new district, and may take in territory not originally assessed.

The board of supervisors shall have power at any time to alter the boundaries of any district prior to the time of posting or publishing notice of the election within the district.

[C24, 27, 31, 35, §5522; C39, §**5526.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.29]

**357.30 Additional territory.**

When the district is under the control of trustees, they are empowered to deal with parties without the district who desire to be taken into the district or to obtain water from the district and determine the amount to be assessed against said district to be taken in or connected with. The trustees shall have power in such cases to make agreements for the district, and may, with the consent of the board of supervisors, alter the district boundaries to take in additional territory. No lot or parcel of land shall be put out of a district without the consent of the owner, after it has paid any assessment to the district.

[C24, 27, 31, 35, §5522; C39, §**5526.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.30]

**357.31 Right-of-way.**

The board of supervisors shall have power to condemn, in the same manner as provided for the condemnation of land, right-of-way through private property, sufficient for the construction and maintenance of water mains. The cost of such right-of-way shall constitute a part of the expense of the improvement and shall be covered by the special assessment.

[C39, §**5526.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.31]

**357.32 Record book.**

The board of supervisors shall provide a record book which shall be in the custody of the auditor, in which shall be kept a full and complete record of the proceedings relative to water districts, so arranged and indexed, as to enable any proceedings relative to any district to be readily examined.

[C24, 27, 31, 35, §5524; C39, §**5526.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.32]

Referred to in §331.508

**357.33 Appeal procedure.**

Any person aggrieved, may appeal from any final action of the board of supervisors in relation to any matter involving the person's rights, to the district court of the county in which the district is located. The procedure in such appeals shall be governed by the provisions of sections 468.84 to 468.99 provided that whenever in the above sections the words "drainage district" occur, the words "benefited water district" shall be substituted.

[C39, §**5526.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.33]

**357.34 Conveyance of district to city.**

Where a city is situated wholly or partly within a benefited water district or the source of supply for such benefited water district is a municipal water system, the board of supervisors having jurisdiction of said benefited water district, at the request of the trustees of said benefited water district, may, by proper resolution, convey unto said city any and all rights

which said board of supervisors may have in and to said benefited water district. Said conveyance, however, shall not become effective until all existing obligations against said district have been completely and fully discharged and such conveyance accepted and confirmed by a resolution of the council of said city or of the board of waterworks trustees of said city if there be one, specially passed for such purpose.

Upon acceptance, the district, including the plant and distribution system, as well as all funds and credits shall become the property of said city and be operated and used by it to the same extent as if acquired under such provisions of law under which said city is then operating its waterworks. Also, the offices of the trustees as provided in this chapter shall be abolished upon acceptance by the city and their duties as such shall immediately cease.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.34]

**357.35 Merging existing districts.**

When the source of supply for a benefited district is obtained wholly or partly through another benefited district or if districts are supplied with their water from a common source, the board of supervisors having jurisdiction of those benefited districts, shall, upon ten days' written notice to the trustees, hold a hearing relative to the establishment of a single benefited water district with a boundary encompassing all the area within the subject districts. If the board finds the residents and property owners in the proposed district would be benefited, it may establish the single district by resolution. In the case of districts with outstanding warrants in excess of the anticipated revenues and cash balance within the district fund, an assessment shall be drawn up by the auditor for an amount approximately fifty-five percent of the total indebtedness of the district and the board of supervisors must approve by resolution the final assessment as made and cause bonds to be issued at approximately ten percent greater than the total indebtedness of the district in accordance with sections 357.20 and 357.21 except that the bonds shall be paid, approximately equally, from user charges and the assessment. In the case of districts with bonded indebtedness, a subarea of the new single district with a boundary identical to each indebted district shall be designated and taxed in accordance with sections 357.22 and 357.23. When all bonds have been retired, the subarea shall cease to exist. In the case of districts with a surplus cash balance, all funds and credits shall become the property of the single district and used by it to the same extent as if acquired under the provisions of section 357.26. Upon establishment of the single district by the board of supervisors, a resolution shall be passed either appointing three trustees or designating the board of supervisors as the trustees for the single district. The operation of the single district constitutes a county enterprise under section 331.461, subsection 2.

[82 Acts, ch 1219, §1]

Referred to in §331.461

# CHAPTER 357A

## RURAL WATER DISTRICTS

Referred to in §26.2, 306.46, 331.382, 331.441, 331.502, 331.555, 384.21, 423.3, 476.1, 476.27, 499.5, 499.5A, 716.6B, 905.6


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**357A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Auditor"* means the county auditor of a county in which a district has been incorporated and organized or is proposed to be incorporated and organized.

2. *"Board"* means the board of directors of a district, and *"director"* means a member of such board of directors.

3. *"Department"* means the department of natural resources.

4. *"District"* means a rural water district incorporated and organized pursuant to the provisions of this chapter.

5. *"Member"* means an owner of real property which is located within a district, the tenant of the real property, or another person acting for the owner with the owner's written consent.

6. *"Participating member"* means a member who has subscribed to and paid the established fee for at least one benefit unit in a district, in the manner provided by this chapter.

7. *"Supervisors"* means the board of supervisors of a county, or the board of supervisors of an adjacent county, in which a district has been incorporated and organized or is proposed to be incorporated and organized.

[C71, 73, 75, 77, 79, 81, §357A.1; 82 Acts, ch 1199, §62, 96]
91 Acts, ch 134, §1

**357A.2 Petition — deposit — limitation.**

1. *a.* A petition may at any time be filed with the auditor requesting the supervisors to incorporate and organize a district encompassing an area, not then included in any other district, in a county or in two or more adjacent counties for the purpose of providing an adequate supply of water for residents of the area who are not served by the water mains of any city water system.

*b.* There shall be filed with the petition a bond with sureties approved by the auditor, or a certified check, credit union certified share draft or cash in an amount sufficient for the payment of all costs and expenses incurred in the proceedings if the district is not finally established.

2. The petition shall be signed by the owners of at least thirty percent of all real property lying within the outside perimeter of the area designated for inclusion in the proposed district, and shall state:

*a.* The location of the area, describing such area to be served or specifying the area by an attached map.

*b.* The reasons a district is needed.

*c.* A new water service plan describing the cost feasibility and estimated construction schedules.

3. Water services, other than water services provided as of April 1, 1987, shall not be provided within two miles of the limits of a city by a rural water district incorporated under this chapter or chapter 504 except as provided in this section.

4. A rural water district incorporated under this chapter or chapter 504 may give notice of intent to provide water service to a new area within two miles of a city by submitting a water plan to the city. The plan is only required to indicate the area within two miles of the city which the rural water district intends to serve. If the city fails to respond to the rural water district's plan within ninety days of receipt of the plan, the rural water district may provide service in the area designated in the plan. The city may inform the rural water district within ninety days of receipt of the plan that the city requires additional time or information to study the question of providing water service outside the limits of the city. If additional time or information is required, the city shall respond to the rural water district's plan within one hundred eighty days of receipt of the plan. In responding to the plan, the city may waive its right to provide water service within the areas designated for service by the rural water district, or the city may reserve the right to provide water service in some or all of the areas which the rural water district intends to serve. If the city reserves the right to provide water service within some or all of the areas which the rural water district intends to serve, the city shall provide service within four years of receipt of the plan. This section does not preclude a city from providing water service in an area which is annexed by the city.

[C71, 73, 75, 77, 79, 81, §357A.2]

84 Acts, ch 1055, §7; 85 Acts, ch 67, §42; 87 Acts, ch 109, §2; 91 Acts, ch 134, §2, 3; 92 Acts, ch 1015, §3, 4; 95 Acts, ch 77, §2; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2010 Acts, ch 1061, §180

Referred to in §331.382, 357A.20, 499.5

**357A.3 Hearing after filing with auditor.**

When a petition for incorporation and organization of a district is filed with the auditor, the auditor shall so inform the supervisors who shall fix a time for a hearing thereon, not less than fifteen nor more than thirty days after the filing of the petition. The auditor shall prepare a notice as hereinafter required, which shall at least seven days before the date fixed for the hearing on the petition:

1. Be published in a newspaper of general circulation in the area to be incorporated.

2. Be transmitted, together with a copy of the original petition, to the supervisors.

[C71, 73, 75, 77, 79, 81, §357A.3]

91 Acts, ch 134, §4

Referred to in §357A.4, 357A.14, 357A.24

**357A.4 Notice.**

The notice prepared by the auditor pursuant to section 357A.3 shall set forth:

1. The location of the area designated by the petitioners for incorporation in the proposed district, as described or shown by the original petition.

2. The time and place fixed by the supervisors for the hearing on the petition.

3. That all owners or tenants of real property within the boundaries described may appear and be heard.

4. That the proposed district, if incorporated, shall have no power or authority to levy any taxes whatsoever.

[C71, 73, 75, 77, 79, 81, §357A.4]

91 Acts, ch 134, §5

Referred to in §357A.14

**357A.5 Appearances.**

At the hearing on the petition, any owner or tenant of real property within the boundaries of the area described in the petition may appear, in person or by a designated representative, and any representative of the department, a city, or an interested person may also appear, in favor of or in opposition to the incorporation and organization of the proposed district. The appearances may also be filed in writing prior to the time set for the hearing.

[C71, 73, 75, 77, 79, 81, §357A.5; 82 Acts, ch 1199, §63, 96]

91 Acts, ch 134, §6

Referred to in §357A.14

**357A.6 Findings — order.**

After the hearing, the supervisors may strike off any part of the territory that testimony shows will not be benefited by the creation of the district. If the supervisors do not find that the district is reasonably necessary, they shall dismiss the petition.

If the supervisors find that required notice of the hearing has been given and that the proposed district is reasonably necessary for the public health, convenience, and comfort of the residents, or may be of benefit in providing fire protection, they shall make an order establishing the district as a political subdivision, designating its boundary, and identifying it by name or number. The order shall be published in the same newspaper which published the notice of hearing. The supervisors shall prepare and preserve a complete record of the hearing on the petition and their findings and action.

[C71, 73, 75, 77, 79, 81, §357A.6]

91 Acts, ch 134, §7

Referred to in §357A.14

**357A.7 Meeting of members.**

As a part of the order incorporating the district, the supervisors shall fix the time and place at which the members shall meet to select from their number a board of directors. Selection of the initial board shall be not later than thirty days after the hearing. The number of directors on the board, not to exceed nine, shall be determined by a majority vote of those members present. Any member elected a director who fails to become a participating member, within thirty days after entry in the minutes of the board of a declaration of availability of benefit units for subscription, shall forfeit the office of director.

[C71, 73, 75, 77, 79, 81, §357A.7]

Referred to in §357A.20

**357A.8 Bylaws submitted at special meeting.**

Within thirty days after election of the original board, proposed bylaws shall be submitted for adoption at a special meeting of members of the district, written notice of which shall be mailed to each member. Members present at the special meeting may adopt or amend any of the proposed bylaws, and may propose and adopt alternative or additional bylaws. The bylaws may subsequently be amended at any annual or special meeting of the participating members of the district. However, the bylaws of each district shall provide:

1. For an annual meeting of participating members by July 31 of each year following the year of incorporation of the district, and for the mailing of written notice of the time and place of each annual meeting to each participating member and publication of the notice in a newspaper of general circulation in the district not less than ten nor more than thirty days prior to each meeting.

2. That each participating member of the district shall be entitled to a single vote at all annual and special meetings of the district, regardless of the number of benefit units to which the member has subscribed.

[C71, 73, 75, 77, 79, 81, §357A.8]

95 Acts, ch 77, §3; 2012 Acts, ch 1016, §1

Referred to in §357A.20

**357A.9 Members divided into classes.**

The initial board of each district shall divide its members by lot into three classes of as nearly equal size as possible. The terms of the directors in the first, second, and third classes shall expire on the dates of the annual meetings in the first, second, and third years, respectively, following the year in which the district is incorporated, or as soon thereafter as their respective successors are elected and have qualified. At the annual meeting in each year after the year in which the district is incorporated, a director shall be elected to succeed each director whose term of office expires on that date, and each director so elected shall hold office for a term of three years and until a successor is elected and has qualified. Vacancies shall be filled by appointment by the remaining directors, for the unexpired term.

[C71, 73, 75, 77, 79, 81, §357A.9]

Referred to in §357A.20

**357A.10 Board meetings.**

The board shall meet annually on the same day as, and immediately following, the annual meeting of participating members, and may meet at such other times as it may determine, or upon the call of the chairperson or any two directors. At the first meeting of the initial board following its election, and at each succeeding annual board meeting, the board shall elect a chairperson, vice chairperson, secretary, and treasurer for the ensuing year.

[C71, 73, 75, 77, 79, 81, §357A.10]

Referred to in §357A.20

**357A.11 Board's powers and duties.**

The board shall be the governing body of the district, and shall:

1. Adopt rules, regulations, and rate schedules in conformity with the provisions of this chapter and the bylaws of the district as necessary for the conduct of the business of the district.

2. Maintain at its office a record of the district's proceedings, rules and regulations, and any decisions and orders made pursuant to the provisions of this chapter, and furnish copies thereof to the supervisors or the council upon request.

3. Employ, appoint, or retain attorneys, engineers, other professional and technical employees, and other personnel as necessary, and require and approve bonds of district employees. The board may enter into agreements pursuant to chapter 28E to provide professional or technical services under this subsection to other water districts, nonprofit corporations, or related associations.

4. Prior to each annual meeting of participating members:

*a.* Prepare an estimated budget for the coming year, and adjust water rates if necessary in order to produce the revenue required to fund the estimated budget, and make a report thereon at the annual meeting.

*b.* Have an audit made of the district's records and accounts, and make copies of the audit report available to all participating members attending the annual meeting and to any other participating member who so requests.

5. Have authority to acquire by gift, lease, purchase, or grant any property, real or personal, in fee or a lesser interest needed to achieve the purposes for which the district was incorporated, to acquire easements for water lines and reservoirs by condemnation proceedings, and to sell and convey property owned, but no longer needed, by the district. Condemnation proceedings shall not apply to existing wells, ponds or reservoirs.

6. Have authority to construct, operate, maintain, repair, and when necessary to enlarge or extend, such ponds, reservoirs, pipelines, wells, check dams, pumping installations, or other facilities for the storage, transportation, or utilization of water, and such appurtenant structures and equipment, as may be necessary or convenient to carry out the purposes for which the district was incorporated. A district may purchase its water supply from any source.

7. Have power to borrow from, cooperate with and enter into agreements as deemed necessary with any agency of the federal government, this state, or a county of this state, and to accept financial or other aid from any agency of the federal government. To evidence

any indebtedness the obligations may be one or more bonds or notes and the obligations may be sold at private sale.

8. Have power to finance all or part of the cost of the construction or purchase of any project necessary to carry out the purposes for which the district is incorporated, or to refinance all or part of the original cost of any such project, and to evidence that financing by issuance of revenue bonds or notes which shall mature in a period not to exceed forty years from date of issuance, shall bear interest, or combined interest and insurance charges, at a rate not to exceed that permitted by chapter 74A, shall be payable only from revenue derived from sale of water by the district, and shall never become or be construed to be a debt against the state of Iowa or any of its political subdivisions other than the district issuing the bonds.

9. Finance all or part of the cost of the construction or purchase of a project necessary to carry out the purposes for which the district is incorporated or to refinance all or part of the original cost of that project, including, but not limited to, obligations originated by the district as a nonprofit corporation under chapter 504 and assumed by the district reorganized under this chapter. Financing or refinancing carried out under this subsection shall be in accordance with the terms and procedures set forth in the applicable provisions of sections 384.24A, 384.83 through 384.88, 384.92, and 384.93. References in these sections to a city shall be applicable to a rural water district operating under this chapter, and references in division V of chapter 384 to a city council shall be applicable to the board of directors of a rural water district. This subsection shall not create a lien against the property of a person who is not a rural water subscriber.

10. Have power to join the Iowa association of rural water districts, and pay out of funds available to the board, reasonable dues to the association. The financial condition and transactions of the Iowa association of rural water districts must be audited in the same manner as rural water districts.

11. Have authority to execute an agreement with a governmental entity, including a county, city, sanitary district, or another district, for purposes of managing or administering the works, facilities, or waterways which are useful for the collection, disposal, or treatment of wastewater or sewage and which are located within the jurisdiction of the governmental entity or the district. The board may do what is necessary to carry out the agreement, including but not limited to any of the following:

*a.* Owning or acquiring by gift, lease, purchase, or grant any interest in real or personal property.

*b.* Constructing, operating, maintaining, repairing, improving, or equipping any of the works, facilities, or waterways.

*c.* Financing all or part of the cost of acquiring, constructing, maintaining, repairing, improving, or equipping any works, facilities, or waterways, or refinancing all or part of the cost. The financing or refinancing shall be accomplished in accordance with the terms and procedures set forth in the applicable provisions of sections 384.24A, 384.83 through 384.88, 384.92, and 384.93. References in those sections to a city shall be applicable to a district and references in those sections to a governing body or a city council shall be applicable to the district's board.

12. Place all funds in investments to the extent practicable and may invest the funds jointly with one or more counties, judicial district departments of correctional services, cities, or city utilities pursuant to a joint investment agreement. All investments of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law.

13. In addition to all other powers granted to the board, the board may sell, convey, merge, or otherwise dispose of all or any portion of the real property or personal property of the district and all or any portion of the district's right to provide water or wastewater service to an area in order that another service provider permitted by the department of natural resources pursuant to chapter 455B may assume any or all of the district's duties and obligations or that the district may be dissolved.

*a.* If the district is to be dissolved, the board shall file a notice of dissolution with the auditor of the county or counties in which the district is located.

*b.* Prior to such sale, conveyance, merger, or disposition by the board that includes the relinquishment of the district's right to provide service to an area, the board shall publish

notice of a public hearing not less than four nor more than twenty days before the date fixed for the hearing in a newspaper of general circulation in the area for which the board seeks to relinquish service. The board shall mail notice of a public hearing to the district's members in the area for which the board seeks to relinquish service not less than fourteen days prior to such public hearing. A public hearing is not required when the board relinquishes the district's right to service an area within the corporate limits of a city if the city will provide service in compliance with the city's annexation plan.

*c.* After hearing or if none is required, the board may adopt a resolution approving the sale, conveyance, merger, or disposition; however, the board shall provide for the continuation of water or wastewater service to the area by another service provider immediately following such sale, conveyance, merger, or disposition.

[C71, 73, 75, 77, 79, 81, §357A.11]

90 Acts, ch 1255, §19, 20; 91 Acts, ch 134, §8 – 10; 93 Acts, ch 84, §1; 95 Acts, ch 77, §4; 98 Acts, ch 1167, §1; 2000 Acts, ch 1078, §1; 2001 Acts, ch 24, §47; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2005 Acts, ch 85, §1; 2007 Acts, ch 126, §57; 2008 Acts, ch 1031, §47; 2013 Acts, ch 90, §95

Subsection 1 amended

**357A.11A Customer records.**

Notwithstanding section 22.2, subsection 1, public records of a district, which shall not be examined or copied as of right, include private customer information. Except as required pursuant to chapter 476, *"private customer information"* includes information identifying a specific customer and any record of a customer account, including internet-based customer account information.

2012 Acts, ch 1010, §1

**357A.12 Plans, specifications, and procedures.**

As soon as reasonably possible after incorporation of a district, the board shall file with the supervisors and the department copies of the plans and specifications for, and estimates of the cost of, any improvements authorized by this chapter which the board proposes to construct or acquire. The board shall determine a reasonable fee which each member shall pay for the privilege of utilizing the district's facilities, and which shall be known as a benefit unit. Benefit units may be classified. The board, by publication in a newspaper of general circulation in the district, shall generally describe the planned improvements, the area to be served and the fee members will be required to pay for each service connected to the water system.

The procedures for competitive bidding specified in chapter 26 and for emergency repairs as specified in section 384.103, subsection 2, shall apply to construction carried out pursuant to this chapter.

[C71, 73, 75, 77, 79, 81, §357A.12; 82 Acts, ch 1199, §64, 96]

91 Acts, ch 134, §11; 2006 Acts, ch 1017, §34, 42, 43

**357A.13 Selling water.**

If the capacity of the district's facilities permits, the district may sell water by contract to any city, other district, or other person, public or private, not within the boundaries of a district.

[C71, 73, 75, 77, 79, 81, §357A.13]

**357A.14 Attaching to district — inclusion of city — merger.**

1. An owner of real property outside a district which can be economically served by the facilities of the district, or thirty percent of the owners of all real property lying within the outside perimeter of a proposed addition, may petition to be attached to the district. The petition shall be filed with the auditor, and the auditor and supervisors shall notify the district that a petition has been received and proceed in a manner set forth in sections 357A.3 through 357A.6.

2. All or any part of an incorporated city may be included in the boundaries of any existing

water district or water district being newly organized, provided the governing body of such city by resolution or ordinance gives, or has given, its consent.

3. Boards of any two or more districts may by concurrent action and by approval of the supervisors merge their districts into one. In case of merger the members of the boards of the merged districts may serve out the terms for which they were elected. The resulting district shall take over all the assets and legal liabilities of the water districts joining in the merger. Obligations of any district secured by the revenue of the systems operated by the district shall continue to be retired, or a sinking fund for such purpose created from revenue from the system operated over the same area by the resulting district in accordance with the laws under which the obligations were issued, until all obligations of the old district have been retired.

4. If there is a conflict between two or more districts concerning which district will serve an area, the supervisors of the county in which the disputed area is located shall, after a public hearing, determine which district can more adequately and economically provide service within the area.

[C71, 73, 75, 77, 79, 81, §357A.14]

91 Acts, ch 134, §12, 13; 93 Acts, ch 84, §2; 94 Acts, ch 1023, §109; 96 Acts, ch 1031, §1

**357A.15 Taxing prohibited — refunds.**

A district shall not have power to levy any taxes. The facilities constructed or otherwise acquired by a district, including but not limited to ponds, reservoirs, pipelines, wells, check dams, and pumping installations, the revenues obtained by the district from the sale of water, and the revenue bonds or notes, or interest from the revenue bonds or notes, issued by a district shall not be taxable in any manner by the state or any of its political subdivisions.

A rural water district organized under chapter 504 shall receive a refund of sales or use taxes upon submitting an application to the department of revenue for the refund of taxes imposed upon the sales price of all sales of building materials, supplies, or equipment sold to a contractor or used in the fulfillment of a written contract for the construction of facilities for the rural water district to the same extent as a rural water district organized under this chapter may obtain a refund under section 423.4, subsection 1.

[C71, 73, 75, 77, 79, 81, §357A.15]

98 Acts, ch 1161, §1; 2000 Acts, ch 1078, §2; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §176, 205; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394

Referred to in §422.7

**357A.16 Detaching real property from district.**

If it becomes apparent that any real property included within a district cannot economically or adequately be served by the facilities of the district, the owners of the real property may file with the auditor a petition to the supervisors requesting that the real property be detached from the district. The petition shall:

1. Describe by section, or fraction thereof, and by township and range, the real property which it is proposed to detach from the district.

2. State that the real property cannot economically or adequately be served by the facilities of the district, and that it is not feasible for the district to enlarge or extend its facilities so as to economically and adequately serve the real property.

3. Be signed by the owners of all the real property which it is desired to detach from the district.

[C71, 73, 75, 77, 79, 81, §357A.16]

91 Acts, ch 134, §14

Referred to in §357A.18, 357A.24

**357A.17 Inactive district dissolved.**

A petition may be filed with the auditor requesting the supervisors to dissolve an inactive district. The petition shall:

1. State that the district owns no property of any kind exclusive of records, maps, plans, and files, and that all of its debts and obligations have been fully paid.

2. State that the board has not held a meeting for more than one year prior to the date

of filing of the petition, that the district is not functioning, and will probably continue to be inoperative.

3. Be signed by three-fourths of the members of the district.

[C71, 73, 75, 77, 79, 81, §357A.17]

Referred to in §357A.18

**357A.18 Hearing.**

1. Upon the filing with the auditor of a petition under either section 357A.16 or section 357A.17, the auditor shall so inform the supervisors who shall fix a time for consideration of the petition. The supervisors may, but shall not be required to, hold a hearing thereon. After consideration of the petition, and after the hearing if one is held, the supervisors shall ascertain whether:

*a.* The petition meets all of the requirements prescribed by section 357A.16 or section 357A.17 for either such petition.

*b.* It appears from all information available to the supervisors that each allegation included in the petition is factual.

2. If the supervisors' finding on each of the foregoing points is positive, it shall declare the real property described in the petition detached from the district, or declare the district dissolved, as the case may be. The supervisors shall notify the secretary of the district of its action, and the secretary shall amend the records of the district to show that the real property described in the petition has been detached from the district, or shall within thirty days deliver to the auditor all records, maps, plans, and files of the district dissolved.

[C71, 73, 75, 77, 79, 81, §357A.18]

91 Acts, ch 134, §15, 16; 2010 Acts, ch 1061, §180

**357A.19 Not exempt from other requirements.**

This chapter does not exempt any district from the requirements of any other statute, whether enacted prior to or subsequent to July 1, 1970, under which the district is required to obtain the permission or approval of, or to notify, the department, the utilities division of the department of commerce, or any other agency of this state or of any of its political subdivisions prior to proceeding with construction, acquisition, operation, enlargement, extension, or alteration of any works or facilities which the district is authorized to undertake pursuant to this chapter.

[C71, 73, 75, 77, 79, 81, §357A.19; 82 Acts, ch 1199, §65, 96]

**357A.20 Alternate operation by nonprofit corporation.**

1. A nonprofit corporation incorporated under chapter 504 for the specific purpose of operating a rural water system may petition the supervisors for incorporation of a district, in the manner provided by section 357A.2. The signatures of the corporation's officers on the petition and a resolution adopted by the corporation's board of directors approving the petition shall suffice in lieu of signatures of owners of thirty percent of the real property in the proposed district, if the corporation presents evidence satisfactory to the supervisors that a sufficient number of members of the proposed district will subscribe to benefit units to make its operation feasible. The procedure for hearing and determination of disposition of the petition shall be as provided by this chapter.

2. In any district incorporated upon the petition of a nonprofit corporation, the following procedures shall apply:

*a.* After final approval of the petition by a board of supervisors, the secretary of the corporation shall file a notice with the secretary of state dissolving the nonprofit corporation in accordance with chapter 504.

*b.* Upon filing of the notice, the nonprofit corporation shall cease to exist as a chapter 504 entity and all assets and liabilities of the nonprofit corporation become the assets and liabilities of the newly organized district without a need for any further meetings, voting, notice to creditors, or other actions by the members or board.

*c.* The officers and board of directors of the corporation shall be the officers and board of the district.

*d.* The applicable laws of the state and the articles of incorporation and bylaws of the corporation shall control the initial size and initial term of office of such officers and board, in lieu of sections 357A.7, 357A.9, and 357A.10.

*e.* The district shall bring its operation and structure in compliance with sections 357A.7 to 357A.10 at the first annual meeting of the participating members and board of directors.

[C71, 73, 75, 77, 79, 81, §357A.20]

91 Acts, ch 134, §17; 95 Acts, ch 77, §5; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2010 Acts, ch 1061, §180

**357A.21 Annexation of land by a city — arbitration.**

A water district organized under this chapter, chapter 357, 499, or 504 shall be fairly compensated for losses resulting from annexation. The governing body of a city or water utility and the board of directors or trustees of the water district may agree to terms which provide that the facilities owned by the water district and located within the city shall be retained by the water district for the purpose of transporting water to customers outside the city. If an agreement is not reached within ninety days, the issues may be submitted to arbitration. If submitted, an arbitrator shall be selected by a committee which includes one member of the governing body of the city or its designee, one member of the water district's board of directors or trustees or its designee, and a disinterested party selected by the other two members of the committee. A list of qualified arbitrators may be obtained from the American arbitration association or other recognized arbitration organization or association.

87 Acts, ch 109, §3; 88 Acts, ch 1172, §1; 92 Acts, ch 1015, §5; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393

Referred to in §384.84

**357A.22 Personal liability.**

Except as otherwise provided in this chapter, a director, officer, employee, or other personnel of the board are not liable on the district's debts or obligations and a director, officer, employee, or volunteer of the board is not personally liable in that capacity, for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for any of the following:

1. A breach of the duty of loyalty to the district.
2. Acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law.
3. A transaction from which the person derives an improper personal benefit.

88 Acts, ch 1170, §2

**357A.22A Rural fire protection program — liability.**

A rural water district or rural water association incorporated under this chapter or chapter 504 shall establish a rural fire protection program which shall include, but is not limited to, providing access to designated soft-hose fill stations, providing annually or more often if necessary updated maps of soft-hose fill stations to all fire departments within the rural water service area, and sponsoring informational meetings for all fire departments and interested parties within the rural water service area for the purpose of reviewing locations of facilities, operational procedures, communication procedures and facilities, and procedures designed to coordinate efforts to enhance rural fire protection.

A rural water district or rural water association incorporated under this chapter or chapter 504 which provides water service to cities, benefited fire districts, or townships shall not be liable for a claim against the district or association for failure to provide or maintain fire hydrants, facilities, or an adequate supply of water or water pressure for fire protection purposes if the purpose of the hydrants, facilities, or water used is not for fire protection.

2001 Acts, ch 54, §1; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2007 Acts, ch 126, §58

**357A.23 City sewer and water franchise authorized.**

Notwithstanding section 364.2, subsection 4, paragraph "*a*", for the purposes of obtaining or qualifying for federal funding, a city may grant a franchise to a rural water district incorporated under this chapter or chapter 504, for a term of not more than forty years. In addition to the franchises listed in section 364.2, subsection 4, paragraph "*a*", a city may grant a franchise to a rural water district incorporated under this chapter or chapter 504, to erect, maintain, and operate plants and systems for sewer services. All provisions of section 364.2 shall otherwise apply to a franchise granted to a rural water district.

94 Acts, ch 1137, §1; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393

**357A.24 Detachment and attachment of areas between districts.**

1. The boards of two or more districts, or the boards of any district and a rural water system organized under chapter 504, may by concurrent action or agreement join in a petition to detach an area which is not being served by the facilities of one district or system for purposes of being attached to the other district or system. The concurrent action or agreement may include conditions placed on the effectiveness of the concurrent action or agreement as deemed appropriate by the boards of the districts.

2. The petition shall be filed with the auditor of the county in which the area to be detached is located. The petition shall include all of the following regarding the area which is the subject of the petition:

*a.* A description by section, or fraction thereof, and by township and range of the area, in the same manner as provided in section 357A.16.

*b.* A verification that the area is not being served by the facilities of any district.

*c.* A statement asserting that the area can be adequately and economically served by the facilities of the district proposing to attach the area.

3. Upon filing the petition, the auditor shall prepare for a hearing on the petition by following the same procedures as provided in section 357A.3. The notice of the hearing shall include all of the following:

*a.* The location of the area subject to the petition.

*b.* The time and place of the hearing as established by the supervisors for the county in which the area to be detached is located.

*c.* That all owners or tenants of real property within the boundaries of the area may appear and be heard.

4. *a.* After the hearing the supervisors shall order that the area subject to the petition be detached from one district and attached to the other district if the supervisors determine that all of the following have been satisfied:

(1) The petition meets the requirements of this section.

(2) The information included in the petition is accurate.

(3) Notice required in this section has been provided.

(4) The detachment and attachment is in the best interest of the residents of the area subject to the petition.

*b.* The order shall be published in the same newspaper which published the notice of the hearing.

5. This section does not preclude any procedure for detaching an area from or attaching an area to a district as otherwise provided by law, including this chapter.

98 Acts, ch 1167, §2; 99 Acts, ch 114, §23; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2010 Acts, ch 1061, §180

**357A.25 Property not security for debt.**

This chapter and chapter 384, as it applies to rural water districts, shall not be construed to mean that the real property of any rural water subscriber shall be used as security for any debts of a rural water district. However, the failure to pay water rates or charges by a subscriber may result in a lien being attached against the premises served upon certification to the county treasurer that the rate or charges are due.

2008 Acts, ch 1031, §48

# CHAPTER 357B

## FIRE DISTRICTS

Referred to in §28E.41, 28E.42, 321.423, 331.382


| | | | |
|---|---|---|---|
| 357B.1 | Benefited fire districts continued. | 357B.7 | Exchange of territory. |
| 357B.2 | Board of trustees. | 357B.8 | Fire district including a city — budget payment or separate levy. |
| 357B.3 | Powers of the board of trustees. | | |
| 357B.4 | Anticipation of tax. | | |
| 357B.5 | Dissolution of district. | 357B.9 | through 357B.17 Repealed by 75 Acts, ch 194, §12. |
| 357B.6 | Use of federal revenue-sharing funds. | 357B.18 | Detachment of land from district. |


**357B.1 Benefited fire districts continued.**

A benefited fire district established under this chapter prior to July 1, 1975 shall provide fire protection within its boundaries until it is dissolved as provided in section 357B.5. A benefited fire district shall not be established nor shall the territorial boundaries of an established benefited fire district be enlarged after June 30, 1975 except as provided in section 357B.7.

[C77, 79, 81, §357B.1]

86 Acts, ch 1057, §1

**357B.2 Board of trustees.**

A benefited fire district shall be governed by a board of trustees consisting of three members who shall serve overlapping, three-year terms. Each trustee shall give bond in an amount to be determined by the board of supervisors, the premium for which shall be paid by the district of the trustee. The members of the board of trustees shall be appointed by the board of supervisors from among the registered voters of the district. Any vacancy on the board shall be filled by appointment by the board of supervisors for the unexpired term. If a benefited fire district is located in more than one county, joint action of the boards of supervisors of the affected counties is required to appoint the members of the board of trustees, to determine the amount of bond, or to dissolve the district as provided in this chapter.

[C58, 62, 66, §357A.9, 357A.10; C71, 73, 75, §357B.9, 357B.10; C77, 79, 81, §357B.2; 82 Acts, ch 1046, §1]

98 Acts, ch 1123, §13

**357B.3 Powers of the board of trustees.**

1. The board of trustees may purchase, own, rent, or maintain fire apparatus or equipment within the state or outside the territorial jurisdiction and boundary limits of this state and provide housing for such apparatus or equipment. The board of trustees may contract with any public or private agency under chapter 28E for the purpose of providing fire protection under this chapter. The board of trustees may levy an annual tax not exceeding forty and one-half cents per thousand dollars of assessed value for the purpose of exercising the powers granted in this section. The board of trustees may purchase material and employ persons to provide for the maintenance and operation of the benefited fire district. The trustees shall be allowed reimbursement for any necessary expenses incurred in the performance of their duties, but they shall not receive any other compensation for their services.

2. If the levy authorized under subsection 1 is insufficient to provide the services authorized or required under this section, the trustees may levy an additional annual tax not exceeding twenty and one-fourth cents per thousand dollars of assessed value of the taxable property in the benefited district to provide the services.

3. Of the levies authorized under subsections 1 and 2, the trustees may credit to a reserve account annually an amount not to exceed ten cents per thousand dollars of the assessed value of the taxable property in the township for the purchase or replacement of supplies and equipment required to carry out the services specified under this section. Notwithstanding

section 12C.7, interest earned on moneys credited to the reserve account shall be credited to the reserve account.

[C58, 62, 66, §357A.11; C71, 73, 75, §357B.11; C77, 79, 81, §357B.3]

90 Acts, ch 1187, §1

Referred to in §357B.4, 357B.5

**357B.4 Anticipation of tax.**

The board of trustees of a benefited fire district may anticipate the collection of taxes authorized under section 357B.3 and, for the purpose of providing fire protection, may issue bonds payable in not more than ten equal installments at an interest rate not exceeding that permitted by chapter 74A. The bonds shall be in such form and payable at such place as specified by resolution of the board of trustees. The provisions of sections 73A.12 to 73A.16 and chapter 384 shall apply to such bonds to the extent applicable.

[C58, 62, 66, §357A.12; C71, 73, 75, §357B.12; C77, 79, 81, §357B.4]

Referred to in §357B.18

**357B.5 Dissolution of district.**

1. Upon petition of a number of registered voters residing in a district at least equal to thirty-five percent of the property taxpayers in the district, the board of supervisors may dissolve a benefited fire district and dispose of any remaining property, the proceeds of which shall first be applied against any outstanding obligation of the district. Any remaining balance shall be applied as a tax credit for the property owners of the district. However, except as provided in subsection 2, if all or a part of a district is annexed, the board of supervisors may transfer the remaining property and balance to the city which annexed the territory. The board of supervisors shall continue to levy an annual tax during the time the district is being dissolved and after the dissolution of a district, not to exceed sixty and three-fourths cents per thousand dollars of assessed value of the taxable property of the district, until all outstanding obligations of the district are paid. Except as otherwise provided in subsection 2, the board of supervisors shall negotiate agreements necessary to provide continued fire protection to the benefited fire district area during the time the district is being dissolved and after dissolution, and shall continue to levy an annual tax to fund such agreements, until such time as the township trustees of the township where the benefited fire district is located begin to provide fire protection service as required by section 359.42.

2. If a benefited fire district is dissolved that has been providing fire protection by contract, direct levy, or combination of both, to a city within the district for at least twenty years and the city's annual payments by contract or levy for the fire protection comprise seventy-five percent or more of the district's annual budget, the board of supervisors, in lieu of the disposal of property as provided in subsection 1, shall transfer to the city all of the district's real and personal property. The city shall assume all of the outstanding obligations of the district. If the district provides fire protection outside of the city's boundaries, the city shall continue to provide fire protection to this area until it is assigned to another fire protection district by the board of supervisors. If the city continues the fire protection outside its boundaries, the city shall certify to the board of supervisors the cost of providing this service, which shall be at the same rate as contained in the budget for property within the city, but not exceeding sixty and three-fourths cents per thousand dollars of assessed value of all taxable property in the area. The board of supervisors shall levy the amount of tax certified as provided in section 357B.3. The tax shall be collected and allocated in the same manner as other property taxes and paid to the city.

[C58, 62, 66, §357A.14; C71, 73, 75, §357B.14; C77, 79, 81, §357B.5]

89 Acts, ch 255, §1; 91 Acts, ch 111, §2; 99 Acts, ch 154, §1, 3; 2004 Acts, ch 1146, §4, 6

Referred to in §357B.1

**357B.6 Use of federal revenue-sharing funds.**

The board of supervisors may appropriate federal revenue-sharing funds to aid in providing fire protection services and equipment jointly with any other public agency of this state to residents of such county. The board of supervisors may use federal revenue-sharing funds for providing other services and equipment for use of the residents of the county. The use

of federal revenue-sharing funds shall be consistent with federal law and rules promulgated pursuant to such law.

[C77, 79, 81, §357B.6]

**357B.7 Exchange of territory.**

The trustees of a benefited fire district may exchange territory with the trustees of a township to provide fire protection services by agreement. The agreement shall provide for the satisfaction of any outstanding obligation to which the affected territory is subject, the disposition of property affected by the exchange, the effective date of the exchange, and any other matter deemed necessary to carry out the exchange. The agreement shall be filed with the county recorder and auditor of each county in which the exchanged property is located.

86 Acts, ch 1057, §2

Referred to in §357B.1

**357B.8 Fire district including a city — budget payment or separate levy.**

1. A city that was part of a benefited fire district prior to the city's incorporation may continue to receive fire protection from the district under a contract or direct levy by the district. The annual amount paid by the city to the benefited fire district shall be included in the city's annual budget and shall be a part of the city's general fund tax levy.

2. *a.* In lieu of subsection 1, a benefited fire district that includes a city within the boundaries of the fire district may certify an annual tax levy not exceeding forty and one-half cents per thousand dollars of assessed valuation of the taxable property within the city for the purpose of fire protection.

*b.* If the levy authorized under paragraph *"a"* is insufficient to provide fire protection services, the benefited fire district may certify an additional annual tax levy not exceeding twenty and one-fourth cents per thousand dollars of assessed valuation of the taxable property within the city to provide fire protection services.

*c.* The benefited fire district shall certify the tax levy as provided in this subsection only after agreement granted by resolution of the city council. The amount of the tax rate levied under this subsection shall reduce by an equal amount the maximum tax levy authorized for the general fund of that city under section 384.1. If the district levies directly against property within a city to provide fire protection for that city, the city shall not be responsible for providing fire protection as provided in section 364.16, and shall have no liability for the method, manner, or means in which the district provides the fire protection.

89 Acts, ch 255, §2; 99 Acts, ch 154, §2, 3

**357B.9 through 357B.17** Repealed by 75 Acts, ch 194, § 12.

**357B.18 Detachment of land from district.**

The trustees of a township, after notice and a public hearing, may withdraw the township or part of the township from a benefited fire district. Notice of the time, date and place of the hearing shall be published at least two weeks before the hearing in a newspaper having general circulation within the township. The notice shall also identify the area to be withdrawn. After the hearing on the proposed withdrawal, the township trustees, by majority vote, may withdraw the township or a part of the township from the benefited fire district. If the township trustees take final action to withdraw on or before March 1 of a fiscal year, the effective date of the withdrawal is the following July 1. However, if final action to withdraw is taken after March 1, the withdrawal is not effective until July 1 of the following calendar year. If bonds issued under section 357B.4 are outstanding at the time of withdrawal, the board of supervisors shall continue to levy an annual tax against the taxable property being withdrawn to pay its share of the outstanding obligation of the district relating to those bonds.

[S81, §357B.18; 81 Acts, ch 124, §1]

# CHAPTER 357C

## STREET LIGHTING DISTRICTS

Referred to in §331.382


357C.1 Definitions.
357C.1A Petition for public hearing.
357C.2 Limitation on area.
357C.3 Time of hearing — notice.
357C.4 Action by board.
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357C.6 Hearing on engineer's report.
357C.7 Election on proposed levy and candidates for trustees.
357C.8 Trustees — term and qualification.
357C.9 Trustees' powers.
357C.10 Bonds in anticipation of revenue.
357C.11 Dissolution of district.
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357C.13 Determination of fee.


**357C.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**357C.1A Petition for public hearing.**

1. The board of supervisors of any county shall, on the petition of twenty-five percent of the resident property owners in any proposed benefited street lighting district if the assessed valuation of the property owned by the petitioners represents at least twenty-five percent of the total assessed value of the proposed district, or the board of supervisors of any county with a population in excess of two hundred fifty thousand persons shall, on the petition of twenty-five percent of the resident property owners in any proposed benefited lighting district, hold a public hearing concerning the establishment of such proposed street lighting district. Such a petition shall include a statement containing the following:

*a.* The need for street lighting service.

*b.* The district to be served.

*c.* The approximate number of families in the district.

*d.* The proposed utility to provide the street lighting service.

2. The board of supervisors may require a bond of the petitioners conditioned for the payment of all costs and expenses incurred in the proceedings in case the street lighting district is not established.

[C71, 73, 75, 77, 79, 81, §357C.1]

C2001, §357.1A

2010 Acts, ch 1061, §180

**357C.2 Limitation on area.**

A benefited street lighting district may include all or portions of the unincorporated areas of one township and any unincorporated areas of adjoining townships or portions thereof. However, such district shall contain only such area wherein the benefits derived from such street lighting shall be ratably spread between those people and families to be served.

[C71, 73, 75, 77, 79, 81, §357C.2]

**357C.3 Time of hearing — notice.**

The public hearing shall be held within thirty days of the presentation of the petition. Notice of hearing shall be given by publication as provided in section 331.305.

[C71, 73, 75, 77, 79, 81, §357C.3]

87 Acts, ch 43, §9

**357C.4 Action by board.**

After the hearing, the board of supervisors may by resolution establish the benefited street lighting district or disallow the petition. The board of supervisors may defer action on such petition for not to exceed ten days after the day first set for a hearing.

[C71, 73, 75, 77, 79, 81, §357C.4]

**357C.5 Engineer.**

1. When the board of supervisors shall have established a benefited street lighting district, they shall appoint a competent disinterested civil engineer, who shall prepare a preliminary plat showing:

*a.* The proper design in general outline of the district.

*b.* The lots and parcels of land within the proposed district as they appear on the county auditor's plat books with the names of the owners.

*c.* The assessed valuation of said lots and parcels.

2. The compensation of such engineer on the preliminary investigation shall be determined by the board of supervisors. The engineer shall file a report with the county auditor within thirty days of the engineer's appointment. The board of supervisors may extend such time upon good cause shown.

[C71, 73, 75, 77, 79, 81, §357C.5]

2010 Acts, ch 1061, §180

**357C.6 Hearing on engineer's report.**

After the engineer's report is filed, the board of supervisors shall give notice in the same manner as for the original hearing, of a public hearing to be held concerning the engineer's preliminary plat. On the day set for such hearing, or within ten days thereafter, the board of supervisors shall approve or disapprove the preliminary plat. The board of supervisors may make changes in the boundaries as they appear on the engineer's report.

[C71, 73, 75, 77, 79, 81, §357C.6]

**357C.7 Election on proposed levy and candidates for trustees.**

When a preliminary plat has been approved by the board of supervisors, an election shall be held within the district within sixty days to approve or disapprove the levy of a tax of not more than fifty-four cents per thousand dollars of assessed value on all the taxable property within the district, and to choose candidates for the offices of trustees of the district. Notice of the election, including the time and place of holding the same, shall be given in the same manner as for the original public hearing as provided herein. The vote shall be by ballot which shall state clearly the proposition to be voted upon, and any registered voter residing within the district at the time of the election shall be entitled to vote. It shall not be mandatory for the county commissioner of elections to conduct elections held pursuant to this chapter, but they shall be conducted in accordance with the provisions of chapter 49 where not in conflict with this chapter. Judges shall be appointed to serve without pay by the board of supervisors from among the registered voters of the district who will have charge of the election. The proposition shall be deemed to have carried if sixty percent of those voting thereon vote in favor of same.

[C71, 73, 75, 77, 79, 81, §357C.7]

94 Acts, ch 1169, §64

**357C.8 Trustees — term and qualification.**

At the election, the names of candidates for trustee shall be written in by the voters on blank ballots without formal nomination, and the board of supervisors shall appoint three from among the five receiving the highest number of votes as trustees for the district; one to serve for one year, one for two years, and one for three years. The trustees and their successors must be residents of the district and shall give bond in the amount which the board of supervisors may require, the premium of which shall be paid by the district the trustees

represent. Vacancies may thereafter be filled by election, or by appointment by the board of supervisors. The term of succeeding trustees shall be for three years.

[C71, 73, 75, 77, 79, 81, §357C.8]

91 Acts, ch 111, §3

**357C.9 Trustees' powers.**

The trustees may purchase street lighting service and facilities and may levy an annual tax not to exceed fifty-four cents per thousand dollars of assessed value for the purpose of exercising the powers granted in this chapter. This levy shall be optional with the trustees, but no levy shall be made unless first approved by the voters as provided herein. The trustees may purchase material, employ labor, and may perform all other acts necessary to properly maintain and operate the benefited street lighting district. The trustees shall be allowed necessary expenses in the discharge of the duties, but shall not receive any salary.

[C71, 73, 75, 77, 79, 81, §357C.9]

**357C.10 Bonds in anticipation of revenue.**

Benefited street lighting districts may anticipate the collection of taxes by the levy herein provided, and to carry out the purposes of this chapter may issue bonds payable in not more than ten equal installments, with the rate of interest thereon not exceeding that permitted by chapter 74A. No indebtedness shall be incurred under this chapter until authorized by an election. Such election shall be held and notice given in the same manner as the election provided herein for the authorization of a tax levy, and the same sixty percent vote shall be necessary to authorize indebtedness. Both propositions may be submitted to the voters in the same election.

[C71, 73, 75, 77, 79, 81, §357C.10]

**357C.11 Dissolution of district.**

Upon petition of thirty-five percent of the resident eligible electors, the board of supervisors may dissolve a benefited street lighting district and dispose of any remaining property, proceeds of which shall first be applied against outstanding obligations and any balance shall be applied to tax credit of property owners of the district. However, if the district is annexed, the board of supervisors may transfer the remaining property and balance to the city which annexed the district. The board of supervisors shall continue to levy tax after dissolution of a district, of not to exceed fifty-four cents per thousand dollars of assessed value on all the taxable property of the district, until all outstanding obligations of the district are paid.

[C71, 73, 75, 77, 79, 81, §357C.11]

91 Acts, ch 111, §4

**357C.12 Adding property to district.**

The owner of any property in an unincorporated area immediately contiguous to the boundaries of any established benefited street lighting district may petition the board of supervisors to be included in the district. Upon receipt of such petition the board shall submit the request to a competent disinterested civil engineer to investigate the feasibility of adding such additional territory and to make a report to the board. If the board agrees that said property should be added to the district, the tax levy for the next year shall be applied to said property and on the first day of the said next year said property shall be considered a part of the district. If the benefited street lighting district lies in more than one county the joint action of the boards of supervisors shall be required to add additional territory.

[C71, 73, 75, 77, 79, 81, §357C.12]

**357C.13 Determination of fee.**

1. The owner of any property joining an established benefited street lighting district shall pay to the board of trustees of the district an initial fee to be computed as follows:

*a.* The board of trustees shall first determine fair market value of all property and improvements owned by the benefited street lighting district, less any indebtedness.

*b.* The board shall then determine the assessed value of all property in said district. This shall be divided into the value determined in paragraph *"a"*.

*c.* The board shall determine the assessed value of the property of each landowner joining the established district.

*d.* The result obtained in paragraph *"b"* shall be multiplied by the result obtained in paragraph *"c"*. The result shall be the initial fee to be charged each landowner.

2. The initial fees paid to the district trustees shall be used to help defray the cost and maintenance of the district's street lighting service.

[C71, 73, 75, 77, 79, 81, §357C.13]

2010 Acts, ch 1061, §144

# CHAPTER 357D

## LAW ENFORCEMENT DISTRICTS

Referred to in §331.382


357D.1 Definitions.
357D.2 Petition for public hearing.
357D.3 Limitation on area.
357D.4 Time of hearing.
357D.5 Action by board.
357D.6 Engineer.
357D.7 Hearing on engineer's report.
357D.8 Election on proposed levy and candidates for trustees.
357D.9 Trustees — term and qualification.
357D.10 Trustees' powers.
357D.11 Bonds in anticipation of revenue.
357D.12 Dissolution of district.
357D.13 Incorporation of district land.
357D.14 Adding property to district.
357D.15 Determination of fee.


**357D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the board of supervisors of a county.

2. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

3. *"District"* means a benefited law enforcement district.

4. *"Trustee"* means a trustee of a district.

[82 Acts, ch 1174, §1]

2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201

**357D.2 Petition for public hearing.**

1. The board shall, on the petition of twenty-five percent of the resident property owners in a proposed district if the assessed valuation of the property owned by the petitioners represents at least twenty-five percent of the total assessed value of the proposed district, hold a public hearing concerning the establishment of a proposed district. The petition shall include a statement containing the following information:

*a.* The need for law enforcement service.

*b.* The district to be served.

*c.* The approximate number of families in the district.

*d.* The proposed personnel, equipment, and facilities to provide the law enforcement service.

2. The board of supervisors may require a bond of the petitioners conditioned for the payment of all costs and expenses incurred in the proceedings in case the district is not established.

[82 Acts, ch 1174, §2]

Referred to in §357D.4

**357D.3 Limitation on area.**

A district may include all or parts of the unincorporated areas of one township and any unincorporated areas of adjoining townships or parts of adjoining townships, but shall not include property assessed as agricultural land, centrally assessed property, or manufacturing personal and real property. Except for property assessed as agricultural land, the owners of centrally assessed property or manufacturing property shall have the option to be included in the district.

[82 Acts, ch 1174, §3]

**357D.4 Time of hearing.**

The public hearing required in section 357D.2 shall be held within thirty days of the presentation of the petition. Notice of hearing shall be given by publication in two successive issues of any paper of general circulation within the district. The last publication shall be not less than one week before the proposed hearing.

[82 Acts, ch 1174, §4]

Referred to in §357D.7, 357D.8

**357D.5 Action by board.**

After, and within ten days of, the hearing, the board shall either establish the district by resolution or disallow the petition.

[82 Acts, ch 1174, §5]

**357D.6 Engineer.**

1. When the board establishes a district, the board shall appoint a competent disinterested civil engineer, who shall prepare a preliminary plat showing:

*a.* The proper design in general outline of the district.

*b.* The lots and parcels of land within the proposed district as they appear on the county auditor's plat books with the names of the owners.

*c.* The assessed valuation of the lots and parcels.

2. The compensation of the engineer on the preliminary investigation shall be determined by the board. The engineer shall file a report with the county auditor within thirty days of appointment. The board may extend the time upon good cause shown.

[82 Acts, ch 1174, §6]

**357D.7 Hearing on engineer's report.**

After the engineer's report is filed, the board shall give notice as provided in section 357D.4, of a public hearing to be held concerning the engineer's preliminary plat. After, and within ten days of, the hearing, the board shall approve or disapprove the preliminary plat. If the preliminary plat is disapproved, the board shall make changes in the boundaries as it deems necessary for board approval of the preliminary plat.

[82 Acts, ch 1174, §7]

**357D.8 Election on proposed levy and candidates for trustees.**

When a preliminary plat has been approved by the board, an election shall be held within the district within sixty days to approve or disapprove the levy of a tax of not more than one dollar per thousand dollars of assessed value on all the taxable property within the district and to choose candidates for the offices of trustees of the district. Notice of the election, including the time and place of holding the election, shall be given as provided in section 357D.4. The vote shall be by ballot which shall state clearly the proposition to be voted upon and any registered voter residing within the district at the time of the election may vote. It is not mandatory for the county commissioner of elections to conduct elections held pursuant to this chapter, but the elections shall be conducted in accordance with chapter 49 where not in conflict with this chapter. Judges shall be appointed to serve without pay by the board from

among the registered voters of the district to be in charge of the election. The proposition is approved if sixty percent of those voting on the proposition vote in favor of it.

[82 Acts, ch 1174, §8]

84 Acts, ch 1216, §1; 94 Acts, ch 1169, §64

Referred to in §357D.10, 357D.11

**357D.9 Trustees — term and qualification.**

At the election, the names of up to three candidates for trustee shall be written in by the voters on blank ballots without formal nomination and the board shall appoint three from among the five receiving the highest number of votes as trustees for the district. One trustee shall be appointed to serve for one year, one for two years, and one for three years. The trustees and their successors must be residents of the district and shall give bond in the amount required by the board, the premium of which shall be paid by the district. Vacancies shall be filled by election, but if there are no candidates for a trustee office, the vacancy may be filled by appointment by the board. The term of succeeding trustees shall be three years.

[82 Acts, ch 1174, §9]

91 Acts, ch 111, §5

**357D.10 Trustees' powers.**

The trustees may provide law enforcement service and facilities and may certify for levy an annual tax as provided in section 357D.8. The trustees may purchase material, employ peace officers and other personnel, and may perform all other acts necessary to properly maintain and operate the district. The trustees are allowed necessary expenses in the discharge of their duties, but they shall not receive a salary.

[82 Acts, ch 1174, §10]

84 Acts, ch 1216, §2

**357D.11 Bonds in anticipation of revenue.**

A district may anticipate the collection of taxes by the levy authorized in this chapter, and to carry out the purposes of this chapter may issue bonds payable in not more than ten equal installments with the rate of interest not exceeding that permitted by chapter 74A. An indebtedness shall not be incurred under this chapter until authorized by an election. The election shall be held and notice given in the same manner as provided in section 357D.8, and the same sixty percent vote shall be necessary to authorize indebtedness. Both propositions may be submitted to the voters at the same election.

[82 Acts, ch 1174, §11]

**357D.12 Dissolution of district.**

Upon petition of thirty-five percent of the resident eligible electors, the board may dissolve a district and dispose of any remaining property, the proceeds of which shall first be applied against outstanding obligations and any balance shall be applied to tax credit of property owners of the district. However, if the district is annexed, the board of supervisors may transfer the remaining property and balance to the city which annexed the territory. The board shall continue to levy a tax after dissolution of a district, of not to exceed twenty-seven cents per thousand dollars of assessed value on all the taxable property of the district, until all outstanding obligations of the district are paid.

[82 Acts, ch 1174, §12]

91 Acts, ch 111, §6

**357D.13 Incorporation of district land.**

If part of a district is incorporated by a city and there are outstanding indebtedness obligations against the district, the city shall pay the outstanding obligations against the part of the district which is incorporated by the city.

[82 Acts, ch 1174, §13]

**357D.14 Adding property to district.**

The owner of any property in an unincorporated area contiguous to the boundaries of an established district may petition the board to be included in the district. Upon receipt of the petition, the board shall submit the request to a competent disinterested civil engineer to investigate the feasibility of adding the additional territory and to make a report to the board. If the board agrees that the property should be added to the district, the tax levy for the next year shall be applied to the property and on the first day of the next fiscal year the property shall become a part of the district. If the district lies in more than one county the joint action of the boards involved is required to add additional territory.

[82 Acts, ch 1174, §14]

**357D.15 Determination of fee.**

1. The owner of any property joining an established district shall pay to the trustees of the district an initial fee to be computed as follows:

*a.* The trustees shall first determine fair market value of all property and improvements owned by the district, less any indebtedness.

*b.* The board shall then determine the assessed value of all property in the district which is not assessed as agricultural land. This shall be divided into the value determined in paragraph "*a*".

*c.* The board shall determine the assessed value of the property of each landowner joining the established district which is not assessed as agricultural land.

*d.* The result obtained in paragraph "*b*" shall be multiplied by the result obtained in paragraph "*c*". The result shall be the initial fee to be charged each landowner.

2. The initial fees paid to the trustees shall be used to help defray the cost and maintenance of the district's law enforcement service.

[82 Acts, ch 1174, §15]

# CHAPTER 357E

## RECREATIONAL LAKE AND WATER QUALITY DISTRICTS

Referred to in §331.382


| | |
|---|---|
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| 357E.9 | Trustees — term and qualification. |
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**357E.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "*Board*" means the board of supervisors of a county, or the joint boards of supervisors of two or more counties, in which a district has been incorporated and organized or is proposed to be incorporated and organized.

2. "*Book*", "*list*", "*record*", or "*schedule*" kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

3. "*District*" means a benefited recreational lake district or a water quality district or a combined district incorporated as a public entity and organized pursuant to this chapter.

4. "*Recreational facilities*" includes, but is not limited to, real and personal property, water, buildings, structures, or improvements including dams or other structures permitted or exempt from regulation under chapter 455B, and equipment useful and suitable for

recreation programs, including those programs customarily identified with the term *"recreation"* such as public sports, games, pastimes, diversions, and amusement, on land or water and including community center houses, recreation grounds, recreation buildings, juvenile playgrounds, swimming pools, recreation centers, parks, lakes, and golf courses, and the acquisition of real estate for them.

5. *"Trustee"* means a member of the board of trustees of a district.

6. *"Water quality activities"* includes, but is not limited to, public information dissemination, creation or maintenance of grass waterways or wetlands, dredging, bank stabilization, water treatment, water monitoring, watershed protection, activities on lands outside the district which affect water quality within the district, and any other activity which will improve water quality of a stream, river, or lake.

88 Acts, ch 1194, §1; 2000 Acts, ch 1148, §1; 2000 Acts, ch 1181, §1, 2; 2002 Acts, ch 1119, §200, 201; 2011 Acts, ch 108, §1

**357E.2 Incorporation.**

1. If an area of contiguous territory is situated so that the acquisition, construction, reconstruction, enlargement, improvement, equipping, maintenance, and operation of recreation facilities for the residents of the territory will be conducive to the public health, comfort, convenience, water quality, or welfare, the area may be incorporated as a benefited recreational lake district as set forth in this chapter. The land to be included in a district must be contiguous to the recreational lake or to other residential, agricultural, or commercial property which is contiguous to the recreational lake.

2. If an area of contiguous territory is situated so that the performance of water quality activities, including the acquisition, construction, reconstruction, enlargement, improvement, equipping, maintenance, and operation of water quality facilities for the residents of the district will be conducive to the public health, comfort, convenience, water quality, or welfare, the area may be incorporated as a water quality district as provided in this chapter. The land to be included in a district must be contiguous to a stream, river, or lake, or to other property which, except for a public road or other public land, is contiguous to a stream, river, or lake. However, a water quality district shall not be established on open ditches or streams maintained by drainage districts or on streams or rivers where levees are maintained by levee or drainage districts. If a reach of a stream or river in a water quality district later becomes a drainage district facility or becomes levied by a drainage or levee district, the stream or river reach shall be removed from the jurisdiction of the water quality district and the adjacent parcels shall be removed from the water quality district.

3. If an area of contiguous territory is situated so that the specifications of subsections 1 and 2 are met, the area may be incorporated as a combined recreational facility and water quality district as provided in this chapter. If the trustees of a benefited recreational lake district wish to form a combined district or the trustees of a water quality district wish to form a combined district, the trustees may join with the petition required by section 357E.3 to the board of supervisors to proceed with the establishment of a combined district after following the same procedures as provided in this chapter for establishing a separate district.

88 Acts, ch 1194, §2; 96 Acts, ch 1032, §1; 2000 Acts, ch 1181, §3

**357E.3 Petition for public hearing.**

1. The supervisors shall, on the petition of twenty-five percent of the property owners of a proposed benefited recreational lake district if the assessed valuation of the property owned by the petitioners represents at least twenty-five percent of the total assessed value of the proposed district, hold a public hearing concerning the establishment of a proposed district. However, for a proposed water quality district, the petition shall contain signatures of the fewer of twenty-five property owners or twenty-five percent of the property owners of the proposed district. The petition shall include a statement containing the following information:

*a.* The need for the district.

*b.* A description of the district to be served.

*c.* The approximate number of families in the district.

2. The board of supervisors may require a bond of the petitioners conditioned for the

payment of all costs and expenses incurred in the proceedings in case the district is not established.

88 Acts, ch 1194, §3; 89 Acts, ch 53, §1; 2000 Acts, ch 1181, §4
Referred to in §357E.2, 357E.4, 357E.5

**357E.4 Time of public hearing.**

The public hearing required in section 357E.3 shall be held within thirty days of the presentation of the petition. Notice of hearing shall be given by publication as provided in section 331.305.

88 Acts, ch 1194, §4
Referred to in §357E.7, 357E.8

**357E.5 Hearing of petition — action by board.**

At the public hearing required in section 357E.3, the board of supervisors may consider the boundaries of a proposed district, whether the boundaries shall be as described in the petition or otherwise, and for that purpose may amend the petition and change the boundaries of the proposed district as stated in the petition. The supervisors may adjust the boundaries of a proposed district as needed to exclude land that has no reasonable likelihood of benefit from inclusion in the proposed district. However, the boundaries of a proposed district shall not be changed to incorporate property which is not included in the original petition.

After, and within ten days of, the hearing, the board of supervisors shall establish the district by resolution or disallow the petition.

88 Acts, ch 1194, §5

**357E.6 Engineer.**

1. When the board establishes a district, a competent disinterested civil engineer shall be appointed, who shall prepare a preliminary plat showing:

*a.* The proper design in general outline of the district.

*b.* The lots and parcels of land within the proposed district as they appear on the county auditor's plat books with the names of the owners.

*c.* The assessed valuations of the lots and parcels.

2. The compensation of the engineer on the preliminary investigation shall be determined by the board. The engineer shall file a report with the county auditor within thirty days of appointment. The board may extend the time upon good cause shown.

88 Acts, ch 1194, §6

**357E.7 Hearing on engineer's report.**

After the engineer's report is filed, the board shall give notice as provided in section 357E.4, of a public hearing to be held concerning the engineer's preliminary plat. After, and within ten days of, the hearing, the board shall approve or disapprove the preliminary plat. If the preliminary plat is disapproved, the board may make changes in the boundaries as deemed necessary for the board's approval of the preliminary plat.

88 Acts, ch 1194, §7

**357E.8 Election on proposed levy and candidates for trustees.**

When a preliminary plat has been approved by the board, an election shall be held within the district within sixty days to approve or disapprove the levy of a tax of not more than four dollars per thousand dollars of assessed value on all the taxable property within the benefited recreational lake district except property assessed as agricultural land, and to choose candidates for the offices of trustees of the district. However, for a water quality district, the tax levy shall not exceed twenty-five cents per thousand dollars of assessed value on all taxable property within the district and must be renewed by a similar election every eight years. The tax levy for a combined district shall not exceed four dollars per thousand dollars of assessed value on all of the taxable property within the district. A tax levy approved for the purposes of this chapter shall not be levied on property assessed as agricultural land. Notice of the election, including the time and place of holding the election, shall be given as provided in section 357E.4. The vote shall be by ballot which shall

state clearly the proposition to be voted upon, and any registered voter residing within the district at the time of the election may vote. It is not mandatory for the county commissioner of elections to conduct elections held pursuant to this chapter, but the elections shall be conducted in accordance with chapter 49 when not in conflict with this chapter. Judges shall be appointed by the board from among the registered voters of the district to be in charge of the election. The judges are not entitled to receive pay. The proposition is approved if a majority of those voting on the proposition vote in favor of it.

88 Acts, ch 1194, §8; 94 Acts, ch 1169, §64; 2000 Acts, ch 1181, §5

Referred to in §357E.10, 357E.11

**357E.9 Trustees — term and qualification.**

1. *a.* At the election, the names of at least seven candidates for trustee shall be written in by the voters on blank ballots without formal nomination and the board of supervisors shall appoint seven from among the nine receiving the highest number of votes as trustees for the district. Three trustees shall be appointed to serve for one year, two for two years, and two for three years. The trustees shall give bond in the amount required by the board, the premium of which shall be paid by the district. The trustees must be residents of the district or be property owners within the district. Vacancies shall be filled by election, but if there are no candidates for a trustee office, the vacancy may be filled by appointment by the board. The terms of the succeeding trustees are for three years.

*b.* (1) For districts in existence on July 1, 2011, the number of trustees, other than those appointed under subsection 2, shall be increased from three trustees to seven trustees. For the initial seven-member board under this paragraph *"b"*, the board of supervisors shall appoint four trustees. One trustee shall be appointed to serve for one year, one for two years, and two for three years. The term of each trustee appointed under this subparagraph shall expire on the same date as the term of the current trustee whose term expires during the same year.

(2) This paragraph *"b"* is repealed on July 1, 2018.

2. If the state owns at least four hundred acres of land contiguous to a lake within the district, the natural resource commission shall appoint two members of the board of trustees in addition to the seven members provided in this section. The additional two members must be citizens of the state, not less than eighteen years of age, and property owners within the district. The two additional members have voting and other authority equal to the other members of the board and hold office at the pleasure of the natural resource commission.

88 Acts, ch 1194, §9; 91 Acts, ch 111, §7; 2001 Acts, ch 24, §48; 2011 Acts, ch 108, §2; 2013 Acts, ch 90, §96

Subsection 1, paragraph b amended

**357E.10 Board of trustees — power.**

The trustees are the corporate authority of the district and shall manage and control the affairs, property, and facilities of the district. The board of trustees shall elect a president, a clerk, and a treasurer from its membership. The trustees may certify for levy an annual tax as provided in section 357E.8. The trustees may construct, reconstruct, repair, maintain, or operate a dam or other recreational facilities or structures to create or maintain an artificial or natural lake or impoundment and may promote and improve water quality. For these purposes, the trustees may purchase material, employ personnel, acquire real estate and interests in real estate, and perform all other acts necessary to properly maintain and operate the district. The trustees are allowed necessary expenses in the discharge of their duties, but they shall not receive a salary.

88 Acts, ch 1194, §10; 96 Acts, ch 1032, §2

**357E.11 Bonds in anticipation of revenue.**

A district, other than a combined district, may anticipate the collection of taxes by the levy authorized in this chapter, and to carry out the purposes of this chapter may issue bonds payable in not more than twenty equal installments with the rate of interest not exceeding that permitted by chapter 74A. An indebtedness shall not be incurred under this section until authorized by an election. The election shall be held and notice given in the same

manner as provided in section 357E.8, and the same majority vote is necessary to authorize indebtedness. Both propositions may be submitted to the voters at the same election.

88 Acts, ch 1194, §11; 2011 Acts, ch 108, §3

**357E.11A Bonds and indebtedness — combined districts.**

1. A combined district may borrow money for its corporate purposes, but shall not become indebted in any manner or for any purpose to an amount in the aggregate exceeding five percent on the value of the taxable property within the district, to be ascertained by the last state and county tax lists previous to the incurring of the indebtedness. Indebtedness within this limit shall not include the indebtedness of any other municipal corporation located wholly or partly within the boundaries of the district.

2. A combined district shall have the same powers to issue bonds, including both general obligation and revenue bonds, that cities have under the laws of this state, including but not limited to chapter 76, section 384.4, and sections 384.23 through 384.94. The bonds shall be made payable at the place and be of the form as the board of trustees shall by resolution designate. In the application of the laws to this section, the words used in the laws referring to municipal corporations or to cities shall be held to include combined districts organized under this chapter; the words "council" or "city council" shall be held to include the board of trustees of a combined district; the words "mayor" and "clerk" shall be held to include the president and clerk of a board of trustees; and like construction shall be given to any other words in the laws where required to permit the exercise of the powers by combined districts under this section.

3. An indebtedness shall not be incurred under this section until authorized by an election. The election shall be held and notice given in the same manner as provided in section 357E.8, except that a proposition to authorize indebtedness is approved if sixty percent of those voting on the proposition vote in favor of the proposition. A proposition for the authorization of indebtedness may be submitted to the voters at the same election as the election under section 357E.8.

2011 Acts, ch 108, §4

**357E.12 Dissolution of district.**

Upon petition of thirty-five percent of the resident eligible electors, the board may dissolve a district and dispose of any remaining property, the proceeds of which shall first be applied against outstanding obligations and any balance shall be applied to tax credits for property owners of the district. However, if the district is annexed, the board of supervisors may transfer the remaining property and balance to the city which annexed the territory. The board shall continue to levy a tax after dissolution of a district, in an amount necessary to pay all outstanding obligations of the district as they become due, until all outstanding obligations of the district are paid.

88 Acts, ch 1194, §12; 91 Acts, ch 111, §8

**357E.13 Adding property to a district.**

The owner of any property in an area immediately contiguous to the boundaries of an established district may petition the board to be included in the district. Upon receipt of the petition, the board shall submit the request to a competent disinterested civil engineer to investigate the feasibility of adding the additional territory and to make a report to the board. If the board agrees that the property should be added to the district, the tax levy for the next year shall be applied to the property and on the first day of the next fiscal year the property shall become part of the district. If the district lies in more than one county, the joint action of the boards involved is required to add additional property.

88 Acts, ch 1194, §13

**357E.14 Determination of fee.**

1. The owner of any property joining an established district shall pay to the trustees of the district an initial fee to be computed as follows:

*a.* The trustees shall first determine the fair market value of all property and improvements owned by the district, less any indebtedness.

*b.* The board shall then determine the assessed value of all property in the district. This shall be divided into the value determined in paragraph "*a*".

*c.* The board shall determine the assessed value of the property of each landowner joining the established district.

*d.* The result obtained in paragraph "*b*" shall be multiplied by the result obtained in paragraph "*c*". The result shall be the initial fee to be charged each landowner.

2. The initial fees paid to the trustees shall be used to help defray the cost and maintenance of the recreation district.

88 Acts, ch 1194, §14

# CHAPTER 357F

## EMERGENCY MEDICAL SERVICES DISTRICTS

Referred to in §331.382, 357J.18, 422D.1


357F.1 Definitions.
357F.2 Petition for public hearing.
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357F.9 Trustees — term and qualification.
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357F.11 Bonds in anticipation of revenue.
357F.12 Dissolution of district.
357F.13 Incorporation of district land.
357F.14 Adding property to district.
357F.15 Determination of fee.


**357F.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "*Board*" means the board of supervisors of a county.

2. "*Book*", "*list*", "*record*", or "*schedule*" kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

3. "*District*" means a benefited emergency medical services district.

4. "*Trustee*" means a trustee of a district.

92 Acts, ch 1226, §2; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201

**357F.2 Petition for public hearing.**

1. The board shall, on the petition of twenty-five percent of the resident property owners in a proposed district if the assessed valuation of the property owned by the petitioners represents at least twenty-five percent of the total assessed value of the proposed district, hold a public hearing concerning the establishment of a proposed district. The petition shall include a statement containing the following information:

*a.* The need for emergency medical services.

*b.* The district to be served.

*c.* The approximate number of families in the district.

*d.* The proposed personnel, equipment, and facilities to provide the emergency medical services.

2. The board of supervisors may require a bond of the petitioners conditioned for the payment of all costs and expenses incurred in the proceedings in case the district is not established.

92 Acts, ch 1226, §3

Referred to in §357F.4

**357F.3 Limitation on area.**

A district may include all or parts of the unincorporated areas of one township and any unincorporated areas of adjoining townships or parts of adjoining townships, but shall not include property assessed as agricultural land, or centrally assessed property.

92 Acts, ch 1226, §4

**357F.4 Time of hearing.**

The public hearing required in section 357F.2 shall be held within thirty days of the presentation of the petition. Notice of hearing shall be given by publication in two successive issues of any newspaper of general circulation within the district. The last publication shall be not less than one week before the proposed hearing.

92 Acts, ch 1226, §5; 94 Acts, ch 1023, §47

Referred to in §357F.7, 357F.8

**357F.5 Action by board.**

After, and within ten days of, the hearing, the board shall either establish the district by resolution or disallow the petition.

92 Acts, ch 1226, §6

**357F.6 Engineer.**

1. When the board establishes a district, the board shall appoint a competent disinterested civil engineer, who shall prepare a preliminary plat showing:

*a.* The proper design in general outline of the district.

*b.* The lots and parcels of land within the proposed district as they appear on the county auditor's plat books with the names of the owners.

*c.* The assessed valuation of the lots and parcels.

2. The compensation of the engineer on the preliminary investigation shall be determined by the board. The engineer shall file a report with the county auditor within thirty days of appointment. The board may extend the time upon good cause shown.

92 Acts, ch 1226, §7

**357F.7 Hearing on engineer's report.**

After the engineer's report is filed, the board shall give notice, as provided in section 357F.4, of a public hearing to be held concerning the engineer's preliminary plat.

92 Acts, ch 1226, §8

**357F.8 Election on proposed levy and candidates for trustees.**

When a preliminary plat has been approved by the board, an election shall be held within the district within sixty days to approve or disapprove the levy of a tax of not more than one dollar per thousand dollars of assessed value on all the taxable property within the district and to choose candidates for the offices of trustees of the district. The ballot shall set out the reason for the tax and the amount needed. The tax shall be set to raise only the amount needed. Notice of the election, including the time and place of holding the election, shall be given as provided in section 357F.4. The vote shall be by ballot which shall state clearly the proposition to be voted upon and any registered voter residing within the district at the time of the election may vote. It is not mandatory for the county commissioner of elections to conduct elections held pursuant to this chapter, but the elections shall be conducted in accordance with chapter 49 where not in conflict with this chapter. Judges shall be appointed to serve without pay by the board from among the registered voters of the district to be in charge of the election. The proposition is approved if sixty percent of those voting on the proposition vote in favor of it.

92 Acts, ch 1226, §9; 94 Acts, ch 1169, §64

Referred to in §357F.10, 357F.11, 357J.18

**357F.9 Trustees — term and qualification.**

At the election, the names of up to three candidates for trustee shall be written in by the voters on blank ballots without formal nomination and the board shall appoint three from

among the five receiving the highest number of votes as trustees for the district. One trustee shall be appointed to serve for one year, one for two years, and one for three years. The trustees and their successors must be residents of the district and shall give bond in the amount required by the board, the premium of which shall be paid by the district. Vacancies shall be filled by election, but if there are no candidates for a trustee office, the vacancy may be filled by appointment by the board. The term of succeeding trustees shall be three years.

92 Acts, ch 1226, §10

**357F.10 Trustees' powers.**

The trustees may purchase, own, rent, or maintain emergency medical services apparatus or equipment within the state or outside the territorial jurisdiction and boundary limits of this state, provide housing for such apparatus and equipment, provide emergency medical service and facilities, and may certify for levy an annual tax as provided in section 357F.8. The trustees may purchase material, employ emergency medical service and other personnel, and may perform all other acts necessary to properly maintain and operate the district. The trustees may contract with any city or county or public or private agency under chapter 28E for the purpose of providing emergency medical services under this chapter. The trustees are allowed necessary expenses in the discharge of their duties, but they shall not receive a salary.

92 Acts, ch 1226, §11

**357F.11 Bonds in anticipation of revenue.**

A district may anticipate the collection of taxes by the levy authorized in this chapter, and to carry out the purposes of this chapter may issue bonds payable in not more than ten equal installments with the rate of interest not exceeding that permitted by chapter 74A. An indebtedness shall not be incurred under this chapter until authorized by an election. The election shall be held and notice given in the same manner as provided in section 357F.8, and the same sixty percent vote shall be necessary to authorize indebtedness. Both propositions may be submitted to the voters at the same election.

92 Acts, ch 1226, §12

**357F.12 Dissolution of district.**

Upon petition of thirty-five percent of the resident eligible electors, the board may dissolve a district and dispose of any remaining property, the proceeds of which shall first be applied against outstanding obligations and any balance shall be applied to tax credit of property owners of the district. However, if the district is annexed, the board of supervisors may transfer the remaining property and balance to the city which annexed the territory. The board shall continue to levy a tax after dissolution of a district, of not to exceed twenty-seven cents per thousand dollars of assessed value on all the taxable property of the district, until all outstanding obligations of the district are paid.

92 Acts, ch 1226, §13

**357F.13 Incorporation of district land.**

If part of a district is incorporated by a city and there are outstanding indebtedness obligations against the district, the city shall pay the outstanding obligations against the part of the district which is incorporated by the city.

92 Acts, ch 1226, §14

**357F.14 Adding property to district.**

The owner of any property in an unincorporated area contiguous to the boundaries of an established district may petition the board to be included in the district. Upon receipt of the petition, the board shall submit the request to a competent disinterested civil engineer to investigate the feasibility of adding the additional territory and to make a report to the board. If the board agrees that the property should be added to the district, the tax levy for the next year shall be applied to the property and on the first day of the next fiscal year the property

shall become a part of the district. If the district lies in more than one county the joint action of the boards involved is required to add additional territory.

92 Acts, ch 1226, §15

**357F.15 Determination of fee.**

1. The owner of any property joining an established district shall pay to the trustees of the district an initial fee to be computed as follows:

*a.* The trustees shall first determine fair market value of all property and improvements owned by the district, less any indebtedness.

*b.* The board shall then determine the assessed value of all property in the district which is not assessed as agricultural land. This shall be divided into the value determined in paragraph "*a*".

*c.* The board shall determine the assessed value of the property of each landowner joining the established district which is not assessed as agricultural land.

*d.* The result obtained in paragraph "*b*" shall be multiplied by the result obtained in paragraph "*c*". The result shall be the initial fee to be charged each landowner.

2. The initial fees paid to the trustees shall be used to help defray the cost and maintenance of the district's emergency medical services.

92 Acts, ch 1226, §16

# CHAPTER 357G

## CITY EMERGENCY MEDICAL SERVICES DISTRICTS

Referred to in §331.382, 357J.18, 384.12


357G.1 Definitions.
357G.2 Petition for public hearing.
357G.3 Limitation on area.
357G.4 Time of hearing.
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357G.9 Trustees — term and qualification.
357G.10 Trustees' powers.
357G.11 Bonds in anticipation of revenue.
357G.12 Dissolution of district.
357G.13 Adding property to district.
357G.14 Determination of fee.


**357G.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. *"Council"* means the city council of a city.

3. *"District"* means a city emergency medical services district.

4. *"Trustee"* means a trustee of a district.

94 Acts, ch 1075, §1; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201

**357G.2 Petition for public hearing.**

1. The council shall, on the petition of twenty-five percent of the resident property owners in a proposed district if the assessed valuation of the property owned by the petitioners represents at least twenty-five percent of the total assessed value of the proposed district, hold a public hearing concerning the establishment of a proposed district. The petition shall include a statement containing the following information:

*a.* The need for emergency medical services.

*b.* The district to be served.

*c.* The approximate number of families in the district.

*d.* The proposed personnel, equipment, and facilities to provide the emergency medical services.

2. The council may require a bond of the petitioners conditioned for the payment of all costs and expenses incurred in the proceedings in case the district is not established.

94 Acts, ch 1075, §2
Referred to in §357G.4

**357G.3 Limitation on area.**

A district shall include all of the incorporated area of a city except property assessed as agricultural land, or centrally assessed property.

94 Acts, ch 1075, §3

**357G.4 Time of hearing.**

The public hearing required in section 357G.2 shall be held within thirty days of the presentation of the petition. Notice of hearing shall be given by publication in two successive issues of any newspaper of general circulation within the district. The last publication shall be not less than one week before the proposed hearing.

94 Acts, ch 1075, §4; 95 Acts, ch 67, §30
Referred to in §357G.7, 357G.8

**357G.5 Action by council.**

After, and within ten days of, the hearing, the council shall either establish the district by resolution or disallow the petition.

94 Acts, ch 1075, §5

**357G.6 Engineer.**

1. When the council establishes a district, the council shall appoint a competent disinterested civil engineer, who shall prepare a preliminary plat showing:

*a.* The proper design in general outline of the district.

*b.* The lots and parcels of land within the proposed district as they appear on the city assessor's or county auditor's plat books with the names of the owners.

*c.* The assessed valuation of the lots and parcels.

2. The compensation of the engineer on the preliminary investigation shall be determined by the council. The engineer shall file a report with the city assessor within thirty days of appointment. The council may extend the time upon good cause shown.

94 Acts, ch 1075, §6

**357G.7 Hearing on engineer's report.**

After the engineer's report is filed, the council shall give notice, as provided in section 357G.4, of a public hearing to be held concerning the engineer's preliminary plat.

94 Acts, ch 1075, §7

**357G.8 Election on proposed levy and candidates for trustees.**

When a preliminary plat has been approved by the council, an election shall be held within the district within sixty days to approve or disapprove the levy of a tax of not more than one dollar per thousand dollars of assessed value on all the taxable property within the district and to choose candidates for the offices of trustees of the district. The ballot shall set out the reason for the tax and the amount needed. The tax shall be set to raise only the amount needed. Notice of the election, including the time and place of holding the election, shall be given as provided in section 357G.4. The vote shall be by ballot which shall state clearly the proposition to be voted upon and any registered voter residing within the district at the time of the election may vote. It is not mandatory for the county commissioner of elections to conduct elections held pursuant to this chapter, but the elections shall be conducted in accordance with chapter 49 where not in conflict with this chapter. Judges shall be appointed to serve without pay by the council from among the registered voters of the district to be in charge of the election. The proposition is approved if sixty percent of those voting on the proposition vote in favor of it.

94 Acts, ch 1075, §8; 95 Acts, ch 67, §53
Referred to in §357G.10, 357G.11, 357J.18

**357G.9 Trustees — term and qualification.**

At the election, the names of up to three candidates for trustee shall be written in by the voters on blank ballots without formal nomination and the council shall appoint three from among the five receiving the highest number of votes as trustees for the district. One trustee shall be appointed to serve for one year, one for two years, and one for three years. The trustees and their successors must be residents of the district and shall give bond in the amount required by the council, the premium of which shall be paid by the district. Vacancies shall be filled by appointment by the council. The term of succeeding trustees shall be three years.

94 Acts, ch 1075, §9; 98 Acts, ch 1123, §14, 19

**357G.10 Trustees' powers.**

The trustees may purchase, own, rent, or maintain emergency medical services apparatus or equipment within the state or outside the territorial jurisdiction and boundary limits of this state, provide housing for such apparatus and equipment, provide emergency medical service and facilities, and may certify for levy an annual tax as provided in section 357G.8. The trustees may purchase material, employ emergency medical service and other personnel, and may perform all other acts necessary to properly maintain and operate the district. The trustees may contract with any other city or county or public or private agency under chapter 28E for the purpose of providing emergency medical services under this chapter. The trustees are allowed necessary expenses in the discharge of their duties, but they shall not receive a salary.

94 Acts, ch 1075, §10

**357G.11 Bonds in anticipation of revenue.**

A district may anticipate the collection of taxes by the levy authorized in this chapter, and to carry out the purposes of this chapter may issue bonds payable in not more than ten equal installments with the rate of interest not exceeding that permitted by chapter 74A. An indebtedness shall not be incurred under this chapter until authorized by an election. The election shall be held and notice given in the same manner as provided in section 357G.8, and the same sixty percent vote shall be necessary to authorize indebtedness. Both propositions may be submitted to the voters at the same election.

94 Acts, ch 1075, §11

**357G.12 Dissolution of district.**

Upon petition of thirty-five percent of the resident eligible electors, the council may dissolve a district and dispose of any remaining property, the proceeds of which shall first be applied against outstanding obligations and any balance shall be applied to tax credit of property owners of the district. The council shall continue to levy a tax after dissolution of a district, of not to exceed twenty-seven cents per thousand dollars of assessed value on all the taxable property of the district, until all outstanding obligations of the district are paid.

94 Acts, ch 1075, §12

**357G.13 Adding property to district.**

Any property in an unincorporated area contiguous to the boundaries of an established district which is annexed by the city shall be included in the district. The tax levy for the next year shall be applied to the property and on the first day of the next fiscal year, the property shall become a part of the district.

94 Acts, ch 1075, §13

**357G.14 Determination of fee.**

1. The owner of any property joining an established district shall pay to the trustees of the district an initial fee to be computed as follows:

*a.* The trustees shall first determine fair market value of all property and improvements owned by the district, less any indebtedness.

*b.* The council shall then determine the assessed value of all property in the district

which is not assessed as agricultural land. This shall be divided into the value determined in paragraph *"a"*.

*c.* The council shall determine the assessed value of the property of each landowner joining the established district which is not assessed as agricultural land.

*d.* The result obtained in paragraph *"b"* shall be multiplied by the result obtained in paragraph *"c"*. The result shall be the initial fee to be charged each landowner.

2. The initial fees paid to the trustees shall be used to help defray the cost and maintenance of the district's emergency medical services.

94 Acts, ch 1075, §14

# CHAPTER 357H

## RURAL IMPROVEMENT ZONES

Referred to in §331.382


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|---|---|---|---|
| 357H.1 | Rural improvement zones. | 357H.6 | Trustees — terms and qualifications. |
| 357H.2 | Petition for public hearing. | 357H.7 | Board of trustees — power. |
| 357H.3 | Time of public hearing. | 357H.8 | Certificates, contracts, and other obligations — standby tax. |
| 357H.4 | Hearing on petition — action by board. | 357H.9 | Incremental property taxes. |
| 357H.5 | Election of candidates for trustees. | 357H.10 | Dissolution of zone. |


**357H.1 Rural improvement zones.**

1. The board of supervisors of a county with less than twenty thousand residents, not counting persons admitted or committed to an institution enumerated in section 218.1 or 904.102, based upon the 2000 certified federal census, and with a private lake development shall designate an area surrounding the lake, if it is an unincorporated area of the county, a rural improvement zone upon receipt of a petition pursuant to section 357H.2, and upon the board's determination that the area is in need of improvements.

2. For purposes of this chapter:

*a.* *"Board"* means the board of supervisors of the county.

*b.* *"Improvements"* means dredging, installation of erosion control measures, land acquisition, and related improvements, including soil conservation practices, within or outside of the boundaries of the zone.

97 Acts, ch 152, §1; 98 Acts, ch 1168, §1; 2000 Acts, ch 1190, §1; 2005 Acts, ch 108, §1; 2010 Acts, ch 1069, §122

**357H.2 Petition for public hearing.**

1. The board shall, on the petition of twenty-five percent of the residents of a proposed rural improvement zone, if the assessed valuation of the property owned by the petitioners represents at least twenty-five percent of the total assessed value of the proposed zone, hold a public hearing concerning the establishment of a proposed zone. The petition shall include a statement containing the following information:

*a.* The need for the proposed zone.

*b.* A description of the boundaries of the proposed zone.

*c.* The approximate number of families in the proposed zone.

2. The board may require the petitioners to post a bond conditioned upon the payment of all costs and expenses incurred in the proceedings if the zone is not established.

97 Acts, ch 152, §2

Referred to in §357H.1, 357H.3

**357H.3 Time of public hearing.**

The public hearing required in section 357H.2 shall be held within thirty days of the presentation of the petition. Notice of hearing shall be given by publication as provided in section 331.305.

97 Acts, ch 152, §3
Referred to in §357H.4, 357H.5

**357H.4 Hearing on petition — action by board.**

At the public hearing required in section 357H.3, the board may consider the boundaries of a proposed rural improvement zone, whether the boundaries shall be as described in the petition or otherwise, and for that purpose may amend the petition and change the boundaries of the proposed zone as stated in the petition. The board may adjust the boundaries of a proposed zone as needed to exclude land that has no reasonable likelihood of benefit from inclusion in a rural improvement zone. However, the boundaries of a proposed zone shall not be changed to incorporate property which is not included in the original petition.

Within ten days after the hearing, the board shall establish the rural improvement zone by resolution or disallow the petition. However, the zone shall not include any area which is part of an urban renewal area under chapter 403.

97 Acts, ch 152, §4

**357H.5 Election of candidates for trustees.**

When a preliminary plat has been approved by the board, an election shall be held within the rural improvement zone within sixty days to choose candidates for the offices of trustees of the zone. Notice of the election shall be given as provided in section 357H.3.

97 Acts, ch 152, §5

**357H.6 Trustees — terms and qualifications.**

The election of trustees of a rural improvement zone shall take place at a special election on ballots which shall not reflect a nominee's political affiliation. Nomination shall be made by petition in accordance with chapter 45. The petition form shall be furnished by the county commissioner of elections, signed by eligible electors of the rural improvement zone equal in number to one percent of the vote cast within the zone for governor in the last previous general election, and shall be filed with the county commissioner of elections. A plurality shall be sufficient to elect the five trustees of the rural improvement zone, and no primary election for that office shall be held. At the original election, two trustees shall be elected for one year, two for two years, and one for three years. The terms of the succeeding trustees are for three years. The terms of the trustees shall begin immediately after their election and certification. The trustees must be residents of the zone. Vacancies on the board shall be filled by appointment by the remaining trustees.

97 Acts, ch 152, §6; 98 Acts, ch 1168, §2
Referred to in §357H.7

**357H.7 Board of trustees — power.**

The trustees of a rural improvement zone elected pursuant to section 357H.6 shall constitute the board of trustees of the zone and shall manage and control the affairs, property, and facilities of the zone. The board of trustees shall elect a president, a clerk, and a treasurer from its membership. The trustees may authorize construction, reconstruction, or repair of improvements following procedures set out in section 331.341. For these purposes, the trustees may purchase material, employ personnel, acquire real estate and interests in real estate, and perform all other acts necessary to properly maintain and operate the zone. The trustees are allowed necessary expenses in the discharge of their duties, but they shall not receive salaries.

97 Acts, ch 152, §7; 2011 Acts, ch 128, §22, 60
Referred to in §357H.8

**357H.8 Certificates, contracts, and other obligations — standby tax.**

To provide funds for the payment of the costs of improvement projects and for the payment of other activities authorized pursuant to section 357H.7, the board of trustees may borrow money and issue and sell certificates or may enter into contracts or other obligations payable from a sufficient portion of the future receipts of tax revenue authorized pursuant to section 357H.9 and the standby tax in subsection 4 of this section. The receipts shall be pledged to the payment of principal of and interest on the certificates, contracts, or other obligations.

1. Certificates may be sold at public sale or at private sale at par, premium, or discount at the discretion of the board of trustees. Chapter 75 does not apply to the issuance of these certificates.

2. Certificates may be issued with respect to a single improvement project or multiple projects and may contain terms or conditions as the board of trustees may provide by resolution authorizing the issuance of the certificates. However, certificates shall not be issued after January 1, 2007, except to refund other certificates as provided in subsection 3.

3. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times, or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded, may be issued for the purpose of refunding a like, greater, or lesser principal amount of certificates, and may bear a rate of interest higher or lower than, or equivalent to, the rate of interest on certificates being renewed or refunded.

4. To further secure the payment of the certificates, the board of trustees shall, by resolution, provide for the assessment of an annual levy of a standby tax upon all taxable property within the rural improvement zone. The rate of the standby tax shall be not less than fifty cents per thousand dollars of the assessed value of the taxable property and not more than two dollars and fifty cents per thousand dollars of the assessed value of the taxable property. A copy of the resolution shall be sent to the county auditor. The revenues from the standby tax shall be deposited in a special fund and shall be expended only for the payment of principal of and interest on the certificates issued as provided in this section, when the receipt of tax revenues pursuant to section 357H.9 is insufficient. If payments are necessary and made from the special fund, the amount of the payments shall be promptly repaid into the special fund from the first available payments received which are not required for the payment of principal of or interest on certificates due. No reserves may be built up in the special fund in anticipation of a projected default. The board of trustees shall adjust the annual standby tax levy for each year to reflect the amount of revenues in the special fund and the amount of principal and interest which is due in that year.

5. Before certificates, contracts, or other obligations are issued or entered into, the board of trustees shall publish a notice of its intention, stating the amount, the purpose, and the improvement project or projects for which the certificates, contracts, or other obligations are to be issued or entered into. A person may, within fifteen days after the publication of the notice, appeal the decision of the board of trustees in proposing to issue the certificates or to enter into the contracts or other obligations to the district court in the county in which the rural improvement zone exists. The action of the board of trustees in determining to issue the certificates or to enter into the contracts or other obligations is final and conclusive unless the district court finds that the board of trustees has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, contracts, or other obligations, the power of the board of trustees to issue the certificates or to enter into the contracts or other obligations, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates or entrance into the contracts or other obligations after fifteen days from the publication of the notice of intention to issue certificates or enter into contracts or other obligations.

6. The board of trustees shall determine if revenues are sufficient to secure the faithful performance of obligations.

97 Acts, ch 152, §8; 98 Acts, ch 1168, §3; 2000 Acts, ch 1190, §2

**357H.9 Incremental property taxes.**

1. The board of trustees shall provide by resolution that taxes levied on the taxable property in a rural improvement zone each year by or for the benefit of the state, city, county, school district, or other taxing district after the effective date of the resolution shall be divided as provided in section 403.19, subsections 1 and 2, in the same manner as if the taxable property in the rural improvement zone was taxable property in an urban renewal area and the resolution was an ordinance within the meaning of those subsections. The taxes received by the board of trustees shall be allocated to, and when collected be paid into, a special fund and may be irrevocably pledged by the trustees to pay the principal of and interest on the certificates, contracts, or other obligations approved by the board of trustees to finance or refinance, in whole or in part, an improvement project. As used in this section, *"taxes"* includes but is not limited to all levies on an ad valorem basis upon land or real property located in the rural improvement zone.

2. *a.* Each board of trustees that has by resolution provided for a division of revenue in the rural improvement zone during the most recently ended fiscal year shall complete and file with the department of management a tax increment financing report by December 1 following the end of such fiscal year. The report shall be approved by the affirmative vote of a majority of the board of trustees and be prepared in the format and submitted electronically pursuant to the instructions prescribed by the department of management in consultation with the legislative services agency.

*b.* The report required under this subsection shall include substantially the same information required for counties under section 331.403, subsection 3, as of June 30 of the most recently ended fiscal year or the information for such fiscal year, as applicable.

*c.* By December 1, 2012, the department of management shall make publicly available on an internet site a searchable database of all such information contained in the reports required under this subsection. Reports from previous years shall be retained by the department and shall continue to be available and searchable on the internet site.

*d.* A board of trustees that fails to satisfy the requirements of this subsection shall have all future incremental taxes withheld from payment into the rural improvement zone's special fund until such requirements are met.

97 Acts, ch 152, §9; 98 Acts, ch 1168, §4; 2012 Acts, ch 1124, §9, 25

Referred to in §331.403, 357H.8

**357H.10 Dissolution of zone.**

The rural improvement zone shall be dissolved upon the adoption of a resolution of the board of trustees which specifies that all improvements have been made in the zone and all indebtedness has been paid. Upon dissolution of the zone, all assets shall be deeded to a nonprofit corporation whose members are property owners of the improvement zone.

97 Acts, ch 152, §10

# CHAPTER 357I

## BENEFITED SECONDARY ROAD SERVICES DISTRICTS

Referred to in §331.382


357I.1 Definitions.
357I.2 Petition for public hearing.
357I.3 Limitation on area and property comprising district.
357I.4 Time of hearing.
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357I.6 Engineer.
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357I.8 Election on proposed levy and candidates for trustees.
357I.9 Trustees — term and qualification.
357I.10 Trustees' powers.
357I.11 Revenues excluded from county general fund transfers.
357I.12 Bonds in anticipation of revenue.
357I.13 Dissolution of district.
357I.14 Incorporation of district land.

**357I.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the board of supervisors of a county.

2. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

3. *"District"* means a benefited secondary road services district.

4. *"Trustee"* means a trustee of a district.

2008 Acts, ch 1124, §21

**357I.2 Petition for public hearing.**

1. The board shall, on the petition of twenty-five percent of the resident property owners in a proposed district if the assessed valuation of the property owned by the petitioners represents at least twenty-five percent of the total assessed value of the proposed district, hold a public hearing concerning the establishment of a proposed district. The petition shall include a statement containing the following information:

*a.* The need for secondary road services.

*b.* The district to be served.

*c.* The approximate number of families in the district.

*d.* A general description of the secondary road services to be provided in the district by the county.

2. The board may require a bond of the petitioners conditioned for the payment of all costs and expenses incurred in the proceedings in case the district is not established.

3. If part or all of the proposed district lies within two miles of the boundaries of a city, the board shall send a copy of the petition to each such city before scheduling the public hearing on the petition. A city that receives a copy of the petition may require that any road or street improvements and associated drainage improvements constructed within the district after establishment of the district be constructed in compliance with requirements for such improvements then in effect within the city. The city shall notify the board of the city's response to the petition within thirty days of receiving the petition. If the city wants requirements for road or street improvements and associated drainage improvements then in effect within the city to apply within the district, the requirements shall be included in the resolution of the board establishing the district and shall be incorporated into the plans and specifications for the improvements prepared by the district engineer or county engineer. The plans and specifications shall be subject to approval by the board and by the city council of each affected city, which approval must occur before commencement of construction. If costs for construction of improvements according to a city's standards exceed the costs for such construction according to county standards, the petitioners shall pay the difference in the costs.

2008 Acts, ch 1124, §22; 2011 Acts, ch 34, §88

Referred to in §357I.4, 357I.10

**357I.3 Limitation on area and property comprising district.**

1. A district is limited to property within a residential subdivision that was in existence prior to January 1, 2007, and that has received county road services pursuant to an agreement between the county and residents of the subdivision prior to July 1, 2008.

2. Subject to the limitations in subsection 1, a district may include all or parts of the unincorporated areas of one township and any unincorporated areas of adjoining townships or parts of adjoining townships.

2008 Acts, ch 1124, §23

**357I.4 Time of hearing.**

The public hearing required in section 357I.2 shall be held within thirty days of the presentation of the petition. Notice of hearing shall be given by publication in two successive issues of any newspaper of general circulation within the district. The last publication shall be not less than one week before the proposed hearing.

2008 Acts, ch 1124, §24

Referred to in §357I.7, 357I.8

**357I.5 Action by board.**

After, and within ten days of, the hearing, the board shall either establish the district by resolution or disallow the petition.

2008 Acts, ch 1124, §25

**357I.6 Engineer.**

1. When the board establishes a district, the board shall appoint a competent disinterested civil engineer, who shall prepare a preliminary plat showing:

*a.* The proper design in general outline of the district.

*b.* The lots and parcels of land within the proposed district as they appear on the county auditor's plat books with the names of the owners.

*c.* The assessed valuation of the lots and parcels.

2. The compensation of the engineer on the preliminary investigation shall be determined by the board. The engineer shall file a report with the county auditor within thirty days of appointment. The board may extend the time upon good cause shown.

2008 Acts, ch 1124, §26

**357I.7 Hearing on engineer's report.**

After the engineer's report is filed, the board shall give notice, as provided in section 357I.4, of a public hearing to be held concerning the engineer's preliminary plat.

2008 Acts, ch 1124, §27

**357I.8 Election on proposed levy and candidates for trustees.**

When a preliminary plat has been approved by the board, an election shall be held within the district within sixty days to approve or disapprove the levy of a tax not to exceed in any fiscal year one dollar per thousand dollars of assessed value on all the taxable property within the district and to choose candidates for the offices of trustees of the district. Notice of the election, including the time and place of holding the election, shall be given as provided in section 357I.4. The vote shall be by ballot which shall state clearly the proposition to be voted upon and any registered voter residing within the district at the time of the election may vote. It is not mandatory for the county commissioner of elections to conduct elections held pursuant to this chapter, but the elections shall be conducted in accordance with chapter 49 where not in conflict with this chapter. Judges shall be appointed to serve without pay by the board from among the registered voters of the district to be in charge of the election. The proposition is approved if sixty percent of those voting on the proposition vote in favor of it.

2008 Acts, ch 1124, §28

Referred to in §357I.10, 357I.11, 357I.12

**357I.9 Trustees — term and qualification.**

At the election, the names of up to three candidates for trustee shall be written in by the voters on blank ballots without formal nomination and the board shall appoint three from among the five receiving the highest number of votes as trustees for the district. One trustee shall be appointed to serve for one year, one for two years, and one for three years. The trustees and their successors must be residents of the district and shall give bond in the amount required by the board, the premium of which shall be paid by the district. Vacancies shall be filled by election, but if there are no candidates for a trustee office, the vacancy may be filled by appointment by the board. The term of succeeding trustees shall be three years.

2008 Acts, ch 1124, §29

**357I.10 Trustees' powers.**

The trustees may contract only with the county to provide road services including road paving, reconstruction, or maintenance, according to the county's standards for such services, on roads within the district and on any road outside the district that provides a direct route between the subdivision comprising the district and the nearest paved street or highway, other than roads identified under section 357I.2, subsection 3, and may certify for levy an annual tax as provided in section 357I.8. The trustees may purchase materials

incidental to the administrative functions of the trustees and perform all other acts necessary to properly maintain and operate the district. The trustees are allowed necessary expenses in the discharge of their duties, but they shall not receive a salary.

2008 Acts, ch 1124, §30

**357I.11 Revenues excluded from county general fund transfers.**

The amount of revenue collected from the tax levied pursuant to section 357I.8 shall not be included in the calculation of property tax revenues transferred to the secondary road fund annually under section 331.429.

2008 Acts, ch 1124, §31

**357I.12 Bonds in anticipation of revenue.**

A district may anticipate the collection of taxes by the levy authorized in this chapter, and to carry out the purposes of this chapter may issue bonds payable in not more than ten equal installments with the rate of interest not exceeding that permitted by chapter 74A. An indebtedness shall not be incurred under this chapter until authorized by an election. The election shall be held and notice given in the same manner as provided in section 357I.8, and the same sixty percent vote shall be necessary to authorize indebtedness. Both propositions may be submitted to the voters at the same election.

2008 Acts, ch 1124, §32

**357I.13 Dissolution of district.**

Upon petition of thirty-five percent of the resident eligible electors, the board may dissolve a district and dispose of any remaining property, the proceeds of which shall first be applied against outstanding obligations and any balance shall be applied to tax credit of property owners of the district. However, if the district is annexed, the board of supervisors may transfer the remaining property and balance to the city which annexed the territory. The board shall continue to levy a tax after dissolution of a district, of not to exceed twenty-seven cents per thousand dollars of assessed value on all the taxable property of the district, until all outstanding obligations of the district are paid.

2008 Acts, ch 1124, §33

**357I.14 Incorporation of district land.**

If part of a district is incorporated by a city and there are outstanding indebtedness obligations against the district, the city shall pay the outstanding obligations against the part of the district which is incorporated by the city.

2008 Acts, ch 1124, §34

# CHAPTER 357J

## EMERGENCY RESPONSE DISTRICTS

Referred to in §331.382


357J.1 Authorization and purpose.
357J.2 Definitions.
357J.3 Motion for public hearing.
357J.4 District — boundary changes.
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357J.10 Approval of district property tax levy.
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357J.13 District fire chief.
357J.14 Fire chiefs.
357J.15 Cities within the district.
357J.16 Bonds in anticipation of revenue.
357J.17 Transition — township tax discontinued.
357J.18 Transition — emergency medical services district taxes discontinued.

**357J.1 Authorization and purpose.**

1. This chapter authorizes a pilot project for which a county of the state may establish an emergency response district.

2. The purpose of this chapter is to provide a county within the state an opportunity to participate in a pilot project having a new governance structure to facilitate the delivery and funding of fire protection service and emergency medical service to residents of the county.

2008 Acts, ch 1152, §1

**357J.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the board of supervisors of a county.

2. *"Commission"* means a governing body composed of a member of the board of supervisors, the sheriff, and the mayor from each city within the district. A member of the commission shall not appoint a designee to serve on the commission in the member's capacity.

3. *"District"* means an emergency response district.

2008 Acts, ch 1152, §2

Referred to in §357J.11

**357J.3 Motion for public hearing.**

1. The board of supervisors of any county having a population of at least sixteen thousand nine hundred twenty-five but not more than sixteen thousand nine hundred fifty, according to the 2000 certified federal census, shall, on the board's own motion, hold a public hearing concerning the establishment of a proposed district. The motion shall include a statement containing the following information:

*a.* The need for fire protection service and emergency medical service.

*b.* The geographic boundaries of the district to be served.

*c.* The approximate number of families in the district.

*d.* The proposed personnel, equipment, and facilities to provide the fire protection service and emergency medical service.

2. The board of supervisors shall notify the state fire marshal's office that a motion has been adopted to form a district.

2008 Acts, ch 1152, §3

Referred to in §357J.5

**357J.4 District — boundary changes.**

1. The boundary lines of a district may include any incorporated or unincorporated areas within a county.

2. The boundary lines of a district shall not be changed after the district is established except as provided in this subsection.

*a.* The boundary lines of a district shall be changed and shall become effective immediately upon approval of all of the following:

(1) The commission.

(2) The board of township trustees of the area proposed to be included or excluded from the district.

(3) The district fire chief.

(4) The assistant fire chief who is responsible for delivery of fire protection service and emergency medical service within the area proposed to be excluded from the district, if applicable.

(5) The fire chief of a fire department in the area proposed to be included in the district, if applicable.

*b.* The boundary lines of a district shall be changed to exclude a city or the unincorporated areas of a township if the commission receives a written request from the governing body of the city or the board of township trustees, as applicable, requesting exclusion from the

district. However, a boundary change under this paragraph shall become effective no earlier than eighteen months following receipt of the written request.

2008 Acts, ch 1152, §4; 2009 Acts, ch 165, §3, 4

2009 amendment to this section takes effect May 26, 2009, and applies retroactively to July 1, 2008; 2009 Acts, ch 165, §4

**357J.5 Time of hearing.**

The public hearing required in section 357J.3 shall be held within thirty days of the adoption of the motion. Notice of hearing shall be given by publication in two successive issues of any newspaper of general circulation within the district. The last publication shall be not less than one week before the proposed hearing.

2008 Acts, ch 1152, §5

Referred to in §357J.9

**357J.6 District established — plan — pilot authorized.**

1. Within ten days after the hearing, the board shall adopt a resolution establishing the district or abandoning the board's motion.

2. Within ten days after establishing a district, the board shall submit a plan to the state fire marshal's office and the county finance committee. The plan shall include all of the following:

*a.* Personnel, equipment, facilities, and other available resources that may be shared by all of the various fire departments and emergency medical service providers within the district.

*b.* Financial information demonstrating the ability to provide fire protection service and emergency medical service to the residents of the district.

*c.* A plan for transition of delivery and funding of fire protection service and emergency medical service to the new district.

*d.* A plan for the dissolution of the district and a plan for the allocation of any assets acquired by the district in the event of dissolution.

3. The county finance committee shall review the district's financial information, including revenues, expenditures, and budget items as well as the financial implications and plan for transitioning to a new financing structure. Within thirty days after receiving the plan, the county finance committee shall report its findings to the state fire marshal.

4. The state fire marshal shall consider the county finance committee's findings and review the district's personnel, equipment, facilities, and other available resources that may be shared by all of the various fire departments and emergency medical service providers as well as the practical considerations and plan for transitioning to a new structure for delivering fire protection service and emergency medical service to the district. The state fire marshal shall determine whether the district can successfully deliver fire protection service and emergency medical service throughout the district.

5. Within sixty days of receiving the board's plan, the state fire marshal shall notify the board whether the board's plan is approved.

2008 Acts, ch 1152, §6

Referred to in §357J.7

**357J.7 Pilot project — five years — report.**

1. A district established by the board and having a plan approved by the state fire marshal under section 357J.6 is authorized to proceed and continue as a pilot project for five years beginning on July 1 of the fiscal year following the date of the board's resolution establishing the district. However, if the date of the board's action falls after November 1, the pilot project shall not begin until July 1 of the fiscal year subsequent to the next following fiscal year.

2. The commission shall submit an annual report to the state fire marshal summarizing the results of the pilot project, including the strengths of the project, whether delivery of fire protection service and emergency medical service was improved throughout the district, and additional measures needed to improve the delivery of such services.

3. The fourth annual report prepared by the commission under subsection 2 shall also be submitted to the governor and the general assembly. It is the intent of the general assembly to use that report to determine whether to continue the pilot project, revise it, terminate it, or implement the pilot project provisions or a similar approach statewide.

2008 Acts, ch 1152, §7

**357J.8 Engineer.**

1. When the pilot project is approved, the board shall appoint a civil engineer or county engineer who shall prepare a preliminary plat showing:

*a.* The proper design in general outline of the district.

*b.* The lots and parcels of land within the proposed district as they appear on the county auditor's plat books with the names of the owners.

*c.* The assessed valuation of the lots and parcels.

2. The board shall determine the compensation for the engineer's preliminary investigation. The engineer shall file a report with the county auditor within thirty days of appointment. The board may extend the time upon good cause shown.

2008 Acts, ch 1152, §8

**357J.9 Hearing on engineer's report.**

After the engineer's report is filed, the board shall give notice, as provided in section 357J.5, of a public hearing to be held concerning the engineer's preliminary plat. Within ten days after the hearing, the board shall, by resolution, approve or disapprove the engineer's plan.

2008 Acts, ch 1152, §9

**357J.10 Approval of district property tax levy.**

Annually, the commission shall propose the levy of a tax of not more than one dollar and sixty and three-quarters cents per one thousand dollars of assessed value on all taxable property within the district. A proposed property tax levy rate shall not be approved by the commission unless two-thirds of the commission's members are present when the proposed property tax levy rate is approved. The commission shall hold a public hearing within thirty days of the commission's approval of a proposed property tax levy rate to receive public comment. Notice of the hearing shall be given by publication in a newspaper of general circulation within the district and shall be posted in a public place in each city within the district no less than ten days before the public hearing. The notice shall include the commission's proposed property tax levy rate, the reason for the tax, and the time when and the place where the hearing shall be held. The commission shall be considered a municipality for purposes of adopting and certifying a budget pursuant to chapter 24 and shall set the property tax levy rate no more than ten days following the public hearing. The tax shall be set to raise only the amount needed. The commission shall have exclusive tax-levying authority for the district.

2008 Acts, ch 1152, §10

Referred to in §357J.12, 357J.16

**357J.11 Governance authority — commission.**

The district shall be governed by a commission, as defined in section 357J.2.

2008 Acts, ch 1152, §11

**357J.12 Commission powers.**

1. The commission may purchase, own, rent, or maintain fire and emergency medical services apparatus or equipment within the state or outside the territorial jurisdiction and boundary limits of this state, provide housing for such apparatus and equipment, provide fire protection service and emergency medical service and facilities, and may certify for levy an annual tax as provided in section 357J.10. The commission may purchase material, employ fire protection service personnel, emergency medical service personnel, and other personnel, and may perform all other acts necessary to properly maintain and operate the district. The commission may contract under chapter 28E with any city or county or public or private agency that is not a member of the district for the purpose of providing fire protection service or emergency medical service under this chapter. The commissioners are allowed necessary expenses in the discharge of their duties.

2. The commission shall draw the boundaries of fire and emergency medical services

areas within the district to be assigned to various fire departments and stations throughout the district.

2008 Acts, ch 1152, §12

Referred to in §357J.14

**357J.13 District fire chief.**

The commission shall appoint a district fire chief who shall serve at the pleasure of the commission and shall be responsible for the coordination of fire protection service and emergency medical service throughout the district.

2008 Acts, ch 1152, §13

**357J.14 Fire chiefs.**

The district fire chief shall appoint an assistant fire chief for each existing fire department and station within the district who shall be responsible for delivery of fire protection service and emergency medical service within the areas designated by the commission pursuant to section 357J.12.

2008 Acts, ch 1152, §14

**357J.15 Cities within the district.**

If a city is included in a district, the maximum tax levy authorized for the general fund of that city under section 384.1 shall be reduced by the amount of the tax rate levied within the city by the district. Such city shall not be responsible for providing fire protection service and emergency medical service as provided in section 364.16, and shall have no liability for the method, manner, or means by which the district provides the fire protection service and emergency medical service.

2008 Acts, ch 1152, §15

**357J.16 Bonds in anticipation of revenue.**

A district may anticipate the collection of taxes by the levy authorized in section 357J.10, and to carry out the purposes of this chapter may issue bonds payable in not more than ten equal installments with the rate of interest not exceeding that permitted by chapter 74A. An indebtedness shall not be incurred under this chapter until authorized by an election. The election shall be conducted by the county commissioner of elections pursuant to chapters 39 through 53. The commission shall give the county commissioner of elections forty-six days' notice of the special election.

2008 Acts, ch 1152, §16; 2010 Acts, ch 1033, §49, 56

**357J.17 Transition — township tax discontinued.**

When the boundary lines of the district include all or a portion of a township and the district has certified a tax levy within the township for the purpose of fire protection service and emergency medical service, the township trustees shall no longer levy the tax provided by section 359.43 in that portion of the township provided services by the district. Any indebtedness incurred for the purposes of sections 359.42 through 359.45 for a service now provided by the district shall be assumed by the district. Such township shall not be responsible for providing fire protection service and emergency medical service as provided in section 359.42 for the portion of the township within the district, and shall have no liability for the method, manner, or means by which the district provides the fire protection service and emergency medical service.

2008 Acts, ch 1152, §17

**357J.18 Transition — emergency medical services district taxes discontinued.**

When the boundary lines of the emergency response district include all or a portion of an emergency medical services district under chapter 357F or chapter 357G and the emergency response district has certified a tax to be levied on property located within the emergency medical services district for the purpose of emergency medical service, the emergency medical services district trustees shall no longer levy the taxes authorized in section 357F.8

or section 357G.8 in that portion of such emergency medical services district that is provided services by the emergency response district. Any indebtedness incurred by an emergency medical services district under chapter 357F or chapter 357G for a service now provided by the emergency response district shall be assumed by the emergency response district.

2008 Acts, ch 1152, §18

# CHAPTER 358

## SANITARY DISTRICTS

Referred to in §28F.1, 28F.12, 331.382, 357.1B, 384.84

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CONVEYANCE TO CITY

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## GENERAL PROVISIONS

**358.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**358.1A Incorporation.**

If an area of territory is so situated that the construction, maintenance, and operation of a trunk sewer system and of a plant or plants for the treatment of sewage and the maintenance of one or more outlets for the drainage of it, after having been so treated, will be conducive to the public health, comfort, convenience, or welfare, the area may be incorporated as a

sanitary district in the manner set forth in this chapter. Areas of contiguous or noncontiguous territory may be incorporated in a sanitary district.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.1]
92 Acts, ch 1204, §15
C2001, §358.1A

**358.1B Combined water and sanitary district.**

1. The board of supervisors of a county or major part of a county in which a proposed combined water and sanitary district will be located may proceed with the establishment, operation, or dissolution of a combined water and sanitary district as provided in section 357.1B.

2. For the purpose of establishing, operating, or dissolving a combined water and sanitary district under chapter 357 and this chapter, the term *"sanitary district"* includes combined water and sanitary district where applicable.

92 Acts, ch 1204, §16
C93, §358.1A
C2001, §358.1B

**358.2 Petition — deposit.**

1. Any twenty-five or more eligible electors resident within the limits of any proposed sanitary district may file a petition in the office of the county auditor of the county in which the proposed sanitary district, or the major portion thereof, is located, requesting that there be submitted to the registered voters of such proposed district the question whether the territory within the boundaries of such proposed district shall be organized as a sanitary district under this chapter. Such petition shall be addressed to the board of supervisors of the county wherein it is filed and shall set forth:

*a.* An intelligible description of the boundaries of the territory to be embraced in such district.

*b.* The name of such proposed sanitary district.

*c.* That the public health, comfort, convenience, or welfare will be promoted by the establishment of such sanitary district.

*d.* The signatures of the petitioners.

2. No territory shall be included within more than one sanitary district organized under this chapter, and if any proposed sanitary district shall fail to receive a majority of votes cast at any election thereon as hereinafter provided, no petition shall be filed for establishment of such a sanitary district within one year from the date of such previous election.

3. *a.* There shall be filed with the petition a bond with sureties approved by the auditor, or a certified check, credit union certified share draft or cash in an amount sufficient for the payment of all costs and expenses incurred in the proceedings if the district is not finally established.

*b.* No preliminary expense shall be incurred before the establishment of the proposed sanitary district by the board in excess of the amount of bond filed by the petitioners. In case it is necessary to incur any expense in addition to the amount of the bond, the board of supervisors shall require the filing of an additional security until the additional bond is filed in sufficient amount to cover the expense.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.2]
84 Acts, ch 1055, §8; 85 Acts, ch 67, §43; 95 Acts, ch 67, §53; 2010 Acts, ch 1061, §145
Referred to in §357.1B

**358.3 Jurisdiction — decisions — records.**

The board of supervisors of the county in which the proposed sanitary district, or the major portion thereof, is located shall have jurisdiction of the proceedings on said petition as herein provided, and the decision of a majority of the members of said board shall be necessary for adoption. All orders of the board made hereunder shall be spread at length upon the

records of the proceedings of the board of supervisors, but need not be published under section 349.16.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.3]

**358.4 Date and notice of hearing.**

1. The board of supervisors to which the petition is addressed, at its next meeting, shall set the time and place for a hearing on the petition. The board shall direct the county auditor in whose office the petition is filed to cause notice to be given to all persons whom it may concern, without naming them, of the pendency and content of the petition, by publication of a notice as provided in section 331.305. Proof of giving the notice shall be made by affidavit of the publisher and the proof shall be on file with the county auditor at the time the hearing begins. The notice of hearing shall be directed to all persons it may concern, and shall state:

*a.* That a petition has been filed with the county auditor of the county, naming it, for establishment of a proposed sanitary district, and the name of the proposed district.

*b.* An intelligible description of the boundaries of the territory to be embraced in the district.

*c.* The date, hour, and the place where the petition will come on for hearing before the board of supervisors of the named county.

*d.* That the board of supervisors will fix and determine the boundaries of the proposed district as described in the petition or otherwise, and for that purpose may alter and amend the petition. At the hearing all interested persons shall have an opportunity to be heard on the location and boundaries of the proposed district and to make suggestions regarding the location and boundaries.

2. For a district which does not include land within a city, copy of the notice shall also be sent by mail to each owner, without naming them, of each tract of land or lot within the proposed district as shown by the transfer books of the auditor's office. The mailings shall be to the last known mailing address unless there is on file an affidavit of the auditor or of a person designated by the board to make the necessary investigation, stating that a mailing address is not known and that diligent inquiry has been made to ascertain it. The copy of notice shall be mailed no less than twenty days before the day set for hearing and proof of service shall be by affidavit of the auditor. The proofs of service required by this subsection shall be on file at the time the hearing begins.

3. In lieu of the mailing to the last known address a person owning land affected by a proposed district may file with the county auditor an instrument in writing designating the address for the mailing. This designation when filed is effective for five years and applies to all proceedings under this chapter. The person making the designation may change the address in the same manner as the original designation is made.

4. In lieu of publication, personal service of the notice may be made upon an owner of land in the proposed district in the manner and for the time required for service of original notices in the district court. Proof of the service shall be on file with the auditor on the date of the hearing.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.4]

84 Acts, ch 1051, §1; 87 Acts, ch 43, §10

Referred to in §358.5, 358.6, 358.8

**358.5 Hearing of petition and order.**

The board of supervisors to whom the petition is addressed shall preside at the hearing provided for in section 358.4 and shall continue the hearing in session, with adjournments from day to day, if necessary, until completed, without being required to give any further notice of the hearing. Proof of the residences and qualifications of the petitioners as eligible electors shall be made by affidavit or otherwise as the board may direct. The board may consider the boundaries of a proposed sanitary district, whether they shall be as described in the petition or otherwise, and for that purpose may alter and amend the petition and limit or change the boundaries of the proposed district as stated in the petition. The board shall adjust the boundaries of a proposed district as needed to exclude land that has no reasonable likelihood of benefit from inclusion in the proposed district. The boundaries of a proposed

district shall not be changed to incorporate property not included in the original petition and published notice until the owner of the property is given notice of inclusion as on the original hearing. All persons in the proposed district shall have an opportunity to be heard regarding the location and boundaries of the proposed district and to make suggestions regarding the location and boundaries. The board of supervisors, after hearing the statements, evidence and suggestions made and offered at the hearing, shall enter an order fixing and determining the limits and boundaries of the proposed district and directing that an election be held for the purpose of submitting to the registered voters residing within the boundaries of the proposed district the question of organization and establishment of the proposed sanitary district as determined by the board of supervisors. The order shall fix a date for the election not more than sixty days after the date of the order.

However, a majority of the landowners, owning in the aggregate more than seventy percent of the total land in the proposed district, may file a written remonstrance against the proposed district at or before the time fixed for the hearing on the proposed district with the county auditor. If the remonstrance is filed, the board of supervisors shall discontinue all further proceedings on the proposed district and charge the costs incurred to date relating to the establishment of the proposed district.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.5]

84 Acts, ch 1051, §2; 95 Acts, ch 67, §53; 98 Acts, ch 1139, §1

Referred to in §358.8

**358.6 Notice of election.**

In its order for the election the board of supervisors shall direct the county commissioner of elections of the county in which the petition is filed to cause notice of the election to be given at least thirty days before the date of election by publication of the notice as provided in section 331.305. The notice shall state the time and place of holding the election and the hours when the polls will open and close, the purpose of the election, with the name of the proposed sanitary district and a description of the boundaries of it, and shall set forth briefly the limits of each voting precinct and the location of the polling places. Proof of publication shall be made in the manner provided in section 358.4 and filed with the county auditor.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.6]

92 Acts, ch 1204, §17

**358.7 Election.**

1. Each registered voter resident within such proposed sanitary district shall have the right to cast a ballot at such election and no person shall vote in any precinct but that of the person's residence. Ballots at such election shall be in substantially the following form, to wit:

For Sanitary District ☐
Against Sanitary District ☐

2. The board of supervisors shall cause a statement of the result of such election to be spread upon the records of the county auditor. If a majority of the votes cast upon the question of incorporation of the proposed sanitary district shall be in favor of the proposed sanitary district, such proposed sanitary district shall thenceforth be deemed an organized sanitary district under this chapter and established as conducive to the public health, comfort, convenience, and welfare.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.7]

94 Acts, ch 1169, §64; 2010 Acts, ch 1061, §146

Referred to in §358.9

**358.8 Expenses and costs of election.**

The election held pursuant to this chapter shall be conducted by the county commissioner of elections. All expenses incurred in carrying out sections 358.4 and 358.5 of this chapter, together with the costs of the election, as determined by the county commissioner of elections,

shall be paid by those who will be benefited by the proposed sanitary district. If the district is not established, the expenses and costs shall be collected upon the bond or bonds of the petitioners.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.8]

92 Acts, ch 1204, §18; 2009 Acts, ch 133, §128

**358.9 Selection of trustees — term of office.**

1. *a.* At the election provided for in section 358.7, the names of candidates for trustee of the district shall be written by the voters on blank ballots without formal nomination, and the board of supervisors which had jurisdiction of the proceedings for establishment of the sanitary district, together with the board of supervisors of any other county in which any part of the district is located, shall appoint three trustees from among the five persons receiving the greatest number of votes as trustees of the district. One of the trustees shall be designated to serve a term expiring on the first day of January which is not a Sunday or legal holiday following the next general election, one to serve a term expiring on the first day of January which is not a Sunday or legal holiday two years later, and one to serve a term expiring on the first day of January which is not a Sunday or legal holiday four years later. Thereafter, each term shall be for a term of years established by the board of supervisors, not less than three years or more than six years. Successors to trustees shall be elected by special election or at a special meeting of the board of trustees called for that purpose. For each special election called after the initial election, a candidate for office of trustee shall be nominated by a personal affidavit of the candidate or by petition of at least ten eligible electors of the district and the candidate's personal affidavit, which shall be filed with the county commissioner of elections at least twenty-five days before the date of the election. The form of the candidate's affidavit shall be substantially the same as provided in section 45.3.

*b.* In lieu of a special election, successors to trustees shall be elected at a special meeting of the board of trustees called for that purpose. Upon its own motion, the board of trustees may, or upon petition of landowners owning more than fifty percent of the total land in the district, shall, call a special meeting of the residents of the district to elect successors to trustees of the board. Notice of the meeting shall be given at least ten days before the date of the meeting by publication of the notice in a newspaper of general circulation in the district. The notice shall state the date, times, and location of the meeting and that the meeting is called for the purpose of electing one or more trustees to the board.

2. If the petition to establish a sanitary district requests a board of trustees of five members, the board of supervisors shall select five trustees from among the seven persons receiving the highest number of votes at the initial election. Two trustees shall be designated to serve a term expiring on the first day of January which is not a Sunday or legal holiday following the next general election, two trustees to serve a term expiring on the first day of January which is not a Sunday or legal holiday two years later, and one to serve a term expiring on the first day of January which is not a Sunday or holiday four years later. Thereafter, each term shall be for a term of years established by the board of supervisors, not less than three years or more than six years. Successors to a five-member board selected under this subsection shall be chosen by election and after the initial election, a candidate for office of trustee shall be nominated by a personal affidavit of the candidate or by petition of at least ten eligible electors of the district and the candidate's personal affidavit, which shall be filed with the commissioner of county elections at least sixty-nine days before the date of the general election. The form of the candidate's affidavit shall be substantially as provided in section 45.3.

3. Upon request of a three-member board of trustees or petition of the number of eligible electors of the district equal to at least five percent of the residents of the district filed at least ninety days before the next general election, the board of supervisors shall provide for the election of a five-member board of trustees with staggered terms of office of not more than six years. The five-member board of trustees shall become effective on the first day of January which is not a Sunday or legal holiday after that general election. The board of trustees or a petition of the number of eligible electors of the district equal to at least five percent of the residents of the district may also request the board of supervisors to implement a plan

to reduce the number of trustees from five to three. The board of supervisors shall allow incumbent trustees to serve their unexpired terms of office.

4. Vacancies in the office of trustee of a sanitary district shall be filled by the remaining members of the board for the period until a successor is chosen in the manner prescribed by this section or by section 69.12, whichever is applicable.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.9; 82 Acts, ch 1199, §66, 96]

84 Acts, ch 1009, §1; 84 Acts, ch 1051, §3; 85 Acts, ch 135, §2; 92 Acts, ch 1204, §19, 20; 93 Acts, ch 24, §1; 94 Acts, ch 1045, §1; 2009 Acts, ch 41, §121

Referred to in §358.12

**358.10 Trustee's bond.**

Each trustee shall, before entering upon the duties of office, execute a bond payable to the district, with security to be approved by the board of supervisors which had jurisdiction of the petition for establishment of the district, in such form and amount as said board of supervisors may determine, which bond shall be filed with the county auditor of said county.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.10]

**358.11 Sanitary district to be a body corporate.**

Each sanitary district organized under this chapter shall be a body corporate and politic, with the name and style under which it was organized, and by such name and style may sue and be sued, contract and be contracted with, acquire and hold real and personal property necessary for corporate purposes, adopt a corporate seal and alter the same at pleasure, and exercise all the powers conferred in this chapter.

All courts of this state shall take judicial notice of the existence of sanitary districts organized hereunder.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.11]

**358.12 Board of trustees — powers.**

The trustees elected as provided in section 358.9 constitute a board of trustees for the district by which they are elected. The board of trustees is the corporate authority of the sanitary district and shall manage and control the affairs and property of the district. A majority of the board of trustees shall constitute a quorum, but a smaller number may adjourn from day to day. The board of trustees shall elect a president, a clerk, and a treasurer from its membership and may employ employees as necessary, who shall hold their employment during the pleasure of the board. The board shall prescribe the duties and fix the compensation of all employees of the sanitary district and the amount of bond to be filed by the treasurer of the district and by any employee for whom the board may require bond. The members of the board of trustees shall receive a per diem of one hundred dollars for attendance at a meeting of the board or while otherwise engaged in official duties, but the total per diem for each member shall not exceed two thousand four hundred dollars for a fiscal year. However, the board of trustees, by resolution, may establish for its members a lower rate of pay than is fixed by this section. The members of the board shall also be reimbursed for their travel and other necessary expenses incurred in performing their official duties. Travel expenses are reimbursable at the rate specified in section 70A.9.

The board of trustees may adopt the necessary ordinances, resolutions, rules and regulations for the proper management and conduct of the business of the board of trustees and the corporation and for carrying out the purposes for which the sanitary district is formed.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.12]

2006 Acts, ch 1038, §1

**358.13 Ordinances — publication or posting — time of taking effect.**

All ordinances, resolutions, orders, rules, and regulations adopted by the board take effect from and after their adoption and publication. The publication shall be by one publication

in a newspaper of general circulation in the district, by posting copies in three public places within the district, or by other steps necessary to inform the public.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.13]

87 Acts, ch 197, §1

**358.14 Proof of ordinances.**

All ordinances, resolutions, orders, rules and regulations, and the date when same became effective, may be proven by the certificate of the clerk, under the seal of the corporation, if one has been adopted, and when printed in book or pamphlet form and purporting to be published by the board of trustees such book or pamphlet shall be received as evidence of the passage and legal publication or posting thereof as of the dates mentioned therein, in all courts and places, without further proof.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.14]

**358.15 Personal interest in contracts.**

No trustee of such district shall be directly or indirectly interested in any contract, work, or business of the district, or in the sale of any article the expense, price, or consideration of which is paid by such district; nor in the purchase of any real estate or other property belonging to the district, or which shall be sold for taxes or assessments, or by virtue of legal process at the suit of said district; provided, that nothing herein shall be construed as prohibiting the selection of any person as trustee because of the person's ownership of real estate in the district or because the person is a taxpayer in the district.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.15]

**358.16 Power to provide for sewage disposal.**

1. *a.* The board of trustees of any sanitary district organized under this chapter shall have power to provide for the disposal of the sewage thereof, including the sewage and drainage of any city or village within the boundaries of such district; to acquire, lay out, locate, establish, construct, maintain, and operate one or more drains, conduits, treatment plants, disposal plants, pumping plants, works, ditches, channels, and outlets of such capacity and character as may be required for the treatment, carrying off, and disposal of the sewage and industrial wastes and other drainage incidental thereto of such district; to lay out, establish, construct, maintain, and operate all such adjuncts, additions, auxiliary improvements, and works as may be necessary or proper for accomplishment of the purposes intended, and to procure supplies of water for operating, diluting, and flushing purposes; to maintain, repair, change, enlarge, and add to such facilities, improvements, and works as may be necessary or proper to meet the future requirements for the purposes aforesaid; and, when necessary for such purposes, any such facilities, improvements, and works and the maintenance and operation thereof may extend beyond the limits of such district, and the rights and powers of said board of trustees in respect thereto shall be the same as if located within said district, provided, no taxes shall be levied upon any property outside of such district; and provided further, that the district shall be liable for all damages sustained beyond its limits in consequence of any work or improvement authorized hereunder.

*b.* The board of trustees, however, may upon such petition of property owners representing at least twenty-five percent of the valuation of property not included within the district as constituted which seeks benefit from the operation of such sanitary district, include such property and the area involved within the limits of such sanitary district, and such added areas shall be subject to the same taxation as other portions of the district.

*c.* Nothing contained herein shall be construed to authorize or empower such board of trustees to operate a system of waterworks for the purpose of furnishing water to the inhabitants of the district, or to construct, maintain, or operate local municipal sewerage facilities, or to deprive municipalities within the district of their powers to construct and operate sewers for local purposes within their limits.

*d.* The board of trustees of such sanitary district may, however, upon petition of the council or governing body of any incorporated city within the sanitary district, contract with such city to undertake the operation of local municipal sewage facilities as part of the functioning

of the sanitary district and make an agreement with such municipality for the levying of additional sewer or sewage disposal taxes, which taxes shall be levied by the municipality as now provided by law.

2. *a.* The board of trustees may require connection to the sanitary sewer system established, maintained, or operated by the district from any adjacent property within the district, and require the installation of sanitary toilets or other sanitary sewage facilities and removal of other toilet and other sewage facilities on the property. However, the board of trustees shall not regulate, restrict the use, or require the connection of a private sewage disposal facility previously approved by the county board of health pursuant to section 455B.172 without the prior approval of that board of health.

*b.* If the property owner does not perform an action required under paragraph *"a"* within a reasonable time after notice and hearing, the board of trustees may perform the required action and assess the costs of the action against the property for collection in the same manner as a property tax. The notice shall state the nature of the action and the time within which the action is required to be performed by the property owner, state the date, time, and place where the property owner will be heard by the board of trustees for the purpose of stating why the intended action should not be required, and shall be given by certified mail to the property owner as shown on the records of the county auditor not less than four nor more than twenty days before the date of the hearing.

*c.* However, in the event of an emergency when the delay of notice and hearing might cause serious loss or injury to persons or property within the district, the board of trustees may perform any action which may be required under this section without prior notice and hearing, and assess the cost as provided in this section, following notice to the property owner and hearing in the time and manner provided in paragraph *"b"*. In that event the board of trustees shall, by resolution, make a finding of the necessity to institute emergency proceedings under this section, and shall procure a certificate from a competent licensed professional engineer or registered architect certifying that emergency action is necessary.

3. If any amount assessed against property pursuant to this section will exceed five hundred dollars, the board of trustees may permit the assessment to be paid in up to ten annual installments, in the manner and with the same interest rates as provided for assessments against benefited property under chapter 384, division IV.

4. An assessment levied pursuant to this section, including all interest and penalties, is a lien against the property with respect to which action was taken from the date of filing the schedule of assessments until the assessment is paid. Assessments have equal precedence with ordinary taxes and are not divested by judicial sale.

5. The procedures for making and levying an assessment pursuant to this section and for an appeal of the assessment are the same procedures as provided in sections 384.59 through 384.67 and sections 384.72 through 384.75, except that any notice required in those sections to be published in a newspaper may be sent by certified mail to the owner of the property to be assessed as shown on the records of the county auditor in lieu of the publication. The references in those sections to the city council are applicable to the board of trustees.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.16]

87 Acts, ch 197, §2; 2007 Acts, ch 126, §59; 2009 Acts, ch 72, §13, 14; 2010 Acts, ch 1069, §123; 2012 Acts, ch 1138, §99

**358.17 Power to acquire and dispose of property.**

Any sanitary district organized under this chapter may acquire by purchase, condemnation, or otherwise, any and all real and personal property, rights-of-way and privileges, either within or without its corporate limits, required for its corporate purposes. Condemnation proceedings shall be conducted in the same manner, as near as may be, as provided for condemnation by counties under the laws of Iowa. Said sanitary districts shall have power to sell, convey, or otherwise dispose of any of the properties belonging to them when no longer required for their purposes.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.17]

**358.18 Taxes — power to levy — tax sales.**

The board of trustees of any sanitary district organized under this chapter shall have the power by ordinance to levy annually for the purpose of paying the administrative costs of such district, or for the payment of deficiencies in special assessments, or for both, a tax upon property within the territorial limits of such sanitary district not exceeding fifty-four cents per thousand dollars of the adjusted taxable valuation of the property within such district for the preceding fiscal year.

All taxes thus levied by the board shall be certified by the clerk on or before March 1 to the county auditor of each county wherein any of the property included within the territorial limits of the sanitary district is located, and shall be placed upon the tax list for the current fiscal year by the auditor or auditors. The county treasurer, or treasurers, of more than one county, shall collect all taxes so levied in the same manner as other taxes, and when delinquent the taxes shall draw the same interest. All taxes levied and collected shall be paid over by the officer collecting the taxes to the treasurer of the sanitary district.

Sales for delinquent taxes owing to such sanitary district shall be made at the same time and in the same manner as such sales are made for other taxes, and all provisions of the law of this state relating to the sale of property for delinquent taxes shall be applicable, so far as may be, to such sales.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.18]

93 Acts, ch 73, §3

Referred to in §331.512

Collection of taxes, see chapter 445

Sales for taxes, see chapter 446

**358.19 Records and disbursements.**

The clerk of each sanitary district shall keep a record of all the proceedings and actions of the trustees. The treasurer shall receive, collect, and disburse all moneys belonging to the district, and no claim shall be paid or disbursement made until it has been duly audited by the board of trustees.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.19]

**358.20 Rentals and charges.**

1. Any sanitary district may by ordinance establish just and equitable rates, charges, or rentals for the utilities and services furnished by the district to be paid to the district by every person, firm, or corporation whose premises are served by a connection to the utilities and services directly or indirectly. The rates, charges, or rentals, as near as may be in the judgment of the board of trustees of the district, shall be equitable and in proportion to the services rendered and the cost of the services, and taking into consideration in the case of the premises the quantity of sewage produced thereby and its concentration, strength, and pollution qualities. The board of trustees may change the rates, charges, or rentals from time to time as it may deem advisable, and by ordinance may provide for collection. The board may contract with any municipality within the district, whereby the municipality may collect or assist in collecting any of the rates, charges, or rentals, whether in conjunction with water rentals or otherwise, and the municipality may undertake the collection and render the service. The board of trustees may also contract pursuant to chapter 28E with one or more city utilities or combined utility systems, including city utilities established pursuant to chapter 388, for joint billing or collection, or both, of combined service accounts for sanitary district services and utility services, and the contracts may provide for the discontinuance of one or more of the sanitary district services or water utility services if a delinquency occurs in the payment of any charges billed under a combined service account. The rates, charges, or rentals, if not paid when due, shall constitute a lien upon the real property served by a connection. The lien shall have equal precedence with ordinary taxes, may be certified to the county treasurer and collected in the same manner as taxes, and is not divested by a judicial sale.

2. If the delinquent rates or charges were incurred prior to the date a transfer of the property or premises in fee simple is filed with the county recorder and such delinquencies were not certified to the county treasurer prior to such date, the delinquent rates or charges

are not eligible to be certified to the county treasurer. If certification of such delinquent rates or charges is attempted subsequent to the date a transfer of the property or premises in fee simple is filed with the county recorder, the county treasurer shall return the certification to the sanitary district attempting certification along with a notice stating that the delinquent rates or charges cannot be made a lien against the property or premises.

3. Sewer rentals, charges, or rates may supplant or replace, in whole or in part, any monetary levy of taxes which may be, or have been, authorized by the board of trustees for any of the following purposes:

*a.* To meet interest and principal payments on bonds legally authorized for the financing of sanitary utilities in any manner.

*b.* To pay costs of the construction, maintenance, or repair of such sanitary facilities or utilities, including payments to be made under any contract between municipalities for either the joint use of sewerage or sewage facilities, or for the use by one municipality of all or a part of the sewerage or sewer system of another municipality.

4. When a sewer rental ordinance has been passed and put into effect, prior ordinances or resolutions providing for monetary levy of taxes against real and personal property for such purposes, or the portion thereof replaced, may be repealed.

[C31, 35, §6066-d7; C39, §**6066.21;** C46, 50, 54, 58, 62, 66, 71, 73, §358.20, 393.7; C75, 77, 79, 81, §358.20]

87 Acts, ch 197, §3; 92 Acts, ch 1047, §1; 97 Acts, ch 62, §1; 2009 Acts, ch 41, §263; 2011 Acts, ch 109, §1

Referred to in §445.1

Collection of taxes, see chapter 445

**358.21 Debt limit — borrowing — bonds — purposes.**

Any sanitary district organized hereunder may borrow money for its corporate purposes, but shall not become indebted in any manner or for any purpose to an amount in the aggregate exceeding five percent on the value of the taxable property within such district, to be ascertained by the last state and county tax lists previous to the incurring of such indebtedness. Indebtedness within this constitutional limit shall not include the indebtedness of any other municipal corporation located wholly or partly within the boundaries of such sanitary district.

Subject only to this debt limitation, any such sanitary district organized hereunder shall have and it is hereby vested with all of the same powers to issue bonds, including both general obligation and revenue bonds, which cities now or may hereafter have under the laws of this state. In the application of such laws to this chapter, the words used in any such laws referring to municipal corporations or to cities shall be held to include sanitary districts organized under this chapter, the words "council" or "city council" shall be held to include the board of trustees of a sanitary district; the words "mayor" and "clerk" shall be held to include the president and clerk of any such board of trustees or sanitary district; and like construction shall be given to any other words in such laws where required to permit the exercise of such powers by sanitary districts.

Any and all bonds issued hereunder shall be signed by the president of the board of trustees and attested by the clerk, with the seal of the district, if any, affixed, and interest coupons attached thereto shall be attested by the signature of the clerk.

The proceeds of any bond issue made under the provisions of this section shall be used only for the purpose of acquiring, locating, laying out, establishing and construction of drainage facilities, conduits, treatment plants, pumping plants, works, ditches, channels and outlets of such capacity and character as may be required for the treatment, carrying off and disposal of the sewage and industrial wastes and other drainage incidental thereto of such district, or to repair, change, enlarge and add to such facilities as may be necessary or proper to meet the requirements present and future for the purposes aforesaid. Proceeds from such bond issue may also be used for the payment of special assessment deficiencies. Said bonds shall be payable in not more than forty annual installments and with interest at a rate not exceeding that permitted by chapter 74A, and shall be made payable at such place and be of such form as the board of trustees shall by resolution designate. Any sanitary district issuing bonds as

authorized in this section is hereby granted authority to pledge the future avails of a tax levy to the payment of the principal and interest of such bonds after the same come due, and the power to impose and certify said levy is hereby granted to the trustees of sanitary districts organized under the provisions of this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.21]

**358.22 Special assessments and connection fees.**

The board of trustees of a sanitary district may provide for payment of all or any portion of the costs of acquiring, locating, laying out, constructing, reconstructing, repairing, changing, enlarging, or extending conduits, ditches, channels, outlets, drains, sewers, laterals, treatment plants, pumping plants, and other necessary adjuncts thereto, by assessing all, or any portion of the costs, on adjacent property according to the benefits derived. For the purposes of this chapter, the board of trustees may define "*adjacent property*" as all that included within a designated benefited district or districts to be fixed by the board, which may be all of the property located within the sanitary district or any lesser portion of that property. It is not a valid objection to a special assessment that the improvement for which the assessment is levied is outside the limits of the sanitary district, but a special assessment shall not be made upon property situated outside of the sanitary district. Special assessments pursuant to this section shall be in proportion to the special benefits conferred upon the property, and not in excess of the benefits, and an assessment shall not exceed twenty-five percent of the value of the property at the time of levy. The value of a property is the present fair market value of the property with the proposed public improvements completed. Payment of installments of a special assessment against property used and assessed as agricultural property shall be deferred upon the filing of a request by the owner in the same manner and under the same procedures as provided in chapter 384 for special assessments by cities.

The assessments may be made to extend over a period not to exceed fifteen years, payable in as nearly equal annual installments as practicable. A majority vote of the board of trustees is requisite and sufficient for any action required by the board of trustees under this section.

Subject to the limitations otherwise stated in this section, a sanitary district organized under this chapter has all of the powers to specially assess the costs of improvements described in this section, including the power to issue special assessment bonds, warrants, project notes, or other forms of interim financing obligations, which cities have under the laws of this state.

Subject to the limitations otherwise stated in this section, the board of trustees may establish one or more benefited districts and schedules of fees for the connection of property to the sanitary sewer facilities of a sanitary district. Each person whose property will be connected to the sanitary sewer facilities of a sanitary district shall pay a connection fee to the sanitary district, which may include the equitable cost of extending sanitary sewer service to the benefited district and reasonable interest from the date of construction to the date of payment. In establishing the benefited districts and establishing and implementing the schedules of fees, the board of trustees shall act in accordance with the powers granted to a city in section 384.38, subsection 3, and the procedures in that subsection. However, all fees collected under this paragraph shall be paid to the sanitary district and the moneys collected as fees shall be used only by the sanitary district to finance improvements or extensions to its sanitary sewer facilities, to reimburse the sanitary district for funds disbursed by its board of trustees to finance improvements or extensions to its sanitary sewer facilities, or to pay debt service on obligations issued to finance improvements or extensions to its sanitary sewer facilities. This paragraph does not apply when a sanitary district annexation plan or petition includes annexation of an area adjoining the district or a petition has not been presented for a sewer connection. Until the annexation becomes effective or the annexation plan or petition is abandoned, the state mandate contained in section 455B.172, subsections 3, 4, and 5, shall not apply unless the property owner requests to be connected to the sanitary district's sewer facilities and voluntarily pays the connection fee.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.22]

87 Acts, ch 197, §4; 93 Acts, ch 57, §1; 97 Acts, ch 62, §2

Referred to in §358.23

**358.23 Appeal to district court.**

Any person aggrieved by any proceeding had by the board of supervisors or by the board of trustees as herein provided in relation to any matter involving the person's rights not included under the provisions of section 358.22 may appeal to the district court of the county in which the proceedings were had. Such appeals shall be governed in all respects as is provided by pertinent sections under chapter 468, subchapter I, parts 1 to 5.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §358.23]

**358.24 Contracts outside of district.**

A sanitary district may enter into contracts with persons or firms outside its limits for the processing of sewage but the rate for processing shall not be less than that charged the inhabitants of the district.

A district entering into a contract may lay sewer lines in highways outside the district upon first obtaining the permission of the state department of transportation in the case of primary roads and the board of supervisors in case of secondary roads, on written application designating the particular highway and part thereof, the use of which is desired.

A sanitary district adjoining a border of the state and owning and operating a sewage disposal plant, may contract with the governing body of any legal entity in an adjacent area in another state, to process the sewage from the area. The contract shall be subject to approval of the Iowa department of public health.

[C58, 62, 66, 71, 73, §393.10, 393.11, 393.13; C75, 77, 79, 81, §358.24]

**358.25 Revenue bonds.**

Sanitary districts incorporated under this chapter may exercise the powers granted to counties in sections 331.462 to 331.470, to issue revenue bonds for the purposes in section 331.461, subsection 2, paragraphs "*b*" and "*c*".

[C35, §6066 – f1, f5, f8; C39, §**6066.24, 6066.28 – 6066.32;** C46, 50, 54, 58, 62, 66, §394.1, 394.5 – 394.9; C71, 73, §394.1, 394.5 – 394.9, 394.13; C75, 77, 79, 81, §332.44; S81, §358.25; 81 Acts, ch 117, §1069]

**358.26 Annexation.**

1. In a county which has more than seven thousand five hundred acres of natural lakes, the board of trustees may, or upon request of property owners representing twenty-five percent of the valuation of the property to be annexed shall, file a petition in the office of county auditor of the county in which the property to be annexed or the major part of the property is located, requesting that there be submitted to the voters of the existing district and the area to be annexed the question whether the territory proposed to be annexed should be annexed to the sanitary district. The property to be annexed must be located within the watershed of a natural lake or navigable water as defined in section 462A.2 in the existing district. The board of supervisors of the county in which the property to be annexed or the major part of the property is located shall have jurisdiction of the proceedings on the petition.

2. The petition shall be addressed to the board of supervisors of the county in which the property to be annexed or the major part of the property is located and shall include the following:

*a.* An intelligible description of the property to be annexed to the sanitary district.

*b.* A statement that the public health, comfort, convenience, or welfare will be promoted by the annexation of the property.

*c.* The signatures of the president and the clerk of the board of trustees.

98 Acts, ch 1139, §2

Referred to in §358.27, 358.28, 358.29

**358.27 Hearing on annexation — date and notice.**

1. The board of supervisors to which a petition filed pursuant to section 358.26 is addressed, at its next meeting, shall set the time and place for a public hearing on the petition. The board of supervisors shall direct the county auditor to give notice to interested persons of the pendency and content of the petition and of the public hearing by publication

of a notice as provided in section 331.305. Proof of publication shall be filed with and preserved by the county auditor. The notice of the public hearing shall include the following information:

*a.* That a petition has been filed with the county auditor proposing to annex property to the district.

*b.* An intelligible description of the property to be annexed to the district.

*c.* The date, time, and place of the public hearing at which the petition shall be considered by the county board of supervisors.

*d.* That the county board of supervisors shall determine the property to be annexed as described in the petition or otherwise described and, for the purpose of describing the property, the county board of supervisors may alter and amend the petition.

2. A copy of the notice shall also be sent by mail to each owner of each tract of land within the area to be annexed as shown by the transfer books of the county auditor's office. The mailings shall be to the last known address unless there is on file an affidavit of the county auditor or of a person designated by the board of supervisors to make the necessary investigation, stating that an address is not known and that diligent inquiry has been made to ascertain the address. The copy of the notice shall be mailed not less than twenty days before the date of the public hearing and the proof of service shall be made by affidavit of the county auditor. The proof of service shall be on file at the commencement of the public hearing.

3. In lieu of the mailing to the last known address, a person owning land to be annexed may file with the county auditor a written instrument designating the owner's mailing address for annexation purposes. The designated address is effective for five years and applies to all annexation proceedings pursuant to sections 358.26 through 358.29.

4. In lieu of publication or notice by mail, personal service of the notice may be made upon an owner of land proposed for annexation in the same manner as required for the service of original notices in the district court.

98 Acts, ch 1139, §3
Referred to in §358.28, 358.29

**358.28 Annexation hearing.**

The board of supervisors to whom a petition filed pursuant to section 358.26 is addressed shall preside at the public hearing provided for in section 358.27 and shall continue the hearing with adjournments from day to day until completed without giving further notice of the hearing. A representative of the sanitary district board of trustees shall attend the public hearing and be available to answer questions regarding the proposed annexation. The board of supervisors may consider the property to be annexed, whether the property shall be described as provided in the petition or be otherwise described, and for the purpose of describing the property, may amend the petition by limiting or changing the property to be annexed as stated in the petition. The board of supervisors shall adjust the property to be annexed as needed to exclude land that has no reasonable likelihood of benefit from inclusion in the area to be annexed. The boundaries of the area to be annexed shall not be changed to incorporate property which is not included in the petition until the owner of the property is given notice of the proposed annexation as provided in section 358.27.

All persons in the district and in the area to be annexed shall have an opportunity to be heard regarding the proposed annexation and make suggestions regarding the property to be annexed. The board of supervisors, after hearing the statements, evidence, and suggestions at the public hearing, shall enter an order determining the property to be annexed and directing that the question of annexation be submitted at an election to the registered voters residing within the district and within the area to be annexed. The order shall fix a date for the election which shall be held not more than sixty days after the date of the order.

98 Acts, ch 1139, §4
Referred to in §358.27, 358.29

**358.29 Notice, election, and expenses — costs.**

1. In the order for the election pursuant to section 358.28, the board of supervisors shall direct the county commissioner of elections to give notice of the election at least twenty days

before the date of election by publication of the notice as provided in section 331.305. The notice shall state the time and place of the election, the hours when the polls will be open, the purpose of the election including a description of the property to be annexed, a brief description of the limits of each voting precinct, and the location of polling places. Proof of publication shall be made in the same manner as provided in section 358.27 and filed with the county auditor.

2. Each registered voter who resides within the sanitary district and each registered voter who resides in the area to be annexed shall have the right to cast a ballot at the election. A registered voter shall not vote in any precinct except the precinct in which the voter resides. The ballots at the election shall be in substantially the following form:

For annexation ☐
Against annexation ☐

3. The results of an election shall be noted on the records of the county auditor. If a majority of the votes cast on the question of annexation favors annexation, the property contained in the area to be annexed shall be included in the sanitary district.

4. An election held pursuant to this section shall be conducted by the county commissioner of elections. All expenses incurred in implementing sections 358.26 through 358.29, including the costs of an election as determined by the county commissioner of elections, shall be paid by the sanitary district.

98 Acts, ch 1139, §5
Referred to in §358.27

**358.30 Annexation of land by a city — compensation.**

A sanitary district shall be fairly compensated for losses resulting from annexation. The governing body of a city or city utility and the board of trustees of the sanitary district may agree to terms which provide that the facilities owned by the sanitary district and located within the city shall be retained by the sanitary district for the purpose of sanitary service to customers outside the city. If an agreement is not reached within ninety days, the issues may be submitted to arbitration. If submitted, an arbitrator shall be selected by a committee which includes one member of the governing body of the city or its designee, one member of the sanitary district's board of trustees or its designee, and a disinterested party selected by the other two members of the committee. A list of qualified arbitrators may be obtained from the American arbitration association or another recognized arbitration organization or association.

93 Acts, ch 57, §2

## CONVEYANCE TO CITY

**358.31 Petition filed.**

A board of trustees of a sanitary district may, by resolution, authorize the filing of a petition in the office of the county auditor of the county in which the sanitary district or a major portion of it is located, requesting the conveyance and discontinuance of the sanitary district. The petition shall be addressed to the board of supervisors of the county where it is filed and must set forth:

1. The name of the sanitary district.

2. That the sanitary district lies wholly or partially within the corporate limits of a city, or the depository for the sanitary district is a municipal sanitary sewage system.

3. That the public health, comfort, convenience or welfare will be promoted by the conveyance and discontinuance of the sanitary district and the assumption of the duties, responsibilities and functions of the sanitary district by the city.

4. A statement that the city has agreed to assume the duties, responsibilities and functions of the sanitary district upon the conveyance and discontinuance. A copy of the agreement shall be attached to the petition.

5. A listing of the assets and liabilities of the sanitary district, including a complete statement of indebtedness.

6. A copy of the resolution of the board of trustees of the sanitary district.

[C75, 77, 79, 81, §358.25; S81, §358.31]

**358.32 Jurisdiction by board of supervisors.**

The board of supervisors of the county in which the sanitary district or a major portion of it is located shall have jurisdiction of the proceedings on the petition, and the decision of a majority of the members of the board shall be necessary for approval of the petition for conveyance and discontinuance. Orders of the board made under this section shall be spread upon the records of the proceedings of the board of supervisors, and shall be filed with the county recorder but need not be published under section 349.16.

[C75, 77, 79, 81, §358.26; S81, §358.32]

**358.33 Hearing on petition.**

The board of supervisors to whom the petition is addressed, at its next regular meeting shall set the time and place when it shall meet for a hearing on the petition, and it shall direct the county auditor in whose office the petition is filed to cause notice to be given to all persons whom it may concern, without naming them, of the pendency and request of the petition for the conveyance and discontinuance by publication of a notice as provided in section 331.305. Proof of giving notice shall be made by affidavit of the publisher and shall be filed with the county auditor at the time the hearing begins.

[C75, 77, 79, 81, §358.27; S81, §358.33]

87 Acts, ch 43, §11

**358.34 Notice.**

The notice of hearing shall state the following:

1. That a petition has been filed with the county auditor of the county for the conveyance and discontinuance of the sanitary district.

2. An intelligible description of the boundaries of the sanitary district.

3. The date, hour and place where the petition will be heard before the board of supervisors of the county.

4. That the board of supervisors will hear all persons having an interest in the matter and that after the hearing, the board of supervisors will take action as is in the best interest of the sanitary district.

[C75, 77, 79, 81, §358.28; S81, §358.34]

**358.35 Conducting hearing.**

The board of supervisors to whom the petition is addressed shall preside at the hearing and shall continue the same in session with adjournments from day to day, if necessary, and until completed, without being required to give further notice. At the hearing, all persons interested in the matter of the conveyance and discontinuance of the sanitary district may appear and shall be heard, for and against the conveyance and discontinuance, and the board shall examine into the matter and the equitable distribution of the assets, and equitable distribution and assumption of the liabilities which have accrued during the time the sanitary district has been in existence. The board shall receive evidence on the question from the parties interested, and, after hearing and reviewing the statements, evidence, and suggestions made and offered at the hearing, if it finds that the sanitary district lies wholly or partially within the corporate limits of a city or that the depository of the district is a municipal sanitary sewage system, that the public health, comfort, convenience or welfare will be promoted by the conveyance and discontinuance of the sanitary district and the assumption of the duties, responsibilities and functions of the sanitary district by the city, and that the city has agreed to assume the duties, responsibilities and functions of the sanitary district, shall enter an order specifying the matter and specifying the equitable distribution of the assets, and the equitable distribution and assumption of the liabilities and

responsibilities of the sanitary district and setting an effective date of the conveyance and discontinuance.

[C75, 77, 79, 81, §358.29; S81, §358.35]

**358.36 Filing order of discontinuance.**

When a sanitary district has been discontinued by order of the board of supervisors, as provided in this division, the order of the board of supervisors shall be filed in the office of the recorder in the county or counties in which the sanitary district is located. The agreement of the city in which the sanitary district is located and which has agreed to assume the duties, responsibilities and functions of the sanitary district shall also be filed along with, and as part of the order of the board of supervisors conveying and discontinuing the district.

[C75, 77, 79, 81, §358.30; S81, §358.36]

**358.37 Pending rights or liabilities.**

The assumption by the city shall not affect or impair any rights or liabilities then existing for or against either the sanitary district or the city, and they may be enforced as provided in this division.

[C75, 77, 79, 81, §358.31; S81, §358.37]

**358.38 Indebtedness assumed.**

The indebtedness of the sanitary district shall be assumed and paid by the city, and may be paid by a tax to be levied exclusively upon the property within the jurisdiction of the sanitary district as it existed prior to the conveyance and discontinuance, or by the issuance of such bonds as cities may issue for purchasing and acquiring any sanitary sewer system or sewage disposal works and facilities or both.

[C75, 77, 79, 81, §358.32; S81, §358.38]

Referred to in §358.39

**358.39 Claims prosecuted against city.**

Suits to enforce claims or demands existing at the time of the conveyance, discontinuance and assumption may be prosecuted or brought against the city which assumes the obligations of the sanitary district, and judgments obtained shall be paid as provided in section 358.38 for the payment of the indebtedness.

[C75, 77, 79, 81, §358.33; S81, §358.39]

**358.40 Dissolution.**

1. After three years from the establishment of a sanitary district, a petition may be filed in the office of the county auditor, addressed to the board of supervisors, signed by a majority of persons owning land in the district and who in aggregate own at least sixty percent of the land in the district. The petition shall include the above facts and recite each of the following:

*a.* That more than three years has passed since the date of the election which established the district.

*b.* That there are no bonds or other evidences of indebtedness outstanding against the district, or if there is indebtedness, the petition shall contain a plan of dissolution which makes adequate provisions for payment of the indebtedness.

*c.* That a construction contract has not been let or work done on any improvements in the district or if either has occurred, the petition shall contain a plan of dissolution which makes adequate provisions for payment of the contract price or for the work.

2. All costs and expenses of the district shall be assessed against the district before dissolution by the levy of an annual tax necessary to accomplish payment, but the levy shall not exceed the rate provided in this section.

3. The board shall examine the petition at its next meeting after its filing or within twenty days of the filing, whichever date is earlier. Within ten days of the meeting, the board shall publish notice of the petition and the date, time, and place of the meeting at which time the board proposes to take action on the petition. The notice shall be published in a newspaper of general circulation published in the district and, if no newspaper is published within the

district, in a newspaper published in the county in which the major part of the district is located. At the board's meeting, or subsequent meetings as necessary, if the petition is found to comply with the requirements of this section and the board of trustees consents by majority vote, the board of supervisors may provide for payment as requested or modify the method of payment of costs and expenses.

4. If the board decides that dissolution is warranted for the best interest of the public, it shall publish a notice in a newspaper of general circulation published in the district or, if no newspaper is published in the district, in a newspaper published in the county in which the major part of the district is located and give notice by mail to all known claimants or creditors of the district that it will receive and adjudicate claims against the district for four months from the date the notice is published and shall levy an annual tax as necessary against all property in the district for the number of years required to pay all claims allowed. However, the annual tax levied under this subsection shall not exceed four dollars per thousand dollars of assessed valuation of the taxable property within the district at the time of dissolution. The levy shall be made in the same manner as provided in section 76.2. After the board makes a specific finding that all indebtedness, costs, and expenses have been paid or levies approved for their payment, the board shall dissolve the district by resolution entered upon its records. The dissolution order shall be noted by the auditor on the county records, showing the date when the dissolution became effective.

5. The records of a dissolved district including, but not limited to, copies of all engineering files and work undertaken by engineers of a dissolved district, shall be deposited with the county auditor of the county designated by the board. Any remaining balances shall be deposited in the general fund of the county designated by the board. All other assets of the dissolved district shall become, by dissolution, assets of the county.

6. An action shall not be commenced to contest action of the board of supervisors under this section in adjudicating claims, providing for the levy of a tax, or dissolving the district unless it is brought within thirty days of the entry of the dissolution order on the county record.

84 Acts, ch 1051, §4; 2007 Acts, ch 126, §60

# CHAPTERS 358A and 358B

RESERVED

# CHAPTER 358C

## REAL ESTATE IMPROVEMENT DISTRICTS


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358C.20 Effective date of merger.
358C.21 Dissolution of district.
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358C.23 Chapter liberally construed.
358C.24 Disclosure of special assessment. Repealed by 2008 Acts, ch 1110, §2.


**358C.1 Legislative findings — purpose — definitions.**

1. The general assembly finds and declares as follows:

*a.* The economic health and development of Iowa communities is tied to opportunities for jobs in and near those communities and the availability of jobs is in part tied to the availability of affordable, decent housing in those communities.

*b.* A need exists for a program to assist developers and communities in increasing the availability of housing in Iowa communities.

*c.* A shortage of opportunities and means for developing local housing exists. It is in the best interest of the state and its citizens for infrastructure development which will lower the costs of developing housing.

*d.* The expansion of local housing is dependent upon the cost of providing the basic infrastructure necessary for a housing development. Providing this infrastructure is a public purpose for which the state may encourage the formation of real estate improvement districts for the purpose of providing water, sewer, roads, and other infrastructure.

2. As used in this chapter, unless the context otherwise requires:

*a.* *"Board"* means the board of trustees of a real estate improvement district.

*b.* *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

*c.* *"Construction"* includes materials, labor, acts, operations, and services necessary to complete a public improvement.

*d.* *"Cost"* of a public improvement includes the cost of engineering, preliminary reports, property valuations, estimates, plans, specifications, notices, legal services, acquisition of land, consequential damages, easements, rights-of-way, construction, repair, supervision, inspection, testing, notices and publication, interest during construction and for not more than twelve months thereafter, and printing and sale of bonds.

*e.* *"District"* means a real estate improvement district as created in this chapter.

*f.* *"Public improvement"* includes the principal structures, works, component parts, and accessories of the facilities or systems specified in section 358C.4.

*g.* *"Repair"* includes materials, labor, acts, operations, and services necessary for the reconstruction, reconstruction by widening, or resurfacing of a public improvement.

95 Acts, ch 200, §1; 96 Acts, ch 1204, §1; 2000 Acts, ch 1087, §1; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201

Referred to in §358C.16, 358C.17

**358C.2** Repealed by 96 Acts, ch 1204, § 12.

**358C.3 Real estate improvement district created.**

1. A majority of the owners having an interest in the real property within the limits of a proposed district may file a petition in the office of county auditor of the county in which the proposed district or major part of the proposed district is located, requesting that the question be submitted to the registered voters of the proposed district of whether the territory within the boundaries of the proposed district shall be organized as a real estate improvement district as provided in this chapter.

2. All of the owners having an interest in the real property within the limits of a proposed district may file a petition in the office of county auditor of the county in which the proposed district or a major part of the proposed district is located, requesting that the proposed district be organized as a real estate improvement district as provided in this chapter.

3. Only areas of contiguous territory may be incorporated within a district. The petition shall be addressed to the board of supervisors if all or part of the proposed district includes territory located outside the boundaries of a city, shall be submitted to the board of supervisors before it is filed with the county auditor, and shall set forth the following information:

*a.* The name of the district.

*b.* The district shall have perpetual existence.

*c.* The boundaries of the district.

*d.* The names and addresses of the owners of land in the proposed district.

*e.* The description of the tracts of land situated in the proposed district owned by those persons who may organize the district.

*f.* The names and descriptions of the real estate owned by the persons who do not join in the organization of the district, but who will be benefited by the district.

*g.* A listing of one or more of the district improvements specified in section 358C.4 which will be carried out by the district.

*h.* The owners of real estate in the proposed district that are unknown may also be set out in the petition as being unknown.

*i.* That the establishment of the proposed district will be conducive to the public health, comfort, convenience, and welfare.

4. The petition shall also state that the owners of real estate who are forming the proposed district are willing to pay the taxes which may be levied against all of the property in the proposed district and special assessments against the real property benefited which may be assessed against them to pay the costs necessary to carry out the purposes of the district.

5. The petition shall also state that the owners of real estate who are forming the proposed district waive any objections to a subsequent annexation by a city.

6. The petition shall propose the names of three or more trustees who shall be owners of real estate in the proposed district or the designees of owners of property in the proposed district, to serve as a board of trustees until their successors are elected and qualified if the district is organized. The board of trustees shall only carry out those purposes which are authorized in this chapter and listed in the petition. Each person proposed as a trustee shall disclose whether the person has any financial interest in any business which is or may be a developer or contractor for public improvements within the proposed real estate improvement district and the extent of the person's land ownership in the district, if any.

7. If the petition requests that the district be organized without an election, the petition shall contain the signatures of all known owners of property within the proposed district.

8. The petition shall be submitted to and approved by the city council before it is filed with the county auditor as provided in subsection 1. If a petition includes a proposed district located solely within the boundaries of a city, the petition is not subject to action by the board of supervisors except for the purpose of selecting the initial trustees and setting the election date to finally organize the district or the date to organize the district if no election is required.

9. A proposed district shall be created only from parcels of land within the boundaries of a city, on parcels of land, all or the major part of which is within two miles of the boundaries of a city, or on parcels of land from both locations.

95 Acts, ch 200, §3; 96 Acts, ch 1204, §2

Referred to in §358C.5, 358C.6

**358C.4 Public improvements authorized.**

1. A district may acquire, construct, reconstruct, install, maintain, and repair any of the public improvements listed in subsection 2.

2. A public improvement includes the principal structures, works, component parts, and accessories of any of the following:

*a.* Underground gas, water, heating, sewer, telecommunications, and electrical connections located in streets for private property.

*b.* Sanitary, storm, and combined sewers.

*c.* Waterworks, water mains, and extensions.

*d.* Emergency warning systems.

*e.* Pedestrian underpasses or overpasses.

*f.* Drainage conduits, dikes, and levees for flood protection.

*g.* Public waterways, docks, and wharfs.

*h.* Public parks, playgrounds, and recreational facilities.

*i.* Clearing, stripping, grubbing, earthwork, erosion control, lot grading, street grading, paving, graveling, macadamizing, curbing, guttering, and surfacing with oil and gravel or chloride.

*j.* Street lighting fixtures, connections, and facilities.

*k.* Sewage pumping stations.

*l.* Traffic control devices, fixtures, connections, and facilities.

*m.* Public roads, streets, and alleys.

95 Acts, ch 200, §4; 96 Acts, ch 1204, §3

Referred to in §358C.1, 358C.3, 358C.12, 358C.13, 358C.16, 358C.17

**358C.5 Date and notice of hearing.**

1. The board of supervisors to which the petition is addressed, at its next meeting, shall set the time and place for a hearing on the petition. The board shall direct the county auditor in whose office the petition is filed to cause notice to be given to all persons whom it may concern, without naming them, of the pendency and content of the petition, by publication of a notice as provided in section 331.305. Proof of giving the notice shall be made by affidavit of the publisher and the proof shall be on file with the county auditor at the time the hearing begins. The notice of hearing shall be directed to all persons it may concern, and shall state:

*a.* That a petition has been filed with the county auditor of the county, naming it, for establishment of a proposed district, and the name of the proposed district.

*b.* An intelligible description of the boundaries of the territory to be embraced in the district.

*c.* The date, hour, and the place where the petition will be brought for hearing before the board of supervisors of the named county.

*d.* That the board of supervisors will fix and determine the boundaries of the proposed district as described in the petition or otherwise, and for that purpose may alter and amend the petition. At the hearing all interested persons shall have an opportunity to be heard on the location and boundaries of the proposed district and to make suggestions regarding the location and boundaries.

*e.* That, in the case of a petition under section 358C.3, subsection 2, a property owner who was not known and who did not sign the petition and who does not object to the proposed district in writing prior to the hearing or in person at the hearing shall waive all objections to the organization of the proposed district.

2. For a district which does not include land within a city, copy of the notice shall also be sent by mail to each owner, without naming them, of each tract of land or lot within the proposed district as shown by the transfer books of the auditor's office. The mailings shall be to the last known mailing address unless there is on file an affidavit of the auditor or of a person designated by the board to make the necessary investigation, stating that a mailing address is not known and that diligent inquiry has been made to ascertain it. The copy of notice shall be mailed no less than twenty days before the day set for hearing and proof of service shall be by affidavit of the auditor. The proofs of service required by this subsection shall be on file at the time the hearing begins.

3. In lieu of the mailing to the last known address a person owning land affected by a proposed district may file with the county auditor an instrument in writing designating the address for the mailing. This designation when filed is effective for five years and applies to all proceedings under this chapter. The person making the designation may change the address in the same manner as the original designation is made.

4. In lieu of publication, personal service of the notice may be made upon an owner of land in the proposed district in the manner and for the time required for service of original notices in the district court. Proof of the service shall be on file with the auditor on the date of the hearing.

95 Acts, ch 200, §5
Referred to in §358C.6, 358C.7, 358C.9

**358C.6 Hearing of petition and order.**

The board of supervisors to whom the petition is addressed shall preside at the hearing provided for in section 358C.5 and shall continue the hearing in session, with adjournments from day to day, if necessary, until completed, without being required to give any further notice of the hearing. Proof of the residences and qualifications of the petitioners as registered voters shall be made by affidavit or otherwise as the board may direct. The board may consider the boundaries of a proposed district, whether the boundaries are described in the petition or otherwise, and for that purpose may alter and amend the petition and limit or change the boundaries of the proposed district as stated in the petition. The board shall adjust the boundaries of a proposed district as needed to exclude land that has no reasonable likelihood of benefit from inclusion in the proposed district. The boundaries of a proposed district shall not be changed to incorporate property not included in the original petition and published notice until the owner of the property is given notice of inclusion as on the original hearing. All persons in the proposed district shall have an opportunity to be heard regarding the location and boundaries of the proposed district and to make suggestions regarding the location and boundaries, and the board of supervisors, after hearing the statements, evidence, and suggestions made and offered at the hearing, shall approve or reject the petition. If the petition is approved, the board shall enter an order fixing and determining the limits and boundaries of the proposed district and whether or not all present and future property owners within the district have waived any objections to the annexation by a city if the district has issued obligations or bonds for public improvement and the city assumes those obligations, and, if the petition was requested under section 358C.3, subsection 1, directing that an election be held for the purpose of submitting to the registered voters owning land within the boundaries of the proposed district the question of organization and establishment of the proposed district as determined by the board of supervisors. The order shall fix a date for the election not more than sixty days after the date of the order. If the petition was requested under section 358C.3, subsection 2, the order shall fix a date for the organization of the district.

95 Acts, ch 200, §6
Referred to in §358C.9

**358C.7 Notice of election.**

In its order for the election the board of supervisors shall direct the county commissioner of elections of the county in which the petition is filed to cause notice of the election to be given at least thirty days before the date of election by publication of the notice as provided in section 331.305. The notice shall state the time and place of holding the election and the hours when the polls will open and close, the purpose of the election, with the name of the proposed district and a description of the boundaries of the proposed district, and shall set forth briefly the limits of each voting precinct and the location of the polling places. Proof of publication shall be made in the manner provided in section 358C.5 and filed with the county auditor.

95 Acts, ch 200, §7
Referred to in §358C.13

**358C.8 Election.**

1. Each registered voter resident within the proposed district shall have the right to cast a ballot at the election and a person shall not vote in any precinct but that of the person's residence. Ballots at the election shall be in substantially the following form, to wit:

For Real Estate Improvement District ☐
Against Real Estate Improvement District ☐

2. The board of supervisors shall cause a statement of the result of the election to be included in the records of the county auditor. If a majority of the votes cast upon the question of incorporation of the proposed district shall be in favor of the proposed district, the proposed district shall be deemed an organized real estate improvement district under this chapter and established as conducive to the public health, comfort, convenience, and welfare.

3. In the event the petition and order provide that any present or future owner of property within the district waives objection to annexation if the district has issued obligations or bonds for a public improvement and the annexing city assumes those obligations, the board of supervisors shall file a certified declaration of that provision and a legal description of all real estate in the district with the county recorder in each county in which the district is located.

95 Acts, ch 200, §8

**358C.9 Expenses and costs of election.**

The election held pursuant to this chapter shall be conducted by the county commissioner of elections. All expenses incurred in carrying out sections 358C.5 and 358C.6, and the costs of the election, as determined by the county commissioner of elections, shall be paid by those who will be benefited by the proposed district. If the district is not established, the expenses and costs shall be collected upon the bonds of the petitioners.

95 Acts, ch 200, §9; 2009 Acts, ch 133, §129

**358C.10 Selection of trustees — term of office.**

1. The board of supervisors or city council which had jurisdiction of the proceedings for establishment of the district, together with the board of supervisors of any other county in which any part of the district is located, shall appoint three trustees from among those persons listed in the petition. The trustees shall serve an initial two-year term.

2. Vacancies in the office of trustee of a district shall be filled by the remaining members of the board for the period until a successor is chosen in the manner prescribed by this section or by section 69.12, whichever is applicable.

3. Successors to trustees shall be elected at a special meeting of the board of trustees called for that purpose. Upon its own motion, the board of trustees may, or upon petition of landowners owning more than fifty percent of the total land in the district, shall, call a special meeting of the residents of the district to elect successors to trustees of the board. Notice of the meeting shall be given at least ten days before the date of the meeting by publication of the notice in a newspaper of general circulation in the district. The notice shall state the date, times, and location of the meeting and that the meeting is called for the purpose of electing one or more trustees to the board.

4. A candidate to fill a vacancy or as a successor trustee shall disclose prior to selection as a trustee whether the person has any financial interest in any business which is or may be a developer or contractor for public improvements within the real estate improvement district and the extent of the person's land ownership in the district, if any.

95 Acts, ch 200, §10; 96 Acts, ch 1204, §4

**358C.11 Trustee's bond.**

Each trustee, before entering upon the duties of office, shall execute a bond payable to the district, with security to be approved by the board of supervisors which had jurisdiction of the

petition for establishment of the district, in such form and amount as the board of supervisors may determine, which bond shall be filed with the county auditor of the county.

95 Acts, ch 200, §11

**358C.12 Real estate improvement district to be a body corporate — eminent domain.**

1. Each district organized under this chapter shall be a body corporate and politic, with the name and style under which it was organized, and by that name and style may sue and be sued, contract and be contracted with, acquire and hold real and personal property necessary for corporate purposes, adopt a corporate seal and alter the same at pleasure, and exercise all the powers conferred in this chapter.

2. All courts of this state shall take judicial notice of the existence of real estate improvement districts organized under this chapter.

3. A district shall not own or hold land in excess of ten acres unless the land is actually used for a public purpose within three years of its acquisition. A district which owns or holds land in excess of ten acres for more than three years without devoting it to a public purpose as provided in this chapter shall divest itself of the land by public auction to the highest bidder.

4. A district may acquire by purchase, condemnation, or gift, real or personal property, right-of-way, and easement within or without its corporate limits necessary for its corporate purposes specified in section 358C.4.

5. If the board of trustees of the district decide to make a public improvement pursuant to this chapter which requires that private property be taken or damaged, the board may exercise the power of eminent domain. The procedure to condemn property shall be exercised in the manner provided in chapter 6B.

6. A district shall comply with all city building and use codes for owner-occupied residential housing and shall comply with all city design and construction standards for the public improvements authorized in section 358C.4.

7. A district shall not incorporate as a city if all or the major part of the district is within two miles of the boundaries of a city at the time the district is approved.

8. The provisions of chapters 21 and 22 applicable to cities, counties, and school districts apply to the district. The records of the district are subject to audit pursuant to section 11.6.

95 Acts, ch 200, §12

**358C.13 Board of trustees — powers — prohibited actions.**

1. The board of trustees is the corporate authority of the district and shall manage and control the affairs and property of the district. A majority of the board of trustees shall constitute a quorum, but a smaller number may adjourn from day to day. The board of trustees shall elect a president, a clerk, and a treasurer from its membership.

2. The board of trustees shall maintain the official records of the district, which shall include information regarding the service of any indebtedness of the district, including special assessment bonds. The board shall report annually on the progress of the district in retiring indebtedness.

3. The board of trustees may adopt the necessary ordinances, resolutions, and regulations for the proper management and conduct of the business of the board of trustees and the corporation and for carrying out the purposes for which the district is formed, including for the negotiation of short-term loans and the issuance of warrants.

4. The board of trustees shall provide public notice prior to each meeting of the board. The notice shall contain the agenda of the meeting which shall describe the proposed actions to be taken by the board at the meeting.

5. If the board of trustees wishes to expand its authority to carry out public improvements in addition to the public improvements listed in the board's original petition as provided in section 358C.4, the board shall submit a petition to the board of supervisors specifying the additional public improvements to be included within the authority of the district and requesting that the board of supervisors order an election as provided in section 358C.7 to approve or disapprove the amendment. If the petition includes public improvements as specified in section 358C.4, the board of supervisors shall order the election to be conducted

as otherwise provided in this chapter. If the amendment is approved, the original petition is amended to include the additional public improvements.

6. The board of trustees of a district shall not purchase and resell electric service or establish and operate a gasworks or electric light and power plant and system.

7. The board of trustees shall not require or grant a franchise to any person pursuant to section 364.2, subsection 4.

8. The board of trustees shall not prohibit or restrict the construction of manufactured homes in a real estate improvement district. As used in this subsection, *"manufactured home"* has the same meaning as under section 435.1, subsection 3.

9. The board of trustees shall not enter into a contract for public improvements or other services with a board member or with any person owning more than twenty-five percent of the land of a real estate improvement district except as a result of competitive bidding.

95 Acts, ch 200, §13; 96 Acts, ch 1034, §32; 96 Acts, ch 1204, §5

**358C.14 Taxes — power to levy — tax sales.**

1. The board of trustees of a real estate improvement district shall have the power by ordinance to levy annually for the purpose of paying the administrative costs of the district, or for the payment of deficiencies in special assessments, or for both, a tax upon property within the territorial limits of the district not exceeding fifty-four cents per thousand dollars of the adjusted taxable valuation of the property within the district for the preceding fiscal year.

2. All taxes thus levied by the board shall be certified by the clerk on or before March 1 to the county auditor of each county in which any of the property included within the territorial limits of the district is located, and shall be placed upon the tax list for the current fiscal year by the auditor. The county treasurer of more than one county shall collect all taxes so levied in the same manner as other taxes, and when delinquent the taxes shall draw the same interest. All taxes levied and collected shall be paid over by the officer collecting the taxes to the treasurer of the district.

3. Sales for delinquent taxes owing to the district shall be made at the same time and in the same manner as the sales are made for other taxes, and all provisions of the law of this state relating to the sale of property for delinquent taxes shall be applicable, so far as may be, to the sales.

95 Acts, ch 200, §14

**358C.15 Rentals and charges.**

1. A board of trustees may by ordinance establish equitable rates, charges, or rentals for the utilities and services furnished by the district to be paid to the district by every person, firm, or corporation whose premises are served by a connection to the utilities and services directly or indirectly. The rates, charges, or rentals, as near as may be in the judgment of the board of trustees, shall be equitable and in proportion to the services rendered and the cost of the services, and taking into consideration in the case of the premises the quantity of sewage or water produced or used and the concentration, strength, and pollution qualities of the sewage. The board of trustees may change the rates, charges, or rentals as it may deem advisable, and by ordinance may provide for collection. The board may contract with any municipality within the district, whereby the municipality may collect or assist in collecting any of the rates, charges, or rentals, whether in conjunction with water rentals or otherwise, and the municipality may undertake the collection and render the service. The rates, charges, or rentals, if not paid when due, shall constitute a lien upon the real property served by a connection. The lien shall have equal precedence with ordinary taxes, may be certified to the county treasurer and collected in the same manner as taxes, and is not divested by a judicial sale.

2. Sewer rentals, charges, or rates may supplant or replace, in whole or in part, any monetary levy of taxes which may be, or have been, authorized by the board of trustees for any of the following purposes:

*a.* To meet interest and principal payments on bonds legally authorized for the financing of sanitary utilities in any manner.

*b*. To pay costs of the construction, maintenance, or repair of the facilities or utilities, including payments to be made under any contract between municipalities for either the joint use of water or sewage facilities, or for the use by one municipality of all or a part of the water or sewer system of another municipality.

95 Acts, ch 200, §15

**358C.16 Debt limit — borrowing — bonds — purposes.**

1. A district may borrow money for its corporate purposes, but shall not become indebted in any manner or for any purpose to an amount in the aggregate exceeding its constitutional debt limit of five percent on the value of the taxable property within the district, to be ascertained by the last state and county tax lists previous to the incurring of the indebtedness. Indebtedness within this constitutional limit shall not include the indebtedness of any other municipal corporation located wholly or partly within the boundaries of the district, special assessment bonds or obligations authorized under section 358C.17.

2. Subject only to this debt limitation, a district shall have the same powers to issue bonds, including both general obligation and revenue bonds, including the power to enter into short-term loans and issue warrants, which cities have under the laws of this state. In the application of the laws to this chapter, the words used in the laws referring to municipal corporations or to cities shall be held to include real estate improvement districts organized under this chapter; the words "council" or "city council" shall be held to include the board of trustees of a district; the words "mayor" and "clerk" shall be held to include the president and clerk of a board of trustees; and like construction shall be given to any other words in the laws where required to permit the exercise of the powers by real estate improvement districts.

3. All bonds issued shall be signed by the president of the board of trustees and attested by the clerk, with the seal of the district, if any, affixed, and interest coupons attached to the bonds shall be attested by the signature of the clerk.

4. The proceeds of any bond issue made under this section shall be used only for the cost of public improvements as specified in sections 358C.1 and 358C.4. Proceeds from the bond issue may also be used for the payment of special assessment deficiencies. The bonds shall be payable in not more than forty annual installments and with interest at a rate not exceeding that permitted by chapter 74A, and shall be made payable at the place and be of the form as the board of trustees shall by resolution designate. A district issuing bonds as authorized in this section is granted authority to pledge the future avails of a tax levy to the payment of the principal and interest of the bonds after the same come due, and the power to impose and certify the levy is granted to the trustees of real estate improvement districts organized under this chapter.

95 Acts, ch 200, §16; 96 Acts, ch 1204, §6

**358C.17 Special assessments.**

1. The board of trustees of a real estate improvement district may provide for payment of all or any portion of the costs of a public improvement as specified in sections 358C.1 and 358C.4, by assessing all, or any portion of, the costs on adjacent property according to the benefits derived. For the purposes of this chapter, the board of trustees may define "*adjacent property*" as all that included within a designated benefited district to be fixed by the board, which may be all of the property located within the real estate improvement district or any lesser portion of that property. It is not a valid objection to a special assessment that the improvement for which the assessment is levied is outside the limits of the district, but a special assessment shall not be made upon property situated outside of the district. Special assessments pursuant to this section shall be in proportion to the special benefits conferred upon the property, and not in excess of the benefits. The value of a property is the present fair market value of the property with the proposed public improvements completed. Payment of installments of a special assessment against property shall be made in the same manner and under the same procedures as provided in chapter 384 for special assessments by cities. Notwithstanding the provisions of section 384.62, the combined assessments against any lot for public improvements included in the petition creating the real estate improvement district

or as authorized in section 358C.4 shall not exceed the valuation of that lot as established by section 384.46.

2. The assessments may be made to extend over a period not to exceed fifteen years, payable in as nearly equal annual installments as practicable. A majority vote of the board of trustees is requisite and sufficient for any action required by the board of trustees under this section.

3. Subject to the limitations otherwise stated in this section, a district organized under this chapter has all of the powers to specially assess the costs of improvements described in this section, including the power to issue special assessment bonds, warrants, project notes, or other forms of interim financing obligations, which cities have under the laws of this state.

4. A special assessment under this section shall be recorded in the county in which the district is located for each lot in the district.

5. Notwithstanding section 384.65, subsection 5, a district shall have a lien on the benefited property only in the amount of special assessment installments that have come due but have not been paid. The district shall not have a lien for the total amount of the special assessment originally levied against the benefited property. A lien, including, but not limited to, a lien for a mortgage for the construction or the purchase of housing on property benefited by improvements and against which a special assessment is levied under this chapter, shall have precedence over a special assessment which has been levied by the district but is not due. A district's lien shall only be in the amount of installments whose due dates have passed without payment, along with all interest and penalties on the delinquent installments. The district's lien for delinquent installments, interest, and penalties shall have equal precedence with ordinary taxes and shall not be divested by judicial sale. Any remaining special assessment installments that have not become due shall not be divested by judicial sale and shall become a lien when the special assessment installments become due.

95 Acts, ch 200, §17; 96 Acts, ch 1034, §33; 96 Acts, ch 1204, §7, 8

Referred to in §358C.16

**358C.18 Additional territory.**

1. The district may be enlarged and additional territory annexed to the district by either of the following methods:

*a.* By petitions signed by the owners of all the property to be annexed to the district. If a petition requesting annexation is presented to the trustees and approved by the trustees the change in the boundaries to include the additional area shall be certified by the clerk of the district to the county auditor in which the greater portion of the district is located and thereafter the district shall include the area thus annexed.

*b.* By a petition filed with the clerk of the district, signed by persons owning not less than fifty percent of the area to be annexed, but not signed by persons owning all the area requested to be annexed. On the filing of the petition, the trustees of the district shall fix a time and place for a hearing on the petition and give notice of the hearing, as provided in section 331.305, and by certified mail to the record owners of all persons owning land within the territory sought to be annexed, not less than ten days prior to the date of the hearing, if the address of the owners is known or can be ascertained by reasonable diligence by the trustees. At the hearing, any person owning property within the area proposed to be annexed or any person owning property or residing within the district may appear and be heard. If, after the hearing, the board of trustees determines that annexation of the additional area will be conducive to the public health, convenience, and welfare and will not be an undue burden on the district, the board of trustees may, by resolution, annex the additional area and fix the boundary which shall not include more than the area requested in the petition. A copy of the resolution shall be filed with the county auditor of the county in which the largest portion of the district is located and thereafter the area included by the resolution shall be a part of the district.

2. All property, from and after it is annexed to the district, shall be subject to all taxes and other burdens levied by the district, regardless of when the obligation for which the taxes or assessments are levied was incurred.

95 Acts, ch 200, §18

**358C.19 Annexation by a city.**

When a city or real estate improvement district proposes that the district be annexed by the city, either wholly or partially, an owner of property in the district shall not object to the annexation if a city annexes all the territory within the boundaries of a real estate improvement district, the district shall merge with the city and the city shall succeed to all the property and property rights of every kind, contracts, and obligations, held by or belonging to the district, and the city shall be liable for and recognize, assume, and carry out all valid contracts and obligations of the district. The city may assume and provide for the payment of the obligations of any bonds of the district by issuing general obligation, special assessment, or revenue refunding bonds which may be sold at public or private sale or exchanged for outstanding bonds. General obligation bonds of the city may be issued to refund special assessment and revenue obligations if the governing body of the city determines that it is in the best interest of the city. The refunding of these obligations shall constitute an essential corporate purpose under section 384.24. All taxes, assessments, claims, and demands of every kind due or owing to the district shall be paid to and collected by the city. Any special assessments which the district was authorized to levy, assess, relevy, or reassess, but which were not levied, assessed, relevied, or reassessed, at the time of the merger, for improvements made by the district or in the process of construction or contracted for may be levied, assessed, relevied, or reassessed by the annexing city to the same extent as the district may have levied or assessed but for the merger. However, this section does not authorize the annexing city to revoke any resolution, order, or finding made by the district in regard to special benefits or increase any assessments made by the district, but the city shall be bound by all findings or orders and assessments to the same extent as the district would be bound. Also, a district shall not levy any special assessments after the effective date of the annexation.

95 Acts, ch 200, §19

**358C.20 Effective date of merger.**

The merger shall be effective thirty days after the effective date of the ordinance annexing the territory within the district. However, if the validity of the ordinance annexing the territory is challenged by a court proceeding, the effective date of the merger shall be thirty days after the final determination of the validity of the ordinance. The trustees of a district shall continue in possession and conduct the affairs of the district until the effective date of the merger, but shall not during the period levy any special assessments after the effective date of annexation.

95 Acts, ch 200, §20

**358C.21 Dissolution of district.**

When a majority of the board of trustees of a district desire that the district be wholly dissolved, the trustees shall first propose a resolution declaring the advisability of the dissolution and setting out the terms and conditions of the dissolution, and also setting out the time and place when the board of trustees shall meet to consider the adoption of the resolution. Notice of the time and place when the resolution shall be set for consideration shall be published as provided in section 331.305, which publication shall contain the entire wording of the proposed resolution. If any part of the district lies within the area of the jurisdiction of a city, then the trustees shall mail a copy of the proposed resolution to the city on the date of first publication of the resolution. At the hearing the owners of property within the district, or a city if any part of the district lies within the city, may appear and make objections to the proposed resolution. If the owners representing a majority of the area of real estate within the district fail to sign and present to the board, on or prior to the hearing date, a written petition opposing the resolution, a majority of the board of trustees may pass the resolution and adopt the proposed dissolution. However, the resolution shall not be adopted if the district is obligated on any outstanding bonds, warrants, or other debts or obligations unless the holders of the bonds, warrants, or other debts or obligations all sign written consents to the dissolution prior to the adoption of the resolution of dissolution. If the petition opposing the resolution is signed by property owners representing a majority of the area of real estate within the district and presented to the board of trustees on or prior

to the hearing date, the board of trustees shall not adopt the resolution. After the board of trustees has adopted the resolution of dissolution, the clerk of the district shall prepare and file a certified copy of the resolution of dissolution in the office of the county auditor where the original petition was filed. A district shall dissolve within ninety days following the merger of a district with a city.

95 Acts, ch 200, §21

**358C.22 Detachment of land.**

1. When a majority of the board of trustees of a district desires that any property within the district be detached from the district, the trustees shall first propose a resolution declaring the advisability of the detachment and setting out the terms and conditions of the detachment and also setting out the time and place when the board of trustees will meet to consider the adoption of the resolution. Notice of the time and place when the resolution is set for consideration shall be published as provided in section 331.305, which publication shall contain the entire wording of the proposed resolution. If any part of the district lies within a city, then the trustees shall mail a copy of the proposed resolution to the city on the date of first publication of the resolution. At the hearing the owners of property within the district, or any city, may appear and make objections to the proposed resolution. If the owners representing a majority of the area of real estate within the district fail to sign and present to the board of trustees, on or prior to the hearing date, a written petition opposing the resolution, a majority of the board of trustees may pass the resolution and adopt the proposed detachment, except that the resolution shall not be adopted if the district is indebted on any outstanding bonds or warrants of the district unless the holders of the bonds and warrants all sign written consents to the detachment prior to the adoption of the resolution of detachment. If the petition opposing the resolution is signed by property owners representing a majority of the area of real estate within the district and presented to the board of trustees on or prior to the hearing date, the board of trustees shall not adopt the resolution. After the board of trustees has adopted the resolution of detachment, the clerk of the district shall prepare and file a certified copy of the resolution of detachment in the office of the county auditor where the original petition was filed, and the area detached shall become excluded and detached from the boundaries of the district.

2. The owner of a discrete tract of land which is part of a district but which is not connected to the main area of the district may petition the board of trustees of the district to have the property detached from the district. Following receipt of the petition, the board of trustees shall propose a resolution declaring the advisability of the detachment and setting out the terms and conditions of the detachment and setting out the time and place when the board of trustees will meet to consider the adoption of the resolution. Notice of the time and place for the consideration shall be published as provided in subsection 1. If any part of the district lies in whole or in part within a city, the board of trustees shall mail a copy of the proposed resolution to the municipality within five days after the date of first publication of the resolution. At the hearing for consideration of the resolution, the board of trustees shall determine if the tract of land proposed for detachment has all of the following characteristics:

*a.* Has an area of twenty-five acres or more.

*b.* Is undeveloped and predominantly devoted to agricultural uses.

*c.* Has no improvements or obligations placed upon it by the district and receives no current services from the district.

3. If the board of trustees by majority vote determines that the tract in question meets all of the conditions provided in subsection 2, paragraphs "*a*" through "*c*", the resolution shall be adopted, except that the resolution shall not be adopted if the district is indebted on any outstanding bonds or warrants of the district unless the holders of the bonds and warrants all sign written consents to the detachment. After the board of trustees has adopted the resolution of detachment, the clerk of the district shall prepare and file a certified copy of the resolution of detachment in the office of the county auditor where the original petition was

filed and the area detached shall become excluded and detached from the boundaries of the district.

95 Acts, ch 200, §22

**358C.23 Chapter liberally construed.**

The provisions of this chapter shall be liberally construed to facilitate the development of land for housing.

95 Acts, ch 200, §23

**358C.24 Disclosure of special assessment.** Repealed by 2008 Acts, ch 1110, § 2.

# SUBTITLE 3

## TOWNSHIPS

# CHAPTER 359

## TOWNSHIPS AND TOWNSHIP OFFICERS

Referred to in §28E.41, 28E.42, 331.303, 331.382, 331.512


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DIVISION, BOUNDARIES, AND
CHANGE OF NAMES

**359.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**359.2 Division authorized.**

The board of supervisors shall divide the county into townships, as convenience may require, defining the boundaries thereof, and may, from time to time, make such alterations in the number and boundaries of the townships as it may deem proper.

[C51, §219; R60, §441; C73, §379; C97, §551; C24, 27, 31, 35, 39, §**5527;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.1]

C2001, §359.2

**359.3 Boundaries conterminous with city.**

Where the boundaries of any city have been changed, the board of supervisors of the county in which the same is situated shall have power to change the boundary lines of townships so as to make them conform to the boundaries of the city, and to make such other changes in township lines, and the number of townships, as it may deem necessary; but no action shall be taken affecting the boundaries or existing conditions of school districts.

[C97, §552; C24, 27, 31, 35, 39, §**5529;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.3]

**359.4 Record.**

The description of the boundaries of each township, and all alterations in them, and of all new townships, shall be recorded in full in the records of the board of supervisors, and of the township.

[C51, §220; R60, §442; C73, §381; C97, §553; C24, 27, 31, 35, 39, §**5530;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.4]

**359.5 Divisions where city included.**

When any township has within its limits a city with a population exceeding fifteen hundred, the eligible electors of such township residing without the limits of such city may, at any regular session of the board of supervisors of the county, petition to have such township divided into two townships; the one to embrace the territory without, and the other the territory within such corporate limits.

[C73, §382; C97, §554; C24, 27, 31, 35, 39, §**5531;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.5]

**359.6 Petition — remonstrance.**

Such petition shall be accompanied by the affidavit of three eligible electors, to the effect that all the signatures to such petition are genuine, and that the signers thereof are all eligible electors of said township, residing outside said corporate limits. Remonstrances signed by such eligible electors may also be presented at the hearing before the board of supervisors hereinafter provided for, and if the same persons petition and remonstrate, they shall be counted on the remonstrance only.

[C73, §382; C97, §554; C24, 27, 31, 35, 39, §**5532;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.6]

**359.7 Notice.**

Notice of the time when the petition will be heard shall be given by publication as provided in section 331.305 before the hearing.

[C73, §383; C97, §555; S13, §555; C24, 27, 31, 35, 39, §**5533;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.7]

87 Acts, ch 43, §13

**359.8 Division — effect.**

If the petition is signed by a majority of the registered voters of the township residing without the corporate limits of the city, the board of supervisors shall divide the township into two townships, as petitioned; but, except for election purposes, including the appointment of precinct election officials rendered necessary by the change, the division shall not take effect until the first day of January following the next general election which is not a Sunday or a legal holiday.

[C73, §384; C97, §556; C24, 27, 31, 35, 39, §**5534;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.8]

89 Acts, ch 83, §49; 90 Acts, ch 1238, §39; 2001 Acts, ch 56, §29

**359.9 Restoration to former township.**

When the citizens of any township so set off desire to dissolve their township organization and return again to the township from which they were taken, they may do so by the same proceedings as provided for the division thereof, except that said petition shall be signed by a majority of the electors of both townships.

[C97, §556; C24, 27, 31, 35, 39, §**5535;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.9]

**359.10 New township — first election.**

When a new township is formed, in which township officers are to be elected, the board of supervisors shall call the first township election, to be held at such place as it may designate, on the day of the next general election. If at any time a new township has been created in a year in which no general election is held, the board may call a special election for the election of the township officers of the new township, who shall continue in office until their successors are elected and qualified.

[C51, §231; R60, §453; C73, §385; C97, §557; S13, §1074-a; C24, 27, 31, 35, 39, §**5536;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.10]

**359.11 Officers to be elected.**

At the election there shall be elected two trustees for a term of two years and one trustee for a term of four years, and one clerk for a term of four years.

[S13, §1074-a; C24, 27, 31, 35, 39, §**5537;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.11]

2010 Acts, ch 1033, §50

**359.12 Order for election.**

The county commissioner of elections shall issue an order for such first election, stating the time and place of the same, the officers to be elected, and any other business to be transacted; and no business not named in such order shall be transacted at such election.

[C51, §232; R60, §454; C73, §386; C97, §558; C24, 27, 31, 35, 39, §**5538;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.12]

**359.13 Service and return.**

Such order may be directed to any citizen of the same township, by name, and shall be served by posting copies thereof, in three of the most public places in the township, fifteen days before the day of the election; the original order shall be returned to the presiding officer

of the election, to be returned to the clerk when elected, with a return thereon of the manner of service, verified by oath, if served by any other than an officer.

[C51, §233; R60, §455; C73, §387; C97, §559; C24, 27, 31, 35, 39, §**5539;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.13]

**359.14 Changing name — petition — notice.**

Eligible electors of a township wishing to change its name may petition the board of supervisors and, if it appears to the board that a majority of the eligible electors of the township are in favor of the change, the board shall cause notices, attested by the auditor, to be posted in three of the most public places of the township, for at least thirty days before the next regular session of the board. The notice shall state that a petition has been presented to the board by the eligible electors of the township, seeking a change of the name of the township and shall state the name sought in the petition, and that, unless those interested in the change of name appear at the next regular session of the board and show cause why the name shall not be changed, there will be an order made granting the change.

[C73, §412; C97, §580; C24, 27, 31, 35, 39, §**5540;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.14]

90 Acts, ch 1168, §45

**359.15 Hearing — order.**

If, at the time fixed for the hearing of said petition, the board be satisfied that there is a majority in favor of such change of name, it shall make an order granting the same, which shall be attested by the auditor, and recorded in the office of the recorder of the county.

[C73, §413; C97, §581; C24, 27, 31, 35, 39, §**5541;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.15]

**359.16 Petition dismissed.**

If it appears to said board that a majority of the citizens of such township are opposed to such change, such petition shall be dismissed. The cost of the proceeding in all cases shall be taxed against the petitioners.

[C73, §414; C97, §582; C24, 27, 31, 35, 39, §**5542;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.16]

## TRUSTEES

**359.17 Trustees — duties — meetings.**

1. The board of township trustees in each township shall consist of three registered voters of the township. However, in townships with a taxable valuation for property tax purposes of two hundred fifty million dollars or more, the board of township trustees shall consist of five registered voters of the township. The trustees shall act as fence viewers and shall perform other duties assigned them by law. The board of trustees shall meet not less than two times a year. At least one of the meetings shall be scheduled to meet the requirements of section 359.49.

2. A board of township trustees shall give prior notice of a meeting to discuss, deliberate, or act upon a matter relating to the budget or a tax levy of the township or relating to the trustees' duty to provide fire protection service and, if provided, emergency medical service, pursuant to section 359.42. The trustees shall give notice of such meeting at least twenty-four hours preceding the commencement of the meeting. The notice shall state the time, date, and place of the meeting and the proposed agenda. The notice shall be provided to the county

auditor who shall post the notice in an area of the courthouse where notices to the public are commonly posted.

[C51, §221, 224; R60, §443, 446; C73, §389, 393, 969; C97, §574, 1074, 1538; S13, §1074, 1528; C24, 27, 31, 35, 39, §**5543;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.17]

2000 Acts, ch 1113, §1, 3, 4; 2000 Acts, ch 1117, §22; 2001 Acts, ch 56, §30; 2002 Acts, ch 1134, §102, 115; 2007 Acts, ch 139, §1; 2009 Acts, ch 132, §4

Fences, chapter 359A

**359.18 County attorney as counsel.**

In counties having a population of less than twenty-five thousand, where the trustees institute, or are made parties to, litigation in connection with the performance of their duties, as provided in this chapter, the county attorney, as a part of the county attorney's official duties, shall appear in behalf of the township trustees, except in cases in which the interests of the county and those of the trustees are adverse.

[S13, §564; C24, 27, 31, 35, 39, §**5544;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.18]

Referred to in §331.756(64), 359.19

**359.19 Employment of counsel.**

When litigation shall arise in any case not covered by section 359.18, involving the right or duty of township trustees with reference to any matter within their jurisdiction, and the trustees become or are made parties to such litigation, they shall have authority to employ attorneys in behalf of said township, and to levy the necessary tax to pay for their services, and to defray the expenses of such litigation.

[C97, §564; S13, §564; C24, 27, 31, 35, 39, §**5545;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.19]

## CLERK

**359.20 Clerk to keep record.**

1. The township clerk shall keep a record of all the proceedings and orders of the trustees, and of all acts done by the township clerk, including the filing of certificates of official oaths having been taken before other officers, and perform such other acts as may be required by law.

2. Township records and documents, or accurate reproductions, shall be kept by the township clerk for at least five years except that:

*a.* Resolutions, board proceedings, records and documents, or accurate reproductions, relating to the issuance of public bonds or obligations shall be kept for at least eleven years following the final maturity of the bonds or obligations. Thereafter, such records, documents, and reproductions may be destroyed, preserving confidentiality as necessary.

*b.* Resolutions, board proceedings, records, and documents, or accurate reproductions, relating to real property transactions shall be maintained permanently.

[C51, §223, 226, 227; R60, §445, 448, 449; C73, §392, 395, 396; C97, §576; S13, §576; C24, 27, 31, 35, 39, §**5546;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.20]

2000 Acts, ch 1117, §23

**359.21 Receipt and custody of funds.**

1. Each township clerk shall receive, collect, and disburse, under the orders of the township trustees, all funds belonging to the township, including the cemetery fund. A claim shall not be paid until it has been audited by the trustees.

2. Before the fifteenth day of each month, the county treasurer shall notify the chairperson of the board of trustees of the amount collected for each fund to the first day of that month and shall pay that amount to the clerk as provided in section 331.552, subsection 29.

[S13, §576; C24, 27, 31, 35, 39, §**5547;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.21]

84 Acts, ch 1003, §8

Deposits in general, §12C.1

**359.22 Notify auditor of elections.** Repealed by 90 Acts, ch 1238, § 43.

**359.23 Receipts and expenditures — annual statement.**

Each township clerk shall prepare, on or before September 30 of each year, a statement in writing, showing all receipts of money and disbursements in the clerk's office for each separate tax levy authorized by law for the preceding fiscal year, showing the current public debt of the township, and showing the balance as of June 30 of all separate reserve accounts held by the township, which shall be certified as correct by the trustees of the township. The statement shall be in a form prescribed by the county finance committee in consultation with the department of management. Each township clerk shall send a copy of this written statement to the county auditor no later than seven days after the statement is certified by the trustees. The county auditor shall post the statement or a summary of the statement in a prominent place in the building where the auditor's office is located. The county treasurer shall withhold disbursement of township taxes until the statement is filed with the county auditor. The county auditor shall notify the county treasurer if taxes are to be withheld.

The county auditor may waive the requirement that a township send a copy of the written financial statement to the county auditor.

[C97, §578; SS15, §578; C24, 27, 31, 35, 39, §**5552;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.23]

2000 Acts, ch 1117, §24

Referred to in §331.502

**359.24 Clerk and trustees abolished.**

Where a city constitutes one or more civil townships the boundary lines of which coincide throughout with the boundary lines of the city, the offices of township clerk and trustee are abolished.

[C97, §560; S13, §560; C24, 27, 31, 35, 39, §**5553;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.24]

Referred to in §359.27

**359.25 Clerk and council to act.**

The duties required by law of the township clerk in such cities shall be performed by the city clerk, and those required of the board of trustees shall be performed by the city council.

[C97, §561; C24, 27, 31, 35, 39, §**5554;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.25]

Referred to in §359.27

**359.26 Transfer of funds.**

The moneys and assets belonging to such civil township shall become the moneys and assets of the city in which said civil township is situated, and the township clerks shall turn such moneys and assets over to the city treasurer or clerk, to be disbursed by the city in the same manner and for the same purposes as required by law for the disposition of township funds, and such cities shall assume all liabilities of a civil township to which the provisions of this section apply.

[C97, §562; C24, 27, 31, 35, 39, §**5555;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.26]

Referred to in §359.27

**359.27 Payment of funds.**

County treasurers are hereby authorized to pay over to the treasurers or clerks of cities which come under the provisions of sections 359.24, 359.25 and 359.26 all funds which would otherwise be paid over to the township clerks of such townships.

[C97, §563; C24, 27, 31, 35, 39, §**5556;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.27]

## PUBLIC GROUNDS OR BUILDINGS

**359.28 Condemnation.**

The township trustees are hereby empowered to condemn, or purchase and pay for out of the general fund, or the specific fund voted for such purpose, and enter upon and take, any lands within the territorial limits of such township for the use of cemeteries, a community center or juvenile playgrounds, in the same manner as is now provided for cities. However, the board of supervisors or a cemetery commission appointed by the board of supervisors shall control and maintain pioneer cemeteries as defined in section 331.325.

[C97, §585; S13, §585; C24, 27, 31, 35, 39, §**5558;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.28]

96 Acts, ch 1182, §3

Referred to in §331.325

Procedure, chapter 6B

**359.29 Gifts and donations.**

Civil townships are hereby authorized and empowered to receive by gift, devise, or bequest, money or property for the purpose of establishing and maintaining libraries, township halls, cemeteries, or for any other public purpose. All such gifts, devises, or bequests shall be effectual only when accepted by resolution of the board of trustees of such township.

[S13, §585; C24, 27, 31, 35, 39, §**5559;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.29]

Referred to in §331.325, 359.30

Township halls, chapter 360

**359.30 Cemetery and park tax.**

They shall, at the regular meeting in November, levy a tax sufficient to pay for any lands so condemned or purchased, or for the necessary improvement and maintenance of cemeteries thus established, and for the necessary improvement and the maintenance of public parks acquired by gift, devise, or bequest under section 359.29, or for the maintenance and improvement of cemeteries so established in adjoining townships, in case they deem such action advisable.

[C97, §586; SS15, §586; C24, 27, 31, 35, 39, §**5560;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.30]

Referred to in §331.325, 331.402, 359.34, 359.37

**359.31 Power and control.**

They shall control any such cemeteries, or appoint trustees for the same, or sell the same to any private corporation for cemetery purposes.

[C97, §586; SS15, §586; C24, 27, 31, 35, 39, §**5561;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.31]

Referred to in §331.325

**359.32 Sale of lots — gifts.**

They shall have authority to provide for the sale of lots or portions thereof, in any cemetery under their control, and make rules in regard thereto, and may provide for perpetual upkeep by the establishment of a perpetual upkeep fund from the proceeds of sale of lots, and may accept gifts, devise or bequest, made to them for that purpose.

[C39, §**5561.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.32]

Referred to in §331.325

**359.33 Tax for nonowned cemetery.**

They may levy a tax not to exceed six and three-fourths cents per thousand dollars of assessed value of taxable property to improve and maintain any cemetery not owned by the township, provided the same is devoted to general public use.

[C97, §586; SS15, §586; C24, 27, 31, 35, 39, §**5562;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.33]

Referred to in §331.325, 331.402, 359.34

**359.34 Scope of levy.**

The levy authorized in sections 359.30 and 359.33 may be extended to property within the limits of any city so far as same is situated within the township, unless such city is already maintaining a cemetery, or has levied a tax in support thereof. The said tax may be so expended for the support and maintenance of any such cemetery after the same has been abandoned and is no longer used for the purpose of interring the dead.

[SS15, §586; C24, 27, 31, 35, 39, §**5563;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.34]

Referred to in §331.325

**359.35 Cemetery funds — use.**

Cemetery tax funds of a township may be used for the maintenance and support of cemeteries in adjoining counties and townships and in cities, if such cemeteries are utilized for burial purposes by the people of the township and, when any such cemetery has been so utilized for more than twenty-five years and has been maintained by township funds, the township trustees of the township where the cemetery is located shall continue to improve and maintain the same.

[C24, 27, 31, 35, 39, §**5564;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.35]

Referred to in §331.325

**359.36 Joint boards.**

A city council and the trustees of a township may join in the common purpose of improving, maintaining, and supporting a township cemetery. In such case the two official bodies shall constitute a joint cemetery board and shall have equal voting power.

[C24, 27, 31, 35, 39, §**5565;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.36]

Referred to in §331.325

**359.37 Regulations.**

The trustees, board of directors, or other officers having the custody and control of any cemetery in this state, shall have power, subject to the bylaws and regulations of such cemetery, to enclose, improve, and adorn the ground of such cemetery; to construct avenues in the same; to erect proper buildings for the use of said cemetery; to prescribe rules for the improving or adorning the lots therein, or for the erection of monuments or other memorials of the dead upon such lots; and to prohibit any use, division, improvement or adornment of a lot which they may deem improper.

The trustees, after such land has been advertised for sealed bids by the trustees, shall have authority to sell and dispose of any lands or parcels of lands heretofore dedicated for cemetery purposes and which are no longer necessary for such purposes, for the reason that no burials are being made in such cemetery, provided that any portion of said cemetery in which burials have been made shall be kept and maintained by said trustees. The proceeds from such sales shall be deposited in the tax fund established in accordance with section 359.30, to be used for the purposes of that fund.

[C97, §587; SS15, §587; C24, 27, 31, 35, 39, §**5566;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.37]

Referred to in §331.325

**359.38 Watchpersons appointed.**

Such trustees, directors, or other officers may appoint as many day and night watchpersons of their grounds as they may think expedient, and such watchpersons, and also all their sextons, superintendents, gardeners, and agents, stationed upon or near said grounds are hereby authorized to take and subscribe to an oath of office as provided in section 63.10.

[C97, §589; C24, 27, 31, 35, 39, §**5567;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.38]

Referred to in §331.325

**359.39 Ex officio police officers.**

Upon the taking of such oath, such watchpersons, sextons, superintendents, gardeners, and agents shall have and exercise all powers of police officers within and adjacent to the cemetery grounds and each shall have power to arrest any and all persons engaged in

violating the laws of this state, and to bring such person so offending before any judicial magistrate, to be dealt with according to law.

[C97, §589; C24, 27, 31, 35, 39, §**5568;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.39]

Referred to in §331.325

**359.40 Cemeteries — plats — records.**

Where there is located in any township one or more cemeteries, the owner of the same, or any party owning an interest therein, may cause the same to be surveyed, platted, and laid out into subdivisions and lots, numbering the same by progressive numbers, giving the length and breadth, also the location with reference to known or permanent monuments to be made. The plat shall accurately describe all the subdivisions of the tract of land used, or designed to be used as a cemetery, and shall be recorded in the office of the county recorder, and filed with and recorded by the township clerk, and preserved by the township clerk among the records of the office.

[C97, §583; C24, 27, 31, 35, 39, §**5569;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.40]

Referred to in §331.325

**359.41 Conveyance of lots.** Repealed by 2005 Acts, ch 128, § 73.

## EMERGENCY SERVICES

**359.42 Township fire protection service, emergency warning system, and emergency medical service.**

Except as otherwise provided in section 331.385, the trustees of each township shall provide fire protection service for the township, exclusive of any part of the township within a benefited fire district and may provide emergency medical service. The trustees may purchase, own, rent, or maintain fire protection service or emergency medical service apparatus or equipment or both kinds of apparatus or equipment and provide housing for the equipment. The trustees of a township which is located within a county having a population of three hundred thousand or more may also establish and maintain an emergency warning system within the township. The trustees may contract with a public or private agency under chapter 28E for the purpose of providing any service or system required or authorized under this section.

[C31, 35, §5570-c1; C39, §**5570.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §359.42; 81 Acts, ch 117, §1076]

84 Acts, ch 1008, §1; 85 Acts, ch 205, §1; 95 Acts, ch 123, §1; 2004 Acts, ch 1146, §5

Referred to in §331.385, 357B.5, 357J.17, 359.17, 359.43

Notice of meetings regarding services, §359.17

**359.43 Tax levy — supplemental levy — districts.**

1. The township trustees may levy an annual tax not exceeding forty and one-half cents per thousand dollars of assessed value of the taxable property in the township, excluding property within a benefited fire district or within the corporate limits of a city, for the purpose of exercising the powers and duties specified in section 359.42. However, in a township having a fire protection service or emergency medical service agreement or both service agreements with a special charter city having a paid fire department, the township trustees may levy an annual tax not exceeding fifty-four cents per thousand dollars of the assessed value of the taxable property for the services authorized or required under section 359.42 and in a township which is located within a county having a population of three hundred thousand or more, the township trustees may levy an annual tax not exceeding sixty-seven and one-half cents per thousand dollars of assessed value of taxable property for the services authorized or required under section 359.42.

2. If the levy authorized under subsection 1 is insufficient to provide the services authorized or required under section 359.42, the township trustees may levy an additional annual tax not exceeding twenty and one-fourth cents per thousand dollars of assessed

value of the taxable property in the township, excluding any property within the corporate limits of a city, to provide the services.

3. The township trustees may divide the township into tax districts for the purpose of providing the services authorized or required under section 359.42 and may levy a different tax rate in each district, but the tax levied in a tax district for the authorized or required services shall not exceed the tax levy limitations for that township as provided in this section.

4. Of the levies authorized under subsections 1 and 2, the township trustees may credit to a reserve account annually an amount not to exceed thirty cents per thousand dollars of the assessed value of the taxable property in the township for the purchase or replacement of supplies and equipment required to carry out the services specified under section 359.42. Notwithstanding section 12C.7, interest earned on moneys credited to the reserve account shall be credited to the reserve account.

5. Township taxes collected and disbursed by the county shall be apportioned by the clerk and paid into the separate accounts of the tax districts no later than May 31 and November 30 of each year.

[C31, 35, §5570-c2; C39, §**5570.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.43; 82 Acts, ch 1114, §1]

84 Acts, ch 1008, §2; 85 Acts, ch 205, §2; 89 Acts, ch 149, §1; 95 Acts, ch 123, §2; 95 Acts, ch 158, §1; 2000 Acts, ch 1117, §25

Referred to in §331.385, 331.424C, 357J.17, 359.45

**359.44** Repealed by 75 Acts, ch 194, § 12.

**359.45 Anticipatory bonds.**

Townships may anticipate the collection of taxes authorized by section 359.43 and for such purposes may direct the county board of supervisors to issue bonds under sections 331.441 to 331.449 relating to essential county purpose bonds except that the bonds are payable only from tax levies on property subject to the levy under section 359.43.

[C39, §**5570.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §359.45; 81 Acts, ch 117, §1077]

Referred to in §331.385, 357J.17

## COMPENSATION

**359.46 Compensation of township trustees.**

1. A township trustee while engaged in official business shall be compensated at an hourly rate established by the county board of supervisors. However, the county board of supervisors may establish a minimum daily pay rate for the time spent by a township trustee attending a scheduled meeting of township trustees. The compensation shall be paid by the county except:

*a.* When the trustee is assessing damages done by trespassing animals, payment of the compensation shall be made in the same manner as other costs in such cases.

*b.* When the trustee is acting as a fence viewer or in a case where provision is made for payment from a source other than the general fund of the county.

2. In cases where their fees or compensation are not paid by the county, the trustees shall be paid by the party requiring their services. The trustees shall attach to the report of their proceedings a statement specifying their services, directing who shall pay the fees or compensation, and specifying the amount to be paid by each party. A party who makes advance payment for the services of the trustees may take legal action to recover the amount of the payment from the party who is directed to pay by the trustees unless the party entitled

to recovery under this subsection is paid within ten days after a demand for reimbursement is made.

[C51, §2548; R60, §4156; C73, §3808; C97, §590; S13, §590; C24, 27, 31, 35, 39, §**5571;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.46]

83 Acts, ch 123, §168, 169, 209

Referred to in §331.322

**359.47 Compensation of township clerk.**

A township clerk while engaged in official business shall be compensated at the same rate as the pay rate of a township trustee of the same township.

[C51, §2548; R60, §909, 911; C73, §3809; C97, §591; S13, §591; C24, 27, 31, 35, 39, §**5572;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §359.47]

Referred to in §331.322

Compensation for handling township hall funds, §360.2

**359.48** Reserved.

BUDGET

**359.49 Township budget.**

Annually, a township shall prepare and adopt a budget, and shall certify taxes as follows:

1. A budget must be prepared for at least the following fiscal year. A proposed budget must show estimates of the following:

*a.* Expenditures from each fund.

*b.* Income from sources other than property taxation.

*c.* Amount to be raised by property taxation, and the property tax rate expressed in dollars per one thousand dollars assessed valuation.

2. By January 15 of each year, each township fire department in the township shall provide to the board of trustees a proposed budget showing all revenues and all expenses for emergency services for the next fiscal year. By January 15 of each year, each township fire department, and each municipal fire department providing emergency services to a township, shall submit to the board of trustees a report detailing emergency services calls for the prior calendar year for the fire district and a copy of the fire report filed by the fire department with the state fire marshal's office. For purposes of this subsection, *"municipal"* means relating to a city, county, township, benefited fire district, or chapter 28E agency authorized by law to provide emergency services.

3. Not less than ten days before the date set for the regular meeting of the board at which objections and arguments on the budget will be heard, the clerk shall make available a sufficient number of copies of the detailed budget to meet the requests of taxpayers and organizations.

4. The board of trustees shall transmit a copy of the proposed budget and a notice of the meeting set as required by subsection 5 to the county auditor for posting. The county auditor shall post the notice and the proposed budget in an area of the courthouse where notices to the public are commonly posted.

5. The board of trustees shall set a time and place for a regular meeting before final certification of the budget, which meeting shall provide time for comments and objections to be heard on the proposed budget. The meeting shall be held no less than ten days and no more than twenty days after the proposed budget is posted by the county auditor. The county auditor shall certify to the clerk the date of posting.

6. At the meeting, any resident or taxpayer of the township may present to the board of trustees objections to any part of the budget for the following fiscal year or arguments in favor of any part of the budget.

7. After the meeting on the proposed budget, the board of trustees shall adopt by resolution a budget for at least the next fiscal year, and the clerk shall certify the necessary tax levy for the next fiscal year to the county auditor and the county board of supervisors

by March 15. The tax levy certified may be less than but shall not be more than the amount estimated in the proposed budget submitted at the meeting. Two copies each of the detailed budget as adopted and of the certified tax levy must be transmitted to the county auditor by March 15.

8. *a.* A township that has entered into an agreement with a municipality to receive fire protection service or emergency medical service from the municipality may request that a portion of its taxes be paid directly to the municipality providing the fire protection service or emergency medical service. Each year, the township must note its request on the budget and must attach a copy of the emergency services agreement to each copy of the budget transmitted to the county auditor. The auditor shall direct the county treasurer as to what portion of the township taxes to disburse to the municipality providing the fire protection service or emergency medical service.

*b.* For purposes of this subsection, "*municipality*" means a city, county, township, benefited fire district, or agency formed under chapter 28E and authorized by law to provide emergency services.

9. Taxes from a township levy shall be collected but not disbursed by the county to a township until copies of the township budget are transmitted to the county auditor as required in subsection 7. If a township fails to certify property taxes by March 15, the amount of taxes collected by the county for the township shall be the amount collected for the township in the previous fiscal year to the extent that it does not exceed the applicable levy rate limits in this chapter. However, that amount may not exceed the amount the township could collect based on property assessments for the fiscal year for which the township failed to certify property taxes.

10. The township budget shall be prepared on forms, and pursuant to instructions, prescribed by the county finance committee in consultation with the department of management.

2000 Acts, ch 1117, §26; 2002 Acts, ch 1056, §1; 2002 Acts, ch 1175, §84; 2007 Acts, ch 139, §2; 2010 Acts, ch 1061, §180

Referred to in §331.502, 359.17

**359.50 Budget amendment.**

1. A township budget as finally adopted for the following fiscal year becomes effective July 1. A township budget for the current fiscal year may be amended for any of the following purposes:

*a.* To permit the expenditure of unexpended, unencumbered cash balances on hand at the end of the preceding fiscal year which had not been anticipated in the budget.

*b.* To permit the expenditure of amounts anticipated to be available from sources other than property taxation, and which had not been anticipated in the budget.

2. A budget amendment must be prepared and adopted by May 31 of the current fiscal year.

2000 Acts, ch 1117, §27

**359.51 Separate accounts.**

A township shall keep separate accounts corresponding to the items in the township's adopted or amended budget. A township shall keep accounts which provide an accurate and detailed statement of all public funds collected, received, or expended for any township purpose, by any township officer, employee, or other person, and which show the receipt, use, and disposition of all township property.

2000 Acts, ch 1117, §28

**359.52 Disposal of property.**

1. A township shall not dispose of an interest in personal property, or an interest in real property, by sale, lease, or gift, except in accordance with the following procedure:

*a.* The board of trustees shall set forth its proposal in a resolution and shall publish notice of the resolution and of a date, time, and place of a public hearing on the proposal. The notice shall be published in a newspaper published at least once weekly and having general

circulation in the township or in the largest city in the township. The notice shall be published no less than ten days and no more than twenty days before the hearing.

*b.* After the public hearing, the trustees may make a final determination on the proposal by resolution.

*c.* A township shall not dispose of real property by gift except to a governmental body for a public purpose.

2. This section does not apply to the sale by a township of subdivisions or lots within a cemetery.

2000 Acts, ch 1117, §29; 2010 Acts, ch 1061, §180

# CHAPTER 359A

## FENCES

Referred to in §169C.1, 169C.4, 169C.6

This chapter not enacted as a part of this title; transferred from chapter 113 in Code 1993


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| 359A.22A | Habitual trespass. |
| 359A.23 | Appeal. |
| 359A.24 | Certification of decree. |
| 359A.25 | Record kept — fees of clerk. |


### 359A.1 Definitions.

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

### 359A.1A Partition fences.

The respective owners of adjoining tracts of land shall upon written request of either owner be compelled to erect and maintain partition fences, or contribute thereto, and keep the same in good repair throughout the year.

[C51, §895, 900, 901; R60, §1526, 1531, 1532; C73, §1489, 1494, 1495; C97, §2355; C24, 27, 31, 35, 39, §**1829;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.1]

C93, §359A.1

C2001, §359A.1A

### 359A.2 Trimming and cutting back.

If said fence be hedge, the owner thereof shall trim or cut it back twice during each calendar year, the first time during the month of June and the last time during the month of September, to within five feet from the ground, unless such owners otherwise agree in writing to be filed with and recorded by the township clerk.

[C51, §900; R60, §1531; C73, §1494; C97, §2355; C24, 27, 31, 35, 39, §**1830;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.2]

C93, §359A.2

**359A.3 Powers of fence viewers.**

The fence viewers shall have power to determine any controversy arising under this chapter, upon giving five days' notice in writing to the opposite party or parties, prescribing the time and place of meeting to hear and determine the matter named in said notice. Upon request of any landowner, the fence viewers shall give such notice to all adjoining landowners liable for the erection, maintenance, rebuilding, trimming, or cutting back, or repairing of a partition fence, or to pay for an existing hedge or fence.

[C51, §896, 898, 902, 909; R60, §1527, 1529, 1533, 1540; C73, §1490, 1492, 1496, 1503; C97, §2356; C24, 27, 31, 35, 39, §**1831;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.3]

C93, §359A.3

Referred to in §359A.5

Trustees as fence viewers, §359.17

**359A.4 Decision — deposit.**

At said time and place the fence viewers shall meet and determine by written order the obligations, rights, and duties of the respective parties in such matter, and assign to each owner the part which the owner shall erect, maintain, rebuild, trim or cut back, or pay for, and fix the value thereof, and prescribe the time within which the same shall be completed or paid for, and, in case of repair, may specify the kind of repairs to be made. If the fence is not erected, rebuilt, or repaired within the time prescribed in the order, the fence viewers shall require the complaining landowner to deposit with the fence viewers a sum of money sufficient to pay for the erecting, rebuilding, trimming, cutting back or repairing such fence together with the fees of the fence viewers and costs. Such complaining landowner shall be reimbursed as soon as the costs and fees assessed against the party in default are collected as provided in section 359A.6.

[C51, §896, 898, 902, 909; R60, §1527, 1529, 1533, 1540; C73, §1490, 1492, 1496, 1503; C97, §2356; C24, 27, 31, 35, 39, §**1832;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.4]

C93, §359A.4

2010 Acts, ch 1118, §6

Referred to in §359A.5

**359A.5 Contribution postponed.**

In case a landowner desires to erect a partition hedge or fence when the owner of the adjoining land is not liable to contribute thereto, the fence viewers may assign to each owner the part which the owner shall erect, maintain, rebuild, and repair, trim or cut back, by pursuing the method provided in sections 359A.3 and 359A.4; but the adjoining owner shall not be required to contribute thereto until the adjoining owner becomes liable so to do, as elsewhere in this chapter provided.

[C51, §901; R60, §1532; C73, §1495; C97, §2357; C24, 27, 31, 35, 39, §**1833;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.5]

C93, §359A.5

**359A.6 Default — costs and fees collected.**

If the erecting, rebuilding, or repairing of a fence is not completed within thirty days from and after the time fixed in the order, the board of township trustees acting as fence viewers shall cause the fence to be erected, rebuilt, and repaired, and the value thereof may be fixed by the fence viewers, and unless the sum so fixed, together with all fees of the fence viewers caused by such default, is paid to the county treasurer, within ten days after the same is so ascertained; or when ordered to pay for an existing fence, and the value thereof is fixed by the fence viewers, and said sum, together with the fees of the fence viewers, remains unpaid by the party in default for ten days, the fence viewers shall certify to the county treasurer the full amount due from the party or parties in default, including all fees and costs assessed by the fence viewers, together with a description of the real estate owned by the party or parties in default along or upon which the said fence exists, and the county treasurer shall enter the same upon the county system, and the amount shall be collected in the same manner as

ordinary taxes. Upon certification to the county treasurer, the amount assessed shall be a lien on the parcel until paid.

[C51, §897, 899, 902; R60, §1528, 1530, 1533; C73, §1491, 1493, 1496; C97, §2358; S13, §2358; C24, 27, 31, 35, 39, §**1834;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.6]

C93, §359A.6

2010 Acts, ch 1118, §7

Referred to in §169C.6, 359A.4, 445.1

Collection of taxes, chapter 445 et seq.

Fees of fence viewers, §359.46

**359A.7 Service of notice on nonresidents.**

The notice by the fence viewers provided for in this chapter may be served upon any owner nonresident of the county where the land is situated, by publication thereof, once each week, for two consecutive weeks in a newspaper printed in the county in which the land is situated, proof of which shall be made as in case of an original notice and filed with the fence viewers, and a copy delivered to the occupant of said land, or to any agent of the owner in charge of the same.

[C97, §2359; S13, §2359; C24, 27, 31, 35, 39, §**1835;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.7]

C93, §359A.7

Proof of publication, R.C.P. 1.314

**359A.8 Orders.**

All orders and decisions made by the fence viewers shall be in writing, signed by at least two of them, and filed with the township clerk.

[C97, §2360; C24, 27, 31, 35, 39, §**1836;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.8]

C93, §359A.8

**359A.9 Notice.**

All notices in this chapter required to be given shall be in writing, and return of service thereof made in the same manner as notices in actions before a judicial magistrate.

[C97, §2360; C24, 27, 31, 35, 39, §**1837;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.9]

C93, §359A.9

Service and return, R.C.P. 1.302 – 1.315

**359A.10 Entry and record of orders.**

Such orders, decisions, notices, and returns shall be entered of record at length by the township clerk, and a copy thereof certified by the township clerk to the county recorder, who shall record the same in the recorder's office in a book kept for that purpose, and index such record in the name of each adjoining owner as grantor to the other. The county recorder shall collect fees specified in section 331.604.

[C97, §2360; C24, 27, 31, 35, 39, §**1838;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.10]

C93, §359A.10

2009 Acts, ch 27, §12

Referred to in §331.602

**359A.11 Record conclusive.**

The record in the recorder's office, unless modified, by appeal as hereinafter provided, shall be conclusive evidence of the matters therein stated, and such record or a certified copy thereof shall be competent evidence in all courts.

[C97, §2360; C24, 27, 31, 35, 39, §**1839;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.11]

C93, §359A.11

Appeal, §359A.23

**359A.12 Division by agreement — record.**

The several owners may, in writing, agree upon the portion of partition fences between their lands which shall be erected and maintained by each, which writing shall describe the lands and the parts of the fences so assigned, be signed and acknowledged by them, and filed

and recorded in the office of the recorder of deeds of the county or counties in which they are situated. The county recorder shall collect fees specified in section 331.604.

[C51, §905; R60, §1536; C73, §1499; C97, §2361; C24, 27, 31, 35, 39, §**1840;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.12]

C93, §359A.12

2009 Acts, ch 27, §13

**359A.13 Orders and agreements — effect.**

Any order made by the fence viewers, or any agreement in writing between adjoining landowners, when recorded in the office of the recorder of deeds, as in this chapter provided, shall bind the makers, their heirs, and subsequent grantees.

[C51, §905; R60, §1536; C73, §1499; C97, §2362; C24, 27, 31, 35, 39, §**1841;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.13]

C93, §359A.13

**359A.14 Lands in different townships.**

When the adjoining lands are situated in different townships in the same or different counties, the clerk of the township of the owner making the application shall select two trustees of the clerk's township as fence viewers, and the clerk of the other township one from that clerk's township, who shall possess, in such case, all the powers given to fence viewers in this chapter, but all orders, notices, and valuations and taxation of costs made by them must be recorded in both townships and in the office of the recorder of deeds of each county.

[C51, §906; R60, §1537; C73, §1500; C97, §2363; C24, 27, 31, 35, 39, §**1842;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.14]

C93, §359A.14

**359A.15 Fence on another's land.**

When a person has made a fence or other improvement on an enclosure, which is found to be on land of another, such person may enter upon the land of the other and remove the fence or other improvement and material, upon the first paying, or offering to pay, the other party for any damage to the soil which may be occasioned thereby, and the value of any timber used in said improvement taken from the land of such other party, if any; and if the parties cannot agree as to the damages, the fence viewers may determine them as in other cases; such removal shall be made as soon as practicable, but not so as to expose the crops of the other party.

[C51, §907, 908; R60, §1538, 1539; C73, §1501, 1502; C97, §2364; C24, 27, 31, 35, 39, §**1843;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 113.15]

C93, §359A.15

**359A.16 Right to build fence on line.**

A person building a fence may lay the same upon the line between the person and the adjacent owners, so that it may be partly on one side and partly on the other, and the owner shall have the same right to remove it as if it were wholly on the owner's own land.

[C51, §910; R60, §1541; C73, §1504; C97, §2365; C24, 27, 31, 35, 39, §**1844;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.16]

C93, §359A.16

**359A.17 Fence on one side of line.**

The provisions concerning partition fences shall apply to a fence standing wholly upon one side of the division line.

[C51, §911; R60, §1542; C73, §1505; C97, §2366; C24, 27, 31, 35, 39, §**1845;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.17]

C93, §359A.17

**359A.18 Lawful fence.**

A lawful fence shall consist of:

1. Three rails of good substantial material fastened in or to good substantial posts not more than ten feet apart.

2. Three boards not less than six inches wide and three-quarters of an inch thick, fastened in or to good substantial posts not more than eight feet apart.

3. Three wires, barbed with not less than thirty-six iron barbs of two points each, or twenty-six iron barbs of four points each, on each rod of wire, or of four wires, two thus barbed and two smooth, the wires to be firmly fastened to posts not more than two rods apart, with not less than two stays between posts, or with posts not more than one rod apart without such stays, the top wire to be not more than fifty-four nor less than forty-eight inches in height.

4. Wire either wholly or in part, substantially built and kept in good repair, the lowest or bottom rail, wire, or board not more than twenty nor less than sixteen inches from the ground, the top rail, wire, or board to be between forty-eight and fifty-four inches in height and the middle rail, wire, or board not less than twelve nor more than eighteen inches above the bottom rail, wire, or board.

5. A fence consisting of four parallel, coated steel, smooth high-tensile wire which meets requirements adopted by ASTM (American society for testing and materials) international, including but not limited to requirements relating to the grade, tensile strength, elongation, dimensions, and tolerances of the wire. The wire must be firmly fastened to plastic, metal, or wooden posts securely planted in the earth. The posts shall not be more than two rods apart. The top wire shall be at least forty inches in height.

6. Any other kind of fence which the fence viewers consider to be equivalent to a lawful fence or which meets standards established by the department of agriculture and land stewardship by rule as equivalent to a lawful fence.

[R60, §1544, 1545; C73, §1507; C97, §2367; S13, §2367; C24, 27, 31, 35, 39, §**1846;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.18]

85 Acts, ch 195, §11; 87 Acts, ch 17, §5

C93, §359A.18

94 Acts, ch 1061, §1; 2000 Acts, ch 1058, §33; 2004 Acts, ch 1086, §106

Referred to in §359A.22

School attendance center fences, §297.14

**359A.19 Duty to maintain tight fences.**

All partition fences may be made tight by the party desiring it, and when that party's portion is so completed, and securely fastened to good substantial posts, set firmly in the ground, not more than twenty feet apart, the adjoining property owner shall construct the adjoining owner's portion of the adjoining fence, in a lawful tight manner, same to be securely fastened to good substantial posts, set firmly in the ground, not more than twenty feet apart.

[R60, §1545; C73, §1507; C97, §2367; S13, §2367; C24, 27, 31, 35, 39, §**1847;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.19]

C93, §359A.19

Referred to in §359A.22

**359A.20 Tight fence.**

All tight partition fences shall consist of:

1. Not less than twenty-six inches of substantial woven wire on the bottom, with three strands of barbed wire with not less than thirty-six barbs of at least two points to the rod, on top, the top wire to be not less than forty-eight inches, nor more than fifty-four inches high.

2. Good substantial woven wire not less than forty-eight inches nor more than fifty-four inches high with one barbed wire of not less than thirty-six barbs of two points to the rod, not more than four inches above said woven wire.

3. Any other kind of fence which the fence viewers consider to be equivalent to a tight

partition fence or which meets standards established by the department of agriculture and land stewardship by rule as equivalent to a tight partition fence.

[C97, §2367; S13, §2367; C24, 27, 31, 35, 39, §**1848;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.20]

85 Acts, ch 195, §12; 87 Acts, ch 17, §6

C93, §359A.20

Referred to in §359A.22

**359A.21 Duty to keep fence tight.**

In case adjoining owners or occupants of land shall use the same for pasturing sheep or swine, each shall keep that one's share of the partition fence in such condition as shall restrain such sheep or swine.

[C73, §1507; C97, §2367; S13, §2367; C24, 27, 31, 35, 39, §**1849;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.21]

C93, §359A.21

Referred to in §359A.22

**359A.22 Controversies.**

Upon the application of either owner, after notice is given as prescribed in this chapter, the fence viewers shall determine all controversies arising under sections 359A.18 to 359A.21, inclusive, including the partition fences made sheep and swine tight.

[C97, §2367; S13, §2367; C24, 27, 31, 35, 39, §**1850;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.22]

C93, §359A.22

Notice, §359A.3, 359A.7, 359A.9

**359A.22A Habitual trespass.**

A landowner of land where livestock are kept or an owner of adjoining land shall be liable to erect or maintain a fence if the livestock trespasses upon the land of a neighboring landowner or strays from the land where the livestock are kept onto a public road, as provided in section 169C.6.

2007 Acts, ch 64, §3

**359A.23 Appeal.**

Any person affected by an order or decision of the fence viewers may appeal to the district court by filing with the clerk of said court a notice of appeal within twenty days after the rendition of the order or decision appealed from and filing an appeal bond in an amount approved by the township clerk. The township clerk, after recording the original papers, shall thereupon file them in the office of the clerk of the district court, certifying them to be such, and the clerk shall docket them, entitling the applicant or petitioner as plaintiff, and it shall stand for trial as other cases.

[C97, §2369; C24, 27, 31, 35, 39, §**1851;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.23]

C93, §359A.23

Referred to in §602.8102(27)

Presumption of approval, §636.10

**359A.24 Certification of decree.**

Upon the final determination of said appeal the clerk of the district court shall certify to the recorder of deeds the fact that a judgment has been entered upon such appeal, with the book and page of such judgment, and the recorder shall thereupon enter on the recorder's record a notation that a judgment on appeal has been entered and that the same may be found in the office of the clerk of the district court, in the book and page designated in said certificate.

[C24, 27, 31, 35, 39, §**1852;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.24]

C93, §359A.24

Referred to in §331.602, 602.8102(28)

**359A.25 Record kept — fees of clerk.**

The township clerk shall enter all matters herein required to be made of record in the clerk's record book, and shall receive ten cents for each one hundred words in entering of record and making certified copies of the matters herein provided for, and twenty-five cents additional for the clerk's certificate thereto when required, and shall also receive the costs of recording in the office of the recorder of deeds of any instrument required to be so recorded.

[C97, §2370; C24, 27, 31, 35, 39, §**1853;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §113.25]
C93, §359A.25

# CHAPTER 360

## TOWNSHIP HALLS

Referred to in §331.512


| | | | |
|---|---|---|---|
| 360.1 | Election. | 360.6 | Custodian. |
| 360.2 | Tax. | 360.7 | Bond. |
| 360.3 | Transfer of fund. | 360.8 | Tax for repairs. |
| 360.4 | Location. | 360.9 | Reversion of real estate — payment. |
| 360.5 | Construction. | | |


**360.1 Election.**

1. The trustees, on a petition of a majority of the resident freeholders of any civil township, shall request the county commissioner of elections to submit the question of building or acquiring by purchase, or acquiring by a lease with purchase option, a public hall to the electors thereof. The county commissioner shall conduct the election pursuant to the applicable provisions of chapters 39 to 53 and certify the result to the trustees.

2. The form of the proposition shall be:

Shall the proposition to levy a tax of ..... cents per thousand dollars of assessed value for the erection of a public hall be adopted?

3. Notice of the election shall be given as provided by chapter 49.

[C97, §567; C24, 27, 31, 35, 39, §**5574;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §360.1]
2011 Acts, ch 25, §34
Gifts and donations, §359.29

**360.2 Tax.**

If a majority of the votes cast are in favor of the tax, the trustees shall certify such fact to the board of supervisors, and they shall thereupon levy a tax not to exceed the rate voted and not to exceed twenty and one-fourth cents per thousand dollars of assessed value each year for a period not exceeding five years on the taxable property of the township, except that such five-year limitation shall not apply in case of a public hall acquired by a lease with a purchase option. When such tax is collected by the treasurer, it shall be paid to the township clerk; but said clerk shall not receive to exceed one percent for handling said money.

[C97, §568; C24, 27, 31, 35, 39, §**5575;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §360.2]

**360.3 Transfer of fund.**

When there are funds in the hands of a township clerk, raised under this chapter which are not desired for the purposes for which they were raised, the funds may be transferred to the general fund of a school district or districts pro rata in which the funds were raised, when a petition is presented to the trustees, signed by a majority of the registered voters of the township, as shown by the election register or registers of the last preceding primary or

general election held in the township. The transfer of funds shall be made by the township clerk upon order of the trustees after the filing of the petition with the clerk.

[S13, §592-b; C24, 27, 31, 35, 39, §**5576;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §360.3]
83 Acts, ch 185, §33, 62; 95 Acts, ch 67, §53

**360.4 Location.**

Any public hall built under the provisions of this chapter shall be located by the township trustees so as to accommodate the greatest number of the resident taxpayers, and for such purpose the trustees may purchase land not to exceed in value five hundred dollars. They shall also have the power to join with the city authorities of any city within their borders and build and equip said building as a public hall or as a memorial building as provided in section 37.21 under such terms and conditions as may be mutually agreed upon.

[C97, §569; C24, 27, 31, 35, 39, §**5577;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §360.4]
Referred to in §360.6

**360.5 Construction.**

The township trustees or in case of joint ownership, in conjunction with the city authorities shall have charge of the building of such hall, shall receive bids, and shall let the building of the same to the lowest responsible bidder, and the township clerk shall pay out of the funds collected, only on the order of the trustees of said township for the township's share of the cost thereof.

[C97, §570; C24, 27, 31, 35, 39, §**5578;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §360.5]

**360.6 Custodian.**

The township clerk, under the direction of the trustees, shall be the custodian of the building, and the use thereof may be permitted by the township trustees to citizens of the township for any lawful purpose; and, for the purposes of this chapter, the township clerk is hereby clothed with all the powers and duties of a constable of the township, to maintain order within and about the premises, protect the property, and enforce orders of the township trustees with respect thereto. In case of joint ownership by the township and city, the duties herein enumerated shall devolve jointly upon the township trustees and the city authorities or they may purchase a building already built with the same limitations as in said section 360.4. A copy of this section shall be at all times kept posted in a conspicuous place in said hall.

[C97, §571; C24, 27, 31, 35, 39, §**5579;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §360.6]

**360.7 Bond.**

When a tax is voted as provided in this chapter, the township clerk shall, before drawing any of said tax from the treasury of the county, execute a bond, with penalty double the amount of said tax, which bond shall be approved by the board of supervisors.

[C97, §572; C24, 27, 31, 35, 39, §**5580;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §360.7]

**360.8 Tax for repairs.**

The trustees of any township where such building has been erected or acquired by purchase, lease with purchase option, or by gift are hereby authorized to certify to the board of supervisors that a tax of not exceeding in any one year, thirteen and one-half cents per thousand dollars of assessed value, on the taxable property of the township, should be levied, to be used in keeping such building in repair, to furnish same with necessary furniture, and provide for the care thereof. Provided, that in counties with a population of seventeen thousand to seventeen thousand two hundred fifty, census 1960, where such buildings are of brick construction with at least one hundred thousand cubic feet of space, such tax may be twenty-seven cents per thousand dollars of assessed value on the taxable property. When such certificate is filed in the auditor's office, the board of supervisors shall levy such tax.

[C97, §573; C24, 27, 31, 35, 39, §**5581;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §360.8]

**360.9 Reversion of real estate — payment.**

1. *a.* Any real estate, including improvements thereon, situated wholly outside of a city, owned by a township and heretofore used for township purposes and which is no longer necessary for township purposes, shall revert to the present owner of the tract from which the same was taken, provided that said owner of the tract last aforesaid shall, within the time hereinafter prescribed, pay the value thereof to the township clerk. In the event the township trustees and said owner of the tract from which such real property was taken do not agree as to the value of such property and improvements thereon, the township clerk shall, on written application of either party, appoint three disinterested residents of the township to appraise such property and improvements thereon.

*b.* The township clerk shall give notice to said trustees and said owner of the time and place of making such appraisement, which notice shall be served in the same manner and for the same time as for the commencement of action in the district court. Such appraisers shall inspect the real estate and improvements and, at the time and place designated in the notice, appraise the same in writing, which appraisement, after being duly verified, shall be filed with the township clerk.

*c.* If the present owner of the tract from which said site was taken fails to pay the amount of such appraisement to such township within twenty days after the filing of same with the township clerk, the township trustees may sell said site, including any improvements thereon, to any person at the appraised value, or may sell the same at public auction for the best bid.

2. Any real estate, including improvements thereon, situated within a city, owned by a township and heretofore used for township purposes and which is no longer necessary for township purposes, may be sold by the township trustees at public auction for the best bid.

3. The township trustees in the case of joint ownership, in conjunction with any city authorities, shall not sell such real estate including improvements thereon unless the city authorities concur in such sale. The proceeds of such sale of jointly owned real estate including improvements located thereon shall be prorated between the township and the city on the basis of their respective contribution to the acquisition and maintenance of such property.

4. *a.* Sales at public auction contemplated herein shall be made only after the township trustees advertise for bids for such property. Such advertisement shall definitely describe said property and be published by at least one insertion each week for two consecutive weeks in some newspaper having general circulation in the township.

*b.* The township trustee shall not, prior to two weeks after the said second publication, nor later than six months after said second publication, accept any bid. The township trustees may accept only the best bid received prior to acceptance. The township trustees may decline to sell if all the bids received are deemed inadequate.

5. Subject to the right of reversion to the present owner as provided in this section, the township trustees may sell, lease, exchange, give, or grant and accept any interest in real property to, with, or from any county, municipal corporation, or school district if the real property is within the jurisdiction of both the grantor and grantee and the advertising and public auction requirements of this section shall not apply to any such transaction between the aforesaid local units of government.

[C71, 73, 75, 77, 79, 81, §360.9]

2010 Acts, ch 1061, §147; 2011 Acts, ch 34, §89

# CHAPTER 361

RESERVED

# SUBTITLE 4

## CITIES

# CHAPTER 362

## DEFINITIONS AND MISCELLANEOUS PROVISIONS

Referred to in §376.1


| | | | |
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**362.1 Citation.**

This chapter and chapters 364, 368, 372, 376, 380, 384, 388 and 392 may be cited as the *"City Code of Iowa"*.

[C75, 77, 79, 81, §362.1]

**362.2 Definitions.**

As used in the city code of Iowa, unless the context otherwise requires:

1. *"Administrative agency"* means an agency established by a city for any city purpose or for the administration of any city facility, as provided in chapter 392, except a board established to administer a municipal utility, a zoning commission and zoning board of adjustment, or any other agency which is controlled by state law. An administrative agency may be designated as a board, board of trustees, commission, or by another title. If an agency is advisory only, such a designation must be included in its title.
2. *"Amendment"* means a revision or repeal of an existing ordinance or code of ordinances.
3. *"Charter"* means the form of government selected by a city as provided in chapter 372.
4. *"City"* means a municipal corporation, but not including a county, township, school district, or any special-purpose district or authority. When used in relation to land area, "city" includes only the area within the city limits.
5. *"City code"* means the city code of Iowa.
6. *"City utility"* means all or part of a waterworks, gasworks, sanitary sewage system, storm water drainage system, electric light and power plant and system, heating plant, cable communication or television system, telephone or telecommunications systems or services offered separately or combined with any system or service specified in this subsection or authorized by other law, any of which are owned by a city, including all land, easements, rights-of-way, fixtures, equipment, accessories, improvements, appurtenances, and other property necessary or useful for the operation of the utility.
7. *"Clerk"* means the recording and recordkeeping officer of a city regardless of title.
8. *"Council"* means the governing body of a city.
9. *"Council member"* means a member of a council, including an alderman.
10. *"Eligible elector"* means the same as it is defined in section 39.3, subsection 6.
11. *"Governmental body"* means the United States of America or an agency thereof, a state, a political subdivision of a state, a school corporation, a public authority, a public district, or any other public body.
12. *"May"* confers a power.
13. *"Measure"* means an ordinance, amendment, resolution, or motion.
14. *"Must"* states a requirement.
15. *"Officer"* means a natural person elected or appointed to a fixed term and exercising some portion of the power of a city.
16. *"Ordinance"* means a city law of a general and permanent nature.

17. *"Person"* means an individual, firm, partnership, domestic or foreign corporation, company, association or joint stock association, trust, or other legal entity, and includes a trustee, receiver, assignee, or similar representative thereof, but does not include a governmental body.

18. *"Property"*, *"real property"*, and *"personal property"* have the same meaning as provided in section 4.1.

19. *"Recorded vote"* means a record, roll call vote.

20. *"Registered voter"* means the same as it is defined in section 39.3, subsection 11.

21. *"Resolution"* or *"motion"* means a council statement of policy or a council order for action to be taken, but "motion" does not require a recorded vote.

22. *"Secretary"* of a utility board means the recording and recordkeeping officer of the utility board regardless of title.

23. *"Shall"* imposes a duty.

[C50, §391A.1; C54, 58, 62, 66, 71, 73, §363A.2, 391A.1; C75, 77, 79, 81, §362.2]

90 Acts, ch 1206, §1; 93 Acts, ch 153, §1; 94 Acts, ch 1169, §65; 99 Acts, ch 63, §2, 8

Referred to in §28J.1, 169C.1, 200.22, 206.34, 364.4, 386.1, 390.1, 403.7, 592.9, 717.1, 717B.1

**362.3 Publication of notices.**

1. Unless otherwise provided by state law:

*a.* If notice of an election, hearing, or other official action is required by the city code, the notice must be published at least once, not less than four nor more than twenty days before the date of the election, hearing, or other action.

*b.* A publication required by the city code must be in a newspaper published at least once weekly and having general circulation in the city. However, if the city has a population of two hundred or less, or in the case of ordinances and amendments to be published in a city in which no newspaper is published, a publication may be made by posting in three public places in the city which have been permanently designated by ordinance.

2. In the case of notices of elections, a city with a population of two hundred or less meets the publication requirement of this section by posting notices of elections in three public places which have been designated by ordinance.

[R60, §1133; C73, §492; C97, §686, 687; C24, 27, 31, 35, §5720, 5721, 5721-a1; C39, §**5720, 5721, 5721.1;** C46, 50, §366.7 – 366.9; C54, 58, 62, 66, 71, 73, §366.7; C75, 77, 79, 81, §362.3]

93 Acts, ch 143, §48; 94 Acts, ch 1180, §50; 2010 Acts, ch 1061, §180

Referred to in §26.12, 26.15, 37.4, 330.18, 336.13, 336.16, 364.2, 364.7, 364.12, 368.2, 368.3, 368.15, 368.20, 372.4, 372.9, 372.13, 376.5, 380.7, 380.8, 380.10, 384.12, 384.22, 384.25, 384.37, 384.38, 384.40, 384.50, 384.60, 384.83, 386.3, 392.7, 403.9, 404.2, 404B.2, 404B.3, 414.3, 414.4, 427B.1, 427B.20, 427B.26

**362.4 Petition of eligible electors.**

If a petition of the voters is authorized by the city code, the petition is valid if signed by eligible electors of the city equal in number to ten percent of the persons who voted at the last preceding regular city election, but not less than ten persons, unless otherwise provided by state law. The petition shall include the signatures of the petitioners, a statement of their place of residence, and the date on which they signed the petition.

The petition shall be examined before it is accepted for filing. If the petition appears valid on its face it shall be accepted for filing. If it lacks the required number of signatures it shall be returned to the petitioner.

Petitions which have been accepted for filing are valid unless written objections are filed with the city clerk within five working days after the petition is received. The objection process in section 44.8 shall be followed.

[C75, 77, 79, 81, §362.4]

89 Acts, ch 136, §70; 94 Acts, ch 1180, §51

Referred to in §28E.17, 37.2, 43.112, 330.17, 364.2, 364.4, 368.3, 372.4, 372.6, 372.11, 372.13, 376.2, 384.7, 384.12, 384.24A, 384.26, 388.2, 389.2, 392.5

**362.5 Interest in public contract prohibited — exceptions.**

1. When used in this section, *"contract"* means any claim, account, or demand against or agreement with a city, express or implied.

2. A city officer or employee shall not have an interest, direct or indirect, in any contract

or job of work or material or the profits thereof or services to be furnished or performed for the officer's or employee's city. A contract entered into in violation of this section is void.

3. The provisions of this section do not apply to:

*a.* The payment of lawful compensation of a city officer or employee holding more than one city office or position, the holding of which is not incompatible with another public office or is not prohibited by law.

*b.* The designation of a bank or trust company as a depository, paying agent, or for investment of funds.

*c.* An employee of a bank or trust company, who serves as treasurer of a city.

*d.* Contracts made by a city, upon competitive bid in writing, publicly invited and opened.

*e.* Contracts in which a city officer or employee has an interest solely by reason of employment, or a stock interest of the kind described in paragraph *"i"*, or both, if the contracts are made by competitive bid in writing, publicly invited and opened, or if the remuneration of employment will not be directly affected as a result of the contract and the duties of employment do not directly involve the procurement or preparation of any part of the contract. The competitive bid qualification of this paragraph does not apply to a contract for professional services not customarily awarded by competitive bid.

*f.* The designation of an official newspaper.

*g.* A contract in which a city officer or employee has an interest if the contract was made before the time the officer or employee was elected or appointed, but the contract may not be renewed.

*h.* Contracts with volunteer fire fighters or civil defense volunteers.

*i.* A contract with a corporation in which a city officer or employee has an interest by reason of stockholdings when less than five percent of the outstanding stock of the corporation is owned or controlled directly or indirectly by the officer or employee or the spouse or immediate family of such officer or employee.

*j.* Contracts not otherwise permitted by this section, for the purchase of goods or services by a city having a population of more than two thousand five hundred, which benefit a city officer or employee, if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of one thousand five hundred dollars in a fiscal year.

*k.* Contracts not otherwise permitted by this section for the purchase of goods or services by a city having a population of two thousand five hundred or less, which benefit a city officer or employee, if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of two thousand five hundred dollars in a fiscal year.

*l.* Franchise agreements between a city and a utility and contracts entered into by a city for the provision of essential city utility services.

*m.* A contract that is a bond, note, or other obligation of the city and the contract is not acquired directly from the city, but is acquired in a transaction with a third party who may or may not be the original underwriter, purchaser, or obligee of the contract.

[R60, §1122; C73, §490; C97, §943; S13, §668, 879-q, 1056-a31; C24, 27, 31, 35, 39, §**5673, 6534, 6710;** C46, 50, §363.47, 416.58, 420.20; C54, 58, 62, 66, 71, 73, §368A.22; C75, 77, 79, 81, §362.5]

84 Acts, ch 1228, §1, 2; 87 Acts, ch 203, §1, 2; 88 Acts, ch 1246, §2, 3; 90 Acts, ch 1209, §5, 6; 91 Acts, ch 60, §1, 2; 92 Acts, ch 1036, §1; 2003 Acts, ch 36, §4, 5; 2010 Acts, ch 1061, §148

Referred to in §372.13

**362.6 Conflict of interest.**

A measure voted upon is not invalid by reason of conflict of interest in an officer of a city, unless the vote of the officer was decisive to passage of the measure. If a specific majority or unanimous vote of a municipal body is required by statute, the majority or vote must be computed on the basis of the number of officers not disqualified by reason of conflict of interest. However, a majority of all members is required for a quorum. For the purposes of this section, the statement of an officer that the officer declines to vote by reason of conflict of interest is conclusive and must be entered of record.

[C71, 73, §368A.25; C75, 77, 79, 81, §362.6]

**362.7 Prior measures valid.**

A valid measure adopted by a city prior to July 1, 1975, remains valid unless the measure is irreconcilable with the city code.

[C75, 77, 79, 81, §362.7]

**362.8 Construction.**

The city code, being necessary for the public safety and welfare, shall be liberally construed to effectuate its purposes.

[C75, 77, 79, 81, §362.8]

**362.9 Application of city code.**

The provisions of this chapter and chapters 364, 368, 372, 376, 380, 384, 388 and 392 are applicable to all cities.

[C75, 77, 79, 81, §362.9]

**362.10 Police officers and fire fighters.**

The maximum age for a police officer, marshal, or fire fighter employed for police duty or the duty of fighting fires is sixty-five years of age. This section shall not apply to volunteer fire fighters.

[C35, §6326-f6; C39, §**6326.08;** C46, 50, 54, 58, 62, §411.6; C66, 71, 73, 75, 77, 79, §410.6, 411.6; C81, §362.10]

98 Acts, ch 1183, §113

**362.11 Elections on public measures.**

Unless otherwise stated, the dates of elections on public measures authorized in the city code are limited to those specified for cities in section 39.2.

2008 Acts, ch 1115, §61, 71

# CHAPTERS 363 to 363E

RESERVED

# CHAPTER 364

## POWERS AND DUTIES OF CITIES

Referred to in §28J.9, 192.141, 331.248, 331.261, 354.1, 362.1, 362.9, 373.11, 376.1, 476.23


364.1 Scope.
364.2 Vesting of power — franchises.
364.3 Limitation of powers.
364.4 Property and services outside of city — lease-purchase — insurance.
364.5 Joint action — Iowa league of cities — penalty.
364.6 Procedure.
364.7 Disposal of property.
364.8 Overpasses or underpasses.
364.9 Flood control — railway tracks.
364.10 Repealed by 76 Acts, ch 1164, §98.
364.11 Street construction by railways.
364.12 Responsibility for public places.
364.12A Condemnation of residential buildings — public purpose.
364.13 Installments.
364.13A Special assessments — lien and precedence.
364.13B Special assessments — procedures for levy.
364.14 Personal injuries.
364.15 Changing grade of streets.
364.16 Municipal fire protection.
364.17 City housing codes.
364.18 Federal aid.
364.19 Contracts to provide services to tax-exempt property.
364.20 Motor vehicles required to operate on ethanol blended gasoline.
364.21 Use of vacant school property.
364.22 Municipal infractions.
364.22A Neglected animals.
364.22B Collection of judgment debt.
364.23 Energy-efficient lighting required.
364.24 Traffic light synchronization.
364.25 Retiree health care.


**364.1 Scope.**

A city may, except as expressly limited by the Constitution of the State of Iowa, and if not inconsistent with the laws of the general assembly, exercise any power and perform any function it deems appropriate to protect and preserve the rights, privileges, and property of the city or of its residents, and to preserve and improve the peace, safety, health, welfare, comfort, and convenience of its residents. This grant of home rule powers does not include the power to enact private or civil law governing civil relationships, except as incident to an exercise of an independent city power.

[C51, §664; R60, §1047, 1056, 1057, 1071 – 1073, 1095; C73, §454 – 456, 482, 524; C97, §680, 695, 947; C13, §695; C24, 27, 31, 35, 39, §**5714, 5738, 6720;** C46, 50, §366.1, 368.2, 420.31; C54, 58, 62, 66, 71, 73, §366.1, 368.2, 420.31; C75, 77, 79, 81, §364.1]

2006 Acts, ch 1010, §95

Municipal home rule, Iowa Constitution, Art. III, §38A

**364.2 Vesting of power — franchises.**

1. A power of a city is vested in the city council except as otherwise provided by a state law.

2. The enumeration of a specific power of a city does not limit or restrict the general grant of home rule power conferred by the Constitution of the State of Iowa. A city may exercise its general powers subject only to limitations expressly imposed by a state or city law.

3. An exercise of a city power is not inconsistent with a state law unless it is irreconcilable with the state law.

4. *a.* A city may grant to any person a franchise to erect, maintain, and operate plants and systems for electric light and power, heating, telegraph, cable television, district telegraph and alarm, motor bus, trolley bus, street railway or other public transit, waterworks, or gasworks, within the city for a term of not more than twenty-five years. When considering whether to grant, amend, extend, or renew a franchise, a city shall hold a public hearing on the question. Notice of the time and place of the hearing shall be published as provided in section 362.3. The franchise may be granted, amended, extended, or renewed only by an ordinance, but no exclusive franchise shall be granted, amended, extended, or renewed.

*b.* Such an ordinance shall not become effective unless approved at an election. The proposal may be submitted by the council on its own motion to the voters at any city election. Upon receipt of a valid petition as defined in section 362.4 requesting that a proposal be

submitted to the voters, the council shall submit the proposal at the next regular city election or at a special election called for that purpose before the next regular city election. However, the city council may dispense with such election as to the grant, amendment, extension, or renewal of an electric light and power, heating, or gasworks franchise unless there is a valid petition requesting submission of the proposal to the voters, or the party seeking such franchise, grant, amendment, extension, or renewal requests an election. If a majority of those voting approves the proposal, the city may proceed as proposed. The complete text of the ordinance shall be included on the ballot if conventional paper ballots are used. If an optical scan voting system is used, the proposal shall be stated on the optical scan ballot, and the full text of the ordinance posted for the voters pursuant to section 52.25. All absentee voters shall receive the full text of the ordinance.

*c.* Notice of the election shall be given by publication as prescribed in section 49.53 in a newspaper of general circulation in the city.

*d.* The person asking for the granting, amending, extension, or renewal of a franchise shall pay the costs incurred in holding the election, including the costs of the notice. A franchise shall not be finally effective until an acceptance in writing has been filed with the council and payment of the costs has been made.

*e.* The franchise ordinance may regulate the conditions required and the manner of use of the streets and public grounds of the city, and it may, for the purpose of providing electrical, gas, heating, or water service, confer the power to appropriate and condemn private property upon the person franchised.

*f.* (1) (a) A franchise fee assessed by a city may be based upon a percentage of gross revenues generated from sales of the franchisee within the city not to exceed five percent except as provided in subparagraph division (b), without regard to the city's cost of inspecting, supervising, and otherwise regulating the franchise.

(b) For franchise fees assessed and collected during fiscal years beginning on or after July 1, 2013, but before July 1, 2030, by a city that is the subject of a judgment, court-approved settlement, or court-approved compromise providing for payment of restitution, a refund, or a return described in section 384.3A, subsection 3, paragraph "*j*", the rate of the franchise fee shall not exceed seven and one-half percent of gross revenues generated from sales of the franchisee in the city, and franchise fee amounts assessed and collected during such fiscal years in excess of five percent of gross revenues generated from sales shall be used solely for the purpose specified in section 384.3A, subsection 3, paragraph "*j*". A city may assess and collect a franchise fee in excess of five percent of gross revenues generated from the sales of the franchisee pursuant to this subparagraph division (b) for a period not to exceed seven consecutive fiscal years once the franchise fee is first imposed at a rate in excess of five percent. An ordinance increasing the franchise fee rate to greater than five percent pursuant to this subparagraph division (b) shall not become effective unless approved at an election. After passage of the ordinance, the council shall submit the proposal at a special election held on a date specified in section 39.2, subsection 4, paragraph "*b*". If a majority of those voting on the proposal approves the proposal, the city may proceed as proposed. The complete text of the ordinance shall be included on the ballot and the full text of the ordinance posted for the voters pursuant to section 52.25. All absentee voters shall receive the full text of the ordinance along with the absentee ballot. This subparagraph division (b) is repealed July 1, 2030.

(2) Franchise fees collected pursuant to an ordinance in effect on May 26, 2009, shall be deposited in the city's general fund and such fees collected in excess of the amounts necessary to inspect, supervise, and otherwise regulate the franchise may be used by the city for any other purpose authorized by law. Franchise fees collected pursuant to an ordinance that is adopted or amended on or after May 26, 2009, to increase the percentage rate at which franchise fees are assessed shall be credited to the franchise fee account within the city's general fund and used pursuant to section 384.3A. If a city franchise fee is assessed to customers of a franchise, the fee shall not be assessed to the city as a customer. Before a city adopts or amends a franchise fee rate ordinance or franchise ordinance to increase the percentage rate at which franchise fees are assessed, a revenue purpose statement shall be prepared specifying the purpose or purposes for which the revenue collected from the

increased rate will be expended. If property tax relief is listed as a purpose, the revenue purpose statement shall also include information regarding the amount of the property tax relief to be provided with revenue collected from the increased rate. The revenue purpose statement shall be published as provided in section 362.3.

(3) If a city adopts, amends, or repeals an ordinance imposing a franchise fee, the city shall promptly notify the director of revenue of such action.

*g.* If a city grants more than one cable television franchise, the material terms and conditions of any additional franchise shall not give undue preference or advantage to the new franchisee. A city shall not grant a new franchise that does not include the same territory as that of the existing franchise. A new franchisee shall be given a reasonable period of time to build the new system throughout the territory.

5. If provided by ordinance, a city may enter into a chapter 28E agreement for the collection of delinquent parking fines by a county treasurer pursuant to section 321.40 at the time a person applies for renewal of a motor vehicle registration, for violations that have not been appealed or for which appeal has been denied. The city may pay the treasurer a reasonable fee for the collection of such fines, or may allow the county treasurer to retain a portion of the fines collected, as provided in the agreement.

[C51, §664; R60, §1047, 1056, 1057, 1090, 1094, 1095; C73, §454 – 456, 471, 473, 474, 517, 523, 524; C97, §695, 720 – 722, 775, 776; S13, §695, 720 – 722, 776; C24, 27, 31, 35, §5738, 5904, 5904-c1, 5905 – 5909, 6128, 6131 – 6134; C39, §**5738, 5904, 5904.1, 5905 – 5909, 6128, 6131 – 6134;** C46, 50, §368.1, 386.1 – 386.7, 397.2, 397.5 – 397.8; C54, 58, 62, 66, §368.2, 386.1 – 386.7, 388.5 – 388.9, 397.2, 397.5 – 397.8; C71, 73, §368.2, 386.1 – 386.7, 397.2, 397.5 – 397.8; C75, 77, 79, 81, §364.2]

83 Acts, ch 127, §5; 93 Acts, ch 143, §49; 98 Acts, ch 1123, §15; 98 Acts, ch 1148, §1, 9; 2001 Acts, ch 82, §1; 2001 Acts, ch 98, §1; 2005 Acts, ch 54, §11, 12; 2006 Acts, ch 1010, §96; 2007 Acts, ch 190, §42; 2009 Acts, ch 57, §89; 2009 Acts, ch 179, §228, 231; 2012 Acts, ch 1110, §24; 2013 Acts, ch 140, §148, 150

Referred to in §306.46, 357A.23, 358C.13, 364.4, 384.3A, 403.7, 477A.2, 477A.5, 480A.6, 714H.4

Subsection 4, paragraph f amended

**364.3 Limitation of powers.**

The following are limitations upon the powers of a city:

1. A city council shall exercise a power only by the passage of a motion, a resolution, an amendment, or an ordinance.

2. For a violation of an ordinance a city shall not provide a penalty in excess of the maximum fine and term of imprisonment for a simple misdemeanor under section 903.1, subsection 1, paragraph "*a*". An amount equal to ten percent of all fines collected by cities shall be deposited in the account established in section 602.8108. However, one hundred percent of all fines collected by a city pursuant to section 321.236, subsection 1, shall be retained by the city. The criminal penalty surcharge required by section 911.1 shall be added to a city fine and is not a part of the city's penalty.

3. *a.* A city may not set standards and requirements which are lower or less stringent than those imposed by state law, but may set standards and requirements which are higher or more stringent than those imposed by state law, unless a state law provides otherwise.

*b.* A city shall not impose any fee or charge on any individual or business licensed by the board for the right to perform plumbing, mechanical, HVAC, refrigeration, sheet metal, or hydronic systems work within the scope of the license. This paragraph does not prohibit a city from charging fees for the issuance of permits for, and inspections of, work performed in its jurisdiction.

4. A city may not levy a tax unless specifically authorized by a state law.

5. A city shall not adopt or enforce any ordinance imposing any registration or licensing system or registration or license fees for or relating to owner-occupied manufactured or mobile homes including the lots, lands, or manufactured home community or mobile home park upon or in which they are located. A city shall not adopt or enforce any ordinance imposing any registration or licensing system, or registration or license fees, or safety or sanitary standards for rental manufactured or mobile homes unless a similar registration or

licensing system, or registration or license fees, or safety or sanitary standards are required for other rental properties intended for human habitation. This subsection does not preclude the investigation and abatement of a nuisance or the enforcement of a tiedown system, or the enforcement of any regulations of the state or local board of health if those regulations apply to other rental properties or to owner-occupied housing intended for human habitation.

6. A city shall not provide a civil penalty in excess of seven hundred fifty dollars for the violation of an ordinance which is classified as a municipal infraction or if the infraction is a repeat offense, a civil penalty not to exceed one thousand dollars for each repeat offense. A municipal infraction is not punishable by imprisonment.

7. A city which operates a cable communications system shall manage the right-of-way on a competitively neutral and nondiscriminatory basis. Additionally, a city-operated cable communications system shall be required to pay the same fees and charges and comply with other requirements as may be imposed by the city by ordinance or by the terms of a franchise granted by the city, or as may otherwise be imposed by the city, upon any other cable provider. This subsection does not prohibit a city from making an equitable apportionment of franchise requirements between or among cable television providers, in order to eliminate duplication. This subsection shall not be construed to prohibit a city-operated cable communications system from making transfers of surplus as otherwise allowed or from making in-kind contributions as otherwise allowed.

8. *a.* A city may adopt and enforce an ordinance requiring the construction of a storm shelter at a manufactured home community or mobile home park which is constructed after July 1, 1999. In lieu of requiring construction of a storm shelter, a city may require a community or park owner to provide a plan for the evacuation of community or park residents to a safe place of shelter in times of severe weather including tornadoes and high winds if the city determines that a safe place of shelter is available within a reasonable distance of the manufactured home community or mobile home park for use by community or park residents. Each evacuation plan prepared pursuant to this subsection shall be filed with, and approved by, the local emergency management agency. If construction of a storm shelter is required, an ordinance adopted or enforced pursuant to this subsection shall not include any of the following requirements:

(1) That the size of the storm shelter be larger than the equivalent of seven square feet for each manufactured or mobile home space in the manufactured home community or mobile home park.

(2) That the storm shelter include a restroom if the shelter is used exclusively as a storm shelter.

(3) That the storm shelter exceed the construction specifications approved by a licensed professional engineer and presented by the owner of the manufactured home community or mobile home park.

(4) That the shelter be located any closer than one thousand three hundred twenty feet from any manufactured or mobile home in the community. However, this restriction shall not prohibit the adoption or enforcement of an ordinance that requires a minimum of one shelter to be located in a manufactured home community or mobile home park.

*b.* For the purposes of this subsection:

(1) "*Manufactured home community*" means the same as land-leased community defined in sections 335.30A and 414.28A.

(2) "*Mobile home park*" means a mobile home park as defined in section 562B.7.

(3) "*Storm shelter*" means a single structure or multiple structures designed to provide persons with temporary protection from a storm.

9. A city shall not adopt or enforce any ordinance imposing any limitation on the amount of rent that can be charged for leasing private residential or commercial property. This subsection does not prevent the right of a city to manage and control residential property in which the city has a property interest.

10. A city which operates a utility that furnishes gas or electricity shall manage the right-of-way on a competitively neutral and nondiscriminatory basis. Such city utility shall be required to pay the fees and charges computed in the same manner as those fees and charges which are imposed by the city upon any other provider of a similar service within

the corporate boundaries of the city. Such city utility shall also comply with the terms of the franchise granted by the city to the provider of a similar service. This subsection shall not be construed to prohibit the city utility from making transfers of surplus as otherwise allowed or from making in-kind contributions as otherwise allowed. However, a city shall not require that transfers from the city utility be in excess of the franchise fee amount imposed upon the provider of a similar service unless otherwise agreed.

[R60, §1071 – 1073, 1095; C73, §482, 524; C97, §668, 680, 947; S13, §668; C24, 27, 31, 35, 39, §**5663, 5714, 6720;** C46, 50, §363.36, 366.1, 420.31; C54, 58, 62, §366.1, 368A.1(10), 420.31; C66, 71, 73, §366.1, 368.2, 368A.1(10), 420.31; C75, 77, 79, 81, §364.3]

83 Acts, ch 123, §171, 209; 84 Acts, ch 1219, §31; 85 Acts, ch 195, §44; 86 Acts, ch 1202, §1; 86 Acts, ch 1245, §1118; 94 Acts, ch 1074, §4; 98 Acts, ch 1144, §3; 99 Acts, ch 33, §1; 99 Acts, ch 153, §9; 99 Acts, ch 186, §2; 2000 Acts, ch 1083, §2; 2000 Acts, ch 1203, §20; 2001 Acts, ch 153, §10; 2003 Acts, ch 178, §23; 2004 Acts, ch 1111, §2; 2008 Acts, ch 1191, §61; 2009 Acts, ch 21, §5; 2009 Acts, ch 179, §229, 231; 2011 Acts, ch 100, §14, 15; 2013 Acts, ch 77, §34, 36

Referred to in §331.427, 364.22, 388.10, 455B.192

Subsection 3, paragraph b amended

**364.4 Property and services outside of city — lease-purchase — insurance.**

A city may:

1. *a.* Acquire, hold, and dispose of property outside the city in the same manner as within. However, the power of a city to acquire property outside the city does not include the power to acquire property outside the city by eminent domain, except for the following, subject to the provisions of chapters 6A and 6B:

(1) The operation of a city utility as defined in section 362.2.

(2) The operation of a city franchise conferred the authority to condemn private property under section 364.2.

(3) The operation of a combined utility system as defined in section 384.80.

(4) The operation of a municipal airport.

(5) The operation of a landfill or other solid waste disposal or processing site.

(6) The use of property for public streets and highways.

(7) The operation of a multistate entity, of which the city is a participating member, created to provide drinking water that has received or is receiving federal funds, but only if such property is to be acquired for water transmission and service lines, pump stations, water storage tanks, meter houses and vaults, related appurtenances, or supporting utilities.

*b.* The exceptions provided in paragraph "*a*", subparagraphs (1) through (3), apply only to the extent the city had this power prior to July 1, 2006.

2. By contract, extend services to persons outside the city.

3. Enact and enforce ordinances relating to city property and city-extended services outside the city.

4. Enter into leases or lease-purchase contracts for real or personal property in accordance with the following terms and procedures:

*a.* A city shall lease or lease-purchase property only for a term which does not exceed the economic life of the property, as determined by the governing body.

*b.* A lease or lease-purchase contract entered into by a city may contain provisions similar to those sometimes found in leases between private parties, including, but not limited to, the obligation of the lessee to pay any of the costs of operation or ownership of the leased property and the right to purchase the leased property.

*c.* A provision of a lease or lease-purchase contract which stipulates that a portion of the rent payments be applied as interest is subject to chapter 74A. Other laws relating to interest rates do not apply. Chapter 75 is not applicable. A city utility or city enterprise is a separate entity under this subsection whether it is governed by the governing body of the city or another governing body.

*d.* The governing body must follow substantially the same authorization procedure required for the issuance of general obligation bonds issued for the same purpose to authorize a lease or a lease-purchase contract made payable from the debt service fund.

*e.* The governing body may authorize a lease or lease-purchase contract which is

payable from the general fund if the contract would not cause the total of annual lease or lease-purchase payments due from the general fund of the city in any single future fiscal year for all lease or lease-purchase contracts in force on the date of the authorization, excluding payments to exercise purchase options or to pay the expenses of operation or ownership of the property, to exceed ten percent of the last certified general fund budget amount in accordance with the following procedures:

(1) The governing body must follow substantially the authorization procedures of section 384.25 to authorize a lease or lease-purchase contract for personal property which is payable from the general fund. The governing body must follow substantially the authorization procedures of section 384.25 to authorize the lease or lease-purchase contract for real property which is payable from the general fund if the principal amount of the lease-purchase contract does not exceed the following limits:

(a) Four hundred thousand dollars in a city having a population of five thousand or less.

(b) Seven hundred thousand dollars in a city having a population of more than five thousand but not more than seventy-five thousand.

(c) One million dollars in a city having a population of more than seventy-five thousand.

(2) The governing body must follow the following procedures to authorize a lease or lease-purchase contract for real property which is payable from the general fund if the principal amount of the lease or lease-purchase contract exceeds the limits set forth in subparagraph (1):

(a) The governing body must institute proceedings to enter into a lease or lease-purchase contract payable from the general fund by causing a notice of the meeting to discuss entering into the lease or lease-purchase contract, including a statement of the principal amount and purpose of the lease or lease-purchase contract and the right to petition for an election, to be published at least once in a newspaper of general circulation within the city at least ten days prior to the discussion meeting. No sooner than thirty days following the discussion meeting shall the governing body hold a meeting at which it is proposed to take action to enter into the lease or lease-purchase contract.

(b) (i) If at any time before the end of the thirty-day period after which a meeting may be held to take action to enter into the lease or lease-purchase contract, a petition is filed with the clerk of the city in the manner provided by section 362.4, asking that the question of entering into the lease or lease-purchase contract be submitted to the registered voters of the city, the governing body shall either by resolution declare the proposal to enter into the lease or lease-purchase contract to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of entering into the lease or lease-purchase contract. However, for purposes of this subparagraph, the petition shall not require signatures in excess of one thousand persons.

(ii) The question to be placed on the ballot shall be stated affirmatively in substantially the following manner:

Shall the city of ..... enter into a lease or lease-purchase contract in amount of $..... for the purpose of .....?

(iii) Notice of the election and its conduct shall be in the manner provided in section 384.26, subsections 2 through 4.

(c) If a petition is not filed or if a petition is filed and the proposition of entering into the lease or lease-purchase contract is approved at an election, the governing body may proceed and enter into the lease or lease-purchase contract.

*f.* The governing body may authorize a lease or lease-purchase contract payable from the net revenues of a city utility, combined utility system, city enterprise, or combined city enterprise by following the authorization procedures of section 384.83.

*g.* A lease or lease-purchase contract to which a city is a party or in which a city has a participatory interest is an obligation of a political subdivision of this state for the purposes of chapters 502 and 636, and is a lawful investment for banks, trust companies,

savings associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and any other fiduciaries responsible for the investment of funds.

*h.* Property that is lease-purchased by a city is exempt under section 427.1, subsection 2.

*i.* A contract for construction by a private party of property to be leased or lease-purchased by a city is not a contract for a public improvement under section 26.2, subsection 3, except for purposes of section 26.12. However, if a lease-purchase contract is funded in advance by means of the lessor depositing moneys to be administered by a city, with the city's obligations to make rent payments commencing with its receipt of moneys, a contract for construction of the property in question awarded by the city is subject to chapter 26.

5. Enter into insurance agreements obligating the city to make payments beyond its current budget year to procure or provide for a policy of insurance, a self-insurance program, or a local government risk pool to protect the city against tort liability, loss of property, or any other risk associated with the operation of the city. Such a self-insurance program or local government risk pool is not insurance and is not subject to regulation under chapters 505 through 523C. However, those self-insurance plans regulated pursuant to section 509A.14 shall remain subject to the requirements of section 509A.14 and rules adopted pursuant to that section.

[SS15, §741-d, 741-g; C24, 27, 31, 35, 39, §**5773;** C46, §368.41, 368.42; C50, §368.42, 368.56; C54, 58, 62, 66, 71, 73, §368.18; C75, 77, 79, 81, §364.4]

85 Acts, ch 156, §3; 86 Acts, ch 1211, §22; 92 Acts, ch 1138, §4; 95 Acts, ch 67, §53; 2006 Acts, ch 1017, §35, 42, 43; 2006 Acts, 1st Ex, ch 1001, §32, 49; 2009 Acts, ch 100, §12, 21; 2011 Acts, ch 25, §35; 2012 Acts, ch 1017, §75

Referred to in §346.27, 384.110

**364.5 Joint action — Iowa league of cities — penalty.**

A city or a board established to administer a city utility, in the exercise of any of its powers, may act jointly with any public or private agency as provided in chapter 28E.

The financial condition and the transactions of the Iowa league of cities shall be audited as provided in section 11.6.

It is unlawful for the Iowa league of cities to provide any form of aid to a political party or to the campaign of a candidate for political or public office. Any person violating or being an accessory to a violation of this section is guilty of a simple misdemeanor.

A city may enter into an agreement with the federal government acting through any of its authorized agencies, and may carry out provisions of the agreement as necessary to meet federal requirements to obtain the funds or cooperation of the federal government or its agencies for the planning, construction, rehabilitation, or extension of a public improvement.

[S13, §694-c; C24, 27, 31, 35, 39, §**5684;** C46, 50, §363.62; C54, 58, 62, 66, 71, 73, §363.43; C75, 77, 79, 81, §364.5]

89 Acts, ch 264, §8; 95 Acts, ch 3, §4; 2011 Acts, ch 75, §40

**364.6 Procedure.**

A city shall substantially comply with a procedure established by a state law for exercising a city power. If a procedure is not established by state law, a city may determine its own procedure for exercising the power.

[C66, 71, 73, §368.2; C75, 77, 79, 81, §364.6]

**364.7 Disposal of property.**

A city may not dispose of an interest in real property by sale, lease for a term of more than three years, or gift, except in accordance with the following procedure:

1. The council shall set forth its proposal in a resolution and shall publish notice as provided in section 362.3, of the resolution and of a date, time and place of a public hearing on the proposal.

2. After the public hearing, the council may make a final determination on the proposal by resolution.

3. A city may not dispose of real property by gift except to a governmental body for a public purpose.

[C73, §470; C97, §883, 1001; S13, §1056-a47; C24, 27, §6205, 6206, 6580, 6602, 6738, 6739; C31, 35, §6205, 6206, 6580, 6602, 6679-c1, 6738, 6739; C39, §**6205, 6206, 6580, 6602, 6679.1, 6738, 6739;** C46, 50, §390.6, 403.11, 403.12, 416.108, 416.131, 419.66, 420.49, 420.50; C54, 58, 62, 66, 71, 73, §368.35, 368.39, 390.6; C75, 77, 79, 81, §364.7]

2007 Acts, ch 54, §33

Referred to in §174.15, 306.42, 364.12A, 446.19A

**364.8 Overpasses or underpasses.**

A city may by ordinance require a railway company operating railway tracks on or across a city street to construct or reconstruct, and maintain, an overpass or underpass to permit the street to pass over or under the tracks, and may establish specifications for the construction or reconstruction of such an overpass or underpass, subject to the following:

1. The requirement may not be enforced until the Iowa state department of transportation approves the specifications for a construction or reconstruction, after examination and a determination that the overpass or underpass is necessary for public safety and convenience.

2. The council shall hold a hearing on the matter and shall give not less than twenty days' notice of the hearing to the railway companies involved, served in the same manner as an original notice.

3. A city may not require overpasses or underpasses of the same railway company to be constructed closer than on every fourth parallel street, nor require a company to construct or contribute to the construction of more than one overpass or underpass each year, nor require the construction of approaches longer than a total of eight hundred feet for a single overpass or underpass.

4. A city which requires construction or reconstruction of an overpass or underpass shall provide for appraisal and assessment of resulting damage to private property, and shall pay the damages assessed, all as provided in chapter 6B.

5. A city shall pay one half of all required maintenance costs, and may allocate costs between railway companies whose tracks are to be crossed by an overpass or underpass.

6. A city may enforce a requirement made as provided in this section by an action in mandamus, to be conducted and enforced as provided in section 327C.16 for actions brought by the state department of transportation. If the city prevails in the mandamus action, in addition to other remedies it may cause the required construction, reconstruction, or maintenance work to be done, and have judgment for the cost of the work against the companies.

[C97, §770 – 774; S13, §771, 773, 774; C24, 27, 31, 35, 39, §**5910 – 5913, 5916 – 5920, 5923 – 5925;** C46, 50, 54, 58, 62, 66, 71, 73, §387.1 – 387.4, 387.7 – 387.11, 387.14 – 387.16; C75, 77, 79, 81, §364.8]

**364.9 Flood control — railway tracks.**

A city may require a railway company to provide necessary structures, temporary and permanent, to carry its tracks during and after construction of a diverted channel for flood control purposes, subject to the following:

1. The city shall give notice to the railway company, served in the same manner as an original notice, stating:

*a.* The nature of the flood control project.

*b.* The place where the diverted channel will cross the company's right-of-way.

*c.* The specifications for construction of the diverted channel across the company's right-of-way.

*d.* Details of the city's requirement for the company to provide the necessary structures where the diverted channel crosses the right-of-way, including a designated period of time for construction, and a requirement that the construction be in a manner which does not interfere with the construction of the diverted channel or the free flow of water.

2. If the company does not comply with the requirement, the city may provide the necessary structures, and the railway is liable for the cost of the construction, in addition to

its liability for assessment for special benefits as other property is assessed. The cost of the construction may be collected by the city from the company by court action.

[C24, 27, 31, 35, 39, §**6093 – 6095;** C46, 50, 54, 58, 62, 66, 71, 73, §395.15 – 395.17; C75, 77, 79, 81, §364.9]

**364.10** Repealed by 76 Acts, ch 1164, § 98.

**364.11 Street construction by railways.**

All railway companies shall construct and repair all street improvements between the rails of their tracks, and one foot outside, at their own expense, unless by ordinance the railway is required to improve other portions of the street, and in that case the railway shall construct and repair the improvement of that part of the street specified by the ordinance, and the improvement or repair must be of the material and character ordered by the city, and must be done at the time the remainder of the improvement is constructed or repaired.

When an improvement is made, the company shall lay rail as required by the council, and shall then keep up to grade that part of the improvement they are required to construct or maintain.

If a railway fails or refuses to comply with the order of the council to construct or repair an improvement, the work may be done by the city and the expense shall then be assessed upon the property of the railway company, for collection in the same manner as a property tax. A tax assessed under this section shall also be a debt due from the railway, and may be collected in an action at law in the same manner as other debts.

[R60, §1068; C73, §478; C97, §834, 840; C13, §791-i; SS15, §840-r; C24, 27, 31, 35, 39, §**6052 – 6055;** C46, 50, 54, 58, 62, 66, 71, 73, §391.79 – 391.82; C75, 77, 79, 81, §364.11]

Referred to in §364.13A, 445.1

**364.12 Responsibility for public places.**

1. As used in this section, *"property owner"* means the contract purchaser if there is one of record, otherwise the record holder of legal title.

2. A city shall keep all public grounds, streets, sidewalks, alleys, bridges, culverts, overpasses, underpasses, grade crossing separations and approaches, public ways, squares, and commons open, in repair, and free from nuisance, with the following exceptions:

*a.* Public ways and grounds may be temporarily closed by resolution. Following notice as provided in section 362.3, public ways and grounds may be vacated by ordinance.

*b.* The abutting property owner is responsible for the removal of the natural accumulations of snow and ice from the sidewalks within a reasonable amount of time and may be liable for damages caused by the failure of the abutting property owner to use reasonable care in the removal of the snow or ice. If damages are to be awarded under this section against the abutting property owner, the claimant has the burden of proving the amount of the damages. To authorize recovery of more than a nominal amount, facts must exist and be shown by the evidence which afford a reasonable basis for measuring the amount of the claimant's actual damages, and the amount of actual damages shall not be determined by speculation, conjecture, or surmise. All legal or equitable defenses are available to the abutting property owner in an action brought pursuant to this paragraph. The city's general duty under this subsection does not include a duty to remove natural accumulations of snow or ice from the sidewalks. However, when the city is the abutting property owner it has the specific duty of the abutting property owner set forth in this paragraph.

*c.* The abutting property owner may be required by ordinance to maintain all property outside the lot and property lines and inside the curb lines upon the public streets, except that the property owner shall not be required to remove diseased trees or dead wood on the publicly owned property or right-of-way.

*d.* A city may serve notice on the abutting property owner, by certified mail to the property owner as shown by the records of the county auditor, requiring the abutting property owner to repair, replace, or reconstruct sidewalks.

*e.* If the abutting property owner does not perform an action required under this

subsection within a reasonable time, a city may perform the required action and assess the costs against the abutting property for collection in the same manner as a property tax. This power does not relieve the abutting property owner of liability imposed under paragraph "*b*".

*f.* A city has no duty under this subsection with respect to property that is required by law to be maintained by a railway company.

3. A city may:

*a.* Require the abatement of a nuisance, public or private, in any reasonable manner.

*b.* Require the removal of diseased trees or dead wood, except as stated in subsection 2, paragraph "*c*" of this section.

*c.* Require the removal, repair, or dismantling of a dangerous building or structure.

*d.* Require the numbering of buildings.

*e.* Require connection to public drainage systems from abutting property when necessary for public health or safety.

*f.* Require connection to public sewer systems from abutting property, and require installation of sanitary toilet facilities and removal of other toilet facilities on such property.

*g.* Require the cutting or destruction of weeds or other growth which constitutes a health, safety, or fire hazard.

*h.* If the property owner does not perform an action required under this subsection within a reasonable time after notice, a city may perform the required action and assess the costs against the property for collection in the same manner as a property tax. Notice may be in the form of an ordinance or by certified mail to the property owner as shown by the records of the county auditor, and shall state the time within which action is required. However, in an emergency a city may perform any action which may be required under this section without prior notice, and assess the costs as provided in this subsection, after notice to the property owner and hearing.

4. In addition to any other remedy provided by law, a city may also seek reimbursement for costs incurred in performing any act authorized by this section by a civil action for damages against a property owner. However, a city shall not seek reimbursement for costs incurred in performing an act if the same act has not been performed by the city on adjoining city-owned property. For the purposes of this subsection, a county acquiring property for delinquent taxes shall not be considered a property owner.

5. A city may cause, without prior determination and notice, the repair or replacement of public improvements including, but not limited to, sidewalks, water stop boxes, and driveway approaches if the property owner does all of the following:

*a.* Requests the repair and replacement of the public improvements specified in this subsection abutting the property owner's property located outside the lot and property lines and inside the curb lines.

*b.* Waives the requirement of a prior finding by the city council that the condition of the public improvements constitutes a nuisance and the requirement of prior notice.

*c.* Consents to the repair of the public improvements and the assessment of the cost of the repair to the abutting property.

6. If, in repairing and replacing improvements in the area between the lot or property lines and the curb lines pursuant to subsection 5, it becomes necessary for the city to repair or replace adjacent improvements in the area, the cost of repairing or replacing the adjacent public improvements may be assessed, with consent of the property owner, against the property which the public improvements abut.

7. A city may accumulate individual assessments for the repair and replacement of sidewalks, driveway approaches, water stop boxes, or similar improvements or for the abatement of nuisances, and may periodically certify the assessments to the county treasurer under one or more assessment schedules.

**1.** [C75, 77, 79, 81, §364.12(1)]

**2.** [R60, §1097; C73, §467, 527; C97, §753, 757, 780, 781; C24, 27, 31, 35, 39, §**5874, 5945, 5950, 5969;** C46, 50, §381.1, 389.12, 389.19, 389.38; C54, 58, 62, 66, §368.33, 381.1, 389.12, 389.38; C71, 73, §368.33, 381.1, 381.2, 389.12, 389.38; C75, 77, 79, 81, §364.12(2)]

**3.** [R60, §1057, 1058, 1070, 1096; C73, §456, 457, 480, 526; C97, §696, 698, 699, 709 – 712; S13, §696, 711, 713-b, 737; C24, 27, 31, 35, 39, §**5739, 5751, 5752, 5755, 5759, 5784 – 5786;**

C46, §368.2, 368.14, 368.15, 368.18, 368.22 – 368.24, 368.44, 368.53 – 368.55; C50, §368.2, 368.14, 368.15, 368.18, 368.22 – 368.24, 368.44, 368.53 – 368.55, 368.62; C54, 58, 62, 66, 71, 73, §368.3, 368.4, 368.9, 368.26, 368.31; C75, 77, 79, 81, §364.12(3)]

84 Acts, ch 1002, §1; 89 Acts, ch 261, §1; 95 Acts, ch 58, §1

Referred to in §364.13, 364.13A, 384.11, 445.1

Nuisances in general, chapter 657

**364.12A Condemnation of residential buildings — public purpose.**

For the purposes of section 6A.4, subsection 6, a city may condemn a residential building found to be a public nuisance and take title to the property for the public purpose of disposing of the property under section 364.7 by conveying the property to a private individual for rehabilitation or for demolition and construction of housing.

96 Acts, ch 1204, §26

**364.13 Installments.**

If any amount assessed against property under section 364.12 will exceed five hundred dollars, a city may permit the assessment to be paid in up to ten annual installments, in the same manner and with the same interest rates provided for assessments against benefited property under chapter 384, division IV.

[C24, 27, 31, 35, 39, §**5784 – 5786;** C46, 50, §368.53 – 368.55; C54, 58, §368.26; C62, 66, §368.26, 389.38; C71, 73, §368.3, 368.26, 389.38; C75, 77, 79, 81, §364.13]

2012 Acts, ch 1138, §100

**364.13A Special assessments — lien and precedence.**

A special assessment levied pursuant to section 364.11 or 364.12, including all interest, is a lien against the benefited property from the date of filing the schedule of assessments until the assessment is paid. Special assessments have equal precedence with ordinary taxes and are not divested by judicial sale.

83 Acts, ch 90, §20; 92 Acts, ch 1016, §6

**364.13B Special assessments — procedures for levy.**

The procedures for making and levying a special assessment pursuant to this chapter and for an appeal of the assessment are the same procedures as provided in sections 384.59 through 384.67 and sections 384.72 through 384.75.

83 Acts, ch 90, §20

**364.14 Personal injuries.**

When action is brought against a city for personal injuries alleged to have been caused by its negligence, the city may notify in writing any person by whose negligence it claims the injury was caused. The notice shall state the pendency of the action, the name of the plaintiff, the name and location of the court where the action is pending, a brief statement of the alleged facts from which the cause arose, that the city believes that the person notified is liable to it for any judgment rendered against the city, and asking the person to appear and defend. A judgment obtained in the suit is conclusive in any action by the city against any person so notified, as to the existence of the defect or other cause of the injury or damage, as to the liability of the city to the plaintiff in the first named action, and as to the amount of the damage or injury. A city may maintain an action against the person notified to recover the amount of the judgment together with all the expenses incurred by the city in the suit.

[C97, §1053; C24, 27, 31, 35, 39, §**6735;** C46, 50, §420.46; C54, 58, 62, 66, 71, 73, §368.34, 420.46; C75, 77, 79, 81, §364.14]

**364.15 Changing grade of streets.**

If a city has established the grade of a street or alley, and any person has made improvements on lots abutting the street or alley according to the established grade, and afterward the grade is altered in a manner to damage, injure, or diminish the value of the improved property, the city shall pay to the owner of the property the amount of such damage or injury.

If a city has opened a street or alley, and any person has made improvements on lots abutting the street or alley or uses such street or alley for ingress or egress, and afterward the street or alley is vacated causing damage or injury or loss of access, or diminishing the value of the improved property, the city shall pay to the owner of the property the amount of such damage or injury.

[C73, §469; C97, §785, 786; C24, 27, 31, 35, 39, §**5953, 5954;** C46, 50, 54, 58, 62, 66, 71, 73, §389.22, 389.23; C75, 77, 79, 81, §364.15]

**364.16 Municipal fire protection.**

Each city shall provide for the protection of life and property against fire and may establish, house, equip, staff, uniform, and maintain a fire department. A city may establish fire limits and may, consistent with code standards promulgated by nationally recognized fire prevention agencies, regulate the storage, handling, use, and transportation of all flammables, combustibles, and explosives within the corporate limits and inspect for and abate fire hazards. A city may provide conditions upon which the fire department will answer calls outside the corporate limits or the territorial jurisdiction and boundary limits of this state. A city has the same governmental immunity outside its corporate limits when providing fire protection as when operating within the corporate limits. Fire fighters operating equipment on calls outside the corporate limits are entitled to the benefits of chapter 410 or 411 when otherwise qualified.

[R60, §1058, 1096; C73, §457, 525; C97, §711, 716; S13, §711; C24, 27, §5760, 5766; C31, 35, §5760, 5766; C39, §**5760, 5766, 5766.1;** C46, 50, §368.23, 368.29, 368.30; C54, 58, 62, 66, 71, 73, §368.11; C77, 79, 81, §364.16]

92 Acts, ch 1163, §84

Referred to in §357B.8, 357J.15

**364.17 City housing codes.**

1. A city with a population of fifteen thousand or more may adopt by ordinance the latest version of one of the following housing codes before January 1, 1981:

*a.* The uniform housing code promulgated by the international conference of building officials.

*b.* The housing code promulgated by the American public health association.

*c.* The basic housing code promulgated by the building officials conference of America.

*d.* The standard housing code promulgated by the southern building code congress international.

*e.* Housing quality standards promulgated by the United States department of housing and urban development for use in assisted housing programs.

2. Every city with a population of fifteen thousand or more which has not adopted another housing code under this section by January 1, 1981, is subject to and shall be considered to have adopted the uniform housing code promulgated by the international conference of building officials, as amended to January 1, 1980. A city which reaches a population of fifteen thousand, as determined after July 1, 1980, has six months after such determination to comply with this section.

3. *a.* A city which adopts or is subject to a housing code under this section shall adopt enforcement procedures, which shall include a program for regular rental inspections, rental inspections upon receipt of complaints, and certification of inspected rental housing, and may include but are not limited to the following:

(1) A schedule of civil penalties or criminal fines for violations. A city may charge the owner of housing a late payment fee of twenty-five dollars and may add interest of up to one and one-half percent per month if a penalty or fine imposed under this subparagraph is not paid within thirty days of the date that the penalty or fine is due. The city shall send a notice of the late payment fee to such owner by first class mail to the owner's personal or business mailing address. The late payment fee and the interest shall not accrue if such owner files an appeal with either the city, if the city has established an appeals procedure, or the district court. Any unpaid penalty, fine, fee, or interest shall constitute a lien on the real property and may be collected in the same manner as a property tax. However, before a lien is filed, the

city shall send a notice of intent to file a lien to the owner of the housing by first class mail to such owner's personal or business mailing address.

(2) Authority for the issuance of orders requiring violations to be corrected within a reasonable time.

(3) Authority for the issuance of citations pursuant to sections 805.1 to 805.5 upon a failure to satisfactorily remedy a violation.

(4) Authority, if other methods have failed, for an officer to contract to have work done as necessary to remedy a violation, the cost of which shall be assessed to the violator and constitute a lien on the property until paid.

(5) An escrow system for the deposit of rent which will be applied to the costs of correcting violations.

(6) Mediation of disputes based upon alleged violations.

(7) Injunctive procedures.

(8) Authority by ordinance to provide that no rent shall be recoverable by the owner or lessee of any dwelling which does not comply with the housing code adopted by the city until such time as the dwelling does comply with the housing code adopted by the city.

*b*. The enforcement procedures shall be designed to improve housing conditions rather than to displace persons from their homes.

4. A city which is subject to the uniform housing code or which adopts another housing code under this section may provide reasonable variances for existing structures which cannot practicably meet the standards in the code but are not unsafe for habitation.

5. Cities may establish reasonable fees for inspection and enforcement procedures. A city may charge the owner of housing a late payment penalty of twenty-five dollars and may add interest of up to one and one-half percent per month if a fee imposed under this subsection is not paid within thirty days of the date that the fee is due. The city shall send a notice of the late payment penalty to such owner by first class mail to the owner's personal or business mailing address. The late payment penalty and the interest shall not accrue if such owner files an appeal with either the city, if the city has established an appeals procedure, or the district court. Any unpaid fee, penalty, or interest shall constitute a lien on the real property and may be collected in the same manner as a property tax. However, before a lien is filed, the city shall send a notice of intent to file a lien to the owner of the housing by first class mail to such owner's personal or business mailing address.

6. Cities with populations of less than fifteen thousand may comply with this section.

7. A city may adopt housing code provisions which are more stringent than those in the model housing code it adopts or to which it is subject under this section.

[C24, 27, 31, 35, 39, §**6327 – 6451;** C46, 50, 54, 58, 62, 66, §413.1 – 413.125; C71, 73, 75, 77, 79, §413.1 – 413.11, 413.13 – 413.125; C81, §364.17]

83 Acts, ch 101, §81; 2005 Acts, ch 179, §60, 61; 2009 Acts, ch 133, §130

**364.18 Federal aid.**

Subject to applicable state or federal regulations in effect at the time of the city action, a city may accept contributions, grants, or other financial assistance from the state or federal government. Upon a finding of public purpose, the city may disburse the assistance to any person to be used for economic development projects, including but not limited to the purchase or improvement of land and buildings for residential, commercial, or industrial use.

83 Acts, ch 48, §1, 3

**364.19 Contracts to provide services to tax-exempt property.**

A city council or county board of supervisors may enter into a contract with a person whose property is totally or partially exempt from taxation under chapter 404, chapter 404B, section 427.1, or section 427B.1, for the city or county to provide specified services to that person including but not limited to police protection, fire protection, street maintenance, and waste collection. The contract shall terminate as of the date previously exempt property becomes subject to taxation.

84 Acts, ch 1232, §1; 2009 Acts, ch 100, §22, 30

**364.20 Motor vehicles required to operate on ethanol blended gasoline.**

A motor vehicle purchased or used by a city to provide city services shall not operate on gasoline other than ethanol blended gasoline as defined in section 214A.1. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline. However, the sticker is not required to be affixed to an unmarked vehicle used for purposes of providing law enforcement or security.

91 Acts, ch 254, §22; 93 Acts, ch 26, §8; 2006 Acts, ch 1142, §69

**364.21 Use of vacant school property.**

A city shall not lease, purchase, or construct a building before considering the leasing of a vacant facility or building owned by a local public school corporation. The city may lease a facility or building owned by a local public school corporation with an option to purchase the facility or building in compliance with section 297.22. The lease shall provide that the public school corporation may terminate the lease if the corporation needs to use the facility or building for school purposes. The public school corporation shall notify the city at least thirty days before the termination of the lease.

[82 Acts, ch 1148, §4]

97 Acts, ch 184, §6

**364.22 Municipal infractions.**

1. *a.* A municipal infraction is a civil offense punishable by a civil penalty of not more than seven hundred fifty dollars for each violation or if the infraction is a repeat offense, a civil penalty not to exceed one thousand dollars for each repeat offense. However, notwithstanding section 364.3, a municipal infraction arising from noncompliance with a pretreatment standard or requirement, referred to in 40 C.F.R. § 403.8, by an industrial user may be punishable by a civil penalty of not more than one thousand dollars for each day a violation exists or continues.

*b.* (1) A city may classify a municipal infraction, other than a violation arising from noncompliance with a pretreatment standard or requirement, as an environmental violation if the infraction is a violation of chapter 455B or 459, subchapters II and III, or a violation of a standard established by the city in consultation with the department of natural resources, or both. The discharge of airborne residue from grain, created by the handling, drying, or storing of grain by a person, shall not be subject to an ordinance, the violation of which is classified as an environmental violation, unless the person is engaged in industrial production or manufacturing of grain products. The discharge of airborne residue from grain, created by the handling, drying, or storing of grain by a person engaged in industrial production or manufacturing of grain products, shall not be subject to an ordinance, the violation of which is classified as an environmental violation, if the discharge occurs from September 15 to January 15. A municipal infraction which is classified an environmental violation is punishable by a civil penalty of not more than one thousand dollars for each occurrence. A person committing an environmental violation is not subject to a civil penalty, if all of the following conditions are satisfied:

(a) The violation results solely from the person conducting an initial start-up, cleaning, repairing, performing scheduled maintenance, testing, or conducting a shutdown, of either equipment causing the violation or the equipment designed to reduce or eliminate the violation.

(b) The person notifies the city of the violation within twenty-four hours from the time that the violation begins.

(c) The violation does not continue in existence for more than eight hours.

(2) A city shall not enforce this section against a person committing an environmental violation, until the city offers to participate in informal negotiations with the person. If the person accepts the offer, the city and the person shall participate in good faith negotiations to resolve issues alleged to be the basis for the violation.

2. A city by ordinance may provide that a violation of an ordinance is a municipal infraction.

3. A city shall not provide that a violation of an ordinance is a municipal infraction if the violation is a felony, an aggravated misdemeanor, or a serious misdemeanor under state law or if the violation is a simple misdemeanor under chapters 687 through 747.

4. An officer authorized by a city to enforce a city code or regulation may issue a civil citation to a person who commits a municipal infraction. A copy of the citation may be served by personal service as provided in rule of civil procedure 1.305, by certified mail addressed to the defendant at the defendant's last known mailing address, return receipt requested, or by publication in the manner as provided in rule of civil procedure 1.310 and subject to the conditions of rule of civil procedure 1.311. A copy of the citation shall be retained by the issuing officer, and the original citation shall be sent to the clerk of the district court. The citation shall serve as notification that a civil offense has been committed and shall contain the following information:

*a.* The name and address of the defendant.

*b.* The name or description of the infraction attested to by the officer issuing the citation.

*c.* The location and time of the infraction.

*d.* The amount of civil penalty to be assessed or the alternate relief sought, or both.

*e.* The manner, location, and time in which the penalty may be paid.

*f.* The time and place of court appearance.

*g.* The penalty for failure to appear in court.

*h.* The legal description of the affected real property, if applicable.

5. *a.* Upon receiving a citation under subsection 4 that affects real property and that charges a violation relating to the condition of the property, including a building code violation, a local housing regulation violation, a housing code violation, or a public health or safety violation, the clerk of the district court shall index the citation pursuant to section 617.10, if the legal description of the affected property is included in or attached to the citation.

*b.* After filing the citation with the clerk of the district court, the city shall also file the citation in the office of the county treasurer. The county treasurer shall include a notation of the pendency of the action in the county system, as defined in section 445.1, until the judgment of the court is satisfied or until the action is dismissed. Pursuant to section 446.7, an affected property that is subject to a pending action shall not be offered for sale by the county treasurer at tax sale.

6. In municipal infraction proceedings:

*a.* The matter shall be tried before a magistrate, a district associate judge, or a district judge in the same manner as a small claim. The matter shall only be tried before a judge in district court if the total amount of civil penalties assessed exceeds the jurisdictional amount for small claims set forth in section 631.1.

*b.* The city has the burden of proof that the municipal infraction occurred and that the defendant committed the infraction. The proof shall be by clear, satisfactory, and convincing evidence.

*c.* The court shall ensure that the defendant has received a copy of the charges and that the defendant understands the charges. The defendant may question all witnesses who appear for the city and produce evidence or witnesses on the defendant's behalf.

*d.* The defendant may be represented by counsel of the defendant's own selection and at the defendant's own expense.

*e.* The defendant may answer by admitting or denying the infraction.

*f.* If a municipal infraction is proven the court shall enter a judgment against the defendant. If the infraction is not proven, the court shall dismiss it.

7. All penalties or forfeitures collected by the court for municipal infractions shall be remitted to the city in the same manner as fines and forfeitures are remitted for criminal violations under section 602.8106. If the person named in the citation is served as provided in this section and fails without good cause to appear in response to the civil citation, judgment shall be entered against the person cited.

8. A person against whom judgment is entered, shall pay court costs and fees as in small claims under chapter 631. If the action is dismissed, the city is liable for the court costs and

court fees. Where the action is disposed of without payment, or provision for assessment, of court costs, the clerk shall at once enter judgment for costs against the city.

9. Seeking a civil penalty as authorized in this section does not preclude a city from seeking alternative relief from the court in the same action.

10. *a.* When judgment has been entered against a defendant, the court may do any of the following:

(1) Impose a civil penalty by entry of a personal judgment against the defendant.

(2) Direct that payment of the civil penalty be suspended or deferred under conditions imposed by the court.

(3) Grant appropriate alternative relief ordering the defendant to abate or cease the violation.

(4) Authorize the city to abate or correct the violation.

(5) Order that the city's costs for abatement or correction of the violation be entered as a personal judgment against the defendant or assessed against the property where the violation occurred, or both.

*b.* If a defendant willfully violates the terms of an order imposed by the court, the failure is contempt.

*c.* A magistrate or district associate judge shall have jurisdiction to assess or enter judgment for costs of abatement or correction in an amount not to exceed the jurisdictional amount for a money judgment in a civil action pursuant to section 631.1, subsection 1, for magistrates and section 602.6306, subsection 2, for district associate judges. If the city seeks abatement or correction costs in excess of those amounts, and the matter is not before a judge in district court, the case shall be referred to the district court for hearing and entry of an appropriate order. The procedure for hearing in the district court shall be the same procedure as that for a small claims appeal pursuant to section 631.13.

11. The defendant or the city may file a motion for a new trial or may appeal the decision of a magistrate, district associate judge, or a district judge to the district court. The procedure on appeal shall be the same as for a small claim pursuant to section 631.13. A factual determination made by the trial court, supported by substantial evidence as shown in the record, is binding for purposes of appeal relating to the violation at issue, but shall not be admissible or binding as to any future violation for the same or similar ordinance provision by the same defendant.

12. This section does not preclude a peace officer of a city from issuing a criminal citation for a violation of a city code or regulation if criminal penalties are also provided for the violation. Each day that a violation occurs or is permitted to exist by the defendant, constitutes a separate offense.

13. The issuance of a civil citation for a municipal infraction or the ensuing court proceedings do not provide an action for false arrest, false imprisonment, or malicious prosecution.

14. An action brought pursuant to this section for a municipal infraction which is an environmental violation does not preclude, and is in addition to, any other enforcement action which may be brought pursuant to chapter 455B, 455D, 455E, or 459, subchapters II, III, and VI.

15. A police department may dispose of personal property under section 80.39.

86 Acts, ch 1202, §2; 87 Acts, ch 99, §4 – 6; 89 Acts, ch 150, §5 – 8; 90 Acts, ch 1210, §1 – 5; 96 Acts, ch 1067, §1; 98 Acts, ch 1144, §4; 2000 Acts, ch 1203, §21; 2003 Acts, ch 178, §24; 2009 Acts, ch 21, §6; 2010 Acts, ch 1050, §1, 2

Referred to in §364.22B, 380.10, 446.7, 455B.192

**364.22A Neglected animals.**

A city may rescue, provide maintenance, or dispose of neglected livestock or another animal, as provided in chapters 717 and 717B.

94 Acts, ch 1103, §4

**364.22B Collection of judgment debt.**

1. As used in this section, *"judgment debt"* means any criminal penalty, any personal

judgment for a civil penalty, or any personal or in rem judgment for the costs of abating a nuisance or other violation, owing to a city in any proceeding brought as a municipal infraction under section 364.22, or in a civil nuisance proceeding under chapter 657, or in a criminal proceeding for a misdemeanor violation under a city ordinance.

2. Judgment debt owing to a city is deemed delinquent if it is not paid within thirty days after the date it is assessed. An amount which was ordered by the court to be paid on a date fixed in the future is deemed delinquent if it is not received by the clerk of court within thirty days after the fixed date set out in the court order. If an amount was ordered to be paid in installments and an installment is not received within thirty days after the date it is due, the entire amount of the judgment debt is deemed delinquent.

3. *a.* A city may contract with a private collection designee for the collection of a judgment debt sixty days after the judgment debt in a case is deemed delinquent pursuant to subsection 2.

*b.* The contract shall provide for a collection fee of up to twenty-five percent of the amount of the balance of the judgment debt in a case deemed delinquent. The collection fee shall be added to the amount of the judgment debt deemed delinquent. The amount of the judgment debt deemed delinquent and the collection fee shall be owed by and collected from the defendant. The collection fee shall be used to compensate the private collection designee.

2010 Acts, ch 1146, §6

**364.23 Energy-efficient lighting required.**

All city-owned exterior flood lighting, including but not limited to street and security lighting but not including era or period lighting which has a minimum efficiency rating of fifty-eight lumens per watt and not including stadium or ball park lighting, shall be replaced, when worn-out, exclusively with high pressure sodium lighting or lighting with equivalent or better energy efficiency as approved in rules adopted by the utilities board within the utilities division of the department of commerce. In lieu of the requirements established for replacement lighting under this section, stadium or ball park lighting shall be replaced, when worn-out, with the most energy-efficient lighting available at the time of replacement which may include metal halide, high-pressure sodium, or other light sources which may be developed.

89 Acts, ch 297, §6; 91 Acts, ch 253, §16; 92 Acts, ch 1233, §3

Referred to in §474.5

**364.24 Traffic light synchronization.**

After July 1, 1992, all cities with more than three traffic lights within the corporate limits shall establish a traffic light synchronization program for energy efficiency in accordance with rules adopted by the state department of transportation. The state department of transportation shall adopt rules required by this section by July 1, 1990. This section does not require that a city replace lighting, which has not completed its useful life, in order to comply with the requirements of this section. However, all lighting shall be replaced, whether or not it has completed its useful life, by July 1, 2001.

89 Acts, ch 297, §7; 91 Acts, ch 253, §15

**364.25 Retiree health care.**

A city may provide health or medical insurance coverage or supplemental health or medical insurance coverage to retired employees of the city. A city providing health or medical insurance coverage pursuant to this section may establish such requirements or restrictions concerning the coverage provided as the city may adopt. If coverage is provided, the cost of the health or medical insurance coverage may be paid from moneys held in a trust and agency fund established pursuant to section 384.6, or out of an appropriation from the city general fund for this purpose.

2000 Acts, ch 1089, §1

# CHAPTERS 365 to 367

RESERVED

# CHAPTER 368

## CITY DEVELOPMENT

Referred to in §362.1, 362.9, 376.1, 455B.306A


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## DIVISION I

## DEFINITIONS

**368.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Adjoining"* means having a common boundary for not less than fifty feet. Land areas may be adjoining although separated by a roadway or waterway.
2. *"Annexation"* means the addition of territory to a city.
3. *"Board"* means the city development board established in section 368.9.
4. *"Boundary adjustment"* means annexation, severance or consolidation.
5. *"City development"* means an incorporation, discontinuance or boundary adjustment.
6. *"Committee"* means the board members, and the local representatives appointed as provided in sections 368.14 and 368.14A, to hear and make a decision on a petition or plan for city development.
7. *"Consolidation"* means the combining of two or more cities into one city.
8. *"Discontinuance"* means termination of a city.
9. *"Incorporation"* means establishment of a new city.
10. *"Island"* means land which is not part of a city and which is completely surrounded by the corporate boundaries of one or more cities. However, a part of the boundary of an *"island"* may be contiguous with a boundary of the state, a river, or similar natural barrier which prevents service access from an adjoining area of land outside the boundaries of a city.
11. *"Public land"* means land owned by the federal government, the state, or a political subdivision of the state.
12. *"Public utility"* means a public utility subject to regulation pursuant to chapter 476.
13. *"Registered voter"* means a person who is registered to vote pursuant to chapter 48A.
14. *"Severance"* means the deletion of territory from a city.
15. *"Territory"* means the land area or areas proposed to be incorporated, annexed, or severed, whether or not contiguous to all other areas proposed to be incorporated, annexed, or severed. Except as provided for by an agreement pursuant to chapter 28E, *"territory"* having a common boundary with the right-of-way of a secondary road extends to the center line of the road.
16. *"Urbanized area"* means any area of land within two miles of the boundaries of a city.

[C58, 62, 66, 71, 73, §362.1; C75, 77, 79, 81, §368.1]

89 Acts, ch 98, §1; 89 Acts, ch 299, §1; 91 Acts, ch 187, §1; 91 Acts, ch 250, §1; 92 Acts, ch 1174, §1; 93 Acts, ch 152, §1 – 3; 94 Acts, ch 1169, §61; 2003 Acts, ch 148, §1, 9

## DIVISION II

## GENERAL PROVISIONS

**368.2 Name change.**

A city may change its name as follows:

1. The council shall propose the name change and shall notify the county commissioner of elections that the question shall be submitted at the next regular city election.
2. The county commissioner of elections shall publish notice, as provided in section 362.3, of the proposed new name, and of the fact that the question will be submitted at the next regular city election. The county commissioner of elections shall report the results of the balloting on the question to the mayor and the city council.
3. If a majority of those voting on the question approves the proposed new name, the city clerk shall enter the new name upon the city records and file certified copies of the proceedings, including the council's proposal, proof of publication of notice, and certification

of the election result, with the county recorder of each county which contains part of the city, and with the secretary of state. Upon proper filing the name change is complete and effective.

[C97, §628 – 630; C24, 27, 31, 35, 39, §**5619 – 5622;** C46, 50, 54, §362.34 – 362.37; C58, 62, 66, 71, 73, §362.38 – 362.41; C75, 77, 79, 81, §368.2]

**368.3 Discontinuance — cemetery fund transfer.**

A city is discontinued if, for a period of six years or more, it has held no city election and has caused no taxes to be levied. If the board receives knowledge of facts which cause an automatic discontinuance under this section, it shall make a determination that the city is discontinued, shall take control of the property of the discontinued city, and shall carry out all necessary procedures as if the city were discontinued under a petition or plan.

A city may also be discontinued in accordance with the following procedures. The council shall adopt a resolution of intent to discontinue and shall call a public hearing on the proposal to discontinue. Notice of the time and place of the public hearing and the proposed action shall be published as provided in section 362.3, except that at least ten days' notice must be given. At the public hearing, the council shall receive oral and written comments regarding the proposal from any person. Thereafter, the council, at the same meeting or at a subsequent meeting, may pass a resolution of discontinuance or pass a resolution abandoning the proposal. If the council passes a resolution of discontinuance, a petition may be filed with the clerk in the manner provided in section 362.4, within thirty days following the effective date of the resolution, requesting that the question of discontinuance be submitted to the registered voters of the city. Upon receipt of a petition requesting an election, the council shall direct the county commissioner of elections to call a special election on the question of discontinuance or shall adopt a resolution abandoning the discontinuance. Notice of the election shall be given by publication as required in section 49.53. If a majority of those voting approve the discontinuance or if no petition for an election is filed, the clerk shall send a copy of the resolution of discontinuance and, if an election is held, the results of the election to the board. The board shall take control of the property of the discontinued city and shall supervise procedures necessary to carry out the discontinuance in accordance with section 368.21.

When a city is discontinued under this section or under sections 368.11 through 368.22, and that city owns a cemetery, the board shall determine if any perpetual care funds exist and provide for their transfer to a trustee named by a district court or to the county or other suitable governmental entity.

[C46, 50, 54, 58, 62, 66, 71, 73, §362.18; C75, 77, 79, 81, §368.3]

91 Acts, ch 188, §2; 2000 Acts, ch 1006, §1

**368.4 Annexing moratorium.**

A city, following notice and hearing, may by resolution agree with another city or cities to refrain from annexing specifically described territory for a period not to exceed ten years and, following notice and hearing, may by resolution extend the agreement for subsequent periods not to exceed ten years each. Notice of a hearing shall be served by regular mail at least thirty days before the hearing on the city development board and on the board of supervisors of the county in which the territory is located and shall be published in an official county newspaper in each county containing a city conducting a hearing regarding the agreement, in an official county newspaper in any county within two miles of any such city, and in an official newspaper of each city conducting a hearing regarding the agreement. The notice shall include the time and place of the hearing, describe the territory subject to the proposed agreement, and the general terms of the agreement. After passage of a resolution by the cities approving the agreements, a copy of the agreement and a copy of any resolution extending an agreement shall be filed with the city development board within ten days of enactment. If such an agreement is in force, the board shall dismiss a petition or plan which violates the terms of the agreement.

[C66, 71, 73, §362.26(7, 8); C75, 77, 79, 81, §368.4]

2002 Acts, ch 1132, §4, 11; 2002 Acts, ch 1175, §31; 2003 Acts, ch 148, §2, 9; 2004 Acts, ch 1101, §42

**368.5 Annexing state and county property.**

Territory owned by the state of Iowa may be annexed, but the attorney general must be served with notice of the hearing and a copy of the proposal.

Territory within the road right-of-way owned by a county may be annexed, but the county attorney of that county must be served with notice of the hearing and a copy of the proposal.

[C58, 62, 66, 71, 73, §362.34, 362.35; C75, 77, 79, 81, §368.5]

89 Acts, ch 98, §2

**368.6 Intent.**

It is the intent of the general assembly to provide an annexation approval procedure which gives due consideration to the wishes of the residents of territory to be annexed, and to the interests of the residents of all territories affected by an annexation. The general assembly presumes that a voluntary annexation of territory more closely reflects the wishes of the residents of territory to be annexed, and, therefore, intends that the annexation approval procedure include a presumption of validity for voluntary annexation approval.

91 Acts, ch 250, §2

**368.7 Voluntary annexation of territory.**

1. *a.* All of the owners of land in a territory adjoining a city may apply in writing to the council of the adjoining city requesting annexation of the territory. Territory comprising railway right-of-way or territory comprising not more than twenty percent of the land area may be included in the application without the consent of the owner to avoid creating an island or to create more uniform boundaries. Public land may be included in the territory to be annexed. However, the area of the territory that is public land included without the written consent of the agency with jurisdiction over the public land shall not be used to determine the percentage of territory that is included with the consent of the owner and without the consent of the owner.

*b.* (1) Prior to notification in paragraph "*c*", the annexing city shall provide written notice to the board of supervisors and township trustees of each county and township that contains all or a portion of the territory to be annexed. The written notice shall include the same information required in paragraph "*c*" and shall set a time for a consultation on the proposed annexation between the annexing city and each county and township that contains all or a portion of the territory to be annexed. The consultation shall be held at least fourteen business days before the applications in paragraph "*c*" are mailed. The governing body of each such county and township may designate one of its members to attend the consultation. Each such county and township may make written recommendations for modification to the proposed annexation no later than seven business days following the date of the consultation.

(2) Not later than thirty days after the consultation, the board of supervisors of each county that contains all or a portion of the territory to be annexed shall, by resolution, state whether or not it supports the application or whether it takes no position in support of or against the application. If there is a comprehensive plan for the county, the board shall take the plan into account when considering its resolution. A copy of the resolution shall be immediately filed with the annexing city and shall be considered by the city council when taking action on the application. The city council shall forward a copy of the resolution to the city development board as part of the city proceedings on the annexation. Failure of a board of supervisors to adopt a resolution shall not delay the proceedings on the application nor shall such failure be considered a deficiency either in the application or in the annexing city's proceedings.

*c.* A copy of the application shall be mailed by certified mail to the nonconsenting owner and each affected public utility, at least fourteen business days prior to any action taken by the city council on the application. The application must contain a legal description and a map of the territory showing its location in relationship to the city.

*d.* The city shall provide for a public hearing on the application before approving or denying it. The city shall provide written notice at least fourteen business days prior to any action by the city council regarding the application, including a public hearing, by regular mail to the chairperson of the board of supervisors of each county which contains a

portion of the territory proposed to be annexed, each public utility which serves the territory proposed to be annexed, each owner of property located within the territory to be annexed who is not a party to the application, and each owner of property that adjoins the territory to be annexed unless the adjoining property is in a city. The city shall publish notice of the application and public hearing on the application in an official county newspaper in each county which contains a portion of the territory proposed to be annexed. Both the written and published notice shall include the time and place of the public hearing and a legal description of the territory to be annexed. The city shall not assess the costs of providing notice as required in this section to the applicants. The city council shall approve or deny the application by resolution of the council.

*e.* An application for annexation under this subsection may be withdrawn by an applicant at any time within three business days after the public hearing unless the application was made pursuant to a written agreement for the extension of city services or unless the right to withdraw the application was specifically identified and waived by the applicant in the application. A landowner who has consented to the annexation may, within three business days after the public hearing, withdraw the landowner's consent to the annexation unless the landowner has entered into a written agreement for extension of city services or unless the right to withdraw consent was specifically identified and waived by the landowner.

*f.* An annexation including territory comprising not more than twenty percent of the land area without consent of the property owners is not complete without approval by four-fifths of the members of the city development board after a hearing for all affected property owners and the county. When considering such an annexation application, the board may request that the annexing city provide information on the amount of land located in the annexing city that is currently vacant or undeveloped and whether municipal services are being provided to current residents of the annexing city.

2. An application for annexation of territory not within an urbanized area of a city other than the city to which the annexation is directed must be approved by resolution of the council which receives the application. The city council shall mail a copy of the application by certified mail to the board of supervisors of each county which contains a portion of the territory at least fourteen business days prior to any action taken by the city council on the application. The council shall also publish notice of the application in an official county newspaper in each county which contains a portion of the territory at least fourteen days prior to any action taken by the council on the application. Upon receiving approval of the council, the city clerk shall file a copy of the resolution, map, and legal description of the territory involved with the secretary of state, the county board of supervisors of each county which contains a portion of the territory, each affected public utility, and the state department of transportation. The city clerk shall also record a copy of the legal description, map, and resolution with the county recorder of each county which contains a portion of the territory. The secretary of state shall not accept and acknowledge a copy of a legal description, map, and resolution of annexation which would create an island. The annexation is completed upon acknowledgment by the secretary of state that the secretary of state has received the legal description, map, and resolution.

3. An application for annexation of territory within an urbanized area of a city other than the city to which the annexation is directed must be approved both by resolution of the council which receives the application and by the board. The board shall not approve an application which creates an island. Notice of the application shall be mailed by certified mail, by the city to which the annexation is directed, at least fourteen business days prior to any action by the city council on the application to the council of each city whose boundary adjoins the territory or is within two miles of the territory, to the board of supervisors of each county which contains a portion of the territory, each affected public utility, and to the regional planning authority of the territory. Notice of the application shall be published in an official county newspaper in each county which contains a portion of the territory at least ten business days prior to any action by the city council on the application. The annexation is completed when the board has filed and recorded copies of applicable portions of the proceedings as required by section 368.20, subsection 1, paragraph "*b*".

4. *a.* If one or more applications for a voluntary annexation and one or more petitions

for an involuntary annexation or incorporation for a common territory are submitted to the board within thirty days of the date the first application or petition was submitted to the board, the board shall approve the application for voluntary annexation, if the application meets the applicable requirements of this chapter, unless the board determines by a preponderance of the evidence that the application was filed in bad faith, or that the application as filed is contrary to the best interests of the citizens of the urbanized area, or that the applicant cannot within a reasonable period of time meet its obligation to provide services to the territory to be annexed sufficient to meet the needs of the territory. In consideration of the requests, the board may appoint a committee in the manner provided in section 368.14 to seek additional information from the applicant for voluntary annexation as necessary, including the information required of petitioners pursuant to section 368.11. The board, or the committee, if applicable, shall hold a public hearing on the application for voluntary annexation in the manner provided for involuntary petitions in section 368.15. The decision of the board under this subsection shall be made within ninety days of receipt of the application by the board. The failure of the board to approve an application under this paragraph shall be deemed final agency action subject to judicial review.

*b*. If an application for voluntary annexation is not approved pursuant to this section, the board shall cause the conversion of the application to a petition pursuant to section 368.13 and shall proceed under section 368.14A. The conversion of an application to a petition shall not prejudice the status of the applicant. Judicial review of a board decision under this subsection may be requested by an aggrieved party.

5. In the discretion of a city council, the resolution provided for in subsection 1, paragraph "*d*", or subsection 2 or 3, may include a provision for a transition for the imposition of city taxes against property within the annexation area as provided in section 368.11, subsection 3, paragraph "*m*".

[R60, §1038; C73, §426; C97, §617, 621; C24, 27, 31, 35, 39, §**5615, 5616;** C46, 50, 54, 58, 62, 66, 71, 73, §362.30, 362.31; C75, 77, 79, 81, §368.7]

86 Acts, ch 1245, §845; 89 Acts, ch 299, §2; 91 Acts, ch 187, §2, 3; 91 Acts, ch 250, §3, 4; 92 Acts, ch 1174, §2; 93 Acts, ch 152, §4; 2002 Acts, ch 1132, §5 – 8, 11; 2003 Acts, ch 148, §3, 9; 2005 Acts, ch 19, §50; 2005 Acts, ch 111, §1 – 3, 5; 2010 Acts, ch 1061, §179, 180

Referred to in §368.12, 368.25A

**368.7A Secondary road annexation.**

1. The board of supervisors of each affected county shall notify the city development board of the existence of that portion of any secondary road which extends to the center line but has not become part of the city by annexation and has a common boundary with a city. The notification shall include a legal description and a map identifying the location of the secondary road. The city development board shall provide notice and an opportunity to be heard to each city in or next to which the secondary road is located. The city development board shall certify that the notification is correct and declare the road, or portion of the road extending to the center line, annexed to the city as of the date of certification. This section is not intended to interfere with or modify existing chapter 28E agreements on jurisdictional transfer of roads, or continuing negotiations between jurisdictions.

2. The remaining title and interest of a county in any secondary road or portion of the road which has been annexed by a city is transferred to the annexing city on July 1, 1993. The title and interest of a county in any secondary road which is annexed by a city after July 1, 1993, is transferred to the city upon the effective date of the annexation.

93 Acts, ch 152, §5

**368.8 Voluntary severing of territory.**

Any territory may be severed upon the unanimous consent of all owners of the territory and approval by resolution of the council of the city in which the territory is located. The council shall provide in the resolution for the equitable distribution of assets and equitable distribution and assumption of liabilities of the territory as between the city and the severed territory. The city clerk shall file a copy of the resolution, map, and a legal description of the territory involved with the county board of supervisors, secretary of state, and state

department of transportation. The city clerk shall also record a copy of the map and resolution with the county recorder. The secretary of state shall not accept and acknowledge a copy of a map and resolution of severance which would create an island. The severance is completed upon acknowledgment by the secretary of state that the secretary of state has received the map and resolution.

[R60, §1048 – 1052; C73, §440 – 444; C97, §622 – 626; S13, § 622; C24, 27, 31, 35, 39, §**5617;** C46, 50, 54, 58, 62, 66, 71, 73, §362.32; C75, 77, 79, 81, §368.8]

86 Acts, ch 1245, §846; 92 Acts, ch 1174, §3; 93 Acts, ch 152, §6

## DIVISION III

## CITY DEVELOPMENT BOARD

**368.9 Board created.**

1. A city development board is created. The economic development authority shall provide office space and staff assistance, and shall budget funds to cover expenses of the board and committees. The board consists of five members appointed by the governor subject to confirmation by the senate. The appointments must be for four-year staggered terms beginning and ending as provided by section 69.19, or to fill an unexpired term in case of a vacancy. Members are eligible for reappointment.

2. The board shall be composed of the following members:

*a.* One member appointed from a city with a population of more than forty-five thousand, according to the most recent certified federal census.

*b.* One member appointed from a city with a population of forty-five thousand or less, according to the most recent certified federal census.

*c.* One member appointed from a county with a population of more than fifty thousand, according to the most recent certified federal census.

*d.* One member appointed from a county with a population of fifty thousand or less, according to the most recent certified federal census.

*e.* One member appointed to represent the general public.

3. Each member is entitled to receive from the state actual and necessary expenses in performance of board duties and may also be eligible to receive compensation as provided in section 7E.6.

[C75, 77, 79, 81, §368.9]

86 Acts, ch 1245, §847; 91 Acts, ch 250, §5; 2010 Acts, ch 1038, §1 – 3; 2011 Acts, ch 118, §85, 89

Referred to in §15.108, 368.1, 368.10, 384.38

Confirmation, see §2.32

2010 amendment to subsection 1 takes effect March 10, 2010, and applies to appointments to the city development board made on or after that date due to an expired term; 2010 Acts, ch 1038, §2, 3

**368.10 Rules — filing fees.**

The board may establish rules for the performance of its duties and the conduct of proceedings before it. The rules may include establishing filing fees for applications and petitions submitted to the board. The amounts collected from the establishment of such fees are appropriated to the board for the purpose of reimbursing the economic development authority for the budgeted costs of covering the board's expenses as described in section 368.9, subsection 1. Any amounts collected in a fiscal year by the board in excess of such budgeted costs shall be deposited in the general fund of the state. The board's rules are subject to chapter 17A, as applicable.

[C75, 77, 79, 81, §368.10]

93 Acts, ch 152, §7, 8; 2013 Acts, ch 126, §15

Section amended

**368.11 Petition for involuntary city development action.**

1. A petition for incorporation, discontinuance, or boundary adjustment may be filed with the board by a city council, a county board of supervisors, a regional planning authority, or

five percent of the registered voters of a city or territory involved in the proposal. Notice of the filing, including a copy of the petition, must be served upon the council of each city for which a discontinuance or boundary adjustment is proposed, the board of supervisors for each county which contains a portion of a city to be discontinued or territory to be incorporated, annexed or severed, the council of a city if an incorporation includes territory within the city's urbanized area, and any regional planning authority for the area involved.

2. Within ninety days of receipt of a petition, the board shall initiate appropriate proceedings or dismiss the petition. The board may combine for consideration petitions or plans which concern the same territory or city or which provide for a boundary adjustment or incorporation affecting common territory. The combined petitions may be submitted for consideration by a special local committee pursuant to section 368.14A.

3. The petition must include substantially the following information as applicable:

*a.* A general statement of the proposal.

*b.* A map of the territory, city or cities involved.

*c.* Assessed valuation of platted and unplatted land.

*d.* Names of property owners.

*e.* Population density.

*f.* Description of topography.

*g.* Plans for disposal of assets and assumption of liabilities.

*h.* Description of existing municipal services, including but not limited to water supply, sewage disposal, and fire and police protection.

*i.* Plans for agreements with any existing special service districts.

*j.* In a case of annexation or incorporation, the petition must state that none of the territory is within a city.

*k.* In a case of incorporation or consolidation, the petition must state the name of the proposed city.

*l.* Plans shall include a formal agreement between affected municipal corporations and counties for the maintenance, improvement, and traffic control of any shared roads involved in an incorporation or boundary adjustment.

*m.* (1) In the discretion of a city council, a provision for a transition for the imposition of city taxes against property within an annexation area. The provision shall allow for an exemption from taxation of the following percentages of assessed valuation according to the following schedule:

(a) For the first and second years, seventy-five percent.

(b) For the third and fourth years, sixty percent.

(c) For the fifth and sixth years, forty-five percent.

(d) For the seventh and eighth years, thirty percent.

(e) For the ninth and tenth years, fifteen percent.

(2) An alternative schedule may be adopted by the city council. However, an alternative schedule shall not allow a greater exemption than that provided in this paragraph. The exemption shall be applied in the levy and collection of taxes. The provision may also allow for the partial provision of city services during the time in which the exemption from taxation is in effect. If the city council provides for a transition for the imposition of city taxes against property in an annexation area, all property owners included in the annexation area must receive the transition upon completion of the annexation.

*n.* In the case of an annexation, a plan for extending municipal services to be provided by the annexing city to the annexed territory within three years of July 1 of the fiscal year in which city taxes are collected against property in the annexed territory.

4. At least fourteen business days before a petition for involuntary annexation is filed as provided in this section, the petitioner shall make its intention known by sending a letter of intent by certified mail to the council of each city whose urbanized area contains a portion of the territory, the board of supervisors of each county which contains a portion of the territory, the regional planning authority of the territory involved, each affected public utility, and to each property owner listed in the petition. The written notification shall include notice that the petitioners shall hold a public meeting on the petition for involuntary annexation prior to the filing of the petition.

5. Before a petition for involuntary annexation may be filed, the petitioner shall hold a public meeting on the petition. Notice of the meeting shall be published in an official county newspaper in each county which contains a part of the territory at least five days before the date of the public meeting. The mayor of the city proposing to annex the territory, or that person's designee, shall serve as chairperson of the public meeting. The city clerk of the same city or the city clerk's designee shall record the proceedings of the public meeting. Any person attending the meeting may submit written comments and may be heard on the petition. The minutes of the public meeting and all documents submitted at the public meeting shall be forwarded to the county board of supervisors of each county where the territory is located and to the board by the chairperson of the meeting.

6. Within thirty days after receiving notice that a petition for involuntary annexation has been filed with the board, the board of supervisors of each county that contains all or a portion of the territory to be annexed shall, by resolution, state whether or not it supports the petition or whether it takes no position in support of or against the petition. If there is a comprehensive plan for the county, the board shall take the plan into account when considering its resolution. A copy of the resolution shall be immediately filed with the annexing city and with the city development board. Failure of a board of supervisors to adopt a resolution shall not delay the proceedings on the petition nor shall such failure be considered a deficiency either in the petition or in the annexing city's proceedings.

[R60, §1031, 1038, 1043; C73, §421, 426, 430, 431, 447, 448; C97, §599, 604, 610, 611, 615, 617, 621; S13, §615; C24, 27, 31, 35, 39, §**5588, 5598, 5612 – 5614, 5616;** C46, 50, §362.1, 362.11, 362.26, 362.28, 362.29, 362.31; C54, 58, 62, 66, 71, 73, §362.1, 362.11, 362.26, 362.31; C75, 77, 79, 81, §368.11]

89 Acts, ch 299, §3; 91 Acts, ch 250, §6; 92 Acts, ch 1174, §4; 93 Acts, ch 152, §9; 2001 Acts, ch 56, §31; 2002 Acts, ch 1132, §9, 11; 2003 Acts, ch 108, §126, 132; 2003 Acts, ch 148, §4 – 6, 9; 2005 Acts, ch 111, §4, 5; 2006 Acts, ch 1158, §5; 2010 Acts, ch 1061, §180

Referred to in §331.304, 368.3, 368.7, 368.20, 368.25, 368.25A

**368.12 Dismissal.**

The board may dismiss a petition only if it finds that the petition does not meet the requirements of this chapter, or that substantially the same incorporation, discontinuance, or boundary adjustment has been disapproved by a committee formed to consider the proposal, or by the voters, within the two years prior to the date the petition is filed with the board, or that the territory to be annexed, or a portion of that territory, has been voluntarily annexed under section 368.7. The board shall file for record a statement of each dismissal and the reason for it, and shall promptly notify the parties to the proceeding of its decision.

[C75, 77, 79, 81, §368.12]

91 Acts, ch 250, §7

Referred to in §368.3, 368.20

**368.13 Board may initiate proceedings.**

Based on the results of its studies, the board may initiate proceedings for the incorporation, discontinuance, or boundary adjustment of a city. The board may request a city to submit a plan for city development or may formulate its own plan for city development. A plan submitted at the board's initiation must include the same information as a petition and be filed and acted upon in the same manner as a petition. A petition or plan may include any information relevant to the proposal, including but not limited to results of studies and surveys, and arguments.

[C75, 77, 79, 81, §368.13]

93 Acts, ch 152, §10

Referred to in §368.3, 368.7, 368.20

**368.14 Local representatives.**

If an involuntary petition is not dismissed, the board shall direct the appointment of local representatives to serve with board members as a committee to consider the proposal. Each local representative is entitled to receive from the state the representative's actual and necessary expenses spent in performance of committee duties. Three board members and

one local representative, or if the number of local representatives exceeds one, three board members and at least one-half of the appointed local representatives, are required for a quorum of the committee. A local representative must be a registered voter of the territory or city which the representative represents, and must be selected as follows:

1. From a territory to be incorporated, one representative appointed by the county board of supervisors. If the territory is in more than one county, the board shall direct the appointment of a local representative from each county involved.

2. From a city to be discontinued, one representative appointed by the city council.

3. From a territory to be annexed to or severed from a city, one representative appointed by the county board of supervisors. If there are no registered voters residing in an area to be annexed to or severed from a city, the county board of supervisors shall appoint as local representative an individual owning property in the territory whether or not the individual is a registered voter or appoint a designee of such individual. If the territory is in more than one county, the board shall direct the appointment of a local representative from each county involved by its board of supervisors.

4. From a city to which territory is to be annexed or from which territory is to be severed, one representative appointed by the city council. If the territory is in more than one county, the board shall direct the appointment of an equal number of city and county local representatives.

5. From each city to be consolidated, one representative appointed by each city council.

[C75, 77, 79, 81, §368.14]

91 Acts, ch 250, §8; 94 Acts, ch 1169, §64

Referred to in §331.321, 368.1, 368.3, 368.7, 368.14A, 368.20

**368.14A Special local committees.**

When two or more petitions for city development action or applications for voluntary annexation describing common territory are being considered together, the board shall direct the appointment of representatives for each of the petitions to serve on one special committee to consider the petitions. Expense reimbursement and qualifications of these representatives shall be as provided in section 368.14. Three board members and at least one-half of the appointed local representatives are required for a quorum of the special local committee. The manner of appointment of representatives shall be the same as for single petition committees as provided in section 368.14. The special committee shall consider the petitions in conformity with the provisions of this chapter, and shall resolve common territory issues between petitioners. The special committee shall conduct a public hearing on the petitions pursuant to section 368.15. If the common territory issue is resolved, the special local committee may approve the resulting compatible petitions by a single vote or separately, in its discretion.

91 Acts, ch 250, §9; 93 Acts, ch 152, §11

Referred to in §368.1, 368.3, 368.7, 368.11, 368.20

**368.15 Public hearing.**

The committee shall conduct a public hearing on a proposal as soon as practicable. Notice of the hearing must be served upon the council of each city for which a discontinuance or boundary adjustment is proposed, the county board of supervisors for each county which contains a portion of a city to be discontinued or territory to be incorporated, annexed, or severed, and any regional planning authority for the area involved. A notice of the hearing, which includes a brief description of the proposal and a statement of where the petition or plan is available for public inspection, must be published as provided in section 362.3, except that there must be two publications in a newspaper having general circulation in each city and each territory involved in the proposal. Any person may submit written briefs, and in the committee's discretion, may be heard on the proposal. The board may subpoena witnesses and documents relevant to the proposal.

[C75, 77, 79, 81, §368.15]

Referred to in §368.3, 368.7, 368.14A, 368.18, 368.20, 368.21

**368.16 Approval of proposal.**

Subject to section 368.17, the committee shall approve any proposal which it finds to be in the public interest. A committee shall base its finding upon all relevant information before the committee, including but not limited to the following:

1. Statements in the petition or plan, and evidence supporting those statements.
2. Recommendations of the regional planning authority for the area.
3. Commercial and industrial development.
4. Potential growth in population.
5. Cost and adequacy of existing services and facilities.
6. Potential effect of the proposal and of possible alternative proposals on the cost and adequacy of services and facilities.
7. Potential effect of the proposal on adjacent areas, and on any unit of government directly affected, including but not limited to the potential effect on future revenues of any such unit of government.

[C75, 77, 79, 81, §368.16]

Referred to in §368.3, 368.20

**368.17 When approval barred.**

The committee may not approve:

1. An incorporation unless it finds that the city to be incorporated will be able to provide customary municipal services within a reasonable time.
2. A discontinuance or severance if the city to be discontinued or the territory to be severed will be surrounded by one or more cities unless a petition for annexation of the same area is also filed and approved.
3. A discontinuance or severance unless it finds that the county or another city will be able to provide necessary municipal services to the residents.
4. An annexation unless the territory is adjoining the city to which it will be annexed, and the committee finds that the city will be able to provide to the territory substantial municipal services and benefits not previously enjoyed by such territory, and that the motive for annexation is not solely to increase revenues to the city.
5. A consolidation unless the cities are contiguous.
6. An incorporation of territory, any part of which is within two miles of an existing city, unless a petition for annexation of substantially the same territory to such city has been dismissed, disapproved, or voted upon unfavorably within the last five years.
7. A city development action which creates an island.

[R60, §1043; C73, §430, 431; C97, §610, 611, 615; S13, §615; C24, 27, 31, 35, 39, §**5612 – 5614;** C46, 50, §362.26, 362.28, 362.29; C54, §362.26; C58, 62, 66, 71, 73, §362.1, 362.26; C75, 77, 79, 81, §368.17]

91 Acts, ch 187, §4; 92 Acts, ch 1174, §5

Referred to in §368.3, 368.16, 368.20

**368.18 Amendment.**

The committee may amend a petition or plan. If a petition or plan is substantially amended, the committee shall continue the hearing to a later date and serve and publish a notice describing the amended petition or plan, as required in section 368.15.

[C97, §600; S13, §600; C24, 27, 31, 35, 39, §**5591;** C46, 50, 54, 58, 62, 66, 71, 73, §362.4; C75, 77, 79, 81, §368.18]

Referred to in §368.3, 368.20

**368.19 Time limit — election.**

1. The committee shall approve or disapprove the petition or plan as amended, within ninety days of the final hearing, and shall file its decision for record and promptly notify the parties to the proceeding of its decision. If a petition or plan is approved, the board shall submit the proposal at an election held on a date specified in section 39.2, subsection 4, paragraph *"a"* or *"b"*, whichever is applicable, and the county commissioner of elections shall conduct the election. In a case of incorporation or discontinuance, registered voters of the territory or city may vote, and the proposal is authorized if a majority of those voting

approves it. In a case of annexation or severance, registered voters of the territory and of the city may vote, and the proposal is authorized if a majority of the total number of persons voting approves it. In a case of consolidation, registered voters of each city to be consolidated may vote, and the proposal is authorized only if it receives a favorable majority vote in each city. The county commissioner of elections shall publish notice of the election as provided in section 49.53 and shall conduct the election in the same manner as other special elections.

2. The city shall provide to the commissioner of elections a map of the area to be incorporated, discontinued, annexed, severed, or consolidated, which must be approved by the commissioner as suitable for posting. The map shall be displayed prominently in at least one place within the voting precinct, and inside each voting booth.

3. The costs of an incorporation election shall be borne by the initiating petitioners if the election fails, but if the proposition is approved the cost shall become a charge of the new city.

[R60, §1032, 1037, 1043, 1044; C73, §422, 423, 425, 430 – 432, 447 – 450; C97, §600 – 605, 610 – 612, 615; S13, §600 – 602, 615; C24, 27, 31, 35, 39, §**5592 – 5594, 5596, 5598, 5599, 5605, 5606, 5612 – 5614;** C46, 50, §362.5 – 362.7, 362.9, 362.11, 362.12, 362.19, 362.20, 362.26, 362.28, 362.29; C54, 58, 62, 66, 71, 73, §362.5 – 362.7, 362.9, 362.11, 362.12, 362.19, 362.20, 362.26; C75, 77, 79, 81, §368.19]

91 Acts, ch 250, §10; 95 Acts, ch 67, §53; 98 Acts, ch 1123, §16; 2008 Acts, ch 1115, §62, 71; 2009 Acts, ch 57, §90

Referred to in §368.3, 368.20

**368.20 Procedure after approval.**

1. After the county commissioner of elections has certified the results to the board, the board shall:

*a.* Serve and publish notice of the result as provided in section 362.3.

*b.* File with the secretary of state and the clerk of each city incorporated or involved in a boundary adjustment, and record with the recorder of each county which contains a portion of any city or territory involved, copies of the proceedings including the original petition or plan and any amendments, the order of the board approving the petition or plan, proofs of service and publication of required notices, certification of the election result, and any other material deemed by the board to be of primary importance to the proceedings.

2. Upon proper filing and expiration of time for appeal, the incorporation, discontinuance, or boundary adjustment is complete. However, if an appeal to any of the proceedings is pending, completion does not occur until the appeal is decided, unless a subsequent date is provided in the proposal. The board shall also file with the state department of transportation a copy of the map and legal land description of each completed incorporation or corporate boundary adjustment completed under sections 368.11 through 368.22 or approved annexation within an urbanized area.

[R60, §1044, 1053, 1054; C73, §432, 445, 446, 452; C97, §267, 603, 608, 612; C24, 27, 31, 35, 39, §**5596, 5603, 5606, 5618;** C46, 50, 54, 58, 62, 66, 71, 73, §362.9, 362.16, 362.20, 362.33; C75, 77, 79, 81, §368.20]

89 Acts, ch 22, §1; 93 Acts, ch 152, §12; 2010 Acts, ch 1061, §149

Referred to in §368.3, 368.7

**368.21 Supervision of procedures.**

When an incorporation, discontinuance, or boundary adjustment is complete, the board shall supervise procedures necessary to carry out the proposal. In the case of an incorporation, the county commissioner of elections shall conduct an election for mayor and council of the city, who shall serve until their successors take office following the next regular city election. In the case of a discontinuance, the board shall publish two notices as provided in section 368.15 that it will receive and adjudicate claims against the discontinued city for a period of six months from the date of last notice, and shall cause necessary taxes to be levied against the property within the discontinued city to pay claims allowed. All records of a discontinued city shall be deposited with the county auditor of the county designated by the board. Any remaining balances shall be deposited in the county treasury where the

former city was located. In the case of boundary adjustments, the proper city officials shall carry out procedures necessary to implement the proposal.

[R60, §1037, 1045; C73, §425, 433, 449, 451, 453; C97, §602, 603, 605 – 607, 613; S13, §602; C24, 27, 31, 35, 39, §**5594, 5597, 5600 – 5602, 5607;** C46, 50, 54, 58, 62, 66, 71, 73, §362.7, 362.10, 362.13 – 362.15, 362.21; C75, 77, 79, 81, §368.21]

83 Acts, ch 123, §172, 209

Referred to in §331.427, 368.3, 368.20

**368.22 Appeal.**

1. *a.* A city, or a resident or property owner in the territory or city involved may appeal a decision of the board or a committee, or the legality of an election, to the district court of a county which contains a portion of any city or territory involved.

*b.* Appeal must be filed within thirty days of the filing of a decision or the publication of notice of the result of an election.

*c.* Appeal of an approval of a petition or plan does not stay the election.

2. The judicial review provisions of this section and chapter 17A shall be the exclusive means by which a person or party who is aggrieved or adversely affected by agency action may seek judicial review of that agency action. The court's review on appeal of a decision is limited to questions relating to jurisdiction, regularity of proceedings, and whether the decision appealed from is arbitrary, unreasonable, or without substantial supporting evidence. The court may reverse and remand a decision of the board or a committee, with appropriate directions.

3. The following portions of section 17A.19 are not applicable to this chapter:

*a.* The part of subsection 2 which relates to where proceedings for judicial review shall be instituted.

*b.* Subsection 5.

*c.* Subsection 8.

*d.* Subsection 9.

*e.* Subsection 10.

*f.* Subsection 11.

[C75, 77, 79, 81, §368.22]

98 Acts, ch 1202, §40, 46; 2010 Acts, ch 1061, §150

Referred to in §368.3, 368.20

**368.23 Fees and taxes of public utilities.**

Additional or increased fees or taxes, other than ad valorem taxes, imposed on a public utility as a result of an annexation of territory to a city shall become effective sixty days after the effective date of the annexation.

93 Acts, ch 152, §13

**368.24 Notification to public utilities and to the department of revenue.**

Notwithstanding any other provision of law to the contrary, any city that annexes territory or any city from which territory is severed shall provide written notification consisting of a legal description and map of the annexed or severed territory, each street address within the annexed or severed area, where possible, a statement containing the effective date of the annexation or severance and a copy of the order, resolution, or ordinance proclaiming the annexation or severance to all public utilities operating in the annexed or severed area and to the department of revenue. If the notification of an annexation is provided to a public utility less than sixty days prior to the effective date of the annexation, the public utility shall have sixty days from the date of notification to adjust its tax and accounting records to reflect the annexation for any tax purpose.

96 Acts, ch 1204, §10; 2012 Acts, ch 1110, §25

**368.25 Failure to provide municipal services.**

Prior to expiration of the three-year period established in section 368.11, subsection 3, paragraph "*n*", the annexing city shall submit a report to the board describing the status of the provision of municipal services identified in the plan required in section 368.11,

subsection 3, paragraph *"n"*. If a city fails to provide municipal services, or fails to show substantial and continuing progress in the provision of municipal services, to territory involuntarily annexed, according to the plan for extending municipal services filed pursuant to section 368.11, subsection 3, paragraph *"n"*, within the time period specified in that subsection, the city development board may initiate proceedings to sever the annexed territory from the city. The board shall notify the city of the severance proceedings and shall hold a public hearing on the proposed severance. The board shall give notice of the hearing in the same manner as notice of a public meeting in section 368.11. The board may order severance of all or a portion of the territory and the order to sever is not subject to approval at an election. A city may request that the board allow up to an additional three years to provide municipal services if good cause is shown. As an alternative to severance of the territory, the board may impose a moratorium on additional annexation by the city until the city complies with its plan for extending municipal services. For purposes of this section, *"municipal services"* means services included in the plan required by section 368.11, subsection 3, paragraph *"n"*, for extending municipal services.

2002 Acts, ch 1132, §10, 11; 2002 Acts, ch 1175, §32; 2003 Acts, ch 148, §7, 9; 2005 Acts, ch 19, §51

**368.25A Boundary adjustment between cities by petition and consent.**

1. A real property owner within the boundaries of a city may file a petition for severance with the city council if the petitioner's real property, if severed, would be eligible for annexation by a different city and if such annexation would not create an island. Contiguous property owners may file a combined petition under this section.

2. The petition shall be filed with the city council of the city from which severance is sought and the city council of the city to which annexation is requested. The petition shall be in substantially the form required of an application under section 368.7.

3. If the city councils of both cities approve the petition, the petition shall be filed with the board. Approval by either city council may be conditioned upon an agreement entered into by the cities providing for the transition of property taxes or the sharing of property tax revenues from the real property described in the petition for a period not to exceed forty years and providing for all necessary zoning ordinance changes within a period not to exceed ten years. An agreement between cities under this subsection shall be filed with the board at the same time the approved petition is filed. An agreement may include additional transition provisions relating to the transfer or sharing of property tax revenues for property outside the boundaries of the territory described in the petition and any other provisions deemed by the cities to be in the public interest if such actions are within the authority of the cities.

4. Following receipt of a petition, the board shall initiate proceedings to sever the territory from the city in which it is located and annex the territory to the annexing city. The board shall notify both cities of the severance and annexation proceedings and shall hold a public hearing on the severance, annexation, and any agreement between the cities pursuant to subsection 3. The board shall give notice of the hearing in the same manner as notice of a public meeting in section 368.11, subsection 5.

5. The board may only approve the petition if the board also approves any agreements between the cities pursuant to subsection 3, and filed with the board. The board may only approve or deny the severance and annexation of the territory described in the petition, and the order of the board approving the petition is not subject to approval at an election.

6. The severance and annexation approved by the board is completed when the board files with the secretary of state and the clerk of each city involved in the severance and annexation, and records with the recorder of each county which contains a portion of any city or territory involved, copies of the proceedings including the petition, any agreements between the cities, the order of the board approving the petition, proofs of service and publication of required notices, and any other material deemed by the board to be of primary importance to the proceedings. The board shall also file with the state department of transportation a copy of the map and legal land description of each completed severance and annexation under this section.

2010 Acts, ch 1022, §1

**368.26 Annexation of certain property — compliance with less stringent regulations.**

1. A city ordinance or regulation that regulates a condition or activity occurring on protected farmland or regulates a person who owns and operates protected farmland is unenforceable against the owner of the protected farmland for a period of ten years from the effective date of the annexation, to the extent the city ordinance or regulation is more stringent than county legislation. Section 335.2 shall apply to the protected farmland until the owner of the protected farmland determines that the land will no longer be operated as an agricultural operation. Any enforcement activity conducted in violation of this section is void.

2. For purposes of this section:

*a.* *"Condition or activity occurring on protected farmland"* includes but is not limited to the raising, harvesting, drying, or storage of crops; the marketing of products at roadside stands or farm markets; the creation of noise, odor, dust, or fumes; the production, care, feeding, or housing of animals including but not limited to the construction, operation, or management of an animal feeding operation, an animal feeding operation structure, or aerobic structure, and to the storage, handling, or application of manure or egg washwater; the operation of machinery including but not limited to planting and harvesting equipment, grain dryers, grain handling equipment, and irrigation pumps; ground and aerial seeding and spraying; the application of chemical fertilizers, conditioners, insecticides, pesticides, and herbicides; and the employment and use of labor.

*b.* *"County legislation"* means any ordinance, motion, resolution, or amendment adopted by a county pursuant to section 331.302.

*c.* *"Protected farmland"* means land that is part of a century farm as that term is defined in section 403.17, subsection 10.

2003 Acts, ch 148, §8, 9; 2004 Acts, ch 1101, §43; 2013 Acts, ch 90, §97
Section amended

# CHAPTERS 368A to 371

RESERVED

# CHAPTER 372

## ORGANIZATION OF CITY GOVERNMENT

Referred to in §97B.1A, 331.248, 331.262, 362.1, 362.2, 362.9, 376.1


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## DIVISION I

## FORMS OF GOVERNMENT

**372.1 Forms of cities.**

1. The forms of city government are:

*a.* Mayor-council, or mayor-council with appointed manager.

*b.* Commission.

*c.* Council-manager-at-large.

*d.* Council-manager-ward.

*e.* Home rule charter.

*f.* Special charter.

*g.* City-county consolidated form as provided in sections 331.247 through 331.252.

*h.* Community commonwealth as provided in sections 331.260 through 331.263.

2. A city when first incorporated has the mayor-council form. A city retains its form of government until it adopts a different form as provided in this division.

3. Within thirty days of the date that this section becomes effective, a city shall adopt by ordinance a charter embodying its existing form of government, which must be one of the forms provided in this division, and shall file a copy of its charter with the secretary of state, and maintain copies available for public inspection.

[C54, 58, 62, 66, 71, 73, §363.1, 363.30; C75, 77, 79, 81, §372.1]

2004 Acts, ch 1066, §29, 31; 2010 Acts, ch 1061, §180

Referred to in §372.2, 372.12

**372.2 Six-year limitation.**

Unless otherwise provided by law, a city may adopt a different form of government not more often than once in a six-year period. A different form, other than a home rule charter, special charter, city-county consolidated government, or community commonwealth, must be adopted as follows:

1. Eligible electors of the city may petition the council to submit to the electors the question of adopting a different form of city government. The minimum number of signatures required on the petition shall be equal in number to twenty-five percent of those who voted in the last regular city election. The petition shall specify which form of city government in section 372.1 the petitioners propose for adoption.

2. *a.* Within fifteen days after receiving a valid petition, the council shall publish notice of the date that a special election will be held to determine whether the city shall change to a different form of government. The election date shall be as specified in section 39.2, subsection 4, paragraph "*b*". If the next election date specified in that paragraph is more than sixty days after the publication, the council shall publish another notice fifteen days before the election. The notice shall include a statement that the filing of a petition for appointment of a home rule charter commission will delay the election until after the home rule charter commission has filed a proposed charter. Petition requirements and filing deadlines shall also be included in the notice.

*b.* The council shall notify the county commissioner of elections to publish notice of the election and conduct the election pursuant to chapters 39 to 53. The county commissioner of elections shall certify the results of the election to the council.

3. If a majority of the persons voting at the special election approves the proposed form, it is adopted.

4. If a majority of the persons voting at the special election does not approve the proposed form, that form may not be resubmitted to the voters within the next four years.

5. If the proposed form is adopted:

*a.* The elective officers provided for in the adopted form are to be elected at the next regular city election held more than eighty-four days after the special election at which the form was adopted. The adopted form becomes effective at the beginning of the new term following the regular city election.

*b.* The change of form does not alter any right or liability of the city in effect when the new form takes effect.

*c.* All departments and agencies shall continue to operate until replaced.

*d.* All measures in effect remain effective until amended or repealed, unless they are irreconcilable with the adopted form.

*e.* Upon the effective date of the adopted form, the city shall adopt by ordinance a new charter embodying the adopted form, and shall file a copy of its charter with the secretary of state, and maintain copies available for public inspection.

[C73, §434 – 439; C97, §631 – 635, 637; S13, §633, 1056-a17, -a18, -a19, -a20, -a39; SS15, §1056-b1, -b2, -b22, -b26; C24, 27, 31, 35, 39, §**6478, 6482 – 6487, 6491, 6549, 6568, 6569, 6616, 6617, 6619, 6620, 6623, 6680 – 6682, 6687, 6689, 6690, 6936 – 6940, 6942;** C46, 50, §416.3, 416.6, 416.7 – 416.11, 416.15, 416.73, 416.93, 416.94, 419.2, 419.3, 419.5, 419.6, 419.9, 419.67 – 419.69, 419.74, 419.76, 419.77, 420.289 – 420.293, 420.295; C54, 58, 62, 66, 71, 73, §363.31 – 363.38, 363B.6, 363C.12, 420.289 – 420.293, 420.295; C75, 77, 79, 81, §372.2]

89 Acts, ch 39, §6, 7; 94 Acts, ch 1180, §52, 53; 97 Acts, ch 170, §88; 2004 Acts, ch 1066, §30, 31; 2008 Acts, ch 1115, §63, 71

Referred to in §372.4, 372.5, 373.6

**372.3 Home rule charter.**

If a petition for appointment of a home rule charter commission is filed with the city clerk not more than ten days after the council has published the first notice announcing the date of the special election on adoption of another form of government, the special election shall not be held until the charter proposed by the home rule charter commission is filed. Both forms must be published as provided in section 372.9 and submitted to the voters at the special election.

[C75, 77, 79, 81, §372.3]

97 Acts, ch 170, §89; 2008 Acts, ch 1115, §64, 71

**372.4 Mayor-council form.**

1. *a.* A city governed by the mayor-council form has a mayor and five council members elected at large, unless the council representation plan is changed pursuant to section 372.13, subsection 11. The council may, by ordinance, provide for a city manager and prescribe the manager's powers and duties, and as long as the council contains an odd number of council members, may change the number of wards, abolish wards, or increase the number of council members at large without changing the form.

*b.* However, a city governed, on July 1, 1975, by the mayor-council form composed of a mayor and a council consisting of two council members elected at large and one council member from each of four wards, or a special charter city governed, on July 1, 1975, by the mayor-council form composed of a mayor and a council consisting of two council members elected at large and one council member elected from each of eight wards, may continue until the form of government is changed as provided in section 372.2 or section 372.9. While a city is thus operating with an even number of council members, the mayor may vote to break a tie vote on motions not involving ordinances, resolutions or appointments made by the council alone, and in a special charter city operating with ten council members under this section, the mayor may vote to break a tie vote on all measures.

2. The mayor shall appoint a council member as mayor pro tem, and shall appoint and dismiss the marshal or chief of police except where an intergovernmental agreement makes other provisions for police protection or as otherwise provided in section 400.13. However, the appointment and dismissal of the marshal or chief of police are subject to the consent of a majority of the council. Other officers must be selected as directed by the council. The mayor is not a member of the council and shall not vote as a member of the council.

3. In a city having a population of five hundred or more, but not more than five thousand, the city council may, or shall upon petition of the electorate meeting the numerical requirements of section 372.2, subsection 1, submit a proposal at the next regular or special city election to reduce the number of council members to three. If a majority of the voters voting on the proposal approves it, the proposal is adopted. If the proposal is adopted, the

new council shall be elected at the next regular or special city election. The council shall determine by ordinance whether the three council members are elected at large or by ward.

4. In a city having a population of less than five hundred, the city council may adopt a resolution of intent to reduce the number of council members from five to three and shall call a public hearing on the proposal. Notice of the time and place of the public hearing shall be published as provided in section 362.3, except that at least ten days' notice must be given. At the public hearing, the council shall receive oral and written comments regarding the proposal from any person. Thereafter, the council, at the same meeting as the public hearing or at a subsequent meeting, may adopt a final resolution to reduce the number of council members from five to three or may adopt a resolution abandoning the proposal. If the council adopts a final resolution to reduce the number of council members from five to three, a petition meeting the same requirements specified in section 362.4 for petitions authorized by city code may be filed with the clerk within thirty days following the effective date of the final resolution, requesting that the question of reducing the number of council members from five to three be submitted to the registered voters of the city. Upon receipt of a petition requesting an election, the council shall direct the county commissioner of elections to put the proposal on the ballot for the next regular city election. If the ballot proposal is adopted, the new council shall be elected at the next following regular city election. If a petition is not filed, the council shall notify the county commissioner of elections by July 1 of the year of the regular city election and the new council shall be elected at that regular city election. If the council notifies the commissioner of elections after July 1 of the year of the regular city election, the change shall take effect at the next following regular city election. The council shall determine by ordinance whether the three council members are elected at large or by ward.

5. City council membership reduced from five council members to three may be increased to five council members using the same procedure in subsection 3 or 4, as applicable.

[R60, §1081, 1086, 1093, 1095, 1098, 1103, 1105, 1106; C73, §511, 515, 521, 524, 528, 532, 534, 535; C97, §645, 646, 652, 654, 655; S13, §645, 646, 652, 654, 655; SS15, §679-1a, 937; C24, 27, 31, 35, 39, §**5631, 5634 – 5636, 6611, 6691;** C46, 50, §363.9, 363.13 – 363.15, 418.1, 420.1; C54, 58, 62, §363A.2, 363A.3, 363D.1; C66, 71, 73, §363A.2, 363A.3, 363A.5, 363D.1; C75, 77, 79, 81, §372.4]

86 Acts, ch 1171, §2; 87 Acts, ch 97, §1; 91 Acts, ch 256, §36; 97 Acts, ch 23, §38; 2001 Acts, ch 35, §1; 2003 Acts, ch 80, §1, 2; 2004 Acts, ch 1101, §44; 2007 Acts, ch 55, §1; 2010 Acts, ch 1061, §180

Referred to in §372.13, 380.4

**372.5 Commission form.**

1. A city governed by the commission form has five departments as follows:

*a.* Department of public affairs.

*b.* Department of accounts and finances.

*c.* Department of public safety.

*d.* Department of streets and public improvements.

*e.* Department of parks and public property.

2. *a.* A city governed by the commission form has a council composed of a mayor and four council members elected at large, unless the council representation plan is changed pursuant to section 372.13, subsection 11. The mayor administers the department of public affairs and each other council member is elected to administer one of the other four departments.

*b.* However, a city governed, on July 1, 1975, by the commission form and having a council composed of a mayor and two council members elected at large may continue with a council of three until the form of government is changed as provided in section 372.2 or section 372.9 or without changing the form, may submit to the voters the question of increasing the council to five members assigned to the five departments as set out in this section.

3. The mayor shall supervise the administration of all departments and report to the council all matters requiring its attention. The mayor is a member of the council and may vote on all matters before the council.

4. The council member elected to administer the department of accounts and finances is mayor pro tem.

5. The council may appoint a city treasurer or may, by ordinance, provide for election of that officer.

[S13, §1056-a18, -a20, -a24, -a25, -a26, -a29; C24, 27, 31, 35, 39, §**6484, 6488, 6489, 6502, 6520, 6524, 6526, 6527, 6565, 6566;** C46, 50, §416.8, 416.12 – 416.14, 416.26, 416.44, 416.48, 416.50, 416.51, 416.90, 416.91; C54, 58, 62, 66, 71, 73, §363B.1, 363B.2, 363B.4, 363B.5, 363B.7, 363B.8; C75, 77, 79, 81, §372.5]

91 Acts, ch 256, §37; 97 Acts, ch 23, §39; 2010 Acts, ch 1061, §151

Referred to in §372.13

**372.6 Council-manager-at-large form.**

1. A city governed by the council-manager-at-large form has five council members elected at large for staggered four-year terms. At the first meeting of the new term following each city election, the council shall elect one of the council members to serve as mayor, and one to serve as mayor pro tem. The mayor is a member of the council and may vote on all matters before the council. As soon as possible after the beginning of the new term following each city election, the council shall appoint a manager.

2. *a.* The city council of a city governed by the council-manager-at-large form may adopt a resolution on its own motion, or shall adopt a resolution if a petition valid under section 362.4 is filed with the city clerk, proposing that the city be governed by a mayor elected by the people for a four-year term and four council members elected at large. After adoption of the resolution, the council shall direct the county commissioner of elections to put the proposal on the ballot for the next general election or the next regular city election, whichever occurs first. If the ballot proposal is approved, the city council shall adopt an ordinance meeting the requirements of paragraph *"b"*, and the ordinance is effective beginning with the next following regular city election.

*b.* The ordinance shall provide that the mayor is a member of the council and may vote on all matters before the council. The ordinance shall provide that the term of office of the mayor is four years and, after each regular city election, the mayor shall appoint a council member as mayor pro tem. The ordinance shall provide that the mayor is a member of the council for purposes of maintaining staggered terms on the council. A council member's term shall not be shortened or lengthened as a means of initially implementing the ordinance.

*c.* An ordinance adopted and approved under this subsection is not subject to repeal until the ordinance has been in effect for at least six years. The question of repeal of the ordinance is subject to the requirements of paragraph *"a"*.

3. The council may by ordinance provide that the city will be governed by council-manager-ward form. The ordinance must provide for the election of the mayor and council members required under council-manager-ward form at the next regular city election.

[SS15, §1056-b1, -b7, -b12; C24, 27, 31, 35, 39, §**6621, 6622, 6645, 6665;** C46, 50, §419.7, 419.8, 419.31, 419.51; C54, 58, 62, 66, §363C.1, 363C.3; C71, 73, §363C.1, 363C.3, 363C.17; C75, 77, 79, 81, §372.6]

2006 Acts, ch 1138, §1

Referred to in §376.4A

**372.7 Council-manager-ward form.**

A city governed by council-manager-ward form has a council composed of a mayor and six council members. Of the six council members, two may be elected at large and one elected from each of four wards, or one may be elected from each of six wards. The mayor and other council members serve four-year staggered terms. The mayor is a member of the council and may vote on all matters before the council.

The council, by ordinance, may change from one ward option authorized under this section to the other ward option. The ordinance must provide for the election of the mayor and council members as provided in the selected ward option at the next regular city election.

As soon as possible after the beginning of the new term following each city election, the council shall appoint a city manager, and a council member to serve as mayor pro tem.

[C71, 73, §363E.1; C75, 77, 79, 81, §372.7]

87 Acts, ch 86, §1

**372.8 Council-manager form — supervision.**

When a city adopts a council-manager-at-large or council-manager-ward form of government:

1. The city manager is the chief administrative officer of the city.

2. The city manager shall:

*a.* Supervise enforcement and execution of the city laws.

*b.* Attend all meetings of the council.

*c.* Recommend to the council any measures necessary or expedient for the good government and welfare of the city.

*d.* Supervise the official conduct of all officers of the city appointed by the manager, and take active control of the police, fire, and engineering departments of the city.

*e.* Supervise the performance of all contracts for work to be done for the city, make all purchases of material and supplies, and see that such material and supplies are received, and are of the quality and character called for by the contract.

*f.* Supervise the construction, improvement, repair, maintenance, and management of all city property, capital improvements, and undertakings of the city, including the making and preservation of all surveys, maps, plans, drawings, specifications, and estimates for capital improvements, except property, improvements, and undertakings managed by a utility board of trustees.

*g.* Cooperate with any administrative agency or utility board of trustees.

*h.* Be responsible for the cleaning, sprinkling, and lighting of streets, alleys, and public places, and the collection and disposal of waste.

*i.* Provide for and cause records to be kept of the issuance and revocation of licenses and permits authorized by city law.

*j.* Keep the council fully advised of the financial and other conditions of the city, and of its future needs.

*k.* Prepare and submit to the council annually the required budgets.

*l.* Conduct the business affairs of the city and cause accurate records to be kept by modern and efficient accounting methods.

*m.* Make to the council not later than the tenth day of each month an itemized financial report in writing, showing the receipts and disbursements for the preceding month. Copies of financial reports must be available at the clerk's office for public distribution.

*n.* Appoint a treasurer subject to the approval of the council.

*o.* Perform other duties at the council's direction.

3. The city manager may:

*a.* Appoint administrative assistants, with the approval of the council.

*b.* Employ, reclassify, or discharge all employees and fix their compensation, subject to civil service provisions and chapter 35C, except the city clerk, deputy city clerk, and city attorneys.

*c.* Make all appointments not otherwise provided for.

*d.* Suspend or discharge summarily any officer, appointee, or employee whom the manager has power to appoint or employ, subject to civil service provisions and chapter 35C.

*e.* Summarily and without notice investigate the affairs and conduct of any department, agency, officer, or employee under the manager's supervision, and compel the production of evidence and attendance of witnesses.

*f.* Administer oaths.

4. The city manager shall not take part in any election for council members, other than

by casting a vote, and shall not appoint a council member to city office or employment, nor shall a council member accept such appointment.

[SS15, §1056-b3, -b12, -b15, -b16, -b19, -b20; C24, 27, 31, 35, 39, §**6631, 6665, 6669 – 6672, 6675, 6676;** C46, 50, §419.17, 419.51, 419.55 – 419.58, 419.61, 419.62; C54, 58, 62, 66, 71, 73, §363C.3, 363C.7, 363C.10, 363C.11; C75, 77, 79, 81, §372.8]

Referred to in §373.5

**372.9 Home rule charter procedure.**

A city to be governed by the home rule charter form shall adopt a home rule charter in which its form of government is set forth. A city may adopt a home rule charter only by the following procedures:

1. A home rule charter may be proposed by:

*a.* The council, causing a charter to be prepared and filed and by resolution submitting it to the voters.

*b.* Eligible electors of the city equal in number to at least twenty-five percent of the persons who voted at the last regular city election petitioning the council to appoint a charter commission to prepare a proposed charter. The council shall, within thirty days of the filing of a valid petition, appoint a charter commission composed of not less than five nor more than fifteen members. The charter commission shall, within six months of its appointment, prepare and file with the council a proposed charter.

2. When a charter is filed, the council and mayor shall notify the county commissioner of elections to publish notice containing the full text of the proposed home rule charter, a description of any other form of government being presented to the voters, and the date of the election, and to conduct the election. The notice shall be published at least twice in the manner provided in section 362.3, except that the publications must occur within sixty days of the filing of the home rule charter, with a two-week interval between each publication. The council shall provide copies of a proposed charter for public distribution by the city clerk.

3. The proposed home rule charter must be submitted at a special election on a date specified in section 39.2, subsection 4, paragraph "*b*", and in accordance with section 47.6. However, the date of the last publication must be not less than thirty nor more than sixty days before the election.

4. If a proposed home rule charter is rejected by the voters, it may not be resubmitted in substantially the same form to the voters within the next four years. If a proposed home rule charter is adopted by the voters, no other form of government may be submitted to the voters for six years.

5. If a petition for the appointment of a charter commission is filed at any time within two weeks after the second publication of a charter proposed by the council, the submission to the voters of a charter proposed by the council must be delayed, a charter commission appointed, and the council proposal and the charter proposed by the charter commission must be submitted to the voters at the same special election.

6. The ballot submitting a proposed charter or charters must also submit the existing form of government as an alternative.

7. *a.* If only two forms of government are being voted upon, the form of government which receives the highest number of votes is adopted.

*b.* If more than two forms are being voted upon and no form receives a majority of the votes cast in the special election, there must be a runoff election between the two proposed forms which receive the highest number of votes in the special election. The runoff election must be held within thirty days following the special election and must be conducted in the same manner as a special city election.

8. If a home rule charter is adopted:

*a.* The elective officers provided for in the charter are to be elected at the next regular city election held more than sixty days after the special election at which the charter was adopted, and the adopted charter becomes effective at the beginning of the new term following the regular city election.

*b.* The adoption of the charter does not alter any right or liability of the city in effect at the time of the special election at which the charter was adopted.

*c.* All departments and agencies shall continue to operate until replaced.

*d.* All measures in effect remain effective until amended or repealed, unless they are irreconcilable with the charter.

*e.* Upon the effective date of the home rule charter, the city shall adopt by ordinance the home rule charter, and shall file a copy of its charter with the secretary of state, and maintain copies available for public inspection.

[C75, 77, 79, 81, §372.9]

89 Acts, ch 39, §8; 2002 Acts, ch 1134, §103, 115; 2008 Acts, ch 1115, §65, 71

Referred to in §372.3, 372.4, 372.5

**372.10 Contents of charter.**

A home rule charter must contain provisions for:

1. A council of an odd number of members, not less than five.
2. A mayor, who may be one of those council members.
3. Two-year or staggered four-year terms of office for the mayor and council members.
4. The powers and duties of the mayor and the council, consistent with the provisions of the city code.
5. A council representation plan pursuant to section 372.13, subsection 11.

[C75, 77, 79, 81, §372.10]

91 Acts, ch 256, §38

**372.11 Amendment to charter.**

A home rule charter may be amended by one of the following methods:

1. The council, by resolution, may submit a proposed amendment to the voters at a special city election, and the proposed amendment becomes effective if approved by a majority of those voting.
2. The council, by ordinance, may amend the charter. However, within thirty days of publication of the ordinance, if a petition valid under the provisions of section 362.4 is filed with the council, the council must submit the ordinance amendment to the voters at a special city election, and the amendment does not become effective until approved by a majority of those voting.
3. If a petition valid under the provisions of section 362.4 is filed with the council proposing an amendment to the charter, the council must submit the proposed amendment to the voters at a special city election, and the amendment becomes effective if approved by a majority of those voting.

[C75, 77, 79, 81, §372.11]

Referred to in §373.5

**372.12 Special charter form limitation.**

A city may not adopt the special charter form but a city governed by a special charter on July 1, 1975, is considered to have the special charter form although it may utilize elements of the mayor-council form in conjunction with the provisions of its special charter. In adopting and filing its charter as required in section 372.1, a special charter city shall include the provisions of its charter and any provisions of the mayor-council form which are followed by the city on July 1, 1975.

A special charter city may utilize the provisions of chapter 420 in lieu of conflicting sections, until the city changes to one of the other forms of government as provided in this chapter.

[C75, 77, 79, 81, §372.12]

97 Acts, ch 23, §40

## DIVISION II

## CITY OFFICERS

**372.13 The council.**

1. A majority of all council members is a quorum.

2. A vacancy in an elective city office during a term of office shall be filled, at the council's option, by one of the two following procedures:

*a.* By appointment by the remaining members of the council, except that if the remaining members do not constitute a quorum of the full membership, paragraph "*b*" shall be followed. The appointment shall be for the period until the next pending election as defined in section 69.12, and shall be made within forty days after the vacancy occurs. If the council chooses to proceed under this paragraph, it shall publish notice in the manner prescribed by section 362.3, stating that the council intends to fill the vacancy by appointment but that the electors of the city or ward, as the case may be, have the right to file a petition requiring that the vacancy be filled by a special election. The council may publish notice in advance if an elected official submits a resignation to take effect at a future date. The council may make an appointment to fill the vacancy after the notice is published or after the vacancy occurs, whichever is later. However, if within fourteen days after publication of the notice or within fourteen days after the appointment is made, there is filed with the city clerk a petition which requests a special election to fill the vacancy, an appointment to fill the vacancy is temporary and the council shall call a special election to fill the vacancy permanently, under paragraph "*b*". The number of signatures of eligible electors of a city for a valid petition shall be determined as follows:

(1) For a city with a population of ten thousand or less, at least two hundred signatures or at least the number of signatures equal to fifteen percent of the voters who voted for candidates for the office at the preceding regular election at which the office was on the ballot, whichever number is fewer.

(2) For a city with a population of more than ten thousand but not more than fifty thousand, at least one thousand signatures or at least the number of signatures equal to fifteen percent of the voters who voted for candidates for the office at the preceding regular election at which the office was on the ballot, whichever number is fewer.

(3) For a city with a population of more than fifty thousand, at least two thousand signatures or at least the number of signatures equal to ten percent of the voters who voted for candidates for the office at the preceding regular election at which the office was on the ballot, whichever number is fewer.

(4) The minimum number of signatures for a valid petition pursuant to subparagraphs (1) through (3) shall not be fewer than ten. In determining the minimum number of signatures required, if at the last preceding election more than one position was to be filled for the office in which the vacancy exists, the number of voters who voted for candidates for the office shall be determined by dividing the total number of votes cast for the office by the number of seats to be filled.

*b.* (1) By a special election held to fill the office for the remaining balance of the unexpired term. If the council opts for a special election or a valid petition is filed under paragraph "*a*", the special election may be held concurrently with any pending election as provided by section 69.12 if by so doing the vacancy will be filled not more than ninety days after it occurs. Otherwise, a special election to fill the office shall be called by the council at the earliest practicable date. The council shall give the county commissioner at least thirty-two days' written notice of the date chosen for the special election. The council of a city where a primary election may be required shall give the county commissioner at least sixty days' written notice of the date chosen for the special election. A special election held under this subsection is subject to sections 376.4 through 376.11, but the dates for actions in relation to the special election shall be calculated with regard to the date for which the special election is called. However, a nomination petition must be filed not less than twenty-five days before the date of the special election and, where a primary election may be required, a nomination petition must be filed not less than fifty-three days before the date of the special election.

(2) If there are concurrent vacancies on the council and the remaining council members do not constitute a quorum of the full membership, a special election shall be called by the county commissioner at the earliest practicable date. The remaining council members shall give notice to the county commissioner of the absence of a quorum. If there are no remaining council members, the city clerk shall give notice to the county commissioner of the absence of a council. If the office of city clerk is vacant, the city attorney shall give notice to the county

commissioner of the absence of a clerk and a council. Notice of the need for a special election shall be given under this paragraph by the end of the following business day.

3. The council shall appoint a city clerk to maintain city records and perform other duties prescribed by state or city law.

4. Except as otherwise provided by state or city law, the council may appoint city officers and employees, and prescribe their powers, duties, compensation, and terms. The appointment of a city manager must be made on the basis of that individual's qualifications and not on the basis of political affiliation.

5. The council shall determine its own rules and maintain records of its proceedings. City records and documents, or accurate reproductions, shall be kept for at least five years except that:

*a.* Ordinances, resolutions, council proceedings, records and documents, or accurate reproductions, relating to the issuance of public bonds or obligations shall be kept for at least eleven years following the final maturity of the bonds or obligations. Thereafter, such records, documents, and reproductions may be destroyed, preserving confidentiality as necessary. Records and documents pertaining to the transfer of ownership of bonds shall be kept as provided in section 76.10.

*b.* Ordinances, resolutions, council proceedings, records and documents, or accurate reproductions, relating to real property transactions shall be maintained permanently.

6. Within fifteen days following a regular or special meeting of the council, the clerk shall cause the minutes of the proceedings of the council, including the total expenditure from each city fund, to be published in a newspaper of general circulation in the city. The publication shall include a list of all claims allowed and a summary of all receipts and shall show the gross amount of the claims. The list of claims allowed shall show the name of the person or firm making the claim, the reason for the claim, and the amount of the claim. If the reason for the claims is the same, two or more claims made by the same vendor, supplier, or claimant may be consolidated if the number of claims consolidated and the total consolidated claim amount are listed in the statement. However, the city shall provide at its office upon request an unconsolidated list of all claims allowed. Matters discussed in closed session pursuant to section 21.3 shall not be published until entered on the public minutes. However, in cities having more than one hundred fifty thousand population, the council shall each month print in pamphlet form a detailed itemized statement of all receipts and disbursements of the city, and a summary of its proceedings during the preceding month, and furnish copies to the city library, the daily newspapers of the city, and to persons who apply at the office of the city clerk, and the pamphlet shall constitute publication as required. Failure by the clerk to make publication is a simple misdemeanor. The provisions of this subsection are applicable in cities in which a newspaper is published, or in cities of two hundred population or over, but in all other cities, posting the statement in three public places in the city which have been permanently designated by ordinance is sufficient compliance with this subsection.

7. By ordinance, the council may divide the city into wards which shall be drawn according to the following standards:

*a.* All ward boundaries shall follow precinct boundaries.

*b.* Wards shall be as nearly equal as practicable to the ideal population determined by dividing the number of wards to be established into the population of the city.

*c.* Wards shall be composed of contiguous territory as compact as practicable.

*d.* Consideration shall not be given to the addresses of incumbent officeholders, political affiliations of registered voters, previous election results, or demographic information other than population head counts, except as required by the Constitution and the laws of the United States.

8. By ordinance, the council shall prescribe the compensation of the mayor, council members, and other elected city officers, but a change in the compensation of the mayor does not become effective during the term in which the change is adopted, and the council shall not adopt an ordinance changing the compensation of the mayor, council members, or other elected officers during the months of November and December in the year of a regular city election. A change in the compensation of council members becomes effective for all council members at the beginning of the term of the council members elected at the

election next following the change in compensation. Except as provided in section 362.5, an elected city officer is not entitled to receive any other compensation for any other city office or city employment during that officer's tenure in office, but may be reimbursed for actual expenses incurred. However, if the mayor pro tem performs the duties of the mayor during the mayor's absence or disability for a continuous period of fifteen days or more, the mayor pro tem may be paid for that period the compensation determined by the council, based upon the mayor pro tem's performance of the mayor's duties and upon the compensation of the mayor.

9. A council member, during the term for which that member is elected, is not eligible for appointment to any city office if the office has been created or the compensation of the office has been increased during the term for which that member is elected. A person who resigns from an elective office is not eligible for appointment to the same office during the time for which that person was elected if during that time, the compensation of the office has been increased.

10. A council member, during the term for which that member is elected, is not precluded from holding the office of chief of the volunteer fire department if the fire department serves an area with a population of not more than two thousand. A person holding the office of chief of such a volunteer fire department at the time of the person's election to the city council may continue to hold the office of chief of the fire department during the city council term for which that person was elected.

11. *a.* Council members shall be elected according to the council representation plans under sections 372.4 and 372.5. However, the council representation plan may be changed, by petition and election, to one of those described in this subsection. Upon receipt of a valid petition, as defined in section 362.4, requesting a change to a council representation plan, the council shall submit the question at a special election. If a majority of the persons voting at the special election approves the changed plan, it becomes effective at the beginning of the term following the next regular city election. If a majority does not approve the changed plan, the council shall not submit another proposal to change a plan to the voters within the next two years.

*b.* Eligible electors of a city may petition for one of the following council representation plans:

(1) Election at large without ward residence requirements for the members.

(2) Election at large but with equal-population ward residence requirements for the members.

(3) Election from single-member, equal-population wards, in which the electors of each ward shall elect one member who must reside in that ward.

(4) Election of a specified number of members at large and a specified number of members from single-member, equal-population wards.

**1.** [R60, §1081, 1093; C73, §511, 522; C97, §668; S13, §668; C24, 27, 31, 35, 39, §**5663;** C46, 50, §363.36; C54, 58, 62, 66, 71, 73, §368A.1(2); C75, 77, 79, 81, §372.13(1)]

**2.** [R60, §1101; C73, §514, 524; C97, §668; S13, §668; C24, 27, 31, 35, 39, §**5663;** C46, 50, §363.36; C54, 58, 62, 66, 71, 73, §368A.1(8); C75, 77, 79, 81, §372.13(2); 81 Acts, ch 34, §46]

**3.** [R60, §1082, 1093; C73, §512, 522; C97, §651, 659, 940; S13, §651; SS15, §1056-a26, 1056-b18; C24, 27, 31, 35, 39, §**5633, 5640, 5663, 6528, 6651, 6703;** C46, 50, §363.11, 363.19, 363.36, 416.52, 419.37, 420.13; C54, 58, 62, 66, 71, 73, §368A.1(1), 368A.3; C75, 77, 79, 81, §372.13(3)]

**4.** [R60, §1086, 1093, 1095, 1098, 1103, 1105, 1134; C73, §493, 515, 522, 524, 528, 532, 534; C97, §651, 657, 668, 676; S13, §651, 657, 668, 1056-a27, 1056-a28; SS15, §1056-a26, 1056-b14, 1056-b17, 1056-b18; C24, 27, 31, 35, 39, §**5638, 5663, 5671, 6519, 6528, 6529, 6533, 6651, 6666, 6674;** C46, 50, §363.11, 363.17, 363.36, 363.45, 416.43, 416.52, 416.53, 416.57, 419.37, 419.52, 419.60; C54, 58, 62, 66, 71, 73, §363.40, 363A.4, 363B.11, 363C.4, 363C.9, 368A.1(7, 9, 10); C75, 77, 79, 81, §372.13(4)]

**5, 6.** [R60, §1082, 1093; C73, §512, 522; C97, §659, 668; S13, §668, 687-a; C24, 27, 31, 35, 39, §**5640, 5663, 5722;** C46, 50, §363.19, 363.33, 366.10; C54, 58, 62, 66, 71, 73, §368A.1(4), 368A.3; C75, 77, 79, 81, §372.13(5,6); 82 Acts, ch 1047, §1]

**7.** [R60, §1092; C73, §520; C97, §641; S13, §641; C24, 27, 31, 35, 39, §**5626;** C46, 50, §363.4; C54, 58, 62, 66, 71, 73, §363.7; C75, 77, 79, 81, §372.13(7)]

**8.** [R60, §1091, 1095, 1098; C73, §505, 519, 524, 528; C97, §669, 676, 943, 945; S13, §669, 1056-a28; SS15, §1056-b9; C24, 27, 31, 35, 39, §**5664, 5671, 6517, 6633, 6704, 6705;** C46, 50, §363.38, 363.45, 416.41, 419.19, 420.14, 420.15; C54, 58, 62, 66, §363.39, 363A.4, 363B.9, 363C.2, 420.14, 420.15; C71, 73, §363.39, 363A.4, 363B.9, 363C.2, 363E.1, 420.14, 420.15; C75, 77, 79, 81, §372.13(8)]

**9.** [R60, §1091, 1122; C73, §490, 491, 519; C97, §668, 677; S13, §668; C24, 27, 31, 35, 39, §**5672;** C46, 50, §363.46, 420.17 – 420.19; C54, 58, 62, 66, 71, 73, §368A.21; C75, 77, 79, 81, §372.13(9)]

85 Acts, ch 107, §1; 87 Acts, ch 203, §3; 88 Acts, ch 1052, §1; 88 Acts, ch 1246, §4; 89 Acts, ch 39, §9; 89 Acts, ch 136, §71; 90 Acts, ch 1106, §1; 91 Acts, ch 256, §39; 93 Acts, ch 89, §2; 94 Acts, ch 1179, §24; 94 Acts, ch 1180, §54; 97 Acts, ch 170, §90; 2002 Acts, ch 1134, §104, 115; 2004 Acts, ch 1175, §249; 2006 Acts, ch 1018, §5; 2006 Acts, ch 1138, §2; 2007 Acts, ch 112, §4; 2008 Acts, ch 1115, §66, 71; 2009 Acts, ch 57, §91

Referred to in §69.12, 372.4, 372.5, 372.10, 376.11, 420.41

Removal of appointees, see §372.15

Removal of officers, chapter 66

**372.13A Payments without prior authorization of council.**

1. If concurrent vacancies exist on the council and the remaining council members do not constitute a quorum of the full membership, the city clerk is authorized to make the following payments without prior approval of the council:

*a.* For fixed charges including but not limited to freight, express, postage, water, light, telephone service, or contractual services, after a bill is filed with the clerk.

*b.* For salaries and payrolls if the compensation has been fixed or approved by the council. The salary or payroll shall be certified by the officer or supervisor under whose direction or supervision the compensation is earned.

2. If concurrent vacancies exist on the council and the remaining council members do not constitute a quorum of the full membership and the office of city clerk is vacant, the county auditor of the county where the city is located shall make the payments described in subsection 1 without prior approval of the council.

3. The bills paid under this section shall be submitted to the city council for review and approval at the next regular meeting following payment in which a quorum of the council is present.

2006 Acts, ch 1138, §3

**372.14 The mayor — the mayor pro tem.**

1. The mayor is the chief executive officer of the city and presiding officer of the council. Except for the supervisory duties which have been delegated by law to a city manager, the mayor shall supervise all city officers and departments.

2. The mayor may take command of the police and govern the city by proclamation, upon making a determination that a time of emergency or public danger exists. Within the city limits, the mayor has all the powers conferred upon the sheriff to suppress disorders.

3. The mayor pro tem is vice president of the council. When the mayor is absent or unable to act, the mayor pro tem shall perform the mayor's duties, except that the mayor pro tem may not appoint, employ, or discharge officers or employees without the approval of the council. Official actions of the mayor pro tem when the mayor is absent or unable to act are legal and binding to the same extent as if done by the mayor. The mayor pro tem retains all of the powers of a council member.

[R60, §1082, 1085, 1091, 1102, 1105, 1121; C73, §506, 512, 518, 519, 531, 534, 537, 547; C97, §658; S13, §658; SS15, §1056-b7; C24, 27, 31, 35, 39, §**5639, 6619, 6647;** C46, 50, §363.18, 419.33, 420.9 – 420.11; C54, 58, 62, 66, 71, 73, §363C.13, 368A.2; C75, 77, 79, 81, §372.14]

Enforcement of motor vehicle law, §321.6

**372.15 Removal of appointees.**

Except as otherwise provided by state or city law, all persons appointed to city office may be removed by the officer or body making the appointment, but every such removal shall be by written order. The order shall give the reasons, be filed in the office of the city clerk, and a copy shall be sent by certified mail to the person removed who, upon request filed with the clerk within thirty days of the date of mailing the copy, shall be granted a public hearing before the council on all issues connected with the removal. The hearing shall be held within thirty days of the date the request is filed, unless the person removed requests a later date.

[C77, 79, 81, §372.15]

# CHAPTER 373

## CONSOLIDATED METROPOLITAN CORPORATIONS

Referred to in §376.1


| | |
|---|---|
| 373.1 | Creation of commission. |
| 373.2 | Appointment of commission members. |
| 373.3 | Organization and expenses. |
| 373.4 | Commission procedures and reports. |
| 373.5 | Consolidation charter. |
| 373.6 | Referendum — effective date. |
| 373.7 | Form of ballot. |
| 373.8 | Effect of consolidation. |
| 373.9 | Metropolitan council. |
| 373.10 | Taxing authority. |
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**373.1 Creation of commission.**

1. Cities within a county may unite to form a single unit of local government in accordance with this chapter. Any city located in two or more counties shall be allowed to participate in a metropolitan consolidation in the county where at least fifty percent of its population resides. An alternative form of metropolitan government shall be submitted to the electorate by a commission in the form of a charter or charter amendment proposed in accordance with this chapter.

2. Participation in a charter commission under this chapter may be proposed by:

*a.* The city council adopting a resolution calling for participation.

*b.* By petition of the number of eligible electors of the city equal to at least twenty-five percent of the votes cast in the city at the last regular city election petitioning the council to adopt a resolution calling for participation. The council shall within thirty days of the filing of a valid petition adopt such a resolution.

91 Acts, ch 256, §40

**373.2 Appointment of commission members.**

1. Within forty-five days after the establishment of a commission, the members of the commission shall be appointed as follows:

*a.* One member shall be appointed by the city council of each city participating in the charter process.

*b.* An additional member shall be appointed by each city council for every twenty-five thousand residents in the participating city.

*c.* One member shall be appointed by each state legislator whose legislative district is located in the commission area if a majority of the constituents of that legislative district resides in the commission area. However, if a commission area does not have a state legislative district which has a majority of its constituents residing in the commission area, the legislative district having the largest plurality of constituents residing in the commission area shall appoint one member.

2. Only eligible electors of the county not holding a city, county, or state office shall be members of the commission. In counties having multiple state legislative districts, the districts shall be represented as equally as possible. The membership shall be bipartisan

and gender balanced and each appointing authority under subsection 1 shall provide for representation of various age groups, racial minorities, economic groups, and representatives of identifiable geographically defined populations, all in reasonable relationship to the proportions in which these groups are present in the population of the commission area.

3. *a.* A vacancy on the commission shall be filled by appointment in the same manner as the original appointment. The county auditor shall notify the appropriate appointing authority of a vacancy.

*b.* The legislative appointing authorities shall be considered one appointing authority for the purpose of complying with this subsection. The senior legislative appointing authority in terms of length of legislative service shall convene the legislative appointing authorities to consult for the purpose of complying with this subsection.

91 Acts, ch 256, §41; 2010 Acts, ch 1061, §180

**373.3 Organization and expenses.**

1. Within thirty days after the appointment of the members of the commission, the city clerk of the participating city with the largest population shall give written notice of the date, time, and location of the first meeting of the commission. At the first meeting the commission shall organize by electing a chairperson, vice chairperson, and other officers as necessary. The commission shall adopt rules governing the conduct of its meetings, subject to chapter 21.

2. The members of the commission shall serve without compensation, but they are entitled to travel and other necessary expenses relating to their duties of office.

3. The participating cities shall make available to the commission in-kind services such as office space, printing, supplies, and equipment and shall pay the other necessary expenses of the commission, including compensation for secretarial, clerical, professional, and consultant services. The total annual expenses, not including the value of in-kind expenses, to be paid from public funds shall not exceed one hundred thousand dollars or an amount equal to thirty cents times the population of the commission area, according to the most recent certified federal census. The commission may employ staff as necessary.

4. The expenses of the commission may be paid from the general fund of the participating cities or from any combination of public or private funds available for that purpose. The commission's annual expenses may exceed the amount in subsection 3 only if the excess is paid from private funds. If a proposed charter is submitted to the electorate, private funds donated to the commission may be used to promote passage of the proposed charter.

91 Acts, ch 256, §42

**373.4 Commission procedures and reports.**

1. Within sixty days after its organization, the commission shall hold at least one public hearing for the purpose of receiving information and material which will assist in the drafting of a charter. Notice of the date, time, and place of the hearing shall be published in the official county newspapers of each county in which the participating cities are located.

2. Within nine months after the organization of the commission, the commission shall submit a preliminary report to the councils of the participating cities, which report may include the text of the proposed charter. If a proposed charter is included in the preliminary report, the report shall also include an analysis of the fiscal impact of the proposed charter. Sufficient copies of the report shall be made available for distribution to residents of the participating cities who request a copy. The commission shall hold at least one public hearing after submission of the preliminary report to obtain public comment.

3. Within twenty months after organization, the commission shall submit the final report to the councils of the participating cities. If the commission recommends a charter of consolidation, the final report shall include the full text and an explanation of the proposed charter, an analysis of the fiscal impact of the proposed charter, any comments deemed desirable by the commission, and any minority reports. The final report may recommend no change to the existing form of government and that no charter be submitted to the electorate, or it may recommend consolidation of the participating cities with the county. If the board of

supervisors by resolution agrees to participate in consolidation, then the participating cities and county shall proceed under sections 331.231 through 331.252.

4. The final report of the commission shall be made available to the residents of the participating cities upon request. A summary of the final report shall be published in the official newspapers of the county. If a charter is not recommended, the commission is dissolved upon submission of its final report to the councils of the participating cities.

91 Acts, ch 256, §43

**373.5 Consolidation charter.**

A proposed charter written by a charter commission shall specify the consolidated metropolitan form of government. The proposed consolidation charter shall do all of the following:

1. Provide the official name of the consolidated unit of local government and establish its geographic boundaries.

2. Establish an elective legislative body pursuant to section 373.9, including provisions on terms of office, initial compensation, meetings, and rules of procedure.

3. Provide for the at-large election of an officer to preside over the metropolitan council and perform other duties as specified, and provide for the election of other necessary officers.

4. Provide for the nonpartisan election of officers of the consolidated metropolitan corporation government.

5. Specify the powers and duties of the metropolitan council, its administrative officers, and elected officials.

6. Provide for delivery of certain services to the member cities, pursuant to section 373.11, and may provide for the abolition or consolidation of a department, agency, board, or commission and the assumptions of its powers and duties by the metropolitan council or another officer.

7. Provide for a system of revenue collection pursuant to section 373.10.

8. Provide for the orderly transition to the charter form of metropolitan consolidation.

9. Include other provisions which the consolidation charter commission elects to include and which are not inconsistent with state law.

10. Specify a charter amendment process pursuant to section 372.11.

11. Provide for the appointment of a manager by the metropolitan council pursuant to section 372.8.

91 Acts, ch 256, §44

**373.6 Referendum — effective date.**

1. If a proposed charter for consolidation is received not later than seventy-eight days before the next general election, the council of the participating city with the largest population shall, not later than sixty-nine days before the general election, direct the county commissioner of elections to submit to the registered voters of the participating cities at the next general election the question of whether the proposed charter shall be adopted. A summary of the proposed charter shall be published in a newspaper of general circulation in each city participating in the charter commission process at least ten but not more than twenty days before the date of the election. The proposed charter shall be effective in regard to a city only if a majority of the electors of the city voting approves the proposed charter.

2. If a proposed charter for consolidation is adopted:

*a.* The adopted charter shall take effect July 1 following the election at which it is approved unless the charter provides a later effective date. A special election shall be called to elect the new elective officers.

*b.* The adoption of the consolidated metropolitan corporation form of government does not alter any right or liability of any participating city in effect at the time of the election at which the charter was adopted.

*c.* All departments and agencies shall continue to operate until replaced.

*d.* All ordinances or resolutions in effect remain effective until amended or repealed, unless they are irreconcilable with the adopted charter.

*e.* Upon the effective date of the adopted charter, the participating cities shall adopt the

consolidation form by ordinance, and shall file a copy with the secretary of state, and maintain available copies for public inspection.

3. If a charter is submitted to the electorate but is not adopted, another charter shall not be submitted to the electorate for two years. If a charter is adopted, it may be amended at any time. If a charter is adopted, a proposed charter for another alternative form of city government shall not be submitted to the electorate for six years.

4. Section 372.2 shall not apply to a charter commission established under this chapter.

91 Acts, ch 256, §45; 95 Acts, ch 67, §53; 2009 Acts, ch 57, §92

**373.7 Form of ballot.**

1. The question of metropolitan consolidation shall be submitted to the electors in substantially the following form:

Should the cities of ..... and .....
unite to form one joint metropolitan corporation government?

2. The ballot must contain a brief description and summary of the proposed charter or amendment.

91 Acts, ch 256, §46; 2010 Acts, ch 1061, §152

**373.8 Effect of consolidation.**

Cities consolidating pursuant to this chapter shall retain all the rights, powers, and duties conferred upon them by the Constitution of the State of Iowa and shall retain all the rights, powers, and duties conferred upon them by the laws of the state of Iowa, except to the extent those statutory rights, powers, and duties are limited by the charter government in fulfilling its duty to provide efficient administration and delivery of services to its citizens.

The consolidation charter may provide for the replacement of the city government of the member city with the largest population, according to the most recent certified federal census. That city shall be known as the home city of the consolidated metropolitan corporation. If its government is replaced, the consolidation charter shall provide that the home city be governed either directly by the metropolitan council or by those members of the metropolitan council who reside within the corporate boundaries of the home city. The home city shall retain its geographic boundaries for the purposes of taxation.

Cities participating in consolidation shall be referred to as member cities of the consolidated metropolitan corporation.

A city may join an existing consolidated metropolitan corporation government by resolution of the city council or upon petition of eligible electors of the city equal in number to at least twenty-five percent of the persons who voted at the last general election for the office of governor or president of the United States, whichever is fewer. Within fifteen days after receiving a valid petition, the city council of the petitioning city shall adopt a resolution in favor of participation and shall immediately forward the resolution to the metropolitan council. If a majority of the metropolitan council approves the resolution, the question of joining the consolidated metropolitan corporation shall be submitted to the electorate of the petitioning city within sixty days after approval of the resolution.

91 Acts, ch 256, §47

Referred to in §373.11

**373.9 Metropolitan council.**

1. A consolidated metropolitan corporation shall be governed by a metropolitan council. The council shall consist of an odd number of members, not less than eleven and not more than seventeen. If a vacancy on the metropolitan council occurs more than sixty days before the next general election, the council shall direct the county commissioner of elections to conduct a special election to fill the vacancy until the next general election.

2. Unless otherwise specified in the consolidation charter, the council shall act by a majority vote of the members on the council.

91 Acts, ch 256, §48
Referred to in §373.5

**373.10 Taxing authority.**

The metropolitan council shall have the authority to levy city taxes to the extent the city tax levy authority is transferred by the charter to the metropolitan council. A member city shall transfer a portion of the city's tax levy authorized under section 384.1 or 384.12, whichever is applicable, to the metropolitan council. The maximum rates of taxes authorized to be levied under sections 384.1 and 384.12 by a member city shall be reduced by an amount equal to the rates of the same or similar taxes levied in the city by the metropolitan council.

91 Acts, ch 256, §49
Referred to in §373.5

**373.11 Service delivery.**

1. The charter of consolidation shall provide for the transfer into the metropolitan consolidated corporation of areawide services which had been provided by other boards, commissions, and local governments. The metropolitan council shall have the authority to determine the boundaries of the service areas, except that formation of a consolidated metropolitan corporation shall not affect the assignment of electric utility service territories pursuant to chapter 476, and shall not affect the rights of a city to grant a franchise under chapter 364.

*a.* For each service provided by the consolidated metropolitan corporation, the consolidated metropolitan corporation shall assume the same statutory rights, powers, and duties, except taxing authority, relating to the provision of such service as if the member city were itself providing the service to its citizens. However, the consolidated metropolitan corporation shall not assume any of the governmental functions of its member cities except as the functions relate to the delivery of services and except as provided in section 373.8.

*b.* If a service is being provided by the consolidated metropolitan corporation to any member city that member city shall not invoke any statutory right, power, or duty relating to the delivery of the service to its citizens.

2. A member city may apply to the metropolitan council for the purchase of any service which is being provided by the consolidated metropolitan corporation to any other member city, including the home city of the consolidated metropolitan corporation. Such an agreement to provide services shall be executed pursuant to chapter 28E and must contain provisions necessary for the lawful execution of the agreement.

91 Acts, ch 256, §50; 2010 Acts, ch 1061, §180
Referred to in §373.5

# CHAPTERS 374 and 375

RESERVED

# CHAPTER 376

## CITY ELECTIONS

Referred to in §43.112, 362.1, 362.9, 420.137


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|---|---|
| 376.1 | City election held. |
| 376.2 | Terms. |
| 376.3 | Nominations. |
| 376.4 | Candidacy. |
| 376.4A | Change to direct election of mayor — nomination petition signature requirements. |
| 376.5 | Publication of ballot. |
| 376.6 | Primary or other method of nomination — certification. |
| 376.7 | Date of primary. |
| 376.8 | Persons elected in city elections. |
| 376.9 | Runoff election. |
| 376.10 | Contest. |
| 376.11 | Write-in votes. |


**376.1 City election held.**

A city shall hold a regular city election on the first Tuesday after the first Monday in November of each odd-numbered year. A city shall hold regular, special, primary, or runoff city elections as provided by state law.

The mayor or council shall give notice of any special election to the county commissioner of elections. The county commissioner of elections shall publish notice of any city election and conduct the election pursuant to the provisions of chapters 39 to 53, except as otherwise specifically provided in chapters 362 to 392. The results of any election shall be canvassed by the county board of supervisors and certified by the county commissioner of elections to the mayor and the council of the city for which the election is held.

[R60, §1130; C73, §501; C97, §642, 936; S13, §646, 1056-a20, -a21; SS15, §1056-b5, -b6; C24, 27, 31, 35, 39, §**5627, 6488, 6494, 6507, 6514, 6643, 6644, 6737;** C46, 50, §363.5, 416.12, 416.18, 416.31, 416.38, 419.29, 419.30; C54, 58, 62, 66, 71, 73, §363.8, 363.20, 363.24, 363.26; C75, 77, 79, 81, § 376.1]

Referred to in §39.20, 331.383, 388.2

**376.2 Terms.**

1. Terms of city officers begin and end at noon on the first day in January which is not a Sunday or legal holiday, following a regular city election.

2. Except as otherwise provided by state law or the city charter, terms for elective offices are two years. However, the term of an elective office may be changed to two or four years by petition and election. Upon receipt of a valid petition as defined in section 362.4, requesting that the term of an elective office be changed, the council shall submit the question at a special election. If a majority of the persons voting at the special election approves the changed term, it becomes effective at the beginning of the term following the next regular city election. If a majority does not approve the changed term, the council shall not submit the same proposal to the voters within the next four years.

3. At the first regular city election after the terms of council members are changed to four years, terms shall be staggered as follows:

*a.* If an even number of council members are elected at large, the half of the elected council members who receive the highest number of votes are elected for four-year terms. The remainder are elected for two-year terms.

*b.* If an odd number of council members are elected at large, the majority of the elected council members who receive the highest number of votes are elected for four-year terms. The remainder are elected for two-year terms.

*c.* In case of a tie the mayor and clerk shall determine by lot which council members are elected for four-year terms.

*d.* If the council members are elected from wards, the council members elected from the odd-numbered wards are elected for four-year terms and the council members elected from even-numbered wards are elected for two-year terms.

4. After July 1, 1986, a petition submitted under this section to change the term of council members from two to four years shall specify if the terms are to be staggered or run concurrently. If the petition provides for concurrent terms and the changed term is

approved by the voters, subsection 3 shall not apply and the terms shall be concurrent. If valid petitions for staggered and concurrent terms are submitted, the first filed shall govern.

[R60, §1081, 1084, 1091, 1093, 1106; C73, §390, 511, 514, 518, 521, 535; C97, §646 – 649; S13, §646 – 649; SS15, §1056-b3; C24, 27, 31, 35, 39, §**5632, 6625, 6626;** C46, 50, §363.10, 419.11, 419.12; C54, 58, 62, 66, 71, 73, §363.9, 363.10, 363.28; C75, 77, 79, 81, §376.2]

86 Acts, ch 1224, §34; 2002 Acts, ch 1134, §105, 115; 2008 Acts, ch 1115, §67, 71

Referred to in §39.20

**376.3 Nominations.**

Candidates for elective city offices must be nominated as provided in sections 376.4 to 376.9 unless by ordinance a city chooses the provisions of chapters 44 or 45. However, a city acting under a special charter in 1973 and having a population of over fifty thousand shall continue to hold partisan elections as provided in sections 43.112 to 43.118 and 420.126 to 420.137 unless the city by election as provided in section 43.112 chooses to conduct city elections under this chapter or chapter 44 or 45. The choice of one of these options by such a special charter city does not otherwise affect the validity of the city's charter. However, special charter cities which choose to exercise the option to conduct nonpartisan city elections may choose in the same manner the original decision was made, to resume holding city elections on a partisan basis.

[S13, §1056-a21; SS15, §1056-b4; C24, 27, 31, 35, 39, §**6492, 6496, 6634, 6638;** C46, 50, §416.16, 416.20, 419.20, 419.24; C54, 58, 62, 66, 71, 73, §363.11, 363.16; C75, 77, 79, 81, §376.3; 82 Acts, ch 1097, §2]

**376.4 Candidacy.**

1. *a.* An eligible elector of a city may become a candidate for an elective city office by filing with the city clerk a valid petition requesting that the elector's name be placed on the ballot for that office. The petition must be filed not more than seventy-one days and not less than forty-seven days before the date of the election, and must be signed by eligible electors equal in number to at least two percent of those who voted to fill the same office at the last regular city election, but not less than ten persons. However, for those cities which may be required to hold a primary election, the petition must be filed not more than eighty-five days and not less than sixty-eight days before the date of the regular city election. Nomination petitions shall be filed not later than 5:00 p.m. on the last day for filing.

*b.* The petitioners for an individual seeking election from a ward must be residents of the ward at the time of signing the petition. An individual is not eligible for election from a ward unless the individual is a resident of the ward at the time the individual files the petition and at the time of election.

2. *a.* The petition must include space for the signatures of the petitioners, a statement of their place of residence, and the date on which they signed the petition. A person may sign nomination petitions for more than one candidate for the same office, and the signature is not invalid solely because the person signed nomination petitions for one or more other candidates for the office.

*b.* The petition must include the affidavit of the individual for whom it is filed, stating the individual's name, the individual's residence, that the individual is a candidate and eligible for the office, and that if elected the individual will qualify for the office. The affidavit shall also state that the candidate is aware that the candidate is disqualified from holding office if the candidate has been convicted of a felony or other infamous crime and the candidate's rights have not been restored by the governor or by the president of the United States.

3. If the city clerk is not readily available during normal office hours, the city clerk shall designate other employees or officials of the city who are ordinarily available to accept nomination papers under this section. On the final date for filing nomination papers the office of the city clerk shall remain open until 5:00 p.m.

4. The city clerk shall review each petition and affidavit of candidacy for completeness following the standards in section 45.5 and shall accept the petition for filing if on its face it appears to have the requisite number of signatures and if it is timely filed. The city clerk shall note upon each petition and affidavit accepted for filing the date and time that they were

filed. The clerk shall return any rejected nomination papers to the person on whose behalf the nomination papers were filed.

5. Nomination papers filed with the city clerk shall be available for public inspection. The city clerk shall deliver all nomination papers together with the text of any public measure being submitted by the city council to the electorate to the county commissioner of elections on the day following the last day on which nomination petitions can be filed, and not later than 5:00 p.m. on that day.

6. Any person on whose behalf nomination petitions have been filed under this section may withdraw as a candidate by filing a signed statement to that effect as prescribed in section 44.9. Objections to the legal sufficiency of petitions shall be filed in accordance with the provisions of sections 44.4, 44.5, and 44.8.

[S13, §1056-a21, -a40; SS15, §1056-b4; C24, 27, 31, 35, 39, §**6478, 6495 – 6498, 6634 – 6638;** C46, 50, §416.2, 416.19 – 416.22, 419.20 – 419.24; C54, 58, 62, 66, 71, 73, §363.11 – 363.16; C75, 77, 79, 81, §376.4]

86 Acts, ch 1224, §35; 87 Acts, ch 221, §33; 88 Acts, ch 1119, §39; 89 Acts, ch 136, §72; 90 Acts, ch 1238, §40; 94 Acts, ch 1180, §55; 97 Acts, ch 170, §91; 98 Acts, ch 1052, §7; 2009 Acts, ch 57, §93; 2010 Acts, ch 1033, §51

Referred to in §69.12, 372.13, 376.3

**376.4A Change to direct election of mayor — nomination petition signature requirements.**

1. If there is a change in government pursuant to section 372.6, subsection 2, the number of signatures required on a nomination petition for the office of mayor for the first election that office is on the ballot shall be an amount equal to the product of the following:

*a.* The total number of votes cast for at-large city council offices at the last regular city election divided by the number of city council seats to be filled at the last regular city election.

*b.* Two hundredths.

2. If the product of subsection 1, paragraphs *"a"* and *"b"*, is less than ten, the required number of signatures is ten.

2007 Acts, ch 18, §1

Referred to in §372.13, 376.3

**376.5 Publication of ballot.**

Notice containing a copy of the ballot for each regular, special, primary, or runoff city election must be published by the county commissioner of elections as provided in section 362.3, except that notice of a regular, primary, or runoff election may be published not less than four days before the date of the election. The published ballot must contain the names of all candidates, and may not contain any party designations. The published ballot must contain any question to be submitted to the voters.

[S13, §1056-a21; SS15, §1056-b4; C24, 27, 31, 35, 39, §**6499, 6500, 6501, 6503, 6640;** C46, 50, §416.23 – 416.25, 416.27, 419.26; C58, 62, 66, 71, 73, §363.19; C75, 77, 79, 81, §376.5]

Referred to in §372.13, 376.3

**376.6 Primary or other method of nomination — certification.**

1. An individual for whom a valid petition is filed becomes a candidate in the regular city election for the office for which the individual has filed, except that a primary election must be held for offices for which the number of individuals for whom valid petitions are filed is more than twice the number of positions to be filled. However:

*a.* The council may by ordinance choose to have a runoff election, as provided in section 376.9, in lieu of a primary election.

*b.* If the council has by ordinance chosen to have nominations made in the manner provided by chapter 44 or 45, neither a primary election nor a runoff election is required.

2. Each city clerk shall certify to the commissioner of elections responsible under section 47.2 for conducting elections for that city the type of nomination process to be used for the city no later than ninety days before the date of the regular city election. If the city has by ordinance chosen a runoff election or has chosen to have nominations made in the manner provided by chapter 44 or 45, or has repealed nomination provisions under those sections in

preference for the primary election method, a copy of the city ordinance shall be attached. No changes in the method of nomination to be used in a city shall be made after the clerk has filed the certification with the commissioner, unless the change will not take effect until after the next regular city election.

[S13, §1056-a21; SS15, §1056-b4; C24, 27, 31, 35, 39, §**6492, 6510, 6638;** C46, 50, §416.16, 416.34, 419.24; C54, 58, 62, 66, 71, 73, §363.16, 363.18; C75, 77, 79, 81, §376.6]

88 Acts, ch 1119, §40; 2002 Acts, ch 1134, §106, 115; 2010 Acts, ch 1061, §180

Referred to in §372.13, 376.3

**376.7 Date of primary.**

1. If a primary election is necessary, it shall be held on the Tuesday four weeks before the date of the regular city election. For each office on the ballot, a voter shall only vote for the number of persons to be elected to that office at the regular city election. The county board of supervisors shall publicly canvass the tally lists of the vote cast in the primary election, following the procedures prescribed in section 50.24, at a meeting to be held on the second day following the primary election, and beginning no earlier than 1:00 p.m. on that day.

2. The names of those candidates who receive the highest number of votes for each office on the primary election ballot, to the extent of twice the number of unfilled positions, must be placed on the ballot for the regular city election as candidates for that office.

[S13, §1056-a21; SS15, §1056-b5; C24, 27, 31, 35, 39, §**6493, 6507, 6643;** C46, 50, §416.17, 416.31, 419.29; C54, 58, 62, 66, 71, 73, §363.17, 363.24; C75, 77, 79, 81, §376.7]

86 Acts, ch 1224, §36; 2010 Acts, ch 1033, §52

Referred to in §331.383, 372.13, 376.3

**376.8 Persons elected in city elections.**

1. In a regular city election following a city primary, the candidates receiving the greatest number of votes cast for each office on the ballot are elected, to the extent necessary to fill the positions open.

2. In a regular city election held for a city where the council has chosen a runoff election in lieu of a primary, candidates are elected as provided by subsection 1, except that no candidate is elected who fails to receive a majority of the votes cast for the office in question. In the case of at-large elections to a multimember body, a majority is one vote more than half the quotient found by dividing the total number of votes cast for all candidates for that body by the number of positions to be filled. In calculating the number of votes necessary to constitute a majority, fractions shall be rounded up to the next higher whole number.

3. In a regular city election held for a city where the council has chosen to have nominations made in the manner provided by chapter 44 or 45, the candidates who receive the greatest number of votes for each office on the ballot are elected, to the extent necessary to fill the positions open.

[S13, §1056-a21; SS15, §1056-b4; C24, 27, 31, 35, 39, §**6492, 6638;** C46, 50, §416.16, 419.24; C54, 58, 62, 66, 71, 73, §363.16; C75, 77, 79, 81, §376.8]

88 Acts, ch 1119, §41; 2010 Acts, ch 1061, §153

Referred to in §372.13, 376.3

**376.9 Runoff election.**

1. A runoff election may be held only for positions unfilled because of failure of a sufficient number of candidates to receive a majority vote in the regular city election. When a council has chosen a runoff election in lieu of a primary, the county board of supervisors shall publicly canvass the tally lists of the vote cast in the regular city election, following the procedures prescribed in section 50.24, at a meeting to be held on the second day following the regular city election, and beginning no earlier than 1:00 p.m. on that day. Candidates who do not receive a majority of the votes cast for an office, but who receive the highest number of votes cast for that office in the regular city election, to the extent of twice the number of unfilled positions, are candidates in the runoff election.

2. Runoff elections shall be held four weeks after the date of the regular city election and shall be conducted in the same manner as regular city elections.

3. Candidates in the runoff election who receive the highest number of votes cast for each office on the ballot are elected to the extent necessary to fill the positions open.

[C71, 73, §363.16; C75, 77, 79, 81, §376.9]

86 Acts, ch 1224, §37; 2010 Acts, ch 1033, §53

Referred to in §331.383, 372.13, 376.3, 376.6

**376.10 Contest.**

A nomination or election to a city office may be contested in the manner provided in chapter 62 for contesting elections to county offices, except that a statement of intent to contest must be filed with the city clerk within ten days after the nomination or election.

[C97, §678, 679; C24, 27, 31, 35, 39, §**5629;** C46, 50, §363.7; C54, 58, 62, 66, 71, 73, §363.22; C75, 77, 79, 81, §376.10]

97 Acts, ch 170, §92

Referred to in §372.13

**376.11 Write-in votes.**

1. Write-in votes are permitted to be cast in all elections for city offices. A person who receives a sufficient number of write-in votes to be elected to a city office shall be declared the winner of the election. If the result is a tie vote, lots shall be drawn pursuant to section 50.44. If a person who was elected by write-in votes chooses not to serve in that office, the person shall submit a resignation in writing to the city clerk not later than 5:00 p.m. on the tenth day following the canvass of the election. If a person who was elected by write-in votes resigns at a later time, the office shall be considered vacant at the end of the term and the council shall fill the vacancy pursuant to the provisions of section 372.13, subsection 2.

2. Except in cities where the council has chosen a runoff election in lieu of a primary, following the resignation of a person who was elected by write-in votes, the city clerk shall notify the person who received the next highest number of votes cast for the office that the person may assume the office. If there is more than one person who received the next highest number of votes cast for the office, lots shall be drawn pursuant to section 50.44 to determine the person who received the next highest number of votes. If the person accepts the position, the person shall be considered the duly elected officer unless, within ten days after the clerk has given notice, a petition requesting a special election is filed by eligible electors of the city equal in number to twenty-five percent of the number of persons who voted for the office at the election. If the person declines, the person shall do so in writing to the city clerk within ten days and the office shall be considered vacant at the end of the term. The vacancy shall be filled pursuant to the provisions of section 372.13, subsection 2. If the council chooses to appoint, the appointment may be made before the end of the current term.

3. In city primary elections any person who receives write-in votes shall execute an affidavit in substantially the form required by section 45.3, and file it with the county commissioner of elections or the city clerk not later than 5:00 p.m. on the day after the canvass of the primary election. If any person who received write-in votes fails to file the affidavit at the time required, the county commissioner shall disregard the write-in votes cast for that person. A notation shall be made on the abstract of votes showing which persons who received write-in votes filed affidavits. The total number of votes cast for each office on the ballot shall be amended by subtracting the write-in votes of those candidates who failed to file the affidavit. It is not necessary for a candidate whose name was printed upon the ballot to file an affidavit. Of the remaining candidates, those who receive the highest number of votes to the extent of twice the number of unfilled positions shall be placed on the ballot for the regular city election as candidates for that office.

4. In cities in which the city council has chosen a runoff election in lieu of a primary, if a person who was elected by write-in votes chooses not to accept the office by filing a resignation notice with the city clerk or commissioner of elections not later than 5:00 p.m. on the day following the canvass, all remaining persons who received write-in votes and who wish to be considered candidates for the runoff election shall execute an affidavit in substantially the form required by section 45.3 and file it with the county commissioner or the city clerk not later than 5:00 p.m. of the fourth day following the canvass. If a person

receiving write-in votes fails to file the affidavit at the time required, the county commissioner of elections shall disregard the write-in votes cast for that person. The abstract of votes shall be amended to show that the person who was declared elected declined the office and a notation shall be made next to the names of those persons who did not file the affidavit. A runoff election shall be held with the remaining candidates who have the highest number of votes to the extent of twice the number of unfilled positions.

5. In a city in which the council has chosen a runoff election, if no person was declared elected for an office, all persons who received write-in votes shall execute an affidavit in substantially the form required by section 45.3 and file it with the county commissioner of elections or the city clerk not later than 5:00 p.m. on the day following the canvass of votes. If any person who received write-in votes fails to file the affidavit, the county commissioner of elections shall disregard the write-in votes cast for that person. The abstract of votes shall be amended to note which of the write-in candidates failed to file the affidavit. A runoff election shall be held with the remaining candidates who have the highest number of votes to the extent of twice the number of unfilled positions.

[C77, 79, 81, §376.11]

88 Acts, ch 1119, §42; 2007 Acts, ch 59, §18, 19; 2010 Acts, ch 1033, §54

Referred to in §372.13

# CHAPTERS 377 to 379B

RESERVED

# CHAPTER 380

## CITY LEGISLATION

Referred to in §331.251, 362.1, 362.9, 376.1, 455D.21


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**380.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"All of the members of the council"* refers to all of the seats of the council including a vacant seat and a seat where the member is absent, but does not include a seat where the council member declines to vote by reason of a conflict of interest.

2. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1; 2010 Acts, ch 1069, §124

**380.1A Title of ordinance.**

The subject matter of an ordinance or amendment must be generally described in the title of the ordinance or amendment.

[R60, §1122; C73, §489; C97, §681; C24, 27, 31, 35, 39, §**5715;** C46, 50, 54, 58, 62, 66, 71, 73, §366.2; C75, 77, 79, 81, §380.1]

97 Acts, ch 168, §1

C2001, §380.1A

**380.2 Amendment.**

An amendment to an ordinance or to a code of ordinances must specifically identify the ordinance or code, or the section, subsection, or paragraph to be amended, and must set forth the ordinance, code, section, subsection, or paragraph as amended, which action is deemed to be a repeal of the previous ordinance, code, section, subsection, or paragraph amended.

[R60, §1122; C73, §489; C97, §681; C24, 27, 31, 35, 39, §**5715;** C46, 50, 54, 58, 62, 66, 71, 73, §366.2; C75, 77, 79, 81, §380.2]

91 Acts, ch 145, §3; 97 Acts, ch 168, §2

**380.3 Two considerations before final passage — how waived.**

A proposed ordinance or amendment must be considered and voted on for passage at two council meetings prior to the meeting at which it is to be finally passed, unless this requirement is suspended by a recorded vote of not less than three-fourths of all of the members of the council. If a proposed ordinance, amendment, or resolution fails to receive sufficient votes for passage at any consideration and vote thereon, the proposed ordinance, amendment, or resolution shall be considered defeated.

[R60, §1122; C73, §489; C97, §682; C24, 27, 31, 35, 39, §**5716;** C46, 50, 54, 58, 62, 66, 71, 73, §366.3; C75, 77, 79, 81, §380.3]

88 Acts, ch 1246, §5; 97 Acts, ch 168, §3, 4

**380.4 Majority requirement — tie vote — conflicts of interest.**

1. Passage of an ordinance, amendment, or resolution requires a majority vote of all of the members of the council, except when the mayor may vote to break a tie vote in a city with an even number of council members, as provided in section 372.4. Passage of a motion requires a majority vote of a quorum of the council. A resolution must be passed to spend public funds in excess of one hundred thousand dollars on a public improvement project, or to accept public improvements and facilities upon their completion. Each council member's vote on a measure must be recorded. A measure which fails to receive sufficient votes for passage shall be considered defeated.

2. A measure voted upon is not invalid by reason of a conflict of interest in a member of the council, unless the vote of the member of the council was decisive to passage of the measure. The vote must be computed on the basis of the number of members not disqualified by reason of conflict of interest. However, a majority of all members is required for a quorum. For the purpose of this section, the statement of a council member that the council member declines to vote by reason of conflict of interest is conclusive and must be entered of record.

[R60, §1122, 1134, 1135; C73, §466, 489, 493, 494; C97, §683, 684, 793; S13, §683, 693; C24, 27, 31, 35, 39, §**5717;** C46, 50, 54, 58, 62, 66, 71, 73, §366.4; C75, 77, 79, 81, §380.4]

97 Acts, ch 168, §5; 2007 Acts, ch 144, §14; 2010 Acts, ch 1069, §125

**380.5 Mayor.**

The mayor may sign, veto, or take no action on an ordinance, amendment, or resolution passed by the council. However, the mayor may not veto an ordinance, amendment, or resolution if the mayor was entitled to vote on such measure at the time of passage.

[C97, §685; C24, 27, 31, 35, 39, §**5718;** C46, 50, 54, 58, 62, 66, 71, 73, §366.5; C75, 77, 79, 81, §380.5]

97 Acts, ch 168, §6

**380.6 Effective date.**

Measures passed by the council become effective in one of the following ways:

1. *a.* An ordinance or amendment signed by the mayor becomes effective when the ordinance or a summary of the ordinance is published, as provided in section 380.7, subsection 3, unless a subsequent effective date is provided within the ordinance or amendment.

*b.* A resolution signed by the mayor becomes effective immediately upon signing.

*c.* A motion becomes effective immediately upon passage of the motion by the council.

2. The mayor may veto an ordinance, amendment, or resolution within fourteen days after

passage. The mayor shall explain the reasons for the veto in a written message to the council at the time of the veto. Within thirty days after the mayor's veto, the council may pass the measure again by a vote of not less than two-thirds of all of the members of the council. If the mayor vetoes an ordinance, amendment, or resolution and the council repasses the measure after the mayor's veto, a resolution becomes effective immediately upon repassage, and an ordinance or amendment becomes a law when the ordinance or a summary of the ordinance is published, unless a subsequent effective date is provided within the ordinance or amendment.

3. If the mayor takes no action on an ordinance, amendment, or resolution, a resolution becomes effective fourteen days after the date of passage and an ordinance or amendment becomes a law when the ordinance or a summary of the ordinance is published, but not sooner than fourteen days after the date of passage, unless a subsequent effective date is provided within the ordinance or amendment.

[R60, §1133; C73, §492; C97, §685 – 687; C24, 27, 31, 35, §5718, 5720, 5721, 5721-a1; C39, §**5718, 5720, 5721, 5721.1;** C46, 50, §366.5, 366.7 – 366.9; C54, 58, 62, 66, 71, 73, §366.5, 366.7; C75, 77, 79, 81, §380.6]

89 Acts, ch 39, §10; 97 Acts, ch 168, §7

**380.7 City clerk.**

The city clerk shall:

1. Promptly record each measure.

2. Record a statement with the measure, where applicable, indicating whether the mayor signed, vetoed, or took no action on the measure, and whether the measure was repassed after the mayor's veto.

3. Publish a summary of all ordinances or the complete text of ordinances and amendments in the manner provided in section 362.3. As used in this subsection, "*summary*" shall mean a narrative description of the terms and conditions of an ordinance setting forth the main points of the ordinance in a manner calculated to inform the public in a clear and understandable manner the meaning of the ordinance and which shall provide the public with sufficient notice to conform to the desired conduct required by the ordinance. The description shall include the title of the ordinance, an accurate and intelligible abstract or synopsis of the essential elements of the ordinance, a statement that the description is a summary, the location and the normal business hours of the office where the ordinance may be inspected, when the ordinance becomes effective, and the full text of any provisions imposing fines, penalties, forfeitures, fees, or taxes. Legal descriptions of property set forth in ordinances shall be described in full, provided that maps or charts may be substituted for legal descriptions when they contain sufficient detail to clearly define the area with which the ordinance is concerned. The narrative description shall be written in a clear and coherent manner and shall, to the extent possible, avoid the use of technical or legal terms not generally familiar to the public. When necessary to use technical or legal terms not generally familiar to the public, the narrative description shall include definitions of those terms.

4. Authenticate all measures except motions with the clerk's signature and certification as to time and manner of publication, if any. The clerk's certification is presumptive evidence of the facts stated therein.

5. Maintain for public use copies of all effective ordinances and codes.

[R60, §1133; C73, §492; C97, §686, 687; C24, 27, 31, 35, §5719 – 5721, 5721-a1; C39, §**5719 – 5721, 5721.1;** C46, 50, §366.6 – 366.9; C54, 58, 62, 66, 71, 73, §366.6, 366.7; C75, 77, 79, 81, §380.7]

96 Acts, ch 1098, §2; 97 Acts, ch 168, §8

Referred to in §380.6

**380.8 Code of ordinances published.**

1. *a.* A city shall compile a code of ordinances containing all of the city ordinances in effect, except grade ordinances, bond ordinances, zoning map ordinances, ordinances

vacating streets and alleys, and ordinances containing legal descriptions of urban revitalization areas and urban renewal areas.

*b.* A city may maintain a code of ordinances either by compiling at least annually a supplement to the code of ordinances consisting of all new ordinances and amendments to ordinances which became effective during the previous year and adopting the supplement by resolution or by adding at least annually new ordinances and amendments to ordinances to the code of ordinances itself.

*c.* A city which does not maintain the city code of ordinances as provided in paragraph *"b"* shall compile a code of ordinances at least once every five years.

2. *a.* If a proposed code of ordinances contains only existing ordinances without change in substance, the council may adopt the code by ordinance.

*b.* If a proposed code of ordinances contains a new ordinance or an amendment to existing ordinances, the council shall hold a public hearing on the proposed code before adoption. The clerk shall publish notice of the hearing as provided in section 362.3. Copies of the proposed code of ordinances must be available at the city clerk's office and the notice must so state. Within thirty days after the hearing, the council may adopt the proposed code of ordinances. A new ordinance or an amendment to an existing ordinance becomes effective upon publication of the ordinance adopting the code of ordinances unless a subsequent effective date is provided within an ordinance. If the council substantially amends the proposed code of ordinances after the hearing, notice and hearing must be repeated before the code may be adopted.

3. A code of ordinances compiled and maintained at least annually, or compiled at least once every five years, is presumptive evidence of the passage, publication, and content of the ordinances codified therein as of the date of the clerk's certification of the ordinance adopting the code or supplement.

[R60, §1133; C73, §492; C97, §686, 687; C24, 27, 31, 35, §5720, 5721, 5721-a1; C39, §**5720, 5721, 5721.1;** C46, 50, §366.7 – 366.9; C54, 58, 62, 66, 71, 73, §366.7; C75, 77, 79, 81, §380.8]

97 Acts, ch 168, §9

Referred to in §331.302, 622.62

**380.9 Fee for publication.**

The compensation paid to a newspaper for any publication required by this chapter may not exceed the fee provided in section 618.11. The compensation paid to a newspaper for publication of the complete text of an ordinance shall not exceed three-fourths of the fee provided in section 618.11.

[S13, §687-b; C24, 27, 31, 35, 39, §**5723;** C46, 50, 54, 58, 62, 66, 71, 73, §366.11; C75, 77, 79, 81, §380.9]

96 Acts, ch 1098, §3

**380.10 Adoption by reference.**

1. A city may adopt the provisions of any statewide or nationally recognized standard code or portions of any such code by an ordinance which identifies the code by subject matter, source and date, and which incorporates the provisions of the code or portions of the code by reference without setting them forth in full. Copies of the proposed code or portions of such code shall be available at the office of the city clerk.

2. *a.* A city may by ordinance adopt by reference any portion of the Code of Iowa in effect at the time of the adoption in the manner provided in this section, subject to the following limitations:

(1) The ordinance shall describe the subject matter and identify the portion of the Code of Iowa adopted by chapter, section, and subsection or other subpart, as applicable.

(2) A portion of the Code of Iowa may be adopted by reference only if the criminal penalty provided by the law adopted does not exceed the maximum fine and term of imprisonment for a simple misdemeanor under section 903.1, subsection 1, paragraph *"a"*.

(3) Amendments or other changes to those portions of the Code of Iowa which have been adopted by reference shall serve as an automatic modification of the applicable ordinance.

*b.* An ordinance which adopts by reference any portion of the Code of Iowa may provide

that violations of the ordinance are municipal infractions and subject to the limitations of section 364.22.

3. Copies of any portions of the Code of Iowa to be adopted by reference shall be available at the city clerk's office. The council shall hold a public hearing on any proposed standard code or on the portions of any standard code to be adopted by reference. The council shall hold a public hearing on any portion of the Code of Iowa to be adopted by reference. The clerk shall publish notice of the hearing as provided in section 362.3. The notice must state that copies of the proposed standard code or portions thereof, or of the portion of the Iowa Code, are available at the city clerk's office. If the council substantially amends the proposed code after the hearing, notice and hearing must be repeated before the code may be adopted. Within thirty days after the hearing, the council by ordinance may adopt the proposed code which becomes effective upon publication of the ordinance adopting it, unless a subsequent effective date is provided within the adopting ordinance.

[R60, §1133; C73, §492; C97, §686, 687; C24, 27, 31, 35, §5720, 5721, 5721-a1; C39, §**5720, 5721, 5721.1;** C46, 50, §366.7 – 366.9; C54, 58, 62, 66, 71, 73, §366.7; C75, 77, 79, 81, §380.10]

91 Acts, ch 145, §4; 97 Acts, ch 168, §10, 11; 2000 Acts, ch 1203, §22; 2009 Acts, ch 21, §7

**380.11 Certain measures recorded.**

Immediately after the effective date of a measure establishing any zoning district, building lines, or fire limits, the city clerk shall certify the measure and a plat showing the district, lines, or limits to the recorder of any county which contains part of the city. The county recorder shall index and record the measure and plat. The city shall pay the recording fee.

[C24, 27, 31, 35, 39, §**5724 – 5727;** C46, 50, 54, 58, 62, 66, 71, 73, §366.12 – 366.15; C75, 77, 79, 81, §380.11]

2001 Acts, ch 44, §17

Referred to in §331.602

# CHAPTERS 381 to 383

RESERVED

# CHAPTER 384

## CITY FINANCE

Referred to in §28E.41, 28E.42, 28J.15, 73A.21, 357A.25, 357B.4, 358.22, 358C.17, 362.1, 362.9, 376.1

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## DIVISION I

## TAXES AND FUNDS

Referred to in §420.41

**384.1 Taxes certified.**

A city may certify taxes to be levied by the county on all taxable property within the city limits, for all city government purposes. However, the tax levied by a city on tracts of land and improvements thereon used and assessed for agricultural or horticultural purposes, shall not exceed three dollars and three-eighths cents per thousand dollars of assessed value in any year. Improvements located on such tracts of land and not used for agricultural or horticultural purposes and all residential dwellings are subject to the same rate of tax levied by the city on all other taxable property within the city. A city's tax levy for the general fund shall not exceed eight dollars and ten cents per thousand dollars of taxable value in any tax year, except for the levies authorized in section 384.12.

[C97, §616, 890; S13, §616; C24, 27, 31, 35, 39, §**6210;** C46, 50, §404.4; C54, 58, 62, 66, 71, 73, §404.1, 404.2, 404.15; C75, 77, 79, 81, §384.1]

89 Acts, ch 296, §39

Referred to in §331.263, 357B.8, 357J.15, 373.10, 384.12, 386.8, 386.9

**384.2 Fiscal year and tax year.**

Except as otherwise provided for special charter cities, a city's fiscal year shall be as provided in section 24.2, subsection 3. All city property taxes must be certified by a city to the county auditor on or before the fifteenth day of March of each year, unless otherwise provided by state law. However, municipal utilities, if not supported by taxation or the proceeds of outstanding indebtedness payable from taxes may, with the council's consent, choose to operate on a fiscal year which is the calendar year. The receipt by the utility of payments from other governmental funds for public fire protection, street lighting, or other public use of the utility's services shall not be deemed support by taxation. After notice and hearing in the same manner as required for the city's regular budget under section 384.16, the utility budget must be approved by resolution of the council not later than twenty days prior to the beginning of the calendar year for which the budget applies.

The county auditor shall place city taxes and assessments upon the tax list for the current year, and the county treasurer shall collect city taxes and assessments in the same manner as other taxes. Delinquent city taxes and assessments draw the same interest as other taxes. Sales for delinquent city taxes and assessments must be made in the manner provided in chapter 446. The county treasurer shall combine in one tax sale all taxes and assessments due from the same person and collectible by the county.

[R60, §1123, 1126; C73, §495, 498; C97, §902; S13, §902, 1056-a7, 1056-a34; C24, §5678, 6227, 6228, 6570, 6571; C27, 31, 35, §5676-a1, 6227, 6228, 6570, 6871; C39, §**5676.1, 6227, 6228, 6570, 6871;** C46, 50, §363.51, 404.21, 404.22, 416.95, 420.212; C54, 58, §363.29, 404.3, 404.21; C62, 66, 71, 73, §363.29, 404.3, 404.22; C75, 77, 79, 81, §384.2]

92 Acts, ch 1016, §7

Referred to in §331.559

**384.3 General fund.**

All moneys received for city government purposes from taxes and other sources must be credited to the general fund of the city, except that moneys received for the purposes of the debt service fund, the trust and agency funds, the capital improvements reserve fund, the emergency fund and other funds established by state law must be deposited as otherwise required or authorized by state law. All moneys received by a city from the federal government must be reported to the department of management who shall transmit a copy to the legislative services agency.

[C50, §395.26; C54, 58, §395.26, 404.2, 404.23; C62, 66, 71, 73, §395.26, 404.2, 404.24; C75, 77, 79, 81, §384.3]

2003 Acts, ch 35, §45, 49

Property rights defense account; 2009 Acts, ch 179, §148, 153

**384.3A Franchise fee account — use of franchise fee revenues.**

1. A city that assesses a franchise fee pursuant to an ordinance that is adopted or amended on or after May 26, 2009, to increase the percentage rate at which franchise fees are assessed under section 364.2, subsection 4, paragraph "*f*", shall establish a franchise fee account within the city's general fund. All revenues collected by a city pursuant to such an ordinance shall be deposited in the account. Interest earned on revenues deposited in the account shall remain in the account and be used for the purposes specified in this section. Moneys in the account are not subject to transfer to any other accounts in the city's general fund or to any other funds established by a city unless such transfer is for a purpose specified in this section.

2. Moneys in the account shall be used for the purposes of inspecting, supervising, and otherwise regulating each franchise approved by the city.

3. Moneys in the account in excess of the amount necessary for the purposes specified in subsection 2 shall be expended for any of the following:

*a.* Property tax relief.

*b.* The repair, remediation, restoration, cleanup, replacement, and improvement of existing public improvements and other publicly owned property, buildings, and facilities.

*c.* Projects designed to prevent or mitigate future disasters as defined in section 29C.2.

*d.* Energy conservation measures for low-income homeowners, low-income energy assistance programs, and weatherization programs.

*e.* Public safety, including the equipping of fire, police, emergency services, sanitation, street, and civil defense departments.

*f.* The establishment, construction, reconstruction, repair, equipping, remodeling, and extension of public works, public utilities, and public transportation systems.

*g.* The construction, reconstruction, or repair of streets, highways, bridges, sidewalks, pedestrian underpasses and overpasses, street lighting fixtures, and public grounds, and the acquisition of real estate needed for such purposes.

*h.* Property tax abatements, building permit fee abatements, and abatement of other fees for property damaged by a disaster as defined in section 29C.2.

*i.* Economic development activities and projects.

*j.* For franchise fees assessed and collected by a city in excess of five percent of gross revenues generated from sales of the franchisee within the city pursuant to section 364.2, subsection 4, paragraph "*f*", subparagraph (1), subparagraph division (b), during fiscal years beginning on or after July 1, 2013, but before July 1, 2030, the adjustment, renewal, or extension of any part or all of the legal indebtedness of a city, whether evidenced by bonds, warrants, court-approved settlements, court-approved compromises, or judgments, or the funding or refunding of the same, if such legal indebtedness relates to restitution, a refund, or a return ordered by a court of competent jurisdiction for franchise fees assessed and collected by the city before June 30, 2013. This paragraph "*j*" is repealed July 1, 2030.

2009 Acts, ch 179, §230, 231; 2013 Acts, ch 140, §149, 150
Referred to in §364.2
Subsection 3, NEW paragraph j

**384.4 Debt service fund.**

1. A city shall establish a debt service fund and shall certify taxes to be levied for the debt service fund in the amount necessary to pay:

*a.* Judgments against the city, except those authorized by state law to be paid from other funds.

*b.* Interest as it becomes due and the amount necessary to pay, or to create a sinking fund to pay, the principal at maturity of all general obligation bonds issued by the city or to pay, or to create a sinking fund to pay, amounts as due on loans received through the former Iowa community development loan program pursuant to section 15E.120.

*c.* Payments required to be made from the debt service fund under a lease or lease-purchase agreement.

*d.* Payments required to be made from the debt service fund under a loan agreement.

*e.* Payments authorized to be made from the debt service fund to a flood project fund under section 418.14, subsection 4.

2. Moneys pledged or available to service general obligation bonds, and received from sources other than property taxes, must be deposited in the debt service fund.

3. If a final judgment is entered against a city with a population of five hundred or less for an amount in excess of eighty-eight thousand dollars over and above what is covered by liability insurance, such city may spread the budgeting and payment of that portion not covered by insurance over a period of time not to exceed ten years. Interest shall be paid by the city on the unpaid balance. This subsection shall only apply to final judgments entered but not fully satisfied prior to March 25, 1976.

4. The taxes realized from the tax levy imposed under section 346.27, subsection 22, for a joint county-city building shall be deposited into a separate account in the city's debt service fund for the payment of the annual rent and shall be disbursed pursuant to section 346.27, subsection 22.

[C97, §894; SS15, §879-s, 894; C24, 27, 31, 35, 39, §**6211, 6603;** C46, 50, §404.5, 416.132; C54, 58, 62, 66, 71, 73, §404.13; C75, 77, 79, 81, §384.4]

83 Acts, ch 207, §52, 93; 85 Acts, ch 156, §4; 87 Acts, ch 103, §5; 2007 Acts, ch 22, §72; 2010 Acts, ch 1069, §126; 2012 Acts, ch 1060, §4, 7; 2012 Acts, ch 1094, §3, 18

Referred to in §357E.11A, 384.24, 384.32, 384.74

Subsection 4 applies to property taxes due and payable in fiscal years beginning on or after July 1, 2013; 2012 Acts, ch 1060, §7

**384.5 Excess tax.**

A tax levied for the debt service fund is not invalid if it raises moneys in excess of those needed for a specific purpose. Only excess moneys remaining after retirement of all indebtedness payable from the fund may be transferred from the debt service fund to any other city fund, subject to the terms of the original bond issue, and as provided in rules promulgated by the city finance committee created in section 384.13.

[C51, §123, 124; R60, §259, 260; C73, §318, 319; C97, §897; C24, 27, 31, 35, 39, §**6222;** C46, 50, §404.16; C54, 58, §404.20; C62, 66, 71, 73, §404.21; C75, 77, 79, 81, §384.5]

**384.6 Trust and agency funds.**

A city may establish trust and agency funds for the following purposes:

1. Accounting for pension and related employee benefit funds as provided by the city finance committee. A city may certify taxes to be levied for a trust and agency fund in the amount necessary to meet its obligations.

*a.* A city may make contributions to a retirement system other than the Iowa public employees' retirement system for its city manager, or city administrator performing the duties of city manager, in an annual amount not to exceed the amount that would have been contributed by the employer under section 97B.11.

*b.* If a police chief or fire chief has submitted a written request to the board of trustees to be exempt from chapter 411, authorized in section 411.3, subsection 1, a city shall make contributions for the chief, in an amount not to exceed the amount that would have been contributed by the city under section 411.8, subsection 1, paragraph "*a*", to the international city management association retirement corporation.

*c.* A city which has contracted with another city or governmental entity for the provision of public safety services, including but not limited to police protection, fire protection, ambulance, or hazardous materials response, may, pursuant to contract, make contributions for pension and related employee benefits for personnel of the other city or governmental entity providing such services to the city. The city may make such contributions in an annual amount not to exceed the amount of contributions for pension and related employee benefits that would otherwise be paid by the other city or governmental entity for such personnel.

2. Accounting for gifts received by the city for a particular purpose.

3. Accounting for money and property received and handled by the city as trustee or custodian or in the capacity of an agent.

[C54, 58, 62, 66, 71, 73, §404.16; C75, 77, 79, 81, §384.6]

85 Acts, ch 195, §45; 2006 Acts, ch 1130, §1; 2013 Acts, ch 30, §82

Referred to in §364.25, 384.15, 411.15

Subsection 1, paragraph b amended

**384.7 Capital improvements fund.**

A city may establish a capital improvements reserve fund, and may certify taxes not to exceed sixty-seven and one-half cents per thousand dollars of taxable value each year to be levied for the fund for the purpose of accumulating moneys for the financing of specified capital improvements, or carrying out a specific capital improvement plan.

The question of the establishment of a capital improvements reserve fund, the time period during which a levy will be made for the fund, and the tax rate to be levied for the fund is subject to approval by the voters, and may be submitted at any city election upon the council's motion, or shall be submitted at the next regular city election upon receipt of a valid petition as provided in section 362.4.

If a continuing capital improvements levy is established by election, it may be terminated in the same manner, upon the council's motion or upon petition. Balances in a capital improvements reserve fund are not unencumbered or unappropriated funds for the purpose of reducing tax levies. Transfers may be made between the capital improvements reserve fund, construction funds, and the general fund, as provided in rules promulgated by the city finance committee created in section 384.13.

[C75, 77, 79, 81, §384.7]

Referred to in §386.9

**384.8 Emergency fund.**

A city may establish an emergency fund and may certify taxes not to exceed twenty-seven cents per thousand dollars of taxable value each year to be levied for the fund. Transfers may be made from the emergency fund to the general fund as provided in rules promulgated by the city finance committee created in section 384.13.

[C24, 27, 31, 35, 39, §**373;** C46, 50, 54, 58, 62, 66, 71, 73, §24.6; C75, 77, 79, 81, §384.8]

**384.9 Additional funds.**

A city may establish other funds and may certify taxes to be levied for the funds as provided by state law. The status of each account or fund must be included in the annual report required in section 384.22.

[C54, 58, 62, 66, 71, 73, §404.1; C75, 77, 79, 81, §384.9]

**384.10 Short-term loans.**

A city may negotiate short-term loans, and may issue warrants as provided in chapter 74, in anticipation of and not in excess of its estimated revenues for the current fiscal year. However, natural disaster loans from the state or federal government and loans for projects where payment of state or federal funds has been guaranteed but receipt of such funds may not coincide with the fiscal year, may be negotiated in anticipation of revenues for a period of time longer than the current fiscal year.

[R60, §1129; C73, §500; C97, §898; C24, 27, 31, 35, 39, §**6223;** C46, 50, §404.17; C54, 58, §404.18; C62, 66, 71, 73, §404.19; C75, 77, 79, 81, §384.10]

Referred to in §384.57, 386.12

**384.11 Direct deposit of taxes.**

Before the fifteenth day of each month, the county treasurer shall send the amount collected for each fund through the last day of the preceding month for direct deposit into the depository and the account designated by the city clerk. The county treasurer shall send a notice at the same time to the city clerk stating the amount deposited, date, amount to be credited to each fund according to the budget, and the source of the revenue. This section shall also apply to the collection of special assessments assessed under section 364.12 or division IV of this chapter.

[R60, §1123, 1126; C73, §495, 498; C97, §902; S13, §902; C24, 27, 31, 35, 39, §**6229;** C46, 50, §404.23; C54, 58, §404.19; C62, 66, 71, 73, §404.20; C75, 77, 79, 81, §384.11; 82 Acts, ch 1195, §5]

84 Acts, ch 1003, §9

Referred to in §331.559, 423B.3

**384.12 Additional taxes.**

A city may certify, for the general fund levy, taxes which are not subject to the limit provided in section 384.1, and which are in addition to any other moneys the city may wish to spend for such purposes, as follows:

1. A tax not to exceed thirteen and one-half cents per thousand dollars of assessed value for the support of instrumental or vocal musical groups, one or more organizations which have tax-exempt status under section 501(c)(3) of the Internal Revenue Code and are organized and operated exclusively for artistic and cultural purposes, or any of these purposes, subject to the following:

*a.* Upon receipt of a petition valid under the provisions of section 362.4, the council shall submit to the voters at the next regular city election the question of whether a tax shall be levied.

*b.* If a majority approves the levy, it may be imposed.

*c.* The levy can be eliminated by the same procedure of petition and election.

*d.* A tax authorized by an election held prior to the effective date of the city code may be continued until eliminated by the council, or by petition and election.

2. A tax not to exceed eighty-one cents per thousand dollars of assessed value for development, operation, and maintenance of a memorial building or monument, subject to the provisions of subsection 1.

3. A tax not to exceed thirteen and one-half cents per thousand dollars of assessed value for support of a symphony orchestra, subject to the provisions of subsection 1.

4. A tax not to exceed twenty-seven cents per thousand dollars of assessed value for the operation of cultural and scientific facilities, subject to the provisions of subsection 1, except that the question may be submitted on the council's own motion.

5. A tax to aid in the construction of a county bridge, subject to the provisions of subsection 1, except that the question must be submitted at a special election. The expense of a special election under this subsection must be paid by the county. The notice of the special election must include full details of the proposal, including the location of the proposed bridge, the rate of tax to be levied, and all other conditions.

6. A tax to aid a company incorporated under the laws of this state in the construction of a highway or combination bridge across any navigable boundary river of this state, commencing or terminating in the city and suitable for use as highway, or for both highway and railway purposes. This tax levy is subject to the provisions of subsections 1 and 5. The levy is limited to one dollar and thirty-five cents per thousand dollars of the assessed value of taxable property in the city. The estimated cost of the bridge must be at least ten thousand dollars, and the city aid may not exceed one-half of the estimated cost. The notice of the special election must include the name of the corporation to be aided, and all conditions required of the corporation. Tax moneys received for this purpose may not be paid over by the county treasurer until the city has filed a statement that the corporation has complied with all conditions.

7. If a tax has been voted for aid of a bridge under subsection 6, a further tax may be voted for the purpose of purchasing the bridge, subject to the provisions of subsection 1. The levy under this subsection is limited to three dollars and thirty-seven and one-half cents per thousand dollars of the assessed value of the taxable property in the city, payable in not less than ten annual installments.

8. A tax for the purpose of carrying out the terms of a contract for the use of a bridge by a city situated on a river over which a bridge has been built. The tax may not exceed sixty-seven and one-half cents per thousand dollars of assessed value each year.

9. A tax for aid to a public transportation company, subject to the procedure provided in subsection 1, except the question must be submitted at a special election. The levy is limited to three and three-eighths cents per thousand dollars of assessed value. In addition to any other conditions the following requirements must be met before moneys received for this purpose may be paid over by the county treasurer:

*a.* The public transportation company shall provide the city with copies of state and federal income tax returns for the five years preceding the year for which payment is contemplated or for such lesser period of time as the company has been in operation.

*b.* The city shall, in any given year, be authorized to pay over only such sums as will yield not to exceed two percent of the public transportation company's investment as the same is valued in its tax depreciation schedule, provided that corporate profits and losses for the five preceding years or for such lesser period of time as the company has been in operation shall not average in excess of a two percent net return. Taxes levied under this subsection may not be used to subsidize losses incurred prior to the election required by this subsection.

10. A tax for the operation and maintenance of a municipal transit system or for operation and maintenance of a regional transit district, and for the creation of a reserve fund for the system or district, in an amount not to exceed ninety-five cents per thousand dollars of assessed value each year, when the revenues from the transit system or district are insufficient for such purposes.

11. If a city has entered into a lease of a building or complex of buildings to be operated as a civic center, a tax sufficient to pay the installments of rent and for maintenance, insurance and taxes not included in the lease rental payments.

12. A tax not to exceed thirteen and one-half cents per thousand dollars of assessed value each year for operating and maintaining a civic center owned by a city.

13. A tax not to exceed six and three-fourths cents per thousand dollars of assessed value for planning a sanitary disposal project.

14. A tax not to exceed twenty-seven cents per thousand dollars of assessed value each year for an aviation authority as provided in section 330A.15.

15. A tax not to exceed six and three-fourths cents per thousand dollars of assessed value each year for a levee improvement fund in special charter cities as provided in section 420.155.

16. A tax not to exceed twenty and one-half cents per thousand dollars of assessed value each year to maintain an institution received by gift or devise, subject to an election as required under subsection 1.

17. A tax to pay the premium costs on tort liability insurance, property insurance, and any other insurance that may be necessary in the operation of the city, the costs of a self-insurance program, the costs of a local government risk pool and amounts payable under any insurance agreements to provide or procure such insurance, self-insurance program, or local government risk pool.

18. A tax to fund an emergency medical services district under chapter 357G.

19. A tax that exceeds any tax levy limit within this chapter, provided the question has been submitted at a special levy election and received a simple majority of the votes cast on the proposition to authorize the enumerated levy limit to be exceeded for the proposed budget year.

*a.* The election may be held as specified in this subsection if notice is given by the city council, not later than forty-six days before the first Tuesday in March, to the county commissioner of elections that the election is to be held.

*b.* An election under this subsection shall be held on the first Tuesday in March and be conducted by the county commissioner of elections in accordance with the law.

*c.* The ballot question shall be in substantially the following form:

WHICH TAX LEVY SHALL BE ADOPTED FOR THE CITY OF .....?

(Vote for only one of the following choices.)

CHANGE LEVY AMOUNT .....

Add to the existing levy amount a tax for the purpose of ..... (state purpose of proposed levy) at a rate of ..... (rate) which will provide an additional $..... (amount).

KEEP CURRENT LEVY .....

Continue under the current maximum rate of ....., providing $..... (amount).

*d.* The commissioner of elections conducting the election shall notify the city officials and

other county auditors where applicable, of the results within two days of the canvass which shall be held on the second day that is not a holiday following the special levy election, and beginning no earlier than 1:00 p.m. on that day.

*e.* Notice of the election shall be published twice in accordance with the provisions of section 362.3, except that the first such notice shall be given at least two weeks before the election.

*f.* The cost of the election shall be borne by the city.

*g.* The election provisions of this subsection shall supersede other provisions for elections only to the extent necessary to comply with the provisions hereof.

*h.* The provisions of this subsection apply to all cities, however organized, including special charter cities which may adopt ordinances where necessary to carry out these provisions.

*i.* The council shall certify the city's budget with the tax askings not exceeding the amount approved by the special levy election.

20. A tax not to exceed twenty-seven cents per thousand dollars of assessed value for support of a public library, subject to petition and referendum requirements of subsection 1, except that if a majority approves the levy, it shall be imposed.

21. A tax for the support of a local emergency management commission established pursuant to chapter 29C.

**1.** [C24, 27, 31, 35, 39, §**5835 – 5839;** C46, 50, 54, 58, 62, 66, 71, 73, §375.1 – 375.5; C75, 77, 79, 81, S81, §384.12(1)]

**2.** [C75, 77, 79, 81, S81, §384.12(2)]

**3.** [C50, 54, 58, 62, 66, 71, 73, §379A.1 – 379A.5; C75, 77, 79, 81, S81, §384.12(3)]

**4.** [C62, 66, 71, 73, §379B.1, 379B.2; C75, 77, 79, 81, S81, §384.12(4)]

**5, 6.** [R60, §710; C73, §796; C97, §758 – 764, 888, 895, 1303; C24, 27, 31, 35, 39, §**5882 – 5887, 6209, 6221;** C46, 50, §381.9 – 381.14, 404.3, 404.15; C54, 58, 62, 66, 71, 73, §381.9 – 381.14, 404.7; C75, 77, 79, 81, S81, §384.12(5, 6)]

**7.** [S13, §766-a, 766-b; C24, 27, 31, 35, 39, §**5890, 5891, 5894;** C46, 50, 54, 58, 62, 66, 71, 73, §381.17, 381.18, 382.1; C75, 77, 79, 81, S81, §384.12(7)]

**8.** [C97, §766; C24, 27, 31, 35, 39, §**5889;** C46, 50, 54, 58, 62, 66, 71, 73, §381.16; C75, 77, 79, 81, S81, §384.12(8)]

**9.** [C58, 62, 66, 71, 73, §386A.1, 386A.4, 386A.9, 386A.12; C75, 77, 79, 81, S81, §384.12(9)]

**10.** [C58, 62, 66, 71, 73, §386B.12; C75, 77, 79, 81, S81, §384.12(10)]

**11.** [C71, 73, §378A.6; C75, 77, 79, 81, S81, §384.12(11)]

**12.** [C71, 73, §378A.10; C75, 77, 79, 81, S81, §384.12(12)]

**13.** [C71, 73, §404.27; C75, 77, 79, 81, S81, §384.12(13)]

**14.** [C75, 77, 79, 81, S81, §384.12(14)]

**15.** [C66, 71, 73, §368.67; C75, 77, 79, 81, S81, §384.12(15); 81 Acts, ch 117, §1081; 82 Acts, ch 1104, §14]

**16.** [C75, 77, 79, 81, S81, §384.12(16)]

**17.** [S13, §740; C24, 27, 31, 35, 39, §**10190;** C46, 50, 54, 58, 62, 66, 71, 73, §565.8; C75, 77, 79, 81, S81, §384.12(18); 81 Acts, ch 117, §1081]

**18.** [C75, 77, 79, 81, S81, §384.12(19)]

**20.** [C81, S81, §384.12(20)]

83 Acts, ch 101, §82; 85 Acts, ch 195, §46; 86 Acts, ch 1211, §23; 88 Acts, ch 1213, §1; 89 Acts, ch 203, §1; 91 Acts, ch 247, §1; 92 Acts, ch 1139, §29; 94 Acts, ch 1075, §15; 94 Acts, ch 1180, §56; 95 Acts, ch 189, §21; 2004 Acts, ch 1072, §8; 2009 Acts, ch 57, §94; 2010 Acts, ch 1033, §55, 56; 2012 Acts, ch 1060, §5, 7

Referred to in §28M.5, 37.8, 331.263, 373.10, 384.1, 384.110

2012 amendment applies to property taxes due and payable in fiscal years beginning on or after July 1, 2013; 2012 Acts, ch 1060, §7

## DIVISION II

## BUDGETING AND ACCOUNTING

Referred to in §384.34

**384.13 City finance committee.**

1. As used in this division, unless the context otherwise requires, *"committee"* means the city finance committee and *"director"* means the director of the department of management.

2. An eight-member city finance committee is created. Members of the committee are:

*a.* The auditor of state or the auditor's designee.

*b.* A designee of the governor.

*c.* Five city officials who are regularly involved in budget preparation. One official must be from a city with a population of not over two thousand five hundred, one from a city with a population of over two thousand five hundred but not over fifteen thousand, one from a city with a population of over fifteen thousand but not over fifty thousand, one from a city with a population of over fifty thousand, and one from any size city. The governor shall select and appoint the city officials.

*d.* One certified public accountant experienced in city accounting, to be selected and appointed by the governor.

3. City official members and the certified public accountant are appointed for four-year terms beginning and ending as provided in section 69.19 and the terms of the city officials are staggered. When a city official member no longer holds the office which qualified the official for appointment, the official may no longer be a member of the committee. Any person appointed to fill a vacancy during a term is appointed to serve for the unexpired portion of the term. Any member is eligible for reappointment, but no member shall be appointed to serve more than two complete terms.

[C75, 77, 79, 81, §384.13]

86 Acts, ch 1245, §118; 2008 Acts, ch 1156, §44, 45, 58

Referred to in §384.5, 384.7, 384.8, 384.89

**384.14 Office, expenses, compensation.**

The committee is located for administrative purposes within the department of management. The director of the department of management shall provide office space and staff assistance, and shall budget funds to cover expenses of the committee.

Each member is entitled to receive actual and necessary expenses incurred in the performance of committee duties. Each member other than the state official members is also entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of committee duties.

[C75, 77, 79, 81, §384.14]

86 Acts, ch 1245, §119; 91 Acts, ch 258, §51

**384.15 Duties — rules — law enforcement officer training reimbursement.**

The committee shall:

1. Promulgate rules relating to budget amendments and the procedures for transferring moneys between funds, and other rules necessary or desirable in order to exercise its powers and perform its duties, including rules necessary to implement section 384.6, subsection 1. The committee's rules are subject to chapter 17A as applicable.

2. Select its officers and meet at the call of the director of the department of management or at the request of a majority of the committee.

3. Establish guidelines for program budgeting and accounting and the preparation of five-year capital improvement plans. A city shall hold a public hearing on its capital improvement plan before adoption of the plan. The committee may require performance budgeting. It shall, where practicable, use recommendations of the national council on governmental accounting.

4. Review and comment on city budgets to city officials and provide assistance to enable cities to improve upon and use sound financial procedures.

5. Conduct studies of municipal revenues and expenditures.

6. Advise and make recommendations annually to the governor and the general assembly concerning city budgets and finance.

7. Adopt rules for the administration of a law enforcement officer training reimbursement program by the director of the department of management. A decision of the director may be appealed by a city or county to the committee. The program shall provide reimbursement to a city or county for necessary and actual expenses incurred in training a law enforcement officer who resigns from law enforcement service with the city or county within four years after completion of the law enforcement training. The reimbursable training expenses include mileage, food, lodging, tuition, replacement of an officer while the officer is in training if the replacement officer is a temporary employee hired for that purpose only or is on overtime status, and salary costs of the officer while in training. The law enforcement training eligible for reimbursement is the minimum law enforcement officer training required under chapter 80B and, if funding is available, approved advanced law enforcement training and reserve officer training required under chapter 80D. The committee shall adopt rules prescribing application forms, expense documentation, and procedures necessary to administer the reimbursement program.

*a.* The amount of reimbursement shall be determined as follows:

(1) If a law enforcement officer resigns less than one year following completion of approved training, one hundred percent.

(2) If a law enforcement officer resigns one year or more but less than two years after completion of approved training, seventy-five percent.

(3) If a law enforcement officer resigns two years or more but less than three years after completion of the approved training, fifty percent.

(4) If a law enforcement officer resigns three years or more but not more than four years after completion of the approved training, twenty-five percent.

*b.* An appropriated law enforcement training reimbursement account is established in the department of management. The proceeds shall be used by the director of the department of management to reimburse cities or counties for eligible law enforcement training expenses incurred as provided in this section.

[C75, 77, 79, 81, §384.15]

84 Acts, ch 1274, §1; 86 Acts, ch 1245, §120; 90 Acts, ch 1092, §6; 90 Acts, ch 1250, §4; 90 Acts, ch 1266, §42

**384.16 City budget.**

Annually, a city that has satisfied the requirements of section 384.22, subsection 3, shall prepare and adopt a budget, and shall certify taxes as follows:

1. *a.* A budget must be prepared for at least the following fiscal year. When required by rules of the committee, a tentative budget must be prepared for one or two ensuing years. A proposed budget must show estimates of the following:

(1) Expenditures for each program.

(2) Income from sources other than property taxation.

(3) Amount to be raised by property taxation, and the property tax rate expressed in dollars per one thousand dollars assessed valuation.

*b.* A budget must show comparisons between the estimated expenditures in each program in the following year, the latest estimated expenditures in each program in the current year, and the actual expenditures in each program from the annual reports as provided in section 384.22, or as corrected by a subsequent audit report. Wherever practicable, as provided in rules of the committee, a budget must show comparisons between the levels of service provided by each program as estimated for the following year, and actual levels of service provided by each program during the two preceding years. For each city that has established an urban renewal area, the budget shall include estimated and actual tax increment financing revenues and all estimated and actual expenditures of the revenues, proceeds from debt and all estimated and actual expenditures of the debt proceeds.

2. Not less than twenty days before the date that a budget must be certified to the county auditor and not less than ten days before the date set for the hearing, the clerk shall make

available a sufficient number of copies of the detailed budget to meet the requests of taxpayers and organizations, and have them available for distribution at the offices of the mayor and clerk and at the city library, if any, or have a copy posted at one of the three places designated by ordinance for posting notices if there is no library.

3. The council shall set a time and place for public hearing on the budget before the final certification date and shall publish notice of the hearing not less than ten nor more than twenty days before the hearing in a newspaper published at least once weekly and having general circulation in the city. However, if the city has a population of two hundred or less, publication may be made by posting in three public places in the city. A summary of the proposed budget shall be included in the notice. Proof of publication must be filed with the county auditor. The department of management shall prescribe the form for the public hearing notice for use by cities.

4. At the hearing, any resident or taxpayer of the city may present to the council objections to any part of the budget for the following fiscal year or arguments in favor of any part of the budget.

5. After the hearing, the council shall adopt by resolution a budget for at least the next fiscal year, and the clerk shall certify the necessary tax levy for the next fiscal year to the county auditor and the county board of supervisors. The tax levy certified may be less than but not more than the amount estimated in the proposed budget submitted at the final hearing, unless an additional tax levy is approved at a city election. Two copies each of the detailed budget as adopted and of the tax certificate must be transmitted to the county auditor, who shall complete the certificates and transmit a copy of each to the department of management.

6. Taxes levied by a city whose budget is certified after March 15 shall be limited to the prior year's budget amount. However, this penalty may be waived by the director of the department of management if the city demonstrates that the March 15 deadline was missed because of circumstances beyond the control of the city.

7. A city that does not submit a budget in compliance with this section shall have all state funds withheld until a budget that is in compliance with this section is filed with the county auditor and subsequently received by the department of management. The department of management shall send notice to state agencies responsible for disbursement of state funds and that notice is sufficient authorization for those funds to be withheld until later notice is given by the department of management to release those funds.

[C24, 27, 31, 35, 39, §**370, 375 – 378, 381, 383;** C46, 50, 54, 58, 62, 66, 71, 73, §24.3, 24.9 – 24.12, 24.15, 24.17; C75, 77, 79, 81, §384.16]

97 Acts, ch 206, §19, 20, 24; 2005 Acts, ch 179, §62, 63; 2007 Acts, ch 186, §4; 2010 Acts, ch 1069, §127; 2012 Acts, ch 1124, §10, 11

Referred to in §384.2, 384.18, 384.22, 419.11

**384.17 Levy by county.**

At the time required by law, the county board of supervisors shall levy the taxes necessary for each city fund for the following fiscal year. The levy must be as shown in the adopted city budget and as certified by the clerk, subject to any changes made after a protest hearing, and any additional tax rates approved at a city election. A city levy is not valid until proof of publication or posting of notice of a budget hearing is filed with the county auditor.

[C24, 27, 31, 35, 39, §**376, 385;** C46, 50, 54, 58, 62, 66, 71, 73, §24.10, 24.19; C75, 77, 79, 81, §384.17]

**384.18 Budget amendment.**

1. A city budget as finally adopted for the following fiscal year becomes effective July 1 and constitutes the city appropriation for each program and purpose specified therein until amended as provided in this section. A city budget for the current fiscal year may be amended for any of the following purposes:

*a.* To permit the appropriation and expenditure of unexpended, unencumbered cash balances on hand at the end of the preceding fiscal year which had not been anticipated in the budget.

*b.* To permit the appropriation and expenditure of amounts anticipated to be available from sources other than property taxation, and which had not been anticipated in the budget.

*c.* To permit transfers from the debt service fund, the capital improvements reserve fund, the emergency fund, or other funds established by state law, to any other city fund, unless specifically prohibited by state law.

*d.* To permit transfers between programs within the general fund.

2. A budget amendment must be prepared and adopted in the same manner as the original budget, as provided in section 384.16, and is subject to protest as provided in section 384.19, except that the committee may by rule provide that amendments of certain types or up to certain amounts may be made without public hearing and without being subject to protest. A city budget shall be amended by May 31 of the current fiscal year to allow time for a protest hearing to be held and a decision rendered before June 30. The amendment of a budget after May 31, which is properly appealed but without adequate time for hearing and decision before June 30 is void.

[C24, 27, 31, 35, 39, §**375;** C46, 50, 54, 58, 62, 66, 71, 73, §24.9; C75, 77, 79, 81, §384.18; 82 Acts, ch 1079, §6]

2010 Acts, ch 1061, §180

**384.19 Written protest.**

Within a period of ten days after the final date that a budget or amended budget may be certified to the county auditor, persons affected by the budget may file a written protest with the county auditor specifying their objections to the budget or any part of it. A protest must be signed by registered voters equal in number to one-fourth of one percent of the votes cast for governor in the last preceding general election in the city, but the number shall not be less than ten persons and the number need not be more than one hundred persons.

Upon the filing of any such protest, the county auditor shall immediately prepare a true and complete copy of the written protest, together with the budget to which the objections are made, and shall transmit the same forthwith to the state appeal board, and shall also send a copy of the protest to the council.

The state appeal board shall proceed to consider the protest in accordance with the same provisions that protests to budgets of municipalities are considered under chapter 24. The state appeal board shall certify its decision with respect to the protest to the county auditor and to the parties to the appeal as provided by rule, and the decision shall be final.

The county auditor shall make up the records in accordance with the decision and the levying board shall make its levy in accordance with the decision. Upon receipt of the decision the council shall correct its records accordingly, if necessary.

[C39, §**390.2, 390.7;** C46, 50, 54, §24.26, 24.31; C58, 62, 66, 71, 73, §24.27, 24.32; C75, 77, 79, 81, §384.19; 82 Acts, ch 1079, §7]

2001 Acts, ch 56, §32

Referred to in §331.502, 384.18

**384.20 Separate accounts.**

1. A city shall keep separate accounts corresponding to the programs and items in its adopted or amended budget, as recommended by the committee.

2. A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose, by any city officer, employee, or other person, and which show the receipt, use, and disposition of all city property. Public moneys may not be expended or encumbered except under an annual or continuing appropriation.

3. "*Continuing appropriation*" means the unexpended portion of the cost of public improvements, as defined in section 26.2, which cost was adopted through a public hearing pursuant to section 26.12 and was included in an adopted or amended budget of a city. A continuing appropriation does not expire at the conclusion of a fiscal year. A continuing appropriation continues until the public improvement is completed, but expenditures under

the continuing appropriation shall not exceed the resources available for paying for the public improvement.

[S13, §741-a, 741-b; C24, 27, 31, 35, 39, §**5675, 5676;** C46, 50, §363.49, 363.50; C54, 58, 62, 66, 71, 73, §368A.5, 368A.6; C75, 77, 79, 81, §384.20]

96 Acts, ch 1104, §1; 2006 Acts, ch 1017, §36, 42, 43; 2007 Acts, ch 144, §15

**384.21 Joint investment of funds.**

A city or a city utility board shall keep all funds invested to the extent practicable and may invest the funds jointly with one or more cities, utility boards, judicial district departments of correctional services, counties, or rural water districts created under chapter 357A pursuant to a joint investment agreement. All investments of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law.

87 Acts, ch 105, §2; 88 Acts, ch 1084, §2; 92 Acts, ch 1156, §15; 95 Acts, ch 77, §6

**384.22 Annual reports — financial report — urban renewal report.**

1. Not later than December 1 of each year, a city shall publish an annual financial report as provided in section 362.3 containing a summary for the preceding fiscal year of all collections and receipts, all accounts due the city, and all expenditures, the current public debt of the city, and the legal debt limit of the city for the current fiscal year. The annual financial report shall be prepared on forms and pursuant to instructions prescribed by the auditor of state.

2. *a.* Each city that had an urban renewal plan and area in effect at any time during the most recently ended fiscal year shall complete for each such urban renewal plan and area and file with the department of management an urban renewal report by December 1 following the end of such fiscal year. Each report shall be approved by the affirmative vote of a majority of the city council and be prepared in the format and submitted electronically pursuant to the instructions prescribed by the department of management in consultation with the legislative services agency.

*b.* The report required under this subsection shall include all of the following as of June 30 of the most recently ended fiscal year or the information for such fiscal year, as applicable:

(1) Whether the urban renewal area is determined by the city to be a slum area, blighted area, economic development area or a combination of those areas, and the date such determination was made.

(2) A map clearly identifying the boundaries of the urban renewal area.

(3) A copy of the ordinance providing for a division of revenue in the urban renewal area under section 403.19.

(4) A copy of the urban renewal plan adopted for the urban renewal area, the date of each amendment to the plan, and a copy of such amendment.

(5) A list and description of all urban renewal projects within the urban renewal area that are in process and all urban renewal projects that were completed during the fiscal year.

(6) A description of each expenditure during the fiscal year from the city's special fund created in section 403.19. Each such expenditure shall be classified by the city according to categories established by the department of management and shall be designated as corresponding to the specific loan, advance, indebtedness, or bond which qualifies for payment from the special fund under section 403.19. Each such expenditure shall also be designated as corresponding to one or more specific urban renewal projects. This description shall not be required for the report required to be filed on or before December 1, 2012.

(7) The amount of loans, advances, indebtedness, or bonds, including interest negotiated on such loans, advances, indebtedness, or bonds, which qualify for payment from the special fund created in section 403.19, and which were incurred or issued during the fiscal year. Each such loan, advance, debt, or bond shall be classified by the city according to categories established by the department of management and shall be designated as corresponding to one or more specific urban renewal projects.

(8) The amount of loans, advances, indebtedness, or bonds that remain unpaid at the close of the fiscal year, and which qualify for payment from the special fund created in section 403.19, including interest negotiated on such loans, advances, indebtedness, or bonds.

(9) The total amount of property taxes that were exempted, rebated, refunded, or

reimbursed by the city, used to fund a grant provided by the city, or directly paid by the city during the fiscal year for property in the urban renewal area using moneys in the city's special fund created in section 403.19 and such amounts agreed to by the city for future fiscal years.

(10) A list of all properties, including the owner of such properties, and the amount of property taxes due and payable for the fiscal year that were exempted, rebated, refunded, or reimbursed by the city, used to fund a grant provided by the city, or directly paid by the city during the fiscal year using moneys in the city's special fund created in section 403.19 and information for such amounts agreed to by the city for future fiscal years.

(11) The balance of the city's special fund created in section 403.19.

(12) The aggregate assessed value of the taxable property in the urban renewal area, as shown on the assessment roll used to calculate the amount of taxes under section 403.19, subsection 1, for the fiscal year.

(13) The aggregate assessed value of each classification of taxable property located in the urban renewal area.

(14) That portion of the assessed value of all taxable property located in the urban renewal area that was used to calculate the amount of excess taxes under section 403.19, subsection 2.

(15) The amount of taxes determined under section 403.19, subsection 2, in excess of the amount required to pay the applicable loans, advances, indebtedness, and bonds, if any, and interest thereon, for the fiscal year that was paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(16) Interest or earnings received by each urban renewal area during the fiscal year on amounts deposited into the special fund created in section 403.19 and the net proceeds during the fiscal year from the sale of assets purchased using amounts deposited into the special fund created in section 403.19.

(17) For each taxing district for which the city divided taxes, the amount of taxes determined under section 403.19, subsection 2, that, in lieu of allocation to the taxing district, were deposited into the city's special fund during the fiscal year.

(18) The amount of expenditures by the city during the fiscal year for the purpose of providing or aiding in the provision of public improvements related to housing and residential development.

(19) The amount and types of assistance to low and moderate income housing provided by the city under section 403.22 during the fiscal year if applicable.

(20) When required as part of an urban renewal development or redevelopment agreement that includes the use of incremental taxes collected pursuant to section 403.19, subsection 2, the total number of jobs to be created, the wages associated with those jobs, the total private capital investment, and the total cost of the public infrastructure constructed.

(21) All other additional information or documentation relating to a city's urban renewal activities or use of divisions of revenue under chapter 403 deemed relevant by the department of management, in consultation with the city finance committee.

*c.* By December 1, 2012, the department of management, in collaboration with the legislative services agency, shall make publicly available on an internet site a searchable database of all such information contained in the reports required under this subsection. Reports from previous years shall be retained by the department and shall continue to be available and searchable on the internet site.

*d.* For purposes of this subsection, "*indebtedness*" includes but is not limited to written agreements whereby the city agrees to exempt, rebate, refund, or reimburse property taxes, provide a grant for property taxes paid, or make a direct payment of taxes, with moneys in the special fund created in section 403.19, and bonds, notes, or other obligations that are secured by or subject to repayment from moneys appropriated by the city from moneys in the special fund created in section 403.19.

3. The annual financial report shall be prepared on forms and pursuant to instructions prescribed by the auditor of state and shall be filed with the auditor of state. The urban renewal report shall be filed with the department of management. Each report must be filed prior to the publication and adoption of the city budget under section 384.16 for the fiscal

year beginning July 1 following the date such reports are due. If such reports are not filed pursuant to the requirements of this section, the department of management shall not certify the city's taxes back to the county auditor under section 24.17.

[S13, §741-c, 1056-a7, 1056-a9, 1056-a33; C24, 27, 31, 35, 39, §**5677, 5679, 5680, 6581;** C46, 50, §363.54, 363.56, 363.57, 416.109; C54, 58, 62, 66, 71, 73, §368A.9, 368A.11, 368A.12; C75, 77, 79, 81, §384.22]

97 Acts, ch 206, §21, 24; 2003 Acts, ch 178, §4; 2012 Acts, ch 1124, §12, 25; 2012 Acts, ch 1133, §99

Referred to in §11.11, 331.403, 384.9, 384.16, 403.5, 403.23

## DIVISION III

## GENERAL OBLIGATION BONDS

Referred to in §386.12, 403.12, 423A.7, 468.240

**384.23 Construction of words "and" and "or".**

As used in divisions III to V of this chapter, the use of the conjunctive *"and"* includes the disjunctive *"or"* and the use of the disjunctive *"or"* includes the conjunctive *"and"*, unless the context clearly indicates otherwise.

[C75, 77, 79, 81, §384.23]

2007 Acts, ch 144, §16

Referred to in §357E.11A, 389.4, 390.5

**384.24 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"General obligation bond"* means a negotiable bond issued by a city and payable from the levy of unlimited ad valorem taxes on all the taxable property within the city through its debt service fund which is required to be established by section 384.4.

2. *"City enterprise"* means any of the following, including the real estate, fixtures, equipment, accessories, appurtenances, and all property necessary or useful for the operation of any of the following:

*a.* Parking facilities systems, which may include parking lots and other off-street parking areas, parking ramps and structures on, above, or below the surface, parking meters, both on-street and off-street, and all other fixtures, equipment, accessories, appurtenances, and requisites useful for the successful operation of a parking facilities system.

*b.* Civic centers or civic center systems, which may include auditoriums, music halls, theatres, sports arenas, armories, exhibit halls, meeting rooms, convention halls, or combinations of these.

*c.* Recreational facilities or recreational facilities systems, including, without limitation, real and personal property, water, buildings, improvements, and equipment useful and suitable for administering recreation programs, and also including without limitation, zoos, museums, and centers for art, drama, and music, as well as those programs more customarily identified with the term "recreation" such as public sports, games, pastimes, diversions, and amusement, on land or water, whether or not such facilities are located in or as a part of any public park.

*d.* Port facilities or port facilities systems, including without limitation, real and personal property, water, buildings, improvements and equipment useful and suitable for taking care of the needs of commerce and shipping, and also including without limitation, wharves, docks, basins, piers, quay walls, warehouses, tunnels, belt railway facilities, cranes, dock apparatus, and other machinery necessary for the convenient and economical accommodation and handling of watercraft of all kinds and of freight and passengers.

*e.* Airport and airport systems.

*f.* Solid waste collection systems and disposal systems.

*g.* Bridge and bridge systems.

*h.* Hospital and hospital systems.

*i.* Transit systems.

*j.* Stadiums.

*k.* Housing for persons who are elderly or persons with disabilities.

*l.* Child care centers providing child care or preschool services, or both. For purposes of this paragraph, *"child care"* means providing for the care, supervision, and guidance of a child by a person other than the parent, guardian, relative, or custodian for periods of less than twenty-four hours per day on a regular basis. For purposes of this paragraph, *"preschool"* means child care which provides to children ages three through five, for periods of time not exceeding three hours per day, programs designed to help the children to develop intellectual skills, and motor skills, and to extend their interest and understanding of the world about them.

3. *"Essential corporate purpose"* means:

*a.* The opening, widening, extending, grading, and draining of the right-of-way of streets, highways, avenues, alleys, public grounds, and market places, and the removal and replacement of dead or diseased trees thereon; the construction, reconstruction, and repairing of any street improvements; the acquisition, installation, and repair of traffic control devices; and the acquisition of real estate needed for any of the foregoing purposes.

*b.* The acquisition, construction, improvement, and installation of street lighting fixtures, connections, and facilities.

*c.* The construction, reconstruction, and repair of sidewalks and pedestrian underpasses and overpasses, and the acquisition of real estate needed for such purposes.

*d.* The acquisition, construction, reconstruction, extension, improvement, and equipping of works and facilities useful for the collection, treatment, and disposal of sewage and industrial waste in a sanitary manner, for the collection and disposal of solid waste, and for the collection and disposal of surface waters and streams.

*e.* The acquisition, construction, reconstruction, enlargement, improvement, and repair of bridges, culverts, retaining walls, viaducts, underpasses, grade crossing separations, and approaches thereto.

*f.* The settlement, adjustment, renewing, or extension of any part or all of the legal indebtedness of a city, whether evidenced by bonds, warrants, or judgments, or the funding or refunding of the same, whether or not such indebtedness was created for a purpose for which general obligation bonds might have been issued in the original instance.

*g.* The undertaking of any project jointly or in cooperation with any other governmental body which, if undertaken by the city alone, would be for an essential corporate purpose, including the joint purchase, acquisition, construction, ownership, or control of any real or personal property.

*h.* The acquisition, construction, reconstruction, improvement, and extension of works and facilities useful for the control and elimination of any and all sources of air, water, and noise pollution, and the acquisition of real estate needed for such purposes.

*i.* The acquisition, construction, reconstruction, and improvement of all waterways, and real and personal property, useful for the protection or reclamation of property situated within the corporate limits of cities from floods or high waters, and for the protection of property in cities from the effects of flood waters, including the deepening, widening, alteration, change, diversion, or other improvement of watercourses, within or without the city limits, the construction of levees, embankments, structures, impounding reservoirs, or conduits, and the establishment, improvement, and widening of streets, avenues, boulevards, and alleys across and adjacent to the project, as well as the development and beautification of the banks and other areas adjacent to flood control improvements.

*j.* The equipping of fire, police, sanitation, street, and civil defense departments and the acquiring, developing, and improving of a geographic computer data base system suitable for automated mapping and facilities management.

*k.* The acquisition and improvement of real estate for cemeteries, and the construction, reconstruction, and repair of receiving vaults, mausoleums, and other cemetery facilities.

*l.* The acquisition of ambulances and ambulance equipment.

*m.* The reconstruction and improvement of dams already owned.

*n.* The reconstruction, extension, and improvement of an airport owned or operated by

the city, an agency of the city, or a multimember governmental body of which the city is a participating member.

*o.* The rehabilitation and improvement of parks already owned, including the removal, replacement and planting of trees in the parks, and facilities, equipment, and improvements commonly found in city parks.

*p.* The rehabilitation and improvement of area television translator systems already owned.

*q.* The aiding in the planning, undertaking, and carrying out of urban renewal projects under the authority of chapter 403, and all of the purposes set out in section 403.12. However, bonds issued for this purpose are subject to the right of petition for an election as provided in section 384.26, without limitation on the amount of the bond issue or the size of the city, and the council shall include notice of the right of petition in the notice required under section 384.25, subsection 2.

*r.* The acquisition, construction, reconstruction, improvement, repair, and equipping of waterworks, water mains, and extensions, and real and personal property, useful for providing potable water to residents of a city.

*s.* The provision of insurance, or funding a self-insurance program or local government risk pool, including but not limited to the investigation and defense of claims, the establishment of reserve funds for claims, the payment of claims, and the administration and management of such self-insurance program or local government risk pool.

*t.* The acquisition, restoration, or demolition of abandoned, dilapidated, or dangerous buildings, structures or properties or the abatement of a nuisance.

*u.* The establishment or funding of programs to provide for or assist in providing for the acquisition, restoration, or demolition of housing, as part of a municipal housing project under chapter 403 or otherwise, or for other purposes as may be authorized under chapter 403A.

*v.* The acquisition of peace officer communication equipment and other emergency services communication equipment and systems.

*w.* The remediation, restoration, repair, cleanup, replacement, and improvement of property, buildings, equipment, and public facilities that have been damaged by a disaster as defined in section 29C.2 and that are located in an area that the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster. Bonds issued pursuant to section 384.25 for the purposes specified in this paragraph shall be issued not later than ten years after the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster, whichever is later.

*x.* The reimbursement of the city's general fund or other funds of the city for expenditures made related to remediation, restoration, repair, and cleanup of damage caused by a disaster as defined in section 29C.2, if the damage is located in an area that the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster. Bonds issued pursuant to section 384.25 for the purposes specified in this paragraph shall be issued not later than ten years after the governor has proclaimed a disaster emergency or the president of the United States has declared a major disaster, whichever is later.

4. *"General corporate purpose"* means:

*a.* The acquisition, construction, reconstruction, extension, improvement, and equipping of city utilities, city enterprises, and public improvements as defined in section 384.37, other than those which are essential corporate purposes.

*b.* The acquisition, construction, reconstruction, enlargement, improvement, and equipping of community center houses, recreation grounds, recreation buildings, juvenile playgrounds, swimming pools, recreation centers, parks, and golf courses, and the acquisition of real estate therefor.

*c.* The acquisition, construction, reconstruction, enlargement, improvement, and equipping of city halls, jails, police stations, fire stations, garages, libraries, and hospitals, including buildings to be used for any combination of the foregoing purposes, and the acquisition of real estate therefor.

*d.* The acquisition, construction, reconstruction, and improvement of dams at the time of acquisition.

*e.* The removal, replacement, and planting of trees, other than those on public right-of-way.

*f.* The acquisition, purchase, construction, reconstruction, and improvement of greenhouses, conservatories, and horticultural centers for growing, storing, and displaying trees, shrubs, plants, and flowers.

*g.* The acquisition, construction, reconstruction, and improvement of airports at the time of establishment.

*h.* The undertaking of any project jointly or in cooperation with any other governmental body which, if undertaken by the city alone, would be for a general corporate purpose, including the joint purchase, acquisition, construction, ownership, or control of any real or personal property.

*i.* Any other purpose which is necessary for the operation of the city or the health and welfare of its citizens.

5. The "*cost*" of a project for an essential corporate purpose or general corporate purpose includes construction contracts and the cost of engineering, architectural, technical, and legal services, preliminary reports, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential damages or costs, easements, rights-of-way, supervision, inspection, testing, publications, printing and sale of bonds, interest during the period or estimated period of construction and for twelve months thereafter or for twelve months after the acquisition date, and provisions for contingencies.

**1.** [C75, 77, 79, 81, §384.24(1)]

**2.** a. [C46, §390.1; C50, 54, 58, 62, 66, 71, 73, §390.1, 390.7; C75, 77, 79, 81, §384.24(2, a)]

b. [C35, §5903-f1; C39, §**5903.12;** C46, 50, 54, 58, 62, 66, §385.1; C71, 73, §378A.1, 385.1; C75, 77, 79, 81, §384.24(2, b)]

c. [R60, §1111; C73, §538; C97, §957; C24, 27, 31, 35, 39, §**6742;** C46, 50, §368.9, 420.53; C54, 58, 62, 66, 71, 73, §368.30; C75, 77, 79, 81, §384.24(2, c)]

d. [S13, §741-w2; C24, 27, 31, §5902; C35, §5902, 6066-f2; C39, §**5902, 6066.25;** C46, 50, 54, 58, 62, 66, 71, 73, §384.3, 394.2; C75, 77, 79, 81, §384.24(2, d)]

e. [C31, 35, §5903-c2; C39, §**5903.02;** C46, 50, 54, 58, 62, 66, 71, 73, §330.2; C75, 77, 79, 81, §384.24(2, e)]

f. [S13, §1056-a61; SS15, §696-b; C24, 27, 31, §5746, 6592; C35, §5746, 6066-f1, 6066-f5, 6592; C39, §**5746, 6066.24, 6066.28, 6592;** C46, 50, §368.9, 394.1, 394.5, 416.120; C54, 58, 62, 66, 71, 73, §368.24, 394.1, 394.5; C75, 77, 79, 81, §384.24(2, f)]

g. [C31, 35, §5899-c1; C39, §**5899.01;** C46, 50, 54, 58, 62, 66, 71, 73, §383.1; C75, 77, 79, 81, §384.24(2, g)]

h. [C75, 77, 79, 81, §384.24(2, h)]

i. [C58, 62, 66, 71, 73, §386B.2; C75, 77, 79, 81, §384.24(2, i)]

j. [C75, 77, 79, 81, §384.24(2, j)]

k. [C75, 77, 79, 81, §384.24(2, k)]

**3.** a. [R60, §1064, 1097; C73, §464, 465, 527; C97, §751, 782; S13, §1056-a65; SS15, §751, 997-a, -c; C24, 27, 31, 35, 39, §**5938, 5951, 6608, 6744, 6746;** C46, 50, §389.1, 389.20, 416.138, 420.55, 420.57; C54, 58, 62, 66, 71, 73, §368.32, 389.1, 389.20, 408.17; C75, 77, 79, 81, §384.24(3, a)]

b. [R60, §1064; C73, §464; C97, §756; C24, 27, 31, 35, 39, §**5949;** C46, 50, 54, 58, 62, 66, 71, 73, §389.16; C75, 77, 79, 81, §384.24(3, b)]

c. [C73, §466; C97, §779; S13, §779; C24, 27, 31, 35, 39, §**5962;** C46, 50, 54, 58, §389.31; C62, 66, 71, 73, §389.31, 391.1; C75, 77, 79, 81, §384.24(3, c)]

d. [S13, §1056-a63; C24, 27, 31, 35, 39, §**6125, 6594;** C46, 50, §396.22, 416.122; C54, 58, §396.22, 404.18; C62, 66, 71, 73, §396.22, 404.19; C75, 77, 79, 81, §384.24(3, d)]

e. [R60, §1097; C73, §527; C97, §757, 758; SS15, §758; C24, 27, 31, 35, 39, §**5874 – 5876;** C46, 50, §381.1 – 381.3; C54, 58, 62, 66, §381.1; C71, 73, §381.1, 381.3; C75, 77, 79, 81, §384.24(3, e)]

f. [C97, §905; C24, 27, 31, 35, 39, §**6252;** C46, 50, 54, 58, 62, 66, 71, 73, §408.1; C75, 77, 79, 81, §384.24(3, f)]

g. [C27, 31, 35, §6066-a1; C39, §**6066.03;** C46, 50, 54, §392.1; C58, 62, 66, 71, 73, §368.49, 392.1; C75, 77, 79, 81, §384.24(3, g)]
h. [C75, 77, 79, 81, §384.24(3, h)]
i. [SS15, §849-a; C24, 27, 31, 35, 39, §**6080;** C46, 50, 54, 58, 62, 66, 71, 73, §395.1; C75, 77, 79, 81, §384.24(3, i)]
j. [C54, 58, 62, 66, 71, 73, §368.16; C75, 77, 79, 81, §384.24(3, j)]
k. [R60, §1060; C73, §458; C97, §697; C24, 27, 31, 35, 39, §**5750;** C46, 50, §368.13; C54, 58, 62, 66, 71, 73, §368.29; C75, 77, 79, 81, §384.24(3, k)]
l. [C66, 71, 73, §368.74; C75, 77, 79, 81, §384.24(3, l)]
m. – p. [C77, 79, 81, §384.24(3, m – p)]
q. [C75, §384.24(4, g); C77, 79, 81, §384.24(3, q)]
r. [82 Acts, ch 1089, §1]
**4.** a. [S13, §741-w2, 1306-b; C24, 27, 31, 35, 39, §**5902, 6239;** C46, 50, §384.3, 407.3(1); C54, 58, 62, 66, 71, 73, §384.3, 390.13, 407.3(1); C75, 77, 79, 81, §384.24(4, a)]
b. [R60, §1111; C73, §538; C97, §852, 957; S13, §850-c; SS15, §879-r; C24, 27, 31, 35, 39, §**5793, 5830, 5844, 6239, 6742;** C46, 50, §368.9, 370.7, 374.1, 377.1, 407.3(2, 3), 420.53; C54, 58, 62, 66, 71, 73, §368.30, 370.7, 374.1, 377.1, 407.3(2, 3); C75, 77, 79, 81, §384.24(4, b)]
c. [R60, §1116; C73, §542; C97, §732, 735; S13, §668, 732, 741-r; SS15, §741-f; C24, 27, §5772, 6239; C31, §5772, 6239, 6600-c1; C35, §5772, 6239, 6579-f; C39, §**5772, 6239, 6579.1;** C46, 50, §368.40, 407.3(4 – 6), 416.107; C54, 58, 62, 66, §368.15, 368.41, 407.3(4 – 6); C71, 73, §368.15, 368.41, 407.3(4 – 6, 9); C75, 77, 79, 81, §384.24(4, c)]
d. [C27, 31, 35, 39, §**6239;** C46, 50, 54, 58, 62, 66, 71, 73, §407.3(7); C75, 77, 79, 81, §384.24(4, d)]
e. [S13, §1056-a65; SS15, §997-a, -c; C24, 27, 31, 35, 39, §**6608, 6744, 6746;** C46, 50, §416.138, 420.55, 420.57; C54, 58, 62, 66, 71, 73, §368.32; C75, 77, 79, 81, §384.24(4, e)]
f. [C75, 77, 79, 81, §384.24(4, f)]
g. [C77, 79, 81, §384.24(4, g)]
h. [C31, 35, §5766-c1; C39, §**5766.2;** C46, §368.31; C50, §368.31, 368.57, 392.1; C54, 58, 62, 66, 71, 73, §368.12, 368.19, 392.1; C75, 77, 79, 81, §384.24(4, h)]
i. [C75, 77, 79, 81, §384.24(4, i)]
**5.** [C75, 77, 79, 81, §384.24(5)]
83 Acts, ch 90, §21; 86 Acts, ch 1211, §24; 87 Acts, ch 103, §6 – 8; 89 Acts, ch 182, §10; 89 Acts, ch 189, §3; 96 Acts, ch 1129, §86; 96 Acts, ch 1204, §36; 2001 Acts, ch 88, §1, 2; 2008 Acts, ch 1013, §2, 3; 2009 Acts, ch 100, §13, 21; 2010 Acts, ch 1079, §15
Referred to in §8F.2, 23A.2, 76.1, 357E.11A, 358C.19, 384.25, 384.27, 384.28, 384.80, 384.110, 386.1, 386.12, 389.4, 390.5, 392.1, 411.38

**384.24A Loan agreements.**
A city may enter into loan agreements to borrow money for any public purpose in accordance with the following terms and procedures:
1. A loan agreement entered into by a city may contain provisions similar to those sometimes found in loan agreements between private parties, including, but not limited to, the issuance of notes to evidence its obligations.
2. A provision of a loan agreement which stipulates that a portion of the payments be applied as interest is subject to chapter 74A. Other laws relating to interest rates do not apply. Chapter 75 is not applicable. A city utility or city enterprise is a separate entity under this section whether it is governed by the governing body of the city or another governing body.
3. The governing body shall follow substantially the same authorization procedure required for the issuance of general obligation bonds issued for the same purpose to authorize a loan agreement made payable from the debt service fund.
4. The governing body may authorize a loan agreement which is payable from the general fund if the loan agreement would not cause the total of scheduled annual payments of principal or interest or both principal and interest due from the general fund in any single future fiscal year with respect to all loan agreements in force on the date of the authorization to exceed ten percent of the last certified general fund budget amount in accordance with the following procedures:
*a.* The governing body must follow substantially the authorization procedures of section

384.25 to authorize a loan agreement for personal property which is payable from the general fund. The governing body must follow substantially the authorization procedures of section 384.25 to authorize a loan agreement for real property which is payable from the general fund if the principal amount of the loan agreement does not exceed the following limits:

(1) Four hundred thousand dollars in a city having a population of five thousand or less.

(2) Seven hundred thousand dollars in a city having a population of more than five thousand but not more than seventy-five thousand.

(3) One million dollars in a city having a population of more than seventy-five thousand.

*b*. The governing body must follow the following procedures to authorize a loan agreement for real property which is payable from the general fund if the principal amount of the loan agreement exceeds the limits set forth in paragraph "*a*":

(1) The governing body must institute proceedings to enter into a loan agreement payable from the general fund by causing a notice of the meeting to discuss entering into the loan agreement, including a statement of the principal amount and purpose of the loan agreement and the right to petition for an election, to be published at least once in a newspaper of general circulation within the city at least ten days prior to the discussion meeting. No sooner than thirty days following the discussion meeting shall the governing body hold a meeting at which it is proposed to take action to enter into the loan agreement.

(2) (a) If at any time before the end of the thirty-day period after which a meeting may be held to take action to enter into the loan agreement, a petition is filed with the clerk of the city in the manner provided by section 362.4, asking that the question of entering into the loan agreement be submitted to the registered voters of the city, the governing body shall either by resolution declare the proposal to enter into the loan agreement to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of entering into the loan agreement. However, for purposes of this paragraph, the petition shall not require signatures in excess of one thousand persons.

(b) The question to be placed on the ballot shall be stated affirmatively in substantially the following manner:

Shall the city of ..... enter into a loan agreement in amount
of $ ..... for the purpose of .....?

(c) Notice of the election and its conduct shall be in the manner provided in section 384.26, subsections 2 through 4.

(3) If a petition is not filed or if a petition is filed and the proposition of entering into the loan agreement is approved at an election, the governing body may proceed and enter into the loan agreement.

5. The governing body may authorize a loan agreement payable from the net revenues of a city utility, combined utility system, city enterprise, or combined city enterprise by following the authorization procedures of section 384.83.

6. A loan agreement to which a city is a party or in which the city has a participatory interest is an obligation of a political subdivision of this state for the purposes of chapters 502 and 636, and is a lawful investment for banks, trust companies, savings associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and any other fiduciaries responsible for the investment of funds.

87 Acts, ch 103, §9; 92 Acts, ch 1138, §5; 95 Acts, ch 67, §53; 2009 Acts, ch 100, §14, 21; 2010 Acts, ch 1061, §154; 2012 Acts, ch 1017, §76

Referred to in §357A.11, 357E.11A, 389.4, 390.5

**384.25 General obligation bonds for essential purposes.**

1. A city which proposes to carry out any essential corporate purpose within or without its corporate limits, and to contract indebtedness and issue general obligation bonds to provide funds to pay all or any part of the cost of a project must do so in accordance with the provisions of this division.

2. Before the council may institute proceedings for the issuance of bonds for an essential corporate purpose, a notice of the proposed action, including a statement of the amount and

purposes of the bonds, and the time and place of the meeting at which the council proposes to take action for the issuance of the bonds, must be published as provided in section 362.3. At the meeting, the council shall receive oral or written objections from any resident or property owner of the city. After all objections have been received and considered, the council may, at that meeting or any adjournment thereof, take additional action for the issuance of the bonds or abandon the proposal to issue the bonds. Any resident or property owner of the city may appeal the decision of the council to take additional action to the district court of the county in which any part of the city is located, within fifteen days after the additional action is taken, but the additional action of the council is final and conclusive unless the court finds that the council exceeded its authority. The provisions of this subsection with respect to notice, hearing, and appeal, are in lieu of the provisions contained in chapter 73A, or any other law.

3. *a.* Notwithstanding subsection 2, a council may institute proceedings for the issuance of bonds for an essential corporate purpose specified in section 384.24, subsection 3, paragraph "*w*" or "*x*", in an amount equal to or greater than three million dollars by causing a notice of the proposal to issue the bonds, including a statement of the amount and purpose of the bonds, together with the maximum rate of interest which the bonds are to bear, and the right to petition for an election, to be published at least once in a newspaper of general circulation within the city at least ten days prior to the meeting at which it is proposed to take action for the issuance of the bonds.

*b.* If at any time before the date fixed for taking action for the issuance of the bonds, a petition is filed with the clerk of the city signed by eligible electors of the city equal in number to twenty percent of the persons in the city who voted for the office of president of the United States at the last preceding general election that had such office on the ballot, asking that the question of issuing the bonds be submitted to the registered voters of the city, the council shall either by resolution declare the proposal to issue the bonds to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of issuing the bonds. Notice of the election and its conduct shall be in the manner provided in section 384.26.

*c.* If a petition is not filed, or if a petition is filed and the proposition of issuing the bonds is approved at an election, the council may proceed with the authorization and issuance of the bonds.

[R60, §1060; C73, §458; C97, §697; S13, §716-d, 840-e, 849-h, -j, 912, 912-a, 1056-a43, -a63, -a64; SS15, §758-b, -e, 840-g, -p, 997-a, -c; C24, §5750, 5878 – 5881, 6103, 6126, 6261 – 6263, 6265, 6576, 6594, 6595, 6608, 6744, 6746; C27, 31, 35, §5750, 5878 – 5881, 6066-a11, 6103, 6126, 6261 – 6263, 6265, 6594, 6595, 6608, 6744, 6746; C39, §**5750, 5878 – 5881, 6066.13, 6103, 6126, 6261, 6261.1, 6261.2, 6262, 6263, 6265, 6576, 6594, 6595, 6608, 6744, 6746;** C46, 50, §368.13, 381.5 – 381.8, 392.11, 395.25, 396.22, 408.10 – 408.14, 408.16, 416.101, 416.104, 416.122, 416.123, 416.138, 420.55, 420.57; C54, 58, §368.16, 368.29, 368.32, 381.7, 392.11, 395.25, 396.22, 404.18, 408.17; C62, 66, 71, 73, §368.16, 368.29, 368.32, 381.7, 392.11, 395.25, 396.22, 404.19, 408.17; C75, 77, 79, 81, §384.25]

2009 Acts, ch 100, §15, 21

Referred to in §28E.17, 357E.11A, 364.4, 384.24, 384.24A, 384.71, 386.11, 389.4, 390.5

**384.26 General obligation bonds for general purposes.**

1. A city which proposes to carry out any general corporate purpose within or without its corporate limits, and to contract indebtedness and issue general obligation bonds to provide funds to pay all or any part of the costs of a project, must do so in accordance with the provisions of this division.

2. Before the council may institute proceedings for the issuance of bonds for a general corporate purpose, it shall call a special city election to vote upon the question of issuing the bonds. At the election the proposition must be submitted in the following form:

Shall the ..... (insert the name of the city) issue its bonds in an amount not exceeding the amount of $..... for the purpose of .....?

3. Notice of the election must be given by publication as required by section 49.53 in a newspaper of general circulation in the city. At the election the ballot used for the submission of the proposition must be in substantially the form for submitting special questions at general elections.

4. The proposition of issuing general corporate purpose bonds is not carried or adopted unless the vote in favor of the proposition is equal to at least sixty percent of the total vote cast for and against the proposition at the election. If the proposition of issuing the general corporate purpose bonds is approved by the voters, the city may proceed with the issuance of the bonds.

5. *a.* Notwithstanding the provisions of subsection 2, a council may, in lieu of calling an election, institute proceedings for the issuance of bonds for a general corporate purpose by causing a notice of the proposal to issue the bonds, including a statement of the amount and purpose of the bonds, together with the maximum rate of interest which the bonds are to bear, and the right to petition for an election, to be published at least once in a newspaper of general circulation within the city at least ten days prior to the meeting at which it is proposed to take action for the issuance of the bonds subject to the following limitations:

(1) In cities having a population of five thousand or less, in an amount of not more than four hundred thousand dollars.

(2) In cities having a population of more than five thousand and not more than seventy-five thousand, in an amount of not more than seven hundred thousand dollars.

(3) In cities having a population in excess of seventy-five thousand, in an amount of not more than one million dollars.

*b.* If at any time before the date fixed for taking action for the issuance of the bonds, a petition is filed with the clerk of the city in the manner provided by section 362.4, asking that the question of issuing the bonds be submitted to the registered voters of the city, the council shall either by resolution declare the proposal to issue the bonds to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of issuing the bonds. Notice of the election and its conduct shall be in the manner provided in the preceding subsections of this section.

*c.* If no petition is filed, or if a petition is filed and the proposition of issuing the bonds is approved at an election, the council may proceed with the authorization and issuance of the bonds.

[C73, §461; C97, §727, 741-4, 852 – 855; S13, §727, 741-q, -r, -v, -w2, 850-c, -e, -f, 1306-d, -e; SS15, §696-b, 741-f, -g, -h, 879-r, -s; C24, 27, §5793 – 5795, 5800 – 5804, 5902, 6241, 6244 – 6246, 6248; C31, 35, §5793 – 5795, 5800 – 5804, 5902, 5903-c5, 6241, 6244 – 6246, 6248; C39, §**5793 – 5795, 5800 – 5804, 5902, 5903.05, 6241, 6244 – 6246, 6248, 6261.1;** C46, 50, §330.7, 330.8, 370.7 – 370.9, 370.15 – 370.19, 384.3, 407.5, 407.8 – 407.10, 407.12, 408.11; C54, 58, 62, 66, §330.7, 370.7, 384.3, 390.13, 407.5, 407.8 – 407.10, 407.12; C71, 73, §330.7, 370.7, 378A.11, 384.3, 390.13, 407.5, 407.8 – 407.10, 407.12, 408A.1, 408A.2, 408A.6; C75, 77, 79, 81, §384.26]

92 Acts, ch 1138, §6; 95 Acts, ch 67, §53

Referred to in §28E.17, 357E.11A, 364.4, 384.24, 384.24A, 384.25, 384.28, 384.71, 389.4, 390.5

**384.27 Sale of bonds.**

1. A city may sell general obligation bonds at public or private sale in the manner prescribed by chapter 75.

2. General obligation funding or refunding bonds issued for the purposes specified in section 384.24, subsection 3, paragraph *"f,"* may be exchanged for the evidences of the legal indebtedness being funded or refunded, or such funding or refunding bonds may be sold in the manner prescribed by chapter 75 and the proceeds applied to the payment of such indebtedness. Funding or refunding bonds may bear interest at the same rate as, or at a higher or lower rate or rates of interest than the indebtedness being funded or refunded.

[C97, §910; C24, 27, 31, 35, 39, §**6258, 6259;** C46, 50, 54, 58, 62, 66, §408.7, 408.8; C71, 73, §378A.11, 408.7, 408.8; C75, 77, 79, 81, §384.27]

Referred to in §357E.11A, 389.4, 390.5

**384.28 Categories for general obligation bonds.**

A city may issue general obligation bonds pursuant to a resolution adopted at a regular or special meeting by a majority of the total number of members to which the council is entitled. Each paragraph of section 384.24, subsections 3 and 4 describes a separate category. Separate categories of essential corporate purposes and of general corporate purposes may be incorporated in a single notice of intention to institute proceedings for the issuance of bonds, or separate categories may be incorporated in separate notices, and after an opportunity has been provided for filing objections, or after a favorable election has been held, if required, the council may include in a single resolution and sell as a single issue of bonds, any number or combination of essential corporate purposes or general corporate purposes. If an essential corporate purpose is combined with a general corporate purpose in a single notice of intention to institute proceedings to issue bonds, then the entire issue is subject to the referendum requirement provided in section 384.26.

Definitions of city enterprises, essential corporate purposes, and general corporate purposes are not mutually exclusive and shall be liberally construed. The detailing of examples is not intended to modify or restrict the meaning of general words used. If a project or activity may be reasonably construed to be included in more than one classification, the council may elect at any time between the classifications and the procedures respectively applicable to each classification.

[C75, 77, 79, 81, §384.28]

83 Acts, ch 90, §22

Referred to in §357E.11A, 389.4, 390.5

**384.29 Form of bonds.**

As provided by resolution of the council, general obligation bonds may:

1. Bear dates.
2. Bear interest at rates not exceeding the limitations imposed by chapter 75.
3. Mature in one or more installments.
4. Be in either coupon or registered form.
5. Carry registration and conversion privileges.
6. Be payable as to principal and interest at times and places.
7. Be subject to terms of redemption prior to maturity with or without premium.
8. Be in one or more denominations.
9. Be designated with a brief reference to purpose, or if issued for a combination of purposes, be designated “corporate purpose bond”.
10. Contain other provisions not in conflict with the laws of the state of Iowa.

[C97, §908; C24, 27, 31, 35, 39, §**6255;** C46, 50, 54, 58, 62, 66, 71, 73, §408.4; C75, 77, 79, 81, §384.29]

Referred to in §357E.11A, 386.11, 389.4, 390.5

**384.30 Execution.**

General obligation bonds must be executed by the mayor and city clerk. If coupons are attached to the bonds, they must be executed with the original or facsimile signature of the clerk. A general obligation bond is valid and binding if it bears the signatures of the officers in office on the date of the execution of the bonds, notwithstanding that any or all such persons whose signatures appear thereon have ceased to be such officers prior to the delivery thereof.

[C97, §907; C24, 27, 31, 35, 39, §**6254;** C46, 50, 54, 58, 62, 66, 71, 73, §408.3; C75, 77, 79, 81, §384.30]

Referred to in §357E.11A, 386.11, 389.4, 390.5

**384.31 Negotiable.**

General obligation bonds issued pursuant to this part are negotiable instruments.

[C75, 77, 79, 81, §384.31]

Referred to in §357E.11A, 386.11, 389.4, 390.5

**384.32 Tax to pay.**

Taxes for the payment of general obligation bonds must be levied in accordance with chapter 76, and the bonds are payable from the levy of unlimited ad valorem taxes on all the taxable property within the city through its debt service fund authorized by section 384.4.

[C97, §852 – 855, 912; S13, §741-w2, 758-b, 849-j, 850-c, -e, -f, 912-a, 1056-a43, -a63, -a64, -a65; SS15, §840-g, -p, 997-c; C24, 27, 31, §5793 – 5795, 5800 – 5804, 5878 – 5881, 5902, 6103, 6261 – 6263, 6265, 6594, 6595, 6608, 6746; C35, §5793 – 5795, 5800 – 5804, 5878 – 5881, 5902, 6103, 6261 – 6263, 6265, 6578-b1, 6594, 6595, 6608, 6746; C39, §**5793 – 5795, 5800 – 5804, 5878 – 5881, 5902, 6103, 6261 – 6263, 6265, 6578.1, 6594, 6595, 6608, 6746;** C46, 50, §370.7 – 370.9, 370.15 – 370.19, 381.5 – 381.8, 384.3, 395.25, 408.10 – 408.14, 408.16, 416.104, 416.122, 416.123, 416.138, 420.57; C54, 58, §368.16, 368.29, 368.32, 370.7, 381.7, 384.3, 390.14, 395.25, 404.18, 408.17; C62, 66, §368.16, 368.29, 368.32, 370.7, 381.7, 384.3, 390.13, 395.25, 404.19, 408.17; C71, 73, §368.16, 368.29, 368.32, 370.7, 378A.11, 381.7, 384.3, 390.13, 395.25, 404.19, 408.17; C75, 77, 79, 81, §384.32]

Referred to in §357E.11A, 389.4, 390.5

**384.33 Action.**

No action may be brought which questions the legality of general obligation bonds or the power of the city to issue the bonds or the effectiveness of any proceedings relating to the authorization and issuance of the bonds from and after sixty days from the time the bonds are ordered issued by the city.

[C71, 73, §378A.13; C75, 77, 79, 81, §384.33]

Referred to in §357E.11A, 389.4, 390.5

**384.34 Local budget law.**

The provisions of division II of this chapter do not apply to any bonds issued pursuant to this division.

[C75, 77, 79, 81, §384.34]

Referred to in §357E.11A, 389.4, 390.5

**384.35 Rule of construction.**

The enumeration in this division of specified powers and functions is not a limitation of the powers of cities, but the provisions of this division and the procedures prescribed for exercising the powers and functions enumerated in this division shall control and govern in the event of any conflict with the provisions of any other section, division or chapter of the city code or with the provisions of any other law.

[C75, 77, 79, 81, §384.35]

Referred to in §357E.11A, 389.4, 390.5

**384.36 Prior proceedings.**

Projects and proceedings for the issuance of general obligation bonds commenced before the effective date of the city code may be consummated and completed as required or permitted by any statute or other law amended or repealed by the city code as though the repeal or amendment had not occurred, and the rights, duties, and interests flowing from such projects and proceedings remain valid and enforceable. Without limiting the foregoing, projects commenced prior to the effective date may be financed by the issuance of general obligation bonds under any such amended or repealed law or by the issuance of general obligation bonds under the city code. For the purposes of this section, commencement of a project includes but is not limited to action taken by the council or authorized officer to fix a date for a hearing in connection with any part of the project, and commencement of proceedings for the issuance of general obligation bonds includes but is not limited to action taken by the council to fix a date for either a hearing or a sale in connection with any part of the general obligation bonds, or to order any part thereof to be issued.

[C75, 77, 79, 81, §384.36]

Referred to in §357E.11A, 389.4, 390.5

## DIVISION IV

## SPECIAL ASSESSMENTS

Referred to in §331.382, 331.384, 331.486, 331.487, 358.16, 364.13, 384.11, 384.23, 425.17, 468.586, 468.587

**384.37 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Abutting lot"* means a lot which abuts or joins the street in which the public improvement is located or which abuts the right-of-way of the public improvement.

2. *"Adjacent lot"* means a lot within the district which does not abut upon the street or right-of-way of the public improvement.

3. *"Construction"* includes materials, labor, acts, operations and services necessary to complete a public improvement.

4. *"District"* means the lots or parts of lots within boundaries established by the council for the purpose of the assessment of the cost of a public improvement.

5. *"Engineer"* means a professional engineer, licensed in the state of Iowa, authorized by the council to render services in connection with the public improvement.

6. *"Final grade"* means the grade to which the public improvement is proposed to be constructed or repaired as shown on the final plans adopted by the council.

7. *"Grade"* means the longitudinal reference lines, as established by ordinance of the council, which designate the elevations at which a street or sidewalk is to be built.

8. *"Gravel"* includes gravel, crushed rock, cinders, shale and similar materials suitable for street construction or repair.

9. *"Lateral sewer"* means a sewer which contributes sewage, or surface or groundwater from a local area to a main sewer or outlet.

10. *"Lot"* means a parcel of land under one ownership, including improvements, against which a separate assessment is made. Two or more contiguous parcels under common ownership may be treated as one lot for purposes of this division if the parcels bear common improvements or if the council finds that the parcels have been assembled into a single unit for the purpose of use or development.

11. *"Main sewer"* means a sewer which serves as an outlet for two or more lateral sewers, and which is commonly referred to as an intercepting sewer, outfall sewer or trunk sewer.

12. *"Oil"* means any asphaltic or bituminous material suitable for street construction or repair.

13. *"Parking facilities"* means parking lots or other off-street areas for the parking of vehicles, including areas below or above the surface of streets.

14. *"Paving"* means any kind of hard street surface, including, but not limited to, concrete, bituminous concrete, brick, stabilized gravel, or combinations of these, together with or without curb and gutter.

15. *"Private property"* means all property within the district except streets.

16. *"Property owner"* or *"owner"* means the owner or owners of property, as shown by the transfer books in the office of the county auditor of the county in which the property is located.

17. *"Proposal"* means a legal bid on work advertised for a public improvement under chapter 26.

18. *"Publication"* means public notice given in the manner provided in section 362.3.

19. *"Public improvement"* includes the principal structures, works, component parts and accessories of any of the following:

*a.* Sanitary, storm and combined sewers.

*b.* Drainage conduits, channels and levees.

*c.* Street grading, paving, graveling, macadamizing, curbing, guttering, and surfacing with oil, oil and gravel or chloride.

*d.* Street lighting fixtures, connections and facilities.

*e.* Sewage pumping stations, and disposal and treatment plants.

*f.* Underground gas, water, heating, sewer and electrical connections located in streets for private property.

*g.* Sidewalks and pedestrian underpasses or overpasses.

*h.* Drives and driveway approaches located within the public right-of-way.

*i.* Waterworks, water mains and extensions.

*j.* Plazas, arcades and malls.

*k.* Parking facilities.

*l.* Removal of diseased or dead trees from any public place, publicly owned right-of-way or private property.

*m.* Traffic-control devices, fixtures, connections, and facilities.

20. *"Railways"* means all railways except street railways.

21. *"Repair"* includes materials, labor, acts, operations and services necessary for the repair, reconstruction, reconstruction by widening or resurfacing of a public improvement.

22. *"Sewer"* means structures designed, constructed and used for the purpose of controlling or carrying off streams, surface waters, waste or sanitary sewage.

23. *"Sewer systems"* are composed of the main sewers, sewage pumping stations, treatment and disposal plants, lateral sewers, drainage conduits or channels and sewer connections in public streets for private property.

24. *"Street"* means a public street, highway, boulevard, avenue, alley, parkway, public place, plaza, mall or publicly owned right-of-way or easement within the limits of the city.

25. *"Street improvement"* means the construction or repair of a street by grading, paving, curbing, guttering, and surfacing with oil, oil and gravel, or chloride, and street lighting fixtures, connections and facilities.

26. *"Total cost"* or *"cost"* of a public improvement includes the cost of engineering, preliminary reports, property valuations, estimates, plans, specifications, notices, legal services, acquisition of land, consequential damages or costs, easements, rights-of-way, construction, repair, supervision, inspection, testing, notices and publication, interest during construction and for not more than six months thereafter, and printing and sale of bonds.

[R60, §1064, 1097; C73, §464 – 466, 527; C97, §751, 779, 792; S13, §779, 792, 792-f, 840-c, -d; SS15, §751, 840-h, -r; C24, 27, § 5938, 5962, 5974, 5975, 5987; C31, 35, §5938, 5962, 5974, 5975, 5987, 6610-c8; C39, §**5938, 5962, 5974, 5975, 5987, 6610.04;** C46, §389.1, 389.31, 391.1, 391.2, 391.14, 417.8; C50, 54, 58, 62, §389.1, 389.31, 391.1, 391.2, 391.14, 391A.1, 417.8; C66, 71, 73, §389.1, 389.31, 390A.39, 391.1, 391.2, 391.14, 391A.1, 417.8; C75, 77, 79, 81, §384.37]

83 Acts, ch 90, §23; 92 Acts, ch 1176, §1; 2007 Acts, ch 126, §61; 2007 Acts, ch 144, §17

Referred to in §298.3, 331.485, 357E.11A, 384.24, 384.44, 386.1, 468.585, 669.14, 670.4

**384.38 Certain costs assessed to private property.**

1. A city may assess to private property within the city the cost of construction and repair of public improvements within the city, and main sewers, sewage pumping stations, disposal and treatment plants, waterworks, water mains, extensions, and drainage conduits extending outside the city.

2. Upon petition as provided in section 384.41, subsection 1, a city may assess to private property affected by public improvements within three miles of the city's boundaries the cost of construction and repair of public improvements within that area. The right-of-way of a railway company shall not be assessed unless the company joins as a petitioner for said improvements. In the petition the property owners shall waive the limitation provided in section 384.62 that an assessment shall not exceed twenty-five percent of the value of the lot. The petition shall contain a statement that the owners agree to pay the city an amount equal to five percent of the cost of the improvements, to cover administrative expenses incurred by the city. This amount may be added to the cost of the improvements. Before the council may adopt the resolution of necessity, the preliminary resolution, preliminary plans and specifications, plat, schedule, and estimate of cost must be submitted to, and receive written approval from, the board of supervisors of any county which contains part of the property, and the city development board established in section 368.9.

3. *a.* A city may establish, by ordinance or by resolution adopted as an ordinance after twenty days' notice published in accordance with section 362.3, and a public hearing, one or more districts and schedules of fees for the connection of property to the city sewer or water utility. If the governing body directs that notice be made by mail, the notice shall be

as required in section 384.50. Each person whose property will be served by connecting to the city sewer or water utility shall pay a connection fee to the city. The ordinance shall be certified by the city and recorded in the office of the county recorder of the county in which a district is located. The connection fees are due and payable when a utility connection application is filed with the city. A connection fee may include the equitable cost of extending the utility to the properties, including reasonable interest from the date of construction to the date of payment. All fees collected under this subsection shall be paid to the city treasurer. The moneys collected as fees shall only be used for the purposes of operating the utility, or to pay debt service on obligations issued to finance improvements or extensions to the utility.

*b*. This subsection shall not apply when a city annexation plan includes annexation of an area adjoining the city and a petition has not been presented as provided in section 384.41 for a city sewer or water utility connection. Until annexation takes place, or the annexation plan is abandoned, the state mandate contained in section 455B.172, subsections 3, 4, and 5, shall not apply unless the individual property owner voluntarily pays the connection fee and requests to be connected to the city sewer or water utility.

[SS15, §840-d, -g; C24, §5985, 5986; C27, 31, 35, §5985, 5986, 6190-a1; C39, §**5985, 5986, 6190.01;** C46, §391.12, 391.13, 401.1; C50, §391.12, 391.13, 391A.2, 401.1, 420.56; C54, 58, 62, §391.12, 391.13, 391A.2, 401.1; C66, 71, 73, §390A.3, 390A.18, 391.12, 391.13, 391A.2, 401.1; C75, 77, 79, 81, §384.38]

94 Acts, ch 1073, §1; 96 Acts, ch 1120, §1; 2004 Acts, ch 1086, §65; 2010 Acts, ch 1061, §180

Referred to in §357E.11A, 358.22, 384.68

**384.39 Improvements brought to grade.**

Paving, curbing, guttering, or sidewalks may not be constructed unless the improvement, when completed, will be to grade.

[C73, §466; C97, §779, 792; S13, §779, 792; SS15, §840-q; C24, 27, 31, 35, 39, §**5962, 5976;** C46, §389.31, 391.3; C50, §389.31, 391.3, 391A.2; C54, 58, 62, 66, 71, 73, §389.31, 391.3, 391A.3; C75, 77, 79, 81, §384.39]

Referred to in §357E.11A

**384.40 Underground improvements.**

A city may include underground gas, water, heating, sewer, or electrical connections to the street or property line for private property as a part of the public improvement, or a city may order the property owner to make, repair, or relocate such connections by publication of a notice once each week for two consecutive weeks in the manner provided by section 362.3, and if the order is not complied with at the end of thirty days after the date of the first publication, the city may cause the work to be done and assess the cost against the property served by the connection.

[C97, §779, 809; S13, §779, 792-f; C24, 27, 31, 35, 39, §**5981;** C46, §391.8; C50, §391.8, 391A.16; C54, 58, 62, 66, 71, 73, §391.8, 391A.4; C75, 77, 79, 81, §384.40]

Referred to in §357E.11A, 384.55

**384.41 Petition by property owners.**

1. Property owners may initiate a plan for a public improvement to be paid for in whole or in part by special assessments, by written contract to be approved by the city and signed by all of the owners of record of all property affected by the proposed assessment. If all owners of record of all the property to be affected by the public improvement petition the council, said owners may, in their petition, waive notice to property owners by publication and mailing, as provided in section 384.50, and the council may proceed to adopt a preliminary resolution, a plat, schedule and estimate, and resolution of necessity, and order preparation of detailed plans and specifications. Special assessments initiated without notice under this section are liens upon the property to be affected by the assessment, to the same extent as provided in section 384.65, subsection 5, except that they shall be subordinate to any perfected lien unless the holder of such perfected lien consents in writing to the initiation of the public improvement.

2. A petition may be filed subsequent to the initiation by the council of a plan for a public improvement, and if the petition is received prior to advertising for bids, the public

improvement petitioned for may be added by amendment to the resolution of necessity. If the petition is received subsequent to advertising for bids and prior to the completion of the work under contract, the council may, in its discretion, approve the petition and contract with the contractor at a cost not to exceed the unit prices bid at public letting for the construction of the public improvements petitioned for by property owners.

3. This section does not limit the power of a city to initiate a public improvement project on its own motion.

4. Owners of commercial or industrial property may initiate a plan, under subsection 1 or 2, for the purchase of a traffic-control device, fixture, connection, or facility to be paid for in whole or in part by special assessments provided that the proposed assessments shall be made only against the commercial or industrial property owned by the petitioners.

[C31, 35, §6610-c7; C39, §**6610.13;** C46, 50, 54, 58, 62, 66, 71, 73, §417.7; C75, 77, 79, 81, §384.41]

92 Acts, ch 1176, §2

Referred to in §357E.11A, 384.38

**384.42 Procedure on public improvement.**

To construct or repair a public improvement to be paid for in whole or in part by special assessments, the council shall proceed as follows:

1. Arrange for engineering services to prepare the plats, schedules, estimates of cost, plans, and specifications and to supervise construction of the proposed improvement.

2. Adopt a preliminary resolution by the vote of a majority of all the members of the council. The preliminary resolution shall contain the following:

*a.* A description of the types or alternate types of improvement proposed.

*b.* The beginning and terminal points or general location of the proposed improvement.

*c.* An order to the engineer to prepare preliminary plans and specifications, estimated total cost of the work, and a plat and schedule, and to file them with the clerk.

*d.* A general description of the property or a designation of the lots which the council believes will be specially benefited by the improvement.

3. The preliminary resolution may also contain the following:

*a.* A statement of the proportion of the total cost which the council proposes to assess against specially benefited property.

*b.* A short and convenient designation for the public improvement by which it may be referred to in all subsequent proceedings.

4. A preliminary resolution may include more than one improvement or class of improvement.

5. A single improvement may be in more than one locality or street, and that portion of the street which has been improved by any railway, or which the city may require the railway to improve under franchise or contract, may be excluded.

[C50, §391A.4; C54, 58, 62, 66, 71, 73, §391A.5; C75, 77, 79, 81, §384.42]

Referred to in §357E.11A

**384.43 Preliminary plans.**

Preliminary plans and specifications must only be in sufficient detail to advise any person interested of the general nature, character, and type of the improvement.

[C54, 58, 62, 66, 71, 73, §391A.6; C75, 77, 79, 81, §384.43]

Referred to in §357E.11A

**384.44 Estimated cost.**

The estimated total cost of any public improvement constructed under this part must include all of the items of cost listed in section 384.37, subsection 26, which the council proposes to include as a part of the cost of the public improvement, and may include an item to be known as the default fund amounting to not more than ten percent of the portion of the total cost of the improvement which the council proposes to assess against specially benefited property.

[C50, §391A.25; C54, 58, 62, 66, 71, 73, §391A.7; C75, 77, 79, 81, §384.44]

Referred to in §357E.11A

**384.45 Plats.**

The plat as prepared and filed by the engineer must show the following information:

1. The boundaries of the district containing the lots proposed to be assessed.

2. The location of each lot under separate ownership within the district, including the property of all railways and utilities subject to assessment.

3. The location of the improvement within the district, together with the terminal points of all major parts proposed to be assessed.

4. The type and general details of the improvement.

[C97, §965; S13, §849-b, 965; SS15, §840-k; C24, 27, 31, 35, 39, §**5993, 6081, 6913;** C46, §391.20, 395.3, 420.265; C50, §391.20, 391A.5, 395.3, 420.265; C54, 58, 62, §391.20, 391A.8, 395.3, 420.265; C66, 71, 73, §390A.9, 391.20, 391A.8, 395.3, 420.265; C75, 77, 79, 81, §384.45]

Referred to in §357E.11A

**384.46 Lot valuations.**

Upon completion of the plat, the council shall determine the valuation of each lot within the proposed assessment district and shall report the valuations to the engineer, who shall show such valuations on the schedule before it is filed with the clerk. A valuation must be the present fair market value of the property with the proposed public improvement completed. As an aid in determining valuations, the council may appoint a committee of three persons skilled in the knowledge of real estate values within the city to appraise the present fair market value of each lot within a district and to file a written report of its appraisals with the council.

[C31, 35, §6610-c4; C39, §**6610.08;** C46, 50, §417.4; C54, 58, 62, 66, 71, 73, §391A.9, 417.4; C75, 77, 79, 81, §384.46]

Referred to in §357E.11A, 358C.17

**384.47 Schedule.**

The schedule, as prepared by the engineer, must show the following information for each lot within the district:

1. A description and parcel number of each lot and the name of the property owner.

2. The valuation of each lot as determined by the council.

3. The total amount proposed to be assessed to each lot, including the assessment for the default fund, if any.

4. The proportion of the estimated total cost of the public improvement which is allocated to each lot.

5. The amount of deficiency, if any, between the amount proposed to be assessed and the proportion of the estimated total cost of the public improvement allocated to each lot. The amount of deficiency shall be shown as a conditional deficiency assessment as authorized by sections 384.60, 384.62 and 384.63.

[C97, §965; S13, §849-b, 965; SS15, §751, 840-k; C24, 27, 31, 35, 39, §**5993, 6081, 6913;** C46, §391.20, 395.3, 420.265; C50, §391.20, 391A.6, 395.3, 420.265; C54, 58, 62, §391.20, 391A.10, 395.3, 420.265; C66, 71, 73, §390A.9, 391.20, 391A.10, 395.3, 420.265; C75, 77, 79, 81, §384.47]

98 Acts, ch 1107, §11

Referred to in §357E.11A

**384.48 Adoption of plat.**

When the plat, schedule, and estimate of cost have been filed, the council may, before adopting a proposed resolution of necessity, cause the estimate, valuation, or assessment of any lot or the boundaries of the district as reported by the engineer to be amended, and may adopt the plat, schedule, and estimate as amended or as filed.

[C50, §391A.8; C54, 58, 62, 66, 71, 73, §391A.11; C75, 77, 79, 81, §384.48]

Referred to in §357E.11A, 384.54

**384.49 Resolution of necessity.**

If, upon adoption of the plat, schedule, and estimate, the council determines to proceed with all or any part of the public improvement, it shall cause a proposed resolution of necessity to be prepared and introduced.

1. The resolution of necessity must include all of the following:

*a.* A brief description of the proposed public improvement.

*b.* A statement that there is on file in the office of the clerk an estimated total cost of the work, and a preliminary plat and schedule showing the amount proposed to be assessed to each lot for the improvement.

*c.* The date, time, and place the council will hear property owners subject to the assessment and interested parties for or against the improvement, its cost, the assessment, or the boundaries of the district.

2. A resolution of necessity may include:

*a.* Any number of streets or sewer lines for improvement.

*b.* All improvements which are included in the preliminary resolution.

*c.* A provision that unless a property owner files objections with the clerk at the time of hearing on the resolution of necessity, the property owner is deemed to have waived all objections pertaining to the regularity of the proceeding and the legality of using the special assessment procedure.

3. *a.* To replace curbing and gutters in cities with a population of less than ten thousand, the council may adopt a preliminary resolution as provided in subsection 1. The description of the curbing and gutters to be replaced shall be prepared under the council's supervision. The council may, by resolution, provide for the computation of the assessments on the basis of the original assessment or of the lineal footage of the curbing and gutters to be replaced. Public improvements initiated under this subsection shall in all other respects comply with this division.

*b.* For purposes of this subsection, *"replace"* means to substitute new curb and gutter at the same location where old curb and gutter is located and being reconstructed due to deterioration or destruction. *"Replace"* does not include the reconstruction of curb and gutter to change the grade or reconstruction required because of a street widening project.

[C73, §465, 466; C97, §791, 810; S13, §849-c; SS15, §751, 810, 840-j, 840-m; C24, §5942, 5991, 5992; C27, §5942-b2, 5991, 5992, 5995, 6082; C31, 35, §5942-b2, 5991, 5992, 5995, 6082, 6610-c17; C39, §**5942.2, 5991, 5992, 5995, 6082, 6610.16;** C46, §389.6, 391.18, 391.19, 391.22, 395.4, 417.17; C50, §389.6, 391.18, 391.19, 391.22, 391A.9, 395.4, 417.17; C54, 58, 62, §389.6, 391.18, 391.19, 391.22, 391A.12, 395.4, 417.17; C66, 71, 73, §389.6, 390A.7, 390A.8, 390A.11, 391.18, 391.19, 391.22, 391A.12, 395.4, 417.17; C75, 77, 79, 81, §384.49; 82 Acts, ch 1087, §1]

Referred to in §357E.11A

**384.50 Notice of hearing.**

1. The clerk shall publish notice of the date, time, and place of the hearing once each week for two consecutive weeks in the manner provided by section 362.3, the first publication of which shall be not less than ten days before the date of the hearing.

2. The notice must be in substantially the following form:

NOTICE TO PROPERTY OWNERS

Notice is given that there is now on file for public inspection in the office of the clerk of ....., Iowa, a proposed resolution of necessity, an estimate of cost, and a plat and schedule showing the amounts proposed to be assessed against each lot and the valuation of each lot within a district approved by the council of ....., Iowa, for a ..... improvement of the type(s) and in the location(s) as follows:

The council will meet at ..... o'clock .....m., on ..... (date), at the ....., at which time the owners of property subject to assessment for the proposed improvement or any other person having an interest in the matter may appear and be heard for or against the making of the improvement, the boundaries of the district, the cost, the assessment against any lot, or the final adoption of a resolution of necessity. A property owner will be

deemed to have waived all objections unless at the time of hearing
the property owner has filed objections with the clerk.
.....
Clerk

3. Not less than fifteen days before the hearing, the clerk shall send a copy of the notice by mail to each property owner whose property is subject to assessment for the improvement at the address as shown by the records of the county auditor. If a property is shown to be in the name of more than one owner at the same mailing address, a single notice may be mailed addressed to all owners at that address. Failure to receive a mailed notice is not a defense to the special assessment.

[C97, §810, 823, 824, 965, 971; S13, §823, 840-a, 849-c, 965, 971; SS15, §810, 840-l, -r; C24, 27, §5997, 6026, 6029, 6083, 6092, 6901, 6914; C31, 35, §5997, 6026, 6029, 6083, 6092, 6610-c9, 6610-c10, 6901, 6914; C39, §**5997, 6026, 6029, 6083, 6092, 6610.21, 6610.22, 6901, 6914;** C46, §391.24, 391.53, 391.56, 395.5, 395.14, 417.9, 417.10, 420.253, 420.266; C50, §391.24, 391.53, 391.56, 391A.10, 395.5, 395.14, 417.9, 417.10, 420.253, 420.266; C54, 58, 62, §391.24, 391.53, 391.56, 391A.13, 395.5, 395.14, 417.9, 417.10, 420.253, 420.266; C66, 71, 73, §390A.13, 390A.27, 390A.29, 391.24, 391.53, 391.56, 391A.13, 395.5, 395.14, 417.9, 417.10, 420.253, 420.266; C75, 77, 79, 81, §384.50]

86 Acts, ch 1241, §9; 2000 Acts, ch 1058, §62; 2010 Acts, ch 1061, §155
Referred to in §357E.11A, 384.38, 384.41, 384.55, 384.56

**384.51 Adoption of resolution.**

The council shall meet as specified in the published notice, and after hearing all objections and endorsements from property owners and other persons having an interest in the matter, and after considering all filed, written objections, may adopt or amend and adopt the proposed resolution of necessity, or may defer action until a subsequent meeting. A resolution of necessity requires for passage the vote of three-fourths of all the members of the council, or, in cities having but three members of the council, the vote of two members, and where a remonstrance has been filed with the clerk, signed by the owners subject to seventy-five percent of the amount of the proposed assessments for the entire public improvement included in the resolution of necessity, a resolution of necessity requires a unanimous vote of the council.

An amendment which extends the boundaries of a district, increases the amount to be assessed against a lot, or adds additional public improvements, is not effective until an amended plat, schedule, and estimate have been prepared and adopted, a notice published and mailed to all affected property owners, and hearing held in the same manner as the original proceedings, or until all affected property owners agree in writing to the change. The adoption of a resolution of necessity is a legislative determination that the improvement is expedient and proper and that property assessed will be specially benefited by the improvement and this determination of the council is conclusive. Ownership of property to be assessed by an improvement does not, except for fraud or bad faith, disqualify a council member from voting on any measure.

After adopting the resolution of necessity, the clerk shall certify to the county treasurer of each county in which the assessed property is located, a copy of the resolution of necessity, the plat, and the schedule of assessments. In counties in which taxes are collected in two or more places, the resolution of necessity, the plat, and the schedule of assessments shall be certified to the office of county treasurer where the special assessments are collected. The county treasurer shall preserve the resolution, plat, and schedule as a part of the records of the office until the city certifies the final assessment schedule as provided in section 384.60 or certifies that the public improvement has been abandoned.

[C73, §466; C97, §793, 794, 810, 811, 965; S13, §792-b, 793, 965; SS15, §810, 840-m; C24, 27, §5996, 5999, 6915; C31, 35, §5996, 5999, 6610-c15, 6610-c16, 6915, 6915-c1; C39, §**5996, 5999, 6610.26, 6610.28, 6915, 6915.1;** C46, §391.23, 391.26, 417.15, 417.16, 420.267, 420.268; C50, §391.23, 391.26, 391A.11, 417.15, 417.16, 420.267, 420.268; C54, 58, 62, §391.23, 391.26,

391A.14, 417.15, 417.16, 420.267, 420.268; C66, 71, 73, §390A.12, 391.23, 391.26, 391A.14, 417.15, 417.16, 420.267, 420.268; C75, 77, 79, 81, §384.51; 82 Acts, ch 1104, §15]

86 Acts, ch 1241, §10; 89 Acts, ch 39, §11

Referred to in §331.552, 357E.11A, 384.54, 384.65

**384.52 Detailed plans and specifications.**

After adopting a resolution of necessity, the council may, by resolution, order the engineer to prepare and file with the clerk detailed plans and specifications, and order the engineer and city attorney, or any attorney designated by the council, to prepare and file with the clerk a notice to bidders and form of contract.

[C97, §965; S13, §965; C24, 27, 31, 35, 39, §**6915;** C46, §420.267; C50, §391A.12, 420.267; C54, 58, 62, 66, 71, 73, §391A.15, 420.267; C75, 77, 79, 81, §384.52]

Referred to in §357E.11A

**384.53 Procedures to let contract.**

Contract letting procedures shall be as provided in chapter 26. The council may award any number of contracts for construction of any public improvement.

[C97, §791, 812; S13, §840-a; C24, 27, 31, 35, 39, §**6001;** C46, 50, 54, 58, 62, 66, 71, 73, §391.28; C75, 77, 79, 81, §384.53]

2007 Acts, ch 144, §18

Referred to in §357E.11A

**384.54 Confirmation by decree.**

1. At any time after final adoption of the resolution of necessity, but before awarding the contract, the council may direct the city attorney to file, in the district court of the county in which the property proposed to be assessed is located, a petition praying that the acts done by the council relative to the proposed public improvement be confirmed by decree.

2. The following must be filed with the petition in the office of the clerk of the court:

*a.* A copy of the resolution of necessity as adopted by the council.

*b.* A copy of the proposed schedule of assessments as adopted by the council under sections 384.48 and 384.51, which schedule shows the maximum amount that the council proposes to assess against any lot.

*c.* Preliminary plans and specifications, or, if available, detailed plans and specifications as prepared by the engineer.

*d.* A copy of the proposed contract if prepared.

3. Notice of the filing of the petition must be given in the same manner as is provided for service of original notice by publication by the rules of civil procedure, except as follows:

*a.* No affidavit of inability to obtain personal service within the state of Iowa is required.

*b.* The original notice must name as defendants those property owners who, on the date of filing the petition, have an interest in the real property to be assessed as a part of the public improvement, and the original notice must state that a plat and schedule is on file in the office of the clerk of the district court where the action is pending. No property owner is an indispensable party to the action. Publication of plat and schedule as part of the original notice is not required, nor shall reference in the original notice to specific descriptions of affected real property or the amounts of proposed assessments be necessary.

4. The petition must be given precedence over any other business of the court, except criminal cases. The court shall set the petition for hearing within thirty days from the date of final publication of notice. As a part of its order, the court may provide for a pretrial conference to be held not earlier than twenty days from the date of final publication of notice and require the appearance at the pretrial conference of all interested parties. Failure to appear at the pretrial conference may be grounds for dismissing any objection.

5. If no person having an interest in property proposed to be assessed has entered an appearance or filed an answer within the time set for hearing on the petition, the court shall confirm the assessment, and order the clerk of court to certify its decree to the city clerk.

6. If any person having an interest in property proposed to be assessed has entered an appearance or filed an answer to the petition, the court shall hear the cause as an action triable in equity.

7. Upon the hearing the court may correct any irregularities or inequalities in valuations or in the schedule of assessments, and shall consider any objections because of alleged illegal procedure or fraud.

8. The court shall render a decision upon the hearing as soon as practical after the final submission of the cause.

9. The clerk of the court shall certify to the city clerk the final action of the court, within three days from the date of the final decree upon the petition, showing assessments as confirmed in the schedule of assessments.

10. An appeal from the decree of the district court must be taken as in other equity cases.

11. A contract may or may not be let, in the discretion of the council, until appeals are finally determined, but the appeals need not delay the letting and execution of a contract for the work, if the council concludes the appeals were not taken in good faith.

12. An appeal does not, in the discretion of the council, delay the certification of an assessment or progress of an improvement, but upon decision of the appeal the assessment appealed from must be corrected and collected in the same manner as provided in section 384.74.

13. Corrections of assessments or valuations made by order of the district court are conclusive and not subject to review on appeal, or otherwise, except as provided in subsections 10 to 12 of this section. When court confirmation is obtained there is no right of appeal under the provisions of section 384.66.

14. If no contract is entered into within ninety days from the date of confirmation by the district court or within a further time allowed by the court on subsequent application, and if no appeal is pending, the court shall cancel the assessment, upon application of the city attorney.

15. *a.* The cost of all court proceedings are a legitimate item of expense in connection with a public improvement, and may be included within the final assessment against any property specially benefited in the assessment district.

*b.* Whenever on a hearing by the court, the amount of any assessment is reduced or canceled so that there is a deficiency in the total amount remaining assessed in the proceeding, the court may assess the deficiency to the city or distribute the deficiency upon the other property abutting upon or adjacent to the improvement or in the district assessed, in a manner the court finds to be just and equitable, not exceeding, however, the amount the property would be specially benefited by the improvement, and not exceeding twenty-five percent of the value of the lot as shown by the plat and schedule of assessments or as reduced by the court.

[C31, 35, §6610-c28, -c31, -c32, -c34 – c40, -c42 – c44, -c56; C39, §**6610.31 – 6610.33, 6610.36 – 6610.41, 6610.43, 6610.44, 6610.46, 6610.65, 6610.67;** C46, 50, §417.28, 417.31, 417.32, 417.34 – 417.40, 417.42 – 417.44, 417.60; C54, 58, 62, 66, 71, 73, §391A.18, 417.28, 417.31, 417.32, 417.34 – 417.40, 417.42 – 417.44, 417.60; C75, 77, 79, 81, §384.54]

2010 Acts, ch 1069, §128 – 130

Referred to in §357E.11A

**384.55 Notice of paving to water board.**

In cities having a water utility under the management of a board of trustees and in which water connections are not installed by the trustees at public expense, the council shall notify the board at the time of the adoption of a preliminary resolution, of any proposed street paving projects. The board shall report to the council the number of connections from water mains in streets to the curb lines of the proposed improvement necessary to serve private property dependent upon those particular mains for water supply, and the numbers of the lots to be served by the connections, and the names of the owners. Notice must be given to property owners, at the same time and in the same manner as the notice provided in section 384.50, to install the necessary connections within thirty days after hearing. For the purposes of the hearing, property owners who are notified to install water connections, but whose property is not within the proposed assessment district, may appear as interested parties. If upon hearing, the council determines to proceed with the improvement, and any property owner fails to make connections as required, the board of waterworks trustees shall cause them to

be made and certify the cost to the council to be assessed against the property and collected in the same manner as provided in section 384.40 for other underground connections.

[C97, §809; S13, §779, 792-f; C24, 27, 31, 35, 39, §**5892, 5893;** C46, §391.9, 391.10; C50, §391.9, 391.10, 391A.17; C54, 58, 62, 66, 71, 73, §391.9, 391.10, 391A.20; C75, 77, 79, 81, §384.55]

Referred to in §357E.11A

**384.56 State lands.**

1. Cities may assess the cost of a public improvement which extends through, abuts upon, or is adjacent to lands owned by the state, and payment for the assessable portion of the cost of the improvement through or along the lands as provided shall be subject to authorization by the executive council and payable in the manner provided in section 307.45 for property owned by the state and not under the jurisdiction and control of the state department of transportation.

2. When a state park or institutional road abutting on or adjacent to state lands on one side of the road is improved by paving, the state shall pay one-half the total assessed cost of the portion of the improvement abutting, or adjacent to state lands, lots, or portions thereof, but for any other type of improvement so constructed and located, the state shall pay, as provided in section 307.45, the portion of the cost which would be assessable against state lands if they were privately owned.

3. When any portion of the cost of a public improvement is to be paid by the state under this section, the clerk shall, at the time of publication of the notice required by section 384.50, mail a copy of the notice to the secretary of the executive council.

4. Cities in which state buildings are located shall permit sewers for such buildings to be constructed through or under the streets of the city, and connections to be made to the sewer system of the city under the same regulations as for sewer connections to private property.

5. Subsections 1 and 3 of this section do not apply to lands under the jurisdiction and control of the department of transportation.

[C97, §794; C24, 27, 31, 35, 39, §**5988;** C46, §391.15; C50, §391.15, 391A.18; C54, 58, 62, §391.15, 391A.21; C66, 71, 73, §390A.22, 391.15, 391A.21; C75, 77, 79, 81, §384.56]

86 Acts, ch 1241, §11; 2011 Acts, ch 131, §34, 158

Referred to in §357E.11A

**384.57 Monthly payments.**

The city may contract to pay not to exceed ninety-five percent of the engineer's estimated value of the acceptable work completed during the month to the contractor at the end of each month. Payment may be made in warrants drawn on any funds from which payment for the work may be made. If such funds are depleted, anticipatory warrants may be issued bearing a rate of interest not exceeding that permitted by chapter 74A, which do not constitute a violation of section 384.10, even if the collection of taxes or special assessments or income from the sale of bonds applicable to the public improvement is after the end of the fiscal year in which the warrants are issued. If the city arranges for the private sale of anticipatory warrants, they may be sold and the proceeds used to pay the contractor. Anticipatory warrants may also be used to pay other persons furnishing services constituting a part of the cost of the public improvement. The provisions of this section and section 384.58 shall not apply if the city has entered into a contract with the federal government or accepted a federal grant which is governed by federal laws or rules that are contrary to this section and section 384.58.

[C50, §391A.19; C54, 58, 62, 66, 71, 73, §391A.22; C75, 77, 79, 81, §384.57; 81 Acts, ch 127, §1]

Referred to in §357E.11A, 384.58

**384.58 Inspection of work.**

1. The engineer for the city shall inspect all work done under this division, and within fifteen days of final completion of the public improvement, the engineer shall file a certificate with the clerk stating:

*a.* That the engineer has inspected the completed work.

*b.* That the work has or has not been performed in compliance with the terms of the contract, and the particulars, if any, in which the work varies from the terms.

*c.* The total cost of the completed work.

2. Within fifteen days after the filing of the engineer's certificate, the council shall by resolution accept or reject the work.

3. Upon accepting the work, or within ten days thereafter, the council shall ascertain the total cost and by resolution determine the proportion or amount of the cost to be assessed against private property within the assessment district. If the council has elected to award more than one contract for the work, the council may elect to proceed separately with the acceptance and levy of assessments for the work done under each contract.

4. Upon accepting the work, the council shall order payment of any amount due the contractor, to be made by warrants issued in the manner provided by section 384.57 or by other means. The city shall order payment of any amount due the contractor to be made in accordance with the terms of the contract. Failure to make payment within seventy days after the work under the contract has been completed and if the work has been accepted and all required materials, certifications, and other documentations required to be submitted by the contractor and specified by the contract have been furnished the awarding city by the contractor, shall cause interest to accrue on the amount unpaid to the benefit of the unpaid party. Interest shall not accrue on funds retained by a city to satisfy the provisions of section 573.14 regarding claims on file. Interest shall accrue during the period commencing the thirty-first day following the completion of work and satisfaction of the other requirements of this subsection and ending on the date of payment. The rate of interest shall be determined, by the period of time during which interest accrues, and shall be the same as the rate of interest that is in effect under section 12C.6, as of the day interest begins to accrue, for a deposit of public funds for a comparable period of time. Nothing contained in this subsection shall abridge any of the rights set forth in section 573.16.

[C97, §820, 822; S13, §779, 792-f, 820, 840-a; SS15, §840-r; C24, 27, §6018, 6025; C31, 35, §6018, 6025, 6610-c52, 6610-c54; C39, §**6018, 6025, 6610.53, 6610.56;** C46, §391.45, 391.52, 417.56, 417.58; C50, §391.45, 391.52, 391A.20, 417.56, 417.58; C54, 58, 62, 66, 71, 73, §391.45, 391.52, 391A.23, 417.56, 417.58; C75, 77, 79, 81, §384.58; 81 Acts, ch 127, §2]

Referred to in §357E.11A, 384.57

**384.59 Assessment schedule.**

1. Within thirty days after the council adopts a resolution fixing the amount to be assessed against private property, the engineer shall file with the clerk an assessment schedule showing:

*a.* A description and parcel number of each lot to be assessed.

*b.* The valuation of each lot as fixed by the council.

*c.* The amount to be assessed against each lot, which shall include the assessment for the default fund, if any, and the amount of deficiency, if any, which may be subsequently assessed against each lot under section 384.63.

2. In the case of the abatement of a nuisance by a city, the city clerk may prepare, sign, and file the assessment schedule and other related documents that would otherwise be required of the engineer.

[C97, §821; S13, §792-f; SS15, §840-r; C24, §6022, 6023; C31, 35, §6022, 6023, 6610-c19; C39, §**6022, 6023, 6610.45;** C46, §391.49, 391.50, 417.19; C50, §391.49, 391.50, 391A.21, 417.19; C54, 58, 62, §391.49, 391.50, 391A.24, 417.19; C66, 71, 73, §390A.24, 391.49, 391.50, 391A.24, 417.19; C75, 77, 79, 81, §384.59]

97 Acts, ch 121, §10; 2002 Acts, ch 1046, §1

Referred to in §331.384, 357E.11A, 358.16, 364.13B

**384.60 Adoption of schedule.**

1. Within ten days after filing of the assessment schedule, the council shall meet, consider, and adopt or amend and adopt, by resolution, the final assessment schedule. The resolution must:

*a.* Confirm and levy assessments, including a conditional levy of the amount of deficiencies which may be subsequently assessed against each lot under section 384.63.

*b.* State the number of annual installments, not exceeding fifteen, into which assessments of more than five hundred dollars are divided.

*c.* Provide for interest on all unpaid installments at a rate not exceeding that permitted by chapter 74A.

*d.* State the time when assessments are payable.

*e.* Direct the clerk to certify the final schedule to the treasurer of the county or counties in which the assessed property is located, and to publish notice of the schedule once each week for two consecutive weeks in the manner provided in section 362.3, the first publication of which shall be not more than fifteen days from the date of filing of the final schedule.

2. On or before the second publication of the notice, the clerk shall send by mail to each property owner whose property is subject to assessment for the improvement, as shown by the records in the office of the county auditor, a copy of the notice. The notice shall also include a statement in substance that assessments may be paid in full or in part without interest within thirty days after the date of the first notice of the final assessment schedule, and thereafter all unpaid special assessments bear interest at the rate specified by the council, but not exceeding that permitted by chapter 74A, computed to the December 1 next following the due dates of the respective installments as provided in section 384.65, subsection 3, and each installment will be delinquent from October 1 following its due date. However, when the last day of September is a Saturday or Sunday, that amount shall be delinquent from the second business day of October. Delinquent installments will draw the same delinquent interest as ordinary taxes. The notice shall also state substantially that property owners may elect to pay any installment semiannually in advance. If a property is shown by the records to be in the name of more than one owner at the same mailing address, a single notice may be mailed to all owners at that address. Failure to receive a mailed notice is not a defense to the special assessment or interest due on the special assessment.

3. The county treasurer shall enter on the county system the amounts to be assessed against each lot within the assessment district, as certified.

[R60, §1068; C73, §481; C97, §825, 826, 827, 982; S13, §791-c, 825, 849-e; SS15, §840-r; C24, 27, §5966, 6030, 6034, 6101, 6923; C31, 35, §5966, 6030, 6034, 6101, 6610-c45, 6923; C39, §**5966, 6030, 6034, 6101, 6610.47, 6923;** C46, §389.35, 391.57, 391.61, 395.23, 417.45, 420.276; C50, §389.35, 391.57, 391.61, 391A.22, 395.23, 417.45, 420.276; C54, 58, 62, §389.35, 391.57, 391.61, 391A.25, 395.23, 417.45, 420.276; C66, 71, 73, §389.35, 390A.30, 391.57, 391.61, 391A.25, 395.23, 417.45, 420.276; C75, 77, 79, 81, §384.60; 82 Acts, ch 1104, §16]

83 Acts, ch 148, §1; 86 Acts, ch 1241, §12; 92 Acts, ch 1016, §8; 97 Acts, ch 121, §11; 98 Acts, ch 1107, §12, 13; 2005 Acts, ch 34, §9, 26; 2012 Acts, ch 1138, §101

Referred to in §331.384, 357E.11A, 358.16, 364.13B, 384.47, 384.51, 384.63, 384.65

**384.61 Assessment of benefits.**

The total cost of a public improvement, except for paving that portion of a street lying between railroad tracks and one foot outside of the tracks, or which is to be otherwise paid, must be assessed against all lots within the assessment district in accordance with the special benefits conferred upon the property, and not in excess of such benefits.

If an owner of property subject to special assessment divides the property into two or more lots, and if the plan of division is approved by the council, the owner may discharge the lien upon any of the lots by payment of the amount unpaid, calculated as determined by the council.

[C97, §828; S13, §792-a, -f, 849-e; SS15, §840-a, -j, -r; C24, §6021, 6036, 6089; C27, §5942-b3, 6021, 6036, 6089; C31, 35, §5942-b3, 6021, 6036, 6089, 6610 – 6620; C39, §**5942.3, 6021, 6036, 6089, 6610.14;** C46, §389.7, 391.48, 391.63, 395.11, 417.20; C50, §389.7, 391.48, 391.63, 391A.23, 395.11, 417.20; C54, 58, 62, 66, 71, 73, §389.7, 391.48, 391.63, 391A.26, 395.11, 417.20; C75, 77, 79, 81, §384.61]

Referred to in §331.384, 357E.11A, 358.16, 364.13B

**384.62 Limit.**

1. A special assessment against a lot for a public improvement shall not be in excess of the amount of the assessment, including the conditional deficiency assessment, as shown in the schedule confirmed by the court, or if court confirmation is not utilized, then on the original plat and schedule adopted by the council, and an assessment shall not exceed twenty-five percent of the value of the lot as shown by the plat and schedule approved by the council or as reduced by the court.

2. Special assessments for the construction or repair of underground connections for private property for gas, water, sewers, or electricity may be assessed to each lot for the actual cost of each connection for that lot, and the twenty-five percent limitation does not apply. Such connections shall not be installed to service railway right-of-way without written agreement with the railway company owning or leasing the right-of-way.

3. A special assessment for a public improvement against a tract of land assessed as agricultural property shall not become payable upon the filing of a request by the owner for deferment until that land is not assessed as agricultural property. This section shall not apply to a tract of land of less than one-quarter acre surrounding any dwelling or nonfarm structure on that tract nor shall it apply to a special assessment levied before July 3, 1978. This section shall not apply if the public improvement is a sewer, water, gas, or electrical line to which the owner of the land makes a connection.

4. Payment of installments of special assessments for a public improvement against property assessed as agricultural property shall be deferred as follows:

*a.* The property owner who seeks deferment of an assessment shall file a written request for deferment with the city clerk at the time of the hearing on the resolution of necessity for the public improvement or within ten days following the date of the hearing and the request shall identify those lots subject to proposed assessments for which the property owner is seeking deferment which are assessed as agricultural property. The request may be withdrawn by the property owner at any time before or after the adoption of the resolution of necessity.

*b.* The city shall indicate those lots for which a deferment has been requested on the special assessment schedule.

*c.* After the assessments for the public improvement have been levied and the special assessment schedule has been filed with the county treasurer, the county treasurer shall indicate on the tax rolls those assessments subject to deferment under this section.

*d.* A deferment shall continue for as long as the county assessor continues to classify the property as agricultural land on January 1 of each assessment year. A deferment shall end six months following any January 1 assessment date on which the county assessor no longer classifies the property as agricultural land and the special assessment shall become payable in the same manner as the special assessment would have become payable had it not been deferred by this subsection.

[S13, §792-a, -f, 849-e; SS15, §840-a, -j, -r; C24, 27, §6021, 6089; C31, 35, §6021, 6089, 6610-c55; C39, §**6021, 6089, 6610.66;** C46, §391.48, 395.11, 417.59; C50, §391.48, 391A.24, 395.11, 417.59; C54, 58, 62, 66, 71, 73, §391.48, 391A.27, 395.11, 417.59; C75, 77, 79, 81, §384.62; 82 Acts, ch 1104, §17]

2003 Acts, ch 24, §5

Referred to in §331.384, 357E.11A, 358.16, 358C.17, 364.13B, 384.38, 384.47, 384.63

**384.63 Insufficiency — certification to county treasurer — deficiency assessment.**

1. If the special assessment which may be levied against a lot is insufficient to pay its proportion of the cost of the improvement, or if no special assessment may be levied against a lot, the deficiency shall be paid from the city fund or funds designated by the council.

2. The council shall, by resolution, provide that the deficiencies for the lots specially benefited by a public improvement shall be certified to the county treasurer, who shall record them in the county system as "special assessment deficiencies", and to the appropriate city official charged with the responsibility of issuing building permits, who shall notify the council when a private improvement is subsequently constructed on any lot subject to a deficiency. Certification to the county treasurer shall include a legal description of each lot. The period of amortization for a public improvement for which there are deficiencies shall

commence with the adoption of the resolution of necessity and extend for the same period for which installments of assessments for the project are made payable. Deficiencies may be assessed only during the period of amortization, which shall also be certified to the county treasurer and the city official charged with the responsibility of issuing building permits. Certification to the county treasurer shall include a legal description of each lot.

3. When a private improvement is constructed on a lot subject to a deficiency, during the period of amortization, the council shall, by resolution, assess a pro rata portion of the deficiency on that lot, in the same proportion to the total deficiency on that lot as the number of future installments of special assessments remaining to be paid is to the total number of installments of assessments for the project, subject to the twenty-five percent limitation of section 384.62. A deficiency assessment becomes a lien on the property and is payable in the same manner, and subject to the same interests as the other special assessments. The council shall direct the clerk to certify a deficiency assessment to the county treasurer, and to send a notice of the deficiency assessment by mail to each owner, as provided in section 384.60, but publication of the notice is not required.

4. An owner may appeal from the amount of the assessment within thirty days of the date notice is mailed. County officials shall collect a deficiency assessment, commencing in the year following the assessment, in the manner provided for the collection of other special assessments. Upon collection, the county treasurer shall make the appropriate credit entries in the county system, and shall credit the amounts collected as provided for other special assessments on the same public improvement, or to the city, to the extent that the deficiency has been previously paid from other city funds.

[S13, §792-b; C24, 27, 31, 35, 39, §**6017;** C46, §391.44; C50, §391.44, 391A.25; C54, 58, 62, §391.44, 391A.28; C66, 71, 73, §390A.19, 391.44, 391A.28; C75, 77, 79, 81, §384.63; 82 Acts, ch 1104, §18]

83 Acts, ch 90, §24; 86 Acts, ch 1241, §13; 92 Acts, ch 1016, §9; 97 Acts, ch 121, §12; 2003 Acts, ch 108, §70

Referred to in §331.384, 357E.11A, 358.16, 364.13B, 384.47, 384.59, 384.60

**384.64 Assessment to railway company.**

The right-of-way of a railway company is subject to special assessments for public improvements, and such assessments constitute a debt due the city which is a paramount lien upon the track of the railway company owning or leasing the right-of-way within the limits of the city. The property of a railway to which a lien for unpaid special assessment has attached may not be released from the lien until the whole assessment is paid.

[C97, §816, 828; S13, §791-i, 792-f, 816; SS15, §840-r; C24, 27, 31, 35, 39, §**6009, 6010, 6013;** C46, §391.36, 391.37, 391.40; C50, §391.36, 391.37, 391.40, 391A.26; C54, 58, 62, 66, 71, 73, §391.36, 391.37, 391.40, 391A.29; C75, 77, 79, 81, §384.64]

Referred to in §331.384, 357E.11A, 358.16, 364.13B

**384.65 Installments due.**

1. The first installment of each assessment, or the total amount if five hundred dollars or less, is due and payable on July 1 next succeeding the date of the levy, unless the assessment is filed with the county treasurer after May 31 in any year. The first installment shall bear interest on the whole unpaid assessment from the date of acceptance of the work by the council to the first day of December following the due date.

2. The succeeding annual installments, with interest on the whole unpaid amount, to the first day of December following the due date, are respectively due on July 1 annually, and must be paid at the same time and in the same manner as the September semiannual payment of ordinary taxes.

3. All future installments of an assessment may be paid on any date by payment of the then outstanding balance, plus interest to the next December 1, or additional annual installments may be paid after the current installment has been paid before December 1 without interest. A payment must be for the full amount of the next installment. If installments remain to be paid, the next annual installment with interest added to December 1 will be due as provided in subsection 2.

4. *a.* Each installment of an assessment with interest on the unpaid balance is delinquent from October 1 after its due date and bears the same delinquent interest as ordinary taxes. However, when the last day of September is a Saturday or Sunday, the unpaid balance of the installment is delinquent from the second business day of October after its due date. When collected, the interest must be credited to the same fund as the special assessment.

*b.* To avoid interest on delinquent special assessment installments, a payment of the full installment amount must be received by the treasurer on or before the last business day of the month preceding the delinquent date, or mailed with appropriate postage and applicable fees paid, and a United States postal service postmark affixed to the payment envelope, with the postmark bearing a date preceding the delinquent date. Items returned to the sender by the United States postal service for insufficient postage or applicable fees shall be assessed interest, unless the appropriate postage and fees are paid and the items are postmarked again before the delinquent date. However, if the last calendar day of a month falls on a Saturday, Sunday, or a holiday, that amount becomes delinquent on the second business day of the following month.

*c.* To avoid interest on current or delinquent special assessment installments, for payments made through a county treasurer's authorized internet site only, if the last day of the month falls on a Saturday, Sunday, or a holiday, the electronic payment must be initiated by midnight on the first business day of the next month. All other electronic payments must be initiated by midnight on the last day of the month preceding the delinquent date.

5. From the date of filing of a certified copy of the resolution of necessity, the plat, and the schedule of assessments as provided in section 384.51, all special assessments with all interest become and remain a lien on the benefited properties until paid, and have equal precedence with ordinary taxes, and are not divested by any judicial sale.

6. After December 1, if a special assessment is not delinquent, a property owner may pay one-half or all of the next annual installment of principal and interest of a special assessment prior to the delinquency date of the installment. When the next installment has been paid in full, successive principal installments may be prepaid. The county treasurer shall accept the payments of the special assessment, and shall credit the next annual installment or future installments of the special assessment to the extent of the payment or payments, and shall remit the payments to the city. If a property owner elects to pay one or more principal installments in advance, the pay schedule shall be advanced by the number of principal installments prepaid.

7. Each installment of an assessment shall be equal to the amount of the unpaid assessment as computed on the thirty-first day after the certification of the assessment divided by the number of annual installments into which the assessment may be divided as adopted by the council pursuant to section 384.60.

8. Each installment of a special assessment shall be calculated to the nearest whole dollar. Interest on unpaid installments and interest added for delinquencies shall also be calculated to the nearest whole dollar. The minimum interest amount is one dollar.

[R60, §1068; C73, §478, 481; C97, §816, 825, 827, 974, 975; S13, §791-b, -c, 792-f, 816, 825, 840-a, 975; SS15, §840-r, 974; C24, 27, 31, 35, 39, §**5965, 5966, 6008, 6033, 6906 – 6908;** C46, §389.33 – 389.35, 391.35, 391.60, 420.258 – 420.260; C50, §389.33 – 389.35, 391.35, 391.60, 391A.27, 420.258 – 420.260; C54, 58, 62, 66, 71, 73, §389.33 – 389.35, 391.35, 391.60, 391A.30, 420.258 – 420.260; C75, 77, 79, 81, §384.65]

83 Acts, ch 90, §25; 83 Acts, ch 148, §2; 86 Acts, ch 1215, §1; 88 Acts, ch 1104, §1; 92 Acts, ch 1016, §10; 95 Acts, ch 57, §8; 98 Acts, ch 1107, §14; 99 Acts, ch 83, §6; 2005 Acts, ch 34, §10, 26; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1138, §102; 2013 Acts, ch 90, §257

Referred to in §311.17, 331.384, 331.559, 357E.11A, 358.16, 358C.17, 364.13B, 384.41, 384.60

Code editor directive applied

**384.66 Test of regularity.**

1. A person having an interest in property subject to special assessment may, within twenty days after the adoption of a resolution of necessity, test the regularity of the proceedings or legality of the assessment procedure by a petition in equity filed in the district court of the county where the property is located. A petition does not stay further

proceedings on the improvement by the council, unless there is also filed a bond in an amount and with security approved by the court.

2. A person having an interest in any property specially assessed may appeal from the amount of the assessment, at any stage of the special assessment procedure up to twenty days after the final publication of notice of filing of the final assessment schedule, by petition to the district court of the county where the property is located but such appeal is only to the amount of that assessment and does not stay further proceedings by the council on the improvement. No action shall be brought appealing the amount of any special assessment from and after twenty days after said final publication.

3. A person having an interest in property subject to special assessment has a right of appeal to the district court on the ground of fraud.

4. No action may be brought questioning the regularity of the proceedings pertaining to special assessments or the validity of any special assessment levied for any public improvement under this part, from and after sixty days after the final publication of notice of filing the final assessment schedule.

[C97, §839; S13, §792-c, -f, 840-a; SS15, §840-r; C24, 27, 31, 35, 39, §**6063 – 6065, 6091;** C46, §391.88 – 391.90, 395.13; C50, §391.88 – 391.90, 391A.28, 395.13; C54, 58, 62, 66, 71, 73, §391.88 – 391.90, 391A.31, 395.13; C75, 77, 79, 81, §384.66]

Referred to in §331.384, 357E.11A, 358.16, 364.13B, 384.54

**384.67 Payment to county treasurer.**

Assessments levied and certified under the provisions of this division, including installments and interest, are payable at the office of the county treasurer of the county where the property assessed is located, except that assessments may be paid in full or in part and without interest within thirty days after the date of certification, at the office of the county treasurer, if the property being assessed is located in an unincorporated area, or the city clerk, if the property being assessed is located in an incorporated area.

[C97, §825; S13, §825; C24, 27, 31, 35, 39, §**6031;** C46, §391.58; C50, §391.58, 391A.29; C54, 58, 62, 66, 71, 73, §391.58, 391A.32; C75, 77, 79, 81, §384.67]

2003 Acts, ch 24, §6

Referred to in §331.384, 357E.11A, 358.16, 364.13B

**384.68 Bonds issued.**

1. After certification of the final assessment schedule, the city may, by resolution, authorize and issue bonds in anticipation of the collection of unpaid special assessments. However, the total principal amount of bonds issued for a public improvement may not exceed the total amount of unpaid special assessments less the proportionate unpaid amount assessed for the default fund.

2. All special assessment bonds are negotiable, must state on their face that they are issued under the provisions of this division, and are payable as to both principal and interest from the proceeds of the special assessments levied for the public improvement. Such bonds may bear interest at a rate not exceeding that permitted by chapter 74A payable annually or semiannually, must mature serially on December 1 of the years in which any of the principal is scheduled to become due, and may contain a provision that the city reserves the right and option of calling and redeeming any or all of the bonds prior to maturity on any interest payment date or within forty-five days thereafter upon the terms specified therein. Such bonds must be called "improvement bonds", must designate the general type of improvement or improvements for which issued, and may be issued in any denomination, not exceeding ten thousand dollars. Bonds issued for a public improvement authorized in section 384.38, subsection 2, must be named in a way to distinguish them from other improvement bonds of the city, and to designate the property specially assessed for the improvement. Improvement bonds issued for any one levy must bear the same date and be divided into as many series as there are years in which installments of the special assessment mature, and each series must be as nearly equal in amount as practicable.

3. The proceeds of the special assessments and interest collected thereon must be used and applied by the city to the payment of the interest on the bonds and to the retirement of

the principal as rapidly as proceeds are collected. Such bonds and coupons do not make the city liable in any way, except for the proper application of special assessments. If interest becomes due on any of the bonds when there is no fund or funds from which to pay it, the council may make a temporary loan for payment of the interest, which loan must be repaid from the special assessments and interest pledged to secure the bonds, but in case of purchase by the city at tax sale of the property on which a special assessment is levied, the loan must be repaid from the funds of the city from which deficiencies on the improvement were paid, or if there were no deficiencies, from the general fund.

4. Special assessment bonds must be sold at public or private sale in the manner provided by chapter 75, and may not be sold for less than par value with accrued interest from date to the time of delivery, or if no bids are received at public sale, bonds bearing the same rate of interest as the special assessment may be delivered to the contractor in payment of the cost of the public improvement. The proceeds of the sale must be applied to the payment of the cost of the public improvement.

5. Any excess of proceeds from special assessments remaining after all of the bonds for a particular improvement have been paid with interest may be credited to the fund from which deficiencies for the improvement could have been paid. However, any excess in a default fund established for a public improvement authorized in section 384.38, subsection 2, shall be held by the city in a special fund to guarantee other improvement bonds which may be issued by the city for public improvements authorized under that section.

6. Cities may issue refunding bonds to pay off and take up special assessment bonds issued in payment for public improvements, or to refund any part thereof, as follows:

*a.* Refunding bonds must substantially conform to the provisions of this division, and the face value is limited to the amount of the unpaid special assessments with the interest thereon of the particular issue of bonds to be refunded.

*b.* Refunding bonds or their proceeds may be used only to pay improvement bonds taken up.

*c.* The expense of refunding bonds must be paid out of the funds of the city from which the cost of similar improvements might lawfully be paid.

*d.* When refunding bonds are issued to pay improvement bonds, all special assessments and sinking funds applicable to the payment of the improvement bonds previously issued must be applied in the same manner and to the same extent to the payment of the refunding bonds, and all the powers and duties to levy and to carry special assessments and taxes, to create liens upon property, and to establish sinking funds in respect to the bonds previously issued continue until refunding bonds are paid.

*e.* The city shall collect the special assessment out of which the refunding bonds are payable and hold the proceeds in trust for the payment of the refunding bonds, but it is not liable except for the proper application of the assessments.

7. No action shall be brought questioning the legality of the bonds authorized by this section from and after sixty days from the date the bonds are ordered issued by the city.

[C97, §842, 843, 845, 847, 987; C24, §6109 – 6113, 6117, 6118, 6121 – 6124, 6925, 6932; C27, §5942-b3, 6066-a11, 6109 – 6113, 6117, 6118, 6121 – 6124, 6126-a1 – a6, 6925, 6932; C31, 35, §5942-b3, 6066-a11, 6109 – 6113, 6117, 6118, 6121 – 6124, 6126-a1 – a6, 6610-c65, -c66, 6925, 6932; C39, §**5942.3, 6066.13, 6109 – 6113, 6117, 6118, 6121 – 6124, 6126.1 – 6126.6, 6610.71, 6610.72, 6925, 6932;** C46, §389.7, 392.11, 396.6 – 396.10, 396.14, 396.15, 396.18 – 396.21, 396.24 – 396.29, 417.68, 417.69, 420.278, 420.285; C50, §389.7, 391A.30, 392.11, 396.6 – 396.10, 396.14, 396.15, 396.18 – 396.21, 396.24 – 396.29, 417.68, 417.69, 420.278, 420.285; C54, 58, 62, 66, 71, 73, §389.7, 391A.33, 392.11, 396.6 – 396.10, 396.14, 396.15, 396.18 – 396.21, 396.24 – 396.29, 417.68, 417.69, 420.278, 420.285; C75, 77, 79, 81, §384.68]

Referred to in §357E.11A

**384.69 Property sold at tax sale.**

Property against which a special assessment has been levied for public improvements may be sold for any sum of principal or interest due and delinquent, at any regular or adjourned tax sale in the same manner with the same forfeitures, interest, right of redemption, certificates, and deeds, as for the nonpayment of ordinary taxes. The purchaser at a tax sale, other than

the county, takes the property charged with the lien of the remaining unpaid installments and interest. When bonds have been issued in anticipation of special assessments and interest for which property is to be sold, the city may be a purchaser and is entitled to all rights of purchasers at tax sales. The proceeds subsequently realized from sales of property so purchased by the city must be credited to the funds of the city from which deficiencies on the improvement were paid, or if there were no deficiencies, to the general fund.

[C97, §829, 976, 983; SS15, §840-r; C24, 27, 31, 35, 39, §**6037 – 6040, 6909 – 6911, 6924;** C46, §391.64 – 391.67, 420.261 – 420.263, 420.277; C50, §391.64 – 391.67, 391A.31, 420.261 – 420.263, 420.277; C54, 58, 62, 66, 71, 73, §391.64 – 391.67, 391A.34, 420.261 – 420.263, 420.277; C75, 77, 79, 81, §384.69]

92 Acts, ch 1016, §11

Referred to in §357E.11A

**384.70 Redemption by bondholder.**

A holder of a special assessment bond payable in whole or in part out of a special assessment against any lot or parcel of ground, or a city within which the lot or parcel of ground is situated, which lot or parcel of ground has been sold for taxes, either general or special, may have an assignment of any certificate of tax sale of the property for any general taxes or special taxes thereon, upon tender to the holder or to the county treasurer of the amount to which the holder of the tax sale certificate would be entitled in case of redemption.

[C97, §816; S13, §792-f, 816; C24, 27, 31, 35, 39, §**6041;** C46, 50, 54, 58, 62, 66, 71, 73, §391.68; C75, 77, 79, 81, §384.70]

97 Acts, ch 121, §13

Referred to in §357E.11A

**384.71 Costs paid from applicable funds.**

The whole or any part of the cost of construction or repair of a public improvement may be paid from the proceeds of the issuance of general obligation bonds under the provisions of section 384.25 or 384.26, as applicable, or from the fund or funds of the city authorized to be used for the particular type of improvement, and the council shall provide that the tax authorized for purposes of the fund or funds must be annually levied to the full extent necessary to reimburse the fund or funds for the amount paid for the construction or repair of the improvement.

[R60, §1064; C73, §465; C97, §751, 830, 831, 977, 978; S13, §840-a, -d; SS15, §751; C24, 27, 31, 35, 39, §**5940, 6042, 6050, 6125, 6916, 6917;** C46, §389.3, 391.69, 391.75, 396.22, 420.269, 420.270; C50, §389.3, 391.69, 391.75, 391A.32, 396.22, 420.269, 420.270; C54, 58, 62, §389.3, 391.69, 391.75, 391A.35, 396.22, 420.269, 420.270; C66, 71, 73, §389.3, 390A.18, 391.69, 391.75, 391A.35, 396.22, 420.269, 420.270; C75, 77, 79, 81, §384.71]

Referred to in §357E.11A

**384.72 Reassessment and relevy.**

When by reason of nonconformity to any law or resolution, or by reason of any omission, informality, or irregularity, any special tax or assessment levied is determined by the council to be invalid or is adjudged illegal, the council may correct the levy by resolution, and may reassess and relevy with the same force and effect as if done at the proper time and in the manner provided by law or by the resolution.

[C97, §836, 980; S13, §840-a; SS15, §836, 840-r; C24, 27, §6059, 6920; C31, 35, §6059, 6610-c58, 6920; C39, §**6059, 6610.68, 6920;** C46, §391.84, 417.62, 420.273; C50, §391.84, 391A.33, 417.62, 420.273; C54, 58, 62, 66, 71, 73, §391.84, 391A.36, 417.62, 420.273; C75, 77, 79, 81, §384.72]

Referred to in §331.384, 357E.11A, 358.16, 364.13B, 384.75

**384.73 Void tax or assessment.**

When a special tax or assessment, upon property not exempt, is adjudged void for any jurisdictional defect, or other reason, the council may as to such property, by resolution, cause to be prepared a schedule and proposed reassessment in proportion to and not in excess of benefits, cause notice to be given, hear objections, and make necessary corrections, and may

reassess and relevy the tax or special assessment as corrected with the same force and effect as if jurisdiction had been acquired in the first instance and all subsequent proceedings had been regularly and legally had.

[SS15, §836, 840-r; C24, 27, 31, 35, 39, §**6060;** C46, 50, 54, 58, 62, 66, 71, 73, §391.85; C75, 77, 79, 81, §384.73]

Referred to in §331.384, 357E.11A, 358.16, 364.13B, 384.75

**384.74 Correction of errors.**

When, in making a special assessment, any property is assessed too little or too much, the assessment may be corrected and a reassessment and relevy made in conformity with the correction, and a tax collected in excess of the proper amount must be refunded to the person paying it. Corrected assessments are a lien on the lots the same as the original assessments, must be certified by the clerk to the county treasurer in the same manner, and must so far as practicable, be collected in the same installments, draw interest at the same rate, and be enforced in the same manner as the original assessment.

However, if the city does not certify the assessments within six months of final publication as required by division IV of this chapter, all such assessments shall be null, void, and of no effect. Any bonds issued with such void assessments as security shall be paid by the city as they become due out of its debt service as provided in section 384.4.

[C97, §837, 981; SS15, §840-r; C24, §6061, 6921; C31, 35, §6061, 6610-c21, 6921; C39, §**6061, 6610.59, 6921;** C46, 50, 54, 58, 62, 66, 71, 73, §391.86, 417.21, 420.274; C75, 77, 79, 81, §384.74; 82 Acts, ch 1104, §19]

Referred to in §331.384, 357E.11A, 358.16, 364.13B, 384.54, 384.75

**384.75 Special provisions.**

Any provision of law, resolution, or ordinance specifying a time when or the order in which acts must be done in a proceeding which may result in a special assessment, is subject to the qualifications of sections 384.72 to 384.74.

A city may combine any one or more of the procedural acts required by this division and call for bids for construction of a public improvement and comply with legal requirements respecting public contracts so as to permit the council to receive and consider proposals at the time of hearing on the resolution of necessity.

[C97, §838, 981; SS15, §840-r; C24, 27, 31, 35, 39, §**6062, 6921;** C46, 50, 54, 58, 62, 66, 71, 73, §391.87, 420.274; C75, 77, 79, 81, §384.75]

Referred to in §331.384, 357E.11A, 358.16, 364.13B

**384.76 Application to joint undertakings.**

The provisions of this division apply to any public improvement undertaken jointly by the city and another city or by the city and the state or any other political subdivision of the state, and a city may enter into an agreement for such purpose under the provisions of chapter 28E and may assess and pay its portion of the cost of a public improvement as provided in this division, but any requirement of this part in respect to approval of detailed plans and specifications, calling for construction bids, awarding construction contracts and acceptance of the completed improvement may be carried out by each city with other cities, the state or any other political subdivision of the state, as provided in an agreement entered into as permitted by chapter 28E. However, an agreement between the city and the state department of transportation is also governed by the provisions of sections 313.21 to 313.23.

[C50, §391A.34; C54, 58, 62, 66, 71, 73, §391A.37; C75, 77, 79, 81, §384.76]

Referred to in §357E.11A

**384.77 Assessments along railways.**

In the making of assessments for paving streets, avenues or public places along or upon which a track of a railway or street railway company is located, the engineer shall make an estimate of the cost of building the improvement, and an estimate of the cost of the improvement if tracks were not there. The railway or street railway company may be charged with the difference between the two estimates of cost, and shall make payment in the same manner as other special assessments are paid. This section applies only to track

within the limits of the improvement proper and shall not be construed as exempting a railway or street railway company from a special assessment on other property, adjacent or abutting, within the assessment district and owned by the company, nor does this section relieve a company from any of its duties and liabilities set forth in any other law concerning repair or construction of the strip of paving between the rails and one foot outside.

[C31, 35, §6051-c1; C39, §**6051.1;** C46, 50, §391.77; C54, 58, 62, 66, 71, 73, §391.77, 391A.38; C75, 77, 79, 81, §384.77]

Referred to in §357E.11A

**384.78 Prior proceedings.**

Projects and proceedings for the levy of special assessments and the issuance of special assessment bonds commenced before the effective date of the city code may be hereafter consummated and completed and special assessments levied and special assessment bonds issued as required or permitted by any statute or other law amended or repealed by 64GA, chapter 1088, as though such repeal or amendment had not occurred, and the rights, duties, and interests flowing from such projects and proceedings remain valid and enforceable. Without limiting the foregoing, projects commenced prior to said effective date may be financed by the issuance of special assessment bonds and other bonds under any such amended or repealed law or by the issuance of special assessment bonds, or other bonds under the city code. For the purposes of this section, commencement of a project includes but is not limited to action taken by the council or authorized officer to fix a date for a hearing in connection with any part of a public improvement, and commencement of proceedings for the levy of special assessments and the issuance of special assessment bonds includes but is not limited to action taken by the council to fix a date for a hearing in connection with any public improvement proposed to be financed in whole or in part through special assessments.

[C75, 77, 79, 81, §384.78]

Referred to in §357E.11A

**384.79 Conflicting provisions.**

The enumeration in this division of special powers and functions is not a limitation of the powers of cities, but the provisions of this division and the procedures prescribed for exercising the powers and functions enumerated in this division control and govern in the event of any conflict with the provisions of any other section, division or chapter of the city code or with the provisions of any other law.

[C75, 77, 79, 81, §384.79]

Referred to in §357E.11A

## DIVISION V

## REVENUE FINANCING

Referred to in §357A.11, 384.23, 386.7, 392.1, 392.3

**384.80 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"City enterprise"* means the same as defined in section 384.24.

2. *"Combined city enterprise"* means two or more city enterprises combined and operated as a single enterprise.

3. *"Combined service account"* means a customer service account for the provision of two or more utility or enterprise services, regardless of whether those services are being provided by a single city, or by any combination of city utilities, combined utility systems, city enterprises, or combined city enterprises of one or more cities.

4. *"Combined utility system"* means two or more city utilities owned by a single city, and combined and operated as a single system.

5. *"Governing body"* means the public body which by law is charged with the management and control of a city utility, combined utility system, city enterprise, or combined city

enterprise. The council is the governing body of each city utility, combined utility system, city enterprise, or combined city enterprise, except that a utility board, as provided in chapter 388, is the governing body of the city utility, city utilities or combined utility system which it operates.

6. *"Gross revenue"* means all income and receipts derived from the operation of a city utility, combined utility system, city enterprise, or combined city enterprise.

7. *"Landlord"* means the owner of record of a rental property, or a real estate manager or management company appointed by the owner to administer rental property.

8. *"Net revenues"* means gross revenues less operating expenses.

9. *"Operating expense"* means salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices, but does not include allowances for depreciation in the value of physical property.

10. *"Owner"* means the owner of record as reflected in the records of the county treasurer.

11. *"Pledge order"* means a promise to pay out of the net revenues of a city utility, combined utility system, city enterprise, or combined city enterprise, which is delivered to the contractors or other persons in payment of all or part of the cost of the project.

12. *"Project"* means the acquisition, construction, reconstruction, extending, remodeling, improving, repairing, and equipping of all or part of a city utility, combined utility system, city enterprise, or combined city enterprise, or a water resource restoration project within or without the corporate limits of the city.

13. *"Rates"* means rates, fees, tolls, rentals, and charges for the use of or service provided by a city utility, combined utility system, city enterprise, or combined city enterprise.

14. *"Revenue bond"* means a negotiable bond issued by a city and payable from the net revenues of a city utility, combined utility system, city enterprise, or combined city enterprise.

15. *"Water resource restoration project"* means the acquisition of real property or improvements or other activity or undertaking that will assist in improving the quality of the water in the watershed where a city water or wastewater utility is located.

[C75, 77, 79, 81, §384.80]

94 Acts, ch 1056, §1; 2009 Acts, ch 72, §3, 4

Referred to in §26.9, 357E.11A, 364.4, 388.1, 388.9, 388.9A, 389.4, 390.1, 390.5, 403.7, 455B.199

**384.81 Provisions of city code exclusive — combined utility or enterprise.**

1. A city which proposes to establish, own, acquire by purchase, condemnation, or otherwise, lease, sell, construct, reconstruct, extend, remodel, improve, repair, equip, maintain and operate within or without its corporate limits a city utility, combined utility system, city enterprise, or combined city enterprise must do so in accordance with the provisions of the city code.

2. If all of the utilities involved in the establishment of a combined utility system are, at the time of establishment, controlled and managed by the same utility board, such utility board shall continue as the governing body of the combined utility system; otherwise the city council is the governing body of a combined utility system, but a utility board for a combined utility system may be established as provided in chapter 388. If a combined utility system or combined city enterprise is dissolved, each city utility or city enterprise shall continue in existence as a separate city utility or city enterprise unless the voters additionally authorize the abandonment thereof. The governing body of a combined utility system which is dissolved shall continue as the governing body of each city utility which was a part of the combined utility system unless changed as provided in chapter 388. The adding of an additional city utility to an existing combined utility system is the establishment of a new combined utility system and must be approved by the voters of the city as provided in chapter 388, but the governing body of the existing combined utility system shall continue as the governing body of the new combined utility system.

3. A combined utility system or combined city enterprise may be established, but if there are obligations outstanding which by their terms are payable from the revenues of any city utility or city enterprise involved, all such outstanding obligations must be assumed by the governing body of the combined utility system or combined city enterprise subject to all terms

established at the time of the original issue, or refunded through the issuance of revenue bonds of the combined utility system or combined city enterprise as a part of the procedure for the establishment of the combined utility system or combined city enterprise, or funds sufficient to pay the principal of and all interest and premium, if any, on such outstanding obligations at and prior to maturity must have been properly set aside and pledged for that purpose. Any revenues earmarked for payment of the obligations must be handled by the governing body of the combined utility or combined city enterprise in the same manner as they were handled by the governing body of the city utility or city enterprise involved. A city utility or city enterprise may not be abandoned and a combined utility system or combined city enterprise may not be dissolved so long as there are obligations outstanding which by their terms are payable from the revenues of the city utility, combined utility system, city enterprise, or combined city enterprise unless funds sufficient to pay the principal of and all interest and premium, if any, on such outstanding obligations at and prior to maturity have been properly set aside and pledged for such purpose.

[C73, §471 – 473; C97, §720; S13, §720; C24, 27, 31, 35, 39, §**6127;** C46, 50, 54, §390.1, 397.1; C58, 62, 66, 71, 73, §386B.2, 390.1, 397.1; C75, 77, 79, 81, §384.81]

Referred to in §26.9, 357E.11A, 389.4, 390.5

**384.82 Authority — revenue bonds — pledge orders.**

1. *a.* A city may carry out projects, borrow money, and issue revenue bonds and pledge orders to pay all or part of the cost of projects, which may include a qualified water resource restoration project, such revenue bonds and pledge orders to be payable solely and only out of the net revenues of the city utility, combined utility system, city enterprise, or combined city enterprise involved in the project. The cost of a project includes the construction contracts, interest upon the revenue bonds and pledge orders during the period or estimated period of construction and for twelve months thereafter, or for twelve months after the acquisition date, such reserve funds as the governing body may deem advisable in connection with the project and the issuance of revenue bonds and pledge orders, and the costs of engineering, architectural, technical and legal services, preliminary reports, surveys, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential damages or costs, easements, rights-of-way, supervision, inspection, testing, publications, printing and sale of bonds and provisions for contingencies. A city may sell revenue bonds or pledge orders at public or private sale in the manner prescribed by chapter 75 and may deliver revenue bonds and pledge orders to the contractors, sellers, and other persons furnishing materials and services constituting a part of the cost of the project in payment therefor.

*b.* A city may deliver its revenue bonds to the federal government or any agency thereof which has loaned the city money for sanitary or solid waste projects, water projects or other projects for which the government has a loan program.

2. A city may issue revenue bonds or pledge orders to refund revenue bonds, pledge orders, and other obligations which are by their terms payable from the net revenues of the same city utility, combined utility system, city enterprise, or combined city enterprise, or from a city utility comprising a part of the combined utility system or a city enterprise comprising a part of the combined city enterprise, at lower, the same, or higher rates of interest. Upon a finding of necessity by the governing body, a city may issue revenue bonds or pledge orders to refund general obligation bonds to the extent the general obligation bonds were issued or the proceeds of them were expended for a city utility, city enterprise, or a portion of a combined city utility or city enterprise. These revenue bonds or pledge orders may be issued at lower, the same, or at higher rates of interest than the rates of the general obligation bonds being refunded. A city may sell refunding revenue bonds or pledge orders at public or private sale in the manner prescribed by chapter 75 and apply the proceeds to the payment of the obligations being refunded, and may exchange refunding revenue bonds or pledge orders in payment and discharge of the obligations being refunded. The principal amount of refunding revenue bonds or pledge orders may exceed the principal amount of the obligations being refunded to the extent necessary to pay a premium due on the call of the obligations being refunded, to fund interest accrued and to accrue on the

obligations being refunded, to pay the costs of issuance of the refunding revenue bonds or pledge orders, and to fund such reserve funds as the governing body may deem advisable in connection with the issuance of the refunding revenue bonds or pledge orders.

[C31, §6134-d1; C35, §5903-f4, 6066-f6, 6134-d1, -f1; C39, §**5903.15, 6066.29, 6134.01 – 6134.03;** C46, §385.4, 394.6, 397.9 – 397.11; C50, §385.4, 390.9, 394.6, 397.9 – 397.11; C58, 62, 66, §385.4, 386B.10, 390.9, 394.6, 397.9 – 397.11; C71, 73, §385.4, 386B.10, 390.9, 390.16, 394.6, 397.9 – 397.11; C75, 77, 79, 81, §384.82; 81 Acts, ch 126, §1]

84 Acts, ch 1058, §1; 2009 Acts, ch 72, §5; 2010 Acts, ch 1061, §180

Referred to in §26.9, 357E.11A, 389.4, 390.5

**384.83 Procedures for revenue bonds and pledge orders.**

1. A city may issue revenue bonds pursuant to a resolution of the governing body of the city utility, combined utility system, city enterprise, or combined city enterprise, adopted at a regular or special meeting by a majority of the total number of members to which the governing body is entitled.

2. *a.* Before the governing body institutes proceedings for the issuance of revenue bonds, it shall fix a time and place of meeting at which it proposes to take action and give notice by publication in the manner directed in section 362.3. The notice must include a statement of the time and place of the meeting, the maximum amount of the proposed revenue bonds, the purpose or purposes for which the revenue bonds will be issued, and the city utility, combined utility system, city enterprise, or combined city enterprise whose net revenues will be used to pay the revenue bonds and interest on them. The governing body shall at the meeting receive oral or written objections from any resident or property owner of the city. After all objections have been received and considered, the governing body may, at the meeting or any adjournment of the meeting, take additional action for the issuance of the bonds or abandon the proposal to issue bonds. Any resident or property owner of the city may appeal a decision of the governing body to take additional action to the district court of the county in which any part of the city is located within fifteen days after the additional action is taken, but the additional action of the governing body is final and conclusive unless the court finds that the governing body exceeded its authority. The provisions of this subsection with respect to notice, hearing, and appeal in connection with the issuance of revenue bonds are in lieu of those contained in chapter 73A or any other law.

*b.* Separate purposes may be incorporated in a single notice of intention to institute proceedings or separate purposes may be incorporated in separate notices and, after an opportunity for filing objections, the governing body may include in a single issue of revenue bonds any number or combination of purposes.

3. Revenue bonds may bear dates, bear interest at rates not exceeding that permitted by chapter 74A, mature in one or more installments, be in either coupon or registered form, carry registration and conversion privileges, be payable as to principal and interest at times and places, be subject to terms of redemption prior to maturity with or without premium, and be in one or more denominations, all as provided by the resolution of the governing body authorizing their issuance. The resolution may also prescribe additional provisions, terms, conditions, and covenants which the governing body deems advisable, consistent with the provisions of the city code, including provisions for creating and maintaining reserve funds, the issuance of additional revenue bonds ranking on a parity with such revenue bonds and additional revenue bonds junior and subordinate to such revenue bonds, and that such revenue bonds shall rank on a parity with or be junior and subordinate to any revenue bonds which may be then outstanding. Revenue bonds are a contract between the city and holders and the resolution is a part of the contract.

4. If the governing body is a city council, the revenue bonds must be executed by the mayor and clerk of the city. If the governing body is a utility board, the revenue bonds must be executed by the chairperson and secretary of the board. If coupons are attached to the revenue bonds, they must be executed with the original or facsimile signature of the clerk or secretary. A revenue bond is valid and binding for all purposes if it bears the signatures of the officers in office on the date of the execution of the bonds notwithstanding that any or all persons whose signatures appear thereon have ceased to be such officers prior to the delivery

thereof. The issuance of revenue bonds must be recorded in the office of the city treasurer or other financial officer designated by the council, and a certificate of the recording by the treasurer or other officer must be printed on the back of each revenue bond.

5. Revenue bonds and pledge orders issued pursuant to this division are negotiable instruments.

6. A city may issue pledge orders pursuant to a resolution of the governing body of the city utility, combined utility system, city enterprise, or combined city enterprise, adopted by a majority of the total number of members to which the governing body is entitled, at a regular or special meeting, ordering their issuance and delivery in payment for all or part of the cost of a project. Pledge orders may bear interest at rates not exceeding that permitted by chapter 74A.

7. The physical properties of a city utility, combined utility system, city enterprise, or combined city enterprise may not be pledged or mortgaged to secure the payment of revenue bonds or pledge orders or the interest thereon.

[C35, §5903-f4, 6066-f6, -f7; C39, §**5903.15, 6066.29 – 6066.31;** C46, 50, §385.4, 394.6 – 394.8; C58, 62, 66, 71, 73, §385.4, 386B.10, 394.6 – 394.8; C75, 77, 79, 81, §384.83]

83 Acts, ch 90, §26

Referred to in §26.9, 357A.11, 357E.11A, 364.4, 384.24A, 389.4, 390.5, 418.14, 423B.9, 423E.5

**384.84 Rates and charges — billing and collection — contracts.**

1. The governing body of a city utility, combined utility system, city enterprise, or combined city enterprise may establish, impose, adjust, and provide for the collection of rates and charges to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the city utility, combined utility system, city enterprise, or combined city enterprise. When revenue bonds or pledge orders are issued and outstanding pursuant to this division, the governing body shall establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the city utility, combined utility system, city enterprise, or combined city enterprise, and to leave a balance of net revenues sufficient to pay the principal of and interest on the revenue bonds and pledge orders as they become due and to maintain a reasonable reserve for the payment of principal and interest, and a sufficient portion of net revenues must be pledged for that purpose. Rates must be established by ordinance of the council or by resolution of the trustees, published in the same manner as an ordinance.

2. The governing body of a city water or wastewater utility may enter into an agreement with a qualified entity to use proceeds from revenue bonds for a water resource restoration project if the rate imposed is no greater than if there was not a water resource restoration project agreement. For purposes of this subsection, "*qualified entity*" is an entity created pursuant to chapter 28E or two entities that have entered into an agreement pursuant to chapter 28E, whose purpose is to undertake a watershed project that has been approved for water quality improvements in the watershed.

3. *a.* A city utility or enterprise service to a property or premises, including services of sewer systems, storm water drainage systems, sewage treatment, solid waste collection, water, solid waste disposal, or any of these services, may be discontinued if the account for the service becomes delinquent. Gas or electric service provided by a city utility or enterprise shall be discontinued only as provided by section 476.20, and discontinuance of those services are subject to rules adopted by the utilities board of the department of commerce.

*b.* If more than one city utility or enterprise service is billed to a property or premises as a combined service account, all of the services may be discontinued if the account becomes delinquent.

*c.* A city utility or enterprise service to a property or premises shall not be discontinued unless prior written notice is sent, by ordinary mail, to the account holder in whose name the delinquent rates or charges were incurred, informing the account holder of the nature of the delinquency and affording the account holder the opportunity for a hearing prior to discontinuance of service. If the account holder is a tenant, and if the owner or landlord of the property or premises has made a written request for notice, the notice shall also be given

to the owner or landlord. If the account holder is a tenant and requests a change of name for service under the account, such request shall be sent to the owner or landlord of the property if the owner or landlord has made a written request for notice of any change of name for service under the account to the rental property.

*d.* (1) If a delinquent amount is owed by an account holder for a utility service associated with a prior property or premises, a city utility, city enterprise, or combined city enterprise may withhold service from the same account holder at any new property or premises until such time as the account holder pays the delinquent amount owing on the account associated with the prior property or premises. A city utility, city enterprise, or combined city enterprise shall not withhold service from, or discontinue service to, a subsequent owner who obtains fee simple title of the prior property or premises unless such delinquent amount has been certified in a timely manner to the county treasurer as provided in subsection 4, paragraph "*a*", subparagraphs (1) and (2).

(2) Delinquent amounts that have not been certified in a timely manner to the county treasurer are not collectible against any subsequent owner of the property or premises.

4. *a.* (1) Except as provided in paragraph "*d*", all rates or charges for the services of sewer systems, storm water drainage systems, sewage treatment, solid waste collection, water, solid waste disposal, or any of these services, if not paid as provided by ordinance of the council or resolution of the trustees, are a lien upon the property or premises served by any of these services upon certification to the county treasurer that the rates or charges are due. The governing body of a city utility may, by resolution, delegate to a designee named in the resolution the city utility's authority to certify unpaid rates or charges to the county treasurer. The city council of a city that is contracting with a city utility for joint billing or collection or both pursuant to chapter 28E may, by ordinance, delegate to such city utility, or the city utility's designee, the city's authority to certify unpaid rates or charges to the county treasurer.

(2) If the delinquent rates or charges were incurred prior to the date a transfer of the property or premises in fee simple is filed with the county recorder and such delinquencies were not certified to the county treasurer prior to such date, the delinquent rates or charges are not eligible to be certified to the county treasurer. If certification of such delinquent rates or charges is attempted subsequent to the date a transfer of the property or premises in fee simple is filed with the county recorder, the county treasurer shall return the certification to the city utility, city enterprise, or combined city enterprise attempting certification along with a notice stating that the delinquent rates or charges cannot be made a lien against the property or premises.

(3) If the city utility, city enterprise, or combined city enterprise is prohibited under subparagraph (2) from certifying delinquent rates or charges against the property or premises served by the services described in subparagraph (1), the city utility, city enterprise, or combined city enterprise may certify the delinquent rates or charges against any other property or premises located in this state and owned by the account holder in whose name the rates or charges were incurred.

*b.* The lien under paragraph "*a*" may be imposed upon a property or premises even if a city utility or enterprise service to the property or premises has been or may be discontinued as provided in this section.

*c.* A lien for a city utility or enterprise service under paragraph "*a*" shall not be certified to the county treasurer for collection unless prior written notice of intent to certify a lien is given to the account holder in whose name the delinquent rates or charges were incurred at least thirty days prior to certification. If the account holder is a tenant, and if the owner or landlord of the property or premises has made a written request for notice, the notice shall also be given to the owner or landlord. The notice shall be sent to the appropriate persons by ordinary mail not less than thirty days prior to certification of the lien to the county treasurer.

*d.* (1) Residential or commercial rental property where a charge for water service is separately metered and paid directly to the city utility or enterprise by the tenant is exempt from a lien for delinquent rates or charges associated with such water service if the landlord gives written notice to the city utility or enterprise that the property is residential or commercial rental property and that the tenant is liable for the rates or charges. A city

utility or enterprise may require a deposit not exceeding the usual cost of ninety days of water service to be paid to the utility or enterprise. Upon receipt, the utility or enterprise shall acknowledge the notice and deposit. A written notice shall contain the name of the tenant responsible for charges, address of the residential or commercial rental property that the tenant is to occupy, and the date that the occupancy begins.

(2) A change in tenant for a residential rental property shall require a new written notice to be given to the city utility or enterprise within thirty business days of the change in tenant. A change in tenant for a commercial rental property shall require a new written notice to be given to the city utility or enterprise within ten business days of the change in tenant. When the tenant moves from the rental property, the city utility or enterprise shall return the deposit if the water service charges are paid in full.

(3) A change in the ownership of the residential rental property shall require written notice of such change to be given to the city utility or enterprise within thirty business days of the completion of the change of ownership. A change in the ownership of the commercial rental property shall require written notice of such change to be given to the city utility or enterprise within ten business days of the completion of the change of ownership.

(4) The lien exemption for rental property does not apply to charges for repairs to a water service if the repair charges become delinquent.

*e.* Residential rental property where a charge for any of the services of sewer systems, storm water drainage systems, sewage treatment, solid waste collection, and solid waste disposal is paid directly to the city utility or enterprise by the tenant is exempt from a lien for delinquent rates or charges associated with such services if the landlord gives written notice to the city utility or enterprise that the property is residential rental property and that the tenant is liable for the rates or charges. A city utility or enterprise may require a deposit not exceeding the usual cost of ninety days of the services of sewer systems, storm water drainage systems, sewage treatment, solid waste collection, and solid waste disposal to be paid to the utility or enterprise. Upon receipt, the utility or enterprise shall acknowledge the notice and deposit. A written notice shall contain the name of the tenant responsible for the charges, the address of the residential rental property that the tenant is to occupy, and the date that the occupancy begins. A change in tenant shall require a new written notice to be given to the city utility or enterprise within thirty business days of the change in tenant. When the tenant moves from the rental property, the city utility or enterprise shall return the deposit if the charges for the services of sewer systems, storm water drainage systems, sewage treatment, solid waste collection, and solid waste disposal are paid in full. A change in the ownership of the residential rental property shall require written notice of such change to be given to the city utility or enterprise within thirty business days of the completion of the change of ownership. The lien exemption for rental property does not apply to charges for repairs related to a service of sewer systems, storm water drainage systems, sewage treatment, solid waste collection, and solid waste disposal if the repair charges become delinquent.

5. A lien shall not be imposed pursuant to this section for a delinquent charge of less than five dollars. The governing body of the city utility or enterprise may charge up to five dollars, and the county treasurer may charge up to five dollars, as an administrative expense of certifying and filing this lien, which amounts shall be added to the amount of the lien to be collected at the time of payment of the assessment from the payor. Administrative expenses collected by the county treasurer on behalf of the city utility or enterprise shall be paid to the governing body of the city utility or enterprise, and those collected by the county treasurer on behalf of the county shall be credited to the county general fund. The lien has equal precedence with ordinary taxes, may be certified to the county treasurer and collected in the same manner as taxes, and is not divested by a judicial sale.

6. A governing body may declare all or a certain portion of a city as a storm water drainage system district for the purpose of establishing, imposing, adjusting, and providing for the collection of rates as provided in this section. The ordinance provisions for collection of rates of a storm water drainage system may prescribe a formula for determination of the rates which may include criteria and standards by which benefits have been previously determined for special assessments for storm water public improvement projects under this chapter.

7. *a.* The governing body of a city utility, combined utility system, city enterprise, or combined city enterprise may:

(1) By ordinance of the council or by resolution of the trustees published in the same manner as an ordinance, establish, impose, adjust, and provide for the collection of charges for connection to a city utility or combined utility system.

(2) Contract for the use of or services provided by a city utility, combined utility system, city enterprise, or combined city enterprise with persons whose type or quantity of use or service is unusual.

(3) Lease for a period not to exceed fifteen years all or part of a city enterprise or combined city enterprise, if the lease will not reduce the net revenues to be produced by the city enterprise or combined city enterprise.

(4) Contract for a period not to exceed forty years with other governmental bodies for the use of or the services provided by the city utility, combined utility system, city enterprise, or combined city enterprise on a wholesale basis.

(5) Contract for a period not to exceed forty years with persons and other governmental bodies for the purchase or sale of water, gas, or electric power and energy on a wholesale basis.

*b.* Two or more city utilities, combined utility systems, city enterprises, or combined city enterprises, including city utilities established pursuant to chapter 388, may contract pursuant to chapter 28E for joint billing or collection, or both, of combined service accounts for utility or enterprise services, or both. The contracts may provide for the discontinuance of one or more of the city utility or enterprise services if a delinquency occurs in the payment of any charges billed under a combined service account.

*c.* One or more city utilities or combined utility systems, including city utilities established pursuant to chapter 388, may contract pursuant to chapter 28E with one or more sanitary districts established pursuant to chapter 358 for joint billing or collection, or both, of combined service accounts from utility services and sanitary district services. The contracts may provide for the discontinuance of one or more of the city water utility services or sanitary district services if a delinquency occurs in the payment of any charges billed under a combined service account.

8. The portion of cost attributable to the agreement or arbitration awarded under section 357A.21 may be apportioned in whole or in part among water customers within an annexed area.

9. For the purposes of this section, *"premises"* includes a mobile home, modular home, or manufactured home as defined in section 435.1, when the mobile home, modular home, or manufactured home is taxed as real estate.

10. Notwithstanding subsection 4, a lien shall not be filed against the land if the premises are located on leased land. If the premises are located on leased land, a lien may be filed against the premises only.

[C73, §471, 473, 475; C97, §720, 725, 749; S13, §720, 724, 725, 766-c; C24, 27, 31, §5892, 5898, 6130, 6142, 6143, 6159; C35, §5892, 5898, 5903-f3, 5903-f6, 6066-f5, 6066-f8, 6130, 6142, 6143, 6159; C39, §**5892, 5898, 5903.14, 5903.17, 6066.28, 6066.32, 6130, 6142, 6143, 6159;** C46, 50, 54, §381.19, 382.5, 385.3, 385.6, 390.4, 390.5, 394.5, 394.9, 397.4, 397.27, 397.28, 398.10; C58, §381.19, 382.5, 385.3, 385.6, 386B.8, 390.4, 390.5, 394.5, 394.9, 397.4, 397.27, 397.28, 398.10; C62, §381.15, 382.5, 385.3, 385.6, 386B.8, 390.4, 390.5, 392.11, 394.5, 394.9, 397.4, 397.27, 397.28; C66, §368.24, 381.19, 382.5, 385.3, 385.6, 386B.8, 390.4, 390.5, 392.11, 394.5, 394.9, 397.4, 397.27, 397.28, 398.10; C71, 73, §368.24, 378A.7 – 378A.9, 381.19, 382.5, 385.3, 385.6, 386B.8, 390.4, 390.5, 392.11, 393.14, 394.5, 394.9, 397.4, 397.27, 397.28, 398.10; C75, 77, 79, 81, §384.84; 81 Acts, ch 128, §1]

83 Acts, ch 90, §27; 84 Acts, ch 1221, §1; 87 Acts, ch 109, §4; 88 Acts, ch 1246, §6; 90 Acts, ch 1206, §2; 90 Acts, ch 1211, §1; 93 Acts, ch 73, §4; 94 Acts, ch 1056, §2; 95 Acts, ch 49, §11; 95 Acts, ch 57, §9; 95 Acts, ch 67, §31; 97 Acts, ch 62, §3; 98 Acts, ch 1107, §15; 99 Acts, ch 149, §1, 2; 2000 Acts, ch 1085, §4; 2003 Acts, 1st Ex, ch 2, §19, 209; 2008 Acts, ch 1090, §1, 2;

2009 Acts, ch 72, §6; 2009 Acts, ch 133, §131, 132; 2011 Acts, ch 53, §1; 2012 Acts, ch 1087, §1 – 3; 2013 Acts, ch 89, §1
Referred to in §26.9, 357A.11, 357E.11A, 384.84A, 389.4, 390.5, 445.1, 455B.199
Collection of taxes, see chapter 445
Subsection 4, paragraph d amended

**384.84A Special election.**

1. The governing body of a city may institute proceedings to issue revenue bonds for storm water drainage construction projects under section 384.84, subsection 6, by causing notice of the proposed project, with a description of the proposed project and a description of the formula for the determination of the rate or rates applied to users for payment of the bonds, and a description of the bonds and maximum rate of interest and the right to petition for an election if the project meets the requirement of subsection 2, to be published at least once in a newspaper of general circulation within the city at least thirty days before the meeting at which the governing body proposes to take action to institute proceedings for issuance of revenue bonds for the storm water drainage construction project.

2. If, before the date fixed for taking action to authorize the issuance of revenue bonds for the storm water drainage construction project, a petition signed by eligible electors residing within the city equal in number to at least three percent of the registered voters of the city is filed, asking that the question of issuing revenue bonds for the storm water drainage construction project be submitted to the registered voters of the city, the council, by resolution, shall declare the project abandoned or shall direct the county commissioner of elections to call a special election upon the question of issuing the bonds for the storm water drainage construction project if the cost of the project and population of the city meet one of the following criteria:

*a.* The project cost is seven hundred fifty thousand dollars or more in a city having a population of five thousand or less.

*b.* The project cost is one million five hundred thousand dollars or more in a city having a population of more than five thousand but not more than seventy-five thousand.

*c.* The project cost is two million dollars or more in a city having a population of more than seventy-five thousand.

3. The proposition of issuing revenue bonds for a storm water drainage construction project under this section is not approved unless the vote in favor of the proposition is equal to a majority of the votes cast on the proposition.

4. If a petition is not filed, or if a petition is filed and the proposition is approved at an election, the council may issue the revenue bonds.

5. If a city is required by the federal environmental protection agency to file application for storm water sewer discharge or storm water drainage system under the federal Clean Water Act of 1987, this section does not apply to that city with respect to improvements and facilities required for compliance with EPA regulations, or any city that enters into a chapter 28E agreement to implement a joint storm water discharge or drainage system with a city that is required by the federal environmental protection agency to file application for storm water discharge or storm water drainage system.

90 Acts, ch 1206, §3; 95 Acts, ch 67, §53; 2001 Acts, ch 56, §33; 2002 Acts, ch 1119, §52
Referred to in §26.9, 357A.11, 357E.11A, 389.4, 390.5

**384.85 Records — accounts — deposits.**

1. The governing body of each city utility, combined utility system, city enterprise, or combined city enterprise being operated on a revenue producing basis shall maintain a proper system of books, records, and accounts.

2. The gross revenues of each city utility, combined utility system, city enterprise, or combined city enterprise must be deposited with the treasurer of the governing body and kept by the treasurer in a separate account apart from the other funds of the city and from each other. The treasurer shall apply the gross revenues of each city utility, combined utility system, city enterprise, or combined city enterprise only as ordered by the governing body and in strict compliance with such orders, including the provisions, terms, conditions, and covenants of any and all resolutions of the governing body pursuant to which revenue bonds

or pledge orders are issued and outstanding. If the council is the governing body, it may designate another city officer to serve as treasurer.

[C97, §748; S13, §741-w2, 748; C24, 27, 31, 35, 39, §**5902, 6158;** C46, 50, 54, 58, 62, 66, 71, 73, §384.3(12), 398.9; C75, 77, 79, 81, §384.85]

Referred to in §26.9, 357A.11, 357E.11A, 389.4, 390.5

**384.86 Pledge valid and effective.**

The pledge of any net revenues of a city utility, combined utility system, city enterprise, or combined city enterprise is valid and effective as to all persons and other governmental bodies when it becomes valid and effective between the city and the holders of the revenue bonds or pledge orders.

[C75, 77, 79, 81, §384.86]

Referred to in §26.9, 357A.11, 357E.11A, 389.4, 390.5

**384.87 Payable from revenues.**

Revenue bonds and pledge orders are payable both as to principal and interest solely out of the portion of the net revenues of the city utility, combined utility system, city enterprise, or combined city enterprise pledged to their payment and are not a debt of or charge against the city within the meaning of any constitutional or statutory debt limitation provision.

[C58, 62, 66, 71, 73, §386B.10; C75, 77, 79, 81, §384.87]

Referred to in §26.9, 357A.11, 357E.11A, 389.4, 390.5

**384.88 Sole remedy.**

The sole remedy for a breach or default of a term of a revenue bond or pledge order is a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by this division and of the terms of the resolution authorizing the issuance of the revenue bonds or pledge orders, or to obtain the appointment of a receiver to take possession of and operate the city utility, combined utility system, city enterprise, or combined city enterprise, and to perform the duties required by this division and the terms of the resolution authorizing the issuance of the revenue bonds or pledge orders.

[C58, 62, 66, 71, 73, §386B.10; C75, 77, 79, 81, §384.88]

Referred to in §26.9, 357A.11, 357E.11A, 389.4, 390.5

**384.89 Transfer of surplus.**

The governing body of a city utility, combined utility system, city enterprise, or combined city enterprise which has on hand surplus funds, after making all deposits into all funds required by the terms, covenants, conditions, and provisions of outstanding revenue bonds, pledge orders, and other obligations which are payable from the revenues of the city utility, combined utility system, city enterprise, or combined city enterprise and after complying with all of the requirements, terms, covenants, conditions and provisions of the proceedings and resolutions pursuant to which revenue bonds, pledge orders, and other obligations are issued, may transfer such surplus funds to any other fund of the city in accordance with any rules promulgated by the city finance committee created in section 384.13 if the transfer is also approved by the city council, provided that no transfer may be made if it conflicts with any of the requirements, terms, covenants, conditions or provisions of any resolution authorizing the issuance of revenue bonds, pledge orders, or other obligations which are payable from the revenues of the city utility, combined utility system, city enterprise, or combined city enterprise which are then outstanding.

[C27, 31, 35, §6151-b1 – 6151-b3, 6151-c1; C39, §**6151.1 – 6151.4;** C46, 50, 54, 58, 62, 66, 71, 73, §397.38 – 397.41; C75, 77, 79, 81, §384.89]

Referred to in §26.9, 357E.11A, 389.4, 390.5, 437A.3, 437A.4, 437A.5, 437A.8

**384.90 Part payment from other bonds and other sources.**

This division does not prohibit or prevent a city from using funds derived from the issuance of general obligation bonds, the levy of special assessments and the issuance of special

assessment bonds, and any other source which may be properly used for such purpose, to pay a part of the cost of a project.

[C75, 77, 79, 81, §384.90]

Referred to in §26.9, 357E.11A, 389.4, 390.5

**384.91 City to pay for services.**

The city shall pay for the use of or the services provided by the city utility, combined utility system, city enterprise, or combined city enterprise as any other customer, except that the city may pay for use or service at a reduced rate or receive free use or service so long as the city complies with the provisions, terms, conditions and covenants of any and all resolutions pursuant to which revenue bonds or pledge orders are issued and outstanding.

[C75, 77, 79, 81, §384.91]

Referred to in §26.9, 357E.11A, 388.6, 389.4, 390.5

**384.92 Statute of limitation.**

No action may be brought which questions the legality of revenue bonds or the power of the city to issue revenue bonds or the effectiveness of any proceedings relating to the authorization and issuance of revenue bonds, from and after sixty days from the time the bonds are ordered issued by the city.

[C97, §913; C24, 27, 31, 35, 39, §**6264;** C46, 50, 54, 58, 62, 66, 71, 73, §408.15; C75, 77, 79, 81, §384.92]

Referred to in §26.9, 357A.11, 357E.11A, 386.7, 389.4, 390.5

**384.93 Conflicting provisions.**

The enumeration in this division of specified powers and functions is not a limitation of the powers of cities, but the provisions of this division and the procedures prescribed for exercising the powers and functions enumerated in this division control and govern in the event of any conflict with the provisions of any other section, division or chapter of the city code or with the provisions of any other law.

[C75, 77, 79, 81, §384.93]

Referred to in §26.9, 357A.11, 357E.11A, 389.4, 390.5

**384.94 Prior projects preserved.**

Projects and proceedings for the issuance of revenue bonds, pledge orders, and other temporary obligations commenced before the effective date of the city code may be consummated and completed as required or permitted by any statute or other law amended or repealed by 1972 Iowa Acts, ch. 1088, as though such repeal or amendment had not occurred, and the rights, duties, and interests flowing from such projects and proceedings remain valid and enforceable. Without limiting the foregoing, projects commenced prior to said effective date may be financed by the issuance of revenue bonds, pledge orders, and other temporary obligations under any such amended or repealed law or by the issuance of revenue bonds and pledge orders under the city code. For purposes of this section, commencement of a project includes, but is not limited to, action taken by the governing body or authorized officer to fix a date for either a hearing or an election in connection with any part of the project, and commencement of proceedings for the issuance of revenue bonds, pledge orders, and other temporary obligations includes, but is not limited to, action taken by the governing body to fix a date for either a hearing or a sale in connection with any part of such revenue bonds, pledge orders, or other temporary obligations or to order any part thereof to be issued.

[C75, 77, 79, 81, §384.94]

2007 Acts, ch 22, §73

Referred to in §26.9, 357E.11A, 389.4, 390.5

## DIVISION VI

## CONTRACT LETTING PROCEDURE

Subject to reciprocal resident bidder preference in §73A.21

**384.95 through 384.102** Repealed by 2006 Acts, ch 1017, § 41 – 43. See chapter 26.

**384.103 Bonds authorized — emergency repairs.**

1. A governing body may authorize, sell, issue, and deliver its bonds whether or not notice and hearing on the plans, specifications, form of contract, and estimated cost for the public improvement to be paid for in whole or in part from the proceeds of said bonds has been given, and whether or not a contract has been awarded for the construction of the improvement. This subsection does not apply to bonds which are payable solely from special assessment levies against benefited property.

2. *a.* When emergency repair of a public improvement is necessary and the delay of advertising and a public letting might cause serious loss or injury to the city, the chief officer or official of the governing body of the city or the governing body shall make a finding of the necessity to institute emergency proceedings under this section, and shall procure a certificate from a competent licensed professional engineer or registered architect, certifying that emergency repairs are necessary.

*b.* In that event the chief officer or official of the governing body or the governing body may accept, enter into, and make payment under a contract for emergency repairs without holding a public hearing and advertising for bids, and the provisions of chapter 26 do not apply.

[C75, 77, 79, 81, §384.103]

2006 Acts, ch 1017, §37, 42, 43; 2007 Acts, ch 126, §62; 2009 Acts, ch 100, §16, 21; 2010 Acts, ch 1061, §180

Referred to in §28E.6, 314.1, 331.341, 357A.12, 390.3

**384.104 through 384.109** Reserved.

## DIVISION VII

## INSURANCE, SELF-INSURANCE, AND RISK POOLING FUNDS

**384.110 Insurance, self-insurance, and risk pooling funds.**

A city may credit funds to a fund or funds for the purposes authorized by section 364.4, subsection 5; section 384.12, subsection 17; or section 384.24, subsection 3, paragraph "*s*". Moneys credited to the fund or funds, and interest earned on such moneys, shall remain in the fund or funds until expended for purposes authorized by section 364.4, subsection 5; section 384.12, subsection 17; or section 384.24, subsection 3, paragraph "*s*".

86 Acts, ch 1211, §25

**384.111 through 384.119** Reserved.

DIVISION VIII

DEFINITIONS

**384.120 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

# CHAPTER 385

RESERVED

# CHAPTER 386

## SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICTS

Referred to in §376.1


386.1 Definitions.
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386.10 Debt service tax.
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386.13 Parking fee abatements.
386.14 Independent provisions.


**386.1 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. *"Cost"* of any improvement or self-liquidating improvement includes construction contracts and the cost of engineering, architectural, technical, and legal services, preliminary reports, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential damages or costs, easements, rights-of-way, supervision, inspection, testing, publications, printing and sale of bonds, interest during construction and for not more than six months thereafter, and provisions for contingencies.

3. *"District"* means a self-supported municipal improvement district which may be created and the property therein taxed in accordance with this chapter.

4. *"Improvement"* means any of the following:

*a.* All or any part of a city enterprise as defined in section 384.24, subsection 2.

*b.* Public improvements as defined in section 384.37, subsection 19.

*c.* Those structures, properties, facilities or actions, the acquisition, construction, improvement, installation, reconstruction, enlargement, repair, equipping, purchasing, or taking of which would constitute an essential corporate purpose or general corporate purpose as defined in section 384.24, subsections 3 and 4.

5. *"Property"* means real property as defined in section 4.1, subsection 13, and in section 427A.1, subsection 1, paragraph *"h"*.

6. *"Property owner"* or *"owner"* means the owner of property, as shown by the transfer books in the office of the county auditor of the county in which the property is located.

7. *"Self-liquidating improvement"* means any facility or property proposed to be leased in

whole or in part to any person or governmental body to further the corporate purposes of the city and:

*a.* To aid in the commercial development of the district.

*b.* To further the purposes of the districts; or

*c.* Not substantially reduce the city's property tax base.

8. The use of the conjunctive *"and"* includes the disjunctive *"or"* and the use of the disjunctive *"or"* includes the conjunctive *"and"*, unless the context clearly indicates otherwise.

9. All definitions in section 362.2 are incorporated by reference as a part of this chapter, except as provided in subsection 5.

[C77, 79, 81, §386.1]

84 Acts, ch 1179, §1; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201

**386.2 Authorization.**

A city which proposes to create a district, to provide for its existence and operation, to provide for improvements or self-liquidating improvements for the district, to authorize and issue bonds for the purposes of the district, and to levy the taxes authorized by this chapter must do so in accordance with the provisions of this chapter.

[C77, 79, 81, §386.2]

**386.3 Establishment of district.**

1. Districts may be created by action of the council in accordance with the provisions of this chapter. A district shall:

*a.* Be comprised of contiguous property wholly within the boundaries of the city. A self-supported municipal improvement district shall be comprised only of property in districts which are zoned for commercial or industrial uses and properties within a duly designated historic district.

*b.* Be given a descriptive name containing the words "self-supported municipal improvement district".

*c.* Be comprised of property related in some manner, including but not limited to present or potential use, physical location, condition, relationship to an area, or relationship to present or potential commercial or other activity in an area, so as to be benefited in any manner, including but not limited to a benefit from present or potential use or enjoyment of the property, by the condition, development or maintenance of the district or of any improvement or self-liquidating improvement of the district, or be comprised of property the owners of which have a present or potential benefit from the condition, development or maintenance of the district or of any improvement or self-liquidating improvement of the district.

2. The council shall initiate proceedings for establishing a district upon the filing with its clerk of a petition containing:

*a.* The signatures of at least twenty-five percent of all owners of property within the proposed district. These signatures must together represent ownership of property with an assessed value of twenty-five percent or more of the assessed value of all of the property in the proposed district.

*b.* A description of the boundaries of the proposed district or a consolidated description of the property within the proposed district.

*c.* The name of the proposed district.

*d.* A statement of the maximum rate of tax that may be imposed upon property within the district. The maximum rate of tax may be stated in terms of separate maximum rates for the debt service tax, the capital improvement fund tax, and the operation tax, or in terms of a maximum combined rate for all three.

*e.* The purpose of the establishment of the district, which may be stated generally, or in terms of the relationship of the property within the district or the interests of the owners of property within the district, or in terms of the improvements or self-liquidating improvements proposed to be developed for the purposes of the district, either specific

improvements, self-liquidating improvements, or general categories of improvements, or any combination of the foregoing.

*f.* A statement that taxes levied for the self-supported improvement district operation fund shall be used for the purpose of paying maintenance expenses of improvements or self-liquidating improvements for a specified length of time, along with any options to renew, if the taxes are to be used for this maintenance purpose.

3. *a.* The council shall notify the city planning commission upon the receipt of a petition. It shall be the duty of the city planning commission to make recommendations to the council in regard to the proposed district. The city planning commission shall, with due diligence, prepare an evaluative report for the council on the merit and feasibility of the project. The council shall not hold its public hearings or take further action on the establishment of the district until it has received the report of the city planning commission. In addition to its report, the commission may, from time to time, recommend to the council amendments and changes relating to the project.

*b.* If no city planning commission exists, the council shall notify the metropolitan or regional planning commission upon receipt of a petition, and such commission shall have the same duties as the city planning commission set forth in this subsection. If no planning commission exists, the council shall notify the zoning commission upon receipt of a petition, and such commission shall have the same duties as the city planning commission set forth in this subsection. If no planning or zoning commission exists, the council shall call a hearing on the establishment of a district upon receipt of a petition.

4. Upon the receipt of the commission's final report the council shall set a time and place for a meeting at which the council proposes to take action for the establishment of the district, and shall publish notice of the meeting as provided in section 362.3, and the clerk shall send a copy of the notice by certified mail not less than fifteen days before the meeting to each owner of property within the proposed district at the owner's address as shown by the records of the county auditor. If a property is shown to be in the name of more than one owner at the same mailing address, a single notice may be mailed addressed to all owners at that address. Failure to receive a mailed notice is not grounds for objection to the council's taking any action authorized in this chapter.

5. In addition to the time and place of the meeting for hearing on the petition, the notice must state:

*a.* That a petition has been filed with the council asking that a district be established.

*b.* The name of the district.

*c.* The purpose of the district.

*d.* The property proposed to be included in the district.

*e.* The maximum rate of tax which may be imposed upon the property in the district.

6. At the time and place set in the notice the council shall hear all owners of property in the proposed district or residents of the city desiring to express their views. The council must wait at least thirty days after the public hearing has been held before it may adopt an ordinance establishing a district which must be comprised of all the property which the council finds has the relationship or whose owners have the interest described in subsection 1, paragraph "*c*". Property included in the proposed district need not be included in the established district. However, no property may be included in the district that was not included in the proposed district until the council has held another hearing after it has published and mailed the same notice as required in subsections 4 and 5 of this section on the original petition to the owners of the additional property, or has caused a notice of the inclusion of the property to be personally served upon each owner of the additional property, or has received a written waiver of notice from each owner of the additional property.

7. Adoption of the ordinance establishing a district requires the affirmative vote of three-fourths of all of the members of the council, or in cities having but three members of the council, the affirmative vote of two members. However if a remonstrance has been filed with the clerk signed by at least twenty-five percent of all owners of property within the proposed district representing ownership of property with an assessed value of twenty-five percent or more of the assessed value of all of the property in the proposed district, the adoption of the ordinance requires a unanimous vote of the council.

8. The clerk shall cause a copy of the ordinance to be filed in the office of the county recorder of each county in which any property within the district is located.

9. At any time prior to adoption of an ordinance establishing a district, the entire matter of establishing such district shall be withdrawn from council consideration if a petition objecting to establishing such district is filed with its clerk containing the signatures of at least forty percent of all owners of property within the proposed district or signatures which together represent ownership of property with an assessed value of forty percent or more of the assessed value of all property within the proposed district.

10. The adoption of an ordinance establishing a district is a legislative determination that the property within the district has the relationship or its owners have the interest required under subsection 1, paragraph *"c"* and includes all of the property within the area which has that relationship or the owners of which have that interest in the district.

11. Any resident or property owner of the city may appeal the action and the decisions of the council, including the creation of the district and the levying of the proposed taxes for the district, to the district court of the county in which any part of the district is located, within thirty days after the date upon which the ordinance creating the district becomes effective, but the action and decision of the council are final and conclusive unless the court finds that the council exceeded its authority. No action may be brought questioning the regularity of the proceedings pertaining to the establishment of a district or the validity of the district, or the propriety of the inclusion or exclusion of any property within or from the district, or the ability of the city to levy taxes in accordance with the ordinance establishing the district, after thirty days from the date on which the ordinance creating the district becomes effective.

12. The procedural steps for the petitioning and creation of the district may be combined with the procedural steps for the authorization of any improvement or self-liquidating improvement, or the procedural steps for the authorization of any tax, or any combination thereof.

13. The rate of debt service tax referred to in the petition and the ordinance creating the district shall only restrict the amount of bonds which may be issued, and shall not limit the ability of the city to levy as necessary in subsequent years to pay interest and amortize the principal of that amount of bonds.

14. The ordinance creating the district may provide for the division of all of the property within the district into two or more zones based upon a reasonable difference in the relationship of the property or the interest of its owners, whether the difference is qualitative or quantitative. The ordinance creating the district and establishing the different zones may establish a different maximum rate of tax for each zone, or may provide that the rate of tax for a zone shall be a certain set percentage of the tax levied in the zone which is subject to the highest rate of tax.

[C77, 79, 81, §386.3]

85 Acts, ch 113, §1; 88 Acts, ch 1246, §7; 2010 Acts, ch 1061, §180

Referred to in §386.4, 386.6

**386.4 Amendments to district.**

1. The ordinance creating the district may be amended and property may be added to the district and the maximum rate of taxes referred to in the ordinance may be increased at any time in the same manner and by the same procedure as for the establishment of a district. All property added to a district shall be subject to all taxes currently and thereafter levied including debt service levies for bonds previously or thereafter issued.

2. Action by the council amending the ordinance creating the district, including adding any eligible property or deleting any property within the district or changing any maximum rate of taxes, shall be by ordinance adopted by an affirmative vote of three-fourths of all of the members of the council, or in cities having but three members of the council, the affirmative vote of two members. However, if a remonstrance has been filed with the clerk signed by at least twenty-five percent of all owners of property within the district and all property proposed to be included representing ownership of property with an assessed value of twenty-five percent or more of the assessed value of all the property in the district and all

property proposed to be included, the amending ordinance must be adopted by unanimous vote of the council.

3. The clerk shall cause a copy of the amending ordinance to be filed in the office of the county recorder of each county in which any property within the district as amended is located.

4. At any time prior to council amendment of the ordinance creating the district, the entire matter of amending such ordinance shall be withdrawn from council consideration if a petition objecting to amending such ordinance is filed with its clerk containing either the signatures of at least forty percent of all owners of property within the district and all property proposed to be included or signatures which together represent ownership of property with an assessed value of forty percent or more of the assessed value of all property within the district and all property proposed to be included.

5. Any resident or property owner of the city may appeal the action or decisions of the council amending the ordinance creating the district, to the district court of the county in which any part of the district, as amended, is located, within fifteen days after the date upon which the ordinance amending the ordinance creating the district becomes effective, but the action and decision of the council are final and conclusive unless the court finds that the council exceeded its authority. No action may be brought questioning the regularity of the proceedings pertaining to the amended ordinance or the validity of the district as amended, or the propriety of the inclusion or exclusion of any property within or from the amended district, or the ability of the city to levy taxes in accordance with the ordinance establishing the district, as amended, after thirty days from the date upon which the amending ordinance becomes effective.

6. All other provisions in section 386.3 shall apply to an amended district and to the ordinance amending the ordinance creating the district with the same effect as they apply to the original district and the ordinance creating the original district.

[C77, 79, 81, §386.4]

**386.5 Dissolution.**

A district may be dissolved and terminated by action of the council rescinding the ordinance creating the district, and any subsequent ordinances amending the district, by an affirmative vote of three-fourths of all members of the council, or in cities having but three members of the council, the affirmative vote of two members. However, if a remonstrance has been filed with the clerk signed by at least twenty-five percent of all owners of property within the district representing ownership of property with an assessed value of twenty-five percent or more of the assessed value of all the property in the district, the rescission of the ordinance creating the district, and any subsequent ordinances amending the district, requires a unanimous vote of the council.

At any time prior to action of the council rescinding the ordinance creating the district, and any subsequent ordinances amending the district, the entire matter of dissolving a district shall be withdrawn from council consideration if a petition is filed with its clerk containing the signatures of at least forty percent of all owners of property within the district or signatures which together represent ownership of property with an assessed value of forty percent or more of the assessed value of all property within the district.

[C77, 79, 81, §386.5]

**386.6 Improvements.**

When a city proposes to construct an improvement the cost of which is to be paid or financed under the provisions of this chapter, it must do so in accordance with the provisions of this section, as follows:

1. The council shall initiate proceedings for a proposed improvement upon receipt of a petition signed by at least twenty-five percent of all owners of property within the district representing ownership of property with an assessed value of twenty-five percent or more of the assessed value of all the property in the district.

2. Upon the receipt of such a petition the council shall notify the city planning commission, if one exists, the metropolitan or regional planning commission, if one exists,

or the zoning commission, if one exists, in the order set forth in section 386.3, subsection 3. Upon notification by the council, the commission shall prepare an evaluative report for the council on the merit and feasibility of the improvement and carry out all other duties as set forth in section 386.3, subsection 3. If no planning or zoning commission exists, the council shall call a hearing on a proposed improvement upon receipt of a petition.

3. Upon the receipt of the commission's report the council shall set a time and place of meeting at which the council proposes to take action on the proposed improvement and shall publish and mail notice as provided in section 386.3, subsections 4 and 5.

4. The notice must include a statement that an improvement has been proposed, the nature of the improvement, the source of payment of the cost of the improvement, and the time and place of hearing.

5. At the time and place set in the notice the council shall hear all owners of property in the district or residents of the city desiring to express their views. The council must wait at least thirty days after the public hearing has been held before it may take action to order construction of the improvement. The provisions of section 386.3, subsections 7 and 9, relating to the adoption of the ordinance establishing a district, the requisite vote therefor, the remonstrance thereto and the withdrawal of the entire matter from council consideration apply to the adoption of the resolution ordering the construction of the improvement.

6. If the council orders the construction of the improvement, it shall proceed to let contracts therefor in accordance with chapter 26.

7. The adoption of a resolution ordering the construction of an improvement is a legislative determination that the proposed improvement is in furtherance of the purposes of the district and that all property in the district will be affected by the construction of the improvement, or that all owners of property in the district have an interest in the construction of the improvement.

8. Any resident or property owner of the city may appeal the action or decisions of the council ordering the construction of the improvement to the district court of the county in which any part of the district is located within thirty days after the adoption of the resolution ordering construction of the improvement, but the action and decisions of the council are final and conclusive unless the court finds that the council exceeded its authority. No action may be brought questioning the regularity of the proceedings pertaining to the ordering of the construction of an improvement, or the right of the city to apply moneys in the capital improvement fund referred to in this chapter to the payment of the costs of the improvement, or the right of the city to issue bonds referred to in this chapter for the payment of the costs of the improvement, or the right of the city to levy taxes which with any other taxes authorized by this chapter do not exceed the maximum rate of tax that may be imposed upon property within the district for the payment of principal of and interest on bonds issued to pay the costs of the improvement, after thirty days from the date of adoption of the resolution ordering construction of the improvement.

9. The procedural steps contained in this section may be combined with the procedural steps for the petitioning and creation of the district or the procedural steps for the authorization of any tax or any combination thereof.

[C77, 79, 81, §386.6]

2007 Acts, ch 144, §19

Referred to in §386.7, 386.13

**386.7 Self-liquidating improvements.**

When a city proposes to construct a self-liquidating improvement, the cost of which is to be paid or financed under the provisions of this chapter, it must do so in accordance with the provisions of this section as follows:

1. Section 386.6, subsections 1 to 5 are applicable to a self-liquidating improvement to the same extent as they are applicable to an improvement and the proceedings initiating a self-liquidating improvement shall be governed thereby.

2. Before the council may order the construction of a self-liquidating improvement, and after hearing thereon, it must find that the self-liquidating improvement and the leasing of a

part or the whole of it to any person or governmental body will further the corporate purposes of the city and will:

*a.* Aid in the commercial development of the district.

*b.* Further the interests of the district; or

*c.* Not substantially reduce the city's property tax base.

3. If the council orders the construction of the self-liquidating improvement, contracts for it shall be let in accordance with chapter 26.

4. The adoption of a resolution ordering the construction of a self-liquidating improvement is a legislative determination that the proposed self-liquidating improvement and the leasing of a part or the whole of it to any person or governmental body will further the corporate purposes of the city and will:

*a.* Aid in the commercial development of the district.

*b.* Further the interests of the district; or

*c.* Not substantially reduce the city's property tax base.

5. A city may lease any or all of a self-liquidating improvement to any person or governmental body.

6. A city may issue revenue bonds payable from the income and receipts derived from the self-liquidated improvement. Chapter 384, division V applies to revenue bonds for self-liquidating improvements and the term *"city enterprise"* as used in that division shall be deemed to include self-liquidating improvements authorized by this chapter.

7. Any resident or property owner of the city may appeal a decision of the council to order the construction of a self-liquidating improvement or to lease any or all of a self-liquidating improvement to the district court of the county in which any part of the district is located, within thirty days after the adoption of the resolution ordering the self-liquidating improvement, but the action of the council is final and conclusive unless the court finds that the council exceeded its authority.

8. No action may be brought questioning the regularity of the proceedings pertaining to the ordering of the construction of a self-liquidating improvement after thirty days from the date of adoption of the resolution ordering construction of the self-liquidating improvement. No action may be brought questioning the regularity of the proceedings pertaining to the leasing of any or all of a self-liquidating improvement after thirty days from the date of the adoption of a resolution approving the proposed lease. In addition to the limitation contained in section 384.92, no action may be brought which questions the legality of revenue bonds or the power of the city to issue revenue bonds or the effectiveness of any proceedings relating to the authorization and issuance of revenue bonds relating to a self-liquidating improvement after thirty days from the time the bonds are ordered issued by the city.

9. The procedural steps contained in this section may be combined with the procedural steps for the petitioning and creation of the district.

[C77, 79, 81, §386.7]

89 Acts, ch 83, §50; 2007 Acts, ch 144, §20

**386.8 Operation tax.**

A city may establish a self-supported improvement district operation fund, and may certify taxes not to exceed the rate limitation as established in the ordinance creating the district, or any amendment thereto, each year to be levied for the fund against all of the property in the district, for the purpose of paying the administrative expenses of the district, which may include but are not limited to administrative personnel salaries, a separate administrative office, planning costs including consultation fees, engineering fees, architectural fees, and legal fees and all other expenses reasonably associated with the administration of the district and the fulfilling of the purposes of the district. The taxes levied for this fund may also be used for the purpose of paying maintenance expenses of improvements or self-liquidating improvements for a specified length of time with one or more options to renew if such is clearly stated in the petition which requests the council to authorize construction of the improvement or self-liquidating improvement, whether or not such petition is combined with the petition requesting creation of a district. Parcels of property which are assessed as residential property for property tax purposes are exempt from the tax levied under this

section except residential properties within a duly designated historic district. A tax levied under this section is not subject to the levy limitation in section 384.1.

[C77, 79, 81, §386.8]
85 Acts, ch 113, §2

**386.9 Capital improvement tax.**

A city may establish a capital improvement fund for a district and may certify taxes, not to exceed the rate established by the ordinance creating the district, or any subsequent amendment thereto, each year to be levied for the fund against all of the property in the district, for the purpose of accumulating moneys for the financing or payment of a part or all of the costs of any improvement or self-liquidating improvement. However, parcels of property which are assessed as residential property for property tax purposes are exempt from the tax levied under this section except residential properties within a duly designated historic district. A tax levied under this section is not subject to the levy limitations in section 384.1 or 384.7.

[C77, 79, 81, §386.9]
85 Acts, ch 113, §3
Referred to in §386.12

**386.10 Debt service tax.**

A city shall establish a self-supported municipal improvement district debt service fund whenever any self-supported municipal improvement district bonds are issued and outstanding, other than revenue bonds, and shall certify taxes to be levied against all of the property in the district for the debt service fund in the amount necessary to pay interest as it becomes due and the amount necessary to pay, or to create a sinking fund to pay, the principal at maturity of all self-supported municipal improvement district bonds as authorized in section 386.11, issued by the city. However, parcels of property which are assessed as residential property for property tax purposes at the time of the issuance of the bonds are exempt from the tax levied under this section until the parcels are no longer assessed as residential property or until the residential properties are designated as a part of an historic district.

[C77, 79, 81, §386.10]
85 Acts, ch 113, §4
Referred to in §386.11

**386.11 Self-supported municipal improvement district bonds.**

1. A city may issue and sell self-supported municipal improvement district bonds at public or private sale payable from taxes which must be levied in accordance with chapter 76. The bonds are payable from the levy of unlimited ad valorem taxes on all the taxable property within the district through the district debt service fund authorized by section 386.10. When self-supported municipal improvement district bonds are issued and taxes are levied in accordance with chapter 76, the taxes shall continue to be levied, until the bonds and interest thereon are paid in full, against all of the taxable property that was included in the district at the time of the issuance of the bonds, regardless of any subsequent removal of any property from the district or the dissolution of the district.

2. The proceeds of the sale of the bonds may be used to pay any or all of the costs of any improvement, or be used to pay any legal indebtedness incurred for the cost of any improvement including bonds or warrants previously issued to pay the costs of an improvement, or bonds may be exchanged for the evidences of such legal indebtedness.

3. Before the council may institute proceedings for the issuance of bonds, it shall proceed in the same manner as is required for the institution of proceedings for the issuance of bonds for an essential corporate purpose as provided in section 384.25, subsection 2 and all of the provisions of that subsection apply to bonds issued pursuant to this section.

4. A city may issue bonds authorized by this section pursuant to a resolution adopted at a regular or special meeting by an affirmative vote of a majority of the total members to which the council is entitled. The proceeds of a single bond issue may be used for various improvements.

5. The provisions of sections 384.29, 384.30, and 384.31 apply to bonds issued pursuant to this section, except that the bonds shall be designated "municipal improvement district bonds".

6. No action may be brought which questions the legality of bonds issued pursuant to this section or the power of a city to issue the bonds or the effectiveness of any proceedings relating to the authorization and issuance of the bonds after thirty days from the time the bonds are ordered issued by the city.

[C77, 79, 81, §386.11]

Referred to in §386.10, 386.12

**386.12 Payment for improvements.**

The costs of improvements may be paid from any of the following sources or a combination thereof:

1. The capital improvement fund referred to in section 386.9.

2. The proceeds of bonds referred to in section 386.11.

3. Any other funds of the city which are legally available to pay all or a portion of the cost of an improvement. The fact that an improvement is initiated under the provisions of this chapter, or any of the costs of an improvement or any part of an improvement are being paid under the provisions of this chapter, shall not preclude the city from paying any costs of an improvement from any fund from which it might otherwise have been able to pay such costs. In addition, and not in limitation of the foregoing, any improvement which constitutes an essential corporate purpose or a general corporate purpose as defined in section 384.24, subsections 3 and 4, may be financed in whole or in part with the proceeds of the issuance of general obligation bonds of the city pursuant to the provisions of chapter 384, division III.

4. Payment for the costs of an improvement may also be made in warrants drawn on any fund from which payment for the improvement may be made. If such funds are depleted, anticipatory warrants may be issued bearing a rate of interest not exceeding that permitted by chapter 74A, which do not constitute a violation of section 384.10, even if the collection of taxes or income from the sale of bonds applicable to the improvement is after the end of the fiscal year in which the warrants are issued. If the city arranges for the private sale of anticipatory warrants, they may be sold and the proceeds used to pay the costs of the improvement. Such warrants may be used to pay other persons furnishing services constituting a part of the cost of the improvement.

[C77, 79, 81, §386.12]

**386.13 Parking fee abatements.**

A city may apply moneys in the operation fund of the district to prepay parking fees at any city parking facility located in or used in conjunction with the district but only after notice and hearing as required by section 386.6. The authority to prepay such fees shall exist only for the period of time set out in the notice to owners and in the resolution of the council authorizing the application of funds for that purpose. Upon the application of sufficient amounts of prepaid fees, the city need not charge individual users of the parking facility. Before adopting a resolution authorizing the application of funds for such purpose, the council must find that the application will further the purposes of the district, including but not limited to increasing the commercial activity in the district.

[C77, 79, 81, §386.13]

**386.14 Independent provisions.**

The provisions of this chapter with respect to notice, hearing and appeal for the construction of improvements and self-liquidating improvements and the issuance and sale of bonds are in lieu of the provisions contained in chapters 73A and 75, or any other law, unless specifically referred to and made applicable by this chapter.

[C77, 79, 81, §386.14]

# CHAPTERS 386A to 387

RESERVED

# CHAPTER 388

## CITY UTILITIES

Referred to in §12C.1, 26.2, 358.20, 362.1, 362.9, 376.1, 384.80, 384.81, 384.84, 392.1, 392.3, 437A.4, 437A.5, 716.6B

Legislative intent regarding cable communications or television, telephone, and telecommunications systems or services; 99 Acts, ch 63, §1


388.1 Definitions.
388.2 Submission to voters.
388.3 Procedure upon approval.
388.4 Utility board.
388.5 Control of tax revenues.
388.6 Discrimination in rates.
388.7 Prior utility board.
388.8 Easement continuance.
388.9 Competitive information.
388.9A Customer records.
388.10 Municipal utility providing telecommunications services.


**388.1 Definitions.**

As used in this chapter:

1. *"Combined utility system"* means the same as defined in section 384.80.

2. *"Utility board"* or *"board"* means a board of trustees established to operate a city utility, city utilities, or a combined utility system. A single utility board may operate more than one city utility even though such city utilities are not a combined utility system.

[C75, 77, 79, 81, §388.1]

**388.2 Submission to voters.**

1. *a.* The proposal of a city to establish, acquire, lease, or dispose of a city utility, except a sanitary sewage or storm water drainage system, in order to undertake or to discontinue the operation of the city utility, or the proposal to establish or dissolve a combined utility system, or the proposal to establish or discontinue a utility board, is subject to the approval of the voters of the city, except that a board may be discontinued by resolution of the council when the city utility, city utilities, or combined utility system it administers is disposed of or leased for a period of over five years.

*b.* Upon the council's own motion, the proposal may be submitted to the voters at the general election, the regular city election, or at a special election called for that purpose. Upon receipt of a valid petition as defined in section 362.4, requesting that a proposal be submitted to the voters, the council shall submit the proposal at the next regular city election.

*c.* If the special election is to establish a gas or electric utility pursuant to this section, or if such a proposal is to be included on the ballot at the regular city or general election, the mayor or council shall give notice as required by section 376.1 to the county commissioner of elections and to any utility whose property would be affected by such election not less than sixty days before the proposed date of the special, regular city, or general election.

*d.* A proposal for the establishment of a utility board must specify a board of either three or five members.

2. *a.* If a majority of those voting for and against the proposal approves the proposal, the city may proceed as proposed.

*b.* If a majority of those voting for and against the proposal does not approve the proposal,

the same or a similar proposal may not be submitted to the voters of the city for at least four years from the date of the election at which the proposal was defeated.

[C73, §471; C97, §720, 721; S13, §720, 721; C24, 27, 31, 35, 39, §**6131 – 6133, 6144;** C46, 50, 54, 58, §397.5 – 397.7, 397.29; C62, 66, 71, 73, §397.5 – 397.7, 397.29, 397.43; C75, 77, 79, 81, §388.2]

90 Acts, ch 1206, §4; 2007 Acts, ch 215, §109, 110

Referred to in §476.29, 476.55

**388.3 Procedure upon approval.**

If a proposal to establish a utility board receives a favorable majority vote, the mayor shall appoint the board members, as provided in the proposal, subject to the approval of the council. The council shall by resolution provide for staggered six-year terms for, and shall set the compensation of, board members.

A board member appointed to fill a vacancy occurring by reason other than the expiration of a term is appointed for the balance of the unexpired term.

A public officer or a salaried employee of the city may not serve on a utility board.

[C97, §747; S13, §747-a, -b; C24, 27, §6147, 6148, 6157; C31, 35, §6147, 6148, 6157, 6943-c1, -c2, -c3; C39, §**6147, 6148, 6157, 6943.001 – 6943.003;** C46, 50, 54, 58, 62, 66, 71, 73, §397.32, 397.33, 398.8, 420.297 – 420.299; C75, 77, 79, 81, §388.3]

**388.4 Utility board.**

The title of a utility board must be appropriate to the city utility, city utilities, or combined utility system administered by the board. A utility board may be a party to legal action. A utility board may exercise all powers of a city in relation to the city utility, city utilities, or combined utility system it administers, with the following exceptions:

1. A board may not certify taxes to be levied, pass ordinances or amendments, or issue general obligation or special assessment bonds.

2. The title to all property of a city utility or combined utility system must be held in the name of the city, but the utility board has all the powers and authorities of the city with respect to the acquisition by purchase, condemnation, or otherwise, lease, sale, or other disposition of such property, and the management, control, and operation of the same, subject to the requirements, terms, covenants, conditions, and provisions of any resolutions authorizing the issuance of revenue bonds, pledge orders, or other obligations which are payable from the revenues of the city utility or combined utility system, and which are then outstanding.

3. A board shall make to the council a detailed annual report, including a complete financial statement.

4. Immediately following a regular or special meeting of a utility board, the secretary shall prepare a condensed statement of the proceedings of the board and cause the statement to be published in a newspaper of general circulation in the city. The statement must include a list of all claims allowed, showing the name of the person or firm making the claim, the reason for the claim, and the amount of the claim. If the reason for the claims is the same, two or more claims made by the same vendor, supplier, or claimant may be consolidated if the number of claims consolidated and the total consolidated claim amount are listed in the statement. However, the utility board shall provide at its office upon request an unconsolidated list of all claims allowed. Salary claims must show the gross amount of the claim except that salaries paid to persons regularly employed by the utility, for services regularly performed by them, must be published once annually showing the gross amount of the salary. In cities having more than one hundred fifty thousand population, the utility board shall each month prepare in pamphlet form the statement herein required for the preceding month and furnish copies to the city library, the daily newspapers of the city, the city clerk, and to persons who apply at the office of the secretary, and the pamphlet shall constitute publication as required. Failure by the secretary to make publication is a simple misdemeanor.

[S13, §1056-a7, -c24; C24, §5678, 6149; C27, 31, 35, §5676-a2, 6149, 6159-a1; C39, §**5676.2, 6149, 6159.1;** C46, 50, §363.52, 397.34, 398.11; C54, 58, 62, 66, 71, 73, §368A.7, 368A.24, 397.34, 398.11; C75, 77, 79, 81, §388.4]

2006 Acts, ch 1018, §6

**388.5 Control of tax revenues.**

A utility board shall control tax revenues allocated to the city utility, city utilities, or combined utility system it administers and all moneys derived from the operation of the city utility, city utilities, or combined utility system, the sale of utility property, interest on investments, or from any other source related to the city utility, city utilities, or combined utility system.

All city utility moneys received must be held in a separate utility fund, with a separate account or accounts for each city utility or combined utility system. If a board administers a municipal utility or combined utility system, moneys may be paid out of that utility account only at the direction of the board.

[C97, §748; C13, §741-b, 748; C24, 27, 31, 35, 39, §**5676, 6158;** C46, 50, §363.50, 398.9; C54, 58, 62, 66, 71, 73, §368A.6, 398.9; C75, 77, 79, 81, §388.5]

**388.6 Discrimination in rates.**

A city utility or a combined utility system may not provide use or service at a discriminatory rate, except to the city or its agencies, as provided in section 384.91.

[C75, 77, 79, 81, §388.6]

**388.7 Prior utility board.**

A utility board functioning on the effective date of the city code shall continue to function until discontinued as provided in this chapter, and has all the powers granted in this chapter.

Nothing in the city code shall be construed to allow the abrogation of any franchise.

[C75, 77, 79, 81, §388.7]

**388.8 Easement continuance.**

If a city exercised a right to an easement on property before January 1, 1950, for the establishment of water, sewer, or gas or power lines, the city has acquired the right to exercise a continuing easement on that property to the extent necessary for repair and maintenance of those lines.

[81 Acts, ch 129, §1]

**388.9 Competitive information.**

1. Notwithstanding section 21.5, subsection 1, the governing body of a city utility or combined utility system, or a city enterprise or combined city enterprise as defined in section 384.80, by a vote of two-thirds of the members of the body or all of the members present at the meeting, may hold a closed session to discuss marketing and pricing strategies or proprietary information if its competitive position would be harmed by public disclosure not required of potential or actual competitors, and if no public purpose would be served by such disclosure. The minutes and a tape recording of a session closed under this subsection shall be available for public examination at that point in time when the public disclosure would no longer harm the utility's competitive position.

2. *a.* Notwithstanding section 22.2, subsection 1, public records of a city utility or combined utility system, or a city enterprise or combined city enterprise as defined in section 384.80, which shall not be examined or copied as of right, include proprietary information, records of customer names and accounts, records associated with marketing or pricing strategies, preliminary working papers, spreadsheet scenarios, and cost data, if the competitive position of the city utility, combined utility system, city enterprise, or combined city enterprise would be harmed by public disclosure not required of a potential or actual competitor, and if no public purpose would be served by such disclosure. A public record not subject to examination or copying under this subsection shall be available for public examination and copying at that point in time when public disclosure would no longer harm the competitive position of the city utility, combined utility system, city enterprise, or combined city enterprise.

*b.* For purposes of this subsection, "*proprietary information*" includes customer records that if disclosed would harm the competitive position of a customer; or information required by a noncustomer contracting party to be kept confidential pursuant to a nondisclosure

agreement which relates to electric transmission planning and construction, critical energy infrastructure, an ownership interest or acquisition of an ownership interest in an electric generating facility, or other information made confidential by law or rule.

99 Acts, ch 63, §3, 8; 2008 Acts, ch 1126, §16, 33

Referred to in §388.10

Legislative intent; 99 Acts, ch 63, §1

**388.9A Customer records.**

Notwithstanding section 22.2, subsection 1, public records of a city utility or combined utility system, or a city enterprise or combined city enterprise as defined in section 384.80, which shall not be examined or copied as of right, include private customer information. Except as required pursuant to chapter 476, *"private customer information"* includes information identifying a specific customer and any record of a customer account, including internet-based customer account information.

2012 Acts, ch 1010, §2

**388.10 Municipal utility providing telecommunications services.**

1. *a.* A city that owns or operates a municipal utility providing telecommunications services or such a municipal utility shall not do, directly or indirectly, any of the following:

(1) Use general fund moneys for the ongoing support or subsidy of a telecommunications system.

(2) Provide any city facilities, equipment, or services to provide telecommunications systems or services at a cost for such facilities, equipment, or services which is less than the reasonable cost of providing such city facilities, equipment, or services.

(3) Provide any other city service, other than a communications service, to a telecommunications customer at a cost which is less than would be paid by the same person receiving such other city service if the person was not a telecommunications customer.

(4) Use funds or revenue generated from electric, gas, water, sewage, or garbage services provided by the city for the ongoing support of any city telecommunications system.

*b.* For purposes of this section:

(1) *"Telecommunications system"* means a system that provides telecommunications services.

(2) *"Telecommunications services"* means the retail provision of any of the following services:

(a) Local exchange telephone services.

(b) Long distance telephone services.

(c) Internet access services.

(d) Cable television services.

2. A city that owns or operates a municipal utility providing telecommunications services or such a municipal utility shall do the following:

*a.* Prepare and maintain records which record the full cost accounting of providing telecommunications services. The records shall show the amount and source of capital for initial construction or acquisition of the telecommunications system or facilities. The records shall be public records subject to the requirements of chapter 22. Information in the records that is not subject to examination or copying as provided in section 388.9, subsection 2, may be expunged from the records prior to public disclosure. This section shall not prohibit a municipal utility from utilizing capital from any lawful source, provided that the reasonable cost of such capital is accounted for as a cost of providing the service. In accounting for the cost of use of any city employees, facilities, equipment, or services, a city or municipal utility may make a reasonable allocation of the cost of use of any city employees, facilities, equipment, or services used by the municipal utility based upon reasonable criteria for the distribution of the cost of use in any manner which is not inconsistent with generally accepted accounting principles.

*b.* Adopt rates for the provision of telecommunications services that reflect the actual cost of providing the telecommunications services. However, this paragraph shall not prohibit the

municipal utility from establishing market-based prices for competitive telecommunications services.

*c.* Be subject to all requirements of the city which would apply to any other provider of telecommunications services in the same manner as such requirements would apply to such other provider. For purposes of cable television services, a city that is in compliance with section 364.3, subsection 7, shall be considered in compliance with this paragraph.

*d.* Make an annual certification of compliance with this section. For any year in which the city or municipal utility is not audited in accordance with section 11.6, the city or municipal utility shall contract with or employ the auditor of state or a certified public accountant certified in the state of Iowa to attest to the certification. The attestation report shall be a public record for purposes of chapter 22.

3. This section shall not prohibit the marketing or bundling of other products or services, in addition to telecommunications services. However, a city shall include on a billing statement sent to a person receiving services from the city, a separate charge for each service provided to the person. This subsection does not prohibit the city from also including on the billing statement a total amount to be paid by the person.

4. This section shall not apply to telecommunications services provided directly by a municipal airport.

99 Acts, ch 63, §4, 8; 2004 Acts, ch 1022, §2, 3; 2004 Acts, ch 1048, §2
Referred to in §11.6, 477A.1, 477A.7
Legislative intent; 99 Acts, ch 63, §1

# CHAPTER 389

## JOINT WATER UTILITIES

Referred to in §28F.1, 376.1, 427.1(28), 476.1, 716.6B


389.1 Definitions.
389.2 Submission to voters.
389.3 Powers and duties.
389.4 Financing.
389.5 Construction.


### 389.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. *"Joint water utility"* means a water utility established by two or more cities which owns or operates or proposes to finance the purchase or construction of all or part of a water supply system or the capacity or use of a water supply system pursuant to this chapter. A water supply system includes all land, easements, rights-of-way, fixtures, equipment, accessories, improvements, appurtenances, and other property necessary or useful for the operation of the system.

2. *"Joint water utility board"* means the board of trustees established to operate a joint water utility.

3. *"Project"* means any works or facilities useful or necessary for the operation of a joint water utility.

91 Acts, ch 168, §2

### 389.2 Submission to voters.

A joint water utility may be established by two or more cities. A proposal to establish a joint water utility or to join an existing joint water utility may be submitted to the voters of a city by the city council upon its own motion, or upon receipt of a valid petition pursuant to section 362.4.

1. If the proposal is to establish a joint water utility, the proposal shall be submitted to the voters of each city proposing to establish the joint water utility. If a majority of the electorate in each of at least two cities approves the proposal, the cities approving the proposal may establish a joint water utility.

2. If the proposal is to join an existing joint water utility, the proposal must first be submitted to the joint water utility board for its approval. If the proposal is approved by the board, the proposal shall be submitted to the electorate of the city wishing to join. The proposal must receive a majority affirmative vote for passage.

91 Acts, ch 168, §3; 2010 Acts, ch 1061, §156

**389.3 Powers and duties.**

1. Upon adoption of a proposal to establish a joint water utility, the member cities shall establish a joint water utility board, consisting of at least five members. The mayors of the participating cities shall appoint the members, subject to the approval of the city councils, and at least one member shall be appointed from each participating city. The board shall be responsible for the planning and operation of a joint water utility, subject to the provisions of this chapter.

2. A joint water utility is a political subdivision and an instrumentality of municipal government. The statutory powers, duties, and limitations conferred upon a city utility apply to a joint water utility, except that title to property of a joint water utility may be held in the name of the joint water utility. The joint water utility board shall have all powers and authority of a city with respect to property which is held by the joint water utility. A joint water utility shall have the power of eminent domain, including the powers, duties, and limitations conferred upon a city in chapters 6A and 6B, for the purposes of constructing and operating a joint water utility.

3. The joint water utility board may purchase or construct all or part of any water supply system, and may finance the purchase or construction. The board may also contract to sell all or part of the joint water utility's water supply, including any surplus, to a public or private agency, or an entity created to carry out an agreement authorizing the joint exercise of any of the governmental powers enumerated in section 28F.1. The board may contract for the purchase, from any source, of all or a portion of the water supply requirements of the joint water facility. A contract may include provisions for the payment for capacity or output of a facility whether the facility is completed or operating, and for establishing the rights and obligations of the parties to the contract in the event of a default by any of the parties.

4. Payments made by a joint water utility pursuant to a contract shall constitute operating expenses of the joint water utility and shall be payable from the revenues derived from the operation of the joint water utility.

91 Acts, ch 168, §4; 2006 Acts, 1st Ex, ch 1001, §33, 49; 2010 Acts, ch 1061, §180

**389.4 Financing.**

A joint water utility may finance projects pursuant to chapter 28F. A city may finance its share of the cost of a project by the use of any method of financing available for city utilities, including but not limited to sections 384.23 through 384.36 and sections 384.80 through 384.94.

If a project is financed by a joint water utility, revenues derived from the project shall be deemed to be revenues of the joint water utility for all purposes including the issuance and payment of bonds secured by or payable from the revenues of the joint water utility. If a project is financed by member cities of a joint water utility, the revenues derived from the project shall be deemed to be revenues of the city or city utility for all purposes including the issuance and payment of bonds secured by or payable from the revenues of the city or city utility.

91 Acts, ch 168, §5

**389.5 Construction.**

This chapter being necessary for the public health, public safety, and general welfare, shall be liberally construed to effectuate its purposes. This chapter shall be construed as providing a separate and independent method for accomplishing its purposes, and shall take precedence over any contrary provision of the law.

91 Acts, ch 168, §6

# CHAPTER 390

## JOINT ELECTRICAL UTILITIES

Referred to in §376.1, 476.23

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JOINT ELECTRICAL UTILITIES

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390.2 Additional power.
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## SUBCHAPTER I

## JOINT ELECTRICAL UTILITIES

**390.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Acquisition"* of a joint facility includes the purchase, lease, construction, reconstruction, extension, remodeling, improvement, repair, and equipping of the joint facility.

2. *"City"* means a municipal corporation, but not including a county, township, school district or special purpose district or authority.

3. *"City utility"* has the same meaning provided in section 362.2, subsection 6, and includes a *"combined utility system"*, as defined in section 384.80, which operates facilities for the generation or transmission of electric energy.

4. *"Electric cooperative"* means a cooperative association which owns and operates property for generating, purchasing, obtaining by exchange or otherwise acquiring, or transmitting electric power and energy.

5. *"Governing body"* means the public body which by law is charged with the management and control of a city utility as defined in section 384.80, subsection 5.

6. *"Joint agreement"* means an agreement of participants pursuant to the provisions of this chapter. A joint agreement may be one or more documents, and may be entitled joint agreement, agreement, contract or otherwise.

7. *"Joint facility"* means all property necessary or useful for generating, purchasing,

obtaining by exchange or otherwise acquiring, or transmitting electric power and energy, which is owned and operated pursuant to a joint agreement.

8. *"Or"* includes the conjunctive *"and"* and *"and"* includes the disjunctive *"or"*, unless the context clearly indicates otherwise.

9. *"Own"* and *"ownership"* in the case of transmission facilities, including substations and associated facilities, may include the right to the use of an amount of the capacity of the facilities, if the joint agreement so provides. *"Own"* and *"ownership"* may include a joint facility located in this state or outside this state.

10. *"Participant"* means a city, electric cooperative or privately owned utility company which is a party to a joint agreement.

[C75, 77, 79, 81, §390.1]

84 Acts, ch 1251, §1; 2012 Acts, ch 1065, §1

Referred to in §23A.2, 352.6, 390.9, 476.22

**390.2 Additional power.**

In addition to other powers conferred by the Constitution and laws of this state, any city having established a utility which operates an existing electric generating facility or distribution system may enter into and carry out joint agreements with other participants for the acquisition of ownership of an undivided interest in a joint facility and for the planning, financing, operation and maintenance of the joint facility.

[C75, 77, 79, 81, §390.2]

**390.3 Hearing — exception to general statutes.**

Before a city may enter into or amend a joint agreement, the governing body shall adopt a proposed form of agreement and give notice and conduct a public hearing on the agreement in the manner provided by sections 73A.1 to 73A.11, which action shall be subject to appeal as provided in chapter 73A.

However, in the performance of a joint agreement, the governing body is not subject to statutes generally applicable to public contracts, including hearings on plans, specifications, form of contracts, costs, notice and competitive bidding required under chapter 26 and section 384.103, unless all parties to the joint agreement are cities located within the state of Iowa.

[C75, 77, 79, 81, §390.3]

84 Acts, ch 1067, §36; 2006 Acts, ch 1017, §38, 42, 43

**390.4 Undivided joint interest.**

In substance, a joint agreement shall:

1. Provide that each participant shall own an undivided interest in the joint facility, the interest being equal to the percentage of the money furnished, value of property furnished, or services rendered by each participant toward the total cost of the joint facility, and that each participant shall own and control a like percentage of the output of the joint facility.

2. Provide that each participant shall undertake to finance its portion of the cost of planning, acquisition, operation, and maintenance of the joint facility.

3. Provide that each participant in the ownership of the joint facility shall bear all taxes, if any, chargeable to its ownership of the joint facility under statutes now or hereafter in effect.

4. Provide for the planning, financing, acquisition, operation and maintenance of the joint facility, or for any one or more of said purposes, including the cost to be contributed by each participant.

5. Provide for a uniform method of determining and allocating operation and maintenance expenses of the joint facility.

6. Provide that a participant may be liable only for its own acts with regard to the joint facility, or as principal for the acts of the manager in proportion to its percentage of ownership, and shall not be jointly or severally liable for the acts, omissions or obligations of other participants.

7. Provide that the undivided interest of a participant in the joint facility may not be charged directly or indirectly with a debt or obligation of another participant or be subject to any lien as a result thereof.

8. Provide for the management and operation of the affairs of the joint facility, and the indemnification of the manager, which may include a provision that the joint facility shall be managed and operated by one or more of the participants.

9. Provide that no participant may withdraw from the joint agreement during its duration so long as obligations payable in whole or in part from revenues derived from the operation of the joint facility, and issued by a city, are outstanding, unless prior consent is first granted by each of the other participants either in the joint agreement or otherwise.

10. Provide for the method to be employed in accomplishing the partial or complete termination of the agreement and for disposing of property and assets upon partial or complete termination. The provisions of the joint agreement for disposition of the joint facilities shall not be subject to the statutes limiting or prescribing procedure for the sale of city-owned properties.

11. Provide for the duration of the agreement. An agreement authorized by this chapter shall not be limited as to period of existence, except as may be limited by the terms of the agreement itself.

12. Include other provisions as the parties may deem necessary or appropriate with respect to the conduct of the participants, the operation or ownership of the joint facility, or the settlement of disputes.

[C75, 77, 79, 81, §390.4]

**390.5 Financing.**

A city may finance its share of the cost of a joint facility by the use of any method of financing available for city utilities under the statutes of this state, for the financing of electric generation or transmission facilities to be owned by a city in their entirety, including but not limited to the provisions of chapters 397 and 407, Code 1973, and sections 384.23 to 384.36 and sections 384.80 to 384.94 as applicable. Revenues derived by a city utility from its share of ownership or operation of a joint facility shall be deemed to be revenues of the city utility for all purposes including the issuance and payment of bonds secured by or payable from the revenues of a city utility. A joint agreement shall be deemed payable from revenues or revenue bonds of a city utility in the absence of provision to the contrary or a referendum approving the issuance of general obligation bonds.

[C75, 77, 79, 81, §390.5]

**390.6 Construction.**

This chapter being necessary for the public health, public safety and general welfare, shall be liberally construed to effectuate its purposes. This chapter shall be construed as providing a separate and independent method for accomplishing its purposes, and except as provided or necessarily implied shall not be construed as subject to or an amendment of any other law. In particular, without limiting the generality of the foregoing, no restrictions or requirements contained in this chapter shall be construed as applying to bonds issued pursuant to the provisions of chapter 419. Nothing contained in this chapter shall be construed to limit the powers and authority of privately owned utility companies or electric cooperatives under any other law.

[C75, 77, 79, 81, §390.6]

**390.7 Construction of amendments.**

The provisions of 1975 Iowa Acts, ch. 199, are retroactive in application to all joint agreements entered into and executed prior to July 1, 1975, under this chapter, on behalf of cities which, on the date of executing the agreements, operated existing electric generating or distribution facilities. However, all such joint agreements which complied with the provisions of this chapter prior to amendment by 1975 Iowa Acts, ch. 199, are also in full force and effect according to their terms, and are not rendered invalid in any respect by any provision of 1975 Iowa Acts, ch. 199.

[C77, 79, 81, §390.7]

**390.8 Equity investment in independent transmission company.**

In addition to the powers conferred upon a city elsewhere in this chapter, any city operating a city electric utility on January 1, 2003, may enter into agreements with and acquire equity interests in independent transmission companies or similar independent transmission entities in which they are participating that are approved by the federal energy regulatory commission. The purpose of such equity investments shall be to mitigate expenses incurred by the city electric utility due to its procurement of electric transmission service or to otherwise facilitate investment in transmission facilities and shall not be for general city or city utility investment purposes.

2003 Acts, ch 116, §1

**390.8A Transmission facility ownership.**

In addition to the powers conferred upon a city or electric power agency elsewhere in this chapter, a city or electric power agency may acquire ownership interest in a transmission facility, including ownership of the capacity of such facility, within this state or in any other state for the purpose of participating with other utilities in transmission to be operated by a regional transmission organization or an independent transmission operator approved by the federal energy regulatory commission. For purposes of this section, *"electric power agency"* means the same as defined in section 390.9.

2012 Acts, ch 1065, §2

SUBCHAPTER II

ELECTRIC POWER AGENCIES

**390.9 Definitions.**

For purposes of this subchapter, unless the context otherwise requires:

1. *"Electric power agency"* means an entity financing or acquiring an electric power facility pursuant to this chapter, chapter 28E, or chapter 28F. An electric power agency may be organized as a nonprofit corporation, limited liability company, or as a separate administrative or legal entity pursuant to chapter 28E. When the electric power agency is comprised solely of cities or solely of cities and other political subdivisions, the electric power agency shall be a political subdivision of the state with the name under which it was organized, and shall have all the powers of a city or city utility under this chapter.

2. *"Facility"*, *"joint facility"*, *"electric power facility"*, or *"project"* means an electric power generating plant, or transmission line or system, including a joint facility as defined in section 390.1, subsection 7.

3. *"Public bond or obligation"* means an obligation as defined in section 76.14.

2010 Acts, ch 1018, §5

Referred to in §12C.1, 390.8A, 476.1B

**390.10 Electric power agency — general authority.**

In addition to other powers conferred upon an electric power agency by chapter 28F or other applicable law, an electric power agency may enter into and carry out joint agreements with other participants for the acquisition of ownership of a joint facility and for the planning, financing, operation, and maintenance of the joint facility, as provided in this subchapter.

2001 Acts, 1st Ex, ch 4, §18, 36
CS2001, §476A.21
2010 Acts, ch 1018, §8
C2011, §390.10

**390.11 Electric power agency — authority — conflicting provisions.**

1. In addition to any powers conferred upon an electric power agency under chapter 28F or other applicable law, an electric power agency may exercise all other powers reasonably necessary or appropriate for or incidental to the effectuation of the electric power agency's

authorized purposes, including without limitation the powers enumerated in chapters 6A and 6B for purposes of constructing or acquiring an electric power facility.

2. An electric power agency, in connection with its property and affairs, and in connection with property within its control, may exercise any and all powers that might be exercised by a natural person or a private corporation in connection with similar property and affairs.

3. The enumeration of specified powers and functions of an electric power agency in this subchapter is not a limitation of the powers of an electric power agency, but the procedures prescribed for exercising the powers and functions enumerated in this subchapter control and govern in the event of any conflict with any other provision of law.

4. The authority conferred pursuant to this subchapter applies to electric power agencies, notwithstanding any contrary provisions of section 28F.1.

2001 Acts, 1st Ex, ch 4, §19, 36
CS2001, §476A.22
2010 Acts, ch 1018, §9
C2011, §390.11
Eminent domain and eminent domain procedures; chapters 6A and 6B

**390.12 Issuance of public bonds or obligations — purposes — limitations.**

1. An electric power agency may from time to time issue its public bonds or obligations in such principal amounts as the electric power agency deems necessary to provide sufficient funds to carry out any of its purposes and powers, including but not limited to any of the following:

*a.* The acquisition or construction of any project to be owned or leased by the electric power agency, or the acquisition of any interest in such project or any right to the capacity of such project, including the acquisition, construction, or acquisition of any interest in an electric power generating plant to be constructed in this state, or the acquisition, construction, or acquisition of any interest in a transmission line or system.

*b.* The funding or refunding of the principal of, or interest or redemption premiums on, any public bonds or obligations issued by the electric power agency whether or not the public bonds or obligations or interest to be funded or refunded have become due.

*c.* The establishment or increase of reserves to secure or to pay the public bonds or obligations or interest on the public bonds or obligations.

*d.* The payment of all other costs or expenses of the electric power agency incident to and necessary to carry out its purposes and powers.

2. Notwithstanding anything in this subchapter or chapter 28F to the contrary, a facility shall not be financed with the proceeds of public bonds or obligations, the interest on which is exempt from federal income tax, unless the public issuer of such public bonds or obligations covenants that the issuer shall comply with the requirements or limitations imposed by the Internal Revenue Code or other applicable federal law to preserve the tax exemption of interest payable on the bonds or obligations.

3. *a.* Notwithstanding anything in this subchapter or chapter 28F to the contrary, an electric power generating facility shall not be financed under this subchapter unless all of the following conditions are satisfied:

(1) The portion of the electric power generating facility financed by the electric power agency is not designed to serve the electric power requirements of retail customers of members that are municipal electric utilities established in the state after January 1, 2001.

(2) The electric power agency annually files with the utilities board, in a manner to be determined by the utilities board, information regarding sales from the electric power generating facility in sufficient detail to determine compliance with these provisions.

*b.* The utilities board shall report to the general assembly if any of the provisions are being violated.

2001 Acts, 1st Ex, ch 4, §20, 36
CS2001, §476A.23
2003 Acts, ch 44, §78, 79; 2010 Acts, ch 1018, §10
C2011, §390.12
2011 Acts, ch 25, §143

**390.13 Public bonds or obligations authorized by resolution of board of directors — terms.**

1. The board of directors of an electric power agency, by resolution, may authorize the issuance of public bonds or obligations of the electric power agency.

2. The public bonds or obligations may be issued in one or more series under the resolution or under a trust indenture or other security agreement.

3. The resolution, trust indenture, or other security agreement, with respect to such public bonds or obligations, shall provide for all of the following:

*a.* The date on the public bonds or obligations.

*b.* The time of maturity.

*c.* The rate of interest.

*d.* The denomination.

*e.* The form, either coupon or registered.

*f.* The conversion, registration, and exchange privileges.

*g.* The rank or priority.

*h.* The manner of execution.

*i.* The medium of payment, including the place of payment, either within or outside of the state.

*j.* The terms of redemption, either with or without premium.

*k.* Such other terms and conditions as set forth by the board in the resolution, trust indenture, or other security agreement.

4. Public bonds or obligations authorized by the board of directors shall not be subject to any restriction under other law with respect to the amount, maturity, interest rate, or other terms of obligation of a public agency or private person.

5. Chapter 75 shall not apply to public bonds or obligations authorized by the board of directors as provided in this section.

2001 Acts, 1st Ex, ch 4, §21, 36
CS2001, §476A.24
2010 Acts, ch 1018, §11
C2011, §390.13

**390.14 Public bonds or obligations payable solely from agency revenues or funds.**

1. The principal of and interest on any public bonds or obligations issued by an electric power agency shall be payable solely from the revenues or funds pledged or available for their payment as authorized in this subchapter.

2. Each public bond or obligation shall contain all of the following terms:

*a.* That the principal of or interest on such public bonds or obligations is payable solely from revenues or funds of the electric power agency.

*b.* That neither the state or a political subdivision of the state other than the electric power agency, nor a public agency that is a member of the electric power agency is obligated to pay the principal or interest on such public bonds or obligations.

*c.* That neither the full faith and credit nor the taxing power of the state, of any political subdivision of the state, or of any such public agency is pledged to the payment of the principal of or the interest on the public bonds or obligations.

2001 Acts, 1st Ex, ch 4, §22, 36
CS2001, §476A.25
2010 Acts, ch 1018, §12
C2011, §390.14

**390.15 Public bonds or obligations — types — sources for payment — security.**

1. Except as otherwise expressly provided by this subchapter or by the electric power agency, every issue of public bonds or obligations of the electric power agency shall be payable out of any revenues or funds of the electric power agency, subject only to any agreements with the holders of particular public bonds or obligations pledging any particular revenues or funds.

2. An electric power agency may issue types of public bonds or obligations as it may

determine, including public bonds or obligations as to which the principal and interest are payable exclusively from the revenues from one or more projects, or from an interest in such project or projects, or a right to capacity of such project or projects, or from any revenue-producing contract made by the electric power agency with any person, or from its revenues generally.

3. Any public bonds or obligations may be additionally secured by a pledge of any grant, subsidy, or contribution from any public agency or other person, or a pledge of any income or revenues, funds, or moneys of the electric power agency from any other source.

2001 Acts, 1st Ex, ch 4, §23, 36
CS2001, §476A.26
2010 Acts, ch 1018, §13
C2011, §390.15

**390.16 Public bonds or obligations and rates for debt service not subject to state approval.**

Public bonds or obligations of an electric power agency may be issued under this subchapter, and rents, rates, and charges may be established in the same manner as provided in section 28F.5 and pledged for the security of public bonds or obligations and interest and redemption premiums on such public bonds or obligations, without obtaining the consent of any department, division, commission, board, bureau, or agency of the state and without any other proceeding or the happening of any other condition or occurrence, except as specifically required by this subchapter.

2001 Acts, 1st Ex, ch 4, §24, 36
CS2001, §476A.27
2010 Acts, ch 1018, §14
C2011, §390.16

**390.17 Public bonds or obligations to be negotiable.**

All public bonds or obligations of an electric power agency shall be negotiable within the meaning and for all of the purposes of the uniform commercial code, chapter 554, subject only to the registration requirement of section 76.10.

2001 Acts, 1st Ex, ch 4, §25, 36
CS2001, §476A.28
2010 Acts, ch 1018, §15
C2011, §390.17

**390.18 Validity of public bonds or obligations at delivery — temporary bonds.**

1. Any public bonds or obligations may be issued and delivered, notwithstanding that one or more of the officers executing them shall have ceased to hold office at the time when the public bonds or obligations are actually delivered.

2. Pending preparation of definitive bonds or obligations, an electric power agency may issue temporary bonds or obligations that shall be exchanged for the definitive bonds or obligations upon their issuance.

2001 Acts, 1st Ex, ch 4, §26, 36
CS2001, §476A.29
2010 Acts, ch 1018, §16
C2011, §390.18

**390.19 Public or private sale of bonds and obligations.**

Public bonds or obligations of an electric power agency may be sold at public or private sale for a price and in a manner determined by the electric power agency.

2001 Acts, 1st Ex, ch 4, §27, 36
CS2001, §476A.30
2010 Acts, ch 1018, §17
C2011, §390.19

**390.20 Public bonds or obligations as suitable investments for governmental units, financial institutions, and fiduciaries.**

The following persons may legally invest any debt service funds, money, or other funds belonging to such person or within such person's control in any public bonds or obligations issued pursuant to this subchapter:

1. A bank, trust company, savings association, or investment company.
2. An insurance company, insurance association, or any other person carrying on an insurance business.
3. An executor, administrator, conservator, trustee, or other fiduciary.
4. Any other person authorized to invest in bonds or obligations of the state.

2001 Acts, 1st Ex, ch 4, §28, 36
CS2001, §476A.31
2010 Acts, ch 1018, §18
C2011, §390.20
2012 Acts, ch 1017, §77
Investment of public funds; §12B.10
Insurance companies; §511.8, 515.35
Banks; §524.901
Investments by fiduciaries; §636.23

**390.21 Resolution, trust indenture, or security agreement constitutes contract — provisions.**

The resolution, trust indenture, or other security agreement under which any public bonds or obligations are issued shall constitute a contract with the holders of the public bonds or obligations, and may contain provisions, among others, prescribing any of the following terms:

1. The terms and provisions of the public bonds or obligations.
2. The mortgage or pledge of and the grant of a security interest in any real or personal property and all or any part of the revenue from any project or any revenue producing contract made by the electric power agency with any person to secure the payment of public bonds or obligations, subject to any agreements with the holders of public bonds or obligations which might then exist.
3. The custody, collection, securing, investment, and payment of any revenues, assets, money, funds, or property with respect to which the electric power agency may have any rights or interest.
4. The rates or charges for electric energy sold by, or services rendered by, the electric power agency, the amount to be raised by the rates or charges, and the use and disposition of any or all revenue.
5. The creation of reserves or debt service funds and the regulation and disposition of such reserves or funds.
6. The purposes to which the proceeds from the sale of any public bonds or obligations to be issued may be applied, and the pledge of the proceeds to secure the payment of the public bonds or obligations.
7. Limitations on the issuance of any additional public bonds or obligations, the terms upon which additional public bonds or obligations may be issued and secured, and the refunding of outstanding public bonds or obligations.
8. The rank or priority of any public bonds or obligations with respect to any lien or security.
9. The creation of special funds or moneys to be held for operating expenses, payment, or redemption of public bonds or obligations, reserves or other purposes, and the use and disposition of moneys held in these funds.
10. The procedure by which the terms of any contract with or for the benefit of the holders of public bonds or obligations may be amended or abrogated, the amount of public bonds or obligations the holders of which must consent to such amendment or abrogation, and the manner in which consent may be given.
11. The definition of the acts or omissions to act that constitute a default in the duties of the electric power agency to holders of its public bonds or obligations, and the rights

and remedies of the holders in the event of default including, if the electric power agency so determines, the right to accelerate the date of the maturation of the public bonds or obligations or the right to appoint a receiver or receivers of the property or revenues subject to the lien of the resolution, trust indenture, or other security agreement.

12. Any other or additional agreements with or for the benefit of the holders of public bonds or obligations or any covenants or restrictions necessary or desirable to safeguard the interests of the holders.

13. The custody of any of the electric power agency's property or investments, the safekeeping of such property or investments, the insurance to be carried on such property or investments, and the use and disposition of insurance proceeds.

14. The vesting in a trustee or trustees, within or outside the state, of such property, rights, powers, and duties as the electric power agency may determine; or the limiting or abrogating of the rights of the holders of any public bonds or obligations to appoint a trustee, or the limiting of the rights, powers, and duties of such trustee.

15. The appointment of and the establishment of the duties and obligations of any paying agent or other fiduciary within or outside the state.

2001 Acts, 1st Ex, ch 4, §29, 36
CS2001, §476A.32
2010 Acts, ch 1018, §19
C2011, §390.21

**390.22 Mortgage or trust deed to secure bonds.**

For the security of public bonds or obligations issued or to be issued by an electric power agency, the electric power agency may mortgage or execute deeds of trust of the whole or any part of its property.

2001 Acts, 1st Ex, ch 4, §30, 36
CS2001, §476A.33
2010 Acts, ch 1018, §20
C2011, §390.22

**390.23 No personal liability on public bonds or obligations.**

An official, director, member of an electric power agency, or any person executing public bonds or obligations shall not be liable personally on the public bonds or obligations or be subject to any personal liability or accountability by reason of the issuance of such public bonds or obligations.

2001 Acts, 1st Ex, ch 4, §31, 36
CS2001, §476A.34
2010 Acts, ch 1018, §21
C2011, §390.23

**390.24 Repurchase of securities.**

An electric power agency may purchase public bonds or obligations out of any funds available for such purchase, and hold, pledge, cancel, or resell the public bonds or obligations, subject to and in accordance with any agreements with the holders.

2001 Acts, 1st Ex, ch 4, §32, 36
CS2001, §476A.35
2010 Acts, ch 1018, §22
C2011, §390.24

**390.25 Pledge of revenue as security.**

An electric power agency may pledge its rates, rents, and other revenues, or any part of such rates, rents, and revenues, as security for the repayment, with interest and redemption premiums, if any, of the moneys borrowed by the electric power agency or advanced to the electric power agency for any of its authorized purposes and as security for the payment of moneys due and owed by the electric power agency under any contract.

2001 Acts, 1st Ex, ch 4, §33, 36

CS2001, §476A.36
2010 Acts, ch 1018, §23
C2011, §390.25

# CHAPTERS 390A to 391A

RESERVED

# CHAPTER 392

## CITY ADMINISTRATIVE AGENCIES

Referred to in §21.5, 97B.52A, 330.23, 362.1, 362.2, 362.9, 376.1, 476B.1


392.1 Establishment by ordinance.
392.2 Pledging credit or taxing power prohibited.
392.3 Contracts reviewable by council.
392.4 Joint action.
392.5 Library board.
392.6 Hospital or health care facility trustees.
392.7 Prior agencies.


**392.1 Establishment by ordinance.**

If the council wishes to establish an administrative agency, it shall do so by an ordinance which indicates the title, powers, and duties of the agency, the method of appointment or election, qualifications, compensation, and term of members, and other appropriate matters relating to the agency. The title of an administrative agency must be appropriate to its function. The council may not delegate to an administrative agency any of the powers, authorities, and duties prescribed in division V of chapter 384 or in chapter 388, except that the council may delegate to an administrative agency established for the purpose of operating an airport any of its powers and duties prescribed in division V of chapter 384, and the council may delegate to an administrative agency power to establish and collect charges, and disburse the moneys received for the use of a city facility, including a city enterprise, as defined in section 384.24, if the delegation to an administrative agency is strictly subject to the limitations imposed by the revenue bonds or pledge orders outstanding which are payable from the revenues of the city enterprise. Except as otherwise provided in this chapter, the council may delegate rulemaking authority to the agency for matters within the scope of the agency's powers and duties, and may prescribe penalties for violation of agency rules which have been adopted by ordinance. Rules governing the use by the public of any city facility must be made readily available to the public.

[C75, 77, 79, 81, §392.1]
95 Acts, ch 21, §1

**392.2 Pledging credit or taxing power prohibited.**

An administrative agency may not pledge the credit or taxing power of the city.

[C75, 77, 79, 81, §392.2]

**392.3 Contracts reviewable by council.**

Unless otherwise stated in the ordinance establishing the agency, contracts and agreements entered into by administrative agencies are subject to review and approval by the council, but when so approved and to the extent such contracts and agreements are otherwise valid by law, are valid and not voidable by subsequent actions of the city even if the administrative agency is dissolved, but no such contract or agreement may conflict with the provisions of

division V of chapter 384 or chapter 388, or any action taken pursuant to the provisions of the same.

[C75, 77, 79, 81, §392.3]

**392.4 Joint action.**

Subject to approval by the council, an administrative agency may take action jointly with other public or private agencies as provided in chapter 28E.

[C75, 77, 79, 81, §392.4]

**392.5 Library board.**

A city library board of trustees functioning on the effective date of the city code shall continue to function in the same manner until altered or discontinued as provided in this section.

In order for the board to function in the same manner, the council shall retain all applicable ordinances, and shall adopt as ordinances all applicable state statutes repealed by 1972 Iowa Acts, chapter 1088.

A library board may accept and control the expenditure of all gifts, devises, and bequests to the library.

A proposal to alter the composition, manner of selection, or charge of a library board, or to replace it with an alternate form of administrative agency, is subject to the approval of the voters of the city.

The proposal may be submitted to the voters at any city election by the council on its own motion. Upon receipt of a valid petition as defined in section 362.4, requesting that a proposal be submitted to the voters, the council shall submit the proposal at the next regular city election. A proposal submitted to the voters must describe with reasonable detail the action proposed.

If a majority of those voting approves the proposal, the city may proceed as proposed.

If a majority of those voting does not approve the proposal, the same or a similar proposal may not be submitted to the voters of the city for at least four years from the date of the election at which the proposal was defeated.

[C97, §728, 729; S13, §729; SS15, §728; C24, 27, 31, 35, 39, §**5851, 5858;** C46, 50, 54, 58, 62, 66, 71, 73, §378.3, 378.10; C75, 77, 79, 81, §392.5]

2001 Acts, ch 24, §49

**392.6 Hospital or health care facility trustees.**

1. If a hospital or health care facility is established by a city, the city shall by ordinance provide for the election, at a special election held pursuant to section 39.2, subsection 4, paragraph *"b"*, of three trustees, whose terms of office shall be four years. However, at the first election, three shall be elected and hold their office, one for four years and two for two years, and they shall by lot determine their respective terms. A candidate for hospital or health care facility trustee must be a resident of the hospital or health care facility service area within the boundaries of the state at the time of the election at which the person's name appears on the ballot. A board of trustees elected pursuant to this section shall serve as the sole and only board of trustees for any and all institutions established by a city as provided for in this section.

2. The administration and management of an institution as provided for in this section is vested in a board of trustees consisting of three, five, or seven members. A three-member board may be expanded to a five-member board, and a five-member board may be expanded to a seven-member board. Expansion of the membership of the board shall occur only on approval of a majority of the current board of trustees. The additional members shall be appointed by the current board of trustees. One appointee shall serve until the next succeeding general or regular city election, at which time a successor shall be elected, and the other appointee shall serve until the second succeeding general or regular city election, at which time a successor shall be elected. The determination of which election an appointed additional member shall be required to seek election shall be determined by lot. Thereafter, the terms of office of such additional members shall be four years.

3. *a.* Terms of office of trustees elected pursuant to general or regular city elections shall begin at noon on the first day in January which is not a Sunday or legal holiday. Terms of office of trustees appointed to fill a vacancy or elected pursuant to special elections shall begin at noon on the tenth day after appointment or the special election which is not a Sunday or legal holiday. The trustees shall begin their terms of office by taking the oath of office, and organize as a board by the election of one trustee as chairperson, one trustee as treasurer, and one trustee as secretary. Terms of office of trustees shall extend to noon on the first day in January which is not a Sunday or legal holiday or until their successors are elected and qualified.

*b.* Vacancies on the board of trustees may, until the next general or regular city election, be filled in the same manner as provided in section 347.10. An appointment made under this paragraph shall be for the unexpired balance of the term of the preceding trustee. If a board member is absent for four consecutive regular board meetings, without prior excuse, the member's position shall be declared vacant and filled as set out in this paragraph.

4. A trustee shall not receive any compensation for services performed under this chapter, but a trustee shall be reimbursed for actual and necessary expenses incurred in performance of the trustee's duties.

5. The board of trustees shall be vested with authority to provide for the management, control, and government of the city hospital or health care facility established as permitted by this section, and shall provide all needed rules for the economic conduct thereof and shall annually prepare a condensed statement of the total receipts and expenditures for the hospital or health care facility and cause the same to be published in a newspaper of general circulation in the city in which the hospital or health care facility is located.

6. Boards of trustees of institutions provided for in this section are granted all of the powers and duties necessary for the management, control, and government of the institutions, specifically including but not limited to any applicable powers and duties granted boards of trustees under other provisions of the Code relating to hospitals, nursing homes, assisted or independent living services, and other ancillary services irrespective of the chapter of the Code under which such institutions are established, organized, operated, or maintained, unless such provisions are in conflict with this section.

[S13, §741-o, -p; C24, §5867 – 5871; C27, 31, 35, §5867, 5867-a1, 5868 – 5871; C39, §**5867, 5867.1, 5868 – 5871;** C46, 50, 54, 58, 62, 66, §380.1 – 380.6; C71, 73, §380.1 – 380.6, 380.16; C75, 77, 79, 81, §392.6]

94 Acts, ch 1034, §1; 96 Acts, ch 1080, §1, 2; 99 Acts, ch 36, §11; 2000 Acts, ch 1015, §1; 2003 Acts, ch 9, §1, 2; 2009 Acts, ch 110, §16

Referred to in §12B.10

**392.7 Prior agencies.**

Except as otherwise provided in this chapter, an administrative agency established by a city shall continue with the same powers and duties until altered or discontinued as provided in this section. The council may by ordinance reduce or increase an administrative agency's power and duties, or may transfer powers and duties from one agency to another. The council may discontinue an administrative agency by adopting a resolution proposing the action, and publishing notice as provided in section 362.3, of the resolution and of a date, time and place of a public hearing on the proposal, and may discontinue the agency by ordinance or amendment not sooner than thirty days following the hearing.

[C97, §850; S13, §679-m, 741-w1, 850-a, 1056-a6d; C24, §5685, 5787, 5832, 5845, 5901, 6827; C27, §5685, 5787, 5829-a1, 5832, 5845, 5866-a2, 5901, 6827; C31, 35, §5685, 5787, 5813-d2, 5829-a1, 5832, 5845, 5866-a2, 5901, 6827; C39, §**5685, 5787, 5813.2, 5829.01, 5832, 5845, 5866.02, 5901, 6827;** C46, 50, §364.1, 370.1, 371.2, 373.1, 374.3, 377.2, 379.2, 384.2, 420.160; C54, §364.1, 370.1, 371.2, 373.1, 374.3, 374A.1, 377.2, 379.2, 384.2, 420.160; C58, 62, 66, 71, 73, §364.1, 370.1, 371.2, 373.1, 374.3, 374A.1, 377.2, 379.2, 384.2, 386B.6, 420.160; C75, 77, 79, 81, §392.7]

# CHAPTER 393

RESERVED

# CHAPTER 394

## ZOOLOGICAL GARDENS

See also §384.24(2c)

394.1 Authority to issue bonds — taxes.
394.2 Question submitted to voters.
394.3 Tax for operating zoo.
394.4 Contracts with other cities — election.

**394.1 Authority to issue bonds — taxes.**

Cities are hereby authorized to contract indebtedness and to issue general obligation bonds to provide funds to pay the cost of opening, establishing, constructing, improving, extending or remodeling of a zoo or zoological garden and to construct, reconstruct or repair any such improvement and to pay the cost of land needed for any of said purposes.

Taxes for the payment of said bonds shall be levied in accordance with chapter 76, and said bonds shall be payable through the debt service fund in not more than twenty years, and bear interest at a rate not exceeding that permitted by chapter 74A, and shall be of such form as the city council shall by resolution provide, but no city shall become indebted in excess of five percent of the actual value of the taxable property within said city, as shown by the last preceding state and county tax lists. The indebtedness incurred for the purpose provided in this section shall not be considered an indebtedness incurred for general or ordinary purposes.

This section shall be construed as granting additional power without limiting the power already existing in cities.

The provisions of this section shall be applicable to all municipal corporations regardless of form of government or manner of incorporation.

[C75, 77, 79, 81, §394.1]

**394.2 Question submitted to voters.**

It shall not be necessary to submit to the voters the proposition of issuing bonds for refunding purposes, but prior to the issuance of bonds for other purposes the council shall submit to the voters of the city at a general election or a regular city election the proposition of issuing the bonds. Notice of the election on the proposition of issuing bonds shall be published as required by section 49.53. The notice shall also state whether or not an admission fee is to be charged by the zoo or zoological gardens.

Bonds issued pursuant to the provisions of this chapter shall be sold by the council in the manner prescribed by chapter 75; however, refunding bonds may either be sold and the proceeds applied to the payment of the bonds to be refunded, or the refunding bonds may be issued in exchange for the bonds being refunded upon their surrender and cancellation.

[C75, 77, 79, 81, §394.2]

2002 Acts, ch 1134, §107, 115

**394.3 Tax for operating zoo.**

A city establishing or having established a zoo or zoological garden may authorize not to exceed a levy of twenty-seven cents per thousand dollars of assessed valuation on all taxable property within the corporation for the purpose of paying the costs of operating, maintaining and managing a zoo or zoological garden. The levy shall be subject to cumulative levy limitations otherwise provided by law unless said levy shall have been submitted to and approved by the voters of said city.

[C75, 77, 79, 81, §394.3]

**394.4 Contracts with other cities — election.**

Contracts may be made between any city establishing or having established a zoo or zoological garden and any other city or county, but a county may contract only with respect to residents outside of any city, for the use of such zoo or zoological garden or any extension service thereof by its residents, and for the levy of a tax in support thereof. Such contracts shall provide for the rate of tax to be levied during the term thereof, not exceeding twenty-seven cents per thousand dollars of assessed valuation. Said contracts may be submitted to the voters of either city and shall not be subject to termination if approved by the voters of both parties.

If not so approved, such contracts may be modified by mutual consent or may be terminated by the voters of either party thereto.

Any such tax shall be subject to cumulative levy limitations applicable generally to the contracting parties unless the contract shall have been approved by the voters.

Any election held hereunder may be held upon notice and in any manner provided by law applicable to the contracting party with respect to elections upon special public propositions; provided that it shall not be necessary to set out the contract provisions in full as a part of the ballot.

[C75, 77, 79, 81, §394.4]

# CHAPTERS 395 to 399

RESERVED

# CHAPTER 400

## CIVIL SERVICE

Referred to in §8A.122, 8B.12, 20.18, 28D.6, 28E.26, 28J.7, 80B.11, 97B.49B, 97B.49G, 100.13, 137.104, 321J.1, 411.5, 462A.2


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**400.1 Appointment of commission.**

1. In cities having a population of eight thousand or over and having a paid fire department or a paid police department, the mayor, one year after a regular city election, with the approval of the council, shall appoint three civil service commissioners. The mayor shall publish notice

of the names of persons selected for appointment no less than thirty days prior to a vote by the city council. Commissioners shall hold office, one until the first Monday in April of the second year, one until the first Monday in April of the third year, and one until the first Monday in April of the fourth year after such appointment, whose successors shall be appointed for a term of four years. In cities having a population of more than seventy thousand, the city council may establish, by ordinance, the number of civil service commissioners at not less than three.

2. For the purpose of determining the population of a city under this chapter, the federal census conducted in 1980 shall be used.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5689;** C46, 50, 54, 58, 62, 66, 71, 73, §365.1; C75, 77, 79, 81, §400.1]

92 Acts, ch 1118, §1; 95 Acts, ch 114, §3; 97 Acts, ch 162, § 1, 9; 98 Acts, ch 1100, §55; 2002 Acts, ch 1134, §108, 115; 2007 Acts, ch 127, §1; 2009 Acts, ch 111, §1

**400.2 Qualifications — prohibited contracts.**

1. The commissioners must be citizens of Iowa, eligible electors as defined in chapter 39, and residents of the city preceding their appointment, and shall serve without compensation. A person, while on the commission, shall not hold or be a candidate for any office of public trust. However, when a human rights commission has been established by a city, the director of the commission shall ex officio be a member, without vote, of the civil service commission.

2. Civil service commissioners, with respect to the city in which they are commissioners, shall not do any of the following:

*a.* Sell, or in any manner become parties, directly or indirectly, to any contract to furnish supplies, material, or labor to the city unless the sale is made or the contract is awarded by competitive bid in writing, publicly invited and opened.

*b.* Have an interest, direct or indirect, in any contract or job of work or material or the profits thereof or services to be furnished or performed for the city unless the contract or job is awarded by competitive bid in writing, publicly invited and opened.

3. A contract entered into in violation of subsection 2 is void.

4. A violation of the provisions contained in subsection 2 is a simple misdemeanor.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5690;** C46, 50, 54, 58, 62, 66, 71, 73, §365.2; C75, 77, 79, 81, §400.2]

86 Acts, ch 1138, §1; 89 Acts, ch 21, §1; 2009 Acts, ch 111, §2; 2010 Acts, ch 1019, §1; 2011 Acts, ch 25, §36

**400.3 Optional appointment of commission — abolishing commission.**

In cities having a population of less than eight thousand, the city council may, by ordinance, adopt the provisions of this chapter in which case it shall either appoint such commission or provide, by ordinance, for the exercise of the powers and performance of the duties of the commission by the council. Where the city council exercises the powers of the commission the term "*commission*" as used in this chapter shall mean the city council.

If the city council appoints a commission, the city council may, by ordinance, abolish the commission, and the commission shall stand abolished sixty days from the date of the ordinance and the powers and duties of the commission shall revert to the city council except whenever a city having a population of less than eight thousand provides for the appointment of a civil service commission, the city council may by ordinance abolish such office, but the ordinance shall not take effect until the ordinance has been submitted to the voters at a regular city election and approved by a majority of the voters at such election. The ordinance shall be published once each week for two consecutive weeks preceding the date of the election in a newspaper published in and having a general circulation in the city. If a newspaper is not published in such city, publication may be made in any newspaper having general circulation in the county.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5691;** C46, 50, 54, 58, 62, 66, 71, 73, §365.3; C75, 77, 79, 81, §400.3]

2002 Acts, ch 1134, §109, 115

**400.4 Chairperson — clerk — records.**

The commission shall elect a chairperson from among its members. In cities having a population of more than seventy-five thousand, the commission shall appoint a clerk of the commission. In all other cities the city clerk or a designee of the city clerk shall be clerk of the commission. If an employee is appointed clerk of the commission who is employed in a civil service status at the time of appointment as clerk of the commission, the appointee shall retain the civil service rights held before the appointment. However, this section does not grant civil service status or rights to the employee in the capacity of clerk of the commission nor extend any civil service right upon which the appointee may retain the position of clerk of the commission.

The civil service commission shall keep a record of all its meetings and also a complete individual service record of each civil service employee which record shall be permanent and kept up-to-date.

When duly certified by the clerk of the commission copies of all records and entries or papers pertaining to said record shall be admissible in evidence with the same force and effect as the originals.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5692;** C46, 50, 54, 58, 62, 66, 71, 73, §365.4; C75, 77, 79, 81, §400.4]

86 Acts, ch 1138, §2; 91 Acts, ch 55, §1; 97 Acts, ch 162, §2

**400.5 Rooms and supplies.**

The council shall provide suitable rooms in which the commission may hold its meetings and supply the commission with all necessary equipment and a qualified shorthand reporter or an electronic voice recording device to enable it to properly perform its duties.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5693;** C46, 50, 54, 58, 62, 66, 71, 73, §365.5; C75, 77, 79, 81, §400.5]

93 Acts, ch 147, §1

**400.6 Applicability — exceptions.**

This chapter applies to permanent full-time police officers and fire fighters in cities having a population of more than eight thousand, and to all appointive permanent full-time employees in cities having a population of more than fifteen thousand except:

1. Persons appointed to fill vacancies in elective offices and members of boards and commissions and the clerk to the civil service commission.
2. The city clerk, chief deputy city clerk, city attorneys, city treasurer, city assessor, city auditor, professional city engineers licensed in this state, and city health officer.
3. The city manager or city administrator and assistant city managers or assistant city administrators.
4. The head and principal assistant of each department and the head of each division. This exclusion does not apply to assistant fire chiefs and to assistant police chiefs in cities with police departments of two hundred fifty or fewer members. However, sections 400.13 and 400.14 apply to police and fire chiefs.
5. The principal secretary to the city manager or city administrator, the principal secretary to the mayor, and the principal secretary to each of the department heads.
6. Employees of boards of trustees or commissions established pursuant to state law or city ordinances.
7. Employees whose positions are funded by state or federal grants or other temporary revenues. However, a city may use state or federal grants or other temporary revenue to fund a position under civil service if the position is a permanent position which will be maintained for at least one year after expiration of the grants or temporary revenues.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5694;** C46, 50, 54, 58, 62, 66, 71, 73, §365.6; C75, 77, 79, 81, §400.6]

83 Acts, ch 186, §10103, 10201; 86 Acts, ch 1138, §3; 88 Acts, ch 1058, §1; 97 Acts, ch 162, §3

**400.7 Preference by service.**

1. An employee regularly serving in or holding a position when the position becomes subject to this chapter or when the position is reclassified by the city shall retain the position and have full civil service rights in the position under any of the following conditions:

*a.* The employee meets the minimum qualifications established for the position and has completed the required probationary period for the position.

*b.* The employee has served satisfactorily in the position for a period equal to the probationary period of the position, and passes a qualifying noncompetitive examination for the position but does not meet the minimum qualifications established for the position.

2. An employee who has not completed the required probationary period but who otherwise meets the minimum qualifications established for the position or who passes a qualifying noncompetitive examination for the position shall receive full civil service rights in the position upon the completion of the probationary period.

3. Appointments made after the time this chapter becomes applicable in a city are subject to this chapter.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5695;** C46, 50, 54, 58, 62, 66, 71, 73, §365.7; C75, 77, 79, 81, §400.7]

86 Acts, ch 1138, §4; 97 Acts, ch 162, §4; 2010 Acts, ch 1061, §180

Referred to in §28D.6, 400.17

**400.8 Original entrance examination — appointments.**

1. The commission, when necessary under the rules, including minimum and maximum age limits, which shall be prescribed and published in advance by the commission and posted in the city hall, shall hold examinations for the purpose of determining the qualifications of applicants for positions under civil service, other than promotions, which examinations shall be practical in character and shall relate to matters which will fairly test the mental and physical ability of the applicant to discharge the duties of the position to which the applicant seeks appointment. The physical examination of applicants for appointment to the positions of police officer, police matron, or fire fighter shall be held in accordance with medical protocols established by the board of trustees of the fire and police retirement system established by section 411.5 and shall be conducted in accordance with the directives of the board of trustees. However, the prohibitions of section 216.6, subsection 1, paragraph "*d*", regarding tests for the presence of the antibody to the human immunodeficiency virus shall not apply to such examinations. The board of trustees may change the medical protocols at any time the board so determines. In the event of a conflict between the medical protocols established under this section and the minimum entrance requirements of the Iowa law enforcement academy under section 80B.11, the medical protocols established under this section shall control. The physical examination of an applicant for the position of police officer, police matron, or fire fighter shall be conducted after a conditional offer of employment has been made to the applicant. An applicant shall not be discriminated against on the basis of height, weight, sex, or race in determining physical or mental ability of the applicant. Reasonable rules relating to strength, agility, and general health of applicants shall be prescribed. The costs of the physical examination required under this subsection shall be paid from the trust and agency fund of the city.

2. The commission shall establish the guidelines for conducting the examinations under subsection 1 of this section. It may prepare and administer the examinations or may hire persons with expertise to do so if the commission approves the examinations. It may also hire persons with expertise to consult in the preparation of such examinations if the persons so hired are employed to aid personnel of the commission in assuring that a fair examination is conducted. A fair examination shall explore the competence of the applicant in the particular field of examination.

3. All appointments to such positions shall be conditional upon a probation period of not to exceed six months, and in the case of police dispatchers and fire fighters a probation period not to exceed twelve months. In the case of police patrol officers, if the employee has successfully completed training at the Iowa law enforcement academy or another training facility certified by the director of the Iowa law enforcement academy before the initial

appointment as a police patrol officer, the probationary period shall be for a period of up to nine months and shall commence with the date of initial appointment as a police patrol officer. If the employee has not successfully completed training at the Iowa law enforcement academy or another training facility certified by the director of the law enforcement academy before initial appointment as a police patrol officer, the probationary period shall commence with the date of initial employment as a police patrol officer and shall continue for a period of up to nine months following the date of successful completion of training at the Iowa law enforcement academy or another training facility certified by the director of the Iowa law enforcement academy. A police patrol officer transferring employment from one jurisdiction to another shall be employed subject to a probationary period of up to nine months. However, in cities with a population over one hundred seventy-five thousand, appointments to the position of fire fighter shall be conditional upon a probation period of not to exceed twenty-four months. During the probation period, the appointee may be removed or discharged from such position by the appointing person or body without the right of appeal to the commission. A person removed or discharged during a probationary period shall, at the time of discharge, be given a notice in writing stating the reason or reasons for the dismissal. A copy of such notice shall be promptly filed with the commission. Continuance in the position after the expiration of such probationary period shall constitute a permanent appointment.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5696;** C46, 50, 54, 58, 62, 66, 71, 73, §365.8; C75, 77, 79, 81, §400.8]

89 Acts, ch 187, §2; 93 Acts, ch 147, §2; 94 Acts, ch 1071, §1; 96 Acts, ch 1187, §99; 98 Acts, ch 1124, §3; 2000 Acts, ch 1077, §84; 2001 Acts, ch 176, §16; 2004 Acts, ch 1103, §63; 2013 Acts, ch 20, §1

Referred to in §400.11, 411.6

Subsection 1 amended

**400.8A Guidelines for ongoing fitness for police officers and fire fighters.**

The board of trustees of the fire and police retirement system established by section 411.5, in consultation with the medical board established in section 411.5, shall establish and maintain protocols and guidelines for ongoing wellness and fitness for police officers and fire fighters while in service. The board of trustees may change the protocols and guidelines at any time the board so determines. The protocols and guidelines shall be established by the board of trustees for the consideration of cities covered by this chapter and may be applied by a city for the purpose of determining continued wellness and fitness for members of the city's police and fire departments. However, the protocols and guidelines shall not be applied to members of a police or fire department of a city who are covered by chapter 20 except through the collective bargaining process as provided under chapter 20. The medical board established in section 411.5 shall provide to cities and fire and police departments assistance regarding the possible implementation and operation of the protocols and guidelines for ongoing wellness and fitness provided by this section. For purposes of this section, *"wellness and fitness"* means the process by which police officers and fire fighters maintain fitness for duty.

2000 Acts, ch 1077, §85

**400.9 Promotional examinations and procedures.**

1. The commission shall, at such times as shall be found necessary, under such rules as shall be prescribed and published in advance by the commission, and posted in the city hall, hold competitive promotional examinations for the purpose of determining the qualifications of applicants for promotion to a higher grade under civil service, which examinations shall be practical in character, and shall relate to such matters as will fairly test the ability of the applicant to discharge the duties of the position to which the applicant seeks promotion.

2. The commission shall establish guidelines for conducting the examinations under subsection 1. It may prepare and administer the examinations or may hire persons with expertise to do so if the commission approves the examinations and if the examinations apply to the position in the city for which the applicant is taking the examination. It may

also hire persons with expertise to consult in the preparation of such examinations if the persons so hired are employed to aid personnel of the commission in assuring that a fair examination is conducted. A fair examination shall explore the competence of the applicant in the particular field of examination. The names of persons approved to administer any examination under this section shall be posted in the city hall at least twenty-four hours prior to the examination.

3. Vacancies in civil service promotional grades shall be filled by lateral transfer, voluntary demotion, or promotion of employees of the city to the extent that the city employees qualify for the positions. When laterally transferred, voluntarily demoted, or promoted, an employee shall hold full civil service rights in the position. If an employee of the city does not pass the promotional examination and otherwise qualify for a vacated position, or if an employee of the city does not apply for a vacated position, an entrance examination may be used to fill the vacancy.

4. If there is a certified list of qualified candidates for a promotional appointment, the following procedures shall be followed:

*a.* A publication stating that interviews are being scheduled to make a new certified list to fill a vacancy in a civil service promotional grade classification shall be posted for at least five working days before the closing date for the interviews in the same locations where examination notices are posted.

*b.* An employee who wishes to voluntarily demote or to laterally transfer into a vacancy and has previously been or is currently in the classification where the vacancy exists, shall notify the civil service commission of the employee's interest in the vacant position. The employee shall be added to the list of candidates to be interviewed and considered for the vacancy.

5. If there is no certified list of qualified candidates for a promotional appointment, the following procedures shall be followed:

*a.* When an examination announcement is posted to make a certified list of qualified candidates, the announcement shall also state that an employee who has been or is currently employed in the classification where the vacancy exists, may notify the civil service commission of the employee's interest in the vacant position. Upon notification, the employee shall be added to the list of candidates for an interview and consideration for the vacant position.

*b.* All civil service employees of a city who meet the minimum qualifications for a classification, shall have the right to compete in the civil service examination process to establish a certified list of qualified candidates.

[C31, 35, §5696-d1; C39, §**5696.1;** C46, 50, 54, 58, 62, 66, 71, 73, §365.9; C75, 77, 79, 81, §400.9]

86 Acts, ch 1138, §5; 88 Acts, ch 1085, §1, 2; 97 Acts, ch 162, §5; 2009 Acts, ch 111, §3

**400.10 Preferences.**

In all examinations and appointments under this chapter, other than promotions and appointments of chief of the police department and chief of the fire department, veterans who are citizens and residents of the United States, shall have five percentage points added to the veteran's grade or score attained in qualifying examinations for appointment to positions and five additional percentage points added to the grade or score if the veteran has a service-connected disability or is receiving compensation, disability benefits, or pension under laws administered by the United States department of veterans affairs. An honorably discharged veteran who has been awarded the Purple Heart incurred in action shall be considered to have a service-connected disability. However, the percentage points shall be given only upon passing the exam and shall not be the determining factor in passing. Veteran's preference percentage points shall be applied once to the final scores used to rank applicants for selection for an interview. For purposes of this section, "*veteran*" means as

defined in section 35.1 except that the requirement that the person be a resident of this state shall not apply.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5697;** C46, 50, 54, 58, 62, 66, 71, 73, §365.10; C75, 77, 79, 81, §400.10]

85 Acts, ch 50, §2; 92 Acts, ch 1238, §36; 99 Acts, ch 180, §17; 2009 Acts, ch 26, §15; 2009 Acts, ch 150, §2; 2009 Acts, ch 179, §128

Referred to in §35C.1

Veterans preference law, chapter 35C

**400.11 Names certified — temporary appointment.**

1. *a.* The commission, within one hundred eighty days after the beginning of each competitive examination for original appointment, shall certify to the city council a list of the names of forty persons, or a lesser number as determined by the commission, who qualify with the highest standing as a result of each examination for the position they seek to fill, or the number which have qualified if less than forty, in the order of their standing, and all newly created offices or other vacancies in positions under civil service which occur before the beginning of the next examination for the positions shall be filled from the lists, or from the preferred list existing as provided for in case of diminution of employees, within thirty days. If a tie occurs in the examination scores which would qualify persons for the last position on the list, the list of the names of the persons who qualify with the highest standing as a result of each examination shall include all persons who qualify for the last position. Preference for temporary service in civil service positions shall be given those on the lists. However, the commission may certify a list of names eligible for appointment subject to successfully completing a medical examination. The medical examination shall be provided pursuant to commission rules adopted under section 400.8.

*b.* The commission may hold in reserve, for original appointments, additional lists of forty persons, each next highest in standing, in order of their grade, or such number as may qualify if less than forty. If the list of up to forty persons provided in the first paragraph is exhausted within one year, the commission may certify such additional lists of up to forty persons each, in order of their standing, to the council as eligible for appointment to fill such vacancies as may exist.

2. *a.* The commission, within ninety days after the beginning of each competitive examination for promotion, shall certify to the city council a list of names of the ten persons who qualify with the highest standing as a result of each examination for the position the persons seek to fill, or the number which have qualified if less than ten, in the order of their standing and all newly created offices or other vacancies in positions under civil service which occur before the beginning of the next examination for the positions shall be filled from the lists, or from the preferred list existing as provided for in the case of diminution of employees, within thirty days. If a tie occurs in the examination scores which would qualify persons for the tenth position on the list, the list of names of the persons who qualify with the highest standing as a result of each examination shall include all persons who qualify for the tenth position.

*b.* Except where the preferred list exists, persons on the certified eligible list for promotion shall hold preference for promotion for two years following the date of certification, except for certified eligible lists of fire fighters as defined in section 411.1, subsection 10, which lists shall hold preference for three years upon approval of the commission, after which the lists shall be canceled and promotion to the grade shall not be made until a new list has been certified eligible for promotion.

3. When there is no such preferred list or certified eligible list, or when the eligible list shall be exhausted, the person or body having the appointing power may temporarily fill a newly created office or other vacancy only until an examination can be held and the names of qualified persons be certified by the commission, and such temporary appointments are hereby limited to ninety days for any one person in the same vacancy, but such limitation shall not apply to persons temporarily acting in positions regularly held by another. A temporary appointment to a position regularly held by another shall, whenever possible, be made according to the certified eligible list. Any person temporarily filling a vacancy in a

position of higher grade for twenty days or more, shall receive the salary paid in such higher grade.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5698;** C46, 50, 54, 58, 62, 66, 71, 73, §365.11; C75, 77, 79, 81, §400.11]

83 Acts, ch 62, §1; 89 Acts, ch 187, §3; 93 Acts, ch 147, §3; 94 Acts, ch 1071, §2; 97 Acts, ch 162, §6, 7; 2009 Acts, ch 111, §4

**400.12 Seniority.**

For the purpose of determining the seniority rights of civil service employees, seniority shall be computed, beginning with the date of appointment to or employment in any positions for which they were certified or otherwise qualified and established as provided in this chapter, but shall not include any period of time exceeding sixty days in any one year during which they were absent from the service except for disability.

In the event that a civil service employee has more than one classification or grade, the length of the employee's seniority rights shall date in the respective classifications or grades from and after the time the employee was appointed to or began employment in each classification or grade. In the event that an employee has been promoted from one classification or grade to another, the employee's civil service seniority rights shall be continuous in any department grade or classification that the employee formerly held.

A list of all civil service employees shall be prepared and posted in the city hall by the civil service commission on or before July 1 of each year, indicating the civil service standing of each employee as to the employee's seniority.

[C39, §**5698.1;** C46, 50, 54, 58, 62, 66, 71, 73, §365.12; C75, 77, 79, 81, §400.12]

Referred to in §400.13, 400.28

**400.13 Chief of police and chief of fire department.**

The chief of the fire department and the chief of the police department shall be appointed from the chiefs' civil service eligible lists. Such lists shall be determined by original examination open to all persons applying, whether or not members of the employing city. The chief of a fire department shall have had a minimum of five years' experience in a fire department, or three years experience in a fire department and two years of comparable experience or educational training. The chief of a police department shall have had a minimum of five years experience in a public law enforcement agency, or three years experience in a public law enforcement agency and two years of comparable experience or educational training. A chief of a police department or fire department shall maintain civil service rights as determined by section 400.12.

Any person who becomes chief of police or chief of the fire department shall be allowed to transfer all rights the person may have acquired under chapter 410 or 411, including employer contributions during the person's years of service in a city, employee contributions, and interest, to the retirement system of the city that hires the person as chief. Such person shall also transfer the number of years served as seniority toward other benefits provided by the city which hires the person. If a chief of a police or fire department is relieved of that position, the person shall be entitled to remain in the department for which the person was chief at a position commensurate with the person's civil service status, even if this means that the city must create a position for the person to fill until a regular position becomes vacant.

In cities under the commission plan of government the superintendent of public safety, with the approval of the city council, shall appoint the chief of the fire department and the chief of the police department. In cities under a council-manager form of government the city manager shall make the appointments with the approval of the city council, and in all other cities the appointments shall be made as provided by city ordinance or city charter.

[C24, 27, 31, 35, 39, §**5699;** C46, 50, 54, 58, 62, 66, 71, 73, §365.13; C75, 77, 79, 81, §400.13]

86 Acts, ch 1171, §1

Referred to in §372.4, 400.6

**400.14 Civil service status of chiefs.**

A police officer under civil service may be appointed chief of police and a fire fighter under civil service may be appointed chief of the fire department without losing civil service status,

and shall retain, while holding the office of chief, the same civil service rights that the officer or fire fighter may have had immediately previous to appointment as chief, but nothing herein shall be deemed to extend to such individual any civil service right upon which the individual may retain the position of chief.

[C27, 31, 35, §5699-a1; C39, §**5699.1;** C46, 50, 54, 58, 62, 66, 71, 73, §365.14; C75, 77, 79, 81, §400.14]

Referred to in §400.6

**400.15 Appointing powers.**

All appointments or promotions to positions within the scope of this chapter other than those of chief of police and chief of fire department shall be made:

In cities under the commission form of government, by the superintendents of the respective departments, with the approval of the city council; in cities under the city manager plan, by the city manager; in all other cities with the approval of the city council, and in the police and fire departments by the chiefs of the respective departments.

All such appointments or promotions shall promptly be reported to the clerk of the commission by the appointing officer. An appointing authority may transfer an employee, other than police officers and fire fighters, from one department to the same civil service classification in another department, and such employee shall retain the same civil service status.

[SS15, §1056-a32; C24, 27, 31, 35, §5698; C39, §**5699.2;** C46, 50, 54, 58, 62, 66, 71, 73, §365.15; C75, 77, 79, 81, §400.15]

97 Acts, ch 162, §8

**400.16 Qualifications.**

All appointive officers and employees of cities shall be selected with reference to their qualifications and fitness and for the good of the public service, and without reference to their political faith or party allegiance.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5700;** C46, 50, 54, 58, 62, 66, 71, 73, §365.16; C75, 77, 79, 81, §400.16]

**400.17 Employees under civil service — qualifications.**

1. Except as otherwise provided in section 400.7, a person shall not be appointed, promoted, or employed in any capacity, including a new classification, in the fire or police department, or any department which is governed by the civil service, until the person has passed a civil service examination as provided in this chapter, and has been certified to the city council as being eligible for the appointment. However, in an emergency in which the peace and order of the city is threatened by reason of fire, flood, storm, or mob violence, making additional protection of life and property necessary, the person having the appointing power may deputize additional persons, without examination, to act as peace officers until the emergency has passed. A person may be appointed to a position subject to successfully completing a civil service medical examination. A person shall not be appointed or employed in any capacity in the fire or police department if the person is unable to meet reasonable physical condition training requirements and reasonable level of experience requirements necessary for the performance of the position; if the person is a habitual criminal; if the person is addicted to narcotics or alcohol and has not been rehabilitated for a period of one year or more, or is not presently undergoing treatment; or if the person has attempted a deception or fraud in connection with a civil service examination.

2. Except as otherwise provided in this section and section 400.7, a person shall not be appointed or employed in any capacity in any department which is governed by civil service if the person is unable to meet reasonable physical condition training requirements and reasonable level of experience requirements necessary for the performance of the position; if the person is addicted to narcotics or alcohol and has not been rehabilitated for a period of one year or more, or is not presently undergoing treatment; or if the person has attempted a deception or fraud in connection with a civil service examination.

3. Employees shall not be required to be a resident of the city in which they are employed,

but they shall become a resident of the state within two years of such appointment or the date employment begins and shall remain a resident of the state during the remainder of employment. However, cities may set a reasonable maximum distance outside of the corporate limits of the city, or a reasonable maximum travel time, that police officers, fire fighters, and other critical municipal employees may live from their place of employment. Each employee residing outside the state on the date of appointment or on the date employment begins shall take reasonable steps to become a resident of the state as soon as practicable following appointment or beginning of employment.

4. A person shall not be appointed, denied appointment, promoted, discharged, or demoted to or from a civil service position or in any other way favored or discriminated against in that position because of political or religious opinions or affiliations, race, national origin, sex, or age, or in retaliation for the exercise of any right enumerated in this chapter. However, the maximum age for a police officer or fire fighter covered by this chapter and employed for police duty or the duty of fighting fires is sixty-five years of age.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5701;** C46, 50, 54, 58, 62, 66, 71, 73, §365.17; C75, 77, 79, 81, §400.17]

89 Acts, ch 187, §4; 93 Acts, ch 147, §4, 5; 2009 Acts, ch 111, §5

**400.18 Removal, demotion, or suspension.**

1. A person holding civil service rights as provided in this chapter shall not be removed, demoted, or suspended arbitrarily, except as otherwise provided in this chapter, but may be removed, demoted, or suspended after a hearing by a majority vote of the civil service commission, for neglect of duty, disobedience, misconduct, or failure to properly perform the person's duties.

2. The party alleging neglect of duty, disobedience, misconduct, or failure to properly perform a duty shall have the burden of proof.

3. A person subject to a hearing has the right to be represented by counsel at the person's expense or by the person's authorized collective bargaining representative.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5702;** C46, 50, 54, 58, 62, 66, 71, 73, §365.18; C75, 77, 79, 81, §400.18]

2009 Acts, ch 111, §6

Referred to in §411.1

**400.19 Removal or discharge of subordinates.**

The person having the appointing power as provided in this chapter, or the chief of police or chief of the fire department, may peremptorily suspend, demote, or discharge a subordinate then under the person's or chief's direction for neglect of duty, disobedience of orders, misconduct, or failure to properly perform the subordinate's duties.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5703;** C46, 50, 54, 58, 62, 66, 71, 73, §365.19; C75, 77, 79, 81, §400.19]

86 Acts, ch 1138, §6

Referred to in §411.1

**400.20 Appeal.**

The suspension, demotion, or discharge of a person holding civil service rights may be appealed to the civil service commission within fourteen calendar days after the suspension, demotion, or discharge.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5704;** C46, 50, 54, 58, 62, 66, 71, 73, §365.20; C75, 77, 79, 81, §400.20]

86 Acts, ch 1138, §7

Referred to in §80F.1

Internal investigations and rights of peace officers and public safety and emergency personnel, see §80F.1

**400.21 Notice of appeal.**

If the appeal be taken by the person suspended, demoted, or discharged, notice thereof, signed by the appellant and specifying the ruling appealed from, shall be filed with the clerk

of commission; if by the person making such suspension, demotion, or discharge, such notice shall also be served upon the person suspended, demoted, or discharged.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5705;** C46, 50, 54, 58, 62, 66, 71, 73, §365.21; C75, 77, 79, 81, §400.21]

**400.22 Charges.**

Within fourteen calendar days from the service of the notice of appeal, the person or body making the ruling appealed from shall file with the body to which the appeal is taken a written specification of the charges and grounds upon which the ruling was based. If the charges are not filed, the person suspended or discharged may present the matter to the body to whom the appeal is to be taken by affidavit, setting forth the facts, and the body to whom the appeal is to be taken shall immediately enter an order reinstating the person suspended or discharged for want of prosecution.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5706;** C46, 50, 54, 58, 62, 66, 71, 73, §365.22; C75, 77, 79, 81, §400.22]

86 Acts, ch 1138, §8

**400.23 Time and place of hearing.**

Within ten days after such specifications are filed, the commission shall fix the time, which shall be not less than five nor more than twenty days thereafter, and place for hearing the appeal and shall notify the parties in writing of the time and place so fixed, and the notice shall contain a copy of the specifications so filed.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5707;** C46, 50, 54, 58, 62, 66, 71, 73, §365.23; C75, 77, 79, 81, §400.23]

**400.24 Oaths — books and papers.**

The presiding officer of the commission or the council, as the case may be, shall have power to administer oaths in the same manner and with like effect and under the same penalties as in the case of magistrates exercising criminal or civil jurisdiction. The council or commission shall cause subpoenas to be issued for such witnesses and the production of such books and papers as either party may designate. The subpoenas shall be signed by the chairperson of the commission or mayor, as the case may be.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5708;** C46, 50, 54, 58, 62, 66, 71, 73, §365.24; C75, 77, 79, 81, §400.24]

**400.25 Contempt.**

In case a witness is duly subpoenaed and refuses to attend, or in case a witness appears and refuses to testify or to produce required books or papers, the official body hearing the appeal shall, in writing, report such refusal to the district court of the county, and said court shall proceed with said person or witness as though said refusal had occurred in a proceeding legally pending before said court.

[C24, 27, 31, 35, 39, §**5709;** C46, 50, 54, 58, 62, 66, 71, 73, §365.25; C75, 77, 79, 81, §400.25]

Contempts, chapter 665

**400.26 Public trial.**

The trial of all appeals shall be public, and the parties may be represented by counsel or by the parties' authorized collective bargaining representative.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5710;** C46, 50, 54, 58, 62, 66, 71, 73, §365.26; C75, 77, 79, 81, §400.26]

2009 Acts, ch 111, §7

**400.27 Jurisdiction — attorney — appeal.**

The civil service commission has jurisdiction to hear and determine matters involving the rights of civil service employees under this chapter, and may affirm, modify, or reverse any case on its merits.

The city attorney or solicitor shall be the attorney for the commission or when requested by

the commission shall present matters concerning civil service employees to the commission, except the commission may hire a counselor or an attorney on a per diem basis to represent it when in the opinion of the commission there is a conflict of interest between the commission and the city council. The counselor or attorney hired by the commission shall not be the city attorney or solicitor. The city shall pay the costs incurred by the commission in employing an attorney under this section.

The city or any civil service employee shall have a right to appeal to the district court from the final ruling or decision of the civil service commission. The appeal shall be taken within thirty days from the filing of the formal decision of the commission. The district court of the county in which the city is located shall have full jurisdiction of the appeal and the said appeal shall be a trial de novo as an equitable action in the district court.

The appeal to the district court shall be perfected by filing a notice of appeal with the clerk of the district court within the time prescribed in this section by serving notice of appeal on the clerk of the civil service commission, from whose ruling or decision the appeal is taken.

In the event the ruling or decision appealed from is reversed by the district court, the appellant, if it be an employee, shall then be reinstated as of the date of the said suspension, demotion, or discharge and shall be entitled to compensation from the date of such suspension, demotion, or discharge.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5711;** C46, 50, 54, 58, 62, 66, 71, 73, §365.27; C75, 77, 79, 81, §400.27]

86 Acts, ch 1138, §9; 91 Acts, ch 55, §2

**400.28 Employees — number diminished.**

1. When the public interest requires a diminution of employees in a classification or grade under civil service, the city council, acting in good faith, may do either of the following:

*a.* Abolish the office and remove the employee from the employee's classification or grade thereunder.

*b.* Reduce the number of employees in any classification or grade by suspending the necessary number.

2. In case it thus becomes necessary to so remove or suspend any such employees, the persons so removed or suspended shall be those having seniority of the shortest duration in the classifications or grades affected, and such seniority shall be computed as provided in section 400.12 for all persons holding seniority in the classification or grade affected, regardless of their seniority in any other classification or grade, but any such employee so removed from any classification or grade shall revert to the employee's seniority in the next lower grade or classification; if such seniority is equal, then the one less efficient and competent as determined by the person or body having the appointing power shall be the one affected.

3. In case of removal or suspension, the civil service commission shall issue to each person affected one certificate showing the person's comparative seniority or length of service in each of the classifications or grades from which the person is so removed and the fact that the person has been honorably removed. The certificate shall also list each classification or grade in which the person was previously employed. The person's name shall be carried for a period of not less than three years after the suspension or removal on a preferred list and appointments or promotions made during that period to the person's former duties in the classification or grade shall be made in the order of greater seniority from the preferred lists.

[S13, §679-h; C24, 27, 31, 35, 39, §**5712;** C46, 50, 54, 58, 62, 66, 71, 73, §365.28; C75, 77, 79, 81, §400.28]

86 Acts, ch 1138, §10, 11; 2010 Acts, ch 1069, §131

**400.29 Political activity limited.**

1. A person holding a civil service position shall not, while performing official duties or while using city equipment at the person's disposal by reason of the position, solicit in any manner contribution for any political party or candidate or engage in any political activity during working hours that impairs the efficiency of the position or presence during

the working hours. A person shall not seek or attempt to use any political endorsement in connection with any appointment to a civil service position.

2. A person holding a civil service position shall not, by the authority of the position, secure or attempt to secure in any manner for any other person an appointment or advantage in appointment to a civil service position or an increase in pay or other advantage of employment in any such position for the purpose of influencing the vote or political action of that person or for any other consideration.

3. A person who in any manner supervises a person holding a civil service position shall not directly or indirectly solicit the person supervised to contribute money, anything of value, or service to a candidate seeking election, or a political party or candidate's political committee.

4. This section shall not be construed to prohibit any employee or group of employees, individually or collectively, from expressing honest opinions and convictions, or making statements and comments concerning their wages or other conditions of their employment.

[SS15, §1056-a32; C24, 27, 31, 35, 39, §**5713;** C46, 50, 54, 58, 62, 66, 71, 73, §365.29; C75, 77, 79, 81, §400.29]

86 Acts, ch 1021, §3

Leave of absence for candidacy and public service; see chapter 55

**400.30 Penalty.**

The provisions of this chapter shall be strictly carried out by each person or body having powers or duties thereunder, and any act or failure to act tending to avoid or defeat the purposes of such provisions is hereby prohibited and shall be a simple misdemeanor.

[C39, §**5713.1;** C46, 50, 54, 58, 62, 66, 71, 73, §365.30; C75, 77, 79, 81, §400.30]

**400.31 Waterworks employees.**

In cities where the board of waterworks trustees has adopted a resolution placing its employees under this chapter as to civil service, the civil service commission acting under this chapter has charge of the civil service procedure as to those employees and this chapter applies.

[C50, 54, 58, 62, 66, 71, 73, §365.31; C75, 77, 79, 81, §400.31]

83 Acts, ch 101, §83

# CHAPTERS 401 and 402

RESERVED

# CHAPTER 403

## URBAN RENEWAL

Referred to in §6A.22, 15J.4, 331.403, 331.441, 357H.4, 384.22, 384.24, 419.17

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## POLICY, PLAN, AND MUNICIPAL AUTHORITY

**403.1 Title.**

This chapter shall be known and may be cited as the *"Urban Renewal Law."*
[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.1]

**403.2 Declaration of policy.**

1. It is hereby found and declared that there exist in municipalities of the state slum and blighted areas, as herein defined, which constitute a serious and growing menace, injurious to the public health, safety, morals and welfare of the residents of the state; that the existence of such areas contributes substantially and increasingly to the spread of disease and crime, constitutes an economic and social liability imposing onerous municipal burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of slums and blighted areas is a matter of state policy and state concern in order that the state and its municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinquency and consume an excessive proportion of state revenues because of the extra services required for police, fire, accident, hospitalization and other forms of public protection, services and facilities.

2. It is further found and declared that certain slum or blighted areas, or portions thereof, may require acquisition, clearance, and disposition subject to use restrictions, as provided in this chapter, since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation; that other areas or portions thereof may, through the means provided in this chapter, be susceptible of conservation or rehabilitation in such a manner that the conditions and evils hereinbefore enumerated may be eliminated, remedied or prevented; and that fringe areas can be conserved and rehabilitated through appropriate public action as herein authorized, and through the cooperation and voluntary action of the owners and tenants of property in such areas.

3. It is further found and declared that there exists in this state the continuing need for programs to alleviate and prevent conditions of unemployment and a shortage of housing;

and that it is accordingly necessary to assist and retain local industries and commercial enterprises to strengthen and revitalize the economy of this state and its municipalities; that accordingly it is necessary to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in locating, purchasing, constructing, reconstructing, modernizing, improving, maintaining, repairing, furnishing, equipping, and expanding in this state and its municipalities, for the provision of public improvements related to housing and residential development, and for the construction of housing for low and moderate income families; that accordingly it is necessary to authorize local governing bodies to designate areas of a municipality as economic development areas for commercial and industrial enterprises, public improvements related to housing and residential development, or construction of housing for low and moderate income families; and that it is also necessary to encourage the location and expansion of commercial enterprises to more conveniently provide needed services and facilities of the commercial enterprises to municipalities and the residents of the municipalities. Therefore, the powers granted in this chapter constitute the performance of essential public purposes for this state and its municipalities.

4. It is further found and declared that the powers conferred by this chapter are for public uses and purposes for which public money may be expended and for which the power of eminent domain, to the extent authorized, and police power exercised; and that the necessity in the public interest for the provisions herein enacted is hereby declared as a matter of legislative determination.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.2]

85 Acts, ch 66, §1; 91 Acts, ch 186, §1; 96 Acts, ch 1204, §13; 2006 Acts, 1st Ex, ch 1001, §34, 49

**403.3 Municipal program.**

The local governing body of a municipality may formulate for the municipality a workable program for utilizing appropriate private and public resources to eliminate slums and prevent the development or spread of slums and urban blight and to encourage needed urban rehabilitation. Such workable program may include, without limitation, provisions for:

1. The prevention of the spread of blight into areas of the municipality which are free from blight, through diligent enforcement of housing, zoning and occupancy controls and standards.

2. The rehabilitation or conservation of slum or blighted areas or portions thereof by replanning, by removing congestion, by providing parks, playgrounds and other public improvements, by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures.

3. The clearance of slum and blighted areas or portions thereof.

4. The redevelopment of slum and blighted areas by approval of urban renewal plans.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.3]

Referred to in §403.14

**403.4 Resolution of necessity.**

No municipality shall exercise the authority herein conferred upon municipalities by this chapter until after its local governing body shall have adopted a resolution finding that:

1. One or more slum, blighted or economic development areas exist in the municipality.

2. The rehabilitation, conservation, redevelopment, development, or a combination thereof, of the area is necessary in the interest of the public health, safety, or welfare of the residents of the municipality.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.4]

85 Acts, ch 66, §2

Referred to in §403.14, 403.15

**403.5 Urban renewal plan.**

1. A municipality shall not approve an urban renewal project for an urban renewal area unless the governing body has, by resolution, determined the area to be a slum area, blighted area, economic development area or a combination of those areas, and designated the area

as appropriate for an urban renewal project. The local governing body shall not approve an urban renewal plan until a general plan for the municipality has been prepared. For this purpose and other municipal purposes, authority is vested in every municipality to prepare, to adopt and to revise from time to time, a general plan for the physical development of the municipality as a whole, giving due regard to the environs and metropolitan surroundings. A municipality shall not acquire real property for an urban renewal project unless the local governing body has approved the urban renewal project in accordance with subsection 4.

2. *a.* The municipality may itself prepare or cause to be prepared an urban renewal plan; or any person or agency, public or private, may submit such a plan to a municipality. Prior to its approval of an urban renewal plan, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the local governing body within thirty days after receipt of the plan for review. Upon receipt of the recommendations of the planning commission or, if no recommendations are received within the thirty days, then, without such recommendations, the local governing body may proceed with the hearing on the proposed urban renewal plan prescribed by subsection 3.

*b.* (1) Prior to its approval of an urban renewal plan which provides for a division of revenue pursuant to section 403.19, the municipality shall mail the proposed plan by regular mail to the affected taxing entities. The municipality shall include with the proposed plan notification of a consultation to be held between the municipality and affected taxing entities prior to the public hearing on the urban renewal plan. If the proposed urban renewal plan or proposed urban renewal project within the urban renewal area includes the use of taxes resulting from a division of revenue under section 403.19 for a public building, including but not limited to a police station, fire station, administration building, swimming pool, hospital, library, recreational building, city hall, or other public building that is exempt from taxation, including the grounds of, and the erection, equipment, remodeling, or reconstruction of, and additions or extensions to, such a building, the municipality shall include with the proposed plan notification an analysis of alternative development options and funding for the urban renewal area or urban renewal project and the reasons such options would be less feasible than the proposed urban renewal plan or proposed urban renewal project. A copy of the analysis required in this subparagraph shall be included with the urban renewal report required under section 331.403 or 384.22, as applicable, and filed by December 1 following adoption of the urban renewal plan or project.

(2) Each affected taxing entity may appoint a representative to attend the consultation. The consultation may include a discussion of the estimated growth in valuation of taxable property included in the proposed urban renewal area, the fiscal impact of the division of revenue on the affected taxing entities, the estimated impact on the provision of services by each of the affected taxing entities in the proposed urban renewal area, and the duration of any bond issuance included in the plan. The designated representative of the affected taxing entity may make written recommendations for modification to the proposed division of revenue no later than seven days following the date of the consultation. The representative of the municipality shall, no later than seven days prior to the public hearing on the urban renewal plan, submit a written response to the affected taxing entity addressing the recommendations for modification to the proposed division of revenue.

3. The local governing body shall hold a public hearing on an urban renewal plan after public notice thereof by publication in a newspaper having a general circulation in the area of operation of the municipality. The notice shall describe the time, date, place and purpose of the hearing, shall generally identify the urban renewal area covered by the plan, and shall outline the general scope of the urban renewal activities under consideration. A copy of the notice shall be sent by ordinary mail to each affected taxing entity.

4. Following such hearing, the local governing body may approve an urban renewal plan if it finds that:

*a.* A feasible method exists for the location of families who will be displaced from the

urban renewal area into decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families.

*b.* (1) The urban renewal plan conforms to the general plan of the municipality as a whole; provided, that if the urban renewal area consists of an area of open land to be acquired by the municipality, such area shall not be so acquired except:

(a) If it is to be developed for residential uses, the local governing body shall determine that a shortage of housing of sound standards and design with decency, safety, and sanitation exists in the municipality; that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality; and that one or more of the following conditions exist:

(i) That the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas, including other portions of the urban renewal area.

(ii) That conditions of blight in the municipality and the shortage of decent, safe, and sanitary housing cause or contribute to an increase in and spread of disease and crime, so as to constitute a menace to the public health, safety, morals, or welfare.

(iii) That the provision of public improvements related to housing and residential development will encourage housing and residential development which is necessary to encourage the retention or relocation of industrial and commercial enterprises in this state and its municipalities.

(iv) The acquisition of the area is necessary to provide for the construction of housing for low and moderate income families.

(b) If it is to be developed for nonresidential uses, the local governing body shall determine that such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives.

(2) The acquisition of open land authorized in subparagraph (1), subparagraph divisions (a) and (b) may require the exercise of governmental action, as provided in this chapter, because of defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, economic disuse, unsuitable topography or faulty lot layouts, or because of the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area. If such governmental action involves the exercise of eminent domain authority, the municipality is subject to the limitations of this chapter and chapters 6A and 6B.

5. *a.* Except as otherwise provided in this subsection, an urban renewal plan may be modified at any time. However, if the urban renewal plan is modified after the lease or sale by the municipality of real property in the urban renewal project area, such modification may be conditioned upon such approval of the owner, lessee, or successor in interest as the municipality may deem advisable, and in any event such modification shall be subject to such rights at law or in equity as a lessee or purchaser, or a lessee's or purchaser's successor or successors in interest, may be entitled to assert.

*b.* A municipality shall not approve an urban renewal project for an urban renewal area unless the governing body has amended or modified the adopted urban renewal plan to include the urban renewal project.

*c.* The municipality shall comply with the notification, consultation, and hearing process provided in this section prior to the approval of any amendment or modification to an adopted urban renewal plan if such amendment or modification provides for refunding bonds or refinancing resulting in an increase in debt service or provides for the issuance of bonds or other indebtedness, to be funded primarily in the manner provided in section 403.19, or if such amendment or modification provides for the inclusion and approval of an urban renewal project under paragraph "*b*". However, the review and recommendation process conducted by the municipality's planning commission under subsection 2, paragraph "*a*", shall not be required when amending or modifying an adopted urban renewal plan.

*d.* Once determined to be a blighted area, a slum area, or an economic development area by a municipality, an urban renewal area shall not be redetermined by the municipality throughout the duration of the urban renewal area.

6. Upon the approval by a municipality of an urban renewal plan or of any modification thereof, such plan or modification shall be deemed to be in full force and effect for the respective urban renewal area, and the municipality may then cause such plan or modification to be carried out in accordance with its terms.

7. Notwithstanding any other provisions of this chapter, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the governor of the state has certified the need for disaster assistance under Pub. L. No. 81-875, Eighty-first Congress, 64 Stat. 1109, codified at 42 U.S.C. § 1855 – 1855g or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to the provisions of subsection 4 and without regard to provisions of this section requiring notification and consultation, a general plan for the municipality, and a public hearing on the urban renewal plan or project.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.5]

85 Acts, ch 66, §3; 94 Acts, ch 1182, §6; 96 Acts, ch 1204, §14 – 16; 99 Acts, ch 171, §35, 41, 42; 2006 Acts, ch 1010, §97; 2006 Acts, 1st Ex, ch 1001, §35, 36, 49; 2010 Acts, ch 1061, §157, 180; 2012 Acts, ch 1124, §13, 14

Referred to in §403.14, 403.17

**403.6 Powers of municipality.**

The provisions of this chapter shall be liberally interpreted to achieve the purposes of this chapter. Every municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter, including the following powers in addition to others herein granted:

1. To undertake and carry out urban renewal projects within its area of operation; and to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this chapter; and to disseminate slum clearance and urban renewal information.

2. To arrange or contract for the furnishing or repair by any person of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with an urban renewal project; to install, construct, and reconstruct streets, utilities, parks, playgrounds, and other public improvements; and to agree to any conditions, that it may deem reasonable and appropriate, attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of an urban renewal project; and to include in any contract let in connection with such a project, provisions to fulfill such of said conditions as it may deem reasonable and appropriate.

3. Within its area of operation, to enter into any building or property in any urban renewal area in order to make inspections, surveys, appraisals, soundings or test borings, and to obtain an order for this purpose from a court of competent jurisdiction in the event entry is denied or resisted; to acquire by purchase, lease, option, gift, grant, bequest, devise, eminent domain or otherwise, any real property, or personal property for administrative purposes, together with any improvements thereon; to hold, improve, clear or prepare for redevelopment any such property; to mortgage, pledge, hypothecate or otherwise encumber or dispose of any real property; to insure or provide for the insurance of any real or personal property or operations of the municipality against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of this chapter. A municipality or other public body exercising powers under this chapter with respect to the acquisition, clearance, or disposition of property shall not be restricted by any other statutory provision in the exercise of such powers unless such statutory provision specifically states its application to this chapter or unless this chapter specifically applies restrictions contained in another statutory provision to the powers that may be exercised under this chapter.

4. To invest any urban renewal project funds held in reserves or sinking funds, or any such funds not required for immediate disbursement, in property or securities in which a state bank may legally invest funds subject to its control; to redeem such bonds as have been

issued pursuant to section 403.9 at the redemption price established therein, or to purchase such bonds at less than redemption price, all such bonds so redeemed or purchased to be canceled.

5. To borrow money and to apply for and accept advances, loans, grants, contributions and any other form of financial assistance from the federal government, the state, county, or other public body, or from any sources, public or private, for the purposes of this chapter, and to give such security as may be required, and to enter into and carry out contracts in connection therewith. A municipality may include in any contract, for financial assistance with the federal government for an urban renewal project, such conditions imposed pursuant to federal laws as the municipality may deem reasonable and appropriate and which are not inconsistent with the purposes of the chapter.

6. Within its area of operation, to make or have made all surveys and planning necessary to the carrying out of the purposes of this chapter, and to contract with any person in making and carrying out of such planning, and to adopt or approve, modify and amend such planning. Such planning may include, without limitation:

*a.* A general plan for the locality as a whole;

*b.* Urban renewal plans;

*c.* Preliminary plans outlining urban renewal activities for neighborhoods to embrace two or more urban renewal areas;

*d.* Planning for carrying out a program of voluntary or compulsory repair and rehabilitation of buildings and improvements;

*e.* Planning for the enforcement of state and local laws, codes and regulations relating to the use of land and the use and occupancy of buildings and improvements and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements;

*f.* Appraisals, title searches, surveys, studies, and other planning and work necessary to prepare for the undertaking of urban renewal projects. The municipality is authorized to develop, test, and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of slums and urban blight and to apply for, accept and utilize grants of funds from the federal government for such purposes.

7. To plan for the relocation of persons, including families, business concerns and others, displaced by an urban renewal project, and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government. Other provisions of the Code notwithstanding, in making such payments on projects not federally funded, the municipality may pay relocation assistance benefits in the amounts authorized by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. No. 91-646, as amended by the Uniform Relocation Act Amendments of 1987, Tit. IV, Pub. L. No. 100-17.

8. To appropriate such funds and make such expenditures as may be necessary to carry out the purposes of this chapter, and to levy taxes and assessments for such purposes; to zone or rezone any part of the municipality or make exceptions from building regulations; and to enter into agreements, respecting action to be taken by such municipality pursuant to any of the powers granted by this chapter, with an urban renewal agency vested with urban renewal project powers under section 403.14, which agreements may extend over any period, notwithstanding any provision of rule of law to the contrary.

9. To close, vacate, plan or replan streets, roads, sidewalks, ways or other places; and to plan or replan any part of the municipality.

10. Within its area of operation, to organize, coordinate and direct the administration of the provisions of this chapter as they apply to such municipality in order that the objective of remedying slum and blighted areas, and preventing the causes thereof, within such municipality, may be most effectively promoted and achieved; and to establish such new office or offices of the municipality, or to reorganize existing offices, in order to carry out such purpose most effectively.

11. To exercise all or any part of combination of powers herein granted.

12. To approve urban renewal plans.

13. To sell and convey real property in furtherance of an urban renewal project.

14. To supplement the rent required to be paid by any family residing in the municipality forced to relocate by reason of any governmental activity, provided it is necessary to do so in order to house such family in decent, safe and sanitary housing and provided further that such family does not have sufficient means, as determined by the municipality, to pay the required rent for such housing. Any such rent supplement for any such family shall not continue for more than five years.

15. To acquire by purchase, gift or condemnation real property within its area of operation for the relocation of railroad passenger and freight depots, tracks, and yard and other railroad facilities and to sell or exchange and convey such real property to railroads.

16. To acquire or dispose of by purchase, construction, or lease, or otherwise to deal in air rights, and facilities or easements for lateral or vertical support of land or structures of any kind.

17. Subject to applicable state or federal regulations in effect at the time of the municipal action, accept contributions, grants, and other financial assistance from the state or federal government to be used upon a finding of public purpose for grants, loans, loan guarantees, interest supplements, technical assistance, or other assistance as necessary or appropriate to private persons for an urban renewal project.

18. To provide in an urban renewal plan for the exclusion from taxation of value added to real estate during the process of construction for development or redevelopment. The exclusion may be limited as to the scope of exclusion, territory, or class of property affected. However, the value added during construction shall not be eligible for exclusion from taxation for more than two years and the exclusion shall not be applied to a facility which has been more than eighty percent completed as of the most recent date of assessment. This subsection permits the elimination only of those taxes which are levied against assessments made during the construction of the development or redevelopment.

19. *a.* A municipality, upon entering into a development or redevelopment agreement pursuant to section 403.8, subsection 1, or as otherwise permitted in this chapter, may enter into a written assessment agreement with the developer of taxable property in the urban renewal area which establishes a minimum actual value of the land and completed improvements to be made on the land until a specified termination date which shall not be later than the date after which the tax increment will no longer be remitted to the municipality pursuant to section 403.19, subsection 2. The assessment agreement shall be presented to the appropriate assessor. The assessor shall review the plans and specifications for the improvements to be made and if the minimum actual value contained in the assessment agreement appears to be reasonable, the assessor shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be made on it, certifies that the actual value assigned to that land and improvements upon completion shall not be less than $.....

*b.* This assessment agreement with the certification of the assessor and a copy of this subsection shall be filed in the office of the county recorder of the county where the property is located. Upon completion of the improvements, the assessor shall value the property as required by law, except that the actual value shall not be less than the minimum actual value contained in the assessment agreement. This subsection does not prohibit the assessor from assigning a higher actual value to the property or prohibit the owner from seeking administrative or legal remedies to reduce the actual value assigned except that the actual value shall not be reduced below the minimum actual value contained in the assessment agreement. An assessor, county auditor, board of review, director of revenue, or court of this state shall not reduce or order the reduction of the actual value below the minimum actual value in the agreement during the term of the agreement regardless of the actual value which may result from the incomplete construction of improvements, destruction or diminution

by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording of an assessment agreement complying with this subsection constitutes notice of the assessment agreement to a subsequent purchaser or encumbrancer of the land or any part of it, whether voluntary or involuntary, and is binding upon a subsequent purchaser or encumbrancer.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.6]

83 Acts, ch 48, §2, 3; 84 Acts, ch 1210, §1; 88 Acts, ch 1209, §3; 96 Acts, ch 1204, §17; 2002 Acts, ch 1119, §160; 2003 Acts, ch 145, §286; 2006 Acts, 1st Ex, ch 1001, §37, 49; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1069, §132 – 134

Referred to in §403.8, 403.14, 427B.19D

**403.7 Condemnation of property.**

1. A municipality shall have the right to acquire by condemnation any interest in real property, including a fee simple title thereto, which it may deem necessary for or in connection with an urban renewal project under this chapter, subject to the limitations on eminent domain authority in chapter 6A. However, a municipality shall not condemn agricultural land included within an economic development area for any use unless the owner of the agricultural land consents to condemnation or unless the municipality determines that the land is necessary or useful for any of the following:

*a.* The operation of a city utility as defined in section 362.2.

*b.* The operation of a city franchise conferred the authority to condemn private property under section 364.2.

*c.* The operation of a combined utility system as defined in section 384.80.

2. A municipality shall exercise the power of eminent domain in the manner provided in chapter 6B. Property already devoted to a public use may be acquired in like manner. However, real property belonging to the state, or any political subdivision of this state, shall not be acquired without its consent, and real property or any right or interest in the property owned by any public utility company, pipeline company, railway or transportation company vested with the right of eminent domain under the laws of this state shall not be acquired without the consent of the company, or without first securing, after due notice to the company and after hearing, a certificate authorizing condemnation of the property from the board, commission, or body having the authority to grant a certificate authorizing condemnation.

3. In a condemnation proceeding, if a municipality proposes to take a part of a lot or parcel of real property, the municipality shall also take the remaining part of the lot or parcel if requested by the owner.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.7]

85 Acts, ch 66, §4; 99 Acts, ch 171, §36, 41, 42; 2006 Acts, 1st Ex, ch 1001, §38, 49

**403.8 Sale or lease of property.**

1. A municipality may sell, lease or otherwise transfer real property or any interest in real property acquired by it, and may enter into contracts for such purposes, in an urban renewal area for residential, recreational, commercial, industrial or other uses, or for public use, subject to covenants, conditions and restrictions, including covenants running with the land, it deems to be necessary or desirable to assist in preventing the development or spread of future slums or blighted areas, or to otherwise carry out the purposes of this chapter. However, the sale, lease, other transfer, or retention, and any agreement relating to it, may be made only after the approval of the urban renewal plan by the local governing body. The purchasers or lessees and their successors and assigns shall devote the real property only to the uses specified in the urban renewal plan, and they may be obligated to comply with other requirements the municipality determines to be in the public interest, including the requirement to begin within a reasonable time any improvements on the real property required by the urban renewal plan. The real property or interest shall be sold, leased, otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban renewal plan except as provided in subsection 3. In determining the fair value of real property for uses in accordance with the urban renewal plan, a municipality shall take into account and give consideration to the uses provided in the plan; the restrictions upon,

and the covenants, conditions and obligations assumed by the purchaser or lessee or by the municipality retaining the property; and the objectives of the plan for the prevention of the recurrence of slum or blighted areas. The municipality in an instrument of conveyance to a private purchaser or lessee may provide that the purchaser or lessee shall not sell, lease or otherwise transfer the real property, without the prior written consent of the municipality, until the purchaser or lessee has completed the construction of any or all improvements which the purchaser or lessee has become obligated to construct. Real property acquired by a municipality which, in accordance with the urban renewal plan, is to be transferred, shall be transferred as rapidly as feasible in the public interest, consistent with the carrying out of the urban renewal plan. A contract for a transfer under the urban renewal plan, or a part or parts of the contract or plan as the municipality determines, may be recorded in the land records of the county in a manner to afford actual or constructive notice of the contract or plan.

2. *a.* A municipality may dispose of real property in an urban renewal area to private persons only under reasonable competitive bidding procedures it shall prescribe, or as provided in this subsection. A municipality, by public notice by publication in a newspaper having a general circulation in the community, thirty days prior to the execution of a contract to sell, lease or otherwise transfer real property, and prior to the delivery of an instrument of conveyance with respect to the real property under this section, may invite proposals from and make available all pertinent information to any persons interested in undertaking to redevelop or rehabilitate an urban renewal area, or a part of the area. The notice shall identify the area, or portion of the area, and shall state that proposals shall be made by those interested within thirty days after the date of publication of the notice, and that further information available may be obtained at the office designated in the notice. The municipality shall consider all redevelopment or rehabilitation proposals, and the financial and legal ability of the persons making the proposals to carry them out, and the municipality may negotiate with any persons for proposals concerning the purchase, lease or other transfer of real property acquired by the municipality in the urban renewal area. The municipality may accept the proposal it deems to be in the public interest and in furtherance of the purposes of this chapter. However, a notification of intention to accept the proposal shall be filed with the governing body not less than thirty days prior to the acceptance. Thereafter, the municipality may execute a contract in accordance with subsection 1 and may deliver deeds, leases and other instruments and may take all steps necessary to effectuate the contract.

*b.* However, this subsection does not apply to real property disposed of for the purpose of development or redevelopment as an industrial building or facility, facilities for use as a center for export for international trade, a home office or regional office facility for a multistate business or which meets the criteria set forth in subsection 3.

3. The requirement that real property or an interest in real property transferred or retained for the purpose of a development or redevelopment be sold, leased, otherwise transferred, or retained at not less than its fair market value does not apply if the developer enters into a written assessment agreement with the municipality pursuant to section 403.6, subsections 18 and 19 and the minimum actual value contained in the assessment agreement would indicate that there will be sufficient taxable valuations to permit the collection of incremental taxes as provided in subsection 2 of section 403.19 to cause the indebtedness and other costs incurred by the municipality with respect to the property or interest transferred or retained to be repayable as to principal within four tax years following the commencement of full operation of the development.

4. A municipality may temporarily operate and maintain real property acquired in an urban renewal area pending the disposition of the property as authorized in this chapter, without regard to the provisions of subsection 1 above, for such uses and purposes as may be deemed desirable, even though not in conformity with the urban renewal plan.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.8]

84 Acts, ch 1210, §2, 3; 88 Acts, ch 1144, §1, 3; 2010 Acts, ch 1061, §180

Referred to in §403.6

**403.9 Issuance of bonds.**

1. A municipality shall have power to periodically issue bonds in its discretion to pay the costs of carrying out the purposes and provisions of this chapter, including, but not limited to, the payment of principal and interest upon any advances for surveys and planning, and the payment of interest on bonds, herein authorized, not to exceed three years from the date the bonds are issued. The municipality shall have power to issue refunding bonds for the payment or retirement of such bonds previously issued by it. Said bonds shall be payable solely from the income and proceeds of the fund and portion of taxes referred to in subsection 2 of section 403.19, and revenues and other funds of the municipality derived from or held in connection with the undertaking and carrying out of urban renewal projects under this chapter. The municipality may pledge to the payment of the bonds the fund and portion of taxes referred to in subsection 2 of section 403.19, and may further secure the bonds by a pledge of any loan, grant or contribution from the federal government or other source in aid of any urban renewal projects of the municipality under this chapter, or by a mortgage of any such urban renewal projects, or any part thereof, title which is vested in the municipality.

2. Bonds issued under this section shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not be subject to the provisions of any other law or charter relating to the authorization, issuance or sale of bonds. Bonds issued under the provisions of this chapter are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempted from all taxes.

3. *a.* Bonds issued under this section shall be authorized by resolution or ordinance of the local governing body and may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates not exceeding that permitted by chapter 74A be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, be secured in such manner, and have such other characteristics, as may be provided by such resolution or trust indenture or mortgage issued pursuant thereto.

*b.* Before the local governing body may institute proceedings for the issuance of bonds under this section, a notice of the proposed action, including a statement of the amount and purposes of the bonds and the time and place of the meeting at which the local governing body proposes to take action for the issuance of the bonds, must be published as provided in section 362.3. At the meeting, the local governing body shall receive oral or written objections from any resident or property owner of the municipality. After all objections have been received and considered, the local governing body, at that meeting or any subsequent meeting, may take additional action for the issuance of the bonds or abandon the proposal to issue the bonds. Any resident or property owner of the municipality may appeal the decision of the local governing body to take additional action to the district court of the county in which any part of the municipality is located, within fifteen days after the additional action is taken. The additional action of the local governing body is final and conclusive unless the court finds that the municipality exceeded its authority.

4. Such bonds may be sold at not less than ninety-eight percent of par at public or private sale, or may be exchanged for other bonds at not less than ninety-eight percent of par.

5. In case any of the public officials of the municipality whose signatures appear on any bonds or coupons issued under this chapter shall cease to be such officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this chapter shall be fully negotiable.

6. In any suit, action or proceeding involving the validity or enforceability of any bond issued under this chapter or the security therefor, any such bond reciting in substance that it has been issued by the municipality in connection with an urban renewal project, as herein defined, shall be conclusively deemed to have been issued for such purpose and such project

shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of this chapter.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.9]

96 Acts, ch 1204, §18, 19; 2010 Acts, ch 1061, §180

Referred to in §403.6, 403.12, 403.19, 422.7

**403.10 Bonds as legal investment.**

All banks, trust companies, savings associations, investment companies, and other persons carrying on an investment business; all insurance companies, insurance associations, and other persons carrying on an insurance business; and all executors, administrators, curators, trustees, and other fiduciaries, may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued by a municipality pursuant to this chapter, or those issued by any urban renewal agency vested with urban renewal project powers under section 403.14. Such bonds and other obligations shall be authorized security for all public deposits. It is the purpose of this section to authorize any persons, political subdivisions and officers, public or private, to use any funds owned or controlled by them for the purchase of any such bonds or other obligations. Nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.10]

96 Acts, ch 1204, §20; 2012 Acts, ch 1017, §78

**403.11 Exemptions from legal process.**

1. All property of a municipality, including funds, owned or held by it for the purposes of this chapter shall be exempt from levy and sale by virtue of an execution. Execution or other judicial process shall not issue against the property and a judgment against a municipality shall not be a charge or lien upon such property. However, the provisions of this section shall not apply to or limit the right of obligees to pursue any remedies for the enforcement of any pledge or lien given pursuant to this chapter by a municipality on its rents, fees, grants or revenues from urban renewal projects.

2. The property of a municipality, acquired or held for the purposes of this chapter, is declared to be public property used for essential public and governmental purposes, and such property shall be exempt from all taxes of the municipality, the county, the state, or any political subdivision thereof. However, such tax exemption shall terminate when the municipality sells, leases or otherwise disposes of such property in an urban renewal area to a purchaser or lessee which is not a public body entitled to tax exemption with respect to such property.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.11]

2011 Acts, ch 34, §90

**403.12 Powers of municipality.**

1. For the purpose of aiding in the planning, undertaking or carrying out of an urban renewal project located within the area in which it is authorized to act, any public body may, upon such terms, with or without consideration, as it may determine:

*a.* Dedicate, sell, convey or lease any of its interest in any property, or grant easements, licenses or other rights or privileges therein to a municipality;

*b.* Incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section;

*c.* Do any and all things necessary to aid or cooperate in the planning or carrying out of an urban renewal project;

*d.* Lend, grant or contribute funds to a municipality;

*e.* Enter into agreements, which may extend over any period, notwithstanding any provision or rule of law to the contrary, with a municipality or other public body respecting action to be taken pursuant to any of the powers granted by this chapter, including the furnishing of funds or other assistance in connection with an urban renewal project;

*f.* Cause public buildings and public facilities, including parks, playgrounds, and

recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake to be furnished;

*g.* Furnish, dedicate, close, vacate, pave, install, grade, regrade, plan or replan streets, roads, sidewalks, ways or other places;

*h.* Plan or replan, zone or rezone any part of the public body or make exceptions from building regulations;

*i.* Cause administrative and other services to be furnished to the municipality.

2. If at any time title to or possession of any urban renewal project is held by any public body or governmental agency, including any agency or instrumentality of the United States, other than the municipality, which is authorized by law to engage in the undertaking, carrying out, or administration of urban renewal projects, the provisions of the agreements referred to in this section shall inure to the benefit of and may be enforced by such public body or governmental agency. As used in this subsection, the term *"municipality"* shall also include an urban renewal agency vested with all of the urban renewal project powers pursuant to the provisions of section 403.14.

3. Any sale, conveyance, lease or agreement provided for in this section may be made by a public body without appraisal, public notice, advertisement or public bidding.

4. For the purpose of aiding in the planning, undertaking or carrying out of an urban renewal project of an urban renewal agency, a municipality may, in addition to its other powers and upon such terms, with or without consideration, as it may determine, do and perform any or all of the actions or things which, by the provisions of subsection 1 of this section, a public body is authorized to do or perform, including the furnishing of financial and other assistance.

5. For the purposes of this section, or for the purpose of aiding in the planning, undertaking, or carrying out of an urban renewal project of a municipality, a municipality may, in addition to any authority to issue bonds pursuant to section 403.9, issue and sell its general obligation bonds. Any bonds issued by a municipality pursuant to this section must be issued, in the case of a city, by resolution of the council in the manner and within the limitations prescribed by chapter 384, division III, or in the case of a county, by resolution of the board of supervisors in the manner and within the limitations prescribed by chapter 331, division IV, part 3. Bonds issued pursuant to the provisions of this subsection must be sold in the manner prescribed by chapter 75. The additional power granted in this subsection for the financing of public undertakings and activities by municipalities within an urban renewal area shall not be construed as a limitation of the existing powers of municipalities.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.12]

94 Acts, ch 1182, §7; 2012 Acts, ch 1023, §157

Referred to in §331.441, 384.24

**403.13 Presumption of title.**

Any instrument executed by a municipality and purporting to convey any right, title or interest in any property under this chapter shall be conclusively presumed to have been executed in compliance with the provisions of this chapter insofar as title or other interest of any bona fide purchasers, lessees or transferees of such property is concerned.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.13]

**403.14 Urban renewal agency powers.**

1. A municipality may itself exercise its urban renewal project powers, as herein defined, or may, if the local governing body by resolution determines such action to be in the public interest, elect to have such powers exercised by the urban renewal agency, if one exists or is subsequently established in the community. In the event the local governing body makes such determination, the urban renewal agency shall be vested with all of the urban renewal project powers in the same manner as though all such powers were conferred on such agency instead of the municipality. If the local governing body does not elect to make such determination, the municipality in its discretion may exercise its urban renewal project powers through a board or commissioner, or through such officers of the municipality as the local governing body may by resolution determine.

2. As used in this section, the term *"urban renewal project powers"* shall include the rights, powers, functions and duties of a municipality under this chapter, except the following:

*a.* The power to determine an area to be a slum or blighted area or combination thereof and to designate such area as appropriate for an urban renewal project and to hold any public hearings required with respect thereto;

*b.* The power to approve urban renewal plans and modifications thereof;

*c.* The power to establish a general plan for the locality as a whole;

*d.* The power to formulate a workable program under section 403.3;

*e.* The power to make the determinations and findings provided for in section 403.4, and section 403.5, subsection 4;

*f.* The power to issue general obligation bonds;

*g.* The power to appropriate funds, to levy taxes and assessments, and to exercise other powers provided for in section 403.6, subsection 8.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.14]
Referred to in §403.6, 403.10, 403.12, 403.15, 403.16

**403.15 Agency created.**

1. There is hereby created in each municipality a public body corporate and politic to be known as the "urban renewal agency" of the municipality: Provided, that such agency shall not transact any business or exercise its powers hereunder until or unless the local governing body has made the finding prescribed in section 403.4, and has elected to have the urban renewal project powers exercised by an urban renewal agency as provided in section 403.14.

2. If the urban renewal agency is authorized to transact business and exercise powers pursuant to this chapter, the mayor or chairperson of the board, as applicable, by and with the advice and consent of the local governing body, shall appoint a board of commissioners of the urban renewal agency, which board shall consist of five commissioners. In cities having a population of more than one hundred thousand, the city council may establish, by ordinance, the number of commissioners at not less than five. The term of office of each such commissioner shall be one year.

3. A commissioner shall receive no compensation for services, but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of the commissioner's duties. Each commissioner shall hold office until a successor has been appointed and has qualified. A certificate of the appointment or reappointment of any commissioner shall be filed with the clerk of the municipality, and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner.

4. The powers of an urban renewal agency shall be exercised by the commissioners thereof. A majority of the commissioners shall constitute a quorum for the purpose of conducting business and exercising the powers of the agency, and for all other purposes. Action may be taken by the agency upon a vote of a majority of the commissioners present, unless in any case the bylaws shall require a larger number. Any persons may be appointed as commissioners if they reside within the area of operation of the agency, which area shall be conterminous with the area of operation of the municipality, and if they are otherwise eligible for such appointments under this chapter.

5. The mayor or chairperson of the board, as applicable, shall designate a chairperson and vice chairperson from among the commissioners. An agency may employ an executive director, technical experts and such other agents and employees, permanent and temporary, as it may require, and the agency may determine their qualifications, duties and compensation. For such legal service as it may require, an agency may employ or retain its own counsel and legal staff. An agency authorized to transact business and exercise powers under this chapter shall file, with the local governing body, on or before September 30 of each year, a report of its activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of such fiscal year. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the city or county, as applicable, a notice to the effect that such report has been filed with the municipality, and that the report is

available for inspection during business hours in the office of the city clerk or county auditor, as applicable, and in the office of the agency.

6. For inefficiency, or neglect of duty, or misconduct in office, a commissioner may be removed only after a hearing, and after the commissioner shall have been given a copy of the charges at least ten days prior to such hearing, and after the commissioner shall have had an opportunity to be heard in person or by counsel.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.15]

91 Acts, ch 214, §1; 95 Acts, ch 114, §4

Referred to in §403.17

**403.16 Personal interest prohibited.**

No public official or employee of a municipality, or board or commission thereof, and no commissioner or employee of an urban renewal agency, which has been vested by a municipality with urban renewal project powers under section 403.14, shall voluntarily acquire any personal interest, as hereinafter defined, whether direct or indirect, in any urban renewal project, or in any property included or planned to be included in any urban renewal project of such municipality, or in any contract or proposed contract in connection with such urban renewal project. Where such acquisition is not voluntary, the interest acquired shall be immediately disclosed in writing to the local governing body, and such disclosure shall be entered upon the minutes of the governing body. If any such official, commissioner or employee presently owns or controls, or has owned or controlled within the preceding two years, any interest, as hereinafter defined, whether direct or indirect, in any property which the official, commissioner or employee knows is included or planned to be included in an urban renewal project, the official, commissioner or employee shall immediately disclose this fact in writing to the local governing body, and such disclosure shall be entered upon the minutes of the governing body; and any such official, commissioner or employee shall not participate in any action by the municipality, or board or commission thereof, or urban renewal agency affecting such property, as the terms of such proscription are hereinafter defined. For the purposes of this section the following definitions and standards of construction shall apply:

1. *"Action affecting such property"* shall include only that action directly and specifically affecting such property as a separate property but shall not include any action, any benefits of which accrue to the public generally, or which affects all or a substantial portion of the properties included or planned to be included in such a project.

2. Employment by a public body, its agencies, or institutions or by any other person having such an interest shall not be deemed an interest by such employee or of any ownership or control by such employee of interests of the employee's employer. Such an employee may participate in an urban renewal project so long as any benefits of such participation accrue to the public generally, such participation affects all or a substantial portion of the properties included or planned to be included in such a project, or such participation promotes the public purposes of such project, and shall limit only that participation by an employee which directly or specifically affects property in which an employer of an employee has an interest.

3. The word "*participation*" shall be deemed not to include discussion or debate preliminary to a vote of a local governing body or agency upon proposed ordinances or resolutions relating to such a project or any abstention from such a vote.

4. The designation of a bank or trust company as depository, paying agent, or agent for investment of funds shall not be deemed a matter of interest or personal interest.

5. Stock ownership in a corporation having such an interest shall not be deemed an indicia of an interest or of ownership or control by the person owning such stocks when less than five percent of the outstanding stock of the corporation is owned or controlled directly or indirectly by such person.

6. The word "*action*" shall not be deemed to include resolutions advisory to the local governing body or agency by any citizens group, board, body, or commission designated to serve a purely advisory approving or recommending function under this chapter.

7. The limitations of this section shall be construed to permit action by a public official, commissioner, or employee where any benefits of such action accrue to the public generally,

such action affects all or a substantial portion of the properties included or planned to be included in such a project, or such action promotes the public purposes of such project, and shall be construed to limit only that action by a public official, commissioner, or employee which directly or specifically affects property in which such official, commissioner, or employee has an interest or in which an employer of such official, commissioner, or employee has an interest. Any disclosure required to be made by this section to the local governing body shall concurrently be made to an urban renewal agency which has been vested with urban renewal project powers by the municipality pursuant to the provisions of section 403.14. No commissioner or other officer of any urban renewal agency, board or commission exercising powers pursuant to this chapter shall hold any other public office under the municipality, other than the commissionership or office with respect to such urban renewal agency, board or commission. Any violation of the provisions of this section shall constitute misconduct in office, but no ordinance or resolution of a municipality or agency shall be invalid by reason of a vote or votes cast in violation of the standards of this section unless such vote or votes were decisive in the passage of such ordinance or resolution.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.16]

**403.17 Definitions.**

The following terms wherever used or referred to in this chapter, shall have the following meanings, unless a different meaning is clearly indicated by the context:

1. *"Affected taxing entity"* means a city, county, or school district which levied or certified for levy a property tax on any portion of the taxable property located within the urban renewal area in the fiscal year beginning prior to the calendar year in which a proposed urban renewal plan is submitted to the local governing body for approval.

2. *"Agency"* or *"urban renewal agency"* shall mean a public agency created by section 403.15.

3. *"Agricultural land"* means real property owned by a person in tracts of ten acres or more and not laid off into lots of less than ten acres or divided by streets and alleys into parcels of less than ten acres, and that has been used for the production of agricultural commodities during three out of the past five years. Such use of property includes, but is not limited to, the raising, harvesting, handling, drying, or storage of crops used for feed, food, seed, or fiber; the care or feeding of livestock; the handling or transportation of crops or livestock; the storage, treatment, or disposal of livestock manure; and the application of fertilizers, soil conditioners, pesticides, and herbicides on crops. Agricultural land includes land on which is located farm residences or outbuildings used for agricultural purposes and land on which is located facilities, structures, or equipment for agricultural purposes. Agricultural land includes land taken out of agricultural production for purposes of environmental protection or preservation.

4. *"Area of operation"* of a city means the area within the corporate limits of the city and, with the consent of the county, the area within two miles of such limits, except that it does not include any area which lies within the territorial boundaries of another incorporated city, unless a resolution has been adopted by the governing body of the city declaring a need to be included in the area. The *"area of operation"* of a county means an area outside the corporate limits of a city. However, in that area outside a city's boundary but within two miles of the city's boundary, a joint agreement between the city and the county is required allowing the county to proceed with the activities authorized under this chapter. In addition, a county may proceed with activities authorized under this chapter in an area inside the boundaries of a city, provided a joint agreement is entered into with respect to such activities between a city and a county.

5. *"Blighted area"* means an area of a municipality within which the local governing body of the municipality determines that the presence of a substantial number of slum, deteriorated, or deteriorating structures; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness; insanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; or the existence of conditions which endanger life or property by fire and

other causes; or any combination of these factors; substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use. A disaster area referred to in section 403.5, subsection 7, constitutes a *"blighted area"*. *"Blighted area"* does not include real property assessed as agricultural property for purposes of property taxation.

6. *"Board"* or *"commission"* shall mean a board, commission, department, division, office, body, or other unit of the municipality.

7. *"Bonds"* shall mean any bonds, including refunding bonds, notes, interim certificates, certificates of indebtedness, debentures, or other obligations.

8. *"Chairperson of the board"* means the chairperson of the board of supervisors or other legislative body charged with governing a county.

9. *"Clerk"* shall mean the clerk or other official of the municipality who is the custodian of the official records of such municipality.

10. *"Economic development area"* means an area of a municipality designated by the local governing body as appropriate for commercial and industrial enterprises, public improvements related to housing and residential development, or construction of housing and residential development for low and moderate income families, including single or multifamily housing. If an urban renewal plan for an urban renewal area is based upon a finding that the area is an economic development area and that no part contains slum or blighted conditions, then the division of revenue provided in section 403.19 and stated in the plan shall be limited to twenty years from the calendar year following the calendar year in which the municipality first certifies to the county auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the division of revenue provided in section 403.19. Such designated area shall not include agricultural land, including land which is part of a century farm, unless the owner of the agricultural land or century farm agrees to include the agricultural land or century farm in the urban renewal area. For the purposes of this subsection, *"century farm"* means a farm in which at least forty acres of such farm have been held in continuous ownership by the same family for one hundred years or more.

11. *"Federal government"* shall include the United States or any agency or instrumentality, corporate or otherwise, of the United States.

12. *"Housing and residential development"* means single or multifamily dwellings to be constructed in an area with respect to which the local governing body of the municipality determines that there is an inadequate supply of affordable, decent, safe, and sanitary housing and that providing such housing is important to meeting any or all of the following objectives: retaining existing industrial or commercial enterprises; attracting and encouraging the location of new industrial or commercial enterprises; meeting the needs of special elements of the population, such as the elderly or persons with disabilities; and providing housing for various income levels of the population which may not be adequately served.

13. *"Local governing body"* means the council, board of supervisors, or other legislative body charged with governing the municipality.

14. *"Low or moderate income families"* means those families, including single person households, earning no more than eighty percent of the higher of the median family income of the county or the statewide nonmetropolitan area as determined by the latest United States department of housing and urban development, section 8 income guidelines.

15. *"Mayor"* shall mean the mayor of a municipality, or other officer or body having the duties customarily imposed upon the executive head of a municipality.

16. *"Municipality"* means any city or county in the state.

17. *"Obligee"* shall include any bondholder, agents, or trustees for any bondholders, or any lessor demising to the municipality property used in connection with an urban renewal project, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government, when it is a party to any contract with the municipality.

18. *"Person"* shall mean any individual, firm, partnership, corporation, company,

association, joint stock association; and shall include any trustee, receiver, assignee, or other person acting in a similar representative capacity for an individual or such entities.

19. *"Public body"* shall mean the state or any political subdivision thereof.

20. *"Public officer"* shall mean any officer who is in charge of any department or branch of the government of the municipality relating to health, fire, building regulations, or to other activities concerning dwellings in the municipality.

21. *"Real property"* shall include all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest, right and use, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise.

22. *"Slum area"* shall mean an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which: by reason of dilapidation, deterioration, age or obsolescence; by reason of inadequate provision for ventilation, light, air, sanitation, or open spaces; by reason of high density of population and overcrowding; by reason of the existence of conditions which endanger life or property by fire and other causes; or which by any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and which is detrimental to the public health, safety, morals, or welfare. *"Slum area"* does not include real property assessed as agricultural property for purposes of property taxation.

23. *"Urban renewal area"* means a slum area, blighted area, economic development area, or combination of the areas, which the local governing body designates as appropriate for an urban renewal project.

24. *"Urban renewal plan"* means a plan for the development, redevelopment, improvement, or rehabilitation of a designated urban renewal area, as it exists from time to time. The plan shall meet the following requirements:

*a.* Conform to the general plan for the municipality as a whole except as provided in section 403.5, subsection 7.

*b.* Be sufficiently complete to indicate the real property located in the urban renewal area to be acquired for the proposed development, redevelopment, improvement, or rehabilitation, and to indicate any zoning district changes, existing and future land uses, and the local objectives respecting development, redevelopment, improvement, or rehabilitation related to the future land uses plan, and need for improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements within the urban renewal area.

*c.* If the plan includes a provision for the division of taxes as provided in section 403.19, the plan shall also include a list of the current general obligation debt of the municipality, the current constitutional debt limit of the municipality, and the proposed amount of indebtedness to be incurred, including loans, advances, indebtedness, or bonds which qualify for payment from the special fund referred to in section 403.19, subsection 2.

25. *"Urban renewal project"* may include undertakings and activities of a municipality in an urban renewal area for the elimination and for the prevention of the development or spread of slums and blight, may include the designation and development of an economic development area in an urban renewal area, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal program. The undertakings and activities may include:

*a.* Acquisition of a slum area, blighted area, economic development area, or portion of the areas;

*b.* Demolition and removal of buildings and improvements;

*c.* Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out in the urban renewal area the urban renewal objectives of this chapter in accordance with the urban renewal plan;

*d.* Disposition of any property acquired in the urban renewal area, including sale, initial leasing, or retention by the municipality itself, at its fair value for uses in accordance with the urban renewal plan;

*e.* Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan;

*f.* Acquisition of any other real property in the urban renewal area, where necessary to eliminate unhealthful, insanitary, or unsafe conditions, or to lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities;

*g.* Sale and conveyance of real property in furtherance of an urban renewal project;

*h.* Expenditure of proceeds of bonds issued before October 7, 1986, for the construction of parking facilities on city blocks adjacent to an urban renewal area.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.17]

85 Acts, ch 66, §5 – 9; 86 Acts, ch 1237, §23; 87 Acts, ch 104, §5; 89 Acts, ch 299, §4; 91 Acts, ch 186, §2 – 4; 91 Acts, ch 214, §2, 3; 94 Acts, ch 1182, §8, 9; 96 Acts, ch 1050, §1; 96 Acts, ch 1129, §113; 96 Acts, ch 1204, §21; 99 Acts, ch 171, §37, 38, 41, 42; 2002 Acts, ch 1119, §161; 2012 Acts, ch 1124, §15

Referred to in §15A.1, 15E.193B, 15E.194, 368.26, 403A.22, 404.1, 423B.10, 437A.15

Subsection 1 and 1994 amendments to subsections 4, 5, 10, 14, 22, and 24 apply to plans approved on or after January 1, 1995, except that the century farm amendment to subsection 10 applies to plans approved on or after July 1, 1994; 94 Acts, ch 1182, §15

Subsection 3 and 1999 amendments to subsection 10 apply to state highway construction projects approved for commencement by the transportation commission on or after July 1, 1999, and to all other condemnation proceedings in which the application for condemnation is filed on or after July 1, 1999; see 99 Acts, ch 171, §42

1999 amendment to subsection 10 applies to urban renewal areas established on or after July 1, 1999, and to agricultural land included in an urban renewal area established before July 1, 1999, if the land is so included by amendment to the urban renewal plan adopted on or after that date; see 99 Acts, ch 171, §41

**403.18 Rule of construction.**

Insofar as the provisions of this chapter may be inconsistent with the provisions of any other law, the provisions of this chapter shall be controlling. The powers conferred by this chapter shall be in addition and supplemental to the powers conferred by any other law.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §403.18]

## FINANCING, PROJECT REQUIREMENTS, AND AUDITS

**403.19 Division of revenue from taxation — tax increment financing.**

A municipality may provide by ordinance that taxes levied on taxable property in an urban renewal area each year by or for the benefit of the state, city, county, school district, or other taxing district, shall be divided as follows:

1. *a.* Unless otherwise provided in this section, that portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the urban renewal area, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the municipality certifies to the county auditor the amount of loans, advances, indebtedness, or bonds payable from the division of property tax revenue, or on the assessment roll last equalized prior to the date of initial adoption of the urban renewal plan if the plan was adopted prior to July 1, 1972, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for the taxing district into which all other property taxes are paid. However, the municipality may choose to divide that portion of the taxes which would be produced by levying the municipality's portion of the total tax rate levied by or for the municipality upon the total sum of the assessed value of the taxable property in the urban renewal area, as shown on the assessment roll as of January 1 of the calendar year preceding the effective date of the ordinance and if the municipality so chooses, an affected taxing entity may allow a municipality to divide that portion of the taxes which would be produced by levying the affected taxing district's portion of the total tax rate levied by or for the affected taxing entity upon the total sum of the assessed value of the taxable property in the urban renewal area, as shown on the assessment roll as of January 1 of the calendar year preceding the effective date of the ordinance. This choice to divide a portion of the taxes shall not be construed to change the effective date of the division of property tax revenue with respect to an urban renewal plan in existence on July 1, 1994.

*b.* For the purpose of allocating taxes levied by or for any taxing district which did not include the territory in an urban renewal area on the effective date of the ordinance or initial adoption of the plan, but to which the territory has been annexed or otherwise included after the effective date, the assessment roll applicable to property in the annexed territory as of January 1 of the calendar year preceding the effective date of the ordinance, which amends the plan to include the annexed area, shall be used in determining the assessed valuation of the taxable property in the annexed area.

*c.* For the purposes of dividing taxes under section 260E.4, the applicable assessment roll for purposes of paragraph *"a"* shall be the assessment roll as of January 1 of the calendar year preceding the first written agreement providing that all or a portion of program costs are to be paid for by incremental property taxes. The community college shall file a copy of the agreement with the appropriate assessor. The assessor may, within fourteen days of such filing, physically inspect the applicable taxable business property. If upon such inspection the assessor determines that there has been a change in the value of the property from the value as shown on the assessment roll as of January 1 of the calendar year preceding the filing of the agreement and such change in value is due to new construction, additions or improvements to existing structures, or remodeling of existing structures for which a building permit was required, the assessor shall promptly determine the value of the property as of the inspection in the manner provided in chapter 441 and that value shall be included for purposes of the jobs training project in the assessed value of the employer's taxable business property as shown on the assessment roll as of January 1 of the calendar year preceding the filing of the agreement. The assessor, within thirty days of such filing, shall notify the community college and the employer or business of that valuation which shall be included in the assessed valuation for purposes of this subsection and section 260E.4. The value determined by the assessor shall reflect the change in value due solely to new construction, additions or improvements to existing structures, or remodeling of existing structures for which a building permit was required.

2. *a.* That portion of the taxes each year in excess of such amount shall be allocated to and when collected be paid into a special fund of the municipality to pay the principal of and interest on loans, moneys advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, including bonds issued under the authority of section 403.9, subsection 1, incurred by the municipality to finance or refinance, in whole or in part, an urban renewal project within the area, and to provide assistance for low and moderate income family housing as provided in section 403.22. However, except as provided in paragraph *"b"*, taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to section 298.2 and taxes for the instructional support program of a school district imposed pursuant to section 257.19, taxes for the payment of bonds and interest of each taxing district, and taxes imposed under section 346.27, subsection 22, related to joint county-city buildings shall be collected against all taxable property within the taxing district without limitation by the provisions of this subsection.

*b.* (1) All or a portion of the taxes for the physical plant and equipment levy shall be paid by the school district to the municipality if the auditor certifies to the school district by July 1 the amount of such levy that is necessary to pay the principal and interest on bonds issued by the municipality to finance an urban renewal project, which bonds were issued before July 1, 2001. Indebtedness incurred to refund bonds issued prior to July 1, 2001, shall not be included in the certification. Such school district shall pay over the amount certified by November 1 and May 1 of the fiscal year following certification to the school district.

(2) (a) All or a portion of the taxes for the instructional support program levy of a school district shall be paid by the school district to the municipality if the auditor, pursuant to subsection 11, certifies to the school district by July 1 the amount of such levy that is necessary to pay the principal and interest on bonds issued or other indebtedness incurred by the municipality to finance an urban renewal project if such bonds or indebtedness were issued or incurred on or before April 24, 2012. Such school district shall pay over the amount certified by November 1 and May 1 of the fiscal year following certification to the school district.

(b) In lieu of payment to a municipality under subparagraph division (a), a school district

may by resolution of the board of directors of the school district approve at a regular meeting of the board of directors the payment of all or a portion of the instructional support program property tax revenue excluded under paragraph *"a"*, to the municipality for the payment of principal and interest on such bonds issued or such other indebtedness incurred by the municipality before, on, or after April 24, 2012.

*c.* Unless and until the total assessed valuation of the taxable property in an urban renewal area exceeds the total assessed value of the taxable property in such area as shown by the last equalized assessment roll referred to in subsection 1, all of the taxes levied and collected upon the taxable property in the urban renewal area shall be paid into the funds for the respective taxing districts as taxes by or for the taxing districts in the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in such urban renewal area shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

*d.* In those instances where a school district has entered into an agreement pursuant to section 279.64 for sharing of school district taxes levied and collected from valuation described in this subsection and released to the school district, the school district shall transfer the taxes as provided in the agreement.

3. The portion of taxes mentioned in subsection 2 and the special fund into which they shall be paid, may be irrevocably pledged by a municipality for the payment of the principal and interest on loans, advances, bonds issued under the authority of section 403.9, subsection 1, or indebtedness incurred by a municipality to finance or refinance, in whole or in part, the urban renewal project within the area.

4. As used in this section the word *"taxes"* includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

5. An ordinance adopted under this section providing for a division of revenue shall be filed in the office of the county auditor of each county where the property that is subject to the ordinance is located.

6. *a.* (1) A municipality shall certify to the county auditor on or before December 1 the amount of loans, advances, indebtedness, or bonds, including interest negotiated on such loans, advances, indebtedness, or bonds, which qualify for payment from the special fund referred to in subsection 2, for each urban renewal area in the municipality, and the filing of the certificate shall make it a duty of the auditor to provide for the division of taxes in each subsequent year without further certification, except as provided in paragraphs *"b"* and *"c"*, until the amount of the loans, advances, indebtedness, or bonds is paid to the special fund. Such certification shall include all amounts which qualify for payment from the special fund referred to in subsection 2 during the next fiscal year and all amounts which qualify for payment from the special fund in any subsequent fiscal year. If any loans, advances, indebtedness, or bonds are issued which qualify for payment from the special fund and which are in addition to amounts already certified, the municipality shall certify the amount of the additional obligations on or before December 1 of the year such obligations were issued, and the filing of the certificate shall make it a duty of the auditor to provide for the division of taxes in each subsequent year without further certification, except as provided in paragraphs *"b"* and *"c"*, until the amount of the loans, advances, indebtedness, or bonds is paid to the special fund. Any subsequent certifications under this subsection shall not include amounts previously certified.

(2) A certification made under this paragraph *"a"* shall include the date that the individual loans, advances, indebtedness, or bonds were initially approved by the governing body of the municipality.

*b.* If the amount certified in paragraph *"a"* is reduced by payment from sources other than the division of taxes, by a refunding or refinancing of the obligation which results in lowered principal and interest on the amount of the obligation, or for any other reason, the municipality on or before December 1 of the year the action was taken which resulted in the reduction shall certify the amount of the reduction to the county auditor.

*c.* In any year, the county auditor shall, upon receipt of a certified request from a municipality filed on or before December 1, increase the amount to be allocated under

subsection 1 in order to reduce the amount to be allocated in the following fiscal year to the special fund, to the extent that the municipality does not request allocation to the special fund of the full portion of taxes which could be collected. Upon receipt of a certificate from a municipality, the auditor shall mail a copy of the certificate to each affected taxing district.

*d.* For purposes of this section, *"indebtedness"* includes but is not limited to written agreements whereby the municipality agrees to exempt, rebate, refund, or reimburse property taxes, provide a grant for property taxes paid, or make a direct payment of taxes, with moneys in the special fund referred to in subsection 2, and bonds, notes, or other obligations that are secured by or subject to payment from moneys appropriated by the municipality from moneys in the special fund referred to in subsection 2.

7. Tax collections within each taxing district may be allocated to the entire taxing district including the taxes on the valuations determined under subsection 1 and to the special fund created under subsection 2 in the proportion of their taxable valuations determined as provided in this section.

8. For any fiscal year, a municipality may certify to the county auditor for physical plant and equipment revenue necessary for payment of principal and interest on bonds issued prior to July 1, 2001, only if the municipality certified for such revenue for the fiscal year beginning July 1, 2000. A municipality shall not certify to the county auditor for a school district more than the amount the municipality certified for the fiscal year beginning July 1, 2000. If for any fiscal year a municipality fails to certify to the county auditor for a school district by July 1 the amount of physical plant and equipment revenue necessary for payment of principal and interest on such bonds, as provided in subsection 2, the school district is not required to pay over the revenue to the municipality. If a school district and a municipality are unable to agree on the amount of physical plant and equipment revenue certified by the municipality for the fiscal year beginning July 1, 2001, either party may request that the state appeal board review and finally pass upon the amount that may be certified. Such appeals must be presented in writing to the state appeal board no later than July 31 following certification. The burden shall be on the municipality to prove that the physical plant and equipment levy revenue is necessary to pay principal and interest on bonds issued prior to July 1, 2001. A final decision must be issued by the state appeal board no later than the following October 1.

9. *a.* Moneys from any source deposited into the special fund created in this section shall not be expended for or otherwise used in connection with an urban renewal project approved on or after July 1, 2012, that includes the relocation of a commercial or industrial enterprise not presently located within the municipality, unless one of the following occurs:

(1) The local governing body of the municipality where the commercial or industrial enterprise is currently located and the local governing body of the municipality where the commercial or industrial enterprise is proposing to relocate have either entered into a written agreement concerning the relocation of the commercial or industrial enterprise or have entered into a written agreement concerning the general use of economic incentives to attract commercial or industrial development within those municipalities.

(2) The local governing body of the municipality where the commercial or industrial enterprise is proposing to relocate finds that the use of deposits into the special fund for an urban renewal project that includes such a relocation is in the public interest. A local governing body's finding that an urban renewal project that includes a commercial or industrial enterprise relocation is in the public interest shall include written verification from the commercial or industrial enterprise that the enterprise is actively considering moving all or a part of its operations to a location outside the state and a specific finding that such an out-of-state move would result in a significant reduction in either the enterprise's total employment in the state or in the total amount of wages earned by employees of the enterprise in the state.

*b.* For the purposes of this subsection, *"relocation"* means the closure or substantial reduction of an enterprise's existing operations in one area of the state and the initiation of substantially the same operation in the same county or a contiguous county in the state. This subsection does not prohibit an enterprise from expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced.

10. *a.* Interest or earnings received on amounts deposited into the special fund created in this section and the net proceeds from the sale of assets purchased using amounts deposited into the special fund created in this section shall be credited to the special fund and shall be used solely for the purposes specified in this section.

*b.* Moneys in the special fund created in this section shall not be transferred to another fund of the municipality except for the payment of loans, advances, indebtedness, or bonds that qualify for payment from the special fund.

11. For any fiscal year, a municipality may certify to the county auditor for instructional support program property tax revenue necessary for payment of principal and interest on bonds issued or other indebtedness incurred for an urban renewal project on or before April 24, 2012. If for any fiscal year a municipality fails to certify to the county auditor by July 1 the amount of instructional support program property tax revenue necessary for payment of principal and interest on such bonds, as provided in subsection 2, the school district is not required to pay over the revenue to the municipality. If a school district and a municipality are unable to agree on the amount of instructional support program property tax revenue certified by the municipality, either party may request that the state appeal board review and finally pass upon the amount that may be certified. Such appeals must be presented in writing to the state appeal board no later than July 31 following certification. The burden shall be on the municipality to prove that the instructional support program property tax revenue is necessary to pay principal and interest on the applicable bonds. A final decision must be issued by the state appeal board no later than the following October 1.

[C71, 73, 75, 77, 79, 81, §403.19]

85 Acts, ch 240, §3 – 5; 88 Acts, ch 1144, §2, 3; 91 Acts, ch 214, §4; 94 Acts, ch 1182, §10 – 12; 96 Acts, ch 1047, §1; 96 Acts, ch 1180, §16; 96 Acts, ch 1204, §22, 23; 2000 Acts, ch 1054, §2, 3; 2001 Acts, ch 176, §40, 41, 47; 2006 Acts, ch 1131, §1; 2006 Acts, ch 1156, §2; 2010 Acts, ch 1061, §180; 2011 Acts, ch 50, §1; 2012 Acts, ch 1060, §6, 7; 2012 Acts, ch 1124, §16 – 21, 26

Referred to in §2.48, 24.21, 260E.2, 260E.4, 279.64, 298.3, 331.403, 331.441, 357H.9, 384.22, 403.5, 403.6, 403.8, 403.9, 403.17, 403.20, 403.22, 403.23, 423B.7, 423B.10, 427B.17, 427B.19, 427B.19A, 427B.19C, 437A.15, 437B.11, 441.21A, 455H.309

2012 amendment to subsection 2 relating to the division of taxes for joint city-county buildings applies to property taxes due and payable in fiscal years beginning on or after July 1, 2013; 2012 Acts, ch 1060, §7

2012 amendments relating to the division of taxes for the instructional support program of a school district apply to property taxes due and payable in fiscal years beginning on or after July 1, 2013; 2012 Acts, ch 1124, §26

**403.19A Targeted jobs withholding credit — pilot project.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Business"* means an enterprise that is located in this state and that is operated for profit and under a single management. *"Business"* includes professional services and industrial enterprises, including but not limited to medical treatment facilities, manufacturing facilities, corporate headquarters, and research facilities. *"Business"* does not include a retail operation, a government entity, or a business which closes or substantially reduces its operation in one area of this state and relocates substantially the same operation to another area of this state.

*b.* *"Employee"* means the individual employed in a targeted job that is subject to a withholding agreement.

*c.* *"Employer"* means a business creating or retaining targeted jobs in a pilot project city pursuant to a withholding agreement.

*d.* *"Pilot project city"* means a city that has applied and been approved as a pilot project city pursuant to subsection 2.

*e.* *"Qualifying investment"* means a capital investment in real property including the purchase price of land and existing buildings, site preparation, building construction, and long-term lease costs. *"Qualifying investment"* also means a capital investment in depreciable assets. For purposes of this paragraph, *"long-term lease costs"* means those costs incurred or expected to be incurred under a lease during the duration of a withholding agreement.

*f.* *"Retained job"* means a full-time equivalent position in existence at the time an employer applies to the authority for approval of a withholding agreement and which remains continuously filled and which is at risk of elimination if the project for which the employer is seeking assistance under the withholding agreement does not proceed.

*g.* *"Targeted job"* means a job in a business which is or will be located in a pilot project city that pays a wage at least equal to the countywide average wage. *"Targeted job"* includes new or retained jobs from Iowa business expansions or retentions within the city limits of the pilot project city and those jobs resulting from established out-of-state businesses, as defined by the economic development authority, moving to or expanding in Iowa.

*h.* *"Withholding agreement"* means the agreement between a pilot project city, the economic development authority, and an employer concerning the targeted jobs withholding credit authorized in subsection 3.

2. *a.* An eligible city may apply for designation as a pilot project city pursuant to this subsection. An eligible city is a city that contains three or more census tracts and is located in a county meeting one of the following requirements:

(1) A county that borders Nebraska.

(2) A county that borders South Dakota.

(3) A county that borders a state other than Nebraska or South Dakota.

*b.* (1) The department of economic development shall approve four eligible cities as pilot project cities, one pursuant to paragraph *"a"*, subparagraph (1), one pursuant to paragraph *"a"*, subparagraph (2), and two pursuant to paragraph *"a"*, subparagraph (3). If two eligible cities are approved which are located in the same county and the county has a population of less than forty-five thousand, the two approved eligible cities shall be considered one pilot project city. If more than two cities meeting the requirements of paragraph *"a"*, subparagraph (3), apply to be designated as a pilot project city, the department of economic development shall determine which two cities hold the most potential to create new jobs or generate the greatest capital within their areas. Applications from eligible cities filed on or after October 1, 2006, shall not be considered.

(2) If a pilot project city does not enter into a withholding agreement within one year of its approval as a pilot project city, the city shall lose its status as a pilot project city. If two pilot project cities are located in the same county, the loss of status by one pilot project city shall not cause the second pilot project city in the county to lose its status as a pilot project city. Upon such occurrence, the department of economic development shall take applications from other eligible cities to replace that city. Another city shall be designated within six months.

(3) On July 1, 2011, the economic development authority shall assume responsibility for the administration of this subsection.

3. *a.* A pilot project city may provide by resolution for the deposit into a designated withholding project fund of the targeted jobs withholding credit described in this section. The targeted jobs withholding credit shall be based upon the wages paid to employees pursuant to a withholding agreement.

*b.* An amount equal to three percent of the gross wages paid by an employer to each employee under a withholding agreement shall be credited from the payment made by the employer pursuant to section 422.16. If the amount of the withholding by the employer is less than three percent of the gross wages paid to the employees covered by the withholding agreement, the employer shall receive a credit against other withholding taxes due by the employer or may carry the credit forward for up to ten years or until depleted, whichever is the earlier. The employer shall remit the amount of the credit quarterly, in the same manner as withholding payments are reported to the department of revenue, to the pilot project city to be allocated to and when collected paid into a designated withholding project fund for the project. All amounts so deposited shall be used or pledged by the pilot project city for a project related to the employer pursuant to the withholding agreement.

*c.* (1) The pilot project city and the economic development authority shall enter into a withholding agreement with each employer concerning the targeted jobs withholding credit. The withholding agreement shall provide for the total amount of withholding credits awarded, as negotiated by the economic development authority, the pilot project city, and the employer. An agreement shall not provide for an amount of withholding credits that exceeds the amount of the qualifying investment made in the project. An agreement shall not be entered into with a business currently located in this state unless the business either creates or retains ten jobs or makes a qualifying investment of at least five hundred thousand dollars within the pilot project city. The withholding agreement may have a term of years negotiated by the

economic development authority, the pilot project city, and the employer, of up to ten years. A withholding agreement specifying a term of years or a total amount of withholding credits shall terminate upon the expiration of the term of years specified in the agreement or upon the award of the total amount of withholding credits specified in the agreement, whichever occurs first. An employer shall not be obligated to enter into a withholding agreement. An agreement shall not be entered into with an employer not already located in a pilot project city when another Iowa community is competing for the same project and both the pilot project city and the other Iowa community are seeking assistance from the authority.

(2) The pilot project city and the economic development authority shall not enter into a withholding agreement after June 30, 2018.

(3) The employer, in conjunction with the pilot project city, shall provide on an annual basis to the economic development authority information documenting the total amount of payments and receipts under a withholding agreement, including all agreements with an employer to suspend, abate, exempt, rebate, refund, or reimburse property taxes, to provide a grant for property taxes paid or a grant not related to property taxes, or to make a direct payment of taxes, with moneys in the withholding project fund. The economic development authority shall verify the information provided and determine whether the pilot project city and the employer are in compliance with this section and the rules adopted by the economic development authority to implement this section.

(4) The economic development authority board, on behalf of the authority, shall have the authority to approve or deny a withholding agreement according to the provisions of this section. Each withholding agreement, and the total amount of withholding credits allowed under the withholding agreement, shall be approved by the economic development authority board after taking into account the incentives or assistance received by or to be received by the employer under other economic development programs. The economic development authority board shall only deny an agreement if the agreement fails to meet the requirements of this paragraph *"c"* or the local match requirements in paragraph *"k"*, or if an employer is not in good standing as to prior or existing agreements with the economic development authority. The authority shall have the authority to negotiate a withholding agreement and may suggest changes to any of the terms of the agreement.

*d.* A withholding agreement shall be disclosed to the public and shall contain but is not limited to all of the following:

(1) A copy of the adopted local development agreement between the pilot project city and the employer that outlines local incentives or assistance for the project using urban renewal or urban revitalization incentives, if applicable.

(2) A list of any other amounts of incentives or assistance the employer may be receiving from other economic development programs, including grants, loans, forgivable loans, and tax credits.

(3) The approval of local participating authorities.

(4) The amount of local incentives or assistance received for each project of the employer.

*e.* (1) The employer shall certify to the department of revenue that the targeted jobs withholding credit is in accordance with the withholding agreement and shall provide other information the department may require. Notice of any withholding agreement shall be provided promptly to the department of revenue following execution of the agreement by the pilot project city and the employer.

(2) Following termination of the withholding agreement, the employer credits shall cease and any money received by the pilot project city after termination shall be remitted to the treasurer of state to be deposited into the general fund of the state. Notice shall be provided promptly to the department of revenue following termination.

*f.* Pursuant to rules adopted by the economic development authority, the pilot project city shall provide on an annual basis to the economic development authority information documenting the compliance of each employer with each requirement of the withholding agreement, including but not limited to the number of jobs created or retained and the amount of investment made by the employer. The economic development authority shall, in response to receiving such information from the pilot project city, assess the level of compliance by each employer and provide to the pilot project city recommendations for

either maintaining employer compliance with the withholding agreement or terminating the agreement for noncompliance under paragraph "*g*". The economic development authority shall also provide each such assessment and recommendation report to the department of revenue.

*g.* If the economic development authority, following an eighteen-month performance period beginning on the date the withholding agreement is approved by the authority board, determines that the employer ceases to meet the requirements of the withholding agreement relating to retaining jobs, if applicable, the agreement shall be terminated by the economic development authority and the pilot project city and any withholding credits for the benefit of the employer shall cease. If the economic development authority, following a three-year performance period beginning on the date the withholding agreement is approved by the authority board, determines that the employer has not or is incapable of meeting the requirements of the withholding agreement relating to creating jobs, if applicable, or the requirement of the withholding agreement relating to the qualifying investment prior to the end of the withholding agreement, the economic development authority may reduce the future benefits to the employer under the agreement or negotiate with the other parties to terminate the agreement early. Notice shall be provided promptly by the pilot project city to the department of revenue following termination of a withholding agreement.

*h.* A pilot project city shall certify to the department of revenue the amount of the targeted jobs withholding credit an employer has remitted to the city and shall provide other information the department may require.

*i.* An employee whose wages are subject to a withholding agreement shall receive full credit for the amount withheld as provided in section 422.16.

*j.* An employer may participate in a new jobs credit from withholding under section 260E.5, or a supplemental new jobs credit from withholding under section 15E.197 or under section 15.331, Code 2005, at the same time as the employer is participating in the withholding credit under this section. Notwithstanding any other provision in this section, the new jobs credit from withholding under section 260E.5, and the supplemental new jobs credit from withholding under section 15E.197 or under section 15.331, Code 2005, shall be collected and disbursed prior to the withholding credit under this section.

*k.* (1) A pilot project city entering into a withholding agreement shall arrange for matching local financial support for the project. The local match required under this paragraph "*k*" shall be in an amount equal to one dollar for every dollar of withholding credit received by the pilot project city.

(2) For purposes of this paragraph "*k*", "*local financial support*" means cash or in-kind contributions to the project from a private donor, a business, or the pilot project city.

(3) If the project, when completed, will increase the amount of an employer's taxable capital investment by an amount equal to at least ten percent of the amount of withholding credit dollars received by the pilot project city, then the pilot project city shall itself contribute at least ten percent of the local match amount computed under subparagraph (1).

(4) If the project, when completed, will not increase the amount of an employer's taxable capital investment by an amount at least equal to ten percent of the amount of withholding credit dollars received by the pilot project city, then the pilot project city shall not be required to make a contribution to the local match.

(5) A pilot project city's contribution, if any, to the local match may include the dollar value of any tax abatement provided by the city to the business for new construction.

*l.* At the time of submitting its budget to the department of management, the pilot project city shall submit to the department of management and the economic development authority a description of the activities involving the use of withholding agreements. The description shall include but is not limited to the following:

(1) The total number of targeted jobs and a breakdown as to those that are Iowa business expansions or retentions within the city limits of the pilot project city and those that are jobs resulting from established out-of-state businesses moving to or expanding in Iowa.

(2) The number of withholding agreements and the amount of withholding credits involved.

(3) The types of businesses that entered into agreements, and the types of businesses that declined the city's proposal to enter into an agreement.

*m.* The economic development authority in consultation with the department of revenue shall coordinate the pilot project program with the pilot project cities under this section. The economic development authority is authorized to adopt, amend, and repeal rules to implement the pilot project program under this section.

2006 Acts, ch 1141, §1; 2007 Acts, ch 2, §1, 2; 2007 Acts, ch 126, §63; 2008 Acts, ch 1122, §15; 2009 Acts, ch 103, §1, 2; 2011 Acts, ch 25, §37, 38; 2011 Acts, ch 118, §81, 85, 89; 2011 Acts, ch 131, §126 – 129; 2012 Acts, ch 1018, §1; 2013 Acts, ch 111, §1 – 6

Referred to in §2.48

Amendments by 2011 Acts, ch 131, §126 – 128 take effect July 27, 2011, and apply retroactively to July 1, 2006, for agreements entered into on or after that date; 2011 Acts, ch 131, §129

2013 amendments to subsection 1 and subsection 3, paragraphs a, b, c, and g, take effect July 1, 2013, and apply to withholding agreements entered into on or after July 1, 2013; subsection 3, paragraph f, takes effect July 1, 2013, and applies to withholding agreements entered into prior to, on, or after July 1, 2013; 2013 Acts, ch 111, §6

Subsection 1, paragraphs c and e amended

Subsection 1, NEW paragraph f and former paragraphs f and g amended and redesignated as g and h

Subsection 3, paragraphs a – c amended

Subsection 3, paragraph d, subparagraph (1) amended

Subsection 3, NEW paragraph f and former paragraph f amended and redesignated as g

Subsection 3, former paragraphs g – l redesignated as h – m

**403.20 Percentage of adjustment considered in value assessment.**

In determining the assessed value of property within an urban renewal area which is subject to a division of tax revenues pursuant to section 403.19, the difference between the actual value of the property as determined by the assessor each year and the percentage of adjustment certified for that year by the director of revenue on or before November 1 pursuant to section 441.21, subsection 9, multiplied by the actual value of the property as determined by the assessor, shall be subtracted from the actual value of the property as determined pursuant to section 403.19, subsection 1. If the assessed value of the property as determined pursuant to section 403.19, subsection 1, is reduced to zero, the additional valuation reduction shall be subtracted from the actual value of the property as determined by the assessor.

[C81, §403.20]

2003 Acts, ch 145, §286

Referred to in §441.21A

**403.21 Communication and cooperation regarding new jobs training projects.**

1. In order to promote communication and cooperation among cities, counties, and community colleges with respect to the allocation and division of taxes, no jobs training projects as defined in chapter 260E or 260F shall be undertaken within the area of operation of a municipality after July 1, 1995, unless the municipality and the community college have entered into an agreement or have jointly adopted a plan relating to a community college's new jobs training program which shall provide for a procedure for advance notification to each affected municipality, for exchange of information, for mutual consultation, and for procedural guidelines for all such new jobs training projects, including related project financing to be undertaken within the area of operation of the municipality. The joint agreement or the plan shall state its precise duration and shall be binding on the community college and the municipality with respect to all new jobs training projects, including related project financing undertaken during its existence. The joint agreement or plan shall be effective upon adoption and shall be placed on file in the office of the secretary of the board of directors of the community college and such other location as may be stated in the joint agreement or plan. The joint agreement or plan shall also be sent to each school district which levied or certified for levy a property tax on any portion of the taxable property located in the area of operation of the municipality in the fiscal year beginning prior to the calendar year in which the plan is adopted or the agreement is reached. If no such agreement is reached or plan adopted, the community college shall not use incremental property tax revenues to fund jobs training projects within the area of operation of the municipality. Agreements entered into between a community college and a city or county pursuant to chapter 28E shall not apply.

2. The community college shall send a copy of the final agreement prepared pursuant to section 260E.3 to the economic development authority. For each year in which incremental property taxes are used to pay job training certificates issued for a project creating new jobs, the community college shall provide to the economic development authority a report of the incremental property taxes and new jobs credits from withholding generated for that year, a specific description of the training conducted, the number of employees provided program services under the project, the median wage of employees in the new jobs in the project, and the administrative costs directly attributable to the project.

3. The community college shall send a copy of the final agreement prepared pursuant to section 260F.3 to the economic development authority. For each year in which incremental property taxes are used to retire debt service on a jobs training advance issued for a project creating new jobs, the community college shall provide to the economic development authority a report of the incremental property taxes and new jobs credits from withholding generated for that year, a specific description of the training conducted, the number of employees provided program services under the project, the median wage of employees in the new jobs in the project, and the administrative costs directly attributable to the project.

94 Acts, ch 1182, §13, 15; 2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1023, §46

**403.22 Public improvements related to housing and residential development — low income assistance requirements.**

1. With respect to any urban renewal area established upon the determination that the area is an economic development area, a division of revenue as provided in section 403.19 shall not be allowed for the purpose of providing or aiding in the provision of public improvements related to housing and residential development, unless the municipality assures that the project will include assistance for low and moderate income family housing.

*a.* For a municipality with a population over fifteen thousand, the amount to be provided for low and moderate income family housing for such projects shall be either equal to or greater than the percentage of the original project cost that is equal to the percentage of low and moderate income residents for the county in which the urban renewal area is located as determined by the United States department of housing and urban development using section 8 guidelines or by providing such other amount as set out in a plan adopted by the municipality and approved by the economic development authority if the municipality can show that it cannot undertake the project if it has to meet the low and moderate income assistance requirements. However, the amount provided for low and moderate income family housing for such projects shall not be less than an amount equal to ten percent of the original project cost.

*b.* For a municipality with a population of fifteen thousand or less, the amount to be provided for low and moderate income family housing shall be the same as for a municipality of over fifteen thousand in population, except that a municipality of fifteen thousand or less in population is not subject to the requirement to provide not less than an amount equal to ten percent of the original project cost for low and moderate income family housing.

*c.* For a municipality with a population of five thousand or less, the municipality need not provide any low and moderate income family housing assistance if the municipality has completed a housing needs assessment meeting the standards set out by the economic development authority, which shows no low and moderate income housing need, and the economic development authority agrees that no low and moderate income family housing assistance is needed.

2. The assistance to low and moderate income housing may be in, but is not limited to, any of the following forms:

*a.* Lots for low and moderate income housing within or outside the urban renewal area.

*b.* Construction of low and moderate income housing within or outside the urban renewal area.

*c.* Grants, credits or other direct assistance to low and moderate income families living within or outside the urban renewal area, but within the area of operation of the municipality.

*d.* Payments to a low and moderate income housing fund established by the municipality

to be expended for one or more of the above purposes, including matching funds for any state or federal moneys used for such purposes.

3. Sources for low and moderate income family housing assistance may include the following:

*a.* Proceeds from loans, advances, bonds or indebtedness incurred.

*b.* Annual distributions from the division of revenues pursuant to section 403.19 related to the urban renewal area.

*c.* Lump sum or periodic direct payments from developers or other private parties under an agreement for development or redevelopment between the municipality and a developer.

*d.* Any other sources which are legally available for this purpose.

4. The assistance to low and moderate income family housing may be expended outside the boundaries of the urban renewal area.

5. Except for a municipality with a population under fifteen thousand, the division of the revenue under section 403.19 for each project under this section shall be limited to tax collections for ten fiscal years beginning with the second fiscal year after the year in which the municipality first certifies to the county auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the division of the revenue in connection with the project. A municipality with a population under fifteen thousand may, with the approval of the governing bodies of all other affected taxing districts, extend the division of revenue under section 403.19 for up to five years if necessary to adequately fund the project. The portion of the urban renewal area which is involved in a project under this section shall not be subject to any subsequent division of revenue under section 403.19.

6. A municipality shall not prohibit or restrict the construction of manufactured homes in any project for which public improvements were finalized under this section. As used in this subsection, *"manufactured home"* means the same as under section 435.1, subsection 3.

96 Acts, ch 1204, §24; 97 Acts, ch 214, §9; 98 Acts, ch 1100, §56; 2010 Acts, ch 1061, §180; 2011 Acts, ch 118, §85, 89

Referred to in §331.403, 384.22, 403.19

**403.23 Audit — certificate of compliance.**

1. Each municipality that has established an urban renewal area that utilizes, or plans to utilize, revenues from the special fund created in section 403.19, shall make an annual certification of compliance with this section. For any year in which the municipality is audited in accordance with section 11.6, such certification shall be audited as part of the municipality's audit.

2. The certification required under this section shall include such information or documentation deemed appropriate by the auditor of state including but not limited to the information required to be reported under section 331.403, subsection 3, or section 384.22, subsection 2, as applicable.

3. The auditor of state shall adopt rules necessary to implement this section.

2012 Acts, ch 1124, §22

# CHAPTER 403A

## MUNICIPAL HOUSING PROJECTS

Referred to in §331.441, 384.24, 562A.27, 562B.5


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**403A.1 Short title.**

This chapter shall be known and may be cited as the *"Municipal Housing Law."*

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.1]

**403A.2 Definitions.**

The following terms, wherever used or referred to in this chapter, shall have the following respective meanings, unless a different meaning clearly appears from the context:

1. *"Agency"* or *"municipal housing agency"* shall mean a public agency created under the provisions of section 403A.5.

2. An *"agreement"* of any municipality authorized by this chapter with respect to a housing project, means a resolution or resolutions of the governing body of such municipality setting forth the action to be taken or the matter determined. Such resolutions shall be deemed to be agreements made for the benefit of the holders of bonds then outstanding or thereafter issued in connection with such project and for the benefit of any person, firm, corporation, state public body or the federal government which has agreed or thereafter agrees to make a grant or annual contribution for or in aid of such project.

3. *"Area of operation"* includes all of a municipality and any area adjacent to and within one mile of such municipality, provided that the governing body of such adjacent area approves and consents.

4. *"Bonds"* means any bonds, notes, interim certificates, debentures or other obligations issued by a municipality pursuant to this chapter.

5. *"Clerk"* means the clerk of the municipality or the officer charged with the duties customarily imposed on such clerk.

6. *a.* *"Families of low income"* means families who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe and sanitary dwellings for their use.

*b.* *"Lower-income families"* means families whose incomes do not exceed eighty percent of the median income for the area with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area.

*c.* *"Very low-income families"* means families whose incomes do not exceed fifty percent

of the median income for the area with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area.

*d.* *"Families"* includes, but is not limited to, families consisting of a single person in the case of any of the following:

(1) A person who is at least sixty-two years of age.

(2) A person with a disability.

(3) A displaced person.

(4) The remaining member of a tenant family.

*e.* *"Families"* includes two or more persons living together, who are at least sixty-two years of age, are persons with a disability, or one or more such individuals living with another person who is essential to such individual's care or well-being.

*f.* *"Disability"* means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, or having a physical or mental impairment which is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of a nature that the ability to live independently could be improved by more suitable housing conditions.

*g.* *"Displaced"* means displaced by governmental action, or having one's dwelling extensively damaged or destroyed as a result of a disaster.

*h.* The municipality, by resolution, or the agency by rule shall establish further definitions applicable to this subsection as necessary to assure eligibility for funds available under federal housing laws.

7. *"Federal government"* includes the United States of America, the Public Housing Administration, or any other agency or instrumentality, corporate or otherwise of the United States of America.

8. *a.* *"Housing project"* or *"project"* means any work or undertaking to do any of the following:

(1) To demolish, clear or remove buildings from any slum areas.

(2) To provide decent, safe and sanitary urban or rural dwellings, apartments or other living accommodations for families of low income, lower-income families, or very low-income families.

(3) To accomplish a combination of the foregoing.

*b.* Such work or undertaking may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, utilities, parks, site preparation, landscaping, administrative, community, health, recreational, welfare or other purposes.

*c.* The term *"housing project"* or *"project"* also may be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration, or repair of the improvements and all other work in connection therewith, and the term shall include all other real and personal property and all tangible or intangible assets held or used in connection with the housing project.

9. *"Local governing body"* shall mean the council or other legislative body charged with governing the municipality.

10. *"Major disaster"* means any flood, drought, fire, hurricane, earthquake, storm or other catastrophe which, in the determination of the governing body, is of sufficient severity and magnitude to warrant the use of available resources of the federal, state and local governments to alleviate the damage, hardship or suffering caused thereby.

11. *"Mayor"* means the mayor of the municipality or the officer thereof charged with the duties customarily imposed on the mayor or executive head of a municipality.

12. *"Municipality"* shall mean any city or county in the state.

13. *"Obligee"* includes any bondholder, agent or trustee for any bondholder, or lessor demising to a municipality, property used in connection with a project, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with the municipality in respect to a housing project.

14. *"Persons engaged in national defense activities"* means persons in the armed forces of the United States; employees of the department of defense; and workers engaged or to be

engaged in activities connected with national defense. The term also includes the families of the persons, employees and workers who reside with them.

15. *"Real property"* includes all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years.

16. *"Slum"* means any area where dwellings predominate which by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitary facilities, or any combination of these factors, are detrimental to safety, health and morals.

17. *"State public body"* means any city, county, township, municipal corporation, commission, district or other subdivision or public body of the state.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.2]

96 Acts, ch 1129, §87; 2011 Acts, ch 34, §91

Referred to in §225C.45

**403A.3 Powers.**

Every municipality in addition to other powers conferred by this or any other chapter, shall have power:

1. To prepare, carry out, and operate housing projects and to provide for the construction, reconstruction, improvement, extension, alteration or repair of any housing project or any part thereof.

2. To undertake and carry out studies and analyses of the housing needs and of the meeting of such needs (including data with respect to population and family groups and the distribution thereof according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages and other factors affecting the local housing needs and the meeting thereof) and to make the results of such studies and analyses available to the public and the building, housing and supply industries; and to engage in research and disseminate information on housing and slum clearance.

3. To arrange or contract for the furnishing by any person or agency, public or private, of services, privileges, works or facilities for, or in connection with, a housing project or the occupants thereof; and (notwithstanding anything to the contrary contained in this chapter or in any other provision of law) to agree to any conditions attached to federal financial assistance relating to the determination of prevailing salaries or wages or payment of not less than prevailing salaries or wages or compliance with labor standards, in the development or administration of projects, and to include in any contract let in connection with a project, stipulations requiring that the contractor and any subcontractor comply with requirements as to minimum salaries or wages and maximum hours of labor, and comply with any conditions which the federal government may have attached to its financial aid of the project.

4. To lease or rent any dwellings, accommodations, lands, buildings, structures or facilities embraced in any project and (subject to the limitations contained in this chapter with respect to the rental of dwellings in housing projects) to establish and revise the rents or charges therefor; to own, hold and improve real or personal property; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise or otherwise any real or personal property or any interest therein; to acquire by the exercise of the power of eminent domain any real property subject to section 403A.20; to sell, lease, exchange, transfer, assign, pledge or dispose of any real or personal property or any interest therein; to insure or provide for the insurance, in any stock or mutual company of any real or personal property or operations of the municipality against any risks or hazards; to procure or agree to the procurement of federal or state government insurance or guarantees of the payment of any bonds or parts thereof issued by a municipality, including the power to pay premiums on any such insurance.

5. To invest any funds held in connection with a housing project in reserve or sinking funds, or any fund not required for immediate disbursement, in property or securities which banks designated as state depositories may use to secure the deposit of state funds; to redeem its bonds at the redemption price established therein or to purchase its bonds at less than such redemption price, all bonds so redeemed or purchased to be canceled.

6. To determine where slum areas exist or where there is unsafe, insanitary or overcrowded housing; to make studies and recommendations relating to the problem of clearing, replanning and reconstructing of slum areas and the problem of eliminating unsafe, insanitary or overcrowded housing and providing dwelling accommodations for persons of low income; and to cooperate with any state public body in action taken in connection with these problems.

7. To conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers and to issue commissions for the examination of witnesses who are outside of the state or unable to attend or excused from attendance; to make available to appropriate agencies (including those charged with the duty of abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or insanitary structures within its area of operation) its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety or welfare.

8. To, within its area of operation, enter into any building or property in any municipal housing area in order to make inspections, surveys, appraisals, soundings or test borings, and to obtain an order for this purpose from a court of competent jurisdiction in the event entry is denied or resisted.

9. To exercise all or any part or combination of powers herein granted. No provision of law with respect to the acquisition, operation or disposition of property by public bodies shall be applicable to a municipality in its operations pursuant to this chapter unless the legislature shall specifically so state.

10. To cooperate with the Iowa finance authority, to participate in any of its programs, to use any of the funds available to the municipality for the uses of this chapter to contribute to such programs in which it participates, and to comply with the provisions of chapter 16 and the rules of the Iowa finance authority promulgated thereunder.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.3]

2006 Acts, 1st Ex, ch 1001, §39, 49; 2007 Acts, ch 54, §34

**403A.4 Aid from federal government.**

In addition to the powers conferred upon a municipality by other provisions of this chapter, a municipality is empowered to borrow money or accept contributions, grants or other financial assistance from the federal government for or in aid of any housing project within its area of operation, to take over, lease or manage any project or undertaking constructed or owned by the federal government, and to these ends, to comply with such conditions and enter into such contracts, covenants, mortgages, trust indentures, leases or agreements as may be necessary, convenient or desirable. It is the purpose and intent of this chapter to authorize every municipality to do any and all things necessary or desirable to secure the financial aid or cooperation of the federal government in the undertaking, construction, maintenance or operation of any housing project by such municipality. To accomplish this purpose a municipality, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government any provisions, which the federal government may require as conditions to its financial aid of a housing project, not inconsistent with the purposes of this chapter.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.4]

**403A.5 Exercise of municipal housing powers — municipal housing agency.**

1. Any municipality may create, in such municipality, a public body corporate and politic to be known as the "Municipal Housing Agency" of such municipality except that such agency shall not transact any business or exercise its powers hereunder until or unless the local governing body has elected to exercise its municipal housing powers through such an agency as prescribed in this section.

2. If the municipal housing agency is authorized to transact business and exercise powers hereunder, the mayor, by and with the advice and consent of the local governing body, shall appoint a board of commissioners of the municipal housing agency which board shall consist

of five commissioners. The term of office for three of the commissioners originally appointed shall be two years and the term of office for two of the commissioners originally appointed shall be one year. Thereafter the term of office for each commissioner shall be two years. In cities having a population of more than one hundred thousand, the city council may establish, by ordinance, the number of commissioners at not less than five.

3. A commissioner shall receive no compensation for services, but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of a duty. Each commissioner shall hold office until a successor has been appointed and has qualified. A certificate of the appointment or reappointment of any commissioner shall be filed with the clerk of the municipality, and the certificate shall be conclusive evidence of the due and proper appointment of the commissioner.

4. *a.* The powers of a municipal housing agency shall be exercised by the commissioners. A majority of the commissioners shall constitute a quorum for the purpose of conducting business and exercising the powers of the agency, and for all other purposes. Action may be taken by the agency upon a vote of a majority of the commissioners present, unless in any case the bylaws shall require a larger number. Any persons may be appointed as commissioners if they reside within the area of operation of the agency, which area shall be conterminous with the area of operation of the municipality, and if they are otherwise eligible for appointments under this chapter.

*b.* The mayor shall designate a chairperson and vice chairperson from among the commissioners. An agency may employ an executive director, technical experts and such other agents and employees, permanent and temporary, as it may require, and the agency may determine their qualifications, duties, and compensation. For such legal service as it may require, an agency may employ or retain its own counsel and legal staff. An agency authorized to transact business and exercise powers under this chapter shall file, with the local governing body, on or before September 30 of each year, a report of its activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expense as of the end of such fiscal year. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality, and that the report is available for inspection during business hours in the office of the city clerk and in the office of the agency.

*c.* For inefficiency, or neglect of duty, or misconduct in office, a commissioner may be removed by a majority vote of the governing body of the municipality only after a hearing before the body, and after the commissioner shall have been given a copy of the charges at least ten days prior to such hearing, and after the commissioner shall have had an opportunity to be heard in person or by counsel.

5. A municipality may itself exercise the powers in connection with municipal housing as defined in this chapter, or may, if the local governing body by resolution determines such action to be in the public interest, elect to have such powers exercised by the municipal housing agency, if one exists or is subsequently established in the community. In the event the local governing body makes such determination, the municipal housing agency shall be vested with all of the municipal housing project powers in the same manner as though all such powers were conferred on such agency instead of the municipality. If the local governing body does not elect to make such determination, the municipality in its discretion may exercise its municipal housing project powers through a board or commissioner, or through such officers of the municipality as the local governing body may by resolution determine.

6. A municipality or a "Municipal Housing Agency" may not proceed with a housing project until a study or a report and recommendation on housing available within the community is made public by the municipality or agency and is included in its recommendations for a housing project. Recommendations must receive majority approval from the local governing body before proceeding on the housing project.

[C58, §403.19; C62, 66, 71, 73, 75, 77, 79, 81, §403A.5]

95 Acts, ch 114, §5; 2010 Acts, ch 1061, §158

Referred to in §403A.2, 403A.22

**403A.6 Operation of housing not for profit.**

It is hereby declared to be the policy of this state that each municipality shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals or payments for dwelling accommodations at low rates consistent with its providing decent, safe and sanitary dwelling accommodations for persons of low income, and that no municipality shall construct or operate any housing project for profit, or as a source of revenue to the municipality. To this end the municipality shall fix the rentals or payments for dwellings in its projects at no higher rates than it shall find to be necessary in order to produce revenues which, together with all other available moneys, revenues, income and receipts in connection with or for such projects from whatever sources derived, including federal financial assistance, will be sufficient to do all of the following:

1. To pay, as the same become due, the principal and interest on the bonds issued pursuant to this chapter.

2. To create and maintain such reserves as may be required to assure the payment of principal and interest as it becomes due on such bonds.

3. To meet the cost of, and to provide for, maintaining and operating the projects, including necessary reserves therefor and the cost of any insurance, and of administrative expenses.

4. To make such payments in lieu of taxes and, after payment in full of all obligations for which federal annual contributions are pledged, to make such repayments of federal and local contributions as it determines are consistent with the maintenance of the low-rent character of projects. Rentals or payments for dwellings shall be established and the projects administered, insofar as possible, so as to assure that any federal financial assistance required shall be strictly limited to amounts and periods necessary to maintain the low-rent character of the projects.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.6]

2008 Acts, ch 1032, §50

Referred to in §403A.7

**403A.7 Housing rentals and tenant admissions.**

1. A municipality shall do the following:

*a.* Rent or lease the dwelling accommodations in a housing project only to persons or families of low income and at rentals within their financial reach.

*b.* Rent or lease to a tenant such dwelling accommodations consisting of the number of rooms which it deems necessary to provide safe and sanitary accommodations to the proposed occupants without overcrowding.

*c.* (1) Fix income limits for occupancy and rents after taking into consideration the following:

(a) The family size, composition, age, disabilities, and other factors which might affect the rent-paying ability of the person or family.

(b) The economic factors which affect the financial stability and solvency of the project.

(2) However, such determination of eligibility shall be within the limits of the income limits hereinbefore set out.

2. Nothing contained in this section or section 403A.6 shall be construed as limiting the power of a municipality with respect to a housing project, to vest in an obligee the right, in the event of a default by the municipality, to take possession or cause the appointment of a receiver for the housing project, free from all the restrictions imposed by this section or section 403A.6.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.7]

96 Acts, ch 1129, §88, 113; 2008 Acts, ch 1032, §51; 2010 Acts, ch 1079, §16

**403A.8 Dwellings for disaster victims and defense workers.**

Notwithstanding the provisions of this or any other chapter relating to rentals of, preferences or eligibility for admission to, or occupancy of dwellings in housing projects, during the period when a municipality determines that there is an acute need in its area of operation for housing to assure the availability of dwellings for persons engaged in national defense activities or for victims of a major disaster, a municipality may undertake

the development and administration of housing projects for the federal government, and dwellings in any housing project under the jurisdiction of the municipality may be made available to persons engaged in national defense activities or to victims of a major disaster, as the case may be. A municipality is authorized to contract with the federal government or the state or a state public body for advance payment or reimbursement for the furnishing of housing to victims of a major disaster, including the furnishing of the housing free of charge to needy disaster victims during any period covered by a determination of acute need by the municipality as herein provided.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.8]

**403A.9 Cooperation between municipalities.**

Any two or more municipalities may join or cooperate with one another in the exercise of any or all of the powers conferred hereby for the purpose of financing, planning, undertaking, constructing or operating a housing project or projects.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.9]

**403A.10 Tax exemption and payments in lieu of taxes.**

The property acquired or held pursuant to this chapter is declared to be public property used exclusively for essential city, or municipal public and governmental purposes and such property is hereby declared to be exempt from all taxes and special assessments of the state or of any state public body. In lieu of taxes on such property a municipality may agree to make payments to the state or a state public body (including itself) as it finds consistent with the maintenance of the low-rent character of housing projects and the achievement of the purposes of this chapter.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.10]

**403A.11 Planning, zoning and building laws — insulation requirements.**

All housing projects of a municipality shall be subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable to the locality in which the project is situated.

All dwellings which are part of housing projects and which are proposed to be rented to low-income families or the elderly through the programs of the United States department of housing and urban development shall have ceiling insulation having an R value of 38 in the attic, floor insulation having an R value of 20, or perimeter wall insulation having an R value of 10 beneath all habitable heated areas or over unheated spaces. In addition, basement walls shall have insulation with an R value of 6 to their full height, with insulation in the box sill having an R value of 20. As used in this section, *"R value"* means resistance to heat flow.

The insulation requirements of this section are effective for all dwellings, the construction of which begins on or after July 1, 1991. For dwellings existing or under construction prior to July 1, 1991, the dwelling must comply with the insulation requirements of this section by June 30, 1996.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.11]

91 Acts, ch 270, §5

**403A.12 Bonds.**

A municipality shall have power to issue bonds from time to time in its discretion, for any of the purposes of this chapter. A municipality shall also have power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. A municipality may issue such types of bonds as it may determine, including (without limiting the generality of the foregoing) bonds on which the principal and interest are payable exclusively from the income and revenues of the project financed with the proceeds of such bonds, or exclusively from the income and revenues of certain designated housing projects whether or not they are financed in whole or in part with the proceeds of such bonds. Any such bonds may be additionally secured by a pledge of any loan, grant or contribution or parts thereof from the federal government or other source, or a pledge of any income or revenues connected with a housing project or a mortgage of any housing project or projects.

Neither the governing body of a municipality nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof hereunder. The bonds and other obligations issued under the provisions of this chapter (and such bonds and obligations shall so state on their face) shall be payable solely from the sources provided in this section and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Bonds issued pursuant to this chapter are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest thereon and income therefrom, shall be exempt from taxes. The tax exemption provisions of this chapter shall be considered part of the security for the repayment of bonds and shall constitute, by virtue of this chapter and without the necessity of the same being restated in said bonds, a contract between the bondholders and each and every one thereof, including all transferees of said bonds from time to time on the one hand and the respective municipalities issuing said bonds and the state on the other.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.12]

Referred to in §422.7

**403A.13 Form and sale of bonds.**

Bonds of a municipality shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, not exceeding that permitted by chapter 74A, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide.

The bonds may be sold at public or private sale at not less than par.

If the officers of the municipality whose signatures appear on any bonds or coupons shall cease to be such officers before the delivery of the bonds, their signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if the officers had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this chapter shall be fully negotiable.

In any suit, action or proceedings involving the validity or enforcement of any bond issued pursuant to this chapter or the security therefor, any such bond reciting in substance that it has been issued by the municipality pursuant to this chapter shall be conclusively deemed to have been issued for such purpose and the housing project in respect to which such bond was issued shall be conclusively deemed to have been planned, located and carried out in accordance with the purposes and provisions of this chapter.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.13]

**403A.14 Provisions of bonds, trust indentures and mortgages.**

1. In connection with the issuance of bonds pursuant to this chapter or the incurring of obligations under leases made pursuant to this chapter and in order to secure the payment of the bonds or obligations, a municipality, in addition to its other powers, shall have power to:

*a.* Pledge all or any part of the gross or net rents, fees or revenues of a housing project, financed with the proceeds of such bonds, to which its rights then exist or may thereafter come into existence.

*b.* Mortgage all or any part of its real or personal property, then owned or thereafter acquired or held pursuant to this chapter.

*c.* Covenant against pledging all or any part of the rents, fees and revenues or against mortgaging all or any part of its real or personal property, acquired or held pursuant to this chapter, to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or property; covenant with respect to limitations on the right to sell, lease or otherwise dispose of any housing project or any part thereof; and covenant as to what other, or additional debts or obligations may be incurred by it.

*d.* Covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; provide for the

replacement of lost, destroyed, or mutilated bonds; covenant against extending the time for the payment of its bonds or interest thereon; and covenant for the redemption of the bonds and to provide the terms and conditions thereof.

*e.* Covenant subject to the limitations contained in this chapter as to the rents and fees to be charged in the operation of a housing project or projects, the amount to be raised each year or other period of time by rents, fees and other revenues, and the use and disposition to be made thereof; create or authorize the creation of special funds for moneys held for construction or operating costs, debt service, reserves, or other purposes, and covenant as to the use and disposition of the moneys held in such funds.

*f.* Prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the proportion of outstanding bonds the holders of which must consent to such action, and the manner in which such consent may be given.

*g.* Covenant as to the use, maintenance and replacement of any or all of its real or personal property acquired pursuant to this chapter, the insurance to be carried thereon and the use and disposition of insurance moneys.

*h.* Covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant, condition, or obligation; and covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived.

*i.* Vest in any obligees or any specified proportion of them the right to enforce the payment of the bonds or any covenants securing or relating to the bonds; vest in an obligee or obligees the right, in the event of a default by the municipality to take possession of and use, operate and manage any housing project or any part thereof or any funds connected therewith, and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement between the municipality and such obligees; provide for the powers and duties of such obligees and limit the liabilities thereof; and provide the terms and conditions upon which such obligees may enforce any covenant or rights securing or relating to the bonds.

*j.* Exercise all or any part or combination of the powers herein granted; make such covenants (other than and in addition to the covenants herein expressly authorized) and do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the absolute discretion of said municipality, as will tend to make the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

2. This chapter without reference to other statutes of the state, shall constitute full authority for the authorization and issuance of bonds hereunder. No other act or law with regard to the authorization or issuance of obligations that requires a bond election or in any way impedes or restricts the carrying out of the acts herein authorized to be done shall be construed as applying to any proceedings taken hereunder or acts done pursuant hereto.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.14]

2010 Acts, ch 1061, §180

**403A.15 Remedies of an obligee.**

An obligee of a municipality shall have the right in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee.

1. By mandamus, suit, action or proceeding at law or in equity to compel said municipality to perform each and every term, provision and covenant contained in any contract of said municipality with or for the benefit of such obligee, and to require the carrying out of any or all such covenants and agreements of said municipality and the fulfillment of all duties imposed by this chapter.

2. By suit, action or proceeding in equity, to enjoin any acts or things which may be unlawful, or the violation of any of the rights of such obligee of said municipality.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.15]

**403A.16 Additional remedies conferrable by a municipality.**

A municipality shall have power by its resolution, trust indenture, mortgage, lease or other contract to confer upon any obligee the right (in addition to all rights that may otherwise be conferred), upon the happening of an event of default as defined in such resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction to:

1. Cause possession of any housing project or any part thereof to be surrendered to any such obligee.

2. Obtain the appointment of a receiver of any housing project of said municipality or any part thereof and of the rents and profits therefrom, and provide that, if a receiver be appointed, the receiver may enter and take possession of such housing project or any part thereof and operate and maintain same, and collect and receive all fees, rents, revenues, or other charges thereafter arising therefrom, and keep such moneys in a separate account or accounts and apply the same in accordance with the obligations of the municipality as the court shall direct.

3. Require said municipality and the officers, agents and employees thereof to account as if it and they were the trustees of an express trust.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.16]

**403A.17 Exemption of property from execution sale.**

All property (including funds) owned or held by a municipality for the purposes of this chapter shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any judgment against the municipality be a charge or lien upon such property: Provided, however, that the provisions of this section shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage or other security executed or issued pursuant to this chapter or the right of obligees to pursue any remedies for the enforcement of any pledge or lien on rents, fees or revenues or the right of the federal government to pursue any remedies conferred upon it pursuant to the provisions of this chapter.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.17]

**403A.18 Transfer of possession or title to federal government.**

In any contract with the federal government for annual contributions to a municipality, the municipality may obligate itself (which obligation shall be specifically enforceable and shall not constitute a mortgage, notwithstanding any other law) to convey to the federal government possession of or title to the housing project to which such contract relates, upon the occurrence of a substantial default (as defined in such contract) with respect to the covenant or conditions to which the municipality is subject; and such contract may further provide that in case of such conveyance, the federal government may complete, operate, manage, lease, convey or otherwise deal with the housing project and funds in accordance with the terms of such contract: Provided, that the contract requires that, as soon as practicable after the federal government is satisfied that all defaults with respect to the housing project have been cured and that the housing project will thereafter be operated in accordance with the terms of the contract, the federal government shall reconvey to the municipality the housing project as then constituted.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.18]

**403A.19 Certificate of state auditor.**

The municipality may submit to the state auditor a certified copy of the proceedings for the issuance of any bonds hereunder, including the form of such bonds. Upon the submission of these documents to the state auditor, it shall be the duty of the state auditor to pass upon the validity of such bonds and the regularity of all proceedings in connection therewith. If such proceedings conform to the provisions of this chapter and are otherwise regular in form and if such bonds when delivered and paid for will constitute binding and legal obligations enforceable according to the terms thereof, the state auditor shall so certify in an opinion addressed to the municipality.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.19]

**403A.20 Condemnation of property.**

A municipality shall have the right to acquire by condemnation any interest in real property, including a fee simple title thereto, which it may deem necessary for or in connection with a municipal housing project under this chapter, subject to the limitations on eminent domain authority in chapter 6A. A municipality shall exercise the power of eminent domain in the manner provided in chapter 6B. Property already devoted to a public use may be acquired in like manner. However, real property belonging to the state, or any political subdivision thereof, shall not be acquired without its consent, and real property or any right or interest in the property owned by any public utility company, pipeline company, railway or transportation company vested with the right of eminent domain under the laws of this state shall not be acquired without the consent of the company, or without first securing, after due notice to the company and after hearing, a certificate authorizing condemnation of such property from the board, commission, or body having the authority to grant a certificate authorizing condemnation.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.20]

2006 Acts, 1st Ex, ch 1001, §40, 49

Referred to in §403A.3

**403A.21 Cooperation in undertaking housing projects.**

1. For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of housing projects located within the area in which it is authorized to act, any state public body may upon such terms, with or without consideration, as it may determine:

*a.* Dedicate, sell, convey, or lease any of its interest in any property or grant easements, licenses or any other rights or privileges therein to any municipality, or to the federal government.

*b.* Cause parks, playgrounds, recreational community, educational, water, sewer or drainage facilities or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with housing projects.

*c.* Furnish, dedicate, close, pave, install, grade, regrade, plan, or replan streets, roads, roadways, alleys, sidewalks or other places which it is otherwise empowered to undertake.

*d.* Cause services to be furnished for housing projects of the character which such state public body is otherwise empowered to furnish.

*e.* Enter into agreements with respect to the exercise by such state public body of its powers relating to the repair, elimination or closing of unsafe, insanitary or unfit dwellings.

*f.* Do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of such housing projects.

*g.* Incur the entire expense of any public improvements made by such state public body in exercising the powers granted in this chapter.

*h.* Enter into agreements, which may extend over any period, notwithstanding any provision or rule of law to the contrary, with any municipality respecting action to be taken by such state public body pursuant to any of the powers granted by this chapter. If at any time title to, or possession of, any project is held by any public body or governmental agency authorized by law to engage in the development or administration of municipal housing or slum clearance projects, including any agency or instrumentality of the United States of America, the provisions of such agreements shall inure to the benefit of and may be enforced by such public body or governmental agency.

2. Any law or statute to the contrary notwithstanding, any sale, conveyance, lease, or agreement provided for in this section may be made by a state public body without appraisal, public notice, advertisement, or public bidding.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.21]

2011 Acts, ch 25, §39

**403A.22 Personal interest prohibited.**

No public official or employee of a municipality or board or commission thereof and no commissioner or employee of a municipal housing agency which has been vested with municipal housing project powers under section 403A.5, shall voluntarily acquire any

personal interest, as hereinafter defined, whether direct or indirect, in any municipal housing project, or in any property included or planned to be included in any municipal housing project of such municipality, or in any contract or proposed contract in connection with such municipal housing project. Where such acquisition is not voluntary, the interest acquired shall be immediately disclosed in writing to the local governing body, and such disclosure shall be entered upon the minutes of the governing body. If any such official, commissioner or employee presently owns or controls, or has owned or controlled within the preceding two years, any interest, as hereinafter defined, whether direct or indirect, in any property which it is known is included or planned to be included in a municipal housing project, the commissioner shall immediately disclose this fact in writing to the local governing body, and such disclosure shall be entered upon the minutes of the governing body; and any such official, commissioner or employee shall not participate in any action by the municipality, or board or commission thereof affecting such property, as the terms of such proscription are hereinafter defined. For the purposes of this section the following definitions and standards of construction shall apply:

1. *"Action affecting such property"* shall include only that action directly and specifically affecting such property as a separate property but shall not include any action of which any benefits accrue to the public generally, or which affects all or a substantial portion of the properties included or planned to be included in such a project.

2. Employment by a state public body, its agencies, and institutions or by any other person as defined in subsection 18 of section 403.17, having such an interest shall not be deemed an interest by such employee or of any ownership or control by such employee of interests of the employee's employer. Such an employee may participate in a municipal housing project so long as any benefits of such participation accrue to the public generally, such participation affects all or a substantial portion of the properties included or planned to be included in such a project, or such participation promotes the public purposes of such project, and shall limit only that participation by an employee which directly or specifically affects property in which an employer of an employee has an interest.

3. The word "*participation*" shall be deemed not to include discussion or debate preliminary to a vote by a local governing body or agency upon proposed ordinances or resolutions relating to such a project or any abstention from such a vote.

4. The designation of a bank or trust company as a depository, paying agent, or agent for investment of funds shall not be deemed a matter of interest or personal interest.

5. Stock ownership in a corporation having such an interest shall not be deemed an interest of, or ownership or control by, the person owning such stocks when less than five percent of the outstanding stock of the corporation is owned or controlled directly or indirectly by such person.

6. The word "*action*" shall not be deemed to include resolutions advisory to the local governing body or agency by any citizens group, board, body, or commission designated to serve a purely advisory function of approving or recommending under this chapter.

7. The limitations of this section shall be construed to permit action by a public official, commissioner, or employee where any benefits of such action accrue to the public generally, such action affects all or a substantial portion of the properties included or planned to be included in such a project, or such action promotes the public purposes of such project, and shall be construed to limit only that action by a public official, commissioner, or employee which directly or specifically affects property in which such official, commissioner, or employee has an interest or in which an employer of such official, commissioner, or employee has an interest. Any violation of the provisions of this section shall constitute misconduct in office, but no ordinance or resolution of a municipality or agency shall be invalid by reason of a vote or votes cast in violation of the standards of this section unless such vote or votes were decisive in the passage of such ordinance or resolution.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.22]

2000 Acts, ch 1154, §28

Prior actions in accord with this section legalized, 69 Acts, ch 238, §2

**403A.23 Eligibility of persons receiving public assistance.**

Any statute to the contrary notwithstanding, no person otherwise eligible to be a tenant in a municipal housing project, shall be declared ineligible therefor or denied occupancy therein merely because the person is receiving in some form public assistance such as federal supplemental security income or state supplementary payments, as defined by section 249.1, or welfare assistance, unemployment compensation, social security payments, etc.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.23]

**403A.24 Chapter controlling.**

The provisions of this chapter shall be controlling, notwithstanding anything to the contrary contained in any other law of this state, or local ordinance. Any action of a municipality or the governing body thereof in carrying out the purposes of this chapter, whether by resolution, ordinance or otherwise, shall be deemed administrative in character, and no public notice or publication need be made with respect to such action taken.

[C62, 66, 71, 73, 75, 77, 79, 81, §403A.24]

**403A.25 and 403A.26** Repealed by 72 Acts, ch 1092, § 2.

**403A.27 Percentage of rent as taxes.**

Any provision of this chapter notwithstanding, no housing project shall be approved unless as a condition at least ten percent of all rents and supplemental rental aid shall be paid annually as taxes to the office of the treasurer in the respective county in which said project is located, except as to the use of dwelling units in existing structures leased from private owners.

[C71, 73, 75, 77, 79, 81, §403A.27]

**403A.28 Public hearing required.**

The municipal housing agency shall not undertake any low-cost housing project until such time as a public hearing has been called, at which time the agency shall advise the public of the name of the proposed project, its location, the number of living units proposed and their approximate cost. Notice of the public hearing on the proposed project shall be published at least once in a newspaper of general circulation within the municipality, at least fifteen days prior to the date set for the hearing.

[C73, 75, 77, 79, 81, §403A.28]

# CHAPTER 404

## URBAN REVITALIZATION TAX EXEMPTIONS

Referred to in §364.19, 437A.19, 437B.15

Chapter applies to all cities including special charter cities; 79 Acts, ch 84, §12


404.1 Area established by city or county.
404.2 Conditions mandatory.
404.3 Basis of tax exemption.
404.3A Residential development area exemption.
404.3B Abandoned real property exemption.
404.4 Prior approval of eligibility.
404.5 Physical review of property by assessor.
404.6 Relocation expense of tenant.
404.7 Repeal of ordinance.
404.8 Repealed by 83 Acts, ch 101, §129.


**404.1 Area established by city or county.**

The governing body of a city may, by ordinance, designate an area of the city or the governing body of a county may, by ordinance, designate an area of the county outside the boundaries of a city, as a revitalization area, if that area is any of the following:

1. An area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, the existence of conditions which endanger life or property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime, and which is detrimental to the public health, safety, or welfare.

2. An area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use.

3. An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.

4. An area which is appropriate as an economic development area as defined in section 403.17.

5. An area designated as appropriate for public improvements related to housing and residential development, or construction of housing and residential development, including single or multifamily housing.

[C81, §404.1]

91 Acts, ch 214, §6, 7; 97 Acts, ch 214, §10

Referred to in §404.2, 404.3A, 419.17

**404.2 Conditions mandatory.**

A city or county may only exercise the authority conferred upon it in this chapter after the following conditions have been met:

1. The governing body has adopted a resolution finding that the rehabilitation, conservation, redevelopment, economic development, or a combination thereof of the area is necessary in the interest of the public health, safety, or welfare of the residents of the city, or county as applicable, and the area substantially meets the criteria of section 404.1.

2. The city or county has prepared a proposed plan for the designated revitalization area. The proposed plan shall include all of the following:

*a.* A legal description of the real estate forming the boundaries of the proposed area along with a map depicting the existing parcels of real estate.

*b.* The existing assessed valuation of the real estate in the proposed area, listing the land and building values separately.

*c.* A list of names and addresses of the owners of record of real estate within the area.

*d.* The existing zoning classifications and district boundaries and the existing and proposed land uses within the area.

*e.* Any proposals for improving or expanding city or county services within the area including but not limited to transportation facilities, sewage, garbage collection, street maintenance, park facilities and police and fire protection.

*f.* A statement specifying whether the revitalization is applicable to none, some, or all of the property assessed as residential, agricultural, commercial or industrial property within the designated area or a combination thereof and whether the revitalization is for rehabilitation and additions to existing buildings or new construction or both. If revitalization is made applicable only to some property within an assessment classification, the definition of that subset of eligible property must be by uniform criteria which further some planning objective identified in the plan. The city shall state how long it is estimated that the area shall remain a designated revitalization area which time shall be longer than

one year from the date of designation and shall state any plan by the city to issue revenue bonds for revitalization projects within the area. For a county, a revitalization area shall include only property which will be used as industrial property, commercial property, commercial property consisting of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes, or residential property. However, a county shall not provide a tax exemption under this chapter to commercial property, commercial property consisting of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes, or residential property which is located within the limits of a city.

*g.* The provisions that have been made for the relocation of persons, including families, business concerns and others, whom the city or county anticipates will be displaced as a result of improvements to be made in the designated area.

*h.* Any tax exemption schedule authorized in section 404.3, subsection 5, that shall be used in lieu of the schedule set out in section 404.3, subsection 1, 2, 3, or 4. In the case of a county, the tax schedules used shall only be applicable to property of the type for which the revitalization area is zoned at the time the county designates the area a revitalization area.

*i.* The percent increase in actual value requirements that shall be used in lieu of the fifteen and ten percent requirements specified in section 404.3, subsection 8 and in section 404.5. This percent increase in actual value requirements shall not be greater than that provided in this chapter and shall be the same requirements applicable to all existing revitalization areas.

*j.* A description of any federal, state or private grant or loan program likely to be a source of funding for that area for residential improvements and a description of any grant or loan program which the city or county has or will have as a source of funding for that area for residential improvements.

3. The city or county has scheduled a public hearing and notified all owners of record of real property located within the proposed area and the tenants living within the proposed area in accordance with section 362.3 or 331.305, as applicable. In addition to notice by publication, notification shall also be given by ordinary mail to the last known address of the owners of record. The city or county shall also send notice by ordinary mail addressed to the "occupants" of addresses located within the proposed area, unless the city council or board of supervisors, by reason of lack of a reasonably current and complete address list, or for other good cause, shall have waived the notice. Notwithstanding section 362.3 or 331.305, as applicable, the notice shall be given by the thirtieth day prior to the public hearing.

4. The public hearing has been held.

5. *a.* A second public hearing has been held if:

(1) The city or county has received within thirty days after the holding of the first public hearing a valid petition requesting a second public hearing containing the signatures and current addresses of property owners that represent at least ten percent of the privately owned property within the designated revitalization area or;

(2) The city or county has received within thirty days after the holding of the first public hearing a valid petition requesting a second public hearing containing the signatures and current addresses of tenants that represent at least ten percent of the residential units within the designated revitalization area.

*b.* At any such second public hearing the city or county may specifically request those in attendance to indicate the precise nature of desired changes in the proposed plan.

6. The city or county has adopted the proposed or amended plan for the revitalization area after the requisite number of hearings. The city or county may subsequently amend this plan after a hearing. Notice of the hearing shall be published as provided in section 362.3 or 331.305, except that at least seven days' notice must be given and the public hearing shall not be held earlier than the next regularly scheduled city council or board of supervisors meeting following the published notice. A city which has adopted a plan for a revitalization area which covers all property within the city limits may amend that plan at any time, pursuant to this section, to include property which has been or will be annexed to the city. The provisions of the original plan shall be applicable to the property which is annexed and the property

shall be considered to have been part of the revitalization area as of the effective date of its annexation to the city.

[C81, §404.2]

83 Acts, ch 173, §1, 4, 5; 85 Acts, ch 95, §1; 86 Acts, ch 1245, §848, 849; 89 Acts, ch 2, §1; 91 Acts, ch 214, §5, 8 – 11; 92 Acts, ch 1191, §1, 4; 96 Acts, ch 1204, §38, 39; 2004 Acts, ch 1165, §1, 11, 12; 2010 Acts, ch 1061, §159, 180

Referred to in §404.3, 404.4, 404.5, 404.6, 419.17

For future amendment to subsection 2, paragraph f, effective January 1, 2015, see 2013 Acts, ch 123, §24, 30

Section not amended; footnote added

**404.3 Basis of tax exemption.**

1. All qualified real estate assessed as residential property is eligible to receive an exemption from taxation based on the actual value added by the improvements. The exemption is for a period of ten years. The amount of the exemption is equal to a percent of the actual value added by the improvements, determined as follows: One hundred fifteen percent of the value added by the improvements. However, the amount of the actual value added by the improvements which shall be used to compute the exemption shall not exceed twenty thousand dollars and the granting of the exemption shall not result in the actual value of the qualified real estate being reduced below the actual value on which the homestead credit is computed under section 425.1.

2. All qualified real estate is eligible to receive a partial exemption from taxation on the actual value added by the improvements. The exemption is for a period of ten years. The amount of the partial exemption is equal to a percent of the actual value added by the improvements, determined as follows:

*a.* For the first year, eighty percent.

*b.* For the second year, seventy percent.

*c.* For the third year, sixty percent.

*d.* For the fourth year, fifty percent.

*e.* For the fifth year, forty percent.

*f.* For the sixth year, forty percent.

*g.* For the seventh year, thirty percent.

*h.* For the eighth year, thirty percent.

*i.* For the ninth year, twenty percent.

*j.* For the tenth year, twenty percent.

3. All qualified real estate is eligible to receive a one hundred percent exemption from taxation on the actual value added by the improvements. The exemption is for a period of three years.

4. All qualified real estate assessed as residential property or assessed as commercial property, if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes, is eligible to receive a one hundred percent exemption from taxation on the actual value added by the improvements. The exemption is for a period of ten years.

5. A city or county may adopt a different tax exemption schedule than those allowed in subsection 1, 2, 3, or 4. The different schedule adopted shall not allow a greater exemption, but may allow a smaller exemption, in a particular year, than allowed in the schedule specified in the corresponding subsection of this section. A different schedule adopted by a city or county shall apply to every revitalization area within the city or county, unless the qualified property is eligible for an exemption pursuant to section 404.3A or 404.3B, and except in areas of the city or county which have been designated as both urban renewal and urban revitalization areas. In an area designated for both urban renewal and urban revitalization, a city or county may adopt a different schedule than has been adopted for revitalization areas which have not been designated as urban renewal areas.

6. The owners of qualified real estate eligible for the exemption provided in this section or section 404.3A or 404.3B shall elect to take the applicable exemption or shall elect to take the applicable exemption provided in the different schedule authorized by subsection 5 and adopted in the city or county plan if a different schedule has been adopted. Once the election

has been made and the exemption granted, the owner is not permitted to change the method of exemption.

7. The tax exemption schedule specified in subsection 1, 2, 3, or 4 shall apply to every revitalization area within a city or county unless a different schedule is adopted in the city or county plan as provided in section 404.2 and authorized by subsection 5.

8. *"Qualified real estate"* as used in this chapter and section 419.17 means real property, other than land, which is located in a designated revitalization area and to which improvements have been added, during the time the area was so designated, which have increased the actual value by at least the percent specified in the plan adopted by the city or county pursuant to section 404.2 or if no percent is specified then by at least fifteen percent, or at least ten percent in the case of real property assessed as residential property or which have, in the case of land upon which is located more than one building and not assessed as residential property, increased the actual value of the buildings to which the improvements have been made by at least fifteen percent. *"Qualified real estate"* also means land upon which no structure existed at the start of the new construction, which is located in a designated revitalization area and upon which new construction has been added during the time the area was so designated. *"Improvements"* as used in this chapter and section 419.17 includes rehabilitation and additions to existing structures as well as new construction on vacant land or on land with existing structures. However, new construction on land assessed as agricultural property shall not qualify as *"improvements"* for purposes of this chapter and section 419.17 unless the governing body of the city or county has presented justification at a public hearing held pursuant to section 404.2 for the revitalization of land assessed as agricultural property by means of new construction. Such justification shall demonstrate, in addition to the other requirements of this chapter and section 419.17, that the improvements on land assessed as agricultural land will utilize the minimum amount of agricultural land necessary to accomplish the revitalization of the other classes of property within the urban revitalization area. However, if such construction, rehabilitation or additions were begun prior to January 29, 1979, or one year prior to the adoption by the city or county of a plan of urban revitalization pursuant to section 404.2, whichever occurs later, the value added by such construction, rehabilitation or additions shall not constitute an increase in value for purposes of qualifying for the exemptions listed in this section. *"Actual value added by the improvements"* as used in this chapter and section 419.17 means the actual value added as of the first year for which the exemption was received.

9. The fifteen and ten percent increase in actual value requirements specified in subsection 8 shall apply to every revitalization area within a city or county unless different percent increases in actual value requirements are adopted in the city or county plan as provided in section 404.2. However, a city or county shall not adopt different requirements unless every revitalization area within the city or county has the same requirements and the requirements do not provide for a greater percent increase than specified in subsection 8.

[C81, §404.3]

83 Acts, ch 173, §2, 3, 5; 91 Acts, ch 186, §5; 91 Acts, ch 214, §11; 2004 Acts, ch 1165, §2, 3, 11, 12

Referred to in §404.2, 404.3A, 404.3B, 404.4, 404.5, 404.6, 419.17

For future amendment to subsection 4, effective January 1, 2015, see 2013 Acts, ch 123, §25, 30

Section not amended; footnote added

**404.3A Residential development area exemption.**

Notwithstanding the schedules provided for in section 404.3, all qualified real estate assessed as residential property in an area designated under section 404.1, subsection 5, is eligible to receive an exemption from taxation on the first seventy-five thousand dollars of actual value added by the improvements. The exemption is for a period of five years.

97 Acts, ch 214, §11

Referred to in §404.3, 419.17

**404.3B Abandoned real property exemption.**

1. Notwithstanding the schedules provided for in section 404.3, a city or county may provide that all qualified real estate that meets the definition of abandoned as stated in

section 657A.1 is eligible to receive an exemption from taxation based on the schedule set forth in subsection 2 or 3.

2. All qualified real estate described in subsection 1 is eligible to receive a partial exemption from taxation on the actual value added by the improvements. The exemption is for a period of fifteen years. The amount of the partial exemption is equal to a percent of the actual value added by the improvements, determined as follows:

*a.* For the first year, eighty percent.
*b.* For the second year, seventy-five percent.
*c.* For the third year, seventy percent.
*d.* For the fourth year, sixty-five percent.
*e.* For the fifth year, sixty percent.
*f.* For the sixth year, fifty-five percent.
*g.* For the seventh year, fifty percent.
*h.* For the eighth year, forty-five percent.
*i.* For the ninth year, forty percent.
*j.* For the tenth year, thirty-five percent.
*k.* For the eleventh year, thirty percent.
*l.* For the twelfth year, twenty-five percent.
*m.* For the thirteenth year, twenty percent.
*n.* For the fourteenth year, twenty percent.
*o.* For the fifteenth year, twenty percent.

3. All qualified real estate described in subsection 1 is eligible to receive a one hundred percent exemption from taxation on the actual value added by the improvements. The exemption is for a period of five years.

2004 Acts, ch 1165, §4, 11, 12
Referred to in §404.3, 419.17

**404.4 Prior approval of eligibility.**

A person may submit a proposal for an improvement project to the governing body of the city or county to receive prior approval for eligibility for a tax exemption on the project. The governing body shall, by resolution, give its prior approval for an improvement project if the project is in conformance with the plan for revitalization developed by the city or county. Such prior approval shall not entitle the owner to exemption from taxation until the improvements have been completed and found to be qualified real estate; however, if the proposal is not approved, the person may submit an amended proposal for the governing body to approve or reject.

An application shall be filed for each new exemption claimed. The first application for an exemption shall be filed by the owner of the property with the governing body of the city or county in which the property is located by February 1 of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements included in the project are first assessed for taxation, or the following two assessment years, in which case the exemption is allowed for the total number of years in the exemption schedule. However, upon the request of the owner at any time, the governing body of the city or county provides by resolution that the owner may file an application by February 1 of any other assessment year selected by the governing body in which case the exemption is allowed for the number of years remaining in the exemption schedule selected. The application shall contain, but not be limited to, the following information: The nature of the improvement, its cost, the estimated or actual date of completion, the tenants that occupied the owner's building on the date the city or county adopted the resolution referred to in section 404.2, subsection 1, and which exemption in section 404.3 or in the different schedule, if one has been adopted, will be elected.

The governing body of the city or county shall approve the application, subject to review by the local assessor pursuant to section 404.5, if the project is in conformance with the plan for revitalization developed by the city or county, is located within a designated revitalization area, and if the improvements were made during the time the area was so designated. The governing body of the city or county shall forward for review all approved applications to

the appropriate local assessor by March 1 of each year with a statement indicating whether section 404.3, subsection 1, 2, 3 or 4 applies or if a different schedule has been adopted, which exemption from that schedule applies. Applications for exemption for succeeding years on approved projects shall not be required.

[C81, §404.4]

87 Acts, ch 156, §1; 91 Acts, ch 214, §11; 92 Acts, ch 1191, §2, 4; 2001 Acts, ch 116, §2; 2002 Acts, ch 1151, §1, 36

Referred to in §404.5, 419.17

**404.5 Physical review of property by assessor.**

The local assessor shall review each first-year application by making a physical review of the property, to determine if the improvements made increased the actual value of the qualified real estate by at least fifteen percent or at least ten percent in the case of real property assessed as residential property or the applicable percent increase requirement adopted by the city or county under section 404.2. If the assessor determines that the actual value of that real estate has increased by at least the requisite percent, the assessor shall proceed to determine the actual value of the property and certify the valuation determined pursuant to section 404.3 to the county auditor at the time of transmitting the assessment rolls. However, if a new structure is erected on land upon which no structure existed at the start of the new construction, the assessor shall proceed to determine the actual value of the property and certify the valuation determined pursuant to section 404.3 to the county auditor at the time of transmitting the assessment rolls. The assessor shall notify the applicant of the determination, and the assessor's decision may be appealed to the local board of review at the times specified in section 441.37. If an application for exemption is denied as a result of failure to sufficiently increase the value of the real estate as provided in section 404.3, the owner may file a first annual application in a subsequent year when additional improvements are made to satisfy requirements of section 404.3, and the provisions of section 404.4 shall apply. After the tax exemption is granted, the local assessor shall continue to grant the tax exemption, with periodic physical review by the assessor, for the time period specified in section 404.3, subsection 1, 2, 3 or 4, or specified in the different schedule if one has been adopted, under which the exemption was granted. The tax exemptions for the succeeding years shall be granted without the taxpayer having to file an application for the succeeding years.

For the purposes of this section, the actual value of the property upon which the value of improvements in the form of rehabilitation or additions to existing structures shall be determined shall be the lower of either the amount listed on the assessment rolls in the assessment year in which such improvements are first begun or the price paid by the owner if the improvements in the form of rehabilitation or additions to existing structures were begun within one year of the date the property was purchased and the sale was a fair and reasonable exchange between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and each being familiar with all the facts relating to the particular property.

[C81, §404.5]

91 Acts, ch 214, §11; 92 Acts, ch 1191, §3, 4; 96 Acts, ch 1204, §40, 41

Referred to in §404.2, 404.4, 419.17

**404.6 Relocation expense of tenant.**

Upon application to it and after verification by it, the city or county shall require compensation of at least one month's rent and may require compensation of actual relocation expenses be paid to a qualified tenant whose displacement is due to action on the part of a property owner to qualify for the benefits under this chapter. However, the city or county may require the persons causing the qualified tenant to be displaced to pay all or a part of the relocation payments as a condition for receiving a tax exemption under section 404.3. "*Qualified tenant*" as used in this chapter shall mean the legal occupant of a residential dwelling unit which is located within a designated revitalization area and who has occupied

the same dwelling unit continuously since one year prior to the city's or county's adoption of the plan pursuant to section 404.2.

[C81, §404.6]

91 Acts, ch 214, §11

Referred to in §419.17

**404.7 Repeal of ordinance.**

When in the opinion of the governing body of a city or county the desired level of revitalization has been attained or economic conditions are such that the continuation of the exemption granted by this chapter would cease to be of benefit to the city or county, the governing body may repeal the ordinance establishing a revitalization area. In that event, all existing exemptions shall continue until their expiration.

[C81, §404.7]

91 Acts, ch 214, §11

Referred to in §419.17

**404.8** Repealed by 83 Acts, ch 101, § 129.

# CHAPTER 404A

## HISTORIC PRESERVATION AND CULTURAL AND ENTERTAINMENT DISTRICT TAX CREDIT

Referred to in §2.48, 422.11D, 422.33, 422.60, 432.12A


404A.1 Historic preservation and cultural and entertainment district tax credit — definitions.
404A.2 Amount of credit.
404A.3 Approval of rehabilitation project.
404A.4 Project completion and tax credit certification — credit refund or carryforward.
404A.5 Economic impact — recommendations.


**404A.1 Historic preservation and cultural and entertainment district tax credit — definitions.**

1. *a.* A historic preservation and cultural and entertainment district tax credit, subject to the availability of the credit, is granted against the tax imposed under chapter 422, division II, III, or V, or chapter 432, for the substantial rehabilitation of eligible property located in this state as provided in this chapter.

*b.* Tax credits in excess of tax liabilities shall be refunded or credited as provided in section 404A.4, subsection 3.

2. For purposes of this chapter, unless the context otherwise requires:

*a.* "*Eligible property*" means property for which a taxpayer may receive the historic preservation and cultural and entertainment district tax credit computed under this chapter and includes all of the following:

(1) Property listed on the national register of historic places or eligible for such listing.

(2) Property designated as of historic significance to a district listed in the national register of historic places or eligible for such designation.

(3) Property or district designated a local landmark by a city or county ordinance.

(4) A barn constructed prior to 1937.

*b.* "*Placed in service*" means the same as used in section 47 of the Internal Revenue Code.

*c.* "*Qualified rehabilitation costs*" means expenditures made for the rehabilitation of eligible property and includes qualified rehabilitation expenditures as defined in section 47 of the Internal Revenue Code.

(1) Qualified rehabilitation costs include amounts if they are properly includable in computing the basis for tax purposes of the eligible property.

(2) Amounts treated as an expense and deducted in the tax year in which they are paid

or incurred and amounts that are otherwise not added to the basis for tax purposes of the eligible property are not qualified rehabilitation costs.

(3) Amounts incurred for architectural and engineering fees, site survey fees, legal expenses, insurance premiums, development fees, and other construction-related costs are qualified rehabilitation costs to the extent they are added to the basis for tax purposes of the eligible property.

(4) Costs of sidewalks, parking lots, and landscaping do not constitute qualified rehabilitation costs.

*d.* "*Rehabilitation period*" means the period of time during which an eligible property is rehabilitated commencing from the date on which the first qualified rehabilitation cost is incurred and ending with the end of the taxable year in which the property is placed in service. A project's rehabilitation period may include dates that precede approval of a project under section 404A.3, but any costs incurred prior to such approval must be qualified rehabilitation costs.

*e.* "*Substantial rehabilitation*" means qualified rehabilitation costs that meet or exceed the following:

(1) In the case of commercial property, costs totaling at least fifty thousand dollars or fifty percent of the assessed value of the property, excluding the land, prior to the rehabilitation, whichever is less.

(2) In the case of property other than commercial property, costs totaling at least twenty-five thousand dollars or twenty-five percent of the assessed value, excluding the land, prior to rehabilitation, whichever is less.

2000 Acts, ch 1194, §3, 20; 2002 Acts, ch 1003, §1, 5; 2005 Acts, ch 150, §20, 21; 2007 Acts, ch 165, §1, 9; 2011 Acts, ch 99, §1, 6; 2011 Acts, ch 130, §30, 35; 2013 Acts, ch 112, §1

Referred to in §16.188, 404A.4, 422.11D, 422.33, 422.60, 432.12A

2011 amendments to this section apply retroactively to July 1, 2009, for projects approved and tax credits reserved on or after that date; 2011 Acts, ch 99, §6; 2011 Acts, ch 130, §35

Subsection 2, paragraph e amended

**404A.2 Amount of credit.**

1. The amount of the credit equals twenty-five percent of the qualified rehabilitation costs incurred for the substantial rehabilitation of eligible property.

2. For purposes of individual and corporate income taxes and the franchise tax, the increase in the basis of the rehabilitated property that would otherwise result from the qualified rehabilitation costs shall be reduced by the amount of the credit computed under this chapter.

2000 Acts, ch 1194, §4, 20; 2002 Acts, ch 1003, §2, 5; 2004 Acts, ch 1175, §250, 287; 2009 Acts, ch 98, §1; 2011 Acts, ch 99, §2, 6

2011 amendment applies retroactively to July 1, 2009, for projects approved and tax credits reserved on or after that date; 2011 Acts, ch 99, §6

**404A.3 Approval of rehabilitation project.**

1. *a.* In order for costs of a rehabilitation project to qualify for a tax credit, the rehabilitation project must receive approval from the state historic preservation office of the department of cultural affairs.

*b.* Applications for approvals from the state historic preservation office of the department of cultural affairs shall be on forms approved by the state historic preservation office and shall contain information as required by the state historic preservation office. The information shall at least include the approximate date of the start of rehabilitation, the approximate date of completion, as well as the cost.

*c.* The approval process shall not exceed ninety days beginning from the date on which a completed application is received by the state historic preservation office. After the ninety-day limit, the rehabilitation project is deemed to be approved unless the state historic preservation office has denied the application or contacted the applicant for further information regarding the application.

2. The state historic preservation office shall establish selection criteria and standards for rehabilitation projects involving eligible property. The main emphasis of the standards shall be to ensure that a rehabilitation project maintains the integrity of the eligible property. To the

extent applicable, the standards shall be consistent with the standards of the United States secretary of the interior for rehabilitation of eligible property.

3. *a.* A rehabilitation project for which the state historic preservation office has reserved tax credits pursuant to section 404A.4 shall begin rehabilitation of the property before the end of the fiscal year in which the project application was approved and for which the tax credits were reserved.

*b.* The eligible property shall be placed in service within either sixty months of the date on which the project application was approved under this section, or seventy-two months of the date on which the project application was approved under this section if more than fifty percent of the qualified rehabilitation costs are incurred within sixty months of the date on which the project application was approved under this section.

*c.* A rehabilitation project for which a project application was approved and tax credits reserved prior to July 1, 2009, shall complete the project and place the building in service on or before June 30, 2011, notwithstanding the time period specified in paragraph *"b"*.

4. A rehabilitation project that does not meet the requirements of subsection 3 is subject to revocation, repayment, or recapture of tax credits reserved or approved pursuant to this chapter.

2000 Acts, ch 1194, §5, 20; 2002 Acts, ch 1119, §162; 2005 Acts, ch 150, §22; 2009 Acts, ch 98, §2; 2011 Acts, ch 99, §3, 6; 2013 Acts, ch 112, §2, 4, 5

Referred to in §404A.1

2011 amendment to subsection 3, paragraph b, applies retroactively to July 1, 2009, for projects approved and tax credits reserved on or after that date; 2011 Acts, ch 99, §6

2013 amendment to subsection 3, paragraph b, takes effect May 16, 2013, and applies to eligible property to be placed in service on or after July 1, 2013; 2013 Acts, ch 112, § 4, 5; 2013 Acts, ch 140, §84

Subsection 3, paragraph b amended

**404A.4 Project completion and tax credit certification — credit refund or carryforward.**

1. Upon completion of the rehabilitation project, a certification of completion must be obtained from the state historic preservation office of the department of cultural affairs. A completion certificate shall identify the person claiming the tax credit under this chapter and the qualified rehabilitation costs incurred during the rehabilitation period.

2. After verifying the eligibility for the tax credit, the state historic preservation office shall issue a historic preservation and cultural and entertainment district tax credit certificate to be attached to the person's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the date of project completion, the amount of credit, other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred. Of the amount of tax credits that may be approved in a fiscal year pursuant to subsection 4, paragraph *"a"*:

*a.* For the fiscal year beginning July 1, 2009, the office shall reserve not more than twenty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2009, and not more than thirty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2010.

*b.* For the fiscal year beginning July 1, 2010, the office shall reserve not more than twenty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2010, and not more than thirty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2011.

*c.* For the fiscal year beginning July 1, 2011, the office shall reserve not more than twenty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2011, and not more than thirty million dollars worth of tax credits for a taxable year beginning on or after January 1, 2012.

*d.* For the fiscal year beginning July 1, 2012, and for each fiscal year thereafter, the office shall reserve not more than forty-five million dollars worth of tax credits for any one taxable year.

3. A person receiving a historic preservation and cultural and entertainment district tax credit under this chapter which is in excess of the person's tax liability for the tax year is entitled to a refund. Any credit in excess of the tax liability shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to have

the overpayment shown on the taxpayer's final, completed return credited to the tax liability for the following year.

4. *a.* The total amount of tax credits that may be approved for a fiscal year prior to the fiscal year beginning July 1, 2012, under this chapter shall not exceed fifty million dollars. The total amount of tax credits that may be approved for a fiscal year beginning on or after July 1, 2012, shall not exceed forty-five million dollars.

*b.* Of the tax credits approved for a fiscal year under this chapter, the amount of the tax credits shall be allocated as follows:

(1) Ten percent of the dollar amount of tax credits shall be allocated for purposes of new projects with final qualified rehabilitation costs of seven hundred fifty thousand dollars or less.

(2) Thirty percent of the dollar amount of tax credits shall be allocated for purposes of new projects located in cultural and entertainment districts certified pursuant to section 303.3B or identified in Iowa great places agreements developed pursuant to section 303.3C.

(3) Twenty percent of the dollar amount of tax credits shall be allocated for disaster recovery projects. For purposes of this subparagraph, *"disaster recovery project"* means a property meeting the requirements of an eligible property as described in section 404A.1, subsection 2, which is located in an area declared a disaster area by the governor or by a federal official and which has been physically impacted as a result of a natural disaster.

(4) Twenty percent of the dollar amount of the tax credits shall be allocated for projects that involve the creation of more than five hundred new permanent jobs. A taxpayer receiving a tax credit certificate for a project under this allocation shall provide information documenting the creation of the jobs to the state historic preservation office and to the economic development authority. The jobs shall be created within two years of the date a tax credit certificate is issued. The economic development authority shall verify the creation of the jobs. The amount of any tax credits received is subject to recapture by the department of revenue if the jobs are not created within two years. The state historic preservation office and the economic development authority may adopt rules for the implementation of this subparagraph. The rules shall provide for a method or form that allows a city or county to track the number of jobs created in the construction industry by the project.

(5) Twenty percent of the dollar amount of the tax credits shall be allocated for any eligible project.

*c.* (1) If, in any fiscal year, an amount of tax credits allocated pursuant to paragraph *"b"*, subparagraph (2) or (4), goes unclaimed, the amount of the unclaimed tax credits shall, during the same fiscal year, be reallocated to disaster recovery projects as described in paragraph *"b"*, subparagraph (3).

(2) If, in any fiscal year, an amount of tax credits reallocated pursuant to subparagraph (1) of this paragraph *"c"* goes unclaimed, the tax credits shall, during the same fiscal year, be reallocated to the projects described in paragraph *"b"*, subparagraph (5).

*d.* The departments of cultural affairs and revenue shall each adopt rules to jointly administer this subsection and shall provide by rule for the method to be used to determine for which fiscal year the tax credits are available.

*e.* With the exception of tax credits issued pursuant to contracts entered into prior to July 1, 2007, tax credits shall not be reserved for more than three years.

5. *a.* Tax credit certificates issued under this chapter may be transferred to any person or entity.

*b.* Within ninety days of transfer, the transferee must submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address, and the denomination that each replacement tax credit certificate is to carry and any other information required by the department of revenue.

*c.* Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement certificate must contain the information required under subsection 2 and must have the same expiration date that appeared in the transferred tax credit certificate.

*d.* Tax credit certificate amounts of less than the minimum amount established by rule of the department of revenue shall not be transferable.

*e.* A tax credit shall not be claimed by a transferee under this chapter until a replacement tax credit certificate identifying the transferee as the proper holder has been issued.

*f.* The transferee may use the amount of the tax credit transferred against the taxes imposed under chapter 422, divisions II, III, and V, and chapter 432 for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 422, divisions II, III, and V. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 422, divisions II, III, and V.

2000 Acts, ch 1194, §6, 20; 2003 Acts, ch 133, §2 – 4; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §90, 209; 2004 Acts, ch 1001, §1; 2004 Acts, ch 1175, §395; 2005 Acts, ch 150, §23 – 25; 2006 Acts, ch 1158, §6; 2007 Acts, ch 165, §2, 3, 9; 2009 Acts, ch 98, §3; 2010 Acts, ch 1069, §50, 51; 2010 Acts, ch 1138, §29, 30; 2011 Acts, ch 34, §92; 2011 Acts, ch 99, §4 – 6; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 112, §3

Referred to in §404A.1, 404A.3, 422.11D, 422.33, 422.60, 432.12A

2011 amendments to subsection 1 and subsection 2, paragraph d apply retroactively to July 1, 2009, for projects approved and tax credits reserved on or after that date; 2011 Acts, ch 99, §6

Subsection 4, paragraph b, subparagraph (1) amended

**404A.5 Economic impact — recommendations.**

1. The department of cultural affairs, in consultation with the department of revenue, shall be responsible for keeping the general assembly and the legislative services agency informed on the overall economic impact to the state of the rehabilitation of eligible properties.

2. An annual report shall be filed which shall include but is not limited to data on the number and potential value of rehabilitation projects begun during the latest twelve-month period, the total historic preservation and cultural and entertainment district tax credits originally granted during that period, the potential reduction in state tax revenues as a result of all tax credits still unused and eligible for refund, and the potential increase in local property tax revenues as a result of the rehabilitated projects.

3. The department of cultural affairs, to the extent it is able, shall provide recommendations on whether a limit on tax credits should be established, the need for a broader or more restrictive definition of eligible property, and other adjustments to the tax credits under this chapter.

2000 Acts, ch 1194, §7, 20; 2003 Acts, ch 35, §45, 49; 2005 Acts, ch 150, §26; 2009 Acts, ch 98, §4

# CHAPTER 404B

## DISASTER REVITALIZATION TAX EXEMPTIONS

Referred to in §364.19


| | | | |
|---|---|---|---|
| 404B.1 | Disaster revitalization area. | 404B.5 | Application for exemption by property owner. |
| 404B.2 | Conditions mandatory. | 404B.6 | Physical review of property by assessor. |
| 404B.3 | Disaster revitalization plan amendments. | 404B.7 | Expiration or repeal of ordinance. |
| 404B.4 | Basis of tax exemption. | | |


**404B.1 Disaster revitalization area.**

1. *a.* The governing body of a city may, by ordinance, designate an area of the city a disaster revitalization area if that area is within a county or portion of a county in which the governor has proclaimed a disaster emergency or the United States president has declared a major disaster.

*b.* The governing body of a county may, by ordinance, designate an area of the county outside the boundaries of a city as a disaster revitalization area if that area is within a county

or portion of a county in which the governor has proclaimed a disaster emergency or the United States president has declared a major disaster.

2. A disaster revitalization area shall be composed of contiguous parcels. However, the governing body of a city or the governing body of a county may establish more than one disaster revitalization area.

2009 Acts, ch 100, §23, 30

Referred to in §404B.2

**404B.2 Conditions mandatory.**

A city or county may only exercise the authority conferred upon it in this chapter after all of the following conditions have been met:

1. The governing body has adopted a resolution finding that the property located within the area was damaged by a disaster, that revitalization of the area is in the economic interest of the residents of the city or county, as applicable, and the area substantially meets the criteria of section 404B.1.

2. The city or county has prepared a proposed plan for the designated disaster revitalization area. The proposed disaster revitalization plan shall include all of the following:

*a.* A legal description of the real property forming the boundaries of the proposed area along with a map depicting the existing parcels of real property.

*b.* The assessed valuation of the real property in the proposed area as of January 1, 2007, listing the land and building values separately.

*c.* A list of names and addresses of the owners of record of real property within the area.

*d.* The existing zoning classifications and district boundaries and the existing and proposed land uses within the area.

*e.* The exemption percentage applicable in the proposed area pursuant to section 404B.4.

*f.* A statement specifying whether none, some, or all of the property assessed as residential, agricultural, commercial, or industrial property within the designated area is eligible for the exemption under section 404B.4.

*g.* A definition of revitalization, including whether it is applicable to existing buildings, new construction, or development of previously vacant land. A definition of revitalization may also include a requirement for a minimum increase in assessed valuation of individual parcels of property in the area.

*h.* A statement specifying the duration of the designated disaster revitalization area.

*i.* A description of planned measures to mitigate or prevent future disaster damage in the area.

*j.* A description of revitalization projects commenced prior to the effective date of the plan that are eligible for the exemption under section 404B.4.

3. *a.* The city or county has scheduled a public hearing and published notice of the hearing in accordance with section 362.3 or 331.305, as applicable. In addition to notice by publication, notification shall also be given by ordinary mail to the last known address of the owners of record. The city or county shall also send notice by ordinary mail addressed to the "occupants" of addresses located within the proposed area, unless the governing body of the city or county, by reason of lack of a reasonably current and complete address list, or for other good cause, shall have waived the notice.

*b.* The notice provided by mail to owners and occupants within the area shall be given no later than thirty days before the date of the public hearing.

4. The public hearing has been held.

5. The city or county has adopted the proposed or amended plan for the disaster revitalization area after the hearing.

2009 Acts, ch 100, §24, 30

**404B.3 Disaster revitalization plan amendments.**

1. The city or county may subsequently amend a disaster revitalization plan after a hearing. Notice of the hearing shall be published as provided in section 362.3 or 331.305, except that at least seven days' notice must be given, and the public hearing shall not be

held earlier than the next regularly scheduled city council or board of supervisors meeting following the published notice. Notice shall also be provided by ordinary mail to owners and occupants within the area and any proposed addition to the area.

2. A city which has adopted a plan for a disaster revitalization area that covers all property within the city limits may amend that plan at any time, pursuant to this section, to include property which has been or will be annexed to the city. The provisions of the original disaster revitalization plan shall be applicable to the property that is annexed and the property shall be considered to have been part of the disaster revitalization area as of the effective date of its annexation to the city. The notice and hearing provisions of subsection 1 shall apply to amendments under this subsection.

2009 Acts, ch 100, §25, 30

**404B.4 Basis of tax exemption.**

1. All real property within a disaster revitalization area is eligible to receive a one hundred percent exemption from taxation on the increase in assessed value of the property, as compared to the property's assessed value on January 1, 2007, if the increase in assessed value is attributable to revitalization of the property occurring between May 25, 2008, and December 31, 2013. The exemption is for a period not to exceed five years, starting with an assessment year beginning on or after January 1, 2010.

2. A city or county may adopt a different tax exemption percentage than the exemption provided in subsection 1. The different percentage adopted shall not allow a greater exemption, but may allow a smaller exemption. A different percentage adopted by a city or county shall apply to every disaster revitalization area within the city or county. The owners of real property eligible for the exemption provided in this section shall elect to take the exemption or shall elect to take an eligible exemption provided under another statute. Once the election has been made and the exemption granted, the owner is not permitted to change the method of exemption.

2009 Acts, ch 100, §26, 30

Referred to in §404B.2

**404B.5 Application for exemption by property owner.**

An application shall be filed for each revitalization project resulting in increased assessed value for which an exemption is claimed. The application for exemption shall be filed by the owner of the property with the local assessor by February 1 of the first assessment year for which the exemption is requested. Applications for exemption shall be made on forms prescribed by the local assessor and shall contain information pertaining to the requirements under this section and any requirements imposed by a city or county governing body.

2009 Acts, ch 100, §27, 30

**404B.6 Physical review of property by assessor.**

The local assessor shall review each application by making a physical review of the property to determine if the revitalization project increased the assessed value of the real property. If the assessor determines that the assessed value of the real property has increased, the assessor shall proceed to determine the assessed value of the property and certify the valuation determined to the county auditor at the time of transmitting the assessment rolls. The assessor shall notify the applicant of the determination, and the assessor's decision may be appealed to the local board of review at the times specified in section 441.37. After the tax exemption is granted, the local assessor shall continue to grant the tax exemption, with periodic physical review by the assessor, for the time period specified by ordinance. The tax exemption for the succeeding years shall be granted without the taxpayer having to file an application for the succeeding years, unless additional revitalization projects occur on the property.

2009 Acts, ch 100, §28, 30

**404B.7 Expiration or repeal of ordinance.**

An ordinance enacted under this chapter shall expire or be repealed no later than December 31, 2016.

2009 Acts, ch 100, §29, 30

# CHAPTER 405

## ASSESSMENT OF PROPERTY FOR HOUSING DEVELOPMENT

405.1 Housing development — tax status — limitation.

**405.1 Housing development — tax status — limitation.**

1. *a.* The board of supervisors of a county may adopt an ordinance providing that property acquired and subdivided for development of housing on or after January 1, 2011, shall continue to be assessed for taxation in the manner that it was prior to the acquisition for housing. Each lot shall continue to be taxed in the manner it was prior to its acquisition for housing until the lot is sold for construction or occupancy of housing or five years from the date of subdivision, whichever is shorter. Upon the sale or the expiration of the five-year period, the property shall be assessed for taxation as residential or commercial multifamily property, whichever is applicable.

*b.* Ordinances adopted under this section, to the extent such ordinances affect the assessment of property subdivided for development of housing on or after January 1, 2004, but before January 1, 2011, shall remain in effect or otherwise be made effective and such ordinances adopted under section 405.1, subsection 1, Code 2011, shall be extended to apply the ordinances to the period of time ending ten years from the date of subdivision, and ordinances adopted under section 405.1, subsection 2, Code 2011, shall be extended to apply the ordinances to the period of time ending eight years from the date of subdivision.

2. On or after July 27, 2011, the board of supervisors of a county may amend an ordinance adopted or otherwise made effective under subsection 1 to extend the period of time established under subsection 1 to apply the ordinance to a period of time not to exceed five years beyond the end of the period of time established under subsection 1. An extension of an ordinance under this subsection may apply to all or a portion of the property that was subject to the original ordinance.

3. A city council may adopt an ordinance affecting that portion of the applicable property located within the incorporated area of the city, effectuating an extension of a county ordinance otherwise eligible to be extended under subsection 2 and not previously extended by the board of supervisors. An ordinance by a city council providing for an extension under this subsection shall be subject to the limitations of subsection 2.

96 Acts, ch 1204, §37; 2011 Acts, ch 131, §154, 157

2011 amendments to this section take effect July 27, 2011, and apply to assessment years beginning on or after January 1, 2012; amendments do not require refund or modification of property taxes attributable to, or the adjustment of property assessments for, assessments years beginning before January 1, 2012; 2011 Acts, ch 131, §156, 157

# CHAPTER 405A

## STATE FUND ALLOCATIONS TO LOCAL GOVERNMENT

Repealed by 2003 Acts, ch 178, §11

# CHAPTERS 406 to 409A

RESERVED

# CHAPTER 410

## FIRE FIGHTERS AND POLICE OFFICERS — RETIREMENT AND DISABILITY

Referred to in §25B.2, 28E.26, 28J.18, 29C.8, 85.1, 97B.49B, 364.16, 400.13

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HOURS OF SERVICE

410.19 Hours on duty limited.
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## GENERAL PROVISIONS

**410.1 Pension funds.**

Any city having an organized fire department may, and all cities having an organized police department or a paid fire department shall, levy annually on taxable property a tax not to exceed three and three-eighths cents per thousand dollars of assessed value for each such department, for the purpose of creating fire fighters' and police officers' pension funds.

Provided that cities having a population of more than six thousand five hundred may annually levy on taxable property a tax of not more than thirteen and one-half cents per thousand dollars of assessed value for each such department for such purpose. Provided, further, that cities, in which a police or fire retirement system based upon actuarial tables shall be established by law, shall levy for the police or fire pension funds a tax sufficient in amount to meet all necessary obligations and expenditures; and said obligations and expenditures shall be direct liabilities of said cities.

Whenever there is a sufficient balance in both of said funds to meet any proper or legitimate charges that may be made against the same, such city shall not be required to levy a tax for this purpose.

All moneys derived from each tax so levied, and all moneys received as membership fees and dues, and all moneys received from grants, donations, and devises for the benefit of each fund shall constitute separate funds, to be known and designated as a police officers' pension fund and a fire fighters' pension fund.

The provisions of this chapter shall not apply to police officers and fire fighters who entered employment after March 2, 1934, except that any police officer or fire fighter who had been making payments of membership fees and assessments as provided in section 410.5 prior to July 1, 1971, shall on July 1, 1973, be fully restored and entitled to all pension rights and benefits, vested or not vested, under this chapter if the city has not returned to such police officer or fire fighter the membership fees and assessments paid by the police officer or fire fighter prior to July 1, 1971, and if such police officer or fire fighter pays to the city within six months after July 1, 1973, the amount of the fees and assessments that the police officer

or fire fighter would have paid to the police officers' or fire fighters' pension fund from July 1, 1971, to July 1, 1973, if 1971 Iowa Acts, ch. 108, had not been adopted. If the membership fees and assessments paid by such police officer or fire fighter prior to July 1, 1971, have been returned to the police officer or fire fighter, all pension rights and benefits, vested or not vested, under this chapter shall be fully restored to the police officer or fire fighter on July 1, 1973, if, within six months after July 1, 1973, such police officer or fire fighter repays the fees and assessments so returned and pays the amount of the fees and assessments to the city that the police officer or fire fighter would have paid to the appropriate pension fund from July 1, 1971, to July 1, 1973, if 1971 Iowa Acts, ch. 108 had not been adopted.

[S13, §932-a,-j; C24, 27, 31, 35, 39, §**6310;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.1]

2012 Acts, ch 1023, §47

**410.2 Boards of trustees — officers.**

The chief officer of each department, with the city treasurer and the city solicitor or attorney of such cities, shall be ex officio members of and shall constitute separate boards of trustees for the management of each fund. The chief officer of the department shall be president and the city treasurer, treasurer of such boards, and the faithful performance of the duties of the treasurer shall be secured by an official bond as city treasurer. Such trustees shall not receive any compensation for their services as members of said boards. Provided, however, that in any city where contributory fire or police retirement systems or both systems based upon actuarial tables shall be established by this Act* for the benefit of police officers or fire fighters or both appointed to the force after the establishment of same, the board of trustees of each such system, respectively, shall also constitute the board of trustees for the management of each fund under this section as a separate and distinct fund in itself.

[S13, §932-a,-b,-j,-k; C24, 27, 31, 35, 39, §**6311;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.2]

*See 34 Acts, 1st Ex, ch 75, effective date March 2, 1934

**410.3 Investment of surplus.**

The boards shall have power to invest any surplus left in such funds, respectively, at the end of the fiscal year, but no part of the funds realized from any tax levy shall be used for any purpose other than the payment of pensions. Investments shall be in interest-bearing bonds, notes, certificates, or other evidences of indebtedness which are obligations of or guaranteed by the United States, or in interest-bearing bonds of the state of Iowa, of any county, township, or municipal corporation of the state of Iowa. All such securities shall be deposited with the treasurer of the boards of trustees for safekeeping.

[S13, §932-1; SS15, §932-c; C24, 27, 31, 35, 39, §**6312;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.3]

**410.4 Gifts, devises, or bequests.**

Each board may take by gift, grant, devise, or bequest, any money or property, real or personal, or other thing of value for the benefit of said funds. All rewards in moneys, fees, gifts, or emoluments of every kind or nature that may be paid or given to any police or fire department or to any member thereof, except when allowed to be retained or given to endow a medal or other permanent or competitive reward on account of extraordinary services rendered by said departments or any member thereof, and all fines and penalties imposed upon members, shall be paid into the said pension fund and become a part thereof.

[S13, §932-d,-m; C24, 27, 31, 35, 39, §**6313;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.4]

**410.5 Membership fee — assessments.**

Every member of said departments shall be required to pay to the treasurer of said funds a membership fee to be fixed by the board of trustees, not exceeding five dollars, and shall also be assessed and required to pay annually an amount equal to one percent per annum upon

the amount of the annual salary paid to the member, which assessment shall be deducted and retained in equal monthly installments out of such salary.

[S13, §932-d,-m; C24, 27, 31, 35, 39, §**6314;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.5]

Referred to in §410.1

**410.6 Who entitled to pension — conditions.**

1. Any member of said departments who shall have served twenty-two years or more in such department, and shall have reached the age of fifty years; or who shall while a member of such department become mentally or physically permanently disabled from discharging the member's duties, shall be entitled to be retired, and upon retirement shall be paid out of the pension fund of such department a monthly pension equal to one-half the amount of salary received by the member monthly at the date the member actually retires from said department. If any member shall have served twenty-two years in said department, but shall not have reached the age of fifty years, the member shall be entitled to retirement, but no pension shall be paid while the member lives until the member reaches the age of fifty years.

2. Upon the adoption of any increase in pension benefits effective subsequent to the date of a member's retirement, the amount payable to each member as regular pension shall be increased by an amount equal to sixty percent of any increase in the pension benefits for the rank at which the member retired.

3. Pensions payable under this chapter shall be adjusted as follows:

*a.* On each July 1 and January 1, the monthly pension authorized in this chapter payable to each retired member and to each beneficiary, except children, of a deceased member shall be recomputed. The applicable formulas authorized in this chapter which were used to compute the retired member's or beneficiary's pension at the time of retirement or death shall be used in the recomputation except the earnable compensation payable on each July 1 or January 1 to an active member having the same or equivalent rank or position as was held by such retired or deceased member at the time of retirement or death, shall be used in lieu of the final compensation which the retired or deceased member was receiving at the time of retirement or death. At no time shall the monthly pension or payment to the beneficiary be less than the amount which was paid at the time of such member's retirement or death.

*b.* All monthly pensions adjusted as provided in this section shall be payable beginning on July 1 or January 1 of the year which the adjustment is made and shall continue in effect until the next adjustment at which time the monthly pension shall again be recomputed and all monthly pensions adjusted in accordance with the computations.

*c.* The adjustment of pensions required by this section shall recognize the retired or deceased member's position on the salary scale within the member's rank at the time of retirement or death. In the event that the rank or position held by the retired or deceased member at the time of retirement or death is subsequently abolished, adjustments in the pensions of the member or of the member's spouse or children shall be computed by the board of trustees as though such rank or position had not been abolished and salary increases had been granted to such rank or position on the same basis as that granted to other ranks and positions in the department.

4. At no time shall the monthly pension or payment to the member be less than one hundred fifty dollars.

[S13, §932-e,-n; C24, 27, 31, 35, 39, §**6315;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.6]

86 Acts, ch 1243, §26; 90 Acts, ch 1240, §47; 2010 Acts, ch 1069, §135

Referred to in §410.10

**410.7 Soldiers and sailors.**

Any member of the fire or police department, who resigned or obtained leave of absence therefrom to serve in the United States air force or air force reserve, army, navy or marine reserve, or marine corps, of the United States, or as a member of the United States army and navy reserve, the Spanish-American War, in the World War 1917-1918, or in World War II from December 7, 1941, to December 31, 1946, both dates inclusive, or in the Korean Conflict at

any time between June 25, 1950, and January 31, 1955, both dates inclusive, or in the Vietnam Conflict at any time between August 5, 1964, and ending on the date the armed forces of the United States are directed by formal order of the government of the United States to cease hostilities, both dates inclusive, and has returned with an honorable discharge from such service, to the fire or police department, shall have the period of such service included as part of the member's period of service in the department.

[C27, 31, 35, §6315-b1; C39, §**6315.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.7]

**410.8 Disability — how contracted.**

No member who has not served five years or more in said department shall be entitled to be retired and paid a pension under the provisions of this chapter, unless such disability was contracted while engaged in the performance of the member's duties, or by reason of following such occupation. The question of disability shall be determined by the trustees upon the concurring report of at least two out of three physicians designated by the board of trustees to make a complete physical examination of the member. After any member shall become entitled to be retired, such right shall not be lost or forfeited by discharge or for any other reason except conviction for felony.

[S13, §932-e,-n; C24, 27, 31, 35, 39, §**6316;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.8]

Referred to in §410.18

**410.9 Retired members assigned for light duty.**

The chief of the police department and the chief of the fire department of such city may assign any member of such departments, respectively, retired by reason of mental or physical disability under the provisions of this chapter, to the performance of light duties in such department.

[S13, §932-e,-n; C24, 27, 31, 35, 39, §**6317;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.9]

**410.10 Pensions — surviving spouse — children — dependents.**

1. Upon the death of any acting or retired member of such departments, leaving a spouse or minor children, or dependent father or mother surviving, there shall be paid out of said fund as follows:

*a.* To the surviving spouse, a sum equal to one-half of the deceased member's total adjusted pension as provided for in section 410.6, but in no event less than seventy-five dollars per month.

*b.* If there be no surviving spouse, or upon the death of such spouse, then to the dependent father and mother, if both survive, or to either dependent parent, if one survives, thirty dollars per month.

*c.* To the guardian of each surviving child under eighteen years of age, twenty dollars per month.

2. Effective July 1, 1991, the remarriage of a surviving spouse does not make the spouse ineligible to receive benefits under this section, and for a surviving spouse who remarried prior to July 1, 1991, the remarriage does not make the spouse ineligible to receive benefits under this section.

3. However, the benefits provided by this section are subject to the following definitions:

*a.* "*Child*" and "*children*" mean only the surviving issue of a deceased active or retired member, or the child or children legally adopted by a deceased member prior to the member's retirement from active service.

*b.* "*Spouse*" means a surviving spouse of a marriage contracted prior to retirement of a deceased member from active service, or of a marriage of a retired member contracted prior to March 2, 1934.

*c.* "*Surviving spouse*" includes a former spouse only if the division of assets in the dissolution of marriage decree pursuant to section 598.17 grants the former spouse rights of a spouse under this chapter. If there is no surviving spouse of a marriage contracted prior to retirement of a deceased member, or of a marriage of a retired member contracted prior to

March 2, 1934, *"surviving spouse"* includes a surviving spouse of a marriage of two years or more duration contracted subsequent to retirement of the member.

4. This section and its provisions shall be interpreted for all purposes as including all surviving spouses.

[S13, §932-e,-n; C24, 27, 31, 35, 39, §**6318;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.10; 82 Acts, ch 1142, §1 – 3]

91 Acts, ch 41, §2; 2010 Acts, ch 1069, §136

**410.11 Exemption.**

All pensions paid under the provisions of this chapter shall be exempt from liability for debts of the person to or on account of whom the same is paid, and shall not be subject to seizure upon execution or other process.

[S13, §932-e,-n; C24, 27, 31, 35, 39, §**6319;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.11]

**410.12 Volunteer or call fire fighters.**

The provisions of this chapter shall apply to volunteer or call members of a paid fire department, but the amount of pension to be paid to such members shall be determined by the board of trustees.

[S13, §932-e; C24, 27, 31, 35, 39, §**6320;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.12]

**410.13 Reexamination of retired members.**

The board of trustees of each department shall have power, at any time, to cause any member of such department retired by reason of physical or mental disability to be brought before it and again examined by three competent physicians appointed by the board of trustees to discover whether such disability yet continues and can be improved and whether such retired member should be continued on the pension roll, and shall have power to examine witnesses for the same purpose. The question of continued disability or ability to perform regular or light duty in the police or fire department shall be determined by the concurring report of at least two of the three examining physicians. Such member shall be entitled to reasonable notice that such examination will be made, and to be present at the time of the taking of any testimony, shall have the right to examine the witnesses brought before the board and to introduce evidence in the member's own behalf. All witnesses shall be examined under oath, which may be administered by any member of such board.

[S13, §932-g,-p; C24, 27, 31, 35, 39, §**6321;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.13]

**410.14 Decision of board.**

The decision of the board upon such matters shall be final and conclusive, in the absence of fraud, and no appeal shall be allowed therefrom. The member with a disability shall remain upon the pension roll unless and until reinstated in the department by reason of such examination.

[S13, §932-g,-p; C24, 27, 31, 35, 39, §**6322;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.14]

96 Acts, ch 1129, §89

**410.15 Guarantee of pension benefits.**

Each city, in which contributory fire or police retirement systems based upon actuarial tables, shall be established by this Act* for the benefit of fire fighters or police officers appointed to either force after the establishment of the same, is hereby bound and obligated to carry out, and authorized to enter into a written agreement evidencing the same, with each person, on retired or active service, who has heretofore contributed, or, at the time of the taking effect of this Act, is contributing to the pension system now in effect in said city, in consideration of past and future payments to the pension fund of the system to which the police officer or fire fighter is, or has been contributing, the present and prospective

benefits provided by the pension system to which the police officer or fire fighter is or has been contributing, guaranteeing that the present rate of payment by such person to said pension fund shall not be increased, also guaranteeing that the present and prospective rights and benefits provided for by said systems shall not be abridged nor lessened, and guaranteeing to all such persons so contributing all of the rights and benefits present and prospective provided in such pension system. The obligation of each such city for said rights and benefits shall be a direct charge on said city.

[S13, §932-h,-q; C24, 27, 31, 35, 39, §**6323;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.15]

*See 34 Acts, 1st Ex, ch 75, effective date March 2, 1934

**410.16 Moneys drawn — how paid — report.**

All pensions paid and all moneys drawn from the pension fund under the provisions of this chapter shall be upon warrants signed by the appropriate board of trustees, which warrants shall designate the name of the person and the purpose for which payment is made. The treasurer's annual report shall show the receipts and expenditures of each fund for the preceding fiscal year, the money on hand, and how invested.

[S13, §932-i,-r; C24, 27, 31, 35, 39, §**6324;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.16]

**410.17 City marshal.**

Service by any member of the police department as city marshal shall not deprive the member of any rights under this chapter. In any matter in which said city marshal shall be individually interested and which requires the action of the board of trustees of the police officers' pension fund, the city marshal shall not act as a member of said board, but the mayor of the city shall act with the other two trustees of the board with respect thereto. Upon the termination of the term as city marshal, the member shall regain the rank held in the police department at the time of the member's appointment as city marshal.

[C24, 27, 31, 35, 39, §**6325;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.17]

**410.18 Hospital expense.**

Cities shall provide hospital, nursing, and medical attention for the members of the police and fire departments of the cities, when injured while in the performance of their duties as members of such department, and shall continue to provide hospital, nursing, and medical attention for injuries or diseases incurred while in the performance of their duties for members being paid a pension by the city under section 410.8, and the cost of such hospital, nursing, and medical attention shall be paid out of the appropriation for the department to which the injured person belongs or belonged; provided that any amounts received by the injured person under the workers' compensation law of the state, or from any other source for such specific purposes, shall be deducted from the amount paid by the city under the provisions of this section.

[C24, 27, 31, 35, 39, §**6326;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.18]

[A portion of this section was inadvertently omitted in the 1993 Code]

## HOURS OF SERVICE

**410.19 Hours on duty limited.**

Fire fighters employed in the fire department of cities of ten thousand population or more, or under civil service, shall not be required to remain on duty for periods of time which will aggregate in each month more than an average of fifty-six hours per week and no single period of time, or shift, shall exceed twenty-four hours in length, provided that in cases of serious emergencies such fire fighters may be required to remain on duty until such emergency has passed, when so ordered by the chief of the department or person acting in the chief's place.

Fire fighters called back to duty under this provision shall be duly compensated in accordance with their regular hourly wage.

[C27, 31, 35, §6326-a1; C39, §**6326.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.19]

Referred to in §410.20

See also §411.16

**410.20 Exceptions.**

The provisions of section 410.19 shall not apply to the chief, or other persons when in command of the fire department, nor to fire fighters who are employed subject to call only.

[C27, 31, 35, §6326-a2; C39, §**6326.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §410.20]

# CHAPTER 411

## RETIREMENT SYSTEM FOR POLICE OFFICERS AND FIRE FIGHTERS

Referred to in §8F.2, 12B.10, 12B.10A, 12B.10B, 12B.10C, 12F.2, 12H.2, 25B.2, 28E.26, 28J.7, 28J.18, 29C.8, 85.1, 97A.10, 97A.17, 97B.49B, 97D.1, 97D.2, 97D.3, 97D.5, 364.16, 384.6, 400.13

Applicable to all cities creating retirement systems for police officers and fire fighters appointed after March 2, 1934

Participation of port authority peace officers, §28J.7


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**411.1 Definitions.**

The following words and phrases as used in this chapter, unless a different meaning is plainly required by the context, shall have the following meanings:

1. *"Actuarial equivalent"* means a benefit of equal value, when computed upon the basis of mortality tables adopted by the system, and interest computed at the rate established by the actuary.

2. *"Amount earned"* shall mean the amount of money actually earned by a beneficiary in some definite period of time.

3. *"Average final compensation"* means the average earnable compensation of the member during the three years of service the member earned the member's highest salary as a police

officer or fire fighter, or if the member has had less than three years of service, then the average earnable compensation of the member's entire period of service.

4. *"Beneficiary"* shall mean any person receiving a retirement allowance or other benefit as provided by this chapter.

5. *"Board of trustees"* means the board created by section 411.36 to direct the establishment and administration of the retirement system.

6. *"Cancer"* means prostate cancer, primary brain cancer, breast cancer, ovarian cancer, cervical cancer, uterine cancer, malignant melanoma, leukemia, non-Hodgkin's lymphoma, bladder cancer, colorectal cancer, multiple myeloma, testicular cancer, and kidney cancer.

7. *"Child"* means only surviving issue of a deceased active or retired member, or a child legally adopted by a deceased member prior to the member's retirement. *"Child"* includes only an individual who is under the age of eighteen years, an individual who is under the age of twenty-two years and is a full-time student, or an individual who is disabled at the time under the definitions used in section 202 of the Social Security Act as amended if the disability occurred to the individual during the time the individual was under the age of eighteen years and the parent of the individual was an active member of the system.

8. *"City"* or *"cities"* means any city or cities participating in the statewide fire and police retirement system as required by this chapter.

9. *"Earnable compensation"* or *"compensation earnable"* shall mean the annual compensation which a member receives for services rendered as a police officer or fire fighter in the course of employment with a participating city. However, the term *"earnable compensation"* or *"compensation earnable"* shall not include amounts received for overtime compensation, meal or travel expenses, uniform allowances, fringe benefits, severance pay, or any amount received upon termination or retirement in payment for accumulated sick leave or vacation. Contributions made by a member from the member's earnable compensation to a plan of deferred compensation shall be included in earnable compensation. Other contributions made to a plan of deferred compensation shall not be included except to the extent provided in rules adopted by the board of trustees pursuant to section 411.5, subsection 3.

10. *"Fire fighter"* or *"fire fighters"* shall mean only the members of a fire department who have passed a regular mental and physical civil service examination for fire fighters and who shall have been duly appointed to such position. Such members shall include fire fighters, probationary fire fighters, lieutenants, captains, and other senior officers who have been so employed for the duty of fighting fires.

11. *"Infectious disease"* means HIV or AIDS as defined in section 141A.1, all strains of hepatitis, meningococcal meningitis, and mycobacterium tuberculosis.

12. *"Medical board"* shall mean the single medical provider network designated by the system as the medical board as provided for in section 411.5.

13. *"Member"* means a member of the retirement system as defined by section 411.3.

14. *"Member in good standing"* means a member in service who is not subject to removal by the employing city of the member pursuant to section 400.18 or 400.19, or other comparable process, and who is not the subject of an investigation that could lead to such removal. Except as specifically provided pursuant to section 411.9, a person who is restored to active service for purposes of applying for a pension under this chapter is not a member in good standing.

15. *"Membership service"* shall mean service as a police officer or a fire fighter rendered for a city which is credited as service pursuant to section 411.4.

16. *"Pension reserve"* means the present value of all payments to be made on account of any pension, or benefit in lieu of a pension, granted under the provisions of this chapter, upon the basis of mortality tables adopted by the system, and interest computed at the rate established by the actuary.

17. *"Pensions"* means annual payments for life derived from appropriations provided by the participating cities and the state and from contributions of the members which are deposited in the fire and police retirement fund. All pensions shall be paid in equal monthly installments.

18. *"Police officer"* or *"police officers"* shall mean only the members of a police department

who have passed a regular mental and physical civil service examination for police officers, and who shall have been duly appointed to such positions. Such members shall include patrol officers, probationary patrol officers, matrons, sergeants, lieutenants, captains, detectives, and other senior officers who are so employed for police duty.

19. *"Retirement allowance"* shall mean the pension, or any benefits in lieu thereof, granted to a member upon retirement.

20. *"Retirement system"* or *"system"* means the statewide fire and police retirement system established by this chapter for the fire fighters and police officers of the cities described in section 411.2, its board of trustees, and its appointed representatives.

21. *"Superintendent of public safety"* shall mean any elected city official who has direct jurisdiction over the fire or police department, or the city manager in cities under the city manager form of government.

22. *"Surviving spouse"* shall mean the surviving spouse of a deceased member. Surviving spouse shall include a former spouse only if the division of assets in the dissolution of marriage decree pursuant to section 598.17 grants the former spouse rights of a spouse under this chapter.

23. *"Vested member"* means a member who has become eligible to receive monthly retirement benefits upon the member's retirement as the result of either completing at least four years of service or of attaining the age of fifty-five while performing membership service.

[C35, §6326-f1, f6(8,d); C39, §**6326.03, 6326.08(8,d);** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.1, 411.6(8); 82 Acts, ch 1261, §26, 27]

84 Acts, ch 1285, §22; 90 Acts, ch 1240, §48; 92 Acts, ch 1201, §62; 2000 Acts, ch 1077, §86 – 89, 110, 111; 2001 Acts, ch 176, §17, 18; 2002 Acts, ch 1135, §41; 2006 Acts, ch 1092, §9; 2009 Acts, ch 99, §1; 2010 Acts, ch 1167, §43; 2013 Acts, ch 20, §2, 3

Referred to in §97A.6, 97B.50A, 261.93, 400.11, 411.6, 724.6

Subsection 14 amended

NEW subsection 23

**411.1A Purpose of chapter.**

The purpose of this chapter is to promote economy and efficiency in the municipal public safety service by doing the following:

1. Provide an orderly means for police officers and fire fighters to have a retirement system which will provide for the payment of pensions to retired members and members incurring disabilities, and to the surviving spouses and dependents of deceased members.

2. Provide a comprehensive disability program for police officers and fire fighters to include standards for entrance physical examinations, guidelines for ongoing fitness and wellness, disability pensions, and postdisability retirement compliance requirements.

93 Acts, ch 44, §15; 96 Acts, ch 1129, §90; 2000 Acts, ch 1077, §90

Referred to in §411.5

**411.2 Participation in retirement system.**

1. Except as provided in subsections 2 through 5, each city in which the fire fighters or police officers are appointed under the civil service law of this state, shall participate in the retirement system established by this chapter for the purpose of providing retirement allowances only for fire fighters or police officers, or both, of the cities who are so appointed after the date the city comes under the retirement system, or benefits to their dependents.

2. A city whose population was under eight thousand prior to the results of the federal census conducted in 1990 is not required to come under the retirement system established by this chapter upon attaining a population of eight thousand or more.

3. A city which did not have a paid fire department on May 3, 1990, is not required to come under the retirement system established by this chapter upon establishing a paid fire department.

4. A city which did not have a paid police department on May 3, 1990, is not required to come under the retirement system established by this chapter upon establishing a paid police department.

5. If a city's fire fighters or police officers, or both, are appointed under the civil service

law of this state but the city is not operating a city fire or police retirement system, or both, under this chapter on May 3, 1990, the city is not required to come under the statewide fire and police retirement system established by this chapter.

[C35, §6326-f2; C39, §**6326.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.2]

90 Acts, ch 1240, §49

Referred to in §411.1

**411.3 Membership — reemployment.**

1. All persons who become police officers or fire fighters after the date the city is required to come under the retirement system, shall become members of the retirement system as a condition of their employment, except that a police chief or a fire chief who would not complete twenty-two years of service under this chapter by the time the chief attains fifty-five years of age shall, upon written request to the system, be exempt from this chapter, and except as otherwise provided in subsection 3. Notwithstanding section 97B.1A, a police chief or fire chief who is exempt from this chapter is exempt from chapter 97B. Members of the system established in this chapter shall not be required to make contributions under any other pension or retirement system of a city, county, or the state of Iowa, anything to the contrary notwithstanding.

2. Should any member cease to be employed as a police officer or fire fighter by a city, or should the member become a beneficiary or die, the member shall thereupon cease to be a member of the system.

3. *a.* As used in this section, unless the context otherwise requires, *"reemployed"* or *"reemployment"* means the employment of a person as a police officer or fire fighter by any participating city after the person has commenced receiving a service retirement allowance under section 411.6.

*b.* If a person is reemployed, the person shall not become an active member of the system upon reemployment, and the person so reemployed and the participating city shall not make contributions to the system based upon the person's compensation for reemployment. A person who is so reemployed shall not be eligible to receive a service retirement allowance for the period of reemployment. The service retirement allowance shall be reinstated upon termination of the reemployment, but the service retirement allowance shall not be recalculated based upon the person's reemployment. Notwithstanding section 97B.1A or any other provision of law to the contrary, a person reemployed as provided in this subsection shall be exempt from chapter 97B.

[C35, §6326-f3; C39, §**6326.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.3]

90 Acts, ch 1240, §50; 94 Acts, ch 1183, §66; 98 Acts, ch 1183, §82; 2000 Acts, ch 1077, §91, 110; 2006 Acts, ch 1092, §10

Referred to in §97D.3, 384.6, 411.1, 411.6

**411.4 Service creditable.**

1. Service for fewer than six months of a year is not creditable as service. Service of six months or more of a year is equivalent to one year of service, but in no case shall more than one year of service be creditable for all service in one calendar year, nor shall the system allow credit as service for any period of more than one month duration during which the member was absent without pay.

2. The system shall credit as service for a member of the system a previous period of service only under any of the following circumstances:

*a.* The member had withdrawn the member's accumulated contributions, as defined in section 411.21, for the previous period of service.

*b.* The member returned to service after an absence of service of a period of less than four years from the last day of the prior period of service.

*c.* The member returned to service after an absence of service of a period of four or more years from the last day of the prior period of service and the member had sufficient service

as of the last day of the prior period of service to have been entitled to a retirement allowance on that date under section 411.6, subsection 1, paragraph *"b"*.

[C35, §6326-f4; C39, §**6326.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.4]
90 Acts, ch 1240, §51; 2000 Acts, ch 1077, §92, 110
Referred to in §411.1, 411.21

**411.5 Administration.**

1. *Board.* The general responsibility for the establishment and proper operation of the retirement system is vested in the board of trustees created by section 411.36. The system shall be administered under the direction of the board.

2. *Compensation.* The trustees, other than the secretary, shall serve without compensation, but they shall be reimbursed from the fire and police retirement fund for all necessary expenses which they may incur through service on the board, as provided pursuant to section 411.36.

3. *Rules.* Subject to the limitations of this chapter, the board of trustees shall adopt rules for the establishment and administration of the system and the fire and police retirement fund created by this chapter, and for the transaction of its business.

4. *Organization — employees.* The board of trustees shall elect from its membership a chairperson, and shall, by majority vote of its members, appoint a secretary who may, but need not, be one of its members. The system shall engage such actuarial and other services as are required to transact the business of the retirement system. The compensation of all persons engaged by the system and all other expenses of the board of trustees necessary for the operation of the retirement system shall be paid at such rates and in such amounts as the board of trustees approves.

5. *Data.* The system shall keep in convenient form such data as is necessary for actuarial valuation of the fire and police retirement fund and for checking the experience of the retirement system.

6. *Records — reports.*

*a.* The board of trustees shall keep a record of all its proceedings, which record shall be open to public inspection. It shall submit an annual report to the governor, the general assembly, and the city council of each participating city concerning the financial condition of the retirement system, its current and future liabilities, and the actuarial valuation of the system. The board of trustees shall submit a certified audit report prepared by a certified public accountant to the auditor of state annually. The system shall comply with the filing fee requirement of section 11.6, subsection 10.

*b.* The system shall maintain records, including but not limited to names, addresses, ages, and lengths of service, salaries and wages, contributions, designated beneficiaries, benefit amounts, if applicable, and other information pertaining to members as necessary in the administration of this chapter, as well as the names, addresses, and benefit amounts of beneficiaries. For the purpose of obtaining these facts, the system shall have access to the records of the participating cities and the cities shall provide such information upon request. Member and beneficiary records containing personal information are not public records for the purposes of chapter 22. However, summary information concerning the demographics of the members and general statistical information concerning the system is subject to chapter 22, as well as aggregate information by category.

*c.* Notwithstanding any provision of chapter 22 to the contrary, the system's records may be released to any political subdivision, instrumentality, or agency of the state solely for use in a civil or criminal law enforcement activity pursuant to the requirements of this paragraph. To obtain the records, the political subdivision, instrumentality, or agency of the state shall, in writing, certify to the system that the activity is authorized by law, provide a written description of the information desired, and describe the law enforcement activity for which the information is sought. The system shall not be civilly or criminally liable for the release of records in accordance with the requirements of this paragraph.

*d.* Records containing financial or commercial information that relates to the investment of retirement system funds if the disclosure of such information could result in a loss to the

retirement system or to the provider of the information are not public records for the purposes of chapter 22.

7. *Legal advisor.* The system may employ or retain an attorney to serve as the system's legal advisor and to represent the system. The costs of an attorney employed or retained by the system shall be paid from the fire and police retirement fund created in section 411.8.

8. *Medical board.* The board of trustees shall designate a single medical provider network as the medical board for the system. The medical board shall arrange for and pass upon all medical examinations required under the provisions of chapter 400 and this chapter and shall assist the system in all aspects of the comprehensive disability program described in section 411.1A. For examinations required because of disability, a physician from the medical board specializing in occupational medicine, and a second physician specializing in an appropriate field of medicine as determined by the occupational medicine physician, shall pass upon the medical examinations required for disability retirements and shall report to the system in writing their conclusions and recommendations upon all matters referred to the medical board. Each report of a medical examination under section 411.6, subsections 3 and 5, shall include the medical board's findings in accordance with section 411.6 as to the extent of the member's physical impairment.

9. *Duties of actuary.*

*a.* The actuary shall be the technical advisor of the system on matters regarding the operation of the fire and police retirement fund and shall perform such other duties as are required in connection with the operation of the system.

*b.* The actuary shall make such investigation of anticipated interest earnings and of the mortality, service, and compensation experience of the members of the system as the actuary recommends, and on the basis of the investigation the system shall adopt such tables and such rates as are required in subsection 11.

10. *Actuarial investigation — tables — rates.* At least once in each five-year period, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the retirement system, and the interest and other earnings on the moneys and other assets of the retirement system, and shall make a valuation of the assets and liabilities of the fire and police retirement fund, and on the basis of the results of the investigation and valuation, the system shall adopt for the retirement system such actuarial methods and assumptions, interest rate, and mortality and other tables as are deemed necessary to conduct the annual actuarial valuation of the system.

11. *Annual actuarial valuation.*

*a.* On the basis of the actuarial methods and assumptions, rate of interest and tables adopted, the actuary shall make an annual valuation of the assets and liabilities of the fire and police retirement fund created by this chapter. As a result of the annual actuarial valuation, the system shall do all of the following:

(1) Certify the rates of contribution payable by the cities in accordance with section 411.8.

(2) Certify the rates of contributions payable by the members in accordance with section 411.8.

*b.* Effective with the fiscal year beginning July 1, 2008, the annual actuarial valuation required to be conducted shall include information as required by section 97D.5.

12. *Requirements related to the Internal Revenue Code.*

*a.* As used in this subsection, unless the context otherwise requires, *"Internal Revenue Code"* means the federal Internal Revenue Code as defined in section 422.3.

*b.* The fund established in section 411.8 shall be held in trust for the benefit of the members of the system and the members' beneficiaries. No part of the corpus or income of the fund shall be used for, or diverted to, purposes other than for the exclusive benefit of the members or the members' beneficiaries or for expenses incurred in the operation of the fund. A person shall not have any interest in, or right to, any part of the corpus or income of the fund except as otherwise expressly provided.

*c.* Notwithstanding any provision of this chapter to the contrary, in the event of a complete discontinuance of contributions, for reasons other than achieving fully funded status upon an actuarially determined basis, or upon termination of the fund established in section 411.8, a

member shall be vested, to the extent then funded, in the benefits which the member has accrued at the date of the discontinuance or termination.

*d.* Benefits payable from the fund established in section 411.8 to members and members' beneficiaries shall not be increased due to forfeitures from other members. Forfeitures shall be used as soon as possible to reduce future contributions by the cities to the fund, except that the rate shall not be less than the minimum rate established in section 411.8.

*e.* Notwithstanding any provision of this chapter to the contrary, all benefits under this chapter shall commence no later than the required beginning date specified under section 401(a)(9) of the federal Internal Revenue Code and shall comply with the required minimum distribution provisions of that section.

*f.* The maximum annual benefit payable to a member by the system shall be subject to the limitations set forth in section 415 of the federal Internal Revenue Code, and any regulations promulgated pursuant to that section.

*g.* The annual compensation of a member taken in account for any purpose under this chapter shall not exceed the applicable amount set forth in section 401(a)(17) of the federal Internal Revenue Code, and any regulations promulgated pursuant to that section.

13. *Voluntary benefit programs.* The board of trustees shall be responsible for the administration of the voluntary benefit programs established under section 411.40. The board may take any necessary action, including the adoption of rules, for purposes of administering the programs.

14. *Medical records.* A physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional who provides records to the system in connection with the application by a member for disability retirement under this chapter shall be entitled to charge a fee for production of the records. The fee for copies of any records shall not exceed the reasonable cost of production.

15. *Closed sessions.* In addition to the reasons provided in section 21.5, subsection 1, the board may hold a closed session pursuant to the requirements of section 21.5 of that portion of a board meeting in which financial or commercial information is provided to or discussed by the board if the board determines that disclosure of such information could result in a loss to the retirement system or to the provider of the information.

16. *Benefits and financing review.* At least every two years, the board shall review the benefits and finances provided under this chapter. The board shall make recommendations to the general assembly concerning this review, which shall include recommendations concerning the long-term financing and benefits policy of the system.

[C35, §6326-f5; C39, §**6326.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.5; 82 Acts, ch 1261, §28, 29]

83 Acts, ch 101, §84; 86 Acts, ch 1203, §1, 2; 90 Acts, ch 1240, §52; 92 Acts, ch 1201, §63; 93 Acts, ch 44, §16, 17; 94 Acts, ch 1183, §67, 68; 96 Acts, ch 1187, §100; 2000 Acts, ch 1077, §93, 94, 111; 2001 Acts, ch 176, §17, 18; 2004 Acts, ch 1103, §64; 2006 Acts, ch 1092, §11, 12; 2008 Acts, ch 1171, §50; 2010 Acts, ch 1061, §160; 2010 Acts, ch 1167, §44; 2013 Acts, ch 20, §4

Referred to in §400.8, 400.8A, 411.1, 411.6A, 411.8, 411.22, 411.30

See mortality tables at end of Vol VI

Subsection 12, paragraph e stricken and rewritten

**411.6 Benefits.**

1. *Service retirement benefit.* Retirement of a member on a service retirement allowance shall be made by the system as follows:

*a.* Any member in service may retire upon written application to the system, setting forth at what time, not less than thirty nor more than ninety days subsequent to the execution and filing of the application, the member desires to be retired. However, the member at the time specified for retirement shall have attained the age of fifty-five and shall have served twenty-two years or more, and notwithstanding that, during the period of notification, the member may have separated from the service.

*b.* Any vested member in service whose employment is terminated, other than by death or disability, prior to the member being credited with twenty-two years of service shall, upon attaining retirement age for a vested member with four or more years of service or upon application to the system for a vested member with less than four years of service, receive

a service retirement allowance as calculated in the manner provided in this paragraph "*b*". A vested member receiving a retirement allowance pursuant to this paragraph shall receive a service retirement allowance equal to one twenty-seconds of the retirement allowance the member would receive based on twenty-two years of service, multiplied by the number of years of service credited to the member. The amount of the retirement allowance shall be calculated in the manner provided in this paragraph using the average final compensation at the time of termination of employment.

*c.* Once a person commences receiving a service retirement allowance pursuant to this section, if the person is reemployed, as defined in section 411.3, the service retirement allowance shall not be recalculated based upon the person's reemployment.

2. *Allowance on service retirement.*

*a.* The service retirement allowance for a member who terminates service, other than by death or disability, prior to July 1, 1990, shall consist of a pension which equals fifty percent of the member's average final compensation.

*b.* The service retirement allowance for a member who terminates service, other than by death or disability, on or after July 1, 1990, but before July 1, 1992, shall consist of a pension which equals fifty-four percent of the member's average final compensation.

*c.* Commencing July 1, 1992, for members who terminate service, other than by death or disability, on or after that date, but before July 1, 2000, the system shall increase the percentage multiplier of the member's average final compensation by an additional two percent each July 1 until reaching sixty percent of the member's average final compensation. The applicable percentage multiplier shall be the rate in effect on the date of the member's termination from service.

*d.* Upon retirement from service on or after July 1, 2000, a member shall receive a service retirement allowance which shall consist of a pension which equals sixty-six percent of the member's average final compensation.

*e.* Commencing July 1, 1990, if the member has completed more than twenty-two years of creditable service, the service retirement allowance shall consist of a pension which equals the amount provided in paragraph "*b*", "*c*", or "*d*", plus an additional percentage as set forth below:

(1) For a member who terminates service, other than by death or disability, on or after July 1, 1990, but before July 1, 1991, and who does not withdraw the member's contributions pursuant to section 411.23, upon the member's retirement there shall be added three-tenths percent of the member's average final compensation for each year of service over twenty-two years, excluding years of service after the member's fifty-fifth birthday. However, this subparagraph does not apply to more than eight additional years of service.

(2) For a member who terminates service, other than by death or disability, on or after July 1, 1991, but before October 16, 1992, and who does not withdraw the member's contributions pursuant to section 411.23, upon the member's retirement there shall be added six-tenths percent of the member's average final compensation for each year of service over twenty-two years, excluding years of service after the member's fifty-fifth birthday. However, this subparagraph does not apply to more than eight additional years of service.

(3) For a member who terminates service, other than by death or disability, on or after October 16, 1992, but before July 1, 1998, and who does not withdraw the member's contributions pursuant to section 411.23, upon the member's retirement there shall be added six-tenths percent of the member's average final compensation for each year of service over twenty-two years. However, this subparagraph does not apply to more than eight additional years of service.

(4) For a member who terminates service, other than by death or disability, on or after July 1, 1998, but before July 1, 2000, and who does not withdraw the member's contributions pursuant to section 411.23, upon the member's retirement there shall be added one and one-half percent of the member's average final compensation for each year of service over twenty-two years. However, this subparagraph does not apply to more than eight additional years of service.

(5) For a member who terminates service, other than by death or disability, on or after July 1, 2000, and who does not withdraw the member's contributions pursuant to section 411.23,

upon the member's retirement there shall be added two percent of the member's average final compensation for each year of service over twenty-two years. However, this subparagraph does not apply to more than eight additional years of service.

3. *Ordinary disability retirement benefit.* Upon application to the system, of a member in good standing or of the chief of the police or fire departments, respectively, any member in good standing shall be retired by the system, not less than thirty and not more than ninety days next following the date of filing the application, on an ordinary disability retirement allowance, if the medical board after a medical examination of the member certifies that the member is mentally or physically incapacitated for further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired. However, if a person's membership in the system first commenced on or after July 1, 1992, the member shall not be eligible for benefits with respect to a disability which would not exist, but for a medical condition that was known to exist on the date that membership commenced. A medical condition shall be deemed to have been known to exist on the date that membership commenced if the medical condition is reflected in any record or document completed or obtained in accordance with the system's medical protocols pursuant to section 400.8, or in any other record or document obtained pursuant to an application for disability benefits from the system, if such record or document existed prior to the date membership commenced. A member who is denied a benefit under this subsection, by reason of a finding by the medical board that the member is not mentally or physically incapacitated for the further performance of duty, shall be entitled to be restored to active service in the same position held immediately prior to the application for disability benefits. The member-in-good-standing requirement of this subsection may be waived for good cause as determined by the board. The burden of establishing good cause is on the member.

4. *Allowance on ordinary disability retirement.*

*a.* Upon retirement for ordinary disability prior to July 1, 1998, a member shall receive an ordinary disability retirement allowance which shall consist of a pension which shall equal fifty percent of the member's average final compensation unless either of the following conditions exist:

(1) If the member has not had five or more years of membership service, the member shall receive a pension equal to one-fourth of the member's average final compensation.

(2) If the member has had twenty-two or more years of membership service, the member shall receive a disability retirement allowance that is equal to the greater of the benefit that the member would receive under subsection 2 if the member were fifty-five years of age or the disability pension otherwise calculated under this subsection.

*b.* Upon retirement for ordinary disability on or after July 1, 1998, a member who has five or more years of membership service shall receive a disability retirement allowance in an amount equal to the greater of fifty percent of the member's average final compensation or the retirement allowance that the member would receive under subsection 2 if the member had attained fifty-five years of age. A member who has less than five years of membership service shall receive a pension equal to one-fourth of the member's average final compensation.

5. *Accidental disability benefit.*

*a.* Upon application to the system, of a member in good standing or of the chief of the police or fire departments, respectively, any member in good standing who has become totally and permanently incapacitated for duty as the natural and proximate result of an injury or disease incurred in or aggravated by the actual performance of duty at some definite time and place, or while acting pursuant to order, outside of the city by which the member is regularly employed, shall be retired by the system if the medical board certifies that the member is mentally or physically incapacitated for further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired. However, if a person's membership in the system first commenced on or after July 1, 1992, the member shall not be eligible for benefits with respect to a disability which would not exist, but for a medical condition that was known to exist on the date that membership commenced. A medical condition shall be deemed to have been known to exist on the date that membership commenced if the medical condition is reflected in any record or document completed or obtained in accordance with the system's medical protocols pursuant to section 400.8, or in

any other record or document obtained pursuant to an application for disability benefits from the system, if such record or document existed prior to the date membership commenced. A member who is denied a benefit under this subsection, by reason of a finding by the medical board that the member is not mentally or physically incapacitated for the further performance of duty, shall be entitled to be restored to active service in the same position held immediately prior to the application for disability benefits.

*b.* If a member in service or the chief of the police or fire departments becomes incapacitated for duty as a natural or proximate result of an injury or disease incurred in or aggravated by the actual performance of duty at some definite time or place or while acting, pursuant to order, outside the city by which the member is regularly employed, the member, upon being found to be temporarily incapacitated following a medical examination as directed by the city, is entitled to receive the member's full pay and allowances from the city's general fund or trust and agency fund until reexamined as directed by the city and found to be fully recovered or until the city determines that the member is likely to be permanently disabled. If the temporary incapacity of a member continues more than sixty days, or if the city expects the incapacity to continue more than sixty days, the city shall notify the system of the temporary incapacity. Upon notification by a city, the system may refer the matter to the medical board for review and consultation with the member's treating physician during the temporary incapacity. Except as provided by this paragraph, the board of trustees of the statewide system has no jurisdiction over these matters until the city determines that the disability is likely to be permanent.

*c.* (1) Disease under this subsection shall mean heart disease or any disease of the lungs or respiratory tract and shall be presumed to have been contracted while on active duty as a result of strain or the inhalation of noxious fumes, poison, or gases.

(2) Disease under this subsection shall also mean cancer or infectious disease and shall be presumed to have been contracted while on active duty as a result of that duty.

(3) However, if a person's membership in the system first commenced on or after July 1, 1992, and the heart disease, disease of the lungs or respiratory tract, cancer, or infectious disease would not exist, but for a medical condition that was known to exist on the date that membership commenced, the presumption established in this paragraph "*c*" shall not apply.

*d.* The requirement that a member be in good standing to apply for and receive a benefit under this subsection may be waived for good cause as determined by the board. The burden of establishing good cause is on the member.

6. *Retirement after accident.*

*a.* Upon retirement for accidental disability prior to July 1, 1990, a member shall receive an accidental disability retirement allowance which shall consist of a pension equal to sixty-six and two-thirds percent of the member's average final compensation.

*b.* Upon retirement for accidental disability on or after July 1, 1990, but before July 1, 1998, a member shall receive an accidental disability retirement allowance which shall consist of a pension equal to sixty percent of the member's average final compensation. However, if the member has had twenty-two or more years of membership service, the member shall receive a disability retirement allowance that is equal to the greater of the retirement allowance that the member would receive under subsection 2 if the member was fifty-five years of age or the disability retirement allowance calculated under this paragraph.

*c.* Upon retirement for accidental disability on or after July 1, 1998, a member shall receive an accidental disability retirement allowance which shall consist of a pension in an amount equal to the greater of sixty percent of the member's average final compensation or the retirement allowance that the member would receive under subsection 2 if the member had attained fifty-five years of age.

7. *Reexamination of beneficiaries retired on account of disability.* The system may, and upon the member's application shall, require any disability beneficiary who has not yet attained age fifty-five to undergo a medical examination at a place designated by the medical board. The examination shall be made by the medical board or, in special cases, by an additional physician or physicians designated by such board. If any disability beneficiary who has not attained the age of fifty-five refuses to submit to the medical examination, the member's allowance may be discontinued until withdrawal of such refusal, and if the

refusal continues for one year all rights in and to the member's pension may be revoked by the system. For a disability beneficiary who has not attained the age of fifty-five and whose entitlement to a disability retirement commenced on or after July 1, 2000, the medical board may, as part of the examination required by this subsection, suggest appropriate medical treatment or rehabilitation if, in the opinion of the medical board, the recommended treatment or rehabilitation would likely restore the disability beneficiary to duty.

*a.* (1) Should any beneficiary for either ordinary or accidental disability, except a beneficiary who is fifty-five years of age or over, be engaged in a gainful occupation paying more than the difference between the member's net retirement allowance and one and one-half times the earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement, then the amount of the member's retirement allowance shall be reduced to an amount such that the member's net retirement allowance plus the amount earned by the member shall equal one and one-half times the amount of the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. Should the member's earnings be later changed, the amount of the member's retirement allowance may be further modified, provided that the new retirement allowance shall not exceed the amount of the retirement allowance adjusted by annual readjustments of pensions pursuant to subsection 12 of this section nor an amount which would cause the member's net retirement allowance, when added to the amount earned by the beneficiary, to equal one and one-half times the amount of the earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which the member was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have the member's retirement allowance suspended while in active service. If the rank or position held by the retired member is subsequently abolished, adjustments to the allowable limit on the amount of income which can be earned in a gainful occupation shall be computed by the board of trustees as though such rank or position had not been abolished and salary increases had been granted to such rank or position on the same basis as increases granted to other ranks and positions in the department. For purposes of this paragraph, "*net retirement allowance*" means the amount determined by subtracting the amount paid during the previous calendar year by the beneficiary for health insurance or similar health care coverage for the beneficiary and the beneficiary's dependents from the amount of the member's retirement allowance paid for that year pursuant to this chapter. The beneficiary shall submit sufficient documentation to the system to permit the system to determine the member's net retirement allowance for the applicable year.

(2) A beneficiary retired under this lettered paragraph, in order to be eligible for continued receipt of retirement benefits, shall no later than May 15 of each year submit to the system a copy of the beneficiary's federal individual income tax return for the preceding year. The beneficiary shall also submit, within a reasonable period of time, any documentation requested by the system that is determined to be necessary by the system to determine the beneficiary's gross wages.

(3) Retroactive to July 1, 1976, the limitations on pay of a member engaged in a gainful occupation who is retired under accidental disability prescribed in this paragraph shall not apply to a member who retired before July 1, 1976.

*b.* Should a disability beneficiary under age fifty-five be restored to active service at a compensation not less than the disability beneficiary's average final compensation, the disability beneficiary's retirement allowance shall cease, the disability beneficiary shall again become a member and shall contribute thereafter at the rate established in section 411.8, and former service on the basis of which the disability beneficiary's service was computed at the time of retirement shall be restored to full force and effect and upon subsequent retirement the disability beneficiary shall be credited with all service as a member and also with the period of disability retirement.

*c.* Should a disability beneficiary under age fifty-five be employed in a public safety occupation, the disability beneficiary's retirement allowance shall cease. Notwithstanding

any provision of this chapter to the contrary, if a disability beneficiary is employed in a public safety occupation that would otherwise constitute membership service, the disability beneficiary shall not become a member of the system. For purposes of this paragraph, "*public safety occupation*" means a peace officer, as defined in section 97A.1; a protection occupation, as defined in section 97B.49B; a sheriff or deputy sheriff as defined in section 97B.49C; and a police officer or fire fighter as defined in section 411.1, who was not restored to active service as provided by this subsection.

8. *Ordinary death benefit.*

*a.* Upon the receipt of proof of the death of a member in service, or a member not in service who has completed four or more years of service as provided in subsection 1, paragraph "*b*", there shall be paid to the person designated by the member to the system as the member's beneficiary, if the member has had one or more years of membership service and no pension is payable under subsection 9, the greater of the following:

(1) An amount equal to fifty percent of the compensation earnable by the member during the year immediately preceding the member's death if the member is in service, or an amount equal to fifty percent of the compensation earned by the member during the member's last year of service if the member is not in service.

(2) An amount the member would have been entitled to withdraw pursuant to section 411.23 if the member had terminated service on the date of the member's death.

*b.* (1) In lieu of the payment specified in paragraph "*a*", a beneficiary meeting the qualifications of paragraph "*c*" may elect to receive a monthly pension equal to one-twelfth of forty percent of the average final compensation of the member, but not less than twenty percent of the average monthly earnable compensation paid to an active member of the system, as reported by the actuary. For a member not in service at the time of death, the pension shall be reduced as provided in subsection 1, paragraph "*b*".

(2) For a member not in service at the time of death, the pension shall be paid commencing when the member would have attained the age of fifty-five except that if there is a child of the member, the pension shall be paid commencing with the member's death until the child of the member no longer meets the definition of child as provided in section 411.1. The pension shall resume when the member would have attained the age of fifty-five.

(3) For a member in service at the time of death, the pension shall be paid commencing with the member's death. In addition to the pension, there shall also be paid for each child of a member, a monthly pension equal to six percent of the average monthly earnable compensation paid to an active member of the system, as reported by the actuary.

(4) Notwithstanding section 411.6, subsection 8, Code 1985, effective July 1, 1990, for a member's surviving spouse who, prior to July 1, 1986, elected to receive pension benefits under this paragraph, the monthly pension benefit shall be equal to the higher of one-twelfth of forty percent of the average final compensation of the member, or the amount the surviving spouse was receiving on July 1, 1990.

*c.* The pension under paragraph "*b*" may be selected only by the following beneficiaries:

(1) The spouse, regardless of whether the spouse was designated by the member to the system as the member's beneficiary.

(2) If there is no spouse, or if the spouse dies and there is a child of a member, then the member's child or children, in equal shares. The pension to each child shall terminate when the child no longer meets the definition of child in section 411.1.

*d.* If the member failed to designate a beneficiary, or if the beneficiary designated by the member predeceases the member, the benefits provided in paragraph "*a*" of this subsection shall be paid as follows in the following order of priority:

(1) To the member's surviving spouse, unless the surviving spouse selected the pension under paragraph "*b*".

(2) To the member's surviving children, including any adult children, in equal shares.

(3) To the member's surviving parents, in equal shares.

(4) To the member's estate.

(5) To the member's heirs if the estate is not probated.

9. *Accidental death benefit.*

*a.* (1) If, upon the receipt of evidence and proof from the chief of the police or fire

department that the death of a member in service was the natural and proximate result of an injury or disease incurred in or aggravated by the actual performance of duty at some definite time and place, or while acting pursuant to order, outside of the city by which the member is regularly employed, the system decides that death was so caused in the performance of duty, there shall be paid, in lieu of the ordinary death benefit provided in subsection 8, an accidental death benefit as set forth in this subsection.

(2) (a) Disease under this subsection shall mean heart disease or any disease of the lungs or respiratory tract and shall be presumed to have been contracted while on active duty as a result of strain or the inhalation of noxious fumes, poison, or gases.

(b) Disease under this subsection shall also mean cancer or infectious disease and shall be presumed to have been contracted while on active duty as a result of that duty.

*b.* (1) If the member's designated beneficiary is the member's spouse, child, or parent, an accidental death benefit pension equal to one-half of the average final compensation of the member shall be paid as follows:

(a) If the member's designated beneficiary is the member's spouse, then to the member's spouse.

(b) If the member's designated beneficiary is the member's child or children, then to the child or children in equal shares. The pension to each child shall terminate when the child no longer meets the definition of child in section 411.1.

(c) If the member's designated beneficiary is the member's dependent father or mother, or both, then to the father or mother, or both, in equal shares, to continue until death.

(2) If the member failed to designate a beneficiary, or if the beneficiary designated by the member predeceases the member, then an accidental death benefit pension equal to one-half of the average final compensation of the member shall be paid as follows:

(a) To the member's spouse.

(b) If there is no spouse, or if the spouse dies and there is a child of the member, then to the member's child or children in equal shares. The pension to each child shall terminate when the child no longer meets the definition of child in section 411.1.

(c) If there is no surviving spouse or child, then to the member's dependent father or mother, or both, in equal shares, to continue until death.

*c.* In addition to the accidental death benefit pension provided in paragraph *"b"*, there shall also be paid for each child of a member a monthly pension equal to six percent of the average monthly earnable compensation paid to an active member of the system, as reported by the actuary.

*d.* A person eligible to receive the pension payable under paragraph *"b"* of this subsection may elect to receive the benefit payable under subsection 8, paragraph *"a"*, in lieu of the pension provided in paragraph *"b"* of this subsection.

*e.* If there is no person entitled to the pension payable under paragraph *"b"* of this subsection, the death shall be treated as an ordinary death case and the benefit payable under subsection 8, paragraph *"a"*, in lieu of the pension provided in paragraph *"a"* of this subsection, shall be paid as provided by that subsection.

10. *Pensions offset by compensation benefits.* Any amounts which may be paid or payable by the said cities under the provisions of any workers' compensation or similar law to a member or to the dependents of a member on account of any disability or death, shall be offset against and payable in lieu of any benefits payable under the provisions of this chapter on account of the same disability or death. In addition, any amounts payable to a member as unemployment compensation under the provisions of chapter 96 based on unemployment from membership service for a member receiving an ordinary disability benefit or an accidental disability benefit pursuant to this chapter shall be offset against and payable in lieu of any benefits payable under the provisions of this chapter for an ordinary disability or an accidental disability.

11. *Pension to spouse and children of deceased pensioned member.* In the event of the death of any member receiving a retirement allowance under the provisions of subsection 2, 4, or 6 of this section there shall be paid a pension:

*a.* To the spouse, equal to one-half the amount received by the deceased beneficiary, but in no instance less than twenty percent of the average monthly earnable compensation paid

to an active member of the system, as determined by the actuary, and in addition a monthly pension equal to the monthly pension payable under subsection 9 of this section for each child; or

*b.* If the spouse dies either prior or subsequent to the death of the member, to the guardian of each surviving child, a monthly pension equal to the monthly pension payable under subsection 9 of this section for the support of the child.

12. *Annual readjustment of pensions.* Pensions payable under this section shall be adjusted as follows:

*a.* On each July 1, the monthly pensions authorized in this section payable to members retired prior to that date and to beneficiaries entitled to a monthly pension prior to that date shall be adjusted as provided in this subsection. An amount equal to the sum of one and one-half percent of the monthly pension of each retired member and beneficiary and the applicable incremental amount shall be added to the monthly pension of each retired member and beneficiary. The board of trustees may report to the general assembly, at the board's discretion, on whether the provisions of this subsection continue to provide an equitable method for the annual readjustment of pensions payable under this chapter.

*b.* For purposes of this subsection, "*applicable incremental amount*" means the following amount for members receiving a pension under subsection 2, 4 or 6, and for beneficiaries receiving a pension under subsection 11:

(1) Fifteen dollars where the member's retirement date was less than five years prior to the effective date of the increase.

(2) Twenty dollars where the member's retirement date was at least five years, but less than ten years, prior to the effective date of the increase.

(3) Twenty-five dollars where the member's retirement date was at least ten years, but less than fifteen years, prior to the effective date of the increase.

(4) Thirty dollars where the member's retirement date was at least fifteen years, but less than twenty years, prior to the effective date of the increase.

(5) Thirty-five dollars where the member's retirement date was at least twenty years prior to the effective date of the increase.

*c.* For beneficiaries receiving a pension under subsection 8 or 9, the applicable incremental amount shall be determined as set forth in paragraph "*b*", except that the date of the member's death shall be substituted for the member's retirement date.

*d.* A retired member eligible for benefits under subsection 1 of this section is not eligible for the readjustment of pensions provided in this subsection unless the member served twenty-two years and attained the age of fifty-five years prior to the member's termination of employment.

*e.* A retired member eligible for benefits under this section and otherwise eligible for the readjustment of benefits provided in this subsection is not eligible for the readjustment unless the member was retired on or before the effective date of the readjustment.

13. *a. Remarriage of surviving spouse.* Effective July 1, 1990, for a member who died prior to July 1, 1988, if the member's surviving spouse remarried prior to July 1, 1988, the remarriage does not make the spouse ineligible under subsection 8, paragraph "*c*", subparagraphs (1) and (2), to receive benefits under subsections 8, 9, 11, and 12.

*b. Recomputation of benefit — surviving spouse.* A benefit payable under this chapter to a surviving spouse and to any surviving spouse who receives a division of the surviving spouse benefit pursuant to a marriage decree or marital property order under section 411.13 shall not be recomputed upon the death of any surviving spouse.

14. *Beneficiary designation.* A member may designate, in writing on a form prescribed by the system, any person or persons to whom the system will pay a death benefit under this section in the event of the member's death. If the member is married at the time a designation is signed, a designation of a beneficiary other than the member's spouse shall not be valid unless the member's spouse consents in writing to the designation. A designation filed with the system shall be deemed revoked if, subsequent to the designation, a new designation is filed with the system, the member marries, or the member divorces the individual who was the member's named beneficiary.

15. *Line of duty death benefit.*

*a.* If, upon the receipt of evidence and proof from the chief of the police or fire department that the death of a member in service was the direct and proximate result of a traumatic personal injury incurred in the line of duty, the system decides that death was so caused, there shall be paid, to a person authorized to receive an accidental death benefit as provided in subsection 9, paragraph "*b*", the amount of one hundred thousand dollars, which shall be payable in a lump sum. However, for purposes of this subsection, a child who no longer meets the definition of child in section 411.1 shall be eligible to receive a line of duty death benefit pursuant to this subsection.

*b.* A line of duty death benefit shall not be payable under this subsection if any of the following applies:

(1) The death resulted from stress, strain, occupational illness, or a chronic, progressive, or congenital illness, including but not limited to a disease of the heart, lungs, or respiratory system, unless a traumatic personal injury was a substantial contributing factor to the member's death.

(2) The death was caused by the intentional misconduct of the member or by the member's intent to cause the member's own death.

(3) The member was voluntarily intoxicated at the time of death.

(4) The member was performing the member's duties in a grossly negligent manner at the time of death.

(5) An individual who would otherwise be entitled to a benefit under this subsection was, through the individual's actions, a substantial contributing factor to the member's death.

(6) The death qualifies for a volunteer emergency services provider death benefit pursuant to section 100B.31.

16. *Ineligibility for disability benefits.*

*a.* A member otherwise eligible to receive a disability retirement benefit under this chapter shall not be eligible to receive such a benefit if the system determines that any of the following conditions for ineligibility applies:

(1) The disability would not exist but for the member's chemical dependency on a schedule I controlled substance, as defined in section 124.204, or the member's chemical dependency on a schedule II controlled substance, as defined in section 124.206, resulting from the inappropriate use of the schedule II controlled substance. For purposes of this subparagraph, "*chemical dependency*" means an addiction or dependency, either physical or psychological, on a chemical substance. Persons who take medically prescribed drugs shall not be considered chemically dependent if the drug is medically prescribed and the intake is proportionate to the medical need.

(2) The disability is a mental disability proximately caused by appropriate disciplinary actions taken against the member, or by conflicts with a superior or coworker if the superior or coworker was acting legally and appropriately toward the member when the conflicts occurred.

*b.* A member otherwise eligible to receive a disability retirement benefit under this chapter, or who is receiving such a benefit, shall not be eligible to receive such a benefit beginning with the month following the determination by the system that the disability would not exist but for the action of the member for which the member has been convicted of a felony.

*c.* A member eligible to commence receiving a disability benefit on or after July 1, 2000, may be ineligible to receive a disability retirement benefit if the system determines that the member's alcoholism or drug addiction was a contributing factor material to the determination of the member's disability. Upon a determination that the member's alcoholism or drug addiction was a contributing factor in the member's disability, the system shall direct the member to undergo substance abuse treatment that the medical board determines is appropriate to treat the member's alcoholism or drug addiction. After the end of a twenty-four-month period following the member's first month of entitlement to a disability benefit, the system shall reevaluate the member's disability. If the system determines that the member failed to comply with the treatment program prescribed by this paragraph and that the member would not be disabled but for the member's alcoholism or drug addiction, the member's entitlement to a disability benefit under this chapter shall

terminate effective the first day of the first month following the month the member is notified of the system's determination.

17. *Limitations on benefits — prisoners.*

*a.* An individual who is otherwise entitled to a retirement allowance under this chapter shall not receive a retirement allowance for any month during which both of the following conditions exist:

(1) The individual is confined in a jail, prison, or correctional facility pursuant to the individual's conviction of a felony.

(2) The individual has a spouse, or a child or children, as defined in section 411.1.

*b.* The amount of the retirement allowance not paid to the individual under paragraph *"a"* shall be paid in the following order of priority:

(1) To the individual's spouse, if any.

(2) If there is no spouse, then to the individual's child or children, as defined in section 411.1.

*c.* This subsection shall not be construed in a manner that impairs the rights of any individual under a marital property, spousal support, or child support order. In addition, this subsection shall not be construed to impair the statutory rights of a governmental entity, including but not limited to the right of a governmental entity to collect an amount for deposit in the victim compensation fund established in chapter 915.

[C35, §6326-f6; C39, §**6326.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.6; 82 Acts, ch 1261, §30 – 39, 47]

84 Acts, ch 1285, §23; 86 Acts, ch 1203, §3; 86 Acts, ch 1243, §27, 28; 88 Acts, ch 1242, §55 – 59; 90 Acts, ch 1240, §53 – 66; 91 Acts, ch 41, §3; 92 Acts, ch 1201, §64 – 68; 94 Acts, ch 1183, §69 – 72; 96 Acts, ch 1178, §3, 4; 96 Acts, ch 1187, §101 – 103, 110; 98 Acts, ch 1183, §86 – 92, 99; 2000 Acts, ch 1077, §95 – 107, 110; 2002 Acts, ch 1135, §42 – 51; 2004 Acts, ch 1103, §57, 65, 66; 2006 Acts, ch 1092, §13 – 17; 2006 Acts, ch 1103, §4; 2009 Acts, ch 71, §1, 2; 2009 Acts, ch 99, §2, 3; 2010 Acts, ch 1167, §45 – 47; 2013 Acts, ch 20, §5, 6; 2013 Acts, ch 90, §98

Referred to in §261.93, 411.3, 411.4, 411.5, 411.6A, 411.6C, 411.9, 411.15, 411.21, 411.22

Workers' compensation, chapter 85

Reporting of costs of cancer and infectious disease benefits required by October 1, 2013; 2009 Acts, ch 99, §5

Subsection 1, paragraph b amended

Subsection 8, paragraph c, subparagraph (3) stricken

Subsection 16, paragraph a, subparagraph (1) amended

**411.6A Optional retirement benefits.**

1. In lieu of the payment of a service retirement allowance under section 411.6, subsection 2, and the payment of a pension to the spouse of a deceased pensioned member under section 411.6, subsection 11, a member may select an option provided under this section. The board of trustees shall adopt rules under section 411.5, subsection 3, providing the optional forms of payment that may be selected by the member. The optional forms of payment may provide adjustments to the amount of the retirement allowance paid to the member, may alter the pension amount and period of payment to the member's spouse after the death of the member, and may provide for payments to a designated recipient other than the member's spouse for a designated period of time or an unlimited period of time.

2. Prior to the member's retirement and as a part of the application for a service retirement allowance, the member shall elect, in writing, either the benefits provided under section 411.6, subsections 2 and 11, or one of the optional forms adopted by the board of trustees. If the member is married at the time of application and the member elects an optional form, the member's spouse must consent in writing to the optional form selected and to the receipt of payments to a designated recipient, if applicable. Upon acceptance by a member of an initial retirement benefit paid in accordance with the election under this section, the election of the member is irrevocable.

3. The optional forms of payment determined by the board of trustees under this section, shall be the actuarial equivalent of the amount of retirement benefits payable to the member and the member's spouse pursuant to section 411.6, subsections 2 and 11. The actuarial equivalent shall be based upon the actuarial assumptions adopted for this purpose pursuant to section 411.5. Election of an optional form adopted by the board of trustees shall not

affect the benefits, if any, payable to the member's child or children pursuant to section 411.6, subsection 11.

4. Optional benefits shall be adjusted annually in a manner consistent with that provided in section 411.6, subsection 12. However, if the member has selected a designated recipient other than the member's spouse, the designated recipient shall be deemed to be the member's surviving spouse for the purpose of calculating the annual adjustment in the manner provided in section 411.6, subsection 12.

90 Acts, ch 1240, §67; 92 Acts, ch 1201, §69; 93 Acts, ch 44, §18
Referred to in §411.6C

**411.6B Rollovers of members' accounts.**

1. As used in this section, unless the context otherwise requires, and to the extent permitted by the internal revenue service:

*a.* *"Direct rollover"* means a payment by the system to the eligible retirement plan specified by the member or the member's surviving spouse, or the member's alternate payee under a marital property order who is the member's spouse or former spouse.

*b.* (1) *"Eligible retirement plan"* means any of the following that accepts an eligible rollover distribution from a member, a member's surviving spouse, or a member's alternate payee:

(a) An individual retirement account in accordance with section 408(a) of the federal Internal Revenue Code.

(b) An individual retirement annuity in accordance with section 408(b) of the federal Internal Revenue Code.

(2) In addition, an *"eligible retirement plan"* includes an annuity plan in accordance with section 403(a) of the federal Internal Revenue Code, or a qualified trust in accordance with section 401(a) of the federal Internal Revenue Code, that accepts an eligible rollover distribution from a member. Effective January 1, 2002, the term *"eligible retirement plan"* also includes an annuity contract described in section 403(b) of the federal Internal Revenue Code, and an eligible plan under section 457(b) of the federal Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that chooses to separately account for amounts rolled over into such eligible retirement plan from the system.

*c.* *"Eligible rollover distribution"* means all or any portion of a member's account, except that an eligible rollover distribution does not include any of the following:

(1) A distribution that is one of a series of substantially equal periodic payments, which occur annually or more frequently, made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary, or made for a specified period of ten years or more.

(2) A distribution to the extent that the distribution is required pursuant to section 401(a)(9) of the federal Internal Revenue Code.

(3) The portion of any distribution that is not includible in the gross income of the distributee, determined without regard to the exclusion for net unrealized appreciation with respect to employer securities. Provided, however, that effective January 1, 2002, such distributions may be directly rolled over to an individual retirement account described in federal Internal Revenue Code section 408(a) or 408(b), a qualified defined contribution plan described in federal Internal Revenue Code section 401(a), or a qualified annuity plan described in federal Internal Revenue Code section 403(a), if such plan agrees to separately account for the after-tax amount so rolled over.

(4) A distribution of less than two hundred dollars of taxable income.

2. Effective January 1, 1993, a member or a member's surviving spouse may elect, at the time and in the manner prescribed in rules adopted by the board of trustees, to have the system pay all or a portion of an eligible rollover distribution directly to an eligible retirement plan, specified by the member or the member's surviving spouse, in a direct rollover. If a member or a member's surviving spouse elects a partial direct rollover, the amount of funds elected for the partial direct rollover must equal or exceed five hundred dollars.

3. *a.* For distributions after December 31, 2009, a nonspouse beneficiary who is a

designated beneficiary may roll over all or any portion of the beneficiary's distribution to an individual retirement account the beneficiary establishes for purposes of receiving the distribution by means of a direct rollover. In order to qualify for a rollover under this subsection, the distribution must otherwise satisfy the definition of an eligible rollover distribution. If a nonspouse beneficiary receives a distribution from the system, the distribution is not eligible for a sixty-day rollover.

*b.* If the member's named beneficiary is a trust, the system may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Internal Revenue Code section 401(a)(9)(E).

*c.* A nonspouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable United States treasury regulations and other federal Internal Revenue Service guidance. If the participant dies before the participant's required beginning date and the nonspouse beneficiary rolls over to an individual retirement account the maximum amount eligible for rollover, the beneficiary may elect to use either the five-year rule or the life expectancy rule, pursuant to applicable United States treasury regulations as provided in 26 C.F.R. § 1.401(a)(9)-3, in determining the required minimum distributions from the individual retirement account that receives the nonspouse beneficiary's distribution.

94 Acts, ch 1183, §73; 2004 Acts, ch 1103, §67, 73; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1167, §48

Referred to in §411.6C, 411.23

**411.6C Deferred retirement option plan.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Applicable percentage"* means that percentage, not greater than one hundred percentage points, equal to fifty-two percentage points plus two percentage points for each month for the period between the eligible member's plan eligibility month and the month the eligible member commences membership in the plan.

*b.* *"Drop benefit"* means, for a participant, an amount credited to the participant's account each applicable month equal to the member's applicable percentage multiplied by the member's participant retirement amount.

*c.* *"Eligible member"* means a member who has attained fifty-five years of age with at least twenty-two years of membership service.

*d.* *"Participant account"* means an administrative record maintained by the system reflecting the participant's accumulated drop benefit.

*e.* *"Participant retirement amount"* means the amount equal to the monthly retirement allowance the eligible member would have received under section 411.6 if the member retired on the date the eligible member commenced participation in the plan, based on earnings through the previous full quarter of earnable compensation earned by the member.

*f.* *"Plan"* means the deferred retirement option plan established by this section.

*g.* *"Plan eligibility month"* means the first full calendar month in which the participant is an eligible member.

2. *a.* An eligible member may elect to participate in the deferred retirement option plan as provided in this section. A decision by an eligible member to participate in the plan is irrevocable. Upon commencing membership in the plan, the member shall remain an active member of the system and shall have credited to a participant account on behalf of the member from the fire and police retirement fund for each month the member participates in the plan the member's drop benefit. The amounts credited shall be invested by the system in risk-free assets of a short-term nature and interest and earnings shall not be credited to the member's participant account but shall remain with the fire and police retirement fund established in section 411.8. In addition, the annual readjustment of pensions under section 411.6, subsection 12, shall not apply to a participant's drop benefit or to amounts credited to the member's participant account.

*b.* Upon termination of an eligible member's participation in the plan, the eligible member shall be deemed to be retired under the system as of that date for purposes of the system and

shall begin receiving a retirement allowance equal to the member's participant retirement amount or such optional retirement benefits, based upon that amount, pursuant to section 411.6A. In addition, the eligible member shall receive the moneys credited to the member's participant account while participating in the plan. The eligible member shall select, upon written application to the system, whether to receive the amount in the member's participant account in the form of a lump sum distribution or as a rollover to an eligible retirement plan as defined in section 411.6B.

*c.* If an eligible member terminates participation in the plan prior to the date selected by the member upon commencing membership in the plan and the termination is not due to the death or disability of the member under this chapter, then the system shall assess a twenty-five percent penalty on the amount credited to the member's participant account prior to distributing the amount to the member. The penalty amount shall be transferred to and remain with the fire and police retirement fund.

3. To participate in the plan, an eligible member shall make written application to the system. The application shall include the following:

*a.* The month the eligible member intends to commence participation in the plan.

*b.* The eligible member's selection of a plan termination date. The plan termination date shall be either three, four, or five years after the date the eligible member commences membership in the plan. However, for the two-year period beginning with the first of the month following the implementation date of this section, an eligible member between sixty-two and sixty-four years of age may also select a plan termination date that is one or two years after the date the eligible member commences membership in the plan.

4. Participation in the plan by an eligible member does not guarantee continued employment. Contributions required from members and participating cities shall continue based on the earnable compensation of an eligible member participating in the plan. However, contributions made while an eligible member participates in the plan shall remain with the retirement fund and shall not be subject to a withdrawal of contributions under section 411.23.

5. The system's actuary, while making the annual valuation of the assets and liabilities of the fire and police retirement fund, shall determine whether establishment and operation of the plan created in this section has resulted in an increased actuarial cost to the system. If the actuary determines that the plan has resulted in an increased actuarial cost to the system, then, notwithstanding any provision of section 411.8 to the contrary, the system shall increase the members' contribution rate as necessary to cover the increased cost of the plan created in this section.

6. This section shall not be implemented until the system has received a favorable ruling from the internal revenue service regarding the plan as provided in this section. Upon receiving the favorable ruling, the board shall establish the implementation date of the plan.

2006 Acts, ch 1073, §1

**411.7 Management of fund.**

1. The board of trustees is the trustee of the fire and police retirement fund created in section 411.8 and shall annually establish an investment policy to govern the investment and reinvestment of the moneys in the fund, subject to the terms, conditions, limitations, and restrictions imposed by subsection 2 and chapters 12F and 12H. Subject to like terms, conditions, limitations, and restrictions the system has full power to hold, purchase, sell, assign, transfer, or dispose of any of the securities and investments in which the fund has been invested, as well as of the proceeds of the investments and any moneys belonging to the fund.

2. The secretary of the board of trustees shall invest, in accordance with the investment policy established by the board of trustees, the portion of the fund established in section 411.8 which in the judgment of the board is not needed for current payment of benefits under this chapter in investments authorized in section 97B.7A for moneys in the Iowa public employees' retirement fund.

3. The secretary of the board of trustees is the custodian of the fire and police retirement fund. All payments from the fund shall be made by the secretary only upon vouchers signed

by two persons designated by the board of trustees. The system may select master custodian banks to provide custody of the assets of the retirement system.

4. A member or employee of the board of trustees shall not have any direct interest in the gains or profits of any investment made by the board of trustees, other than as a member of the system. A trustee shall not receive any pay or emolument for the trustee's services except as secretary. A member or employee of the board of trustees shall not directly or indirectly for the trustee or employee or as an agent in any manner use the assets of the retirement system except to make current and necessary payments as authorized by the board of trustees, nor shall any trustee or employee of the system become an endorser or surety or become in any manner an obligor for moneys loaned by or borrowed from the system.

5. Except as otherwise provided in section 411.36, a member, employee, and the secretary of the board of trustees shall not be personally liable for a loss to the fire and police retirement fund, the loss shall be assessed against the fire and police retirement fund, and moneys are hereby appropriated from the fund in an amount sufficient to cover the losses.

[C35, §6326-f7; C39, §**6326.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.7; 82 Acts, ch 1261, §40]

86 Acts, ch 1203, §4; 90 Acts, ch 1240, §68; 91 Acts, ch 52, §1; 2001 Acts, ch 68, §17, 24; 2007 Acts, ch 39, §12; 2011 Acts, ch 82, §12

Referred to in §411.36

**411.8 Method of financing.**

All the assets of the retirement system created and established by this chapter shall be credited to the fire and police retirement fund, which is hereby created. As used in this section, "*fund*" means the fire and police retirement fund.

1. All moneys for the payment of all pensions and other benefits payable from contributions made by the participating cities, the state, and the members shall be accumulated in the fund. The refunds and benefits for all members and beneficiaries shall be payable from the fund. Contributions to and payments from the fund shall be as follows:

*a.* On account of each member there shall be paid annually into the fund by the participating cities an amount equal to a certain percentage of the earnable compensation of the member to be known as the "normal contribution". The rate percent of such contribution shall be fixed on the basis of the liabilities of the retirement system as shown by annual actuarial valuations.

*b.* (1) On the basis of the actuarial methods and assumptions, rate of interest, and of the mortality, interest and other tables adopted by the system, the actuary engaged by the system to make each valuation required by this chapter pursuant to the requirements of section 411.5, shall immediately after making such valuation, determine the normal contribution rate. Except as otherwise provided in this lettered paragraph, the "*normal contribution rate*" shall be the rate percent of the earnable compensation of all members equal to the rate required by the system to discharge its liabilities, stated as a percentage of the earnable compensation of all members, and reduced by the employee contribution rate provided in paragraph "*f*" of this subsection and the contribution rate representing any state appropriation made. However, the normal contribution rate shall not be less than seventeen percent.

(2) The normal contribution rate shall be determined by the actuary after each valuation.

*c.* The total amount payable in each year to the fund shall be not less than the rate percent known as the normal contribution rate of the total compensation earnable by all members during the year, but the aggregate payment by the participating cities must be sufficient when combined with the amount in the fund to provide the pensions and other benefits payable out of the fund during the then current year.

*d.* All lump-sum death benefits on account of death in active service payable from contributions of the said cities shall be paid from the fund.

*e.* Reserved.

*f.* Except as otherwise provided in paragraph "*h*":

(1) An amount equal to three and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1989.

(2) An amount equal to four and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1990.

(3) An amount equal to five and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1991.

(4) An amount equal to six and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1992.

(5) An amount equal to seven and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1993.

(6) An amount equal to eight and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal period beginning July 1, 1994, through December 31, 1994, and an amount equal to eight and thirty-five hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal period beginning January 1, 1995, through June 30, 1995.

(7) An amount equal to nine and thirty-five hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1995.

(8) Beginning July 1, 1996, and each fiscal year thereafter, an amount equal to the member's contribution rate times each member's compensation shall be paid to the fund from the earnable compensation of the member. For the purposes of this subparagraph, the member's contribution rate shall be nine and thirty-five hundredths percent or, beginning July 1, 2009, nine and four-tenths percent. However, the system shall increase the member's contribution rate as necessary to cover any increase in cost to the system resulting from statutory changes which are enacted by any session of the general assembly meeting after January 1, 1991, if the increase cannot be absorbed within the contribution rates otherwise established pursuant to this paragraph, but subject to a maximum employee contribution rate of eleven and three-tenths percent or, beginning July 1, 2009, eleven and thirty-five hundredths percent. The contribution rate increases specified in 1994 Iowa Acts, ch. 1183, pursuant to this chapter and chapter 97A shall be the only member contribution rate increases for these systems resulting from the statutory changes enacted in 1994 Iowa Acts, ch. 1183, and shall apply only to the fiscal periods specified in 1994 Iowa Acts, ch. 1183. After the employee contribution reaches eleven and three-tenths percent or eleven and thirty-five hundredths percent, as applicable, sixty percent of the additional cost of such statutory changes shall be paid by employers under paragraph "*c*" and forty percent of the additional cost shall be paid by employees under this paragraph.

*g.* (1) The system shall certify to the superintendent of public safety as defined in this chapter and the superintendent of public safety as defined in this chapter shall cause to be deducted from the earnable compensation of each member the contribution required under this subsection and shall forward the contributions to the system for recording and for deposit in the fund.

(2) The deductions provided for under this paragraph shall be made notwithstanding that the minimum compensation provided by law for any member is reduced. Every member is deemed to consent to the deductions made under this paragraph.

*h.* Notwithstanding the provisions of paragraph "*f*", the following transition percentages apply to members' contributions as specified:

(1) For members who on July 1, 1990, have attained the age of forty-nine years or more, an amount equal to nine and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal period beginning July 1, 1990, through October 15, 1992, and commencing October 16, 1992, and for each subsequent fiscal period, the rates specified in paragraph "*f*", subparagraphs (4) through (8), shall apply.

(2) For members who on July 1, 1990, have attained the age of forty-eight years but have

not attained the age of forty-nine years, an amount equal to eight and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, and an amount equal to nine and one-tenth percent shall be paid for the fiscal period beginning July 1, 1991, through October 15, 1992, and commencing October 16, 1992, and for each subsequent fiscal period, the rates specified in paragraph *"f"*, subparagraphs (4) through (8), shall apply.

(3) For members who on July 1, 1990, have attained the age of forty-seven years but have not attained the age of forty-eight years, an amount equal to seven and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to eight and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, and an amount equal to nine and one-tenth percent shall be paid for the fiscal period beginning July 1, 1992, through October 15, 1992, and commencing October 16, 1992, and for each subsequent fiscal period, the rates specified in paragraph *"f"*, subparagraphs (4) through (8), shall apply.

(4) For members who on July 1, 1990, have attained the age of forty-six years but have not attained the age of forty-seven years, an amount equal to six and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to seven and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, an amount equal to eight and one-tenth percent shall be paid for the fiscal period beginning July 1, 1992, through October 15, 1992, and commencing October 16, 1992, and for each subsequent fiscal period, the rates specified in paragraph *"f"*, subparagraphs (4) through (8), shall apply.

(5) For members who on July 1, 1990, have attained the age of forty-five years but have not attained the age of forty-six years, an amount equal to five and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to six and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, and an amount equal to seven and one-tenth percent shall be paid for the fiscal period beginning July 1, 1992, through October 15, 1992. Commencing October 16, 1992, and for each subsequent fiscal period, the rates specified in paragraph *"f"*, subparagraphs (4) through (8), shall apply.

*i.* (1) Notwithstanding paragraph *"g"* or other provisions of this chapter, beginning January 1, 1995, for federal income tax purposes, and beginning January 1, 1999, for state income tax purposes, member contributions required under paragraph *"f"* or *"h"* which are picked up by the city shall be considered employer contributions for federal and state income tax purposes, and each city shall pick up the member contributions to be made under paragraph *"f"* or *"h"* by its employees. Each city shall pick up these contributions by reducing the salary of each of its employees covered by this chapter by the amount which each employee is required to contribute under paragraph *"f"* or *"h"* and shall pay the amount picked up in lieu of the member contributions to the board of trustees for recording and deposit in the fund.

(2) Member contributions picked up by each city under subparagraph (1) shall be treated as employer contributions for federal and state income tax purposes only and for all other purposes of this chapter shall be treated as employee contributions and deemed part of the employee's earnable compensation or salary.

2. Annually the board of trustees shall budget the amount of money necessary during the ensuing year to provide for the expense of operation of the retirement system. The operating expenses shall be financed from the income derived from the system's investments. Investment management expenses shall be charged directly to the investment income of the system.

[C35, §6326-f8; C39, §**6326.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.8; 82 Acts, ch 1261, §41]

90 Acts, ch 1240, §69 – 77; 92 Acts, ch 1201, §70; 94 Acts, ch 1183, §74 – 76; 98 Acts, ch 1174, §4, 6; 2008 Acts, ch 1171, §51; 2009 Acts, ch 41, §122; 2009 Acts, ch 99, §4; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1167, §49

Referred to in §384.6, 411.5, 411.6, 411.6C, 411.7, 411.9, 411.11, 411.23, 411.30, 411.36, 411.38, 411.40

**411.9 Military service exceptions.**

1. A member who is absent while serving in the armed services of the United States or its allies and is discharged or separated from the armed services under honorable conditions shall have the period or periods of absence while serving in the armed services, not in

excess of four years unless any period in excess of four years is at the request and for the convenience of the federal government, included as part of the member's period of service in the department. The member shall not continue the contributions required of the member under section 411.8 during the period of military service, if the member, within one year after the member has been discharged or separated under honorable conditions from military service, returns and resumes duties in the department, and if the member is declared physically capable of resuming duties upon examination by the medical board. A period of absence may exceed four years at the request and for the convenience of the federal government.

2. In the case of a member's death occurring on or after January 1, 2007, if the member dies while performing qualified military service as defined in section 414(u) of the Internal Revenue Code, the survivors of the member are entitled to any additional benefits provided by the system as if the member had resumed membership service and had died as the natural and proximate result of an injury or disease incurred in or aggravated by the actual performance of duty at some definite time and place.

3. In the case of a member's disability incurred while performing qualified military service as defined in section 414(u) of the Internal Revenue Code, the member shall be treated as a member in good standing, whether or not the member returns to membership service, and shall be permitted to file an application for an ordinary disability retirement benefit as provided in section 411.6.

4. In the case of a member's death or disability occurring on or after January 1, 2007, if the member is unable to resume membership service as a result of death or disability incurred while performing qualified military service as defined in section 414(u) of the Internal Revenue Code, the member shall be treated as if the member had returned to membership service and the period of military service shall be treated as membership service.

5. For years beginning after December 31, 2008, if a member who is absent while serving in the armed services of the United States is receiving a differential wage payment, as defined in section 3401(h)(2) of the Internal Revenue Code, from a participating city, all of the following shall apply:

*a.* The member is treated as an employee of the employer making the payment and as an active member of the system.

*b.* The differential wage payment is treated as earnable compensation of the member.

*c.* The system is not treated as failing to meet the requirements of any provision described in section 414(u)(1)(C) of the Internal Revenue Code by reason of any contribution or benefit which is based on the differential wage payment.

6. Notwithstanding any provisions of this chapter to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with section 414(u) of the federal Internal Revenue Code.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.9]

86 Acts, ch 1243, §29; 88 Acts, ch 1242, §60; 98 Acts, ch 1183, §93; 2010 Acts, ch 1167, §50, 51, 56, 57; 2013 Acts, ch 20, §7 – 9, 12, 13

Referred to in §411.1

2013 amendment to subsection 2 and amendment adding subsection 4 take effect April 5, 2013, and apply retroactively to January 1, 2007; 2013 Acts, ch 20, §12, 13

Subsection 2 amended

NEW subsections 3 and 4 and former subsections 3 and 4 renumbered as 5 and 6

**411.10 Purchase of service credit for military service.**

1. An active member of the system who has been a member of the retirement system five or more years may elect to purchase up to five years of service credit for military service, other than military service required to be recognized under Internal Revenue Code § 414(u) or under the federal Uniformed Services Employment and Reemployment Rights Act, that will be recognized by the retirement system for purposes of calculating a member's benefit, pursuant to Internal Revenue Code § 415(n) and the requirements of this section.

2. *a.* A member seeking to purchase service credit pursuant to this section shall file a written application with the system requesting an actuarial determination of the cost of a

purchase of service credit. Upon receipt of the cost estimate for the purchase of service from the system, the member may make contributions to the system in an amount equal to the actuarial cost of the service credit purchase.

*b.* For purposes of this subsection, the actuarial cost of the service credit purchase is an amount determined by the system in accordance with actuarial tables, as reported to the system by the system's actuary, which reflects the actuarial cost necessary to fund an increased retirement allowance resulting from the purchase of service credit.

3. The system shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to § 415 of the federal Internal Revenue Code.

4. The board of trustees shall adopt rules providing for the implementation and administration of this section.

2008 Acts, ch 1171, §52

**411.10A Purchase of service credit for prior service.**

1. An active member of the system who has been a member of the retirement system five or more years and who received a refund of the member's contributions for a prior period of service under the system may elect to purchase up to five years of service credit for that prior period of service, that will be recognized by the retirement system for purposes of calculating a member's benefit, pursuant to Internal Revenue Code section 415(n) and the requirements of this section.

2. *a.* A member seeking to purchase service credit pursuant to this section shall file a written application with the system requesting an actuarial determination of the cost of a purchase of service credit. Upon receipt of the cost estimate for the purchase of service from the system, the member may make contributions to the system in an amount equal to the actuarial cost of the service credit purchase.

*b.* For purposes of this subsection, the actuarial cost of the service credit purchase is an amount determined by the system in accordance with actuarial tables, as reported to the system by the system's actuary, which reflects the actuarial cost necessary to fund an increased retirement allowance resulting from the purchase of service credit.

3. The system shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

4. The board of trustees shall adopt rules providing for the implementation and administration of this section.

2009 Acts, ch 59, §1

**411.11 Contributions by the city.**

1. On or before January 1 of each year the system shall certify to the superintendent of public safety of each participating city the amounts which will become due and payable during the year next following to the fire and police retirement fund. The amounts so certified shall be included by the superintendent of public safety in the annual budget estimate. The amounts so certified shall be appropriated by the respective cities and transferred to the retirement system for the ensuing year. The cities shall annually levy a tax sufficient in amount to cover the appropriations.

2. Amounts paid by a city to a member as back pay that would have constituted earnable compensation if paid when earned shall be allocated by the system as earnable compensation to the period or periods for which paid and employer and employee contributions shall be paid to the system for the amounts. The contribution rate to be applied to such amounts shall be determined pursuant to section 411.8 based on the rates in effect for the period or periods to which the amounts are allocated. Interest on the contributions required to be paid shall be calculated pursuant to this section as if the contributions were unpaid as of the date the contributions would have been due if the back pay had been paid to the member during the period in which it was due. The requirements of this subsection apply regardless of whether the back pay is made under a covenant not to sue, compromise settlement, denial of liability, or other agreement between the member and the employer.

3. Contributions unpaid on the date on which they are due and payable as prescribed by the system shall bear interest at the greater of the interest rate assumption adopted by the board of trustees or the rate of interest on the short-term investment fund account of the system's custodial bank for the period the contributions remain unpaid. Interest due pursuant to this section may be waived by the system pursuant to rules adopted by the board. Interest collected pursuant to this section shall be paid into the retirement fund created in section 411.8.

4. If an employer fails to pay contributions or interest as required by this chapter after receiving thirty days' notice of the employer's obligation, the system may maintain a civil action to collect the unpaid contributions and interest from the employer, which action shall be heard as expeditiously as possible. If the system prevails in the civil action to recover unpaid contributions and interest, the court shall require the employer to pay the costs of the action.

[C35, §6326-f9; C39, §**6326.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.11; 82 Acts, ch 1261, §42]

90 Acts, ch 1240, §78; 2000 Acts, ch 1077, §108, 110

**411.12 City obligations.**

The creation and maintenance of moneys in the fire and police retirement fund as provided for the payment of all pensions and other benefits granted under the provisions of this chapter and all expenses in connection with the administration and operation of the retirement system are hereby made direct liability obligations of the cities participating in the retirement system.

[C35, §6326-f10; C39, §**6326.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.12]

90 Acts, ch 1240, §79

**411.13 Exemption from execution and other process or assignment — exceptions.**

The right of any person to a pension, annuity, or retirement allowance, to the return of contributions, the pension, annuity, or retirement allowance itself, any optional benefit or death benefit, any other right accrued or accruing to any person under this chapter, and the moneys in the fire and police retirement fund created under this chapter, are not subject to execution, garnishment, attachment, or any other process whatsoever, and are unassignable except for the purposes of enforcing child, spousal, or medical support obligations or marital property orders, or as otherwise specifically provided in this chapter. For the purposes of enforcing child, spousal, or medical support obligations, the garnishment or attachment of or the execution against compensation due a person under this chapter shall not exceed the amount specified in 15 U.S.C. § 1673(b).

[C35, §6326-f11; C39, §**6326.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.13]

89 Acts, ch 228, §3; 90 Acts, ch 1240, §80; 96 Acts, ch 1187, §104

Referred to in §411.6

**411.14 Fraudulent practice — correction of errors.**

A person who knowingly makes a false statement or falsifies or permits to be falsified any record or records of the retirement system in an attempt to defraud the system as a result of such act, is guilty of a fraudulent practice. If any change or error in records results in a member or beneficiary receiving from the retirement system more or less than the member or beneficiary would have been entitled to receive had the records been correct, the system shall correct the error, and, as far as practicable, shall adjust the payments in such a manner that the actuarial equivalent of the benefit to which the member or beneficiary was correctly entitled, shall be paid.

[C35, §6326-f12; C39, §**6326.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §411.14]

90 Acts, ch 1240, §81

See §714.8

**411.15 Hospitalization and medical attention.**

Cities shall provide hospital, nursing, and medical attention for the members of the police and fire departments of the cities, when injured while in the performance of their duties as members of such department, and shall continue to provide hospital, nursing, and

medical attention for injuries or diseases incurred while in the performance of their duties for members receiving a retirement allowance under section 411.6, subsection 6. Cities may fund the cost of the hospital, nursing, and medical attention required by this section through the purchase of insurance, by self-insuring the obligation, or through payment of moneys into a local government risk pool established for the purpose of covering the costs associated with the requirements of this section. However, the cost of the hospital, nursing, and medical attention required by this section shall not be funded through an employee-paid health insurance policy. The cost of the hospital, nursing, and medical attention required by this section shall be paid from moneys held in a trust and agency fund established pursuant to section 384.6, or out of the appropriation for the department to which the injured person belongs or belonged; provided that any amounts received by the injured person from any other source for such specific purposes, shall be deducted from the amount paid by the city under the provisions of this section.

[C66, 71, 73, 75, 77, 79, 81, §411.15]

98 Acts, ch 1183, §94; 2008 Acts, ch 1171, §53

Referred to in §411.22

**411.16 Hours of service.**

Fire fighters employed in the fire department of cities of ten thousand population or more, or under civil service, shall not be required to remain on duty for periods of time which will aggregate in each month more than an average of fifty-six hours per week and no single period of time, or shift, shall exceed twenty-four hours in length, provided that in cases of serious emergencies such fire fighters may be required to remain on duty until such emergency has passed, when so ordered by the chief of the department or person acting in the chief's place. Fire fighters called back to duty under this provision shall be duly compensated in accordance with their regular hourly wage.

[C66, 71, 73, 75, 77, 79, 81, §411.16]

Referred to in §411.17

**411.17 Provisions not applicable.**

The provisions of section 411.16 shall not apply to the chief, or other persons when in command of a fire department, nor to fire fighters who are employed subject to call only.

[C66, 71, 73, 75, 77, 79, 81, §411.17]

**411.18 and 411.19** Reserved.

**411.20 State appropriation.** Repealed by 2010 Acts, ch 1167, § 53.

State appropriation to fire and police retirement fund for fiscal years 2010-2011 and 2011-2012; 2010 Acts, ch 1167, §54

**411.21 Vested and retired members before July 1, 1979 — annuity or withdrawal of contributions.**

1. Members who became vested and terminated service prior to July 1, 1979, and members receiving an annuity from accumulated contributions made prior to July 1, 1979, shall continue to receive the benefits the member was entitled to under the provisions of this chapter, as it was effective on the date of the member's retirement or vested termination.

2. For the purposes of this section:

*a. "Accumulated contributions"* means the sum of all amounts deducted from the compensation of a member and credited to the member's individual account in the annuity savings fund together with regular interest thereon as provided in this subsection. Accumulated contributions do not include any amount deducted from the compensation of a member and credited to the pension accumulation fund.

*b. "Annuity"* means annual payments for life derived from the accumulated contributions of a member. All annuities shall be payable in monthly installments.

*c. "Annuity reserve"* shall mean the present value of all payments to be made on account of an annuity, or benefit in lieu of an annuity, granted under the provisions of this chapter, upon the basis of such mortality tables as shall be adopted by the respective boards of trustees, and regular interest.

*d. "Annuity savings fund"* means the account maintained by the respective board of trustees in which the accumulated contributions of the members were deposited prior to July 1, 1979, to provide for their annuities.

*e. "Annuity reserve fund"* means the account maintained by the respective boards of trustees from which shall be paid all annuities and all benefits in lieu of annuities payable as provided in this chapter as this chapter was effective on June 30, 1979.

*f. "Regular interest"* means interest at the rate of four percent per annum, compounded annually and credited to the member's account as of the date of the member's retirement or termination from employment.

*g. "Member who became vested"* and *"vested member"* mean a member who has been a member of the retirement system four or more years and is entitled to benefits under this chapter.

3. Beginning July 1, 1979, the respective boards of trustees shall maintain and invest funds in the annuity reserve fund and the annuity savings fund contributed by members prior to July 1, 1979. Members receiving an annuity as a portion of their retirement or disability benefits on June 30, 1979, shall continue to receive such annuity from the annuity reserve fund maintained by the respective board of trustees. Members receiving an annuity, if reemployed under service covered by this chapter, shall cease to receive retirement benefits.

4. The accumulated contributions of a member withdrawn by the member or paid to the member's estate or designated beneficiary in the event of the member's death shall be paid from the annuity savings fund account. Upon the retirement of a member, the member's accumulated contributions shall be transferred from the annuity savings fund to the annuity reserve fund.

5. A member of the retirement system prior to July 1, 1979 with fifteen or more years of service whose employment was terminated prior to retirement, other than by death or disability, is entitled to receipt of the member's accumulated contributions upon retirement together with other retirement benefits provided in the law on the date of the member's retirement.

6. Any member in service prior to July 1, 1979 may at the time of the member's retirement withdraw the member's accumulated contributions made before July 1, 1979 or receive an annuity which shall be the actuarial equivalent of the member's accumulated contributions at the time of the member's retirement.

7. *a.* Notwithstanding subsections 1, 3, 4, 5 and 6 of this section, beginning January 1, 1981, an active or vested member may request in writing and receive from the board of trustees, the member's accumulated contributions from the annuity savings fund and remain eligible to receive benefits under section 411.6. However, a member with fifteen or more years of service prior to July 1, 1979, is not eligible for a service retirement allowance under section 411.6 if the member withdrew the member's accumulated contributions from the annuity savings fund after July 1, 1972 but prior to July 1, 1979, except as provided in section 411.4. Accumulated contributions shall be paid according to the following schedule:

(1) During the period beginning January 1, 1981 and ending December 31, 1982, any member who has completed twenty or more years of service.

(2) During the period beginning January 1, 1983 and ending December 31, 1984, any member who has completed fifteen or more years of service.

(3) During the period beginning January 1, 1985 and ending December 31, 1986, any member who has completed ten or more years of service.

(4) During the period beginning January 1, 1987 and ending December 31, 1988, any member who has completed five or more years of service.

*b.* The board may return accumulated contributions from the annuity savings fund to an active or vested member prior to the dates listed in the schedule established in this subsection, except that the board shall not liquidate securities at a loss for the sole purpose of returning the accumulated contributions to the members at an earlier date.

8. The actuary shall annually determine the amount required in the annuity reserve fund. If the amount required is less than the amount in the annuity reserve fund, the respective board of trustees shall transfer the excess funds from the annuity reserve fund to the pension accumulation fund. If the amount required is more than the amount in the annuity reserve

fund, the respective board of trustees shall transfer the amount prescribed by the actuary to the annuity reserve fund from the pension accumulation fund.

[C35, §6326-f1, 6326-f6, 6326-f8; C39, §**6326.03, 6326.08, 6326.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §411.1(12, 13, 17, 20), 411.6, 411.8(1, 2); C79, 81, §411.21; 82 Acts, ch 1261, §45, 46]

90 Acts, ch 1240, §83; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1023, §157

Referred to in §411.4, 411.37

**411.22 Liability of third parties — subrogation.**

1. If a member receives an injury or dies for which benefits are payable under section 411.6, subsection 3, 5, 8, or 9, or section 411.15, and if the injury or death is caused under circumstances creating a legal liability for damages against a third party other than the retirement system, the retirement system is subrogated to the rights of the member or the member's beneficiary entitled to receive a death benefit and may maintain an action for damages against the third party for lost earnings and lost earnings capacity. If the retirement system recovers damages in the action, the court shall enter judgment for distribution of the recovery as follows:

*a.* A sum sufficient to repay the retirement system for the amount of such benefits actually paid by the retirement system up to the time of the entering of the judgment.

*b.* A sum sufficient to pay the retirement system the present worth, computed at the interest rate assumption adopted by the system pursuant to section 411.5, subsection 9, of the future payments of such benefits, for which the retirement system is liable, but the sum is not a final adjudication of the future payments which the member is entitled to receive.

*c.* A sum sufficient to repay the retirement system for the costs and expenses of maintaining the action.

*d.* Any balance remaining after the repayments provided by paragraphs "*a*" through "*c*" shall be paid to the injured member, or the beneficiary under section 411.6, subsection 8 or 9, whichever is applicable.

2. If the system, after receiving written notice of the third-party liability, declines in writing to maintain an action against the third party or fails to maintain an action within one hundred eighty days of receiving written notice of the third-party liability, the member, the member's estate, or the legal representative of the member or the member's estate, may maintain an action for damages against the third party. If such an action is commenced, the plaintiff member, estate, or representative shall serve a copy of the original notice upon the retirement system not less than ten days before the trial of the action, but a failure to serve the notice does not prejudice the rights of the retirement system, and the following rights and duties ensue:

*a.* The retirement system shall be indemnified out of the recovery of damages to the extent of benefit payments paid or awarded by the retirement system, with legal interest, except that the plaintiff member's or estate's attorney fees may be first allowed by the district court. For purposes of this paragraph, "*benefit payments paid or awarded*" means the sum of the following amounts:

(1) The amount of benefits actually paid by the retirement system up to the time of the entering of the judgment.

(2) The present worth, computed at the interest rate provided in section 535.3 for court judgments and decrees, of the future payments of such benefits, for which the retirement system is liable, but the sum is not a final adjudication of the future payments which the member is entitled to receive.

*b.* The retirement system has a lien on the damage claim against the third party and on any judgment on the damage claim for benefits for which the retirement system is liable. In order to continue and preserve the lien, the retirement system shall file a notice of the lien within thirty days after receiving a copy of the original notice in the office of the clerk of the district court in which the action is filed.

3. Before a settlement is effective between the retirement system and a third party who is liable for an injury or death, the member or beneficiary must consent in writing to the settlement; and if the settlement is between the member or the member's estate and a

third party, the retirement system must consent in writing to the settlement; or on refusal to consent, in either case, the district court in the county in which either the city or the retirement system is located must consent in writing to the settlement.

4. For purposes of subrogation under this section, a payment made to an injured member, a member's estate, or the legal representative of the member or member's estate, by or on behalf of a third party or the third party's principal or agent, who is liable for, connected with, or involved in causing the injury or death of the member, shall be considered paid as damages because the injury or death was caused under circumstances creating a legal liability against the third party, whether the payment is made under a covenant not to sue, compromise settlement, denial of liability, or is otherwise made.

86 Acts, ch 1203, §5; 88 Acts, ch 1158, §71; 98 Acts, ch 1183, §95, 96; 2000 Acts, ch 1077, §109; 2000 Acts, ch 1232, §69; 2004 Acts, ch 1103, §68

**411.23 Withdrawal of contributions — repayment — automatic refund.**

1. Commencing July 1, 1990, if an active member, in service on or after that date, terminates service, other than by death or disability, the member may elect to withdraw the member's contributions under section 411.8, subsection 1, paragraphs *"f"* and *"h"*, together with interest thereon at a rate determined by the board of trustees. If the member is married at the time of the application for withdrawal, the application is subject to the consent of the member's spouse unless the amount to be withdrawn does not exceed the amount that may be withdrawn without consent as established by section 401(a) of the federal Internal Revenue Code. If a member withdraws contributions as provided in this section, the member shall be deemed to have waived all claims for other benefits from the system for the period of membership service for which the contributions are withdrawn.

2. A layoff for an indefinite period of time shall be deemed to be a termination of service for the purposes of this section. A member who withdraws the member's contributions as provided in this section following a layoff for an indefinite period of time and who is subsequently recalled to service may repay the contributions. The contributions repaid by the member for such service shall be equal to the amount of contributions withdrawn, plus interest computed based upon the investment interest rate assumption established by the board of trustees as of the time the contributions are repaid. However, the member must make the contributions within two years of the date of the member's return to service. The period of membership service for which contributions are repaid shall be treated as though the contributions were never withdrawn.

3. *a.* Commencing July 1, 2006, a member's contributions shall be refunded to the member by the system if the following conditions are met:

(1) The member was a member of the system for less than four years.

(2) The member terminated service four or more years prior to the date of the refund.

(3) The amount to be refunded does not exceed five thousand dollars, or such other amount as may be established under section 401(a) of the Internal Revenue Code.

*b.* In the event a refund is made in accordance with this subsection without the member's consent, the system shall pay the distribution in a direct rollover to an individual retirement plan designated by the system unless the member elects to have such distribution paid directly to an eligible retirement plan specified by the member in a direct rollover in accordance with section 411.6B or elects to receive the distribution directly. The system may, by rule, implement a de minimus exception to the automatic rollover provision of this subsection, subject to the limitations of the Internal Revenue Code and any applicable internal revenue service regulations.

90 Acts, ch 1240, §84; 93 Acts, ch 44, §19; 2006 Acts, ch 1092, §18; 2013 Acts, ch 20, §10
Referred to in §97A.17, 411.6, 411.6C, 411.38
Subsection 1 amended

**411.24 Payment to representative payee.**

1. *Adults.* When it appears to the system that the interest of an applicant entitled to a payment would be served, certification of payment may be made, regardless of the legal competence or incompetence of the individual entitled to the payment, either for direct

payment to the applicant, or for the applicant's use and benefit to a representative of an applicant. Payments under this section shall be made in accordance with rules adopted by the board.

2. *Minors.* Payments on behalf of minors shall be made in accordance with rules adopted by the board.

3. *Finality.* Any payments made under the provisions of this section shall be a complete settlement and satisfaction of any claim, right, or interest in and to such payment.

98 Acts, ch 1183, §97

**411.25 through 411.29** Reserved.

**411.30 Transfer of membership.**

1. Upon the written approval of the applicable county board of supervisors and city council, to the Iowa public employees' retirement system, a vested member of the Iowa public employees' retirement system on June 30, 1986, who meets all of the following requirements shall become a member of a retirement system under this chapter on July 1, 1986:

*a.* Was a vested member of the retirement system established in this chapter on June 30, 1973.

*b.* Was an elected bailiff of a municipal court on June 30, 1973.

*c.* Became a deputy sheriff on July 1, 1973, and pursuant to 1972 Iowa Acts, chapter 1124, section 43, continued coverage under a retirement system under this chapter.

*d.* Upon election as a county sheriff, was transferred from membership under this chapter to membership in a retirement system established in chapter 97B.

2. The Iowa public employees' retirement system shall transfer to the board of trustees of the applicable retirement system under this chapter an amount equal to the total of the accumulated contributions of the member as defined in section 97B.1A, subsection 2, together with the employer contribution for that period of service plus the interest that accrued on the contributions for that period equal to two percent plus the interest dividend rate applicable for each year. The board of trustees of the applicable retirement system under this chapter shall credit the member whose contributions are transferred under this section with membership service under this chapter for the period for which the member was covered under the Iowa public employees' retirement system. If the amount of the accumulated contributions as defined in section 97B.1A, subsection 2, transferred is less than the amount that would have been contributed under section 411.8, subsection 1, paragraph "*f*", at the rates in effect for the period for which contributions were made plus the interest that would have accrued on the amount, the member shall pay the difference together with interest that would have accrued on the amount.

3. *a.* If the amount of the employer contributions transferred is less than the amount that would have been contributed by the employer under section 411.5, subsection 12, paragraph "*b*", plus the interest that would have accrued on the contributions, the board of trustees of the applicable retirement system under this chapter shall determine the remaining contribution amount due. The board of trustees shall notify the county board of supervisors of the county in which the sheriff was elected of the remaining amount to be paid to the retirement system under this chapter.

*b.* The county board of supervisors shall forthwith pay to the board of trustees of the applicable retirement system the remaining amount to be paid from moneys in the county general fund.

4. From July 1, 1986, the county board of supervisors of the county in which the sheriff was elected shall deduct the contribution required of the member under section 411.8, subsection 1, paragraph "*f*", from the member's earnable compensation and the county shall pay from the county general fund an amount equal to the normal rate of contribution multiplied by the member's earnable compensation to the applicable retirement system for the period in which the member remains sheriff or deputy sheriff of that county.

86 Acts, ch 1243, §30; 98 Acts, ch 1183, §82; 2010 Acts, ch 1061, §161

Referred to in §411.37

**411.31 Optional transfers with chapter 97A.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Average accrued benefit"* means the average of the amounts representing the present value of the accrued benefit earned by the member determined by the former system and the present value of the accrued benefit earned by the member determined by the current system.

*b.* *"Current system"* means the eligible retirement system in which a person has commenced employment covered by the system after having terminated employment covered by the former system.

*c.* *"Eligible retirement system"* means the system created under this chapter and the Iowa department of public safety peace officers' retirement, accident, and disability system established in chapter 97A.

*d.* *"Former system"* means the eligible retirement system in which a person has terminated employment covered by the system prior to commencing employment covered by the current system.

*e.* *"Refund liability"* means the amount the member may elect to withdraw from the former system under section 97A.16.

2. Commencing July 1, 1996, a vested member of an eligible retirement system who terminates employment covered by one eligible retirement system and, within one year, commences employment covered by the other eligible retirement system may elect to transfer the greater of the average accrued benefit or refund liability earned from the former system to the current system. The member shall file an application with the current system for transfer of the greater of the average accrued benefit or refund liability within ninety days of the commencement of employment with the current system.

3. Notwithstanding subsection 2, a vested member whose employment with the current system commenced prior to July 1, 1996, may elect to transfer the average accrued benefit earned under the former system to the current system by filing an application with the current system for transfer of the average accrued benefit on or before July 1, 1997.

4. Upon receipt of an application for transfer as provided in this section, the current system shall calculate the average accrued benefit and the refund liability and the former system shall transfer to the current system assets in an amount equal to the greater of the average accrued benefit or refund liability. Once the transfer is completed, the member's service under the former system shall be treated as membership service under the current system for purposes of this chapter and chapter 97A.

96 Acts, ch 1187, §105; 2002 Acts, ch 1135, §52, 53; 2004 Acts, ch 1103, §69 – 71

**411.32 through 411.34** Reserved.

**411.35 Statewide system established — city systems terminated.**

1. Effective January 1, 1992, a single statewide fire and police retirement system is established to replace the individual city fire retirement systems and police retirement systems operating under this chapter prior to that date. Each city fire retirement system and police retirement system operating under this chapter prior to May 3, 1990, shall participate in the statewide system.

2. Effective January 1, 1992, each city fire retirement system and police retirement system operating under this chapter prior to that date is terminated, and all membership, benefit rights, and financial obligations under the terminating systems shall be assumed by the statewide fire and police retirement system.

90 Acts, ch 1240, §85; 91 Acts, ch 52, §4

**411.36 Board of trustees for statewide system.**

1. *a.* A board of trustees for the statewide fire and police retirement system is created. The board shall consist of thirteen members, including nine voting members and four nonvoting members. The voting members shall be as follows:

(1) Two fire fighters from different participating cities, one of whom is an active member of the retirement system and one of whom is a retired member. The fire fighters shall be appointed by the governing body of the Iowa professional fire fighters.

(2) Two police officers from different participating cities, one of whom is an active member of the retirement system and one of whom is a retired member. The police officers shall be appointed by the governing body of the Iowa state police association.

(3) A city treasurer, city financial officer, city clerk, or other city officer involved with the management of the financial matters of the city from four participating cities, one of whom is from a city having a population of less than thirty thousand, and three of whom are from cities having a population of thirty thousand or more. The members authorized pursuant to this paragraph shall be appointed by the governing body of the Iowa league of cities.

(4) One citizen who does not hold another public office. The citizen shall be appointed by the other members of the board.

*b.* The nonvoting members of the board shall be two state representatives, one appointed by the speaker of the house of representatives and one by the minority leader of the house, and two state senators, one appointed by the majority leader of the senate and one by the minority leader of the senate.

2. Except as otherwise provided for the initial appointments, the voting members shall be appointed for four-year terms, and the nonvoting members shall be appointed for terms as provided in section 69.16B. Terms of voting members begin on May 1 in the year of appointment and expire on April 30 in the year of expiration.

3. Vacancies shall be filled in the same manner as original appointments. A vacancy shall be filled for the unexpired term.

4. The board shall elect a chairperson from among its own members.

5. *a.* The voting members of the board shall be paid their actual and necessary expenses incurred in the performance of their duties and shall receive a per diem as specified in section 7E.6 for each day of service. Per diem and expenses shall be paid to voting members from the fire and police retirement fund created in section 411.8.

*b.* A participating city shall allow an employee who is a member of the board to attend all meetings of the board. In their capacity as members of the board, which is an instrumentality of political subdivisions of the state, members of the board shall be deemed to be jointly serving the members of the system and the participating cities. The members of the board shall perform their duties in the best interest of the system. Board members who are employees of participating cities shall be allowed to attend board meetings without being required to use paid leave. Costs incurred by a board member which are associated with having a replacement perform the member's other duties for the participating city while serving in the capacity of a member of the board may be considered a necessary expense of the system.

*c.* Per diem and expenses of the legislative members shall be paid from the funds appropriated under section 2.12. However, legislative members shall not be paid pursuant to this section when the general assembly is actually in session at the seat of government.

6. A member, employee, and the secretary of the board of trustees are not personally liable for claims based upon an act or omission of the person performed in the discharge of the person's duties, except for acts or omissions which involve intentional misconduct, or for a transaction from which the person derives an improper personal benefit, even if the acts or omissions violate the standards established in section 411.7, subsection 2.

90 Acts, ch 1240, §86; 91 Acts, ch 52, §2; 93 Acts, ch 44, §20; 95 Acts, ch 3, §5; 98 Acts, ch 1183, §98; 2004 Acts, ch 1103, §72; 2009 Acts, ch 106, §11, 12, 14; 2010 Acts, ch 1061, §180; 2012 Acts, ch 1023, §48; 2013 Acts, ch 20, §11, 12, 14

Referred to in §97B.1A, 97D.3, 411.1, 411.5, 411.7

2013 amendment to subsection 1 takes effect April 5, 2013, and applies retroactively to appointments made on or after January 1, 2013; 2013 Acts, ch 20, §12, 14

Subsection 1, paragraph a, subparagraph (3) amended

**411.37 Board responsible for transition.**

1. The board of trustees for the statewide system is responsible for effecting the transition from the city fire and police retirement systems to the statewide fire and police retirement system. The board shall adopt a transition plan and other appropriate transition documents it deems necessary to accomplish the transition in accordance with the requirements of this

chapter. The city fire and police retirement systems shall comply with orders of the board issued pursuant to the transition plan or other transition documents.

2. The board shall include in the transition plan or other transition documents, provisions to facilitate continuity under sections 411.21 and 411.30, and any appropriations to the system from the state.

3. For each of the fiscal years beginning July 1, 1990, and July 1, 1991, ten percent of the amount appropriated by the state for distribution to cities shall be made available to the board of trustees for the statewide system to cover the administrative costs of the transition. The amount distributed to each city shall be reduced accordingly. The moneys remaining unencumbered or unexpended at the end of the fiscal year beginning July 1, 1990, and the moneys remaining unencumbered or unexpended on January 1, 1992, shall be credited to the cities in the same proportion as the reduction.

90 Acts, ch 1240, §87; 91 Acts, ch 52, §3; 96 Acts, ch 1187, §106; 2010 Acts, ch 1167, §52

**411.38 Obligations of participating cities.**

1. Upon the establishment of the statewide system, each city participating in the statewide fire and police retirement system shall do all of the following:

*a.* Pay to the statewide system the normal contribution rate provided pursuant to section 411.8.

*b.* (1) Transfer from each terminated city fire or police retirement system to the statewide system amounts sufficient to cover the accrued liabilities of that terminated system as determined by the actuary of the statewide system. The actuary of the statewide system shall redetermine the accrued liabilities of the terminated systems as necessary to take into account additional amounts payable by the city which are attributable to errors or omissions which occurred prior to January 1, 1992, or to matters pending as of January 1, 1992. If the actuary of the statewide system determines that the assets transferred by a terminated system are insufficient to fully fund the accrued liabilities of the terminated system as determined by the actuary as of January 1, 1992, the participating city shall pay to the statewide system an amount equal to the unfunded liability plus interest for the period beginning January 1, 1992, and ending with the date of payment or the date of entry into an amortization agreement pursuant to this section. Interest on the unfunded liability shall be computed at a rate equal to the greater of the actuarial interest rate assumption on investments of the moneys in the fund or the actual investment earnings of the fund for the applicable calendar year. The participating city may enter into an agreement with the statewide system to make additional annual contributions sufficient to amortize the unfunded accrued liability of the terminated system. The terms of an amortization agreement shall be based upon the recommendation of the actuary of the statewide system, and the agreement shall do each of the following:

(a) Allow the city to make additional annual contributions over a period not to exceed thirty years from January 1, 1992.

(b) Provide that the city shall pay a rate of return on the amortized amount that is at least equal to the estimated rate of return on the investments of the statewide system for the years covered by the amortization agreement.

(c) Contain other terms and conditions as are approved by the board of trustees for the statewide system.

(2) In the alternative, a city may treat the city's accrued unfunded liability for the terminated system as legal indebtedness to the statewide system for the purposes of section 384.24, subsection 3, paragraph "*f*".

*c.* Contribute additional amounts necessary to ensure sufficient financial support for the statewide fire and police retirement system, as determined by the board of trustees based on information provided by the actuary of the statewide system.

2. It is the intent of the general assembly that a terminated city fire or police retirement system shall not subsidize any portion of any other system's unfunded liabilities in connection with the transition to the statewide system. The actuary of the statewide system shall determine if the assets of a terminated city fire or police retirement system would exceed the amount sufficient to cover the accrued liabilities of that terminated system as of January 1, 1992, using the alternative assumptions and the proposed assumptions.

3. As used in this section, unless the context otherwise requires, *"alternative assumptions"* means that the interest rate earned on investments of moneys in the fire and police retirement fund would be seven percent and that the state would not contribute to the fund under section 411.8 and section 411.20, Code 2009, after January 1, 1992, and *"proposed assumptions"* means that the interest rate earned on investments of moneys in the fire and police retirement fund would be seven and one-half percent and the state will pay contributions as provided pursuant to section 411.8 and section 411.20, Code 2009, after January 1, 1992. These assumptions are to be used solely for the purposes of this section, and shall not impact upon decisions of the board of trustees concerning the assumption of the interest rate earned on investments, or the contributions by the state as provided for in section 411.8 and section 411.20, Code 2009.

4. If the determination by the actuary using the alternative assumptions reflects that the assets of the terminated system exceed the amount sufficient to cover the accrued liabilities as of January 1, 1992, all excess funds as determined utilizing the alternative assumptions and the interest and earnings from those excess funds shall be used only as approved by the city council of the participating city. The city council may approve use of the excess funds to reduce only the city's contribution to the statewide system, or the city council may approve use of the excess funds to reduce the city's contribution and the members' contributions to the statewide system. If the city council approves use of the excess funds to reduce both the city's and the members' contributions, the members shall not withdraw the portion of the members' contributions paid from excess funds, as would otherwise be authorized in accordance with section 411.23.

5. If the determination by the actuary using the alternative assumptions reflects that the assets of the terminated system do not exceed the amount sufficient to cover the accrued liabilities as of January 1, 1992, but a determination by the actuary using the proposed assumptions reflects that the assets of the terminated system do exceed the amount sufficient to cover the accrued liabilities as of January 1, 1992, all excess funds as determined utilizing the proposed assumptions and the interest and earnings from those excess funds shall be used only to reduce the city's contribution rate to the statewide system. The participating city shall determine what portion of the excess funds shall be applied to reduce the city's contribution rate for a given year.

90 Acts, ch 1240, §88; 92 Acts, ch 1197, §1, 2, 4; 92 Acts, ch 1201, §71; 96 Acts, ch 1187, §107; 2010 Acts, ch 1069, §137; 2011 Acts, ch 34, §93

**411.39 Benefits for employees of the board of trustees for the statewide system.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Benefit programs"* mean the state life insurance program, the state health or medical insurance program, and the state employees disability program administered by the department of administrative services.

*b.* *"Employees"* mean the secretary and other employees of the board of trustees for the statewide fire and police retirement system.

2. Employees are eligible to participate in the benefit programs for state employees. Participation in the benefit programs is optional, and an employee may participate by filing an election, in writing, with the board of trustees for the statewide system. The board of trustees shall file these elections with the department of administrative services.

3. The board of trustees shall determine what, if any, amount of the costs or premiums of the benefit programs shall be paid by the participating employees, and shall deduct the amount from the wages of the participating employees. The board of trustees shall pay the remaining costs or premiums of the benefit programs from the fire and police retirement fund, including any portion to be attributed to an employer, and shall forward all amounts paid by participating employees and the board to the department of administrative services.

4. Participating employees shall be exempted from preexisting medical condition waiting periods. Participating employees may change programs or coverage under the state health or medical service group insurance plan subject to the enrollment rules established for full-time state employees excluded from collective bargaining as provided in chapter 20. A participating employee or the participating employee's surviving spouse shall have the

same rights upon final termination of employment or death as are afforded full-time state employees and the employees' surviving spouses excluded from collective bargaining as provided in chapter 20.

92 Acts, ch 1197, §3; 2003 Acts, ch 145, §286

**411.40 Voluntary benefit programs.**

The board of trustees may establish voluntary benefit programs for members subject to the following conditions:

1. The voluntary benefit programs may provide benefits including, but not limited to, retiree health benefits, long-term care, and life insurance.

2. Participation in the voluntary benefit programs by members shall be voluntary.

3. Contributions to the voluntary benefit programs shall be paid entirely by each participating member by means of payroll deduction. Cities employing members participating in voluntary benefit programs shall forward the amounts deducted to the board of trustees for deposit in the voluntary benefit fund.

4. The voluntary benefit programs and the voluntary benefit fund shall be administered under the direction of the board of trustees for the exclusive benefit of members paying contributions as provided in subsection 3.

5. The assets of the voluntary benefit programs shall be credited to the voluntary benefit fund, which is hereby created. The voluntary benefit fund shall include contributions deposited in accordance with subsection 3, and any interest and earnings on the contributions. The board of trustees shall annually establish an investment policy to govern the investment and reinvestment of the assets in the voluntary benefit fund. The voluntary benefit fund created under this section and the fire and police retirement fund created under section 411.8 shall not be used to subsidize any portion of the liabilities of the other fund.

6. The board of trustees shall include in its annual budget the amount of money necessary during the following year to provide for the expense of operation of the voluntary benefit programs. The operating expenses shall be paid from the voluntary benefit fund under the direction of the board of trustees.

96 Acts, ch 1187, §108

Referred to in §411.5

# CHAPTER 412

## MUNICIPAL UTILITY RETIREMENT SYSTEM

Referred to in §12B.10, 12B.10B, 12B.10C, 97B.1A, 97B.42A, 97B.42C


| | | | |
|---|---|---|---|
| 412.1 | Authority to establish system. | 412.4 | Payments and investments. |
| 412.2 | Source of funds. | 412.5 | Public utility defined. |
| 412.3 | Rules. | | |


**412.1 Authority to establish system.**

The council, board of waterworks trustees, or other board or commission, whichever is authorized by law to manage and operate any municipally owned waterworks system, or other municipally owned and operated public utility, may establish a pension and annuity retirement system for the employees of any such waterworks system, or other municipally owned and operated public utility.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §412.1]

**412.2 Source of funds.**

The fund for such pension and annuity retirement system shall be created from any or all of the following sources:

1. From the proceeds of the assessments on the wages and salaries of employees, of any such waterworks system, or other municipally owned and operated public utility, eligible to

receive the benefits thereof. Notwithstanding any provisions of section 20.9 to the contrary, a council, board of waterworks, or other board or commission which establishes a pension and annuity retirement system pursuant to this chapter, shall negotiate in good faith with a certified employee organization as defined in section 20.3, which is the collective bargaining representative of the employees, with respect to the amount or rate of the assessment on the wages and salaries of employees and the method or methods for payment of the assessment by the employees.

2. From the interest on any permanent fund which may be created by gift, bequest, or otherwise.

3. From moneys derived from the operation of such waterworks, or other municipally owned and operated public utility, available and appropriated therefor by the council, board of waterworks trustees, or other board or commission, whichever is authorized by law to manage and operate such waterworks or other municipally owned and operated public utility. Such money so expended shall constitute an operating expense of such utility.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §412.2]

2009 Acts, ch 179, §129

Referred to in §412.3, 412.4

**412.3 Rules.**

The council, board of waterworks trustees, or other board or commission, whichever is authorized by law to manage and operate such waterworks, or other municipally owned and operated public utility, may formulate and establish such pension and annuity retirement system, and may make and establish such rules for the operation thereof as may be deemed necessary or appropriate, subject to the provision of section 412.2, subsection 1.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §412.3]

2009 Acts, ch 179, §130

**412.4 Payments and investments.**

The council, board of waterworks trustees, or other board or commission, whichever is authorized by law to manage and operate any such waterworks, or other municipally owned and operated public utility, shall have the right and power to contract with any legal reserve insurance company authorized to conduct its business in the state, or any bank located in Iowa having trust powers for the investment of funds contributed to an annuity or pension system, for the payment of the pensions or annuities provided in such pension or annuity retirement system, and may pay the premiums or make the contribution of such contract out of the fund provided in section 412.2. Funds shall be invested in accordance with the investment policy for the retirement fund, as established by the governing body of the public utility. In establishing the investment policy, the council, board, or commission shall be governed by the standards set forth in section 97B.7A. However, permissible investments shall be limited to those investments authorized in section 12B.10, subsection 5, and investments in diversified commingled investment funds holding only publicly traded securities and under the management of an investment advisor registered with the federal securities and exchange commission under the Investment Advisor Act of 1940. Funds contributed to a bank pursuant to such a contract shall be invested in the manner prescribed in section 633.123A or chapter 633A, subchapter IV, part 3, and may be commingled with and invested as a part of a common or master fund managed for the benefit of more than one public utility.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §412.4]

96 Acts, ch 1008, §1; 99 Acts, ch 125, §104, 109; 2001 Acts, ch 102, §4; 2005 Acts, ch 38, §55

**412.5 Public utility defined.**

Public utility as that term is used in this chapter shall be limited to any waterworks, sewage works, gas, or electric plants and systems managed, operated, and owned by a municipality.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §412.5]

# CHAPTER 413

RESERVED

# CHAPTER 414

## CITY ZONING

Referred to in §18B.2, 303.34, 306B.2, 329.7, 354.1, 476A.5


414.1 Building restrictions — powers granted.
414.2 Districts.
414.3 Regulations and comprehensive plan — considerations and objectives — notice, adoption, distribution.
414.4 Zoning regulations, district boundaries, amendments.
414.5 Changes — protest.
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414.20 Actions to correct violations.
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414.22 Zoning for family homes.
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414.28 Manufactured home.
414.28A Land-leased communities.
414.29 Elder family homes. Repealed by 2004 Acts, ch 1101, §95.
414.30 Homes for persons with disabilities.
414.31 Elder group homes.
414.32 Home and community-based services waiver recipient residence.


**414.1 Building restrictions — powers granted.**

1. For the purpose of promoting the health, safety, morals, or the general welfare of the community or for the purpose of preserving historically significant areas of the community, any city is hereby empowered to regulate and restrict the height, number of stories, and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards, courts, and other open spaces, the density of population, and the location and use of buildings, structures, and land for trade, industry, residence, or other purposes.

2. The city of Des Moines may, for the purpose of preserving the dominance of the dome of the state capitol building and the view of the state capitol building from prominent public viewing points, regulate and restrict the height and size of buildings and other structures in the city of Des Moines. Any regulations pertaining to such matters shall be made in accordance with a comprehensive plan and in consultation with the capitol planning commission.

[C24, 27, 31, 35, 39, §**6452;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.1]

99 Acts, ch 204, §36

**414.2 Districts.**

For any or all of said purposes the local legislative body, hereinafter referred to as the council, may divide the city into districts, including historical preservation districts but only as provided in section 303.34, of such number, shape, and area as may be deemed best suited to carry out the purposes of this chapter; and within such districts it may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings, structures, or land. All such regulations and restrictions shall be uniform for each class or kind of buildings

throughout each district, but the regulations in one district may differ from those in other districts.

[C24, 27, 31, 35, 39, §**6453;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.2]
Referred to in §414.5
Certification of zoning district ordinance, §380.11

**414.3 Regulations and comprehensive plan — considerations and objectives — notice, adoption, distribution.**

1. The regulations shall be made in accordance with a comprehensive plan and designed to preserve the availability of agricultural land; to consider the protection of soil from wind and water erosion; to encourage efficient urban development patterns; to lessen congestion in the street; to secure safety from fire, flood, panic, and other dangers; to promote health and the general welfare; to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to promote the conservation of energy resources; to promote reasonable access to solar energy; and to facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements. However, provisions of this section relating to the objectives of energy conservation and access to solar energy do not void any zoning regulation existing on July 1, 1981, or require zoning in a city that did not have zoning prior to July 1, 1981.

2. The regulations shall be made with reasonable consideration, among other things, as to the character of the area of the district and the peculiar suitability of such area for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such city.

3. The regulations and comprehensive plan shall be made with consideration of the smart planning principles under section 18B.1 and may include the information specified in section 18B.2, subsection 2.

4. *a.* A comprehensive plan recommended for adoption by the zoning commission established under section 414.6, may be adopted by the council. The council may amend the proposed comprehensive plan prior to adoption. The council shall publish notice of the meeting at which the comprehensive plan will be considered for adoption. The notice shall be published as provided in section 362.3.

*b.* Following its adoption, copies of the comprehensive plan shall be sent or made available to the county in which the city is located, neighboring counties and cities, the council of governments or regional planning commission where the city is located, and public libraries within the city.

*c.* Following its adoption, a comprehensive plan may be amended by the council at any time.

[C24, 27, 31, 35, 39, §**6454;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.3; 81 Acts, ch 125, §2; 82 Acts, ch 1245, §18]
2010 Acts, ch 1184, §23
Referred to in §414.6

**414.4 Zoning regulations, district boundaries, amendments.**

The council of the city shall provide for the manner in which the regulations and restrictions and the boundaries of the districts shall be determined, established, and enforced, and from time to time amended, supplemented, or changed. However, the regulation, restriction, or boundary shall not become effective until after a public hearing at which parties in interest and citizens shall have an opportunity to be heard. The notice of the time and place of the hearing shall be published as provided in section 362.3, except that at least seven days' notice must be given and in no case shall the public hearing be held earlier than the next regularly scheduled city council meeting following the published notice.

[C24, 27, 31, 35, 39, §**6455;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.4]
84 Acts, ch 1018, §1
Referred to in §329.9, 414.5, 414.24

**414.5 Changes — protest.**

The regulations, restrictions, and boundaries may, from time to time, be amended, supplemented, changed, modified, or repealed. Notwithstanding section 414.2, as a part of an ordinance changing land from one zoning district to another zoning district or an ordinance approving a site development plan, a council may impose conditions on a property owner which are in addition to existing regulations if the additional conditions have been agreed to in writing by the property owner before the public hearing required under this section or any adjournment of the hearing. The conditions must be reasonable and imposed to satisfy public needs which are directly caused by the requested change. In case, however, of a written protest against a change or repeal which is filed with the city clerk and signed by the owners of twenty percent or more of the area of the lots included in the proposed change or repeal, or by the owners of twenty percent or more of the property which is located within two hundred feet of the exterior boundaries of the property for which the change or repeal is proposed, the change or repeal shall not become effective except by the favorable vote of at least three-fourths of all the members of the council. The protest, if filed, must be filed before or at the public hearing. The provisions of section 414.4 relative to public hearings and official notice apply equally to all changes or amendments.

[C24, 27, 31, 35, 39, §**6456;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.5]

84 Acts, ch 1176, §1; 85 Acts, ch 9, §2; 88 Acts, ch 1246, §8

Referred to in §657.9

**414.6 Zoning commission — powers and duties.**

1. In order to avail itself of the powers conferred by this chapter, the council shall appoint a commission, to be known as the zoning commission, to recommend the boundaries of the various original districts and appropriate regulations and restrictions to be enforced therein. Where a city plan commission already exists, it may be appointed as the zoning commission. Such commission shall, with due diligence, prepare a preliminary report and hold public hearings thereon before submitting its final report; and such council shall not hold its public hearings or take action until it has received the final report of such commission. After the adoption of such regulations, restrictions, and boundaries of districts, the zoning commission may, from time to time, recommend to the council amendments, supplements, changes, or modifications.

2. The zoning commission may recommend to the council for adoption a comprehensive plan pursuant to section 414.3, or amendments thereto.

[C24, 27, 31, 35, 39, §**6457;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.6]

2010 Acts, ch 1184, §24

Referred to in §329.9, 414.3, 657.9

**414.7 Board of adjustment — review by council.**

The council shall provide for the appointment of a board of adjustment and in the regulations and restrictions adopted pursuant to the authority of this chapter shall provide that the said board of adjustment may in appropriate cases and subject to appropriate conditions and safeguards make special exceptions to the terms of the ordinances in harmony with its general purpose and intent and in accordance with general or specific rules therein contained and provide that any property owner aggrieved by the action of the council in the adoption of such regulations and restrictions may petition the said board of adjustment direct to modify regulations and restrictions as applied to such property owners.

The council may provide for its review of variances granted by the board of adjustment before their effective date. The council may remand a decision to grant a variance to the board of adjustment for further study. The effective date of the variance is delayed for thirty days from the date of the remand.

[C24, 27, 31, 35, 39, §**6458;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.7]

86 Acts, ch 1098, §1

Referred to in §329.12

**414.8 Membership.**

The board of adjustment shall consist of five, seven, or nine members as determined by the council. Members of a five-member board shall be appointed for a term of five years, excepting that when the board shall first be created one member shall be appointed for a term of five years, one for a term of four years, one for a term of three years, one for a term of two years, and one for a term of one year. Members of a seven-member board shall be appointed for a term of five years, except when the board shall first be created two members shall be appointed for a term of five years, two members for a term of four years, one for a term of three years, one for a term of two years, and one for a one-year term. Members of a nine-member board shall be appointed for a term of five years, except when the board shall first be created three members shall be appointed for a term of five years, two members for a term of four years, two for a term of three years, one for a term of two years, and one for a one-year term. A five-member board shall not carry out its business without having three members present, a seven-member board shall not carry out its business without having four members present, and a nine-member board shall not carry out its business without having five members present. A majority of the members of the board of adjustment shall be persons representing the public at large and shall not be involved in the business of purchasing or selling real estate. Members shall be removable for cause by the appointing authority upon written charges and after public hearing. Vacancies shall be filled for the unexpired term of any member whose term becomes vacant.

[C24, 27, 31, 35, 39, §**6459;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.8]
2005 Acts, ch 66, §1
See also §414.25

**414.9 Rules — meetings — general procedure.**

The board shall adopt rules in accordance with the provisions of any ordinance adopted pursuant to this chapter. Meetings of the board shall be held at the call of the chairperson and at such other times as the board may determine. Such chairperson, or in the chairperson's absence, the acting chairperson, may administer oaths and compel the attendance of witnesses. All meetings of the board shall be open to the public. The board shall keep minutes of its proceedings, showing the vote of each member upon each question, or if absent or failing to vote, indicating such fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the board and shall be a public record.

[C24, 27, 31, 35, 39, §**6460;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.9]
Referred to in §329.12

**414.10 Appeals.**

Appeals to the board of adjustment may be taken by any person aggrieved or by any officer, department, board, or bureau of the municipality affected by any decision of the administrative officer. Such appeal shall be taken within a reasonable time as provided by the rules of the board by filing with the officer from whom the appeal is taken and with the board of adjustment a notice of appeal specifying the grounds thereof. The officer from whom the appeal is taken shall forthwith transmit to the board all the papers constituting the record upon which the action appealed from was taken.

[C24, 27, 31, 35, 39, §**6461;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.10]
Referred to in §329.12

**414.11 Effect of appeal.**

An appeal stays all proceedings in furtherance of the action appealed from, unless the officer from whom the appeal is taken certifies to the board of adjustment after the notice of appeal shall have been filed with the officer that by reason of facts stated in the certificate a stay would in the officer's opinion cause imminent peril to life or property. In such case proceedings shall not be stayed otherwise than by a restraining order which may be granted

by the board of adjustment or by a court of record on application on notice to the officer from whom the appeal is taken and on due cause shown.

[C24, 27, 31, 35, 39, §**6462;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.11]
Referred to in §329.12

**414.12 Powers.**

The board of adjustment shall have the following powers:

1. To hear and decide appeals where it is alleged there is error in any order, requirement, decision, or determination made by an administrative official in the enforcement of this chapter or of any ordinance adopted pursuant thereto.

2. To hear and decide special exceptions to the terms of the ordinance upon which such board is required to pass under such ordinance.

3. To authorize upon appeal in specific cases such variance from the terms of the ordinance as will not be contrary to the public interest, where owing to special conditions a literal enforcement of the provisions of the ordinance will result in unnecessary hardship, and so that the spirit of the ordinance shall be observed and substantial justice done.

[C24, 27, 31, 35, 39, §**6463;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.12]
Referred to in §329.12

**414.13 Decision on appeal.**

In exercising the above-mentioned powers such board may, in conformity with the provisions of this chapter, reverse or affirm, wholly or partly, or may modify the order, requirement, decision, or determination appealed from and may make such order requirement, decision, or determination as ought to be made, and to that end shall have all the powers of the officer from whom the appeal is taken.

[C24, 27, 31, 35, 39, §**6464;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.13]
Referred to in §329.12

**414.14 Vote required.**

The concurring vote of three members of the board in the case of a five-member board, four members in the case of a seven-member board, and five members in the case of a nine-member board, shall be necessary to reverse any order, requirement, decision, or determination of any such administrative official, or to decide in favor of the applicant on any matter upon which it is required to pass under any such ordinance or to effect any variation in such ordinance.

[C24, 27, 31, 35, 39, §**6465;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.14]
2005 Acts, ch 66, §2; 2006 Acts, ch 1010, §98
Referred to in §329.12

**414.15 Petition for certiorari.**

Any person or persons, jointly or severally, aggrieved by any decision of the board of adjustment under the provisions of this chapter, or any taxpayer, or any officer, department, board, or bureau of the municipality, may present to a court of record a petition, duly verified, setting forth that such decision is illegal, in whole or in part, specifying the grounds of the illegality. Such petition shall be presented to the court within thirty days after the filing of the decision in the office of the board.

[C24, 27, 31, 35, 39, §**6466;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.15]
Referred to in §329.12, 414.19

**414.16 Writ — restraining order.**

Upon the presentation of such petition, the court may allow a writ of certiorari directed to the board of adjustment to review such decision of the board of adjustment and shall prescribe therein the time within which a return thereto must be made and served upon the relator's attorney, which shall not be less than ten days and may be extended by the court. The allowance of the writ shall not stay proceedings upon the decision appealed from, but the

court may, on application, on notice to the board and on due cause shown, grant a restraining order.

[C24, 27, 31, 35, 39, §**6467;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.16]
Referred to in §329.12, 414.19

**414.17 Return.**

The board of adjustment shall not be required to return the original papers acted upon by it, but it shall be sufficient to return certified or sworn copies thereof or of such portions thereof as may be called for by such writ. The return shall concisely set forth such other facts as may be pertinent and material to show the grounds of the decision appealed from and shall be verified.

[C24, 27, 31, 35, 39, §**6468;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.17]
Referred to in §329.12, 414.19

**414.18 Trial — judgment — costs.**

If upon the hearing which shall be tried de novo it shall appear to the court that testimony is necessary for the proper disposition of the matter, it may take evidence or appoint a referee to take such evidence as it may direct and report the same to the court with the referee's findings of fact and conclusions of law, which shall constitute a part of the proceedings upon which the determination of the court shall be made. The court may reverse or affirm, wholly or partly, or may modify the decision brought up for review.

Costs shall not be allowed against the board, unless it shall appear to the court that it acted with gross negligence or in bad faith or with malice in making the decision appealed from.

[C24, 27, 31, 35, 39, §**6469;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.18]
Referred to in §329.12, 414.19

**414.19 Preference in trial.**

All issues in any proceedings under sections 414.15 through 414.18 shall have preference over all other civil actions and proceedings.

[C24, 27, 31, 35, 39, §**6470;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.19]
2009 Acts, ch 133, §133
Referred to in §329.12

**414.20 Actions to correct violations.**

In case any building or structure is erected, constructed, reconstructed, altered, repaired, converted, or maintained; or any building, structure, or land is used in violation of this chapter or of any ordinance or other regulation made under authority conferred thereby, the council, in addition to other remedies, may institute any appropriate action or proceedings to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance, or use, to restrain, correct, or abate such violation, to prevent the occupancy of said building, structure, or land, or to prevent any illegal act, conduct, business, or use in or about such premises.

[C24, 27, 31, 35, 39, §**6471;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.20]

**414.21 Conflicting rules, ordinances, and statutes.**

If the regulations made under this chapter require a greater width or size of yards, courts or other open spaces, or a lower height of building or less number of stories, or a greater percentage of lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, the regulations made under this chapter govern. If any other statute or local ordinance or regulation requires a greater width or size of yards, courts or other open spaces, or a lower height of building or a less number of stories, or a greater percentage of lot to be left unoccupied, or impose other higher standards than are required by the regulations made under this chapter, the other statute or local ordinance or regulation governs. If a regulation proposed or made under this chapter relates to any structure, building, dam, obstruction, deposit or excavation in or on the flood plains of any river or stream, prior approval of the department of natural resources is required to establish,

amend, supplement, change or modify the regulation or to grant any variation or exception from the regulation.

[C24, 27, 31, 35, 39, §**6472;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §414.21; 82 Acts, ch 1199, §68, 96]

**414.22 Zoning for family homes.**

1. It is the intent of this section to assist in improving the quality of life of persons with a developmental disability or brain injury by integrating them into the mainstream of society by making available to them community residential opportunities in the residential areas of this state. In order to implement this intent, this section shall be liberally construed.

2. *a.* *"Brain injury"* means brain injury as defined in section 135.22.

*b.* *"Developmental disability"* means a disability of a person which has continued or can be expected to continue indefinitely and which is one of the following:

(1) Attributable to an intellectual disability, cerebral palsy, epilepsy, or autism.

(2) Attributable to any other condition found to be closely related to an intellectual disability because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with an intellectual disability or requires treatment and services similar to those required for the persons.

(3) Attributable to dyslexia resulting from a disability described in either subparagraph (1) or (2).

(4) Attributable to a mental or nervous disorder.

*c.* *"Family home"* means a community-based residential home which is licensed as a residential care facility under chapter 135C or as a child foster care facility under chapter 237 to provide room and board, personal care, habilitation services, and supervision in a family environment exclusively for not more than eight persons with a developmental disability or brain injury and any necessary support personnel. However, family home does not mean an individual foster care family home licensed under chapter 237.

*d.* *"Permitted use"* means a use by right which is authorized in all residential zoning districts.

*e.* *"Residential"* means regularly used by its occupants as a permanent place of abode, which is made one's home as opposed to one's place of business and which has housekeeping and cooking facilities for its occupants only.

3. Notwithstanding any provision of this chapter to the contrary, a city, city council, or city zoning commission shall consider a family home a residential use of property for the purposes of zoning and shall treat a family home as a permitted use in all residential zones or districts, including all single-family residential zones or districts, of the city. A city, city council, or city zoning commission shall not require that a family home, its owner, or operator obtain a conditional use permit, special use permit, special exception, or variance. However, new family homes owned and operated by public or private agencies shall be dispersed throughout the residential zones and districts and shall not be located within contiguous city block areas. Section 135C.23, subsection 2, shall apply to all residents of a family home.

4. Any restriction, reservation, condition, exception, or covenant in any subdivision plan, deed, or other instrument of or pertaining to the transfer, sale, lease, or use of property in a city which permits residential use of property but prohibits the use of property as a family home for persons with a developmental disability or brain injury, to the extent of the prohibition, is void as against the public policy of this state and shall not be given legal or equitable effect.

83 Acts, ch 11, §2; 93 Acts, ch 90, §4; 94 Acts, ch 1023, §110; 94 Acts, ch 1170, §9; 96 Acts, ch 1129, §113; 2012 Acts, ch 1019, §128

Referred to in §135C.9, 414.30, 414.31, 504C.1

**414.23 Extending beyond city limits.**

The powers granted by this chapter may be extended by ordinance by any city to the unincorporated area up to two miles beyond the limits of such city, except for those areas within a county where a county zoning ordinance exists. The ordinance shall describe in general terms the area to be included. The exemption from regulation granted by section

335.2 to property used for agricultural purposes shall apply to such unincorporated area. If the limits of any such city are at any place less than four miles distant from the limits of any other city which has extended or thereafter extends its zoning jurisdiction under this section, then at such time the powers herein granted shall extend to a line equidistant between the limits of said cities.

A municipality, during the time its zoning jurisdiction is extended under this section, shall increase the size of its planning and zoning commission and its board of adjustment each by two members. The planning and zoning commission shall include a member of the board of supervisors of the affected county, or the board's designee, and a resident of the area outside the city limits over which the zoning jurisdiction is extended. The board's designee, if any, shall be a resident of the county in which such extended area is located. The additional members of the board of adjustment shall be residents of the area outside the city limits over which the zoning jurisdiction is extended. The county supervisor, or the board's designee, and the residents shall be appointed by the board of supervisors of the county in which such extended area is located. The county supervisor, or the board's designee, and the residents shall serve for the same terms of office and have the same rights, privileges, and duties as other members of each of the bodies. However, if the extended zoning jurisdiction of a municipality extends into an adjacent county without a county zoning ordinance, the boards of supervisors of the affected counties, jointly, shall appoint one of their members, or a designee, to the planning and zoning commission.

Property owners affected by such zoning regulations shall have the same rights of hearing, protest, and appeal as those within the municipality exercising this power.

Whenever a county in which this power is being exercised by a municipality adopts a county zoning ordinance the power exercised by the municipality and the specific regulations and districts thereunder shall be terminated within three months of the establishment of the administrative authority for county zoning, or at such date as mutually agreed upon by the municipality and county.

[C71, 73, 75, 77, 79, 81, §414.23]

2002 Acts, ch 1078, §1; 2004 Acts, ch 1074, §1

Referred to in §331.304, 331.321, 427B.2

**414.24 Restricted residence districts.**

A city may, and upon petition of sixty percent of the owners of the real estate in the district sought to be affected who are residents of the city shall, designate and establish, after notice and hearing as provided in section 414.4, restricted residence districts within the city limits.

In the ordinance designating and establishing a restricted residence district, the city may establish reasonable rules for the use and occupancy of buildings of all kinds within the district, and provide that no building or other structure, except residences, schoolhouses, churches and other similar structures, shall be erected, altered, repaired or occupied without first securing from the city council a permit to be issued under reasonable rules as may be provided in the ordinance. An ordinance and rules passed under this section shall not conflict with applicable building and housing codes.

A building or structure erected, altered, repaired, or used in violation of an ordinance passed under this section shall be deemed a nuisance.

When a city has proceeded under the other provisions of this chapter, this section shall no longer be in effect for the city.

[C24, 27, 31, 35, 39, §**6473, 6474, 6475, 6476;** C46, 50, 54, 58, 62, 66, 71, 73, §414.22, 415.1, 415.2, 415.3; C77, 79, 81, §414.24]

84 Acts, ch 1018, §2

Nuisances in general, chapter 657

**414.25 Transitional provisions.**

Of the two additional members which may be appointed to increase a five-member board of adjustment to a seven-member board after January 1, 1980, one member shall be appointed to an initial term of five years and one member shall be appointed to an initial term of four

years. The terms of office of members of a board of adjustment serving unexpired terms of office on or after January 1, 1980, shall expire according to their original appointments.

Of the four additional members which may be appointed to increase a five-member board of adjustment to a nine-member board on or after July 1, 2005, one member shall be appointed to an initial term of five years, one member to an initial term of four years, one to an initial term of three years, and one to an initial term of two years. The terms of office of members of a board of adjustment serving unexpired terms of office on or after July 1, 2005, shall expire according to their original appointments.

Of the two additional members which may be appointed to increase a seven-member board of adjustment to a nine-member board on or after July 1, 2005, one member shall be appointed to an initial term of five years and one member shall be appointed to an initial term of four years. The terms of office of members of a board of adjustment serving unexpired terms of office on or after July 1, 2005, shall expire according to their original appointments.

[C81, §414.25]

2005 Acts, ch 66, §3, 4

**414.26 and 414.27** Reserved.

**414.28 Manufactured home.**

A city shall not adopt or enforce zoning regulations or other ordinances which disallow the plans and specifications of a proposed residential structure solely because the proposed structure is a manufactured home. However, a zoning ordinance or regulation shall require that a manufactured home be located and installed according to the same standards, including but not limited to, a permanent foundation system, set-back, and minimum square footage which would apply to a site-built, single family dwelling on the same lot, and shall require that the home is assessed and taxed as a site-built dwelling. A zoning ordinance or other regulation shall not require a perimeter foundation system for a manufactured home which is incompatible with the structural design of the manufactured home structure. A city shall not require more than one permanent foundation system for a manufactured home. For purposes of this section, a permanent foundation may be a pier footing foundation system designed and constructed to be compatible with the structure and the conditions of the site. When units are located outside a manufactured home community or mobile home park, requirements may be imposed which ensure visual compatibility of the permanent foundation system with surrounding residential structures. As used in this section, *"manufactured home"* means a factory-built structure, which is manufactured or constructed under the authority of 42 U.S.C. § 5403 and is to be used as a place for human habitation, but which is not constructed or equipped with a permanent hitch or other device allowing it to be moved other than for the purpose of moving to a permanent site, and which does not have permanently attached to its body or frame any wheels or axles. This section shall not be construed as abrogating a recorded restrictive covenant.

A city shall not adopt or enforce construction, building, or design ordinances, regulations, requirements, or restrictions which would mandate width standards greater than twenty-four feet, roof pitch, or other design standards for manufactured housing if the housing otherwise complies with 42 U.S.C. § 5403. However, this paragraph shall not prohibit a city from adopting and enforcing zoning regulations related to transportation, water, sewerage, or other land development.

84 Acts, ch 1238, §2; 93 Acts, ch 154, §4; 94 Acts, ch 1110, §2; 97 Acts, ch 86, §3; 2001 Acts, ch 153, §16

**414.28A Land-leased communities.**

A city shall not adopt or enforce zoning or subdivision regulations or other ordinances which disallow or make infeasible the plans and specifications of land-leased communities because the housing within the land-leased community will be manufactured housing.

*"Land-leased community"* means any site, lot, field, or tract of land under common ownership upon which ten or more occupied manufactured homes are harbored, either free of charge or for revenue purposes, and shall include any building, structure, or enclosure

used or intended for use as part of the equipment of the land-leased community. The term *"land-leased community"* shall not be construed to include homes, buildings, or other structures temporarily maintained by any individual, educational institution, or company on their own premises and used exclusively to house their own labor or students. A manufactured home located in a land-leased community shall be taxed under section 435.22 as if the manufactured home were located in a mobile home park.

97 Acts, ch 86, §4; 98 Acts, ch 1107, §16, 33
Referred to in §331.301, 364.3, 435.1, 562B.7

**414.29 Elder family homes.** Repealed by 2004 Acts, ch 1101, § 95.

**414.30 Homes for persons with disabilities.**

A city council or city zoning commission shall consider a home for persons with disabilities a family home, as defined in section 414.22, for purposes of zoning in accordance with chapter 504C.

93 Acts, ch 90, §5; 94 Acts, ch 1023, §111; 2010 Acts, ch 1079, §17

**414.31 Elder group homes.**

A city council or city zoning commission shall consider an elder group home a family home, as defined in section 414.22, for purposes of zoning, in accordance with section 231B.4, and may establish limitations regarding the proximity of one proposed elder group home to another.

93 Acts, ch 72, §8; 2005 Acts, ch 62, §23
Similar provision, see §335.33

**414.32 Home and community-based services waiver recipient residence.**

1. A city, city council, or city zoning commission shall consider the residence of the recipient of services under a home and community-based services waiver as a residential use of property for the purposes of zoning and shall treat the use of the residence as a permitted use in all residential zones or districts, including all single-family residential zones or districts, of the city.

2. A city, city council, or city zoning commission shall not require that the recipient, or owner of such residence if other than the recipient, obtain a conditional use permit, special use permit, special exception, or variance. A city, city council, or city zoning commission shall not establish limitations regarding the proximity of one such residence to another.

3. This section applies to the residence of a recipient of services under a home and community-based services waiver if the residence meets any of the following conditions:

*a.* The residence is a single-family dwelling owned or rented by the recipient.

*b.* The residence is a multifamily dwelling which does not hold itself out to the public as a community-based residential provider otherwise regulated by law, including but not limited to a residential care facility, and which provides dwelling units to no more than four recipients of services under a home and community-based services waiver at any one time.

4. For the purposes of this section, *"home and community-based services waiver"* means *"waiver"* as defined in section 249A.29.

2007 Acts, ch 218, §131, 132
Similar provision, see §335.34

# CHAPTERS 415 to 417

RESERVED

# CHAPTER 418

## FLOOD MITIGATION PROGRAM

Referred to in §29C.8, 423.2


418.1 Definitions.
418.2 and 418.3 Reserved.
418.4 Projects.
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418.12 Sales tax increment fund.
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418.14 Bond issuance.
418.15 Durational limitation on use of revenues — property disposition.


**418.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Base year"* means the fiscal year ending during the calendar year in which the governmental entity's project is approved by the board under section 418.9.

2. *"Board"* means the flood mitigation board as created in section 418.5.

3. *"Department"* means the department of homeland security and emergency management.

4. *"Governmental entity"* means any of the following:

*a.* A county.

*b.* A city.

*c.* A joint board or other legal or administrative entity established or designated in an agreement pursuant to chapter 28E between any of the following:

(1) Two or more cities located in whole or in part within the same county.

(2) A county and one or more cities that are located in whole or in part within the county.

(3) A county, one or more cities that are located in whole or in part within the county, and a drainage district formed by mutual agreement under section 468.142 located in whole or in part within the county.

5. *"Project"* means the construction and reconstruction of levees, embankments, impounding reservoirs, or conduits that are necessary for the protection of property from the effects of floodwaters and may include the deepening, widening, alteration, change, diversion, or other improvement of watercourses if necessary for the protection of such property from the effects of floodwaters. A project may consist of one or more phases of construction or reconstruction that are contracted for separately if the larger project, of which the project is a part, otherwise meets the requirements of this subsection.

6. *"Retail establishment"* means a business operated by a retailer as defined in section 423.1.

7. *"Sales tax"* means the sales and services tax imposed pursuant to section 423.2.

2012 Acts, ch 1094, §4, 18; 2013 Acts, ch 29, §50
Referred to in §418.4, 418.11, 418.14, 418.15
Subsection 3 amended

**418.2 and 418.3** Reserved.

**418.4 Projects.**

1. *a.* A governmental entity may use the moneys in its flood project fund established pursuant to section 418.13 to fund projects that meet the requirements of this section.

*b.* A governmental entity as defined in section 418.1, subsection 4, paragraph "*c*", shall have the power to construct, acquire, own, repair, improve, operate, and maintain a project, may sue and be sued, contract, and acquire and hold real and personal property, subject to the limitation in paragraph "*c*", and shall have such other powers as may be included in the chapter 28E agreement. Such a governmental entity may contract with a city or the county participating in the chapter 28E agreement to perform any governmental service, activity, or undertaking that the city or county is authorized by law to perform, including but not limited to contracts for administrative services.

*c.* A governmental entity's authority, established under paragraph "*b*" or other provision of law, to acquire or hold real and personal property shall for the purposes of undertaking a project under this chapter be limited to acquiring and holding that portion of such property which is necessary for infrastructure related to flood mitigation.

2. Prior to undertaking a project, the governmental entity shall adopt a project plan. The project plan shall include a detailed description of the project, including all phases of construction or reconstruction included in the project, state the estimated cost of the project and the maximum amount of debt to be incurred for purposes of funding the project, and include a detailed description of all anticipated funding sources for the project, including information relating to either the proposed use of financial assistance from the flood mitigation fund under section 418.10 or the proposed use of sales tax increment revenues received under section 418.12. The project plan shall also include information related to the approval criteria in section 418.9, subsection 2.

3. A governmental entity shall not award a contract for the construction or reconstruction of or otherwise undertake construction or reconstruction of a project under this chapter unless all of the following conditions are met:

*a.* Bidding for the project has been completed. A governmental entity shall comply with the competitive bid procedures in chapter 26 for the bidding and construction of the project and shall comply with the provisions of chapter 573.

*b.* For projects proposing to use sales tax increment revenues or approved by the board to use sales tax increment revenues, the project, or an earlier phase of the project, has been approved to receive financial assistance in an amount equal to at least twenty percent of the total project cost or thirty million dollars, whichever is less, under a financial assistance program administered by the United States environmental protection agency, the federal Water Resources Development Act, the federal Clean Water Act as defined in section 455B.291, or other federal program providing assistance specifically for hazard mitigation.

*c.* The project plan has been approved by the board under section 418.9.

*d.* Following approval of the project plan by the board, the governmental entity has adopted a resolution authorizing the use of sales tax increment revenue from the governmental entity's flood project fund, if sales tax increment revenue was approved by the board as a funding source for the project. Within ten days of adoption, the governmental entity shall provide a copy of the resolution to the department of revenue.

4. A governmental entity shall not seek approval from the board for a project if the governmental entity previously had a project approved pursuant to section 418.9 or if the governmental entity previously was part of a governmental entity as defined in section 418.1, subsection 4, paragraph "*c*", that had a project approved pursuant to section 418.9.

5. If a project is eligible for state financial assistance under section 29C.6, subsection 17, such project is ineligible for approval by the board under this chapter.

6. Following approval of a project under section 418.9, the governmental entity shall on or before December 15 of each year submit a report to the board detailing all of the following:

*a.* The current status of the project.

*b.* Total expenditures and the types of expenditures that have been made related to the project.

*c.* The amount of the total project cost remaining as of the date the report is submitted.

*d.* The amounts, types, and sources of funding being used.

*e.* The amount of bonds issued or other indebtedness incurred for the project, including information related to the rate of interest, length of term, costs of issuance, and net proceeds. The report shall also include the amounts and types of moneys used for payment of such bonds or indebtedness.

7. A governmental entity may contract with a council of governments to perform any duty or power authorized under this chapter or for the completion of a project.

2012 Acts, ch 1094, §5, 18; 2012 Acts, ch 1138, §30, 42, 44, 68, 84, 85
Referred to in §418.8, 418.9, 418.12, 418.14, 423.2

**418.5 Flood mitigation board.**

1. The flood mitigation board is established consisting of nine voting members and four ex

officio, nonvoting members, and is located for administrative purposes within the department. The director of the department shall provide office space, staff assistance, and necessary supplies and equipment for the board. The director shall budget funds to pay the necessary expenses of the board. In performing its functions, the board is performing a public function on behalf of the state and is a public instrumentality of the state.

2. The voting membership of the board shall include all of the following:

*a.* Four members of the general public. Two general public members shall have demonstrable experience or expertise in the field of natural disaster recovery and two general public members shall have demonstrable experience or expertise in the field of flood mitigation.

*b.* The director of the department of natural resources or the director's designee.

*c.* The secretary of agriculture or the secretary's designee.

*d.* The treasurer of state or the treasurer's designee.

*e.* The director of the department or the director's designee.

*f.* The executive director of the Iowa finance authority or the executive director's designee.

3. The general public members shall be appointed by the governor, subject to confirmation by the senate. The appointments shall comply with sections 69.16 and 69.16A.

4. The chairperson and vice chairperson of the board shall be designated by the governor from the board members listed in subsection 2. In case of the absence or disability of the chairperson and vice chairperson, the members of the board shall elect a temporary chairperson by a majority vote of those members who are present and voting.

5. The members appointed under subsection 2, paragraph "*a*", shall be appointed to three-year staggered terms and the terms shall commence and end as provided by section 69.19. If a vacancy occurs, a successor shall be appointed to serve the unexpired term. A successor shall be appointed in the same manner and subject to the same qualifications as the original appointment.

6. The board's ex officio membership shall include four members of the general assembly with one each appointed by the majority leader of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives. A legislative member serves for a term as provided in section 69.16B in an ex officio, nonvoting capacity and is eligible for per diem and expenses as provided in section 2.10.

7. A majority of the voting members constitutes a quorum.

2012 Acts, ch 1094, §6, 18; 2012 Acts, ch 1138, §69, 84, 85; 2013 Acts, ch 29, §51, 52; 2013 Acts, ch 140, §65

Referred to in §418.1
Subsection 1 amended
Subsection 2, paragraph e amended

**418.6 Expenses of board members.**

The voting members of the board are entitled to receive reimbursement for actual expenses incurred while engaged in the performance of official duties. A member of the board is not eligible to receive the additional expense allowance provided in section 7E.6, subsection 2.

2012 Acts, ch 1094, §7, 18

**418.7 Department duties.**

The department, subject to approval by the board, shall adopt administrative rules pursuant to chapter 17A necessary to administer the flood mitigation program. The department shall provide the board with assistance in implementing administrative functions and providing technical assistance and application assistance to applicants under the program.

2012 Acts, ch 1094, §8, 18; 2013 Acts, ch 29, §53

Referred to in §418.8
Section amended

**418.8 Flood mitigation program.**

1. The board shall establish and the department, subject to direction and approval by the board, shall administer a flood mitigation program to assist governmental entities in undertaking projects approved under this chapter. The flood mitigation program shall

include projects approved by the board to utilize either financial assistance from the flood mitigation fund created under section 418.10 or sales tax revenues remitted to the governmental entity under section 418.12. A governmental entity shall not be approved by the board to utilize both financial assistance from the flood mitigation fund and sales tax revenues remitted to the governmental entity.

2. The board shall, by rules adopted under section 418.7, prescribe application instructions, forms, and other requirements deemed necessary to operate the flood mitigation program.

3. The board may contract with or otherwise consult with the Iowa flood center, established under section 466C.1, to assist the board in administering the flood mitigation program.

4. The board shall submit a written report to the governor and the general assembly on or before January 15 of each year. The report shall include information relating to all projects approved by the board for inclusion in the flood mitigation program, the status of such projects, summaries of each report submitted to the board under section 418.4, subsection 6, information relating to the types of funding being used for each approved project, including all indebtedness incurred by the applicable governmental entities, and any recommendations for legislative action to modify the provisions of this chapter.

2012 Acts, ch 1094, §9, 18; 2013 Acts, ch 29, §54
Subsection 1 amended

**418.9 Project application review.**

1. *a.* A governmental entity shall submit an application to the board for approval of a project plan. The board shall not approve a project for inclusion in the program if the application is submitted after January 1, 2016.

*b.* The application shall specify whether the governmental entity is requesting financial assistance from the flood mitigation fund or approval for the use of sales tax revenues. Applications for financial assistance from the flood mitigation fund shall describe the type and amount of assistance requested. Applications for the use of sales tax revenues shall state the amount of sales tax revenues necessary for completion of the project.

2. Each application shall include or have attached to the application, the governmental entity's project plan adopted under section 418.4, subsection 2. When reviewing applications, in addition to the project plan, the board shall consider, at a minimum, all of the following:

*a.* Whether the project is designed to mitigate future flooding of property that has sustained significant flood damage and is likely to sustain significant flood damage in the future.

*b.* Whether the project plan addresses the impact of flooding both upstream and downstream from the area where the project is to be undertaken and whether the project conforms to any applicable floodplain ordinance.

*c.* Whether the area that would benefit from the project's flood mitigation efforts is sufficiently valuable to the economic viability of the state or is of sufficient historic value to the state to justify the cost of the project.

*d.* The extent to which the project would utilize local matching funds. The board shall not approve a project unless at least fifty percent of the total cost of the project, less any federal financial assistance for the project, is funded using local matching funds, and unless the project will result in nonpublic investment in the governmental entity's area as defined in section 418.11, subsection 3, of an amount equal to fifty percent of the total cost of the project. For purposes of this paragraph, "*nonpublic investment*" means investment by nonpublic entities consisting of capital investment or infrastructure improvements occurring in anticipation of or as a result of the project during the period of time between July 1, 2008, and ten years after the board approved the project.

*e.* The extent of nonfinancial support committed to the project from public and nonpublic sources.

*f.* Whether the project is designed in coordination with other watershed management measures adopted by the governmental entity or adopted by the participating jurisdictions of the governmental entity, as applicable.

*g.* Whether the project plan is consistent with the applicable comprehensive emergency plan in effect and other applicable local hazard mitigation plans.

*h.* Whether financial assistance through the flood mitigation program is essential to meet the necessary expenses or serious needs of the governmental entity related to flood mitigation.

3. If requested by the board during consideration of an application, the governmental entity shall pay for an independent engineering review of the project to determine the technical feasibility, engineering standards, and total estimated cost of the project. An engineering review required by the board under this subsection may be completed by the United States army corps of engineers.

4. Upon review of the applications, the board, following consultation with the economic development authority, shall approve, defer, or deny the applications. If a project plan is denied, the board shall state the reasons for the denial and the governmental entity may resubmit the application so long as the application is filed on or before January 1, 2016. If a project plan application is approved, the board shall specify whether the governmental entity is approved for the use of sales tax revenues under section 418.12 or whether the governmental entity is approved to receive financial assistance from the flood mitigation fund under section 418.10. If the board approves a project plan application that includes financial assistance from the flood mitigation fund, the board shall negotiate and execute on behalf of the department all necessary agreements to provide such financial assistance. If the board approves a project plan application that includes the use of sales tax increment revenues, the board shall establish the annual maximum amount of such revenues that may be remitted to the governmental entity not to exceed the limitations in section 418.12, subsection 4. The board may, however, establish remittance limitations for the project lower than the individual project remittance limitations specified for projects under section 418.12, subsection 4.

5. The board shall not approve a project plan application that includes financial assistance from the flood mitigation fund or the use of sales tax revenue to pay principal and interest on or to refinance any debt or other obligation existing prior to the approval of the project.

6. The board shall not approve a project plan application for which the amount of sales tax increment revenue remitted to the governmental entity would exceed fifteen million dollars in any one fiscal year or if approval of the project would result in total remittances in any one fiscal year for all approved projects to exceed, in the aggregate, thirty million dollars.

7. Upon approval of an application for financial assistance under the program, the board shall notify the treasurer of state regarding the amount of moneys needed to satisfy the award of financial assistance and the terms of the award. The treasurer of state shall notify the department any time moneys are disbursed to a recipient of financial assistance under the program.

8. If, following approval of a project application under the program, it is determined that the amount of federal financial assistance exceeds the amount of federal financial assistance specified in the application, the board shall reduce the award of financial assistance from the flood mitigation fund or reduce the amount of sales tax revenue to be received for the project by a corresponding amount.

2012 Acts, ch 1094, §10, 18; 2012 Acts, ch 1138, §70, 84, 85; 2013 Acts, ch 29, §55
Referred to in §418.1, 418.4, 418.12
Subsections 4 and 7 amended

**418.10 Flood mitigation fund.**

1. A flood mitigation fund is created as a separate and distinct fund in the state treasury under the control of the board and consists of moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the board for placement in the fund. Moneys in the fund shall only be used for the purposes of this section.

2. Payments of interest, repayments of moneys loaned pursuant to this chapter, and recaptures of grants, if provided for in the financial assistance agreements, shall be deposited in the fund.

3. The moneys in the fund shall be used to provide assistance in the form of grants, loans,

and forgivable loans. The board may only provide financial assistance from moneys in the fund.

4. Moneys credited to the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this chapter. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

5. If any portion of the moneys appropriated for deposit in the fund have not been awarded during the fiscal year for which the appropriation is made, the portion which has not been awarded may be utilized by the board to provide financial assistance under the program in subsequent fiscal years.

6. The board may make a multiyear commitment to a governmental entity of up to four million dollars in any one fiscal year.

7. Moneys received by a governmental entity from the fund shall be deposited in the governmental entity's flood project fund under section 418.13.

8. The board is not required to award financial assistance pursuant to this section unless moneys are appropriated to and available from the fund.

9. Following completion of all projects approved to utilize financial assistance from the fund and upon a determination by the board that remaining moneys in the fund are no longer needed for the program, all moneys remaining in the fund or subsequently deposited in the fund shall be credited for deposit in the general fund of the state.

2012 Acts, ch 1094, §11, 18

Referred to in §418.4, 418.8, 418.9, 418.13

**418.11 Sales tax increment calculation.**

1. The department of revenue shall calculate quarterly the amount of increased sales tax revenues for each governmental entity approved to use sales tax increment revenues and the amount of such revenues to be transferred to the sales tax increment fund pursuant to section 423.2, subsection 11, paragraph *"b"*.

2. The department of revenue shall calculate the amount of the increase for purposes of subsection 1 as follows:

*a.* Determine the amount of sales subject to the tax under section 423.2 in each applicable area specified in subsection 3, during the corresponding quarter in the base year from retail establishments in such areas.

*b.* Determine the amount of sales subject to the tax under section 423.2 in each applicable area specified in subsection 3, during the corresponding quarter in each subsequent calendar year from retail establishments in such areas.

*c.* Subtract the base year quarterly amount determined under paragraph *"a"* from the subsequent calendar year quarterly amount in paragraph *"b"*.

*d.* If the amount determined under paragraph *"c"* is positive, the product of the amount determined under paragraph *"c"* times the tax rate imposed under section 423.2 shall constitute the amount of increased sales tax revenue pursuant to subsection 1.

3. *a.* For projects approved for a governmental entity as defined in section 418.1, subsection 4, paragraph *"a"*, the area used to determine the sales tax increment shall include only the unincorporated areas of the county.

*b.* For projects approved for a governmental entity as defined in section 418.1, subsection 4, paragraph *"b"*, the area used to determine the sales tax increment shall include only the incorporated areas of the city.

*c.* For projects approved for a governmental entity as defined in section 418.1, subsection 4, paragraph *"c"*, the area used to determine the sales tax increment shall include the incorporated areas of each city that is participating in the chapter 28E agreement, the unincorporated areas of the participating county, and the area of any participating drainage district not otherwise included in the areas of the participating cities or county, as applicable.

4. Each governmental entity shall assist the department of revenue in identifying retail establishments in the governmental entity's applicable area that are collecting sales tax. This

process shall be ongoing until the governmental entity ceases to utilize sales tax revenue under this chapter.

2012 Acts, ch 1094, §12, 18
Referred to in §418.9, 418.12, 423.2

**418.12 Sales tax increment fund.**

1. A sales tax increment fund is established as a separate and distinct fund in the state treasury under the control of the department of revenue consisting of the amount of the increased state sales and services tax revenues collected by the department of revenue within each applicable area specified in section 418.11, subsection 3, and deposited in the fund pursuant to section 423.2, subsection 11, paragraph *"b"*. Moneys deposited in the fund are appropriated to the department of revenue for the purposes of this section. Moneys in the fund shall only be used for the purposes of this section.

2. An account is created within the fund for each governmental entity that has adopted a resolution under section 418.4, subsection 3, paragraph *"d"*.

3. The department of revenue shall deposit in the fund the moneys described in subsection 1 beginning the first day of the quarter following receipt of a resolution under section 418.4, subsection 3, paragraph *"d"*. However, in no case shall a sales tax increment be calculated under section 418.11 or such moneys be deposited in the fund under this section prior to January 1, 2014.

4. *a.* Upon request of a governmental entity, the department of revenue shall remit the moneys in the governmental entity's account within the fund to the governmental entity for deposit in the governmental entity's flood project fund. Such requests shall be made not more than quarterly. Requests for remittance shall be submitted on forms prescribed by the department of revenue. In lieu of quarterly requests, a governmental entity may submit a certified schedule of principal and interest payments on bonds issued under section 418.14. If such a certified schedule is submitted, the department of revenue shall, subject to the remittance limitations of this chapter, remit from the governmental entity's account to the governmental entity for deposit in the governmental entity's flood project fund the amounts necessary for such principal and interest payments in accordance with the certified schedule. Requests for remittance shall be made for the amount of moneys in the governmental entity's account necessary to pay the governmental entity's costs or obligations related to the project, according to the sales tax revenue funding needs specified in the approved project plan. A governmental entity shall not, however, during any fiscal year receive remittances under this section exceeding fifteen million dollars or seventy percent of the total yearly amount of increased sales tax increment revenue in the governmental entity's applicable area and deposited in the governmental entity's account, whichever is less. The total amount of remittances during any fiscal year for all governmental entities approved to use sales tax revenues under this chapter shall not exceed, in the aggregate, thirty million dollars. Remittances from the department of revenue shall be deposited in the governmental entity's flood project fund under section 418.13.

*b.* The department of revenue shall adopt rules for the remittance of moneys to governmental entities.

5. If the department of revenue determines that the revenue accruing to the fund or accounts within the fund exceeds thirty million dollars or exceeds the amount necessary for the purposes of this chapter if the amount necessary is less than thirty million dollars, then those excess moneys shall be credited by the department of revenue for deposit in the general fund of the state.

6. *a.* Each governmental entity approved by the board to use sales tax increment revenues for a project under this chapter shall submit two reports to the board certifying the total amount of nonpublic investment, as defined in section 418.9, subsection 2, paragraph *"d"*, that has occurred in the governmental entity's area as defined in section 418.11, subsection 3. The first report shall be submitted not later than five years after the board approved the project. The second report shall be submitted to the board not later than ten years after the board approved the project.

*b.* If the nonpublic investment requirements of section 418.9, subsection 2, paragraph

"*d*", are not satisfied, the board shall reduce the governmental entity's amount of sales tax increment revenues eligible to be remitted during the remaining period of time for receiving remittances by an amount equal to the shortfall in nonpublic investment. However, such a reduction shall not be to an amount less than zero.

2012 Acts, ch 1094, §13, 18
Referred to in §418.4, 418.8, 418.9, 418.13, 418.14, 423.2

**418.13 Flood project fund.**

1. Sales tax revenue remitted by the department of revenue to a governmental entity under section 418.12 or financial assistance received by a governmental entity pursuant to section 418.10 shall be deposited in the governmental entity's flood project fund created for purposes of this chapter and shall be used to fund the costs of the governmental entity's approved project and to pay principal and interest on bonds issued pursuant to section 418.14, if applicable.

2. In addition to the moneys received pursuant to section 418.10 or 418.12, a governmental entity may deposit in the flood project fund any other moneys lawfully received by the governmental entity, including but not limited to local sales and services tax receipts collected under chapter 423B.

2012 Acts, ch 1094, §14, 18
Referred to in §418.4, 418.10, 418.12, 418.14

**418.14 Bond issuance.**

1. *a.* A governmental entity receiving sales tax revenues pursuant to this chapter is authorized to issue bonds that are payable from revenues deposited in the governmental entity's flood project fund created pursuant to section 418.13 for the purpose of funding a project in the area from which sales tax revenues will be collected.

*b.* A governmental entity shall have the authority to pledge irrevocably to the payment of the bonds an amount of revenue derived from the sales tax revenue received by the governmental entity pursuant to section 418.12 for each of the years the bonds remain outstanding, together with other amounts held in the flood project fund of the governmental entity.

*c.* The costs of a project may include but are not limited to administrative expenses, construction and reconstruction costs, engineering, fiscal, financial and legal expenses, surveys, plans and specifications, interest during construction or reconstruction and for one year after completion of the project, initial reserve funds, acquisition of real or personal property necessary for the construction or reconstruction of the project, subject to the limitation in section 418.4, subsection 1, paragraph "*c*", and such other costs as are necessary and incidental to the construction or reconstruction of the project and the financing thereof. The governmental entity shall have the power to retain and enter into agreements with engineers, fiscal agents, financial advisers, attorneys, architects, and other consultants or advisers for planning, supervision, and financing of a project upon such terms and conditions as shall be deemed by the governing body of the governmental entity as advisable and in the best interest of the governmental entity. Bonds issued under the provisions of this chapter are declared to be investment securities under the laws of the state of Iowa.

2. *a.* If a governmental entity elects to authorize the issuance of bonds payable as provided in this section, the governmental entity shall follow the authorization procedures for cities set forth in section 384.83.

*b.* A governmental entity shall have the authority to issue bonds for the purpose of refunding outstanding bonds issued under this section without otherwise complying with the notice and hearing provisions of section 384.83.

3. *a.* Except as otherwise provided in this section, bonds issued pursuant to this section shall not be subject to the provisions of any other law or charter relating to the authorization, issuance, or sale of bonds. Bonds issued under this section shall not limit or restrict the authority of a governmental entity as defined in section 418.1, subsection 4, paragraphs "*a*" and "*b*", or a city, county, or drainage district participating in a governmental entity as

defined in section 418.1, subsection 4, paragraph "*c*", to issue bonds for the project under other provisions of the Code.

*b.* The bonds may be issued in one or more series and shall comply with all of the following:

(1) The bonds shall bear the date of issuance.

(2) The bonds shall specify whether they are payable on demand or the time of maturity.

(3) The bonds shall bear interest at a rate not exceeding that permitted by chapter 74A.

(4) The bonds shall be in a denomination or denominations, be in the form, have the rank or priority, be executed in the manner, be payable in the medium of payment, at the place or places, be subject to the terms of redemption, with or without premium, be secured in the manner, and have the other characteristics, as may be provided by the resolution authorizing their issuance. The resolution authorizing the issuance of the bonds may also prescribe additional provisions, terms, conditions, and covenants which the governmental entity deems advisable, including provisions for creating and maintaining reserve funds and the issuance of additional bonds ranking on a parity with such bonds and additional bonds junior and subordinate to such bonds.

*c.* The bonds may be sold at public or private sale at a price as may be determined by the governmental entity.

*d.* The principal and interest on the bonds issued by a governmental entity under this section shall be payable solely and only from and secured by the revenue derived from the sales tax revenues received by the governmental entity pursuant to section 418.12 and from other funds of the governmental entity lawfully available from the governmental entity's flood project fund established under section 418.13.

4. *a.* Bonds, notes, or other obligations issued by a governmental entity for purposes of financing a project under this chapter are not an obligation of this state. Except to the extent a debt service levy is authorized for the payment of a governmental entity's costs related to bonds, notes, or other obligations as provided in paragraph "*b*", bonds, notes, or other obligations issued by a governmental entity for purposes of financing a project under this chapter are not an obligation of any political subdivision of this state other than the governmental entity, and such bonds, notes, or other obligations shall not constitute an indebtedness of any political subdivision of this state within the meaning of any constitutional or statutory debt limitation or restriction. A governmental entity shall not pledge the credit or taxing power of this state. Except as provided in paragraph "*b*", a governmental entity shall not pledge the credit or taxing power of any political subdivision of this state other than the governmental entity or make its bonds issued under this section payable out of any moneys except those in the governmental entity's flood project fund.

*b.* If the moneys in the governmental entity's flood project fund are insufficient to pay the governmental entity's costs related to bonds, notes, or other obligations issued under this chapter, the amounts necessary to pay such costs may be levied and transferred for deposit in the governmental entity's flood project fund from the debt service fund of the governmental entity or, if applicable, the debt service fund of a participating city or county for a governmental entity as defined in section 418.1, subsection 4, paragraph "*c*", but only if and to the extent provided in the resolution authorizing the issuance of bonds and, if applicable, the chapter 28E agreement.

*c.* The sole remedy for a breach or default of a term of a bond issued under this section is a proceeding in law or in equity by suit, action, or mandamus to enforce and compel performance of the duties required by this chapter and of the terms of the resolution authorizing the issuance of the bonds.

2012 Acts, ch 1094, §15, 18

Referred to in §331.430, 384.4, 418.12, 418.13

**418.15 Durational limitation on use of revenues — property disposition.**

1. A governmental entity shall not receive remittances of sales tax revenue under this chapter after twenty years from the date the governmental entity's project was approved by the board.

2. If the governmental entity ceases to need the sales tax revenues prior to the expiration

of the limitation under subsection 1, the governmental entity shall notify the director of revenue.

3. Upon the receipt of a notification pursuant to subsection 2, or the expiration of the limitation under subsection 1, the department of revenue shall cease to deposit revenues into the governmental entity's account in the sales tax increment fund.

4. All property and improvements acquired by a governmental entity as defined in section 418.1, subsection 4, paragraph "*c*", relating to a project shall be transferred to the county, city, or drainage district designated in the chapter 28E agreement to receive such property and improvements. The county, city, or drainage district to which such property or improvements are transferred shall, unless otherwise provided in the chapter 28E agreement, be solely responsible for the ongoing maintenance and support of such property and improvements.

2012 Acts, ch 1094, §16, 18

# CHAPTER 419

## MUNICIPAL SUPPORT OF PROJECTS

Referred to in §26.2, 76.6, 390.6, 423.4, 554.9109


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**419.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Beginning businessperson"* means an individual with an aggregate net worth of the individual and the individual's spouse and children of less than one hundred thousand dollars. Net worth means total assets minus total liabilities as determined in accordance with generally accepted accounting principles.

2. *"Bonds"* of a municipality includes bonds, notes or other securities.

3. *"Contracting party"* or *"other contracting party"* means any party to a sale contract or loan agreement except the municipality.

4. *"Corporation"* includes a corporation whether organized for profit or not for profit for which the secretary of state has issued a certificate of incorporation or a permit for the transaction of business within the state and further includes a cooperative association.

5. *"Equip"* means to install or place on or in any building or improvements or the site thereof equipment of any and every kind, including, without limiting the generality of the foregoing, machinery, utility service connections, building service equipment, fixtures, heating equipment, and air conditioning equipment and including, in the case of portable equipment used for pollution control, all such machinery and equipment which maintains a substantial connection with the building or improvement or the site thereof where installed, placed, or primarily based.

6. *"Governing body"* means the board, council or other body in which the legislative powers of the municipality are vested.

7. *"Lease"* includes a lease containing an option to purchase the project for a nominal sum upon payment in full, or provision therefor, of all bonds issued in connection with the project and all interest thereon and all other expenses incurred in connection with the project, and

a lease containing an option to purchase the project at any time, as provided therein, upon payment of the purchase price which shall be sufficient to pay all bonds issued in connection with the project and all interest thereon and all other expenses incurred in connection with the project, but which payment may be made in the form of one or more notes, debentures, bonds or other secured or unsecured debt obligations of the lessee providing for timely payments, including without limitation, interest thereon sufficient for such purposes and delivered to the municipality or to the trustee under the indenture pursuant to which the bonds were issued. A single lease may contain both of the foregoing options.

8. *"Lessee"* includes a single person, firm or corporation or any two or more persons, firms or corporations which shall lease the project as tenants-in-common or otherwise and which shall undertake rental payments and other monetary obligations under the lease of the project sufficient in the aggregate to satisfy the rental and other monetary obligations required by this chapter to be undertaken by the lessee of a project.

9. *"Loan agreement"* means an agreement providing for a municipality to loan the proceeds derived from the issuance of bonds pursuant to this chapter to one or more contracting parties to be used to pay the cost of one or more projects and providing for the repayment of such loan by the other contracting party or parties, and which may provide for such loans to be secured or evidenced by one or more notes, debentures, bonds or other secured or unsecured debt obligations of the contracting party or parties, delivered to the municipality or to the trustee under the indenture pursuant to which the bonds were issued.

10. *"Mortgage"* shall include a deed of trust.

11. *"Municipality"* means any county, or any incorporated city in this state.

12. *"Project"* means all or any part of, or any interest in:

*a.* Land, buildings, or improvements, whether or not in existence at the time of issuance of the bonds issued under this chapter, which are suitable for the use of any of the following:

(1) A voluntary nonprofit hospital, clinic, or health care facility as defined in section 135C.1, subsection 7.

(2) One or more physicians for an office building to be used exclusively by professional health care providers, including appropriate ancillary facilities.

(3) A private college or university or a state institution governed under chapter 262 whether for the establishment or maintenance of the college or university or state institution.

(4) An industry or industries for the manufacturing, processing, or assembling of agricultural or manufactured products, even though the processed products may require further treatment before delivery to the ultimate consumer.

(5) A commercial enterprise engaged in storing, warehousing, or distributing products of agriculture, mining, or industry including but not limited to barge facilities and riverfront improvements useful and convenient for the handling and storage of goods and products.

(6) A facility for the generation of electrical energy through the use of a renewable energy source including but not limited to hydroelectric and wind generation facilities.

(7) A facility engaged in research and development activities.

(8) A national, regional, or divisional headquarters facility of a company that does multistate business.

(9) A museum, library, or tourist information center.

(10) A telephone company.

(11) A beginning businessperson for any purpose.

(12) A commercial amusement or theme park.

(13) A housing unit or complex for persons who are elderly or persons with disabilities.

(14) A fair or exposition held in the state, other than the Iowa state fair, which is a member of the association of Iowa fairs.

(15) A sports facility.

(16) A facility for an organization described in section 501(c)(3) of the Internal Revenue Code which is exempt from federal income tax under section 501(a) of the Internal Revenue Code.

*b.* Pollution control facilities which are suitable for use by any industry, commercial enterprise or utility. *"Pollution control facilities"* means any land, buildings, structures, equipment, including portable equipment, pipes, pumps, dams, reservoirs, improvements,

or other facilities useful for the purpose of reducing, preventing, or eliminating pollution of the water or air by reason of the operations of any industry, commercial enterprise or utility or for the disposal, including without limitation recycling, of solid waste. *"Improve"*, *"improving"* and *"improvements"* include any real property, personal property or mixed property of any and every kind that can be used or that will be useful in connection with a project, including but not limited to rights-of-way, roads, streets, sidings, trackage, foundations, tanks, structures, pipes, pipelines, reservoirs, utilities, materials, equipment, fixtures, machinery, furniture, furnishings, improvements, instrumentalities and other real, personal, or mixed property of every kind, whether above or below ground level.

*c.* Purposes that are eligible for financing from qualified midwestern disaster area bonds authorized under the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, together with any other financing necessary or desirable in connection with such purposes.

*d.* Purposes for which tax-exempt financing is authorized by the Internal Revenue Code, together with any other financing necessary or desirable in connection with such purposes.

13. *"Revenues"* of a project, or derived from a project, include payments under a lease or sale contract and repayments under a loan agreement, or under notes, debentures, bonds and other secured or unsecured debt obligations of a lessee or contracting party delivered as herein provided.

14. *"Sale contract"* means a contract providing for the sale of one or more projects to one or more contracting parties and includes a contract providing for payment of the purchase price in one or more installments. If the sale contract permits title to the project to pass to the other contracting party or parties prior to payment in full of the entire purchase price, it shall also provide for the other contracting party or parties to deliver to the municipality or to the trustee under the indenture pursuant to which the bonds were issued one or more notes, debentures, bonds or other secured or unsecured debt obligations of such contracting party or parties providing for timely payments, including without limitation, interest thereon for the balance of the purchase price at or prior to the passage of such title.

[C66, 71, 73, 75, 77, 79, 81, §419.1; 81 Acts, ch 130, §1; 82 Acts, ch 1001, §1, ch 1049, §1, 2, ch 1132, §1]

83 Acts, ch 47, §1; 83 Acts, ch 182, §1; 84 Acts, ch 1266, §22; 94 Acts, ch 1162, §1; 96 Acts, ch 1129, §91; 2009 Acts, ch 100, §17, 21; 2012 Acts, ch 1023, §157; 2013 Acts, ch 90, §99

Referred to in §419.17, 419.18

Subsection 12, paragraph c amended

**419.2 Powers.**

A municipality shall not have the power to operate any project financed under this chapter, as a business or in any manner except as specifically provided in this chapter. In addition to any other powers which it may now have, each municipality shall have the following powers:

1. To acquire, whether by construction, purchase, gift or lease, and to improve and equip, one or more projects. The projects shall be located within this state, may be located within or near the municipality, but shall not be located more than eight miles outside the corporate limits of the municipality, provided that ancillary improvements necessary or useful in connection with the main project may be located more than eight miles outside the corporate limits of the municipality or, in the case of a project which includes portable equipment for pollution control, that the situs of the principal place of business of the owner of such portable equipment is located within the municipality or not more than eight miles outside of the corporate limits of the municipality.

2. To lease to others one or more projects for such rentals and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter, but in no case shall the rentals be less than the average rental cost for like or similar facilities within the competitive commercial area.

3. To sell to others one or more projects for such payments and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter.

4. To enter into loan agreements with others with respect to one or more projects for such

payments and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter.

5. To issue revenue bonds for the purpose of defraying the cost of any project and to secure payment of such bonds as provided in this chapter. However, in the case of a project suitable for the use of a beginning businessperson, the bonds may not exceed the aggregate principal amount of five hundred thousand dollars.

6. To grant easements for roads, streets, water mains and pipes, sewers, power lines, telephone lines, all pipe lines, and to all utilities.

7. To issue revenue bonds for the purpose of retiring existing indebtedness of any private or state of Iowa college or university or of any person who incurred the indebtedness to finance a project for any private or state of Iowa college or university, to secure payment of the bonds as provided in this chapter, and to enter into agreements with others with respect to these bonds for such payments and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter. The retiring of any existing indebtedness of a private or state of Iowa college or university or of any person who incurred the indebtedness to finance a project for a private or state of Iowa college or university shall be deemed a *"project"* for the purposes of this chapter.

8. To issue revenue bonds for the purpose of retiring any existing indebtedness of a health care facility, clinic or voluntary nonprofit hospital, to secure payment of the bonds as provided in this chapter, and to enter into agreements with others with respect to these bonds for such payments and upon such terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter. The retiring of any existing indebtedness of a health care facility, clinic or voluntary nonprofit hospital shall be deemed a *"project"* for the purposes of this chapter.

9. To issue revenue bonds for the purpose of retiring any existing indebtedness on a facility for an organization described in section 501(c)(3) of the Internal Revenue Code which is exempt from federal income tax under section 501(a) of the Internal Revenue Code, to secure payment of the bonds as provided in this chapter, and to enter into agreements with others with respect to these bonds for the payments and upon the terms and conditions as the governing body may deem advisable in accordance with the provisions of this chapter. The retiring of any existing indebtedness on a facility for an organization described in section 501(c)(3) of the Internal Revenue Code is a *"project"* for the purposes of this chapter.

[C66, 71, 73, 75, §419.2; C77, 79, §419.2, 419.7; C81, §419.2; 82 Acts, ch 1049, §3]
94 Acts, ch 1162, §2; 2010 Acts, ch 1069, §138, 139

**419.3 Bonds as limited obligations.**

1. All bonds issued by a municipality, under the authority of this chapter, shall be limited obligations of the municipality. The principal of and interest on such bonds shall be payable solely out of the revenues derived from the project to be financed by the bonds so issued under the provisions of this chapter including debt obligations of the lessee or contracting party obtained from or in connection with the financing of a project. Bonds and interest coupons issued under authority of this chapter shall never constitute an indebtedness of the municipality, within the meaning of any state constitutional provision or statutory limitation, and shall not constitute nor give rise to a pecuniary liability of the municipality or a charge against its general credit or taxing powers. Such limitation shall be plainly stated on the face of each such bond.

2. The bonds referred to in subsection 1 of this section may be executed and delivered at any time and from time to time; be in such form and denominations; without limitation as to the denomination of any bond, any other law to the contrary notwithstanding; be of such tenor; be fully registered, registrable as to principal or in bearer form; be transferable; be payable in such installments and at such time or times, not exceeding thirty years from their date; be payable at such place or places in or out of the state of Iowa; bear interest at such rate or rates, payable at such place or places in or out of the state of Iowa; be evidenced in such manner and may contain other provisions not inconsistent with this chapter; all as shall be provided in the proceedings of the governing body where the bonds are authorized to be issued. The governing body may provide for the exchange of coupon bonds for fully

registered bonds and of fully registered bonds for coupon bonds and for the exchange of any such bonds after issuance for bonds of larger or smaller denominations, all in the manner as may be provided in the proceedings authorizing their issuance, provided the bonds in changed form or denominations shall be exchanged for the surrendered bonds in the same aggregate principal amounts and in such manner that no overlapping interest is paid, and the bonds in changed form or denominations shall bear interest at the same rate or rates and shall mature on the same date or dates as the bonds for which they are exchanged. If an exchange is made under this section, the bonds surrendered by the holders at the time of the exchange shall be canceled or held by a trustee for subsequent exchanges in accordance with this section. The exchange shall be made only at the request of the holders of the bonds to be surrendered, and the governing body may require all expenses incurred in connection with the exchange to be paid by the holders. If any of the officers whose signatures appear on the bonds or coupons cease to be officers before the delivery of the bonds, such signatures are, nevertheless, valid and sufficient for all purposes, the same as if the officers had remained in office until delivery.

3. Unless otherwise provided in the proceedings of the governing body whereunder the bonds are authorized to be issued, bonds issued under the provisions of this chapter shall be subject to the general provisions of law, presently existing or that may hereafter be enacted, respecting the execution and delivery of the bonds of a municipality and respecting the retaining of options of redemption in proceedings authorizing the issuance of municipal securities.

4. Any bonds, issued under the authority of this chapter, may be sold at public sale in such manner, at such price and at such time or times as may be determined by the governing body to be most advantageous. The municipality may pay all expenses, premiums and commissions which the governing body may deem necessary or advantageous in connection with the authorization, sale and issuance thereof.

5. All bonds, issued under the authority of this chapter and all interest coupons applicable thereto, shall be construed to be negotiable instruments, even though they are payable solely from a specified source.

[C66, 71, 73, 75, 77, 79, 81, §419.3]

83 Acts, ch 90, §28

Referred to in §419.6

**419.4 Pledge of revenues.**

1. The principal of and interest on any bonds, issued under authority of this chapter, shall be secured by a pledge of the revenues out of which such bonds shall be made payable. They may be secured by a mortgage covering all or any part of the project from which the revenues so pledged may be derived or by a pledge of the lease, sale contract or loan agreement with respect to such project or by a pledge of one or more notes, debentures, bonds or other secured or unsecured debt obligations of the lessee or contracting party.

2. *a.* The proceedings under which the bonds are authorized to be issued under the provisions of this chapter, and any mortgage given to secure the same, may contain any agreements and provisions customarily contained in instruments securing bonds, including but not limited to:

(1) Provisions respecting custody of the proceeds from the sale of the bonds including their investment and reinvestment until used to defray the cost of the project.

(2) Provisions respecting the fixing and collection of rents or payment with respect to any project covered by such proceedings or mortgage.

(3) The terms to be incorporated in the lease, sale contract, or loan agreement with respect to such project.

(4) The maintenance and insurance of such project.

(5) The creation, maintenance, custody, investment and reinvestment and use of special funds from the revenues of such project.

(6) The rights and remedies available in case of a default to the bond holders or to any trustee under the lease, sale contract, loan agreement or mortgage.

*b.* (1) A municipality shall have the power to provide that proceeds from the sale of bonds and special funds from the revenues of the project shall be invested and reinvested in such

securities and other investments as shall be provided in the proceedings under which the bonds are authorized to be issued including:

(a) Obligations issued or guaranteed by the United States.

(b) Obligations issued or guaranteed by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States.

(c) Obligations issued or guaranteed by any state of the United States, or the District of Columbia, or any political subdivision of any such state or district.

(d) Prime commercial paper.

(e) Prime finance company paper.

(f) Bankers' acceptances drawn on and accepted by banks organized under the laws of any state or of the United States.

(g) Repurchase agreements fully secured by obligations issued or guaranteed by the United States or by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States.

(h) Certificates of deposit issued by banks organized under the laws of any state or of the United States; whether or not such investment or reinvestment is authorized under any other law of this state. The municipality shall also have the power to provide that such proceeds or funds or investments and the amounts payable under the lease, sale contract, or loan agreement shall be received, held and disbursed by one or more banks or trust companies located in or out of the state of Iowa.

(2) A municipality shall also have the power to provide that the project and improvements shall be constructed by the municipality, lessee, the lessee's designee, the contracting party, or the contracting party's designee, or any one or more of them on real estate owned by the municipality, the lessee, the lessee's designee, the contracting party, or the contracting party's designee, as the case may be, and that the bond proceeds shall be disbursed by the trustee bank or banks, trust company or trust companies, during construction upon the estimate, order or certificate of the lessee, the lessee's designee, the contracting party, or the contracting party's designee.

c. In making such agreements or provisions as provided in this subsection, a municipality shall not have the power to obligate itself, except with respect to the project and the application of the revenues therefrom, and shall not have the power to incur a pecuniary liability or a charge upon its general credit or against its taxing powers.

3. The proceedings authorizing any bonds under the provisions of this chapter, or any mortgage securing such bonds, may provide that if there is a default in the payment of the principal of or the interest on such bonds or in the performance of any agreement contained in such proceedings or mortgage, the payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with power to charge and collect rents and payments and to apply the revenues from the project in accordance with such proceedings or the provisions of such mortgage.

4. Any mortgage, made under the provisions of this chapter, to secure bonds issued thereunder, may also provide that if there is a default in the payment thereof or a violation of any agreement contained in the mortgage, it may be foreclosed and sold under proceedings in equity or in any other manner permitted by law. Such mortgage may also provide that any trustee under such mortgage or the holder of any bonds secured thereby may become the purchaser at any foreclosure sale if the trustee or holder is the highest bidder therefor.

[C66, 71, 73, 75, 77, 79, 81, §419.4]

2012 Acts, ch 1021, §71; 2013 Acts, ch 30, §83, 84

Referred to in §419.6

Subsection 2, paragraph a, subparagraph (5) amended

Subsection 2, paragraph b amended

**419.5 Determination of rent.**

1. Prior to entering into a lease, sale contract or loan agreement with respect to any project, the governing body must determine the amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance such project; the amount necessary to be paid each year into any reserve funds which the governing body

may deem advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project; and unless the terms of the lease, sale contract or loan agreement provide that the lessee or contracting party shall maintain the project and carry all proper insurance with respect thereto, the estimated cost of maintaining the project in good repair and keeping it properly insured.

2. The determination and findings of the governing body, required to be made by subsection 1 of this section, shall be set forth in the proceedings under which the proposed bonds are to be issued; provided, however, that the foregoing amounts need not be expressed in dollars and cents in the lease, sale contract or loan agreement or in the proceedings under which the bonds are authorized to be issued, but may be set forth in the form of a formula or formulas. Prior to the issuance of the bonds authorized by this chapter the municipality shall enter into a lease, sale contract or loan agreement with respect to the project which shall require the lessee or contracting party to complete the project and which shall provide for payment to the municipality of such rentals or payments as, upon the basis of such determinations and findings, will be sufficient to pay the principal of and interest on the bonds issued to finance the project; to build up and maintain any reserves deemed advisable, by the governing body, in connection therewith and unless the lease, sale contract or loan agreement obligates the lessee or contracting party to pay for the maintenance and insurance on the project, to pay the costs of maintaining the project in good repair and keeping it properly insured.

[C66, 71, 73, 75, 77, 79, 81, §419.5]

Referred to in §419.11

**419.6 Refunding bonds.**

Any bonds, issued under the provisions of this chapter and at any time outstanding, may at any time and from time to time be refunded by a municipality by the issuance of its refunding bonds in such amount as the governing body may deem necessary but not exceeding an amount sufficient to refund the principal of the bonds to be so refunded, any unpaid interest thereon and any premiums and commissions necessary to be paid in connection therewith. Any such refunding may be effected whether the bonds to be refunded shall have matured or shall thereafter mature, either by sale of the refunding bonds and the application of the proceeds thereof for the payment of the bonds to be refunded thereby, or by exchange of the refunding bonds for the bonds to be refunded thereby, but the holders of any bonds to be so refunded shall not be compelled, without their consent, to surrender their bonds for payment or exchange prior to the date on which they are payable by maturity date, option to redeem or otherwise, or if they are called for redemption, prior to the date on which they are by their terms subject to redemption by option or otherwise. All refunding bonds, issued under authority of this chapter, shall be payable solely from the revenues out of which the bonds to be refunded thereby are payable and shall be subject to the provisions contained in section 419.3 and may be secured in accordance with the provisions of section 419.4.

[C66, 71, 73, 75, 77, 79, 81, §419.6]

**419.7 Application of proceeds limited.**

The proceeds from the sale of any bonds, issued under authority of this chapter, shall be applied only for the purpose for which the bonds were issued and if, for any reason, any portion of such proceeds shall not be needed for the purpose for which the bonds were issued, such unneeded portion of said proceeds shall be applied to the payment of the principal or the interest on said bonds. The cost of any project shall be deemed to include the actual cost of acquiring a site or the cost of the construction of any part of a project which may be constructed including architects' and engineers' fees, the purchase price of any part of a project that may be acquired by purchase, all expenses in connection with the authorization, sale and issuance of the bonds to finance such acquisition, an amount to be held as a bond reserve fund, and the interest on such bonds for a reasonable time prior to construction, during construction and for not exceeding six months after completion of construction.

[C66, 71, 73, 75, 77, 79, 81, §419.7]

**419.8 No payment by municipality.** Repealed by 2009 Acts, ch 100, § 20, 21.

**419.9 Public hearing.**

Prior to the issuance of any bonds under authority of this chapter, the municipality shall conduct a public hearing on the proposal to issue said bonds. Notice of intention to issue the bonds, specifying the amount and purpose thereof and the time and place of hearing, shall be published at least once not less than fifteen days prior to the date fixed for the hearing in a newspaper published and having a general circulation within the municipality. If there is no newspaper published therein, the notice shall be published in a newspaper published in the county and having a general circulation in the municipality. At the time and place fixed for the public hearing the governing body of the municipality shall give all local residents who appear at the hearing an opportunity to express their views for or against the proposal to issue the bonds and at the hearing, or any adjournment thereof, shall adopt a resolution determining whether or not to proceed with the issuance of the bonds.

[C66, 71, 73, 75, 77, 79, 81, §419.9]

**419.10 Default.**

In case of a default in the payment of any revenue bonds, issued pursuant to the provisions of this chapter, the municipality which defaulted in such payment shall be precluded from entering into any activity of its own except to release the property for some industrial activity.

[C66, 71, 73, 75, 77, 79, 81, §419.10]

**419.11 Tax equivalent to be paid — assessment procedure — appeal.**

1. *a.* Any municipality acquiring, purchasing, constructing, reconstructing, improving, or extending any industrial buildings, buildings used as headquarters facilities or pollution control facilities, as provided in this chapter, shall annually pay out of the revenue from such industrial buildings, buildings used as headquarters facilities or pollution control facilities to the state of Iowa and to the city, school district, and any other political subdivision, authorized to levy taxes, a sum equal to the amount of tax, determined by applying the tax rate of the taxing district to the assessed value of the property, which the state, county, city, school district, or other political subdivision would receive if the property were owned by any private person or corporation, any other statute to the contrary notwithstanding.

*b.* For purposes of arriving at such tax equivalent, the property shall be valued and assessed by the assessor in whose jurisdiction the property is located, in accordance with chapter 441, but the municipality, the lessee on behalf of the municipality, and such other persons as are authorized by chapter 441 shall be entitled to protest any assessment and take appeals in the same manner as any taxpayer. Such valuations shall be included in any summation of valuations in the taxing district for all purposes known to the law. Income from this source shall be considered under the provisions of section 384.16, subsection 1, paragraph "*a*", subparagraph (2).

2. If and to the extent the proceedings under which the bonds authorized to be issued under the provisions of this chapter so provide, the municipality may agree to cooperate with the lessee of a project in connection with any administrative or judicial proceedings for determining the validity or amount of any such payments and may agree to appoint or designate and reserve the right in and for such lessee to take all action which the municipality may lawfully take in respect of such payments and all matters relating thereto, provided, however, that such lessee shall bear and pay all costs and expenses of the municipality thereby incurred at the request of such lessee or by reason of any such action taken by such lessee in behalf of the municipality. Any lessee of a project which has paid, as rentals additional to those required to be paid pursuant to section 419.5, the amounts required by subsection 1, paragraph "*a*", to be paid by the municipality shall not be required to pay any such taxes to the state or to any such county, city, school district or other political subdivision, any other statute to the contrary notwithstanding. To the extent that any lessee or contracting party pays taxes on a project or part thereof, the municipality shall not be required to pay the tax equivalent herein provided, and to such extent the lessee or contracting party shall not be required to pay amounts to the municipality for such purpose.

3. This section shall not be applicable to any municipality acquiring, purchasing, constructing, reconstructing, improving, or extending any buildings for the purpose of establishing, maintaining, or assisting any private or state of Iowa college or university, nor to any municipality in connection with any project for the benefit of a voluntary nonprofit hospital, clinic, or health care facility, the property of which is otherwise exempt under the provisions of chapter 427. The payment, collection, and apportionment of the tax equivalent shall be subject to the provisions of chapters 445, 446 and 447.

[C66, 71, 73, 75, 77, 79, 81, §419.11]

2010 Acts, ch 1069, §145; 2011 Acts, ch 34, §94

**419.12 Purchase.**

The municipality may accept any bona fide offer to purchase which is sufficient to pay all the outstanding bonds, interest, taxes, special levies, and other costs that have been incurred.

[C66, 71, 73, 75, 77, 79, 81, §419.12]

**419.13 Exception to budget law and certain bond provisions.**

The provisions of sections 73A.12 to 73A.16 shall not apply to bonds issued under the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §419.13]

**419.14 Eminent domain not available.**

No land acquired by a municipality by the exercise of condemnation through eminent domain can be used to effectuate the purposes of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §419.14]

Referred to in §419.17

**419.15 Limitation of actions.**

No action shall be brought questioning the legality of any contract, lease, mortgage, proceedings or bonds executed in connection with any project or improvements authorized by this chapter from and after three months from the time the bonds are ordered issued by the proper authority.

[C66, 71, 73, 75, 77, 79, 81, §419.15]

**419.16 Intent of law.**

In order to provide available alternatives to enable municipalities to accomplish the purposes of this chapter in the manner deemed most advisable by their governing bodies, it is the intent of this chapter that a lessee or contracting party under a sale contract or loan agreement is not required to be the eventual user of a project, provided that the use of the project is consistent with the purposes of this chapter.

[C75, 77, 79, 81, §419.16]

83 Acts, ch 90, §29

**419.17 Revenue bonds issued.**

1. Cities may also issue revenue bonds for projects located within a qualified urban renewal area or an area designated a revitalization area pursuant to sections 404.1 to 404.7. The revenue bonds shall be issued pursuant to the provisions of this chapter and all provisions of this chapter shall apply, except that:

*a.* The term "*project*" as defined in section 419.1 includes land, buildings, or improvements which are suitable for use as residential property or for the use of a commercial enterprise or nonprofit organization which the governing body finds is consistent with the urban renewal plan for a qualified urban renewal area or the revitalization plan, as the case may be.

*b.* The provisions of section 419.14 shall not apply to projects within a qualified urban renewal area.

2. The power to issue revenue bonds pursuant to this section is in addition to other powers granted cities to aid qualified urban renewal areas and revitalization areas.

3. The term *"qualified urban renewal area"* means an urban renewal area designated as such pursuant to chapter 403 before July 1, 1979.

[C81, §419.17]

2009 Acts, ch 100, §18, 21

Referred to in §404.3

Chapter 404 applies to all cities including special charter cities; 79 Acts, ch 84, §12

**419.18 Grain and soybean storage facilities — bonds issued.**

In order to provide greater sources of financing and to encourage an increase in the capacity of grain and soybean storage facilities within the state, cities and counties may issue revenue bonds, to be originally purchased by financial institutions or other bond purchasers which are located within the city or county issuing the bonds, to finance the acquisition of grain and soybean storage facilities which may be located anywhere within the state. The revenue bonds shall be issued pursuant to this chapter and all provisions of this chapter shall apply except that the term *"project"* as defined in section 419.1 includes on-farm grain and soybean storage facilities, which facilities may include the grain or soybean drying and aerating equipment, and the project need not be located within the city or county issuing the revenue bonds.

[82 Acts, ch 1208, §1]

# CHAPTER 420

## SPECIAL CHARTER CITIES

Referred to in §97B.1A, 372.12

Chapter 404 applies to all cities including special charter cities; 79 Acts, ch 84, §12

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## GENERAL PROVISIONS AND POWERS

**420.1 through 420.40** Reserved.

**420.41 Applicability of provisions.**

1. No state law shall be deemed to impair, alter or affect the provisions of any such special charter or any existing amendment thereto in any of the following respects:

*a.* As an act of incorporation or as evidence thereof.

*b.* In respect of authority to license, tax and regulate various persons, occupations, amusements, places and objects, as said general subjects of licensing, taxing and regulation are more specifically set forth in the respective charters of such cities.

*c.* In respect of the levy and collection of taxes for city purposes, in accordance with provisions of the respective charters of such cities and other provisions of law relating to such levy and collections including, but without limitation, provisions relating to liens, distraint, tax sales, redemptions, tax deeds and other provisions incident to the levy and collection of taxes; provided that this paragraph shall apply only with respect to cities which prior to and currently with the taking effect of this subsection collect general city taxes directly or by or through their own officers, rather than indirectly and by or through any other public body or officer thereof.

*d.* In respect of the election or appointment of a clerk, treasurer, police magistrate and marshal or in respect of the authority, functions, duties or compensation of any of these except that section 372.13, subsection 2, applies in respect to a vacancy in any of these elective offices and to a vacancy in any other city elective office.

*e.* In respect of the power or authority of any such city to borrow and expend money and issue bonds or other evidences of indebtedness therefor.

*f.* In respect of the appropriation, condemning or taking of lands and property by any such city for public purposes and in respect of procedure and appeals in connection with any such taking.

*g.* In respect of the power to enact, make, adopt, amend and repeal ordinances necessary or proper in connection with any provisions referred to in paragraphs "*a*" to "*f*" inclusive, of this subsection.

2. The fiscal year for special charter cities, which prior to and concurrently with the taking effect of this subsection collect general city taxes directly through their own officers, and for all departments, boards and commissions thereof, shall be as established by city ordinance.

3. Special charter cities which prior to and concurrently with the taking effect of this subsection collect general city taxes directly through their own officers, shall, within the

applicable provisions of chapter 384, division I, make the appropriations for the necessary expenditures for the next ensuing fiscal year by ordinance. The proposed ordinance shall, upon first reading, be placed on file with the clerk for public inspection, and, upon second reading, if and as amended, forthwith be published in a newspaper of general circulation, together with the time and place for a public hearing on said proposed ordinance, which hearing shall be not less than ten days prior to the council meeting at which it shall be placed upon its passage.

[C97, §933; C24, §6730; C27, 31, 35, §4755-f35, 6730; C39, §**4755.32, 6730;** C46, 50, §313.41, 420.41, 420.62 – 420.117; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.41; 81 Acts, ch 34, §47]

**420.42** Reserved.

**420.43 Application of certain terms.**

1. *a.* Whenever the words "boards of supervisors", "county auditor or recorder of deeds", and "county treasurer" are used in any section made applicable by this chapter to special charter cities, the words "city council", "city clerk" or "city recorder", and "city collector or treasurer" shall be respectively substituted.

*b.* As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. This section shall not be construed as depriving boards of supervisors, county auditors, and county treasurers of their powers to spread tax levies and collect taxes certified by cities acting under special charter as provided in section 420.206 and other state law. Nothing contained herein shall be deemed to affect the procedure for the assessment of property by the city or county assessor.

[C97, §958, 1024; S13, §958; C24, 27, 31, 35, 39, §**6732;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.43]

2000 Acts, ch 1148, §1; 2010 Acts, ch 1061, §180

**420.44 Unliquidated claim — limitation of action.**

An action shall be brought against any such city for any unliquidated claim or demand within two years after the alleged injury or damage.

[C97, §1050; C24, 27, 31, 35, 39, §**6733;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.44]

2009 Acts, ch 46, §1

**420.45 Claims for personal injury — limitation.**

In all cases of personal injury or damage to property resulting from defective streets or sidewalks, or from any cause originating in the neglect or failure of any municipal corporation or its officers to perform their duties, an action shall be brought against any such city within two years after the alleged injury or damage.

[C97, §1051; C24, 27, 31, 35, 39, §**6734;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.45]

2009 Acts, ch 46, §2

**420.46 through 420.125** Reserved.

POLITICAL PARTIES IN CERTAIN CITIES

**420.126 City convention.**

Political parties in special charter cities having a population of fifty thousand or more shall hold a city convention within the city on the second Friday following the primary election. The city central committee shall set the time and place of the convention and shall file the same in the office of the city clerk at least ten days prior to the convention.

[C66, 71, 73, 75, 77, 79, 81, §420.126]

Referred to in §376.3

**420.127 Delegates elected.**

Delegates to city conventions of their respective political parties shall be elected at precinct caucuses held at 8:00 p.m. on the third Monday in August of the same year in which the city general election is conducted. The precinct caucuses shall be convened within the boundaries of each precinct at places designated by the city central committee. The chairperson of the city central committee shall file with the city clerk a certified list of places where the precinct caucuses will be held not later than ten days prior to the date of the caucus and shall cause the time and place of said caucus to be published in two newspapers within the city not later than ten days prior to the convening of the precinct caucus.

[C66, 71, 73, 75, 77, 79, 81, §420.127]

Referred to in §376.3

**420.128 Chairperson and secretary.**

The precinct caucus shall elect, by a majority vote of those present, a chairperson and secretary who shall certify to the city central committee and city clerk the names and addresses of those elected as delegates to the city convention. The number of delegates from each voting precinct shall be determined by a ratio adopted by the respective political party's city central committee, and the chairperson of the city central committee shall file with the city clerk a statement designating the number of delegates for each voting precinct in the city not less than twenty-five days before the date of the precinct caucuses. If the chairperson of the city central committee fails to so act, the county chairperson shall designate the number of delegates to be elected from each voting precinct and shall cause such information to be published in two newspapers within the city at least ten days prior to holding the precinct caucuses.

[C66, 71, 73, 75, 77, 79, 81, §420.128]

Referred to in §376.3

**420.129 Term.**

The delegates shall hold office from the day following the election for a period of two years.

[C66, 71, 73, 75, 77, 79, 81, §420.129]

Referred to in §376.3

**420.130 Affidavit of candidacy.**

Candidates for city precinct committee member shall cause their names to be printed on the primary ballot by filing an affidavit as provided for in section 43.18 with the county commissioner of elections at least forty days prior to the day fixed for conducting the primary election.

[C66, 71, 73, 75, 77, 79, 81, §420.130]

88 Acts, ch 1119, §43

Referred to in §43.115, 376.3

**420.131 Members from each precinct.**

Two persons for each political party shall be elected from each precinct to the city central committee at the primary election. They shall hold office for a period of two years immediately following the adjournment of the city convention, or until their successors are duly elected and qualified, unless sooner removed by the city central committee for failing to perform the duties of committee members, incompetency, or failing to support the ticket nominated by their respective party.

[C66, 71, 73, 75, 77, 79, 81, §420.131]

Referred to in §376.3

**420.132 Committee meetings — vacancies.**

The city central committee shall commence performing their duties on the day of the city convention and vacancies occurring therein may be filled by the city chairperson subject to confirmation of the central committee.

[C66, 71, 73, 75, 77, 79, 81, §420.132]

Referred to in §376.3

**420.133 Returns of election.**

Election judges shall make returns of the election of members of the city central committee in the same manner as returns are conducted for other officers except that the election judges shall canvass the returns as to members of the city central committee, and certify the results thereof to the county commissioner of elections with the returns.

[C66, 71, 73, 75, 77, 79, 81, §420.133]

Referred to in §376.3

**420.134 Certified list of those elected.**

After the canvass of votes by the county board of supervisors, the county commissioner of elections shall notify the members of the central committee who have been elected of the time and place of holding the city convention, and shall deliver a certified list of those elected to the chairperson of their respective political party's central committee in the city on or before the second Thursday following the primary election.

[C66, 71, 73, 75, 77, 79, 81, §420.134]

Referred to in §376.3

**420.135 Elected delegates.**

The city convention shall be composed of the delegates elected at the last preceding city precinct caucus, and the city clerk shall forward a certified list of said elected delegates at least ten days prior to the city convention to the chairperson of the city central committee.

[C66, 71, 73, 75, 77, 79, 81, §420.135]

Referred to in §376.3

**420.136 Duties of city clerk.**

The city clerk shall keep a certified list of delegates to the city convention elected at the precinct caucuses and a record of the precinct committee members elected at the primary election. The city clerk shall maintain a current list of all members of the city central committee. The certified list and records shall be maintained by the city clerk for at least two years subsequent to the election of the delegates and precinct committee members and shall be available for public inspection.

[C66, 71, 73, 75, 77, 79, 81, §420.136]

Referred to in §376.3

**420.137 Applicable laws.**

All laws governing political parties and the nomination of candidates in elections shall, as far as applicable, govern the political parties and nomination and election of candidates in cities acting under a special charter in 1973 and having a population of fifty thousand or more, except where such a city by election chooses to conduct city elections under chapter 44, 45, or 376.

[C66, 71, 73, 75, 77, 79, 81, §420.137; 82 Acts, ch 1097, §3]

Referred to in §376.3

**420.138 through 420.154** Reserved.

## RIVERFRONT AND LEVEE IMPROVEMENTS

**420.155 Waterfront improvement — fund.**

Any city acting under special charter, which is bounded in part or divided by a river, may improve said waterfront by constructing retaining walls, filling, grading, paving, macadamizing, or riprapping the same and may improve and beautify its waterfront and the river bank and nearby uplands and made and reclaimed lands in such city; and to pay for such improvements the council of such city is empowered to levy a tax of not exceeding six and three-fourths cents per thousand dollars of assessed value per annum on the taxable

property thereof, the same when collected to be known as the levee improvement fund. The proceeds of such fund shall be used exclusively for said purposes.

[S13, §1056-a6a; C24, 27, 31, 35, 39, §**6823;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.155]

Referred to in §384.12

**420.156** Reserved.

**420.157 Bonds.**

In the event that the proceeds of such tax in any one year shall be insufficient to pay for the improvements of that year, or if the city council shall deem best to extend the payment over a number of years, then upon a majority vote of said council approving the same, said cities may borrow the money to make such improvements and issue the negotiable interest-bearing bonds of said city to evidence said debt; provided that the total bond that may be issued under this chapter by any one city shall not exceed twenty-seven hundredths of one percent of the assessed value of said city.

[S13, §1056-a6b; C24, 27, 31, 35, 39, §**6824;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.157]

**420.158 through 420.164** Reserved.

**420.165 Grants of state lands — erection of structures.**

With respect to any lands title to which has been or may be granted by the state to any municipal corporation of the state, acting under special charter, sections 327F.4 and 327F.5 shall not, after the occurrence of such grant, continue to apply, excepting only that permanent structures erected prior to such grant under authority of said section 327F.4 may continue to be used, occupied, and maintained thereunder, and excepting further only that such lands may continue to be used and occupied thereunder, to the extent only that use and occupancy of such lands shall be necessary to the use and occupancy of such structures for like purposes and in like manner as before such grant; provided that nothing herein contained shall be deemed to affect riparian rights at common law.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.165]

**420.166 through 420.189** Reserved.

GENERAL TAXATION

**420.190 Garbage can tax — assessment against property.**

Special chartered cities which collect both rubbish and garbage by a monthly can tax shall have the power by ordinance to declare the service a benefit to the property so served and in case of failure to pay said monthly charge to assess the actual cost thereof against the property benefited.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.190]

**420.191 through 420.205** Reserved.

**420.206 Levy and collection.**

The council shall have power to levy and collect taxes for all general and special purposes in this chapter authorized, upon all property within the city not exempted from taxation by the general law of the state, and to fix the amount to be levied on the value thereof, which shall be ascertained by the assessor of said city.

[C97, §1010; C24, 27, 31, 35, 39, §**6867;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.206]

Referred to in §420.43

**420.207 Taxation in general.**

Sections 426A.11 through 426A.15, 427.1, 427.8 to 427.11, 428.4, 428.20, 428.22, 428.23, 437.1, 437.3, 441.21, 443.1 to 443.3, 444.2 through 444.4, and 447.9 to 447.13, so far as applicable, apply to cities acting under special charters.

[S13, §1322-3a; C24, 27, 31, 35, §7007; C39, §**6867.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §420.207; 81 Acts, ch 117, §1082]

89 Acts, ch 296, §40; 99 Acts, ch 114, §24; 2002 Acts, ch 1150, §3; 2011 Acts, ch 34, §95

**420.208 through 420.212** Reserved.

**420.213 Collection procedure.**

Such cities shall have power and shall provide by ordinance when general or special taxes and assessments shall become delinquent, and the rate of interest which they shall thereafter bear, not exceeding ten percent per annum on the whole amount thereof, including penalty, and for the sale of both real and personal property for the collection of general and special delinquent taxes and assessments, on such terms as the council may determine.

[C97, §1012; C24, 27, 31, 35, 39, §**6872;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.213]

**420.214 Sale of real estate — notice.**

In the sale of real property for taxes and assessments, the notice of the time and place of such sale shall be given by the treasurer or the collector, and shall contain the description of each separate tract to be sold, as taken from the tax list; the amount of taxes for which it is liable, delinquent for each year, and the amount of penalty, interest, and cost thereon; the name of the owner, if known, or the person, if any, to whom it is taxable; by publication in some newspaper in the city once each week for two consecutive weeks, the last of which shall be not more than two weeks before the date of such sale, and by posting a copy thereof at the door of the office of the collector or treasurer one week before the day of such sale.

[C97, §1012; C24, 27, 31, 35, 39, §**6873;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.214]

**420.215 Cost of publication.**

The compensation for such publication shall not exceed thirty cents for each description, and shall be paid by the city. The amount paid therefor shall be collected as a part of the costs of sale and paid into the treasury.

[C97, §1012; C24, 27, 31, 35, 39, §**6874;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.215]

**420.216 Sufficiency of notice.**

In all cases such advertisement shall be sufficient notice to the owners and persons having an interest in or claiming title to any lot or parcel of real estate, of the sale of their property for delinquent taxes.

[C97, §1012; C24, 27, 31, 35, 39, §**6875;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.216]

**420.217 Irregularities disregarded.**

No irregularity or informality in the advertisement shall affect the legality of any sale or the title of any property conveyed, if it shall appear that said property was subject to taxation for the year or years for which the same was sold, and that the tax was due and unpaid at the time of sale.

[C97, §1012; C24, 27, 31, 35, 39, §**6876;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.217]

**420.218 Demand unnecessary.**

A failure of the collector to make personal demand of taxes shall not affect the validity of any sale or the title of any property acquired under such sale.

[C97, §1012; C24, 27, 31, 35, 39, §**6877;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.218]

**420.219 Adjournment of sale.**

Section 446.25 is made applicable to cities acting under special charters.

[C97, §1013; C24, 27, 31, 35, 39, §**6878;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.219]

**420.220 City tax sale after public bidder sale.**

1. Property located in a city acting under special charter which collects its own taxes, shall not, after sale of such property to the county for taxes, be offered or sold at any sale for taxes or special assessments collectible by any such city except in the following events:

*a.* In the event of redemption from sale to the county or transfer by the county of the certificate of purchase then sale may be made by the city as freely as if this section and sections 420.221 through 420.229 had never become law.

*b.* In the event that any special assessment or installment thereof levied by any such city, prior to April 22, 1941, shall be or become delinquent, then the property against which the same was levied may be sold therefor only at the first regular tax sale of such city occurring within such a period of time after delinquency that sale for such assessment or installment might lawfully be made at such first regular tax sale.

*c.* In the event of sale or conveyance of the property by the county after issuance of tax deed to it then sale may be made for general city taxes levied after such sale or conveyance by the county.

*d.* In the event of levy of any special assessment against the property after purchase thereof at tax sale by the county, then sale may be made for any such special assessment or installment thereof, then delinquent.

2. The county auditor shall, promptly after the purchase of any real estate by the county at tax sale, certify to the city treasurer of any such city, a statement showing the tracts or parcels so purchased and the dates of purchase thereof respectively. In the event either of redemption from any such sale or transfer of the certificate of purchase, the county auditor shall promptly certify to the city treasurer a statement showing such redemption or transfer. The city treasurer shall make appropriate entries in the treasurer's tax books of the facts so certified by the county auditor as well as of the matters certified by such treasurer to said auditor under the provisions of section 420.222.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.220]

2010 Acts, ch 1061, §55

Referred to in §331.512, 420.224, 420.229

**420.221 Tax deed to county — city's option to purchase — city tax levies.**

In the event that there shall be issued to a county a tax deed for any real estate located in a special charter city which collects its own taxes, the county auditor of any such county shall promptly certify to the city treasurer of such city a statement showing each tract or parcel of real estate conveyed by any such deed, the date of conveyance thereof and the total amount which, immediately prior to the issuance of such deed, would have been required to be paid to make redemption from the sale to the county of each such tract or parcel as well as to pay all subsequent taxes due the county thereon. If any special assessment levied against any such parcel by any such city shall then remain uncollected in whole or part such city shall, at any time during three months next ensuing such certification, have the exclusive option to purchase from the county all its right, title, and interest in and to any such tract by paying to the county auditor the amount so certified in respect to such tract. Payment in any such case shall be made from the improvement fund of such city which fund it is hereby authorized to expend for the purposes stated. No general taxes shall be levied by any such city against real

estate conveyed to the county by tax deed until the same shall have been sold or conveyed by the county.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.221]
Referred to in §331.512, 420.220, 420.224, 420.229

**420.222 Unpaid city taxes certified to county auditor.**

The city treasurer shall, promptly after the certification to the treasurer by the county auditor of the fact of issuance to the county of a tax deed for any real estate, certify to such auditor a statement showing all unpaid general taxes, with interest, penalties, and costs to date, due said city and levied against the tracts or parcels of real estate so conveyed by tax deed to the county and also showing whether or not there are any unpaid special assessments against such respective tracts or parcels. After such certification (and, in respect to the tracts or parcels against which there shall so be shown to be any unpaid special assessments, after expiration of the optional right of purchase thereof by the city), the management and sale of any real estate acquired by the county under any such tax deed, as well as distribution of proceeds of sale and other incidents and proceedings consequential to the issuance of such deed, shall occur and be had in like manner and with like effect as if the general taxes, penalties, and costs so certified by such city treasurer had originally been collectible by the county treasurer for the account of the city as general taxes collectible with other general taxes for the respective corresponding years.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.222]
Referred to in §331.512, 420.220, 420.224, 420.229

**420.223 Purchase by city at tax sale.**

In the event that any general tax or special assessment levied by any special charter city which collects its own taxes, or any installment of any such assessment, shall remain unpaid for two years or more after any delinquency in payment thereof, then such city may, at any regular sale for taxes thereafter, purchase any such real estate for the full amount of the general taxes, with interest, penalties and costs of advertising, for which the same shall be offered and for such further amount, if any as such city may elect, not to exceed the amount of the special assessments or installments thereof, with interest and penalties, for which the same may be offered. Payment to the extent of the amount of such general taxes, with interest, penalties, and costs of advertising, shall be made, without any necessity or prerequisite of appropriation therefor, by charging the respective funds to which such general taxes, interest, penalties, and costs shall be payable, in the amounts so payable, and, to the extent of any further amount, shall be made from the improvement fund of said city, which funds it is hereby authorized to expend for the purposes stated.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.223]
Referred to in §331.512, 420.220, 420.224, 420.229

**420.224 Limitation on resale by city.**

Property which may be sold at tax sale to any such city shall not be offered at any sale for taxes or special assessments, collectible by such city, while it holds the certificate of purchase thereof or tax deed thereon except that if any special assessment or installment thereof levied by any such city prior to April 22, 1941, shall be or become delinquent after purchase of such property at tax sale by the city, then the property against which the same was levied may be sold therefor only at the first regular tax sale of such city occurring within such a period of time after delinquency that sale for such assessment or installment might lawfully be made at such first regular tax sale. Nothing in sections 420.220 to 420.229 shall prevent the sale of property for any unpaid taxes collectible by the county.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.224]
2013 Acts, ch 90, §100
Referred to in §331.512, 420.220, 420.229
Section amended

**420.225 City subrogated to county's rights — payment procedure.**

Any such city, holding a certificate of purchase at tax sale, may, at its option, pay any unpaid taxes due the county and purchase from the county any tax sale certificate held by the county

on the same real estate, making payment in the event of such purchase of the amount which would then be required to redeem from sale to the county or any lesser amount which the county may be lawfully enabled to accept. All amounts so paid shall be entered in the tax sale records of such city and added to the amount required to redeem from sale. All amounts so paid shall be payable out of the general fund.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.225]
Referred to in §331.512, 420.220, 420.224, 420.229

**420.226 City clerk makes purchases.**

The city clerk shall act on behalf of the city under general or specific resolutions of its city council in making the purchases at tax sale hereby authorized.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.226]
Referred to in §331.512, 420.220, 420.224, 420.229

**420.227 Notice of expiration of redemption period.**

After nine months from the date of such purchase at tax sale by the city and as soon as permitted by law with respect to any tax sale certificate held by such city, the city clerk shall, on behalf of the city, cause notice to be served of the expiration of the right of redemption from such sale on persons of the same description and in like manner as in general provided by law with respect to tax sales by such city and, on expiration of ninety days from completed service of such notice, tax deed shall be issued in like manner and with like effect as provided by law with respect to such other sales.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.227]
Referred to in §331.512, 420.220, 420.224, 420.229

**420.228 City may compromise tax — effect.**

For the purpose of collecting and realizing on account of delinquent taxes and special assessments collectible by it as fully and expeditiously as deemed possible in the judgment of its city council any such city is hereby authorized to settle, compromise, and adjust any general tax, then having been delinquent for a period of two years or more and any special assessment then having been delinquent in whole or as to any installment thereof for a period of two years or more, and, in connection with any such settlement, compromise or adjustment, to accept a conveyance of real property and extend the time for payment of any installment of any special assessment. If any special assessment shall be reduced in amount in connection with any such settlement, compromise, or adjustment, the full amount of the reduction shall thereby become an obligation of such city to the special assessment fund into which such assessment was payable. The lien or charge created by law for the payment of any special assessment certificates or bonds against any special assessment so reduced in amount or against the proceeds thereof shall remain in effect against the balance of such special assessment and the proceeds of such balance. All such settlements, compromises, and adjustments heretofore effected are hereby ratified and validated.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.228]
Referred to in §331.512, 420.220, 420.224, 420.229

**420.229 Delinquent city taxes — exclusive collection procedure.**

All general city taxes and special assessments which, under the provisions of sections 420.220 to 420.229 shall not be collectible by sale or shall be collectible by sale only in events or in a manner hereby prescribed shall respectively be deemed barred or barred as to collection thereof in any other event or any other manner than so prescribed.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.229]
Referred to in §331.512, 420.220, 420.224

**420.230 Tax list.**

All assessments and taxes levied by the council, except as otherwise provided by law, shall be placed by the auditor, clerk, or recorder, as provided by ordinance, upon the proper tax book, to be known as the "tax list", properly ruled and headed with distinct columns to correspond with the assessment books, with a column for polls and one for payments, and the appropriate officer shall complete the same by carrying out the consolidated tax and all

other taxes levied, and at the end of the list shall make an abstract thereof and apportion the consolidated tax among the respective funds to which it belongs, according to the amount levied for each, and certify the same to the collector or treasurer at or before the regular time for the collection and payment of taxes.

[R60, §1123, 1126; C73, §495, 498; C97, §1014; C24, 27, 31, 35, 39, §**6879;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.230]

**420.231 Lien on real estate.**

Taxes upon real estate shall be a lien thereon against all persons except the state. Taxes due from any person upon personal property shall be a lien upon any and all real estate owned by such person or to which the person may acquire title, which lien shall attach to real estate owned by such person on the date when such personal property taxes become delinquent and shall continue for a period of ten years only thereafter.

[C97, §1015; C24, 27, 31, 35, 39, §**6880;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.231]

Referred to in §420.234

**420.232 Lien between vendor and vendee.**

As between vendor and vendee, such lien shall attach to real estate on the thirty-first day of December following the levy, unless otherwise provided in this chapter.

[C97, §1015; C24, 27, 31, 35, 39, §**6881;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.232]

**420.233 Stocks of goods.**

Taxes upon stocks of goods and merchandise shall be a lien thereon, and shall continue a lien thereon when sold in bulk, and may be collected from the owner, purchaser, or vendee, but the property of the seller thereof shall be first exhausted for the payment.

[C97, §1015; C24, 27, 31, 35, 39, §**6882;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.233]

**420.234 When lien attaches.**

All of such taxes shall remain a lien on the property aforesaid from and after the date of the levy in each year, except as provided in section 420.231, with respect to the lien of personal property taxes on real estate.

[C97, §1015; C24, 27, 31, 35, 39, §**6883;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.234]

**420.235 Tax receipt.**

The collector or treasurer shall in all cases make out and deliver to the taxpayer a receipt, which receipt shall contain the description and the assessed value of each lot and parcel of real estate, and the assessed value of personal property, and in case the property has been sold for taxes and not redeemed, the date of such sale and to whom sold, also the amount of taxes, interest, and costs paid; and the collector or treasurer shall give separate receipts for each year; whereupon the collector or treasurer shall make proper entries of such payments on the books of the collector's or treasurer's office.

[C97, §1016; C24, 27, 31, 35, 39, §**6884;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.235]

Referred to in §420.236

**420.236 Payment refused — receipt made conclusive.**

The council may provide by ordinance:

1. That no person shall be permitted to pay taxes of any one year until the taxes for the previous years shall be first paid.

2. That the receipt contemplated in section 420.235 shall be conclusive evidence that all taxes and the costs of every kind against the property described in such receipt are paid to the date of such receipt.

3. That for any failure or neglect on the part of the collector, or on the part of anyone

acting as collector, the collector or the collector's surety shall be liable to an action on the collector's official bond for damages sustained by any person or the city for such neglect.

[C97, §1016; C24, 27, 31, 35, 39, §**6885;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.236]

**420.237 Certificate of purchase.**

The treasurer or collector of taxes, or person authorized to act as collector, shall make, sign, and deliver to the purchaser of any real property sold for the payment of any taxes or special assessments authorized by the provisions of this chapter, or by any law applicable to such cities, a certificate of purchase, which shall have the same force and effect as certificates issued by county treasurers for the sale of property for delinquent county taxes.

[C97, §1017; C24, 27, 31, 35, 39, §**6886;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.237]

County treasurer's certificate, §446.29

**420.238 Redemption — terms.**

Real property sold under the provisions of this chapter, or by virtue of any power heretofore given, may be redeemed before the time of redemption expires, as hereinafter provided, by payment to the treasurer, collector, or person authorized to receive the same, to be held by the treasurer, collector or other authorized person subject to the order of the purchaser on surrender of the certificate, or in case the same is lost and destroyed, on the purchaser's making affidavit of such fact, and of the further fact that it was not assigned, of the amount for which the same was sold, and ten percent of such amount immediately added as a penalty, with eight percent per annum on the whole amount thus made from the day of sale, and the amount of all taxes, either general or special, with interest and costs, paid at any time by the purchaser or the purchaser's assignee subsequent to the sale, and a similar penalty of ten percent added as before on the amount of the payment made at any subsequent time, with eight percent interest per annum on the whole of such amount or amounts from the day or days of payment; provided that such penalty for the nonpayment of the taxes at any subsequent time or times shall not attach, unless such subsequent tax or taxes shall have remained unpaid for thirty days after they became delinquent.

[C97, §1018; C24, 27, 31, 35, 39, §**6887;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.238]

**420.239 Certificate of redemption.**

The treasurer, collector, or person authorized to receive the same, upon application of any party to redeem real property sold as aforesaid, and being satisfied that such person has a right to redeem the same, and on payment of the proper amount, shall issue to such party a certificate of redemption, in substance and form as provided for the redemption of property sold for state and county taxes, which redemption shall thereupon be deemed complete without further proceedings.

[C97, §1018; C24, 27, 31, 35, 39, §**6888;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.239]

95 Acts, ch 91, §1

Tax redemption, chapter 447

**420.240 Redemption statutes applicable.**

The provisions of sections 447.7 to 447.13 shall, so far as the same shall be applicable, and are not herein changed or modified, apply to sales of real estate for delinquent taxes herein contemplated; but where the words "auditor of the county" or "treasurer" are used in said sections the words "city clerk", "recorder", "auditor", or "person authorized to make out the tax list" and "city collector" or "city treasurer or officer authorized to receive same" shall be substituted.

[C97, §1018; C24, 27, 31, 35, 39, §**6889;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.240]

**420.241 Deed — when executed.**

Immediately after the expiration of ninety days from the date of service of the notice, as prescribed by sections 447.9 through 447.14 and section 448.1, the treasurer, collector, or person authorized to act as collector of taxes, shall make out a deed for each lot or parcel of land sold and remaining unredeemed and deliver the same to the purchaser upon the return of the certificate of purchase.

[C97, §1019; C24, 27, 31, 35, 39, §**6890;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.241]

2011 Acts, ch 34, §96

**420.242 Different parcels.**

Any number of parcels of real estate bought by one person may be included in one deed, if required by the purchaser.

[C97, §1019; C24, 27, 31, 35, 39, §**6891;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.242]

**420.243 Formal execution.**

Deeds executed by the city treasurer, collector, or person authorized to act as collector, may be in form substantially as provided by section 448.2, and shall be signed and acknowledged by the treasurer, collector, or other authorized person in the person's official capacity.

[C97, §1019; C24, 27, 31, 35, 39, §**6892;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.243]

**420.244 Force and effect.**

All deeds and conveyances hereafter made and executed on account of any general or special tax sale shall be of the same force and effect as deeds made by the county treasurer as provided in sections 448.3 to 448.5 for delinquent county taxes.

[C97, §1019; C24, 27, 31, 35, 39, §**6893;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.244]

**420.245 Rights and remedies.**

The purchaser as well as the owner of any real property sold on account of such general or special delinquent taxes or assessments shall be entitled to all the rights and remedies which are granted and prescribed by sections 446.35, 446.36, and 448.6 to 448.14, but wherever the words "county and county treasurer and auditor" are used, the words "city, city treasurer, city clerk, recorder, auditor, or collector or officer authorized to act as collector," shall be substituted.

[C97, §1019; C24, 27, 31, 35, 39, §**6894;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.245]

**420.246 Tax and deed statutes applicable.**

Sections 446.16, 446.32, and 448.10 to 448.12 are applicable to cities acting under special charters, except that, where the word "treasurer" is used, there shall be substituted the words "city collector or treasurer or deputy treasurer or deputy or officer authorized to collect city taxes"; and where the word "auditor" is used, there shall be substituted the words "city clerk or recorder".

[C97, §1020; S13, §1020; C24, 27, 31, 35, 39, §**6895;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.246]

83 Acts, ch 101, §85; 91 Acts, ch 191, §17

**420.247 Failure to obtain deed — cancellation of sale.**

After July 4, 1942, section 446.37 shall apply to cities acting under special charter which collect their own taxes, the terms "county auditor" and "county treasurer" in said section to be taken, for the purposes of this section, to refer to the persons performing their respective functions in relation to tax sales by such cities.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.247]

**420.248 Penalty or interest on unpaid taxes.**

Cities which act under special charters and which levy and collect their own taxes shall not collect any further penalty or interest on general taxes remaining unpaid four years or more after March 31 of the year for which such general taxes are levied.

[S13, §1056-a4; C24, 27, 31, 35, 39, §**6896;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.248]

**420.249 through 420.285** Reserved.

AMENDMENT OF CHARTER

**420.286 Procedure.**

On the presentation of a petition signed by one-fourth of the electors, as shown by the vote at the next preceding city election, of any city acting under a special charter or act of incorporation, to the governing body thereof, asking that the question of the amendment of such special charter or act of incorporation be submitted to the electors of such city, such governing body shall immediately propose sections amendatory of said charter or act of incorporation, and shall submit the same, as requested, at the first ensuing city election. At least ten days before such election the mayor of such city shall issue a proclamation setting forth the nature and character of such amendment, and shall cause such proclamation to be published in a newspaper published therein, or, if there be none, the mayor shall cause the same to be posted in five public places in such city. On the day specified, the proposition to adopt the amendment shall be submitted to the electors thereof for adoption or rejection, in the manner provided by the general election laws.

[R60, §1141; C73, §548; C97, §1047; C24, 27, 31, 35, 39, §**6933;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.286]

Public measure submitted to voters, §49.43 et seq.

**420.287 Proclamation of result.**

If a majority of the votes cast be in favor of adopting said amendment, the mayor shall issue a proclamation accordingly; and the amendment shall thereafter constitute a part of said charter.

[R60, §1142; C73, §549; C97, §1048; C24, 27, 31, 35, 39, §**6934;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.287]

**420.288 Submission at special election.**

The legislative body of said city may submit any amendment to the vote of the people as aforesaid at any special election, provided one-half of the electors as aforesaid petition for that purpose, and the proceedings shall be the same as at the general election.

[R60, §1143; C73, §550; C97, §1049; C24, 27, 31, 35, 39, §**6935;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §420.288]

**420.289 through 420.304** Reserved.

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The Skeleton Index is intended to be used as a quick reference to enable the user to locate general subjects and specific statutes in the 2014 Iowa Code.

A more comprehensive General Index in PDF format and other electronic research tools can be accessed on the General Assembly's Internet site at www.legis.iowa.gov.


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# CODE OF IOWA

# 2014

CONTAINING

## ALL STATUTES OF A GENERAL AND PERMANENT NATURE

Including the Acts of a permanent nature
of the Eighty-fifth General Assembly, 2013

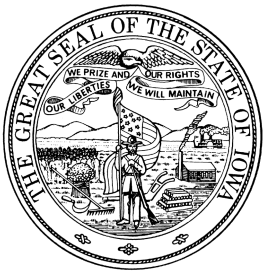


Published under the authority of Iowa Code chapter 2B
by the
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GENERAL ASSEMBLY OF IOWA
Des Moines
—
2013

# PREFACE TO 2014 IOWA CODE

2014 IOWA CODE — PRINT CODE SUPPLEMENT DISCONTINUED — ANNUAL CD-ROM. This 2014 Iowa Code is published pursuant to Iowa Code chapters 2A and 2B by the Legislative Services Agency only on CD-ROM and on the Iowa General Assembly's Internet site. The printed softbound Code Supplement has been discontinued. The CD-ROM contains a copy of the official text of the 2014 Iowa Code in PDF format, divided into six parts to correspond to the six-volume format of the biennial printed version of the Iowa Code. Printed hardbound volumes of the Iowa Code will continue to be published following the second regular session of a General Assembly. A CD-ROM containing the Iowa Code will be published annually.

CODE CONTENTS AND EFFECTIVE DATES. This 2014 Iowa Code contains the permanent enactments of the 2013 session of the Eighty-fifth General Assembly and of earlier sessions if the effective dates of the enactments were delayed. Except as otherwise indicated in the text or in a footnote, new sections, amendments, and repeals were effective on or before July 1, 2013. Refer to the specific enactments to determine effective dates not shown. The Table of Contents enumerates the titles and subtitles in this Iowa Code, and each volume contains an analysis by title, subtitle, and chapter. Codified and original versions of the Constitution of the State of Iowa are included at the beginning of Volume I.

EDITORIAL DECISIONS. All duplicative or nonconflicting amendments to a Code section or part of a Code section were harmonized as required under Iowa Code sections 2B.13 and 4.11. A strike or repeal prevailed over an amendment to the same material. If amendments were irreconcilable, the last amendment in the Act, or latest in date of enactment, was codified as provided in Iowa Code sections 2B.13 and 4.8. Code Editor's Notes at the end of Volume VI explain editorial decisions. Iowa Code section 2B.13 governs editorial changes and their effective dates.

HISTORIES AND NOTES. Bracketed material at the end of Code sections traces the sections' history up through 1982. Beginning with the 1983 Legislative Session, history is traced by citing all Iowa Acts amending or enacting the Code sections. The history of a transferred section will include the publication year and the Code section from which the transfer took place. An explanatory note describing the most recent changes in each new or amended Code section follows the history. Internal reference citations follow Code titles, subtitles, chapters, chapter subdivisions, or sections.

INDEX AND TABLES. A Skeleton Index appears at the end of each volume. Conversion tables of Senate and House files to Iowa Acts chapters, tables of disposition of Iowa Acts, and a table of corresponding sections can be accessed on the General Assembly's Internet site.

COMMENTS. The editorial staff of the Iowa Code welcomes comments and suggestions for improvements.

Glen P. Dickinson
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# DESIGNATION OF GENERAL ASSEMBLY — OFFICIAL LEGAL PUBLICATIONS — CITATIONS

**2.2 Designation of general assembly.**

Each regular session of the general assembly shall be designated by the year in which it convenes and by a number with a new consecutive number assigned with the session beginning in each odd-numbered year.

A special session of the general assembly shall be designated as an extraordinary session in the particular year of a numbered general assembly.

**2B.17 Official legal publications — citations.**

1. An official legal publication designated as such by the legislative services agency as provided in sections 2.42 and 2A.1, is the official and authoritative version of the statutes, administrative rules, or court rules of the state of Iowa.

2. *a.* The codified version of the state's constitution shall be known as the Constitution of the State of Iowa.

*b.* For statutes, the official versions of publications shall be known as the Iowa Acts, the Iowa Code, and the Code Supplement.

*c.* For administrative rules, the official versions of the publications shall be known as the Iowa Administrative Bulletin and the Iowa Administrative Code.

*d.* For court rules, the official version of the publication shall be known as the Iowa Court Rules.

3. The legislative services agency may adopt a style manual providing a uniform system of citing the codified Constitution of the State of Iowa and the official versions of publications listed in subsection 2, including by reference to commonly accepted legal sources. The legislative services agency style manual may provide for a different form of citation for electronic and printed versions of the same publication. Nothing in this section affects rules for style and format adopted pursuant to section 2.42.

4. The codified Constitution of the State of Iowa, and statutes enacted and joint resolutions enacted or passed by the general assembly shall be cited as follows:

*a.* The codified Constitution of the State of Iowa shall be cited as the Constitution of the State of Iowa, with a reference identifying the preamble or boundaries, or article, section, and subunit of a section. Subject to the legislative services agency style manual, the Constitution of the State of Iowa may be cited as the Iowa Constitution.

*b.* The Iowa Acts shall be cited as the Iowa Acts with a reference identifying the year of the publication in conformance with section 2.2, and the chapter of a bill enacted or joint resolution enacted or passed during a regular session, or in the alternative the bill or joint resolution chamber designation, and the section of the chapter or bill or subunit of a section. A bill or joint resolution enacted or passed during a special session shall be cited by the extraordinary session designation in conformance with section 2.2. If the Iowa Acts have not been published, a bill or joint resolution may be cited by its bill or joint resolution chamber designation.

*c.* The Iowa Code shall be cited as the Iowa Code. The Code Supplement shall be cited as the Code Supplement. Subject to the legislative services agency style manual, the Iowa Code may be cited as the Code of Iowa or Code and the Code Supplement may be cited as the Iowa Code Supplement, with references identifying parts of the publication, including but not limited to title or chapter, section, or subunit of a section. If the citation refers to a past edition of the Iowa Code or Code Supplement, the citation shall identify the year of publication.

5. Administrative rules shall be cited as follows:

*a.* The Iowa Administrative Bulletin shall be cited as the IAB, with references identifying the volume number which may be based on a fiscal year cycle, the issue number, and the ARC number assigned to the rulemaking document by the administrative rules coordinator pursuant to section 17A.4. Subject to the legislative services agency style manual, the citation may also include the publication's page number.

*b.* The Iowa Administrative Code shall be cited as the IAC, with references to an agency's identification number placed at the beginning of the citation and with references to parts of the publication, including but not limited to chapter, rule, or subunit of a rule.

6. The Iowa Court Rules shall be cited as the Iowa Court Rules, with references to the rule number and to subunits of the publication, which may include but are not limited to the Iowa Rules of Civil Procedure, the Iowa Rules of Criminal Procedure, the Iowa Rules of Evidence, the Iowa Rules of Appellate Procedure, the Iowa Rules of Professional Conduct, and the Iowa Code of Judicial Conduct. Subject to the legislative services agency style manual, the names of the rules may be abbreviated.

Chapters of the Code are cited as whole numerals; as chapter 124 or chapter 124A.

Sections are cited as decimal numerals; as section 124.401 or section 124A.3. Sections are often divided into subunits. The following is an example of the hierarchical structure of a Code section:

Section: 35D.15
Subsection: 2
Paragraph: *a*
Subparagraph: (1)
Subparagraph division: (a)
Subparagraph subdivision: (ii)
Subparagraph part: (B)
Subparagraph subpart: (I) *This subunit does not exist in present Code*

The above Code section example may be abbreviated as 35D.15(2)(a)(1)(a)(ii)(B)(I) or 35D.15 [2a(1)(a)(ii)(B)(I)].

# ABBREVIATIONS

C51 ..... Code of 1851
R60 ..... Revision of 1860
C73 ..... Code of 1873
C97 ..... Code of 1897
S'02 ..... Supplement of 1902
S'07 ..... Supplement of 1907
S13 ..... Supplement of 1913
SS15 ..... Supplemental Supplement 1915
C24 ..... Code of 1924
C27 ..... Code of 1927
C31 ..... Code of 1931
C35 ..... Code of 1935
C39 ..... Code of 1939
C46 ..... Code of 1946
C50 ..... Code of 1950
C54 ..... Code of 1954
C58 ..... Code of 1958
C62 ..... Code of 1962
C66 ..... Code of 1966
C71 ..... Code of 1971
C73 ..... Code of 1973
C75 ..... Code of 1975
C77 ..... Code of 1977
C79 ..... Code of 1979
S79 ..... Supplement of 1979
C81 ..... Code of 1981
S81 ..... Supplement of 1981
C83 ..... Code of 1983
CS83 ..... Supplement of 1983
C85 ..... Code of 1985
CS85 ..... Code Supplement of 1985
C87 ..... Code of 1987
CS87 ..... Code Supplement of 1987
C89 ..... Code of 1989
CS89 ..... Code Supplement of 1989
C91 ..... Code of 1991
CS91 ..... Code Supplement of 1991
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CS93 ..... Code Supplement of 1993
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CS95 ..... Code Supplement of 1995
C97 ..... Code of 1997
CS97 ..... Code Supplement of 1997
C99 ..... Code of 1999
CS99 ..... Code Supplement of 1999
C2001 ..... Code of 2001
CS2001 ..... Code Supplement of 2001
C2003 ..... Code of 2003
CS2003 ..... Code Supplement of 2003
C2005 ..... Code of 2005
CS2005 ..... Code Supplement of 2005
C2007 ..... Code of 2007
CS2007 ..... Code Supplement of 2007
C2009 ..... Code of 2009
CS2009 ..... Code Supplement of 2009
C2011 ..... Code of 2011
CS2011 ..... Code Supplement of 2011
C2013 ..... Code of 2013
C2014 ..... Code of 2014
GA ..... General Assembly
§ or Sec. ..... Section
Art. ..... Article
Ch ..... Chapter
1st Ex ..... First Extra Session
2nd Ex ..... Second Extra Session
R (in tables) ..... Repealed
Vol ..... Volume
Ct.R. ..... Court Rule
R.C.P. ..... Rules of Civil Procedure
R.Cr.P. ..... Rules of Criminal Procedure
R.App.P. .... Rules of Appellate Procedure
R.Prob.P. ..... Rules of Probate Procedure
Stat. ..... Statutes at Large (U. S.)
U.S.C. ..... United States Code
U.S.C. App. United States Code Appendix
Pub. L. No. ... Public Law Number (U. S.)
C.F.R. Code of Federal Regulations (U. S.)
Tit. ..... Title in federal Acts
Subtit. ..... Subtitle in federal Acts
Pt. ..... Part in federal Acts
Subpt. ..... Subpart in federal Acts

# ANALYSIS OF THE CODE BY TITLES, SUBTITLES, AND CHAPTERS

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# SUBTITLE 1

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# CHAPTER 421

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**421.1 State board of tax review.**

1. There is hereby established within the department of revenue for administrative and budgetary purposes a state board of tax review for the state of Iowa. The state board of tax review, hereinafter called the state board, shall consist of three members who shall be registered voters of the state and shall hold no other elective or appointive public office.

*a.* Members of the state board shall serve for six-year staggered terms beginning and ending as provided by section 69.19. A member who is appointed for a six-year term shall not be permitted a successive term.

*b.* Members shall be appointed by the governor subject to confirmation by the senate. Appointments to the board shall be bipartisan.

*c.* The members of the state board shall qualify by taking the regular oath of office as

prescribed by law for state officers. A vacancy on the board shall be filled by appointment by the governor in the same manner as the original appointment.

*d.* The members of the state board shall be allowed their necessary travel and expenses while engaged in their official duties. Each member of the board may also be eligible to receive compensation as provided in section 7E.6. The members shall organize the board and select one of their members as chairperson.

2. The place of office of the state board shall be in the office of the tax department in the capitol of the state.

3. The state board shall meet as deemed necessary by the chairperson. Special meetings of the state board may be called by the chairperson on five days' notice given to each member. All meetings shall be held at the office of the tax department unless a different place within the state is designated by the state board or in the notice of the meeting.

4. It shall be the responsibility of the state board to exercise the following general powers and duties:

*a.* Determine and adopt such policies as are authorized by law and are necessary for the more efficient operation of any phase of tax review.

*b.* Perform such duties prescribed by law as it may find necessary for the improvement of the state system of taxation in carrying out the purposes and objectives of the tax laws.

*c.* Employ, pursuant to the Iowa merit system provisions in chapter 8A, subchapter IV, adequate clerical help to keep such records as are necessary to set forth clearly all actions and proceedings of the state board.

*d.* Advise and counsel with the director of revenue concerning the tax laws and the rules adopted pursuant to the law and conduct hearings and hear appeals in the manner provided in subsection 5.

*e.* Adopt a long-range program for the state system of tax reform based upon special studies, surveys, research, and recommendations submitted by or proposed under the direction of the director of revenue.

*f.* Constitute a continuing research commission as to tax matters in the state and cause to be prepared and submitted to each regular session of the general assembly a report containing such recommendations as to revisions, amendments, and new provisions of the law as the state board has decided should be submitted to the general assembly for its consideration.

5. *a.* Upon its own motion or upon appeal by any affected taxpayer, the state board shall review the record evidence and the decisions of, and any orders or directive issued by, the director of revenue for the identification of taxable property, classification of property as real or personal, or for assessment and collection of taxes by the department or an order to reassess or to raise assessments to any local assessor, and shall affirm, modify, reverse, or remand them within sixty days from the date the case is submitted to the board for decision. For an appeal to the board to be valid, written notice must be given to the department within thirty days of the rendering of the decision, order, or directive from which the appeal is taken. The director shall certify to the board the record, documents, reports, audits, and all other information pertinent to the decision, order, or directive from which the appeal is taken.

*b.* The affected taxpayer and the department shall be given at least fifteen days' written notice by the board of the date the appeal shall be heard and both parties may be present at such hearing if they desire. The board shall adopt and promulgate, pursuant to chapter 17A, rules for the conduct of appeals by the board. The record and all documents, reports, audits and all other information certified to the board by the director, and hearings held by the board pursuant to the appeal and the decision of the board thereon shall be open to the public notwithstanding the provisions of section 422.72, subsection 1, and section 422.20; except that the board upon the application of the affected taxpayer may order the record and all documents, reports, audits, and all other information certified to it by the director, or so much thereof as it deems necessary, held confidential, if the public disclosure of same would reveal trade secrets or any other confidential information that would give the affected taxpayer's competitor a competitive advantage. Any deliberation of the board in reaching a decision on any appeal shall be confidential.

*c.* Judicial review of the decisions or orders of the board resulting from the review of decisions or orders of the director of revenue for assessment and collection of taxes by the

department may be sought by the taxpayer or the director of revenue in accordance with the terms of chapter 17A.

*d.* All of the provisions of section 422.70 shall also be applicable to the state board of tax review.

[C51, §481, 482; R60, §742; C73, §834; C97, §1378; S13, §1378; C24, 27, 31, 35, 39, §**7140;** C46, 50, 54, 58, §422.15; C62, 66, §441.46; C71, 73, 75, 77, 79, 81, §421.1]

86 Acts, ch 1245, §418; 87 Acts, ch 82, §1; 88 Acts, ch 1251, §1; 95 Acts, ch 49, §12; 99 Acts, ch 151, §1, 89; 2003 Acts, ch 145, §286; 2004 Acts, ch 1073, §3; 2006 Acts, ch 1010, §99; 2011 Acts, ch 25, §143

Referred to in §425.7, 425.31, 426A.6, 426C.7, 429.2

Confirmation, see §2.32

**421.1A Property assessment appeal board.**

1. A statewide property assessment appeal board is created for the purpose of establishing a consistent, fair, and equitable property assessment appeal process. The statewide property assessment appeal board is established within the department of revenue for administrative and budgetary purposes. The board's principal office shall be in the office of the department of revenue in the capital of the state.

2. *a.* The property assessment appeal board shall consist of three members appointed to staggered six-year terms, beginning and ending as provided in section 69.19, by the governor and subject to confirmation by the senate. Subject to confirmation by the senate, the governor shall appoint from the members a chairperson of the board to a two-year term. Vacancies on the board shall be filled for the unexpired portion of the term in the same manner as regular appointments are made. The term of office for the initial board shall begin January 1, 2007.

*b.* Each member of the property assessment appeal board shall be qualified by virtue of at least two years' experience in the area of government, corporate, or private practice relating to property appraisal and property tax administration. Two members of the board shall be certified real property appraisers and one member shall be an attorney practicing in the area of state and local taxation or property tax appraisals. No more than two members of the board may be from the same political party as that term is defined in section 43.2.

*c.* The property assessment appeal board shall organize by appointing a secretary who shall take the same oath of office as the members of the board. The board may employ additional personnel as it finds necessary. All personnel employed by the board shall be considered state employees and are subject to the merit system provisions of chapter 8A, subchapter IV.

3. At the election of a property owner or aggrieved taxpayer or an appellant described in section 441.42, the property assessment appeal board shall review any final decision, finding, ruling, determination, or order of a local board of review relating to protests of an assessment, valuation, or application of an equalization order.

4. The property assessment appeal board may do all of the following:

*a.* Affirm, reverse, or modify a final decision, finding, ruling, determination, or order of a local board of review.

*b.* Order the payment or refund of property taxes in a matter over which the board has jurisdiction.

*c.* Grant other relief or issue writs, orders, or directives that the board deems necessary or appropriate in the process of disposing of a matter over which the board has jurisdiction.

*d.* Subpoena documents and witnesses and administer oaths.

*e.* Adopt administrative rules pursuant to chapter 17A for the administration and implementation of its powers, including rules for practice and procedure for protests filed with the board, the manner in which hearings on appeals of assessments shall be conducted, filing fees to be imposed by the board, and for the determination of the correct assessment of property which is the subject of an appeal.

*f.* Adopt administrative rules pursuant to chapter 17A necessary for the preservation of order and the regulation of proceedings before the board, including forms or notice and the service thereof, which rules shall conform as nearly as possible to those in use in the courts of this state.

5. The property assessment appeal board shall employ a competent attorney to serve as its general counsel, and assistants to the general counsel as it finds necessary for the full and efficient discharge of its duties. The general counsel is the attorney for, and legal advisor of, the board. The general counsel or an assistant to the general counsel shall provide the necessary legal advice to the board in all matters and shall represent the board in all actions instituted in a court challenging the validity of a rule or order of the board. The general counsel shall devote full time to the duties of the office. During employment as general counsel to the board, the counsel shall not be a member of a political committee, contribute to a political campaign, participate in a political campaign, or be a candidate for partisan political office. The general counsel and assistants to the general counsel shall be considered state employees and are subject to the merit system provisions of chapter 8A, subchapter IV.

6. The members of the property assessment appeal board shall receive a salary set by the governor within a range established by the general assembly. The members of the board shall be considered state employees for purposes of salary and benefits. The members of the board and any employees of the board, when required to travel in the discharge of official duties, shall be paid their actual and necessary expenses incurred in the performance of duties.

2005 Acts, ch 150, §121; 2006 Acts, ch 1185, §30; 2007 Acts, ch 215, §27; 2013 Acts, ch 123, §47 – 49, 64 – 67

Referred to in §441.37A

Confirmation, see §2.32

For future repeal of this section effective July 1, 2018, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

2013 amendment to subsection 2, paragraph b, takes effect June 12, 2013, and applies to appointments to the property assessment appeal board on or after that date; 2013 Acts, ch 123, §64, 66

2013 amendment to subsection 6 takes effect June 12, 2013, and applies to fiscal years beginning on or after July 1, 2013; 2013 Acts, ch 123, §64, 67

2013 amendment striking subsection 7 takes effect June 12, 2013, and applies to assessment years beginning on or after January 1, 2014; 2013 Acts, ch 123, §64, 65

Subsection 2, paragraph b amended

Subsection 6 amended

Subsection 7 stricken

**421.2 Department of revenue.**

A department of revenue is created. The department shall be administered by a director of revenue who shall be appointed by the governor subject to confirmation by the senate and shall serve at the pleasure of the governor. If the office of the director becomes vacant, the vacancy shall be filled in the same manner as provided for the original appointment. The director may establish, abolish, and consolidate divisions within the department of revenue when necessary for the efficient performance of the various functions and duties of the department of revenue.

[C31, 35, §6943-c11, -c12, -c15, -c17; C39, §**6943.010, 6943.011, 6943.014, 6943.016;** C46, 50, 54, 58, 62, 66, §421.1, 421.2, 421.5, 421.7; C71, 73, 75, 77, 79, 81, §421.2]

86 Acts, ch 1245, §419; 2003 Acts, ch 145, §286

Referred to in §7E.5

Confirmation, see §2.32

**421.3 Director to have no conflicting interests.**

The director of revenue shall not hold any other office under the laws of the United States or of this or any other state or hold any other position of profit. The director shall not engage in any occupation, business, or profession interfering with or inconsistent with the director's duties, serve on or under any committee of any political party, or contribute to the campaign fund of any person or political party. The director shall be of high moral character, shall be recognized for executive and administrative capacity, and shall possess expert knowledge and skills in the fields of taxation and property tax assessment. The director shall devote full time to the duties of the office.

[C31, 35, §6943-c14; C39, §**6943.013;** C46, 50, 54, 58, 62, 66, §421.4; C71, 73, 75, 77, 79, 81, §421.3]

2003 Acts, ch 145, §286

**421.4 Deputies.**

The director may appoint deputy directors and may designate one or more of the deputies as acting director. A deputy designated to serve in the absence of the director has all of the

powers possessed by the director. The director may employ certified public accountants, engineering and technical assistants, and other employees, or independent contractors necessary to protect the interests of the state and any political subdivision.

[C71, 73, 75, 77, 79, 81, §421.4]

86 Acts, ch 1245, §420; 94 Acts, ch 1165, §1; 97 Acts, ch 158, §4

**421.5 Settling doubtful claims for taxes.**

The director may compromise and settle doubtful and disputed claims for taxes or refunds or tax liability of doubtful collectibility notwithstanding the provisions of section 7D.9. Whenever such a compromise and settlement is made, the director shall make a complete record of the case showing the tax assessed or claimed due, tax refund claimed, recommendations, reports, and audits of departmental personnel if any, the taxpayer's grounds for dispute or contest together with all evidence thereof, and the amounts, conditions, and settlement or compromise of same.

[C71, 73, 75, 77, 79, 81, §421.5]

94 Acts, ch 1165, §2

Referred to in §453B.14

**421.6 Rules — deposit of departmental moneys.** Repealed by 2003 Acts, ch 145, §291. See § 8A.503.

**421.7 Interest rate.**

1. Except where a different rate of interest is stated in a provision of this title,* the rate of interest on interest-bearing obligations arising under this title shall be the rate of interest in effect under this section.

2. The rate of interest that shall be in effect during a calendar year shall be the rate which is two percentage points greater than the numerical average, rounded to the nearest one percent, of the respective prime rates for each of the months in the twelve-month period that ends September 30 of the previous calendar year. The rate of interest established by this subsection takes effect January 1, and applies to any amount which is due or becomes payable on or after that date.

3. Notwithstanding contrary provisions of subsection 2, the rate of interest that is in effect during a calendar year shall also be the rate of interest to be in effect for the following calendar year, unless the rate of interest as calculated under subsection 2 is at least one percentage point higher or lower than the rate then in effect.

4. In the event interest accrues or is calculated on a monthly basis, the rate of interest for each month shall be one-twelfth, rounded to the nearest one-tenth of one percent, of the rate specified in subsection 2.

5. As used in subsection 2, the term *"prime rate"* means the prime rate charged by banks on short-term business loans, as determined by the board of governors of the federal reserve system and published in the federal reserve bulletin.

6. In October of each year the director shall cause an advisory notice to be published in the Iowa administrative bulletin and in a newspaper of general circulation in this state, stating the rate of interest to be in effect on or after January 1 of the following year, as established by this section. The calculation and publication of the rate of interest by the director is exempt from chapter 17A.

[S13, §1481-a23; C24, 27, 31, §7310, 7368; C35, §6943-f20, -f21, -f24, 7310, 7368; C39, §**6943.056, 6943.057, 6943.060, 7310, 7368;** C46, 50, 54, §422.24, 422.25, 422.28, 450.6, 450.63; C58, 62, §324.64, 422.24, 422.25, 422.28, 450.6, 450.63; C66, §324.64, 422.16(9)(10, b), 422.24, 422.25, 422.28, 422.58, 423.18, 450.6, 450.63; C71, 73, 75, §324.65, 422.16(9)(10, b), 422.24, 422.25, 422.28, 422.58, 423.18, 450.6, 450.63; C77, §324.65, 422.16(9)(10, b)(11, e), 422.24, 422.25, 422.28, 422.58, 423.18, 450.6, 450.63, 450.94; C79, §324.65, 422.16(9)(10, b)(11, e), 422.24, 422.25, 422.28, 422.58, 422.88, 423.18, 435.4, 435.6, 450.6, 450.63, 450.94,

450A.9; C81, §324.65, 422.16(9)(10, b)(11, e), 422.24, 422.25, 422.28, 422.58, 422.88, 422.91, 423.18, 435.4, 435.6, 450.6, 450.63, 450.94, 450A.9; 81 Acts, ch 131, §1]

86 Acts, ch 1007, §16; 90 Acts, ch 1172, §5; 94 Acts, ch 1023, §48; 2013 Acts, ch 70, §17

Referred to in §184.3, 421.27, 421.60, 422.16, 422.24, 422.25, 422.28, 422.88, 422.91, 423.3, 423.4, 423.40, 423B.8, 424.17, 425.7, 425A.8, 437A.13, 437B.9, 450.6, 450.63, 450.94, 450A.9, 452A.65, 452A.74A, 453A.28, 453A.46, 453B.12, 459.402

*This provision does not include chapters 421B, 427C, 435, 452A, and 453A, which were moved into this title by the Code editor. Chapters 421B, 427C, 435, 452A, and 453A contain the applicable provisions pertaining to those chapters.

Subsection 5 amended

**421.8 Penalty for defective return under certain circumstances.**

If a person files a purported return of tax which does not contain information on which the substantial correctness of the self-assessment may be judged or which contains information that on its face indicates that the self-assessment is substantially incorrect and the conduct previously referred to in this section is due to a position which is frivolous or a desire which appears on the purported return to delay or impede the administration of the tax laws of this state, then the person shall pay a penalty of five hundred dollars. This penalty shall be in addition to any other penalty provided by law.

86 Acts, ch 1007, §17

Waiver of penalty or interest on timely amendments to 2008 returns for taxpayers relying in good faith on Iowa's conformity to federal treatment of disaster-related casualty losses in computing net income for state tax purposes; waiver applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009; 2010 Acts, ch 1193, §211, 212

**421.8A** Repealed by 90 Acts, ch 1232, § 22.

**421.9 Duties and powers — office.**

1. The director of revenue or a designated deputy shall sign on behalf of the department all orders, subpoenas, warrants, and other documents of like character issued by the department.

2. The office of the department shall be maintained at the seat of government in this state. The department shall be deemed to be in continuous session and open for the transaction of business except Saturdays, Sundays, and legal holidays. The director of revenue may hold sessions in conducting investigations any place within the state when necessary to facilitate and render more thorough the performance of the director's duties.

3. The director may make application to the district court or judicial magistrate in the county where the books, records, or assets are located for an administrative search warrant as authorized by section 808.14, to ensure equitable administration of state tax law, if any of the following occurs:

*a.* A person refuses to allow the director or the director's authorized representative to audit the person's books or records or to inspect or value the person's assets.

*b.* The director has good and sufficient reason to believe that a person will not allow the department to audit books or records or inspect or value assets or to believe that the person will destroy books or records or secrete or transfer assets.

4. Immediately upon issuance of a distress warrant authorized by section 422.26, the director may make application to the district court or judicial magistrate for an administrative search warrant as authorized by section 808.14 to execute the distress warrant.

[C31, 35, §6943-c20, -c21, -c22, -c23; C39, §**6943.019, 6943.020, 6943.021, 6943.022;** C46, 50, 54, 58, 62, 66, §421.10, 421.11, 421.12, 421.13; C71, 73, 75, 77, 79, 81, §421.9]

86 Acts, ch 1245, §421; 90 Acts, ch 1232, §3; 94 Acts, ch 1165, §3; 2003 Acts, ch 145, §286; 2007 Acts, ch 126, §64

**421.10 Appeal period — applicability.**

The appeal period for revision of assessment of tax, interest, and penalties set out under section 422.28, 423.37, 437A.9, 437A.22, 437B.5, 437B.18, 452A.64, 453A.29, or 453A.46 applies to appeals to notices from the department denying changes in filing methods, denying refund claims, and denying portions of refund claims for the tax covered by that

section, and notices of any department action directed to a specific taxpayer, other than licensing, which involves a calculation.

89 Acts, ch 251, §10; 95 Acts, ch 83, §1; 2000 Acts, ch 1114, §1, 18; 2003 Acts, 1st Ex, ch 2, §177, 205; 2013 Acts, ch 94, §3, 35, 36

Referred to in §437A.14, 437B.10

2013 amendment takes effect May 9, 2013, and applies retroactively to property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Section amended

**421.11 through 421.13** Repealed by 67 Acts, ch 342, § 7.

**421.14 Rules — director's duties.**

The director shall have power to establish all needful rules not inconsistent with law for the orderly and methodical performance of the director's duties, and to require the observance of such rules by those having business with or appearing before the department.

[C31, 35, §6943-c24; C39, §**6943.023;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §421.14]

**421.15 Seal.**

The director shall have an official seal, and orders or other papers executed by the director may, under the director's direction, be attested, with the seal affixed, by the secretary.

[C31, 35, §6943-c25; C39, §**6943.024;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §421.15]

**421.16 Expenses.**

The director and department employees are entitled to receive from the state their actual necessary expenses while traveling on the business of the department. The expenditures shall be sworn to by the party who incurred the expense, and approved and allowed by the director. However, such expenses shall not be allowed residents of Polk county while in the city of Des Moines or traveling between their homes and the city of Des Moines.

[C31, 35, §6943-c26; C39, §**6943.025;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §421.16]

88 Acts, ch 1158, §72; 89 Acts, ch 284, §6; 97 Acts, ch 23, §41; 99 Acts, ch 151, §2, 89

**421.17 Powers and duties of director.**

In addition to the powers and duties transferred to the director of revenue, the director shall have and assume the following powers and duties:

1. To have and exercise general supervision over the administration of the assessment and tax laws of the state, over boards of supervisors and all other officers or boards in the performance of their official duties in all matters relating to assessments and taxation, to the end that all assessments of property and taxes levied on the property be made relatively just and uniform in substantial compliance with the law.

2. To supervise the activity of all assessors and boards of review in the state of Iowa; to cooperate with them in bringing about a uniform and legal assessment of property as prescribed by law.

*a.* The director may order the reassessment of all or part of the property in any assessing jurisdiction in any year. Such reassessment shall be made by the local assessor according to law under the direction of the director and the cost of making the assessment shall be paid in the same manner as the cost of making an original assessment.

*b.* The director shall determine the degree of uniformity of valuation as between the various assessing jurisdictions of the state and shall have the authority to employ competent personnel for the purpose of performing this duty.

*c.* For the purpose of bringing about uniformity and equalization of assessments throughout the state of Iowa, the director shall prescribe rules relating to the standards of value to be used by assessing authorities in the determination, assessment and equalization of actual value for assessment purposes of all property subject to taxation in the state, and such rules shall be adhered to and followed by all assessing authorities.

*d.* To facilitate uniformity and equalization of assessments throughout the state of Iowa and to facilitate transfers of funds to local governments, the director may use geographic information system technology and may require assessing authorities and local governments

that have adopted compatible technology to provide information to the department electronically using electronic geographic information system file formats.

3. To prescribe and promulgate all forms of books and forms to be used in the listing and assessment of property, and on or before November 1 of each year shall furnish to the county auditor of each county such prescribed forms of assessment rolls and other forms to properly list and assess all property subject to taxation in each county. The department of revenue shall also from time to time prepare and furnish in like manner forms for any and all other blanks, memoranda or instructions which the director deems necessary or expedient for the use or guidance of any of the officers over which the director is authorized by law to exercise supervision.

4. To confer with, advise, and direct boards of supervisors, boards of review, and others obligated by law to make levies and assessments, as to their duties under the laws.

5. To direct proceedings, actions, and prosecutions to be instituted for the enforcement of the laws relating to the penalties, liabilities, and punishment of public officers, and officers or agents of corporations, and other persons or corporations, for failure or neglect to comply with the provisions of the statutes governing the return, assessment and taxation of property; to make or cause to be made complaints against members of boards of review, boards of supervisors or other assessing, reviewing, or taxing officers for official misconduct or neglect of duty. Employees of the department of revenue shall not during their regular hours of employment engage in the preparation of tax returns, except in connection with a regular audit of a tax return or in connection with assistance requested by the taxpayer.

6. To require city, township, school districts, county, state, or other public officers to report information as to the assessment of property and collection of taxes and such other information as may be needful or desirable in the work of the department in such form and upon such blanks as the director may prescribe.

The director shall require all city and county assessors to prepare a quarterly report in the manner and form to be prescribed by the director showing for each warranty deed or contract of sale of real estate, divided between rural and urban, during the last completed quarter the amount of real property transfer tax, the sale price or consideration, and the equalized value at which that property was assessed that year. This report with further information required by the director shall be submitted to the department within sixty days after the end of each quarter. The department shall prepare annual summaries of the records of the ratio of assessments to actual sales prices for all counties, and for cities having city assessors, and the information for the preceding year shall be available for public inspection by May 1.

7. To hold public hearings either at the seat of government or elsewhere in the state, and tax the costs thereof; to summon and compel witnesses to appear and give testimony, to administer oaths to said witnesses, and to compel said witnesses to produce for examination records, books, papers, and documents relating to any matter which the director shall have the authority to investigate or determine. Provided, however, that no bank or trust company or its officers or employees shall be required to divulge knowledge concerning the property of any person when such knowledge was obtained through information imparted as a part of a business transaction with or for such person and in the usual and ordinary course of business of said bank or trust company, and was necessary and proper to the discharge of the duty of said bank or trust company in relation to such business transaction. This proviso shall be additional to other provisions of the law relating to confidential and privileged communications.

8. To cause the depositions of witnesses residing within or without the state, or absent therefrom, to be taken either on written or oral interrogatories, and the clerk of the district court of any county shall upon the order of the director issue a commission for the taking of such depositions. The proceedings therefor shall be the same as the proceedings for the taking of depositions in the district court so far as applicable.

9. To investigate the work and methods of boards of review, boards of supervisors, or other public officers, in the assessment, equalization, and taxation of all kinds of property, and for that purpose the director or employees of the department may visit the counties or localities when deemed necessary so to do.

10. To require any board of review at any time after its adjournment to reconvene and to

make such orders as the director shall determine are just and necessary; to direct and order any board of review to raise or lower the valuation of the property, real or personal, in any township, city, or taxing district, to order and direct any board of review to raise or lower the valuation of any class or classes of property in any township, city, or taxing district, and generally to make any order or direction to any board of review as to the valuation of any property, or any class of property, in any township, city, county, or taxing district, which in the judgment of the director may seem just and necessary, to the end that all property shall be valued and assessed in the manner and according to the real intent of the law. For the purpose of this subsection the words *"taxing district"* include drainage districts and levee districts.

*a.* The director may correct obvious errors or obvious injustices in the assessment of any individual property, but the director shall not reduce the valuation of any individual property except upon the recommendation of the local board of review and an order of the director affecting any valuation shall not be retroactive as to any reduction or increase in taxes payable prior to January 1 of the year in which that order is issued, or prior to September 1 of the preceding year in cities under special charter which collect their own municipal levies. The director shall not correct errors or injustices under the authority of this paragraph if that correction would involve the exercise of judgment. Judicial review of the actions of the director may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

*b.* The director may order made effective reassessments or revaluations in any taxing district for any taxing year or years and the director may in any year order uniform increases or decreases in valuation of all property or upon any class of property within any taxing district or any area within such taxing district, such orders to be effective in the year specified by the director.

11. To carefully examine into all cases where evasion or violation of the law for assessment and taxation of property is alleged, complained of, or discovered, and to ascertain wherein existing laws are defective or are improperly or negligently administered, and cause to be instituted such proceedings as will remedy improper or negligent administration of the laws relating to the assessment or taxation of property.

12. To make a summary of the tax situation in the state, setting out the amount of moneys raised by both direct and indirect taxation; and also to formulate and recommend legislation for the better administration of the fiscal laws so as to secure just and equal taxation. To recommend such additions to and changes in the present system of taxation that in the director's judgment are for the best interest of the state and will eliminate the necessity of any levy for state purposes.

13. To transmit biennially to the governor and to each member and member-elect of the legislature, thirty days before the meeting of the legislature, the report of the director, covering the subject of assessment and taxation, the result of the investigation of the director, recommendations for improvement in the system of taxation in the state, together with such measures as may be formulated for the consideration of the legislature.

14. Reserved.

15. The director may establish criteria allowing for the use of electronic filing or the use of alternative filing methods of any return, deposit, or document required to be filed for taxes administered by the department. The director may also establish criteria allowing for payment of taxes, penalty, interest, and fees by electronic funds transfer or other alternative methods. The director shall adopt rules setting forth procedures for use in electronic filing and electronic funds transfer or other alternative methods and standards that provide for acceptance of a signature in a form other than the handwriting of a person. The rules shall also take into consideration any undue hardship electronic filing or electronic funds transfer or other alternative methods create for filers.

16. To call upon a state agency or institution for technical advice and data which may be of value in connection with the work of the department.

17. To prepare and issue a state appraisal manual which each county and city assessor shall use in assessing and valuing all classes of property in the state. The appraisal manual shall be continuously revised and the manual and revisions shall be issued to the county and city assessors in such form and manner as prescribed by the director.

18. To issue rules as are necessary, subject to the provisions of chapter 17A, to provide for the uniform application of the exemptions provided in section 427.1 in all assessor jurisdictions in the state.

19. To subpoena from property owners and taxpayers any and all records and documents necessary to assist the department in the determination of the fair market value of industrial real estate.

*a.* The burden of showing reasonable cause to believe that the documents or records sought by the subpoena are necessary to assist the department under this subsection shall be upon the director.

*b.* The provisions of sections 17A.10 to 17A.18A relating to contested cases shall not apply to any matters involving the equalization of valuations of classes of property as authorized by this chapter and chapter 441. This exemption shall not apply to a hearing before the state board of tax review.

20. To cooperate with the child support recovery unit created in chapter 252B to establish and maintain a process to implement the provisions of section 252B.5, subsection 9. The department of revenue shall forward to individuals meeting the criteria under section 252B.5, subsection 9, paragraph *"a"*, a notice by first class mail that the individual is obligated to file a state estimated tax form and to remit a separate child support payment.

*a.* Individuals notified shall submit a state estimated tax form on a quarterly basis.

*b.* The individual shall pay monthly, the lesser of the total delinquency or one hundred fifty percent of the current or most recent monthly obligation.

*c.* The individual shall remit the payment to the department of revenue separate from any tax liability payments, identify the payment as a support payment, and make the payment payable to the collection services center. The department shall forward all payments received pursuant to this section to the collection services center established pursuant to chapter 252B, for processing and disbursement. The department of revenue may establish a process for the child support recovery unit or collection services center to directly receive the payments. For purposes of crediting the support payments pursuant to sections 252B.14 and 598.22, payments received by the department of revenue and forwarded to the collection services center shall be credited as if received directly by the collection services center.

*d.* The notice shall provide that, as an alternative to the provisions of paragraph *"b"*, the individual may contact the child support recovery unit to formalize a repayment plan and obtain an exemption from the quarterly filing requirement when payments are made pursuant to the repayment plan or to contest the balance due listed in the notice.

*e.* The department of revenue, in cooperation with the child support recovery unit, may adopt rules, if necessary, to implement this subsection.

21. To provide information contained in state individual tax returns to the child support recovery unit for the purposes of establishment or enforcement of support obligations. The department of revenue and child support recovery unit may exchange information in a manual or automated fashion. The department of revenue, in cooperation with the child support recovery unit, may adopt rules, if necessary, to implement this subsection.

22. To employ collection agencies, within or without the state, to collect delinquent taxes, including penalties and interest, administered by the department or delinquent accounts, charges, loans, fees, or other indebtedness due the state or any state agency, that have formal agreements with the department for central debt collection where the director finds that departmental personnel are unable to collect the delinquent accounts, charges, loans, fees, or other indebtedness because of a debtor's location outside the state or for any other reason. Fees for services, reimbursement, or other remuneration, including attorney fees, paid to collection agencies shall be based upon the amount of tax, penalty, and interest or debt actually collected and shall be paid only after the amount of tax, penalty, and interest or debt is collected. All funds collected must be remitted in full to the department within thirty days from the date of collection from a debtor or in a lesser time as the director prescribes. The funds shall be applied toward the debtor's account and handled as are funds received by other means. An amount is appropriated from the amount of tax, penalty, and interest, delinquent accounts, charges, loans, fees, or other indebtedness actually collected by the collection agency sufficient to pay all fees for services, reimbursement, or

other remuneration pursuant to a contract with a collection agency under this subsection. A collection agency entering into a contract with the department for the collection of delinquent taxes, penalties, and interests, delinquent accounts, charges, loans, fees, or other indebtedness pursuant to this subsection is subject to the requirements and penalties of the confidentiality laws of this state regarding tax or indebtedness information.

23. To develop, modify, or contract with vendors to create or administer systems or programs which identify nonfilers of returns or nonpayers of taxes administered by the department. Fees for services, reimbursements, costs incurred by the department, or other remuneration may be funded from the amount of tax, penalty, or interest actually collected and shall be paid only after the amount is collected. An amount is appropriated from the amount of tax, penalty, and interest actually collected, not to exceed the amount collected, which is sufficient to pay for services, reimbursement, costs incurred by the department, or other remuneration pursuant to this subsection. Vendors entering into a contract with the department pursuant to this subsection are subject to the requirements and penalties of the confidentiality laws of this state regarding tax information. The director shall report annually to the legislative services agency and the chairpersons and ranking members of the ways and means committees on the amount of costs incurred and paid during the previous fiscal year pursuant to this subsection.

24. To enter into agreements or compacts with remote sellers, retailers, or third-party providers for the voluntary collection of Iowa sales or use taxes attributable to sales into Iowa. The director has the authority to enter into and perform all duties required of the office of director by multistate agreements or compacts that provide for the collection of sales and use taxes, including joint audits with other states or audits on behalf of other states. The agreements or compacts shall generally conform to the provisions of Iowa sales and use tax statutes. All fees for services, reimbursements, remuneration, incentives, and costs incurred by the department associated with these agreements or compacts may be paid or reimbursed from the additional revenue generated. An amount is appropriated from amounts generated to pay or reimburse all costs associated with this subsection. Persons entering into an agreement or compact with the department pursuant to this subsection are subject to the requirements and penalties of the confidentiality laws of this state regarding tax information. Notwithstanding any other provisions of law, the contract, agreement, or compact shall provide for the registration, collection, report, and verification of amounts subject to this subsection.

25. At the director's discretion, accept payment of taxes, penalties, interest, and fees, or any portion thereof, by credit card. The director may adjust the payable amount to reflect the costs of processing the payment as determined by the treasurer of state and the payment by credit card shall include, in addition to all other charges, any discount charged by the credit card issuer.

26. To ensure that persons employed under contract, other than officers or employees of the state, who provide assistance in administration of tax laws and who are directly under contract or who are involved in any way with work under the contract and who have access to confidential information are subject to applicable requirements and penalties of tax information confidentiality laws of the state regarding all tax return, return information, or investigative or audit information that may be required to be divulged in order to carry out the duties specified under the contract.

27. *a.* To establish, administer, and make available a centralized debt collection capability and procedure for the use by any state agency or local government entity including, but not limited to, the department of revenue, along with other boards, commissions, departments, and any other entity reported in the Iowa comprehensive annual financial report, to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by the state. The department's collection facilities shall only be available for use by other state agencies or local government entities for their discretionary use when resources are available to the director and subject to the director's determination that use of the procedure is feasible. The director shall prescribe the appropriate form and manner in which this information is to be submitted to the office of the department. The obligations

or indebtedness must be delinquent and not subject to litigation, claim, appeal, or review pursuant to the appropriate remedies of each state agency or local government entity.

*b.* The director shall establish, as provided in this section, a centralized computer data bank to compile the information provided and shall establish in the centralized data bank all information provided from all sources within the state concerning addresses, financial records, and other information useful in assisting the department in collection services.

*c.* The director shall establish a formal debt collection policy for use by state agencies and local government entities which have not established their own policy. Other state agencies and local government entities may use the collection facilities of the department pursuant to formal agreement with the department. The agreement shall provide that the information provided to the department shall be sufficient to establish the obligation in a court of law and to render it as a legal judgment on behalf of the state or the local government agency. After transferring the file to the department for collection, an individual state agency or the local government agency shall terminate all collection procedures and be available to provide assistance to the department. Upon receipt of the file, the department shall assume all liability for its actions without recourse to the agency or the local government agency, and shall comply with all applicable state and federal laws governing collection of the debt. The department may use a participating agency's or local government agency's statutory collection authority to collect the participating agency's delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by the state. The department has the powers granted in this section regarding setoff from income tax refunds or other accounts payable by the state for any of the obligations transferred by state agencies or local government agencies.

*d.* The department's existing right to credit against tax due shall not be impaired by any right granted to, or duty imposed upon, the department or other state agency or local government agency by this section.

*e.* All state agencies and local government agencies shall be given access, at the discretion of the director, to the centralized computer data bank and, notwithstanding any other provision of law to the contrary, may deny, revoke, or suspend any license or deny any renewal authorized by the laws of this state to any person who has defaulted on an obligation owed to or collected by the state. The confidentiality provisions of sections 422.20 and 422.72 do not apply to tax information contained in the centralized computer data bank. State agencies and local government agencies shall endeavor to obtain from all applicants the applicant's social security or federal tax identification number, or, if the applicant has neither, the applicant's state driver's license number.

*f.* At the director's discretion, the department may accept payment of debts, interest, and fees, or any portion by credit card. The director may adjust the payable amount to reflect the costs of processing the payment as determined by the treasurer of state and the payment by credit card shall include, in addition to all other charges, any discount charge by the credit card issuer.

*g.* The director shall adopt administrative rules to implement this subsection, including, but not limited to, rules necessary to prevent conflict with federal laws and regulations or the loss of federal funds, to establish procedures necessary to guarantee due process of law, and to provide for reimbursement of the department by other state agencies and local government entities for the department's costs related to debt collection for state agencies and local government entities.

*h.* The director shall report quarterly to the legislative fiscal committee, the legislative services agency, and the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation concerning the implementation of the centralized debt collection program, the number of departmental collection programs initiated, the amount of debts collected, and an estimate of future costs and benefits which may be associated with the collection program. It is the intent of the general assembly that the centralized debt collection program will result in the collection of at least two dollars of indebtedness for every dollar expended in administering the collection program during a fiscal year.

*i.* The director may distribute to credit reporting entities and for publication the names,

addresses, and amounts of indebtedness owed to or being collected by the state if the indebtedness is subject to the centralized debt collection procedure established in this subsection. The director shall adopt rules to administer this paragraph, and the rules shall provide guidelines by which the director shall determine which names, addresses, and amounts of indebtedness may be distributed for publication. The director may distribute information for publication pursuant to this paragraph, notwithstanding sections 422.20, 422.72, and 423.42, or any other provision of state law to the contrary pertaining to confidentiality of information.

*j.* Of the amount of debt actually collected pursuant to this subsection an amount, not to exceed the amount collected, which is sufficient to pay for salaries, support, maintenance, services, and other costs incurred by the department related to the administration of this subsection shall be retained by the department. Revenues retained by the department pursuant to this section shall be considered repayment receipts as defined in section 8.2. The director shall, in the annual budget request pursuant to section 8.23, make an estimate as to the amount of receipts to be retained and the estimated amount of additional receipts to be collected. The director shall report annually to the department of management, the legislative fiscal committee, and the legislative services agency on any additional positions added and the costs incurred during the previous fiscal year pursuant to this subsection.

*k.* A county treasurer may collect delinquent taxes, including penalties and interest, administered by the department in conjunction with renewal of a vehicle registration as provided in section 321.40, subsection 6, paragraph *"b"*, and rules adopted pursuant to this paragraph. County treasurers shall be given access to information required for the collection of delinquent taxes, including penalties and interest, as necessary to accomplish the purposes of section 321.40, subsection 6, paragraph *"b"*. The confidentiality provisions of sections 422.20 and 422.72 do not apply to information provided by the department to a county treasurer pursuant to this paragraph. A county treasurer collecting taxes, penalties, and interest administered by the department is subject to the requirements and penalties of the confidentiality laws of this state regarding tax or indebtedness information. The director shall adopt rules to implement the collection of tax debt as authorized in section 321.40 and this paragraph.

28. To place on the department's official internet site the official electronic state of Iowa voter registration form and a link to the Iowa secretary of state's official internet site.

29. To administer the county endowment fund created in section 15E.311.

30. If a natural disaster is declared by the governor in any area of the state, the director may extend for a period of up to one year the due date for the filing of any tax return and may suspend any associated penalty or interest that would accrue during that period of time for any affected taxpayer whose principal residence or business is located in the covered area if the director determines it necessary for the efficient administration of the tax laws of this state.

31. If the director has reason to believe, as a result of an investigation or audit, that a taxpayer may have misclassified workers, then to assist the department of workforce development, the director is authorized to provide to the department of workforce development the following confidential information with respect to such a taxpayer:

*a.* Withholding and payroll tax information.

*b.* The taxpayer's identity, including taxpayer identification number and date of birth.

*c.* The results or most recent status of the audit or investigation.

32. *a.* To the extent permissible by federal law, to subpoena certain records held by a public or private utility company with respect to an individual who has a debt or obligation placed with the centralized collection unit of the department. The subpoena authority granted in this subsection may be used only after reasonable efforts have been made by the centralized collection unit to identify and locate the individual.

*b.* The department may subpoena customer records in order to obtain a telephone number and last known address, but shall not request or require the disclosure of transaction information, account activity, or proprietary information.

*c.* A public or private utility company shall respond to the subpoenas. The subpoenas shall not be served more frequently than quarterly.

*d.* The burden of showing reasonable cause to believe that the documents or records sought by the subpoena are necessary to assist the department under this subsection shall be upon the director. In administering this subsection, the director and the department shall comply with all applicable state and federal laws pertaining to the confidentiality or privacy of individuals or public or private utility companies. The information and customer records obtained by the department pursuant to this subsection are confidential records and are not subject to requests for examination pursuant to chapter 22.

*e.* A public or private utility company shall not be held liable for any action arising as a result of providing the records described in paragraph *"b"* or for any other action taken reasonably and in good faith to comply with this subsection.

*f.* As used in this subsection, *"public or private utility company"* means a public utility, cable, video, or satellite television company, cellular telephone company, or internet service provider.

[C97, §1010, 1011; C24, 27, §6868, 6869; C31, 35, §6868, 6869, 6943-c27; C39, §**6868, 6869, 6943.026;** C46, §420.209, 420.210, 421.17; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §421.17; 82 Acts, ch 1057, §2 – 4, ch 1216, §1]

83 Acts, ch 96, §157, 159, 160; 83 Acts, ch 153, §20, 21; 85 Acts, ch 197, §8, 9; 86 Acts, ch 1091, §4; 86 Acts, ch 1237, §24; 86 Acts, ch 1245, §422; 87 Acts, ch 199, §4, 5; 88 Acts, ch 1109, §25, 26; 89 Acts, ch 250, §2, 3; 90 Acts, ch 1232, §4; 90 Acts, ch 1253, §122; 91 Acts, ch 159, §3; 91 Acts, ch 268, §127; 92 Acts, ch 1195, §208, 507; 92 Acts, ch 1242, §32, 33; 92 Acts, ch 1243, §31; 93 Acts, ch 79, §34; 93 Acts, ch 97, §40; 93 Acts, ch 110, §5, 6; 94 Acts, ch 1107, §22 – 24; 94 Acts, ch 1142, §1; 94 Acts, ch 1165, §4 – 6; 94 Acts, ch 1171, §39; 95 Acts, ch 169, §4, 5; 95 Acts, ch 194, §7 – 9; 96 Acts, ch 1167, §1; 97 Acts, ch 153, §3; 97 Acts, ch 158, §5 – 9; 97 Acts, ch 175, §231; 98 Acts, ch 1047, §30, 68; 98 Acts, ch 1115, §4 – 6; 98 Acts, ch 1202, §41, 46; 99 Acts, ch 152, §1, 40; 2000 Acts, ch 1195, §1, 7; 2001 Acts, ch 116, §3, 4; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 44, §114; 2003 Acts, ch 145, §254, 286; 2003 Acts, ch 178, §110, 121; 2003 Acts, ch 179, §142; 2003 Acts, 1st Ex, ch 2, §178, 180, 205; 2004 Acts, ch 1073, §4; 2004 Acts, ch 1136, §56; 2005 Acts, ch 19, §52; 2006 Acts, ch 1158, §7; 2006 Acts, ch 1177, §28, 29; 2006 Acts, ch 1185, §82; 2008 Acts, ch 1184, §52; 2010 Acts, ch 1146, §7, 8, 26; 2010 Acts, ch 1193, §146, 149; 2013 Acts, ch 70, §18 – 20; 2013 Acts, ch 90, §257; 2013 Acts, ch 110, §4

Referred to in §123.30, 321.31, 321.40, 421.17A, 421.17B, 421.30, 422.20, 422.72, 422.75, 441.47, 443.22, 602.8102(58)
Code editor directive applied
Subsection 2, NEW paragraph d
Subsection 10, unnumbered paragraph 1 amended
Subsection 10, paragraph b amended
Subsection 27, paragraph e amended

**421.17A Administrative levy against accounts.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Account"* means "account" as defined in section 524.103, or the savings or deposits of a member received or being held by a credit union or a savings association, or certificates of deposit. *"Account"* also includes deposits held by an agent, a broker-dealer, or an issuer as defined in section 502.102. However, *"account"* does not include amounts held by a financial institution as collateral for loans extended by the financial institution.

*b.* *"Bank"* means "bank", "insured bank", and "state bank" as these are defined in section 524.103.

*c.* *"Credit union"* means "credit union" as defined in section 533.102.

*d.* *"Facility"* means the centralized debt collection facility of the department of revenue established pursuant to section 421.17, subsection 27.

*e.* *"Financial institution"* includes a bank, credit union, or savings association. *"Financial institution"* also includes an institution which holds deposits for an agent, broker-dealer, or an issuer as defined in section 502.102.

*f.* *"Obligor"* means a person who is indebted to the state or a state agency for any delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the state or indebtedness being collected by the state.

*g.* *"Working days"* means Monday through Friday, excluding the holidays specified in section 1C.2, subsection 1.

2. *Purpose and use.*

*a.* Notwithstanding other statutory provisions which provide for execution, attachment, garnishment, or levy against accounts, the facility may utilize the process established in this section to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the state or being collected by the state provided that any exemptions or exceptions which specifically apply to enforcement of such obligations also apply to this section. Administrative levy under this section is the equivalent of condemning funds under chapter 642. It is expressly provided that these remedies shall be cumulative and that no action taken by the director or attorney general shall be construed to be an election on the part of the state or any of its officers, employees, or representatives to pursue any other remedy provided by law.

*b.* An obligor is subject to this section if the obligor's debt is being collected by the facility.

*c.* Any amount forwarded by a financial institution under this section shall not exceed the delinquent or accrued amount of the obligor's debt being collected by the state.

3. *Notice of intent to obligor.* The facility may proceed under this section only if twenty days' notice has been provided by regular mail to the last known address of the obligor, notifying the obligor that the obligor is subject to this section and of the facility's intention to use the levy process. The twenty days' notice period shall not be required if the facility determines that the collection of past due amounts would be jeopardized.

4. *Verification of accounts and immunity from liability.*

*a.* The facility may contact a financial institution to obtain verification of the account number, the names and social security numbers listed for the account, and the account balance of an account held by an obligor. Contact with a financial institution may be by telephone or by written communication. The financial institution may require positive voice recognition and may require the telephone number of the authorized person from the facility before releasing an obligor's account information by telephone.

*b.* The financial institution is immune from any civil or criminal liability which might otherwise be incurred or imposed for information released by the financial institution to the facility pursuant to this section.

*c.* The financial institution or the facility is not liable for the cost of any early withdrawal penalty of an obligor's certificate of deposit.

5. *Administrative levy — notice to financial institution.*

*a.* If an obligor is subject to this section, the facility may initiate an administrative action to levy against an account of the obligor.

*b.* The facility shall send a notice to the financial institution with which the account is placed, directing that the financial institution forward all or a portion of the moneys in the obligor's account to the facility.

*c.* The notice to the financial institution shall contain all of the following:

(1) The name and social security number of the obligor.

(2) A statement that the obligor is believed to have an account at the financial institution.

(3) A statement that pursuant to the provisions of this section, the obligor's account is subject to seizure and the financial institution is authorized and required to forward moneys to the facility.

(4) The maximum amount that shall be forwarded by the financial institution, which shall not exceed the delinquent or accrued amount of debt being collected by or owed to the state by the obligor.

(5) The prescribed time frame which the financial institution must meet in forwarding any amounts.

(6) The address of the facility and the account number utilized by the facility for the obligor.

(7) The telephone number of the agent for the facility initiating the action.

6. *Administrative levy — notice of initiation of action to obligor and other account holders.*

*a.* The facility may administratively initiate an action to seize one or more accounts of an obligor who is subject to this section and section 421.17, subsection 27.

*b.* The facility shall notify an obligor subject to this section. The notice shall contain all of the following:

(1) The name and social security number of the obligor.

(2) A statement that the obligor is believed to have an account at the financial institution.

(3) A statement that pursuant to the provisions of this section, the obligor's account is subject to seizure and the financial institution is authorized and required to forward moneys to the facility.

(4) The maximum amount to be forwarded by the financial institution, which shall not exceed the delinquent or accrued amount of debt being collected by or owed to the state by the obligor.

(5) The prescribed time frames the financial institution must meet in forwarding any amounts.

(6) A statement that any challenge to the action must be in writing and must be received by the facility within ten days of the date of the notice to the obligor.

(7) The address of the facility and the account number utilized by the facility for the obligor.

(8) The telephone number of the agent for the facility initiating the action.

*c.* The facility shall forward the notice of initiation of action to the obligor by regular mail within two working days of sending the notice to the financial institution pursuant to subsection 5, paragraph *"b"*.

*d.* The facility shall notify any other party known to have an interest in the account. The notice shall contain all of the following:

(1) The name of the obligor.

(2) The name of the financial institution.

(3) A statement that the account in which the other party is known to have an interest is subject to seizure.

(4) A statement that any challenge to the action must be in writing and must be received by the facility within ten days of the date of the notice to the party known to have an interest.

(5) The address of the facility and the name of the obligor who also has an interest in the account.

(6) The telephone number of the agent for the facility initiating the action.

*e.* The facility shall forward the notice to the other party known to have an interest by regular mail within two working days of sending the notice to the financial institution pursuant to subsection 5, paragraph *"b"*.

7. *Responsibilities of financial institution.* Upon receipt of a notice under subsection 5, paragraph *"b"*, the financial institution shall do all of the following:

*a.* Immediately encumber funds in any account in which the obligor has an interest to the extent of the debt indicated in the notice from the facility.

*b.* No sooner than fifteen days, and no later than twenty days from the date the financial institution receives the notice under subsection 5, paragraph *"b"*, unless notified by the facility of a challenge by the obligor or an account holder of interest, forward the moneys encumbered to the facility with the obligor's name and social security number, the facility's account number for the obligor, and any other information required in the notice.

*c.* The financial institution may assess a fee against the obligor, not to exceed twenty-five dollars, for forwarding of moneys to the facility. This fee is in addition to the amount owed to or being collected by the state by the obligor. If insufficient moneys are available in the debtor's account to cover the fee and the amount in the notice, the institution may deduct the fee amount prior to forwarding moneys to the facility and the amount credited to the obligor's account with the state shall be reduced by the fee amount.

8. *Challenges to action.*

*a.* Challenges under this section may be initiated only by an obligor or by an account holder of interest. Reviews by the facility under this section are not subject to chapter 17A.

*b.* The person challenging the action shall submit a written challenge to the person identified as the agent for the facility in the notice, within ten days of the date of the notice of initiation of the levy.

*c.* The facility, upon receipt of a written challenge, shall review the facts of the administrative levy with the challenging party within ten days of receipt of the challenge. If the challenging party is not available for the review on the scheduled date, the review shall take place without the challenging party being present. Information in favor of the

challenging party shall be considered by the facility in the review. The facility may utilize additional information if such information is available. Only a mistake of fact, including, but not limited to, a mistake in the identity of the obligor or a mistake in the amount owed to or being collected by the state shall be considered as a reason to dismiss or modify the action.

*d.* If the facility determines that a mistake of fact has occurred, the facility shall proceed as follows:

(1) If a mistake in identity has occurred or the obligor does not have a delinquent or accrued amount being collected by or owed to the state, the facility shall notify the financial institution that the administrative levy has been released. The facility shall provide a copy of the notice to the obligor by regular mail.

(2) If the delinquent or accrued amount being collected by or owed to the state is less than the amount indicated in the notice, the facility shall provide a notice to the financial institution of the revised amount, with a copy of the original notice, and issue a notice to the obligor by regular mail. Upon written receipt of the notice from the facility, the financial institution shall release the funds in excess of the revised amount and forward the revised amount to the facility pursuant to the administrative levy.

*e.* If the facility finds no mistake of fact, the facility shall provide a notice to that effect to the challenging party by regular mail and notify the financial institution to forward the moneys pursuant to the administrative levy.

*f.* The challenging party shall have the right to file an action for wrongful levy in district court within thirty days of the date of the notice in paragraph *"e"*, either in the county where the obligor or the party known to have an interest in the account resides or in Polk county where the facility is located. Actions under this section are in equity and not actions at law.

*g.* Recovery under this section is limited to restitution of the amount that has been wrongfully encumbered or obtained by the department.

*h.* A challenge to an administrative action under this subsection cannot be used to extend or reopen the statute of limitations to protest other departmental actions or to contest the amount or validity of the tax. Only issues involving the levy can be raised in a challenge to an administrative action under this subsection.

95 Acts, ch 194, §10, 12; 96 Acts, ch 1034, §34; 96 Acts, ch 1079, §11; 2003 Acts, ch 145, §286; 2004 Acts, ch 1073, § 5 – 10; 2007 Acts, ch 174, §93; 2008 Acts, ch 1031, §113; 2012 Acts, ch 1017, §79 – 81

See also chapter 252I pertaining to collection of child support payments

**421.17B Administrative wage assignment cooperative agreement.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Employer"* means any person or entity that pays an obligor to do a specific task. *"Employer"* only includes such a person or entity in an employer-employee relationship and does not include an obligor acting as a contractor, distributor, agent, or in any representative capacity in which the obligor receives any form of consideration.

*b.* *"Employment"* means the performance of personal services for another. *"Employment"* only includes parties in an employer-employee relationship and does not include one acting as a self-employer, contractor, distributor, agent, or in any representative capacity.

*c.* *"Facility"* means the centralized debt collection facility of the department of revenue established pursuant to section 421.17, subsection 27.

*d.* *"Obligor"* means a person who is indebted to the state or a state agency for any delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the state or indebtedness being collected by the state.

*e.* *"Wage"* means any form of compensation due to an obligor. *"Wage"* includes, but is not limited to, wages, salary, bonus, commission, or other payment directly or indirectly related to employment. If a wage is assigned to the facility, wage only includes a payment in the form of money.

2. *Purpose and use.*

*a.* Notwithstanding other statutory provisions which provide for the execution, attachment, garnishment, or levy against accounts, the facility may utilize the process established in this section to collect delinquent accounts, charges, fees, loans, taxes, or other

indebtedness due the facility or being collected by the facility provided all administrative remedies have been waived or exhausted by the obligor. Any exemptions or exceptions which specifically apply to enforcement of such obligations also apply to this section. Administrative wage assignment under this section is the equivalent of condemning funds under chapter 642. It is expressly provided that these remedies shall be cumulative and that no action taken by the director or the attorney general shall be construed to be an election on the part of the state or any of its officers or representatives to pursue any other remedy provided by law.

*b.* An obligor is subject to this section if the obligor's debt is being collected by the facility.

*c.* Any amount forwarded to the facility by an employer under this section shall not exceed the delinquent or accrued amount of the obligor's debt being collected by the facility.

3. *Notice of intent to the obligor.*

*a.* (1) The facility may proceed under this section only if twenty days' notice has been provided by regular mail to the last known address of the obligor, notifying the obligor that the obligor is subject to this section. If the facility determines that collection of the debt may be in jeopardy, the facility may request that the employer deliver notice of the wage assignment simultaneously with the remainder of or in lieu of the obligor's compensation due from the employer.

(2) The facility may obtain one or more wage assignments of an obligor who is subject to this section. If the obligor has more than one employer, the facility may receive wage assignments from one or more of the employers until the full debt obligation of the obligor is satisfied. If an obligor has more than one employer, the facility shall give notice to all employers from whom an assignment is sought.

*b.* The notice from the facility to the obligor shall contain all of the following:

(1) The name and social security number of the obligor.

(2) A statement that the obligor is believed to have employment with the stated employer.

(3) A statement that pursuant to the provisions of this section, the obligor's wages will be assigned to the facility for payment of the specified debts and that the employer is authorized and required to forward moneys to the facility.

(4) The maximum amount to be forwarded by the employer, which shall not exceed the delinquent or accrued amount of debt being collected by or owed to the facility by the obligor.

(5) The prescribed time frames the employer must meet in forwarding any amounts.

(6) A statement that any challenge to the action must be in writing and must be received by the facility within ten days of the date of the notice to the obligor.

(7) The address of the facility and the account number utilized by the facility for the obligor.

(8) The telephone number of the agent for the facility initiating the action.

4. *Verification of employment and immunity from liability.*

*a.* The facility may contact an employer to obtain verification of employment, and any specific information from the employer that the facility needs to initiate, effectuate, or maintain collection of the obligation. Contact with an employer may be by telephone, fax, or by written communication. The employer may require proof of authority from the person from the facility and the telephone number of the authorized person from the facility before releasing an obligor's employment information by telephone.

*b.* The employer is immune from any civil or criminal liability for information released by the employer to the facility pursuant to this section.

5. *Costs.* The facility is not liable for any costs incurred or imposed for initiating, effectuating, or maintaining an administrative wage assignment under this section. Such costs will be the sole responsibility of the obligor and will be added to the amount to be collected by the facility.

6. *Administrative wage assignment — notice to the employer.*

*a.* If an obligor is subject to this section, the facility may initiate an administrative wage assignment to have compensation due the obligor to be assigned by the employer to the facility up to the amount of the full debt to be collected by the facility.

*b.* The facility shall send a notice to the employer within fourteen days of sending notice of the wage assignment to the obligor. The notice shall inform the employer of the amount to

be assigned to the facility from each wage, salary, or payment period that is due the obligor. The facility may receive assignment of up to one hundred percent of the obligor's disposable income, salary, or payment for any given period until the full obligation to the facility is paid in full.

*c.* The notice to the employer shall contain all of the following:

(1) The name and social security number of the obligor.

(2) A statement that the obligor is believed to be employed by the employer.

(3) A statement that pursuant to the provisions of this section, the obligor's wages are subject to assignment and the employer is authorized and required to forward moneys to the facility.

(4) The maximum amount that shall be forwarded by the employer, which shall not exceed the delinquent or accrued amount of debt being collected by or owed to the facility by the obligor.

(5) The prescribed time frame the employer must meet in forwarding any amounts.

(6) The address of the facility and the account number utilized by the facility for the obligor.

(7) The telephone number of the agent for the facility initiating the action.

7. *Responsibilities of employer.* Upon receipt of the notice of wage assignment from the facility, the employer shall do all of the following:

*a.* Immediately give effect to the wage assignment and hold compensation which the obligor has owing to the extent of the debt indicated in the notice from the facility.

*b.* No sooner than ten days, and no later than twenty days from the date the employer receives the notice of wage assignment, unless notified by the facility of a challenge of the wage assignment by the obligor, the employer shall begin forwarding the obligor's compensation, to the extent required in the notice, to the facility with the obligor's name and social security number, the facility's account number for the obligor, and any other information required in the notice.

*c.* The employer may assess a fee against the obligor, not to exceed twenty-five dollars, for forwarding of moneys to the facility. This fee is in addition to the amount owed to or being collected by the facility from the obligor. If insufficient moneys are available from the obligor's compensation to cover the fee and the amount in the notice, the employer may deduct the fee amount prior to forwarding moneys to the facility and the amount credited to the obligor's account with the facility shall be reduced by the fee amount. However, if the employer can present evidence to the facility that the employer's costs were in excess of twenty-five dollars and that such costs were necessary and reasonable, then the employer may impose a fee in excess of the twenty-five dollar fee limit.

8. *Challenges to action.*

*a.* Challenges under this section may be initiated only by an obligor. An administrative wage assignment only occurs after the obligor has waived or exhausted administrative remedies. Reviews by the facility of a challenge to an administrative wage assignment are not subject to chapter 17A.

*b.* The obligor challenging the administrative wage assignment shall submit a written challenge to the person identified as the agent for the facility in the notice, within ten days of the date of the notice of initiation of the assignment.

*c.* The facility, upon receipt of a written challenge, shall review the facts of the administrative wage assignment with the obligor within ten days of receipt of the challenge. If the obligor is not available for the review on the scheduled date, the review shall take place without the obligor being present. Information in favor of the obligor shall be considered by the facility in the review. The facility may utilize additional information if such information is available. Only a mistake of fact, including, but not limited to, a mistake in the identity of the obligor or a mistake in the amount owed to or being collected by the facility shall be considered as a reason to dismiss or modify the administrative wage assignment.

*d.* If the facility determines that a mistake of fact has occurred, the facility shall proceed as follows:

(1) If a mistake in identity has occurred or the obligor does not have a delinquent or accrued amount being collected by or owed to the facility, the facility shall notify the employer

that the administrative wage assignment has been released. The facility shall provide a copy of the notice to the obligor by regular mail.

(2) If the delinquent or accrued amount being collected by or owed to the facility is less than the amount indicated in the notice, the facility shall provide a notice to the employer of the revised amount, with a copy of the original notice, and issue a notice to the obligor by regular mail. Upon written receipt of the notice from the facility, the employer shall release the funds in excess of the revised amount and forward the revised amount to the facility pursuant to the administrative wage assignment.

(3) Any moneys received by the facility in excess of the amount owed to or to be collected by the facility shall be returned to the obligor.

*e.* If the facility finds no mistake of fact, the facility shall provide a notice to that effect to the obligor by regular mail and notify the employer to forward the moneys pursuant to the administrative wage assignment.

*f.* The obligor shall have the right to file an action for wrongful assignment in district court within thirty days of the date of the notice to the obligor, either in the county where the obligor is located or in Polk county where the facility is located. Actions under this section are in equity and not actions at law.

*g.* Recovery under this subsection is limited to restitution of the amount that has been wrongfully encumbered or obtained by the department.

*h.* A challenge to an administrative action under this subsection cannot be used to extend or reopen the statute of limitations to protest other departmental actions or to contest the amount or validity of the tax. Only issues involving the assignment can be raised in a challenge to an administrative action under this subsection.

9. *Validity and duration of a wage assignment notice.*

*a.* A notice of wage assignment given to the obligor is effective without the serving of another notice until the earliest of either of the following:

(1) The debt owed to the facility is paid in full.

(2) The obligor receives notice that the wage assignment shall cease.

*b.* Cessation of the wage assignment does not affect the obligor's duties and liabilities respecting the wages already withheld pursuant to the wage assignment.

2002 Acts, ch 1151, §2; 2003 Acts, ch 145, §286; 2004 Acts, ch 1073, §11 – 16; 2011 Acts, ch 25, §143

**421.18 Duties of public officers and employees.**

It shall be the duty of all public officers and employees of the state and local governments to give to the director of revenue information in their possession relating to taxation when required by the director, and to cooperate with and aid the director's efforts to secure a fair, equitable, and just enforcement of the taxation and revenue laws.

[C31, 35, §6943-c28; C39, §**6943.027;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §421.18]
99 Acts, ch 151, §3, 89; 2003 Acts, ch 145, §286
Referred to in §162.2A

**421.19 Counsel.**

It shall be the duty of the attorney general and of the county attorneys in their respective counties to commence and prosecute actions, prosecutions, and complaints, when so directed by the director of revenue and to represent the director in any litigation arising from the discharge of the director's duties.

[C31, 35, §6943-c29; C39, §**6943.028;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §421.19]
2003 Acts, ch 145, §286
Referred to in §422.20, 422.72
Assistant attorney general assigned, §13.5

**421.20 Actions.**

The director of revenue may bring actions of mandamus or injunction or any other proper actions in the district court to compel the performance of any order made by the director or to require any board or any other officer or person to perform any duty required by this chapter.

The director shall commence an action only in the district court in the county in which the defendant or defendants in the action perform their official duties.

Upon the filing of an action in the county required by this section the director may move to change the action to another county, and the motion shall be granted upon a showing of good cause. As used in this section, good cause shall mean those grounds for change specified in rule of civil procedure 1.801; however, the director shall not be required to submit affidavits of disinterested persons in order to prevail in the motion.

[C31, 35, §6943-c30; C39, §**6943.029;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §421.20]
94 Acts, ch 1107, §25; 2003 Acts, ch 145, §286
Garnishment proceedings for collection of tax, §626.29 – 626.31

**421.21 Administration of oaths.**

The director of revenue, or the deputies and other employees of the department when duly authorized by the director, shall have the power to administer all oaths authorized and required under the provisions of this chapter.

Each county treasurer, each deputy treasurer, and each automobile clerk of each county treasurer's office shall have the power to administer all oaths authorized and required by the director in connection with the issuance in this state of an original certificate of registration for motor vehicles and trailers and concerning the collection of, or exemption from, use tax thereon. The personal signature of the person administering such an oath shall be subscribed to the jurat thereof and the seal of the county treasurer shall be affixed thereto.

[C31, 35, §6943-c31; C39, §**6943.030;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §421.21]
2003 Acts, ch 145, §286
Referred to in §331.553

**421.22 Service of orders.**

Any sheriff or other person may serve any subpoena or order issued under the provisions of this chapter.

[C31, 35, §6943-c32; C39, §**6943.031;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §421.22]
Referred to in §331.652

**421.23 Fees and mileage.**

The fees and mileage of witnesses attending any hearing of the department, including contested case hearings, pursuant to any subpoena, shall be the same as those of witnesses in civil cases in district court.

[C31, 35, §6943-c33; C39, §**6943.032;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §421.23]
94 Acts, ch 1165, §7
Civil case fees and mileage, §622.69 – 622.75

**421.24 Reciprocal interstate tax enforcement.**

1. At the request of the director the attorney general may bring suit in the name of this state, in the appropriate court of any other state to collect any tax legally due in this state, and any political subdivision of this state or the appropriate officer thereof, acting in its behalf, may bring suit in the appropriate court of any other state to collect any tax legally due to such political subdivision.

2. The courts of this state shall recognize and enforce liabilities for taxes lawfully imposed by any other state, or any political subdivision thereof, which extends a like comity to this state, and the duly authorized officer of any such state or a political subdivision thereof may sue for the collection of such tax in the courts of this state. A certificate by the secretary of state of such other state that an officer suing for the collection of such a tax is duly authorized to collect the same shall be conclusive proof of such authority.

3. *a.* For the purposes of this section, the words *"tax"* and *"taxes"* shall include interest and penalties due under any taxing statute, and liability for such interest or penalties, or both, due under a taxing statute of another state or a political subdivision thereof, shall be recognized and enforced by the courts of this state to the same extent that the laws of such other state permit the enforcement in its courts of liability for such interest or penalties, or both, due under a taxing statute of this state or a political subdivision thereof.

*b.* The courts of this state may not enforce interest rates or penalties on taxes of any other state which exceed the interest rates and penalties imposed by the state of Iowa for the same or a similar tax.

[C66, 71, 73, 75, 77, 79, 81, §421.24]

2013 Acts, ch 30, §85

Subsection 3 amended

**421.25 Professional appraisers employed.**

The director shall employ professional appraisers to assist county and city assessors in assessing and valuing property required to be assessed and valued by county and city assessors and assist the director in equalizing property values in the state. The department shall, upon request, provide technical assistance to county and city assessors in assessing and valuing property required to be assessed and valued by county and city assessors.

[C73, 75, 77, 79, 81, §421.25]

**421.26 Personal liability for tax due.**

If a licensee or other person under section 452A.65, a retailer or purchaser under chapter 423A, 423B, or 423E, or section 423.31 or 423.33, or a retailer or purchaser under section 423.32, a user under section 423.34, or a permit holder or licensee under section 453A.13, 453A.16, or 453A.44 fails to pay a tax under those sections when due, an officer of a corporation or association, notwithstanding section 489.304, a member or manager of a limited liability company, or a partner of a partnership, having control or supervision of or the authority for remitting the tax payments and having a substantial legal or equitable interest in the ownership of the corporation, association, limited liability company, or partnership, who has intentionally failed to pay the tax is personally liable for the payment of the tax, interest, and penalty due and unpaid. However, this section shall not apply to taxes on accounts receivable. The dissolution of a corporation, association, limited liability company, or partnership shall not discharge a person's liability for failure to remit the tax due.

86 Acts, ch 1007, §19; 90 Acts, ch 1232, §5; 94 Acts, ch 1165, §8; 2003 Acts, 1st Ex, ch 2, §181, 205; 2007 Acts, ch 186, §5; 2008 Acts, ch 1162, §134, 154, 155

**421.27 Penalties.**

1. *Failure to timely file a return or deposit form.* If a person fails to file with the department on or before the due date a return or deposit form there shall be added to the tax shown due or required to be shown due a penalty of ten percent of the tax shown due or required to be shown due. The penalty, if assessed, shall be waived by the department upon a showing of any of the following conditions:

*a.* At least ninety percent of the tax required to be shown due has been paid by the due date of the tax.

*b.* Those taxpayers who are required to file quarterly returns, or monthly or semimonthly deposit forms may have one late return or deposit form within a three-year period. The use of any other penalty exception will not count as a late return or deposit form for purposes of this exception.

*c.* The death of a taxpayer, death of a member of the immediate family of the taxpayer, or death of the person directly responsible for filing the return and paying the tax, when the death interferes with timely filing.

*d.* The onset of serious, long-term illness or hospitalization of the taxpayer, of a member of the immediate family of the taxpayer, or of the person directly responsible for filing the return and paying the tax.

*e.* Destruction of records by fire, flood, or other act of God.

*f.* The taxpayer presents proof that the taxpayer relied upon applicable, documented, written advice specifically made to the taxpayer, to the taxpayer's preparer, or to an association representative of the taxpayer from the department, state department of transportation, county treasurer, or federal internal revenue service, whichever is

appropriate, that has not been superseded by a court decision, ruling by a quasi-judicial body, or the adoption, amendment, or repeal of a rule or law.

*g.* Reliance upon results in a previous audit was a direct cause for the failure to file where the previous audit expressly and clearly addressed the issue and the previous audit results have not been superseded by a court decision, or the adoption, amendment, or repeal of a rule or law.

*h.* Under rules prescribed by the director, the taxpayer presents documented proof of substantial authority to rely upon a particular position or upon proof that all facts and circumstances are disclosed on a return or deposit form.

*i.* The return, deposit form, or payment is timely, but erroneously, mailed with adequate postage to the internal revenue service, another state agency, or a local government agency and the taxpayer provides proof of timely mailing with adequate postage.

*j.* The tax has been paid by the wrong licensee and the payments were timely remitted to the department for one or more tax periods prior to notification by the department.

*k.* The failure to file was discovered through a sanctioned self-audit program conducted by the department.

*l.* If the availability of funds in payment of tax required to be made through electronic funds transfer is delayed and the delay of availability is due to reasons beyond the control of the taxpayer. *"Electronic funds transfer"* means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal telephone, computer, magnetic tape, or similar device for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

*m.* The failure to file a timely inheritance tax return resulting solely from a disclaimer that required the personal representative to file an inheritance tax return. The penalty shall be waived if such return is filed and any tax due is paid within the later of nine months from the date of death or sixty days from the delivery or filing of the disclaimer pursuant to section 633E.12.

*n.* That an Iowa inheritance tax return is filed for an estate within the later of nine months from the date of death or sixty days from the filing of a disclaimer by the beneficiary of the estate refusing to take the property or right or interest in the property.

2. *Failure to timely pay the tax shown due, or the tax required to be shown due, with the filing of a return or deposit form.* If a person fails to pay the tax shown due or required to be shown due, on a return or deposit form on or before the due date there shall be added to the tax shown due or required to be shown due a penalty of five percent of the tax due. The penalty, if assessed, shall be waived by the department upon a showing of any of the following conditions:

*a.* At least ninety percent of the tax required to be shown due has been paid by the due date of the tax.

*b.* The taxpayer voluntarily files an amended return and pays all tax shown to be due on the return prior to any contact by the department, except under a sanctioned self-audit program conducted by the department.

*c.* The taxpayer provides written notification to the department of a federal audit while it is in progress and voluntarily files an amended return which includes a copy of the federal document showing the final disposition or final federal adjustments within sixty days of the final disposition of the federal government's audit.

*d.* The taxpayer presents proof that the taxpayer relied upon applicable, documented, written advice specifically made to the taxpayer, to the taxpayer's preparer, or to an association representative of the taxpayer from the department, state department of transportation, county treasurer, or federal internal revenue service, whichever is appropriate, that has not been superseded by a court decision, ruling by a quasi-judicial body, or the adoption, amendment, or repeal of a rule or law.

*e.* Reliance upon results in a previous audit was a direct cause for the failure to pay the tax required to be shown due where the previous audit expressly and clearly addressed the issue and the previous audit results have not been superseded by a court decision, or the adoption, amendment, or repeal of a rule or law.

*f.* Under rules prescribed by the director, the taxpayer presents documented proof of

substantial authority to rely upon a particular position or upon proof that all facts and circumstances are disclosed on a return or deposit form.

*g.* The return, deposit form, or payment is timely, but erroneously, mailed with adequate postage to the internal revenue service, another state agency, or a local government agency and the taxpayer provides proof of timely mailing with adequate postage.

*h.* The tax has been paid by the wrong licensee and the payments were timely remitted to the department for one or more tax periods prior to notification by the department.

*i.* That an Iowa inheritance tax return is filed for an estate within the later of nine months from the date of death or sixty days from the filing of a disclaimer by the beneficiary of the estate refusing to take the property or right or interest in the property.

3. *Audit deficiencies.* If any person fails to pay the tax required to be shown due with the filing of a return or deposit and the department discovers the underpayment, there shall be added to the tax required to be shown due a penalty of five percent of the tax required to be shown due. The penalty, if assessed, shall be waived by the department upon a showing of any of the following conditions:

*a.* At least ninety percent of the tax required to be shown due has been paid by the due date.

*b.* The taxpayer presents proof that the taxpayer relied upon applicable, documented, written advice specifically made to the taxpayer, to the taxpayer's preparer, or to an association representative of the taxpayer from the department, state department of transportation, county treasurer, or federal internal revenue service, whichever is appropriate, that has not been superseded by a court decision, ruling by a quasi-judicial body, or the adoption, amendment, or repeal of a rule or law.

*c.* Reliance upon results in a previous audit was a direct cause for the failure to pay the tax shown due or required to be shown due where the previous audit expressly and clearly addressed the issue and the previous audit results have not been superseded by a court decision, or the adoption, amendment, or repeal of a rule or law.

*d.* Under rules prescribed by the director, the taxpayer presents documented proof of substantial authority to rely upon a particular position or upon proof that all facts and circumstances are disclosed on a return or deposit form.

4. *Willful failure to file or deposit.*

*a.* In case of willful failure to file a return or deposit form with the intent to evade tax, or in case of willfully filing a false return or deposit form with the intent to evade tax, in lieu of the penalties otherwise provided in this section, a penalty of seventy-five percent shall be added to the amount shown due or required to be shown as tax on the return or deposit form. If penalties are applicable for failure to file a return or deposit form and failure to pay the tax shown due or required to be shown due on the return or deposit form, the penalty provision for failure to file shall be in lieu of the penalty provisions for failure to pay the tax shown due or required to be shown due on the return or deposit form, except in the case of willful failure to file a return or deposit form or willfully filing a false return or deposit form with intent to evade tax.

*b.* The penalties imposed under this subsection are not subject to waiver.

5. *Failure to remit on extension.* If a person fails to remit at least ninety percent of the tax required to be shown due by the time an extension for further time to file a return is made, there shall be added to the tax shown due or required to be shown due a penalty of ten percent of the tax due.

6. *Improper receipt of refund or credit.* A person who makes an erroneous application for refund or credit shall be liable for any overpayment received or tax liability reduced plus interest at the rate in effect under section 421.7. In addition, a person who willfully makes a false or frivolous application for refund or credit with intent to evade tax or with intent to receive a refund or credit to which the person is not entitled is guilty of a fraudulent practice and is liable for a penalty equal to seventy-five percent of the refund or credit being claimed. Payments, penalties, and interest due under this subsection may be collected and enforced in the same manner as the tax imposed.

7. *Failure to use required form.* If a person fails to remit payment of taxes in the form required by the rules of the director, there shall be added to the amount of the tax a penalty

of five percent of the amount of tax shown due or required to be shown due. The penalty imposed by this subsection shall be waived if the taxpayer did not receive notification of the requirement to remit tax payments electronically or if the electronic transmission of the payment was not in a format or by means specified by the director and the payment was made before the taxpayer was notified of the requirement to remit tax payments electronically.

86 Acts, ch 1007, §20; 89 Acts, ch 6, §3; 90 Acts, ch 1172, §6, 7, 14 – 16; 90 Acts, ch 1232, §6, 29; 91 Acts, ch 97, §45; 91 Acts, ch 159, §4 – 6; 94 Acts, ch 1165, §9; 96 Acts, ch 1167, §2, 8; 2007 Acts, ch 134, §1, 28; 2007 Acts, ch 186, §6, 7; 2010 Acts, ch 1193, §124

Referred to in §422.16, 422.25, 423.31, 423.40, 424.17, 437A.13, 437B.9, 450.63, 452A.65, 453A.28, 453A.46

Waiver of penalty or interest on timely amendments to 2008 returns for taxpayers relying in good faith on Iowa's conformity to federal treatment of disaster-related casualty losses in computing net income for state tax purposes; waiver applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009; 2010 Acts, ch 1193, §211, 212

**421.28 Exceptions to successor liability.**

The immediate successor to a licensee's or retailer's business or stock of goods under chapter 423A or 423B, or section 423.33 or 452A.65, is not personally liable for the amount of delinquent tax, interest, or penalty due and unpaid if the immediate successor shows that the purchase of the business or stock of goods was made in good faith that no delinquent tax, interest, or penalty was due and unpaid. For purposes of this section the immediate successor shows good faith by evidence that the department had provided the immediate successor with a certified statement that no delinquent tax, interest, or penalty is unpaid, or that the immediate successor had taken in good faith a certified statement from the licensee, retailer, or seller that no delinquent tax, interest, or penalty is unpaid. When requested to do so by a person with whom the licensee or retailer is negotiating the sale of the business or stock of goods, the director of revenue shall, upon being satisfied that such a situation exists, inform that person as to the amount of unpaid delinquent tax, interest, or penalty due by the licensee or the retailer. The giving of the information under this circumstance is not a violation of section 422.20, 422.72, or 452A.63.

86 Acts, ch 1007, §21; 90 Acts, ch 1232, §7; 92 Acts, 2nd Ex, ch 1001, §236; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §182, 205

Referred to in §422.20, 422.72, 423.33, 452A.65

**421.29 Registrations.**

For purposes of the provisions of the Code which are administered by the department, "*permit*" or "*license*" includes registration. Unless otherwise specifically provided, the director shall determine by rule the circumstances for which registrations shall be issued and displayed.

94 Acts, ch 1165, §10

**421.30 Reassessment expense fund.**

1. A reassessment expense fund is created in the office of the treasurer of state for the purpose of providing loans to a city and county conference board for conducting reassessments of property. There is appropriated to the reassessment expense fund from the general fund of the state from any unappropriated funds in the general fund of the state such funds as are necessary to carry out the provisions of this section, section 421.17, subsection 19, and section 441.19, subsection 2, subject to the approval of the director of revenue. Repayment of loans shall be credited to the fund.

2. The director of revenue shall maintain and administer the reassessment expense fund created pursuant to subsection 1.

3. Within sixty days of the receipt of an order of the director to reassess all or part of the property in an assessing jurisdiction, the conference board and assessor of the assessing jurisdiction shall submit to the director a detailed proposal for complying with the order. The proposal shall contain specifications for the completion of the reassessment project, the financial condition of the assessing jurisdiction, and any other information deemed necessary by the director.

4. Each proposal submitted pursuant to subsection 3 shall be reviewed by the director to determine if the proposal will result in compliance with the reassessment order. The director shall approve or disapprove each proposal and shall notify the appropriate conference

board and assessor of the decision. If the director determines the proposal will not result in compliance with the reassessment order, the notice shall contain the reasons for the director's determination and an explanation as to how the proposal shall be corrected in order to be approved by the director.

5. If the notice to the conference board and the assessor states that the director has determined that the proposal will result in compliance with the reassessment order, the conference board may, if it lacks the financial resources to comply in all respects with the reassessment order, file with the director an application for a loan from the reassessment expense fund. The loan to the conference board may be for all or part of the funds required to comply with the reassessment order. The director shall approve, amend and approve, or reject each application and notify the conference board and assessor of its decision. If the application is amended or rejected, the notice shall contain the director's reasons for the amendment or rejection.

6. Upon the director's approval of the advancement of funds from the reassessment expense fund, the director shall certify to the appropriate conference board and assessor a schedule for disbursing the loan to the assessing jurisdiction's assessment expense fund authorized by section 441.16. The schedule shall provide for the disbursement of funds over the period of the reassessment project, except that ten percent of the funds shall not be disbursed until the project is completed. The conference board shall at its next opportunity levy pursuant to section 441.16 sufficient funds for purposes of repaying the loan made from the reassessment expense fund. The amount levied shall be sufficient to repay the loan in semiannual installments during the course of the reappraisal project as specified by a repayment schedule established by the director. The repayment schedule shall provide for repayment of the loan not later than one year following the completion of the reassessment. Semiannual repayments of the proceeds of the loan shall be made on or before December 1 and May 1 of each year.

7. Any reassessment of property ordered by the director, whether or not undertaken with funds provided in this section, shall be conducted by the assessor in accordance with the Iowa real property appraisal manual issued under authority of section 421.17, subsection 17, the assessment laws of this state, and any reassessment order issued by the director under authority of this chapter. The conference board may employ appraisers or other expert help to assist the assessor in completing the reassessment, except that no conference board receiving funds under this section shall enter into a contract for the reassessment of property until the board's proposal for completing the reassessment is approved. The director shall supervise the conduct of all reassessments of property and issue to the assessor or conference board such instructions, directives, or orders as are necessary to ensure compliance with the provisions of this section and the assessment laws of this state.

8. The assessor of each assessing jurisdiction receiving funds under this section shall submit to the director, in the form and manner prescribed by the director, reports showing the progress of the reassessment. If the director determines that a reassessment undertaken with funds provided in this section is not being conducted in accordance with the proposal submitted pursuant to subsection 3, the director shall notify the appropriate conference board and assessor of the director's determination. The notice shall contain an explanation as to how the deficiencies in the reassessment may be corrected. If the deficiencies noted by the director are not corrected within sixty days of the date the assessor and conference board are notified of their existence, the director shall suspend payments from the reassessment expense fund until the deficiencies have been corrected.

9. Funds obtained under this section shall be used only to conduct reassessments of property as approved and conducted pursuant to this section.

[C79, 81, §421.30]

86 Acts, ch 1245, §423; 2003 Acts, ch 145, §286; 2012 Acts, ch 1081, §1; 2013 Acts, ch 90, §101

Subsection 1 amended

**421.31 through 421.45** Repealed by 2003 Acts, ch 145, § 291. See § 8A.502, 8A.506 – 8A.519.

**421.46 Terminal liability health insurance fund.**

1. A terminal liability health insurance fund is created in the state treasury under the control of the department of administrative services. The proceeds of the terminal liability health insurance fund shall be used by the department of administrative services to pay the state's share of the terminal liability of the existing health insurance contract administered by the department of administrative services. The moneys appropriated to the terminal liability health insurance fund plus any additional moneys appropriated or collected pursuant to 2001 Acts, ch. 190, or other Acts of the general assembly shall constitute the total amount due to pay the terminal liability specified in this section.

2. Notwithstanding section 8.33, any unencumbered or unobligated balance remaining in the terminal liability health insurance fund at the close of a fiscal year shall not revert.

2001 Acts, ch 190, §20; 2002 Acts, ch 1175, §15; 2003 Acts, ch 145, §286

**421.47 Tax agreements with Indian tribes.**

1. *"Indian country"* means the Indian country as defined in 18 U.S.C. § 1151, and includes trust land as defined by the United States secretary of the interior.

2. *a.* The department and the governing body of an Indian tribe may enter into an agreement to provide for the collection and distribution or refund by the department within Indian country of any tax or fee imposed by the state and administered by the department.

*b.* An agreement may also provide for the collection and distribution by the department of any tribal tax or fee imposed by tribal ordinance. The agreement may provide for the retention of an administrative fee by the department which fee shall be an agreed-upon percentage of the gross revenue of the tribal tax or fee collected.

3. An Act of Congress regulating the collection of state taxes and their remittance to the states shall preempt an agreement between the department and the governing body of an Indian tribe under this section to the extent such federal Act regulates the collection and remittance of a tax covered by the agreement.

4. An agreement between the department and the governing body of an Indian tribe under this section shall not preclude the negotiation of an amendment to such agreement, which conforms to an Act of Congress regulating the collection of state taxes and their remittance to the states.

2002 Acts, ch 1151, §4; 2011 Acts, ch 25, §143

**421.48 through 421.59** Reserved.

**421.60 Tax procedures and practices.**

1. *Short title.* This section shall be known and may be cited as the *"Tax Procedures and Practices Act"*.

2. *Procedures and practices.*

*a.* (1) The department shall prepare a statement which sets forth in simple and nontechnical terms all of the following:

(a) The rights of a taxpayer and the obligations of the department during an audit.

(b) The procedures by which a taxpayer may appeal an adverse decision of the department, including administrative and judicial appeals.

(c) The procedures which the department may use in enforcing the tax laws, including notices of assessment and jeopardy assessment and the filing and enforcement of liens.

(2) The statement prepared in accordance with this paragraph shall be distributed by the department to all taxpayers at the first contact by the department with respect to the determination or collection of any tax, except in the case of simply providing tax forms.

*b.* The department shall furnish to the taxpayer, before or at the time of issuing a notice of assessment or denial of a refund claim, an explanation of the reasons for the assessment or refund denial. An inadequate explanation shall not invalidate the notice. For purposes of this section, an explanation by the department shall be sufficient where the amount of tax, interest, and penalty is stated together with an attachment setting forth the computation of the tax by the department.

*c.* (1) If the notice of assessment or denial of a claim for refund relates to a tax return filed

pursuant to section 422.14 or chapter 450, 450A, or 451, by the taxpayer which designates an individual as an authorized representative of the taxpayer with respect to that return, or if a power of attorney has been filed with the department by the taxpayer which designates an individual as an authorized representative of the taxpayer with respect to any tax that is included in the notice of assessment or denial of a claim for refund, a copy of the notice together with any additional information required to be sent to the taxpayer shall be sent to the authorized representative as well.

(2) If the department fails to mail a notice of assessment to the last known address of a taxpayer or fails to personally deliver such notice to a taxpayer, interest for the month such mailing or personal delivery fails to occur through the month of the correct mailing or personal delivery is waived.

(3) If the department fails to mail a notice of assessment or denial of a claim for refund to the taxpayer's last known address or fails to personally deliver such notice to a taxpayer and, if applicable, to the taxpayer's authorized representative, the time period to appeal the notice of assessment or a denial of a claim for refund is suspended until the notice or claim denial is correctly mailed or personally delivered, or in any event, for a period not to exceed one year, whichever is the lesser period.

(4) Collection activities, except where a jeopardy situation exists, shall be suspended and the statute of limitations for assessment or collection of the tax shall be tolled during the period in which interest is waived.

*d.* A taxpayer is permitted to designate in writing the type of tax and tax periods to which any voluntary payment relates, provided that separate written instructions accompany the payment. This paragraph does not apply to jeopardy assessments and does not apply if the department has to enforce collection of the payment.

*e.* Unless otherwise provided by law, all Iowa taxes which are administered by the department and which result in a refund shall accrue interest at the rate in effect under section 421.7 from the first day of the second calendar month following the date of payment or the date the return was due to be filed or was filed, whichever is the latest.

*f.* A taxpayer may appeal a refund claim to the director if a claim for refund has been filed and not denied by the department within six months of the filing of the claim. The filing of an appeal by a taxpayer shall not affect the ability of the department to examine and inspect a taxpayer's records.

*g.* A taxpayer may request in writing that a contested case proceeding be commenced by the department after a period of six months from the filing of a proper appeal by the taxpayer. The department shall file an answer within thirty days of receipt of the request and a contested case proceeding shall be commenced. In the case of an appeal of an assessment, failure to answer within the thirty-day time period and after a request has been made shall result in the suspension of interest from the time that the department was required to answer until the date that the department files its answer. In the case of an appeal of a denial of a refund, failure to answer within the thirty-day time period, and after a request has been made, shall result in the accrual of interest payable to the taxpayer at double the rate in effect under section 421.7 from the time the department was required to answer until the date that the department files its answer.

*h.* A taxpayer who has failed to appeal a notice of assessment to the department within the time provided by law may contest the assessment by paying the tax, interest, and penalty, which in the case of divisible taxes might not be the entire liability and by filing a refund claim within the time period provided for filing such claim. The filing of a refund claim allows the time period for which the refund is claimed to be open to examination and to be open to offset, to zero, based upon any issue associated with the type of tax for which the refund is claimed and which has not up to that time been resolved between the taxpayer and the department, irrespective of whether the period of limitations to issue a notice of assessment has expired. The department may make this offset at any time until the department grants or denies the refund.

*i.* The director may, at any time, abate any unpaid portion of assessed tax, interest, or penalties which the director determines is erroneous, illegal, or excessive. The director shall

prepare quarterly reports summarizing each case in which abatement of tax, interest, or penalties was made. However, the report shall not disclose the identity of the taxpayer.

*j.* The director shall adopt rules for setting times and places for taxpayer interviews and to permit any taxpayer to record the interviews.

*k.* If the determination that a return is incorrect is the result of an audit of the books and records of the taxpayer, the tax or additional tax, if any, shall be assessed and the notice of assessment to the taxpayer shall be given by the department within one year after the completion of the examination of the books and records.

*l.* The department shall annually report to the general assembly all areas of recurrent taxpayer noncompliance with rules or guidelines issued by the department and shall make recommendations concerning the noncompliance in the report.

*m.* (1) The director may abate unpaid state sales and use taxes and local sales and services taxes owed by a retailer in the event that the retailer failed to collect tax from the purchaser as a result of erroneous written advice issued by the department that was specially directed to the retailer by the department and the retailer is unable to collect the tax, interest, or penalties from the purchaser. Before the tax, interest, and penalties shall be abated on the basis of erroneous written advice, the retailer must present a copy of the retailer's request for written advice to the department and a copy of the department's reply. The department shall not maintain a position against the retailer that is inconsistent with the erroneous written advice, except on the basis of subsequent written advice sent by the department to that retailer, or a change in state or federal law, a reported court case to the contrary, a contrary rule adopted by the department, a change in material facts or circumstances relating to the retailer, or the retailer's misrepresentation or incomplete or inadequate representation of material facts and circumstances in requesting the written advice.

(2) (a) The director shall abate the unpaid state sales and use taxes and any local sales and services taxes owed by a retailer where the retailer failed to collect the tax from the purchaser on the charges paid for access to on-line computer services as a result of erroneous written advice issued by the department regarding the taxability of charges paid for access to on-line computer services. To qualify for the abatement under this subparagraph, the erroneous written advice shall have been issued by the department prior to July 1, 1999, and shall have been specially directed to the retailer by the department.

(b) If an abatement of unpaid state sales and use taxes and any local sales and services taxes is granted to the retailer by the director pursuant to this subparagraph, the department is precluded from collecting from the purchaser any unpaid state sales and use taxes and any local sales and services taxes which were abated.

(3) The director shall prepare quarterly reports summarizing each case in which abatement of tax, interest, or penalties was made. However, the report shall not disclose the identity of the taxpayer. An abatement authorized by this paragraph to a retailer shall not preclude the department from proceeding to collect the liability from a purchaser, except as provided in subparagraph (2).

3. *Installment payments.* The department may permit the payment of a delinquent tax on a deferred basis where the equities indicate that a deferred payment agreement would be in the interest of the state and that without a deferred payment agreement the taxpayer would experience extreme financial hardship. A deferred payment agreement shall include applicable penalty and interest at the rate in effect under section 421.7 on the unpaid balance of the liability.

4. *Costs.*

*a.* A prevailing taxpayer in an administrative hearing or a court proceeding related to the determination, collection, or refund of a tax, penalty, or interest may be awarded reasonable litigation costs by the department, state board of tax review, or a court, incurred subsequent to the issuance of the notice of assessment or denial of claim for refund in the proceeding, based upon the following:

(1) The reasonable expenses of expert witnesses.

(2) The reasonable costs of studies, reports, and tests.

(3) The reasonable fees of independent attorneys or independent accountants retained by the taxpayer.

(4) An award for reasonable litigation costs shall not exceed twenty-five thousand dollars per case.

*b.* An award under paragraph *"a"* shall not be made with respect to a portion of the proceedings during which the prevailing taxpayer has unreasonably protracted the proceedings.

*c.* For purposes of this section, *"prevailing taxpayer"* means a taxpayer who establishes that the position of the state was not substantially justified and who has substantially prevailed with respect to the amount in controversy or has substantially prevailed with respect to the most significant issue or set of issues presented. The determination of whether a taxpayer is a prevailing taxpayer is to be determined in accordance with chapter 17A.

*d.* An award for reasonable litigation costs shall be paid to the taxpayer from the general fund of the state. For purposes of this subsection, there is appropriated from the general fund of the state an amount sufficient to pay each taxpayer entitled to an award under this subsection.

*e.* This subsection does not apply to the tax imposed by chapter 453B if the department relied upon information provided or action conducted by federal, state, or local officials or law enforcement agencies.

5. *Damages.* Notwithstanding section 669.14, subsection 2, if the director or an employee of the department recklessly or intentionally disregards any tax law or rule in the collection of any tax, or if the director or an employee of the department knowingly or negligently fails to release a lien against or bond on a taxpayer's property, the taxpayer may file a claim in accordance with the Iowa tort claims Act, chapter 669, for damages against the state. However, the damages shall be limited to the actual direct economic damages suffered by the taxpayer as a proximate result of the actions of the director or employee, plus costs, reduced by the amount of such damages and costs as could reasonably have been mitigated by the taxpayer. The Iowa tort claims Act shall be the exclusive remedy for recovering damages resulting from such actions. This subsection does not apply to the tax imposed by chapter 453B.

6. *Burden of proof.* The burden of proof with respect to assessments or denial of refunds in contested case proceedings shall be allocated as follows:

*a.* With respect to the issue of fraud with intent to evade tax, the burden of proof is upon the department. The burden of proof must be carried by clear and convincing evidence.

*b.* In a case where the assessment was not made within six years after the return became due, excluding any extension of time for filing, the burden of proof shall be upon the department. However, the burden of proof shall be upon the taxpayer where the determination of the department is the result of the final disposition of a matter between the taxpayer and the internal revenue service or where the taxpayer and the department have signed a waiver of the statute of limitations.

*c.* In all other cases, the burden of proof shall be upon the taxpayer who challenges the assessment or refund denial, except that, with respect to any new matter or affirmative defense, the burden of proof shall be upon the department. For purposes of this provision, *"new matter"* means an adjustment not set forth in the computation of the tax in the assessment or refund denial as distinguished from a new reason for the assessment or refund denial. *"Affirmative defense"* is one resting on facts not necessary to support the taxpayer's case.

7. *Employee evaluations.* It is unlawful to base a performance evaluation for an employee of the department on the total amount of assessments issued by that employee.

8. *Refund of untimely assessed taxes.* Notwithstanding any other refund statute, if it appears that an amount of tax, penalty, or interest has been paid to the department after the expiration of the statute of limitations for the department to determine and assess or collect the amount of such tax due, then the amount paid shall be credited against another tax liability of the taxpayer which is outstanding, if the statute of limitations for assessment or collection of that other tax has not expired or the amount paid shall be refunded to the person or, with the person's approval, credited to tax to become due. An application for refund or credit under this subsection must be filed within one year of payment. This subsection shall not be construed to prohibit the department from offsetting the refund claim against any

tax due, if the statute of limitations for that other tax has not expired. However, any tax, penalty, or interest due for which a notice of assessment was not issued by the department but which was voluntarily paid by a taxpayer after the expiration of the statute of limitations for assessment shall not be refunded.

9. *No applicability to real property.* The provisions of this section do not apply to the assessment and taxation of real property.

10. *Illegal tax.* A tax shall not be collected by the department if it is prohibited under the Constitution of the United States or laws of the United States, or under the Constitution of the State of Iowa.

94 Acts, ch 1133, §1, 16; 95 Acts, ch 83, §2; 2000 Acts, ch 1189, §28, 34; 2002 Acts, ch 1122, §2, 4; 2008 Acts, ch 1119, §6; 2008 Acts, ch 1184, §53; 2010 Acts, ch 1138, §52; 2011 Acts, ch 25, §143

Referred to in §422.75, 423.33

**421.61 Unconstitutionally withheld tax benefits.**

If a provision in the Code grants a tax benefit to taxpayers that is unconstitutionally withheld from other taxpayers as expressed in an Iowa attorney general's opinion based upon decisions of the Iowa supreme court, United States supreme court, or other courts of competent jurisdiction, the tax benefit shall also be granted to the adversely affected taxpayers as if the unconstitutional provision did not exist.

97 Acts, ch 158, §10

**421.62 through 421.69** Reserved.

**421.70** Repealed by 2002 Acts, ch 1161, § 1.

# CHAPTER 421A

## DISCLOSURE OF INFORMATION IN PREPARATION OF TAX RETURNS

Chapter transferred from ch 423A in Code 2005 pursuant to Code editor directive; 2003 Acts, 1st Ex, ch 2, §203, 205


| | | | |
|---|---|---|---|
| 421A.1 | Definitions. | 421A.3 | Engaged in business. |
| 421A.2 | Disclosure prohibited. | 421A.4 | Penalty. |


**421A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Person"* means any person, firm, corporation, association, partnership or an employee or agent of one of these.

2. *"Tax return"* means any federal, state, or local form required to be filled out, by or for a taxpayer, incident to the collection or refund of a tax.

3. *"Information"* for the purpose of this chapter shall include but not be limited to the name, address and statistical data of the taxpayer.

[C73, 75, 77, 79, 81, §423A.1]
2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §421A.1

**421A.2 Disclosure prohibited.**

A person who obtains any information in the course of or arising out of the business of preparing or assisting in the preparation of a tax return of another person, shall not disclose any of the information obtained unless the disclosure is within any of the following:

1. Consented to in writing by the taxpayer in a separate document.
2. Expressly authorized by state or federal law.

3. Necessary to the preparation of the return.
4. Pursuant to court order.
[C73, 75, 77, 79, 81, §423A.2]
2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §421A.2

**421A.3 Engaged in business.**
A person is engaged in the business of preparing income tax returns or assisting in preparing of returns if the person does any of the following:
1. Advertises, or gives publicity to the effect that the person prepares or assists others in the preparation of tax returns.
2. Prepares or assists others in the preparation of tax returns for compensation.
[C73, 75, 77, 79, 81, §423A.3]
2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §421A.3

**421A.4 Penalty.**
A person who violates the provisions of this chapter shall upon conviction be guilty of an aggravated misdemeanor.
[C73, 75, 77, 79, 81, §423A.4]
2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §421A.4

# CHAPTER 421B

## CIGARETTE SALES

Referred to in §669.14

This chapter not enacted as a part of this title;
transferred from chapter 551A in Code 1993


421B.1 Short title.
421B.2 Definitions.
421B.3 Sales at less than cost — penalties.
421B.4 Combination sales.
421B.5 Sales by a wholesaler to a wholesaler.
421B.6 Sales exceptions.
421B.7 Transactions permitted to meet lawful competition.
421B.8 Cost determined.
421B.9 Sales outside ordinary channels of business — effect.
421B.10 Injunction.
421B.11 Director of revenue — powers and duties.


**421B.1 Short title.**
This chapter shall be known and cited as the *"Iowa Unfair Cigarette Sales Act."*
[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.1]
C93, §421B.1

**421B.2 Definitions.**
When used in any part of this chapter, the following words, terms and phrases shall have the meaning ascribed to them except where the context clearly indicates a different meaning:
1. *"Basic cost of cigarettes"* shall mean whichever of one of the two following amounts is lower, less, in either case, all trade discounts and customary discounts for cash, plus one-half of the full face value of any stamps which may be required by any cigarette tax act of this state:
*a.* The true invoice cost of cigarettes to the wholesaler or retailer, as the case may be.
*b.* The lowest replacement cost of cigarettes to the wholesaler or retailer in the quantity last purchased.
2. *"Cigarettes"* shall mean and include any roll for smoking, made wholly or in part of

tobacco, irrespective of size or shape and whether or not such tobacco is flavored, adulterated or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material except tobacco.

3. *a.* *"Cost to the retailer"* shall mean the basic cost of the cigarettes involved to the retailer plus the cost of doing business by the retailer as defined in this chapter.

*b.* The cost of doing business by the retailer is presumed to be eight percent of the basic cost of cigarettes in the absence of proof of a lesser or higher cost plus the full face value of any stamps which may be required by any cigarette tax act of this state to the extent not already included in the basic cost of cigarettes.

*c.* If any retailer in connection with the retailer's purchase of any cigarettes shall receive the discounts ordinarily allowed upon purchases by a retailer and in whole or in part discounts ordinarily allowed upon purchases by a wholesaler, the cost of doing business by the retailer with respect to the said cigarettes shall be, in the absence of proof of a lesser or higher cost of doing business, the sum of the cost of doing business by the retailer and, to the extent that the retailer shall have received the full discounts allowed to a wholesaler, the cost of doing business by a wholesaler as hereinabove defined in subsection 4, paragraph *"b"*.

4. *a.* *"Cost to wholesaler"* shall mean the basic cost of the cigarettes plus the cost of doing business by the wholesaler, as defined in this chapter.

*b.* The cost of doing business by the wholesaler is presumed to be four percent of the basic cost of cigarettes in the absence of proof of a lesser or higher cost, which includes cartage to the retail outlet, plus the full face value of any stamps which may be required by any cigarette tax act of this state to the extent not already included in the basic cost of cigarettes.

5. *"Person"* shall mean and include any individual, firm, association, company, partnership, corporation, joint stock company, club agency, syndicate, or anyone engaged in the sale of cigarettes.

6. *"Retailer"* means any person who is engaged in this state in the business of selling, or offering to sell, cigarettes at retail. For purposes of this chapter, a person who does not meet the definition of retailer or wholesaler but who is engaged in the business of selling cigarettes in this state to a retailer or final consumer shall be considered a retailer and subject to the minimum pricing requirements of this chapter.

7. *"Sale"* and *"sell"* shall mean and include any transfer for a consideration, exchange, barter, gift, offer for sale and distribution in any manner or by any means whatsoever.

8. *"Sell at retail"*, *"sale at retail"* and *"retail sales"* shall mean and include any sale or offer for sale for consumption or use made in the ordinary course of trade of the seller's business.

9. *"Sell at wholesale"*, *"sale at wholesale"*, and *"wholesale sales"* shall mean and include any sale or offer for sale made in the course of trade or usual conduct of the wholesaler's business to a retailer for the purpose of resale.

10. *"Wholesaler"* means and includes any person who acquires cigarettes for the purpose of sale to retailers or to other persons for resale, and who maintains an established place of business when any part of the business is the sale of cigarettes at wholesale to persons licensed under this chapter, and where at all times a stock of cigarettes is available to retailers for resale.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.2]
83 Acts, ch 165, §3 – 5
C93, §421B.2
2001 Acts, ch 116, §5; 2007 Acts, ch 17, §1, 2, 12; 2011 Acts, ch 34, §165
Referred to in §421B.4, 421B.5

**421B.3 Sales at less than cost — penalties.**

1. It shall be unlawful for any wholesaler or retailer to offer to sell, or sell, at wholesale or retail, cigarettes at less than cost to such wholesaler or retailer, as the case may be, as defined in this chapter. Any wholesaler or retailer who violates the provisions of this section shall be guilty of a simple misdemeanor.

2. Evidence of advertisement, offering to sell, or sale of cigarettes by any wholesaler or retailer at less than cost to the wholesaler or retailer as defined by this chapter shall be evidence of a violation of this chapter.

3. *a.* The following civil penalties shall be imposed for a violation of this section:

(1) A two hundred dollar penalty for the first violation.

(2) A five hundred dollar penalty for a second violation within three years of the first violation.

(3) A thousand dollar penalty for a third or subsequent violation within three years of the first violation.

*b.* Each day a violation occurs counts as a new violation for purposes of this subsection.

*c.* The civil penalty imposed under this subsection is in addition to the penalty imposed under subsection 1. Penalties collected under this subsection shall be deposited into the general fund of the state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.3]

C93, §421B.3

2007 Acts, ch 186, §32; 2009 Acts, ch 133, §134

**421B.4 Combination sales.**

In all offers for sale or sales involving cigarettes and any other item at a combined price, and in all offers for sale, or sales, involving the giving of any gift or concession of any kind whatsoever (whether it be coupons or otherwise), the wholesaler's or retailer's combined selling price shall not be below the cost to the wholesaler or the cost to the retailer, respectively, of the total of all articles, products, commodities, gifts and concessions included in such transactions: If any such articles, products, commodities, gifts or concessions, shall not be cigarettes, the basic cost thereof shall be determined in like manner as provided in section 421B.2, subsection 8.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.4]

C93, §421B.4

**421B.5 Sales by a wholesaler to a wholesaler.**

When one wholesaler sells cigarettes to any other wholesaler, the former shall not be required to include in the selling price to the latter, the cost to the wholesaler, as defined by section 421B.2, but the latter wholesaler, upon resale to a retailer, shall be subject to the provisions of the said section.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.5]

C93, §421B.5

**421B.6 Sales exceptions.**

The provisions of this chapter shall not apply to a sale at wholesale or a sale at retail made as follows:

1. In an isolated transaction.

2. Where cigarettes are offered for sale, or sold in a bona fide clearance sale for the purpose of discontinuing trade in such cigarettes and said offer to sell, or sale shall state the reason therefor and the quantity of such cigarettes offered for sale, or to be sold.

3. Where cigarettes are offered for sale or are sold as imperfect or damaged, and the offer to sell, or sale shall state the reason therefor and the quantity of such cigarettes offered for sale or to be sold.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.6]

C93, §421B.6

2009 Acts, ch 41, §123

Referred to in §421B.7

**421B.7 Transactions permitted to meet lawful competition.**

1. Any wholesaler may advertise, offer to sell or sell cigarettes at a price made in good faith to meet the price of a competitor who is selling the same article at the cost to the competing wholesaler as defined by this chapter. Any retailer may offer to sell or sell cigarettes at a price made in good faith to meet the price of a competitor who is selling at the cost to the said competing retailer as defined in this chapter. The price of cigarettes offered for sale, or sold under the exceptions specified in section 421B.6 shall not be considered the price of a

competitor and shall not be used as a basis for establishing prices below cost, nor shall the price established at a bankrupt or forced sale be considered the price of a competitor within the purview of this section.

2. In the absence of proof of the actual cost to a competing wholesaler or to a competing retailer, as the case may be, such cost shall be the lowest cost to wholesalers or the lowest cost to retailers, as the case may be, within the same trading area as determined by a cost survey made pursuant to section 421B.8, subsection 2.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.7]

C93, §421B.7

Referred to in §421B.11

**421B.8 Cost determined.**

1. *Admissible evidence.* In determining cost to the wholesaler and cost to the retailer the court shall receive and consider as bearing on the bona fides of such cost, evidence that any person complained against under any of the provisions of this chapter purchased the cigarettes involved in the complaint before the court, at a fictitious price, or upon terms, or in such a manner, or under such invoices, as to conceal the true cost, discounts or terms of purchase, and shall also receive and consider as bearing on the bona fides of such cost, evidence of the normal, customary and prevailing terms and discounts in connection with other sales of a similar nature in the trade area or state.

2. *Cost survey.* Where a cost survey pursuant to recognized statistical and cost accounting practices has been made for the trading area in which a violation of this chapter is committed or charged, to determine and establish the lowest cost to wholesalers or the lowest cost to retailers within the area, the cost survey shall be deemed competent evidence in any action or proceeding under this chapter to establish actual cost to the wholesaler or actual cost to the retailer complained against. In such surveys to determine cost to the wholesaler or retailer there shall be included in the cost of doing business without limitation, labor, rent, depreciation, sales costs, compensation, maintenance of equipment, cartage, licenses, taxes, insurance and other expenses.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.8]

C93, §421B.8

Referred to in §421B.7, 421B.11

**421B.9 Sales outside ordinary channels of business — effect.**

In establishing the basic cost of cigarettes to a wholesaler or a retailer, it shall not be permissible to use the invoice cost or the actual cost of any cigarettes purchased at a forced, bankrupt, or close out sale, or other sale outside of the ordinary channels of trade.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.9]

C93, §421B.9

**421B.10 Injunction.**

The director of revenue, or any person or persons injured by any violation, or who would suffer injury from any threatened violation of this chapter, may maintain an action in any equity court to enjoin such actual or threatened violation. If a violation or threatened violation of this chapter shall be established, the court shall enjoin such violation or threatened violation, and, in addition thereto, the court shall assess in favor of the plaintiff and against the defendant the costs of suit including reasonable attorney fees. Where alleged and proved, the plaintiff, in addition to such injunctive relief and costs of suit, including reasonable attorney fees, shall be entitled to recover from the defendant the actual damages sustained by the plaintiff.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.10]

C93, §421B.10; 2003 Acts, ch 145, §286

**421B.11 Director of revenue — powers and duties.**

The director of revenue may adopt rules for the enforcement of this chapter and the director is empowered to and may from time to time undertake and make or cause to be made such cost surveys for the state or such trading area or areas as the director shall deem necessary

and it shall be permissible to use such cost survey as provided in section 421B.7, subsection 2, and section 421B.8, subsection 2.

The director of revenue may, upon notice and after hearing, suspend or revoke any permit issued under the provisions of the cigarette tax chapter and the rules of the director promulgated thereunder, for failure of the permit holder to comply with any provision of this unfair cigarette sales chapter or any rule adopted thereunder. The suspension or revocation of a permit shall be for a period of not less than six months from the date of suspension or revocation, and no permit shall be issued for the location designated in the suspended or revoked permit, during the period of suspension or revocation.

Judicial review of the actions of the director may be sought in accordance with chapter 17A and section 423.38.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551A.11]

C93, §421B.11

2003 Acts, ch 44, §114; 2003 Acts, ch 108, §71; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §183, 205

# CHAPTER 421C

## STATE DEBT COLLECTIONS

Chapter repealed by its own terms effective January 1, 2014; 2010 Acts, ch 1146, §13
With respect to proposed amendment to former §421C.4 by 2013 Acts, ch 90, §102, see Code editor's note

# CHAPTER 422

## INDIVIDUAL INCOME, CORPORATE, AND FRANCHISE TAXES

Referred to in §15E.204, 63A.2, 85.61, 316.12


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## DIVISION I

## INTRODUCTORY PROVISIONS

**422.1 Classification of chapter.**

The provisions of this chapter are herein classified and designated as follows:

1. Division I — Introductory provisions.
2. Division II — Personal net income tax.
3. Division III — Business tax on corporations.
4. Division IV — Repealed by 2003 Acts, 1st Ex., ch. 2, § 151, 205; see chapter 423.
5. Division V — Taxation of financial institutions.
6. Division VI — Administration.
7. Division VII — Estimated taxes by corporations and financial institutions.
8. Division VIII — Allocation of revenues.
9. Division IX — Fuel tax credit.

10. Division X Repealed by 2009 Acts, ch. 179, § 152, 153.

[C35, §6943-f1; C39, §**6943.033;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.1]
2006 Acts, ch 1010, §100; 2011 Acts, ch 34, §97

**422.2 Purpose or object.**

This chapter shall be known as the *"Property Relief Act"*, and shall have for its purpose the direct replacement of taxes already levied or to be levied on property to the extent of the net revenue obtained from the taxes imposed herein, which shall be apportioned back to the credit of individual taxpayers on the basis of the assessed valuation of taxable property as provided in division VIII of this chapter.

[C35, §6943-f2; C39, §**6943.034;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.2]

**422.3 Definitions controlling chapter.**

For the purpose of this chapter and unless otherwise required by the context:

1. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.
2. *"Court"* means the district court in the county of the taxpayer's residence.
3. *"Department"* means the department of revenue.
4. *"Director"* means the director of revenue.
5. *"Internal Revenue Code"* means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including January 1, 2013, and as amended by the American Taxpayer Relief Act of 2012, Pub. L. No. 112-240.
6. The word *"taxpayer"* includes any person, corporation, or fiduciary who is subject to a tax imposed by this chapter.

[C35, §6943-f3; C39, §**6943.035;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.3]

84 Acts, ch 1305, §25; 85 Acts, ch 230, §3; 86 Acts, ch 1213, §8; 86 Acts, ch 1245, §439; 88 Acts, ch 1028, §1; 89 Acts, ch 285, §2; 90 Acts, ch 1171, §1; 91 Acts, ch 215, §1; 92 Acts, ch 1219, §1; 93 Acts, ch 113, §1; 94 Acts, ch 1166, §1; 95 Acts, ch 152, §2; 96 Acts, ch 1166, §2, 4; 97 Acts, ch 135, §3, 9; 98 Acts, ch 1078, §3, 10; 99 Acts, ch 95, §3, 12, 13; 2000 Acts, ch 1146, §3, 9, 11; 2000 Acts, ch 1148, §1; 2001 Acts, ch 127, §3, 9, 10; 2002 Acts, ch 1069, §3, 10, 14; 2002 Acts, ch 1119, §200, 201; 2003 Acts, ch 139, §3; 2003 Acts, ch 145, §286; 2004 Acts, 1st Ex, ch 1001, §37, 41, 42; 2005 Acts, ch 24, §3, 10, 11; 2006 Acts, ch 1140, §3, 10, 11; 2007 Acts, ch 12, §3, 7, 8; 2008 Acts, ch 1011, §3, 9; 2011 Acts, ch 41, §1, 5, 6; 2012 Acts, ch 1007, §3, 7, 8; 2013 Acts, ch 1, §2, 7, 8

Referred to in §7C.3, 8A.438, 12D.1, 96.3, 97A.5, 97B.1A, 99B.7, 99B.7B, 99D.7, 99D.8, 99F.1, 175.2, 260C.14, 261.38, 261.43A, 262.21, 273.3, 294.10A, 294.16, 411.5, 422.7, 425.23, 450.1, 450A.1, 450B.1, 504B.5, 511.39, 513B.3, 535B.2, 538A.2, 557B.1, 633.266, 633A.5107, 633E.4, 634.5, 725.12

Internal Revenue Code definition is updated regularly; for applicable definition in a prior tax year, refer to Iowa Acts and Code for that year

2013 amendment to subsection 5 takes effect February 14, 2013, and applies retroactively to January 1, 2012, for tax years beginning on or after that date; 2013 Acts, ch 1, §7, 8

Subsection 5 amended

## DIVISION II

## PERSONAL NET INCOME TAX

Referred to in §15.293A, 15.333, 15E.43, 15E.44, 15E.45, 15E.52, 15E.62, 15E.193B, 15E.305, 16.211, 28A.24, 35A.13, 68A.102, 100B.13, 175.17, 175.37, 175.38, 190B.103, 235A.2, 257.21, 404A.1, 404A.4, 422.1, 422.73, 422.110, 422D.2, 422D.3, 476B.2, 476B.6, 476B.7, 476C.4, 476C.6, 483A.1A

**422.4 Definitions controlling division.**

For the purpose of this division and unless otherwise required by the context:

1. *a.* *"Annual inflation factor"* means an index, expressed as a percentage, determined by the department by October 15 of the calendar year preceding the calendar year for which the factor is determined, which reflects the purchasing power of the dollar as a result of inflation during the fiscal year ending in the calendar year preceding the calendar year for which the factor is determined. In determining the annual inflation factor, the department shall use the

annual percent change, but not less than zero percent, in the gross domestic product price deflator computed for the second quarter of the calendar year by the bureau of economic analysis of the United States department of commerce and shall add all of that percent change to one hundred percent. The annual inflation factor and the cumulative inflation factor shall each be expressed as a percentage rounded to the nearest one-tenth of one percent. The annual inflation factor shall not be less than one hundred percent.

*b.* *"Cumulative inflation factor"* means the product of the annual inflation factor for the 1988 calendar year and all annual inflation factors for subsequent calendar years as determined pursuant to this subsection. The cumulative inflation factor applies to all tax years beginning on or after January 1 of the calendar year for which the latest annual inflation factor has been determined.

*c.* The annual inflation factor for the 1988 calendar year is one hundred percent.

2. *a.* *"Annual standard deduction factor"* means an index, expressed as a percentage, determined by the department by October 15 of the calendar year preceding the calendar year for which the factor is determined, which reflects the purchasing power of the dollar as a result of inflation during the fiscal year ending in the calendar year preceding the calendar year for which the factor is determined. In determining the annual standard deduction factor, the department shall use the annual percent change, but not less than zero percent, in the gross domestic product price deflator computed for the second quarter of the calendar year by the bureau of economic analysis of the United States department of commerce and shall add all of that percent change to one hundred percent. The annual standard deduction factor and the cumulative standard deduction factor shall each be expressed as a percentage rounded to the nearest one-tenth of one percent. The annual standard deduction factor shall not be less than one hundred percent.

*b.* *"Cumulative standard deduction factor"* means the product of the annual standard deduction factor for the 1989 calendar year and all annual standard deduction factors for subsequent calendar years as determined pursuant to this subsection. The cumulative standard deduction factor applies to all tax years beginning on or after January 1 of the calendar year for which the latest annual standard deduction factor has been determined.

3. The term *"employer"* shall mean and include those who have a right to exercise control as to how, when, and where services are to be performed.

4. The word *"fiduciary"* means a guardian, trustee, executor, administrator, receiver, conservator, or any person, whether individual or corporate, acting in any fiduciary capacity for any person, trust, or estate.

5. The words *"fiscal year"* mean an accounting period of twelve months, ending on the last day of any month other than December.

6. The words *"foreign country"* mean any jurisdiction other than one embraced within the United States. The words *"United States"*, when used in a geographical sense, include the states, the District of Columbia, and the possessions of the United States.

7. The words *"head of household"* have the same meaning as provided by the Internal Revenue Code.

8. The words *"income year"* mean the calendar year or the fiscal year upon the basis of which the net income is computed under this division.

9. The word *"individual"* means a natural person; and if an individual is permitted to file as a corporation, under the Internal Revenue Code, that fictional status is not recognized for purposes of this chapter, and the individual's taxable income shall be computed as required under the Internal Revenue Code relating to individuals not filing as a corporation, with the adjustments allowed by this chapter.

10. The word *"nonresident"* applies only to individuals, and includes all individuals who are not "residents" within the meaning of subsection 15 hereof.

11. *"Notice of assessment"* means a notice by the department to a taxpayer advising the taxpayer of an assessment of tax due.

12. The term *"other person"* shall mean that person or entity properly empowered to act in behalf of an individual payee and shall include authorized agents of such payees whether they be individuals or married couples.

13. The word *"paid"*, for the purposes of the deductions under this division, means "paid

or accrued" or "paid or incurred", and the terms *"paid or incurred"* and *"paid or accrued"* shall be construed according to the method of accounting upon the basis of which the net income is computed under this division. The term *"received"*, for the purpose of the computation of net income under this division, means "received or accrued", and the term *"received or accrued"* shall be construed according to the method of accounting upon the basis of which the net income is computed under this division.

14. The word *"person"* includes individuals and fiduciaries.

15. The word *"resident"* applies only to individuals and includes, for the purpose of determining liability to the tax imposed by this division upon or with reference to the income of any tax year, any individual domiciled in the state, and any other individual who maintains a permanent place of abode within the state.

16. The words *"taxable income"* mean the net income as defined in section 422.7 minus the deductions allowed by section 422.9, in the case of individuals; in the case of estates or trusts, the words *"taxable income"* mean the taxable income (without a deduction for personal exemption) as computed for federal income tax purposes under the Internal Revenue Code, but with the adjustments specified in section 422.7 plus the Iowa income tax deducted in computing the federal taxable income and minus federal income taxes as provided in section 422.9.

17. The words *"tax year"* mean the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the net income is computed under this division.

*a.* If a taxpayer has made the election provided by section 441, subsection *"f"*, of the Internal Revenue Code, *"tax year"* means the annual period so elected, varying from fifty-two to fifty-three weeks.

*b.* If the effective date or the applicability of a provision of this division is expressed in terms of a tax year beginning, including, or ending with reference to a specified date which is the first or last day of a month, a tax year described in paragraph *"a"* of this subsection shall be treated as beginning with the first day of the calendar month beginning nearest to the first day of the tax year or as ending with the last day of the calendar month ending nearest to the last day of the tax year.

18. The word *"wages"* has the same meaning as provided by the Internal Revenue Code.

19. The term *"withholding agent"* means any individual, fiduciary, estate, trust, corporation, partnership or association in whatever capacity acting and including all officers and employees of the state of Iowa, or any municipal corporation of the state of Iowa and of any school district or school board of the state, or of any political subdivision of the state of Iowa, or any tax-supported unit of government that is obligated to pay or has control of paying or does pay to any resident or nonresident of the state of Iowa or the resident's or nonresident's agent any wages that are subject to the Iowa income tax in the hands of such resident or nonresident, or any of the above-designated entities making payment or having control of making such payment of any taxable Iowa income to any nonresident. The term *"withholding agent"* shall also include an officer or employee of a corporation or association, or a member or employee of a partnership, who as such officer, employee, or member has the responsibility to perform an act under section 422.16 and who subsequently knowingly violates the provisions of section 422.16.

[C35, §6943-f4; C39, §**6943.036;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.4; 81 Acts, ch 132, §1, 2, 9; 82 Acts, ch 1023, §1, 30, ch 1203, §1]

83 Acts, ch 179, §1, 2, 21, 23; 84 Acts, ch 1305, §26, 27; 87 Acts, 1st Ex, ch 1, §1; 87 Acts, 2nd Ex, ch 1, §1; 88 Acts, ch 1028, §2 – 4; 89 Acts, ch 268, §1; 94 Acts, ch 1107, §11; 94 Acts, ch 1133, §2, 16; 96 Acts, ch 1197, §1 – 4, 13, 18; 97 Acts, ch 111, §1, 8; 99 Acts, ch 152, §2, 40; 2002 Acts, ch 1119, §163

Referred to in §257.22, 422.16, 422.32, 422D.3, 425.23, 476.20

**422.5 Tax imposed — exclusions — alternative minimum tax.**

1. A tax is imposed upon every resident and nonresident of the state which tax shall be levied, collected, and paid annually upon and with respect to the entire taxable income as defined in this division at rates as follows:

*a.* On all taxable income from zero through one thousand dollars, thirty-six hundredths of one percent.

*b.* On all taxable income exceeding one thousand dollars but not exceeding two thousand dollars, seventy-two hundredths of one percent.

*c.* On all taxable income exceeding two thousand dollars but not exceeding four thousand dollars, two and forty-three hundredths percent.

*d.* On all taxable income exceeding four thousand dollars but not exceeding nine thousand dollars, four and one-half percent.

*e.* On all taxable income exceeding nine thousand dollars but not exceeding fifteen thousand dollars, six and twelve hundredths percent.

*f.* On all taxable income exceeding fifteen thousand dollars but not exceeding twenty thousand dollars, six and forty-eight hundredths percent.

*g.* On all taxable income exceeding twenty thousand dollars but not exceeding thirty thousand dollars, six and eight-tenths percent.

*h.* On all taxable income exceeding thirty thousand dollars but not exceeding forty-five thousand dollars, seven and ninety-two hundredths percent.

*i.* On all taxable income exceeding forty-five thousand dollars, eight and ninety-eight hundredths percent.

*j.* (1) The tax imposed upon the taxable income of a nonresident shall be computed by reducing the amount determined pursuant to paragraphs "*a*" through "*i*" by the amounts of nonrefundable credits under this division and by multiplying this resulting amount by a fraction of which the nonresident's net income allocated to Iowa, as determined in section 422.8, subsection 2, paragraph "*a*", is the numerator and the nonresident's total net income computed under section 422.7 is the denominator. This provision also applies to individuals who are residents of Iowa for less than the entire tax year.

(2) (a) The tax imposed upon the taxable income of a resident shareholder in an S corporation or of an estate or trust with a situs in Iowa that is a shareholder in an S corporation, which S corporation has in effect for the tax year an election under subchapter S of the Internal Revenue Code and carries on business within and without the state, may be computed by reducing the amount determined pursuant to paragraphs "*a*" through "*i*" by the amounts of nonrefundable credits under this division and by multiplying this resulting amount by a fraction of which the resident's or estate's or trust's net income allocated to Iowa, as determined in section 422.8, subsection 2, paragraph "*b*", is the numerator and the resident's or estate's or trust's total net income computed under section 422.7 is the denominator. If a resident shareholder, or an estate or trust with a situs in Iowa that is a shareholder, has elected to take advantage of this subparagraph (2), and for the next tax year elects not to take advantage of this subparagraph, the resident or estate or trust shareholder shall not reelect to take advantage of this subparagraph for the three tax years immediately following the first tax year for which the shareholder elected not to take advantage of this subparagraph, unless the director consents to the reelection. This subparagraph also applies to individuals who are residents of Iowa for less than the entire tax year.

(b) This subparagraph (2) shall not affect the amount of the taxpayer's checkoffs under this division, the credits from tax provided under this division, and the allocation of these credits between spouses if the taxpayers filed separate returns or separately on combined returns.

2. *a.* There is imposed upon every resident and nonresident of this state, including estates and trusts, the greater of the tax determined in subsection 1, paragraphs "*a*" through "*j*", or the state alternative minimum tax equal to seventy-five percent of the maximum state individual income tax rate for the tax year, rounded to the nearest one-tenth of one percent, of the state alternative minimum taxable income of the taxpayer as computed under this subsection.

*b.* The state alternative minimum taxable income of a taxpayer is equal to the taxpayer's state taxable income, as computed with the deductions in section 422.9, with the following adjustments:

(1) Add items of tax preference included in federal alternative minimum taxable income under section 57, except subsections (a)(1), (a)(2), and (a)(5), of the Internal Revenue Code, make the adjustments included in federal alternative minimum taxable income under section

56, except subsections (a)(4), (b)(1)(C)(iii), and (d), of the Internal Revenue Code, and add losses as required by section 58 of the Internal Revenue Code. To the extent that any preference or adjustment is determined by an individual's federal adjusted gross income, the individual's federal adjusted gross income is computed in accordance with section 422.7, subsections 39, 39A, 39B, and 53. In the case of an estate or trust, the items of tax preference, adjustments, and losses shall be apportioned between the estate or trust and the beneficiaries in accordance with rules prescribed by the director.

(2) Subtract the applicable exemption amount as follows:

(a) Seventeen thousand five hundred dollars for a married person who files separately or for an estate or trust.

(b) Twenty-six thousand dollars for a single person or a head of household.

(c) Thirty-five thousand dollars for a married couple which files a joint return.

(d) The exemption amount shall be reduced, but not below zero, by an amount equal to twenty-five percent of the amount by which the alternative minimum taxable income of the taxpayer, computed without regard to the exemption amount in this subparagraph (2), exceeds the following:

(i) Seventy-five thousand dollars in the case of a taxpayer described in subparagraph division (a).

(ii) One hundred twelve thousand five hundred dollars in the case of a taxpayer described in subparagraph division (b).

(iii) One hundred fifty thousand dollars in the case of a taxpayer described in subparagraph division (c).

(3) In the case of a net operating loss computed for a tax year beginning after December 31, 1982, which is carried back or carried forward to the current taxable year, the net operating loss shall be reduced by the amount of the items of tax preference arising in such year which was taken into account in computing the net operating loss in section 422.9, subsection 3. The deduction for a net operating loss for a tax year beginning after December 31, 1986, which is carried back or carried forward to the current taxable year shall not exceed ninety percent of the alternative minimum taxable income determined without regard for the net operating loss deduction.

*c.* The state alternative minimum tax of a taxpayer whose net capital gain deduction includes the gain or loss from the forfeiture of an installment real estate contract, the transfer of real or personal property securing a debt to a creditor in cancellation of that debt, or from the sale or exchange of property as a result of actual notice of foreclosure, where the fair market value of the taxpayer's assets exceeds the taxpayer's liabilities immediately before such forfeiture, transfer, or sale or exchange, shall not be greater than such excess, including any asset transferred within one hundred twenty days prior to such forfeiture, transfer, or sale or exchange.

*d.* In the case of a resident, including a resident estate or trust, the state's apportioned share of the state alternative minimum tax is one hundred percent of the state alternative minimum tax computed in this subsection 2. In the case of a resident or part-year resident shareholder in an S corporation which has in effect for the tax year an election under subchapter S of the Internal Revenue Code and carries on business within and without the state, a nonresident, including a nonresident estate or trust, or an individual, estate, or trust that is domiciled in the state for less than the entire tax year, the state's apportioned share of the state alternative minimum tax is the amount of tax computed under this subsection 2, reduced by the applicable credits in sections 422.10 through 422.12 and this result multiplied by a fraction with a numerator of the sum of state net income allocated to Iowa as determined in section 422.8, subsection 2, paragraph "*a*" or "*b*" as applicable, plus tax preference items, adjustments, and losses under subparagraph (1) attributable to Iowa and with a denominator of the sum of total net income computed under section 422.7 plus all tax preference items, adjustments, and losses under subparagraph (1). In computing this fraction, those items excludable under subparagraph (1) shall not be used in computing the tax preference items. Married taxpayers electing to file separate returns or separately on a combined return must allocate the minimum tax computed in this subsection in the proportion that each spouse's respective preference items, adjustments, and losses under

subparagraph (1) bear to the combined preference items, adjustments, and losses under subparagraph (1) of both spouses.

3. *a.* The tax shall not be imposed on a resident or nonresident whose net income, as defined in section 422.7, is thirteen thousand five hundred dollars or less in the case of married persons filing jointly or filing separately on a combined return, heads of household, and surviving spouses or nine thousand dollars or less in the case of all other persons; but in the event that the payment of tax under this division would reduce the net income to less than thirteen thousand five hundred dollars or nine thousand dollars as applicable, then the tax shall be reduced to that amount which would result in allowing the taxpayer to retain a net income of thirteen thousand five hundred dollars or nine thousand dollars as applicable. The preceding sentence does not apply to estates or trusts. For the purpose of this subsection, the entire net income, including any part of the net income not allocated to Iowa, shall be taken into account. For purposes of this subsection, net income includes all amounts of pensions or other retirement income received from any source which is not taxable under this division as a result of the government pension exclusions in section 422.7, or any other state law. If the combined net income of a husband and wife exceeds thirteen thousand five hundred dollars, neither of them shall receive the benefit of this subsection, and it is immaterial whether they file a joint return or separate returns. However, if a husband and wife file separate returns and have a combined net income of thirteen thousand five hundred dollars or less, neither spouse shall receive the benefit of this paragraph, if one spouse has a net operating loss and elects to carry back or carry forward the loss as provided in section 422.9, subsection 3. A person who is claimed as a dependent by another person as defined in section 422.12 shall not receive the benefit of this subsection if the person claiming the dependent has net income exceeding thirteen thousand five hundred dollars or nine thousand dollars as applicable or the person claiming the dependent and the person's spouse have combined net income exceeding thirteen thousand five hundred dollars or nine thousand dollars as applicable.

*b.* In lieu of the computation in subsection 1 or 2, or in paragraph "*a*" of this subsection, if the married persons', filing jointly or filing separately on a combined return, head of household's, or surviving spouse's net income exceeds thirteen thousand five hundred dollars, the regular tax imposed under this division shall be the lesser of the maximum state individual income tax rate times the portion of the net income in excess of thirteen thousand five hundred dollars or the regular tax liability computed without regard to this sentence. Taxpayers electing to file separately shall compute the alternate tax described in this paragraph using the total net income of the husband and wife. The alternate tax described in this paragraph does not apply if one spouse elects to carry back or carry forward the loss as provided in section 422.9, subsection 3.

3A. Reserved.

3B. *a.* The tax shall not be imposed on a resident or nonresident who is at least sixty-five years old on December 31 of the tax year and whose net income, as defined in section 422.7, is thirty-two thousand dollars or less in the case of married persons filing jointly or filing separately on a combined return, heads of household, and surviving spouses or twenty-four thousand dollars or less in the case of all other persons; but in the event that the payment of tax under this division would reduce the net income to less than thirty-two thousand dollars or twenty-four thousand dollars as applicable, then the tax shall be reduced to that amount which would result in allowing the taxpayer to retain a net income of thirty-two thousand dollars or twenty-four thousand dollars as applicable. The preceding sentence does not apply to estates or trusts. For the purpose of this subsection, the entire net income, including any part of the net income not allocated to Iowa, shall be taken into account. For purposes of this subsection, net income includes all amounts of pensions or other retirement income received from any source which is not taxable under this division as a result of the government pension exclusions in section 422.7, or any other state law. If the combined net income of a husband and wife exceeds thirty-two thousand dollars, neither of them shall receive the benefit of this subsection, and it is immaterial whether they file a joint return or separate returns. However, if a husband and wife file separate returns and have a combined net income of thirty-two thousand dollars or less, neither spouse shall receive the benefit of this paragraph, if one spouse has a net operating loss and elects to carry back or carry forward the loss as provided

in section 422.9, subsection 3. A person who is claimed as a dependent by another person as defined in section 422.12 shall not receive the benefit of this subsection if the person claiming the dependent has net income exceeding thirty-two thousand dollars or twenty-four thousand dollars as applicable or the person claiming the dependent and the person's spouse have combined net income exceeding thirty-two thousand dollars or twenty-four thousand dollars as applicable.

*b.* In lieu of the computation in subsection 1, 2, or 3, if the married persons', filing jointly or filing separately on a combined return, head of household's, or surviving spouse's net income exceeds thirty-two thousand dollars, the regular tax imposed under this division shall be the lesser of the maximum state individual income tax rate times the portion of the net income in excess of thirty-two thousand dollars or the regular tax liability computed without regard to this sentence. Taxpayers electing to file separately shall compute the alternate tax described in this paragraph using the total net income of the husband and wife. The alternate tax described in this paragraph does not apply if one spouse elects to carry back or carry forward the loss as provided in section 422.9, subsection 3.

*c.* This subsection applies even though one spouse has not attained the age of sixty-five, if the other spouse is at least sixty-five at the end of the tax year.

4. The tax herein levied shall be computed and collected as hereinafter provided.

5. The provisions of this division shall apply to all salaries received by federal officials or employees of the United States government as provided for herein.

6. Upon determination of the latest cumulative inflation factor, the director shall multiply each dollar amount set forth in subsection 1, paragraphs *"a"* through *"i"* by this cumulative inflation factor, shall round off the resulting product to the nearest one dollar, and shall incorporate the result into the income tax forms and instructions for each tax year.

7. The state income tax of a taxpayer whose net income includes the gain or loss from the forfeiture of an installment real estate contract, the transfer of real or personal property securing a debt to a creditor in cancellation of that debt, or from the sale or exchange of property as a result of actual notice of foreclosure where the fair market value of the taxpayer's assets exceeds the taxpayer's liabilities immediately before such forfeiture, transfer, or sale or exchange shall not be greater than such excess, including any asset transferred within one hundred twenty days prior to such forfeiture, transfer, or sale or exchange. For purposes of this subsection, in the case of married taxpayers, except in the case of a husband and wife who live apart at all times during the tax year, the assets and liabilities of both spouses shall be considered in determining if the fair market value of the taxpayer's assets exceed the taxpayer's liabilities.

8. In addition to the other taxes imposed by this section, a tax is imposed on the amount of a lump sum distribution for which the taxpayer has elected under section 402(e) of the Internal Revenue Code to be separately taxed for federal income tax purposes for the tax year. The rate of tax is equal to twenty-five percent of the separate federal tax imposed on the amount of the lump sum distribution. A nonresident is liable for this tax only on that portion of the lump sum distribution allocable to Iowa. The total amount of the lump sum distribution subject to separate federal tax shall be included in net income for purposes of determining eligibility under subsections 3 and 3B, as applicable.

9. In the case of income derived from the sale or exchange of livestock which qualifies under section 451(e) of the Internal Revenue Code because of drought, the taxpayer may elect to include the income in the taxpayer's net income in the tax year following the year of the sale or exchange in accordance with rules prescribed by the director.

10. If an individual's federal income tax was forgiven for a tax year under section 692 of the Internal Revenue Code, because the individual was killed while serving in an area designated by the president of the United States or the United States Congress as a combat zone, the individual was missing in action and presumed dead, or the individual was killed outside the United States in a terroristic or military action while the individual was a military or civilian employee of the United States, the individual's Iowa income tax is also forgiven for the same tax year.

11. If a taxpayer repays in the current tax year certain amounts of income that were subject to tax under this division in a prior year and a tax benefit would be allowed under

similar circumstances under section 1341 of the Internal Revenue Code, a tax benefit shall be allowed on the Iowa return. The tax benefit shall be the reduced tax for the current tax year due to the deduction for the repaid income or the reduction in tax for the prior year or years due to exclusion of the repaid income. The reduction in tax shall qualify as a refundable tax credit on the return for the current year pursuant to rules prescribed by the director.

[C35, §6943-f5; C39, §**6943.037;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.5; 81 Acts, ch 132, §3; 82 Acts, ch 1023, §2, 31, ch 1064, §1, 2, ch 1226, §1, 2, 6]

83 Acts, ch 101, §86; 83 Acts, ch 179, §3, 20, 22; 85 Acts, ch 243, §1, 2; 86 Acts, ch 1213, §9; 86 Acts, ch 1232, §1; 86 Acts, ch 1236, §3, 4; 87 Acts, ch 214, §2; 87 Acts, 1st Ex, ch 1, §2; 87 Acts, 2nd Ex, ch 1, §2, 3; 88 Acts, ch 1028, §5 – 11; 89 Acts, ch 228, §4, 5; 89 Acts, ch 251, §11; 89 Acts, ch 268, §2, 3; 89 Acts, ch 296, §41; 91 Acts, ch 159, §7; 91 Acts, ch 196, §1; 92 Acts, 2nd Ex, ch 1001, §217, 218, 224; 96 Acts, ch 1166, §3, 4; 96 Acts, ch 1197, §14, 15, 18; 96 Acts, ch 1219, §27; 97 Acts, ch 8, §1, 2; 97 Acts, ch 111, §2 – 4, 7, 8; 97 Acts, ch 158, §11, 49; 99 Acts, ch 151, §4, 89; 2003 Acts, ch 139, §4; 2006 Acts, ch 1112, §1 – 3, 5; 2006 Acts, ch 1158, §8 – 10; 2007 Acts, ch 126, §65, 112, 116; 2009 Acts, ch 41, §263; 2009 Acts, ch 133, §135; 2011 Acts, ch 41, §17, 23, 24; 2012 Acts, ch 1021, §72; 2013 Acts, ch 140, §120, 123, 124

Referred to in §2.48, 68A.102, 257.21, 422.6, 422.8, 422.10, 422.11B, 422.13, 422.16, 422.21, 422D.2

Subsection 3B takes effect January 1, 2009, and applies to tax years beginning on or after that date; 2006 Acts, ch 1112, §5; 2007 Acts, ch 126, §116

2011 amendment to subsection 2, paragraph b, subparagraph (1), takes effect April 12, 2011, and applies retroactively to January 1, 2008, for tax years ending on or after that date; 2011 Acts, ch 41, §23, 24

2013 amendment to subsection 1, paragraph j, subparagraph (2), takes effect June 20, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 140, §123, 124

Subsection 1, paragraph j, subparagraph (2), subparagraph division (a) amended

**422.6 Income from estates or trusts.**

The tax imposed by section 422.5 less the amounts of nonrefundable credits allowed under this division apply to and are a charge against estates and trusts with respect to their taxable income, and the rates are the same as those applicable to individuals. The fiduciary shall make the return of income for the estate or trust for which the fiduciary acts, whether the income is taxable to the estate or trust or to the beneficiaries. However, for tax years ending after August 5, 1997, if the trust is a qualified preneed funeral trust as set forth in section 685 of the Internal Revenue Code and the trustee has elected the special tax treatment under section 685 of the Internal Revenue Code, neither the trust nor the beneficiary is subject to Iowa income tax on income accruing to the trust.

The beneficiary of a trust who receives an accumulation distribution shall be allowed credit without interest for the Iowa income taxes paid by the trust attributable to the accumulation distribution in a manner corresponding to the provisions for credit under the federal income tax relating to accumulation distributions as contained in the Internal Revenue Code. The trust is not entitled to a refund of taxes paid on the distributions. The trust shall maintain detailed records to verify the computation of the tax.

[C35, §6943-f6; C39, §**6943.038;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.6]

83 Acts, ch 179, §4, 25; 84 Acts, ch 1305, §28; 88 Acts, ch 1028, §12; 89 Acts, ch 251, §12; 91 Acts, ch 159, §8; 97 Acts, ch 23, §42; 98 Acts, ch 1078, §4, 11; 99 Acts, ch 95, §4, 12, 13; 2002 Acts, ch 1145, §8; 2006 Acts, ch 1158, §11

Referred to in §422.14, 422.16

**422.7 "Net income" — how computed.**

The term *"net income"* means the adjusted gross income before the net operating loss deduction as properly computed for federal income tax purposes under the Internal Revenue Code, with the following adjustments:

1. Subtract interest and dividends from federal securities.

2. Add interest and dividends from foreign securities and from securities of state and other political subdivisions exempt from federal income tax under the Internal Revenue Code, except for those securities the interest and dividends from which are exempt from taxation by the state of Iowa as otherwise provided by law, including:

*a.* Vision Iowa program bonds pursuant to section 12.71, subsection 8.

*b.* School infrastructure program bonds pursuant to section 12.81, subsection 8.

*c.* Iowa jobs program revenue bonds pursuant to section 12.87, subsection 8.

*d.* Iowa utility board and Iowa consumer advocate building project bonds pursuant to section 12.91, subsection 9.

*e.* Iowa water pollution control works and drinking facilities financing program bonds pursuant to section 16.131, subsection 5.

*f.* Iowa prison infrastructure revenue bonds pursuant to section 12.80, subsection 3, and section 16.177, subsection 8.

*g.* Quad cities interstate metropolitan authority bonds pursuant to section 28A.24.

*h.* Iowa finance authority E911 program bonds pursuant to section 34A.20, subsection 6.

*i.* Alcoholic beverage control bonds pursuant to section 123.159, Code 2011.

*j.* Soil and water conservation subdistrict bonds pursuant to section 161A.22.

*k.* Iowa finance authority beginning farmer loan program bonds pursuant to section 175.17, subsection 10.

*l.* Community college residence hall and dormitory bonds pursuant to section 260C.61.

*m.* Community college bond program bonds pursuant to section 260C.71, subsection 6.

*n.* Higher education loan authority bonds pursuant to section 261A.27.

*o.* State board of regents bonds pursuant to sections 262.41, 262.51, 262.60, 262A.8, and 263A.6.

*p.* Interstate bridges bonds pursuant to section 313A.36.

*q.* Aviation authority bonds pursuant to section 330A.16.

*r.* County health center bonds pursuant to section 331.441, subsection 2, paragraph "*c*", subparagraph (7).

*s.* Rural water district bonds pursuant to section 357A.15.

*t.* Urban renewal bonds pursuant to section 403.9, subsection 2.

*u.* Municipal housing project bonds pursuant to section 403A.12.

*v.* Comprehensive petroleum underground storage tank fund bonds pursuant to section 455G.6, subsection 14.

*w.* Honey creek premier destination park bonds pursuant to section 463C.12, subsection 8.

3. Where the adjusted gross income includes capital gains or losses, or gains or losses from property other than capital assets, and such gains or losses have been determined by using a basis established prior to January 1, 1934, an adjustment may be made, under rules prescribed by the director, to reflect the difference resulting from the use of a basis of cost or January 1, 1934, fair market value, less depreciation allowed or allowable, whichever is higher. Provided that the basis shall be fair market value as of January 1, 1955, less depreciation allowed or allowable, in the case of property acquired prior to that date if use of a prior basis is declared to be invalid.

4. Reserved.

5. Individual taxpayers and married taxpayers who file a joint federal income tax return and who elect to file a joint return, separate returns, or separate filing on a combined return for Iowa income tax purposes, may avail themselves of the disability income exclusion and shall compute the amount of the disability income exclusion subject to the limitations for joint federal income tax return filers provided by section 105(d) of the Internal Revenue Code. The disability income exclusion provided in section 105(d) of the Internal Revenue Code, as amended up to and including December 31, 1982, continues to apply for state income tax purposes for tax years beginning on or after January 1, 1984.

6. Reserved.

7. Married taxpayers who file a joint federal income tax return and who elect to file separate returns or separate filing on a combined return for Iowa income tax purposes, may avail themselves of the expensing of business assets and capital loss provisions of sections 179(a) and 1211(b) respectively of the Internal Revenue Code and shall compute the amount of expensing of business assets and capital loss subject to the limitations for joint federal income tax return filers provided by sections 179(b) and 1211(b) respectively of the Internal Revenue Code.

8. Subtract the amount of the work opportunity tax credit allowable for the tax year under section 51 of the Internal Revenue Code to the extent that the credit increased federal adjusted gross income.

9. Subtract the amount of the alcohol and cellulosic biofuel fuels credit allowable for the tax year under section 40 of the Internal Revenue Code to the extent that the credit increased federal adjusted gross income.

10. Notwithstanding the method for computing the amount of travel expenses that may be deducted under section 162(h) of the Internal Revenue Code, for tax years beginning on or after January 1, 1987, a member of the general assembly whose place of residence within the legislative district is greater than fifty miles from the capitol building of the state may deduct the total amount per day determined under section 162(h)(1)(B) of the Internal Revenue Code and a member of the general assembly whose place of residence within the legislative district is fifty or fewer miles from the capitol building of the state may deduct fifty dollars per day. This subsection does not apply to a member of the general assembly who elects to itemize for state tax purposes the member's travel expenses.

11. Add the amounts deducted and subtract the amounts included as income as a result of the treatment provided sale-leaseback agreements under section 168(f)(8) of the Internal Revenue Code for property placed in service by the transferee prior to January 1, 1986, to the extent that the amounts deducted and the amounts included in income are not otherwise deductible or included in income under the Internal Revenue Code as amended to and including December 31, 1985. Entitlement to depreciation on any property included in a sale-leaseback agreement which is placed in service by the transferee prior to January 1, 1986, shall be determined under the Internal Revenue Code as amended to and including December 31, 1985, excluding section 168(f)(8) in making the determination.

12. *a.* If the adjusted gross income includes income or loss from a small business operated by the taxpayer, an additional deduction shall be allowed in computing the income or loss from the small business if the small business hired for employment in the state during its annual accounting period ending with or during the taxpayer's tax year any of the following:

(1) An individual with a disability domiciled in this state at the time of the hiring who meets any of the following conditions:

(a) Has a physical or mental impairment which substantially limits one or more major life activities.

(b) Has a record of that impairment.

(c) Is regarded as having that impairment.

(2) An individual domiciled in this state at the time of the hiring who meets any of the following conditions:

(a) Has been convicted of a felony in this or any other state or the District of Columbia.

(b) Is on parole pursuant to chapter 906.

(c) Is on probation pursuant to chapter 907, for an offense other than a simple misdemeanor.

(d) Is in a work release program pursuant to chapter 904, division IX.

(3) An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code 2001, applies, or to whom the interstate compact for adult offender supervision under chapter 907B applies.

*b.* (1) The amount of the additional deduction is equal to sixty-five percent of the wages paid to individuals, but shall not exceed twenty thousand dollars per individual, named in paragraph "*a*", subparagraphs (1), (2), and (3) who were hired for the first time by that business during the annual accounting period for work done in the state. This additional deduction is allowed for the wages paid to those individuals successfully completing a probationary period during the twelve months following the date of first employment by the business and shall be deducted at the close of the annual accounting period.

(2) The additional deduction shall not be allowed for wages paid to an individual who was hired to replace an individual whose employment was terminated within the twelve-month period preceding the date of first employment. However, if the individual being replaced left employment voluntarily without good cause attributable to the employer or if the individual was discharged for misconduct in connection with the individual's employment as determined by the department of workforce development, the additional deduction shall be allowed.

(3) A taxpayer who is a partner of a partnership or a shareholder of a subchapter S

corporation, may deduct that portion of wages qualified under this subsection paid by the partnership or subchapter S corporation based on the taxpayer's pro rata share of the profits or losses from the partnership or subchapter S corporation.

*c.* For purposes of this subsection:

(1) *"Physical or mental impairment"* means any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the body systems or any mental or psychological disorder, including intellectual disability, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

(2) (a) *"Small business"* means a profit or nonprofit business, including but not limited to an individual, partnership, corporation, joint venture, association, or cooperative, to which the following apply:

(i) It is not an affiliate or subsidiary of a business dominant in its field of operation.

(ii) It has twenty or fewer full-time equivalent positions and not more than the equivalent of three million dollars in annual gross revenues as computed for the preceding fiscal year or as the average of the three preceding fiscal years.

(iii) It does not include the practice of a profession.

(b) *"Small business"* includes an employee-owned business which has been an employee-owned business for less than three years or which meets the conditions of subparagraph division (a), subparagraph subdivisions (i) through (iii).

(c) For purposes of this definition, *"dominant in its field of operation"* means having more than twenty full-time equivalent positions and more than three million dollars in annual gross revenues, and *"affiliate or subsidiary of a business dominant in its field of operation"* means a business which is at least twenty percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalents, of a business dominant in that field of operation.

12A. If the adjusted gross income includes income or loss from a business operated by the taxpayer, and if the business does not qualify for the adjustment under subsection 12, an additional deduction shall be allowed in computing the income or loss from the business if the business hired for employment in the state during its annual accounting period ending with or during the taxpayer's tax year either of the following:

*a.* An individual domiciled in this state at the time of the hiring who meets any of the following conditions:

(1) Has been convicted of a felony in this or any other state or the District of Columbia.

(2) Is on parole pursuant to chapter 906.

(3) Is on probation pursuant to chapter 907, for an offense other than a simple misdemeanor.

(4) Is in a work release program pursuant to chapter 904, division IX.

*b.* An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code 2001, applies, or to whom the interstate compact for adult offender supervision under chapter 907B applies.

The amount of the additional deduction is equal to sixty-five percent of the wages paid to individuals, but shall not exceed twenty thousand dollars per individual, named in paragraphs *"a"* and *"b"* who were hired for the first time by that business during the annual accounting period for work done in the state. This additional deduction is allowed for the wages paid to those individuals successfully completing a probationary period during the twelve months following the date of first employment by the business and shall be deducted at the close of the annual accounting period.

The additional deduction shall not be allowed for wages paid to an individual who was hired to replace an individual whose employment was terminated within the twelve-month period preceding the date of first employment. However, if the individual being replaced left employment voluntarily without good cause attributable to the employer or if the individual was discharged for misconduct in connection with the individual's employment as determined by the department of workforce development, the additional deduction shall be allowed.

A taxpayer who is a partner of a partnership or a shareholder of a subchapter S corporation, may deduct that portion of wages qualified under this subsection paid by the partnership or

subchapter S corporation based on the taxpayer's pro rata share of the profits or losses from the partnership or subchapter S corporation.

The department shall develop and distribute information concerning the deduction available for businesses employing persons named in paragraphs *"a"* and *"b"*.

13. *a.* Subtract, to the extent included, the amount of additional social security benefits taxable under the Internal Revenue Code for tax years beginning on or after January 1, 1994, but before January 1, 2014. The amount of social security benefits taxable as provided in section 86 of the Internal Revenue Code, as amended up to and including January 1, 1993, continues to apply for state income tax purposes for tax years beginning on or after January 1, 1994, but before January 1, 2014.

*b.* (1) For tax years beginning in the 2007 calendar year, subtract, to the extent included, thirty-two percent of taxable social security benefits remaining after the subtraction in paragraph *"a"*.

(2) For tax years beginning in the 2008 calendar year, subtract, to the extent included, thirty-two percent of taxable social security benefits remaining after the subtraction in paragraph *"a"*.

(3) For tax years beginning in the 2009 calendar year, subtract, to the extent included, forty-three percent of taxable social security benefits remaining after the subtraction in paragraph *"a"*.

(4) For tax years beginning in the 2010 calendar year, subtract, to the extent included, fifty-five percent of taxable social security benefits remaining after the subtraction in paragraph *"a"*.

(5) For tax years beginning in the 2011 calendar year, subtract, to the extent included, sixty-seven percent of taxable social security benefits remaining after the subtraction in paragraph *"a"*.

(6) For tax years beginning in the 2012 calendar year, subtract, to the extent included, seventy-seven percent of taxable social security benefits remaining after the subtraction in paragraph *"a"*.

(7) For tax years beginning in the 2013 calendar year, subtract, to the extent included, eighty-nine percent of taxable social security benefits remaining after the subtraction in paragraph *"a"*.

*c.* Married taxpayers, who file a joint federal income tax return and who elect to file separate returns or who elect separate filing on a combined return for state income tax purposes, shall allocate between the spouses the amount of benefits subtracted under paragraphs *"a"* and *"b"* from net income in the ratio of the social security benefits received by each spouse to the total of these benefits received by both spouses.

*d.* For tax years beginning on or after January 1, 2014, subtract, to the extent included, the amount of social security benefits taxable under section 86 of the Internal Revenue Code.

14. Add the amount of intangible drilling and development costs optionally deducted in the year paid or incurred as described in section 57(a)(2) of the Internal Revenue Code. This amount may be recovered through cost depletion or depreciation, as appropriate under rules prescribed by the director.

15. Add the percentage depletion amount determined with respect to an oil, gas, or geothermal well as described in section 57(a)(1) of the Internal Revenue Code.

16. Subtract the income resulting from the forfeiture of an installment real estate contract, the transfer of real or personal property securing a debt to a creditor in cancellation of that debt, or from the sale or exchange of property as a result of actual notice of foreclosure if all of the following conditions are met:

*a.* The forfeiture, transfer, or sale or exchange was done for the purpose of establishing a positive cash flow.

*b.* Immediately before the forfeiture, transfer, or sale or exchange, the taxpayer's debt to asset ratio exceeded ninety percent as computed under generally accepted accounting practices.

*c.* The taxpayer's net worth at the end of the tax year is less than seventy-five thousand dollars. In determining a taxpayer's net worth at the end of the tax year a taxpayer shall include any asset transferred within one hundred twenty days prior to the end of the tax

year without adequate and full consideration in money or money's worth. In determining the taxpayer's debt to asset ratio, the taxpayer shall include any asset transferred within one hundred twenty days prior to such forfeiture, transfer, or sale or exchange without adequate and full consideration in money or money's worth. For purposes of this subsection, actual notice of foreclosure includes, but is not limited to, bankruptcy or written notice from a creditor of the creditor's intent to foreclose where there is a reasonable belief that the creditor can force a sale of the asset. For purposes of this subsection, in the case of married taxpayers, except in the case of a husband and wife who live apart at all times during the tax year, the assets and liabilities of both spouses shall be considered for purposes of determining the taxpayer's net worth or the taxpayer's debt to asset ratio.

17. Add interest and dividends from regulated investment companies exempt from federal income tax under the Internal Revenue Code and subtract the loss on the sale or exchange of a share of a regulated investment company held for six months or less to the extent the loss was disallowed under section 852(b)(4)(B) of the Internal Revenue Code.

18. Reserved.

19. Reserved.

20. Subtract, to the extent included, the proceeds received pursuant to a judgment in or settlement of a lawsuit against the manufacturer or distributor of a Vietnam herbicide for damages resulting from exposure to the herbicide. This subsection applies to proceeds received by a taxpayer who is a disabled veteran or who is a beneficiary of a disabled veteran.

For purposes of this subsection:

*a.* "*Vietnam herbicide*" means a herbicide, defoliant or other causative agent containing dioxin, including, but not limited to, Agent Orange, used in the Vietnam Conflict beginning December 22, 1961, and ending May 7, 1975, inclusive.

*b.* "*Agent Orange*" means the herbicide composed of trichlorophenoxyacetic acid and dichlorophenoxyacetic acid and the contaminant dioxin (TCDD).

21. Subtract the net capital gain from the following:

*a.* (1) Net capital gain from the sale of real property used in a business, in which the taxpayer materially participated for ten years, as defined in section 469(h) of the Internal Revenue Code, and which has been held for a minimum of ten years, or from the sale of a business, as defined in section 423.1, in which the taxpayer materially participated for ten years, as defined in section 469(h) of the Internal Revenue Code, and which has been held for a minimum of ten years. The sale of a business means the sale of all or substantially all of the tangible personal property or service of the business.

However, where the business is sold to individuals who are all lineal descendants of the taxpayer, the taxpayer does not have to have materially participated in the business in order for the net capital gain from the sale to be excluded from taxation.

However, in lieu of the net capital gain deduction in this paragraph and paragraphs "*b*", "*c*", and "*d*", where the business is sold to individuals who are all lineal descendants of the taxpayer, the amount of capital gain from each capital asset may be subtracted in determining net income.

(2) For purposes of this paragraph, "*lineal descendant*" means children of the taxpayer, including legally adopted children and biological children, stepchildren, grandchildren, great-grandchildren, and any other lineal descendants of the taxpayer.

*b.* Net capital gain from the sale of cattle or horses held by the taxpayer for breeding, draft, dairy, or sporting purposes for a period of twenty-four months or more from the date of acquisition; but only if the taxpayer received more than one-half of the taxpayer's gross income from farming or ranching operations during the tax year.

*c.* Net capital gain from the sale of breeding livestock, other than cattle or horses, if the livestock is held by the taxpayer for a period of twelve months or more from the date of acquisition; but only if the taxpayer received more than one-half of the taxpayer's gross income from farming or ranching operations during the tax year.

*d.* Net capital gain from the sale of timber as defined in section 631(a) of the Internal Revenue Code.

However, to the extent otherwise allowed, the deduction provided in this subsection is not allowed for purposes of computation of a net operating loss in section 422.9, subsection 3,

and in computing the income for the taxable year or years for which a net operating loss is deducted.

For purposes of this subsection, the term *"held"* shall be determined with reference to the holding period provisions of section 1223 of the Internal Revenue Code and the federal regulations adopted pursuant thereto.

*e.* (1) To the extent not already excluded, fifty percent of the net capital gain from the sale or exchange of employer securities of an Iowa corporation to a qualified Iowa employee stock ownership plan when, upon completion of the transaction, the qualified Iowa employee stock ownership plan owns at least thirty percent of all outstanding employer securities issued by the Iowa corporation.

(2) For purposes of this paragraph:

(a) *"Employer securities"* means the same as defined in section 409(l) of the Internal Revenue Code.

(b) *"Iowa corporation"* means a corporation whose commercial domicile, as defined in section 422.32, is in this state.

(c) *"Qualified Iowa employee stock ownership plan"* means an employee stock ownership plan, as defined in section 4975(e)(7) of the Internal Revenue Code, and trust that are established by an Iowa corporation for the benefit of the employees of the corporation.

22. Subtract, to the extent included, the amounts paid to an eligible individual under section 105 of the Civil Liberties Act of 1988, Pub. L. No. 100-383, Tit. I, as satisfaction for a claim against the United States arising out of the confinement, holding in custody, relocation, or other deprivation of liberty or property of an individual of Japanese ancestry.

23. Subtract, to the extent included, the amount of federal Segal AmeriCorps education award payments.

24. Subtract, to the extent included, active duty pay received by a person in the national guard or armed forces military reserve for services performed on or after August 2, 1990, pursuant to military orders related to the Persian Gulf Conflict.

25. Subtract, to the extent included, active duty pay received by a person in the national guard or armed forces military reserve for service performed on or after November 21, 1995, pursuant to military orders related to peacekeeping in Bosnia-Herzegovina.

26. Add depreciation taken for federal income tax purposes on a speculative shell building defined in section 427.1, subsection 27, which is owned by a for-profit entity and the for-profit entity is receiving the proper tax exemption. Subtract depreciation computed as if the speculative shell building were classified as fifteen-year property under the accelerated cost recovery system of the Internal Revenue Code during the period during which it is owned by the for-profit entity and is receiving the property tax exemption. However, this subsection does not apply to a speculative shell building which is used by the for-profit entity, subsidiary of the for-profit entity, or majority owners of the for-profit entity, for other than as a speculative shell building, as defined in section 427.1, subsection 27.

27. Subtract, to the extent included, payments received by an individual providing unskilled in-home health-related care services pursuant to section 249.3, subsection 2, paragraph *"a"*, subparagraph (2), to a member of the individual caregiver's family. For purposes of this subsection, a member of the individual caregiver's family includes a spouse, parent, stepparent, child, stepchild, brother, stepbrother, sister, stepsister, lineal ancestor, or lineal descendant, and such persons by marriage or adoption. A health care professional licensed by an examination board designated in section 147.13, subsections 1 through 10, is not eligible for the exemption authorized in this subsection.

28. If the taxpayer is owner of an individual development account certified under chapter 541A at any time during the tax year, deductions of all of the following shall be allowed:

*a.* Contributions made to the account by persons and entities, other than the taxpayer, as authorized in chapter 541A.

*b.* The amount of any state match payments authorized under section 541A.3, subsection 1.

*c.* Earnings from the account.

29. Subtract, to the extent not otherwise deducted in computing adjusted gross income,

the amounts paid by the taxpayer for the purchase of health benefits coverage or insurance for the taxpayer or taxpayer's spouse or dependent.

30. Subtract the amount of the employer social security credit allowable for the tax year under section 45B of the Internal Revenue Code to the extent that the credit increases federal adjusted gross income.

31. For a person who is disabled, or is fifty-five years of age or older, or is the surviving spouse of an individual or a survivor having an insurable interest in an individual who would have qualified for the exemption under this subsection for the tax year, subtract, to the extent included, the total amount of a governmental or other pension or retirement pay, including, but not limited to, defined benefit or defined contribution plans, annuities, individual retirement accounts, plans maintained or contributed to by an employer, or maintained or contributed to by a self-employed person as an employer, and deferred compensation plans or any earnings attributable to the deferred compensation plans, up to a maximum of six thousand dollars for a person, other than a husband or wife, who files a separate state income tax return and up to a maximum of twelve thousand dollars for a husband and wife who file a joint state income tax return. However, a surviving spouse who is not disabled or fifty-five years of age or older can only exclude the amount of pension or retirement pay received as a result of the death of the other spouse. A husband and wife filing separate state income tax returns or separately on a combined state return are allowed a combined maximum exclusion under this subsection of up to twelve thousand dollars. The twelve thousand dollar exclusion shall be allocated to the husband or wife in the proportion that each spouse's respective pension and retirement pay received bears to total combined pension and retirement pay received.

32. *a.* Subtract the maximum contribution that may be deducted for Iowa income tax purposes as a participant in the Iowa educational savings plan trust pursuant to section 12D.3, subsection 1, paragraph "*a*".

*b.* Add the amount resulting from the cancellation of a participation agreement refunded to the taxpayer as a participant in the Iowa educational savings plan trust to the extent previously deducted as a contribution to the trust.

*c.* Add the amount resulting from a withdrawal made by a taxpayer from the Iowa educational savings plan trust for purposes other than the payment of qualified education expenses to the extent previously deducted as a contribution to the trust.

33. Subtract, to the extent included, income from interest and earnings received from the Iowa educational savings plan trust created in chapter 12D.

34. Reserved.

35. Subtract, to the extent included, the following:

*a.* Payments made to the taxpayer because of the taxpayer's status as a victim of persecution for racial, ethnic, or religious reasons by Nazi Germany or any other Axis regime or as an heir of such victim.

*b.* Items of income attributable to, derived from, or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial, ethnic, or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial, ethnic, or religious reasons by Nazi Germany or any other Axis regime by European insurance companies immediately prior to and during World War II. However, income from assets acquired with such assets or with the proceeds from the sale of such assets shall not be subtracted. This paragraph shall only apply to a taxpayer who was the first recipient of such assets after recovery of the assets and who is a victim of persecution for racial, ethnic, or religious reasons by Nazi Germany or any other Axis regime or is an heir of such victim.

36. Add, to the extent not already included, income from the sale of obligations of the state and its political subdivisions. Income from the sale of these obligations is exempt from the taxes imposed by this division only if the law authorizing these obligations specifically exempts the income from the sale from the state individual income tax.

37. Notwithstanding the method for computing income from an installment sale under section 453 of the Internal Revenue Code, as defined in section 422.3, the method to be used

in computing income from an installment sale shall be the method under section 453 of the Internal Revenue Code, as amended up to and including January 1, 2000. A taxpayer affected by this subsection shall make adjustments in the adjusted gross income pursuant to rules adopted by the director.

The adjustment to net income provided in this subsection is repealed for tax years beginning on or after January 1, 2002. However, to the extent that a taxpayer using the accrual method of accounting reported the entire capital gain from the sale or exchange of property on the Iowa return for the tax year beginning in the 2001 calendar year and the capital gain was reported on the installment method on the federal income tax return, any additional installment from the capital gain reported for federal income tax purposes is not to be included in net income in tax years beginning on or after January 1, 2002.

38. Subtract, to the extent not otherwise excluded, the amount of withdrawals from qualified retirement plan accounts made during the tax year if the taxpayer or taxpayer's spouse is a member of the Iowa national guard or reserve forces of the United States who is ordered to national guard duty or federal active duty. In addition, a penalty for such withdrawals shall not be assessed by the state.

39. *a.* The additional first-year depreciation allowance authorized in section 168(k) of the Internal Revenue Code, as enacted by Pub. L. No. 107-147, § 101, does not apply in computing net income for state tax purposes. If the taxpayer has taken such deduction in computing federal adjusted gross income, the following adjustments shall be made:

(1) Add the total amount of depreciation taken on all property for which the election under section 168(k) of the Internal Revenue Code was made for the tax year.

(2) Subtract an amount equal to depreciation allowed on such property for the tax year using the modified accelerated cost recovery system depreciation method applicable under section 168 of the Internal Revenue Code without regard to section 168(k).

(3) Any other adjustments to gains or losses to reflect the adjustments made in subparagraphs (1) and (2) pursuant to rules adopted by the director.

*b.* A taxpayer may elect to apply the additional first-year depreciation allowance authorized in section 168(k)(4) of the Internal Revenue Code, as enacted by Pub. L. No. 108-27, in computing net income for state tax purposes, for qualified property acquired after May 5, 2003, and before January 1, 2005. If the taxpayer elects to take the additional first-year depreciation allowance authorized in section 168(k)(4) of the Internal Revenue Code for state tax purposes, the deduction may be taken on amended state tax returns, if necessary. If the taxpayer does not elect to take the additional first-year depreciation allowance authorized in section 168(k)(4) of the Internal Revenue Code for state tax purposes, the following adjustment shall be made:

(1) Add the total amount of depreciation taken on all property for which the election under section 168(k)(4) of the Internal Revenue Code was made for the tax year.

(2) Subtract an amount equal to depreciation allowed on such property for the tax year using the modified accelerated cost recovery system depreciation method applicable under section 168 of the Internal Revenue Code without regard to section 168(k)(4).

(3) Any other adjustments to gains or losses to reflect the adjustments made in subparagraphs (1) and (2) pursuant to rules adopted by the director.

39A. The additional first-year depreciation allowance authorized in section 168(k) of the Internal Revenue Code, as enacted by Pub. L. No. 110-185, § 103, Pub. L. No. 111-5, § 1201, Pub. L. No. 111-240, § 2022, Pub. L. No. 111-312, § 401, and Pub. L. No. 112-240, § 331, does not apply in computing net income for state tax purposes. If the taxpayer has taken the additional first-year depreciation allowance for purposes of computing federal adjusted gross income, then the taxpayer shall make the following adjustments to federal adjusted gross income when computing net income for state tax purposes:

*a.* Add the total amount of depreciation taken under section 168(k) of the Internal Revenue Code for the tax year.

*b.* Subtract the amount of depreciation allowable under the modified accelerated cost recovery system described in section 168 of the Internal Revenue Code and calculated without regard to section 168(k).

*c.* Any other adjustments to gains or losses necessary to reflect the adjustments made

in paragraphs "*a*" and "*b*". The director shall adopt rules for the administration of this paragraph.

39B. The additional first-year depreciation allowance authorized in section 168(n) of the Internal Revenue Code, as enacted by Pub. L. No. 110-343, § 710, does not apply in computing net income for state tax purposes. If the taxpayer has taken the additional first-year depreciation allowance for purposes of computing federal adjusted gross income, then the taxpayer shall make the following adjustments to federal adjusted gross income when computing net income for state tax purposes:

*a.* Add the total amount of depreciation taken under section 168(n) of the Internal Revenue Code for the tax year.

*b.* Subtract the amount of depreciation allowable under the modified accelerated cost recovery system described in section 168 of the Internal Revenue Code and calculated without regard to section 168(n).

*c.* Any other adjustments to gains or losses necessary to reflect the adjustments made in paragraphs "*a*" and "*b*". The director shall adopt rules for the administration of this paragraph.

40. Subtract, to the extent included, active duty pay received by a person in the national guard or armed forces military reserve for service performed on or after January 1, 2003, pursuant to military orders related to Operation Iraqi Freedom, Operation New Dawn, Operation Noble Eagle, and Operation Enduring Freedom.

41. Reserved.

42. Subtract, to the extent included, military student loan repayments received by the taxpayer serving on active duty in the national guard or armed forces military reserve or on active duty status in the armed forces.

42A. Subtract, to the extent included, all pay received by the taxpayer from the federal government for military service performed while on active duty status in the armed forces, the armed forces military reserve, or the national guard.

43. A taxpayer may elect not to take the increased expensing allowance under section 179 of the Internal Revenue Code, as amended by Pub. L. No. 108-27, § 202, in computing adjusted gross income for state tax purposes. If the taxpayer does not take the increased expensing allowance under section 179 of the Internal Revenue Code for state tax purposes, the following adjustments shall be made:

*a.* Add the total amount of expense deduction taken on section 179 property for federal tax purposes under section 179 of the Internal Revenue Code.

*b.* Subtract the amount of expense deduction on section 179 property allowable for federal tax purposes under section 179 of the Internal Revenue Code prior to enactment of Pub. L. No. 108-27, § 202.

*c.* Any other adjustments to gains and losses to the adjustments made in paragraphs "*a*" and "*b*" pursuant to rules adopted by the director.

44. *a.* If the taxpayer, while living, donates one or more of the taxpayer's human organs to another human being for immediate human organ transplantation during the tax year, subtract, to the extent not otherwise excluded, the following unreimbursed expenses incurred by the taxpayer and related to the taxpayer's organ donation:

(1) Travel expenses.

(2) Lodging expenses.

(3) Lost wages.

*b.* The maximum amount that may be deducted under paragraph "*a*" is ten thousand dollars. A taxpayer shall only take the deduction under this subsection once. If a deduction is taken under this subsection, the amount of expenses shall not be considered medical care expenses under section 213 of the Internal Revenue Code for state tax purposes.

*c.* For purposes of this subsection, "*human organ*" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow.

45. Subtract, to the extent not otherwise deducted, the amount of two thousand dollars for the cost of a clean fuel motor vehicle if the taxpayer was eligible for the alternative motor vehicle credit under section 30B of the Internal Revenue Code for such motor vehicle.

46. Subtract, to the extent included, the amount of any grant provided pursuant to the injured veterans grant program pursuant to section 35A.14.

46A. Subtract, to the extent included, amounts received from the veterans trust fund for any of the following items:

*a.* Travel expenses pursuant to section 35A.13, subsection 6, paragraph "*a*".

*b.* Unemployment assistance pursuant to section 35A.13, subsection 6, paragraph "*c*".

47. Subtract, to the extent not otherwise deducted in computing adjusted gross income, the amounts paid by the taxpayer to the department of veterans affairs for the purpose of providing grants under the injured veterans grant program established in section 35A.14. Amounts subtracted under this subsection shall not be used by the taxpayer in computing the amount of charitable contributions as defined by section 170 of the Internal Revenue Code.

48. Reserved.

49. Subtract, to the extent included, the amount of ordinary or capital gain realized by the taxpayer as a result of the involuntary conversion of property due to eminent domain. However, if the total amount of such realized ordinary or capital gain is not recognized because the converted property is replaced with property that is similar to, or related in use to, the converted property, the amount of such realized ordinary or capital gain shall not be subtracted under this subsection until the remaining realized ordinary or capital gain is subject to federal taxation or until the time of disposition of the replacement property as provided under rules of the director. The subtraction allowed under this subsection shall not alter the basis as established for federal tax purposes of any property owned by the taxpayer.

50. Subtract, to the extent included, the amount of victim compensation awards paid under the victim compensation program, victim restitution payments received pursuant to chapter 910 or 915, and any damages awarded by a court, and received by the taxpayer, in a civil action filed by the victim against the offender, during the tax year.

51. Reserved.

52. Reserved.

53. A taxpayer is not allowed to take the increased expensing allowance under section 179 of the Internal Revenue Code, as amended by Pub. L. No. 111-5, § 1202, in computing adjusted gross income for state tax purposes.

54. Subtract, to the extent included, the amount of any biodiesel production refund provided pursuant to section 423.4.

55. A taxpayer is allowed to take the deduction for certain expenses of elementary and secondary school teachers allowed under section 62(a)(2)(D) of the Internal Revenue Code, as amended by the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, in computing net income for state tax purposes.

56. A taxpayer is allowed to take the deduction for qualified tuition and related expenses allowed under section 222 of the Internal Revenue Code, as amended by the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, in computing net income for state tax purposes.

[C35, §6943-f7; C39, §**6943.039;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.7; 81 Acts, ch 132, §4 – 6, 9 – 11; 82 Acts, ch 1023, §3 – 8, 25, 30, 31, ch 1203, §2]

83 Acts, ch 174, §1, 3; 83 Acts, ch 179, §5, 6, 21, 24; 84 Acts, ch 1305, §29, 30; 85 Acts, ch 230, §4; 86 Acts, ch 1232, §2; 86 Acts, ch 1236, §5; 86 Acts, ch 1238, §18; 86 Acts, ch 1241, §14; 86 Acts, ch 1243, §33; 87 Acts, 1st Ex, ch 1, §3; 87 Acts, 2nd Ex, ch 1, §4 – 6; 88 Acts, ch 1028, §13 – 15; 89 Acts, ch 175, §2; 89 Acts, ch 225, §18, 19; 89 Acts, ch 228, §6, 7, 11; 89 Acts, ch 249, §2; 89 Acts, ch 251, §13; 89 Acts, ch 268, §4; 89 Acts, ch 285, §3; 90 Acts, ch 1171, §2; 90 Acts, ch 1195, §1; 90 Acts, ch 1251, §52; 90 Acts, ch 1271, §1901, 1903; 91 Acts, ch 196, §2; 91 Acts, ch 210, §1; 92 Acts, ch 1225, §1, 5; 92 Acts, ch 1247, §30, 31, 39; 93 Acts, ch 97, §14, 20; 94 Acts, ch 1165, §12, 46; 94 Acts, ch 1166, §2, 3, 12; 94 Acts, ch 1183, §77 – 79, 97; 95 Acts, ch 5, §1, 14; 95 Acts, ch 152, §3, 7; 95 Acts, ch 206, §1, 4; 96 Acts, ch 1106, §7; 96 Acts, ch 1129, §113; 96 Acts, ch 1186, §23; 97 Acts, ch 133, §1; 97 Acts, ch 135, §4, 9; 98 Acts, ch 1100, §57; 98 Acts, ch 1172, §12, 14; 98 Acts, ch 1174, §5, 6; 98 Acts, ch 1177, §1 – 6; 2000 Acts, ch 1103, §2, 3; 2000 Acts, ch 1163, §5, 6; 2000 Acts, ch 1194, §8, 21; 2001 Acts, ch 15, §1, 2; 2001 Acts, ch 116, §6, 28; 2001 Acts, ch 127, §4, 5, 9, 10; 2001 Acts, 2nd Ex, ch 6, §21, 22, 25, 26, 37; 2002 Acts, ch 1069, §4, 11, 14; 2002 Acts, ch 1150, §4; 2002 Acts, ch 1151, §5, 36;

2003 Acts, ch 139, §5, 11, 12; 2003 Acts, ch 142, §5, 6, 11; 2003 Acts, 1st Ex, ch 2, §184, 205; 2004 Acts, ch 1086, §66; 2004 Acts, 1st Ex, ch 1001, §38, 41, 42; 2005 Acts, ch 2, §1, 2, 6; 2005 Acts, ch 19, §53; 2005 Acts, ch 24, §4, 10, 11; 2005 Acts, ch 127, §1, 2; 2006 Acts, ch 1013, §1, 2; 2006 Acts, ch 1106, §2, 4; 2006 Acts, ch 1112, §4, 5; 2006 Acts, ch 1140, §4, 10, 11; 2006 Acts, ch 1158, §12; 2006 Acts, ch 1179, §71; 2006 Acts, 1st Ex, ch 1001, §41, 49; 2007 Acts, ch 27, §2, 11; 2007 Acts, ch 54, §35; 2007 Acts, ch 162, §4, 13; 2007 Acts, ch 176, §2, 4; 2007 Acts, ch 186, §8; 2008 Acts, ch 1011, §4, 9; 2008 Acts, ch 1131, §2 – 4; 2008 Acts, ch 1178, §8, 17; 2009 Acts, ch 118, §6, 12; 2009 Acts, ch 133, §136 – 139; 2009 Acts, ch 161, §3, 4; 2010 Acts, ch 1107, §1, 2; 2011 Acts, ch 41, §2, 5, 7, 18, 19, 23 – 25; 2011 Acts, ch 105, §1 – 3; 2011 Acts, ch 113, §57, 60; 2011 Acts, ch 131, §137, 139, 140, 142; 2012 Acts, ch 1019, §129; 2012 Acts, ch 1021, §73; 2012 Acts, ch 1059, §12; 2012 Acts, ch 1072, §37; 2012 Acts, ch 1110, §7; 2012 Acts, ch 1123, §1, 32; 2012 Acts, ch 1136, §33, 39 – 41; 2012 Acts, ch 1138, §133, 134; 2013 Acts, ch 1, §9, 11, 12; 2013 Acts, ch 70, §1, 2; 2013 Acts, ch 100, §23, 27

Referred to in §12D.9, 217.39, 422.4, 422.5, 422.8, 422.9, 422.16, 422.35, 425.17, 541A.2, 541A.3

2008 amendment to subsection 28, paragraph b, takes effect April 29, 2008, and applies retroactively to January 1, 2008, for the tax year beginning on that date; 2008 Acts, ch 1178, §17

Subsection 53 takes effect March 11, 2008, and applies retroactively to January 1, 2008, for tax years beginning on or after that date; 2008 Acts, ch 1011, §9

Subsection 23 takes effect January 1, 2010, and applies on or after that date; 2009 Acts, ch 161, §4

Subsection 46A applies retroactively to January 1, 2010, for tax years beginning on or after that date; 2010 Acts, ch 1107, §2

2011 strike of former subsection 29A takes effect April 12, 2011, and applies retroactively to tax years beginning on or after January 1, 2011; 2011 Acts, ch 41, §5, 7

Subsections 39A and 39B take effect April 12, 2011, and apply retroactively to January 1, 2008, for tax years ending on or after that date; 2011 Acts, ch 41, §23, 24

2011 amendment to subsection 40 takes effect May 11, 2011, and applies retroactively to January 1, 2010, for tax years beginning on or after that date; 2011 Acts, ch 105, §3

Subsection 42A takes effect May 11, 2011, and applies retroactively to January 1, 2011, for tax years beginning on or after that date; 2011 Acts, ch 105, §3

2011 amendment to subsection 53 takes effect April 12, 2011, and applies retroactively to January 1, 2009, for tax years beginning on or after that date and before January 1, 2010; 2011 Acts, ch 41, §23, 25

Subsection 54 takes effect January 1, 2012; 2011 Acts, ch 113, §60

Subsection 55 takes effect July 27, 2011, and applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009; refunds limited to amounts paid in excess of tax liability; special filing provisions; 2011 Acts, ch 131, §138, 139, 143

Subsection 56 takes effect July 27, 2011, and applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009; refunds limited to amounts paid in excess of tax liability; special filing provisions; 2011 Acts, ch 131, §141 – 143

2012 amendment striking subsection 4 applies to estates of decedents dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

Subsection 21, paragraph e, applies retroactively to tax years beginning on or after January 1, 2012; 2012 Acts, ch 1138, §134

2012 amendment striking subsection 52 takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39 – 41

2013 amendment to subsection 39A takes effect February 14, 2013, and applies retroactively to January 1, 2013, for tax years ending on or after that date; 2013 Acts, ch 1, §11, 12

See Code editor's note

Subsection 2 amended

Subsections 19 and 48 stricken

Subsection 39A, unnumbered paragraph 1 amended

**422.8 Allocation of income earned in Iowa and other states.**

Under rules prescribed by the director, net income of individuals, estates, and trusts shall be allocated as follows:

1. The amount of income tax paid to another state or foreign country by a resident taxpayer of this state on income derived from sources outside of Iowa shall be allowed as a credit against the tax computed under this chapter, except that the credit shall not exceed what the amount of the Iowa tax would have been on the same income which was taxed by the other state or foreign country. The limitation on this credit shall be computed according to the following formula: Income earned outside of Iowa and taxed by another state or foreign country shall be divided by the total income of the resident taxpayer of Iowa. This quotient multiplied times the net Iowa tax as determined on the total income of the taxpayer as if entirely earned in Iowa shall be the maximum tax credit against the Iowa net tax.

2. *a.* Nonresident's net income allocated to Iowa is the net income, or portion of net income, which is derived from a business, trade, profession, or occupation carried on within this state or income from any property, trust, estate, or other source within Iowa. However, income derived from a business, trade, profession, or occupation carried on within this state and income from any property, trust, estate, or other source within Iowa shall not include distributions from pensions, including defined benefit or defined contribution plans, annuities, individual retirement accounts, and deferred compensation plans or any earnings attributable thereto so long as the distribution is directly related to an individual's

documented retirement and received while the individual is a nonresident of this state. If a business, trade, profession, or occupation is carried on partly within and partly without the state, only the portion of the net income which is fairly and equitably attributable to that part of the business, trade, profession, or occupation carried on within the state is allocated to Iowa for purposes of section 422.5, subsection 1, paragraph *"j"*, and section 422.13 and income from any property, trust, estate, or other source partly within and partly without the state is allocated to Iowa in the same manner, except that annuities, interest on bank deposits and interest-bearing obligations, and dividends are allocated to Iowa only to the extent to which they are derived from a business, trade, profession, or occupation carried on within the state.

*b.* A resident's income, or the income of an estate or trust with a situs in Iowa, allocable to Iowa is the income determined under section 422.7 reduced by items of income and expenses from an S corporation that carries on business within and without the state when those items of income and expenses pass directly to the shareholders under provisions of the Internal Revenue Code. These items of income and expenses are increased by the greater of the following:

(1) The net income or loss of the corporation which is fairly and equitably attributable to this state under section 422.33, subsections 2 and 3.

(2) Any cash or the value of property distributions which are made only to the extent that they are paid from income upon which Iowa income tax has not been paid, as determined under rules of the director, reduced by the amount of any of these distributions that are made to enable the shareholder to pay federal income tax on items of income, loss, and expenses from the corporation.

3. Taxable income of resident and nonresident estates and trusts shall be allocated in the same manner as individuals.

4. The amount of minimum tax paid to another state or foreign country by a resident taxpayer of this state from preference items derived from sources outside of Iowa shall be allowed as a credit against the tax computed under this division except that the credit shall not exceed what the amount of state alternative minimum tax would have been on the same preference items which were taxed by the other state or foreign country. The limitation on this credit shall be computed according to the following formula: The total of preference items earned outside of Iowa and taxed by another state or foreign country shall be divided by the total of preference items of the resident taxpayer of Iowa. In computing this quotient, those items excludable under section 422.5, subsection 2, paragraph *"b"*, subparagraph (1), shall not be used in computing the preference items. This quotient multiplied times the net state alternative minimum tax as determined in section 422.5, subsection 2, on the total of preference items as if entirely earned in Iowa shall be the maximum tax credit against the Iowa alternative minimum tax. However, the maximum tax credit will not be allowed to the extent that the minimum tax imposed by the other state or foreign country is less than the maximum tax credit computed above.

5. *a.* The director may, in accordance with the provisions of this subsection, and when cost-efficient, administratively feasible, and of mutual benefit to both states, enter into reciprocal agreements with tax administration agencies of other states to further tax administration and eliminate duplicate withholding by exempting from Iowa taxation income earned from personal services in Iowa by residents of another state, if the other state provides a tax exemption for the same type of income earned from personal services by Iowa residents in the other state. For purposes of this subsection, *"income earned from personal services"* means wages, salaries, commissions, and tips, and earned income from other sources. This subsection does not authorize the department to withhold taxes on deferred compensation payments, pension distributions, and annuity payments when paid to a nonresident of the state of Iowa. All the terms of the agreements shall be described in the rules adopted by the department.

*b.* A reciprocal agreement entered into on or after April 4, 2002, with a tax administration agency of another state shall not take effect until such agreement has been authorized by a constitutional majority of each house of the general assembly and approved by the governor. A reciprocal agreement in effect on or after January 1, 2002, shall not be terminated by the

state of Iowa unless the termination has been authorized by a constitutional majority of each house of the general assembly and approved by the governor. An amendment to an existing reciprocal agreement does not constitute a new agreement.

6. If the resident or part-year resident is a shareholder of an S corporation which has in effect an election under subchapter S of the Internal Revenue Code, subsections 1 and 3 do not apply to any income taxes paid to another state or foreign country on the income from the corporation which has in effect an election under subchapter S of the Internal Revenue Code.

[C35, §6943-f8; C39, §**6943.037, 6943.040, 6943.050;** C46, 50, 54, 58, §422.5, 422.8, 422.18; C62, 66, 71, 73, 75, 77, 79, 81, §422.5, 422.8; 82 Acts, ch 1226, §3, 6]

83 Acts, ch 16, §1, 2; 85 Acts, ch 243, §3; 88 Acts, ch 1028, §16; 92 Acts, ch 1224, §1, 2, 4; 94 Acts, ch 1149, §1, 2; 96 Acts, ch 1197, §16 – 18; 97 Acts, ch 111, §5, 6, 8; 2002 Acts, ch 1005, §10, 11; 2002 Acts, ch 1069, §5, 12, 14; 2009 Acts, ch 133, §242; 2011 Acts, ch 25, §143; 2013 Acts, ch 140, §121, 123, 124

Referred to in §2.48, 260E.2, 422.5, 422.9, 422.12B, 422.13, 422.16

2013 amendment to subsection 2, paragraph b, takes effect June 20, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 140, §123, 124

Subsection 2, paragraph b, unnumbered paragraph 1 amended

**422.9 Deductions from net income.**

In computing taxable income of individuals, there shall be deducted from net income the larger of the following amounts:

1. An optional standard deduction, after deduction of federal income tax, equal to one thousand two hundred thirty dollars for a married person who files separately or a single person or equal to three thousand thirty dollars for a husband and wife who file a joint return, a surviving spouse, or a head of household. The optional standard deduction shall not exceed the amount remaining after deduction of the federal income tax. The amount of federal income tax deducted shall be computed as provided in subsection 2, paragraph *"b"*.

2. The total of contributions, interest, taxes, medical expense, nonbusiness losses, and miscellaneous expenses deductible for federal income tax purposes under the Internal Revenue Code, with the following adjustments:

*a.* Subtract the deduction for Iowa income taxes.

*b.* Add the amount of federal income taxes paid or accrued, as the case may be, during the tax year and subtract any federal income tax refunds received during the tax year. Where married persons, who have filed a joint federal income tax return, file separately, such total shall be divided between them according to the portion of the total paid or accrued, as the case may be, by each. Federal income taxes paid for a tax year in which an Iowa return was not required to be filed shall not be added and federal income tax refunds received from a tax year in which an Iowa return was not required to be filed shall not be subtracted.

*c.* Add the amount by which expenses paid or incurred in connection with the adoption of a child by the taxpayer exceed three percent of the net income of the taxpayer, or of the taxpayer and spouse in the case of a joint return. The expenses may include medical and hospital expenses of the biological mother which are incident to the child's birth and are paid by the taxpayer, welfare agency fees, legal fees, and all other fees and costs relating to the adoption of a child if the child is placed by a child-placing agency licensed under chapter 238 or by a person making an independent placement according to the provisions of chapter 600.

*d.* Add an additional deduction for mileage incurred by the taxpayer in voluntary work for a charitable organization consisting of the excess of the state employee mileage reimbursement over the amount deductible for federal income tax purposes. The deduction shall be proven by the keeping of a contemporaneous diary by the person throughout the period of the voluntary work in the tax year.

*e.* Add the amount, not to exceed five thousand dollars, of expenses not otherwise deductible under this section actually incurred in the home of the taxpayer for the care of a person who is the grandchild, child, parent, or grandparent of the taxpayer or the taxpayer's spouse and who is unable, by reason of physical or mental disability, to live independently and is receiving, or would be eligible to receive if living in a health care facility licensed under chapter 135C, medical assistance benefits under chapter 249A. In the event that the

person being cared for is receiving assistance benefits under chapter 239B, the expenses not otherwise deductible shall be the net difference between the expenses actually incurred in caring for the person and the assistance benefits received under chapter 239B.

*f.* Add the amount of the mortgage interest credit allowable for the tax year under section 25 of the Internal Revenue Code to the extent the credit decreased the amount of interest deductible under section 163(g) of the Internal Revenue Code.

*g.* If the taxpayer has a deduction for medical care expenses under section 213 of the Internal Revenue Code, the taxpayer shall recompute for the purposes of this subsection the amount of the deduction under section 213 by excluding from medical care, as defined in section 213, the amount subtracted under section 422.7, subsection 29.

*h.* For purposes of calculating the deductions in this subsection that are authorized under the Internal Revenue Code, and to the extent that any of such deductions is determined by an individual's federal adjusted gross income, the individual's federal adjusted gross income is computed in accordance with section 422.7, subsections 39, 39A, 39B, and 53.

*i.* The deduction for state sales and use taxes is allowable only if the taxpayer elected to deduct the state sales and use taxes in lieu of state income taxes under section 164 of the Internal Revenue Code. A deduction for state sales and use taxes is not allowed if the taxpayer has taken the deduction for state income taxes or claimed the standard deduction under section 63 of the Internal Revenue Code. This paragraph applies to taxable years beginning after December 31, 2003, and before January 1, 2008, and to taxable years beginning after December 31, 2009, and before January 1, 2014.

3. If, after applying all of the adjustments provided for in section 422.7, the allocation provisions of section 422.8, and the deductions allowable in this section subject to the modifications provided in section 172(d) of the Internal Revenue Code, the taxable income results in a net operating loss, the net operating loss shall be deducted as follows:

*a.* The Iowa net operating loss shall be carried back three taxable years for an individual taxpayer with a casualty or theft property loss or for a net operating loss in a presidentially declared disaster area incurred by a taxpayer engaged in a small business or in the trade or business of farming. For all other Iowa net operating losses, the net operating loss shall be carried back two taxable years or to the taxable year in which the taxpayer first earned income in Iowa whichever year is the later.

*b.* The Iowa net operating loss remaining after being carried back as required in paragraph "*a*" or "*d*" or if not required to be carried back shall be carried forward twenty taxable years.

*c.* If the election under section 172(b)(3) of the Internal Revenue Code is made, the Iowa net operating loss shall be carried forward twenty taxable years.

*d.* Notwithstanding paragraph "*a*", for a taxpayer who is engaged in the trade or business of farming as defined in section 263A(e)(4) of the Internal Revenue Code and has a loss from farming as defined in section 172(b)(1)(F) of the Internal Revenue Code including modifications prescribed by rule by the director, the Iowa loss from the trade or business of farming is a net operating loss which may be carried back five taxable years prior to the taxable year of the loss.

4. Where married persons file separately, both must use the optional standard deduction if either elects to use it, and both must claim itemized deductions if either elects to claim itemized deductions.

5. A taxpayer affected by section 422.8 shall, if the optional standard deduction is not used, be permitted to deduct only such portion of the total referred to in subsection 2 above as is fairly and equitably allocable to Iowa under the rules prescribed by the director.

6. In determining the amount of deduction for federal income tax under subsection 1 or subsection 2, paragraph "*b*", for tax years beginning in the 2008 calendar year, the amount of the deduction for the tax year shall not be adjusted by the amount received during the tax year of the income tax rebate provided pursuant to the federal Recovery Rebates and Economic Stimulus for the American People Act of 2008, Pub. L. No. 110-185, and the amount of such income tax rebate shall not be subject to taxation under this division.

7. A taxpayer is allowed to take the deduction for disaster-related casualty losses under

section 165(h) of the Internal Revenue Code, as modified by the Heartland Disaster Relief Act of 2008, Pub. L. No. 110-343, in computing net income for state tax purposes.

[C35, §6943-f9; C39, §**6943.041;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.9; 82 Acts, ch 1023, §9, 10, 30, 32, ch 1192, §1, 2, ch 1226, §4, 6]

83 Acts, ch 179, §7, 22; 84 Acts, ch 1305, §31; 87 Acts, ch 233, §493; 87 Acts, 2nd Ex, ch 1, §7 – 9; 88 Acts, ch 1028, §17 – 20; 89 Acts, ch 268, §5; 91 Acts, ch 159, §9; 91 Acts, ch 210, §2; 92 Acts, ch 1222, §4, 6; 94 Acts, ch 1046, §9; 94 Acts, ch 1166, §4 – 6, 12; 95 Acts, ch 5, §2, 14; 96 Acts, ch 1168, §1, 3; 97 Acts, ch 41, §32; 97 Acts, ch 135, §5, 9; 98 Acts, ch 1078, §5, 12; 99 Acts, ch 95, §5, 6, 12, 13; 99 Acts, ch 114, §25; 2001 Acts, ch 132, §22, 24; 2001 Acts, 1st Ex, ch 3, §1, 2; 2002 Acts, ch 1069, §6, 13, 14; 2003 Acts, ch 139, §6, 11, 12; 2003 Acts, ch 142, §7, 11; 2005 Acts, ch 24, §5, 10, 11; 2005 Acts, ch 140, §37 – 39, 73; 2006 Acts, ch 1158, §13; 2008 Acts, ch 1027, §1, 3; 2009 Acts, ch 60, §4, 17; 2011 Acts, ch 41, §3, 5, 20, 23, 24; 2011 Acts, ch 131, §144, 146; 2013 Acts, ch 1, §3, 7, 8; 2013 Acts, ch 70, §3, 9

Referred to in §422.4, 422.5, 422.7, 422.16, 422.21

2008 amendment adding subsection 6 applies retroactively to January 1, 2008, for tax years beginning on or after January 1, 2008, and before January 1, 2009; 2008 Acts, ch 1027, §3

2009 amendment to subsection 4 applies retroactively to January 1, 2009, for tax years beginning on or after that date; 2009 Acts, ch 60, §17

2011 amendment to subsection 2, paragraph h, takes effect April 12, 2011, and applies retroactively to January 1, 2008, for tax years ending on or after that date; 2011 Acts, ch 41, §23, 24

Subsection 7 takes effect July 27, 2011, and applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009; refunds limited to amounts paid in excess of tax liability, exclusive of interest; 2011 Acts, ch 131, §145, 146

2013 amendment to subsection 2, paragraph i, takes effect February 14, 2013, and applies retroactively to January 1, 2012, for tax years beginning on or after that date; 2013 Acts, ch 1, §7, 8

Subsection 2, paragraph i amended

Subsections 6 and 7 stricken and former subsections 8 and 9 renumbered as 6 and 7

**422.10 Research activities credit.**

1. The taxes imposed under this division shall be reduced by a state tax credit for increasing research activities in this state.

*a.* (1) For individuals, the credit equals the sum of the following:

(a) Six and one-half percent of the excess of qualified research expenses during the tax year over the base amount for the tax year based upon the state's apportioned share of the qualifying expenditures for increasing research activities.

(b) Six and one-half percent of the basic research payments determined under section 41(e)(1)(A) of the Internal Revenue Code during the tax year based upon the state's apportioned share of the qualifying expenditures for increasing research activities.

(2) The state's apportioned share of the qualifying expenditures for increasing research activities is a percent equal to the ratio of qualified research expenditures in this state to total qualified research expenditures.

*b.* In lieu of the credit amount computed in paragraph "*a*", subparagraph (1), subparagraph division (a), a taxpayer may elect to compute the credit amount for qualified research expenses incurred in this state in a manner consistent with the alternative simplified credit described in section 41(c)(5) of the Internal Revenue Code. The taxpayer may make this election regardless of the method used for the taxpayer's federal income tax. The election made under this paragraph is for the tax year and the taxpayer may use another or the same method for any subsequent year.

*c.* For purposes of the alternate credit computation method in paragraph "*b*", the credit percentages applicable to qualified research expenses described in section 41(c)(5)(A) and clause (ii) of section 41(c)(5)(B) of the Internal Revenue Code are four and fifty-five hundredths percent and one and ninety-five hundredths percent, respectively.

2. For purposes of this section, an individual may claim a research credit incurred by a partnership, S corporation, limited liability company, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a partnership, S corporation, limited liability company, estate, or trust.

3. *a.* For purposes of this section, "*base amount*", "*basic research payment*", and "*qualified research expense*" mean the same as defined for the federal credit for increasing research activities under section 41 of the Internal Revenue Code, except that for the alternative simplified credit such amounts are for research conducted within this state.

*b*. For purposes of this section, *"Internal Revenue Code"* means the Internal Revenue Code in effect on January 1, 2013, and as amended by the American Taxpayer Relief Act of 2012, Pub. L. No. 112-240.

4. Any credit in excess of the tax liability imposed by section 422.5 less the amounts of nonrefundable credits allowed under this division for the taxable year shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return credited to the tax liability for the following taxable year.

5. An individual may claim an additional research activities credit authorized pursuant to section 15.335 if the eligible business is a partnership, S corporation, limited liability company, or estate or trust which elects to have the income taxed directly to the individual. The amount of the credit shall be as provided in section 15.335.

6. The department shall by February 15 of each year issue an annual report to the general assembly containing the total amount of all claims made by employers under this section and the portion of the claims issued as refunds, for all claims processed during the previous calendar year. The report shall contain the name of each claimant for whom a tax credit in excess of five hundred thousand dollars was issued and the amount of the credit received.

83 Acts, ch 179, §8, 25; 85 Acts, ch 230, §5; 86 Acts, ch 1007, §22; 87 Acts, 2nd Ex, ch 1, §10; 88 Acts, ch 1028, §21; 90 Acts, ch 1171, §3; 91 Acts, ch 159, §10; 91 Acts, ch 215, §2; 93 Acts, ch 113, §2, 4; 94 Acts, ch 1166, §7, 11; 95 Acts, ch 152, §4, 7; 97 Acts, ch 23, §43; 97 Acts, ch 135, §6, 9; 98 Acts, ch 1078, §6, 10; 99 Acts, ch 95, §7, 12, 13; 2000 Acts, ch 1146, §4, 9, 11; 2000 Acts, ch 1194, §9, 21; 2001 Acts, ch 127, §6, 9, 10; 2002 Acts, ch 1069, §7, 10, 14; 2003 Acts, ch 139, §7, 11, 12; 2004 Acts, ch 1073, §17; 2005 Acts, ch 24, §6, 10, 11; 2006 Acts, ch 1140, §5, 10, 11; 2006 Acts, ch 1158, §14, 15; 2007 Acts, ch 12, §4, 7, 8; 2008 Acts, ch 1011, §5, 9; 2009 Acts, ch 179, §131, 153, 233; 2011 Acts, ch 41, §11, 12, 14, 16; 2012 Acts, ch 1007, §4, 7, 8; 2013 Acts, ch 1, §4, 7, 8

Referred to in §2.48, 15.335, 422.5, 422.16

Internal Revenue Code definition is updated regularly; for applicable definition in a prior tax year, refer to Iowa Acts and Code for that year

2013 amendment to subsection 3, paragraph b, takes effect February 14, 2013, and applies retroactively to January 1, 2012, for tax years beginning on or after that date; 2013 Acts, ch 1, §7, 8

Subsection 3, paragraph b amended

**422.11 Franchise tax credit.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a franchise tax credit. A taxpayer who is a shareholder in a financial institution, as defined in section 581 of the Internal Revenue Code, which has in effect for the tax year an election under subchapter S of the Internal Revenue Code, or is a member of a financial institution organized as a limited liability company under chapter 524 that is taxed as a partnership for federal income tax purposes, shall compute the amount of the tax credit by recomputing the amount of tax under this division by reducing the taxable income of the taxpayer by the taxpayer's pro rata share of the items of income and expense of the financial institution and subtracting the credits allowed under section 422.12. This recomputed tax shall be subtracted from the amount of tax computed under this division after the deduction for credits allowed under section 422.12. The resulting amount, which shall not exceed the taxpayer's pro rata share of the franchise tax paid by the financial institution, is the amount of the franchise tax credit allowed.

97 Acts, ch 154, §1, 3; 2004 Acts, ch 1141, §46; 2006 Acts, ch 1158, §16; 2007 Acts, ch 161, §2, 22

Referred to in §2.48, 422.5, 422.16

**422.11A New jobs tax credit.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a new jobs tax credit. An industry which has entered into an agreement under chapter 260E and which has increased its base employment level by at least ten percent within the time set in the agreement or, in the case of an industry without a base employment level, adds new jobs within the time set in the agreement is entitled to this new jobs tax credit for the tax year selected by the industry. In determining if the industry has increased its base

employment level by ten percent or added new jobs, only those new jobs directly resulting from the project covered by the agreement and those directly related to those new jobs shall be counted. The amount of this credit is equal to the product of six percent of the taxable wages upon which an employer is required to contribute to the state unemployment compensation fund, as defined in section 96.19, subsection 37, times the number of new jobs existing in the tax year that directly result from the project covered by the agreement or new jobs that directly result from those new jobs. The tax year chosen by the industry shall either begin or end during the period beginning with the date of the agreement and ending with the date by which the project is to be completed under the agreement. An individual may claim the new jobs tax credit allowed a partnership, subchapter S corporation, or estate or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, subchapter S corporation, or estate or trust. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following ten tax years or until depleted, whichever is the earlier. For purposes of this section, *"agreement"*, *"industry"*, *"new job"*, and *"project"* mean the same as defined in section 260E.2 and *"base employment level"* means the number of full-time jobs an industry employs at the plant site which is covered by an agreement under chapter 260E on the date of that agreement.

85 Acts, ch 32, §80; 89 Acts, ch 251, §14; 91 Acts, ch 159, §11; 2007 Acts, ch 161, §3, 22
Referred to in §2.48, 422.5, 422.16

**422.11B Minimum tax credit.**

1. *a.* There is allowed as a credit against the tax determined in section 422.5, subsection 1, paragraphs *"a"* through *"j"* for a tax year an amount equal to the minimum tax credit for that tax year.

*b.* The minimum tax credit for a tax year is the excess, if any, of the net minimum tax imposed for all prior tax years beginning on or after January 1, 1987, over the amount allowable as a credit under this section for those prior tax years.

2. *a.* The allowable credit under subsection 1 for a tax year shall not exceed the excess, if any, of the tax determined in section 422.5, subsection 1, paragraphs *"a"* through *"j"* over the state alternative minimum tax as determined in section 422.5, subsection 2.

*b.* The net minimum tax for a tax year is the excess, if any, of the tax determined in section 422.5, subsection 2, for the tax year over the tax determined in section 422.5, subsection 1, paragraphs *"a"* through *"j"* for the tax year.

89 Acts, ch 285, §4; 2006 Acts, ch 1158, §17, 18; 2009 Acts, ch 133, §243
Referred to in §2.48, 422.5, 422.16

**422.11C Ethanol blended gasoline tax credit.** Repealed by its own terms; 2006 Acts, ch 1142, § 38.

Ethanol blended gasoline tax credit under former §422.11C applied beginning January 1, 2002, until its repeal effective January 1, 2009; refunds; retroactivity; 2001 Acts, ch 123, §6; 2003 Acts, ch 167, §2 – 4

**422.11D Historic preservation and cultural and entertainment district tax credit.**

1. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a historic preservation and cultural and entertainment district tax credit equal to the amount as computed under chapter 404A for rehabilitating eligible property. Any credit in excess of the tax liability shall be refunded or credited to the following year, as provided in section 404A.4, subsection 3.

2. An individual may claim a historic preservation and cultural and entertainment district tax credit allowed a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a partnership, limited liability company, S corporation, estate, or trust except when low-income housing tax credits authorized under section 42 of the Internal Revenue Code are used to assist in the financing of the housing development in which case the amount claimed by a partner if the business is a partnership, a shareholder if the business is an S corporation, or a member if the business is a limited liability company shall be based on the amounts designated by

the eligible partnership, S corporation, or limited liability company. For tax credits reserved for a fiscal year beginning on or after July 1, 2012, the amount claimed by a partner if the business is a partnership, a shareholder if the business is an S corporation, or a member if the business is a limited liability company shall be based on the amounts designated by the eligible partnership, S corporation, or limited liability company.

3. For purposes of this section, *"eligible property"* means the same as used in section 404A.1.

2000 Acts, ch 1194, §10; 2005 Acts, ch 179, §64; 2007 Acts, ch 161, §5, 22; 2007 Acts, ch 165, §4, 9; 2012 Acts, ch 1138, §31

Referred to in §422.5, 422.16

**422.11E Iowa taxpayers trust fund tax credit.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Eligible individual"* means, with respect to a tax year, an individual who makes and files an individual income tax return pursuant to section 422.13. *"Eligible individual"* does not include an estate or trust, or an individual for whom an individual income tax return was not timely filed, including extensions.

*b.* *"Unclaimed tax credit"* means, with respect to a tax year, the aggregate amount by which the Iowa taxpayers trust fund tax credits that were eligible to be claimed by eligible individuals, if any, exceeds the Iowa taxpayers trust fund tax credits actually claimed by eligible individuals, if any.

2. The taxes imposed under this division, less the credits allowed under this division except the credits for withheld tax and estimated tax paid in section 422.16, shall be reduced by an Iowa taxpayers trust fund tax credit to an eligible individual for the tax year beginning January 1 immediately preceding July 1 of any fiscal year during which a transfer, if any, is made from the taxpayers trust fund in section 8.57E to the Iowa taxpayers trust fund tax credit fund created in this section.

3. The credit shall be equal to the quotient of the amount transferred to the Iowa taxpayers trust fund tax credit fund in the applicable fiscal year, divided by the number of eligible individuals for the tax year immediately preceding the tax year for which the credit in this section is allowed, as determined by the director of revenue in accordance with this section, rounded down to the nearest whole dollar. The department of revenue shall draft the income tax form for any tax year in which a credit will be allowed under this section to provide the information and space necessary for eligible individuals to claim the credit.

4. Any credit in excess of the taxpayer's liability for the tax year is not refundable and shall not be credited to the tax liability for any following year or carried back to a tax year prior to the tax year in which the taxpayer claims the credit.

5. *a.* There is established within the state treasury under the control of the department an Iowa taxpayers trust fund tax credit fund consisting of any moneys transferred by the general assembly by law from the taxpayers trust fund created in section 8.57E for purposes of the credit provided in this section. For the fiscal year beginning July 1, 2013, and for each fiscal year thereafter, the department shall transfer from the Iowa taxpayers trust fund tax credit fund to the general fund of the state, the lesser of the balance of the Iowa taxpayers trust fund tax credit fund or an amount of money equal to the Iowa taxpayers trust fund tax credits claimed in that fiscal year, if any. Any moneys in the Iowa taxpayers trust fund tax credit fund which represent unclaimed tax credits shall immediately revert to the taxpayers trust fund created in section 8.57E. Interest or earnings on moneys in the Iowa taxpayers trust fund tax credit fund shall be credited to the taxpayers trust fund created in section 8.57E.

*b.* The moneys transferred to the general fund of the state in accordance with this subsection shall not be considered new revenues for purposes of the state general fund expenditure limitation under section 8.54 but instead as replacement of a like amount included in the expenditure limitation for the fiscal year in which the transfer is made.

2013 Acts, ch 123, §43, 45, 46

Referred to in §8.57E, 257.21, 422.5, 422.16, 422D.2

Section takes effect June 12, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 123, §45, 46

Transfer from taxpayers trust fund to Iowa taxpayers trust fund tax credit fund for fiscal year beginning July 1, 2013; 2013 Acts, ch 123, §40, 45, 46
NEW section

**422.11F Investment tax credits.**

1. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by an investment tax credit authorized pursuant to section 15E.43 for an investment in a qualifying business or a community-based seed capital fund.

2. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by investment tax credits authorized pursuant to sections 15.333 and 15E.193B, subsection 6.

2002 Acts, ch 1006, §7, 13; 2006 Acts, ch 1158, §19; 2007 Acts, ch 161, §7, 22
Referred to in §422.5, 422.16

**422.11G Venture capital fund investment tax credit.** Repealed by 2010 Acts, ch 1138, § 25, 26.
Tax credit certificates issued for future tax years for investments made on or before July 1, 2010, under former section 422.11G are valid and may be claimed by a taxpayer after July 1, 2010, in the tax year stated on the certificate; 2010 Acts, ch 1138, §26

**422.11H Endow Iowa tax credit.**

The tax imposed under this division, less the credits allowed under section 422.12, shall be reduced by an endow Iowa tax credit authorized pursuant to section 15E.305.

2003 Acts, 1st Ex, ch 2, §84, 89; 2007 Acts, ch 161, §9, 22
Referred to in §422.5, 422.16

**422.11I Geothermal heat pump tax credit.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a geothermal heat pump tax credit equal to twenty percent of the federal residential energy efficient property tax credit allowed for geothermal heat pumps provided in section 25D(a)(5) of the Internal Revenue Code for residential property located in Iowa. Any credit in excess of the tax liability is not refundable but the excess for the tax year may be credited to the tax liability for the following ten years or until depleted, whichever is earlier. The director of revenue shall adopt rules to implement this section.

2012 Acts, ch 1121, §1, 4, 5
Referred to in §422.5, 422.16
Section takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date; 2012 Acts, ch 1121, §4, 5

**422.11J Tax credits for wind energy production and renewable energy.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by tax credits for wind energy production allowed under chapter 476B and for renewable energy allowed under chapter 476C.

2004 Acts, ch 1175, §404, 418; 2005 Acts, ch 160, §1, 14; 2007 Acts, ch 161, §11, 22
Referred to in §422.5, 422.16

**422.11K Economic development region revolving fund contribution tax credit.** Repealed by 2010 Acts, ch 1138, § 15, 16.
2010 amendment repealing section applies retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1138, § 16

**422.11L Solar energy system tax credits.**

1. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a solar energy system tax credit equal to the sum of the following:

*a.* Fifty percent of the federal residential energy efficient property credit related to solar energy provided in section 25D of the Internal Revenue Code, not to exceed three thousand dollars.

*b.* Fifty percent of the federal energy credit related to solar energy systems provided in section 48 of the Internal Revenue Code, not to exceed fifteen thousand dollars.

2. Any credit in excess of the tax liability is not refundable but the excess for the tax year may be credited to the tax liability for the following ten years or until depleted, whichever is earlier. The director of revenue shall adopt rules to implement this section.

3. *a.* An individual may claim the tax credit allowed a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, limited liability company, S corporation, estate, or trust.

*b.* A taxpayer who is eligible to claim a credit under this section shall not be eligible to claim a renewable energy tax credit under chapter 476C.

4. The cumulative value of tax credits claimed annually by applicants pursuant to this section shall not exceed one million five hundred thousand dollars.

5. On or before January 1, annually, the department shall submit a written report to the governor and the general assembly regarding the number and value of tax credits claimed under this section, and any other information the department may deem relevant and appropriate.

2012 Acts, ch 1121, §7, 10, 11

Referred to in §422.5, 422.16, 422.33, 476C.2

Section takes effect May 25, 2012, and applies retroactively to tax years beginning on or after January 1, 2012; 2012 Acts, ch 1121, §10, 11

**422.11M Beginning farmers — agricultural assets transfer tax credit and custom farming contract tax credit.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by the following:

1. An agricultural assets transfer tax credit as allowed under section 175.37.

2. A custom farming contract tax credit as allowed under section 175.38.

2006 Acts, ch 1161, §3, 7; 2007 Acts, ch 161, §14, 22; 2013 Acts, ch 125, §20, 23, 24

Referred to in §175.37, 175.38, 422.5, 422.16

For future repeal of 2013 amendment to this section effective December 31, 2017, see 2013 Acts, ch 125, §25, 28

2013 amendment takes effect June 17, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

Section amended

**422.11N Ethanol promotion tax credit.**

1. As used in this section, unless the context otherwise requires:

*a.* *"E-85 gasoline"*, *"ethanol"*, *"ethanol blended gasoline"*, *"gasoline"*, *"retail dealer"*, and *"retail motor fuel site"* mean the same as defined in section 214A.1.

*b.* *"Flexible fuel vehicle"* means the same as defined in section 452A.2.

*c.* *"Motor fuel"* means the same as defined in section 452A.2.

*d.* *"Motor fuel pump"* means the same as defined in section 214.1.

*e.* *"Sell"* means to sell on a retail basis.

*f.* *"Tax credit"* means the ethanol promotion tax credit as provided in this section.

2. The special terms provided in section 452A.31 shall also apply to this section.

3. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by an ethanol promotion tax credit for each tax year that the taxpayer is eligible to claim the tax credit under this section. In order to be eligible, all of the following must apply:

*a.* The taxpayer is a retail dealer who sells and dispenses ethanol blended gasoline through a motor fuel pump located at the retail dealer's retail motor fuel site during the determination period or parts of the determination periods for which the tax credit is claimed as provided in this section.

*b.* The retail dealer complies with requirements of the department to administer this section.

4. *a.* When first claiming the tax credit, the retail dealer shall elect to compute and claim the tax credit on a company-wide basis or site-by-site basis in the same manner as provided in section 452A.33.

(1) In making a company-wide election, the retail dealer must compute and claim the tax credit based on calculations as provided in this section for all retail motor fuel sites where the retail dealer sells and dispenses motor fuel on a retail basis. The retail dealer shall not claim the tax credit based on a calculation which does not include all such retail motor fuel sites.

A retail dealer shall use the company-wide election in order to calculate the retail dealer's biofuel threshold percentage as provided in subsection 5, paragraph "*b*".

(2) In making a site-by-site election, the retail dealer must compute and claim the tax credit based on calculations as provided in this section for each retail motor fuel site where the retail dealer sells and dispenses motor fuel on a retail basis. The retail dealer shall not claim the tax credit based on a calculation which includes two or more retail motor fuel sites. Nothing in this subparagraph requires the retail dealer to compute or claim a tax credit for a particular retail motor fuel site. The retail dealer shall not use the site-by-site election in order to calculate the retail dealer's biofuel threshold percentage as provided in subsection 5, paragraph "*b*".

*b*. Once the retail dealer makes an election as provided in paragraph "*a*", the retail dealer shall not change the election without the written consent of the department.

5. In order to receive the tax credit, the retail dealer must calculate all of the following:

*a*. The retail dealer's biofuel distribution percentage which is the sum of the retail dealer's total ethanol gallonage plus the retail dealer's total biodiesel gallonage expressed as a percentage of the retail dealer's total gasoline gallonage, in the retail dealer's applicable determination period.

*b*. The retail dealer's biofuel threshold percentage is as follows:

(1) For a retail dealer who sells and dispenses more than two hundred thousand gallons of motor fuel in an applicable determination period, the retail dealer's biofuel threshold percentage is as follows:

(a) Ten percent for the determination period beginning on January 1, 2009, and ending December 31, 2009.

(b) Eleven percent for the determination period beginning on January 1, 2010, and ending December 31, 2010.

(c) Twelve percent for the determination period beginning on January 1, 2011, and ending December 31, 2011.

(d) Thirteen percent for the determination period beginning on January 1, 2012, and ending December 31, 2012.

(e) Fourteen percent for the determination period beginning on January 1, 2013, and ending December 31, 2013.

(f) Fifteen percent for the determination period beginning on January 1, 2014, and ending December 31, 2014.

(g) Seventeen percent for the determination period beginning on January 1, 2015, and ending December 31, 2015.

(h) Nineteen percent for the determination period beginning on January 1, 2016, and ending December 31, 2016.

(i) Twenty-one percent for the determination period beginning on January 1, 2017, and ending December 31, 2017.

(j) Twenty-three percent for the determination period beginning on January 1, 2018, and ending December 31, 2018.

(k) Twenty-five percent for each determination period in the period beginning on January 1, 2019, and ending on December 31, 2020.

(2) For a retail dealer who sells and dispenses two hundred thousand gallons of motor fuel or less in an applicable determination period, the biofuel threshold percentages shall be:

(a) Six percent for the determination period beginning on January 1, 2009, and ending December 31, 2009.

(b) Six percent for the determination period beginning on January 1, 2010, and ending December 31, 2010.

(c) Ten percent for the determination period beginning on January 1, 2011, and ending December 31, 2011.

(d) Eleven percent for the determination period beginning on January 1, 2012, and ending December 31, 2012.

(e) Twelve percent for the determination period beginning on January 1, 2013, and ending December 31, 2013.

(f) Thirteen percent for the determination period beginning on January 1, 2014, and ending December 31, 2014.

(g) Fourteen percent for the determination period beginning on January 1, 2015, and ending December 31, 2015.

(h) Fifteen percent for the determination period beginning on January 1, 2016, and ending December 31, 2016.

(i) Seventeen percent for the determination period beginning on January 1, 2017, and ending December 31, 2017.

(j) Nineteen percent for the determination period beginning on January 1, 2018, and ending December 31, 2018.

(k) Twenty-one percent for the determination period beginning on January 1, 2019, and ending December 31, 2019.

(l) Twenty-five percent for the determination period beginning on January 1, 2020, and ending December 31, 2020.

(3) (a) Notwithstanding paragraph "*a*", the governor may adjust a biofuel threshold percentage for a determination period if the governor finds that exigent circumstances exist. Exigent circumstances exist due to potential substantial economic injury to the state's economy. Exigent circumstances also exist if it is probable that a substantial number of retail dealers cannot comply with a biofuel threshold percentage during a determination period due to any of the following:

(i) Less than the target number of flexible fuel vehicles are registered under chapter 321. The target numbers of flexible fuel vehicles are as follows:

(A) On January 1, 2011, two hundred fifty thousand.

(B) On January 1, 2014, three hundred fifty thousand.

(C) On January 1, 2017, four hundred fifty thousand.

(D) On January 1, 2019, five hundred fifty thousand.

(ii) A shortage in the biofuel feedstock resulting in a dramatic decrease in biofuel inventories.

(b) If the governor finds that exigent circumstances exist, the governor may reduce the applicable biofuel threshold percentage by replacing it with an adjusted biofuel threshold percentage. The governor shall consult with the department of revenue and the office of renewable fuels and coproducts pursuant to section 159A.3. The governor shall make the adjustment by giving notice of intent to issue a proclamation which shall take effect not earlier than thirty-five days after publication in the Iowa administrative bulletin of a notice to issue the proclamation. The governor shall provide a period of notice and comment in the same manner as provided in section 17A.4, subsection 1. The adjusted biofuel threshold percentage shall be effective for the following determination period.

*c.* The retail dealer's biofuel threshold percentage disparity which is a positive percentage difference obtained by taking the minuend which is the retail dealer's biofuel threshold percentage and subtracting from it the subtrahend which is the retail dealer's biofuel distribution percentage, in the retail dealer's applicable determination period.

6. *a.* For a retail dealer whose tax year is the same as a determination period beginning on January 1 and ending on December 31, the retail dealer's tax credit is calculated by multiplying the retail dealer's total ethanol gallonage by a tax credit rate, which may be adjusted based on the retail dealer's biofuel threshold percentage disparity. The tax credit rate is as follows:

(1) For any tax year in which the retail dealer has attained a biofuel threshold percentage for the determination period, the tax credit rate is eight cents.

(2) For any tax year in which the retail dealer has not attained a biofuel threshold percentage for the determination period, the tax credit rate shall be adjusted based on the retail dealer's biofuel threshold percentage disparity. The amount of the adjusted tax credit rate is as follows:

(a) If the retail dealer's biofuel threshold percentage disparity equals two percent or less, the tax credit rate is six cents.

(b) If the retail dealer's biofuel threshold percentage disparity equals more than two percent but not more than four percent, the tax credit rate is as follows:

(i) For calendar year 2011, two and one-half cents.

(ii) For calendar year 2012 and for each subsequent calendar year, four cents.

(c) A retail dealer is not eligible for a tax credit if the retail dealer's biofuel threshold percentage disparity equals more than four percent.

*b.* For a retail dealer whose tax year is not the same as a determination period beginning on January 1 and ending on December 31, the retail dealer shall calculate the tax credit as follows:

(1) If a retail dealer has not claimed a tax credit in the retail dealer's previous tax year, the retail dealer may claim the tax credit in the retail dealer's current tax year for that period beginning on January 1 of the retail dealer's previous tax year to the last day of the retail dealer's previous tax year. For that period the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on December 31 of that calendar year as provided in paragraph "*a*".

(2) (a) For the period beginning on the first day of the retail dealer's tax year until December 31, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who calculates the tax credit on that same December 31 as provided in paragraph "*a*".

(b) For the period beginning on January 1 to the end of the retail dealer's tax year, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on the following December 31 as provided in paragraph "*a*".

7. *a.* A retail dealer is eligible to claim an ethanol promotion tax credit as provided in this section even though the retail dealer claims one or all of the following related tax credits:

(1) The E-85 gasoline promotion tax credit pursuant to section 422.11O.

(2) The E-15 plus gasoline promotion tax credit pursuant to section 422.11Y.

*b.* The retail dealer may claim the ethanol promotion tax credit and one or more of the related tax credits as provided in paragraph "*a*" for the same tax year and for the same ethanol gallonage.

8. Any credit in excess of the retail dealer's tax liability shall be refunded. In lieu of claiming a refund, the retail dealer may elect to have the overpayment shown on the retail dealer's final, completed return credited to the tax liability for the following tax year.

9. An individual may claim the tax credit allowed a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a partnership, limited liability company, S corporation, estate, or trust.

10. This section is repealed on January 1, 2021.

2006 Acts, ch 1142, §39, 49; 2006 Acts, ch 1175, §10 – 14, 17, 23; 2007 Acts, ch 126, §66; 2007 Acts, ch 161, §15, 22; 2010 Acts, ch 1031, §248; 2011 Acts, ch 25, §143; 2011 Acts, ch 113, §3 – 9, 13, 14

Referred to in §2.48, 422.5, 422.11O, 422.11Y, 422.16, 422.33

For provisions relating to availability and calculation of an ethanol promotion tax credit in calendar year 2020 for a retail dealer whose tax year ends prior to December 31, 2020, see 2006 Acts, ch 1142, §49; 2006 Acts, ch 1175, §17; 2011 Acts, ch 113, §11, 13, 14

2011 amendments by 2011 Acts, ch 113, §3 – 9, take effect May 26, 2011, and apply retroactively to tax years beginning on and after January 1, 2011; 2011 Acts, ch 113, §13, 14

**422.11O E-85 gasoline promotion tax credit.**

1. As used in this section, unless the context otherwise requires:

*a.* "*E-85 gasoline*", "*ethanol*", "*gasoline*", and "*retail dealer*" mean the same as defined in section 214A.1.

*b.* "*Motor fuel pump*" means the same as defined in section 214.1.

*c.* "*Sell*" means to sell on a retail basis.

*d.* "*Tax credit*" means the E-85 gasoline promotion tax credit as provided in this section.

2. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by an E-85 gasoline promotion tax credit for each tax year that the taxpayer is eligible to claim the tax credit under this subsection.

*a.* In order to be eligible, all of the following must apply:

(1) The taxpayer is a retail dealer who sells and dispenses E-85 gasoline through a motor fuel pump located at the retail dealer's retail motor fuel site during the calendar year or parts of the calendar year for which the tax credit is claimed as provided in this section.

(2) The retail dealer complies with requirements of the department to administer this section.

*b.* The tax credit shall apply to E-85 gasoline that meets the standards provided in section 214A.2.

3. For a retail dealer whose tax year is on a calendar year basis, the retail dealer shall calculate the amount of the tax credit by multiplying a designated rate of sixteen cents by the retail dealer's total E-85 gasoline gallonage as provided in sections 452A.31 and 452A.32.

4. For a retail dealer whose tax year is not on a calendar year basis, the retail dealer shall calculate the tax credit as follows:

*a.* If a retail dealer has not claimed a tax credit in the retail dealer's previous tax year, the retail dealer may claim the tax credit in the retail dealer's current tax year for that period beginning on January 1 of the retail dealer's previous tax year to the last day of the retail dealer's previous tax year. For that period the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on December 31 of that calendar year as provided in subsection 3.

*b.* (1) For the period beginning on the first day of the retail dealer's tax year until December 31, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who calculates the tax credit on that same December 31 as provided in subsection 3.

(2) For the period beginning on January 1 to the end of the retail dealer's tax year, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on the following December 31 as provided in subsection 3.

5. *a.* A retail dealer is eligible to claim an E-85 gasoline promotion tax credit as provided in this section even though the retail dealer claims one or all of the following related tax credits:

(1) The ethanol promotion tax credit pursuant to section 422.11N.

(2) The E-15 plus gasoline promotion tax credit pursuant to section 422.11Y.

*b.* (1) The retail dealer may claim the E-85 gasoline promotion tax credit and one or more of the related tax credits as provided in paragraph *"a"* for the same tax year.

(2) The retail dealer may claim the ethanol promotion tax credit as provided in paragraph *"a"* for the same ethanol gallonage used to calculate and claim the E-85 gasoline promotion tax credit.

6. Any credit in excess of the retail dealer's tax liability shall be refunded. In lieu of claiming a refund, the retail dealer may elect to have the overpayment shown on the retail dealer's final, completed return credited to the tax liability for the following tax year.

7. An individual may claim the tax credit allowed a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a partnership, limited liability company, S corporation, estate, or trust.

8. This section is repealed on January 1, 2018.

2006 Acts, ch 1142, §40, 48, 49; 2006 Acts, ch 1175, §15, 23; 2007 Acts, ch 126, §67; 2007 Acts, ch 161, §16, 22; 2011 Acts, ch 113, §15 – 18, 22, 23; 2011 Acts, ch 131, §62, 78, 79

Referred to in §2.48, 422.5, 422.11N, 422.11Y, 422.16, 422.33

For provisions relating to availability and calculation of an E-85 gasoline promotion tax credit in calendar year 2017 for a retail dealer whose tax year ends prior to December 31, 2017, see 2006 Acts, ch 1142, §49; 2011 Acts, ch 113, §20, 22, 23

2011 amendments to subsections 2, 3, 5, and 8 take effect January 1, 2012, and apply to tax years beginning on and after that date; 2011 Acts, ch 113, §22, 23; 2011 Acts, ch 131, §78, 79

**422.11P Biodiesel blended fuel tax credit.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Biodiesel blended fuel"*, *"diesel fuel"*, and *"retail dealer"* mean the same as defined in section 214A.1.

*b.* *"Motor fuel pump"* means the same as defined in section 214.1.

*c.* *"Sell"* means to sell on a retail basis.

*d.* *"Tax credit"* means a biodiesel blended fuel tax credit as provided in this section.

2. For purposes of this section, biodiesel blended fuel is classified in the same manner as provided in section 214A.2.

3. The taxes imposed under this division, less the credits allowed under section 422.12,

shall be reduced by a biodiesel blended fuel tax credit for each tax year that the taxpayer is eligible to claim a tax credit under this subsection.

*a.* In order to be eligible, all of the following must apply:

(1) The taxpayer is a retail dealer who sells and dispenses qualifying biodiesel blended fuel through a motor fuel pump located at the retail dealer's retail motor fuel site during the calendar year or parts of the calendar years for which the tax credit is claimed as provided in this section.

(2) The retail dealer complies with requirements of the department established to administer this section.

*b.* The tax credit shall apply to biodiesel blended fuel classified as provided in this section, if the classification meets the standards provided in section 214A.2. In ensuring that biodiesel blended fuel meets the classification requirements of this section, the department shall take into account reasonable variances due to testing and other limitations.

4. For a retail dealer whose tax year is on a calendar year basis, the retail dealer shall calculate the amount of the tax credit by multiplying a designated rate by the retail dealer's total biodiesel blended fuel gallonage as provided in section 452A.31 which qualifies under this subsection.

*a.* In calendar year 2012, in order to qualify for the tax credit, the biodiesel blended fuel must be classified as B-2 or higher.

(1) For biodiesel blended fuel classified as B-2 or higher but not as high as B-5, the designated rate is two cents.

(2) For biodiesel blended fuel classified as B-5 or higher, the designated rate is four and one-half cents.

*b.* In calendar year 2013 and for each subsequent calendar year, in order to qualify for the tax credit, the biodiesel blended fuel must be classified as B-5 or higher. The designated rate for the qualifying biodiesel blended fuel is four and one-half cents.

5. For a retail dealer whose tax year is not on a calendar year basis, the retail dealer shall calculate the tax credit as follows:

*a.* If a retail dealer has not claimed a tax credit in the retail dealer's previous tax year, the retail dealer may claim the tax credit in the retail dealer's current tax year for that period beginning on January 1 of the retail dealer's previous tax year to the last day of the retail dealer's previous tax year. For that period the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on December 31 of that calendar year as provided in subsection 4.

*b.* (1) For the period beginning on the first day of the retail dealer's tax year until December 31, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who calculates the tax credit on that same December 31 as provided in subsection 4.

(2) For the period beginning on January 1 to the end of the retail dealer's tax year, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on the following December 31 as provided in subsection 4.

6. Any credit in excess of the retail dealer's tax liability shall be refunded. In lieu of claiming a refund, the retail dealer may elect to have the overpayment shown on the retail dealer's final, completed return credited to the tax liability for the following tax year.

7. An individual may claim the tax credit allowed a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, limited liability company, S corporation, estate, or trust.

8. This section is repealed January 1, 2018.

2006 Acts, ch 1142, §41, 48, 49; 2007 Acts, ch 161, §17, 22; 2008 Acts, ch 1169, §31, 32, 34, 35; 2008 Acts, ch 1191, §137; 2011 Acts, ch 113, §24 – 28, 33, 34; 2011 Acts, ch 131, §94, 104

Referred to in §2.48, 422.5, 422.16, 422.33

For provisions relating to availability and calculation of the biodiesel blended fuel tax credit for calendar year 2011 for a retail dealer whose tax year ends prior to December 31, 2011, see 2006 Acts, ch 1142, §49; 2011 Acts, ch 113, §30, 33, 34

2008 amendments to subsections 3 and 4 take effect January 1, 2009, and apply to tax years beginning on or after that date; 2008 Acts, ch 1169, §34, 35; 2008 Acts, ch 1191, §137

2011 amendments to this section take effect January 1, 2012, and apply to tax years beginning on or after that date; 2011 Acts, ch 113, §33, 34; 2011 Acts, ch 131, §94, 104

For provisions relating to requirements for claiming a biodiesel blended fuel tax credit in calendar year 2017 for a retail dealer whose tax year ends before December 31, 2017, see 2011 Acts, ch 113, §31, 33, 34

**422.11Q Iowa fund of funds tax credit.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a tax credit authorized pursuant to section 15E.66, if redeemed, for investments in the Iowa fund of funds.

2006 Acts, ch 1158, §20; 2007 Acts, ch 161, §18, 22
Referred to in §422.5, 422.16

**422.11R From farm to food donation tax credit.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a from farm to food donation tax credit as allowed under chapter 190B.

2013 Acts, ch 140, §145, 147
Referred to in §422.5, 422.16
Section takes effect July 1, 2013, and applies to tax years beginning on or after January 1, 2014; 2013 Acts, ch 140, §147
NEW section

**422.11S School tuition organization tax credit.**

1. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a school tuition organization tax credit equal to sixty-five percent of the amount of the voluntary cash or noncash contributions made by the taxpayer during the tax year to a school tuition organization, subject to the total dollar value of the organization's tax credit certificates as computed in subsection 8. The tax credit shall be claimed by use of a tax credit certificate as provided in subsection 7.

2. To be eligible for this credit, all of the following shall apply:

*a.* A deduction pursuant to section 170 of the Internal Revenue Code for any amount of the contribution is not taken for state tax purposes.

*b.* The contribution does not designate that any part of the contribution be used for the direct benefit of any dependent of the taxpayer or any other student designated by the taxpayer.

*c.* The value of a noncash contribution shall be appraised pursuant to rules of the director.

3. Any credit in excess of the tax liability is not refundable but the excess for the tax year may be credited to the tax liability for the following five tax years or until depleted, whichever is the earlier.

4. Married taxpayers who file separate returns or file separately on a combined return form must determine the tax credit under subsection 1 based upon their combined net income and allocate the total credit amount to each spouse in the proportion that each spouse's respective net income bears to the total combined net income. Nonresidents or part-year residents of Iowa must determine their tax credit in the ratio of their Iowa source net income to their all source net income. Nonresidents or part-year residents who are married and elect to file separate returns or to file separately on a combined return form must allocate the tax credit between the spouses in the ratio of each spouse's Iowa source net income to the combined Iowa source net income of the taxpayers.

5. An individual may claim the tax credit allowed a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, limited liability company, S corporation, estate, or trust.

6. For purposes of this section:

*a.* "*Eligible student*" means a student who is a member of a household whose total annual income during the calendar year before the student receives a tuition grant for purposes of this section does not exceed an amount equal to three times the most recently published federal poverty guidelines in the federal register by the United States department of health and human services.

*b.* "*Qualified school*" means a nonpublic elementary or secondary school in this state which is accredited under section 256.11 and adheres to the provisions of the federal Civil Rights Act of 1964 and chapter 216.

*c.* "*School tuition organization*" means a charitable organization in this state that is exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code and that does all of the following:

(1) Allocates at least ninety percent of its annual revenue in tuition grants for children to allow them to attend a qualified school of their parents' choice.

(2) Only awards tuition grants to children who reside in Iowa.

(3) Provides tuition grants to students without limiting availability to only students of one school.

(4) Only provides tuition grants to eligible students.

(5) Prepares an annual reviewed financial statement certified by a public accounting firm.

7. *a.* In order for the taxpayer to claim the school tuition organization tax credit under subsection 1, a tax credit certificate issued by the school tuition organization to which the contribution was made shall be attached to the person's tax return. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of the contribution, the amount of the credit, and other information required by the department.

*b.* The department shall authorize a school tuition organization to issue tax credit certificates for contributions made to the school tuition organization. The aggregate amount of tax credit certificates that the department shall authorize for a school tuition organization for a tax year shall be determined for that organization pursuant to subsection 8. However, a school tuition organization shall not be authorized to issue tax credit certificates unless the organization is controlled by a board of directors consisting of seven members. The names and addresses of the members shall be provided to the department and shall be made available by the department to the public, notwithstanding any state confidentiality restrictions.

*c.* Pursuant to rules of the department, a school tuition organization shall initially register with the department. The organization's registration shall include proof of section 501(c)(3) status and provide a list of the schools the school tuition organization serves. Once the school tuition organization has registered, it is not required to subsequently register unless the schools it serves changes.

*d.* Each school that is served by a school tuition organization shall submit a participation form annually to the department by November 1 providing the following information:

(1) Certified enrollment as of October 1, or the first Monday in October if October 1 falls on a Saturday or Sunday.

(2) The school tuition organization that represents the school. A school shall only be represented by one school tuition organization.

8. *a.* For purposes of this subsection:

(1) *"Certified enrollment"* means the enrollment at schools served by school tuition organizations as indicated by participation forms provided to the department each October.

(2) *"Total approved tax credits"* means for the tax year beginning in the 2006 calendar year, two million five hundred thousand dollars, for the tax year beginning in the 2007 calendar year, five million dollars, and for tax years beginning on or after January 1, 2008, but before January 1, 2012, seven million five hundred thousand dollars, for tax years beginning on or after January 1, 2012, but before January 1, 2014, eight million seven hundred fifty thousand dollars, and for tax years beginning on or after January 1, 2014, twelve million dollars.

(3) *"Tuition grant"* means grants to students to cover all or part of the tuition at a qualified school.

*b.* Each year by December 1, the department shall authorize school tuition organizations to issue tax credit certificates for the following tax year. However, for the tax year beginning in the 2006 calendar year only, the department, by September 1, 2006, shall authorize school tuition organizations to issue tax credit certificates for the 2006 calendar tax year. For the tax year beginning in the 2006 calendar year only, each school served by a school tuition organization shall submit a participation form to the department by August 1, 2006, providing the certified enrollment as of the third Friday of September 2005, along with the school tuition organization that represents the school. Tax credit certificates available for issue by each school tuition organization shall be determined in the following manner:

(1) Total the certified enrollment of each participating qualified school to arrive at the total participating certified enrollment.

(2) Determine the per student tax credit available by dividing the total approved tax credits by the total participating certified enrollment.

(3) Multiply the per student tax credit by the total participating certified enrollment of each school tuition organization.

9. A school tuition organization that receives a voluntary cash or noncash contribution pursuant to this section shall report to the department, on a form prescribed by the department, by January 12 of each tax year all of the following information:

*a.* The name and address of the members and the chairperson of the governing board of the school tuition organization.

*b.* The total number and dollar value of contributions received and the total number and dollar value of the tax credits approved during the previous tax year.

*c.* A list of the individual donors for the previous tax year that includes the dollar value of each donation and the dollar value of each approved tax credit.

*d.* The total number of children utilizing tuition grants for the school year in progress and the total dollar value of the grants.

*e.* The name and address of each represented school at which tuition grants are currently being utilized, detailing the number of tuition grant students and the total dollar value of grants being utilized at each school served by the school tuition organization.

2006 Acts, ch 1163, §1, 2; 2007 Acts, ch 161, §20, 22; 2007 Acts, ch 186, §9 – 13, 31; 2007 Acts, ch 215, §111; 2011 Acts, ch 131, §95, 158; 2012 Acts, ch 1021, §74; 2013 Acts, ch 122, §4 – 7

Referred to in §2.48, 422.5, 422.16, 422.33

Subsection 5 takes effect June 11, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 122, §6, 7

NEW subsection 5 and former subsections 5 – 8 renumbered as 6 – 9

Subsection 8, paragraph a, subparagraph (2) amended

**422.11T Film qualified expenditure tax credit.** Repealed by 2012 Acts, ch 1136, § 38 – 41.

Section repeal takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39 – 41

**422.11U Film investment tax credit.** Repealed by 2012 Acts, ch 1136, § 38 – 41.

Section repeal takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39 – 41

**422.11V Redevelopment tax credit.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a redevelopment tax credit allowed under chapter 15, subchapter II, part 9.

2008 Acts, ch 1173, §8; 2009 Acts, ch 41, §124

Referred to in §422.5, 422.16

**422.11W Charitable conservation contribution tax credit.**

1. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a charitable conservation contribution tax credit equal to fifty percent of the fair market value of a qualified real property interest located in the state that is conveyed as an unconditional charitable donation in perpetuity by the taxpayer to a qualified organization exclusively for conservation purposes. The maximum amount of tax credit is one hundred thousand dollars. The amount of the contribution for which the tax credit is claimed shall not be deductible in determining taxable income for state tax purposes.

2. For purposes of this section, "*conservation purpose*", "*qualified organization*", and "*qualified real property interest*" mean the same as defined for the qualified conservation contribution under section 170(h) of the Internal Revenue Code, except that a conveyance of land for open space for the purpose of fulfilling density requirements to obtain subdivision or building permits shall not be considered a conveyance for a conservation purpose.

3. Any credit in excess of the tax liability is not refundable but the excess for the tax year may be credited to the tax liability for the following twenty tax years or until depleted, whichever is the earlier.

4. An individual may claim the tax credit allowed a partnership, limited liability company,

S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, limited liability company, S corporation, estate, or trust.

2008 Acts, ch 1191, §62, 107

Referred to in §2.48, 422.5, 422.16

Section applies retroactively to January 1, 2008, for tax years beginning on or after that date; 2008 Acts, ch 1191, §107

**422.11X Disaster recovery housing project tax credit.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a disaster recovery housing project tax credit allowed under section 16.211.

2009 Acts, ch 100, §33, 35; 2010 Acts, ch 1061, §84, 182

Referred to in §422.5, 422.16

Section takes effect May 12, 2009, and applies to disaster recovery housing project costs incurred on or after May 12, 2009, and before July 1, 2010; 2009 Acts, ch 100, §35; 2010 Acts, ch 1061, §84, 182

**422.11Y E-15 plus gasoline promotion tax credit.**

1. As used in this section, unless the context otherwise requires:

*a.* *"E-85 gasoline"*, *"ethanol"*, *"gasoline"*, *"retail dealer"*, and *"retail motor fuel site"* mean the same as defined in section 214A.1.

*b.* *"Motor fuel pump"* means the same as defined in section 214.1.

*c.* *"Sell"* means to sell on a retail basis.

*d.* *"Tax credit"* means the E-15 plus gasoline promotion tax credit as provided in this section.

2. For purposes of this section, ethanol blended gasoline is classified in the same manner as provided in section 214A.2.

3. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by the amount of the E-15 plus gasoline promotion tax credit for each tax year that the taxpayer is eligible to claim a tax credit under this subsection.

*a.* In order to be eligible, all of the following must apply:

(1) The taxpayer is a retail dealer who sells and dispenses qualifying ethanol blended gasoline through a motor fuel pump located at the retail dealer's retail motor fuel site during the calendar year or parts of the calendar years for which the tax credit is claimed as provided in this section.

(2) The retail dealer complies with requirements of the department established to administer this section.

*b.* The tax credit shall apply to ethanol blended gasoline classified as provided in this section, if the classification meets the standards provided in section 214A.2.

4. For a retail dealer whose tax year is on a calendar year basis, the retail dealer shall calculate the amount of the tax credit by multiplying a designated rate by the retail dealer's total ethanol blended gasoline gallonage as provided in section 452A.31 which qualifies under this subsection.

*a.* In order to qualify for the tax credit, the ethanol blended gasoline must be classified as E-15 or higher but not classified as E-85.

*b.* The designated rate of the tax credit is as follows:

(1) For calendar year 2012, calendar year 2013, and calendar year 2014, three cents.

(2) For calendar year 2015, calendar year 2016, and calendar year 2017, two cents.

5. For a retail dealer whose tax year is not on a calendar year basis, the retail dealer shall calculate the tax credit as follows:

*a.* If a retail dealer has not claimed a tax credit in the retail dealer's previous tax year, the retail dealer may claim the tax credit in the retail dealer's current tax year for that period beginning on January 1 of the retail dealer's previous tax year to the last day of the retail dealer's previous tax year. For that period the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on December 31 of that calendar year as provided in subsection 4.

*b.* (1) For the period beginning on the first day of the retail dealer's tax year until December 31, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who calculates the tax credit on that same December 31 as provided in subsection 4.

(2) For the period beginning on January 1 to the end of the retail dealer's tax year, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on the following December 31 as provided in subsection 4.

6. *a.* A retail dealer is eligible to claim an E-15 plus gasoline promotion tax credit as provided in this section even though the retail dealer claims one or all of the following related tax credits:

(1) The ethanol promotion tax credit pursuant to section 422.11N.

(2) The E-85 gasoline promotion tax credit pursuant to section 422.11O.

*b.* (1) The retail dealer may claim the E-15 plus gasoline promotion tax credit and one or more of the related tax credits as provided in paragraph *"a"* for the same tax year.

(2) The retail dealer may claim the ethanol promotion tax credit as provided in paragraph *"a"* for the same ethanol gallonage used to calculate and claim the E-15 plus gasoline promotion tax credit.

7. Any credit in excess of the retail dealer's tax liability shall be refunded. In lieu of claiming a refund, the retail dealer may elect to have the overpayment shown on the retail dealer's final, completed return credited to the tax liability for the following tax year.

8. An individual may claim the tax credit allowed a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a partnership, limited liability company, S corporation, estate, or trust.

9. This section is repealed on January 1, 2018.

2011 Acts, ch 113, §35, 39, 40; 2011 Acts, ch 131, §63 – 65, 79, 158

Referred to in §422.5, 422.11N, 422.11O, 422.16, 422.33

Section takes effect July 1, 2011, and applies to tax years beginning on and after January 1, 2012; 2011 Acts, ch 113, §39, 40; 2011 Acts, ch 131, §79, 158; for provisions relating to requirements for claiming an E-15 plus gasoline promotion tax credit in calendar year 2017 for a retail dealer whose tax year ends prior to December 31, 2017, and for availability and calculation of the tax credit for calendar year 2011 for a retail dealer whose tax year ends prior to December 31, 2011, see 2011 Acts, ch 113, §37, 39, 40

**422.11Z Innovation fund investment tax credits.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by an innovation fund investment tax credit allowed under section 15E.52.

2011 Acts, ch 130, §41, 47, 71

Referred to in §422.5, 422.16

Section applies retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 130, §47

**422.12 Deductions from computed tax.**

1. As used in this section:

*a.* *"Dependent"* has the same meaning as provided by the Internal Revenue Code.

*b.* *"Emergency medical services personnel"* means an emergency medical care provider, as defined in section 147A.1, who is certified as a first responder pursuant to chapter 147A.

*c.* *"Textbooks"* means books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state and does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to inculcate those tenets, doctrines, or worship. *"Textbooks"* includes books or materials used for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or programs of a similar nature.

*d.* *"Tuition"* means any charges for the expenses of personnel, buildings, equipment, and materials other than textbooks, and other expenses of elementary or secondary schools which relate to the teaching only of those subjects legally and commonly taught in public elementary and secondary schools in this state and which do not relate to the teaching of religious tenets, doctrines, or worship, the purpose of which is to inculcate those tenets, doctrines, or worship. *"Tuition"* includes those expenses which relate to extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or programs of a similar nature.

*e.* *"Volunteer fire fighter"* means a volunteer fire fighter as defined in section 85.61 who has

met the minimum training standards established by the fire service training bureau pursuant to chapter 100B.

2. There shall be deducted from but not to exceed the tax, after the same shall have been computed as provided in this division, the following:

*a.* A personal exemption credit in the following amounts:

(1) For an estate or trust, a single individual, or a married person filing a separate return, forty dollars.

(2) For a head of household, or a husband and wife filing a joint return, eighty dollars.

(3) For each dependent, an additional forty dollars.

(4) For a single individual, husband, wife, or head of household, an additional exemption of twenty dollars for each of said individuals who has attained the age of sixty-five years before the close of the tax year or on the first day following the end of the tax year.

(5) For a single individual, husband, wife, or head of household, an additional exemption of twenty dollars for each of said individuals who is blind at the close of the tax year. For the purposes of this subparagraph, an individual is blind only if the individual's central visual acuity does not exceed twenty-two hundredths in the better eye with correcting lenses, or if the individual's visual acuity is greater than twenty-two hundredths but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than twenty degrees.

*b.* A tuition credit equal to twenty-five percent of the first one thousand dollars which the taxpayer has paid to others for each dependent in grades kindergarten through twelve, for tuition and textbooks of each dependent in attending an elementary or secondary school situated in Iowa, which school is accredited or approved under section 256.11, which is not operated for profit, and which adheres to the provisions of the federal Civil Rights Act of 1964 and chapter 216. Notwithstanding any other provision, all other credits allowed under this subsection shall be deducted before the tuition credit under this paragraph. The department, when conducting an audit of a taxpayer's return, shall also audit the tuition tax credit portion of the tax return.

*c.* (1) A volunteer fire fighter and volunteer emergency medical services personnel credit equal to fifty dollars to compensate the taxpayer for the voluntary services if the volunteer served for the entire tax year.

If the taxpayer is not a volunteer fire fighter or volunteer emergency medical services personnel for the entire tax year, the maximum amount of the credit shall be prorated and the amount of credit for the taxpayer shall equal the maximum amount of credit for the tax year, divided by twelve, multiplied by the number of months in the tax year the taxpayer was a volunteer. The credit shall be rounded to the nearest dollar. If the taxpayer is a volunteer during any part of a month, the taxpayer shall be considered a volunteer for the entire month. If the taxpayer is a volunteer fire fighter and a volunteer emergency medical services personnel during the same month, a credit may be claimed for only one volunteer position for that month.

(2) The taxpayer is required to have a written statement from the fire chief or other appropriate supervisor verifying that the taxpayer was a volunteer fire fighter or volunteer emergency medical services personnel for the months for which the credit under this paragraph is claimed.

3. For the purpose of this section, the determination of whether an individual is married shall be made in accordance with section 7703 of the Internal Revenue Code.

[C35, §6943-f12; C39, §**6943.044;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.12]

83 Acts, ch 179, §9, 10, 22; 84 Acts, ch 1305, §32; 86 Acts, ch 1236, §6, 7; 86 Acts, ch 1241, §15; 87 Acts, ch 233, §494; 88 Acts, ch 1028, §22, 23; 89 Acts, ch 296, §42; 90 Acts, ch 1248, §9; 91 Acts, ch 159, §13; 95 Acts, ch 206, §2, 4; 96 Acts, ch 1168, §2, 3; 98 Acts, ch 1177, §7 – 10; 2006 Acts, ch 1158, §21; 2007 Acts, ch 161, §21, 22; 2009 Acts, ch 133, §140; 2012 Acts, ch 1103, §1 – 4

Referred to in §2.48, 96.3, 216B.3, 422.5, 422.11, 422.11A, 422.11D, 422.11F, 422.11H, 422.11I, 422.11J, 422.11L, 422.11M, 422.11N, 422.11O, 422.11P, 422.11Q, 422.11R, 422.11S, 422.11V, 422.11W, 422.11X, 422.11Y, 422.11Z, 422.12B, 422.16

2012 amendments adding new paragraphs b and e to subsection 1 and new paragraph c to subsection 2 take effect January 1, 2013, and apply to tax years beginning on or after that date; 2012 Acts, ch 1103, §3, 4

**422.12A Income tax refund checkoff for keep Iowa beautiful fund.** Repealed by its own terms; 2004 Acts, ch 1175, § 436, 439.

**422.12B Earned income tax credit.**

1. *a.* The taxes imposed under this division less the credits allowed under section 422.12 shall be reduced by an earned income credit equal to the following percentage of the federal earned income credit provided in section 32 of the Internal Revenue Code:

(1) For the tax year beginning in the 2013 calendar year, fourteen percent.

(2) For tax years beginning on or after January 1, 2014, fifteen percent.

*b.* Any credit in excess of the tax liability is refundable.

2. Married taxpayers electing to file separate returns or filing separately on a combined return may avail themselves of the earned income credit by allocating the earned income credit to each spouse in the proportion that each spouse's respective earned income bears to the total combined earned income. Taxpayers affected by the allocation provisions of section 422.8 shall be permitted a deduction for the credit only in the amount fairly and equitably allocable to Iowa under rules prescribed by the director.

89 Acts, ch 268, §6; 90 Acts, ch 1171, §4; 91 Acts, ch 159, §14; 91 Acts, ch 215, §3; 2000 Acts, ch 1146, §5, 9, 11; 2007 Acts, ch 161, §1, 22; 2013 Acts, ch 123, §70, 71

Referred to in §2.48, 422.16

2013 amendment to subsection 1 takes effect July 1, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 123, §71

Subsection 1 amended

**422.12C Child and dependent care or early childhood development tax credits.**

1. The taxes imposed under this division, less the amounts of nonrefundable credits allowed under this division, shall be reduced by a child and dependent care credit equal to the following percentages of the federal child and dependent care credit provided in section 21 of the Internal Revenue Code:

*a.* For a taxpayer with net income of less than ten thousand dollars, seventy-five percent.

*b.* For a taxpayer with net income of ten thousand dollars or more but less than twenty thousand dollars, sixty-five percent.

*c.* For a taxpayer with net income of twenty thousand dollars or more but less than twenty-five thousand dollars, fifty-five percent.

*d.* For a taxpayer with net income of twenty-five thousand dollars or more but less than thirty-five thousand dollars, fifty percent.

*e.* For a taxpayer with net income of thirty-five thousand dollars or more but less than forty thousand dollars, forty percent.

*f.* For a taxpayer with net income of forty thousand dollars or more but less than forty-five thousand dollars, thirty percent.

*g.* For a taxpayer with net income of forty-five thousand dollars or more, zero percent.

2. The taxes imposed under this division, less the amounts of nonrefundable credits allowed under this division, may be reduced by an early childhood development tax credit equal to twenty-five percent of the first one thousand dollars which the taxpayer has paid to others for each dependent, as defined in the Internal Revenue Code, ages three through five for early childhood development expenses. In determining the amount of early childhood development expenses for the tax year beginning in the 2006 calendar year only, such expenses paid during November and December of the previous tax year shall be considered paid in the tax year for which the tax credit is claimed. This credit is available to a taxpayer whose net income is less than forty-five thousand dollars. If the early childhood development tax credit is claimed for a tax year, the taxpayer and the taxpayer's spouse shall not claim the child and dependent care credit under subsection 1. As used in this subsection, *"early childhood development expenses"* means services provided to the dependent by a preschool, as defined in section 237A.1, materials, and other activities as follows:

*a.* Books that improve child development, including textbooks, music books, art books, teacher's editions, and reading books.

*b.* Instructional materials required to be used in a child development or educational lesson activity, including but not limited to paper, notebooks, pencils, and art supplies.

*c.* Lesson plans and curricula.

*d.* Child development and educational activities outside the home, including drama, art, music, and museum activities, and the entrance fees for such activities, but not including food or lodging, membership fees, or other nonacademic expenses.

*"Early childhood development expenses"* does not include services, materials, or activities for the teaching of religious tenets, doctrines, or worship, the purpose of which is to inculcate those tenets, doctrines, or worship.

3. Any credit in excess of the tax liability shall be refunded. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return credited to the tax liability for the following taxable year.

4. Married taxpayers who have filed joint federal returns electing to file separate returns or to file separately on a combined return form must determine the child and dependent care credit under subsection 1 or the early childhood development tax credit under subsection 2 based upon their combined net income and allocate the total credit amount to each spouse in the proportion that each spouse's respective net income bears to the total combined net income. Nonresidents or part-year residents of Iowa must determine their Iowa child and dependent care credit in the ratio of their Iowa source net income to their all source net income. Nonresidents or part-year residents who are married and elect to file separate returns or to file separately on a combined return form must allocate the Iowa child and dependent care credit between the spouses in the ratio of each spouse's Iowa source net income to the combined Iowa source net income of the taxpayers.

90 Acts, ch 1248, §10; 91 Acts, ch 159, §15; 93 Acts, ch 172, §44, 56; 97 Acts, ch 23, §44; 2005 Acts, ch 148, §23 – 27; 2006 Acts, ch 1158, §23 – 25, 69

Referred to in §2.48, 422.16

**422.12D Income tax checkoff for the Iowa state fair foundation fund.**

1. A person who files an individual or a joint income tax return with the department of revenue under section 422.13 may designate one dollar or more to be paid to the foundation fund of the Iowa state fair foundation as established in section 173.22. If the refund due on the return or the payment remitted with the return is insufficient to pay the amount designated by the taxpayer to the foundation fund, the amount designated shall be reduced to the remaining amount of the refund or the remaining amount remitted with the return. The designation of a contribution to the foundation fund under this section is irrevocable.

2. The director of revenue shall draft the income tax form to allow the designation of contributions to the foundation fund on the tax return. The department, on or before January 31, shall transfer the total amount designated on the tax form due in the preceding year to the foundation fund.

3. The Iowa state fair board may authorize payment from the foundation fund for purposes of supporting foundation activities.

4. The department shall adopt rules to implement this section. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of administrative services and accounts identified as owing under section 8A.504 and the political contribution allowed under section 68A.601 shall be satisfied.

93 Acts, ch 144, §3, 5, 6; 94 Acts, ch 1199, §3 – 6; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §45; 2011 Acts, ch 79, §7

Referred to in §173.22, 422.16

Limitation on number of income tax return checkoffs; automatic repeal of certain checkoffs; see §422.12E

**422.12E Income tax return checkoffs limited.**

1. For tax years beginning on or after January 1, 2004, there shall be allowed no more than four income tax return checkoffs on each income tax return. When the same four income tax return checkoffs have been provided on the income tax return for two consecutive years, the two checkoffs for which the least amount has been contributed, in the aggregate for the first tax year and through March 15 of the second tax year, are repealed. This section does not apply to the income tax return checkoff provided in section 68A.601.

2. If more checkoffs are enacted in the same session of the general assembly than there is space for inclusion on the individual tax return form, the earliest enacted checkoffs for which

there is space for inclusion on the return form shall be included on the return form, and all other checkoffs enacted during that session of the general assembly are repealed. If more checkoffs are enacted in the same session of the general assembly than there is space for inclusion on the individual income tax form and the additional checkoffs are enacted on the same day, the director shall determine which checkoffs shall be included on the return form.

93 Acts, ch 144, §4, 6; 94 Acts, ch 1199, §3 – 6; 2004 Acts, ch 1175, §437, 439; 2007 Acts, ch 186, §14

Referred to in §422.12K, 422.12L, 422.16
Checkoff for Iowa state fair foundation; §422.12D
Checkoff for fish and game protection fund; §422.12H
Checkoff for child abuse prevention program fund; §422.12K
Joint checkoff for veterans trust fund and volunteer fire fighter preparedness fund; §422.12L

**422.12F Income tax checkoff for child abuse prevention program fund.** Repealed by its own terms; 2010 Acts, ch 1193, § 159, 163.

**422.12G Joint income tax refund checkoff for veterans trust fund and volunteer fire fighter preparedness fund.** Repealed by its own terms; 2010 Acts, ch 1193, § 160, 163.

**422.12H Income tax checkoff for fish and game protection fund.**

A person who files an individual or a joint income tax return with the department of revenue under section 422.13 may designate a contribution to the state fish and game protection fund authorized pursuant to section 456A.16.

2006 Acts, ch 1158, §28

Referred to in §422.16
Limitation on number of income tax return checkoffs; automatic repeal of certain checkoffs; see §422.12E

**422.12I Income tax checkoff for veterans trust fund.** Repealed by its own terms; 2006 Acts, ch 1110, § 3 – 5.

**422.12J Income tax checkoff for Iowa election campaign fund.**

A person who files an individual or a joint income tax return with the department of revenue under section 422.13 may designate a contribution to the Iowa election campaign fund authorized pursuant to section 68A.601.

2006 Acts, ch 1158, §27

Referred to in §422.16

**422.12K Income tax checkoff for child abuse prevention program fund.**

1. A person who files an individual or a joint income tax return with the department of revenue under section 422.13 may designate one dollar or more to be paid to the child abuse prevention program fund created in section 235A.2. If the refund due on the return or the payment remitted with the return is insufficient to pay the additional amount designated by the taxpayer to the child abuse prevention program fund, the amount designated shall be reduced to the remaining amount remitted with the return. The designation of a contribution to the child abuse prevention program fund under this section is irrevocable.

2. The director of revenue shall draft the income tax form to allow the designation of contributions to the child abuse prevention program fund on the tax return. The department of revenue, on or before January 31, shall transfer the total amount designated on the tax return forms due in the preceding calendar year to the child abuse prevention program fund. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of administrative services and accounts identified as owing under section 8A.504 and the political contribution allowed under section 68A.601 shall be satisfied.

3. The department of human services may authorize payment of moneys from the child abuse prevention program fund in accordance with section 235A.2.

4. The department of revenue shall adopt rules to administer this section.

5. This section is subject to repeal under section 422.12E.

2012 Acts, ch 1097, §4, 6

Referred to in §422.16
Section applies retroactively to January 1, 2012, for tax years beginning on or after that date; 2012 Acts, ch 1097, §6

**422.12L Joint income tax checkoff for veterans trust fund and volunteer fire fighter preparedness fund.**

1. A person who files an individual or a joint income tax return with the department of revenue under section 422.13 may designate one dollar or more to be paid jointly to the veterans trust fund created in section 35A.13 and to the volunteer fire fighter preparedness fund created in section 100B.13. If the refund due on the return or the payment remitted with the return is insufficient to pay the additional amount designated by the taxpayer, the amount designated shall be reduced to the remaining amount of refund or the remaining amount remitted with the return. The designation of a contribution under this section is irrevocable.

2. The director of revenue shall draft the income tax form to allow the designation of contributions to the veterans trust fund and to the volunteer fire fighter preparedness fund as one checkoff on the tax return. The department of revenue, on or before January 31, shall transfer one-half of the total amount designated on the tax return forms due in the preceding calendar year to the veterans trust fund and the remaining one-half to the volunteer fire fighter preparedness fund. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of administrative services and accounts identified as owing under section 8A.504 and the political contribution allowed under section 68A.601 shall be satisfied.

3. The department of revenue shall adopt rules to administer this section.

4. This section is subject to repeal under section 422.12E.

2012 Acts, ch 1097, §5, 6

Referred to in §422.16

Section applies retroactively to January 1, 2012, for tax years beginning on or after that date; 2012 Acts, ch 1097, §6

**422.12M Income tax form — indication of dependent child health care coverage.**

1. The director shall draft the income tax form to require beginning with the tax returns for tax year 2010, a person who files an individual or joint income tax return with the department under section 422.13 to indicate the presence or absence of health care coverage for each dependent child for whom an exemption is claimed.

2. Beginning with the income tax return for tax year 2010, a person who files an individual or joint income tax return with the department under section 422.13 shall report on the income tax return, in the form required, the presence or absence of health care coverage for each dependent child for whom an exemption is claimed.

*a.* If the taxpayer indicates on the income tax return that a dependent child does not have health care coverage, and the income of the taxpayer's tax return does not exceed the highest level of income eligibility standard for the medical assistance program pursuant to chapter 249A or the hawk-i program pursuant to chapter 514I, the department shall send a notice to the taxpayer indicating that the dependent child may be eligible for the medical assistance program or the hawk-i program and providing information to the taxpayer about how to enroll the dependent child in the appropriate program. The taxpayer shall submit an application for the appropriate program within ninety days of receipt of the enrollment information.

*b.* The department shall consult with the department of human services in developing the tax return form and the information to be provided to tax filers under this section.

3. The department, in cooperation with the department of human services, shall adopt rules pursuant to chapter 17A to administer this section, including rules defining *"health care coverage"* for the purpose of indicating its presence or absence on the tax form.

4. The department, in cooperation with the department of human services, shall report, annually, to the governor and the general assembly all of the following:

*a.* The number of Iowa families, by income level, claiming the state income tax exemption for dependent children.

*b.* The number of Iowa families, by income level, claiming the state income tax exemption for dependent children and whether they indicate the presence or absence of health care coverage for the dependent children.

*c.* The number of Iowa families, by income level, claiming the state income tax exemption

for dependent children who receive information from the department pursuant to subsection 2 and who subsequently apply for and are enrolled in the appropriate program.

2008 Acts, ch 1188, §4; 2009 Acts, ch 118, §15, 42

Referred to in §422.16

2009 amendments to this section take effect July 1, 2010; 2009 Acts, ch 118, §42

**422.13 Return by individual.**

1. Except as provided in subsection 2, a resident or nonresident of this state shall make a return, signed in accordance with forms and rules prescribed by the director, if any of the following are applicable:

*a.* The individual has net income of more than nine thousand dollars for the tax year from sources taxable under this division.

*b.* The individual is claimed as a dependent on another person's return and has net income of five thousand dollars or more for the tax year from sources taxable under this division.

*c.* However, if that part of the net income of a nonresident which is allocated to Iowa pursuant to section 422.8, subsection 2, is less than one thousand dollars the nonresident is not required to make and sign a return except when the nonresident is subject to the state alternative minimum tax imposed pursuant to section 422.5, subsection 2.

2. Notwithstanding any other provision in this section, a resident of this state is not required to make and file a return if the person's net income is equal to or less than the appropriate dollar amount listed in section 422.5, subsection 3, upon which tax is not imposed. A nonresident of this state is not required to make and file a return if the person's total net income in section 422.5, subsection 1, paragraph "*j*", is equal to or less than the appropriate dollar amount provided in section 422.5, subsection 3, upon which tax is not imposed. For purposes of this subsection, the amount of a lump sum distribution subject to separate federal tax shall be included in net income for purposes of determining if a resident is required to file a return and the portion of the lump sum distribution that is allocable to Iowa is included in total net income for purposes of determining if a nonresident is required to make and file a return.

3. For purposes of determining the requirement for filing a return under subsection 1, the combined net income of a husband and wife from sources taxable under this division shall be considered.

4. If the taxpayer is unable to make the return, the return shall be made by a duly authorized agent or by a guardian or other person charged with the care of the person or property of the taxpayer.

5. A nonresident taxpayer shall file a copy of the taxpayer's federal income tax return for the current tax year with the return required by this section.

6. *a.* Notwithstanding subsections 1 through 5 and sections 422.15 and 422.36, a partnership, a limited liability company whose members are taxed on the company's income under provisions of the Internal Revenue Code, trust, or corporation whose stockholders are taxed on the corporation's income under the provisions of the Internal Revenue Code may, not later than the due date for filing its return for the taxable year, including any extension thereof, elect to file a composite return for the nonresident partners, members, beneficiaries, or shareholders. Nonresident trusts or estates which are partners, members, beneficiaries, or shareholders in partnerships, limited liability companies, trusts, or S corporations may also be included on a composite return. The director may require that a composite return be filed under the conditions deemed appropriate by the director. A partnership, limited liability company, trust, or corporation filing a composite return is liable for tax required to be shown due on the return.

*b.* Notwithstanding subsections 1 through 5 and sections 422.15 and 422.36, if the director determines that it is necessary for the efficient administration of this chapter, the director may require that a composite return be filed for nonresidents other than nonresident partners, members, beneficiaries or shareholders in partnerships, limited liability companies, trusts, or S corporations.

*c.* All powers of the director and requirements of the director apply to returns filed under

this subsection including but not limited to the provisions of this division and division VI of this chapter.

[C35, §6943-f13; C39, §**6943.045;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.13; 82 Acts, ch 1226, §5, 6]

87 Acts, ch 214, §3; 87 Acts, 1st Ex, ch 1, §4; 87 Acts, ch 196, §1; 88 Acts, ch 1028, §24; 89 Acts, ch 251, §15; 92 Acts, 2nd Ex, ch 1001, §219, 224, 227; 93 Acts, ch 123, §1 – 4; 99 Acts, ch 151, §5, 89; 2000 Acts, ch 1146, §6, 10, 11; 2001 Acts, ch 127, §7, 9, 10; 2007 Acts, ch 186, §15; 2009 Acts, ch 133, §244, 245; 2009 Acts, ch 179, §132; 2012 Acts, ch 1110, §8

Referred to in §422.8, 422.11E, 422.12D, 422.12H, 422.12J, 422.12K, 422.12L, 422.12M, 422.16, 456A.16

**422.14 Return by fiduciary.**

1. A fiduciary subject to taxation under this division, as provided in section 422.6, shall make a return, signed in accordance with forms and rules prescribed by the director, for the individual, estate, or trust for whom or for which the fiduciary acts, if the taxable income thereof amounts to six hundred dollars or more. A nonresident fiduciary shall file a copy of the federal income tax return for the current tax year with the return required by this section.

2. Under such regulations as the director may prescribe, a return may be made by one of two or more joint fiduciaries.

3. Fiduciaries required to make returns under this division shall be subject to all the provisions of this division which apply to individuals.

[C35, §6943-f14; C39, §**6943.046;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.14]

89 Acts, ch 251, §16

Referred to in §421.60, 422.16

**422.15 Information at source.**

1. Every person or corporation being a resident of or having a place of business in this state, including lessees or mortgagors of real or personal property, fiduciaries, employers and all officers and employees of the state or of any political subdivision of the state, or agent of the person or corporation, having the control, receipt, custody, disposal or payment of interest (other than interest coupons payable to bearer), rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, unemployment compensation, royalties, patronage dividends, or other fixed or determinable annual or periodical gains, profits and income, in an amount sufficient to require that an information return be filed under the Internal Revenue Code if the income is subject to federal tax, paid or payable during any year to any individual, whether a resident of this state or not, shall make a complete information return under such regulations and in such form and manner and to such extent as may be prescribed by the director. However, the person or corporation shall not be required to file an information return if the information is available to the department from the internal revenue service.

2. Every partnership, including limited partnerships, doing business in this state, or deriving income from sources within this state as defined in section 422.33, subsection 1, shall make a return, stating specifically the net income and capital gains (or losses) reported on the federal partnership return, the names and addresses of the partners, and their respective shares in said amounts.

3. Every fiduciary shall make a return for the individual, estate, or trust for whom or for which the fiduciary acts, and shall set forth in such return the taxable income, the names and addresses of the beneficiaries, and the amounts distributed or distributable to each as reported on the federal fiduciary income tax return. Such return may be made by one or two or more joint fiduciaries.

4. Notwithstanding subsections 1, 2, and 3, or any other provision of this chapter, withholding of income tax and any reporting requirement shall not be imposed upon a

person, corporation, or withholding agent or any payor of deferred compensation, pensions, or annuities with regard to such payments made to a nonresident of the state.

[C35, §6943-f15; C39, §**6943.047;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.15; 82 Acts, ch 1103, §1110]

92 Acts, ch 1224, §3, 4; 92 Acts, 2nd Ex, ch 1001, §237, 250; 2004 Acts, ch 1021, §110, 117, 118; 2013 Acts, ch 140, §122 – 124

Referred to in §15.107, 422.13, 422.16, 422.38

2013 amendment to subsection 2 takes effect June 20, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 140, §123, 124

Subsection 2 amended

**422.16 Withholding of income tax at source — penalties — interest — declaration of estimated tax — bond.**

1. *a.* Every withholding agent and every employer as defined in this chapter and further defined in the Internal Revenue Code, with respect to income tax collected at source, making payment of wages to a nonresident employee working in Iowa, or to a resident employee, shall deduct and withhold from the wages an amount which will approximate the employee's annual tax liability on a calendar year basis, calculated on the basis of tables to be prepared by the department and schedules or percentage rates, based on the wages, to be prescribed by the department. Every employee or other person shall declare to the employer or withholding agent the number of the employee's or other person's personal allowances to be used in applying the tables and schedules or percentage rates. However, no greater number of allowances may be declared by the employee or other person than the number to which the employee or other person is entitled except as allowed under sections 3402(m)(1) and 3402(m)(3) of the Internal Revenue Code and as allowed for the child and dependent care credit provided in section 422.12C. The claiming of allowances in excess of entitlement is a serious misdemeanor.

*b.* Nonresidents engaged in any facet of feature film, television, or educational production using the film or videotape disciplines in the state are not subject to Iowa withholding if the employer has applied to the department for exemption from the withholding requirement and the department has determined that any nonresident receiving wages would be entitled to a credit against Iowa income taxes paid.

*c.* For the purposes of this subsection, state income tax shall be withheld from pensions, annuities, other similar periodic payments, and other income payments of those persons whose primary residence is in Iowa in those circumstances in which those persons have federal income tax withheld from pensions, annuities, other similar periodic payments, and other income payments under sections 3402(o), 3402(p), 3402(s), 3405(a), 3405(b), and 3405(c) of the Internal Revenue Code at a rate to be specified by the department.

*d.* For the purposes of this subsection, state income tax shall be withheld on winnings in excess of six hundred dollars derived from gambling activities authorized under chapter 99B or 99G. State income tax shall be withheld on winnings in excess of one thousand dollars from gambling activities authorized under chapter 99D. State income tax shall be withheld on winnings in excess of twelve hundred dollars derived from slot machines authorized under chapter 99F.

*e.* For the purposes of this subsection, state income tax at the rate of six percent shall be withheld from supplemental wages of employees in those circumstances in which the employer treats the supplemental wages as wholly separate from regular wages for purposes of withholding and federal income tax is withheld from the supplemental wages under section 3402(g) of the Internal Revenue Code.

2. *a.* A withholding agent required to deduct and withhold tax under subsections 1 and 12 shall file a return and remit to the department the amount of tax on or before the last day of the month following the close of the quarterly period on forms prescribed by the director. However, a withholding agent who withholds more than five hundred dollars in any one month and not more than five thousand dollars in a semimonthly period shall deposit with the department the amount withheld, with a monthly deposit form as prescribed by the director. The monthly deposit form is due on or before the fifteenth day of the month following the month of withholding, except that a deposit is not required for the third month of the calendar

quarter. The total quarterly amount, less the amounts deposited for the first two months of the quarter, is due with the quarterly return due on or before the last day of the month following the close of the quarterly period on forms prescribed by the director. However, a withholding agent who withholds more than five thousand dollars in a semimonthly period shall deposit with the department the amount withheld, with a semimonthly deposit form as prescribed by the director. The first semimonthly deposit form for the period from the first of the month through the fifteenth of the month is due on the twenty-fifth day of the month in which the withholding occurs. The second semimonthly deposit form for the period from the sixteenth of the month through the end of the month is due on the tenth day of the month following the month in which the withholding occurs. A withholding agent must also file a quarterly return which reconciles the amount of tax withheld for the quarter with the amount of semimonthly deposits. The quarterly return is due on or before the last day of the month following the close of the quarterly period on forms prescribed by the director.

*b.* Every withholding agent on or before the end of the second month following the close of the calendar year in which the withholding occurs shall make an annual reporting of taxes withheld and other information prescribed by the director and send to the department copies of wage and tax statements with the return. At the discretion of the director, the withholding agent shall not be required to send wage statements and tax statements with the annual reporting return form if the information is available from the internal revenue service or other state or federal agencies.

*c.* If the director has reason to believe that the collection of the tax provided for in subsections 1 and 12 is in jeopardy, the director may require the employer or withholding agent to make the report and pay the tax at any time, in accordance with section 422.30. The director may authorize incorporated banks, trust companies, or other depositories authorized by law which are depositories or financial agents of the United States or of this state, to receive any tax imposed under this chapter, in the manner, at the times, and under the conditions the director prescribes. The director shall also prescribe the manner, times, and conditions under which the receipt of the tax by those depositories is to be treated as payment of the tax to the department.

*d.* The director, in cooperation with the department of management, may periodically change the filing and remittance thresholds by administrative rule if in the best interest of the state and the taxpayer.

3. Every withholding agent employing not more than two persons who expects to employ either or both of such persons for the full calendar year may, with respect to such persons, pay with the withholding tax return due for the first calendar quarter of the year the full amount of income taxes required to be withheld from the wages of such persons for the full calendar year. The amount to be paid shall be computed as if the employee were employed for the full calendar year for the same wages and with the same pay periods as prevailed during the first quarter of the year with respect to such employee. No such lump sum payment of withheld income tax shall be made without the written consent of all employees involved. The withholding agent shall be entitled to recover from the employee any part of such lump sum payment that represents an advance to the employee. If a withholding agent pays a lump sum with the first quarterly return the withholding agent shall be excused from filing further quarterly returns for the calendar year involved unless the withholding agent hires other or additional employees.

4. Every withholding agent who fails to withhold or pay to the department any sums required by this chapter to be withheld and paid, shall be personally, individually, and corporately liable therefor to the state of Iowa, and any sum or sums withheld in accordance with the provisions of subsections 1 and 12, shall be deemed to be held in trust for the state of Iowa. Notwithstanding section 489.304, this subsection applies to a member or manager of a limited liability company.

5. In the event a withholding agent fails to withhold and pay over to the department any amount required to be withheld under subsections 1 and 12 of this section, such amount may be assessed against such employer or withholding agent in the same manner as prescribed for the assessment of income tax under the provisions of divisions II and VI of this chapter.

6. Whenever the director determines that any employer or withholding agent has failed

to withhold or pay over to the department sums required to be withheld under subsections 1 and 12 of this section the unpaid amount thereof shall be a lien as defined in section 422.26, shall attach to the property of said employer or withholding agent as therein provided, and in all other respects the procedure with respect to such lien shall apply as set forth in said section 422.26.

7. *a.* Every withholding agent required to deduct and withhold a tax under subsections 1 and 12 of this section shall furnish to such employee, nonresident, or other person in respect of the remuneration paid by such employer or withholding agent to such employee, nonresident, or other person during the calendar year, on or before January 31 of the succeeding year, or, in the case of employees, if the employee's employment is terminated before the close of such calendar year, within thirty days from the day on which the last payment of wages is made, if requested by such employee, but not later than January 31 of the following year, a written statement showing the following:

(1) The name and address of such employer or withholding agent, and the identification number of such employer or withholding agent.

(2) The name of the employee, nonresident, or other person and that person's federal social security account number, together with the last known address of such employee, nonresident, or other person to whom wages have been paid during such period.

(3) The gross amount of wages, or other taxable income, paid to the employee, nonresident, or other person.

(4) The total amount deducted and withheld as tax under the provisions of subsections 1 and 12 of this section.

(5) The total amount of federal income tax withheld.

*b.* The statements required to be furnished by this subsection in respect of any wages or other taxable Iowa income shall be in such form or forms as the director may, by regulation, prescribe.

8. An employer or withholding agent shall be liable for the payment of the tax required to be deducted and withheld or the amount actually deducted, whichever is greater, under subsections 1 and 12 of this section; and any amount deducted and withheld as tax under subsections 1 and 12 of this section during any calendar year upon the wages of any employee, nonresident, or other person shall be allowed as a credit to the employee, nonresident, or other person against the tax imposed by section 422.5, irrespective of whether or not such tax has been, or will be, paid over by the employer or withholding agent to the department as provided by this chapter.

9. The amount of any overpayment of the individual income tax liability of the employee taxpayer, nonresident, or other person which may result from the withholding and payment of withheld tax by the employer or withholding agent to the department under subsections 1 and 12, as compared to the individual income tax liability of the employee taxpayer, nonresident, or other person properly and correctly determined under the provisions of section 422.4, to and including section 422.25, may be credited against any income tax or installment thereof then due the state of Iowa and any balance of one dollar or more shall be refunded to the employee taxpayer, nonresident, or other person with interest at the rate in effect under section 421.7 for each month or fraction of a month, the interest to begin to accrue on the first day of the second calendar month following the date the return was due to be filed or was filed, whichever is the later date. Amounts less than one dollar shall be refunded to the taxpayer, nonresident, or other person only upon written application, in accordance with section 422.73, and only if the application is filed within twelve months after the due date of the return. Refunds in the amount of one dollar or more provided for by this subsection shall be paid by the treasurer of state by warrants drawn by the director of the department of administrative services, or an authorized employee of the department, and the taxpayer's return of income shall constitute a claim for refund for this purpose, except in respect to amounts of less than one dollar. There is appropriated, out of any funds in the state treasury not otherwise appropriated, a sum sufficient to carry out the provisions of this subsection.

10. *a.* An employer or withholding agent required under this chapter to furnish a statement required by this chapter who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish the statement is, for each failure, subject to a civil penalty of

five hundred dollars, the penalty to be in addition to any criminal penalty otherwise provided by the Code.

*b.* In addition to the tax or additional tax, any person or withholding agent shall pay a penalty as provided in section 421.27. The taxpayer shall also pay interest on the tax or additional tax at the rate in effect under section 421.7, for each month counting each fraction of a month as an entire month, computed from the date the semimonthly, monthly, or quarterly deposit form was required to be filed. The penalty and interest become a part of the tax due from the withholding agent.

*c.* If any withholding agent, being a domestic or foreign corporation, required under the provisions of this section to withhold on wages or other taxable Iowa income subject to this chapter, fails to withhold the amounts required to be withheld, make the required returns or remit to the department the amounts withheld, the director may, having exhausted all other means of enforcement of the provisions of this chapter, certify such fact or facts to the secretary of state, who shall thereupon cancel the articles of incorporation or certificate of authority, as the case may be, of such corporation, and the rights of such corporation to carry on business in the state of Iowa shall thereupon cease. The secretary of state shall immediately notify by registered mail such domestic or foreign corporation of the action taken by the secretary of state. The provisions of section 422.40, subsection 3, shall be applicable.

*d.* The department shall upon request of any fiduciary furnish said fiduciary with a certificate of acquittance showing that no liability as a withholding agent exists with respect to the estate or trust for which said fiduciary acts, provided the department has determined that there is no such liability.

11. *a.* A person or married couple filing a return shall make estimated tax payments if the person's or couple's Iowa income tax attributable to income other than wages subject to withholding can reasonably be expected to amount to two hundred dollars or more for the taxable year, except that, in the cases of farmers and fishermen, the exceptions provided in the Internal Revenue Code with respect to making estimated payments apply. The estimated tax shall be paid in quarterly installments. The first installment shall be paid on or before the last day of the fourth month of the taxpayer's tax year for which the estimated payments apply. The other installments shall be paid on or before the last day of the sixth month of the tax year, the last day of the ninth month of the tax year, and the last day of the first month after the tax year. However, at the election of the person or married couple, an installment of the estimated tax may be paid prior to the date prescribed for its payment. If a person or married couple filing a return has reason to believe that the person's or couple's Iowa income tax may increase or decrease, either for purposes of meeting the requirement to make estimated tax payments or for the purpose of increasing or decreasing estimated tax payments, the person or married couple shall increase or decrease any subsequent estimated tax payments accordingly.

*b.* In the case of persons or married couples filing jointly, the total balance of the tax payable after credits for taxes paid through withholding, as provided in subsection 1 of this section, or through payment of estimated tax, or a combination of withholding and estimated tax payments is due and payable on or before April 30 following the close of the calendar year, or if the return is to be made on the basis of a fiscal year, then on or before the last day of the fourth month following the close of the fiscal year.

*c.* If a taxpayer is unable to make the taxpayer's estimated tax payments, the payments may be made by a duly authorized agent, or by the guardian or other person charged with the care of the person or property of the taxpayer.

*d.* Any amount of estimated tax paid is a credit against the amount of tax found payable on a final, completed return, as provided in subsection 9, relating to the credit for the tax withheld against the tax found payable on a return properly and correctly prepared under sections 422.5 through 422.25, and any overpayment of one dollar or more shall be refunded to the taxpayer and the return constitutes a claim for refund for this purpose. Amounts less than one dollar shall not be refunded. The method provided by the Internal Revenue Code for determining what is applicable to the addition to tax for underpayment of the tax payable applies to persons required to make payments of estimated tax under this section except the amount to be added to the tax for underpayment of estimated tax is an amount determined

at the rate in effect under section 421.7. This addition to tax specified for underpayment of the tax payable is not subject to waiver provisions relating to reasonable cause, except as provided in the Internal Revenue Code. Underpayment of estimated tax shall be determined in the same manner as provided under the Internal Revenue Code and the exceptions in the Internal Revenue Code also apply.

*e.* In lieu of claiming a refund, the taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return for the taxable year credited to the taxpayer's tax liability for the following taxable year.

12. *a.* In the case of nonresidents having income subject to taxation by Iowa, but not subject to withholding of such tax under subsection 1 hereof, withholding agents shall withhold from such income at the same rate as provided in subsection 1 hereof, and such withholding agents and such nonresidents shall be subject to the provisions of this section, according to the context, except that such withholding agents may be absolved of such requirement to withhold taxes from such nonresident's income upon receipt of a certificate from the department issued in accordance with the provisions of section 422.17, as hereby amended. In the case of nonresidents having income from a trade or business carried on by them in whole or in part within the state of Iowa, such nonresident shall be considered to be subject to the provisions of this subsection unless such trade or business is of such nature that the business entity itself, as a withholding agent, is required to and does withhold Iowa income tax from the distributions made to such nonresident from such trade or business.

*b.* Notwithstanding this subsection, withholding agents are not required to withhold state income tax from payments subject to taxation made to nonresidents for commodity credit certificates, grain, livestock, domestic fowl, or other agricultural commodities or products sold to the withholding agents by the nonresidents or their representatives, if the withholding agents provide on forms prescribed by the department information relating to the sales required by the department to determine the state income tax liabilities of the nonresidents. However, the withholding agents may elect to make estimated tax payments on behalf of the nonresidents on the basis of the net incomes of the nonresidents from the agricultural commodities or products, if the estimated tax payments are made on or before the last day of the first month after the end of the tax years of the nonresidents.

*c.* Notwithstanding this subsection, withholding agents are not required to withhold state income tax from a partner's pro rata share of income from a publicly traded partnership, as defined in section 7704(b) of the Internal Revenue Code, provided that the publicly traded partnership files with the department an information return that reports the name, address, taxpayer identification number, and any other information requested by the department for each unit holder with an income in this state from the publicly traded partnership in excess of five hundred dollars.

13. The director shall enter into an agreement with the secretary of the treasury of the United States with respect to withholding of income tax as provided by this chapter, pursuant to an Act of Congress, section 1207 of the Tax Reform Act of 1976, Pub. L. No. 94-455, amending 5 U.S.C. § 5517.

14. *a.* The director may, when necessary and advisable in order to secure the collection of the tax required to be deducted and withheld or the amount actually deducted, whichever is greater, require an employer or withholding agent to file with the director a bond, issued by a surety company authorized to conduct business in this state and approved by the insurance commissioner as to solvency and responsibility, in an amount as the director may fix, to secure the payment of the tax and penalty due or which may become due. In lieu of the bond, securities shall be kept in the custody of the department and may be sold by the director at public or private sale, without notice to the depositor, if it becomes necessary to do so in order to recover any tax and penalty due. Upon a sale, any surplus above the amounts due under this section shall be returned to the employer or withholding agent who deposited the securities.

*b.* If the withholding agent fails to file the bond as requested by the director to secure collection of the tax, the withholding agent is subject to penalty for failure to file the bond.

The penalty is equal to fifteen percent of the tax the withholding agent is required to withhold on an annual basis. However, the penalty shall not exceed five thousand dollars.

[C39, §**6943.048;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.16; 81 Acts, ch 131, §4 – 6, ch 133, §1, 4; 82 Acts, ch 1022, §1, 2, 8, ch 1023, §29, ch 1180, §2, 8]

83 Acts, ch 160, §3, 4; 83 Acts, ch 179, §11; 84 Acts, ch 1173, §4; 86 Acts, ch 1007, §23 – 25; 86 Acts, ch 1208, §1; 86 Acts, ch 1241, §16; 87 Acts, ch 115, §55; 87 Acts, ch 214, §4; 87 Acts, 1st Ex, ch 1, §26; 88 Acts, ch 1028, §25, 26; 88 Acts, ch 1157, §1; 89 Acts, ch 6, §4, 5; 89 Acts, ch 251, §17, 18; 90 Acts, ch 1172, §8; 90 Acts, ch 1248, §11

[Unnumbered paragraph 2 of subsection 1 was inadvertently deleted in the 1991 Code and 1991 Code Supplement]

91 Acts, ch 215, §4, 8; 92 Acts, 2nd Ex, ch 1001, §238; 94 Acts, ch 1165, §13 – 15, 45, 47, 48; 99 Acts, ch 151, §6, 89; 2002 Acts, ch 1151, §6; 2003 Acts, ch 145, §286; 2003 Acts, ch 178, §111, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1101, §46; 2005 Acts, ch 140, §40, 73; 2006 Acts, ch 1010, §101; 2007 Acts, ch 185, §3; 2007 Acts, ch 186, §16; 2008 Acts, ch 1162, §135, 154, 155; 2008 Acts, ch 1184, §54; 2013 Acts, ch 30, §86

Referred to in §15A.7, 15E.197, 99B.21, 99D.16, 99F.18, 99G.31, 260E.5, 260G.4A, 403.19A, 422.4, 422.11E, 422.17, 422.38, 904.809

2008 amendment to subsection 4 by 2008 Acts, ch 1162, §154 takes effect December 31, 2010; 2008 Acts, ch 1162, §155

Subsection 10, paragraph c amended

**422.16A Job training withholding — certification and transfer.**

Upon the completion by a business of its repayment obligation for a training project funded under chapter 260E, including a job training project funded under section 15A.8 or repaid in whole or in part by the supplemental new jobs credit from withholding under section 15A.7 or section 15E.197, the sponsoring community college shall report to the economic development authority the amount of withholding paid by the business to the community college during the final twelve months of withholding payments. The economic development authority shall notify the department of revenue of that amount. The department shall credit to the workforce development fund account established in section 15.342A twenty-five percent of that amount each quarter for a period of ten years. If the amount of withholding from the business or employer is insufficient, the department shall prorate the quarterly amount credited to the workforce development fund account. The maximum amount from all employers which shall be transferred to the workforce development fund account in any year is four million dollars.

95 Acts, ch 184, §9; 96 Acts, ch 1180, §17; 97 Acts, ch 98, §1, 3; 98 Acts, ch 1225, §26; 2000 Acts, ch 1196, §9, 10; 2000 Acts, ch 1230, §23, 35; 2001 Acts, ch 188, §26; 2003 Acts, ch 145, §286; 2005 Acts, ch 150, §61, 69; 2011 Acts, ch 118, §85, 89

Referred to in §15.342A, 422.16, 422.38

**422.17 Certificate issued by department to make payments without withholding.**

Any nonresident whose Iowa income is not subject to section 422.16, subsection 1, in whole or in part, and who elects to be governed by subsection 12 of that section to the extent that the nonresident pays the entire amount of tax properly estimated on or before the last day of the fourth month of the nonresident's tax year, for the year, may for the year of the election and payment, be granted a certificate from the department authorizing each withholding agent, the income from whom the nonresident has considered in the payment of estimated tax and to the extent the income is included in the estimate, to make payments of income to the nonresident without withholding tax from those payments. Withholding agents, if payments exceed the tax liability estimated by the nonresident as indicated upon the certificate, shall withhold tax in accordance with subsection 12 of section 422.16.

[C39, §**6943.049;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.17]

86 Acts, ch 1241, §17

Referred to in §422.16, 422.38

**422.18** Repealed by 61 Acts, ch 228, § 2.

**422.19 Scope of nonresidents tax.**

The tax herein imposed upon certain income of nonresidents shall apply to all such income actually received by such nonresident regardless of when such income was earned. If the nonresident is reporting on the accrual basis it shall apply to all such income which first

became available to the nonresident so that the nonresident might demand payment thereof regardless of when such income was earned. The duty to withhold herein imposed upon withholding agents shall apply only to amounts paid after June 30, 1937.

[C39, §**6943.051;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.19]

Referred to in §422.16, 422.38

**422.20 Information confidential — penalty.**

1. It shall be unlawful for any present or former officer or employee of the state to divulge or to make known in any manner whatever not provided by law to any person the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income return, or to permit any income return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; and it shall be unlawful for any person to print or publish in any manner whatever not provided by law any income return, or any part thereof or source of income, profits, losses, or expenditures appearing in any income return; and any person committing an offense against the foregoing provision shall be guilty of a serious misdemeanor. If the offender is an officer or employee of the state, such person shall also be dismissed from office or discharged from employment. Nothing herein shall prohibit turning over to duly authorized officers of the United States or tax officials of other states state information and income returns pursuant to agreement between the director and the secretary of the treasury of the United States or the secretary's delegate or pursuant to a reciprocal agreement with another state.

2. It is unlawful for an officer, employee, or agent, or former officer, employee, or agent of the state to disclose to any person, except as authorized in subsection 1 of this section, any federal tax return or return information as defined in section 6103(b) of the Internal Revenue Code. It is unlawful for a person to whom any federal tax return or return information, as defined in section 6103(b) of the Internal Revenue Code, is disclosed in a manner unauthorized by subsection 1 of this section to thereafter print or publish in any manner not provided by law any such return or return information. A person violating this provision is guilty of a serious misdemeanor.

3. *a.* Unless otherwise expressly permitted by section 8A.504, section 8G.4, section 11.41, section 96.11, subsection 6, section 421.17, subsections 22, 23, and 26, section 421.17, subsection 27, paragraph *"k"*, section 421.17, subsection 31, section 252B.9, section 321.40, subsection 6, sections 321.120, 421.19, 421.28, 422.72, and 452A.63, this section, or another provision of law, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

*b.* This prohibition precludes persons or entities other than the taxpayer, the department, or the internal revenue service from obtaining such information from the department, and a subpoena, order, or process which requires the department to produce such information to a person or entity, other than the taxpayer, the department, or internal revenue service for use in a nontax proceeding is void.

4. The director may disclose taxpayer identity information to the press and other media for purposes of notifying persons entitled to tax refunds when the director, after reasonable effort and lapse of time, has been unable to locate the persons.

[C62, 66, 71, 73, 75, 77, 79, 81, §422.20]

87 Acts, ch 199, §6; 88 Acts, ch 1028, §27; 91 Acts, ch 159, §16; 97 Acts, ch 158, §12; 2003 Acts, ch 145, §256; 2008 Acts, ch 1113, §9, 11; 2010 Acts, ch 1146, §14, 26; 2010 Acts, ch 1193, §147, 149; 2011 Acts, ch 122, §51; 2013 Acts, ch 30, §87; 2013 Acts, ch 70, §4, 9

Referred to in §257.22, 421.1, 421.17, 421.28, 422.16, 422.38, 422.72, 422D.3, 425.28

See Code editor's note on simple harmonization

Subsection 3, paragraph a amended

**422.21 Form and time of return.**

1. Returns shall be in the form the director prescribes, and shall be filed with the department on or before the last day of the fourth month after the expiration of the tax year. However, cooperative associations as defined in section 6072(d) of the Internal Revenue Code shall file their returns on or before the fifteenth day of the ninth month following

the close of the taxable year and nonprofit corporations subject to the unrelated business income tax imposed by section 422.33, subsection 1A, shall file their returns on or before the fifteenth day of the fifth month following the close of the taxable year. If, under the Internal Revenue Code, a corporation is required to file a return covering a tax period of less than twelve months, the state return shall be for the same period and is due forty-five days after the due date of the federal tax return, excluding any extension of time to file. In case of sickness, absence, or other disability, or if good cause exists, the director may allow further time for filing returns. The director shall cause to be prepared blank forms for the returns and shall cause them to be distributed throughout the state and to be furnished upon application, but failure to receive or secure the form does not relieve the taxpayer from the obligation of making a return that is required. The department may as far as consistent with the Code draft income tax forms to conform to the income tax forms of the internal revenue department of the United States government. Each return by a taxpayer upon whom a tax is imposed by section 422.5 shall show the county of the residence of the taxpayer.

2. An individual in the armed forces of the United States serving in an area designated by the president of the United States or the United States Congress as a combat zone or as a qualified hazardous duty area, or deployed outside the United States away from the individual's permanent duty station while participating in an operation designated by the United States secretary of defense as a contingency operation as defined in 10 U.S.C. § 101(a)(13), or which became such a contingency operation by the operation of law, or an individual serving in support of those forces, is allowed the same additional time period after leaving the combat zone or the qualified hazardous duty area, or ceasing to participate in such contingency operation, or after a period of continuous hospitalization, to file a state income tax return or perform other acts related to the department, as would constitute timely filing of the return or timely performance of other acts described in section 7508(a) of the Internal Revenue Code. An individual on active duty federal military service in the armed forces, armed forces military reserve, or national guard who is deployed outside the United States in other than a combat zone, qualified hazardous duty area, or contingency operation is allowed the same additional period of time described in section 7508(a) of the Internal Revenue Code to file a state income tax return or perform other acts related to the department. For the purposes of this subsection, *"other acts related to the department"* includes filing claims for refund for any tax administered by the department, making tax payments other than withholding payments, filing appeals on the tax matters, filing other tax returns, and performing other acts described in the department's rules. The additional time period allowed applies to the spouse of the individual described in this subsection to the extent the spouse files jointly or separately on the combined return form with the individual or when the spouse is a party with the individual to any matter for which the additional time period is allowed.

3. The department shall make available to persons required to make personal income tax returns under the provisions of this chapter, and when such income is derived mainly from salaries and wages or from the operation of a business or profession, a form which shall take into consideration the normal deductions and credits allowable to any such taxpayer, and which will permit the computation of the tax payable without requiring the listing of specific deductions and credits. In arriving at schedules for payment of taxation under such forms the department shall as nearly as possible base such schedules upon a total of deductions and credits which will result in substantially the same payment as would have been made by such taxpayer were the taxpayer to specifically list the taxpayer's allowable deductions and credits. In lieu of such return any taxpayer may elect to list permissible deductions and credits as provided by law. It is the intent and purpose of this provision to simplify the procedure of collection of personal income tax, and the director shall have the power in any case when deemed necessary or advisable to require any taxpayer, who has made a return in accordance with the schedule herein provided for, to make an additional return in which all deductions and credits are specifically listed. The department may revise the schedules adopted in connection with such simplified form whenever such revision is necessitated by changes in federal income tax laws, or to maintain the collection of substantially the same

amounts from taxpayers as would be received were the specific listing of deductions and credits required.

4. The department shall provide space on the prescribed income tax form, wherein the taxpayer shall enter the name of the school district of the taxpayer's residence. Such place shall be indicated by prominent type. A nonresident taxpayer shall so indicate. If such information is not supplied on the tax return it shall be deemed an incompleted return.

5. The director shall determine for the 1989 and each subsequent calendar year the annual and cumulative inflation factors for each calendar year to be applied to tax years beginning on or after January 1 of that calendar year. The director shall compute the new dollar amounts as specified to be adjusted in section 422.5 by the latest cumulative inflation factor and round off the result to the nearest one dollar. The annual and cumulative inflation factors determined by the director are not rules as defined in section 17A.2, subsection 11. The director shall determine for the 1990 calendar year and each subsequent calendar year the annual and cumulative standard deduction factors to be applied to tax years beginning on or after January 1 of that calendar year. The director shall compute the new dollar amounts of the standard deductions specified in section 422.9, subsection 1, by the latest cumulative standard deduction factor and round off the result to the nearest ten dollars. The annual and cumulative standard deduction factors determined by the director are not rules as defined in section 17A.2, subsection 11.

6. The department shall provide on income tax forms or in the instruction booklets in a manner that will be noticeable to the taxpayers a statement that, even though the taxpayer may not have any federal or state income tax liability, the taxpayer may be eligible for the federal earned income tax credit or state child and dependent care credit. The statement shall also contain notice of where the taxpayer may check on the taxpayer's eligibility for these credits.

7. If married taxpayers file a joint return or file separately on a combined return in accordance with rules prescribed by the director, both spouses are jointly and severally liable for the total tax due on the return, except when one spouse is considered to be an innocent spouse under criteria established pursuant to section 6015 of the Internal Revenue Code.

[C35, §6943-f17; C39, §**6943.053;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.21]

85 Acts, ch 230, §6; 87 Acts, ch 115, §56; 87 Acts, 2nd Ex, ch 1, §11; 88 Acts, ch 1028, §28; 89 Acts, ch 268, §7, 8; 90 Acts, ch 1248, §13; 91 Acts, ch 159, §17; 91 Acts, ch 196, §3; 94 Acts, ch 1165, §16, 48; 2000 Acts, ch 1146, §9, 11; 2002 Acts, ch 1069, §8, 11, 14; 2003 Acts, ch 142, §8, 11; 2009 Acts, ch 47, §1, 2

Referred to in §257.23, 422.16, 422.38, 422D.3

2009 amendment to subsection 2 applies retroactively to January 1, 2008, for tax years beginning on or after that date; 2009 Acts, ch 47, §2

**422.22 Supplementary returns.**

If the director shall be of the opinion that any taxpayer required under this division to file a return has failed to file such a return or to include in a return filed, either intentionally or through error, items of taxable income, the director may require from such taxpayer a return or supplementary return in such form as the director shall prescribe, of all the items of income which the taxpayer received during the year for which the return is made, whether or not taxable under the provisions of this division. If from a supplementary return, or otherwise, the director finds that any items of income, taxable under this division, have been omitted from the original return, the director may require the items so omitted to be added to the original return. Such supplementary return and the correction of the original return shall not relieve the taxpayer from any of the penalties to which the taxpayer may be liable under any provisions of this division, whether or not the director required a return or a supplementary return under this section.

[C35, §6943-f18; C39, §**6943.054;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.22]

Referred to in §257.22, 422.16, 422.38, 422D.3

**422.23 Return by administrator.**

The return by an individual, who, while living, was subject to income tax in the state during the tax year, and who has died before making the return, shall be made in the individual's

name and behalf by the administrator or executor of the estate and the tax shall be levied upon and collected from the individual's estate. In the making of said return, the executor or administrator shall use the same method of computation, either cash or accrual, as was last used by the deceased taxpayer.

[C35, §6943-f19; C39, §**6943.055;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.23]
86 Acts, ch 1241, §18; 99 Acts, ch 151, §7, 89
Referred to in §257.22, 422.16, 422D.3

**422.24 Payment — interest.**

1. For all taxpayers the total tax due shall be paid in full at the time of filing the return.

2. When, at the request of the taxpayer, the time for filing the return is extended, interest at the rate in effect under section 421.7 for each month counting each fraction of a month as an entire month, on the total tax due, from the time when the return was required to be filed to the time of payment, shall be added and paid.

[C35, §6943-f20; C39, §**6943.056;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.24; 81 Acts, ch 131, §7]
Referred to in §257.22, 422.16, 422.39, 422.66, 422D.3

**422.24A Start-up business tax deferment.** Repealed by 2008 Acts, ch 1184, § 66, 67.
Repeal of section applies retroactively to January 1, 2008, for tax years beginning on or after that date; 2008 Acts, ch 1184, §67

**422.25 Computation of tax, interest, and penalties — limitation.**

1. *a.* Within three years after the return is filed or within three years after the return became due, including any extensions of time for filing, whichever time is the later, the department shall examine the return and determine the tax. However, if the taxpayer omits from income an amount which will, under the Internal Revenue Code, extend the statute of limitations for assessment of federal tax to six years under the federal law, the period for examination and determination is six years. In addition to the applicable period of limitation for examination and determination, the department may make an examination and determination at any time within six months from the date of receipt by the department of written notice from the taxpayer of the final disposition of any matter between the taxpayer and the internal revenue service with respect to the particular tax year. In order to begin the running of the six-month period, the notice shall be in writing in any form sufficient to inform the department of the final disposition with respect to that year, and a copy of the federal document showing the final disposition or final federal adjustments shall be attached to the notice.

*b.* The period for examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade tax or in the case of a failure to file a return. In lieu of the period of limitation for any prior year for which an overpayment of tax or an elimination or reduction of an underpayment of tax due for that prior year results from the carryback to that prior year of a net operating loss or net capital loss, the period is the period of limitation for the taxable year of the net operating loss or net capital loss which results in the carryback. If the tax found due is greater than the amount paid, the department shall compute the amount due, together with interest and penalties as provided in subsection 2, and shall mail a notice of assessment to the taxpayer and, if applicable, to the taxpayer's authorized representative of the total, which shall be computed as a sum certain, with interest computed to the last day of the month in which the notice is dated.

2. In addition to the tax or additional tax determined by the department under subsection 1, the taxpayer shall pay interest on the tax or additional tax at the rate in effect under section 421.7 for each month counting each fraction of a month as an entire month, computed from the date the return was required to be filed. In addition to the tax or additional tax, the taxpayer shall pay a penalty as provided in section 421.27.

3. If the amount of the tax as determined by the department is less than the amount paid, the excess shall be refunded with interest, the interest to begin to accrue on the first day of the second calendar month following the date of payment or the date the return was due to be filed, or the extended due date by which the return was due to be filed if ninety percent

of the tax was paid by the original due date, or was filed, whichever is the latest, at the rate in effect under section 421.7 counting each fraction of a month as an entire month under the rules prescribed by the director. If an overpayment of tax results from a net operating loss or net capital loss which is carried back to a prior year, the overpayment, for purposes of computing interest on refunds, shall be considered as having been made on the date a claim for refund or amended return carrying back the net operating loss or net capital loss is filed with the department or on the first day of the second calendar month following the date of the actual payment of the tax, whichever is later. However, when the net operating loss or net capital loss carryback to a prior year eliminates or reduces an underpayment of tax due for an earlier year, the full amount of the underpayment of tax shall bear interest at the rate in effect under section 421.7 for each month counting each fraction of a month as an entire month from the due date of the tax for the earlier year to the last day of the taxable year in which the net operating loss or net capital loss occurred.

4. All payments received must be credited first, to the penalty and interest accrued, and then to the tax due. For purposes of this subsection, the department shall not reapply prior payments made by the taxpayer to penalty or interest determined to be due after the date of those prior payments, except that the taxpayer and the department may agree to apply payments in accordance with rules adopted by the director when there are both agreed and unagreed to items as a result of an examination.

5. A person or withholding agent required to supply information, to pay tax, or to make, sign, or file a deposit form or return required by this division, who willfully makes a false or fraudulent deposit form or return, or willfully fails to pay the tax, supply the information, or make, sign, or file the deposit form or return, at the time or times required by law, is guilty of a fraudulent practice.

6. The certificate of the director to the effect that a tax has not been paid, that a return has not been filed, or that information has not been supplied, as required under the provisions of this division shall be prima facie evidence thereof except as otherwise provided in this section.

7. The periods of limitation provided by this section may be extended by the taxpayer by signing a waiver agreement to be provided by the department. The agreement shall stipulate the period of extension and the year or years to which the extension applies. It shall provide that a claim for refund may be filed by the taxpayer at any time during the period of extension.

8. A person or withholding agent who willfully attempts in any manner to defeat or evade a tax imposed by this division or the payment of the tax, upon conviction for each offense is guilty of a class "D" felony.

9. A prosecution for any offense defined in this section must be commenced within six years after the commission thereof, and not after.

10. If a taxpayer files an amended return within sixty days prior to the expiration of the applicable period of limitations described in subsection 1, the department has sixty days from the date of receipt of the amended return to issue an assessment for any applicable tax, interest, or penalty.

[C35, §6943-f21; C39, §**6943.057;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.25; 81 Acts, ch 131, §8, ch 133, §2, 4, ch 134, §1, 2; 82 Acts, ch 1180, §3, 8]

83 Acts, ch 160, §5; 84 Acts, ch 1025, §1; 84 Acts, ch 1173, §5; 86 Acts, ch 1007, §26; 86 Acts, ch 1241, §19; 88 Acts, ch 1028, §29; 89 Acts, ch 251, §19; 90 Acts, ch 1172, §9; 94 Acts, ch 1133, §3, 4, 16; 95 Acts, ch 83, §3, 34; 99 Acts, ch 151, §8, 9, 89; 99 Acts, ch 152, §3, 40; 2002 Acts, ch 1150, §5; 2013 Acts, ch 110, §1

Referred to in §15.335, 99G.30A, 257.22, 321.105A, 404A.4, 422.10, 422.16, 422.33, 422.39, 422.66, 422D.3, 423.42, 423A.6, 423B.6, 423C.4, 423D.4, 428A.8, 452A.66

Waiver of penalty or interest on timely amendments to 2008 returns for taxpayers relying in good faith on Iowa's conformity to federal treatment of disaster-related casualty losses in computing net income for state tax purposes; waiver applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009; 2010 Acts, ch 1193, §211, 212

Subsection 1, paragraph b amended

**422.26 Lien of tax — collection — action authorized.**

1. Whenever any taxpayer liable to pay a tax and penalty imposed refuses or neglects to pay the same, the amount, including any interest, penalty, or addition to such tax, together

with the costs that may accrue in addition thereto, shall be a lien in favor of the state upon all property and rights to property, whether real or personal, belonging to said taxpayer.

2. The lien shall attach at the time the tax becomes due and payable and shall continue for ten years from the date an assessment is issued unless sooner released or otherwise discharged. The lien may, within ten years from the date an assessment is issued, be extended by filing for record a notice with the appropriate county official of any county and from the time of such filing, the lien shall be extended to the property in such county for ten years, unless sooner released or otherwise discharged, with no limit on the number of extensions. The director shall charge off any account whose lien is allowed to lapse and may charge off any account and release the corresponding lien before the lien has lapsed if the director determines under uniform rules prescribed by the director that the account is uncollectible or collection costs involved would not warrant collection of the amount due.

3. In order to preserve the aforesaid lien against subsequent mortgagees, purchasers or judgment creditors, for value and without notice of the lien, on any property situated in a county, the director shall file with the recorder of the county, in which said property is located, a notice of said lien.

4. *a.* The county recorder of each county shall keep in the recorder's office an index containing the applicable entries in sections 558.49 and 558.52 and showing the following data, under the names of taxpayers, arranged alphabetically:

(1) The name of the taxpayer.
(2) The name "State of Iowa" as claimant.
(3) Time notice of lien was filed for recording.
(4) Date of notice.
(5) Amount of lien then due.
(6) Date of assessment.
(7) When satisfied.

*b.* The recorder shall endorse on each notice of lien the day, hour, and minute when filed for recording and the document reference number, shall preserve the same, and shall index the notice in the index and shall record the lien in the manner provided for recording real estate mortgages. The lien is effective from the time of the indexing of the lien.

5. The department shall pay recording fees as provided in section 331.604, for the recording of the lien, or for its satisfaction.

6. Upon the payment of a tax as to which the director has filed notice with a county recorder, the director shall forthwith file with said recorder a satisfaction of said tax and the recorder shall enter said satisfaction on the notice on file in the recorder's office and indicate said fact on the index aforesaid.

7. *a.* The department shall, substantially as provided in this chapter and chapter 626, proceed to collect all taxes and penalties as soon as practicable after they become delinquent, except that no property of the taxpayer is exempt from payment of the tax. If service has not been made on a distress warrant by the officer to whom addressed within five days from the date the distress warrant was received by the officer, the authorized revenue agents of the department may serve and make return of the warrant to the clerk of the district court of the county named in the distress warrant, and all subsequent procedure shall be in compliance with chapter 626.

*b.* The distress warrant shall be in a form as prescribed by the director. It shall be directed to the sheriff of the appropriate county and it shall identify the taxpayer, the tax type, and the delinquent amount. It shall direct the sheriff to distrain, seize, garnish, or levy upon, and sell, as provided by law, any real or personal property belonging to the taxpayer to satisfy the amount of the delinquency plus costs. It shall also direct the sheriff to make due and prompt return to the department or to the district court under chapters 626 and 642 of all amounts collected.

8. The attorney general shall, upon the request of the director, bring an action at law or in equity, as the facts may justify, without bond, to enforce payment of any taxes and penalties, and in such action the attorney general shall have the assistance of the county attorney of the county in which the action is pending.

9. It is expressly provided that the foregoing remedies of the state shall be cumulative and

that no action taken by the director or attorney general shall be construed to be an election on the part of the state or any of its officers to pursue any remedy hereunder to the exclusion of any other remedy provided by law.

10. For purposes of this section, "*assessment issued*" means the most recent assessment against the taxpayer for the tax type and tax period.

[C35, §6943-f22; C39, §**6943.058;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §422.26; 81 Acts, ch 117, §1220]

90 Acts, ch 1232, §8 – 10; 91 Acts, ch 191, §18, 124; 91 Acts, ch 267, §522; 92 Acts, ch 1016, §12; 97 Acts, ch 23, §45; 2001 Acts, ch 44, §18; 2006 Acts, ch 1177, §30; 2009 Acts, ch 27, §14

Referred to in §257.22, 331.602, 331.607, 421.9, 422.16, 422.39, 422.66, 422D.3, 423.42, 425.27, 426C.7, 428A.8, 437A.22, 437B.18, 450.55, 452A.66, 453B.11, 453B.14, 558.41

**422.27 Final report of fiduciary — conditions.**

1. A final account of a personal representative, as defined in section 450.1, shall not be allowed by any court unless the account shows, and the judge of the court finds, that all taxes imposed by this division upon the personal representative, which have become payable, have been paid, and that all taxes which may become due are secured by bond or deposit, or are otherwise secured. The certificate of acquittances of the department of revenue is conclusive as to the payment of the tax to the extent of the acquittance. This subsection does not apply if all property in the estate of a decedent is held in joint tenancy with right of survivorship by husband and wife alone.

2. For the purpose of facilitating the settlement and distribution of estates held by fiduciaries, the director may, on behalf of the state, agree upon the amount of taxes at any time due or to become due from such fiduciaries under the provisions of this division, and payment in accordance with such agreement shall be full satisfaction of the taxes to which the agreement relates.

[C35, §6943-f23; C39, §**6943.059;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.27]

85 Acts, ch 148, §1; 86 Acts, ch 1054, §1; 86 Acts, ch 1238, §19; 86 Acts, ch 1241, §20; 90 Acts, ch 1232, §11; 2003 Acts, ch 145, §286

Referred to in §257.22, 422.39, 422D.3, 633.479, 635.7
Fiduciaries' reports, §636.33
Similar provision, §450.58

**422.28 Revision of tax.**

A taxpayer may appeal to the director for revision of the tax, interest, or penalties assessed at any time within sixty days from the date of the notice of the assessment of tax, additional tax, interest, or penalties. The director shall grant a hearing and if, upon the hearing, the director determines that the tax, interest, or penalties are excessive or incorrect, the director shall revise them according to the law and the facts and adjust the computation of the tax, interest, or penalties accordingly. The director shall notify the taxpayer by mail of the result of the hearing and shall refund to the taxpayer the amount, if any, paid in excess of the tax, interest, or penalties found by the director to be due, with interest accruing from the first day of the second calendar month following the date of payment by the taxpayer at the rate in effect under section 421.7 for each month or fraction of a month.

[C35, §6943-f24; C39, §**6943.060;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.28; 81 Acts, ch 131, §9]

86 Acts, ch 1007, §27; 86 Acts, ch 1241, §21; 94 Acts, ch 1133, §5, 16; 2012 Acts, ch 1110, §9

Referred to in §257.22, 421.10, 422.29, 422.41, 422.66, 422D.3, 428A.8, 453B.14

**422.29 Judicial review.**

1. Judicial review of actions of the director may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of said Act, petitions for judicial review may be filed in the district court of the county in which the petitioner resides, or in which the petitioner's principal place of business is located, or in the case of a nonresident not maintaining a place of business in this state either in any county in which the income involved was earned or derived or in Polk county, within sixty days after the petitioner shall have received notice of a determination by the director as provided for in section 422.28.

2. For cause and upon a showing by the director that collection of the tax in dispute is in doubt, the court may order the petitioner to file with the clerk a bond for the use of the respondent, with sureties approved by the clerk, in the amount of tax appealed from, conditioned that the petitioner shall perform the orders of the court.

3. An appeal may be taken by the taxpayer or the director to the supreme court of this state irrespective of the amount involved.

[C35, §6943-f25; C39, §**6943.061;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.29]
94 Acts, ch 1133, §6, 16; 2003 Acts, ch 44, §114
Referred to in §257.22, 422.41, 422.66, 422D.3, 428A.8, 453A.29, 453A.46, 453B.14, 602.8102(60)

**422.30 Jeopardy assessments.**

If the director believes that the assessment or collection of taxes will be jeopardized by delay, the director may immediately make an assessment of the estimated amount of tax due, together with all interest, additional amounts, or penalties, as provided by law. The director shall serve the taxpayer by regular mail at the taxpayer's last known address or in person, with a written notice of the amount of tax, interest, and penalty due, which notice may include a demand for immediate payment. Service of the notice by regular mail is complete upon mailing. A distress warrant may be issued or a lien filed against the taxpayer immediately.

The director shall be permitted to accept a bond from the taxpayer to satisfy collection until the amount of tax legally due shall be determined. Such bond to be in an amount deemed necessary, but not more than double the amount of the tax involved, and with securities satisfactory to the director.

[C35, §6943-f26; C39, §**6943.062;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.30]
94 Acts, ch 1165, §17
Referred to in §99G.30A, 257.22, 321.105A, 422.16, 422.41, 422.66, 422D.3, 423.42, 423A.6, 423B.6, 423C.4, 423D.4, 425.27, 426C.7, 428A.8, 450.55, 453B.9

**422.31 Statute applicable to personal tax.**

All the provisions of section 422.36, subsection 3, shall be applicable to persons taxable under this division.

[C35, §6943-f27; C39, §**6943.063;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.31]
Referred to in §257.22, 422D.3

## DIVISION III

## BUSINESS TAX ON CORPORATIONS

Referred to in §15.293A, 15.333, 15E.43, 15E.44, 15E.45, 15E.52, 15E.62, 15E.193B, 15E.305, 16.211, 28A.24, 175.17, 175.37, 175.38, 190B.103, 404A.1, 404A.4, 422.1, 422.73, 422.85, 422.110, 428A.8, 476B.2, 476B.6, 476B.7, 476C.4, 476C.6

**422.32 Definitions.**

1. For the purpose of this division and unless otherwise required by the context:

*a.* *"Affiliated group"* means a group of corporations as defined in section 1504(a) of the Internal Revenue Code.

*b.* *"Business income"* means income arising from transactions and activity in the regular course of the taxpayer's trade or business; or income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations; or gain or loss resulting from the sale, exchange, or other disposition of real property or of tangible or intangible personal property, if the property while owned by the taxpayer was operationally related to the taxpayer's trade or business carried on in Iowa or operationally related to sources within Iowa, or the property was operationally related to sources outside this state and to the taxpayer's trade or business carried on in Iowa; or gain or loss resulting from the sale, exchange, or other disposition of stock in another corporation if the activities of the other corporation were operationally related to the taxpayer's trade or business carried on in Iowa while the stock was owned by the taxpayer. A taxpayer may have more than one regular trade or business in determining whether income is business income.

(1) It is the intent of the general assembly to treat as apportionable business income all

income that may be treated as apportionable business income under the Constitution of the United States.

(2) The filing of an Iowa income tax return on a combined report basis is neither allowed nor required by this paragraph *"b"*.

*c.* *"Commercial domicile"* means the principal place from which the trade or business of the taxpayer is directed or managed.

*d.* *"Corporation"* includes joint stock companies, and associations organized for pecuniary profit, and partnerships and limited liability companies taxed as corporations under the Internal Revenue Code.

*e.* *"Domestic corporation"* means any corporation organized under the laws of this state.

*f.* *"Foreign corporation"* means any corporation other than a domestic corporation.

*g.* *"Internal Revenue Code"* means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including January 1, 2013, and as amended by the American Taxpayer Relief Act of 2012, Pub. L. No. 112-240.

*h.* *"Nonbusiness income"* means all income other than business income.

*i.* *"State"* means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and any foreign country or political subdivision thereof.

*j.* *"Taxable in another state"*. For purposes of allocation and apportionment of income under this division, a taxpayer is *"taxable in another state"* if:

(1) In that state the taxpayer is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or

(2) That state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

*k.* *"Unitary business"* means a business carried on partly within and partly without a state where the portion of the business carried on within the state depends on or contributes to the business outside the state.

2. The words, terms, and phrases defined in section 422.4, subsections 4 to 6, 8, 9, 13, and 15 to 17, when used in this division, shall have the meanings ascribed to them in said section except where the context clearly indicates a different meaning.

[C35, §6943-f28; C39, §**6943.064;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.32; 81 Acts, ch 132, §7, 9; 82 Acts, ch 1023, §11, 30, ch 1103, §1111, ch 1203, §1]

83 Acts, ch 179, §12, 13, 21, 23; 84 Acts, ch 1305, §33, 34; 87 Acts, 1st Ex, ch 1, §5; 88 Acts, ch 1028, §30 – 32, 55; 92 Acts, ch 1151, §7; 94 Acts, ch 1165, §18; 95 Acts, ch 141, §1 – 3; 97 Acts, ch 158, §13, 49; 99 Acts, ch 152, §4, 40; 2003 Acts, ch 139, §8, 11, 12; 2004 Acts, 1st Ex, ch 1001, §39, 41, 42; 2005 Acts, ch 24, §7, 10, 11; 2006 Acts, ch 1140, §6, 10, 11; 2007 Acts, ch 12, §5, 7, 8; 2008 Acts, ch 1011, §6, 9; 2009 Acts, ch 60, §6; 2011 Acts, ch 25, §40; 2011 Acts, ch 41, §4 – 6; 2012 Acts, ch 1007, §5, 7, 8; 2013 Acts, ch 1, §5, 7, 8; 2013 Acts, ch 30, §88

Referred to in §422.7

Internal Revenue Code definition is updated regularly; for applicable definition in a prior tax year, refer to Iowa Acts and Code for that year

2013 amendment to subsection 1, paragraph g, takes effect February 14, 2013, and applies retroactively to January 1, 2012, for tax years beginning on or after that date; 2013 Acts, ch 1, §7, 8

Subsection 1, paragraph g amended

Subsection 2 amended

**422.33 Corporate tax imposed — credit.**

1. A tax is imposed annually upon each corporation doing business in this state, or deriving income from sources within this state, in an amount computed by applying the following rates of taxation to the net income received by the corporation during the income year:

*a.* On the first twenty-five thousand dollars of taxable income, or any part thereof, the rate of six percent.

*b.* On taxable income between twenty-five thousand dollars and one hundred thousand dollars or any part thereof, the rate of eight percent.

*c.* On taxable income between one hundred thousand dollars and two hundred fifty thousand dollars or any part thereof, the rate of ten percent.

*d.* On taxable income of two hundred fifty thousand dollars or more, the rate of twelve percent.

*"Income from sources within this state"* means income from real, tangible, or intangible property located or having a situs in this state.

1A. There is imposed upon each corporation exempt from the general business tax on corporations by section 422.34, subsection 2, a tax at the rates in subsection 1 upon the state's apportioned share computed in accordance with subsections 2 and 3 of the unrelated business income computed in accordance with the Internal Revenue Code and with the adjustments set forth in section 422.35.

2. If the trade or business of the corporation is carried on entirely within the state, the tax shall be imposed on the entire net income, but if the trade or business is carried on partly within and partly without the state or if income is derived from sources partly within and partly without the state, or if income is derived from trade or business and sources, all of which are not entirely in the state, the tax shall be imposed only on the portion of the net income reasonably attributable to the trade or business or sources within the state, with the net income attributable to the state to be determined as follows:

*a.* Nonbusiness interest, dividends, rents and royalties, less related expenses, shall be allocated within and without the state in the following manner:

(1) Nonbusiness interest, dividends, and royalties from patents and copyrights shall be allocable to this state if the taxpayer's commercial domicile is in this state.

(2) Nonbusiness rents and royalties received from real property located in this state are allocable to this state.

(3) Nonbusiness rents and royalties received from tangible personal property are allocable to this state to the extent that the property is utilized in this state; or in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property is utilized. The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown, or unascertainable by the taxpayer tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payor obtained possession.

(4) Nonbusiness capital gains and losses from the sale or other disposition of assets shall be allocated as follows:

Gains and losses from the sale or other disposition of real property located in this state are allocable to this state.

Gains and losses from the sale or other disposition of tangible personal property are allocable to this state if the property had a situs in this state at the time of the sale or disposition or if the taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property had a situs.

Gains and losses from the sale or disposition of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.

*b.* Net nonbusiness income of the above class having been separately allocated and deducted as above provided, the remaining net business income of the taxpayer shall be allocated and apportioned as follows:

(1) Business interest, dividends, rents, and royalties shall be reasonably apportioned within and without the state under rules adopted by the director.

(2) Capital gains and losses from the sale or other disposition of assets shall be apportioned to the state based upon the business activity ratio applicable to the year the gain or loss is determined if the corporation determines Iowa taxable income by a sales, gross receipts or other business activity ratio. If the corporation has only allocable income, capital gains and losses from the sale or other disposition of assets shall be allocated in accordance with paragraph *"a"*, subparagraph (4).

(3) Where income is derived from business other than the manufacture or sale of tangible

personal property, the income shall be specifically allocated or equitably apportioned within and without the state under rules of the director.

(4) Where income is derived from the manufacture or sale of tangible personal property, the part attributable to business within the state shall be in that proportion which the gross sales made within the state bear to the total gross sales.

(5) Where income consists of more than one class of income as provided in subparagraphs (1) to (4) of this paragraph, it shall be reasonably apportioned by the business activity ratio provided in rules adopted by the director.

(6) The gross sales of the corporation within the state shall be taken to be the gross sales from goods delivered or shipped to a purchaser within the state regardless of the F.O.B. point or other conditions of the sale, excluding deliveries for transportation out of the state.

For the purpose of this section, the word *"sale"* shall include exchange, and the word *"manufacture"* shall include the extraction and recovery of natural resources and all processes of fabricating and curing. The words *"tangible personal property"* shall be taken to mean corporeal personal property, such as machinery, tools, implements, goods, wares, and merchandise, and shall not be taken to mean money deposits in banks, shares of stock, bonds, notes, credits, or evidence of an interest in property and evidences of debt.

3. If any taxpayer believes that the method of allocation and apportionment hereinbefore prescribed, as administered by the director and applied to the taxpayer's business, has operated or will so operate as to subject the taxpayer to taxation on a greater portion of the taxpayer's net income than is reasonably attributable to business or sources within the state, the taxpayer shall be entitled to file with the director a statement of the taxpayer's objections and of such alternative method of allocation and apportionment as the taxpayer believes to be proper under the circumstances with such detail and proof and within such time as the director may reasonably prescribe; and if the director shall conclude that the method of allocation and apportionment theretofore employed is in fact inapplicable and inequitable, the director shall redetermine the taxable income by such other method of allocation and apportionment as seems best calculated to assign to the state for taxation the portion of the income reasonably attributable to business and sources within the state, not exceeding, however, the amount which would be arrived at by application of the statutory rules for apportionment.

4. In addition to all taxes imposed under this division, there is imposed upon each corporation doing business within the state the greater of the tax determined in subsection 1, paragraphs *"a"* through *"d"* or the state alternative minimum tax equal to sixty percent of the maximum state corporate income tax rate, rounded to the nearest one-tenth of one percent, of the state alternative minimum taxable income of the taxpayer computed under this subsection.

The state alternative minimum taxable income of a taxpayer is equal to the taxpayer's state taxable income as computed with the adjustments in section 422.35 and with the following adjustments:

*a.* Add items of tax preference included in federal alternative minimum taxable income under section 57, except subsections (a)(1) and (a)(5), of the Internal Revenue Code, make the adjustments included in federal alternative minimum taxable income under section 56, except subsections (a)(4) and (d), of the Internal Revenue Code, and add losses as required by section 58 of the Internal Revenue Code. In making the adjustment under section 56(c)(1) of the Internal Revenue Code, interest and dividends from federal securities and interest and dividends from state and other political subdivisions and from regulated investment companies exempt from federal income tax under the Internal Revenue Code, net of amortization of any discount or premium, shall be subtracted.

*b.* Apply the allocation and apportionment provisions of subsection 2.

*c.* Subtract an exemption amount of forty thousand dollars. This exemption amount shall be reduced, but not below zero, by an amount equal to twenty-five percent of the amount by which the alternative minimum taxable income of the taxpayer, computed without regard to the exemption amount in this paragraph, exceeds one hundred fifty thousand dollars.

*d.* In the case of a net operating loss computed for a tax year beginning after December 31, 1986, which is carried back or carried forward to the current taxable year, the net operating

loss shall be reduced by the amount of items of tax preference and adjustments arising in the tax year which is taken into account in computing the net operating loss in section 422.35, subsection 11. The deduction for a net operating loss for a tax year beginning after December 31, 1986, which is carried back or carried forward to the current taxable year shall not exceed ninety percent of the alternative minimum taxable income determined without regard for the net operating loss deduction.

5. *a.* The taxes imposed under this division shall be reduced by a state tax credit for increasing research activities in this state equal to the sum of the following:

(1) Six and one-half percent of the excess of qualified research expenses during the tax year over the base amount for the tax year based upon the state's apportioned share of the qualifying expenditures for increasing research activities.

(2) Six and one-half percent of the basic research payments determined under section 41(e)(1)(A) of the Internal Revenue Code during the tax year based upon the state's apportioned share of the qualifying expenditures for increasing research activities.

*b.* The state's apportioned share of the qualifying expenditures for increasing research activities is a percent equal to the ratio of qualified research expenditures in this state to the total qualified research expenditures.

*c.* In lieu of the credit amount computed in paragraph "*a*", subparagraph (1), a corporation may elect to compute the credit amount for qualified research expenses incurred in this state in a manner consistent with the alternative simplified credit described in section 41(c)(5) of the Internal Revenue Code. The taxpayer may make this election regardless of the method used for the taxpayer's federal income tax. The election made under this paragraph is for the tax year and the taxpayer may use another or the same method for any subsequent year.

*d.* For purposes of the alternate credit computation method in paragraph "*c*", the credit percentages applicable to qualified research expenses described in section 41(c)(5)(A) and clause (ii) of section 41(c)(5)(B) of the Internal Revenue Code are four and fifty-five hundredths percent and one and ninety-five hundredths percent, respectively.

*e.* (1) For purposes of this subsection, "*base amount*", "*basic research payment*", and "*qualified research expense*" mean the same as defined for the federal credit for increasing research activities under section 41 of the Internal Revenue Code, except that for the alternative simplified credit such amounts are for research conducted within this state.

(2) For purposes of this subsection, "*Internal Revenue Code*" means the Internal Revenue Code in effect on January 1, 2013, and as amended by the American Taxpayer Relief Act of 2012, Pub. L. No. 112-240.

*f.* Any credit in excess of the tax liability for the taxable year shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on its final, completed return credited to the tax liability for the following taxable year.

*g.* A corporation which is an eligible business may claim an additional research activities credit authorized pursuant to section 15.335.

*h.* The department shall by February 15 of each year issue an annual report to the general assembly containing the total amount of all claims made by employers under this subsection and the portion of the claims issued as refunds, for all claims processed during the previous calendar year. The report shall contain the name of each claimant for whom a tax credit in excess of five hundred thousand dollars was issued and the amount of the credit received.

6. The taxes imposed under this division shall be reduced by a new jobs tax credit. An industry which has entered into an agreement under chapter 260E and which has increased its base employment level by at least ten percent within the time set in the agreement or, in the case of an industry without a base employment level, adds new jobs within the time set in the agreement is entitled to this new jobs tax credit for the tax year selected by the industry. In determining if the industry has increased its base employment level by ten percent or added new jobs, only those new jobs directly resulting from the project covered by the agreement and those directly related to those new jobs shall be counted. The amount of this credit is equal to the product of six percent of the taxable wages upon which an employer is required to contribute to the state unemployment compensation fund, as defined in section 96.19, subsection 37, times the number of new jobs existing in the tax year that directly result from

the project covered by the agreement or new jobs that directly result from those new jobs. The tax year chosen by the industry shall either begin or end during the period beginning with the date of the agreement and ending with the date by which the project is to be completed under the agreement. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following ten tax years or until depleted in less than the ten years. For purposes of this section, *"agreement"*, *"industry"*, *"new job"* and *"project"* mean the same as defined in section 260E.2 and *"base employment level"* means the number of full-time jobs an industry employs at the plant site which is covered by an agreement under chapter 260E on the date of that agreement.

7. *a.* There is allowed as a credit against the tax determined in subsection 1 for a tax year an amount equal to the minimum tax credit for that tax year.

The minimum tax credit for a tax year is the excess, if any, of the net minimum tax imposed for all prior tax years beginning on or after January 1, 1987, over the amount allowable as a credit under this subsection for those prior tax years.

*b.* The allowable credit under paragraph *"a"* for a tax year shall not exceed the excess, if any, of the tax determined in subsection 1 over the state alternative minimum tax as determined in subsection 4.

The net minimum tax for a tax year is the excess, if any, of the tax determined in subsection 4 for the tax year over the tax determined in subsection 1 for the tax year.

8. The taxes imposed under this division shall be reduced by a franchise tax credit. A taxpayer who is a shareholder in a financial institution, as defined in section 581 of the Internal Revenue Code, which has in effect for the tax year an election under subchapter S of the Internal Revenue Code shall compute the amount of the tax credit by recomputing the amount of tax under this division by reducing the taxable income of the taxpayer by the taxpayer's pro rata share of the items of income and expense of the financial institution. This recomputed tax shall be subtracted from the tax computed under this division and the resulting amount, which shall not exceed the taxpayer's pro rata share of franchise tax paid by the financial institution, is the amount of the franchise tax credit allowed.

9. *a.* The taxes imposed under this division shall be reduced by an assistive device tax credit. A small business purchasing, renting, or modifying an assistive device or making workplace modifications for an individual with a disability who is employed or will be employed by the small business is eligible, subject to availability of credits, to receive this assistive device tax credit which is equal to fifty percent of the first five thousand dollars paid during the tax year for the purchase, rental, or modification of the assistive device or for making the workplace modifications. Any credit in excess of the tax liability shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return credited to the tax liability for the following tax year. If the small business elects to take the assistive device tax credit, the small business shall not deduct for Iowa tax purposes any amount of the cost of an assistive device or workplace modifications which is deductible for federal income tax purposes.

*b.* To receive the assistive device tax credit, the eligible small business must submit an application to the economic development authority. If the taxpayer meets the criteria for eligibility, the economic development authority shall issue to the taxpayer a certification of entitlement for the assistive device tax credit. However, the combined amount of tax credits that may be approved for a fiscal year under this subsection shall not exceed five hundred thousand dollars. Tax credit certificates shall be issued on an earliest filed basis. The certification shall contain the taxpayer's name, address, tax identification number, the amount of the credit, and tax year for which the certificate applies. The taxpayer must file the tax credit certificate with the taxpayer's corporate income tax return in order to claim the tax credit. The economic development authority and department of revenue shall each adopt rules to jointly administer this subsection and shall provide by rule for the method to be used to determine for which fiscal year the tax credits are approved.

*c.* For purposes of this subsection:

(1) *"Assistive device"* means any item, piece of equipment, or product system which is used to increase, maintain, or improve the functional capabilities of an individual with a

disability in the workplace or on the job. *"Assistive device"* does not mean any medical device, surgical device, or organ implanted or transplanted into or attached directly to an individual. *"Assistive device"* does not include any device for which a certificate of title is issued by the state department of transportation, but does include any item, piece of equipment, or product system otherwise meeting the definition of *"assistive device"* that is incorporated, attached, or included as a modification in or to such a device issued a certificate of title.

(2) *"Disability"* means the same as defined in section 15.102, except that it does not include alcoholism.

(3) *"Small business"* means a business that either had gross receipts for its preceding tax year of three million dollars or less or employed not more than fourteen full-time employees during its preceding tax year.

(4) *"Workplace modifications"* means physical alterations to the work environment.

10. *a.* The taxes imposed under this division shall be reduced by a historic preservation and cultural and entertainment district tax credit equal to the amount as computed under chapter 404A for rehabilitating eligible property. Any credit in excess of the tax liability shall be refunded or credited to the following year, as provided in section 404A.4, subsection 3.

*b.* For purposes of this subsection, *"eligible property"* means the same as used in section 404A.1.

11. Reserved.

11A. The taxes imposed under this division shall be reduced by an ethanol promotion tax credit for each tax year that the taxpayer is eligible to claim the tax credit under this subsection.

*a.* The taxpayer shall claim the tax credit in the same manner as provided in section 422.11N. The taxpayer may claim the tax credit according to the same requirements, for the same amount, and calculated in the same manner, as provided for the ethanol promotion tax credit pursuant to section 422.11N.

*b.* Any ethanol promotion tax credit which is in excess of the taxpayer's tax liability shall be refunded or may be shown on the taxpayer's final, completed return credited to the tax liability for the following tax year in the same manner as provided in section 422.11N.

*c.* This subsection is repealed on January 1, 2021.

11B. The taxes imposed under this division shall be reduced by an E-85 gasoline promotion tax credit for each tax year that the taxpayer is eligible to claim the tax credit under this subsection.

*a.* The taxpayer shall claim the tax credit in the same manner as provided in section 422.11O. The taxpayer may claim the tax credit according to the same requirements, for the same amount, and calculated in the same manner, as provided for the E-85 gasoline promotion tax credit pursuant to section 422.11O.

*b.* Any E-85 gasoline promotion tax credit which is in excess of the taxpayer's tax liability shall be refunded or may be shown on the taxpayer's final, completed return credited to the tax liability for the following tax year in the same manner as provided in section 422.11O.

*c.* This subsection is repealed on January 1, 2018.

11C. The taxes imposed under this division shall be reduced by a biodiesel blended fuel tax credit for each tax year that the taxpayer is eligible to claim the tax credit under this subsection.

*a.* The taxpayer may claim the biodiesel blended fuel tax credit according to the same requirements, for the same amount, and calculated in the same manner, as provided for the biodiesel blended fuel tax credit pursuant to section 422.11P.

*b.* Any biodiesel blended fuel tax credit which is in excess of the taxpayer's tax liability shall be refunded or may be shown on the taxpayer's final, completed return credited to the tax liability for the following tax year in the same manner as provided in section 422.11P.

*c.* This subsection is repealed on January 1, 2018.

11D. The taxes imposed under this division shall be reduced by an E-15 plus gasoline promotion tax credit for each tax year that the taxpayer is eligible to claim the tax credit under this subsection.

*a.* The taxpayer shall claim the tax credit in the same manner as provided in section 422.11Y. The taxpayer may claim the tax credit according to the same requirements, for

the same amount, and calculated in the same manner, as provided for the E-15 plus gasoline promotion tax credit pursuant to section 422.11Y.

*b.* Any E-15 plus gasoline promotion tax credit which is in excess of the taxpayer's tax liability shall be refunded or may be shown on the taxpayer's final, completed return credited to the tax liability for the following tax year in the same manner as provided in section 422.11Y.

*c.* This subsection is repealed on January 1, 2018.

12. *a.* The taxes imposed under this division shall be reduced by an investment tax credit authorized pursuant to section 15E.43 for an investment in a qualifying business or a community-based seed capital fund.

*b.* The taxes imposed under this division shall be reduced by investment tax credits authorized pursuant to section 15.333 and section 15E.193B, subsection 6.

13. The taxes imposed under this division shall be reduced by an innovation fund investment tax credit allowed under section 15E.52.

14. The taxes imposed under this division shall be reduced by an endow Iowa tax credit authorized pursuant to section 15E.305.

15. Reserved.

16. The taxes imposed under this division shall be reduced by tax credits for wind energy production allowed under chapter 476B and for renewable energy allowed under chapter 476C.

17. Reserved.

18. Reserved.

19. The taxes imposed under this division shall be reduced by a corporate tax credit authorized pursuant to section 15.331C for certain sales taxes paid by a third-party developer.

20. The taxes imposed under this division shall be reduced by a tax credit authorized pursuant to section 15E.66, if redeemed, for investments in the Iowa fund of funds.

21. The taxes imposed under this division shall be reduced by the following:

*a.* An agricultural assets transfer tax credit as allowed under section 175.37.

*b.* A custom farming contract tax credit as allowed under section 175.38.

22. Reserved.

23. Reserved.

24. Reserved.

25. *a.* The taxes imposed under this division shall be reduced by a charitable conservation contribution tax credit equal to fifty percent of the fair market value of a qualified real property interest located in the state that is conveyed as an unconditional charitable donation in perpetuity by the taxpayer to a qualified organization exclusively for conservation purposes. The maximum amount of tax credit is one hundred thousand dollars. The amount of the contribution for which the tax credit is claimed shall not be deductible in determining taxable income for state tax purposes.

*b.* For purposes of this section, "*conservation purpose*", "*qualified organization*", and "*qualified real property interest*" mean the same as defined for the qualified conservation contribution under section 170(h) of the Internal Revenue Code, except that a conveyance of land for open space for the purpose of fulfilling density requirements to obtain subdivision or building permits shall not be considered a conveyance for a conservation purpose.

*c.* Any credit in excess of the tax liability is not refundable but the excess for the tax year may be credited to the tax liability for the following twenty tax years or until depleted, whichever is the earlier.

26. The taxes imposed under this division shall be reduced by a redevelopment tax credit allowed under chapter 15, subchapter II, part 9.

27. The taxes imposed under this division shall be reduced by a disaster recovery housing project tax credit allowed under section 16.211.

28. The taxes imposed under this division shall be reduced by a school tuition organization tax credit allowed under section 422.11S. The maximum amount of tax credits that may be approved under this subsection for a tax year equals twenty-five percent of the school tuition organization's tax credits that may be approved pursuant to section 422.11S, subsection 8, for a tax year.

29. *a.* The taxes imposed under this division shall be reduced by a solar energy system tax credit equal to fifty percent of the federal energy credit related to solar energy systems provided in section 48 of the Internal Revenue Code, not to exceed fifteen thousand dollars.

*b.* The taxpayer may claim the credit pursuant to this subsection according to the same requirements, conditions, and limitations as provided pursuant to section 422.11L.

30. The taxes imposed under this division shall be reduced by a from farm to food donation tax credit as allowed under chapter 190B.

[C35, §6943-f29; C39, §**6943.065;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.33; 81 Acts, ch 135, §1 – 3; 82 Acts, ch 1023, §12, 13, 30, 31, ch 1234, §1]

83 Acts, ch 179, §14, 15, 22, 25; 83 Acts, ch 207, §90, 93; 85 Acts, ch 32, §81; 85 Acts, ch 230, §7; 86 Acts, ch 1007, §28; 86 Acts, ch 1194, §1; 86 Acts, ch 1236, §8; 86 Acts, ch 1241, §22; 87 Acts, ch 22, §11; 87 Acts, 1st Ex, ch 1, §6, 7; 88 Acts, ch 1028, §33; 88 Acts, ch 1099, §1; 89 Acts, ch 251, §20 – 22; 89 Acts, ch 285, §5; 90 Acts, ch 1171, §5; 90 Acts, ch 1196, §2; 91 Acts, ch 215, §5; 92 Acts, ch 1200, §1, 4; 93 Acts, ch 113, §3; 94 Acts, ch 1165, §19; 94 Acts, ch 1166, §8, 11; 95 Acts, ch 83, §4, 35; 95 Acts, ch 152, §5, 7; 97 Acts, ch 135, §7, 9; 98 Acts, ch 1078, §7, 10; 99 Acts, ch 95, §8, 9, 12, 13; 99 Acts, ch 151, §10, 11, 89; 2000 Acts, ch 1146, §8, 9, 11; 2000 Acts, ch 1194, §12 – 14, 21; 2001 Acts, ch 123, §3, 6; 2001 Acts, ch 127, §8 – 10; 2002 Acts, ch 1006, §8, 13; 2002 Acts, ch 1069, §9, 10, 14; 2002 Acts, ch 1156, §3, 8; 2003 Acts, ch 139, §9, 11, 12; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 1, §113, 133; 2003 Acts, 1st Ex, ch 2, §85, 89

[2003 Acts, 1st Ex, ch 1, §113, 133 amendment adding new subsection 15 stricken pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, ch 1073, §18; 2004 Acts, ch 1175, §405, 418; 2005 Acts, ch 24, §8, 10, 11; 2005 Acts, ch 146, §2, 3; 2005 Acts, ch 150, §14, 62, 69; 2005 Acts, ch 160, §2, 14; 2006 Acts, ch 1136, §2; 2006 Acts, ch 1140, §7, 10, 11; 2006 Acts, ch 1142, §42 – 49; 2006 Acts, ch 1158, §29 – 33; 2006 Acts, ch 1159, §26; 2006 Acts, ch 1161, §4, 7; 2006 Acts, ch 1175, §16, 17, 23; 2007 Acts, ch 12, §6 – 8; 2007 Acts, ch 162, §7, 13; 2007 Acts, ch 165, §5, 9; 2008 Acts, ch 1004, §2, 7; 2008 Acts, ch 1011, §7, 9; 2008 Acts, ch 1169, §33 – 35; 2008 Acts, ch 1173, §9; 2008 Acts, ch 1191, §63, 107, 137, 163, 168; 2009 Acts, ch 41, §125; 2009 Acts, ch 100, §34, 35; 2009 Acts, ch 177, §44; 2009 Acts, ch 179, §133, 153, 234; 2010 Acts, ch 1061, §84, 182; 2010 Acts, ch 1138, §12, 16, 22, 26; 2011 Acts, ch 34, §98; 2011 Acts, ch 41, §13, 14, 16; 2011 Acts, ch 113, §19, 22, 23, 29, 33, 34, 36, 39, 40; 2011 Acts, ch 118, §85, 89; 2011 Acts, ch 130, §42, 47; 2012 Acts, ch 1007, §6 – 8; 2012 Acts, ch 1110, §10, 11; 2012 Acts, ch 1121, §8, 10, 11; 2012 Acts, ch 1136, §34, 39 – 41; 2013 Acts, ch 1, §6 – 8; 2013 Acts, ch 30, §89; 2013 Acts, ch 125, §21, 23, 24; 2013 Acts, ch 140, §146, 147

Referred to in §2.48, 15.119, 15.335, 175.37, 175.38, 422.8, 422.15, 422.21, 422.34A, 422.35, 422.36, 422.37, 422.85, 441.21, 476C.2

Internal Revenue Code definition is updated regularly; for applicable definition in a prior tax year, refer to Iowa Acts and Code for that year

For future repeal of amendment to subsection 21 effective December 31, 2017, see 2013 Acts, ch 125, §25, 28

For provisions relating to availability and calculation of an ethanol blended gasoline tax credit under former subsection 11 in calendar year 2008 for a retail dealer whose tax year ends prior to December 31, 2008, see 2006 Acts, ch 1142, §49

For provisions relating to availability and calculation of an ethanol promotion tax credit under subsection 11A in calendar year 2020 for a retail dealer whose tax year ends prior to December 31, 2020, see 2006 Acts, ch 1142, §49; 2006 Acts, ch 1175, §17; 2011 Acts, ch 113, §11, 13, 14

For provisions relating to availability and calculation of an E-85 gasoline promotion tax credit under subsection 11B in calendar year 2017 for a retail dealer whose tax year ends prior to December 31, 2017, see 2006 Acts, ch 1142, §49; 2011 Acts, ch 113, §20, 22, 23

For provisions relating to availability and calculation of the biodiesel blended fuel tax credit under subsection 11C for calendar year 2011 for a retail dealer whose tax year ends prior to December 31, 2011, see 2006 Acts, ch 1142, §49; 2011 Acts, ch 113, §30, 33, 34; for provisions relating to requirements for claiming a biodiesel blended fuel tax credit in calendar year 2017, for a retail dealer whose tax year ends before December 31, 2017, see 2011 Acts, ch 113, §31, 33, 34

2008 amendment to subsection 11C takes effect January 1, 2009, and applies to tax years beginning on or after that date; 2008 Acts, ch 1169, §34, 35; 2008 Acts, ch 1191, §137

Continuation of wage-benefits tax credits under former subsection 18 for qualified new jobs in existence on June 30, 2008; 2008 Acts, ch 1191, §168

Subsection 25 applies retroactively to January 1, 2008, for tax years beginning on or after that date; 2008 Acts, ch 1191, §107

Subsection 27 takes effect May 12, 2009, and applies to disaster recovery housing project costs incurred on or after that date and before July 1, 2010; 2009 Acts, ch 100, §35; 2010 Acts, ch 1061, §84, 182

Tax credit certificates issued for future tax years for investments made on or before July 1, 2010, under former subsection 13 are valid and may be claimed by a taxpayer after July 1, 2010, in the tax year stated on the certificate; 2010 Acts, ch 1138, §26

2010 amendment striking former subsection 17 applies retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1138, §16

2011 amendments to subsection 5, paragraphs b, c, and d, take effect April 12, 2011, and apply retroactively to January 1, 2010, for tax years beginning on or after that date; 2011 Acts, ch 41, §14, 16

2011 amendment to subsection 11B takes effect January 1, 2012, and applies to tax years beginning on and after that date; 2011 Acts, ch 113, §22, 23

2011 amendment to subsection 11C takes effect January 1, 2012, and applies to tax years beginning on and after that date; 2011 Acts, ch 113, §33, 34

Subsection 11D takes effect July 1, 2011, and applies to tax years beginning on or after January 1, 2012, and to that part of a retail dealer's tax year or tax years occurring during that portion of a calendar year beginning on and after July 1, 2011, and ending on December 31, 2011; for provisions relating to requirements for claiming an E-15 plus gasoline promotion tax credit in calendar year 2017 for a retail dealer whose tax year ends before December 31, 2017, and for calculation of the tax credit for a portion of a tax year occurring in calendar year 2011, see 2011 Acts, ch 113, §37, 39, 40

Subsection 13 applies retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 130, §47, 71

2012 amendment to subsection 5, paragraph d, subparagraph (2), takes effect March 7, 2012, and applies retroactively to January 1, 2011, for tax years beginning on or after that date; 2012 Acts, ch 1007, §7, 8

2012 strike of subsections 23 and 24 takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39 – 41

Subsection 29 takes effect May 25, 2012, and applies retroactively to tax years beginning on or after January 1, 2012; 2012 Acts, ch 1121, §10, 11

2013 amendment to subsection 5, paragraph e, takes effect February 14, 2013, and applies retroactively to January 1, 2012, for tax years beginning on or after that date; 2013 Acts, ch 1, §7, 8

2013 amendment to subsection 21 takes effect June 17, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 125, §23, 24

Subsection 30 takes effect July 1, 2013, and applies to tax years beginning on or after January 1, 2014; 2013 Acts, ch 140, §147

See Code editor's note on simple harmonization

Subsection 5 amended

Subsection 21 amended

NEW subsection 30

**422.34 Exempted corporations and organizations.**

The following organizations and corporations shall be exempt from taxation under this division:

1. All state, national, private, cooperative, and savings banks, credit unions, title insurance and trust companies, federally chartered savings and loan associations, production credit associations, insurance companies or insurance associations, reciprocal or inter-insurance exchanges, and fraternal beneficiary associations.

2. *a.* An organization described in section 501 of the Internal Revenue Code unless the exemption is denied under section 501, 502, 503, or 504 of the Internal Revenue Code.

*b.* An organization that would have qualified as an organization exempt from federal income tax under section 501(c)(19) of the Internal Revenue Code but for the fact that the requirement that substantially all of the members who are not past or present members of the United States armed forces is not met because such members include ancestors or lineal descendants, shall be considered for purposes of the exemption from taxation under this division as an organization exempt from federal income tax under section 501(c)(19) of the Internal Revenue Code.

[C35, §6943-f30; C39, §**6943.066;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.34]

92 Acts, 2nd Ex, ch 1001, §239, 251; 94 Acts, ch 1165, §20; 2003 Acts, ch 142, §9; 2010 Acts, ch 1061, §56; 2012 Acts, ch 1017, §82

Referred to in §422.33, 422.37

**422.34A Exempt activities of foreign corporations.**

A foreign corporation shall not be considered doing business in this state or deriving income from sources within this state for the purposes of this division by reason of carrying on in this state one or more of the following activities:

1. Holding meetings of the board of directors or shareholders or holiday parties or employee appreciation dinners.

2. Maintaining bank accounts.

3. Borrowing money, with or without security.

4. Utilizing Iowa courts for litigation.

5. Owning and controlling a subsidiary corporation which is incorporated in or which is transacting business within this state where the holding or parent company has no physical presence in the state as that presence relates to the ownership or control of the subsidiary.

6. Recruiting personnel where hiring occurs outside the state.

7. Training employees or educating employees, or using facilities in Iowa for this purpose.

8. Utilizing a distribution facility within this state, owning or leasing property at a distribution facility within this state that is used at or distributed from the distribution facility, or selling property shipped or distributed from a distribution facility. For purposes of this subsection, "*distribution facility*" means an establishment where shipments of tangible

personal property are processed for delivery to customers. *"Distribution facility"* does not include an establishment where retail sales of tangible personal property or returns of such property are undertaken with respect to retail customers on more than twelve days a year except for a distribution facility which processes customer sales orders by mail, telephone, or electronic means, if the distribution facility also processes shipments of tangible personal property to customers provided that not more than ten percent of the dollar amount of goods are delivered and shipped so as to be included in the gross sales of the corporation within this state as provided in section 422.33, subsection 2, paragraph *"b"*, subparagraph (6).

96 Acts, ch 1123, §1, 2; 97 Acts, ch 46, §1, 2; 2006 Acts, ch 1179, §58, 66

**422.35 Net income of corporation — how computed.**

The term *"net income"* means the taxable income before the net operating loss deduction, as properly computed for federal income tax purposes under the Internal Revenue Code, with the following adjustments:

1. Subtract interest and dividends from federal securities.

2. Add interest and dividends from foreign securities, from securities of state and other political subdivisions, and from regulated investment companies exempt from federal income tax under the Internal Revenue Code, except for those securities the interest and dividends from which are exempt from taxation by the state of Iowa as otherwise provided by law, including those set forth in section 422.7, subsection 2.

3. Where the net income includes capital gains or losses, or gains or losses from property other than capital assets, and such gains or losses have been determined by using a basis established prior to January 1, 1934, an adjustment may be made, under rules and regulations prescribed by the director, to reflect the difference resulting from the use of a basis of cost or January 1, 1934, fair market value, less depreciation allowed or allowable, whichever is higher. Provided that the basis shall be fair market value as of January 1, 1955, less depreciation allowed or allowable, in the case of property acquired prior to that date if use of a prior basis is declared to be invalid.

4. Subtract fifty percent of the federal income taxes paid or accrued, as the case may be, during the tax year, adjusted by any federal income tax refunds; and add the Iowa income tax deducted in computing said taxable income.

5. Subtract the amount of the work opportunity tax credit allowable for the tax year under section 51 of the Internal Revenue Code to the extent that the credit increased federal taxable income.

6. *a.* If the taxpayer is a small business corporation, subtract an amount equal to sixty-five percent of the wages paid to individuals, but not to exceed twenty thousand dollars per individual, named in subparagraphs (1), (2), and (3) who were hired for the first time by the taxpayer during the tax year for work done in this state:

(1) An individual with a disability domiciled in this state at the time of the hiring who meets any of the following conditions:

(a) Has a physical or mental impairment which substantially limits one or more major life activities.

(b) Has a record of that impairment.

(c) Is regarded as having that impairment.

(2) An individual domiciled in this state at the time of the hiring who meets any of the following conditions:

(a) Has been convicted of a felony in this or any other state or the District of Columbia.

(b) Is on parole pursuant to chapter 906.

(c) Is on probation pursuant to chapter 907, for an offense other than a simple misdemeanor.

(d) Is in a work release program pursuant to chapter 904, division IX.

(3) An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code 2001, applies, or to whom the interstate compact for adult offender supervision under chapter 907B applies.

*b.* This deduction is allowed for the wages paid to the individuals successfully completing

a probationary period named in paragraph *"a"*, subparagraphs (1), (2), and (3) during the twelve months following the date of first employment by the taxpayer and shall be deducted in the tax years when paid.

*c.* For purposes of this subsection:

(1) *"Physical or mental impairment"* means any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the body systems or any mental or psychological disorder, including intellectual disability, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

(2) (a) *"Small business"* means a profit or nonprofit business, including but not limited to an individual, partnership, corporation, joint venture, association, or cooperative, to which the following apply:

(i) It is not an affiliate or subsidiary of a business dominant in its field of operation.

(ii) It has either twenty or fewer full-time equivalent positions or not more than the equivalent of three million dollars in annual gross revenues as computed for the preceding fiscal year or as the average of the three preceding fiscal years.

(iii) It does not include the practice of a profession.

(b) *"Small business"* includes an employee-owned business which has been an employee-owned business for less than three years or which meets the conditions of subparagraph division (a), subparagraph subdivisions (i) through (iii).

(c) For purposes of this definition, *"dominant in its field of operation"* means having more than twenty full-time equivalent positions and more than three million dollars in annual gross revenues, and *"affiliate or subsidiary of a business dominant in its field of operation"* means a business which is at least twenty percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalents, of a business dominant in that field of operation.

6A. *a.* If the taxpayer is a business corporation and does not qualify for the adjustment under subsection 6, subtract an amount equal to sixty-five percent of the wages paid to individuals, but shall not exceed twenty thousand dollars per individual, named in subparagraphs (1) and (2) who were hired for the first time by the taxpayer during the tax year for work done in this state:

(1) An individual domiciled in this state at the time of the hiring who meets any of the following conditions:

(a) Has been convicted of a felony in this or any other state or the District of Columbia.

(b) Is on parole pursuant to chapter 906.

(c) Is on probation pursuant to chapter 907, for an offense other than a simple misdemeanor.

(d) Is in a work release program pursuant to chapter 904, division IX.

(2) An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code 2001, applies, or to whom the interstate compact for adult offender supervision under chapter 907B applies.

*b.* This deduction is allowed for the wages paid to the individuals successfully completing a probationary period named in paragraph *"a"*, subparagraphs (1) and (2) during the twelve months following the date of first employment by the taxpayer and shall be deducted in the tax years when paid.

*c.* The department shall develop and distribute information concerning the deduction available for businesses employing persons named in paragraph *"a"*, subparagraphs (1) and (2).

7. Subtract the amount of the alcohol and cellulosic biofuel fuels credit allowable for the tax year under section 40 of the Internal Revenue Code to the extent that the credit increased federal taxable income.

8. Add the amounts deducted and subtract the amounts included in income as a result of the treatment provided sale-leaseback agreements under section 168(f)(8) of the Internal Revenue Code for property placed in service by the transferee prior to January 1, 1986, to the extent that the amounts deducted and the amounts included in income are not otherwise deductible or included in income under the other provisions of the Internal Revenue Code as

amended to and including December 31, 1985. Entitlement to depreciation on any property involved in a sale-leaseback agreement which is placed in service by the transferee prior to January 1, 1986, shall be determined under the Internal Revenue Code as amended to and including December 31, 1985, excluding section 168(f)(8) in making the determination.

9. Reserved.

10. Add the percentage depletion amount determined with respect to an oil, gas, or geothermal well using methods in section 613 of the Internal Revenue Code that is in excess of the cost depletion amount determined under section 611 of the Internal Revenue Code.

11. If after applying all of the adjustments provided for in this section and the allocation and apportionment provisions of section 422.33, the Iowa taxable income results in a net operating loss, such net operating loss shall be deducted as follows:

*a.* For tax years beginning prior to January 1, 2009, the Iowa net operating loss shall be carried back three taxable years for a net operating loss incurred in a presidentially declared disaster area by a taxpayer engaged in a small business or in the trade or business of farming. For all other Iowa net operating losses for tax years beginning prior to January 1, 2009, the net operating loss shall be carried back two taxable years or to the taxable year in which the corporation first commenced doing business in this state, whichever is later.

*b.* An Iowa net operating loss for a tax year beginning on or after January 1, 2009, or an Iowa net operating loss remaining after being carried back as required in paragraph *"a"* or *"f"* shall be carried forward twenty taxable years.

*c.* If the election under section 172(b)(3) of the Internal Revenue Code is made, the Iowa net operating loss shall be carried forward twenty taxable years.

*d.* No portion of a net operating loss which was sustained from that portion of the trade or business carried on outside the state of Iowa shall be deducted.

*e.* The limitations on net operating loss carryback and carryforward under sections 172(b)(1)(E) and 172(h) of the Internal Revenue Code shall apply.

*f.* Notwithstanding paragraph *"a"*, for a taxpayer who is engaged in the trade or business of farming as defined in section 263A(e)(4) of the Internal Revenue Code and has a loss from farming as defined in section 172(b)(1)(F) of the Internal Revenue Code including modifications prescribed by rule by the director, the Iowa loss from the trade or business of farming, for tax years beginning prior to January 1, 2009, is a net operating loss which may be carried back five taxable years prior to the taxable year of the loss.

*g.* The deductions described in paragraphs *"a"* through *"f"* of this subsection are allowed subject to the requirement that a corporation affected by the allocation provisions of section 422.33 shall be permitted to deduct only that portion of the deductions for net operating loss and federal income taxes that is fairly and equitably allocable to Iowa, under rules prescribed by the director.

12. Subtract the loss on the sale or exchange of a share of a regulated investment company held for six months or less to the extent the loss was disallowed under section 852(b)(4)(B) of the Internal Revenue Code.

13. Reserved.

14. Reserved.

15. Reserved.

16. Add depreciation taken for federal income tax purposes on a speculative shell building defined in section 427.1, subsection 27, which is owned by a for-profit entity and the for-profit entity is receiving the proper tax exemption. Subtract depreciation computed as if the speculative shell building were classified as fifteen-year property during the period during which it is owned by the taxpayer and is receiving the property tax exemption. However, this subsection does not apply to a speculative shell building which is used by the taxpayer, subsidiary of the taxpayer, or majority owners of the taxpayer, for other than as a speculative shell building, as defined in section 427.1, subsection 27.

17. Subtract the amount of the employer social security credit allowable for the tax year under section 45B of the Internal Revenue Code to the extent that the credit increases federal taxable income.

18. Add, to the extent not already included, income from the sale of obligations of the state and its political subdivisions. Income from the sale of these obligations is exempt from

the taxes imposed by this division only if the law authorizing these obligations specifically exempts the income from the sale from the state corporate income tax.

19. *a.* The additional first-year depreciation allowance authorized in section 168(k) of the Internal Revenue Code, as enacted by Pub. L. No. 107-147, § 101, does not apply in computing net income for state tax purposes. If the taxpayer has taken such deduction in computing taxable income, the following adjustments shall be made:

(1) Add the total amount of depreciation taken on all property for which the election under section 168(k) of the Internal Revenue Code was made for the tax year.

(2) Subtract an amount equal to depreciation allowed on such property for the tax year using the modified accelerated cost recovery system depreciation method applicable under section 168 of the Internal Revenue Code without regard to section 168(k).

(3) Any other adjustments to gains or losses to reflect the adjustments made in subparagraphs (1) and (2) pursuant to rules adopted by the director.

*b.* A taxpayer may elect to apply the additional first-year depreciation allowance authorized in section 168(k)(4) of the Internal Revenue Code, as enacted by Pub. L. No. 108-27, in computing net income for state tax purposes, for qualified property acquired after May 5, 2003, and before January 1, 2005. If the taxpayer elects to take the additional first-year depreciation allowance authorized in section 168(k)(4) of the Internal Revenue Code for state tax purposes, the deduction may be taken on amended state tax returns, if necessary. If the taxpayer does not elect to take the additional first-year depreciation allowance authorized in section 168(k)(4) of the Internal Revenue Code for state tax purposes, the following adjustment shall be made:

(1) Add the total amount of depreciation taken on all property for which the election under section 168(k)(4) of the Internal Revenue Code was made for the tax year.

(2) Subtract an amount equal to depreciation allowed on such property for the tax year using the modified accelerated cost recovery system depreciation method applicable under section 168 of the Internal Revenue Code without regard to section 168(k)(4).

(3) Any other adjustments to gains or losses to reflect the adjustments made in subparagraphs (1) and (2) pursuant to rules adopted by the director.

19A. The additional first-year depreciation allowance authorized in section 168(k) of the Internal Revenue Code, as enacted by Pub. L. No. 110-185, § 103, Pub. L. No. 111-5, § 1201, Pub. L. No. 111-240, § 2022, Pub. L. No. 111-312, § 401, and Pub. L. No. 112-240, § 331, does not apply in computing net income for state tax purposes. If the taxpayer has taken the additional first-year depreciation allowance for purposes of computing federal taxable income, then the taxpayer shall make the following adjustments to federal taxable income when computing net income for state tax purposes:

*a.* Add the total amount of depreciation taken under section 168(k) of the Internal Revenue Code for the tax year.

*b.* Subtract the amount of depreciation allowable under the modified accelerated cost recovery system described in section 168 of the Internal Revenue Code and calculated without regard to section 168(k).

*c.* Any other adjustments to gains or losses necessary to reflect the adjustments made in paragraphs "*a*" and "*b*". The director shall adopt rules for the administration of this paragraph.

19B. The additional first-year depreciation allowance authorized in section 168(n) of the Internal Revenue Code, as enacted by Pub. L. No. 110-343, § 710, does not apply in computing net income for state tax purposes. If the taxpayer has taken the additional first-year depreciation allowance for purposes of computing federal taxable income, then the taxpayer shall make the following adjustments to federal taxable income when computing net income for state tax purposes:

*a.* Add the total amount of depreciation taken under section 168(n) of the Internal Revenue Code for the tax year.

*b.* Subtract the amount of depreciation allowable under the modified accelerated cost recovery system described in section 168 of the Internal Revenue Code and calculated without regard to section 168(n).

*c.* Any other adjustments to gains or losses necessary to reflect the adjustments made

in paragraphs *"a"* and *"b"*. The director shall adopt rules for the administration of this paragraph.

20. A taxpayer may elect not to take the increased expensing allowance under section 179 of the Internal Revenue Code, as amended by Pub. L. No. 108-27, § 202, in computing taxable income for state tax purposes. If the taxpayer does not take the increased expensing allowance under section 179 of the Internal Revenue Code for state tax purposes, the following adjustments shall be made:

*a.* Add the total amount of expense deduction taken on section 179 property for federal tax purposes under section 179 of the Internal Revenue Code.

*b.* Subtract the amount of expense deduction on section 179 property allowable for federal tax purposes under section 179 of the Internal Revenue Code prior to enactment of Pub. L. No. 108-27, § 202.

*c.* Any other adjustments to gains and losses to the adjustments made in paragraphs *"a"* and *"b"* pursuant to rules adopted by the director.

21. Subtract the amount of foreign dividend income, including subpart F income as defined in section 952 of the Internal Revenue Code, based upon the percentage of ownership as set forth in section 243 of the Internal Revenue Code.

22. Subtract, to the extent included, the amount of ordinary or capital gain realized by the taxpayer as a result of the involuntary conversion of property due to eminent domain. However, if the total amount of such realized ordinary or capital gain is not recognized because the converted property is replaced with property that is similar to, or related in use to, the converted property, the amount of such realized ordinary or capital gain shall not be subtracted under this subsection until the remaining realized ordinary or capital gain is subject to federal taxation or until the time of disposition of the replacement property as provided under rules of the director. The subtraction allowed under this subsection shall not alter the basis as established for federal tax purposes of any property owned by the taxpayer.

23. Reserved.

24. A taxpayer is not allowed to take the increased expensing allowance under section 179 of the Internal Revenue Code, as amended by Pub. L. No. 111-5, § 1202, in computing taxable income for state tax purposes.

25. Subtract, to the extent included, the amount of any biodiesel production refund provided pursuant to section 423.4.

[C35, §6943-f31; C39, §**6943.067;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.35; 81 Acts, ch 132, §8, 9; 82 Acts, ch 1023, §14, 15, 30, 31, ch 1203, §2, ch 1206, §1]

83 Acts, ch 174, §2, 3; 83 Acts, ch 179, §16, 24; 86 Acts, ch 1236, §9; 86 Acts, ch 1238, §20; 86 Acts, ch 1241, §23; 87 Acts, 1st Ex, ch 1, §8 – 11; 89 Acts, ch 175, §3; 89 Acts, ch 225, §20, 21; 90 Acts, ch 1168, §46; 90 Acts, ch 1171, §6; 90 Acts, ch 1195, §2; 90 Acts, ch 1251, §53; 91 Acts, ch 210, §3; 92 Acts, ch 1222, §5, 6; 92 Acts, ch 1225, §2, 5; 94 Acts, ch 1107, §26; 94 Acts, ch 1166, §9, 10, 12; 95 Acts, ch 152, §6, 7; 96 Acts, ch 1129, §113; 97 Acts, ch 135, §8, 9; 98 Acts, ch 1078, §8, 12; 98 Acts, ch 1172, §13, 14; 99 Acts, ch 95, §10 – 13; 2001 Acts, ch 15, §3, 4; 2001 Acts, ch 116, §7, 28; 2001 Acts, 2nd Ex, ch 6, §23 – 26, 37; 2003 Acts, ch 139, §10 – 12; 2004 Acts, ch 1101, §47; 2004 Acts, 1st Ex, ch 1001, §40 – 42; 2005 Acts, ch 2, §3, 4, 6; 2005 Acts, ch 19, §54; 2005 Acts, ch 24, §9 – 11; 2005 Acts, ch 140, §41, 73; 2006 Acts, 1st Ex, ch 1001, §42, 49; 2007 Acts, ch 54, §36; 2007 Acts, ch 162, §8, 13; 2007 Acts, ch 186, §17; 2008 Acts, ch 1011, §8, 9; 2009 Acts, ch 133, §141 – 143; 2009 Acts, ch 135, §4, 5; 2011 Acts, ch 41, §21 – 25; 2011 Acts, ch 113, §58, 60; 2012 Acts, ch 1019, §130; 2012 Acts, ch 1110, §12; 2012 Acts, ch 1136, §35, 39 – 41; 2013 Acts, ch 1, §10 – 12; 2013 Acts, ch 70, §5, 6; 2013 Acts, ch 100, §24, 27

Referred to in §422.33, 422.60, 422.61

Subsection 24 takes effect March 11, 2008, and applies retroactively to January 1, 2008, for tax years beginning on or after that date; 2008 Acts, ch 1011, §9

2009 amendment to subsection 11 applies retroactively to January 1, 2009, for tax years beginning on or after that date; 2009 Acts, ch 135, §5

Subsections 19A and 19B take effect April 12, 2011, and apply retroactively to January 1, 2008, for tax years ending on or after that date; 2011 Acts, ch 41, §23, 24

2011 amendment to subsection 24 takes effect April 12, 2011, and applies retroactively to January 1, 2009, for tax years beginning on or after that date; 2011 Acts, ch 41, §23, 25

2012 strike of subsection 23 takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39 – 41

2013 amendment to subsection 19A takes effect February 14, 2013, and applies retroactively to January 1, 2013, for tax years ending on or after that date; 2013 Acts, ch 1, §11, 12
See Code editor's note on simple harmonization
Subsection 2 amended
Subsection 13 stricken
Subsection 19A, unnumbered paragraph 1 amended

**422.36 Returns.**

1. A corporation shall make a return and the return shall be signed by the president or other duly authorized officer in accordance with forms and rules prescribed by the director. Before a corporation is dissolved and its assets distributed it shall make a return for settlement of the tax for income earned in the income year up to its final date of dissolution.

2. When any corporation, liable to taxation under this division, conducts its business in such a manner as either directly or indirectly to benefit the members or stockholders thereof or any person interested in such business by selling its products or the goods or commodities in which it deals at less than the fair price which might be obtained therefor, or where a corporation, a substantial portion of whose capital stock is owned either directly or indirectly by another corporation, acquires and disposes of the products, goods or commodities of the corporation so owning a substantial portion of its stock in such a manner as to create a loss or improper net income for either of said corporations, or where a corporation, owning directly or indirectly a substantial portion of the stock of another corporation, acquires and disposes of the products, goods, or commodities, of the corporation of which it so owns a substantial portion of the stock, in such a manner as to create a loss or improper net income for either of said corporations, the department may determine the amount of taxable income of either or any of such corporations for the calendar or fiscal year, having due regard to the reasonable profits which, but for such arrangement or understanding, might or could have been obtained, by the corporation or corporations liable to taxation under this division, from dealing in such products, goods, or commodities.

3. Where the director has reason to believe that any person or corporation so conducts a trade or business as either directly or indirectly to distort the person's or corporation's true net income and the net income properly attributable to the state, whether by the arbitrary shifting of income, through price fixing, charges for services, or otherwise, whereby the net income is arbitrarily assigned to one or another unit in a group of taxpayers carrying on business under a substantially common control, the director may require such facts as are necessary for the proper computation of the entire net income and the net income properly attributable to the state, and shall determine the same, and in the determination thereof the director shall have regard to the fair profits which would normally arise from the conduct of the trade or business.

4. Foreign and domestic corporations shall file a copy of their federal income tax return for the current tax year with the return required by this section.

5. Where a corporation is not subject to income tax and the stockholders of such corporation are taxed on the corporation's income under the provisions of the Internal Revenue Code, the same tax treatment shall apply to such corporation and such stockholders for Iowa income tax purposes.

6. A foreign corporation is not required to file a return if its only activities in Iowa are the storage of goods for a period of sixty consecutive days or less in a warehouse for hire located in this state whereby the foreign corporation transports or causes a carrier to transport such goods to that warehouse and provided that none of the goods are delivered or shipped so as to be included in the gross sales of the corporation within this state as provided in section 422.33, subsection 2, paragraph *"b"*, subparagraph (6).

[C35, §6943-f32; C39, §**6943.068;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.36]

87 Acts, 1st Ex, ch 1, §12; 89 Acts, ch 251, §23; 2001 Acts, ch 97, §1, 2; 2012 Acts, ch 1110, §13
Referred to in §422.13, 422.31

**422.37 Consolidated returns.**

Any affiliated group of corporations may, not later than the due date for filing its return for the taxable year, including any extensions thereof, under rules to be prescribed by the

director, elect, and upon demand of the director shall be required, to make a consolidated return showing the consolidated net income of all such corporations and other information as the director may require, subject to the following:

1. The affiliated group filing under this section shall file a consolidated return for federal income tax purposes for the same taxable year.

2. All members of the affiliated group shall join in the filing of an Iowa consolidated return to the extent they are subject to the tax imposed by section 422.33.

3. Members of the affiliated group exempt from taxation by section 422.34 of the Code shall not be included in a consolidated return.

4. All members of the affiliated group shall use the statutory method of allocation and apportionment unless the director has granted permission to all members to use an alternative method of allocation and apportionment.

5. Each member of the affiliated group shall consent to the rules governing a consolidated return prescribed by the director at the time the consolidated return is filed, unless the director requires the filing of a consolidated return. The filing of a consolidated return shall be considered the affiliated group's consent.

6. The filing of a consolidated return for any taxable year shall require the filing of consolidated returns for all subsequent taxable years so long as the filing taxpayers remain members of the affiliated group unless the director determines that the filing of separate returns will more clearly disclose the taxable incomes of each member of the affiliated group. This determination shall be made after specific request by the taxpayer for the filing of separate returns.

7. The computation of consolidated taxable income for the members of an affiliated group of corporations subject to tax shall be made in the same manner and under the same procedures, including all intercompany adjustments and eliminations, as are required for consolidating the incomes of affiliated corporations for the taxable year for federal income tax purposes in accordance with section 1502 of the Internal Revenue Code.

[C35, §6943-f33; C39, §**6943.069;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.37]
86 Acts, ch 1213, §10; 87 Acts, 1st Ex, ch 1, §13; 92 Acts, 2nd Ex, ch 1001, §240, 252

**422.38 Statutes governing corporations.**

All the provisions of sections 422.15 to 422.22 of division II, insofar as the same are applicable, shall apply to corporations taxable under this division.

[C35, §6943-f34; C39, §**6943.070;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.38]

**422.39 Statutes applicable to corporation tax.**

All the provisions of sections 422.24 to 422.27 of division II, respecting payment and collection, shall apply in respect to the tax due and payable by a corporation taxable under this division.

[C35, §6943-f35; C39, §**6943.071;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.39]

**422.40 Cancellation of authority — penalty — offenses.**

1. If a corporation required by the provisions of this division to file any report or return or to pay any tax or fee, either as a corporation organized under the laws of this state, or as a foreign corporation doing business in this state for profit, or owning and using a part or all of its capital or plant in this state, fails or neglects to make any such report or return or to pay any such tax or fee for ninety days after the time prescribed in this division for making such report or return, or for paying such tax or fee, the director may certify such fact to the secretary of state. The secretary of state shall thereupon cancel the articles of incorporation of any such corporation which is organized under the laws of this state by appropriate entry upon the margin of the record thereof, or cancel the certificate of authority of any such foreign corporation to do business in this state by proper entry. Thereupon all the powers, privileges, and franchises conferred upon such corporation by such articles of incorporation or by such certificate of authority shall cease and determine. The secretary of state shall immediately notify by registered mail such domestic or foreign corporation of the action taken by the secretary of state.

2. Any person or persons who shall exercise or attempt to exercise any powers, privileges, or franchises under articles of incorporation or certificate of authority after the same are canceled, as provided in any section of this division, shall pay a penalty of not less than one hundred dollars nor more than one thousand dollars, to be recovered by an action to be brought by the director.

3. Any corporation whose articles of incorporation or certificate of authority to do business in this state have been canceled by the secretary of state, as provided in subsection 1, or similar provisions of prior revenue laws, upon the filing, within ten years after such cancellation, with the secretary of state, of a certificate from the department that it has complied with all the requirements of this division and paid all state taxes, fees, or penalties due from it, and upon the payment to the secretary of state of an additional penalty of fifty dollars, shall be entitled again to exercise its rights, privileges, and franchises in this state; and the secretary of state shall cancel the entry made by the secretary under the provisions of subsection 1 or similar provisions of prior revenue laws, and shall issue a certificate entitling such corporation to exercise its rights, privileges and franchises.

4. A person, officer or employee of a corporation, or member or employee of a partnership, who, with intent to evade a requirement of this division or a lawful requirement of the director, fails to pay tax or fails to make, sign, or verify a return or fails to supply information required under this division, is guilty of a fraudulent practice. A person, corporation, officer or employee of a corporation, or member or employee of a partnership, who, with intent to evade any of the requirements of this division, or any lawful requirements of the director, makes, renders, signs, or verifies a false or fraudulent return or statement, or supplies false or fraudulent information, or who aids, abets, directs, causes, or procures anyone so to do, is guilty of a class "D" felony. The penalty is in addition to all other penalties in this division.

[C35, §6943-f36; C39, §**6943.072;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.40]
83 Acts, ch 160, §6
Referred to in §422.16

**422.41 Corporations.**

All the provisions of sections 422.28, 422.29, and 422.30 of division II in respect to revision, appeal, and jeopardy assessments shall be applicable to corporations taxable under this division.

[C35, §6943-f37; C39, §**6943.073;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §422.41]

## DIVISION IV

## RETAIL SALES TAX

**422.42 through 422.47** Repealed by 2003 Acts, 1st Ex, ch 2, § 151, 205. See chapter 423.

**422.47A through 422.47C** Repealed by 96 Acts, ch 1034, § 70.

**422.48 through 422.59** Repealed by 2003 Acts, 1st Ex, ch 2, § 151, 205. See chapter 423.

## DIVISION V

## TAXATION OF FINANCIAL INSTITUTIONS

Referred to in §15.293A, 15.333, 15E.43, 15E.44, 15E.45, 15E.52, 15E.62, 15E.193B, 15E.305, 404A.1, 404A.4, 422.1, 422.73, 422.85, 476B.2, 476B.6, 476B.7, 476C.4, 476C.6

**422.60 Imposition of tax — credit.**

1. A franchise tax according to and measured by net income is imposed on financial institutions for the privilege of doing business in this state as financial institutions.

2. *a.* In addition to all taxes imposed under this division, there is imposed upon each

financial institution doing business within the state the greater of the tax determined in section 422.63 or the state alternative minimum tax equal to sixty percent of the maximum state franchise tax rate, rounded to the nearest one-tenth of one percent, of the state alternative minimum taxable income of the taxpayer computed under this subsection.

*b.* The state alternative minimum taxable income of a taxpayer is equal to the taxpayer's state taxable income as computed with the adjustments in section 422.61, subsection 3, and with the following adjustments:

(1) Add items of tax preference included in federal alternative minimum taxable income under section 57, except subsections (a)(1) and (a)(5), of the Internal Revenue Code, make the adjustments included in federal alternative minimum taxable income under section 56, except subsections (a)(4), (c)(1), (d), and (g), of the Internal Revenue Code, and add losses as required by section 58 of the Internal Revenue Code.

(2) Make the adjustments provided in section 56(c)(1) of the Internal Revenue Code, except that in making the calculation under section 56(g)(1) of the Internal Revenue Code the state alternative minimum taxable income, computed without regard to the adjustments made by this subparagraph, the exemption provided for in subparagraph (4), and the state alternative tax net operating loss described in subparagraph (5), shall be substituted for the items described in section 56(g)(1)(B) of the Internal Revenue Code.

(3) Apply the allocation and apportionment provisions of section 422.63.

(4) Subtract an exemption amount of forty thousand dollars. This exemption amount shall be reduced, but not below zero, by an amount equal to twenty-five percent of the amount by which the alternative minimum taxable income of the taxpayer, computed without regard to the exemption amount in this subparagraph, exceeds one hundred fifty thousand dollars.

(5) In the case of a net operating loss beginning after December 31, 1986, which is carried back or carried forward to the current taxable year, the net operating loss shall be reduced by the amount of items of tax preference and adjustments arising in the tax year which was taken into account in computing the net operating loss in section 422.35, subsection 11. The deduction for a net operating loss for a tax year beginning after December 31, 1986, which is carried back or carried forward to the current taxable year shall not exceed ninety percent of the alternative minimum taxable income determined without regard for the net operating loss deduction.

3. *a.* (1) There is allowed as a credit against the tax determined in section 422.63 for a tax year an amount equal to the minimum tax credit for that tax year.

(2) The minimum tax credit for a tax year is the excess, if any, of the net minimum tax imposed for all prior tax years beginning on or after January 1, 1987, over the amount allowable as a credit under this subsection for those prior tax years.

*b.* (1) The allowable credit under paragraph "*a*" for a tax year shall not exceed the excess, if any, of the tax determined in section 422.63 over the state alternative minimum tax as determined in subsection 2.

(2) The net minimum tax for a tax year is the excess, if any, of the tax determined in subsection 2 for the tax year over the tax determined in section 422.63 for the tax year.

4. *a.* The taxes imposed under this division shall be reduced by a historic preservation and cultural and entertainment district tax credit equal to the amount as computed under chapter 404A for rehabilitating eligible property. Any credit in excess of the tax liability shall be refunded or credited to the following year, as provided in section 404A.4, subsection 3.

*b.* For purposes of this subsection, "*eligible property*" means the same as used in section 404A.1.

5. *a.* The taxes imposed under this division shall be reduced by an investment tax credit authorized pursuant to section 15E.43 for an investment in a qualifying business or a community-based seed capital fund.

*b.* The taxes imposed under this division shall be reduced by investment tax credits authorized pursuant to sections 15.333 and 15E.193B, subsection 6.

6. The taxes imposed under this division shall be reduced by an endow Iowa tax credit authorized pursuant to section 15E.305.

7. The taxes imposed under this division shall be reduced by tax credits for wind energy

production allowed under chapter 476B and for renewable energy allowed under chapter 476C.

8. The taxes imposed under this division shall be reduced by a corporate tax credit authorized pursuant to section 15.331C for certain sales taxes paid by a third-party developer.

9. The taxes imposed under this division shall be reduced by a tax credit authorized pursuant to section 15E.66, if redeemed, for investments in the Iowa fund of funds.

10. The taxes imposed under this division shall be reduced by a redevelopment tax credit allowed under chapter 15, subchapter II, part 9.

11. The taxes imposed under this division shall be reduced by an innovation fund investment tax credit allowed under section 15E.52.

[C71, 73, 75, 77, 79, 81, §422.60; 82 Acts, ch 1023, §16, 31]

83 Acts, ch 179, §17, 22; 86 Acts, ch 1241, §28; 87 Acts, 1st Ex, ch 1, §14; 89 Acts, ch 285, §6; 2002 Acts, ch 1003, §3, 5; 2002 Acts, ch 1006, §9, 13; 2002 Acts, ch 1156, §4, 8; 2003 Acts, 1st Ex, ch 2, §86, 89; 2004 Acts, ch 1175, §406, 418; 2005 Acts, ch 150, §15, 63, 69; 2005 Acts, ch 160, §3, 14; 2006 Acts, ch 1158, §34 – 38; 2007 Acts, ch 162, §9, 13; 2007 Acts, ch 165, §6, 9; 2008 Acts, ch 1173, §10; 2008 Acts, ch 1191, §164; 2009 Acts, ch 41, §126; 2010 Acts, ch 1138, §13, 16, 23, 26; 2011 Acts, ch 25, §82, 143; 2011 Acts, ch 130, §43, 47, 71; 2012 Acts, ch 1136, §36, 39 – 41

Referred to in §2.48, 422.85

Tax credit certificates issued for future tax years for investments made on or before July 1, 2010, under former subsection 6 are valid and may be claimed by a taxpayer after July 1, 2010, in the tax year stated on the certificate; 2010 Acts, ch 1138, §26

2010 amendment striking former subsection 9 applies retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1138, §16

Subsection 11 applies retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 130, §47

2012 strike of former subsections 10 and 11 takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39 – 41

**422.61 Definitions.**

In this division, unless the context otherwise requires:

1. *"Financial institution"* means a state bank as defined in section 524.103, subsection 41, a state bank chartered under the laws of any other state, a national banking association, a trust company, a federally chartered savings and loan association, an out-of-state state chartered savings bank, a financial institution chartered by the federal home loan bank board, a non-Iowa chartered savings and loan association, or a production credit association.

2. *"Investment subsidiary"* means an affiliate that is owned, capitalized, or utilized by a financial institution with one of its purposes being to make, hold, or manage, for and on behalf of the financial institution, investments in securities which the financial institution would be permitted by applicable law to make for its own account.

3. *"Net income"* means the net income of the financial institution computed in accordance with section 422.35, with the following adjustments:

*a.* Federal income taxes paid or accrued shall not be subtracted.

*b.* Notwithstanding section 422.35, subsection 2, or any other provisions of law, income from obligations of the state and its political subdivisions and franchise taxes paid or accrued under this division during the taxable year shall be added. Income from sales of obligations of the state and its political subdivisions and interest and dividend income from these obligations are exempt from the taxes imposed by this division only if the law authorizing the obligations specifically exempts the income from the sale and interest and dividend income from the state franchise tax.

*c.* Interest and dividends from federal securities shall not be subtracted.

*d.* Interest and dividends derived from obligations of United States possessions, agencies, and instrumentalities, including bonds which were purchased after January 1, 1991, and issued by the governments of Puerto Rico, Guam, and the Virgin Islands shall be added, to the extent they were not included in computing federal taxable income.

*e.* A deduction disallowed under section 265(b) or section 291(e)(1)(B) of the Internal Revenue Code shall be subtracted.

*f.* A deduction shall not be allowed for that portion of the taxpayer's expenses computed under this paragraph which is allocable to an investment in an investment subsidiary. The portion of the taxpayer's expenses which is allocable to an investment in an investment

subsidiary is an amount which bears the same ratio to the taxpayer's expenses as the taxpayer's average adjusted basis, as computed pursuant to section 1016 of the Internal Revenue Code, of investment in that investment subsidiary bears to the average adjusted basis for all assets of the taxpayer. The portion of the taxpayer's expenses that is computed and disallowed under this paragraph shall be added.

*g*. Where a financial institution as defined in section 581 of the Internal Revenue Code is not subject to income tax and the shareholders of the financial institution are taxed on the financial institution's income under the provisions of the Internal Revenue Code, such tax treatment shall be disregarded and the financial institution shall compute its net income for franchise tax purposes in the same manner under this subsection as a financial institution that is subject to or liable for federal income tax under the Internal Revenue Code in effect for the applicable year.

4. *"Taxable year"* means the calendar year or the fiscal year ending during a calendar year, for which the tax is payable. *"Fiscal year"* includes a tax period of less than twelve months if, under the Internal Revenue Code, a corporation is required to file a tax return covering a tax period of less than twelve months.

5. *"Taxpayer"* means a financial institution subject to any tax imposed by this division.

[C71, 73, 75, 77, 79, 81, §422.61]

85 Acts, ch 230, §8; 87 Acts, ch 18, §2; 87 Acts, 1st Ex, ch 1, §15, 16; 89 Acts, ch 285, §7; 91 Acts, ch 217, §1; 95 Acts, ch 193, §1 – 3; 97 Acts, ch 154, §2, 3; 2001 Acts, ch 116, §10, 28; 2012 Acts, ch 1017, §83; 2013 Acts, ch 70, §7

Referred to in §321.105, 422.60

Subsection 3, paragraph b amended

**422.62 Due and delinquent dates.**

The franchise tax is due and payable on the first day following the end of the taxable year of each financial institution, and is delinquent after the last day of the fourth month following the due date or forty-five days after the due date of the federal tax return, excluding extensions of time to file, whichever is the later. Every financial institution shall file a return as prescribed by the director on or before the delinquency date.

[C71, 73, 75, 77, 79, 81, §422.62]

85 Acts, ch 230, §9; 86 Acts, ch 1237, §25

**422.63 Amount of tax.**

The franchise tax is imposed annually in an amount equal to five percent of the net income received or accrued during the taxable year. If the net income of the financial institution is derived from its business carried on entirely within the state, the tax shall be imposed on the entire net income, but if the business is carried on partly within and partly without the state, the portion of net income reasonably attributable to the business within the state shall be specifically allocated or equitably apportioned within and without the state under rules of the director.

[C71, 73, 75, 77, 79, 81, §422.63]

86 Acts, ch 1194, §2

Referred to in §422.60

**422.63A and 422.64** Repealed by 90 Acts, ch 1232, § 23, 24, 30.

**422.65 Allocation of revenue.** Repealed by 2003 Acts, ch 178, § 11.

**422.66 Department to enforce.**

The department shall administer and enforce the provisions of this division, and all applicable provisions of sections 422.24, 422.25, 422.26, 422.28, 422.29, and 422.30, and division VI of this chapter, apply to financial institutions and to the franchise tax imposed by this division.

[C71, 73, 75, 77, 79, 81, §422.66]

## DIVISION VI

## ADMINISTRATION

Referred to in §422.1, 422.13, 422.16, 422.66

**422.67 Generally — bond — approval.**

The director shall administer the taxes imposed by this chapter. The director shall give a bond in an amount to be fixed by the governor, which has been issued by a surety company authorized to transact business in this state and approved by the insurance commissioner as to solvency and responsibility. The reasonable cost of said bond shall be paid by the state, out of the proceeds of the taxes collected under the provisions of this chapter.

[C35, §6943-f54; C39, §**6943.091;** C46, 50, 54, 58, 62, 66, §422.60; C71, 73, 75, 77, 79, 81, §422.67]

Referred to in §99G.30A, 321.105A, 423.42, 423A.6, 423B.6, 423C.4, 423D.4

**422.68 Powers and duties.**

1. The director shall have the power and authority to prescribe all rules not inconsistent with the provisions of this chapter, necessary and advisable for its detailed administration and to effectuate its purposes.

2. The director may, for administrative purposes, divide the state into districts, provided that in no case shall a county be divided in forming a district.

3. The director may destroy useless records and returns, reports, and communications of any taxpayer filed with or kept by the department after those returns, records, reports, or communications have been in the custody of the department for a period of not less than three years or such time as the director prescribes by rule. However, after the accounts of a person have been examined by the director and the amount of tax and penalty due have been finally determined, the director may order the destruction of any records previously filed by that taxpayer, notwithstanding the fact that those records have been in the custody of the department for a period less than three years. These records and documents shall be destroyed in the manner prescribed by the director.

4. The department may make photostat, microfilm, electronic, or other photographic copies of records, reports, and other papers either filed by the taxpayer or prepared by the department. In addition, the department may create and use any system of recordkeeping reasonably calculated to preserve its records for any time period required by law. When these photostat, electronic, microfilm, or other copies have been made, the department may destroy the original records which are the basis for the copies in any manner prescribed by the director. These photostat, electronic, microfilm, or other types of copies, when no longer of use, may be destroyed as provided in subsection 3. These photostat, microfilm, electronic, or other records shall be admissible in evidence when duly certified and authenticated by the officer having custody and control of them.

[C35, §6943-f55; C39, §**6943.092;** C46, 50, 54, 58, 62, 66, §422.61; C71, 73, 75, 77, 79, 81, §422.68]

85 Acts, ch 230, §10; 99 Acts, ch 151, §24, 89; 99 Acts, ch 152, §9, 40

Referred to in §99G.30A, 257.22, 321.105A, 422D.3, 423.42, 423A.6, 423B.6, 423C.4, 423D.4, 437A.17, 437B.13

**422.69 Moneys paid and deposited.**

1. All fees, taxes, interest, and penalties imposed under this chapter shall be paid to the department in the form of remittances payable to the state treasurer and the department shall transmit each payment daily to the state treasurer.

2. Unless otherwise provided the fees, taxes, interest, and penalties collected under this chapter shall be credited to the general fund.

[C35, §6943-f56; C39, §**6943.093, 6943.101;** C46, §422.62, 422.70; C50, 54, 58, 62, 66, §422.62; C71, 73, 75, 77, 79, 81, §422.69]

85 Acts, ch 32, §88; 85 Acts, ch 258, §13; 88 Acts, ch 1154, §2; 89 Acts, ch 236, §15; 91 Acts, ch 260, §1231; 92 Acts, ch 1227, §29; 96 Acts, ch 1034, §37

Referred to in §99G.30A, 321.105A, 423.42, 423A.6, 423B.6, 423C.4, 423D.4

**422.70 General powers — hearings.**

1. The director, for the purpose of ascertaining the correctness of a return or for the purpose of making an estimate of the taxable income or receipts of a taxpayer, has the following powers:

*a.* To examine or cause to be examined by an agent or representative designated by the director, books, papers, records, or memoranda.

*b.* To require by subpoena the attendance and testimony of witnesses; to issue and sign subpoenas.

*c.* To administer oaths, to examine witnesses and receive evidence.

*d.* To compel witnesses to produce for examination books, papers, records, and documents relating to any matter which the director has the authority to investigate or determine.

2. Where the director finds the taxpayer has made a fraudulent return, the costs of any hearing, including a contested case hearing, shall be taxed to the taxpayer. In all other cases the costs shall be paid by the state.

3. The fees and mileage to be paid witnesses and charged as costs shall be the same as prescribed by law in proceedings in the district court of this state in civil cases. All costs shall be charged in the manner provided by law in proceedings in civil cases. If the costs are charged to the taxpayer they shall be added to the taxes assessed against the taxpayer and shall be collected in the same manner. Costs charged to the state shall be certified by the director and the department of administrative services shall issue warrants on the state treasurer for the amount of the costs, to be paid out of the proceeds of the taxes collected under this chapter.

4. In case of disobedience to a subpoena the director may invoke the aid of any court of competent jurisdiction in requiring the attendance and testimony of witnesses and production of records, books, papers, and documents, and such court may issue an order requiring the person to appear before the director and give evidence or produce records, books, papers, and documents, as the case may be, and any failure to obey such order of court may be punished by the court as a contempt thereof.

5. Testimony on hearings before the director may be taken by a deposition as in civil cases, and any person may be compelled to appear and depose in the same manner as witnesses may be compelled to appear and testify as hereinbefore provided.

[C35, §6943-f57; C39, §**6943.094;** C46, 50, 54, 58, 62, 66, §422.63; C71, 73, 75, 77, 79, 81, §422.70]

88 Acts, ch 1134, §79; 88 Acts, ch 1243, §9; 95 Acts, ch 83, §10; 2004 Acts, ch 1101, §48; 2013 Acts, ch 30, §90

Referred to in §99G.30A, 257.22, 321.105A, 421.1, 422D.3, 423.42, 423A.6, 423B.6, 423C.4, 423D.4, 425.27, 437A.17, 437B.13

Contempts, chapter 665

Subsection 1 amended

**422.71 Assistants — salaries — expenses — bonds.**

1. The director may appoint and remove such agents, auditors, clerks, and employees as the director may deem necessary, such persons to have such duties and powers as the director may, from time to time, prescribe.

2. The salaries of all assistants, agents, and employees shall be fixed by the director in a budget to be submitted to the department of management and approved by the legislature.

3. All such agents and employees shall be allowed such reasonable and necessary traveling and other expenses as may be incurred in the performance of their duties.

4. The director may require certain officers, agents, and employees to give bond for the faithful performance of the duties in such sum and with such sureties as the director may determine and the state shall pay, out of the proceeds of the taxes collected under the provisions of this chapter, the premiums on such bonds.

5. The director may utilize the office of treasurer of the various counties in order to administer this chapter and effectuate its purposes, and may appoint the treasurers of the

various counties as agents to collect any or all of the taxes imposed by this chapter, provided, however, that no additional compensation shall be paid to said treasurer by reason thereof.

[C35, §6943-f58; C39, §**6943.095;** C46, 50, 54, 58, 62, 66, §422.64; C71, 73, 75, 77, 79, 81, §422.71]

88 Acts, ch 1134, §80

Referred to in §99G.30A, 321.105A, 331.559, 423.42, 423A.6, 423B.6, 423C.4, 423D.4, 437A.17, 437B.13

**422.72 Information deemed confidential — informational exchange agreement — subpoenas.**

1. *a.* (1) It is unlawful for the director, or any person having an administrative duty under this chapter, or any present or former officer or other employee of the state authorized by the director to examine returns, to divulge in any manner whatever, the business affairs, operations, or information obtained by an investigation under this chapter of records and equipment of any person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures or any particular thereof, set forth or disclosed in any return, or to permit any return or copy of a return or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law.

(2) It is unlawful for any person to willfully inspect, except as authorized by the director, any return or return information.

(3) However, the director may authorize examination of such state returns and other state information which is confidential under this section, if a reciprocal arrangement exists, by tax officers of another state or the federal government.

*b.* The director may, by rules adopted pursuant to chapter 17A, authorize examination of state information and returns by other officers or employees of this state to the extent required by their official duties and responsibilities. Disclosure of state information to tax officers of another state is limited to disclosures which have a tax administrative purpose and only to officers of those states which by agreement with this state limit the disclosure of the information as strictly as the laws of this state protecting the confidentiality of returns and information. The director shall place upon the state tax form a notice to the taxpayer that state tax information may be disclosed to tax officials of another state or of the United States for tax administrative purposes.

*c.* The department shall not authorize the examination of tax information by officers and employees of this state, another state, or of the United States if the officers or employees would otherwise be required to obtain a judicial order to examine the information if it were to be obtained from another source, and if the purpose of the examination is other than for tax administration. However, the director may provide sample individual income tax information to be used for statistical purposes to the legislative services agency. The information shall not include the name or mailing address of the taxpayer or the taxpayer's social security number. Any information contained in an individual income tax return which is provided by the director shall only be used as a part of a database which contains similar information from a number of returns. The legislative services agency shall not have access to the income tax returns of individuals. Each request for individual income tax information shall contain a statement by the director of the legislative services agency that the individual income tax information received by the legislative services agency shall be used solely for statistical purposes. This subsection does not prevent the department from authorizing the examination of state returns and state information under the provisions of section 252B.9. This subsection prevails over any general law of this state relating to public records.

*d.* The director shall provide state tax returns and return information to the auditor of state, to the extent that the information is necessary to complete the annual audit of the department required by section 11.2. The state tax returns and return information provided by the director shall remain confidential and shall not be included in any public documents issued by the auditor of state.

2. Federal tax returns, copies of returns, and return information as defined in section 6103(b) of the Internal Revenue Code, which are required to be filed with the department for the enforcement of the income tax laws of this state, shall be held as confidential by the department and subject to the disclosure limitations in subsection 1.

3. *a.* Unless otherwise expressly permitted by section 8A.504, section 8G.4, section 11.41, section 96.11, subsection 6, section 421.17, subsections 22, 23, and 26, section 421.17, subsection 27, paragraph *"k"*, section 421.17, subsection 31, section 252B.9, section 321.40, subsection 6, sections 321.120, 421.19, 421.28, 422.20, and 452A.63, this section, or another provision of law, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

*b.* This prohibition precludes persons or entities other than the taxpayer, the department, or the internal revenue service from obtaining such information from the department, and a subpoena, order, or process which requires the department to produce such information to a person or entity, other than the taxpayer, the department, or internal revenue service for use in a nontax proceeding is void.

4. A person violating subsection 1, 2, 3, or 6 is guilty of a serious misdemeanor.

5. The director may disclose taxpayer identity information to the press and other media for purposes of notifying persons entitled to tax refunds when the director, after reasonable effort and lapse of time, has been unable to locate the persons.

6. *a.* The department may enter into a written informational exchange agreement for tax administration purposes with a city or county which is entitled to receive funds due to a local hotel and motel tax or a local sales and services tax. The written informational exchange agreement shall designate no more than two paid city or county employees that have access to actual return information relating to that city's or county's receipts from a local hotel and motel tax or a local sales and services tax.

*b.* City or county employees designated to have access to information under this subsection are deemed to be officers and employees of the state for purposes of the restrictions pursuant to subsection 1 pertaining to confidential information. The department may refuse to enter into a written informational exchange agreement if the city or county does not agree to pay the actual cost of providing the information and the department may refuse to abide by a written informational exchange agreement if the city or county does not promptly pay the actual cost of providing the information or take reasonable precautions to protect the information's confidentiality.

7. *a.* Notwithstanding subsection 3, the director shall provide state tax returns and return information in response to a subpoena issued by the court pursuant to rule of criminal procedure 2.5 commanding the appearance before the attorney general or an assistant attorney general if the subpoena is accompanied by affidavits from such person and from a sworn peace officer member of the department of public safety affirming that the information is necessary for the investigation of a felony violation of chapter 124 or chapter 706B.

*b.* The affidavits accompanying the subpoenas and the information provided by the director shall remain a confidential record which may be disseminated only to a prosecutor or peace officer involved in the investigation, or to the taxpayer who filed the information and to the court in connection with the filing of criminal charges or institution of a forfeiture action. A person who knowingly files a false affidavit with the director to secure information or who divulges information received under this subsection in a manner prohibited by this subsection commits a serious misdemeanor.

[C35, §6943-f59; C39, §**6943.096;** C46, 50, 54, 58, 62, 66, §422.65; C71, 73, 75, 77, 79, 81, §422.72]

83 Acts, ch 32, §1, 2; 87 Acts, ch 199, §9; 88 Acts, ch 1028, §34; 88 Acts, ch 1153, §3, 4; 90 Acts, ch 1232, §19; 91 Acts, ch 159, §20; 97 Acts, ch 158, §22, 23; 99 Acts, ch 151, §25, 89; 99 Acts, ch 152, §10, 40; 2003 Acts, ch 35, §45, 46, 49; 2003 Acts, ch 145, §257; 2008 Acts, ch 1113, §10, 11; 2010 Acts, ch 1146, §15, 26; 2010 Acts, ch 1193, §148, 149; 2011 Acts, ch 122, §52; 2013 Acts, ch 30, §91; 2013 Acts, ch 70, §8, 9

Referred to in §2A.3, 8A.504, 99G.30A, 257.22, 321.105A, 421.1, 421.17, 421.28, 422.20, 422D.3, 423.42, 423A.6, 423B.6, 423C.4, 423D.4, 424.12, 425.28

See Code editor's note on simple harmonization

Subsection 3, paragraph a amended

**422.73 Correction of errors — refunds, credits, and carrybacks.**

1. If it appears that an amount of tax, penalty, or interest has been paid which was not

due under division II, III or V of this chapter, then that amount shall be credited against any tax due on the books of the department by the person who made the excessive payment, or that amount shall be refunded to the person or with the person's approval, credited to tax to become due. A claim for refund or credit that has not been filed with the department within three years after the return upon which a refund or credit claimed became due, or within one year after the payment of the tax upon which a refund or credit is claimed was made, whichever time is the later, shall not be allowed by the director. If, as a result of a carryback of a net operating loss or a net capital loss, the amount of tax in a prior period is reduced and an overpayment results, the claim for refund or credit of the overpayment shall be filed with the department within the three years after the return for the taxable year of the net operating loss or net capital loss became due. Notwithstanding the period of limitation specified, the taxpayer shall have six months from the day of final disposition of any income tax matter between the taxpayer and the internal revenue service with respect to the particular tax year to claim an income tax refund or credit.

2. Notwithstanding subsection 1, a claim for refund or credit of the individual income tax paid which resulted from a reduction in a person's federal adjusted gross income due to section 1106 of the FAA Modernization and Reform Act of 2012, Pub. L. No. 112-95, shall be considered timely if the claim is filed with the department on or before June 30, 2013.

3. The department shall enter into an agreement with the internal revenue service for the transmission of federal income tax reports on individuals required to file an Iowa income tax return who have been involved in an income tax matter with the internal revenue service. After final disposition of the income tax matter between the taxpayer and the internal revenue service, the department shall determine whether the individual is due a state income tax refund as a result of final disposition of such income tax matter. If the individual is due a state income tax refund, the department shall notify the individual within thirty days and request the individual to file a claim for refund or credit with the department.

[C35, §6943-f60; C39, §**6943.097;** C46, 50, 54, 58, 62, 66, §422.66; C71, 73, 75, 77, 79, 81, §422.73; 81 Acts, ch 138, §1]

83 Acts, ch 154, §1, 2; 83 Acts, ch 155, §1, 2, 3; 84 Acts, ch 1155, §1; 85 Acts, ch 230, §11; 86 Acts, ch 1194, §3; 86 Acts, ch 1237, §26; 87 Acts, 2nd Ex, ch 1, §12; 89 Acts, ch 285, §8; 91 Acts, ch 221, §1, 2; 94 Acts, ch 1023, §51; 98 Acts, ch 1078, §9, 13; 99 Acts, ch 156, §4, 23; 2003 Acts, 1st Ex, ch 2, §185, 205; 2006 Acts, 1st Ex, ch 1001, §43, 49; 2007 Acts, ch 186, §18; 2011 Acts, ch 25, §143; 2012 Acts, ch 1110, §14; 2013 Acts, ch 1, §13 – 15

Referred to in §8A.504, 99G.30A, 257.22, 422.16, 422.91, 422D.3, 423.42, 423B.6, 423C.4, 428A.8

2013 amendment takes effect February 14, 2013, and applies retroactively to January 1, 2012, for refund or credit claims filed on or after that date; 2013 Acts, ch 1, §14, 15

NEW subsection 2 and former subsection 2 renumbered as 3

**422.74 Certification of refund.**

If a refund is authorized in any division of this chapter, the director shall certify the amount of the refund and the name of the payee and draw a warrant on the general fund of the state in the amount specified payable to the named payee, and the treasurer of state shall pay the warrant.

[C35, §6943-f61; C39, §**6943.098;** C46, 50, 54, 58, 62, 66, §422.67; C71, 73, 75, 77, 79, 81, §422.74]

91 Acts, ch 97, §47

Referred to in §99G.30A, 257.22, 321.105A, 422D.3, 423.42, 423A.6, 423B.6, 423C.4, 423D.4, 453B.14

**422.75 Statistics — publication.**

The department shall prepare and publish an annual report which shall include statistics reasonably available, with respect to the operation of this chapter, including amounts collected, classification of taxpayers, and such other facts as are deemed pertinent and valuable. The annual report shall also include the reports and information required pursuant to section 421.17, subsection 13, and section 421.60, subsection 2, paragraphs "*i*" and "*l*".

[C35, §6943-f62; C39, §**6943.099;** C46, 50, 54, 58, 62, 66, §422.68; C71, 73, 75, 77, 79, 81, §422.75]

98 Acts, ch 1119, §28; 2006 Acts, ch 1010, §102; 2007 Acts, ch 186, §19

Referred to in §99G.30A, 257.22, 321.105A, 422D.3, 423.42, 423A.6, 423B.6, 423C.4, 423D.4, 437A.17, 437B.13

**422.76 through 422.84** Reserved.

## DIVISION VII

## ESTIMATED TAXES BY CORPORATIONS AND FINANCIAL INSTITUTIONS

Referred to in §422.1

**422.85 Imposition of estimated tax.**

A taxpayer subject to the tax imposed by sections 422.33 and 422.60 shall make payments of estimated tax for the taxable year if the amount of tax payable, less credits, can reasonably be expected to be more than one thousand dollars for the taxable year. For purposes of this division, *"estimated tax"* means the amount which the taxpayer estimates to be the tax due and payable under division III or V of this chapter for the taxable year.

[C79, 81, §422.85]

89 Acts, ch 251, §26

Referred to in §422.86

**422.86 Payment of estimated tax.**

A taxpayer required to pay estimated tax under section 422.85 shall pay the estimated tax in accordance with the following schedule:

1. If it is first determined that the estimated tax will be greater than one thousand dollars on or before the last day of the fourth month of the taxable year, the estimated tax shall be paid in four equal installments. The first installment shall be paid not later than the last day of the fourth month of the taxable year. The second and third installments shall be paid not later than the last day of the sixth and ninth months of the taxable year, and the final installment shall be paid on or before the last day of the taxable year.

2. If it is first determined that the estimated tax will be greater than one thousand dollars after the last day of the fourth month but not later than the last day of the sixth month of the taxable year, the estimated tax shall be paid in three equal installments. The first installment shall be paid not later than the last day of the sixth month of the taxable year. The second installment shall be paid on or before the last day of the ninth month of the taxable year and the third installment shall be paid on or before the last day of the taxable year.

3. If it is first determined that the estimated tax will be greater than one thousand dollars after the last day of the sixth month but not later than the last day of the ninth month of the taxable year, the estimated tax shall be paid in two equal installments. The first installment shall be paid not later than the last day of the ninth month and the second installment shall be paid on or before the last day of the taxable year.

4. If it is first determined that the estimated tax will be greater than one thousand dollars after the last day of the ninth month of the taxable year, the estimated tax shall be paid in full on or before the last day of the taxable year.

5. If, after paying any installment of estimated tax, the taxpayer makes a new estimate, the remaining installments shall be ratably adjusted to reflect the increase or decrease in the estimated tax.

[C79, 81, §422.86]

89 Acts, ch 251, §27

**422.87** Repealed by 84 Acts, ch 1067, § 51.

**422.88 Failure to pay estimated tax.**

1. If the taxpayer submits an underpayment of the estimated tax, the taxpayer is subject to an underpayment penalty at the rate established under section 421.7 upon the amount of the underpayment for the period of the underpayment.

2. The amount of the underpayment shall be the excess of the amount of the installment which would be required to be paid if the estimated tax was equal to one hundred percent

of the tax shown on the return of the taxpayer for the taxable year over the amount of installments paid on or before the date prescribed for payment.

3. If the taxpayer did not file a return during the taxable year, the amount of the underpayment shall be equal to one hundred percent of the taxpayer's tax liability for the taxable year over the amount of installments paid on or before the date prescribed for payment.

4. The period of the underpayment shall run from the date the installment was required to be paid to the last day of the fourth month following the close of the taxable year or the date on which such portion is paid, whichever date first occurs.

5. A payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subsection 2 or 3 of this section for such installment date.

[C79, 81, §422.88; 82 Acts, ch 1180, §4, 9]

95 Acts, ch 83, §11, 36; 2009 Acts, ch 179, §135, 153

Referred to in §422.89

2009 amendments to subsections 2 and 3 apply retroactively to January 1, 2009, for tax years beginning on or after that date; 2009 Acts, ch 179, §153

**422.89 Exception to penalty.**

The penalty for underpayment of any installment of estimated tax imposed under section 422.88 shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax amount at least to one of the following:

1. The tax shown on the return of the taxpayer for the preceding taxable year, if a return showing a liability for tax was filed by the taxpayer for the preceding taxable year and such preceding year was a taxable year of twelve months.

2. An amount equal to the tax computed at the rates applicable to the taxable year but otherwise on the basis of the facts shown on the return of the taxpayer for, and the law applicable to, the preceding taxable year.

3. *a.* An amount equal to one hundred percent of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(1) For the first three months of the taxable year if an installment is required to be paid in the fourth month;

(2) For the first three months or for the first five months of the taxable year if an installment is required to be paid in the sixth month;

(3) For the first six months or for the first eight months of the taxable year if an installment is required to be paid in the ninth month; and

(4) For the first nine months or for the first eleven months of the taxable year if an installment is required to be paid in the twelfth month of the taxable year.

*b.* The taxable income shall be placed on an annualized basis by multiplying the taxable income as determined under this subsection by twelve and dividing the resulting amount by the number of months in the taxable year (three, five, six, eight, nine, or eleven months, as the case may be) referred to in this subsection.

[C79, 81, §422.89]

95 Acts, ch 83, §12, 36; 2011 Acts, ch 25, §143; 2012 Acts, ch 1110, §15, 17

2012 amendment to subsection 3, paragraph a, unnumbered paragraph 1, applies retroactively to tax years beginning on or after January 1, 2012; 2012 Acts, ch 1110, §17

**422.90** Repealed by 99 Acts, ch 151, § 85, 89.

**422.91 Credit for estimated tax.**

Any amount of estimated tax paid is a credit against the amount of tax due on a final, completed return, and any overpayment of five dollars or more shall be refunded to the taxpayer with interest, the interest to begin to accrue on the first day of the second calendar month following the date of payment or the date the return was due to be filed or was filed, whichever is the latest, at the rate established under section 421.7, and the return constitutes a claim for refund for this purpose. Amounts less than five dollars shall be refunded to the

taxpayer only upon written application in accordance with section 422.73, and only if the application is filed within twelve months after the due date for the return.

In lieu of claiming a refund, the taxpayer may elect to have the overpayment shown on its final, completed return for the taxable year credited to the tax liability for the following taxable year.

[C79, 81, §422.91; 81 Acts, ch 133, §3, 4; 82 Acts, ch 1180, §5, 9]
89 Acts, ch 251, §28

**422.92 Rules for short taxable year.**

A taxpayer having a taxable year of less than twelve months shall pay estimated tax under rules adopted by the director.

[C79, 81, §422.92]
89 Acts, ch 251, §29

**422.93 Public utility accounting method.**

Nothing in this chapter shall be construed to require the utilities board of the department of commerce to allow or require the use of any particular method of accounting by any public utility to compute its tax expense, depreciation expense, or operating expense for purposes of establishing its cost of service for rate-making purposes and for reflecting operating results in its regulated books of account.

[82 Acts, ch 1023, §17]

**422.94 through 422.99** Reserved.

## DIVISION VIII

## ALLOCATION OF REVENUES

Referred to in §422.1, 422.2

**422.100 Allocation to the child care credit fund.** Repealed by 2009 Acts, ch 182, § 138.

**422.101 through 422.104** Repealed by 2002 Acts, ch 1150, §22.

**422.105 through 422.109** Reserved.

## DIVISION IX

## FUEL TAX CREDIT

Referred to in §422.1, 452A.17

**422.110 Income tax credit in lieu of refund.**

In lieu of the fuel tax refund provided in section 452A.17, a person or corporation subject to taxation under division II or III of this chapter may elect to receive an income tax credit. The person or corporation which elects to receive an income tax credit shall cancel its refund permit obtained under section 452A.18 within thirty days after the first day of its tax year or the permit becomes invalid at that time. For the purposes of this section, "*person*" includes a person claiming a tax credit based upon the person's pro rata share of the earnings from a partnership, limited liability company, or corporation which is not subject to a tax under division II or III of this chapter as a partnership, limited liability company, or corporation. If the election to receive an income tax credit has been made, it remains effective for at least one tax year, and for subsequent tax years unless a change is requested and a new refund permit applied for within thirty days after the first day of the person's or corporation's tax year. The income tax credit shall be the amount of the Iowa fuel tax paid on fuel purchased by the person or corporation and is subject to the conditions provided in section 452A.17 with the exception that the income tax credit is not available for refunds relating to casualty losses,

transport diversions, pumping credits, blending errors, idle time, power takeoffs, reefer units, and exports by distributors.

The right to a credit under this section is not assignable and the credit may be claimed only by the person or corporation that purchased the fuel.

[C75, 77, §422.86; C79, 81, §422.110; 82 Acts, ch 1176, §2]

86 Acts, ch 1141, §19; 86 Acts, ch 1241, §29; 88 Acts, ch 1205, §22, 23; 95 Acts, ch 155, §6, 7, 44; 99 Acts, ch 151, §26, 89; 2001 Acts, ch 116, §11

Referred to in §2.48

**422.111 Fuel tax credit as income tax credit.**

The fuel tax credit may be applied against the income tax liability of the person or corporation as determined on the tax return filed for the year in which the fuel tax was paid. The department shall provide forms for claiming the fuel tax credit. If the fuel tax credit would result in an overpayment of income tax, the person or corporation may apply for a refund of the amount of overpayment or may have the overpayment credited to income tax due in subsequent years. Each person or corporation that claims a fuel tax credit shall maintain the original invoices showing the purchase of the fuel on which a credit is claimed. An invoice is not acceptable in support of a claim for credit unless the invoice is a separate serially numbered invoice covering no more than one purchase of motor fuel or undyed special fuel, prepared by the seller on a form approved by the department, or unless the invoice is legibly written with no corrections or erasures and shows the date of sale, the name and address of the seller and of the purchaser, the kind of fuel, the gallonage in figures, the per gallon price of the fuel, the total purchase price including the Iowa fuel tax, and that the total purchase price has been paid. However, as to refund invoices made on a billing machine, the department may waive these requirements. If an original invoice is lost or destroyed, the department may approve a credit supported by a copy identified and certified by the seller as being a true copy of the original. Each person or corporation that claims a fuel tax credit shall maintain complete records of purchases of motor fuel or undyed special fuel on which Iowa fuel tax was paid, and for which a fuel tax credit is claimed.

In order to verify the validity of a claim for credit the department shall have the right to require the claimant to furnish such additional proof of validity as the department may determine and to examine the books and records of the claimant. Failure of the claimant to furnish the books and records for examination shall constitute a waiver of rights to claim a credit related to that taxpayer's year and the department may disallow the entire credit claimed by the taxpayer for that year.

[C75, 77, §422.87; C79, 81, §422.111]

88 Acts, ch 1205, §24; 99 Acts, ch 151, §27, 28, 89

**422.112 Aircraft fuel tax transfer.**

The department shall certify quarterly to the treasurer of state the amount of credit that has been taken against income tax liability since the time of the last certification, for the Iowa fuel tax paid on motor fuel, special fuel and motor fuel used for the purpose of operating aircraft, and the treasurer of state shall transfer the amount of the total credit from the motor fuel tax fund, or in the case of aircraft motor fuel, from the separate fund established by section 452A.82, to the general fund of the state.

[C75, 77, §422.88; C79, 81, §422.112]

**422.113 through 422.119** Reserved.

## DIVISION X

## LIVESTOCK PRODUCTION TAX CREDIT

**422.120 through 422.122** Repealed by 2009 Acts, ch 179, § 152, 153.

Repeal takes effect May 26, 2009, and applies retroactively to November 1, 2008, for refund claims filed on or after that date; 2009 Acts, ch 179, §153

# CHAPTER 422A

## HOTEL AND MOTEL TAX

Transferred to chapter 423A; 2003 Acts, 1st Ex, ch 2, §203, 205

# CHAPTER 422B

## LOCAL OPTION TAXES

Transferred to chapter 423B; 2003 Acts, 1st Ex, ch 2, §203, 205

# CHAPTER 422C

## AUTOMOBILE RENTAL EXCISE TAX

Transferred to chapter 423C; 2003 Acts, 1st Ex, ch 2, §203, 205

# CHAPTER 422D

## OPTIONAL TAXES FOR EMERGENCY MEDICAL SERVICES

Referred to in §298.14

422D.1 Authorization — election — imposition and repeal — use of revenues.
422D.2 Local income surtax.
422D.3 Administration.
422D.4 Payment to local government — use of receipts.
422D.5 Property tax levy.
422D.6 Emergency medical services trust fund.

**422D.1 Authorization — election — imposition and repeal — use of revenues.**

1. *a.* A county board of supervisors may offer for voter approval any of the following taxes or a combination of the following taxes:

(1) Local option income surtax.

(2) An ad valorem property tax.

*b.* Revenues generated from these taxes shall be used for emergency medical services as provided in section 422D.6.

2. *a.* The taxes for emergency medical services shall only be imposed after an election at which a majority of those voting on the question of imposing the tax or combination of taxes specified in subsection 1, paragraph "*a*", subparagraph (1) or (2), vote in favor of the question. However, the tax or combination of taxes specified in subsection 1 shall not be imposed on property within or on residents of a benefited emergency medical services district under chapter 357F. The question of imposing the tax or combination of the taxes may be submitted at the regular city election, a special election, or the general election. Notice of the question shall be provided by publication at least sixty days before the time of the election and shall identify the tax or combination of taxes and the rate or rates, as applicable. If a majority of those voting on the question approve the imposition of the tax or combination of taxes, the tax or combination of taxes shall be imposed as follows:

(1) A local option income surtax shall be imposed for tax years beginning on or after January 1 of the fiscal year in which the favorable election was held.

(2) An ad valorem property tax shall be imposed for the fiscal year in which the election was held.

*b.* Before a county imposes an income surtax as specified in subsection 1, paragraph "*a*", subparagraph (1), a benefited emergency medical services district in the county shall

be dissolved, and the county shall be liable for the outstanding obligations of the benefited district. If the benefited district extends into more than one county, the county imposing the income surtax shall be liable for only that portion of the obligations relating to the portion of the benefited district in the county.

3. Revenues received by the county from the taxes imposed under this chapter shall be deposited into the emergency medical services trust fund created pursuant to section 422D.6 and shall be used as provided in that section.

4. Any tax or combination of taxes imposed shall be for a maximum period of five years.

92 Acts, ch 1226, §17; 2011 Acts, ch 25, §83; 2013 Acts, ch 30, §92

Referred to in §422D.2, 422D.3, 422D.5

Subsection 2, paragraph a, unnumbered paragraph 1 amended

**422D.2 Local income surtax.**

A county may impose by ordinance a local income surtax as provided in section 422D.1 at the rate set by the board of supervisors, of up to one percent, on the state individual income tax of each individual residing in the county at the end of the individual's applicable tax year. However, the cumulative total of the percents of income surtax imposed on any taxpayer in the county shall not exceed twenty percent. The reason for imposing the surtax and the amount needed shall be set out in the ordinance. The surtax rate shall be set to raise only the amount needed. For purposes of this section, *"state individual income tax"* means the tax computed under section 422.5, less the amounts of nonrefundable credits allowed under chapter 422, division II, except for the Iowa taxpayers trust fund tax credit allowed under section 422.11E.

92 Acts, ch 1226, §18; 97 Acts, ch 23, §46; 2006 Acts, ch 1158, §39; 2013 Acts, ch 123, §44 – 46

See also §298.14

2013 amendment takes effect June 12, 2013, and applies retroactively to January 1, 2013, for tax years beginning on or after that date; 2013 Acts, ch 123, §45, 46

Section amended

**422D.3 Administration.**

A local income surtax shall be imposed January 1 of the fiscal year in which the favorable election was held for tax years beginning on or after January 1, and is repealed as provided in section 422D.1, subsection 4, as of December 31 for tax years beginning after December 31.

The director of revenue shall administer the local income surtax as nearly as possible in conjunction with the administration of state income tax laws. The director shall provide on the regular state tax forms for reporting local income surtax.

An ordinance imposing a local income surtax shall adopt by reference the applicable provisions of the appropriate sections of chapter 422, division II. All powers and requirements of the director in administering the state income tax law apply to the administration of a local income surtax, including but not limited to, the provisions of sections 422.4, 422.20 to 422.31, 422.68, 422.70, and 422.72 to 422.75. Local officials shall confer with the director of revenue for assistance in drafting the ordinance imposing a local income surtax. A certified copy of the ordinance shall be filed with the director as soon as possible after passage.

The director, in consultation with local officials, shall collect and account for a local income surtax and any interest and penalties. The director shall credit local income surtax receipts and any interest and penalties collected from returns filed on or before November 1 of the calendar year following the tax year for which the local income surtax is imposed to a "local income surtax fund" established in the department of revenue. All local income surtax receipts and any interest and penalties received or refunded from returns filed after November 1 of the calendar year following the tax year for which the local income surtax is imposed shall be deposited in or withdrawn from the state general fund and shall be considered part of the cost of administering the local income surtax.

92 Acts, ch 1226, §19; 99 Acts, ch 151, §35, 89; 2003 Acts, ch 145, §286

**422D.4 Payment to local government — use of receipts.**

1. On or before December 15, the director of revenue shall make an accounting of the local income surtax receipts and any interest and penalties collected from returns filed on

or before November 1 and shall certify to the treasurer of state this amount collected. The treasurer of state shall remit within fifteen days of the certification by the director to each county which has imposed a local income surtax the amount in the local income surtax fund collected as a result of its surtax.

2. Local income surtax moneys received by a county shall be deposited and used as provided in section 422D.6.

92 Acts, ch 1226, §20; 2003 Acts, ch 145, §286

**422D.5 Property tax levy.**

A county may levy an emergency medical services tax at the rate set by the board of supervisors and approved at the election as provided in section 422D.1, on all taxable property in the county for fiscal years beginning with the fiscal year in which the favorable election was held. The reason for imposing the tax and the amount needed shall be set out on the ballot. The rate shall be set so as to raise only the amount needed. The levy is repealed for subsequent fiscal years as provided in section 422D.1, subsection 4.

92 Acts, ch 1226, §21

**422D.6 Emergency medical services trust fund.**

1. A county authorized to impose a tax under this chapter shall establish an emergency medical services trust fund into which revenues received from the taxes imposed shall be deposited. Moneys in the trust fund shall be used for emergency medical services. In addition, moneys in the fund may be used for the purpose of matching federal or state funds for education and training related to emergency medical services.

2. A county may enter into chapter 28E agreements with other counties in order to ensure adequate coverage of the county's service area.

3. Costs which are eligible for emergency medical services trust fund expenditures include, but are not limited to:

*a.* Defibrillators.

*b.* Nondisposable essential ambulance equipment, as defined by rule by the Iowa department of public health.

*c.* Communications pagers, radios, and base repeaters.

*d.* Training in the use of emergency medical services equipment.

*e.* Vehicles including, but not limited to, ambulances, fire apparatus, boats, rescue/first response vehicles, and snowmobiles.

*f.* Automotive parts.

*g.* Buildings.

*h.* Land.

92 Acts, ch 1226, §22

Referred to in §135.25, 422D.1, 422D.4

# CHAPTER 422E

## SCHOOL INFRASTRUCTURE FUNDING

Transferred to chapter 423E; 2003 Acts, 1st Ex, ch 2, §203, 205

# CHAPTER 423

## STREAMLINED SALES AND USE TAX ACT

Referred to in §15.331A, 15.331C, 15J.4, 34A.7B, 262.54, 321.24, 321.105A, 321F.9, 422.1, 423B.6, 423C.4, 423D.2, 423D.4, 453A.26, 476B.2, 476B.6, 476B.7, 476B.8, 476C.4, 476C.6, 728.1

Former ch 423 repealed and new provisions
governing sales and use tax enacted effective July 1, 2004;
see 2003 Acts, 1st Ex, ch 2, §94 – 151, 205
Sales and use tax industrial processing exemption study; annual reports through
January 1, 2016; 2005 Acts, ch 77, §1, 2; 2012 Acts, ch 1110, §28

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## SUBCHAPTER I

## DEFINITIONS

**423.1 Definitions.**

As used in this chapter the following words, terms, and phrases have the meanings ascribed to them by this section, except where the context clearly indicates that a different meaning is intended:

1. *"Advertising and promotional direct mail"* means direct mail the primary purpose of which is to attract public attention to a product, person, business, or organization or in an attempt to sell, popularize, or secure financial support for a product, person, business, or organization. For purposes of this subsection, *"product"* may include tangible personal property, a service, or an item transferred electronically.

2. *"Affiliate"* means any entity to which any of the following applies:

*a.* Directly, indirectly, or constructively controls another entity.

*b.* Is directly, indirectly, or constructively controlled by another entity.

*c.* Is subject to the control of a common entity. A common entity is one which owns directly or individually more than ten percent of the voting securities of the entity.

3. *"Agent"* means a person appointed by a seller to represent the seller before the member states.

4. *"Agreement"* means the streamlined sales and use tax agreement authorized by subchapter IV of this chapter to provide a mechanism for establishing and maintaining a cooperative, simplified system for the application and administration of sales and use taxes.

5. *"Agricultural production"* includes the production of flowering, ornamental, or vegetable plants in commercial greenhouses or otherwise, and production from aquaculture, and production from silvicultural activities. *"Agricultural products"* includes flowering, ornamental, or vegetable plants and those products of aquaculture and silviculture.

6. *"Business"* includes any activity engaged in by any person or caused to be engaged in by the person with the object of gain, benefit, or advantage, either direct or indirect.

7. *"Certificate of title"* means a certificate of title issued for a vehicle or for manufactured housing under chapter 321.

8. *"Certified automated system"* means software certified under the agreement to calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit to the appropriate state, and maintain a record of the transaction.

9. *"Certified service provider"* means an agent certified under the agreement to perform all of a seller's sales or use tax functions, other than the seller's obligation to remit tax on its own purchases.

10. *"Computer"* means an electronic device that accepts information in digital or similar form and manipulates the information for a result based on a sequence of instructions.

11. *"Computer software"* means a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task.

12. *"Delivered electronically"* means delivered to the purchaser by means other than tangible storage media.

13. *"Delivery charges"* means charges assessed by a seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services including but not limited to transportation, shipping, postage, handling, crating, and packing charges.

14. *"Department"* means the department of revenue.

15. *a.* *"Direct mail"* means printed material delivered or distributed by United States mail or other delivery service to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items is not billed directly to the recipients. *"Direct mail"* includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material.

*b.* *"Direct mail"* does not include:

(1) Multiple items of printed material delivered to a single address.

(2) The development of billing information or the provision of a data processing service that is more than incidental.

16. *"Director"* means the director of revenue.

17. *"Electronic"* means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

18. *"Farm deer"* means the same as defined in section 170.1.

19. *"Farm machinery and equipment"* means machinery and equipment used in agricultural production.

20. *"First use of a service"*. A *"first use of a service"* occurs, for the purposes of this chapter, at the location at which the service is received. For purposes of this subsection, the location at which the service is received is the location at which the purchaser or the purchaser's donee can first make use of the result of the service. For purposes of this subsection, the location at which the seller performs the service is not determinative of the location at which the service is received.

21. *"Goods, wares, or merchandise"* means the same as tangible personal property.

22. *"Governing board"* means the group comprised of representatives of the member states of the agreement which is created by the agreement to be responsible for the agreement's administration and operation.

23. *"Installed purchase price"* is the amount charged, valued in money whether paid in money or otherwise, by a building contractor to convert manufactured housing from tangible personal property into realty. *"Installed purchase price"* includes but is not limited to amounts charged for installing a foundation and electrical and plumbing hookups. *"Installed purchase price"* excludes any amount charged for landscaping in connection with the conversion.

24. *"Lease or rental"*.

*a.* *"Lease or rental"* means any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration. A *"lease or rental"* may include future options to purchase or extend.

*b.* *"Lease or rental"* includes agreements covering motor vehicles and trailers when the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(1).

*c.* *"Lease or rental"* does not include any of the following:

(1) A transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments.

(2) A transfer of possession or control of property under an agreement that requires the transfer of title upon completion of required payments, and payment of any option price does not exceed the greater of one hundred dollars or one percent of the total required payments.

(3) Providing tangible personal property along with an operator for a fixed or indeterminate period of time. A condition of this exclusion is that the operator is necessary for the equipment to perform as designed. For the purpose of this subparagraph, an operator must do more than maintain, inspect, or set up the tangible personal property.

*d.* This definition shall be used for sales and use tax purposes regardless of whether a transaction is characterized as a lease or rental under generally accepted accounting

principles; the Internal Revenue Code; the uniform commercial code, chapter 554; or other provisions of federal, state, or local law.

25. *"Livestock"* includes but is not limited to an animal classified as an ostrich, rhea, emu, bison, or farm deer.

26. *"Manufactured housing"* means *"manufactured home"* as defined in section 321.1.

27. *"Member state"* is any state which has signed the agreement.

28. *"Mobile home"* means *"manufactured or mobile home"* as defined in section 321.1.

29. *"Model 1 seller"* is a seller registered under the agreement that has selected a certified service provider as its agent to perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on its own purchases.

30. *"Model 2 seller"* is a seller registered under the agreement that has selected a certified automated system to perform part of its sales and use tax functions, but retains responsibility for remitting the tax.

31. *"Model 3 seller"* is a seller registered under the agreement that has sales in at least five member states, has total annual sales revenue of at least five hundred million dollars, has a proprietary system that calculates the amount of tax due each jurisdiction, and has entered into a performance agreement with the member states that establishes a tax performance standard for the seller. As used in this definition, a *"seller"* includes an affiliated group of sellers using the same proprietary system.

32. *"Model 4 seller"* is a seller registered under the agreement that is not a model 1, model 2, or model 3 seller.

33. *"Nonresidential commercial operations"* means industrial, commercial, mining, or agricultural operations, whether for profit or not, but does not include apartment complexes, manufactured home communities, or mobile home parks.

34. *"Not registered under the agreement"* means lack of registration by a seller with the member states under the central registration system referenced in section 423.11, subsection 4.

35. *"Other direct mail"* means all direct mail that is not advertising and promotional direct mail even if advertising and promotional direct mail is included in the same mailing. For purposes of this subsection, other direct mail includes but is not limited to:

*a.* Transactional direct mail that contains personal information specific to the addressee including but not limited to invoices, bills, statements of account, and payroll advices.

*b.* A legally required mailing including but not limited to privacy notices, tax reports, and stockholder reports.

*c.* Other nonpromotional direct mail delivered to existing or former shareholders, customers, employees, or agents including but not limited to newsletters and pieces of informational literature.

36. *"Person"* means an individual, trust, estate, fiduciary, partnership, limited liability company, limited liability partnership, corporation, or any other legal entity.

37. *"Place of business"* means any warehouse, store, place, office, building, or structure where goods, wares, or merchandise are offered for sale at retail or where any taxable amusement is conducted, or each office where gas, water, heat, communication, or electric services are offered for sale at retail. When a retailer or amusement operator sells merchandise by means of vending machines or operates music or amusement devices by coin-operated machines at more than one location within the state, the office, building, or place where the books, papers, and records of the taxpayer are kept shall be deemed to be the taxpayer's place of business.

38. *"Prewritten computer software"* includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than the purchaser. The combining of two or more prewritten computer software programs or prewritten portions of prewritten programs does not cause the combination to be other than prewritten computer software. *"Prewritten computer software"* also means computer software, including prewritten upgrades, which is not designed and developed by the author or other creator to the specifications of a specific purchaser. When a person modifies or enhances computer software of which the person is not the author or creator, the person shall be deemed to be the author or creator only of such person's

modifications or enhancements. Prewritten computer software or a prewritten portion of the prewritten software that is modified or enhanced to any degree, when such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains prewritten computer software. However, when there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for such modification or enhancement, such modification or enhancement shall not constitute prewritten computer software.

39. *"Property purchased for resale in connection with the performance of a service"* means property which is purchased for resale in connection with the rendition, furnishing, or performance of a service by a person who renders, furnishes, or performs the service if all of the following occur:

*a.* The provider and user of the service intend that a sale of the property will occur.

*b.* The property is transferred to the user of the service in connection with the performance of the service in a form or quantity capable of a fixed or definite price value.

*c.* The sale is evidenced by a separate charge for the identifiable piece of property.

40. *"Purchase"* means any transfer, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, for a consideration.

41. *"Purchase price"* means the same as *"sales price"* as defined in this section.

42. *"Purchaser"* is a person to whom a sale of personal property is made or to whom a service is furnished.

43. *"Receive"* and *"receipt"* mean any of the following:

*a.* Taking possession of tangible personal property.

*b.* Making first use of a service.

*c.* Taking possession or making first use of digital goods, whichever comes first.

*"Receive"* and *"receipt"* do not include possession by a shipping company on behalf of a purchaser.

44. *"Registered under the agreement"* means registration by a seller under the central registration system referenced in section 423.11, subsection 4.

45. *"Relief agency"* means the state, any county, city and county, city, or district thereof, or any agency engaged in actual relief work.

46. *"Retail sale"* or *"sale at retail"* means any sale, lease, or rental for any purpose other than resale, sublease, or subrent.

47. *"Retailer"* means and includes every person engaged in the business of selling tangible personal property or taxable services at retail, or the furnishing of gas, electricity, water, or communication service, and tickets or admissions to places of amusement and athletic events or operating amusement devices or other forms of commercial amusement from which revenues are derived. However, when in the opinion of the director it is necessary for the efficient administration of this chapter to regard any salespersons, representatives, truckers, peddlers, or canvassers as agents of the dealers, distributors, supervisors, employers, or persons under whom they operate or from whom they obtain tangible personal property sold by them irrespective of whether or not they are making sales on their own behalf or on behalf of such dealers, distributors, supervisors, employers, or persons, the director may so regard them, and may regard such dealers, distributors, supervisors, employers, or persons as retailers for the purposes of this chapter. *"Retailer"* includes a seller obligated to collect sales or use tax.

48. *a.* *"Retailer maintaining a place of business in this state"* or any like term includes any retailer having or maintaining within this state, directly or by a subsidiary, an office, distribution house, sales house, warehouse, or other place of business, or any representative operating within this state under the authority of the retailer or its subsidiary, irrespective of whether that place of business or representative is located here permanently or temporarily, or whether the retailer or subsidiary is admitted to do business within this state pursuant to chapter 490.

*b.* (1) A retailer shall be presumed to be maintaining a place of business in this state, as defined in paragraph *"a"*, if any person that has substantial nexus in this state, other than a person acting in its capacity as a common carrier, does any of the following:

(a) Sells a similar line of products as the retailer and does so under the same or similar business name.

(b) Maintains an office, distribution facility, warehouse, storage place, or similar place of business in this state to facilitate the delivery of property or services sold by the retailer to the retailer's customers.

(c) Uses trademarks, service marks, or trade names in this state that are the same or substantially similar to those used by the retailer.

(d) Delivers, installs, assembles, or performs maintenance services for the retailer's customers.

(e) Facilitates the retailer's delivery of property to customers in this state by allowing the retailer's customers to take delivery of property sold by the retailer at an office, distribution facility, warehouse, storage place, or similar place of business maintained by the person in this state.

(f) Conducts any other activities in this state that are significantly associated with the retailer's ability to establish and maintain a market in this state for the retailer's sales.

(2) The presumption established in this paragraph may be rebutted by a showing of proof that the person's activities in this state are not significantly associated with the retailer's ability to establish or maintain a market in this state for the retailer's sales.

49. *"Retailers who are not model sellers"* means all retailers other than model 1, model 2, or model 3 sellers.

50. *"Sales"* or *"sale"* means any transfer, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, for consideration.

51. *"Sales price"* applies to the measure subject to sales tax.

*a.* *"Sales price"* means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for any of the following:

(1) The seller's cost of the property sold.

(2) The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller except as provided in paragraph *"b"*, subparagraphs (5) and (6), and any other expenses of the seller.

(3) Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges.

(4) Delivery charges.

(5) Installation charges.

(6) Credit for any trade-in authorized by section 423.3, subsection 59.

*b.* *"Sales price"* does not include:

(1) Discounts, including cash, term, or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale.

(2) Interest, financing, and carrying charges from credit extended on the sale of personal property or services, if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser.

(3) Any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser.

(4) Trade discounts given or allowed by manufacturers, distributors, or wholesalers to retailers or by manufacturers or distributors to wholesalers and payments made by manufacturers, distributors, or wholesalers directly to retailers or by manufacturers or distributors to wholesalers to reduce the sales price of the manufacturer's, distributor's, or wholesaler's product or to promote the sale or recognition of the manufacturer's, distributor's, or wholesaler's product. This subparagraph does not apply to coupons issued by manufacturers, distributors, or wholesalers to consumers.

(5) Any state or local tax on a retail sale that is imposed on the seller if the statute, rule, or local ordinance imposing the tax provides that the seller may, but is not required to, collect such tax from the consumer, and if the tax is separately stated on the invoice, bill of sale, or similar document given to the purchaser.

(6) Any tribal tax on a retail sale that is imposed on the seller if the tribal law imposing

the tax provides that the seller may but is not required to collect such tax from the consumer, and if the tax is separately stated on the invoice, bill of sale, or similar document given to the purchaser.

*c.* The sales price does not include and the sales tax shall not apply to amounts received for charges included in paragraph "*a*", subparagraphs (3) through (6), if they are separately contracted for, separately stated on the invoice, billing, or similar document given to the purchaser, and the amounts represent charges which are not the sales price of a taxable sale or of the furnishing of a taxable service.

*d.* For purposes of this definition, the sales price from a rental or lease includes rent, royalties, and copyright and license fees.

52. "*Sales tax*" means the tax levied under subchapter II of this chapter.

53. "*Seller*" means any person making sales, leases, or rentals of personal property or services.

54. "*Services*" means all acts or services rendered, furnished, or performed, other than services used in processing of tangible personal property for use in retail sales or services, for an employer who pays the wages of an employee for a valuable consideration by any person engaged in any business or occupation specifically enumerated in section 423.2. The tax shall be due and collectible when first use of the service is received by the ultimate user of the service.

55. "*Services used in the processing of tangible personal property*" includes the reconditioning or repairing of tangible personal property of the type normally sold in the regular course of the retailer's business and which is held for sale.

56. "*State*" means any state of the United States, the District of Columbia, and Puerto Rico.

57. "*State agency*" means an authority, board, commission, department, instrumentality, or other administrative office or unit of this state, or any other state entity reported in the Iowa comprehensive annual financial report, including public institutions of higher education.

58. "*System*" means the central electronic registration system maintained by Iowa and other states which are signatories to the agreement.

59. "*Tangible personal property*" means personal property that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses. "*Tangible personal property*" includes electricity, water, gas, steam, and prewritten computer software.

60. "*Taxpayer*" includes any person who is subject to a tax imposed by this chapter, whether acting on the person's own behalf or as a fiduciary.

61. "*Trailer*" shall mean every trailer, as is now or may be hereafter so defined by chapter 321, which is required to be registered or is subject only to the issuance of a certificate of title under chapter 321.

62. "*Use*" means and includes the exercise by any person of any right or power over tangible personal property incident to the ownership of that property. A retailer's or building contractor's sale of manufactured housing for use in this state, whether in the form of tangible personal property or of realty, is a use of that property for the purposes of this chapter.

63. "*Use tax*" means the tax levied under subchapter III of this chapter for which the retailer collects and remits tax to the department.

64. "*User*" means the immediate recipient of the services who is entitled to exercise a right of power over the product of such services.

65. "*Value of services*" means the price to the user exclusive of any direct tax imposed by the federal government or by this chapter.

66. "*Vehicles subject to registration*" means any vehicle subject to registration pursuant to section 321.18.

67. "*Voting security*" means a security to which any of the following applies:

*a.* Confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the entity.

*b.* Is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote.

*c.* Is a general partnership interest.

2003 Acts, 1st Ex, ch 2, §94, 205; 2004 Acts, ch 1073, § 22, 23; 2005 Acts, ch 140, §3, 4, 42; 2006 Acts, ch 1030, §39; 2007 Acts, ch 179, §1; 2010 Acts, ch 1145, §2 – 7, 17; 2011 Acts, ch 25, §84; 2011 Acts, ch 92, §1 – 4; 2012 Acts, ch 1066, §1, 2; 2012 Acts, ch 1121, §12, 14; 2013 Acts, ch 70, §10; 2013 Acts, ch 122, §1; 2013 Acts, ch 140, §125

Referred to in §15.106, 15J.2, 321.105A, 418.1, 422.7, 423.2, 423.3, 423.5, 423.45, 423A.2, 423B.6, 423B.10, 423C.2, 423D.1

Subsection 5 amended

Subsection 39, paragraphs b and c amended

Subsection 48 amended

## SUBCHAPTER II

## SALES TAX

Referred to in §423.1, 423.19, 423.22, 423.24, 423.25, 423.36, 423.40, 423.42, 423B.5, 423C.3, 423F.1, 423F.2

**423.2 Tax imposed.**

1. There is imposed a tax of six percent upon the sales price of all sales of tangible personal property, consisting of goods, wares, or merchandise, sold at retail in the state to consumers or users except as otherwise provided in this subchapter.

*a.* For the purposes of this subchapter, sales of the following services are treated as if they were sales of tangible personal property:

(1) Sales of engraving, photography, retouching, printing, and binding services.

(2) Sales of vulcanizing, recapping, and retreading services.

(3) Sales of prepaid calling services and prepaid wireless calling services.

(4) Sales of optional service or warranty contracts, except residential service contracts regulated under chapter 523C, which provide for the furnishing of labor and materials and require the furnishing of any taxable service enumerated under this section. The sales price is subject to tax even if some of the services furnished are not enumerated under this section. Additional sales, services, or use taxes shall not be levied on services, parts, or labor provided under optional service or warranty contracts which are subject to tax under this subsection.

(5) Sales of optional service or warranty contracts for computer software maintenance or support services.

(a) If a service or warranty contract does not specify a fee amount for nontaxable services or taxable personal property, the tax imposed pursuant to this section shall be imposed upon an amount equal to one-half of the sales price of the contract.

(b) If a service or warranty contract provides only for technical support services, no tax shall be imposed pursuant to this section.

(6) Subparagraphs (4) and (5) shall also apply to the use tax imposed under section 423.5.

*b.* Sales of building materials, supplies, and equipment to owners, contractors, subcontractors, or builders for the erection of buildings or the alteration, repair, or improvement of real property are retail sales of tangible personal property in whatever quantity sold. Where the owner, contractor, subcontractor, or builder is also a retailer holding a retail sales tax permit and transacting retail sales of building materials, supplies, and equipment, the person shall purchase such items of tangible personal property without liability for the tax if such property will be subject to the tax at the time of resale or at the time it is withdrawn from inventory for construction purposes. The sales tax shall be due in the reporting period when the materials, supplies, and equipment are withdrawn from inventory for construction purposes or when sold at retail. The tax shall not be due when materials are withdrawn from inventory for use in construction outside of Iowa and the tax shall not apply to tangible personal property purchased and consumed by the manufacturer as building materials in the performance by the manufacturer or its subcontractor of construction outside of Iowa. The sale of carpeting is not a sale of building materials. The sale of carpeting to owners, contractors, subcontractors, or builders shall be treated as the sale of ordinary tangible personal property and subject to the tax imposed under this subsection and the use tax.

*c.* The use within this state of tangible personal property by the manufacturer thereof, as building materials, supplies, or equipment, in the performance of construction contracts in

Iowa, shall, for the purpose of this subchapter, be construed as a sale at retail of tangible personal property by the manufacturer who shall be deemed to be the consumer of such tangible personal property. The tax shall be computed upon the cost to the manufacturer of the fabrication or production of the tangible personal property.

2. A tax of six percent is imposed upon the sales price of the sale or furnishing of gas, electricity, water, heat, pay television service, and communication service, including the sales price from such sales by any municipal corporation or joint water utility furnishing gas, electricity, water, heat, pay television service, and communication service to the public in its proprietary capacity, except as otherwise provided in this subchapter, when sold at retail in the state to consumers or users.

3. A tax of six percent is imposed upon the sales price of all sales of tickets or admissions to places of amusement, fairs, and athletic events except those of elementary and secondary educational institutions. A tax of six percent is imposed on the sales price of an entry fee or like charge imposed solely for the privilege of participating in an activity at a place of amusement, fair, or athletic event unless the sales price of tickets or admissions charges for observing the same activity are taxable under this subchapter. A tax of six percent is imposed upon that part of private club membership fees or charges paid for the privilege of participating in any athletic sports provided club members.

4. *a.* A tax of six percent is imposed upon the sales price derived from the operation of all forms of amusement devices and games of skill, games of chance, raffles, and bingo games as defined in chapter 99B, and card game tournaments conducted under section 99B.7B, that are operated or conducted within the state, the tax to be collected from the operator in the same manner as for the collection of taxes upon the sales price of tickets or admission as provided in this section. Nothing in this subsection shall legalize any games of skill or chance or slot-operated devices which are now prohibited by law.

*b.* The tax imposed under this subsection covers the total amount from the operation of games of skill, games of chance, raffles, and bingo games as defined in chapter 99B, card game tournaments conducted under section 99B.7B, and musical devices, weighing machines, shooting galleries, billiard and pool tables, bowling alleys, pinball machines, slot-operated devices selling merchandise not subject to the general sales taxes and on the total amount from devices or systems where prizes are in any manner awarded to patrons and upon the receipts from fees charged for participation in any game or other form of amusement, and generally upon the sales price from any source of amusement operated for profit, not specified in this section, and upon the sales price from which tax is not collected for tickets or admission, but tax shall not be imposed upon any activity exempt from sales tax under section 423.3, subsection 78. Every person receiving any sales price from the sources described in this section is subject to all provisions of this subchapter relating to retail sales tax and other provisions of this chapter as applicable.

5. There is imposed a tax of six percent upon the sales price from the furnishing of services as defined in section 423.1.

6. *a.* The sales price of any of the following enumerated services is subject to the tax imposed by subsection 5: alteration and garment repair; armored car; vehicle repair; battery, tire, and allied; investment counseling; service charges of all financial institutions; barber and beauty; boat repair; vehicle wash and wax; campgrounds; carpentry; roof, shingle, and glass repair; dance schools and dance studios; dating services; dry cleaning, pressing, dyeing, and laundering; electrical and electronic repair and installation; excavating and grading; farm implement repair of all kinds; flying service; furniture, rug, carpet, and upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; gun and camera repair; house and building moving; household appliance, television, and radio repair; janitorial and building maintenance or cleaning; jewelry and watch repair; lawn care, landscaping, and tree trimming and removal; limousine service, including driver; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking facilities; pay television; pet grooming; pipe fitting and plumbing; wood preparation; executive search agencies; private employment agencies, excluding services for placing a person in employment where the

principal place of employment of that person is to be located outside of the state; reflexology; security and detective services, excluding private security and detective services furnished by a peace officer with the knowledge and consent of the chief executive officer of the peace officer's law enforcement agency; sewage services for nonresidential commercial operations; sewing and stitching; shoe repair and shoeshine; sign construction and installation; storage of household goods, mini-storage, and warehousing of raw agricultural products; swimming pool cleaning and maintenance; tanning beds or salons; taxidermy services; telephone answering service; test laboratories, including mobile testing laboratories and field testing by testing laboratories, and excluding tests on humans or animals; termite, bug, roach, and pest eradicators; tin and sheet metal repair; transportation service consisting of the rental of recreational vehicles or recreational boats, or the rental of motor vehicles subject to registration which are registered for a gross weight of thirteen tons or less for a period of sixty days or less, or the rental of aircraft for a period of sixty days or less; Turkish baths, massage, and reducing salons, excluding services provided by massage therapists licensed under chapter 152C; water conditioning and softening; weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed meat, fish, fowl, and vegetables; wrecking service; wrecker and towing.

*b.* For the purposes of this subsection, *"financial institutions"* means all national banks, federally chartered savings and loan associations, federally chartered savings banks, federally chartered credit unions, banks organized under chapter 524, credit unions organized under chapter 533, and all banks, savings banks, credit unions, and savings and loan associations chartered or otherwise created under the laws of any state and doing business in Iowa.

7. *a.* A tax of six percent is imposed upon the sales price from the sales, furnishing, or service of solid waste collection and disposal service.

(1) For purposes of this subsection, *"solid waste"* means garbage, refuse, sludge from a water supply treatment plant or air contaminant treatment facility, and other discarded waste materials and sludges, in solid, semisolid, liquid, or contained gaseous form, resulting from nonresidential commercial operations, but does not include auto hulks; street sweepings; ash; construction debris; mining waste; trees; tires; lead acid batteries; used oil; hazardous waste; animal waste used as fertilizer; earthen fill, boulders, or rock; foundry sand used for daily cover at a sanitary landfill; sewage sludge; solid or dissolved material in domestic sewage or other common pollutants in water resources, such as silt, dissolved or suspended solids in industrial wastewater effluents or discharges which are point sources subject to permits under section 402 of the federal Water Pollution Control Act, or dissolved materials in irrigation return flows; or source, special nuclear, or by-product material defined by the federal Atomic Energy Act of 1954.

(2) A recycling facility that separates or processes recyclable materials and that reduces the volume of the waste by at least eighty-five percent is exempt from the tax imposed by this subsection if the waste exempted is collected and disposed of separately from other solid waste.

*b.* A person who transports solid waste generated by that person or another person without compensation shall pay the tax imposed by this subsection at the collection or disposal facility based on the disposal charge or tipping fee. However, the costs of a service or portion of a service to collect and manage recyclable materials separated from solid waste by the waste generator are exempt from the tax imposed by this subsection.

8. *a.* A tax of six percent is imposed on the sales price from sales of bundled transactions. For the purposes of this subsection, a *"bundled transaction"* is the retail sale of two or more distinct and identifiable products, except real property and services to real property, which are sold for one nonitemized price. A *"bundled transaction"* does not include the sale of any products in which the sales price varies, or is negotiable, based on the selection by the purchaser of the products included in the transaction.

*b.* *"Distinct and identifiable products"* does not include any of the following:

(1) Packaging or other materials that accompany the retail sale of the products and are incidental or immaterial to the retail sale of the products.

(2) A product provided free of charge with the required purchase of another product. A

product is *"provided free of charge"* if the sales price of the product purchased does not vary depending on the inclusion of the product which is provided free of charge.

(3) Items included in the definition of *"sales price"* pursuant to section 423.1.

*c.* *"One nonitemized price"* does not include a price that is separately identified by product on binding sales or other supporting sales-related documentation made available to the customer in paper or electronic form.

9. A tax of six percent is imposed upon the sales price from any mobile telecommunications service, including all paging services, that this state is allowed to tax pursuant to the provisions of the federal Mobile Telecommunications Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. § 116 et seq. For purposes of this subsection, taxes on mobile telecommunications service, as defined under the federal Mobile Telecommunications Sourcing Act that are deemed to be provided by the customer's home service provider, shall be paid to the taxing jurisdiction whose territorial limits encompass the customer's place of primary use, regardless of where the mobile telecommunications service originates, terminates, or passes through and shall in all other respects be taxed in conformity with the federal Mobile Telecommunications Sourcing Act. All other provisions of the federal Mobile Telecommunications Sourcing Act are adopted by the state of Iowa and incorporated into this subsection by reference. With respect to mobile telecommunications service under the federal Mobile Telecommunications Sourcing Act, the director shall, if requested, enter into agreements consistent with the provisions of the federal Act.

10. *a.* Any person or that person's affiliate, which is a retailer in this state or a retailer maintaining a place of business in this state under this chapter, that enters into a contract with an agency of this state must register, collect, and remit Iowa sales tax under this chapter on all sales of tangible personal property and enumerated services.

*b.* Every bid submitted and each contract executed by a state agency shall contain a certification by the bidder or contractor stating that the bidder or contractor is registered with the department and will collect and remit Iowa sales tax due under this chapter. In the certification, the bidder or contractor shall also acknowledge that the state agency may declare the contract or bid void if the certification is false. Fraudulent certification, by act or omission, may result in the state agency or its representative filing for damages for breach of contract.

11. *a.* (1) All revenues arising under the operation of the provisions of this section shall be deposited into the general fund of the state.

(2) Subsequent to the deposit into the general fund of the state, the director shall credit an amount equal to the product of the sales tax rate imposed in this section times the sales price of the tangible personal property or services furnished to purchasers at a baseball and softball tournament facility and movie site meeting the qualifications of section 423.4, subsection 10, into the baseball and softball tournament facility and movie site sales tax rebate fund created under section 423.4, subsection 10, paragraph *"e"*. The director shall credit the moneys beginning the first day of the quarter following July 1, 2012. This subparagraph is repealed June 30, 2024, or thirty days following the date on which sixteen million five hundred thousand dollars in total rebates have been provided under section 423.4, subsection 10, or thirty days following the date on which rebates cease as provided in section 423.4, subsection 10, paragraph *"c"*, subparagraph (4), whichever is earliest.

*b.* Subsequent to the deposit into the general fund of the state pursuant to paragraph *"a"*, the department shall do the following in the order prescribed:

(1) Transfer the revenues collected under chapter 423B.

(2) Transfer from the remaining revenues the amounts required under Article VII, section 10, of the Constitution of the State of Iowa to the natural resources and outdoor recreation trust fund created in section 461.31, if applicable.

(3) Transfer one-sixth of the remaining revenues to the secure an advanced vision for education fund created in section 423F.2. This subparagraph (3) is repealed December 31, 2029.

(4) Transfer to the baseball and softball tournament facility and movie site sales tax rebate fund that portion of the sales tax receipts described in paragraph *"a"*, subparagraph (2), remaining after the transfers required under subparagraphs (1), (2), and (3) of this

paragraph *"b"*. This subparagraph is repealed June 30, 2024, or thirty days following the date on which sixteen million five hundred thousand dollars in total rebates have been provided under section 423.4, subsection 10, or thirty days following the date on which rebates cease as provided in section 423.4, subsection 10, paragraph *"c"*, subparagraph (4), whichever is earliest.

(5) Subject to the limitation on the calculation and deposit of sales tax increment revenues in section 418.12, beginning the first day of the quarter following adoption of the resolution pursuant to section 418.4, subsection 3, paragraph *"d"*, transfer to the account created in the sales tax increment fund for each governmental entity approved to use sales tax increment revenues under chapter 418, that portion of the increase in sales tax revenue, determined in section 418.11, subsection 2, paragraph *"d"*, in the applicable area of the governmental entity, that remains after the other transfers required under this paragraph *"b"*.

(6) Beginning the first day of the calendar quarter beginning on the reinvestment district's commencement date, subject to remittance limitations established by the economic development authority board pursuant to section 15J.4, subsection 3, transfer to a district account created in the state reinvestment district fund for each reinvestment district established under chapter 15J, the amount of new state sales tax revenue, determined in section 15J.5, subsection 1, paragraph *"b"*, in the district, that remains after the prior transfers required under this paragraph *"b"*. Such transfers shall cease pursuant to section 15J.8.

12. All taxes collected under this chapter by a retailer or any individual are deemed to be held in trust for the state of Iowa.

13. The sales tax rate of six percent is reduced to five percent on January 1, 2030.

2003 Acts, 1st Ex, ch 2, §95, 205; 2004 Acts, ch 1073, §24, 25; 2005 Acts, ch 140, §5, 18, 43; 2006 Acts, ch 1158, §70, 80; 2007 Acts, ch 119, §6; 2007 Acts, ch 186, §20; 2008 Acts, ch 1134, §4 – 10, 36; 2010 Acts, ch 1145, §8, 9, 17; 2011 Acts, ch 25, §143; 2011 Acts, ch 92, §5; 2012 Acts, ch 1017, §84; 2012 Acts, ch 1094, §17, 18; 2012 Acts, ch 1098, §2; 2013 Acts, ch 70, §11; 2013 Acts, ch 119, §9; 2013 Acts, ch 140, §126

Referred to in §15J.2, 15J.4, 15J.5, 15J.6, 28A.17, 29C.15, 99B.7B, 321.105A, 328.26, 418.1, 418.11, 418.12, 423.1, 423.3, 423.4, 423.5, 423.6, 423.22, 423.26, 423.30, 423.34, 423.36, 423.40, 423.41

Local sales and services tax, §423B.5 et seq.

Legislative findings regarding rebate of state sales tax collected at the baseball and softball tournament facility and movie site; 2012 Acts, ch 1098, §1

Subsection 6, paragraph a amended

Subsection 11, paragraph b, subparagraph (5) amended

Subsection 11, paragraph b, NEW subparagraph (6)

**423.3 Exemptions.**

There is exempted from the provisions of this subchapter and from the computation of the amount of tax imposed by it the following:

1. The sales price from sales of tangible personal property and services furnished which this state is prohibited from taxing under the Constitution or laws of the United States or under the Constitution of this state.

2. The sales price of sales for resale of tangible personal property or taxable services, or for resale of tangible personal property in connection with the furnishing of taxable services except for sales, other than leases or rentals, which are sales of machinery, equipment, attachments, and replacement parts specifically enumerated in subsection 37 and used in the manner described in subsection 37 or the purchase of tangible personal property, the leasing or rental of which is exempted from tax by subsection 49.

3. The sales price of agricultural breeding livestock and domesticated fowl.

4. The sales price of commercial fertilizer.

5. *a.* The sales price of agricultural limestone, herbicide, pesticide, insecticide, including adjuvants, surfactants, and other products directly related to the application enhancement of those products, food, medication, or agricultural drain tile, including installation of agricultural drain tile, any of which are to be used in disease control, weed control, insect control, or health promotion of plants or livestock produced as part of agricultural production for market.

*b.* The following enumerated materials associated with the installation of agricultural

drain tile which is exempt pursuant to paragraph "*a*" shall also be exempt under paragraph "*a*":

(1) Tile intakes.

(2) Outlet pipes and guards.

(3) Aluminum and gabion structures.

(4) Erosion control fabric.

(5) Water control structures.

(6) Miscellaneous tile fittings.

6. The sales price of tangible personal property which will be consumed as fuel in creating heat, power, or steam for grain drying, or for providing heat or cooling for livestock buildings or for greenhouses or buildings or parts of buildings dedicated to the production of flowering, ornamental, or vegetable plants intended for sale in the ordinary course of business, or for use in cultivation of agricultural products by aquaculture, or in implements of husbandry engaged in agricultural production.

7. The sales price of services furnished by specialized flying implements of husbandry used for agricultural aerial spraying.

8. *a.* The sales price exclusive of services of farm machinery and equipment, including auxiliary attachments which improve the performance, safety, operation, or efficiency of the machinery and equipment and replacement parts, if the following conditions are met:

(1) The farm machinery and equipment shall be directly and primarily used in production of agricultural products.

(2) The farm machinery and equipment shall constitute self-propelled implements or implements customarily drawn or attached to self-propelled implements or the farm machinery or equipment is a grain dryer.

(3) The replacement part is used in any repair or reconstruction necessary to the farm machinery's or equipment's exempt use in the production of agricultural products.

*b.* Vehicles subject to registration, as defined in section 423.1, or replacement parts for such vehicles, are not eligible for this exemption.

*c.* For purposes of this subsection, the following items are exempt under paragraph "*a*" when used in agricultural production:

(1) A snow blower that is to be attached to a self-propelled implement of husbandry.

(2) A rear-mounted or front-mounted blade that is to be attached to or towed by a self-propelled implement of husbandry.

(3) A rotary cutter that is to be attached to a self-propelled implement of husbandry.

9. The sales price of wood chips, sawdust, hay, straw, paper, or other materials used for bedding in the production of agricultural livestock or fowl.

10. The sales price of gas, electricity, water, or heat to be used in implements of husbandry engaged in agricultural production.

11. The sales price exclusive of services of farm machinery and equipment, including auxiliary attachments which improve the performance, safety, operation, or efficiency of the machinery and equipment, and including auger systems, curtains and curtain systems, drip systems, fan and fan systems, shutters, inlets and shutter or inlet systems, and refrigerators, and replacement parts, if all of the following conditions are met:

*a.* The implement, machinery, or equipment is directly and primarily used in livestock or dairy production, aquaculture production, or the production of flowering, ornamental, or vegetable plants.

*b.* The implement is not a self-propelled implement or implement customarily drawn or attached to self-propelled implements.

*c.* The replacement part is used in any repair or reconstruction necessary to the farm machinery's or equipment's exempt use in livestock or dairy production, aquaculture production, or the production of flowering, ornamental, or vegetable plants.

12. The sales price, exclusive of services, from sales of irrigation equipment used in farming operations.

13. The sales price from the sale or rental of irrigation equipment, whether installed above or below ground, to a contractor or farmer if the equipment will be primarily used in agricultural operations.

14. The sales price from the sales of horses, commonly known as draft horses, when purchased for use and so used as draft horses.

15. The sales price from the sale of property which is a container, label, carton, pallet, packing case, wrapping, baling wire, twine, bag, bottle, shipping case, or other similar article or receptacle sold for use in agricultural, livestock, or dairy production.

16. The sales price from the sale of feed and feed supplements and additives when used for consumption by farm deer or bison.

17. The sales price of all goods, wares, or merchandise, or services, used for educational purposes sold to any private nonprofit educational institution in this state. For the purpose of this subsection, "*educational institution*" means an institution which primarily functions as a school, college, or university with students, faculty, and an established curriculum. The faculty of an educational institution must be associated with the institution and the curriculum must include basic courses which are offered every year. "*Educational institution*" includes an institution primarily functioning as a library.

18. The sales price of tangible personal property sold, or of services furnished, to the following nonprofit corporations:

*a.* Residential care facilities and intermediate care facilities for persons with an intellectual disability and residential care facilities for persons with mental illness licensed by the department of inspections and appeals under chapter 135C.

*b.* Residential facilities licensed by the department of human services pursuant to chapter 237, other than those maintained by individuals as defined in section 237.1, subsection 7.

*c.* Rehabilitation facilities that provide accredited rehabilitation services to persons with disabilities which are accredited by the commission on accreditation of rehabilitation facilities or the council on quality and leadership and adult day care services approved for reimbursement by the state department of human services.

*d.* Community mental health centers accredited by the department of human services pursuant to chapter 225C.

*e.* Community health centers as defined in 42 U.S.C. § 254c and migrant health centers as defined in 42 U.S.C. § 254b.

*f.* Home and community-based services providers certified to offer Medicaid waiver services by the department of human services that are any of the following:

(1) Health and disability waiver service providers, described in 441 IAC 77.30.

(2) Hospice providers, described in 441 IAC 77.32.

(3) Elderly waiver service providers, described in 441 IAC 77.33.

(4) AIDS/HIV waiver service providers, described in 441 IAC 77.34.

(5) Federally qualified health centers, described in 441 IAC 77.35.

(6) Intellectual disabilities waiver service providers, described in 441 IAC 77.37.

(7) Brain injury waiver service providers, described in 441 IAC 77.39.

*g.* Substance abuse treatment or prevention programs that receive block grant funding from the Iowa department of public health.

19. The sales price of tangible personal property sold to a nonprofit organization which was organized for the purpose of lending the tangible personal property to the general public for use by them for nonprofit purposes.

20. The sales price of tangible personal property sold, or of services furnished, to nonprofit legal aid organizations.

21. The sales price of goods, wares, or merchandise, or of services, used for educational, scientific, historic preservation, or aesthetic purpose sold to a nonprofit private museum.

22. The sales price from sales of goods, wares, or merchandise, or from services furnished, to a nonprofit private art center to be used in the operation of the art center.

23. The sales price of tangible personal property sold, or of services furnished, by a fair organized under chapter 174.

24. The sales price from services furnished by the notification center established pursuant to section 480.3, and the vendor selected pursuant to section 480.3 to provide the notification service.

25. The sales price of food and beverages sold for human consumption by a nonprofit organization which principally promotes a food or beverage product for human consumption

produced, grown, or raised in this state and whose income is exempt from federal taxation under section 501(c) of the Internal Revenue Code.

26. The sales price of tangible personal property sold, or of services furnished, to a statewide nonprofit organ procurement organization, as defined in section 142C.2.

26A. *a.* The sales price of reagents and related accessory equipment to a regional blood testing facility if all of the following conditions are met:

(1) The regional blood testing facility is registered by the federal food and drug administration.

(2) The regional blood testing facility performs donor testing for other blood centers.

(3) The regional blood testing facility is located in this state on or before January 1, 2011.

*b.* This subsection is repealed if a regional blood testing facility is not located in this state on or before January 1, 2011.

27. The sales price of tangible personal property sold, or of services furnished, to a nonprofit hospital licensed pursuant to chapter 135B to be used in the operation of the hospital.

28. The sales price of tangible personal property sold, or of services furnished, to a freestanding nonprofit hospice facility which operates a hospice program as defined in 42 C.F.R. ch. IV, § 418.3, which property or services are to be used in the hospice program.

29. The sales price of all goods, wares, or merchandise sold, or of services furnished, which are used in the fulfillment of a written construction contract with a nonprofit hospital licensed pursuant to chapter 135B if all of the following apply:

*a.* The sales and delivery of the goods, wares, or merchandise, or the services furnished occurred between July 1, 1998, and December 31, 2001.

*b.* The written construction contract was entered into prior to December 31, 1999, or bonds to fund the construction were issued prior to December 31, 1999.

*c.* The sales or services were purchased by a contractor as the agent for the hospital or were purchased directly by the hospital.

30. The sales price of livestock ear tags sold by a nonprofit organization whose income is exempt from federal taxation under section 501(c)(6) of the Internal Revenue Code where the proceeds are used in bovine research programs selected or approved by such organization.

31. *a.* The sales price of goods, wares, or merchandise sold to and of services furnished, and used for public purposes sold to a tax-certifying or tax-levying body of the state or a governmental subdivision of the state, including regional transit systems, as defined in section 324A.1, the state board of regents, department of human services, state department of transportation, any municipally owned solid waste facility which sells all or part of its processed waste as fuel to a municipally owned public utility, and all divisions, boards, commissions, agencies, or instrumentalities of state, federal, county, or municipal government which have no earnings going to the benefit of an equity investor or stockholder, except any of the following:

(1) The sales price of goods, wares, or merchandise sold to, or of services furnished, and used by or in connection with the operation of any municipally owned public utility engaged in selling gas, electricity, heat, pay television service, or communication service to the general public.

(2) The sales price of furnishing of sewage services to a county or municipality on behalf of nonresidential commercial operations.

(3) The furnishing of solid waste collection and disposal service to a county or municipality on behalf of nonresidential commercial operations located within the county or municipality.

*b.* The exemption provided by this subsection shall also apply to all such sales of goods, wares, or merchandise or of services furnished and subject to use tax.

32. The sales price of tangible personal property sold, or of services furnished, by a county or city. This exemption does not apply to any of the following:

*a.* The tax specifically imposed under section 423.2 on the sales price from sales or furnishing of gas, electricity, water, heat, pay television service, or communication service to the public by a municipal corporation in its proprietary capacity.

*b.* The sale or furnishing of solid waste collection and disposal service to nonresidential commercial operations.

*c.* The sale or furnishing of sewage service for nonresidential commercial operations.

*d.* Fees paid to cities and counties for the privilege of participating in any athletic sports.

33. *a.* The sales price of mementos and other items relating to Iowa history and historic sites, the general assembly, and the state capitol, sold by the legislative services agency and its legislative information office on the premises of property under the control of the legislative council, at the state capitol, and on other state property.

*b.* The legislative services agency is not a retailer under this chapter and the sale of items or provision of services by the legislative services agency is not a retail sale under this chapter and is exempt from the sales tax.

34. The sales price from sales of mementos and other items relating to Iowa history and historic sites by the department of cultural affairs on the premises of property under its control and at the state capitol.

35. The sales price from sales or services furnished by the state fair organized under chapter 173.

36. The sales price from sales of tangible personal property or of the sale or furnishing of electrical energy, natural or artificial gas, or communication service to another state or political subdivision of another state if the other state provides a similar reciprocal exemption for this state and political subdivision of this state.

37. The sales price of services on or connected with new construction, reconstruction, alteration, expansion, remodeling, or the services of a general building contractor, architect, or engineer. The exemption in this subsection also applies to the sales price on the lease or rental of all machinery, equipment, and replacement parts directly and primarily used by owners, contractors, subcontractors, and builders for new construction, reconstruction, alteration, expansion, or remodeling of real property or structures and of all machinery, equipment, and replacement parts which improve the performance, safety, operation, or efficiency of the machinery, equipment, and replacement parts so used.

38. The sales price from the sale of building materials, supplies, or equipment sold to rural water districts organized under chapter 504 as provided in chapter 357A and used for the construction of facilities of a rural water district.

39. The sales price from "casual sales".

*a.* *"Casual sales"* means:

(1) Sales of tangible personal property, or the furnishing of services, of a nonrecurring nature, by the owner, if the seller, at the time of the sale, is not engaged for profit in the business of selling tangible personal property or services taxed under section 423.2.

(2) The sale of all or substantially all of the tangible personal property or services held or used by a seller in the course of the seller's trade or business for which the seller is required to hold a sales tax permit when the seller sells or otherwise transfers the trade or business to another person who shall engage in a similar trade or business.

(3) Notwithstanding subparagraph (1), the sale, furnishing, or performance of a service that is of a recurring nature by the owner if, at the time of the sale, all of the following apply:

(a) The seller is not engaged for profit in the business of the selling, furnishing, or performance of services taxed under section 423.2. For purposes of this subparagraph, the fact of the recurring nature of selling, furnishing, or performance of services does not constitute by itself engaging for profit in the business of selling, furnishing, or performance of services.

(b) The owner of the business is the only person performing the service.

(c) The owner of the business is a full-time student.

(d) The total gross receipts from the sales, furnishing, or performance of services during the calendar year does not exceed five thousand dollars.

*b.* The exemption under this subsection does not apply to vehicles subject to registration, all-terrain vehicles, snowmobiles, off-road motorcycles, off-road utility vehicles, aircraft, or commercial or pleasure watercraft or water vessels.

40. The sales price from the sale of automotive fluids to a retailer to be used either in providing a service which includes the installation or application of the fluids in or on a

motor vehicle, which service is subject to section 423.2, subsection 6, or to be installed in or applied to a motor vehicle which the retailer intends to sell, which sale is subject to section 321.105A. For purposes of this subsection, automotive fluids are all those which are refined, manufactured, or otherwise processed and packaged for sale prior to their installation in or application to a motor vehicle. They include but are not limited to motor oil and other lubricants, hydraulic fluids, brake fluid, transmission fluid, sealants, undercoatings, antifreeze, and gasoline additives.

41. The sales price from the rental of motion picture films, video and audio tapes, video and audio discs, records, photos, copy, scripts, or other media used for the purpose of transmitting that which can be seen, heard, or read, if either of the following conditions are met:

*a.* The lessee imposes a charge for the viewing of such media and the charge for the viewing is subject to taxation under this subchapter or is subject to use tax.

*b.* The lessee broadcasts the contents of such media for public viewing or listening.

42. The sales price from the sale of tangible personal property consisting of advertising material including paper to a person in Iowa if that person or that person's agent will, subsequent to the sale, send that advertising material outside this state and the material is subsequently used solely outside of Iowa. For the purpose of this subsection, *"advertising material"* means any brochure, catalog, leaflet, flyer, order form, return envelope, or similar item used to promote sales of property or services.

43. The sales price from the sale of property or of services performed on property which the retailer transfers to a carrier for shipment to a point outside of Iowa, places in the United States mail or parcel post directed to a point outside of Iowa, or transports to a point outside of Iowa by means of the retailer's own vehicles, and which is not thereafter returned to a point within Iowa, except solely in the course of interstate commerce or transportation. This exemption shall not apply if the purchaser, consumer, or their agent, other than a carrier, takes physical possession of the property in Iowa.

44. Reserved.

45. The sales price from the sale of property which is a container, label, carton, pallet, packing case, wrapping paper, twine, bag, bottle, shipping case, or other similar article or receptacle sold to retailers or manufacturers for the purpose of packaging or facilitating the transportation of tangible personal property sold at retail or transferred in association with the maintenance or repair of fabric or clothing.

46. The sales price from sales or rentals to a printer or publisher of the following: acetate; anti-halation backing; antistatic spray; back lining; base material used as a carrier for light sensitive emulsions; blankets; blow-ups; bronze powder; carbon tissue; codas; color filters; color separations; contacts; continuous tone separations; creative art; custom dies and die cutting materials; dampener sleeves; dampening solution; design and styling; diazo coating; dot etching; dot etching solutions; drawings; drawsheets; driers; duplicate films or prints; electronically digitized images; electrotypes; end product of image modulation; engravings; etch solutions; film; finished art or final art; fix; fixative spray; flats; flying pasters; foils; goldenrod paper; gum; halftones; illustrations; ink; ink paste; keylines; lacquer; lasering images; layouts; lettering; line negatives and positives; linotypes; lithographic offset plates; magnesium and zinc etchings; masking paper; masks; masters; mats; mat service; metal toner; models and modeling; mylar; negatives; nonoffset spray; opaque film process paper; opaquing; padding compound; paper stock; photographic materials: acids, plastic film, desensitizer emulsion, exposure chemicals, fix, developers, and paper; photography, day rate; photopolymer coating; photographs; photostats; photo-display tape; phototypesetter materials; ph-indicator sticks; positives; press pack; printing cylinders; printing plates, all types; process lettering; proof paper; proofs and proof processes, all types; pumice powder; purchased author alterations; purchased composition; purchased phototypesetting; purchased stripping and pasteups; red litho tape; reducers; roller covering; screen tints; sketches; stepped plates; stereotypes; strip types; substrate; tints; tissue overlays; toners; transparencies; tympan; typesetting; typography; varnishes; veloxes; wood mounts; and any other items used in a like capacity to any of the above enumerated items by the printer or publisher to complete a finished product for sale at

retail. Expendable tools and supplies which are not enumerated in this subsection are excluded from the exemption. *"Printer"* means that portion of a person's business engaged in printing that completes a finished product for ultimate sale at retail or means that portion of a person's business used to complete a finished printed packaging material used to package a product for ultimate sale at retail. *"Printer"* does not mean an in-house printer who prints or copyrights its own materials.

47. *a.* The sales price from the sale or rental of computers, machinery, and equipment, including replacement parts, and materials used to construct or self-construct computers, machinery, and equipment if such items are any of the following:

(1) Directly and primarily used in processing by a manufacturer.

(2) Directly and primarily used to maintain the integrity of the product or to maintain unique environmental conditions required for either the product or the computers, machinery, and equipment used in processing by a manufacturer, including test equipment used to control quality and specifications of the product.

(3) Directly and primarily used in research and development of new products or processes of processing.

(4) Computers used in processing or storage of data or information by an insurance company, financial institution, or commercial enterprise.

(5) Directly and primarily used in recycling or reprocessing of waste products.

(6) Pollution-control equipment used by a manufacturer, including but not limited to that required or certified by an agency of this state or of the United States government.

*b.* The sales price from the sale of fuel used in creating heat, power, steam, or for generating electrical current, or from the sale of electricity, consumed by computers, machinery, or equipment used in an exempt manner described in paragraph *"a"*, subparagraph (1), (2), (3), (5), or (6).

*c.* The sales price from the sale or rental of the following shall not be exempt from the tax imposed by this subchapter:

(1) Hand tools.

(2) Point-of-sale equipment and computers.

(3) Industrial machinery, equipment, and computers, including pollution-control equipment within the scope of section 427A.1, subsection 1, paragraphs *"h"* and *"i"*.

(4) Vehicles subject to registration, except vehicles subject to registration which are directly and primarily used in recycling or reprocessing of waste products.

*d.* As used in this subsection:

(1) *"Commercial enterprise"* includes businesses and manufacturers conducted for profit and centers for data processing services to insurance companies, financial institutions, businesses, and manufacturers, but excludes professions and occupations and nonprofit organizations.

(2) *"Financial institution"* means as defined in section 527.2.

(3) *"Insurance company"* means an insurer organized or operating under chapter 508, 514, 515, 518, 518A, 519, or 520, or authorized to do business in Iowa as an insurer or an insurance producer under chapter 522B.

(4) *"Manufacturer"* means a person who purchases, receives, or holds personal property of any description for the purpose of adding to its value by a process of manufacturing, refining, purifying, combining of different materials, or by the packing of meats, with a view to selling the property for gain or profit, but also includes contract manufacturers. A contract manufacturer is a manufacturer that otherwise falls within the definition of manufacturer, except that a contract manufacturer does not sell the tangible personal property the contract manufacturer processes on behalf of other manufacturers. A business engaged in activities subsequent to the extractive process of quarrying or mining, such as crushing, washing, sizing, or blending of aggregate materials, is a manufacturer with respect to these activities. This subparagraph (4) shall not be construed to require that a person be primarily engaged in an activity listed in this subparagraph in order to qualify as a manufacturer for purposes of this subsection.

(5) *"Processing"* means a series of operations in which materials are manufactured, refined, purified, created, combined, or transformed by a manufacturer, ultimately into

tangible personal property. Processing encompasses all activities commencing with the receipt or producing of raw materials by the manufacturer and ending at the point products are delivered for shipment or transferred from the manufacturer. Processing includes but is not limited to refinement or purification of materials; treatment of materials to change their form, context, or condition; maintenance of the quality or integrity of materials, components, or products; maintenance of environmental conditions necessary for materials, components, or products; quality control activities; and construction of packaging and shipping devices, placement into shipping containers or any type of shipping devices or medium, and the movement of materials, components, or products until shipment from the processor.

(6) *"Receipt or producing of raw materials"* means activities performed upon tangible personal property only. With respect to raw materials produced from or upon real estate, the receipt or producing of raw materials is deemed to occur immediately following the severance of the raw materials from the real estate.

47A. *a.* Subject to paragraph *"b"*, the sales price from the sale or rental of central office equipment or transmission equipment primarily used by local exchange carriers and competitive local exchange service providers as defined in section 476.96; by franchised cable television operators, mutual companies, municipal utilities, cooperatives, and companies furnishing communications services that are not subject to rate regulation as provided in chapter 476; by long distance companies as defined in section 477.10; or for a commercial mobile radio service as defined in 47 C.F.R. § 20.3 in the furnishing of telecommunications services on a commercial basis. For the purposes of this subsection, *"central office equipment"* means equipment utilized in the initiating, processing, amplifying, switching, or monitoring of telecommunications services. *"Transmission equipment"* means equipment utilized in the process of sending information from one location to another location. *"Central office equipment"* and *"transmission equipment"* also include ancillary equipment and apparatus which support, regulate, control, repair, test, or enable such equipment to accomplish its function.

*b.* The exemption in this subsection shall be phased in by means of tax refunds as follows:

(1) If the sale or rental occurs on or after July 1, 2006, through June 30, 2007, one-seventh of the state tax on the sales price shall be refunded.

(2) If the sale or rental occurs on or after July 1, 2007, through June 30, 2008, two-sevenths of the state tax on the sales price shall be refunded.

(3) If the sale or rental occurs on or after July 1, 2008, through June 30, 2009, three-sevenths of the state tax on the sales price shall be refunded.

(4) If the sale or rental occurs on or after July 1, 2009, through June 30, 2010, four-sevenths of the state tax on the sales price shall be refunded.

(5) If the sale or rental occurs on or after July 1, 2010, through June 30, 2011, five-sevenths of the state tax on the sales price shall be refunded.

(6) If the sale or rental occurs on or after July 1, 2011, through June 30, 2012, six-sevenths of the state tax on the sales price shall be refunded.

(7) If the sale or rental occurs on or after July 1, 2012, the sales price is exempt and no payment of tax and subsequent refund are required.

*c.* For sales or rentals occurring on or after July 1, 2006, through June 30, 2012, a refund of the tax paid as provided in paragraph *"b"*, subparagraph (1), (2), (3), (4), (5), or (6), must be applied for, not later than six months after the month in which the sale or rental occurred, in the manner and on the forms provided by the department. Refunds shall only be of the state tax collected. Refunds authorized shall accrue interest at the rate in effect under section 421.7 from the first day of the second calendar month following the date the refund claim is received by the department.

48. The sales price from the furnishing of the design and installation of new industrial machinery or equipment, including electrical and electronic installation.

49. The sales price from the sale of carbon dioxide in a liquid, solid, or gaseous form, electricity, steam, and other taxable services and the lease or rental of tangible personal property when used by a manufacturer of food products to produce marketable food products for human consumption, including but not limited to treatment of material to change its form, context, or condition, in order to produce the food product, maintenance of quality

or integrity of the food product, changing or maintenance of temperature levels necessary to avoid spoilage or to hold the food product in marketable condition, maintenance of environmental conditions necessary for the safe or efficient use of machinery and material used to produce the food product, sanitation and quality control activities, formation of packaging, placement into shipping containers, and movement of the material or food product until shipment from the building of manufacture.

50. The sales price of sales of electricity, steam, or any taxable service when purchased and used in the processing of tangible personal property intended to be sold ultimately at retail or of any fuel which is consumed in creating power, heat, or steam for processing or for generating electric current.

51. The sales price of tangible personal property sold for processing. Tangible personal property is sold for processing within the meaning of this subsection only when it is intended that the property will, by means of fabrication, compounding, manufacturing, or germination, become an integral part of other tangible personal property intended to be sold ultimately at retail; or for generating electric current; or the property is a chemical, solvent, sorbent, or reagent, which is directly used and is consumed, dissipated, or depleted, in processing tangible personal property which is intended to be sold ultimately at retail or consumed in the maintenance or repair of fabric or clothing, and which may not become a component or integral part of the finished product. The distribution to the public of free newspapers or shoppers guides is a retail sale for purposes of the processing exemption set out in this subsection and in subsection 50.

52. The sales price from the sale of argon and other similar gases to be used in the manufacturing process.

53. The sales price from the sale of electricity to water companies assessed for property tax pursuant to sections 428.24, 428.26, and 428.28 which is used solely for the purpose of pumping water from a river or well.

54. *a.* The sales price from the sale of wind energy conversion property or hydroelectricity conversion property to be used as an electric power source and the sale of the materials used to manufacture, install, or construct wind energy conversion property or hydroelectricity conversion property used or to be used as an electric power source.

*b.* For purposes of this subsection:

(1) "*Wind energy conversion property*" means any device, including but not limited to a wind charger, windmill, wind turbine, tower and electrical equipment, pad mount transformers, power lines, and substation, which converts wind energy to a form of usable energy.

(2) "*Hydroelectricity conversion property*" means any device, including but not limited to a generator, turbine, powerhouse, intake, coffer dam, walls, water conduit, tailrace, any other concrete components, electrical equipment substation, poles, wires, transformers, breakers, and switches used to convert water, water power, or hydroelectricity to a form of usable energy.

55. The sales price from the sales of newspapers, free newspapers, or shoppers guides and the printing and publishing of such newspapers and shoppers guides, and envelopes for advertising.

56. The sales price from the sale of motor fuel and special fuel consumed for highway use or in watercraft or aircraft where the fuel tax has been imposed and paid and no refund has been or will be allowed and the sales price from the sales of ethanol blended gasoline, as defined in section 214A.1.

57. The sales price from all sales of food and food ingredients. However, as used in this subsection, a sale of "*food and food ingredients*" does not include a sale of alcoholic beverages, candy, or dietary supplements; food sold through vending machines; or sales of prepared food, soft drinks, or tobacco. For the purposes of this subsection:

*a.* "*Alcoholic beverages*" means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume.

*b.* "*Candy*" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of

bars, drops, or pieces. Candy shall not include any preparation containing flour and shall require no refrigeration.

*c.* *"Dietary supplement"* means any product, other than tobacco, intended to supplement the diet that contains one or more of the following dietary ingredients:

(1) A vitamin.

(2) A mineral.

(3) An herb or other botanical.

(4) An amino acid.

(5) A dietary substance for use by humans to supplement the diet by increasing the total dietary intake.

(6) A concentrate, metabolite, constituent, extract, or combination of any of the ingredients in subparagraphs (1) through (5) that is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such a form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and is required to be labeled as a dietary supplement, identifiable by the "supplement facts" box found on the label and as required pursuant to 21 C.F.R. § 101.36.

*d.* *"Food and food ingredients"* means substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. *"Food and food ingredients"* includes beverage-grade carbon dioxide gas.

*e.* *"Food sold through vending machines"* means food dispensed from a machine or other mechanical device that accepts payment, other than food which would be qualified for exemption under subsection 58 if purchased with a coupon described in subsection 58.

*f.* *"Prepared food"* means any of following:

(1) Food sold in a heated state or heated by the seller, including food sold by a caterer.

(2) Two or more food ingredients mixed or combined by the seller for sale as a single item.

(3) *"Prepared food"*, for the purposes of this paragraph, does not include food that is any of the following:

(a) Only cut, repackaged, or pasteurized by the seller.

(b) Eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the United States food and drug administration, ch. 3, part 401.11 of its food code, so as to prevent foodborne illnesses.

(c) Bakery items sold by the seller which baked them. The words *"bakery items"* includes but is not limited to breads, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, and tortillas.

(d) Food sold without eating utensils provided by the seller in an unheated state as a single item which is priced by weight or volume.

(4) Food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to transport food.

*g.* *"Soft drinks"* means nonalcoholic beverages that contain natural or artificial sweeteners. *"Soft drinks"* does not include beverages that contain milk or milk products; soy, rice, or similar milk substitutes; or greater than fifty percent of vegetable or fruit juice by volume.

*h.* *"Tobacco"* means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco.

58. The sales price from the sale of items purchased with coupons, food stamps, electronic benefits transfer cards, or other methods of payment authorized by the United States department of agriculture, and issued under the federal Food Stamp Act of 1977, 7 U.S.C. § 2011 et seq. or under the federal supplemental nutritional assistance program established in 7 U.S.C. § 2013.

59. In transactions in which tangible personal property is traded toward the sales price of other tangible personal property, that portion of the sales price which is not payable in money to the retailer is exempted from the taxable amount if the following conditions are met:

*a.* The tangible personal property traded to the retailer is the type of property normally sold in the regular course of the retailer's business.

*b.* The tangible personal property traded to the retailer is intended by the retailer to be ultimately sold at retail or is intended to be used by the retailer or another in the remanufacturing of a like item.

60. The sales price from the sale or rental of prescription drugs, durable medical equipment, mobility enhancing equipment, prosthetic devices, and other medical devices intended for human use or consumption. For the purposes of this subsection:

*a.* *"Drug"* means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, or alcoholic beverages, which is any of the following:

(1) Recognized in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, or official national formulary, and supplement to any of them.

(2) Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease.

(3) Intended to affect the structure or any function of the body.

*b.* *"Durable medical equipment"* means equipment, including repair and replacement parts, and all components or attachments, but does not include mobility enhancing equipment, to which all of the following apply:

(1) Can withstand repeated use.

(2) Is primarily and customarily used to serve a medical purpose.

(3) Generally is not useful to a person in the absence of illness or injury.

(4) Is not worn in or on the body.

(5) Is for home use only.

(6) Is prescribed by a practitioner.

*c.* *"Mobility enhancing equipment"* means equipment, including repair and replacement parts, but does not include durable medical equipment, to which all of the following apply:

(1) Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle.

(2) Is not generally used by persons with normal mobility.

(3) Does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

(4) Is prescribed by a practitioner.

*d.* *"Other medical device"* means equipment or a supply that is not a drug, durable medical equipment, mobility enhancing equipment, or prosthetic device. *"Other medical devices"* includes but is not limited to ostomy, urological, and tracheostomy supplies, diabetic testing materials, hypodermic syringes and needles, anesthesia trays, biopsy trays and biopsy needles, cannula systems, catheter trays and invasive catheters, fistula sets, irrigation solutions, intravenous administering solutions and stopcocks, myelogram trays, small vein infusion kits, spinal puncture trays, and venous blood sets intended to be dispensed for human use with or without a prescription to an ultimate user.

*e.* *"Practitioner"* means a practitioner as defined in section 155A.3, or a person licensed to prescribe drugs.

*f.* *"Prescription"* means an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a practitioner.

*g.* *"Prescription drug"* means a drug intended to be dispensed to an ultimate user pursuant to a prescription drug order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed practitioner, or oxygen or insulin dispensed for human consumption with or without a prescription drug order or medication order.

*h.* *"Prosthetic device"* means a replacement, corrective, or supportive device including repair and replacement parts for the same worn on or in the body to do any of the following:

(1) Artificially replace a missing portion of the body.

(2) Prevent or correct physical deformity or malfunction.

(3) Support a weak or deformed portion of the body.

*"Prosthetic device"* includes but is not limited to orthopedic or orthotic devices, ostomy equipment, urological equipment, tracheostomy equipment, and intraocular lenses.

*i.* *"Ultimate user"* means an individual who has lawfully obtained and possesses a prescription drug or medical device for the individual's own use or for the use of a member

of the individual's household, or an individual to whom a prescription drug or medical device has been lawfully supplied, administered, dispensed, or prescribed.

61. The sales price from services furnished by aerial commercial and charter transportation services.

62. The sales price from the sale of raffle tickets for a raffle licensed pursuant to section 99B.5.

63. The sales price from the sale of tangible personal property which will be given as prizes to players in games of skill, games of chance, raffles, and bingo games as defined in chapter 99B.

64. The sales price from the sale of a modular home, as defined in section 435.1, to the extent of the portion of the purchase price of the modular home which is not attributable to the cost of the tangible personal property used in the processing of the modular home. For purposes of this exemption, the portion of the purchase price which is not attributable to the cost of the tangible personal property used in the processing of the modular home is forty percent.

65. The sales price from charges paid to a provider for access to on-line computer services. For purposes of this subsection, *"on-line computer service"* means a service that provides or enables computer access by multiple users to the internet or to other information made available through a computer server or other device.

66. The sales price from the sale or rental of information services. *"Information services"* means every business activity, process, or function by which a seller or its agent accumulates, prepares, organizes, or conveys data, facts, knowledge, procedures, and like services to a buyer or its agent of such information through any tangible or intangible medium. Information accumulated, prepared, or organized for a buyer or its agent is an information service even though it may incorporate preexisting components of data or other information. *"Information services"* includes but is not limited to database files, mailing lists, subscription files, market research, credit reports, surveys, real estate listings, bond rating reports, abstracts of title, bad check lists, broadcasting rating services, wire services, and scouting reports, or other similar items.

67. The sales price of a sale at retail if the substance of the transaction is delivered to the purchaser digitally, electronically, or utilizing cable, or by radio waves, microwaves, satellites, or fiber optics.

68. *a.* The sales price from the sale of an article of clothing designed to be worn on or about the human body if all of the following apply:

(1) The sales price of the article is less than one hundred dollars.

(2) The sale takes place during a period beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the following Saturday.

*b.* This subsection does not apply to any of the following:

(1) Sport or recreational equipment and protective equipment.

(2) Clothing accessories or equipment.

(3) The rental of clothing.

*c.* For purposes of this subsection:

(1) *"Clothing"* means all human wearing apparel suitable for general use.

(a) *"Clothing"* includes but is not limited to the following: aprons, household and shop; athletic supporters; baby receiving blankets; bathing suits and caps; beach capes and coats; belts and suspenders; boots; coats and jackets; costumes; diapers (children and adults, including disposable diapers); earmuffs; footlets; formal wear; garters and garter belts; girdles; gloves and mittens for general use; hats and caps; hosiery; insoles for shoes; lab coats; neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and shoelaces; slippers; sneakers; socks and stockings; steel-toed shoes; underwear; uniforms, athletic and nonathletic; and wedding apparel.

(b) *"Clothing"* does not include the following: belt buckles sold separately; costume masks sold separately; patches and emblems sold separately; sewing equipment and supplies (including but not limited to knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures, and thimbles); and sewing materials that become part of clothing (including but not limited to buttons, fabric, lace, thread, yarn, and zippers).

(2) *"Clothing accessories or equipment"* means incidental items worn on the person or in conjunction with clothing. *"Clothing accessories or equipment"* includes but is not limited to the following: briefcases; cosmetics; hair notions (including but not limited to barrettes, hair bows, and hair nets); handbags; handkerchiefs; jewelry; sunglasses, nonprescription; umbrellas; wallets; watches; and wigs and hairpieces.

(3) *"Protective equipment"* means items for human wear and designed as protection for the wearer against injury or disease or as protection against damage or injury of other persons or property but not suitable for general use. *"Protective equipment"* includes but is not limited to the following: breathing masks; clean room apparel and equipment; ear and hearing protectors; face shields; hard hats; helmets; paint or dust respirators; protective gloves; safety glasses and goggles; safety belts; tool belts; and welders gloves and masks.

(4) *"Sport or recreational equipment"* means items designed for human use and worn in conjunction with an athletic or recreational activity that are not suitable for general use. *"Sport or recreational equipment"* includes but is not limited to the following: ballet and tap shoes; cleated or spiked athletic shoes; gloves (including but not limited to baseball, bowling, boxing, hockey, and golf); goggles; hand and elbow guards; life preservers and vests; mouth guards; roller and ice skates; shin guards; shoulder pads; ski boots; waders; and wetsuits and fins.

69. The sales price from charges paid for the delivery of electricity or natural gas if the sale or furnishing of the electricity or natural gas or its use is exempt from the tax on sales prices imposed under this subchapter or from the use tax imposed under subchapter III.

69A. The sales price from surcharges paid for E911 service and wireless E911 service pursuant to chapter 34A.

70. The sales price of delivery charges. This exemption does not apply to the delivery of electric energy or natural gas.

71. The sales price from sales of tangible personal property used or to be used as railroad rolling stock for transporting persons or property, or as materials or parts therefor.

72. The sales price from the sales of special fuel for diesel engines consumed or used in the operation of ships, barges, or waterborne vessels which are used primarily in or for the transportation of property or cargo, or the conveyance of persons for hire on rivers bordering on the state if the fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such a river.

73. The sales price from sales of vehicles subject to registration or subject only to the issuance of a certificate of title and sales of aircraft subject to registration under section 328.20.

74. The sales price from the sale of aircraft for use in a scheduled interstate federal aviation administration certificated air carrier operation.

75. The sales price from the sale or rental of aircraft; the sale or rental of tangible personal property permanently affixed or attached as a component part of the aircraft, including but not limited to repair or replacement materials or parts; and the sales price of all services used for aircraft repair, remodeling, and maintenance services when such services are performed on aircraft, aircraft engines, or aircraft component materials or parts. For the purposes of this exemption, *"aircraft"* means aircraft used in a scheduled interstate federal aviation administration certificated air carrier operation.

76. The sales price from the sale or rental of tangible personal property permanently affixed or attached as a component part of the aircraft, including but not limited to repair or replacement materials or parts; and the sales price of all services used for aircraft repair, remodeling, and maintenance services when such services are performed on aircraft, aircraft engines, or aircraft component materials or parts. For the purposes of this exemption, *"aircraft"* means aircraft used in nonscheduled interstate federal aviation administration certificated air carrier operation operating under 14 C.F.R. ch. 1, pt. 135.

77. *a.* The sales price from the sale of aircraft to an aircraft dealer who in turn rents or leases the aircraft if all of the following apply:

(1) The aircraft is kept in the inventory of the dealer for sale at all times.

(2) The dealer reserves the right to immediately take the aircraft from the renter or lessee when a buyer is found.

(3) The renter or lessee is aware that the dealer will immediately take the aircraft when a buyer is found.

*b.* If an aircraft exempt under this subsection is used for any purpose other than leasing or renting, or the conditions in paragraph *"a"*, subparagraphs (1), (2), and (3), are not continuously met, the dealer claiming the exemption under this subsection is liable for the tax that would have been due except for this subsection. The tax shall be computed upon the original purchase price.

78. *a.* The sales price from sales or rental of tangible personal property, or services rendered by any entity where the profits from the sales or rental of the tangible personal property, or services rendered, are used by or donated to a nonprofit entity that is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code, a government entity, or a nonprofit private educational institution, and where the entire proceeds from the sales, rental, or services are expended for any of the following purposes:

(1) Educational.

(2) Religious.

(3) Charitable. A charitable act is an act done out of goodwill, benevolence, and a desire to add to or to improve the good of humankind in general or any class or portion of humankind, with no pecuniary profit inuring to the person performing the service or giving the gift.

*b.* For purposes of this exemption, an organization that meets the requirements of paragraph *"a"* and which is created for the sole or primary purpose of providing athletic activities to youth shall be considered created for an educational purpose.

*c.* Except as otherwise provided in subsection 97, this exemption does not apply to the sales price from games of skill, games of chance, raffles, and bingo games as defined in chapter 99B. This exemption is disallowed on the amount of the sales price only to the extent the profits from the sales, rental, or services are not used by or donated to the appropriate entity and expended for educational, religious, or charitable purposes.

79. The sales price from the sale or rental of tangible personal property or from services furnished to a recognized community action agency as provided in section 216A.93 to be used for the purposes of the agency.

80. *a.* For purposes of this subsection, "*designated exempt entity*" means an entity which is designated in section 423.4, subsection 1 or 6.

*b.* If a contractor, subcontractor, or builder is to use building materials, supplies, and equipment in the performance of a construction contract with a designated exempt entity, the person shall purchase such items of tangible personal property without liability for the tax if such property will be used in the performance of the construction contract and a purchasing agent authorization letter and an exemption certificate, issued by the designated exempt entity, are presented to the retailer. The sales price of building materials, supplies, or equipment is exempt from tax by this subsection only to the extent the building materials, supplies, or equipment are completely consumed in the performance of the construction contract with the designated exempt entity.

*c.* Where the owner, contractor, subcontractor, or builder is also a retailer holding a retail sales tax permit and transacting retail sales of building materials, supplies, and equipment, the tax shall not be due when materials are withdrawn from inventory for use in construction performed for a designated exempt entity if an exemption certificate is received from such entity.

*d.* Tax shall not apply to tangible personal property purchased and consumed by a manufacturer as building materials, supplies, or equipment in the performance of a construction contract for a designated exempt entity, if a purchasing agent authorization letter and an exemption certificate are received from such entity and presented to a retailer.

81. The sales price from the sales of lottery tickets or shares pursuant to chapter 99G.

82. *a.* The sales price from the sale or rental of core-making, mold-making, and sand-handling machinery and equipment, including replacement parts, directly and primarily used in the mold-making process by a foundry.

*b.* The sales price from the sale of fuel used in creating heat, power, steam, or for generating electric current, or from the sale of electricity, consumed by core-making,

mold-making, and sand-handling machinery and equipment used directly and primarily in the mold-making process by a foundry.

*c.* The sales price from the furnishing of the design and installation, including electrical and electronic installation, of core-making, mold-making, and sand-handling machinery and equipment used directly and primarily in the mold-making process by a foundry.

83. The sales price from noncustomer point of sale or noncustomer automated teller machine access or service charges assessed by a financial institution. For purposes of this subsection, "*financial institution*" means the same as defined in section 527.2.

84. *a.* Subject to paragraph "*b*", the sales price from the sale or furnishing of metered gas, electricity, and fuel, including propane and heating oil, to residential customers which is used to provide energy for residential dwellings and units of apartment and condominium complexes used for human occupancy.

*b.* The exemption in this subsection shall be phased in by means of a reduction in the tax rate as follows:

(1) If the date of the utility billing or meter reading cycle of the residential customer for the sale or furnishing of metered gas and electricity is on or after January 1, 2004, through December 31, 2004, or if the sale or furnishing of fuel for purposes of residential energy and the delivery of the fuel occurs on or after January 1, 2004, through December 31, 2004, the rate of tax is two percent of the sales price.

(2) If the date of the utility billing or meter reading cycle of the residential customer for the sale or furnishing of metered gas and electricity is on or after January 1, 2005, through December 31, 2005, or if the sale or furnishing of fuel for purposes of residential energy and the delivery of the fuel occurs on or after January 1, 2005, through December 31, 2005, the rate of tax is one percent of the sales price.

(3) If the date of the utility billing or meter reading cycle of the residential customer for the sale or furnishing of metered gas and electricity is on or after January 1, 2006, or if the sale, furnishing, or service of fuel for purposes of residential energy and the delivery of the fuel occurs on or after January 1, 2006, the rate of tax is zero percent of the sales price.

*c.* The exemption in this subsection does not apply to local option sales and services tax imposed pursuant to chapters 423B and 423E.

85. The sales price from the sale of the following items: self-propelled building equipment, pile drivers, motorized scaffolding, or attachments customarily drawn or attached to self-propelled building equipment, pile drivers, and motorized scaffolding, including auxiliary attachments which improve the performance, safety, operation, or efficiency of the equipment, and replacement parts and are directly and primarily used by contractors, subcontractors, and builders for new construction, reconstruction, alterations, expansion, or remodeling of real property or structures.

86. *a.* The sales price from services performed on a vessel if all of the following apply:

(1) The vessel is a licensed vessel under the laws of the United States coast guard.

(2) The service is used to repair or restore a defect in the vessel.

(3) The vessel is engaged in interstate commerce and will continue in interstate commerce once the repairs or restoration is completed.

(4) The vessel is in navigable water that borders a boundary of this state.

*b.* For purposes of this exemption, "*vessel*" includes a ship, barge, or other waterborne vessel.

87. The sales price from the sales of toys to a nonprofit organization exempt from federal income tax under section 501 of the Internal Revenue Code that purchases the toys from donations collected by the nonprofit organization and distributes the toys to children at no cost.

88. The sales price from the sale of building materials, supplies, goods, wares, or merchandise sold to a nonprofit Iowa affiliate of a nonprofit international organization whose primary activity is the promotion of the construction, remodeling, or rehabilitation of one-family or two-family dwellings for use by low-income families and where the building materials, supplies, goods, wares, or merchandise are used in the construction, remodeling, or rehabilitation of such dwellings.

89. *a.* The sales price of all goods, wares, or merchandise sold, or of services furnished,

which are used in the fulfillment of a written construction contract for the original construction of a building or structure to be used as a collaborative educational facility.

*b.* The sales price of all goods, wares, or merchandise sold, or of services furnished, which are used in the fulfillment of a written construction contract for the construction of additions or modifications to a building or structure used as part of a collaborative educational facility.

*c.* To receive the exemption provided in paragraph "*a*" or "*b*", a collaborative educational facility must meet all of the criteria in paragraph "*d*" or "*e*":

*d.* (1) The contract for construction of the building or structure is entered into on or after April 1, 2003.

(2) The building or structure is located within the corporate limits of a city in the state with a population in excess of one hundred ninety-five thousand residents.

(3) The sole purpose of the building or structure is to provide facilities for a collaborative of public and private educational institutions that provide education to students.

(4) The owner of the building or structure is a nonprofit corporation governed by chapter 504 or former chapter 504A which is exempt from federal income tax pursuant to section 501(a) of the Internal Revenue Code.

*e.* (1) The contract for construction of the building or structure is entered into on or after May 15, 2007.

(2) The sole purpose of the building or structure is to provide facilities for a regional academy under a collaborative of public and private educational institutions that includes a community college established under chapter 260C that provide education to students.

(3) The owner of the building or structure is a qualified charitable nonprofit corporation governed by chapter 504 or former chapter 504A which is exempt from federal income tax pursuant to section 501(c)(3) of the Internal Revenue Code.

*f.* References to "*building*" or "*structure*" in paragraphs "*d*" and "*e*" include any additions or modifications to the building or structure.

90. The sales price from the sale of solar energy equipment. For purposes of this subsection, "*solar energy equipment*" means equipment that is primarily used to collect and convert incident solar radiation into thermal, mechanical, or electrical energy or equipment that is primarily used to transform such converted solar energy to a storage point or to a point of use.

91. *a.* The sales price from the sale of coins, currency, or bullion.

*b.* For purposes of this subsection:

(1) "*Bullion*" means bars, ingots, or commemorative medallions of gold, silver, platinum, palladium, or a combination of these where the value of the metal depends on its content and not the form.

(2) "*Coins*" or "*currency*" means a coin or currency made of gold, silver, or other metal or paper which is or has been used as legal tender.

92. *a.* (1) The sales price from the sale or rental of computers and equipment that are necessary for the maintenance and operation of a web search portal and property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity used for the maintenance and operation of the web search portal, including but not limited to exterior dedicated business-owned substations, backup power generation systems, battery systems, and related infrastructure; and racking systems, cabling, and trays, which are necessary for the maintenance and operation of the web search portal.

(2) The sales price of backup power generation fuel, that is purchased by a web search portal business for use in the items listed in subparagraph (1).

(3) The sales price of electricity purchased for use in providing a web search portal.

*b.* For the purpose of claiming this exemption, all of the following requirements shall be met:

(1) The business of the purchaser or renter shall be as a provider of a web search portal.

(2) The web search portal business shall have a physical location in the state that is used for the operations and maintenance of the web search portal site on the internet including

but not limited to research and development to support capabilities to organize information and to provide internet access, navigation, and search.

(3) The web search portal business shall make a minimum investment in an Iowa physical location of two hundred million dollars within the first six years of operation in Iowa beginning with the date the web search portal business initiates site preparation activities. The minimum investment includes the initial investment, including land and subsequent acquisition of additional adjacent land and subsequent investment at the Iowa location.

(4) The web search portal business shall purchase, option, or lease Iowa land not later than December 31, 2008, for any initial investment. However, the December 31, 2008, date shall not affect the future purchases of adjacent land and additional investment in the initial or adjacent land to qualify as part of the minimum investment for purposes of this exemption.

*c.* This exemption applies from the date of the initial investment in or the initiation of site preparation activities for the web search portal facility as described in paragraph *"b"*. For purposes of claiming this exemption, the requirements may be met by aggregating the various Iowa investments and other requirements of the web search portal business's affiliates. This exemption applies to affiliates of the web search portal business.

*d.* Failure to meet eighty percent of the minimum investment amount requirement specified in paragraph *"b"* within the first six years of operation from the date the web search portal business initiates site preparation activities will result in the web search portal business losing the right to claim this exemption and the web search portal business shall pay all sales or use tax that would have been due on the purchase or rental or use of the items listed in this exemption, plus any applicable penalty and interest imposed by statute.

*e.* For purposes of this subsection:

(1) *"Affiliate"* means an entity that directly or indirectly controls, is controlled with or by, or is under common control with another entity.

(2) *"Control"* means any of the following:

(a) In the case of a United States corporation, the ownership, directly or indirectly, of fifty percent or more of the voting power to elect directors.

(b) In the case of a foreign corporation, if the voting power to elect the directors is less than fifty percent, the maximum amount allowed by applicable law.

(c) In the case of an entity other than a corporation, fifty percent or more ownership interest in the entity, or the power to direct the management of the entity.

(3) *"Web search portal business"* means an entity among whose primary businesses is to provide a search portal to organize information; to access, search, and navigate the internet, including research and development to support capabilities to organize information; and to provide internet access, navigation, and search functionalities.

93. *a.* (1) The sales price from the sale or rental of computers and equipment that are necessary for the maintenance and operation of a web search portal business and property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity used for the maintenance and operation of the web search portal business, including but not limited to exterior dedicated business-owned substations, backup power generation systems, battery systems, and related infrastructure; and racking systems, cabling, and trays, which are necessary for the maintenance and operation of the web search portal business.

(2) The sales price of backup power generation fuel, that is purchased by a web search portal business for use in the items listed in subparagraph (1).

(3) The sales price of electricity purchased for use by a web search portal business.

*b.* For the purpose of claiming this exemption, all of the following requirements shall be met:

(1) The purchaser or renter shall be a web search portal business.

(2) The web search portal business shall have a physical location in the state that is used for the operations and maintenance of the web search portal business.

(3) The web search portal business shall make a minimum investment in an Iowa physical location of two hundred million dollars within the first six years of operation in Iowa beginning with the date the web search portal business initiates site preparation activities.

The minimum investment includes the initial investment, including land and subsequent acquisition of additional adjacent land and subsequent investment at the Iowa location.

(4) The web search portal business shall purchase, option, or lease Iowa land not later than December 31, 2008, for any initial investment. However, the December 31, 2008, date shall not affect the future purchases of adjacent land and additional investment in the initial or adjacent land to qualify as part of the minimum investment for purposes of this exemption.

*c.* This exemption applies from the date of the initial investment in or the initiation of site preparation activities for the web search portal facility as described in paragraph *"b"*. For purposes of claiming this exemption, the requirements may be met by aggregating the various Iowa investments and other requirements of the web search portal business's affiliates. This exemption applies to affiliates of the web search portal business.

*d.* Failure to meet eighty percent of the minimum investment amount requirement specified in paragraph *"b"* within the first six years of operation from the date the web search portal business initiates site preparation activities will result in the web search portal business losing the right to claim this web search portal business exemption and the web search portal business shall pay all sales or use tax that would have been due on the purchase or rental or use of the items listed in this exemption, plus any applicable penalty and interest imposed by statute.

*e.* For purposes of this subsection:

(1) *"Affiliate"* means an entity that directly or indirectly controls, is controlled with or by, or is under common control with another entity.

(2) *"Control"* means any of the following:

(a) In the case of a United States corporation, the ownership, directly or indirectly, of fifty percent or more of the voting power to elect directors.

(b) In the case of a foreign corporation, if the voting power to elect the directors is less than fifty percent, the maximum amount allowed by applicable law.

(c) In the case of an entity other than a corporation, fifty percent or more ownership interest in the entity, or the power to direct the management of the entity.

(3) *"Web search portal business"* means an entity whose business among other businesses is to provide a search portal to organize information; to access, search, and navigate the internet, including research and development to support capabilities to organize information; or to provide internet access, navigation, or search functionalities.

94. Water use permit fees paid pursuant to section 455B.265.

95. *a.* (1) The sales price from the sale or rental of computers and equipment that are necessary for the maintenance and operation of a data center business and property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity used for the maintenance and operation of the data center business, including but not limited to exterior dedicated business-owned substations, backup power generation systems, battery systems, and related infrastructure; and racking systems, cabling, and trays, which are necessary for the maintenance and operation of the data center business.

(2) The sales price of backup power generation fuel that is purchased by a data center business for use in the items listed in subparagraph (1).

(3) The sales price of electricity purchased for use by a data center business.

*b.* For the purpose of claiming this exemption, all of the following requirements shall be met:

(1) The purchaser or renter shall be a data center business.

(2) The data center business shall have a physical location in the state that is, in the aggregate, at least five thousand square feet in size that is used for the operations and maintenance of the data center business.

(3) The data center business shall make a minimum investment in an Iowa physical location of two hundred million dollars within the first six years of operation in Iowa beginning with the date the data center business initiates site preparation activities. The minimum investment includes the initial investment, including land and subsequent acquisition of additional adjacent land and subsequent investment at the Iowa location.

(4) The data center business shall comply with the sustainable design and construction standards established by the state building code commissioner pursuant to section 103A.8B.

*c.* This exemption applies from the date of the initial investment in or the initiation of site preparation activities for the data center business facility as described in paragraph *"b"*.

*d.* Failure to meet eighty percent of the minimum investment amount requirement specified in paragraph *"b"* within the first six years of operation from the date the data center business initiates site preparation activities will result in the data center business losing the right to claim this data center business exemption and the data center business shall pay all sales or use tax that would have been due on the purchase or rental or use of the items listed in this exemption, plus any applicable penalty and interest imposed by statute.

*e.* For purposes of this subsection:

(1) *"Data center"* means a building rehabilitated or constructed to house a group of networked server computers in one physical location in order to centralize the storage, management, and dissemination of data and information pertaining to a particular business, taxonomy, or body of knowledge. A data center business's facility typically includes the mechanical and electrical systems, redundant or backup power supplies, redundant data communications connections, environmental controls, and fire suppression systems. A data center business's facility also includes a restricted access area employing advanced physical security measures such as video surveillance systems and card-based security or biometric security access systems.

(2) *"Data center business"* means an entity whose business among other businesses, is to operate a data center.

96. The sale price of fees charged for the release of medical records as described in section 622.10.

97. The sales price from raffles, as raffle is defined in section 99B.1, if the raffle provides for educational scholarships and is conducted by a qualified organization representing veterans as defined in section 99B.7B.

98. The sales price from the sale of water, electricity, chemicals, solvents, sorbents, or reagents to a retailer to be used in providing a service that includes a vehicle wash and wax, which vehicle wash and wax service is subject to section 423.2, subsection 6.

99. *a.* The sales price from the sale of chemicals, solvents, sorbents, reagents, or other tangible personal property used in providing a vehicle repair service subject to section 423.2, subsection 6, if all of the following conditions are met:

(1) The chemicals, solvents, sorbents, reagents, or other tangible personal property are directly and primarily used in providing the vehicle repair service.

(2) The chemicals, solvents, sorbents, reagents, or other tangible personal property are consumed or dissipated in providing the vehicle repair service.

(3) The chemicals, solvents, sorbents, reagents, or other tangible personal property will come into physical contact with the vehicle upon which the vehicle repair service is performed.

*b.* The exemption under this subsection does not apply to tangible personal property that can be used to provide multiple vehicle repair services, including but not limited to machinery, tools, and equipment.

100. The sales price from services furnished by forestry consultants and forestry vendors engaged in forestry practices on private or public land.

2003 Acts, 1st Ex, ch 2, §96, 205; 2004 Acts, ch 1022, §4; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1073, §26, 27; 2004 Acts, ch 1086, §105; 2004 Acts, ch 1133, §1; 2004 Acts, ch 1175, §320, 394; 2005 Acts, ch 71, §1; 2005 Acts, ch 134, §1; 2005 Acts, ch 140, §6 – 11, 16, 30, 44 – 46, 72, 73; 2006 Acts, ch 1001, §1, 2, 4, 5; 2006 Acts, ch 1134, §1; 2006 Acts, ch 1158, §40 – 44; 2006 Acts, ch 1161, §5, 7; 2006 Acts, ch 1162, §1; 2006 Acts, ch 1185, §128; 2007 Acts, ch 22, §74, 75; 2007 Acts, ch 186, §21, 22; 2007 Acts, ch 199, §1; 2007 Acts, ch 215, §112, 125; 2008 Acts, ch 1006, §1; 2008 Acts, ch 1163, §1; 2008 Acts, ch 1184, §55, 56; 2009 Acts, ch 133, §144; 2009 Acts, ch 179, §136, 197, 218 – 220; 2010 Acts, ch 1031, §388; 2010 Acts, ch 1148, §1; 2011 Acts, ch 25, §41, 42, 85 – 87, 143; 2011 Acts, ch 92, §6; 2012 Acts, ch 1019, §131; 2012 Acts, ch 1104, §1; 2012 Acts, ch 1110, §18, 19; 2012 Acts, ch 1121, §13, 14; 2012 Acts, ch 1125, §1;

2012 Acts, ch 1139, §2, 3, 6; 2013 Acts, ch 11, §1; 2013 Acts, ch 70, §12 – 15; 2013 Acts, ch 92, §1; 2013 Acts, ch 138, §59; 2013 Acts, ch 140, §127, 128

Referred to in §2.48, 8G.4, 123.173A, 321.105A, 423.1, 423.2, 423.4, 423.6, 423.33, 423C.3, 423D.3, 427.1(35a, 35b, 36a, 36b, 37a), 622.10

2009 amendment to subsection 78 takes effect May 26, 2009, and applies retroactively to July 1, 1998; October 1, 2009, filing deadline and limitation on claims resulting from transactions occurring between July 1, 1998, and May 26, 2009; 2009 Acts, ch 179, §219, 220

2012 amendments amending subsection 78, paragraph c, and adding subsection 97 apply retroactively to raffles occurring on or after January 1, 2012; 2012 Acts, ch 1139, §6

Subsection 18, paragraph c amended
Subsection 18, paragraph f, subparagraph (1) amended
Subsection 44 stricken
Subsection 47, paragraph d, subparagraph (4) amended
Subsection 54 amended
Subsection 57, paragraph d amended
Subsection 58 amended
NEW subsections 99 and 100

**423.4 Refunds.**

1. A private nonprofit educational institution in this state, nonprofit Iowa affiliate of a nonprofit international organization whose primary activity is the promotion of the construction, remodeling, or rehabilitation of one-family or two-family dwellings for low-income families, nonprofit private museum in this state, tax-certifying or tax-levying body or governmental subdivision of the state, including the state board of regents, state department of human services, state department of transportation, a municipally owned solid waste facility which sells all or part of its processed waste as fuel to a municipally owned public utility, and all divisions, boards, commissions, agencies, or instrumentalities of state, federal, county, or municipal government which do not have earnings going to the benefit of an equity investor or stockholder, may make application to the department for the refund of the sales or use tax upon the sales price of all sales of goods, wares, or merchandise, or from services furnished to a contractor, used in the fulfillment of a written contract with the state of Iowa, any political subdivision of the state, or a division, board, commission, agency, or instrumentality of the state or a political subdivision, a private nonprofit educational institution in this state, a nonprofit Iowa affiliate described in this subsection, or a nonprofit private museum in this state if the property becomes an integral part of the project under contract and at the completion of the project becomes public property, is devoted to educational uses, becomes part of a low-income one-family or two-family dwelling in the state, or becomes a nonprofit private museum; except goods, wares, or merchandise, or services furnished which are used in the performance of any contract in connection with the operation of any municipal utility engaged in selling gas, electricity, or heat to the general public or in connection with the operation of a municipal pay television system; and except goods, wares, and merchandise used in the performance of a contract for a *"project"* under chapter 419 as defined in that chapter other than goods, wares, or merchandise used in the performance of a contract for a *"project"* under chapter 419 for which a bond issue was approved by a municipality prior to July 1, 1968, or for which the goods, wares, or merchandise becomes an integral part of the project under contract and at the completion of the project becomes public property or is devoted to educational uses.

*a.* Such contractor shall state under oath, on forms provided by the department, the amount of such sales of goods, wares, or merchandise, or services furnished and used in the performance of such contract, and upon which sales or use tax has been paid, and shall file such forms with the governmental unit, private nonprofit educational institution, nonprofit Iowa affiliate, or nonprofit private museum which has made any written contract for performance by the contractor. The forms shall be filed by the contractor with the governmental unit, educational institution, nonprofit Iowa affiliate, or nonprofit private museum before final settlement is made.

*b.* Such governmental unit, educational institution, nonprofit Iowa affiliate, or nonprofit private museum shall, not more than one year after the final settlement has been made, make application to the department for any refund of the amount of the sales or use tax which shall have been paid upon any goods, wares, or merchandise, or services furnished, the application to be made in the manner and upon forms to be provided by the department, and the department shall forthwith audit the claim and, if approved, issue a warrant to the governmental unit, educational institution, nonprofit Iowa affiliate, or nonprofit private

museum in the amount of the sales or use tax which has been paid to the state of Iowa under the contract.

*c.* Refunds authorized under this subsection shall accrue interest at the rate in effect under section 421.7 from the first day of the second calendar month following the date the refund claim is received by the department.

*d.* Any contractor who willfully makes a false report of tax paid under the provisions of this subsection is guilty of a simple misdemeanor and in addition shall be liable for the payment of the tax and any applicable penalty and interest.

2. The refund of sales and use tax paid on transportation construction projects let by the state department of transportation is subject to the special provisions of this subsection.

*a.* A contractor awarded a contract for a transportation construction project is considered the consumer of all building materials, building supplies, and equipment and shall pay sales tax to the supplier or remit consumer use tax directly to the department.

*b.* The contractor is not required to file information with the state department of transportation stating the amount of goods, wares, or merchandise, or services rendered, furnished, or performed and used in the performance of the contract or the amount of sales or use tax paid.

*c.* The state department of transportation shall file a refund claim based on a formula that considers the following:

(1) The quantity of material to complete the contract, and quantities of items of work.

(2) The estimated cost of these materials included in the items of work, and the state sales or use tax to be paid on the tax rate in effect in section 423.2. The quantity of materials shall be determined after each letting based on the contract quantities of all items of work let to contract. The quantity of individual component materials required for each item shall be determined and maintained in a database. The total quantities of materials shall be determined by multiplying the quantities of component materials for each contract item of work by the total quantities of each contract item for each letting. Where variances exist in the cost of materials, the lowest cost shall be used as the base cost.

*d.* Only the state sales or use tax is refundable. Local option taxes paid by the contractor are not refundable.

3. A relief agency may apply to the director for refund of the amount of sales or use tax imposed and paid upon sales to it of any goods, wares, merchandise, or services furnished, used for free distribution to the poor and needy.

*a.* The refunds may be obtained only in the following amounts and manner and only under the following conditions:

(1) On forms furnished by the department, and filed within the time as the director shall provide by rule, the relief agency shall report to the department the total amount or amounts, valued in money, expended directly or indirectly for goods, wares, merchandise, or services furnished, used for free distribution to the poor and needy.

(2) On these forms the relief agency shall separately list the persons making the sales to it or to its order, together with the dates of the sales, and the total amount so expended by the relief agency.

(3) The relief agency must prove to the satisfaction of the director that the person making the sales has included the amount thereof in the computation of the sales price of such person and that such person has paid the tax levied by this subchapter or subchapter III, based upon such computation of the sales price.

*b.* If satisfied that the foregoing conditions and requirements have been complied with, the director shall refund the amount claimed by the relief agency.

4. A person in possession of a wind energy production tax credit certificate pursuant to chapter 476B or a renewable energy tax credit certificate issued pursuant to chapter 476C may apply to the director for refund of the amount of sales or use tax imposed and paid upon purchases made by the applicant.

*a.* The refunds may be obtained only in the following manner and under the following conditions:

(1) On forms furnished by the department and filed by January 31 after the end of the calendar year in which the tax credit certificate is to be applied, the applicant shall report

to the department the total amount of sales and use tax paid during the reporting period on purchases made by the applicant.

(2) The applicant shall separately list the amounts of sales and use tax paid during the reporting period.

(3) If required by the department, the applicant shall prove that the person making the sales has included the amount thereof in the computation of the sales price of such person and that such person has paid the tax levied by this subchapter or subchapter III, based upon such computation of the sales price.

(4) The applicant shall provide the tax credit certificates issued pursuant to chapter 476B or 476C to the department with the forms required by this paragraph "*a*".

*b*. If satisfied that the foregoing conditions and requirements have been complied with, the director shall refund the amount claimed by the applicant for an amount not greater than the amount of tax credits issued in tax credit certificates pursuant to chapter 476B or 476C.

5. *a*. For purposes of this subsection:

(1) "*Automobile racetrack facility*" means a sanctioned automobile racetrack facility located as part of a racetrack and entertainment complex, including any museum attached to or included in the racetrack facility but excluding any restaurant, and which facility is located, on a maximum of two hundred thirty-two acres, in a city with a population of at least fourteen thousand five hundred but not more than sixteen thousand five hundred residents, which city is located in a county with a population of at least thirty-five thousand but not more than forty thousand residents and where the construction on the racetrack facility commenced not later than July 1, 2006, and the cost of the construction upon completion was at least thirty-five million dollars.

(2) "*Change of control*" means any of the following:

(a) Any change in the ownership of the original or any subsequent legal entity that is the owner or operator of the automobile racetrack facility such that less than twenty-five percent of the equity interests in the legal entity is owned by individuals who are residents of Iowa, an Iowa corporation, or combination of both.

(b) The original owners of the legal entity that is the owner or operator of the automobile racetrack facility shall collectively cease to own at least twenty-five percent of the voting equity interests of such legal entity.

(3) "*Iowa corporation*" means a corporation incorporated under the laws of Iowa where at least twenty-five percent of the corporation's equity interests are owned by individuals who are residents of Iowa.

(4) "*Owner or operator*" means a for-profit legal entity where at least twenty-five percent of its equity interests are owned by individuals who are residents of Iowa, an Iowa corporation, or combination of both and that is the owner or operator of an automobile racetrack facility and is primarily a promoter of motor vehicle races.

(5) "*Population*" means the population based upon the 2000 certified federal census.

*b*. The owner or operator of an automobile racetrack facility may apply to the department for a rebate of sales tax imposed and collected by retailers upon sales of tangible personal property or services furnished to purchasers at the automobile racetrack facility.

*c*. The rebate may be obtained only in the following amounts and manner and only under the following conditions:

(1) On forms furnished by the department within the time period provided by the department by rule, which time period shall not be longer than quarterly.

(2) The owner or operator shall provide information as deemed necessary by the department.

(3) The transactions for which sales tax was collected and the rebate is sought occurred on or after January 1, 2006, but before January 1, 2016. However, not more than twelve million five hundred thousand dollars in total rebates shall be provided pursuant to this subsection.

(4) Notwithstanding subparagraph (3), the rebate of sales tax shall cease for transactions occurring on or after the date of the change of control of the automobile racetrack facility.

(5) The automobile racetrack facility has not received or shall not receive any grants under the community attraction and tourism program pursuant to chapter 15F, subchapter II, or the vision Iowa program pursuant to chapter 15F, subchapter III.

*d.* To assist the department in determining the amount of the rebate, the owner or operator shall identify to the department retailers located at the automobile racetrack facility who will be collecting sales tax. The department shall verify such identity and ensure that all proper permits have been issued. For purposes of this subsection, advance ticket and admissions sales shall be considered occurring at the automobile racetrack facility regardless of where the transactions actually occur.

*e.* Upon determining that the conditions and requirements of this subsection and the department are met, the department shall issue a warrant to the owner or operator in the amount equal to the amount claimed and verified by the department.

*f.* Notwithstanding the state sales tax imposed in section 423.2, a rebate issued pursuant to this subsection shall not exceed an amount equal to five percent of the sales price of the tangible personal property or services furnished to purchasers at the automobile racetrack facility. Any local option taxes paid and collected shall not be subject to rebate under this subsection.

*g.* This subsection is repealed June 30, 2016, or thirty days following the date on which twelve million five hundred thousand dollars in total rebates have been provided, or thirty days following the date on which rebates cease as provided in paragraph "*c*", subparagraph (4), whichever is the earliest.

6. *a.* (1) The owner of a collaborative educational facility in this state may make application to the department for the refund of the sales or use tax upon the sales price of all sales of goods, wares, or merchandise, or from services furnished to a contractor, used in the fulfillment of a written construction contract with the owner of the collaborative educational facility for the original construction, or additions or modifications to, a building or structure to be used as part of the collaborative educational facility.

(2) To receive the refund under this subsection, a collaborative educational facility must meet all of the following criteria:

(a) The contract for construction of the building or structure is entered into on or after April 1, 2003.

(b) The building or structure is located within the corporate limits of a city in the state with a population in excess of one hundred ninety-five thousand residents.

(c) The sole purpose of the building or structure is to provide facilities for a collaborative of public and private educational institutions that provide education to students.

(d) The owner of the building or structure is a nonprofit corporation governed by chapter 504 or former chapter 504A which is exempt from federal income tax pursuant to section 501(a) of the Internal Revenue Code.

(3) References to *"building"* or *"structure"* in subparagraph (2), subparagraph divisions (a) through (d) include any additions or modifications to the building or structure.

*b.* Such contractor shall state under oath, on forms provided by the department, the amount of such sales of goods, wares, or merchandise, or services furnished and used in the performance of such contract, and upon which sales or use tax has been paid, and shall file such forms with the owner of the collaborative educational facility which has made any written contract for performance by the contractor.

*c.* (1) The owner of the collaborative educational facility shall, not more than one year after the final settlement has been made, make application to the department for any refund of the amount of the sales or use tax which shall have been paid upon any goods, wares, or merchandise, or services furnished, the application to be made in the manner and upon forms to be provided by the department, and the department shall forthwith audit the claim and, if approved, issue a warrant to the owner of the collaborative educational facility in the amount of the sales or use tax which has been paid to the state of Iowa under the contract.

(2) Refunds authorized under this subsection shall accrue interest at the rate in effect under section 421.7 from the first day of the second calendar month following the date the refund claim is received by the department.

*d.* Any contractor who willfully makes a false report of tax paid under the provisions of this subsection is guilty of a simple misdemeanor and in addition shall be liable for the payment of the tax and any applicable penalty and interest.

7. *a.* The owner of a data center business, as defined in section 423.3, subsection 95,

located in this state may make an annual application for up to five consecutive years to the department for the refund of fifty percent of the sales or use tax upon the sales price of all sales of fuel used in creating heat, power, and steam for processing or generating electrical current, or from the sale of electricity consumed by computers, machinery, or other equipment for operation of the data center business facility.

*b.* A data center business shall qualify for the refund in this subsection if all of the following criteria are met:

(1) The data center business shall make an investment in an Iowa physical location within the first three years of operation in Iowa beginning with the date on which the data center business initiates site preparation activities.

(2) The amount of the investment in an Iowa physical location, including the value of a lease agreement, or an investment in land or buildings, and the capital expenditures for computers, machinery, and other equipment used in the operation of the data center business shall equal at least one million dollars, but shall not exceed ten million dollars for a newly constructed building or five million dollars for a rehabilitated building.

(3) If the data center business is leasing a building to house operations, the data center business shall enter into a lease that is at least five years in duration.

(4) The data center business shall comply with the sustainable design and construction standards established by the state building code commissioner pursuant to section 103A.8B.

*c.* The refund may be obtained only in the following manner and under the following conditions:

(1) The applicant shall use forms furnished by the department.

(2) The applicant shall separately list the amounts of sales and use tax paid during the reporting period.

(3) The applicant may request when the refund begins, but it must start on the first day of a month and proceed for a continuous twelve-month period.

*d.* In determining the amount to be refunded, if the dates of the utility billing or meter reading cycle for the sale or furnishing of metered gas and electricity are on or after the first day of the first month through the last day of the last month of the refund year, fifty percent of the amount of tax charged in the billings shall be refunded. In determining the amount to be refunded, if the dates of the sale or furnishing of fuel for purposes of commercial energy and the delivery of the fuel are on or after the first day of the first month through the last day of the last month of the refund year, fifty percent of the amount of tax charged in the billings shall be refunded.

*e.* To receive refunds during the five-year period, the applicant shall file a refund claim within three months after the end of each refund year.

*f.* The refund in this subsection applies only to state sales and use tax paid and does not apply to local option sales and services taxes imposed pursuant to chapter 423B. Notwithstanding the state sales tax imposed in section 423.2, a refund issued pursuant to this section shall not exceed an amount equal to five percent of the sales price of the fuel used to create heat, power, and steam for processing or generating electrical current or from the sale price of electricity consumed by computers, machinery, or other equipment for operation of the data center business facility.

8. *a.* The owner of a data center business, as defined in section 423.3, subsection 95, paragraph "*e*", located in this state that is not eligible for the exemption under section 423.3, subsection 95, may make an annual application to the department for the refund of fifty percent of the sales or use tax upon all of the following:

(1) The sales price from the sale or rental of computers and equipment that are necessary for the maintenance and operation of a data center business and property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity used for the maintenance and operation of the data center business including but not limited to exterior dedicated business-owned substations, backup power generation systems, battery systems, and related infrastructure; and racking systems, cabling, and trays, which are necessary for the maintenance and operation of the data center business.

(2) The sales price of backup power generation fuel that is purchased by a data center business for use in the items listed in subparagraph (1).

(3) The sales price of electricity purchased for use in providing data center services.

*b.* A data center business shall qualify for the partial refund in this subsection if all of the following criteria are met:

(1) The data center business shall have a physical location in the state which is at least five thousand square feet in size.

(2) The data center business shall make a minimum investment of at least ten million dollars, in the case of new construction, or at least five million dollars in the case of a rehabilitated building, in an Iowa physical location within the first six years of operation in Iowa, beginning with the date on which the data center business initiates site preparation activities. The minimum investment includes the initial investment, including the value of a lease agreement or the amount invested in land and subsequent acquisition of additional adjacent land and subsequent investment at the Iowa location.

(3) If the data center business is leasing a building to house operations, the data center business shall enter into a lease that is at least five years in duration.

(4) The data center business shall comply with the sustainable design and construction standards established by the state building code commissioner pursuant to section 103A.8B.

*c.* The refund allowed under this subsection shall be available for the following periods of time:

(1) For an investment of at least ten million dollars, in the case of new construction, or at least five million dollars, in the case of a rehabilitated building, but less than one hundred thirty-six million dollars, ten years.

(2) For an investment of at least one hundred thirty-six million dollars, but less than two hundred million dollars, seven years.

*d.* The refund may be obtained only in the following manner and under the following conditions:

(1) The applicant shall use forms furnished by the department.

(2) The applicant shall separately list the amounts of sales and use tax paid during the reporting period.

(3) The applicant may request when the refund begins, but it must start on the first day of a month and proceed for a continuous twelve-month period.

*e.* In determining the amount to be refunded, if the dates of the utility billing or meter reading cycle for the sale or furnishing of metered gas and electricity are on or after the first day of the first month through the last day of the last month of the refund year, fifty percent of the amount of tax charged in the billings shall be refunded. In determining the amount to be refunded, if the dates of the sale or furnishing of fuel for purposes of commercial energy and the delivery of the fuel are on or after the first day of the first month through the last day of the last month of the refund year, fifty percent of the amount of tax charged in the billings shall be refunded.

*f.* To receive refunds during the applicable refund period, the applicant shall file a refund claim within three months after the end of each refund year.

*g.* The refund in this subsection applies only to state sales and use tax paid and does not apply to local option sales and services taxes imposed pursuant to chapter 423B. Notwithstanding the state sales tax imposed in section 423.2, a refund issued pursuant to this section shall not exceed an amount equal to five percent of the sales price of the items listed in paragraph "*a*", subparagraphs (1), (2), and (3).

9. A person who qualifies as a biodiesel producer as provided in this subsection may apply to the director for a refund of the amount of the sales or use tax imposed and paid upon purchases made by the person.

*a.* The person must be engaged in the manufacturing of biodiesel who has registered with the United States environmental protection agency as a manufacturer according to the requirements in 40 C.F.R. §79.4. The biodiesel must be for use in biodiesel blended fuel in conformance with section 214A.2. The person must comply with the requirements of this subsection and rules adopted by the department pursuant to this subsection.

*b.* The amount of the refund shall be calculated by multiplying a designated rate by the

total number of gallons of biodiesel produced by the biodiesel producer in this state during each quarter of a calendar year. The designated rate shall be as follows:

(1) For the calendar year 2012, three cents.

(2) For the calendar year 2013, two and one-half cents.

(3) For the calendar year 2014, two cents.

*c.* A biodiesel producer shall not be eligible to receive a refund under this subsection on more than twenty-five million gallons of biodiesel produced each calendar year by the biodiesel producer at each facility where the biodiesel producer manufactures biodiesel.

*d.* A person shall obtain a refund by completing forms furnished by the department and filed by the person on a quarterly basis as required by the department. The department shall refund the amount claimed by the person after subtracting any amount owing from the sales or use taxes imposed and paid upon purchases made by the person.

*e.* This subsection is repealed on January 1, 2015.

10. *a.* For purposes of this subsection:

(1) *"Baseball and softball tournament facility and movie site"* means a baseball and softball tournament complex and tourist destination, which facility is located on a maximum of two hundred seventy-nine acres, located inside or within three miles of the city limits of a city with a population of at least four thousand but not more than five thousand five hundred residents, which city is located in a county with a population of at least ninety-three thousand but not more than one hundred thousand residents and where the construction on the baseball and softball tournament facility commenced not later than July 1, 2013, and the cost of the construction upon completion was at least thirty-eight million dollars.

(2) *"Change of control"* means any of the following:

(a) Any change in the ownership of the original or any subsequent legal entity that is the owner or operator of the baseball and softball tournament facility and movie site such that more than fifty-one percent of the equity interests in the legal entity cease to be owned by individuals who are residents of Iowa, an Iowa corporation, or combination of both.

(b) The original owners of the legal entity that is the owner or operator of the baseball and softball tournament facility and movie site shall collectively cease to own more than fifty percent of the voting equity interests of such legal entity or shall otherwise cease to have effective control of such legal entity.

(3) *"Iowa corporation"* means a corporation incorporated under the laws of Iowa where more than fifty-one percent of the corporation's equity interests are owned by individuals who are residents of Iowa.

(4) *"Owner or operator"* means a for-profit legal entity where more than fifty-one percent of its equity interests are owned by individuals who are residents of Iowa, an Iowa corporation, or combination of both and that is the owner or operator of a baseball and softball tournament facility and movie site and is primarily a promoter of baseball and softball tournaments.

(5) *"Population"* means the population based upon the 2010 certified federal census.

*b.* The owner or operator of a baseball and softball tournament facility and movie site may apply to the department for a rebate of sales tax imposed and collected by retailers upon sales of any goods, wares, merchandise, admission tickets, or services furnished to purchasers at the baseball and softball tournament facility and movie site.

*c.* The rebate may be obtained only in the following amounts and manner and only under the following conditions:

(1) On forms furnished by the department within the time period provided by the department by rule, which time period shall not be longer than quarterly.

(2) The owner or operator shall provide information as deemed necessary by the department.

(3) The transactions for which sales tax was collected and the rebate is sought occurred on or after January 1, 2014, but before January 1, 2024. However, not more than sixteen million five hundred thousand dollars in total rebates shall be provided pursuant to this subsection.

(4) Notwithstanding subparagraph (3), the rebate of sales tax shall cease for transactions occurring on or after the date of the change of control of the baseball and softball tournament facility and movie site.

*d.* To assist the department in determining the amount of the rebate, the owner or operator shall identify to the department retailers located at the baseball and softball tournament facility and movie site who will be collecting sales tax. The department shall verify such identity and ensure that all proper permits have been issued. For purposes of this subsection, advance ticket and admissions sales shall be considered occurring at the baseball and softball tournament facility and movie site regardless of where the transactions actually occur.

*e.* There is established within the state treasury under the control of the department a baseball and softball tournament facility and movie site sales tax rebate fund consisting of the amount of state sales tax revenues transferred pursuant to section 423.2, subsection 11, paragraph "*b*", subparagraph (4). An account is created within the fund for each baseball and softball tournament facility and movie site meeting the qualifications of this subsection. Moneys in the fund shall only be used to provide rebates of state sales tax pursuant to this subsection, and only the state sales tax revenues in the baseball and softball tournament facility and movie site rebate fund are subject to rebate under this subsection. Not more than sixteen million five hundred thousand dollars in total rebates shall be paid from the fund. Any moneys in the fund which represent state sales tax revenue for which the time period in paragraph "*c*" for receiving a rebate has expired, or which otherwise represent state sales tax revenue that has become ineligible for rebate pursuant to this subsection, shall immediately revert to the general fund of this state.

*f.* Upon determining that the conditions and requirements of this subsection and the department are met, the department shall issue a warrant from the applicable account within the baseball and softball tournament facility and movie site rebate fund to the owner or operator in the amount equal to the amount claimed and verified by the department.

*g.* This subsection is repealed June 30, 2024, or thirty days following the date on which sixteen million five hundred thousand dollars in total rebates have been provided, or thirty days following the date on which rebates cease as provided in paragraph "*c*", subparagraph (4), whichever is the earliest.

2003 Acts, 1st Ex, ch 2, §97, 205; 2005 Acts, ch 110, §2; 2005 Acts, ch 134, §2; 2005 Acts, ch 160, §4, 14; 2006 Acts, ch 1001, §3; 2006 Acts, ch 1136, §3; 2006 Acts, ch 1185, §128; 2007 Acts, ch 126, §69; 2007 Acts, ch 199, §2; 2008 Acts, ch 1004, §3, 7; 2008 Acts, ch 1032, §52; 2008 Acts, ch 1128, §2, 15; 2009 Acts, ch 41, §253; 2009 Acts, ch 60, §7; 2009 Acts, ch 179, §39, 198, 199, 202, 211, 212; 2010 Acts, ch 1061, §87, 181; 2011 Acts, ch 25, §143; 2011 Acts, ch 113, §59, 60; 2011 Acts, ch 131, §66, 78; 2012 Acts, ch 1098, §3

Referred to in §2.48, 8G.3, 357A.15, 422.7, 422.35, 423.2, 423.3, 476B.8, 476C.6

2008 amendment to subsection 4 takes effect May 1, 2008, and applies retroactively to tax years beginning on or after January 1, 2008; 2008 Acts, ch 1128, §15

2009 amendments to subsection 7 and amendment adding subsection 8 apply to sales and use tax paid on or after July 1, 2009; 2009 Acts, ch 179, §202; 2010 Acts, ch 1061, §87, 181

Legislative findings regarding rebate of state sales tax collected at the baseball and softball tournament facility and movie site; 2012 Acts, ch 1098, §1

## SUBCHAPTER III

## USE TAX

Referred to in §423.1, 423.3, 423.4, 423.19, 423.22, 423.24, 423.25, 423.36, 423.40, 423.42, 423.43, 423B.5, 423C.3, 423F.1, 423F.2, 455G.9

### 423.5 Imposition of tax.

1. Except as provided in paragraph "*c*", an excise tax at the rate of six percent of the purchase price or installed purchase price is imposed on the following:

*a.* The use in this state of tangible personal property as defined in section 423.1, including aircraft subject to registration under section 328.20, purchased for use in this state. For the purposes of this subchapter, the furnishing or use of the following services is also treated as the use of tangible personal property: optional service or warranty contracts, except residential service contracts regulated under chapter 523C, vulcanizing, recapping, or retreading services, engraving, photography, retouching, printing, or binding services, and communication service when furnished or delivered to consumers or users within this state.

*b.* The use of manufactured housing in this state, on the purchase price if the

manufactured housing is sold in the form of tangible personal property or on the installed purchase price if the manufactured housing is sold in the form of realty.

*c.* An excise tax at the rate of five percent is imposed on the use of vehicles subject only to the issuance of a certificate of title and the use of manufactured housing, and on the use of leased vehicles, if the lease transaction does not require titling or registration of the vehicle, on the amount subject to tax as calculated pursuant to section 423.26, subsection 2.

*d.* Purchases of tangible personal property made from the government of the United States or any of its agencies by ultimate consumers shall be subject to the tax imposed by this section. Services purchased from the same source or sources shall be subject to the service tax imposed by this subchapter and apply to the user of the services.

*e.* The use in this state of services enumerated in section 423.2. This tax is applicable where the service is first used in this state.

2. The excise tax is imposed upon every person using the property within this state until the tax has been paid directly to the county treasurer, the state department of transportation, a retailer, or the department. This tax is imposed on every person using the services or the product of the services in this state until the user has paid the tax either to an Iowa use tax permit holder or to the department.

3. For the purpose of the proper administration of the use tax and to prevent its evasion, evidence that tangible personal property was sold by any person for delivery in this state shall be prima facie evidence that such tangible personal property was sold for use in this state.

4. Any person or that person's affiliate, which is a retailer in this state or a retailer maintaining a place of business in this state under this chapter, that enters into a contract with an agency of this state must register, collect, and remit Iowa use tax under this chapter on all sales of tangible personal property and enumerated services. Every bid submitted and each contract executed by a state agency shall contain a certification by the bidder or contractor stating that the bidder or contractor is registered with the department and will collect and remit Iowa use tax due under this chapter. In the certification, the bidder or contractor shall also acknowledge that the state agency may declare the contract or bid void if the certification is false. Fraudulent certification, by act or omission, may result in the state agency or its representative filing for damages for breach of contract.

5. The use tax rate of six percent is reduced to five percent on January 1, 2030.

2003 Acts, 1st Ex, ch 2, §98, 205; 2005 Acts, ch 140, §47; 2008 Acts, ch 1113, §112, 124, 129; 2008 Acts, ch 1134, §11, 13; 2008 Acts, ch 1191, §87; 2010 Acts, ch 1145, §10, 17; 2011 Acts, ch 92, §7; 2013 Acts, ch 30, §94

Referred to in §29C.15, 328.26, 423.2, 423.14

Liability for prior use tax, penalty, or interest relating to vehicles; 2008 Acts, ch 1113, §130

Section amended

**423.6 Exemptions.**

The use in this state of the following tangible personal property and services is exempted from the tax imposed by this subchapter:

1. Tangible personal property and enumerated services, the sales price from the sale of which are required to be included in the measure of the sales tax, if that tax has been paid to the department or the retailer. This exemption does not include vehicles subject to registration or subject only to the issuance of a certificate of title.

2. The sale of tangible personal property or the furnishing of services in the regular course of business.

3. Property used in processing. The use of property in processing within the meaning of this subsection shall mean and include any of the following:

*a.* Any tangible personal property including containers which it is intended shall, by means of fabrication, compounding, manufacturing, or germination, become an integral part of other tangible personal property intended to be sold ultimately at retail, and containers used in the collection, recovery, or return of empty beverage containers subject to chapter 455C.

*b.* Fuel which is consumed in creating power, heat, or steam for processing or for generating electric current.

*c.* Chemicals, solvents, sorbents, or reagents, which are directly used and are consumed,

dissipated, or depleted in processing tangible personal property which is intended to be sold ultimately at retail, and which may not become a component or integral part of the finished product.

*d.* The distribution to the public of free newspapers or shoppers guides shall be deemed a retail sale for purposes of the processing exemption in this subsection.

4. All articles of tangible personal property brought into the state of Iowa by a nonresident individual for the individual's use or enjoyment while within the state.

5. Services exempt from taxation by the provisions of section 423.3.

6. Tangible personal property or services the sales price of which is exempt from the sales tax under section 423.3, except section 423.3, subsections 39 and 73, as it relates to the sale, but not the lease or rental, of vehicles subject only to the issuance of a certificate of title and as it relates to aircraft subject to registration under section 328.20.

7. Advertisement and promotional material and matter, seed catalogs, envelopes for same, and other similar material temporarily stored in this state which are acquired outside of Iowa and which, subsequent to being brought into this state, are sent outside of Iowa, either singly or physically attached to other tangible personal property sent outside of Iowa.

8. Tangible personal property which, by means of fabrication, compounding, or manufacturing, becomes an integral part of vehicles, as defined in section 321.1, subsections 41, 64A, 71, 85, and 88, manufactured for lease and actually leased to a lessee for use outside the state of Iowa and the subsequent sole use in Iowa is in interstate commerce or interstate transportation. Vehicles subject to registration which are designed primarily for carrying persons are excluded from this subsection.

9. Mobile homes and manufactured housing the use of which has previously been subject to the tax imposed under this subchapter and for which that tax has been paid.

10. Mobile homes to the extent of the portion of the purchase price of the mobile home which is not attributable to the cost of the tangible personal property used in the processing of the mobile home, and manufactured housing to the extent of the purchase price or the installed purchase price of the manufactured housing which is not attributable to the cost of the tangible personal property used in the processing of the manufactured housing. For purposes of this exemption, the portion of the purchase price which is not attributable to the cost of the tangible personal property used in the processing of the mobile home is eighty percent and the portion of the purchase price or installed purchase price which is not attributable to the cost of the tangible personal property used in the processing of the manufactured housing is eighty percent.

11. Tangible personal property used or to be used as a ship, barge, or waterborne vessel which is used or to be used primarily in or for the transportation of property or cargo for hire on the rivers bordering the state or as materials or parts of such ship, barge, or waterborne vessel.

12. Aircraft for use in a scheduled interstate federal aviation administration certificated air carrier operation.

13. Aircraft; tangible personal property permanently affixed or attached as a component part of the aircraft, including but not limited to repair or replacement materials or parts; and all services used for aircraft repair, remodeling, and maintenance services when such services are performed on aircraft, aircraft engines, or aircraft component materials or parts. For the purposes of this exemption, *"aircraft"* means aircraft used in a scheduled interstate federal aviation administration certificated air carrier operation.

14. Tangible personal property permanently affixed or attached as a component part of the aircraft, including but not limited to repair or replacement materials or parts; and all services used for aircraft repair, remodeling, and maintenance services when such services are performed on aircraft, aircraft engines, or aircraft component materials or parts. For the purposes of this exemption, *"aircraft"* means aircraft used in a nonscheduled interstate federal aviation administration certificated air carrier operation operating under 14 C.F.R. ch. 1, pt. 135.

15. *a.* Aircraft sold to an aircraft dealer who in turn rents or leases the aircraft if all of the following apply:

(1) The aircraft is kept in the inventory of the dealer for sale at all times.

(2) The dealer reserves the right to immediately take the aircraft from the renter or lessee when a buyer is found.

(3) The renter or lessee is aware that the dealer will immediately take the aircraft when a buyer is found.

*b.* If an aircraft exempt under this subsection is used for any purpose other than leasing or renting, or the conditions in paragraph *"a"*, subparagraphs (1), (2), and (3), are not continuously met, the dealer claiming the exemption under this subsection is liable for the tax that would have been due except for this subsection. The tax shall be computed upon the original purchase price.

16. The use in this state of building materials, supplies, or equipment, the sale or use of which is not treated as a retail sale or a sale at retail under section 423.2, subsection 1.

2003 Acts, 1st Ex, ch 2, §99, 205; 2006 Acts, ch 1158, §45, 46; 2008 Acts, ch 1113, §41, 42; 2008 Acts, ch 1191, §64; 2011 Acts, ch 25, §88; 2013 Acts, ch 30, §95

Referred to in §423C.3

Subsection 6 amended

## SUBCHAPTER IV

## UNIFORM SALES AND USE TAX ADMINISTRATION ACT

Referred to in §423.1

**423.7 Title.**

This subchapter shall be known and may be cited as the *"Uniform Sales and Use Tax Administration Act"*.

2003 Acts, 1st Ex, ch 2, §100, 205

**423.7A Motor vehicle lease tax.** Repealed by 2003 Acts, 1st Ex, ch 2, § 151, 205. See § 423.26.

**423.8 Legislative finding and intent.**

The general assembly finds that Iowa should enter into an agreement with one or more states to simplify and modernize sales and use tax administration in order to substantially reduce the burden of tax compliance for all sellers and for all types of commerce. It is the intent of the general assembly that entering into this agreement will lead to simplification and modernization of the sales and use tax law and not to the imposition of new taxes or an increase or decrease in the existing number of exemptions, unless such a result is unavoidable under the terms of the agreement. Entering into this agreement should not cause businesses to sustain additional administrative burden.

It is the intent of the general assembly to provide Iowa sellers impacted by the agreement with the assistance necessary to alleviate administrative burdens that result in participation in the agreement. The director and the Iowa streamlined sales tax advisory council shall provide recommendations to address the new administrative burden identified in the Iowa streamlined sales tax advisory council 2005 report submitted to the Iowa general assembly. The recommendations must be submitted to the general assembly by January 1, 2007, and shall include the expenses associated and all relevant data including but not limited to the number of intrastate sellers impacted by the agreement.

2003 Acts, 1st Ex, ch 2, §101, 205; 2006 Acts, ch 1158, §47

**423.9 Authority to enter agreement — representatives on governing board.**

1. The director is authorized and directed to enter into the streamlined sales and use tax agreement with one or more states to simplify and modernize sales and use tax administration in order to substantially reduce the burden of tax compliance for all sellers and for all types of commerce.

2. The director is further authorized to take other actions reasonably required to implement the provisions set forth in this chapter. Other actions authorized by this section

include, but are not limited to, the adoption of rules and the joint procurement, with other member states, of goods and services in furtherance of the cooperative agreement.

3. Four representatives are authorized to be members of the governing board established pursuant to the agreement and to represent Iowa before that body as one vote. The legislator representatives shall serve terms as provided in section 69.16B. The representatives shall be appointed as follows:

*a.* One representative shall be a member of the house of representatives who is appointed by the speaker of the house of representatives or the delegate's designee who shall also be a member of the house of representatives.

*b.* One representative shall be a member of the senate who is appointed by the majority leader of the senate or the delegate's designee who shall also be a member of the senate.

*c.* Two representatives from the executive branch shall be appointed by the governor, one of whom shall be the director, or each delegate's designee who shall also be employed by the executive branch.

2003 Acts, 1st Ex, ch 2, §102, 205; 2006 Acts, ch 1158, §48; 2008 Acts, ch 1156, §46, 58
Referred to in §423.9A

**423.9A Iowa streamlined sales tax advisory council.**

1. An Iowa streamlined sales tax advisory council is created. The advisory council shall review, study, and submit recommendations to the Iowa streamlined sales and use tax representatives appointed pursuant to section 423.9, subsection 3, regarding the streamlined sales and use tax agreement formalized by the project's member states on November 12, 2002, agreement amendments, proposed language conforming Iowa's sales and use tax to the national agreement, and the following issues:

*a.* Uniform definitions proposed in the current agreement and future proposals.

*b.* Effects upon taxability of items newly defined in Iowa.

*c.* Impacts upon business as a result of the agreement.

*d.* Technology implementation issues.

*e.* Any other issues that are brought before the streamlined sales and use tax member states or the streamlined sales and use tax governing board.

2. The department shall provide administrative support to the Iowa streamlined sales tax advisory council. The advisory council shall be representative of Iowa's business community and economy when reviewing and recommending solutions to streamlined sales and use tax issues. The advisory council shall provide the general assembly and the governor with final recommendations made to the Iowa streamlined sales and use tax representatives upon the conclusion of each calendar year.

3. The director, in consultation with the Iowa taxpayers association, Iowa retail federation, and the Iowa association of business and industry, shall appoint members to the Iowa streamlined sales tax advisory council, which shall consist of the following members:

*a.* One member from the department.

*b.* Three members representing small Iowa businesses, at least one of whom shall be a retailer, and at least one of whom shall be a supplier.

*c.* Three members representing medium Iowa businesses, at least one of whom shall be a retailer, and at least one of whom shall be a supplier.

*d.* Three members representing large Iowa businesses, at least one of whom shall be a retailer, and at least one of whom shall be a supplier.

*e.* One member representing taxpayers as a whole.

*f.* One member representing the retail community as a whole.

*g.* Any other member representative of business the director deems appropriate.

2006 Acts, ch 1158, §49; 2007 Acts, ch 22, §76

**423.10 Relationship to state law.**

Entry into the agreement by the director does not amend or modify any law of this state. Implementation of any condition of the agreement in this state, whether adopted before, at, or after membership of this state in the agreement, shall be by action of the general assembly.

2003 Acts, 1st Ex, ch 2, §103, 205

**423.11 Agreement requirements.**

The director shall not enter into the agreement unless the agreement requires each state to abide by the following requirements:

1. *Uniform state rate.* The agreement must set restrictions to achieve more uniform state rates through the following:

*a.* Limiting the number of state rates.

*b.* Limiting the application of maximums on the amount of state tax that is due on a transaction.

*c.* Limiting the application of thresholds on the application of state tax.

2. *Uniform standards.* The agreement must establish uniform standards for the following:

*a.* The sourcing of transactions to taxing jurisdictions.

*b.* The administration of exempt sales.

*c.* The allowances a seller can take for bad debts.

*d.* Sales and use tax returns and remittances.

3. *Uniform definitions.* The agreement must require states to develop and adopt uniform definitions of sales and use tax terms. The definitions must enable a state to preserve its ability to make policy choices not inconsistent with the uniform definitions.

4. *Central registration.* The agreement must provide a central, electronic registration system that allows a seller to register to collect and remit sales and use taxes for all member states.

5. *No nexus attribution.* The agreement must provide that registration with the central registration system and the collection of sales and use taxes in the member states must not be used as a factor in determining whether the seller has nexus with a state for any tax.

6. *Local sales and use taxes.* The agreement must provide for reduction of the burdens of complying with local sales and use taxes through the following:

*a.* Restricting variances between the state and local tax bases.

*b.* Requiring states to administer any sales and use taxes levied by local jurisdictions within the state so that sellers collecting and remitting these taxes must not have to register or file returns with, remit funds to, or be subject to independent audits from local taxing jurisdictions.

*c.* Restricting the frequency of changes in the local sales and use tax rates and setting effective dates for the application of local jurisdictional boundary changes to local sales and use taxes.

*d.* Providing notice of changes in local sales and use tax rates and of changes in the boundaries of local taxing jurisdictions.

7. *Monetary allowances.* The agreement must outline any monetary allowances that are to be provided by the states to sellers or certified service providers.

8. *State compliance.* The agreement must require each state to certify compliance with the terms of the agreement prior to joining and to maintain compliance, under the laws of the member state, with all provisions of the agreement while a member.

9. *Consumer privacy.* The agreement must require each state to adopt a uniform policy for certified service providers that protects the privacy of consumers and maintains the confidentiality of tax information.

10. *Advisory councils.* The agreement must provide for the appointment of an advisory council of private sector representatives and an advisory council of nonmember state representatives to consult with in the administration of the agreement.

2003 Acts, 1st Ex, ch 2, §104, 205

Referred to in §423.1

**423.12 Limited binding and beneficial effect.**

1. The agreement binds and inures only to the benefit of Iowa and the other member states. A person, other than a member state, is not an intended beneficiary of the agreement. Any benefit to a person other than a member state is established by the law of Iowa and not by the terms of the agreement.

2. A person shall not have any cause of action or defense under the agreement or by

virtue of this state's entry into the agreement. A person may not challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of this state, or any political subdivision of this state on the ground that the action or inaction is inconsistent with the agreement.

3. A law of this state, or the application of it, shall not be declared invalid as to any such person or circumstance on the ground that the provision or application is inconsistent with the agreement.

2003 Acts, 1st Ex, ch 2, §105, 205

## SUBCHAPTER V

## SALES AND USE TAX ACT ADMINISTRATION — RETAILERS NOT REGISTERED UNDER AGREEMENT — CONSUMERS OBLIGATED TO PAY USE TAX DIRECTLY

**423.13 Purpose of this subchapter.**

The purpose of this subchapter is to provide for the administration and collection of sales or use tax on the part of retailers who are not registered under the agreement and for the collection of use tax on the part of consumers who are obligated to pay that tax directly. Any application of the sections of this subchapter to retailers registered under the agreement is only by way of incorporation by reference into subchapter VI of this chapter.

2003 Acts, 1st Ex, ch 2, §106, 205

**423.13A Administration — effectiveness of agreements with retailers.**

1. Notwithstanding any provision of this chapter to the contrary, any ruling, agreement, or contract, whether written or oral, express or implied, entered into after July 1, 2013, between a retailer and a state agency that provides that a retailer is not required to collect sales and use tax in this state despite the presence in this state of a warehouse, distribution center, or fulfillment center that is owned and operated by the retailer or an affiliate of the retailer shall be null and void unless such ruling, agreement, or contract is approved, by resolution, by a majority vote of each house of the general assembly.

2. For purposes of this section, *"state agency"* means the executive branch, including any executive department, commission, board, institution, division, bureau, office, agency, or other entity of state government. *"State agency"* does not mean the general assembly, or the judicial branch as provided in section 602.1102.

2013 Acts, ch 122, §2
NEW section

**423.14 Sales and use tax collection.**

1. *a.* Sales tax, other than that described in paragraph "*c*", shall be collected by sellers who are retailers or by their agents. Sellers or their agents shall, as far as practicable, add the sales tax, or the average equivalent thereof, to the sales price or charge, less trade-ins allowed and taken and when added such tax shall constitute a part of the sales price or charge, shall be a debt from consumer or user to seller or agent until paid, and shall be recoverable at law in the same manner as other debts.

*b.* In computing the tax to be collected as the result of any transaction, the tax computation must be carried to the third decimal place. Whenever the third decimal place is greater than four, the tax must be rounded up to the next whole cent; whenever the third decimal place is four or less, the tax must be rounded downward to a whole cent. Sellers may elect to compute the tax due on transactions on an item or invoice basis. Sellers are not required to use a bracket system.

*c.* The tax imposed upon those sales of motor fuel which are subject to tax and refund under chapter 452A shall be collected by the state treasurer by way of deduction from refunds

otherwise allowable under that chapter. The treasurer shall transfer the amount of such deductions from the motor vehicle fuel tax fund to the special tax fund.

2. Use tax shall be collected in the following manner:

*a.* The tax upon the use of all vehicles subject only to the issuance of a certificate of title shall be collected by the county treasurer or the state department of transportation pursuant to section 423.26, subsection 1. The county treasurer shall retain one dollar from each tax payment collected, to be credited to the county general fund.

*b.* The tax upon the use of all tangible personal property other than that enumerated in paragraph *"a"*, which is sold by a seller who is a retailer maintaining a place of business in this state, or by such other retailer or agent as the director shall authorize pursuant to section 423.30, shall be collected by the retailer or agent and remitted to the department, pursuant to the provisions of paragraph *"e"*, and sections 423.24, 423.29, 423.30, 423.32, and 423.33.

*c.* The tax upon the use of all tangible personal property not paid pursuant to paragraphs *"a"* and *"b"* shall be paid to the department directly by any person using the property within this state, pursuant to the provisions of section 423.34.

*d.* The tax imposed on the use of services enumerated in section 423.5 shall be collected, remitted, and paid to the department of revenue in the same manner as use tax on tangible personal property is collected, remitted, and paid under this subchapter.

*e.* All persons obligated by paragraph *"a"*, *"b"*, or *"d"*, to collect use tax shall, as far as practicable, add that tax, or the average equivalent thereof, to the purchase price, less trade-ins allowed and taken, and when added the tax shall constitute a part of the purchase price. Use tax which this section requires to be collected by a retailer and any tax collected pursuant to this section by a retailer shall constitute a debt owed by the retailer to this state. Tax which must be paid directly to the department, pursuant to paragraph *"c"* or *"d"*, is to be computed and added by the consumer or user to the purchase price in the same manner as this paragraph requires a seller to compute and add the tax. The tax shall be a debt from the consumer or user to the department until paid, and shall be recoverable at law in the same manner as other debts.

2003 Acts, 1st Ex, ch 2, §107, 205; 2006 Acts, ch 1142, §83; 2008 Acts, ch 1113, §43; 2010 Acts, ch 1108, §5, 15

Referred to in §99G.30A, 321.105A, 331.557, 423.35, 423.57, 423A.6, 423B.6, 423C.4, 423D.4

**423.15 General sourcing rules.**

All sales of products, except those sales enumerated in section 423.16, shall be sourced according to this section by sellers obligated to collect Iowa sales and use tax. The sourcing rules described in this section apply to sales of tangible personal property, digital goods, and all services other than telecommunications services. This section only applies to determine a seller's obligation to pay or collect and remit a sales or use tax with respect to the seller's sale of a product. This section does not affect the obligation of a purchaser or lessee to remit tax on the use of the product to the taxing jurisdictions in which the use occurs. A seller's obligation to collect Iowa sales tax or Iowa use tax only occurs if the sale is sourced to this state. Whether Iowa sales tax applies to a sale sourced to Iowa shall be determined based on the location at which the sale is consummated by delivery or, in the case of a service, where the first use of the service occurs.

1. Sales, excluding leases or rentals, of products shall be sourced as follows:

*a.* When the product is received by the purchaser at a business location of the seller, the sale is sourced to that business location.

*b.* When the product is not received by the purchaser at a business location of the seller, the sale is sourced to the location where receipt by the purchaser or the purchaser's donee, designated as such by the purchaser, occurs, including the location indicated by instructions for delivery to the purchaser or donee, known to the seller.

*c.* When paragraphs *"a"* and *"b"* do not apply, the sale is sourced to the location indicated by an address for the purchaser that is available from the business records of the seller that are maintained in the ordinary course of the seller's business when use of this address does not constitute bad faith.

*d.* When paragraphs *"a"*, *"b"*, and *"c"* do not apply, the sale is sourced to the location

indicated by an address for the purchaser obtained during the consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available, when use of this address does not constitute bad faith.

*e.* When paragraphs "*a*", "*b*", "*c*", and "*d*" do not apply, including the circumstance where the seller is without sufficient information to apply the previous rules, then the location will be determined by the address from which tangible personal property was shipped, from which the digital good or the computer software delivered electronically was first available for transmission by the seller, or from which the service was provided disregarding for these purposes any location that merely provided the digital transfer of the product sold.

2. The lease or rental of tangible personal property, other than property identified in subsection 3 or section 423.16, shall be sourced as follows:

*a.* For a lease or rental that requires recurring periodic payments, the first periodic payment is sourced the same as a retail sale in accordance with the provisions of subsection 1. Periodic payments made subsequent to the first payment are sourced to the primary property location for each period covered by the payment. The primary property location shall be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. The property location shall not be altered by intermittent use at different locations, such as use of business property that accompanies employees on business trips and service calls.

*b.* For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with the provisions of subsection 1.

*c.* This subsection does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease.

3. The retail sale, including lease or rental, of transportation equipment shall be sourced the same as a retail sale in accordance with the provisions of subsection 1, notwithstanding the exclusion of lease or rental in that subsection. "*Transportation equipment*" means any of the following:

*a.* Locomotives or railcars that are utilized for the carriage of persons or property in interstate commerce.

*b.* Trucks and truck-tractors with a gross vehicle weight rating of ten thousand one pounds or greater, trailers, semitrailers, or passenger buses that meet both of the following requirements:

(1) Are registered through the international registration plan.

(2) Are operated under authority of a carrier authorized and certificated by the United States department of transportation or another federal authority to engage in the carriage of persons or property in interstate commerce.

*c.* Aircraft that are operated by air carriers authorized and certificated by the United States department of transportation or another federal or a foreign authority to engage in the carriage of persons or property in interstate or foreign commerce.

*d.* Containers designed for use on and component parts attached or secured on the items set forth in paragraphs "*a*" through "*c*".

2003 Acts, 1st Ex, ch 2, §108, 205; 2005 Acts, ch 140, §12; 2011 Acts, ch 92, §8
Referred to in §99G.30A, 423.16, 423.17, 423.19, 423.20, 423.57, 423B.6, 423C.4

**423.16 Transactions to which the general sourcing rules do not apply.**

Section 423.15 does not apply to sales or use taxes levied on the following:

1. The retail sale or transfer of watercraft, modular homes, or mobile homes, and the retail sale, excluding lease or rental, of motor vehicles, trailers, semitrailers, or aircraft that do not qualify as transportation equipment, as defined in section 423.15, subsection 3.

2. The lease or rental of motor vehicles, trailers, semitrailers, or aircraft that do not qualify as transportation equipment, as defined in section 423.15, subsection 3, which shall be sourced in accordance with section 423.17.

3. Transactions to which direct mail sourcing is applicable, which shall be sourced in accordance with section 423.19.

4. Telecommunications services, as set out in section 423.20, which shall be sourced in accordance with section 423.20, subsection 2.

2003 Acts, 1st Ex, ch 2, §109, 205; 2007 Acts, ch 179, §2; 2010 Acts, ch 1108, §6, 15
Referred to in §423.15, 423.57

**423.17 Sourcing rules for various types of leased or rented equipment which is not transportation equipment.**

The lease or rental of motor vehicles, trailers, semitrailers, or aircraft that do not qualify as transportation equipment, as defined in section 423.15, subsection 3, shall be sourced as follows:

1. For a lease or rental that requires recurring periodic payments, each periodic payment is sourced to the primary property location. The primary property location shall be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. This location shall not be altered by intermittent use at different locations.

2. For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with the provisions of section 423.15, subsection 1.

3. This section does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease.

2003 Acts, 1st Ex, ch 2, §110, 205
Referred to in §423.16, 423.57

**423.18 Multiple points of use exemption forms.** Repealed by 2007 Acts, ch 179, § 9.

**423.19 Direct mail sourcing.**

1. Notwithstanding section 423.15, the following provisions apply to sales of advertising and promotional direct mail:

*a.* A purchaser of advertising and promotional direct mail may provide the seller with one of the following:

(1) A direct pay permit.

(2) An agreement certificate of exemption claiming to be direct mail, or a similar written statement, if the statement is approved, authorized, or accepted by the department.

(3) Information showing the jurisdiction to which the advertising and promotional direct mail is to be delivered to the recipient.

*b.* (1) If the purchaser provides the seller a permit, a certificate of exemption, or an approved written statement pursuant to paragraph "*a*", subparagraph (1) or (2), then, in the absence of bad faith, the seller is relieved of the obligation to collect, pay, or remit tax on a transaction involving advertising and promotional direct mail to which the permit, certificate, or approved written statement applies. In such a transaction, the purchaser shall source the sale to the jurisdiction in which the advertising and promotional direct mail is to be delivered to the recipient and shall report and pay any tax due accordingly.

(2) If the purchaser provides the seller information showing the jurisdiction to which the advertising and promotional direct mail is to be delivered pursuant to paragraph "*a*", subparagraph (3), the seller shall source the sale to the jurisdiction in which the advertising and promotional direct mail is to be delivered and shall collect and remit the tax due accordingly. If the seller has sourced the sale according to the delivery information provided by the purchaser, then, in the absence of bad faith, the seller is relieved of any further obligation to collect tax on the sale of the advertising and promotional direct mail.

*c.* (1) If the purchaser fails to provide the seller with one of the items listed in paragraph "*a*", the sale shall be sourced pursuant to the sourcing directive described in section 423.15, subsection 1, paragraph "*e*".

(2) If a sale is sourced to this state pursuant to subparagraph (1), the full amount of the tax imposed by subchapter II or III, as applicable, is due from the purchaser, notwithstanding section 423.22.

2. Notwithstanding section 423.15, sales of other direct mail are subject to all of the following:

*a.* Except as otherwise provided in this subsection, the sale of other direct mail shall be sourced pursuant to the sourcing directive described in section 423.15, subsection 1, paragraph "*c*".

*b.* A purchaser of other direct mail may provide the seller with either of the following:

(1) A direct pay permit.

(2) An agreement certificate of exemption claiming to be direct mail, or a similar written statement, if the statement is approved, authorized, or accepted by the department.

*c.* (1) If the purchaser provides the seller a permit, a certificate of exemption, or an approved written statement pursuant to paragraph "*b*", then, in the absence of bad faith, the seller is relieved of the obligation to collect, pay, or remit tax on a transaction involving other direct mail to which the permit, certificate, or approved written statement applies.

(2) Notwithstanding paragraph "*a*", the sale of other direct mail under the circumstances described in subparagraph (1) shall be sourced to the jurisdiction in which the other direct mail is to be delivered to the recipient, and the purchaser shall report and pay any tax due accordingly.

2003 Acts, 1st Ex, ch 2, §112, 205; 2011 Acts, ch 92, §9

Referred to in §423.16, 423.57

**423.20 Telecommunications service sourcing.**

1. As used in this section:

*a.* *"Air-to-ground radiotelephone service"* means a radio service, as that term is used in 47 C.F.R. § 22.99, in which common carriers are authorized to offer and provide radio telecommunications service for hire to subscribers in aircraft.

*b.* *"Call-by-call basis"* means any method of charging for the telecommunications service where the price is measured by individual calls.

*c.* *"Communications channel"* means a physical or virtual path of communications over which signals are transmitted between or among customer channel termination points.

*d.* *"Customer"* means the person or entity that contracts with the seller of the telecommunications service. If the end user of the telecommunications service is not the contracting party, the end user of the telecommunications service is the customer of the telecommunications service, but this sentence only applies for the purpose of sourcing sales of the telecommunications service under this section. *"Customer"* does not include a reseller of a telecommunications service or for mobile telecommunications service of a serving carrier under an agreement to serve the customer outside the home service provider's licensed service area.

*e.* *"Customer channel termination point"* means the location where the customer either inputs or receives the communications.

*f.* *"End user"* means the person who utilizes the telecommunications service. In the case of an entity, *"end user"* means the individual who utilizes the service on behalf of the entity.

*g.* *"Home service provider"* means the same as that term is defined in the federal Mobile Telecommunications Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. § 124(5).

*h.* *"Mobile telecommunications service"* means the same as that term is defined in the federal Mobile Telecommunications Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. § 124(7).

*i.* *"Place of primary use"* means the street address representative of where the customer's use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer. In the case of mobile telecommunications service, *"place of primary use"* must be within the licensed service area of the home service provider.

*j.* *"Postpaid calling service"* means the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service. A *"postpaid calling service"* includes a telecommunications service, except a prepaid

wireless calling service, that would be a prepaid calling service except it is not exclusively a telecommunications service.

*k.* *"Prepaid calling service"* means the right to access exclusively telecommunications services, which must be paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the amount declines with use in a known amount.

*l.* *"Prepaid wireless calling service"* means a telecommunications service that provides the right to utilize mobile wireless service as well as other nontelecommunications services, including the download of digital products delivered electronically, content and ancillary services, which must be paid for in advance and that is sold in predetermined units or dollars of which the amount declines with use in a known amount.

*m.* *"Private communication service"* means a telecommunications service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels.

*n.* *"Service address"* means one of the following:

(1) The location of the telecommunications equipment to which a customer's call is charged and from which the call originates or terminates, regardless of where the call is billed or paid.

(2) If the location in subparagraph (1) is not known, *"service address"* means the origination point of the signal of the telecommunications service first identified by either the seller's telecommunications system or in information received by the seller from its service provider, where the system used to transport such signals is not that of the seller.

(3) If the locations in subparagraphs (1) and (2) are not known, the *"service address"* means the location of the customer's place of primary use.

2. Sales of telecommunications services shall be sourced in the following manner:

*a.* Except for the defined telecommunications services in paragraph *"c"*, the sale of telecommunications services sold on a call-by-call basis shall be sourced to one of the following:

(1) Each level of taxing jurisdiction where the call originates and terminates in that jurisdiction.

(2) Each level of taxing jurisdiction where the call either originates or terminates and in which the service address is also located.

*b.* Except for the defined telecommunications services in paragraph *"c"*, a sale of telecommunications services sold on a basis other than a call-by-call basis is sourced to the customer's place of primary use.

*c.* Sale of the following telecommunications services shall be sourced to each level of taxing jurisdiction as follows:

(1) A sale of mobile telecommunications services other than air-to-ground radiotelephone service, prepaid calling service, or prepaid wireless calling service is sourced to the customer's place of primary use as required by the federal Mobile Telecommunications Sourcing Act.

(2) A sale of postpaid calling service is sourced to the origination point of the telecommunications signal as first identified by either of the following:

(a) The seller's telecommunications system.

(b) Information received by the seller from its service provider, where the system used to transport such signals is not that of the seller.

(3) A sale of prepaid calling service or a sale of prepaid wireless calling service is sourced in accordance with section 423.15. However, in the case of a sale of a prepaid wireless calling service, the rule provided in section 423.15, subsection 1, paragraph *"e"*, shall include as an option the location associated with the mobile telephone number.

(4) A sale of a private telecommunications service is sourced as follows:

(a) Service for a separate charge related to a customer channel termination point is

sourced to each level of jurisdiction in which such customer channel termination point is located.

(b) Service where all customer termination points are located entirely within one jurisdiction or level of jurisdiction is sourced in such jurisdiction in which the customer channel termination points are located.

(c) Service for segments of a channel between two customer channel termination points located in different jurisdictions and which segments of a channel are separately charged is sourced fifty percent in each level of jurisdiction in which the customer channel termination points are located.

(d) Service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed is sourced in each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points.

2003 Acts, 1st Ex, ch 2, §113, 205; 2006 Acts, ch 1158, §72 – 74, 80
Referred to in §34A.7B, 423.16, 423.57

**423.21 Bad debt deductions.**

1. For the purposes of this section, *"bad debt"* means an amount properly calculated pursuant to section 166 of the Internal Revenue Code then adjusted to exclude financing charges or interest, sales or use taxes charged on the purchase price, uncollectible amounts on property that remain in the possession of the seller until the full purchase price is paid, expenses incurred in attempting to collect any debt, and repossessed property.

2. In computing the amount of tax due, a seller may deduct bad debts from the total amount upon which the tax is calculated for any return. Any deduction taken or refund paid which is attributed to bad debts shall not include interest.

3. A seller may deduct bad debts on the return for the period during which the bad debt is written off as uncollectible in the seller's books and records and is eligible to be deducted for federal income tax purposes. For purposes of this subsection, a seller who is not required to file federal income tax returns may deduct a bad debt on a return filed for the period in which the bad debt is written off as uncollectible in the seller's books and records and would be eligible for a bad debt deduction for federal income tax purposes if the seller were required to file a federal income tax return.

4. If a deduction is taken for a bad debt and the seller subsequently collects the debt in whole or in part, the tax on the amount so collected must be paid and reported on the return filed for the period in which the collection is made.

5. A seller may obtain a refund of tax on any amount of bad debt that exceeds the amount of taxable sales within the period allowed for refund claims by section 423.47. However, the period allowed for refund claims shall be measured from the due date of the return on which the bad debt could first be claimed.

6. For the purposes of computing a bad debt deduction or reporting a payment received on a previously claimed bad debt, any payments made on a debt or account shall be applied first to the price of the property or service and tax thereon, proportionally, and secondly to interest, service charges, and any other charges.

2003 Acts, 1st Ex, ch 2, §114, 205
Referred to in §423.53, 423.57

**423.22 Taxation in another state.**

If any person who causes tangible personal property to be brought into this state or who uses in this state services enumerated in section 423.2 has already paid a tax in another state in respect to the sale or use of the property or the performance of the service, or an occupation tax in respect to the property or service, in an amount less than the tax imposed by subchapter II or III, the provisions of those subchapters shall apply, but at a rate measured by the difference only between the rate fixed by subchapter II or III and the rate by which the previous tax on the sale or use, or the occupation tax, was computed. If the tax imposed and

paid in the other state is equal to or more than the tax imposed by those subchapters, then a tax is not due in this state on the personal property or service.

2003 Acts, 1st Ex, ch 2, §115, 205

Referred to in §423.19, 423.26A, 423.57

**423.23 Sellers' agreements.**

Agreements between competing sellers, or the adoption of appropriate rules and regulations by organizations or associations of sellers to provide uniform methods for adding sales or use tax or the average equivalent thereof, and which do not involve price-fixing agreements otherwise unlawful, are expressly authorized and shall be held not in violation of chapter 553 or other antitrust laws of this state. The director shall cooperate with sellers, organizations, or associations in formulating agreements and rules.

2003 Acts, 1st Ex, ch 2, §116, 205

Referred to in §99G.30A, 321.105A, 423.57, 423A.6, 423B.6, 423C.4, 423D.4

**423.24 Absorbing tax prohibited.**

A seller shall not advertise or hold out or state to the public or to any purchaser, consumer, or user, directly or indirectly, that the taxes or any parts thereof imposed by subchapter II or III will be assumed or absorbed by the seller or the taxes will not be added to the sales price of the property sold, or if added that the taxes or any part thereof will be refunded. Any person violating any of the provisions of this section within this state is guilty of a simple misdemeanor.

2003 Acts, 1st Ex, ch 2, §117, 205

Referred to in §99G.30A, 321.105A, 423.14, 423.40, 423.57, 423A.6, 423B.6, 423C.4, 423D.4

**423.24A Reimbursement for the primary road fund.** Repealed by 2003 Acts, 1st Ex, ch 2, § 151, 205. See § 321.145.

**423.25 Director's power to adopt rules.**

The director shall have the power to adopt rules for adding the taxes imposed by subchapters II and III, or the average equivalents thereof, by providing different methods applying uniformly to retailers within the same general classification for the purpose of enabling the retailers to add and collect, as far as practicable, the amounts of those taxes.

2003 Acts, 1st Ex, ch 2, §118, 205

Referred to in §99G.30A, 321.105A, 423.57, 423A.6, 423B.6, 423C.4, 423D.4

**423.26 Vehicles subject only to the issuance of title — vehicle lease transactions not requiring title or registration.**

1. *a.* The use tax imposed upon the use of vehicles subject only to the issuance of a certificate of title shall be paid by the owner of the vehicle to the county treasurer or the state department of transportation from whom the certificate of title is obtained. A certificate of title shall not be issued until the tax has been paid. The county treasurer or the state department of transportation shall require every applicant for a certificate of title to supply information as the county treasurer or the director deems necessary as to the time of purchase, the purchase price, and other information relative to the purchase of the vehicle. On or before the tenth day of each month, the county treasurer or the state department of transportation shall remit to the department the amount of the taxes collected during the preceding month.

*b.* A person who willfully makes a false statement in regard to the purchase price of a vehicle subject to taxation under this subsection is guilty of a fraudulent practice. A person who willfully makes a false statement in regard to the purchase price of such a vehicle with the intent to evade the payment of tax shall be assessed a penalty of seventy-five percent of the amount of tax unpaid and required to be paid on the actual purchase price less trade-in allowance.

2. *a.* The use tax imposed upon the use of leased vehicles if the lease transaction does not require titling or registration of the vehicle shall be remitted to the department. Tax and the reporting of tax due to the department shall be remitted on or before fifteen days from the

last day of the month that the tax becomes due. Failure to timely report or remit any of the tax when due shall result in a penalty and interest being imposed on the tax due pursuant to section 423.40, subsection 1, and section 423.42, subsection 1.

*b.* The amount subject to tax shall be computed on each separate lease transaction by taking the total of the lease payments, plus the down payment, and excluding all of the following:

(1) Title fee.

(2) Registration fees.

(3) Use tax pursuant to this subsection.

(4) Federal excise taxes attributable to the sale of the vehicle to the owner or to the lease of the vehicle by the owner.

(5) Optional service or warranty contracts subject to tax pursuant to section 423.2, subsection 1.

(6) Insurance.

(7) Manufacturer's rebate.

(8) Refundable deposit.

(9) Finance charges, if any, on items listed in subparagraphs (1) through (8).

*c.* If any or all of the items in paragraph "*b*", subparagraphs (1) through (8) are excluded from the taxable lease price, the owner shall maintain adequate records of the amounts of those items. If the parties to a lease enter into an agreement providing that the tax imposed under this subsection is to be paid by the lessee or included in the monthly lease payments to be paid by the lessee, the total cost of the tax shall not be included in the computation of lease price for the purpose of taxation under this subsection.

2003 Acts, 1st Ex, ch 2, §119, 205; 2008 Acts, ch 1113, §44; 2010 Acts, ch 1108, §7, 15

Referred to in §312.1, 321.20, 331.557, 423.5, 423.14, 423.36, 423.43

Fraudulent practices, see §714.8 – 714.14

**423.26A Manufactured housing — collection of use tax — certificate of title.**

1. Except as provided in subsection 3, the use tax imposed upon the use of manufactured housing shall be paid by the owner of the manufactured housing to the manufactured home retailer licensed under chapter 103A. The owner of the manufactured housing shall also provide to the manufactured home retailer all information necessary to complete and submit an application for a certificate of title.

2. Use tax collected by the manufactured home retailer shall be forwarded to the county treasurer or the state department of transportation. The county treasurer shall retain one dollar from each tax payment collected by a manufactured home retailer and paid to the county treasurer, to be credited to the county general fund. The manufactured home retailer shall submit an application for certificate of title on behalf of the owner of the manufactured housing.

3. The use tax imposed upon the use of manufactured housing brought into the state of Iowa which has not previously been subject to the tax imposed under this subchapter and for which that tax has not been paid, shall be paid by the owner of the manufactured housing to the county treasurer or the state department of transportation from whom the certificate of title is obtained. The owner of the manufactured housing shall submit an application for a certificate of title. Section 423.22 shall apply in the case where the owner has paid tax in another state.

4. The county treasurer or the state department of transportation shall require every application for a certificate of title to include information as the county treasurer or the director deems necessary as to the time of purchase, the purchase price, installed purchase price, and other information relative to the purchase of the manufactured housing.

5. A certificate of title shall not be issued until the tax has been paid. A certificate of title shall be delivered to the owner of the manufactured housing by the county treasurer or state department of transportation who received the use tax.

6. On or before the tenth day of each month, the county treasurer or the state department of transportation shall remit to the department the amount of the taxes collected during the preceding month.

7. A person who willfully makes a false statement in regard to taxation under this section is guilty of a fraudulent practice. A person who willfully makes a false statement in regard to taxation under this section with the intent to evade the payment of tax shall be assessed a penalty of seventy-five percent of the amount of tax unpaid and required to be paid.

2010 Acts, ch 1108, §8, 15

Referred to in §103A.55, 312.1, 321.20, 331.557, 423.36, 423.43

Fraudulent practices, see §714.8 – 714.14

**423.27 Motor vehicle lease tax.** Repealed by 2008 Acts, ch 1113, § 46. See § 423.26.

**423.28 Sales tax report — deduction.** Repealed by 2012 Acts, ch 1110, § 23.

**423.29 Collections by sellers.**

Every seller who is a retailer and who is making taxable sales of tangible personal property in Iowa shall, at the time of selling the property, collect the sales tax. Every seller who is a retailer maintaining a place of business in this state and selling tangible personal property for use in Iowa shall, at the time of making the sale, whether within or without the state, collect the use tax. Sellers required to collect sales or use tax shall give to any purchaser a receipt for the tax collected in the manner and form prescribed by the director.

Every seller who is a retailer furnishing taxable services in Iowa and every seller who is a retailer maintaining a place of business in this state and furnishing taxable services in Iowa or services outside Iowa if the product or result of the service is used in Iowa shall be subject to the provisions of the preceding paragraph.

2003 Acts, 1st Ex, ch 2, §122, 205

Referred to in §423.14, 423.57

**423.30 Foreign sellers not registered under the agreement.**

The director may, upon application, authorize the collection of the use tax by any seller who is a retailer not maintaining a place of business within this state and not registered under the agreement, who, to the satisfaction of the director, furnishes adequate security to ensure collection and payment of the tax. Such sellers shall be issued, without charge, permits to collect tax subject to any regulations which the director shall prescribe. When so authorized, it shall be the duty of foreign sellers to collect the tax upon all tangible personal property sold, to the retailer's knowledge, for use within this state, in the same manner and subject to the same requirements as a retailer maintaining a place of business within this state. The authority and permit may be canceled when, at any time, the director considers the security inadequate, or that tax can more effectively be collected from the person using property in this state.

The discretionary power granted in this section is extended to apply in the case of foreign retailers furnishing services enumerated in section 423.2.

2003 Acts, 1st Ex, ch 2, §123, 205

Referred to in §423.14, 423.32

**423.31 Filing of sales tax returns and payment of sales tax.**

1. Each person subject to this section and section 423.36 and in accordance with the provisions of this section and section 423.36 shall, on or before the last day of the month following the close of each calendar quarter during which such person is or has become or ceased being subject to the provisions of this section and section 423.36, make, sign, and file a return for the calendar quarter in the form as may be required. Returns shall show information relating to sales prices including goods, wares, and services converted to the use of such person, the amounts of sales prices excluded and exempt from the tax, the amounts of sales prices subject to tax, a calculation of tax due, and any other information for the period covered by the return as may be required. Returns shall be signed by the retailer or the retailer's authorized agent and must be certified by the retailer to be correct in accordance with forms and rules prescribed by the director.

2. Persons required to file, or committed to file by reason of voluntary action or by order of the department, deposits of taxes due under this subchapter shall be entitled to take credit

against the total quarterly amount of tax due such amount as shall have been deposited by such persons during that calendar quarter. The balance remaining due after such credit for deposits shall be entered on the return. However, such person may be granted an extension of time not exceeding thirty days for filing the quarterly return, upon a proper showing of necessity. If an extension is granted, such person shall have paid by the twentieth day of the month following the close of such quarter ninety percent of the estimated tax due.

3. The sales tax forms prescribed by the director shall be referred to as "retailers tax deposit". Deposit forms shall be signed by the retailer or the retailer's duly authorized agent, and shall be duly certified by the retailer or agent to be correct. The director may authorize incorporated banks and trust companies or other depositories authorized by law which are depositories or financial agents of the United States, or of this state, to receive any sales tax imposed under this chapter, in the manner, at the times, and under the conditions the director prescribes. The director shall prescribe the manner, times, and conditions under which the receipt of the tax by those depositories is to be treated as payment of the tax to the department.

4. Every retailer at the time of making any return required by this section shall compute and pay to the department the tax due for the preceding period. The tax on sales prices from the sale or rental of tangible personal property under a consumer rental purchase agreement as defined in section 537.3604, subsection 8, is payable in the tax period of receipt.

5. *a.* Upon making application and receiving approval from the director, a parent corporation and its affiliated corporations that make retail sales of tangible personal property or taxable enumerated services may make deposits and file a consolidated sales tax return for the affiliated group, pursuant to rules adopted by the director. A parent corporation and each affiliate corporation that files a consolidated return are jointly and severally liable for all tax, penalty, and interest found due for the tax period for which a consolidated return is filed or required to be filed.

*b.* A business required to file a consolidated sales tax return shall file a form entitled "schedule of consolidated business locations" with its quarterly sales tax return that shows the taxpayer's consolidated permit number, the permit number for each Iowa business location, the state sales tax amount by business location, and the amount of state sales tax due on goods consumed that are not assigned to a specific business location. Consolidated quarterly sales tax returns that are not accompanied by the schedule of consolidated business locations form are considered incomplete and are subject to penalty under section 421.27.

6. If necessary or advisable in order to insure the payment of the tax, the director may require returns and payment of the tax to be made for other than quarterly periods, the provisions of this section or other provision to the contrary notwithstanding.

7. Notwithstanding any other provision of the Code to the contrary, the department shall not attempt to collect delinquent sales tax on a transaction involving the furnishing of lawn care, landscaping, or tree trimming and removal services which occurred more than five years from the date of an audit.

8. Persons required to file a return under this section may instead file a simplified electronic return pursuant to section 423.49.

2003 Acts, 1st Ex, ch 2, §124, 205; 2008 Acts, ch 1172, §23; 2012 Acts, ch 1066, §3
Referred to in §99G.30A, 421.26, 423.33, 423.36, 423.45, 423.57, 423A.6, 423B.6, 423C.4, 423D.4

**423.32 Filing of use tax returns and payment of use tax.**

1. A retailer maintaining a place of business in this state who is required to collect or a user who is required to pay the use tax or a foreign retailer authorized, pursuant to section 423.30, to collect the use tax, shall remit to the department the amount of tax on or before the last day of the month following each calendar quarterly period. However, a retailer who collects or owes more than fifteen hundred dollars in use taxes in a month shall deposit with the department or in a depository authorized by law and designated by the director, the amount collected or owed, with a deposit form for the month as prescribed by the director.

*a.* The deposit form is due on or before the twentieth day of the month following the month of collection, except a deposit is not required for the third month of the calendar quarter, and the total quarterly amount, less the amounts deposited for the first two months of the quarter, is due with the quarterly report on the last day of the month following the month of collection.

At that time, the retailer shall file with the department a return for the preceding quarterly period in the form prescribed by the director showing the purchase price of the tangible personal property sold by the retailer during the preceding quarterly period, the use of which is subject to the use tax imposed by this chapter, and other information the director deems necessary for the proper administration of the use tax.

*b.* The return shall be accompanied by a remittance of the use tax for the period covered by the return. If necessary in order to ensure payment to the state of the tax, the director may in any or all cases require returns and payments to be made for other than quarterly periods. The director, upon request and a proper showing of necessity, may grant an extension of time not to exceed thirty days for making any return and payment. Returns shall be signed, in accordance with forms and rules prescribed by the director, by the retailer or the retailer's authorized agent, and shall be certified by the retailer or agent to be correct.

2. If it is reasonably expected, as determined by rules prescribed by the director, that a retailer's annual sales or use tax liability will not exceed one hundred twenty dollars for a calendar year, the retailer may request and the director may grant permission to the retailer, in lieu of the quarterly filing and remitting requirements set out elsewhere in this section, to file the return required by and remit the sales or use tax due under this section on a calendar-year basis. The return and tax are due and payable no later than January 31 following each calendar year in which the retailer carries on business.

3. The director, in cooperation with the department of management, may periodically change the filing and remittance thresholds by administrative rule if in the best interests of the state and taxpayer to do so.

2003 Acts, 1st Ex, ch 2, §125, 205

Referred to in §99G.30A, 321.105A, 421.26, 423.14, 423.33, 423.34, 423.45, 423.57, 423B.6, 423D.4

**423.33 Liability of persons other than retailers for payment of sales or use tax.**

1. *Liability of purchaser for sales tax.* If a purchaser fails to pay sales tax to the retailer required to collect the tax, then in addition to all of the rights, obligations, and remedies provided, the tax is payable by the purchaser directly to the department, and sections 423.31, 423.32, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 apply to the purchaser. For failure to pay, the retailer and purchaser are liable, unless the circumstances described in section 421.60, subsection 2, paragraph *"m"*, section 423.34A, or section 423.45, subsection 4, paragraph *"b"* or *"e"*, or subsection 5, paragraph *"c"* or *"e"*, are applicable.

2. *Immediate successor liability for sales or use tax.* If a retailer sells the retailer's business or stock of goods or quits the business, the retailer shall prepare a final return and pay all sales or use tax due within the time required by law. The immediate successor to the retailer, if any, shall withhold a sufficient portion of the purchase price, in money or money's worth, to pay the amount of delinquent tax, interest, or penalty due and unpaid. If the immediate successor of the business or stock of goods intentionally fails to withhold the amount due from the purchase price as provided in this subsection, the immediate successor is personally liable for the payment of delinquent taxes, interest, and penalty accrued and unpaid on account of the operation of the business by the immediate former retailer, except when the purchase is made in good faith as provided in section 421.28. However, a person foreclosing on a valid security interest or retaking possession of premises under a valid lease is not an "immediate successor" for purposes of this section. The department may waive the liability of the immediate successor under this subsection if the immediate successor exercised good faith in establishing the amount of the previous liability.

3. *Event sponsor's liability for sales tax.* A person sponsoring a flea market or a craft, antique, coin, or stamp show or similar event shall obtain from every retailer selling tangible personal property or taxable services at the event proof that the retailer possesses a valid sales tax permit or secure from the retailer a statement, taken in good faith, that property or services offered for sale are not subject to sales tax. Failure to do so renders a sponsor of the event liable for payment of any sales tax, interest, and penalty due and owing from any retailer selling property or services at the event. Sections 423.31, 423.32, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 apply to the sponsors. For purposes of this subsection, a *"person sponsoring a flea market or a craft, antique, coin, or stamp show or similar event"*

does not include an organization which sponsors an event determined to qualify as an event involving casual sales pursuant to section 423.3, subsection 39, or the state fair or a fair as defined in section 174.1.

2003 Acts, 1st Ex, ch 2, §126, 205; 2005 Acts, ch 19, §55; 2006 Acts, ch 1158, §50; 2007 Acts, ch 179, §3, 10

Referred to in §99G.30A, 321.105A, 421.26, 421.28, 423.14, 423.34, 423.57, 423A.6, 423B.6, 423C.4, 423D.4

2007 amendment to subsection 1 is effective January 1, 2009; 2007 Acts, ch 179, §10

**423.34 Liability of user.**

Any person who uses any property or services enumerated in section 423.2 upon which the use tax has not been paid, either to the county treasurer or to a retailer or direct to the department as required by this subchapter, shall be liable for the payment of tax, and shall on or before the last day of the month next succeeding each quarterly period pay the use tax upon all property or services used by the person during the preceding quarterly period in the manner and accompanied by such returns as the director shall prescribe. All of the provisions of sections 423.32 and 423.33 with reference to the returns and payments shall be applicable to the returns and payments required by this section.

2003 Acts, 1st Ex, ch 2, §127, 205

Referred to in §99G.30A, 421.26, 423.14, 423.57, 423B.6, 423D.4

**423.34A Exclusion from liability for purchasers.**

A purchaser is relieved of liability for payment of state sales or use tax, for payment of any local option sales tax, for payment of interest, or for payment of any penalty for nonpayment of tax which nonpayment is not fraudulent, willful, or intentional, under the following circumstances:

1. The purchaser, the purchaser's seller or certified service provider, or the purchaser holding a direct pay permit relied on erroneous data contained in this state's taxability matrix completed pursuant to the agreement.

2. The purchaser, the purchaser's seller or certified service provider, or the purchaser holding a direct pay permit relied on erroneous data provided by the state with regard to tax rates, boundaries, or taxing jurisdiction assignments.

3. The purchaser used a database described in section 423.52, subsection 1, or section 423.55 and relied on erroneous data about tax rates, boundaries, or taxing jurisdiction assignments contained in that database.

2007 Acts, ch 179, §4, 10

Referred to in §99G.30A, 423.33, 423.57, 423B.6, 423D.4

2007 enactment of this section is effective January 1, 2009; 2007 Acts, ch 179, §10

**423.35 Posting of bond to secure payment.**

The director may, when necessary and advisable in order to secure the collection of the sales or use tax, authorize any person subject to either tax, and any retailer required or authorized to collect those taxes pursuant to the provisions of section 423.14, to file with the department a bond, issued by a surety company authorized to transact business in this state and approved by the insurance commissioner as to solvency and responsibility, in an amount as the director may fix, to secure the payment of any tax, interest, or penalties due or which may become due from such person. In lieu of a bond, securities approved by the director, in an amount which the director may prescribe, may be deposited with the department, which securities shall be kept in the custody of the department and may be sold by the director at public or private sale, without notice to the depositor, if it becomes necessary to do so in order to recover any tax, interest, or penalties due. Upon the sale, the surplus, if any, above the amounts due under this chapter shall be returned to the person who deposited the securities.

2003 Acts, 1st Ex, ch 2, §128, 205

Referred to in §99G.30A, 321.105A, 423.57, 423A.6, 423B.6, 423C.4, 423D.4, 452A.66

**423.36 Permits required to collect sales or use tax — applications — revocation.**

1. A person shall not engage in or transact business as a retailer making taxable sales of tangible personal property or furnishing services within this state or as a retailer making taxable sales of tangible personal property or furnishing services for use within this state,

unless a permit has been issued to the retailer under this section, except as provided in subsection 7. Every person desiring to engage in or transact business as a retailer shall file with the department an application for a permit to collect sales or use tax. Every application for a sales or use tax permit shall be made upon a form prescribed by the director and shall set forth any information the director may require. The application shall be signed by an owner of the business if a natural person; in the case of a retailer which is an association or partnership, by a member or partner; and in the case of a retailer which is a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of the person's authority.

2. *a.* Notwithstanding subsection 1, if any person will make taxable sales of tangible personal property or furnish services to any state agency, that person shall, prior to the sale, apply for and receive a permit to collect sales or use tax pursuant to this section. A state agency shall not purchase tangible personal property or services from any person unless that person has a valid, unexpired permit issued pursuant to this section and is in compliance with all other requirements in this chapter imposed upon retailers, including but not limited to the requirement to collect and remit sales and use tax and file sales and use tax returns.

*b.* For purposes of this subsection, "*state agency*" means any executive, judicial, or legislative department, commission, board, institution, division, bureau, office, agency, or other entity of state government.

3. To collect sales or use tax, the applicant must have a permit for each place of business in the state of Iowa. The department may deny a permit to an applicant who is substantially delinquent in paying a tax due, or the interest or penalty on the tax, administered by the department at the time of application or if the applicant had a previous delinquent liability with the department. If the applicant is a partnership, a permit may be denied if a partner is substantially delinquent in paying any delinquent tax, penalty, or interest or if a partner had a previous delinquent liability with the department. If the applicant is a corporation, a permit may be denied if any officer having a substantial legal or equitable interest in the ownership of the corporation owes any delinquent tax, penalty, or interest or if any officer having a substantial legal or equitable interest in the ownership of the corporation had a previous delinquent liability with the department.

4. *a.* The department shall grant and issue to each applicant a permit for each place of business in this state where sales or use tax is collected. A permit is not assignable and is valid only for the person in whose name it is issued and for the transaction of business at the place designated or at a place of relocation within the same county if the ownership remains the same.

*b.* If an applicant is making sales outside Iowa for use in this state or furnishing services outside Iowa, the product or result of which will be used in this state, that applicant shall be issued one use tax permit by the department applicable to these out-of-state sales or services.

5. Permits issued under this section are valid and effective until revoked by the department.

6. If the holder of a permit fails to comply with any of the provisions of this subchapter or of subchapter II or III or any order or rule of the department adopted under those subchapters or is substantially delinquent in the payment of a tax administered by the department or the interest or penalty on the tax, or if the person is a corporation and if any officer having a substantial legal or equitable interest in the ownership of the corporation owes any delinquent tax of the permit-holding corporation, or interest or penalty on the tax, administered by the department, the director may revoke the permit. The director shall send notice by mail to a permit holder informing that person of the director's intent to revoke the permit and of the permit holder's right to a hearing on the matter. If the permit holder petitions the director for a hearing on the proposed revocation, after giving ten days' notice of the time and place of the hearing in accordance with section 17A.18, subsection 3, the matter may be heard and a decision rendered. The director may restore permits after revocation. The director shall adopt rules setting forth the period of time a retailer must wait before a permit may be restored or a new permit may be issued. The waiting period shall not exceed ninety days from the date of the revocation of the permit.

7. *a.* Sellers who are not regularly engaged in selling at retail and do not have a permanent

place of business, but who are temporarily engaged in selling from trucks, portable roadside stands, concessionaires at state, county, district, or local fairs, carnivals, or the like, shall report and remit the sales tax on a temporary basis, under rules the director shall provide for the efficient collection of the sales tax. This subsection applies to sellers who are temporarily engaged in furnishing services.

*b.* Persons engaged in selling tangible personal property or furnishing services shall not be required to obtain or retain a sales tax permit for a place of business at which taxable sales of tangible personal property or taxable performance of services will not occur.

8. The provisions of subsection 1, dealing with the lawful right of a retailer to transact business, as applicable, apply to persons having receipts from furnishing services enumerated in section 423.2, except that a person holding a permit pursuant to subsection 1 shall not be required to obtain any separate sales tax permit for the purpose of engaging in business involving the services.

9. *a.* Except as provided in paragraph "*b*", purchasers, users, and consumers of tangible personal property or enumerated services taxed pursuant to subchapter II or III of this chapter or chapter 423B may be authorized, pursuant to rules adopted by the director, to remit tax owed directly to the department instead of the tax being collected and paid by the seller. To qualify for a direct pay tax permit, the purchaser, user, or consumer must accrue a tax liability of more than four thousand dollars in tax under subchapters II and III in a semimonthly period and make deposits and file returns pursuant to section 423.31. This authority shall not be granted or exercised except upon application to the director and then only after issuance by the director of a direct pay tax permit.

*b.* The granting of a direct pay tax permit is not authorized for any of the following:

(1) Taxes imposed on the sales, furnishing, or service of gas, electricity, water, heat, pay television service, and communication service.

(2) Taxes imposed under section 423.26, section 423.26A, and chapter 423C.

2003 Acts, 1st Ex, ch 2, §129, 205; 2008 Acts, ch 1113, §113; 2008 Acts, ch 1134, §66; 2008 Acts, ch 1184, §57; 2010 Acts, ch 1108, §9, 15; 2012 Acts, ch 1110, §20; 2013 Acts, ch 122, §3

Referred to in §423.31, 423.40, 423B.5, 423E.3

NEW subsection 2 and former subsections 2 – 8 renumbered as 3 – 9

**423.37 Failure to file sales or use tax returns — incorrect returns.**

1. As soon as practicable after a return is filed and in any event within three years after the return is filed, the department shall examine it, assess and determine the tax due if the return is found to be incorrect, and give notice to the person liable for the tax of the assessment and determination as provided in subsection 2. The period for the examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade tax or in the case of a failure to file a return.

2. If a return required by this subchapter is not filed, or if a return when filed is incorrect or insufficient, the department shall determine the amount of tax due from information as the department may be able to obtain and, if necessary, may estimate the tax on the basis of external indices, such as number of employees of the person concerned, rentals paid by the person, stock on hand, or other factors. The determination may be made using any generally recognized valid and reliable sampling technique, whether or not the person being audited has complete records, as mutually agreed upon by the department and the taxpayer. The department shall give notice of the determination to the person liable for the tax. The determination shall fix the tax unless the person against whom it is assessed shall, within sixty days after the giving of notice of the determination, apply to the director for a hearing or unless the taxpayer contests the determination by paying the tax, interest, and penalty and timely filing a claim for refund. At the hearing, evidence may be offered to support the determination or to prove that it is incorrect. After the hearing the director shall give notice of the decision to the person liable for the tax.

3. The three-year period of limitation provided in subsection 1 may be extended by a taxpayer by signing a waiver agreement form to be provided by the department. The agreement shall stipulate the period of extension and the tax period to which the extension

applies. The agreement shall also provide that a claim for refund may be filed by the taxpayer at any time during the period of extension.

2003 Acts, 1st Ex, ch 2, §130, 205; 2006 Acts, ch 1158, §51; 2013 Acts, ch 110, §2
Referred to in §99G.30A, 321.105A, 421.10, 423.33, 423.45, 423.57, 423A.6, 423B.6, 423C.4, 423D.4
Subsection 2 amended

**423.38 Judicial review.**

1. Judicial review of actions of the director may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

2. For cause and upon a showing by the director that collection of the tax in dispute is in doubt, the court may order the petitioner to file with the clerk a bond for the use of the respondent, with sureties approved by the clerk, in the amount of tax appealed from, conditioned that the petitioner shall perform the orders of the court.

3. An appeal may be taken by the taxpayer or the director to the supreme court of this state irrespective of the amount involved.

2003 Acts, ch 44, §114; 2003 Acts, 1st Ex, ch 2, §131, 205
Referred to in §99G.30A, 321.105A, 421B.11, 423.33, 423.45, 423.57, 423A.6, 423B.6, 423C.4, 423D.4, 425.31
Filing petition on appeal, R.C.P. 1.1803

**423.39 Service of notices.**

1. A notice authorized or required under this subchapter may be given by mailing the notice to the person for whom it is intended, addressed to that person at the address given in the last return filed by the person pursuant to this subchapter, or if no return has been filed, then to any address obtainable. The mailing of the notice is presumptive evidence of the receipt of the notice by the person to whom addressed. Any period of time which is determined according to this subchapter by the giving of notice commences to run from the date of mailing of the notice.

2. The provisions of the Code relative to the limitation of time for the enforcement of a civil remedy shall not apply to any proceeding or action taken to levy, appraise, assess, determine, or enforce the collection of any tax or penalty provided by this chapter.

2003 Acts, 1st Ex, ch 2, §132, 205
Referred to in §99G.30A, 321.105A, 423.33, 423.45, 423.57, 423A.6, 423B.6, 423C.4, 423D.4, 425.30

**423.40 Penalties — offenses — limitation.**

1. In addition to the sales or use tax or additional sales or use tax, the taxpayer shall pay a penalty as provided in section 421.27. The taxpayer shall also pay interest on the sales or use tax or additional sales or use tax at the rate in effect under section 421.7 for each month counting each fraction of a month as an entire month, computed from the date the semimonthly or monthly tax deposit form or return was required to be filed. The penalty and interest shall be paid to the department and disposed of in the same manner as other receipts under this subchapter. Unpaid penalties and interest may be enforced in the same manner as the taxes imposed by this chapter.

2. *a.* Any person who knowingly sells tangible personal property, tickets or admissions to places of amusement and athletic events, or gas, water, electricity, or communication service at retail, or engages in the furnishing of services enumerated in section 423.2, in this state without procuring a permit to collect tax, as provided in section 423.36, or who violates section 423.24 and the officers of any corporation who so act are guilty of a serious misdemeanor.

*b.* A person who knowingly sells tangible personal property, tickets or admissions to places of amusement and athletic events, or gas, water, electricity, or communication service at retail, or engages in the furnishing of services enumerated in section 423.2, in this state after the person's sales tax permit has been revoked and before it has been restored as provided in section 423.36, subsection 6, and the officers of any corporation who so act are guilty of an aggravated misdemeanor.

3. A person who willfully attempts in any manner to evade any tax imposed by this chapter or the payment of the tax or a person who makes or causes to be made a false or fraudulent semimonthly or monthly tax deposit form or return with intent to evade any tax imposed by subchapter II or III or the payment of the tax is guilty of a class "D" felony.

4. The certificate of the director to the effect that a tax has not been paid, that a return

has not been filed, or that information has not been supplied pursuant to the provisions of this subchapter shall be prima facie evidence thereof.

5. A person required to pay sales or use tax, or to make, sign, or file a tax deposit form or return or supplemental return, who willfully makes a false or fraudulent tax deposit form or return, or willfully fails to pay at least ninety percent of the tax or willfully fails to make, sign, or file the tax deposit form or return, at the time required by law, is guilty of a fraudulent practice.

6. A prosecution for an offense specified in this section shall be commenced within six years after its commission.

2003 Acts, 1st Ex, ch 2, §133, 205
Referred to in §99G.30A, 321.105A, 423.26, 423.33, 423.45, 423.57, 423A.6, 423B.6, 423C.4, 423D.4
Section not amended; internal reference change applied

**423.41 Books — examination.**

Every retailer required or authorized to collect taxes imposed by this chapter and every person using in this state tangible personal property, services, or the product of services shall keep records, receipts, invoices, and other pertinent papers as the director shall require, in the form that the director shall require, for as long as the director has the authority to examine and determine tax due. The director or any duly authorized agent of the department may examine the books, papers, records, and equipment of any person either selling tangible personal property or services or liable for the tax imposed by this chapter, and investigate the character of the business of any person in order to verify the accuracy of any return made, or if a return was not made by the person, ascertain and determine the amount due under this chapter. These books, papers, and records shall be made available within this state for examination upon reasonable notice when the director deems it advisable and so orders. If the taxpayer maintains any records in an electronic format, the taxpayer shall comply with reasonable requests by the director or the director's authorized agents to provide those electronic records in a standard record format. The preceding requirements shall likewise apply to users and persons furnishing services enumerated in section 423.2.

2003 Acts, 1st Ex, ch 2, §134, 205; 2007 Acts, ch 186, §23
Referred to in §99G.30A, 321.105A, 423.33, 423.45, 423.57, 423A.6, 423B.6, 423C.4, 423D.4

**423.42 Statutes applicable.**

1. The director shall administer the taxes imposed by subchapters II and III in the same manner and subject to all the provisions of, and all of the powers, duties, authority, and restrictions contained in, section 422.25, subsection 4, section 422.30, and sections 422.67 through 422.75.

2. All the provisions of section 422.26 shall apply in respect to the taxes and penalties imposed by subchapters II and III and this subchapter, except that, as applied to any tax imposed by subchapters II and III, the lien provided in section 422.26 shall be prior and paramount over all subsequent liens upon any personal property within this state, or right to such personal property, belonging to the taxpayer without the necessity of recording as provided in section 422.26. The requirements for recording shall, as applied to the taxes imposed by subchapters II and III, apply only to the liens upon real property. When requested to do so by any person from whom a taxpayer is seeking credit, or with whom the taxpayer is negotiating the sale of any personal property, or by any other person having a legitimate interest in such information, the director shall, upon being satisfied that such a situation exists, inform that person as to the amount of unpaid taxes due by such taxpayer under the provisions of subchapters II and III. The giving of this information under these circumstances shall not be deemed a violation of section 422.72 as applied to subchapters II and III.

2003 Acts, 1st Ex, ch 2, §135, 205
Referred to in §99G.30A, 321.105A, 421.17, 423.26, 423.33, 423.45, 423.57, 423A.6, 423B.6, 423C.4, 423D.4

**423.43 Deposit of revenues.**

1. *a.* Except as provided in subsection 2, all revenue arising under the operation of the use tax under subchapter III shall be deposited into the general fund of the state.

*b.* Subsequent to the deposit into the general fund of the state and after the transfer of

such revenues collected under chapter 423B, the department shall transfer one-sixth of such remaining revenues to the secure an advanced vision for education fund created in section 423F.2. This paragraph is repealed December 31, 2029.

2. All revenue derived from the use tax imposed pursuant to sections 423.26 and 423.26A shall be credited to the statutory allocations fund created under section 321.145, subsection 2.

2003 Acts, 1st Ex, ch 2, §136, 205; 2005 Acts, ch 140, §13; 2008 Acts, ch 1113, §45, 125, 129; 2010 Acts, ch 1108, §10, 15

Referred to in §321.145, 423.57

**423.44 Reimbursement for primary road fund.** Repealed by 2008 Acts, ch 1113, § 123. See § 321.145.

**423.45 Refunds — exemption certificates.**

1. If an amount of tax represented by a retailer to a consumer or user as constituting tax due is computed upon a sales price that is not taxable or the amount represented is in excess of the actual taxable amount and the amount represented is actually paid by the consumer or user to the retailer, the excess amount of tax paid shall be returned to the consumer or user upon notification to the retailer by the department that an excess payment exists.

2. If an amount of tax represented by a retailer to a consumer or user as constituting tax due is computed upon a sales price that is not taxable or the amount represented is in excess of the actual taxable amount and the amount represented is actually paid by the consumer or user to the retailer, the excess amount of tax paid shall be returned to the consumer or user upon proper notification to the retailer by the consumer or user that an excess payment exists. *"Proper"* notification is written notification which allows a retailer at least sixty days to respond and which contains enough information to allow a retailer to determine the validity of a consumer's or user's claim that an excess amount of tax has been paid. No cause of action shall accrue against a retailer for excess tax paid until sixty days after proper notice has been given the retailer by the consumer or user.

3. In the circumstances described in subsections 1 and 2, a retailer has the option to either return any excess amount of tax paid to a consumer or user, or to remit the amount which a consumer or user has paid to the retailer to the department.

4. *a.* The department shall issue or the seller may separately provide exemption certificates in the form prescribed by the director, including certificates not made of paper, which conform to the requirements of paragraph "*c*", to assist retailers in properly accounting for nontaxable sales of tangible personal property or services to purchasers for a nontaxable purpose. The department shall also allow the use of exemption certificates for those circumstances in which a sale is taxable but the seller is not obligated to collect tax from the buyer.

*b.* The sales tax liability for all sales of tangible personal property and all sales of services is upon the seller and the purchaser unless the seller takes from the purchaser a valid exemption certificate stating under penalty of perjury that the purchase is for a nontaxable purpose and is not a retail sale as defined in section 423.1, or the seller is not obligated to collect tax due, or unless the seller takes a fuel exemption certificate pursuant to subsection 5. If the tangible personal property or services are purchased tax free pursuant to a valid exemption certificate and the tangible personal property or services are used or disposed of by the purchaser in a nonexempt manner, the purchaser is solely liable for the taxes and shall remit the taxes directly to the department and sections 423.31, 423.32, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 shall apply to the purchaser.

*c.* A valid exemption certificate is an exemption certificate which is complete and correct according to the requirements of the director.

*d.* The protection afforded a seller by paragraph "*b*" does not apply to a seller who fraudulently fails to collect tax or to a seller who solicits purchasers to participate in the unlawful claim of an exemption.

*e.* If the circumstances change and as a result the tangible personal property or services are used or disposed of by the purchaser in a nonexempt manner or the purchaser becomes

obligated to pay the tax, the purchaser is liable solely for the taxes and shall remit the taxes directly to the department in accordance with this subsection.

5. *a.* The department shall issue or the seller may separately provide fuel exemption certificates in the form prescribed by the director.

*b.* For purposes of this subsection:

(1) *"Fuel"* includes gas, electricity, water, heat, steam, and any other tangible personal property consumed in creating heat, power, or steam.

(2) *"Fuel consumed in processing"* means fuel used or consumed for processing including grain drying, for providing heat or cooling for livestock buildings or for greenhouses or buildings or parts of buildings dedicated to the production of flowering, ornamental, or vegetable plants intended for sale in the ordinary course of business, for use in aquaculture production, or for generating electric current, or in implements of husbandry engaged in agricultural production.

(3) *"Fuel exemption certificate"* means an exemption certificate given by the purchaser under penalty of perjury to assist retailers in properly accounting for nontaxable sales of fuel consumed in processing.

(4) *"Substantial change"* means a change in the use or disposition of tangible personal property and services by the purchaser such that the purchaser pays less than ninety percent of the purchaser's actual sales tax liability. A change includes a misstatement of facts in an application made pursuant to paragraph *"d"* or in a fuel exemption certificate.

*c.* The seller may accept a completed fuel exemption certificate, as prepared by the purchaser, for three years unless the purchaser files a new completed exemption certificate. If the fuel is purchased tax free pursuant to a fuel exemption certificate which is taken by the seller, and the fuel is used or disposed of by the purchaser in a nonexempt manner, the purchaser is solely liable for the taxes, and shall remit the taxes directly to the department and sections 423.31, 423.32, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 shall apply to the purchaser.

*d.* The purchaser may apply to the department for its review of the fuel exemption certificate. In this event, the department shall review the fuel exemption certificate within twelve months from the date of application and determine the correct amount of the exemption. If the amount determined by the department is different than the amount that the purchaser claims is exempt, the department shall promptly notify the purchaser of the determination. Failure of the department to make a determination within twelve months from the date of application shall constitute a determination that the fuel exemption certificate is correct as submitted. A determination of exemption by the department is final unless the purchaser appeals to the director for a revision of the determination within sixty days after the date of the notice of determination. The director shall grant a hearing, and upon the hearing, the director shall determine the correct exemption and notify the purchaser of the decision by mail. The decision of the director is final unless the purchaser seeks judicial review of the director's decision under section 423.38 within sixty days after the date of the notice of the director's decision. Unless there is a substantial change, the department shall not impose penalties pursuant to section 423.40 both retroactively to purchases made after the date of application and prospectively until the department gives notice to the purchaser that a tax or additional tax is due, for failure to remit any tax due which is in excess of a determination made under this section. A determination made by the department pursuant to this subsection does not constitute an audit for purposes of section 423.37.

*e.* If the circumstances change and the fuel is used or disposed of by the purchaser in a nonexempt manner, the purchaser is solely liable for the taxes and shall remit the taxes directly to the department in accordance with paragraph *"c"*.

*f.* The purchaser shall attach documentation to the fuel exemption certificate which is reasonably necessary to support the exemption for fuel consumed in processing. If the purchaser files a new exemption certificate with the seller, documentation shall not be required if the purchaser previously furnished the seller with this documentation and substantial change has not occurred since that documentation was furnished or if fuel consumed in processing is separately metered and billed by the seller.

6. Nothing in this section authorizes any cause of action by any person to recover sales or use taxes directly from the state or extends any person's time to seek a refund of sales or use taxes which have been collected and remitted to the state.

2003 Acts, 1st Ex, ch 2, §138, 205; 2006 Acts, ch 1158, §75, 76, 80

Referred to in §321.105A, 423.33, 423.57, 423C.4

**423.46 Rate and base changes — liability for failure to collect.**

1. The department shall make a reasonable effort to provide sellers with as much advance notice as practicable of a rate change and to notify sellers of legislative changes in the tax base and amendments to sales and use tax rules. Except as provided in subsection 2, a seller shall not be relieved of the obligation to collect sales or use taxes for this state by either a failure to receive such notice or by a failure of the state to provide notice.

2. A seller will be relieved of liability for failing to collect sales or use taxes for this state at the new rate under all of the following conditions and to the following extent:

*a.* The department fails to provide for at least thirty days between the enactment of the statute providing for a rate change and the effective date of such rate change.

*b.* The seller continues to collect sales or use taxes at the rate in effect immediately prior to the rate change.

*c.* The erroneous collection described in paragraph *"b"* does not continue for more than thirty days after the effective date of the rate change.

3. The relief from the obligation to collect sales or use taxes described in subsection 2 shall not apply if a seller fraudulently fails to collect tax at the new rate or if a seller has solicited purchasers on the basis of the rate in effect immediately prior to the rate change.

2003 Acts, 1st Ex, ch 2, §139, 205; 2010 Acts, ch 1145, §11, 17

Referred to in §99G.30A, 423.57, 423B.6, 423C.4

**423.47 Refunds and credits.**

If it shall appear that, as a result of mistake, an amount of tax, penalty, or interest has been paid which was not due under the provisions of this chapter, such amount shall be credited against any tax due, or to become due, on the books of the department from the person who made the erroneous payment, or such amount shall be refunded to such person by the department. A claim for refund or credit that has not been filed with the department within three years after the tax payment for which a refund or credit is claimed became due, or one year after such tax payment was made, whichever time is the later, shall not be allowed by the director.

2003 Acts, 1st Ex, ch 2, §140, 205

Referred to in §99G.30A, 321.105A, 423.21, 423.57, 423A.6, 423B.6, 423C.4, 423D.4, 476B.2, 476B.7, 476C.6

## SUBCHAPTER VI

## SALES AND USE TAX ACT ADMINISTRATION — RETAILERS REGISTERED VOLUNTARILY UNDER AGREEMENT

Referred to in §423.13

**423.48 Responsibilities and rights of sellers registered under the agreement.**

1. By registering under the agreement, the seller agrees to collect and remit sales and use taxes for all its taxable Iowa sales. Iowa's withdrawal from the agreement or revocation of its membership in the agreement shall not relieve a seller from its responsibility to remit taxes previously collected on behalf of this state.

2. The following provisions apply to any seller who registers under the agreement:

*a.* The seller may register on-line.

*b.* Registration under the agreement and the collection of Iowa sales and use taxes shall not be used as factors in determining whether the seller has nexus with Iowa for any tax.

*c.* If registered under the agreement with any other member state, the seller is considered to be registered in Iowa.

*d.* The seller is not required to pay registration fees or other charges.

*e.* A written signature from the seller is not required.

*f.* The seller may register by way of an agent. The agent's appointment shall be in writing and submitted to the department if requested by the department.

*g.* The seller may cancel its registration at any time under procedures adopted by the governing board established pursuant to the agreement. Cancellation does not relieve the seller of its liability for remitting any Iowa taxes collected.

*h.* Upon the registration of a seller, the department shall provide to the seller information regarding the options available for the filing of returns and remittances. Such information shall include information on the requirements of filing simplified electronic returns and remittances.

3. The following additional responsibilities and rights apply to model sellers:

*a.* A model 1 seller's obligation to calculate, collect, and remit sales and use taxes shall be performed by its certified service provider, except for the seller's obligation to remit tax on its own purchases. As the seller's agent, the certified service provider is liable for its model 1 seller's sales and use tax due Iowa on all sales transactions it processes for the seller except as set out in this section. A seller that contracts with a certified service provider is not liable to the state for sales or use tax due on transactions processed by the certified service provider unless the seller misrepresents the types of items or services it sells or commits fraud. In the absence of probable cause to believe that the seller has committed fraud or made a material misrepresentation, the seller is not subject to audit on the transactions processed by the certified service provider. A model 1 seller is subject to audit for transactions not processed by the certified service provider. The director is authorized to perform a system check of the model 1 seller and review the seller's procedures to determine if the certified service provider's system is functioning properly and the extent to which the seller's transactions are being processed by the certified service provider.

*b.* A model 2 seller shall calculate the amount of tax due on a transaction by the use of a certified automated system, but shall collect and remit tax on its own sales. A person that provides a certified automated system is responsible for the proper functioning of that system and is liable to this state for underpayments of tax attributable to errors in the functioning of the certified automated system. A seller that uses a certified automated system remains responsible and is liable to the state for reporting and remitting tax.

*c.* A model 3 seller shall use its own proprietary automated system to calculate tax due and collect and remit tax on its own sales. A model 3 seller is liable for the failure of its proprietary automated system to meet the applicable performance standard.

*d.* A model 2, model 3, or model 4 seller making no sales sourced in the state in the preceding twelve months may elect to be registered in the state as a seller that anticipates making no sales sourced in the state. Making such an election shall not relieve the seller of the obligation to collect and remit sales or use taxes on sales sourced in the state.

4. The provisions of this section shall not be construed to relieve a seller of the obligation to register in the state if required to do so, and to collect and remit sales or use taxes for at least thirty-six months and to meet any other requirements necessary for amnesty in Iowa under the terms of an agreement as provided in section 423.54.

2003 Acts, 1st Ex, ch 2, §141, 205; 2010 Acts, ch 1145, §12 – 14, 17

Referred to in §423.49

**423.49 Return requirements — electronic filing.**

1. Except as provided in subsection 7, all sellers registered under the agreement shall file a single return per month for the state and all taxing jurisdictions within this state.

2. The director shall by rule determine the date on which returns shall be filed. The date shall not be earlier than the twentieth day of the following month.

3. The department shall provide to all registered and unregistered sellers, except sellers of products qualifying for exclusion from the provisions of section 308 of the agreement, a simplified return that can be filed electronically.

*a.* The simplified return shall be provided in a form approved by the governing board and shall not contain a field unless that field has been approved by the governing board.

*b.* The simplified return shall contain two parts. The first part shall contain information relating to remittances and allocations. The second part shall contain information relating to exempt sales.

*c.* The department shall notify the governing board if the submission of the second part of the return is no longer necessary.

*d.* The department shall not require a model 4 seller to submit the second part of the simplified return but may provide for another means of collecting the information contained in the second part of the return as described in subsection 4, paragraph "*e*".

4. *a.* A certified service provider shall file a simplified return electronically on behalf of a model 1 seller and shall file audit reports for the seller as provided for in article V of the rules and procedures of the agreement.

*b.* A certified service provider shall file the first part of the simplified return, as described in subsection 3, once per month, as required pursuant to subsection 1.

*c.* A model 1 seller may file both the first and second parts of the simplified return. Model 1 sellers filing both parts shall also file audit reports as described in paragraph "*a*".

*d.* A model 4 seller, or a seller not registered under the agreement who is otherwise registered in the state, may elect to file a simplified return. Model 4 sellers, or sellers not registered under the agreement who are otherwise registered in the state, electing to do so shall file the first part of the return each month.

*e.* A model 4 seller required to register in the state, or a seller not registered under the agreement who is otherwise registered in the state, may submit the information collected in the second part of the return in one of the following ways:

(1) By filing monthly both the first and second parts electronically on a simplified return as described in subsection 3.

(2) By filing the second part together with the required December filing of the first part. A seller filing the second part of a return pursuant to this subparagraph shall include information for all months of that calendar year and shall report the information in an annual rather than a monthly fashion.

(3) The department shall notify the governing board prior to requiring the submission of the second part of the simplified return pursuant to this paragraph "*e*".

5. The department shall adopt rules for the filing of returns by a model 4 seller electing not to file a simplified return pursuant to this section.

6. A seller which has previously elected to file a simplified return shall provide at least three months' notice of an intent to discontinue the filing of such returns.

7. *a.* A seller making the election under section 423.48, subsection 3, paragraph "*d*", is exempt from the requirements of this section and shall not be required to file a return.

*b.* The exemption allowed under paragraph "*a*" is only applicable as long as a seller makes no taxable sales in this state. If a seller makes a taxable sale in this state, the seller shall file a return the month after such a sale is made.

8. A seller may file a return for more than one legal entity at the same time only if such entities are affiliated.

9. The department shall adopt a standardized process for the transmission and receipt of returns and related information. The adoption of a procedure pursuant to this subsection is subject to the approval of the governing board.

10. *a.* The department shall notify a seller registered under the agreement that has no obligation to register in this state of a failure to file a return required under this section and allow the seller at least thirty days after such notification to file the return.

*b.* A liability amount may be established for an assessment of taxes based solely on a seller's failure to timely file a return if such seller has a history of nonfiling or late filing.

2003 Acts, 1st Ex, ch 2, §142, 205; 2010 Acts, ch 1145, §15, 17; 2012 Acts, ch 1066, §4, 5
Referred to in §423.31

**423.50 Remittance of funds.**

1. Only one remittance of tax per return is required except as provided in this subsection.

Sellers that collect more than thirty thousand dollars in sales and use taxes for this state during the preceding calendar year shall be required to make additional remittances as required under rules adopted by the director. The filing of a return is not required with an additional remittance.

2. All remittances shall be remitted electronically.

3. Electronic payments may be made either by automated clearinghouse credit or automated clearinghouse debit. Any data accompanying a remittance must be formatted using uniform tax type and payment codes approved by the governing board established pursuant to the agreement. An alternative method for making same-day payments shall be determined under rules adopted by the director.

4. If a due date falls on a Saturday, a Sunday, legal holiday, or a legal banking holiday in this state, the payment, including any related payment voucher information, is due on the next succeeding business day.

5. If the federal reserve bank is closed on the due date preventing a person from being able to make an automated payment, the payment shall be accepted as timely if made on the next day the federal reserve bank is open.

6. The department shall adopt a standardized process for the remittance of tax payments. The procedure shall have the capability of processing multiple payments and simplified returns by affiliated entities, certified service providers, or tax preparers. The process adopted pursuant to this subsection is subject to the approval of the governing board.

2003 Acts, 1st Ex, ch 2, §143, 205; 2010 Acts, ch 1145, §16, 17; 2011 Acts, ch 92, §10, 11

**423.51 Administration of exemptions.**

1. The following provisions shall apply when a purchaser claims an exemption:

*a.* The seller shall obtain identifying information of the purchaser and the reason for claiming a tax exemption at the time of the purchase as determined by the member states acting jointly.

*b.* A purchaser is not required to provide a signature to claim an exemption from tax unless a paper certificate is used.

*c.* The seller shall use the standard form for claiming an exemption electronically as adopted jointly by the member states.

*d.* The seller shall obtain the same information for proof of a claimed exemption regardless of the medium in which the transaction occurred.

*e.* The department may authorize a system wherein the purchaser exempt from the payment of the tax is issued an identification number which shall be presented to the seller at the time of the sale.

*f.* The seller shall maintain proper records of exempt transactions and provide them to the department when requested.

*g.* The department shall administer entity-based and use-based exemptions when practicable through a direct pay tax permit, an exemption certificate, or another means that does not burden sellers. For the purposes of this paragraph:

(1) An "*entity-based exemption*" is an exemption based on who purchases the product or who sells the product.

(2) A "*use-based exemption*" is an exemption based on the purchaser's use of the product.

2. Sellers that follow the requirements of this section are relieved from any tax otherwise applicable if it is determined that the purchaser improperly claimed an exemption and that the purchaser is liable for the nonpayment of tax. This relief from liability does not apply to a seller who does any of the following:

*a.* Fraudulently fails to collect tax.

*b.* Solicits purchasers to participate in the unlawful claim of an exemption.

*c.* Accepts an exemption certificate when the purchaser claims an entity-based exemption when the following conditions are met:

(1) The subject of the transaction sought to be covered by the exemption certificate is actually received by the purchaser at a location operated by the seller.

(2) The state provides an exemption certificate that clearly and affirmatively indicates that the claimed exemption is not available in the state.

3. *a.* A seller otherwise obligated to collect tax from a purchaser is relieved of that obligation if the seller obtains a fully completed exemption certificate or secures the relevant data elements of a fully completed exemption certificate within ninety days after the date of sale.

*b.* If the seller has not obtained an exemption certificate or all relevant data elements as provided in paragraph "*a*", the seller may, within one hundred twenty days after a request for substantiation by the department, either prove that the transaction was not subject to tax by other means or obtain a fully completed exemption certificate from the purchaser, taken in good faith.

*c.* Nothing in this subsection shall affect the ability of the state to require purchasers to update exemption certificate information or to reapply with the state to claim certain exemptions.

*d.* Notwithstanding paragraphs "*a*", "*b*", and "*c*", a seller is relieved of its obligation to collect tax from a purchaser if the seller obtains a blanket exemption certificate from the purchaser, and the seller and purchaser have a recurring business relationship. For the purposes of this paragraph, a recurring business relationship exists when a period of no more than twelve months elapses between sales transactions. The department may not request from the seller renewal of blanket certificates or updates of exemption certificate information or data elements when there is a recurring business relationship between the purchaser and seller.

4. All relief that this section provides to sellers is also provided to certified service providers under this chapter.

2003 Acts, 1st Ex, ch 2, §144, 205; 2006 Acts, ch 1158, §77, 78, 80; 2007 Acts, ch 179, §7

2006 amendments to this section amending subsection 2 and adding new subsections 3 and 4 take effect January 1, 2008; 2006 Acts, ch 1158, §80

**423.52 Relief from liability for sellers and certified service providers.**

1. Sellers and certified service providers using databases derived from zip codes or state or vendor provided address-based databases are relieved from liability to this state or its local taxing jurisdictions for having charged and collected the incorrect amount of sales or use tax resulting from the seller or certified service provider relying on erroneous data provided by this state on tax rates, boundaries, or taxing jurisdiction assignments. If this state provides an address-based system for assigning taxing jurisdictions, the director is not required to provide liability relief for errors resulting from reliance on a database derived from zip codes and provided by this state if the director has given adequate notice, as determined by the governing board, to affected parties of the decision to end this relief.

2. *a.* Model 2 sellers and certified service providers are relieved of liability to Iowa for any failure to charge and collect the correct amount of sales or use tax if this failure results from the model 2 seller's or the certified service provider's reliance upon this state's certification to the governing board that Iowa has accepted the governing board's certification of a piece of software as a certified automated system. The relief provided by this paragraph to a model 2 seller or certified service provider does not extend to a seller or provider who has incorrectly classified an item or transaction into the product-based exemptions portion of a certified automated system. However, any model 2 seller or certified service provider who has relied upon an individual listing of items or transactions within a product definition approved by the governing board or Iowa may claim the relief allowed by this paragraph.

*b.* If the department determines that an item or transaction is incorrectly classified as to its taxability, the department shall notify the model 2 seller or certified service provider of the incorrect classification. The model 2 seller or certified service provider shall have ten days to revise the classification after receipt of notice of the determination. Upon expiration of the ten days, the model 2 seller or certified service provider shall be liable for the failure to collect the correct amount of sales or use taxes due and owing to the member state.

2003 Acts, 1st Ex, ch 2, §145, 205; 2006 Acts, ch 1158, §79, 80; 2012 Acts, ch 1066, §6

Referred to in §423.34A

**423.53 Bad debts and model 1 sellers.**

A certified service provider may claim, on behalf of a model 1 seller, any bad debt deduction as provided in section 423.21. The certified service provider must credit or refund the full amount of any bad debt deduction or refund received to the seller.

2003 Acts, 1st Ex, ch 2, §146, 205

**423.54 Amnesty for registered sellers.**

1. Subject to the limitations in subsections 2 through 6, the following provisions apply:

*a.* Amnesty is provided for uncollected or unpaid sales or use tax to a seller who registers to pay or to collect and remit applicable sales or use tax on sales made to purchasers in this state in accordance with the terms of the agreement, provided the seller was not so registered in this state in the twelve-month period preceding the commencement of Iowa's participation in the agreement.

*b.* Amnesty precludes assessment of the seller for uncollected or unpaid sales or use tax together with penalty or interest for sales made during the period the seller was not registered in this state, provided registration occurs within twelve months of the commencement of Iowa's participation in the agreement.

*c.* Amnesty shall be provided to any seller lawfully registered under the agreement by any other member state prior to the date of the commencement of Iowa's participation in the agreement.

2. Amnesty is not available to a seller with respect to any matter or matters for which the seller received notice of the commencement of an audit and which audit is not yet finally resolved, including any related administrative and judicial processes.

3. Amnesty is not available for sales or use taxes already paid or remitted or to taxes collected by the seller.

4. Amnesty is fully effective absent the seller's fraud or intentional misrepresentation of a material fact as long as the seller continues registration and continues payment or collection and remittance of applicable sales or use taxes for a period of at least thirty-six months. The statute of limitations applicable to asserting a tax liability is tolled during this thirty-six month period.

5. Amnesty is applicable only to sales or use taxes due from a seller in its capacity as a seller and not to sales or use taxes due from a seller in its capacity as a buyer.

6. The director may allow amnesty on terms and conditions more favorable to a seller than the terms required by this section.

2003 Acts, 1st Ex, ch 2, §147, 205

Referred to in §423.48

**423.55 Databases.**

The department shall provide and maintain databases required by the agreement for the benefit of sellers registered under the agreement.

2003 Acts, 1st Ex, ch 2, §148, 205

Referred to in §423.34A

**423.56 Confidentiality and privacy protections under model 1.**

1. As used in this section:

*a.* "*Anonymous data*" means information that does not identify a person.

*b.* "*Confidential taxpayer information*" means all information that is protected under this state's laws, rules, and privileges.

*c.* "*Personally identifiable information*" means information that identifies a person.

2. With very limited exceptions, a certified service provider shall perform its tax calculation, remittance, and reporting functions without retaining the personally identifiable information of consumers.

3. A certified service provider may perform its services in this state only if the certified service provider certifies that:

*a.* Its system has been designed and tested to ensure that the fundamental precept of anonymity is respected.

*b.* Personally identifiable information is only used and retained to the extent necessary for the administration of model 1 sellers with respect to exempt purchasers.

*c.* It provides consumers clear and conspicuous notice of its information practices, including what information it collects, how it collects the information, how it uses the information, how long, if at all, it retains the information, and whether it discloses the information to member states. This notice shall be satisfied by a written privacy policy statement accessible by the public on the official internet site of the certified service provider.

*d.* Its collection, use, and retention of personally identifiable information is limited to that required by the member states to ensure the validity of exemptions from taxation that are claimed by reason of a consumer's status or the intended use of the goods or services purchased.

*e.* It provides adequate technical, physical, and administrative safeguards so as to protect personally identifiable information from unauthorized access and disclosure.

4. The department shall provide public notification of its practices relating to the collection, use, and retention of personally identifiable information.

5. When any personally identifiable information that has been collected and retained by the department or certified service provider is no longer required for the purposes set forth in subsection 3, paragraph "*d*", that information shall no longer be retained by the department or certified service provider.

6. When personally identifiable information regarding an individual is retained by or on behalf of this state, this state shall provide reasonable access by the individual to the individual's own information in the state's possession and a right to correct any inaccurately recorded information.

7. This privacy policy is subject to enforcement by the department and the attorney general.

8. This state's laws and rules regarding the collection, use, and maintenance of confidential taxpayer information remain fully applicable and binding. Without limitation, the agreement does not enlarge or limit the state's or department's authority to:

*a.* Conduct audits or other review as provided under the agreement and state law.

*b.* Provide records pursuant to its examination of public records law, disclosure laws of individual governmental agencies, or other regulations.

*c.* Prevent, consistent with state law, disclosures of confidential taxpayer information.

*d.* Prevent, consistent with federal law, disclosures or misuse of federal return information obtained under a disclosure agreement with the internal revenue service.

*e.* Collect, disclose, disseminate, or otherwise use anonymous data for governmental purposes.

9. This privacy policy does not preclude the certification of a certified service provider whose privacy policy is more protective of confidential taxpayer information or personally identifiable information than is required by the agreement.

2003 Acts, 1st Ex, ch 2, §149, 205; 2005 Acts, ch 3, §69; 2013 Acts, ch 90, §257
Code editor directive applied

**423.57 Statutes applicable.**

The director shall administer this subchapter as it relates to the taxes imposed in this chapter in the same manner and subject to all the provisions of, and all of the powers, duties, authority, and restrictions contained in sections 423.14, 423.15, 423.16, 423.17, 423.19, 423.20, 423.21, 423.22, 423.23, 423.24, 423.25, 423.29, 423.31, 423.32, 423.33, 423.34, 423.34A, 423.35, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42, section 423.43, subsection 1, and sections 423.45, 423.46, and 423.47.

2003 Acts, 1st Ex, ch 2, §150, 205; 2007 Acts, ch 179, §5, 6, 10; 2008 Acts, ch 1113, §114, 122, 131; 2012 Acts, ch 1110, §21

# CHAPTER 423A

## HOTEL AND MOTEL TAX

Referred to in §331.402, 421.26, 421.28

Personal liability of officers and partners, see §421.26
Former ch 423A, that was transferred from ch 422A in Code 2005
pursuant to 2003 Acts, 1st Ex, ch 2, §203, 205, repealed;
continuation of hotel and motel taxes imposed under former ch 423A;
2005 Acts, ch 140, §28, 29


423A.1 Short title.
423A.2 Definitions.
423A.3 State-imposed hotel and motel tax.
423A.4 Locally imposed hotel and motel tax.
423A.5 Exemptions.
423A.6 Administration by director.
423A.7 Local transient guest tax fund.


**423A.1 Short title.**

This chapter may be cited as the *"Hotel and Motel Tax Act"*.

2005 Acts, ch 140, §19, 28, 29

Former §423A.1 repealed; continuation of prior locally imposed hotel and motel taxes under new 2005 enactment; 2005 Acts, ch 140, §28, 29

**423A.2 Definitions.**

1. For the purposes of this chapter, unless the context otherwise requires:

*a.* *"Department"* means the department of revenue.

*b.* *"Lessor"* means any person engaged in the business of renting lodging to users.

*c.* *"Lodging"* means rooms, apartments, or sleeping quarters in a hotel, motel, inn, public lodging house, rooming house, or manufactured or mobile home which is tangible personal property, or in a tourist court, or in any place where sleeping accommodations are furnished to transient guests for rent, whether with or without meals. Lodging does not include rooms that are not used for sleeping accommodations.

*d.* *"Person"* means the same as the term is defined in section 423.1.

*e.* *"Renting"* or *"rent"* means a transfer of possession or control of lodging for a fixed or indeterminate term for consideration and includes any kind of direct or indirect charge for such lodging or its use.

*f.* *"Sales price"* means the consideration for renting of lodging and means the same as the term is defined in section 423.1.

*g.* *"User"* means a person to whom lodging is rented.

2. All other words and phrases used in this chapter and defined in section 423.1 have the meaning given them by section 423.1 for the purposes of this chapter.

2005 Acts, ch 140, §20, 28, 29; 2009 Acts, ch 179, §137; 2011 Acts, ch 25, §143

Referred to in §15J.2

Former §423A.2 repealed; continuation of prior locally imposed hotel and motel taxes under 2005 enactment; 2005 Acts, ch 140, §28, 29

**423A.3 State-imposed hotel and motel tax.**

A tax of five percent is imposed upon the sales price for the renting of any lodging if the renting occurs in this state. The tax shall be collected by any lessor of lodging from the user of that lodging. The lessor shall add the tax to the sales price of the lodging, and the state-imposed tax, when collected, shall be stated as a distinct item, separate and apart from the sales price of the lodging and the local tax imposed, if any, under section 423A.4.

2005 Acts, ch 140, §21; 2006 Acts, ch 1010, §103

Referred to in §15J.2, 15J.5, 423A.5

**423A.4 Locally imposed hotel and motel tax.**

1. A city or county may impose by ordinance of the city council or by resolution of the board of supervisors a hotel and motel tax, at a rate not to exceed seven percent, which shall be imposed in increments of one or more full percentage points upon the sales price from the renting of lodging. The tax when imposed by a city shall apply only within the corporate

boundaries of that city and when imposed by a county shall apply only outside incorporated areas within that county.

2. Within ten days of the election at which a majority of those voting on the question favors the imposition, repeal, or change in the rate of the hotel and motel tax, the county auditor shall give written notice by sending a copy of the abstract of votes from the favorable election to the director of revenue.

3. A local hotel and motel tax shall be imposed on January 1 or July 1, following the notification of the director of revenue. Once imposed, the tax shall remain in effect at the rate imposed for a minimum of one year. A local hotel and motel tax shall terminate only on June 30 or December 31. At least forty-five days prior to the tax being effective or prior to a revision in the tax rate or prior to the repeal of the tax, a city or county shall provide notice by mail of such action to the director of revenue. The director shall have the authority to waive the notice requirement.

4. *a.* A city or county shall impose or repeal a hotel and motel tax or increase or reduce the tax rate only after an election at which a majority of those voting on the question favors imposition, repeal, or change in rate. However, a hotel and motel tax shall not be repealed or reduced in rate if obligations are outstanding which are payable as provided in section 423A.7, unless funds sufficient to pay the principal, interest, and premium, if any, on the outstanding obligations at and prior to maturity have been properly set aside and pledged for that purpose.

*b.* If the tax applies only within the corporate boundaries of a city, only the registered voters of the city shall be permitted to vote. The election shall be held at the time of the regular city election or at a special election called for that purpose. If the tax applies only in the unincorporated areas of a county, only the registered voters of the unincorporated areas of the county shall be permitted to vote. The election shall be held at the time of the general election or at a special election called for that purpose.

2005 Acts, ch 140, §22; 2007 Acts, ch 186, §24; 2008 Acts, ch 1115, §105

Referred to in §423A.3, 423A.5, 423A.7

**423A.5 Exemptions.**

1. There are exempted from the provisions of this chapter and from the computation of any amount of tax imposed by section 423A.3 all of the following:

*a.* The sales price from the renting of lodging which is rented by the same person for a period of more than thirty-one consecutive days.

*b.* The sales price from the renting of sleeping rooms in dormitories and in memorial unions at all universities and colleges located in the state of Iowa.

2. There is exempted from the provisions of this chapter and from the computation of any amount of tax imposed by section 423A.4 all of the following:

*a.* The sales price from the renting of lodging or rooms exempt under subsection 1.

*b.* The sales price of lodging furnished to the guests of a religious institution if the property is exempt under section 427.1, subsection 8, and the purpose of renting is to provide a place for a religious retreat or function and not a place for transient guests generally.

2005 Acts, ch 140, §23; 2008 Acts, ch 1184, §58, 59; 2009 Acts, ch 179, §138, 139

**423A.6 Administration by director.**

1. The director of revenue shall administer the state and local hotel and motel tax as nearly as possible in conjunction with the administration of the state sales tax law, except that portion of the law which implements the streamlined sales and use tax agreement. The director shall provide appropriate forms, or provide on the regular state tax forms, for reporting state and local hotel and motel tax liability. All moneys received or refunded one hundred eighty days after the date on which a city or county terminates its local hotel and motel tax and all moneys received from the state hotel and motel tax shall be deposited in or withdrawn from the general fund of the state. Beginning the first day of the calendar quarter beginning on the reinvestment district's commencement date, the director of revenue shall, subject to remittance limitations established by the economic development authority board pursuant to section 15J.4, subsection 3, transfer from the general fund of the state to a

district account created in the state reinvestment district fund for each reinvestment district established under chapter 15J, the new state hotel and motel tax revenue, determined in section 15J.5, subsection 2, paragraph "*b*", in the district. Such transfers shall cease pursuant to section 15J.8.

2. The director, in consultation with local officials, shall collect and account for a local hotel and motel tax and shall credit all revenues to the local transient guest tax fund created in section 423A.7. Local authorities shall not require any tax permit not required by the director of revenue.

3. Section 422.25, subsection 4, sections 422.30, 422.67, and 422.68, section 422.69, subsection 1, sections 422.70, 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection 1, and sections 423.23, 423.24, 423.25, 423.31, 423.33, 423.35, 423.37 through 423.42, and 423.47, consistent with the provisions of this chapter, apply with respect to the taxes authorized under this chapter, in the same manner and with the same effect as if the state and local hotel and motel taxes were retail sales taxes within the meaning of those statutes. Notwithstanding this subsection, the director shall provide for quarterly filing of returns and for other than quarterly filing of returns both as prescribed in section 423.31. The director may require all persons who are engaged in the business of deriving any sales price subject to tax under this chapter to register with the department. All taxes collected under this chapter by a retailer or any individual are deemed to be held in trust for the state of Iowa and the local jurisdictions imposing the taxes.

2005 Acts, ch 140, §24; 2007 Acts, ch 126, §70; 2013 Acts, ch 119, §10
Referred to in §15J.4, 15J.5, 15J.6, 423A.7
Unnumbered paragraph 1 amended and editorially designated as subsection 1
Unnumbered paragraphs 2 and 3 editorially designated as subsections 2 and 3

**423A.7 Local transient guest tax fund.**

1. A local transient guest tax fund is created in the department which shall consist of all moneys credited to such fund under section 423A.6.

2. All moneys in the local transient guest tax fund shall be remitted at least quarterly by the department, pursuant to rules of the director of revenue, to each city in the amount collected from businesses in that city and to each county in the amount collected from businesses in the unincorporated areas of the county.

3. Moneys received by the city from this fund shall be credited to the general fund of the city, subject to the provisions of subsection 4.

4. The revenue derived from any local hotel and motel tax authorized by section 423A.4 shall be used as follows:

*a.* Each county or city which levies the tax shall spend at least fifty percent of the revenues derived therefrom for the acquisition of sites for, or constructing, improving, enlarging, equipping, repairing, operating, or maintaining of recreation, convention, cultural, or entertainment facilities including but not limited to memorial buildings, halls and monuments, civic center convention buildings, auditoriums, coliseums, and parking areas or facilities located at those recreation, convention, cultural, or entertainment facilities or the payment of principal and interest, when due, on bonds or other evidence of indebtedness issued by the county or city for those recreation, convention, cultural, or entertainment facilities; or for the promotion and encouragement of tourist and convention business in the city or county and surrounding areas.

*b.* The remaining revenues may be spent by the city or county which levies the tax for any city or county operations authorized by law as a proper purpose for the expenditure within statutory limitations of city or county revenues derived from ad valorem taxes.

*c.* Any city or county which levies and collects the local hotel and motel tax authorized by section 423A.4 may pledge irrevocably an amount of the revenues derived therefrom for each of the years the bonds remain outstanding to the payment of bonds which the city or county may issue for one or more of the purposes set forth in paragraph "*a*". Any revenue pledged to the payment of such bonds may be credited to the spending requirement of paragraph "*a*".

*d.* (1) The provisions of chapter 384, division III, relating to the issuance of corporate purpose bonds, apply to the issuance by a city of bonds payable as provided in this section and the provisions of chapter 331, division IV, part 3, relating to the issuance of county purpose

bonds, apply to the issuance by a county of bonds payable as provided in this section. The provisions of chapter 76 apply to the bonds payable as provided in this section except that the mandatory levy to be assessed pursuant to section 76.2 shall be at a rate to generate an amount which together with the receipts from the pledged portion of the local hotel and motel tax is sufficient to pay the interest and principal on the bonds. All amounts collected as a result of the levy assessed pursuant to section 76.2 and paid out in the first instance for bond principal and interest shall be repaid to the city or county which levied the tax from the first available local hotel and motel tax collections received in excess of the requirement for the payment of the principal and interest of the bonds and when repaid shall be applied in reduction of property taxes.

(2) The amount of bonds which may be issued under section 76.3 shall be the amount which could be retired from the actual collections of the local hotel and motel tax for the last four calendar quarters, as certified by the director of revenue. The amount of tax revenues pledged jointly by other cities or counties may be considered for the purpose of determining the amount of bonds which may be issued. If the local hotel and motel tax has been in effect for less than four calendar quarters, the tax collected within the shorter period may be adjusted to project the collections for the full year for the purpose of determining the amount of the bonds which may be issued.

*e.* A city or county, jointly with one or more other cities or counties as provided in chapter 28E, may pledge irrevocably any amount derived from the revenues of the local hotel and motel tax to the support or payment of bonds issued for a project within the purposes set forth in paragraph "*a*" and located within one or more of the participatory cities or counties or may apply the proceeds of its bonds to the support of any such project. Revenue so pledged or applied shall be credited to the spending requirement of paragraph "*a*".

*f.* (1) A city or county acting on behalf of an unincorporated area may, in lieu of calling an election, institute proceedings for the issuance of bonds under this section by causing a notice of the proposal to issue the bonds, including a statement of the amount and purpose of the bonds, together with the maximum rate of interest which the bonds are to bear, and the right to petition for an election, to be published at least once in a newspaper of general circulation within the city or unincorporated area at least ten days prior to the meeting at which it is proposed to take action for the issuance of the bonds.

(2) If at any time before the date fixed for taking action for the issuance of the bonds a petition signed by eligible electors residing in the city or the unincorporated area equal in number to at least three percent of the registered voters of the city or unincorporated area is filed, asking that the question of issuing the bonds be submitted to the registered voters of the city or unincorporated area, the council or board of supervisors acting on behalf of an unincorporated area shall either by resolution declare the proposal to issue the bonds to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of issuing the bonds.

(3) The proposition of issuing bonds under this section is not approved unless the vote in favor of the proposition is equal to a majority of the vote cast.

(4) If no petition is filed, or if a petition is filed and the proposition of issuing the bonds is approved at an election, the council or board of supervisors acting on behalf of an unincorporated area may proceed with the authorization and issuance of the bonds.

(5) Bonds may be issued for the purpose of refunding outstanding and previously issued bonds under this section without otherwise complying with this paragraph.

2005 Acts, ch 140, §25; 2011 Acts, ch 25, §143

Referred to in §331.427, 423A.4, 423A.6

# CHAPTER 423B

## LOCAL OPTION TAXES

Referred to in §15J.7, 49.73, 76.4, 356.37, 418.13, 421.26, 421.28, 423.2, 423.3, 423.4, 423.36, 423.43

Chapter transferred from ch 422B in Code 2005 pursuant to
Code editor directive; 2003 Acts, 1st Ex, ch 2, §203, 205
Personal liability of officers and partners, see §421.26


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**423B.1 Authorization — election — imposition and repeal.**

1. A county may impose by ordinance of the board of supervisors local option taxes authorized by this chapter, subject to this section and subject to the exception provided in subsection 2.

2. *a.* A city whose corporate boundaries include areas of two counties may impose by ordinance of its city council a local sales and services tax if all of the following apply:

(1) At least eighty-five percent of the residents of the city live in one county.

(2) The county in which at least eighty-five percent of the city residents reside has held an election on the question of the imposition of a local sales and services tax and a majority of those voting on the question in the city favored its imposition.

(3) The city has entered into an agreement on the distribution of the sales and services tax revenues collected from the area where the city tax is imposed with the county where such area is located.

*b.* The city council of a city authorized to impose a local sales and services tax pursuant to paragraph *"a"* shall only do so subject to all of the following restrictions:

(1) The tax shall only be imposed in the area of the city located in the county where not more than fifteen percent of the city's residents reside.

(2) The tax shall be at the same rate and become effective at the same time as the county tax imposed in the other area of the city.

(3) The tax once imposed shall continue to be imposed until the county-imposed tax is reduced or increased in rate or repealed, and then the city-imposed tax shall also be reduced or increased in rate or repealed in the same amount and be effective on the same date.

(4) The tax shall be imposed on the same basis as provided in section 423B.5 and notification requirements in section 423B.6 apply.

(5) The city shall assist the department of revenue to identify the businesses in the area which are to collect the city-imposed tax. The process shall be ongoing as long as the city tax is imposed.

*c.* The agreement on the distribution of the revenues collected from the city-imposed tax shall provide that fifty percent of such revenues shall be remitted to the county in which the part of the city where the city tax is imposed is located.

*d.* The latest certified federal census preceding the election held by the county on the question of imposition of the local sales and services tax shall be used in determining if the city qualifies under paragraph *"a"*, subparagraph (1), to impose its own tax and in determining the area where the city tax may be imposed under paragraph *"b"*, subparagraph (1).

*e.* A city is not authorized to impose a local sales and services tax under this subsection after July 1, 2000. A city that has imposed a local sales and services tax under this subsection on or before July 1, 2000, may continue to collect the tax until such time as the tax is repealed by the city and the fact that the area acquires more than fifteen percent of the city's residents after the tax is imposed shall not affect the imposition or collection of the tax.

3. A local option tax shall be imposed only after an election at which a majority of those voting on the question favors imposition and shall then be imposed until repealed as provided in subsection 6, paragraph *"a"*. If the tax is a local vehicle tax imposed by a county,

it shall apply to all incorporated and unincorporated areas of the county. If the tax is a local sales and services tax imposed by a county, it shall only apply to those incorporated areas and the unincorporated area of that county in which a majority of those voting in the area on the tax favors its imposition. For purposes of the local sales and services tax, all cities contiguous to each other shall be treated as part of one incorporated area and the tax would be imposed in each of those contiguous cities only if the majority of those voting in the total area covered by the contiguous cities favors its imposition. In the case of a local sales and services tax submitted to the registered voters of two or more contiguous counties as provided in subsection 4, paragraph "*c*", all cities contiguous to each other shall be treated as part of one incorporated area, even if the corporate boundaries of one or more of the cities include areas of more than one county, and the tax shall be imposed in each of those contiguous cities only if a majority of those voting on the tax in the total area covered by the contiguous cities favored its imposition. For purposes of the local sales and services tax, a city is not contiguous to another city if the only road access between the two cities is through another state.

4. *a.* A county board of supervisors shall direct within thirty days the county commissioner of elections to submit the question of imposition of a local vehicle tax or a local sales and services tax to the registered voters of the incorporated and unincorporated areas of the county upon receipt of a petition, requesting imposition of a local vehicle tax or a local sales and services tax, signed by eligible electors of the whole county equal in number to five percent of the persons in the whole county who voted at the last preceding general election. In the case of a local vehicle tax, the petition requesting imposition shall specify the rate of tax and the classes, if any, that are to be exempt. If more than one valid petition is received, the earliest received petition shall be used.

*b.* The question of the imposition of a local sales and services tax shall be submitted to the registered voters of the incorporated and unincorporated areas of the county upon receipt by the county commissioner of elections of the motion or motions, requesting such submission, adopted by the governing body or bodies of the city or cities located within the county or of the county, for the unincorporated areas of the county, representing at least one half of the population of the county. Upon adoption of such motion, the governing body of the city or county, for the unincorporated areas, shall submit the motion to the county commissioner of elections and in the case of the governing body of the city shall notify the board of supervisors of the adoption of the motion. The county commissioner of elections shall keep a file on all the motions received and, upon reaching the population requirements, shall publish notice of the ballot proposition concerning the imposition of the local sales and services tax. A motion ceases to be valid at the time of the holding of the regular election for the election of members of the governing body which adopted the motion. The county commissioner of elections shall eliminate from the file any motion that ceases to be valid. The manner provided under this paragraph for the submission of the question of imposition of a local sales and services tax is an alternative to the manner provided in paragraph "*a*".

*c.* Upon receipt of petitions or motions calling for the submission of the question of the imposition of a local sales and services tax as described in paragraph "*a*" or "*b*", the boards of supervisors of two or more contiguous counties in which the question is to be submitted may enter into a joint agreement providing that for purposes of this chapter, a city whose corporate boundaries include areas of more than one county shall be treated as part of the county in which a majority of the residents of the city reside. In such event, the county commissioners of elections from each such county shall cooperate in the selection of a single date upon which the election shall be held, and for all purposes of this chapter relating to the imposition, repeal, change of use, or collection of the tax, such a city shall be deemed to be part of the county in which a majority of the residents of the city reside. A copy of the joint agreement shall be provided promptly to the director of revenue.

5. The county commissioner of elections shall submit the question of imposition of a local option tax at an election held on a date specified in section 39.2, subsection 4, paragraph "*a*". The election shall not be held sooner than sixty days after publication of notice of the ballot proposition. The ballot proposition shall specify the type and rate of tax and in the case of a vehicle tax the classes that will be exempt and in the case of a local sales and services

tax the date it will be imposed which date shall not be earlier than ninety days following the election. The ballot proposition shall also specify the approximate amount of local option tax revenues that will be used for property tax relief and shall contain a statement as to the specific purpose or purposes for which the revenues shall otherwise be expended. If the county board of supervisors decides under subsection 6 to specify a date on which the local option sales and services tax shall automatically be repealed, the date of the repeal shall also be specified on the ballot. The rate of the vehicle tax shall be in increments of one dollar per vehicle as set by the petition seeking to impose the tax. The rate of a local sales and services tax shall not be more than one percent as set by the governing body. The state commissioner of elections shall establish by rule the form for the ballot proposition which form shall be uniform throughout the state.

6. *a.* (1) If a majority of those voting on the question of imposition of a local option tax favors imposition of a local option tax, the governing body of that county shall impose the tax at the rate specified for an unlimited period. However, in the case of a local sales and services tax, the county shall not impose the tax in any incorporated area or the unincorporated area if the majority of those voting on the tax in that area did not favor its imposition. For purposes of the local sales and services tax, all cities contiguous to each other shall be treated as part of one incorporated area and the tax shall be imposed in each of those contiguous cities only if the majority of those voting on the tax in the total area covered by the contiguous cities favored its imposition. In the case of a local sales and services tax submitted to the registered voters of two or more contiguous counties as provided in subsection 4, paragraph "*c*", all cities contiguous to each other shall be treated as part of one incorporated area, even if the corporate boundaries of one or more of the cities include areas of more than one county, and the tax shall be imposed in each of those contiguous cities only if a majority of those voting on the tax in the total area covered by the contiguous cities favored its imposition.

(2) The local option tax may be repealed or the rate increased or decreased or the use thereof changed after an election at which a majority of those voting on the question of repeal or rate or use change favored the repeal or rate or use change. The date on which the repeal, rate, or use change is to take effect shall not be earlier than ninety days following the election. The election at which the question of repeal or rate or use change is offered shall be called and held in the same manner and under the same conditions as provided in subsections 4 and 5 for the election on the imposition of the local option tax. However, in the case of a local sales and services tax where the tax has not been imposed countywide, the question of repeal or imposition or rate or use change shall be voted on only by the registered voters of the areas of the county where the tax has been imposed or has not been imposed, as appropriate. However, the governing body of the incorporated area or unincorporated area where the local sales and services tax is imposed may, upon its own motion, request the county commissioner of elections to hold an election in the incorporated or unincorporated area, as appropriate, on the question of the change in use of local sales and services tax revenues. The election may be held at any time but not sooner than sixty days following publication of the ballot proposition. If a majority of those voting in the incorporated or unincorporated area on the change in use favors the change, the governing body of that area shall change the use to which the revenues shall be used. The ballot proposition shall list the present use of the revenues, the proposed use, and the date after which revenues received will be used for the new use.

(3) When submitting the question of the imposition of a local sales and services tax, the county board of supervisors may direct that the question contain a provision for the repeal, without election, of the local sales and services tax on a specific date, which date shall be as provided in section 423B.6, subsection 1.

*b.* Within ten days of the election at which a majority of those voting on the question favors the imposition, repeal, or change in the rate of a local option tax, the county auditor shall give written notice of the result of the election by sending a copy of the abstract of the votes from the favorable election to the director of revenue or, in the case of a local vehicle tax, to the director of the department of transportation. The appropriate director shall have the authority to waive the notice requirement.

*c.* Notwithstanding any other provision in this section, a change in use of the local sales

and services tax revenues for purposes of funding an urban renewal project pursuant to section 423B.10 does not require an election.

7. *a.* More than one of the authorized local option taxes may be submitted at a single election and the different taxes shall be separately implemented as provided in this section.

*b.* Costs of local option tax elections shall be apportioned among jurisdictions within the county voting on the question at the same election on a pro rata basis in proportion to the number of registered voters in each taxing jurisdiction and the total number of registered voters in all of the taxing jurisdictions.

8. Local option taxes authorized to be imposed as provided in this chapter are a local sales and services tax and a local vehicle tax. The rate of the tax shall be in increments of one dollar per vehicle for a vehicle tax as set on the petition seeking to impose the vehicle tax. The rate of a local sales and services tax shall not be more than one percent as set by the governing body.

9. In a county that has imposed a local option sales and services tax, the board of supervisors shall, notwithstanding any contrary provision of this chapter, repeal the local option sales and services tax in the unincorporated areas or in an incorporated city area in which the tax has been imposed upon adoption of its own motion for repeal in the unincorporated areas or upon receipt of a motion adopted by the governing body of that incorporated city area requesting repeal. The board of supervisors shall repeal the local option sales and services tax effective on the later of the date of the adoption of the repeal motion or the earliest date specified in section 423B.6, subsection 1. For purposes of this subsection, incorporated city area includes an incorporated city which is contiguous to another incorporated city.

10. Notwithstanding subsection 9 or any other contrary provision of this chapter, a local option sales and services tax shall not be repealed or reduced in rate if obligations are outstanding which are payable as provided in section 423B.9, unless funds sufficient to pay the principal, interest, and premium, if any, on the outstanding obligations at and prior to maturity have been properly set aside and pledged for that purpose.

85 Acts, ch 32, §89; 85 Acts, ch 198, §6

CS85, §422B.1

86 Acts, ch 1199, §2 – 6; 89 Acts, ch 146, §1; 89 Acts, ch 276, §1; 90 Acts, ch 1256, §21; 92 Acts, ch 1063, §1; 93 Acts, ch 143, §50; 95 Acts, ch 67, §53; 95 Acts, ch 186, §1 – 4, 9; 96 Acts, ch 1079, §22, 23; 99 Acts, ch 156, §5 – 11, 23; 2000 Acts, ch 1058, §36; 2002 Acts, ch 1119, §166; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §203, 205

C2005, §423B.1

2006 Acts, ch 1158, §52 – 54; 2007 Acts, ch 186, §25; 2008 Acts, ch 1115, §68, 71; 2008 Acts, ch 1191, §65; 2013 Acts, ch 90, §103

Referred to in §49.73, 423B.5, 423B.7, 423B.10

Subsection 4, paragraph a amended

**423B.2 Local vehicle tax.**

1. An annual local vehicle tax at the rate per vehicle specified on the ballot proposition may be imposed by a county on every vehicle which is required by the state to be registered and is registered with the county treasurer to a person residing within the county where the tax is imposed at the time of the renewal of the registration of the vehicle. The local vehicle tax shall be imposed only on the renewals of registrations and shall be payable during the registration renewal periods provided under section 321.40.

2. The county imposing the tax shall provide for the exemption of each class, if any, of vehicles for which an exemption was listed on the ballot proposition.

3. For the purpose of the tax authorized by this section:

*a.* *"Person"* means the same as defined in section 321.1.

*b.* *"Registration year"* means the same as defined in section 321.1.

*c.* *"Vehicle"* means motor vehicle as defined in section 321.1 which is subject to registration under section 321.18, and which is registered with the county treasurer.

85 Acts, ch 32, §90

CS85, §422B.2

2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §423B.2
2013 Acts, ch 90, §104
Section amended

**423B.3 Administration of local vehicle tax.**

A local vehicle tax or change in the rate shall be imposed January 1 immediately following a favorable election for registration years beginning on or after that date and the repeal of the tax shall be as of December 31 following a favorable election for registration years beginning after that date.

Local officials shall confer with the director of the department of transportation for assistance in drafting the ordinance imposing a local vehicle tax. A certified copy of the ordinance shall be filed with the director as soon as possible after passage. The director shall inform the appropriate county treasurers and provide assistance to them for the collection of all local vehicle taxes and any penalties, crediting local vehicle tax receipts excluding penalties to a "local vehicle tax fund" established in the office of the county treasurer. From the local vehicle tax fund, the treasurer shall remit monthly, by direct deposit in the same manner as provided in section 384.11, to each city in the county the amount collected from residents of the city during the preceding calendar month and to the county the amount collected from the residents of the unincorporated area during the preceding calendar month. Moneys received by a city or county from this fund shall be credited to the general fund of the city or county to be used solely for public transit or shall be credited to the street construction fund of that city or the secondary road fund of that county to be used for the purposes specified in section 312.6. Any penalties collected shall be credited to the county general fund to be used to defray the cost to the county of administering the local vehicle tax.

85 Acts, ch 32, §91
CS85, §422B.3
2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §423B.3

**423B.4 Payment — penalties.**

1. Taxpayers shall pay a local vehicle tax to the county treasurer at the time of application for the renewal of the registration of the vehicle under chapter 321 for the registration year. The county treasurer shall require a person applying for the renewal of the registration of a vehicle to state the person's residence and shall not renew a registration certificate of a vehicle on which a local vehicle tax is due until the local vehicle tax is paid.

2. Payment of a local vehicle tax shall be evidenced by a notation on the state registration certificate. The director of the department of transportation shall prescribe by rule the type of notation. A local vehicle tax shall not be refunded even when annual state registration fees are refunded.

3. Penalties for late payment which are comparable to the penalties for late payment of annual state registration fees shall be imposed by the ordinance imposing a local vehicle tax. Willful violation of a local vehicle tax ordinance is a simple misdemeanor.

85 Acts, ch 32, §92
CS85, §422B.4
2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §423B.4
2008 Acts, ch 1113, §115

**423B.5 Local sales and services tax.**

A local sales and services tax at the rate of not more than one percent may be imposed by a county on the sales price taxed by the state under chapter 423, subchapter II. A local sales and services tax shall be imposed on the same basis as the state sales and services tax or in the case of the use of natural gas, natural gas service, electricity, or electric service on the same basis as the state use tax and shall not be imposed on the sale of any property or on any service not taxed by the state, except the tax shall not be imposed on the sales price from the

sale of motor fuel or special fuel as defined in chapter 452A which is consumed for highway use or in watercraft or aircraft if the fuel tax is paid on the transaction and a refund has not or will not be allowed, on the sales price from the sale of equipment by the state department of transportation, or on the sales price from the sale or use of natural gas, natural gas service, electricity, or electric service in a city or county where the sales price from the sale of natural gas or electric energy is subject to a franchise fee or user fee during the period the franchise or user fee is imposed. A local sales and services tax is applicable to transactions within those incorporated and unincorporated areas of the county where it is imposed and shall be collected by all persons required to collect state sales taxes. All cities contiguous to each other shall be treated as part of one incorporated area and the tax would be imposed in each of those contiguous cities only if the majority of those voting in the total area covered by the contiguous cities favors its imposition. In the case of a local sales and services tax submitted to the registered voters of two or more contiguous counties as provided in section 423B.1, subsection 4, paragraph "*c*", all cities contiguous to each other shall be treated as part of one incorporated area, even if the corporate boundaries of one or more of the cities include areas of more than one county, and the tax shall be imposed in each of those contiguous cities only if a majority of those voting on the tax in the total area covered by the contiguous cities favored its imposition.

The amount of the sale, for purposes of determining the amount of the local sales and services tax, does not include the amount of any state sales tax.

A tax permit other than the state sales tax permit required under section 423.36 shall not be required by local authorities.

If a local sales and services tax is imposed by a county pursuant to this chapter, a local excise tax at the same rate shall be imposed by the county on the purchase price of natural gas, natural gas service, electricity, or electric service subject to tax under chapter 423, subchapter III, and not exempted from tax by any provision of chapter 423, subchapter III. The local excise tax is applicable only to the use of natural gas, natural gas service, electricity, or electric service within those incorporated and unincorporated areas of the county where it is imposed and, except as otherwise provided in this chapter, shall be collected and administered in the same manner as the local sales and services tax. For purposes of this chapter, "*local sales and services tax*" shall also include the local excise tax.

85 Acts, ch 32, §96

CS85, §422B.8

86 Acts, ch 1042, §11; 86 Acts, ch 1199, §7; 88 Acts, ch 1154, §3; 89 Acts, ch 276, §2; 95 Acts, ch 83, §13; 99 Acts, ch 151, §30 – 32; 99 Acts, ch 156, §12; 2001 Acts, ch 116, §13; 2003 Acts, ch 178, §113, 121; 2003 Acts, ch 179, §142; 2003 Acts, 1st Ex, ch 2, §187, 203, 205

C2005, §423B.5

2005 Acts, ch 3, §70; 2005 Acts, ch 140, §14, 16, 26, 31; 2006 Acts, ch 1010, §104; 2006 Acts, ch 1158, §55

Referred to in §28A.17, 423B.1

**423B.6 Administration.**

1. *a.* A local sales and services tax shall be imposed either January 1 or July 1 following the notification of the director of revenue but not sooner than ninety days following the favorable election and not sooner than sixty days following notice to sellers, as defined in section 423.1. However, a jurisdiction which has voted to continue imposition of the tax may impose that tax without repeal of the prior tax.

*b.* A local sales and services tax shall be repealed only on June 30 or December 31 but not sooner than ninety days following the favorable election if one is held. However, a local sales and services tax shall not be repealed before the tax has been in effect for one year. At least forty days before the imposition or repeal of the tax, a county shall provide notice of the action by certified mail to the director of revenue.

*c.* The imposition of or a rate change for a local sales and services tax shall not be applied to purchases from a printed catalog wherein a purchaser computes the local tax based on rates published in the catalog unless a minimum of one hundred twenty days' notice of the

imposition or rate change has been given to the seller from the catalog and the first day of a calendar quarter has occurred on or after the one hundred twentieth day.

*d.* If a local sales and services tax has been imposed prior to April 1, 2000, and at the time of the election a date for repeal was specified on the ballot, the local sales and services tax may be repealed on that date, notwithstanding paragraph *"b"*.

2. *a.* The director of revenue shall administer a local sales and services tax as nearly as possible in conjunction with the administration of state sales tax laws. The director shall provide appropriate forms or provide on the regular state tax forms for reporting local sales and services tax liability.

*b.* The ordinance of a county board of supervisors imposing a local sales and services tax shall adopt by reference the applicable provisions of the appropriate sections of chapter 423. All powers and requirements of the director to administer the state sales tax law and use tax law are applicable to the administration of a local sales and services tax law and the local excise tax, including but not limited to the provisions of section 422.25, subsection 4, sections 422.30, 422.67, and 422.68, section 422.69, subsection 1, sections 422.70 through 422.75, section 423.14, subsection 1 and subsection 2, paragraphs *"b"* through *"e"*, and sections 423.15, 423.23, 423.24, 423.25, 423.31 through 423.35, 423.37 through 423.42, 423.46, and 423.47. Local officials shall confer with the director of revenue for assistance in drafting the ordinance imposing a local sales and services tax. A certified copy of the ordinance shall be filed with the director as soon as possible after passage.

*c.* Frequency of deposits and quarterly reports of a local sales and services tax with the department of revenue are governed by the tax provisions in section 423.31. Local tax collections shall not be included in computation of the total tax to determine frequency of filing under section 423.31.

*d.* The director shall apply a boundary change of a county or city imposing or collecting the local sales and services tax to the imposition or collection of that tax only on the first day of a calendar quarter which occurs sixty days or more after the director has given notice of the boundary change to sellers.

3. *a.* The director, in consultation with local officials, shall collect and account for a local sales and services tax. The director shall certify each quarter the amount of local sales and services tax receipts and any interest and penalties to be credited to the "local sales and services tax fund" established in the office of the treasurer of state. All taxes collected under this chapter by a retailer or any individual are deemed to be held in trust for the state of Iowa and the local jurisdictions imposing the taxes.

*b.* All local tax moneys and interest and penalties received or refunded one hundred eighty days or more after the date on which the county repeals its local sales and services tax shall be deposited in or withdrawn from the state general fund.

85 Acts, ch 32, §97

CS85, §422B.9

86 Acts, ch 1245, §441; 89 Acts, ch 276, §3; 97 Acts, ch 145, §1; 99 Acts, ch 151, §33, 89; 99 Acts, ch 156, §13, 23; 2001 Acts, ch 116, §14; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §188, 203, 205; 2004 Acts, ch 1073, §21

C2005, §423B.6

2008 Acts, ch 1032, §53

Referred to in §28A.17, 423B.1

**423B.7 Payment to local governments.**

1. *a.* Except as provided in paragraph *"b"*, the director shall credit the local sales and services tax receipts and interest and penalties from a county-imposed tax to the county's account in the local sales and services tax fund and from a city-imposed tax under section 423B.1, subsection 2, to the city's account in the local sales and services tax fund. If the director is unable to determine from which county any of the receipts were collected, those receipts shall be allocated among the possible counties based on allocation rules adopted by the director.

*b.* Notwithstanding paragraph *"a"*, the director shall credit the designated amount of the increase in local sales and services tax receipts, as computed in section 423B.10, collected in

an urban renewal area of an eligible city that has adopted an ordinance pursuant to section 423B.10, subsection 2, into a special city account in the local sales and services tax fund.

2. *a.* The director of revenue by August 15 of each fiscal year shall send to each city or county where the local option tax is imposed, an estimate of the amount of tax moneys each city or county will receive for the year and for each month of the year. At the end of each month, the director may revise the estimates for the year and remaining months.

*b.* The director of revenue shall remit ninety-five percent of the estimated tax receipts for the city or county to the city or county on or before August 31 of the fiscal year and on or before the last day of each following month.

*c.* The director of revenue shall remit a final payment of the remainder of tax moneys due the city or county for the fiscal year before November 10 of the next fiscal year. If an overpayment has resulted during the previous fiscal year, the November payment shall be adjusted to reflect any overpayment.

3. Seventy-five percent of each county's account shall be remitted on the basis of the county's population residing in the unincorporated area where the tax was imposed and those incorporated areas where the tax was imposed as follows:

*a.* To the board of supervisors a pro rata share based upon the percentage of the above population of the county residing in the unincorporated area of the county where the tax was imposed according to the most recent certified federal census.

*b.* To each city in the county where the tax was imposed a pro rata share based upon the percentage of the city's population residing in the county to the above population of the county according to the most recent certified federal census.

*c.* If a subsequent certified census exists which modifies that most recent certified federal census for a participating jurisdiction under paragraphs *"a"* and *"b"*, the computations under paragraphs *"a"* and *"b"* shall utilize the subsequent certified census in the distribution formula under rules established by the director of revenue.

4. Twenty-five percent of each county's account shall be remitted based on the sum of property tax dollars levied by the board of supervisors if the tax was imposed in the unincorporated areas and each city in the county where the tax was imposed during the three-year period beginning July 1, 1982, and ending June 30, 1985, as follows:

*a.* To the board of supervisors a pro rata share based upon the percentage of the total property tax dollars levied by the board of supervisors during the above three-year period.

*b.* To each city council where the tax was imposed a pro rata share based upon the percentage of property tax dollars levied by the city during the above three-year period of the above total property tax dollars levied by the board of supervisors and each city where the tax was imposed during the above three-year period.

5. From each city's account, the percent of revenues agreed to be distributed to the county in the agreement entered into as provided in section 423B.1, subsection 2, paragraph *"a"*, subparagraph (3), and paragraph *"c"*, shall be deposited into the appropriate county's account to be remitted as provided in subsections 3 and 4. The remaining revenues in the city's account shall be remitted to the city council. If a county does not have an account, its percent of the revenues shall be remitted directly to the county board of supervisors.

6. From each special city account, the revenues shall be remitted to the city council for deposit in the special fund created in section 403.19, subsection 2, to be used by the city as provided in section 423B.10. The distribution from the special city account is not subject to the distribution formula provided in subsections 3, 4, and 5.

7. Local sales and services tax moneys received by a city or county may be expended for any lawful purpose of the city or county.

85 Acts, ch 32, §98

CS85, §422B.10

86 Acts, ch 1199, §8; 89 Acts, ch 277, §1, 2; 95 Acts, ch 186, §5, 6, 9; 96 Acts, ch 1079, §22, 23; 97 Acts, ch 145, §2; 99 Acts, ch 151, §34, 89; 99 Acts, ch 156, §14; 2002 Acts, ch 1151, §12; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §203, 205

C2005, §423B.7

2006 Acts, ch 1182, §45, 53; 2008 Acts, ch 1134, §68; 2008 Acts, ch 1191, §66, 67

Referred to in §423B.10

**423B.8 Construction contractor refunds.**

1. Construction contractors may make application to the department for a refund of the additional local sales and services tax paid under this chapter by reason of taxes paid on goods, wares, or merchandise under the following conditions:

*a.* The goods, wares, or merchandise are incorporated into an improvement to real estate in fulfillment of a written contract fully executed prior to the date of the imposition or increase in rate of a local sales and services tax under this chapter. The refund shall not apply to equipment transferred in fulfillment of a mixed construction contract.

*b.* The contractor has paid to the department or to a retailer the full amount of the state and local tax.

*c.* The claim is filed on forms provided by the department and is filed within one year of the date the tax is paid.

2. The department shall pay the refund from the appropriate city's or county's account in the local sales and services tax fund.

3. A contractor who makes an erroneous application for refund shall be liable for payment of the excess refund paid plus interest at the rate in effect under section 421.7. In addition, a contractor who willfully makes a false application for refund is guilty of a simple misdemeanor and is liable for a penalty equal to fifty percent of the excess refund claimed. Excess refunds, penalties, and interest due under this subsection may be enforced and collected in the same manner as the local sales and services tax imposed under this chapter.

88 Acts, ch 1153, §6
C89, §422B.11
2001 Acts, ch 116, §15; 2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §423B.8

**423B.9 Issuance of bonds.**

1. For purposes of this section unless the context otherwise requires:

*a.* *"Bond issuer"* or *"issuer"* means a city, a county, or a secondary recipient.

*b.* *"Designated portion"* means the portion of the local option sales and services tax revenues which is authorized to be expended for one or a combination of purposes under an adopted public measure.

*c.* *"Secondary recipient"* means a political subdivision of the state which is to receive revenues from a local option sales and services tax over a period of years pursuant to the terms of a chapter 28E agreement with one or more cities or counties.

2. An issuer of public bonds which is a recipient of revenues from a local option sales and services tax imposed pursuant to this chapter may issue bonds in anticipation of the collection of one or more designated portions of the local option sales and services tax and may pledge irrevocably an amount of the revenue derived from the designated portions for each of the years the bonds remain outstanding to the payment of the bonds. Bonds may be issued only for one or more of the purposes set forth on the ballot proposition concerning the imposition of the local option sales and services tax, except bonds shall not be issued which are payable from that portion of tax revenues designated for property tax relief. The bonds may be issued in accordance with the procedures set forth in either subsection 3 or 4.

3. The governing body of an issuer may authorize the issuance of bonds which are payable from the designated portion of the revenues of the local option sales and services tax, and not from property tax, by following the authorization procedures set forth for cities in section 384.83. Bonds may be issued for the purpose of refunding outstanding and previously issued bonds under this subsection without otherwise complying with the provisions of this subsection.

4. To authorize the issuance of bonds payable as provided in this subsection, the governing body of an issuer shall comply with all of the procedures as follows:

*a.* (1) A bond issuer may institute proceedings for the issuance of bonds by causing a notice of the proposal to issue the bonds, including a statement of the amount and purpose of the bonds, together with the maximum rate of interest which the bonds are to bear, and the right to petition for an election, to be published at least once in a newspaper of general

circulation within the political subdivision or unincorporated area at least ten days prior to the meeting at which it is proposed to take action for the issuance of the bonds.

(2) If at any time before the date fixed for taking action for the issuance of the bonds, a petition signed by eligible electors residing within the jurisdiction seeking to issue the bonds in a number equal to at least three percent of the registered voters of the bond issuer is filed, asking that the question of issuing the bonds be submitted to the registered voters, the governing body shall either by resolution declare the proposal to issue the bonds to have been abandoned or shall direct the county commissioner of elections to call a special election upon the question of issuing the bonds. The proposition of issuing bonds under this subsection is not approved unless the vote in favor of the proposition is equal to at least sixty percent of the vote cast. If a petition is not filed, or if a petition is filed and the proposition of issuing the bonds is approved at an election, the governing body acting on behalf of the issuer may proceed with the authorization and issuance of the bonds. Bonds may be issued for the purpose of refunding outstanding and previously issued bonds under this subsection without otherwise complying with the provisions of this subsection.

*b*. The provisions of chapter 76 apply to the bonds payable as provided in this subsection, except that the mandatory levy to be assessed pursuant to section 76.2 shall be at a rate to generate an amount which together with the receipts from the pledged designated portion of the local option sales and services tax is sufficient to pay the interest and principal on the bonds. All amounts collected as a result of the levy assessed pursuant to section 76.2 and paid out in the first instance for bond principal and interest shall be repaid to the bond issuer which levied the tax from the first available designated portion of local option sales and services tax collections received in excess of the requirement for the payment of the principal and interest of the bonds and when repaid shall be applied in reduction of property taxes. The amount of bonds which may be issued under section 76.3 shall be the amount which could be retired from the actual collections of the designated portions of the local option sales and services tax for the last four calendar quarters, as certified by the director of revenue. The amount of tax revenues pledged jointly by other cities or counties may be considered for the purpose of determining the amount of bonds which may be issued. If the local option sales and services tax has been in effect for less than four calendar quarters, the tax collected within the shorter period may be adjusted to project the collections of the designated portion for the full year for the purpose of determining the amount of the bonds which may be issued. The provisions of this section constitute separate authorization for the issuance of bonds and shall prevail in the event of conflict with any other provision of the Code limiting the amount of bonds which may be issued or the source of payment of the bonds. Bonds issued under this section shall not limit or restrict the authority of the bond issuer to issue bonds under other provisions of the Code.

5. A city or county, jointly with one or more other political subdivisions as provided in chapter 28E, may pledge irrevocably any amount derived from the designated portions of the revenues of the local option sales and services tax to the support or payment of bonds of an issuer, issued for one or more purposes set forth on the ballot proposition concerning the imposition of the local option sales and services tax or a political subdivision may apply the proceeds of its bonds to the support of any such purpose.

6. Bonds issued pursuant to this section shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not be subject to the provisions of any other law or charter relating to the authorization, issuance, or sale of bonds. Bonds issued pursuant to this section are declared to be issued for an essential public and governmental purpose. Bonds issued pursuant to this section shall be authorized by resolution of the governing body and may be issued in one or more series and shall bear the date or dates, be payable on demand or mature at the time or times, bear interest at the rate or rates not exceeding that permitted by chapter 74A, be in the denomination or denominations, be in the form, have the rank or priority, be executed in the manner, be payable in the medium of payment, at the place or places, be subject to the terms of redemption, with or without premium, be secured in the manner, and have the other characteristics, as may be provided

by the resolution authorizing their issuance. The bonds may be sold at public or private sale at a price as may be determined by the governing body.

95 Acts, ch 186, §7, 9

CS95, §422B.12

96 Acts, ch 1079, §22, 23; 2001 Acts, ch 56, §35; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §203, 205

C2005, §423B.9

2011 Acts, ch 25, §143

Referred to in §423B.1

**423B.10 Funding urban renewal projects.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Base year"* means the fiscal year during which an ordinance is adopted that provides for funding of an urban renewal project by a designated amount of the increased sales and services tax revenues.

*b.* *"Eligible city"* means a city in which a local sales and services tax imposed by the county applies or a city described in section 423B.1, subsection 2, paragraph *"a"*, and in which an urban renewal area has been designated.

*c.* *"Retail establishment"* means a business operated by a retailer as defined in section 423.1.

*d.* *"Urban renewal area"* and *"urban renewal project"* mean the same as defined in section 403.17.

2. *a.* Upon approval by the board of supervisors of each applicable county pursuant to paragraph *"b"*, an eligible city may by ordinance of the city council provide for the use of a designated amount of the increased local sales and services tax revenues collected under this chapter which are attributable to retail establishments in an urban renewal area to fund urban renewal projects located in the area. The designated amount may be all or a portion of such increased revenues.

*b.* A city shall not adopt an ordinance under paragraph *"a"* unless the board of supervisors of each county where the urban renewal area from which such local sales and services tax revenues are to be collected and used to fund urban renewal projects is located first adopts a resolution approving the collection and use of such local sales and services tax revenues.

3. To determine the revenue increase for purposes of subsection 2, revenue amounts shall be calculated by the department of revenue as follows:

*a.* Determine the amount of local sales and services tax revenue collected from retail establishments located in the area comprising the urban renewal area during the base year.

*b.* Determine the current year revenue amount for each fiscal year following the base year in the manner specified in paragraph *"a"*.

*c.* The excess of the amount determined in paragraph *"b"* over the base year revenue amount determined in paragraph *"a"* is the increase in the local sales and services tax revenues of which the designated amount is to be deposited in the special city account created in section 423B.7, subsection 6.

4. The ordinance adopted pursuant to this section is repealed when the area ceases to be an urban renewal area or twenty years following the base year, whichever is the earlier.

5. In addition to the moneys received pursuant to the ordinance authorized under subsection 2, an eligible city may deposit any other local sales and services tax revenues received by it pursuant to the distribution formula in section 423B.7, subsections 3, 4, and 5, to the special fund described in section 403.19, subsection 2.

6. For purposes of this section, the eligible city shall assist the department of revenue in identifying retail establishments in the urban renewal area that are collecting the local sales and services tax. This process shall be ongoing until the ordinance is repealed.

2008 Acts, ch 1191, §68; 2012 Acts, ch 1124, §23, 27

Referred to in §2.48, 423B.1, 423B.7

2012 amendment to subsection 2 applies to city ordinances adopted under this section on or after July 1, 2012; 2012 Acts, ch 1124, §27

# CHAPTER 423C

## AUTOMOBILE RENTAL EXCISE TAX

Referred to in §312.1, 321.105A, 423.36

Chapter transferred from ch 422C in Code 2005 pursuant to Code editor directive; 2003 Acts, 1st Ex, ch 2, §203, 205


423C.1 Short title.
423C.2 Definitions.
423C.3 Tax on rental of automobiles.
423C.4 Administration and enforcement.
423C.5 Deposit of revenue.


**423C.1 Short title.**

This chapter may be cited as the *"Automobile Rental Excise Tax Act"*.

92 Acts, ch 1006, §2
C93, §422C.1
2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §423C.1

**423C.2 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Automobile"* means a motor vehicle subject to registration in any state designed primarily for carrying nine passengers or less, excluding motorcycles and motorized bicycles.
2. *"Department"* means the department of revenue.
3. *"Lessor"* means a person engaged in the business of renting automobiles to users. *"Lessor"* includes a motor vehicle dealer licensed pursuant to chapter 322 who rents automobiles to users. For this purpose, the objective of making a profit is not necessary to make the renting activity a business.
4. *"Person"* means person as defined in section 423.1.
5. *"Rental"* means a transfer of the possession or right to possession of an automobile to a user for a valuable consideration for a period of sixty days or less.
6. *"Rental price"* means the consideration for renting an automobile valued in money, and means the same as *"sales price"* as defined in section 423.1.
7. *"User"* means a person to whom the possession or the right to possession of an automobile is transferred for a period of sixty days or less for a valuable consideration which is paid by the user or by another person.

92 Acts, ch 1006, §3
C93, §422C.2
2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §189, 203, 205
C2005, §423C.2

**423C.3 Tax on rental of automobiles.**

1. A tax of five percent is imposed upon the rental price of an automobile if the rental transaction is subject to the sales and services tax under chapter 423, subchapter II, or the use tax under chapter 423, subchapter III. The tax shall not be imposed on any rental transaction not taxable under the state sales and services tax, as provided in section 423.3, or the state use tax, as provided in section 423.6, on automobile rental receipts.
2. The lessor shall collect the tax by adding the tax to the rental price of the automobile.
3. The tax, when collected, shall be stated as a distinct item separate and apart from the rental price of the automobile and the sales and services tax imposed under chapter 423, subchapter II, or the use tax imposed under chapter 423, subchapter III.

92 Acts, ch 1006, §4; 92 Acts, 2nd Ex, ch 1001, §210
C93, §422C.3
2003 Acts, 1st Ex, ch 2, §190, 203, 205
C2005, §423C.3
Referred to in §423C.4

**423C.4 Administration and enforcement.**

All powers and requirements of the director of revenue to administer the state sales tax law under chapter 423 are applicable to the administration of the tax imposed under section 423C.3, including but not limited to section 422.25, subsection 4, sections 422.30, 422.67, and 422.68, section 422.69, subsection 1, sections 422.70 through 422.75, section 423.14, subsection 1, and sections 423.15, 423.23, 423.24, 423.25, 423.31, 423.33, 423.35 and 423.37 through 423.42, 423.45, 423.46, and 423.47. However, as an exception to the powers specified in section 423.31, the director shall only require the filing of quarterly reports.

92 Acts, ch 1006, §5
C93, §422C.4
2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §191, 203, 205
C2005, §423C.4

**423C.5 Deposit of revenue.**

The revenue arising from the operation of this chapter shall be credited to the statutory allocations fund created under section 321.145, subsection 2.

92 Acts, ch 1006, §6
C93, §422C.5
2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §423C.5
2008 Acts, ch 1113, §37
Referred to in §321.145

# CHAPTER 423D

## EQUIPMENT TAX


| | | | |
|---|---|---|---|
| 423D.1 | Definitions. | 423D.3 | Exemption. |
| 423D.2 | Tax imposed. | 423D.4 | Administration by director. |


**423D.1 Definitions.**

1. For the purposes of this chapter, unless the context otherwise requires:

*a.* *"Construction"* means new construction, reconstruction, alterations, expansion, or remodeling of real property or structures.

*b.* *"Contractor"* includes contractors, subcontractors, and builders, but not owners.

*c.* *"Department"* means the department of revenue.

*d.* *"Equipment"* means self-propelled building equipment, pile drivers, and motorized scaffolding, including auxiliary attachments which improve the performance, safety, operation, or efficiency of the equipment, and replacement parts and are directly and primarily used by contractors, subcontractors, and builders for new construction, reconstruction, alterations, expansion, or remodeling of real property or structures.

*e.* *"Sales price"* or *"purchase price"* means the same as the term is defined in section 423.1.

2. All other words and phrases used in this chapter and defined in section 423.1 have the meaning given them by section 423.1 for the purposes of this chapter.

2005 Acts, ch 140, §33; 2011 Acts, ch 25, §143

**423D.2 Tax imposed.**

A tax of five percent is imposed on the sales price or purchase price of all equipment sold or used in the state of Iowa. This tax shall be collected and paid over to the department by any retailer, retailer maintaining a place of business in this state, or user who would be responsible for collection and payment of the tax if it were a sales or use tax imposed under chapter 423.

2005 Acts, ch 140, §34

**423D.3 Exemption.**

The sales price on the lease or rental of equipment to contractors for direct and primary use in construction is exempt from the tax imposed by this chapter. The sales price from transactions exempt from state sales tax under section 423.3 is also exempt from the tax imposed by this chapter.

2005 Acts, ch 140, §35; 2008 Acts, ch 1184, §60

**423D.4 Administration by director.**

The director of revenue shall administer the excise tax on the sale and use of equipment as nearly as possible in conjunction with the administration of the state sales and use tax law, except that portion of the law which implements the streamlined sales and use tax agreement. The director shall provide appropriate forms, or provide on the regular state tax forms, for reporting the sale and use of equipment excise tax liability. All moneys received and all refunds shall be deposited in or withdrawn from the general fund of the state.

The director may require all persons who are engaged in the business of deriving any sales price or purchase price subject to tax under this chapter to register with the department. The director may also require a tax permit applicable only to this chapter for any retailer not collecting, or any user not paying, taxes under chapter 423.

Section 422.25, subsection 4, sections 422.30, 422.67, and 422.68, section 422.69, subsection 1, sections 422.70, 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection 1, and sections 423.23, 423.24, 423.25, 423.31 through 423.35, 423.37 through 423.42, and 423.47, consistent with the provisions of this chapter, apply with respect to the tax authorized under this chapter, in the same manner and with the same effect as if the excise taxes on equipment sales or use were retail sales taxes within the meaning of those statutes. Notwithstanding this paragraph, the director shall provide for quarterly filing of returns and for other than quarterly filing of returns both as prescribed in section 423.31. All taxes collected under this chapter by a retailer or any user are deemed to be held in trust for the state of Iowa.

2005 Acts, ch 140, §36; 2007 Acts, ch 126, §71

# CHAPTER 423E

## SCHOOL INFRASTRUCTURE FUNDING FORMULA

Referred to in §256.9, 291.10, 421.26, 423.3, 423F.2, 423F.5

Chapter transferred from ch 422E in Code 2005 pursuant to
Code editor directive; 2003 Acts, 1st Ex, ch 2, §203, 205
Chapter repealed June 30, 2023; see §423E.7


423E.1 Authorization — rate of tax — use of revenues. Repealed by 2008 Acts, ch 1134, §33.
423E.2 Imposition by county. Repealed by 2008 Acts, ch 1134, §34.
423E.3 Collection of tax.
423E.4 Secure an advanced vision for education fund distribution formula.
423E.5 Bonding.
423E.6 School infrastructure safety fund.
423E.7 Repeal.


**423E.1 Authorization — rate of tax — use of revenues.** Repealed by 2008 Acts, ch 1134, § 33. See chapter 423F.

**423E.2 Imposition by county.** Repealed by 2008 Acts, ch 1134, § 34. See chapter 423F.

**423E.3 Collection of tax.**

1. The tax shall be imposed on the same basis as the state sales and services tax or in the case of the use of natural gas, natural gas service, electricity, or electric service on the same basis as the state use tax and shall not be imposed on the sale of any property or on any service not taxed by the state, except the tax shall not be imposed on the sales price from the

sale of motor fuel or special fuel as defined in chapter 452A which is consumed for highway use or in watercraft or aircraft if the fuel tax is paid on the transaction and a refund has not or will not be allowed, on the sales price from the sale of equipment by the state department of transportation, or on the sales price from the sale or use of natural gas, natural gas service, electricity, or electric service in a city or county where the sales price from the sale of natural gas or electric energy is subject to a franchise fee or user fee during the period the franchise or user fee is imposed.

2. The tax is applicable to transactions within the county where it is imposed and shall be collected by all persons required to collect state sales or local excise taxes. The amount of the sale, for purposes of determining the amount of the tax, does not include the amount of any state sales taxes or excise taxes or other local option sales or excise taxes. A tax permit other than the state tax permit required under section 423.36 shall not be required by local authorities.

3. *a.* (1) If more than one school district, or a portion of a school district, is located within the county, tax receipts shall be remitted to each school district or portion of a school district in which the county tax is imposed in a pro rata share based upon the ratio which the actual enrollment for the school district that attends school in the county bears to the total combined actual enrollments for all school districts that attend school in the county.

(2) The combined actual enrollment for a county, for purposes of this section, shall be determined for each county by the department of management based on the actual enrollment figures reported by October 15 to the department of management by the department of education pursuant to section 257.6, subsection 1. The combined actual enrollment count shall be forwarded to the director of revenue by March 1, annually, for purposes of supplying estimated tax payment figures and making estimated tax payments pursuant to this section for the following fiscal year.

*b.* Notwithstanding the amount of tax receipts credited to the account within the secure an advanced vision for education fund maintained in the name of a school district, the amount of tax receipts the school district shall receive from the tax imposed in the county shall be determined as provided in section 423E.4, subsection 1.

98 Acts, ch 1130, §3, 6

C99, §422E.3

99 Acts, ch 151, §37 – 39, 89; 99 Acts, ch 156, §17 – 19, 23; 2001 Acts, ch 116, §16; 2002 Acts, ch 1151, §13; 2003 Acts, ch 145, §286; 2003 Acts, ch 157, §5 – 7, 11; 2003 Acts, ch 178, §114, 121; 2003 Acts, ch 179, §142; 2003 Acts, 1st Ex, ch 2, §193, 203, 205; 2004 Acts, ch 1175, §254

C2005, §423E.3

2005 Acts, ch 3, §71; 2005 Acts, ch 140, §15, 16, 27, 32; 2006 Acts, ch 1010, §105; 2006 Acts, ch 1152, §53; 2008 Acts, ch 1134, §15 – 17; 2008 Acts, ch 1191, §96

Referred to in §423E.4

**423E.4 Secure an advanced vision for education fund distribution formula.**

1. The moneys credited in a fiscal year to the secure an advanced vision for education fund shall be distributed as follows:

*a.* A school district that is located in whole or in part in a county that voted on and approved prior to April 1, 2003, the local sales and services tax for school infrastructure purposes and that has a sales tax capacity per student above the guaranteed school infrastructure amount shall receive for the remainder of the unextended term of the tax an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 3, paragraph *"a"*, unless the school board passes a resolution by October 1, 2003, agreeing to receive a distribution pursuant to paragraph *"b"*, subparagraph (1).

*b.* (1) A school district that is located in whole or in part in a county that voted on and approved prior to April 1, 2003, the local sales and services tax for school infrastructure purposes and that has a sales tax capacity per student below its guaranteed school infrastructure amount shall receive for the remainder of the unextended term of the tax an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 3, paragraph *"a"*, plus an amount equal to its supplemental

school infrastructure amount, unless the school district passes a resolution by October 1, 2003, agreeing to receive only an amount equal to its pro rata share as provided in section 423E.3, subsection 3, paragraph *"a"*, in all subsequent years.

(2) A school district that is located in whole or in part in a county that voted on and approved on or after April 1, 2003, the local sales and services tax for school infrastructure purposes shall receive an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 3, paragraph *"a"*, not to exceed its guaranteed school infrastructure amount. However, if the school district's pro rata share is less than its guaranteed school infrastructure amount, the district shall receive an additional amount equal to its supplemental school infrastructure amount.

(3) A school district that is located in whole or in part in a county that voted on and approved the extension of the local sales and services tax for school infrastructure purposes pursuant to section 423E.2, subsection 5, Code 2007, on or after April 1, 2003, shall receive for any extended period an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 3, paragraph *"a"*, not to exceed its guaranteed school infrastructure amount. However, if the school district's pro rata share is less than its guaranteed school infrastructure amount, the district shall receive an additional amount equal to its supplemental school infrastructure amount.

*c.* In the case of a school district located in more than one county, the amount to be distributed to the school district shall be separately computed for each county based upon the school district's actual enrollment that attends school in the county.

2. *a.* The director of revenue by August 15 of each fiscal year shall compute the guaranteed school infrastructure amount for each school district, each school district's sales tax capacity per student for each county, the statewide tax revenues per student, and the supplemental school infrastructure amount for the fiscal year.

*b.* For purposes of distributions under subsection 1:

(1) *"Guaranteed school infrastructure amount"* means for a school district the statewide tax revenues per student, multiplied by the quotient of the tax rate percent imposed in the county, divided by one percent and multiplied by the quotient of the number of quarters the tax is imposed during the fiscal year divided by four quarters.

(2) *"Sales tax capacity per student"* means for a school district the estimated amount of revenues that a school district would receive if a local sales and services tax for school infrastructure purposes was imposed at one percent in the county pursuant to section 423E.2, Code 2007, divided by the school district's actual enrollment as determined in section 423E.3, subsection 3, paragraph *"a"*.

(3) *"Statewide tax revenues per student"* means the amount determined by estimating the total revenues that would be generated by a one percent local option sales and services tax for school infrastructure purposes if imposed by all the counties during the entire fiscal year and dividing this estimated revenue amount by the sum of the combined actual enrollment for all counties as determined in section 423E.3, subsection 3, paragraph *"a"*, subparagraph (2).

(4) *"Supplemental school infrastructure amount"* means the guaranteed school infrastructure amount for the school district less its pro rata share of local sales and services tax for school infrastructure purposes as provided in section 423E.3, subsection 3, paragraph *"a"*.

3. *a.* For the purposes of distribution under subsection 1, paragraph *"b"*, subparagraph (1), a school district with a sales tax capacity per student below its guaranteed school infrastructure amount shall use the amount equal to the guaranteed school infrastructure amount less the pro rata share amount in accordance with section 423E.3, subsection 3, paragraph *"a"*, for the purpose of paying principal and interest on outstanding bonds previously issued for school infrastructure purposes as defined in section 423E.1, subsection 3, Code 2007. Any money remaining after the payment of all principal and interest on outstanding bonds previously issued for infrastructure purposes may be used for any authorized infrastructure purpose of the school district. If a majority of the voters in the school district approves the use of revenue pursuant to a revenue purpose statement in an election held after July 1, 2003, in the school district pursuant to section 423E.2, Code

Supplement 2007, the school district may use the amount for the purposes specified in its revenue purpose statement.

*b.* Nothing in this section shall prevent a school district from using its sales tax capacity per student or guaranteed school infrastructure amount to pay principal and interest on obligations issued pursuant to section 423E.5.

4. In the case of a deficiency in the fund to pay the supplemental school infrastructure amounts in full, the amount available in the fund less the sales and services tax revenues for school infrastructure purposes attributed to each school district should be allocated first to increase the school district with the lowest sales tax capacity per student to an amount equal to the school district or school districts with the next lowest sales tax capacity per student and then increase the school districts to an amount equal to the school district or school districts with the next lowest sales tax capacity per student and continue on in this manner until money is no longer available or all school districts reach their guaranteed school infrastructure amount.

5. A school district with a certified enrollment of fewer than two hundred fifty pupils in the entire district or certified enrollment of fewer than one hundred pupils in high school shall not expend the supplemental school infrastructure amount received for new construction or for payments for bonds issued for new construction against the supplemental school infrastructure amount without prior application to the department of education and receipt of a certificate of need pursuant to this subsection. However, a certificate of need is not required for the payment of outstanding bonds issued for new construction pursuant to section 296.1, before April 1, 2003. A certificate of need is also not required for repairing schoolhouses or buildings, equipment, technology, or transportation equipment for transporting students as provided in section 298.3, or for construction necessary for compliance with the federal Americans With Disabilities Act pursuant to 42 U.S.C. § 12101 – 12117. In determining whether a certificate of need shall be issued or denied, the department shall consider all of the following:

*a.* Enrollment trends in the grades that will be served at the new construction site.

*b.* The infeasibility of remodeling, reconstructing, or repairing existing buildings.

*c.* The fire and health safety needs of the school district.

*d.* The distance, convenience, cost of transportation, and accessibility of the new construction site to the students to be served at the new construction site.

*e.* Availability of alternative, less costly, or more effective means of serving the needs of the students.

*f.* The financial condition of the district, including the effect of the decline of the budget guarantee and unspent balance.

*g.* Broad and long-term ability of the district to support the facility and the quality of the academic program.

*h.* Cooperation with other educational entities including other school districts, area education agencies, postsecondary institutions, and local communities.

6. Notwithstanding subsection 1 or any other provision to the contrary, a school district that is located in whole or in part in a county that has not previously imposed the local sales and services tax for school infrastructure, and which votes on and approves the tax at a rate of one percent after January 1, 2007, and before July 1, 2007, shall receive an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 423E.3, subsection 3, paragraph "*a*", for a period corresponding to one-half the duration of the tax authorized by the voters. For the second half of the duration of the tax authorized by the voters, local sales and services tax receipts shall be distributed as otherwise applicable pursuant to subsection 1.

2003 Acts, ch 145, §286; 2003 Acts, ch 157, §8, 11; 2003 Acts, 1st Ex, ch 2, §20 – 25, 203, 205, 209

CS2003, §422E.3A

2004 Acts, ch 1086, §68; 2004 Acts, ch 1175, §255 – 257

C2005, §423E.4

2005 Acts, ch 140, §49; 2005 Acts, ch 179, §96; 2006 Acts, ch 1182, §46, 53; 2008 Acts, ch 1134, §18 – 24; 2008 Acts, ch 1191, §69, 70

Referred to in §423E.3, 423E.5

Secure an advanced vision for education fund, see §423F.2

**423E.5 Bonding.**

1. The board of directors of a school district shall be authorized to issue negotiable, interest-bearing school bonds, without election, and utilize tax receipts derived from the sales and services tax for school infrastructure purposes and the supplemental school infrastructure amount distributed pursuant to section 423E.4, subsection 1, paragraph *"b"*, and revenues received pursuant to section 423F.2, for principal and interest repayment. Proceeds of the bonds issued pursuant to this section shall be utilized solely for school infrastructure needs as school infrastructure is defined in section 423E.1, subsection 3, Code 2007, and section 423F.3. Bonds issued under this section may be sold at public sale as provided in chapter 75, or at private sale, without notice and hearing as provided in section 73A.12. Bonds may bear dates, bear interest at rates not exceeding that permitted by chapter 74A, mature in one or more installments, be in registered form, carry registration and conversion privileges, be payable as to principal and interest at times and places, be subject to terms of redemption prior to maturity with or without premium, and be in one or more denominations, all as provided by the resolution of the board of directors authorizing their issuance. The resolution may also prescribe additional provisions, terms, conditions, and covenants which the board of directors deems advisable, including provisions for creating and maintaining reserve funds, the issuance of additional bonds ranking on a parity with such bonds and additional bonds junior and subordinate to such bonds, and that such bonds shall rank on a parity with or be junior and subordinate to any bonds which may be then outstanding. Bonds may be issued to refund outstanding and previously issued bonds under this section. The bonds are a contractual obligation of the school district, and the resolution issuing the bonds and pledging local option sales and services tax revenues or its share of the revenues distributed pursuant to section 423F.2 to the payment of principal and interest on the bonds is a part of the contract. Bonds issued pursuant to this section shall not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not be subject to any other law relating to the authorization, issuance, or sale of bonds.

2. A school district shall be authorized to enter into a chapter 28E agreement with one or more cities or a county whose boundaries encompass all or a part of the area of the school district. A city or cities entering into a chapter 28E agreement shall be authorized to expend its designated portion of the revenues for any valid purpose permitted in this chapter or authorized by the governing body of the city. A county entering into a chapter 28E agreement with a school district shall be authorized to expend its designated portion of the revenues to provide property tax relief within the boundaries of the school district located in the county. A school district is also authorized to enter into a chapter 28E agreement with another school district, a community college, or an area education agency which is located partially or entirely in or is contiguous to the county where the school district is located. The school district or community college shall only expend its designated portion of the revenues for infrastructure purposes. The area education agency shall only expend its designated portion of the revenues for infrastructure and maintenance purposes.

3. The governing body of a city may authorize the issuance of bonds which are payable from its designated portion of the revenues to be received under this section, and not from property tax, by following the authorization procedures set forth for cities in section 384.83. A city may pledge irrevocably any amount derived from its designated portions of the revenues to the support or payment of such bonds.

98 Acts, ch 1130, §4, 6

C99, §422E.4

99 Acts, ch 156, §20, 23; 2003 Acts, ch 157, §9, 11; 2003 Acts, 1st Ex, ch 2, §203, 205; 2004 Acts, ch 1175, §258

C2005, §423E.5
2005 Acts, ch 179, §66, 85; 2008 Acts, ch 1134, §26
Referred to in §423E.4, 423F.3, 423F.4

**423E.6 School infrastructure safety fund.**

1. There shall be distributed from the federal funds allocated to the state of Iowa as described in Conference Committee Report 105-390, accompanying H.R. 2264, making federal appropriations to the United States departments of labor, health and human services, and education, to the state department of education the sum of eight million dollars to establish a school infrastructure safety fund.

2. The funds shall be allocated to the school budget review committee to develop a school infrastructure safety fund grant program, in conjunction with the state fire marshal. For purposes of reviewing grant applications and making recommendations regarding the administration of the program, the state fire marshal shall be considered an additional voting member of the school budget review committee.

3. Top priority in awarding program grants shall be the making of school infrastructure improvements relating to fire and personal safety. School districts eligible for program grants shall have received an order or citation from the state fire marshal, or a fire department chief or fire prevention officer, for one or more fire safety violations regarding a school facility, or in the opinion of the state fire marshal shall be regarded as operating facilities subject to significant fire safety deficiencies. Grant awards shall also be available for defects or violations of the state building code, as adopted pursuant to section 103A.7, revealed during an inspection of school facilities by a local building department, or for improvements consistent with the standards and specifications contained in the state building code regarding ensuring that buildings and facilities are accessible to and functional for persons with disabilities. The school budget review committee shall allocate program funds to school districts which, in its discretion, are determined to be faced with the most severe deficiencies. School districts applying for program grants shall have developed and submitted to the state fire marshal or local building department a written plan to remedy fire or safety defects within a specified time frame. Approval of the written plan by the state fire marshal or local building department shall be obtained prior to receipt of a grant award by a school district.

4. Application forms, submission dates for applications and for written plans to remedy fire or safety defects, and grant award criteria shall be developed by the state department of education, in coordination with the state fire marshal, by rule.

5. The school budget review committee shall submit a progress report of the number and amount of grants awarded, and fire and safety improvements made, pursuant to the school infrastructure safety fund grant program, to the general assembly by January 1, 2000.

6. If federal rules or regulations are adopted relating to the distribution or utilization of funds allocated to the state department of education pursuant to this section which are inconsistent with the provisions of this section, the state department of education shall adopt rules to comply with the requirements of the federal rules or regulations.

98 Acts, ch 1130, §5, 6
C99, §422E.5
2003 Acts, 1st Ex, ch 2, §203, 205; 2004 Acts, ch 1086, §69
C2005, §423E.6

**423E.7 Repeal.**

This chapter is repealed June 30, 2023, for fiscal years beginning after that date.
2003 Acts, ch 157, §10, 11
CS2003, §422E.6
2003 Acts, 1st Ex, ch 2, §203, 205
C2005, §423E.7

# CHAPTER 423F

## STATEWIDE SCHOOL INFRASTRUCTURE FUNDING

Referred to in §76.4, 256.9, 291.10

Chapter to be repealed December 31, 2029; see §423F.6


423F.1 Legislative intent.
423F.2 Repeal of local sales and services taxes — secure an advanced vision for education fund.
423F.3 Use of revenues.
423F.4 Borrowing authority for school districts.
423F.5 Contents of financial audit.
423F.6 Repeal.


**423F.1 Legislative intent.**

It is the intent of the general assembly that the increase in the state sales, services, and use taxes under chapter 423, subchapters II and III, from five percent to six percent on July 1, 2008, shall be used solely for purposes of providing revenues to local school districts under this chapter to be used solely for school infrastructure purposes or school district property tax relief.

2008 Acts, ch 1134, §27

**423F.2 Repeal of local sales and services taxes — secure an advanced vision for education fund.**

1. *a.* After July 1, 2008, all local sales and services taxes for school infrastructure purposes imposed under chapter 423E are repealed. After July 1, 2008, a county no longer has the authority under chapter 423E or any other provision of law to impose or to extend an existing local sales and services tax for school infrastructure purposes.

*b.* The increase in the state sales, services, and use taxes under chapter 423, subchapters II and III, from five percent to six percent shall replace the repeal of the county's local sales and services tax for school infrastructure purposes. The distribution of moneys in the secure an advanced vision for education fund and the use of the moneys for infrastructure purposes or property tax relief shall be as provided in this chapter.

*c.* To the extent that any school district has issued bonds anticipating the proceeds of a local sales and services tax for school infrastructure purposes prior to July 1, 2008, the pledge of such tax receipts for the payment of principal and interest on such bonds shall be replaced by a pledge of its share of the revenues the school district receives under this section.

2. A secure an advanced vision for education fund is created as a separate and distinct fund in the state treasury under the control of the department of revenue. Moneys in the fund include revenues credited to the fund pursuant to this chapter, appropriations made to the fund, and other moneys deposited into the fund. Subject to subsection 3, any amounts disbursed from the fund shall be utilized for school infrastructure purposes or property tax relief.

3. The moneys available in a fiscal year in the secure an advanced vision for education fund shall be distributed by the department of revenue to each school district on a per pupil basis calculated using each school district's budget enrollment, as defined in section 257.6, for that fiscal year. Prior to distribution of moneys in the secure an advanced vision for education fund to school districts, two and one-tenths percent of the moneys available in a fiscal year shall be distributed and credited to the property tax equity and relief fund created in section 257.16A.

4. *a.* The director of revenue by August 15 of each fiscal year shall send to each school district an estimate of the amount of tax moneys each school district will receive for the year and for each month of the year. At the end of each month, the director may revise the estimates for the year and remaining months.

*b.* The director shall remit ninety-five percent of the estimated tax receipts for the school district to the school district on or before August 31 of the fiscal year and on or before the last day of each following month.

*c.* The director shall remit a final payment of the remainder of tax moneys due for the

fiscal year before November 10 of the next fiscal year. If an overpayment has resulted during the previous fiscal year, the November payment shall be adjusted to reflect any overpayment.

2008 Acts, ch 1134, §28; 2008 Acts, ch 1191, §72; 2013 Acts, ch 140, §134 – 136

Referred to in §8.57, 292.1, 292.2, 423.2, 423.43, 423E.5, 423F.4

2013 amendments to subsection 1, paragraph b, and subsection 3 apply to fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 140, §136

Subsection 1, paragraph b amended

Subsection 3 amended

**423F.3 Use of revenues.**

1. A school district receiving revenues from the secure an advanced vision for education fund under this chapter without a valid revenue purpose statement shall expend the revenues subject to subsections 2 and 3 for the following purposes:

*a.* Reduction of bond levies under sections 298.18 and 298.18A and all other debt levies.

*b.* Reduction of the regular and voter-approved physical plant and equipment levy under section 298.2.

*c.* Reduction of the public educational and recreational levy under section 300.2.

*d.* For any authorized infrastructure purpose of the school district as defined in subsection 6.

*e.* For the payment of principal and interest on bonds issued under sections 423E.5 and 423F.4.

2. A revenue purpose statement in existence for the expenditure of local sales and services tax for school infrastructure purposes imposed by a county pursuant to section 423E.2, Code Supplement 2007, prior to July 1, 2008, shall remain in effect until amended or extended. The board of directors of a school district may take action to adopt or amend a revenue purpose statement specifying the specific purposes for which the revenues received from the secure an advanced vision for education fund will be expended. If a school district is located in a county which has imposed a local sales and services tax for school infrastructure purposes prior to July 1, 2008, this action shall be taken before expending or anticipating revenues to be received after the unextended term of the tax unless the school district elects to adopt a revenue purpose statement as provided in subsection 3.

3. *a.* If the board of directors adopts a resolution to use funds received under the operation of this chapter solely for providing property tax relief by reducing indebtedness from the levies specified under section 298.2 or 298.18, the board of directors may approve a revenue purpose statement for that purpose without submitting the revenue purpose statement to a vote of the electors.

*b.* If the board of directors intends to use funds for purposes other than those listed in paragraph "*a*", or change the use of funds to purposes other than those listed in paragraph "*a*", the board shall adopt a revenue purpose statement, subject to approval of the electors, listing the proposed use of the funds. School districts shall submit the statement to the voters no later than sixty days prior to the expiration of any existing revenue purpose statement or change in use not included in the existing revenue purpose statement.

*c.* The board of directors may use funds received under the operation of this chapter for a joint infrastructure project with one or more school districts or one or more school districts and a community college established under chapter 260C, for which buildings or facilities are constructed or leased for the purpose of offering classes under a district-to-community college sharing agreement or concurrent enrollment program that meets the requirements for funding under section 257.11, subsection 3. If the board intends to use funds received under the operation of this chapter for such a joint infrastructure project, the board shall adopt a revenue purpose statement or amend an existing revenue purpose statement, subject to approval of the electors, stating the proposed use of the funds.

*d.* The board secretary shall notify the county commissioner of elections of the intent to take an issue to the voters pursuant to paragraph "*b*" or "*c*". The county commissioner of elections shall publish the notices required by law for special or general elections, and the election shall be held on a date specified in section 39.2, subsection 4, paragraph "*c*". A majority of those voting on the question must favor approval of the revenue purpose statement. If the proposal is not approved, the school district shall not submit the same or

new revenue purpose statement to the electors for a period of six months from the date of the previous election.

4. The revenues received pursuant to this chapter shall be expended for the purposes specified in the revenue purpose statement. If a board of directors has not approved a revenue purpose statement, the revenues shall be expended in the order listed in subsection 1 except that the payment of bonds for which the revenues have been pledged shall be paid first. Once approved, a revenue purpose statement is effective until amended or repealed by the foregoing procedures. A revenue purpose statement shall not be amended or repealed to reduce the amount of revenue pledged to the payment of principal and interest on bonds as long as any bonds authorized by sections 423E.5 and 423F.4 are outstanding unless funds sufficient to pay principal, interest, and premium, if any, on the outstanding obligations at or prior to maturity have been properly set aside and pledged for that purpose.

5. A school district with a certified enrollment of fewer than two hundred fifty pupils in the entire district or certified enrollment of fewer than one hundred pupils in high school shall not expend the amount received for new construction without prior application to the department of education and receipt of a certificate of need pursuant to this subsection. A certificate of need is not required for repairing schoolhouses or buildings, equipment, technology, or transportation equipment for transporting students as provided in section 298.3, or for construction necessary for compliance with the federal Americans With Disabilities Act pursuant to 42 U.S.C. § 12101 – 12117. In determining whether a certificate of need shall be issued or denied, the department shall consider all of the following:

*a.* Enrollment trends in the grades that will be served at the new construction site.

*b.* The infeasibility of remodeling, reconstructing, or repairing existing buildings.

*c.* The fire and health safety needs of the school district.

*d.* The distance, convenience, cost of transportation, and accessibility of the new construction site to the students to be served at the new construction site.

*e.* Availability of alternative, less costly, or more effective means of serving the needs of the students.

*f.* The financial condition of the district, including the effect of the decline of the budget guarantee and unspent balance.

*g.* Broad and long-term ability of the district to support the facility and the quality of the academic program.

*h.* Cooperation with other educational entities including other school districts, area education agencies, postsecondary institutions, and local communities.

6. *a.* For purposes of this chapter, *"school infrastructure"* means those activities authorized in section 423E.1, subsection 3, Code 2007.

*b.* Additionally, *"school infrastructure"* includes the payment or retirement of outstanding bonds previously issued for school infrastructure purposes as defined in this subsection, and the payment or retirement of bonds issued under sections 423E.5 and 423F.4.

*c.* A school district that uses secure an advanced vision for education fund moneys for school infrastructure shall comply with the state building code in the absence of a local building code.

7. The general assembly shall not alter the purposes for which the revenues received under this section may be used from infrastructure and property tax relief purposes to any other purpose unless the bill is approved by a vote of at least two-thirds of the members of both chambers of the general assembly and is signed by the governor.

2008 Acts, ch 1134, §29; 2008 Acts, ch 1191, §73; 2013 Acts, ch 88, §36; 2013 Acts, ch 141, §50, 51

Referred to in §76.4, 423E.5

Subsection 1, paragraph d stricken and former paragraphs e and f redesignated as d and e

Subsection 3, NEW paragraph c and former paragraph c amended and redesignated as d

**423F.4 Borrowing authority for school districts.**

A school district may anticipate its share of the revenues under section 423F.2 by issuing bonds in the manner provided in section 423E.5. However, to the extent any school district has issued bonds anticipating the proceeds of an extended local sales and services tax for school infrastructure purposes imposed by a county pursuant to former chapter 423E, Code and

Code Supplement 2007, prior to July 1, 2008, the pledge of such revenues for the payment of principal and interest on such bonds shall be replaced by a pledge of its share of the revenues under section 423F.2.

2008 Acts, ch 1134, §30

Referred to in §423F.3

**423F.5 Contents of financial audit.**

1. A school district shall include as part of its financial audit for the budget year beginning July 1, 2007, and for each subsequent budget year the amount received during the year pursuant to chapter 423E or this chapter, as applicable. In addition, the financial audit shall include the amount of bond levies, physical plant and equipment levy, and public educational and recreational levy reduced as a result of the moneys received under chapter 423E or this chapter, as applicable. The amount of the reductions shall be stated in terms of dollars and cents per one thousand dollars of valuation and in total amount of property tax dollars. Also included shall be an accounting of the amount of moneys received which were spent for infrastructure purposes pursuant to chapter 423E or this chapter, as applicable.

2. The auditor of state may prescribe necessary forms and procedures for the consistent collection of the information required by this section.

2008 Acts, ch 1134, §31; 2011 Acts, ch 25, §43

Referred to in §291.10

**423F.6 Repeal.**

This chapter is repealed December 31, 2029.

2008 Acts, ch 1134, §32

# CHAPTER 424

## ENVIRONMENTAL PROTECTION CHARGE ON PETROLEUM DIMINUTION

Referred to in §455G.1, 455G.5

Legislative findings; legislative intent; conditions upon finding of invalidity; 89 Acts, ch 131, §1, 2, 59
Chapter repealed June 30, 2016; see §424.19


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**424.1 Title — director's authority.**

1. This chapter is entitled "*Environmental Protection Charge on Petroleum Diminution*".

2. The director's and the department's authority and power under chapter 421 and other provisions of the tax code relevant to administration apply to this chapter, and the charge

imposed under this chapter is imposed as if the charge were a tax within the meaning of that chapter or provision.

3. The director shall enter into a contract or agreement with the board to provide assistance requested by the board. Policy issues arising under this chapter or chapter 455G shall be determined by the board, and the board shall be joined as a real party in interest when a policy issue is raised.

4. The board shall retain rulemaking authority, but may contract with the department for assistance in drafting rules. The board shall retain contested case jurisdiction over any challenge to the diminution rate or cost factor. The department shall conduct all other contested cases and be responsible for other agency action in connection with the environmental protection charge imposed under this chapter.

5. The board shall reimburse the department of revenue by contract for the reasonable cost of administration of the environmental protection charge imposed under this chapter and for other duties delegated to the department or to the director by the board.

89 Acts, ch 131, §12, 13; 2003 Acts, ch 145, §286

**424.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the Iowa comprehensive petroleum underground storage tank board.

2. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

3. *"Charge"* means the environmental protection charge imposed upon petroleum diminution pursuant to section 424.3.

4. *"Charge payer"* means a depositor, receiver, or tank owner or operator obligated to pay the environmental protection charge under this chapter.

5. *"Department"* means the department of revenue.

6. *"Depositor"* means the person who deposits petroleum into an underground storage tank subject to regulation under chapter 455G or an aboveground flammable or combustible liquid storage tank as defined in section 101.21, located at a retail motor fuel outlet if the aboveground storage tank is physically connected directly to pumps which dispense petroleum that is sold at the motor fuel outlet on a retail basis.

7. *"Diminution"* means the petroleum released into the environment prior to its intended beneficial use.

8. *"Director"* means the director of revenue.

9. *"Fund"* means the Iowa comprehensive petroleum underground storage tank fund.

10. *"Owner or operator"* means *"owner or operator"* of an underground storage tank as used in chapter 455G or the *"owner"* or *"operator"* of an aboveground flammable or combustible liquid storage tank as defined in section 101.21, located at a retail motor fuel outlet if the aboveground storage tank is physically connected directly to pumps which dispense petroleum that is sold at the motor fuel outlet on a retail basis.

11. *"Petroleum"* means petroleum as defined in section 455G.2.

12. *"Receiver"* means, if the owner and operator are not the same person, the person who, under a contract between the owner and operator, is responsible for payment for petroleum deposited into a tank; and if the owner and operator of a tank are the same person, means the owner.

13. *"Tank"* means an underground storage tank subject to regulation under chapter 455G or an aboveground flammable or combustible liquid storage tank as defined in section 101.21, located at a retail motor fuel outlet if the aboveground storage tank is physically connected directly to pumps which dispense petroleum that is sold at the motor fuel outlet on a retail basis.

89 Acts, ch 131, §14; 91 Acts, ch 252, §2; 92 Acts, ch 1217, §2; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201; 2003 Acts, ch 145, §286; 2011 Acts, ch 34, §99

**424.3 Environmental protection charge imposed upon petroleum diminution.**

1. An environmental protection charge is imposed upon diminution.

*a.* A depositor shall collect from the receiver of petroleum deposited into a tank, the

environmental protection charge imposed under this section on diminution each time petroleum is deposited into the tank, and pay the charge to the department as directed by this chapter.

*b.* All taxes or charges collected under this chapter by a depositor or any individual from a receiver or any other individual are considered to be held in trust on behalf of the state of Iowa.

2. The environmental protection charge shall be equal to the total volume of petroleum deposited in a tank multiplied by the diminution rate multiplied by the cost factor.

3. The diminution rate is one-tenth of one percent.

4. Diminution equals total volume of petroleum deposited multiplied by the diminution rate established in subsection 3.

5. The cost factor is an amount per gallon of diminution determined by the board pursuant to this subsection. The board, after public hearing, shall determine, or shall adjust, the cost factor to the greater of either an amount reasonably calculated to generate an annual average revenue, year to year, of seventeen million dollars from the charge, excluding penalties and interest, or ten dollars. The board may determine or adjust the cost factor at any time but shall at minimum determine the cost factor at least once each fiscal year.

89 Acts, ch 131, §15; 90 Acts, ch 1235, §9 – 11; 91 Acts, ch 252, §3; 95 Acts, ch 215, §2; 2004 Acts, ch 1073, §28; 2009 Acts, ch 41, §263

Referred to in §424.2, 424.7, 424.9, 424.16

**424.4 Adding of charge.**

A depositor shall, as far as practicable, add the charge imposed under this chapter, or the average equivalent of the charge, to the depositor's sales price for the petroleum subject to the charge and when added such charge shall constitute a part of the depositor's price, shall be a debt from the receiver to the depositor until paid, and shall be recoverable at law in the same manner as other debts.

89 Acts, ch 131, §16

**424.5 Depositor permits required — applications — revocation.**

1. It is unlawful for any person to deposit petroleum into a tank in this state, unless a depositor permit has been issued to that person under this section. A depositor shall file with the department an application for a permit. An application for a permit shall be made upon a form prescribed by the board and shall set forth the name under which the applicant transacts or intends to transact business, the location or locations of the applicant's place of business, and any other information as the board may require. The application shall be signed by the owner if a natural person; in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of the person's authority.

2. The department may deny a permit to an applicant who is substantially delinquent in paying a tax or charge due, or the interest or penalty on the tax or charge, administered by the department at the time of application. If the applicant is a partnership, a permit may be denied if the partner is substantially delinquent in paying any delinquent tax or charge, penalty, or interest.

3. A permit is not assignable and is valid only for the person in whose name it is issued.

4. A permit issued under this chapter is valid and effective until revoked by the department.

5. If the holder of a permit fails to comply with any of the provisions of this chapter or any order or rule of the department, or rule or order of the board pursuant to this chapter, or is substantially delinquent in the payment of a tax or charge administered by the department or the interest or penalty on the tax or charge, the director may revoke the permit.

6. To revoke a permit the director shall serve notice as required by section 17A.18 to the permit holder informing that person of the director's intent to revoke the permit and of the permit holder's right to a hearing on the matter. If the permit holder petitions the director for a hearing on the proposed revocation, after giving ten days' notice of the time and place

of the hearing in accordance with section 17A.18, subsection 3, the matter may be heard and a decision rendered. The director may restore permits after revocation. The director shall adopt rules setting forth the period of time a depositor must wait before a permit may be restored or a new permit may be issued. The waiting period shall not exceed ninety days from the date of the revocation of the permit.

89 Acts, ch 131, §17

**424.6 Exemption certificates for receivers of petroleum underground storage tanks not subject to financial responsibility rules.**

1. *a.* The department of natural resources shall issue an exemption certificate in the form prescribed by the director of the department of natural resources to an applicant who is an owner or operator of a petroleum underground storage tank which is exempt, deferred, or excluded from regulation under chapter 455G, for that tank. The director of the department of natural resources shall revoke and require the return of an exemption certificate if the petroleum underground storage tank later becomes subject to chapter 455G pursuant to section 455G.1. A tank is subject to chapter 455G when the federal regulation subjecting that tank to financial responsibility becomes effective and not upon the effective compliance date unless the effective compliance date is the effective date of the regulation.

*b.* The department shall permit a credit against the charge due from a person operating an eligible underground bulk storage facility equal to the total volume of petroleum transferred or sold from a tank in bulk quantities and delivered to a person for deposit in a tank which is exempt, deferred, or excluded pursuant to this subsection, multiplied by the diminution rate multiplied by the cost factor, subject to rules adopted by the board. *"Bulk quantities"* as used in this paragraph means at least a portion of a standard tanker truck load. *"Eligible underground bulk storage facility"* means an underground bulk storage facility in operation on or before January 1, 1990.

2. Liability for the charge is upon the depositor and the receiver unless the depositor takes in good faith from the receiver a valid exemption certificate and records the exemption certificate number and related transaction information required by the director and submits such information as part of the environmental protection charge return. If petroleum is deposited into a tank, pursuant to a valid exemption certificate which is taken in good faith by the depositor, and the receiver is liable for the charge, the receiver is solely liable for the charge and shall remit the charge directly to the department and this chapter applies to that receiver as if the receiver were a depositor.

3. A valid exemption certificate is an exemption certificate which is complete and correct according to the requirements of the director of the department of natural resources.

4. A valid exemption certificate is taken in good faith by the depositor when the depositor has exercised that caution and diligence which honest persons of ordinary prudence would exercise in handling their own business affairs, and includes an honesty of intention and freedom from knowledge of circumstances which ought to put one upon inquiry as to the facts. A depositor has constructive notice of the classes of exempt, deferred, or excluded tanks. In order for a depositor to take a valid exemption certificate in good faith, the depositor must exercise reasonable prudence to determine the facts supporting the valid exemption certificate, and if any facts upon such certificate would lead a reasonable person to further inquiry, then such inquiry must be made with an honest intent to discover the facts.

5. If the circumstances change and the tank becomes subject to financial responsibility regulations, the tank owner or operator is liable solely for the charges and shall remit the charges directly to the department of revenue pursuant to this chapter.

6. The board may waive the requirement for an exemption certificate for one or more classes of exempt, deferred, or excluded tanks, if in the board's judgment an exemption certificate is not required for effective and efficient collection of the charge. If an exemption certificate is not required for a class pursuant to this subsection, the depositor shall maintain and file such records and information as may be required by the director regarding deposits into a tank subject to the waiver.

89 Acts, ch 131, §18; 90 Acts, ch 1235, §12; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §143

Referred to in §424.8

**424.7 Deposit of moneys — filing of environmental protection charge return.**

1. A depositor shall, on or before the last day of the month following the close of each calendar quarter during which the depositor is or has become or ceased being subject to the provisions of section 424.3, make, sign, and file an environmental protection charge return for that calendar quarter in such form as may be required by the director. The return shall show information relating to the volume of petroleum deposited into tanks subject to the charge, and any claimed exemptions or exclusions from the charge, a calculation of charges due, and such other information for the period covered by the return as may be required by the director. The depositor may be granted an extension of time not exceeding thirty days for filing a quarterly return, upon a proper showing of necessity. If an extension is granted, the depositor shall have paid by the thirtieth day of the month following the close of the quarter ninety percent of the estimated charges due.

2. If necessary or advisable in order to ensure the payment of the charge imposed by this chapter, the director may require returns and payment of the charge to be made for other than quarterly periods.

3. Returns shall be signed by the depositor or the depositor's duly authorized agent, and must be duly certified by the depositor to be correct.

4. Upon receipt of a payment pursuant to this chapter, the department shall deposit the moneys into the road use tax fund created in section 312.1.

5. The director may require by rule that reports and returns be filed by electronic transmission.

89 Acts, ch 131, §19; 90 Acts, ch 1235, §13; 2005 Acts, ch 140, §50

**424.8 Payment of environmental protection charge.**

1. The charge levied under this chapter is due and payable in calendar quarterly installments on or before the last day of the month following each quarterly period except as otherwise provided in this section.

2. Every permit holder at the time of making the return required hereunder, shall compute and pay to the department the charges due for the preceding period.

3. *a.* If a receiver fails to pay charges imposed by this chapter to the depositor required to collect the charge, then in addition to all of the rights, obligations, and remedies provided, the charge is payable by the receiver directly to the department, and this chapter applies to the receiver as if the receiver were a depositor.

*b.* If a depositor subject to this chapter sells the depositor's business or stock of petroleum or quits the business, the depositor shall prepare a final return and pay all charges due within the time required by law. The immediate successor to the depositor, if any, shall withhold a sufficient amount of the purchase price, in money or money's worth, to pay the amount of delinquent charge, interest, or penalty due and unpaid. If the immediate successor of the business or stock of petroleum intentionally fails to withhold the amount due from the purchase price as provided in this paragraph, the immediate successor is personally liable for the payment of the delinquent charges, interest, and penalty accrued and unpaid on account of the operation of the business by the immediate predecessor depositor, except when the purchase is made in good faith as provided in section 424.6. However, a person foreclosing on a valid security interest or retaking possession of premises under a valid lease is not an "*immediate successor*" for purposes of this paragraph. The department may waive the liability of the immediate successor under this paragraph if the immediate successor exercised good faith in establishing the amount of the previous liability.

89 Acts, ch 131, §20

**424.9 Bond for environmental protection charge collection.**

The director, when necessary and advisable in order to secure the collection of the environmental protection charge imposed by section 424.3, may require a depositor to file a bond with the director. The bond shall assure collection by the department of the amount of the charge required to be collected or the amount actually collected by the depositor required to file the bond, whichever is greater. The bond shall be issued by a surety company authorized to conduct business in this state and approved by the commissioner of insurance

as to solvency and responsibility, in an amount as the director may fix, to secure the payment of the charge, and penalty due or which may become due. In lieu of the bond, securities or cash shall be kept in the custody of the department and securities may be sold by the director at public or private sale, without notice to the depositor, if it becomes necessary to do so in order to recover any charge and penalty due. Upon a sale, any surplus above the amounts due under this section shall be returned to the person who deposited the securities.

89 Acts, ch 131, §21

**424.10 Failure to file return — incorrect return.**

1. As soon as practicable after a return is filed and in any event within three years after the return is filed the department shall examine it, assess and determine the charge due if the return is found to be incorrect, and give notice to the depositor of the assessment and determination as provided in subsection 2. The period for the examination and determination of the correct amount of the charge is unlimited in the case of a false or fraudulent return made with the intent to evade the charge or in the case of a failure to file a return. If the determination that a return is incorrect is the result of an audit of the books and records of the depositor, the charge, or additional charge, if any is found due, shall be assessed and determined and the notice to the depositor shall be given by the department within one year after the completion of the examination of the books and records.

2. *a.* If a return required by this chapter is not filed, or if a return when filed is incorrect or insufficient, the department shall determine the amount of charge due from information as the department may be able to obtain and, if necessary, may estimate the charge on the basis of external indices or factors. The department shall give notice of the determination to the person liable for the charge. The determination shall fix the charge unless the person against whom it is assessed shall, within sixty days after the date of the notice of the determination, apply to the director for a hearing or unless the person against whom it is assessed contests the determination by paying the charge, interest, and penalty and timely filing a claim for refund. At the hearing evidence may be offered to support the determination or to prove that it is incorrect. After the hearing the director shall give notice of the decision to the person liable for the charge.

*b.* If a depositor's, receiver's, or other person's challenge relates to the diminution rate, the burden of proof upon the challenger shall only be satisfied by clear and convincing evidence.

3. If the amount paid is greater than the correct charge, penalty, and interest due, the department shall refund the excess, with interest, pursuant to rules prescribed by the director. However, the director shall not allow a claim for refund that has not been filed with the department within three years after the charge payment upon which a refund is claimed became due, or one year after the charge payment was made, whichever time is later. A determination by the department of the amount of charge, penalty, and interest due, or the amount of refund for any excess amount paid, is final unless the person aggrieved by the determination appeals to the director for a revision of the determination within sixty days from the date of the notice of determination of charge, penalty, and interest due or refund owing. The director shall grant a hearing, and upon hearing the director shall determine the correct charge, penalty, and interest due or refund owing, and notify the appellant of the decision by mail. The decision of the director is final unless the appellant seeks judicial review of the director's decision under section 424.13.

89 Acts, ch 131, §22; 94 Acts, ch 1133, §8, 16; 99 Acts, ch 151, §40, 89; 2001 Acts, ch 116, §18; 2001 Acts, ch 150, §8; 2005 Acts, ch 140, §51; 2011 Acts, ch 25, §143; 2013 Acts, ch 110, §3

Subsection 2, paragraph a amended

**424.11 Environmental protection charge lien — collection — action authorized.**

1. *a.* Whenever a person liable to pay a charge refuses or neglects to pay the charge, the amount, including any interest, penalty, or addition to the charge, together with the costs that may accrue in addition thereto, shall be a lien in favor of the state upon all property and rights to property, whether real or personal, belonging to that person.

*b.* The environmental protection charge lien shall attach at the time the charge becomes

due and payable and shall continue for ten years from the time the lien attaches unless sooner released or otherwise discharged. The lien may be extended, within ten years from the date the lien attaches, by filing for record a notice with the appropriate county official of the appropriate county and from the time of such filing, the lien shall be extended to the property in such county for ten years, unless sooner released or otherwise discharged, with no limit on the number of extensions. The director shall charge off any account whose lien is allowed to lapse and may charge off any account and release the corresponding lien before the lien has lapsed if the director determines under uniform rules adopted by the board that the account is uncollectible or collection costs involved would not warrant collection of the amount due.

2. *a.* In order to preserve the lien against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, on any property situated in a county, the director shall file with the recorder of the county in which the property is located a notice of the lien.

*b.* The recorder shall endorse on each notice of lien the day, hour, and minute when filed for recording and the document reference number, and shall preserve the notice. The recorder shall also immediately index the notice and record the lien in the manner provided for recording real estate mortgages. The lien is effective from the time of its indexing.

*c.* The department shall pay recording fees as provided in section 331.604, for the recording of the lien, or for its satisfaction.

3. Upon the payment of a charge as to which the director has filed notice with a county recorder, the director shall immediately file with the recorder a satisfaction of the charge and the recorder shall enter the satisfaction on the notice on file in the recorder's office and indicate that fact on the index.

4. *a.* The department shall proceed, substantially as provided in this chapter, to collect all charges and penalties as soon as practicable after the same become delinquent, except that no property of the depositor shall be exempt from the payment of the charge. In the event service has not been made on a distress warrant by the officer to whom addressed within five days from the date the distress warrant was received by the officer, the authorized revenue agents of the department are hereby empowered to serve and make return of the warrant to the clerk of the district court of the county named in the distress warrant, and all subsequent procedure shall be in compliance with chapter 626.

*b.* The attorney general shall, upon the request of the director, bring an action at law or in equity, as the facts may justify, without bond, to enforce payment of any charges and penalties, and in such action the attorney general shall have the assistance of the county attorney of the county in which the action is pending.

5. It is expressly provided that the foregoing remedies of the state shall be cumulative and that no action taken by the director or attorney general shall be construed to be an election on the part of the state or any of its officers to pursue any remedy hereunder to the exclusion of any other remedy provided by law.

89 Acts, ch 131, §23; 2002 Acts, ch 1113, §7, 8; 2009 Acts, ch 27, §15
Referred to in §455B.302, 455B.392, 455G.9, 455G.13

**424.12 Records required.**

It is the duty of every depositor required to make a report and pay any charge under this chapter, to preserve such records as the director may require, and it is the duty of every depositor to preserve for a period of three years all invoices and other records; and all such books, invoices, and other records shall be open to examination at any time by the department, and shall be made available within this state for examination upon reasonable notice when the director shall so order. When requested to do so by any person from whom a charge payer is seeking credit, or with whom the charge payer is negotiating the sale of any personal property, or by any other person having a legitimate interest in such information, the director, upon being satisfied that such a situation exists, shall inform that person as to the amount of unpaid charges due by the charge payer under this chapter. The giving of information under such circumstances shall not be deemed a violation of section 422.72 as applied to this chapter.

Section 422.72 applies to this chapter as if the environmental protection charge were a tax.
89 Acts, ch 131, §24; 2001 Acts, ch 150, §9

**424.13 Judicial review.**

1. Judicial review of contested cases under this chapter may be sought in accordance with chapter 17A.

2. For cause and upon a showing by the director that collection of the charge in dispute is in doubt, the court may order the petitioner to file with the clerk a bond for the use of the respondent, with sureties approved by the clerk, in the amount of the charge appealed from, conditioned that the petitioner shall perform the orders of the court.

3. An appeal may be taken by the charge payer or the director to the supreme court of this state irrespective of the amount involved.

89 Acts, ch 131, §25; 95 Acts, ch 83, §18; 2001 Acts, ch 116, §19
Referred to in §424.10

**424.14** Reserved.

**424.15 Environmental protection charge refund.**

If it appears that, as a result of mistake, an amount of a charge, penalty, or interest has been paid which was not due under this chapter, then that amount shall be refunded to the charge payer by the department. A claim for refund that has not been filed with the department within three years after the charge payment upon which a refund is claimed became due, or one year after that charge payment was made, whichever time is the later, shall not be allowed by the director.

Refunds may be made only from the unallocated or uncommitted moneys in the road use tax fund, and are limited by the total amount budgeted by the board for charge refunds.

89 Acts, ch 131, §26; 90 Acts, ch 1235, §14; 2001 Acts, ch 150, §10
Referred to in §455G.3

**424.16 Notice of change in diminution rate — service of notice.**

1. *a.* The board shall notify each person who has previously filed an environmental protection charge return, and any other person known to the board who will owe the charge at any address obtainable for that person, at least thirty days in advance of the start of any calendar quarter during which an administrative change in the cost factor, pursuant to section 424.3, subsection 5, becomes effective.

*b.* Notice shall be provided by mailing a notice of the change to the address listed on the person's last return. The mailing of the notice is presumptive evidence of the receipt of the notice by the person to whom addressed. The board shall also publish the same notice at least twice in a paper of general circulation within the state at least thirty days in advance of the first day of the calendar quarter during which a change in paragraph "*a*" becomes effective.

2. A notice authorized or required under this section may be given by mailing the notice to the person for whom it is intended, addressed to that person at the address given in the last return filed by the person pursuant to this chapter, or if no return has been filed, then to any address obtainable. The mailing of the notice is presumptive evidence of the receipt of the notice by the person to whom addressed. Any period of time which is determined according to this chapter by the giving of notice commences to run from the date of mailing of the notice. Neither mailed notice nor notice by publication is required for the initial determination and imposition of the charge. The board shall undertake to provide reasonable notice of the environmental protection charge and procedures, as in the board's sole discretion it deems appropriate, provided that the actual charge and procedures are published in the Iowa administrative bulletin prior to the effective date of the charge.

3. The provisions of the Code relative to the limitation of time for the enforcement of a civil remedy shall not apply to any proceeding or action taken to levy, appraise, assess, determine, or enforce the collection of any charge or penalty provided by this chapter.

89 Acts, ch 131, §27; 90 Acts, ch 1235, §15; 2009 Acts, ch 41, §127; 2010 Acts, ch 1061, §57

**424.17 Penalties — offenses — limitation.**

1. In addition to the charge or additional charge, the charge payer shall pay a penalty as provided in section 421.27. The charge payer shall also pay interest on the charge or additional charge at the rate in effect under section 421.7 for each month counting each fraction of a month as an entire month, computed from the date the return was required to be filed. The penalty and interest shall be paid to the department and disposed of in the same manner as the charge imposed under this chapter. Unpaid penalties and interest may be enforced in the same manner as the charge imposed by this chapter.

2. A person who willfully attempts to evade a charge imposed by this chapter or the payment of the charge or a person who makes or causes to be made a false or fraudulent return with intent to evade the charge imposed by this chapter or the payment of the charge is guilty of a class "D" felony.

3. The certificate of the director to the effect that a charge has not been paid, that a return has not been filed, or that information has not been supplied pursuant to this chapter, shall be prima facie evidence thereof.

4. A prosecution for an offense specified in this section shall be commenced within six years after its commission.

89 Acts, ch 131, §28; 90 Acts, ch 1168, §47; 90 Acts, ch 1172, §12; 99 Acts, ch 152, §12, 40

**424.18 Effective date.**

The environmental protection charge is imposed beginning July 1, 1989. For all deposits subject to the charge made on or after July 1, 1989, the depositor and receiver are obligated to pay the charge as provided in this chapter.

89 Acts, ch 131, §29; 97 Acts, ch 23, §47

**424.19 Future repeal.**

This chapter is repealed effective June 30, 2016.

2003 Acts, ch 110, §1; 2004 Acts, ch 1175, §46, 48

Referred to in §455G.9

# SUBTITLE 2

## PROPERTY TAXES

Referred to in §15E.204

# CHAPTER 425

## HOMESTEAD TAX CREDITS AND REIMBURSEMENT

Referred to in §100.18, 321.1, 331.512

For requirements relating to state funding of property tax credits, see §25B.7


DIVISION I

HOMESTEAD TAX CREDITS

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PROPERTY TAX CREDIT OR RENT REIMBURSEMENT FOR ELDERLY AND DISABLED

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## DIVISION I

## HOMESTEAD TAX CREDITS

**425.1 Homestead credit fund — apportionment — payment.**

1. *a.* A homestead credit fund is created. There is appropriated annually from the general fund of the state to the department of revenue to be credited to the homestead credit fund, an amount sufficient to implement this chapter.

*b.* The director of the department of administrative services shall issue warrants on the homestead credit fund payable to the county treasurers of the several counties of the state under this chapter.

2. The homestead credit fund shall be apportioned each year so as to give a credit against the tax on each eligible homestead in the state in an amount equal to the actual levy on the first four thousand eight hundred fifty dollars of actual value for each homestead.

3. The amount due each county shall be paid in two payments on November 15 and March 15 of each fiscal year, drawn upon warrants payable to the respective county treasurers. The two payments shall be as nearly equal as possible.

4. Annually the department of revenue shall certify to the county auditor of each county the credit and its amount in dollars. Each county auditor shall then enter the credit against the tax levied on each eligible homestead in each county payable during the ensuing year, designating on the tax lists the credit as being from the homestead credit fund, and credit shall then be given to the several taxing districts in which eligible homesteads are located in an amount equal to the credits allowed on the taxes of the homesteads. The amount of credits shall be apportioned by each county treasurer to the several taxing districts as provided by law, in the same manner as though the amount of the credit had been paid by the owners of the homesteads. However, the several taxing districts shall not draw the funds so credited until after the semiannual allocations have been received by the county treasurer, as provided in this chapter. Each county treasurer shall show on each tax receipt the amount of credit received from the homestead credit fund.

5. If the homestead tax credit computed under this section is less than sixty-two dollars and fifty cents, the amount of homestead tax credit on that eligible homestead shall be sixty-two dollars and fifty cents subject to the limitation imposed in this section.

6. The homestead tax credit allowed in this chapter shall not exceed the actual amount of taxes payable on the eligible homestead, exclusive of any special assessments levied against the homestead.

[C35, §6943-f63, -f64; C39, §**6943.100, 6943.142;** C46, §422.69, 425.1; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.1; 82 Acts, ch 1186, §2, 5]

83 Acts, ch 172, §3; 86 Acts, ch 1244, §50; 91 Acts, ch 97, §48; 2003 Acts, ch 145, §258, 286; 2005 Acts, ch 140, §52; 2011 Acts, ch 25, §143

Referred to in §25B.7, 216.12, 404.3, 425.16, 425.17, 425.23, 441.21, 441.73

**425.2 Qualifying for credit.**

A person who wishes to qualify for the credit allowed under this chapter shall obtain the appropriate forms for filing for the credit from the assessor. The person claiming the credit shall file a verified statement and designation of homestead with the assessor for the year for which the person is first claiming the credit. The claim shall be filed not later than July 1 of the year for which the person is claiming the credit. A claim filed after July 1 of the year for which the person is claiming the credit shall be considered as a claim filed for the following year.

Upon the filing and allowance of the claim, the claim shall be allowed on that homestead for successive years without further filing as long as the property is legally or equitably owned and used as a homestead by that person or that person's spouse on July 1 of each of those successive years, and the owner of the property being claimed as a homestead declares residency in Iowa for purposes of income taxation, and the property is occupied by that person or that person's spouse for at least six months in each of those calendar years in which the fiscal year begins. When the property is sold or transferred, the buyer or transferee who wishes to qualify shall refile for the credit. However, when the property is transferred as part of a distribution made pursuant to chapter 598, the transferee who is the spouse retaining ownership of the property is not required to refile for the credit. Property divided pursuant to chapter 598 shall not be modified following the division of the property. An owner who ceases to use a property for a homestead or intends not to use it as a homestead for at least six months in a calendar year shall provide written notice to the assessor by July 1 following the date on which the use is changed. A person who sells or transfers a homestead or the personal representative of a deceased person who had a homestead at the time of death, shall provide written notice to the assessor that the property is no longer the homestead of the former claimant.

In case the owner of the homestead is in active service in the armed forces of this state or of the United States, or is sixty-five years of age or older, or is disabled, the statement and designation may be signed and delivered by any member of the owner's family, by the owner's guardian or conservator, or by any other person who may represent the owner under

power of attorney. If the owner of the homestead is married, the spouse may sign and deliver the statement and designation. The director of human services or the director's designee may make application for the benefits of this chapter as the agent for and on behalf of persons receiving assistance under chapter 249.

Any person sixty-five years of age or older or any person who is disabled may request, in writing, from the appropriate assessor forms for filing for homestead tax credit. Any person sixty-five years of age or older or who is disabled may complete the form, which shall include a statement of homestead, and mail or return it to the appropriate assessor. The signature of the claimant on the statement shall be considered the claimant's acknowledgment that all statements and facts entered on the form are correct to the best of the claimant's knowledge.

Upon adoption of a resolution by the county board of supervisors, any person may request, in writing, from the appropriate assessor forms for the filing for homestead tax credit. The person may complete the form, which shall include a statement of homestead, and mail or return it to the appropriate assessor. The signature of the claimant on the statement of homestead shall be considered the claimant's acknowledgment that all statements and facts entered on the form are correct to the best of the claimant's knowledge.

[C39, §**6943.143;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.2; 82 Acts, ch 1246, §1, 11]

83 Acts, ch 96, §157, 159; 86 Acts, ch 1109, §1; 87 Acts, ch 198, §2; 88 Acts, ch 1141, §1; 89 Acts, ch 256, §1; 90 Acts, ch 1087, §1; 91 Acts, ch 97, §49; 92 Acts, ch 1073, §9; 94 Acts, ch 1143, §1; 97 Acts, ch 206, §6

Referred to in §25B.7, 331.401, 425.7, 425.11, 435.26

**425.3 Verification of claims for homestead credit.**

The assessor shall retain a permanent file of current homestead claims filed in the assessor's office. The assessor shall file a notice of transfer of property for which a claim is filed when notice is received from the office of the county recorder.

The county recorder shall give notice to the assessor of each transfer of title filed in the recorder's office. The notice shall describe the property transferred, the name of the person transferring the title to the property, and the name of the person to whom title to the property has been transferred.

Not later than July 6 of each year, the assessor shall remit the statements and designation of homesteads to the county auditor with the assessor's recommendation for allowance or disallowance. If the assessor recommends disallowance of a claim, the assessor shall submit the reasons for the recommendation, in writing, to the county auditor.

The county auditor shall forward the claims to the board of supervisors. The board shall allow or disallow the claims. If the board disallows a claim, it shall send written notice, by mail, to the claimant at the claimant's last known address. The notice shall state the reasons for disallowing the claim for the credit. The board is not required to send notice that a claim is disallowed if the claimant voluntarily withdraws the claim.

[C39, §**6943.144;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.3; 82 Acts, ch 1246, §2, 11]

86 Acts, ch 1241, §32; 94 Acts, ch 1144, §1

Referred to in §25B.7, 331.401

**425.4 Certification to treasurer.**

All claims which have been allowed by the board of supervisors shall be certified on or before August 1, in each year, by the county auditor to the county treasurer, which certificates shall list the total amount of dollars, listed by taxing district in the county, due for homestead tax credits claimed and allowed. The county treasurer shall forthwith certify to the department of revenue the total amount of dollars, listed by taxing district in the county, due for homestead tax credits claimed and allowed.

[C39, §**6943.145;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.4]

2003 Acts, ch 145, §286

Referred to in §25B.7, 331.559

**425.5 Correcting listing.**

If the assessor who last listed and valued a claimed eligible homestead did not, in the description and valuation thereof, comply with the provisions of section 428.7, the assessor shall, if still in office, on the written request of such claimant and without expense to the claimant or to the county, correct the listing and valuations of such claimed homestead and contiguous real property originally listed and valued by the assessor, and file such corrected listing and valuations with the county auditor, who forthwith shall certify the same to the county treasurer, and said county treasurer shall so correct the tax books; provided, that if the assessor who last listed and valued such property is not still in office, the assessor in office shall, on such written request and at the expense of the county, so correct such listing and valuations of said homestead and said contiguous real property.

[C39, §**6943.146;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.5]

Referred to in §25B.7, 331.559

**425.6 Waiver by neglect.**

If a person fails to file a claim or to have a claim on file with the assessor for the credits provided in this chapter, the person is deemed to have waived the homestead credit for the year in which the person failed to file the claim or to have a claim on file with the assessor.

[C39, §**6943.147;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.6; 82 Acts, ch 1246, §3, 11]

Referred to in §25B.7

**425.7 Appeals permitted — disallowed claims and penalty.**

1. Any person whose claim is denied under the provisions of this chapter may appeal from the action of the board of supervisors to the district court of the county in which said claimed homestead is situated by giving written notice of such appeal to the county auditor of said county within twenty days from the date of mailing of notice of such action by the board of supervisors.

2. In the event any claim under this chapter is allowed, any owner of an eligible homestead may appeal from the action of the board of supervisors to the district court of the county in which said claimed homestead is situated, by giving written notice of such appeal to the county auditor of said county and such notice to the owner of said claimed homestead as a judge of the district court shall direct.

3. *a.* If the director of revenue determines that a claim for homestead credit has been allowed by the board of supervisors which is not justifiable under the law and not substantiated by proper facts, the director may, at any time within thirty-six months from July 1 of the year in which the claim is allowed, set aside the allowance. Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or board of supervisors may appeal to the state board of tax review pursuant to section 421.1, subsection 5. The claimant or the board of supervisors may seek judicial review of the action of the state board of tax review in accordance with chapter 17A.

*b.* If a claim is disallowed by the director of revenue and not appealed to the state board of tax review or appealed to the state board of tax review and thereafter upheld upon final resolution, including any judicial review, any amounts of credits allowed and paid from the homestead credit fund including the penalty, if any, become a lien upon the property on which credit was originally granted, if still in the hands of the claimant, and not in the hands of a bona fide purchaser, and any amount so erroneously paid including the penalty, if any, shall be collected by the county treasurer in the same manner as other taxes and the collections shall be returned to the department of revenue and credited to the homestead credit fund. The director of revenue may institute legal proceedings against a homestead credit claimant for the collection of payments made on disallowed credits and the penalty, if any. If a person makes a false claim or affidavit with fraudulent intent to obtain the homestead credit, the person is guilty of a fraudulent practice and the claim shall be disallowed in full. If the credit has been paid, the amount of the credit plus a penalty equal to twenty-five percent of the

amount of credit plus interest, at the rate in effect under section 421.7, from the time of payment shall be collected by the county treasurer in the same manner as other property taxes, penalty, and interest are collected and when collected shall be paid to the director of revenue. If a homestead credit is disallowed and the claimant failed to give written notice to the assessor as required by section 425.2 when the property ceased to be used as a homestead by the claimant, a civil penalty equal to five percent of the amount of the disallowed credit is assessed against the claimant.

[C39, §**6943.148;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.7; 82 Acts, ch 1246, §4, 11]

89 Acts, ch 251, §33; 97 Acts, ch 158, §26; 2001 Acts, ch 154, §1, 6; 2002 Acts, ch 1151, §15; 2003 Acts, ch 145, §286; 2006 Acts, ch 1010, §106; 2011 Acts, ch 25, §143

Referred to in §25B.7, 331.559

Fraudulent practices; §714.8 – 714.14

**425.8 Forms — rules.**

The director of revenue shall prescribe the form for the making of verified statement and designation of homestead, the form for the supporting affidavits required herein, and such other forms as may be necessary for the proper administration of this chapter. Whenever necessary, the department of revenue shall forward to the county auditors of the several counties in the state the prescribed sample forms, and the county auditors shall furnish blank forms prepared in accordance therewith with the assessment rolls, books, and supplies delivered to the assessors. The department of revenue shall prescribe and the county auditors shall provide on the forms for claiming the homestead credit a statement to the effect that the owner realizes that the owner must give written notice to the assessor when the owner changes the use of the property.

The director of revenue may prescribe rules, not inconsistent with the provisions of this chapter, necessary to carry out and effectuate its purposes.

[C39, §**6943.149;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.8; 82 Acts, ch 1246, §5, 11]

2003 Acts, ch 145, §286

Referred to in §25B.7

**425.9 Credits in excess of tax — appeals — refunds.**

If the amount of credit apportioned to any homestead under the provisions of this chapter in any year shall exceed the total tax, exclusive of any special assessments levied against said homestead, then such excess shall be remitted by the county treasurer to the department of revenue to be redeposited in the homestead credit fund and be reallocated the following year by the department as provided hereunder.

If any claim for credit made hereunder has been denied by the board of supervisors, and such action is subsequently reversed on appeal, the credit shall be allowed on the homestead involved in said appeal, and the director of revenue, the county auditor, and the county treasurer shall make such credit and change their books and records accordingly.

In the event the appealing taxpayer has paid one or both of the installments of the tax payable in the year or years in question on such homestead valuation, remittance shall be made to such taxpayer of the amount of such credit.

The amount of such credit shall be allocated and paid from the surplus redeposited in the homestead credit fund provided for in the first paragraph of this section.

[C39, §**6943.150;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.9]

2003 Acts, ch 145, §286

Referred to in §25B.7, 331.559

**425.10 Reversal of allowed claim.**

In the event any claim is allowed, and subsequently reversed on appeal, any credit made thereunder shall be void, and the amount of such credit shall be charged against the property in question, and the director of revenue, the county auditor, and the county treasurer are authorized and directed to correct their books and records accordingly. The amount of such

erroneous credit, when collected, shall be returned by the county treasurer to the homestead credit fund to be reallocated the following year as provided herein.

[C39, §**6943.151;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.10]

2003 Acts, ch 145, §286

Referred to in §25B.7, 331.559

**425.11 Definitions.**

1. For the purpose of this chapter and wherever used in this chapter:

*a.* *"Assessed valuation"* means the taxable valuation of the homestead as fixed by the assessor, or by the board of review, under the provisions of section 441.21, without deducting therefrom the exemptions authorized in section 426A.11.

*b.* *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer, unless the context otherwise requires, means the county system as defined in section 445.1.

*c.* *"Dwelling house"* shall embrace any building occupied wholly or in part by the claimant as a home.

*d.* *"Homestead"* shall have the following meaning:

(1) The homestead includes the dwelling house which the owner, in good faith, is occupying as a home on July 1 of the year for which the credit is claimed and occupies as a home for at least six months during the calendar year in which the fiscal year begins, except as otherwise provided.

(a) When any person is inducted into active service under the Selective Training and Service Act of the United States or whose voluntary entry into active service results in a credit on the quota of persons required for service under the Selective Training and Service Act, or who, being a member of any component part of the military, naval, or air forces or nurse corps of this state or nation, is called or ordered into active service, such person shall be considered as occupying or living on the homestead during such service and, where equitable or legal title of the homestead is in the spouse of the person who is a member of or is inducted into the armed services of the United States, the spouse shall be considered as occupying or living on the homestead during such service.

(b) When any person is confined in a nursing home, extended-care facility, or hospital, such person shall be considered as occupying or living on a homestead where such person is the owner of such homestead and such person maintains such homestead and does not lease, rent, or otherwise receive profits from other persons for the use thereof.

(2) It may contain one or more contiguous lots or tracts of land with the buildings or other appurtenances thereon habitually, and in good faith, used as a part of the homestead.

(3) It must not embrace more than one dwelling house, but where a homestead has more than one dwelling house situated thereon, the credit provided for in this chapter shall apply to the home and buildings used by the owner, but shall not apply to any other dwelling house and buildings appurtenant.

*e.* *"Owner"* means the person who holds the fee simple title to the homestead, and in addition shall mean the person occupying as a surviving spouse or the person occupying under a contract of purchase which contract has been recorded in the office of the county recorder of the county in which the property is located; or the person occupying the homestead under devise or by operation of the inheritance laws where the whole interest passes or where the divided interest is shared only by persons related or formerly related to each other by blood, marriage or adoption; or the person occupying the homestead is a shareholder of a family farm corporation that owns the property; or the person occupying the homestead under a deed which conveys a divided interest where the divided interest is shared only by persons related or formerly related to each other by blood, marriage or adoption; or where the person occupying the homestead holds a life estate with the reversion interest held by a nonprofit corporation organized under chapter 504, provided that the holder of the life estate is liable for and pays property tax on the homestead; or where the person occupying the homestead holds an interest in a horizontal property regime under chapter 499B, regardless of whether the underlying land committed to the horizontal property regime is in fee or as a leasehold interest, provided that the holder of the interest in

the horizontal property regime is liable for and pays property tax on the homestead; or where the person occupying the homestead is a member of a community land trust as defined in 42 U.S.C. § 12773, regardless of whether the underlying land is in fee or as a leasehold interest, provided that the member of the community land trust is occupying the homestead and is liable for and pays property tax on the homestead. For the purpose of this chapter the word "*owner*" shall be construed to mean a bona fide owner and not one for the purpose only of availing the person of the benefits of this chapter. In order to qualify for the homestead tax credit, evidence of ownership shall be on file in the office of the clerk of the district court or recorded in the office of the county recorder at the time the owner files with the assessor a verified statement of the homestead claimed by the owner as provided in section 425.2.

2. Where not in conflict with the terms of the definitions set out in subsection 1, the provisions of chapter 561 shall control.

[C39, §**6943.152;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.11; 82 Acts, ch 1246, §6, 11]

89 Acts, ch 256, §2; 90 Acts, ch 1087, §2; 90 Acts, ch 1250, §5; 91 Acts, ch 97, §50; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2006 Acts, ch 1158, §56, 69; 2011 Acts, ch 34, §166

Referred to in §25B.7

**425.12 Indian land.**

Each forty acres of land, or fraction thereof, occupied by a member or members of the Sac and Fox Indians in Tama county, which land is held in trust by the secretary of the interior of the United States for said Indians, shall be given a homestead tax credit within the meaning and under the provisions of this chapter. Application for such homestead tax credit shall be made to the county auditor of Tama county and may be made by a representative of the tribal council.

[C39, §**6943.153;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.12]

Referred to in §25B.7

**425.13 Conspiracy to defraud.**

If any two or more persons conspire and confederate together with fraudulent intent to obtain the credit provided for under the terms of this chapter by making a false deed, or a false contract of purchase, they are guilty of a fraudulent practice.

[C39, §**6943.154;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.13]

Referred to in §25B.7

**425.14** Repealed by 2001 Acts, ch 154, § 5, 6. See § 425.7.

**425.15 Disabled veteran tax credit.**

If the owner of a homestead allowed a credit under this chapter is a veteran of any of the military forces of the United States, who acquired the homestead under 38 U.S.C. § 21.801, 21.802, or 38 U.S.C. § 2101, 2102, the credit allowed on the homestead from the homestead credit fund shall be the entire amount of the tax levied on the homestead. The credit allowed shall be continued to the estate of a veteran who is deceased or the surviving spouse and any child, as defined in section 234.1, who are the beneficiaries of a deceased veteran, so long as the surviving spouse remains unmarried. This section is not applicable to the holder of title to any homestead whose annual income, together with that of the titleholder's spouse, if any, for the last preceding twelve-month income tax accounting period exceeds thirty-five thousand dollars. For the purpose of this section "*income*" means taxable income for federal income tax purposes plus income from securities of state and other political subdivisions exempt from federal income tax. A veteran or a beneficiary of a veteran who elects to secure the credit provided in this section is not eligible for any other real property tax exemption provided by law for veterans of military service. If a veteran acquires a different homestead, the credit

allowed under this section may be claimed on the new homestead unless the veteran fails to meet the other requirements of this section.

[C71, 73, 75, 77, 79, 81, §425.15]

90 Acts, ch 1250, §7; 2002 Acts, ch 1151, §16, 36

Referred to in §25B.7

## DIVISION II

## PROPERTY TAX CREDIT OR RENT REIMBURSEMENT FOR ELDERLY AND DISABLED

**425.16 Additional tax credit.**

In addition to the homestead tax credit allowed under section 425.1, subsections 1 to 4, persons who own or rent their homesteads and who meet the qualifications provided in this division are eligible for an extraordinary property tax credit or reimbursement.

[C75, 77, 79, 81, §425.16]

Referred to in §25B.7, 427.9

**425.17 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Base year"* means the calendar year last ending before the claim is filed.

2. *a.* *"Claimant"* means either of the following:

(1) A person filing a claim for credit or reimbursement under this division who has attained the age of sixty-five years on or before December 31 of the base year or who is totally disabled and was totally disabled on or before December 31 of the base year and is domiciled in this state at the time the claim is filed or at the time of the person's death in the case of a claim filed by the executor or administrator of the claimant's estate.

(2) A person filing a claim for credit or reimbursement under this division who has attained the age of twenty-three years on or before December 31 of the base year or was a head of household on December 31 of the base year, as defined in the Internal Revenue Code, but has not attained the age or disability status described in paragraph *"a"*, subparagraph (1), and is domiciled in this state at the time the claim is filed or at the time of the person's death in the case of a claim filed by the executor or administrator of the claimant's estate, and was not claimed as a dependent on any other person's tax return for the base year.

*b.* *"Claimant"* under paragraph *"a"*, subparagraph (1) or (2), includes a vendee in possession under a contract for deed and may include one or more joint tenants or tenants in common. In the case of a claim for rent constituting property taxes paid, the claimant shall have rented the property during any part of the base year. In the case of a claim for property taxes due, the claimant shall have occupied the property during any part of the fiscal year beginning July 1 of the base year. If a homestead is occupied by two or more persons, and more than one person is able to qualify as a claimant, the persons may each file a claim based upon each person's income and rent constituting property taxes paid or property taxes due.

3. *"Gross rent"* means rental paid at arm's length for the right of occupancy of a homestead or manufactured or mobile home, including rent for space occupied by a manufactured or mobile home not to exceed one acre. If the director of revenue determines that the landlord and tenant have not dealt with each other at arm's length, and the director of revenue is satisfied that the gross rent charged was excessive, the director shall adjust the gross rent to a reasonable amount as determined by the director.

4. *"Homestead"* means the dwelling owned or rented and actually used as a home by the claimant during the period specified in subsection 2, and so much of the land surrounding it including one or more contiguous lots or tracts of land, as is reasonably necessary for use of the dwelling as a home, and may consist of a part of a multidwelling or multipurpose building and a part of the land upon which it is built. It does not include personal property except that a manufactured or mobile home may be a homestead. Any dwelling or a part of a multidwelling or multipurpose building which is exempt from taxation does not qualify as a

homestead under this division. However, solely for purposes of claimants living in a property and receiving reimbursement for rent constituting property taxes paid immediately before the property becomes tax exempt, and continuing to live in it after it becomes tax exempt, the property shall continue to be classified as a homestead. A homestead must be located in this state. When a person is confined in a nursing home, extended-care facility, or hospital, the person shall be considered as occupying or living in the person's homestead if the person is the owner of the homestead and the person maintains the homestead and does not lease, rent, or otherwise receive profits from other persons for the use of the homestead.

5. *"Household"* means a claimant and the claimant's spouse if living with the claimant at any time during the base year. *"Living with"* refers to domicile and does not include a temporary visit.

6. *"Household income"* means all income of the claimant and the claimant's spouse in a household and actual monetary contributions received from any other person living with the claimant during their respective twelve-month income tax accounting periods ending with or during the base year.

7. *"Income"* means the sum of Iowa net income as defined in section 422.7, plus all of the following to the extent not already included in Iowa net income: capital gains, alimony, child support money, cash public assistance and relief, except property tax relief granted under this division, amount of in-kind assistance for housing expenses, the gross amount of any pension or annuity, including but not limited to railroad retirement benefits, payments received under the federal Social Security Act, except child insurance benefits received by a member of the claimant's household, and all military retirement and veterans' disability pensions, interest received from the state or federal government or any of its instrumentalities, workers' compensation and the gross amount of disability income or "loss of time" insurance. *"Income"* does not include gifts from nongovernmental sources, or surplus foods or other relief in kind supplied by a governmental agency. In determining income, net operating losses and net capital losses shall not be considered.

8. *"Property taxes due"* means property taxes including any special assessments, but exclusive of delinquent interest and charges for services, due on a claimant's homestead in this state, but includes only property taxes for which the claimant is liable and which will actually be paid by the claimant. However, if the claimant is a person whose property taxes have been suspended under sections 427.8 and 427.9, *"property taxes due"* means property taxes including any special assessments, but exclusive of delinquent interest and charges for services, due on a claimant's homestead in this state, but includes only property taxes for which the claimant is liable and which would have to be paid by the claimant if the payment of the taxes has not been suspended pursuant to sections 427.8 and 427.9. *"Property taxes due"* shall be computed with no deduction for any credit under this division or for any homestead credit allowed under section 425.1. Each claim shall be based upon the taxes due during the fiscal year next following the base year. If a homestead is owned by two or more persons as joint tenants or tenants in common, and one or more persons are not members of claimant's household, *"property taxes due"* is that part of property taxes due on the homestead which equals the ownership percentage of the claimant and the claimant's household. The county treasurer shall include with the tax receipt a statement that if the owner of the property is eighteen years of age or over, the person may be eligible for the credit allowed under this division. If a homestead is an integral part of a farm, the claimant may use the total property taxes due for the larger unit. If a homestead is an integral part of a multidwelling or multipurpose building the property taxes due for the purpose of this subsection shall be prorated to reflect the portion which the value of the property that the household occupies as its homestead is to the value of the entire structure. For purposes of this subsection, *"unit"* refers to that parcel of property covered by a single tax statement of which the homestead is a part.

9. *"Rent constituting property taxes paid"* means twenty-three percent of the gross rent actually paid in cash or its equivalent during the base year by the claimant or the claimant's household solely for the right of occupancy of their homestead in the base year, and which rent constitutes the basis, in the succeeding year, of a claim for reimbursement under this division by the claimant.

10. *"Special assessment"* means an unpaid special assessment certified pursuant to chapter 384, division IV. The claimant may include as a portion of the taxes due during the fiscal year next following the base year an amount equal to the unpaid special assessment installment due, plus interest, during the fiscal year next following the base year.

11. *"Totally disabled"* means the inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or is reasonably expected to last for a continuous period of not less than twelve months.

[C75, 77, 79, 81, §425.17; 82 Acts, ch 1214, §1, 2, 4]

88 Acts, ch 1139, §2, 3; 89 Acts, ch 233, §1; 90 Acts, ch 1250, §6; 91 Acts, ch 191, §19, 124; 92 Acts, ch 1016, §41; 92 Acts, 2nd Ex, ch 1001, §220, 225; 93 Acts, ch 156, §1, 2; 93 Acts, ch 180, §4, 15, 16, 22, 23; 94 Acts, ch 1125, §1, 2, 5; 94 Acts, ch 1165, §26, 50; 99 Acts, ch 152, §13, 40; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §89

Referred to in §25B.7, 425.23, 425.39, 427.9, 435.22

**425.18 Right to file a claim.**

The right to file a claim for reimbursement or credit under this division may be exercised by the claimant or on behalf of a claimant by the claimant's legal guardian, spouse, or attorney, or by the executor or administrator of the claimant's estate. If a claimant dies after having filed a claim for reimbursement for rent constituting property taxes paid, the amount of the reimbursement may be paid to another member of the household as determined by the director. If the claimant was the only member of the household, the reimbursement may be paid to the claimant's executor or administrator, but if neither is appointed and qualified within one year from the date of the filing of the claim, the reimbursement shall escheat to the state. If a claimant dies after having filed a claim for credit for property taxes due, the amount of credit shall be paid as if the claimant had not died.

[C75, 77, 79, 81, §425.18; 82 Acts, ch 1214, §3, 4]

83 Acts, ch 111, §1, 4

Referred to in §25B.7, 427.9

**425.19 Claim and credit or reimbursement.**

Subject to the limitations provided in this division, a claimant may annually claim a credit for property taxes due during the fiscal year next following the base year or claim a reimbursement for rent constituting property taxes paid in the base year. The amount of the credit for property taxes due for a homestead shall be paid on June 15 of each year by the director to the county treasurer who shall credit the money received against the amount of the property taxes due and payable on the homestead of the claimant and the amount of the reimbursement for rent constituting property taxes paid shall be paid to the claimant from the state general fund on or before December 31 of each year.

[C75, 77, 79, 81, §425.19]

83 Acts, ch 172, §4; 99 Acts, ch 152, §14, 40

Referred to in §25B.7, 427.9

**425.20 Filing dates — affidavit — extension.**

A claim for reimbursement for rent constituting property taxes paid shall not be paid or allowed, unless the claim is filed with and in the possession of the department of revenue on or before June 1 of the year following the base year.

A claim for credit for property taxes due shall not be paid or allowed unless the claim is filed with the county treasurer between January 1 and June 1, both dates inclusive, immediately preceding the fiscal year during which the property taxes are due. However, in case of sickness, absence, or other disability of the claimant, or if in the judgment of the county treasurer good cause exists, the county treasurer may extend the time for filing a claim for credit through September 30 of the same calendar year. The county treasurer shall certify to the director of revenue on or before May 1 of each year the total amount of dollars due for claims allowed.

In case of sickness, absence, or other disability of the claimant or if, in the judgment of the

director of revenue, good cause exists and the claimant requests an extension, the director may extend the time for filing a claim for reimbursement or credit. However, any further time granted shall not extend beyond December 31 of the year following the year in which the claim was required to be filed. Claims filed as a result of this paragraph shall be filed with the director who shall provide for the reimbursement of the claim to the claimant.

[C75, 77, 79, 81, §425.20; 81 Acts 2nd Ex, ch 4, §1]

83 Acts, ch 111, §2, 4; 88 Acts, ch 1050, §1; 94 Acts, ch 1125, §3, 5; 94 Acts, ch 1165, §27, 50; 96 Acts, ch 1167, §3, 8; 2003 Acts, ch 145, §286

Referred to in §25B.7, 427.9

**425.21 Satisfaction of outstanding tax liabilities.**

The amount of any claim for credit or reimbursement payable under this division may be applied by the department of revenue against any tax liability, delinquent accounts, charges, loans, fees, or other indebtedness due the state or state agency that has a formal agreement with the department for central debt collection, outstanding on the books of the department against the claimant, or against a spouse who was a member of the claimant's household in the base year.

[C75, 77, 79, 81, §425.21]

99 Acts, ch 152, §15, 40; 2001 Acts, ch 24, §51; 2003 Acts, ch 145, §286

Referred to in §25B.7, 427.9

**425.22 One claimant per household.**

Only one claimant per household per year shall be entitled to reimbursement under this division and only one claimant per household per fiscal year shall be entitled to a credit under this division.

[C75, 77, 79, 81, §425.22]

Referred to in §25B.7, 427.9

**425.23 Schedule for claims for credit or reimbursement.**

The amount of any claim for credit or reimbursement filed under this division shall be determined as provided in this section.

1. *a.* The tentative credit or reimbursement for a claimant described in section 425.17, subsection 2, paragraph "*a*", subparagraphs (1) and (2), if no appropriation is made to the fund created in section 425.40 shall be determined in accordance with the following schedule:

| If the household income is: | Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement: |
|---|---|
| $ 0 — 8,499.99 | 100% |
| 8,500 — 9,499.99 | 85 |
| 9,500 — 10,499.99 | 70 |
| 10,500 — 12,499.99 | 50 |
| 12,500 — 14,499.99 | 35 |
| 14,500 — 16,499.99 | 25 |

*b.* If moneys have been appropriated to the fund created in section 425.40, the tentative credit or reimbursement for a claimant described in section 425.17, subsection 2, paragraph "*a*", subparagraph (2), shall be determined as follows:

(1) If the amount appropriated under section 425.40 plus any supplemental appropriation made for a fiscal year for purposes of this lettered paragraph is at least twenty-seven million dollars, the tentative credit or reimbursement shall be determined in accordance with the following schedule:

| If the household income is: | Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement: |
|---|---|
| $ 0 — 8,499.99 | 100% |
| 8,500 — 9,499.99 | 85 |
| 9,500 — 10,499.99 | 70 |
| 10,500 — 12,499.99 | 50 |
| 12,500 — 14,499.99 | 35 |
| 14,500 — 16,499.99 | 25 |

(2) If the amount appropriated under section 425.40 plus any supplemental appropriation made for a fiscal year for purposes of this lettered paragraph is less than twenty-seven million dollars the tentative credit or reimbursement shall be determined in accordance with the following schedule:

| If the household income is: | Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement: |
|---|---|
| $ 0 — 8,499.99 | 50% |
| 8,500 — 9,499.99 | 42 |
| 9,500 — 10,499.99 | 35 |
| 10,500 — 12,499.99 | 25 |
| 12,500 — 14,499.99 | 17 |
| 14,500 — 16,499.99 | 12 |

2. The actual credit for property taxes due shall be determined by subtracting from the tentative credit the amount of the homestead credit under section 425.1 which is allowed as a credit against property taxes due in the fiscal year next following the base year by the claimant or any person of the claimant's household. If the subtraction produces a negative amount, there shall be no credit but no refund shall be required. The actual reimbursement for rent constituting property taxes paid shall be equal to the tentative reimbursement.

3. *a.* A person who is eligible to file a claim for credit for property taxes due and who has a household income of eight thousand five hundred dollars or less and who has an unpaid special assessment levied against the homestead may file a claim for a special assessment credit with the county treasurer. The department shall provide to the respective treasurers the forms necessary for the administration of this subsection. The claim shall be filed not later than September 30 of each year. Upon the filing of the claim, interest for late payment shall not accrue against the amount of the unpaid special assessment due and payable. The claim filed by the claimant constitutes a claim for credit of an amount equal to the actual amount due upon the unpaid special assessment, plus interest, payable during the fiscal year for which the claim is filed against the homestead of the claimant. However, where the claimant is an individual described in section 425.17, subsection 2, paragraph "*a*", subparagraph (2), and the tentative credit is determined according to the schedule in subsection 1, paragraph "*b*", subparagraph (2), of this section, the claim filed constitutes a claim for credit of an amount equal to one-half of the actual amount due and payable during the fiscal year. The treasurer shall certify to the director of revenue not later than October 15 of each year the total amount of dollars due for claims allowed. The amount of reimbursement due each county shall be certified by the director of revenue and paid by the director of the department of administrative services by November 15 of each year, drawn upon warrants payable to the respective treasurer. There is appropriated annually from the general fund of the state to the department of revenue an amount sufficient to carry out the provisions of this subsection.

The treasurer shall credit any moneys received from the department against the amount of the unpaid special assessment due and payable on the homestead of the claimant.

*b.* For purposes of this subsection, in computing household income, a person with a total disability shall deduct all medical and necessary care expenses paid during the twelve-month income tax accounting periods used in computing household income which are attributable to the person's total disability. *"Medical and necessary care expenses"* are those used in computing the federal income tax deduction under section 213 of the Internal Revenue Code as defined in section 422.3.

4. *a.* For the base year beginning in the 1999 calendar year and for each subsequent base year, the dollar amounts set forth in subsections 1 and 3 shall be multiplied by the cumulative adjustment factor for that base year. *"Cumulative adjustment factor"* means the product of the annual adjustment factor for the 1998 base year and all annual adjustment factors for subsequent base years. The cumulative adjustment factor applies to the base year beginning in the calendar year for which the latest annual adjustment factor has been determined.

*b.* The annual adjustment factor for the 1998 base year is one hundred percent. For each subsequent base year, the annual adjustment factor equals the annual inflation factor for the calendar year, in which the base year begins, as computed in section 422.4 for purposes of the individual income tax.

[C71, 73, §425.1(5); C75, 77, 79, 81, §425.23]

83 Acts, ch 172, §5; 83 Acts, ch 189, §3, 5, 6; 84 Acts, ch 1305, §35; 88 Acts, ch 1139, §4; 90 Acts, ch 1250, §8, 9; 91 Acts, ch 267, §524; 92 Acts, ch 1016, §13, 42; 92 Acts, 2nd Ex, ch 1001, §221 – 223, 225; 93 Acts, ch 180, §5, 6, 15, 16, 22, 23; 96 Acts, ch 1129, §93; 96 Acts, ch 1167, §4, 8; 98 Acts, ch 1177, §12 – 14, 16; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §49; 2011 Acts, ch 25, §131 – 133

Referred to in §25B.7, 427.9, 435.22

**425.24 Maximum property tax for purpose of credit or reimbursement.**

In any case in which property taxes due or rent constituting property taxes paid for any household exceeds one thousand dollars, the amount of property taxes due or rent constituting property taxes paid shall be deemed to have been one thousand dollars for purposes of this division.

[C75, 77, 79, 81, §425.24]

Referred to in §25B.7, 427.9

**425.25 Administration.**

The director of revenue shall make available suitable forms with instructions for claimants. Each assessor and county treasurer shall make available the forms and instructions. The claim shall be in a form as the director may prescribe. The director may also devise a tax credit or reimbursement table, with amounts rounded to the nearest even whole dollar. Reimbursements or credits in the amount of less than one dollar shall not be paid.

[C71, 73, §425.1(5); C75, 77, 79, 81, §425.25]

84 Acts, ch 1190, §1; 2003 Acts, ch 145, §286

Referred to in §25B.7, 331.559, 427.9

**425.26 Proof of claim.**

1. Every claimant shall give the department of revenue, in support of the claim, reasonable proof of:

*a.* Age and total disability, if any.

*b.* Property taxes due or rent constituting property taxes paid, including the name and address of the owner or manager of the property rented and a statement whether the claimant is related by blood, marriage, or adoption to the owner or manager of the property rented.

*c.* Homestead credit allowed against property taxes due.

*d.* Changes of homestead.

*e.* Household membership.

*f.* Household income.

*g.* Size and nature of property claimed as the homestead.

2. The director may require any additional proof necessary to support a claim.

[C71, 73, §425.1(5); C75, 77, 79, 81, §425.26]

83 Acts, ch 111, §3, 4; 85 Acts, ch 67, §44; 94 Acts, ch 1125, §4, 5; 94 Acts, ch 1165, §28; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §143

Referred to in §25B.7, 427.9

**425.27 Audit — recalculation or denial.**

If on the audit of a claim for credit or reimbursement under this division, the director determines the amount of the claim to have been incorrectly calculated or that the claim is not allowable, the director shall recalculate the claim and notify the claimant of the recalculation or denial and the reasons for it. The director shall not adjust a claim after three years from October 31 of the year in which the claim was filed. If the claim for reimbursement has been paid, the amount may be recovered by assessment in the same manner that income taxes are assessed under sections 422.26 and 422.30. If the claim for credit has been paid, the director shall give notification to the claimant and the county treasurer of the recalculation or denial of the claim and the county treasurer shall proceed to collect the tax owed in the same manner as other property taxes due and payable are collected, if the property on which the credit was granted is still owned by the claimant, and repay the amount to the director upon collection. If the property on which the credit was granted is not owned by the claimant, the amount may be recovered from the claimant by assessment in the same manner that income taxes are assessed under sections 422.26 and 422.30. The recalculation of the claim shall be final unless appealed as provided in section 425.31. Section 422.70 is applicable with respect to this division.

[C75, 77, 79, 81, §425.27]

84 Acts, ch 1190, §2; 88 Acts, ch 1050, §2

Referred to in §25B.7, 425.29, 427.9

**425.28 Waiver of confidentiality.**

A claimant shall expressly waive any right to confidentiality relating to all income tax information obtainable through the department of revenue, including all information covered by sections 422.20 and 422.72. This waiver shall apply to information available to the county treasurer who shall hold the information confidential except that it may be used as evidence to disallow the credit.

The department of revenue may release information pertaining to a person's eligibility or claim for or receipt of rent reimbursement to an employee of the department of inspections and appeals in the employee's official conduct of an audit or investigation.

[C71, 73, §425.1(5); C75, 77, 79, 81, §425.28]

94 Acts, ch 1165, §29; 99 Acts, ch 139, §1; 2003 Acts, ch 145, §286

Referred to in §25B.7, 427.9

**425.29 False claim — penalty.**

A person who makes a false affidavit for the purpose of obtaining credit or reimbursement provided for in this division or who knowingly receives the credit or reimbursement without being legally entitled to it or makes claim for the credit or reimbursement in more than one county in the state without being legally entitled to it is guilty of a fraudulent practice. The claim for credit or reimbursement shall be disallowed in full and if the claim has been paid the amount shall be recovered in the manner provided in section 425.27. The director of revenue shall send a notice of disallowance of the claim.

[C71, 73, §425.1(5); C75, 77, 79, 81, §425.29]

83 Acts, ch 160, §10; 99 Acts, ch 152, §16, 40; 2003 Acts, ch 145, §286

Referred to in §25B.7, 427.9

**425.30 Notices.**

Section 423.39, subsection 1, shall apply to all notices under this division.

[C75, 77, 79, 81, §425.30]

2003 Acts, 1st Ex, ch 2, §194, 205

Referred to in §25B.7, 427.9

**425.31 Appeals.**

Any person aggrieved by an act or decision of the director of revenue or the department of revenue under this division shall have the same rights of appeal and review as provided in sections 421.1 and 423.38 and the rules of the department of revenue.

[C75, 77, 79, 81, §425.31]

2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §195, 205

Referred to in §25B.7, 425.27, 425.34, 427.9

**425.32 Disallowance of certain claims.**

A claim for credit shall be disallowed if the department finds that the claimant or a person of the claimant's household received title to the homestead primarily for the purpose of receiving benefits under this division.

[C75, 77, 79, 81, §425.32]

Referred to in §25B.7, 427.9

**425.33 Rent increase — request and order for reduction.**

1. If upon petition by a claimant the department of revenue determines that a landlord has increased the claimant's rent primarily because the claimant is eligible for reimbursement under this division, the department of revenue shall request the landlord by mail to reduce the rent appropriately.

2. In determining whether a landlord has increased a claimant's rent primarily because the claimant is eligible for reimbursement under this division, the department of revenue shall consider the following factors:

*a.* The amount of the increase in rent.

*b.* If the landlord operates other rental property, whether a similar increase was imposed on the other rental property.

*c.* Increased or decreased costs of materials, supplies, services, and taxes in the area.

*d.* The time the rent was increased.

*e.* Other relevant factors in each particular case.

3. If the landlord fails to comply with the request of the department of revenue within fifteen days after the request is mailed by the department, the department of revenue shall order the rent reduced by an appropriate amount.

[C75, 77, 79, 81, §425.33]

86 Acts, ch 1241, §33; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §143

Referred to in §25B.7, 427.9, 435.33

**425.34 Hearings and appeals.**

If the department of revenue orders a landlord to reduce rent to a claimant, then upon the request of the landlord the department of revenue shall hold a prompt hearing of the matter, to be conducted in accordance with the rules of the department. The department of revenue shall give notice of the decision by mail to the claimant and to the landlord.

The claimant and the landlord shall have the rights of appeal and review as provided in section 425.31.

[C75, 77, 79, 81, §425.343]

86 Acts, ch 1241, §34; 2003 Acts, ch 145, §286

Referred to in §25B.7, 427.9, 435.33

**425.35 Defense to action for nonpayment of rent.**

It is an affirmative defense to any action by a landlord based upon nonpayment or partial payment of rent that the landlord increased the rent primarily because the tenant had received, or was eligible for, reimbursement under this division.

[C75, 77, 79, 81, §425.35]

Referred to in §25B.7, 427.9, 435.33

**425.36 Discrimination in rentals or rent charges.**

Discrimination by a landlord in the rental of or in rent charges for a homestead because the tenant has received or is eligible for reimbursement under this division is a simple misdemeanor.

[C75, 77, 79, 81, §425.36]

Referred to in §25B.7, 427.9, 435.33

**425.37 Rules.**

The director of revenue shall adopt rules in accordance with chapter 17A for the interpretation and proper administration of this division, including rules to prevent and disallow duplication of benefits and to prevent any unreasonable hardship or advantage to any person.

[C75, 77, 79, 81, §425.37]

2003 Acts, ch 145, §286

Referred to in §25B.7, 427.9

**425.38** Repealed by 79 Acts, ch 43, § 18.

**425.39 Fund created — appropriation — priority.**

The elderly and disabled property tax credit and reimbursement fund is created. There is appropriated annually from the general fund of the state to the department of revenue to be credited to the elderly and disabled property tax credit and reimbursement fund, from funds not otherwise appropriated, an amount sufficient to implement this division for claimants described in section 425.17, subsection 2, paragraph "*a*", subparagraph (1).

[C75, 77, 79, 81, §425.39]

86 Acts, ch 1244, §51; 93 Acts, ch 180, §8; 97 Acts, ch 206, §7, 8, 10; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §134

Referred to in §25B.7, 427.9

**425.40 Low-income fund created.**

1. A low-income tax credit and reimbursement fund is created.

2. If the amount appropriated for purposes of this section for a fiscal year is insufficient to pay all claims in full, the director shall pay, in full, all claims to be paid during the fiscal year for reimbursement of rent constituting property taxes paid or if moneys are insufficient to pay all such claims on a pro rata basis. If the amount of claims for credit for property taxes due to be paid during the fiscal year exceed the amount remaining after payment to renters, the director of revenue shall prorate the payments to the counties for the property tax credit. In order for the director to carry out the requirements of this subsection, notwithstanding any provision to the contrary in this division, claims for reimbursement for rent constituting property taxes paid filed before May 1 of the fiscal year shall be eligible to be paid in full during the fiscal year and those claims filed on or after May 1 of the fiscal year shall be eligible to be paid during the following fiscal year and the director is not required to make payments to counties for the property tax credit before June 15 of the fiscal year.

93 Acts, ch 180, §9, 22; 97 Acts, ch 23, §48; 2003 Acts, ch 145, §286

Referred to in §25B.7, 425.23

# CHAPTER 425A

## FAMILY FARM TAX CREDIT


425A.1 Family farm tax credit fund.
425A.2 Definitions.
425A.3 Where credit given.
425A.4 Claim for credit.
425A.5 Computation by county auditor.
425A.6 Warrants authorized by director — proration.
425A.7 Apportionment by auditor.
425A.8 False claim — penalty.

**425A.1 Family farm tax credit fund.**

The family farm tax credit fund is created in the office of the treasurer of state. There shall be transferred annually to the fund the first ten million dollars of the amount annually appropriated to the agricultural land credit fund, provided in section 426.1. Any balance in the fund on June 30 shall revert to the general fund.

90 Acts, ch 1250, §10; 93 Acts, ch 180, §10

Referred to in §425A.6, 426.1

**425A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Actively engaged in farming"* means the designated person is personally involved in the production of crops and livestock on the eligible tract on a regular, continuous, and substantial basis. However, a lessor, whether under a cash or a crop share lease, is not actively engaged in farming on the area of the tract covered by the lease. This provision applies to both written and oral leases.

2. *"Agricultural land"* means land in tracts of ten acres or more excluding any buildings or other structures located on the land, and not laid off into lots of less than ten acres or divided by streets and alleys into parcels of less than ten acres, lying within a school corporation and in good faith used for agricultural or horticultural purposes. Any land in tracts laid off or platted into lots of less than ten acres belonging to and a part of other lands of more than ten acres and in good faith used for agricultural or horticultural purposes is entitled to the benefits of this chapter.

3. *"Crop"* or *"crop production"* includes pastureland.

4. *"Designated person"* means one of the following:

*a.* If the owner is an individual, the designated person includes the owner of the tract, the owner's spouse, the owner's child or stepchild, and their spouses, or the owner's relative within the third degree of consanguinity, and the relative's spouse.

*b.* If the owner is a partnership, a partner, or the partner's spouse.

*c.* If the owner is a family farm corporation, a family member who is a shareholder of the family farm corporation or the shareholder's spouse.

*d.* If the owner is a family farm limited liability company, a family member who is a member of the family farm limited liability company or the member's spouse.

*e.* If the owner is an authorized farm corporation, a shareholder who owns at least fifty-one percent of the stock of the authorized farm corporation or the shareholder's spouse.

*f.* If the owner is an authorized limited liability company, a member who holds at least fifty-one percent of all membership interests in the authorized limited liability company, or the member's spouse.

*g.* If the owner is an individual who leases the tract to a family farm corporation, a shareholder of the corporation if the combined stock of the family farm corporation owned by the owner of the tract and persons related to the owner as enumerated in paragraph *"a"* is equal to at least fifty-one percent of the stock of the family farm corporation.

*h.* If the owner is an individual who leases the tract to a family farm limited liability company, a member of the family farm limited liability company if the combined interests of the family farm limited liability company held by the owner of the tract and persons related to the owner as enumerated in paragraph *"a"* is equal to at least fifty-one percent of the interests of the family farm limited liability company.

*i.* If the owner is an individual who leases the tract to a partnership, a partner if the combined partnership interest owned by a designated person as defined in paragraph *"a"* is equal to at least fifty-one percent of the ownership interest of the partnership.

5. *"Eligible tract"* or *"eligible tract of agricultural land"* means an area of agricultural land which meets all of the following:

*a.* Is comprised of all of the contiguous tracts under identical legal ownership that are located within the same county.

*b.* In the aggregate more than half the acres of the contiguous tract is devoted to the production of crops or livestock by a designated person who is actively engaged in farming.

*c.* For purposes of paragraph *"b"*, if some or all of the contiguous tract is being farmed

under a lease arrangement, the activities of the lessor do not constitute being actively engaged in farming on the areas of the tract covered by the lease. If the lessee is a designated person who is actively engaged in farming, the acres under lease may be considered in determining whether more than half the acres of the contiguous tract are devoted to the production of crops or livestock.

6. *"Owner"* means any of the following:

*a.* An individual who holds the fee simple title to the agricultural land.

*b.* An individual who owns the agricultural land under a contract of purchase which has been recorded in the office of the county recorder of the county in which the agricultural land is located.

*c.* An individual who owns the agricultural land under devise or by operation of the inheritance laws, where the whole interest passes or where the divided interest is shared only by individuals related or formerly related to each other by blood, marriage, or adoption.

*d.* An individual who owns the agricultural land under a deed which conveys a divided interest, where the divided interest is shared only by individuals related or formerly related to each other by blood, marriage, or adoption.

*e.* A partnership where all partners are related or formerly related to each other by blood, marriage, or adoption.

*f.* A family farm corporation, family farm limited liability company, authorized farm corporation, or authorized limited liability company, as defined in section 9H.1, which owns the agricultural land.

90 Acts, ch 1250, §11; 91 Acts, ch 267, §609 – 611; 96 Acts, ch 1198, §1, 2; 2011 Acts, ch 112, §1 – 3

Referred to in §425A.3

**425A.3 Where credit given.**

1. The family farm tax credit fund shall be apportioned each year in the manner provided in this chapter so as to give a credit against the tax on each eligible tract of agricultural land within the several school districts of the state in which the levy for the general school fund exceeds five dollars and forty cents per thousand dollars of assessed value. The amount of the credit on each eligible tract of agricultural land shall be the amount the tax levied for the general school fund exceeds the amount of tax which would be levied on each eligible tract of agricultural land were the levy for the general school fund five dollars and forty cents per thousand dollars of assessed value for the previous year. However, in the case of a deficiency in the family farm tax credit fund to pay the credits in full, the credit on each eligible tract of agricultural land in the state shall be proportionate and applied as provided in this chapter.

2. An eligible tract of agricultural land qualifies for the credit computed under subsection 1 if the tract is owned by an owner as defined in section 425A.2 and a designated person is actively engaged in farming during the fiscal year preceding the fiscal year in which the auditor computes the amount of the credit under section 425A.5 for which the tract would be eligible. Notwithstanding the foregoing sentence, the *"actively engaged in farming"* requirement is satisfied if the designated person is in general control of the tract under a federal program pertaining to agricultural land.

3. The county board of supervisors shall determine the eligibility of each tract for which an application is received.

90 Acts, ch 1250, §12; 91 Acts, ch 267, §612, 613

Referred to in §425A.8

**425A.4 Claim for credit.**

1. To apply for the credit, the person shall deliver to the county assessor a verified statement and designation of the tracts of agricultural land for which the credit is claimed. The assessor shall return the statement and designation on or before November 15 of each year to the county board of supervisors with a recommendation for allowance or disallowance. A claim for credit filed after November 1 of the year shall be considered as a claim filed for the following year.

2. The county board of supervisors in each county shall examine all claims delivered to

county assessors, and shall either allow or disallow the claims, and if disallowed shall send notice of disallowance by regular mail to the claimant at the claimant's last known address. The claimant may appeal the decision of the board to the district court in which the tract for which the credit is claimed is situated by giving written notice of the appeal to the county board of supervisors within twenty days from the date of the mailing of the notice of the decision of the board of supervisors.

3. Upon the filing and allowance of the claim, the claim shall be allowed on that tract for successive years without further filing as long as the property is legally or equitably owned by that person or that person's spouse on July 1 of each of those successive years, and the designated person who is actively engaged in farming remains the same during these years. When the property is sold or transferred, the buyer or transferee who wishes to qualify shall file for the credit. However, when the property is transferred as part of a distribution made pursuant to chapter 598, the transferee who is the spouse retaining ownership of the property is not required to file for the credit. In the case where the owner remains the same but the person who is actively engaged in farming changes, the owner shall refile for the credit. The owner shall provide written notice if the person actively engaged in farming changes.

4. The assessor shall retain a permanent file of current family farm credit claims filed in the assessor's office.

5. The county recorder shall give notice to the assessor of each transfer of title filed in the recorder's office. The notice shall describe the tract of agricultural land transferred, the name of the person transferring the title to the tract, and the name of the person to whom title to the tract has been transferred.

90 Acts, ch 1250, §13; 91 Acts, ch 97, §51; 91 Acts, ch 267, §614, 615; 2001 Acts, ch 154, §2, 3, 6; 2009 Acts, ch 41, §254

**425A.5 Computation by county auditor.**

The family farm tax credit allowed each year shall be computed as follows: On or before April 1, the county auditor shall list by school districts all tracts of agricultural land which are entitled to credit, the taxable value for the previous year, the budget from each school district for the previous year, and the tax rate determined for the general fund of the school district in the manner prescribed in section 444.3 for the previous year, and if the tax rate is in excess of five dollars and forty cents per thousand dollars of assessed value, the auditor shall multiply the tax levy which is in excess of five dollars and forty cents per thousand dollars of assessed value by the total taxable value of the agricultural land entitled to credit in the school district, and on or before April 1, certify the total amount of credit and the total number of acres entitled to the credit to the department of revenue.

90 Acts, ch 1250, §14; 91 Acts, ch 267, §616; 2001 Acts, ch 143, §2; 2003 Acts, ch 145, §286
Referred to in §425A.3, 425A.6

**425A.6 Warrants authorized by director — proration.**

After receiving from the county auditors the certifications provided for in section 425A.5, and during the following fiscal year, the director of revenue shall authorize the department of administrative services to draw warrants on the family farm tax credit fund created in section 425A.1, payable to the county treasurers in the amount certified by the county auditors of the respective counties and mail the warrants to the county auditors on June 1 of each year taking into consideration the relative budget and cash position of the state resources. However, if the family farm tax credit fund is insufficient to pay in full the total of the amounts certified to the director of revenue, the director shall prorate the fund to the county treasurers and shall notify the county auditors of the pro rata percentage on or before June 1.

90 Acts, ch 1250, §15; 91 Acts, ch 267, §617; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §50

**425A.7 Apportionment by auditor.**

Upon receiving the pro rata percentage from the director of revenue, the county auditor shall determine the amount to be credited to each tract of agricultural land, and shall enter upon tax lists as a credit against the tax levied on each tract of agricultural land on which there

has been made an allowance of credit before delivering the tax lists to the county treasurer. Upon receipt of the warrant by the county auditor, the auditor shall deliver the warrant to the county treasurer for apportionment. The county treasurer shall show on each tax receipt the amount of tax credit for each tract of agricultural land. In case of change of ownership the credit shall follow the title.

90 Acts, ch 1250, §16; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §51

**425A.8 False claim — penalty.**

A person making a false claim or affidavit with fraudulent intent to obtain the credit under section 425A.3, is guilty of a fraudulent practice and the claim shall be disallowed in full. If the credit has been paid, the amount of the credit plus a penalty equal to twenty-five percent of the amount of credit plus interest, at the rate in effect under section 421.7, from the time of payment shall be collected by the county treasurer in the same manner as other property taxes, penalty, and interest are collected and when collected shall be paid to the director of revenue.

A person who fails to notify the assessor of a change in the person who is actively engaged in farming the tract for which the credit under section 425A.3 is allowed shall be liable for the amount of the credit plus a penalty equal to five percent of the amount of the credit. The amounts shall be collected by the county treasurer in the same manner as other property taxes and any penalty are collected and when collected shall be paid to the director of revenue.

90 Acts, ch 1250, §17; 2001 Acts, ch 154, §4, 6; 2003 Acts, ch 145, §286

Fraudulent practices; §714.8 – 714.14

# CHAPTER 426

## AGRICULTURAL LAND TAX CREDIT

Referred to in §331.512


426.1 Agricultural land credit fund.
426.2 Definition.
426.3 Where credit given.
426.4 and 426.5 Reserved.
426.6 Computation by auditor — appeal.
426.7 Warrants authorized by director.
426.8 Apportionment by auditor.
426.9 Repealed by 89 Acts, ch 296, §96.
426.10 Rules.


**426.1 Agricultural land credit fund.**

There is created as a permanent fund in the office of the treasurer of state a fund to be known as the agricultural land credit fund, and for the purpose of establishing and maintaining this fund for each fiscal year there is appropriated thereto from funds in the general fund not otherwise appropriated the sum of thirty-nine million one hundred thousand dollars of which the first ten million dollars shall be transferred to and deposited into the family farm tax credit fund created in section 425A.1. Any balance in said fund on June 30 shall revert to the general fund.

[C39, §**6943.156;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.1]

93 Acts, ch 180, §11

Referred to in §425A.1, 426.7, 441.73

**426.2 Definition.**

*"Agricultural lands"* as used in this chapter shall mean and include land in tracts of ten acres or more excluding any buildings or other structures located on such land, and not laid off into lots of less than ten acres or divided by streets and alleys into parcels of less than ten acres, lying within any school corporation in this state and in good faith used for agricultural or horticultural purposes.

Any land laid off or platted into lots of less than ten acres belonging to and a part of other

lands of more than ten acres and in good faith used for agricultural or horticultural purposes shall be entitled to the benefits of this chapter.

[C39, §**6943.165;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.2]

**426.3 Where credit given.**

The agricultural land credit fund shall be apportioned each year in the manner hereinafter provided so as to give a credit against the tax on each tract of agricultural lands within the several school districts of the state in which the levy for the general school fund exceeds five dollars and forty cents per thousand dollars of assessed value; the amount of such credit on each tract of such lands shall be the amount the tax levied for the general school fund exceeds the amount of tax which would be levied on said tract of such lands were the levy for the general school fund five dollars and forty cents per thousand dollars of assessed value for the previous year, except in the case of a deficiency in the agricultural land credit fund to pay said credits in full, in which case the credit on each eligible tract of such lands in the state shall be proportionate and shall be applied as hereinafter provided.

[C39, §**6943.157, 6943.164;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.3]

**426.4 and 426.5** Reserved.

**426.6 Computation by auditor — appeal.**

The agricultural land tax credit allowed each year shall be computed as follows: On or before April 1, the county auditor shall list by school districts all tracts of agricultural lands which are entitled to credit, together with the taxable value for the previous year, together with the budget from each school district for the previous year, and the tax rate determined for the general fund of the district in the manner prescribed in section 444.3 for the previous year, and if such tax rate is in excess of five dollars and forty cents per thousand dollars of assessed value, the auditor shall multiply the tax levy which is in excess of five dollars and forty cents per thousand dollars of assessed value by the total taxable value of the agricultural lands entitled to credit in the district, and on or before April 1, certify the amount to the department of revenue.

In the event the county auditor denies a credit upon any such lands, the auditor shall immediately mail to the owner at the owner's last known address notice of the decision thereon. The owner may, within thirty days thereafter, appeal to the board of supervisors of the county wherein the land involved is situated by serving notice of said appeal upon the chairperson of said board. The board shall hear such appeal promptly and shall determine anew all questions involved in said appeal and shall within ten days after such hearing, mail to the owner at the owner's last known address, notice of its decision. In the event of disallowance the owner may, within ten days from the date such notice is mailed, appeal such disallowance by the board of supervisors to the district court of that county by serving written notice of appeal on the county auditor. The appeal shall be tried de novo and may be heard in term time or vacation. The decision of the district court thereon shall be final.

[C39, §**6943.160 – 6943.163;** C46, §426.4 – 426.6; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.6]

86 Acts, ch 1245, §442; 2001 Acts, ch 143, §3; 2002 Acts, ch 1119, §54; 2003 Acts, ch 145, §286

Referred to in §331.401, 426.7

**426.7 Warrants authorized by director.**

After receiving from the county auditors the certifications provided for in section 426.6, and during the following fiscal year, the director of revenue shall authorize the department of administrative services to draw warrants on the agricultural land credit fund created in section 426.1, payable to the county treasurers in the amount certified by the county auditors of the respective counties and mail the warrants to the county auditors on July 15 of each year taking into consideration the relative budget and cash position of the state resources. However, if the agricultural land credit fund is insufficient to pay in full the total of the

amounts certified to the director of revenue, the director shall prorate the fund to the county treasurers and notify the county auditors of the pro rata percentage on or before June 15.

[C39, §**6943.157;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.7]

83 Acts, ch 172, §6; 86 Acts, ch 1244, §52; 2001 Acts, ch 143, §4; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §52

**426.8 Apportionment by auditor.**

Upon receiving the pro rata percentage from the director of revenue, the county auditor shall determine the amount to be credited to each tract of agricultural land, and shall enter upon tax lists as a credit against the tax levied on each tract of agricultural land on which there has been made an allowance of credit before delivering said tax lists to the county treasurer. Upon receipt of the warrant by the county auditor, the auditor shall deliver said warrant to the county treasurer for apportionment. The county treasurer shall show on each tax receipt the amount of tax credit for each tract of agricultural land. In case of change of ownership the credit shall follow the title.

[C39, §**6943.158;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.8]

86 Acts, ch 1245, §443; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §53

Referred to in §331.559

**426.9** Repealed by 89 Acts, ch 296, § 96.

**426.10 Rules.**

The director of revenue shall prescribe forms and rules, not inconsistent with this chapter, necessary to carry out its purposes.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426.10]

86 Acts, ch 1245, §444; 2003 Acts, ch 145, §286

# CHAPTER 426A

## MILITARY SERVICE TAX CREDIT AND EXEMPTIONS

Referred to in §25B.7, 331.401, 331.429, 331.608

For requirements relating to state funding of military service property tax credits and exemptions, see §25B.7


426A.1 Definitions.
426A.1A Appropriation.
426A.2 Military service tax credit.
426A.3 Computation by auditor.
426A.4 Certification by director of revenue.
426A.5 Proportionate shares to districts.
426A.6 Setting aside allowance.
426A.7 Forms — rules.
426A.8 Excess remitted — appeals.
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426A.10 Repealed by 81 Acts, ch 139, §3.
426A.11 Military service — exemptions.
426A.12 Exemptions to relatives.
426A.13 Claim for military tax exemption — discharge recorded.
426A.14 Allowance — continuing effectiveness.
426A.15 Penalty.


**426A.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**426A.1A Appropriation.**

There is appropriated from the general fund of the state the amounts necessary to fund the credits provided under this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426A.1]

88 Acts, ch 1151, §3

C2001, §426A.1A

**426A.2 Military service tax credit.**

The moneys shall be apportioned each year so as to replace all or a portion of the tax which would be due on property eligible for military service tax exemption in the state, if the property were subject to taxation, the amount of the credit to be not more than six dollars and ninety-two cents per thousand dollars of assessed value of property which would be subject to the tax, except for the military service tax exemption.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426A.2]

88 Acts, ch 1151, §4; 89 Acts, ch 83, §51; 99 Acts, ch 180, §23, 24

**426A.3 Computation by auditor.**

On or before August 1 of each year the county auditor shall certify to the county treasurer all claims for military service tax exemptions which have been allowed by the board of supervisors. Such certificate shall list the total amount of dollars, listed by taxing district in the county, due for military service tax credits claimed and allowed. The county treasurer shall forthwith certify to the department of revenue the amount of dollars, listed by taxing district in the county, due for military service tax credits claimed and allowed.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426A.3]

2003 Acts, ch 145, §286

Referred to in §331.512, 331.559

**426A.4 Certification by director of revenue.**

Sums distributable from the general fund of the state shall be allocated annually to the counties of the state. On September 15 annually the director of revenue shall certify and the department of administrative services shall draw warrants to the treasurer of each county payable from the general fund of the state in the amount claimed. Payments shall be made to the treasurer of each county not later than September 30 of each year.

[C50, 54, §426A.2, 426A.4, 426A.10; C58, 62, 66, 71, 73, 75, 77, 79, 81, §426A.4, 426A.10; 81 Acts, ch 139, §2]

83 Acts, ch 172, §7; 86 Acts, ch 1244, §53; 88 Acts, ch 1151, §5; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §54

**426A.5 Proportionate shares to districts.**

The amount of credits received under this chapter shall then be apportioned by each county treasurer to the several taxing districts. Each taxing district shall receive its proportionate share of the military service tax credit allowed on each and every tax exemption allowed in such taxing district, in the proportion that the levy made by such taxing district upon general property bears to the total levy upon all property subject to general property taxation by all taxing districts imposing a general property tax in such taxing district.

[C50, §426A.2, 426A.4; C58, 62, 66, 71, 73, 75, 77, 79, 81, §426A.5]

Referred to in §331.559

**426A.6 Setting aside allowance.**

If the director of revenue determines that a claim for military service tax exemption has been allowed by a board of supervisors which is not justifiable under the law and not substantiated by proper facts, the director may, at any time within thirty-six months from July 1 of the year in which the claim is allowed, set aside the allowance. Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or the board of supervisors may appeal to the state board of tax review pursuant to section 421.1, subsection 5. The

claimant or the board of supervisors may seek judicial review of the action of the state board of tax review in accordance with chapter 17A. If a claim is disallowed by the director of revenue and not appealed to the state board of tax review or appealed to the state board of tax review and thereafter upheld upon final resolution, including judicial review, the credits allowed and paid from the general fund of the state become a lien upon the property on which the credit was originally granted, if still in the hands of the claimant and not in the hands of a bona fide purchaser, the amount so erroneously paid shall be collected by the county treasurer in the same manner as other taxes, and the collections shall be returned to the department of revenue and credited to the general fund of the state. The director of revenue may institute legal proceedings against a military service tax exemption claimant for the collection of payments made on disallowed exemptions.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426A.6; 82 Acts, ch 1246, §7, 11]

88 Acts, ch 1151, §6; 89 Acts, ch 251, §34; 97 Acts, ch 158, §27; 2002 Acts, ch 1151, §17; 2003 Acts, ch 145, §286; 2006 Acts, ch 1010, §107

**426A.7 Forms — rules.**

The director of revenue shall prescribe the form for the making of a verified statement and designation of property eligible for military service tax exemption, and the form for the supporting affidavits required herein, and such other forms as may be necessary for the proper administration of this chapter. From time to time as necessary, the department of revenue shall forward to the county auditors of the several counties of the state, such prescribed sample forms. The director of revenue shall have the power and authority to prescribe rules, not inconsistent with the provisions of this chapter, necessary to carry out and effectuate its purposes.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426A.7]

2003 Acts, ch 145, §286; 2004 Acts, ch 1086, §70

**426A.8 Excess remitted — appeals.**

If the amount of credit apportioned to any property eligible for military service tax exemption under this chapter in any year shall exceed the total tax, exclusive of any special assessments levied against such property eligible for military service tax exemption, then the excess shall be remitted by the county treasurer to the department of revenue to be redeposited in the general fund of the state and reallocated the following year by the department.

If any claim for exemption made has been denied by the board of supervisors, and the action is subsequently reversed on appeal, the same credit shall be allowed on the assessed valuation, not to exceed the amount of the military service tax exemption involved in the appeal, as was allowed on other military service tax exemption valuations for the year or years in question, and the director of revenue, the county auditor, and the county treasurer shall credit and change their books and records accordingly.

If the appealing taxpayer has paid one or both of the installments of the tax payable in the year or years in question on such military service tax exemption valuation, remittance shall be made to the county treasurer in the amount of such credit.

The amount of the credit shall be allocated and paid from the surplus redeposited in the general fund of the state provided for in the first paragraph of this section.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426A.8]

88 Acts, ch 1151, §7; 2003 Acts, ch 145, §286; 2013 Acts, ch 30, §96

Referred to in §331.559

Unnumbered paragraph 1 amended

**426A.9 Erroneous credits.**

If any claim is allowed, and subsequently reversed on appeal, any credit shall be void, and the amount of the credit shall be charged against the property in question, and the director of revenue, the county auditor, and the county treasurer shall correct their books and records.

The amount of the erroneous credit, when collected, shall be returned by the county treasurer to the general fund of the state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §426A.9]

88 Acts, ch 1151, §8; 2003 Acts, ch 145, §286

Referred to in §331.559

**426A.10** Repealed by 81 Acts, ch 139, § 3.

**426A.11 Military service — exemptions.**

The following exemptions from taxation shall be allowed:

1. The property, not to exceed two thousand seven hundred seventy-eight dollars in taxable value of any veteran, as defined in section 35.1, of World War I.

2. The property, not to exceed one thousand eight hundred fifty-two dollars in taxable value of an honorably separated, retired, furloughed to a reserve, placed on inactive status, or discharged veteran, as defined in section 35.1, subsection 2, paragraph "*a*" or "*b*".

3. Where the word "*veteran*" appears in this chapter, it includes, without limitation, the members of the United States air force, merchant marine, and coast guard.

4. For purposes of this chapter, unless the context otherwise requires, "*veteran*" also means a resident of this state who is a former member of the armed forces of the United States and who served for a minimum aggregate of eighteen months and who was discharged under honorable conditions. However, "*veteran*" also means a resident of this state who is a former member of the armed forces of the United States and who, after serving fewer than eighteen months, was honorably discharged because of a service-related injury sustained by the veteran.

5. For the purpose of determining a military tax exemption under this section, property includes a manufactured or mobile home as defined in section 435.1.

[C97, §1304; S13, SS15, §1304; C24, 27, 31, 35, 39, §**6946;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.3; 82 Acts, ch 1063, §1]

83 Acts, ch 101, §87; 84 Acts, ch 1219, §32; 88 Acts, ch 1151, §9, 10; 88 Acts, ch 1243, §10; 89 Acts, ch 296, §45; 91 Acts, ch 199, §5; 94 Acts, ch 1173, §35; 99 Acts, ch 151, §88, 89; 99 Acts, ch 180, §18

CS99, §426A.11

2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2002 Acts, ch 1151, §18; 2005 Acts, ch 115, §32, 40, 41; 2006 Acts, ch 1111, §1, 3; 2009 Acts, ch 164, §3, 7; 2013 Acts, ch 30, §97; 2013 Acts, ch 140, §66

Referred to in §331.512, 331.608, 420.207, 425.11, 426A.12, 426A.13, 426A.15, 435.26

Subsection 1 amended

**426A.12 Exemptions to relatives.**

1. In case any person in the foregoing classifications does not claim the exemption from taxation, it shall be allowed in the name of the person to the same extent on the property of any one of the following persons in the order named:

*a.* The spouse, or surviving spouse remaining unmarried, of a veteran, as defined in this chapter or in section 35.1, subsection 2, paragraph "*a*" or "*b*", where they are living together or were living together at the time of the death of the veteran.

*b.* The parent whose spouse is deceased and who remains unmarried, of a veteran, as defined in this chapter or in section 35.1, subsection 2, paragraph "*a*" or "*b*", whether living or deceased, where the parent is, or was at the time of death of the veteran, dependent on the veteran for support.

*c.* The minor child, or children owning property as tenants in common, of a deceased veteran, as defined in this chapter or in section 35.1, subsection 2, paragraph "*a*" or "*b*".

2. No more than one tax exemption shall be allowed under this section or section 426A.11 in the name of a veteran, as defined in this chapter or in section 35.1, subsection 2, paragraph "*a*" or "*b*".

[C97, §1304; S13, SS15, §1304; C24, 27, 31, 35, 39, §**6946;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.4]

99 Acts, ch 151, §88, 89; 99 Acts, ch 180, §19

CS99, §426A.12
2005 Acts, ch 115, §33, 40, 41; 2009 Acts, ch 164, §4, 7
Referred to in §331.512, 420.207, 426A.15

**426A.13 Claim for military tax exemption — discharge recorded.**

A person named in section 426A.11, who is a resident of and domiciled in the state of Iowa, shall receive a reduction equal to the exemption, to be made from any property owned by the person or owned by a family farm corporation of which the person is a shareholder and occupant of the property and so designated by proceeding as provided in the section. To be eligible to receive the exemption, the person claiming it shall have recorded in the office of the county recorder of the county in which is located the property designated for the exemption, evidence of property ownership by that person or the family farm corporation of which the person is a shareholder and the military certificate of satisfactory service, order transferring to inactive status, reserve, retirement, order of separation from service, honorable discharge or a copy of any of these documents of the person claiming or through whom is claimed the exemption. In the case of a person claiming the exemption as a veteran described in section 35.1, subsection 2, paragraph *"b"*, subparagraph (6) or (7), the person shall file the statement required by section 35.2.

The person shall file with the appropriate assessor on forms obtained from the assessor the claim for exemption for the year for which the person is first claiming the exemption. The claim shall be filed not later than July 1 of the year for which the person is claiming the exemption. The claim shall set out the fact that the person is a resident of and domiciled in the state of Iowa, and a person within the terms of section 426A.11, and shall give the volume and page on which the certificate of satisfactory service, order of separation, retirement, furlough to reserve, inactive status, or honorable discharge or certified copy thereof is recorded in the office of the county recorder, and may include the designation of the property from which the exemption is to be made, and shall further state that the claimant is the equitable or legal owner of the property designated or if the property is owned by a family farm corporation, that the person is a shareholder of that corporation and that the person occupies the property. In the case of a person claiming the exemption as a veteran described in section 35.1, subsection 2, paragraph *"b"*, subparagraph (6) or (7), the person shall file the statement required by section 35.2.

Upon the filing and allowance of the claim, the claim shall be allowed to that person for successive years without further filing. Provided, that notwithstanding the filing or having on file a claim for exemption, the person or person's spouse is the legal or equitable owner of the property on July 1 of the year for which the claim is allowed. When the property is sold or transferred or the person wishes to designate different property for the exemption, a person who wishes to receive the exemption shall refile for the exemption. A person who sells or transfers property which is designated for the exemption or the personal representative of a deceased person who owned such property shall provide written notice to the assessor that the property is no longer legally or equitably owned by the former claimant.

In case the owner of the property is in active service in any of the armed forces of the United States or of this state, including the nurses corps of the state or of the United States, or is sixty-five years of age or older, or is disabled, the claim may be filed by any member of the owner's family, by the owner's guardian or conservator, or by any other person who may represent the owner under power of attorney. In all cases where the owner of the property is married, the spouse may file the claim for exemption. A person may not claim an exemption in more than one county of the state, and if a designation is not made the exemption shall apply to the homestead, if any.

[C24, 27, 31, 35, 39, §**6947;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.5; 82 Acts, ch 1246, §8, 11]

84 Acts, ch 1221, §2; 87 Acts, ch 198, §3; 89 Acts, ch 296, §46; 97 Acts, ch 158, §31; 97 Acts, ch 206, §9; 99 Acts, ch 151, §88, 89

CS99, §426A.13
2005 Acts, ch 115, §34, 40, 41; 2006 Acts, ch 1010, §108
Referred to in §331.512, 420.207, 426A.15

**426A.14 Allowance — continuing effectiveness.**

The assessor shall retain a permanent file of current military service tax exemption claims filed in the assessor's office. The assessor shall file a notice of transfer of property for which a claim is filed when notice is received from the office of the county recorder, from the person who sold or transferred the property, or from the personal representative of a deceased claimant.

The county recorder shall give notice to the assessor of each transfer of title filed in the recorder's office. The notice shall describe the property transferred, the name of the person transferring the title to the property, and the name of the person to whom title to the property has been transferred.

Not later than July 6 of each year, the assessor shall remit the claims and designations of property to the county auditor with the assessor's recommendation for allowance or disallowance. If the assessor recommends disallowance of a claim, the assessor shall submit the reasons for the recommendation, in writing, to the county auditor.

The county auditor shall forward the claims to the board of supervisors. The board shall allow or disallow the claims. If the board disallows a claim, it shall send written notice, by mail, to the claimant at the claimant's last known address. The notice shall state the reasons for disallowing the claim for the exemption. The board is not required to send notice that a claim is disallowed if the claimant voluntarily withdraws the claim.

Any person whose claim is denied under the provisions of this chapter may appeal from the action of the board of supervisors in the district court of the county in which said claimed military service tax exemption is situated by giving written notice of such appeal to the county auditor of said county within twenty days from the date of mailing of notice of such action by the board of supervisors.

Upon adoption of a resolution by the county board of supervisors, any person may request, in writing, from the appropriate assessor forms for the filing for a military service tax exemption. The person may complete the form, which shall include a statement claiming the military service tax exemption and designating the property upon which the tax exemption is claimed, and mail or return it to the appropriate assessor. The signature of the claimant on the claim shall be considered the claimant's acknowledgment that all statements and facts entered on the form are correct to the best of the claimant's knowledge.

[SS15, §1304-1A; C24, 27, 31, 35, 39, §**6948;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.6; 82 Acts, ch 1246, §9, 11]

86 Acts, ch 1241, §36; 94 Acts, ch 1144, §2; 99 Acts, ch 151, §88, 89

CS99, §426A.14

Referred to in §331.401, 331.512, 420.207, 426A.15

**426A.15 Penalty.**

Any person making a false affidavit for the purpose of obtaining the exemption provided for in sections 426A.11 to 426A.14 or who knowingly receives such exemption without being legally entitled thereto, or who makes claim for exemption in more than one county in the state shall be guilty of a fraudulent practice.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.7]

99 Acts, ch 151, §88, 89

CS99, §426A.15

Referred to in §420.207

# CHAPTER 426B

## PROPERTY TAX RELIEF — MENTAL HEALTH AND DISABILITIES SERVICES

Referred to in §331.424A

For specific exceptions to payments and expenditures provided under this chapter, see appropriations and other noncodified enactments in the annual Acts of the general assembly

426B.1 Appropriations — property tax relief fund.
426B.2 Property tax relief fund payments.
426B.3 Per capita funding — repayment of Medicaid offset amount.
426B.4 Rules.
426B.5 Funding pools.
426B.6 Future repeal. Repealed by 2012 Acts, ch 1120, §138.

**426B.1 Appropriations — property tax relief fund.**

1. A property tax relief fund is created in the state treasury under the authority of the department of human services. The fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state except in determining the cash position of the state for payment of state obligations. The moneys in the fund are not subject to the provisions of section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this chapter. Moneys in the fund may be used for cash flow purposes, provided that any moneys so allocated are returned to the fund by the end of each fiscal year. However, the fund shall be considered a special account for the purposes of section 8.53, relating to elimination of any GAAP deficit. For the purposes of this chapter, unless the context otherwise requires, *"property tax relief fund"* means the property tax relief fund created in this section.

2. Moneys shall be distributed from the property tax relief fund to counties for the mental health and disability regional service system for providing county base property tax equivalent equalization payments and the per capita growth amount established pursuant to section 426B.3, in accordance with the appropriations made to the fund and other statutory requirements.

95 Acts, ch 206, §17; 96 Acts, ch 1034, §38; 96 Acts, ch 1219, §104; 97 Acts, ch 158, §28; 2002 Acts, ch 1119, §167; 2003 Acts, ch 108, §72; 2010 Acts, ch 1193, §14; 2012 Acts, ch 1120, §134, 139, 140

Referred to in §437A.8, 437A.15

2012 amendment to subsection 2 is effective July 1, 2013, and is applicable commencing with the budget and tax levy certification process for the fiscal year beginning July 1, 2013; 2012 Acts, ch 1120, §139, 140

Replacement generation tax revenues required to be credited for FY 2011-2012 and FY 2012-2013 to mental health and disability services redesign fund created in 2012 Acts, ch 1133, §56; 2012 Acts, ch 1133, §55, 71; 2013 Acts, ch 138, §44, 46

Replacement generation tax revenues appropriated for FY 2013-2014 and FY 2014-2015 to department of human services to supplement medical assistance appropriation and allocated for various mental health and disability service-related activities; 2013 Acts, ch 138, §12, 142

Subsection 2 stricken and rewritten

**426B.2 Property tax relief fund payments.**

1. The director of human services shall draw warrants on the property tax relief fund, payable to the county treasurer in the amount due to a county in accordance with section 426B.3, and mail the warrants to the county auditors in July and January of each year.

2. As used in this chapter, and in sections 331.438* and 331.439,* *"population"* means the latest applicable population estimate issued by the federal government.

95 Acts, ch 206, §18; 96 Acts, ch 1205, §4, 5; 97 Acts, ch 198, §5; 98 Acts, ch 1100, §59; 98 Acts, ch 1213, §7, 9; 2001 Acts, ch 191, §44; 2003 Acts, ch 106, §1, 15; 2008 Acts, ch 1187, §49; 2012 Acts, ch 1019, §132; 2012 Acts, ch 1120, §135, 136, 139, 140

Referred to in §437A.8, 437A.15

2012 amendments striking former subsections 1 and 2 and amending former subsection 3 take effect July 1, 2013, and are applicable commencing with the budget and tax levy certification process for the fiscal year beginning July 1, 2013; 2012 Acts, ch 1120, §139, 140

*Sections 331.438 and 331.439 are repealed; corrective legislation is pending

Subsections 1 and 2 stricken and former subsection 3 amended and renumbered as 1

Former subsection 4 renumbered as 2

**426B.3 Per capita funding — repayment of Medicaid offset amount.**

1. For the fiscal years beginning July 1, 2013, and July 1, 2014, the state and county

funding for the mental health and disability services administered or paid for by counties shall be provided based on a statewide per capita expenditure target amount computed in accordance with this section.

2. The statewide per capita expenditure target amount shall consist of the sum of the following:

*a.* A county base property tax equivalent to forty-seven dollars and twenty-eight cents per capita. Each per capita growth amount established by statute as provided in paragraph "*b*", shall be added to this amount.

*b.* A per capita growth amount, which may be stated as a percentage of the prior fiscal year's county base property tax per capita amount, as established by statute.

3. The per capita growth amount established by statute shall provide funding for increases in non-Medicaid expenditures from county services funds due to service costs, additional service populations, additional core service domains, and numbers of persons receiving services.

4. *a.* For the fiscal years beginning July 1, 2013, and July 1, 2014, a county with a county population expenditure target amount that exceeds the amount of the county's base year expenditures for mental health and disabilities services shall receive an equalization payment for the difference.

*b.* The equalization payments determined in accordance with this subsection shall be made by the department of human services for each fiscal year as provided in appropriations made from the property tax relief fund for this purpose. If the county is part of a region that has been approved by the department in accordance with section 331.389, to commence partial or full operations, the county's equalization payment shall be remitted to the region or the county, as appropriate, for expenditure as approved by the region's governing board or in accordance with the county's service management plan, as appropriate. The payment for a county that has been approved by the department to operate as an individual county region shall be remitted to the county for expenditure as approved by the county board of supervisors. For the fiscal year beginning July 1, 2013, and succeeding fiscal years, the payment shall be remitted on or before December 31 only for those counties approved to operate as an individual county region or to be part of a region. Remittance of the payment for a county without such approval shall be deferred until such approval is granted.

5. *a.* For the purposes of this subsection, "*Medicaid offset amount*" means the projected amount for a fiscal year that would have been paid from a county's services fund for those services for persons eligible under the county's approved service management plan that would be non-Medicaid services, but due to the persons' enrollment in the Iowa health and wellness plan established under chapter 249N, those services are instead covered under chapter 249N.

*b.* For the fiscal year beginning July 1, 2013, and succeeding fiscal years, the department of human services shall calculate a Medicaid offset amount for each county for the fiscal year. The department shall adopt rules in consultation with the county finance committee specifying the information to be used in calculating a Medicaid offset amount. The information shall include but is not limited to identification of specific services and supports that would otherwise be payable by the county for persons eligible under a county's approved service management plan but are instead paid by the Iowa health and wellness plan. The amount calculated for a county shall be subject to review by the auditor of that county or subject to independent audit. The Medicaid offset amounts calculated by the department for a county for a fiscal year are not official until certified by the director of human services and submitted to the governor and general assembly by October 15 immediately following the end of the fiscal year for which the offset amounts were calculated.

*c.* The Medicaid offset amounts certified for each county by the director of human services for the fiscal year beginning July 1, 2013, shall be annualized by doubling the amounts. For the fiscal year beginning July 1, 2014, a county shall repay the state from any equalization payment due the county for the fiscal year, eighty percent of the county's annualized Medicaid offset amount for the fiscal year beginning July 1, 2013. To the extent a county's repayment obligation for the fiscal year beginning July 1, 2014, exceeds the amount of any equalization

payment due the county for the fiscal year, the county shall, for the following fiscal year, reduce the dollar amount of the county's services fund levy by the amount of the excess.

*d.* For the fiscal year beginning July 1, 2015, and succeeding fiscal years, a county shall repay the state from any equalization payment due the county for the fiscal year, eighty percent of the county's Medicaid offset amount certified for the previous fiscal year. To the extent a county's repayment obligation for a fiscal year exceeds the amount of any equalization payment due the county for that fiscal year, the county shall, for the following fiscal year, reduce the dollar amount of the county's services fund levy by the amount of the excess.

*e.* A county's repayment pursuant to this subsection shall be remitted on or before January 1 of the fiscal year in which repayment is due and shall be credited to the property tax relief fund. Moneys credited to the property tax relief fund in accordance with this paragraph are subject to appropriation by the general assembly to support mental health and disability services administered by the regional system.

95 Acts, ch 206, §19; 97 Acts, ch 198, §6; 98 Acts, ch 1100, §60; 2012 Acts, ch 1019, §133; 2012 Acts, ch 1120, §137, 139, 140; 2013 Acts, ch 138, §180, 187; 2013 Acts, ch 140, §177, 186

Referred to in §426B.1, 426B.2

2012 amendment to this section takes effect July 1, 2013, and is applicable commencing with the budget and tax levy certification process for the fiscal year beginning July 1, 2013; 2012 Acts, ch 1120, §139, 140

Subsection 5 takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance state plan amendment or waiver request; 2013 Acts, ch 138, §187

Section stricken and rewritten

**426B.4 Rules.**

The mental health and disability services commission shall consult with county representatives and the director of human services in prescribing forms and adopting rules pursuant to chapter 17A to administer this chapter.

95 Acts, ch 206, §20; 97 Acts, ch 158, §29; 2002 Acts, ch 1146, §19; 2004 Acts, ch 1090, §31; 2010 Acts, ch 1031, §389

**426B.5 Funding pools.**

1. *Allowed growth funding pool.*

*a.* An allowed growth funding pool is created in the property tax relief fund. The pool shall consist of the moneys credited to the pool by law.

*b.* Moneys available in the allowed growth funding pool for a fiscal year are appropriated to the department of human services for distribution as provided in this subsection.

*c.* The first twelve million dollars credited to the funding pool shall be allocated to counties based upon the county's relative proportion of the state's general population.

*d.* (1) The amount in the funding pool remaining after the allocation made in paragraph "*c*" shall be allocated to those counties that meet all of the following eligibility requirements:

(a) The county is levying the maximum amount allowed for the county's mental health, intellectual disability, and developmental disabilities services fund* under section 331.424A for the fiscal year in which the funding is distributed.

(b) In the latest fiscal year reported in accordance with section 331.403, the county's mental health, intellectual disability, and developmental disabilities services fund* ending balance under generally accepted accounting principles was equal to or less than twenty-five percent of the county's actual gross expenditures for that fiscal year.

(2) The amount allocated to a county from the moneys available in the pool under this paragraph "*d*" shall be determined based upon the county's proportion of the general population of the counties eligible to receive moneys from the pool for that fiscal year.

*e.* In order to receive an allocation under this section, a county must comply with the filing date requirements under section 331.403. Moneys credited to the allowed growth funding pool which remain unobligated or unexpended at the close of a fiscal year shall remain in the pool for distribution in the succeeding fiscal year.

*f.* The most recent population estimates issued by the United States bureau of the census shall be applied in determining population for the purposes of this subsection.

*g.* The department of human services shall annually calculate the amount of moneys due to eligible counties in accordance with this subsection. The department shall authorize the

issuance of warrants payable to the county treasurer for the amounts due and the warrants shall be issued in January.

2. *Risk pool.*

*a.* For the purposes of this subsection, unless the context otherwise requires, *"services fund"* means a county's mental health, intellectual disability, and developmental disabilities services fund created in section 331.424A.*

*b.* A risk pool is created in the property tax relief fund. The pool shall consist of the moneys credited to the pool by law.

*c.* A risk pool board is created. The board shall consist of two county supervisors, two county auditors, a member of the mental health and disability services commission who is not a member of a county board of supervisors, a member of the county finance committee created in chapter 333A who is not an elected official, a representative of a provider of mental health or developmental disabilities services selected from nominees submitted by the Iowa association of community providers, and two central point of coordination process** administrators, all appointed by the governor, and one member appointed by the director of human services. All members appointed by the governor shall be subject to confirmation by the senate. Members shall serve for three-year terms. A vacancy shall be filled in the same manner as the original appointment. Expenses and other costs of the risk pool board members representing counties shall be paid by the county of origin. Expenses and other costs of risk pool board members who do not represent counties shall be paid from a source determined by the governor. Staff assistance to the board shall be provided by the department of human services and counties. Actuarial expenses and other direct administrative costs shall be charged to the pool.

*d.* A county must apply to the risk pool board for assistance from the risk pool on or before October 31. The risk pool board shall make its final decisions on or before December 15 regarding acceptance or rejection of the applications for assistance and the total amount accepted shall be considered obligated.

*e.* Basic eligibility for risk pool assistance requires that a county meet all of the following conditions:

(1) The county is in compliance with the requirements of section 331.439.***

(2) The county levied the maximum amount allowed for the county's services fund under section 331.424A for the fiscal year of application for risk pool assistance.

(3) In the fiscal year that commenced two years prior to the fiscal year of application, the county's services fund ending balance under generally accepted accounting principles was equal to or less than twenty percent of the county's actual gross expenditures for that fiscal year.

*f.* The board shall review the fiscal year-end financial records for all counties that are granted risk pool assistance. If the board determines a county's actual need for risk pool assistance was less than the amount of risk pool assistance granted to the county, the county shall refund the difference between the amount of assistance granted and the actual need. The county shall submit the refund within thirty days of receiving notice from the board. Refunds shall be credited to the risk pool. The mental health and disability services commission shall adopt rules pursuant to chapter 17A providing criteria for the purposes of this lettered paragraph and as necessary to implement the other provisions of this subsection.

*g.* The board shall determine application requirements to ensure prudent use of risk pool assistance. The board may accept or reject an application for assistance in whole or in part. The decision of the board is final.

*h.* The total amount of risk pool assistance shall be limited to the amount available in the risk pool for a fiscal year. Any unobligated balance in the risk pool at the close of a fiscal year shall remain in the risk pool for distribution in the succeeding fiscal year.

*i.* Risk pool assistance shall only be made available to address one or more of the following circumstances:

(1) Continuing support for mandated services.

(2) Avoiding the need for reduction or elimination of critical services when the reduction or elimination places consumers' health or safety at risk.

(3) Avoiding the need for reduction or elimination of a mobile crisis team or other critical emergency services when the reduction or elimination places the public's health or safety at risk.

(4) Avoiding the need for reduction or elimination of the services or other support provided to entire disability populations.

(5) Avoiding the need for reduction or elimination of services or other support that maintain consumers in a community setting, creating a risk that the consumers would be placed in more restrictive, higher cost settings.

*j.* Subject to the amount available and obligated from the risk pool for a fiscal year, the department of human services shall annually calculate the amount of moneys due to eligible counties in accordance with the board's decisions and that amount is appropriated from the risk pool to the department for payment of the moneys due. The department shall authorize the issuance of warrants payable to the county treasurer for the amounts due and the warrants shall be issued on or before January 1.

*k.* On or before March 1 and September 1 of each fiscal year, the department of human services shall provide the risk pool board with a report of the financial condition of each funding source administered by the board. The report shall include but is not limited to an itemization of the funding source's balances, types and amount of revenues credited, and payees and payment amounts for the expenditures made from the funding source during the reporting period.

*l.* If the board has made its decisions but has determined that there are otherwise qualifying requests for risk pool assistance that are beyond the amount available in the risk pool fund for a fiscal year, the board shall compile a list of such requests and the supporting information for the requests. The list and information shall be submitted to the mental health and disability services commission, the department of human services, and the general assembly.

3. *Incentive pool.*

*a.* An incentive pool is created in the property tax relief fund. The incentive pool shall consist of the moneys credited to the incentive pool by law.

*b.* Moneys available in the incentive pool for a fiscal year shall be distributed to those counties that either meet or show progress toward meeting the purposes described in section 331.439, subsection 1, paragraph "*c*".*** The moneys received by a county from the incentive pool shall be used to build community capacity to support individuals covered by the county's management plan approved under section 331.439,*** in meeting such purposes.

98 Acts, ch 1213, §8, 9; 2000 Acts, ch 1090, §4, 6; 2000 Acts, ch 1232, §2, 3, 9, 10; 2001 Acts, ch 155, §4 – 8, 11; 2002 Acts, ch 1050, §36; 2002 Acts, ch 1146, §20; 2003 Acts, ch 179, §1; 2004 Acts, ch 1090, §32; 2006 Acts, ch 1115, §11, 12; 2007 Acts, ch 218, §82, 89, 92; 2008 Acts, ch 1043, §1 – 4; 2009 Acts, ch 182, §53; 2010 Acts, ch 1031, §389; 2012 Acts, ch 1019, §134, 135

Confirmation, see §2.32

*Mental health and disabilities services fund probably intended; corrective legislation is pending

**Section 331.440, implementing the central point of coordination process, is repealed; corrective legislation is pending

***Section 331.439 is repealed; corrective legislation is pending

Section not amended; footnotes added

**426B.6 Future repeal.** Repealed by 2012 Acts, ch 1120, § 138.

# CHAPTER 426C

## BUSINESS PROPERTY TAX CREDIT

Referred to in §331.512, 331.559


426C.1 Definitions.
426C.2 Business property tax credit fund — appropriation.
426C.3 Claims for credit.
426C.4 Eligibility and amount of credit.
426C.5 Payment to counties.
426C.6 Appeals.
426C.7 Audit — recalculation or denial.
426C.8 False claim — penalty.
426C.9 Rules.

**426C.1 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Contiguous parcels"* means any of the following:

*a.* Parcels that share a common boundary.

*b.* Parcels within the same building or structure regardless of whether the parcels share a common boundary.

*c.* Permanent improvements to the land that are situated on one or more parcels of land that are assessed and taxed separately from the permanent improvements if the parcels of land upon which the permanent improvements are situated share a common boundary.

2. *"Department"* means the department of revenue.

3. *"Fund"* means the business property tax credit fund created in section 426C.2.

4. *"Parcel"* means as defined in section 445.1 and, for purposes of business property tax credits claimed for fiscal years beginning on or after January 1, 2016, *"parcel"* also means that portion of a parcel assigned to be commercial property, industrial property, or railway property under chapter 434 pursuant to section 441.21, subsection 13, paragraph *"c"*.*

5. *"Property unit"* means contiguous parcels all of which are located within the same county, with the same property tax classification, are owned by the same person, and are operated by that person for a common use and purpose.

2013 Acts, ch 123, §3, 13

Section takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

*Section 441.21, subsection 13, takes effect January 1, 2015; see 2013 Acts, ch 123, §28, 30

NEW section

**426C.2 Business property tax credit fund — appropriation.**

1. A business property tax credit fund is created in the state treasury under the authority of the department. For the fiscal year beginning July 1, 2014, there is appropriated from the general fund of the state to the department to be credited to the fund, the sum of fifty million dollars to be used for business property tax credits authorized in this chapter. For the fiscal year beginning July 1, 2015, there is appropriated from the general fund of the state to the department to be credited to the fund, the sum of one hundred million dollars to be used for business property tax credits authorized in this chapter. For the fiscal year beginning July 1, 2016, and each fiscal year thereafter, there is appropriated from the general fund of the state to the department to be credited to the fund, the sum of one hundred twenty-five million dollars to be used for business property tax credits authorized in this chapter.

2. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund. Moneys in the fund are not subject to the provisions of section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this chapter.

2013 Acts, ch 123, §4, 13

Referred to in §426C.1

Section takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

NEW section

**426C.3 Claims for credit.**

1. Each person who wishes to claim the credit allowed under this chapter shall obtain the appropriate forms from the assessor and file the claim with the assessor. The director of revenue shall prescribe suitable forms and instructions for such claims, and make such forms and instructions available to the assessors.

2. *a.* Claims for the business property tax credit shall be filed not later than March 15 preceding the fiscal year during which the taxes for which the credit is claimed are due and payable.

*b.* A claim for credit filed after the deadline for filing claims shall be considered as a claim for the following year.

3. Upon the filing of a claim and allowance of the credit, the credit shall be allowed on the parcel or property unit for successive years without further filing as long as the parcel or property unit satisfies the requirements for the credit. If the parcel or property unit ceases to

qualify for the credit under this chapter, the owner shall provide written notice to the assessor by the date for filing claims specified in subsection 2 following the date on which the parcel or property unit ceases to qualify for the credit.

4. The assessor shall remit the claims for credit to the county auditor with the assessor's recommendation for allowance or disallowance. If the assessor recommends disallowance of a claim, the assessor shall submit the reasons for the recommendation, in writing, to the county auditor. The county auditor shall forward the claims and recommendations to the board of supervisors. The board shall allow or disallow the claims.

5. For each claim and allowance of a credit for a property unit, the county auditor shall calculate the average of all consolidated levy rates applicable to the several parcels within the property unit. All claims for credit which have been allowed by the board of supervisors, the actual value of such parcels and property units applicable to the fiscal year for which the credit is claimed that are subject to assessment and taxation prior to imposition of any applicable assessment limitation, the consolidated levy rates for such parcels and the average consolidated levy rates for such property units applicable to the fiscal year for which the credit is claimed, and the taxing districts in which the parcel or property unit is located, shall be certified on or before June 30, in each year, by the county auditor to the department.

6. The assessor shall maintain a permanent file of current business property tax credits. The assessor shall file a notice of transfer of property for which a credit has been allowed when notice is received from the office of the county recorder, from the person who sold or transferred the property, or from the personal representative of a deceased property owner. The county recorder shall give notice to the assessor of each transfer of title filed in the recorder's office. The notice from the county recorder shall describe the property transferred, the name of the person transferring title to the property, and the name of the person to whom title to the property has been transferred.

7. When all or a portion of a parcel or property unit that is allowed a credit under this chapter is sold, transferred, or ownership otherwise changes, the buyer, transferee, or new owner who wishes to receive the credit shall refile the claim for credit. In addition, when a portion of a parcel or property unit that is allowed a credit under this chapter is sold, transferred, or ownership otherwise changes, the owner of the portion of the parcel or property unit for which ownership did not change shall refile the claim for credit.

2013 Acts, ch 123, §5, 13

Referred to in §426C.4, 426C.6

Section takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

Claims for credit against property taxes due and payable during the fiscal year beginning July 1, 2014, shall be filed not later than January 15, 2014; 2013 Acts, ch 123, §12

NEW section

**426C.4 Eligibility and amount of credit.**

1. *a.* Except as provided in paragraph *"b"*, parcels classified and taxed as commercial property, industrial property, or railway property under chapter 434 are eligible for a credit under this chapter. A person may claim and receive one credit under this chapter for each eligible parcel unless the parcel is part of a property unit for which a credit is claimed. A person may claim and receive one credit under this chapter for each property unit. A credit approved for a property unit shall be allocated to the several parcels within the property unit in the proportion that each parcel's total amount of property taxes due and payable bears to the total amount of property taxes due and payable on the property unit. Only property units comprised of property assessed as commercial property, industrial property, or railway property under chapter 434 are eligible for a credit under this chapter. The classification of property used to determine eligibility for the credit under this chapter shall be the classification of the property for the assessment year used to calculate the taxes due and payable in the fiscal year for which the credit is claimed.

*b.* All of the following shall not be eligible to receive a credit under this chapter or be part of a property unit that receives a credit under this chapter:

(1) Property that is rented or leased to low-income individuals and families as authorized by section 42 of the Internal Revenue Code, as amended, and that is subject to assessment

procedures relating to section 42 property under section 441.21, subsection 2, for the applicable assessment year.

(2) For credits claimed for the fiscal year beginning July 1, 2014, and the fiscal year beginning July 1, 2015, property that is a mobile home park, manufactured home community, land-leased community, assisted living facility, as those terms are defined in section 441.21, subsection 13, as enacted in division III, 2013 Acts, ch 123,* or that is property primarily used or intended for human habitation containing three or more separate dwelling units.

2. Using the actual value of each parcel or property unit and the consolidated levy rate for each parcel or the average consolidated levy rate for each property unit, as certified by the county auditor to the department under section 426C.3, subsection 5, the department shall calculate, for each fiscal year, an initial amount of actual value for use in determining the amount of the credit for each such parcel or property unit so as to provide the maximum possible credit according to the credit formula and limitations under subsection 3, and to provide a total dollar amount of credits against the taxes due and payable in the fiscal year equal to ninety-eight percent of the moneys in the fund following the deposit of the appropriation for the fiscal year and including interest or earnings credited to the fund.

3. *a.* The amount of the credit for each parcel or property unit for which a claim for credit under this chapter has been approved shall be calculated under paragraph *"b"* using the lesser of the initial amount of actual value determined by the department under subsection 2, and the amount of actual value of the parcel or property unit certified by the county auditor under section 426C.3, subsection 5.

*b.* The amount of the credit for each parcel or property unit for which a claim for credit under this chapter has been approved shall be equal to the product of the amount of actual value determined under paragraph *"a"* times the difference, stated as a percentage, between the assessment limitation percentage applicable to the parcel or property unit under section 441.21, subsection 5, and the assessment limitation percentage applicable to residential property under section 441.21, subsection 4, divided by one thousand dollars, and then multiplied by the consolidated levy rate or average consolidated levy rate per one thousand dollars of taxable value applicable to the parcel or property unit for the fiscal year for which the credit is claimed as certified by the county auditor under section 426C.3, subsection 5.

2013 Acts, ch 123, §6, 13

Section takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

*Section 441.21, subsection 13, takes effect January 1, 2015; see 2013 Acts, ch 123, §28, 30

NEW section

**426C.5 Payment to counties.**

1. Annually the department shall certify to the county auditor of each county the amounts of the business property tax credits allowed in the county. Each county auditor shall then enter the credits against the tax levied on each eligible parcel or property unit in the county, designating on the tax lists the credit as being paid from the fund. Each taxing district shall receive its share of the business property tax credit allowed on each eligible parcel or property unit in such taxing district in the proportion that the levy made by such taxing district upon the parcel or property unit bears to the total levy upon the parcel or property unit by all taxing districts. However, the several taxing districts shall not draw the moneys so credited until after the semiannual allocations have been received by the county treasurer, as provided in this section. Each county treasurer shall show on each taxpayer receipt the amount of credit received from the fund.

2. The director of revenue shall authorize the department of administrative services to draw warrants on the fund payable to the county treasurers of the several counties of the state in the amounts certified by the department.

3. The amount due each county shall be paid in two payments on November 15 and March 15 of each fiscal year, drawn upon warrants payable to the respective county treasurers. The two payments shall be as nearly equal as possible.

2013 Acts, ch 123, §7, 13

Section takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

NEW section

**426C.6 Appeals.**

1. If the board of supervisors disallows a claim for credit under section 426C.3, subsection 4, the board of supervisors shall send written notice, by mail, to the claimant at the claimant's last known address. The notice shall state the reasons for disallowing the claim for the credit. The board of supervisors is not required to send notice that a claim for credit is disallowed if the claimant voluntarily withdraws the claim. Any person whose claim is disallowed under the provisions of this chapter may appeal from the action of the board of supervisors to the district court of the county in which the parcel or property unit is located by giving written notice of such appeal to the county auditor within twenty days from the date of mailing of notice of such action by the board of supervisors.

2. If a claim for credit is disallowed by the board of supervisors, and such action is subsequently reversed on appeal, the credit shall be allowed on the applicable parcel or property unit, and the director of revenue, the county auditor, and the county treasurer shall provide the credit and change their books and records accordingly. In the event the claimant has paid one or both of the installments of the tax payable in the year or years in question, remittance shall be made to the claimant of the amount of such credit. The amount of such credit awarded on appeal shall be allocated and paid from the balance remaining in the fund.

2013 Acts, ch 123, §8, 13

Section takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

NEW section

**426C.7 Audit — recalculation or denial.**

1. If on the audit of a credit provided under this chapter, the director of revenue determines the amount of the credit to have been incorrectly calculated or that the credit is not allowable, the director shall recalculate the credit and notify the claimant and the county auditor of the recalculation or denial and the reasons for it. The director shall not adjust a credit after three years from October 31 of the year in which the claim for the credit was filed. If the credit has been paid, the director shall give notification to the claimant, the county treasurer, and the applicable assessor of the recalculation or denial of the credit and the county treasurer shall proceed to collect the tax owed in the same manner as other property taxes due and payable are collected, if the parcel or property unit for which the credit was allowed is still owned by the claimant. If the parcel or property unit for which the credit was allowed is not owned by the claimant, the amount may be recovered from the claimant by assessment in the same manner that income taxes are assessed under sections 422.26 and 422.30. The amount of such erroneous credit, when collected, shall be deposited in the fund.

2. The claimant or board of supervisors may appeal any decision of the director of revenue to the state board of tax review pursuant to section 421.1, subsection 5. The claimant, the board of supervisors, or the director of revenue may seek judicial review of the action of the state board of tax review in accordance with chapter 17A.

2013 Acts, ch 123, §9, 13

Referred to in §426C.8

Section takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

NEW section

**426C.8 False claim — penalty.**

A person who makes a false claim for the purpose of obtaining a credit provided for in this chapter or who knowingly receives the credit without being legally entitled to it is guilty of a fraudulent practice. The claim for a credit of such a person shall be disallowed and if the credit has been paid the amount shall be recovered in the manner provided in section 426C.7. In such cases, the director of revenue shall send a notice of disallowance of the credit.

2013 Acts, ch 123, §10, 13

Section takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

NEW section

**426C.9 Rules.**

The director of revenue shall prescribe forms, instructions, and rules as necessary, pursuant to chapter 17A, to carry out and effectuate the purposes of this chapter.

2013 Acts, ch 123, §11, 13

Section takes effect July 1, 2013, and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2014; 2013 Acts, ch 123, §13

NEW section

# CHAPTER 427

## PROPERTY EXEMPT AND TAXABLE

Referred to in §419.11, 437A.16A, 441.47, 476.1D

See chapter 437A for assessment and taxation of certain property associated with the production, generation, transmission, or delivery of electricity or natural gas

See chapter 437B for assessment and taxation of certain property associated with the production, delivery, service, or sale of water by a rate-regulated water utility


427.1 Exemptions.
427.2 Taxable property acquired through eminent domain.
427.2A Taxation of life estate in property donated to public.
427.3 Abatement of taxes of certain exempt entities.
427.4 through 427.7 Transferred to §426A.12 through 426A.15; 99 Acts, ch 151, §88, 89.
427.8 Petition for suspension or abatement of taxes, assessments, and rates or charges, including interest, fees, and costs.
427.9 Suspension of taxes, assessments, and rates or charges, including interest, fees, and costs.
427.10 Abatement.
427.11 Grantee or devisee to pay tax.
427.12 Suspended tax record.
427.13 What taxable.
427.14 County lands.
427.15 Interest of lessee.
427.16 Historic property — rehabilitation tax exemption — application.
427.17 Repealed by 88 Acts, ch 1250, §21.
427.18 Token tax liability accrues.
427.19 Exemptions eligibility — prorating.


**427.1 Exemptions.**

The following classes of property shall not be taxed:

1. *Federal and state property.*

*a.* The property of the United States and this state, including state university, university of science and technology, and school lands, except as otherwise provided in this subsection. The exemption herein provided shall not include any real property subject to taxation under any federal statute applicable thereto, but such exemption shall extend to and include all machinery and equipment owned exclusively by the United States or any corporate agency or instrumentality thereof without regard to the manner of the affixation of such machinery and equipment to the land or building upon or in which such property is located, until such time as the Congress of the United States shall expressly authorize the taxation of such machinery and equipment.

*b.* Property of the state operated pursuant to section 904.302, 904.705, or 904.706 that is leased to an entity other than an entity which is exempt from property taxation under this section shall be subject to property taxation for the term of the lease. Property taxes levied against such leased property shall be paid from the revolving farm fund created in section 904.706. The lessor shall file a copy of the lease with the county assessor of the county where the property is located.

2. *Municipal and military property.* The property of a county, township, city, school corporation, levee district, drainage district, or the Iowa national guard, when devoted to public use and not held for pecuniary profit, except property of a municipally owned electric utility held under joint ownership and property of an electric power facility financed under

chapter 28F or 476A that shall be subject to taxation under chapter 437A and facilities of a municipal utility that are used for the provision of local exchange services pursuant to chapter 476, but only to the extent such facilities are used to provide such services, which shall be subject to taxation under chapter 433, except that section 433.11 shall not apply. The exemption for property owned by a city or county also applies to property which is operated by a city or county as a library, art gallery or museum, conservatory, botanical garden or display, observatory or science museum, or as a location for holding athletic contests, sports or entertainment events, expositions, meetings or conventions, or leased from the city or county for any such purposes, or leased from the city or county by the Iowa national guard or by a federal agency for the benefit of the Iowa national guard when devoted for public use and not for pecuniary profit. Food and beverages may be served at the events or locations without affecting the exemptions, provided the city has approved the serving of food and beverages on the property if the property is owned by the city or the county has approved the serving of food and beverages on the property if the property is owned by the county. The exemption for property owned by a city or county also applies to property which is located at an airport and leased to a fixed base operator providing aeronautical services to the public.

3. *Public grounds and cemeteries.* Public grounds, including all places for the burial of the dead; and crematoriums with the land, not exceeding one acre, on which they are built and appurtenant thereto, so long as no dividends or profits are derived therefrom.

4. *Fire company buildings and grounds.* The publicly owned buildings and grounds used exclusively for keeping fire engines and implements for extinguishing fires and for meetings of fire companies.

5. *Property of associations of war veterans.* The property of any organization composed wholly of veterans of any war, when such property is devoted entirely to its own use and not held for pecuniary profit. The operation of bingo games on property of such organization shall not adversely affect the exemption of that property under this subsection if all proceeds, in excess of expenses, are used for the legitimate purposes of the organization.

6. *Property of cemetery associations.* Burial grounds, mausoleums, buildings and equipment owned and operated by cemetery associations and used exclusively for the maintenance and care of the cemeteries devoted to interment of human bodies and human remains. The exemption granted by this subsection shall not apply to any property used for the practice of mortuary science.

7. *Libraries and art galleries.* All grounds and buildings used for public libraries, public art galleries, and libraries and art galleries owned and kept by private individuals, associations, or corporations, for public use and not for private profit. Claims for exemption for libraries and art galleries owned and kept by private individuals, associations, or corporations for public use and not for private profit must be filed with the local assessor by February 1 of the first year the exemption is requested. Once the exemption is granted, the exemption shall continue to be granted for subsequent assessment years without further filing of claims as long as the property continues to be used as a library or art gallery for public use and not for private profit.

8. *Property of religious, literary, and charitable societies.* All grounds and buildings used or under construction by literary, scientific, charitable, benevolent, agricultural, and religious institutions and societies solely for their appropriate objects, not exceeding three hundred twenty acres in extent and not leased or otherwise used or under construction with a view to pecuniary profit. However, an organization mentioned in this subsection whose primary objective is to preserve land in its natural state may own or lease land not exceeding three hundred twenty acres in each county for its appropriate objects. All deeds or leases by which such property is held shall be filed for record before the property herein described shall be omitted from the assessment. All such property shall be listed upon the tax rolls of the district or districts in which it is located and shall have ascribed to it an actual fair market value and an assessed or taxable value, as contemplated by section 441.21, whether such property be subject to a levy or be exempted as herein provided and such information shall be open to public inspection.

9. *Property of educational institutions.* Real estate owned by any educational institution of this state as a part of its endowment fund, to the extent of one hundred sixty acres in any

civil township except any real property acquired after January 1, 1965, by any educational institution as a part of its endowment fund or upon which any income is derived or used, directly or indirectly, for full or partial payment for services rendered, shall be taxed beginning with the levies applied for taxes payable in the year 1967, at the same rate as all other property of the same class in the taxing district in which the real property is located. The property acquired prior to January 1, 1965, and held or owned as part of the endowment fund of an educational institution shall be subject to assessment and levy in the assessment year 1974 for taxes payable in 1975. All the property shall be listed on the assessment rolls in the district in which the property is located and an actual fair market value and an assessed or taxable value be ascribed to it, as contemplated by section 441.21, irrespective of whether an exemption under this subsection may be or is affirmed, and the information shall be open to public inspection; it being the intent of this section that the property be valued whether or not it be subject to a levy. Every educational institution claiming an exemption under this subsection shall file with the assessor not later than February 1 of the year for which the exemption is requested, a statement upon forms to be prescribed by the director of revenue, describing and locating the property upon which exemption is claimed. Property which is located on the campus grounds and used for student union purposes may serve food and beverages without affecting its exemption received pursuant to subsection 8 or this subsection.

10. *Homes for soldiers.* The buildings and grounds of homes owned and operated by organizations of soldiers, sailors, or marines of any of the wars of the United States when used for a home for disabled soldiers, sailors, or marines and not operated for pecuniary profit.

11. *Agricultural produce.* Growing agricultural and horticultural crops except commercial orchards and vineyards.

12. *Government lands.* Government lands entered and located, or lands purchased from this state, for the year in which the entry, location, or purchase is made.

13. *Public airports.* Any lands, the use of which (without charge by or compensation to the holder of the legal title thereto) has been granted to and accepted by the state or any political subdivision thereof for airport or aircraft landing area purposes.

14. *Statement of objects and uses filed.* A society or organization claiming an exemption under subsection 5, 8, or 33 shall file with the assessor not later than February 1 a statement upon forms to be prescribed by the director of revenue, describing the nature of the property upon which the exemption is claimed and setting out in detail any uses and income from the property derived from the rentals, leases, or other uses of the property not solely for the appropriate objects of the society or organization. Upon the filing and allowance of the claim, the claim shall be allowed on the property for successive years without further filing as long as the property is used for the purposes specified in the original claim for exemption. When the property is sold or transferred, the county recorder shall provide notice of the transfer to the assessor. The notice shall describe the property transferred and the name of the person to whom title to the property is transferred.

*a.* The assessor, in arriving at the valuation of any property of the society or organization, shall take into consideration any uses of the property not for the appropriate objects of the organization and shall assess in the same manner as other property, all or any portion of the property involved which is leased or rented and is used regularly for commercial purposes for a profit to a party or individual. If a portion of the property is used regularly for commercial purposes, an exemption shall not be allowed upon property so used and the exemption granted shall be in the proportion of the value of the property used solely for the appropriate objects of the organization, to the entire value of the property. However, the board of trustees or the board of directors of a hospital, as defined in section 135B.1, may permit use of a portion of the hospital for commercial purposes, and the hospital is entitled to full exemption for that portion used for nonprofit health-related purposes, upon compliance with the filing requirements of this subsection. The property of a nursing facility, as defined in section 135C.1, subsection 14, which is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, and otherwise qualified, is entitled to the full exemption of the property regardless of the proportion of residents of the facility for whom

the cost of care is privately paid or paid under Tit. XIX of the federal Social Security Act, upon compliance with the filing requirements of this subsection.

*b.* An exemption shall not be granted upon property upon or in which persistent violations of the laws of the state are permitted. A claimant of an exemption shall, under oath, declare that no violations of law will be knowingly permitted or have been permitted on or after January 1 of the year in which a tax exemption is requested. Claims for exemption shall be verified under oath by the president or other responsible head of the organization. A society or organization which ceases to use the property for the purposes stated in the claim shall provide written notice to the assessor of the change in use.

15. *Mandatory denial.* No exemption shall be granted upon any property which is the location of federally licensed devices not lawfully permitted to operate under the laws of the state.

16. *Revoking or modifying exemption.* Any taxpayer or any taxing district may make application to the director of revenue for revocation or modification of any exemption, based upon alleged violations of this chapter. The director of revenue may also on the director's own motion set aside or modify any exemption which has been granted upon property for which exemption is claimed under this chapter. The director of revenue shall give notice by mail to the taxpayer or taxing district applicant and to the societies or organizations claiming an exemption upon property, exemption of which is questioned before or by the director of revenue, and shall hold a hearing prior to issuing any order for revocation or modification. An order made by the director of revenue revoking or modifying an exemption shall be applicable to the tax year commencing with the tax year in which the application is made to the director or the tax year commencing with the tax year in which the director's own motion is filed. An order made by the director of revenue revoking or modifying an exemption is subject to judicial review in accordance with chapter 17A, the Iowa administrative procedure Act. Notwithstanding the terms of chapter 17A, petitions for judicial review may be filed in the district court having jurisdiction in the county in which the property is located, and must be filed within thirty days after any order revoking or modifying an exemption is made by the director of revenue.

17. *Rural water sales.* The real property of a nonprofit corporation engaged in the distribution and sale of water to rural areas when devoted to public use and not held for pecuniary profit.

18. *Assessed value of exempt property.* Each county and city assessor shall determine the assessment value that would be assigned to the property if it were taxable and value all tax exempt property within the assessor's jurisdiction. A summary report of tax exempt property shall be filed with the director of revenue and the local board of review on or before April 16 of each year on forms prescribed by the director of revenue.

19. *Pollution control and recycling.* Pollution-control or recycling property as defined in this subsection shall be exempt from taxation to the extent provided in this subsection, upon compliance with the provisions of this subsection.

*a.* (1) This exemption shall apply to new installations of pollution-control or recycling property beginning on January 1 after the construction or installation of the property is completed. This exemption shall apply beginning on January 1, 1975, to existing pollution-control property if its construction or installation was completed after September 23, 1970, and this exemption shall apply beginning January 1, 1994, to recycling property.

(2) This exemption shall be limited to the market value, as defined in section 441.21, of the pollution-control or recycling property. If the pollution-control or recycling property is assessed with other property as a unit, this exemption shall be limited to the net market value added by the pollution-control or recycling property, determined as of the assessment date.

*b.* (1) Application for this exemption shall be filed with the assessing authority not later than the first of February of the first year for which the exemption is requested, on forms provided by the department of revenue. The application shall describe and locate the specific pollution-control or recycling property to be exempted.

(2) The application for a specific pollution-control or recycling property shall be accompanied by a certificate of the department of natural resources certifying that the primary use of the pollution-control property is to control or abate pollution of any air or

water of this state or to enhance the quality of any air or water of this state or, if the property is recycling property, that the primary use of the property is for recycling.

*c.* A taxpayer may seek judicial review of a determination of the department or, on appeal, of the environmental protection commission in accordance with the provisions of chapter 17A.

*d.* The environmental protection commission of the department of natural resources shall adopt rules relating to certification under this subsection and information to be submitted for evaluating pollution-control or recycling property for which a certificate is requested. The department of revenue shall adopt any rules necessary to implement this subsection, including rules on identification and valuation of pollution-control or recycling property. All rules adopted shall be subject to the provisions of chapter 17A.

*e.* (1) For the purposes of this subsection, *"pollution-control property"* means personal property or improvements to real property, or any portion thereof, used primarily to control or abate pollution of any air or water of this state or used primarily to enhance the quality of any air or water of this state and *"recycling property"* means personal property or improvements to real property or any portion of the property, used primarily in the manufacturing process and resulting directly in the conversion of waste glass, waste plastic, wastepaper products, waste paperboard, or waste wood products into new raw materials or products composed primarily of recycled material. In the event such property shall also serve other purposes or uses of productive benefit to the owner of the property, only such portion of the assessed valuation thereof as may reasonably be calculated to be necessary for and devoted to the control or abatement of pollution, to the enhancement of the quality of the air or water of this state, or for recycling shall be exempt from taxation under this subsection.

(2) For the purposes of this subsection, *"pollution"* means air pollution as defined in section 455B.131 or water pollution as defined in section 455B.171. *"Water of the state"* means the water of the state as defined in section 455B.171. *"Enhance the quality"* means to diminish the level of pollutants below the air or water quality standards established by the environmental protection commission of the department of natural resources.

20. *Impoundment structures.*

*a.* The impoundment structure and any land underlying an impoundment located outside an incorporated city, which are not developed or used directly or indirectly for nonagricultural income-producing purposes and which are maintained in a condition satisfactory to the soil and water conservation district commissioners of the county in which the impoundment structure and the impoundment are located. A person owning land which qualifies for a property tax exemption under this subsection shall apply to the county assessor each year not later than February 1 for the exemption. The application shall be made on forms prescribed by the department of revenue. The first application shall be accompanied by a copy of the water storage permit approved by the director of the department of natural resources or the director's designee, and a copy of the plan for the construction of the impoundment structure and the impoundment. The construction plan shall be used to determine the total acre-feet of the impoundment and the amount of land which is eligible for the property tax exemption. The county assessor shall annually review each application for the property tax exemption under this subsection and submit it, with the recommendation of the soil and water conservation district commissioners, to the board of supervisors for approval or denial. An applicant for a property tax exemption under this subsection may appeal the decision of the board of supervisors to the district court.

*b.* As used in this subsection, *"impoundment"* means a reservoir or pond which has a storage capacity of at least eighteen acre-feet of water or sediment at the time of construction; *"storage capacity"* means the total area below the crest elevation of the principal spillway including the volume of any excavation in the area; and *"impoundment structure"* means a dam, earthfill, or other structure used to create an impoundment.

21. *Low-rent housing.* The property owned and operated or controlled by a nonprofit organization, as recognized by the internal revenue service, providing low-rent housing for persons who are elderly and persons with physical and mental disabilities. For the purposes of this subsection, the controlling nonprofit entity may serve as a general partner or managing member of a limited liability company or limited liability partnership which owns

the property. The exemption granted under the provisions of this subsection shall apply only until the final payment due date of the borrower's original low-rent housing development mortgage or until the borrower's original low-rent housing development mortgage is paid in full or expires, whichever is sooner, subject to the provisions of subsection 14. However, if the borrower's original low-rent housing development mortgage is refinanced, the exemption shall apply only until the date that would have been the final payment due date under the terms of the borrower's original low-rent housing development mortgage or until the refinanced mortgage is paid in full or expires, whichever is sooner, subject to the provisions of subsection 14.

21A. *Dwelling unit property owned by community housing development organization.* Dwelling unit property owned and managed by a community housing development organization, as recognized by the state of Iowa and the federal government pursuant to criteria for community housing development organization designation contained in the HOME program of the federal National Affordable Housing Act of 1990, if the organization is also a nonprofit organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and owns and manages more than one hundred fifty dwelling units that are located in a city with a population of more than one hundred ten thousand. For the 2005 and 2006 assessment years, an application is not required to be filed to receive the exemption. For the 2007 and subsequent assessment years, an application for exemption must be filed with the assessing authority not later than February 1 of the assessment year for which the exemption is sought. Upon the filing and allowance of the claim, the claim shall be allowed on the property for successive years without further filing as long as the property continues to qualify for the exemption.

22. *Natural conservation or wildlife areas.* Recreational lakes, forest covers, rivers and streams, river and stream banks, and open prairies as designated by the board of supervisors of the county in which located. The board of supervisors shall annually designate the real property, not to exceed in the aggregate for the fiscal year beginning July 1, 1983, the greater of one percent of the acres assessed as agricultural land or three thousand acres in each county, for which this exemption shall apply. For subsequent fiscal years, the limitation on the maximum acreage of real property that may be granted exemptions shall be the limitation for the previous fiscal year, unless the amount of acreage granted exemptions for the previous fiscal year equaled the limitation for that year, then the limitation for the subsequent fiscal year is the limitation for the previous fiscal year plus an increase, not to exceed three hundred acres, of ten percent of that limitation. The procedures of this subsection shall be followed for each assessment year to procure an exemption for the fiscal year beginning in the assessment year. The exemption shall be only for the fiscal year for which it is granted. A parcel of property may be granted subsequent exemptions. The exemption shall only be granted for parcels of property of two acres or more.

*a.* Application for this exemption shall be filed with the commissioners of the soil and water conservation district in which the property is located, not later than February 1 of the assessment year, on forms provided by the department of revenue. The application shall describe and locate the property to be exempted and have attached to it an aerial photo of that property on which is outlined the boundaries of the property to be exempted. In the case of an open prairie that has been restored or reestablished, the property shall be inspected and certified as provided by the county board of supervisors as having adequate ground cover consisting of native species and that all primary and secondary noxious weeds present are being controlled to prevent the spread of seeds by either wind or water. In the case of an open prairie which is or includes a gully area susceptible to severe erosion, an approved erosion control plan must accompany the application.

*b.* Upon receipt of the application, the commissioners shall certify whether the property is eligible to receive the exemption. The commissioners shall not withhold certification of the eligibility of property because of the existence upon the property of an abandoned building or structure which is not used for economic gain. If the commissioners certify that the property is eligible, the application shall be forwarded to the board of supervisors by May 1 of that assessment year with the certification of the eligible acreage. An application must be accompanied by an affidavit signed by the applicant that if an exemption is granted,

the property will not be used for economic gain during the assessment year in which the exemption is granted.

*c.* In the case of an open prairie that has been restored or reestablished and that does not receive the certification as provided by the county board of supervisors as it relates to the ground cover, the applicant shall be notified of the availability of resource enhancement and protection fund cost-share moneys and soil and conservation technological assistance for reestablishing native vegetation.

*d.* Before the board of supervisors may designate real property for the exemption, it shall establish priorities for the types of real property for which an exemption may be granted and the amount of acreage. These priorities may be the same as or different than those for previous years. The board of supervisors shall get the approval of the governing body of the city before an exemption may be granted to real property located within the corporate limits of that city. A public hearing shall be held with notice given as provided in section 73A.2 at which the proposed priority list shall be presented. However, no public hearing is required if the proposed priorities are the same as those for the previous year. After the public hearing, the board of supervisors shall adopt by resolution the proposed priority list or another priority list. Property upon which are located abandoned buildings or structures shall have the lowest priority on the list adopted, except where the board of supervisors determines that a structure has historic significance. The board of supervisors shall also provide for a procedure where the amount of acres for which exemptions are sought exceeds the amount the priority list provides for that type or in the aggregate for all types.

*e.* After receipt of an application with its accompanying certification and affidavit and the establishment of the priority list, the board of supervisors may grant a tax exemption under this subsection using the established priority list as a mandate. Real property designated for the tax exemption shall be designated by May 15 of the assessment year in which begins the fiscal year for which the exemption is granted. Notification shall be sent to the county auditor and the applicant.

*f.* The board of supervisors does not have to grant tax exemptions under this subsection, grant tax exemptions in the aggregate of the maximum acreage which may be granted exemptions, or grant a tax exemption for the total acreage for which the applicant requested the exemption. Only real property in parcels of two acres or more which is recreational lakes, forest cover, river and stream, river and stream banks, or open prairie and which is utilized for the purposes of providing soil erosion control or wildlife habitat or both, and which is subject to property tax for the fiscal year for which the tax exemption is requested, is eligible for the exemption under this subsection. However, in addition to the above, in order for a gully area which is susceptible to severe erosion to be eligible, there must be an erosion control plan for it approved by the commissioners of the soil and water conservation district in which it is located. In the case of an open prairie that has been restored or reestablished, the property shall be inspected and certified as provided by the county board of supervisors as having adequate ground cover consisting of native species and that all primary and secondary noxious weeds present are being controlled to prevent the spread of seeds by either wind or water. In the case of an exemption for river and stream or river and stream banks, the exemption shall not be granted unless there is included in the exemption land located at least thirty-three feet from the ordinary high water mark of the river and stream or river and stream banks. Property shall not be denied an exemption because of the existence upon the property of an abandoned building or structure which is not used for economic gain. If the real property is located within a city, the approval of the governing body must be obtained before the real property is eligible for an exemption. For purposes of this subsection:

(1) *"Open prairies"* includes hillsides and gully areas which have a permanent grass cover but does not include native prairies meeting the criteria of the natural resource commission.

(2) *"Forest cover"* means land which is predominantly wooded.

(3) *"Recreational lake"* means a body of water, which is not a river or stream, owned solely by a nonprofit organization and primarily used for boating, fishing, swimming, and other recreational purposes.

(4) "*Used for economic gain*" includes, but is not limited to, using property for the storage of equipment, machinery, or crops.

*g.* Notwithstanding other requirements under this subsection, the owner of any property lying between a river or stream and a dike which is required to be set back three hundred feet or less from the river or stream shall automatically be granted an exemption for that property upon submission of an application accompanied by an affidavit signed by the applicant that if the exemption is granted the property will not be used for economic gain during the period of exemption. The exemption shall continue from year to year for as long as the property qualifies and is not used for economic gain, without need for filing additional applications or affidavits. Property exempted pursuant to this paragraph is in addition to the maximum acreage applicable to other exemptions under this subsection.

23. *Native prairie and wetland.* Land designated as native prairie or land designated as a protected wetland by the department of natural resources pursuant to section 456B.12.

*a.* Application for the exemption shall be made on forms provided by the department of revenue. Land designated as a protected wetland shall be assessed at a value equal to the average value of the land where the wetland is located and which is owned by the person granted the exemption. The application forms shall be filed with the assessing authority not later than the first of February of the year for which the exemption is requested. The application must be accompanied by an affidavit signed by the applicant that if the exemption is granted, the property will not be used for economic gain during the assessment year in which the exemption is granted. If the property is used for economic gain during the assessment year in which the exemption is granted, the property shall lose its tax exemption and shall be taxed at the rate levied by the county for the fiscal year beginning in that assessment year. The first annual application shall be accompanied by a certificate from the department of natural resources stating that the land is native prairie or protected wetland. The department of natural resources shall issue a certificate for the native prairie exemption if the department finds that the land has never been cultivated, is unimproved, is primarily a mixture of warm season grasses interspersed with flowering plants, and meets the other criteria established by the natural resource commission for native prairie. The department of natural resources shall issue a certificate for the wetland exemption if the department finds the land is a protected wetland, as defined under section 456B.1, or if the wetland was previously drained and cropped but has been restored under a nonpermanent restoration agreement with the department or other county, state, or federal agency or private conservation group. A taxpayer may seek judicial review of a decision of the department according to chapter 17A. The natural resource commission shall adopt rules to implement this subsection.

*b.* The assessing authority each year may submit to the department a claim for reimbursement of tax revenue lost from the exemption. Upon receipt of the claim, the department shall reimburse the assessing authority an amount equal to the lost tax revenue based on the value of the protected wetland as assessed by the authority, unless the department reimburses the authority based upon a departmental assessment of the protected wetland. The authority may contest the department's assessment as provided in chapter 17A. The department is not required to honor a claim submitted more than sixty days after the authority has assessed land where the protected wetland is located and which is owned by the person granted the exemption.

24. *Land certified as a wildlife habitat.*

*a.* The owner of agricultural land may designate not more than two acres of the land for use as a wildlife habitat. After inspection, if the land meets the standards established by the natural resource commission for a wildlife habitat under section 483A.3, and, in the case of a wildlife habitat that has been restored or reestablished, is inspected and certified as provided by the county board of supervisors as having adequate ground cover consisting of native species and that all primary and secondary noxious weeds present are being controlled to prevent the spread of seeds by either wind or water, the department of natural resources shall certify the designated land as a wildlife habitat and shall send a copy of the certification to the appropriate assessor not later than February 1 of the assessment year for which the exemption is requested. The department of natural resources may subsequently withdraw

certification of the designated land if it fails to meet the established standards for a wildlife habitat and the ground cover requirement and the assessor shall be given written notice of the decertification.

*b.* In the case where the property is a restored or reestablished wildlife habitat and does not receive the certification as provided by the county board of supervisors as it relates to the ground cover, the owner shall be notified of the availability of resource enhancement and protection fund cost-share moneys and soil and conservation technological assistance for reestablishing native vegetation.

25. Reserved.

26. *Public television station.* All grounds and buildings used or under construction for a public television station and not leased or otherwise used or under construction for pecuniary profit.

27. *Speculative shell buildings of certain organizations.*

*a.* New construction of shell buildings by community development organizations, not-for-profit cooperative associations under chapter 499, or for-profit entities for speculative purposes as provided in this subsection.

*b.* The exemption shall be for one of the following:

(1) The value added by new construction of a shell building or addition to an existing building or structure by a community development organization, not-for-profit cooperative association under chapter 499, or for-profit entity.

(2) The value of an existing building being reconstructed or renovated, and the value of the land on which the building is located, if the reconstruction or renovation constitutes complete replacement or refitting of the existing building or structure, by a community development organization, not-for-profit cooperative association under chapter 499, or for-profit entity.

*c.* The exemption or partial exemption shall be allowed only pursuant to ordinance of a city council or board of supervisors, which ordinance shall specify if the exemption will be available for community development organizations, not-for-profit cooperative associations under chapter 499, or for-profit entities. If the exemption is for a project described in paragraph *"b"*, subparagraph (1), the exemption shall be effective for the assessment year in which the building is first assessed for property taxation or the assessment year in which the addition to an existing building first adds value. If the exemption is for a project described in paragraph *"b"*, subparagraph (2), the exemption shall be effective for the assessment year following the assessment year in which the project commences. An exemption allowed under this subsection shall be allowed for all subsequent years until the property is leased or sold or for a specific time period stated in the ordinance or until the exemption is terminated by ordinance of the city council or board of supervisors which approved the exemption. Eligibility for an exemption as a speculative shell building shall be determined as of January 1 of the assessment year. However, an exemption shall not be granted a speculative shell building of a not-for-profit cooperative association under chapter 499 or a for-profit entity if the building is used by the cooperative association or for-profit entity, or a subsidiary or majority owners thereof for other than as a speculative shell building. If the shell building or any portion of the shell building is leased or sold, the portion of the shell building which is leased or sold, and a proportionate share of the land on which it is located if applicable, shall not be entitled to an exemption under this subsection for subsequent years. Upon the sale of the shell building, the shell building shall be considered new construction for purposes of section 427B.1 if used for purposes set forth in section 427B.1.

*d.* (1) If the speculative shell building project is a speculative shell building project described in paragraph *"b"*, subparagraph (1), an application shall be filed pursuant to section 427B.4 for each such project for which an exemption is claimed.

(2) If the speculative shell building project is a speculative shell building project described in paragraph *"b"*, subparagraph (2), an application shall be filed by the owner of the property with the local assessor by February 1 of the assessment year in which the project commences. Applications for exemption shall be made on forms prescribed by the director of revenue and shall contain information pertaining to the nature of the improvement, its cost, and other information deemed necessary by the director of revenue. The city council or the board of supervisors, by ordinance, shall give its approval of a tax exemption for the project if the

project is in conformance with the zoning plans for the city or county. The approval shall also be subject to the hearing requirements of section 427B.1. Approval under this subparagraph (2) entitles the owner to exemption from taxation beginning in the assessment year following the assessment year in which the project commences. However, if the tax exemption for the building and land is not approved, the person may submit an amended proposal to the city council or board of supervisors to approve or reject.

*e.* For purposes of this subsection the following definitions apply:

(1) (a) "*Community development organization*" means an organization, which meets the membership requirements of subparagraph division (b), formed within a city or county or multicommunity group for one or more of the following purposes:

(i) To promote, stimulate, develop, and advance the business prosperity and economic welfare of the community, area, or region and its citizens.

(ii) To encourage and assist the location of new business and industry.

(iii) To rehabilitate and assist existing business and industry.

(iv) To stimulate and assist in the expansion of business activity.

(b) For purposes of this definition, a community development organization must have at least fifteen members with representation from the following:

(i) A representative from government at the level or levels corresponding to the community development organization's area of operation.

(ii) A representative from a private sector lending institution.

(iii) A representative of a community organization in the area.

(iv) A representative of business in the area.

(v) A representative of private citizens in the community, area, or region.

(2) "*New construction*" means new buildings or structures and includes new buildings or structures which are constructed as additions to existing buildings or structures. "*New construction*" also includes reconstruction or renovation of an existing building or structure which constitutes complete replacement of an existing building or structure or refitting of an existing building or structure, if the reconstruction or renovation of the existing building or structure is required due to economic obsolescence, if the reconstruction or renovation is necessary to implement recognized industry standards for the manufacturing or processing of products, and the reconstruction or renovation is required in order to competitively manufacture or process products or for community development organizations, not-for-profit cooperative associations under chapter 499, or for-profit entities to market a building or structure as a speculative shell building, which determination must receive prior approval from the city council of the city or county board of supervisors of the county.

(3) "*Speculative shell building*" means a building or structure owned and constructed or reconstructed by a community development organization, a not-for-profit cooperative association under chapter 499, or a for-profit entity without a tenant or buyer for the purpose of attracting an employer or user which will complete the building to the employer's or user's specification for manufacturing, processing, or warehousing the employer's or user's product line.

28. *Joint water utilities.* The property of a joint water utility established under chapter 389, when devoted to public use and not held for pecuniary profit.

29. *Methane gas conversion.* Methane gas conversion property shall be exempt from taxation.

*a.* For purposes of this subsection, "*methane gas conversion property*" means personal property, real property, and improvements to real property, and machinery, equipment, and computers assessed as real property pursuant to section 427A.1, subsection 1, paragraphs "*e*" and "*j*", used in an operation to decompose waste and convert the waste to gas, to collect methane gas or other gases produced as a by-product of waste decomposition and to convert the gas to energy, or to collect waste in order to decompose the waste to produce methane gas or other gases and to convert the gas to energy.

*b.* If the property used to convert the gas to energy also burns another fuel, the exemption shall apply to that portion of the value of such property which equals the ratio that its use of methane gas bears to total fuel consumed.

*c.* Application for this exemption shall be filed with the assessing authority not later than

February 1 of each year for which the exemption is requested on forms provided by the department of revenue. The application shall describe and locate the specific methane gas conversion property to be exempted. If the property consuming methane gas also consumes another fuel, the first year application shall contain a statement to that effect and shall identify the other fuel and estimate the ratio that the methane gas consumed bears to the total fuel consumed. Subsequent year applications shall identify the actual ratio for the previous year which ratio shall be used to calculate the exemption for that assessment year.

*d.* With respect to methane gas conversion property other than that used in an operation connected with, or in conjunction with, a publicly owned sanitary landfill, the exemption pursuant to this subsection shall be limited to property originally placed in operation on or after January 1, 2008, and on or before December 31, 2012, and shall be available for the ten-year period following the date the property was originally placed in operation.

30. *Manufactured home community or mobile home park storm shelter.* A structure constructed as a storm shelter at a manufactured home community or mobile home park as defined in section 435.1. An application for this exemption shall be filed with the assessing authority not later than February 1 of the first year for which the exemption is requested, on forms provided by the department of revenue. The application shall describe and locate the storm shelter to be exempted. If the storm shelter structure is used exclusively as a storm shelter, all of the structure's assessed value shall be exempt from taxation. If the storm shelter structure is not used exclusively as a storm shelter, the storm shelter structure shall be assessed for taxation at fifty percent of its value as commercial property.

31. *Barn preservation.* The increase in assessed value added to a farm structure constructed prior to 1937 as a result of improvements made to the farm structure for purposes of preserving the integrity of the internal and external features of the structure as a barn is exempt from taxation. To be eligible for the exemption, the structure must have been first placed in service as a barn prior to 1937. The exemption shall apply to the assessment year beginning after the completion of the improvements to preserve the structure as a barn.

*a.* For purposes of this subsection, "*barn*" means an agricultural structure, in whatever shape or design, which is used for the storage of farm products or feed or for the housing of farm animals, poultry, or farm equipment.

*b.* Application for this exemption shall be filed with the assessing authority not later than February 1 of the first year for which the exemption is requested, on forms provided by the department of revenue. The application shall describe and locate the specific structure for which the added value is requested to be exempt.

*c.* Once the exemption is granted, the exemption shall continue to be granted for subsequent assessment years without further filing of applications as long as the structure continues to be used as a barn. The taxpayer shall notify the assessing authority when the structure ceases to be used as a barn.

32. *One-room schoolhouse preservation.* The increase in assessed value added to a one-room schoolhouse as a result of improvements made to the structure for purposes of preserving the integrity of the internal and external features of the structure as a one-room schoolhouse is exempt from taxation. The exemption shall apply to the assessment year beginning after the completion of the improvements to preserve the structure as a one-room schoolhouse.

*a.* Application for this exemption shall be filed with the assessing authority not later than February 1 of the first year for which the exemption is requested, on forms provided by the department of revenue. The application shall describe and locate the specific one-room schoolhouse for which the added value is requested to be exempt.

*b.* Once the exemption is granted, the exemption shall continue to be granted for subsequent assessment years without further filing of applications as long as the structure is not used for dwelling purposes and the structure is preserved as a one-room schoolhouse. The taxpayer shall notify the assessing authority when the structure ceases to be eligible. The exemption in this subsection applies even though the one-room schoolhouse is no longer used for instructional purposes.

33. *Indian housing authority property.*

*a.* Property owned and operated by an Indian housing authority, as defined in 24 C.F.R.

§ 950.102, created under Indian law, if a cooperative agreement has been made with the local governing body agreeing to the exemption. The exemption in this subsection is subject to the provisions of subsection 14.

*b.* For purposes of this subsection:

(1) *"Indian law"* means the code of an Indian tribe recognized as eligible for services provided to Indians by the United States secretary of the interior.

(2) *"Local governing body"* means the county board of supervisors if the property is located outside an incorporated city or the governing body of the city in which the property is located.

34. *Port authority property.* The property of a port authority created pursuant to section 28J.2, when devoted to public use and not held for pecuniary profit.

35. *Web search portal business property.*

*a.* Property, other than land and buildings and other improvements, that is utilized by a web search portal business as defined in and meeting the requirements of section 423.3, subsection 92, including computers and equipment that are necessary for the maintenance and operation of a web search portal and other property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity, including but not limited to exterior dedicated business-owned substations, and power distribution systems which are not subject to assessment under chapter 437A; racking systems, cabling, and trays; and backup power generation systems, battery systems, and related infrastructure all of which are necessary for the maintenance and operation of the web search portal site.

*b.* This exemption applies beginning with the assessment year the investment in or construction of the facility utilizing the materials, equipment, and systems set forth in paragraph *"a"* are first assessed. For purposes of claiming this exemption, the requirements may be met by aggregating the various Iowa investments and other requirements of the web search portal business's affiliates as allowed under section 423.3, subsection 92. This exemption applies to affiliates of the web search portal business.

36. *Web search property.*

*a.* Property, other than land and buildings and other improvements, that is utilized by a web search portal business as defined in and meeting the requirements of section 423.3, subsection 93, including computers and equipment that are necessary for the maintenance and operation of a web search portal business and other property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity, including but not limited to exterior dedicated business-owned substations, and power distribution systems which are not subject to assessment under chapter 437A; racking systems, cabling, and trays; and backup power generation systems, battery systems, and related infrastructure all of which are necessary for the maintenance and operation of the web search portal business.

*b.* This web search portal business exemption applies beginning with the assessment year the investment in or construction of the facility utilizing the materials, equipment, and systems set forth in paragraph *"a"* are first assessed. For purposes of claiming this web search portal business exemption, the requirements may be met by aggregating the various Iowa investments and other requirements of the web search portal business's affiliates as allowed under section 423.3, subsection 93. This exemption applies to affiliates of the web search portal business.

37. *Data center business property.*

*a.* Property, other than land and buildings and other improvements, that is utilized by a data center business as defined in and meeting the requirements of section 423.3, subsection 95, including computers and equipment that are necessary for the maintenance and operation of a data center business and other property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity, including but not limited to exterior dedicated

business-owned substations, and power distribution systems which are not subject to assessment under chapter 437A; racking systems, cabling, and trays; and backup power generation systems, battery systems, and related infrastructure all of which are necessary for the maintenance and operation of the data center business.

*b.* This data center business exemption applies beginning with the assessment year the investment in or construction of the facility utilizing the materials, equipment, and systems set forth in paragraph *"a"* are first assessed.

38. *Geothermal heating and cooling system.*

*a.* The value added by any new or refitted construction or installation of a geothermal heating or cooling system on or after July 1, 2012, on property classified as residential. The exemption shall be allowed for ten consecutive years. The exemption shall apply to any value added by the addition of mechanical, electrical, plumbing, ductwork, or other equipment, labor, and expenses included in or required for the construction or installation of the geothermal system, as well as the proportionate value of any well field associated with the system and attributable to the owner.

*b.* A person claiming an exemption under this subsection shall obtain the appropriate forms from the assessor. The forms shall be prescribed by the director of revenue. The claim shall be filed no later than February 1 of the first assessment year the exemption is requested and shall contain information pertaining to all costs and other information associated with construction and installation of the system. Once the exemption is allowed, the exemption shall continue to be allowed for ten consecutive years without further filing as long as the property continues to be classified as residential property.

*c.* The director shall adopt rules to implement this subsection.

39. *County fair property.* Fairgrounds, as defined in section 174.1, that are owned by a county or a fair, as defined in section 174.1. The use of such fairgrounds for purposes other than a fair event, as defined in section 174.1, by the owner or by a lessee, including uses for pecuniary profit, shall not affect the exemption.

**1.** [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**2.** [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1; 81 Acts, ch 31, §8]

**3, 4.** [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**5.** [SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**6.** [C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**7, 8, 9, 10.** [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1; 82 Acts, ch 1247, §1]

**11.** [C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**12.** [C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**13.** [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**14.** [C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**15.** [C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**16.** [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**17.** [R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**18.** [SS15, §1304; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**19.** [C51, §468, 469; R60, §723, 724; C73, §815, 816; C97, §1318, 1319, 1323; S13, §1330-g, 1342-g, 1346-g; SS15, §1346-s; C24, 27, 31, 35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

**20.** [C35, 39, §**6944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]
**21.** [C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]
**22.** [C62, 66, 71, 73, 75, 77, 79, 81, §427.1]
**23.** [C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]
**24, 25.** [C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]
**26.** [C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]
**27.** [C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]
**28.** [C62, 66, 71, 73, 75, 77, 79, 81, §427.1]
**29.** [C66, 71, 73, 75, 77, 79, 81, §427.1]
**30.** [C71, 73, 75, 77, 79, 81, §427.1]
**31.** [C73, 75, 77, 79, 81, §427.1; 82 Acts, ch 1034, §1]
**32.** [C75, 77, 79, 81, §427.1; 82 Acts, ch 1199, §92, 93, 96]
**33.** [C75, 77, 79, 81, §427.1; 82 Acts, ch 1199, §69, 96]
**34.** [C77, 79, 81, §427.1]
**35.** [C79, 81, §427.1]
**36.** [82 Acts, ch 1247, §2]
**37.** [82 Acts, ch 1247, §2]
**38.** [82 Acts, ch 1247, §2]

83 Acts, ch 121, §8; 83 Acts, ch 133, §1, 2; 83 Acts, ch 178, §1; 84 Acts, ch 1222, §5, 6, 7; 85 Acts, ch 32, §102; 86 Acts, ch 1113, §1, 2; 86 Acts, ch 1200, §8; 86 Acts, ch 1241, §35; 87 Acts, ch 23, §12 – 14; 87 Acts, ch 233, §495; 88 Acts, ch 1134, §81; 89 Acts, ch 296, §43, 44; 90 Acts, ch 1006, §1; 90 Acts, ch 1199, §5 – 8; 91 Acts, ch 97, §52, 53; 91 Acts, ch 168, §8; 92 Acts, ch 1073, §10, 11; 92 Acts, ch 1225, §3, 4; 93 Acts, ch 121, §1; 93 Acts, ch 159, §1; 95 Acts, ch 83, §19; 95 Acts, ch 84, §1 – 3; 96 Acts, ch 1034, §39; 96 Acts, ch 1129, §94; 96 Acts, ch 1167, §5; 97 Acts, ch 158, §30; 98 Acts, ch 1194, §28, 40; 99 Acts, ch 63, §5, 8; 99 Acts, ch 151, §41, 42, 89; 99 Acts, ch 152, §17, 40; 99 Acts, ch 186, §3 – 5; 99 Acts, ch 208, §56; 2000 Acts, ch 1058, §39; 2000 Acts, ch 1194, §15, 17; 2000 Acts, ch 1205, §1; 2001 Acts, ch 59, §1, 3; 2001 Acts, ch 116, §20; 2001 Acts, ch 139, §1, 2, 4; 2001 Acts, ch 150, §11 – 14, 26; 2001 Acts, ch 153, §16; 2001 Acts, 1st Ex, ch 4, §4, 36; 2002 Acts, ch 1119, §55, 56; 2002 Acts, ch 1151, §19; 2002 Acts, ch 1162, §39, 40; 2003 Acts, ch 121, §1 – 3; 2003 Acts, ch 130, §1, 2, 5; 2003 Acts, ch 136, §1, 3; 2003 Acts, ch 145, §286; 2005 Acts, ch 122, §1, 2; 2005 Acts, ch 150, §118; 2005 Acts, ch 179, §67 – 69, 84, 86, 87; 2006 Acts, ch 1125, §1, 2; 2006 Acts, ch 1158, §57; 2006 Acts, ch 1182, §62; 2006 Acts, ch 1185, §84, 89; 2007 Acts, ch 199, §3; 2008 Acts, ch 1006, §2, 3; 2008 Acts, ch 1143, §1, 2; 2008 Acts, ch 1184, §61; 2009 Acts, ch 41, §263; 2009 Acts, ch 97, §13; 2009 Acts, ch 179, §200, 223, 224, 227; 2011 Acts, ch 25, §44, 45; 2011 Acts, ch 130, §31, 71; 2012 Acts, ch 1121, §2, 4, 6; 2013 Acts, ch 109, §1, 3

Referred to in §28J.19, 331.301, 331.401, 347.32, 364.4, 364.19, 420.207, 421.17, 422.7, 422.35, 423A.5, 427.3, 427.13, 437A.4, 437A.6, 456A.16, 461A.79, 463B.2, 465A.4, 483A.3, 904.302, 904.705

Federally owned lands, §1.4 et seq.

Leased church property, §565.1

2008 amendment to subsection 27 takes effect May 7, 2008, and applies retroactively to January 1, 2007, for projects approved by a city council or board of supervisors prior to that date; claims for exemption for the 2007, 2008, or 2009 assessment years shall be filed with the appropriate governing body on or before October 1, 2008; 2008 Acts, ch 1143, §2

2009 amendments to subsection 29 take effect May 26, 2009, and apply retroactively to assessment years beginning on or after January 1, 2008; exemption claims for 2008 and 2009 assessment years to be filed on or before June 30, 2009; 2009 Acts, ch 179, §227

Deadline for filing an exemption claim under subsection 14 is extended to May 1, 2009, for property located in a county declared a disaster area in 2008 if a society or organization was unable to file due to the need to respond to a natural disaster occurring in calendar year 2008; 2009 Acts, ch 179, §100, 153

Subsection 38 takes effect May 25, 2012, and applies to assessment years beginning on or after January 1, 2013; 2012 Acts, ch 1121, §4, 6

Subsection 39 applies to assessment years beginning on or after January 1, 2014; 2013 Acts, ch 109, §3

For property owned by an educational institution as part of its endowment fund that was acquired by the educational institution from a governmental entity after January 1, 2012, and that is located in a county having a population of at least 200,000 but not more than 250,000 according to the 2010 federal decennial census, the deadline for filing an exemption claim under subsection 9 for the assessment year beginning January 1, 2013, is extended to June 15, 2013; 2013 Acts, ch 110, §7 – 9

NEW subsection 39

**427.2 Taxable property acquired through eminent domain.**

Real estate occupied as a public road, and rights-of-way for established public levees and rights-of-way for established, open, public drainage improvements shall not be taxed.

When land or rights in land are acquired in connection with or for public use or public purposes, the acquiring authority shall assist in the collection of property taxes and special assessments. However, assistance in the collection of the property taxes does not require

the payment of property taxes on the property acquired which exceed the amount of just compensation offered as required by section 6B.45 for the acquisition of the property.

The property owner shall pay all property taxes which are due and payable when the property owner surrenders possession of the property acquired and also those which become due and payable for the fiscal year the property is acquired in an amount equal to one-twelfth of the taxes due and payable on the property acquired for the preceding fiscal year multiplied by the number of months in the fiscal year in which the property was acquired which elapsed prior to the month in which the property owner surrenders possession, and including that month if the surrender of possession occurs after the fifteenth day of a month. For purposes of computing the payments, the property owner has surrendered possession of property acquired by eminent domain proceedings when the acquiring authority has the right to obtain possession of the acquired property as authorized by law. When all of the property is acquired for public use or public purposes, the property owner shall pay all special assessments in full which have been certified to the county treasurer for collection before the possession date of the acquiring authority. When part but not all of the property is acquired for public use or public purposes, taxing authorities may collect property taxes and special assessments which the property owner is obligated to pay, in accordance with chapter 446, from that part of the property which is not acquired. The county treasurer shall collect and accept the payment received on property acquired for public use or public purposes as full and final payment of all property tax on the property.

For that portion of the prorated year for which the acquiring authority has possession of the property or part of the property acquired in connection with or for public use or public purposes, all taxes shall be canceled by the county treasurer.

From the date of possession by the acquiring authority for land or rights in land acquired in connection with or for public use or public purposes, and for as long as ownership is retained by the acquiring authority, a special assessment shall not be certified to the county treasurer for collection while under public ownership. However, the assessment may be certified for collection to the county treasurer upon the sale of the acquired property by the acquiring authority to a new owner on a prorated basis. Special assessments certified to a county treasurer for collection while under public ownership shall be canceled by the county treasurer.

Upon sale of the acquired property by the acquiring authority to a new owner, the new owner shall pay all property taxes which become due and payable or would have become due and payable but for the acquisition by the acquiring authority for the fiscal year the property is acquired by the new owner in an amount equal to one-twelfth of the taxes multiplied by the number of months in the fiscal year in which the new owner acquired the property which occurred after the month in which the new owner acquired the property.

[C73, §809; C97, §1344; C24, 27, 31, 35, 39, §**6945;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.2; 82 Acts, ch 1183, §1]

86 Acts, ch 1153, §1; 87 Acts, ch 40, §1

**427.2A Taxation of life estate in property donated to public.**

Real estate donated to the state or a political subdivision of the state or any agency of the state or political subdivision, for which the donor retains a life estate, or provides for another to possess a life estate shall continue to be subject to property taxation and special assessment to the same extent as the property was so subject during the fiscal year in which the donation was made. The real property shall continue to be taxed until the fiscal year following the fiscal year during which the life estate terminates. Upon termination of the life estate, the real estate shall be subject to taxation as otherwise provided by law.

This section applies to property donated on or after July 1, 1992, for purposes of property taxes or special assessments due and payable in fiscal years beginning on or after July 1, 1997.

97 Acts, ch 146, §1; 2002 Acts, ch 1119, §168

**427.3 Abatement of taxes of certain exempt entities.**

The board of supervisors may abate the taxes levied against property acquired by gift or purchase by a person or entity if the property acquired by gift or purchase was transferred to the person or entity after the deadline for filing for property tax exemption in the year in which the property was transferred and the property acquired by gift or purchase would have been exempt under section 427.1, subsection 7, 8, or 9, if the person or entity had been able to file for exemption in a timely manner.

2005 Acts, ch 140, §53; 2007 Acts, ch 186, §27, 30

Refund of property taxes due and payable in fiscal years beginning July 1, 2002, and July 1, 2006, on property located in a county with a population of 88,001 – 95,000, purchased by an institution that did not receive an exemption due to inability or failure to file for exemption; application requirements and filing deadline; 2007 Acts, ch 186, §29, 30; 2009 Acts, ch 179, §149, 150, 153

Refund or abatement of property taxes due and payable in fiscal years beginning July 1, 2007, and July 1, 2008, on property located in a county with a population of 21,001 – 21,300, acquired by a religious, literary, or charitable society that did not receive an exemption due to inability or failure to file for exemption; application requirements and filing deadline; 2009 Acts, ch 58, §1, 2

**427.4 through 427.7** Transferred to § 426A.12 through 426A.15; 99 Acts, ch 151, § 88, 89.

**427.8 Petition for suspension or abatement of taxes, assessments, and rates or charges, including interest, fees, and costs.**

If a person is unable to contribute to the public revenue, the person may file a petition, duly sworn to, with the board of supervisors, stating that fact and giving a statement of parcels, as defined in section 445.1, owned or possessed by the petitioner, and other information as the board may require. The board of supervisors may order the county treasurer to suspend the collection of the taxes, special assessments, and rates or charges, including interest, fees, and costs, which are assessed against the petitioner or the petitioner's estate for the current year and those unpaid for prior years, or the board may abate the taxes, special assessments, and rates or charges, including interest, fees, and costs. The petition, when approved, shall be filed by March 1 of the current tax year with the treasurer.

[C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6950;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.8]

84 Acts, ch 1219, §33; 88 Acts, ch 1031, §1; 89 Acts, ch 296, §47; 91 Acts, ch 191, §20; 92 Acts, ch 1016, §14

Referred to in §331.402, 420.207, 425.17, 427.9, 427.10, 445.1, 447.9

For definitions applicable to this section, see §445.1

**427.9 Suspension of taxes, assessments, and rates or charges, including interest, fees, and costs.**

If a person is a recipient of federal supplementary security income or state supplementary assistance, as defined in section 249.1, or is a resident of a health care facility, as defined by section 135C.1, which is receiving payment from the department of human services for the person's care, the person shall be deemed to be unable to contribute to the public revenue. The director of human services shall notify a person receiving such assistance of the tax suspension provision and shall provide the person with evidence to present to the appropriate county board of supervisors which shows the person's eligibility for tax suspension on parcels owned, possessed, or upon which the person is paying taxes as a purchaser under contract. The board of supervisors so notified, without the filing of a petition and statement as specified in section 427.8, shall order the county treasurer to suspend the collection of all the taxes, special assessments, and rates or charges, including interest, fees, and costs, assessed against the parcels and remaining unpaid by the person or contractually payable by the person, for such time as the person remains the owner or contractually prospective owner of the parcels, and during the period the person receives assistance as described in this section. The county board of supervisors shall annually send to the department of human services the names and social security numbers of persons receiving a tax suspension pursuant to this section. The department shall verify the continued eligibility for tax suspension of each name on the list and shall return the list to the board of supervisors. The director of human services shall

advise the person that the person may apply for an additional property tax credit pursuant to sections 425.16 to 425.39 which shall be credited against the amount of the taxes suspended.

[C35, §6950-g1; C39, §**6950.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.9]

83 Acts, ch 96, §157, 159; 88 Acts, ch 1031, §2; 91 Acts, ch 191, §21; 92 Acts, ch 1016, §15; 95 Acts, ch 151, §1; 97 Acts, ch 121, §14

Referred to in §331.401, 420.207, 425.17, 427.10, 427.11, 445.1, 447.9

For definitions applicable to this section, see §445.1

**427.10 Abatement.**

The board of supervisors may, if in their judgment it is for the best interests of the public and the petitioner referred to in section 427.8, or the public and the person referred to in section 427.9, abate the taxes, special assessments, and rates or charges, including interest, fees, and costs, which have previously been suspended as provided in section 427.8 or 427.9.

[C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §**6951;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.10]

84 Acts, ch 1219, §34; 91 Acts, ch 191, §22; 92 Acts, ch 1016, §16

Referred to in §331.402, 420.207, 445.1, 447.9

For definitions applicable to this section, see §445.1

**427.11 Grantee or devisee to pay tax.**

If the petitioner or person described in section 427.9 sells any parcel upon which the taxes, special assessments, and rates or charges, including interest, fees, and costs, have been suspended, or if any parcel, or any part of the parcel, upon which the taxes, special assessments, and rates or charges, including interest, fees, and costs, have been suspended, passes by devise, bequest, or inheritance to any person other than the surviving spouse or minor child of the petitioner or other person, the total amount due that has been thus suspended shall all become due and payable with the next semiannual installment of taxes. Interest shall accrue on the total amount due at the rate of one and one-half percent per month from the next succeeding delinquency date to the month of payment unless payment is tendered in full before the delinquency date. Interest does not accrue during the suspension period on suspended parcels, including those parcels suspended prior to April 1, 1992. The petitioner, or any other person, may pay the suspended amounts at any time during the suspension period. Except in the case of manufactured or mobile home taxes, special assessments, or rates or charges, the treasurer may accept a partial payment during the suspension period with the partial payment first being applied to interest and costs.

[C24, 27, 31, 35, 39, §**6952;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.11]

91 Acts, ch 191, §23; 92 Acts, ch 1016, §17; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80

Referred to in §420.207, 445.1, 447.9

For definitions applicable to this section, see §445.1

**427.12 Suspended tax record.**

1. The county treasurer shall maintain within the county system, as defined in section 445.1, the official record of suspended taxes, special assessments, and rates or charges, the collection of which has been suspended by order of the board of supervisors. The record shall include, but is not limited to, the following information:

*a.* A governmental or platted description of the parcel on which the tax, special assessment, rate, or charge has been levied or on which it is a lien.

*b.* The name of the owner of the parcel.

*c.* The amount and year of the tax, special assessment, rate or charge.

*d.* The date the suspension was ordered.

2. The county system, as defined in section 445.1, shall be such that all entries of taxes, special assessments, rates, or charges against the parcel shall be separate from the entry of taxes, special assessments, rates, or charges against all other parcels.

3. If a suspended tax, special assessment, or rate or charge in the county system is paid, or subsequently abated, the treasurer shall enter in the county system a notification of payment or abatement.

4. When a suspension ordered by the board of supervisors for any reason provided by

law, has been entered in the county system, the entry, on and after its date, is a lien and shall serve as notice of a lien in accordance with section 445.10.

[C31, 35, §6952-d1; C39, §**6952.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.12]

84 Acts, ch 1219, §35; 91 Acts, ch 191, §24; 2011 Acts, ch 25, §143

Referred to in §331.559, 445.1, 447.9

For definitions applicable to this section, see §445.1

**427.13 What taxable.**

All other real property is subject to taxation in the manner prescribed, and this section is also intended to embrace ferry franchises and toll bridges, which, for the purpose of this chapter are considered real property.

However, this section is subject to section 427.1.

[C51, §456; R60, §712; C73, §801; C97, §1308; C24, 27, 31, 35, 39, §**6953;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.13]

89 Acts, ch 296, §48

Bridges taxed, §434.20

**427.14 County lands.**

All lands in this state which are owned or held by any other county or counties claiming title under locations with swampland indemnity scrip, or otherwise, shall be taxed the same as other real estate within the limits of the county.

[C51, §456; R60, §712; C73, §801; C97, §1308; C24, 27, 31, 35, 39, §**6954;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.14]

**427.15 Interest of lessee.**

In all cases where land belonging to any state institution has been leased and the leases renewed, containing an option of purchase, the interest of the lessees therein shall be subject to assessment and taxation as real estate. The value of such interest shall be fixed by deducting from the value of the lands and improvements the amount required by the lease to acquire the title thereto, which leasehold interest so assessed and taxed may be sold for delinquent taxes and deeds issued thereunder as in other cases of tax sales, and the same rights shall accrue to the grantee therein as were held and owned by the tenant.

[C97, §1351; C24, 27, 31, 35, 39, §**6955;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.15]

**427.16 Historic property — rehabilitation tax exemption — application.**

1. The board of supervisors shall annually designate real property in the county for a historic property tax exemption.

2. Application for the exemption shall be filed with the assessor, not later than February 1 of the assessment year, on forms provided by the department of revenue. The exemption application shall include an approved application for certified substantial rehabilitation from the state historic preservation officer and documentation of additional property tax relief or financial assistance currently allowed for the real property. Upon receipt of the application, the assessor shall certify whether or not the property is eligible to receive the exemption and shall forward the application to the board.

3. Before the board may designate real property for the exemption, the board shall establish priorities for which an exemption may be granted. The priorities shall be based upon financial assistance or property tax relief the owner is receiving for the property or for which the property is eligible. A public hearing shall be held with notice given as provided in section 73A.2 at which the proposed priority list shall be presented. However, a public hearing is not required if the proposed priorities are the same as those established for the previous year. After the public hearing, the board shall adopt by resolution the proposed priority list or another priority list.

4. After receipt from the assessor of an exemption application with an accompanying approved application from the state historic preservation officer, and the establishment of a priority list, the board shall grant a tax exemption under this section using the adopted priority list. The board shall notify an owner in writing of a denial of the exemption under this section and an explanation of the denial.

5. Real property designated for the tax exemption shall be designated by April 15 of the assessment year in which the fiscal year begins for which the exemption is granted. Notification shall be sent to the county auditor and the applicant.

6. The owner shall apply for an exemption and the exemption may be approved for a period of not more than four years.

7. For purposes of this section *"historic property"* means any of the following:

*a.* Property in Iowa listed on the national register of historic places.

*b.* An historical site as defined in section 303.2.

*c.* Property located in an area of historical significance as defined in section 303.20.

*d.* Property located in an area designated as an area of historic significance under section 303.34.

*e.* Property designated an historic building or site as approved by a county or municipal landmark ordinance.

8. For purposes of this section, *"substantial rehabilitation"* means qualified expenditures which exceed the greater of the adjusted basis of the building or five thousand dollars.

9. For purposes of this section, *"adjusted basis"* means the acquisition cost of the property to the taxpayer; less the value of the land; less depreciation taken or one-half the current assessed valuation of the property, whichever is greater; plus the cost of additions or improvements to the property since its acquisition.

10. For purposes of this section, *"qualified expenditures"* means costs incurred to preserve or to maintain a building as a historic property according to the secretary of the interior's standards for rehabilitation and guidelines for rehabilitating historic buildings.

11. The assessor shall determine the base year valuation of the historic property upon receipt of the approved application and shall make a notation on each statement of assessment that the exemption of the historic property shall be based upon the certification from the state historic preservation officer. An assessor shall make an annual report to the county auditor of all substantial rehabilitations of historic property made in the county which receive a tax exemption under this section and shall submit a copy or summary of the record to the state historic preservation officer.

12. A tax exemption granted under this section is valid if the property continues to be certified by the state historic preservation officer. If the property is sold or transferred, the buyer or transferee is not required to refile for the tax exemption for the year in which the property is purchased or transferred.

13. The valuation for purposes of computing the assessed valuation of property under this section following the four-year exemption period is as follows:

*a.* For the first year after the expiration of the four-year exemption period, the valuation is the base year valuation plus twenty-five percent of the adjustment in value.

*b.* For the second year after the expiration of the four-year exemption period, the valuation is the base year valuation plus fifty percent of the adjustment in value.

*c.* For the third year after the expiration of the four-year exemption period, the valuation is the base year valuation plus seventy-five percent of the adjustment in value.

*d.* For the fourth year after the expiration of the four-year exemption period, the valuation is based upon the current fair cash value.

14. An additional application for a tax exemption under this section for substantial rehabilitation shall not affect subsection 11 and under subsection 13 the increase in assessed value of the historic property following a four-year tax exemption period.

15. The department of cultural affairs shall adopt rules pursuant to chapter 17A to administer this section.

90 Acts, ch 1160, §1; 2001 Acts, ch 150, §15, 26; 2003 Acts, ch 145, §286

**427.17** Repealed by 88 Acts, ch 1250, § 21.

**427.18 Token tax liability accrues.**

If property which may be exempt from taxation is acquired after July 1 by a person or the state or any of its political subdivisions, the exemption shall not be allowed for that fiscal year and the person or the state or any of its political subdivisions shall pay the property

taxes levied against the property for that fiscal year, and payable in the following fiscal year. However, the seller and the purchaser may designate, by written agreement, the party responsible for payment of the property taxes due.

[C81, §427.18]

Referred to in §445.28

**427.19 Exemptions eligibility — prorating.**

All credits for and exemptions from property taxes for which an application is required shall be granted on the basis of eligibility in the fiscal year for which the application is filed. If the property which has received a credit or exemption becomes ineligible for the credit or exemption during the fiscal year for which it was granted, the property is subject to the taxes in a prorated amount for that part of the fiscal year for which the property was ineligible for the credit or exemption.

[C81, §427.19]

# CHAPTER 427A

## PERSONAL PROPERTY TAX REPLACEMENT

Referred to in §437A.16A, 441.47, 476.1D, 558.41


427A.1 Property taxed as real property.

427A.2 Personal property not subject to property tax.

427A.3 through 427A.11 Reserved.

427A.12 Replacement fund. Repealed by 2003 Acts, ch 178, §11.

427A.13 Repealed by 97 Acts, ch 158, §48.

427A.14 Repealed by 99 Acts, ch 152, §39, 40.


**427A.1 Property taxed as real property.**

1. For the purposes of property taxation only, the following shall be assessed and taxed, unless otherwise qualified for exemption, as real property:

*a.* Land and water rights.

*b.* Substances contained in or growing upon the land, before severance from the land, and rights to such substances. However, growing crops shall not be assessed and taxed as real property, and this paragraph is also subject to the provisions of section 441.22.

*c.* Buildings, structures or improvements, any of which are constructed on or in the land, attached to the land, or placed upon a foundation whether or not attached to the foundation. However, property taxed under chapter 435 and property that is a concrete batch plant as that term is defined in subsection 4 shall not be assessed and taxed as real property.

*d.* Buildings, structures, equipment, machinery or improvements, any of which are attached to the buildings, structures, or improvements defined in paragraph "*c*" of this subsection.

*e.* Machinery used in manufacturing establishments. The scope of property taxable under this paragraph is intended to be the same as, and neither broader nor narrower than, the scope of property taxable under section 428.22, Code 1973, prior to July 1, 1974.

*f.* Property taxed under chapter 499B.

*g.* Rights to space above the land.

*h.* Property assessed by the department of revenue pursuant to sections 428.24 to 428.29, or chapters 433, 434, 437, 437A, 437B, and 438.

*i.* Property used but not owned by the persons whose property is defined in paragraph "*h*" of this subsection, which would be assessed by the department of revenue if the persons owned the property. However, this paragraph does not change the manner of assessment or the authority entitled to make the assessment.

*j.* (1) Computers. As used in this paragraph, "*computer*" means stored program processing equipment and all devices fastened to the computer by means of signal cables

or communication media that serve the function of signal cables, but does not include point of sales equipment.

(2) Computer output microfilming equipment.

(3) Key entry devices that prepare information for input to a computer.

(4) All equipment that produces a final output from one of the facilities listed in subparagraphs (1), (2) and (3) of this paragraph.

*k.* Transmission towers and antennae not a part of a household.

2. As used in subsection 1, "*attached*" means any of the following:

*a.* Connected by an adhesive preparation.

*b.* Connected in a manner so that disconnecting requires the removal of one or more fastening devices, other than electric plugs.

*c.* Connected in a manner so that removal requires substantial modification or alteration of the property removed or the property from which it is removed.

3. Notwithstanding the definition of "*attached*" in subsection 2, property is not "*attached*" if it is a kind of property which would ordinarily be removed when the owner of the property moves to another location. In making this determination the assessing authority shall not take into account the intent of the particular owner.

4. Notwithstanding the definition of "*attached*" in subsection 2, property is not "*attached*" if any of the following conditions are met:

*a.* It is a fixture used for cooking, refrigeration, or freezing of value-added agricultural products, used in value-added agricultural processing, or used in direct support of value-added agricultural processing. For purposes of this subsection, "*direct support*" includes storage by public refrigerated warehouses for processors of value-added agricultural products. Such fixtures shall not be considered "*attached*" whether owned directly by the processor or warehouse operator or by another who leases the fixture to the processor or warehouse operator. This paragraph shall not apply to fixtures used primarily for retail sale or display.

*b.* It is a concrete batch plant. A "*concrete batch plant*" is the machinery, equipment, and fixtures used at a concrete mixing facility to process cement dry additive and other raw materials into concrete.

*c.* It is a hot mix asphalt facility.

*d.* It is a photobioreactor used in the production of algae for harvesting as a crop for animal feed, food, nutritionals, or biofuel production.

5. Notwithstanding the other provisions of this section, property described in this section, if held solely for sale, lease or rent as part of a business regularly engaged in selling, leasing or renting such property, and if the property is not yet sold, leased, rented or used by any person, shall not be assessed and taxed as real property. This subsection does not apply to any land or building.

6. Notwithstanding the other provisions of this section, property that is equipment used for the washing, waxing, drying, or vacuuming of motor vehicles and point-of-sale equipment necessary for the purchase of car wash services shall not be assessed and taxed as real property.

7. Nothing in this section shall be construed to permit an item of property to be assessed and taxed in this state more than once in any one year.

8. The assessing authority shall annually reassess property which is assessed and taxed as real property, but which would be regarded as personal property except for this section. This section shall not be construed to limit the assessing authority's powers to assess or reassess under other provisions of law.

9. The director of revenue shall promulgate rules subject to chapter 17A to carry out the intent of this section.

[C71, 73, 75, 77, 79, 81, §427A.1]

85 Acts, ch 32, §103; 95 Acts, ch 67, §32; 2001 Acts, ch 116, §21, 28; 2002 Acts, ch 1150, §10; 2003 Acts, ch 145, §286; 2006 Acts, ch 1146, §1 – 3; 2006 Acts, ch 1158, §59, 69; 2013 Acts, ch 94, §4, 35, 36; 2013 Acts, ch 118, §1, 3, 4

Referred to in §15.333, 15.333A, 386.1, 423.3, 427.1(29a), 427B.1, 427B.17, 427B.19, 437A.3, 441.19, 441.21

2013 amendment to subsection 1, paragraph h, takes effect May 9, 2013, and applies retroactively to property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Subsection 4, paragraph d, takes effect May 24, 2013, and applies retroactively to January 1, 2013, for assessment years beginning on or after that date; 2013 Acts, ch 118, §3, 4
Subsection 1, paragraph h amended
Subsection 4, NEW paragraph d

**427A.2 Personal property not subject to property tax.**
Personal property shall not be listed or assessed for taxation and is not subject to the property tax.
95 Acts, ch 67, §33

**427A.3 through 427A.11** Reserved.

**427A.12 Replacement fund.** Repealed by 2003 Acts, ch 178, § 11.

**427A.13** Repealed by 97 Acts, ch 158, § 48.

**427A.14** Repealed by 99 Acts, ch 152, § 39, 40.

# CHAPTER 427B

## SPECIAL TAX PROVISIONS

Referred to in §331.303, 331.402, 437A.16A, 441.47, 476.1D


DIVISION I

INDUSTRIAL PROPERTY AND CATTLE FACILITIES ACTUAL VALUE ADDED EXEMPTION

427B.1 Actual value added exemption from tax — public hearing.
427B.2 Zoning under chapter 335.
427B.3 Period of partial exemption.
427B.4 Application for exemption by property owner.
427B.5 Exemption may be repealed.
427B.6 Dual exemptions prohibited.
427B.7 Actual value added exemption from tax — cattle facilities.
427B.8 and 427B.9 Reserved.

DIVISION II

RESERVED

427B.10 through 427B.16 Reserved.

DIVISION III

SPECIAL VALUATION FOR MACHINERY, EQUIPMENT, AND COMPUTERS — STATE REPLACEMENT FUNDS

427B.17 Property subject to special valuation.
427B.18 Replacement.
427B.19 Assessor and county auditor duties.
427B.19A Fund created.
427B.19B Guarantee of state replacement funds. Repealed by 2003 Acts, ch 178, §11.
427B.19C Adjustment of certain assessments required.
427B.19D Appeal for state assistance.

DIVISION IV

UNDERGROUND STORAGE TANKS REMEDIAL ACTION CREDIT

427B.20 Local option remedial action property tax credit — public hearing.
427B.21 Application for credit by underground storage tank owner or operator — approval by county board of supervisors or city council.
427B.22 Credit may be repealed.
427B.23 through 427B.25 Reserved.

DIVISION V

SPECIAL VALUATION FOR WIND ENERGY CONVERSION PROPERTY

427B.26 Special valuation of wind energy conversion property.

## DIVISION I

## INDUSTRIAL PROPERTY AND CATTLE FACILITIES ACTUAL VALUE ADDED EXEMPTION

**427B.1 Actual value added exemption from tax — public hearing.**

1. A city council, or a county board of supervisors as authorized by section 427B.2, may provide by ordinance for a partial exemption from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, research-service facilities, warehouses, distribution centers and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to section 427A.1, subsection 1, paragraph *"e"*. *"New construction"* means new buildings and structures and includes new buildings and structures which are constructed as additions to existing buildings and structures. *"New construction"* does not include reconstruction of an existing building or structure which does not constitute complete replacement of an existing building or structure or refitting of an existing building or structure, unless the reconstruction of an existing building or structure is required due to economic obsolescence and the reconstruction is necessary to implement recognized industry standards for the manufacturing and processing of specific products and the reconstruction is required for the owner of the building or structure to continue to competitively manufacture or process those products which determination shall receive prior approval from the city council of the city or the board of supervisors of the county. The exemption shall also apply to new machinery and equipment assessed as real estate pursuant to section 427A.1, subsection 1, paragraph *"e"*, unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status. *"Research-service facilities"* means a building or group of buildings devoted primarily to research and development activities, including but not limited to the design and production or manufacture of prototype products for experimental use, and corporate-research services which do not have a primary purpose of providing on-site services to the public. *"Warehouse"* means a building or structure used as a public warehouse for the storage of goods pursuant to chapter 554, article 7, except that it does not mean a building or structure used primarily to store raw agricultural products or from which goods are sold at retail. *"Distribution center"* means a building or structure used primarily for the storage of goods which are intended for subsequent shipment to retail outlets. *"Distribution center"* does not mean a building or structure used primarily to store raw agricultural products, used primarily by a manufacturer to store goods to be used in the manufacturing process, used primarily for the storage of petroleum products, or used for the retail sale of goods.

2. The ordinance may be enacted not less than thirty days after a public hearing is held in accordance with section 335.6 in the case of a county, or section 362.3 in the case of a city. The ordinance shall designate the length of time the partial exemption shall be available and may provide for an exemption schedule in lieu of that provided in section 427B.3. However, an alternative exemption schedule adopted shall not provide for a larger tax exemption in a particular year than is provided for that year in the schedule contained in section 427B.3.

[C81, §427B.1; 82 Acts, ch 1104, §20]

84 Acts, ch 1232, §2; 85 Acts, ch 232, §1; 2011 Acts, ch 118, §85, 89; 2013 Acts, ch 34, §8

Referred to in §364.19, 427.1(27c, 27d), 427B.2, 427B.3, 427B.4, 427B.5, 427B.7, 427B.17

Subsection 1 amended

**427B.2 Zoning under chapter 335.**

1. The board of supervisors of a county which has appointed a county zoning commission and provided for county zoning under chapter 335 may provide for a partial exemption from property taxation of the actual value added to industrial real estate as provided under section 427B.1.

2. The board of supervisors of a county which has not appointed a zoning commission may

provide for a partial exemption from property taxation of the actual value added to industrial real estate as provided under section 427B.1 in the following areas:

*a.* Outside the incorporated limits of a city to which a city has extended its zoning ordinance pursuant to section 414.23 which complies with the city's zoning ordinance.

*b.* Outside the incorporated limits of a city which has adopted a zoning ordinance but which has not extended the ordinance to the area permitted under section 414.23 if the property would be within the area to which a city may extend a zoning ordinance pursuant to section 414.23.

*c.* Outside the incorporated limits of a city which has not adopted a zoning ordinance but which would be within the area to which a city may extend a zoning ordinance pursuant to section 414.23.

3. The board of supervisors of a county which has not appointed a zoning commission may provide for a partial exemption from property taxation of the actual value added to industrial real estate as provided under section 427B.1 in an area where the partial exemption could not otherwise be granted under this chapter where the actual value added is to industrial real estate existing on July 1, 1979.

4. To grant an exemption under the provisions of this section, the county board of supervisors shall comply with all of the requirements imposed by this chapter upon the city council of a city.

[C81, §427B.2; 82 Acts, ch 1104, §21 – 23]

2009 Acts, ch 41, §255

Referred to in §427B.1, 427B.7, 427B.17

**427B.3 Period of partial exemption.**

1. *"Actual value added"*, as used in this chapter, means the actual value added as of the first year for which the exemption is received, except that actual value added by improvements to machinery and equipment means the actual value as determined by the assessor as of January 1 of each year for which the exemption is received.

2. The actual value added to industrial real estate for the reasons specified in section 427B.1 is eligible to receive a partial exemption from taxation for a period of five years. However, if property ceases to be classified as industrial real estate or ceases to be used as a warehouse or distribution center, the partial exemption for the value added shall not be allowed for subsequent assessment years.

3. *a.* The amount of actual value added which is eligible to be exempt from taxation shall be as follows:

(1) For the first year, seventy-five percent.

(2) For the second year, sixty percent.

(3) For the third year, forty-five percent.

(4) For the fourth year, thirty percent.

(5) For the fifth year, fifteen percent.

*b.* This schedule shall be followed unless an alternative schedule is adopted by the city council of a city or the board of supervisors of a county in accordance with section 427B.1.

4. However, the granting of the exemption under this section for new construction constituting complete replacement of an existing building or structure shall not result in the assessed value of the industrial real estate being reduced below the assessed value of the industrial real estate before the start of the new construction added.

[C81, §427B.3]

84 Acts, ch 1232, §3; 2011 Acts, ch 34, §167

Referred to in §427B.1, 427B.7, 427B.17

**427B.4 Application for exemption by property owner.**

An application shall be filed for each project resulting in actual value added for which an exemption is claimed. The application for exemption shall be filed by the owner of the property with the local assessor by February 1 of the assessment year in which the value added is first assessed for taxation. Applications for exemption shall be made on forms prescribed by the director of revenue and shall contain information pertaining to the nature

of the improvement, its cost, and other information deemed necessary by the director of revenue.

A person may submit a proposal to the city council of the city or the board of supervisors of a county to receive prior approval for eligibility for a tax exemption on new construction. The city council or the board of supervisors, by ordinance, may give its prior approval of a tax exemption for new construction if the new construction is in conformance with the zoning plans for the city or county. The prior approval shall also be subject to the hearing requirements of section 427B.1. Prior approval does not entitle the owner to exemption from taxation until the new construction has been completed and found to be qualified real estate. However, if the tax exemption for new construction is not approved, the person may submit an amended proposal to the city council or board of supervisors to approve or reject.

[C81, §427B.4; 82 Acts, ch 1104, §24]

2000 Acts, ch 1058, §40; 2003 Acts, ch 145, §286

Referred to in §427.1(27d), 427B.7, 427B.17

**427B.5 Exemption may be repealed.**

When in the opinion of the city council or the county board of supervisors continuation of the exemption granted by this chapter ceases to be of benefit to the city or county, the city council or the county board of supervisors may repeal the ordinance authorized by section 427B.1, but all existing exemptions shall continue until their expiration.

[C81, §427B.5]

Referred to in §427B.17

**427B.6 Dual exemptions prohibited.**

A property tax exemption under this chapter shall not be granted if the property for which the exemption is claimed has received any other property tax exemption authorized by law.

[C81, §427B.6]

Referred to in §427B.17

**427B.7 Actual value added exemption from tax — cattle facilities.**

A city council, or a county board of supervisors as authorized by section 427B.2, may, by ordinance as provided in section 427B.1, establish a partial exemption from property taxation of the actual value added to owner-operated cattle facilities, including small or medium sized feedlots but not including slaughter facilities, either by new construction or by the retrofitting of existing facilities. The application for the exemption shall be filed pursuant to section 427B.4. The actual value added to owner-operated cattle facilities, as specified in section 427B.1, is eligible to receive a partial exemption from taxation for a period of five years. The amount of actual value added which is eligible to be exempt from taxation is the same as provided in the exemption schedule in section 427B.3.

87 Acts, ch 169, §10

**427B.8 and 427B.9** Reserved.

DIVISION II

RESERVED

**427B.10 through 427B.16** Reserved.

## DIVISION III

## SPECIAL VALUATION FOR MACHINERY, EQUIPMENT, AND COMPUTERS — STATE REPLACEMENT FUNDS

**427B.17 Property subject to special valuation.**

1. For purposes of this section:

*a.* *"Electric power generating plant"* means any nameplate rated electric power generating plant, in which electric energy is produced from other forms of energy, including all taxable land, buildings, and equipment used in the production of such energy.

*b.* *"Net acquisition cost"* means the acquired cost of the property including all foundations and installation cost less any excess cost adjustment.

*c.* *"Net actual generation"* means net electrical megawatt hours produced by the unit during the preceding assessment year.

*d.* *"Net capacity factor"* means net actual generation divided by the product of net maximum capacity times the number of hours the unit was in the active state during the assessment year. Upon commissioning, a unit is in the active state until it is decommissioned.

*e.* *"Net maximum capacity"* means the capacity the unit can sustain over a specified period when not restricted by ambient conditions or equipment deratings, minus the losses associated with station service or auxiliary loads.

2. For property defined in section 427A.1, subsection 1, paragraphs *"e"* and *"j"*, the taxpayer's valuation shall be limited to thirty percent of the net acquisition cost of the property, except as otherwise provided in subsections 3 and 4.

3. Property defined in section 427A.1, subsection 1, paragraphs *"e"* and *"j"*, which is first assessed for taxation in this state on or after January 1, 1995, shall be exempt from taxation.

4. Property defined in section 427A.1, subsection 1, paragraphs *"e"* and *"j"*, and assessed under subsection 2 of this section, shall be valued by the local assessor as follows for the following assessment years:

*a.* For the assessment year beginning January 1, 1999, at twenty-two percent of the net acquisition cost.

*b.* For the assessment year beginning January 1, 2000, at fourteen percent of the net acquisition cost.

*c.* For the assessment year beginning January 1, 2001, at six percent of the net acquisition cost.

*d.* For the assessment year beginning January 1, 2002, and succeeding assessment years, at zero percent of the net acquisition cost.

5. Property assessed pursuant to this section shall not be eligible to receive a partial exemption under sections 427B.1 to 427B.6.

6. For the purpose of dividing taxes under section 260E.4, the employer's or business's valuation of property defined in section 427A.1, subsection 1, paragraphs *"e"* and *"j"*, and used to fund a new jobs training project which project's first written agreement providing for a division of taxes as provided in section 403.19 is approved on or before June 30, 1995, shall be limited to thirty percent of the net acquisition cost of the property. The community college shall notify the assessor by February 15 of each assessment year if taxes levied against such property of an employer or business will be used to finance a project in the following fiscal year. In any fiscal year in which the community college does rely on taxes levied against an employer's or business's property defined in section 427A.1, subsection 1, paragraph *"e"* or *"j"*, to finance a project, such property shall not be valued pursuant to subsection 3 or 4, whichever is applicable, for that fiscal year. An employer's or business's taxable property used to fund a new jobs training project shall not be valued pursuant to subsection 3 or 4, whichever is applicable, until the assessment year following the calendar year in which the certificates or other funding obligations have been retired or escrowed. If the certificates issued, or other funding obligations incurred, between January 1, 1982, and June 30, 1995, are refinanced or refunded after June 30, 1995, the valuation of such property shall then

be the valuation specified in subsection 3 or 4, whichever is applicable, for the applicable assessment year beginning with the assessment year following the calendar year in which those certificates or other funding obligations are refinanced or refunded after June 30, 1995.

7. Notwithstanding subsection 8 or any other provision to the contrary, this section shall be applicable to a new cogeneration facility subject to the assessed value provisions of section 437A.16A, but the exemptions provided in this section shall be reduced by an amount bearing the same ratio to the value of the property that is exempt pursuant to this section as the allowable credit under section 437A.16A, subsection 1, bears to the assessable value of the entire new cogeneration facility before the application of any abatements, credits, or exemptions against that value.

8. *a.* This section shall not apply to property assessed by the department of revenue pursuant to sections 428.24 to 428.29, or chapters 433, 434, 437, 437A, 437B, and 438, and such property shall not receive the benefits of this section.

*b.* Any electric power generating plant which operated during the preceding assessment year at a net capacity factor of more than twenty percent, shall not receive the benefits of this section or of section 15.332.

85 Acts, ch 32, §109; 93 Acts, ch 180, §12; 95 Acts, ch 206, §29; 96 Acts, ch 1049, §2, 3, 9; 96 Acts, ch 1180, §18; 97 Acts, ch 66, §1, 2; 2002 Acts, ch 1150, §11; 2003 Acts, ch 145, §286; 2005 Acts, ch 150, §64, 69; 2011 Acts, ch 104, §1, 2; 2013 Acts, ch 90, §105; 2013 Acts, ch 94, §5, 35, 36

Referred to in §427B.19, 427B.19A, 427B.19C, 427B.19D, 437A.3

Subsection 7 takes effect May 3, 2011, and applies retroactively to January 1, 2010, for tax years beginning on or after that date; 2011 Acts, ch 104, §2

2013 amendment to subsection 8, paragraph a, takes effect May 9, 2013, and applies retroactively to property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

See Code editor's note

Section amended

**427B.18 Replacement.**

Beginning with the fiscal year beginning July 1, 1996, each county treasurer shall be paid from the industrial machinery, equipment and computers replacement fund an amount equal to the amount of the industrial machinery, equipment and computers tax replacement claim, as calculated in section 427B.19.

95 Acts, ch 206, §30

**427B.19 Assessor and county auditor duties.**

1. On or before July 1 of each fiscal year, the assessor shall determine the total assessed value of the property assessed under section 427B.17 for taxes payable in that fiscal year and the total assessed value of such property assessed as of January 1, 1994, and shall report the valuations to the county auditor.

2. On or before July 1 of each fiscal year, the assessor shall determine the valuation of all commercial and industrial property assessed for taxes payable in that fiscal year and the valuation of such property assessed as of January 1, 1994, and shall report the valuations to the county auditor.

3. On or before September 1 of each fiscal year through June 30, 2004, the county auditor shall prepare a statement, based upon the report received pursuant to subsections 1 and 2, listing for each taxing district in the county:

*a.* Beginning with the assessment year beginning January 1, 1995, the difference between the assessed valuation of property assessed pursuant to section 427B.17 for that year and the total assessed value of such property assessed as of January 1, 1994. If the total assessed value of the property assessed as of January 1, 1994, is less, there is no tax replacement for the fiscal year.

*b.* The tax levy rate for each taxing district for that fiscal year.

*c.* The industrial machinery, equipment and computers tax replacement claim for each taxing district. For fiscal years beginning July 1, 1996, and ending June 30, 2001, the replacement claim is equal to the amount determined pursuant to paragraph "*a*", multiplied by the tax rate specified in paragraph "*b*". For fiscal years beginning July 1, 2001, and ending June 30, 2004, the replacement claim is equal to the product of the amount determined

pursuant to paragraph *"a"*, less any increase in valuations determined in paragraph *"d"*, and the tax rate specified in paragraph *"b"*. If the amount subtracted under paragraph *"d"* is more than the amount determined in paragraph *"a"*, there is no tax replacement for the fiscal year.

*d.* Beginning with the assessment year beginning January 1, 2000, the auditor shall reduce the amount listed in paragraph *"a"*, by the increase, if any, in assessed valuations of commercial and industrial property in the assessment year beginning January 1, 1994, and the assessment year for which taxes are due and payable in that fiscal year. If the calculation under this paragraph indicates a net decrease in aggregate valuation of such property, the industrial machinery, equipment and computers tax replacement claim for each taxing district is equal to the amount determined pursuant to paragraph *"a"*, multiplied by the tax rate specified in paragraph *"b"*.

4. The county auditor shall certify and forward one copy of the statement to the department of revenue not later than September 1 of each year.

5. For purposes of this section, *"assessed value of the property assessed under section 427B.17"* does not include the value of property defined in section 427A.1, subsection 1, paragraphs *"e"* and *"j"*, which is obligated to secure payment of certificates or other indebtedness incurred pursuant to chapter 260E or 260F.

6. For purposes of computing replacement amounts under this section, that portion of an urban renewal area defined as the sum of the assessed valuations defined in section 403.19, subsections 1 and 2, shall be considered a taxing district.

95 Acts, ch 206, §31; 96 Acts, ch 1049, §4; 97 Acts, ch 158, §32, 33; 2003 Acts, ch 145, §286; 2003 Acts, ch 178, §5, 6

Referred to in §257.3, 427B.18, 427B.19A

**427B.19A Fund created.**

1. The industrial machinery, equipment and computers property tax replacement fund is created. For the fiscal year beginning July 1, 1996, through the fiscal year ending June 30, 2004, there is appropriated annually from the general fund of the state to the department of revenue to be credited to the industrial machinery, equipment and computers property tax replacement fund, an amount sufficient to implement this division. However, for the fiscal year beginning July 1, 2003, the amount appropriated to the department of revenue to be credited to the industrial machinery, equipment and computers tax replacement fund is eleven million two hundred eighty-one thousand six hundred eighty-five dollars.

2. If an amount appropriated for a fiscal year is insufficient to pay all claims as a result of action by the general assembly limiting the amount appropriated to the fund, the director shall prorate the disbursements from the fund to the county treasurers and shall notify the county auditors of the pro rata percentage on or before September 30.

3. The replacement claims shall be paid to each county treasurer in equal installments in September and March of each year. The county treasurer shall apportion the replacement claim payments among the eligible taxing districts in the county. If the taxing district is an urban renewal area, the amount of the replacement claim shall be apportioned as provided in subsection 4 unless the municipality elects to proceed under subsection 5.

4. *a.* If the total assessed value of property located in an urban renewal area taxing district is equal to or more than that portion of such valuation defined in section 403.19, subsection 1, the total tax replacement amount computed pursuant to section 427B.19 shall be credited to that portion of the assessed value defined in section 403.19, subsection 2.

*b.* If the total assessed value of the property is less than that portion of such valuation defined in section 403.19, subsection 1, the replacement amount shall be credited to those portions of the assessed value defined in section 403.19, subsections 1 and 2, as follows:

(1) To that portion defined in section 403.19, subsection 1, an amount equal to the amount that would be produced by multiplying the applicable consolidated levy times the difference between the assessed value of the taxable property defined in section 403.19, subsection 1, and the total assessed value in the budget year for which the replacement claim is computed.

(2) To that portion defined in section 403.19, subsection 2, the remaining amount, if any.

*c.* Notwithstanding the allocation provisions of paragraphs *"a"* and *"b"*, the amount of the tax replacement amount that shall be allocated to that portion of the assessed value defined

in section 403.19, subsection 2, shall not exceed the amount equal to the amount certified to the county auditor under section 403.19 for the budget year in which the claim is paid, after deduction of the amount of other revenues committed for payment on that amount for the budget year. The amount not allocated to that portion of the assessed value defined in section 403.19, subsection 2, as a result of the operation of this paragraph, shall be allocated to that portion of assessed value defined in section 403.19, subsection 1.

5. A municipality may elect to reduce the amount of assessed value of property defined in section 403.19, subsection 1, by an amount equal to that portion of the amount of such assessed value which was phased out for the fiscal year by operation of section 427B.17, subsection 4. The applicable assessment roll and ordinance providing for the division of taxes under section 403.19 in the urban renewal taxing district shall be deemed to be modified for that fiscal year only to the extent of such adjustment without further action on the part of the city or county implementing the urban renewal taxing district.

95 Acts, ch 206, §32; 96 Acts, ch 1049, §5, 6; 97 Acts, ch 158, §34; 2001 Acts, ch 116, §22; 2003 Acts, ch 145, §286; 2003 Acts, ch 178, §7; 2003 Acts, ch 179, §37; 2013 Acts, ch 90, §246
Referred to in §257.3, 298.18A, 427B.19C
Subsection 5 amended

**427B.19B Guarantee of state replacement funds.** Repealed by 2003 Acts, ch 178, § 11.

**427B.19C Adjustment of certain assessments required.**

In the assessment year beginning January 1, 2003, the amount of assessed value of property defined in section 403.19, subsection 1, for an urban renewal taxing district which received replacement moneys under section 427B.19A, subsection 4, shall be reduced by an amount equal to that portion of the amount of assessed value of such property which was assessed pursuant to section 427B.17, subsection 4.

96 Acts, ch 1049, §7; 2003 Acts, ch 178, §8; 2013 Acts, ch 90, §247
Section amended

**427B.19D Appeal for state assistance.**

For fiscal years beginning on or after July 1, 1996, a municipality in which is located an urban renewal district for which debt was incurred prior to June 30, 1996, may appeal to the state appeal board for state assistance to meet such debt obligations for the fiscal year if such debt is not secured by an assessment agreement pursuant to section 403.6, subsection 19, and if the urban renewal area contains property assessed pursuant to section 427B.17. The appeal shall be made by May 15 preceding the fiscal year on forms approved by the department of management.

96 Acts, ch 1049, §8

## DIVISION IV

## UNDERGROUND STORAGE TANKS REMEDIAL ACTION CREDIT

**427B.20 Local option remedial action property tax credit — public hearing.**

1. As used in this division:

*a. "Actual portion of the costs paid by the owner or operator of an underground storage tank in connection with a remedial action for which the Iowa comprehensive petroleum underground storage tank fund shares in the cost of corrective action"* means the amount determined by the fund's board, or the board's designee, as the administrator of the Iowa comprehensive petroleum underground storage tank fund, and for which the owner or operator was not reimbursed from any other source.

*b. "Small business"* means a business with gross receipts of less than five hundred thousand dollars per year.

2. In order to further the public interests of protecting the drinking water supply, preserving business and industry within a community, preserving convenient access to gas

stations within a community, or other public purposes, a city council or county board of supervisors may provide by ordinance for partial or total property tax credits to owners of small businesses that own or operate an underground storage tank to reduce the amount of property taxes paid over the permitted period in amounts not to exceed the actual portion of costs paid by the business owner in connection with a remedial action for which the Iowa comprehensive petroleum underground storage tank fund shares in the cost of corrective action, and for which the small business owner was not reimbursed from any other source. A county board of supervisors may grant credits only for property located outside of the corporate limits of a city, and a city council may grant credits only for property located within the corporate limits of the city. The credit shall be taken on the property where the underground storage tank is situated. The credit granted by the council or board shall not exceed the amount of taxes generated by the property for the respective city or county. The credit shall apply to property taxes payable in the fiscal year following the calendar year in which a cost of remedial action was paid by the small business owner.

3. The ordinance may be enacted not less than thirty days after a public hearing is held in accordance with section 335.6 in the case of a county, or section 362.3 in the case of a city. The ordinance shall designate the length of time the partial or total credit shall be available, and shall include a credit schedule and description of the terms and conditions of the credit.

4. A property tax credit provided under this section shall be paid for out of any available funds budgeted for that purpose by the city council or county board of supervisors. A city council may certify a tax for the general fund levy and a county board of supervisors may certify a tax for the rural county service fund levy for property tax credits authorized by this section.

5. The maximum permitted period of a tax credit granted under this section is ten years.

89 Acts, ch 131, §30; 2009 Acts, ch 41, §128

Referred to in §427B.22

**427B.21 Application for credit by underground storage tank owner or operator — approval by county board of supervisors or city council.**

An application shall be filed by an owner of a small business that owns or operates an underground storage tank for each property for which a credit is sought. Applications shall be filed with the respective county board of supervisors or the city council by September 30 of the year following the calendar year in which a cost of remedial action was paid by the owner or operator. Small business owners receiving credits shall file applications for renewal of the credit by September 30 of each year. A credit may be renewed only if title to the credited property remains in the name of the person or entity originally receiving the credit.

In reviewing the applications, the board of supervisors or city council shall consider whether granting the credit would serve a public purpose. Upon approval of the application by the board of supervisors, and after the applicant has paid any property taxes due, the board shall direct the county treasurer to issue a warrant to the small business owner in the amount of the credit granted. Upon approval of the application by the city council, and after the applicant has paid any property taxes due, the council shall direct the city clerk to issue a warrant to the small business owner in the amount of the credit granted.

Applications for credit shall be made on forms prescribed by the director of revenue and shall contain information pertaining to the nature of the release, the total cost of corrective action, the actual portion of the costs paid by the small business owner and for which the owner was not reimbursed from any other source, the small business owner's income tax form from the most recent tax year, and other information deemed necessary by the director.

89 Acts, ch 131, §31; 2003 Acts, ch 145, §286

**427B.22 Credit may be repealed.**

If in the opinion of the city council or the county board of supervisors continuation of the credit granted under an ordinance adopted pursuant to this division ceases to be of benefit to the city or county, the city council or the county board of supervisors may repeal the ordinance authorized by section 427B.20, but all existing credits shall continue until their expiration.

89 Acts, ch 131, §32

**427B.23 through 427B.25** Reserved.

## DIVISION V

## SPECIAL VALUATION FOR WIND ENERGY CONVERSION PROPERTY

**427B.26 Special valuation of wind energy conversion property.**

1. *a.* A city council or county board of supervisors may provide by ordinance for the special valuation of wind energy conversion property as provided in subsection 2. The ordinance may be enacted not less than thirty days after a public hearing on the ordinance is held. Notice of the hearing shall be published in accordance with section 331.305 in the case of a county, or section 362.3 in the case of a city. The ordinance shall only apply to property first assessed on or after the effective date of the ordinance.

*b.* If in the opinion of the city council or the county board of supervisors continuation of the special valuation provided under this section ceases to be of benefit to the city or county, the city council or the county board of supervisors may repeal the ordinance authorized by this subsection. Property specially valued under this section prior to repeal of the ordinance shall continue to be valued under this section until the end of the nineteenth assessment year following the assessment year in which the property was first assessed.

2. In lieu of the valuation and assessment provisions in section 441.21, subsection 8, paragraphs *"b"*, *"c"*, and *"d"*, and sections 428.24 to 428.29, wind energy conversion property which is first assessed for property taxation on or after January 1, 1994, and on or after the effective date of the ordinance enacted pursuant to subsection 1, shall be valued by the local assessor for property tax purposes as follows:

*a.* For the first assessment year, at zero percent of the net acquisition cost.

*b.* For the second through sixth assessment years, at a percent of the net acquisition cost which rate increases by five percentage points each assessment year.

*c.* For the seventh and succeeding assessment years, at thirty percent of the net acquisition cost.

3. The taxpayer shall file with the local assessor by February 1 of the assessment year in which the wind energy conversion property is first assessed for property tax purposes, a declaration of intent to have the property assessed at the value determined under this section in lieu of the valuation and assessment provisions in section 441.21, subsection 8, paragraphs *"b"*, *"c"*, and *"d"*, and sections 428.24 to 428.29.

4. For purposes of this section:

*a.* *"Net acquisition cost"* means the acquired cost of the property including all foundations and installation cost less any excess cost adjustment.

*b.* *"Wind energy conversion property"* means the entire wind plant including, but not limited to, a wind charger, windmill, wind turbine, tower and electrical equipment, pad mount transformers, power lines, and substation.

93 Acts, ch 161, §2

Referred to in §437A.6, 476B.6

# CHAPTER 427C

## FOREST AND FRUIT-TREE RESERVATIONS

Referred to in §159.6, 441.47

This chapter not enacted as a part of this title;
transferred from chapter 161 in Code 1993


427C.1 Tax exemption.
427C.2 Reservations.
427C.3 Forest reservation.
427C.4 Removal of trees.
427C.5 Forest trees.
427C.6 Groves.
427C.7 Fruit-tree reservation — duration of exemption.
427C.8 Fruit trees.
427C.9 Replacing trees.
427C.10 Restraint of livestock and limitation on use.
427C.11 Penalty.
427C.12 Application — inspection — continuation of exemption — recapture of tax.
427C.13 Report to department of natural resources.


**427C.1 Tax exemption.**

Any person who establishes a forest or fruit-tree reservation as provided in this chapter shall be entitled to the tax exemption provided by law.

[C24, 27, 31, 35, 39, §**2605;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.1]

C93, §427C.1

Referred to in §441.22

**427C.2 Reservations.**

On any tract of land in the state of Iowa, the owner or owners may select a permanent forest reservation or reservations, each not less than two acres in continuous area, or a fruit-tree reservation or reservations, not less than one nor more than ten acres in total area, or both, and upon compliance with the provisions of this chapter, such owner or owners shall be entitled to the benefits provided by law.

[S13, §1400-c; C24, 27, 31, 35, 39, §**2606;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.2]

C93, §427C.2

Referred to in §427C.3, 441.22

**427C.3 Forest reservation.**

A forest reservation shall contain not less than two hundred growing forest trees on each acre. If the area selected is a forest containing the required number of growing forest trees, it shall be accepted as a forest reservation under this chapter provided application is made or on file on or before February 1 of the exemption year. If any buildings are standing on an area selected as a forest reservation under this section or a fruit-tree reservation under section 427C.7, one acre of that area shall be excluded from the tax exemption. However, the exclusion of that acre shall not affect the area's meeting the acreage requirement of section 427C.2.

[S13, §1400-d; C24, 27, 31, 35, 39, §**2607;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.3]

84 Acts, ch 1222, §1

C93, §427C.3

2001 Acts, ch 150, §16, 26

Referred to in §441.22

**427C.4 Removal of trees.**

Not more than one-fifth of the total number of trees in any forest reservation may be removed in any one year, excepting in cases where the trees die naturally.

[S13, §1400-e; C24, 27, 31, 35, 39, §**2608;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.4]

C93, §427C.4

Referred to in §441.22

**427C.5 Forest trees.**

The ash, black cherry, black walnut, butternut, catalpa, coffee tree, the elms, hackberry, the hickories, honey locust, Norway and Carolina poplars, mulberry, the oaks, sugar maple, cottonwood, soft maple, osage orange, basswood, black locust, European larch and other coniferous trees, and all other forest trees introduced into the state for experimental purposes, shall be considered forest trees within the meaning of this chapter. In forest reservations which are artificial groves, the willows, box elder, and other poplars shall be included among forest trees for the purposes of this chapter when they are used as protecting borders not exceeding two rows in width around a forest reservation, or when they are used as nurse trees for forest trees in such forest reservation, the number of such nurse trees not to exceed one hundred on each acre; provided that only box elder shall be used as nurse trees.

[S13, §1400-f; C24, 27, 31, 35, 39, §**2609;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.5]

C93, §427C.5

Referred to in §441.22

**427C.6 Groves.**

The trees of a forest reservation shall be in groves not less than four rods wide except when the trees are growing or are planted in or along a gully or ditch to control erosion in which case any width will qualify provided the area meets the size requirement of two acres.

[S13, §1400-g; C24, 27, 31, 35, 39, §**2610;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.6]

C93, §427C.6

Referred to in §441.22

**427C.7 Fruit-tree reservation — duration of exemption.**

A fruit-tree reservation shall contain on each acre, at least forty apple trees, or seventy other fruit trees, growing under proper care and annually pruned and sprayed. A reservation may be claimed as a fruit-tree reservation, under this chapter, for a period of eight years after planting provided application is made or on file on or before February 1 of the exemption year.

[S13, §1400-h; C24, 27, 31, 35, 39, §**2611;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.7]

84 Acts, ch 1222, §2

C93, §427C.7

2001 Acts, ch 150, §17, 26

Referred to in §427C.3, 441.22

**427C.8 Fruit trees.**

The cultivated varieties of apples, crabs, plums, cherries, peaches, and pears shall be considered fruit trees within the meaning of this chapter.

[S13, §1400-i; C24, 27, 31, 35, 39, §**2612;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.8]

C93, §427C.8

Referred to in §441.22

**427C.9 Replacing trees.**

When any tree or trees on a fruit-tree or forest reservation shall be removed or die, the owner or owners of such reservation shall, within one year, plant and care for other fruit or forest trees, in order that the number of such trees may not fall below that required by this chapter.

[S13, §1400-j; C24, 27, 31, 35, 39, §**2613;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.9]

C93, §427C.9

Referred to in §441.22

**427C.10 Restraint of livestock and limitation on use.**

Cattle, horses, mules, sheep, goats, ostriches, rheas, emus, and swine shall not be permitted upon a fruit-tree or forest reservation. Fruit-tree and forest reservations shall not be used for economic gain other than the gain from raising fruit or forest trees.

[S13, §1400-k; C24, 27, 31, 35, 39, §**2614;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.10]

84 Acts, ch 1222, §3

C93, §427C.10

95 Acts, ch 43, §11

Referred to in §441.22

**427C.11 Penalty.**

If the owner or owners of a fruit-tree or forest reservation violate any provision of this chapter within the two years preceding the making of an assessment, the assessor shall not list any tract belonging to such owner or owners, as a reservation within the meaning of this chapter, for the ensuing two years.

[S13, §1400-m; C24, 27, 31, 35, 39, §**2615;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.11]

C93, §427C.11

Referred to in §441.22

**427C.12 Application — inspection — continuation of exemption — recapture of tax.**

It shall be the duty of the assessor to secure the facts relative to fruit-tree and forest reservations by taking the sworn statement, or affirmation, of the owner or owners making application under this chapter; and to make special report to the county auditor of all reservations made in the county under the provisions of this chapter.

The board of supervisors shall designate the county conservation board or the assessor who shall inspect the area for which an application is filed for a fruit-tree or forest reservation tax exemption before the application is accepted. Use of aerial photographs may be substituted for on-site inspection when appropriate. The application can only be accepted if it meets the criteria established by the natural resource commission to be a fruit-tree or forest reservation. Once the application has been accepted, the area shall continue to receive the tax exemption during each year in which the area is maintained as a fruit-tree or forest reservation without the owner having to refile. If the property is sold or transferred, the seller shall notify the buyer that all, or part of, the property is in fruit-tree or forest reservation and subject to the recapture tax provisions of this section. The tax exemption shall continue to be granted for the remainder of the eight-year period for fruit-tree reservation and for the following years for forest reservation or until the property no longer qualifies as a fruit-tree or forest reservation. The area may be inspected each year by the county conservation board or the assessor to determine if the area is maintained as a fruit-tree or forest reservation. If the area is not maintained or is used for economic gain other than as a fruit-tree reservation during any year of the eight-year exemption period and any year of the following five years or as a forest reservation during any year for which the exemption is granted and any of the five years following those exemption years, the assessor shall assess the property for taxation at its fair market value as of January 1 of that year and in addition the area shall be subject to a recapture tax. However, the area shall not be subject to the recapture tax if the owner, including one possessing under a contract of sale, and the owner's direct antecedents or descendants have owned the area for more than ten years. The tax shall be computed by multiplying the consolidated levy for each of those years, if any, of the five preceding years for which the area received the exemption for fruit-tree or forest reservation times the assessed value of the area that would have been taxed but for the tax exemption. This tax shall be entered against the property on the tax list for the current year and shall constitute a lien against the property in the same manner as a lien for property taxes. The tax when collected

shall be apportioned in the manner provided for the apportionment of the property taxes for the applicable tax year.

[S13, §1400-n; C24, 27, 31, 35, 39, §**2616;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §161.12]

84 Acts, ch 1222, §4; 85 Acts, ch 75, §1

C93, §427C.12

95 Acts, ch 156, §1

Referred to in §441.22

**427C.13 Report to department of natural resources.**

The county assessor shall keep a record of all forest and fruit-tree reservations in the county and submit a report of the reservations to the department of natural resources not later than June 15 of each year.

[S13, §1400-o; C24, 27, 31, 35, 39, §**2617;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §161.13; 81 Acts, ch 117, §1208]

C93, §427C.13

Referred to in §441.22

# CHAPTER 428

## LISTING PROPERTY FOR TAXATION

Referred to in §306.22, 429.1, 437A.16A, 441.21, 441.47, 441.72, 461A.25, 476.1D

See chapter 437A for assessment and taxation of certain property associated with the production, generation, transmission, or delivery of electricity or natural gas

See chapter 437B for assessment and taxation of certain property associated with the production, delivery, service, or sale of water by a rate-regulated water utility


428.1 Listing of property.
428.2 Listing property of another.
428.3 Repealed by 89 Acts, ch 296, §96.
428.4 Real estate — buildings.
428.5 Unknown owners.
428.6 Deceased owner.
428.7 Description of tracts — manner.
428.8 Repealed by 89 Acts, ch 296, §96.
428.9 Repealed by 99 Acts, ch 114, §54.
428.10 Repealed by 94 Acts, ch 1173, §42.
428.11 Repealed by 99 Acts, ch 114, §54.
428.12 Repealed by 89 Acts, ch 296, §96.
428.13 through 428.15 Repealed by 99 Acts, ch 114, §54.
428.16 through 428.19 Repealed by 89 Acts, ch 296, §96.
428.20 Definitions.
428.21 Repealed by 89 Acts, ch 296, §96.
428.22 Locker plants.
428.23 Manufacturer to list.
428.24 Public utility plants.
428.25 Property in different districts.
428.26 Personal property.
428.27 Capital stock listed and assessed. Repealed by 95 Acts, ch 83, §33.
428.28 Annual report by utility.
428.29 Assessment and certification.
428.30 and 428.31 Repealed by 80 Acts, ch 1142, §6.
428.32 and 428.33 Repealed by 74 Acts, ch 1090, §211.
428.34 Repealed by 99 Acts, ch 114, §54.
428.35 Grain handled.
428.36 Repealed by 99 Acts, ch 114, §54.
428.37 Repealed by 98 Acts, ch 1194, §39, 40.


**428.1 Listing of property.**

Every person shall list for the assessor all property subject to taxation in the state, of which the person is the owner, or has the control or management, including but not limited to the following:

1. The property of one under disability, by the person having charge thereof.
2. The property of a married person, by either party.
3. The property of a beneficiary for whom the property is held in trust, by the trustee.
4. The property of a body corporate, company, society or partnership, by its principal accountant, officer, agent, or partner, as the assessor may demand.

5. Property under mortgage or lease is to be listed by and taxed to the mortgagor or lessor, unless listed by the mortgagee or lessee.

[C51, §458; R60, §714; C73, §803; C97, §1312; S13, §1312; C24, 27, 31, 35, 39, §**6956;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.1]

89 Acts, ch 296, §49; 95 Acts, ch 83, §20; 99 Acts, ch 151, §43, 89

Referred to in §441.19

**428.2 Listing property of another.**

Any person required to list property belonging to another shall list it in the same county in which the person would be required to list it if it were the person's own, except as herein otherwise directed; but the person shall list it separately from the person's own, giving the assessor the name of the person or estate to which it belongs.

[C51, §461; R60, §716; C73, §805; C97, §1316; C24, 27, 31, 35, 39, §**6957;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.2]

Referred to in §441.19

**428.3** Repealed by 89 Acts, ch 296, § 96.

**428.4 Real estate — buildings.**

Property shall be assessed for taxation each year. Real estate shall be listed and assessed in 1981 and every two years thereafter. The assessment of real estate shall be the value of the real estate as of January 1 of the year of the assessment. The year 1981 and each odd-numbered year thereafter shall be a reassessment year. In any year, after the year in which an assessment has been made of all the real estate in an assessing jurisdiction, the assessor shall value and assess or revalue and reassess, as the case may require, any real estate that the assessor finds was incorrectly valued or assessed, or was not listed, valued, and assessed, in the assessment year immediately preceding, also any real estate the assessor finds has changed in value subsequent to January 1 of the preceding real estate assessment year. However, a percentage increase on a class of property shall not be made in a year not subject to an equalization order unless ordered by the department of revenue. The assessor shall determine the actual value and compute the taxable value thereof as of January 1 of the year of the revaluation and reassessment. The assessment shall be completed as specified in section 441.28, but no reduction or increase in actual value shall be made for prior years. If an assessor makes a change in the valuation of the real estate as provided for, sections 441.23, 441.37, 441.37A, 441.38, and 441.39 apply.

The assessor shall notify the director of revenue, in the manner and form to be prescribed by the director, as to the class or classes of real estate reviewed, revalued, and reassessed and shall report such details as to the effects or results of the revaluation and reassessment as may be deemed necessary by the director. This notification shall be contained in a report to be attached to the abstract of assessment for the year in which the new valuations become effective.

Any buildings erected, improvements made, or buildings or improvements removed in a year after the assessment of the class of real estate to which they belong, shall be valued, listed, and assessed and reported by the assessor to the county auditor after approval of the valuations by the local board of review, and the auditor shall thereupon enter the taxable value of such building or taxable improvement on the tax list as a part of real estate to be taxed. If such buildings or improvements are erected or made by any person other than the owner of the land, they shall be listed and assessed to the owner of the buildings or improvements as real estate.

[C51, §460, 465; R60, §719, 720; C73, §812; C97, §1350; C24, 27, 31, 35, 39, §**6959;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §428.4; 81 Acts, ch 140, §3, 4; 82 Acts, ch 1190, §5]

89 Acts, ch 296, §50, 51; 97 Acts, ch 158, §35; 2003 Acts, ch 145, §286; 2005 Acts, ch 150, §122

Referred to in §331.512, 420.207, 443.22, 445.32

For future repeal, effective July 1, 2018, of 2005 amendments to unnumbered paragraph 1 and subsequent amendments relating to the property assessment appeal board, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

Section not amended; footnote revised

**428.5 Unknown owners.**

When the name of the owner of any real estate is unknown, it shall be assessed without connecting therewith any name, but inscribing at the head of the page the words "owners unknown", and such property, whether lands or city lots, shall be listed as nearly as practicable in the order of the numbers thereof.

[R60, §737; C73, §826; C97, §1353; C24, 27, 31, 35, 39, §**6960;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.5]

**428.6 Deceased owner.**

The real estate of persons deceased may be listed as belonging to the estate or the person's heirs, without enumerating them.

[C51, §461; R60, §716; C73, §805; C97, §1353; C24, 27, 31, 35, 39, §**6961;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.6]

**428.7 Description of tracts — manner.**

A description shall not comprise more than one city lot or other smallest subdivision of the land according to the government surveys, except in cases where the boundaries are so irregular that it cannot be described in the usual manner in accordance therewith. However, descriptions may be combined for assessment purposes to allow the assessor to value the property as a unit. This section shall apply to known owners and unknown owners, alike.

[C97, §1353; C24, 27, 31, 35, 39, §**6962;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.7]

Referred to in §425.5

**428.8** Repealed by 89 Acts, ch 296, § 96.

**428.9** Repealed by 99 Acts, ch 114, § 54.

**428.10** Repealed by 94 Acts, ch 1173, § 42.

**428.11** Repealed by 99 Acts, ch 114, § 54.

**428.12** Repealed by 89 Acts, ch 296, § 96.

**428.13 through 428.15** Repealed by 99 Acts, ch 114, § 54.

**428.16 through 428.19** Repealed by 89 Acts, ch 296, §96.

**428.20 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

A person who purchases, receives, or holds personal property of any description for the purpose of adding to its value by a process of manufacturing, refining, purifying, combining of different materials, or by the packing of meats, with a view to selling the property for gain or profit, is a *"manufacturer"* for the purposes of this title.*

[C51, §469; R60, §724; C73, §816; C97, §1319; C24, 27, 31, 35, 39, §**6975;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.20]

89 Acts, ch 296, §53; 90 Acts, ch 1168, §48; 94 Acts, ch 1023, §53; 2000 Acts, ch 1148, §1

Referred to in §420.207, 428.23

*This provision does not include chapters 421B, 427C, 435, 452A, and 453A, which were moved into this title by the Code editor; chapters 421B, 427C, 435, 452A, and 453A contain the applicable provisions pertaining to those chapters

**428.21** Repealed by 89 Acts, ch 296, § 96.

**428.22 Locker plants.**

For purposes of valuing and assessing property for tax purposes, locker plants shall be valued and assessed as commercial property. For purposes of this section, *"locker plants"* means any property used primarily for any or all of the following purposes:

1. To provide, as a part of its business operations, locker facilities which are rented at retail to consumers to be used for the storage of frozen meats, fish, or fowl owned by the person renting the locker.

2. To custom slaughter livestock under contract for a natural person and to process the carcass for the natural person by cutting, wrapping, and freezing the meat.

3. To process an animal carcass to offer at retail processed meat products to a natural person after the facility has purchased the livestock or carcass.

[C81, §428.22]

Referred to in §420.207

**428.23 Manufacturer to list.**

Corporations organized for pecuniary profit and engaged in manufacturing as defined in section 428.20 shall list their real property in the same manner as is required of individuals.

[C97, §1319; C24, 27, 31, 35, 39, §**6978;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.23]

89 Acts, ch 296, §54; 95 Acts, ch 83, §21

Referred to in §420.207

**428.24 Public utility plants.**

The lands, buildings, machinery, and mains belonging to individuals or corporations operating waterworks, other than waterworks taxed under chapter 437B, or gasworks or pipelines, except those natural gas pipelines permitted pursuant to chapter 479, shall be listed and assessed by the department of revenue. In the making of assessments of waterworks plants, the value of any interest in the property assessed, of the municipal corporation where it is situated, shall be deducted, whether the interest is evidenced by stock, bonds, contracts, or otherwise.

[C97, §1343; C24, 27, 31, 35, 39, §**6979;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.24; 81 Acts, ch 31, §9]

83 Acts, ch 101, §88; 98 Acts, ch 1194, §29, 40; 2003 Acts, ch 145, §286; 2013 Acts, ch 94, §6, 35, 36

Referred to in §423.3, 427A.1, 427B.17, 427B.26, 428.28, 437.12, 437.13, 441.73

2013 amendment takes effect May 9, 2013, and applies retroactively to property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Section amended

**428.25 Property in different districts.**

Where any such property except the capital stock is situated partly within and partly without the limits of a city, such portions of the said plant shall be assessed separately, and the portion within the said city shall be assessed as above provided, and the portion without the said city shall be apportioned by the department of revenue to the district or districts in which it is located.

[C97, §1343; C24, 27, 31, 35, 39, §**6980;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.25]

2003 Acts, ch 145, §286

Referred to in §427A.1, 427B.17, 427B.26, 437.12, 437.13

**428.26 Personal property.**

1. All the personal property of such individuals and corporations used or purchased by them for the purposes of such gas or waterworks, other than natural gas pipelines permitted pursuant to chapter 479 and other than waterworks taxed under chapter 437B, shall be listed and assessed by the department of revenue.

2. In the making of any such assessment of waterworks plants, the value of any interest in the property so assessed, of the municipal corporation in which the waterworks is situated, shall be deducted, whether such interest be evidenced by stock, bonds, contracts, or otherwise.

[C97, §1343; C24, 27, 31, 35, 39, §**6981;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.26]

98 Acts, ch 1194, §30, 40; 2003 Acts, ch 145, §286; 2013 Acts, ch 94, §7, 35, 36

Referred to in §423.3, 427A.1, 427B.17, 427B.26, 437.12, 437.13

2013 amendment takes effect May 9, 2013, and applies retroactively to property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Section amended

**428.27 Capital stock listed and assessed.** Repealed by 95 Acts, ch 83, §33.

**428.28 Annual report by utility.**

1. Every individual, partnership, corporation, or association operating for profit, waterworks, other than waterworks taxed under chapter 437B, or gasworks or pipelines other than natural gas pipelines permitted pursuant to chapter 479, annually on or before May 1 of each calendar year, shall make a report on blanks to be provided by the department of revenue of all of the property owned by such individual, partnership, corporation, or association within the incorporated limits of any city in the state, and give such other information as the director of revenue shall require.

2. Every individual, partnership, corporation, or association which operates a public utility on a nonprofit basis other than a utility subject to tax under chapter 437A or chapter 437B, as defined in section 428.24 shall annually, on or before May 1 of each calendar year, make a report on blanks to be provided by the department of revenue of all of the property owned by the individual, partnership, corporation, or association within the incorporated limits of any city in the state, and give other information the director of revenue requires.

[C31, 35, §6982-d1; C39, §**6982.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.28; 81 Acts, ch 31, §10]

84 Acts, ch 1177, §1; 98 Acts, ch 1194, §31, 40; 2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §106; 2013 Acts, ch 94, §8, 35, 36

Referred to in §423.3, 427A.1, 427B.17, 427B.26, 428.29

2013 amendment takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Section amended

**428.29 Assessment and certification.**

The director of revenue shall on or before October 31 each year proceed to determine, upon the basis of the data required in the report under section 428.28 and any other information the director may obtain, the actual value of all property, subject to the director's jurisdiction, of said individual, partnership, corporation, or association, and shall make assessments upon the taxable value of the property, as provided by section 441.21. The director of revenue shall, on or before October 31, certify to the county auditor of every county in the state the valuations fixed for assessment upon all such property in each and every taxing district in each county by the department of revenue. This valuation shall then be spread upon the books in the same manner as other valuations fixed by the department of revenue upon property assessed under the department's jurisdiction.

[C31, 35, §6982-d2; C39, §**6982.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.29]

2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §106; 2009 Acts, ch 60, §8; 2010 Acts, ch 1069, §52

Referred to in §427A.1, 427B.17, 427B.26, 437.13, 443.22

**428.30 and 428.31** Repealed by 80 Acts, ch 1142, § 6.

**428.32 and 428.33** Repealed by 74 Acts, ch 1090, § 211.

**428.34** Repealed by 99 Acts, ch 114, § 54.

**428.35 Grain handled.**

1. *Definitions.* *"Person"* as used herein means individuals, corporations, firms and associations of whatever form. *"Handling or handled"* as used herein means the receiving of grain at or in each elevator, warehouse, mill, processing plant or other facility in this state in which it is received for storage, accumulation, sale, processing or for any purpose whatsoever. *"Grain"* as used herein means wheat, corn, barley, oats, rye, flaxseed, field peas, soybeans, grain sorghums, spelts, and such other products as are usually stored in grain elevators. Such term excludes such seeds after being processed, and the products of such processing when packaged or sacked. The term *"processing"* shall not include hulling, cleaning, drying, grading or polishing.

2. *Tax imposed.* An annual excise tax is hereby levied on such handling of grain in the amount hereinafter provided. All grain so handled shall be exempt from all taxation as property under the laws of this state. The amount of such excise tax shall be a sum equal to one-fourth mill per bushel upon all grain as herein defined so handled.

3. *Statement filing form.* Every person engaged in handling grain shall, on the first day of January of each year and not later than sixty days thereafter, make and file with the assessor a statement of the number of bushels of grain handled by the person in that district during the year immediately preceding, or the part thereof, during which the person was engaged in handling grain; and on demand the assessor shall have the right to inspect all such person's records thereof. A form for making such statement shall be included in the blanks prescribed by the director of revenue. If such statement is not furnished as herein required, section 441.24 shall be applicable.

4. *Assessment.* The assessor of each such district, from the statement required or from such other information as the assessor may acquire, shall ascertain the number of bushels of grain handled by each person handling grain in the assessor's district during the preceding year, or part thereof, and shall assess the amount herein provided to such person under the provisions of this section.

5. *Computation of tax.* The rate imposed by subsection 2 shall be applied to the number of bushels of grain so handled, and the computed amount thereof shall constitute the tax to be assessed.

6. *Payment of tax.* The tax, when determined, shall be entered in the same manner as general property taxes on the tax list of the taxing district, and the proceeds of the collection of the tax shall be distributed to the same taxing units and in the same proportion as the general property tax on the tax list of each taxing district. All provisions of the law relating to the assessment and collection of property taxes and the powers and duties of the county treasurer, county auditor and all other officers with respect to the assessment, collection, and enforcement of property taxes apply to the assessment, collection, and enforcement of the tax imposed by this section.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §428.35]
89 Acts, ch 296, §55; 2003 Acts, ch 145, §286
Referred to in §445.3

**428.36** Repealed by 99 Acts, ch 114, § 54.

**428.37** Repealed by 98 Acts, ch 1194, § 39, 40. See chapter 437A.

# CHAPTER 428A

## REAL ESTATE TRANSFER TAX

Referred to in §331.602, 441.47, 558.69


428A.1 Amount of tax on transfers — declaration of value.
428A.2 Exceptions.
428A.3 Who liable for tax.
428A.4 Recording refused.
428A.5 Documentation of payment.
428A.6 Repealed by 83 Acts, ch 135, §6.
428A.7 Forms provided by director of revenue.
428A.8 Remittance to state treasurer — portion retained in county.
428A.9 Refund of tax.
428A.10 Penalty.
428A.11 Enforcement.
428A.12 Repealed by 83 Acts, ch 135, §6.
428A.13 Nonapplicability.
428A.14 Repealed by 86 Acts, ch 1241, §48, 51.
428A.15 Penal provisions.


**428A.1 Amount of tax on transfers — declaration of value.**

There is imposed on each deed, instrument, or writing by which any lands, tenements, or other realty in this state are granted, assigned, transferred, or otherwise conveyed, a tax

determined in the following manner: When there is no consideration or when the deed, instrument, or writing is executed and tendered for recording as an instrument corrective of title, and so states, there is no tax. When there is consideration and the actual market value of the real property transferred is in excess of five hundred dollars, the tax is eighty cents for each five hundred dollars or fractional part of five hundred dollars in excess of five hundred dollars. The term "*consideration*", as used in this chapter, means the full amount of the actual sale price of the real property involved, paid or to be paid, including the amount of an encumbrance or lien on the property, if assumed by the grantee. It is presumed that the sale price so stated includes the value of all personal property transferred as part of the sale unless the dollar value of personal property is stated on the instrument of conveyance. When the dollar value of the personal property included in the sale is so stated, it shall be deducted from the consideration shown on the instrument for the purpose of determining the tax.

When each deed, instrument, or writing by which any real property in this state is granted, assigned, transferred, or otherwise conveyed is presented for recording to the county recorder, a declaration of value signed by at least one of the sellers or one of the buyers or their agents shall be submitted to the county recorder. However, if the deed, instrument, or writing contains multiple parcels some of which are located in more than one county, separate declarations of value shall be submitted on the parcels located in each county and submitted to the county recorder of that county when paying the tax as provided in section 428A.5. A declaration of value is not required for those instruments described in section 428A.2, subsections 2 to 5, 7 to 13, and 16 to 21, or described in section 428A.2, subsection 6, except in the case of a federal agency or instrumentality, or if a transfer is the result of acquisition of lands, whether by contract or condemnation, for public purposes through an exercise of the power of eminent domain.

The declaration of value shall state the full consideration paid for the real property transferred. If agricultural land, as defined in section 9H.1, is purchased by a corporation, limited partnership, trust, alien or nonresident alien, the declaration of value shall include the name and address of the buyer, the name and address of the seller, a legal description of the agricultural land, and identify the buyer as a corporation, limited partnership, trust, alien, or nonresident alien. The county recorder shall not record the declaration of value, but shall enter on the declaration of value information the director of revenue requires for the production of the sales/assessment ratio study and transmit all declarations of value to the city or county assessor in whose jurisdiction the property is located. The city or county assessor shall enter on the declaration of value the information the director of revenue requires for the production of the sales/assessment ratio study and transmit one copy of each declaration of value to the director of revenue, at times as directed by the director of revenue. The assessor shall retain one copy of each declaration of value for three years from December 31 of the year in which the transfer of realty for which the declaration was filed took place. The director of revenue shall, upon receipt of the information required to be filed under this chapter by the city or county assessor, send to the office of the secretary of state that part of the declaration of value which identifies a corporation, limited partnership, trust, alien, or nonresident alien as a purchaser of agricultural land as defined in section 9H.1.

[C66, 71, 73, 75, 77, 79, 81, S81, §428A.1; 81 Acts, ch 141, §1; 82 Acts, ch 1027, §1]

85 Acts, ch 96, §1; 87 Acts, ch 133, §1; 87 Acts, ch 198, §4; 89 Acts, ch 271, §1; 91 Acts, ch 267, §317; 92 Acts, ch 1073, §12; 92 Acts, ch 1212, §35; 96 Acts, ch 1167, §6; 99 Acts, ch 175, §1; 2003 Acts, ch 145, §286

Referred to in §428A.2, 428A.4

**428A.2 Exceptions.**

The tax imposed by this chapter shall not apply to:

1. Any executory contract for the sale of land under which the vendee is entitled to or does take possession thereof, or any assignment or cancellation thereof.
2. Any instrument of mortgage, assignment, extension, partial release, or satisfaction thereof.
3. Any will.
4. Any plat.

5. Any lease.

6. Any deed, instrument, or writing in which the United States or any agency or instrumentality thereof or the state of Iowa or any agency, instrumentality, or governmental or political subdivision thereof is the grantor, assignor, transferor, or conveyor; and any deed, instrument or writing in which any of such unit of government is the grantee or assignee where there is no consideration.

7. Deeds for cemetery lots.

8. Deeds which secure a debt or other obligation, except those included in the sale of real property.

9. Deeds for the release of a security interest in property excepting those pertaining to the sale of real estate.

10. Deeds which, without additional consideration, confirm, correct, modify, or supplement a deed previously recorded.

11. Deeds between husband and wife, or parent and child, without actual consideration. A cancellation of indebtedness alone which is secured by the property being transferred and which is not greater than the fair market value of the property being transferred is not actual consideration within the meaning of this subsection.

12. Tax deeds.

13. Deeds of partition where the interest conveyed is without consideration. However, if any of the parties take shares greater in value than their undivided interest a tax is due on the greater values, computed at the rate set out in section 428A.1.

14. The making or delivering of instruments of transfer resulting from a corporate merger, consolidation, or reorganization or a merger, consolidation, or reorganization of a limited liability company under the laws of the United States or any state thereof, where such instrument states such fact on the face thereof.

15. Deeds between a family corporation, partnership, limited partnership, limited liability partnership, or limited liability company and its stockholders, partners, or members for the purpose of transferring real property in an incorporation or corporate dissolution or the organization or dissolution of a partnership, limited partnership, limited liability partnership, or limited liability company under the laws of this state, where the deeds are given for no actual consideration other than for shares or for debt securities of the corporation, partnership, limited partnership, limited liability partnership, or limited liability company. For purposes of this subsection, a family corporation, partnership, limited partnership, limited liability partnership, or limited liability company is a corporation, partnership, limited partnership, limited liability partnership, or limited liability company where the majority of the voting stock of the corporation, or of the ownership shares of the partnership, limited partnership, limited liability partnership, or limited liability company is held by and the majority of the stockholders, partners, or members are persons related to each other as spouse, parent, grandparent, lineal ascendants of grandparents or their spouses and other lineal descendants of the grandparents or their spouses, or persons acting in a fiduciary capacity for persons so related and where all of its stockholders, partners, or members are natural persons or persons acting in a fiduciary capacity for the benefit of natural persons.

16. Deeds for the transfer of property or the transfer of an interest in property when the deed is executed between former spouses pursuant to a decree of dissolution of marriage.

17. Deeds transferring easements.

18. Deeds giving back real property to lienholders in lieu of forfeitures or foreclosures.

19. Deeds executed by public officials in the performance of their official duties.

20. Deeds transferring distributions of assets to heirs at law or devisees under a will.

21. Deeds in which the consideration is five hundred dollars or less.

[C66, 71, 73, 75, 77, 79, 81, §428A.2; 82 Acts, ch 1027, §2 – 4]

87 Acts, ch 198, §5; 89 Acts, ch 271, §2; 91 Acts, ch 191, §25; 95 Acts, ch 175, §1; 96 Acts, ch 1170, §1

Referred to in §428A.1, 428A.4, 455B.172

**428A.3 Who liable for tax.**

Any person, firm or corporation who grants, assigns, transfers, or conveys any land, tenement, or realty by a deed, writing, or instrument subject to the tax imposed by this chapter shall be liable for such tax but no public official shall be liable for a tax with respect to any instrument executed by the public official in connection with official duties.

[C66, 71, 73, 75, 77, 79, 81, §428A.3]

**428A.4 Recording refused.**

1. The county recorder shall refuse to record any deed, instrument, or writing, taxable under section 428A.1 for which payment of the tax determined on the full amount of the consideration in the transaction has not been paid. However, if the deed, instrument, or writing, is exempt under section 428A.2, the county recorder shall not refuse to record the document if there is filed with or endorsed on it a statement signed by either the grantor or grantee or an authorized agent, that the instrument or writing is excepted from the tax under section 428A.2. The validity of an instrument as between the parties, and as to any person who would otherwise be bound by the instrument, is not affected by the failure to comply with this section. If an instrument is accepted for recording or filing contrary to this section the failure to comply does not destroy or impair the record as notice.

2. The county recorder shall refuse to record any deed, instrument, or writing by which any real property in this state shall be granted, assigned, transferred, or otherwise conveyed, except those transfers exempt from tax under section 428A.2, subsections 2 through 5, 7 through 13, and 16 through 21, or under section 428A.2, subsection 6, except in the case of a federal agency or instrumentality, until the declaration of value has been submitted to the county recorder. A declaration of value shall not be required with a deed given in fulfillment of a recorded real estate contract provided the deed has a notation that it is given in fulfillment of a contract.

[C66, 71, 73, 75, 77, 79, 81, §428A.4]

83 Acts, ch 135, §1; 87 Acts, ch 133, §2; 2009 Acts, ch 27, §16

**428A.5 Documentation of payment.**

The amount of tax imposed by this chapter shall be paid to the county recorder in the county where the real property is located and the amount received shall appear on the face of the document or instrument. The method of documentation of a transfer tax shall be approved by the department of revenue.

[C66, 71, 73, 75, 77, 79, 81, §428A.5]

83 Acts, ch 135, §2; 99 Acts, ch 175, §2; 2001 Acts, ch 44, §19; 2003 Acts, ch 145, §286; 2009 Acts, ch 27, §17

Referred to in §428A.1

**428A.6** Repealed by 83 Acts, ch 135, § 6.

**428A.7 Forms provided by director of revenue.**

The director of revenue shall prescribe the form of the declaration of value and shall include an appropriate place for the inclusion of special facts and circumstances relating to the actual sales price in real estate transfers. The director shall provide an adequate number of the declaration of value forms to each county recorder in the state. If the declaration of value form requires or provides for the inclusion of the social security number or federal tax identification number of a seller or buyer, the department shall provide that the social security number or federal tax identification number remains confidential and cannot be obtained by public examination.

[C66, 71, 73, 75, 77, 79, 81, §428A.7]

83 Acts, ch 135, §3; 2003 Acts, ch 145, §286; 2009 Acts, ch 112, §1

**428A.8 Remittance to state treasurer — portion retained in county.**

1. *a.* On or before the tenth day of each month the county recorder shall determine and pay to the treasurer of state eighty-two and three-fourths percent of the receipts from the

real estate transfer tax collected during the preceding month and the treasurer of state shall deposit and transfer the receipts as provided in subsection 2.

*b.* The county recorder shall deposit the remaining seventeen and one-fourth percent of the receipts in the county general fund.

*c.* Any tax or additional tax found to be due shall be collected by the county recorder. If the county recorder is unable to collect the tax, the director of revenue shall collect the tax in the same manner as taxes are collected in chapter 422, division III. If collected by the director of revenue, the director shall pay the county its proportionate share of the tax. Section 422.25, subsections 1, 2, 3, and 4, and sections 422.26, 422.28 through 422.30, and 422.73, consistent with this chapter, apply with respect to the collection of any tax or additional tax found to be due, in the same manner and with the same effect as if the deed, instrument, or writing were an income tax return within the meaning of those statutes.

*d.* The county recorder shall keep records and make reports with respect to the real estate transfer tax as the director of revenue prescribes.

2. The treasurer of state shall deposit or transfer the receipts paid the treasurer of state pursuant to subsection 1 to either the general fund of the state, the housing trust fund created in section 16.181, or the shelter assistance fund created in section 16.41 as follows:

*a.* For the fiscal year beginning July 1, 2009, ninety percent of the receipts shall be deposited in the general fund, five percent of the receipts shall be transferred to the housing trust fund, and five percent of the receipts shall be transferred to the shelter assistance fund.

*b.* For the fiscal year beginning July 1, 2010, eighty-five percent of the receipts shall be deposited in the general fund, ten percent of the receipts shall be transferred to the housing trust fund, and five percent of the receipts shall be transferred to the shelter assistance fund.

*c.* For the fiscal year beginning July 1, 2011, eighty percent of the receipts shall be deposited in the general fund, fifteen percent of the receipts shall be transferred to the housing trust fund, and five percent of the receipts shall be transferred to the shelter assistance fund.

*d.* For the fiscal year beginning July 1, 2012, seventy-five percent of the receipts shall be deposited in the general fund, twenty percent of the receipts shall be transferred to the housing trust fund, and five percent of the receipts shall be transferred to the shelter assistance fund.

*e.* For the fiscal year beginning July 1, 2013, seventy percent of the receipts shall be deposited in the general fund, twenty-five percent of the receipts shall be transferred to the housing trust fund, and five percent of the receipts shall be transferred to the shelter assistance fund.

*f.* For the fiscal year beginning July 1, 2014, and each succeeding fiscal year, sixty-five percent of the receipts shall be deposited in the general fund, thirty percent of the receipts shall be transferred to the housing trust fund, and five percent of the receipts shall be transferred to the shelter assistance fund.

3. Notwithstanding subsection 2, the amount of money that shall be transferred pursuant to this section to the housing trust fund in any one fiscal year shall not exceed three million dollars. Any money that otherwise would be transferred pursuant to this section to the housing trust fund in excess of that amount shall be deposited in the general fund of the state.

[C66, 71, 73, 75, 77, 79, 81, §428A.8]

83 Acts, ch 123, §176, 209; 83 Acts, ch 135, §4; 91 Acts, ch 267, §318; 94 Acts, ch 1201, §28; 97 Acts, ch 201, §22; 2001 Acts, ch 150, §18; 2003 Acts, ch 145, §286; 2008 Acts, ch 1179, §56; 2010 Acts, ch 1031, §266

Referred to in §16.41, 331.427

**428A.9 Refund of tax.**

To receive a refund from the state the taxpayer shall petition the state appeal board for a refund of the amount of overpayment of the tax paid to the treasurer of state. To receive a refund from the county the taxpayer shall petition the board of supervisors for a refund of the remaining portion of the overpayment paid to that county.

2001 Acts, ch 150, §19

**428A.10 Penalty.**
Any person, firm or corporation liable for the tax imposed by this chapter who knowingly fails to comply with this chapter relating to the payment of the real estate transfer tax is guilty of a simple misdemeanor.
[C66, 71, 73, 75, 77, 79, 81, §428A.10]
83 Acts, ch 135, §5

**428A.11 Enforcement.**
The director of revenue shall enforce the provisions of this chapter and may prescribe rules for their detailed and efficient administration.
[C66, 71, 73, 75, 77, 79, 81, §428A.11]
2003 Acts, ch 145, §286

**428A.12** Repealed by 83 Acts, ch 135, § 6.

**428A.13 Nonapplicability.**
This chapter shall not apply with respect to any deed, instrument, or writing where such deed, instrument, or writing may not under the Constitution of this state or under the Constitution or laws of the United States be made the subject of taxation by this state.
[C66, 71, 73, 75, 77, 79, 81, §428A.13]

**428A.14** Repealed by 86 Acts, ch 1241, § 48, 51.

**428A.15 Penal provisions.**
Any person who willfully enters false information on the declaration of value shall be guilty of a simple misdemeanor.
[C79, 81, §428A.15]

# CHAPTER 429

## NOTIFICATION OF TAXPAYERS

Referred to in §440.2, 441.47

429.1 Notice of assessment.
429.2 Appeal.
429.3 Judicial review.

**429.1 Notice of assessment.**
The director of revenue shall, at the time of making the assessment of property as provided in chapters 428, 433, 434, 437, and 438, inform the person assessed, by mail, of the valuation put upon the taxpayer's property. The notice shall contain a notice of the taxpayer's right of appeal to the state board of tax review as provided in section 429.2.
[C81, §429.1]
86 Acts, ch 1241, §37; 2002 Acts, ch 1150, §12; 2003 Acts, ch 145, §286

**429.2 Appeal.**
1. Notwithstanding the provisions of chapter 17A, the taxpayer shall have thirty days from the date of the notice of assessment to appeal the assessment to the state board of tax review. Thereafter, the proceedings before the state board of tax review shall conform to the provisions of subsection 2, section 421.1, subsection 5, and chapter 17A.
2. The following rules shall apply to the appeal proceedings in addition to those stated in section 421.1, subsection 5, and chapter 17A:
*a.* The department's assessment shall be presumed correct and the burden of proof shall be on the taxpayer with respect to all issues raised on appeal, including any challenge of the director's valuation.

*b.* The burden of proof must be carried by a preponderance of the evidence.

*c.* The board shall consider all evidence and witnesses offered by the taxpayer and the department, including, but not limited to, evidence relating to the proper valuation of the property involved.

*d.* The board shall make an independent determination of the value of the property based solely upon its review of the evidence presented.

*e.* Upon the request of a party the board shall set the case for hearing within one year of the date of the request, unless for good cause shown, by application and ruling thereon after notice and not ex parte, the hearing date is continued by the board.

[C31, 35, §6982-d3; C39, §**6982.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §428.30; C81, §429.2]

94 Acts, ch 1133, §9, 16; 99 Acts, ch 151, §44, 89; 2006 Acts, ch 1010, §109, 110

Referred to in §429.1

**429.3 Judicial review.**

Judicial review of the action of the state board of tax review may be sought by the taxpayer or the director of revenue in accordance with the terms of chapter 17A.

[C31, 35, §6982-d4; C39, §**6982.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, §428.31; C81, §429.3]

94 Acts, ch 1133, §10, 16; 2003 Acts, ch 145, §286

# CHAPTER 430

RESERVED

# CHAPTER 430A

LOAN AGENCIES TAX

Repealed by 2007 Acts, ch 185, §6

# CHAPTER 431

RESERVED

# CHAPTER 432

## INSURANCE COMPANIES TAX

Referred to in §15.293A, 15.333A, 15E.43, 15E.44, 15E.45, 15E.52, 15E.62, 15E.193B, 15E.305, 404A.1, 404A.4, 441.47, 476B.2, 476B.6, 476B.7, 476C.4, 476C.6, 505.32, 508C.19, 514E.1, 514E.2


432.1 Tax on gross premiums — exclusions.
432.2 Mutual service corporations.
432.3 Receipts — certificate of authority.
432.4 Deduction for debts.
432.5 Risk retention groups.
432.6 Personal and real property.
432.7 Assessment.
432.8 Repealed by 72 Acts, ch 1019, §7.
432.9 Debts deductible.
432.10 Sufficiency of remitted tax — notice.
432.11 Repealed by 2002 Acts, ch 1119, §111.
432.12 Repealed by 2001 Acts, ch 69, §38, 39.
432.12A Historic preservation and cultural and entertainment district tax credit.
432.12B Venture capital fund investment tax credit. Repealed by 2010 Acts, ch 1138, §25, 26.
432.12C Investment tax credits.
432.12D Endow Iowa tax credit.
432.12E Tax credits for wind energy production and renewable energy.
432.12F Economic development region revolving fund contribution tax credits. Repealed by 2010 Acts, ch 1138, §15, 16.
432.12G Wage-benefits tax credit. Repealed by 2008 Acts, ch 1191, §167.
432.12H Tax credit for certain sales taxes paid by third-party developers.
432.12I Iowa fund of funds tax credit.
432.12J Film qualified expenditure tax credit. Repealed by 2012 Acts, ch 1136, §38 – 41.
432.12K Film investment tax credit. Repealed by 2012 Acts, ch 1136, §38 – 41.
432.12L Redevelopment tax credit.
432.12M Innovation fund investment tax credit.
432.13 Premium tax exemption — hawk-i program — state employee benefits.
432.14 Statute of limitations.


**432.1 Tax on gross premiums — exclusions.**

Every insurance company or association of whatever kind or character, not including fraternal beneficiary associations, and nonprofit hospital and medical service corporations, shall, as required by law, pay to the director of the department of revenue, or to a depository designated by the director, as taxes, an amount equal to the following, except that the premium tax applicable to county mutual insurance associations shall be governed by section 518.18:

1. *a.* The applicable percent, as provided in subsection 2, of the gross amount of premiums received during the preceding calendar year by every life insurance company or association, not including fraternal beneficiary associations, or the gross payments or deposits collected from holders of fraternal beneficiary association certificates, on contracts of insurance covering risks resident in this state during the preceding year, including contracts for group insurance and annuities and without including or deducting any amounts received or paid for reinsurance.

*b.* In determining the gross amount of premiums to be taxed hereunder, there shall be excluded all premiums received from policies or contracts issued in connection with a pension, annuity, profit-sharing plan or individual retirement annuity qualified or exempt under sections 401, 403, 404, 408 or 501(a) of the federal Internal Revenue Code as now or hereafter amended and all premiums returned to policyholders or annuitants during the preceding calendar year, except cash surrender values, all dividends that, during said year, have been paid in cash or applied in reduction of premiums or left to accumulate to the credit of policyholders or annuitants.

*c.* In determining the gross amount of premiums to be taxed, there shall be excluded all consideration received in connection with an annuity contract, whether or not such contract is qualified or exempt under the federal Internal Revenue Code as now or hereafter amended, and all premiums returned to policyholders or annuitants during the preceding calendar year, except cash surrender values, and all dividends that, during said year, have been paid in cash

or applied in reduction of premiums or left to accumulate to the credit of policyholders or annuitants.

2. The *"applicable percent"* for purposes of subsection 1 of this section and section 432.2 is the following:

*a.* For calendar years beginning before the 2003 calendar year, two percent.

*b.* For the 2003 calendar year, one and three-fourths percent.

*c.* For the 2004 calendar year, one and one-half percent.

*d.* For the 2005 calendar year, one and one-fourth percent.

*e.* For the 2006 and subsequent calendar years, one percent.

3. The applicable percent, as provided in subsection 4, of the gross amount of premiums written, and assessments and fees received during the preceding calendar year by every company or association other than life on contracts of insurance other than life for business done in this state, including all insurance upon property situated in this state except surplus lines insurance, after deducting the amounts returned upon canceled policies, certificates, and rejected applications but not including the gross premiums written, and assessments and fees received in connection with ocean marine insurance authorized in section 515.48. For surplus lines insurance, the applicable percent, as provided in subsection 4, shall be calculated on the amount of premiums written on surplus lines insurance policies where the home state of the insured, as defined in chapter 515I, is Iowa.

4. The *"applicable percent"* for purposes of subsection 3 is the following:

*a.* For calendar years beginning before the 2004 calendar year, two percent.

*b.* For the 2004 calendar year, one and three-fourths percent.

*c.* For the 2005 calendar year, one and one-half percent.

*d.* For the 2006 calendar year, one and one-fourth percent.

*e.* For the 2007 and subsequent calendar years, one percent.

5. Except as provided in subsection 6, the premium tax shall be paid on or before March 1 of the year following the calendar year for which the tax is due. The commissioner may suspend or revoke the license of a company or association that fails to pay its premium tax on or before the due date.

6. *a.* Each insurance company and association transacting business in this state whose Iowa premium tax liability for the preceding calendar year was one thousand dollars or more shall remit on or before June 1, on a prepayment basis, an amount equal to one-half of the premium tax liability for the preceding calendar year.

*b.* In addition to the prepayment amount in paragraph *"a"*, each life insurance company or association which is subject to tax under subsection 1 of this section and each mutual health service corporation which is subject to tax under section 432.2 shall remit on or before August 15, on a prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

(1) For prepayment in the 2003 calendar year, four percent.

(2) For prepayment in the 2004 calendar year, twenty-one percent.

(3) For prepayment in the 2005 and subsequent calendar years, fifty percent.

*c.* In addition to the prepayment amount in paragraph *"a"*, each insurance company or association, other than a life insurance company or association, which is subject to tax under subsection 3 shall remit on or before August 15, on a prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

(1) For prepayment in the 2003 and 2004 calendar years, eleven percent.

(2) For prepayment in the 2005 calendar year, twenty-six percent.

(3) For prepayment in the 2006 and subsequent calendar years, fifty percent.

*d.* The sums prepaid by a company or association under this subsection shall be allowed as credits against its premium tax liability for the calendar year during which the payments are made. If a prepayment made under this subsection exceeds the annual premium tax liability, the excess shall be allowed as a credit against subsequent prepayment or tax liabilities. The commissioner of insurance shall authorize the department of revenue to make a cash refund to an insurer, in lieu of a credit against subsequent prepayment or tax liabilities, if the insurer demonstrates the inability to recoup the funds paid via a credit. The

commissioner shall adopt rules establishing eligibility criteria for such a refund and a refund process. The commissioner may suspend or revoke the license of a company or association that fails to make a prepayment on or before the due date.

[C51, §464; R60, §718; C73, §807; C97, §1333; S13, §1333, 1333-d; C24, 27, 31, 35, 39, §**7021, 7022, 7025;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §432.1; 81 Acts, ch 142, §1; 82 Acts, ch 1231, §1]

88 Acts, ch 1159, §1; 2002 Acts, ch 1119, §169; 2002 Acts, ch 1158, §2 – 6; 2003 Acts, ch 108, §73; 2003 Acts, ch 145, §286; 2004 Acts, ch 1175, §337, 338, 348; 2005 Acts, ch 70, §2; 2006 Acts, ch 1117, §3; 2007 Acts, ch 137, §2; 2012 Acts, ch 1025, §17, 22

Referred to in §87.4, 135.120, 432.2, 432.5, 432A.9, 507A.4, 507A.9, 511.40, 514B.31, 515.24, 515I.2, 515I.3, 515I.10, 518.18, 518A.35, 520.19

Taxation of organized delivery systems; see §135.120

**432.2 Mutual service corporations.**

Notwithstanding section 432.1, a hospital service corporation, medical service corporation, pharmaceutical service corporation, optometric service corporation, and any other service corporation operating under chapter 514 shall pay as taxes to the director of revenue an amount equal to the applicable percent, as provided in section 432.1, subsection 2, of the gross amount of payments received during the preceding calendar year for subscriber contracts covering residents in this state after deducting the amounts returned to subscribers upon canceled subscriber contracts and rejected applications. Section 432.1, subsections 5 and 6, apply to the tax imposed by this section.

85 Acts, ch 239, §1; 2002 Acts, ch 1158, §7; 2003 Acts, ch 145, §286

Referred to in §432.1

**432.3 Receipts — certificate of authority.**

At the time of filing the annual tax return and the final payment of said taxes, said companies and associations shall take duplicate receipts therefor, one of which shall be filed with the commissioner of insurance, and upon filing of said receipt, and not until then, the commissioner of insurance shall issue the annual certificate as provided by law.

[C73, §807; C97, §1333; S13, §1333; C24, 27, 31, 35, 39, §**7023;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §432.3; 81 Acts, ch 142, §2]

**432.4 Deduction for debts.**

No deduction or exemption from the taxes herein provided shall be allowed for or on account of any indebtedness owing by any such insurance company or association; provided, however, that companies doing a fire insurance business may deduct from the gross amount of premiums received, the amount of premiums returned upon canceled policies issued upon property situated in this state.

[C97, §1333; S13, §1333; C24, 27, 31, 35, 39, §**7024;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §432.4]

**432.5 Risk retention groups.**

A risk retention group organized and operating pursuant to Pub. L. No. 99-563, also known as the Risk Retention Amendments of 1986, shall pay as taxes to the director of revenue an amount equal to the applicable percent, as provided in section 432.1, subsection 4, of the gross amount of the premiums written during the previous calendar year for risks placed in this state. A resident or nonresident producer shall report and pay the taxes on the premiums for risks that the producer has placed in this state with or on behalf of a risk retention group. The failure of a risk retention group to pay the tax imposed in this section shall result in the risk retention group being considered an unauthorized insurer under chapter 507A.

87 Acts, ch 138, §1; 2003 Acts, ch 145, §286; 2004 Acts, ch 1110, §4; 2006 Acts, ch 1117, §4

Referred to in §515E.4

**432.6 Personal and real property.**

Every insurance corporation or association organized under the laws of this state, not including corporations with capital stock, county mutuals, and fraternal beneficiary associations, which county mutuals and fraternal beneficiary associations are not organized

for pecuniary profit, shall, on or before the twenty-sixth day of January in each year, for the purpose of assessment of its property, furnish to the assessor of the assessment district in which its principal place of business is located, a statement verified by its president, showing specifically with reference to the year next preceding the first day of January then last past:

1. A duplicate of the statement required by law to be made to the commissioner of insurance for the said year last past.

2. A detailed statement of all its property and assets of every kind and nature whatsoever, and the value of each item thereof, including surplus, guaranty, and reserve fund, and the amount of each.

[S13, §1333-b; C24, 27, 31, 35, 39, §**7027;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §432.6]

Referred to in §432.7

**432.7 Assessment.**

The assessor shall, upon the receipt of the statements, and from other information acquired by the assessor, assess against every corporation or association referred to in section 432.6, the actual value of each parcel of real estate situated in the assessment district of the assessor, and all the property shall be assessed at the same rate, and for the same purposes as the property of private individuals, as provided in section 441.21.

[S13, §1333-b; C24, 27, 31, 35, 39, §**7028;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §432.7]

89 Acts, ch 296, §58

**432.8** Repealed by 72 Acts, ch 1019, § 7.

**432.9 Debts deductible.**

In ascertaining the indebtedness or liability of such corporation, company, or association, a debt shall be deemed to exist on account of its liability on the policies, certificates or other contracts of insurance issued by it equal to the amount of the surplus or other funds accumulated by any such corporation or association for the purpose of fulfilling its policies, certificates, or other contracts of insurance, and which can be used for no other purpose.

[S13, §1333-c; C24, 27, 31, 35, 39, §**7030;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §432.9]

**432.10 Sufficiency of remitted tax — notice.**

The commissioner of insurance shall determine whether or not the tax remitted is correct. If the tax remitted is not sufficient, the commissioner shall notify the delinquent company of the amount of such delinquency and certify the amount thereof to the department of revenue which shall proceed to collect such delinquency.

[C71, 73, 75, 77, 79, 81, §432.10]

2003 Acts, ch 145, §286

**432.11** Repealed by 2002 Acts, ch 1119, § 111.

**432.12** Repealed by 2001 Acts, ch 69, § 38, 39.

**432.12A Historic preservation and cultural and entertainment district tax credit.**

1. The tax imposed under this chapter shall be reduced by a historic preservation and cultural and entertainment district tax credit equal to the amount as computed under chapter 404A for rehabilitating eligible property. Any credit in excess of the tax liability shall be refunded or credited to the following year, as provided in section 404A.4, subsection 3.

2. For purposes of this section, "*eligible property*" means the same as used in section 404A.1.

2002 Acts, ch 1003, §4, 5; 2007 Acts, ch 165, §7, 9

Section not amended; footnote deleted

**432.12B Venture capital fund investment tax credit.** Repealed by 2010 Acts, ch 1138, § 25, 26.

Tax credit certificates issued for future tax years for investments made on or before July 1, 2010, under former section 432.12B are valid and may be claimed by a taxpayer after July 1, 2010, in the tax year stated on the certificate; 2010 Acts, ch 1138, §26

**432.12C Investment tax credits.**

1. The tax imposed under this chapter shall be reduced by an investment tax credit authorized pursuant to section 15E.43 for an investment in a qualifying business or a community-based seed capital fund.

2. The taxes imposed under this chapter shall be reduced by investment tax credits authorized pursuant to section 15.333A and section 15E.193B, subsection 6.

2002 Acts, ch 1006, §10, 13; 2006 Acts, ch 1158, §60; 2013 Acts, ch 70, §21; 2013 Acts, ch 90, §106

See Code editor's note on simple harmonization

Subsection 2 amended

**432.12D Endow Iowa tax credit.**

The tax imposed under this chapter shall be reduced by an endow Iowa tax credit authorized pursuant to section 15E.305.

2003 Acts, 1st Ex, ch 2, §87, 89

**432.12E Tax credits for wind energy production and renewable energy.**

The taxes imposed under this chapter shall be reduced by tax credits for wind energy production allowed under chapter 476B and for renewable energy allowed under chapter 476C.

2004 Acts, ch 1175, §407, 418; 2005 Acts, ch 160, §5, 14

**432.12F Economic development region revolving fund contribution tax credits.** Repealed by 2010 Acts, ch 1138, § 15, 16.

2010 amendment repealing section applies retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1138, § 16

**432.12G Wage-benefits tax credit.** Repealed by 2008 Acts, ch 1191, § 167.

**432.12H Tax credit for certain sales taxes paid by third-party developers.**

The taxes imposed under this chapter shall be reduced by a tax credit authorized pursuant to section 15.331C for certain sales taxes paid by a third-party developer.

2006 Acts, ch 1158, §61

**432.12I Iowa fund of funds tax credit.**

The taxes imposed under this chapter shall be reduced by a tax credit authorized pursuant to section 15E.66, if redeemed, for investments in the Iowa fund of funds.

2006 Acts, ch 1158, §62

**432.12J Film qualified expenditure tax credit.** Repealed by 2012 Acts, ch 1136, § 38 – 41.

Section repeal takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39 – 41

**432.12K Film investment tax credit.** Repealed by 2012 Acts, ch 1136, § 38 – 41.

Section repeal takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39 – 41

**432.12L Redevelopment tax credit.**

The taxes imposed under this chapter shall be reduced by a redevelopment tax credit allowed under chapter 15, subchapter II, part 9.

2008 Acts, ch 1173, §11; 2009 Acts, ch 41, §129

**432.12M Innovation fund investment tax credit.**

The taxes imposed under this chapter shall be reduced by an innovation fund investment tax credit allowed under section 15E.52.

2011 Acts, ch 130, §44, 47, 71

Section applies retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 130, §47

**432.13 Premium tax exemption — hawk-i program — state employee benefits.**

1. Premiums collected by participating insurers under chapter 514I are exempt from premium tax.

2. Premiums received for benefits acquired on behalf of state employees by the department of administrative services pursuant to section 8A.402, subsection 1, and by the state board of regents pursuant to chapter 262, are exempt from premium tax.

98 Acts, ch 1196, §1, 16; 99 Acts, ch 200, §19, 23; 2003 Acts, ch 145, §259; 2012 Acts, ch 1138, §120

**432.14 Statute of limitations.**

Within five years after the tax return is filed or within five years after the tax return became due, whichever is later, the commissioner of insurance shall examine the return and determine the tax. An assessment or a claim for credit must be made within five calendar years after the annual tax filing is made. For a five-year period preceding the current calendar year, a company may apply for a credit, or the commissioner may make an assessment, as appropriate. The period of examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade tax or in the case of a failure to file a return.

98 Acts, ch 1057, §1

# CHAPTER 432A

## MARINE INSURANCE TAX

Referred to in §441.47


| | |
|---|---|
| 432A.1 | Amount of tax on underwriting profit. |
| 432A.2 | Profit within this state. |
| 432A.3 | Profit within United States. |
| 432A.4 | Computation of net earned premiums. |
| 432A.5 | Expenses incurred. |
| 432A.6 | Computation of tax on ocean marine insurance profit. |
| 432A.7 | Tax payable annually. |
| 432A.8 | Filing tax return. |
| 432A.9 | Underwriting profits tax in lieu of other taxes. |


**432A.1 Amount of tax on underwriting profit.**

Every insurer authorized to do the business of selling marine insurance in this state, as authorized in section 515.48, shall, with respect to all insurance written within this state upon hulls, freights, or disbursements, or upon goods, wares, merchandise and all other personal property and interests therein, in the course of exportation from or importation into any country, or transportation coastwise including transportation by land or water from point of origin to final destination in respect to or appertaining to or in connection with, any and all risks or perils of navigation, transit or transportation and upon the property while being prepared for and while awaiting shipment, and during any delays, storage, transshipment or reshipment incident thereto, including war risks and marine builder's risks, pay a tax of six and one-half percent on its taxable underwriting profit ascertained as provided in section 432A.2, from such insurance written within this state.

[C75, 77, 79, 81, §432A.1]

**432A.2 Profit within this state.**

The underwriting profit on such insurance written within this state shall be that proportion of the total underwriting profit of such insurer from such insurance written within the United States which the amount of net premiums of such insurer from such insurance written within this state bears to the total amount of net premiums of such insurer from such insurance written within the United States.

[C75, 77, 79, 81, §432A.2]

Referred to in §432A.1

**432A.3 Profit within United States.**

The underwriting profit of such insurer on such insurance written within the United States shall be determined by deducting from the net earned premiums on such ocean marine insurance written within the United States during the taxable year which is the calendar year preceding the date on which such tax is due, the following items:

1. Net losses incurred, which means gross losses incurred during such calendar year under ocean marine insurance contracts written within the United States, less reinsurance claims collected or collectible and less net salvages or recoveries collected or collectible from any source applicable to the corresponding losses under such contracts.

2. Net expenses incurred in connection with such ocean marine contracts, including all state and federal taxes in connection therewith, but in no event shall the aggregate amount of such net expenses deducted exceed forty percent of the net premiums on such ocean marine insurance contracts, ascertained as provided in section 432A.4.

3. Net dividends paid or credited to policyholders on such ocean marine insurance contracts.

[C75, 77, 79, 81, §432A.3]

**432A.4 Computation of net earned premiums.**

In determining the amount of the tax imposed by this chapter, net earned premiums on ocean marine insurance contracts written within the United States during the taxable year shall be arrived at by deducting from gross premiums written on such contracts during the taxable year all return premiums, premiums on policies not taken, premiums paid for reinsurance of such contracts and net unearned premiums on all such outstanding contracts at the end of the taxable year, and adding to such amount net unearned premiums on such outstanding marine insurance contracts at the end of the calendar year preceding the taxable year.

[C75, 77, 79, 81, §432A.4]

Referred to in §432A.3

**432A.5 Expenses incurred.**

In determining the amount of the tax imposed by this chapter, net expenses incurred shall be determined as the sum of the following:

1. Specific expenses incurred on such ocean marine insurance business, consisting of all commissions, agency expenses, taxes, licenses, fees, loss adjustment expenses, and all other expenses incurred directly and specifically in connection with such business, less recoveries or reimbursements on account of or in connection with such commissions or other expenses collected or collectible because of reinsurance or from any other source.

2. General expenses incurred on such ocean marine insurance business, consisting of that proportion of general or overhead expenses incurred in connection with such business which the net premiums on such ocean marine insurance written during the taxable year bear to the total net premiums written by such insurer from all classes of insurance written by it during the taxable year. Within the meaning of this subsection, general or overhead expenses shall include salaries of officers and employees, printing and stationery, all taxes of this state and of the United States, except as included in subsection 1, and all other expenses of such insurer, not included in subsection 1, after deducting expenses specifically chargeable to any or all other classes of insurance business.

[C75, 77, 79, 81, §432A.5]

**432A.6 Computation of tax on ocean marine insurance profit.**

In determining the amount of the tax imposed by this chapter, the taxable underwriting profit of such insurer on such ocean marine insurance business written within this state, shall be ascertained as follows:

1. In the case of every such insurer which has written any such business within this state during three calendar years immediately preceding the year in which such taxes were payable, the taxable underwriting profit shall be determined by adding or subtracting, as the case may be, the underwriting profit or loss on all such insurance written within the United States, ascertained as hereinbefore provided, for each of such three years and dividing by three.

2. In the case of every such insurer other than as specified in subsection 1 such taxable underwriting profit, if any, shall be the underwriting profit, if any, on such ocean marine insurance business written within this state during the taxable year, ascertained as hereinbefore provided, but after such insurer has written such ocean marine insurance business within this state during three calendar years, an adjustment shall be made on the three-year average basis by ascertaining the amount of tax payable in accordance with subsection 1.

[C75, 77, 79, 81, §432A.6]

**432A.7 Tax payable annually.**

The tax imposed by this chapter shall be paid annually, on or before the first day of June, by every insurer authorized to do the business of marine insurance in this state during any one or more of the preceding three calendar years, and the calendar year next preceding such June 1 shall be deemed the taxable year within the meaning of this section.

[C75, 77, 79, 81, §432A.7]

**432A.8 Filing tax return.**

Every insurer liable to pay the tax shall, on or before June 1 of each year, file with the commissioner of insurance a tax return in accordance with or upon forms prescribed by the commissioner of insurance. The tax shown to be due, if any, shall be paid to the director of revenue who shall issue to the insurer a receipt in duplicate, one of which shall be filed with the commissioner of insurance before issuance of the annual certificate as provided by law.

[C75, 77, 79, 81, §432A.8]

2003 Acts, ch 145, §286

**432A.9 Underwriting profits tax in lieu of other taxes.**

The tax imposed by this chapter shall be paid upon the marine underwriting profits, if any, upon all marine insurance business written in this state each calendar year. The tax on gross premiums under section 432.1 shall not be levied on marine insurance premiums reportable in a tax return prescribed by the commissioner of insurance to record taxable underwriting profit, if any, defined herein. The tax return required shall be in lieu of all other tax requirements imposed by section 432.1.

[C75, 77, 79, 81, §432A.9]

# CHAPTER 433

## TELEGRAPH AND TELEPHONE COMPANIES TAX

Referred to in §331.401, 427.1(2), 427A.1, 427B.17, 429.1, 441.21, 441.47, 441.73

Department of revenue to study property taxation of telecommunications companies; report due by August 1, 2015, for review by legislative telecommunications company property tax review committee; telecommunications companies required to submit and verify information to facilitate creation of report; 2013 Acts, ch 123, §36


433.1 Statement required.
433.2 Additional statement.
433.3 Failure to make statement.
433.4 Assessment and exemption.
433.5 Actual value per mile — exemption value per mile.
433.6 Taxable value. Repealed by 2013 Acts, ch 123, §35, 38, 39.
433.7 Hearing.
433.8 Assessment in each county — how certified.
433.9 Entry of certificate.
433.10 Rate of taxation — collection.
433.11 Other real property.
433.12 Definitions.
433.13 Line operated by railroad.
433.14 Maps required.
433.15 Failure to file.


**433.1 Statement required.**

Every telegraph and telephone company operating a line in this state shall, on or before the first day of May in each year, furnish to the director of revenue a statement verified by its president or secretary showing:

1. The total number of miles owned, operated, or leased within the state, with a separate showing of the number leased.

2. The average number of poles per mile, and the whole number of poles on its lines in this state.

3. The total number of miles in each separate line or division thereof, also the average number of separate wires thereon.

4. The whole number of stations on each line, and the value of the same, including furniture.

5. The whole number of instruments on each separate line, and the gross rental charges per instrument, where the same are rented to patrons of the company making the return, together with the number of stations maintained, other than railroad stations.

6. The gross receipts and operating expenses of said company for the year ending December 31 next preceding, on business originating and terminating in this state.

7. The gross receipts and operating expenses of said company for the year ending December 31 next preceding, and not included in the statement made under subsection 6 hereof.

8. The total capital stock of said company.

9. The number of shares of capital stock issued and outstanding, and the par or face value of each share.

10. The market value of such shares of stock on the first day of January next preceding, and if such shares have no market value, the actual value thereof.

11. All real estate and other property owned by such company and subject to local taxation within this state.

12. The specific real estate, together with the permanent improvements thereon, owned by such company and situated outside this state and taxed as other real estate in the state where located, with a specific description of each piece, where located, and the purpose for which the same is used, and the actual value thereof in the locality where situated.

13. All mortgages upon the whole or any part of its property, together with the dates and amounts thereof.

14. The total length of the lines of said company.

15. The total length of the lines of said company outside this state.

[C97, §1328; S13, §1328; C24, 27, 31, 35, 39, §**7031;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.1]

2003 Acts, ch 145, §286

Referred to in §433.3

**433.2 Additional statement.**

Upon the receipt of said statements from the several companies, the director of revenue shall examine said statements and if the director shall deem the same insufficient and that further information is requisite, the director shall require the officer making same to make such other or further statement as the director may desire.

[C97, §1329; S13, §1329; C24, 27, 31, 35, 39, §**7032;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.2]

2003 Acts, ch 145, §286

**433.3 Failure to make statement.**

In case of failure or refusal of any company to make out or deliver to the director of revenue the statements required in section 433.1, such company shall forfeit and pay to the state one hundred dollars for each day such report is delayed beyond the first day of May, to be sued and recovered in any proper form of action in the name of the state, and on the relation of the director of revenue, and such penalty, when collected, shall be paid into the general fund of the state.

[C97, §1329; S13, §1329; C24, 27, 31, 35, 39, §**7033;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.3]

2003 Acts, ch 145, §286

**433.4 Assessment and exemption.**

1. The director of revenue shall on or before October 31 each year, proceed to find the actual value of the property of these companies in this state that is used by the companies in the transaction of telegraph and telephone business, taking into consideration the information obtained from the statements required, and any further information the director can obtain, using the same as a means for determining the actual value of the property of these companies within this state. The director shall also take into consideration the valuation of all property of these companies, including franchises and the use of the property in connection with lines outside the state, and making these deductions as may be necessary on account of extra value of property outside the state as compared with the value of property in the state, in order that the actual value of the property of the company within this state may be ascertained. The assessment shall include all property of every kind and character whatsoever, real, personal, or mixed, used by the companies in the transaction of telegraph and telephone business. The property so included in the assessment shall not be taxed in any other manner than as provided in this chapter.

2. *a.* For assessment years beginning on or after January 1, 2013, each company assessed for taxation under this chapter shall receive a partial exemption from taxation on the value of the company's property as provided in this subsection.

*b.* For the assessment year beginning January 1, 2013, the total amount of the exemption for each company shall be equal to the sum of the following amounts:

(1) An amount equal to twenty percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds zero dollars but does not exceed twenty million dollars.

(2) An amount equal to seventeen and five-tenths percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds twenty million dollars but does not exceed fifty-five million dollars.

(3) An amount equal to twelve and five-tenths percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds fifty-five million dollars but does not exceed five hundred million dollars.

(4) An amount equal to ten percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds five hundred million dollars.

*c.* For the assessment year beginning January 1, 2014, and each assessment year thereafter, the total amount of the exemption for each company shall be equal to the sum of the following amounts:

(1) An amount equal to forty percent of the actual value of the property of such company

for that assessment year, as determined under subsection 1, that exceeds zero dollars but does not exceed twenty million dollars.

(2) An amount equal to thirty-five percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds twenty million dollars but does not exceed fifty-five million dollars.

(3) An amount equal to twenty-five percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds fifty-five million dollars but does not exceed five hundred million dollars.

(4) An amount equal to twenty percent of the actual value of the property of such company for that assessment year, as determined under subsection 1, that exceeds five hundred million dollars.

[C97, §1330; S13, §1330; C24, 27, 31, 35, 39, §**7034;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.4]

95 Acts, ch 83, §23; 2003 Acts, ch 145, §286; 2009 Acts, ch 60, §9; 2013 Acts, ch 123, §31, 38, 39

Referred to in §433.5

2013 amendment takes effect June 12, 2013, and applies retroactively to assessment years beginning on or after January 1, 2013; 2013 Acts, ch 123, §38, 39

Section amended

**433.5 Actual value per mile — exemption value per mile.**

1. The director of revenue shall ascertain the actual value per mile of the property of each company within this state by dividing the total actual value, as ascertained under section 433.4, subsection 1, by the number of miles of line of such company within the state, and the result shall be deemed and held to be the actual value per mile of line of the property of such company within this state.

2. The director of revenue shall ascertain the exemption value per mile of the property of each company within this state by dividing the amount of the exemption for that company determined under section 433.4, subsection 2, by the number of miles of line of such company within the state, and the result shall be deemed and held to be the exemption value per mile of line for that company.

[S13, §1330-a; C24, 27, 31, 35, 39, §**7035;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.5]

2003 Acts, ch 145, §286; 2013 Acts, ch 123, §32, 38, 39

2013 amendment takes effect June 12, 2013, and applies retroactively to assessment years beginning on or after January 1, 2013; 2013 Acts, ch 123, §38, 39

Section amended

**433.6 Taxable value.** Repealed by 2013 Acts, ch 123, § 35, 38, 39.

Repeal is effective June 12, 2013, and applies retroactively to assessment years beginning on or after January 1, 2013; 2013 Acts, ch 123, §38, 39

**433.7 Hearing.**

At the time of determination of value by the director of revenue, any company interested shall have the right to appear, by its officers or agents, before the director of revenue and be heard on the question of the valuation of its property for taxation.

[S13, §1330-a; C24, 27, 31, 35, 39, §**7037;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.7]

2003 Acts, ch 145, §286; 2009 Acts, ch 60, §10; 2010 Acts, ch 1061, §58

**433.8 Assessment in each county — how certified.**

The director of revenue shall, for the purpose of determining what amount shall be assessed to each company in each county of the state into which the line of the said company extends, certify to the several county auditors of the respective counties into, over, or through which

said line extends the number of miles of line in the county for that company, the actual value per mile of line for that company, and the exemption value per mile of line for that company.

[S13, §1330-b; C24, 27, 31, 35, 39, §**7038;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.8]

2003 Acts, ch 145, §286; 2013 Acts, ch 123, §33, 38, 39

Referred to in §331.512, 433.9

2013 amendment takes effect June 12, 2013, and applies retroactively to assessment years beginning on or after January 1, 2013; 2013 Acts, ch 123, §38, 39

Section amended

**433.9 Entry of certificate.**

At the first meeting of the board of supervisors held after the certification made under section 433.8 is received by the county auditor, the board shall cause such certification to be entered in its minute book, and make and enter therein an order stating the length of the lines, the actual value of the property, and the exempted value of the property of each of said companies situated in each city, township, or lesser taxing district in its county, as fixed by the director of revenue. The value certified by the director of revenue, following application of the percentage of actual value under section 441.21, and following the application of the exemption value certified by the director of revenue, shall constitute the taxable value of said property for taxing purposes, and the taxes on said property when collected by the county treasurer shall be disposed of as other taxes on real estate. The county auditor shall transmit a copy of said order to the council or trustees of each city or township in which the lines of said company extend.

[S13, §1330-c; C24, 27, 31, 35, 39, §**7039;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.9]

2003 Acts, ch 145, §286; 2013 Acts, ch 123, §34, 38, 39

Referred to in §331.512

2013 amendment takes effect June 12, 2013, and applies retroactively to assessment years beginning on or after January 1, 2013; 2013 Acts, ch 123, §38, 39

Section amended

**433.10 Rate of taxation — collection.**

All telegraph and telephone property shall be taxable upon said assessment at the same rates, by the same officers, and for the same purposes as the property of individuals within such counties, cities, townships, or lesser taxing districts, and the county treasurer shall collect such taxes at the same time and in the same manner as other taxes, and the same penalties for the nonpayment shall be due and collectible as for the nonpayment of individual taxes.

[S13, §1330-d; C24, 27, 31, 35, 39, §**7040;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.10]

Referred to in §331.512, 331.559

**433.11 Other real property.**

Land, lots, and other real property belonging to a telegraph company or telephone company not used exclusively in its telegraph or telephone business are subject to assessment and taxation on the same basis as other property of individuals in the counties where situated.

[S13, §1330-e; C24, 27, 31, 35, 39, §**7041;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.11]

89 Acts, ch 296, §59

Referred to in §427.1(2)

**433.12 Definitions.**

1. As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. *"Company"* as used in this chapter means any person, partnership, association, corporation, or syndicate that owns or operates, or is engaged in operating, any telegraph or telephone line, whether formed or organized under the laws of this state or elsewhere.

"*Company*" includes a city that owns or operates a municipal utility providing local exchange services pursuant to chapter 476.

[S13, §1330-f; C24, 27, 31, 35, 39, §**7042;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.12]

95 Acts, ch 83, §24; 99 Acts, ch 63, §6, 8; 2000 Acts, ch 1148, §1; 2008 Acts, ch 1032, §106

**433.13 Line operated by railroad.**

No telegraph line shall be assessed which is owned and operated by any railroad company exclusively for the transaction of its business, and which has been duly reported as such in its annual report under the laws providing for the taxation of railroad property.

[C97, §1332; C24, 27, 31, 35, 39, §**7043;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.13]

**433.14 Maps required.**

On or before the first day of August 1904, each telephone or telegraph company owning or operating a telephone or telegraph line, any part of which lies within the state of Iowa, shall file with the several county auditors of the counties within which any part of its line is located, a map of all its lines within said county, except its line within any platted city, drawn to a scale of not less than one inch to four miles, on which the location of the line or lines of said company is correctly shown. The map of any line situated upon any highway or street which is the dividing line between taxing districts shall show on which side of said street or highway said line is situated and shall locate all points at which said line may cross said street or highway. A statement showing the length of pole line in each taxing district of each company shall be filed when no map of the pole lines of such company is required under the terms of this section. A telephone or telegraph company whose line is situated upon the right-of-way of a railway may file, in lieu of the map required to be filed by the provisions of this section, a certificate setting forth along what lines of railway said company's telephone or telegraph line extends. On or before the first day of March 1905, and annually thereafter, like maps, statements, or certificates shall be filed with the several county auditors of counties in which any part of said lines may have been extended, constructed, relocated, or taken down entirely, during the preceding calendar year, showing the correct location of all such new or relocated lines, and the location of any part abandoned or taken down, as the same existed on the thirty-first day of December preceding; provided county auditors of the several counties shall, upon application of any company owning or operating a telephone or telegraph line in their respective counties, furnish a map or maps accurately showing the boundaries of all taxing districts in said county, and the public highways located within such taxing districts.

[S13, §1400-a; C24, 27, 31, 35, 39, §**7044;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.14]

Referred to in §331.512, 433.15, 437.15

**433.15 Failure to file.**

In the event of the failure or refusal of any telephone or telegraph company, owning or operating any telephone or telegraph line not situated upon the right-of-way of a railway, to file the map required under section 433.14, at the time and according to the conditions named, then the county auditor may cause the map to be prepared by the county surveyor and the cost of it shall, in the first place, be audited and paid by the board of supervisors of the county and the amount shall be by the board levied as a special tax against the company and the property of the company, which shall be collected in the same manner as county taxes.

[S13, §1400-b; C24, 27, 31, 35, 39, §**7045;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §433.15]

83 Acts, ch 123, §178, 209

Referred to in §331.427, 331.512, 437.15

Collection of taxes, see chapter 445

# CHAPTER 434

## RAILWAY COMPANIES TAX

Referred to in §331.401, 426C.1, 426C.4, 427A.1, 427B.17, 429.1, 441.21, 441.47, 441.73


434.1 Definitions.
434.2 When assessed — statement required.
434.3 through 434.5 Repealed by 86 Acts, ch 1241, §49.
434.6 Sleeping and dining cars.
434.7 Gross earnings.
434.8 Method of accounting.
434.9 Net earnings.
434.10 Reports additional.
434.11 Additional rules and regulations.
434.12 Refusal to obey.
434.13 Operating expenses.
434.14 Amended statement.
434.15 Assessment of railways.
434.16 Assessment of sleeping and dining cars.
434.17 Certification to county auditors.
434.18 Plats.
434.19 Failure to file.
434.20 Property assessed by local authorities.
434.21 Roadbeds.
434.22 Levy and collection of tax.
434.23 Rates — purposes.


**434.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**434.2 When assessed — statement required.**

On or before October 31 each year, the director of revenue shall assess all the property of each railway corporation in the state, excepting the lands, lots, and other real estate belonging thereto not used in the operation of any railway, and excepting railway bridges across the Mississippi and Missouri rivers, and excepting grain elevators; and for the purpose of making such assessment its president, vice president, general manager, general superintendent, receiver, or such other officer as the director of revenue may designate, shall, on or before the first day of April in each year, furnish the department of revenue a verified statement showing in detail for the year ended December 31 next preceding:

1. The whole number of miles of railway owned, operated, or leased by such corporation or company within and without the state.
2. The whole number of miles of railway owned, operated, or leased within the state, including double tracks and sidetracks, the mileage of the main line and branch lines to be stated separately, and showing the number of miles of track in each county.
3. A full and complete statement of the cost and actual present value of all buildings of every description owned by said railway company within the state not otherwise assessed.
4. The total number of ties per mile used on all its tracks within the state.
5. The weight of rails per yard in main line, double tracks, and sidetracks.
6. The number of miles of telegraph lines owned and used within the state.
7. The total number of engines, and passenger, chair, dining, official, express, mail, baggage, freight, and other cars, including handcars and boarding cars used in constructing and repairing such railway, in use on its whole line, and the sleeping cars owned by it, and the number of each class on its line within the state, each class to be valued separately.
8. Any and all other movable property owned by said railway within the state, classified and scheduled in such manner as may be required by the director of revenue.
9. The gross earnings of the entire road, and the gross earnings in this state.
10. The operating expenses of the entire road, and the operating expenses within this state.

11. The net earnings of the entire road, and the net earnings within this state.

[C73, §810, 1317, 1318; C97, §1334; S13, §1334; C24, 27, 31, 35, 39, §**7046;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.1]

C2001, §434.2

2003 Acts, ch 145, §286; 2009 Acts, ch 60, §11

Referred to in §434.14

**434.3 through 434.5** Repealed by 86 Acts, ch 1241, § 49.

**434.6 Sleeping and dining cars.**

In addition to the matters required to be contained in the statement made by the company for the purposes of taxation, such statement shall show the number of sleeping and dining cars not owned by such corporation, but used by it in operating its railway in this state during each month of the year for which the return is made, the value of each car so used, and also the number of miles each month said cars have been run or operated on such railway within the state, and the total number of miles said cars have been run or operated each month within and without the state. Such statement shall show the average daily sleeping car and dining car service or wheelage operated on each part or division of the line or system within the state, designating the points on the line where variations occur, with the mileage of that part having the same daily service or wheelage.

[C97, §1340; S13, §1340; C24, 27, 31, 35, 39, §**7051;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.6]

Referred to in §434.16

**434.7 Gross earnings.**

For the purpose of making reports to the department of revenue, the gross earnings of railway companies, owning or operating a line or lines of railway partly within this state and partly within another state, or other states, or territory, or territories, upon their line or lines within this state, shall be ascertained and reported by said railway companies as follows, to wit: The aggregate of the earnings upon business originating and terminating within this state, upon business originating in this state and terminating elsewhere, upon business originating elsewhere and terminating in this state, and upon business neither originating nor terminating in this state but carried on or done over the line or lines in this state or over some part thereof, shall be reported; and with respect to all such interstate business the earnings in this state for the purpose of report shall be actually computed upon the basis of the length of haul or carriage in this state as compared with the length of haul or carriage elsewhere. It is hereby declared that for the purpose of making reports looking to the assessment of railway property for taxation, the gross earnings or business done or carried partly within this state and partly in another state, or other states, or territories, shall be that proportion of the entire earnings of such business that the haul or carriage in this state bears to the entire haul or carriage.

[S13, §1340-a; C24, 27, 31, 35, 39, §**7052;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.7]

2003 Acts, ch 145, §286

Referred to in §434.10, 434.12

**434.8 Method of accounting.**

The director of revenue shall have the power to prescribe such rules and regulations with respect to the keeping of accounts by the railway companies doing business in this state as will insure the accurate division of earnings as aforesaid, and uniformity in reporting the same to the department of revenue.

[S13, §1340-b; C24, 27, 31, 35, 39, §**7053;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.8]

2003 Acts, ch 145, §286

Referred to in §434.10, 434.12

**434.9 Net earnings.**

The director of revenue shall have the power to prescribe a method for all railway companies doing business in this state, together with the rules and regulations, for the ascertainment of the net earnings of the railway lines in this state, to the end that all such railway companies, in ascertaining and making report of net earnings, shall proceed upon the same basis and in a uniform manner.

[S13, §1340-c; C24, 27, 31, 35, 39, §**7054;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.9]

2003 Acts, ch 145, §286

Referred to in §434.10, 434.12

**434.10 Reports additional.**

The reports provided for in sections 434.7 to 434.9 are not in lieu of, but in addition to, the reports provided for by law, and they shall be made at the time and as a part of the reports already required.

[S13, §1340-d; C24, 27, 31, 35, 39, §**7055;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.10]

Referred to in §434.12

**434.11 Additional rules and regulations.**

The rules, regulations, method, and requirements herein provided to be made by the director of revenue shall be made and communicated in writing or print to the said several railway companies and shall be and become binding upon said railway companies as provided in chapter 17A, provided, however, that the director shall have the power to prescribe supplemental or additional rules, regulations, and requirements in the manner prescribed by chapter 17A.

[S13, §1340-e; C24, 27, 31, 35, 39, §**7056;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.11]

2003 Acts, ch 145, §286

Referred to in §434.12

**434.12 Refusal to obey.**

If any railway company shall fail or refuse to obey or conform to the rules, regulations, method, and requirements so made or prescribed by the director of revenue under the provisions of sections 434.7 to 434.11 or to make the reports therein provided, the director of revenue shall proceed to assess the property of such railway company so failing or refusing, according to the best information obtainable, and shall then add to the taxable valuation of such railway company twenty-five percent thereof, which valuation and penalty shall be separately shown, and together shall constitute the assessment for that year.

[S13, §1340-f; C24, 27, 31, 35, 39, §**7057;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.12]

2003 Acts, ch 145, §286

**434.13 Operating expenses.**

There shall not be included in said operating expenses any payments for interest or discount, or construction of new tracks, except needed sidings, for raising or lowering tracks above or below crossings at grade in cities, for new equipment except replacements, for reducing any bonded or permanent debt, nor for any other item of operating expenses not fairly and reasonably chargeable as such in railway accounts.

[C97, §1335; C24, 27, 31, 35, 39, §**7058;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.13]

**434.14 Amended statement.**

The director of revenue may demand, in writing, detailed, explanatory, and amended statements of any of the items mentioned in section 434.2, or any other items deemed by the director important, to be furnished the director by such railway corporation within thirty days from such demand, in such form as the director may designate, which shall be verified

as required for the original statement. The returns, both original and amended, shall show such other facts as the director, in writing, shall require.

[C73, §1318; C97, §1335; C24, 27, 31, 35, 39, §**7059;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.14]

2003 Acts, ch 145, §286

**434.15 Assessment of railways.**

The said property shall be valued at its actual value, and the assessments shall be made upon the taxable value of the entire railway within the state, except as otherwise provided, and the actual value so ascertained shall be assessed as provided by section 441.21, and shall include the right-of-way, roadbed, bridges, culverts, rolling stock, depots, station grounds, shops, buildings, gravel beds, and all other property, real and personal, exclusively used in the operation of such railway. In assessing said railway and its equipments, the director of revenue shall take into consideration the gross earnings per mile for the year ending January 1, preceding, and any and all other matters necessary to enable the director to make a just and equitable assessment of said railway property. If a part of any railway is without this state, then, in estimating the value of its rolling stock and movable property, the director shall take into consideration the proportion which the business of that part of the railway lying within the state bears to the business of the railway without this state.

Trackless trolleys, buses, cars and vehicles used for the transportation of passengers owned and operated by any urban transit company as a part of an urban transit system shall not be included in the determination of the value of an urban transit system for taxation purposes.

[C73, §1319; C97, §1336; C24, 27, 31, 35, 39, §**7060;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.15]

2003 Acts, ch 145, §286

Referred to in §434.16, 443.22

**434.16 Assessment of sleeping and dining cars.**

The director of revenue shall, at the time of the assessment of other railway property for taxation, assess for taxation the average number of sleeping and dining cars as provided in section 434.6 so used by such corporation each month and the assessed value of said cars shall bear the same proportion to the entire value thereof that the monthly average number of miles such cars have been run or operated within the state shall bear to the monthly average number of miles such cars have been used or operated within and without the state. Such valuation shall be in the same ratio as that of the property of individuals, and shall be added to the assessed valuation of the corporation, fixed under section 434.15.

[C97, §1341; C24, 27, 31, 35, 39, §**7061;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.16]

2003 Acts, ch 145, §286; 2008 Acts, ch 1031, §51

See §441.21

**434.17 Certification to county auditors.**

On or before October 31 each year, the director of revenue shall transmit to the county auditor of each county, through and into which any railway may extend, a statement showing the length of the main track within the county, and the assessed value per mile of the same, as fixed by a ratable distribution per mile of the assessed valuation of the whole property.

[C73, §1320; C97, §1337; S13, §1337; C24, 27, 31, 35, 39, §**7062;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.17]

2003 Acts, ch 145, §286; 2009 Acts, ch 60, §12

**434.18 Plats.**

Every railroad company owning or operating a line of railroad within this state shall, on or before the first day of August 1902, place on file in the office of the county auditor of each county in the state into which any part of the lines of any said company lies, a plat of the lines of said companies within said county, showing the length of their said lines and the area of the land owned or occupied by said companies in each government subdivision of land not included within the platted portion of any city, within each of said counties, and the length of the said lines within the platted portion of cities. Companies having on file such plats of

part or all of their lines, in any of said counties, shall be required to file plats only of that part of their lines not fully shown as above required on the plats now on file. On the first day of January of each year hereafter, like plats shall be filed of all new lines or extensions of existing lines built or completed within the calendar year preceding.

[S13, §1337-a; C24, 27, 31, 35, 39, §**7063;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.18]

Referred to in §434.19

**434.19 Failure to file.**

In the event of the failure or refusal of any railroad company to file the plats required under section 434.18, at the time or according to the conditions named, then the county auditor may cause them to be prepared by the county surveyor and their cost shall, in the first place, be audited and paid by the board of supervisors, and the amount shall be levied by the board as a special tax against the company and the property of the company, which shall be collected as county taxes.

[S13, §1337-b; C24, 27, 31, 35, 39, §**7064;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.19]

83 Acts, ch 123, §179, 209

Referred to in §331.427

**434.20 Property assessed by local authorities.**

Lands, lots, and other real estate belonging to any railway company, not used exclusively in the operation of the several roads, and all railway bridges across the Mississippi and Missouri rivers, and grain elevators, shall be subject to assessment and taxation on the same basis as property of individuals in the several counties where situated.

[C73, §808; C97, §1342; C24, 27, 31, 35, 39, §**7065;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.20]

See also §427.13

**434.21 Roadbeds.**

No real estate used by railway corporations for roadbeds shall be included in the assessment to individuals of the adjacent property, but all such real estate shall be the property of such companies for the purpose of taxation.

[C73, §809; C97, §1344; C24, 27, 31, 35, 39, §**7066;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.21]

**434.22 Levy and collection of tax.**

At the first meeting of the board of supervisors held after said statement is received by the county auditor, the board shall cause the same to be entered on its minute book, and make and enter in the minute book an order stating the length of the main track and the assessed value of each railway lying in each city, township, or lesser taxing district in its county, through or into which the railway extends, as fixed by the director of revenue, which shall constitute the taxable value of the property for taxing purposes; and the taxes on the property, when collected by the county treasurer, shall be disposed of as other taxes. The county auditor shall transmit a copy of the order to the council or trustees of the city or township.

[C73, §1321; C97, §1338; C24, 27, 31, 35, 39, §**7067;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.22]

2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §55

Referred to in §331.512, 331.559

**434.23 Rates — purposes.**

All such railway property shall be taxable upon said assessment at the same rates, by the same officers, and for the same purpose as the property of individuals within such counties, cities, townships, and lesser taxing districts.

[C73, §1322; C97, §1339; C24, 27, 31, 35, 39, §**7068;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §434.23]

# CHAPTER 435

## PROPERTY TAXES ON MANUFACTURED AND MOBILE HOMES

Referred to in §321.24, 321.30, 321.46, 321.101, 321.123, 427A.1, 441.47, 445.1, 555B.2, 555B.3, 555C.1, 555C.3, 557B.1

This chapter not enacted as a part of this title;
transferred from chapter 135D in Code 1993


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435.34 Modular home exemption. Repealed by 2009 Acts, ch 133, §191.
435.35 Existing home outside of manufactured home community or mobile home park — exemption. Repealed by 2009 Acts, ch 133, §191.


**435.1 Definitions.**

The following definitions shall apply to this chapter:

1. Unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. *"Home"* means a mobile home or a manufactured home.

3. *"Manufactured home"* means a factory-built structure built under authority of 42 U.S.C. § 5403, that is required by federal law to display a seal from the United States department of housing and urban development, and was constructed on or after June 15, 1976.

4. *"Manufactured home community"* means the same as land-leased community defined in sections 335.30A and 414.28A. The term *"manufactured home community"* shall not be construed to include manufactured or mobile homes, buildings, tents, or other structures temporarily maintained by any individual, educational institution, or company on their own premises and used exclusively to house their own labor or students.

5. *"Mobile home"* means any vehicle without motive power used or so manufactured or constructed as to permit its being used as a conveyance upon the public streets and highways and so designed, constructed, or reconstructed as will permit the vehicle to be used as a place for human habitation by one or more persons; but shall also include any such vehicle with motive power not registered as a motor vehicle in Iowa. A *"mobile home"* is not built to a mandatory building code, contains no state or federal seals, and was built before June 15, 1976.

6. *"Mobile home park"* means a site, lot, field, or tract of land upon which three or more mobile homes or manufactured homes, or a combination of any of these homes, are placed on developed spaces and operated as a for-profit enterprise with water, sewer or septic, and electrical services available. The term *"mobile home park"* shall not be construed to include manufactured or mobile homes, buildings, tents, or other structures temporarily maintained by any individual, educational institution, or company on their own premises and used exclusively to house their own labor or students.

7. *"Modular home"* means a factory-built structure which is manufactured to be used as a place of human habitation, is constructed to comply with the Iowa state building code for modular factory-built structures, as adopted pursuant to section 103A.7, and must display the seal issued by the state building code commissioner.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135D.1]

86 Acts, ch 1245, §1114

C93, §435.1
94 Acts, ch 1110, §3 – 6, 24; 95 Acts, ch 57, §10, 26; 97 Acts, ch 121, §15, 16; 98 Acts, ch 1107, §17, 18, 33; 2000 Acts, ch 1148, §1; 2001 Acts, ch 153, §11; 2002 Acts, ch 1119, §200, 201; 2004 Acts, ch 1086, §71; 2005 Acts, ch 3, §72; 2009 Acts, ch 133, §145
Referred to in §358C.13, 384.84, 403.22, 423.3, 426A.11, 427.1(30), 435.24, 555B.1, 555C.1, 557B.1, 562B.7

**435.2 Placement and taxation.**

1. If a mobile home is placed outside a mobile home park, the home is to be assessed and taxed as real estate.

2. If a manufactured home is placed in a manufactured home community or a mobile home park, the home must be titled and is subject to the manufactured or mobile home square foot tax. If a manufactured home is placed outside a manufactured home community or a mobile home park, the home must be titled and is to be assessed and taxed as real estate.

3. For the purposes of this chapter, a modular home shall not be construed to be a mobile home or manufactured home. If a modular home is placed inside or outside a manufactured home community or a mobile home park, the home shall be considered real property and is to be assessed and taxed as real estate. However, if a modular home is placed in a manufactured home community or mobile home park which was in existence on or before January 1, 1998, that modular home shall be subject to property tax pursuant to section 435.22. This subsection shall not prohibit the location of a modular home within a manufactured home community or mobile home park.

2009 Acts, ch 133, §146; 2010 Acts, ch 1069, §53, 147
2010 amendment to subsection 3 applies retroactively to July 1, 2009; 2010 Acts, ch 1069, §147

**435.3 through 435.17** Reserved.

**435.18 Penalty.**

Any person violating any provision of this chapter shall be guilty of a simple misdemeanor.
[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §135D.18]
C93, §435.18
Referred to in §435.24

**435.19 through 435.21** Reserved.

**435.22 Annual tax — credit.**

1. The owner of each mobile home or manufactured home located within a manufactured home community or mobile home park shall pay to the county treasurer an annual tax. However, when the owner is any educational institution and the home is used solely for student housing or when the owner is the state of Iowa or a subdivision of the state, the owner shall be exempt from the tax. The annual tax shall be computed as follows:

*a.* Multiply the number of square feet of floor space each home contains when parked and in use by twenty cents. In computing floor space, the exterior measurements of the home shall be used as shown on the certificate of title, but not including any area occupied by a hitching device.

*b.* (1) If the owner of the home is an Iowa resident, has attained the age of twenty-three years on or before December 31 of the base year, and has an income when included with that of a spouse which is less than eight thousand five hundred dollars per year, the annual tax shall not be imposed on the home. If the income is eight thousand five hundred dollars or more but less than sixteen thousand five hundred dollars, the annual tax shall be computed as follows:

| If the Household Income is: | Annual Tax Per Square Foot: |
|---|---|
| $ 8,500 — 9,499.99 | 3.0 cents |
| 9,500 — 10,499.99 | 6.0 |
| 10,500 — 12,499.99 | 10.0 |
| 12,500 — 14,499.99 | 13.0 |
| 14,500 — 16,499.99 | 15.0 |

(2) For purposes of this paragraph *"b"*, *"income"* means income as defined in section 425.17, subsection 7, and *"base year"* means the calendar year preceding the year in which the claim for a reduced rate of tax is filed. The home reduced rate of tax shall only be allowed on the home in which the claimant is residing at the time the claim for a reduced rate of tax is filed or was residing at the time of the claimant's death in the case of a claim filed on behalf of a deceased claimant by the claimant's legal guardian, spouse, or attorney, or by the executor or administrator of the claimant's estate.

(3) Beginning with the 1998 base year, the income dollar amounts set forth in this paragraph *"b"* shall be multiplied by the cumulative adjustment factor for that base year as determined in section 425.23, subsection 4.

2. The amount thus computed shall be the annual tax for all homes, except as follows:

*a.* For the sixth through ninth years after the year of manufacture the annual tax is ninety percent of the tax computed according to subsection 1, paragraph *"a"* or *"b"*, whichever is applicable.

*b.* For all homes ten or more years after the year of manufacture the annual tax is eighty percent of the tax computed according to subsection 1, paragraph *"a"* or *"b"*, whichever is applicable.

3. The tax shall be figured to the nearest even whole dollar.

4. *a.* A claim for credit for manufactured or mobile home tax due shall not be paid or allowed unless the claim is actually filed with the county treasurer between January 1 and June 1, both dates inclusive, immediately preceding the fiscal year during which the home taxes are due. However, in case of sickness, absence, or other disability of the claimant, or if in the judgment of the county treasurer good cause exists, the county treasurer may extend the time for filing a claim for credit through September 30 of the same calendar year. The county treasurer shall certify to the director of revenue on or before November 15 each year the total dollar amount due for claims allowed.

*b.* The forms for filing the claim shall be provided by the department of revenue. The forms shall require information as determined by the department.

*c.* In case of sickness, absence, or other disability of the claimant or if, in the judgment of the director of revenue, good cause exists and the claimant requests an extension, the director may extend the time for filing a claim for credit or reimbursement. However, any further time granted shall not extend beyond December 31 of the year in which the claim was required to be filed. Claims filed as a result of this paragraph shall be filed with the director who shall provide for the reimbursement of the claim to the claimant.

*d.* The director of revenue shall certify the amount due to each county, which amount shall be the dollar amount which will not be collected due to the granting of the reduced tax rate under subsection 1, paragraph *"b"*.

*e.* The amounts due each county shall be paid by the department of revenue on December 15 of each year, drawn upon warrants payable to the respective county treasurers. The county treasurer in each county shall apportion the payment in accordance with section 435.25.

*f.* There is appropriated annually from the general fund of the state to the department of revenue an amount sufficient to carry out this subsection.

[C66, §135D.22; C71, 73, 75, §135D.22, 135D.28; C77, 79, 81, §135D.22; 82 Acts, ch 1251, §1]

83 Acts, ch 172, §2; 83 Acts, ch 189, §1, 2, 4, 6; 86 Acts, ch 1244, §26; 87 Acts, ch 198, §1; 87 Acts, ch 210, §1; 88 Acts, ch 1139, §1; 89 Acts, ch 190, §1; 90 Acts, ch 1250, §1; 91 Acts, ch 267, §513; 92 Acts, 2nd Ex, ch 1001, §215, 216, 225

C93, §435.22
94 Acts, ch 1110, §7 – 9, 24; 94 Acts, ch 1165, §30, 50; 96 Acts, ch 1167, §7, 8; 98 Acts, ch 1107, §19, 33; 98 Acts, ch 1177, §15, 16; 99 Acts, ch 152, §19, 20, 40; 2001 Acts, ch 153, §15, 16; 2001 Acts, ch 176, §80; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §90
Referred to in §331.429, 331.559, 335.30A, 414.28A, 435.2, 435.26A, 435.27, 435.33

**435.23 Exemptions — prorating tax.**

1. The manufacturer's and retailer's inventory of mobile homes, manufactured homes, or modular homes not in use as a place of human habitation shall be exempt from the annual tax. All travel trailers shall be exempt from this tax. The homes and travel trailers in the inventory of manufacturers and retailers shall be exempt from personal property tax.

2. The homes coming into Iowa from out of state and located in a manufactured home community or mobile home park shall be liable for the tax computed pro rata to the nearest whole month, for the time the home is actually situated in Iowa.

[C66, 71, 73, 75, 77, 79, 81, §135D.23]
87 Acts, ch 210, §2
C93, §435.23
94 Acts, ch 1110, §10, 24; 2001 Acts, ch 153, §16; 2010 Acts, ch 1108, §11, 15; 2011 Acts, ch 25, §46
Referred to in §331.559
See §435.2

**435.24 Collection of tax.**

1. The annual tax is due and payable to the county treasurer on or after July 1 in each fiscal year and is collectible in the same manner and at the same time as ordinary taxes as provided in sections 445.36, 445.37, and 445.39. Interest at the rate prescribed by law shall accrue on unpaid taxes. Both installments of taxes may be paid at one time. The September installment represents a tax period beginning July 1 and ending December 31. The March installment represents a tax period beginning January 1 and ending June 30. A mobile home, manufactured home, or modular home coming into this state from outside the state, put in use from a retailer's inventory, or put in use at any time after July 1 or January 1, and located in a manufactured home community or mobile home park, is subject to the taxes prorated for the remaining unexpired months of the tax period, but the purchaser is not required to pay the tax at the time of purchase. Interest attaches the following April 1 for taxes prorated on or after October 1. Interest attaches the following October 1 for taxes prorated on or after April 1. If the taxes are not paid, the county treasurer shall send a statement of delinquent taxes as part of the notice of tax sale as provided in section 446.9. The owner of a home who sells the home between July 1 and December 31 and obtains a tax clearance statement is responsible only for the September tax payment and is not required to pay taxes for subsequent tax periods. If the owner of a home located in a manufactured home community or mobile home park sells the home, obtains a tax clearance statement, and obtains a replacement home to be located in a manufactured home community or mobile home park, the owner shall not pay taxes under this chapter for the newly acquired home for the same tax period that the owner has paid taxes on the home sold. Interest for delinquent taxes shall be calculated to the nearest whole dollar. In calculating interest each fraction of a month shall be counted as an entire month.

2. The home owners upon issuance of a certificate of title or upon transporting to a new site shall file the address, township, and school district, of the location where the home is parked with the county treasurer's office. Failure to comply is punishable as set out in section 435.18. When the new location is outside of a manufactured home community or mobile home park, the county treasurer shall provide to the assessor a copy of the tax clearance statement for purposes of assessment as real estate on the following January 1.

3. Each manufactured home community or mobile home park owner shall notify monthly the county treasurer concerning any home arriving in or departing from the manufactured home community or park without a tax clearance statement. The records of the owner shall be open to inspection by a duly authorized representative of any law enforcement agency. The manufactured home community or mobile home park owner or manager shall make an annual report to the county treasurer due June 1 of the homes sited in the manufactured

home community or mobile home park, listing the owner and mailing address of each home located in the manufactured home community or mobile home park. The report is delinquent if not filed with the county treasurer by June 30. In addition to the annual report, the owner or manager shall also report any changes of homes or owners in a report due December 1, which is delinquent if not filed by December 31. However, if no changes have occurred since the June annual report, the December report is not required to be filed.

4. The tax is a lien on the vehicle senior to any other lien upon it except a judgment obtained in an action to dispose of an abandoned home under section 555B.8. The home bearing a current registration issued by any other state and remaining within this state for an accumulated period not to exceed ninety days in any twelve-month period is not subject to Iowa tax. However, when one or more persons occupying a home bearing a foreign registration are employed in this state, there is no exemption from the Iowa tax. This tax is in lieu of all other taxes general or local on a home.

5. Before a home may be moved from its present site by any person, a tax clearance statement in the name of the owner must be obtained from the county treasurer of the county where the present site is located certifying that taxes are not owing under this section for previous years and that the taxes have been paid for the current tax period. When a person moves a home from real property to a retailer's stock or to a manufactured home community or mobile home park, as defined in section 435.1, a tax clearance statement shall be applied for, and issued, from the county treasurer of the county where the present site is located. When the home is moved to another county in this state, the county treasurer shall forward a copy of the tax clearance statement to the county treasurer of the county in which the home is being relocated. However, a tax clearance statement is not required for a home in a manufacturer's or retailer's stock which has not been used as a place for human habitation. A tax clearance form is not required to move an abandoned home. A tax clearance form is not required in eviction cases provided the manufactured home community or mobile home park owner or manager advises the county treasurer that the tenant is being evicted. If a retailer acquires a home from a person other than a manufacturer, the person shall provide a tax clearance statement in the name of the owner of record to the retailer. The tax clearance statement shall be provided by the county treasurer in a method prescribed by the department of transportation.

6. *a.* As an alternative to the semiannual or annual payment of taxes, the county treasurer may accept partial payments of current year home taxes. The treasurer shall transfer amounts from each taxpayer's account to be applied to each semiannual tax installment prior to the delinquency dates specified in section 445.37 and the amounts collected shall be apportioned by the tenth of the month following transfer. If, prior to the due date of each semiannual installment, the account balance is insufficient to fully satisfy the installment, the treasurer shall transfer and apply the entire account balance, leaving an unpaid balance of the installment. Interest shall attach on the unpaid balance in accordance with section 445.39. Unless funds sufficient to fully satisfy the delinquency are received, the treasurer shall collect the unpaid balance as provided in sections 445.3 and 445.4 and chapter 446. Any remaining balance in a taxpayer's account in excess of the amount needed to fully satisfy an installment shall remain in the account to be applied toward the next semiannual installment. Any interest income derived from the account shall be deposited in the county's general fund to cover administrative costs. The treasurer shall send a notice with the tax statement or by separate mail to each taxpayer stating that, upon request to the treasurer, the taxpayer may make partial payments of current year home taxes.

*b.* Partial payment of taxes which are delinquent may be made to the county treasurer. For the installment being paid, payment shall first be applied toward any interest, fees, and costs accrued and the remainder applied to the tax due. A partial payment must equal or exceed the interest, fees, and costs of the installment being paid. A partial payment made under this paragraph shall be apportioned in accordance with section 445.57, however, such partial payment may, at the discretion of the county treasurer, be apportioned either on or before the tenth day of the month following the receipt of the partial payment or on or before the tenth day of the month following the due date of the next semiannual tax installment. If the payment does not include the whole of any installment of the delinquent tax, the unpaid

tax shall continue to accrue interest pursuant to section 445.39. Partial payment shall not be permitted in lieu of redemption if the property has been sold for taxes under chapter 446 and under any circumstances shall not constitute an extension of the time period for a sale under chapter 446.

7. Current year taxes may be paid at any time regardless of any outstanding prior year delinquent taxes.

[C66, 71, 73, 75, 77, 79, 81, §135D.24; 82 Acts, ch 1251, §2]

83 Acts, ch 5, §1, 2, 4, 5; 85 Acts, ch 70, §1; 86 Acts, ch 1139, §1; 86 Acts, ch 1245, §1115; 87 Acts, ch 210, §3 – 5; 88 Acts, ch 1138, §11, 18; 90 Acts, ch 1080, §2; 91 Acts, ch 191, §2, 3; 92 Acts, ch 1016, §1

C93, §435.24

94 Acts, ch 1110, §11, 12, 24; 99 Acts, ch 83, §7; 2000 Acts, ch 1085, §5; 2001 Acts, ch 153, §16; 2005 Acts, ch 34, §11, 26; 2010 Acts, ch 1108, §12, 15; 2012 Acts, ch 1138, §103

Referred to in §331.559, 331.653, 435.25, 435.27, 435.29, 445.5, 445.57

See §435.2

**435.25 Apportionment and collection of taxes.**

The tax and interest for delinquent taxes collected under section 435.24 shall be apportioned in the same manner as though they were the proceeds of taxes levied on real property at the same location as the home.

Chapters 446, 447, and 448 apply to the sale of a home for the collection of delinquent taxes and interest, the redemption of a home sold for the collection of delinquent taxes and interest, and the execution of a tax sale certificate of title for the purchase of a home sold for the collection of delinquent taxes and interest in the same manner as though a home were real property within the meaning of these chapters to the extent consistent with this chapter. The certificate of title shall be issued by the county treasurer. The treasurer shall charge ten dollars for each certificate of title, except that the treasurer shall issue a tax sale certificate of title to the county at no charge.

When a home is removed from the county where delinquent taxes, regular or special, are owing, or when it is administratively impractical to pursue tax collection through the remedies of this section, all taxes, regular and special, interest, and costs shall be abated by resolution of the county board of supervisors. The resolution shall direct the treasurer to strike from the tax books the reference to that home.

[C66, 71, 73, 75, 77, 79, 81, §135D.25; 82 Acts, ch 1251, §3]

87 Acts, ch 210, §6, 7; 88 Acts, ch 1134, §26; 92 Acts, ch 1016, §2

C93, §435.25

94 Acts, ch 1110, §13, 24

Referred to in §331.559, 435.22

Apportionment of property taxes, see §445.38

**435.26 Conversion to real property.**

1. *a.* A mobile home or manufactured home which is located outside a manufactured home community or mobile home park shall be converted to real estate by being placed on a permanent foundation and shall be assessed for real estate taxes. A home, after conversion to real estate, is eligible for the homestead tax credit and the military service tax exemption as provided in sections 425.2 and 426A.11. A taxable mobile home or manufactured home which is located outside of a manufactured home community or mobile home park as of January 1, 1995, is also exempt from the permanent foundation requirements of this chapter until the home is relocated.

*b.* If a security interest is noted on the certificate of title, the home owner shall tender to the secured party a mortgage on the real estate upon which the home is to be located in the unpaid amount of the secured debt, and with the same priority as or a higher priority than the secured party's security interest, or shall obtain the written consent of the secured party to the conversion, in which latter case the lien notation on the certificate of title shall suffice to preserve the lienholder's security in the home separate from any interest in the land.

2. After complying with subsection 1, the owner shall notify the assessor who shall inspect the new premises for compliance. If a security interest is noted on the certificate of title,

the assessor shall require an affidavit, as defined in section 622.85, from the home owner, declaring that the owner has complied with subsection 1, paragraph "*b*", and setting forth the method of compliance.

*a.* If compliance with subsection 1, paragraph "*b*", has been accomplished by the secured party accepting the tender of a mortgage, the assessor shall collect the home vehicle title and enter the property upon the tax rolls.

*b.* If compliance with subsection 1, paragraph "*b*", has been accomplished by the secured party consenting to the conversion without accepting a mortgage, the secured party shall retain the home vehicle title and the assessor shall note the conversion on the assessor's records and enter the property upon the tax rolls. So long as a security interest is noted on the certificate of title, the title to the home will not be merged with title to the land, and the sale or foreclosure of an interest in the land shall not affect title to the home or any security interest in the home.

3. When the property is entered on the tax rolls, the assessor shall also enter on the tax rolls the title number last assigned to the mobile home or manufactured home and the manufacturer's identification number.

[C66, 71, 73, 75, 77, 79, 81, §135D.26]

83 Acts, ch 64, §1; 85 Acts, ch 98, §2; 89 Acts, ch 260, §1; 91 Acts, ch 191, §4, 5

C93, §435.26

94 Acts, ch 1110, §14, 24; 98 Acts, ch 1107, §20, 21, 33; 99 Acts, ch 114, §26; 2001 Acts, ch 153, §16; 2003 Acts, ch 108, §74; 2009 Acts, ch 133, §147

Referred to in §331.559, 435.27

**435.26A Surrender of title.**

1. A person who owns a manufactured home that is located in a manufactured home community and is installed on a permanent foundation may surrender the manufactured home's certificate of title to the county treasurer for the purpose of assuring eligibility for funds available from mortgage lending programs sponsored by the federal national mortgage association, the federal home loan mortgage corporation, the United States department of agriculture, or any other federal governmental agency or instrumentality that has similar requirements for mortgage lending programs.

2. *a.* Upon receipt of a certificate of title from a manufactured home owner, a county treasurer shall notify the state department of transportation that the certificate of title has been surrendered, remove the registration of title from the county treasurer's records, and destroy the certificate of title.

*b.* The manufactured home owner or the owner's representative shall provide to the county recorder the identifying data of the manufactured home, including the owner's name, the name of the manufacturer, the model name, the year of manufacture, and the serial number of the home, along with the legal description of the real estate on which the manufactured home is located. In addition, evidence shall be provided of the surrender of the certificate of title. After the surrender of the certificate of title of a manufactured home under this section, conveyance of an interest in the manufactured home shall not require transfer of title so long as the manufactured home remains on the same real estate site.

3. After the surrender of a manufactured home's certificate of title under this section, the manufactured home shall continue to be taxed under section 435.22 and is not eligible for the homestead tax credit or the military service tax exemption. A foreclosure action on a manufactured home whose title has been surrendered under this section shall be conducted as a real estate foreclosure. A tax lien and its priority shall remain the same on a manufactured home after its certificate of title has been surrendered.

4. The certificate of title of a manufactured home shall not be surrendered under this section if an unreleased security interest is noted on the certificate of title.

5. An owner of a manufactured home who has surrendered a certificate of title under this section and requires another certificate of title for the manufactured home is required to apply for a certificate of title under chapter 321. If supporting documents for the reissuance of a

title are not available or sufficient, the procedure for the reissuance of a title specified in the rules of the state department of transportation shall be used.

2003 Acts, ch 24, §7, 10; 2003 Acts, ch 179, §128, 159; 2003 Acts, 1st Ex, ch 2, §26, 209; 2011 Acts, ch 25, §143

**435.26B Affidavit in lieu of surrender of certificate of title — manufactured and mobile homes.**

1. If there is no record that a certificate of title has been issued or surrendered for a manufactured home or mobile home that is located outside a manufactured home community or mobile home park, that has been converted to real estate by being placed on a permanent foundation, and that is entered on the tax rolls, the owner may effectuate a surrender of the certificate of title by recording with the county recorder an affidavit that includes all of the following:

*a.* The full legal name, Iowa driver's license number or Iowa nonoperator's identification card number, bona fide residence, and mailing address of the owner, and any other identification information required by the state department of transportation. If the owner is a firm, association, or corporation, the affidavit shall contain the bona fide business address and federal employer identification number of the owner.

*b.* A description of the manufactured or mobile home including, insofar as the specified data may exist with respect to a manufactured or mobile home, the manufacturer, model, year of manufacture, and identification number or other assigned number.

*c.* A statement of the affiant's title or ownership interest and a statement of all liens, encumbrances, or security interests upon the manufactured or mobile home, including the names and mailing addresses of all persons having any such liens, encumbrances, or security interests.

*d.* A statement of any facts or information known to the affiant that could affect the validity of title or the existence or validity of any lien, encumbrance, or security interest on the manufactured or mobile home.

*e.* The name and address of the person from whom the owner purchased or acquired the manufactured or mobile home, including information related to the location and date of purchase or acquisition.

*f.* The affidavit shall also include an attached written opinion by an attorney licensed to practice law in this state who has examined the abstract of title of the land upon which the manufactured or mobile home is situated. The opinion shall state the names of the owners and holders of mortgages, liens, or other encumbrances on the land upon which the manufactured or mobile home is situated and shall note the encumbrances, along with any bonds securing the encumbrances. Utility easements shall not be construed to be encumbrances for the purpose of this section.

*g.* A statement that the manufactured or mobile home is located outside a manufactured home community or mobile home park, has been converted to real estate by being placed on a permanent foundation, and has been entered on the tax rolls. This statement shall be endorsed by the city or county assessor, as applicable, and include the legal description of the real property upon which the manufactured or mobile home is situated.

*h.* A statement that the owner has made a diligent search and inquiry but has been unable to locate and produce a manufacturer's certificate of origin or a certificate of title for the manufactured or mobile home and that the owner has no knowledge that a certificate of title has previously been issued or surrendered for the manufactured or mobile home.

*i.* (1) An endorsement by the state department of transportation that the department has searched its records and has no record of a certificate of title or a surrender of a certificate of title for the manufactured or mobile home and that the department has no record of any ownership interest contrary to the ownership interest asserted by the affiant. The endorsement shall also specify that the state department of transportation is unable to identify any lien, encumbrance, or security interest contrary to those specified by the affiant.

(2) The state department of transportation shall not conduct any search of records or provide any endorsement until the affidavit has been completed, executed, and endorsed pursuant to paragraphs "*a*" through "*h*" and the affiant has paid a fee not to exceed two

hundred dollars. The state department of transportation shall set the amount of the fee by rule.

(3) Following endorsement of the affidavit, the state department of transportation shall return the affidavit to the owner for recording.

(4) If the state department of transportation has endorsed an affidavit, the department shall not issue a certificate of title for the manufactured or mobile home unless the manufactured or mobile home is reconverted under section 435.27.

2. Recording the affidavit with all necessary endorsements and attachments shall establish the surrender of the certificate of title.

3. After the surrender of the certificate of title under this section, a conveyance of an interest in the manufactured or mobile home shall not require a transfer of title if the manufactured or mobile home remains located on the same real property that is identified in the affidavit under subsection 2.

4. A foreclosure action on a manufactured or mobile home for which the certificate of title was surrendered under this section shall be conducted as a real estate foreclosure.

5. A tax lien and its priority shall not be modified as a result of a surrender of title under this section.

6. The state department of transportation shall adopt rules under chapter 17A to implement this section. The rules adopted by the state department of transportation shall include a standardized form for an affidavit required under this section.

2010 Acts, ch 1108, §13, 15; 2010 Acts, ch 1193, §53, 80

**435.27 Reconversion.**

1. A mobile home or manufactured home converted to real estate under section 435.26 may be reconverted to a home as provided in this section when it is moved to a manufactured home community or mobile home park or a manufactured or mobile home retailer's inventory. When the home is located within a manufactured home community or mobile home park, the home shall be taxed pursuant to section 435.22, subsection 1, paragraph "*a*".

2. *a.* If the vehicular frame of the home can be modified to return it to the status of a mobile home or manufactured home, the owner or a secured party holding a mortgage or certificate of title pursuant to section 435.26 who has obtained possession of the home may apply to the county treasurer as provided in section 321.20 for a certificate of title for the home. If a mortgage exists on the real estate, a security interest in the home shall be given to a secured party not applying for reconversion and noted on the certificate of title with the same priority or a higher priority than the secured party's mortgage interest. A reconversion shall not occur without the written consent of every secured party holding a mortgage or certificate of title.

*b.* If the secured party has elected to retain the home vehicle title pursuant to section 435.26, subsection 2, paragraph "*b*", an owner applying for reconversion shall present to the county treasurer written consent to the reconversion from all secured parties and an affirmation from the secured party holding the title that the title is in its possession and is intact. Upon receipt of the affirmation, the county treasurer shall notify the assessor of the reconversion, which notification constitutes compliance by the owner with subsection 3.

3. After compliance with subsection 2 and receipt of the title, the owner shall notify the assessor of the reconversion. The assessor shall remove the assessed valuation of the home from assessment rolls as of the succeeding January 1 when the home becomes subject to taxation as provided under section 435.24.

85 Acts, ch 98, §1

CS85, §135D.27

89 Acts, ch 260, §2

C93, §435.27

94 Acts, ch 1110, §15, 24; 98 Acts, ch 1107, §22, 33; 2001 Acts, ch 153, §16, 18; 2002 Acts, ch 1119, §57; 2011 Acts, ch 25, §135, 143

Referred to in §435.26B

**435.28 County treasurer to notify assessor.**
Upon issuance of a certificate of title to a mobile home or manufactured home which is not located in a manufactured home community or mobile home park or retailer's inventory, the county treasurer shall notify the assessor of the existence of the home for tax assessment purposes.
94 Acts, ch 1110, §16, 24; 2001 Acts, ch 153, §16; 2010 Acts, ch 1108, §14, 15

**435.29 Civil penalty.**
The person who moves the mobile home or manufactured home without having obtained a tax clearance statement as provided in section 435.24 shall pay a civil penalty of one hundred dollars. The penalty money shall be credited to the general fund of the county.
85 Acts, ch 70, §2
CS85, §135D.29
C93, §435.29
94 Acts, ch 1110, §17, 24; 98 Acts, ch 1107, §23, 33

**435.30 through 435.32** Reserved.

**435.33 Rent reimbursement.**
A home owner who qualifies for a reduced tax rate provided in section 435.22 and who rents a space upon which to set the home shall be entitled to the protections provided in sections 425.33 to 425.36 and if the home owner who qualifies for a reduced tax rate believes that a landlord has increased the home owner's rent because the home owner is eligible for a reduced tax rate, the provisions of sections 425.33 and 425.36 shall be applicable.
[C77, 79, 81, §135D.33]
C93, §435.33
94 Acts, ch 1110, §18, 24

**435.34 Modular home exemption.** Repealed by 2009 Acts, ch 133, § 191. See § 435.2(3).

**435.35 Existing home outside of manufactured home community or mobile home park — exemption.** Repealed by 2009 Acts, ch 133, § 191. See § 435.26(1).

# CHAPTER 436

## EXPRESS COMPANIES TAX

Repealed by 2002 Acts, ch 1150, §23

# CHAPTER 437

## ELECTRIC TRANSMISSION LINES TAX

Referred to in §331.401, 427A.1, 427B.17, 429.1, 437A.7, 437A.16, 441.21, 441.47, 441.73

See chapter 437A for taxes on certain electricity and natural gas providers


437.1 Definitions.
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**437.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. *"Company"* means an electric cooperative referred to in section 437A.7, subsection 3, paragraph *"c"*.

3. *"Electric cooperative"* means an electric utility provider formed or organized as an electric cooperative under the laws of this state or elsewhere.

4. *"Transmission lines"* means electric lines and associated facilities operating at thirty-four thousand five hundred volts or higher voltage, and substations, transformers, and associated facilities operated at thirty-four thousand five hundred or more volts on the low voltage side.

[SS15, §1346-r; C24, 27, 31, 35, 39, §**7089;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.1]

95 Acts, ch 83, §25; 98 Acts, ch 1194, §32, 40; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201

Referred to in §420.207

**437.2 Statement required.**

Every company owning or operating a transmission line or lines for the conduct of electric energy and which line or lines are located within the state, and which said line or lines are also located wholly or partly outside cities, shall, on or before the first day of May in each year, furnish to the director of revenue a verified statement as to its entire line or lines within this state, when all of said line or lines are located outside cities, and as to such portion of its line or lines within this state as are located outside cities, when such line or lines are located partly outside and partly inside cities, showing:

1. The total number of miles of line owned, operated, or leased, located outside cities within this state, with a separate showing of the number of miles leased.

2. The location and length of each division within the state and the character of poles, towers, wires, substation equipment, and other construction of each such division, designating the length and portion thereof in each separate county into which each such division extends.

[SS15, §1346-k; C24, 27, 31, 35, 39, §**7090;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.2]

2003 Acts, ch 145, §286

Referred to in §437.5, 437.6, 437.11, 437.13, 437.15

**437.3 Verification.**

The verification of any statement required by law shall be made by some member, officer, or agent of the company having knowledge of the facts.

[SS15, §1346-r; C24, 27, 31, 35, 39, §**7091;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.3]

98 Acts, ch 1194, §33, 40

Referred to in §420.207

**437.4 Additional statement.**

Upon receipt of the statements from the companies, the director of revenue shall examine the statements, and if the director deems them insufficient, and that further information is required, the director shall require the company making the statements to make other or further statement as the director deems necessary, notifying the company by mail.

[SS15, §1346-l; C24, 27, 31, 35, 39, §**7092;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.4]

86 Acts, ch 1241, §39; 2003 Acts, ch 145, §286

Referred to in §437.5

**437.5 Failure to furnish.**

In case of the total failure or refusal to make any statement required by sections 437.2 and 437.4 to be made by May 1 in any year, or of failure or refusal to make other or further statement within thirty days from the time the notice is received by the company that the additional statement is required by the director of revenue, the company shall forfeit and pay to the state, one hundred dollars for each day the total failure or refusal to make any report is continued beyond the first day of May of the year in which it is required, or in case of any other or further report required by the director for each day it is delayed beyond thirty days from the receipt of the notice by the company that the additional report is required. The forfeiture shall be sued for and recovered in any proper form of action in the name of the state and on relation of the director of revenue of the state, and the penalty, when collected, shall be paid into the general fund of the state.

[SS15, §1346-l; C24, 27, 31, 35, 39, §**7093;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.5]

86 Acts, ch 1241, §40; 2003 Acts, ch 145, §286

**437.6 Actual value.**

On or before October 31 each year, the director of revenue shall proceed to find the actual value of that part of such transmission line or lines referred to in section 437.2, owned or operated by any company, that is located within this state but outside cities, including the whole of such line or lines when all of such line or lines owned or operated by said company is located wholly outside of cities, taking into consideration the information obtained from the statements required by this chapter, and any further information obtainable, using the same as a means of determining the actual cash value of such transmission line or lines or part thereof, within this state, located outside of cities. The director shall then ascertain the value per mile of such transmission line or lines owned or operated by each company specified in section 437.2, by dividing the total value as above ascertained by the number of miles of line of such company within the state located outside of cities, and the result shall be deemed and held to be the actual value per mile of said transmission line or lines of each of said companies within the state located outside of cities.

[SS15, §1346-m; C24, 27, 31, 35, 39, §**7094;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.6]

2003 Acts, ch 145, §286; 2009 Acts, ch 60, §13

Referred to in §437.11

**437.7 Taxable value.**

The taxable value of such line or lines of which the director of revenue by this chapter is required to find the value, shall be determined by taking the percentage of the actual value so ascertained, as provided by section 441.21, and the ratio between the actual value and the

assessed or taxable value of the transmission line or lines of each of said companies located outside of cities shall be the same as in the case of the property of private individuals.

[SS15, §1346-m; C24, 27, 31, 35, 39, §**7095;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.7]

2003 Acts, ch 145, §286

Referred to in §437.11

**437.8 Hearing.**

At the time of determination of value by the director of revenue, any company interested shall have the right to appear by its officers, agents, and attorneys before the director, and be heard on the question of the value of its property for taxation.

[SS15, §1346-m; C24, 27, 31, 35, 39, §**7096;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.8]

2003 Acts, ch 145, §286

Referred to in §437.11

**437.9 County assessment — certification.**

The director of revenue shall, for the purpose of determining what amount shall be assessed to any one of said companies in each county of the state into which the line or lines of the company extend, multiply the assessed or taxable value per mile of line of said company, as ascertained according to the provisions of this chapter, by the number of miles of line in each of said counties, and the result thereof shall be by the director certified to the several county auditors of the respective counties into, over, or through which said line or lines extend.

[SS15, §1346-n; C24, 27, 31, 35, 39, §**7097;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.9]

2003 Acts, ch 145, §286

Referred to in §437.11

**437.10 Entry of certificate.**

At the first meeting of the board of supervisors held after said statements are received by the county auditor, the board shall cause such statement to be entered in its minute book and make and enter in the minute book an order stating the length of the lines and the assessed value of the property of each of the companies situated in each township or lesser taxing district in each county outside cities, as fixed by the director of revenue, which shall constitute the taxable value of the property for taxing purposes. The county auditor shall transmit a copy of the order to the trustees of each township and to the proper taxing boards in lesser taxing districts into which the line or lines of the company extend in the county. The taxes on the property when collected by the county treasurer shall be disposed of as other taxes on real estate.

[SS15, §1346-o; C24, 27, 31, 35, 39, §**7098;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.10]

2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §56

Referred to in §331.512

**437.11 Rate — purposes.**

Such portions of the transmission line or lines within the state referred to in section 437.2, as are located outside cities, shall be taxable upon said assessment provided for by sections 437.6 to 437.9 at the same rate, by the same officers and for the same purposes as property of individuals within such counties, townships or lesser taxing districts, outside cities, and the county treasurer shall collect said taxes at the same time and in the same manner as other taxes, and the same penalties shall be due and collectible as for the nonpayment of individual taxes.

[SS15, §1346-p; C24, 27, 31, 35, 39, §**7099;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.11]

**437.12 Assessment exclusive.**

Every transmission line or part of a transmission line, of which the director of revenue is required by this chapter to find the value, shall be exempt from other assessment or taxation either under sections 428.24 to 428.26, or under any other law of this state except as provided in this chapter.

[SS15, §1346-q; C24, 27, 31, 35, 39, §**7100;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.12]

95 Acts, ch 83, §26; 2003 Acts, ch 145, §286

**437.13 Local assessment.**

All lands, buildings, machinery, poles, towers, wires, station and substation equipment, and other construction owned or operated by any company referred to in section 437.2, and where this property is located within any city within this state, shall be listed and assessed for taxation in the same manner as provided in sections 428.24, 428.25, and 428.29, for the listing and assessment of that part of the lands, buildings, machinery, tracks, poles, and wires within the limits of any city belonging to individuals or corporations furnishing electric light or power, and where this property, except the capital stock, is situated partly within and partly without the limits of a city. All personal property of every company owning or operating any transmission line referred to in section 437.2, used or purchased by it for the purpose of the transmission line, shall be listed and assessed in the assessment district where usually kept and housed and under sections 428.26 and 428.29.

[SS15, §1346-q; C24, 27, 31, 35, 39, §**7101;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.13]

95 Acts, ch 83, §27

**437.14** Repealed by 98 Acts, ch 1194, § 39, 40. See chapter 437A.

**437.15 Reassessment — procedure and requirements.**

Sections 433.14, 433.15, 439.1, and 439.2 shall apply to the property of transmission lines which are referred to in section 437.2.

[SS15, §1346-t; C24, 27, 31, 35, 39, §**7103;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §437.15]

# CHAPTER 437A

## TAXES ON ELECTRICITY AND NATURAL GAS PROVIDERS

Referred to in §257.3, 427.1(2, 35a, 36a, 37a), 427A.1, 427B.17, 428.28, 441.47, 441.73, 476.6, 476B.2, 476B.6, 476B.7, 476B.8, 476C.4, 476C.6

Legislative findings; 98 Acts, ch 1194, §1

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## SUBCHAPTER I

## INTRODUCTORY PROVISIONS

**437A.1 Classification of chapter.**

The provisions of this chapter are classified and designated as follows:

| | |
|---|---|
| Subchapter I | Introductory Provisions. |
| Subchapter II | Generation, Transmission, and Delivery Taxes. |
| Subchapter III | Statewide Property Tax. |
| Subchapter IV | General Provisions. |

98 Acts, ch 1194, §2, 40

**437A.2 Purposes.**

The purposes of this chapter are to replace property taxes imposed on electric companies, natural gas companies, electric cooperatives, and municipal utilities with a system of taxation which will remove tax costs as a factor in a competitive environment by imposing like generation, transmission, and delivery taxes on similarly situated competitors who generate, transmit, or deliver electricity or natural gas in the same competitive service area, to preserve revenue neutrality and debt capacity for local governments and taxpayers, to preserve neutrality in the allocation and cost impact of any replacement tax among and upon consumers of electricity and natural gas in this state, and to provide a system of taxation which reduces existing administrative burdens on state government.

98 Acts, ch 1194, §3, 40

**437A.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *a.* *"Assessed value"* means the base year assessed value, as adjusted by section 437A.19, subsection 2.

(1) *"Base year assessed value"*, for a taxpayer other than an electric company, natural gas company, or electric cooperative, means the value attributable to property identified in section 427A.1, subsection 1, paragraph *"h"*, certified by the department of revenue to the county auditors for the assessment date of January 1, 1997, and the value attributable to property identified in section 427A.1 and section 427B.17, subsection 8, as certified by the local assessors to the county auditors for the assessment date of January 1, 1997, provided, that for a taxpayer subject to section 437A.17A, such value shall be the value certified by the department of revenue and local assessors to the county auditors for the assessment date of January 1, 1998.

(2) However, *"base year assessed value"*, for purposes of property of a taxpayer that is a municipal utility, if the property is not a major addition, and the property was initially assessed

to the taxpayer as of January 1, 1998, and is not located in a county where the taxpayer had property that was assessed for purposes of this chapter as of January 1, 1997, means the value attributable to such property for the assessment date of January 1, 1998.

(3) For taxpayers that are electric companies, natural gas companies, and electric cooperatives, *"base year assessed value"* means the average of the total of these values for each taxpayer for the assessment dates of January 1, 1993, through January 1, 1997, allocated among taxing districts in proportion to the allocation of the taxpayer's January 1, 1998, assessed value among taxing districts.

(4) *"Base year assessed value"* does not include value attributable to steam-operating property.

*b.* For new cogeneration facilities, the assessed value shall be determined as provided in section 437A.16A.

2. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

3. *"Centrally assessed property tax"* means property tax imposed with respect to the value of property determined by the director pursuant to section 427.1, subsection 2, Code 1997, section 428.29, Code 1997, and chapters 437 and 438, Code 1997, and allocated to electric service and natural gas service. For purposes of this subsection, *"natural gas service"* means such service provided by natural gas pipelines permitted pursuant to chapter 479.

4. *a.* *"Cogeneration facility"* means a facility with a capacity of two hundred megawatts or less that uses the same energy source for the sequential generation of electrical or mechanical power in combination with steam, heat, or other forms of useful energy and, except for ownership, meets the criteria to be a qualifying cogeneration facility as defined in the federal Public Utility Regulatory Policies Act of 1978, 16 U.S.C. § 2601 et seq., and related federal regulations.

*b.* *"New cogeneration facility"* means any of the following:

(1) A cogeneration facility, regardless of capacity, which is first placed into service on or after January 1, 2009, that uses the same energy source for the sequential generation of electrical or mechanical power in combination with steam, heat, or other forms of useful energy and meets the criteria to be a qualifying cogeneration facility as defined in the federal Public Utility Regulatory Policies Act of 1978, 16 U.S.C. § 2601 et seq., and related federal regulations.

(2) A cogeneration facility in service prior to January 1, 2009, that became subject to the replacement generation tax under section 437A.6 for the first time on or after January 1, 2009.

5. *"Consumer"* means an end user of electricity or natural gas used or consumed within this state. *"Consumer"* includes any master-metered facility even though the electricity or natural gas delivered to such facility may ultimately be used by another person. A person to whom electricity or natural gas is delivered by a master-metered facility is not a consumer. A *"master-metered facility"* means any multi-occupancy premises where units are separately rented or owned and where electricity or natural gas is used in centralized heating, cooling, water-heating, or ventilation systems, where individual metering is impractical, where the facility is designated for elderly or handicapped persons and utility costs constitute part of the operating cost and are not apportioned to individual units, or where submetering or resale of service was permitted prior to 1966.

6. *"Delivery"* means the physical transfer of electricity or natural gas to a consumer. Physical transfer to a consumer occurs when transportation of electricity or natural gas ends and such electricity or natural gas becomes available for use or consumption by a consumer.

7. *"Director"* means the director of revenue.

8. *"Electric company"* means a person engaged primarily in the production, delivery, service, or sales of electric energy whether formed or organized under the laws of this state or elsewhere. *"Electric company"* includes a combination natural gas company and electric company. *"Electric company"* does not include an electric cooperative or a municipal utility.

9. *"Electric competitive service area"* means an electric service area assigned by the utilities board under chapter 476 as of January 1, 1999, including utility property and facilities described in section 476.23, subsection 3, which were owned and served by the

electric company, electric cooperative, or municipal utility serving such area on January 1, 1999.

10. *"Electric cooperative"* means an electric utility provider formed or organized as an electric cooperative under the laws of this state or elsewhere. An electric cooperative shall also include an incorporated city utility provider. *"Generation and transmission electric cooperative"* means an electric cooperative which owns both transmission lines and property which is used to generate electricity. *"Distribution electric cooperative"* means an electric cooperative other than a generation and transmission electric cooperative or a municipal electric cooperative association.

11. *a. "Electric power generating plant"* means a nameplate rated electric power generating plant, which produces electric energy from other forms of energy, including all taxable land, buildings, and equipment used in the production of such electric energy.

*b. "New electric power generating plant"* means any of the following:

(1) An electric power generating plant that is owned by or leased to an electric company, electric cooperative, municipal utility, or any other taxpayer, and that initially generates electricity subject to replacement generation tax under section 437A.6 on or after January 1, 2003.

(2) An electric power generating plant that is owned by or leased to an electric company, electric cooperative, municipal utility, or any other taxpayer, that initially generated electricity subject to replacement generation tax under section 437A.6 before January 1, 2003, and that is sold, leased, or transferred, in full or in part, on or after January 1, 2003. If any portion of an electric power generating plant is sold, the entire plant shall be treated as if it were a new electric power generating plant.

12. *"Incorporated city utility provider"* means a corporation with assets worth one million dollars or more which has one or more platted villages located within the territorial limits of the tract of land which it owns, and which provides electricity to ten thousand or fewer customers.

13. *"Lease"* means a contract between a lessor and lessee pursuant to which the lessee obtains a present possessory interest in tangible property without obtaining legal title in such property. A contract to transmit or deliver electricity or natural gas using operating property within this state is not a lease. *"Capital lease"* means a lease classified as a capital lease under generally accepted accounting principles.

14. *a. "Local amount"* means the first forty-four million four hundred forty-four thousand four hundred forty-five dollars of the acquisition cost of any major addition which is an electric power generating plant and the total acquisition cost of any other major addition.

*b. "Local amount"* for the purposes of determining the local taxable value for a new electric power generating plant shall annually be determined to be equal up to the first forty-four million four hundred forty-four thousand four hundred forty-five dollars of the taxable value of the new electric power generating plant. *"Local amount"* for the purposes of determining the local assessed value for a new electric power generating plant shall be annually determined to be the percentage share of the taxable value of the new electric power generating plant allocated as the local amount multiplied by the total assessed value of the new electric power generating plant.

15. *"Local taxing authority"* means a city, county, community college, school district, or other taxing authority located in this state and authorized to certify a levy on property located within such authority for the payment of bonds and interest or other obligations of such authority.

16. *"Local taxing district"* means a geographic area with a common consolidated property tax rate.

17. *"Low capacity factor electric power generating plant"* means, for any tax year, an electric power generating plant, with the exception of an electric power generating plant owned or leased by an electric company, an electric cooperative, or a municipal utility, which operated during the preceding calendar year at a net capacity factor of twenty percent or less. *"Net capacity factor"* means net actual generation during the preceding calendar year divided by the product of nameplate capacity times the number of hours the plant was in the active state during the preceding calendar year. Upon commissioning, a plant is in the active

state until it is decommissioned. *"Net actual generation"* means net electrical megawatt hours produced by a plant during the preceding calendar year.

18. *"Major addition"* means either of the following:

*a.* Any acquisition on or after January 1, 1998, by a taxpayer, by transfer of ownership, self-construction, or capital lease of any interest in any of the following:

(1) A building in this state where the acquisition cost of all interests acquired exceeds ten million dollars.

(2) An electric power generating plant where the acquisition cost of all interests acquired exceeds ten million dollars. For purposes of this paragraph, *"electric power generating plant"* means each nameplate rated electric power generating plant owned solely or jointly by any person or electric power facility financed under the provisions of chapter 28F or 476A in which electrical energy is produced from other forms of energy, including all equipment used in the production of such energy through its step-up transformer.

(3) Natural gas operating property within a local taxing district where the acquisition cost of all interests acquired exceeds one million dollars.

(4) Any property described in section 437A.16 in this state acquired by a person not previously subject to taxation under this chapter.

*b.* (1) Any acquisition on or after January 1, 2004, by a taxpayer, by transfer of ownership, self-construction, or capital lease of any interest in electric transmission operating property within a local taxing district where the acquisition cost of all interests acquired exceeds one million dollars.

(2) For purposes of this chapter, the acquisition cost of an asset acquired by capital lease is its capitalized value determined under generally accepted accounting principles.

19. *"Municipal electric cooperative association"* means an electric cooperative, the membership of which is composed entirely of municipal utilities.

20. *"Municipal utility"* means all or part of an electric light and power plant system or a natural gas system, either of which is owned by a city, including all land, easements, rights-of-way, fixtures, equipment, accessories, improvements, appurtenances, and other property necessary or useful for the operation of the municipal utility.

21. *"Natural gas company"* means a person that owns, operates, or is engaged primarily in operating or utilizing pipelines for the purpose of distributing natural gas to consumers located within this state, excluding a gas distributing plant or company located entirely within any city and not a part of a pipeline transportation company. *"Natural gas company"* includes a combination natural gas company and electric company. *"Natural gas company"* does not include a municipal utility.

22. *a.* *"Natural gas competitive service area"* means any of the fifty-two natural gas competitive service areas described as follows:

(1) Each of the following municipal natural gas competitive service areas:

(a) Taylor county, except for those areas of Taylor county which are contained within another municipal natural gas competitive service area as described in this subsection.

(b) The city of Brighton in Washington county and the area within two miles of the city limits plus sections 5, 6, 7, 8, 17, 18, 19, 20, 29, and 30 in Brighton township; sections 19, 30, and 33 in Franklin township; sections 1, 2, 11, 12, 13, 14, 23, 24, 25, and 36 in Dutch Creek township; and sections 25, 26, 35, and 36 in Seventy-Six township.

(c) Davis county.

(d) The city of Brooklyn in Poweshiek county and the area within two miles of the city limits.

(e) The city of Cascade in Dubuque county and the area within two miles of the city limits.

(f) The city of Cedar Falls in Black Hawk county and the area within one mile of the city limits, not including any part of the city of Waterloo.

(g) The city of Clearfield in Taylor county and the area within two miles of the city limits and sections 20, 21, 26, and 27 of Platte township, Grant township in Taylor county, and Grant township in Ringgold county.

(h) The south half of Carroll county and sections 3 and 4 of Orange township in Guthrie county.

(i) Adams county, except those areas of Adams county which are contained within another municipal natural gas competitive service area as defined in this subsection.

(j) The city of Emmetsburg in Palo Alto county and the area within two miles of the city limits.

(k) The city of Everly in Clay county and the area within two miles of the city limits.

(l) The city of Fairbank and the area within two miles of the city limits plus the area one-quarter mile on either side of the county line road, Highway 281, from Fairbank to the intersection of Outer road and Tenth street, proceeding twenty-eight hundredths of a mile north in Buchanan and Fayette counties.

(m) The city of Gilmore City in Pocahontas and Humboldt counties and the area within two miles of the city limits.

(n) The city of Graettinger in Palo Alto county and the area within two miles of the city limits.

(o) The city of Guthrie Center in Guthrie county and the area within one mile of the city limits.

(p) The city of Harlan in Shelby county and the area within two miles of the city limits.

(q) The city of Hartley in O'Brien county and the area within one mile of the city limits, except the eastern one-half of section four in Omega township.

(r) The city of Hawarden in Sioux county and the area within two miles of the city limits.

(s) The city of Lake Park plus Silver Lake township in Dickinson county.

(t) Fayette and New Buda townships in Decatur county.

(u) The city of Lenox in Taylor county including section 1 of Platte township in Taylor county and the townships of Carl, Grant, Mercer, Colony, Union, and Prescott in Adams county.

(v) Grand River township in Wayne county.

(w) New Hope township in Union county and Monroe township in Madison county.

(x) Ewoldt and Eden townships in Carroll county and Iowa township in Crawford county.

(y) The city of Montezuma in Poweshiek county and the area within two miles of the city limits plus Jackson township in Poweshiek county except the city of Barnes City, Pleasant Grove and Monroe townships in Mahaska county except the city of Barnes City.

(z) Morning Sun township in Louisa county.

(aa) Wells and Washington townships in Appanoose county.

(ab) The city of Osage in Mitchell county and the area within two miles of the city limits.

(ac) The city of Prescott in Adams county and the area within two miles of the city limits.

(ad) The city of Preston in Jackson county and the area within two miles of the city limits.

(ae) The city of Remsen in Plymouth county and the area within two miles of the city limits.

(af) The city of Rock Rapids in Lyon county and the area within two miles of the city limits.

(ag) The city of Rolfe in Pocahontas county and the area within two miles of the city limits.

(ah) The city of Sabula in Jackson county and the area within two miles of the city limits.

(ai) The city of Sac City in Sac county and the area within two miles of the city limits.

(aj) The city of Sanborn in O'Brien county and the area within two miles of the city limits.

(ak) The city of Sioux Center in Sioux county and the area within two miles of the city limits.

(al) The city of Tipton in Cedar county and the area within two miles of the city limits.

(am) The city of Waukee in Dallas county and the area within two miles of the city limits of Waukee as of January 1, 1999, not including any part of the cities of Clive, Urbandale, or West Des Moines.

(an) The city of Wayland plus Jefferson and Trenton townships in Henry county.

(ao) Seventy-Six and Lime Creek townships in Washington county except for those areas of Seventy-Six township which are contained within another municipal natural gas competitive service area as defined in this subsection.

(ap) The city of West Bend in Kossuth and Palo Alto counties and the area within two miles of the city limits.

(aq) The city of Whittemore in Kossuth county and the area within two miles of the city limits.

(ar) Scott, Canaan, and Wayne townships in Henry county.

(as) The city of Woodbine in Harrison county and the area within two miles of the city limits.

(at) Nishnabotna township in Crawford county.

(2) The natural gas competitive service area, excluding any municipal natural gas competitive service area described in subparagraph (1) and consisting of Sioux county; Plymouth county; Woodbury county; Ida county; Harrison county; Shelby county; Audubon county; Palo Alto county; Humboldt county; Mahaska county; Scott county; Lyon county except Wheeler, Dale, Liberal, Grant, Midland, and Elgin townships; O'Brien county except Union, Dale, Summit, Highland, Franklin, and Center townships; Cherokee county except Cherokee and Pilot townships; Monona county except Franklin township and the south half of Ashton township; Pottawattamie county except Crescent, Hazel Dell, Lake, Garner, Kane, and Lewis townships; Mills county except Glenwood and Center townships; Montgomery county except Douglas, Washington, and East townships; Page county except Valley, Douglas, Nodaway, Nebraska, Harlan, East River, Amity, and Buchanan townships; Fremont county except Green, Scott, Sidney, Benton, Washington, and Madison townships; Brighton and Pleasant townships in Cass county; Sac county except Clinton, Wall Lake, Coon Valley, Levey, Viola, and Sac townships; Newell township in Buena Vista county; Calhoun county except Reading township; Denmark township in Emmet county; Kossuth county except Eagle, Grant, Springfield, Hebron, Swea, Harrison, Ledyard, Lincoln, Seneca, Greenwood, Ramsey, and German townships; Webster county except Roland, Clay, Burnside, Yell, Webster, Gowrie, Lost Grove, Dayton, and Hardin townships; Guthrie county except Grant, Thompson, and Beaver townships; Union township in Union county; Madison county except Ohio and New Hope townships; Warren county except Virginia, Squaw, Liberty, and White Breast townships; Cedar, Union, Bluff Creek, and Pleasant townships in Monroe county; Marion county except Lake Prairie, Knoxville, Summit, and Union townships; Dallas county except Des Moines and Grant townships; Polk county except sections 4, 5, 6, 7, 8, 9, 16, 17, and 18 in Lincoln township and the city of Grimes, and sections 1, 2, 3, 10, 11, 12, 13, 14, and 15 in Union township; Poweshiek, Washington, Mound Prairie, Des Moines, Elk Creek, and Fairview townships in Jasper county; Wright county except Belmond and Pleasant townships; Geneseo township in Cerro Gordo county; Franklin county except Wisner and Scott townships and the city of Coulter; Butler county except Bennezette, Coldwater, Dayton, and Fremont townships; Floyd county except Rock Grove, Rudd, Rockford, Ulster, Scott, and Union townships; Branford township in Chickasaw county; Bremer county except Frederika, LeRoy, Sumner No. 2, Fremont, Dayton, Maxfield, and Franklin townships; Perry, Washington, Westburg, and Sumner townships in Buchanan county; Black Hawk county except Big Creek township; Fremont township in Benton county; Wapello county except Washington township; Benton and Steady Run townships in Keokuk county; the city of Barnes City in Poweshiek county; Iowa township in Washington county; Johnson county except Fremont township; Linn county except Franklin, Grant, Spring Grove, Jackson, Boulder, Washington, Otter Creek, Maine, Buffalo, and Fayette townships; Monroe township west and north of Otter Creek to its intersection with County Home road, and north of County Home road in Linn county; the city of Walford in Linn county; Farmington township in Cedar county; Wapsinonoc, Goshen, Moscow, Wilton, and Fulton townships in Muscatine county; and Lee county except Des Moines, Montrose, Keokuk, and Jackson townships.

(3) The natural gas competitive service area, excluding any municipal natural gas competitive service areas described in subparagraph (1) and consisting of that part of Kossuth county not described in subparagraph (2); Lincoln and Buffalo townships in Winnebago county; Worth county except Silver Lake, Hartland, Bristol, Brookfield, Fertile, and Danville townships; Cerro Gordo county except Grimes, Pleasant Valley, and Dougherty townships; Rock Grove and Rudd townships in Floyd county; Eden, Camanche, and Hampshire townships and the city of Clinton in Clinton county; and Stacyville and Union townships in Mitchell county.

(4) The natural gas competitive service area, excluding any municipal natural gas service areas described in subparagraph (1) and consisting of Franklin township and the south half of Ashton township in Monona county; Crescent, Hazel Dell, Lake, Garner, Kane, and Lewis

townships in Pottawattamie county; Glenwood and Center townships in Mills county; Green, Scott, Sidney, Benton, Washington, and Madison townships in Fremont county; Cass, Bear Grove, Union, Noble, Edna, Victoria, Massena, Lincoln, and Grant townships in Cass county; Glidden township in Carroll county; Summit township in Adair county; Grant township in Guthrie county; Crawford county except Nishnabotna township; Clinton, Wall Lake, Coon Valley, Levey, Viola, and Sac townships in Sac county; Reading township in Calhoun county; Marshall, Sherman, Roosevelt, Dover, Grant, Lincoln, and Cedar townships in Pocahontas county; Union, Dale, Summit, Highland, Franklin, and Center townships in O'Brien county; the north half of Clay county plus Clay township; Dickinson county; Emmet county except Denmark, Armstrong Grove, and Iowa Lake townships; Greene county except Bristol, Hardin, Jackson, and Grant townships; Boone county except Worth, Colfax, Des Moines, Jackson, Dodge, and Harrison townships; Des Moines and Grant townships in Dallas county; Roland, Clay, Burnside, Yell, Webster, Gowrie, Lost Grove, Dayton, and Newark townships in Webster county; Clear Lake, Hamilton, Webster, Freedom, Independence, Cass, and Fremont townships in Hamilton county; Ell, Madison, and Ellington townships in Hancock county; Winnebago county except Lincoln and Buffalo townships; Silver Lake, Hartland, Bristol, Brookfield, Fertile, and Danville townships in Worth county; Etna township in Hardin county; Lafayette township and the west one-half of Howard township in Story county; the city of Grimes in Polk county; Independence, Malaka, Mariposa, Hickory Grove, Rock Creek, Kellogg, Newton, Sherman, Palo Alto, Buena Vista, and Richland townships in Jasper county; Palermo, Grant, and Fairfield townships in Grundy county; Bennezette, Coldwater, Dayton, and Fremont townships in Butler county; Rockford, Ulster, Scott, and Union townships in Floyd county; St. Ansgar and Mitchell townships in Mitchell county; Howard county; Chickasaw county except Branford township; Frederika, LeRoy, Sumner No. 2, Fremont, Dayton, Maxfield, and Franklin townships in Bremer county; Big Creek township in Black Hawk county; Brown township in Linn county; Madison township and the east half of Buffalo township in Buchanan county; Fayette county except Harlan, Fremont, Oran, and Jefferson townships; Winneshiek county; Allamakee county; Clayton county; Delaware county except Adams and Hazel Green townships; Dubuque county; Jones county except Rome, Hale, Oxford, and the east half of Greenfield townships; and Jackson county.

(5) The natural gas competitive service area consisting of Des Moines, Montrose, Keokuk, and Jackson townships in Lee county.

(6) The natural gas competitive service area consisting of the city of Allerton and the area within two miles of the city limits.

(7) The natural gas competitive service area consisting of all of Iowa not contained in any of the other natural gas competitive service areas described in this paragraph.

*b.* *"Township"* includes any city or part of a city located within the exterior boundaries of that township.

*c.* References to city limits contained in this subsection mean those city limits as they existed on January 1, 1999.

23. *"Operating property"* means all property owned by or leased to an electric company, electric cooperative, municipal utility, or natural gas company, not otherwise taxed separately, which is necessary to and without which the company could not perform the activities of an electric company, electric cooperative, municipal utility, or natural gas company.

24. *"Pole miles"* means miles measured along the line of poles, structures, or towers carrying electric conductors regardless of the number of conductors or circuits carried, and miles of conduit bank, regardless of number of conduits or ducts, of all sizes and types, including manholes and handholes. *"Conduit bank"* means a length of one or more underground conduits or ducts, whether or not enclosed in concrete, designed to contain underground cables, including a gallery or cable tunnel for power cables.

25. *"Purchasing member"* means a municipal utility which purchases electricity from a municipal electric cooperative association of which it is a member.

26. *"Replacement tax"* means the excise tax imposed on the generation, transmission, delivery, consumption, or use of electricity or natural gas under section 437A.4, 437A.5, 437A.6, or 437A.7.

27. *"Self-generator"* means a person, other than an electric company, natural gas company,

electric cooperative, or municipal utility, who generates, by means of an on-site facility wholly owned by or leased in its entirety to such person, electricity solely for its own consumption, except for inadvertent unscheduled deliveries to the electric utility furnishing electric service to that self-generator. A person who generates electricity which is consumed by any other person, including any owner, shareholder, member, beneficiary, partner, or associate of the person who generates electricity, is not a self-generator. For purposes of this subsection, *"on-site facility"* means an electric power generating plant that is wholly owned by or leased in its entirety to a person and used to generate electricity solely for consumption by such person on the same parcel of land on which such plant is located or on a contiguous parcel of land. For purposes of this subsection, *"parcel of land"* includes each separate parcel of land shown on the tax list.

28. *"Statewide amount"* means the acquisition cost of any major addition which is not a local amount.

29. *"Tax year"* means a calendar year beginning January 1 and ending December 31.

30. *"Taxable value"* means as defined in section 437A.19, subsection 2, paragraph *"e"*.

31. *"Taxpayer"* means an electric company, natural gas company, electric cooperative, municipal utility, or other person subject to the replacement tax imposed under section 437A.4, 437A.5, 437A.6, or 437A.7.

32. *"Transfer replacement tax"* means the excise tax imposed in a competitive service area of a municipal utility which replaces transfers made by the municipal utility in accordance with section 384.89.

33. *"Transmission line"* means a line, wire, or cable which is capable of operating at an electric voltage of at least thirty-four and one-half kilovolts.

34. *"Utilities board"* means the utilities board created in section 474.1.

98 Acts, ch 1194, §4, 40; 99 Acts, ch 114, §27; 99 Acts, ch 152, §21 – 23, 40; 2000 Acts, ch 1114, §2, 18; 2000 Acts, ch 1148, §1; 2001 Acts, ch 145, §1, 2, 13; 2001 Acts, 1st Ex, ch 4, §5, 36; 2002 Acts, ch 1119, §58, 200, 201; 2003 Acts, ch 106, §2 – 6, 15; 2003 Acts, ch 145, §286; 2004 Acts, ch 1096, §1, 4; 2006 Acts, ch 1010, §112; 2007 Acts, ch 150, §1; 2009 Acts, ch 133, §148; 2010 Acts, ch 1161, §1 – 3, 11; 2011 Acts, ch 25, §91; 2012 Acts, ch 1023, §49, 50; 2013 Acts, ch 90, §248

Referred to in §437A.15, 437A.16A, 476.86

2010 amendments to subsections 1, 4, and 11 apply retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1161, §11

Subsection 1, paragraph a, subparagraph (1) amended

Subsections 29, 30, and 31 editorially renumbered as 30, 31, and 29 respectively

## SUBCHAPTER II

## GENERATION, TRANSMISSION, AND DELIVERY TAXES

Referred to in §437A.1

### 437A.4 Replacement tax imposed on delivery of electricity.

1. A replacement delivery tax is imposed on every person who makes a delivery of electricity to a consumer within this state. The replacement delivery tax imposed by this section is equal to the sum of the following:

*a.* The number of kilowatt-hours of electricity delivered to consumers by the taxpayer within each electric competitive service area during the tax year multiplied by the electric replacement delivery tax rate in effect for each such electric competitive service area.

*b.* Where applicable, and in addition to the tax imposed by paragraph *"a"*, the number of kilowatt-hours of electricity delivered to consumers by the taxpayer within each electric competitive service area during the tax year multiplied by the electric transfer replacement tax rate for each such electric competitive service area.

2. If electricity is consumed in this state, whether such electricity is purchased, transferred, or self-generated, and the delivery, purchase, transference, or self-generation of such electricity is not subject to the tax imposed under subsection 1, a tax is imposed on the consumer at the rates prescribed under subsection 1.

3. Electric replacement delivery tax rates shall be calculated by the director for each electric competitive service area as follows:

*a.* The director shall determine the average centrally assessed property tax liability allocated to electric service of each taxpayer, other than a municipal utility, principally serving an electric competitive service area and of each generation and transmission electric cooperative for the assessment years 1993 through 1997 based on property tax payments made. In the case of a municipal utility, the average centrally assessed property tax liability allocated to electric service is the centrally assessed property tax liability of such municipal utility allocated to electric service for the 1997 assessment year based on property tax payments made.

*b.* The director shall determine, for each taxpayer, the number of kilowatt-hours of electricity generated which would have been subject to taxation under section 437A.6, the number of pole miles which would have been subject to taxation under section 437A.7, and the number of kilowatt-hours of electricity delivered to consumers which would have been subject to taxation under this section in calendar year 1998, had such sections been in effect for calendar year 1998.

*c.* The director shall determine the electric generation, transmission, and delivery tax components of the average centrally assessed property tax liability determined in paragraph "*a*" for each electric competitive service area as follows:

(1) The electric generation tax component for an electric competitive service area shall be computed by multiplying the tax rate set forth in section 437A.6 by the number of kilowatt-hours of electricity generated by the taxpayer principally serving such electric competitive service area which would have been subject to taxation under section 437A.6 in calendar year 1998, had that section been in effect for calendar year 1998.

(2) The electric transmission tax component for an electric competitive service area shall be computed by multiplying the tax rates set forth in section 437A.7 by the number of pole miles for each line voltage owned or leased by the taxpayer principally serving such electric competitive service area which would have been subject to taxation under section 437A.7 on December 31, 1998, had that section been in effect for calendar year 1998.

(3) The electric delivery tax component for an electric competitive service area shall be the average centrally assessed property tax liability allocated to electric service of the taxpayer principally serving such electric competitive service area less the electric generation and transmission tax components computed for such electric competitive service area.

(4) The electric delivery tax component for each electric competitive service area shall be adjusted, as necessary, to assign the excess property tax liability of each generation and transmission electric cooperative to the electric competitive service areas principally served on January 1, 1999, by its distribution electric cooperative members and by those municipal utilities which were purchasing members of a municipal electric cooperative association that is a member of the generation and transmission electric cooperative. Such assignment of excess property tax liability of each such generation and transmission electric cooperative shall be made in proportion to the appropriate wholesale rate charges in calendar year 1998 to its distribution electric cooperative members and municipal electric cooperative association members which purchased electricity from the generation and transmission electric cooperative. Any amount assignable to a municipal electric cooperative association shall be reassigned to the electric competitive service areas served by such association's purchasing municipal utility members and shall be allocated among them in proportion to the appropriate wholesale rate charges in calendar year 1998 by such municipal electric cooperative association to its purchasing municipal utility members. For purposes of this subsection, "*excess property tax liability*" means the amount by which the average centrally assessed property tax liability for the assessment years 1993 through 1997 of a generation and transmission electric cooperative exceeds the tentative generation and transmission taxes which would have been imposed on such generation and transmission electric cooperative under sections 437A.6 and 437A.7 for calendar year 1998, had such taxes been in effect for calendar year 1998. An electric cooperative described in section 437A.7, subsection 3, paragraph "*c*", is deemed not to have any excess property tax liability.

*d.* The director shall determine an electric delivery tax rate for each electric competitive

service area by dividing the electric delivery tax component for the electric competitive service area, as adjusted by paragraph "*c*", subparagraph (4), by the number of kilowatt-hours delivered by the taxpayer principally serving the electric competitive service area to consumers in calendar year 1998, which would have been subject to taxation under this section if this section had been in effect for calendar year 1998.

4. Municipal electric transfer replacement tax rates shall be calculated annually by the city council of each city located within an electric competitive service area served by a municipal utility as of January 1, 1999, by dividing the average annual dollar amount of electric-related transfers made pursuant to section 384.89 by the municipal utility serving the electric competitive service area, other than those transfers declared exempt from the transfer replacement tax by the city council, plus the municipal transfer replacement tax received by the municipality, if any, during the five immediately preceding calendar years by the number of kilowatt-hours of electricity delivered to consumers in the electric competitive service area during the immediately preceding calendar year which were subject to taxation under this section or which would have been subject to taxation under this section had it been in effect for such calendar year. The city council on its own motion, or in the case of a municipal utility governed by a board of trustees under chapter 388 upon a resolution of the board of trustees requesting such action, may declare any transfer or part of such transfer to be exempt from the transfer replacement tax under this section. Such rates shall be calculated and reported to the director on or before August 31 of each tax year.

5. A municipal utility taxpayer is entitled to a credit against the municipal electric transfer replacement tax equal to the average amount of electric-related transfers made by such municipal utility taxpayer under section 384.89, other than those transfers declared exempt from transfer replacement tax by the city council, during the preceding five calendar years.

6. The following are not subject to the replacement delivery tax imposed by subsections 1 and 2:

*a.* Delivery of electricity generated by a low capacity factor electric power generating plant.

*b.* Delivery of electricity to a city from such city's municipal utility, provided such electricity is used by the city for the public purposes of the city.

*c.* Electricity consumed by a state university or university of science and technology, provided such electricity was generated by property described in section 427.1, subsection 1.

*d.* Electricity generated and consumed by a self-generator.

7. Notwithstanding subsection 1, the electric delivery tax rate applied to kilowatt-hours of electricity delivered by a taxpayer to utility property and facilities which are placed in service on or after January 1, 1999, and are owned by or leased to and initially served by such taxpayer shall be the electric delivery tax rate in effect for the electric competitive service area principally served by such utility property and facilities even though such utility property and facilities may be physically located in another electric competitive service area.

8. *a.* If for any tax year after calendar year 1998, the total taxable kilowatt-hours of electricity required to be reported by taxpayers pursuant to section 437A.8, subsection 1, paragraphs "*a*" and "*b*", with respect to any electric competitive service area, increases or decreases by more than the threshold percentage from the average of the base year amounts for that electric competitive service area during the immediately preceding five calendar years, the tax rate imposed under subsection 1, paragraph "*a*", and subsection 2, for that tax year shall be recalculated by the director for that electric competitive service area so that the total of the replacement electric delivery taxes required to be reported pursuant to section 437A.8, subsection 1, paragraph "*e*", for that electric competitive service area with respect to the tax imposed under subsection 1, paragraph "*a*", and subsection 2, shall be as follows:

(1) If the number of kilowatt-hours of electricity required to be reported increased by more than the threshold percentage, one hundred two percent of such taxes required to be reported by taxpayers for that electric competitive service area for the immediately preceding tax year.

(2) If the number of kilowatt-hours of electricity required to be reported decreased by more than the threshold percentage, ninety-eight percent of such taxes required to

be reported by taxpayers for that electric competitive service area for the immediately preceding tax year.

*b.* For purposes of paragraph "*a*", subparagraphs (1) and (2), in computing the tax rate under subsection 1, paragraph "*a*", and subsection 2, for tax year 1999, the director shall use the electric delivery tax component computed for the electric competitive service area pursuant to subsection 3, paragraph "*c*", in lieu of the taxes required to be reported for that electric competitive service area for the immediately preceding tax year.

*c.* The threshold percentage shall be determined annually and shall be eight percent for any electric competitive service area in which the average of the base year amounts for the preceding five calendar years does not exceed three billion kilowatt-hours, and ten percent for all other electric competitive service areas.

*d.* Any such recalculation of an electric delivery tax rate, if required, shall be made and the new rate shall be published in the Iowa administrative bulletin by the director by no later than May 31 following the tax year. The director shall adjust the tentative replacement tax imposed by subsection 1, paragraph "*a*", and subsection 2 required to be shown on any affected taxpayer's return pursuant to section 437A.8, subsection 1, paragraph "*e*", to reflect the adjusted delivery tax rate for the tax year, and report such adjustment to the affected taxpayer on or before June 30 following the tax year. The new electric delivery tax rate shall apply prospectively, until such time as further adjustment is required.

*e.* For purposes of this section, "*base year amount*" means for calendar years prior to tax year 1999, the sum of the kilowatt-hours of electricity delivered to consumers within an electric competitive service area by the taxpayer principally serving such electric competitive service area which would have been subject to taxation under this section had this section been in effect for those years; and for tax years after calendar year 1998, the taxable kilowatt-hours of electricity required to be reported by taxpayers pursuant to section 437A.8, subsection 1, paragraphs "*a*" and "*b*", with respect to any electric competitive service area.

9. *a.* After calendar year 1998, if a municipal electric cooperative association ceases to purchase electricity from the generation and transmission electric cooperative from which it purchased electricity in 1998, and for a period of one hundred eighty days after such purchases cease, no municipal utility member of such association purchases electricity from such generation and transmission electric cooperative, the excess property tax liability assigned pursuant to subsection 3, paragraph "*c*", subparagraph (4), to the electric competitive service areas principally served by the municipal utility members on January 1, 1999, shall be removed from the electric delivery tax component of those electric competitive service areas and the electric delivery tax rate for those electric competitive service areas shall be recalculated to reflect that change.

*b.* After calendar year 1998, if a municipal utility ceases to be a purchasing member of a municipal electric cooperative association which purchased electricity in calendar year 1998 from a generation and transmission electric cooperative, and for a period of one hundred eighty days after the municipal utility ceases to be a purchasing member of such association such municipal utility does not purchase electricity from such generation and transmission electric cooperative, the excess property tax liability assigned pursuant to subsection 3, paragraph "*c*", subparagraph (4), to the electric competitive service area principally served by the municipal utility on January 1, 1999, shall be removed from the electric delivery tax component of those electric competitive service areas and the electric delivery tax rate for those electric competitive service areas shall be recalculated to reflect that change.

*c.* If a recalculation has previously been made by the director pursuant to subsection 8 for an electric competitive service area described in this subsection, the recalculation required by this subsection shall be made by the director by modifying the most recent recalculation under subsection 8 to eliminate the excess property tax liability originally allocated to such electric competitive service area under subsection 3, paragraph "*c*", subparagraph (4).

*d.* Any recalculation required by this subsection shall be made and the new rate shall be published in the Iowa administrative bulletin by the director by May 31 of the calendar year during which the events described in paragraphs "*a*" and "*b*" are reported as provided in section 437A.8, subsection 1, paragraph "*f*". The new electric delivery tax rate shall be

effective January 1 of the tax year in which it is published and shall apply prospectively, until such time as further adjustment is required.

10. The electric delivery tax rate in effect for each electric competitive service area shall be published by the director in the Iowa administrative bulletin on or before November 30, 1999, and annually after that date, during the last quarter of the tax year.

98 Acts, ch 1194, §5, 40; 2011 Acts, ch 25, §92
Referred to in §437A.3, 437A.8, 437A.15, 437A.17A

**437A.5 Replacement tax imposed on delivery of natural gas.**

1. A replacement delivery tax is imposed on every person who makes a delivery of natural gas to a consumer within this state. The replacement delivery tax imposed by this section shall be equal to the sum of the following:

*a.* The number of therms of natural gas delivered to consumers by the taxpayer within each natural gas competitive service area during the tax year multiplied by the natural gas delivery tax rate in effect for each such natural gas competitive service area.

*b.* Where applicable, and in addition to the tax imposed by paragraph *"a"*, the number of therms of natural gas delivered to consumers by the taxpayer within each natural gas competitive service area during the tax year multiplied by the municipal natural gas transfer replacement tax rate for each such natural gas competitive service area.

*c.* (1) Notwithstanding paragraphs *"a"* and *"b"*, a natural gas delivery rate of one and eleven-hundredths of a cent (.0111) per therm of natural gas is imposed on all natural gas delivered to or consumed by a new electric power generating plant for purposes of generating electricity within the state during the tax year. However, if a new electric power generating plant is exempt from a replacement generation tax pursuant to section 437A.6, subsection 1, paragraph *"b"*, the natural gas delivery rate for the municipal service area that the new plant serves shall instead apply for deliveries of natural gas by the municipal gas utility.

(2) The provisions of subsection 8 shall not apply to the therms of natural gas subject to the delivery tax set forth in this paragraph.

(3) If the new electric power generating plant is part of a cogeneration facility or new cogeneration facility, the natural gas delivery rate for that plant shall be the lesser of the natural gas delivery rate established in this paragraph *"c"* or the rate per therm of natural gas as in effect at the time of the initial natural gas deliveries to the plant for the natural gas competitive service area where the new electric power generating plant is located.

2. If natural gas is consumed in this state, whether such natural gas is purchased or transferred, and the delivery, purchase, or transference of such natural gas is not subject to the tax imposed under subsection 1, a tax is imposed on the consumer at the rates prescribed under subsection 1.

3. Natural gas delivery tax rates shall be calculated by the director for each natural gas competitive service area as follows:

*a.* The director shall determine the average centrally assessed property tax liability allocated to natural gas service of each taxpayer, other than a municipal utility, principally serving a natural gas competitive service area for the assessment years 1993 through 1997 based on property tax payments made. In the case of a municipal utility, the average centrally assessed property tax liability allocated to natural gas service is the centrally assessed property tax liability of such municipal utility allocated to natural gas service for the 1997 assessment year based on property tax payments made. For purposes of this subsection, taxpayer does not include a pipeline company defined in section 479A.2.

*b.* The director shall determine for each taxpayer the number of therms of natural gas delivered to consumers which would have been subject to taxation under this section in calendar year 1998 had this section been in effect for calendar year 1998.

*c.* The director shall determine a natural gas delivery tax rate for each natural gas competitive service area by dividing the average centrally assessed property tax liability allocated to natural gas service of the taxpayer principally serving the natural gas competitive service area by the number of therms of natural gas delivered by such taxpayer to consumers in calendar year 1998 which would have been subject to taxation under this section had such section been in effect for calendar year 1998.

4. Municipal natural gas transfer replacement tax rates shall be calculated annually by the city council of each city located within a natural gas competitive service area served by a municipal utility as of January 1, 1999, by dividing the average annual dollar amount of natural gas-related transfers made pursuant to section 384.89 by the municipal utility serving the natural gas competitive service area, other than those transfers declared exempt from the transfer replacement tax by the city council, plus the municipal transfer replacement tax received by the municipality, if any, during the five immediately preceding calendar years, by the number of therms of natural gas delivered to consumers in the natural gas competitive service area during the immediately preceding calendar year which were subject to taxation under this section or which would have been subject to taxation under this section had it been in effect for such calendar year. The city council on its own motion, or in the case of a municipal utility governed by a board of trustees under chapter 388 upon a resolution of the board of trustees requesting such action, may declare any transfer or part of such transfer to be exempt from the transfer replacement tax under this section. Such rates shall be calculated and reported to the director on or before August 31 of each tax year.

5. A municipal utility taxpayer is entitled to a credit against the municipal natural gas transfer replacement tax equal to the average amount of natural gas-related transfers made by such municipal utility taxpayer under section 384.89, other than those transfers declared exempt from transfer replacement tax by the city council, during the preceding five calendar years.

6. *a.* Notwithstanding subsection 1, the natural gas delivery tax rate applied to therms of natural gas delivered by a taxpayer to utility property and facilities that are placed in service on or after January 1, 1999, and that are owned by or leased to and initially served by such taxpayer shall be the natural gas delivery tax rate in effect for the natural gas competitive service area principally served by such utility property and facilities even though such utility property and facilities may be physically located in another natural gas competitive service area.

*b.* This subsection shall not apply to natural gas delivered to or consumed by new electric power generating plants.

7. *a.* Delivery of natural gas to a city from such city's municipal utility is not subject to the replacement delivery tax imposed under subsection 1, paragraph "*a*", and subsection 2, provided such natural gas is used by the city for the public purposes of the city.

*b.* Subsection 2 does not apply to natural gas consumed by a person, other than an electric company, natural gas company, electric cooperative, or municipal utility, acquired by means of facilities owned by or leased to such person on January 1, 1999, which were physically attached to pipelines that are not permitted pursuant to chapter 479 and used by such person for the purpose of bypassing the local natural gas company or municipal utility.

*c.* Subsection 1 does not apply to natural gas which is delivered, by a pipeline that is not permitted pursuant to chapter 479, into a facility owned by or leased to a person, other than an electric company, natural gas company, electric cooperative, or municipal utility, if the person who consumes the gas uses the gas for the purpose of bypassing the local natural gas company or municipal utility, regardless of whether such facility existed on January 1, 1999.

8. If, for any tax year after calendar year 1998, the total taxable therms of natural gas required to be reported by taxpayers pursuant to section 437A.8, subsection 1, paragraphs "*a*" and "*b*", with respect to any natural gas competitive service area increases or decreases by more than the threshold percentage from the average of the base year amounts for that natural gas competitive service area during the immediately preceding five calendar years, the tax rate imposed under subsection 1, paragraph "*a*", and subsection 2 for that tax year shall be recalculated by the director for that natural gas competitive service area so that the total of the replacement natural gas delivery taxes required to be reported pursuant to section 437A.8, subsection 1, paragraph "*e*", for that natural gas competitive service area with respect to the tax imposed under subsection 1, paragraph "*a*", and subsection 2 shall be as follows:

*a.* If the number of therms of natural gas required to be reported increased by more than the threshold percentage, one hundred two percent of such taxes required to be reported by taxpayers for that natural gas competitive service area for the immediately preceding tax year.

*b.* If the number of therms of natural gas required to be reported decreased by more than the threshold percentage, ninety-eight percent of such taxes required to be reported by taxpayers for that natural gas competitive service area for the immediately preceding tax year.

*c.* (1) For purposes of paragraphs "*a*" and "*b*", in computing the tax rate under subsection 1, paragraph "*a*", and subsection 2 for calendar year 1999, the director shall use the average centrally assessed property tax liability allocated to natural gas service computed for the natural gas competitive service area pursuant to subsection 3, paragraph "*a*", in lieu of the taxes required to be reported for that natural gas competitive service area for the immediately preceding tax year.

(2) The threshold percentage shall be determined annually and shall be eight percent for any natural gas competitive service area in which the average of the base year amounts for the preceding five calendar years does not exceed two hundred fifty million therms, and ten percent for all other natural gas competitive service areas.

(3) Recalculation of a natural gas delivery tax rate, if required, shall be made and the new rate published in the Iowa administrative bulletin by the director by no later than May 31 following the tax year. The director shall adjust the tentative replacement tax imposed by subsection 1, paragraph "*a*", and subsection 2 required to be shown on any affected taxpayer's return pursuant to section 437A.8, subsection 1, paragraph "*e*", to reflect the adjusted delivery tax rate for the tax year, and report such adjustment to the affected taxpayer on or before June 30 following the tax year. The new natural gas delivery tax rate shall apply prospectively, until such time as further adjustment is required.

(4) For purposes of this subsection, "*base year amount*" means for calendar years prior to tax year 1999, the sum of the therms of natural gas delivered to consumers within a natural gas competitive service area by the taxpayer principally serving such natural gas competitive service area which would have been subject to taxation under this section had this section been in effect for those years; and for tax years after calendar year 1998, the taxable therms of natural gas required to be reported by taxpayers pursuant to section 437A.8, subsection 1, paragraphs "*a*" and "*b*", with respect to any natural gas competitive service area.

9. The natural gas delivery tax rate in effect for each natural gas competitive service area shall be published by the director in the Iowa administrative bulletin on or before November 30, 1999, and annually after that date, during the last quarter of the tax year.

98 Acts, ch 1194, §6, 40; 2000 Acts, ch 1114, §3, 4, 17, 18; 2003 Acts, ch 106, §7, 8, 15; 2010 Acts, ch 1161, §4, 11; 2011 Acts, ch 25, §93, 143

Referred to in §437A.3, 437A.8, 437A.17A

2010 amendment to subsection 1, paragraph c, subparagraph (3), applies retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1161, §11

**437A.6 Replacement tax imposed on electric generation.**

1. A replacement generation tax of six hundredths of a cent per kilowatt-hour of electricity generated within this state during the tax year is imposed on every person generating electricity, except electricity generated by the following:

*a.* A low capacity factor electric power generating plant.

*b.* Facilities owned by or leased to a municipal utility when devoted to public use and not held for pecuniary profit, except facilities of a municipally owned electric utility held under joint ownership or lease and facilities of an electric power facility financed under chapter 28F or 476A.

*c.* Wind energy conversion property subject to section 427B.26 or eligible for a tax credit under chapter 476B.

*d.* Methane gas conversion property subject to section 427.1, subsection 29, to the extent the property is used in connection with, or in conjunction with, a publicly owned sanitary landfill or used to collect waste that would otherwise be collected by, or deposited with, a publicly owned sanitary landfill.

*e.* Facilities owned by or leased to a state university or university of science and technology, to the extent electricity generated by such facilities is consumed exclusively by such state university or university of science and technology.

*f.* On-site facilities wholly owned by or leased in their entirety to a self-generator.

2. In lieu of the replacement generation tax imposed in subsection 1, a replacement generation tax of one thousand eight hundred forty-seven ten-thousandths of a cent per kilowatt-hour of electricity generated within this state during the tax year is imposed on every hydroelectric generating power plant with a generating capacity of one hundred megawatts or greater.

3. In lieu of the replacement generation tax imposed in subsection 1, a replacement generation tax of one thousand ninety-nine ten-thousandths of a cent per kilowatt-hour of electricity generated within this state during the tax year is imposed on every electric company which owns a joint interest in an electric power generating plant in this state and which has a joint interest in less than five pole miles of transmission lines in this state.

4. For purposes of this section, if a generation facility is jointly owned or leased, the number of kilowatt-hours of electricity subject to the replacement generation tax shall be the number of kilowatt-hours of electricity generated and dispatched by the jointly held generation facility to the account of the taxpayer.

5. For purposes of this section, the number of kilowatt-hours generated by a generation facility shall exclude any kilowatt-hours used to operate that generation facility.

98 Acts, ch 1194, §7, 40; 2000 Acts, ch 1114, §5, 6, 17, 18; 2001 Acts, ch 145, §3, 13; 2001 Acts, 1st Ex, ch 4, §6, 36; 2004 Acts, ch 1175, §408, 418; 2009 Acts, ch 179, §225 – 227

Referred to in §437A.3, 437A.4, 437A.5, 437A.8, 437A.16, 476B.6

2009 amendment to subsection 1, paragraph d, takes effect May 26, 2009, and applies retroactively to assessment years beginning on or after January 1, 2008; exemption claims for 2008 and 2009 assessment years to be filed on or before June 30, 2009; 2009 Acts, ch 179, §226, 227

**437A.7 Replacement tax imposed on electric transmission.**

1. *a.* A replacement transmission tax is imposed on every person owning or leasing transmission lines within this state and shall be equal to the sum of all of the following:

(1) Five hundred fifty dollars per pole mile of transmission line owned or leased by the taxpayer not exceeding one hundred kilovolts.

(2) Three thousand dollars per pole mile of transmission line owned or leased by the taxpayer greater than one hundred kilovolts but not exceeding one hundred fifty kilovolts.

(3) Seven hundred dollars per pole mile of transmission line owned or leased by the taxpayer greater than one hundred fifty kilovolts but not exceeding three hundred kilovolts.

(4) Seven thousand dollars per pole mile of transmission line owned or leased by the taxpayer greater than three hundred kilovolts.

*b.* The replacement transmission tax shall be calculated on the basis of pole miles of transmission line owned or leased by the taxpayer on the last day of the tax year.

2. In lieu of the replacement transmission tax imposed in subsection 1, a municipal utility whose replacement transmission tax liability for the tax year 1999 was limited to the tax imposed by this section and whose anticipated tax revenues from a taxpayer, as defined in section 437A.15, subsection 4, for the tax year 1999, exceeded its replacement transmission tax by more than one hundred thousand dollars shall be subject to replacement transmission tax on all transmission lines owned by or leased to the municipal utility as of the last day of the tax year 2000 as follows:

*a.* Three thousand twenty-five dollars per pole mile of transmission line owned or leased by the taxpayer not exceeding one hundred kilovolts.

*b.* Seven thousand dollars per pole mile of transmission line owned or leased by the taxpayer greater than one hundred fifty kilovolts but not exceeding three hundred kilovolts.

3. The following shall not be subject to the replacement transmission tax:

*a.* Transmission lines owned by or leased to a municipal utility when devoted to public use and not for pecuniary profit, except transmission lines of a municipally owned electric utility held under joint ownership and transmission lines of an electric power facility financed under chapter 28F or 476A.

*b.* Transmission lines owned by or leased to a lessor when the transmission lines are subject to the replacement transmission tax payable by the lessee or sublessee.

*c.* Any electric cooperative which owns, leases, or owns and leases in total less than seven hundred fifty pole miles of transmission lines in this state. Chapter 437 shall apply to such electric cooperatives.

*d.* Transmission lines owned by or leased to a state university or university of science and technology, provided such transmission lines are used exclusively for the transmission of electricity consumed by such state university or university of science and technology.

*e.* Transmission lines owned by or leased to a person, other than a public utility, for which a franchise is not required under chapter 478.

4. For purposes of this section, if a transmission line is jointly owned or leased, the taxpayer shall compute the number of pole miles subject to the replacement transmission tax by multiplying the taxpayer's percentage interest in the jointly held transmission lines by the number of pole miles of such lines.

98 Acts, ch 1194, §8, 40; 99 Acts, ch 152, §24, 40; 2001 Acts, ch 145, §4, 13; 2001 Acts, 1st Ex, ch 4, §7, 36; 2003 Acts, ch 106, §9, 15; 2011 Acts, ch 25, §143

Referred to in §437.1, 437A.3, 437A.4, 437A.8, 437A.16

**437A.8 Return and payment requirements — rate adjustments.**

1. Each taxpayer, on or before March 31 following a tax year, shall file with the director a return including, but not limited to, the following information:

*a.* The total taxable kilowatt-hours of electricity delivered by the taxpayer to consumers within each electric competitive service area during the tax year, and the total taxable therms of natural gas delivered by the taxpayer to consumers within each natural gas competitive service area during the tax year.

*b.* The total kilowatt-hours of electricity consumed by the taxpayer within each electric competitive service area during the tax year subject to tax under section 437A.4, subsection 2, and the total therms of natural gas consumed by the taxpayer within each natural gas competitive service area during the tax year subject to tax under section 437A.5, subsection 2.

*c.* The total taxable kilowatt-hours of electricity generated by the taxpayer in Iowa during the tax year.

*d.* The total taxable pole miles of electric transmission lines in Iowa, by kilovolt, owned or leased by the taxpayer on the last day of the tax year.

*e.* The tentative replacement taxes imposed by section 437A.4, subsection 1, paragraph "*a*", section 437A.4, subsection 2, section 437A.5, subsection 1, paragraph "*a*", section 437A.5, subsection 2, and sections 437A.6 and 437A.7, due for the tax year.

*f.* For purposes of a municipal utility which is a member of a municipal electric cooperative association, the occurrence on or before September 1 of the preceding calendar year of an event described in section 437A.4, subsection 9, paragraph "*a*" or "*b*", and the date on which the one-hundred-eighty-day requirement under such paragraph was met.

2. Each taxpayer subject to a municipal transfer replacement tax, on or before March 31 following a tax year, shall file with the chief financial officer of each city located within an electric or natural gas competitive service area served by a municipal utility as of January 1, 1999, a return including, but not limited to, the following information:

*a.* The total taxable kilowatt-hours of electricity delivered by the taxpayer within each electric competitive service area described in section 437A.4, subsection 4, during the tax year and the total taxable therms of natural gas delivered by the taxpayer within each natural gas competitive service area described in section 437A.5, subsection 4, during the tax year.

*b.* For a municipal utility taxpayer, the total transfers made by the taxpayer under section 384.89 within each competitive service area during the preceding calendar year, allocated between electric-related transfers and natural gas-related transfers and total credits described in section 437A.4, subsection 5, and section 437A.5, subsection 5.

*c.* The transfer replacement taxes imposed by section 437A.4, subsection 1, paragraph "*b*", and section 437A.5, subsection 1, paragraph "*b*", due for the tax year.

3. A return shall be signed by an officer, or other person duly authorized by the taxpayer, and must be certified as correct and in accordance with forms and rules prescribed by the director in the case of a return filed pursuant to subsection 1, and in accordance with forms and rules prescribed by the chief financial officer of the city in the case of a return filed pursuant to subsection 2.

4. *a.* At the time of filing the return required by subsection 1 with the director, the

taxpayer shall calculate the tentative replacement tax due for the tax year. The director shall compute any adjustments to the replacement tax required by subsection 7 and by section 437A.4, subsection 8, and section 437A.5, subsection 8, and notify the taxpayer of any such adjustments in accordance with the requirements of such provisions. The director and the department of management shall compute the allocation of replacement taxes among local taxing districts and report such allocations to county treasurers pursuant to section 437A.15. Based on such allocations, the treasurer of each county shall notify each taxpayer on or before August 31 following a tax year of its replacement tax obligation to the county treasurer. On or before September 30, 2000, and on or before September 30 of each subsequent year, the taxpayer shall remit to the county treasurer of each county to which such replacement tax is allocated pursuant to section 437A.15, one-half of the replacement tax so allocated, and on or before the succeeding March 31, the taxpayer shall remit to the county treasurers the remaining replacement tax so allocated. If notification of a taxpayer's replacement tax obligation is not mailed by a county treasurer on or before August 31 following a tax year, such taxpayer shall have thirty days from the date the notification is mailed to remit one-half of the replacement tax otherwise required by this subsection to be remitted to such county treasurer on or before September 30. If a taxpayer fails to timely remit replacement taxes as provided in this subsection, the county treasurer of each affected county shall notify the director of such failure.

*b*. If a distribution electric cooperative member or a municipal utility purchasing member subject to section 437A.15, subsection 3, paragraph *"b"*, does not make timely payment of the correct amount of replacement tax to the generation and transmission electric cooperative, the generation and transmission electric cooperative shall notify the director in writing within ten days after September 10. The director shall then notify the generation and transmission electric cooperative in writing within five days after delivery of notice to the director of the paid amount to be remitted to the appropriate county treasurer and shall also notify the county treasurer. The generation and transmission electric cooperative shall remit the amount determined by the director to the appropriate county treasurer by September 30. If the generation and transmission electric cooperative timely notifies the director and timely remits to the county treasurer the amounts of replacement tax, as determined by the director, the generation and transmission electric cooperative shall not be liable for that unpaid replacement tax due from the distribution electric cooperative member or municipal utility purchasing member. The generation and transmission electric cooperative shall also not be liable for a special utility property tax levy, if any, and shall not be entitled to a tax credit, if any, attributable to the unpaid replacement tax. The county treasurer and the director shall enforce payment of the replacement tax against the appropriate distribution electric cooperative member or municipal utility purchasing member pursuant to sections 437A.9 through 437A.13. The county treasurer shall enforce payment of the special utility property tax levy, if any, against the appropriate distribution electric cooperative member or municipal utility purchasing member. For purposes of this paragraph:

(1) Written notice to the director must be either delivered to the director by electronic means, United States postal service, or a common carrier, by ordinary, certified, or registered mail directed to the attention of the director, be personally delivered to the director, or be served on the director by personal service during business hours. If the notice is mailed, a notice is considered delivered on the date of the postmark. If a postmark date is not present on the mailed article, the date of receipt of notice shall be considered the date of the mailing. A notice is considered delivered on the date personal service or personal delivery to the office of the director is made.

(2) Written notice to a generation and transmission electric cooperative must be delivered to the cooperative by electronic means, United States postal service, or a common carrier, by ordinary, certified, or registered mail, directed to the attention of the manager of the cooperative, be personally delivered to the manager of the cooperative, or be served on the manager of the cooperative by personal service during business hours. For the purpose of mailing, a notice is considered delivered on the date of the postmark. If a postmark date is not present on the mailed article, the date of receipt of notice shall be considered the date of

the mailing. A notice is considered delivered on the date personal service or personal delivery to the office of the manager of the cooperative is made.

*c.* If a generation and transmission electric cooperative, after notice, does not timely pay the correct amount of replacement tax or special utility property tax levy attributable to the excess property tax liability to the appropriate county treasurer, after receiving the required payment from the distribution electric cooperative member or municipal utility purchasing member, such replacement tax shall be enforced solely against the generation and transmission electric cooperative under sections 437A.9 through 437A.13, and shall not be enforced against the paying distribution electric cooperative member or municipal utility purchasing member, and the special utility property tax levy shall be enforced solely against the generation and transmission electric cooperative.

*d.* Notwithstanding paragraph "*a*", a taxpayer who owns or leases a new electric power generating plant and who has no other operating property in the state of Iowa except for operating property directly serving the new electric power generating plant as described in section 437A.16 shall pay the replacement generation tax associated with the allocation of the local amount to the county treasurer of the county in which the local amount is located and shall remit the remaining replacement generation tax, if any, to the director according to paragraph "*a*" for remittance of the tax to county treasurers. The director shall notify each taxpayer on or before August 31 following a tax year of its remaining replacement generation tax to be remitted to the director. All remaining replacement generation tax revenues received by the director shall be deposited in the property tax relief fund created in section 426B.1, and shall be distributed as provided in section 426B.2.

If a taxpayer has paid an amount of replacement tax, penalty, or interest which was deposited into the property tax relief fund and which was not due, all of the provisions of section 437A.14, subsection 1, paragraph "*b*", shall apply with regard to any claim for refund or credit filed by the taxpayer. The director shall have sole discretion as to whether the erroneous payment will be refunded to the taxpayer or credited against any replacement tax due, or to become due, from the taxpayer that would be subject to deposit in the property tax relief fund.

5. At the time of filing the return required by subsection 2, the taxpayer shall calculate the municipal transfer replacement tax due for the tax year. Municipal transfer replacement taxes shall be paid to the chief financial officer of the city to which the taxes are allocated at such time and place as directed by the city council.

6. Notwithstanding subsections 1 through 5, a taxpayer shall not be required to file a return otherwise required by this section or remit any replacement tax for any tax year in which the taxpayer's replacement tax liability before credits is three hundred dollars or less, provided that all electric companies, electric cooperatives, municipal utilities, and natural gas companies shall file a return, regardless of the taxpayer's replacement tax liability.

7. Following the determination of electric and natural gas delivery tax rates by the director pursuant to section 437A.4, subsection 3, and section 437A.5, subsection 3, if an adjustment resulting from a taxpayer appeal is made to taxes levied and paid by a taxpayer with respect to any of the assessment years 1993 through 1997 used in determining such rates, the director shall recalculate the delivery tax rate for any affected electric or natural gas competitive service area to reflect the impact of such adjustment as if such adjustment had been reflected in the initial determination of average centrally assessed property tax liability allocated to electric or natural gas service pursuant to section 437A.4, subsection 3, paragraph "*a*", and section 437A.5, subsection 3, paragraph "*a*". Rate recalculations shall be made and published in the Iowa administrative bulletin by the director on or before March 31 following the calendar year in which a final determination of the adjustment is made. Taxpayers shall report to the director any increase or decrease in the tentative replacement tax required to be shown to be due pursuant to subsection 1, paragraph "*e*", for any tax year with the return for the year in which the recalculated tax rates which gave rise to the adjustment are published in the Iowa administrative bulletin. The director and the department of management shall redetermine the allocation of replacement taxes pursuant to section 437A.15 for each affected tax year. If a taxpayer has overpaid replacement taxes, the overpayment shall be reported by the director to such taxpayer and to the appropriate

county treasurers and shall be a credit against the replacement taxes owed by such taxpayer for the year in which the recalculated rates which gave rise to the overpayment are published in the Iowa administrative bulletin. If a taxpayer has overpaid centrally assessed property taxes for assessment years prior to tax year 1999, such overpayment shall be a credit against replacement taxes owed by such taxpayer for the year in which the overpayment is determined. Unused credits may be carried forward and used to reduce future replacement tax liabilities until exhausted.

98 Acts, ch 1194, §9, 40; 2000 Acts, ch 1114, §7, 17, 18; 2001 Acts, ch 145, §5 – 8, 13; 2003 Acts, ch 106, §10, 15; 2010 Acts, ch 1161, §5, 11

Referred to in §437A.4, 437A.5, 437A.9, 437A.14, 437A.15, 437A.16, 437A.16A, 437A.17B, 437A.24

2010 amendment to subsection 4, paragraph d, applies retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1161, §11

**437A.9 Failure to file return — incorrect return.**

1. As soon as practicable after a return required by section 437A.8, subsection 1, is filed, and in any event within three years after such return is filed, the director shall examine the return, determine the tax due if the return is found to be incorrect, and give notice to the taxpayer of the determination as provided in subsection 2. The period for the examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade any tax or in the case of a failure to file a return. The chief financial officer of a city shall have the same authority as is granted to the director under this section with respect to a return filed pursuant to section 437A.8, subsection 2.

2. If a return required by section 437A.8, subsection 1, is not filed, or if such return when filed is incorrect or insufficient and the taxpayer fails to file a corrected or sufficient return within twenty days after such return is required by notice from the director, the director shall determine the amount of tax due from information as the director may be able to obtain and, if necessary, may estimate the tax due on the basis of external indices. The director shall give notice of the determination to the taxpayer liable for the tax and to the county treasurers to whom the tax is owed. The determination shall fix the tax unless the taxpayer against whom it is levied, within sixty days after notice of the determination, applies to the director for a hearing. At the hearing evidence may be offered to support the determination or to prove that it is incorrect. After the hearing the director shall give notice of the decision to the person liable for the tax and to the county treasurers to whom the tax is owed.

3. The three-year period of limitation provided in subsection 1 may be extended by the taxpayer by signing a waiver agreement form provided by the department. The agreement shall stipulate the period of extension and the tax period to which the extension applies. The agreement shall also provide that a claim for refund may be filed by the taxpayer at any time during the period of extension.

98 Acts, ch 1194, §10, 40

Referred to in §421.10, 437A.8, 437A.22

**437A.10 Judicial review.**

1. Judicial review of the actions of the director may be sought pursuant to chapter 17A, the Iowa administrative procedure Act.

2. For cause and upon a showing by the director that collection of the tax in dispute is in doubt, the court may order the petitioner to file with the clerk of the district court a bond for the use of the appropriate local taxing authorities, with sureties approved by the clerk of the district court, in the amount of the tax appealed from, conditioned upon the performance by the petitioner of any orders of the court.

3. An appeal may be taken by the taxpayer or the director to the supreme court irrespective of the amount involved.

4. A person aggrieved by a decision of the chief financial officer of a city under this chapter may seek review by writ of certiorari within thirty days of the decision sought to be reviewed.

98 Acts, ch 1194, §11, 40; 99 Acts, ch 152, §25, 40

Referred to in §437A.8, 437A.22

**437A.11 Lien — actions authorized.**

1. Whenever a taxpayer who is liable to pay a tax imposed by subchapter II refuses or

neglects to pay such tax, the amount, including any interest, penalty, or addition to such tax, together with the costs that may accrue, shall be a lien in favor of the chief financial officer of the city or the county treasurer to which the tax is owed upon all property and rights to property, whether real or personal, belonging to the taxpayer. The lien shall be prior to and superior over all subsequent liens upon any personal property within this state, or right to such personal property, belonging to the taxpayer, without the necessity of recording the lien. The requirement for recording, as applied to the tax imposed by subchapter II, shall apply only to a lien upon real property. The lien may be preserved against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, on any real property situated in a county, by the county treasurer to which replacement tax is owed by filing with the recorder of the county in which the real property is located a notice of the lien. For purposes of the replacement tax collected by a city, the lien may be preserved against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, on any real property situated in the county, by the chief financial officer of the city to which replacement tax is owed by filing with the recorder of the county in which the real property is located a notice of the lien.

2. The county recorder of each county shall index each lien showing the applicable entries specified in sections 558.49 and 558.52 and showing, under the names of taxpayers arranged alphabetically, all of the following:

*a.* The name of the taxpayer.

*b.* The name of the county treasurer and county or the name of the chief financial officer and city as claimant.

*c.* Time the notice of lien was filed for recording.

*d.* Date of notice.

*e.* Amount of lien then due.

*f.* Date of assessment.

*g.* Date when the lien is satisfied.

3. The recorder shall endorse on each notice of lien the day, hour, and minute when filed for recording and the document reference number, shall preserve such notice, shall index the notice in the index, and shall promptly record the lien in the manner provided for recording real estate mortgages. The lien is effective from the time of the indexing of the lien.

4. The county treasurer or chief financial officer of the city shall pay recording fees as provided in section 331.604, for the recording of the lien, or for its satisfaction.

5. Upon the payment of the replacement tax as to which a county treasurer or chief financial officer of a city has filed notice with a county recorder, the county treasurer or chief financial officer of the city shall promptly file with the recorder a satisfaction of the replacement tax. The recorder shall record the notice of satisfaction showing the applicable entries specified in sections 558.49 and 558.52.

6. Section 445.3 applies with respect to the replacement taxes and special utility property tax levies and penalties and interest imposed by this chapter, except for the provisions limiting the commencement of actions. In addition, at the county treasurer's discretion, chapters 446, 447, and 448 apply in the enforcement of the special utility property tax levies, but any tax deed issued shall not extinguish a tax lien or judgment lien for replacement taxes that has attached to the property.

98 Acts, ch 1194, §12, 40; 2000 Acts, ch 1114, §8, 18; 2001 Acts, ch 44, §20; 2009 Acts, ch 27, §18 – 20

Referred to in §331.604, 437A.8, 437A.15

**437A.12 Service of notice.**

1. A notice authorized or required under this chapter may be given by mailing the notice to the taxpayer, addressed to the taxpayer at the address given in the last return filed by the taxpayer pursuant to this chapter, or if no return has been filed, then to the most recent address of the taxpayer obtainable. The mailing of the notice is presumptive evidence of the receipt of the notice by the taxpayer to whom the notice is addressed. A period of time within which some action must be taken for which notice is provided under this section commences to run from the date of mailing of the notice.

2. There is no limitation for the enforcement of a civil remedy pursuant to any proceeding or action taken to levy, appraise, assess, determine, or enforce the collection of any tax or penalty due under this chapter.

98 Acts, ch 1194, §13, 40

Referred to in §437A.8, 437A.22

**437A.13 Penalties — offenses — limitation.**

1. A taxpayer is subject to the penalty provisions in section 421.27 with respect to any replacement tax due under this chapter. A taxpayer shall also pay interest on the delinquent replacement tax at the rate in effect under section 421.7 for each month computed from the date the payment was due, counting each fraction of a month as an entire month. The penalty and interest shall be paid to the county treasurer, or in the case of penalty and interest associated with a municipal transfer replacement tax to the city financial officer, and shall be disposed of in the same manner as other receipts under this chapter. Unpaid penalties and interest may be enforced in the same manner as provided for unpaid replacement tax under this chapter.

2. A taxpayer, or officer, member, or employee of the taxpayer, who willfully attempts to evade the replacement tax imposed or the payment of the replacement tax is guilty of a class "D" felony.

3. The issuance of a certificate by the director or a county treasurer stating that a replacement tax has not been paid, that a return has not been filed, or that information has not been supplied pursuant to this chapter is prima facie evidence of such failure.

4. A taxpayer, or officer, member, or employee of the taxpayer, required to pay a replacement tax, or required to make, sign, or file an annual return or supplemental return, who willfully makes a false or fraudulent annual return, or who willfully fails to pay at least ninety percent of the replacement tax or willfully fails to make, sign, or file the annual return, as required, is guilty of a fraudulent practice.

5. For purposes of determining the place of trial for a violation of this section, the situs of an offense is in the county of the residence of the taxpayer, officer, member, or employee of the taxpayer charged with the offense, unless the taxpayer, officer, member, or employee of the taxpayer is a nonresident of this state or the residence cannot be established, in which event the situs of the offense is in Polk county.

6. Prosecution for an offense specified in this section shall be commenced within six years after the commission of the offense.

98 Acts, ch 1194, §14, 40

Referred to in §437A.8, 437A.15, 437A.22

**437A.14 Correction of errors — refunds or credits of replacement tax paid — information confidential — penalty.**

1. *a.* If an amount of replacement tax, penalty, or interest has been paid which was not due under this chapter, a city's chief financial officer or county treasurer to whom such erroneous payment was made shall do one of the following:

(1) Credit the amount of the erroneous payment against any replacement tax due, or to become due, from the taxpayer on the books of the city or county.

(2) Refund the amount of the erroneous payment to the taxpayer.

*b.* (1) Claims for refund or credit of replacement taxes paid shall be filed with the director. A claim for refund or credit that is not filed with the director within three years after the replacement tax payment upon which a refund or credit is claimed became due, or one year after the replacement tax payment was made, whichever time is later, shall not be allowed. A claim for refund or credit of tax alleged to be unconstitutional not filed with the director within ninety days after the replacement tax payment upon which a refund or credit is claimed became due shall not be allowed. As a precondition for claiming a refund or credit of alleged unconstitutional taxes, such taxes must be paid under written protest which specifies the particulars of the alleged unconstitutionality. Claims for refund or credit may only be made by, and refunds or credits may only be made to, the person responsible for paying the replacement tax, or such person's successors. The director shall notify affected

county treasurers of the acceptance or denial of any refund claim. Section 421.10 applies to claims denied by the director.

(2) If an amount of overpaid replacement tax is attributable to payment of excess property tax liability as described in section 437A.15, subsection 3, paragraph "*b*", a claim for refund or credit may only be made by, and a refund or credit shall only be made to, the person who made such excess payment. Such claim shall not be made by the person who collected the tax from another person.

2. It is unlawful for any present or former officer or employee of the state to divulge or to make known in any manner to any person the kilowatt-hours of electricity or therms of natural gas delivered by a taxpayer in a competitive service area disclosed on a tax return, return information, or investigative or audit information. A person who violates this section is guilty of a serious misdemeanor. If the offender is an officer or employee of the state, such person, in addition to any other penalty, shall also be dismissed from office or discharged from employment. This section does not prohibit turning over to duly authorized officers of the United States or tax officials of other states such kilowatt-hours or therms pursuant to agreement between the director and the secretary of the treasury of the United States or the secretary's delegate or pursuant to a reciprocal agreement with another state.

3. Unless otherwise expressly permitted by a section referencing this chapter, the kilowatt-hours of electricity or therms of natural gas delivered by a taxpayer in a competitive service area shall not be divulged to any person or entity, other than the taxpayer, the department of revenue, or the internal revenue service for use in a matter unrelated to tax administration. This prohibition precludes persons or entities other than the taxpayer, the department of revenue, or the internal revenue service from obtaining such information from the department of revenue. A subpoena, order, or process which requires the department of revenue to produce such information to a person or entity, other than the taxpayer, the department of revenue, or internal revenue service, for use in a nontax proceeding is void.

4. *a.* Notwithstanding subsections 2 and 3, the chief financial officer of any local taxing authority and any designee of such officer shall have access to any computations made by the director pursuant to the provisions of this chapter, and any tax return or other information used by the director in making such computations, which affect the replacement tax owed by any such taxpayer.

*b.* Notwithstanding this section, providing information relating to the kilowatt-hours of electricity or therms of natural gas delivered by a taxpayer in a competitive service area to the task force established in section 437A.15, subsection 7, is not a violation of this section.

5. Local taxing authority employees are deemed to be officers and employees of the state for purposes of subsection 2.

6. Claims for refund or credit of municipal transfer replacement tax shall be filed with the appropriate city's chief financial officer. Subsection 1 applies with respect to the transfer replacement tax and the city's chief financial officer shall have the same authority as is granted to the director under this section with respect to a return filed pursuant to section 437A.8, subsection 2.

7. Claims for refund or credit of special utility property tax levies shall be filed with the appropriate county treasurer. Subsection 1 applies with respect to the special utility property tax levy and the county treasurer shall have the same authority as is granted to the director under this section.

98 Acts, ch 1194, §15, 40; 99 Acts, ch 152, §26, 27, 40; 2000 Acts, ch 1114, §9, 17, 18; 2009 Acts, ch 133, §246; 2011 Acts, ch 25, §94, 143; 2012 Acts, ch 1021, §77

Referred to in §437A.8, 437A.22, 476B.2, 476B.7, 476C.6

**437A.15 Allocation of revenue.**

1. The director and the department of management shall compute the allocation of all replacement tax revenues other than transfer replacement tax revenues among the local taxing districts in accordance with this section and shall report such allocation by local taxing districts to the county treasurers on or before August 15 following a tax year.

2. The director shall determine and report to the department of management the total

replacement taxes to be collected from each taxpayer for the tax year on or before July 30 following such tax year.

3. *a.* (1) All replacement taxes owed by a taxpayer shall be allocated among the local taxing districts in which such taxpayer's property is located in accordance with a general allocation formula determined by the department of management on the basis of general property tax equivalents. General property tax equivalents shall be determined by applying the levy rates reported by each local taxing district to the department of management on or before June 30 following a tax year to the taxable value of taxpayer property allocated to each such local taxing district as adjusted and reported to the department of management in such tax year by the director pursuant to section 437A.19, subsection 2. The general allocation formula for a tax year shall allocate to each local taxing district that portion of the replacement taxes owed by each taxpayer which bears the same ratio as such taxpayer's general property tax equivalents for each local taxing district bears to such taxpayer's total general property tax equivalents for all local taxing districts in Iowa.

(2) When allocating natural gas delivery taxes on deliveries of natural gas to a new electric power generating plant, ten percent of those natural gas delivery taxes shall be allocated over new gas property built to directly serve the new electric power generating plant and ninety percent of those natural gas delivery taxes shall be allocated to the general property tax equivalents of all gas property within the natural gas competitive service area or areas where the new gas property is located.

*b.* Notwithstanding other provisions of this section, if excess property tax liability has been assigned pursuant to section 437A.4, subsection 3, paragraph "*c*", subparagraph (4), and has not been removed, the allocation of electric delivery replacement tax attributable to the excess property tax liability shall be made by the director and the department of management so as to allocate the electric delivery replacement tax attributable to the excess property tax liability among those local taxing districts in which the property associated with the excess property tax liability is located. In order to ensure that the electric delivery replacement tax attributable to the excess property tax liability is paid to the appropriate county treasurer for disposition to the local taxing districts, each distribution electric cooperative member and each municipal utility purchasing member subject to section 437A.4, subsection 3, paragraph "*c*", subparagraph (4), shall pay to the appropriate generation and transmission electric cooperative the electric delivery replacement tax attributable to the excess property tax liability by September 10. The amount of electric delivery replacement tax attributable to the excess property tax liability shall equal that percentage of total electric delivery replacement tax liability that the excess property tax liability bears to the total property tax liability contained in the electric delivery tax component. The generation and transmission electric cooperative shall pay the electric delivery replacement tax attributable to the excess property tax liability to the appropriate county treasurer.

*c.* If paragraph "*b*" is applicable, on or before August 1, the director shall notify each distribution electric cooperative member, each municipal utility purchasing member, and each generation and transmission electric cooperative of the amount of electric delivery replacement tax to be paid to the generation and transmission electric cooperative. On or before August 1, the director shall notify the generation and transmission electric cooperative of the amount of replacement tax liability attributable to the excess property tax liability that is payable to each county treasurer. The director shall determine the amount of any special utility property tax levy or tax credit attributable to the excess property tax liability which shall be reflected in the amount required to be paid by each distribution electric cooperative member and each municipal utility purchasing member to the generation and transmission electric cooperative.

*d.* If, during the tax year, a taxpayer transferred operating property or an interest in operating property to another taxpayer, the transferee taxpayer's replacement tax associated with that property shall be allocated, for the tax year in which the transfer occurred, under this section in accordance with the general allocation formula on the basis of the general property tax equivalents of the transferor taxpayer.

*e.* Notwithstanding the provisions of this section, if during the tax year a person who was

not a taxpayer during the prior tax year acquires a new major addition, as defined in section 437A.3, subsection 18, paragraph "*a*", subparagraph (4), the replacement tax associated with that major addition shall be allocated, for that tax year, under this section in accordance with the general allocating formula on the basis of the general property tax equivalents established under paragraph "*a*" of this subsection, except that the levy rates established and reported to the department of management on or before June 30 following the tax year in which the major addition was acquired shall be applied to the prorated assessed value of the major addition. For purposes of this paragraph, "*prorated assessed value of the major addition*" means the assessed value of the major addition as of January 1 of the year following the tax year in which the major addition was acquired multiplied by the percentage derived by dividing the number of months that the major addition existed during the tax year by twelve, counting any portion of a month as a full month.

*f.* Notwithstanding the provisions of this section, if a taxpayer is a municipal utility or a municipal owner of an electric power facility financed under the provisions of chapter 28F or 476A, the assessed value, other than the local amount, of a new electric power generating plant shall be allocated to each taxing district in which the municipal utility or municipal owner is serving customers and has electric meters in operation in the ratio that the number of operating electric meters of the municipal utility or municipal owner located in the taxing district bears to the total number of operating electric meters of the municipal utility or municipal owner in the state as of January 1 of the tax year. If the municipal utility or municipal owner of an electric power facility financed under the provisions of chapter 28F or 476A has a new electric power generating plant but the municipal utility or municipal owner has no operating electric meters in this state, the municipal utility or municipal owner shall pay the replacement generation tax associated with the new electric power generating plant allocation of the local amount to the county treasurer of the county in which the local amount is located and shall remit the remaining replacement generation tax, if any, to the director at the times contained in section 437A.8, subsection 4, for remittance of the tax to the county treasurers. All remaining replacement generation tax revenues received by the director shall be deposited in the property tax relief fund created in section 426B.1, and shall be distributed as provided in section 426B.2.

4. *a.* On or before August 31 following tax years 1999, 2000, and 2001, each county treasurer shall compute a special utility property tax levy or tax credit for each taxpayer for which a replacement tax liability for each such tax year is reported to the county treasurer pursuant to subsection 1, and shall notify the taxpayer of the amount of such tax levy or tax credit. The amount of the special utility property tax levy or credit shall be determined for each taxpayer by the county treasurer by comparing the taxpayer's total replacement tax liability allocated to taxing districts in the county pursuant to this section with the anticipated tax revenues from the taxpayer for all taxing districts in the county. If the taxpayer's total replacement tax liability allocated to taxing districts in the county is less than the anticipated tax revenues from the taxpayer for all taxing districts in the county, the county treasurer shall levy a special utility property tax equal to the shortfall which shall be added to and collected with the replacement tax owed by the taxpayer to the county treasurer for the tax year pursuant to section 437A.8, subsection 4. If the taxpayer's total replacement tax liability allocated to taxing districts in the county exceeds the anticipated tax revenues from the taxpayer for all taxing districts in the county, the county treasurer shall issue a credit to the taxpayer which shall be applied to reduce the taxpayer's replacement tax liability to the county treasurer for the tax year. If the taxpayer's total replacement tax liability allocated to taxing districts in the county equals the anticipated tax revenues from the taxpayer for all taxing districts in the county, no levy or credit is required. Replacement tax liability for purposes of this subsection means replacement tax liability before credits allowed by section 437A.8, subsection 7. A recalculation of a special utility property tax levy or credit shall not be made as a result of a subsequent recalculation of replacement tax liability under section 437A.8, subsection 7, or adjustment to assessed value under section 437A.19, subsection 2, paragraph "*a*", subparagraph (6). "*Anticipated tax revenues from a taxpayer*" means the product of the total levy rates imposed by the taxing districts and the value of taxpayer property allocated to the taxing districts and reported to the county auditor. Special

utility property tax levies and credits shall be treated as replacement taxes for purposes of section 437A.11. If a special utility property tax levy payment becomes delinquent, the delinquent payment shall accrue interest and penalty in the same manner and amount as the replacement tax under section 437A.13.

*b.* It is the intent of the general assembly that the general assembly evaluate the impact of the imposition of the replacement tax for purposes of determining whether this subsection shall remain in effect and whether a determination shall be made as to the necessity of a recalculation as provided in this subsection for tax years beginning after tax year 2000.

5. The replacement tax, as adjusted by any special utility property tax levy or credit and remitted to a county treasurer by each taxpayer, shall be treated as a property tax when received and shall be disposed of by the county treasurer as taxes on real estate. Notwithstanding the allocation provisions of this section, nothing in this section shall deny any affected taxing entity, as defined in section 403.17, subsection 1, which has enacted an ordinance or entered into an agreement for the division and allocation of taxes authorized under section 403.19 and under which ordinance or agreement the taxes collected in respect of properties owned by any of the taxpayers remitting replacement taxes pursuant to the provisions of this chapter are being divided and allocated, the right to receive its share of the replacement tax revenues collected for any year which would otherwise be paid to such affected taxing entity under the terms of any such ordinance or agreement had this chapter not been enacted. To the extent that adjustment must be made to the allocation described in this section to give effect to the terms of such ordinances or agreements, the department of management and the county treasurer shall make such adjustments.

6. In lieu of the adjustment provided for in subsection 5, the assessed value of property described in section 403.19, subsection 1, may be reduced by the city or county by the amount of the taxable value of the property described in section 437A.16 included in such area on January 1, 1997, pursuant to amendment of the ordinance adopted by such city or county pursuant to section 403.19.

7. *a.* The department of management, in consultation with the department of revenue, shall coordinate the utility replacement tax task force and provide staffing assistance to the task force. It is the intent of the general assembly that the task force include representatives of the department of management, department of revenue, electric companies, natural gas companies, municipal utilities, electric cooperatives, counties, cities, school boards, and industrial, commercial, and residential consumers, and other appropriate stakeholders. The director of the department of management and the director of revenue shall serve as co-chairpersons of the task force.

*b.* The task force shall study the effects of the replacement taxes under this chapter and chapter 437B on local taxing authorities, local taxing districts, consumers, and taxpayers through January 1, 2016. If the task force recommends modifications to the replacement tax that will further the purposes of tax neutrality for local taxing authorities, local taxing districts, taxpayers, and consumers, consistent with the stated purposes of this chapter, the department of management shall transmit those recommendations to the general assembly.

98 Acts, ch 1194, §16, 40; 99 Acts, ch 152, §28, 40; 2000 Acts, ch 1114, §10, 11, 17, 18; 2001 Acts, ch 145, §9; 2002 Acts, ch 1050, §37; 2003 Acts, ch 106, §11 – 13, 15; 2003 Acts, ch 145, §286; 2004 Acts, ch 1096, §2, 4; 2005 Acts, ch 25, §1; 2006 Acts, ch 1010, §113; 2007 Acts, ch 150, §2; 2009 Acts, ch 133, §149, 150; 2010 Acts, ch 1161, §6, 11; 2011 Acts, ch 25, §143; 2013 Acts, ch 94, §9, 35, 36

Referred to in §437A.7, 437A.8, 437A.14, 437B.11

2013 amendment to subsection 7, paragraph b, takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Subsection 7, paragraph b amended

**437A.16 Assessment exclusive.**

All operating property and all other property that is primarily and directly used in the production, generation, transmission, or delivery of electricity or natural gas subject to replacement tax or transfer replacement tax is exempt from taxation except as otherwise provided by this chapter. This exemption shall not extend to taxes imposed under chapters 437, 438, and 468, taxpayers described in section 437A.8, subsection 6, or facilities or

property described in section 437A.6, subsection 1, paragraphs *"a"* through *"f"*, and section 437A.7, subsection 3.

98 Acts, ch 1194, §17, 40; 99 Acts, ch 152, §29, 40

Referred to in §437A.3, 437A.8, 437A.15, 437A.18, 437A.19, 437A.20

**437A.16A New cogeneration facilities.**

1. *a.* Except as otherwise provided by this chapter, the property of a new cogeneration facility subject to replacement tax that is primarily and directly used in the production, generation, transmission, or delivery of electricity shall be exempt from taxation by means of applying a credit, as computed in this section, representing the value of this exempt property against the assessed value of the entire new cogeneration facility as determined by the local assessor under the provisions of chapters 427, 427A, 427B, 428, 441, and any other applicable abatement and exemption provisions under this Code.

*b.* Following the March 31 due date for the replacement tax return as required by section 437A.8, the director shall annually determine the assessed value of the new cogeneration facility exempt property by dividing the prior year's replacement tax liability attributable to that facility by the current fiscal year's consolidated taxing district rate for the taxing district where the facility is located, then multiplying the quotient by one thousand. The director shall certify this value to the local assessor on or before April 10 of the current calendar year. The assessor shall apply this certified value as a credit against the total assessed value of the facility. The allowable credit shall not exceed the total value of the new cogeneration facility as determined by the local assessor for the assessment year and any excess credits shall not be applied to any other assessment year.

*c.* A credit shall not be applied to a new cogeneration facility for the first year the facility becomes subject to the replacement tax if it first became subject to the replacement tax after January 1 of that year. For the first year in which the new cogeneration facility is subject to the replacement tax as of January 1 of that year, the taxpayer shall estimate the total replacement taxes due for that year and report that estimate to the director by March 31, and the director shall base the determination of assessed value from that estimate. If the estimate varies by more than five percent from the actual replacement tax liability for the year in which the facility was first subject to the replacement tax as of January 1, the director shall adjust the next year's assessed value calculation by increasing or decreasing the current replacement tax calculation to reflect the difference between the estimate and the actual replacement tax owed for the year in which the facility was first subject to replacement tax as of January 1.

2. The director shall classify each new cogeneration facility as a separate taxpayer for reporting purposes and shall allocate the entire replacement tax attributable to the new cogeneration facility to the local taxing district or districts where that facility is located. The assessed value of the exempt property of the new cogeneration facility shall be the basis for determining the statewide property tax imposed by section 437A.18.

3. Any cogeneration facility placed in service prior to January 1, 2009, that did not qualify as a self-generator under section 437A.3, subsection 27, as of January 1, 2009, shall be subject exclusively to the replacement tax.

2010 Acts, ch 1161, §7, 11

Referred to in §427B.17, 437A.3, 437A.18

Section applies retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1161, §11

**437A.17 Statutes applicable — rate calculations.**

1. The director shall administer and enforce the replacement tax imposed by this chapter in the same manner as provided in and subject to sections 422.68, 422.70, 422.71, and 422.75.

2. The calculation of tax rates and adjustments to such rates by the director pursuant to this chapter do not constitute rulemaking subject to the provisions of chapter 17A.

98 Acts, ch 1194, §18, 40

**437A.17A Centrally assessed property tax adjustment.**

A municipal utility whose property tax assessment for the 1998 assessment year was adjusted by the department of revenue to include depreciation and whose property tax assessment for the 1997 assessment year did not include depreciation in determining

its assessment shall be entitled to file a property tax adjustment form provided by the department. The tax adjustment form shall be filed by July 1, 1999. The tax adjustment form shall include an adjusted centrally assessed property tax computation determined by multiplying the centrally assessed property tax which was payable in the fiscal year beginning July 1, 1998, based upon valuation determined for the 1997 assessment year allocated to electric service and natural gas service by the percentage of adjustment for depreciation made by the department for the 1998 assessment year. The adjusted centrally assessed property tax allocated to electric service and natural gas service shall be used to determine the replacement delivery tax rates in accordance with sections 437A.4 and 437A.5.

99 Acts, ch 152, §30, 40; 2003 Acts, ch 145, §286

Referred to in §437A.3

**437A.17B Reimbursement for renewable energy.**

A person in possession of a wind energy tax credit certificate issued pursuant to chapter 476B or a renewable energy tax credit certificate issued pursuant to chapter 476C may apply to the director for a reimbursement of the amount of taxes imposed and paid by the person pursuant to this chapter in an amount not more than the person received in wind energy tax credit certificates pursuant to chapter 476B or renewable energy tax credit certificates pursuant to chapter 476C. To obtain the reimbursement, the person shall attach to the return required under section 437A.8 the wind energy tax credit certificates issued to the person pursuant to chapter 476B, or the renewable energy tax credit certificates issued to the person pursuant to chapter 476C, and provide any other information the director may require. The director shall direct a warrant to be issued to the person for an amount equal to the tax imposed and paid by the person pursuant to this chapter but for not more than the amount of the wind energy tax credit certificates or renewable energy tax credit certificates attached to the return.

2005 Acts, ch 160, §6, 14; 2008 Acts, ch 1128, §3, 15

Referred to in §476B.8, 476C.6

2008 amendment to this section takes effect May 1, 2008, and applies retroactively to tax years beginning on or after January 1, 2008; 2008 Acts, ch 1128, §15

**437A.17C Reimbursement for soy-based transformer fluid.** Repealed by its own terms; 2008 Acts, ch 1004, § 4.

## SUBCHAPTER III

## STATEWIDE PROPERTY TAX

Referred to in §437A.1

**437A.18 Tax imposition.**

An annual statewide property tax of three cents per one thousand dollars of assessed value is imposed upon all property described in sections 437A.16 and 437A.16A on the assessment date of January 1.

98 Acts, ch 1194, §19, 40; 2010 Acts, ch 1161, §8, 11

Referred to in §437A.16A, 443.2

2010 amendment applies retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1161, §11

**437A.19 Adjustment to assessed value — reporting requirements.**

1. *a.* A taxpayer whose property is subject to the statewide property tax shall report to the director by July 1, 1999, and by May 1 of each subsequent tax year, on forms prescribed by the director, the book value, as of the beginning and end of the preceding calendar year, of all of the following:

(1) The local amount of any major addition by local taxing district.

(2) The statewide amount of any major addition without notation of location.

(3) Any building in Iowa at acquisition cost of more than ten million dollars that was originally placed in service by the taxpayer prior to January 1, 1998, and that was transferred or disposed of in the preceding calendar year, by local taxing district.

(4) Any electric power generating plant in Iowa at acquisition cost of more than ten million dollars that was originally placed in service by the taxpayer prior to January 1, 1998, and that was transferred or disposed of in the preceding calendar year, by local taxing district.

(5) All other taxpayer property without notation of location.

(6) The local amount of any major addition eligible for the urban revitalization exemption provided for in chapter 404, by situs.

(7) All other transferred taxpayer property, in addition to any transferred property reported under subparagraphs (3) and (4), by local taxing district.

(8) Any gas or transmission property at acquisition cost of more than one million dollars that was transferred or disposed of in the preceding calendar year by local taxing district.

*b.* For purposes of this section:

(1) *"Book value"* means acquisition cost less accumulated depreciation determined under generally accepted accounting principles.

(2) *"Taxpayer property"* means property described in section 437A.16.

(3) *"To dispose of"* means to sell, abandon, decommission, or retire an asset.

(4) *"Transfer"* means a transaction which results in a change of ownership of taxpayer property and includes a capital lease transaction.

*c.* For purposes of this subsection, *"taxpayer"* includes a person who would have been a taxpayer in calendar year 1998 had the provisions of this chapter been in effect for the 1998 assessment year.

*d.* If a taxpayer owns or leases pursuant to a capital lease less than the entire interest in a major addition, the local amount and statewide amount, if any, of such major addition shall be apportioned to the taxpayer on the basis of its percentage interest in such major addition.

2. *a.* Beginning January 1, 1999, the assessed value of taxpayer property shall be adjusted annually as provided in this section. The director, with respect to each taxpayer, shall do all of the following:

(1) Adjust the assessed value of taxpayer property in each local taxing district by the change in book value during the preceding calendar year of the local amount of any major addition reported within such local taxing district.

(2) Adjust the assessed value of taxpayer property in each local taxing district by allocating the change in book value during the preceding calendar year of the statewide amount and all other taxpayer property described in subsection 1, paragraph *"a"*, subparagraph (5), to the assessed value of all taxpayer property in the state pro rata according to its preadjustment value. Any value for a taxpayer owning, or owning an interest in, a new electric power generating plant in excess of a local amount, where such taxpayer owns no other taxpayer property in this state, shall not be allocated to any local taxing districts.

(3) In the case of taxpayer property described in subsection 1, paragraph *"a"*, subparagraphs (3), (4), and (7), decrease the assessed value of taxpayer property in each local taxing district by the assessed value reported within such local taxing district.

(4) In the event of a merger or consolidation of two or more taxpayers, to determine the assessed value of the surviving taxpayer, combine the assessed values of such taxpayers immediately prior to the merger or consolidation.

(5) In the event any taxpayer property is eligible for the urban revitalization tax exemption described in chapter 404, adjust the assessed value of taxpayer property within each affected local taxing district to reflect such exemption.

(6) In the event the base year assessed value of taxpayer property is adjusted as a result of taxpayer appeals, reduce the assessed value of taxpayer property in each local taxing district to reflect such adjustment. The adjustment shall be allocated in proportion to the allocation of the taxpayer's assessed value among the local taxing districts determined without regard to this adjustment. An adjustment to the base year assessed value of taxpayer property shall be made as of January 1 of the year following the date on which the adjustment is finally determined.

*b.* In no event shall the adjustments set forth in this subsection reduce the assessed value of taxpayer property in any local taxing district below zero.

*c.* The director, on or before October 31 of each assessment year, shall report to the

department of management and to the auditor of each county the adjusted assessed value of taxpayer property as of January 1 of such assessment year for each local taxing district. For purposes of this subsection, the assessed value of taxpayer property in each local taxing district subject to adjustment under this section by the director means the assessed value of such property as of the preceding January 1 as determined and allocated among the local taxing districts by the director.

*d.* Nothing in this chapter shall be interpreted to authorize local taxing authorities to exclude from the calculation of levy rates the taxable value of taxpayer property reported to county auditors pursuant to this subsection.

*e.* In addition to reporting the assessed values as described in this subsection, the director, on or before October 31 of each assessment year, shall also report to the department of management and to the auditor of each county the taxable value of taxpayer property as of January 1 of such assessment year for each local taxing district. For purposes of this chapter, *"taxable value"* means the value for all property subject to the replacement tax annually determined by the director, by dividing the estimated annual replacement tax liability for that property by the current fiscal year's consolidated taxing district rate for the taxing district where that property is located, then multiplying the quotient by one thousand. A taxpayer who paid more than five hundred thousand dollars in replacement tax in the previous tax year or who believes the taxpayer's replacement tax liability will vary more than ten percent from the previous tax year shall report to the director by October 1 of the current calendar year, on forms prescribed by the director, the estimated replacement tax liability that will be attributable to all of the taxpayer's property subject to replacement tax for the current tax year. The department shall utilize the estimated replacement tax liability as reported by the taxpayer or the taxpayer's prior year's replacement tax amounts to estimate the current tax year's taxable value for that property. Furthermore, a taxpayer who has a new major addition of operating property which is put into service for the first time in the current calendar year shall report to the director by October 1 of the current calendar year, or at the time the major addition is put into service, whichever time is later, on forms prescribed by the director, the cost of the major addition and, if not previously reported, shall report the estimated replacement taxes which that asset will generate in the current calendar year. For the purposes of computing the taxable value of property in a taxing district, the taxing district's share of the estimated replacement tax liability shall be the taxing district's percentage share of the "assessed value allocated by property tax equivalent" multiplied by the total estimated replacement tax. "Assessed value allocated by property tax equivalent" shall be determined by dividing the taxpayer's current year assessed valuation in a taxing district by one thousand, and then multiplying by the prior year's consolidated tax rate.

98 Acts, ch 1194, §20, 40; 99 Acts, ch 152, §31, 40; 2000 Acts, ch 1114, §12, 18; 2001 Acts, ch 145, §10; 2003 Acts, ch 106, §14, 15; 2004 Acts, ch 1096, §3, 4; 2007 Acts, ch 150, §3, 4; 2009 Acts, ch 60, §14; 2009 Acts, ch 133, §151; 2010 Acts, ch 1161, §9 – 11

Referred to in §437A.3, 437A.15

2010 amendments to subsection 1, paragraph a, and subsection 2, paragraph e, apply retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1161, §11

**437A.20 Tax exemptions.**

Except as provided in section 437A.16, all property tax exemptions in the Code do not apply to property subject to the statewide property tax unless such exemptions expressly refer to the statewide property tax, except that if property was exempt from property tax on January 1, 1999, such exemption shall continue until the exemption expires, is phased out, or is repealed. The property of a taxpayer who does not owe any replacement tax is exempt from the statewide property tax for the coinciding assessment year.

98 Acts, ch 1194, §21, 40

**437A.21 Return and payment requirements.**

1. Each electric company, natural gas company, electric cooperative, municipal utility, and other person whose property is subject to the statewide property tax shall file with the director a return, on or before March 31 following the assessment year, including, but not limited to, the following information:

*a.* The assessed value of property subject to the statewide property tax.

*b.* The amount of statewide property tax computed on such assessed value.

2. The first return under subsection 1 is due on or before February 28, 2000.

3. If an electric company, natural gas company, electric cooperative, municipal utility, or person is not required to file a statewide property tax return on or before February 28, 2000, but is required to file a return after such date, the return shall be filed on or before the due date. This subsection also applies in the event of a consolidation.

4. A return shall be signed by an officer, or other person duly authorized by the taxpayer, and must be certified as correct and in accordance with rules and forms prescribed by the director.

5. At the time of filing the return with the director, the taxpayer shall calculate the statewide property tax owed for the assessment year and shall remit to the director the statewide property tax required to be shown to be due on the return.

6. Notwithstanding subsections 1 through 5, a taxpayer is not required to file a return under this section or to remit any statewide property tax for any tax year in which the taxpayer's statewide property tax liability is one dollar or less.

98 Acts, ch 1194, §22, 40; 2000 Acts, ch 1114, §13, 18; 2001 Acts, ch 145, §11, 13
Referred to in §437A.24

**437A.22 Statutes applicable.**

1. Sections 437A.9, 437A.10, 437A.12, 437A.13, and 437A.14, subsection 1, are applicable to electric companies, natural gas companies, electric cooperatives, municipal utilities, and persons whose property is subject to the statewide property tax. However, a required credit or refund of overpaid statewide property tax pursuant to section 437A.14, subsection 1, as it applies to this subchapter, shall be made by the director and not by city chief financial officers or county treasurers.

2. *a.* Section 422.26 applies with respect to the statewide property tax and penalties imposed by this chapter, except that, as applied to any tax imposed by this chapter, the lien provided shall be prior to and superior over all subsequent liens upon any personal property within this state or right to such personal property belonging to the taxpayer, without the necessity of recording the lien as provided in section 422.26. The requirement for recording, as applied to the statewide property tax imposed by this chapter, shall apply only to a lien upon real property. In order to preserve such lien against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, on any real property situated in a county, the director shall file with the recorder of the county in which the real property is located a notice of the lien.

*b.* The county recorder of each county shall index each lien showing the applicable entries specified in sections 558.49 and 558.52 and showing, under the names of taxpayers arranged alphabetically, all of the following:

(1) The name of the taxpayer.

(2) The name "State of Iowa" as claimant.

(3) Time the notice of lien was filed for recording.

(4) Date of notice.

(5) Amount of lien then due.

(6) Date of assessment.

(7) Date when the lien is satisfied.

*c.* The recorder shall endorse on each notice of lien the day, hour, and minute when filed for recording and the document reference number, shall preserve such notice, and shall promptly record the lien in the manner provided for recording real estate mortgages. The lien is effective from the time of the indexing of the lien.

*d.* The director, from moneys appropriated to the department of revenue for this purpose, shall pay recording fees as provided in section 331.604 for the recording of the lien, or for its satisfaction.

*e.* Upon the payment of the replacement tax as to which the director has filed notice with a county recorder, the director shall promptly file with the recorder a satisfaction of

the replacement tax. The recorder shall enter the satisfaction on the notice on file in the recorder's office and indicate that fact on the index.

98 Acts, ch 1194, §23, 40; 2001 Acts, ch 44, §21; 2003 Acts, ch 145, §286; 2009 Acts, ch 27, §21 – 23; 2010 Acts, ch 1069, §54

Referred to in §421.10

**437A.23 Deposit of tax proceeds.**

All revenues received from imposition of the statewide property tax shall be deposited in the general fund of the state. Fifty percent of the revenues shall be available, as appropriated by the general assembly, to the department of management for salaries, support, services, and equipment to administer the replacement tax. The balance of the revenues shall be available, as appropriated by the general assembly, to the department of revenue for salaries, support, services, and equipment to administer and enforce the replacement tax and the statewide property tax.

98 Acts, ch 1194, §24, 40; 99 Acts, ch 208, §17; 2003 Acts, ch 145, §286

## SUBCHAPTER IV

## GENERAL PROVISIONS

Referred to in §437A.1

**437A.24 Records.**

Each electric company, natural gas company, electric cooperative, municipal utility, and other person who is subject to the replacement tax or the statewide property tax shall maintain records associated with the replacement tax and the assessed value of property subject to the statewide property tax for a period of five years following the later of the original due date for filing a return pursuant to sections 437A.8 and 437A.21 in which such taxes are reported, or the date on which either such return is filed. Such records shall include those associated with any additions or dispositions of property, and the allocation of such property among local taxing districts.

98 Acts, ch 1194, §25, 40; 2001 Acts, ch 145, §12

**437A.25 Rules.**

The director of revenue may adopt rules pursuant to chapter 17A for the administration and enforcement of this chapter.

98 Acts, ch 1194, §26, 40; 2003 Acts, ch 145, §286

# CHAPTER 437B

## TAXES ON RATE-REGULATED WATER UTILITIES

Referred to in §257.3, 427A.1, 428.24, 428.26, 428.28, 437A.15, 441.47, 441.73, 476.6


437B.1 Purposes.
437B.2 Definitions.
437B.3 Replacement tax imposed on delivery of water.
437B.4 Return and payment requirements.
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437B.21 Rules.


### 437B.1 Purposes.

The purposes of this chapter are to replace property taxes imposed on rate-regulated water utilities with a system of taxation which will remove fluctuations in property taxes by imposing a system of taxation based on the delivery of water, to preserve revenue neutrality and debt capacity for local governments and taxpayers, to preserve neutrality in the allocation and cost impact of any replacement tax among and upon consumers of rate-regulated water utilities in this state, and to provide a system of taxation which reduces existing administrative burdens on state government.

2013 Acts, ch 94, §10, 35, 36

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

### 437B.2 Definitions.

As used in this chapter, unless the context otherwise requires:

1. *"Centrally assessed property tax"* means property tax imposed with respect to the value of property determined by the director pursuant to sections 428.24 to 428.29, Code 2013, and allocated to water service.

2. *"Consumer"* means an end user of water used or consumed within the service area of a water utility. *"Consumer"* includes any master-metered facility even though the water delivered to such facility may ultimately be used by another person. A person to whom water is delivered by a master-metered facility is not a consumer. A *"master-metered facility"* means any multi-occupancy premises where units are separately rented or owned and where individual metering is impractical, where the facility is designated for elderly or handicapped persons and utility costs constitute part of the operating cost and are not apportioned to individual units, or where submetering or resale of service was permitted prior to 1966.

3. *"Delivery"* means the physical transfer of water, excluding nonrevenue water, to a consumer for sale. Physical transfer to a consumer occurs when transportation of water ends and such water becomes available for use or consumption by a consumer.

4. *"Director"* means the director of revenue.

5. *"Lease"* means a contract between a lessor and lessee pursuant to which the lessee obtains a present possessory interest in tangible property without obtaining legal title in such property. A contract to deliver water using operating property within this state is not a lease. *"Capital lease"* means a lease classified as a capital lease under generally accepted accounting principles.

6. *"Local taxing authority"* means a city, county, community college, school district, or other taxing authority located in this state and authorized to certify a levy on property located

within such authority for the payment of bonds and interest or other obligations of such authority.

7. *"Local taxing district"* means a geographic area with a common consolidated property tax rate.

8. *a.* *"Major addition"* means any acquisition on or after January 1, 2012, by a taxpayer, by transfer of ownership, self-construction, or capital lease of any interest in any of the following:

(1) A building in this state where the acquisition cost of all interests acquired exceeds ten million dollars.

(2) A water treatment plant where the acquisition cost of all interests acquired exceeds ten million dollars. For purposes of this subparagraph, *"water treatment plant"* means buildings and equipment used in that portion of the potable water supply system which in some way alters the physical, chemical, or bacteriological quality of the water.

(3) Water utility operating property within a local taxing district where the acquisition cost of all interests acquired exceeds one million dollars.

(4) Any water utility property in this state acquired by a person not previously subject to taxation under this chapter pursuant to section 437B.12.

*b.* For purposes of this chapter, the acquisition cost of an asset acquired by capital lease is its capitalized value determined under generally accepted accounting principles.

9. *"Nonrevenue water"* means the difference between the total number of gallons of water carried through the water utility's distribution system and the number of gallons of water delivered to consumers using the water utility's distribution system.

10. *"Operating property"* means all property owned by or leased to a water utility, not otherwise taxed separately, which is necessary to and without which the water utility could not perform the activities of a water utility.

11. *"Replacement tax"* means the excise tax imposed on the delivery of water under section 437B.3.

12. *"Service area"* means the geographical area within this state to which the water utility delivers water and related services. A water utility's service area shall be that area described in the water utility's tariff filed with the utilities board.

13. *"Tax year"* means a calendar year beginning January 1 and ending December 31.

14. *"Taxable value"* means as defined in section 437B.15, subsection 2, paragraph *"e"*.

15. *"Taxpayer"* means a water utility or other person subject to the replacement tax imposed under section 437B.3.

16. *"Utilities board"* means the utilities board created in section 474.1.

17. *"Water utility"* or *"rate-regulated water utility"* means a person engaged primarily in the production, delivery, service, or sale of water in a service area, whether formed or organized under the laws of this state or elsewhere, and subject to the rate and service regulation of the utilities board pursuant to chapter 476. *"Water utility"* does not include a cooperative, municipal utility, or other entity engaged primarily in such activities that is not under the jurisdiction of the utilities board.

2013 Acts, ch 94, §11, 35, 36; 2013 Acts, ch 140, §67, 68

Referred to in §437B.11

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.3 Replacement tax imposed on delivery of water.**

1. A replacement delivery tax is imposed on each water utility that delivers water to a consumer within the water utility's service area. The replacement delivery tax imposed by this section is equal to the number of gallons of water delivered to consumers in the water utility's service area by the taxpayer during the tax year multiplied by the replacement delivery tax rate in effect for the service area.

2. The replacement delivery tax rate for each service area shall be calculated by the director as follows:

*a.* The director shall determine the centrally assessed property tax liability allocated to water delivery for those water utilities operating within the service area for the assessment

year 2011 based on property tax amounts due and payable as the result of that assessment year.

*b.* The director shall determine the number of gallons of water delivered to consumers in the service area which would have been subject to taxation under this section in calendar year 2011, had such section been in effect for calendar year 2011.

*c.* The director shall determine a replacement delivery tax rate for each service area by dividing the centrally assessed property tax liability, as determined in paragraph "*a*", by the number of gallons of water delivered, as specified in paragraph "*b*".

3. *a.* If for any tax year after calendar year 2012, the total number of gallons of water required to be reported by a water utility pursuant to section 437B.4, subsection 1, paragraph "*a*", increases or decreases by more than the threshold percentage from the average of the base year amounts for that water utility for the immediately preceding five calendar years, the replacement tax rate imposed under subsection 1 for that tax year shall be recalculated by the director for that water utility so that the total of the tentative replacement delivery taxes required to be reported pursuant to section 437B.4, subsection 1, paragraph "*b*", for that water utility with respect to the tax imposed under subsection 1, shall be as follows:

(1) If the number of gallons of water required to be reported increased by more than the threshold percentage, one hundred two percent of such taxes required to be reported by the water utility for that water utility for the immediately preceding tax year.

(2) If the number of gallons of water required to be reported decreased by more than the threshold percentage, ninety-eight percent of such taxes required to be reported by the water utility for that water utility for the immediately preceding tax year.

*b.* For purposes of paragraph "*a*", subparagraphs (1) and (2), in computing the tax rate under subsection 1, for tax year 2013, the director shall use the centrally assessed property tax liability allocated to water sales computed pursuant to subsection 2, paragraph "*a*", or the water utility's centrally assessed property tax liability for the assessment year 2010, whichever is greater, in lieu of the taxes required to be reported for that water utility for the immediately preceding tax year. In addition, notwithstanding the provisions of this section to the contrary, for tax years 2013, 2014, and 2015, if the total amount of replacement delivery taxes imposed on the water utility in any of those tax years is less than the utility's centrally assessed property tax liability for the assessment year 2010, the replacement tax rate imposed under subsection 1 for that tax year shall be recalculated by the director so that the total amount of replacement delivery taxes imposed on the water utility for such tax year equals the water utility's centrally assessed property tax liability for the assessment year 2010.

*c.* For purposes of this section, "*base year amount*" means for calendar years prior to tax year 2013, the number of gallons of water delivered to consumers by the water utility which would have been subject to taxation under this section had this section been in effect for such calendar year, and for tax years after calendar year 2012, the number of gallons of water required to be reported by the water utility pursuant to section 437B.4, subsection 1.

*d.* The threshold percentage shall be five percent.

4. The replacement delivery tax rate in effect for each service area shall be published by the director in the Iowa administrative bulletin on or before May 31 of each year.

5. If recalculation of the replacement delivery tax rate is required pursuant to subsection 3, the new rate shall be published in the Iowa administrative bulletin by the director by no later than May 31 following the end of the tax year. The director shall adjust the tentative replacement tax imposed by subsection 1 and required to be shown on any affected water utility's return pursuant to section 437B.4, subsection 1, paragraph "*b*", to reflect the adjusted replacement delivery tax rate for the tax year, and report such adjustment to the affected water utility on or before June 30 following the end of the tax year. The new replacement delivery tax rate shall apply prospectively, until such time as further adjustment is required.

6. For a service area established as the result of the formation or organization of a new water utility on or after January 1, 2013, the director shall to the extent possible determine a replacement delivery tax rate for the new service area using the procedures of this section

and for the information for the year that the water utility was first under the jurisdiction of the utilities board.

2013 Acts, ch 94, §12, 35, 36

Referred to in §437B.2, 437B.4

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.4 Return and payment requirements.**

1. Each taxpayer, on or before March 31 following a tax year, shall file with the director a return including but not limited to the following information:

*a.* The total taxable gallons of water delivered by the water utility to consumers within the service area during the tax year.

*b.* The tentative replacement taxes imposed by section 437B.3 due for the tax year.

2. A return shall be signed by an officer, or other person duly authorized by the water utility, and must be certified as correct and in accordance with forms and rules prescribed by the director.

3. At the time of filing the return required by subsection 1 with the director, the taxpayer shall calculate the tentative replacement tax due for the tax year. The director shall compute any adjustments to the replacement tax required by subsection 5 and by section 437B.3, subsection 3, and notify the taxpayer of any such adjustments in accordance with the requirements of section 437B.3, subsection 5. The director and the department of management shall compute the allocation of replacement taxes among local taxing districts and report such allocations to county treasurers pursuant to section 437B.11. Based on such allocations, the treasurer of each county shall notify each taxpayer on or before August 31 following a tax year of its replacement tax obligation to the county treasurer. On or before September 30, 2014, and on or before September 30 of each subsequent year, the taxpayer shall remit to the county treasurer of each county to which such replacement tax is allocated pursuant to section 437B.11, one-half of the replacement tax so allocated, and on or before the succeeding March 31, the taxpayer shall remit to the county treasurers the remaining replacement tax so allocated. If notification of a taxpayer's replacement tax obligation is not mailed by a county treasurer on or before August 31 following a tax year, such taxpayer shall have thirty days from the date the notification is mailed to remit one-half of the replacement tax otherwise required by this subsection to be remitted to such county treasurer on or before September 30. If a taxpayer fails to timely remit replacement taxes as provided in this subsection, the county treasurer of each affected county shall notify the director of such failure.

4. Notwithstanding subsections 1 through 3, a taxpayer shall not be required to file a return otherwise required by this section or remit any replacement tax for any tax year in which the taxpayer's replacement tax liability before credits is three hundred dollars or less, provided that all water utilities shall file a return, regardless of the taxpayer's replacement tax liability.

5. Following the determination of replacement delivery tax rates by the director pursuant to section 437B.3, subsection 2, if an adjustment resulting from a taxpayer appeal is made to taxes levied and paid by a taxpayer with respect to the assessment year 2011 used in determining such rates, the director shall recalculate the replacement delivery tax rate for any affected water utility to reflect the impact of such adjustment as if such adjustment had been reflected in the initial determination of the centrally assessed property tax liability allocated to water service pursuant to section 437B.3, subsection 2, paragraph "*a*". Rate recalculations shall be made and published in the Iowa administrative bulletin by the director on or before March 31 following the calendar year in which a final determination of the adjustment is made. Taxpayers shall report to the director any increase or decrease in the tentative replacement tax required to be shown to be due pursuant to subsection 1, paragraph "*b*", for any tax year with the return for the year in which the recalculated tax rates which gave rise to the adjustment are published in the Iowa administrative bulletin. The director and the department of management shall redetermine the allocation of replacement taxes pursuant to section 437B.11 for each affected tax year. If a taxpayer has overpaid

replacement taxes, the overpayment shall be reported by the director to such taxpayer and to the appropriate county treasurers and shall be a credit against the replacement taxes owed by such taxpayer for the year in which the recalculated rates which gave rise to the overpayment are published in the Iowa administrative bulletin. If a taxpayer has overpaid centrally assessed property taxes for assessment years prior to tax year 2013, such overpayment shall be a credit against replacement taxes owed by such taxpayer for the year in which the overpayment is determined. Unused credits may be carried forward and used to reduce future replacement tax liabilities until exhausted.

2013 Acts, ch 94, §13, 35, 36

Referred to in §437B.3, 437B.5, 437B.11, 437B.20

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.5 Failure to file return — incorrect return.**

1. As soon as practicable after a return required by section 437B.4, subsection 1, is filed, and in any event within three years after such return is filed, the director shall examine the return, determine the tax due if the return is found to be incorrect, and give notice to the taxpayer of the determination as provided in subsection 2. The period for the examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade any tax or in the case of a failure to file a return.

2. If a return required by section 437B.4, subsection 1, is not filed, or if such return when filed is incorrect or insufficient and the taxpayer fails to file a corrected or sufficient return within twenty days after such return is required by notice from the director, the director shall determine the amount of tax due from information as the director may be able to obtain and, if necessary, may estimate the tax due on the basis of external indices. The director shall give notice of the determination to the taxpayer liable for the tax and to the county treasurers to whom the tax is owed. The determination shall fix the tax unless the taxpayer against whom it is levied, within sixty days after notice of the determination, applies to the director for a hearing. At the hearing evidence may be offered to support the determination or to prove that it is incorrect. After the hearing the director shall give notice of the decision to the person liable for the tax and to the county treasurers to whom the tax is owed.

3. The three-year period of limitation provided in subsection 1 may be extended by the taxpayer by signing a waiver agreement form provided by the department. The agreement shall stipulate the period of extension and the tax period to which the extension applies. The agreement shall also provide that a claim for refund may be filed by the taxpayer at any time during the period of extension.

2013 Acts, ch 94, §14, 35, 36

Referred to in §421.10, 437B.18

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.6 Judicial review.**

1. Judicial review of the actions of the director may be sought pursuant to chapter 17A, the Iowa administrative procedure Act.

2. For cause and upon a showing by the director that collection of the tax in dispute is in doubt, the court may order the petitioner to file with the clerk of the district court a bond for the use of the appropriate local taxing authorities, with sureties approved by the clerk of the district court, in the amount of the tax appealed from, conditioned upon the performance by the petitioner of any orders of the court.

3. An appeal may be taken by the taxpayer or the director to the supreme court irrespective of the amount involved.

4. A person aggrieved by a decision of the chief financial officer of a city under this chapter may seek review by writ of certiorari within thirty days of the decision sought to be reviewed.

2013 Acts, ch 94, §15, 35, 36

Referred to in §437B.18

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.7 Lien — actions authorized.**

1. Whenever a taxpayer who is liable to pay a replacement tax imposed by this chapter refuses or neglects to pay such tax, the amount, including any interest, penalty, or addition to such tax, together with the costs that may accrue, shall be a lien in favor of the chief financial officer of the city or the county treasurer to which the tax is owed upon all property and rights to property, whether real or personal, belonging to the taxpayer. The lien shall be prior to and superior over all subsequent liens upon any personal property within this state, or right to such personal property, belonging to the taxpayer, without the necessity of recording the lien. The requirement for recording, as applied to the replacement tax imposed by this chapter, shall apply only to a lien upon real property. The lien may be preserved against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, on any real property situated in a county, by the county treasurer to which replacement tax is owed by filing with the recorder of the county in which the real property is located a notice of the lien. For purposes of the replacement tax collected by a city, the lien may be preserved against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, on any real property situated in the county, by the chief financial officer of the city to which replacement tax is owed by filing with the recorder of the county in which the real property is located a notice of the lien.

2. The county recorder of each county shall index each lien showing the applicable entries specified in sections 558.49 and 558.52 and showing, under the names of taxpayers arranged alphabetically, all of the following:

*a.* The name of the taxpayer.

*b.* The name of the county treasurer and county or the name of the chief financial officer and city as claimant.

*c.* Time the notice of lien was filed for recording.

*d.* Date of notice.

*e.* Amount of lien then due.

*f.* Date of assessment.

*g.* Date when the lien is satisfied.

3. The recorder shall endorse on each notice of lien the day, hour, and minute when filed for recording and the document reference number, shall preserve such notice, shall index the notice in the index, and shall promptly record the lien in the manner provided for recording real estate mortgages. The lien is effective from the time of the indexing of the lien.

4. The county treasurer or chief financial officer of the city shall pay recording fees as provided in section 331.604, for the recording of the lien, or for its satisfaction.

5. Upon the payment of the replacement tax as to which a county treasurer has filed notice with a county recorder, the county treasurer shall promptly file with the recorder a satisfaction of the replacement tax. The recorder shall record the notice of satisfaction showing the applicable entries specified in sections 558.49 and 558.52.

6. Section 445.3 applies with respect to the replacement taxes and special utility property tax levies and penalties and interest imposed by this chapter, except for the provisions limiting the commencement of actions. In addition, at the county treasurer's discretion, chapters 446, 447, and 448 apply in the enforcement of the special utility property tax levies, but any tax deed issued shall not extinguish a tax lien or judgment lien for replacement taxes that has attached to the property.

2013 Acts, ch 94, §16, 35, 36

Referred to in §331.604, 437B.11

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.8 Service of notice.**

1. A notice authorized or required under this chapter may be given by mailing the notice to the taxpayer, addressed to the taxpayer at the address given in the last return filed by the taxpayer pursuant to this chapter, or if no return has been filed, then to the most recent address of the taxpayer obtainable. The mailing of the notice is presumptive evidence of the receipt of the notice by the taxpayer to whom the notice is addressed. A period of time within

which some action must be taken for which notice is provided under this section commences to run from the date of mailing of the notice.

2. There is no limitation for the enforcement of a civil remedy pursuant to any proceeding or action taken to levy, appraise, assess, determine, or enforce the collection of any tax or penalty due under this chapter.

2013 Acts, ch 94, §17, 35, 36

Referred to in §437B.18

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.9 Penalties — offenses — limitation.**

1. A taxpayer is subject to the penalty provisions in section 421.27 with respect to any replacement tax due under this chapter. A taxpayer shall also pay interest on the delinquent replacement tax at the rate in effect under section 421.7 for each month computed from the date the payment was due, counting each fraction of a month as an entire month. The penalty and interest shall be paid to the county treasurer, or in the case of penalty and interest associated with a municipal transfer replacement tax to the city financial officer, and shall be disposed of in the same manner as other receipts under this chapter. Unpaid penalties and interest may be enforced in the same manner as provided for unpaid replacement tax under this chapter.

2. A taxpayer, or officer, member, or employee of the taxpayer, who willfully attempts to evade the replacement tax imposed or the payment of the replacement tax is guilty of a class "D" felony.

3. The issuance of a certificate by the director or a county treasurer stating that a replacement tax has not been paid, that a return has not been filed, or that information has not been supplied pursuant to this chapter is prima facie evidence of such failure.

4. A taxpayer, or officer, member, or employee of the taxpayer, required to pay a replacement tax, or required to make, sign, or file an annual return or supplemental return, who willfully makes a false or fraudulent annual return, or who willfully fails to pay at least ninety percent of the replacement tax or willfully fails to make, sign, or file the annual return, as required, is guilty of a fraudulent practice.

5. For purposes of determining the place of trial for a violation of this section, the situs of an offense is in the county of the residence of the taxpayer, officer, member, or employee of the taxpayer charged with the offense, unless the taxpayer, officer, member, or employee of the taxpayer is a nonresident of this state or the residence cannot be established, in which event the situs of the offense is in Polk county.

6. Prosecution for an offense specified in this section shall be commenced within six years after the commission of the offense.

2013 Acts, ch 94, §18, 35, 36

Referred to in §437B.11, 437B.18

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.10 Correction of errors — refunds or credits of replacement tax paid — information confidential — penalty.**

1. *a.* If an amount of replacement tax, penalty, or interest has been paid which was not due under this chapter, a county treasurer to whom such erroneous payment was made shall do one of the following:

(1) Credit the amount of the erroneous payment against any replacement tax due, or to become due, from the taxpayer on the books of the city or county.

(2) Refund the amount of the erroneous payment to the taxpayer.

*b.* Claims for refund or credit of replacement taxes paid shall be filed with the director. A claim for refund or credit that is not filed with the director within three years after the replacement tax payment upon which a refund or credit is claimed became due, or one year after the replacement tax payment was made, whichever time is later, shall not be allowed. A claim for refund or credit of tax alleged to be unconstitutional not filed with the director

within ninety days after the replacement tax payment upon which a refund or credit is claimed became due shall not be allowed. As a precondition for claiming a refund or credit of alleged unconstitutional taxes, such taxes must be paid under written protest which specifies the particulars of the alleged unconstitutionality. Claims for refund or credit may only be made by, and refunds or credits may only be made to, the person responsible for paying the replacement tax, or such person's successors. The director shall notify affected county treasurers of the acceptance or denial of any refund claim. Section 421.10 applies to claims denied by the director.

2. *a.* It is unlawful for any present or former officer or employee of the state to divulge or to make known in any manner to any person the gallons of water delivered by a water utility disclosed on a tax return, return information, or investigative or audit information. A person who violates this section is guilty of a serious misdemeanor. If the offender is an officer or employee of the state, such person, in addition to any other penalty, shall also be dismissed from office or discharged from employment. This section does not prohibit turning over to duly authorized officers of the United States or tax officials of other states such information pursuant to agreement between the director and the secretary of the treasury of the United States or the secretary's delegate or pursuant to a reciprocal agreement with another state.

*b.* Local taxing authority employees are deemed to be officers and employees of the state for purposes of this subsection.

3. Unless otherwise expressly permitted by a section referencing this chapter, the gallons of water delivered by a taxpayer in a service area shall not be divulged to any person or entity, other than the taxpayer, the department of revenue, or the internal revenue service for use in a matter unrelated to tax administration. This prohibition precludes persons or entities other than the taxpayer, the department of revenue, or the internal revenue service from obtaining such information from the department of revenue. A subpoena, order, or process which requires the department of revenue to produce such information to a person or entity, other than the taxpayer, the department of revenue, or internal revenue service, for use in a nontax proceeding is void.

4. Notwithstanding subsections 2 and 3, the chief financial officer of any local taxing authority and any designee of such officer shall have access to any computations made by the director pursuant to the provisions of this chapter, and any tax return or other information used by the director in making such computations, which affect the replacement tax owed by any such taxpayer.

5. Claims for refund or credit of special utility property tax levies shall be filed with the appropriate county treasurer. Subsection 1 applies with respect to the special utility property tax levy and the county treasurer shall have the same authority as is granted to the director under this section.

2013 Acts, ch 94, §19, 35, 36; 2013 Acts, ch 140, §69

Referred to in §437B.18

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.11 Allocation of revenue.**

1. The director and the department of management shall compute the allocation of all replacement tax revenues among the local taxing districts in accordance with this section and shall report such allocation by local taxing districts to the county treasurers on or before August 15 following a tax year.

2. The director shall determine and report to the department of management the total replacement taxes to be collected from each taxpayer for the tax year on or before July 30 following such tax year.

3. *a.* All replacement taxes owed by a taxpayer shall be allocated among the local taxing districts in which such taxpayer's property is located in accordance with a general allocation formula determined by the department of management on the basis of general property tax equivalents. General property tax equivalents shall be determined by applying the levy rates reported by each local taxing district to the department of management on or before June 30 following a tax year to the taxable value of taxpayer property allocated to each such local

taxing district as adjusted and reported to the department of management in such tax year by the director pursuant to the procedures required pursuant to section 437B.15. The general allocation formula for a tax year shall allocate to each local taxing district that portion of the replacement taxes owed by each taxpayer which bears the same ratio as such taxpayer's general property tax equivalents for each local taxing district bears to such taxpayer's total general property tax equivalents for all local taxing districts in Iowa.

*b.* If, during the tax year, a taxpayer transferred operating property or an interest in operating property to another taxpayer, the transferee taxpayer's replacement tax associated with that property shall be allocated, for the tax year in which the transfer occurred, under this section in accordance with the general allocation formula on the basis of the general property tax equivalents of the transferor taxpayer.

*c.* Notwithstanding the provisions of this section, if during the tax year a person who was not a taxpayer during the prior tax year acquires a new major addition, as defined in section 437B.2, subsection 8, paragraph "*a*", subparagraph (4), the replacement tax associated with that major addition shall be allocated, for that tax year, under this section in accordance with the general allocating formula on the basis of the general property tax equivalents established under paragraph "*a*" of this subsection, except that the levy rates established and reported to the department of management on or before June 30 following the tax year in which the major addition was acquired shall be applied to the prorated assessed value of the major addition. For purposes of this paragraph, "*prorated assessed value of the major addition*" means the assessed value of the major addition as of January 1 of the year following the tax year in which the major addition was acquired multiplied by the percentage derived by dividing the number of months that the major addition existed during the tax year by twelve, counting any portion of a month as a full month.

4. On or before August 31 following tax years 2013, 2014, and 2015, each county treasurer shall compute a special utility property tax levy or tax credit for each taxpayer for which a replacement tax liability for each such tax year is reported to the county treasurer pursuant to subsection 1, and shall notify the taxpayer of the amount of such tax levy or tax credit. The amount of the special utility property tax levy or credit shall be determined for each taxpayer by the county treasurer by comparing the taxpayer's total replacement tax liability allocated to taxing districts in the county pursuant to this section with the anticipated tax revenues from the taxpayer for all taxing districts in the county. If the taxpayer's total replacement tax liability allocated to taxing districts in the county is less than the anticipated tax revenues from the taxpayer for all taxing districts in the county, the county treasurer shall levy a special utility property tax equal to the shortfall which shall be added to and collected with the replacement tax owed by the taxpayer to the county treasurer for the tax year pursuant to section 437B.4, subsection 3. If the taxpayer's total replacement tax liability allocated to taxing districts in the county exceeds the anticipated tax revenues from the taxpayer for all taxing districts in the county, the county treasurer shall issue a credit to the taxpayer which shall be applied to reduce the taxpayer's replacement tax liability to the county treasurer for the tax year. If the taxpayer's total replacement tax liability allocated to taxing districts in the county equals the anticipated tax revenues from the taxpayer for all taxing districts in the county, no levy or credit is required. Replacement tax liability for purposes of this subsection means replacement tax liability before credits allowed by section 437B.4, subsection 5. A recalculation of a special utility property tax levy or credit shall not be made as a result of a subsequent recalculation of replacement tax liability under section 437B.4, subsection 5, or adjustment to assessed value under section 437B.15. "*Anticipated tax revenues from a taxpayer*" means the product of the total levy rates imposed by the taxing districts and the value of taxpayer property allocated to the taxing districts and reported to the county auditor. Special utility property tax levies and credits shall be treated as replacement taxes for purposes of section 437B.7. If a special utility property tax levy payment becomes delinquent, the delinquent payment shall accrue interest and penalty in the same manner and amount as the replacement tax under section 437B.9.

5. The replacement tax, as adjusted by any special utility property tax levy or credit and remitted to a county treasurer by each taxpayer, shall be treated as a property tax when received and shall be disbursed by the county treasurer as taxes on real estate.

Notwithstanding the allocation provisions of this section, nothing in this section shall deny any municipality which has enacted an ordinance or entered into an agreement for the division and allocation of taxes authorized under section 403.19 and under which ordinance or agreement the taxes collected in respect of properties owned by any of the taxpayers remitting replacement taxes pursuant to the provisions of this chapter are being divided and allocated, the right to receive its share of the replacement tax revenues collected for any year which would otherwise be paid to such municipality under the terms of any such ordinance or agreement had this chapter not been enacted. To the extent that adjustment must be made to the allocation described in this section to give effect to the terms of such ordinances or agreements, the department of management and the county treasurer shall make such adjustments.

6. In lieu of the adjustment provided for in subsection 5, the assessed value of property described in section 403.19, subsection 1, may be reduced by the city or county by the amount of the taxable value of the property described in section 437B.12 included in such area on January 1, 2011, pursuant to amendment of the ordinance adopted by such city or county pursuant to section 403.19.

7. The utility replacement tax task force created in section 437A.15 shall study the effects of the replacement tax on local taxing authorities, local taxing districts, consumers, and taxpayers through January 1, 2016. If the task force recommends modifications to the replacement tax that will further the purposes of tax neutrality for local taxing authorities, local taxing districts, taxpayers, and consumers, consistent with the stated purposes of this chapter, the department of management shall transmit those recommendations to the general assembly.

2013 Acts, ch 94, §20, 35, 36

Referred to in §437B.4

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.12 Assessment exclusive.**

All operating property and all other property that is primarily and directly used in the delivery of water subject to replacement tax is exempt from taxation except as otherwise provided by this chapter.

2013 Acts, ch 94, §21, 35, 36

Referred to in §437B.2, 437B.11, 437B.14, 437B.15, 437B.16

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.13 Statutes applicable — rate calculations.**

1. The director shall administer and enforce the replacement tax imposed by this chapter in the same manner as provided in and subject to sections 422.68, 422.70, 422.71, and 422.75.

2. The calculation of tax rates and adjustments to such rates by the director pursuant to this chapter do not constitute rulemaking subject to the provisions of chapter 17A.

2013 Acts, ch 94, §22, 35, 36

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.14 Tax imposition.**

An annual statewide property tax of three cents per one thousand dollars of assessed value is imposed upon all property described in section 437B.12 on the assessment date of January 1.

2013 Acts, ch 94, §23, 35, 36

Referred to in §443.2

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.15 Adjustment to assessed value — reporting requirements.**

1. *a.* A taxpayer whose property is subject to the statewide property tax shall report to

the director by July 1, 2013, and by May 1 of each subsequent tax year, on forms prescribed by the director, the book value, as of the beginning and end of the preceding calendar year, of all of the following:

(1) The local amount of any major addition by local taxing district.

(2) The statewide amount of any major addition without notation of location.

(3) Any building in Iowa at acquisition cost of more than ten million dollars that was originally placed in service by the taxpayer prior to January 1, 2012, and that was transferred or disposed of in the preceding calendar year, listed by local taxing district.

(4) All other taxpayer property without notation of location.

(5) The local amount of any major addition eligible for the urban revitalization exemption provided for in chapter 404, by situs.

(6) All other transferred taxpayer property, in addition to any transferred property reported under subparagraph (3), listed by local taxing district.

(7) Any water utility operating property at acquisition cost of more than one million dollars that was transferred or disposed of in the preceding calendar year, listed by local taxing district.

*b.* For purposes of this section:

(1) *"Book value"* means acquisition cost less accumulated depreciation determined under generally accepted accounting principles.

(2) *"Taxpayer property"* means property described in section 437B.12.

(3) *"To dispose of"* means to sell, abandon, decommission, or retire an asset.

(4) *"Transfer"* means a transaction which results in a change of ownership of taxpayer property and includes a capital lease transaction.

*c.* For purposes of this subsection, *"taxpayer"* includes a person who would have been a taxpayer in calendar year 2012 had the provisions of this chapter been in effect for the 2012 assessment year.

*d.* If a taxpayer owns or leases pursuant to a capital lease less than the entire interest in a major addition, the local amount and statewide amount, if any, of such major addition shall be apportioned to the taxpayer on the basis of its percentage interest in such major addition.

2. *a.* Beginning January 1, 2013, the assessed value of taxpayer property shall be adjusted annually as provided in this section. The director, with respect to each taxpayer, shall do all of the following:

(1) Adjust the assessed value of taxpayer property in each local taxing district by the change in book value during the preceding calendar year of the local amount of any major addition reported within such local taxing district.

(2) Adjust the assessed value of taxpayer property in each local taxing district by allocating the change in book value during the preceding calendar year of the statewide amount and all other taxpayer property described in subsection 1, paragraph *"a"*, subparagraph (5), to the assessed value of all taxpayer property in the state pro rata according to its preadjustment value.

(3) In the case of taxpayer property described in subsection 1, paragraph *"a"*, subparagraphs (3), (4), and (7), decrease the assessed value of taxpayer property in each local taxing district by the assessed value reported within such local taxing district.

(4) In the event of a merger or consolidation of two or more taxpayers, to determine the assessed value of the surviving taxpayer, combine the assessed values of such taxpayers immediately prior to the merger or consolidation.

(5) In the event any taxpayer property is eligible for the urban revitalization tax exemption described in chapter 404, adjust the assessed value of taxpayer property within each affected local taxing district to reflect such exemption.

(6) In the event the assessed value of taxpayer property is adjusted as a result of taxpayer appeals, reduce the assessed value of taxpayer property in each local taxing district to reflect such adjustment. The adjustment shall be allocated in proportion to the allocation of the taxpayer's assessed value among the local taxing districts determined without regard to this adjustment. An adjustment to the assessed value of taxpayer property shall be made as of January 1 of the year following the date on which the adjustment is finally determined.

*b.* In no event shall the adjustments set forth in this subsection reduce the assessed value of taxpayer property in any local taxing district below zero.

*c.* The director, on or before October 31 of each assessment year, shall report to the department of management and to the auditor of each county the adjusted assessed value of taxpayer property as of January 1 of such assessment year for each local taxing district. For purposes of this subsection, the assessed value of taxpayer property in each local taxing district subject to adjustment under this section by the director means the assessed value of such property as of the preceding January 1 as determined and allocated among the local taxing districts by the director.

*d.* Nothing in this chapter shall be interpreted to authorize local taxing authorities to exclude from the calculation of levy rates the taxable value of taxpayer property reported to county auditors pursuant to this subsection.

*e.* In addition to reporting the assessed values as described in this subsection, the director, on or before October 31 of each assessment year, shall also report to the department of management and to the auditor of each county the taxable value of taxpayer property as of January 1 of such assessment year for each local taxing district. For purposes of this chapter, *"taxable value"* means the value for all property subject to the replacement tax annually determined by the director, by dividing the estimated annual replacement tax liability for that property by the current fiscal year's consolidated taxing district rate for the taxing district where that property is located, then multiplying the quotient by one thousand. A taxpayer who paid more than five hundred thousand dollars in replacement tax in the previous tax year or who believes the taxpayer's replacement tax liability will vary more than ten percent from the previous tax year shall report to the director by October 1 of the current calendar year, on forms prescribed by the director, the estimated replacement tax liability that will be attributable to all of the taxpayer's property subject to replacement tax for the current tax year. The department shall utilize the estimated replacement tax liability as reported by the taxpayer or the taxpayer's prior year's replacement tax amounts to estimate the current tax year's taxable value for that property. Furthermore, a taxpayer who has a new major addition of operating property which is put into service for the first time in the current calendar year shall report to the director by October 1 of the current calendar year, or at the time the major addition is put into service, whichever time is later, on forms prescribed by the director, the cost of the major addition and, if not previously reported, shall report the estimated replacement taxes which that asset will generate in the current calendar year. For the purposes of computing the taxable value of property in a taxing district, the taxing district's share of the estimated replacement tax liability shall be the taxing district's percentage share of the assessed value allocated by property tax equivalent multiplied by the total estimated replacement tax. The assessed value allocated by property tax equivalent shall be determined by dividing the taxpayer's current year assessed valuation in a taxing district by one thousand, and then multiplying by the prior year's consolidated tax rate.

2013 Acts, ch 94, §24, 35, 36

Referred to in §437B.2, 437B.11

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.16 Tax exemptions.**

Except as provided in section 437B.12, all property tax exemptions in the Code do not apply to property subject to the statewide property tax unless such exemptions expressly refer to the statewide property tax, except that if property was exempt from property tax on January 1, 2013, such exemption shall continue until the exemption expires, is phased out, or is repealed. The property of a taxpayer who does not owe any replacement tax is exempt from the statewide property tax for the coinciding assessment year.

2013 Acts, ch 94, §25, 35, 36

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.17 Return and payment requirements.**

1. Each water utility whose property is subject to the statewide property tax shall file with the director a return, on or before March 31 following the assessment year, including but not limited to the following information:

*a.* The assessed value of property subject to the statewide property tax.

*b.* The amount of statewide property tax computed on such assessed value.

2. The first return under subsection 1 is due on or before February 28, 2014.

3. A return shall be signed by an officer, or other person duly authorized by the taxpayer, and must be certified as correct and in accordance with rules and forms prescribed by the director.

4. At the time of filing the return with the director, the taxpayer shall calculate the statewide property tax owed for the assessment year and shall remit to the director the statewide property tax required to be shown due on the return.

5. Notwithstanding subsections 1 through 4, a taxpayer is not required to file a return under this section or to remit any statewide property tax for any tax year in which the taxpayer's statewide property tax liability is one dollar or less.

2013 Acts, ch 94, §26, 35, 36

Referred to in §437B.20

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.18 Statutes applicable.**

1. Sections 437B.5, 437B.6, 437B.8, and 437B.9, and section 437B.10, subsection 1, are applicable to water utilities whose property is subject to the statewide property tax.

2. *a.* Section 422.26 applies with respect to the statewide property tax and penalties imposed by this chapter, except that, as applied to any tax imposed by this chapter, the lien provided shall be prior to and superior over all subsequent liens upon any personal property within this state or right to such personal property belonging to the taxpayer, without the necessity of recording the lien as provided in section 422.26. The requirement for recording, as applied to the statewide property tax imposed by this chapter, shall apply only to a lien upon real property. In order to preserve such lien against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, on any real property situated in a county, the director shall file with the recorder of the county in which the real property is located a notice of the lien.

*b.* The county recorder of each county shall index each lien showing the applicable entries specified in sections 558.49 and 558.52 and showing, under the names of taxpayers arranged alphabetically, all of the following:

(1) The name of the taxpayer.

(2) The name "State of Iowa" as claimant.

(3) Time the notice of lien was filed for recording.

(4) Date of notice.

(5) Amount of lien then due.

(6) Date of assessment.

(7) Date when the lien is satisfied.

*c.* The recorder shall endorse on each notice of lien the day, hour, and minute when filed for recording and the document reference number, shall preserve such notice, and shall promptly record the lien in the manner provided for recording real estate mortgages. The lien is effective from the time of the indexing of the lien.

*d.* The director, from moneys appropriated to the department of revenue for this purpose, shall pay recording fees as provided in section 331.604 for the recording of the lien, or for its satisfaction.

*e.* Upon the payment of the statewide property tax as to which the director has filed notice with a county recorder, the director shall promptly file with the recorder a satisfaction of the

statewide property tax. The recorder shall enter the satisfaction on the notice on file in the recorder's office and indicate that fact on the index.

2013 Acts, ch 94, §27, 35, 36

Referred to in §421.10

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.19 Deposit of tax proceeds.**

All revenues received from imposition of the statewide property tax shall be deposited in the general fund of the state. Fifty percent of the revenues shall be available, as appropriated by the general assembly, to the department of management for salaries, support, services, and equipment to administer the replacement tax. The balance of the revenues shall be available, as appropriated by the general assembly, to the department of revenue for salaries, support, services, and equipment to administer and enforce the replacement tax and the statewide property tax.

2013 Acts, ch 94, §28, 35, 36

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.20 Records.**

Each water utility that is subject to the replacement tax or the statewide property tax shall maintain records associated with the replacement tax and the assessed value of property subject to the statewide property tax for a period of five years following the later of the original due date for filing a return pursuant to sections 437B.4 and 437B.17 in which such taxes are reported, or the date on which either such return is filed. Such records shall include those associated with any additions or dispositions of property, and the allocation of such property among local taxing districts.

2013 Acts, ch 94, §29, 35, 36

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

**437B.21 Rules.**

The director of revenue may adopt rules pursuant to chapter 17A for the administration and enforcement of this chapter.

2013 Acts, ch 94, §30, 35, 36

Section takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

NEW section

# CHAPTER 438

## PIPELINE COMPANIES TAX

Referred to in §331.401, 427A.1, 427B.17, 429.1, 437A.16, 441.21, 441.47, 441.73


438.1 Taxation procedure.
438.2 Definitions.
438.3 Statement required.
438.4 Real estate holdings.
438.5 Statement deemed permanent.
438.6 Additional corrective statements.
438.7 Consolidated list of real estate.
438.8 Gross earnings.
438.9 Accounts — regulation.
438.10 Rules — promulgation.
438.11 Refusal to comply — penalty.
438.12 Amended and explanatory statements.
438.13 Basis of valuation and assessment.
438.14 Valuation and certification.
438.15 Assessed value in each taxing district — record.
438.16 Taxation procedure.
438.17 Collection.
438.18 Nonpayment of tax — effect.
438.19 Scope of chapter.

**438.1 Taxation procedure.**

Every person, partnership, association, corporation, or syndicate engaged in the business of transporting or transmitting gas, gasoline, oils, or motor fuels by means of pipelines other than natural gas pipelines permitted pursuant to chapter 479, whether such pipelines be owned or leased, shall be taxed as provided in this chapter.

[C31, 35, §7103-d1; C39, §**7103.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.1]
98 Acts, ch 1194, §34, 40; 2008 Acts, ch 1032, §106
Referred to in §438.2

**438.2 Definitions.**

1. As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. *"Pipeline company"*, as used in this chapter, means any person, partnership, association, corporation, or syndicate that may own or operate or be engaged in operating or utilizing pipelines, other than natural gas pipelines permitted pursuant to chapter 479, for the purposes described in section 438.1.

[C31, 35, §7103-d2; C39, §**7103.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.2]
98 Acts, ch 1194, §35, 40; 2000 Acts, ch 1148, §1; 2008 Acts, ch 1032, §106

**438.3 Statement required.**

Every pipeline company having lines in the state of Iowa shall annually, on or before the first day of April in each year, make out and deliver to the director of revenue a statement, verified by the oath of an officer or agent of such pipeline company making such statement, showing in detail for the year ended December 31 next preceding:

1. The name of the company.
2. The nature of the company, whether a person or persons, an association, partnership, corporation or syndicate, and under the laws of what state organized.
3. The location of its principal office or place of business.
4. The name and post office address of the president, secretary, auditor, treasurer and superintendent or general manager.
5. The name and post office address of the chief officer or managing agent of the company in Iowa.
6. The whole number of miles of pipeline owned, operated or leased within the state, including a classification of the size, kind and weight thereof, separated, so as to show the mileage in each county, and each lesser taxing district.
7. A full and complete statement of the cost and actual present value of all buildings of every description owned by said pipeline company within the state and each lesser taxing district, not otherwise assessed.
8. The number, location, size and cost of each pressure pump or station.
9. Any and all other property owned by said pipeline company within the state which property must be classified and scheduled in such a manner as the director of revenue may by rule require.
10. The gross earnings of the entire company, and the gross earnings on business done within this state.
11. The operating expenses of the entire company and the operating expenses within this state.
12. The net earnings of the entire company and the net earnings within this state.

[C31, 35, §7103-d3; C39, §**7103.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.3]
2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §106
Referred to in §438.12

**438.4 Real estate holdings.**

Every pipeline company required by law to report to the director of revenue under the provisions of this chapter shall, on or before the first day of April 1932, make to the director a detailed statement showing the amount of real estate owned or used by it on December 31, 1931, for pipeline purposes, the county in which said real estate is situated, including

the rights-of-way, pumping or station grounds, buildings, storage or tank yards, equipment grounds for any and all purposes, with the estimated actual value thereof, in such manner as may be required by the director.

[C31, 35, §7103-d4; C39, §**7103.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.4]
2003 Acts, ch 145, §286
Referred to in §438.7

**438.5 Statement deemed permanent.**

Only one such detailed statement by any pipeline company shall be necessary, and when received by the director of revenue, it shall become the record of the pipeline lands of such company, and be deemed as annually thereafter reported for valuation and assessment by the director.

[C31, 35, §7103-d5; C39, §**7103.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.5]
2003 Acts, ch 145, §286
Referred to in §438.7

**438.6 Additional corrective statements.**

On or before the first day of April of each subsequent year, such company shall, in like manner, report all real estate acquired for any of the pipeline purposes above named during the preceding calendar year; and also, a list of any real estate, previously reported, disposed of during the same period, which disposition shall be noted by the director of revenue in an appropriate column opposite to the description of said tract in the original report of the same in the record of pipeline land.

[C31, 35, §7103-d6; C39, §**7103.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.6]
2003 Acts, ch 145, §286
Referred to in §438.7

**438.7 Consolidated list of real estate.**

The director of revenue shall, by some convenient method of binding, arrange the statements required to be made by sections 438.4 to 438.6 so as to form a consolidated list of all real estate reported to the director as being owned or used for pipeline purposes within the state of Iowa.

[C31, 35, §7103-d7; C39, §**7103.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.7]
2003 Acts, ch 145, §286

**438.8 Gross earnings.**

For the purpose of making reports to the director of revenue, the gross earnings of a pipeline company, owning or operating a line or lines within this state, shall be computed and reported by said company upon such bases as the director may by rule require.

[C31, 35, §7103-d8; C39, §**7103.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.8]
2003 Acts, ch 145, §286

**438.9 Accounts — regulation.**

The director of revenue may prescribe such rules with respect to the keeping of accounts by the pipeline companies doing business or having property in this state as will insure the accurate division of the accounts and the information to be reported, and uniformity in reporting the same to the director.

[C31, 35, §7103-d9; C39, §**7103.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.9]
2003 Acts, ch 145, §286

**438.10 Rules — promulgation.**

The rules, method and requirements herein provided to be made by the director of revenue shall be made and communicated in writing or printing to the said several pipeline companies, and shall be and become binding upon said pipeline companies as provided in chapter 17A;

provided that the director shall have the power to prescribe supplemental or additional rules and requirements in the manner prescribed by chapter 17A.

[C31, 35, §7103-d10; C39, §**7103.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.10]
2003 Acts, ch 145, §286

**438.11 Refusal to comply — penalty.**

If any pipeline company shall fail or refuse to obey and conform to the rules, method and requirements so made and prescribed by the director of revenue under the provisions of this chapter, or to make the reports herein provided, the director shall proceed to assess the property of such pipeline company so failing or refusing, according to the best information obtainable, and shall then add to the director's valuation of such pipeline company twenty-five percent thereof, which valuation and penalty shall be separately shown, and together shall constitute the assessment for that year.

[C31, 35, §7103-d11; C39, §**7103.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.11]
2003 Acts, ch 145, §286

**438.12 Amended and explanatory statements.**

The director of revenue may demand, in writing, detailed, explanatory and amended statements of any of the items mentioned in section 438.3, or any other item deemed to be important, to be furnished to the director by such pipeline company within thirty days from such demand in such form as the director may designate, which shall be verified as required for the original statement. The returns, both original and amended, shall show such other facts as the director, in writing, shall require.

[C31, 35, §7103-d12; C39, §**7103.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.12]
2003 Acts, ch 145, §286

**438.13 Basis of valuation and assessment.**

The said property shall be valued at its actual value, and the assessments shall be made upon the taxable value of the entire pipeline property within the state, except as otherwise provided, and the actual and taxable value so ascertained shall be assessed as provided by section 441.21; and shall include the rights-of-way, easements, the pipelines, stations, grounds, shops, buildings, pumps and all other property, real and personal exclusively used in the operation of such pipeline. In assessing said pipeline company and its equipment, the director of revenue shall take into consideration the gross earnings and the net earnings for the entire property, and per mile, for the year ending December 31 preceding, and any and all other matters necessary to enable the director to make a just and equitable assessment of said pipeline property.

[C31, 35, §7103-d13; C39, §**7103.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.13]
2003 Acts, ch 145, §286
Referred to in §443.22
See §441.18

**438.14 Valuation and certification.**

The director of revenue shall on or before October 31 each year determine the value of pipeline property located in each taxing district of the state, and in fixing the value shall take into consideration the structures, equipment, pumping stations, etc., located in the taxing district, and shall transmit to the county auditor of each such county through and into which any pipeline may extend, a statement showing the assessed value of the property in each of the taxing districts of the county. The property shall then be taxed in the county and lesser taxing districts, based upon the valuation so certified, in the same manner as in other property.

[C31, 35, §7103-d14; C39, §**7103.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.14]
2003 Acts, ch 145, §286; 2009 Acts, ch 60, §15
Referred to in §331.512

**438.15 Assessed value in each taxing district — record.**

At the first meeting of the board of supervisors held after said statement is received by the county auditor, the board shall cause the same to be entered on its minute book, and

make and enter in the minute book an order describing and stating the assessed value of each pipeline lying in each city, township, or lesser taxing district in its county, through or into which the pipeline extends, as fixed by the director of revenue, which shall constitute the assessed value of the property for taxing purposes; and the taxes on the property, when collected by the county treasurer, shall be disposed of as other taxes. The county auditor shall transmit a copy of the order to the council of the city, or the trustees of the township, as the case may be.

[C31, 35, §7103-d15; C39, §**7103.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.15]
2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §57
Referred to in §331.512

**438.16 Taxation procedure.**

All such pipeline property shall be taxable upon said assessment at the same rates, by the same officers, and for the same purpose as the property of individuals within such counties, cities, townships and lesser taxing districts.

[C31, 35, §7103-d16; C39, §**7103.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.16]
Referred to in §331.512

**438.17 Collection.**

If said tax is not paid, the county treasurer shall collect the same by whatever method may seem proper.

[C31, 35, §7103-d17; C39, §**7103.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.17]

**438.18 Nonpayment of tax — effect.**

If said tax is not paid within the fiscal year in which the same is due, the company shall not be permitted thereafter to use the public or private property of the state of Iowa, or to operate in Iowa for any purpose.

[C31, 35, §7103-d18; C39, §**7103.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.18]

**438.19 Scope of chapter.**

The provisions of this chapter shall not apply to a gas distributing plant or company located entirely within any city and not a part of a pipeline transportation company. Such local municipal plant shall be taxed in the municipality where located.

[C31, 35, §7103-d19; C39, §**7103.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §438.19]

# CHAPTER 439

## REASSESSMENT OF TAXES

Referred to in §441.47

439.1 Reassessment and relevy. 439.2 Voluntary payments.

**439.1 Reassessment and relevy.**

When by reason of nonconformity to any law, or by any omission, informality, or irregularity, or for any other cause, any tax heretofore or hereafter levied and assessed against any person, company, association, or corporation by the director of revenue is invalid or is adjudged illegal, the director may assess and levy a tax against such person, company, association, or corporation for the year or years for which such tax is invalid or illegal, or when necessary may assess and certify the same to the proper county officers, who shall levy such tax as by law in such cases made and provided, with the same force and effect as

though done at the proper time and under any valid law, whether in force at the time of said levy and assessment or thereafter enacted.

[S13, §1330-h; C24, 27, 31, 35, 39, §**7104;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §439.1]

2003 Acts, ch 145, §286

Referred to in §437.15, 439.2

**439.2 Voluntary payments.**

When any person, company, association, or corporation, against whom any tax has been assessed and levied by the director of revenue and held invalid or illegal, shall have paid the same voluntarily or shall otherwise waive such invalidity and illegality, the director shall accept such tax in lieu of the tax to be raised by the reassessment and relevy provided for in section 439.1.

[S13, §1330-i; C24, 27, 31, 35, 39, §**7105;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §439.2]

2003 Acts, ch 145, §286

Referred to in §437.15

# CHAPTER 440

## ASSESSMENT OF OMITTED PROPERTY

Referred to in §441.47


| | | | |
|---|---|---|---|
| 440.1 | Definitions. | 440.6 | Fraudulent withholding — penalty. |
| 440.2 | Assessment of omitted property. | 440.7 | Entry on tax books. |
| 440.3 and 440.4 | Repealed by 97 Acts, ch 158, §48. | 440.8 | Delinquency. |
| 440.5 | Procedure — penalty. | | |


**440.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**440.2 Assessment of omitted property.**

When the director of revenue is vested with the power and duty to assess property and an assessment has, for any reason, been omitted, the director shall proceed to assess the property at any time within two years from the date at which such assessment should have been made. The omitted assessment may apply to not more than the assessment year in which the omitted assessment is made and the prior assessment year. Chapter 429 shall apply to assessments of omitted property.

[C27, 31, 35, §7105-a1; C39, §**7105.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §440.1]

97 Acts, ch 158, §36; 99 Acts, ch 174, §1, 7

C2001, §440.2

2003 Acts, ch 145, §286

**440.3 and 440.4** Repealed by 97 Acts, ch 158, § 48. See chapter 429.

**440.5 Procedure — penalty.**

If it is made to appear that the property is assessable by the director of revenue as omitted property, the director shall proceed in the manner in which the director would have proceeded had the assessment not been omitted, except that the director shall find the value of the

omitted property for each year during which it has been omitted but for not more than the two previous assessment years and shall add ten percent to each yearly value as a penalty.

[C27, 31, 35, §7105-a5; C39, §**7105.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §440.5]
99 Acts, ch 174, §2, 7; 2003 Acts, ch 145, §286

**440.6 Fraudulent withholding — penalty.**

In case the property has been fraudulently withheld from assessment, the director of revenue may, in addition to said ten percent add any additional percent, not exceeding fifty percent.

[C27, 31, 35, §7105-a6; C39, §**7105.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §440.6]
2003 Acts, ch 145, §286

**440.7 Entry on tax books.**

Should an assessment be made at such time in the year that, in the opinion of the director of revenue, said assessment cannot conveniently be entered on the current tax books, the director may direct that the assessment be entered on the first ensuing tax books.

[C27, 31, 35, §7105-a7; C39, §**7105.7;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §440.7]
2003 Acts, ch 145, §286

**440.8 Delinquency.**

A tax based on said assessment shall be deemed delinquent from and after its entry on the tax books.

[C27, 31, 35, §7105-a8; C39, §**7105.8;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §440.8]

# CHAPTER 441

## ASSESSMENT AND VALUATION OF PROPERTY

Referred to in §306.22, 403.19, 419.11, 421.17, 437A.16A, 461A.25, 476.1D

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441.54 Construction.
441.55 Conflicting laws.
441.56 Assessor's duties — combined appointment.
441.57 Repealed by 79 Acts, ch 105, §1.
441.58 through 441.64 Reserved.
441.65 through 441.71 Repealed by 90 Acts, ch 1236, §54.
441.72 Assessment of platted lots.
441.73 Litigation expense fund.

## ASSESSORS

**441.1 Office of assessor created.**

In every county in the state of Iowa the office of assessor is hereby created. A city having a population of ten thousand or more, according to the latest federal census, may by ordinance provide for the selection of a city assessor and for the assessment of property in the city under the provisions of this chapter. A city desiring to provide for assessment under the provisions of this chapter shall, not less than sixty days before the expiration of the term of the assessor in office, notify the taxing bodies affected and proceed to establish a conference board, examining board, and board of review and select an assessor, all as provided in this chapter. A city desiring to abolish the office of city assessor shall repeal the ordinance establishing the office of city assessor, notify the county conference board and the affected taxing districts, provide for the transfer of appropriate records and other matters, and provide for the abolition of the respective boards and the termination of the terms of office of the assessor and members of the respective boards. The abolition of the city assessor's office shall take effect on July 1 following notification of the abolition unless otherwise agreed to by the affected conference boards. If notification of the proposed abolition is made after January 1, sufficient funds shall be transferred from the city assessor's budget to fund the additional responsibilities transferred to the county assessor for the next fiscal year.

[C50, 54, 58, §405A.1, 441.1; C62, 66, 71, 73, 75, §441.1, 441.51; C77, 79, 81, §441.1]
97 Acts, ch 22, §1

**441.2 Conference board.**

In each county and each city having an assessor there shall be established a conference board. In counties the conference board shall consist of the mayors of all incorporated cities in the county whose property is assessed by the county assessor, one representative from the board of directors of each high school district of the county, who is a resident of the county, said board of directors appointing said representative for a one-year term and notifying the clerk of the conference board as to their representative, and members of the board of supervisors. In cities having an assessor the conference board shall consist of the members of the city council, school board and county board of supervisors. In the counties the chairperson of the board of supervisors shall act as chairperson of the conference board, in cities having an assessor the mayor of the city council shall act as chairperson of the conference board. In any action taken by the conference board, the mayors of all incorporated cities in the county whose property is assessed by the county assessor shall constitute one voting unit, the members of the city board of education or one representative from the board of directors of each high school district of the county shall constitute one voting unit, the members of the city council shall constitute one voting unit, and the county board of supervisors shall constitute one voting unit, each unit having a single vote and

no action shall be valid except by the vote of not less than two out of the three units. The majority vote of the members present of each unit shall determine the vote of the unit. The assessor shall be clerk of the conference board.

[R60, §739; C73, §829, 830, 832; C97, §1368, 1370, 1375, 1376; C24, 27, 31, 35, 39, §**7127, 7129, 7137, 7138;** C46, §441.21, 442.1, 442.12, 442.13; C50, 54, 58, §441.2, 442.1; C62, 66, 71, 73, 75, 77, 79, 81, §441.2]

Referred to in §331.401

**441.3 Examining board.**

At a regular meeting of the conference board each voting unit of the conference board shall appoint one person who is a resident of the assessor jurisdiction to serve as a member of an examining board to hold an examination for the positions of assessor or deputy assessor. This examining board shall organize as soon as possible after its appointment with a chairperson and secretary. All its necessary expenditures shall be paid as provided. Members of the board shall serve without compensation. The terms of each shall be for six years.

[C46, §405.1; C50, 54, 58, §405.1, 405A.2, 441.3; C62, 66, 71, 73, 75, 77, 79, 81, §441.3]

88 Acts, ch 1043, §1

**441.4 Removal of member.**

A member of this examining board may be removed by the voting unit of the conference board by which the member was appointed but only after specific charges have been filed and a public hearing held, if a hearing is requested by the discharged member of the board. Subsequent appointments and an appointment to fill a vacancy shall be made in the same way as the original appointment.

[C46, 50, 54, 58, §405.2; C62, 66, 71, 73, 75, 77, 79, 81, §441.4]

2013 Acts, ch 90, §107

Section amended

**441.5 Examination and certification of applicants — incumbents.**

1. For the purpose of examining and certifying candidates for the positions of assessor and deputy assessor, the director of revenue shall prepare an examination and provide for an examination process. The director shall approve one or more examination locations and shall make a list of the approved locations available to applicants. Each applicant shall select an examination location from the list of approved locations. The director shall notify applicants of the date and time of the examination at least thirty days prior to the date of the examination.

2. These examinations shall be conducted by the director of revenue in the same manner as other similar examinations, including secrecy regarding questions prior to the examination and in accordance with other rules as may be prescribed by the director of revenue. The examination shall cover the following and related subjects:

*a.* Laws pertaining to the assessment of property for taxation, with emphasis on market value assessment as provided in this chapter.

*b.* Laws on tax exemption.

*c.* Assessment of real estate and personal property, including market value assessment in accordance with this chapter and including fundamental principles and practices of property appraisal and valuation which are consistent with market value assessment as provided in this chapter.

*d.* The rights of taxpayers and property owners related to the assessment of property for taxation.

*e.* The duties of the assessor.

*f.* Other items related to the position of assessor.

3. Only individuals who possess a high school diploma or its equivalent are eligible to take the examination. A person desiring to take the examination shall complete an application prior to the administration of the examination.

4. The director of revenue shall grade the examination taken. The director shall notify each applicant of the score attained by the applicant on the examination. An individual who attains a score of seventy percent or greater on the examination is eligible to be certified by the director of revenue as a candidate for any assessor position. Any person

who passes the examination and who possesses at least two years of appraisal related experience as determined by the director of revenue shall be granted regular certification and become eligible for appointment to a six-year term as assessor. Any person who passes the examination but who lacks such experience shall be granted temporary certification, and shall be eligible for a provisional appointment as assessor.

5. Any person possessing temporary certification who receives a provisional appointment as assessor shall, during the person's first eighteen months in office, be required to complete a course of study prescribed and administered by the director of revenue. Upon the successful completion of this course of study, the assessor shall be granted regular certification and shall be eligible to remain in office for the balance of the assessor's six-year term. All expenses incurred in obtaining regular certification shall be defrayed by the assessment expense fund.

6. Following the administration of the examination, the director of revenue shall establish a register containing the names, in alphabetical order, of all individuals who are eligible for appointment as assessor. The test scores of individuals on the register shall be given to a city or county conference board upon request. All eligible individuals shall remain on the register for a period of two years following the date of certification granted by the director.

7. Incumbent assessors who have served six consecutive years shall be placed on the register of individuals eligible for appointment as assessor. In order to be appointed to the position of assessor, the assessor shall comply with the continuing education requirements. The number of credits required for certification as eligible for appointment as assessor in a jurisdiction other than where the assessor is currently serving shall be prorated according to the percentage of the assessor's term which is covered by the continuing education requirements of section 441.8. The credit necessary for certification for appointment is the product of one hundred fifty multiplied by the quotient of the number of months served of an assessor's term covered by the continuing education requirements of section 441.8 divided by seventy-two. If the number of credits necessary for certification for appointment as determined under this subsection results in a partial credit hour, the credit hour shall be rounded to the nearest whole number.

[C46, §405.3; C50, 54, 58, §405.3, 441.2, 441.3; C62, 66, 71, 73, 75, 77, 79, 81, §441.5]

88 Acts, ch 1228, §1; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §95; 2013 Acts, ch 110, §5, 6

Referred to in §441.7, 441.8, 441.11, 441.56

Subsections 1 and 4 amended

**441.6 Appointment of assessor.**

When a vacancy occurs in the office of city or county assessor, the examining board shall, within seven days of the occurrence of the vacancy, request the director of revenue to forward a register containing the names of all individuals eligible for appointment as assessor. The examining board may, at its own expense, conduct a further examination, either written or oral, of any person whose name appears on the register, and shall make written report of the examination and submit the report together with the names of those individuals certified by the director of revenue to the conference board within fifteen days after the receipt of the register from the director of revenue.

Upon receipt of the report of the examining board, the chairperson of the conference board shall by written notice call a meeting of the conference board to appoint an assessor. The meeting shall be held not later than seven days after the receipt of the report of the examining board by the conference board. At the meeting, the conference board shall appoint an assessor from the register of eligible candidates. However, if a special examination has not been conducted previously for the same vacancy, the conference board may request the director of revenue to hold a special examination pursuant to section 441.7. The chairperson of the conference board shall give written notice to the director of revenue of the appointment and its effective date within ten days of the decision of the board.

[C46, 50, 54, 58, §405.4; C62, 66, 71, 73, 75, 77, 79, 81, §441.6]

2003 Acts, ch 145, §286; 2005 Acts, ch 140, §54

Referred to in §441.7, 441.8, 441.56

**441.7 Special examination.**

If the conference board fails to appoint an assessor from the list of individuals on the register, the conference board shall request permission from the director of revenue to hold a special examination in the particular city or county in which the vacancy has occurred. Permission may be granted by the director of revenue after consideration of factors such as the availability of candidates in that particular city or county. The director of revenue shall conduct no more than one special examination for each vacancy in an assessing jurisdiction. The examination shall be conducted by the director of revenue as provided in section 441.5, except as otherwise provided in this section. The examining board shall give notice of holding the examination for assessor by posting a written notice in a conspicuous place in the county courthouse in the case of county assessors or in the city hall in the case of city assessors, stating that at a specified date, an examination for the position of assessor will be held at a specified place. Similar notice shall be given at the same time by one publication of the notice in three newspapers of general circulation in the case of a county assessor, or in case there are not three such newspapers in a county, then in newspapers which are available, or in one newspaper of general circulation in the city in the case of city assessor. The conference board of the city or county in which a special examination is held shall reimburse the department of revenue for all expenses incurred in the administration of the examination, to be paid for by the respective city or county assessment expense fund. Following the administration of this special examination, the director of revenue shall certify to the examining board a new list of candidates eligible to be appointed as assessor and the examining board and conference board shall proceed in accordance with the provisions of section 441.6.

[C46, 50, 54, 58, §405.5; C62, 66, 71, 73, 75, 77, 79, 81, §441.7]

2003 Acts, ch 145, §286

Referred to in §441.6, 441.56

**441.8 Term — continuing education — filling vacancy.**

1. The term of office of an assessor appointed under this chapter shall be for six years. Appointments for each succeeding term shall be made in the same manner as the original appointment except that not less than ninety days before the expiration of the term of the assessor the conference board shall hold a meeting to determine whether or not it desires to reappoint the incumbent assessor to a new term. The conference board shall have the power to reappoint the incumbent assessor only if the incumbent assessor has satisfactorily completed the continuing education program provided for in this section. If the decision is made not to reappoint the assessor, the assessor shall be notified, in writing, of such decision not less than ninety days prior to the expiration of the assessor's term of office. Failure of the conference board to provide timely notification of the decision not to reappoint the assessor shall result in the assessor being reappointed.

2. *a.* The director of revenue shall develop and administer a program of continuing education which shall emphasize assessment and appraisal procedures, and the assessment laws of this state, and which shall include the subject matter specified in section 441.5.

*b.* The director of revenue shall establish, designate, or approve courses, workshops, seminars, or symposiums to be offered as part of the continuing education program, the content of these courses, workshops, seminars, or symposiums and the number of hours of classroom instruction for each. The director of revenue may provide that no more than thirty hours of tested credit may be received for the submission of a narrative appraisal approved by a professional appraisal society designated by the director. At least once each year the director of revenue shall evaluate the continuing education program and make necessary changes in the program.

3. Upon the successful completion of courses, workshops, seminars, a narrative appraisal or symposiums contained in the program of continuing education, as demonstrated by attendance at sessions of the courses, workshops, seminars or symposiums and, in the case of a course designated by the director of revenue, attaining a grade of at least seventy percent on an examination administered at the conclusion of the course, or the submission of proof that a narrative appraisal has been approved by a professional appraisal society designated

by the director of revenue the assessor or deputy assessor shall receive credit equal to the number of hours of classroom instruction contained in those courses, workshops, seminars, or symposiums or the number of hours of credit specified by the director of revenue for a narrative appraisal. An assessor or deputy assessor shall not be allowed to obtain credit for a course, workshop, seminar, or symposium for which the assessor or deputy assessor has previously received credit during the current term or appointment except for those courses, workshops, seminars, or symposiums designated by the director of revenue. Only one narrative appraisal may be approved for credit during the assessor's or deputy assessor's current term or appointment and credit shall not be allowed for a narrative appraisal approved by a professional appraisal society prior to the beginning of the assessor's or deputy assessor's current term or appointment. The examinations shall be confidential, except that the director of revenue and persons designated by the director may have access to the examinations.

4. Upon receiving credit equal to one hundred fifty hours of classroom instruction during the assessor's current term of office of which at least ninety of the one hundred fifty hours are from courses requiring an examination upon conclusion of the course, the director of revenue shall certify to the assessor's conference board that the assessor is eligible to be reappointed to the position. For persons appointed to complete an unexpired term, the number of credits required to be certified as eligible for reappointment shall be prorated according to the amount of time remaining in the present term of the assessor. If the person was an assessor in another jurisdiction, the assessor may carry forward any credit hours received in the previous position in excess of the number that would be necessary to be considered current in that position. Upon written request by the person seeking a waiver of the continuing education requirements, the director may waive the continuing education requirements if the director determines good cause exists for the waiver.

5. Within each six-year period following the appointment of a deputy assessor, the deputy assessor shall comply with this section except that upon the successful completion of ninety hours of classroom instruction of which at least sixty of the ninety hours are from courses requiring an examination upon conclusion of the course, the deputy assessor shall be certified by the director of revenue as being eligible to remain in the position. If a deputy assessor fails to comply with this section, the deputy assessor shall be removed from the position until successful completion of the required hours of credit. If a deputy is appointed to the office of assessor, the hours of credit obtained as deputy pursuant to this section shall be credited to that individual as assessor and for the individual to be reappointed at the expiration of the term as assessor, that individual must obtain the credits which are necessary to total the number of hours for reappointment. Upon written request by the person seeking a waiver of the continuing education requirements, the director may waive the continuing education requirements if the director determines good cause exists for the waiver.

6. Each conference board shall include in the budget for the operation of the assessor's office funds sufficient to enable the assessor and any deputy assessor to obtain certification as provided in this section. The conference board shall also allow the assessor and any deputy assessor sufficient time off from their regular duties to obtain certification. The director of revenue shall adopt rules pursuant to chapter 17A to implement and administer this section.

7. If the incumbent assessor is not reappointed as provided in this section, then not less than sixty days before the expiration of the term of said assessor, a new assessor shall be selected as provided in section 441.6.

8. In the event of the removal, resignation, death, or removal from the county of the said assessor, the conference board shall proceed to fill the vacancy by appointing an assessor to serve the unexpired term in the manner provided in section 441.6. Until the vacancy is filled, the chief deputy shall act as assessor, and in the event there be no deputy, in the case

of counties the auditor shall act as assessor and in the case of cities having an assessor the city clerk shall act as assessor.

[C46, §405.6; C50, 54, 58, §405.6, 441.3; C62, 66, 71, 73, 75, 77, 79, 81, S81, §441.8; 81 Acts, ch 143, §1]

86 Acts, ch 1245, §449; 87 Acts, ch 198, §6; 97 Acts, ch 158, §37; 2003 Acts, ch 145, §286; 2005 Acts, ch 140, §55, 56; 2011 Acts, ch 34, §100

Referred to in §331.502, 441.5, 441.10, 441.56

**441.9 Removal of assessor.**

The assessor may be removed by a majority vote of the conference board, after charges of misconduct, nonfeasance, malfeasance, or misfeasance in office shall have been substantiated at a public hearing, if same is demanded by the assessor by written notice served upon the chairperson of the conference board.

[C46, §405.7; C50, 54, 58, §405.7, 441.3; C62, 66, 71, 73, 75, 77, 79, 81, §441.9]

**441.10 Deputies — examination and appointment — suspension or discharge.**

Immediately after the appointment of the assessor, and at other times as the conference board directs, one or more deputy assessors may be appointed by the assessor. Each appointment shall be made from either the list of eligible candidates provided by the director of revenue, which shall contain only the names of those persons who achieve a score of seventy percent or greater on the examination administered by the director of revenue, or the list of candidates eligible for appointment as city or county assessor. Examinations for the position of deputy assessor shall be conducted in the same manner as examinations for the position of city or county assessor.

Following the administration of the examination, the director of revenue shall establish a register containing the names, in alphabetical order, of all individuals who are eligible for appointment as a deputy assessor. The test scores of individuals on the register shall be given to a city or county conference board upon request. All eligible individuals shall remain on the register for a period of two years following the date of certification granted by the director.

Incumbent deputy assessors who have served six consecutive years shall be placed on the register of individuals eligible for appointment as deputy assessor. In order to be appointed to the position of deputy assessor, the deputy assessor shall comply with the continuing education requirements. The number of credits required for certification as eligible for appointment as a deputy assessor in a jurisdiction other than where the deputy assessor is currently serving shall be prorated according to the percentage of the deputy assessor's term which is covered by the continuing education requirements of section 441.8. The credit necessary for certification for appointment is the product of ninety multiplied by the quotient of the number of months served of a deputy assessor's term covered by the continuing education requirements of section 441.8 divided by seventy-two. If the number of credits necessary for certification for appointment as determined under this paragraph results in a partial credit hour, the credit hour shall be rounded to the nearest whole number.

The assessor may peremptorily suspend or discharge any deputy assessor under the assessor's direction upon written charges for neglect of duty, disobedience of orders, misconduct, or failure to properly perform the deputy assessor's duties. Within five days after delivery of written charges to the employee, the deputy assessor may appeal by written notice to the secretary or chairperson of the examining board. The board shall grant the deputy assessor a hearing within fifteen days, and a decision by a majority of the examining board is final. The assessor shall designate one of the deputies as chief deputy, and the assessor shall assign to each deputy the duties, responsibilities, and authority as is proper for the efficient conduct of the assessor's office.

[C46, §405.8; C50, 54, 58, §405.8, 441.3; C62, 66, 71, 73, 75, 77, 79, 81, §441.10; 82 Acts, ch 1169, §1]

88 Acts, ch 1228, §2; 89 Acts, ch 296, §60; 90 Acts, ch 1233, §28; 2003 Acts, ch 145, §286

Referred to in §441.11

**441.11 Incumbent deputy assessors.**

A deputy assessor shall be considered eligible to remain in the deputy's present position provided continuing education requirements are met. To become eligible for another deputy assessor position, a deputy assessor presently holding office is required to obtain certification as provided for in sections 441.5 and 441.10. The number of credit hours required for certification as eligible for appointment as a deputy in a jurisdiction other than where the deputy is currently serving shall be prorated according to the completed portion of the deputy's six-year continuing education period.

[C46, §405.9; C50, 54, 58, §405.9, 441.3; C62, 66, 71, 73, 75, 77, 79, 81, §441.11]

90 Acts, ch 1233, §29; 97 Acts, ch 158, §38; 2003 Acts, ch 145, §286; 2006 Acts, ch 1030, §40

**441.12** Repealed by 83 Acts, ch 123, § 206, 209.

**441.13 Office personnel.**

Other office personnel shall be appointed by the assessor subject to the limitations of the annual budget as hereinafter provided. The assessor shall select field persons, so far as possible, from the eligible list of deputy assessors. Their compensation shall be fixed as provided in section 441.16. They shall serve at the pleasure of the assessor.

[C46, §405.10, 405.11; C50, 54, 58, §405.10, 405.11, 441.8; C62, 66, 71, 73, 75, 77, 79, 81, §441.13]

**441.14** Repealed by 81 Acts, ch 117, § 1097.

**441.15 Bond.**

Assessors and deputy assessors shall be required to furnish bond for the performance of their duties in such amount as the conference board may require and the cost thereof shall be provided for in the budget of the assessor and paid out of the assessment expense fund.

[C50, 54, 58, §441.6; C62, 66, 71, 73, 75, 77, 79, 81, §441.15]

**441.16 Budget — assessment expense fund.**

1. All expenditures under this chapter shall be paid as provided in this section.

2. *a.* Not later than January 1 of each year the assessor, the examining board, and the board of review shall each prepare a proposed budget of all expenses for the ensuing fiscal year. The assessor shall include in the proposed budget the probable expenses for defending assessment appeals. Said budgets shall be combined by the assessor and copies of the budgets forthwith filed by the assessor in triplicate with the chairperson of the conference board.

*b.* The combined budgets shall contain an itemized list of the proposed salaries of the assessor and each deputy; the amount required for field personnel and other personnel, their number, and their compensation; the estimated amount needed for expenses, printing, mileage, and other expenses necessary to operate the assessor's office; the estimated expenses of the examining board; and the salaries and expenses of the local board of review.

3. *a.* Each fiscal year the chairperson of the conference board shall, by written notice, call a meeting of the conference board to consider the proposed budget and to comply with section 24.9.

*b.* At such meeting the conference board shall authorize:

(1) The number of deputies, field personnel, and other personnel of the assessor's office.

(2) The salaries and compensation of members of the board of review, the assessor, chief deputy, other deputies, field personnel, and other personnel, and determine the time and manner of payment.

(3) The miscellaneous expenses of the assessor's office, the board of review, and the examining board, including office equipment, records, supplies, and other required items.

(4) The estimated expense of assessment appeals. All such expense items shall be included in the budget adopted for the ensuing year.

4. All tax levies and expenditures provided for herein shall be subject to the provisions of chapter 24 and the conference board is hereby declared to be the certifying board.

5. *a.* Any tax for the maintenance of the office of assessor and other assessment procedure shall be levied only upon the property in the area assessed by the assessor, and such tax levy shall not exceed sixty-seven and one-half cents per thousand dollars of assessed value in the assessing area. The county treasurer shall credit the sums received from such levy to a separate fund to be known as the assessment expense fund and from which fund all expenses incurred under this chapter shall be paid. In the case of a county where there is more than one assessor the treasurer shall maintain separate assessment expense funds for each assessor.

*b.* The county auditor shall keep a complete record of said funds and shall issue warrants thereon only on requisition of the assessor.

6. The assessor shall not issue requisitions so as to increase the total expenditures budgeted for the operation of the assessor's office. However, for purposes of promoting operational efficiency, the assessor shall have authority to transfer funds budgeted for specific items for the operation of the assessor's office from one unexpended balance to another; such transfer shall not be made so as to increase the total amount budgeted for the operation of the office of assessor, and no funds shall be used to increase the salary of the assessor or the salaries of permanent deputy assessors. The assessor shall issue requisitions for the examining board and for the board of review on order of the chairperson of each board and for costs and expenses incident to assessment appeals, only on order of the city legal department, in the case of cities and of the county attorney in the case of counties.

7. Unexpended funds remaining in the assessment expense fund at the end of a year shall be carried forward into the next year.

[R60, §730; C73, §390, 3810; C97, §592, 661, 674; S13, §592, 661, 674; SS15, §1056-b18; C24, 27, 31, 35, 39, §**5573, 5656, 5669, 6652, 6653;** C46, §359.48, 363.29, 363.43, 405.18, 419.38, 419.39, 441.5; C50, 54, 58, §405.18, 405A.4, 441.5, 442.12; C62, 66, 71, 73, 75, 77, 79, 81, §441.16; 82 Acts, ch 1079, §8]

2011 Acts, ch 25, §96; 2012 Acts, ch 1081, §2; 2013 Acts, ch 30, §98

Referred to in §331.559, 421.30, 441.13

Subsection 2, paragraph b amended

## DUTIES

**441.17 Duties of assessor.**

The assessor shall:

1. Devote full time to the duties of the assessor's office and shall not engage in any occupation or business interfering or inconsistent with such duties. This subsection does not preclude an assessor from being a candidate for elective office during the term of appointment as assessor. If an assessor is elected to a city or county office, to a statewide elective office, or to the general assembly, the assessor shall resign as assessor before the beginning of the term of the office to which the assessor was elected.

2. Cause to be assessed, in accordance with section 441.21, all the property in the assessor's county or city, except property exempt from taxation, or the assessment of which is otherwise provided for by law.

3. Have access to all public records of the county and, so far as practicable, make or cause to be made a careful examination of all such records and files in order to obtain all available information which may contribute to the accurate listing at its taxable value, and to the proper persons, of all property subject to assessment by the assessor.

4. Cooperate with the director of revenue as may be necessary or required, and obey and execute all orders, directions, and instructions of the director of revenue, insofar as the same may be required by law.

5. *a.* Have power to apply to the district court of the county for an order to examine witnesses and requiring the production of books and records of any person, firm, association or corporation within the county, whenever the assessor has reason to believe that such person, firm, association or corporation has not listed property as provided by law. The proceeding for the examination of witnesses and examination of the books and records of any such taxpayer, to determine the existence of taxable property, shall be instituted and

conducted in the manner provided for the discovery of property under the provisions of chapter 630. The court shall make an appropriate finding as to the existence of taxable property not listed. All taxable property discovered thereby shall thereupon be assessed by the assessor in the manner provided by law.

*b*. In all cases where the court finds that the taxpayer has not listed the taxpayer's property, as provided by law, and in all hearings where the court decides a matter against the taxpayer, the costs shall be paid by the taxpayer, otherwise they shall be paid out of the assessment expense fund. The fees and mileage to be paid witnesses shall be the same as prescribed by law in proceedings in the district courts of this state in civil cases. Where the costs are taxed to the taxpayer they shall be added to the taxes assessed against said taxpayer and the taxpayer's property and shall be collected in the same manner as are other taxes.

6. Make up all assessor's books and records as prescribed by the director of revenue, turn the completed assessor's books and records required for the preparation of the tax list over to the county auditor each year when the board of review has concluded its hearings and the county auditor shall proceed with the preparation of the current year tax list and the assessor shall cooperate with the auditor in the preparation of the tax lists.

7. Submit on or before May 1 of each year completed assessment rolls to the board of review.

8. Lay before the board of review such information as the assessor may possess which will aid said board in performing its duties in adjusting the assessments to the valuations required by law.

9. Furnish to the director of revenue any information which the assessor may have relative to the ownership of any property that may be assessable within this state, but not assessable or subject to being listed for taxation by the assessor.

10. Measure the exterior length and exterior width of all mobile homes and manufactured homes except those for which measurements are contained in the manufacturer's and importer's certificate of origin, and report the information to the county treasurer. Check all manufactured or mobile homes for inaccuracy of measurements as necessary or upon written request of the county treasurer and report the findings immediately to the county treasurer. The assessor shall make frequent inspections and checks within the assessor jurisdiction of all manufactured or mobile homes and manufactured home communities or mobile home parks and make all the required and needed reports to carry out the purposes of this section.

11. Cause to be assessed for taxation property which the assessor believes has been erroneously exempted from taxation. Revocation of a property tax exemption shall commence with the assessment for the current assessment year, and shall not be applied to prior assessment years.

[C51, §474, 475; R60, §735, 736; C73, §824, 825; C97, §1355, 1359, 1366; S13, §1355, 1366; C24, 27, 31, 35, 39, §**7108, 7114, 7122, 7123;** C46, §441.3, 441.9, 441.17, 441.18; C50, 54, 58, §405A.8, 441.4, 441.9, 441.12; C62, 66, 71, 73, 75, 77, 79, 81, §441.17]

83 Acts, ch 64, §2; 87 Acts, ch 84, §1; 89 Acts, ch 296, §61; 94 Acts, ch 1110, §20, 24; 2001 Acts, ch 153, §15, 16; 2001 Acts, ch 176, §80; 2002 Acts, ch 1088, §1, 2; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §143

Referred to in §331.512

**441.18 Listing and valuation.**

Each assessor shall, with the assistance of each person assessed, or who may be required by law to list property belonging to another, enter upon the assessment rolls the several items of property required to be entered for assessment. The assessor shall personally affix values to all property assessed by the assessor.

[C51, §473; R60, §733; C73, §822; C97, §1352; C24, 27, 31, 35, 39, §**7106;** C46, §405.19, 441.1; C50, 54, 58, §405.19, 405A.6, 405A.7, 441.10; C62, 66, 71, 73, 75, 77, 79, 81, §441.18]

**441.19 Owner to assist — provisions for assessment.**

1. The assessor shall list every person in the assessor's county or city as the case may

be and assess all the property in the county or city, except property exempted or otherwise assessed. A person who refuses to assist in making out a list of the person's property, or of any property which the person is by law required to assist in listing, is guilty of a simple misdemeanor.

*a.* Supplemental and optional to the procedure for the assessment of property by the assessor as provided in this chapter, the assessor may require from all persons required to list their property for taxation as provided by sections 428.1 and 428.2, a supplemental return to be prescribed by the director of revenue upon which the person shall list the person's property. The supplemental return shall be in substantially the same form as now prescribed by law for the assessment rolls used in the listing of property by the assessors. Every person required to list property for taxation shall make a complete listing of the property upon supplemental forms and return the listing to the assessor as promptly as possible. The return shall be verified over the signature of the person making the return and section 441.25 applies to any person making such a return. The assessor shall make supplemental return forms available as soon as practicable after the first day of January of each year. The assessor shall make supplemental return forms available to the taxpayer by mail, or at a designated place within the taxing district.

*b.* Upon receipt of such supplemental return from any person the assessor shall prepare a roll assessing such person as hereinafter provided. In the preparation of such assessment roll the assessor shall be guided not only by the information contained in such supplemental roll, but by any other information the assessor may have or which may be obtained by the assessor as prescribed by the law relating to the assessment of property. The assessor shall not be bound by any values as listed in such supplemental return, and may include in the assessment roll any property omitted from the supplemental return which in the knowledge and belief of the assessor should be listed as required by law by the person making the supplemental return. Upon completion of such roll the assessor shall deliver to the person submitting such supplemental return a copy of the assessment roll, either personally or by mail.

*c.* Any taxpayer aggrieved by the action of the assessor in the preparation of an assessment roll upon which a supplemental return has been made shall have the same rights and privileges of appeal as provided by law in connection with the assessment rolls prepared in entirety by the assessor, but no assessment rolls prepared by the assessor after receiving a supplemental return shall be deemed insufficient or invalid because of the fact that such assessment roll does not bear the signature of the person assessed, and the signature of the person listing property upon the supplemental return shall be deemed a signature on the roll as prepared by the assessor.

*d.* The supplemental returns provided for in this section shall be preserved in the same manner as assessment rolls, but shall be confidential to the assessor, board of review, property assessment appeal board, or director of revenue, and shall not be open to public inspection, but any final assessment roll as made out by the assessor shall be a public record, provided that such supplemental return shall be available to counsel of either the person making the return or of the public, in case any appeal is taken to the board of review, to the property assessment appeal board, or to the court.

*e.* In the event of failure of any person required to list property to make a supplemental return, as required herein, on or before the fifteenth day of February of any year when such listing is required, the assessor shall proceed in the listing and assessment of the person's property as provided by this chapter, and no person subject to taxation shall be relieved of the person's obligation to list the person's property through failure to make a supplemental return as herein provided, and any roll prepared by the assessor after receiving a supplemental return or when prepared in accordance with other provisions of this chapter, shall be a valid assessment.

*f.* The provisions of this chapter relating to assessment rolls shall be applicable to the preparation of rolls upon which a supplemental return has been received, insofar as they are not in conflict with the provision of this section.

2. On or before February 15 of each year, each owner of industrial real estate shall submit to the local assessor a report listing by year of acquisition and by acquisition cost the owner's machinery as described in section 427A.1, subsection 1, paragraph "*e*", and

specifying any machinery added or removed during the preceding assessment year. A report containing an itemized list of machinery by year of acquisition and by acquisition cost shall be required only when deemed necessary by the assessor. The reports shall be submitted on forms prescribed by the director of revenue or on forms submitted by the taxpayer and approved by the assessor which forms shall contain the same information as is required to be reported on forms prescribed by the director. If a person shall knowingly enter false information on the report, the person shall be guilty of a simple misdemeanor. Also, if a person refuses to file the report provided for in this subsection, the assessor shall proceed in accordance with the provisions of section 441.24.

[C51, §477; R60, §734; C73, §823; C97, §1354; S13, §1354; C24, 27, 31, 35, 39, §**7107;** C46, §441.2; C50, 54, 58, §441.11; C62, 66, 71, 73, 75, 77, 79, 81, §441.19]

89 Acts, ch 296, §62; 2003 Acts, ch 145, §286; 2005 Acts, ch 150, §123; 2009 Acts, ch 41, §263

Referred to in §421.30, 441.37

For future repeal, effective July 1, 2018, of 2005 amendments to subsection 1, paragraph d, and subsequent amendments relating to the property assessment appeal board, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

Section not amended; footnote revised

**441.20** Reserved.

**441.21 Actual, assessed, and taxable value.**

1. *a.* All property subject to taxation shall be valued at its actual value which shall be entered opposite each item, and, except as otherwise provided in this section, shall be assessed at one hundred percent of its actual value, and the value so assessed shall be taken and considered as the assessed value and taxable value of the property upon which the levy shall be made.

*b.* (1) The actual value of all property subject to assessment and taxation shall be the fair and reasonable market value of such property except as otherwise provided in this section. *"Market value"* is defined as the fair and reasonable exchange in the year in which the property is listed and valued between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and each being familiar with all the facts relating to the particular property. Sale prices of the property or comparable property in normal transactions reflecting market value, and the probable availability or unavailability of persons interested in purchasing the property, shall be taken into consideration in arriving at its market value. In arriving at market value, sale prices of property in abnormal transactions not reflecting market value shall not be taken into account, or shall be adjusted to eliminate the effect of factors which distort market value, including but not limited to sales to immediate family of the seller, foreclosure or other forced sales, contract sales, discounted purchase transactions or purchase of adjoining land or other land to be operated as a unit.

(2) The actual value of special purpose tooling, which is subject to assessment and taxation as real property under section 427A.1, subsection 1, paragraph "*e*", but which can be used only to manufacture property which is protected by one or more United States or foreign patents, shall not exceed the fair and reasonable exchange value between a willing buyer and a willing seller, assuming that the willing buyer is purchasing only the special purpose tooling and not the patent covering the property which the special purpose tooling is designed to manufacture nor the rights to manufacture the patented property. For purposes of this subparagraph, special purpose tooling includes dies, jigs, fixtures, molds, patterns, and similar property. The assessor shall not take into consideration the special value or use value to the present owner of the special purpose tooling which is designed and intended solely for the manufacture of property protected by a patent in arriving at the actual value of the special purpose tooling.

*c.* In assessing and determining the actual value of special purpose industrial property having an actual value of five million dollars or more, the assessor shall equalize the values of such property with the actual values of other comparable special purpose industrial property in other counties of the state. Such special purpose industrial property includes, but is not limited to chemical plants. If a variation of ten percent or more exists between the actual values of comparable industrial property having an actual value of five million dollars or more

located in separate counties, the assessors of the counties shall consult with each other and with the department of revenue to determine if adequate reasons exist for the variation. If no adequate reasons exist, the assessors shall make adjustments in the actual values to provide for a variation of ten percent or less. For the purposes of this paragraph, special purpose industrial property includes structures which are designed and erected for operation of a unique and special use, are not rentable in existing condition, and are incapable of conversion to ordinary commercial or industrial use except at a substantial cost.

*d.* Actual value of property in one assessing jurisdiction shall be equalized as compared with actual value of property in an adjoining assessing jurisdiction. If a variation of five percent or more exists between the actual values of similar, closely adjacent property in adjoining assessing jurisdictions in Iowa, the assessors thereof shall determine whether adequate reasons exist for such variation. If no such reasons exist, the assessors shall make adjustments in such actual values to reduce the variation to five percent or less.

*e.* The actual value of agricultural property shall be determined on the basis of productivity and net earning capacity of the property determined on the basis of its use for agricultural purposes capitalized at a rate of seven percent and applied uniformly among counties and among classes of property. Any formula or method employed to determine productivity and net earning capacity of property shall be adopted in full by rule.

*f.* In counties or townships in which field work on a modern soil survey has been completed since January 1, 1949, the assessor shall place emphasis upon the results of the survey in spreading the valuation among individual parcels of such agricultural property.

*g.* Notwithstanding any other provision of this section, the actual value of any property shall not exceed its fair and reasonable market value, except agricultural property which shall be valued exclusively as provided in paragraph *"e"* of this subsection.

*h.* The assessor shall determine the value of real property in accordance with rules adopted by the department of revenue and in accordance with forms and guidelines contained in the real property appraisal manual prepared by the department as updated from time to time. Such rules, forms, and guidelines shall not be inconsistent with or change the means, as provided in this section, of determining the actual, market, taxable, and assessed values.

*i.* (1) If the department finds that a city or county assessor is not in compliance with the rules of the department relating to valuation of property or has disregarded the forms and guidelines contained in the real property appraisal manual, the department shall notify the assessor and each member of the conference board for the appropriate assessing jurisdiction. The notice shall be mailed by restricted certified mail. The notice shall specify the areas of noncompliance and the steps necessary to achieve compliance. The notice shall also inform the assessor and conference board that if compliance is not achieved, a penalty may be imposed.

(2) The conference board shall respond to the department within thirty days of receipt of the notice of noncompliance. The conference board may respond to the notice by asserting that the assessor is in compliance with the rules, guidelines, and forms of the department or by informing the department that the conference board intends to submit a plan of action to achieve compliance. If the conference board responds to the notification by asserting that the assessor is in compliance, a hearing before the director of revenue shall be scheduled on the matter.

(3) A plan of action shall be submitted within sixty days of receipt of the notice of noncompliance. The plan shall contain a time frame under which compliance shall be achieved which shall be no later than January 1 of the following assessment year. The plan of action shall contain the signature of the assessor and of the chairperson of the conference board. The department shall review the plan to determine whether the plan is sufficient to achieve compliance. Within thirty days of receipt of the plan, the department shall notify the assessor and the chairperson of the conference board that it has accepted the plan or that it is necessary to submit an amended plan of action.

(4) By January 1 of the assessment year following the calendar year in which the plan was submitted to the department, the conference board shall submit a report to the department indicating that the plan of action was followed and compliance has been achieved. The

department may conduct a field inspection to ensure that the assessor is in compliance. By January 31, the department shall notify the assessor and the conference board, by restricted certified mail, either that compliance has been achieved or that the assessor remains in noncompliance. If the department determines that the assessor remains in noncompliance, the department shall take steps to withhold up to five percent of the reimbursement payment authorized in section 425.1 until the director of revenue determines that the assessor is in compliance.

(5) If the conference board disputes the determination of the department, the chairperson of the conference board may appeal the determination to the state board of tax review.

(6) The department shall adopt rules relating to the administration of this paragraph *"i"*.

2. In the event market value of the property being assessed cannot be readily established in the foregoing manner, then the assessor may determine the value of the property using the other uniform and recognized appraisal methods including its productive and earning capacity, if any, industrial conditions, its cost, physical and functional depreciation and obsolescence and replacement cost, and all other factors which would assist in determining the fair and reasonable market value of the property but the actual value shall not be determined by use of only one such factor. The following shall not be taken into consideration: Special value or use value of the property to its present owner, and the goodwill or value of a business which uses the property as distinguished from the value of the property as property. However, in assessing property that is rented or leased to low-income individuals and families as authorized by section 42 of the Internal Revenue Code, as amended, and which section limits the amount that the individual or family pays for the rental or lease of units in the property, the assessor shall use the productive and earning capacity from the actual rents received as a method of appraisal and shall take into account the extent to which that use and limitation reduces the market value of the property. The assessor shall not consider any tax credit equity or other subsidized financing as income provided to the property in determining the assessed value. The property owner shall notify the assessor when property is withdrawn from section 42 eligibility under the Internal Revenue Code. The property shall not be subject to section 42 assessment procedures for the assessment year for which section 42 eligibility is withdrawn. This notification must be provided to the assessor no later than March 1 of the assessment year or the owner will be subject to a penalty of five hundred dollars for that assessment year. The penalty shall be collected at the same time and in the same manner as regular property taxes. Upon adoption of uniform rules by the department of revenue or succeeding authority covering assessments and valuations of such properties, the valuation on such properties shall be determined in accordance with such rules and in accordance with forms and guidelines contained in the real property appraisal manual prepared by the department as updated from time to time for assessment purposes to assure uniformity, but such rules, forms, and guidelines shall not be inconsistent with or change the foregoing means of determining the actual, market, taxable and assessed values.

3. *a.* *"Actual value"*, *"taxable value"*, or *"assessed value"* as used in other sections of the Code in relation to assessment of property for taxation shall mean the valuations as determined by this section; however, other provisions of the Code providing special methods or formulas for assessing or valuing specified property shall remain in effect, but this section shall be applicable to the extent consistent with such provisions. The assessor and department of revenue shall disclose at the written request of the taxpayer all information in any formula or method used to determine the actual value of the taxpayer's property.

*b.* The burden of proof shall be upon any complainant attacking such valuation as excessive, inadequate, inequitable, or capricious; however, in protest or appeal proceedings when the complainant offers competent evidence by at least two disinterested witnesses that the market value of the property is less than the market value determined by the assessor, the burden of proof thereafter shall be upon the officials or persons seeking to uphold such valuation to be assessed.

4. For valuations established as of January 1, 1979, the percentage of actual value at which agricultural and residential property shall be assessed shall be the quotient of the dividend and divisor as defined in this section. The dividend for each class of property shall

be the dividend as determined for each class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, plus six percent of the amount so determined. However, if the difference between the dividend so determined for either class of property and the dividend for that class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, is less than six percent, the 1979 dividend for the other class of property shall be the dividend as determined for that class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, plus a percentage of the amount so determined which is equal to the percentage by which the dividend as determined for the other class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, is increased in arriving at the 1979 dividend for the other class of property. The divisor for each class of property shall be the total actual value of all such property in the state in the preceding year, as reported by the assessors on the abstracts of assessment submitted for 1978, plus the amount of value added to said total actual value by the revaluation of existing properties in 1979 as equalized by the director of revenue pursuant to section 441.49. The director shall utilize information reported on abstracts of assessment submitted pursuant to section 441.45 in determining such percentage. For valuations established as of January 1, 1980, and each assessment year thereafter beginning before January 1, 2013, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which agricultural and residential property shall be assessed shall be calculated in accordance with the methods provided in this subsection, including the limitation of increases in agricultural and residential assessed values to the percentage increase of the other class of property if the other class increases less than the allowable limit adjusted to include the applicable and current values as equalized by the director of revenue, except that any references to six percent in this subsection shall be four percent. For valuations established as of January 1, 2013, and each assessment year thereafter, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which agricultural and residential property shall be assessed shall be calculated in accordance with the methods provided in this subsection, including the limitation of increases in agricultural and residential assessed values to the percentage increase of the other class of property if the other class increases less than the allowable limit adjusted to include the applicable and current values as equalized by the director of revenue, except that any references to six percent in this subsection shall be three percent.

5. *a.* For valuations established as of January 1, 1979, property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 shall be considered as one class of property and shall be assessed as a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of this section. For valuations established as of January 1, 1979, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend shall be the total actual valuation established for 1978 by the department of revenue, plus ten percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 shall be the valuation established for 1978, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1979. For valuations established as of January 1, 1980, property valued by the department of revenue pursuant to chapters 428, 433, 437, and

438 shall be assessed at a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of this section. For valuations established as of January 1, 1980, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend shall be the total actual valuation established for 1979 by the department of revenue, plus eight percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 shall be the valuation established for 1979, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1980. For valuations established as of January 1, 1981, and each year thereafter, the percentage of actual value at which property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 shall be assessed shall be calculated in accordance with the methods provided herein, except that any references to ten percent in this subsection shall be eight percent. For valuations established on or after January 1, 2013, property valued by the department of revenue pursuant to chapter 434 shall be assessed at a percentage of its actual value equal to the percentage of actual value at which property assessed as commercial property is assessed under paragraph *"b"* for the same assessment year.

*b.* For valuations established on or after January 1, 2013, commercial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this paragraph *"b"*. For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which commercial property shall be assessed shall be ninety-five percent. For valuations established for the assessment year beginning January 1, 2014, and each assessment year thereafter, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which commercial property shall be assessed shall be ninety percent.

*c.* For valuations established on or after January 1, 2013, industrial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this paragraph "c". For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which industrial property shall be assessed shall be ninety-five percent. For valuations established for the assessment year beginning January 1, 2014, and each assessment year thereafter, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which industrial property shall be assessed shall be ninety percent.

6. Beginning with valuations established as of January 1, 1978, the assessors shall report the aggregate taxable values and the number of dwellings located on agricultural land and the aggregate taxable value of all other structures on agricultural land. Beginning with valuations established as of January 1, 1981, the agricultural dwellings located on agricultural land shall be valued at their market value as defined in this section and agricultural dwellings shall be valued as rural residential property and shall be assessed at the same percentage of actual value as is all other residential property.

7. For the purpose of computing the debt limitations for municipalities, political subdivisions and school districts, the term *"actual value"* means the *"actual value"* as determined by subsections 1 to 3 of this section without application of any percentage reduction and entered opposite each item, and as listed on the tax list as provided in section 443.2 as "actual value".

Whenever any board of review or other tribunal changes the assessed value of property, all applicable records of assessment shall be adjusted to reflect such change in both assessed value and actual value of such property.

8. *a.* Any normal and necessary repairs to a building, not amounting to structural replacements or modification, shall not increase the taxable value of the building. This paragraph applies only to repairs of two thousand five hundred dollars or less per building per year.

*b.* Notwithstanding paragraph *"a"*, any construction or installation of a solar energy system on property classified as agricultural, residential, commercial, or industrial property

shall not increase the actual, assessed and taxable values of the property for five full assessment years.

*c.* As used in this subsection, *"solar energy system"* means either of the following:

(1) A system of equipment capable of collecting and converting incident solar radiation or wind energy into thermal, mechanical or electrical energy and transforming these forms of energy by a separate apparatus to storage or to a point of use which is constructed or installed after January 1, 1978.

(2) A system that uses the basic design of the building to maximize solar heat gain during the cold season and to minimize solar heat gain in the hot season and that uses natural means to collect, store, and distribute solar energy which is constructed or installed after January 1, 1981.

*d.* In assessing and valuing the property for tax purposes, the assessor shall disregard any market value added by a solar energy system to a building. The director of revenue shall adopt rules, after consultation with the economic development authority, specifying the types of equipment and structural components to be included under the guidelines provided in this subsection.

9. Not later than November 1, 1979, and November 1 of each subsequent year, the director shall certify to the county auditor of each county the percentages of actual value at which residential property, agricultural property, commercial property, industrial property, property valued by the department of revenue pursuant to chapter 434, and property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 in each assessing jurisdiction in the county shall be assessed for taxation. The county auditor shall proceed to determine the assessed values of agricultural property, residential property, commercial property, industrial property, property valued by the department of revenue pursuant to chapter 434, and property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 by applying such percentages to the current actual value of such property, as reported to the county auditor by the assessor, and the assessed values so determined shall be the taxable values of such properties upon which the levy shall be made.

10. The percentage of actual value computed by the director for agricultural property, residential property, commercial property, industrial property, property valued by the department of revenue pursuant to chapter 434, and property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 and used to determine assessed values of those classes of property does not constitute a rule as defined in section 17A.2, subsection 11.

11. Beginning with valuations established on or after January 1, 1995, as used in this section, *"residential property"* includes all land and buildings of multiple housing cooperatives organized under chapter 499A and includes land and buildings used primarily for human habitation which land and buildings are owned and operated by organizations that have received tax-exempt status under section 501(c)(3) of the Internal Revenue Code and rental income from the property is not taxed as unrelated business income under section 422.33, subsection 1A.

12. As used in this section, unless the context otherwise requires, *"agricultural property"* includes all of the following:

*a.* Beginning with valuations established on or after January 1, 2002, the real estate of a vineyard and buildings used in connection with the vineyard, including any building used for processing wine if such building is located on the same parcel as the vineyard.

*b.* Beginning with valuations established on or after January 1, 2013, real estate used directly in the cultivation and production of algae for harvesting as a crop for animal feed, food, nutritionals, or biofuel production. The real estate must be an enclosed pond or land containing a photobioreactor.

[C97, §1305; S13, §1305; C24, 27, 31, 35, 39, §**7109;** C46, §441.4; C50, 54, 58, §441.13; C62, 66, 71, 73, 75, 77, 79, 81, §441.21; 81 Acts, ch 144, §1; 82 Acts, ch 1100, §22, ch 1159, §1 – 3, ch 1186, §4, 5]

83 Acts, ch 202, §22, 23; 84 Acts, ch 1223, §1; 88 Acts, ch 1116, §1; 89 Acts, ch 176, §1; 89 Acts, ch 296, §63; 95 Acts, ch 83, §28; 95 Acts, ch 157, §1; 96 Acts, ch 1034, §40; 97 Acts, ch 23, §51; 99 Acts, ch 114, §28; 2001 Acts, ch 119, §1; 2002 Acts, ch 1150, §13; 2002 Acts, ch

1153, §1, 2; 2003 Acts, ch 145, §286; 2004 Acts, ch 1073, §29; 2005 Acts, ch 150, §124, 125; 2009 Acts, ch 108, §16, 41; 2011 Acts, ch 25, §97, 143; 2011 Acts, ch 118, §50, 89; 2013 Acts, ch 118, §2 – 4; 2013 Acts, ch 123, §17 – 19, 22, 23, 50, 64, 65

Referred to in §331.512, 403.20, 420.207, 425.11, 426C.1, 426C.4, 427.1(8, 9, 19a), 427B.26, 428.29, 432.7, 433.9, 434.15, 437.7, 438.13, 441.17, 441.37, 441.37A, 441.49, 443.2, 443.22

For future amendment to subsection 8, paragraph b, effective January 1, 2015, see 2013 Acts, ch 123, §26, 30

For future amendments to subsections 9 and 10 effective January 1, 2015, see 2013 Acts, ch 123, §27, 30

For future text of subsection 13, effective January 1, 2015, see 2013 Acts, ch 123, §28, 30

2013 amendment to subsection 3 takes effect June 12, 2013, and applies to assessement years beginning on or after January 1, 2014; 2013 Acts, ch 123, §64, 65

2013 amendments to subsections 4, 5, 9, and 10 take effect June 12, 2013, and apply retroactively to January 1, 2013, for assessment years beginning on or after that date; 2013 Acts, ch 123, §22, 23

2013 amendment to subsection 12 takes effect May 24, 2013, and applies retroactively to January 1, 2013, for assessment years beginning on or after that date; 2013 Acts, ch 118, §3, 4

Subsections 3 – 5, 9, 10, and 12 amended

**441.21A Commercial and industrial property tax replacement — replacement claims.**

1. *a.* For each fiscal year beginning on or after July 1, 2014, there is appropriated from the general fund of the state to the department of revenue an amount necessary for the payment of all commercial and industrial property tax replacement claims under this section for the fiscal year. However, for a fiscal year beginning on or after July 1, 2017, the total amount of moneys appropriated from the general fund of the state to the department of revenue for the payment of commercial and industrial property tax replacement claims in that fiscal year shall not exceed the total amount of money necessary to pay all commercial and industrial property tax replacement claims for the fiscal year beginning July 1, 2016.

*b.* Moneys appropriated by the general assembly to the department under this subsection for the payment of commercial and industrial property tax replacement claims are not subject to a uniform reduction in appropriations in accordance with section 8.31.

2. Beginning with the fiscal year beginning July 1, 2014, each county treasurer shall be paid by the department of revenue an amount equal to the amount of the commercial and industrial property tax replacement claims in the county, as calculated in subsection 4. If an amount appropriated for a fiscal year is insufficient to pay all replacement claims, the director of revenue shall prorate the payment of replacement claims to the county treasurers and shall notify the county auditors of the pro rata percentage on or before September 30.

3. On or before July 1 of each fiscal year beginning on or after July 1, 2014, the assessor shall report to the county auditor the total actual value of all commercial property and industrial property in the county that is subject to assessment and taxation for the assessment year used to calculate the taxes due and payable in that fiscal year.

4. On or before a date established by rule of the department of revenue of each fiscal year beginning on or after July 1, 2014, the county auditor shall prepare a statement, based upon the report received pursuant to subsection 3, listing for each taxing district in the county:

*a.* The difference between the assessed valuation of all commercial property and industrial property for the assessment year used to calculate taxes which are due and payable in the applicable fiscal year and the actual value of all commercial property and industrial property that is subject to assessment and taxation for the same assessment year. If the difference between the assessed value of all commercial property and industrial property and the actual valuation of all commercial property and industrial property is zero, there is no tax replacement for that taxing district for the fiscal year.

*b.* The tax levy rate per one thousand dollars of assessed value for each taxing district for that fiscal year.

*c.* The commercial and industrial property tax replacement claim for each taxing district. The replacement claim is equal to the amount determined pursuant to paragraph "*a*", multiplied by the tax rate specified in paragraph "*b*", and then divided by one thousand dollars.

5. For purposes of computing replacement amounts under this section, that portion of an urban renewal area defined as the sum of the assessed valuations defined in section 403.19, subsections 1 and 2, shall be considered a taxing district.

6. *a.* The county auditor shall certify and forward one copy of the statement to the department of revenue not later than a date of each year established by the department of revenue by rule.

*b.* The replacement claims shall be paid to each county treasurer in equal installments in September and March of each year. The county treasurer shall apportion the replacement claim payments among the eligible taxing districts in the county.

*c.* If the taxing district is an urban renewal area, the amount of the replacement claim shall be apportioned and credited to those portions of the assessed value defined in section 403.19, subsections 1 and 2, as follows:

(1) To that portion defined in section 403.19, subsection 1, an amount of the replacement claim that is proportionate to the amount of actual value of the commercial and industrial property in the urban renewal area as determined in section 403.19, subsection 1, that was subtracted pursuant to section 403.20, as it bears to the total amount of actual value of the commercial and industrial property in the urban renewal area that was subtracted pursuant to section 403.20 for the assessment year for property taxes due and payable in the fiscal year for which the replacement claim is computed.

(2) To that portion defined in section 403.19, subsection 2, the remaining amount, if any.

*d.* Notwithstanding the allocation provisions of paragraph "*c*", the amount of the tax replacement amount that shall be allocated to that portion of the assessed value defined in section 403.19, subsection 2, shall not exceed the amount equal to the amount certified to the county auditor under section 403.19 for the fiscal year in which the claim is paid, after deduction of the amount of other revenues committed for payment on that amount for the fiscal year. The amount not allocated to that portion of the assessed value defined in section 403.19, subsection 2, as a result of the operation of this paragraph, shall be allocated to that portion of assessed value defined in section 403.19, subsection 1.

*e.* The amount of the replacement claim amount credited to the portion of the assessed value defined in section 403.19, subsection 1, shall be allocated to and when received be paid into the fund for the respective taxing district as taxes by or for the taxing district into which all other property taxes are paid. The amount of the replacement claim amount credited to the portion of the assessed value defined in section 403.19, subsection 2, shall be allocated to and when collected be paid into the special fund of the municipality under section 403.19, subsection 2.

2013 Acts, ch 123, §20, 22, 23

Referred to in §257.3, 331.512, 331.559

Section takes effect June 12, 2013, and applies retroactively to January 1, 2013, for assessment years beginning on or after that date; 2013 Acts, ch 123, §22, 23

NEW section

**441.22 Forest and fruit-tree reservations.**

Forest and fruit-tree reservations fulfilling the conditions of sections 427C.1 to 427C.13 shall be exempt from taxation. In all other cases where trees are planted upon any tract of land, without regard to area, for forest, fruit, shade, or ornamental purposes, or for windbreaks, the assessor shall not increase the valuation of the property because of such improvements.

[S13, §1400-l; C24, 27, 31, 35, 39, §**7110;** C46, §441.5; C50, 54, 58, §441.14; C62, 66, 71, 73, 75, 77, 79, 81, §441.22; 82 Acts, ch 1247, §3]

84 Acts, ch 1222, §8

Referred to in §427A.1

**441.23 Notice of valuation.**

If there has been an increase or decrease in the valuation of the property, or upon the written request of the person assessed, the assessor shall, at the time of making the assessment, inform the person assessed, in writing, of the valuation put upon the taxpayer's property, and notify the person, that if the person feels aggrieved, to contact the assessor pursuant to section 441.30 or to appear before the board of review and show why the assessment should be changed. However, if the valuation of a class of property is uniformly decreased, the assessor may notify the affected property owners by publication in the official newspapers

of the county. The owners of real property shall be notified not later than April 1 of any adjustment of the real property assessment.

[C97, §1356; C24, 27, 31, §7111; C35, §7111, 7129-e1; C39, §**7111, 7129.1;** C46, §441.6, 442.2; C50, 54, 58, §441.15, 442.2; C62, 66, 71, 73, 75, 77, 79, 81, §441.23]

92 Acts, ch 1073, §13; 2004 Acts, ch 1086, §72; 2013 Acts, ch 123, §51, 64, 65

Referred to in §428.4

2013 amendment takes effect June 12, 2013, and applies to assessment years beginning on or after January 1, 2014; 2013 Acts, ch 123, §64, 65

Section amended

**441.24 Refusal to furnish statement.**

1. If a person refuses to furnish the verified statements required in connection with the assessment of property by the assessor, or to list the corporation's or person's property, the director of revenue, or assessor, as the case may be, shall proceed to list and assess the property according to the best information obtainable, and shall add to the taxable valuation one hundred percent thereof, which valuation and penalty shall be separately shown, and shall constitute the assessment; and if the valuation of the property is changed by a board of review, or on appeal from a board of review, a like penalty shall be added to the valuation thus fixed.

2. However, all or part of the penalty imposed under this section may be waived by the board of review upon application to the board by the assessor or the property owner. The waiver or reduction in the penalty shall be allowed only on the valuation of real property against which the penalty has been imposed.

[C51, §475; R60, §734; C73, §823, 1318; C97, §1357; C24, 27, 31, 35, 39, §**7112;** C46, §441.7; C50, 54, 58, §441.16; C62, 66, 71, 73, 75, 77, 79, 81, §441.24]

89 Acts, ch 296, §64; 2003 Acts, ch 145, §286

Referred to in §428.35, 441.19

**441.25 False statement.**

Any person making any verified statement or return, or taking any oath required by this title, who knowingly makes a false statement therein, shall be guilty of perjury.

[C97, §1358; C24, 27, 31, 35, 39, §**7113;** C46, §441.8; C50, 54, 58, §441.17; C62, 66, 71, 73, 75, 77, 79, 81, §441.25]

Referred to in §441.19

Perjury, punishment, §720.2

**441.26 Assessment rolls and books.**

1. The director of revenue shall each year prescribe the form of assessment roll to be used by all assessors in assessing property, in this state, also the form of pages of the assessor's assessment book. The assessment rolls shall be in a form that will permit entering, separately, the names of all persons assessed, and shall also contain a notice in substantially the following form:

If you are not satisfied that the foregoing assessment is correct, you may contact the assessor on or after April 1, to and including May 4, of the year of the assessment to request an informal review of the assessment pursuant to section 441.30.

If you are not satisfied that the foregoing assessment is correct, you may file a protest against such assessment with the board of review on or after April 7, to and including May 5, of the year of the assessment, such protest to be confined to the grounds specified in section 441.37.

Dated: ..... day of ..... (month), ..... (year)

.....

County/City Assessor.

2. The notice in 1981 and each odd-numbered year thereafter shall contain a statement that the assessments are subject to equalization pursuant to an order issued by the director of

revenue, that the county auditor shall give notice on or before October 15 by publication in an official newspaper of general circulation to any class of property affected by the equalization order, and that the board of review shall be in session from October 15 to November 15 to hear protests of affected property owners or taxpayers whose valuations have been adjusted by the equalization order.

3. The assessment rolls shall be used in listing the property and showing the values affixed to the property of all persons assessed. The rolls shall be made in duplicate. The duplicate roll shall be signed by the assessor, detached from the original and delivered to the person assessed if there has been an increase or decrease in the valuation of the property. If there has been no change in the valuation, the information on the roll may be printed on computer stock paper and preserved as required by this chapter. If the person assessed requests in writing a copy of the roll, the copy shall be provided to the person. The pages of the assessor's assessment book shall contain columns ruled and headed for the information required by this chapter and that which the director of revenue deems essential in the equalization work of the director. The assessor shall return all assessment rolls and schedules to the county auditor, along with the completed assessment book, as provided in this chapter, and the county auditor shall carefully keep and preserve the rolls, schedules, and book for a period of five years from the time of its filing in the county auditor's office.

4. Beginning with valuations for January 1, 1977, and each succeeding year, for each parcel of property entered in the assessment book, the assessor shall list the classification of the property.

[C51, §471, 473; R60, §732, 733; C73, §821; C97, §1360, 1361; S13, §1360, 1361; C24, 27, 31, 35, 39, §**7115, 7116, 7117, 7118;** C46, §405.20, 441.10, 441.11, 441.13; C50, 54, 58, §405.20, 441.18, 441.19, 441.20, 441.21; C62, 66, 71, 73, 75, 77, 79, 81, §441.26]

86 Acts, ch 1107, §1; 89 Acts, ch 296, §65; 2000 Acts, ch 1058, §56; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §58; 2011 Acts, ch 25, §143; 2013 Acts, ch 123, §52, 64, 65

Referred to in §331.508

2013 amendment to subsection 1 takes effect June 12, 2013, and applies to assessment years beginning on or after January 1, 2014; 2013 Acts, ch 123, §64, 65

Subsection 1 amended

**441.27 Uniform assessment rolls.**

The director of revenue shall from time to time prepare and certify to each assessor such instructions as to a uniform method of making up the assessment rolls as the director of revenue thinks necessary to secure a compliance with the law and uniform returns, which shall be printed upon each assessment roll, and also prepare instructions for the same purpose as to making up the assessment book, which shall be printed therein.

[C97, §1362; C24, 27, 31, 35, 39, §**7119;** C46, §441.14; C50, 54, 58, §441.22; C62, 66, 71, 73, 75, 77, 79, 81, §441.27]

2003 Acts, ch 145, §286

**441.28 Assessment rolls — change — notice to taxpayer.**

The assessment shall be completed not later than April 1 each year. If the assessor makes any change in an assessment after it has been entered on the assessor's rolls, the assessor shall note on the roll, together with the original assessment, the new assessment and the reason for the change, together with the assessor's signature and the date of the change. Provided, however, in the event the assessor increases any assessment the assessor shall give notice of the increase in writing to the taxpayer by mail postmarked no later than April 1. No changes shall be made on the assessment rolls after April 1 except by order of the board of review or of the property assessment appeal board, or by decree of court.

[C51, §471, 473; R60, §732, 733, 736; C73, §821, 825; C97, §1360, 1366; S13, §1360, 1366; C24, 27, 31, 35, 39, §**7115, 7122, 7123;** C46, §405.20, 441.10, 441.17, 441.18; C50, 54, 58, §405.20, 441.18, 441.25; C62, 66, 71, 73, 75, 77, 79, 81, §441.28]

2005 Acts, ch 150, §126; 2013 Acts, ch 123, §53, 64, 65

Referred to in §428.4

For future repeal, effective July 1, 2018, of 2005 and subsequent amendments to this section that relate only to the property assessment appeal board, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

2013 amendment takes effect June 12, 2013, and applies to assessment years beginning on or after January 1, 2014; 2013 Acts, ch 123, §64, 65
Section amended

**441.29 Plat book — index system.**

The county auditor shall furnish to each assessor a plat book on which shall be platted the lands and lots in the assessor's assessment district, showing on each subdivision or part thereof, written in ink or pencil, the name of the owner, the number of acres, or the boundary lines and distances in each, and showing as to each tract the number of acres to be deducted for railway right-of-way and for roads and for rights-of-way for public levees and open public drainage improvements.

The auditor, or the auditor's designee, of any county shall establish a permanent real estate index number system with related tax maps for all real estate tax administration purposes, including the assessment, levy, and collection of such taxes. Wherever in real property tax administration the legal description of tax parcels is required, such permanent number system shall be adopted in addition thereto. The permanent real estate index numbers shall begin with the two-digit county number and be a unique identifying number for each parcel within the county. These numbers shall follow the property, not the owner, and can be an alphanumeric system. In the event of a division of an existing parcel, the original permanent parcel index number shall be retired and new numbers assigned. The auditor shall prepare and maintain permanent real estate index number tax maps, which shall carry such numbers. The auditor shall prepare and maintain cross indexes of the numbers assigned under this system, with legal descriptions of the real estate to which such numbers relate. Indexes and tax maps established as provided herein shall be open to public inspection.

[C51, §181; R60, §733; C73, §821; C97, §1364; C24, 27, 31, 35, 39, §**7120;** C46, §441.15; C50, 54, 58, §441.23; C62, 66, 71, 73, 75, 77, 79, 81, §441.29]

2004 Acts, ch 1144, §2
Referred to in §331.512, 354.2, 354.4, 354.5, 354.27

**441.30 Informal assessment review period — recommendation.**

1. Any property owner or aggrieved taxpayer who is dissatisfied with the owner's or taxpayer's assessment may contact the assessor by telephone or in writing by paper or electronic medium on or after April 1, to and including May 4, of the year of the assessment to inquire about the specifics and accuracy of the assessment. Such an inquiry may also include a request for an informal review of the assessment by the assessor under one or more of the grounds for protest authorized under section 441.37 for the same assessment year.

2. In response to an inquiry under subsection 1, if the assessor, following an informal review, determines that the assessment was incorrect under one or more of the grounds for protest authorized under section 441.37 for the same assessment year, the assessor may recommend that the property owner or aggrieved taxpayer file a protest with the local board of review and may file a recommendation with the local board of review related to the informal review.

3. A recommendation filed with the local board of review by the assessor pursuant to subsection 2 shall be utilized by the local board of review in the evaluation of all evidence properly before the local board of review.

4. This section, including any action taken by the assessor under this section, shall not be construed to limit a property owner or taxpayer's ability to file a protest with the local board of review under section 441.37.

2013 Acts, ch 123, §54, 64, 65
Referred to in §441.23, 441.26
Section takes effect June 12, 2013, and applies to assessment years beginning on or after January 1, 2014; 2013 Acts, ch 123, §64, 65
NEW section

**441.31 Board of review.**

1. The chairperson of the conference board shall call a meeting by written notice to all of the members of the board for the purpose of appointing a board of review for all assessments made by the assessor. The board of review may consist of either three members or five

members. As nearly as possible this board shall include one licensed real estate broker and one registered architect or person experienced in the building and construction field. In the case of a county, at least one member of the board shall be a farmer. Not more than two members of the board of review shall be of the same profession or occupation and members of the board of review shall be residents of the assessor jurisdiction. The terms of the members of the board of review shall be for six years, beginning with January 1 of the year following their selection. In boards of review having three members the term of one member of the first board to be appointed shall be for two years, one member for four years and one member for six years. In the case of boards of review having five members, the term of one member of the first board to be appointed shall be for one year, one member for two years, one member for three years, one member for four years and one member for six years.

2. *a.* However, notwithstanding the board of review appointed by the county conference board pursuant to subsection 1, a city council of a city having a population of seventy-five thousand or more which is a member of a county conference board may provide, by ordinance, for a city board of review to hear appeals of property assessments by residents of that city. The members of the city board of review shall be appointed by the city council. The city shall pay the expenses incurred by the city board of review. However, if the city has a population of more than one hundred twenty-five thousand, the expenses incurred by the city board of review shall be paid by the county. All of the provisions of this chapter relating to the boards of review shall apply to a city board of review appointed pursuant to this subsection.

*b.* If a city having a population of more than one hundred twenty-five thousand abolishes its office of city assessor, the city may provide, by ordinance, for a city board of review or request the county conference board to appoint a ten-member county board of review. The initial ten-member county board of review established pursuant to this paragraph shall consist of the members of the city board of review and the county board of review who are serving unexpired terms of office. The members of the initial ten-member county board of review may continue to serve their unexpired terms of office and are eligible for reappointment for a six-year term. The ten-member county board of review created pursuant to this paragraph is in lieu of the boards of review provided for in subsection 1, but the professional and occupational qualifications of members shall apply.

3. Notwithstanding the requirements of subsection 1, the conference board or a city council which has appointed a board of review may increase the membership of the board of review by an additional two members if it determines that as a result of the large number of protests filed or estimated to be filed the board of review will be unable to timely resolve the protests with the existing number of members. If the board of review has ten members, not more than four additional members may be appointed by the conference board. The additional emergency members shall be appointed for a term set by the conference board or the city council but not for longer than two years. The conference board or the city council may extend the terms of the emergency members if it makes a similar determination as required for the initial appointment.

[R60, §739; C73, §829, 830, 832; C97, §1368, 1370, 1375, 1376; C24, 27, 31, 35, 39, §**7127, 7129, 7137, 7138;** C46, §441.21, 442.1, 442.12, 442.13; C50, 54, 58, §405.13, 405A.3, 442.1; C62, 66, 71, 73, 75, 77, 79, 81, §441.31]

86 Acts, ch 1230, §1; 88 Acts, ch 1043, §2; 95 Acts, ch 74, §1; 97 Acts, ch 22, §2, 3

**441.32 Terms — vacancies.**

The terms of the members of the board of review are for six years each except for the emergency members whose terms shall be set by the conference board for a period not to exceed two years. Members of this board may be removed by the conference board but only after a public hearing upon specified charges, if a hearing is requested by the member. A

subsequent appointment, and an appointment to fill a vacancy, shall be made in the same way as the original selection. The board may subpoena witnesses and administer oaths.

[R60, §739; C73, §829, 830, 832; C97, §1368, 1370, 1375, 1376; C24, 27, 31, 35, 39, §**7127, 7129, 7137, 7138;** C46, §405.14, 441.21, 442.1, 442.12, 442.13; C50, 54, 58, §405.14, 441.3, 442.1; C62, 66, 71, 73, 75, 77, 79, 81, §441.32]

86 Acts, ch 1230, §2

**441.33 Sessions of board of review.**

The board of review shall be in session from May 1 through the period of time necessary to act on all protests filed under section 441.37 but not later than May 31 each year and for an additional period as required under section 441.37 and shall hold as many meetings as are necessary to discharge its duties. On or before May 31 in those years in which a session has not been extended as required under section 441.37, the board shall return all books, records and papers to the assessor except undisposed of protests and records pertaining to those protests. If it has not completed its work by May 31, in those years in which the session has not been extended under section 441.37, the director of revenue may authorize the board of review to continue in session for a period necessary to complete its work, but the director of revenue shall not approve a continuance extending beyond July 15. On or before May 31 or on the final day of any extended session required under section 441.37 or authorized by the director of revenue, the board of review shall adjourn until May 1 of the following year. It shall adopt its own rules of procedure, elect its own chairperson from its membership, and keep minutes of its meetings. The board shall appoint a clerk who may be a member of the board or any other qualified person, except the assessor or any member of the assessor's staff. It may be reconvened by the director of revenue. All undisposed protests in its hands on July 15 shall be automatically overruled and returned to the assessor together with its other records.

Within fifteen days following the adjournment of any regular or special session, the board of review shall submit to the director of revenue, on forms prescribed by the director, a report of any actions taken during that session.

[R60, §739; C73, §829, 830, 832; C97, §1368, 1370, 1375, 1376; C24, 27, 31, 35, 39, §**7127, 7129, 7137, 7138;** C46, §405.15, 441.21, 442.1, 442.12, 442.13; C50, 54, 58, §405.15, 442.1, 442.12; C62, 66, 71, 73, 75, 77, 79, 81, S81, §441.33; 81 Acts, ch 145, §1]

87 Acts, ch 198, §7; 2003 Acts, ch 145, §286

Referred to in §441.35, 441.45

**441.34 Quarters — hours — expenses.**

The board of review of assessments shall hold meetings in quarters provided by the board of supervisors. Said board shall be in session such hours each day and shall devote such time to its duties as may be necessary to the discharge of its duties and to accomplish substantial justice. The expenses of the board shall be included in the assessor's annual budget as provided hereafter.

[C39, §**7134.1;** C46, 50, 54, 58, §405.16, 405.17, 442.8; C62, 66, 71, 73, 75, 77, 79, 81, §441.34]

**441.35 Powers of review board.**

1. The board of review shall have the power:

*a.* To equalize assessments by raising or lowering the individual assessments of real property, including new buildings, made by the assessor.

*b.* To add to the assessment rolls any taxable property which has been omitted by the assessor.

*c.* To add to the assessment rolls for taxation property which the board believes has been erroneously exempted from taxation. Revocation of a property tax exemption shall commence with the assessment for the current assessment year, and shall not be applied to prior assessment years.

2. In any year after the year in which an assessment has been made of all of the real estate in any taxing district, the board of review shall meet as provided in section 441.33, and where the board finds the same has changed in value, the board shall revalue and reassess any part

or all of the real estate contained in such taxing district, and in such case, the board shall determine the actual value as of January 1 of the year of the revaluation and reassessment and compute the taxable value thereof. If the assessment of any such property is raised, or any property is added to the tax list by the board, the clerk shall give notice in the manner provided in section 441.36. However, if the assessment of all property in any taxing district is raised, the board may instruct the clerk to give immediate notice by one publication in one of the official newspapers located in the taxing district, and such published notice shall take the place of the mailed notice provided for in section 441.36, but all other provisions of that section shall apply. The decision of the board as to the foregoing matters shall be subject to appeal to the property assessment appeal board within the same time and in the same manner as provided in section 441.37A and to the district court within the same time and in the same manner as provided in section 441.38.

[C35, §7129-e1; C39, §**7129.1;** C46, 50, 54, 58, §405.21, 442.2; C62, 66, 71, 73, 75, 77, 79, 81, §441.35]

87 Acts, ch 84, §2; 89 Acts, ch 296, §66; 2005 Acts, ch 150, §127; 2011 Acts, ch 25, §143; 2013 Acts, ch 123, §55, 64, 65

Referred to in §441.37

For future repeal, effective July 1, 2018, of 2005 amendments to subsection 2 and subsequent amendments relating to the property assessment appeal board, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

2013 amendment to subsection 2 takes effect June 12, 2013, and applies to assessment years beginning on or after January 1, 2014; 2013 Acts, ch 123, §64, 65

Subsection 2 amended

**441.36 Change of assessment — notice.**

All changes in assessments authorized by the board of review, and reasons therefor, shall be entered in the minute book kept by said board and on the assessment roll. Said minute book shall be filed with the assessor after the adjournment of the board of review and shall at all times be open to public inspection. In case the value of any specific property or the entire assessment of any person, partnership, or association is increased, or new property is added by the board, the clerk shall give immediate notice thereof by mail to each at the post office address shown on the assessment rolls, and at the conclusion of the action of the board therein the clerk shall post an alphabetical list of those whose assessments are thus raised and added, in a conspicuous place in the office or place of meeting of the board, and enter upon the records a statement that such posting has been made, which entry shall be conclusive evidence of the giving of the notice required. The board shall hold an adjourned meeting, with at least five days intervening after the posting of said notices, before final action with reference to the raising of assessments or the adding of property to the rolls is taken, and the posted notices shall state the time and place of holding such adjourned meeting, which time and place shall also be stated in the proceedings of the board.

[R60, §740; C73, §831; C97, §1371, 1372; S13, §1371, 1372; C24, 27, 31, 35, 39, §**7130, 7131;** C46, 50, 54, 58, §405.23, 442.3, 442.4; C62, 66, 71, 73, 75, 77, 79, 81, §441.36]

Referred to in §441.35

**441.37 Protest of assessment — grounds.**

1. *a.* Any property owner or aggrieved taxpayer who is dissatisfied with the owner's or taxpayer's assessment may file a protest against such assessment with the board of review on or after April 7, to and including May 5, of the year of the assessment. In any county which has been declared to be a disaster area by proper federal authorities after March 1 and prior to May 20 of said year of assessment, the board of review shall be authorized to remain in session until June 15 and the time for filing a protest shall be extended to and include the period from May 25 to June 5 of such year. The protest shall be in writing and, except as provided in subsection 3, signed by the one protesting or by the protester's duly authorized agent. The taxpayer may have an oral hearing on the protest if the request for the oral hearing is made in writing at the time of filing the protest. The protest must be confined to one or more of the following grounds:

(1) For odd-numbered assessment years and for even-numbered assessment years for property that was reassessed in such even-numbered assessment year:

(a) That said assessment is not equitable as compared with assessments of other like

property in the taxing district. When this ground is relied upon as the basis of a protest the legal description and assessments of a representative number of comparable properties, as described by the aggrieved taxpayer shall be listed on the protest, otherwise said protest shall not be considered on this ground.

(b) That the property is assessed for more than the value authorized by law. When this ground is relied upon, the protesting party shall state the specific amount which the protesting party believes the property to be overassessed, and the amount which the party considers to be its actual value and fair assessment.

(c) That the property is not assessable, is exempt from taxes, or is misclassified and stating the reasons for the protest.

(d) That there is an error in the assessment and state the specific alleged error. When this ground is relied upon, the error may include but is not limited to listing errors, clerical or mathematical errors, or other errors that result in an error in the assessment.

(e) That there is fraud in the assessment which shall be specifically stated.

(2) For even-numbered assessment years, when the property has not been reassessed in such even-numbered assessment year, that there has been a decrease in the value of the property from the previous reassessment year. When this ground is relied upon, the protesting party shall show the decrease in value by comparing the market value of the property as of January 1 of the current assessment year and the actual value of the property for the previous reassessment year. Such protest shall be in the same manner as described in this section and shall be reviewed by the local board of review pursuant to section 441.35, subsection 2, but a reduction or increase shall not be made for prior years.

*b.* The burden of proof for all protests filed under this section shall be as stated in section 441.21, subsection 3.

*c.* The property owner or aggrieved taxpayer may combine on one form protests of assessment on parcels separately assessed if the same grounds are relied upon as the basis for protesting each separate assessment. If an oral hearing is requested on more than one of such protests, the person making the combined protests may request that the oral hearings be held consecutively.

2. *a.* A property owner or aggrieved taxpayer who finds that a clerical or mathematical error has been made in the assessment of the owner's or taxpayer's property may file a protest against that assessment in the same manner as provided in this section, except that the protest may be filed for previous years. The board may correct clerical or mathematical errors for any assessment year in which the taxes have not been fully paid or otherwise legally discharged.

*b.* Upon the determination of the board that a clerical or mathematical error has been made the board shall take appropriate action to correct the error and notify the county auditor of the change in the assessment as a result of the error and the county auditor shall make the correction in the assessment and the tax list in the same manner as provided in section 443.6.

*c.* The board shall not correct an error resulting from a property owner's or taxpayer's inaccuracy in reporting or failure to comply with section 441.19.

3. For assessment years beginning on or after January 1, 2014, the board of review may allow property owners or aggrieved taxpayers who are dissatisfied with the owner's or taxpayer's assessment to file a protest against such assessment by electronic means. Electronic filing of assessment protests may be authorized for the protest period that begins April 7, the protest period that begins October 15, or both. Except for the requirement that a protest be signed, all other requirements of this section for an assessment protest to the board of review shall apply to a protest filed electronically. If electronic filing is authorized by the local board of review, the availability of electronic filing shall be clearly indicated on the assessment roll notice provided to the property owner or taxpayer and included in the published equalization order notice.

4. After the board of review has considered any protest filed by a property owner or aggrieved taxpayer and made final disposition of the protest, the board shall give written notice to the property owner or aggrieved taxpayer who filed the protest of the action taken by the board of review on the protest. The written notice to the property owner or aggrieved taxpayer shall also specify the reasons for the action taken by the board of review on the protest. If protests of assessment on multiple parcels separately assessed were combined,

the written notice shall state the action taken, and the reasons for the action, for each assessment protested.

[R60, §740; C73, §831; C97, §1373; S13, §1373; C24, 27, 31, 35, 39, §**7132;** C46, 50, 54, 58, §405.22, 442.5; C62, 66, 71, 73, 75, 77, 79, 81, S81, §441.37; 81 Acts, ch 145, §2]

86 Acts, ch 1028, §1; 88 Acts, ch 1251, §2; 2005 Acts, ch 140, §57, 58, 73; 2011 Acts, ch 25, §143; 2013 Acts, ch 123, §56, 57, 64, 65

Referred to in §404.5, 404B.6, 428.4, 441.26, 441.30, 441.33, 441.37A, 441.38, 441.45

2013 amendments amending subsection 1, paragraphs a and b, and adding subsection 3, take effect June 12, 2013, and apply to assessment years beginning on or after January 1, 2014; 2013 Acts, ch 123, §64, 65

Subsection 1, paragraphs a and b amended

NEW subsection 3 and former subsection 3 renumbered as 4

**441.37A Appeal of protest to property assessment appeal board.**

1. *a.* For the assessment year beginning January 1, 2007, and all subsequent assessment years beginning before January 1, 2018, appeals may be taken from the action of the board of review with reference to protests of assessment, valuation, or application of an equalization order to the property assessment appeal board created in section 421.1A. However, a property owner or aggrieved taxpayer or an appellant described in section 441.42 may bypass the property assessment appeal board and appeal the decision of the local board of review to the district court pursuant to section 441.38.

*b.* For an appeal to the property assessment appeal board to be valid, written notice must be filed by the party appealing the decision with the secretary of the property assessment appeal board within twenty days after the date of adjournment of the local board of review or May 31, whichever is later. The written notice of appeal shall include a petition setting forth the basis of the appeal and the relief sought. No new grounds in addition to those set out in the protest to the local board of review as provided in section 441.37 can be pleaded, but additional evidence to sustain those grounds may be introduced. The assessor shall have the same right to appeal to the assessment appeal board as an individual taxpayer, public body, or other public officer as provided in section 441.42. An appeal to the board is a contested case under chapter 17A.

*c.* Filing of the written notice of appeal and petition with the secretary of the property assessment appeal board shall preserve all rights of appeal of the appellant, except as otherwise provided in subsection 2. A copy of the appellant's written notice of appeal and petition shall be mailed by the secretary of the property assessment appeal board to the local board of review whose decision is being appealed.

*d.* In all cases where a change in assessed valuation of one hundred thousand dollars or more is petitioned for, the local board of review shall mail a copy of the written notice of appeal and petition to all affected taxing districts as shown on the last available tax list.

*e.* For the assessment year beginning January 1, 2014, the property assessment appeal board may, by rule, provide for the filing of a notice of appeal and petition with the secretary of the board by electronic means. All requirements of this section for an appeal to the board shall apply to an appeal filed electronically.

2. *a.* A party to the appeal may request a hearing or the appeal may proceed without a hearing. If a hearing is requested, the appellant and the local board of review from which the appeal is taken shall be given at least thirty days' written notice by the property assessment appeal board of the date the appeal shall be heard and the local board of review may be present and participate at such hearing. Notice to all affected taxing districts shall be deemed to have been given when written notice is provided to the local board of review. The requirement of thirty days' written notice may be waived by mutual agreement of all parties to the appeal. Failure by the appellant to appear at the property assessment appeal board hearing shall result in dismissal of the appeal unless a continuance is granted to the appellant by the board following a showing of good cause for the appellant's failure to appear. If an appeal is dismissed for failure to appear, the property assessment appeal board shall have no jurisdiction to consider any subsequent appeal on the appellant's protest.

*b.* Each appeal may be considered by one or more members of the board, and the chairperson of the board may assign members to consider appeals. If a hearing is requested, it shall be open to the public and shall be conducted in accordance with the rules of practice

and procedure adopted by the board. The board may provide by rule for participation in such hearings by telephone or other means of electronic communication. However, any deliberation of the board or of board members considering the appeal in reaching a decision on any appeal shall be confidential. Any deliberation of the board or of board members to rule on procedural motions in a pending appeal or to deliberate on the decision to be reached in an appeal is exempt from the provisions of chapter 21. The property assessment appeal board or any member of the board considering the appeal may require the production of any books, records, papers, or documents as evidence in any matter pending before the board that may be material, relevant, or necessary for the making of a just decision. Any books, records, papers, or documents produced as evidence shall become part of the record of the appeal. Any testimony given relating to the appeal shall be transcribed and made a part of the record of the appeal.

3. *a.* The burden of proof for all appeals before the board shall be as stated in section 441.21, subsection 3. The board members considering the appeal shall determine anew all questions arising before the local board of review which relate to the liability of the property to assessment or the amount thereof. All of the evidence shall be considered and there shall be no presumption as to the correctness of the valuation of assessment appealed from. The property assessment appeal board shall issue a decision in each appeal filed with the board. If the appeal is considered by less than the full membership of the board, the determination made by such members shall be forwarded to the full board for approval, rejection, or modification. If the initial determination is rejected by the board, it shall be returned for reconsideration to the board members making the initial determination. Any deliberation of the board regarding an initial determination shall be confidential.

*b.* The decision of the board shall be considered the final agency action for purposes of further appeal, except as otherwise provided in section 441.49. The decision shall be final unless appealed to district court as provided in section 441.38. The levy of taxes on any assessment appealed to the board shall not be delayed by any proceeding before the board, and if the assessment appealed from is reduced by the decision of the board, any taxes levied upon that portion of the assessment reduced shall be abated or, if already paid, shall be refunded. If the subject of an appeal is the application of an equalization order, the property assessment appeal board shall not order a reduction in assessment greater than the amount that the assessment was increased due to application of the equalization order. Each party to the appeal shall be responsible for the costs of the appeal incurred by that party.

2005 Acts, ch 150, §128; 2008 Acts, ch 1191, §74, 75; 2013 Acts, ch 123, §58 – 61, 64, 65, 69

Referred to in §428.4, 441.35

For future repeal of this section, effective July 1, 2018, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

2013 amendments amending subsection 1, paragraphs a and b, adding paragraph e, and amending subsection 3, paragraph a, take effect June 12, 2013, and apply to assessment years beginning on or after January 1, 2014; 2013 Acts, ch 123, §64, 65

2013 amendment to subsection 2 takes effect June 12, 2013, and applies retroactively to January 1, 2013, for assessment years beginning on or after that date; 2013 Acts, ch 123, §64, 69

Subsection 1, paragraphs a and b amended

Subsection 1, NEW paragraph e

Subsection 2 amended

Subsection 3, paragraph a amended

**441.38 Appeal to district court.**

1. Appeals may be taken from the action of the local board of review with reference to protests of assessment, to the district court of the county in which the board holds its sessions within twenty days after its adjournment or May 31, whichever date is later. Appeals may be taken from the action of the property assessment appeal board to the district court of the county where the property which is the subject of the appeal is located within twenty days after the letter of disposition of the appeal by the property assessment appeal board is postmarked to the appellant. No new grounds in addition to those set out in the protest to the local board of review as provided in section 441.37, or in addition to those set out in the appeal to the property assessment appeal board, if applicable, can be pleaded. Additional evidence to sustain those grounds may be introduced in an appeal from the local board of review to the district court. However, no new evidence to sustain those grounds may be introduced in an appeal from the property assessment appeal board to the district court. The assessor shall have the same right to appeal and in the same manner as an individual taxpayer, public body,

or other public officer as provided in section 441.42. Appeals shall be taken by filing a written notice of appeal with the clerk of district court. Filing of the written notice of appeal shall preserve all rights of appeal of the appellant.

2. If the appeal to district court is taken from the action of the local board of review, notice of appeal shall be served as an original notice on the chairperson, presiding officer, or clerk of the board of review after the filing of notice under subsection 1 with the clerk of district court. If the appeal to district court is taken from the action of the property assessment appeal board, notice of appeal shall be served as an original notice on the secretary of the property assessment appeal board after the filing of notice under subsection 1 with the clerk of district court.

[R60, §738; C73, §827, 831; C97, §1367, 1373; S13, §1373; C24, 27, 31, 35, 39, §**7126, 7133;** C46, §441.20; C50, 54, 58, §405.24, 441.27, 442.6; C62, 66, 71, 73, 75, 77, 79, 81, §441.38]

87 Acts, ch 198, §8; 90 Acts, ch 1192, §1; 2005 Acts, ch 140, §59; 2005 Acts, ch 150, §129; 2006 Acts, ch 1158, §63; 2008 Acts, ch 1191, §76

Referred to in §428.4, 441.35, 441.37A, 441.38B

Manner of service, R.C.P. 1.302 – 1.315

For future repeal, effective July 1, 2018, of 2005 amendments pertaining to appeals to the district court from actions of the property assessment appeal board and subsequent amendments relating to the property assessment appeal board, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

Section not amended; footnote revised

**441.38A Notice to school district.**

In addition to any other requirement for providing of notice, if a property owner or aggrieved taxpayer files a protest against the assessment of property valued at five million dollars or more or files an appeal to the property assessment appeal board or the district court with regard to such property, the assessor shall provide notice to the school district in which such property is located within ten days of the filing of the protest or the appeal, as applicable.

2006 Acts, ch 1185, §85, 89

**441.38B Appeal to district court from property assessment appeal board.**

A person or party who is aggrieved or adversely affected by a decision of the property assessment appeal board may seek judicial review of the decision as provided in chapter 17A and section 441.38.

2008 Acts, ch 1191, §77

**441.39 Trial on appeal.**

If the appeal is from a decision of the local board of review, the court shall hear the appeal in equity and determine anew all questions arising before the board which relate to the liability of the property to assessment or the amount thereof. The court shall consider all of the evidence and there shall be no presumption as to the correctness of the valuation or assessment appealed from. If the appeal is from a decision of the property assessment appeal board, the court's review shall be limited to the correction of errors at law. Its decision shall be certified by the clerk of the court to the county auditor, and the assessor, who shall correct the assessment books accordingly.

[C97, §1373; S13, §1373; C24, 27, 31, 35, 39, §**7134;** C46, 50, 54, 58, §442.7; C62, 66, 71, 73, 75, 77, 79, 81, §441.39]

2005 Acts, ch 19, §56; 2005 Acts, ch 150, §130

Referred to in §428.4, 443.11, 602.8102(61)

For future repeal, effective July 1, 2018, of 2005 amendments relating to scope of review of local board of review and property assessment appeal board decisions and subsequent amendments relating to the property assessment appeal board, see 2005 Acts, ch 150, §130, 134; 2013 Acts, ch 123, §62, 64, 68

Section not amended; footnote revised

**441.40 Costs, fees and expenses apportioned.**

The clerk of the court shall likewise certify to the county treasurer the costs assessed by the court on any appeal from a board of review to the district court, in all cases where said costs are taxed against the board of review or any taxing body. Thereupon the county treasurer shall compute and apportion the said costs between the various taxing bodies participating in the proceeds of the collection of the taxes involved in any such appeal, and said treasurer

shall so compute and apportion the various amounts which said taxing bodies are required to pay in proportion to the amount of taxes each of said taxing bodies is entitled to receive from the whole amount of taxes involved in each of such appeals. The said county treasurer shall deduct from the proceeds of all general taxes collected the amount of costs so computed and apportioned by the treasurer from the moneys due to each taxing body from general taxes collected. The amount so deducted shall be certified to each taxing body in lieu of moneys collected. Said county treasurer shall pay to the clerk of the district court the amount of said costs so computed, apportioned and collected by the treasurer in all cases now on file or hereafter filed in which said costs have not been paid.

[R60, §730; C73, §390, 3810; C97, §592, 661, 674; S13, §592, 661, 674; SS15, §1056-b18; C24, 27, 31, 35, §5573, 5656, 5669, 6652, 6653; C39, §**5573, 5656, 5669, 6652, 6653, 7134.1;** C46, §359.48, 363.29, 363.43, 419.38, 419.39, 442.8; C50, 54, 58, §405A.4, 442.8; C62, 66, 71, 73, 75, 77, 79, 81, §441.40]

Referred to in §331.559, 602.8102(61)

**441.41 Legal counsel.**

In the case of cities having an assessor, the city legal department shall represent the assessor and board of review in all litigation dealing with assessments. In the case of counties, the county attorney shall represent the assessor and board of review in all litigation dealing with assessments. Any taxing body interested in the taxes received from such assessments may be represented by an attorney and shall be required to appear by attorney upon written request of the assessor to the presiding officer of any such taxing body. The conference board may employ special counsel to assist the city legal department or county attorney as the case may be.

[C39, §**7134.2;** C46, 50, 54, 58, §405.26, 442.9; C62, 66, 71, 73, 75, 77, 79, 81, §441.41]

Referred to in §331.756(65)

**441.42 Appeal on behalf of public.**

Any officer of a county, city, township, drainage district, levee district, or school district interested or a taxpayer thereof may in like manner make complaint before said board of review in respect to the assessment of any property in the township, drainage district, levee district or city and an appeal from the action of the board of review in fixing the amount of assessment on any property concerning which such complaint is made, may be taken by any of such aforementioned officers.

Such appeal is in addition to the appeal allowed to the person whose property is assessed and shall be taken in the name of the county, city, township, drainage district, levee district, or school district interested, and tried in the same manner, except that the notice of appeal shall also be served upon the owner of the property concerning which the complaint is made and affected thereby or person required to return said property for assessment.

[S13, §1373; C24, 27, 31, 35, 39, §**7135;** C46, 50, 54, 58, §405.25, 442.10; C62, 66, 71, 73, 75, 77, 79, 81, §441.42]

Referred to in §421.1A, 441.37A, 441.38

**441.43 Power of court.**

Upon trial of any appeal from the action of the board of review or of the property assessment appeal board fixing the amount of assessment upon any property concerning which complaint is made, the court may increase, decrease, or affirm the amount of the assessment appealed from.

[S13, §1373; C24, 27, 31, 35, 39, §**7136;** C46, 50, 54, 58, §405.24, 442.11; C62, 66, 71, 73, 75, 77, 79, 81, §441.43]

2005 Acts, ch 150, §131

Referred to in §443.11

For future repeal, effective July 1, 2018, of 2005 amendments to this section and subsequent amendments relating to the property assessment appeal board, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

Section not amended; footnote revised

**441.44 Notice of voluntary settlement.**

No voluntary court settlement of an assessment appeal shall be valid unless written notice thereof shall first be served upon each of the taxing bodies interested in the taxes derived from such assessment.

[C46, 50, 54, 58, §405.27; C62, 66, 71, 73, 75, 77, 79, 81, §441.44]

**441.45 Abstract to state department of revenue.**

1. The county assessor of each county and each city assessor shall, on or before July 1 of each year, make out and transmit to the department of revenue an abstract of the real property in the assessor's county or city, as the case may be, and file a copy of the abstract with the county auditor, in which the assessor shall set forth:

*a.* The number of acres of land and the aggregate taxable values of the land, exclusive of city lots, returned by the assessors, as corrected by the board of review.

*b.* The aggregate taxable values of real estate by class in each township and city in the county, returned as corrected by the board of review.

*c.* Other facts required by the director of revenue.

2. If a board of review continues in session beyond June 1, under sections 441.33 and 441.37, the abstract of the real property shall be made out and transmitted to the department of revenue within fifteen days after the date of final adjournment by the board.

[R60, §741; C73, §833; C97, §1377; S13, §1361; C24, 27, 31, 35, 39, §**7117, 7139;** C46, 50, 54, 58, §441.20, 442.14; C62, 66, 71, 73, 75, 77, 79, 81, §441.45]

83 Acts, ch 140, §1; 89 Acts, ch 296, §67; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §143

Referred to in §441.21, 443.22

**441.46 Assessment date.**

The assessment date of January 1 is the first date of an assessment year period which constitutes a calendar year commencing January 1 and ending December 31. All property tax statutes providing for tax exemptions or credits and requiring that a claim be filed, shall be construed to require the claims to be filed by July 1 of the assessment year. If no claim is required to be filed to procure an exemption or credit, the status of the property as exempt or taxable on July 1 of the fiscal year which commences during the assessment year determines its eligibility for exemption or credit. Any statute requiring proration of property taxes for any purpose shall be for the fiscal year, and the proration shall be based on the status of the property during the fiscal year.

The assessment date is January 1 for taxes for the fiscal year which commences six months after the assessment date and which become delinquent during the fiscal year commencing eighteen months after the assessment date.

[C77, 79, 81, §441.46]

97 Acts, ch 23, §52

**441.47 Adjusted valuations.**

The director of revenue on or about August 15, 1977, and every two years thereafter shall order the equalization of the levels of assessment of each class of property in the several assessing jurisdictions by adding to or deducting from the valuation of each class of property such percentage in each case as may be necessary to bring the same to its taxable value as fixed in this chapter and chapters 427 to 443. The director shall adjust to actual value the valuation of any class of property as set out in the abstract of assessment when the valuation is at least five percent above or below actual value as determined by the director. For purposes of such value adjustments and before such equalization the director shall adopt, in the manner prescribed by chapter 17A, such rules as may be necessary to determine the level of assessment for each class of property in each county. The rules shall cover:

1. The proposed use of the assessment-sales ratio study set out in section 421.17, subsection 6.

2. The proposed use of any statewide income capitalization studies.

3. The proposed use of other methods that would assist the director in arriving at the accurate level of assessment of each class of property in each assessing jurisdiction.

[C51, §481, 482; R60, §742; C73, §834; C97, §1379; C24, 27, 31, 35, 39, §**7141;** C46, 50, 54, 58, §442.16; C62, 66, 71, 73, 75, 77, 79, 81, §441.47]

2003 Acts, ch 145, §286; 2009 Acts, ch 41, §130

**441.47A** Reserved.

**441.48 Notice of adjustment.**

Before the director of revenue shall adjust the valuation of any class of property any such percentage, the director shall serve ten days' notice by mail, on the county auditor of the county whose valuation is proposed to be adjusted and the director shall hold an adjourned meeting after such ten days' notice, at which time the county or assessing jurisdiction may appear by its city council or board of supervisors, city or county attorney, and other assessing jurisdiction, city or county officials, and make written or oral protest against such proposed adjustment, which protest shall consist simply of a statement of the error, or errors, complained of with such facts as may lead to their correction, and at such adjourned meeting final action may be taken in reference thereto.

[C24, 27, 31, 35, 39, §**7142;** C46, 50, 54, 58, §405.23, 442.17; C62, 66, 71, 73, 75, 77, 79, 81, §441.48]

2003 Acts, ch 145, §286

**441.49 Adjustment by auditor.**

1. *a.* The director shall keep a record of the review and adjustment proceedings and finish the proceedings on or before October 1 unless for good cause the proceedings cannot be completed by that date. The director shall notify each county auditor by mail of the final action taken at the proceedings and specify any adjustments in the valuations of any class of property to be made effective for the jurisdiction.

*b.* However, an assessing jurisdiction may request the director to permit the use of an alternative method of applying the equalization order to the property values in the assessing jurisdiction, provided that the final valuation shall be equivalent to the director's equalization order. The assessing jurisdiction shall notify the county auditor of the request for the use of an alternative method of applying the equalization order and the director's disposition of the request. The request to use an alternative method of applying the equalization order, including procedures for notifying affected property owners and appealing valuation adjustments, shall be made within ten days from the date the county auditor receives the equalization order and the valuation adjustments, and appeal procedures shall be completed by November 30 of the year of the equalization order. Compliance with the provisions of section 441.21 is sufficient grounds for the director to permit the use of an alternative method of applying the equalization order.

2. *a.* On or before October 15 the county auditor shall cause to be published in official newspapers of general circulation the final equalization order. The publication shall include, in type larger than the remainder of the publication, the following statement:

Assessed values are equalized by the department of revenue every two years. Local taxing authorities determine the final tax levies and may reduce property tax rates to compensate for any increase in valuation due to equalization.

*b.* Failure to publish the equalization order has no effect upon the validity of the orders.

3. The county auditor shall add to or deduct from the valuation of each class of property in the county the required percentage, rejecting all fractions of fifty cents or less in the result, and counting all fractions over fifty cents as one dollar. For any special charter city that levies and collects its own tax based on current year assessed values, the equalization percentage shall be applied to the following year's values, and shall be considered the equalized values for that year for purposes of this chapter.

4. The local board of review shall reconvene in special session from October 15 to

November 15 for the purpose of hearing the protests of affected property owners or taxpayers within the jurisdiction of the board whose valuation of property if adjusted pursuant to the equalization order issued by the director of revenue will result in a greater value than permitted under section 441.21. The board of review shall accept protests only during the first ten days following the date the local board of review reconvenes. The board of review shall limit its review to only the timely filed protests. The board of review may adjust all or a part of the percentage increase ordered by the director of revenue by adjusting the actual value of the property under protest to one hundred percent of actual value. Any adjustment so determined by the board of review shall not exceed the percentage increase provided for in the director's equalization order. The determination of the board of review on filed protests is final, subject to appeal to the property assessment appeal board. A final decision by the local board of review, or the property assessment appeal board, if the local board's decision is appealed, is subject to review by the director of revenue for the purpose of determining whether the board's actions substantially altered the equalization order. In making the review, the director has all the powers provided in chapter 421, and in exercising the powers the director is not subject to chapter 17A. Not later than fifteen days following the adjournment of the board, the board of review shall submit to the director of revenue, on forms prescribed by the director, a report of all actions taken by the board of review during this session.

5. Not later than ten days after the date the final equalization order is issued, the city or county officials of the affected county or assessing jurisdiction may appeal the final equalization order to the state board of tax review. The appeal shall not delay the implementation of the equalization orders.

6. Tentative and final equalization orders issued by the director of revenue are not rules as defined in section 17A.2, subsection 7.

[C51, §483; R60, §743; C73, §836; C97, §1382; S13, §1382; C24, 27, 31, 35, 39, §**7143;** C46, 50, 54, 58, §442.18; C62, 66, 71, 73, 75, 77, 79, 81, S81, §441.49; 81 Acts, ch 145, §3]

99 Acts, ch 167, §1; 2003 Acts, ch 145, §286; 2005 Acts, ch 150, §132; 2011 Acts, ch 25, §47

Referred to in §441.21, 441.37A

For future repeal, effective July 1, 2018, of 2005 amendments to subsection 4 and subsequent amendments relating to the property assessment appeal board, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

Section not amended; footnote revised

**441.50 Appraisers employed.**

The conference board shall have power to employ appraisers or other technical or expert help to assist in the valuation of property, the cost thereof to be paid in the same manner as other expenses of the assessor's office.

[C50, 54, 58, §405.19, 405A.6; C62, 66, 71, 73, 75, 77, 79, 81, §441.50]

2012 Acts, ch 1081, §3

**441.51** Repealed by 74 Acts, ch 1230, § 8, 9.

**441.52 Failure to perform duty.**

If any assessor or member of any board of review shall knowingly fail or neglect to make or require the assessment of property for taxation to be of and for its taxable value as provided by law or to perform any of the duties required of the assessor or member by law, at the time and in the manner specified, the assessor or member shall forfeit and pay the sum of five hundred dollars to be recovered in an action in the district court in the name of the county or in the name of the city as the case may be, and for its use, and the action against the assessor shall be against the assessor and the assessor's sureties.

[R60, §738; C73, §827; C97, §1367; C24, 27, 31, 35, 39, §**7126;** C46, 50, 54, 58, §405.29, 441.27; C62, 66, 71, 73, 75, 77, 79, 81, §441.52]

**441.53 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**441.54 Construction.**

Whenever in the laws of this state, the words *"assessor"* or *"assessors"* appear, singly or in combination with other words, they shall be deemed to mean and refer to the county or city assessor, as the case may be.

[C50, 54, 58, §441.29, 442.13; C62, 66, 71, 73, 75, 77, 79, 81, §441.54]

**441.55 Conflicting laws.**

If any of the provisions of this chapter shall be in conflict with any of the laws of this state, then the provisions of this chapter shall prevail.

[C62, 66, 71, 73, 75, 77, 79, 81, §441.55]

**441.56 Assessor's duties — combined appointment.**

When the duties of the county assessor are combined with the duties of another officer or employee as provided in section 331.323, subsection 1, the person named to perform the combined duties shall be appointed as provided in sections 441.5 to 441.8.

[C62, 66, 71, 73, 75, 77, 79, 81, S81, §441.56; 81 Acts, ch 117, §1083]

**441.57** Repealed by 79 Acts, ch 105, § 1.

**441.58 through 441.64** Reserved.

**441.65 through 441.71** Repealed by 90 Acts, ch 1236, § 54. See chapter 354.

**441.72 Assessment of platted lots.**

1. Except as provided in subsection 2, when a subdivision plat is recorded pursuant to chapter 354, the individual lots within the subdivision plat shall not be assessed in excess of the total assessment of the land as acreage or unimproved property for five years after the recording of the plat or until the lot is actually improved with permanent construction, whichever occurs first. When an individual lot has been improved with permanent construction, the lot shall be assessed for taxation purposes as provided in chapter 428 and this chapter.

2. For subdivision plats recorded pursuant to chapter 354 on or after January 1, 2004, but before January 1, 2011, the individual lots within the subdivision plat shall not be assessed in excess of the total assessment of the land as acreage or unimproved property for eight years after the recording of the plat or until the lot is actually improved with permanent construction, whichever occurs first. When an individual lot has been improved with permanent construction, the lot shall be assessed for taxation purposes as provided in chapter 428 and this chapter.

3. This section does not apply to special assessment levies.

90 Acts, ch 1236, §50; 2011 Acts, ch 131, §155, 157

2011 amendments to this section take effect July 27, 2011, and apply to assessment years beginning on or after January 1, 2012; amendments do not require refund or modification of property taxes attributable to, or the adjustment of property assessments for, assessments years beginning before January 1, 2012; 2011 Acts, ch 131, §156, 157

**441.73 Litigation expense fund.**

1. A litigation expense fund is created in the state treasury. The litigation expense fund shall be used for the payment of litigation expenses incurred by the state to defend property valuations established by the director of revenue pursuant to section 428.24 and chapters 433, 434, 437, 437A, 437B, and 438, and for the payment of litigation expenses incurred by the state to defend the imposition of replacement taxes and statewide property taxes under chapters 437A and 437B.

2. If the director of revenue determines that foreseeable litigation expenses will exceed the amount available from appropriations made to the department of revenue, the director of revenue may apply to the executive council for use of funds on deposit in the litigation expense fund. The initial application for approval shall include an estimate of potential litigation expenses, allocated to each of the next four succeeding calendar quarters and substantiated by a breakdown of all anticipated costs for legal counsel, expert witnesses, and other applicable litigation expenses.

3. The executive council may approve expenditures from the litigation expense fund on a quarterly basis. Prior to each quarter, the director of revenue shall report to the executive council and give a full accounting of actual litigation expenses to date as well as estimated litigation expenses for the remaining calendar quarters of the fiscal year. The executive council may adjust quarterly expenditures from the litigation expense fund based on this information.

4. The executive council shall transfer for the fiscal year beginning July 1, 1992, and each fiscal year thereafter, from funds established in sections 425.1 and 426.1, an amount necessary to pay litigation expenses. The amount of the fund for each fiscal year shall not exceed seven hundred thousand dollars. The executive council shall determine annually the proportionate amounts to be transferred from the two separate funds. At any time when no litigation is pending or in progress the balance in the litigation expense fund shall not exceed one hundred thousand dollars. Any excess moneys shall be transferred in a proportionate amount back to the funds from which they were originally transferred.

92 Acts, ch 1238, §37; 97 Acts, ch 23, §53; 98 Acts, ch 1194, §36, 40; 2002 Acts, ch 1150, §14; 2003 Acts, ch 145, §286; 2003 Acts, ch 178, §9; 2007 Acts, ch 185, §4; 2013 Acts, ch 94, §31, 35, 36

2013 amendment to subsection 1 takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Subsection 1 amended

# CHAPTERS 442 and 442A

RESERVED

# CHAPTER 443

## TAX LIST

Referred to in §306.22, 331.559, 441.47, 445.2, 445.5, 445.10, 445.37, 445.39, 461A.25


443.1 Consolidated tax.
443.2 Tax list.
443.3 Correction — tax apportioned.
443.4 Tax list delivered — informality and delay.
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443.23A Definitions.

**443.1 Consolidated tax.**

All taxes which are uniform throughout any township or school district shall be formed into a single tax and entered upon the tax list in a single column, to be known as a consolidated tax, and each receipt shall show the percentage levied for each separate fund.

[C73, §838; C97, §1383; S13, §1383; C24, 27, 31, 35, 39, §**7144;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.1]

Referred to in §420.207

**443.2 Tax list.**

Before the first day of July in each year, the county auditor shall transcribe the assessments of the townships and cities into a book or record, to be known as the tax list, properly ruled and headed, with separate columns, in which shall be entered the names of the taxpayers, descriptions of lands, number of acres and value, numbers of city lots and value, and each description of tax, with a column for polls and one for payments, and shall complete it by entering the amount due on each installment, separately, and carrying out the total of both installments. The total of all columns of each page of each book or other record shall balance with the tax totals. After computing the amount of tax due and payable on each property, the county auditor shall round the total amount of tax due and payable on the property to the nearest even whole dollar.

The county auditor shall list the aggregate actual value and the aggregate taxable value of all taxable property within the county and each political subdivision including property subject to the statewide property tax imposed under section 437A.18 or 437B.14 on the tax list in order that the actual value of the taxable property within the county or a political subdivision may be ascertained and shown by the tax list for the purpose of computing the debt-incurring capacity of the county or political subdivision. As used in this section, *"actual value"* is the value determined under section 441.21, subsections 1 to 3, prior to the reduction to a percentage of actual value as otherwise provided in section 441.21. *"Actual value"* of property subject to statewide property tax is the assessed value under section 437A.18 or 437B.14.

[C51, §486; R60, §745; C73, §837; C97, §1383; S13, §1383; C24, 27, 31, 35, 39, §**7145;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.2; 82 Acts, ch 1151, §1]

84 Acts, ch 1195, §1; 89 Acts, ch 296, §68; 2000 Acts, ch 1114, §14, 18; 2013 Acts, ch 94, §32, 35, 36

Referred to in §331.512, 420.207, 441.21, 443.21, 445.15

Limitation on section, §445.15

2013 amendment to unnumbered paragraph 2 takes effect May 9, 2013, and applies retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Unnumbered paragraph 2 amended

**443.3 Correction — tax apportioned.**

At the time of transcribing said assessments into the tax list, the county auditor shall correct all transfers up-to-date and place the legal descriptions of all real estate in the name of the owner at said date as shown by the transfer book in the auditor's office. At the end of the list for each township or city the auditor shall make an abstract thereof, and apportion the consolidated tax among the respective funds to which it belongs, according to the amounts levied for each.

[C97, §1383; S13, §1383; C24, 27, 31, 35, 39, §**7146;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.3]

Referred to in §331.512, 420.207

**443.4 Tax list delivered — informality and delay.**

The county auditor shall make an entry upon the tax list showing what it is, for what county and year, and deliver it to the county treasurer on or before June 30, taking the treasurer's receipt therefor; and such list shall be a sufficient authority for the treasurer to collect the taxes therein levied. No informality therein, and no delay in delivering the same after the

time above specified, shall affect the validity of any taxes, sales, or other proceedings for the collection of such taxes.

[C51, §487; R60, §748; C73, §843; C97, §1387; C24, 27, 31, 35, 39, §**7147;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.4]

Referred to in §331.512

**443.5** Repealed by 84 Acts, ch 1195, § 3.

**443.6 Corrections by auditor.**

The auditor may correct any error in the assessment or tax list, and the assessor or auditor may assess and list for taxation any omitted property.

[R60, §747; C73, §841; C97, §1385; S13, §1385-b; C24, 27, 31, 35, 39, §**7149;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.6]

Referred to in §331.512, 441.37

**443.7 Notice.**

Before assessing and listing for taxation any omitted property, the assessor or auditor shall notify by mail the person in whose name the property is taxed, to appear before the assessor or auditor at the assessor's or auditor's office within ten days from the date of the notice and show cause, if any, why the correction or assessment should not be made.

[S13, §1385-b; C24, 27, 31, 35, 39, §**7150;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.7]

86 Acts, ch 1241, §42

Referred to in §331.512

**443.8 Right of appeal.**

Should such party feel aggrieved at the action of said assessor or auditor the party shall have the right of appeal therefrom to the district court.

[S13, §1385-b; C24, 27, 31, 35, 39, §**7151;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.8]

Referred to in §331.512, 443.11

**443.9 Adjustment of accounts.**

If such correction or assessment is made after the books or other records approved by the state auditor have passed into the hands of the treasurer, the treasurer shall be charged or credited therefor as the case may be. In the event such assessment of omitted property is made by the assessor after the tax records have passed into the hands of the auditor or treasurer, such correction or assessment shall be entered on the records by the auditor or treasurer.

[S13, §1385-b; C24, 27, 31, 35, 39, §**7152;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.9]

Referred to in §331.512

**443.10 Expense — report to supervisors.**

All expense incurred in the making of said correction or assessment shall be borne pro rata by the funds which are affected by said correction and the proceedings shall be reported to the board of supervisors.

[S13, §1385-b; C24, 27, 31, 35, 39, §**7153;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.10]

**443.11 Procedure on appeal.**

The appeal provided for in section 443.8 shall be taken within ten days from the time of the final action of the assessor or auditor, by a written notice to that effect to the assessor or auditor, and served as an original notice. The court on appeal shall hear and determine the

rights of the parties in the same manner as appeals from the board of review, as prescribed in sections 441.39 and 441.43.

[S13, §1385-c; C24, 27, 31, 35, 39, §**7154;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.11]

Service of original notice, R.C.P. 1.302 – 1.315

**443.12 Corrections by treasurer.**

When property subject to taxation is withheld, overlooked, or from any other cause is not listed and assessed, the county treasurer shall, when apprised thereof, at any time within two years from the date at which such assessment should have been made, demand of the person, firm, corporation, or other party by whom the same should have been listed, or to whom it should have been assessed, or of the administrator thereof, the amount the property should have been taxed in each year the same was so withheld or overlooked and not listed and assessed, together with six percent interest thereon from the time the taxes would have become due and payable had such property been listed and assessed.

[C97, §1374; C24, 27, 31, 35, 39, §**7155;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.12]

99 Acts, ch 174, §3, 7

**443.13 Action by treasurer — apportionment.**

Upon failure to pay such sum within thirty days, with all accrued interest, the treasurer shall cause an action to be brought in the name of the treasurer for the use of the proper county, to be prosecuted by the county attorney, or such other person as the board of supervisors may appoint, and when such property has been fraudulently withheld from assessment, there shall be added to the sum found to be due a penalty of fifty percent upon the amount, which shall be included in the judgment. The amount thus recovered shall be by the treasurer apportioned ratably as the taxes would have been if they had been paid according to law.

[C97, §1374; C24, 27, 31, 35, 39, §**7156;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.13]

**443.14 Duty of treasurer.**

The treasurer shall assess any real property subject to taxation which may have been omitted by the assessor, board of review, or county auditor, and collect taxes thereon, and in such cases shall note, opposite the tract or lot assessed, the words "by treasurer".

[C51, §491; R60, §752; C73, §851; C97, §1398; C24, 27, 31, 35, 39, §**7157;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.14]

**443.15 Time limit.**

The assessment shall be made within two years after the tax list shall have been delivered to the treasurer for collection, and not afterwards, if the property is then owned by the person who should have paid the tax.

[C73, §851; C97, §1398; C24, 27, 31, 35, 39, §**7158;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.15]

99 Acts, ch 174, §4, 7

**443.16 Entry by treasurer — details required.**

When the county treasurer makes an entry of taxes on the tax list, or an entry of the correction of a tax, the treasurer shall, immediately in connection with the entry, enter the year, month, day, hour, and minute when the entry was made.

[C31, 35, §7158-d1; C39, §**7158.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.16]

**443.17 Presumption of two-year ownership.**

In any action or proceeding, now pending or hereafter brought, to recover taxes upon property not listed or assessed for taxation during the lifetime of any decedent, it shall be presumed that any property, any evidence of ownership of property, and any evidence of a promise to pay, owned by a decedent at the date of the decedent's death, had been acquired and owned by such decedent more than two years before the date of the decedent's death; and the burden of proving that any such property had been acquired by such decedent less

than two years before the date of the decedent's death shall be upon the heirs, legatees, and legal representatives of any such decedent.

[C35, §7158-f1; C39, §**7158.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.17]

99 Acts, ch 174, §5, 7

**443.18 Real estate — duty of owner.**

In all cases where real estate subject to taxation has not been assessed, the owner, or an agent of the owner, shall have the same done by the treasurer, and pay the taxes thereon; and if the owner fails to do so the treasurer shall assess the same and collect the tax assessed as the treasurer does other taxes.

[R60, §753; C73, §852; C97, §1399; C24, 27, 31, 35, 39, §**7159;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.18]

**443.19 Irregularities, errors, and omissions — effect.**

No failure of the owner to have such property assessed or to have the errors in the assessment corrected, and no irregularity, error, or omission in the assessment of such property, shall affect in any manner the legality of the taxes levied thereon, or affect any right or title to such real estate which would have accrued to any party claiming or holding under and by virtue of a deed executed by the treasurer as provided by this title,* had the assessment of such property been in all respects regular and valid.

[R60, §753; C73, §852; C97, §1399; C24, 27, 31, 35, 39, §**7160;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §443.19]

94 Acts, ch 1023, §54

*Chapters 421B, 427C, 435, 452A, and 453A were not enacted as part of this title and were moved into this title by the Code editor in Code 1993; chapters 421B, 427C, 435, 452A, and 453A contain applicable provisions pertaining to those chapters

**443.20** Repealed by 81 Acts, ch 117, § 1097.

**443.21 Assessments certified to county auditor.**

All assessors and assessing bodies, including the department of revenue having authority over the assessment of property for tax purposes shall certify to the county auditor of each county the assessed values of all the taxable property in such county as finally equalized and determined, and the same shall be transcribed onto the tax lists as required by section 443.2.

[C71, 73, 75, 77, 79, 81, §443.21]

2003 Acts, ch 145, §286

Referred to in §331.512

**443.22 Uniform assessments mandatory.**

All assessors and assessing bodies, including the department of revenue having authority over the assessment of property for tax purposes, shall comply with sections 428.4, 428.29, 434.15, 438.13, 441.21, and 441.45. The department of revenue having authority over the assessments, shall exercise its powers and perform its duties under section 421.17 and other applicable laws so as to require the uniform and consistent application of said section.

[C71, 73, 75, 77, 79, 81, §443.22]

84 Acts, ch 1195, §2; 2003 Acts, ch 145, §286

**443.23 Definition.** Repealed by 2003 Acts, ch 44, § 112. See § 443.23A.

**443.23A Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

# CHAPTER 443A

RESERVED

# CHAPTER 444

## TAX LEVIES

Referred to in §306.22, 331.512, 461A.25


CERTIFICATION OF TAXES

444.1 Basis for amount of tax.
444.2 Amounts certified in dollars.
444.3 Computation of rate.
444.4 Fractional rates disregarded.
444.5 Repealed by 83 Acts, ch 101, §129.
444.6 Record of rates.
444.7 Excessive tax prohibited.
444.8 Mandatory provisions.
444.8A Definitions.

COMPUTATION OF TAX

444.9 Reserved.
444.10 through 444.12 Repealed by 81 Acts, ch 117, §1097.
444.13 Repealed by 82 Acts, ch 1104, §61.
444.14 through 444.19 Reserved.

LEVIES BY DEPARTMENT OF REVENUE

444.20 Repealed by 79 Acts, ch 68, §19.
444.21 General fund of the state.
444.22 Annual levy.
444.23 Rate certified to county auditor.
444.24 Reserved.

PROPERTY TAX LIMITATIONS

444.25 Repealed by 97 Acts, ch 158, §48.
444.25A through 444.27 Repealed by 2002 Acts, ch 1119, §199.
444.28 Repealed by 97 Acts, ch 121, §33; 97 Acts, ch 158, §48.


## CERTIFICATION OF TAXES

**444.1 Basis for amount of tax.**

In all taxing districts in the state, including townships, school districts, cities and counties, when by law then existing the people are authorized to determine by vote, or officers are authorized to estimate or determine, a rate of taxation required for any public purpose, such rate shall in all cases be estimated and based upon the adjusted taxable valuation of such taxing district for the preceding calendar year.

[C24, 27, 31, 35, 39, §**7162;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §444.1]

Referred to in §331.401, 444.8

**444.2 Amounts certified in dollars.**

When an authorized tax rate within a taxing district, including townships, school districts, cities and counties, has been thus determined as provided by law, the officer or officers charged with the duty of certifying the authorized rate to the county auditor or board of supervisors shall, before certifying the rate, compute upon the adjusted taxable valuation of the taxing district for the preceding fiscal year, the amount of tax the rate will raise, stated in dollars, and shall certify the computed amount in dollars and not by rate, to the county auditor and board of supervisors.

[C24, 27, 31, 35, 39, §**7163;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §444.2]

83 Acts, ch 101, §90

Referred to in §331.401, 420.207, 444.8

**444.3 Computation of rate.**

When the valuations for the several taxing districts shall have been adjusted by the several boards for the current year, the county auditor shall thereupon apply such a rate,

not exceeding the rate authorized by law, as will raise the amount required for such taxing district, and no larger amount. For purposes of computing the rate under this section, the adjusted taxable valuation of the property of a taxing district does not include the valuation of property of a railway corporation or its trustee which corporation has been declared bankrupt or is in bankruptcy proceedings. Nothing in the preceding sentence exempts the property of such railway corporation or its trustee from taxation and the rate computed under this section shall be levied on the taxable property of such railway corporation or its trustee.

[C24, 27, 31, 35, 39, §**7164;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §444.3; 82 Acts, ch 1207, §5, 6]

88 Acts, ch 1250, §19

Referred to in §331.401, 420.207, 425A.5, 426.6, 444.8

**444.4 Fractional rates disregarded.**

If in adjusting the rate to be levied in any taxing district to conform to law, such rates shall make necessary the levying of a fraction of a cent, said fractional excess may be computed as one cent, which latter shall be the smallest required to be spread upon the tax lists for any purpose except rates applicable to a state purpose.

[C24, 27, 31, 35, 39, §**7166;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §444.4]

Referred to in §331.401, 420.207, 444.8

**444.5** Repealed by 83 Acts, ch 101, § 129.

**444.6 Record of rates.**

On the determination by the auditor of the necessary rates as herein directed, it is made the auditor's duty to enter a record of such rates for each taxing district upon the permanent records of the auditor's office in a book to be kept for that purpose.

[C24, 27, 31, 35, 39, §**7168;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §444.6]

Referred to in §331.401, 331.508, 444.8

**444.7 Excessive tax prohibited.**

It is a simple misdemeanor for the board of supervisors to authorize, or the county auditor to carry upon the tax lists for any year, an amount of tax for a public purpose in excess of the amount certified or authorized as provided by law. The department of management shall prescribe and furnish the county auditors forms and instructions to aid them in determining the legality and authorized amount of tax levies. The county auditor shall reduce an excessive levy to the maximum amount authorized by law, and not in excess of the amount certified; and the county auditor shall not enter or carry a tax on the tax lists for an illegal levy.

[C24, 27, 31, 35, 39, §**7169;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §444.7]

88 Acts, ch 1158, §75

Referred to in §331.401, 444.8

**444.8 Mandatory provisions.**

The provisions of sections 444.1 to 444.7, and the methods of computation, certification, and levy therein provided shall be obligatory on all officers within the several counties of the state upon whom devolves the duty of determining, certifying, and levying taxes.

[C24, 27, 31, 35, 39, §**7170;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §444.8]

Referred to in §331.401

**444.8A Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

## COMPUTATION OF TAX

**444.9** Reserved.

**444.10 through 444.12** Repealed by 81 Acts, ch 117, § 1097.

**444.13** Repealed by 82 Acts, ch 1104, § 61.

**444.14 through 444.19** Reserved.

## LEVIES BY DEPARTMENT OF REVENUE

**444.20** Repealed by 79 Acts, ch 68, § 19.

**444.21 General fund of the state.**
The amount derived from taxes levied for state general revenue purposes, and all other sources which are available for appropriations for general state purposes, and all other money in the state treasury which is not by law otherwise segregated, shall be established as a general fund of this state.
[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §444.21]

**444.22 Annual levy.**
In each year the director of revenue shall fix the rate in percentage to be levied upon the assessed valuation of the taxable property of the state necessary to raise the amount for general state purposes as shall be designated by the department of management.
[S13, §1380-c; C24, 27, 31, 35, 39, §**7182;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §444.22]
91 Acts, ch 258, §52; 2003 Acts, ch 145, §286

**444.23 Rate certified to county auditor.**
The director of revenue shall certify the rate so fixed to the auditor of each county.
[S13, §1380-d; C24, 27, 31, 35, 39, §**7183;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §444.23]
2003 Acts, ch 145, §286

**444.24** Reserved.

## PROPERTY TAX LIMITATIONS

**444.25** Repealed by 97 Acts, ch 158, § 48.

**444.25A through 444.27** Repealed by 2002 Acts, ch 1119, § 199.

**444.28** Repealed by 97 Acts, ch 121, § 33; 97 Acts, ch 158, § 48.

# CHAPTER 445

## TAX COLLECTION

Referred to in §306.22, 331.559, 419.11, 455G.9, 461A.25, 558.41


445.1 Definition of terms.
445.2 Duty of county treasurer.
445.3 Actions authorized.
445.4 Statutes applicable — attachment — damages.
445.5 Statement and receipt.
445.6 Application to waive tax statement requirements.
445.7 through 445.9 Repealed by 91 Acts, ch 191, §123, 124.
445.10 Former delinquent taxes.
445.11 Special assessment levy submitted.
445.12 Additional data for special assessments.
445.13 Repealed by 81 Acts, ch 117, §1244.
445.14 Entries on the county system.
445.15 Limitations.
445.16 Abatement or compromise of tax.
445.17 Repealed by 91 Acts, ch 191, §123, 124.
445.18 Effect of compromise payment or abatement.
445.19 and 445.20 Repealed by 91 Acts, ch 191, §123, 124.
445.21 Repealed by 79 Acts, ch 68, §19.
445.22 Subsequent collection.
445.23 Statement of taxes due.
445.24 Effect of statement and receipt.
445.25 through 445.27 Repealed by 79 Acts, ch 68, §19.
445.28 Tax lien.
445.29 Repealed by 91 Acts, ch 191, §123, 124.
445.30 Lien between vendor and purchaser.
445.31 Repealed by 91 Acts, ch 191, §123, 124.
445.32 Liens on buildings or improvements.
445.33 through 445.35 Repealed by 79 Acts, ch 68, §19.
445.36 Payment — installments.
445.36A Partial payments.
445.37 When delinquent.
445.38 Apportionment.
445.39 Interest on delinquent taxes.
445.40 Repealed by 91 Acts, ch 191, §123, 124.
445.41 When interest omitted.
445.42 through 445.52 Repealed by 91 Acts, ch 191, §123, 124.
445.53 Taxes certified to another county.
445.54 Collection in such case.
445.55 Fees collectible.
445.56 Return.
445.57 Monthly apportionment.
445.58 and 445.59 Repealed by 91 Acts, ch 191, §123, 124.
445.60 Refunding erroneous tax.
445.61 Sale for erroneous tax.
445.62 Abatement or refund in case of loss.
445.63 Abatement of taxes.


**445.1 Definition of terms.**

For the purpose of this chapter and chapters 446, 447, and 448, section 331.553, subsection 3, and sections 427.8 through 427.12 and 569.8:

1. *"Abate"* means to cancel in their entirety all applicable amounts.

2. *"Compromise"* means to enter into a contractual agreement for the payment of taxes, interest, fees, and costs in amounts different from those specified by law.

3. *"County system"* means a method of data storage and retrieval as approved by the auditor of state including, but not limited to, tax lists, books, records, indexes, registers, or schedules.

4. *"Parcel"* means each separate item shown on the tax list, manufactured or mobile home tax list, schedule of assessment, or schedule of rate or charge.

5. *"Rate or charge"* means an item, including rentals, legally certified to the county treasurer for collection as provided in sections 169C.6, 331.465, 331.489, 358.20, 359A.6, 364.11, 364.12, and 468.589 and section 384.84, subsection 4.

6. *"Taxes"* means an annual ad valorem tax, a special assessment, a drainage tax, a rate or charge, and taxes on homes pursuant to chapter 435 which are collectible by the county treasurer.

7. *"Total amount due"* means the aggregate total of all taxes, penalties, interest, costs, and fees due on a parcel.

[R60, §751; C73, §846; C97, §1390; C24, 27, 31, 35, 39, §**7184;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.1]

86 Acts, ch 1139, §2; 91 Acts, ch 191, §26; 92 Acts, ch 1163, §85; 93 Acts, ch 73, §5; 95 Acts, ch 57, §11; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2010 Acts, ch 1118, §9

Referred to in §6B.1, 11.1, 12B.1, 24.2, 35B.1, 43.2, 50.1, 62.1, 64.1, 65.1, 66.1, 69.1, 96.1A, 99.1, 144.1, 161A.3, 169C.1, 177A.2, 230.34, 257B.1, 306.2, 309.1, 311.1, 317.1, 321A.1, 331.552, 331.559, 347B.1, 353.1, 354.2, 357.1, 357C.1, 357D.1, 357E.1, 357F.1, 357G.1, 357I.1, 358.1, 358C.1, 359.1, 359A.1, 364.22, 380.1, 384.120, 386.1, 420.43, 422.3, 424.2, 425.11, 426A.1, 426C.1, 427.8, 427.12, 428.20, 433.12, 434.1, 435.1, 437.1, 437A.3, 438.2, 440.1, 441.53, 443.23A, 444.8A, 445.37, 446.7, 447.9, 448.17A, 449.1, 460.101, 468.3, 556F.1, 557C.2, 558.1B, 558.5, 561.26, 595.1, 614.13A, 657.2A, 657A.12, 658.1, 717B.1

**445.2 Duty of county treasurer.**

The county treasurer, after making the entry provided in section 445.10, shall proceed to collect the ad valorem taxes, and the list referred to in chapter 443 is the treasurer's authority and justification against any illegality in the proceedings prior to receiving the list. The treasurer shall also collect, as far as practicable, the taxes remaining unpaid on the county system. If the taxes are not paid, the treasurer shall send a statement of delinquent taxes as part of the notice of tax sale as provided in section 446.9.

91 Acts, ch 191, §27

**445.3 Actions authorized.**

In addition to all other remedies and proceedings now provided by law for the collection of taxes, the county treasurer may bring or cause an ordinary suit at law to be commenced and prosecuted in the treasurer's name for the use and benefit of the county for the collection of taxes from any person, as shown by the county system in the treasurer's office, and the suit shall be in all respects commenced, tried, and prosecuted to final judgment the same as provided for ordinary actions.

The commencement of actions for ad valorem taxes authorized under this section shall not begin until the issuance of a tax sale certificate under the requirements of section 446.19. The commencement of actions for all other taxes authorized under this section shall not begin until ten days after the publication of tax sale under the requirements of section 446.9, subsection 2. This paragraph does not apply to the collection of ad valorem taxes under section 445.32, and grain handling taxes under section 428.35.

Notwithstanding the provisions in section 535.3, interest on the judgment shall be at the rate provided in section 447.1 and shall commence from the month of the commencement of the action. This interest shall be in lieu of the interest assessed under section 445.39 from and after the month of the commencement of the action.

An appeal may be taken to the Iowa supreme court as in other civil cases regardless of the amount involved.

Notwithstanding any other provisions in this section, if the treasurer is unable or has reason to believe that the treasurer will be unable to offer land at the annual tax sale to collect the total amount due, the treasurer may immediately collect the total amount due by the commencement of an action under this section.

Notwithstanding any other provision of law, if a statute authorizes the collection of a delinquent tax, assessment, rate, or charge by tax sale, the tax, assessment, rate, or charge, including interest, fees, and costs, may also be collected under this section and section 445.4.

This section is remedial and shall apply to all delinquent taxes included in a tax sale certificate of purchase issued to a county. Upon assignment of a county-held tax sale certificate, this section shall not apply to the assignee.

[S13, §1452-a; C24, 27, 31, 35, 39, §**7186;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.3]

91 Acts, ch 191, §28; 92 Acts, ch 1016, §18, 19; 95 Acts, ch 57, §12; 2007 Acts, ch 185, §5

Referred to in §435.24, 437A.11, 437B.7, 445.4, 445.32, 445.36A, 446.20, 614.1, 631.1

Limitations of actions, see §614.1

**445.4 Statutes applicable — attachment — damages.**

Chapter 639 is applicable to proceedings instituted by a county treasurer under section 445.3, and a writ of attachment shall be issued upon the treasurer complying with the provisions of chapter 639, for taxes, whether due or not due, except that a bond shall not be required from the treasurer or county in such cases, but the county shall be liable for damages only, as provided by section 639.14. The county attorney, upon request of the treasurer, shall assist in prosecution of actions authorized in this section.

This section is remedial and shall apply to all delinquent taxes included in a tax sale certificate of purchase issued to a county. Upon assignment of a county-held tax sale certificate, this section shall not apply to the assignee.

[S13, §1452-b; C24, 27, 31, 35, 39, §**7187;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.4]

91 Acts, ch 191, §29; 95 Acts, ch 57, §13

Referred to in §435.24, 445.3, 445.32, 445.36A, 446.20, 631.1

**445.5 Statement and receipt.**

1. As soon as practicable after receiving the tax list prescribed in chapter 443, the treasurer shall deliver to the titleholder, by regular mail, or if requested by the titleholder, by electronic transmission, a statement of taxes due and payable which shall include the following information:

*a.* The year of tax.

*b.* A description of the parcel.

*c.* The assessed value of the parcel, itemized by the value for land, dwellings, and buildings, for the current year and the previous year as valued by the assessor after application of any equalization orders.

*d.* The taxable value of the parcel, itemized by the value for land, dwellings, and buildings, for the current year and the previous year after application of any equalization orders, assessment limitations, and itemized valuation exemptions.

*e.* The complete name of all taxing authorities receiving a tax distribution, the amount of the distribution, and the percentage distribution for each named authority, listed from the highest to the lowest distribution percentage.

*f.* The consolidated levy rate for one thousand dollars of taxable valuation multiplied by the taxable valuation to produce the gross taxes levied before application of credits against levied taxes for the previous and current fiscal years.

*g.* The itemized credits against levied taxes deducted from the gross taxes levied in order to produce the net taxes owed for the previous and current fiscal years.

*h.* The total amount of taxes levied by each taxing authority in the previous fiscal year and the current fiscal year and the difference between the two amounts, expressed as a percentage increase or decrease.

2. *a.* The county treasurer shall each year, upon request, deliver to the following persons or entities, or their duly authorized agents, a copy of the tax statement or tax statement information:

(1) Contract purchaser.

(2) Lessee.

(3) Mortgagee.

(4) Financial institution organized or chartered or holding an authorization certificate pursuant to chapter 524 or 533.

(5) Federally chartered financial institution.

*b.* The treasurer may negotiate and charge a reasonable fee not to exceed the cost of producing the information for a requester described in paragraph "*a*", subparagraphs (3) through (5), for a tax statement or tax statement information provided by the treasurer.

3. A person other than those listed in subsection 2, who requests a tax statement or tax statement information, shall pay a fee to the treasurer at a rate not to exceed two dollars per parcel.

4. The titleholder may make written request to the treasurer to have the tax statement

delivered to a person or entity in lieu of to the titleholder. A fee shall not be charged by the treasurer for delivering the tax statement to such person or entity in lieu of to the titleholder.

5. Failure to receive a tax statement is not a defense to the payment of the total amount due.

6. The county treasurer shall deliver to the taxpayer a receipt stating the year of tax, date of payment, a description of the parcel, and the amount of taxes, interest, fees, and costs paid when payment is made by cash tender. A receipt for other payment tender types shall only be delivered upon request. The receipt shall be in full for the first half, second half, or full year amounts unless a payment is made under section 445.36A or 435.24, subsection 6.

[R60, §760; C73, §867; C97, §1405; C24, 27, 31, 35, 39, §**7188;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.5]

83 Acts, ch 156, §1, 2; 91 Acts, ch 191, §30; 97 Acts, ch 206, §22, 24; 98 Acts, ch 1186, §2, 3, 5; 99 Acts, ch 167, §2; 2003 Acts, ch 24, §8; 2005 Acts, ch 34, §12, 13, 26; 2006 Acts, ch 1010, §114; 2006 Acts, ch 1070, §20; 2011 Acts, ch 25, §98; 2011 Acts, ch 109, §2; 2012 Acts, ch 1017, §85; 2012 Acts, ch 1021, §78; 2012 Acts, ch 1133, §61, 70

Referred to in §445.6

2012 strike of former subsection 1, paragraph h, is effective July 1, 2013; 2012 Acts, ch 1133, §70

Subsection 1, paragraph h, stricken and former paragraph i redesignated as h

**445.6 Application to waive tax statement requirements.**

For the fiscal years beginning July 1, 1998, and July 1, 1999, a county may apply to the director of the department of management for a deferral in implementing the property tax statement format requirements of section 445.5, subsection 1, paragraphs *"a"* through *"h"*. For the fiscal year beginning July 1, 1998, the application for deferral must be received by the department within thirty days of May 14, 1998. For the fiscal year beginning July 1, 1999, the application for deferral must be received by the department on or before January 1, 1999.

An application for deferral must outline in detail the reason why the county is requesting the deferral and why the county is unable to substantially comply with the tax statement format requirements of section 445.5, subsection 1. When reviewing a county's application, the director shall, among other factors, consider whether or not the county contracts with, or otherwise uses the services of, accounting vendors or computer software vendors who have software that will facilitate the timely implementation of the tax statement format requirements of section 445.5, subsection 1. A presumption arises that these counties are capable of complying with the property tax statement format requirements of section 445.5, subsection 1. The director shall notify the county treasurer of the director's decision within thirty days of receipt of a deferral application from the county. If the director grants a deferral to a county, application of the property tax statement format requirements of section 445.5, subsection 1, is waived for that county.

A county granted a deferral pursuant to this section shall, for the fiscal year for which the deferral is granted, provide with the tax statement an enclosure detailing comparative property tax data for each taxing authority in the county. The comparative data shall include the total amount of taxes levied by each taxing authority in the previous fiscal year and the current fiscal year, the dollar amount difference between the two amounts, and that same difference expressed as a percentage increase or decrease. The comparative data enclosure shall also contain a statement that the county received from the state a deferral from the timely implementation of the tax statement format requirements.

For the purposes of this section and section 445.5, *"taxing authority"* means a public body which has the authority to certify a tax to be levied.

98 Acts, ch 1186, §4, 5

Section not amended; internal reference change applied

**445.7 through 445.9** Repealed by 91 Acts, ch 191, § 123, 124.

**445.10 Former delinquent taxes.**

The county treasurer shall each year, after receiving the tax list referred to in chapter 443, enter into the county system a notation of delinquency for each parcel on which the tax remains unpaid for any previous year. Unless the delinquent tax is so entered it shall cease

to be a lien upon that parcel. To preserve the tax lien it is only necessary to enter the notation for any parcel upon which it is a lien. If the county system is such that all delinquent taxes of any preceding year are automatically brought forward against each parcel on which the tax remains unpaid for any year, the treasurer is not required to make any further entry. Any sale for a delinquent tax not noted on the county system is invalid. However, this section does not require that in order to preserve the lien of tax and make the tax sale valid, delinquent taxes must be brought forward upon the county system if the tax list is received by the treasurer less than six months preceding the date of conducting the tax sale as provided in section 446.25 or 446.28.

[R60, §750; C73, §845; C97, §1389; S13, §1389-d; C24, 27, 31, 35, 39, §**7193;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.10]

91 Acts, ch 191, §31

Referred to in §427.12, 445.2, 445.14, 445.15

Limitation on section, §445.15

**445.11 Special assessment levy submitted.**

When the levy of a special assessment is submitted to the county treasurer, in a format acceptable by the treasurer, the treasurer shall enter in the county system a description of each parcel affected, the date of the assessment, the total amount assessed, the installments to be paid, and the amounts of the respective installments if the assessment is payable in installments.

[C31, 35, §7193-d1; C39, §**7193.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §445.11; 81 Acts, ch 117, §1221]

91 Acts, ch 191, §32

Referred to in §331.552

**445.12 Additional data for special assessments.**

The county system may contain space for showing interest, if any, that may be incurred, a column showing payments and their amounts, a column showing the number of the receipt to be issued by the county treasurer, and a column that may be used to show the date of payment of the assessment, or any installment of it.

[C31, 35, §7193-d2; C39, §**7193.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.12]

91 Acts, ch 191, §33

**445.13** Repealed by 81 Acts, ch 117, § 1244.

**445.14 Entries on the county system.**

The county treasurer shall each year, after receiving the tax list referred to in section 445.10, indicate on the county system that a special assessment is unpaid. This indication is not required if the county system automatically brings forward a notation of the unpaid special assessment.

[C31, 35, §7193-d4; C39, §**7193.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.14]

91 Acts, ch 191, §34

**445.15 Limitations.**

Nothing contained in sections 443.2 and 445.10 shall apply to special assessment levies.

[C31, 35, §7193-d5; C39, §**7193.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.15]

**445.16 Abatement or compromise of tax.**

If the county holds the tax sale certificate of purchase, the county, through the board of supervisors, may compromise by written agreement, or abate by resolution, the tax, interest, fees, or costs. In the event of a compromise, the board of supervisors may enter into a written agreement with the owner of the legal title or with any lienholder for the payment of a stipulated sum in full satisfaction of all amounts included in that agreement. In addition, if a parcel is offered at regular tax sale and is not sold, the county, prior to public bidder sale to the county under section 446.19, may compromise by written agreement, or abate by resolution, the tax, interest, fees, or costs, as provided in this section.

A copy of the agreement or resolution shall be filed with the county treasurer.

If the treasurer determines that it is impractical to pursue collection of the total amount due through the tax sale and the personal judgment remedies, the treasurer shall make a written recommendation to the board of supervisors to abate the amount due. The board of supervisors shall abate, by resolution, the amount due and direct the treasurer to strike the amount due from the county system.

[C27, 31, 35, §7193-a1; C39, §**7193.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.16]

91 Acts, ch 191, §35; 92 Acts, ch 1016, §20; 93 Acts, ch 73, §6; 95 Acts, ch 57, §14

Referred to in §331.401

**445.17** Repealed by 91 Acts, ch 191, § 123, 124.

**445.18 Effect of compromise payment or abatement.**

When payment is made, as provided by the compromise agreement or when there is an abatement, all taxes included in the compromise agreement or abatement shall be deemed to be fully satisfied and canceled and the county treasurer shall show the satisfaction on the county system.

[C27, 31, 35, §7193-a3; C39, §**7193.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §445.18; 81 Acts, ch 117, §1223]

91 Acts, ch 191, §36

**445.19 and 445.20** Repealed by 91 Acts, ch 191, § 123, 124.

**445.21** Repealed by 79 Acts, ch 68, § 19.

**445.22 Subsequent collection.**

Any tax subsequently collected shall be apportioned according to the tax apportionment at the time of collection. However, this section does not apply to the payment of special assessments, or rates or charges.

[SS15, §1391; C24, 27, 31, 35, 39, §**7196;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.22]

91 Acts, ch 191, §37

**445.23 Statement of taxes due.**

Upon request, the county treasurer shall state in writing the full amount of taxes against a parcel, all sales for unpaid taxes, and the amount needed to redeem the parcel, if redeemable. If the person requesting the statement is not the titleholder of record or contract holder of record of the parcel, that person shall pay a fee at the rate of two dollars per parcel for each year for which information is requested, and the money shall be deposited in the county general fund.

[C73, §848; C97, §1393; C24, 27, 31, 35, 39, §**7197;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.23]

91 Acts, ch 191, §38; 92 Acts, ch 1016, §21

Referred to in §445.24

**445.24 Effect of statement and receipt.**

The statement received under section 445.23, with the county treasurer's receipt showing the payment of all the taxes specified in the statement, and the treasurer's certificate of redemption from the tax sales mentioned in the statement, is conclusive evidence for all purposes, and against all persons, that the parcel was, at the date of the receipt, free and clear of all taxes, and sales for taxes, except sales where the time of redemption had already expired and the tax purchaser had received the deed.

[C73, §849; C97, §1394; C24, 27, 31, 35, 39, §**7198;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.24]

84 Acts, ch 1221, §4; 91 Acts, ch 191, §39

**445.25 through 445.27** Repealed by 79 Acts, ch 68, § 19.

**445.28 Tax lien.**

Taxes upon a parcel are a lien on the parcel against all persons except the state. However, taxes upon the parcel are a lien on the parcel against the state and a political subdivision of the state which is liable for payment of taxes as a purchaser under section 427.18.

[C51, §495; R60, §759; C73, §853, 865; C97, §1400; S13, §1400; C24, 27, 31, 35, 39, §**7202;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.28]

91 Acts, ch 191, §40

**445.29** Repealed by 91 Acts, ch 191, § 123, 124.

**445.30 Lien between vendor and purchaser.**

As against a purchaser, tax liens attach to a parcel on and after June 30 in each year.

[C97, §1400; S13, §1400; C24, 27, 31, 35, 39, §**7204;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.30]

91 Acts, ch 191, §41

**445.31** Repealed by 91 Acts, ch 191, § 123, 124.

**445.32 Liens on buildings or improvements.**

If a building or improvement is erected or made by a person other than the owner of the land on which the building or improvement is located, as provided for in section 428.4, the taxes on the building or improvement are and remain a lien on the building or improvement from the date of levy until paid. If the taxes on the building or improvement become delinquent, as provided in section 445.37, the county treasurer shall collect the tax as provided in sections 445.3 and 445.4. This section does not apply to special assessments, or rates or charges.

[S13, §1400; C24, 27, 31, 35, 39, §**7206;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.32]

91 Acts, ch 191, §42; 97 Acts, ch 158, §41

Referred to in §445.3

**445.33 through 445.35** Repealed by 79 Acts, ch 68, § 19.

**445.36 Payment — installments.**

1. The taxes which become delinquent during the fiscal year are for the previous fiscal year.

2. A demand of taxes is not necessary, but every person subject to taxation shall attend at the office of the county treasurer and pay the taxes either in full, or one-half of the taxes before September 1 succeeding the levy, and the remaining half before March 1 following. This subsection does not apply to special assessments, or rates or charges.

3. If an installment of taxes, or an annual payment in the case of special assessments, or payment in full in the case of rates or charges, is delinquent and not paid as of November 1 of the fiscal year in which the amounts are due, the treasurer shall notify the taxpayer of the delinquency and the due date for the second installment. Failure to receive notice is not a defense to the payment of the total amount due.

[C51, §492; R60, §756; C73, §857; C97, §1403; C24, 27, 31, 35, 39, §**7210;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.36]

89 Acts, ch 214, §3; 91 Acts, ch 191, §43; 98 Acts, ch 1107, §26; 2002 Acts, ch 1043, §5; 2006 Acts, ch 1070, §21; 2011 Acts, ch 109, §3

Referred to in §435.24

**445.36A Partial payments.**

1. As an alternative to the semiannual or annual payment of taxes, the county treasurer may accept partial payments of taxes. The treasurer shall transfer amounts from each taxpayer's account to be applied to each semiannual tax installment prior to the delinquency dates specified in section 445.37 and the amounts collected shall be apportioned by the tenth of the month following transfer. If, prior to the due date of each semiannual installment, the account balance is insufficient to fully satisfy the installment, the treasurer shall transfer and apply the entire account balance, leaving an unpaid balance of the installment. Interest shall

attach on the unpaid balance in accordance with section 445.39. Unless funds sufficient to fully satisfy the delinquency are received, the treasurer shall collect the unpaid balance as provided in sections 445.3 and 445.4 and chapter 446. Any remaining balance in a taxpayer's account in excess of the amount needed to fully satisfy an installment shall remain in the account to be applied toward the next semiannual installment. Any interest income derived from the account shall be deposited in the county's general fund to cover administrative costs. The treasurer shall send a notice with the tax statement or by separate mail to each taxpayer stating that, upon request to the treasurer, the taxpayer may make partial payments of taxes.

2. Partial payment of taxes which are delinquent may be made to the county treasurer. For the installment being paid, payment shall first be applied to any interest, fees, and costs accrued and the remainder applied to the taxes due. A partial payment must equal or exceed the amount of interest, fees, and costs of the installment being paid. A partial payment made under this subsection shall be apportioned in accordance with section 445.57, however, such partial payment may, at the discretion of the county treasurer, be apportioned either on or before the tenth day of the month following the receipt of the partial payment or on or before the tenth day of the month following the due date of the next semiannual tax installment. If the payment does not include the whole of any installment of the delinquent tax, the unpaid tax shall continue to accrue interest pursuant to section 445.39. Partial payment shall not be permitted in lieu of redemption if the property has been sold for taxes under chapter 446 and under any circumstances shall not constitute an extension of the time period for a sale under chapter 446.

3. Current year taxes may be paid at any time regardless of any outstanding prior year delinquent tax.

4. This section does not apply to the payment of manufactured or mobile home taxes, special assessments, or rates or charges.

90 Acts, ch 1080, §1; 91 Acts, ch 191, §44; 92 Acts, ch 1016, §22; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2005 Acts, ch 34, §14, 26; 2009 Acts, ch 41, §256; 2012 Acts, ch 1138, §104

Referred to in §445.5, 445.57

**445.37 When delinquent.**

If the semiannual installment of any tax has not been paid before October 1 succeeding the levy, that amount becomes delinquent from October 1 after due. However, in those instances when the last day of September is a Saturday or Sunday, that amount becomes delinquent on the second business day of October. If the second installment is not paid before April 1 succeeding its maturity, it becomes delinquent from April 1 after due. However, in those instances when the last day of March is a Saturday or Sunday, that amount becomes delinquent on the second business day of April. This paragraph applies to all taxes as defined in section 445.1, subsection 6.

However, if there is a delay in the delivery of the tax list referred to in chapter 443 to the county treasurer, the amount of ad valorem taxes and manufactured or mobile home taxes due shall become delinquent thirty days after the date of delivery or on the delinquent date of the first installment, whichever date occurs later. The delay shall not affect the due dates for special assessments and rates or charges. The delinquent date for special assessments and rates or charges is the same as the first installment delinquent date for ad valorem taxes, including any extension, in absence of a statute to the contrary.

To avoid interest on delinquent taxes, a payment must be received by the treasurer on or before the last business day of the month preceding the delinquent date, or mailed with appropriate postage and applicable fees paid, and a United States postal service postmark affixed to the payment envelope, with the postmark bearing a date preceding the delinquent date. Items returned to the sender by the United States postal service for insufficient postage or applicable fees shall be assessed interest, unless the appropriate postage and fees are paid and the items are postmarked again before the delinquent date. However, if the last calendar day of a month falls on a Saturday, Sunday, or a holiday, that amount becomes delinquent on the second business day of the following month.

To avoid interest on current or delinquent taxes, for payments made through a county treasurer's authorized internet site only, if the last day of the month falls on a Saturday, Sunday, or a holiday, the electronic payment must be initiated by midnight on the first business day of the next month. All other electronic payments must be initiated by midnight on the last day of the month preceding the delinquent date.

[C97, §1403; C24, 27, 31, 35, 39, §**7211;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.37]

91 Acts, ch 191, §45; 92 Acts, ch 1016, §23; 95 Acts, ch 57, §15; 97 Acts, ch 121, §17; 2001 Acts, ch 45, §7; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2002 Acts, ch 1043, §6; 2004 Acts, ch 1092, §7; 2013 Acts, ch 90, §257

Referred to in §435.24, 445.32, 445.36A, 445.39, 446.32

Code editor directive applied

**445.38 Apportionment.**

If ad valorem or manufactured or mobile home taxes are paid by installment, each of those payments shall be apportioned among the several funds for which taxes have been assessed in their proper proportions.

[C97, §1403; C24, 27, 31, 35, 39, §**7212;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.38]

91 Acts, ch 191, §46; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80

**445.39 Interest on delinquent taxes.**

If the first installment of taxes is not paid by the delinquent date specified in section 445.37, the installment becomes due and draws interest of one and one-half percent per month until paid, from the delinquent date following the levy. If the last half is not paid by the delinquent date specified for it in section 445.37, the same interest shall be charged from the date the last half became delinquent. However, after April 1 in a fiscal year when late delivery of the tax list referred to in chapter 443 results in a delinquency date later than October 1 for the first installment, interest on delinquent first installments shall accrue as if delivery were made on the previous June 30. The interest imposed under this section shall be computed to the nearest whole dollar and the amount of interest shall not be less than one dollar. In calculating interest each fraction of a month shall be counted as an entire month. The interest percentage on delinquent special assessments and rates or charges is the same as that for the first installment of delinquent ad valorem taxes.

[C51, §495, 497; R60, §759, 760; C73, §865; C97, §1413; C24, 27, 31, 35, 39, §**7214;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.39]

85 Acts, ch 112, §1; 89 Acts, ch 214, §4; 91 Acts, ch 191, §47

Referred to in §435.24, 445.3, 445.36A

**445.40** Repealed by 91 Acts, ch 191, § 123, 124.

**445.41 When interest omitted.**

Interest shall not be added to taxes levied by a court to pay a judgment on county, city, or school district indebtedness, other than the interest which that judgment may draw, nor upon taxes levied in aid of the construction of a railroad.

[C73, §866; C97, §1413; C24, 27, 31, 35, 39, §**7216;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.41]

91 Acts, ch 191, §48

**445.42 through 445.52** Repealed by 91 Acts, ch 191, § 123, 124.

**445.53 Taxes certified to another county.**

In all cases of delinquent taxes, if the person upon whose property the taxes were levied has disposed of or removed the property and the treasurer of the county where the taxes were levied can find no property within that county against which those taxes can be collected, the treasurer of the county where those taxes are delinquent shall make out a certified abstract of the taxes and forward it to the treasurer of the county in which the person resides or has

property, if the treasurer transmitting the abstract has reason to believe that the delinquent taxes can be collected by that county.

[C73, §861; C97, §1409; SS15, §1409; C24, 27, 31, 35, 39, §**7228;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.53]

91 Acts, ch 191, §49

**445.54 Collection in such case.**

The county treasurer forwarding and the one receiving said abstract shall each keep a record of it, and, upon receipt and filing in the office of the treasurer to whom sent, it shall have the effect of a levy of taxes in that county, and the collection shall proceed in the same manner as in the collection of other taxes.

[C73, §862; C97, §1410; C24, 27, 31, 35, 39, §**7229;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.54]

91 Acts, ch 191, §50

**445.55 Fees collectible.**

The county treasurer collecting taxes so certified into another county shall, in addition to the interest, fees, and costs on delinquent taxes, assess a collection fee of twenty percent on the whole amount of the taxes, inclusive of the interest, fees, and costs on the taxes.

[C73, §863; C97, §1411; C24, 27, 31, 35, 39, §**7230;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.55]

91 Acts, ch 191, §51

Referred to in §445.56

**445.56 Return.**

The county treasurer receiving the abstract shall, upon collection, forward the amount to the treasurer of the county where the taxes were levied, less the collection fee provided in section 445.55.

The treasurer receiving the abstract shall, when in the treasurer's opinion the taxes are uncollectible, return the abstract with the endorsement "uncollectible" on it. In such case, when it is administratively impractical to collect the tax, the board of supervisors shall compromise or abate the tax, interest, and costs.

[C73, §864; C97, §1412; C24, 27, 31, 35, 39, §**7231;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.56]

91 Acts, ch 191, §52

**445.57 Monthly apportionment.**

1. On or before the tenth day of each month, the county treasurer shall apportion all taxes collected during the preceding month, except partial payment amounts collected pursuant to section 445.36A, subsection 1, partial payments collected and not yet designated by the county treasurer for apportionment pursuant to section 445.36A, subsection 2, partial payments collected pursuant to section 435.24, subsection 6, paragraph "*a*", and partial payments collected and not yet designated by the county treasurer for apportionment pursuant to section 435.24, subsection 6, paragraph "*b*", among the several funds to which they belong according to the amount levied for each fund, and shall apportion the interest, fees, and costs on the taxes to the general fund, and shall enter those amounts upon the treasurer's cash account, and report the amounts to the county auditor.

2. The county treasurer shall apportion all interest and penalties on the replacement taxes and special utility property tax levies collected by the county treasurer to the general fund. Replacement taxes collected by the county treasurer shall be apportioned as set forth in this section.

3. Fees and charges including service delivery fees, credit card fees, and electronic funds transfer charges payable to a third party, not to the county, that are imposed for completing

an electronic financial transaction with the county are not considered taxes collected for the purposes of this section.

[C73, §868; C97, §1415; S13, §1415; C24, 27, 31, 35, 39, §**7232;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.57]

91 Acts, ch 191, §53; 2000 Acts, ch 1114, §15, 18; 2003 Acts, ch 18, §5; 2012 Acts, ch 1138, §105

Referred to in §331.427, 435.24, 445.36A

**445.58 and 445.59** Repealed by 91 Acts, ch 191, § 123, 124.

**445.60 Refunding erroneous tax.**

The board of supervisors shall direct the county treasurer to refund to the taxpayer any tax or portion of a tax found to have been erroneously or illegally paid, with all interest, fees, and costs actually paid. A refund shall not be ordered or made unless a claim for refund is presented to the board within two years of the date the tax was due, or if appealed to the board of review, the property assessment appeal board, the state board of tax review, or district court, within two years of the final decision.

[R60, §762; C73, §870; C97, §1417; C24, 27, 31, 35, 39, §**7235;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.60]

88 Acts, ch 1140, §1; 91 Acts, ch 191, §54; 99 Acts, ch 174, §6, 7; 2005 Acts, ch 150, §133

Referred to in §331.401

For future repeal, effective July 1, 2018, of 2005 amendments to this section and subsequent amendments relating to the property assessment appeal board, see 2005 Acts, ch 150, §134; 2013 Acts, ch 123, §62, 64, 68

Section not amended; footnote revised

**445.61 Sale for erroneous tax.**

If a parcel subject to taxation is sold for the payment of such erroneous tax, interest, fees, or costs, the error or irregularity in the tax may be corrected at any time provided in this chapter, but this correction does not affect the validity of the sale or the right or title conveyed by a county treasurer's deed, if the parcel was subject to taxation for any of the purposes for which any portion of the taxes for which the parcel was sold was levied, and the taxes were not paid before the sale, or the parcel redeemed from sale.

[R60, §762; C73, §870; C97, §1417; C24, 27, 31, 35, 39, §**7236;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.61]

91 Acts, ch 191, §55

**445.62 Abatement or refund in case of loss.**

The board of supervisors has the authority to abate or refund in whole or in part the taxes of any person whose buildings, crops, stock, or other property has been destroyed by fire, tornado, or other unavoidable casualty, if that property has not been sold for taxes, or if the taxes have not been delinquent for thirty days at the time of the destruction. The loss for which abatement or refund is allowed shall be only that amount which is not covered by insurance. The loss of capital stock in a bank operated within the state and the making and paying of a stock assessment for the year that stock was assessed for taxation is a destruction within the meaning of this section.

[R60, §818; C73, §800; C97, §1307; C24, 27, 31, 35, 39, §**7237;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §445.62]

91 Acts, ch 191, §56

Referred to in §331.401

**445.63 Abatement of taxes.**

When taxes are owing against a parcel owned or claimed by the state or a political subdivision of this state and the taxes were owing before the parcel was acquired by the state or a political subdivision of this state, the county treasurer shall give notice to the appropriate governing body which shall pay the amount of the taxes due. If the governing body fails to immediately pay the taxes due, the board of supervisors shall abate all of the taxes.

87 Acts, ch 126, §1; 91 Acts, ch 191, §57

# CHAPTER 446

## TAX SALES

Referred to in §306.22, 331.559, 384.2, 419.11, 427.2, 435.24, 435.25, 437A.11, 437B.7, 445.1, 445.36A, 447.1, 455G.9, 461A.25

For definitions applicable to chapter, see §445.1


446.1 Sale shown.
446.2 Notice of sale.
446.3 through 446.6 Repealed by 91 Acts, ch 191, §123, 124.
446.7 Annual tax sale.
446.8 Repealed by 81 Acts, ch 117, §1244.
446.9 Notice of sale — service — publication — costs.
446.10 Publication costs and service fees.
446.11 Substituted service.
446.12 Certificate of publication.
446.13 Method of describing parcels, etc.
446.14 Irregularities in advertisement.
446.15 Offer for sale.
446.16 Bid — purchaser — bidder registration fee.
446.17 Sale continued.
446.18 "Public bidder sale" — notice.
446.19 County or city as purchaser.
446.19A Purchase by county or city for use as housing.
446.19B Public nuisance tax sale — rehabilitation for use as housing.
446.20 Remedies.
446.21 Assignment of certificate to bondholder.
446.22 Repealed by 79 Acts, ch 68, §19.
446.23 Resale.
446.24 Record of sales.
446.25 Sale adjourned.
446.26 Responsibility of treasurer to attend tax sale.
446.27 Liability of treasurer.
446.28 Subsequent sale.
446.29 Certificate of purchase.
446.30 Loss of certificate.
446.31 Assignment — presumption from deed recitals.
446.32 Payment of subsequent taxes by purchaser.
446.33 Repealed by 81 Acts, ch 117, §1244.
446.34 School, agricultural college, or university land.
446.35 Assessment to wrong person.
446.36 Certified copies of records as evidence.
446.37 Cancellation of sale.
446.38 Suspended taxes of supplementary assistance recipients. Repealed by 2007 Acts, ch 126, §115.
446.39 Iowa finance authority statement. Repealed by 2007 Acts, ch 54, §45.
446.40 through 446.44 Reserved.
446.45 Applicable law.


**446.1 Sale shown.**

The county treasurer shall designate on the county system each parcel sold for taxes and not redeemed, by noting on the county system the year in which it was sold.

[C73, §842; C97, §1386; C24, 27, 31, 35, 39, §**7238;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §446.1; 81 Acts, ch 117, §1224]

91 Acts, ch 191, §58

**446.2 Notice of sale.**

For each parcel sold, the county treasurer shall notify the party in whose name the parcel was taxed, according to the treasurer's records at the time of sale, that the parcel was sold at tax sale. The notice of sale shall be sent by regular mail within fifteen days from the date of the annual tax sale or any adjourned tax sale. Failure to receive a mailed notice is not a defense to payment of the total amount due.

[C73, §847; C97, §1392; C24, 27, 31, 35, 39, §**7239;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.2]

91 Acts, ch 191, §59; 93 Acts, ch 73, §7; 98 Acts, ch 1107, §27

**446.3 through 446.6** Repealed by 91 Acts, ch 191, § 123, 124.

**446.7 Annual tax sale.**

1. Annually, on the third Monday in June the county treasurer shall offer at public sale all parcels on which taxes are delinquent. The treasurer shall not, however, offer for sale any parcel that is subject to a pending action as the result of a municipal infraction citation under

section 364.22, a petition filed under chapter 657, or a petition filed under chapter 657A, if such municipal infraction citation or petition is indexed under section 617.10 and noted in the county system as defined in section 445.1. The sale shall be made for the total amount of taxes, interest, fees, and costs due. If for good cause the treasurer cannot hold the annual tax sale on the third Monday of June, the treasurer may designate a different date in June for the sale.

2. Parcels against which the county holds a tax sale certificate or a municipality holds a tax sale certificate acquired under section 446.19, parcels of municipal and political subdivisions of the state of Iowa, or parcels of the state or its agencies, shall not be offered or sold at tax sale and a tax sale of those parcels is void from its inception. When taxes are owing against parcels owned or claimed by a municipal or political subdivision of the state of Iowa, or parcels of the state or its agencies, the treasurer shall give notice to the appropriate governing body which shall then pay the total amount due. If the governing body fails to pay the total amount due, the board of supervisors shall abate the total amount due.

[C51, §496; R60, §763; C73, §871; C97, §1418; C24, 27, 31, 35, 39, §**7244;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.7]

83 Acts, ch 101, §91; 83 Acts, ch 123, §182, 209; 84 Acts, ch 1221, §5; 91 Acts, ch 191, §60; 93 Acts, ch 73, §8; 99 Acts, ch 4, §1, 4; 2007 Acts, ch 54, §37; 2010 Acts, ch 1050, §3

Referred to in §364.22, 447.1, 657.2A, 657A.12

**446.8** Repealed by 81 Acts, ch 117, § 1244.

**446.9 Notice of sale — service — publication — costs.**

1. A notice of the date, time, and place of the annual tax sale shall be served upon the person in whose name the parcel subject to sale is taxed. The county treasurer shall serve the notice by sending it by regular first class mail to the person's last known address not later than May 1 of each fiscal year. However, in those instances when May 1 is a Saturday or Sunday, the notice shall be served not later than the first business day of May. The notice shall contain a description of the parcel to be sold which is clear, concise, and sufficient to distinguish the parcel to be sold from all other parcels. It shall also contain the amount of delinquent taxes for which the parcel is liable each year, the amount of the interest and fees, and the amount of the service fee as provided in section 446.10, subsection 2, all to be incorporated as a single sum. The notice shall contain a statement that, after the sale, if the parcel is not redeemed within the period provided in chapter 447, the right to redeem expires and a deed may be issued.

2. Publication of the date, time, and place of the annual tax sale shall be made once by the treasurer in at least one official newspaper in the county as selected by the board of supervisors and designated by the treasurer at least one week, but not more than three weeks, before the day of sale. The publication shall contain a description of the parcel to be sold that is clear, concise, and sufficient to distinguish the parcel to be sold from all other parcels. All items offered for sale pursuant to section 446.18 may be indicated by an "s" or by an asterisk. The publication shall also contain the name of the person in whose name the parcel to be sold is taxed and the amount delinquent for which the parcel is liable each year, the amount of the interest and fees, and the amount of the service fee as provided in section 446.10, subsection 2, all to be incorporated as a single sum. The publication shall contain a statement that, after the sale, if the parcel is not redeemed within the period provided in chapter 447, the right to redeem expires and a deed may be issued.

3. *a.* In addition to the notice required by subsection 1 and the publication required by subsection 2, the treasurer shall send, at least one week but not more than three weeks before the day of sale, a notice of sale in the form prescribed by subsection 1, by regular first class mail to any mortgagee having a lien upon the parcel, a vendor of the parcel under a recorded contract of sale, a lessor of the parcel who has a recorded lease or memorandum of a recorded lease, and to any other person who has an interest of record in the parcel, if the mortgagee, vendor, lessor, or other person having an interest of record has done both of the following:

(1) Requested on a form prescribed by the treasurer that notice of sale be sent to the person.

(2) Filed the request form with the treasurer at least one month prior to the date of sale, together with a fee of twenty-five dollars per parcel.

*b.* The request for notice is valid for a period of five years from the date of filing with the treasurer. The request for notice may be renewed for additional periods of five years by the procedure specified in this subsection.

4. Notice required by subsections 1 and 3 shall be deemed completed when the notice is enclosed in a sealed envelope with the proper postage on the envelope, is addressed to the person entitled to receive it at the person's last known mailing address, and is deposited in a mail receptacle provided by the United States postal service. Failure to receive a mailed notice is not a defense to the payment of the total amount due.

5. If, for good cause, a parcel is not included in the publication specified in subsection 2, notice shall be given by publication or by posting a description of the parcel and the date, time, and place of the tax sale in the treasurer's office for two weeks before the regular or any adjourned tax sale and, at the time of the publication or posting, by mailing the notice required in subsection 1.

[C51, §498; R60, §764; C73, §872 – 874, 3833; C97, §1419; S13, §1419; C24, 27, 31, 35, 39, §**7246;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.9]

84 Acts, ch 1221, §6; 86 Acts, ch 1139, §4; 89 Acts, ch 214, §5; 91 Acts, ch 191, §61; 92 Acts, ch 1016, §24; 97 Acts, ch 121, §18; 98 Acts, ch 1107, §28; 99 Acts, ch 4, §2, 4; 2002 Acts, ch 1043, §7, 8; 2003 Acts, ch 44, §64; 2006 Acts, ch 1070, §22; 2011 Acts, ch 25, §143

Referred to in §435.24, 445.2, 445.3, 446.19B, 446.20

**446.10 Publication costs and service fees.**

1. The compensation for publication shall not exceed four dollars for each separately described parcel and shall be paid by the county.

2. A service fee not to exceed four dollars shall be collected as a fee for sale notice preparation and deposited into the county general fund. If the taxes are paid before the date of sale, the service fee shall be included as a part of the costs of collecting the taxes.

[C51, §498; R60, §764; C73, §873, 3833; C97, §1419; S13, §1419; C24, 27, 31, 35, 39, §**7247;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.10]

86 Acts, ch 1139, §5; 91 Acts, ch 191, §62; 2002 Acts, ch 1043, §9

Referred to in §446.9, 446.11

**446.11 Substituted service.**

If the county treasurer cannot procure the publication of the notice for the sum specified in section 446.10, the notice may be given by posting it in the treasurer's office for two weeks.

[C51, §498; R60, §764; C73, §873, 3833; C97, §1419; S13, §1419; C24, 27, 31, 35, 39, §**7248;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.11]

91 Acts, ch 191, §63

**446.12 Certificate of publication.**

The county treasurer shall obtain a copy of the notice of sale with a certificate of its publication from the printer or publisher, and file it in the office of the treasurer. The certificate shall be substantially in the following form:

I, ....., publisher (or printer) of the ....., a newspaper printed and published in the county of ..... and state of Iowa, certify that the foregoing notice and list were published in that newspaper on the ..... day of ....., ....., and that copies of each issue of the paper in which the notice and list were published were delivered by carrier or transmitted by mail to each of the subscribers to the paper.

.....
Signature of publisher (or printer)
State of Iowa, )
..... County. ) ss.

The above certificate of publication was subscribed and sworn to before me by the above named ....., who is personally known to me to be the identical person described in the certificate, on the ..... day of ....., .....

.....
Notary
..... County, Iowa.

[C51, §500; R60, §771; C73, §881; C97, §1420; C24, 27, 31, 35, 39, §**7249;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.12]
86 Acts, ch 1139, §6; 91 Acts, ch 191, §64

**446.13 Method of describing parcels, etc.**

In entries required to be made by the county auditor, county treasurer, or other officer, letters and figures may be used to denote townships, ranges, sections, parts of sections, lots, blocks, dates, and the amount of taxes, interest, fees, and costs.

[R60, §770; C73, §880; C97, §1421; C24, 27, 31, 35, 39, §**7250;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.13]
91 Acts, ch 191, §65

**446.14 Irregularities in advertisement.**

An irregularity or informality in the advertisement does not affect the legality of the sale or the title to a parcel conveyed by the county treasurer's deed under this chapter and chapters 447 and 448, and in all cases its provisions shall be sufficient notice to the owners of the sale of the parcel.

[R60, §770; C73, §880; C97, §1421; C24, 27, 31, 35, 39, §**7251;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.14]
91 Acts, ch 191, §66

**446.15 Offer for sale.**

The county treasurer shall offer for sale, on the day of the sale, each parcel separately for the total amount due against each parcel advertised for sale.

[C51, §499; R60, §765; C73, §875; C97, §1422; C24, 27, 31, 35, 39, §**7252;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.15]
91 Acts, ch 191, §67; 95 Acts, ch 57, §16

**446.16 Bid — purchaser — bidder registration fee.**

1. The person who offers to pay the total amount due, which is a lien on any parcel, for the smallest percentage of the parcel is the purchaser, and when the purchaser designates the percentage of any parcel for which the purchaser will pay the total amount due, the percentage thus designated shall give the person an undivided interest upon the issuance of a treasurer's deed, as provided in chapter 448. If two or more persons have placed an equal bid and the bids are the smallest percentage offered, the county treasurer shall use a random selection process to select the bidder to whom a certificate of purchase will be issued.

The percentage that may be designated by any purchaser under this subsection shall not be less than one percent.

2. The treasurer may establish and collect a reasonable registration fee from each registered bidder at the tax sale. The fee shall not be assessed against a county or municipality. The total of the fees collected shall not exceed the total costs of the tax sale. Registration fees collected shall be deposited in the general fund of the county.

3. The delinquent tax lien transfers with the tax sale certificate, whether held by the county or purchased by an individual, through assignment or direct purchase at the tax sale. The delinquent tax sale lien expires when the tax sale certificate expires.

4. Only those persons as defined in section 4.1 are authorized to register to bid or to bid at the tax sale or to own a tax sale certificate by purchase, assignment, or otherwise. To be authorized to register to bid or to bid at a tax sale or to own a tax sale certificate, a person, other than an individual, must have a federal tax identification number and either a designation of agent for service of process on file with the secretary of state or a verified statement meeting the requirements of chapter 547 on file with the county recorder of the county in which the person wishes to register to bid or to bid at tax sale or of the county where the property that is the subject of the tax sale certificate is located.

[C51, §501; R60, §766; C73, §876; C97, §1423; C24, 27, 31, 35, 39, §**7253;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.16]

90 Acts, ch 1203, §1; 91 Acts, ch 191, §68; 92 Acts, ch 1016, §25; 95 Acts, ch 57, §17; 97 Acts, ch 121, §19; 2004 Acts, ch 1092, §8; 2005 Acts, ch 34, §15, 26; 2009 Acts, ch 11, §1, 2

Referred to in §420.246

Subsection 4 takes effect March 13, 2009, and applies to tax sales held on or after June 1, 2009; 2009 Acts, ch 11, §2

**446.17 Sale continued.**

1. The county treasurer shall continue the sale from day to day as long as there are bidders or until all delinquent parcels have been offered for sale.

2. If notice of annual tax sale has been published under section 446.9, Code 1991, the notice is valid and further notice is not required for an adjourned sale held under this section, unless it is a public bidder sale.

[C51, §499; R60, §767; C73, §877; C97, §1424; C24, 27, 31, 35, 39, §**7254;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.17]

91 Acts, ch 191, §69; 92 Acts, ch 1016, §26; 2007 Acts, ch 22, §77

**446.18 "Public bidder sale" — notice.**

Each county treasurer shall, on the day of the regular tax sale each year or any continuance or adjournment of the tax sale, offer and sell at public sale all parcels which remain liable to sale for delinquent taxes, which have previously been advertised, offered for one year or more, and remain unsold for want of bidders. Notice of the sale shall be given at the same time and in the same manner as that given of the regular sale.

[C97, §1425; C24, 27, 31, 35, 39, §**7255;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.18]

91 Acts, ch 191, §70

Referred to in §321.46, 446.9, 446.19, 446.19A, 447.9

**446.19 County or city as purchaser.**

When a parcel is offered at a tax sale under section 446.18, and no bid is received, or if the bid received is less than the total amount due, the county in which the parcel is located, through its county treasurer, shall bid for the parcel a sum equal to the total amount due. Money shall not be paid by the county or other tax-levying or tax-certifying body for the purchase, but each of the tax-levying and tax-certifying bodies having any interest in the taxes shall be charged with the total amount due the tax-levying or tax-certifying body as its just share of the purchase price.

This section does not prohibit a governmental agency or political subdivision from bidding at the sale for a parcel to protect its interests. When a bid is received from a city in which the parcel is located, money shall not be paid by the city, but each of the tax-levying and

tax-certifying bodies having any interest in the taxes shall be charged with the total amount due the tax-levying or tax-certifying body as its just share of the purchase price.

[C27, 31, 35, §7255-b1; C39, §**7255.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.19]

91 Acts, ch 191, §71; 92 Acts, ch 1163, §86; 95 Acts, ch 57, §18

Referred to in §331.361, 445.3, 445.16, 446.7, 446.20, 446.21, 447.1, 459.505, 459.506

Acquisition of title by municipal corporations, chapter 569

**446.19A Purchase by county or city for use as housing.**

1. The board of supervisors of a county may adopt an ordinance authorizing the county and each city in the county to bid on and purchase delinquent taxes and to assign tax sale certificates of abandoned property or vacant lots. This section may only be used by a county or by a city in the county if such an ordinance is in effect.

2. On the day of the regular tax sale or any continuance or adjournment of the tax sale, the county or a city may bid for abandoned property assessed as residential property or as commercial multifamily housing property or for a vacant lot a sum equal to the total amount due. Money shall not be paid by the county or city for the purchase, but each of the tax-levying and tax-certifying bodies having any interest in the taxes shall be charged with the total amount due the tax-levying or tax-certifying body as its just share of the purchase price. Prior to the purchase, the county or city shall file with the county treasurer a verified statement that a parcel to be purchased is abandoned property and that the parcel is suitable for use as housing following rehabilitation or that a parcel to be purchased is a vacant lot.

3. If after the date that a parcel is sold pursuant to this chapter, or after the date that a parcel is sold under section 446.18, the parcel assessed as residential property or as commercial multifamily housing property is identified as abandoned or as a vacant lot pursuant to a verified statement filed with the county treasurer by a city or county in the form set forth in subsection 2, a city or county may require the assignment of the tax sale certificate that had been issued for such parcel by paying to the holder of such certificate the total amount due on the date the assignment of the certificate is made to the county or city and recorded with the county treasurer. If a certificate holder fails to assign the certificate of purchase to the city or county, the county treasurer is authorized to issue a duplicate certificate of purchase, which shall take the place of the original certificate, and assign the duplicate certificate to the city or county. If the certificate is not assigned by the county or city pursuant to subsection 4, the county or city, whichever is applicable, is liable for the tax sale interest that was due the certificate holder pursuant to section 447.1, as of the date of assignment.

4. *a.* The city or county may assign the tax sale certificate obtained pursuant to this section. Persons who purchase certificates from the city or county under this subsection are liable for the total amount due the certificate holder pursuant to section 447.1.

*b.* All persons who purchase certificates from the city or county under this subsection shall demonstrate the intent to rehabilitate the abandoned property for habitation or build a residential structure on the vacant lot if the property is not redeemed. In the alternative, the county or city may, if title to the property has vested in the county or city under section 448.1, dispose of the property in accordance with section 331.361 or 364.7, as applicable.

5. For purposes of this section:

*a.* *"Abandoned property"* means a lot or parcel containing a building which is used or intended to be used for residential purposes and which has remained vacant and has been in violation of the housing code of the city in which the property is located or of the housing code applicable in the county in which the property is located if outside the limits of a city, for a period of six consecutive months.

*b.* *"Vacant lot"* means a lot or parcel located in a city or outside the limits of a city in a county that contains no buildings or structures and that is zoned to allow for residential structures.

96 Acts, ch 1204, §31; 99 Acts, ch 29, §1, 3; 2004 Acts, ch 1165, §5 – 7, 11, 12; 2005 Acts, ch 34, §16, 17, 26; 2007 Acts, ch 54, §38; 2007 Acts, ch 126, §72

Referred to in §446.19B, 447.9

**446.19B Public nuisance tax sale — rehabilitation for use as housing.**

1. The board of supervisors of a county may adopt an ordinance authorizing the county treasurer to separately offer and sell at the annual tax sale delinquent taxes on parcels that are abandoned property and are assessed as residential property or as commercial multifamily housing property and that are, or are likely to become, a public nuisance. This section may only be used by a county or by a city in the county if such an ordinance is in effect.

2. On or before May 15, the county or city may file with the county treasurer a verified statement containing a listing of parcels and a declaration that each parcel is abandoned property, each parcel is assessed as residential property or as commercial multifamily housing property, each parcel is, or is likely to become, a public nuisance, and that each parcel is suitable for use as housing following rehabilitation.

3. The verified statement shall be published at the same time and in the same manner as the notice of the annual tax sale and the requirements in section 446.9, subsection 2, for publication of notice of the annual tax sale also apply to publication of the verified statement.

4. On the day of the regular tax sale, or any continuance or adjournment of the tax sale, the treasurer shall separately offer and sell those parcels listed in a verified statement timely received and properly published and which remain liable to sale for delinquent taxes. This sale shall be known as the "public nuisance tax sale". Notwithstanding any provision to the contrary, the percentage interest that may be purchased in a parcel offered for sale under this section shall not be less than one hundred percent.

5. To be eligible to bid on parcels under this section, a prospective bidder shall enter into a rehabilitation agreement with the county, or with the city if the property is located within a city, to demonstrate the intent to rehabilitate the property for use as housing if the property is not redeemed.

6. If after issuance of a tax sale deed to the holder of a certificate of purchase at the public nuisance tax sale, the tax sale deed holder determines that a building, structure, or other improvement located on the parcel cannot be rehabilitated for habitation, the tax sale deed holder may request approval from the board of supervisors, or the city council if the property is located within a city, to remove, dismantle, or demolish the building, structure, or other improvement.

7. When a parcel is offered at public nuisance tax sale and no bid is received, or if the bid received is less than the total amount due, the county in which the parcel is located, through its county treasurer, shall bid for the parcel a sum equal to the total amount due. Money shall not be paid by the county or city for the purchase, but each of the tax-levying and tax-certifying bodies having any interest in the taxes shall be charged with the total amount due the tax-levying or tax-certifying body as its just share of the purchase price.

8. The tax sale certificate holder may assign the tax sale certificate obtained pursuant to this section.

9. For purposes of this section, "*abandoned property*" means the same as defined in section 446.19A, and "*public nuisance*" means the same as defined in section 657A.1.

2006 Acts, ch 1070, §23

Referred to in §446.31, 446.37, 447.9

**446.20 Remedies.**

1. *a.* Without limiting the county's rights under section 445.3, once a certificate is issued to a county, a county may collect the total amount due by the alternative remedy provided in section 445.3 by converting the total amount due to a personal judgment. Entrance of the judgment shall be shown on the county system. Collection of the judgment may then be initiated as provided in section 445.4. The county attorney shall, upon request of the county treasurer, assist in prosecution of action authorized under this section and sections 445.3 and 445.4.

*b.* The remedies associated with tax sale and personal judgment may be simultaneously pursued until such time as the total amount due has been collected or otherwise discharged. If the total amount due is collected pursuant to a personal judgment, the tax sale shall be canceled by the treasurer. If a tax deed is issued, any personal judgment shall be released and a satisfaction of judgment shall be filed with the clerk of the appropriate district court.

2. *a.* If the board or council determines that any property located on a parcel purchased by the county or city pursuant to section 446.19 requires removal, dismantling, or demolition, the board or council shall, at the same time and in the same manner that the notice of expiration of right of redemption is served, cause to be served on the person in possession of the parcel and also upon the person in whose name the parcel is taxed a separate notice stating that if the parcel is not redeemed within the time period specified in the notice of expiration of right of redemption, the property described in the notice shall be removed, dismantled, or demolished. The notice shall further state that the costs of removal, dismantling, or demolition shall be assessed against the person in whose name the parcel is taxed and a lien for the costs shall be placed against any other parcel taxed in that person's name within the county.

*b.* Service of the notice shall also be made by mail on any mortgagee having a lien upon the parcel, a vendor of the parcel under a recorded contract of sale, a lessor who has a recorded lease or memorandum of a recorded lease, and any other person who has an interest of record, at the person's last known address, if the mortgagee, vendor, lessor, or other person has filed a request for notice, as prescribed in section 446.9, subsection 3. The notice shall also be served on any city where the parcel is situated. Failure to receive a mailed notice is not a defense to the payment of the total amount due.

3. This section is remedial and shall apply to all delinquent taxes included in a tax sale certificate of purchase issued to a county. Upon assignment of a county-held tax sale certificate, this section shall not apply to the assignee.

91 Acts, ch 191, §72; 92 Acts, ch 1016, §27; 95 Acts, ch 57, §19; 98 Acts, ch 1107, §29; 2006 Acts, ch 1010, §115; 2007 Acts, ch 126, §73; 2011 Acts, ch 25, §143

**446.21 Assignment of certificate to bondholder.**

In tax sales made under section 446.19, a holder of a special assessment certificate against a parcel, a holder of a bond payable in whole or in part out of a special assessment against a parcel, or a city within which a parcel is situated, which parcel has been sold, is entitled to an assignment of any certificate of tax sale of the parcel, upon tender to the holder or to the county treasurer of the amount to which the holder of the tax sale certificate would be entitled in case of redemption.

[C97, §816; S13, §792-f, 816; C24, 27, 31, §6041; C35, §6041, 7255-g2; C39, §**6041, 7255.3;** C46, 50, 54, 58, 62, 66, 71, 73, §391.68, 446.21; C75, 77, 79, 81, S81, §446.21; 81 Acts, ch 117, §1225]

91 Acts, ch 191, §73

Referred to in §446.45

**446.22** Repealed by 79 Acts, ch 68, § 19.

**446.23 Resale.**

The person purchasing a tax sale certificate against any parcel shall immediately pay to the county treasurer the total amount bid. Upon failure to do so the parcel is again offered as if no such sale had been made. These payments may be made in the funds receivable in payment of taxes.

[C51, §502; R60, §768; C73, §878; C97, §1426; C24, 27, 31, 35, 39, §**7257;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.23]

91 Acts, ch 191, §74

**446.24 Record of sales.**

The county treasurer or a designee shall attend all tax sales and keep a record in the county system of the sales, describing each parcel on which the total amount due was paid by the purchaser, as they are described in the copy of the notice on file in the treasurer's office. The

county system shall include a statement of the amount, kind of tax, interest, fees, and costs for each parcel, to whom sold, and the date of sale.

[R60, §772; C73, §882; C97, §1427; C24, 27, 31, 35, 39, §**7258;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §446.24; 81 Acts, ch 117, §1226]

91 Acts, ch 191, §75

**446.25 Sale adjourned.**

When all the parcels advertised for sale have been offered and parcels remain unsold for want of bidders, the county treasurer shall adjourn the sale to some day not exceeding two months from adjournment, due notice of which day shall be given at the time of adjournment, and by keeping the notice posted in a conspicuous place in the treasurer's office. Further notice is not necessary. On the day fixed by the adjournment, the same proceedings shall occur as in the first instance. Further adjournments shall be made, not exceeding intervals of two months, and the sales continue until the next regular annual sale or until all the parcels are sold.

[R60, §773; C73, §883; C97, §1428; C24, 27, 31, 35, 39, §**7259;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.25]

91 Acts, ch 191, §76

Referred to in §420.219, 445.10

**446.26 Responsibility of treasurer to attend tax sale.**

A county treasurer failing to attend a tax sale in person, by a deputy treasurer, or by another designated employee is guilty of a simple misdemeanor.

[R60, §774; C73, §884; C97, §1429; C24, 27, 31, 35, 39, §**7260;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §446.26; 81 Acts, ch 117, §1227]

91 Acts, ch 191, §77

**446.27 Liability of treasurer.**

1. If the county treasurer, deputy treasurer, or other designated employee sells or assists in selling any parcel, knowing it is not subject to taxation or that the amount for which it is sold has been paid, or knowingly and willfully sells or assists in selling a parcel to defraud the owner, or knowingly and willfully executes a deed for such a parcel sold, the treasurer, deputy treasurer, or designated employee is guilty of a serious misdemeanor and liable to pay the injured party all damages sustained as a result of the illegal sale.

2. If the treasurer, deputy treasurer, or designated person is directly or indirectly concerned in the purchase of a parcel sold at tax sale, the treasurer and the treasurer's sureties are liable on the treasurer's official bond for all damages sustained by the owner of the parcel. In addition, the treasurer, deputy treasurer, or designated person, as the case may be, is guilty of a fraudulent practice.

3. Sales made in violation of this section are void.

[R60, §775; C73, §885; C97, §1430; C24, 27, 31, 35, 39, §**7261;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §446.27; 81 Acts, ch 117, §1228]

91 Acts, ch 191, §78; 92 Acts, ch 1016, §28

Fraudulent practice, see §714.8

**446.28 Subsequent sale.**

If for good cause, a parcel cannot be advertised and offered for sale on the third Monday of June or on another date in June designated by the treasurer, the county treasurer shall make the sale on the third Monday of the next succeeding month in which the required notice can be given.

[R60, §776; C73, §886; C97, §1431; C24, 27, 31, 35, 39, §**7262;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.28]

91 Acts, ch 191, §79; 99 Acts, ch 4, §3, 4

Referred to in §445.10, 447.1

**446.29 Certificate of purchase.**

The county treasurer shall prepare, sign, and deliver to the purchaser of any parcel or part of a parcel sold a certificate of purchase, describing the parcel or part of the parcel as shown in the county system identifying the parcel or part of the parcel sold, the total amount due for each parcel as described, and that payment has been made. Not more than one parcel shall be entered upon each certificate of purchase. The certificate fee is the amount specified in section 331.552, subsection 23. The delinquent tax lien transfers with the tax sale certificate, whether held by the county or purchased by an individual through assignment or direct purchase at the tax sale. The delinquent tax lien expires when the tax sale certificate expires.

[C51, §503; R60, §777; C73, §887; C97, §1432; S13, §1432; C24, 27, 31, 35, 39, §**7263;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.29; 82 Acts, ch 1104, §25]

90 Acts, ch 1203, §2; 91 Acts, ch 191, §80

**446.30 Loss of certificate.**

If a certificate of purchase is lost or destroyed, the owner of record, may, by filing an affidavit of the loss or destruction with the county treasurer, receive a duplicate of the certificate, which shall take the place of the original certificate and have the same force and effect in law and be subject to the same laws. The cost of a duplicate certificate of purchase is the same as the cost of the original certificate as provided in section 331.552, subsection 23.

[S13, §1432; C24, 27, 31, 35, 39, §**7264;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.30]

91 Acts, ch 191, §81

**446.31 Assignment — presumption from deed recitals.**

The certificate of purchase is assignable by endorsement and entry in the county system in the office of county treasurer of the county from which the certificate was issued, and when the assignment is so entered and the assignment transaction fee paid, it shall vest in the assignee or legal representatives of the assignee all the right and title of the assignor. The statement in the treasurer's deed of the fact of the assignment is presumptive evidence of that fact. For each assignment transaction, the treasurer shall charge the assignee an assignment transaction fee of one hundred dollars, or ten dollars in the case of an assignment by an estate, to be deposited in the county general fund. The assignment transaction fee shall not be added to the amount necessary to redeem.

When the county acquires a certificate of purchase, the county may assign the certificate for the total amount due as of the date of assignment or compromise the total amount due and assign the certificate. An assignment or a compromise and assignment shall be by written agreement. A copy of the agreement shall be filed with the treasurer. For each assignment transaction, the treasurer shall collect from the assignee an assignment transaction fee of ten dollars to be deposited in the county general fund. The assignment transaction fee shall not be added to the amount necessary to redeem. All money received from the assignment of county-held certificates of purchase shall be apportioned to the tax-levying and certifying bodies in proportion to their interests in the taxes for which the parcel was sold with all interest, fees, and costs deposited in the county general fund. After assignment of a certificate of purchase which is held by the county, section 446.37 applies. In that instance, the date of cancellation shall be three years from the date the assignment is recorded by the treasurer in the county system. However, in the case of a tax sale certificate issued pursuant to section 446.19B and assigned by the county, the date of cancellation shall be one year from the date the assignment is recorded by the treasurer in the county system. When the assignment is entered and the assignment transaction fee is paid, all of the rights and title of the assignor shall vest in the assignee or the legal representative of the assignee. The statement in the treasurer's deed of the fact of the assignment is presumptive evidence of that fact.

A certificate of purchase for a parcel shall not be assigned to a person, other than a municipality, who is entitled to redeem that parcel.

[R60, §778; C73, §888; C97, §1433; S13, §1433; C24, 27, 31, 35, 39, §**7265;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.31]

91 Acts, ch 191, §82; 92 Acts, ch 1016, §29; 93 Acts, ch 73, §9; 95 Acts, ch 57, §20; 97 Acts, ch 121, §20; 2006 Acts, ch 1070, §24

Referred to in §331.361, 446.45

**446.32 Payment of subsequent taxes by purchaser.**

The county treasurer shall provide to the purchaser of a parcel sold at tax sale a receipt for the total amount paid by the purchaser after the date of purchase for a subsequent year. Taxes for a subsequent year may be paid by the purchaser beginning one month and fourteen days following the date from which an installment becomes delinquent as provided in section 445.37. Notwithstanding any provision to the contrary, a subsequent payment must be received and recorded by the treasurer in the county system no later than 5:00 p.m. on the last business day of the month for interest for that month to accrue and be added to the amount due under section 447.1. However, the treasurer may establish a deadline for receipt of subsequent payments that is other than 5:00 p.m. on the last business day of the month to allow for timely processing of the subsequent payments. Late interest shall be calculated through the date that the subsequent payment is recorded by the treasurer in the county system. In no instance shall the date of postmark of a subsequent payment be used by a treasurer either to calculate interest or to determine whether interest shall accrue on the subsequent payment.

[C73, §889; C97, §1434; C24, 27, 31, 35, 39, §**7266;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §446.32; 81 Acts, ch 117, §1229]

91 Acts, ch 191, §83; 93 Acts, ch 73, §10; 2006 Acts, ch 1070, §25, 31; 2012 Acts, ch 1138, §106

Referred to in §420.246, 446.45, 447.1

**446.33** Repealed by 81 Acts, ch 117, § 1244.

**446.34 School, agricultural college, or university land.**

When any school, agricultural college, or university land sold on credit is sold for taxes, the purchaser shall acquire only the interest of the original purchaser therein, and no sale of any such lands for taxes shall prejudice the rights of the state, agricultural college, or university. In all cases where the real estate is mortgaged or otherwise encumbered to the school, agricultural college, or university fund, the interest of the person who holds the fee shall alone be sold for taxes, and in no case shall the lien or interest of the state be affected by any sale thereof. The foregoing provision shall include all lands exempt from taxation by law, and any legal or equitable estate therein held, possessed, or claimed for any public purpose, and no assessment or taxation of such lands, nor the payment of any such tax by any person, or the sale and conveyance for taxes of any such lands, shall in any manner affect the right or title of the public therein, or confer upon the purchaser or person who pays such taxes any right or interest in such land.

[R60, §810, 811; C73, §900; C97, §1435; C24, 27, 31, 35, 39, §**7268;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.34]

**446.35 Assessment to wrong person.**

A sale of a parcel through tax sale is not invalid if taxed in any other name than that of the rightful owner, if it is in other respects sufficiently described.

[R60, §787; C73, §904; C97, §1450; C24, 27, 31, 35, 39, §**7269;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §446.35]

91 Acts, ch 191, §84

Referred to in §420.245

**446.36 Certified copies of records as evidence.**

The information in the county system of the office of the county treasurer, or a copy properly certified, is sufficient evidence to prove the sale of a parcel at tax sale, the redemption of the parcel, or the payment of taxes on it.

[R60, §788; C73, §905; C97, §1451; C24, 27, 31, 35, 39, §**7270;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §446.36; 81 Acts, ch 117, §1230]

91 Acts, ch 191, §85

Referred to in §420.245

Similar provision, §622.43

**446.37 Cancellation of sale.**

After three years have elapsed from the time of any tax sale, or after one year has elapsed from the time of any tax sale under section 446.19B, and the holder of a certificate has not filed an affidavit of service of notice of expiration of right of redemption under section 447.12, the county treasurer shall cancel the sale from the county system. However, if the filing of affidavit of service is stayed by operation of law, the time period for the filing of the affidavit shall not expire until the later of six months after the stay has been lifted or three years from the time of the tax sale, and in the case of a tax sale under section 446.19B, the time period for the filing of the affidavit shall not expire until the later of six months after the stay has been lifted or one year from the time of the tax sale. This section does not apply to certificates of purchase at tax sale which are held by a county.

[C97, §1452; C24, 27, 31, 35, 39, §**7271;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §446.37; 81 Acts, ch 117, §1231]

91 Acts, ch 191, §86; 2005 Acts, ch 34, §18, 26; 2006 Acts, ch 1070, §26

Referred to in §331.552, 420.247, 446.31, 446.45

**446.38 Suspended taxes of supplementary assistance recipients.** Repealed by 2007 Acts, ch 126, § 115.

**446.39 Iowa finance authority statement.** Repealed by 2007 Acts, ch 54, § 45.

**446.40 through 446.44** Reserved.

**446.45 Applicable law.**

Sections 446.21, 446.31, 446.32, and 446.37, as amended by 1991 Iowa Acts, ch. 191, sections 73, 82, 83, and 86, only apply if associated with a tax sale that occurred on or after April 1, 1992. For tax sales occurring prior to April 1, 1992, the provisions of sections 446.21, 446.31, 446.32, and 446.37 in effect on the date of the tax sale apply.

92 Acts, ch 1016, §31

# CHAPTER 447

## TAX REDEMPTION

Referred to in §306.22, 331.559, 419.11, 435.25, 437A.11, 437B.7, 445.1, 446.9, 446.14, 448.13, 455G.9, 458A.20, 461A.25

For definitions applicable to chapter, see §445.1


447.1 Redemption — terms.
447.2 Repealed by 91 Acts, ch 191, §123, 124.
447.3 Agricultural college lands.
447.4 Redemption from sale for part of tax.
447.5 Certificate of redemption — issued by treasurer.
447.6 Documentation of corrections.
447.7 Minors and persons of unsound mind.
447.8 Redemption after delivery of deed.
447.9 Notice of expiration of right of redemption — county right of redemption.
447.10 Service by publication — fees.
447.11 Agent of nonresident.
447.12 When service deemed complete — presumption.
447.13 Cost — fee — report.
447.14 Law in effect at time of sale.


**447.1 Redemption — terms.**

A parcel sold under this chapter and chapter 446 may be redeemed at any time before the right of redemption expires, by payment to the county treasurer, to be held by the treasurer subject to the order of the purchaser, of the amount for which the parcel was sold, including the fee for the certificate of purchase, and interest of two percent per month, counting each fraction of a month as an entire month, from the month of sale, and the total amount paid by the purchaser or the purchaser's assignee for any subsequent year, with interest at the same rate added on the amount of the payment for each subsequent year from the month of payment, counting each fraction of a month as an entire month. The amount of interest must be at least one dollar and shall be rounded to the nearest whole dollar. Interest shall accrue on subsequent amounts as provided in section 446.32. The redemption must be received by the treasurer on or before the last day of the month to avoid additional interest being added to the amount necessary to redeem. However, if the last day of a month falls on a Saturday, Sunday, or a holiday, the payment must be received by the treasurer by the close of business on the first business day of the following month.

When the county or city is the certificate holder of the parcel redeemed from a sale held under section 446.19, the redemption amount shall be apportioned among the several funds for which the taxes were levied. All interest, costs, and fees shall be apportioned to the general fund of the county regardless of who is the certificate holder. If a city is the certificate holder of the parcel redeemed from a sale held under section 446.7 or 446.28, the city shall be entitled to the total amount redeemed.

[C51, §505; R60, §779; C73, §890; C97, §1436; S13, §1436; C24, 27, 31, 35, 39, §**7272;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §447.1; 81 Acts, ch 117, §1232]

91 Acts, ch 191, §89; 93 Acts, ch 73, §11; 2006 Acts, ch 1070, §27, 31

Referred to in §445.3, 446.19A, 446.32, 447.4, 447.7, 447.8, 447.9

Tax sale certificate fee, §331.552(23)

**447.2** Repealed by 91 Acts, ch 191, § 123, 124.

**447.3 Agricultural college lands.**

In redeeming from a sale of a leasehold interest in agricultural college land, the amount to be paid shall include any amount paid by the holder of the certificate as interest or principal due by the terms of the lease or otherwise to prevent a forfeiture, and for which proper voucher has been filed with the county treasurer, with interest at eight percent per annum from date of payment, which amount shall be paid by the treasurer to the holder of

the certificate, and the certificate of redemption shall show the amount paid by the party redeeming.

[C51, §505; R60, §779; C73, §890; C97, §1436; S13, §1436; C24, 27, 31, 35, 39, §**7274;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §447.3; 81 Acts, ch 117, §1233]

91 Acts, ch 191, §90

Referred to in §447.7

**447.4 Redemption from sale for part of tax.**

In case a redemption is made of a parcel compromised and assigned for a sum less than the total amount due, the purchaser is entitled to receive only the amount paid and a ratable part of the interest and costs. In determining the interest to be paid upon redemption from sale, the sum due on a parcel sold shall be taken to be the total amount due on the parcel at the time of sale, and the amount paid for a parcel at sale shall be apportioned ratably in accordance with section 447.1. Parcels so sold are redeemable in the same manner and with the same interest as those sold for the taxes of the preceding year.

[C97, §1437; C24, 27, 31, 35, 39, §**7275;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §447.4]

90 Acts, ch 1168, §49; 91 Acts, ch 191, §91

**447.5 Certificate of redemption — issued by treasurer.**

The county treasurer, upon application of a party to redeem a parcel sold at a tax sale, and being satisfied that the party has a right to redeem the parcel upon the payment of the proper amount, shall issue to the party a certificate of redemption, setting forth the facts of the sale substantially as contained in the certificate, the date of the redemption, the amount paid, and by whom redeemed, and shall make the proper entries in the county system in the treasurer's office.

[R60, §780; C73, §891; C97, §1438; C24, 27, 31, 35, 39, §**7276;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §447.5; 81 Acts, ch 117, §1234]

91 Acts, ch 191, §92; 2006 Acts, ch 1070, §28, 31

**447.6 Documentation of corrections.**

The entries by the county treasurer on the county system shall be of a permanent nature and if errors are subsequently discovered the correcting entries shall be adequately documented to support the correction.

[C31, 35, §7276-c1; C39, §**7276.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §447.6; 81 Acts, ch 117, §1235]

91 Acts, ch 191, §93

**447.7 Minors and persons of unsound mind.**

If a parcel of a minor or person of unsound mind is sold at tax sale, it may be redeemed at any time within one year after the disability is removed, in the manner specified in section 447.8, or redemption may be made by the guardian or legal representative under sections 447.1 and 447.3 at any time before the delivery of the treasurer's deed.

[R60, §779; C73, §892; C97, §1439; C24, 27, 31, 35, 39, §**7277;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §447.7]

91 Acts, ch 191, §94

Referred to in §229.27, 420.240

**447.8 Redemption after delivery of deed.**

1. *a.* After the delivery of the treasurer's deed, a person entitled to redeem a parcel sold at tax sale shall do so only by an equitable action in the district court of the county where the parcel is located. The action may be maintained only by a person who was entitled to redeem the parcel during the ninety-day redemption period in section 447.12, except that such a person may assign the person's right of redemption or right to maintain the action to another person.

*b.* In order to establish the right to redeem, the person maintaining the action shall be required to prove to the court either that the person maintaining the action or a predecessor in interest was not properly served with notice in accordance with the requirements of

sections 447.9 through 447.12, or that the person maintaining the action or a predecessor in interest acquired an interest in or possession of the parcel during the ninety-day redemption period in section 447.12. A person shall not be entitled to maintain such action by claiming that a different person was not properly served with notice of expiration of right of redemption, if the person seeking to maintain the action, or the person's predecessor in interest, if applicable, was properly served with the notice. A person is not allowed to redeem a parcel sold for delinquent taxes in any other manner after the execution and delivery of the treasurer's deed.

2. The person maintaining the action shall name as defendants all persons claiming an interest in the parcel derived from the tax sale, as shown by the record.

3. If the court determines that notice was properly served, the court shall enter judgment holding that all rights of redemption are terminated and that the validity of the tax title or purported tax title is conclusively established as a matter of law.

4. If the court determines that notice was not properly served and that the person maintaining the action is entitled to redeem, the court shall so order. The order shall determine the rights, claims, and interests of all parties, including liens for taxes and claims for improvements made on or to the parcel by the person claiming under the tax title. The order shall establish the amount necessary to effect redemption. The redemption amount shall include the amount for redemption computed in accordance with section 447.1, including interest computed up to and including the date of payment of the total redemption amount to the clerk of court; the amount of all costs added to the redemption amount in accordance with section 447.13; and, in the event that the person claiming under the tax title has made improvements on or to the parcel after the treasurer's deed was issued, an amount equal to the value of all such improvements. The order shall direct that the person maintaining the action shall pay to the clerk of court, within thirty days after the date of the order, the total redemption amount established in the order.

5. *a.* Upon timely receipt of the payment, the court shall enter judgment declaring the treasurer's deed to be invalid and determining the resulting rights, claims, and interests of all parties to the action. In its judgment, the court shall direct the clerk of court to deliver the entire amount of the redemption payment to the person who previously claimed title under the treasurer's deed.

*b.* If the person maintaining the action fails to timely deliver payment of the total redemption amount to the clerk of court, the court shall enter judgment holding that all rights of redemption are terminated and that the validity of the tax title or purported tax title is conclusively established as a matter of law. No subsequent action shall be brought to challenge the treasurer's deed or to recover the parcel.

6. If an affidavit is filed pursuant to section 448.15 and if the time period for filing a claim under section 448.16 expires with no claims having been filed, all persons are thereafter barred and estopped from commencing an action under this section.

[C73, §893; C97, §1440; C24, 27, 31, 35, 39, §**7278;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §447.8]

91 Acts, ch 191, §95; 2005 Acts, ch 34, §19, 26; 2011 Acts, ch 25, §143

Referred to in §420.240, 447.7, 448.6, 448.12, 448.16

**447.9 Notice of expiration of right of redemption — county right of redemption.**

1. After one year and nine months from the date of sale, or after nine months from the date of a sale made under section 446.18, or after three months from the date of a sale made under section 446.19A or 446.19B, the holder of the certificate of purchase may cause to be served upon the person in possession of the parcel, and also upon the person in whose name the parcel is taxed, a notice signed by the certificate holder or the certificate holder's agent or attorney, stating the date of sale, the description of the parcel sold, the name of the purchaser, and that the right of redemption will expire and a deed for the parcel be made unless redemption is made within ninety days from the completed service of the notice. The notice shall be served by both regular mail and certified mail to the person's last known address and such service is deemed completed when the notice is deposited in the mail and postmarked for delivery. The ninety-day redemption period begins as provided in section

447.12. When the notice is given by a county as a holder of a certificate of purchase the notice shall be signed by the county treasurer or the county attorney, and when given by a city, it shall be signed by the city officer designated by resolution of the council. When the notice is given by the Iowa finance authority or a city or county agency holding the parcel as part of an Iowa homesteading project, it shall be signed on behalf of the agency or authority by one of its officers, as authorized in rules of the agency or authority.

2. Service of the notice shall be made by both regular mail and certified mail on any mortgagee having a lien upon the parcel, a vendor of the parcel under a recorded contract of sale, a lessor who has a recorded lease or recorded memorandum of a lease, and any other person who has an interest of record, at the person's last known address. The notice shall be served on any city where the parcel is situated. Notice shall not be served after the filing of the affidavit required by section 447.12. Only those persons who are required to be served the notice of expiration as provided in this section or who have acquired an interest in or possession of the parcel subsequent to the filing of the notice of expiration of the right of redemption are eligible to redeem a parcel from tax sale. Service of the notice is deemed completed when the notice is deposited in the mail and postmarked for delivery.

3. The county in which the parcel is located has the right of redemption for owner-occupied residential parcels as provided in this subsection. If a person is unable to contribute to the public revenue, the person may file a petition, duly sworn to, with the board of supervisors, stating that fact and giving a statement of parcels, as defined in section 445.1, owned or possessed by the petitioner, and other information as the board may require. The board of supervisors may order the county auditor to redeem a parcel owned or possessed by the petitioner from the holder of a certificate of purchase upon payment by the county to the certificate holder of the amount necessary to redeem under section 447.1. Each of the tax-levying and tax-certifying bodies having any interest in the taxes shall be charged with the total amount due the tax-levying or tax-certifying body as its just share of the purchase price, and that amount shall be deducted from the next month's disbursement made by the county to the tax-levying or tax-certifying body. Interest paid by the county to the certificate holder pursuant to section 447.1 shall be paid solely by the county and shall not be charged against the other tax-levying and tax-certifying bodies. Taxes charged and paid by the tax-levying or tax-certifying body in this manner shall be treated as suspended taxes pursuant to sections 427.8 through 427.12. Notwithstanding section 447.14, a county may redeem pursuant to this subsection for tax sales held before, on, or after July 1, 1998. A county may limit the number of times a taxpayer may file a petition for assistance under this subsection.

[R60, §781; C73, §894; C97, §1441; S13, §1441; C24, 27, 31, 35, 39, §**7279;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §447.9; 81 Acts, ch 117, §1236]

83 Acts, ch 96, §157, 159; 86 Acts, ch 1139, §7; 86 Acts, ch 1241, §43; 89 Acts, ch 66, §1; 90 Acts, ch 1203, §3; 91 Acts, ch 191, §96; 95 Acts, ch 57, §21; 95 Acts, ch 67, §34; 97 Acts, ch 121, §22; 98 Acts, ch 1107, §30; 98 Acts, ch 1153, §2; 99 Acts, ch 29, §2, 3; 99 Acts, ch 83, §8, 10, 12; 2004 Acts, ch 1165, §8, 11, 12; 2006 Acts, ch 1070, §29; 2007 Acts, ch 54, §39; 2012 Acts, ch 1006, §1

Referred to in §420.207, 420.240, 420.241, 447.8, 447.10, 448.3
Management when county acquires deed, chapter 569
Service of original notice, R.C.P. 1.302 – 1.315

**447.10 Service by publication — fees.**

If notice in accordance with section 447.9 cannot be served upon a person entitled to notice in the manner prescribed in that section, then the holder of the certificate of purchase shall cause the required notice to be published once in an official newspaper in the county. If service is made by publication, the affidavit required by section 447.12 shall state the reason why service in accordance with section 447.9 could not be made. Service of notice by publication shall be deemed complete on the day of the publication. Fees for publication,

if required under section 447.13, shall not exceed the customary publication fees for official county publications.

[C73, §894; C97, §1441; S13, §1441; C24, 27, 31, 35, 39, §**7280;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §447.10]

86 Acts, ch 1139, §8; 97 Acts, ch 121, §23

Referred to in §420.207, 420.240, 420.241, 447.8, 447.13

**447.11 Agent of nonresident.**

A nonresident may in writing appoint a resident of the county in which the parcel is situated as agent, and file the appointment with the county treasurer of the county, who shall make note of the appointment in the county system, after which service of notice by certified and regular mail shall be made upon the agent.

[C73, §894; C97, §1441; S13, §1441; C24, 27, 31, 35, 39, §**7281;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §447.11]

91 Acts, ch 191, §97; 2001 Acts, ch 45, §8

Referred to in §420.207, 420.240, 420.241, 447.8

**447.12 When service deemed complete — presumption.**

Service is complete only after an affidavit has been filed with the county treasurer, showing the making of the service, the manner of service, the time when and place where made, under whose direction the service was made, and costs incurred as provided in section 447.13. Costs not filed with the treasurer before a redemption is complete shall not be collected by the treasurer. Costs shall not be filed with the treasurer prior to the filing of the affidavit. The affidavit shall be made by the holder of the certificate or by the holder's agent or attorney, and in either of the latter cases stating that the affiant is the agent or attorney of the holder of the certificate. The affidavit shall be filed by the treasurer and entered in the county system and is presumptive evidence of the completed service of the notice. The right of redemption shall not expire until ninety days after service is complete. A redemption shall not be considered valid unless received by the treasurer prior to the close of business on the ninetieth day from the date of completed service except in the case of a public bidder certificate held by the county in which case the county may accept a redemption at any time prior to the issuance of the tax deed. However, if the ninetieth day falls on a Saturday, Sunday, or a holiday, payment of the total redemption amount must be received by the treasurer before the close of business on the first business day following the ninetieth day. The date of postmark of a redemption shall not be considered as the day the redemption was received by the treasurer for purposes of the ninety-day time period.

[C73, §894; C97, §1441; S13, §1441; C24, 27, 31, 35, 39, §**7282;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §447.12; 81 Acts, ch 117, §1237]

89 Acts, ch 66, §2; 91 Acts, ch 191, §98; 93 Acts, ch 73, §12; 2006 Acts, ch 1070, §30, 31; 2007 Acts, ch 54, §40

Referred to in §420.207, 420.240, 420.241, 446.37, 447.8, 447.9, 447.10, 448.1

**447.13 Cost — fee — report.**

1. The cost of serving the notice, including the cost of sending certified mail notices, and the cost of publication under section 447.10, if publication is required, shall be added to the amount necessary to redeem. The cost of a record search shall also be added to the amount necessary to redeem. However, if the certificate holder is other than a county, the search must be performed by an abstractor who is an active participant in the title guaranty program under section 16.91 or by an attorney licensed to practice law in the state of Iowa, and the amount of the cost of the record search that may be added to the amount necessary to redeem shall not exceed three hundred dollars.

2. The county treasurer shall file the proof of service and statement of costs and record these costs against the parcel. The certificate holder or the holder's agent shall report in writing to the treasurer the amount of authorized costs incurred, and the treasurer shall file the statement. Costs not filed with the treasurer before a redemption is complete shall not

be collected by the treasurer and may be recovered through a court action against the parcel owner by the certificate holder.

[C73, §894; C97, §1441; S13, §1441; C24, 27, 31, 35, 39, §**7283;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §447.13; 81 Acts, ch 117, §1238]

86 Acts, ch 1139, §9; 91 Acts, ch 191, §99; 92 Acts, ch 1016, §32; 99 Acts, ch 83, §9; 2001 Acts, ch 45, §9, 11; 2005 Acts, ch 34, §20, 26; 2007 Acts, ch 54, §41

Referred to in §420.207, 420.240, 420.241, 447.8, 447.10, 447.12

**447.14 Law in effect at time of sale.**

The law in effect at the time of tax sale governs redemption.

92 Acts, ch 1016, §33

Referred to in §420.241, 447.9

# CHAPTER 448

## TAX DEEDS

Referred to in §306.22, 321.46, 331.559, 435.25, 437A.11, 437B.7, 445.1, 446.14, 446.16, 455G.9, 461A.25

For definitions applicable to chapter, see §445.1


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448.2 Form.
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448.4 Presumptive evidence.
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448.12 Limitation of actions.
448.13 Cancellation of tax sale and certificate of purchase — refund of purchase money.
448.14 Officers de facto.
448.15 Affidavit by tax-title holder.
448.16 Claims adverse to tax title barred.
448.17 Indexing and recording of affidavits and claims.
448.17A Definitions.


**448.1 Return of certificate of purchase — execution of deed — fees.**

Immediately after the expiration of ninety days from the date of completed service of the notice provided in section 447.12, the county treasurer shall make out a deed for each parcel sold and unredeemed upon the return of the certificate of purchase and payment of the appropriate deed and recording fees by the purchaser. The treasurer shall record the deed with the county recorder prior to delivering the deed to the purchaser. The treasurer shall receive twenty-five dollars for each deed made by the treasurer, and the treasurer may include any number of parcels purchased by one person in one deed, if authorized by the treasurer.

The tax sale certificate holder shall return the certificate of purchase and remit the appropriate deed issuance fee and recording fee to the county treasurer within ninety calendar days after the redemption period expires. The treasurer shall cancel the certificate for any tax sale certificate holder who fails to comply with this paragraph. This paragraph does not apply to certificates held by a county. This paragraph is applicable to all certificates of purchase issued before, on, or after July 1, 1997. Holders of certificates of purchase that are outstanding on July 1, 1997, shall return the certificate of purchase and remit the appropriate deed issuance fee to the county treasurer within ninety calendar days from that date.

[C51, §503, 504; R60, §781, 782; C73, §895; C97, §1442; C24, 27, 31, 35, 39, §**7284;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.1]

91 Acts, ch 191, §100; 97 Acts, ch 121, §24; 2000 Acts, ch 1085, §6

Referred to in §331.552, 420.241, 446.19A

Management when county acquires deed, chapter 569

**448.2 Form.**

Deeds executed by the county treasurer shall be substantially in the following form:

KNOW ALL PERSONS BY THESE PRESENTS, that the following described parcel: (Here follows the description), situated in the county of ..... and state of Iowa, was subject to taxes for the year (or years) A.D. ....., and the taxes on the parcel for the year (or years) stated remained due and unpaid at the date of the sale; and the treasurer of the county, on the ..... day of ....., A.D. ....., by virtue of the authority vested by law in the treasurer, at (an adjournment of) the sale begun and publicly held on the third Monday of June, A.D. ....., exposed to public sale at the office of the county treasurer in the county named, in substantial conformity with all the requirements of the statute, the parcel described, for the payment of the total amount then due and remaining unpaid on the parcel, and at that time and place ....., of the county of ..... and state of ....., offered to pay the sum of ..... dollars and ..... cents, being the total amount then due and remaining unpaid on the parcel, for (here follows the description of the parcel sold) which was the least quantity bid for, and payment of that sum was made by that person to the treasurer, the parcel was stricken off to that person at that price; and ..... did, on the ..... day of ....., A.D. ....., assign the certificate of the sale of the parcel and all right, title, and interest to the parcel to ..... of the county of ..... and state of .....; and by the affidavit of ....., filed in the treasurer's office on the ..... day of ....., A.D. ....., it appears that notice has been given more than ninety days before the execution of this deed to ..... and ..... of the expiration of the time of redemption allowed by law; and two years have elapsed since the date of the sale, and the parcel has not been redeemed:

Now, I, ....., treasurer of the county, for the consideration of the stated sum paid to the treasurer and by virtue of law, have granted, bargained, and sold, and by these presents do grant, bargain, and sell to ..... (or .....), and that person's heirs and assigns, the parcel described, to have and to hold unto that person (or .....), and that person's heirs and assigns, forever; subject, however, to all the rights of redemption provided by law. In witness whereof, I, ....., treasurer of ..... county, by virtue of the authority vested in me, have subscribed my name on this ..... day of ....., A.D. .....

.....
Treasurer

State of Iowa, )
..... County. ) ss.

I certify that before me, ....., in and for said county, personally appeared the above named ....., treasurer of the county, personally known to me to be the treasurer of the county at the date of the execution of the above conveyance, and to be the identical person whose name is affixed to and who executed the above conveyance as treasurer of the county, and acknowledged the execution of the conveyance to be the treasurer's voluntary act and

deed as treasurer of the county, for the purposes expressed in the conveyance.

Given under my hand (and seal) this ..... day of ....., A.D. .....
.....

[R60, §783; C73, §896; C97, §1443; C24, 27, 31, 35, 39, §**7285;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.2]

83 Acts, ch 101, §92; 91 Acts, ch 191, §101; 2000 Acts, ch 1058, §41
Referred to in §420.243, 448.6

**448.3 Execution and effect of deed.**

1. The deed shall be signed by the county treasurer as such, and acknowledged by the treasurer before some officer authorized to take acknowledgments, and when substantially thus executed and recorded in the proper record in the office of the recorder of the county in which the parcel is situated, shall vest in the purchaser all the right, title, interest, and claim of the state and county to the parcel, and all the right, title, interest, and estate of the former owner in and to the parcel conveyed. However, the deed is subject to all restrictive covenants, resulting from prior conveyances in the chain of title to the former owner, and subject to all the right and interest of a holder of a certificate of purchase from a tax sale occurring after the tax sale for which the deed was issued. The issuance of the deed shall operate to cancel all suspended taxes.

2. In the event that an owner of record or a person in whose name the parcel is taxed establishes that such person was not served with notice of expiration of right of redemption in accordance with section 447.9, then the county treasurer's deed is void, subject to the provisions of sections 448.15 and 448.16. If a person entitled to service of notice under section 447.9, other than an owner of record or a person in whose name the parcel is taxed, establishes that such person was not served with notice in accordance with section 447.9, the deed is not thereby rendered invalid. However, the deed is subject to all of the right and interest of such person not served with notice, as provided in sections 448.15 and 448.16.

[C51, §503; R60, §784; C73, §897; C97, §1444; C24, 27, 31, 35, 39, §**7286;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.3]

91 Acts, ch 191, §102; 95 Acts, ch 57, §22; 97 Acts, ch 121, §25; 2008 Acts, ch 1050, §1, 2
Referred to in §420.244, 448.6
Subsection 2 is effective April 8, 2008, and applies to treasurer's deeds issued on or after that date; 2008 Acts, ch 1050, §2

**448.4 Presumptive evidence.**

The deed shall be presumptive evidence in all the courts of this state in all controversies and actions in relation to the rights of the purchaser, and the purchaser's heirs or assigns, to the parcel conveyed, of the following facts:

1. That the parcel conveyed was subject to taxes for the year or years stated in the deed.
2. That the taxes were not paid at any time before the sale.
3. That the parcel conveyed had not been redeemed from the sale at the date of the deed.
4. That the parcel had been listed and assessed.
5. That the taxes were levied or set according to law.
6. That the parcel was duly advertised for sale.
7. That the parcel was sold as stated in the deed.

[C51, §503; R60, §784; C73, §897; C97, §1444; C24, 27, 31, 35, 39, §**7287;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.4]

91 Acts, ch 191, §103
Referred to in §420.244, 448.5

**448.5 Conclusive evidence.**

The deed shall be conclusive evidence of the following facts:

1. That the manner in which the listing, assessment, levy, notice and sale were conducted was in all respects as the law directed.
2. That the grantee named in the deed was the purchaser.

3. That all the prerequisites of the law were complied with by all the officers who had, or whose duty it was to have had, any part or action in any transaction relating to or affecting the title conveyed or purporting to be conveyed by the deed, from the listing and valuation of the parcel up to the execution of the deed, both inclusive, and that all things required by law to make a good and valid sale and to vest the title in the purchaser were done, except in regard to the points named in section 448.4 for which the deed shall be presumptive evidence only.

[C51, §503; R60, §784; C73, §897; C97, §1444; C24, 27, 31, 35, 39, §**7288;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.5]

91 Acts, ch 191, §104

Referred to in §420.244

**448.6 Action to challenge treasurer's deed.**

1. A deed executed by the county treasurer in conformity with the requirements of sections 448.2 and 448.3 shall be presumed to effect a valid title conveyance, and the treasurer's deed may be challenged only by an equitable action in the district court in the county in which the parcel is located. If the action seeks an order of the court to allow redemption after delivery of the treasurer's deed based on improper service of notice of expiration of right of redemption, the action shall be brought in accordance with section 447.8. If the action is not brought on that basis, the action shall be controlled by the provisions of this section.

2. A person shall not be permitted to maintain the action unless the person establishes that the person, or the person under whom the person claims title, had title to the parcel at the time of the sale, or that the title was obtained from the United States or this state after the sale, and that all amounts due upon the parcel for the applicable tax years have been paid by that person or by the person under whom that person claims title.

3. The person maintaining the action shall name as defendants the holder of the tax title and the treasurer of the county in which the parcel is located.

4. The person challenging the deed shall be required to prove, in order to invalidate the deed, any of the following:

*a.* That the parcel was not subject to taxes for the year or years named in the deed.

*b.* That the taxes had been paid before the sale.

*c.* That the parcel had been redeemed from the sale and that the redemption was made for the use and benefit of persons having the right of redemption.

*d.* That there had been an entire omission to list or assess the parcel, or to levy the taxes, or to give notice of the sale, or to sell the parcel.

5. If the court determines that the person challenging the treasurer's deed has established one or more of the elements required under subsection 4 to be proven in order to invalidate the deed, the court shall enter judgment declaring the deed to be invalid. The judgment shall order the treasurer to refund to the person claiming under the tax title all sums paid to the treasurer for the purchase of the tax sale certificate and for any subsequent taxes paid by the certificate holder. If the person claiming under the tax title is determined by the court to have made improvements to the parcel, the court shall enter judgment in favor of the person claiming under the tax title for an amount equal to the value of such improvements made after the treasurer's deed was issued, and such judgment shall be a lien on the parcel until paid.

6. If an affidavit is filed pursuant to section 448.15, and if the time period for filing a claim under section 448.16 expires with no claims having been filed, all persons are thereafter barred and estopped from commencing an action under this section.

[C51, §503; R60, §784; C73, §897; C97, §1445; C24, 27, 31, 35, 39, §**7289;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.6]

91 Acts, ch 191, §105; 2005 Acts, ch 34, §21, 26

Referred to in §420.245, 448.12, 448.16

**448.7 Additional facts necessary.** Repealed by 2005 Acts, ch 34, § 25, 26. See § 448.6.

**448.8 Sale made by mistake.**

If an amount due was paid, and through mistake in the entry made in the county system, the parcel was afterward sold, the treasurer's deed does not convey the title.

[R60, §784; C73, §897; C97, §1445; C24, 27, 31, 35, 39, §**7291;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.8]

91 Acts, ch 191, §107

Referred to in §420.245

**448.9 Fraudulent sale.**

If the owner of a parcel sold for taxes resists the validity of the tax title, the owner may prove fraud committed by the officer selling the parcel, or in the purchaser, to defeat the title, and, if fraud is established, the sale and title shall be void.

[R60, §784; C73, §897; C97, §1445; C24, 27, 31, 35, 39, §**7292;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.9]

91 Acts, ch 191, §108

Referred to in §420.245

**448.10 Wrongful sales — purchaser indemnified.**

If, by mistake or wrongful act of the county treasurer, a parcel has been sold on which no tax was due at the time, or when a parcel is sold in consequence of error in describing it within the county system, the county shall hold the purchaser harmless by paying the purchaser the amount due to which the purchaser would have been entitled had the parcel been rightfully sold, and the treasurer and the treasurer's surety shall be liable to the county to the amount of the treasurer's official bond; or the purchaser, or the purchaser's assignee, may recover the amount directly from the treasurer and the treasurer's surety.

[C51, §509; R60, §785; C73, §899; C97, §1446; C24, 27, 31, 35, 39, §**7293;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.10]

91 Acts, ch 191, §109

Referred to in §420.245, 420.246

**448.11 Correcting wrongful sale.**

When it is made known to the county treasurer, before the execution of a deed for a parcel sold, or if the deed is returned by the purchaser, that a parcel was sold which was not subject to taxation, or upon which the taxes had been paid, the treasurer shall make an entry in the county system that the parcel was erroneously sold, and the entry shall be evidence of the fact, and the purchase money shall be refunded to the purchaser.

[R60, §789; C73, §901; C97, §1447; C24, 27, 31, 35, 39, §**7294;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.11]

91 Acts, ch 191, §110

Referred to in §420.245, 420.246

**448.12 Limitation of actions.**

An action under section 447.8 or 448.6 or for the recovery of a parcel sold for the nonpayment of taxes shall not be brought after three years from the execution and recording of the county treasurer's deed.

[R60, §790; C73, §902; C97, §1448; C24, 27, 31, 35, 39, §**7295;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.12]

85 Acts, ch 21, §44; 91 Acts, ch 191, §111; 92 Acts, ch 1016, §34; 96 Acts, ch 1129, §113; 2005 Acts, ch 34, §22, 26

Referred to in §420.245, 420.246

**448.13 Cancellation of tax sale and certificate of purchase — refund of purchase money.**

If the county treasurer receives a verified statement from a city stating that a parcel sold at tax sale contains a building which is abandoned, as those terms are defined in section 657A.1, prior to redemption of the parcel under chapter 447 or the issuance of a tax deed for the parcel, and the verified statement is accompanied by a petition filed by the city under section 657A.10A for title to the parcel, the county treasurer shall make an entry in the county

system canceling the sale of the parcel and shall refund the purchase money to the tax sale certificate holder.

2010 Acts, ch 1050, §4
Referred to in §420.245

**448.14 Officers de facto.**

In all actions and controversies involving the question of title to a parcel held under a county treasurer's deed, all acts of assessors, treasurers, auditors, supervisors, and other officers de facto shall be of the same validity as acts of officers de jure.

[R60, §786; C73, §903; C97, §1449; C24, 27, 31, 35, 39, §**7296;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.14]

91 Acts, ch 191, §112
Referred to in §420.245

**448.15 Affidavit by tax-title holder.**

1. After taking possession of the parcel, after the issuance and recording of a tax deed or an instrument purporting to be a tax deed issued by a county treasurer of this state, the then owner or holder of the title or purported title may file with the county recorder of the county in which the parcel is located an affidavit substantially in the following form:

State of Iowa, )
..... County. ) ss.

I, ....., being first duly sworn, on oath depose and say that on ..... (date) the county treasurer issued a tax deed to ..... (grantee) for the following described parcel: .....
that the tax deed was filed for record in the office of the county recorder of ..... county, Iowa, on ..... (date), and appears in the records of that office in ..... county as document reference number .....; and that ..... claims title to an undivided ..... percent interest in the parcel by virtue of the tax deed, or purported tax title.

Any person claiming any right, title, or interest in or to the parcel adverse to the title or purported title by virtue of the tax deed referred to shall file a claim with the recorder of the county where the parcel is located, within one hundred twenty days after the filing of this affidavit, the claim to set forth the nature of the interest, also the time and manner in which the interest claimed was acquired. A person who files such a claim shall commence an action to enforce the claim within sixty days after the filing of the claim. If a claimant fails to file a claim within one hundred twenty days after the filing of this affidavit, or files a claim but fails to commence an action to enforce the claim within sixty days after the filing of the claim, the claim thereafter shall be forfeited and canceled without any further notice or action, and the claimant thereafter shall be forever barred and estopped from having or claiming any right, title, or interest in the parcel adverse to the tax title or purported tax title.

.....

Subscribed and sworn to before me this ..... day of ..... (month), ..... (year).

.....
Notary Public in and for
..... County, Iowa.

2. An owner or holder of a title or purported title who has entered into a lease agreement

conveying possessory rights in the parcel to a tenant in possession shall be deemed to be in possession for purposes of filing an affidavit under this section.

3. For purposes of this section, if a tax deed or instrument purporting to be a tax deed has been issued to convey an undivided interest in the parcel of less than one hundred percent, the owner or holder of the tax title or purported tax title shall be deemed to be in possession and entitled to file the affidavit in subsection 1. However, before filing the affidavit, the owner or holder of the tax title or purported tax title shall serve a copy of the affidavit on any other person in possession of the parcel by sending a copy of the affidavit by both regular and certified mail to the person at the address of the parcel or at the person's last known address if different from the address of the parcel. Such service is deemed completed when the affidavit mailed by certified mail is postmarked for delivery. An affidavit of service shall be attached to, and filed with, the affidavit in subsection 1. The affidavit of service shall include the names and addresses of all persons served and the time of mailing.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.15]

91 Acts, ch 191, §113; 95 Acts, ch 57, §23; 2000 Acts, ch 1058, §56; 2005 Acts, ch 34, §23, 26; 2007 Acts, ch 101, §1

Referred to in §447.8, 448.3, 448.6, 448.16, 448.17

**448.16 Claims adverse to tax title barred.**

1. When the affidavit described in section 448.15 is filed it shall be notice to all persons, and any person claiming any right, title, or interest in or to the parcel described adverse to the title or purported title by virtue of the tax deed referred to, shall file a claim with the county recorder of the county in which the parcel is located within one hundred twenty days after the filing of the affidavit, which claim shall set forth the nature of the interest, the time when and the manner in which the interest was acquired.

2. At the expiration of the period of one hundred twenty days, if no such claim has been filed, the validity of the tax title or purported tax title shall be conclusively established as a matter of law, and all persons shall thereafter be forever barred and estopped from having or claiming any right, title, or interest in the parcel adverse to the tax title or purported tax title, including but not limited to any claim alleging improper service of notice of expiration of right of redemption. An action shall not thereafter be brought to challenge the tax deed or tax title.

3. An action to enforce a claim filed under subsection 1 shall be commenced within sixty days after the date of filing the claim. The action may be commenced by the claimant, or a person under whom the claimant claims title, under either section 447.8 or 448.6. If an action by the claimant, or such other person, is not filed within sixty days after the filing of the claim, the claim thereafter shall be forfeited and canceled without any further notice or action, and the claimant, or the person under whom the claimant claims title, thereafter shall be forever barred and estopped from having or claiming any right, title, or interest in the parcel adverse to the tax title or purported tax title.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.16]

91 Acts, ch 191, §114; 2005 Acts, ch 34, §24, 26

Referred to in §447.8, 448.3, 448.6, 448.17

**448.17 Indexing and recording of affidavits and claims.**

All affidavits and claims as provided for in sections 448.15 and 448.16, filed with the county recorder, shall be recorded as other instruments affecting parcels, and the entries required in those sections and any applicable entries specified in sections 558.49 and 558.52 shall be indexed by the recorder.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §448.17]

91 Acts, ch 191, §115; 2007 Acts, ch 101, §2

Referred to in §331.602

**448.17A Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

# CHAPTER 449

## TAX APPORTIONMENT

Referred to in §306.22, 331.559


| | | | |
|---|---|---|---|
| 449.1 | Definitions. | 449.5 | Effect of order. |
| 449.1A | Application. | 449.6 | Appeal. |
| 449.2 | Notice. | 449.7 | Trial on appeal. |
| 449.3 | Order — record. | 449.8 | Interpretative clause. |
| 449.4 | Correction of books or records. | | |


**449.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**449.1A Application.**

When a parcel has been assessed and taxed as one unit, and thereafter and before the tax is paid, the title to different portions of the parcel becomes vested in different parties in severalty, and the owners are unable to agree as to what portion of the total tax each portion of the parcel should bear, any of the parties may file with the board of supervisors a written application for the apportionment of the tax.

[C24, 27, 31, 35, 39, §**7297;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §449.1]

91 Acts, ch 191, §116

C2001, §449.1A

Referred to in §331.401

**449.2 Notice.**

In the absence of the appearance of all interested parties, the board shall prescribe the notice which nonappearing parties shall receive, and the time and manner of the service thereof.

[C24, 27, 31, 35, 39, §**7298;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §449.2]

Referred to in §331.401

**449.3 Order — record.**

At the hearing, the board shall apportion the tax to the different portions of the parcel owned in severalty, in accordance with the values of the portions. All orders and determinations of the board shall be entered in its minutes. An order of apportionment shall clearly identify each portion of the parcel owned in severalty.

[C24, 27, 31, 35, 39, §**7299;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §449.3]

91 Acts, ch 191, §117

Referred to in §331.401

**449.4 Correction of books or records.**

The county auditor shall, upon the making of an order of apportionment, correct the tax books or records in the auditor's possession, in accordance with the order, and if the books

or other records have been delivered to the county treasurer, the auditor shall at once certify the order of apportionment to the treasurer who shall correct the county system.

[C24, 27, 31, 35, 39, §**7300;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §449.4]

91 Acts, ch 191, §118

Referred to in §331.512

**449.5 Effect of order.**

An order of apportionment, when followed by a correction of the tax book or other record in accordance therewith, shall have the same effect as though the original assessment had been made in the same manner.

[C24, 27, 31, 35, 39, §**7301;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §449.5]

**449.6 Appeal.**

A party aggrieved by an order of apportionment may appeal therefrom to the district court at any time within ten days from the date of said order, by serving written notice of said appeal on all other parties to said proceeding. Should personal service of said notice within the county be impossible as to any party, any judge of the district court may prescribe the manner of such service.

[C24, 27, 31, 35, 39, §**7302;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §449.6]

**449.7 Trial on appeal.**

The district court shall try said appeal anew and in equity. The final order of the court shall be certified by the clerk of the district court to the county auditor and shall be treated in the same manner as though originally made by the board of supervisors.

[C24, 27, 31, 35, 39, §**7303;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §449.7]

Referred to in §602.8102(62)

**449.8 Interpretative clause.**

This chapter shall not be construed as exclusive of other legal remedies.

[C24, 27, 31, 35, 39, §**7304;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §449.8]

# SUBTITLE 3

## INHERITANCE AND ESTATE TAXES

# CHAPTER 450

## INHERITANCE TAX

Referred to in §321.47, 421.60, 450A.12, 450B.1, 450B.2, 450B.5, 450B.7, 451.2, 451.12, 451.13, 602.8102(63)


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450.3 Property included.
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450.17 Conveyance — effect.
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450.24 Appraisers.
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450.29 Notice of filing.
450.30 Real property in different counties.
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450.32 Hearing — order.
450.33 Appeal and notice.
450.34 Bond on appeal.
450.35 Repealed by 76 Acts, ch 1056, §45.
450.36 Appraisal of other property.
450.37 Value for computing the tax.
450.38 and 450.39 Repealed by 83 Acts, ch 177, §37, 38.
450.40 through 450.43 Repealed by 71 Acts, ch 218, §13.
450.44 Remainders — valuation.
450.45 Life and term estates — valuation.
450.46 Deferred estate — valuation.
450.47 Life and term estates in personal property.
450.48 Payment deferred — bond.
450.49 Bonds — conditions.
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450.87 Transfer of corporation stock.
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450.90 Property in this state belonging to foreign estate.
450.91 Foreign estates — reciprocity — personal property. Repealed by 2003 Acts, ch 95, §23, 24.
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450.93 Unknown heirs.
450.94 Return — determination — appeal.
450.95 Appropriation.

450.96 Contingent estates.
450.97 Joint owners of bank accounts — duty to notify department of revenue. Repealed by 2005 Acts, ch 5, §1.

**450.1 Definitions — construction.**

1. For purposes of this chapter, unless the context otherwise requires:

*a.* *"Internal Revenue Code"* means the same as defined in section 422.3.

*b.* *"Person"* includes plural as well as singular, and artificial as well as natural persons.

*c.* *"Personal representative"* means an administrator, executor, or trustee as each is defined in section 633.3.

*d.* *"Real estate or real property"* for the purpose of appraisal under this chapter means real estate which is the land and appurtenances, including structures affixed thereto.

*e.* *"Stepchild"* means the child of a person who was married to the decedent at the time of the decedent's death, or the child of a person to whom the decedent was married, which person died during the marriage to the decedent.

2. This chapter shall not be construed to confer upon a county attorney authority to represent the state in any case, and the county attorney shall represent the department of revenue only when specially authorized by the department to do so.

[S13, §1481-a45; C24, 27, 31, 35, 39, §**7305;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.1]

83 Acts, ch 177, §2, 38; 88 Acts, ch 1028, §35; 99 Acts, ch 152, §32, 40; 2003 Acts, ch 95, §1, 24; 2003 Acts, ch 145, §286

Referred to in §331.756(66), 422.27

**450.2 Taxable estates and property.**

The following estates and property and any interest in or income from any of the following estates and property, which pass from the decedent owner in any manner described in this chapter, are subject to tax as provided in this chapter:

1. Real estate and tangible personal property located in this state regardless of whether the decedent was a resident of this state at death.

2. Intangible personal property owned by a decedent domiciled in this state.

[C97, §1467; S13, §1481-a; C24, 27, 31, 35, 39, §**7306;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.2]

2003 Acts, ch 95, §2, 24

**450.3 Property included.**

The tax hereby imposed shall be collected upon the net market value and shall go into the general fund of the state to be determined as herein provided, of any property passing as follows:

1. By will or under the statutes of inheritance of this or any other state or country.

2. By deed, grant, sale, gift, or transfer made within three years of the death of the grantor or donor, which is not a bona fide sale for an adequate and full consideration in money or money's worth and which is in excess of the annual gift tax exclusion allowable for each donee under section 2503, subsections (b) and (e), of the Internal Revenue Code. If both spouses consent, a gift made by one spouse to a person who is not the other spouse is considered, for the purposes of this subsection, as made one half by each spouse under the same terms and conditions provided for in section 2513 of the Internal Revenue Code. The net market value of a transfer described in this subsection shall be the net market value determined as of the date of the transfer.

3. By deed, grant, sale, gift, or transfer made or intended to take effect in possession or enjoyment after the death of the grantor or donor. A transfer of property in respect of which the transferor reserves to the transferor a life income or interest shall be deemed to have been intended to take effect in possession or enjoyment at death, provided, that if the transferor reserves to the transferor less than the entire income or interest, the transfer shall be deemed taxable thereunder only to the extent of a like proportion of the value of the property transferred.

4. To the extent of any property with respect to which the decedent has at the time of death a general power of appointment, or with respect to which the decedent has within three years of death exercised or released a general power of appointment by a disposition which is of a nature that if it were a transfer of property owned by the decedent, the property would be includable in the decedent's gross estate under this section whether the general power was created before or after the taking effect of this chapter. A transfer involving creation of a general power of appointment shall be treated as a transfer of a fee or equivalent interest in the property subject thereto to the donee of the power. Any transfer involving creation of any other power of appointment shall be treated, except when an election is made under subsection 7, as the transfer of a life estate or term of years in the property subject thereto to the donee of the power and as the transfer of the remainder interests to those who would take if the power is not exercised.

5. Property which is held in joint tenancy by the decedent and any other person or persons or any deposit in banks, or other institution in their joint names and payable to either or to the survivor, except such part as may be proven to have belonged to the survivor; or any interest of a decedent in property owned by a joint stock or other corporate body whereby the survivor or survivors become beneficially entitled to the decedent's interest upon the death of a shareholder. However, if such property is so held by the decedent and the surviving spouse as the only co-owners, one half of such property is not subject to taxation under the provisions of this chapter, but if the surviving spouse proves that the surviving spouse contributed to acquisition of such property an amount, in money or other property, greater than one half of the cost of the property held in joint tenancy, the portion of such property which is not subject to taxation under the provisions of this chapter shall be the proportion which the actual contribution by the surviving spouse is of the total contribution to acquisition of such property. The tax imposed upon the passing of property under the provisions of this subsection shall apply to property held under all such contracts or agreements whether made before or after the taking effect of this chapter.

6. When the decedent shall have disposed of the decedent's estate in any manner to take effect at the decedent's death with a request secret or otherwise that the beneficiary give, pay to, or share the property or any interest therein received from the decedent, with other person or persons, or to so dispose of beneficial interests conferred by the decedent upon the beneficiaries as that the property so passing would be taxable under the provisions of this chapter if passing directly by will or deed from the decedent owner to those to receive the gift from the beneficiary, compliance with such request shall constitute a transfer taxable under the provisions of this chapter, at the highest rate possible in like cases of transfers by will or deed.

7. *a.* Which qualifies as a qualified terminable interest property as defined in section 2056(b)(7)(B) of the Internal Revenue Code, shall, if an election is made, be treated and considered as passing in fee, or its equivalent, to the surviving spouse in the estate of the donor-grantor. Property on which the election is made shall be included in the gross estate of the surviving spouse and shall be deemed to have passed in fee from the surviving spouse to the persons succeeding to the remainder interest, unless the property was sold, distributed, or otherwise disposed of prior to the death of the surviving spouse. A sale, disposition, or disposal of the property prior to the death of the surviving spouse shall void the election, and shall subject the property disposed of, less amounts received or retained by the surviving spouse, to tax in the donor-grantor's estate in the same manner as if the tax had been deferred under sections 450.44 through 450.49.

*b.* Unless the will or trust instrument provides otherwise, the estate of the surviving spouse shall have the right to recover from the persons succeeding to the remainder interests, the additional tax imposed, if any, without interest, on the surviving spouse by reason of the election being made. The amount of tax recovered, if any, shall be a credit in the donee's estate against the tax imposed on the qualified terminable interest property.

*c.* An election under this subsection can only be made if an election in relation to the qualified terminable interest property is also made for federal estate tax purposes.

*d.* The director of revenue shall adopt and promulgate all rules necessary for the

enforcement and administration of this subsection including the form and manner of making the election.

[C97, §1467; S13, §1481-a; C24, 27, 31, 35, 39, §**7307;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.3]

84 Acts, ch 1240, §1; 85 Acts, ch 148, §2, 3; 85 Acts, ch 230, §12; 86 Acts, ch 1237, §27; 88 Acts, ch 1028, §36; 2003 Acts, ch 95, §3, 24; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §143

Referred to in §450.8

**450.4 Exemptions.**

The tax imposed by this chapter shall not be collected:

1. When the entire estate of the decedent does not exceed the sum of twenty-five thousand dollars after deducting the liabilities, as defined in this chapter.

2. When the property passes for a charitable, educational, or religious purpose as defined in sections 170(c) and 2055 of the Internal Revenue Code.

3. When the property passes to public libraries or public art galleries within this state, open to the use of the public and not operated for gain, or to hospitals within this state, or to trustees for such uses within this state, or to municipal corporations for purely public purposes.

4. On bequests for the care and maintenance of the cemetery or burial lot of the decedent or the decedent's family, and bequests not to exceed five hundred dollars in any estate of a decedent for the performance of a religious service or services by some person regularly ordained, authorized, or licensed by some religious society to perform such service, which service or services are to be performed for or in behalf of the testator or some person named in the testator's last will.

5. *a.* On that portion of the decedent's interest in an employer-provided or employer-sponsored retirement plan or on that portion of the decedent's individual retirement account that will be subject to federal income tax when paid to the beneficiary. This exemption shall apply regardless of the identity of the beneficiary and regardless of the number of payments to be made after the decedent's death.

*b.* For purposes of this exemption:

(1) An "*individual retirement account*" includes an individual retirement annuity or any other arrangement as defined in section 408 of the Internal Revenue Code.

(2) An "*employer-provided or employer-sponsored retirement plan*" includes a qualified retirement plan as defined in section 401 of the Internal Revenue Code, a governmental or nonprofit employer's deferred compensation plan as defined in section 457 of the Internal Revenue Code, and an annuity as defined in section 403 of the Internal Revenue Code.

6. On property in an individual development account in the name of the decedent that passes to another individual development account. For purposes of this subsection, "*individual development account*" means an account that has been certified as an individual development account pursuant to chapter 541A.

7. On the value of tangible personal property as defined in section 633.276 which is distributed in kind from the estate if the aggregate of all tangible personal property in the estate does not exceed five thousand dollars.

8. On the value of any interest in a qualified tuition plan, as defined in section 529 of the Internal Revenue Code, to the same extent to which the value is excluded from the decedent's gross estate for federal estate tax purposes. This subsection shall apply to all qualified tuition plans that are in existence on or after July 1, 1998.

[S13, §1481-a1; C24, 27, 31, 35, 39, §**7308;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.4; 81 Acts, ch 147, §1, 19]

83 Acts, ch 177, §3, 38; 93 Acts, ch 97, §15, 20; 94 Acts, ch 1165, §31; 96 Acts, ch 1106, §8; 2001 Acts, ch 140, §1, 5; 2001 Acts, ch 150, §20, 21; 2002 Acts, ch 1050, §38; 2006 Acts, ch 1016, §1, 8; 2007 Acts, ch 134, §2, 28; 2008 Acts, ch 1164, §2; 2010 Acts, ch 1137, §1; 2012 Acts, ch 1123, §2, 32

Referred to in §12D.9, 541A.2

2012 amendment striking former subsections 7 and 8 applies to estates of decedents dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**450.5 Liability for tax.**

Any person becoming beneficially entitled to any property or interest in property by any method of transfer as specified in this chapter, and all personal representatives and referees of estates or transfers taxable under this chapter, are respectively liable for all taxes to be paid by them respectively.

[C97, §1467; S13, §1481-a; C24, 27, 31, 35, 39, §**7309;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.5]

83 Acts, ch 177, §4, 38

Referred to in §450.94

**450.6 Accrual of tax — maturity — extension of time.**

The tax imposed by this chapter accrues at the death of the decedent owner, and shall be paid to the department of revenue on or before the last day of the ninth month after the death of the decedent owner except if otherwise provided in this chapter. If in the opinion of the director of revenue additional time should be granted for payment to avoid hardship, the director may extend the period to a date not exceeding ten years from the last day of the month in which the death of the decedent occurred. In the case of an extension the tax bears interest at the rate in effect under section 421.7 from the expiration of the last day of the ninth month after the decedent's death. Interest shall be computed on a monthly basis with a fraction of a month counted as a full month.

Upon the approval of the executive council, the tax liability of a beneficiary, heir, surviving joint tenant or other transferee may be paid, in lieu of money, in whole or in part by the transfer of real property or tangible personal property to the state or a political subdivision of the state to be used for public purposes. Before the tax liability may be paid by transfer of property to a political subdivision, the governing body of the political subdivision shall also approve the transfer. The property transferred in payment of tax shall have been included in the decedent's gross estate for inheritance tax purposes and its value for the payment of the tax shall be the same as its value for inheritance tax purposes. The acceptance or rejection of the property in payment of the tax liability and the value of the property shall be certified by the executive council to the director of revenue. The acceptance of the property transferred acts as payment and satisfaction of the inheritance tax liability to the extent of the value of the transferred property, but notwithstanding any other provision, the taxpayer is not entitled to a refund if the transferred property has a value in excess of the tax liability.

[S13, §1481-a; C24, 27, 31, 35, 39, §**7310;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.6; 81 Acts, ch 131, §15, ch 147, §2, 20]

84 Acts, ch 1240, §2; 2003 Acts, ch 145, §286

Referred to in §450.53

Penalty and interest on delinquent taxes, §450.63

**450.7 Lien of tax.**

1. The tax imposed by this chapter is a charge against and a lien upon the estate subject to tax under this chapter, and all property of the estate or owned by the decedent from the death of the decedent until paid, subject to the following limitations:

*a.* The share of the estate passing to the surviving spouse, and parents, grandparents, great-grandparents, and other lineal ascendants, children including legally adopted children and biological children entitled to inherit under the laws of this state, stepchildren, and grandchildren, great-grandchildren, and other lineal descendants is excluded from taxation under this chapter.

*b.* Inheritance taxes owing with respect to a passing of property of a deceased person are no longer a lien against the property ten years from the date of death of the decedent owner regardless of whether the decedent owner died prior to or subsequent to July 1, 1995, except to the extent taxes are attributable to remainder or deferred interests and are deferred in accordance with the provisions of this chapter.

2. Notice of the lien is not required to be recorded. The rights of the state under the lien have priority over all subsequent mortgages, purchases, or judgment creditors; and a conveyance after the decedent's death of the property subject to a lien does not discharge the property except as otherwise provided in this chapter. However, if additional tax is

determined to be owing under this chapter or chapter 451 after the lien has been released under paragraph *"a"* or *"b"*, the lien does not have priority over subsequent mortgages, purchases, or judgment creditors unless notice of the lien is recorded in the office of the recorder of the county where the estate is probated, or where the property is located if the estate has not been administered. The department of revenue may release the lien by filing in the office of the clerk of the court in the county where the property is located, the decedent owner died, or the estate is pending or was administered, one of the following:

*a.* A receipt in full payment of the tax.

*b.* A certificate of nonliability for the tax as to all property reported in the estate.

*c.* A release or waiver of the lien as to all or any part of the property reported in the estate, which shall release the lien as to the property designated in the release or waiver.

3. The sale, exchange, mortgage, or pledge of property by the personal representative pursuant to a testamentary direction or power, pursuant to section 633.387, or under order of court, divests the property from the lien of the tax. The proceeds from that sale, exchange, mortgage, or pledge shall be held by the personal representative subject to the same priorities for the payment of the tax as existed with respect to the property before the transaction, and the personal representative is personally liable for payment of the tax to the extent of the proceeds.

[C97, §1467; S13, §1481-a; C24, 27, 31, 35, 39, §**7311;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.7]

83 Acts, ch 177, §5, 38; 84 Acts, ch 1240, §3; 90 Acts, ch 1232, §20; 95 Acts, ch 63, §1; 97 Acts, ch 1, §1, 8; 99 Acts, ch 151, §45, 89; 2003 Acts, ch 145, §286; 2008 Acts, ch 1119, §7; 2009 Acts, ch 133, §152; 2010 Acts, ch 1138, §53

Referred to in §450.17, 450.88, 451.12

**450.8 Transfers and trusts.**

If the decedent makes transfer of, or creates a trust with respect to, property passing under section 450.3, subsection 2, or intended to take effect after death, except in the case of a bona fide sale for a fair consideration in money or money's worth, and if the tax in respect to the transfer is not paid when due, the transferee or trustee is personally liable for the tax, and the property, to the extent of the decedent's interest in the property at the time of death, is subject to a lien for the payment of the tax.

[C97, §1467; S13, §1481-a; C24, 27, 31, 35, 39, §**7312;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.8]

84 Acts, ch 1240, §4

**450.9 Individual exemptions.**

In computing the tax on the net estate, the entire amount of property, interest in property, and income passing to the surviving spouse, and parents, grandparents, great-grandparents, and other lineal ascendants, children including legally adopted children and biological children entitled to inherit under the laws of this state, stepchildren, and grandchildren, great-grandchildren, and other lineal descendants are exempt from tax.

[C31, 35, §7312-d1; C39, §**7312.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.9; 81 Acts, ch 147, §3, 19]

91 Acts, ch 159, §23, 24; 94 Acts, ch 1046, §10; 97 Acts, ch 1, §2, 8

Referred to in §450.22, 450.53, 633.356

**450.10 Rate of tax.**

The property or any interest therein or income therefrom, subject to the provisions of this chapter, shall be taxed as herein provided:

1. When the property or any interest in property, or income from property, taxable under the provisions of this chapter, passes to the brother or sister, son-in-law, or daughter-in-law, the rate of tax imposed on the individual share so passing shall be as follows:

*a.* Five percent on any amount up to twelve thousand five hundred dollars.

*b.* Six percent on any amount in excess of twelve thousand five hundred dollars and up to twenty-five thousand dollars.

*c.* Seven percent on any amount in excess of twenty-five thousand dollars and up to seventy-five thousand dollars.

*d.* Eight percent on any amount in excess of seventy-five thousand dollars and up to one hundred thousand dollars.

*e.* Nine percent on any amount in excess of one hundred thousand dollars and up to one hundred fifty thousand dollars.

*f.* Ten percent on all sums in excess of one hundred fifty thousand dollars.

2. When the property or interest in property or income from property, taxable under this chapter, passes to a person not included in subsections 1 and 6, the rate of tax imposed on the individual share so passing shall be as follows:

*a.* Ten percent on any amount up to fifty thousand dollars.

*b.* Twelve percent on any amount in excess of fifty thousand dollars and up to one hundred thousand dollars.

*c.* Fifteen percent on all sums in excess of one hundred thousand dollars.

3. When the property or any interest in property or income from property, taxable under the provisions of this chapter, passes in any manner to societies, institutions or associations incorporated or organized under the laws of any other state, territory, province or country than this state, for charitable, educational or religious purposes, or to cemetery associations, including humane societies not organized under the laws of this state, or to resident trustees for uses without this state, the rate of tax imposed shall be ten percent on the entire amount so passing.

4. When the property or any interest in property or income from property, taxable under this chapter, passes to any firm, corporation, or society organized for profit, including fraternal and social organizations which do not qualify for exemption under sections 170(c) and 2055 of the Internal Revenue Code, the rate of tax imposed shall be fifteen percent on the entire amount so passing.

5. When the property or any interest in property, or income from property, taxable under this chapter, passes to any person included under subsection 1, there shall be credited to the tax imposed on the individual share so passing an amount equal to the tax imposed in this state on the decedent on any property, real, personal or mixed, or the proportionate share thereof on property passing to the person taxed hereunder, which can be identified as having been received by the decedent as a share in the estate of any person who died within two years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received. The credit shall not be applicable to taxes on property of the decedent which was not acquired from the prior estate.

6. Property, interest in property, or income passing to the surviving spouse, and parents, grandparents, great-grandparents, and other lineal ascendants, children including legally adopted children and biological children entitled to inherit under the laws of this state, stepchildren, and grandchildren, great-grandchildren, and other lineal descendants, is not taxable under this section.

[C97, §1467; S13, §1481-a; C24, 27, 31, 35, 39, §**7313;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.10; 81 Acts, ch 147, §4]

91 Acts, ch 159, §25 – 27; 94 Acts, ch 1046, §11; 97 Acts, ch 1, §3 – 8; 2001 Acts, ch 116, §24, 28; 2011 Acts, ch 34, §101

**450.11** Repealed by 65 Acts, ch 366, § 6.

**450.12 Liabilities deductible.**

1. Subject to the limitations in subsections 2 and 3, there shall be deducted from the gross value of the estate only the liabilities defined as follows:

*a.* The debts owing by the decedent at the time of death, the local and state taxes accrued before the decedent's death, the federal estate tax and federal taxes owing by the decedent, a reasonable sum for funeral expenses, the allowance for surviving spouse and minor children granted by the probate court or its judge, court costs, and any other administration expenses allowable pursuant to section 2053 of the Internal Revenue Code.

*b.* A liability shall not be deducted unless the personal representative or other person filing

the inheritance tax return as provided in section 450.22 certifies that it has been paid or, if not paid, the director of revenue is satisfied that it will be paid. If the amount of liabilities deductible under this section exceeds the amount of property subject to the payment of the liabilities, the excess shall be deducted from other property included in the gross estate on a prorated basis that the gross value of each item of other property bears to the total gross value of all the other property. Subject to the previous provision, a liability is deductible whether or not the liability is legally enforceable against the decedent's estate.

2. If the decedent's gross estate includes property with a situs outside of Iowa, the liabilities deductible under subsection 1 shall be prorated on the basis that the gross value of property with a situs in Iowa bears to the total gross estate. Only the Iowa portion of the liabilities shall be deductible in computing the tax imposed by this chapter. However, a liability secured by a lien on property shall be allocated to the state where the property has a situs and shall not be prorated except to the extent the liability exceeds the value of the property.

3. If a liability under subsection 1 is secured by property, or a portion of property, not included in the decedent's gross estate, only that portion of the liability attributable to property or a portion of property included in the decedent's gross estate is deductible in computing the tax imposed by this chapter.

83 Acts, ch 177, §6, 38; 90 Acts, ch 1232, §21; 94 Acts, ch 1165, §32, 49; 95 Acts, ch 63, §2; 2003 Acts, ch 145, §286

Referred to in §450.90

**450.13 through 450.15** Repealed by 83 Acts, ch 177, § 37, 38.

**450.16** Repealed by 76 Acts, ch 1056, § 45.

**450.17 Conveyance — effect.**

When real estate or an interest in real estate is subject to tax, a conveyance does not discharge the real estate conveyed from the lien except as provided in section 450.7.

[S13, §1481-a26; C24, 27, 31, 35, 39, §**7323;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.17]

83 Acts, ch 177, §7, 38

**450.18 and 450.19** Repealed by 83 Acts, ch 177, § 37, 38.

**450.20 Record of deferred estates.**

The department of revenue shall keep a separate record of any deferred estate upon which the tax due is not paid on or before the last day of the ninth month after the death of the decedent, showing substantially the same facts as are required in other cases, and also showing:

1. The date and amount of all bonds given to secure the payment of the tax with a list of the sureties thereon.

2. The name of the person beneficially entitled to such estate or interest, with place of residence.

3. A description of the property or a statement of conditions upon which such deferred estate is based or limited.

[S13, §1481-a46; C24, 27, 31, 35, 39, §**7326;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.20]

2003 Acts, ch 95, §4, 24; 2003 Acts, ch 145, §286

**450.21 Administration on application of director.**

If, upon the death of any person leaving an estate that may be liable to a tax under this chapter, a will disposing of the estate is not offered for probate, or an application for administration made within four months from the time of the decease, the director of revenue may, at any time thereafter, make application to the proper court, setting forth that

fact and requesting that a personal representative be appointed, and the court shall appoint a personal representative to administer upon the estate.

[S13, §1481-a3; C24, 27, 31, 35, 39, §**7327;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.21]

83 Acts, ch 177, §8, 38; 2003 Acts, ch 145, §286

Referred to in §450.22

**450.22 Administration avoided — inheritance tax duties required — penalty.**

1. When the heirs or persons entitled to inherit the property of an estate subject to tax under this chapter desire to avoid the appointment of a personal representative as provided in section 450.21, and in all instances where real estate is involved and there are no regular probate proceedings, they or one of them shall file under oath the inventories required by section 633.361 and the required reports, perform all the duties required by this chapter of the personal representative, and file the inheritance tax return.

2. However, this section does not apply and a return is not required to be filed even though real estate is part of the assets subject to tax under this chapter, if all of the assets are held in joint tenancy with right of survivorship between husband and wife alone, or if the estate exclusively consists of property held in joint tenancy with the right of survivorship solely by the decedent and individuals listed in section 450.9 as individuals that are entirely exempt from Iowa inheritance tax and the estate does not have a federal estate tax obligation.

3. *a.* However, this section does not apply and a return is not required to be filed, even though real estate is involved, if the estate does not have a federal estate tax filing obligation and if all the estate's assets are described in any of the following categories:

(1) Assets held in joint tenancy with right of survivorship between husband and wife alone.

(2) Assets held in joint tenancy with right of survivorship solely between the decedent and individuals listed in section 450.9 as individuals that are entirely exempt from Iowa inheritance tax.

(3) Assets passing by beneficiary designation, pursuant to a trust intended to pass the decedent's property at death or through any other nonprobate transfer solely to individuals listed in section 450.9 as individuals that are entirely exempt from Iowa inheritance tax.

*b.* This subsection does not apply to interests in an asset or assets that pass to both an individual listed in section 450.9 and to that individual's spouse.

4. If a return is not required to be filed pursuant to subsection 3, and if real estate is involved, one of the individuals with an interest in, or succeeding to an interest in, the real estate shall file an affidavit in the county in which the real estate is located setting forth the legal description of the real estate and the fact that an inheritance tax return is not required pursuant to subsection 3. Anyone with or succeeding to an interest in real estate who willfully fails to file such an affidavit, or who willfully files a false affidavit, is guilty of a fraudulent practice.

5. When this section applies, proceedings for the collection of the tax when a personal representative is not appointed shall conform as nearly as possible to proceedings under this chapter in other cases.

[S13, §1481-a3; C24, 27, 31, 35, 39, §**7328;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.22]

83 Acts, ch 177, §9, 38; 89 Acts, ch 251, §36; 99 Acts, ch 151, §46, 89; 2004 Acts, ch 1073, §30; 2005 Acts, ch 14, §1, 6; 2011 Acts, ch 25, §143

Referred to in §450.12, 450.94, 633.31, 633.481, 635.7

**450.23** Repealed by 71 Acts, ch 218, § 13.

**450.24 Appraisers.**

In each county, the chief judge of the judicial district for that county shall, on or before January 15 of the year an appointment is required, appoint three competent residents and freeholders of the county to act as appraisers of the real property within its jurisdiction which is charged or sought to be charged with an inheritance tax. The appraisers shall serve for four years, and until their successors are appointed and qualified. They shall each take an oath

to faithfully and impartially perform the duties of the office, but shall not be required to give bond. They shall be subject to removal at any time at the discretion of the chief judge of the judicial district for that county. The chief judge may also in the chief judge's discretion, either before or after the appointment of the regular appraisers, appoint other appraisers to act in any given case. Vacancies occurring otherwise than by expiration of term shall be filled by appointment of the chief judge of the judicial district for that county. A person interested in any manner in the estate to be appraised shall not serve as an appraiser of that estate.

[S13, §1481-a4; C24, 27, 31, 35, 39, §**7330;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.24]

83 Acts, ch 177, §10, 38; 2000 Acts, ch 1032, §2; 2000 Acts, ch 1057, §5

Referred to in §654.16

**450.25 and 450.26** Repealed by 71 Acts, ch 218, § 13.

**450.27 Commission to appraisers.**

When an appraisal of real estate is requested by the department of revenue, as provided in section 450.37, or is otherwise required by this chapter, the clerk shall issue a commission to the appraisers, who shall fix a time and place for appraisement, except that if the only interest that is subject to tax is a remainder or deferred interest upon which the tax is not payable until the determination of a prior estate or interest for life or term of years, the clerk shall not issue the commission until the determination of the prior estate, except at the request of the department of revenue when the parties in interest seek to remove an inheritance tax lien. When valuing the real estate for purposes of inheritance tax, an appraiser does not have the jurisdiction to determine what property or partial interests may or may not be subject to tax. Whole interests in the property should be appraised and the question of the actual property or partial interest subject to inheritance tax is to be determined by means of the administrative procedures pursuant to section 450.94. All joint property that is to be appraised should be listed at its full market value. Long-term leases are not considered in determining the value of property when being appraised.

[S13, §1481-a5; C24, 27, 31, 35, 39, §**7331;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.27]

83 Acts, ch 177, §11, 38; 99 Acts, ch 152, §33, 40; 2003 Acts, ch 145, §286

Referred to in §450.37

**450.28 Notice of appraisement.**

It shall be the duty of all appraisers appointed under the provisions of this chapter, upon receiving a commission as herein provided, to give notice to the director of revenue, the attorney of record of the estate, if any, and other persons known to be interested in the property to be appraised, of the time and place at which they will appraise such property, which time shall not be less than ten days from the date of such notice. The notice shall further state that the director of revenue or any person interested in the estate or property appraised may, within sixty days after filing of the appraisement with the clerk of court, file objections to the appraisement. The notice shall be served by certified mail and such notice is deemed completed when the notice is deposited in the mail and postmarked for delivery.

[S13, §1481-a6; C24, 27, 31, 35, 39, §**7332;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.28]

97 Acts, ch 157, §1; 2003 Acts, ch 145, §286

**450.29 Notice of filing.**

Upon service of such notice and the making of such appraisement, the notice and appraisement shall be filed with the clerk, and a copy of the appraisement shall at once be filed by the clerk with the director of revenue. The clerk shall send a notice, by ordinary mail, to the attorney of record of the estate, if any, to the personal representative of the estate, and to each person known to be interested in the estate or property appraised. The

notice shall state the date the appraisement was filed with the clerk of court and shall include a copy of the appraisement.

[C97, §1476; S13, §1481-a6; C24, 27, 31, 35, 39, §**7333;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.29]

97 Acts, ch 157, §2; 2003 Acts, ch 145, §286

**450.30 Real property in different counties.**

If real property is located in more than one county, the appraisers of the county in which the estate is being administered may appraise all real estate, or those of the several counties may serve for the real property within their respective counties or other appraisers be appointed as the district court may direct.

[C97, §1476; S13, §1481-a6; C24, 27, 31, 35, 39, §**7334;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.30]

83 Acts, ch 177, §12, 38

**450.31 Objections.**

The director of revenue or any person interested in the estate or property appraised may, within sixty days after filing of the appraisement with the clerk, file objections to said appraisement and give notice thereof as in beginning civil actions, to the director of revenue or the representative of the estate or trust, if any, otherwise to the person interested as heir, legatee, or transferee, on the hearing of which as an action in equity either party may produce evidence competent or material to the matters therein involved.

[S13, §1481-a7; C24, 27, 31, 35, 39, §**7335;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.31]

2003 Acts, ch 145, §286

Service of notice, R.C.P. 1.302 – 1.315

**450.32 Hearing — order.**

If upon the hearing the court finds the amount at which the real property is appraised is its value on the market in the ordinary course of trade and the appraisement was fairly and in good faith made, it shall approve the appraisement. If the court finds that the appraisement was made at a greater or lesser sum than the value of the real property in the ordinary course of trade, or that it was not fairly or in good faith made, it shall set aside the appraisement. Upon the appraisement being set aside, the court shall fix the value of the real property of the estate for inheritance tax purposes and the valuation fixed is that upon which the tax shall be paid, unless an appeal is taken from the order of the court as provided for in this chapter.

[S13, §1481-a7; C24, 27, 31, 35, 39, §**7336;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.32]

83 Acts, ch 177, §13, 38

**450.33 Appeal and notice.**

The director of revenue or anyone interested in the property appraised may appeal to the supreme court from the order of the district court fixing the value of the property of said estate. Notice of appeal shall be served within sixty days from the date of the order appealed from, and the appeal shall be perfected in the time now provided for appeals in equitable actions.

[S13, §1481-a7; C24, 27, 31, 35, 39, §**7337;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.33]

2003 Acts, ch 145, §286

**450.34 Bond on appeal.**

In case of appeal the appellant, if not the director of revenue, shall give bond to be approved by the clerk of the court, which bond shall provide that the said appellant and sureties shall pay the tax for which the property may be liable with cost of appeal.

[S13, §1481-a7; C24, 27, 31, 35, 39, §**7338;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.34]

2003 Acts, ch 145, §286

**450.35** Repealed by 76 Acts, ch 1056, § 45.

**450.36 Appraisal of other property.**

If there is an estate or real property subject to tax and the records in the clerk's office do not disclose that there may be a tax due under this chapter, the persons interested in the real property shall report the matter to the department of revenue with a request that the real property be appraised.

[S13, §1481-a8; C24, 27, 31, 35, 39, §**7341;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.36]

83 Acts, ch 177, §14, 38; 2003 Acts, ch 145, §286

**450.37 Value for computing the tax.**

1. Unless the value has been determined under chapter 450B, the tax shall be computed based upon one of the following:

*a.* The fair market value of the property in the ordinary course of trade determined under subsection 2.

*b.* The alternate value of the property, if the personal representative so elects, that has been established for federal estate tax purposes under section 2032 of the Internal Revenue Code. The election shall be exercised on the return by the personal representative or other person signing the return, within the time prescribed by law for filing the return or before the expiration of any extension of time granted for filing the return.

2. Fair market value of real estate in the ordinary course of trade shall be established by agreement, including an agreement to accept the values as finally determined for federal estate tax purposes. The agreement shall be between the department of revenue, the personal representative, and the persons who have an interest in the property.

*a.* If an agreement has not been reached on the fair market value of real property in the ordinary course of trade, the director of revenue has sixty days after the return is filed to request an appraisal under section 450.27. If an appraisal request is not made within the sixty-day period, the value listed on the return is the agreed value of the real property.

*b.* If an agreement is not reached on the fair market value of personal property in the ordinary course of trade, the personal representative or any person interested in the personal property may appeal to the director of revenue for a revision of the department of revenue's determination of the value and after the appeal hearing may seek judicial review of the director's decision. The provisions of section 450.94, subsection 3, relating to appeal of a determination of the department and review of the director's decision apply to an appeal and review made under this subsection.

3. In addition to the applicable period of limitation for examination and determination, the department shall make an examination to adjust the value of real property for Iowa inheritance tax purposes to the value accepted by the internal revenue service for federal estate tax purposes. The department shall make an examination and adjustment for the value of the real property at any time within six months from the date of receipt by the department of written notice from the personal representative for the estate that all federal estate tax matters between the estate and the internal revenue service have been concluded. To begin the running of the six-month period, the notice shall be in writing in a form sufficient to inform the department of the final disposition of the federal estate tax obligation with the internal revenue service and a copy of the federal document showing the final disposition and final federal adjustments of all real property values must be attached. The department shall make an adjustment to the value of real property for inheritance tax

purposes to the value accepted for federal estate tax purposes regardless of whether an inheritance clearance has been issued, an appraisal has been obtained on the real property indicating a contrary value, whether there has been an acceptance of another value for real property by the department, or whether an agreement has been entered into by the department and the personal representative for the estate and persons having an interest in the real property regarding the value of the real property. Notwithstanding the period of limitation specified in section 450.94, subsection 3, the personal representative for the estate shall have six months from the day of final disposition of any real property valuation matter between the personal representative for the estate and the internal revenue service to claim a refund of an overpayment of tax due to the change in the valuation of real property by the internal revenue service.

[S13, §1481-a8; C24, 27, 31, 35, 39, §**7342;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.37; 81 Acts, ch 147, §6]

83 Acts, ch 177, §15, 38; 84 Acts, ch 1305, §37; 88 Acts, ch 1028, §37; 89 Acts, ch 6, §6; 99 Acts, ch 151, §47, 89; 99 Acts, ch 152, §34, 40; 2003 Acts, ch 145, §286; 2004 Acts, ch 1073, §31

Referred to in §450.27, 450.44, 450.45, 450.47, 450B.2

**450.38 and 450.39** Repealed by 83 Acts, ch 177, § 37, 38.

**450.40 through 450.43** Repealed by 71 Acts, ch 218, § 13.

**450.44 Remainders — valuation.**

When a person whose estate over and above the amount of that person's liabilities, as defined in this chapter, exceeds the sum of twenty-five thousand dollars, bequeaths, devises, or otherwise transfers real property to or for the use of persons exempt from the tax imposed by this chapter, during life or for a term of years and the remainder to persons not thus exempt, this property, upon the determination of the estate for life or years, shall be valued at its then actual market value from which shall be deducted the value of any improvements on it made by the person who owns the remainder interest during the time of the prior estate, to be determined as provided in section 450.37, subsection 1, paragraph "*a*", and the tax on the remainder shall be paid by the person who owns the remainder interest as provided in section 450.46.

[S13, §1481-a10; C24, 27, 31, 35, 39, §**7349;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.44; 81 Acts, ch 147, §7, 19]

83 Acts, ch 177, §16, 38; 2001 Acts, ch 140, §2, 5

Referred to in §450.3, 450.46, 633.31

**450.45 Life and term estates — valuation.**

If an estate or interest for life or term of years in real property is given to a party other than those exempt by this chapter, the property shall be valued as provided in section 450.37 as is provided in ordinary cases, and the party entitled to the estate or interest shall, on or before the last day of the ninth month from the death of the decedent owner, pay the tax, and in default the court shall order the estate or interest, or as much as necessary to pay the tax, penalty, and interest, to be sold.

[S13, §1481-a11; C24, 27, 31, 35, 39, §**7350;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.45; 81 Acts, ch 147, §8, 20]

83 Acts, ch 177, §17, 38; 84 Acts, ch 1240, §5

Referred to in §450.3

**450.46 Deferred estate — valuation.**

Upon the determination of a prior estate or interest, when the remainder or deferred estate or interest or a part of it is subject to tax and the tax upon the remainder or deferred interest has not been paid, the persons entitled to the remainder or deferred interest shall immediately report to the department of revenue the fact of the determination of the prior estate, and upon receipt of the report, or upon information from any source, of the determination of a prior estate when the remainder interest has not been valued for the purpose of assessing tax, the property shall be valued as provided in like cases in section 450.44 and the tax upon the

remainder interest shall be paid by the person who owns the remainder interest on or before the last day of the ninth month after the determination of the prior estate. If the tax is not paid within this time the court shall then order the property, or as much as necessary to pay the tax, penalty, and interest, to be sold.

[S13, §1481-a11; C24, 27, 31, 35, 39, §**7351;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.46; 81 Acts, ch 147, §9, 20]

83 Acts, ch 177, §18, 38; 84 Acts, ch 1240, §6; 2003 Acts, ch 145, §286

Referred to in §450.3, 450.44

**450.47 Life and term estates in personal property.**

If an estate or interest for life or term of years in personal property is given to one or more persons other than those exempt by this chapter and the remainder or deferred estate to others, the property devised or conveyed shall be valued under section 450.37 as provided in ordinary estates and the value of the estates or interests devised or conveyed shall be determined as provided in section 450.51, and the tax upon the estates or interests liable for the tax shall be paid to the department of revenue from the property valued or by the persons entitled to the estate or interest on or before the last day of the ninth month after the death of the testator, grantor, or donor. However, payment of the tax upon a deferred estate or remainder interest may be deferred until the determination of the prior estate by the giving of a good and sufficient bond as provided in section 450.48.

[S13, §1481-a12; C24, 27, 31, 35, 39, §**7352;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.47; 81 Acts, ch 147, §10, 20]

83 Acts, ch 177, §19, 38; 84 Acts, ch 1240, §7; 2003 Acts, ch 145, §286

Referred to in §450.3

**450.48 Payment deferred — bond.**

When in case of deferred estates or remainder interests in personal property or in the proceeds of any real estate that may be sold during the time of a life, term, or prior estate, the persons interested who may desire to defer the payment of the tax until the determination of the prior estate, shall file with the clerk of the proper district court a bond as provided herein in other cases, such bond to be renewed every two years until the tax upon such deferred estate is paid. If at the end of any two-year period the bond is not promptly renewed as herein provided and the tax has not been paid, the bond shall be declared forfeited, and the amount thereof forthwith collected. When the estate of a decedent consists in part of real and in part of personal property, and there be an estate for life or for a term of years to one or more persons and a deferred or remainder estate to others, and such deferred or remainder estate is in whole or in part subject to the tax imposed by this chapter, if the deferred or remainder estates or interests are so disposed that good and sufficient security for the payment of the tax for which such deferred or remainder estates may be liable can be had because of the lien imposed by this chapter upon the real property of such estate, then payment of the tax upon such deferred or remainder estates may be postponed until the determination of the prior estate without giving bond as herein required to secure payment of such tax, and the tax shall remain a lien upon such real estate until the tax upon such deferred estate or interest is paid.

[S13, §1481-a13; C24, 27, 31, 35, 39, §**7353;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.48]

Referred to in §450.3, 450.47

**450.49 Bonds — conditions.**

All bonds required by this chapter shall be payable to the department of revenue and shall be conditioned upon the payment of the tax, interest, and costs for which the estate may be liable, and for the faithful performance of all the duties hereby imposed upon and required of the person whose acts are by such bond to be guaranteed, and shall be in an amount equal to twice the amount of the tax, interest, and costs that may be due, but in no case less than five hundred dollars, and must be secured by not less than two resident freeholders or by a

fidelity or surety company authorized by the commissioner of insurance to do business in this state.

[S13, §1481-a14; C24, 27, 31, 35, 39, §**7354;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.49]

2003 Acts, ch 145, §286

Referred to in §450.3, 450.50

**450.50 Removal of property from state — bond.**

It shall be unlawful for any person to remove from this state any property, or the proceeds thereof, that may be subject to the tax imposed by this chapter, without paying the said tax to the department of revenue. Any person violating the provisions of this section shall be guilty of a serious misdemeanor and upon conviction shall be fined an amount equal to twice the amount of tax, interest, and costs for which the estate may be liable; provided, however, that the penalty hereby imposed shall not be enforced if, prior to the removal of such property or the proceeds thereof, the person desiring to effect such removal files with the clerk a bond conditioned upon the payment of the tax, interest, and costs, as is provided in section 450.49 hereof.

[S13, §1481-a15; C24, 27, 31, 35, 39, §**7355;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.50]

2003 Acts, ch 145, §286

**450.51 Annuities — life and term estates.**

The value of any annuity, deferred estate, or interest, or any estate for life or term of years, subject to inheritance tax shall be determined for the purpose of computing the tax by the use of current, commonly used tables of mortality and actuarial principles pursuant to regulations prescribed by the director of revenue. The taxable value of annuities, life or term, deferred, or future estates, shall be computed at the rate of four percent per annum of the established value of the property in which the estate or interest exists or is founded.

[S13, §1481-a16; C24, 27, 31, 35, 39, §**7356;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.51]

83 Acts, ch 177, §20, 38; 2003 Acts, ch 145, §286

Referred to in §450.47

Mortality table, at end of Vol VI

**450.52 Deferred estates — removal of lien.**

Whenever it is desired to remove the lien of the inheritance tax on remainders, reversions, or deferred estates, parties owning the beneficial interest may pay at any time the said tax on the present worth of such interests determined according to the rules herein fixed.

[S13, §1481-a16; C24, 27, 31, 35, 39, §**7357;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.52]

**450.53 Duty to pay tax — penalties.**

1. *a.* All personal representatives, except guardians and conservators, and other persons charged with the management or settlement of any estate or trust from which a tax is due under this chapter, shall file an inheritance tax return, within the time limits set by section 450.6, with a copy of any federal estate tax return and other documents required by the director which may reasonably tend to prove the amount of tax due, and at the time of filing, shall pay to the department of revenue the amount of the tax due from any devisee, grantee, donee, heir, or beneficiary of the decedent, except in cases where payment of the tax is deferred until the determination of a prior estate. The owner of the future interest shall file a supplemental inheritance tax return and pay to the department of revenue the tax due within the time limits set in this chapter. The inheritance tax returns shall be in the form prescribed by the director.

*b.* Notwithstanding paragraph "*a*", an inheritance tax return is not required to be filed if the estate does not have a federal estate tax filing obligation and if all the estate or trust assets pass solely to individuals listed in section 450.9 as individuals that are entirely exempt from

Iowa inheritance tax. This paragraph is not applicable if interests in the asset pass to both an individual listed in section 450.9 and to that individual's spouse.

2. A person in possession of assets to be reported for purposes of taxation, including a personal representative or trustee, who willfully makes a false or fraudulent return, or who willfully fails to pay the tax, or who willfully fails to supply the information necessary to prepare the return or determine if a return is required, or who willfully fails to make, sign, or file the required return within the time required by law, is guilty of a fraudulent practice. This subsection does not apply to failure to make, sign, or file a return or failure to pay the tax if a return is not required to be filed pursuant to subsection 1, paragraph "*b*".

3. A person who willfully attempts in any manner to evade taxes imposed by this chapter or avoid payment of the tax, is guilty of an aggravated misdemeanor.

4. The jurisdiction of any offense as defined in this section is in the county of the residence of the decedent at the time of death. If the decedent is a nonresident of the state, jurisdiction is in any county in which property subject to the tax is located.

5. A prosecution for any offense defined in this section shall be commenced not later than six years following the commission of the offense.

[S13, §1481-a17; C24, 27, 31, 35, 39, §**7358;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.53]

83 Acts, ch 177, §21, 38; 94 Acts, ch 1165, §33; 2003 Acts, ch 145, §286; 2004 Acts, ch 1073, §32; 2005 Acts, ch 14, §2, 6

Referred to in §450.58, 450.94, 451.12

**450.54 Sale to pay tax.**

Personal representatives or the director of revenue may sell as much of the property of the decedent as will enable them to pay the tax, in the same manner as provided by law for the sale of that property for the payment of debts of testators or intestates.

[S13, §1481-a17; C24, 27, 31, 35, 39, §**7359;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.54]

83 Acts, ch 177, §22, 38; 2003 Acts, ch 145, §286

**450.55 Means to collect tax.**

The provisions of sections 422.26 and 422.30, pertaining to jeopardy assessments and distress warrants, apply to the unpaid tax, penalty, and interest imposed under this chapter. In addition the director of revenue may bring, or cause to be brought in the director's name of office, suit for the collection of the tax, penalty, interest, and costs, against the personal representative or against the person entitled to property subject to the tax, or upon any bond given to secure payment of the tax, either jointly or severally, and upon obtaining judgment may cause execution to be issued as is provided by statute in other cases. The proceedings shall conform as nearly as may be to those for the collection of ordinary debt by suit.

[S13, §1481-a17; C24, 27, 31, 35, 39, §**7360;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.55]

83 Acts, ch 177, §23, 38, 39; 84 Acts, ch 1240, §8; 2003 Acts, ch 145, §286

**450.56** Repealed by 83 Acts, ch 177, § 37, 38.

**450.57 Tax deducted from legacy or collected.**

Every personal representative or referee having in charge or trust any property of an estate subject to tax which is made payable by the personal representative or referee, shall deduct the tax from the property or shall collect the tax from the legatee or person entitled to the property and pay the tax to the department of revenue, and the personal representative or referee shall not deliver any specific legacy or property subject to tax to any person until the personal representative or referee has collected the tax.

[S13, §1481-a18; C24, 27, 31, 35, 39, §**7362;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.57]

83 Acts, ch 177, §24, 38; 2003 Acts, ch 145, §286

**450.58 Final settlement to show payment.**

1. Except as provided in subsection 2, the final settlement of the account of a personal representative shall not be accepted or allowed unless it shows, and the court finds, that all taxes imposed by this chapter upon any property or interest in property that are made payable by the personal representative and to be settled by the account, have been paid, and that the receipt of the department of revenue for the tax has been obtained as provided in section 450.64.

2. If an inheritance tax return is not required to be filed pursuant to section 450.53, subsection 1, paragraph *"b"*, the personal representative's final settlement of account need not contain an inheritance tax receipt from the department, but shall, instead, contain the personal representative's certification under section 633.35 that an inheritance tax return is not required to be filed pursuant to section 450.53, subsection 1, paragraph *"b"*.

3. Any order contravening any provision of this section is void.

[S13, §1481-a19; C24, 27, 31, 35, 39, §**7363;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.58]

83 Acts, ch 177, §25, 38; 85 Acts, ch 148, §4; 86 Acts, ch 1054, §2; 86 Acts, ch 1241, §44; 2003 Acts, ch 145, §286; 2004 Acts, ch 1073, §33; 2005 Acts, ch 14, §3, 6

Referred to in §633.479, 635.7

Similar provision, §422.27

**450.59 Judicial review.**

Judicial review of a decision of the director may be sought under the Iowa administrative procedure Act, chapter 17A, except that the petition may be filed in the district court in the county in which some part of the property is situated, if the decedent was not a resident, or such court in the county of which the deceased was a resident at the time of the decedent's death or where such estate is administered.

[S13, §1481-a20; C24, 27, 31, 35, 39, §**7364;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.59]

2003 Acts, ch 44, §114

Referred to in §450.94

**450.60 Director to represent state.**

The director of revenue shall, with all the rights and privileges of a party in interest, represent the state in any such proceedings.

[S13, §1481-a20; C24, 27, 31, 35, 39, §**7365;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.60]

2003 Acts, ch 145, §286

**450.61 Bequests to personal representatives.**

If a decedent appoints one or more personal representatives and, in lieu of their allowance or commission, makes a bequest or devise of property to them which would otherwise be liable to tax, or appoints them residuary legatees, and the bequests, devises, or residuary legacies exceed the statutory fees as compensation for their services, the excess is liable to tax.

[S13, §1481-a21; C24, 27, 31, 35, 39, §**7366;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.61]

83 Acts, ch 177, §26, 38

**450.62 Legacies charged upon real estate.**

If legacies subject to tax are charged upon or payable out of real estate, the heir or devisee, before paying the tax, shall deduct the tax from it and pay it to the personal representative or department of revenue, and the tax shall remain a charge against and be a lien upon the real estate until it is paid. Payment of the tax shall be enforced by the personal representative or director of revenue as provided in this chapter.

[S13, §1481-a22; C24, 27, 31, 35, 39, §**7367;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.62]

83 Acts, ch 177, §27, 38; 2003 Acts, ch 145, §286

**450.63 Maturity of tax — interest — penalty.**

All taxes not paid within the time prescribed in this chapter are subject to a penalty as provided in section 421.27 and shall draw interest at the rate in effect under section 421.7 until paid.

[S13, §1481-a23; C24, 27, 31, 35, 39, §**7368;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.63; 81 Acts, ch 131, §16, ch 147, §11, 20; 82 Acts, ch 1180, §7, 8]

84 Acts, ch 1173, §9; 86 Acts, ch 1007, §39; 90 Acts, ch 1172, §13

**450.64 Receipt showing payment.**

Upon payment of the tax in full the department of revenue shall forthwith transmit a receipt to the person designated by the taxpayer signing the return showing payment of the tax. If the tax is not paid in full, a taxpayer whose tax liability is paid in full may request a receipt as to that taxpayer's share of the tax.

[S13, §1481-a23; C24, 27, 31, 35, 39, §**7369;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.64]

83 Acts, ch 177, §28, 38; 2003 Acts, ch 145, §286

Referred to in §450.58

**450.65 Director to enforce collection.**

It shall be the duty of the director of revenue to enforce the collection of the delinquent inheritance tax, and the provisions of law with reference thereto.

[C24, 27, 31, 35, 39, §**7370;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.65]

2003 Acts, ch 145, §286

**450.66 Investigation by director.**

The director of revenue may issue a citation to any person who the director may believe or has reason to believe has any knowledge or information concerning any property which the director believes or has reason to believe has been transferred by any person and as to which there is or may be a tax due to the state under the provisions of the inheritance tax laws of this state, and by such citation require such person to appear before the director or anyone designated by the director at the county seat of the county where said person resides and at a time to be designated in such citation, and testify under oath as to any fact or information within the person's knowledge touching the quantity, value, and description of any such property and the disposition thereof which may have been made by any person, and to produce and submit to the inspection of the director of revenue, any books, records, accounts, or documents in the possession of or under the control of any person so cited.

[C24, 27, 31, 35, 39, §**7371;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.66]

2003 Acts, ch 145, §286

Referred to in §450.68

**450.67 Inspection of books, records, etc.**

The director of revenue may also inspect and examine the books, records, and accounts of any person, firm, or corporation, including the stock transfer books of any corporation, for the purpose of acquiring any information deemed necessary or desirable by the director for the proper enforcement of the inheritance tax laws of this state, and the collection of the full amount of the tax which may be due to the state thereunder.

[C24, 27, 31, 35, 39, §**7372;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.67]

2003 Acts, ch 145, §286

Referred to in §450.68

**450.68 Information confidential.**

1. *a.* Any and all information acquired by the department of revenue under and by virtue of the means and methods provided for by sections 450.66 and 450.67 shall be deemed and held as confidential and shall not be disclosed by the department except so far as the same may be necessary for the enforcement and collection of the inheritance tax provided for by the laws of this state; provided, however, that the director of revenue may authorize the

examination of the information by other state officers or, if a reciprocal arrangement exists, by tax officers of another state or of the federal government.

*b.* Federal tax returns, copies of returns, return information as defined in section 6103(b) of the Internal Revenue Code, and state inheritance tax returns, which are required to be filed with the department for the enforcement of the inheritance and estate tax laws of this state, shall be deemed and held as confidential by the department. However, such returns or return information may be disclosed by the director to officers or employees of other state agencies, subject to the same confidentiality restrictions imposed on the officers and employees of the department.

2. It shall be unlawful for any present or former officer or employee of the state to disclose, except as provided by law, any return, return information, or any other information deemed and held confidential under the provisions of this section. Any person violating the provisions of this section shall be guilty of a serious misdemeanor.

[C24, 27, 31, 35, 39, §**7373;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.68]

92 Acts, 2nd Ex, ch 1001, §245; 2003 Acts, ch 145, §286; 2008 Acts, ch 1119, §8; 2009 Acts, ch 41, §257; 2010 Acts, ch 1138, §54

**450.69 Contempt.**

Refusal of any person to attend before the director of revenue in obedience to any such citation, or to testify, or produce any books, accounts, records, or documents in the person's possession or under the person's control and submit the same to inspection of the department of revenue when so required, may, upon application of the director of revenue, be punished by any district court in the same manner as if the proceedings were pending in such court.

[C24, 27, 31, 35, 39, §**7374;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.69]

2003 Acts, ch 145, §286

**450.70 Fees.**

Witnesses so cited before the director of revenue, and any sheriff or other officer serving such citation shall receive the same fees as are allowed in civil actions; to be audited by the department of revenue and paid upon the certificate of the director of revenue out of funds not otherwise appropriated.

[C24, 27, 31, 35, 39, §**7375;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.70]

2003 Acts, ch 145, §286

Sheriff's fees, §331.655; witness fees, §622.69 – 622.75

**450.71 Proof of amount of tax due.**

Before issuing a receipt for the tax, the director of revenue may demand from personal representatives or beneficiaries information as necessary to verify the correctness of the amount of the tax and interest, and when this demand is made they shall send to the director of revenue certified copies of wills, deeds, or other papers, or of those parts of their reports as the director may demand, and upon the refusal or neglect of the parties to comply with the demand of the director, the clerk of the court shall comply with the demand, and the expenses of making copies and transcripts shall be charged against the estate, as are other costs in probate, or the tax may be assessed without deducting liabilities for which the estate is liable.

[S13, §1481-a24; C24, 27, 31, 35, 39, §**7376;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.71]

83 Acts, ch 177, §29, 38; 2003 Acts, ch 145, §286

**450.72 through 450.80** Reserved.

**450.81 Duty of recorder.**

Each county recorder shall, upon the filing in the recorder's office of a deed, bill of sale, or other transfer of any description which shows upon its face that it was made or intended to

take effect in possession or enjoyment at or after the death of the maker of the instrument, forward to the department of revenue a copy of the instrument.

[C24, 27, 31, 35, 39, §**7385;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.81]

91 Acts, ch 191, §119; 2003 Acts, ch 145, §286

Referred to in §331.602

**450.82 and 450.83** Repealed by 76 Acts, ch 1056, § 45.

**450.84 Costs charged against estate — exceptions.**

If an estate or interest in an estate passes so as to be liable to taxation under this chapter, all costs of the proceedings for the assessment of the tax are chargeable to the estate as other costs in probate proceedings and, to discharge the lien, all costs as well as the taxes must be paid. In all other cases the costs are to be paid as ordered by the court. When a decision adverse to the state has been rendered, with an order that the state pay the costs, the clerk of the court in which the action was pending shall certify the amount of the costs to the director of revenue, who shall, if the costs are correctly certified and the case has been finally terminated and the tax, if any is due, has been paid, audit the claim and direct the department of administrative services to issue a warrant on the treasurer of state in payment of the costs.

[S13, §1481-a35; C24, 27, 31, 35, 39, §**7388;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.84]

88 Acts, ch 1134, §84; 2003 Acts, ch 145, §260

Referred to in §450.85

**450.85 Appropriation.**

There is hereby appropriated out of any funds in the state treasury not otherwise appropriated a sum sufficient to carry out the provisions of section 450.84.

[C27, 31, 35, §7388-a1; C39, §**7388.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.85]

**450.86** Repealed by 97 Acts, ch 60, § 1, 2.

**450.87 Transfer of corporation stock.**

If a foreign personal representative assigns or transfers any corporate stock or obligations in this state standing in the name of a decedent or in trust for a decedent liable to tax, the tax shall be paid to the department of revenue on or before the transfer; otherwise the corporation permitting its stock to be transferred is liable to pay the tax, interest, and costs, and the director of revenue shall enforce the payment of the tax, interest, and costs.

[S13, §1481-a37; C24, 27, 31, 35, 39, §**7390;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.87]

83 Acts, ch 177, §31, 38; 2003 Acts, ch 145, §286

**450.88 Corporations to report transfers.**

Every Iowa corporation organized for pecuniary profit shall, on July 1 of each year, by its proper officers under oath, make a full and correct report to the director of revenue of all transfers of its stocks made during the preceding year by any person who appears on the books of the corporation as the owner of the stock, when the transfer is made to take effect at or after the death of the owner or transferor, and all transfers which are made by a personal representative, referee, or any person other than the owner or person in whose name the stocks appeared of record on the books of the corporation, prior to the transfer. This report shall show the name of the owner of the stocks and the owner's place of residence, the name of the person at whose request the stock was transferred, the person's place of residence and the authority by virtue of which the person acted in making the transfer, the name of the person to whom the transfer was made, and the residence of the person, together with other information the officers reporting have relating to estates of persons deceased who may have been owners of stock in the corporation. If it appears that any stock transferred is subject to tax under this chapter, and the tax has not been paid, the director of revenue shall notify the corporation in writing of its liability for the payment of the tax, and shall bring suit against

the corporation as in other cases unless payment of the tax is made within sixty days from the date of notice.

This section does not apply if the lien has been released under section 450.7 or the director has issued a consent to transfer.

[S13, §1481-a38; C24, 27, 31, 35, 39, §**7391;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.88]

83 Acts, ch 177, §32, 38; 2003 Acts, ch 145, §286

**450.89** Repealed by 83 Acts, ch 177, § 37, 38.

**450.90 Property in this state belonging to foreign estate.**

When property, real or personal, within this state belongs to a foreign estate and the foreign estate passes in part exempt from the tax imposed by this chapter and in part subject to the tax and there is not a specific devise of the property within this state to exempt persons or if it is within the authority or discretion of the foreign personal representative administering the estate to dispose of the property not specifically devised to exempt persons in the payment of liabilities owing by the decedent at the time of death, or in the satisfaction of legacies, devises, or trusts given to direct or collateral legatees or devisees or in payment of the distributive shares of any direct and collateral heirs, then the property within the jurisdiction of this state belonging to the foreign estate is subject to the tax imposed by this chapter, and the tax due shall be assessed as provided in section 450.12, subsection 2, relating to the deduction of the proportionate share of liabilities. However, if the value of the property so situated exceeds the total amount of the estate passing to other persons than those exempt from the tax imposed by this chapter, the excess is not subject to tax.

[S13, §1481-a40; C24, 27, 31, 35, 39, §**7393;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.90]

83 Acts, ch 177, §33, 38

**450.91 Foreign estates — reciprocity — personal property.** Repealed by 2003 Acts, ch 95, § 23, 24.

**450.92** Repealed by 99 Acts, ch 151, § 86, 89.

**450.93 Unknown heirs.**

Whenever the heirs or persons entitled to any estate or any interest therein are unknown or their place of residence cannot with reasonable certainty be ascertained, a tax of five percent shall be paid to the department of revenue upon all such estates or interests, subject to refund as provided herein in other cases; provided, however, that if it be afterwards determined that any estate or interest passes to aliens, there shall be paid within sixty days after such determination and before delivery of such estate or property, an amount equal to the difference between five percent, the amount paid, and the amount which such person should pay under the provisions of this chapter.

[S13, §1481-a42; C24, 27, 31, 35, 39, §**7395;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.93]

2003 Acts, ch 145, §286

**450.94 Return — determination — appeal.**

1. *"Taxpayer"* as used in this section means a person liable for the payment of tax as stated in section 450.5.

2. Unless a return is not required to be filed pursuant to section 450.22, subsection 3, or section 450.53, subsection 1, paragraph *"b"*, the taxpayer shall file an inheritance tax return on forms to be prescribed by the director of revenue on or before the last day of the ninth month after the death of the decedent. When an inheritance tax return is filed, the department shall examine it and determine the correct amount of tax. If the amount paid is less than the correct amount due, the department shall notify the taxpayer of the total amount due together with any penalty and interest which shall be a sum certain if paid on or before the last day of

the month in which the notice is dated, or on or before the last day of the following month if the notice is dated after the twentieth day of a month and before the first day of the following month.

3. If the amount paid is greater than the correct tax, penalty, and interest due, the department shall refund the excess with interest. Interest shall be computed at the rate in effect under section 421.7, under the rules prescribed by the director counting each fraction of a month as an entire month and the interest shall begin to accrue on the first day of the second calendar month following the date of payment or on the date the return was due to be filed or was filed, whichever is the latest. However, the director shall not allow a claim for refund or credit that has not been filed with the department within three years after the tax payment upon which a refund or credit is claimed became due, or one year after the tax payment was made, whichever time is later. A determination by the department of the amount of tax, penalty, and interest due, or the amount of refund for excess tax paid, is final unless the person aggrieved by the determination appeals to the director for a revision of the determination within sixty days from the date of the notice of determination of tax, penalty, and interest due or refund owing or unless the taxpayer contests the determination by paying the tax, interest, and penalty and timely filing a claim for refund. The director shall grant a hearing, and upon the hearing the director shall determine the correct tax, penalty, and interest or refund due, and notify the appellant of the decision by mail. The decision of the director is final unless the appellant seeks judicial review of the director's decision under section 450.59 within sixty days after the date of the notice of the director's decision.

4. Payments received must be credited first to the penalty and interest accrued and then to the tax due.

5. *a.* The amount of tax imposed under this chapter shall be assessed according to one of the following:

(1) Within three years after the return is filed with respect to property reported on the final inheritance tax return.

(2) At any time after the tax became due with respect to property not reported on the final inheritance tax return, but not later than three years after the omitted property is reported to the department on an amended return or on the final inheritance tax return if one was not previously filed.

(3) The period for examination and determination of the correct amount of tax to be reported and due under this chapter is unlimited in the case of failure to file a return or the filing of a false or fraudulent return or affidavit.

*b.* In addition to the applicable periods of limitations for examination and determination specified in paragraph "*a*", subparagraphs (1) and (2), the department may make an examination and determination at any time within six months from the date of receipt by the department of written notice from the taxpayer of the final disposition of any matter between the taxpayer and the internal revenue service with respect to the federal estate, gift, or generation skipping transfer tax. In order to begin the running of the six months assessment period, the notice shall be in writing in form sufficient to inform the department of the final disposition of any matter with respect to the federal estate, gift, or generation skipping transfer tax, and a copy of the federal document showing the final disposition or final federal adjustments shall be attached to the notice.

[S13, §1481-a43; C24, 27, 31, 35, 39, §**7396;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.94; 81 Acts, ch 131, §17]

83 Acts, ch 177, §34, 38; 84 Acts, ch 1240, §9, 10; 85 Acts, ch 148, §5; 86 Acts, ch 1007, §40; 86 Acts, ch 1241, §45; 89 Acts, ch 285, §9; 91 Acts, ch 159, §28; 94 Acts, ch 1133, §11, 16; 96 Acts, ch 1034, §42; 99 Acts, ch 151, §48, 89; 2003 Acts, ch 145, §286; 2004 Acts, ch 1073, §34; 2005 Acts, ch 14, §4; 2011 Acts, ch 25, §99

Referred to in §450.27, 450.37, 450.95, 450.96

**450.95 Appropriation.**

There is hereby appropriated out of any funds in the state treasury not otherwise appropriated a sum sufficient to carry out the provisions of section 450.94.

[C27, 31, 35, §7396-a1; C39, §**7396.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.95]

Referred to in §450.96

**450.96 Contingent estates.**

Estates in expectancy which are contingent or defeasible and in which proceedings for the determination of the tax have not been taken or where the taxation has been held in abeyance, shall be valued at their full, undiminished value when the persons entitled to the estates come into the beneficial enjoyment or possession of the estates, without diminution for or on account of any valuation previously made. When an estate, devise, or legacy can be divested by the act or omission of the legatee or devisee, it shall be taxed as if there were no possibility of the divesting. When a devise, bequest, or transfer is one in part contingent, and in part vested so that the beneficiary will come into possession and enjoyment of a portion of the inheritance on or before the happening of the event upon which the possible defeating contingency is based, a tax shall be imposed and collected upon the bequest or transfer as upon a vested interest, at the highest rate possible under this chapter if no contingency existed; provided that if the contingency reduces the value of the estate or interest taxed, and the amount of tax paid is in excess of the tax for which the bequest or transfer is liable upon the removal of the contingency, the excess shall be refunded as provided in sections 450.94 and 450.95 in other cases.

[S13, §1481-a44; C24, 27, 31, 35, 39, §**7397;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.96]

83 Acts, ch 177, §35, 38

**450.97 Joint owners of bank accounts — duty to notify department of revenue.** Repealed by 2005 Acts, ch 5, § 1.

# CHAPTER 450A

## GENERATION SKIPPING TRANSFER TAX

Referred to in §421.60


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**450A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of revenue.
2. *"Director"* means the director of the department of revenue.
3. *"Direct skip"* means the same as the term is defined in section 2612(c) of the Internal Revenue Code.
4. *"Generation skipping transfer"* means the generation skipping transfer as defined in section 2611 of the Internal Revenue Code.
5. *"Internal Revenue Code"* means the same as the term is defined in section 422.3.
6. *"Taxable distribution"* means the same as the term is defined in section 2612(b) of the Internal Revenue Code.
7. *"Taxable termination"* means the same as the term is defined in section 2612(a) of the Internal Revenue Code.

8. *"Transferee"* means a person receiving property in a generation skipping transfer.

9. *"Transferor"*, *"trust"*, *"trustee"* and *"interest"* mean the same as those respective terms are defined in section 2652 of the Internal Revenue Code.

[C79, 81, §450A.1]

84 Acts, ch 1305, §38; 86 Acts, ch 1245, §450; 87 Acts, 1st Ex, ch 1, §17; 88 Acts, ch 1028, §38; 2003 Acts, ch 145, §286

**450A.2 Imposition of tax.**

A tax is imposed on the transfer of any property, included in a generation skipping transfer, other than a direct skip, occurring at the same time and as a result of the death of an individual, in an amount equal to the maximum federal credit allowable under section 2604 of the Internal Revenue Code, for the generation skipping transfer tax actually paid to the state in respect of any property included in the generation skipping transfer.

Where the transferor is a resident of Iowa and all property included in a generation skipping transfer that is subject to tax under this section has a situs in Iowa, or is subject to the jurisdiction of the courts of Iowa, an amount equal to the total credit as allowed under the Internal Revenue Code shall be paid to the state of Iowa. Where the transferor is a nonresident or where the property included in a generation skipping transfer that is subject to tax under this section has a situs outside the state of Iowa and not subject to the jurisdiction of Iowa courts, the tax shall be prorated on the basis that the value of Iowa property included in the generation skipping transfer bears to the total value of property included in the generation skipping transfer.

[C79, 81, §450A.2]

86 Acts, ch 1241, §46; 87 Acts, 1st Ex, ch 1, §18

Referred to in §450A.14

**450A.3 Value of property.**

The value of property, included in a generation skipping transfer, shall be the same as determined for federal generation skipping transfer tax purposes under the Internal Revenue Code.

[C79, 81, §450A.3]

87 Acts, 1st Ex, ch 1, §19

**450A.4 Payment of the tax.**

The tax imposed by this chapter shall be paid on or before the last day of the ninth month after the death of the individual whose death is the event causing the generation skipping transfer which is eligible for the credit for state taxes paid under section 2604 of the Internal Revenue Code.

[C79, 81, §450A.4]

87 Acts, 1st Ex, ch 1, §20

Referred to in §450A.11

**450A.5 Liability for the tax.**

The transferee of the property included in the generation skipping transfer shall be personally liable for the tax to the extent of its value, determined under section 2624 of the Internal Revenue Code as of the time of the generation skipping transfer. If the tax is attributable to a taxable termination, as defined in section 2612(a) of the Internal Revenue Code, the trustee and the transferee shall be personally liable for the tax to the extent of the value of the property subject to tax under the trustee's control.

[C79, 81, §450A.5]

87 Acts, 1st Ex, ch 1, §21

**450A.6 Lien of the tax.**

The tax imposed by this chapter shall be a lien on the property subject to the tax for a period of ten years from the time the generation skipping transfer occurs. Full payment of the tax, penalty and interest due shall release the lien and discharge the transferee and trustee of personal liability. Unless the lien has been perfected by recording, a transfer by the transferee

or the trustee to a bona fide purchaser for value shall divest the property of the lien. If the lien is perfected by recording, the rights of the state under the lien have priority over all subsequent mortgages, purchases or judgment creditors. The department may release the lien prior to the payment of the tax due if adequate security for payment of the tax is given.

[C79, 81, §450A.6]

87 Acts, 1st Ex, ch 1, §22

**450A.7 Disposal of tax.**

The proceeds of the tax shall be credited to the general fund of the state.

[C79, 81, §450A.7]

**450A.8 Returns.**

It shall be the duty of the persons liable for the payment of the tax to file a return with the department, in such form as the director may prescribe, containing sufficient information to enable the department to determine the maximum federal credit allowable for the payment of the tax imposed by this chapter. A copy of the federal return filed for the purpose of paying the generation skipping transfer tax shall be submitted to the department at the time the Iowa return is filed. Copies of all amended or supplemental returns shall be submitted to the department at the time such returns are filed with the internal revenue service.

[C79, 81, §450A.8]

Referred to in §450A.11

**450A.9 Delinquent returns.**

If the tax imposed by this chapter is not paid within the time prescribed by law, the tax is delinquent and shall draw interest thereafter at the rate in effect under section 421.7 until paid.

[C79, 81, §450A.9; 81 Acts, ch 131, §18]

**450A.10 Director to enforce collection.**

It shall be the duty of the director to enforce collection of the tax imposed by this chapter and shall with all the rights of a party in interest, represent the state in any proceedings to collect the tax. The director shall have the power to bring suit against any person liable for the payment of the tax, penalty, interest and costs and may foreclose the lien of the tax in the same manner as is now prescribed for the foreclosure of real estate mortgages and upon judgment may cause execution to be issued to sell so much of the property necessary to satisfy the tax, penalty, interest and costs due.

[C79, 81, §450A.10]

87 Acts, 1st Ex, ch 1, §23

**450A.11 Duty to claim maximum credit.**

It shall be the duty of any person liable for the payment of the tax to claim the maximum federal credit allowable for that portion of the state generation skipping transfer tax paid in respect of any property included in a taxable generation skipping transfer. Claiming on a federal return a sum less than the maximum federal credit allowable shall not relieve any person liable for the tax of the duty to pay the tax imposed under this chapter.

If an amended or supplemental return is filed with the internal revenue service which results in a change in the amount of tax owing under this chapter, the persons liable for the payment of the tax shall submit an amended return, on forms prescribed by the director, indicating the amount of the tax then owing as a result of such change.

If any federal generation skipping transfer tax has been paid before the enactment of this chapter, the persons liable for the payment of the tax under this chapter shall file an amended federal return claiming the maximum federal credit allowable and file the Iowa returns specified in section 450A.8 within six months after the enactment of this chapter or within the time limit provided in section 450A.4 whichever is the later.

[C79, 81, §450A.11]

87 Acts, 1st Ex, ch 1, §24

**450A.12 Applicable statutes.**

All of the provisions of chapter 450 with respect to the payment and collection of the tax imposed under that chapter, including penalty and interest upon delinquent taxes and the confidentiality of the tax return, are applicable to the provisions of this chapter, except as they are in conflict with this chapter. The director shall adopt and promulgate rules necessary for the enforcement of this chapter.

[C79, 81, §450A.12]

92 Acts, 2nd Ex, ch 1001, §246

**450A.13 Retroactive.**

The provisions of this chapter are retroactive to April 30, 1976, for any generation skipping transfer made after April 30, 1976, except for those generation skipping transfers excepted under section 2006(c) of the federal Tax Reform Act of 1976 and to this extent the provisions of this chapter are retroactive.

[C79, 81, §450A.13]

**450A.14 Limitation.**

The tax imposed under section 450A.2 shall not be construed to impose a federal and state generation skipping tax obligation greater than the tax payable had this chapter not been enacted.

[C79, 81, §450A.14]

# CHAPTER 450B

## QUALIFIED USE INHERITANCE TAX

Referred to in §450.37


| | | | |
|---|---|---|---|
| 450B.1 | Definitions. | 450B.4 | Reserved. |
| 450B.2 | Alternate election of value for qualified use. | 450B.5 | Ratio of applicable tax. |
| | | 450B.6 | Lien of tax. |
| 450B.3 | Additional inheritance tax applicable. | 450B.7 | Other inheritance tax laws applicable. |


**450B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Internal Revenue Code"* means the same as defined in section 422.3.

2. *"Qualified real property"*, *"qualified use"*, *"cessation of qualified use"*, and *"qualified heir"* mean the same as defined in section 2032A of the Internal Revenue Code.

3. *"Taxpayer"* means a qualified heir liable for the inheritance tax imposed under chapter 450 on qualified real property.

4. For purposes of subsection 1, the Internal Revenue Code shall be interpreted to include the provisions of Pub. L. No. 98-4.

[81 Acts, ch 147, §12]

83 Acts, ch 179, §18, 23; 84 Acts, ch 1305, §39; 88 Acts, ch 1028, §39

**450B.2 Alternate election of value for qualified use.**

1. Notwithstanding section 450.37, the value of qualified real property for the purpose of the tax imposed under chapter 450 may, at the election of the taxpayer, be its value for the use under which it qualifies as prescribed by section 2032A of the Internal Revenue Code. A taxpayer may make an election under this section only if all of the following conditions are met:

*a.* An election for federal estate tax purposes was made with regard to the qualified real property under section 2032A of the Internal Revenue Code.

*b.* All persons who signed the agreement referred to in section 2032A(d)(2) of the

Internal Revenue Code make the election under this section and sign an agreement with the department of revenue consenting to the application of section 450B.3 with respect to the qualified real property.

*c.* The total decrease in the value of the qualified real property as a result of the election under this section does not exceed the dollar limitation specified in section 2032A(a)(2) of the Internal Revenue Code.

2. The election under this section shall be made by the taxpayer in the manner as the director of revenue may prescribe by rule. The value for the qualified use under this section shall be the value as determined and accepted for federal estate tax purposes.

3. The definitions and special rules specified in section 2032A(e) of the Internal Revenue Code shall apply with respect to qualified real property for which an election was made under this section except that rules shall be prescribed by the director of revenue in lieu of the regulations promulgated by the secretary of the treasury.

4. The director shall prescribe regulations setting forth the application of this chapter in the case of an interest in a partnership, corporation, or trust which, with respect to the decedent, is an interest in a closely held business within the meaning of section 6166(b)(1) of the Internal Revenue Code. Such regulations shall conform as nearly as possible with the regulations promulgated by the United States secretary of the treasury in respect to such interests.

[81 Acts, ch 147, §13]

88 Acts, ch 1028, §40; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §143

Referred to in §450B.3, 450B.5, 450B.6

**450B.3 Additional inheritance tax applicable.**

There is imposed upon the qualified heir an additional inheritance tax if, within ten years after the decedent's death and before the death of the qualified heir, the qualified heir disposes of, other than to a member of the family, any interest in qualified real property for which an election under section 450B.2 was made or ceases to use for the qualified use the qualified real property for which an election under section 450B.2 was made as prescribed in section 2032A(c) of the Internal Revenue Code. The additional inheritance tax shall be the amount computed under section 450B.5 and shall be due six months after the date of the disposition or cessation of qualified use referred to in this section. The amount of the additional inheritance tax shall accrue interest at the rate of ten percent per year from nine months after the decedent's death to the due date of the tax. The tax shall be paid to the department of revenue and shall be deposited into the general fund of the state. Taxes not paid within the time prescribed in this section shall draw interest at the rate of ten percent per annum until paid. There shall not be an additional inheritance tax if the disposition or cessation occurs ten years or more after the decedent's death.

[81 Acts, ch 147, §14, 15; 82 Acts, ch 1023, §26, 27, 34]

88 Acts, ch 1028, §41; 2003 Acts, ch 145, §286

Referred to in §450B.2, 450B.5, 450B.6

**450B.4** Reserved.

**450B.5 Ratio of applicable tax.**

The amount of the additional inheritance tax imposed by section 450B.3 is the excess of what the tax imposed by chapter 450 would have been had the election to use the qualified use valuation under section 450B.2 not been made over the tax paid on the real estate based on qualified use valuation. However, if all of the real estate valued under section 450B.2 is not disposed of or does not cease to be used for the qualified use, the amount of the additional inheritance tax is the amount computed by applying the ratio that the real estate subject to the qualified use valuation which has been disposed of or which the qualified use ceases bears to all the real estate subject to the qualified use valuation passing to the taxpayer to the excess of the tax which would have been imposed by chapter 450 had the election under section 450B.2 not been made over the tax paid on the real estate based on qualified use valuation. However, the additional inheritance tax shall not be computed on a value greater than the fair market

value of the qualified real estate at the time the disposition or cessation of the qualified use occurs.

[81 Acts, ch 147, §16]

Referred to in §450B.3

**450B.6 Lien of tax.**

A lien is created in favor of the state for the additional inheritance tax which may be imposed by section 450B.3 on the qualified real property for which an election has been made under section 450B.2. The lien created by this section shall continue until the tax has been paid or ten years after the tax is due, whichever date occurs first. However, the lien shall expire ten years after the decedent's death if the qualified heir has not disposed of or ceased to use for the qualified use the qualified real property which would impose the tax under section 450B.3. The department of revenue may release the lien prior to the payment of the tax due, if any, if adequate security for payment of the tax is given.

Unless the lien has been perfected by recording in the office of the recorder in the county where the estate is probated, a transfer of the qualified real property to a bona fide purchaser for value shall divest the property of the lien. If the lien is perfected by recording, the rights of the state under the lien have priority over all subsequent mortgagees, purchasers or judgment creditors. The lien may be foreclosed by the director of revenue in the same manner as is now prescribed for the foreclosure of real estate mortgages and upon judgment, execution shall be issued to sell as much of the property necessary to satisfy the tax, interest and costs due.

[81 Acts, ch 147, §17; 82 Acts, ch 1023, §28, 34]

2003 Acts, ch 145, §286

**450B.7 Other inheritance tax laws applicable.**

All the provisions of chapter 450 with respect to the payment, collection and administration of the inheritance tax imposed under that chapter, including the confidentiality of the tax return, are applicable to the provisions of this chapter to the extent consistent. The director of revenue shall adopt and promulgate all rules necessary for the enforcement and administration of this chapter.

[81 Acts, ch 147, §18]

92 Acts, 2nd Ex, ch 1001, §247; 2003 Acts, ch 145, §286

# CHAPTER 451

## IOWA ESTATE TAX

Referred to in §321.47, 421.60, 450.7

Chapter implementation contingent upon federal legislation, see §451.13


451.1 Definitions.
451.2 Additional tax.
451.3 Gross and net estate.
451.4 Tax on net estate.
451.5 Duty of personal representative.
451.6 Payment of tax.
451.7 Disposal of tax.
451.8 Claim for credit or refund.
451.9 Appeal.
451.10 Effect of allowance.
451.11 Effect of disallowance.
451.12 Applicable statutes — penalties.
451.13 Contingent implementation — applicability.


**451.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Adjusted taxable estate"* means the taxable estate computed for federal estate tax purposes reduced by sixty thousand dollars.

2. *"Federal estate tax"* means the tax imposed by the provisions of the Federal Estate Tax Act.

3. *"Federal Estate Tax Act"* and all such similar terms, means Tit. III of chapter 27 of the

Acts of the Sixty-ninth Congress of the United States, first session, appearing in 44 Stat., ch. 27, as of January 1, 2000, as amended.

4. *"Gross estate"* means the gross estate as determined under section 451.3.

5. *"Internal Revenue Code"* means the Internal Revenue Code as of the implementation date of this chapter, as specified in section 451.13.

6. *"Iowa estate tax"* means the tax imposed by this chapter.

7. *"Month"* means a calendar month.

8. *"Net estate"* means the net estate as determined under the provisions of section 451.3.

9. *"Personal representative"* means the executor of the will or administrator of the estate of the decedent, or if there is no such executor or administrator appointed, qualified and acting, then any person in actual or constructive possession of any property included in the gross estate of the decedent.

2010 Acts, ch 1138, §31; 2012 Acts, ch 1023, §51

**451.2 Additional tax.**

1. An amount equal to the federal estate tax credit for state inheritance and estate taxes as allowed in the Internal Revenue Code is imposed upon every transfer of the net estate of every decedent being a resident of, or owning property in, this state.

2. If the decedent is a resident of Iowa and all property is located in Iowa, or is subject to the jurisdiction of the courts of Iowa, an amount equal to the tax imposed under subsection 1 shall be paid to the state of Iowa. If the decedent is a nonresident or if property is located outside the state of Iowa and not subject to jurisdiction of Iowa courts, the tax shall be prorated on the basis that the Iowa property bears to the total gross estate for federal tax purposes.

3. The total tax or the Iowa share of the total tax shall be credited with the amount of any inheritance tax due the state of Iowa as provided in chapter 450.

2010 Acts, ch 1138, §32

**451.3 Gross and net estate.**

The gross estate shall be the same as finally determined for federal estate tax and the net estate shall be the gross estate less deductions as permitted by federal law, in arriving at the net taxable federal estate, all determined as provided in the Internal Revenue Code.

2010 Acts, ch 1138, §33

Referred to in §451.1

**451.4 Tax on net estate.**

The tax imposed by this chapter shall be upon the transfer of the total net estate of every decedent dying after the implementation date of this chapter as provided in section 451.13.

2010 Acts, ch 1138, §34

**451.5 Duty of personal representative.**

The personal representative of a decedent whose estate may be subject to the tax imposed by this chapter, shall file in the office of the director of revenue, on or before the last day of the ninth month after the death of the decedent, duplicate copies of the estate tax return provided for in the Federal Estate Tax Act, and in like manner, duplicate copies of all supplemental or amended returns. The values of all items included in the gross estate, as shown by those returns, or supplemental or amended returns, shall be considered as the values of those items for the purposes of this chapter. In case of revaluation or correction of valuation of any of those items, either by supplemental or amended returns, or by the federal commissioner of internal revenue, or by an appellate tribunal by which the value is finally determined, the corrected values shall be considered as the values of those items for the purposes of this chapter.

2010 Acts, ch 1138, §35

**451.6 Payment of tax.**

The tax imposed by this chapter shall be paid by the personal representative to the department of revenue on or before the last day of the ninth month after the death of the decedent.

2010 Acts, ch 1138, §36

**451.7 Disposal of tax.**

The proceeds of this tax shall be paid into the general fund of the state.

2010 Acts, ch 1138, §37

**451.8 Claim for credit or refund.**

If the personal representative of a resident decedent shall have paid to the treasurer of the United States or to a collector of internal revenue an estate tax under the provisions of the Federal Estate Tax Act in respect of property included in the gross estate, determined as herein provided, and shall have claimed as credits or deductions against the federal estate tax a sum less than the maximum credits or deductions allowed by the provisions of the Federal Estate Tax Act for any estate, inheritance, legacy or succession taxes actually paid to any state or territory of the United States, or to the District of Columbia, it shall be the personal representative's duty, with due diligence, to file in the bureau of internal revenue a claim for credit or refund for such amount, if any, as such estate shall be properly entitled to receive under the provisions of the Federal Estate Tax Act and of this chapter.

2010 Acts, ch 1138, §38

**451.9 Appeal.**

If any claim for refund or credit, or any part thereof, shall be denied or disallowed by the commissioner of internal revenue, the personal representative, the director of revenue, or any person having an interest in said estate which may be adversely affected by such denial or disallowance, may apply to the judge of the court having jurisdiction of such estate, for an order directing such personal representative to take, perfect, and prosecute an appeal from the decision of the commissioner of internal revenue to such court or tribunal as may have jurisdiction of such matter, and, upon the granting of such order, the director of revenue may assist in the prosecution of such appeal. The judge of the court granting such order may make a reasonable allowance for attorney fees for the prosecution of such appeal, and direct the manner in which the same, together with any other costs or expenses which may be allowed by said court in connection therewith, shall be paid.

2010 Acts, ch 1138, §39

**451.10 Effect of allowance.**

If any claim for credit or refund, or any part thereof, shall be finally determined in favor of such personal representative, any amount refunded or credited thereon shall inure to the benefit of such estate.

2010 Acts, ch 1138, §40

**451.11 Effect of disallowance.**

If any claim for credit or refund or any part thereof, shall be finally determined adversely to such personal representative, for any reason other than lack of diligence or other failure of duty on the personal representative's part, the amount so denied or disallowed, or so much thereof as shall have been paid to the department of revenue under the provisions of this chapter, shall, upon a claim duly filed with, and proper showing made to, the director of revenue, be refunded by the department of revenue to such personal representative, and shall inure to the benefit of such estate.

2010 Acts, ch 1138, §41

**451.12 Applicable statutes — penalties.**

All the provisions of chapter 450 with respect to the lien provisions of section 450.7, and the determination, imposition, payment, and collection of the tax imposed under that

chapter, including penalty and interest upon delinquent taxes and the confidentiality of the tax return, are applicable to this chapter, except as they are in conflict with this chapter. The exceptions to the lien provisions found in section 450.7 do not apply to this chapter. The penalty provisions set out in section 450.53 shall apply to a person in possession of assets to be reported for purposes of taxation who willfully makes a false or fraudulent return or willfully fails to pay the tax, supply the information, make, sign, or file the required return within the time required by law or a person who willfully attempts in any manner to evade taxes imposed by this chapter or avoid payment of the tax. The director of revenue shall adopt rules necessary for the enforcement of this chapter.

2010 Acts, ch 1138, §42

**451.13 Contingent implementation — applicability.**

1. This chapter shall be implemented as of the date on which a provision of the Internal Revenue Code providing for a credit against federal estate taxes owed for the amount of state inheritance and estate taxes paid, pursuant to chapter 450 and this chapter, is applicable.

2. This chapter applies to the estates of persons dying on or after the implementation date specified in subsection 1.

2010 Acts, ch 1138, §43

Referred to in §451.1, 451.4

# SUBTITLE 4

## EXCISE TAXES

# CHAPTER 452

RESERVED

# CHAPTER 452A

## MOTOR FUEL AND SPECIAL FUEL TAXES

Referred to in §312.1, 321.40, 321.56, 323.1, 326.24, 423.14, 423B.5, 423E.3

This chapter not enacted as a part of this title; transferred from chapter 324 in Code 1993

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## DIVISION I

## MOTOR FUEL AND SPECIAL FUEL TAX

Referred to in §452A.54, 452A.57, 452A.76

**452A.1 Short title.**

This division, plus applicable provisions of division IV of this chapter, shall be known and may be cited as the *"Motor Fuel and Special Fuel Tax Law"*.

[C35, §5093-f40; C39, §**5093.39;** C46, 50, 54, §324.66; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.1]

C93, §452A.1

95 Acts, ch 155, §8

**452A.2 Definitions.**

As employed in this division:

1. *"Aviation gasoline"* means any gasoline which is capable of being used for propelling aircraft, which is invoiced as aviation gasoline or is received, sold, stored, or withdrawn from storage by any person for the purpose of propelling aircraft. Motor fuel capable of being used for propelling motor vehicles is not aviation gasoline.

2. *"Biodiesel"* means the same as defined in section 214A.1.

3. *"Biodiesel blended fuel"* means the same as defined in section 214A.1.

4. *"Biofuel"* means the same as defined in section 214A.1.

5. *"Blender"* means a person who owns and blends ethanol with gasoline to produce ethanol blended gasoline and blends the product at a nonterminal location. The person is not restricted to blending ethanol with gasoline. Products blended with gasoline other than ethanol are taxed as gasoline. *"Blender"* also means a person blending two or more special fuel products at a nonterminal location where the tax has not been paid on all of the products blended. This blend is taxed as a special fuel.

6. *"Common carrier"* or *"contract carrier"* means a person involved in the movement of motor fuel or special fuel from the terminal or movement of the motor fuel or special fuel imported into this state, who is not an owner of the motor fuel or special fuel.

7. *"Conventional blendstock for oxygenate blending"* means one or more motor fuel components intended for blending with an oxygenate or oxygenates to produce gasoline.

8. *"Dealer"* means a person, other than a distributor, who engages in the business of selling or distributing motor fuel or special fuel to the end user in this state.

9. *"Denatured ethanol"* means ethanol that is to be blended with gasoline, has been derived from cereal grains, complies with ASTM (American society for testing and materials)

international designation D-4806-95b, and may be denatured only as specified in Code of Federal Regulations, Titles 20, 21, and 27. Alcohol and denatured ethanol have the same meaning in this chapter.

10. *"Department"* means the department of revenue.

11. *"Diesel fuel"* or *"diesel"* means diesel fuel as defined in section 214A.1.

12. *"Director"* means the director of revenue.

13. *"Distributor"* means a person who acquires tax paid motor fuel or special fuel from a supplier, restrictive supplier or importer, or another distributor for subsequent sale at wholesale and distribution by tank cars or tank trucks or both. The department may require that the distributor be registered to have terminal purchase rights.

14. *"E-85 gasoline"* means the same as defined in section 214A.1.

15. *"Eligible purchaser"* means a distributor of motor fuel or special fuel or an end user of special fuel who has purchased a minimum of two hundred forty thousand gallons of special fuel each year in the preceding two years. Eligible purchasers who elect to make delayed payments to a licensed supplier shall use electronic funds transfer. Additional requirements for qualifying as an eligible purchaser shall be established by rule.

16. *"Ethanol"* means the same as defined in section 214A.1.

17. *"Ethanol blended gasoline"* means the same as defined in section 214A.1.

18. *"Export"* means delivery across the boundaries of this state by or for the seller or purchaser from a place of origin in this state.

19. *"Exporter"* means a person or other entity who acquires fuel in this state for export to another state.

20. *"Flexible fuel vehicle"* means a motor vehicle as defined in section 321M.1 which is powered by an engine capable of operating using E-85 gasoline.

21. *"Gasoline"* means the same as defined in section 214A.1.

22. *"Import"* means delivery across the boundaries of this state by or for the seller or purchaser from a place of origin outside this state.

23. *"Importer"* means a person who imports motor fuel or undyed special fuel in bulk or transport load into the state by truck, rail, or barge.

24. *"Licensed compressed natural gas and liquefied petroleum gas dealer"* means a person in the business of handling untaxed compressed natural gas or liquefied petroleum gas who delivers any part of the fuel into a fuel supply tank of any motor vehicle.

25. *"Licensed compressed natural gas and liquefied petroleum gas user"* means a person licensed by the department who dispenses compressed natural gas or liquefied petroleum gas, upon which the special fuel tax has not been previously paid, for highway use from fuel sources owned and controlled by the person into the fuel supply tank of a motor vehicle, or commercial vehicle owned or controlled by the person.

26. *"Licensee"* means a person holding an uncanceled supplier's, restrictive supplier's, importer's, exporter's, dealer's, user's, or blender's license issued by the department under this division or any prior motor fuel tax law or any other person who possesses fuel for which the tax has not been paid.

27. *a.* *"Motor fuel"* means motor fuel as defined in section 214A.1 and includes all of the following:

(1) All products commonly or commercially known or sold as gasoline, including ethanol blended gasoline, casinghead, and absorption or natural gasoline, regardless of the products' classifications or uses, and including transmix which serves as a buffer between fuel products in the pipeline distribution process.

(2) Any liquid advertised, offered for sale, sold for use as, or commonly or commercially used as a fuel for propelling motor vehicles which, when subjected to distillation of gasoline, naphtha, kerosene and similar petroleum products [ASTM (American society for testing and materials) international designation D-86], shows not less than ten percent distilled (recovered) below three hundred forty-seven degrees Fahrenheit (one hundred seventy-five degrees Centigrade) and not less than ninety-five percent distilled (recovered) below four hundred sixty-four degrees Fahrenheit (two hundred forty degrees Centigrade).

*b.* *"Motor fuel"* does not include special fuel, and does not include liquefied gases which would not exist as liquids at a temperature of sixty degrees Fahrenheit and a pressure of

fourteen and seven-tenths pounds per square inch absolute, or naphthas and solvents unless the liquefied gases or naphthas and solvents are used as a component in the manufacture, compounding, or blending of a liquid within paragraph *"a"*, subparagraph (2), in which event the resulting product shall be deemed to be motor fuel. *"Motor fuel"* does not include methanol unless blended with other motor fuels for use in an aircraft or for propelling motor vehicles.

28. *"Motor fuel pump"* means the same as defined in section 214.1.

29. *"Naphthas and solvents"* shall mean and include those liquids which come within the distillation specifications for motor fuel set out under subsection 25, paragraph *"a"*, subparagraph (2), but which are designed and sold for exclusive use other than as a fuel for propelling motor vehicles.

30. *"Nonethanol blended gasoline"* means gasoline other than ethanol blended gasoline.

31. *"Nonrefiner biofuel manufacturer"* means an entity that produces, manufactures, or refines biofuel and does not directly or through a related entity refine, blend, import, or produce a conventional blendstock for oxygenate blending, gasoline, or diesel fuel.

32. *"Nonterminal storage facility"* means a facility where motor fuel or special fuel, other than liquefied petroleum gas, is stored that is not supplied by a pipeline or a marine vessel. *"Nonterminal storage facility"* includes a facility that manufactures products such as ethanol as defined in section 214A.1, biofuel, blend stocks, or additives which may be used as motor fuel or special fuel, other than liquefied petroleum gas, for operating motor vehicles or aircraft.

33. *"Racing fuel"* means leaded gasoline of one hundred ten octane or more that does not meet ASTM (American society for testing and materials) international designation D-4814 for gasoline and is sold in bulk for use in nonregistered motor vehicles.

34. *"Refiner"* means a person engaged in the refining of crude oil to produce motor fuel or special fuel, and includes any affiliate of such person.

35. *"Regional transit system"* means regional transit system as defined in section 452A.57, subsection 11.

36. *"Restrictive supplier"* means a person who imports motor fuel or undyed special fuel into this state in tank wagons or in small tanks not otherwise licensed as an importer.

37. *"Retail dealer"* means the same as defined in section 214A.1.

38. *"Special fuel"* means fuel oils and all combustible gases and liquids suitable for the generation of power for propulsion of motor vehicles or turbine-powered aircraft, and includes any substance used for that purpose, except that it does not include motor fuel. Kerosene shall not be considered to be a special fuel, unless blended with other special fuels for use in a motor vehicle with a diesel engine. Methanol shall not be considered to be a special fuel unless blended with other special fuels for use in a motor vehicle with a diesel engine.

39. *"Supplier"* means a person who acquires motor fuel or special fuel by pipeline or marine vessel from a state, territory, or possession of the United States, or from a foreign country for storage at and distribution from a terminal and who is registered under 26 U.S.C. § 4101 for tax-free transactions in gasoline, a person who produces in this state or acquires by truck, railcar, or barge for storage at and distribution from a terminal, biofuel, biodiesel, alcohol, or alcohol derivative substances, or a person who produces, manufactures, or refines motor fuel or special fuel in this state. *"Supplier"* includes a person who does not meet the jurisdictional connection to this state but voluntarily agrees to act as a supplier for purposes of collecting and reporting the motor fuel or special fuel tax. *"Supplier"* does not include a retail dealer or wholesaler who merely blends alcohol with gasoline or biofuel with diesel before the sale or distribution of the product or a terminal operator who merely handles, in a terminal, motor fuel or special fuel consigned to the terminal operator.

40. *"Terminal"* means a motor fuel or special fuel storage and distribution facility that is supplied by a pipeline or a marine vessel and from which the fuel may be removed at a rack. *"Terminal"* does not include a facility at which motor fuel or special fuel blend stocks and additives are used in the manufacture of products other than motor fuel or special fuel and from which no motor fuel or special fuel is removed.

41. *"Terminal operator"* means the person who by ownership or contractual agreement

is charged with the responsibility for, or physical control over, and operation of a terminal. If co-venturers own a terminal, *"terminal operator"* means the person who is appointed to exercise the responsibility for, or physical control over, and operation of the terminal.

42. *"Terminal owner"* means a person who holds a legal interest or equitable interest in a terminal.

43. *"Urban transit system"* means Iowa urban transit system as defined in section 452A.57, subsection 6.

44. *"Use"* means the receipt, delivery, or placing of liquefied petroleum gas by a licensed liquefied petroleum gas user into a fuel supply tank of a motor vehicle while the vehicle is in the state, except that with respect to natural gas used as a special fuel, *"use"* means the receipt, delivery, or placing of the natural gas into equipment for compressing the gas for subsequent delivery into the fuel supply tank of a motor vehicle.

45. *"Withdrawn from terminal"* means physical movement from a supplier to a distributor or eligible end user and includes an importer going out of state and obtaining fuel from a terminal and bringing the fuel into the state, and a restrictive supplier bringing fuel into the state even though not purchased directly from a terminal.

[C27, 31, §5093-a2; C35, §5093-f2; C39, §**5093.02;** C46, 50, 54, §324.1; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.2]

85 Acts, ch 231, §12; 86 Acts, ch 1116, §1; 86 Acts, ch 1245, §414; 88 Acts, ch 1205, §2; 91 Acts, ch 87, §3

C93, §452A.2

95 Acts, ch 155, §9 – 13; 96 Acts, ch 1066, §2, 21; 99 Acts, ch 151, §50, 51, 89; 2001 Acts, ch 150, §22, 23; 2002 Acts, ch 1050, §39, 40; 2002 Acts, ch 1151, §20; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §129; 2004 Acts, ch 1086, §106; 2005 Acts, ch 140, §60, 61; 2006 Acts, ch 1142, §50 – 53, 79, 80; 2008 Acts, ch 1184, §62; 2013 Acts, ch 30, §99; 2013 Acts, ch 127, §6

Referred to in §214A.1, 323.1, 422.11N, 570A.1

Additional definitions, see §452A.57

NEW subsection 7 and former subsections 7 – 9 renumbered as 8 – 10

NEW subsection 11 and former subsections 10 – 28 renumbered as 12 – 30

Subsection 27, paragraph a, subparagraph (2) amended

NEW subsection 31 and former subsections 29 and 30 renumbered as 32 and 33

NEW subsection 34 and former subsections 31 – 37 renumbered as 35 – 41

NEW subsection 42 and former subsections 38 – 40 renumbered as 43 – 45

**452A.3 Levy of excise tax.**

1. Except as otherwise provided in this section and in this division, until June 30, 2014, this subsection shall apply to the excise tax imposed on each gallon of motor fuel used for any purpose for the privilege of operating motor vehicles in this state.

*a.* The rate of the excise tax shall be based on the number of gallons of ethanol blended gasoline that is distributed in this state as expressed as a percentage of the number of gallons of motor fuel distributed in this state, which is referred to as the distribution percentage. For purposes of this subsection, only ethanol blended gasoline and nonblended gasoline, not including aviation gasoline, shall be used in determining the percentage basis for the excise tax. The department shall determine the percentage basis for each determination period beginning January 1 and ending December 31. The rate for the excise tax shall apply for the period beginning July 1 and ending June 30 following the end of the determination period.

*b.* The rate for the excise tax shall be as follows:

(1) If the distribution percentage is not greater than fifty percent, the rate shall be nineteen cents for ethanol blended gasoline and twenty cents for motor fuel other than ethanol blended gasoline.

(2) If the distribution percentage is greater than fifty percent but not greater than fifty-five percent, the rate shall be nineteen cents for ethanol blended gasoline and twenty and one-tenth cents for motor fuel other than ethanol blended gasoline.

(3) If the distribution percentage is greater than fifty-five percent but not greater than sixty percent, the rate shall be nineteen cents for ethanol blended gasoline and twenty and three-tenths cents for motor fuel other than ethanol blended gasoline.

(4) If the distribution percentage is greater than sixty percent but not greater than

sixty-five percent, the rate shall be nineteen cents for ethanol blended gasoline and twenty and five-tenths cents for motor fuel other than ethanol blended gasoline.

(5) If the distribution percentage is greater than sixty-five percent but not greater than seventy percent, the rate shall be nineteen cents for ethanol blended gasoline and twenty and seven-tenths cents for motor fuel other than ethanol blended gasoline.

(6) If the distribution percentage is greater than seventy percent but not greater than seventy-five percent, the rate shall be nineteen cents for ethanol blended gasoline and twenty-one cents for motor fuel other than ethanol blended gasoline.

(7) If the distribution percentage is greater than seventy-five percent but not greater than eighty percent, the rate shall be nineteen and three-tenths cents for ethanol blended gasoline and twenty and eight-tenths cents for motor fuel other than ethanol blended gasoline.

(8) If the distribution percentage is greater than eighty percent but not greater than eighty-five percent, the rate shall be nineteen and five-tenths cents for ethanol blended gasoline and twenty and seven-tenths cents for motor fuel other than ethanol blended gasoline.

(9) If the distribution percentage is greater than eighty-five percent but not greater than ninety percent, the rate shall be nineteen and seven-tenths cents for ethanol blended gasoline and twenty and four-tenths cents for motor fuel other than ethanol blended gasoline.

(10) If the distribution percentage is greater than ninety percent but not greater than ninety-five percent, the rate shall be nineteen and nine-tenths cents for ethanol blended gasoline and twenty and one-tenth cents for motor fuel other than ethanol blended gasoline.

(11) If the distribution percentage is greater than ninety-five percent, the rate shall be twenty cents for ethanol blended gasoline and twenty cents for motor fuel other than ethanol blended gasoline.

1A. Except as otherwise provided in this section and in this division, after June 30, 2014, an excise tax of twenty cents is imposed on each gallon of motor fuel used for any purpose for the privilege of operating motor vehicles in this state.

1B. An excise tax of seventeen cents is imposed on each gallon of E-85 gasoline as defined in section 214A.1, subject to the determination provided in subsection 1C.

1C. The rate of the excise tax on E-85 gasoline imposed in subsection 1B shall be determined based on the number of gallons of E-85 gasoline that are distributed in this state during the previous calendar year. The department shall determine the actual tax paid for E-85 gasoline for each period beginning January 1 and ending December 31. The amount of the tax paid on E-85 gasoline during the past calendar year shall be compared to the amount of tax on E-85 gasoline that would have been paid using the tax rate for gasoline imposed in subsection 1 or 1A and a difference shall be established. If this difference is equal to or greater than twenty-five thousand dollars, the tax rate for E-85 gasoline for the period beginning July 1 following the end of the determination period shall be the rate in effect as stated in subsection 1 or 1A.

2. For the privilege of operating aircraft in this state an excise tax of eight cents per gallon is imposed on the use of all aviation gasoline.

3. For the privilege of operating motor vehicles or aircraft in this state, there is imposed an excise tax on the use of special fuel in a motor vehicle or aircraft. The tax rate on special fuel for diesel engines of motor vehicles is twenty-two and one-half cents per gallon. The rate of tax on special fuel for aircraft is three cents per gallon. On all other special fuel, unless otherwise specified in this section, the per gallon rate is the same as the motor fuel tax. Indelible dye meeting United States environmental protection agency and internal revenue service regulations must be added to fuel before or upon withdrawal at a terminal or refinery rack for that fuel to be exempt from tax and the dyed fuel may be used only for an exempt purpose.

3A. For liquefied petroleum gas used as a special fuel, the rate of tax shall be twenty cents per gallon.

4. For compressed natural gas used as a special fuel, the rate of tax that is equivalent to the motor fuel tax shall be sixteen cents per hundred cubic feet adjusted to a base temperature of sixty degrees Fahrenheit and a pressure of fourteen and seventy-three hundredths pounds per square inch absolute.

5. *a.* The tax shall be paid by the following:

(1) The supplier, upon the invoiced gross gallonage of all motor fuel or undyed special fuel withdrawn from a terminal for delivery in this state.

(2) Tax shall not be paid when the sale of alcohol occurs within a terminal from an alcohol manufacturer to an Iowa licensed supplier. The tax shall be paid by the Iowa licensed supplier when the invoiced gross gallonage of the alcohol or the alcohol part of ethanol blended gasoline is withdrawn from a terminal for delivery in this state.

(3) The person who owns the fuel at the time it is brought into the state by a restrictive supplier or importer, upon the invoiced gross gallonage of motor fuel or undyed special fuel imported.

(4) The blender on total invoiced gross gallonage of alcohol or other product sold to be blended with gasoline or special fuel.

(5) Any other person who possesses taxable fuel upon which the tax has not been paid to a licensee.

*b.* The tax shall not be imposed or collected under this division with respect to motor fuel or special fuel sold for export or exported from this state to any other state, territory, or foreign country.

6. Thereafter, except as otherwise provided in this division, the per gallon amount of the tax shall be added to the selling price of every gallon of such motor fuel or undyed special fuel sold in this state and shall be collected from the purchaser so that the ultimate consumer bears the burden of the tax.

7. All excise taxes collected under this chapter by a supplier, restrictive supplier, importer, dealer, blender, user, or any individual are deemed to be held in trust for the state of Iowa.

[C27, 31, §4755-b38, 5093-a1; C35, §5093-f3, -f4; C39, §**5093.03, 5093.04;** C46, 50, 54, §324.2, 324.3; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.3; 81 Acts, 2nd Ex, ch 2, §7 – 9; 82 Acts, ch 1170, §3, 4]

83 Acts, ch 150, §1, 2; 84 Acts, ch 1141, §1; 84 Acts, ch 1253, §5; 85 Acts, ch 231, §13, 14; 86 Acts, ch 1116, §2, 3; 88 Acts, ch 1019, §13, 14; 88 Acts, ch 1205, §3; 91 Acts, ch 87, §4; 91 Acts, ch 254, §19, 20

C93, §452A.3

95 Acts, ch 155, §14, 44; 96 Acts, ch 1034, §43; 98 Acts, ch 1108, §1; 99 Acts, ch 151, §52, 89; 2001 Acts, ch 123, §4 – 6; 2001 Acts, ch 150, §24; 2002 Acts, ch 1150, §15, 16; 2004 Acts, ch 1073, §35; 2005 Acts, ch 3, §73; 2005 Acts, ch 150, §83, 84, 86; 2006 Acts, ch 1142, §81; 2007 Acts, ch 215, §113, 114; 2009 Acts, ch 130, §44; 2012 Acts, ch 1021, §79; 2012 Acts, ch 1114, §1 – 3; 2013 Acts, ch 127, §11 – 13

Referred to in §312.2
Subsection 1, unnumbered paragraph 1 amended
Subsection 1A amended

**452A.4 Supplier's, restrictive supplier's, importer's, exporter's, dealer's, and user's license.**

1. It shall be unlawful for any person to sell motor fuel or undyed special fuel within this state or to otherwise act as a supplier, restrictive supplier, importer, exporter, dealer, or user unless the person holds an uncanceled license issued by the department. To procure a license, a supplier, restrictive supplier, importer, exporter, dealer, or user shall file with the department an application signed under penalty for false certificate setting forth and complying with all of the following:

*a.* The name under which the licensee will transact business in this state.

*b.* The location, with street number address, of the principal office or place of business of the licensee within this state.

*c.* The name and complete residence address of the owner or the names and addresses of the partners, if the licensee is a partnership, or the names and addresses of the principal officers, if the licensee is a corporation or association.

*d.* A dealer's or user's license shall be required for each separate place of business or location where compressed natural gas or liquefied petroleum gas is delivered or placed into the fuel supply tank of a motor vehicle.

*e.* An applicant for an exporter's license shall provide verification as required by the

department that the applicant has the appropriate license valid in the state or states into which the motor fuel or undyed special fuel will be exported.

2. *a.* The department may deny the issuance of a license to an applicant who is substantially delinquent in the payment of a tax due, or the interest or penalty on the tax, administered by the department. If the applicant is a partnership, a license may be denied if a partner owes any delinquent tax, interest, or penalty. If the applicant is a corporation, a license may be denied if any officer having a substantial legal or equitable interest in the ownership of the corporation owes any delinquent tax, interest, or penalty of the applicant corporation.

*b.* The department may deny the issuance of a license if an application for a license to transact business as a supplier, restrictive supplier, importer, exporter, dealer, or user in this state is filed by a person whose license or registration has been canceled for cause at any time under the provisions of this chapter or any prior motor fuel tax law, if the department has reason to believe that the application is not filed in good faith, or if the application is filed by some person as a subterfuge for the real person in interest whose license or registration has been canceled for cause under the provisions of this chapter or any prior motor fuel tax law. The applicant shall be given fifteen days' notice in writing of the date of the hearing and shall have the right to appear in person or by counsel and present testimony.

3. *a.* The application in proper form having been accepted for filing, and the other conditions and requirements of this section and division IV having been complied with, the department shall issue to the applicant a license to transact business as a supplier, restrictive supplier, importer, exporter, dealer, or user in this state. The license shall remain in full force and effect until canceled as provided in this chapter.

*b.* The license shall not be assignable and shall be valid only for the licensee in whose name it is issued.

*c.* The department shall keep and file all applications and bonds and a record of all licensees.

[C31, §5093-c2; C35, §5093-f5, -f6, -f7; C39, §**5093.05 – 5093.07;** C46, 50, 54, §324.5, 324.6, 324.8 – 324.10; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.4]

86 Acts, ch 1007, §10; 89 Acts, ch 251, §4

C93, §452A.4

94 Acts, ch 1165, §35; 95 Acts, ch 155, §15, 44

Referred to in §452A.6

**452A.5 Distribution allowance.**

1. A supplier shall retain a distribution allowance of not more than one and six-tenths percent of all gallons of motor fuel and a distribution allowance of not more than seven-tenths percent of all gallons of undyed special fuel removed from the terminal during the reporting period for purposes of tax computation under section 452A.8.

2. The distribution allowance shall be prorated between the supplier and the distributor or dealer as follows:

*a.* Motor fuel: four-tenths percent retained by the supplier, one and two-tenths percent to the distributor.

*b.* Undyed special fuel: thirty-five hundredths percent retained by the supplier, thirty-five hundredths percent to the distributor or dealer purchasing directly from a supplier.

3. Gallons exported outside of the state shall not be included in the calculation of the distribution.

[C27, 31, §5093-a3, -a4; C39, §**5093.04, 5093.05;** C46, 50, 54, §324.4, 324.6; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.5]

C93, §452A.5

95 Acts, ch 155, §16, 44; 96 Acts, ch 1066, §3, 21; 2012 Acts, ch 1023, §52

**452A.6 Ethanol blended gasoline and other products — blender's license.**

1. *a.* A person other than a supplier, restrictive supplier, or importer licensed under this division, who blends gasoline with ethanol as defined in section 214A.1 in order to formulate ethanol blended gasoline, shall obtain a blender's license.

*b.* A person who blends two or more special fuel products or sells one hundred percent biofuel shall obtain a blender's license.

2. A blender's license shall be obtained by following the procedure under section 452A.4 and the blender's license is subject to the same restrictions as contained in that section.

3. A blender required to obtain a license pursuant to this section shall maintain records as required by section 452A.10 as to motor fuel, ethanol, ethanol blended gasoline, and special fuels.

[C81, §324.6]
92 Acts, ch 1163, §79
C93, §452A.6
95 Acts, ch 155, §17, 44; 2002 Acts, ch 1151, §21; 2006 Acts, ch 1142, §82
Referred to in §452A.6A

**452A.6A Right of distributors and dealers to blend conventional blendstock for oxygenate blending, gasoline, or diesel fuel using a biofuel.**

1. *a.* A dealer or distributor may blend a conventional blendstock for oxygenate blending, gasoline, or diesel fuel using the appropriate biofuel, or sell unblended or blended gasoline or diesel fuel on any premises in this state.

*b.* Paragraph "*a*" does not apply to the extent that the use of the premises is restricted by federal, state, or local law.

2. A refiner, supplier, terminal operator, or terminal owner who in the ordinary course of business sells or transports a conventional blendstock for oxygenate blending, gasoline unblended or blended with a biofuel, or diesel fuel unblended or blended with a biofuel shall not refuse to sell or transport to a distributor or dealer any conventional blendstock for oxygenate blending, unblended gasoline, or unblended diesel fuel that is at the terminal, based on the distributor's or dealer's intent to use the conventional blendstock for oxygenate blending, or blend the gasoline or diesel fuel with a biofuel.

3. This section shall not be construed to do any of the following:

*a.* Prohibit a distributor or dealer from purchasing, selling, or transporting a conventional blendstock for oxygenate blending, gasoline that has not been blended with a biofuel, or diesel fuel that has not been blended with a biofuel.

*b.* Affect the blender's license requirements under section 452A.6.

*c.* Prohibit a dealer or distributor from leaving a terminal with a conventional blendstock for oxygenate blending, gasoline that has not been blended with a biofuel, or diesel fuel that has not been blended with a biofuel.

*d.* Require a nonrefiner biofuel manufacturer to offer or sell a conventional blendstock for oxygenate blending, gasoline that has not been blended with a biofuel, or diesel fuel that has not been blended with a biofuel.

4. A refiner, supplier, terminal operator, or terminal owner who violates this section is subject to a civil penalty of not more than ten thousand dollars per violation. Each day that a violation continues is deemed a separate offense.

2013 Acts, ch 127, §7
Legislative intent regarding use of renewable fuels; 2013 Acts, ch 127, §1
NEW section

**452A.7 Foreign suppliers.**

The director, upon application, may authorize the collection and reporting of the tax by any supplier not having jurisdictional connections with this state. A foreign supplier shall be issued a license to collect and report the tax and shall be subject to the same regulations and requirements as suppliers having a jurisdictional connection with the state, or other regulations and agreements as prescribed by the director.

95 Acts, ch 155, §18

**452A.8 Tax reports — computation and payment of tax — credits.**

1. For the purpose of determining the amount of the supplier's, restrictive supplier's, or importer's tax liability, a supplier or restrictive supplier shall file a return, not later than the last day of the month following the month in which this division becomes effective and

not later than the last day of each calendar month thereafter, and an importer shall file a return semimonthly with the department, signed under penalty for false certification. For an importer for the reporting period from the first day of the month through the fifteenth of the month, the return is due on the last day of the month. For an importer for the reporting period from the sixteenth of the month through the last day of the month, the return is due on the fifteenth day of the following month. The returns shall include the following:

*a.* A statement of the number of invoiced gallons of motor fuel and undyed special fuel withdrawn from the terminal by the licensee within this state during the preceding calendar month in such detail as determined by the department. This includes on-site blending reports at the terminal.

*b.* For information purposes only, a supplier, restrictive supplier, or importer shall show the number of invoiced gallons of dyed special fuel withdrawn from the terminal.

*c.* A statement showing the deductions authorized in this division in such detail and with such supporting evidence as required by the department.

*d.* Any other information the department may require for the enforcement of this chapter.

2. At the time of filing a return, a supplier or restrictive supplier shall pay to the department the full amount of the fuel tax due for the preceding calendar month. An importer shall pay to the department the full amount of fuel tax due for the preceding semimonthly period. The tax shall be computed as follows:

*a.* From the total number of invoiced gallons of motor fuel or undyed special fuel withdrawn from the terminal by the licensee during the preceding calendar month or semimonthly period the following deductions shall be made:

(1) The gallonage of motor fuel or undyed special fuel withdrawn from a terminal by a licensee and exported outside Iowa.

(2) For suppliers only, the one and six-tenths percent of the number of gallons of motor fuel or seven-tenths percent of the number of gallons of undyed special fuel of the invoiced gallons of motor fuel or undyed special fuel withdrawn from a terminal within this state during the preceding calendar month.

*b.* The number of invoiced gallons remaining after the deductions in paragraph *"a"* shall be multiplied by the per gallon fuel tax rate.

*c.* The tax due under paragraph *"b"* shall be the amount of fuel tax due from the supplier, restrictive supplier, or importer for the preceding reporting period. The director may require by rule that the payment of taxes by suppliers, restrictive suppliers, and importers be made by electronic funds transfer. The director may allow a tax float by rule where the eligible purchaser is not required to pay the tax to the supplier until one business day prior to the date the tax is due. A licensed supplier who is unable to recover the tax from an eligible purchaser is not liable for the tax, upon proper documentation, and may credit the amount of unpaid tax against a later remittance of tax. Under this provision, a supplier does not qualify for a credit if the purchaser did not elect to use the eligible purchaser status, or otherwise does not qualify to be an eligible purchaser. To qualify for the credit, the supplier must notify the department of the uncollectible account no later than ten calendar days after the due date for payment of the tax. If a supplier sells additional motor fuel or undyed special fuel to a delinquent eligible purchaser after notifying the department that the supplier has an uncollectible debt with that eligible purchaser, the limited liability provision does not apply to the additional fuel. The supplier is liable for tax collected from the purchaser.

*d.* The director may require by rule that reports and returns be filed by electronic transmission.

*e.* (1) The tax for compressed natural gas and liquefied petroleum gas delivered by a licensed compressed natural gas or liquefied petroleum gas dealer for use in this state shall attach at the time of the delivery and shall be collected by the dealer from the consumer and paid to the department as provided in this chapter. The tax, with respect to compressed natural gas and liquefied petroleum gas acquired by a consumer in any manner other than by delivery by a licensed compressed natural gas or liquefied petroleum gas dealer into a fuel supply tank of a motor vehicle, attaches at the time of the use of the fuel and shall be paid over to the department by the consumer as provided in this chapter.

(2) The department shall adopt rules governing the dispensing of compressed natural

gas and liquefied petroleum gas by licensed dealers and licensed users. The director may require by rule that reports and returns be filed by electronic transmission. For purposes of this paragraph *"e"*, *"dealer"* and *"user"* mean a licensed compressed natural gas or liquefied petroleum gas dealer or user and *"fuel"* means compressed natural gas or liquefied petroleum gas. The department shall require that all pumps located at dealer locations and user locations through which liquefied petroleum gas can be dispensed shall be metered, inspected, tested for accuracy, and sealed and licensed by the state department of agriculture and land stewardship, and that fuel delivered into the fuel supply tank of any motor vehicle shall be dispensed only through tested metered pumps and may be sold without temperature correction or corrected to a temperature of sixty degrees. If the metered gallonage is to be temperature-corrected, only a temperature-compensated meter shall be used. Natural gas used as fuel shall be delivered into compressing equipment through sealed meters certified for accuracy by the department of agriculture and land stewardship.

(3) (a) All gallonage which is not for highway use, dispensed through metered pumps as licensed under this section on which fuel tax is not collected, must be substantiated by exemption certificates as provided by the department or by valid exemption certificates provided by the dealers, signed by the purchaser, and retained by the dealer. A *"valid exemption certificate provided by a dealer"* is an exemption certificate which is in the form prescribed by the director to assist a dealer to properly account for fuel dispensed for which tax is not collected and which is complete and correct according to the requirements of the director.

(b) For the privilege of purchasing liquefied petroleum gas, dispensed through licensed metered pumps, on a basis exempt from the tax, the purchaser shall sign exemption certificates for the gallonage claimed which is not for highway use.

(c) The department shall disallow all sales of gallonage which is not for highway use unless proof is established by the certificate. Exemption certificates shall be retained by the dealer for a period of three years.

(4) (a) For the purpose of determining the amount of liability for fuel tax, each dealer and each user shall file with the department not later than the last day of the month following the month in which this division becomes effective and not later than the last day of each calendar month thereafter a monthly tax return certified under penalties for false certification. The return shall show, with reference to each location at which fuel is delivered or placed by the dealer or user into a fuel supply tank of any motor vehicle during the next preceding calendar month, information as required by the department.

(b) The amount of tax due shall be computed by multiplying the appropriate tax rate per gallon by the number of gallons of fuel delivered or placed by the dealer or user into supply tanks of motor vehicles.

(c) The return shall be accompanied by remittance in the amount of the tax due for the month in which the fuel was placed into the supply tanks of motor vehicles.

3. For the purpose of determining the amount of the tax liability on alcohol blended to produce ethanol blended gasoline or a blend of special fuel products, each licensed blender shall, not later than the last day of each month following the month in which the blending is done, file with the department a monthly return, signed under penalty for false certificate, containing information required by rules adopted by the director. The director may require by rule that reports and returns be filed by electronic transmission.

4. A person who possesses fuel or uses fuel in a motor vehicle upon which no tax has been paid by a licensee in this state is subject to reporting and paying the applicable tax. The director may require by rule that reports and returns be filed by electronic transmission.

[C27, 31, §5093-a5, -b1; C35, §5093-f9; C39, §**5093.09;** C46, 50, 54, §324.13 – 324.15, 324.17, 324.29; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.8; 81 Acts, 2nd Ex, ch 2, §10, 11]

91 Acts, ch 87, §5, 6

C93, §452A.8

94 Acts, ch 1165, §36; 95 Acts, ch 155, §19, 44; 96 Acts, ch 1066, §4 – 7, 21; 99 Acts, ch 151, §53 – 56, 89; 2002 Acts, ch 1151, §22; 2005 Acts, ch 140, §62, 63; 2012 Acts, ch 1023, §53

Referred to in §452A.5, 452A.21, 452A.54

**452A.9 Returns from persons not licensed as suppliers, restrictive suppliers, importers, or blenders.**

Every person other than a licensed supplier, restrictive supplier, importer, or blender, who purchases, brings into this state, or otherwise acquires within this state motor fuel or undyed special fuel, not otherwise exempted, which the person has knowingly not paid or incurred liability to pay either to a licensee or to a dealer the motor fuel or special fuel tax, shall be subject to the provisions of this division that apply to suppliers, restrictive suppliers, importers, and blenders of motor fuel or undyed special fuel and shall file the same returns and make the same tax payments and be subject to the same penalties for delinquent filing or nonfiling or delinquent payment or nonpayment as apply to suppliers, restrictive suppliers, importers, and blenders.

[C31, §5093-c2; C35, §5093-f6; C39, §**5093.06;** C46, 50, 54, §324.8, 324.9; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.9]

C93, §452A.9

95 Acts, ch 155, §20, 44; 99 Acts, ch 151, §57, 89; 2002 Acts, ch 1151, §23

**452A.10 Required records.**

A motor fuel or special fuel supplier, restrictive supplier, importer, exporter, blender, dealer, user, common carrier, contract carrier, terminal, or nonterminal storage facility shall maintain, for a period of three years, records of all transactions by which the supplier, restrictive supplier, or importer withdraws from a terminal or a nonterminal storage facility within this state or imports into this state motor fuel or undyed special fuel together with invoices, bills of lading, and other pertinent records and papers as required by the department.

If in the normal conduct of a supplier's, restrictive supplier's, importer's, exporter's, blender's, dealer's, user's, common carrier's, contract carrier's, terminal's, or nonterminal storage facility's business the records are maintained and kept at an office outside this state, the records shall be made available for audit and examination by the department at the office outside this state, but the audit and examination shall be without expense to this state.

Each distributor handling motor fuel or special fuel in this state shall maintain for a period of three years records of all motor fuel or undyed special fuel purchased or otherwise acquired by the distributor, together with delivery tickets, invoices, and bills of lading, and any other records required by the department.

The department, after an audit and examination of records required to be maintained under this section, may authorize their disposal upon the written request of the supplier, restrictive supplier, importer, exporter, blender, dealer, user, carrier, terminal, nonterminal storage facility, or distributor.

[C27, 31, §5093-a4, -a5; C35, §5093-f5, -f8; C39, §**5093.05, 5093.08;** C46, 50, 54, §324.7, 324.11; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.10]

C93, §452A.10

95 Acts, ch 155, §21, 44; 2005 Acts, ch 140, §64

Referred to in §452A.6

**452A.11** Reserved.

**452A.12 Loading and delivery evidence on transportation equipment.**

1. A serially numbered manifest shall be carried on every vehicle, except small tank wagons, while in use in transportation service, on which shall be entered the following information as to the cargo of motor fuel or special fuel being moved in the vehicle: The date and place of loading, the place to be unloaded, the person for whom it is to be delivered, the nature and kind of product, the amount of product, and other information required by the department. The manifest for small tank wagons shall be retained at the home office. The manifest covering each load transported, upon consummation of the delivery, shall be completed by showing the date and place of actual delivery and the person to whom actually delivered and shall be kept as a permanent record for a period of three years. However, the record of the manifest of past cargoes need not be carried on the conveyance

but shall be preserved by the carrier for inspection by the department. A carrier subject to this subsection when distributing for a licensee may with the approval of the department substitute the loading and delivery evidence required in subsection 2 for the manifest.

2. A person while transporting motor fuel or undyed special fuel from a refinery or marine or pipeline terminal in this state or from a point outside this state over the highways of this state in service other than that under subsection 1 shall carry in the vehicle a loading invoice showing the name and address of the seller or consignor, the date and place of loading, and the kind and quantity of motor fuel or special fuel loaded, together with invoices showing the kind and quantity of each delivery and the name and address of each purchaser or consignee. An invoice carried pursuant to this subsection for ethanol blended gasoline or biodiesel blended fuel shall state its designation as provided in section 214A.2.

[C35, §5093-f19; C39, §**5093.19;** C46, 50, 54, §324.34, 324.35; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.12]

84 Acts, ch 1174, §1

C93, §452A.12

95 Acts, ch 155, §22, 44; 2009 Acts, ch 179, §140

**452A.13** Repealed by 95 Acts, ch 155, § 43, 44.

**452A.14** Reserved.

**452A.15 Transportation reports — refinery and pipeline and marine terminal reports.**

1. *a.* Every railroad and common carrier or contract carrier transporting motor fuel or special fuel either in interstate or intrastate commerce within this state and every person transporting motor fuel or special fuel by whatever manner into this state shall, subject to penalties for false certificate, report to the department all deliveries of motor fuel or special fuel to points within this state other than refineries or marine or pipeline terminals. If any supplier, restrictive supplier, importer, blender, or distributor is also engaged in the transportation of motor fuel or special fuel for others, the supplier, restrictive supplier, importer, blender, or distributor shall make the same reports as required of common carriers and contract carriers.

*b.* The report shall cover monthly periods and shall show as to each delivery:

(1) The name and address of the person to whom delivery was actually made.

(2) The name and address of the originally named consignee, if delivered to any other than the originally named consignee.

(3) The point of origin, the point of delivery, and the date of delivery.

(4) The number and initials of each tank car and the number of gallons contained in the tank car, if shipped by rail.

(5) The name of the boat, barge, or vessel, and the number of gallons contained in the boat, barge, or vessel, if shipped by water.

(6) The registration number of each tank truck and the number of gallons contained in the tank truck, if transported by motor truck.

(7) The manner, if delivered by other means, in which the delivery is made.

(8) Additional information relative to shipments of motor fuel or special fuel as the department may require.

*c.* If a person required under this section to file transportation reports is a licensee under this division and if the information required in the transportation report is contained in any other report rendered by the person under this division, a separate transportation report of that information shall not be required.

2. A person operating storage facilities at a refinery or at a terminal in this state shall make a monthly accounting to the department of all motor fuel, alcohol, and undyed special fuel withdrawn from the refinery and all motor fuel, alcohol, and undyed special fuel delivered into, withdrawn from, and on hand in the refinery or terminal.

3. Persons operating storage facilities at a nonterminal location shall file a monthly report with the department accounting for all motor fuel, alcohol, and special fuel that is delivered into, stored within, withdrawn from, or sold from the storage facility.

4. The reports required in this section shall be for information purposes only and the department may in its discretion waive the filing of any of these reports not necessary for proper administration of this division. The reports required in this section shall be certified under penalty for false certificate and filed with the department within the time allowed for filing of suppliers' and restrictive suppliers' returns of motor fuel or special fuel withdrawn from a terminal within this state or imported into this state.

5. The director may impose a civil penalty against any person who fails to file the reports or keep the records required under this section. The penalty shall be one hundred dollars for the first violation and shall increase by one hundred dollars for each additional violation occurring in the calendar year in which the first violation occurred.

6. The director may require by rule that reports be filed by electronic transmission.

[C27, 31, §5093-a6, -b1; C35, §5093-f25, -f26, -f27; C39, §**5093.25 – 5093.27;** C46, 50, 54, §324.46 – 324.48; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.15]

C93, §452A.15

95 Acts, ch 155, §23; 99 Acts, ch 151, §58, 89; 2002 Acts, ch 1150, §17; 2002 Acts, ch 1151, §24 – 26; 2011 Acts, ch 25, §143

**452A.16** Repealed by 95 Acts, ch 155, § 43, 44.

**452A.17 Refunds.**

1. A person who uses motor fuel or undyed special fuel for any of the nontaxable purposes listed in this subsection, and who has paid the motor fuel or special fuel tax either directly to the department or by having the tax added to the price of the fuel, and who has a refund permit, upon presentation to and approval by the department of a claim for refund, shall be reimbursed and repaid the amount of the tax which the claimant has paid on the gallonage so used, except that the amount of a refund payable under this division may be applied by the department against any tax liability outstanding on the books of the department against the claimant.

*a.* The refund is allowable for motor fuel or undyed special fuel sold directly to and used for the following:

(1) The United States or any agency or instrumentality of the United States or where collection of the tax would be prohibited by the Constitution of the United States or the laws of the United States or by the Constitution of the State of Iowa.

(2) An Iowa urban transit system, or a company operating a taxicab service under contract with an Iowa urban transit system, which is used for a purpose specified in section 452A.57, subsection 6.

(3) A regional transit system, the state, any of its agencies, any political subdivision of the state, or any benefited fire district which is used for a purpose specified in section 452A.57, subsection 11, or for public purposes, including fuel sold for the transportation of pupils of approved public and nonpublic schools by a carrier who contracts with the public school under section 285.5.

(4) Fuel used in unlicensed vehicles, stationary engines, implements used in agricultural production, and machinery and equipment used for nonhighway purposes.

(5) Fuel used for producing denatured alcohol.

(6) Fuel used for idle time, power takeoffs, reefer units, pumping credits, and transport diversions, fuel lost through casualty, exports by distributors, and blending errors for special fuel. The department shall adopt rules setting forth specific requirements relating to refunds for idle time, power takeoffs, reefer units, pumping credits, and transport diversions, fuel lost through casualty, and blending errors for special fuel.

(7) A bona fide commercial fisher, licensed and operating under an owner's certificate for commercial gear issued pursuant to section 482.4.

(8) For motor fuel or undyed special fuel placed in motor vehicles and used, other than on a public highway, in the extraction and processing of natural deposits, without regard to whether the motor vehicle was registered under section 321.18. An applicant under this subparagraph shall maintain adequate records for a period of three years beyond the date of the claim.

(9) Undyed special fuel used in watercraft.

(10) Racing fuel.

*b.* A claim for refund is subject to the following conditions:

(1) The claim shall be on a form prescribed by the department and be certified by the claimant under penalty for false certificate.

(2) The claim shall include proof as prescribed by the department showing the purchase of the motor fuel or undyed special fuel on which a refund is claimed.

(3) An invoice shall not be acceptable in support of a claim for refund unless it is a separate serially numbered invoice covering no more than one purchase of motor fuel or undyed special fuel, prepared by the seller on a form approved by the department which will prevent erasure or alteration and unless it is legibly written with no corrections or erasures and shows the date of sale, the name and address of the seller and of the purchaser, the kind of fuel, the gallonage in figures, the per gallon price of the motor fuel or undyed special fuel, the total purchase price including the Iowa motor fuel or undyed special fuel tax and that the total purchase price including tax has been paid. However, with respect to refund invoices made on a billing machine, the department may waive any of the requirements of this subparagraph.

(4) The claim shall state the gallonage of motor fuel that was used or will be used by the claimant other than in aircraft, watercraft, or to propel motor vehicles and the gallonage of undyed special fuel that was or will be used by the claimant other than in aircraft or to propel motor vehicles, the manner in which the motor fuel or undyed special fuel was used or will be used, and the equipment in which it was used or will be used.

(5) The claim shall state whether the claimant used fuel for aircraft, watercraft, or to propel motor vehicles from the same tanks or receptacles in which the claimant kept the motor fuel on which the refund is claimed or whether the claimant used fuel for aircraft or to propel motor vehicles from the same tanks or receptacles in which the claimant kept the undyed special fuel on which the refund is claimed.

(6) If an original invoice is lost or destroyed the department may in its discretion accept a copy identified and certified by the seller as being a true copy of the original.

(7) Claim shall be made by and the amount of the refund shall be paid to the person who purchased the motor fuel or undyed special fuel as shown in the supporting invoice unless that person designates another person as an agent for purposes of filing and receiving the refund for idle time, power takeoff, reefer units, pumping credits, and transport diversions. A governmental agency may be designated as an agent for another governmental agency for purposes of filing and receiving the refund under this section.

(8) In order to verify the validity of a claim for refund the department shall have the right to require the claimant to furnish such additional proof of validity as the department may determine and to examine the books and records of the claimant. Failure of a claimant to furnish the claimant's books and records for examination shall constitute a waiver of all rights to refund related to the transaction in question.

2. In lieu of the refund provided in this section, a person may receive an income tax credit as provided in chapter 422, division IX, but only as to motor fuel not used in motor vehicles, aircraft, or watercraft or as to undyed special fuel not used in motor vehicles or aircraft.

3. *a.* A claim for refund shall not be allowed unless the claimant has accumulated sixty dollars in credits for one calendar year. A claim for refund may be filed anytime the sixty dollar minimum has been met within the calendar year. If the sixty dollar minimum has not been met in the calendar year, the credit shall be claimed on the claimant's income tax return unless the taxpayer is not required to file an income tax return in which case a refund shall be allowed. Once the sixty dollar minimum has been met, the claim for refund must be filed within three years following the end of the month in which the earliest invoice is dated.

*b.* A refund shall not be paid with respect to any motor fuel taken out of this state in supply

tanks of watercraft, aircraft, or motor vehicles or with respect to any undyed special fuel taken out of this state in supply tanks of aircraft or motor vehicles.

[C27, 31, §5093-a8; C35, §5093-f29, -f30, -f36; C39, §**5093.29, 5093.30, 5093.36;** C46, 50, 54, §324.50, 324.52 – 324.57, 324.64; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.17; 82 Acts, ch 1176, §1]

86 Acts, ch 1141, §18; 88 Acts, ch 1205, §5, 6; 89 Acts, ch 251, §5

C93, §452A.17

95 Acts, ch 155, §24, 44; 96 Acts, ch 1066, §8 – 11, 21; 97 Acts, ch 158, §42, 43, 53; 99 Acts, ch 151, §59 – 63, 89; 2001 Acts, ch 150, §25; 2002 Acts, ch 1150, §18; 2003 Acts, ch 50, §1; 2005 Acts, ch 8, §43; 2009 Acts, ch 144, §13

Referred to in §422.110, 452A.18, 452A.21, 452A.65, 452A.84

See §452A.81

**452A.18 Refund permit.**

A person shall not claim a refund under section 452A.17 or section 452A.21 until the person has obtained a refund permit from the department. A special permit shall be obtained by an applicant claiming a refund under this chapter for motor fuel used to blend ethanol blended gasoline. Application for a refund permit shall be made to the department, shall be certified by the applicant under penalty for false certificate, and shall contain among other things, the name, address, and occupation of the applicant, the nature of the applicant's business, and a sufficient description for identification of the machines and equipment in which the motor fuel or undyed special fuel is to be used. Each permit shall bear a separate number and each claim for refund shall bear the number of the permit under which it is made. The department shall keep a permanent record of all permits issued and a cumulative record of the amount of refund claimed and paid under each. A refund permit shall continue in effect until it is revoked or becomes invalid.

[C27, 31, §5093-a8; C35, §5093-f29, -f30; C39, §**5093.29, 5093.30;** C46, 50, 54, §324.52, 324.57; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.18]

86 Acts, ch 1241, §6; 88 Acts, ch 1205, §7; 91 Acts, ch 87, §7

C93, §452A.18

95 Acts, ch 155, §25, 44

Referred to in §422.110, 452A.19, 452A.21

**452A.19 Revocation of refund permit.**

1. Any refund permit issued under this chapter may be revoked by the department for any of the following violations, but only after the holder of the permit has been given reasonable notice of the intention to revoke the permit and reasonable opportunity to be heard:

*a.* Using in support of a refund claim a false or altered invoice.

*b.* Making a false statement in a claim for refund or in response to an investigation by the department of a claim for refund.

*c.* Refusal to submit the holder's books and records for examination by the department.

2. A person whose refund permit is revoked for cause may not obtain another refund permit for a period of one year after the revocation. A refund permit under which a refund is not claimed for a period of three years or a refund permit whose holder has moved from the county in which the holder resided at the time of application for the permit is invalid subject to reinstatement or issuance of a new permit upon application as provided in section 452A.18.

[C27, 31, §5093-a4, -a6, -a7, -a8; C35, §5093-f22, -f31; C39, §**5093.22, 5093.31;** C46, 50, 54, §324.43, 324.58, 324.59; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.19]

86 Acts, ch 1241, §7

C93, §452A.19

2002 Acts, ch 1150, §19; 2011 Acts, ch 25, §143

Referred to in §452A.74

**452A.20** Repealed by 95 Acts, ch 155, § 43, 44.

**452A.21 Refund — credit.**

1. Persons not licensed under this division who blend motor fuel and alcohol to produce

ethanol blended gasoline may file for a refund for the difference between taxes paid on the motor fuel purchased to produce ethanol blended gasoline and the tax due on the ethanol blended gasoline blended. If, during any month, a person licensed under this division uses tax paid motor fuel to blend ethanol blended gasoline and the refund otherwise due under this section is greater than the licensee's total tax liability for that month, the licensee is entitled to a credit. The claim for credit shall be filed as part of the return required by section 452A.8.

2. In order to obtain the refund established by this section, the person shall do all of the following:

*a.* Obtain a blender's permit as provided in section 452A.18.

*b.* File a refund claim containing the information as required by the department and certified by the claimant under penalty for false certificate.

*c.* Retain invoices meeting the requirements of section 452A.17, subsection 1, paragraph "*b*", subparagraph (3), for the motor fuel purchased.

*d.* Retain invoices for the purchase of alcohol.

3. A refund shall not be issued unless the claim is filed within three years following the end of the month during which the ethanol blended gasoline was actually blended. An income tax credit is not allowed under this section.

[C81, §324.21]

91 Acts, ch 87, §8, 9

C93, §452A.21

95 Acts, ch 155, §26, 44; 96 Acts, ch 1066, §12, 21; 99 Acts, ch 151, §64, 65, 89; 2002 Acts, ch 1150, §20; 2011 Acts, ch 25, §143

Referred to in §452A.18, 452A.65

**452A.22 Tax collected on exempt fuel.**

If an amount of tax represented by a licensee to a purchaser as constituting tax due is computed upon gallonage that is not taxable or the amount represented is in excess of the actual amount of tax due and the amount represented is actually paid by the purchaser to the licensee, the excess amount of tax paid shall be returned to the purchaser by the licensee. If the licensee fails to return the excess tax paid to the purchaser, the amount which the purchaser has paid to the licensee shall be remitted by the licensee to the department.

99 Acts, ch 151, §66, 89

**452A.23 through 452A.30** Reserved.

## DIVISION II

## MOTOR FUEL GALLONAGE — FLEXIBLE FUEL VEHICLES

**452A.31 Special terms.**

For purposes of this division, all of the following shall apply:

1. A determination period is any twelve-month period beginning on January 1 and ending on December 31.

2. *a.* A retail dealer's total gasoline gallonage is the total number of gallons of gasoline which the retail dealer sells and dispenses from all motor fuel pumps operated by the retail dealer in this state during a twelve-month period beginning January 1 and ending December 31. The retail dealer's total gasoline gallonage is divided into the following classifications:

(1) The total ethanol blended gasoline gallonage which is the retail dealer's total number of gallons of ethanol blended gasoline and which includes all of the following subclassifications:

(a) The total E-xx gasoline gallonage which is the total number of gallons of ethanol blended gasoline other than E-85 gasoline.

(b) The total E-85 gasoline gallonage which is the total number of gallons of E-85 gasoline.

(2) The total nonblended gasoline gallonage which is the total number of gallons of nonblended ethanol gasoline.

*b.* A retail dealer's total ethanol gallonage is the total number of gallons of ethanol which is a component of ethanol blended gasoline which the retail dealer sells and dispenses from motor fuel pumps as provided in paragraph "*a*" during a twelve-month period beginning January 1 and ending December 31.

3. *a.* A retail dealer's total diesel fuel gallonage is the total number of gallons of diesel fuel which the retail dealer sells and dispenses from all motor fuel pumps operated by the retail dealer in this state during a twelve-month period beginning January 1 and ending December 31. The retail dealer's total diesel fuel gallonage is divided into the following classifications:

(1) The total biodiesel blended fuel gallonage which is the retail dealer's total number of gallons of biodiesel blended fuel.

(2) The total nonblended diesel fuel gallonage which is the total number of gallons of diesel fuel which is not biodiesel or biodiesel blended fuel.

*b.* A retail dealer's total biodiesel gallonage is the total number of gallons of biodiesel which may or may not be a component of biodiesel blended fuel, and which the retail dealer sells and dispenses from motor fuel pumps as provided in paragraph "*a*" during a twelve-month period beginning January 1 and ending December 31.

4. *a.* The aggregate gasoline gallonage is the total number of gallons of gasoline which all retail dealers sell and dispense from all motor fuel pumps operated by the retail dealers in this state during a twelve-month period beginning January 1 and ending December 31. The aggregate gasoline gallonage is divided into the following classifications:

(1) The aggregate ethanol blended gasoline gallonage which is the aggregate total number of gallons of ethanol blended gasoline and which includes all of the following subclassifications:

(a) The aggregate E-xx gasoline gallonage which is the aggregate total number of gallons of ethanol blended gasoline other than E-85 gasoline.

(b) The aggregate E-85 gasoline gallonage which is the aggregate total number of gallons of E-85 gasoline.

(2) The aggregate nonblended gasoline gallonage, which is the aggregate number of gallons of nonblended ethanol gasoline.

*b.* The aggregate ethanol gallonage is the total number of gallons of ethanol which is a component of ethanol blended gasoline which all retail dealers sell and dispense from motor fuel pumps as provided in paragraph "*a*" during a twelve-month period beginning January 1 and ending December 31.

5. *a.* The aggregate diesel fuel gallonage is the total number of gallons of diesel fuel which all retail dealers sell and dispense from all motor fuel pumps operated by the retail dealers in this state during a twelve-month period beginning January 1 and ending December 31. The aggregate diesel fuel gallonage is divided into the following classifications:

(1) The aggregate biodiesel blended fuel gallonage which is the aggregate number of gallons of biodiesel blended fuel.

(2) The aggregate nonblended diesel fuel gallonage which is the aggregate number of gallons of diesel fuel which is not biodiesel or biodiesel blended fuel.

*b.* The aggregate biodiesel gallonage is the total number of gallons of biodiesel which may or may not be a component of biodiesel blended fuel, and which all retail dealers sell and dispense from motor fuel pumps as provided in paragraph "*a*" during a twelve-month period beginning January 1 and ending December 31.

6. *a.* The aggregate ethanol distribution percentage is the aggregate ethanol gallonage expressed as a percentage of the aggregate gasoline gallonage calculated for a twelve-month period beginning January 1 and ending December 31.

*b.* The aggregate per gallon distribution percentage is the aggregate ethanol blended gasoline gallonage expressed as a percentage of the aggregate gasoline gallonage calculated for a twelve-month period beginning January 1 and ending December 31.

7. *a.* The aggregate biodiesel distribution percentage is the aggregate biodiesel gallonage expressed as a percentage of the aggregate diesel fuel gallonage calculated for a twelve-month period beginning January 1 and ending December 31.

*b.* The aggregate per gallon distribution percentage is the aggregate biodiesel blended fuel gallonage expressed as a percentage of the aggregate diesel fuel gallonage calculated for a twelve-month period beginning January 1 and ending December 31.

8. The aggregate biofuel distribution percentage is the sum of the aggregate ethanol gallonage plus the aggregate biodiesel gallonage expressed as a percentage of the sum of the aggregate gasoline gallonage plus the aggregate diesel fuel gallonage calculated for a twelve-month period beginning January 1 and ending December 31.

2006 Acts, ch 1142, §54; 2007 Acts, ch 22, §78
Referred to in §422.11N, 422.11O, 422.11P, 422.11Y, 452A.32, 452A.33

**452A.32 Schedule for averaging ethanol content in E-85 gasoline.**

The department shall establish a schedule listing the average amount of ethanol contained in E-85 gasoline as defined in section 214A.1, for use by a retail dealer in calculating the retail dealer's total ethanol gallonage, as provided in section 452A.31. In establishing the schedule, the department shall assume that a retail dealer begins selling and dispensing E-85 gasoline from a motor fuel pump on the first day of a month and ceases selling and distributing E-85 gasoline on the last day of a month.

2006 Acts, ch 1142, §55
Referred to in §422.11O

**452A.33 Reporting requirements.**

1. *a.* Each retail dealer shall report its total motor fuel gallonage for a determination period as follows:

(1) Its total gasoline gallonage and its total ethanol gallonage, including for each classification and subclassification as provided in section 452A.31.

(2) Its total diesel fuel gallonage and its total biodiesel gallonage, including for each classification and subclassification as provided in section 452A.31.

*b.* The report shall include information required in paragraph "*a*" on a company-wide and site-by-site basis, as required by the department.

(1) The information submitted on a company-wide basis shall include the total motor fuel gallonage, including for each classification and subclassification, sold and dispensed by the retail dealer as provided in paragraph "*a*" for all retail motor fuel sites from which the retail dealer sells and dispenses motor fuel.

(2) The information submitted on a site-by-site basis shall include the total motor fuel gallonage, including for each classification and subclassification, sold and dispensed by the retail dealer as provided in paragraph "*a*" separately for each retail motor fuel site from which the retail dealer sells and dispenses motor fuel.

*c.* The retail dealer shall prepare and submit the report in a manner and according to procedures required by the department. The department may require that retail dealers report to the department on an annual, quarterly, or monthly basis.

*d.* The information included in a report submitted by a retail dealer is deemed to be a trade secret, protected as a confidential record pursuant to section 22.7.

2. On or before April 1 the department shall deliver a report to the governor and the legislative services agency. The report shall compile information reported by retail dealers to the department as provided in this section and shall at least include all of the following:

*a.* (1) The aggregate gasoline gallonage for the previous determination period, including for all classifications and subclassifications as provided in section 452A.31.

(2) The aggregate diesel fuel gallonage for the previous determination period, including for all classifications and subclassifications as provided in section 452A.31.

*b.* (1) The aggregate ethanol distribution percentage for the previous determination period.

(2) The aggregate biodiesel distribution percentage for the previous determination period.

*c.* The report shall not provide information regarding motor fuel or biofuel which is sold and dispensed by an individual retail dealer or at a particular retail motor fuel site. The report shall not include a trade secret protected as a confidential record pursuant to section 22.7.

3. On or before February 1 of each year, the state department of transportation shall

deliver a report to the governor and the legislative services agency providing information regarding flexible fuel vehicles registered in this state during the previous determination period. The information shall state all of the following:

*a.* The aggregate number of flexible fuel vehicles.

*b.* Of the aggregate number of flexible fuel vehicles, all of the following:

(1) The number of flexible fuel vehicles according to the year of manufacture.

(2) The number of passenger vehicles and the number of passenger vehicles according to the year of manufacture.

(3) The number of light pickup trucks and the number of light pickup trucks according to the year of manufacture.

2006 Acts, ch 1142, §56; 2008 Acts, ch 1184, §63; 2011 Acts, ch 113, §10, 13, 14

Referred to in §422.11N

2011 amendment to subsection 1, paragraph b, takes effect May 26, 2011, and applies retroactively to tax years beginning on and after January 1, 2011; 2011 Acts, ch 113, §13, 14

**452A.34 through 452A.49** Reserved.

## DIVISION III

## MOTOR FUEL AND SPECIAL FUEL USE TAX FOR INTERSTATE MOTOR VEHICLE OPERATIONS

Referred to in §452A.57, 452A.58, 452A.65, 452A.76

**452A.50 Short title.**

This division and applicable provisions of division IV of this chapter and any amendments to either shall be known and may be cited as the *"Interstate Fuel Use Tax Law,"* and as so constituted is hereinafter referred to as this division.

[C35, §5093-f40; C39, §**5093.39;** C46, 50, 54, §324.66; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.50]

C93, §452A.50

**452A.51 Purpose.**

The purpose of this division is to provide an additional method of collecting fuel taxes from interstate motor vehicle operators commensurate with their operations on Iowa highways; and to permit the state department of transportation to suspend this collection as to transportation entering Iowa from any other state where it appears that Iowa highway fuel tax revenue and interstate highway transportation moving out of Iowa will not be unduly prejudiced thereby. Further, all motor vehicle operators from jurisdictions not participating in the international fuel tax agreement are required to comply with this chapter using the guidelines from the international fuel tax agreement for Iowa fuel tax compliance reporting purposes, penalty, interest, refunds, and credential display.

[C27, 31, §4755-b38, 5093-a1; C35, §5093-f3; C39, §**5093.03;** C46, 50, 54, §324.2; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.51]

C93, §452A.51

97 Acts, ch 108, §42

**452A.52 Fuels imported in supply tanks of motor vehicles.**

1. No person shall bring into this state in the fuel supply tanks of a commercial motor vehicle, or any other container, regardless of whether or not the supply tanks are connected to the motor of the vehicle, any motor fuel or special fuel to be used in the operation of the vehicle in this state unless that person has paid or made arrangements in advance with the state department of transportation for payment of Iowa fuel taxes on the gallonage consumed in operating the vehicle in this state; except that this division shall not apply to a private passenger automobile.

2. Any person who is unable to display either of the permits or the license provided in

section 452A.53 and brings into the state in the fuel supply tanks of a commercial motor vehicle more than thirty gallons of motor fuel or special fuel in violation of subsection 1 commits a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 13, paragraph "*c*".

[C35, §5093-f19; C39, §**5093.19;** C46, 50, 54, §324.34, 324.37; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.52]

C93, §452A.52

98 Acts, ch 1100, §61; 2001 Acts, ch 176, §57, 59

Referred to in §452A.53, 805.8A(13c)

**452A.53 Permit or license.**

1. The advance arrangements referred to in section 452A.52 shall include the procuring of a permanent international fuel tax agreement permit or license or single-trip interstate permit.

2. Persons choosing not to make advance arrangements with the state department of transportation by procuring a permit or license are not relieved of their responsibility to purchase motor fuel and special fuel commensurate with their use of the state's highway system. When there is reasonable cause to believe that there is evasion of the fuel tax on commercial motor vehicles, the state department of transportation may audit persons not holding a permit or license. Audits shall be conducted pursuant to section 452A.55 and in accordance with international fuel tax agreement guidelines. The state department of transportation shall collect all taxes due and refund any overpayment.

3. A permanent international fuel tax agreement permit or license may be obtained upon application to the state department of transportation. A fee of ten dollars shall be charged for each permit or license issued. The holder of a permanent permit or license shall have the privilege of bringing into this state in the fuel supply tanks of commercial motor vehicles any amount of motor fuel or special fuel to be used in the operation of the vehicles and for that privilege shall pay Iowa motor fuel or special fuel taxes as provided in section 452A.54.

4. A single-trip interstate permit may be obtained from the state department of transportation. A fee of twenty dollars shall be charged for each individual single-trip interstate permit issued. A single-trip interstate permit is subject to the following provisions and limitations:

*a.* The permit shall be issued and be valid for seventy-two consecutive hours, except in emergencies, or until the time of leaving the state, whichever first occurs.

*b.* The permit shall cover only one commercial motor vehicle and is not transferable.

*c.* Single-trip interstate fuel permits may be made available from sources other than indicated in this section at the discretion of the state department of transportation.

5. Each vehicle operated into or through Iowa in interstate operations using motor fuel or special fuel acquired in any other state shall carry in or on the vehicle a duplicate or evidence of the permit or license required in this section. A fee not to exceed fifty cents shall be charged for each duplicate or other evidence of a permit or license issued.

[C35, §5093-f19, -f20; C39, §**5093.19, 5093.20;** C46, 50, 54, §324.38; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.53]

84 Acts, ch 1174, §2

C93, §452A.53

97 Acts, ch 108, §43; 98 Acts, ch 1100, §62; 2008 Acts, ch 1032, §54

Referred to in §452A.52

**452A.54 Fuel tax computation — refund — reporting and payment.**

1. Fuel tax liability under this division shall be computed on the total number of gallons of each kind of motor fuel and special fuel consumed in the operation in Iowa by commercial motor vehicles subject to this division at the same rate for each kind of fuel as would be applicable if taxed under division I of this chapter. A refund against the fuel tax liability so computed shall be allowed, on excess Iowa motor fuel purchased, in the amount of fuel tax paid at the prevailing rate per gallon set out under division I of this chapter on motor fuel

and special fuel consumed by commercial motor vehicles, the operation of which is subject to this division.

2. Notwithstanding any provision of this chapter to the contrary, except as provided in this section, the holder of a permanent international fuel tax agreement permit or license may make application to the state department of transportation for a refund, not later than the last day of the third month following the quarter in which the overpayment of Iowa fuel tax paid on excess purchases of motor fuel or special fuel was reported as provided in section 452A.8, and which application is supported by such proof as the state department of transportation may require. The state department of transportation shall refund Iowa fuel tax paid on motor fuel or special fuel purchased in excess of the amount consumed by such commercial motor vehicles in their operation on the highways of this state.

3. Application for a refund of fuel tax under this division must be made for each quarter in which the excess payment was reported, and will not be allowed unless the amount of fuel tax paid on the fuel purchased in this state, in excess of that consumed for highway operation in this state in the quarter applied for, is in an amount exceeding ten dollars. An application for a refund of excess Iowa fuel tax paid under this division which is filed for any period or in any manner other than herein set out shall not be allowed.

4. To determine the amount of fuel taxes due under this division and to prevent the evasion thereof, the state department of transportation shall require a quarterly report on forms prescribed by the state department of transportation. It shall be filed not later than the last day of the month following the quarter reported, and each quarter thereafter. These reports shall be required of all persons who have been issued a permit or license under this division and shall cover actual operation and fuel consumption in Iowa on the basis of the permit or license holder's average consumption of fuel in Iowa, determined by the total miles traveled and the total fuel purchased and consumed for highway use by the permittee's or licensee's commercial motor vehicles in the permittee's or licensee's entire operation in all states to establish an overall miles per gallon ratio, which ratio shall be used to compute the gallons used for the miles traveled in Iowa. Failure to receive a quarterly report or fuel credentials by mail, facsimile transmission, or any other means of delivery does not relieve a person from the person's fuel tax liability or from the requirement to display current fuel credentials.

5. Subject to compliance with rules adopted by the department, annual reporting may be permitted in lieu of quarterly reporting. A licensee permitted to report annually shall maintain records in compliance with this chapter.

[C27, 31, §5093-b1; C35, §5093-f18, -f25; C39, §**5093.18, 5093.25;** C46, 50, 54, §324.32, 324.46; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.54; 81 Acts, 2nd Ex, ch 2, §14]

87 Acts, ch 170, §15

C93, §452A.54

95 Acts, ch 155, §27; 97 Acts, ch 108, §44, 45; 2007 Acts, ch 143, §29

Referred to in §452A.53, 452A.55, 452A.71

**452A.55 Records.**

Every person operating within the purview of this division shall make and keep for a period of four years such records as may reasonably be required by the state department of transportation for the administration of this division. If in the normal conduct of the business, the required records are maintained and kept at an office outside the state of Iowa, it shall be a sufficient compliance with this section if the records are made available for audit and examination by the state department of transportation at the office outside Iowa.

The state department of transportation within a period of one year from the issuance of a permanent international fuel tax agreement fuel permit or license may audit the records of the permittee or licensee for the two years preceding the issuance of the permit or license. The state department of transportation shall collect all taxes due had the permittee or licensee been licensed for the two years prior to the issuance of the permit or license and shall refund any overpayment pursuant to section 452A.54. When, as a result of an audit, fuel taxes unpaid and due the state of Iowa exceed five hundred dollars, the audit shall be at the expense of the person whose records are being audited. However, if an audit of records maintained under

this section is made outside the state of Iowa in a state which requires payment of the costs for similar audits performed by officials or employees of the other state when made in Iowa, then all costs of audits performed outside of Iowa in the other state shall be at the expense of the person whose records are audited.

[C27, 31, §5093-a8; C35, §5093-f14, -f21; C39, §**5093.14, 5093.21;** C46, 50, 54, §324.27, 324.28, 324.41; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.55]

84 Acts, ch 1174, §3

C93, §452A.55

97 Acts, ch 108, §46

Referred to in §452A.53

**452A.56 Interstate motor fuel tax — reciprocity agreements.**

The director of transportation may enter into motor fuel tax agreements on behalf of this state with authorized representatives of other states. The director of transportation may enter into and the state department of transportation may become a member of a motor fuel tax agreement for the collection and refund of interstate motor fuel tax. The director of transportation may adopt rules pursuant to chapter 17A to implement the agreement for the collection and refund of interstate motor fuel tax.

The department may enter into an agreement for the collection and refund of interstate motor fuel tax which conflicts with sections 452A.57, 452A.58, 452A.65, and 452A.68 and the agreement shall govern carriers covered by the agreement. Copies of the agreement shall be filed with the secretary of the senate and the chief clerk of the house.

[82 Acts, ch 1071, §1]

C83, §324.56

86 Acts, ch 1245, §1942

C93, §452A.56

## DIVISION IV

## PROVISIONS COMMON TO TAXES IMPOSED UNDER DIVISIONS I AND III

Referred to in §452A.1, 452A.4, 452A.50

**452A.57 Definitions.**

1. *"Appropriate state agency"* or *"state agency"* means the department of revenue or the state department of transportation, whichever is responsible for control, maintenance, or supervision of the power, requirement, or duty referred to in the provision. The department of revenue shall administer the provisions of division I of this chapter, and the state department of transportation shall administer the provisions of division III. The state department of transportation shall have enforcement authority for division I as agreed upon by the director of revenue and the director of transportation.

2. *"Carrier"* means and includes any person who operates or causes to be operated any commercial motor vehicle on any public highway in this state.

3. *"Commercial motor vehicle"* means a passenger vehicle that has seats for more than nine passengers in addition to the driver, any road tractor, any truck tractor, or any truck having two or more axles which passenger vehicle, road tractor, truck tractor, or truck is propelled on the public highways by either motor fuel or special fuel. *"Commercial motor vehicle"* does not include a motor truck with a combined gross weight of less than twenty-six thousand pounds, operated as a part of an identifiable one-way fleet and which is leased for less than thirty days to a lessee for the purpose of moving property which is not owned by the lessor.

4. *"Department of revenue"* includes the director of revenue or the director's authorized representative.

5. *"Fuel taxes"* means the per gallon excise taxes imposed under divisions I and III of this chapter with respect to motor fuel and undyed special fuel.

6. An *"Iowa urban transit system"* is a system whereby motor buses are operated primarily

upon the streets of cities for the transportation of passengers for an established fare and which accepts passengers who present themselves for transportation without discrimination up to the limit of the capacity of each motor bus. *"Iowa urban transit system"* also includes motor buses operated upon the streets of adjoining cities, whether interstate or intrastate, for the transportation of passengers without discrimination up to the limit of the capacity of the motor bus. Privately chartered bus services, motor carriers and interurban carriers subject to the jurisdiction of the state department of transportation, school bus services and taxicabs shall not be construed to be an urban transit system nor a part of any such system.

7. *"Mobile machinery and equipment"* means vehicles self-propelled by an internal combustion engine but not designed or used primarily for the transportation of persons or property on public highways and only incidentally operated or moved over a highway including but not limited to corn shellers, truck-mounted feed grinders, roller mills, ditch digging apparatus, power shovels, drag lines, earth moving equipment and machinery, and road construction and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, ditchers, leveling graders, finishing machines, motor graders, paving mixers, road rollers, scarifiers and earth moving scrapers. However, *"mobile machinery and equipment"* does not include dump trucks or self-propelled vehicles originally designed for the transportation of persons or property on public highways and to which machinery, such as truck-mounted transit mixers, cranes, shovels, welders, air compressors, well-boring apparatus or lime spreaders, has been attached.

8. *"Motor vehicle"* shall mean and include all vehicles (except those operated on rails) which are propelled by internal combustion engines and are of such design as to permit their mobile use on public highways for transporting persons or property. A farm tractor while operated on a farm or for the purpose of hauling farm machinery, equipment or produce shall not be deemed to be a motor vehicle. *"Motor vehicle"* shall not include *"mobile machinery and equipment"* as defined in this section.

9. *"Person"* shall mean and include natural persons, partnerships, firms, associations, corporations, representatives appointed by any court and political subdivisions of this state and use of the singular shall include the plural.

10. *"Public highways"* shall mean and include any way or place available to the public for purposes of vehicular travel notwithstanding that it is temporarily closed.

11. *"Regional transit system"* means a public transit system serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor, except as agreed upon by the department. Each county board of supervisors within the region is responsible for determining the service and funding within its county. However, the administration and overhead support services for the overall regional transit system shall be consolidated into one existing or new agency to be mutually agreed upon by the participating members. Privately chartered bus services and uses other than providing services that are open and public on a shared ride basis shall not be construed to be a regional transit system.

[C27, 31, §5093-a2; C35, §5093-f2; C39, §**5093.02;** C46, 50, 54, §324.1; C58, 62, 66, 71, 73, 75, 77, 79, 81, §324.57; 81 Acts, ch 108, §4; 82 Acts, ch 1140, §1]

84 Acts, ch 1253, §7; 86 Acts, ch 1245, §416

C93, §452A.57

95 Acts, ch 155, §28, 44; 96 Acts, ch 1034, §44; 2003 Acts, ch 145, §286

Referred to in §325A.13, 452A.2, 452A.17, 452A.56, 452A.58

See §452A.2

**452A.58 Commercial motor vehicles on lease.**

Every commercial motor vehicle as defined in section 452A.57, subsection 3, leased to a carrier shall be subject to the provisions of this division and rules and regulations enforced pursuant thereto to the same extent and in the same manner as commercial vehicles owned by such carrier.

A lessor of a commercial motor vehicle shall be deemed a carrier with respect to such vehicles leased to others by the lessor and motor fuel or special fuel consumed thereby if the

lessor supplies or pays for the motor fuel or special fuel consumed by such vehicle or makes rental or other charges calculated to include the cost of such fuel.

The provisions of this section shall govern the primary liability pursuant to this section if either lessor or lessee primarily fails in whole or in part to discharge this liability. Such failing party as lessor or lessee party to the transaction shall be jointly and severally responsible and liable for the provisions of division III of this chapter and for payment of any tax unpaid and due pursuant thereto, provided that any taxes collected by this state shall not exceed the total amount or amounts of the taxes due on account of the transaction in question and such penalties and costs, if any, as may be imposed.

[C71, 73, 75, 77, 79, 81, §324.58]

C93, §452A.58

Referred to in §452A.56

**452A.59 Administrative rules.**

The department of revenue and the state department of transportation are authorized and empowered to adopt rules under chapter 17A, relating to the administration and enforcement of this chapter as deemed necessary by the departments. However, when in the opinion of the director it is necessary for the efficient administration of this chapter, the director may regard persons in possession of motor fuel, special fuel, biofuel, alcohol, or alcohol derivative substances as blenders, dealers, eligible purchasers, exporters, importers, restrictive suppliers, suppliers, terminal operators, or nonterminal storage facility operators.

[C35, §5093-f18, -f21, -f36; C39, §**5093.18, 5093.21, 5093.36;** C46, 50, 54, §324.32, 324.40, 324.64; C58, 62, 66, §324.58; C71, 73, 75, 77, 79, 81, §324.59]

C93, §452A.59

95 Acts, ch 155, §29; 2003 Acts, ch 145, §286; 2008 Acts, ch 1184, §64

**452A.60 Forms of report, refund claim, and records.**

The department of revenue or the state department of transportation shall prescribe and furnish all forms, as applicable, upon which reports, returns, and applications shall be made and claims for refund presented under this chapter and may prescribe forms of record to be kept by suppliers, restrictive suppliers, importers, exporters, blenders, common carriers, contract carriers, licensed compressed natural gas and liquefied petroleum gas dealers and users, terminal operators, nonterminal storage facility operations, and interstate commercial motor vehicle operators.

The department of revenue or the state department of transportation may approve a form of record, other than a prescribed form, if the required information is presented in a reasonably accessible form which substantially complies with the prescribed form.

[C35, §5093-f21, -f36; C39, §**5093.21, 5093.36;** C46, 50, 54, §324.42, 324.64; C58, 62, 66, §324.59; C71, 73, 75, 77, 79, 81, §324.60]

C93, §452A.60

95 Acts, ch 155, §30; 99 Acts, ch 151, §67, 89; 2002 Acts, ch 1151, §27; 2003 Acts, ch 145, §286

**452A.61 Timely filing of reports and returns — extension.**

The reports, returns, and remittances required under this chapter shall be deemed filed within the required time if postpaid, properly addressed, and postmarked on or before midnight of the day on which due and payable. If the final filing date falls on a Saturday, Sunday, or legal holiday the next secular or business day shall be the final filing date.

The department of revenue or the state department of transportation upon application may grant a reasonable extension of time for the filing of any required report, return, or tax payment.

[C27, 31, §5093-a5, -b1; C35, §5093-f9, -f21, -f25; C39, §**5093.09, 5093.21, 5093.25;** C46, 50, 54, §324.13, 324.41, 324.46; C58, 62, 66, §324.60; C71, 73, 75, 77, 79, 81, §324.61]

C93, §452A.61

99 Acts, ch 151, §68, 89; 2003 Acts, ch 145, §286

**452A.62 Inspection of records.**

1. The department of revenue or the state department of transportation, whichever is applicable, is hereby given the authority within the time prescribed for keeping records to do the following:

*a.* To examine, during the usual business hours of the day, the records, books, papers, receipts, invoices, storage tanks, and any other equipment of any of the following:

(1) A distributor, supplier, restrictive supplier, importer, exporter, blender, terminal operator, nonterminal storage facility, common carrier, or contract carrier, pertaining to motor fuel or undyed special fuel withdrawn from a terminal or a nonterminal storage facility, or brought into this state.

(2) A licensed compressed natural gas or liquefied petroleum gas dealer, user, or person supplying compressed natural gas or liquefied petroleum gas to a licensed compressed natural gas or liquefied petroleum gas dealer or user.

(3) An interstate operator of motor vehicles to verify the truth and accuracy of any statement, report, or return, or to ascertain whether or not the taxes imposed by this chapter have been paid.

(4) Any person selling fuels that can be used for highway use.

*b.* To examine the records, books, papers, receipts, and invoices of any distributor, supplier, restrictive supplier, importer, blender, exporter, terminal operator, nonterminal storage facility, licensed compressed natural gas or liquefied petroleum gas dealer or user, or any other person who possesses fuel upon which the tax has not been paid to determine financial responsibility for the payment of the taxes imposed by this chapter.

2. If a person under this section refuses access to pertinent records, books, papers, receipts, invoices, storage tanks, or any other equipment, the appropriate state agency shall certify the names and facts to any court of competent jurisdiction, and the court shall enter an order to enforce this chapter.

[C27, 31, §5093-a6; C35, §5093-f26, -f29; C39, §**5093.26, 5093.29;** C46, 50, 54, §324.47, 324.52; C58, 62, 66, §324.61; C71, 73, 75, 77, 79, 81, §324.62]

C93, §452A.62

95 Acts, ch 155, §31, 44; 2002 Acts, ch 1151, §28; 2003 Acts, ch 145, §286; 2005 Acts, ch 140, §65, 66; 2011 Acts, ch 25, §143

**452A.63 Information confidential.**

All information obtained by the department of revenue or the state department of transportation from the examining of reports, returns, or records required to be filed or kept under this chapter shall be treated as confidential and shall not be divulged except to other state officers, a member or members of the general assembly, or any duly appointed committee of either or both houses of the general assembly, or to a representative of the state having some responsibility in connection with the collection of the taxes imposed or in proceedings brought under this chapter. The appropriate state agency may make available to the public on or before forty-five days following the last day of the month in which the tax is required to be paid, the names of suppliers, restrictive suppliers, and importers and as to each of them the total gallons of motor fuel, undyed special fuel, and ethanol blended gasoline withdrawn from terminals or imported into the state during that month. The department of revenue or the state department of transportation, upon request of officials entrusted with enforcement of the motor fuel tax laws of the federal government or any other state, may forward to these officials any pertinent information which the appropriate state agency may have relative to motor fuel and special fuel, provided the officials of the other state furnish like information.

Any person violating this section, and disclosing the contents of any records, returns, or

reports required to be kept or made under this chapter, except as otherwise provided, shall be guilty of a simple misdemeanor.

[C27, 31, §5093-a6; C35, §5093-f27; C39, §**5093.27;** C46, 50, 54, §324.48; C58, 62, 66, §324.62; C71, 73, 75, 77, 79, 81, §324.63]

C93, §452A.63

95 Acts, ch 155, §32, 44; 96 Acts, ch 1066, §13, 21; 99 Acts, ch 151, §69, 89; 2003 Acts, ch 145, §286; 2006 Acts, ch 1142, §83

Referred to in §421.28, 422.20, 422.72, 452A.66

**452A.64 Failure to file return — incorrect return.**

If a return required by this chapter is not filed, or if a return when filed is incorrect or insufficient and the filer fails to file a corrected or sufficient return within twenty days after the same is required by notice from the appropriate state agency, the appropriate state agency shall determine the amount of tax due. The determination shall be made from all information that the appropriate state agency may be able to obtain and, if necessary, the agency may estimate the tax on the basis of external indices. The appropriate state agency shall give notice of the determination to the person liable for the tax. The determination shall fix the tax unless the person against whom it is assessed shall, within sixty days after the giving of notice of the determination, apply to the director of the appropriate state agency for a hearing or unless the taxpayer contests the determination by paying the tax, interest, and penalty and timely filing a claim for refund. At the hearing, evidence may be offered to support the determination or to prove that it is incorrect. After the hearing, the director shall give notice of the decision to the person liable for the tax. The findings of the appropriate state agency as to the amount of fuel taxes, penalties and interest due from any person shall be presumed to be the correct amount and in any litigation which may follow, the certificate of the agency shall be admitted in evidence, shall constitute a prima facie case and shall impose upon the other party the burden of showing any error in the findings and the extent thereof or that the finding was contrary to law.

[C35, §5093-f11, -f12; C39, §**5093.11, 5093.12;** C46, 50, 54, §324.19, 324.20, 324.21; C58, 62, 66, §324.63; C71, 73, 75, 77, 79, 81, §324.64; 81 Acts, ch 131, §2]

C93, §452A.64

94 Acts, ch 1133, §12, 16

Referred to in §421.10

**452A.65 Failure to promptly pay fuel taxes — refunds — interest and penalties — successor liability.**

In addition to the tax or additional tax, the taxpayer shall pay a penalty as provided in section 421.27. The taxpayer shall also pay interest on the tax or additional tax at the rate in effect under section 421.7 counting each fraction of a month as an entire month, computed from the date the return was required to be filed. If the amount of the tax as determined by the appropriate state agency is less than the amount paid, the excess shall be refunded with interest, the interest to begin to accrue on the first day of the second calendar month following the date of payment or the date the return was due to be filed or was filed, whichever is the latest, at the rate in effect under section 421.7 counting each fraction of a month as an entire month under the rules prescribed by the appropriate state agency. Claims for refund filed under sections 452A.17 and 452A.21 shall accrue interest beginning with the first day of the second calendar month following the date the refund claim is received by the department.

A report required of licensees or persons operating under division III, upon which no tax is due, is subject to a penalty of ten dollars if the report is not timely filed with the state department of transportation.

If a licensee or other person sells the licensee's or other person's business or stock of goods or quits the business, the licensee or other person shall prepare a final return and pay all tax due within the time required by law. The immediate successor to the licensee or other person, if any, shall withhold sufficient of the purchase price, in money or money's worth, to pay the amount of any delinquent tax, interest or penalty due and unpaid. If the immediate successor of the business or stock of goods intentionally fails to withhold any amount due from the

purchase price as provided in this paragraph, the immediate successor is personally liable for the payment of the taxes, interest and penalty accrued and unpaid on account of the operation of the business by the immediate former licensee or other person, except when the purchase is made in good faith as provided in section 421.28. However, a person foreclosing on a valid security interest or retaking possession of premises under a valid lease is not an "*immediate successor*" for purposes of this paragraph. The department may waive the liability of the immediate successor under this paragraph if the immediate successor exercised good faith in establishing the amount of the previous liability.

[C27, 31, §5093-a5; C35, §5093-f9, -f11; C39, §**5093.09, 5093.11;** C46, 50, 54, §324.16, 324.19; C58, 62, 66, §324.64; C71, 73, 75, 77, 79, 81, §324.65; 81 Acts, ch 131, §3; 82 Acts, ch 1180, §1, 8]

84 Acts, ch 1173, §3; 86 Acts, ch 1246, §30; 86 Acts, ch 1007, §11 – 13; 89 Acts, ch 251, §7; 90 Acts, ch 1172, §3, 4; 91 Acts, ch 159, §2

C93, §452A.65

97 Acts, ch 158, §44

Referred to in §421.26, 421.28, 452A.56

Personal liability of officers and partners; see §421.26

**452A.66 Statutes applicable to motor fuel tax.**

The appropriate state agency shall administer the taxes imposed by this chapter in the same manner as and subject to section 422.25, subsection 4, and section 423.35.

All the provisions of section 422.26 shall apply in respect to the taxes, penalties, interest, and costs imposed by this chapter excepting that as applied to any tax imposed by this chapter, the lien therein provided shall be prior and paramount over all subsequent liens upon any personal property within this state, or right to such personal property, belonging to the taxpayer without the necessity of recording as therein provided. The requirements for recording shall, as applied to the tax imposed by this chapter, apply only to the liens upon real property. When requested to do so by any person from whom a taxpayer is seeking credit, or with whom the taxpayer is negotiating the sale of any personal property, or by any other person having a legitimate interest in such information, the director shall, upon being satisfied that such a situation exists, inform such person as to the amount of unpaid taxes due by such taxpayer under the provisions of this chapter. The giving of such information under such circumstances shall not be deemed a violation of section 452A.63 as applied to this chapter.

[C35, §5093-f13; C39, §**5093.13;** C46, 50, 54, §324.22 – 324.24; C58, 62, 66, §324.65; C71, 73, 75, 77, 79, 81, §324.66]

86 Acts, ch 1007, §14; 87 Acts, ch 233, §132

C93, §452A.66

2003 Acts, 1st Ex, ch 2, §196, 205; 2006 Acts, ch 1142, §83

Referred to in §602.8102(56)

**452A.67 Limitation on collection proceedings.**

The department shall examine the return and enforce collection of any amount of tax, penalty, fine, or interest over and above the amount shown to be due by the return filed by a licensee as soon as practicable but no later than three years after the return is filed. An assessment shall not be made covering a period beyond three years after the return is filed except that the period for the examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade tax or in the case of a failure to file a return.

The three-year period of limitation may be extended by a taxpayer by signing a waiver agreement form to be provided by the department. The agreement must stipulate the period of extension and the tax period to which the extension applies. The agreement must also provide that a claim for refund may be filed by the taxpayer at any time during the period of extension.

[C58, 62, 66, §324.66; C71, 73, 75, 77, 79, 81, §324.67]

89 Acts, ch 251, §8

C93, §452A.67
96 Acts, ch 1066, §14, 21; 99 Acts, ch 151, §70, 89
Referred to in §602.8102(56)

**452A.68 Power of department of revenue or the state department of transportation to cancel licenses.**

1. If a licensee files a false return of the data or information required by this chapter, or fails, refuses, or neglects to file a return required by this chapter, or to pay the full amount of fuel tax as required by this chapter, or is substantially delinquent in paying a tax due, owing, and administered by the department of revenue, and interest and penalty if appropriate, or if the person is a corporation and if any officer having a substantial legal or equitable interest in the ownership of the corporation owes any delinquent tax of the licensee corporation, or interest or penalty on the tax, administered by the department, then after ten days' written notice by mail directed to the last known address of the licensee setting a time and place at which the licensee may appear and show cause why the license should not be canceled, and if the licensee fails to appear or if upon the hearing it is shown that the licensee failed to correctly report or pay the tax, the appropriate state agency may cancel the license and shall notify the licensee of the cancellation by mail to the licensee's last known address.

2. If a licensee abuses the privileges for which the license was issued, fails to produce records reasonably requested, fails to extend reasonable cooperation to the appropriate state agency, or has been suspended for nonpayment of fees under chapter 326 and still owes fees to the department, the licensee shall be advised in writing of a hearing scheduled to determine if the license shall be canceled. The appropriate state agency upon the presentation of a preponderance of evidence may cancel a license for cause.

3. The director of the appropriate state agency may reissue a license which has been canceled for cause. As a condition of reissuance of a license, in addition to requirements for issuing a new license, the director may require a waiting period not to exceed ninety days before a license can be reissued or a new license issued. The director shall adopt rules specifying those instances for which a waiting period will be required.

4. Upon receipt of written request from any licensee the appropriate state agency shall cancel the license of the licensee effective on the date of receipt of the request. If, upon investigation, the appropriate state agency finds that a licensee is no longer engaged in the activities for which a license was issued and has not been so engaged for a period of six months, the state agency shall cancel the license and give thirty days' notice of the cancellation mailed to the last known address of the licensee.

[C27, 31, §5093-a5; C35, §5093-f10, -f18, -f37; C39, §**5093.10, 5093.18, 5093.37;** C46, 50, 54, §324.18, 324.32, 324.65; C58, 62, 66, §324.67; C71, 73, 75, 77, 79, 81, §324.68; 82 Acts, ch 1045, §1]
86 Acts, ch 1007, §15; 86 Acts, ch 1241, §8; 89 Acts, ch 251, §9
C93, §452A.68
99 Acts, ch 151, §71, 89; 2003 Acts, ch 145, §286; 2007 Acts, ch 143, §30
Referred to in §452A.56

**452A.69 Hearings before state agency.**

Hearings before a state agency authorized under the provisions of this chapter may be held at a site in the state as the state agency may direct. The state agency shall have the power to issue subpoenas including subpoenas duces tecum and to require the attendance of witnesses and the production of books, records and papers. In the event any person shall refuse to obey subpoena, or after appearing refuses to testify, the state agency shall certify the name of the person to the district court of the county where the hearing is being held and the court shall proceed with the witness in the same manner as if the refusal had occurred in open court.

[C27, 31, §5093-a5; C35, §5093-f10, -f11, -f12; C39, §**5093.10, 5093.11, 5093.12;** C46, 50, 54, §324.18 – 324.21; C58, 62, 66, §324.68; C71, 73, 75, 77, 79, 81, §324.69]
C93, §452A.69

**452A.70 Discontinuance of licensed activity — liability for taxes and penalties.**

If a licensee ceases to engage in the state in activities for which the person's license was issued or discontinues, sells, or transfers the business in which the person has carried on that activity the licensee shall notify the department of revenue, which shall forward notice to the state department of transportation, in writing at least ten days prior to the time the cessation, discontinuance, sale or transfer takes effect. The notice shall give the date of proposed cessation or discontinuance, and, in the event of a proposed sale or transfer of the business, the date and the name and address of the purchaser or transferee. All fuel taxes, penalties and interest under this chapter not yet due and payable shall, together with any and all interest accruing or penalties imposed under this chapter shall become due and payable concurrently with the cessation, discontinuances, sale or transfer, and it shall be the duty of the licensee to make a report and pay all the fuel taxes, interest, and penalties within ten days.

[C27, 31, §5093-a5; C35, §5093-f10; C39, §**5093.10;** C46, 50, 54, §324.18; C58, 62, 66, §324.69; C71, 73, 75, 77, 79, 81, §324.70]

C93, §452A.70

2003 Acts, ch 145, §286

**452A.71 Refund of tax on fuel lost as result of casualty.**

Except as provided in section 452A.54, a person who has paid or has had charged to the person's account with a distributor, dealer, or user fuel taxes imposed under this chapter with respect to motor fuel or undyed special fuel in excess of one hundred gallons, which, while the person is the owner, is subsequently lost or destroyed through leakage, fire, explosion, lightning, flood, storm, or other casualty, except evaporation or unknown causes, shall be entitled to a refund of the tax so paid or charged. To qualify for the refund, the person shall notify the department of revenue in writing of the loss or destruction and the gallonage lost or destroyed within ten days from the date of discovery of the loss or destruction. Within sixty days after filing the notice, the person shall file with the department of revenue an affidavit sworn to by the person having immediate custody of the motor fuel or undyed special fuel at the time of the loss or destruction setting forth in full the circumstances and amount of the loss or destruction and such other information as the department of revenue may require. Any refund payable under this section may be applied by the department against any tax liability outstanding on the books of the department against the claimant.

[C27, 31, §5093-a5; C35, §5093-f9; C39, §**5093.09;** C46, 50, 54, §324.14, 324.15; C58, 62, 66, §324.70; C71, 73, 75, 77, 79, 81, §324.71]

C93, §452A.71

95 Acts, ch 155, §33, 44; 96 Acts, ch 1034, §45; 96 Acts, ch 1066, §15, 21; 2003 Acts, ch 145, §286

**452A.72 Refund for fuel taxes erroneously or illegally collected or paid.**

If any fuel taxes, penalties, or interest have been erroneously or illegally collected by the appropriate state agency from a licensee, the appropriate state agency may apply the overpayment against any tax liability outstanding on the books of the department against the claimant, or shall certify the amount to the director of the department of administrative services, who shall draw a warrant for the certified amount on the treasurer of state payable to the licensee. The refund shall be paid to the licensee immediately.

A refund shall not be made under this section unless a written claim setting forth the circumstances for which the refund should be allowed is filed with the appropriate state agency within three years from the date of the payment of the taxes erroneously or illegally collected or paid.

However, if it is found during an examination by the appropriate state agency that a licensee paid, as a result of a mistake, an amount of tax, penalty, or interest which was not due, and the mistake is found within three years of the overpayment, the appropriate state agency shall

credit the amount against any penalty, interest or taxes due or shall refund the amount to the person.

[C27, 31, §5093-a5, -b1; C35, §5093-f9; C39, §**5093.09;** C46, 50, 54, §324.13, 324.15; C58, 62, 66, §324.71; C71, 73, 75, 77, 79, 81, §324.72]

C93, §452A.72

96 Acts, ch 1066, §16, 21; 2002 Acts, ch 1150, §21; 2003 Acts, ch 145, §286

**452A.73 Embezzlement of fuel tax money — penalty.**

Every sale of motor fuel in this state and every sale of undyed special fuel dispensed by the seller into a fuel supply tank of a motor vehicle shall, unless otherwise provided, be presumed to include as a part of the purchase price the fuel tax due the state of Iowa under the provisions of this chapter. Every person collecting fuel tax money as part of the selling price of motor fuel or undyed special fuel, shall hold the tax money in trust for the state of Iowa unless the fuel tax on the fuel has been previously paid to the state of Iowa. Any person receiving fuel tax money in trust and failing to remit it to the department of revenue on or before time required shall be guilty of theft.

[C27, 31, §5093-a5; C35, §5093-f9, -f13; C39, §**5093.09 – 5093.13;** C46, 50, 54, §324.16 – 324.22; C58, 62, 66, §324.72; C71, 73, 75, 77, 79, 81, §324.73]

C93, §452A.73

95 Acts, ch 155, §34, 44; 2003 Acts, ch 145, §286

Theft, chapter 714

**452A.74 Unlawful acts — penalty.**

1. It shall be unlawful:

*a.* For any person to knowingly fail, neglect, or refuse to make any required return or statement or pay over fuel taxes required under this chapter.

*b.* For any person to knowingly make any false, incorrect, or materially incomplete record required to be kept or made under this chapter, to refuse to offer required books and records to the department of revenue or the state department of transportation for inspection on demand or to refuse to permit the department of revenue or the state department of transportation to examine the person's motor fuel or undyed special fuel storage tanks and handling or dispensing equipment.

*c.* For any seller to issue or any purchaser to receive and retain any incorrect or false invoice or sales ticket in connection with the sale or purchase of motor fuel or undyed special fuel.

*d.* For any claimant to alter any invoice or sales ticket, whether the invoice or sales ticket is to be used to support a claim for refund or income tax credit or not, provided, however, if a claimant's refund permit has been revoked for cause as provided in section 452A.19, the revocation shall serve as a bar to prosecution for violation of this paragraph.

*e.* For any person to act as a supplier, restrictive supplier, importer, exporter, blender, or compressed natural gas or liquefied petroleum gas dealer or user without the required license.

*f.* For any person to use motor fuel, undyed special fuel, or dyed special fuel in the fuel supply tank of a vehicle with respect to which the person knowingly has not paid or had charged to the person's account with a distributor or dealer, or with respect to which the person does not, within the time required in this chapter, report and pay the applicable fuel tax.

*g.* For any licensed compressed natural gas or liquefied petroleum gas dealer or user to dispense compressed natural gas or liquefied petroleum gas into the fuel supply tank of any motor vehicle without collecting the fuel tax.

2. Any delivery of compressed natural gas or liquefied petroleum gas to a compressed natural gas or liquefied petroleum gas dealer or user for the purpose of evading the state tax on compressed natural gas or liquefied petroleum gas, into facilities other than those licensed above knowing that the fuel will be used for highway use shall constitute a violation of this section. Any compressed natural gas or liquefied petroleum gas dealer or user for purposes of evading the state tax on compressed natural gas or liquefied petroleum gas, who allows

a distributor to place compressed natural gas or liquefied petroleum gas for highway use in facilities other than those licensed above, shall also be deemed in violation of this section.

3. A person found guilty of an offense specified in this section is guilty of a fraudulent practice. Prosecution for an offense specified in this section shall be commenced within six years following the date of commission of the offense.

[C27, 31, §5093-a4, -a6, -a7, -a8; C35, §5093-f31; C39, §**5093.31;** C46, 50, 54, §324.58; C58, 62, 66, §324.73; C71, 73, 75, 77, 79, 81, §324.74]

83 Acts, ch 160, §1

C93, §452A.74

95 Acts, ch 155, §35, 44; 96 Acts, ch 1066, §17, 18, 21; 99 Acts, ch 152, §35, 40; 2003 Acts, ch 145, §286; 2011 Acts, ch 34, §102

See §452A.19

Fraudulent practices, see §714.8 – 714.14

**452A.74A Additional penalty and enforcement provisions.**

In addition to the tax or additional tax, the following fines and penalties shall apply:

1. *Illegal use of dyed fuel.* The illegal use of dyed fuel in the supply tank of a motor vehicle shall result in a civil penalty assessed against the owner or operator of the motor vehicle as follows:

*a.* A five hundred dollar penalty for the first violation.

*b.* A one thousand dollar penalty for a second violation within three years of the first violation.

*c.* A two thousand dollar penalty for third and subsequent violations within three years of the first violation.

2. *Illegal importation of untaxed fuel.* A person who imports motor fuel or undyed special fuel without a valid importer's license or supplier's license shall be assessed a civil penalty as provided in this subsection. However, the owner or operator of the importing vehicle shall not be guilty of violating this subsection if it is shown by the owner or operator that the owner or operator reasonably did not know or reasonably should not have known of the illegal importation.

*a.* For a first violation, the importing vehicle shall be detained and a penalty of four thousand dollars shall be paid before the vehicle will be released. The owner or operator of the importing vehicle or the owner of the fuel may be held liable for payment of the penalty.

*b.* For a second violation, the importing vehicle shall be detained and a penalty of ten thousand dollars shall be paid before the vehicle will be released. The owner or operator of the importing vehicle or the owner of the fuel may be held liable to pay the penalty.

*c.* For third and subsequent violations, the importing vehicle and the fuel shall be seized and a penalty of twenty thousand dollars shall be paid before the vehicle will be released. The owner or operator of the importing vehicle or the owner of the fuel may be held liable to pay the penalty.

*d.* If the owner or operator of the importing vehicle or the owner of the fuel fails to pay the tax and penalty for a first or second offense, the importing vehicle and the fuel may be seized. The department of revenue, the state department of transportation, or any peace officer, at the request of either department, may seize the vehicle and the fuel.

*e.* If the operator or owner of the importing vehicle or the owner of the fuel moves the vehicle or the fuel after the vehicle has been detained and a sticker has been placed on the vehicle stating that "This vehicle cannot be moved until the tax, penalty, and interest have been paid to the Department of Revenue", an additional penalty of ten thousand dollars shall be assessed against the operator or owner of the importing vehicle or the owner of the fuel.

*f.* For purposes of this subsection, *"vehicle"* means as defined in section 321.1.

3. *Improper receipt of refund.* If a person files an incorrect refund claim, in addition to the excess amount of the claim, a penalty of ten percent shall be added to the amount by which the amount claimed and refunded exceeds the amount actually due and shall be paid to the department. If a person knowingly files a fraudulent refund claim with the intent to evade the tax, the penalty shall be seventy-five percent in lieu of the ten percent. The person shall also pay interest on the excess refunded at the rate per month specified in section 421.7,

counting each fraction of a month as an entire month, computed from the date the refund was issued to the date the excess refund is repaid to the state.

4. *Illegal heating of fuel.* The deliberate heating of taxable motor fuel or special fuel by dealers prior to consumer sale is a simple misdemeanor.

5. *Prevention of inspection.* The department of revenue or the state department of transportation may conduct inspections for coloration, markers, and shipping papers at any place where taxable fuel is or may be loaded into transport vehicles, produced, or stored. Any attempts by a person to prevent, stop, or delay an inspection of fuel or shipping papers by authorized personnel shall be subject to a civil penalty of not more than two thousand dollars per occurrence. Any law enforcement officer or department of revenue or state department of transportation employee may physically inspect, examine, or otherwise search any tank, reservoir, or other container that can or may be used for the production, storage, or transportation of any type of fuel.

6. *Failure to conspicuously label a fuel pump.* A retailer who does not conspicuously label a fuel pump or other delivery facility as required by the internal revenue service, that dispenses dyed diesel fuel so as to notify customers that it contains dyed diesel fuel, shall pay to the department a penalty of one hundred dollars per occurrence.

7. *False or fraudulent report or return.* Any person, including an officer of a corporation or a manager of a limited liability company, who is required to make, render, sign, or verify any report or return required by this chapter and who makes a false or fraudulent report or return, or who fails to file a report or return with the intent to evade the tax, shall be guilty of a fraudulent practice. Any person who aids, abets, or assists another person in making any false or fraudulent report or return or false statement in any report or return with the intent to evade payment of tax shall be guilty of a fraudulent practice.

95 Acts, ch 155, §36, 44; 96 Acts, ch 1066, §19 – 21; 99 Acts, ch 151, §72, 89; 2003 Acts, ch 145, §286; 2009 Acts, ch 179, §141

Referred to in §321.56, 452A.76

Fraudulent practices, see §714.8 – 714.14

**452A.75 Penalty for false certificate — place of trial.**

Any person who makes a false certificate, false fuel invoice, false fuel receipt, or false fuel sales ticket in any report, return, application, claim, or evidence required or provided for by this chapter or under any rule or regulation shall be guilty of a fraudulent practice.

Prosecution for an offense specified in this section shall be commenced within six years following its commission.

[C27, 31, §5093-a4, -a6, -a7, -a8; C35, §5093-f31; C39, §**5093.31;** C46, 50, 54, §324.58, 324.59; C58, 62, 66, §324.74; C71, 73, 75, 77, 79, 81, §324.75]

83 Acts, ch 160, §2

C93, §452A.75

99 Acts, ch 152, §36, 40

Fraudulent practices, see §714.8 – 714.14

**452A.76 Enforcement authority.**

Authority to enforce division III is given to the state department of transportation. Employees of the state department of transportation designated enforcement employees have the power of peace officers in the performance of their duties; however, they shall not be considered members of the state patrol. The state department of transportation shall furnish enforcement employees with necessary equipment and supplies in the same manner as provided in section 80.18, including uniforms which are distinguishable in color and design from those of the state patrol. Enforcement employees shall be furnished and shall conspicuously display badges of authority.

Authority is given to the department of revenue, the state department of transportation, the department of public safety, and any peace officer as requested by such departments to enforce the provisions of division I and this division of this chapter. The department of revenue shall adopt rules providing for enforcement under division I and this division of this chapter regarding the use of motor fuel or special fuel in implements of husbandry. Enforcement personnel or requested peace officers are authorized to stop a conveyance

suspected to be illegally transporting motor fuel or special fuel on the highways, to investigate the cargo, and also have the authority to inspect or test the fuel in the supply tank of a conveyance to determine if legal fuel is being used to power the conveyance. The operator of any vehicle transporting motor fuel or special fuel shall, upon request, produce and offer for inspection the manifest or loading and delivery invoices pertaining to the load and trip in question and shall permit the authority to inspect and measure the contents of the vehicle. If the vehicle operator fails to produce the evidence or if, when produced, the evidence fails to contain the required information and it appears that there is an attempt to evade payment of the fuel tax, the vehicle operator will be subject to the penalty provisions contained in section 452A.74A. For purposes of this section, *"vehicle"* means as defined in section 321.1.

[C35, §5093-f18, -f32; C39, §**5093.18, 5093.32;** C46, 50, 54, §324.32, 324.60; C58, 62, 66, §324.75; C71, 73, 75, 77, 79, 81, §324.76]

84 Acts, ch 1174, §4

C93, §452A.76

95 Acts, ch 155, §37, 44; 98 Acts, ch 1074, §29; 2003 Acts, ch 145, §286; 2005 Acts, ch 35, §31

Referred to in §331.653

**452A.77 Moneys deposited in treasury — refunds — administration.**

All fees, taxes, interest, and penalties imposed under this chapter must be paid to the department of revenue or the state department of transportation, whichever is responsible for the collection. The appropriate state agency shall transmit each payment daily to the treasurer of state. Such payments shall be deposited by the treasurer of state in a fund, hereby created, within the state treasury which shall be known as the "motor fuel tax fund", the net proceeds of which fund, after deductions by lawful transfers and refunds, shall be known as the "motor vehicle fuel tax fund". The department of revenue and the state department of transportation shall certify monthly to the director of the department of administrative services amounts of refunds of tax approved during each month, and the director of the department of administrative services shall draw warrants in such amounts on the motor fuel tax fund and transmit them. There is hereby appropriated out of the money received under the provisions of this chapter and deposited in the motor fuel tax fund sufficient funds to pay such refunds as may be authorized in this chapter.

The general assembly may appropriate from the motor fuel tax fund such amounts as it determines are necessary for administrative expenses. Allocations and transfers of fees, taxes, interest and penalties imposed under this chapter, pursuant to any provision of the Code, shall be made from the motor fuel tax fund.

[C27, 31, §5093-a11; C35, §5093-f33; C39, §**5093.33;** C46, 50, 54, §324.61; C58, 62, 66, §324.76; C71, 73, 75, 77, 79, 81, §324.77]

C93, §452A.77

2003 Acts, ch 145, §261

**452A.78 Other remedies available.**

The special remedies provided under the provisions of this chapter to enable the state to collect motor fuel excise tax shall not be construed as depriving the state of any other remedy it might have either at law or in equity independent of this chapter. The state shall have the right to maintain an action at law for the collection of said taxes required to be paid herein and in connection therewith shall be entitled to a writ of attachment without bond.

[C35, §5093-f34; C39, §**5093.34;** C46, 50, 54, §324.62; C58, 62, 66, §324.77; C71, 73, 75, 77, 79, 81, §324.78]

C93, §452A.78

2006 Acts, ch 1142, §83

**452A.79 Use of revenue.**

Except as provided in sections 452A.79A, 452A.82, and 452A.84, the net proceeds of the excise tax on the diesel special fuel and the excise tax on motor fuel and other special fuel,

and penalties collected under the provision of this chapter, shall be credited to the road use tax fund.

[C27, 31, §4755-b38, 5093-a9; C35, §5093-f35; C39, §**5093.35;** C46, 50, 54, §324.63; C58, 62, 66, §324.78; C71, 73, 75, 77, 79, 81, §324.79]

88 Acts, ch 1134, §69, 70; 91 Acts, ch 260, §1227

C93, §452A.79

93 Acts, ch 131, §17; 94 Acts, ch 1107, §68, 69; 98 Acts, ch 1219, §18; 99 Acts, ch 204, §37; 2005 Acts, ch 178, §12; 2006 Acts, ch 1179, §59, 66

Referred to in §24.14

See §24.14

**452A.79A Marine fuel tax fund.**

1. A marine fuel tax fund is created under the authority of the department of natural resources.

*a.* The fund shall consist of all revenues derived from the excise tax on the sale of motor fuel used in watercraft as provided in section 452A.84 and other moneys appropriated to the fund.

*b.* Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund. Notwithstanding section 8.33, any moneys credited to the fund from another fund shall not revert to the fund from which appropriated at the close of a fiscal year.

2. Moneys in the marine fuel tax fund are appropriated to the department of natural resources for use by the department in its recreational boating program, which may include but is not limited to any of the following:

*a.* Dredging and renovation of lakes of this state.

*b.* Acquisition, development, and maintenance of access to public boating waters.

*c.* Development and maintenance of boating facilities and navigation aids.

*d.* Administration, operation, and maintenance of recreational boating activities of the department of natural resources.

*e.* Acquisition, development, and maintenance of recreation facilities associated with recreational boating.

2006 Acts, ch 1179, §60, 66; 2007 Acts, ch 211, §44, 45

Referred to in §452A.79

**452A.80 Microfilm or photographic copies — originals destroyed.**

The appropriate state agency shall have the power and authority to record, copy, or reproduce by any photographic, photostatic, microfilm, microcard, miniature photographic, or other process which accurately reproduces or forms a durable medium for so reproducing the original of any forms or records pertaining to motor fuel tax or undyed special fuel tax, or any paper or document with respect to refund of the tax. If the forms and records have been reproduced in accordance with this section, the state agency may destroy the originals and the reproductions shall be competent evidence in any court in accordance with the provision of section 622.30.

[C35, §5093-f36; C39, §**5093.36;** C46, 50, 54, §324.64; C58, 62, 66, §324.79; C71, 73, 75, 77, 79, 81, §324.80]

C93, §452A.80

95 Acts, ch 155, §38

**452A.81 Agreement for refund of federal tax.**

1. The department of revenue is hereby authorized to enter into and empowered to carry out the provisions of agreements with any duly authorized agent or department of the United States government for joint or cooperative action by the state and the United States government in the making of refunds of the federal tax on gasoline. Such agreements may provide that the department of revenue may receive applications for and make refunds of the federal tax on gasoline as an agent of the United States. Such agreements shall provide that the United States shall provide the department of revenue with sufficient funds in advance to pay all costs to the state in the performance of such agreements and in the making of

such refunds. In the event such an agreement is concluded, the director of revenue is hereby designated, appointed and empowered, through the motor vehicle fuel tax division of the department, to, as an agent of the United States government, accept applications for refunds of the federal tax on gasoline and to make such refunds from such moneys provided to the director in advance by the federal government.

2. All moneys that may be paid in advance by the United States to the state to pay the cost to the state of performing such agreements and the cost of making such refunds are hereby appropriated to the department of revenue for such purposes. Neither the state nor the department of revenue shall be liable in any manner for the actions of the department of revenue or employees of the department in the receipt, administration, and expenditure of such federal funds including the making of refunds.

[C58, 62, 66, §324.80; C71, 73, 75, 77, 79, 81, §324.81]
C93, §452A.81
2003 Acts, ch 145, §286
See refunds, §452A.17

**452A.82 Aviation fuel tax fund.**

The portion of the moneys collected under this chapter received on account of aviation gasoline and special fuel used in aircraft shall be deposited in a separate fund to be maintained by the treasurer. All moneys remaining in the separate fund after the cost of administering the fund has been paid shall be credited to the state aviation fund created in section 328.56.

[C71, 73, 75, 77, 79, 81, §324.82]
88 Acts, ch 1205, §17
C93, §452A.82
94 Acts, ch 1107, §70; 2006 Acts, ch 1179, §61, 66
Referred to in §328.56, 422.112, 452A.79

**452A.83** Reserved.

**452A.84 Transfer to marine fuel tax fund.**

The treasurer of state shall transfer from the motor fuel tax fund to the marine fuel tax fund that portion of moneys collected under this chapter attributable to motor fuel used in watercraft computed as follows:

1. Determine monthly the total amount of motor fuel tax collected under this chapter and multiply the amount by nine-tenths of one percent.

2. Subtract from the figure computed pursuant to subsection 1 of this section three percent of the figure for administrative costs and further subtract from the figure the amounts refunded to commercial fishers pursuant to section 452A.17, subsection 1, paragraph "*a*", subparagraph (7). All moneys remaining after claims for refund and the cost of administration have been made shall be transferred to the marine fuel tax fund.

[C73, 75, 77, 79, 81, §324.84]
84 Acts, ch 1012, §1
C93, §452A.84
94 Acts, ch 1107, §71; 95 Acts, ch 155, §39, 44; 2006 Acts, ch 1179, §62, 66
Referred to in §452A.79, 452A.79A

**452A.85 Tax payment for stored motor fuel, ethanol blended gasoline, special fuel, compressed natural gas, and liquefied petroleum gas — penalty.**

1. Persons having title to motor fuel, ethanol blended gasoline, undyed special fuel, compressed natural gas, or liquefied petroleum gas in storage and held for sale on the effective date of an increase in the excise tax rate imposed on motor fuel, ethanol blended gasoline, undyed special fuel, compressed natural gas, or liquefied petroleum gas under this chapter shall be subject to an inventory tax based upon the gallonage in storage as of the close of the business day preceding the effective date of the increased excise tax rate of motor fuel, ethanol blended gasoline, undyed special fuel, compressed natural gas, or liquefied petroleum gas which will be subject to the increased excise tax rate.

2. Persons subject to the tax imposed under this section shall take an inventory to

determine the gallonage in storage for purposes of determining the tax and shall report the gallonage and pay the tax due within thirty days of the prescribed inventory date. The department of revenue shall adopt rules pursuant to chapter 17A as are necessary to administer this section.

3. The amount of the inventory tax is equal to the inventory tax rate times the gallonage in storage as determined under subsection 1. The inventory tax rate is equal to the difference of the increased excise tax rate less the previous excise tax rate.

4. This section does not apply to an increase in the tax rate of a specified fuel, except for compressed natural gas, unless the increase in the tax rate of that fuel is in excess of one-half cent per gallon.

[C81, §324.85]
91 Acts, ch 87, §10
C93, §452A.85
95 Acts, ch 155, §40, 44; 2003 Acts, ch 145, §286; 2005 Acts, ch 140, §67

**452A.86 Method of determining gallonage.**

The exclusive method of determining gallonage of any purchases or sales of motor fuel, undyed special fuel, compressed natural gas, or liquefied petroleum gas as defined in this chapter and distillate fuels shall be on a gross volume basis. A temperature-adjusted or other method shall not be used, except as it applies to liquefied petroleum gas and the sale or exchange of petroleum products between petroleum refiners. All invoices, bills of lading, or other records of sale or purchase and all returns or records required to be made, kept, and maintained by a supplier, restrictive supplier, importer, exporter, blender, or compressed natural gas or liquefied petroleum gas dealer or user shall be made, kept, and maintained on the gross volume basis. For purposes of this section, *"distillate fuels"* means any fuel oil, gas oil, topped crude oil, or other petroleum oils derived by refining or processing crude oil or unfinished oils which have a boiling range at atmospheric pressure which falls completely or in part between five hundred fifty and twelve hundred degrees Fahrenheit.

[81 Acts, 2nd Ex, ch 2, §16]
C83, §324.86
C93, §452A.86
95 Acts, ch 155, §41, 44; 99 Acts, ch 151, §73, 89

# CHAPTER 453

RESERVED

# CHAPTER 453A

## CIGARETTE AND TOBACCO TAXES

Referred to in §232.8, 232C.4, 331.303, 453D.2, 453D.6, 903.1

This chapter not enacted as a part of this title;
transferred from chapter 98 in Code 1993

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## DIVISION I

## CIGARETTES

Referred to in §453A.43, 453A.44, 453A.47A

**453A.1 Definitions.**

The following words, terms, and phrases, when used in this chapter, shall, for the purpose of this chapter, have the meanings respectively ascribed to them.

1. *"Attorney general"* shall mean the attorney general of the state or the attorney general's duly authorized assistants and employees.

2. *"Carton"* means a box or container of any kind in which ten or more packages or packs of cigarettes or tobacco products are offered for sale, sold, or otherwise distributed to consumers.

3. *"Cigarette"* means any roll for smoking made wholly or in part of tobacco, or any substitute for tobacco, irrespective of size or shape and irrespective of tobacco or any substitute for tobacco being flavored, adulterated, or mixed with any other ingredient, where such roll has a wrapper or cover made of paper or any other material. Provided the definition herein shall not be construed to include cigars.

4. *"Cigarette vending machine"* means any self-service device offered for public use which, upon payment or insertion of loose tobacco product, dispenses, or assembles and dispenses, cigarettes or tobacco products.

5. *"Cigarette vendor"* means any person who by contract, agreement, or ownership takes responsibility for furnishing, installing, servicing, operating, or maintaining one or more cigarette vending machines for the purpose of selling cigarettes at retail.

6. *"Counterfeit stamp"* shall mean any stamp, label, print, indicium, or character which

evidences, or purports to evidence the payment of any tax levied by this chapter, and which stamp, label, print, indicium, or character has not been printed, manufactured or made by authority of the director as hereinafter provided, and issued, sold or circulated by the department.

7. *"Department"* means the department of revenue.

8. *"Director"* means the director of revenue or the director's duly authorized assistants and employees.

9. *"Distributing agent"* shall mean and include every person in this state who acts as an agent of any manufacturer outside of the state by storing cigarettes received in interstate commerce from such manufacturer subject to distribution or delivery to distributors upon orders received by said manufacturer in interstate commerce and transmitted to such distributing agent for fulfillment from such place of storage.

10. *"Distributing agent's permit"* shall mean and include permits issued by the department to distributing agents.

11. *"Distributor"* shall mean and include every person in this state who manufactures or produces cigarettes or who ships, transports, or imports into this state or in any manner acquires or possesses cigarettes without stamps affixed for the purpose of making a "first sale" of the same within the state.

12. *"Drop shipment"* shall mean and include any delivery of cigarettes received by any person within this state when payment for such cigarettes is made to the shipper or seller by or through a person other than the consignee.

13. *"First sale"* shall mean and include the first sale or distribution of cigarettes in intrastate commerce, or the first use or consumption of cigarettes within this state.

14. *"Individual packages of cigarettes"* shall mean and include every package of cigarettes or quantity of cigarettes assembled and ordinarily sold at retail.

15. *"Manufacturer"* shall mean and include every person who ships cigarettes into this state from outside the state.

16. *"Manufacturer's permit"* shall mean and include permits issued by the department to a manufacturer.

17. *"Package"* or *"pack"* means a container of any kind in which cigarettes or tobacco products are offered for sale, sold, or otherwise distributed to consumers.

18. *"Person"* shall mean and include every individual, firm, association, joint stock company, syndicate, partnership, corporation, trustee, agency or receiver, or respective legal representative.

19. *"Place of business"* is construed to mean and include any place where cigarettes are sold or where cigarettes are stored within or without the state of Iowa by the holder of an Iowa permit or kept for the purpose of sale or consumption; or if sold from any vehicle or train, the vehicle or train on which or from which such cigarettes are sold shall constitute a place of business.

20. *"Previously used stamp"* shall mean and include any stamp which is used, sold, or possessed for the purpose of sale or use, to evidence the payment of the tax herein imposed on an individual package of cigarettes after said stamp has, anterior to such use, sale, or possession, been used on a previous or separate individual package of cigarettes to evidence the payment of tax as aforesaid.

21. *"Retailer"* shall mean and include every person in this state who shall sell, distribute, or offer for sale for consumption or possess for the purpose of sale for consumption, cigarettes irrespective of quantity or amount or the number of sales.

22. *"Retail permit"* shall mean and include permits issued to retailers.

23. *"Self-service display"* means any manner of product display, placement, or storage from which a person purchasing the product may take possession of the product, prior to purchase, without assistance from the retailer or employee of the retailer, in removing the product from a restricted access location.

24. *"Stamps"* means the stamp or stamps printed, manufactured or made by authority of the director and issued, sold or circulated by the department and by the use of which the tax levied is paid. It also means any impression, indicium, or character fixed upon packages of

cigarettes by metered stamping machine or device which may be authorized by the director to the holder of state or manufacturers' permits and by the use of which the tax levied is paid.

25. *"State permit"* shall mean and include permits issued by the department to distributors, wholesalers, and retailers.

26. *"Tobacco products"* means cigars; little cigars as defined in section 453A.42, subsection 5; cheroots; stogies; periques; granulated; plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff, snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; shorts; or refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking; but does not mean cigarettes.

27. *"Wholesaler"* shall mean and include every person other than a distributor or distributing agent who engages in the business of selling or distributing cigarettes within the state, for the purpose of resale.

[C24, 27, 31, 35, 39, §**1552;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.1]

86 Acts, ch 1245, §401; 91 Acts, ch 240, §1, 2

C93, §453A.1

98 Acts, ch 1129, §2; 2003 Acts, ch 145, §286; 2008 Acts, ch 1032, §106; 2012 Acts, ch 1110, §26

Referred to in §101B.2, 142A.2, 142A.6, 453A.3, 453A.5, 453A.22, 453A.42, 453A.47A

**453A.2 Persons under legal age.**

1. A person shall not sell, give, or otherwise supply any tobacco, tobacco products, or cigarettes to any person under eighteen years of age.

2. A person under eighteen years of age shall not smoke, use, possess, purchase, or attempt to purchase any tobacco, tobacco products, or cigarettes.

3. Possession of cigarettes or tobacco products by an individual under eighteen years of age does not constitute a violation under this section if the individual under eighteen years of age possesses the cigarettes or tobacco products as part of the individual's employment and the individual is employed by a person who holds a valid permit under this chapter or who lawfully offers for sale or sells cigarettes or tobacco products.

4. The alcoholic beverages division of the department of commerce, a county, or a city may directly enforce this section in district court and initiate proceedings pursuant to section 453A.22 before a permit-issuing authority which issued the permit against a permit holder violating this section.

5. Payment and distribution of court costs, fees, and fines in a prosecution initiated by a city or county shall be made as provided in chapter 602 for violation of a city or county ordinance.

6. If a county or a city has not assessed a penalty pursuant to section 453A.22, subsection 2, for a violation of subsection 1, within sixty days of the adjudication of the violation, the matter shall be transferred to and be the exclusive responsibility of the alcoholic beverages division of the department of commerce. Following transfer of the matter, if the violation is contested, the alcoholic beverages division of the department of commerce shall request an administrative hearing before an administrative law judge, assigned by the division of administrative hearings of the department of inspections and appeals in accordance with the provisions of section 10A.801, to adjudicate the matter pursuant to chapter 17A.

7. A tobacco compliance employee training fund is created in the office of the treasurer of state. The fund shall consist of civil penalties assessed by the alcoholic beverages division of the department of commerce under section 453A.22 for violations of this section. Moneys in the fund are appropriated to the alcoholic beverages division of the department of commerce and shall be used to develop and administer the tobacco compliance employee training program under section 453A.5. Moneys deposited in the fund shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this subsection. Notwithstanding section 8.33, any unexpended balance in the fund at the end of the fiscal year shall be retained in the fund.

8. *a.* A person shall not be guilty of a violation of this section if conduct that would

otherwise constitute a violation is performed to assess compliance with cigarette and tobacco products laws if any of the following applies:

(1) The compliance effort is conducted by or under the supervision of law enforcement officers.

(2) The compliance effort is conducted with the advance knowledge of law enforcement officers and reasonable measures are adopted by those conducting the effort to ensure that use of cigarettes or tobacco products by individuals under eighteen years of age does not result from participation by any individual under eighteen years of age in the compliance effort.

*b.* For the purposes of this subsection, *"law enforcement officer"* means a peace officer as defined in section 801.4 and includes persons designated under subsection 4 to enforce this section.

[C97, §5005, 5006; C24, 27, 31, 35, 39, §**1553;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.2]

87 Acts, ch 83, §1; 91 Acts, ch 240, §3

C93, §453A.2

94 Acts, ch 1172, §37; 2000 Acts, ch 1105, §2; 2001 Acts, ch 116, §25; 2003 Acts, ch 26, §1, 5, 7; 2003 Acts, ch 179, §130, 159; 2003 Acts, 1st Ex, ch 2, §29, 33; 2011 Acts, ch 25, §143; 2011 Acts, ch 63, §13

Referred to in §321.216C, 453A.3, 453A.5, 453A.22, 602.6405, 805.6, 805.8C(3b, 3c)

**453A.3 Penalty.**

1. *a.* A person, other than a retailer as defined in section 453A.1 or 453A.42, who violates section 453A.2, subsection 1, is guilty of a simple misdemeanor.

*b.* An employee of a retailer as defined in section 453A.1 or 453A.42, who violates section 453A.2, subsection 1, commits a simple misdemeanor punishable as a scheduled violation under section 805.8C, subsection 3, paragraph *"b"*.

2. A person who violates section 453A.2, subsection 2, is subject to the following, as applicable:

*a.* A civil penalty pursuant to section 805.8C, subsection 3, paragraph *"c"*. Notwithstanding section 602.8106 or any other provision to the contrary, any civil penalty paid under this subsection shall be retained by the city or county enforcing the violation.

*b.* For a first offense, performance of eight hours of community work requirements, unless waived by the court.

*c.* For a second offense, performance of twelve hours of community work requirements.

*d.* For a third or subsequent offense, performance of sixteen hours of community work requirements.

[C97, §5005, 5006; C24, 27, 31, 35, 39, §**1554;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.3]

91 Acts, ch 240, §4

C93, §453A.3

94 Acts, ch 1172, §38; 97 Acts, ch 74, §3; 98 Acts, ch 1100, §63; 2000 Acts, ch 1105, §3; 2000 Acts, ch 1232, §70, 95; 2001 Acts, ch 137, §5; 2004 Acts, ch 1101, §59; 2005 Acts, ch 93, §1

**453A.4 Seizure of false or altered driver's license or nonoperator's identification card.**

1. If a person holding a permit under this chapter or an employee of such a permittee has a reasonable belief based on factual evidence that a driver's license as defined in section 321.1, subsection 20A, or nonoperator's identification card issued pursuant to section 321.190 offered by a person who wishes to purchase cigarettes or tobacco products is altered or falsified or belongs to another person, the permittee or employee may retain the driver's license or nonoperator's identification card. Within twenty-four hours, the card shall be delivered to the appropriate city or county law enforcement agency of the jurisdiction in which the permittee's premises are located, and the permittee shall file a written report of the circumstances under which the card was retained. The local law enforcement agency may investigate whether a violation of section 321.216, 321.216A, or 321.216C has occurred. If an investigation is not initiated or probable cause is not established by the

local law enforcement agency, the driver's license or nonoperator's identification card shall be delivered to the person to whom it was issued. The local law enforcement agency may forward the card with the report to the state department of transportation for investigation, in which case, the state department of transportation may investigate whether a violation of section 321.216, 321.216A, or 321.216C has occurred. The state department of transportation shall return the card to the person to whom it was issued if an investigation is not initiated or probable cause is not established.

2. Upon taking possession of an identification card as provided in subsection 1, a receipt for the card with the date and hour of seizure noted shall be provided to the person from whom the card is seized.

3. A person holding a permit under this chapter or an employee of such a permittee is not subject to criminal prosecution for, or to civil liability for damages alleged to have resulted from, the retention and delivery of a driver's license or a nonoperator's identification card which is taken pursuant to subsections 1 and 2. This section shall not be construed to relieve a permittee or an employee of such a permittee from civil liability for damages resulting from the use of unreasonable force in obtaining the alleged altered or falsified driver's license or identification card or the driver's license or identification card believed to belong to another person.

2000 Acts, ch 1105, §4

**453A.5 Tobacco compliance employee training program.**

1. The alcoholic beverages division of the department of commerce shall develop a tobacco compliance employee training program not to exceed two hours in length for employees and prospective employees of retailers, as defined in sections 453A.1 and 453A.42, to inform the employees about state and federal laws and regulations regarding the sale of cigarettes and tobacco products to persons under eighteen years of age and compliance with and the importance of laws regarding the sale of cigarettes and tobacco products to persons under eighteen years of age.

2. The tobacco compliance employee training program shall be made available to employees and prospective employees of retailers, as defined in sections 453A.1 and 453A.42, at no cost to the employee, the prospective employee, or the retailer, and in a manner which is as convenient and accessible to the extent practicable throughout the state so as to encourage attendance. Contingent upon the availability of specified funds for provision of the program, the division shall schedule the program on at least a monthly basis and the program shall be available at a location in at least a majority of counties.

3. Upon completion of the tobacco compliance employee training program, an employee or prospective employee shall receive a certificate of completion, which shall be valid for a period of two years, unless the employee or prospective employee is convicted of a violation of section 453A.2, subsection 1, in which case the certificate shall be void.

4. The tobacco compliance employee training program shall also offer periodic continuing employee training and recertification for employees who have completed initial training and received certificates of completion.

2003 Acts, ch 26, §2, 7; 2005 Acts, ch 93, §2

Referred to in §453A.2, 453A.22

**453A.6 Tax imposed.**

1. There is imposed, and shall be collected and paid to the department, a tax on all cigarettes used or otherwise disposed of in this state for any purpose equal to six and eight-tenths cents on each cigarette.

2. The said tax shall be paid only once by the person making the "first sale" in this state, and shall become due and payable as soon as such cigarettes are subject to a "first sale" in Iowa, it being intended to impose the tax as soon as such cigarettes are received by any person in Iowa for the purpose of making a "first sale" of same. If the person making the "first sale" did not pay such tax, it shall be paid by any person into whose possession such cigarettes come until said tax has been paid in full. No person, however, shall be required to pay a tax on cigarettes brought into this state on or about the person in quantities of forty cigarettes

or less, when such cigarettes have had the individual packages or seals thereof broken and when such cigarettes are actually used by said person and not sold or offered for sale.

3. Payment of the tax shall be evidenced by stamps purchased from the department by a distributor or manufacturer and securely affixed to each individual package of cigarettes in amounts equal to the tax as imposed by this chapter, or by the impressing of an indicium upon individual packages of cigarettes, under regulations prescribed by the director.

4. Any other person who purchases or is in possession of unstamped cigarettes shall pay the tax directly to the department.

5. The per cigarette amount of the tax shall be added to the selling price of every package of cigarettes sold in this state and shall be collected from the purchaser so that the ultimate consumer bears the burden of the tax.

6. All excise taxes collected under this division by a distributor, manufacturer, or any individual are deemed to be held in trust for the state of Iowa.

7. Cigarettes shall be sold or dispensed only in packages or quantities of twenty or more cigarettes.

8. Any permit holder owning, renting, leasing, or otherwise operating a cigarette vending machine into which loose tobacco products are inserted and from which assembled cigarettes are dispensed shall do all the following:

*a.* Pay directly to the department, in lieu of the tax under subsection 1, a tax equal to three and six hundredths cents on each cigarette dispensed from such machine.

*b.* Allow to be inserted into such machine only loose tobacco products whose manufacturer and brand family are then currently listed on the directory maintained by the director under chapter 453D.

*c.* On or after January 1, 2014, allow to be dispensed from such machine only cigarettes which are in compliance with the requirements of chapter 101B.

*d.* Maintain in good working order on such machine a secure meter that counts the number of cigarettes dispensed by the machine, which meter cannot be accessed except for the sole purpose of taking meter readings, and cannot be reset or otherwise altered by the permit holder.

[C24, 27, 31, 35, §1570; C39, §**1556.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.6]

83 Acts, ch 165, §1; 85 Acts, ch 32, §1; 88 Acts, ch 1005, §1; 88 Acts, ch 1153, §1; 91 Acts, ch 267, §509, 510

C93, §453A.6

99 Acts, ch 151, §74, 75, 89; 2004 Acts, ch 1073, §36; 2007 Acts, ch 17, §3, 4, 12; 2012 Acts, ch 1110, §27

Referred to in §453A.35, 453A.35A, 453A.40, 453A.43

Inventory tax, §453A.40

**453A.7 Printing and custody of stamps.**

1. The director of the department of administrative services shall have printed or manufactured, cigarette and little cigar tax stamps of such design, size, denomination, and type and in such quantities as may be determined by the director of revenue. The stamps shall be so manufactured as to render them easy to be securely attached to each individual package of cigarettes and little cigars or cigarette papers. The cigarette and little cigar tax stamps shall be in the possession of and under the control of the director of revenue and the director shall keep accurate records of all cigarette and little cigar tax stamps.

2. There is appropriated annually from the state treasury from funds not otherwise appropriated an amount sufficient to carry out the provisions of this section.

[C24, 27, 31, 35, §1574; C39, §**1556.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.7]

C93, §453A.7

93 Acts, ch 180, §13; 2003 Acts, ch 145, §286; 2007 Acts, ch 186, §33

See annual Iowa Acts for temporary exceptions, changes, or other noncodified enactments modifying the funding provided under this section

**453A.8 Sale and exchange of stamps.**

1. Stamps shall be sold by and purchased from the department. The department shall sell stamps to the holder of a state distributor's or manufacturer's permit which has not been

revoked and to no other person. Stamps shall be sold to the permit holders at a discount of two percent of the face value. Stamps shall be sold in unbroken rolls of thirty thousand stamps or unbroken lots of any other form authorized by the director.

2. Orders for cigarette tax stamps, including the payment for such stamps, shall be sent direct to the department on a form to be prescribed by the director, except as provided in subsection 6.

3. *a.* The department may make refunds on unused stamps to the person who purchased the stamps at a price equal to the amount paid for the stamps when proof satisfactory to the department is furnished that any stamps upon which a refund is requested were properly purchased from the department and paid for by the person requesting the refund. In making the refund, the department shall prepare a voucher showing the amount of refund due and to whom payable and shall authorize the department of administrative services to issue a warrant upon order of the director to pay the refund out of any funds in the state treasury not otherwise appropriated.

*b.* The director may promulgate rules providing for refunds of the face value of stamps, less any discount, affixed to any cigarettes which have become unfit for use and consumption, unsalable, or for any other legitimate loss which may occur, upon proof of such loss. Refund shall be made in the same manner as provided for unused stamps.

4. The department may in the enforcement of this division recall any stamps which have been sold by the department and which have not been used, and the department shall, upon receipt of recalled stamps, issue a refund for tax stamps surrendered for the face value of the stamps less the amount of the discount. The purchaser of stamps shall surrender any unused stamps for refund upon demand of the department.

5. The department shall keep a record of all stamps sold by the department and of all refunds made by the department.

6. The director may authorize a bank as defined by section 524.103, subsection 8, to sell stamps. A bank authorized to sell stamps shall comply with all of the requirements governing the sale of stamps by the department. Section 453A.12 shall apply to any bank authorized to sell stamps.

[C24, §1574, 1575; C27, 31, 35, §1574-al, 1575; C39, **§1556.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.8; 81 Acts, ch 43, §2]

83 Acts, ch 165, §2; 92 Acts, ch 1163, §22

C93, §453A.8

99 Acts, ch 151, §76, 89; 2004 Acts, ch 1101, §60; 2011 Acts, ch 25, §143

Referred to in §453A.40

Inventory tax, §453A.40

**453A.9 Change of design.**

The design of the stamps used may be changed as often as the director deems necessary for the best enforcement of the provisions of this division.

[C39, §**1556.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.9]

C93, §453A.9

**453A.10 Affixing of stamps by distributors.**

Except as provided in section 453A.17, every distributor holding an Iowa permit shall cause to be affixed, within or without the state of Iowa, upon every individual package of cigarettes received by the distributor in this state or for distribution in this state, upon which no sufficient tax stamp is already affixed, a stamp or stamps of an amount equal to the tax due thereon. Such stamps shall be affixed within forty-eight hours, exclusive of Sundays and legal holidays, from the hour the cigarettes were received, and shall be affixed before such distributor sells, offers for sale, consumes, or otherwise distributes or transports the same. It shall be unlawful for any person, other than a distributing agent or distributor, bonded pursuant to section 453A.14, or common carrier to receive or accept delivery of any cigarettes without stamps affixed to evidence the payment of the tax, or without having in possession the requisite amount or number of stamps necessary to stamp such cigarettes,

and the possession of any unstamped cigarettes, without the possession of the requisite amount or number of stamps, shall be prima facie evidence of the violation of this provision.

[C24, 27, 31, 35, §1571; C39, §**1556.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.10]
C93, §453A.10
Referred to in §101B.2, 101B.3

**453A.11 Cancellation of stamps.**

Stamps affixed to a package of cigarettes shall not be canceled by any letter, numeral, or other mark of identification or otherwise mutilated in any manner that will prevent or hinder the department in making an examination as to the genuineness of the stamp. However, the director may require such cancellation of the tax stamps affixed to packages of cigarettes which is necessary to carry out properly the provisions of this division. A person who cancels or causes the cancellation of stamps in violation of this section shall be considered in possession of unstamped cigarettes and is subject to the penalty provided in section 453A.31, subsection 1, paragraph *"a"*.

[C39, §**1556.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.11]
C93, §453A.11
2004 Acts, ch 1073, §37

**453A.12 Use of stamping machines.**

The department may purchase and supply suitable machines or devices to the holders of a state or manufacturer's permit, or authorize the leasing by the permit holder of such machines or the metering device or both, and provide under proper regulation and direction for the impression of a distinctive imprint, indicium or character upon individual packages of cigarettes, as evidence of the payment of the tax imposed by this division, in lieu of the purchase and affixation of stamps.

If the director decides to purchase the machines they shall be paid for upon order of the director out of any funds in the general fund of the state not otherwise appropriated.

The machines or devices shall be so constructed as to record or meter the number of impressions or indicia made and shall at all times be open for inspection by the department.

All of the provisions of this division relating to the collection of the tax by means of the sale and affixation of stamps shall apply in the use of the stamping machines or devices, including the right of refund.

[C39, §**1556.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.12]
C93, §453A.12
Referred to in §453A.8, 453A.40
Inventory tax, §453A.40

**453A.13 Distributor's, wholesaler's, and retailer's permits.**

1. *Permits required.* Every distributor, wholesaler, cigarette vendor, and retailer, now engaged or who desires to become engaged in the sale or use of cigarettes, upon which a tax is required to be paid, shall obtain a state or retail cigarette permit as a distributor, wholesaler, cigarette vendor, or retailer, as the case may be.

2. *Issuance or denial.*

*a.* The department shall issue state permits to distributors, wholesalers, and cigarette vendors subject to the conditions provided in this division. Cities may issue retail permits to dealers within their respective limits. County boards of supervisors may issue retail permits to dealers in their respective counties, outside of the corporate limits of cities.

*b.* The department may deny the issuance of a permit to a distributor, wholesaler, vendor or retailer who is substantially delinquent in the payment of a tax due, or the interest or penalty on the tax, administered by the department at the time of application. If the applicant is a partnership, a permit may be denied if a partner is substantially delinquent on any delinquent tax, penalty or interest. If the applicant is a corporation, a permit may be denied if any officer having a substantial legal or equitable interest in the ownership of the corporation owes any delinquent tax, interest or penalty of the applicant corporation.

*c.* The department, or a city or county, shall submit a duplicate of any application for a retail permit and any retail permit issued by the entity under this subsection to the alcoholic

beverages division of the department of commerce within thirty days of the issuance. The alcoholic beverages division of the department of commerce shall submit the current list of all retail permits issued to the Iowa department of public health by the first day of each quarter of a state fiscal year.

3. *Fees — expiration.*

*a.* All permits provided for in this division shall expire on June 30 of each year. A permit shall not be granted or issued until the applicant has paid for the period ending June 30 next, to the department or the city or county granting the permit, the fees provided for in this division. The annual state permit fee for a distributor, cigarette vendor, and wholesaler is one hundred dollars when the permit is granted during the months of July, August, or September. However, whenever a state permit holder operates more than one place of business, a duplicate state permit shall be issued for each additional place of business on payment of five dollars for each duplicate state permit, but refunds as provided in this division do not apply to any duplicate permit issued.

*b.* The fee for retail permits is as follows when the permit is granted during the months of July, August, or September:

(1) In places outside any city, fifty dollars.

(2) In cities of less than fifteen thousand population, seventy-five dollars.

(3) In cities of fifteen thousand or more population, one hundred dollars.

*c.* If any permit is granted during the months of October, November, or December, the fee shall be three-fourths of the above maximum schedule; if granted during the months of January, February, or March, one-half of the maximum schedule, and if granted during the months of April, May, or June, one-fourth of the maximum schedule.

4. *Refunds.*

*a.* An unrevoked permit for which the holder has paid the full annual fee may be surrendered during the first nine months of said year to the officer issuing it, and the department, or the city or county granting the permit shall make refunds to the holder as follows:

(1) Three-fourths of the annual fee if the surrender is made during July, August, or September.

(2) One-half of the annual fee if the surrender is made during October, November, or December.

(3) One-fourth of the annual fee if the surrender is made during January, February, or March.

*b.* An unrevoked permit for which the holder has paid three-fourths of a full annual fee may be so surrendered during the first six months of the period covered by said payment and the department, city, or county shall make refunds to the holder as follows:

(1) A sum equal to one-half of an annual fee if the surrender is made during October, November, or December.

(2) A sum equal to one-fourth of an annual fee if the surrender is made during January, February, or March.

*c.* An unrevoked permit for which the holder has paid one-half of a full annual fee may be surrendered during the first three months of the period covered by that payment, and the department, city, or county shall refund to the holder a sum equal to one-fourth of an annual fee.

5. *Application — bond.* Permits shall be issued only upon applications accompanied by the fee indicated above, and by an adequate bond as provided in section 453A.14, and upon forms furnished by the department upon written request. The failure to furnish such forms shall be no excuse for the failure to file the forms unless absolute refusal is shown. The forms shall set forth all of the following:

*a.* The manner under which the distributor, wholesaler, or retailer, transacts or intends to transact such business as a distributor, wholesaler, or retailer.

*b.* The principal office, residence, and place of business where the permit is to apply.

*c.* If the applicant is not an individual, the principal officers or members and their addresses.

*d.* Any other information as the director shall by rules prescribe.

6. *No sales without permit.* No distributor, wholesaler, cigarette vendor, or retailer shall sell any cigarettes until such application has been filed and the fee prescribed paid for a permit and until such permit is obtained and only while such permit is unrevoked and unexpired.

7. *Number of permits — trucks.* An application shall be filed and a permit obtained for each place of business owned or operated by a distributor, wholesaler, or retailer, excepting that no permit need be obtained for a delivery or sales truck of a distributor or wholesaler holding a permit, provided that the director may by regulation require that said truck bear the distributor's or wholesaler's name, and that the permit number of the place of business for and from which it operates be conspicuously displayed on the outside of the body of the truck, immediately under the name.

8. *Group business.* Any person who operates both as a distributor and wholesaler in the same place of business shall only be required to obtain a state permit for the particular place of business where such operation of said business is conducted. A separate retail permit, however, shall be required if any distributor or wholesaler sells cigarettes at both retail and wholesale.

9. *Permit — form and contents.* Each permit issued shall describe clearly the place of business for which it is issued, shall be nonassignable, consecutively numbered, designating the kind of permit, and shall authorize the sale of cigarettes in this state subject to the limitations and restrictions herein contained. The retail permits shall be upon forms furnished by the department or on forms made available or approved by the department.

10. *Permit displayed.* The permit shall, at all times, be publicly displayed by the distributor, wholesaler, or retailer at the place of business so as to be easily seen by the public and the persons authorized to inspect the place of business. The proprietor or keeper of any building or place where cigarettes and other tobacco products are kept for sale, or with intent to sell, shall upon request of any agent of the department or any peace officer exhibit the permit. A refusal or failure to exhibit the permit is prima facie evidence that the cigarettes or other tobacco products are kept for sale or with intent to sell in violation of this division.

[S13, §5007-a; C24, 27, §1557, 1558, 1560, 1563, 1564, 1584; C31, 35, §1557, 1558, 1560, 1563, 1563-d1, 1564, 1584; C39, §**1556.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.13]

86 Acts, ch 1007, §5; 86 Acts, ch 1241, §1

C93, §453A.13

94 Acts, ch 1165, §38; 2000 Acts, ch 1105, §5; 2007 Acts, ch 186, §34, 35; 2011 Acts, ch 25, §48; 2011 Acts, ch 63, §14; 2012 Acts, ch 1023, §54, 55

Referred to in §421.26, 453A.36, 453A.40

**453A.14 Bonds.**

1. No state or manufacturer's permit shall be issued until the applicant files a bond, with good and sufficient surety, to be approved by the director, which bond shall be in favor of the state and conditioned upon the payment of taxes, damages, fines, penalties, and costs adjudged against the permit holder for violation of any of the provisions of this division. The bonds shall be on forms prescribed by the director and in the following amounts:

*a.* State permit, not less than five hundred dollars.

*b.* Manufacturer's permit, not less than five thousand dollars.

2. A person shall not engage in interstate business unless the person files a bond, with good and sufficient surety in an amount of not less than one thousand dollars. The amount of the bond required of the person shall be fixed by the director, subject to the minimum limitation provided in this section. The bond is subject to approval by the director and shall be payable to the state in Des Moines, Polk county, and conditioned upon the payment of taxes, damages, fines, penalties, and costs adjudged against the person for violation of any of the requirements of this division affecting the person, on a form prescribed by the director.

3. An additional bond or a new bond may be required by the director at any time an existing bond becomes insufficient or the surety thereon becomes unsatisfactory, which additional bond, or new bond, shall be supplied within ten days after demand. On failure to supply a new bond or additional bond within ten days after demand, the director may cancel any existing bond made and secured by and for the person. If the bond is canceled

the person shall within forty-eight hours after receiving cigarettes or forty-eight hours after the cancellation, excluding Sundays and legal holidays, cause any cigarettes in the person's possession to have the requisite amount of stamps affixed to represent the tax.

[C24, 27, 31, 35, §1561, 1562; C39, §**1556.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.14]

C93, §453A.14

2011 Acts, ch 25, §100

Referred to in §453A.10, 453A.13, 453A.15, 453A.17

**453A.15 Records and reports of permit holders.**

1. The director may prescribe the forms necessary for the efficient administration of this division and may require uniform books and records to be used and kept by each permit holder or other person as deemed necessary. The director may also require each permit holder or other person to keep and retain in the director's possession evidence on prescribed forms of all transactions involving the purchase and sale of cigarettes or the purchase and use of stamps. The evidence shall be kept for a period of three years from the date of each transaction, for the inspection at all times by the department.

2. Where a state permit holder sells cigarettes at retail, the holder shall be required to maintain detailed records for sales of cigarettes to be sold at retail and the cigarette sales records shall be kept separate and apart.

3. The director may by regulation require every holder of a manufacturer's or state permit or other person to make and deliver to the department on or before the tenth day of each month a report or reports for the preceding calendar month, upon a form or forms prescribed by the director, and may require that the reports shall be properly sworn to and executed by the permit holder or the holder's duly authorized representative or other person.

4. Every permit holder or other person shall, when requested by the department, make additional reports as the department deems necessary and proper and shall at the request of the department furnish full and complete information pertaining to any transaction of the permit holder or other person involving the purchase or sale or use of cigarettes or purchase of cigarette stamps.

5. Every person engaged in the business of selling cigarettes in interstate commerce only, who has, by furnishing the bond required in section 453A.14, been permitted to set aside or store cigarettes in this state for the conduct of such interstate business without the stamps affixed thereto, shall be required to keep such records and make such reports to the department as are required by the department.

6. If any distributor, manufacturer, or other person fails or refuses to pay any tax, penalties, or cost of audit hereinafter provided, and it becomes necessary to bring suit or to intervene in any manner for the establishment or collection of said claims, in any judicial proceedings, any report filed in the office of the director by the distributor, manufacturer, or other person, or the distributor's, manufacturer's, or other person's representative, or a copy thereof, certified to by the director, showing the number of cigarettes sold by the distributor, the distributor's representative, the manufacturer, or the other person, upon which a tax, penalty, or cost of audit has not been paid, or any audit made by the department from the books or records of the distributor, manufacturer, or other person when signed and sworn to by the agent of the department making the audit as being made from the records of the distributor, manufacturer, or other person from or to whom the distributor, manufacturer, or other person has bought, received, or delivered cigarettes, whether from a transportation company or otherwise, such report or audit shall be admissible in evidence in such proceedings and shall be prima facie evidence of the contents thereof. However, the incorrectness of the report or audit may be shown.

7. The director may require by rule that reports required to be made under this division be filed by electronic transmission.

[C27, 31, 35, §1570-b1, -b2; C39, §**1556.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.15]

C93, §453A.15

99 Acts, ch 151, §77, 89; 2004 Acts, ch 1073, §38; 2007 Acts, ch 186, §36, 37

**453A.16 Manufacturer's permit.**

The department may, upon application of any manufacturer, issue without charge to the manufacturer a manufacturer's permit. The application shall contain information as the director shall prescribe. The holder of a manufacturer's permit is authorized to purchase stamps from the department, and must affix stamps to individual packages of cigarettes outside of this state, prior to their shipment into the state unless the cigarettes are shipped to an Iowa permitted distributor or an Iowa permitted distributor's agent.

[C39, §**1556.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.16]
C93, §453A.16
99 Acts, ch 151, §78, 89
Referred to in §421.26

**453A.17 Distributing agent's permit.**

1. Every distributing agent in the state, now engaged, or who desires to become engaged, in the business of storing unstamped cigarettes which are received in interstate commerce for distribution or delivery only upon order received from without the state or to be sold outside the state, shall file with the department, an application for a distributing agent's permit, on a form prescribed by the director, to be furnished upon written request. The failure to furnish shall be no excuse for the failure to file the same unless an absolute refusal is shown. Said form shall set forth the name under which such distributing agent transacts or intends to transact such business as a distributing agent, the principal office and place of business in Iowa to which the permit is to apply, and if other than an individual, the principal officers or members thereof and their addresses. The director may require any other information in said application. No distributing agent shall engage in such business until such application has been filed and fee in the sum of one hundred dollars paid for the permit and until the permit has been obtained. Such permit shall expire on June 30 following the date of issuance. All of the provisions of the last two paragraphs of section 453A.14, relative to bonds, are incorporated herein and by this reference made applicable to distributing agents. Upon failure to furnish adequate bond as required, the permit shall be revoked without hearing. An application shall be filed and a permit obtained for each place of business owned or operated by a distributing agent.

2. Upon receipt of the application, bond and permit fee, the department may issue to every distributing agent for the place of business designated a nonassignable consecutively numbered permit, authorizing the storing, and distribution of unstamped cigarettes within this state when the distribution is made upon interstate orders only. A distributing agent may also transport unstamped cigarettes in the agent's own conveyances to the state boundary for distribution outside the state, and any nonresident customer of the distributor may purchase and convey unstamped cigarettes to the state line for distribution outside the state. The nonresident purchaser shall have in possession an invoice evidencing the purchase of the unstamped cigarettes, which must be exhibited upon request to any peace officer or agent charged with the enforcement of this division.

3. Cigarettes set aside for interstate business must be kept separate from intrastate stock and those not so kept shall be considered as intrastate stock and subject to the same requirements as cigarettes possessed for the purpose of a "*first sale*".

4. It is unlawful for any distributing agent to sell at retail cigarettes from automobiles, trucks, or any similar conveyances.

[C39, §**1556.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.17]
C93, §453A.17
Referred to in §453A.10

**453A.18 Forms for records and reports.**

The department shall furnish or make available in electronic form, without charge, to holders of the various permits, forms in sufficient quantities to enable permit holders to make the reports required to be made under this division. The permit holders shall furnish at their own expense the books, records, and invoices, required to be used and kept, but the books, records, and invoices shall be in exact conformity to the forms prescribed for

that purpose by the director, and shall be kept and used in the manner prescribed by the director. However, the director may, by express order in certain cases, authorize permit holders to keep their records in a manner and upon forms other than those prescribed. The authorization may be revoked at any time.

[C39, §**1556.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.18]
C93, §453A.18
2007 Acts, ch 186, §38

**453A.19 Examination of records and premises.**

1. For the purpose of enabling the department to determine the tax liability of permit holders or any other person dealing in cigarettes or to determine whether a tax liability has been incurred, the department shall have the right to inspect any premises of the holder of an Iowa permit located within or without the state of Iowa where cigarettes are manufactured, produced, made, stored, transported, sold, or offered for sale or exchange, and to examine all of the records required to be kept or any other records that may be kept incident to the conduct of the cigarette business of said permit holder or any other person dealing in cigarettes.

2. The said authorized officers shall also have the right as an incident to determining the said tax liability, or whether a tax liability has been incurred, to examine all stocks of cigarettes and cigarette stamps and for the foregoing purpose said authorized officers shall also have the right to remain upon said premises for such length of time as may be necessary to fully determine said tax liability, or whether a tax liability has been incurred.

3. It shall be unlawful for any of the foregoing permit holders to fail to produce upon demand of the department any records required herein to be kept or to hinder or prevent in any manner the inspection of said records or the examination of said premises.

4. In the case of any departmental inspection conducted under this section requiring department personnel to travel outside the state of Iowa, any additional costs incurred by the department for out-of-state travel expenses shall be borne by the permittee. These additional costs shall be those costs in excess of the costs of a similar inspection conducted at the geographical point located within the state of Iowa nearest to the out-of-state inspection point. In lieu of conducting an on premises out-of-state inspection, the department shall have the authority to direct the permittee to assemble and transport all records described in subsection 1, to the nearest practical and convenient geographical location in Iowa for inspection by the department.

[C39, §**1556.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.19]
C93, §453A.19

**453A.20 Subpoena for witnesses and papers.**

For the purpose of enforcing the provisions of this chapter and of detecting violations thereof, the director shall have the power to administer oaths and to require by subpoena the attendance and testimony of witnesses and the production of all relevant books, papers, and records. Such attendance and production may be required at the statehouse at Des Moines, or at any place convenient for such investigation. In case any person fails or refuses to obey a subpoena so issued, the director may procure an order from the district court in the county where such person resides, or where such person is found, requiring such person to appear for examination and/or to produce such books, papers, and records as are required in the subpoena. Failure to obey such order shall be punished by such court as contempt thereof.

[C39, §**1556.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.20]
C93, §453A.20

**453A.21 Cigarettes retailer may not sell.**

Unless a retail permit holder shall also hold a state permit, it shall be unlawful for a retailer to sell or have in the retailer's possession cigarettes upon which the stamp tax has not been affixed.

[C39, §**1556.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.21]
C93, §453A.21

**453A.22 Revocation — suspension — civil penalty.**

1. If a person holding a permit issued by the department under this division, including a retailer permit for railway car, has willfully violated section 453A.2, the department shall revoke the permit upon notice and hearing. If the person violates any other provision of this division, or a rule adopted under this division, or is substantially delinquent in the payment of a tax administered by the department or the interest or penalty on the tax, or if the person is a corporation and if any officer having a substantial legal or equitable interest in the ownership of the corporation owes any delinquent tax of the permit-holding corporation, or interest or penalty on the tax, administered by the department, the department may revoke the permit issued to the person, after giving the permit holder an opportunity to be heard upon ten days' written notice stating the reason for the contemplated revocation and the time and place at which the person may appear and be heard. The hearing before the department may be held at a site in the state as the department may direct. The notice shall be given by mailing a copy to the permit holder's place of business as it appears on the application for a permit. If, upon hearing, the department finds that the violation has occurred, the department may revoke the permit.

2. If a retailer or employee of a retailer has violated section 453A.2 or section 453A.36, subsection 6, the department or local authority, or the alcoholic beverages division of the department of commerce following transfer of the matter to the alcoholic beverages division of the department of commerce pursuant to section 453A.2, subsection 6, in addition to the other penalties fixed for such violations in this section, shall assess a penalty upon the same hearing and notice as prescribed in subsection 1 as follows:

*a.* For a first violation, the retailer shall be assessed a civil penalty in the amount of three hundred dollars. Failure to pay the civil penalty as ordered under this subsection shall result in automatic suspension of the permit for a period of fourteen days.

*b.* For a second violation within a period of two years, the retailer shall be assessed a civil penalty in the amount of one thousand five hundred dollars or the retailer's permit shall be suspended for a period of thirty days. The retailer may select its preference in the penalty to be applied under this paragraph.

*c.* For a third violation within a period of three years, the retailer shall be assessed a civil penalty in the amount of one thousand five hundred dollars and the retailer's permit shall be suspended for a period of thirty days.

*d.* For a fourth violation within a period of three years, the retailer shall be assessed a civil penalty in the amount of one thousand five hundred dollars and the retailer's permit shall be suspended for a period of sixty days.

*e.* For a fifth violation within a period of four years, the retailer's permit shall be revoked.

3. If an employee of a retailer violates section 453A.2, subsection 1, the retailer shall not be assessed a penalty under subsection 2, and the violation shall be deemed not to be a violation of section 453A.2, subsection 1, for the purpose of determining the number of violations for which a penalty may be assessed pursuant to subsection 2, if the employee holds a valid certificate of completion of the tobacco compliance employee training program pursuant to section 453A.5 at the time of the violation. A retailer may assert only once in a four-year period the bar under this subsection against assessment of a penalty pursuant to subsection 2, for a violation of section 453A.2, that takes place at the same place of business location.

4. Reserved.

5. If a permit is revoked a new permit shall not be issued to the permit holder for any place of business, or to any other person for the place of business at which the violation occurred, until one year has expired from the date of revocation, unless good cause to the contrary is shown to the issuing authority.

6. Notwithstanding subsection 5, if a retail permit is suspended or revoked under this section, the suspension or revocation shall only apply to the place of business at which the violation occurred and shall not apply to any other place of business to which the retail permit applies but at which the violation did not occur.

7. The department or local authority shall report the suspension or revocation of a retail permit under this section to the alcoholic beverages division of the department of commerce within thirty days of the suspension or revocation of the retail permit.

8. For the purposes of this section, *"retailer"* means retailer as defined in sections 453A.1 and 453A.42 and *"retail permit"* includes permits issued to retailers under division I or division II of this chapter.

[C24, 27, 31, 35, §1559; C39, §**1556.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.22]

86 Acts, ch 1007, §6; 86 Acts, ch 1241, §2; 89 Acts, ch 251, §1; 91 Acts, ch 240, §5

C93, §453A.22

2000 Acts, ch 1105, §6, 7; 2000 Acts, ch 1232, §71, 95; 2003 Acts, ch 26, §3 – 7; 2005 Acts, ch 93, §3; 2006 Acts, ch 1030, §41; 2011 Acts, ch 63, §15, 16

Referred to in §453A.2, 453A.23, 453A.47A

**453A.23 Retailer's permit for railway car.**

1. Subject to this division, a retailer's permit may be issued by the department to any dining car company, sleeping car company, railroad or railway company. The permit shall authorize the holder to keep for sale, and sell, cigarettes at retail on any dining car, sleeping car, or passenger car operated by the applicant in, through, or across the state of Iowa, subject to all of the restrictions imposed upon retailers under this division. The application for the permit shall be in the form and contain the information required by the director. Each permit is good throughout the state. Only one permit is required for all cars operated in this state by the applicant, but a duplicate of the permit shall be posted in each car in which cigarettes are sold and no further permit shall be required or tax levied for the privilege of selling cigarettes in the cars. No cigarettes shall be sold in the cars without having affixed thereto stamps evidencing the payment of the tax as provided in this division.

2. As a condition precedent to the issuing of a retailer's permit for railway car, the applicant shall file with the department a bond in favor of the state for the benefit of all parties interested in the amount of five hundred dollars conditioned upon the payment of all taxes, fines and penalties and costs in this division.

3. The annual fee for a retailer's permit for railway cars shall be twenty-five dollars and two dollars for each duplicate thereof, which fee shall be paid to the department. The department shall issue duplicates of such permits from time to time as applied for by such companies.

4. The provisions of subsections 1 and 5 of section 453A.22 shall apply to the revocation of such permit and the issuance of a new one.

[C39, §**1556.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.23]

C93, §453A.23

**453A.24 Carrier to permit access to records.**

1. Every common carrier or person in this state having custody of books or records showing the transportation of cigarettes both interstate and intrastate shall give and allow the department free access to those books and records.

2. The director may require by rule that common carriers or the appropriate persons provide monthly reports to the department detailing all information the department deems necessary on shipments into and out of Iowa of cigarettes and tobacco products as set forth in this division I and division II of this chapter. The director may require by rule that the reports be filed by electronic transmission.

[C39, §**1556.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.24]

C93, §453A.24

2007 Acts, ch 186, §39

**453A.25 Administration.**

1. The director shall administer the provisions of this chapter, and shall collect, supervise, and enforce the collection of all taxes and penalties that may be due under the provisions of this chapter.

2. The director may make and publish rules, not inconsistent with this chapter, necessary and advisable for its detailed administration, enforce the provisions thereof, and collect the taxes and fees herein imposed. The director may promulgate rules hereunder providing for the refund on stamps which by reason of damage become unfit for sale or use.

3. The director may designate employees to administer and enforce the provisions of this chapter, including the collection of all taxes provided for in this chapter. In the enforcement, the director may request aid from the attorney general, the special agents of the state, any county attorney, or any peace officer. The director may appoint clerks and additional help as may be needed to administer this chapter.

[C24, 27, 31, 35, §1576; C39, §**1556.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.25]
C93, §453A.25
2007 Acts, ch 186, §40

**453A.26 Liens and actions.**

All of the provisions for the lien of the tax, its collection, and all actions as provided in the uniform sales and use tax administration Act, chapter 423, shall apply to the tax imposed by this chapter, except that where the sales tax and the cigarette tax may become conflicting liens, they shall be of equal priority.

[C24, 27, 31, 35, §1565; C39, §**1556.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.26]
C93, §453A.26
2005 Acts, ch 3, §74

**453A.27 Venue of actions to collect.**

Venue of any civil proceedings filed under the provisions of this chapter to collect the taxes, fees, and penalties levied herein shall be in a court of competent jurisdiction in Polk county, or in any court having jurisdiction.

[C39, §**1556.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.27]
C93, §453A.27

**453A.28 Assessment of tax by department — interest — penalty.**

If after any audit, examination of records, or other investigation the department finds that any person has sold cigarettes without stamps affixed or that any person responsible for paying the tax has not done so as required by this division, the department shall fix and determine the amount of tax due, and shall assess the tax against the person, together with a penalty as provided in section 421.27. The taxpayer shall pay interest on the tax or additional tax at the rate determined under section 421.7 counting each fraction of a month as an entire month, computed from the date the tax was due. If any person fails to furnish evidence satisfactory to the director showing purchases of sufficient stamps to stamp unstamped cigarettes purchased by the person, the presumption shall be that the cigarettes were sold without the proper stamps affixed. Within three years after the report is filed or within three years after the report became due, whichever is later, the department shall examine the report and determine the correct amount of tax. The period for examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent report made with the intent to evade tax, or in the case of a failure to file a report, or if a person purchases or is in possession of unstamped cigarettes.

The three-year period of limitation may be extended by a taxpayer by signing a waiver agreement form to be provided by the department. The agreement must stipulate the period of extension and the tax period to which the extension applies. The agreement must also provide that a claim for refund may be filed by the taxpayer at any time during the period of extension.

[C24, 27, 31, 35, §1568; C39, §**1556.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.28]
84 Acts, ch 1173, §1; 86 Acts, ch 1007, §7; 90 Acts, ch 1172, §1
C93, §453A.28
99 Acts, ch 151, §79, 89; 2004 Acts, ch 1073, §39
Referred to in §453A.29, 453A.31

**453A.29 Notice and appeal.**

The department shall notify any person assessed pursuant to section 453A.28 by sending a written notice of the determination by mail to the principal place of business of the person as shown on the person's application for permit, and if an application was not filed by the

person, to the person's last known address. A determination by the department of the amount of tax, penalty, and interest due, or the amount of refund for excess tax paid, is final, unless the person aggrieved by the determination appeals to the director for a revision of the determination within sixty days from the date of the notice of determination of tax, penalty, and interest or refund owing or unless the taxpayer contests the determination by paying the tax, interest, and penalty and timely filing a claim for refund. The director shall grant a hearing and upon the hearing, the director shall determine the correct tax, penalty, and interest or refund due and notify the appellant of the decision by mail. Judicial review of action of the director may be sought in accordance with the Iowa administrative procedure Act, chapter 17A, and section 422.29.

[C39, §**1556.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.29]
86 Acts, ch 1007, §8; 86 Acts, ch 1241, §3, 4
C93, §453A.29
94 Acts, ch 1133, §13, 16; 99 Acts, ch 151, §80, 89; 2003 Acts, ch 44, §114
Referred to in §421.10

**453A.30 Assessment of cost of audit.**

The department may employ auditors or other persons to audit and examine the books and records of any permit holder or other person dealing in cigarettes to ascertain whether the permit holder or other person has paid the amount of the taxes required to be paid by the holder or person or filed all reports containing all required information as specified by the department under the provisions of this chapter. If such taxes have not been paid or such reports not filed, as required, the department shall assess against the permit holder or other person, as additional penalty, the reasonable expenses and costs of the investigation and audit.

[C39, §**1556.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.30]
C93, §453A.30
2007 Acts, ch 186, §41

**453A.31 Civil penalty for certain violations.**

1. If a permit holder fails to keep any of the records required to be kept by the provisions of this division, or sells cigarettes upon which a tax is required to be paid by this division without at the time having a valid permit, or if a distributor, wholesaler, manufacturer, or distributing agent fails to make reports to the department as required, or makes a false or incomplete report to the department, or if a distributing agent stores unstamped cigarettes in the state or distributes or delivers unstamped cigarettes within this state without at the time of storage or delivery having a valid permit, or if a person purchases or is in possession of unstamped cigarettes, or if a person affected by this division fails or refuses to abide by any of its provisions or the rules adopted under this division, the person is civilly liable to the state for a penalty as follows:

*a.* For possession of unstamped cigarettes:

(1) A two hundred dollar penalty for the first violation if a person is in possession of more than forty but not more than four hundred unstamped cigarettes.

(2) A five hundred dollar penalty for the first violation if a person is in possession of more than four hundred but not more than two thousand unstamped cigarettes.

(3) A twenty-five dollar per pack penalty for the first violation if a person is in possession of more than two thousand unstamped cigarettes.

(4) For a second violation within three years of the first violation, the penalty is four hundred dollars if a person is in possession of more than forty but not more than four hundred unstamped cigarettes; one thousand dollars if a person is in possession of more than four hundred but not more than two thousand unstamped cigarettes; and thirty-five dollars per pack if a person is in possession of more than two thousand unstamped cigarettes.

(5) For a third or subsequent violation within three years of the first violation, the penalty is six hundred dollars if a person is in possession of more than forty but not more than four hundred unstamped cigarettes; one thousand five hundred dollars if a person is in possession of more than four hundred but not more than two thousand unstamped

cigarettes; and forty-five dollars per pack if a person is in possession of more than two thousand unstamped cigarettes.

*b*. For all other violations of this section:

(1) A two hundred dollar penalty for the first violation.

(2) A five hundred dollar penalty for a second violation within three years of the first violation.

(3) A one thousand dollar penalty for a third or subsequent violation within three years of the first violation.

2. The penalty imposed under this section shall be assessed and collected pursuant to section 453A.28 and is in addition to the tax, penalty, and interest imposed in that section.

3. If a cigarette distributor fails to file a return or to report timely, stamps shall not be provided to that cigarette distributor until all returns and reports are filed properly and all tax, penalties, and interest are paid.

[C24, 27, 31, 35, §1572; C39, §**1556.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.31]
C93, §453A.31

99 Acts, ch 151, §81, 89; 2004 Acts, ch 1073, §40, 41; 2007 Acts, ch 186, §42; 2008 Acts, ch 1032, §55

Referred to in §453A.11, 453A.46, 453D.5

**453A.32 Seizure and forfeiture — procedure.**

1. All cigarettes on which taxes are imposed or required to be imposed by this division, which are found in the possession or custody, or within the control of any person, for the purpose of being sold, distributed, or removed by the person in violation of this division, and all cigarettes which are removed, stored, transported, deposited, or concealed in any place without the proper taxes paid, and any automobile, truck, boat, conveyance, or other vehicle whatsoever, used in the removal, storage, deposit, concealment, or transportation of cigarettes for the purpose of avoiding the payment of the proper tax, and all equipment or other tangible personal property incident to and used for the purpose of avoiding the payment of the proper tax, found in the place, building, or vehicle where cigarettes are found, and all counterfeit cigarettes may be seized by the department, with or without process and shall be from the time of the seizure forfeited to the state of Iowa. A proceeding in the nature of a proceeding in rem shall be filed in a court of competent jurisdiction in the county of seizure to maintain the seizure and declare and perfect the forfeiture. All cigarettes, counterfeit cigarettes, vehicles, and property seized, remaining in the possession or custody of the department, sheriff or other officer for forfeiture or other disposition as provided by law, are not subject to replevin.

2. The department, when taking the seizure aforesaid, shall immediately make a written report thereof showing the name of the agent or representative making the seizure, the place and person where and from whom such property was seized and an inventory of same and appraisement thereof at the reasonable value of the article seized, which report shall be prepared in duplicate, signed by the agent or representative so seizing, the original of which shall be given to the person from whom said property is taken, and a duplicate copy of which shall be filed in the office of the director and shall be open to public inspection.

3. The county attorney of the county of seizure, shall, at the request of the director, file in the county and court aforesaid forfeiture proceeding in the name of the state as plaintiff, and in the name of the owner or person in possession as defendant, if known, and if unknown, then in the name of said property seized and sought to be forfeited. Upon the filing of said proceeding, the clerk of said court shall issue notice to the owner or person in possession of such property to appear before such court upon the date named therein, which shall not be less than two days from service of such notice, to show cause why the forfeiture aforesaid should not be declared, which notice shall be served by the sheriff of said county. In the event the defendant in said proceeding is a nonresident of the state or the defendant's residence is unknown, or in the event the name of such defendant is unknown, upon affidavit by the director to this effect, notice shall be given as ordered by the court.

4. In the event final judgment is rendered in the forfeiture proceedings aforesaid, maintaining the seizure, and declaring and perfecting the forfeiture of said seized property,

the court shall order and decree the sale of the seized property, other than the counterfeit cigarettes, to the highest bidder, by the sheriff at public auction in the county of seizure after notice is given in the manner provided in the case of the sale of personal property under execution, and the proceeds of such sale, less expense of seizure and court costs, shall be paid into the state treasury. Counterfeit cigarettes shall be destroyed or disposed of in a manner determined by the director.

5. In the event the cigarettes seized and sought to be sold upon forfeiture are unstamped, the cigarettes shall be sold by the director or the director's designee to the highest bidder among the permitted distributors in this state after written notice has been mailed to all distributors. If there is no bidder, or in the opinion of the director the quantity of cigarettes to be sold is insufficient or for any other reason such disposition of the cigarettes is impractical, the cigarettes shall be destroyed or disposed of in a manner as determined by the director. The proceeds from the sales shall be paid into the state treasury.

6. The provisions of this section applying to cigarettes shall also apply to tobacco products taxed under division II of this chapter.

[C39, §**1556.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.32]
C93, §453A.32
2004 Acts, ch 1073, §42; 2007 Acts, ch 186, §43
Referred to in §331.653, 331.756(20), 453A.36, 453D.6
Counterfeit cigarettes, see §453A.36(10)

**453A.33 Seizure not to affect criminal prosecution.**

The seizure, forfeiture, and sale of cigarettes, tobacco products, and other property under the terms and conditions hereinabove set out, shall not constitute any defense to the person owning or having control or possession of the property from criminal prosecution for any act or omission made or offense committed under this chapter or from liability to pay penalties provided by this chapter.

[C39, §**1556.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.33]
C93, §453A.33

**453A.34 Restrictions on injunction.**

Any person who shall invoke the power and remedies of injunction against the department to restrain or enjoin the department from enforcement of the collection of the tax levied herein upon any grounds for which an injunction may be issued shall file such proceedings in a court of competent jurisdiction in Polk county, and venue for such injunction is hereby declared to be in Polk county.

[C39, §**1556.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.34]
C93, §453A.34

**453A.35 Proceeds paid to general fund — health care trust fund.**

1. *a.* With the exception of revenues credited to the health care trust fund pursuant to paragraph *"b"*, the proceeds derived from the sale of stamps and the payment of fees and penalties provided for under this chapter, and the permit fees received from all permits issued by the department, shall be credited to the general fund of the state.

*b.* The revenues generated from the tax on cigarettes pursuant to section 453A.6, subsection 1, and from the tax on tobacco products as specified in section 453A.43, subsections 1, 2, 3, and 4, shall be credited to the health care trust fund created in section 453A.35A.

2. All permit fees provided for in this chapter and collected by cities in the issuance of permits granted by the cities shall be paid to the treasurer of the city where the permit is effective, or to another city officer as designated by the council, and credited to the general fund of the city. Permit fees so collected by counties shall be paid to the county treasurer.

[C24, 27, 31, 35, §1569; C39, §**1556.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.35]
83 Acts, ch 123, §51, 209

C93, §453A.35
2007 Acts, ch 17, §5, 12; 2009 Acts, ch 182, §62; 2010 Acts, ch 1192, §82; 2011 Acts, ch 131, §96, 158; 2013 Acts, ch 138, §130
Referred to in §331.427, 453A.35A
Section amended

**453A.35A Health care trust fund.**

1. A health care trust fund is created in the office of the treasurer of state. The fund consists of the revenues generated from the tax on cigarettes pursuant to section 453A.6, subsection 1, and from the tax on tobacco products as specified in section 453A.43, subsections 1, 2, 3, and 4, that are credited to the health care trust fund, annually, pursuant to section 453A.35. Moneys in the fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. However, the fund shall be considered a special account for the purposes of section 8.53 relating to generally accepted accounting principles. Moneys in the fund shall be used only as specified in this section and shall be appropriated only for the uses specified. Moneys in the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except as provided in this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2. Moneys in the fund shall be used only for purposes related to health care, substance abuse treatment and prevention, and tobacco use prevention, cessation, and control.

2007 Acts, ch 17, §6, 12; 2011 Acts, ch 131, §97, 158
Referred to in §453A.35
Funds remaining in trust fund for FY 2013-2014 and FY 2014-2015 appropriated to department of human services to supplement the medical assistance program appropriation; 2013 Acts, ch 138, §10, 140
Section not amended; footnote added

**453A.36 Unlawful acts.**

1. Except as otherwise provided in this division, it is unlawful for any person to have in the person's possession for sale, distribution, or use, or for any other purpose, in excess of forty cigarettes, or to sell, distribute, use, or present as a gift or prize cigarettes upon which a tax is required to be paid by this division, without having affixed to each individual package of cigarettes, the proper stamp evidencing the payment of the tax and the absence of the stamp on the individual package of cigarettes is notice to all persons that the tax has not been paid and is prima facie evidence of the nonpayment of the tax.

2. No person, other than a common carrier and a distributor's truck bearing the distributor's name and permit number in plain view on the outside of such truck, shall transport within this state cigarettes upon which a tax is required to be paid, without having stamps affixed to each individual package of said cigarettes; and no person shall fail or refuse, upon demand of agent of the department, or any peace officer to stop any vehicle transporting cigarettes for a full and complete inspection of the cargo carried.

3. No person shall use, sell, offer for sale, or possess for the purpose of use or sale, within this state, any previously used stamp or stamps, or attach any such previously used stamps to an individual package of cigarettes, nor shall any person purchase stamps from any person other than the department or sell stamps purchased from the department.

4. No person shall knowingly use, consume, or smoke, within this state, cigarettes upon which a tax is required to be paid, without said tax having been paid.

5. No person, unless the person be the holder of a permit, or the holder's representative, shall solicit the sale of cigarettes, provided that this section shall not prevent solicitation by a nonpermit holder for the sale of cigarettes to any state permit holder.

6. Any sales of cigarettes or tobacco products made through a cigarette vending machine are subject to rules and penalties relative to retail sales of cigarettes and tobacco products provided for in this chapter. Cigarettes shall not be sold through any cigarette vending machine unless the cigarettes have been properly stamped or metered as provided by this division, and in case of violation of this provision, the permit of the dealer authorizing retail sales of cigarettes shall be revoked. Payment of the permit fee as provided in section 453A.13 authorizes a cigarette vendor to sell cigarettes or tobacco products through vending machines. However, cigarettes or tobacco products shall not be sold through a vending

machine unless the vending machine is located in a place where the retailer ensures that no person younger than eighteen years of age is present or permitted to enter at any time. Cigarettes or tobacco products shall not be sold through any cigarette vending machine if such products are placed together with any nontobacco product, other than matches, in the cigarette vending machine. This section does not require a retail permit holder to buy a cigarette vendor's permit if the retail permit holder is in fact the owner of the cigarette vending machines and the machines are operated in the location described in the retail permit.

7. It shall be unlawful for a person other than a holder of a retail permit to sell cigarettes at retail. No state permit holder shall sell or distribute cigarettes at wholesale to any person in the state of Iowa who does not hold a permit authorizing the retail sale of cigarettes or who does not hold a state permit as a manufacturer, distributing agent, wholesaler, or distributor.

8. It shall be unlawful for a holder of a retail permit to sell or distribute any cigarettes or tobacco products, including but not limited to a single or loose cigarette, that are not contained within a sealed carton, pack, or package as provided by the manufacturer, which carton, pack, or package bears the health warning that is required by federal law.

9. It is unlawful for a person to ship or import into the state, or to offer for sale, sell, distribute, transport, or possess within this state, cigarettes or tobacco products previously exported from or manufactured for use outside the United States.

10. *a.* It is unlawful for a person to ship or import into this state or to offer for sale, sell, distribute, transport, or possess counterfeit cigarettes, knowing such cigarettes are counterfeit cigarettes or having reasonable cause to believe that such cigarettes are counterfeit cigarettes.

*b.* For purposes of this subsection and section 453A.32, *"counterfeit cigarettes"* means cigarettes, packages of cigarettes, cartons of cigarettes or other containers of cigarettes with a label, trademark, service mark, trade name, device, design, or word adopted or used by a cigarette manufacturer to identify its product that is false or used without authority of the cigarette manufacturer.

11. Violation of this section by the holder of a distributor's, wholesaler's or manufacturer's permit shall be grounds for the revocation of such permit.

[C24, §1573; C27, 31, 35, §1573, 1575-a2; C39, §**1556.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.36]

91 Acts, ch 240, §6

C93, §453A.36

97 Acts, ch 136, §1; 2000 Acts, ch 1104, §1, 2; 2004 Acts, ch 1073, §43; 2007 Acts, ch 186, §44, 45

Referred to in §453A.22, 453A.36A

**453A.36A Self-service sales prohibited.**

1. Beginning January 1, 1999, except as provided in section 453A.36, subsection 6, a retailer shall not sell or offer for sale cigarettes or tobacco products, in a quantity of less than a carton, through the use of a self-service display.

2. Violation of this section by a holder of a retail permit is grounds for revocation of such permit.

98 Acts, ch 1129, §3

Legislative intent to restrict access of minors to cigarettes and tobacco products; 98 Acts, ch 1129, §1

**453A.37 Violation as fraudulent practice.**

A person who violates a provision of this division is guilty of a fraudulent practice unless otherwise provided in this division.

[C39, §**1556.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.37]

89 Acts, ch 251, §2

C93, §453A.37

**453A.38 Counterfeiting and previously used stamps.**

Any person who shall print, engrave, make, issue, sell, or circulate, or shall possess or have in the person's possession with intent to use, sell, circulate, or pass, any counterfeit stamp or

previously used stamp, or who shall use, or consent to the use of, any counterfeit stamp or previously used stamp in connection with the sale, or offering for sale, of any cigarettes, or who shall place, or cause to be placed, on any individual package of cigarettes, any counterfeit stamp or previously used stamp, shall be guilty of an aggravated misdemeanor.

[C24, 27, 31, 35, §1573; C39, §**1556.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §98.38]
C93, §453A.38

**453A.39 Tobacco product and cigarette samples — restrictions — administration.**

1. A manufacturer, distributor, wholesaler, retailer, or distributing agent, or agent thereof, shall not give away cigarettes or tobacco products at any time in connection with the manufacturer's, distributor's, wholesaler's, retailer's, or distributing agent's business or for promotion of the business or product, except as provided in subsection 2.

2. *a.* All cigarette samples shall be shipped only to a distributor that has a permit to stamp cigarettes or little cigars with Iowa tax. All cigarette samples must have a cigarette stamp. The manufacturer shipping samples under this section shall send an affidavit to the director stating the shipment information, including the date shipped, quantity, and to whom the samples were shipped. The distributor receiving the shipment shall send an affidavit to the director stating the shipment information, including the date shipped, quantity, and from whom the samples were shipped. These affidavits shall be duly notarized and submitted to the director at the time of shipment and receipt of the samples. The distributor shall pay the tax on samples by separate remittance along with the affidavit.

*b.* A manufacturer, distributor, wholesaler, retailer, or distributing agent or agent thereof shall not give away any cigarettes or tobacco products to any person under eighteen years of age, or within five hundred feet of any playground, school, high school, or other facility when such facility is being used primarily by persons under age eighteen for recreational, educational, or other purposes.

*c.* Proof of age shall be required if a reasonable person could conclude on the basis of outward appearance that a prospective recipient of a sample may be under eighteen years of age.

2004 Acts, ch 1073, §44
See also §142A.6

**453A.40 Inventory tax.**

1. All persons required to obtain a permit or to be licensed under section 453A.13 or section 453A.44 having in their possession and held for resale on the effective date of an increase in the tax rate cigarettes, little cigars, or tobacco products upon which the tax under section 453A.6 or 453A.43 has been paid, unused cigarette tax stamps which have been paid for under section 453A.8, unused metered imprints which have been paid for under section 453A.12, or tobacco products for which the tax has not been paid under section 453A.46 shall be subject to an inventory tax on the items as provided in this section.

2. Persons subject to the inventory tax imposed under this section shall take an inventory as of the close of the business day next preceding the effective date of the increased tax rate of those items subject to the inventory tax for the purpose of determining the tax due. These persons shall report the tax on forms provided by the department of revenue and remit the tax due within thirty days of the prescribed inventory date. The department of revenue shall adopt rules as are necessary to carry out this section.

3. The rate of the inventory tax on each item subject to the tax as specified in subsection 1 is equal to the difference between the amount paid on each item under section 453A.6, 453A.8, 453A.12, or 453A.43 prior to the tax increase and the amount that is to be paid on each similar item under section 453A.6, 453A.8, 453A.12, or 453A.43 after the tax increase except that in computing the rate of the inventory tax any discount allowed or allowable under section 453A.8 shall not be considered.

88 Acts, ch 1005, §2
C89, §98.40

C93, §453A.40
2003 Acts, ch 145, §286; 2007 Acts, ch 17, §7, 11, 12
Referred to in §453A.43

**453A.41** Reserved.

## DIVISION II

## CIGARS AND OTHER TOBACCOS

Referred to in §453A.22, 453A.24, 453A.32

**453A.42 Definitions.**

When used in this division, unless the context clearly indicates otherwise, the following terms shall have the meanings, respectively, ascribed to them in this section:

1. *"Business"* means any trade, occupation, activity, or enterprise engaged in for the purpose of selling or distributing tobacco products in this state.

2. *"Consumer"* means any person who has title to or possession of tobacco products in storage, for use or other consumption in this state.

3. *"Director"* means the director of the department of revenue.

4. *"Distributor"* means any and each of the following:

*a.* Any person engaged in the business of selling tobacco products in this state who brings, or causes to be brought, into this state from without the state any tobacco products for sale;

*b.* Any person who makes, manufactures, or fabricates tobacco products in this state for sale in this state;

*c.* Any person engaged in the business of selling tobacco products without this state who ships or transports tobacco products to retailers in this state, to be sold by those retailers.

5. *"Little cigar"* means any roll for smoking which:

*a.* Is made wholly or in part of tobacco, irrespective of size or shape and irrespective of tobacco being flavored, adulterated, or mixed with any other ingredient;

*b.* Is not a cigarette as defined in section 453A.1, subsection 3; and

*c.* Either weighs not more than three pounds per thousand, irrespective of retail price, or weighs more than three pounds per thousand and has a retail price of not more than two and one-half cents per little cigar. For purposes of this subsection, the retail price is the ordinary retail price in this state, not including retail sales tax, use tax, or the tax on little cigars imposed by section 453A.43.

6. *"Manufacturer"* means a person who manufactures and sells tobacco products.

7. *"Person"* means any individual, firm, association, partnership, joint stock company, joint adventure, corporation, trustee, agency, or receiver, or any legal representative of any of the foregoing.

8. *"Place of business"* means any place where tobacco products are sold or where tobacco products are manufactured, stored, or kept for the purpose of sale or consumption, including any vessel, vehicle, airplane, train, or vending machine.

9. *"Retail outlet"* means each place of business from which tobacco products are sold to consumers.

10. *"Retailer"* means any person engaged in the business of selling tobacco products to ultimate consumers.

11. *"Sale"* means any transfer, exchange, or barter, in any manner or by any means whatsoever, for a consideration, and includes and means all sales made by any person. It includes a gift by a person engaged in the business of selling tobacco products, for advertising, as a means of evading the provisions of this division, or for any other purposes whatsoever.

12. *"Snuff"* means any finely cut, ground, or powdered tobacco that is not intended to be smoked.

13. *"Storage"* means any keeping or retention of tobacco products for use or consumption in this state.

14. *"Subjobber"* means any person, other than a manufacturer or distributor, who buys

tobacco products from a distributor and sells them to persons other than the ultimate consumers.

15. *"Tobacco products"* means cigars; little cigars as defined herein; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking; but shall not include cigarettes as defined in section 453A.1, subsection 3.

16. *"Use"* means the exercise of any right or power incidental to the ownership of tobacco products.

17. *"Wholesale sales price"* means the established price for which a manufacturer sells a tobacco product to a distributor, exclusive of any discount or other reduction.

[C71, 73, 75, 77, 79, 81, §98.42]
86 Acts, ch 1245, §402
C93, §453A.42
2002 Acts, ch 1119, §59; 2003 Acts, ch 145, §286; 2007 Acts, ch 17, §8, 9, 12
Referred to in §453A.1, 453A.3, 453A.5, 453A.22, 453A.43

**453A.43 Tax on tobacco products.**

1. *a.* A tax is imposed upon all tobacco products in this state and upon any person engaged in business as a distributor of tobacco products, at the rate of twenty-two percent of the wholesale sales price of the tobacco products, except little cigars and snuff as defined in section 453A.42.

*b.* In addition to the tax imposed under paragraph *"a"*, a tax is imposed upon all tobacco products in this state and upon any person engaged in business as a distributor of tobacco products, at the rate of twenty-eight percent of the wholesale sales price of the tobacco products, except little cigars and snuff as defined in section 453A.42.

*c.* Notwithstanding the rate of tax imposed pursuant to paragraphs *"a"* and *"b"*, if the tobacco product is a cigar, the total amount of the tax imposed pursuant to paragraphs *"a"* and *"b"* combined shall not exceed fifty cents per cigar.

*d.* Little cigars shall be subject to the same rate of tax imposed upon cigarettes in section 453A.6, payable at the time and in the manner provided in section 453A.6; and stamps shall be affixed as provided in division I of this chapter. Snuff shall be subject to the tax as provided in subsections 3 and 4.

*e.* The taxes on tobacco products, excluding little cigars and snuff, shall be imposed at the time the distributor does any of the following:

(1) Brings, or causes to be brought, into this state from outside the state tobacco products for sale.

(2) Makes, manufactures, or fabricates tobacco products in this state for sale in this state.

(3) Ships or transports tobacco products to retailers in this state, to be sold by those retailers.

2. *a.* A tax is imposed upon the use or storage by consumers of tobacco products in this state, and upon the consumers, at the rate of twenty-two percent of the cost of the tobacco products.

*b.* In addition to the tax imposed in paragraph *"a"*, a tax is imposed upon the use or storage by consumers of tobacco products in this state, and upon the consumers, at a rate of twenty-eight percent of the cost of the tobacco products.

*c.* Notwithstanding the rate of tax imposed pursuant to paragraphs *"a"* and *"b"*, if the tobacco product is a cigar, the total amount of the tax imposed pursuant to paragraphs *"a"* and *"b"* combined shall not exceed fifty cents per cigar.

*d.* The taxes imposed by this subsection shall not apply if the taxes imposed by subsection 1 on the tobacco products have been paid.

*e.* The taxes imposed under this subsection shall not apply to the use or storage of tobacco products in quantities of:

(1) Less than twenty-five cigars.

(2) Less than one pound smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.

3. A tax is imposed upon all snuff in this state and upon any person engaged in business as a distributor of snuff at the rate of one dollar and nineteen cents per ounce, with a proportionate tax at the same rate on all fractional parts of an ounce of snuff. The tax shall be computed based on the net weight listed by the manufacturer. The tax on snuff shall be imposed at the time the distributor does any of the following:

*a.* Brings or causes to be brought into this state from outside the state, snuff for sale.

*b.* Makes, manufactures, or fabricates snuff in this state for sale in this state.

*c.* Ships or transports snuff to retailers in this state, to be sold by those retailers.

4. *a.* A tax is imposed upon the use or storage by consumers of snuff in this state, and upon the consumers, at the rate of one dollar and nineteen cents per ounce with a proportionate tax at the same rate on all fractional parts of an ounce of snuff. The tax shall be computed based on the net weight as listed by the manufacturer.

*b.* The tax imposed by this subsection shall not apply if the tax imposed by subsection 3 on snuff has been paid.

*c.* The tax shall not apply to the use or storage of snuff in quantities of less than ten ounces.

5. Any tobacco product with respect to which a tax has once been imposed under this division shall not again be subject to tax under this division, except as provided in section 453A.40.

6. The tax imposed by this section shall not apply with respect to any tobacco product which under the Constitution and laws of the United States may not be made the subject of taxation by this state.

7. The tax imposed by this section shall be in addition to all other occupation or privilege taxes or license fees now or hereafter imposed by any city or county.

8. All excise taxes collected under this chapter by a distributor or any individual are deemed to be held in trust for the state of Iowa.

[C71, 73, 75, 77, 79, 81, §98.43]

85 Acts, ch 32, §2; 88 Acts, ch 1005, §3; 91 Acts, ch 267, §511, 512

C93, §453A.43

2004 Acts, ch 1073, §45; 2007 Acts, ch 17, §10, 12; 2007 Acts, ch 186, §46, 55

Referred to in §453A.35, 453A.35A, 453A.40, 453A.42, 453A.46, 453A.47, 453A.48

Inventory tax, §453A.40

**453A.44 Licenses — distributors, subjobbers.**

1. No person shall engage in the business of a distributor or subjobber of tobacco products at any place of business without first having received a license from the director to engage in that business at that place of business.

2. Every application for such a license shall be made on a form prescribed by the director and shall state the name and address of the applicant; if the applicant is a firm, partnership, or association, the name and address of each of its members; if the applicant is a corporation, the name and address of each of its officers; the address of its principal place of business; the place where the business to be licensed is to be conducted; and such other information as the director may require for the purpose of the administration of this division.

3. A person without this state who ships or transports tobacco products to retailers in this state, to be sold by those retailers, may make application for a license as a distributor, be granted a license by the director, and thereafter be subject to all the provisions of this division and entitled to act as a licensed distributor.

4. *a.* Each application for a distributor's license shall be accompanied by a fee of one hundred dollars, except that an applicant holding a permit pursuant to division I of this chapter shall not be required to pay an additional fee. The application shall be accompanied by a corporate surety bond issued by a surety licensed to do business in this state, in the sum of one thousand dollars, conditioned upon the true and faithful compliance by the distributor with all the provisions of this division and the payment when due of all taxes, penalties and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state of Iowa. This bond shall be in a form to be

fixed by the director and approved by the attorney general. Whenever it is the opinion of the director that the bond given by a licensee is inadequate in amount to fully protect the state, the director shall require either an increase in the amount of said bond or additional bond, in such amount as the director deems sufficient. Any bond required by this division, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license.

*b.* A separate application for license shall be made for each place of business where a distributor proposes to engage in business as such under this division.

5. Each application for a subjobber's license shall be accompanied by a fee of ten dollars, except that no applicant holding a permit pursuant to division I of this chapter shall be required to pay an additional fee.

6. A distributor or subjobber applying for a license between January 1 and June 30 of any year shall be required to pay only one-half of the license fee provided for herein.

7. The director, upon receipt of the application (and bond, in the case of the distributor) in proper form, and payment of the license fee required by subsection 4 or subsection 5, shall unless otherwise provided by this division, issue the applicant a license in form as prescribed by the director, which license shall permit the applicant to whom it is issued to engage in business as a distributor or subjobber at the place of business shown in the application. The director shall assign a permit number to each person licensed as a distributor at the time of issuance of the person's first license, which shall be inscribed upon all licenses issued to that distributor.

8. Each license shall expire on June 30 following its date of issue unless sooner revoked by the director or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the director.

9. No license shall be transferable to any other person.

10. The director may revoke, cancel, or suspend the license or licenses of any distributor or subjobber for violation of any of the provisions of this division, or any other act applicable to the sale of tobacco products, or any rule or regulations promulgated by the director in furtherance of this division. No license shall be revoked, canceled, or suspended except after notice and a hearing by the director as provided in section 453A.48.

11. No license shall be issued under this division to any person within one year of the date of final determination of a revocation of any previous license held by the person.

12. When the surety upon any bond issued pursuant to the provisions of this division shall have fulfilled the conditions of such bond and compensated the state for any loss occasioned by any act or omission of the person bonded under this division, such surety shall be subrogated to all the rights of the state in connection with the transaction wherein such loss occurred.

[C71, 73, 75, 77, 79, 81, §98.44]
89 Acts, ch 251, §3; 90 Acts, ch 1232, §1
C93, §453A.44
94 Acts, ch 1165, §39; 2011 Acts, ch 25, §143
Referred to in §421.26, 453A.40, 453A.45, 453A.50

**453A.45 Licensees, duties.**

1. *a.* Every distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices, of tobacco products held, purchased, manufactured, brought in or caused to be brought in from without the state, or shipped or transported to retailers in this state, and of all sales of tobacco products made, except sales to the ultimate consumer.

*b.* When a licensed distributor sells tobacco products exclusively to the ultimate consumer at the address given in the license, an invoice of those sales is not required, but itemized invoices shall be made of all tobacco products transferred to other retail outlets owned or controlled by that licensed distributor. All books, records and other papers and documents required by this subdivision to be kept shall be preserved for a period of at least three years after the date of the documents or the date of the entries appearing in the records, unless the director, in writing, authorized their destruction or disposal at an earlier date. At any

time during usual business hours, the director, or the director's duly authorized agents or employees, may enter any place of business of a distributor, without a search warrant, and inspect the premises, the records required to be kept under this subdivision, and the tobacco products contained therein, to determine if all the provisions of this division are being fully complied with. If the director, or any such agent or employee, is denied free access or is hindered or interfered with in making the examination, the license of the distributor at that premises is subject to revocation by the director.

2. Every person who sells tobacco products to persons other than the ultimate consumer shall render with each sale itemized invoices showing the seller's name and address, the purchaser's name and address, the date of sale, and all prices and discounts. The person shall preserve legible copies of all these invoices for three years from the date of sale.

3. Every retailer and subjobber shall procure itemized invoices of all tobacco products purchased. The invoices shall show the name and address of the seller and the date of purchase. The retailer and subjobber shall preserve a legible copy of each invoice for three years from the date of purchase. Invoices shall be available for inspection by the director or the director's authorized agents or employees at the retailer's or subjobber's place of business.

4. Records of all deliveries or shipments of tobacco products from any public warehouse of first destination in this state which is subject to the provisions of and licensed under chapter 554 shall be kept by the warehouse and be available to the director for inspection. They shall show the name and address of the consignee, the date, the quantity of tobacco products delivered, and such other information as the commissioner may require. These records shall be preserved for three years from the date of delivery of the tobacco products.

5. *a.* The transportation of tobacco products into this state by means other than common carrier must be reported to the director within thirty days with the following exceptions:

(1) The transportation of not more than fifty cigars, not more than ten ounces of snuff or snuff powder, or not more than one pound of smoking or chewing tobacco or other tobacco products not specifically mentioned herein;

(2) Transportation by a person with a place of business outside the state, who is licensed as a distributor under section 453A.44, or tobacco products sold by such person to a retailer in this state.

*b.* The report shall be made on forms provided by the director. The director may require by rule that the report be filed by electronic transmission.

*c.* Common carriers transporting tobacco products into this state shall file with the director reports of all such shipments other than those which are delivered to public warehouses of first destination in this state which are licensed under the provisions of chapter 554. Such reports shall be filed on or before the tenth day of each month and shall show with respect to deliveries made in the preceding month; the date, point of origin, point of delivery, name of consignee, description and quantity of tobacco products delivered, and such information as the director may otherwise require.

*d.* Any person who fails or refuses to transmit to the director the required reports or whoever refuses to permit the examination of the records by the director shall be guilty of a serious misdemeanor.

[C71, 73, 75, 77, 79, 81, §98.45]

87 Acts, ch 199, §1

C93, §453A.45

99 Acts, ch 151, §82, 89; 2004 Acts, ch 1073, §46, 47; 2007 Acts, ch 186, §47; 2011 Acts, ch 25, §143; 2013 Acts, ch 70, §22

Subsection 5, paragraph b amended

**453A.46 Distributors, monthly returns — interest, penalties.**

1. *a.* On or before the twentieth day of each calendar month every distributor with a place of business in this state shall file a return with the director showing for the preceding calendar month the quantity and wholesale sales price of each tobacco product brought, or caused to be brought, into this state for sale; made, manufactured, or fabricated in this state for sale in this state; and any other information the director may require. Every licensed

distributor outside this state shall in like manner file a return with the director showing for the preceding calendar month the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers and any other information the director may require. Returns shall be made upon forms furnished or made available in electronic form and prescribed by the director and shall contain other information as the director may require. Each return shall be accompanied by a remittance for the full tax liability shown on the return, less a discount as fixed by the director not to exceed five percent of the tax. Within three years after the return is filed or within three years after the return became due, whichever is later, the department shall examine it, determine the correct amount of tax, and assess the tax against the taxpayer for any deficiency. The period for examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade tax, or in the case of a failure to file a return.

*b.* The three-year limitation period may be extended by a taxpayer by signing a waiver agreement form provided by the department. The agreement must stipulate the extension period and the tax period to which the extension applies. The agreement must also stipulate that a claim for refund may be filed by the taxpayer at any time during the extension period.

2. *a.* All taxes shall be due and payable not later than the twentieth day of the month following the calendar month in which they were incurred, and shall bear interest at the rate in effect under section 421.7 counting each fraction of a month as an entire month, computed from the date the tax was due.

*b.* The director may reduce or abate interest when in the director's opinion the facts warrant the reduction or abatement. The exercise of this power shall be subject to the approval of the attorney general.

3. In addition to the tax or additional tax, the taxpayer shall also pay a penalty as provided in section 421.27 and be subject to the civil penalties set forth in sections 421.27; 453A.31, subsection 1, paragraph "*b*"; and 453A.50, subsection 3, as applicable.

4. The department shall notify any person assessed pursuant to this section by sending a written notice of the determination by mail to the principal place of business of the person as shown on the person's application for permit, and if an application was not filed by the person, to the person's last known address. A determination by the department of the amount of tax, penalty, and interest due, or the amount of refund for excess tax paid, is final, unless the person aggrieved by the determination appeals to the director for a revision of the determination within sixty days from the date of the notice of determination of tax, penalty, and interest or refund owing or unless the taxpayer contests the determination by paying the tax, interest, and penalty and timely filing a claim for refund. The director shall grant a hearing and upon the hearing, the director shall determine the correct tax, penalty, and interest or refund due and notify the appellant of the decision by mail. Judicial review of action of the director may be sought in accordance with chapter 17A and section 422.29.

5. The director may recover the amount of any tax due and unpaid, interest, and any penalty in a civil action. The collection of such a tax, interest, or penalty shall not be a bar to any prosecution under this division.

6. On or before the twentieth day of each calendar month, every consumer who, during the preceding calendar month, has acquired title to or possession of tobacco products for use or storage in this state, upon which tobacco products the tax imposed by section 453A.43 has not been paid, shall file a return with the director showing the quantity of tobacco products so acquired. The return shall be made upon a form furnished and prescribed by the director, and shall contain other information as the director may require. The return shall be accompanied by a remittance for the full unpaid tax liability shown by it. Within three years after the return is filed or within three years after the return became due, whichever is later, the department shall examine it, determine the correct amount of tax, and assess the tax against the taxpayer for any deficiency. The period for examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade tax, or in the case of a failure to file a return.

7. The director may require by rule that returns be filed by electronic transmission.

[C71, 73, 75, 77, 79, 81, §98.46]

84 Acts, ch 1173, §2; 86 Acts, ch 1007, §9; 87 Acts, ch 199, §2, 3; 90 Acts, ch 1172, §2
C93, §453A.46
94 Acts, ch 1133, §14, 16; 99 Acts, ch 151, §83, 89; 2004 Acts, ch 1073, §48; 2007 Acts, ch 186, §48, 49; 2008 Acts, ch 1184, §65; 2011 Acts, ch 25, §143
Referred to in §421.10, 453A.40

**453A.47 Refunds, credits.**

Where tobacco products upon which the tax imposed by this division has been reported and paid are shipped or transported by the distributor to consumers to be consumed without the state or to retailers or subjobbers without the state to be sold by those retailers or subjobbers without the state or are returned to the manufacturer by the distributor or destroyed by the distributor, refund of such tax or credit may be made to the distributor in accordance with regulations prescribed by the director. Any overpayment of the tax imposed under section 453A.43 may be made to the taxpayer in accordance with regulations prescribed by the director. The director shall cause any such refund of tax to be paid out of the general fund of the state, and so much of said fund as may be necessary is hereby appropriated for that purpose.

[C71, 73, 75, 77, 79, 81, §98.47]
C93, §453A.47
2013 Acts, ch 70, §23
Section amended

**453A.47A Retailers — permits — fees — penalties.**

1. *Permits required.* A person shall not engage in the business of a retailer of tobacco products at any place of business without first having received a permit as a tobacco products retailer.

2. *No sales without permit.* A retailer shall not sell any tobacco products until an application has been filed and the fee prescribed paid for a permit and until such permit is obtained and only while such permit is not suspended, unrevoked, or unexpired.

3. *Number of permits.* An application shall be filed and a permit obtained for each place of business owned or operated by a retailer.

4. *Retailer — cigarettes and tobacco products.* A retailer, as defined in section 453A.1, who holds a permit under division I of this chapter is not required to also obtain a retail permit under this division. However, if a retailer, as defined in section 453A.1, only holds a permit under division I of this chapter and that permit is suspended, revoked, or expired, the retailer shall not sell any cigarettes or tobacco products during the time which the permit is suspended, revoked, or expired.

5. *Separate permit.* A separate retail permit shall be required of a distributor or subjobber if the distributor or subjobber sells tobacco products at retail.

6. *Issuance.* Cities shall issue retail permits to retailers within their respective limits. County boards of supervisors shall issue retail permits to retailers in their respective counties, outside of the corporate limits of cities. The city or county shall submit a duplicate of any application for a retail permit and any retail permit issued by the entity under this section to the alcoholic beverages division of the department of commerce within thirty days of issuance. The alcoholic beverages division of the department of commerce shall submit the current list of all retail permits issued to the Iowa department of public health by the first day of each quarter of a state fiscal year.

7. *Fees — expiration.*

*a.* All permits provided for in this division shall expire on June 30 of each year. A permit shall not be granted or issued until the applicant has paid the fees provided for in this section for the period ending June 30 next, to the city or county granting the permit. The fee for retail permits is as follows when the permit is granted during the month of July, August, or September:

(1) In places outside any city, fifty dollars.
(2) In cities of less than fifteen thousand population, seventy-five dollars.
(3) In cities of fifteen thousand or more population, one hundred dollars.

*b.* If any permit is granted during the month of October, November, or December, the fee shall be three-fourths of the above maximum schedule; if granted during the month of January, February, or March, one-half of the maximum schedule; and if granted during the month of April, May, or June, one-fourth of the maximum schedule.

8. *Refunds.*

*a.* An unrevoked permit for which the retailer paid the full annual fee may be surrendered during the first nine months of the year to the officer issuing it, and the city or county granting the permit shall make refunds to the retailer as follows:

(1) Three-fourths of the annual fee if the surrender is made during July, August, or September.

(2) One-half of the annual fee if the surrender is made during October, November, or December.

(3) One-fourth of the annual fee if the surrender is made during January, February, or March.

*b.* An unrevoked permit for which the retailer has paid three-fourths of a full annual fee may be surrendered during the first six months of the period covered by the payment, and the city or county shall make refunds to the retailer as follows:

(1) A sum equal to one-half of an annual fee if the surrender is made during October, November, or December.

(2) A sum equal to one-fourth of an annual fee if the surrender is made during January, February, or March.

*c.* An unrevoked permit for which the retailer has paid one-half of a full annual fee may be surrendered during the first three months of the period covered by the payment, and the city or county shall refund to the retailer a sum equal to one-fourth of an annual fee.

9. *Application.* Retail permits shall be issued only upon applications, accompanied by the fee indicated above, made upon forms furnished by the department upon written request. The failure to furnish such forms shall be no excuse for the failure to file the form unless absolute refusal is shown. The forms shall specify:

*a.* The manner under which the retailer transacts or intends to transact business as a retailer.

*b.* The principal office, residence, and place of business, for which the permit is to apply.

*c.* If the applicant is not an individual, the principal officers or members of the applicant, not to exceed three, and their addresses.

*d.* Such other information as the director shall by rules prescribe.

10. *Records and reports of retailers.*

*a.* The director shall prescribe the forms necessary for the efficient administration of this section and may require uniform books and records to be used and kept by each retailer or other person as deemed necessary.

*b.* Every retailer shall, when requested by the department, make additional reports as the department deems necessary and proper and shall at the request of the department furnish full and complete information pertaining to any transaction of the retailer involving the purchase or sale or use of tobacco products.

11. *Penalties.* The permit suspension and revocation provisions and the civil penalties established in section 453A.22 shall apply to retailers under this division, in addition to any other penalties imposed under this division.

2005 Acts, ch 93, §4; 2005 Acts, ch 179, §131; 2011 Acts, ch 63, §17; 2013 Acts, ch 70, §24
Subsection 7, paragraph b amended

**453A.48 Investigations and hearings, testimonial powers.**

1. The director, or the director's duly authorized agents, may conduct investigations, inquiries, and hearings for the purpose of enforcing the provisions of this division, and, in connection with such investigations, inquiries, and hearings, the director and the director's duly authorized agents shall have all the powers conferred upon the director and the director's examiners by Iowa statutes, and the provisions of such shall apply to all such investigations, inquiries and hearings.

2. A hearing conducted under this division shall be preceded by ten days' notice in writing

of the subject of the hearing, including, in the case of suspension or revocation of a license, a statement of the nature of the charges against the licensee. The notice shall be sent by mail to the last known address of the licensee or other person involved in the hearing, and the service shall be complete upon mailing. After every hearing the director shall make the director's findings and order in writing. The findings and order shall be filed in the office of the director, and a copy sent by mail or otherwise to the person to whom the notice was directed.

3. The director may exchange information with the officers and agencies of other states administering laws relating to the taxation of tobacco products.

4. No person shall be excused from testifying or from producing, pursuant to a subpoena, any books, papers, records or memoranda in any investigation or upon any hearing, upon the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate the person or subject the person to a criminal penalty, but no person shall be prosecuted or subjected to any criminal penalty for or on account of any transaction made or thing concerning which the person may testify or produce evidence, documentary or otherwise, before the director or an employee or agent thereof; provided that such immunity shall extend only to a natural person who, in obedience to a subpoena, gives testimony under oath or produces evidence, documentary or otherwise, pursuant to a subpoena. No person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

5. Any person aggrieved by an order of the director fixing a tax, penalty, or interest under section 453A.43 may, within sixty days from the date of notice of the order, appeal to the board of review in the manner provided by law or unless the taxpayer contests the determination by paying the tax, interest, and penalty and timely filing a claim for refund. Judicial review of any other action of the director may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C71, 73, 75, 77, 79, 81, §98.48]
86 Acts, ch 1241, §5
C93, §453A.48
94 Acts, ch 1133, §15, 16; 2003 Acts, ch 44, §114
Referred to in §453A.44

**453A.49 Enforcement.**

The director shall enforce the provisions of this division. The director may prescribe rules not inconsistent with the provisions of this division for its detailed and efficient administration. In the enforcement of this division the director may call upon any county attorney or the attorney general for assistance. The director may bring injunction proceedings to restrain any person from acting as a distributor or subjobber without complying with the provisions of this division.

[C71, 73, 75, 77, 79, 81, §98.49]
C93, §453A.49
Referred to in §331.756(20)

**453A.50 Violations, penalties.**

1. Any person who in any manner knowingly attempts to evade the tax imposed by this division or who knowingly aids or abets in the evasion or attempted evasion of the tax or who knowingly violates the provisions of section 453A.44, subsection 1, of this division, shall be guilty of a serious misdemeanor.

2. Except as otherwise provided, any person who violates any provisions of this division shall be guilty of a simple misdemeanor.

3. *a.* The following civil penalties shall be imposed for a violation of this division:

(1) A two hundred dollar penalty for the first violation.

(2) A five hundred dollar penalty for a second violation within three years of the first violation.

(3) A one thousand dollar penalty for a third or subsequent violation within three years of the first violation.

*b*. The penalty imposed in this subsection is in addition to the tax, penalty, and interest imposed in other sections of this division. Each day a violation occurs counts as a new violation for purposes of this subsection.

[C71, 73, 75, 77, 79, 81, §98.50]
C93, §453A.50
2007 Acts, ch 186, §50, 51; 2008 Acts, ch 1032, §56
Referred to in §453A.46
Seizure and forfeiture of tobacco products, see §453A.32

**453A.51 Assessment of cost of audit.**

The department may employ auditors or other persons to audit and examine the books and records of a permit holder or other person dealing in tobacco products to ascertain whether the permit holder or other person has paid the amount of the taxes required to be paid by the permit holder or other person under the provisions of this chapter. If the taxes have not been paid, as required, the department shall assess against the permit holder or other person, as additional penalty, the reasonable expenses and costs of the investigation and audit.

2007 Acts, ch 186, §52

**453A.52 through 453A.55** Reserved.

DIVISION III

UNIFORM APPLICATION OF CHAPTER

**453A.56 Uniform application.**

Enforcement of this chapter shall be implemented in an equitable manner throughout the state. For the purpose of equitable and uniform implementation, application, and enforcement of state and local laws and regulations, the provisions of this chapter shall supersede any local law or regulation which is inconsistent with or conflicts with the provisions of this chapter.

91 Acts, ch 240, §8
CS91, §98.56
C93, §453A.56

# CHAPTER 453B

## EXCISE TAX ON UNLAWFUL DEALING IN CERTAIN SUBSTANCES

Referred to in §124.401, 232.52, 321.215, 421.60, 901.5, 911.3


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**453B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Controlled substance"* means controlled substance as defined in section 124.101.

2. *"Counterfeit substance"* means a counterfeit substance as defined in section 124.101.

3. *a.* *"Dealer"* means any person who ships, transports, or imports into this state or acquires, purchases, possesses, manufactures, or produces in this state any of the following:

(1) Seven or more grams of a taxable substance other than marijuana, but including a taxable substance that is a mixture of marijuana and other taxable substances.

(2) Forty-two and one-half grams or more of processed marijuana or of a substance consisting of or containing marijuana.

(3) One or more unprocessed marijuana plants.

(4) Ten or more dosage units of a taxable substance which is not sold by weight.

*b.* However, a person who lawfully ships, transports, or imports into this state or acquires, purchases, possesses, manufactures, or produces a taxable substance in this state is not considered a dealer.

4. *"Department"* means the department of revenue.

5. *"Director"* means the director of revenue.

6. *"Dosage unit"* means the unit of measurement in which a substance is dispensed to the ultimate user. Dosage unit includes, but is not limited to, one pill, one capsule, or one microdot.

7. *"Marijuana"* means marijuana as defined in section 124.101.

8. *"Processed marijuana"* means all marijuana except unprocessed marijuana plants.

9. *"Simulated controlled substance"* means a simulated controlled substance as defined in section 124.101.

10. *"Taxable substance"* means a controlled substance, a counterfeit substance, a simulated controlled substance, or marijuana, or a mixture of materials that contains a controlled substance, counterfeit substance, simulated controlled substance, or marijuana.

11. *"Unprocessed marijuana plant"* means any cannabis plant at any level of growth, whether wet, dry, harvested, or growing.

90 Acts, ch 1251, §37
C91, §421A.1
C93, §453B.1
95 Acts, ch 83, §29 – 31; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §143
Referred to in §453B.4

**453B.2 Administration — rules.**

The director shall administer this chapter. The director shall collect all taxes, interest, and civil penalties imposed under this chapter and deposit them in the general fund of the state.

The director may adopt rules under chapter 17A that are necessary to enforce this chapter. The director shall adopt a uniform system of providing, affixing, and displaying official stamps, labels, or other official indicia for taxable substances.

90 Acts, ch 1251, §38
C91, §421A.2
C93, §453B.2

**453B.3 Tax payment required for possession — payment due.**

A dealer shall not possess, distribute, or offer to sell a taxable substance unless the tax imposed under this chapter has been paid as evidenced by a stamp, label, or other official indicia permanently affixed to the taxable substance.

Taxes imposed on taxable substances by this chapter are due and payable immediately upon manufacture, production, acquisition, purchase, or possession by a dealer.

If the indicia evidencing the payment of the tax imposed on taxable substances under this chapter have not been affixed, the dealer shall have the indicia permanently affixed on the taxable substance immediately after receiving the taxable substance. A stamp, label, or other official indicia shall be used only once and shall not be used after the date of expiration.

All excise taxes collected under this chapter by a dealer or any individual are deemed to be held in trust for the state of Iowa.

90 Acts, ch 1251, §39
C91, §421A.3

C93, §453B.3
2004 Acts, ch 1073, §49

**453B.4 Measurements.**
For purposes of measurements under this chapter, the weight of a taxable substance shall be measured by its weight in metric grams in the dealer's possession. If a taxable substance consists of a mixture containing both marijuana and another substance or combination of substances listed in the definition of taxable substance in section 453B.1, the taxable substance shall be taxed under section 453B.7, subsection 2.
90 Acts, ch 1251, §40
C91, §421A.4
C93, §453B.4

**453B.5 Defense or immunity.**
This chapter does not provide in any manner a defense or affirmative defense to or immunity for a dealer from criminal prosecution pursuant to Iowa law.
90 Acts, ch 1251, §41
C91, §421A.5
C93, §453B.5

**453B.6 Pharmaceuticals.**
This chapter does not require persons lawfully in possession of a taxable substance to pay the tax required under this chapter or to purchase, acquire, or affix the stamps, labels, or other official indicia otherwise required by this chapter.
90 Acts, ch 1251, §42
C91, §421A.6
C93, §453B.6

**453B.7 Tax imposed — rate of tax.**
An excise tax is imposed on dealers at the following rates:
1. On each gram of processed marijuana, or each portion of a gram, five dollars.
2. On each gram or portion of a gram of any taxable substance, other than marijuana, sold by weight, two hundred fifty dollars.
3. On each unprocessed marijuana plant, seven hundred fifty dollars.
4. On each ten dosage units of any taxable substance, other than unprocessed marijuana plants, that is not sold by weight, or portion thereof, four hundred dollars.
90 Acts, ch 1251, §43
C91, §421A.7
C93, §453B.7
95 Acts, ch 83, §32; 2013 Acts, ch 90, §108
Referred to in §453B.4, 453B.8, 453B.12
Subsection 2 amended

**453B.8 Price of stamps, labels, or other indicia.**
Stamps, labels, or other official indicia to be affixed to a taxable substance indicating the payment of the excise tax shall be obtained and purchased from the department. The dealer shall pay the entire excise tax listed in section 453B.7 at the time of purchase, except as provided in section 453B.13, and receive stamps, labels, or other official indicia for the amount paid. However, the minimum purchase price to be paid for any stamps, labels, or indicia shall be two hundred fifteen dollars.
90 Acts, ch 1251, §44
C91, §421A.8
C93, §453B.8

**453B.9 Assessments are jeopardy assessments.**
All assessments of taxes made pursuant to this chapter shall be considered jeopardy assessments or collections as provided in section 422.30. The director shall assess a tax,

interest, and applicable penalties based on knowledge or information available to the director; serve the taxpayer by regular mail at the taxpayer's last known address or in person, a written notice of the amount of tax, interest, and penalty due, which notice may include a demand for immediate payment; and immediately proceed to collect the tax, interest, and penalty by any method prescribed in section 422.30. The period for examination, determination of amount of tax owed, and assessment is unlimited. Service of the notice by regular mail is complete upon mailing.

A person shall not bring suit to enjoin the assessment or collection of any taxes, interest, or penalties imposed by this chapter.

The tax, interest, and penalties assessed by the director are presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show any incorrectness or invalidity of an assessment. The burden is upon the taxpayer to prove that the shipment, transportation, importation, acquisition, purchase, possession, manufacture, or production of a taxable substance was lawful if a taxpayer's status as a dealer is disputed. Any statement filed by the director with the clerk of the district court, or any other certificate by the director of the amount of tax, interest, and penalties determined or assessed is admissible in evidence and is prima facie evidence of the facts contained in the statement.

90 Acts, ch 1251, §45
C91, §421A.9
C93, §453B.9
94 Acts, ch 1165, §40

**453B.10 Confidential nature of information.**

Notwithstanding any law to the contrary, the director or an employee of the department shall not reveal any information obtained from a dealer; nor shall information obtained from a dealer be used against the dealer in any criminal proceeding, unless the information is independently obtained, except in connection with a proceeding involving taxes due under this chapter from the dealer against whom the tax was assessed.

A person who violates this section is guilty of a simple misdemeanor.

This section does not prohibit the director from publishing statistics that do not disclose the identity of the dealers.

A stamp, label, or other official indicia denoting payment of the tax imposed under this chapter shall not be used against a taxpayer in a criminal proceeding, except that such information may be used against the taxpayer in connection with the administration or civil or criminal enforcement of the tax imposed under this chapter or any similar tax imposed by another state or local unit of government.

90 Acts, ch 1251, §46
C91, §421A.10
C93, §453B.10

**453B.11 Examination of records by director — subpoenas.**

For the purpose of determining whether or not the dealer should have paid taxes, determining the amount of tax that should have been paid, or collecting any taxes under this chapter, the director may examine, or cause to be examined, any books, papers, records, or memoranda that may be relevant to making such determinations, whether the books, papers, records, or memoranda are the property of or in the possession of the dealer or another person. The director may require the attendance of any person having knowledge or information that may be relevant, compel the production of books, papers, records, or memoranda by persons required to attend, take testimony on matters material to the determination, and administer oaths or affirmations. Upon demand of the director or an examiner or investigator, the court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda. The director may also issue subpoenas. Disobedience of subpoenas issued under this chapter is punishable by the district court of the county in which the subpoena is issued, or if the subpoena is issued by the director, by the district court of the county in which the party served with the subpoena is located, in the same manner as a contempt of court.

The director may petition the district court or a magistrate for an administrative search warrant as authorized by section 808.14 to execute a distress warrant authorized by section 422.26.

90 Acts, ch 1251, §47
C91, §421A.11
C93, §453B.11

**453B.12 Civil and criminal penalties for violation of chapter — interest.**

A dealer who violates this chapter is subject to a penalty equal to the amount of the tax imposed by section 453B.7, in addition to the tax imposed by that section. The dealer shall pay interest on the tax and penalty at the rate in effect under section 421.7, counting each fraction of a month as an entire month, computed from the date of assessment through the date of payment. The penalty and interest shall be collected as part of the tax.

In addition to the civil tax penalty and interest imposed by this section, a dealer distributing, offering to sell, or possessing taxable substances without affixing the appropriate stamps, labels, or other official indicia is guilty of a class "D" felony.

A person who possesses, prints, engraves, makes, issues, sells, or circulates a counterfeit taxable substance tax stamp, label, or other official indicia, or places or causes to be placed a counterfeit taxable substance tax stamp, label, or other official indicia on a taxable substance, is guilty of a class "D" felony.

A person who uses, sells, offers for sale, or possesses for use or sale a previously used or expired taxable substance tax stamp, label, or other official indicia, or attaches or causes to be attached a previously used or expired taxable substance tax stamp, label, or other official indicia to a taxable substance, is guilty of a class "D" felony.

Notwithstanding section 802.3, an indictment may be found or information filed upon any criminal offense specified in this chapter, in the proper court, within six years after the commission of the offense.

90 Acts, ch 1251, §48
C91, §421A.12
C93, §453B.12
Referred to in §803.3

**453B.13 Credit for previously paid taxes.**

If another state or local unit of government has previously assessed an excise tax on a taxable substance, the taxpayer shall pay the difference between the tax imposed under this chapter and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax imposed under this chapter, no tax is due. The burden is on the taxpayer to show that an excise tax on the taxable substances has been paid to another state or local unit of government.

90 Acts, ch 1251, §49
C91, §421A.13
C93, §453B.13
Referred to in §453B.8

**453B.14 Revision of tax — refunds.**

Sections 421.5, 422.26, 422.28, 422.29, 422.73, and 422.74 shall apply to this chapter, except that a refund claim filed later than thirty days from the expiration date of the stamps for which the refund is requested shall not be allowed by the director.

90 Acts, ch 1251, §50
C91, §421A.14
C93, §453B.14

**453B.15 Availability of records and information.**

The director may request from state, county, and local agencies, information and assistance deemed necessary to administer this chapter. State, county, and local agencies, officers, and employees shall cooperate with the director in identifying dealers and shall, on request, supply the department with available information and assistance which the director deems

necessary to administer this chapter, notwithstanding any provisions of law making such information confidential.

90 Acts, ch 1251, §51
C91, §421A.15
C93, §453B.15

**453B.16 Notice of conviction.**

If a person enters a plea of guilty, or forfeits bail or collateral deposited to secure the person's appearance in court, and the forfeiture is not vacated, or if a person is found guilty upon an indictment or information alleging a violation of this chapter, a copy of the minutes attached to the indictment returned by the grand jury, or to the county attorney's information, a copy of the judgment and sentence, and a copy of the opinion of the judge if one is filed, shall be sent by the clerk of the district court or the judge to the state department of transportation.

93 Acts, ch 16, §12
Referred to in §901.5

# CHAPTER 453C

## TOBACCO PRODUCT MANUFACTURERS — FINANCIAL OBLIGATIONS

Referred to in §453D.1, 453D.3, 453D.4, 453D.5, 453D.9

453C.1 Definitions.
453C.2 Requirements.

**453C.1 Definitions.**

1. *"Adjusted for inflation"* means increased in accordance with the formula for inflation adjustment set forth in exhibit "C" to the master settlement agreement.

2. *"Affiliate"* means a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person. Solely for purposes of this definition, the terms *"owns"*, *"is owned"*, and *"ownership"* mean ownership of an equity interest, or the equivalent thereof, of ten percent or more, and the term *"person"* means an individual, partnership, committee, association, corporation, or any other organization or group of persons.

3. *"Allocable share"* means allocable share as defined in the master settlement agreement.

4. *a.* *"Cigarette"* means any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains any of the following:

(1) Any roll of tobacco wrapped in paper or in any substance not containing tobacco.

(2) Tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette.

(3) Any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subparagraph (1).

*b.* The term *"cigarette"* includes "roll-your-own" tobacco, meaning tobacco which, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes. For purposes of this definition of *"cigarette"*, 0.09 ounces of "roll-your-own" tobacco shall constitute one individual "cigarette".

5. *"Master settlement agreement"* means the settlement agreement and related documents entered into on November 23, 1998, by the state and leading United States tobacco product manufacturers.

6. *"Qualified escrow fund"* means an escrow arrangement with a federally or state-chartered financial institution having no affiliation with any tobacco product manufacturer and having assets of at least one billion dollars where such arrangement

requires that such financial institution hold the escrowed funds' principal for the benefit of releasing parties and prohibits the tobacco product manufacturer placing the funds into escrow from using, accessing, or directing the use of the funds' principal except as consistent with section 453C.2, subsection 2, paragraph *"b"*.

7. *"Released claims"* means released claims as that term is defined in the master settlement agreement.

8. *"Releasing parties"* means releasing parties as that term is defined in the master settlement agreement.

9. *a.* *"Tobacco product manufacturer"* means an entity that on or after May 20, 1999, directly and not exclusively through any affiliate does any of the following:

(1) Manufactures cigarettes anywhere that such manufacturer intends to be sold in the United States, including cigarettes intended to be sold in the United States through an importer (except where such importer is an original participating manufacturer, as that term is defined in the master settlement agreement, that will be responsible for the payments under the master settlement agreement with respect to such cigarettes as a result of the provisions of subsection II(mm) of the master settlement agreement and that pays the taxes specified in subsection II(z) of the master settlement agreement and provided that the manufacturer of such cigarettes does not market or advertise such cigarettes in the United States).

(2) Is the first purchaser anywhere for resale in the United States of cigarettes manufactured anywhere that the manufacturer does not intend to be sold in the United States.

(3) Becomes a successor of an entity described in subparagraph (1) or (2).

*b.* The term *"tobacco product manufacturer"* shall not include an affiliate of a tobacco product manufacturer unless such affiliate itself falls within any of paragraph *"a"*, subparagraphs (1) through (3).

10. *"Units sold"* means the number of individual cigarettes sold in the state by the applicable tobacco product manufacturer, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, during the year in question, as measured by excise taxes collected by the state on packs bearing the excise stamp of the state or on roll-your-own tobacco containers. The department of revenue shall adopt rules as are necessary to ascertain the amount of state excise tax paid on the cigarettes of such tobacco product manufacturer for each year.

99 Acts, ch 157, §1, 3; 2000 Acts, ch 1058, §42; 2001 Acts, ch 18, §1, 2, 4; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §131, 159; 2007 Acts, ch 186, §53; 2011 Acts, ch 25, §101

Referred to in §12E.2, 453D.2

**453C.2 Requirements.**

Any tobacco product manufacturer selling cigarettes to consumers within the state, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, on or after May 20, 1999, shall do one of the following:

1. Become a participating manufacturer as that term is defined in section II(jj) of the master settlement agreement and generally perform its financial obligations under the master settlement agreement.

2. *a.* Place into a qualified escrow fund by April 15 of the year following the year in question, the following amounts, as such amounts are adjusted for inflation:

(1) For 1999: $.0094241 per unit sold on or after May 20, 1999.

(2) For 2000: $.0104712 per unit sold.

(3) For each of 2001 and 2002: $.0136125 per unit sold.

(4) For each of 2003 through 2006: $.0167539 per unit sold.

(5) For 2007 and each year thereafter: $.0188482 per unit sold.

*b.* A tobacco product manufacturer that places funds into escrow pursuant to paragraph *"a"* shall receive the interest or other appreciation on such funds as earned. Such funds themselves shall be released from escrow only under any of the following circumstances:

(1) To pay a judgment or settlement on any released claim brought against such tobacco product manufacturer by the state or any releasing party located or residing in the state.

Funds shall be released from escrow, under this subparagraph (1), (a) in the order in which they were placed into escrow and (b) only to the extent and at the time necessary to make payments required under such judgment or settlement.

(2) To the extent that a tobacco product manufacturer establishes that the amount the manufacturer was required to place into escrow on account of units sold in the state in a particular year was greater than the master settlement agreement payments, as determined pursuant to section IX(i) of that agreement including after final determination of all adjustments, that such manufacturer would have been required to make on account of such units sold had such manufacturer been a participating manufacturer, the excess shall be released from escrow and revert back to such tobacco product manufacturer.

(3) To the extent not released from escrow under subparagraph (1) or (2), funds shall be released from escrow and revert back to such tobacco product manufacturer twenty-five years after the date on which they were placed into escrow.

*c.* Each tobacco product manufacturer that elects to place funds into escrow pursuant to this subsection shall annually certify to the attorney general that the manufacturer is in compliance with this subsection. The attorney general may bring a civil action on behalf of the state against any tobacco product manufacturer that is not a participating manufacturer under the master settlement agreement and fails to place into escrow the funds required under this section. Any tobacco product manufacturer that fails in any year to place into escrow the funds required under this subsection shall be subject to all of the following:

(1) Be required within fifteen days to place such funds into escrow as shall bring the manufacturer into compliance with this subsection. The court, upon a finding of a violation of this subsection, may impose a civil penalty, to be paid to the general fund of the state, in an amount not to exceed five percent of the amount improperly withheld from escrow per day of the violation and in a total amount not to exceed one hundred percent of the original amount improperly withheld from escrow.

(2) In the case of a knowing violation, be required within fifteen days to place such funds into escrow as shall bring the manufacturer into compliance with this subsection. The court, upon a finding of a knowing violation of this subsection, may impose a civil penalty, to be paid to the general fund of the state, in an amount not to exceed fifteen percent of the amount improperly withheld from escrow per day of the violation and in a total amount not to exceed three hundred percent of the original amount improperly withheld from escrow.

(3) In the case of a second knowing violation, be prohibited from selling cigarettes to consumers within the state, whether directly or through a distributor, retailer, or similar intermediary, for a period not to exceed two years.

*d.* Each failure to make an annual deposit required under this subsection shall constitute a separate violation.

99 Acts, ch 157, §2, 3; 2001 Acts, ch 18, §3, 4; 2003 Acts, ch 179, §132, 159
Referred to in §453C.1

# CHAPTER 453D

## TOBACCO PRODUCT MANUFACTURERS — ENFORCEMENT OF FINANCIAL OBLIGATIONS

Referred to in §453A.6


453D.1 Findings and purpose.
453D.2 Definitions.
453D.3 Certifications, directory, tax stamps.
453D.4 Agent for service of process.
453D.5 Reporting of information — escrow installments.
453D.6 Penalties and other remedies.
453D.7 Miscellaneous provisions.
453D.8 Standing appropriation.
453D.9 Construction and severability.

**453D.1 Findings and purpose.**

The general assembly finds that violations of chapter 453C threaten the integrity of the tobacco master settlement agreement, the fiscal soundness of the state, and the public health and that establishing procedural enforcement enhancements will aid in the enforcement of chapter 453C and thereby safeguard the master settlement agreement, the fiscal soundness of the state, and the public health.

2003 Acts, ch 97, §1, 13

**453D.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Brand family"* means all styles of cigarettes sold under the same trademark and differentiated from one another by means of additional modifiers or descriptors, including but not limited to "menthol", "lights", "kings", and "100s", and including any brand name (alone or in conjunction with any other word), trademark, logo, symbol, motto, selling message, recognizable pattern of colors, or any other indicia of product identification identical or similar to, or identifiable with, a previously known brand of cigarettes.

2. *"Cigarette"* means cigarette as defined in section 453C.1.

3. *"Department"* means the department of revenue.

4. *"Director"* means the director of revenue.

5. *"Distributor"* means a person, notwithstanding established residency or location, who purchases non-tax-paid cigarettes and stores, sells, or otherwise disposes of the cigarettes.

6. *"Master settlement agreement"* means master settlement agreement as defined in section 453C.1.

7. *"Nonparticipating manufacturer"* means any tobacco product manufacturer that is not a participating manufacturer.

8. *"Participating manufacturer"* means participating manufacturer as defined in section II(jj) of the master settlement agreement and all amendments to the master settlement agreement.

9. *"Qualified escrow fund"* means qualified escrow fund as defined in section 453C.1.

10. *"Stamping agent"* means a person authorized to affix tax stamps to packages or other containers of cigarettes pursuant to chapter 453A or any person that is required to pay the tax imposed pursuant to chapter 453A on cigarettes.

11. *"Tobacco product manufacturer"* means tobacco product manufacturer as defined in section 453C.1.

12. *"Units sold"* means units sold as defined in section 453C.1.

2003 Acts, ch 97, §2, 13; 2003 Acts, ch 145, §286

**453D.3 Certifications, directory, tax stamps.**

1. *Certification.* A tobacco product manufacturer whose cigarettes are sold in this state, whether directly or through a stamping agent, distributor, retailer, or similar intermediary or intermediaries, shall execute and deliver on a form and in the manner prescribed by the attorney general, a certification to the director and the attorney general, no later than April 30 of each year, certifying under penalty of perjury that, as of the date of the certification, the tobacco product manufacturer is either a participating manufacturer or is in full compliance with chapter 453C, including all quarterly installment payments required by rule.

*a.* A participating manufacturer shall include in the participating manufacturer's certification a list of the participating manufacturer's brand families. The participating manufacturer shall update the list thirty calendar days prior to any addition to or modification of the participating manufacturer's brand families by executing and delivering a supplemental certification to the attorney general and the director.

*b.* (1) A nonparticipating manufacturer shall include in its certification all of the following:

(a) A list of all of the nonparticipating manufacturer's brand families and the number of units sold for each brand family that was sold in the state during the preceding calendar year.

(b) A list of all of the nonparticipating manufacturer's brand families that have been sold in the state at any time during the current calendar year.

(c) An indication, by an asterisk, of any brand family sold in the state during the preceding calendar year that is no longer being sold in the state as of the date of such certification.

(d) Identification by name and address of any other manufacturer of such brand families in the preceding or current calendar year.

(2) The nonparticipating manufacturer shall update the list thirty calendar days prior to any addition to or modification of the nonparticipating manufacturer's brand families by executing and delivering a supplemental certification to the attorney general and the director.

*c.* A nonparticipating manufacturer shall also certify all of the following:

(1) That the nonparticipating manufacturer is registered to do business in the state or has appointed a resident agent for service of process and provided notice as required in section 453D.4.

(2) That the nonparticipating manufacturer has established and continues to maintain a qualified escrow fund and has executed a qualified escrow agreement that has been reviewed and approved by the attorney general and that governs the qualified escrow fund.

(3) That the nonparticipating manufacturer is in full compliance with chapter 453C and this chapter and any rules adopted pursuant to chapter 453C or this chapter.

(4) All of the following:

(a) The name, address, and telephone number of the financial institution where the nonparticipating manufacturer has established the qualified escrow fund required pursuant to chapter 453C and all rules adopted pursuant to chapter 453C.

(b) The account number of the qualified escrow fund and any subaccount number for Iowa.

(c) The amount the nonparticipating manufacturer deposited in the qualified escrow fund for cigarettes sold in the state during the preceding calendar year, the date and amount of each deposit, and any evidence or verification deemed necessary by the attorney general to confirm this information.

(d) The amount and date of any withdrawal or transfer made at any time by the nonparticipating manufacturer from the qualified escrow fund or from any other qualified escrow fund into which the nonparticipating manufacturer made escrow payments at any time pursuant to chapter 453C and any rules adopted pursuant to chapter 453C.

*d.* (1) A tobacco product manufacturer shall not include a brand family in the tobacco product manufacturer's certification unless one of the following applies, as applicable:

(a) In the case of a participating manufacturer, the participating manufacturer affirms that the brand family is to be deemed to be the participating manufacturer's cigarettes for purposes of calculating the participating manufacturer's payments under the master settlement agreement for the relevant year, in the volume and shares determined pursuant to the master settlement agreement.

(b) In the case of a nonparticipating manufacturer, the nonparticipating manufacturer affirms that the brand family is to be deemed to be the nonparticipating manufacturer's cigarettes for the purposes of chapter 453C.

(2) This section shall not be construed as limiting or otherwise affecting the state's right to maintain that a brand family constitutes cigarettes of a different tobacco product manufacturer for purposes of calculating payments under the master settlement agreement or for purposes of chapter 453C.

*e.* Tobacco product manufacturers shall maintain all invoices and documentation of sales and other information relied upon for certification for a period of five years, unless otherwise required by law to maintain invoices and documentation for a greater period of time.

2. *Directory of cigarettes approved for stamping and sale.* The director shall develop and publish on the department's internet site a directory listing all tobacco product manufacturers that have provided current and accurate certification conforming to the requirements of subsection 1 and all brand families that are listed in the certification, with the following exceptions:

*a.* The director shall not include or retain in the directory the name or brand families of any nonparticipating manufacturer that has failed to provide the required certification or whose certification the attorney general determines is not in compliance with subsection 1,

paragraphs *"b"* and *"c"*, unless the attorney general has determined that the violation has been cured to the satisfaction of the attorney general.

*b.* A tobacco product manufacturer and a brand family shall not be included or retained in the directory if the attorney general concludes, in the case of a nonparticipating manufacturer, that either of the following applies:

(1) Any escrow payment required pursuant to chapter 453C for any period for any brand family, whether or not listed by the nonparticipating manufacturer, has not been fully paid into a qualified escrow fund governed by a qualified escrow agreement that has been approved by the attorney general.

(2) Any outstanding final judgment, including interest on the judgment, for a violation of chapter 453C has not been fully satisfied for the brand family or the nonparticipating manufacturer.

*c.* The director shall update the directory as necessary in order to correct mistakes and to add or remove a tobacco product manufacturer or brand family to keep the directory in conformity with the requirements of this chapter.

*d.* Stamping agents and distributors shall provide and update as necessary an electronic mail address to the director for the purpose of receiving any notifications as may be required by this chapter.

3. *Prohibition against stamping, sale, or import of cigarettes not included in the directory.* It shall be unlawful for any person to do any of the following:

*a.* Affix a stamp to a package or other container of cigarettes of a tobacco product manufacturer or brand family not included in the directory.

*b.* Sell, offer, or possess for sale in this state, or import for personal consumption in this state, cigarettes of a tobacco product manufacturer or brand family not included in the directory.

2003 Acts, ch 97, §3, 13; 2011 Acts, ch 25, §143; 2013 Acts, ch 90, §257
Referred to in §453D.5, 453D.6
Code editor directive applied

**453D.4 Agent for service of process.**

1. A nonresident or foreign nonparticipating manufacturer that has not registered to do business in the state as a foreign corporation or business entity shall, as a condition precedent to having the nonparticipating manufacturer's brand family included or retained in the directory, appoint and continually engage without interruption the services of an agent in this state to act as agent for service of process on whom all process, and any action or proceeding against the nonparticipating manufacturer concerning or arising out of the enforcement of this chapter or chapter 453C, may be served in any manner authorized by law. The service shall constitute legal and valid service of process on the nonparticipating manufacturer. The nonparticipating manufacturer shall provide the name, address, telephone number, and proof of the appointment and availability of the agent to, and to the satisfaction of, the director and the attorney general.

2. The nonparticipating manufacturer shall provide notice to the director and the attorney general thirty calendar days prior to termination of the authority of an agent and shall further provide proof to the satisfaction of the attorney general of the appointment of a new agent at least five calendar days prior to the termination of the existing agent appointment. In the event an agent terminates an agency appointment, the nonparticipating manufacturer shall notify the director and the attorney general of the termination within five calendar days and shall include proof to the satisfaction of the attorney general of the appointment of a new agent.

3. A nonparticipating manufacturer whose products are sold in this state, who has not appointed or designated an agent as required, shall be deemed to have appointed the secretary of state as agent and may be proceeded against in the courts of this state by service of process upon the secretary of state. However, the appointment of the secretary of state as agent shall not satisfy the condition precedent for having the brand families of the nonparticipating manufacturer included or retained in the directory.

2003 Acts, ch 97, §4, 13
Referred to in §453D.3

**453D.5 Reporting of information — escrow installments.**

1. No later than twenty calendar days after the end of each calendar quarter, and more frequently if so directed by the director, each stamping agent and distributor shall submit information as the director requires to facilitate compliance with this chapter, including but not limited to a list by brand family of the total number of cigarettes, or, in the case of roll-your-own tobacco, the equivalent stick count, for which the stamping agent or distributor affixed stamps during the previous calendar quarter or otherwise paid the tax due for the cigarettes. The stamping agent and distributor shall maintain, and make available to the director, all invoices and documentation of sales of all nonparticipating manufacturer cigarettes and any other information relied upon in reporting to the director for a period of five years. Violations of this subsection are subject to civil penalties as established in section 453A.31, subsection 1, paragraph *"b"*.

2. The director may disclose to the attorney general any information received under this chapter and requested by the attorney general for purposes of determining compliance with and enforcing this chapter. The director and attorney general shall share with each other the information received under this chapter, and may share the information with other federal, state, or local agencies only for purposes of enforcement of this chapter, chapter 453C, or corresponding laws of other states.

3. The attorney general may require at any time from a nonparticipating manufacturer proof from the financial institution in which the nonparticipating manufacturer has established a qualified escrow fund for the purpose of compliance with chapter 453C, of the amount of money in the qualified escrow fund, exclusive of interest, the amount and date of each deposit into the qualified escrow fund, and the amount and date of each withdrawal from the qualified escrow fund.

4. In addition to the information required to be submitted pursuant to chapter 453C or this chapter, the director or the attorney general may require a stamping agent, distributor, or tobacco product manufacturer to submit any additional information, including but not limited to samples of the packaging or labeling of each brand family, as necessary to enable the attorney general to determine compliance by the tobacco product manufacturer with this chapter.

5. To promote compliance with this chapter, the attorney general may adopt rules requiring a tobacco product manufacturer subject to the requirements of section 453D.3, subsection 1, paragraph *"b"*, to make the escrow deposits required in quarterly installments during the year in which the sales covered by the deposits are made. The director or the attorney general may require production of information sufficient to enable the attorney general to determine the adequacy of the amount of the installment deposit.

2003 Acts, ch 97, §5, 13; 2004 Acts, ch 1086, §73

Referred to in §453D.6

**453D.6 Penalties and other remedies.**

1. In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that any person has violated section 453D.3, subsection 3, or any rule adopted pursuant to that subsection, the director may revoke or suspend the permit or license of any stamping agent or distributor in the manner provided in chapter 453A. Each stamp affixed and each sale or offer to sell cigarettes in violation of section 453D.3, subsection 3, shall constitute a separate violation. For each violation, the director may also impose a civil penalty in an amount not to exceed the greater of five hundred percent of the retail value of the cigarettes or five thousand dollars upon a determination of violation of section 453D.3, subsection 3, or any rules adopted pursuant to section 453D.3, subsection 3. A penalty shall be imposed in the manner provided in chapter 453A.

2. Cigarettes that have been sold, offered for sale, or possessed for sale in this state, or imported for personal consumption in this state in violation of section 453D.3, subsection 3, shall be deemed contraband under section 453A.32 and the cigarettes shall be subject to seizure and forfeiture as provided in that section, and all cigarettes so seized and forfeited shall be destroyed and not resold.

3. The attorney general, on behalf of the director, may seek an injunction to restrain a

threatened or actual violation of section 453D.3, subsection 3, or section 453D.5, subsection 1 or 4, by a stamping agent or distributor and to compel the stamping agent or distributor to comply with these sections. In any action brought pursuant to this section, the state shall be entitled to recover the costs of investigation, expert witness fees, costs of the action, and reasonable attorney fees.

4. It shall be unlawful for a person to sell or distribute cigarettes or acquire, hold, own, possess, transport, import, or cause to be imported cigarettes that the person knows or should know are intended for distribution or sale in the state in violation of section 453D.3, subsection 3. A violation of this subsection is a serious misdemeanor.

2003 Acts, ch 97, §6, 13

**453D.7 Miscellaneous provisions.**

1. A determination of the attorney general not to include or to remove from the directory a brand family or tobacco product manufacturer shall be subject to review in a manner prescribed in rules adopted by the director.

2. A person shall not be issued a permit or license or be granted a renewal of a permit or license to act as a stamping agent or distributor unless the person has certified in writing, under penalty of perjury, that the person will comply fully with this chapter.

3. The director and the attorney general shall adopt rules as necessary to effect the purposes of this chapter.

4. In any action brought by the state to enforce this chapter, the state shall be entitled to recover the costs of the investigation, expert witness fees, costs of the action, and reasonable attorney fees.

5. If a court determines that a person has violated this chapter, the court shall order any profits, gain, gross receipts, or other benefit from the violation to be disgorged and paid to the treasurer of state.

6. Unless otherwise expressly provided, the remedies or penalties provided by this chapter are cumulative relative to each other and relative to any other remedies or penalties available under any other law of this state.

2003 Acts, ch 97, §7, 13

**453D.8 Standing appropriation.**

There is appropriated from the general fund of the state to the department of revenue each fiscal year beginning July 1, 2004, and thereafter, the sum of twenty-five thousand dollars for enforcement of this chapter.

2003 Acts, ch 97, §8, 13; 2003 Acts, ch 145, §286

**453D.9 Construction and severability.**

1. If a court of competent jurisdiction finds that the provisions of this chapter and of chapter 453C conflict and cannot be harmonized, the provisions of chapter 453C shall prevail.

2. If any portion of this chapter causes chapter 453C to no longer constitute a qualifying or model statute, as defined in the master settlement agreement, that portion of this chapter shall be void.

3. If any portion of this chapter is for any reason held to be invalid, unlawful, or unconstitutional, the determination shall not affect the validity of the remaining provisions of this chapter or any part of this chapter.

2003 Acts, ch 97, §9, 13

# CHAPTER 454

RESERVED

# TITLE XI

## NATURAL RESOURCES

Referred to in §476.53

# SUBTITLE 1

## CONTROL OF ENVIRONMENT

## CHAPTER 455

RESERVED

## CHAPTER 455A

### DEPARTMENT OF NATURAL RESOURCES

Referred to in §455H.303

Former chapter 455A, Code 1981, repealed by 82 Acts, ch 1199, §97; effect of repeal, 83 Acts, ch 137, §30

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### GENERAL PROVISIONS

**455A.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Department"* means the department of natural resources created under section 455A.2.
2. *"Director"* means the director of the department of natural resources.

3. *"Environmental protection commission"* means the environmental protection commission created under section 455A.6.

4. *"Fund"* means the Iowa resources enhancement and protection fund created under section 455A.18.

5. *"Natural resource commission"* means the natural resource commission created under section 455A.5.

6. *"Soil conservation division"* means the soil conservation division of the department of agriculture and land stewardship.

86 Acts, ch 1245, §1801; 89 Acts, ch 236, §1

**455A.2 Department of natural resources.**

A department of natural resources is created, which has the primary responsibility for state parks and forests, protecting the environment, and managing fish, wildlife, and land and water resources in this state.

86 Acts, ch 1245, §1802; 2009 Acts, ch 108, §17, 41

Referred to in §7E.5, 16.131A, 455A.1, 455B.101, 455C.1, 455D.1, 455E.2, 455H.103, 455I.2, 455K.2, 456.1, 456A.1, 456B.1, 458A.2, 459.102, 461A.1, 464A.1A, 465C.1, 483A.1A, 484C.1

**455A.3 Director — qualifications.**

The chief administrative officer of the department is the director who shall be appointed by the governor, subject to confirmation of the senate, and serve at the governor's pleasure. The governor shall make the appointment based on the appointee's training, experience, and capabilities. The director shall be knowledgeable in the general field of natural resource management and environmental protection. The salary of the director shall be fixed by the governor within salary guidelines or a range established by the general assembly.

86 Acts, ch 1245, §1803

Referred to in §455H.103

Confirmation, see §2.32

**455A.4 General powers and duties of the director.**

1. Except as otherwise provided by law and subject to rules adopted by the natural resource commission and the environmental protection commission, the director shall:

*a.* Plan, direct, coordinate, and execute the functions vested in the department.

*b.* Provide overall supervision, direction, and coordination of functions to be administered by the administrators under chapters 321G, 321I, 455B, 455C, 456, 456A, 456B, 457A, 458A, 459, 459A, 459B, 461A, 462A, 462B, 464A, 465C, 473, 481A, 481B, 483A, 484A, and 484B.

*c.* Annually compile a comprehensive program budget which reflects all fiscal matters related to the operation of the department and each program, subprogram, and activity in the department in accordance with section 8.23.

*d.* Submit a biennial or an annual report to the governor and the general assembly, in accordance with chapter 7A.

*e.* Employ personnel as necessary to carry out the functions vested in the department consistent with chapter 8A, subchapter IV, unless the positions are exempt from that subchapter.

*f.* Devote full time to the duties of the director's office.

*g.* Not be a candidate for nor hold any other public office or trust, nor be a member of a political committee.

*h.* Maintain an office at the state capitol complex, which is open at all reasonable times for the conduct of public business.

*i.* Adopt rules in accordance with chapter 17A as necessary or desirable for the organization or reorganization of the department.

*j.* In the administration of programs relating to water quality improvement and watershed improvements, cooperate with the department of agriculture and land stewardship in order to maximize the receipt of federal funds.

2. All powers and duties vested in the director may be delegated by the director to an employee of the department, but the director retains the responsibility for an employee's acts within the scope of the delegation.

3. The director and other officers and employees of the department are entitled to receive, in addition to salary, their actual and necessary travel and related expenses incurred in the performance of official business.

4. The director shall obtain an adequate public employees fidelity bond to cover those officers and employees of the department accountable for property or funds of this state.

5. The department may accept payment of any fees, interest, penalties, subscriptions, or other payments due or collected by the department, or any portion of such payments, by credit card. The department may adjust the amount of the payment to reflect the costs of processing the payment as determined by the treasurer of state and the payment by credit card shall include, in addition to all other charges, any discount charged by the credit card issuer.

86 Acts, ch 1245, §1804; 90 Acts, ch 1105, §1; 90 Acts, ch 1108, §2; 91 Acts, ch 154, §1; 92 Acts, ch 1160, §22; 2003 Acts, ch 145, §262; 2004 Acts, ch 1132, §89; 2005 Acts, ch 137, §1; 2006 Acts, ch 1010, §117; 2007 Acts, ch 211, §37; 2009 Acts, ch 155, §19, 34

Referred to in §455B.298, 455E.11, 465A.4

**455A.5 Natural resource commission — appointment and duties.**

1. A natural resource commission is created, which consists of seven members appointed by the governor for staggered terms of six years beginning and ending as provided in section 69.19. The appointees are subject to senate confirmation. The members shall be citizens of the state who have a substantial knowledge of the subjects embraced by chapter 456A. The appointments shall be based upon the training, experience, and capacity of the appointees, and not based upon political considerations, other than as provided in section 69.16. A member of the commission shall not hold any other state or federal office.

2. A vacancy on the commission shall be filled for the unexpired term in the same manner as the original appointment was made.

3. The members of the commission shall be reimbursed for actual and necessary travel and related expenses incurred in the discharge of official duties. Each member of the commission may also be eligible to receive compensation as provided in section 7E.6.

4. The commission shall hold an organizational meeting within thirty days of the beginning of a new regular term for one or more of its members. The commission shall organize by electing a chairperson, vice chairperson, secretary, and any other officers deemed necessary or desirable. The commission shall meet at least quarterly throughout the year.

5. A majority of the members of the commission is a quorum, and a majority of a quorum may act in any matter within the jurisdiction of the commission, unless a more restrictive rule is adopted by the commission.

6. Except as otherwise provided by law, the commission shall:

*a.* Establish policy and adopt rules, pursuant to chapter 17A, necessary to provide for the effective administration of chapter 321G, 321I, 456A, 456B, 457A, 461A, 462A, 462B, 464A, 465C, 481A, 481B, 483A, 484A, or 484B.

*b.* Hear appeals in contested cases pursuant to chapter 17A on matters relating to actions taken by the director under chapter 321G, 321I, 456A, 456B, 457A, 461A, 462A, 462B, 464A, 465C, 481A, 481B, 483A, 484A, or 484B.

*c.* Approve or disapprove proposals for the acquisition or disposal of state lands and waters relating to state parks, recreational facilities, and wildlife programs, submitted by the director.

*d.* Approve the budget request prepared by the director for the programs authorized by chapters 321G, 321I, 456A, 456B, 457A, 461A, 462A, 462B, 464A, 481A, 481B, 483A, 484A, and 484B. The commission may increase, decrease, or strike any item within the department budget request for the specified programs before granting approval.

*e.* Adopt, by rule, a schedule of fees for permits, including conditional permits, and a schedule of fees for administration of the permits. The fees shall be collected by the department and used to offset costs incurred in administrating a program for which the issuance of the permit is made or under which enforcement is carried out. In determining the fee schedule, the commission shall consider all of the following:

(1) The reasonable costs associated with reviewing applications, issuing permits, and monitoring compliance with the terms of issued permits.

(2) The relative benefits to the applicant and to the public of a permit review, permit issuance, and monitoring compliance with the terms of the permit.

(3) The typical costs associated with a type of project or activity for which a permit is required. However, a fee shall not exceed the actual costs incurred by the department.

*f.* Approve or disapprove proposals involving the dredging or renovation of lakes; the acquisition, development, and maintenance of boating facilities; and the acquisition, development, and maintenance of recreational facilities associated with recreational boating.

86 Acts, ch 1245, §1805; 89 Acts, ch 72, §1; 91 Acts, ch 268, §230; 92 Acts, ch 1160, §23; 92 Acts, ch 1239, §42; 2004 Acts, ch 1132, §90

Referred to in §455A.1, 461.11

Confirmation, see §2.32

**455A.6 Environmental protection commission — appointment and duties.**

1. An environmental protection commission is created, which consists of nine members appointed by the governor for staggered terms of four years beginning and ending as provided in section 69.19. Commission appointees are subject to senate confirmation. The members shall be electors of the state and have knowledge of the subjects embraced in chapters 455B and 459, subchapters II and III. The appointments shall be based upon the training, experience, and capacity of the appointees, and not based upon political considerations, other than as provided in section 69.16. The membership of the commission shall be as follows:

*a.* Three members actively engaged in livestock and grain farming.

*b.* A member actively engaged in the business of finance or commerce.

*c.* A member actively engaged in the management of a manufacturing company.

*d.* Four members who are electors of the state.

2. A vacancy on the commission shall be filled for the unexpired term in the same manner as the original appointment was made.

3. The members of the commission shall be reimbursed for actual and necessary travel and related expenses incurred in the discharge of official duties. Each member of the commission may also be eligible to receive compensation as provided in section 7E.6.

4. The commission shall hold an organizational meeting within thirty days of the beginning of a new regular term for one or more of its members. The commission shall organize by electing a chairperson, vice chairperson, secretary, and any other officers deemed necessary or desirable. The commission shall meet at least quarterly throughout the year.

5. A majority of the members of the commission is a quorum, and a majority of a quorum may act in any matter within the jurisdiction of the commission, unless a more restrictive rule is adopted by the commission.

6. Except as otherwise provided by law, the commission shall:

*a.* Establish policy for the department and adopt rules, pursuant to chapter 17A, necessary to provide for the effective administration of chapter 455B, 455C, or 459.

*b.* Hear appeals in contested cases pursuant to chapter 17A on matters relating to actions taken by the director under chapter 455C, 458A, 464B, or 473.

*c.* Approve or disapprove the issuance of hazardous waste disposal site licenses under chapter 455B.

*d.* Approve the budget request prepared by the director for the programs authorized by chapters 455B, 455C, 455E, 455F, 455H, and 459, subchapters II and III. The commission shall approve the budget request prepared by the director for programs subject to the rulemaking authority of the commission. The commission may increase, decrease, or strike any item within the department budget request for the specified programs before granting approval.

86 Acts, ch 1245, §1806; 87 Acts, ch 115, §59; 89 Acts, ch 72, §2; 89 Acts, ch 296, §69; 90 Acts, ch 1108, §3; 91 Acts, ch 268, §231; 92 Acts, ch 1239, §43; 2002 Acts, ch 1162, §41

Referred to in §16.131A, 307.21, 455A.1, 455B.101, 455B.103, 455E.2, 455H.103, 459.102, 459A.102, 484C.1

Confirmation, see §2.32

**455A.7 Creation of divisions, bureaus, and other administrative entities — deputy director — administrators.**

1. The director may establish administrative divisions, bureaus, or other administrative entities within the department in order to most efficiently and effectively carry out the department's responsibilities. The creation or modification of departmental divisions, bureaus, or other administrative entities shall be implemented only after consultation with the natural resource commission or the environmental protection commission as applicable.

2. The director shall appoint a deputy director who shall be in charge of the department in the absence of the director. The appointment shall be based on the appointee's training, experience, and capabilities.

3. The director shall appoint an administrator for each division created under subsection 1. The director shall make the appointment based on the appointee's training, experience, and capabilities. Each administrator has the responsibility of administering the programs assigned the division under subsection 1 and other programs assigned by the director. Each administrator shall carry out the duties and responsibilities of office under the general direction and supervision of the director.

86 Acts, ch 1245, §1807; 91 Acts, ch 268, §233; 92 Acts, ch 1239, §21, 44, 45; 2000 Acts, ch 1160, §1; 2001 Acts, ch 7, §3; 2002 Acts, ch 1162, §42

**455A.8 Brushy creek recreation area trails advisory board.**

1. *a.* The Brushy creek recreation trails advisory board shall be organized within the department and shall be composed of nine voting members and one ex officio nonvoting member as follows:

(1) The director of the department or the director's designee who shall serve as the nonvoting ex officio member.

(2) The park employee who is primarily responsible for maintenance of the Brushy creek recreation area.

(3) A member of the state advisory board for preserves established under chapter 465C.

(4) Seven persons appointed by the natural resource commission.

*b.* The director shall provide the natural resource commission with nominations of prospective board members. Each person appointed by the natural resource commission must actively participate in recreational trail activities such as hiking, bicycling, an equestrian sport, or a winter sport at the Brushy creek recreation area. The nine voting members shall elect a chairperson at the board's first meeting each year.

2. Each voting member of the board shall serve for terms of three years, and shall be eligible for reappointment. A vacancy on the board shall be filled for the remainder of the original term. However, a vacancy in the membership slot designated for the park employee shall be filled by the park employee's successor, and the person representing the state advisory board for preserves shall serve at the pleasure of the board. The department shall reimburse each member, other than the director or the director's designee and the park employee, for actual expenses incurred by the member in performance of the duties of the board. A majority of voting members constitutes a quorum, and the affirmative vote of a majority present is necessary for any action taken by the board, except that a lesser number may adjourn a meeting. A vacancy in the membership of the board does not impair the rights of a quorum to exercise all rights and perform all duties of the board. The board shall meet as required, but at least twice a year. The board shall meet upon call of the chairperson, or upon written request of three members of the board. Written notice of the time and place of the meeting shall be given to each member.

3. The board shall advise the department and the natural resource commission regarding issues and recommendations relating to the development and maintenance of trails and related activities at or adjacent to the Brushy creek recreation area.

89 Acts, ch 311, §27; 90 Acts, ch 1233, §31; 93 Acts, ch 176, §41; 2002 Acts, ch 1162, §43; 2008 Acts, ch 1035, §1; 2009 Acts, ch 133, §153

**455A.8A Brushy creek area — trail improvements.**

The department, in cooperation with the Brushy creek recreation trails advisory board, shall provide for trail improvements in the recreation area and the state preserve adjoining the recreation area. The department shall establish and maintain a system of trails in the recreation area and the preserve. The trails shall be established or maintained to ensure the minimum possible disturbance to the natural terrain and the natural growth of vegetation, including but not limited to trees. The system of trails shall include equestrian and pedestrian trails.

The department in conjunction with the board shall provide for the location, type, and distance of trails, consistent with this section. The pedestrian trails shall be located in view of scenic attractions, including the lake and the valley. The trails shall be established and maintained in areas where hunting is permitted. The department and the board shall plan for the development of the lake shore.

The northern and southern part of the area shall be connected by trails. The northern part of the area shall include an equestrian campground which shall be maintained by the department. Trails shall exist on the eastern and western sides of the lake. An equestrian trail shall extend across the dam. There shall be established convenient road crossings. The southern part of the area shall include an area designed to securely confine horses. The southern part of the area shall also include pedestrian trails. The department shall post signs on the trails, the campground, and at the confinement area.

93 Acts, ch 176, §42

**455A.9 Fees — publications.**

The department may establish a schedule of fees for subscriptions to publications produced by the department, including periodicals. However, this subsection does not apply to application forms and materials intended for general distribution which explain departmental programs or duties.

Fees shall be based on the amount required to recover the reasonable costs of producing a publication, including costs relating to preparing, printing, publishing, and distributing the publication.

91 Acts, ch 268, §235

**455A.10 State fish and game protection fund — capital projects and contingencies.**

Funds remaining in the state fish and game protection fund during a fiscal year which are not specifically appropriated by the general assembly are appropriated and may be used for capital projects and contingencies under the jurisdiction of the department relating to fish and wildlife arising during the fiscal year. A contingency shall not include any purpose or project which was presented to the general assembly by way of a bill or a proposed bill and which failed to be enacted into law. For the purpose of this section, a necessity of additional operating funds may be construed as a contingency. Before any of the funds authorized to be expended by this section are allocated for contingencies, it shall be determined by the executive council that a contingency exists and that the contingency was not existent while the general assembly was in session and that the proposed allocation shall be for the best interests of the state. If a contingency arises or could reasonably be foreseen during the time the general assembly is in session, expenditures for the contingency must be authorized by the general assembly.

91 Acts, ch 268, §610; 2002 Acts, ch 1162, §44

**455A.11 Preferences in temporary employment.**

In its employment of persons in temporary positions in conservation and outdoor recreation, the department of natural resources shall give preference to persons meeting eligibility requirements for the green thumb program and to persons working toward an advanced education in natural resources and conservation.

96 Acts, ch 1214, §32; 98 Acts, ch 1100, §64

**455A.12 Gift certificates for special privilege fees at state parks and recreation areas.**
The department of natural resources shall publish and make available for purchase by the general public, gift certificates entitling the bearer of the certificate to free camping and other special privileges at state parks and recreation areas. The department shall establish prices for the certificates based on amounts required to be paid in fees for camping and special privileges pursuant to section 461A.47.
97 Acts, ch 213, §26

**455A.13 State nurseries.**
1. Notwithstanding section 17A.2, subsection 11, paragraph "*g*", the department of natural resources shall adopt administrative rules establishing a range of prices of plant material grown at the state forest nurseries to cover all expenses related to the growing of the plants. The department is authorized to sell plant material in other states.
2. The department shall develop programs to encourage the wise management and preservation of existing woodlands and shall continue its efforts to encourage forestation and reforestation on private and public lands in the state.
3. The department shall encourage a cooperative relationship between the state forest nurseries and private nurseries in the state in order to achieve these goals.
97 Acts, ch 213, §27; 2010 Acts, ch 1193, §126

**455A.14** Reserved.

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**455A.15 Legislative findings.**
The general assembly finds that:
1. The citizens of Iowa have built and sustained their society on Iowa's air, soils, waters, and rich diversity of life. The well-being and future of Iowa depend on these natural resources.
2. Many human activities have endangered Iowa's natural resources. The state of Iowa has lost ninety-nine and nine-tenths percent of its prairies, ninety-eight percent of its wetlands, eighty percent of its woodlands, fifty percent of its topsoils, and more than one hundred species of wildlife since settlement in the early 1800's. There has been a significant deterioration in the quality of Iowa's surface waters and groundwaters.
3. The long-term effects of Iowa's natural resource losses are not completely known or understood, but detrimental effects are already apparent. Prevention of further loss is therefore imperative.
4. The air, waters, soils, and biota of Iowa are interdependent and form a complex ecosystem. Iowans have the right to inherit this ecosystem in a sustainable condition, without severe or irreparable damage caused by human activities.
89 Acts, ch 236, §2

**455A.16 State resource enhancement policy.**
It is the policy of the state of Iowa to protect its natural resource heritage of air, soils, waters, and wildlife for the benefit of present and future citizens with the establishment of a resource enhancement program. The program shall be a long-term integrated effort to wisely use and protect Iowa's natural resources through the acquisition and management of public lands; the upgrading of public park and preserve facilities; environmental education, monitoring, and research; and other environmentally sound means. The resource enhancement program shall strongly encourage Iowans to develop a conservation ethic, and to make necessary changes in our activities to develop and preserve a rich and diverse natural environment.
89 Acts, ch 236, §3

**455A.17 Iowa congress on resources enhancement and protection.**

1. Biennially, during even-numbered years, the director shall schedule and make the necessary arrangements for an Iowa congress on resources enhancement and protection. The congress shall be held within the state capitol complex.

2. Prior to each congress, the director shall make arrangements to hold an assembly in each council of governments area of persons having an interest in resources enhancement and protection. The department shall promote attendance of interested persons at each assembly. The director shall call each assembly and serve as temporary chairperson. The department shall provide those attending with information regarding resource enhancement and protection expenditures. The assemblies shall identify opportunities for regional resource enhancement and protection and review and recommend changes in resource enhancement and protection policies, programs, and funding. The persons meeting at each assembly shall elect five persons as delegates to the congress on resources enhancement and protection.

3. The delegates to the congress on resources enhancement and protection shall organize, discuss, and make recommendations to the governor, the general assembly, and the natural resource commission regarding issues concerning resources enhancement and protection. The director shall call the congress and serve as temporary chairperson. The delegates are entitled to a per diem as specified in section 7E.6 for expenses of office while attending the congress.

4. The expenses of the department in making the arrangements for and the conducting of the council of governments area assemblies and the congress on resources enhancement and protection and the per diem for expenses of the delegates at the congress shall be paid from the funds appropriated for this purpose.

89 Acts, ch 236, §4; 91 Acts, ch 258, §53; 2007 Acts, ch 28, §1

**455A.17A** Repealed by 95 Acts, ch 216, § 41.

**455A.18 Iowa resources enhancement and protection fund — audits.**

1. An Iowa resources enhancement and protection fund is created in the office of the treasurer of state. The fund consists of all revenues and all other moneys lawfully credited or transferred to the fund. The director shall certify monthly the portions of the fund that are allocated to the various accounts as provided under section 455A.19. The director shall certify before the twentieth of each month the portions of the fund resulting from the previous month's receipts to be allocated to the various accounts.

2. The auditor of state or a certified public accountant firm appointed by the auditor of state shall conduct annual audits of all accounts and transactions of the fund.

3. *a.* For each fiscal year of the fiscal period beginning July 1, 1997, and ending June 30, 2021, there is appropriated from the general fund, to the Iowa resources enhancement and protection fund, the amount of twenty million dollars, to be used as provided in this chapter. However, in any fiscal year of the fiscal period, if moneys from the lottery are appropriated by the state to the fund, the amount appropriated under this subsection shall be reduced by the amount appropriated from the lottery.

*b.* Section 8.33 does not apply to moneys appropriated under this subsection.

4. Notwithstanding section 12C.7, interest or earnings on investments or time deposits of the moneys in the Iowa resources enhancement and protection fund or any of its accounts shall be credited to the Iowa resources enhancement and protection fund.

89 Acts, ch 236, §5; 89 Acts, ch 311, §9; 90 Acts, ch 1255, §22; 91 Acts, ch 260, §1232, 1233; 94 Acts, ch 1198, §46; 96 Acts, ch 1214, §31; 2011 Acts, ch 25, §143

Referred to in §12.61, 321.34, 455A.1, 455A.19, 461.35

Special fees from natural resources vehicle registration plates; see §321.34

See Iowa Acts for special provisions relating to appropriation of funds in a given fiscal year

**455A.19 Allocation of fund proceeds.**

1. Upon receipt of any revenue, the director shall deposit the moneys in the Iowa resources enhancement and protection fund created pursuant to section 455A.18. The first three hundred fifty thousand dollars of the funds received for deposit in the fund annually

shall be allocated to the conservation education program board for the purposes specified in section 455A.21. One percent of the revenue receipts shall be deducted and transferred to the administration fund provided for in section 456A.17. All of the remaining receipts shall be allocated to the following accounts:

*a.* (1) Twenty-eight percent shall be allocated to the open spaces account. At least ten percent of the allocations to the account shall be made available to match private funds for open space projects on the cost-share basis of not less than twenty-five percent private funds pursuant to the rules adopted by the natural resource commission. Five percent of the funds allocated to the open spaces account shall be used to fund the protected waters program. This account shall be used by the department to implement the statewide open space acquisition, protection, and development programs.

(2) The department shall give priority to acquisition and control of open spaces of statewide significance. The department shall also use these funds for developments on state property. The total cost of an open spaces project funded under this paragraph *"a"* shall not exceed two million dollars unless a public hearing is held on the project in the area of the state affected by the project. However, on and after July 1, 1994, the following shall apply:

(a) If the total amount appropriated by the general assembly to the resources enhancement and protection fund, in any fiscal year as defined in section 8.36, is seven million dollars or more, not more than seventy-five percent of moneys in the open spaces account shall be allocated or obligated during that fiscal year to support a single project.

(b) If the total amount appropriated by the general assembly to the resources enhancement and protection fund, in any fiscal year as defined in section 8.36, is less than seven million dollars, not more than fifty percent of moneys in the open spaces account shall be allocated or obligated during that fiscal year to support a single project.

(3) Political subdivisions of the state shall be reimbursed for property tax dollars lost to open space acquisitions based on the reimbursement formula provided for in section 465A.4. There is appropriated from the open spaces account to the department the amount in that account, or so much thereof as is necessary, to carry out the open spaces program as specified in this paragraph *"a"*. An appropriation made under this paragraph *"a"* shall continue in force for two fiscal years after the fiscal year in which the appropriation was made or until completion of the project. All unencumbered or unobligated funds remaining at the close of the fiscal year in which the project is completed or at the close of the final fiscal year, whichever date is earlier, shall revert to the open spaces account.

*b.* Twenty percent shall be allocated to the county conservation account.

(1) Thirty percent of the allocation to the county conservation account annually shall be allocated to each county equally.

(2) Thirty percent of the allocation to the county conservation account annually shall be allocated to each county on a per capita basis.

(3) Forty percent of the allocation to the county conservation account annually shall be held in an account in the state treasury for the natural resource commission to award to counties on a competitive grant basis by a project selection committee established in this subparagraph. Local matching funds are not required for grants awarded under this subparagraph. The project planning and review committee shall be composed of two staff members of the department and two county conservation board directors appointed by the director and a fifth member selected by a majority vote of the director's appointees. The natural resource commission, by rule, shall establish procedures for application, review, and selection of county projects submitted for funding. Upon recommendation of the project planning and review committee, the director shall award the grants.

(4) Funds allocated to the counties under subparagraphs (1), (2), and (3) may be used for land easements or acquisitions, capital improvements, stabilization and protection of resources, repair and upgrading of facilities, environmental education, and equipment. However, expenditures are not allowed for single or multipurpose athletic fields, baseball or softball diamonds, tennis courts, golf courses, swimming pools, and other group or organized sport facilities. Funds may be used for county projects located within the boundaries of a city.

(5) Funds allocated pursuant to subparagraphs (2) and (3) shall only be allocated to counties dedicating property tax revenue at least equal to twenty-two cents per thousand

dollars of the assessed value of taxable property in the county to county conservation purposes. State funds received under this paragraph shall not reduce or replace county tax revenues appropriated for county conservation purposes. The county auditor shall submit documentation annually of the dedication of property tax revenue for county conservation purposes. The annual audit of the financial transactions and condition of a county shall certify compliance with requirements of this subparagraph. Funds not allocated to counties not qualifying for the allocations under subparagraph (2) as a result of this subparagraph shall be held in reserve for each county for two years. Counties qualifying within two years may receive the funds held in reserve. Funds not spent by a county within two years shall revert to the general pool of county funds for reallocation to other counties where needed.

(6) Each board of supervisors shall create a special resource enhancement account in the office of county treasurer and the county treasurer shall credit all resource enhancement funds received from the state in that account. Notwithstanding section 12C.7, all interest earned on funds in the county resource enhancement account shall be credited to that account and used for the purposes authorized for that account.

(7) There is appropriated from the county conservation account to the department the amount in that account, or so much thereof as is necessary, to fund the provisions of this paragraph. An appropriation made under this paragraph shall continue in force for two fiscal years after the fiscal year in which the appropriation was made or until completion of the project for which the appropriation was made, whichever date is earlier. All unencumbered or unobligated funds remaining at the close of the fiscal year in which a project funded pursuant to subparagraph (3) is completed or at the close of the third fiscal year, whichever date is earlier, shall revert to the county conservation account.

(8) Any funds received by a county under this paragraph may be used to match other state or federal funds, and multicounty or multiagency projects may be funded under this paragraph.

*c.* Twenty percent shall be allocated to the soil and water enhancement account. The moneys shall be used to carry out soil and water enhancement programs including, but not limited to, reforestation, woodland protection and enhancement, wildlife habitat preservation and enhancement, protection of highly erodible soils, and clean water programs. The division of soil conservation, by rule, shall establish procedures for eligibility, application, review, and selection of projects and practices to implement the requirements of this paragraph. There is appropriated from the soil and water enhancement account to the soil conservation division the amount in that account, or so much thereof as is necessary, to carry out the programs as specified in this paragraph. Remaining funds of the soil and water enhancement account shall be allocated to the accounts of the water protection fund authorized in section 161C.4. Annually, fifty percent of the soil and water enhancement account funds shall be allocated to the water quality protection projects account. The balance of the funds shall be allocated to the water protection practices account. An appropriation made under this paragraph shall continue in force for two fiscal years after the fiscal year in which the appropriation was made or until completion of the project for which the appropriation was made, whichever date is earlier. All unencumbered or unobligated funds remaining at the close of the fiscal year in which the project is completed or at the close of the third fiscal year, whichever date is earlier, shall revert to the soil and water enhancement account.

*d.* Fifteen percent shall be allocated to a cities' parks and open space account. The moneys allocated in this paragraph may be used to fund competitive grants to cities to acquire, establish, and maintain natural parks, preserves, and open spaces. The grants may include expenditures for multipurpose trails, restroom facilities, shelter houses, and picnic facilities, but expenditures for single or multipurpose athletic fields, baseball or softball diamonds, tennis courts, golf courses, swimming pools, and other group or organized sport facilities requiring specialized equipment are excluded. The grants may be used for city projects located outside of a city's boundaries. The natural resource commission, by rule, shall establish procedures for application, review, and selection of city projects on a competitive basis. The rules shall provide for three categories of cities based on population within which the cities shall compete for grants. There is appropriated from the cities' parks

and open space account to the department the amount in that account, or so much thereof as is necessary, to carry out the competitive grant program as provided in this paragraph.

*e.* Nine percent shall be allocated to the state land management account. The department shall use the moneys allocated to this account for maintenance and expansion of state lands and related facilities under its jurisdiction. The authority to expand state lands and facilities under this paragraph is limited to expansion of the state lands and facilities already owned by the state. There is appropriated from the state land management account to the department the moneys in that account, or so much thereof as is necessary, to implement a maintenance and expansion program for state lands and related facilities under the jurisdiction of the department.

*f.* Five percent shall be allocated to the historical resource grant and loan fund established pursuant to section 303.16. The department of cultural affairs shall use the moneys allocated to this fund to implement historical resource development programs as provided under section 303.16.

*g.* Three percent shall be allocated to the living roadway account for distribution to the living roadway trust fund created under section 314.21 for the development and implementation of integrated roadside vegetation plans.

2. *a.* The moneys appropriated under this section shall remain in the appropriate account of the Iowa resources enhancement and protection fund until such time as the agency, board, commission, or overseer of the fund to which moneys are appropriated has made a request to the treasurer for use of moneys appropriated to it and the amount needed for that use. Notwithstanding section 8.33, moneys remaining of the appropriations made for a fiscal year from any of the accounts within the Iowa resources enhancement and protection fund on June 30 of that fiscal year, shall not revert to any fund but shall remain in that account to be used for the purposes for which they were appropriated and the moneys remaining in that account shall not be considered in making the allotments for the next fiscal year.

*b.* However, any moneys in excess of five hundred thousand dollars, remaining in the living roadway account under subsection 1, paragraph "*g*", on June 30 shall revert to the resources enhancement and protection fund under this section for distribution pursuant to the formula under this section except for subsection 1, paragraph "*g*". That proportion of moneys that would have been reallocated to subsection 1, paragraph "*g*", shall be distributed to the open spaces account under subsection 1, paragraph "*a*".

89 Acts, ch 236, §6; 91 Acts, ch 146, §4 – 6; 91 Acts, ch 191, §120; 93 Acts, ch 176, §43; 95 Acts, ch 220, §29, 30; 2000 Acts, ch 1128, §1; 2001 Acts, ch 24, §53; 2002 Acts, ch 1140, §38; 2011 Acts, ch 25, §143

Referred to in §161A.73, 303.16, 350.12, 455A.18, 455A.20, 455A.21, 461.35

**455A.20 County resource enhancement committee.**

1. A county resource enhancement committee is created in each county. The membership of the committee shall be as follows:

*a.* The chairpersons of the board of supervisors, county conservation board, commissioners of the soil and water district, and board of directors of each school district in the county. A chairperson may appoint a designee to serve on the committee. The chairperson or designee of a school district shall be a member of the county committee of the county in which a majority or the largest plurality of the district's students reside.

*b.* The mayor or the mayor's designee of each city in a county. If a city is located in more than one county, the membership shall be on the county committee of the county in which the largest population of the city resides.

*c.* The titular head or the head's designee of each recognized farm organization having a county organization in the county. The designee shall be a member of the organization represented. The recognized farm organizations are the following:

(1) The Iowa farm bureau federation.
(2) The Iowa farmers union.
(3) The Iowa grange.
(4) The national farmers organization.
(5) The Iowa farm unity coalition.

(6) Any other recognized farm or farm commodity group.

*d.* (1) The chairperson or the chairperson's designee of each of the following wildlife or conservation organizations having a recognized county organization:

(a) Iowa Audubon council.

(b) Iowa sportsmens federation.

(c) Ducks unlimited.

(d) Sierra club.

(e) Pheasants forever.

(f) The nature conservancy.

(g) Iowa association of naturalists.

(h) Izaak Walton league of America.

(i) Other recognized wildlife, conservation, environmental, recreation, conservation education, or historical-cultural preservation groups, or a nonpartisan governmental research or study group limited to the league of women voters.

(2) The designee shall be a member of the county chapter or organization in the county.

*e.* (1) A representative of each of the following entities:

(a) A historic preservation commission or similar entity established by a county or city in the county.

(b) A private organization that provides recognition and protection for the historic buildings, structures, sites, and districts in a county or a city in the county.

(c) A historic museum or organization that maintains a collection of documents relating to the history of a county or a city in the county.

(2) A representative shall be appointed by the county's board of supervisors. If the board appoints a person representing an entity established by a city in the county, the board shall consult with the city authority that established the entity.

*f.* If a question arises as to whether a recognized county organization exists under paragraph "*c*" or "*d*", the question shall be decided by a majority vote of the members selected under paragraphs "*a*" and "*b*", excluding the representative of the county conservation board. Sections 69.16 and 69.16A do not apply to appointments made pursuant to this subsection.

2. The duties of the county resource enhancement committee are to coordinate the resource enhancement program, plans, and proposed projects developed by cities, county conservation board, and soil and water conservation district commissioners for funding under this division. The county committee shall review and comment upon all projects before they are submitted for funding under section 455A.19. Each county committee shall propose a five-year program plan which includes a one-year proposed expenditure plan and submit it to the department.

3. The initial meeting of the committee shall be called by the chairperson of the board of supervisors. The chairperson shall give written notice of the date, time, and location of the first meeting. The county committee shall meet at least annually to organize by selecting a chairperson, vice chairperson, and other officers as necessary. The committee shall adopt rules governing the conduct of its meetings, subject to chapter 21.

4. The board of supervisors shall provide a meeting room and the necessary secretarial and clerical assistance for the committee. The expenses shall be paid from the county general fund.

5. The members of the committee are not entitled to compensation or expenses related to their duties of office, except as may otherwise be provided by the boards, commissions, or organizations which the members represent.

89 Acts, ch 236, §7; 91 Acts, ch 146, §7 – 9; 2008 Acts, ch 1161, §1, 2

**455A.21 Conservation education program board.**

1. A conservation education program board is created in the department. The board shall have five members appointed as follows:

*a.* One member appointed by the director of the department of education.

*b.* One member appointed by the director of the department of natural resources.

*c.* One member appointed by the president of the Iowa association of county conservation boards.

*d.* One member appointed by the president of the Iowa association of naturalists.

*e.* One member appointed by the president of the Iowa conservation education council.

2. Section 69.16 does not apply to appointments made pursuant to this section.

3. The duties of the board are to revise and produce conservation education materials and to specify stipends to Iowa educators who participate in innovative conservation education programs approved by the board. The board shall allocate the funds provided for under section 455A.19, subsection 1, for the educational materials and stipends.

4. The department shall administer the funds allocated to the conservation education program as provided in this section.

2002 Acts, ch 1140, §39
Referred to in §455A.19

# CHAPTER 455B

## JURISDICTION OF DEPARTMENT OF NATURAL RESOURCES

Referred to in §15E.208, 306.27, 331.428, 357A.11, 357E.1, 364.22, 455A.4, 455A.6, 455E.5, 455E.6, 455E.8, 455G.5, 455H.303, 455H.507, 455I.2, 461A.62, 463B.2

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## DIVISION I

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Referred to in §459.601, 459A.501

**455B.101 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of natural resources created under section 455A.2.
2. *"Director"* means the director of the department or a designee.
3. *"Commission"* means the environmental protection commission created under section 455A.6.

[C66, §455B.2(10); C71, §136B.2(6), 455B.2(10), 455C.1(2); C73, 75, 77, §455B.1, 455B.10(6), 455B.30(11), 455B.50(2), 455B.67(2), 455B.75(5), 455B.85(4), 455B.95(3); C79, §455B.1, 455B.10(6), 455B.30(11), 455B.50(2), 455B.67(2), 455B.75(5), 455B.85(4), 455B.95(3), 455B.110(7); C81, §455B.1; 82 Acts, ch 1199, §1, 96]

C83, §455B.101

86 Acts, ch 1245, §1884

**455B.102** Repealed by 86 Acts, ch 1245, § 1899O.

**455B.103 Director's duties.**

The director shall:

1. Recommend to the commission the adoption of rules that are necessary for the effective administration of the department.
2. Recommend to the commission the adoption of rules to implement the programs and services assigned to it.

3. Contract, with the approval of the commission, with public agencies of this state to provide all laboratory, scientific field measurement and environmental quality evaluation services necessary to implement the provisions of this chapter, chapter 459, and chapter 459A. If the director finds that public agencies of this state cannot provide the laboratory, scientific field measurement and environmental evaluation services required by the department, the director may contract, with the approval of the commission, with any other public or private persons or agencies for such services or for scientific or technical services required to carry out the programs and services assigned to the department.

4. Conduct investigations of complaints received directly or referred by the commission created in section 455A.6 or other investigations deemed necessary. While conducting an investigation, the director may enter at any reasonable time in and upon any private or public property to investigate any actual or possible violation of this chapter, chapter 459, chapter 459A, chapter 459B, or the rules or standards adopted under this chapter, chapter 459, chapter 459A, or chapter 459B. However, the owner or person in charge shall be notified.

*a.* If the owner or occupant of any property refuses admittance thereto, or if prior to such refusal the director demonstrates the necessity for a warrant, the director may make application under oath or affirmation to the district court of the county in which the property is located for the issuance of a search warrant.

*b.* In the application the director shall state that an inspection of the premises is mandated by the laws of this state or that a search of certain premises, areas, or things designated in the application may result in evidence tending to reveal the existence of violations of public health, safety, or welfare requirements imposed by statutes, rules, or ordinances established by the state or a political subdivision thereof. The application shall describe the area, premises, or thing to be searched, give the date of the last inspection if known, give the date and time of the proposed inspection, declare the need for such inspection, recite that notice of desire to make an inspection has been given to affected persons and that admission was refused if that be the fact, and state that the inspection has no purpose other than to carry out the purpose of the statute, ordinance, or regulation pursuant to which inspection is to be made. If an item of property is sought by the director it shall be identified in the application.

*c.* If the court is satisfied from the examination of the applicant, and of other witnesses, if any, and of the allegations of the application of the existence of the grounds of the application, or that there is probable cause to believe their existence, the court may issue such search warrant.

*d.* In making inspections and searches pursuant to the authority of this division, the director must execute the warrant:

(1) Within ten days after its date.

(2) In a reasonable manner, and any property seized shall be treated in accordance with the provisions of chapters 808, 809, and 809A.

(3) Subject to any restrictions imposed by the statute, ordinance, or regulation pursuant to which inspection is made.

5. Accept, receive, and administer grants or other funds or gifts from public or private agencies, including the federal government, for the abatement, prevention, or control of pollution, or other environmental programs, subject to the approval of the commission.

6. Represent the state in all matters pertaining to plans, procedures, negotiations, and agreements for interstate compacts relating to the control of pollution or the protection or enhancement of the environment. Any agreement is subject to the approval of the commission.

7. At the discretion of the director, enter into environmental covenants in accordance with chapter 455I and accept or maintain such other real property interests as shall be appropriate for the protection of human health and safety or the environment.

[C66, §455B.14; C71, §136B.4, 136B.5, 455B.14; C73, §455B.3, 455B.12(12), 455B.13(3, 7), 455B.36, 455B.89(4); C75, 77, 79, §455B.3, 455B.12(12), 455B.13(6); C81, §455B.3]

C83, §455B.103

84 Acts, ch 1158, §1; 86 Acts, ch 1245, §1885, 1886, 1899; 96 Acts, ch 1133, §45; 2005 Acts, ch 102, §1; 2005 Acts, ch 136, §20; 2006 Acts, ch 1010, §170, 177; 2009 Acts, ch 155, §20, 34; 2010 Acts, ch 1069, §55

Referred to in §455B.475, 459.207, 459.601

**455B.103A General permits — storm water discharge — air contaminant sources.**

1. If a permit is required pursuant to this chapter or chapter 459, 459A, or 459B for storm water discharge or an air contaminant source and a facility to be permitted is representative of a class of facilities which could be described and conditioned by a single permit, the director may issue, modify, deny, or revoke a general permit for all of the following conditions:

*a.* If adoption of a general permit is proposed, the terms, conditions, and limitations of the permit shall be drafted into a notice of intended action and adopted in accordance with the provisions of chapter 17A as a rule of the department. The same process of adoption shall be used for modification of a general permit.

*b.* Following the effective date of a general permit, a person proposing to conduct activities covered by the general permit shall provide a notice of intent to conduct a covered activity on a form provided by the department. A person shall also provide public notice of intent to conduct activities covered under the general permit by publishing notice in one newspaper with the largest circulation in the area in which the facility is located. Notice of the discontinuation of a permitted activity other than storm water and allowable nonstorm water discharges shall be provided in the same manner.

*c.* If the department finds that a proposed activity is not covered by a general permit, the department shall notify the affected person and shall provide the person with a permit application if the practice is one which could be authorized by individual permit.

*d.* A person holding an existing permit is subject to the terms of the existing permit until it expires. If the person holding an existing permit continues the activity beyond the expiration date of the existing permit, an applicable, approved general permit shall become effective.

*e.* A variance or alteration of the terms and conditions of a general permit shall not be granted. If a variance or modification of an operation authorized by a general permit is desired, the applicant shall apply for an individual permit.

*f.* The department shall perform on-site inspections and review monitoring data to assess the effectiveness of general permits. If a significant adverse environmental problem exists for an individual facility or class of facilities due to regulation under a general permit, the facility or class of facilities shall be required to obtain individual permits.

*g.* The department shall establish a procedure for the filing of complaints by persons believing themselves to be adversely affected by the environmental impact of the discharge of a facility operating under a general permit under this section.

2. General permits are not subject to the requirements applicable to individual permits.

3. Three years after the adoption of a general permit by rule, the department shall assess the activities which have been conducted under the general permit and determine whether any significant adverse environmental consequences have resulted.

4. *a.* Except as provided in paragraph *"b"*, an applicant to be covered under a general permit shall pay a permit fee, as established by rule of the commission, which is sufficient in the aggregate to defray the costs of the permit program. Moneys collected shall be remitted to the department.

*b.* The commission shall adopt rules for a general permit described in section 455B.197, including fees, only to the extent that the rules are consistent with that section.

5. The enforcement provisions of division II of this chapter and chapter 459, subchapter II, apply to general permits for air contaminant sources. The enforcement provisions of division III, part 1, of this chapter, chapter 459, subchapter III, and chapter 459A apply to general permits for storm water discharge.

91 Acts, ch 121, §1; 92 Acts, ch 1239, §46; 93 Acts, ch 137, §1; 2005 Acts, ch 136, §21, 22; 2006 Acts, ch 1178, §22; 2009 Acts, ch 155, §21, 34; 2013 Acts, ch 59, §1

Referred to in §455B.195, 455B.197

Subsection 1, paragraph b amended

**455B.104 Departmental duties.**

1. The department shall either approve or deny a permit to a person applying for a permit under this chapter within six months from the date that the department receives a completed application for the permit. An application which is not approved or denied within the six-month period shall be approved by default. The department shall issue a permit to the applicant within ten days following the date of default approval. However, this subsection shall not apply to applications for permits which are issued under division II or division IV, parts 2 through 5.

2. The department shall assist persons applying for assistance to establish and operate renewable fuel production facilities pursuant to section 15.335B.

3. The department may periodically forward recommendations to the commission designed to encourage the reduction of statewide greenhouse gas emissions.

4. By December 31 of each year, the department shall submit a report to the governor and the general assembly regarding the greenhouse gas emissions in the state during the previous calendar year and forecasting trends in such emissions. The first submission by the department shall be filed by December 31, 2011, for the calendar year beginning January 1, 2010.

93 Acts, ch 176, §44; 94 Acts, ch 1119, §30; 98 Acts, ch 1209, §10, 53; 2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262; 2009 Acts, ch 123, §31; 2010 Acts, ch 1031, §258; 2010 Acts, ch 1193, §54; 2011 Acts, ch 9, §2; 2011 Acts, ch 118, §86, 89; 2012 Acts, ch 1126, §25

**455B.105 Powers and duties of the commission.**

The commission shall:

1. Establish policy for the implementation of programs under its jurisdiction. The commission shall appoint advisory committees to advise the commission and the director in carrying out their respective powers and duties.

2. Advise, consult, and cooperate with other agencies of the state, political subdivisions, and any other public or private agency to promote the orderly, efficient, and effective accomplishment of its responsibilities.

3. Adopt, modify, or repeal rules necessary to implement this chapter, chapter 459, chapter 459A, and chapter 459B, and the rules deemed necessary for the effective administration of the department. When the commission proposes or adopts rules to implement a specific federal environmental program and the rules impose requirements more restrictive than the federal program being implemented requires, the commission shall identify in its notice of intended action or adopted rule preamble each rule that is more restrictive than the federal program requires and shall state the reasons for proposing or adopting the more restrictive requirement. In addition, the commission shall include with its reasoning a financial impact statement detailing the general impact upon the affected parties. It is the intent of the general assembly that the commission exercise strict oversight of the operations of the department. The rules shall include departmental policy relating to the disclosure of information on a violation or alleged violation of the rules, standards, permits, or orders issued by the department and keeping of confidential information obtained by the department in the administration and enforcement of this chapter, chapter 459, chapter 459A, and chapter 459B. Rules adopted by the executive committee before January 1, 1981, shall remain effective until modified or rescinded by action of the commission.

4. Issue orders and directives necessary to insure integration and coordination of the programs administered by the department.

5. Make a concise annual report to the governor and the general assembly, which report shall contain information relating to the accomplishments and status of the programs administered by the department and include recommendations for legislative action which may be required to protect or enhance the environment or to modernize the operation of the department or any of the programs or services assigned to the department and recommendations for the transfer of powers and duties of the department as deemed advisable by the commission. The annual report shall conform to the provisions of section 7A.3.

6. Approve all contracts and agreements under this chapter, chapter 459, chapter 459A, and chapter 459B between the department and other public or private persons or agencies.

7. Obtain an adequate public employees fidelity bond to cover those officers and employees of the department accountable for property or funds of this state.

8. Hold public hearings, except when the evidence to be received is confidential pursuant to this chapter, chapter 22, chapter 459, chapter 459A, or chapter 459B, necessary to carry out its powers and duties. The commission may issue subpoenas requiring the attendance of witnesses and the production of evidence pertinent to the hearings. A subpoena shall be issued and enforced in the same manner as provided in civil actions.

9. Upon request of at least four members of the commission before adopting or modifying a rule, the director shall prepare and publish with the notice required under section 17A.4, subsection 1, paragraph "*a*", a comprehensive estimate of the economic impact of the proposed rule or modification.

10. Appoint a water coordinator who shall coordinate requests from the public for information or assistance relating to the administration of water resources laws and programs and the resolution of water-related problems.

11. *a.* Adopt, by rule, procedures and forms necessary to implement the provisions of this chapter and chapters 459, 459A, and 459B relating to permits, conditional permits, and general permits. The commission may also adopt, by rule, a schedule of fees for permit and conditional permit applications and a schedule of fees which may be periodically assessed for administration of permits and conditional permits. In determining the fee schedules, the commission shall consider:

(1) The state's reasonable cost of reviewing applications, issuing permits and conditional permits, and checking compliance with the terms of the permits.

(2) The relative benefits to the applicant and to the public of permit and conditional permit review, issuance, and monitoring compliance. It is the intention of the legislature that permit fees shall not cover any costs connected with correcting violation of the terms of any permit and shall not impose unreasonable costs on any municipality.

(3) The typical costs of the particular types of projects or activities for which permits or conditional permits are required, provided that in no circumstances shall fees be in excess of the actual costs to the department.

*b.* Except as otherwise provided in this chapter and chapter 459, fees collected by the department under this subsection shall be remitted to the treasurer of state and credited to the general fund of the state.

*c.* The commission shall adopt rules for applications or permits related to the national pollutant discharge elimination system (NPDES) coverage as described in section 455B.197, including fees, only to the extent that the rules are consistent with that section.

[C50, 54, 58, 62, 66, §455A.9; C71, §136B.4(7), 455A.9; C73, 75, 77, 79, §455A.9, 455B.5, 455B.7, 455B.12(6); C81, §455A.9, 455B.5; 82 Acts, ch 1199, §4, 5, 96]

C83, §455B.105

83 Acts, ch 136, §1; 83 Acts, ch 137, §1; 86 Acts, ch 1245, §1887, 1899; 89 Acts, ch 72, §3; 91 Acts, ch 121, §2; 94 Acts, ch 1198, §47; 2003 Acts, ch 44, §65; 2004 Acts, ch 1101, §61; 2005 Acts, ch 136, §23, 24; 2006 Acts, ch 1178, §23; 2009 Acts, ch 155, §22, 23, 34; 2013 Acts, ch 30, §100

Referred to in §455B.183A, 455B.310, 455B.387

Subsection 11, paragraph a, subparagraph (2) amended

**455B.106** Repealed by 86 Acts, ch 1245, § 1899O.

**455B.107 Warrants by director of department of administrative services.**

The director of the department of administrative services shall draw warrants on the treasurer of state for all disbursements authorized by the provisions of this chapter and

chapter 459, upon itemized and verified vouchers bearing the approval of the director of the department of natural resources.

[C73, 75, 77, 79, 81, §455B.8]
C83, §455B.107
86 Acts, ch 1245, §1899; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §62

**455B.108 Office facilities.**

The department of administrative services shall provide the department with appropriate office facilities.

[C73, 75, 77, 79, 81, §455B.9]
C83, §455B.108
2003 Acts, ch 145, §286

**455B.109 Schedule of civil penalties — violations.**

1. The commission shall establish, by rule, a schedule or range of civil penalties which may be administratively assessed. The schedule shall provide procedures and criteria for the administrative assessment of penalties of not more than ten thousand dollars for violations of this chapter* or rules, permits or orders adopted or issued under this chapter.* In adopting a schedule or range of penalties and in proposing or assessing a penalty, the commission and director shall consider among other relevant factors the following:

*a.* The costs saved or likely to be saved by noncompliance by the violator.

*b.* The gravity of the violation.

*c.* The degree of culpability of the violator.

*d.* The maximum penalty authorized for that violation under this chapter.*

2. Penalties may be administratively assessed only after an opportunity for a contested case hearing which may be combined with a hearing on the merits of the alleged violation. Violations not fitting within the schedule, or violations which the commission determines should be referred to the attorney general for legal action shall not be governed by the schedule established under subsection 1.

3. When the commission establishes a schedule for violations, the commission shall provide, by rule, a procedure for the screening of alleged violations to determine which cases may be appropriate for the administrative assessment of penalties. However, the screening procedure shall not limit the discretion of the department to refer any case to the attorney general for legal action.

4. A penalty shall be paid within thirty days of the date the order assessing the penalty becomes final. When a person against whom a civil penalty is assessed under this section seeks timely judicial review of an order imposing the penalty as provided under chapter 17A, the order is not final for the purposes of this section until all judicial review processes are completed. Additional judicial review may not be sought after the order becomes final. A person who fails to timely pay a civil penalty assessed by a final order of the department shall pay, in addition, interest at the rate of one and one-half percent of the unpaid balance of the assessed penalty for each month or part of a month that the penalty remains unpaid. The attorney general shall institute, at the request of the department, summary proceedings to recover the penalty and any accrued interest.

5. *a.* Except as provided in paragraph *"b"*, all civil penalties assessed by the department and interest on the civil penalties shall be deposited in the general fund of the state.

*b.* Civil penalties assessed and collected by or on behalf of the department and interest on the civil penalties as provided in sections 459.602, 459.603, 459.604, 459A.502, and 459B.402 shall be deposited into the watershed improvement fund created in section 466A.2.

6. This section does not require the commission or the director to pursue an administrative remedy before seeking a remedy in the courts of this state.

84 Acts, ch 1159, §1; 86 Acts, ch 1245, §1899; 92 Acts, ch 1111, §1; 95 Acts, ch 195, §12; 2002 Acts, ch 1137, §2, 71; 2005 Acts, ch 136, §25; 2008 Acts, ch 1032, §57; 2009 Acts, ch 155, §24, 34; 2011 Acts, ch 128, §34, 45

Referred to in §455B.476, 455D.22, 459.602, 459.603, 466A.2

*Sections formerly contained in this chapter were transferred to chapter 459 pursuant to legislative directive in 2002 Acts, ch 1137; see also §459.601 – 459.604

Section not amended; headnote revised

**455B.110** Transferred to § 459.601; 2002 Acts, ch 1137, § 68, 71; 2002 Acts, 2nd Ex, ch 1003, § 260, 262.

**455B.111 Citizen actions.**

1. Except as provided in subsection 2, a person with standing as provided in subsection 3 may commence a civil action in district court on the person's own behalf against any of the following:

*a.* A person, including the state of Iowa, for violating any provision of this chapter; chapter 459, subchapters I, II, III, IV, and VI;* chapter 459A; chapter 459B; or a rule adopted pursuant to this chapter; chapter 459, subchapters I, II, III, IV, and VI;* chapter 459A; or chapter 459B.

*b.* The director, the commission, or any official or employee of the department where there is an alleged failure to perform any act or duty under this chapter; chapter 459, subchapters I, II, III, IV, and VI;* chapter 459A; chapter 459B; or a rule adopted pursuant to this chapter; chapter 459, subchapters I, II, III, IV, and VI;* chapter 459A; or chapter 459B, which is not a discretionary act or duty.

2. An action shall not be commenced pursuant to subsection 1, paragraph *"a"*, unless the person commencing the action has provided the director and the alleged violator with a written notice at least sixty days prior to commencing the action. The written notice shall specify the nature of the violation and that legal action is contemplated under this section if the violation is not abated and, if necessary, remedial action is not taken. The state may intervene in such an action as a matter of right. In addition, an action shall not be commenced pursuant to subsection 1, paragraph *"a"*, if the department or the state has commenced and is actively prosecuting a civil action or is actively negotiating an out-of-court settlement to require abatement of the violation and, if necessary, remediation of damages. However, any person may intervene as a matter of right in such an action.

3. A person shall have standing to commence an action pursuant to subsection 1 or to intervene in an action pursuant to subsection 2 if the person is adversely affected by the alleged violation or the alleged failure to perform a duty or act.

4. In an action commenced pursuant to subsection 1, the court may award costs of litigation, including reasonable attorney and expert witness fees, to any party.

5. This section does not restrict any right under statutory or common law of a person or class of person to seek enforcement of provisions of this chapter; chapter 459, subchapters I, II, III, IV, and VI;* chapter 459A; chapter 459B; or a rule adopted pursuant to this chapter; chapter 459, subchapters I, II, III, IV, and VI;* chapter 459A; or chapter 459B; or seek other relief permitted under the law.

86 Acts, ch 1245, §1888; 2005 Acts, ch 136, §26, 27; 2009 Acts, ch 155, §25, 26, 34

Referred to in §455K.8

*Chapter 459, subchapters I, II, III, IV, and VI, transferred from ch 455B and subchapter V transferred from former ch 455J in Code 2003 pursuant to legislative directive in 2002 Acts, ch 1137

**455B.112 Actions by attorney general.**

In addition to the duty to commence legal proceedings at the request of the director or commission under this chapter; chapter 459, subchapters I, II, III, IV, and VI;* chapter 459A; or chapter 459B, the attorney general may institute civil or criminal proceedings, including an action for injunction, to enforce the provisions of this chapter; chapter 459, subchapters I, II, III, IV, and VI;* chapter 459A; or chapter 459B, including orders or permits issued or rules

adopted under this chapter; chapter 459, subchapters I, II, III, IV, and VI;* chapter 459A; or chapter 459B.

86 Acts, ch 1245, §1889; 2005 Acts, ch 136, §28; 2009 Acts, ch 155, §27, 34

Referred to in §455H.508

*Chapter 459, subchapters I, II, III, IV, and VI, transferred from ch 455B and subchapter V transferred from former ch 455J in Code 2003 pursuant to legislative directive in 2002 Acts, ch 1137

**455B.112A Environmental crimes investigation and prosecution fund.**

1. An environmental crimes investigation and prosecution fund is created as a separate fund in the state treasury to be administered by the attorney general. Moneys credited to the fund shall include court-ordered fines and restitution awarded to the attorney general as part of a judgment in an environmental criminal case.

2. For each fiscal year not more than twenty thousand dollars is appropriated from the fund to the department of justice to be used for the investigation and prosecution of environmental crimes, including the reimbursement of expenses incurred by county, municipal, and other local government agencies cooperating with the attorney general in the investigation and prosecution of environmental crimes.

3. Not more than twenty thousand dollars shall be credited to the fund in a fiscal year and any moneys in excess of this amount shall be credited to the general fund of the state.

4. Notwithstanding section 8.33, moneys credited to the fund shall not revert to any other fund. Notwithstanding section 12C.7, interest or earnings deposited in the fund shall be credited to the fund.

2007 Acts, ch 213, §22

**455B.113 Certification of laboratories.**

1. The director shall certify laboratories which perform laboratory analyses of samples required to be submitted by the department by this chapter; chapter 459, subchapters I, II, III, IV, and VI;* or chapter 459A, or by rules adopted in accordance with this chapter; chapter 459, subchapters I, II, III, IV, and VI;* or chapter 459A, or by permits or orders issued under this chapter; chapter 459, subchapters I, II, III, IV, and VI;* or chapter 459A.

2. *a.* The commission shall adopt rules regarding content of laboratory certification application forms, which shall be furnished by the department.

*b.* The commission shall adopt rules regarding reciprocity agreements with other states that have equivalent laboratory certification requirements.

3. The director may charge a fee for processing of an application. The application fee is nonrefundable. In establishing the fee, the director shall take into account the administrative costs incurred and the cost of enforcement of this section. Fees collected shall be retained by the department.

4. A laboratory shall submit an application, every other year, accompanied by the fee determined by the director.

88 Acts, ch 1120, §1; 2005 Acts, ch 136, §29; 2011 Acts, ch 25, §143

*Chapter 459, subchapters I, II, III, IV, and VI, transferred from ch 455B and subchapter V transferred from former ch 455J in Code 2003 pursuant to legislative directive in 2002 Acts, ch 1137

**455B.114 Laboratory certificates.**

1. Upon determination by the director that an applicant for certification has the necessary competence, equipment, and capability to perform the laboratory analytical procedures required, the director shall issue a certificate of competency to the laboratory. The certificate shall indicate the analytical parameters and procedures which the laboratory is certified to conduct.

2. The director may suspend or revoke the certificate of competency of a laboratory upon determination of the director that the laboratory no longer fulfills the requirements for certification.

88 Acts, ch 1120, §2

**455B.115 Analysis by certified laboratory required.**

Laboratory analysis of samples as required by this chapter; chapter 459, subchapters I, II, III, IV, and VI;* or chapter 459A; or by rules adopted, or by permits or orders issued pursuant to

this chapter; chapter 459, subchapters I, II, III, IV, and VI;* or chapter 459A shall be conducted by a laboratory certified by the director as having the necessary competence, equipment, and capabilities to perform the analysis. Analytical results from laboratories not certificated shall not be accepted by the director.

88 Acts, ch 1120, §3; 2005 Acts, ch 136, §30

*Chapter 459, subchapters I, II, III, IV, and VI, transferred from ch 455B and subchapter V transferred from former ch 455J in Code 2003 pursuant to legislative directive in 2002 Acts, ch 1137

**455B.116 Pollution hotline program.** Repealed by 2011 Acts, ch 9, § 10.

**455B.117 Results of environmental tests — public records.**

The results of any test, which test is relative to the purview of the department, and which test is conducted or performed by an independent entity at the request of a government body, as defined in section 22.1, or an agent or attorney for a government body, are public records pursuant to chapter 22.

A government body shall not be required to provide such test results to any person under this section until the agency head and agency's governing body have received a copy of the test results. A government body shall not be required to provide such test results if the confidentiality of such information is protected pursuant to section 22.7. However, following receipt of test results by an agency head and the agency's governing body, the agency head or agency's governing body shall not take action regarding such test results unless the test results have been made public knowledge for a period of not less than seven days.

89 Acts, ch 242, §1

**455B.118 through 455B.130** Reserved.

## DIVISION II

## AIR QUALITY

Referred to in §172D.3, 455B.103A, 455B.104

## PART 1

## GENERAL

**455B.131 Definitions.**

When used in this division II, unless the context otherwise requires:

1. *"Air contaminant"* means dust, fume, mist, smoke, other particulate matter, gas, vapor (except water vapor), odorous substance, radioactive substance, or any combination thereof.

2. *"Air contaminant source"* means any and all sources of emission of air contaminants whether privately or publicly owned or operated.

*a.* Air contaminant source includes but is not limited to all types of businesses, commercial and industrial plants, works, shops, and stores, heating and power plants and stations, buildings and other structures of all types including single and multiple family residences, office buildings, hotels, restaurants, schools, hospitals, churches and other institutional buildings, automobiles, trucks, tractors, buses, aircraft, and other motor vehicles, garages, vending and service locations and stations, railroad locomotives, ships, boats, and other waterborne craft, portable fuel-burning equipment, indoor and outdoor incinerators of all types, refuse dumps and piles, and all stack and other chimney outlets from any of the foregoing.

*b.* An air contaminant source does not include a fire truck or other fire apparatus operated by an organized fire department.

3. *"Air pollution"* means presence in the outdoor atmosphere of one or more air contaminants in sufficient quantities and of such characteristics and duration as is or may

reasonably tend to be injurious to human, plant, or animal life, or to property, or which unreasonably interferes with the enjoyment of life and property.

4. *"Atmosphere"* means all space outside of buildings, stacks or exterior ducts.

5. *"Earthen waste slurry storage basin"* means an uncovered and exclusively earthen cavity which, on a regular basis, receives waste discharges from a confinement animal feeding operation if accumulated wastes from the basin are completely removed at least twice each year.

6. *"Emission"* means a release of one or more air contaminants into the outside atmosphere.

7. *"Greenhouse gas"* means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

8. *"Major stationary source"* means a stationary air contaminant source which directly emits, or has the potential to emit, one hundred tons or more of an air pollutant per year including a major source of fugitive emissions of a pollutant as determined by rule by the department or the administrator of the United States environmental protection agency.

9. *"Person"* means an individual, partnership, cooperative, firm, company, public or private corporation, political subdivision, agency of the state, trust, estate, joint stock company, an agency or department of the federal government or any other legal entity, or a legal representative, agent, officer, employee or assigns of such entities.

10. *"Political subdivision"* means any municipality, township, or county, or district, or authority, or any portion, or combination of two or more thereof.

11. *"Potential to emit"* means the maximum capacity of a stationary source to emit a pollutant under its physical and operational design as defined in rules adopted by the department.

12. *"Schedule and timetable of compliance"* means a schedule of remedial measures including an enforceable sequence of actions or operations leading to compliance with an emission limitation, other limitation, prohibition, or standard.

13. *"Small business stationary source"* means a stationary air contaminant source that meets all of the following requirements:

*a.* Employs one hundred or fewer individuals.

*b.* Qualifies as a small business concern by the United States department of commerce pursuant to 15 U.S.C. § 632.

*c.* Is not a major stationary source.

*d.* Emits less than fifty tons per year of any federally regulated air pollutant and less than seventy-five tons per year of all federally regulated pollutants under the federal Clean Air Act Amendments of 1990, 42 U.S.C. § 7401 et seq.

[C71, §136B.2; C73, 75, 77, 79, 81, §455B.10]

C83, §455B.131

85 Acts, ch 44, §1; 86 Acts, ch 1245, §1899B; 90 Acts, ch 1153, §1; 93 Acts, ch 137, §2; 2007 Acts, ch 120, §1; 2008 Acts, ch 1031, §52; 2008 Acts, ch 1032, §106; 2008 Acts, ch 1105, §1

Referred to in §427.1(19e)

**455B.132 Executive agency.**

The department shall be the agency of the state to prevent, abate, or control air pollution.

[C73, 75, 77, 79, 81, §455B.11]

C83, §455B.132

**455B.133 Duties.**

The commission shall:

1. Develop comprehensive plans and programs for the abatement, control, and prevention of air pollution in this state, recognizing varying requirements for different areas in the state. The plans may include emission limitations, schedules and timetables for compliance with the limitations, measures to prevent the significant deterioration of air quality and other measures as necessary to assure attainment and maintenance of ambient air quality standards.

2. Adopt, amend, or repeal rules pertaining to the evaluation, abatement, control, and prevention of air pollution. The rules may include those that are necessary to obtain approval

of the state implementation plan under section 110 of the federal Clean Air Act as amended through January 1, 1991.

3. Adopt, amend, or repeal ambient air quality standards for the atmosphere of this state on the basis of providing air quality necessary to protect the public health and welfare and to reduce emissions contributing to acid rain pursuant to Tit. IV of the federal Clean Air Act Amendments of 1990.

4. Adopt, amend, or repeal emission limitations or standards relating to the maximum quantities of air contaminants that may be emitted from any air contaminant source. The standards or limitations adopted under this section shall not exceed the standards or limitations promulgated by the administrator of the United States environmental protection agency or the requirements of the federal Clean Air Act as amended through January 1, 1991. This does not prohibit the commission from adopting a standard for a source or class of sources for which the United States environmental protection agency has not promulgated a standard. This also does not prohibit the commission from adopting an emission standard or limitation for infectious medical waste treatment or disposal facilities which exceeds the standards or limitations promulgated by the administrator of the United States environmental protection agency or the requirements of the federal Clean Air Act as amended through January 1, 1991. The commission shall not adopt an emission standard or limitation for infectious medical waste treatment or disposal facilities prior to January 1, 1995, which exceeds the standards or limitations promulgated by the administrator of the United States environmental protection agency or the requirements of the federal Clean Air Act, as amended through January 1, 1991, for a hospital, or a group of hospitals, licensed under chapter 135B which has been operating an infectious medical waste treatment or disposal facility prior to January 1, 1991.

*a.* (1) The commission shall establish standards of performance unless in the judgment of the commission it is not feasible to adopt or enforce a standard of performance. If it is not feasible to adopt or enforce a standard of performance, the commission may adopt a design, equipment, material, work practice or operational standard, or combination of those standards in order to establish reasonably available control technology or the lowest achievable emission rate in nonattainment areas, or in order to establish best available control technology in areas subject to prevention of significant deterioration review, or in order to adopt the emission limitations promulgated by the administrator of the United States environmental protection agency under section 111 or 112 of the federal Clean Air Act as amended through January 1, 1991.

(2) If a person establishes to the satisfaction of the commission that an alternative means of emission limitation will achieve a reduction in emissions of an air pollutant at least equivalent to the reduction in emissions of the air pollutant achieved under the design, equipment, material, work practice or operational standard, the commission shall amend its rules to permit the use of the alternative by the source for purposes of compliance with this paragraph with respect to the pollutant.

(3) A design, equipment, material, work practice or operational standard promulgated under this paragraph shall be promulgated in terms of a standard of performance when it becomes feasible to promulgate and enforce the standard in those terms.

(4) For the purpose of this paragraph, the phrase *"not feasible to adopt or enforce a standard of performance"* refers to a situation in which the commission determines that the application of measurement methodology to a particular class of sources is not practicable due to technological or economic limitations.

*b.* If the maximum standards for the emission of sulfur dioxide from solid fuels have to be reduced in an area to meet ambient air quality standards, a contract for coal produced in Iowa and burned by a facility in that area that met the sulfur dioxide emission standards in effect at the time the contract went into effect shall be exempted from the decreased requirement until the expiration of the contract period or December 31, 1983, whichever first occurs, if there is any other reasonable means available to satisfy the ambient air quality standards. To qualify under this subsection, the contract must be recorded with the county recorder of the county where the burning facility is located within thirty days after the signing of the contract.

*c.* The degree of emission limitation required for control of an air contaminant under

an emission standard shall not be affected by that part of the stack height of a source that exceeds good engineering practice, as defined in rules, or any other dispersion technique. This paragraph shall not apply to stack heights in existence before December 30, 1970, or dispersion techniques implemented before that date.

5. Classify air contaminant sources according to levels and types of emissions, and other characteristics which relate to air pollution. The commission may require, by rule, the owner or operator of any air contaminant source to establish and maintain such records, make such reports, install, use and maintain such monitoring equipment or methods, sample such emissions in accordance with such methods at such locations and intervals, and using such procedures as the commission shall prescribe, and provide such other information as the commission may reasonably require. Such classifications may be for application to the state as a whole, or to any designated area of the state, and shall be made with special reference to effects on health, economic and social factors, and physical effects on property.

6. *a.* Require, by rules, notice of the construction of any air contaminant source which may cause or contribute to air pollution, and the submission of plans and specifications to the department, or other information deemed necessary, for the installation of air contaminant sources and related control equipment. The rules shall allow the owner or operator of a major stationary source to elect to obtain a conditional permit in lieu of a construction permit. The rules relating to a conditional permit for an electric power generating facility subject to chapter 476A and other major stationary sources shall allow the submission of engineering descriptions, flow diagrams and schematics that quantitatively and qualitatively identify emission streams and alternative control equipment that will provide compliance with emission standards. Such rules shall not specify any particular method to be used to reduce undesirable levels of emissions, nor type, design, or method of installation of any equipment to be used to reduce such levels of emissions, nor the type, design, or method of installation or type of construction of any manufacturing processes or kinds of equipment, nor specify the kind or composition of fuels permitted to be sold, stored, or used unless authorized by subsection 4 of this section.

*b.* The commission may give technical advice pertaining to the construction or installation of the equipment or any other recommendation.

7. Commission rules establishing maximum permissible sulfate content shall not apply to an expansion of an industrial anaerobic lagoon facility which was constructed prior to February 22, 1979.

8. *a.* Adopt rules consistent with the federal Clean Air Act Amendments of 1990, Pub. L. No. 101-549, which require the owner or operator of an air contaminant source to obtain an operating permit prior to operation of the source. The rules shall specify the information required to be submitted with the application for a permit and the conditions under which a permit may be granted, modified, suspended, terminated, revoked, reissued, or denied. For sources subject to the provisions of Tit. IV of the federal Clean Air Act Amendments of 1990, permit conditions shall include emission allowances for sulfur dioxide emissions. The commission may impose fees, including fees upon regulated pollutants emitted from an air contaminant source, in an amount sufficient to cover all reasonable costs, direct and indirect, required to develop and administer the permit program in conformance with the federal Clean Air Act Amendments of 1990, Pub. L. No. 101-549. Affected units regulated under Tit. IV of the federal Clean Air Act Amendments of 1990, Pub. L. No. 101-549, shall pay operating permit fees in the same manner as other sources subject to operating permit requirements, except as provided in section 408 of the federal Act. The fees collected pursuant to this subsection shall be deposited in the air contaminant source fund created pursuant to section 455B.133B, and shall be utilized solely to cover all reasonable costs required to develop and administer the programs required by Tit. V of the federal Clean Air Act Amendments of 1990, Pub. L. No. 101-549, including the permit program pursuant to section 502 of the federal Act and the small business stationary source technical and environmental assistance program pursuant to section 507 of the federal Act.

*b.* Adopt rules allowing the department to issue a state operating permit to an owner or operator of an air contaminant source. The state operating permit granted under this paragraph may only be issued at the request of an air contaminant source and will be used

to limit its potential to emit to less than one hundred tons per year of a criteria pollutant as defined by the United States environmental protection agency or ten tons per year of a hazardous air pollutant or twenty-five tons of any combination of hazardous air pollutants.

*c.* Adopt rules for the issuance of a single general permit, after notice and opportunity for a public hearing. The single general permit shall cover numerous sources to the extent that the sources are representative of a class of facilities which can be identified and conditioned by a single permit.

9. Adopt rules allowing asphalt shingles to be burned in a fire set for the purpose of bona fide training of public or industrial employees in fire fighting methods only if a notice is provided to the director containing testing results indicating that the asphalt shingles do not contain asbestos. Each fire department shall be permitted to host two fires per year as allowed under this subsection.

10. Adopt rules allowing a city to conduct a controlled burn of a demolished building subject to the requirements that are in effect for the proper removal of all asbestos-containing materials prior to demolition and burning. The rules shall include provisions that a burn site have controlled access, that a burn site be supervised by representatives of the city at all times, and that the burning be conducted only when weather conditions are favorable with respect to surrounding property. For a burn site located outside of a city, the rules shall include a provision that a city may undertake not more than one such controlled burn per day and that a burn site be limited to an area located at least six-tenths of a mile from any inhabited building. For burn sites located within a city, the rules shall include a provision that a city may undertake not more than one such controlled burn in every six-tenths-of-a-mile-radius circle in each calendar year. The rules shall prohibit a controlled burn of a demolished building in Cedar Rapids, Marion, Hiawatha, Council Bluffs, Carter Lake, Des Moines, West Des Moines, Clive, Windsor Heights, Urbandale, Pleasant Hill, Buffalo, Davenport, Mason City, or any other area where area-specific state implementation plans require the control of particulate matter.

[C71, §136B.4; C73, 75, 77, 79, 81, §455B.12; 82 Acts, ch 1124, §1]

C83, §455B.133

91 Acts, ch 242, §1; 91 Acts, ch 255, §8; 92 Acts, ch 1163, §87 – 89; 93 Acts, ch 137, §3; 94 Acts, ch 1040, §1; 95 Acts, ch 2, §1; 2002 Acts, ch 1162, §45; 2002 Acts, 2nd Ex, ch 1003, §241, 262; 2004 Acts, ch 1138, §1; 2010 Acts, ch 1061, §180

Referred to in §455B.133B, 455B.134

**455B.133A Small business stationary source technical and environmental compliance assistance program.**

A small business stationary source technical and environmental compliance assistance program shall be administered and enforced as required pursuant to the federal Clean Air Act Amendments of 1990, 42 U.S.C. § 7661f.

2008 Acts, ch 1105, §2

Referred to in §455B.133B, 455B.151

**455B.133B Air contaminant source fund created.**

An air contaminant source fund is created in the office of the treasurer of state under the control of the department.

1. Moneys received from the fees assessed pursuant to section 455B.133, subsection 8, shall be deposited in the fund.

2. Moneys in the fund shall be used solely to defray the costs related to the permit, monitoring, and inspection program, including the small business stationary source technical and environmental compliance assistance program required pursuant to the federal Clean Air Act Amendments of 1990, section 502, Pub. L. No. 101-549, and as provided in section 455B.133A.

3. Notwithstanding section 8.33, any unexpended balance in the fund at the end of each fiscal year shall be retained in the fund. Notwithstanding section 12C.7, any interest and earnings on investments from money in the fund shall be credited to the fund.

91 Acts, ch 255, §10; 92 Acts, ch 1163, §91, 92; 95 Acts, ch 26, §1, 2; 2008 Acts, ch 1105, §3

Referred to in §455B.133, 455B.150

**455B.134 Director — duties — limitations.**

The director shall:

1. Publish and administer the rules and standards established by the commission. The department shall furnish a copy of such rules or standards to any person upon request.

2. Provide technical, scientific, and other services required by the commission or for the effective administration of this division II and chapter 459, subchapter II.

3. Grant, modify, suspend, terminate, revoke, reissue or deny permits for the construction or operation of new, modified, or existing air contaminant sources and for related control equipment, and conditional permits for electric power generating facilities subject to chapter 476A and other major stationary sources, subject to the rules adopted by the commission. The department shall furnish necessary application forms for such permits.

*a.* No air contaminant source shall be installed, altered so that it significantly affects emissions, or placed in use unless a construction or conditional permit has been issued for the source.

*b.* The condition of expected performance shall be reasonably detailed in the construction or conditional permit.

*c.* All applications for permits other than conditional permits for electric generating facilities shall be subject to such notice and public participation as may be provided by rule by the commission. Upon denial or limitation of a permit other than a conditional permit for an electric generating facility, the applicant shall be notified of such denial and informed of the reason or reasons therefor, and such applicant shall be entitled to a hearing before the commission.

*d.* (1) All applications for conditional permits for electric power generating facilities shall be subject to such notice and opportunity for public participation as may be consistent with chapter 476A or any agreement pursuant thereto under chapter 28E. The applicant or intervenor may appeal to the commission from the denial of a conditional permit or any of its conditions. For the purposes of chapter 476A, the issuance or denial of a conditional permit by the director or by the commission upon appeal shall be a determination that the electric power generating facility does or does not meet the permit and licensing requirements of the commission. The issuance of a conditional permit shall not relieve the applicant of the responsibility to submit final and detailed construction plans and drawings and an application for a construction permit for control equipment that will meet the emission limitations established in the conditional permit.

(2) In applications for conditional permits for electric power generating facilities, the applicant shall quantify the potential to emit greenhouse gases due to the proposed project.

*e.* A regulated air contaminant source for which a construction permit or conditional permit has been issued shall not be operated unless an operating permit also has been issued for the source. However, if the facility was in compliance with permit conditions prior to the requirement for an operating permit and has made timely application for an operating permit, the facility may continue operation until the operating permit is issued or denied. Operating permits shall contain the requisite conditions and compliance schedules to ensure conformance with state and federal requirements including emission allowances for sulfur dioxide emissions for sources subject to Tit. IV of the federal Clean Air Act Amendments of 1990. If construction of a new air contaminant source is proposed, the department may issue an operating permit concurrently with the construction permit, if possible and appropriate.

*f.* (1) Notwithstanding any other provision of division II of this chapter or chapter 459, subchapter II, the following siting requirements shall apply to anaerobic lagoons and earthen waste slurry storage basins:

(a) Anaerobic lagoons, constructed or expanded on or after June 20, 1979, but prior to May 31, 1995, or earthen waste slurry storage basins, constructed or expanded on or after July 1, 1990, but prior to May 31, 1995, which are used in connection with animal feeding operations containing less than six hundred twenty-five thousand pounds live animal weight capacity of animal species other than beef cattle or containing less than one million six hundred thousand pounds live animal weight capacity of beef cattle, shall be located at least one thousand two hundred fifty feet from a residence not owned by the owner of the feeding operation or from a public use area other than a public road. Anaerobic lagoons or earthen

waste slurry storage basins, which are used in connection with animal feeding operations containing six hundred twenty-five thousand pounds or more live animal weight capacity of animal species other than beef cattle or containing one million six hundred thousand pounds or more live animal weight capacity of beef cattle, shall be located at least one thousand eight hundred seventy-five feet from a residence not owned by the owner of the feeding operation or from a public use area other than a public road. For the purpose of this paragraph the determination of live animal weight capacity shall be based on the average animal weight capacity during a production cycle and the maximum animal capacity of the animal feeding operation.

(b) Anaerobic lagoons which are used in connection with industrial treatment of wastewater where the average wastewater discharge flow is one hundred thousand gallons per day or less shall be located at least one thousand two hundred fifty feet from a residence not owned by the owner of the lagoon or from a public use area other than a public road. Anaerobic lagoons which are used in connection with industrial treatment of wastewater where the average wastewater discharge flow is greater than one hundred thousand gallons per day shall be located at least one thousand eight hundred seventy-five feet from a residence not owned by the owner of the lagoon or from a public use area other than a public road. These separation distances apply to the construction of new facilities and the expansion of existing facilities.

(2) A person may build or expand an anaerobic lagoon or an earthen waste slurry storage basin closer to a residence not owned by the owner of the anaerobic lagoon or to a public use area than is otherwise permitted by subparagraph (1) of this paragraph, if the affected landowners enter into a written agreement with the anaerobic lagoon owner to waive the separation distances under such terms the parties negotiate. The written agreement becomes effective only upon recording in the office of the recorder of deeds of the county in which the residence is located.

*g*. All applications for construction permits or prevention of significant deterioration permits shall quantify the potential to emit greenhouse gases due to the proposed project.

4. Determine by field studies and sampling the quality of atmosphere and the degree of air pollution in this state or any part thereof.

5. Conduct and encourage studies, investigations, and research relating to air pollution and its causes, effects, abatement, control, and prevention.

6. Provide technical assistance to political subdivisions of this state requesting such aid for the furtherance of air pollution control.

7. Collect and disseminate information, and conduct educational and training programs, relating to air pollution and its abatement, prevention, and control.

8. Consider complaints of conditions reported to, or considered likely to, constitute air pollution, and investigate such complaints upon receipt of the written petition of any state agency, the governing body of a political subdivision, a local board of health, or twenty-five affected residents of the state.

9. Issue orders consistent with rules to cause the abatement or control of air pollution, or to secure compliance with permit conditions. In making the orders, the director shall consider the facts and circumstances bearing upon the reasonableness of the emissions involved, including but not limited to, the character and degree of injury to, or interference with, the protection of health and the physical property of the public, the practicability of reducing or limiting the emissions from the air pollution source, and the suitability or unsuitability of the air pollution source to the area where it is located. An order may include advisory recommendations for the control of emissions from an air contaminant source and the reduction of the emission of air contaminants.

10. Encourage voluntary cooperation by persons or affected groups in restoring and preserving a reasonable quality of air within the state.

11. Encourage political subdivisions to handle air pollution problems within their respective jurisdictions.

12. Review and evaluate air pollution control programs conducted by political subdivisions of the state with respect to whether the programs are consistent with the

provisions of division II of this chapter and chapter 459, subchapter II, and rules adopted by the commission.

13. Hold public hearings, except when the evidence to be received is confidential pursuant to section 455B.137, necessary to accomplish the purposes of division II of this chapter and chapter 459, subchapter II. The director may issue subpoenas requiring the attendance of witnesses and the production of evidence pertinent to the hearings. A subpoena shall be issued and enforced in the same manner as in civil actions.

14. Convene meetings not later than June 1 during the second calendar year following the adoption of new or revised federal ambient air quality standards by the United States environmental protection agency to review emission limitations or standards relating to the maximum quantities of air contaminants that may be emitted from any air contaminant source as provided in section 455B.133, subsection 4. By November 1 of the same calendar year, the department shall submit a report to the governor and the general assembly regarding recommendations for law changes necessary for the attainment of the new or revised federal standards.

[C71, §136B.4, 136B.5; C73, 75, 77, 79, §455B.12, 455B.13; C81, §455B.13; 82 Acts, ch 1124, §2, 3]

C83, §455B.134

86 Acts, ch 1245, §1899; 90 Acts, ch 1153, §2, 3; 91 Acts, ch 255, §11 – 13; 93 Acts, ch 137, §4; 95 Acts, ch 195, §14; 2007 Acts, ch 120, §2, 3; 2010 Acts, ch 1115, §1; 2011 Acts, ch 25, §49, 50

Referred to in §455B.145

For regulations establishing separation distances between anaerobic lagoons or earthen manure storage structures constructed or expanded on or after May 31, 1995, and various locations and objects, see chapter 459

For regulations governing the construction of earthen storage structures within agricultural drainage well areas, see chapter 460

**455B.135 Limit on authority.**

Nothing contained in this division II or chapter 459, subchapter II, shall be deemed to grant to the department or the director any authority or jurisdiction with respect to air pollution existing solely within residences; or solely within commercial and industrial plants, works, or shops under the jurisdiction of chapters 88 and 91; or to affect the relations between employers and employees with respect to, or arising out of, any condition of air pollution.

[C71, §136B.6; C73, 75, 77, 79, 81, §455B.14]

C83, §455B.135

86 Acts, ch 1245, §1899, 1899B

**455B.136 Assistance on demand.**

The department and the director may request and receive assistance from any other agency, department, or educational institution of the state, or political subdivision thereof, when it is deemed necessary or beneficial by the department or the director. The department may reimburse such agencies for special expense resulting from expenditures not normally a part of the operating expenses of any such agency.

[C71, §136B.7; C73, 75, 77, 79, 81, §455B.15]

C83, §455B.136

86 Acts, ch 1245, §1899, 1899B

**455B.137 Privileged information.**

Information received by the department or any employees of the department through filed reports, inspections, or as otherwise authorized in this division II or chapter 459, subchapter II, concerning trade secrets, secret industrial processes, or other privileged communications, except emission data, shall not be disclosed or opened to public inspection, except as may be necessary in a proceeding concerning a violation of said division or of any rules promulgated thereunder, or as otherwise authorized or ordered by appropriate court action or proceedings. Nothing herein shall be construed to prevent the director from compiling or publishing analyses or summaries relating to the general condition of

the atmosphere; provided that such analyses or summaries do not reveal any information otherwise confidential under this section.

[C71, §136B.8; C73, 75, 77, 79, 81, §455B.16]
C83, §455B.137
86 Acts, ch 1245, §1899B
Referred to in §455B.134, 455B.138

**455B.138 Resolution of violations — appeal.**

1. When the director has evidence that a violation of any provision of division II of this chapter or chapter 459, subchapter II, or rule, standard or permit established or issued under division II or chapter 459, subchapter II, has occurred, the director shall notify the alleged violator and, by informal negotiation, attempt to resolve the problem. If the negotiations fail to resolve the problem within a reasonable period of time, the director shall issue an order directing the violator to prevent, abate or control the emissions or air pollution involved. The order shall prescribe the date by which the violation shall cease and may prescribe timetables for necessary action to prevent, abate or control the emissions of air pollution. The order may be appealed to the commission.

2. After the hearing on appeal, the commission may affirm, modify or rescind the order of the director.

3. The director shall keep a complete record of the hearings and proceeding and the record shall be open to public inspection, subject to section 455B.137. Upon request, a copy of the transcript shall be furnished to the violator or alleged violator at the violator's or alleged violator's expense.

4. An appeal to the commission under this section shall be conducted as a contested case under chapter 17A.

[C71, §136B.9; C73, 75, 77, 79, 81, §455B.17]
C83, §455B.138
86 Acts, ch 1245, §1899
Referred to in §455B.149

**455B.139 Emergency orders.**

If the director has evidence that any person is causing air pollution and that such pollution creates an emergency requiring immediate action to protect the public health and safety, or property, the director may, without notice, issue an emergency order requiring such person to reduce or discontinue immediately the emission of air contaminants. A copy of the emergency order shall be served by personal service. An emergency order issued by the director may be appealed to the commission. After hearing on appeal, the commission may affirm, modify or rescind the order of the director.

[C71, §136B.9(5); C73, 75, 77, 79, 81, §455B.18]
C83, §455B.139
86 Acts, ch 1245, §1899

**455B.140 Judicial review.**

Judicial review of actions of the commission or of the director may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of said Act, petitions for judicial review may be filed in the district court of the county in which the alleged offense was committed.

[C71, §136B.10; C73, 75, 77, 79, 81, §455B.19]
C83, §455B.140
86 Acts, ch 1245, §1899; 2003 Acts, ch 44, §114

**455B.141 Legal action.**

If action to prevent, control, or abate air pollution is not taken in accordance with the rules established, or orders or permits issued by the department, or if the director has evidence that an emergency exists by reason of air pollution which requires immediate action to protect the public health or property, the attorney general, at the request of the director, shall commence

legal action, in the name of the state, for an injunction to prevent any further or continued violation of such rule or order.

[C71, §136B.11; C73, 75, 77, 79, 81, §455B.20]
C83, §455B.141
86 Acts, ch 1245, §1899; 91 Acts, ch 255, §14
Referred to in §455B.142

**455B.142 Burden of proof.**

In all proceedings with respect to any alleged violation of the provisions of this division II or chapter 459, subchapter II, or any rule established by the commission, the burden of proof shall be upon the department except in an action for an injunction as provided in section 455B.141.

[C71, §136B.12; C73, 75, 77, 79, 81, §455B.21]
C83, §455B.142

**455B.143 Variance.**

Any person who owns or operates any plant, building, structure, process, or equipment may apply for a variance from the rules or standards adopted by the department by filing an application with the department. The application shall be accompanied by such information and data required by the department.

1. The director shall promptly investigate the application and approve or disapprove the application. The director may grant a variance if the director finds that:

*a.* The emissions occurring or proposed to occur do not endanger or tend to endanger human health or safety or property; and

*b.* Compliance with the rules or standards from which the variance is sought will produce serious hardship without equal or greater benefits to the public.

2. The applicant may request a review hearing before the department if the application is denied.

3. In determining under what conditions and to what extent a variance may be granted, the director shall give due recognition to the progress which the applicant has made toward eliminating or preventing air pollution. In such a case, the director shall consider the reasonableness of the request, conditioned upon such applicant effecting a partial abatement of the particular air pollution within a reasonable period of time, or the director may prescribe other requirements with which such applicant shall comply.

4. The director may grant a variance for a specified period of time, not exceeding one year, and the director may further specify that the applicant make periodic reports specifying the progress that has been made toward compliance with any rule for which the variance was granted. A variance may be extended from year to year by affirmative action of the director.

5. The director shall maintain a record of each variance granted specifying the reasons for its issuance or extension.

[C71, §136B.13; C73, 75, 77, 79, 81, §455B.22]
C83, §455B.143
86 Acts, ch 1245, §1899, 1899B

**455B.144 Local control program.**

1. Any political subdivision may conduct an air pollution control program within the boundaries of its jurisdiction, or may jointly conduct an air pollution control program with other political subdivisions of this state or of other states, except that every joint program shall be established and administered as provided in chapter 28E. In conducting such programs, political subdivisions may adopt and enforce rules or standards to secure and maintain adequate air quality within their respective jurisdictions.

2. If the board of supervisors in any county establishes an air pollution control program and has obtained a certificate of acceptance, the agency implementing the program may

regulate air pollution within the county including any incorporated areas therein until such incorporated areas obtain a certificate of acceptance as a joint or separate agency.

[C71, §136B.14; C73, 75, 77, 79, 81, §455B.23]

C83, §455B.144

Referred to in §331.382

**455B.145 Acceptance of local program.**

When an air pollution control program conducted by a political subdivision, or a combination of them, is deemed upon review as provided in section 455B.134, to be consistent with the provisions of this division II or the rules established under this division, the director shall accept such program in lieu of state administration and regulation of air pollution within the political subdivisions involved. This section shall not be construed to limit the power of the director to issue state permits and to take other actions consistent with this division II or the rules established under this division that the director deems necessary for the continued proper administration of the air pollution programs within the jurisdiction of the local air pollution program.

1. In evaluating an air pollution control program, consideration shall be given to whether such program provides for the following:

*a.* Ordinances, rules and standards establishing requirements consistent with, or more strict than, those imposed by this division II or rules and standards adopted by the department.

*b.* Enforcement of such requirements by appropriate administrative and judicial process.

*c.* Administrative organization, staff, financial and other resources necessary to administer an efficient and effective program.

*d.* Location of emission monitoring devices in areas of the political subdivision in compliance with uniform state standards adopted by the department. The department shall adopt uniform state standards for the location of emission monitoring devices specifying such intervals and such procedures to provide a reasonably consistent measurement of emissions from air contaminant sources regardless of the political subdivision of the state in which the sources may be located.

2. Upon acceptance of a local air pollution control program, the director shall issue a certificate of acceptance to the appropriate local agency.

*a.* Any political subdivision desiring a certificate of acceptance shall apply to the department on forms prescribed by the director.

*b.* The director shall promptly investigate the application and approve or disapprove the application. The director may conduct a public hearing before action is taken to approve or disapprove. If the director disapproves issuing a certificate, the political subdivision may appeal the action to the department of inspections and appeals. At the hearing on appeal, the department of inspections and appeals shall decide whether the local program is substantially consistent with the provisions of this division II, or rules adopted thereunder, and whether the local program is being enforced. The burden of proof shall be upon the political subdivision.

*c.* If the director determines at any time that a local air pollution program is being conducted in a manner inconsistent with the substantive provisions of this division II or the rules adopted thereunder, the director shall notify the political subdivision, citing the deviations from the acceptable standards and the corrective measures to be completed within a reasonable amount of time. If the corrective measures are not implemented as prescribed, the director shall suspend in whole or in part the certificate of acceptance of such political subdivision and shall administer the regulatory provisions of said division in whole or in part within the political subdivision until the appropriate standards are met. Upon receipt of evidence that necessary corrective action has been taken, the director shall reinstate the suspended certificate of acceptance, and the political subdivision shall resume the administration of the local air pollution control program within its jurisdiction. In cases where the certificate of acceptance is suspended, the political subdivision may appeal the suspension to the department of inspections and appeals.

*d.* Nothing in this division II shall be construed to supersede the jurisdiction of any local

air pollution control program in operation on the first of January, 1973, except that any such program shall meet all requirements of said division.

[C71, §136B.15; C73, 75, 77, 79, 81, §455B.24]

C83, §455B.145

86 Acts, ch 1245, §1899, 1899B; 87 Acts, ch 33, §1

Referred to in §331.382

Former sections in ch 455B, division II, relating to animal feeding operations transferred to chapter 459 pursuant to legislative directive in 2002 Acts, ch 1137

**455B.146 Civil action for compliance — local program actions.**

If any order, permit, or rule of the department is being violated, the attorney general shall, at the request of the department or the director, institute a civil action in any district court for injunctive relief to prevent any further violation of the order, permit, or rule, or for the assessment of a civil penalty as determined by the court, not to exceed ten thousand dollars per day for each day such violation continues, or both such injunctive relief and civil penalty. Notwithstanding sections 331.302 and 331.307, a city or county which maintains air pollution control programs authorized by certificate of acceptance under this division may provide civil penalties consistent with the amount established for such penalties under this division.

[C71, §136B.16; C73, 75, 77, 79, 81, §455B.25]

C83, §455B.146

86 Acts, ch 1245, §1899, 1899B; 91 Acts, ch 251, §1

Referred to in §29C.8A

Former sections in ch 455B, division II, relating to animal feeding operations transferred to chapter 459 pursuant to legislative directive in 2002 Acts, ch 1137

**455B.146A Criminal action — penalties.**

1. A person who knowingly violates any provision of division II of this chapter, any permit, rule, standard, or order issued under division II of this chapter, or any condition or limitation included in any permit issued under division II of this chapter, is guilty of an aggravated misdemeanor. A conviction for a violation is punishable by a fine of not more than ten thousand dollars for each day of violation or by imprisonment for not more than two years, or both. If the conviction is for a second or subsequent violation committed by a person under this section, however, the conviction is punishable by a fine of not more than twenty thousand dollars for each day of violation or by imprisonment for not more than four years, or by both.

2. *a.* A person who knowingly makes any false statement, representation, or certification of any application, record, report, plan, or other document filed or required to be maintained under division II of this chapter, or by any permit, rule, standard, or order issued under division II of this chapter or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under division II of this chapter, or by any permit, rule, standard, or order issued under division II of this chapter, or who knowingly fails to notify or report as required by division II of this chapter or by any permit, rule, standard, or order issued under division II of this chapter, or by any condition or limitation included in any permit issued under division II of this chapter, is guilty of an aggravated misdemeanor punishable by a fine of not more than ten thousand dollars per day per violation or by imprisonment for not more than one year, or by both. If the conviction is for a second or subsequent violation committed by a person under this paragraph, however, the conviction is punishable by a fine of not more than twenty thousand dollars for each day of violation or by imprisonment for not more than two years, or by both.

*b.* A person who knowingly fails to pay any fee owed the state under any provision of division II of this chapter, or any permit, rule, standard, or order issued under division II of this chapter, is guilty of an aggravated misdemeanor punishable by a fine of not more than ten thousand dollars per day per violation or by imprisonment for not more than six months, or by both. If the conviction is for a second or subsequent violation under this paragraph, however, the conviction is punishable by a fine of not more than twenty thousand dollars for each day of violation or by imprisonment for not more than one year, or by both.

3. A person who negligently releases into the ambient air any hazardous air pollutant or extremely hazardous substance, and who at the time negligently places another person

in imminent danger of death or serious bodily injury shall, upon conviction, be punished by a fine of not more than twenty-five thousand dollars for each day of violation or by imprisonment for not more than one year, or by both. If the conviction is for a second or subsequent negligent violation committed by a person under this section, however, the conviction is punishable by a fine of not more than fifty thousand dollars for each day of violation or by imprisonment for not more than two years, or by both.

4. *a.* A person who knowingly releases into the ambient air any hazardous air pollutant or extremely hazardous substance, and who knows at the time that the conduct places another person in imminent danger of death or serious bodily injury shall, upon conviction, if the person committing the violation is an individual or a government entity, be punished by a fine of not more than fifty thousand dollars per violation or by imprisonment for not more than two years, or by both. However, if the person committing the violation is other than an individual or a government entity, upon conviction the person shall be punished by a fine of not more than one million dollars per violation. If the conviction is for a second or subsequent violation under this paragraph, the conviction is punishable by a fine or imprisonment, or both, as consistent with federal law.

*b.* In determining whether a defendant who is an individual knew that the violation placed another person in imminent danger of death or serious bodily injury the following shall apply:

(1) The defendant is deemed to have knowledge only if the defendant possessed actual awareness or held an actual belief.

(2) Knowledge possessed by a person other than the defendant, and not by the defendant personally, is not attributable to the defendant. In establishing a defendant's possession of actual knowledge, circumstantial evidence may be used, including evidence that the defendant took affirmative action to be shielded from relevant information.

*c.* It is an affirmative defense that the conduct was freely consented to by the person endangered and that the danger and conduct were reasonably foreseeable hazards of either of the following:

(1) An occupation, a business, or a profession.

(2) Medical treatment or medical or scientific experimentation conducted by professionally approved methods if the person was made aware of the risks involved prior to providing consent. An affirmative defense under this subparagraph shall be established by a preponderance of the evidence.

*d.* All general defenses, affirmative defenses, and bars to prosecution that are applicable with respect to other criminal offenses apply under paragraph "*a*". All defenses and bars to prosecution shall be determined by the courts in accordance with the principles of common law as interpreted, taking into consideration the elements of reason and experience. The concepts of justification and legal excuse, as applicable, may be developed, taking into consideration the elements of reason and experience.

*e.* As used in this subsection, "*serious bodily injury*" means bodily injury which involves a substantial risk of death, unconsciousness, extreme physical pain, protracted and obvious disfigurement, or protracted loss or impairment of the function of a bodily member, organ, or mental faculty.

5. *a.* Notwithstanding this section, a source required to obtain a permit for construction or modification of a source prior to the date on which the state received delegation of the federal operating permit program which failed to timely file for the permit is subject to the civil penalty for noncompliance in effect at the time.

*b.* This subsection does not provide an exception from application of the penalties established under this section for failure of a person to file a timely and complete application for a federal construction permit.

*c.* This subsection does not provide an exception from application of the penalties established in this section for a person who does not file a timely and complete application for a required permit once notified, in writing, by the department of the noncompliance.

A person who does not comply following notification of noncompliance is subject to the criminal penalties established under this section.

93 Acts, ch 137, §5

Former sections in ch 455B, division II, relating to animal feeding operations transferred to chapter 459 pursuant to legislative directive in 2002 Acts, ch 1137

**455B.147 Failure — procedure.**

1. If the director fails to take action within sixty days after an application for a variance is made, or if the department fails to enter a final order or determination within sixty days after the final argument in hearing on appeal, the person seeking the action may treat the failure to act as a grant of the requested variance, or of a finding favorable to the respondent in hearing on appeal, as the case may be.

2. The section shall not apply to an application for a conditional permit for an electrical power generating facility subject to chapter 476A.

[C71, §136B.17; C73, 75, 77, 79, 81, §455B.26]

C83, §455B.147

86 Acts, ch 1245, §1899, 1899B; 93 Acts, ch 137, §6

**455B.148** Repealed by 83 Acts, ch 136, § 8.

**455B.149 Energy or economic emergency.**

1. Upon application by the owner or operator of a fuel-burning stationary source, and after notice and opportunity for public hearing, the commission may petition the president, under section 110, subsection *"f,"* paragraph 1 of the federal Clean Air Act as amended through January 1, 1991, for a determination that a national or regional energy emergency exists. If the president determines an emergency exists, the commission may suspend any requirement of this division or a rule or permit issued under this division. A temporary emergency suspension under this subsection shall be issued only if there exists in the vicinity of the source a temporary emergency involving high levels of unemployment or loss of necessary energy supplies for residential buildings and if the unemployment or loss can be totally or partially alleviated by the suspension. Only one suspension may be issued for a source on the basis of the same set of circumstances or on the basis of the same emergency. A suspension shall remain in effect for a maximum of four months. The commission may include in a suspension a provision directing the director to delay for a period identical to the period of the suspension a compliance schedule or increment of progress to which the source is subject under section 455B.138, if the source is unable to comply with the schedule or increment solely because of the conditions on the basis of which the suspension was issued.

2. If a plan revision has been submitted to the administrator of the United States environmental protection agency under section 110 of the federal Clean Air Act as amended through January 1, 1991, and if the commission determines that the revision meets the requirements of that section and the revision is necessary to prevent the closing of an air contaminant source for one year or more and to prevent substantial increases in unemployment which would result from the closing, and if the administrator has not approved or disapproved within the required four-month period, the commission may issue a temporary emergency suspension of the part of the applicable implementation plan which is proposed to be revised with respect to the source. The determination under this subsection shall not be made with respect to a source which would close without regard to whether or not the proposed plan revision is approved. A temporary emergency suspension issued under this subsection shall remain in effect for a maximum of four months. A temporary emergency suspension under this subsection may include a provision directing the director to delay for a period identical to the period of the suspension a compliance schedule or increment of progress to which the source is subject under section 119 of the federal Clean Air Act as in effect prior to August 7, 1977, or section 113, subsection *"d"* of the federal Clean Air Act as amended through January 1, 1991, upon a finding that the source is unable

to comply with the schedule or increment solely because of the conditions on the basis of which a suspension was issued under this subsection.

[C81, §455B.29]

C83, §455B.149

86 Acts, ch 1245, §1899; 92 Acts, ch 1163, §93

**455B.150 Compliance advisory panel — creation.**

A compliance advisory panel is created, pursuant to Tit. V, section 507(e) of the federal Clean Air Act Amendments of 1990, 42 U.S.C. § 7661f.

1. Appointment to the compliance advisory panel shall be as follows:

*a.* Two persons shall be appointed by the governor.

(1) Each person shall represent the general public and have an interest in air quality issues. The person shall not be an owner or represent an owner of a small business stationary source.

(2) The person shall serve for a four-year term and may be reappointed. A term of office shall begin and end as provided in section 69.19.

(3) An appointment shall comply with sections 69.16 and 69.16A. In addition, the appointments shall be geographically balanced.

*b.* Four persons appointed by the leadership of the general assembly.

(1) The persons, who shall not be members of the general assembly, shall be appointed as follows:

(a) One person by the majority leader of the senate after consultation with the president of the senate, and one person by the minority leader of the senate.

(b) One person by the speaker of the house of representatives after consultation with the majority leader, and one person by the minority leader of the house of representatives.

(2) Each person shall be an owner of a small business stationary source or shall represent an owner of a small business stationary source.

(3) Each person shall serve for a term as provided in section 69.16B and may be reappointed.

*c.* The director or the director's designee who shall serve for a term of four years.

2. A vacancy shall be filled for the unexpired term by the original appointing authority in the manner of the original appointment.

3. The members are entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties of members, and shall be reimbursed for all actual necessary expenses incurred in the performance of duties as members. Per diem and expenses shall be paid from moneys deposited in the air contaminant source fund created pursuant to section 455B.133B.

4. The compliance advisory panel shall elect a chairperson and may elect a vice chairperson or other officers from among its members as provided by its rules. The panel shall meet on a regular basis, but at least once each six months, and at the call of the chairperson or upon the written request to the chairperson of three or more members.

5. The department shall staff the compliance advisory panel and provide the panel with space to conduct its meetings, clerical assistance, and necessary supplies and equipment.

93 Acts, ch 137, §7; 2008 Acts, ch 1105, §4; 2009 Acts, ch 106, §13, 14

Referred to in §455B.151

**455B.151 Compliance advisory panel — powers and duties.**

The compliance advisory panel created in section 455B.150 shall review and report on the effectiveness of the small business stationary source technical and environmental compliance assistance program as provided in section 455B.133A. The compliance advisory panel shall do all of the following:

1. Render advisory opinions concerning the effectiveness of the small business stationary source technical and environmental compliance assistance program, difficulties encountered, and degree and severity of enforcement.

2. Make periodic reports to the administrator of the federal environmental protection agency concerning the compliance of the state small business stationary source technical

and environmental compliance assistance program with the requirements of the federal Paperwork Reduction Act, 44 U.S.C. § 3501 et seq.; the federal Regulatory Flexibility Act, 5 U.S.C. § 601 et seq.; and the federal Equal Access to Justice Act, 5 U.S.C. § 504.

3. Review information for small business stationary sources to assure such information is understandable by the layperson.

4. Have the small business stationary source technical and environmental compliance assistance program serve as the secretariat for the development and dissemination of such reports and advisory opinions.

2008 Acts, ch 1105, §5; 2009 Acts, ch 41, §131

**455B.152 Greenhouse gas inventory and registry.**

1. *Definitions.* For purposes of this section, *"greenhouse gas"* means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, or sulfur hexafluoride.

2. *Greenhouse gas inventory.*

*a.* By January 1, 2008, the department shall establish a method for collecting data from producers of greenhouse gases regarding generated greenhouse gases. The data collection method shall provide for mandatory reporting to collect information from affected entities individually and shall include information regarding the amount and type of greenhouse gases generated, the type of source, and other information deemed relevant by the department in developing a baseline measure of greenhouse gases produced in the state.

*b.* The department may allow a series of reporting requirements to be phased in over a period of time and may provide for phasing in by producer sector, geographic area, size of producer, or other factors. The reporting requirements shall apply to the departments, agencies, boards, and commissions of the state, in addition to any other entities subject to the reporting requirements established by the department.

*c.* The department shall coordinate the data collection with the United States environmental protection agency upon the enactment of a federal mandatory greenhouse gas emission reporting rule.

3. *Greenhouse gas registry.*

*a.* The department shall establish a voluntary greenhouse gas registry for purposes of cooperating with other states in tracking, managing, and crediting entities in the state that reduce their generation of greenhouse gases or that provide increased energy efficiency.

*b.* The department shall develop a mechanism to coordinate the information obtained in the greenhouse gas inventory with the greenhouse gas registry.

4. *Availability.* By January 1, 2009, the greenhouse gas registry shall be made available on an internet site.

2007 Acts, ch 120, §4; 2010 Acts, ch 1034, §1; 2013 Acts, ch 90, §257
Code editor directive applied

**455B.153 through 455B.160** Reserved.

## PART 2

## ANIMAL FEEDING OPERATIONS REQUIREMENTS

**455B.161 through 455B.163** Transferred to chapter 459; 2002 Acts, ch 1137, § 68, 71; 2002 Acts, ch 1138, § 5; 2002 Acts, 2nd Ex, ch 1003, § 260, 262.

**455B.164** Repealed by 2002 Acts, ch 1137, § 69, 71. See § 459.201.

**455B.165** Transferred to § 459.205; 2002 Acts, ch 1137, § 68, 71; 2002 Acts, 2nd Ex, ch 1003, § 260, 262.

**455B.166 through 455B.170** Reserved.

# DIVISION III

# WATER QUALITY

Referred to in §455H.102, 459A.401

## PART 1

## GENERAL

Referred to in §455B.103A

**455B.171 Definitions.**

When used in this part 1 of division III, unless the context otherwise requires:

1. *"Abandoned well"* means a water well which is no longer in use or which is in such a state of disrepair that continued use for the purpose of accessing groundwater is unsafe or impracticable.

2. *"Construction"* of a water well means the physical act or process of making the water well including but not limited to siting, excavation, construction, and the installation of equipment and materials necessary to maintain and operate the well.

3. *"Contractor"* means a person engaged in the business of well construction or reconstruction or other well services.

4. *"Credible data"* means scientifically valid chemical, physical, or biological monitoring data collected under a scientifically accepted sampling and analysis plan, including quality control and quality assurance procedures. Data dated more than five years before the department's date of listing or other determination under section 455B.194, subsection 1, shall be presumed not to be credible data unless the department identifies compelling reasons as to why the data is credible.

5. *"Disposal system"* means a system for disposing of sewage, industrial waste, or other wastes, or for the use or disposal of sewage sludge. *"Disposal system"* includes sewer systems, treatment works, point sources, dispersal systems, and any systems designed for the usage or disposal of sewage sludge.

6. *"Effluent standard"* means any restriction or prohibition on quantities, rates, and concentrations of chemical, physical, biological, radiological, and other constituents which are discharged from point sources into any water of the state including an effluent limitation, a water quality related effluent limitation, a standard of performance for a new source, a toxic effluent standard, or other limitation.

7. *"Federal Water Pollution Control Act"* means the federal Water Pollution Control Act of 1972, Pub. L. No. 92-500, as published in 33 U.S.C. § 1251 – 1376, as amended through December 31, 1985.

8. *"Food commodity"* means any commodity that is derived from an agricultural animal or crop, both as defined in section 717A.1, which is intended for human consumption in its raw or processed state.

*a.* A food commodity in its raw state for processing includes but is not limited to milk, eggs, vegetables, fruits, nuts, syrup, and honey.

*b.* A food commodity in its processed state includes but is not limited to dairy products, pastries, pies, and meat or poultry products.

9. *"Historical data"* means data collected more than five years before the department's date of listing or other determination under section 455B.194, subsection 1.

10. *"Industrial waste"* means any liquid, gaseous, radioactive, or solid waste substance resulting from any process of industry, manufacturing, trade, or business or from the development of any natural resource.

11. *"Manure"* means the same as defined in section 459.102.

12. *"Manure sludge"* means the solid or semisolid residue produced during the treatment of manure in an anaerobic lagoon.

13. *"Maximum contaminant level"* means the maximum permissible level of any physical,

chemical, biological, or radiological substance in water which is delivered to any user of a public water supply system.

14. *"Naturally occurring condition"* means any condition affecting water quality which is not caused by human influence on the environment including but not limited to soils, geology, hydrology, climate, wildlife influence on the environment, and water flow with specific consideration given to seasonal and other natural variations.

15. *"New source"* means any building, structure, facility, or installation, from which there is or may be the discharge of a pollutant, the construction of which is commenced after the publication of proposed federal rules prescribing a standard of performance which will be applicable to such source, if such standard is promulgated.

16. *"On-farm processing operation"* means any place located on a farm where the form or condition of a food commodity originating from that farm or another farm is changed or packaged for human consumption, including but not limited to a dairy, creamery, winery, distillery, cannery, bakery, or meat or poultry processor.

17. *"Other waste"* means heat, garbage, municipal refuse, lime, sand, ashes, offal, oil, tar, chemicals, and all other wastes which are not sewage or industrial waste.

18. *a.* *"Person"* means any agency of the state or federal government or institution thereof, any municipality, governmental subdivision, interstate body, public or private corporation, individual, partnership, or other entity and includes any officer or governing or managing body of any municipality, governmental subdivision, interstate body, or public or private corporation.

*b.* For the purpose of imposing liability for violation of a section of this part, or a rule or regulation adopted by the department of natural resources under this part, *"person"* does not include a person who holds indicia of ownership in contaminated property from which prohibited discharges, deposits, or releases of pollutants into any water of the state have been or are evidenced, if the person has satisfied the requirements of section 455B.381, subsection 7, paragraph *"b"*, with respect to the contaminated property, regardless of whether the department has determined that the contaminated property constitutes a hazardous condition site.

19. *"Point source"* means any discernible, confined, and discrete conveyance, including but not limited to any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, or vessel or other floating craft, from which pollutants are or may be discharged.

20. *"Pollutant"* means sewage, industrial waste, or other waste.

21. *"Private sewage disposal system"* means a system which provides for the treatment or disposal of domestic sewage from four or fewer dwelling units or the equivalent of less than sixteen individuals on a continuing basis.

22. *"Private water supply"* means any water supply for human consumption which has less than fifteen service connections and regularly serves less than twenty-five individuals.

23. *"Production capacity"* means the amount of potable water which can be supplied to the distribution system in a twenty-four-hour period.

24. *"Public water supply system"* means a system for the provision to the public of piped water for human consumption, if the system has at least fifteen service connections or regularly serves at least twenty-five individuals. The term includes any source of water and any collection, treatment, storage, and distribution facilities under control of the operator of the system and used primarily in connection with the system, and any collection or pretreatment storage facilities not under such control which are used primarily in connection with the system.

25. *"Reconstruction"* of a water well means replacement or removal of all or a portion of the casing of the water well.

26. *"Schedule of compliance"* means a schedule of remedial measures including an enforceable sequence of actions or operations leading to compliance with any effluent standard, water quality standard, or any other requirement of this part of this division or any rule promulgated pursuant thereto.

27. *"Section 303(d) list"* means any list required under 33 U.S.C. § 1313(d).

28. *"Section 305(b) report"* means any report required under 33 U.S.C. § 1315(b).

29. *"Semipublic sewage disposal system"* means a system for the treatment or disposal of domestic sewage which is not a private sewage disposal system and which is not owned by a city, a sanitary district, or a designated and approved management agency under § 1288 of the federal Water Pollution Control Act, codified at 33 U.S.C. § 1288.

30. *"Septage"* means the liquid and solid material pumped from a septic tank, cesspool, or similar domestic sewage treatment system, or from a holding tank, when the system is cleaned or maintained.

31. *"Sewage"* means the water-carried waste products from residences, public buildings, institutions, or other buildings, including the bodily discharges from human beings or animals together with such groundwater infiltration and surface water as may be present.

32. *"Sewage sludge"* means any solid, semisolid, or liquid residue removed during the treatment of municipal waste water or domestic sewage. *"Sewage sludge"* includes but is not limited to solids removed during primary, secondary, or advanced waste water treatment, scum septage, portable toilet pumpings, type III marine device pumpings as defined in 33 C.F.R. ch. 1, subch. O, pt. 159, and sewage sludge products. *"Sewage sludge"* does not include grit, screenings, or ash generated during the incineration of sewage sludge.

33. *"Sewer extension"* means pipelines or conduits constituting main sewers, lateral sewers, or trunk sewers used for conducting pollutants to a larger interceptor sewer or to a point of ultimate disposal.

34. *"Sewer system"* means pipelines or conduits, pumping stations, force mains, vehicles, vessels, conveyances, injection wells, and all other constructions, devices, and appliances appurtenant thereto used for conducting sewage or industrial waste or other wastes to a point of ultimate disposal or disposal to any water of the state. To the extent that they are not subject to section 402 of the federal Water Pollution Control Act, ditches, pipes, and drains that serve only to collect, channel, direct, and convey nonpoint runoff from precipitation are not considered as sewer systems for the purposes of this part of this division.

35. *"Toilet unit"* means a portable or fixed tank or vessel holding untreated human waste without secondary wastewater treatment that is emptied for disposal. *"Toilet unit"* does not include a portable or fixed tank or vessel holding untreated human waste that is part of a recreational vehicle or marine vessel.

36. *"Total maximum daily load"* means the same as in the federal Water Pollution Control Act.

37. *"Treatment works"* means any plant, disposal field, lagoon, holding or flow-regulating basin, pumping station, or other works installed for the purpose of treating, stabilizing, or disposing of sewage, industrial waste, or other wastes.

38. *"Viable"* means a disposal system or a public water supply system which is self-sufficient and has the financial, managerial, and technical capability to reliably meet standards of performance on a long-term basis, as required by state and federal law, including the federal Water Pollution Control Act and the federal Safe Drinking Water Act.

39. *"Water of the state"* means any stream, lake, pond, marsh, watercourse, waterway, well, spring, reservoir, aquifer, irrigation system, drainage system, and any other body or accumulation of water, surface or underground, natural or artificial, public or private, which are contained within, flow through or border upon the state or any portion thereof.

40. *"Water pollution"* means the contamination or alteration of the physical, chemical, biological, or radiological integrity of any water of the state by a source resulting in whole or in part from the activities of humans, which is harmful, detrimental, or injurious to public health, safety, or welfare, to domestic, commercial, industrial, agricultural, or recreational use or to livestock, wild animals, birds, fish, or other aquatic life.

41. *"Water supply distribution system extension"* means any extension to the pipelines or conduits which carry water directly from the treatment facility, source or storage facility to the consumer's service connection.

42. *"Water well"* means an excavation that is drilled, cored, bored, augered, washed, driven, dug, jetted, or otherwise constructed for the purpose of exploring for groundwater, monitoring groundwater, utilizing the geothermal properties of the ground, or extracting water from or injecting water into the aquifer. *"Water well"* does not include an open ditch or

drain tiles or an excavation made for obtaining or prospecting for oil, natural gas, minerals, or products mined or quarried.

[C66, 71, §455B.2; C73, 75, 77, 79, 81, §455B.30; 82 Acts, ch 1050, §1, 2, ch 1199, §6, 7, 8, 96]

C83, §455B.171

83 Acts, ch 137, §2; 84 Acts, ch 1121, §1, 2; 85 Acts, ch 176, §1; 86 Acts, ch 1144, §1; 86 Acts, ch 1237, §29; 91 Acts, ch 224, §3; 92 Acts, ch 1041, §1; 93 Acts, ch 42, §1; 95 Acts, ch 195, §20; 96 Acts, ch 1079, §13; 97 Acts, ch 137, §1, 2; 98 Acts, ch 1209, §22; 2000 Acts, ch 1068, §9; 2000 Acts, ch 1232, §72; 2002 Acts, ch 1137, §25, 68, 71; 2002 Acts, ch 1138, §3, 5; 2002 Acts, 2nd Ex, ch 1003, §249, 260, 262; 2003 Acts, ch 44, §66; 2005 Acts, ch 153, §1; 2007 Acts, ch 126, §74; 2009 Acts, ch 41, §132; 2011 Acts, ch 31, §1; 2012 Acts, ch 1023, §56

Referred to in §161A.42, 331.382, 427.1(19e), 455B.172, 455B.176A, 455B.190, 455B.190A, 455B.194, 455B.266, 455E.2, 459.102, 459A.102, 459A.205

**455B.172 Jurisdiction of department and local boards.**

1. The department is the agency of the state to prevent, abate, or control water pollution and to conduct the public water supply program.

2. The department shall carry out the responsibilities of the state related to private water supplies and private sewage disposal systems for the protection of the environment and the public health and safety of the citizens of the state.

3. Each county board of health shall adopt standards for private water supplies and private sewage disposal facilities. These standards shall be at least as stringent but consistent with the standards adopted by the commission. If a county board of health has not adopted standards for private water supplies and private sewage disposal facilities, the standards adopted by the commission shall be applied and enforced within the county by the county board of health.

4. Each county board of health shall regulate the private water supply and private sewage disposal facilities located within the county board's jurisdiction, including the enforcement of standards adopted pursuant to this section.

5. *a.* The department shall maintain jurisdiction over and regulate the direct discharge to a water of the state. The department shall retain concurrent authority to enforce state standards for private water supply and private sewage disposal facilities within a county, and exercise departmental authority if the county board of health fails to fulfill board responsibilities pursuant to this section.

*b.* The department shall by rule adopt standards for the commercial cleaning of private sewage disposal facilities, including but not limited to septic tanks, and for the disposal of waste from the facilities. The standards shall not be in conflict with the state building code adopted pursuant to section 103A.7. A person shall not commercially clean such facilities or dispose of waste from such facilities unless the person has been issued a license by the department. The department shall be exclusively responsible for adopting the standards and issuing licenses. However, county boards of health shall enforce the standards and licensing requirements established by the department. The department may contract for the delegation of the authority for inspection of land application sites, record reviews, and equipment inspections to a county board of health. In the event of entering into such a contract, the department shall retain concurrent authority over such activities. Application for the license shall be made in the manner provided by the department. Licenses expire one year from the date of issue unless revoked and may be renewed in the manner provided by the department. A license application shall include registration applications for each vehicle used by the applicant for purposes of collecting septage from private sewage disposal facilities and each vehicle used by the applicant for purposes of applying septage to land. Septic disposal management plans shall be submitted to the department and approved annually as a condition of licensing and shall also be filed annually with the county board of health in the county where a proposed septage application site is located. The septic disposal management plan shall include, but not be limited to, the sites of septage application, the anticipated volume of septage applied to each site, the area of each septage application site, the type of application to be used at each site, the volume of septage expected to be collected

from private sewage disposal facilities, and a list of registered vehicles collecting septage from private sewage disposal facilities and applying septage to land. The annual license or license renewal fee for a person commercially cleaning private sewage disposal facilities shall be established by the department based on the volume of septage that is applied to land. A septic management fund is created in the state treasury under the control of the department. Annual license and license renewal fees collected pursuant to this section shall be deposited in the septic management fund and are appropriated to the department for purposes of contracting with county boards of health to conduct land application site inspections, record reviews, and septic cleaning equipment inspections. A person violating this section or the rules adopted pursuant to this section as determined by the department is subject to a civil penalty of not more than two hundred fifty dollars. The department shall adopt rules related to, but not limited to, recordkeeping requirements, application procedures and limitations, contamination issues, loss of septage, failure to file a septic disposal management plan, application by vehicles that are not properly registered, wrongful application, and violations of a septic disposal management plan. Each day that a violation continues constitutes a separate offense. The penalty shall be assessed for the duration of time commencing with the time the violation begins and ending with the time the violation is corrected. The septic disposal management plan may be examined to determine the duration of the violation. Moneys collected by the department from the imposition of civil penalties shall be deposited in the general fund of the state. Moneys collected by a county board of health from the imposition of civil penalties shall be deposited in the general fund of the county.

6. *a.* The department shall by rule adopt standards for the commercial cleaning of toilet units and for the disposal of waste from toilet units. Waste from toilet units shall be disposed of at a wastewater treatment facility and shall not be applied to land. The department may contract for the delegation of the authority for inspection of record reviews and equipment inspections for such units to a county board of health. In the event of entering into such a contract, the department shall retain concurrent authority over such activities.

*b.* A person shall not commercially clean toilet units or dispose of waste from such units unless the person has been issued a license by the department. The department shall be exclusively responsible for adopting the standards and issuing licenses. However, county boards of health shall enforce the standards and licensing requirements established by the department. Application for the license shall be made in the manner provided by the department. Licenses expire one year from the date of issue unless revoked and may be renewed in the manner provided by the department. A license application shall include registration applications for each vehicle used by the applicant for purposes of collecting waste from toilet units and each vehicle used by the applicant for purposes of transporting waste from toilet units to a wastewater treatment facility. The annual license or license renewal fee for a person commercially cleaning toilet units shall be established by the department based on the number of trucks or vehicles used by the licensee for purposes of commercial cleaning of toilet units and for the disposal of waste from the toilet units. For purposes of this subsection, "*vehicle*" includes a trailer.

*c.* A toilet unit fund is created in the state treasury under the control of the department. Annual license and license renewal fees collected pursuant to this subsection shall be deposited in the toilet unit fund and are appropriated to the department for purposes of contracting with county boards of health to conduct record reviews and toilet unit cleaning equipment inspections.

*d.* A person violating this section or the rules adopted pursuant to this section as determined by the department is subject to a civil penalty of not more than five hundred dollars. Each day that a violation continues constitutes a separate offense. The penalty shall be assessed for the duration of time commencing with the time the violation begins and ending with the time the violation is corrected. Moneys collected by the department from the imposition of civil penalties shall be deposited in the general fund of the state. Moneys collected by a county board of health from the imposition of civil penalties shall be deposited in the general fund of the county.

7. *a.* The department is the state agency to regulate the construction, reconstruction and abandonment of all of the following water wells:

(1) Those used as part of a public water supply system as defined in section 455B.171.

(2) Those used for the withdrawal of water for which a permit is required pursuant to section 455B.268, subsection 1.

(3) Those used for the purpose of monitoring groundwater quantity and quality required or installed pursuant to directions or regulations of the department.

*b.* A local board of health is the agency to regulate the construction, reconstruction and abandonment of water wells not otherwise regulated by the department. The local board of health shall not adopt standards relative to the construction, reconstruction and abandonment of wells less stringent than those adopted by the department.

8. The department is the state agency to regulate the registration or certification of water well contractors pursuant to section 455B.187 or section 455B.190A.

9. Pursuant to chapter 28E, the department may delegate its authority for regulation of the construction, reconstruction and abandonment of water wells specified in subsection 7 or the registration of water well contractors specified in subsection 8 to boards of health or other agencies which have adequate authority and ability to administer and enforce the requirements established by law or rule.

10. Any county ordinance related to sewage sludge which is in effect on March 1, 1997, shall not be preempted by any provision of section 455B.171, 455B.174, 455B.183, or 455B.304.

11. *a.* If a building where a person resides, congregates, or is employed is served by a private sewage disposal system, the sewage disposal system serving the building shall be inspected prior to any transfer of ownership of the building. The requirements of this subsection shall be applied to all types of ownership transfer including at the time a seller-financed real estate contract is signed. The county recorder shall not record a deed or any other property transfer or conveyance document until either a certified inspector's report is provided which documents the condition of the private sewage disposal system and whether any modifications are required to conform to standards adopted by the department or, in the event that weather or other temporary physical conditions prevent the certified inspection from being conducted, the buyer has executed and submitted a binding acknowledgment with the county board of health to conduct a certified inspection of the private sewage disposal system at the earliest practicable time and to be responsible for any required modifications to the private sewage disposal system as identified by the certified inspection. Any type of on-site treatment unit or private sewage disposal system must be inspected according to rules developed by the department. For the purposes of this subsection, *"transfer"* means the transfer or conveyance by sale, exchange, real estate contract, or any other method by which real estate and improvements are purchased, if the property includes at least one but not more than four dwelling units. However, *"transfer"* does not include any of the following:

(1) A transfer made pursuant to a court order, including but not limited to a transfer under chapter 633 or 633A, the execution of a judgment, the foreclosure of a real estate mortgage pursuant to chapter 654, the forfeiture of a real estate contract under chapter 656, a transfer by a trustee in bankruptcy, a transfer by eminent domain, or a transfer resulting from a decree for specific performance.

(2) A transfer to a mortgagee by a mortgagor or successor in interest who is in default, a transfer by a mortgagee who has acquired real property as a result of a deed in lieu of foreclosure or has acquired real property under chapter 654 or 655A, or a transfer back to a mortgagor exercising a right of first refusal pursuant to section 654.16A.

(3) A transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust.

(4) A transfer between joint tenants or tenants in common.

(5) A transfer made to a spouse, or to a person in the lineal line of consanguinity of a person making the transfer.

(6) A transfer between spouses resulting from a decree of dissolution of marriage, a

decree of legal separation, or a property settlement agreement which is incidental to the decree, including a decree ordered pursuant to chapter 598.

(7) A transfer in which the transferee intends to demolish or raze the building. The department shall adopt rules pertaining to such transfers.

(8) A transfer of property with a system that was installed not more than two years prior to the date of the transfer.

(9) A deed arising from a partition proceeding.

(10) A tax sale deed issued by the county treasurer.

(11) A transfer for which consideration is five hundred dollars or less.

(12) A deed between a family corporation, partnership, limited partnership, limited liability partnership, or limited liability company as defined in section 428A.2, subsection 15, and its stockholders, partners, or members for the purpose of transferring real property in an incorporation or corporate dissolution or in the organization or dissolution of a partnership, limited partnership, limited liability partnership, or limited liability company under the laws of this state, where the deed is given for no actual consideration other than for shares or for debt securities of the family corporation, partnership, limited partnership, limited liability partnership, or limited liability company.

*b.* At the time of inspection, any septic tank existing as part of the sewage disposal system shall be opened and have the contents pumped out and disposed of as provided for by rule. In the alternative, the owner may provide evidence of the septic tank being properly pumped out within three years prior to the inspection by a commercial septic tank cleaner licensed by the department which shall include documentation of the size and condition of the tank and its components at the time of such occurrence.

*c.* If a private sewage disposal system is failing to ensure effective wastewater treatment or is otherwise improperly functioning, the private sewage disposal system shall be renovated to meet current construction standards, as adopted by the department, either by the seller or, by agreement, and within a reasonable time period as determined by the county board of health or the department, by the buyer. If the private sewage disposal system is properly treating the wastewater and not creating an unsanitary condition in the environment at the time of inspection, the system is not required to meet current construction standards.

*d.* Inspections shall be conducted by an inspector certified by the department.

*e.* Pursuant to chapter 17A, the department shall adopt certification requirements for inspectors including training, testing, and fees, and shall establish uniform statewide inspection criteria and an inspection form. The inspector certification training shall include use of the criteria and form. The department shall maintain a list of certified inspectors.

*f.* County personnel are eligible to become certified inspectors. A county may set an inspection fee for inspections conducted by certified county personnel. A county shall allow any department certified inspector to provide inspection services under this subsection within the county's jurisdiction.

*g.* Following an inspection, the inspection form and any attachments shall be provided to the county board of health and the department for enforcement of any follow-up mandatory system improvement and to the department for record.

*h.* An inspection is valid for a period of two years for any ownership transfers during that period.

*i.* This subsection preempts any city or county ordinance related to the inspection of private sewage disposal systems in association with the transfer of ownership of a building.

[C66, 71, §455B.3; C73, §455B.31; C75, 77, 79, 81, §135.20, 455B.31; 82 Acts, ch 1199, §9]

C83, §455B.172

83 Acts, ch 137, §3; 84 Acts, ch 1121, §3; 85 Acts, ch 176, §2; 87 Acts, ch 225, §112, 113; 90 Acts, ch 1243, §1; 91 Acts, ch 224, §4; 97 Acts, ch 137, §3; 2004 Acts, ch 1086, §74; 2004 Acts, ch 1167, §11; 2005 Acts, ch 153, §2, 3; 2006 Acts, ch 1010, §172, 177; 2008 Acts, ch 1033, §1, 2; 2009 Acts, ch 175, §22, 25; 2010 Acts, ch 1061, §85; 2010 Acts, ch 1120, §1 – 5; 2011 Acts, ch 25, §51

Referred to in §358.16, 358.22, 384.38, 455B.172A, 455B.188, 558.69

2010 amendment striking a requirement relating to documentation on title abstracts for property containing private sewage systems, applies retroactively to July 1, 2009; 2013 Acts, ch 25, §1

2013 amendment to 2010 Acts, ch 1120, takes effect April 5, 2013, and applies retroactively to July 1, 2010; 2013 Acts, ch 25, §2, 3
Section not amended; footnotes added

**455B.172A On-farm processing operations.**

1. The department shall adopt by rule standards for the disposal of wastewater from an on-farm processing operation. These standards shall provide for but are not limited to disposal by all of the following:

*a.* By land application if all of the following apply:

(1) The volume of wastewater produced by the on-farm processing operation is less than one thousand five hundred gallons per day.

(2) The application rate does not exceed thirty thousand gallons per acre per year.

(3) The application rate does not exceed one thousand five hundred gallons per acre per day.

(4) The standards for land application are consistent with the rules for land application of septage that implement section 455B.172.

*b.* At a publicly owned treatment works or other wastewater treatment system with the permission of the owner of the treatment works.

*c.* Through a subsurface absorption system in conformance with applicable regulations of the United States environmental protection agency.

*d.* Through a disposal system that meets all of the following:

(1) The disposal system is located on the same site as the on-farm processing operation.

(2) The disposal system is constructed in conformance with a permit issued by the department.

(3) For a disposal system that discharges wastewater to a water of the United States, the system must be operated in conformance with a national pollutant discharge elimination system permit issued by the department under section 455B.197.

2. The department shall adopt by rule standards for the disposal of septage from an on-farm processing operation. The rules shall provide that the septage may be discharged to a permitted septage lagoon or septage drying bed with the permission of the owner of the septage system.

2011 Acts, ch 31, §2; 2012 Acts, ch 1042, §1, 2

**455B.173 Duties.**

The commission shall:

1. Develop comprehensive plans and programs for the prevention, control and abatement of water pollution.

2. Establish, modify, or repeal water quality standards, pretreatment standards, and effluent standards in accordance with the provisions of this chapter.

*a.* The effluent standards may provide for maintaining the existing quality of the water of the state that is a navigable water of the United States under the federal Water Pollution Control Act where the quality thereof exceeds the requirements of the water quality standards.

*b.* If the federal environmental protection agency has promulgated an effluent standard or pretreatment standard pursuant to section 301, 306, or 307 of the federal Water Pollution Control Act, a pretreatment or effluent standard adopted pursuant to this section shall not be more stringent than the federal effluent or pretreatment standard for such source. This section may not preclude the establishment of a more restrictive effluent limitation in the permit for a particular point source if the more restrictive effluent limitation is necessary to meet water quality standards, the establishment of an effluent standard for a source or class of sources for which the federal environmental protection agency has not promulgated standards pursuant to section 301, 306, or 307 of the federal Water Pollution Control Act. Except as required by federal law or regulation, the commission shall not adopt an effluent standard more stringent with respect to any pollutant than is necessary to reduce the concentration of that pollutant in the effluent to the level due to natural causes, including the mineral and chemical characteristics of the land, existing in the water of the state to which the effluent is discharged. Notwithstanding any other provision of this part of this division

or chapter 459, subchapter III, any new source, the construction of which was commenced after October 18, 1972, and which was constructed as to meet all applicable standards of performance for the new source or any more stringent effluent limitation required to meet water quality standards, shall not be subject to any more stringent effluent limitations during a ten-year period beginning on the date of completion of construction or during the period of depreciation or amortization of the pollution control equipment for the facility for the purposes of section 167 or 169 or both sections of the Internal Revenue Code, whichever period ends first.

3. Establish, modify, or repeal rules relating to the location, construction, operation, and maintenance of disposal systems and public water supply systems and specifying the conditions, including the viability of a system pursuant to section 455B.174, under which the director shall issue, revoke, suspend, modify, or deny permits for the operation, installation, construction, addition to, or modification of any disposal system or public water supply system, or for the discharge of any pollutant.

*a.* The rules specifying the conditions under which the director shall issue permits for the construction of an electric power generating facility subject to chapter 476A shall provide for issuing a conditional permit upon the submission of engineering descriptions, flow diagrams and schematics that qualitatively and quantitatively identify effluent streams and alternative disposal systems that will provide compliance with effluent standards or limitations.

*b.* No rules shall be adopted which regulate the hiring or firing of operators of disposal systems or public water supply systems except rules which regulate the certification of operators as to their technical competency.

*c.* A publicly owned treatment works whose discharge meets the final effluent limitations which were contained in its discharge permit on the date that construction of the publicly owned treatment works was approved by the department shall not be required to meet more stringent effluent limitations for a period of ten years from the date the construction was completed and accepted but not longer than twelve years from the date that construction was approved by the department.

4. Cooperate with other state or interstate water pollution control agencies in establishing standards, objectives, or criteria for the quality of interstate waters originating or flowing through this state.

5. Establish, modify, or repeal rules relating to drinking water standards for public water supply systems. Such standards shall specify maximum contaminant levels or treatment techniques necessary to protect the public health and welfare. The drinking water standards must assure compliance with federal drinking water standards adopted pursuant to the federal Safe Drinking Water Act.

6. Adopt rules relating to inspection, monitoring, recordkeeping, and reporting requirements for the owner or operator of any public water supply or any disposal system or of any source which is an industrial user of a publicly or privately owned disposal system.

7. Adopt a statewide plan for the provision of safe drinking water under emergency circumstances. All public agencies, as defined in chapter 28E, shall cooperate in the development and implementation of the plan. The plan shall detail the manner in which the various state and local agencies shall participate in the response to an emergency. The department may enter into any agreement, subject to approval of the commission, with any state agency or unit of local government or with the federal government which may be necessary to establish the role of such agencies in regard to the plan. This plan shall be coordinated with disaster emergency plans.

8. Formulate and adopt specific and detailed statewide standards pursuant to chapter 17A for review of plans and specifications and the construction of sewer systems and water supply distribution systems and extensions to such systems not later than October 1, 1977. The standards shall be based on criteria contained in the "Recommended Standards for Sewage Works" and "Recommended Standards for Water Works" (Ten States Standards) as adopted by the Great Lakes – Upper Mississippi River board of state sanitary engineers, design manuals published by the department, applicable federal guidelines and standards, standard textbooks, current technical literature, and applicable safety standards. The rules adopted which directly pertain to the construction of sewer systems and water supply

distribution systems and the review of plans and specifications for such construction shall be known respectively as the "Iowa Standards for Sewer Systems" and the "Iowa Standards for Water Supply Distribution Systems" and shall be applicable in each governmental subdivision of the state. Exceptions shall be made to the standards so formulated only upon special request to and receipt of permission from the department. The department shall publish the standards and make copies of such standards available to governmental subdivisions and to the public.

9. Adopt, modify, or repeal rules relating to the construction and reconstruction of water wells, the proper abandonment of wells, and the registration or certification of water well contractors. The rules shall include those necessary to protect the public health and welfare, and to protect the waters of the state. The rules may include, but are not limited to, establishing fees for registration or certification of water well contractors, requiring the submission of well driller's logs, formation samples or well cuttings, water samples, information on test pumping and requiring inspections. Fees shall be based upon the reasonable cost of conducting the water well contractor registration or certification program.

10. Adopt, modify, or repeal rules relating to the business plan which disposal systems and public water supply systems must file with the department pursuant to section 455B.174, and adopt, modify, or repeal rules establishing a methodology and timetable by which nonviable systems shall take action to become viable or make alternative arrangements in providing treatment or water supply services.

11. Adopt rules for the issuance of a single general permit, after notice and opportunity for a public hearing. The single general permit shall cover numerous facilities to the extent that they are representative of a class of facilities which can be identified and conditioned by a single permit.

12. Adopt, modify, or repeal rules relating to the construction or operation of animal feeding operations, as provided in sections relating to animal feeding operations provided in chapter 459, subchapter III.

[C97, §2565; C24, 27, 31, 35, 39, §**2220;** C46, 50, 54, 58, 62, §136.3(2,c); C66, 71, §136.3(2,c), 455B.9; C73, 75, §455B.32, 455B.65; C77, 79, 81, §455B.32; 82 Acts, ch 1199, §10, 96]

C83, §455B.173

83 Acts, ch 136, §2; 85 Acts, ch 176, §3; 86 Acts, ch 1245, §1899A; 87 Acts, ch 225, §114; 89 Acts, ch 125, §1; 90 Acts, ch 1255, §23; 91 Acts, ch 224, §5; 92 Acts, ch 1041, §2, 3; 95 Acts, ch 61, §1; 95 Acts, ch 195, §21, 22; 98 Acts, ch 1209, §23, 53; 99 Acts, ch 45, §1; 2000 Acts, ch 1058, §43; 2004 Acts, ch 1086, §106; 2004 Acts, ch 1167, §12; 2006 Acts, ch 1014, §2; 2006 Acts, ch 1145, §1; 2011 Acts, ch 25, §102

Referred to in §331.382, 455B.174, 455B.176A, 455B.183, 455B.188, 455B.474

**455B.174 Director's duties.**

The director shall:

1. Conduct investigations of alleged water pollution or of alleged violations of this part of this division, chapter 459, subchapter III, chapter 459A, chapter 459B, or any rule adopted or any permit issued pursuant thereto upon written request of any state agency, political subdivision, local board of health, twenty-five residents of the state, as directed by the department, or as may be necessary to accomplish the purposes of this part of this division, chapter 459, subchapter III, chapter 459A, or chapter 459B.

2. Conduct periodic surveys and inspection of the construction, operation, self-monitoring, recordkeeping, and reporting of all public water supply systems and all disposal systems except as provided in section 455B.183.

3. Take any action or actions allowed by law which, in the director's judgment, are necessary to enforce or secure compliance with the provisions of this part of this division or chapter 459, subchapter III, or of any rule or standard established or permit issued pursuant thereto.

4. *a.* (1) Approve or disapprove the plans and specifications for the construction of disposal systems or public water supply systems except for those sewer extensions and water supply distribution system extensions which are reviewed by a city or county public works department as set forth in section 455B.183. The director shall issue, revoke,

suspend, modify, or deny permits for the operation, installation, construction, addition to, or modification of any disposal system or public water supply system except for sewer extensions and water supply distribution system extensions which are reviewed by a city or county public works department as set forth in section 455B.183. The director shall also issue, revoke, suspend, modify, or deny permits for the discharge of any pollutant, or for the use or disposal of sewage sludge. The permits shall contain conditions and schedules of compliance as necessary to meet the requirements of this part of this division or chapter 459, subchapter III, the federal Water Pollution Control Act and the federal Safe Drinking Water Act. A permit issued under this chapter for the use or disposal of sewage sludge is in addition to and must contain references to any other permits required under this chapter. The director shall not issue or renew a permit to a disposal system or a public water supply system which is not viable. If the director has reasonable grounds to believe that a disposal system or public water supply system is not viable, the department may require the system to submit a business plan as a means of determining viability. This plan shall include the following components:

(a) A facilities plan which describes proposed new facilities and the condition of existing facilities, rehabilitation and replacement needs, and future needs to meet the requirements of the federal Water Pollution Control Act and the federal Safe Drinking Water Act.

(b) A management plan which consists of an administrative plan describing methods to assure performance of functions necessary to administer the system, including credentials of management personnel; and an operation and maintenance plan describing how all operating and maintenance duties necessary to the system's proper function will be accomplished.

(c) A financial plan which describes provisions for assuring that adequate revenues will be available to meet cash flow requirements, based on the full cost of providing the service, adequate initial capitalization, and access to additional capital for contingencies.

(2) If, upon submission and review of the business plan, the department determines that the disposal system or public water supply system is not viable, the director may require the system to take actions to become viable within a time period established pursuant to section 455B.173, or to make alternative arrangements in providing treatment or water supply services as determined by rule.

*b.* In addition to the requirements of paragraph *"a"*, a permit shall not be issued to operate or discharge from any disposal system unless the conditions of the permit assure that any discharge from the disposal system meets or will meet all applicable state and federal water quality standards and effluent standards and the issuance of the permit is not otherwise prohibited by the federal Water Pollution Control Act. All applications for discharge permits are subject to public notice and opportunity for public participation including public hearing as the department may by rule require. The director shall promptly notify the applicant in writing of the director's action and, if the permit is denied, state the reasons for denial. A person who is an applicant or permittee may contest the denial of a permit or any condition of a permit issued by the director if the person notifies the director within thirty days of the director's notice of denial or issuance of the permit. Notwithstanding section 17A.11, subsection 1, if the applicant or permittee timely contests the director's action, the presiding officer in the resulting contested case proceeding shall be an administrative law judge assigned by the division of administrative hearings pursuant to sections 10A.801 and 17A.11.

*c.* Copies of all forms or other paper instruments required to be filed during on-site inspections or investigations shall be given to the owner or operator of the disposal system or public water supply system being investigated or inspected before the inspector or investigator leaves the site. Any other report, statement, or instrument shall not be filed with the department unless a copy is sent by ordinary mail to the owner or operator of the disposal system or public water supply system within ten working days of the filing. If an inspection or investigation is done in cooperation with another state department, the department involved and the areas inspected shall be stated.

*d.* The director shall also issue or deny conditional permits for the construction of disposal systems for electric power generating facilities subject to chapter 476A. All applications for conditional permits shall be subject to such notice and opportunity for public participation as may be required by the department and as may be consistent with chapter 476A and any

agreement pursuant thereto under chapter 28E. The applicant or an intervenor may appeal to the department from the denial of a conditional permit or any of its conditions. For the purposes of chapter 476A, the issuance or denial of a conditional permit by the director or the department upon appeal shall be a determination that the electric power generating facility does or does not meet the permit and licensing requirements of the department. The issuance of a conditional permit shall not relieve the applicant of the responsibility to submit final and detailed construction plans and drawing and an application for a construction permit for a disposal system that will meet the effluent limitations in the conditional permit.

*e.* If a public water supply has a groundwater source that contains petroleum, a fraction of crude oil, or their degradation products, or is located in an area deemed by the department as likely to be contaminated by such materials, and after consultation with the public water supply system and consideration of all applicable rules relating to remediation, the department may require the public water supply system to replace that groundwater source in order to receive a permit to operate. The requirement to replace the source shall only be made by the department if the public water supply system is fully compensated for any additional design, construction, operation, and monitoring costs from the Iowa comprehensive petroleum underground storage tank fund created by chapter 455G or from any other funds that do not impose a financial obligation on the part of the public water supply system. Funds available to or provided by the public water supply system may be used for system improvements made in conjunction with replacement of the source. The department cannot require a public water supply system to replace its water source with a less reliable water source or with a source that does not meet federal primary, secondary, or other health-based standards unless treatment is provided to ensure that the drinking water meets these standards. Nothing in this paragraph shall affect the public water supply system's right to pursue recovery from a responsible party.

*f.* The department may enter into an agreement with a county to delegate to the county the duties of the department under this subsection as they relate to the construction of semipublic sewage disposal systems.

5. *a.* Conduct random inspections of work done by city and county public works departments to ensure such public works departments are complying with this part of this division. If a city or county public works department is not complying with section 455B.183 in reviewing plans and specifications or in granting permits or both, the department shall perform these functions in that jurisdiction until the city or county public works department is able to perform them. Performance of these functions in a jurisdiction by a local public works department shall not be suspended or revoked until after notice and opportunity for hearing as provided in chapter 17A.

*b.* The department shall give technical assistance to city and county public works departments upon request of such local public works departments.

[C97, §2565; C24, 27, 31, 35, 39, §**2191;** C46, 50, 54, 58, 62, §135.11(7); C66, 71, §135.11(7), 455B.9 – 455B.11, 455B.15, 455B.17; C73, 75, §455B.33, 455B.37, 455B.66; C77, 79, 81, §455B.33; 82 Acts, ch 1050, §3]

C83, §455B.174

83 Acts, ch 137, §4; 86 Acts, ch 1245, §1899, 1899B; 92 Acts, ch 1041, §4; 96 Acts, ch 1079, §14; 97 Acts, ch 137, §4; 2004 Acts, ch 1175, §260; 2005 Acts, ch 19, §57; 2009 Acts, ch 155, §28, 34; 2010 Acts, ch 1029, §1; 2011 Acts, ch 97, §2

Referred to in §331.382, 455B.172, 455B.173, 455B.175, 455B.183A

**455B.175 Violations.**

1. If there is substantial evidence that any person has violated or is violating any provision of this part of this division, chapter 459, subchapter III, chapter 459A, or chapter 459B, or of any rule or standard established or permit issued pursuant thereto; then:

*a.* The director may issue an order directing the person to desist in the practice which constitutes the violation or to take such corrective action as may be necessary to ensure that the violation will cease. The person to whom such order is issued may cause to be commenced a contested case within the meaning of the Iowa administrative procedure Act, chapter 17A,

by filing with the director within thirty days a notice of appeal to the commission. On appeal the commission may affirm, modify or vacate the order of the director; or

*b.* If it is determined by the director that an emergency exists respecting any matter affecting or likely to affect the public health, the director may issue any order necessary to terminate the emergency without notice and without hearing. Any such order shall be binding and effective immediately and until such order is modified or vacated at a hearing before the commission or by a court; or

*c.* The director, with the approval of the commission, may request the attorney general to institute legal proceedings pursuant to section 455B.191 or 459.604.

2. Notwithstanding the limitations on civil and criminal penalty amounts in sections 331.302 and 331.307, a county that has entered into an agreement with the department pursuant to sections 455B.174 and 455B.183 regarding the construction of semipublic sewage disposal systems may assess civil penalties in amounts consistent with and not exceeding the amounts established for such penalties under this division.

[C66, 71, §455B.12, 455B.15, 455B.17; C73, 75, §455B.34, 455B.37; C77, 79, 81, §455B.34]

C83, §455B.175

83 Acts, ch 137, §5; 86 Acts, ch 1245, §1899; 2003 Acts, ch 44, §114; 2007 Acts, ch 82, §1; 2009 Acts, ch 155, §29, 34; 2011 Acts, ch 97, §3

Referred to in §459.601, 459A.501

**455B.176 Criteria considered.**

In establishing, modifying, or repealing water quality standards the commission shall base its decision upon data gathered from sources within the state regarding the following:

1. The protection of the public health.

2. The size, depth, surface area covered, volume, direction and rate of flow, stream gradient, and temperature of the affected water of the state.

3. The character and uses of the land area bordering the affected water of the state.

4. The uses which have been made, are being made, or may be made of the affected water of the state for public, private, or domestic water supplies, irrigation; livestock watering; propagation of wildlife, fish, and other aquatic life; bathing, swimming, boating, or other recreational activity; transportation; and disposal of sewage and wastes.

5. The extent of contamination resulting from natural causes including the mineral and chemical characteristics.

6. The extent to which floatable or settleable solids may be permitted.

7. The extent to which suspended solids, colloids, or a combination of solids with other suspended substances may be permitted.

8. The extent to which bacteria and other biological organisms may be permitted.

9. The amount of dissolved oxygen that is to be present and the extent of the oxygen demanding substances which may be permitted.

10. The extent to which toxic substances, chemicals or deleterious conditions may be permitted.

11. The economic costs and benefits. The goal shall be a reasonable balance between total costs to the people and to the economy, and the resultant benefits to the people of Iowa.

[C66, 71, §455B.13; C73, 75, 77, 79, 81, §455B.35]

C83, §455B.176

2009 Acts, ch 41, §133

**455B.176A Water quality standards.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Base flow conditions"* means the flow of a stream segment, as measured during the time period between July 1 and September 30, that occurs during a period of time when the watershed in which the stream segment is located receives no twenty-four-hour rainfall in excess of one-quarter inch total rainfall and not more than one-half inch total rainfall for the watershed in the preceding two weeks.

*b.* *"Credible data"* means the same as defined in section 455B.171 and is subject to the same requirements as provided in section 455B.193 and may include, but not rely solely

on, data that is older than five years and that is obtained pursuant to the best professional judgment of a professional designee or a state or federal agency.

*c.* *"Ephemeral stream"* means a stream that flows only in response to precipitation and whose channel is primarily above the water table.

*d.* *"Professional designee"* means the same as defined in section 455B.193.

*e.* *"Use attainability analysis"* means a structured scientific assessment that includes physical, chemical, biological, and economic factors.

2. A water of the state shall be a designated stream segment when any one of the following is met:

*a.* The most recent ten-year median flow is equal to or in excess of one cubic foot per second based on data collected and evaluated by the United States geological survey between July 1 and September 30 of each year or in the absence of stream segment flow data calculations of flow conducted by extrapolation methods provided by the United States geological survey or based upon a calculation method adopted by rule.

*b.* The water is a critical habitat of a threatened or endangered aquatic specie as determined by the department or the United States fish and wildlife service.

*c.* Credible data developed in accordance with section 455B.193 shows that water flows that are less than set out in paragraph *"a"* provide a refuge for aquatic life that permits biological recolonization of intermittently flowing segments.

3. All waters of the state not designated as a stream segment shall be identified as a general stream segment and shall be subject to narrative water quality standards.

4. *a.* The commission shall adopt rules to define designated uses of stream segments in accordance with the following categories:

(1) Agricultural water supply use.

(2) Aquatic life support.

(3) Domestic water supply.

(4) Food procurement use.

(5) Industrial water supply use.

(6) Recreational use, including primary, secondary, and children's recreational use.

(7) Seasonal use. The department may allow for a seasonal use designation for streams that would otherwise be categorized under an aquatic or recreational designation if a varying degree of protection would be sufficient to protect the stream during a seasonal time period.

*b.* The commission shall include subcategories of designated uses of the categories listed in paragraph *"a"*, as deemed appropriate by the commission.

*c.* When reviewing whether a designated use is attainable, the department shall consider at a minimum the following:

(1) Whether the natural, ephemeral, intermittent, or low flow conditions or water levels could inhibit recreational activities.

(2) If opposite sides of a stream segment would have different designated recreational uses due to differences in public access, the designated use of the entire stream segment may be the higher attainable use.

(3) The time period for determining primary contact recreation shall be March 15 through November 15.

(4) The degree to which the public has access to the stream segment.

(5) The minimum depth of the deepest pool.

(6) Stream segments shall be protected for all existing uses as defined by the federal Water Pollution Control Act.

5. The commission shall adopt rules designating water quality standards which shall be specific to each designated use adopted pursuant to subsection 4. The standards shall take into account the different characteristics of each designated use and shall provide for only the appropriate level of protection based upon that particular use. The standards shall not be identical for each designated use unless required for the appropriate level of protection. The appropriate level of protection and standards shall be determined on a scientific basis. In the development process for the water quality standards, input shall be received from a water quality standards advisory committee convened by the department. The water quality standards advisory committee shall be comprised of experts in the scientific fields relating to

water quality, such as environmental engineering, aquatic toxicology, fisheries biology, and other life sciences and experts in the development of the appropriate levels of aquatic life protection and standards. The water quality standards shall be reviewed and revised by the department as new scientific data becomes available to support revision.

6. Prior to any changes in a national pollutant discharge elimination system permit effluent limitation based upon a new use designation, the department or a designee of the department shall conduct a use attainability analysis. The commission shall adopt rules that establish procedures and criteria to be used in the development of a use attainability analysis. The rules shall, at a minimum, provide all of the following:

*a.* A designated use, which is not an existing use as defined by the federal Water Pollution Control Act, may be removed due to any of the following:

(1) Naturally occurring pollutant concentrations prevent the attainment of the use.

(2) Natural, ephemeral, intermittent, or low flow conditions or water levels prevent the attainment of the use, unless these conditions may be compensated for by the discharge of sufficient volume of effluent discharges without violating state water conservation requirements to enable uses to be met.

(3) Human-caused conditions or sources of pollution prevent the attainment of the use and cannot be remedied or would cause more environmental damage to correct than to leave in place.

(4) Dams, diversions, or other types of hydrologic modifications preclude the attainment of the use, and it is not feasible to restore the water body to its original condition or to operate such modification in a way that would result in the attainment of the use.

(5) Physical conditions related to the natural features of the water body, such as the lack of a proper substrate, cover, flow, depth, pools, riffles, and the like, unrelated to water quality, preclude attainment of aquatic life protection uses.

(6) Controls more stringent than those required by sections 1311(b) and 1316 of the federal Water Pollution Control Act would result in substantial and widespread economic and social impact.

*b.* A designated use shall not be removed if any of the following occur:

(1) The designated use is an existing use, as defined by the federal Water Pollution Control Act, unless a use requiring more stringent criteria is added.

(2) Such uses will be attained by implementing effluent limits required under sections 1311(b) and 1316 of the federal Water Pollution Control Act and by implementing cost-effective and reasonable best management practices for nonpoint source control.

*c.* Where existing water quality standards specify designated uses less than those which are presently being attained, the commission shall revise its standards to reflect the uses actually being attained.

7. *a.* The commission shall adopt rules pursuant to chapter 17A to administer this section. All new or revised stream segment use designations shall be adopted by rule. Any rule that establishes, modifies, or repeals existing water quality standards in this state shall be adopted in conformance with this section.

*b.* (1) By December 31, 2006, the department shall publish a list of all designated stream segments that receive a permitted discharge for which a use attainability analysis for recreational use and aquatic life has not been completed and a list of all designated stream segments that receive a permitted discharge for which a use attainability analysis for recreational use and aquatic life has been completed and whether a recreational or aquatic use has been determined to be or not to be attainable. By December 31, 2007, a use attainability analysis shall be completed for all newly designated stream segments that receive a permitted discharge.

(2) A use attainability analysis for a designated stream segment receiving a permitted discharge shall be conducted by either the department or a professional designee.

(3) The department shall make public a written determination of whether a new or revised use designation is appropriate for the designated stream segment prior to adoption by rule of the proposed changes.

*c.* The department shall complete, upon request, a use attainability analysis for recreational and aquatic uses on any designated stream segment not receiving a permitted

discharge or on any previously designated stream segment in accordance with the following provisions:

(1) The department shall make public a written determination of whether a new or revised designated use is appropriate for the designated stream segment within ninety days of completion of the use attainability analysis prior to adoption by rule of the proposed changes.

(2) The department shall accept a use attainability analysis submitted by someone other than a professional designee.

(a) Within thirty days after receipt of submission of a use attainability analysis, the department shall review and provide a written determination of whether the documentation submitted is complete.

(b) Within ninety days after receipt of submission of a completed use attainability analysis, the department shall review and make available to the public a written determination of whether a new or revised use designation is appropriate for the designated stream segment.

*d.* Any regulated entity or property owner adjacent to the accessed stream segment aggrieved by such a determination may make a written request, within thirty days from the date the written determination of the appropriate use designation is made available to the public, for a meeting with the director or the director's designee. A regulated entity or property owner adjacent to the accessed stream segment shall be allowed to provide evidence that the designation is not appropriate under the criteria as established in this subsection.

8. An operation permit issued pursuant to section 455B.173 that expires before a use attainability analysis is performed shall remain in effect and the department shall not renew the permit until a use attainability analysis is completed. If a use attainability analysis demonstrates that a change in the use designation is warranted, the permit shall remain in effect and the department shall not renew the permit until the stream use designation is changed. In order for an expired permit to remain in effect, the permit holder must meet the requirements for a permit renewal. This subsection does not apply if the permit applicant and the department agree that the performance of a use attainability analysis presents no reasonable likelihood of resulting in a change to the existing stream use designations.

2006 Acts, ch 1145, §3; 2009 Acts, ch 72, §12

**455B.177 Declaration of policy.**

1. The general assembly finds and declares that because the federal Water Pollution Control Act provides for a permit system to regulate the discharge of pollutants into the waters of the United States and provides that permits may be issued by states which are authorized to implement that Act, it is in the interest of the people of Iowa to enact this part of this division in order to authorize the state to implement the federal Water Pollution Control Act, and federal regulations and guidelines issued pursuant to that Act.

2. The general assembly further finds and declares that because the federal Safe Drinking Water Act, 42 U.S.C. § 300f et seq., as amended by Pub. L. No. 104-182, provides for the implementation of the Act by states which have adequate authority to do so, it is in the interest of the people of Iowa to implement the provisions of the federal Safe Drinking Water Act and federal regulations and guidelines issued pursuant to the Act.

[C77, 79, 81, §455B.36; 82 Acts, ch 1050, §4]

C83, §455B.177

96 Acts, ch 1079, §15; 97 Acts, ch 4, §5

**455B.178 Judicial review.**

Except as provided in section 455B.191, subsection 7, judicial review of any order or other action of the commission or of the director may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of said Act, petitions for judicial review may be filed in the district court of the county in which the alleged offense was committed or such final order was entered.

[C66, 71, §455B.18; C73, 75, 77, 79, 81, §455B.39]

C83, §455B.178
86 Acts, ch 1245, §1899; 2003 Acts, ch 44, §114; 2009 Acts, ch 133, §247; 2010 Acts, ch 1061, §88, 181
Referred to in §455B.191

**455B.179 Trade secrets protected.**

Upon a satisfactory showing by any person to the director that public disclosure of any record, report, permit, permit application, or other document or information or part thereof would divulge methods or processes entitled to protection as a trade secret, any such record, report, permit, permit application, or other document or part thereof other than effluent data and analytical results of monitoring of public water supply systems, shall be accorded confidential treatment. Notwithstanding the provisions of chapter 22, a person in connection with duties or employment by the department shall not make public any information accorded confidential status; however, any such record or other information accorded confidential status may be disclosed or transmitted to other officers, employees, or authorized representatives of this state or the United States concerned with carrying out this part of this division; chapter 459, subchapter III; or chapter 459A; or when relevant in any proceeding under this part of this division; chapter 459, subchapter III; or chapter 459A.
[C66, 71, §455B.17; C73, 75, §455B.37; C77, 79, 81, §455B.40]
C83, §455B.179
86 Acts, ch 1245, §1899; 96 Acts, ch 1079, §16; 2005 Acts, ch 136, §31

**455B.180 Stay order.**

The granting of a stay may be conditioned upon the furnishing by the appellant of such reasonable security as the court may direct. A stay may be vacated on application of the department or any other party after hearing by the court.
[C66, 71, §455B.20; C73, 75, 77, 79, 81, §455B.41]
C83, §455B.180

**455B.181 Variances and exemptions.**

The director may, after public notice and hearing, grant exemptions from a maximum contaminant level or treatment technique, or both. The director may also grant a variance from drinking water standards for public water supply systems when the characteristics of the raw water sources, which are available to a system, cannot meet the requirements with respect to maximum contaminant level of the standards despite application of the best treatment techniques which are generally available and if the director determines that the variance will not result in an unreasonable risk to the public health. A schedule of compliance may be prescribed by the director, at the time the variance or exemption is granted. The director shall also require the interim measures to minimize the contaminant levels of systems subject to the variance or exemption as may reasonably be implemented. The director may also issue variances from other rules of the department if necessary and appropriate. The director shall submit variances granted regarding a wastewater treatment facility to the commission for the commission's review within thirty days of the granting of a variance. The denial of a variance or exemption may be appealed to the commission.
[C77, 79, 81, §455B.42]
C83, §455B.181
86 Acts, ch 1245, §1899, 1899B; 87 Acts, ch 29, §1

**455B.182 Failure constitutes contempt.**

Failure to obey any order issued by the department with reference to a violation of this part of this division; chapter 459, subchapter III; chapter 459A; chapter 459B; or any rule promulgated or permit issued pursuant thereto shall constitute prima facie evidence of contempt. In such event the department may certify to the district court of the county in which such alleged disobedience occurred the fact of such failure. The district court after notice, as prescribed by the court, to the parties in interest shall then proceed to hear the matter and if it finds that the order was lawful and reasonable, it shall order the party to

comply with the order. If the person fails to comply with the court order, that person shall be guilty of contempt and shall be fined not to exceed five hundred dollars for each day that the person fails to comply with the court order. The penalties provided in this section shall be considered as additional to any penalty which may be imposed under the law relative to nuisances or any other statute relating to the pollution of any waters of the state or related to public water supply systems and a conviction under this section shall not be a bar to prosecution under any other penal statute.

[C66, 71, §455B.24; C73, 75, 77, 79, 81, §455B.44]
C83, §455B.182
2005 Acts, ch 136, §32; 2009 Acts, ch 155, §30, 34
Referred to in §455B.191

**455B.183 Written permits required.**

1. It is unlawful to carry on any of the following activities without first securing a written permit from the director, or from a city or county public works department if the public works department reviews the activity under this section, as required by the department:

*a.* The construction, installation, or modification of any disposal system or public water supply system or part thereof or any extension or addition thereto except those sewer extensions and water supply distribution system extensions that are subject to review and approval by a city or county public works department pursuant to this section, the use or disposal of sewage sludge, and private sewage disposal systems. Unless federal law or regulation requires the review and approval of plans and specifications, a permit shall be issued for the construction, installation, or modification of a public water supply system or part of a system if a qualified, licensed engineer certifies to the department that the plans for the system or part of the system meet the requirements of state and federal law or regulations. The permit shall state that approval is based only upon the engineer's certification that the system's design meets the requirements of all applicable state and federal laws and regulations and the review of the department shall be advisory.

*b.* The construction or use of any new point source for the discharge of any pollutant into any water of the state.

*c.* The operation of any waste disposal system or public water supply system or any part of or extension or addition to the system. This provision does not apply to a pretreatment system, the effluent of which is to be discharged directly to another disposal system for final treatment and disposal; a semipublic sewage disposal system, the construction of which has been approved by the department and which does not discharge into water of the state; or a private sewage disposal system which does not discharge into a water of the state. Sludge from a semipublic or private sewage disposal system shall be disposed of in accordance with the rules adopted by the department pursuant to chapter 17A. The exemption of this paragraph shall not apply to any industrial waste discharges.

2. Upon adoption of standards by the commission pursuant to section 455B.173, subsections 5 to 8, plans and specifications for sewer extensions and water supply distribution system extensions covered by this section shall be submitted to the city or county public works department for approval if the local public works department employs a qualified, licensed engineer who reviews the plans and specifications using the specific state standards known as the Iowa Standards for Sewer Systems and the Iowa Standards for Water Supply Distribution Systems that have been formulated and adopted by the department pursuant to section 455B.173, subsections 5 to 8. The local agency shall issue a written permit to construct if all of the following apply:

*a.* The submitted plans and specifications are in substantial compliance with departmental rules and the Iowa Standards for Sewer Systems and the Iowa Standards for Water Supply Distribution Systems.

*b.* The extensions primarily serve residential consumers and will not result in an increase greater than five percent of the capacity of the treatment works or serve more than two hundred fifty dwelling units or, in the case of an extension to a water supply distribution system, the extension will have a capacity of less than five percent of the system or will serve fewer than two hundred fifty dwelling units.

*c.* The proposed sewer extension will not exceed the capacity of any treatment works which received a state or federal monetary grant after 1972.

*d.* The proposed water supply distribution system extension will not exceed the production capacity of any public water supply system constructed after 1972.

3. After issuing a permit, the city or county public works department shall notify the director of such issuance by forwarding a copy of the permit to the director. In addition, the local agency shall submit quarterly reports to the director including such information as capacity of local treatment plants and production capacity of public water supply systems as well as other necessary information requested by the director for the purpose of implementing this chapter.

4. Plans and specifications for all other waste disposal systems and public water supply systems, including sewer extensions and water supply distribution system extensions not reviewed by a city or county public works department under this section, shall be submitted to the department before a written permit may be issued. Plans and specifications for public water supply systems and water supply distribution system extensions must be certified by a licensed engineer as provided in subsection 1, paragraph "*a*". The construction of any such waste disposal system or public water supply system shall be in accordance with standards formulated and adopted by the department pursuant to section 455B.173, subsections 5 to 8. If it is necessary or desirable to make material changes in the plans or specifications, revised plans or specifications together with reasons for the proposed changes must be submitted to the department for a supplemental written permit. The revised plans and specifications for a public water supply system must be certified by a licensed engineer as provided in subsection 1, paragraph "*a*".

5. Prior to the adoption of statewide standards, the department may delegate the authority to review plans and specifications to those governmental subdivisions if in addition to compliance with subsection 1, paragraph "*c*", the governmental subdivisions agree to comply with all state and federal regulations and submit plans for the review of plans and specifications including a complete set of local standard specifications for such improvements.

6. The director may suspend or revoke delegation of review and permit authority after notice and hearing as set forth in chapter 17A if the director determines that a city or county public works department has approved extensions which do not comply with design criteria, which exceed the capacity of waste treatment plants or the production capacity of public water supply systems or which otherwise violate state or federal requirements.

7. The department shall exempt any public water supply system from any requirement respecting a maximum contaminant level or any treatment technique requirement of an applicable national drinking water regulation if these regulations apply to contaminants which the department determines are harmless or beneficial to the health of consumers and if the owner of a public water supply system determines that funds are not reasonably available to provide for controlling amounts of those contaminants which are harmless or beneficial to the health of consumers.

8. The department may enter into an agreement with a county to delegate to the county the duties of the department under this section as they relate to the construction of semipublic sewage disposal systems.

[C66, 71, §455B.25; C73, 75, 77, 79, 81, §455B.45; 82 Acts, ch 1199, §11, 96]

C83, §455B.183

83 Acts, ch 137, §6; 84 Acts, ch 1099, §1; 84 Acts, ch 1121, §4; 86 Acts, ch 1245, §1899, 1899B; 97 Acts, ch 4, §6; 97 Acts, ch 137, §5, 6; 2003 Acts, ch 44, §67; 2007 Acts, ch 126, §75 – 77; 2011 Acts, ch 97, §4

Referred to in §331.382, 455B.172, 455B.174, 455B.175, 455B.183A, 455B.191, 459.320

**455B.183A Water quality protection fund.**

1. A water quality protection fund is created in the state treasury under the control of the department. The fund consists of moneys appropriated to the fund by the general assembly, moneys deposited into the fund from fees described in subsection 2, moneys deposited into the fund from fees collected pursuant to sections 455B.187 and 455B.190A, and other moneys

available to and obtained or accepted by the department from the United States government or private sources for placement in the fund. The fund is divided into the public water supply system account and the private water supply system account. Moneys in the public water supply system account are appropriated to the department for purposes of carrying out the provisions of this division, which relate to the administration, regulation, and enforcement of the federal Safe Drinking Water Act, and to support the program to assist supply systems, as provided in section 455B.183B. Moneys in the private water supply system account are appropriated to the department for the purpose of supporting the programs established to protect private drinking water supplies as provided in sections 455B.187, 455B.188, 455B.190, and 455B.190A.

2. The commission shall adopt fees as required pursuant to section 455B.105 for permits required for public water supply systems as provided in sections 455B.174 and 455B.183. Fees paid pursuant to this section shall not be subject to the sales or services tax. The fees shall be for each of the following:

*a.* The construction, installation, or modification of a public water supply system. The amount of the fees may be based on the type of system being constructed, installed, or modified.

*b.* The operation of a public water supply system, including any part of the system. The commission shall adopt a fee schedule which shall be based on the total number of persons served by public water supply systems in this state. However, a public water supply system shall be assessed a fee of at least twenty-five dollars. A public water supply system not owned or operated by a community and serving a transient population shall be assessed a fee of twenty-five dollars. The commission shall calculate all fees in the schedule to produce total revenues equaling three hundred fifty thousand dollars for each fiscal year, commencing with the fiscal year beginning July 1, 1995, and ending June 30, 1996. For each fiscal year, the fees shall be deposited into the public water supply system account. By May 1 of each year, the department shall estimate the total revenue expected to be collected from the overpayment of fees, which are all fees in excess of the amount of the total revenues which are expected to be collected under the current fee schedule, and the total revenue expected to be collected from the payment of fees during the next fiscal year. The commission shall adjust the fees if the estimate exceeds the amount of revenue required to be deposited in the account pursuant to this paragraph.

3. Moneys in the fund are subject to an annual audit by the auditor of state. The fund is subject to warrants by the director of the department of administrative services, drawn upon the written requisition of the department.

4. Section 8.33 does not apply to moneys in the fund. Moneys earned as income, including interest from the fund, shall remain in the fund until expended.

5. On or before November 15 of each fiscal year, the department shall transmit to the department of management and the legislative services agency information regarding the fund and accounts, including all of the following:

*a.* The balance of unobligated and unencumbered moneys in each account as of November 1.

*b.* A summary of revenue deposited in and expenditures from each account during the current fiscal year.

*c.* Estimates of revenues expected to be deposited into the public water supply system account during the current fiscal year, and an estimate of the expected balance of unobligated and unencumbered moneys in the account on June 30 of the current fiscal year.

94 Acts, ch 1198, §48; 95 Acts, ch 216, §39; 2003 Acts, ch 30, §1; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 145, §286; 2005 Acts, ch 29, §1, 2

Referred to in §455B.183B, 455B.183C, 455B.187, 455B.190A

**455B.183B Program to assist supply systems.**

1. The state of Iowa declares its intention to retain its jurisdiction to enforce areas provided under the federal Safe Drinking Water Act as delegated to the state by the United States.

2. The department shall establish a program to assist supply systems, in order to provide

assistance to ensure safe public water supplies. The department in administering the program shall provide technical advice and perform vulnerability and viability studies of public water supply systems.

3. Whenever practical, the department may enter into a contract with a person qualified to provide assistance services under this section, if the agreement for the services is cost-effective and the quality of the services ensures compliance with state and federal law. A person entering into a contract with the department for the purpose of providing the services shall be deemed to be an agent of the department, and shall have the same authority as provided to the department, unless the contract specifies otherwise. The department shall review assistance services performed by a person under a contract to ensure that quality cost-effective service is being provided.

4. The program shall be supported by moneys deposited in the public water supply system account created in the water quality protection fund established pursuant to section 455B.183A.

94 Acts, ch 1198, §49
Referred to in §455B.183A

**455B.183C Personnel — department of management.**

Notwithstanding any limitation upon the department's number of full-time equivalent positions as defined in section 8.36A, any point limitation on personnel, or any other limitation upon the number of personnel or their employment classification, imposed by the department of management, the department may employ the number of full-time equivalent positions which equals the number of positions allocated by the general assembly to the department for each applicable fiscal year in order to carry out the provisions of this division relating to the administration, regulation, and enforcement of the federal Safe Drinking Water Act and the program to assist supply systems, but only to the extent that moneys used to support the positions derive from moneys deposited in the water quality protection fund, as provided in section 455B.183A. If a specific number of full-time equivalent positions are not allocated by the general assembly, the department may fill any number of positions required to administer the program, to the extent the positions are supported by the fund.

94 Acts, ch 1198, §50

**455B.184 Disposal system plans.**

The department may also require the owner of a disposal system, discharging pollutants into any water of the state, or of a public water supply system to file with it complete plans of the whole or any part of such system and any other information and records concerning the installation and operation of such system.

[C66, 71, §455B.26; C73, 75, 77, 79, 81, §455B.46]
C83, §455B.184

**455B.185 Data from departments.**

The commission and the director may request and receive from any department, division, board, bureau, commission, public body, or agency of the state, or of any political subdivision thereof, or from any organization, incorporated or unincorporated, which has for its object the control or use of any of the water resources of the state, such assistance and data as will enable the commission or the director to properly carry out their activities and effectuate the purposes of this part 1 of division III; chapter 459, subchapter III; chapter 459A; or chapter 459B. The department shall reimburse such agencies for special expense resulting from expenditures not normally a part of the operating expenses of any such agency.

[C66, 71, §455B.27; C73, 75, 77, 79, 81, §455B.47]
C83, §455B.185
86 Acts, ch 1245, §1899; 2005 Acts, ch 136, §33; 2009 Acts, ch 155, §31, 34

**455B.186 Prohibited actions.**

1. A pollutant shall not be disposed of by dumping, depositing, or discharging such pollutant into any water of the state, except that this section shall not be construed to

prohibit the discharge of adequately treated sewage, industrial waste, or other waste in accordance with rules adopted by the commission. A pollutant whether treated or untreated shall not be discharged into any state-owned natural or artificial lake except as authorized in subsection 2.

2. Subsection 1 shall not be construed to prohibit the use or application of a pesticide in accordance with the federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq. However, an aquatic pesticide shall not be applied to any water of the United States except as authorized in accordance with rules adopted by the commission.

[C66, 71, §455B.28; C73, 75, 77, 79, 81, §455B.48]

C83, §455B.186

86 Acts, ch 1245, §1899; 90 Acts, ch 1167, §1; 2013 Acts, ch 59, §2

Referred to in §455B.191

Section amended

**455B.187 Water well construction.**

A contractor shall not engage in well construction or reconstruction without first being certified as required in this part and department rules adopted pursuant to this part. Water wells shall not be constructed, reconstructed, or abandoned by a person except as provided in this part or rules adopted pursuant to this part. Within thirty days after construction or reconstruction of a well, a contractor shall provide well information required by rule to the department and the Iowa geological survey.

A landowner or the landowner's agent shall not drill for or construct a new water well without first obtaining a permit for this activity from the department. The department shall not issue a permit to any person for this activity unless the person first registers with the department all wells, including abandoned wells, on the property. The department may delegate the authority to issue a permit to a county board of supervisors or the board's designee. In the event of such delegation, the department shall retain concurrent authority. The commission shall adopt rules pursuant to chapter 17A to implement this paragraph.

The director may charge a fee for permits issued pursuant to this section. All fees collected pursuant to this section shall be deposited into the private water supply system account within the water quality protection fund created in section 455B.183A.

Notwithstanding the provisions of this section, a county board of supervisors or the board's designee may grant an exemption from the permit requirements to a landowner or the landowner's agent if an emergency drilling is necessary to meet an immediate need for water. The exemption shall be effective immediately upon approval of the county board of supervisors or the board's designee. The board of supervisors or the board's designee shall notify the director within thirty days of the granting of an exemption.

In the case of property owned by a state agency, a person shall not drill for or construct a new water well without first registering with the department the existence of any abandoned wells on the property. The department shall develop a prioritized closure program and time frame for the completion of the program, and shall adopt rules to implement the program.

85 Acts, ch 176, §4; 87 Acts, ch 225, §304; 91 Acts, ch 224, §6; 2003 Acts, ch 30, §2; 2003 Acts, ch 44, §68

Referred to in §455B.172, 455B.183A, 455B.188

**455B.188 Provision for emergency replacement of water wells.**

Rules adopted to implement section 455B.172, subsection 7, paragraph *"b"*; section 455B.173, subsection 9; and section 455B.187 shall specifically provide for the immediate replacement or reconstruction of water wells in response to the sudden and unforeseen loss or serious impairment of a well for its intended use. These provisions shall include the granting of emergency authorizations and registration of well contractors pursuant to section 455B.187 and may include the granting of variances and exemptions from technical standards as appropriate.

85 Acts, ch 176, §5

Referred to in §455B.183A

**455B.189** Reserved.

**455B.190 Abandoned wells properly plugged.**

1. As used in this section:

*a.* *"Class 1 well"* means a well one hundred feet or less in depth and eighteen inches or more in diameter.

*b.* *"Class 2 well"* means a well more than one hundred feet in depth or less than eighteen inches in diameter or a bedrock well.

*c.* *"Class 3 well"* means a sandpoint well or a well fifty feet or less in depth constructed by joining a screened drive point with lengths of pipe and driving the assembly into a shallow sand and gravel aquifer.

*d.* *"Department"* means the department of natural resources.

*e.* *"Designated agent"* means a person other than the state, designated by a county board of supervisors to review and confirm that a well has been properly plugged.

*f.* *"Filling materials"* means agricultural lime. Filling materials may also include other materials, including soil, sand, gravel, crushed stone, and pea gravel as approved by the department.

*g.* *"Owner"* means the titleholder of the land where a well is located.

*h.* *"Plug"* means the closure of an abandoned well with plugging materials which will permanently seal the well from contamination by surface drainage, or permanently seal off the well from contamination into an aquifer.

*i.* *"Plugging materials"* means filling and sealing materials.

*j.* *"Sealing materials"* means bentonite. Sealing materials may also include neat cement, sand cement grout, or concrete as approved by the department.

*k.* *"Well"* means an abandoned well as defined in section 455B.171.

2. All wells shall be properly plugged in accordance with the schedule established by the department. The department shall develop a prioritized closure program and a time frame for the completion of the program and shall adopt rules to implement the program. The schedule established by the department shall provide that to the fullest extent technically and economically feasible, all wells shall be properly plugged not later than July 1, 2000.

3. Wells shall be plugged as follows:

*a.* Class 1 wells shall be plugged by placing filling materials up to one foot below the static water level. At least one foot of sealing materials shall be placed on top of the filling materials up to the static water level, as a seal. Filling materials shall be added up to four feet below the ground surface. However, sealing materials may be used to fill the entire well up to four feet below the ground surface. The casing pipe shall be removed down to at least four feet below the ground surface and shall be capped with at least one foot of sealing materials. Obstructions shall be removed from the top four feet of the ground surface and the top four feet shall be backfilled with soil and graded.

*b.* Class 2 wells shall be plugged by placing filling materials at the bottom of the well up to four feet below the static water level. At least four feet of sealing material shall be added on top of the filling material up to the original static water level. Filling materials shall be placed up to four feet below the ground surface and the well shall be capped with at least one foot of sealing material. However, sealing materials may be used to fill the entire well up to four feet below the ground surface. The upper four feet of the casing pipe below the ground surface shall be removed. The top four feet of the ground surface shall be removed of obstructions and backfilled with soil and graded.

*c.* Class 3 wells shall be plugged by pulling the casing and sandpoint out of the ground, and collapsing the hole. The well may also be plugged by placing sealing materials up to four feet below the ground surface and by removing the upper four feet of casing pipe below the ground surface. The top four feet of the ground surface shall be removed of obstructions and backfilled with soil and graded.

4. The department shall sponsor an advertising campaign directed to persons throughout the state by print and electronic media designed to notify owners of the deadline for plugging wells, penalties for noncompliance, and information about receiving assistance in plugging wells.

5. An owner may, independent of a contractor, plug a well pursuant to this section subject

to review and confirmation by a designated agent of the county or a well driller registered with the department.

6. A person who fails to properly plug a well on property the person owns, in accordance with the program established by the department, or as reported by a designated agent or a registered or certified well contractor, is subject to a civil penalty of up to one hundred dollars per every five calendar days that the well remains unplugged or improperly plugged. However, the total civil penalty shall not exceed one thousand dollars. The penalty shall only be assessed after the one thousand dollar limit is reached. If the owner plugs the well in compliance with this section, including applicable departmental rules, before the date that the one thousand dollar limit is reached, the civil penalty shall not be assessed. The penalty shall not be imposed upon a person for improperly plugging a well until the department notifies the person of the improper plugging. The moneys collected shall be deposited in the financial incentive portion of the agriculture management account. The department of agriculture and land stewardship may provide by rule for financial incentive moneys, through expenditure of the moneys allocated to the financial-incentive-program portion of the agriculture management account, to reduce a person's cost in properly plugging wells abandoned prior to July 1, 1987.

87 Acts, ch 225, §305; 89 Acts, ch 286, §1; 91 Acts, ch 224, §7
Referred to in §455B.183A, 558.69

**455B.190A Well contractor certification program.**

1. As used in this section:

*a.* *"Certified well contractor"* means a well contractor who has successfully passed an examination prescribed by the department to determine the applicant's qualifications to perform well drilling or pump services or both.

*b.* *"Examination"* means an examination for well contractors which includes, but is not limited to, relevant aspects of Iowa groundwater law, well construction, well maintenance, pump services, and well abandonment practices which protect groundwater and water supplies.

*c.* *"Groundwater"* means groundwater as defined in section 455E.2.

*d.* *"Pump services"* means the installation, repair, and maintenance of water systems.

*e.* *"Water systems"* means any part of the mechanical portion of a water well that delivers water from the well to a valve that separates the well from the plumbing system. *"Water systems"* includes the pump, drop pipe to the well, electrical wire from the pump to the electrical panel, piping from the well to the pressure tank, pitless unit or adaptor, and all related miscellaneous fittings necessary to operate the well pump. *"Water systems"* does not include any outside piping to other buildings, and does not include the piping that carries the water in the remainder of the distribution system.

*f.* *"Water well"* or *"well"* means water well as defined in section 455B.171.

*g.* *"Well contractor"* means contractor as defined pursuant to section 455B.171, subsection 3.

*h.* *"Well contractors' council"* means the council established in subsection 3.

*i.* *"Well services"* means new well construction, well reconstruction, installation of pitless equipment, pump services, or well plugging.

2. The department shall establish a well contractor certification program which shall include all of the following provisions:

*a.* Specification of certification requirements, including minimum work experience levels, successful completion of an examination, and continuing education requirements.

*b.* A certified well contractor shall be present at the well site and in direct charge of the services whenever well services are provided.

*c.* A person shall not act as a well contractor on or after July 1, 1993, unless the person is certified by the department pursuant to this section.

*d.* Violation of the rules regarding the provision of well services are grounds for suspension or revocation of certification.

*e.* Provisional certification may be obtained by an applicant in instances of shortages of certified personnel if all of the following conditions are met:

(1) The applicant provides documentation of at least one year of work experience in well services performed under the direct supervision of a certified well contractor.

(2) The applicant successfully completes the examination.

(3) A certified well contractor who employs an applicant for well contractor certification cosigns the application for provisional certification. An employer who cosigns an application for provisional certification is jointly liable for a violation of the rules regarding well services by the provisionally certified well contractor and the violation is grounds for the suspension or revocation of certification of the certified well contractor and the provisionally certified well contractor.

*f.* The department shall develop continuing education requirements for certification of a well contractor in consultation with the well contractors' council.

*g.* The examination shall be developed by the department in consultation with the well contractors' council to determine the applicant's qualifications to perform well drilling or pump services or both. The examination shall be updated as necessary to reflect current groundwater law and well construction, maintenance, pump services, and abandonment practices. The examination shall be administered by the department or by a person designated by the department.

*h.* The department may provide for multiyear certification of well contractors.

3. *a.* The department shall establish a well contractors' council.

*b.* The membership of the council shall consist of the following members:

(1) Two well drilling contractors.

(2) Two pump installation contractors.

(3) One citizen member of the Iowa groundwater association or its successor.

(4) One citizen member of the Iowa environmental health association or its successor.

(5) The director of public health or the director's designee.

(6) The state geologist or the state geologist's designee.

(7) The director of the state hygienic laboratory or the director's designee.

*c.* The council shall advise and assist the department in doing all of the following:

(1) The development, review, and revision of the department's rules to implement this section.

(2) The development, updating, and revision of the examination for well contractor certification.

(3) The establishment, review, and revision of the continuing education requirements for certification.

(4) The production and publication of the consumer information pamphlet.

*d.* The council shall meet as often as necessary to perform the council's duties. The department shall provide the council with staff assistance.

4. The department shall develop, in consultation with the well contractors' council, a consumer information pamphlet regarding well construction, well maintenance, well plugging, pump services, and Iowa groundwater laws. The department and the council shall review and revise the consumer information pamphlet as necessary. The consumer information pamphlet shall be supplied to well contractors, at cost, and well contractors shall supply one copy at no cost to potential customers prior to initiation of well services.

5. The department shall establish by rule and collect, in consultation with the well contractors' council, the following fees to be used to implement and administer the provisions of this section:

*a.* An annual certification fee to be paid by certified well contractors. The initial annual certification fee is one hundred fifty dollars. The fee may be increased by rule, as necessary, to reflect the costs of administration of the program. The department may establish a fee for multiyear certification.

*b.* The department may also charge and collect fees for testing, the provision of continuing education, and other fees related to and based on the actual costs of the well contractor certification program.

*c.* All fees collected pursuant to this subsection shall be deposited into the private water supply system account within the water quality protection fund created in section 455B.183A.

6. Rules adopted by the commission shall be developed in consultation with the council. If

a majority of the council does not endorse the rules adopted by the commission, notice shall be sent to the administrative rules review committee indicating the council's position.

7. A well contractor who is engaged in performing pump services on or prior to June 30, 2004, and who registers as a pump installer with the department by June 30, 2004, shall be deemed to have met the certification requirements of this section without examination. Beginning July 1, 2004, a pump installer seeking an initial well contractor certification shall meet the requirements for certification established in this section.

91 Acts, ch 224, §2; 2002 Acts, ch 1077, §1 – 5; 2003 Acts, ch 30, §3
Referred to in §105.11, 455B.172, 455B.183A

**455B.191 Penalties — burden of proof.**

1. As used in this section, *"hazardous substance"* means hazardous substance as defined in section 455B.381 or section 455B.411.

2. Any person who violates any provision of part 1 of division III of this chapter or any permit, rule, standard, or order issued under part 1 of division III of this chapter shall be subject to a civil penalty not to exceed five thousand dollars for each day of such violation.

3. *a.* Any person who negligently or knowingly does any of the following shall, upon conviction, be punished as provided in paragraph *"b"* or *"c"*:

(1) Violates section 455B.183 or section 455B.186 or any condition or limitation included in any permit issued under section 455B.183.

(2) Introduces into a sewer system or into a publicly owned treatment works any pollutant or hazardous substance which the person knew or reasonably should have known could cause personal injury or property damage.

(3) Causes a treatment works to violate any water quality standard, effluent standard, pretreatment standard or condition of a permit issued to the treatment works pursuant to section 455B.183, unless the person is in compliance with all applicable federal and state requirements or permits.

*b.* (1) A person who commits a negligent violation under this subsection is guilty of a serious misdemeanor punishable by a fine of not more than twenty-five thousand dollars for each day of violation or by imprisonment for not more than one year, or both.

(2) If the conviction is for a second or subsequent violation committed by a person under this subsection, the conviction is punishable by a fine of not more than fifty thousand dollars for each day of violation or by imprisonment for not more than two years, or both.

*c.* (1) A person who commits a knowing violation under this subsection is guilty of an aggravated misdemeanor punishable by a fine of not more than fifty thousand dollars for each day of violation or by imprisonment for not more than two years, or both.

(2) If the conviction is for a second or subsequent violation committed by a person under this subsection, the conviction is punishable by a fine of not more than one hundred thousand dollars for each day of violation or by imprisonment for not more than five years, or both.

4. Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan or other document filed or required to be maintained under part 1 of division III of this chapter, or who falsifies, tampers with or knowingly renders inaccurate any monitoring device or method required to be maintained under part 1 of division III of this chapter or by any permit, rule, regulation, or order issued under part 1 of division III of this chapter, shall upon conviction be punished by a fine of not more than ten thousand dollars or by imprisonment in the county jail for not more than six months or by both such fine and imprisonment.

5. The attorney general shall, at the request of the director with approval of the commission, institute any legal proceedings, including an action for an injunction or a temporary injunction, necessary to enforce the penalty provisions of part 1 of division III of this chapter or to obtain compliance with the provisions of part 1 of division III of this chapter or any rules promulgated or any provision of any permit issued under part 1 of division III of this chapter. In any such action, any previous findings of fact of the director or the commission after notice and hearing shall be conclusive if supported by substantial evidence in the record when the record is viewed as a whole.

6. In all proceedings with respect to any alleged violation of the provisions of this part 1

of division III or any rule established by the commission or the department, the burden of proof shall be upon the commission or the department except in an action for contempt as provided in section 455B.182.

7. If the attorney general has instituted legal proceedings in accordance with this section, all related issues which could otherwise be raised by the alleged violator in a proceeding for judicial review under section 455B.178 shall be raised in the legal proceedings instituted in accordance with this section.

8. Any civil penalty collected by the state or a county relating to the construction of semipublic sewage disposal systems shall be deposited in the unsewered community revolving loan fund created pursuant to section 16.141.

[C66, 71, §455B.23, 455B.25; C73, §455B.43, 455B.45, 455B.49; C75, §455B.43, 455B.49; C77, 79, 81, §455B.49]

C83, §455B.187

C85, §455B.191

86 Acts, ch 1245, §1899A; 88 Acts, ch 1080, §1, 2; 95 Acts, ch 195, §23; 98 Acts, ch 1209, §24; 2002 Acts, ch 1137, §26, 67, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262; 2009 Acts, ch 133, §154; 2010 Acts, ch 1069, §56; 2011 Acts, ch 97, §5

Referred to in §29C.8A, 455B.175, 455B.178, 459.603, 459A.502

Former sections in ch 455B, division III, applicable to animal feeding operations transferred to chapter 459, subchapter III, pursuant to legislative directive in 2002 Acts, ch 1137; see also §459.603

**455B.192 Local government — penalties.**

Notwithstanding sections 331.302, 331.307, 364.3, and 364.22, a city or county may assess a civil penalty for a violation of this division which is equal to the amount the department has assessed for a violation under this division.

93 Acts, ch 137, §8

**455B.193 Qualifications for collection of credible data.**

1. For purposes of this part, all of the following shall apply:

*a.* Data is not credible data unless the data originates from studies and samples collected by the department, a professional designee of the department, or a qualified volunteer. For purposes of this paragraph, *"professional designee"* includes governmental agencies other than the department, and a person hired by, or under contract for compensation with, the department to collect or study data.

*b.* All information submitted by a qualified volunteer shall be reviewed and approved or disapproved by the department. The qualified volunteer shall submit a site specific plan with data which includes information used to obtain the data, the sampling and analysis plan, and quality control and quality assurance procedures used in the monitoring process. The qualified volunteer must provide proof to the department that the water monitoring plan was followed. The department shall review all data collected by a qualified volunteer, verify the accuracy of the data collected by a qualified volunteer, and determine that all components of the water monitoring plan were followed.

*c.* The department shall retain all information submitted by a qualified volunteer submitting the information for a period of not less than ten years from the date of receipt by the department. All information submitted shall be a public record.

*d.* The department shall adopt rules establishing requirements for a person to become a qualified volunteer.

2. The department of natural resources shall develop a methodology for water quality assessments as used in the section 303(d) lists and assess the validity of the data.

2000 Acts, ch 1068, §10; 2000 Acts, ch 1232, §73; 2011 Acts, ch 25, §143

Referred to in §455B.176A

**455B.194 Credible data required.**

1. The department shall use credible data when doing any of the following:

*a.* Developing and reviewing any water quality standard.

*b.* Developing any statewide water quality inventory or other water assessment report.

*c.* Determining whether any water of the state is to be placed on or removed from any section 303(d) list.

*d.* Determining whether any water of the state is supporting its designated use or other classification.

*e.* Determining any degradation of a water of the state under 40 C.F.R. § 131.12.

*f.* Establishing a total maximum daily load for any water of the state.

2. Notwithstanding subsection 1, credible data shall not be required for any section 305(b) report and credible data shall not be required for the establishment of a designated use or other classification of a water of the state.

3. This section shall not be construed to require credible data as defined in section 455B.171, subsection 4, in order for the department to bring an enforcement action for an illegal discharge.

2000 Acts, ch 1068, §11

Referred to in §455B.171, 455B.195

**455B.195 Use or analysis of credible data.**

1. For any use or analysis of credible data described in section 455B.194, subsection 1, all of the following shall apply:

*a.* The use of credible data shall be consistent with the requirements of the federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.

*b.* The data quality for removal of water of the state from any list of impaired waters including any section 303(d) list shall be the same as the data quality for adding a water to that list.

*c.* A water of the state shall not be placed on any section 303(d) list if the impairment is caused solely by violations of national pollutant discharge elimination system program permits or storm water permits issued pursuant to section 455B.103A and the enforcement of the pollution control measures is required.

*d.* A water of the state shall not be placed on any section 303(d) list if the data shows an impairment, but existing technology-based effluent limits or other required pollution control measures are adequate to achieve applicable water quality standards.

*e.* If a pollutant causing an impairment is unknown, the water of the state may be placed on a section 303(d) list. However, the department shall continue to monitor the water of the state to determine the cause of impairment before a total maximum daily load is established for the water of the state and a water of the state listed with an unknown status shall retain a low priority for a total maximum daily load development until the cause of the impairment is determined unless the department, after taking into consideration the use of the water of the state and the severity of the pollutant, identifies compelling reasons as to why the water of the state should not have a low priority.

*f.* When evaluating the waters of the state, the department shall develop and maintain three separate listings including a section 303(d) list, a section 305(b) report, and a listing for which further investigative monitoring is necessary. The section 305(b) report shall be a summary of all potential impairments for which credible data is not required. If credible data is not required for a section 305(b) report, the placement of a water of the state on any section 305(b) report alone is not sufficient evidence for the water of the state's placement on any section 303(d) list. When developing a section 303(d) list, the department is not required to use all data, but the department shall assemble and evaluate all existing and readily available water quality-related data and information. The department shall provide documentation to the regional administrator of the federal environmental protection agency to support the state's determination to list or not to list its waters.

*g.* The department shall take into consideration any naturally occurring condition when placing or removing any water of the state on any section 303(d) list, and establishing or allocating responsibility for a total maximum daily load.

*h.* Numerical standards shall have a preference over narrative standards. A narrative standard shall not constitute the basis for determining an impairment unless the department identifies specific factors as to why a numeric standard is not sufficient to assure adequate water quality.

*i.* If the department has obtained credible data for a water of the state, the department may also use historical data for that particular water of the state for the purpose of determining whether any trends exist for that water of the state.

2. This section shall not be construed to require or authorize the department to perform any act listed in section 455B.194, subsection 1, not otherwise required or authorized by applicable law.

2000 Acts, ch 1068, §12

**455B.196 National pollutant discharge elimination system permit fund.**

1. A national pollutant discharge elimination system permit fund is created as a separate fund in the state treasury under the control of the department. The fund is composed of moneys appropriated to the department for deposit into the fund and moneys available to and obtained or accepted by the department from the United States or private sources for placement in the fund. The fund shall include moneys deposited into the fund from fees charged for the processing of applications for the issuance of permits related to the national pollutant discharge elimination system as provided in section 455B.197.

2. Moneys in the national pollutant discharge elimination system permit fund are appropriated to the department each fiscal year for purposes of administering section 455B.197 and expediting the department's processing of national pollutant discharge elimination system applications and the issuance of permits, including for salaries, support, maintenance, and other costs of administering section 455B.197.

3. Section 8.33 shall not apply to moneys credited to the national pollutant discharge elimination system permit fund. Notwithstanding section 12C.7, moneys earned as income or interest from the fund shall remain in the fund until expended as provided in this section.

2006 Acts, ch 1178, §24; 2009 Acts, ch 175, §20

Referred to in §455B.197

**455B.197 National pollutant discharge elimination system permits.**

The department may issue a permit related to the administration of the national pollutant discharge elimination system (NPDES) permit program pursuant to the federal Water Pollution Control Act, 33 U.S.C. ch. 26, as amended, and 40 C.F.R. pt. 124 including but not limited to storm water discharge permits issued pursuant to section 455B.103A. The department may provide for the receipt of applications and the issuance of permits as provided by rules adopted by the department which are consistent with this section. The department shall assess and collect fees for the processing of applications and the issuance of permits as provided in this section. The department shall deposit the fees into the national pollutant discharge elimination system permit fund created in section 455B.196. The fees shall be established as follows:

1. For a permit for the discharge from mining and processing facilities, NPDES general permit no. 5, the following fee schedule shall apply:

*a.* An annual permit, one hundred twenty-five dollars each year.

*b.* For a multiyear permit, all of the following shall apply:

(1) A three-year permit, three hundred dollars.

(2) A four-year permit, four hundred dollars.

(3) A five-year permit, five hundred dollars.

2. For coverage under NPDES individual permits for storm water, for a construction permit, an application fee of one hundred dollars.

3. For coverage under NPDES individual permits for non-storm water, the following annual fees apply:

*a.* For a major municipal facility, one thousand two hundred seventy-five dollars.

*b.* For a minor municipal facility, two hundred ten dollars. For a city with a population of two hundred fifty or less, the maximum fee shall be two hundred ten dollars regardless of how many NPDES individual permits for non-storm water the city holds.

*c.* For a semipublic facility, three hundred forty dollars.

*d.* For a facility that holds an operation permit, with no wastewater discharge into surface waters, one hundred seventy dollars.

*e.* For a municipal water treatment facility, a fee shall not be charged.

*f.* For a major industrial facility, three thousand four hundred dollars.

*g.* For a minor industrial facility, three hundred dollars.

*h.* For an open feedlot operation as provided in chapter 459A, an annual fee of three hundred forty dollars.

*i.* For a new facility that has not been issued a current non-storm water NPDES permit, a prorated amount which shall be calculated by taking the annual fee amount multiplied by the number of months remaining before the next annual fee due date divided by twelve.

*j.* For a facility covered under an existing non-storm water NPDES permit, a prorated amount which shall be calculated by taking the annual fee amount multiplied by the number of months remaining before the next annual fee due date divided by twelve.

*k.* For a non-storm water permit as provided in this subsection, a single application fee of eighty-five dollars.

4. A single family home shall not be charged a fee under this section.

5. The owner of an on-farm processing operation that produces less than one thousand five hundred gallons per day of wastewater shall not be assessed a fee by the department under this section.

2006 Acts, ch 1178, §25; 2007 Acts, ch 22, §79; 2007 Acts, ch 53, §1, 2; 2011 Acts, ch 31, §3
Referred to in §455B.103A, 455B.105, 455B.172A, 455B.196

**455B.198 Wastewater discharge from well drilling sites — rules.**

1. The commission shall adopt rules to regulate the discharge of wastewater from water well drilling sites. The rules shall incorporate the following considerations:

*a.* The size of the well as measured by the flow of water in gallons per minute.

*b.* The best management practices to address wastewater discharge.

*c.* Requirements for notification to the department prior to the commencement of drilling operations.

*d.* Requirements for retention of records for a well.

*e.* Reasonable and appropriate limitations on wastewater discharge that take into consideration the need for the well.

*f.* Reasonable and appropriate limitations on wastewater discharge that take into consideration the need to conserve soil and protect water quality.

2. The commission shall have the authority in the rules to provide for the issuance of a general permit and to establish a fee sufficient to recover the costs of issuing a general permit, which shall not exceed fifty dollars. The fees shall be remitted to the department and shall be used by the department to administer the permitting requirements of this section.

3. The commission shall convene an advisory committee that includes representatives of the Iowa water well association to assist in the development of the rules.

4. The rules shall be adopted no later than July 31, 2009.

2008 Acts, ch 1165, §1

**455B.199 Water resource restoration sponsor program.**

1. The department shall establish and administer a water resource restoration sponsor program to assist in enhancing water quality in the state through the provision of financial assistance to communities for a variety of impairment-based, locally directed watershed projects.

2. For purposes of this section, unless the context otherwise requires:

*a.* *"Qualified entity"* means the same as defined in section 384.84.

*b.* *"Sponsor project"* means a water resource restoration project as defined in section 384.80.

3. Moneys in the water pollution control works revolving loan fund created in section 455B.295, and the drinking water facilities revolving loan fund created in section 455B.295, shall be used for the water resource restoration sponsor program. The department shall establish on an annual basis the percentage of moneys available for the sponsor program from the funds.

4. The interest rate on the loan under the program for communities participating in a

sponsor project shall be set at a level that requires the community to pay not more than the amount the community would have paid if they did not participate in a sponsor project.

5. Not more than ninety percent of the projected interest payments on bonds issued under section 384.84 or the total cost of the sponsor project shall be advanced to the community, whichever is lower.

6. A proposed sponsor project must be compatible with the goals of the water resource restoration sponsor program, shall include the application of best management practices for the primary purpose of water quality protection and improvement, and may include but not be limited to any of the following:

*a.* Riparian buffer acquisition, enhancement, expansion, or restoration.

*b.* Conservation easements.

*c.* Riparian zone or wetland buffer extension or restoration.

*d.* Wetland restoration in conjunction with an adjoining high-quality water resource.

*e.* Stream bank stabilization and natural channel design techniques.

*f.* In-stream habitat enhancements and dam removals.

*g.* Practices related to water quality or water quality protection that are included in a field office technical guide published by the natural resources conservation service of the United States department of agriculture or are included in the Iowa stormwater management manual published by the department of natural resources.

7. A proposed sponsor project shall not include any of the following:

*a.* Passive recreation activities and trails including bike trails, playgrounds, soccer fields, picnic tables, and picnic grounds.

*b.* Parking lots, unless a parking lot is constructed in a manner to improve water quality and construction is consistent with a field office technical guide published by the natural resources conservation service of the United States department of agriculture or the Iowa stormwater management manual published by the department of natural resources.

*c.* Diverse habitat creation contrary to the botanical history of the area.

*d.* Planting of nonnative plant species.

*e.* Dredging.

*f.* Supplemental environmental projects required as a part of a consent decree.

8. A sponsor project must be approved by the department prior to participating in the water resource restoration sponsor program.

9. A resolution by the city council must be approved and included as part of an application for the water resource restoration sponsor program. After approval of the project, the city council shall enter into an agreement pursuant to chapter 28E with the qualified entity who shall implement the project.

10. A water resource restoration project shall not include the acquisition of property, an interest in property, or improvements to property through condemnation.

11. The commission shall adopt rules pursuant to chapter 17A necessary for the administration of this section.

2009 Acts, ch 72, §7; 2013 Acts, ch 53, §1, 2
Referred to in §455B.295, 461.34
Subsection 6, NEW paragraph g
Subsection 7, paragraph b amended

**455B.199A Prioritization of municipal water quality improvement projects.**

1. The department may allow schedules of compliance to be included in permits whenever authorized by federal law or regulations. Such schedules shall be established to maximize benefits and minimize local financial impact while improving water quality, where such opportunities arise. If information is provided showing that the anticipated costs of compliance with a schedule have no reasonable relationship to environmental or public health needs or benefits, or may result in other detrimental environmental impacts, such as significant greenhouse gas emissions, the projects may be deferred, in whole or in part as determined appropriate by the department, and a variance granted, as consistent with applicable federal law or regulations.

2. Unless otherwise restricted by federal law or regulations, the department may allow compliance schedules of up to thirty years in national pollutant discharge elimination system

permits, particularly where the costs of compliance with federal program mandates will adversely impact the construction of other necessary local capital improvement projects. If the department determines an existing condition constitutes a significant public health or environmental threat, the schedule of compliance shall be based on the shortest practicable time frame for remedying the condition.

2009 Acts, ch 72, §9

**455B.199B Disadvantaged communities variance.**

1. The department may provide for a variance of regulations pursuant to this part when it determines that regulations adopted pursuant to this part affect a disadvantaged community. Such a variance shall be consistent with federal rules and regulations. In considering an application for a variance, the department shall consider the substantial and widespread economic and social impact to the ratepayers and the affected community that may occur as a result of compliance with a federal regulation, a rule adopted by the department, or an order of the department pursuant to this part. In considering an application for a variance, the department shall take into account the rules adopted pursuant to this part with which a regulated entity and the commensurate affected community are required to comply.

2. The department shall find that a regulated entity and the affected community are a disadvantaged community by evaluating all of the following:

*a.* The ability of the regulated entity and the affected community to pay for a project based on the ratio of the total annual project costs per household to median household income.

*b.* Median household income in the community and the unemployment rate of the county in which the community is located.

*c.* The outstanding debt of the system and the bond rating of the community.

3. The department shall find that an unsewered community is a disadvantaged community by evaluating all of the following:

*a.* The ability of the community to pay for a project based on the ratio of the total annual project costs per household to median household income.

*b.* The unemployment rate in the county where the community is located.

*c.* The median household income of the community.

4. The department shall not consider a regulated entity, affected community, or unsewered community a disadvantaged community if the ratio of compliance costs to median household income is below one percent.

5. The department may grant a regulated entity a variance from complying with a rule adopted pursuant to this part or as otherwise allowed by federal law or regulations, if the department determines that the regulated entity or the affected community will suffer substantial and widespread economic and social impact. The department shall ensure the conditions of any variance improve water quality and represent reasonable progress toward complying with rules adopted pursuant to this part, but do not result in substantial and widespread economic and social impact.

6. The department shall not require installation of a wastewater treatment system by an unsewered community if the department determines that such installation would create substantial and widespread economic and social impact.

7. The Iowa finance authority, in cooperation with the department, shall utilize the disadvantaged community criteria in this section to determine the appropriate interest rates for loans awarded from the revolving loan funds created in sections 455B.291 through 455B.299, as allowed by federal law or regulations.

8. The economic development authority shall utilize the disadvantaged community criteria in this section to determine eligibility for water or sewer community development block grants as provided in section 15.108, subsection 1, paragraph "*a*".

2009 Acts, ch 72, §10; 2011 Acts, ch 97, §6, 7; 2011 Acts, ch 118, §85, 89

**455B.199C Alternative wastewater treatment technologies — legislative intent and purpose.**

1. The intent of the general assembly is to address the rising costs of water and wastewater treatment compliance for regulated entities and affected communities by authorizing the use

of alternative treatment technologies. The purpose of this section is to eliminate regulatory barriers that limit or prevent the use of new or innovative technologies.

2. The department shall produce and publish design guidance documents for alternative wastewater treatment technologies. The guidance documents shall be intended to encourage regulated entities to use such technologies and to assist design engineers with the submission of projects employing alternative wastewater treatment technologies that can be readily approved by the department.

3. In writing design guidance documents for alternative wastewater treatment technologies the department shall review all of the following:

*a.* The on-site sewage design and reference manual published by the department of natural resources.

*b.* The guidance manual for the management of on-site and decentralized wastewater systems published by the United States environmental protection agency.

*c.* Other credible sources of information on the design, operation, and performance of alternative wastewater treatment technologies.

2009 Acts, ch 72, §11
Referred to in §16.134

**455B.200 through 455B.206** Transferred to chapter 459; 2002 Acts, ch 1137, § 68, 71; 2002 Acts, 2nd Ex, ch 1003, § 259, 260, 262.

**455B.207 through 455B.210** Reserved.

## PART 2

## WATER TREATMENT

**455B.211 Definitions.**

When used in this part 2 of division III, unless the context otherwise requires:

1. *"Certificate"* means the certificate of competence issued by the director stating that the operator has met the requirements for the specified operator classification of the certification program.

2. *"Operator"* means a person who has direct responsibility for the operation of a water treatment plant, water distribution system, or waste water treatment plant.

3. *"Waste water treatment plant"* means the facility or group of units used for the treatment of waste water from public sewer systems and for the reduction and handling of solids removed from such wastes.

4. *"Water distribution system"* means that portion of the water supply system in which water is conveyed from the water treatment plant or other supply point to the premises of the consumer.

5. *"Water supply system"* means the system of pipes, structures, and facilities through which a public water supply is obtained, treated and sold or distributed for human consumption or household use.

6. *"Water treatment plant"* means that portion of the water supply system which in some way alters the physical, chemical, or bacteriological quality of the water.

[C66, 71, §136A.1; C73, 75, 77, 79, 81, §455B.50]
C83, §455B.211
86 Acts, ch 1245, §1890
Referred to in §272C.1

**455B.212 Director's duties.**

The director shall classify all water treatment plants, water distribution systems, and waste water treatment plants affecting the public welfare with regard to the size, type, character of water and waste water to be treated and other physical conditions affecting such treatment plants and distribution systems, and according to the skill, knowledge, and experience that an

operator must have to supervise the operation of the facilities to protect the public health and prevent pollution. The director may appoint advisory committees to advise the department in carrying out the requirements of this part.

[C66, 71, §136A.2; C73, 75, 77, 79, 81, §455B.51]

C83, §455B.212

86 Acts, ch 1245, §1891, 1899

Referred to in §272C.1

**455B.213 Certification of operators.**

1. *By director.* The director shall certify persons as to their qualifications to supervise the operation of treatment plants and water distribution systems after considering the recommendations of the commission.

2. *Applications.* Applications for certification shall be on forms prescribed and furnished by the department and shall not contain a recent photograph of the applicant. An applicant is not ineligible for certification because of age, citizenship, sex, race, religion, marital status, or national origin although the application may require citizenship information. The director may consider the past felony record of an applicant only if the felony conviction relates directly to the practice of operation of waterworks or wastewater works. Character references may be required, but shall not be obtained from certificate holders.

3. *Disclosure of confidential information.* An employee of the department shall not disclose information relating to the following:

*a.* Criminal history or prior misconduct of the applicant.

*b.* Information relating to the contents of the examination to persons other than members of a board of certification of another state or their employees or an employee of the department.

*c.* Information relating to the examination results other than final scores except for information about the results of an examination which is given to the person who took the examination.

4. *Violation.*

*a.* An employee of the department who willfully communicates or seeks to communicate such information, and a person who willfully requests, obtains, or seeks to obtain such information, is guilty of a simple misdemeanor.

*b.* A member of the commission who willfully communicates or seeks to communicate such information, and any person who willfully requests, obtains, or seeks to obtain such information, is guilty of a public offense which is punishable by a fine not exceeding one hundred dollars or by imprisonment in the county jail for not more than thirty days.

[C66, 71, §136A.3; C73, 75, 77, 79, 81, §455B.52]

C83, §455B.213

86 Acts, ch 1245, §1892, 1899; 88 Acts, ch 1134, §85; 2011 Acts, ch 25, §103

Referred to in §272C.1

**455B.214 and 455B.215** Repealed by 86 Acts, ch 1245, § 1899O.

**455B.216 Examinations.**

The director shall hold at least one examination each year for the purpose of examining candidates for certification at a time and place designated by the director. Any written examination may be given by the department. All examinations in theory shall be in writing and the identity of the person taking the examination shall be concealed until after the examination papers have been graded. For examinations in practice, the identity of the person taking the examination shall also be concealed as far as possible. Those applicants whose competency is acceptable shall be recommended for certification. Applicants who fail the examination shall be allowed to take the examination at the next scheduled time. Thereafter, the applicant shall be allowed to take the examination at the discretion of the board. An applicant who has failed the examination may request in writing information from the department concerning the applicant's examination grade and subject areas or questions which the applicant failed to answer correctly, except that if the director administers a

uniform, standardized examination, the director is only required to provide the examination grade and the other information concerning the applicant's examination results which is available to the department.

[C66, 71, §136A.7; C73, 75, 77, 79, 81, §455B.56]
C83, §455B.216
86 Acts, ch 1245, §1893
Referred to in §272C.1

**455B.217 Operator's certificate.**

When the director is satisfied that an applicant is qualified by examination or otherwise, the director shall issue a certificate attesting to the competency of the applicant as an operator. The certificate shall indicate the classification of works which the operator is qualified to supervise.

[C66, 71, §136A.9; C73, 75, 77, 79, 81, §455B.57]
C83, §455B.217
86 Acts, ch 1245, §1894
Referred to in §272C.1

**455B.218 Duration of certificates — fee — renewal.**

Certificates shall be for the multiyear period determined by the director unless sooner revoked by the director, but the certificates remain the property of the department and the certificate shall so state. The fee for issuance of certificates as determined under section 455B.221 shall be prorated on a quarterly basis for any original certificate issued for a period of less than twelve months. A person who fails to renew a certificate prior to its expiration shall be allowed to renew it within thirty days following its expiration, but the director may assess a reasonable penalty as established by rule.

[C66, 71, §136A.10; C73, 75, 77, 79, 81, §455B.58]
C83, §455B.218
86 Acts, ch 1245, §1895
Referred to in §272C.1

**455B.219 Revocation or suspension.**

The director may suspend or revoke the certificate of an operator, following a hearing before the director, when the operator is guilty of the following acts or offenses:

1. Fraud in procuring a license.
2. Professional incompetency.
3. Knowingly making misleading, deceptive, untrue or fraudulent representations in the practice of the operator's profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.
4. Habitual intoxication or addiction to the use of drugs.
5. Conviction of a felony related to the profession or occupation of the licensee, or the conviction of any felony that would affect the licensee's ability to operate a water treatment or wastewater treatment plant. A copy of the record of conviction or plea of guilty shall be conclusive evidence.
6. Fraud in representation as to skill or ability.
7. Use of untruthful or improbable statements in advertisements.
8. Willful or repeated violations of division III of this chapter.

[C66, 71, §136A.11; C73, 75, 77, 79, 81, §455B.59]
C83, §455B.219
86 Acts, ch 1245, §1896
Referred to in §272C.1, 272C.3, 272C.4

**455B.220 Certificate without examination.** Repealed by 2006 Acts, ch 1014, § 10.

**455B.221 Certification and examination fees.**

The director may charge a fee for certificates issued under this part. The fee for the certificates and for renewal shall be based on the costs of administering and enforcing this

part and paying the expenses of the department relating to certification. The department shall be reimbursed for all costs incurred. The director shall set a fee for the examination which shall be based upon the annual cost of administering the examinations. All fees collected shall be retained by the department for administration of the certification program.

[C66, 71, §136A.14; C73, 75, 77, 79, 81, §455B.61]
C83, §455B.221
86 Acts, ch 1245, §1897; 94 Acts, ch 1059, §1
Referred to in §272C.1, 455B.218

**455B.222 Rules.**

The commission may adopt rules as are necessary to carry out this part.

[C66, 71, §136A.15; C73, 75, 77, 79, 81, §455B.62]
C83, §455B.222
86 Acts, ch 1245, §1898
Referred to in §272C.1

**455B.223 Competent operator required.**

It shall be unlawful for any person, firm, corporation, municipal corporation, or other governmental subdivision or agency, operating a water treatment plant, water distribution system or wastewater treatment plant to operate same unless the competency of the operator to operate such plant or system is duly certified to by the director under the provisions of this part 2 of division III. It shall also be unlawful for any person to perform the duties of an operator, as defined herein, without being duly certified under the provisions of said part.

[C66, 71, §136A.16; C73, 75, 77, 79, 81, §455B.63]
C83, §455B.223
Referred to in §272C.1

**455B.224 Simple misdemeanor.**

Any person, including any firm, corporation, municipal corporation, or other governmental subdivision or agency, violating any provisions of this part 2 of division III or the rules adopted thereunder after written notice thereof by the executive director is guilty of a simple misdemeanor. Each day of operation in such violation of said part or any rules adopted thereunder shall constitute a separate offense. It shall be the duty of the appropriate county attorney to secure injunctions of continuing violations of any provisions of said part or the rules adopted thereunder.

[C66, 71, §136A.17; C73, 75, 77, 79, 81, §455B.64]
C83, §455B.224
Referred to in §272C.1, 331.756(67)

**455B.225 through 455B.240** Reserved.

## PART 3

## SEWAGE WORKS CONSTRUCTION

**455B.241 through 455B.246** Repealed by 2011 Acts, ch 9, § 10.

**455B.247 through 455B.260** Reserved.

## PART 4

## WATER ALLOCATION AND USE; FLOODPLAIN CONTROL

**455B.261 Definitions.**

As used in this part of division III, unless the context otherwise requires:

1. *"Aquifer"* means a water-bearing geologic formation which is capable of yielding a usable quantity of water to a well or spring and which transports and stores groundwater.

2. *"Aquifer storage and recovery"* means the injection and storage of treated water in an aquifer through a permitted well during times when treated water is available, and withdrawal of the treated water from the same aquifer through the same well during times when treated water is needed.

3. *"Basin"* means a specific subsurface water-bearing reservoir having reasonably ascertainable boundaries.

4. *"Beneficial use"* means the application of water to a useful purpose that inures to the benefit of the water user and subject to the user's dominion and control but does not include the waste or pollution of water.

5. *"Depleting use"* means the storage, diversion, conveyance, or other use of a supply of water if the use may impair rights of lower or surrounding users, may impair the natural resources of the state, or may injure the public welfare if not controlled.

6. *"Diffused waters"* means waters from precipitation and snowmelt which is not a part of any watercourse or basin including capillary soil water.

7. *"Established average minimum flow"* means the average minimum flow for a given watercourse at a given point determined and established by the commission.

*a.* The "average minimum flow" for a given watercourse shall be determined by the following factors:

(1) Average of minimum daily flows occurring during the preceding years chosen by the commission as more nearly representative of changing conditions and needs of a given drainage area at a particular time.

(2) Minimum daily flows shown by experience to be the limit at which further withdrawals would be harmful to the public interest in any particular drainage area.

(3) The minimum daily flows shown by established discharge records and experiences to be definitely harmful to the public interest.

*b.* The determination shall be based upon available data, supplemented, when available data are incomplete, with whatever evidence is available.

8. *"Floodplains"* means the area adjoining a river or stream which has been or may be covered by flood water.

9. *"Floodway"* means the channel of a river or stream and those portions of the floodplains adjoining the channel which are reasonably required to carry and discharge the flood water or flood flow of any river or stream.

10. *"Groundwater"* means that water occurring beneath the surface of the ground.

11. *"Nonregulated use"* means any beneficial use of water by any person of less than twenty-five thousand gallons per day.

12. *"Permit"* means a written authorization issued by the department to a permittee which authorizes diversion, storage, including storage of treated water in an aquifer, or withdrawal of water limited as to quantity, time, place, and rate in accordance with this part or authorizes construction, use, or maintenance of a structure, dam, obstruction, deposit, or excavation in a floodway or floodplain in accordance with the principles and policies of protecting life and property from floods as specified in this part.

13. *"Permittee"* means a person who obtains a permit from the department authorizing the person to take possession by diversion, storage in an aquifer, or otherwise and to use and apply an allotted quantity of water for a designated beneficial use, and who makes actual use of the water for that purpose or a person who obtains a permit from the department authorizing construction, use, or maintenance of a structure, dam, obstruction, deposit, or excavation in a floodway or floodplain for a designated purpose.

14. *"Regulated use"* means any depleting use except a use specifically designated as a nonregulated use.

15. *"Surface water"* means the water occurring on the surface of the ground.

16. *"Waste"* means any of the following:

*a.* Permitting groundwater or surface water to flow, or taking it or using it in any manner so that it is not put to its full beneficial use.

*b.* Transporting groundwater from its source to its place of use in such a manner that there is an excessive loss in transit.

*c.* Permitting or causing the pollution of a water-bearing strata through any act which will cause salt water, highly mineralized water, or otherwise contaminated water to enter it.

17. *"Watercourse"* means any lake, river, creek, ditch, or other body of water or channel having definite banks and bed with visible evidence of the flow or occurrence of water, except lakes or ponds without outlet to which only one landowner is riparian.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.1; 82 Acts, ch 1199, §15, 96]

C83, §455B.261

83 Acts, ch 137, §7, 8; 85 Acts, ch 7, §1; 98 Acts, ch 1043, §1, 2; 2012 Acts, ch 1023, §57

Referred to in §455B.265A

**455B.262 Declaration of policy and planning requirements.**

1. It is recognized that the protection of life and property from floods, the prevention of damage to lands from floods, and the orderly development, wise use, protection, and conservation of the water resources of the state by their considered and proper use is of paramount importance to the welfare and prosperity of the people of the state, and to realize these objectives, it is the policy of the state to correlate and vest the powers of the state in a single agency, the department, with the duty and authority to assess the water needs of all water users at five-year intervals for the twenty years beginning January 1, 1985, and ending December 31, 2004, utilizing a database developed and managed by the Iowa geological survey, and to prepare a general plan of water allocation in this state considering the quantity and quality of water resources available in this state designed to meet the specific needs of the water users. The department shall also develop and the department shall adopt no later than June 30, 1986, a plan for delineation of floodplain and floodway boundaries for selected stream reaches in the various river basins of the state. Selection of the stream reaches and assignment of priorities for mapping of the selected reaches shall be based on consideration of flooding characteristics, the type and extent of existing and anticipated flood plain development in particular stream reaches, and the needs of local governmental bodies for assistance in delineating floodplain and floodway boundaries. The plan of floodplain mapping shall be for the period from June 30, 1986, to December 31, 2004. After the department adopts a plan of floodplain mapping, the department shall submit a progress report and proposed implementation schedule to the general assembly biennially. The department may modify the floodplain mapping plan as needed in response to changing circumstances.

2. The general welfare of the people of the state requires that the water resources of the state be put to beneficial use which includes ensuring that the waste or unreasonable use, or unreasonable methods of use of water be prevented, and that the conservation and protection of water resources be required with the view to their reasonable and beneficial use in the interest of the people, and that the public and private funds for the promotion and expansion of the beneficial use of water resources be invested to the end that the best interests and welfare of the people are served.

3. Water occurring in a basin or watercourse, or other body of water of the state, is public water and public wealth of the people of the state and subject to use in accordance with this chapter, and the control and development and use of water for all beneficial purposes is vested in the state, which shall take measures to ensure the conservation and protection of the water resources of the state. These measures shall include the protection of specific surface and groundwater sources as necessary to ensure long-term availability in terms of quantity and quality to preserve the public health and welfare.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.2; 82 Acts, ch 1199, §16, 96]

C83, §455B.262

83 Acts, ch 137, §9; 85 Acts, ch 7, §2; 85 Acts, ch 91, §1; 86 Acts, ch 1245, §1899B

Referred to in §455B.265A

**455B.262A National flood insurance program — participation required.**

1. All counties and cities in this state that have an effective flood insurance rate map or

flood hazard boundary map published by the federal emergency management agency that identifies a special flood hazard area within the political boundaries of the county or city shall meet the requirements for participation in the national flood insurance program administered by the federal emergency management agency on or before June 30, 2011.

2. If a county or city does not currently have an effective flood insurance rate map or flood hazard boundary map published by the federal emergency management agency that identifies a special flood hazard area within the political boundaries of the county or city, the county or city shall have twenty-four months from the effective date of any future flood insurance rate map or flood hazard boundary map published by the federal emergency management agency to meet the requirements for participation in the national flood insurance program.

3. State participation in funding financial assistance for a flood-related disaster under section 29C.6, subsection 17, paragraph "*a*", is contingent upon the county or city participating in the national flood insurance program pursuant to the terms, conditions, and deadlines set forth in this section.

2009 Acts, ch 147, §1
Referred to in §455B.265A

**455B.263 Duties.**

1. The commission shall deliver to the general assembly by January 15, 1987, a plan embodying a general groundwater protection strategy for this state which considers the effects of potential sources of groundwater contaminations on groundwater quality. The plan shall evaluate the ability of existing laws and programs to protect groundwater quality and recommend any necessary additional or alternative laws and programs. The department shall develop the plan with the assistance of and in consultation with representatives of agriculture, industry, and public and other interests. The commission shall report to the general assembly on the status and implementation of the plan on a biennial basis. This section does not preclude the implementation of existing or new laws or programs which may protect groundwater quality.

2. The commission shall designate the official representative of this state on all comprehensive water resources planning groups for which state participation is provided. The commission shall coordinate state planning with local and national planning and, in safeguarding the interests of the state and its people, shall undertake the resolution of any conflicts that may arise between the water resources policies, plans, and projects of the federal government and the water resources policies, plans, and projects of the state, its agencies, and its people. This section does not limit or supplant the functions, duties, and responsibilities of other state or local agencies or institutions with regard to planning of water-associated projects within the particular area of responsibility of those state or local agencies or institutions.

3. The commission shall enter into negotiations and agreements with the federal government relative to the operation of, or the release of water from, any project that has been authorized or constructed by the federal government when the commission deems the negotiations and agreements to be necessary for the achievement of the policies of this state relative to its water resources.

4. The commission, on behalf of the state, shall enter into negotiations with the federal government relative to the inclusion of conservation storage features for water supply in any project that has been authorized by the federal government when the commission deems the negotiations to be necessary for the achievement of the policies of this state, however, an agreement reached pursuant to these negotiations does not bind the state until enacted into law by the general assembly.

5. A water user who benefits from the development by the federal government of conservation storage for water supply shall be encouraged to assume the responsibility for repaying to the federal government any reimbursable costs incurred in the development, and a user who accepts benefits from the developments financed in whole or part by the state shall assume by contract the responsibility of repaying to the state the user's reasonable share of the state's obligations in accordance with a basis which will assure payment within the life of the development. An appropriation, diversion, or use shall not be made by a

person of any waters of the state that have been stored or released from storage either under the authority of the state or pursuant to an agreement between the state and the federal government until the person has assumed by contract the person's repayment responsibility. However, this subsection does not infringe upon any vested property interests.

6. *a.* In its contracts with water users for the payment of state obligations incurred in the development of conservation storage for water supply, the commission shall include the terms deemed reasonable and necessary:

(1) To protect the health, safety, and general welfare of the people of the state.

(2) To achieve the purposes of this chapter.

(3) To provide that the state is not responsible to any person if the waters involved are insufficient for performance.

*b.* The commission may designate and describe any such contract, and describe the relationships to which it relates, as a sale of storage capacity, a sale of water release services, a contract for the storage or sale of water, or any similar terms suggestive of the creation of a property interest. The term of the contracts shall be commensurate with the investment and use concerned, but the commission shall not enter into any such contract for a term in excess of the maximum period provided for water use permits.

7. The commission shall procure flood control works and water resources projects from or by cooperation with any agency of the United States, by cooperation with the cities and other subdivisions of the state under the laws of the state relating to flood control and use of water resources, and by cooperation with the action of landowners in areas affected by the works or projects when the commission deems the projects to be necessary for the achievement of the policies of this state.

8. The commission shall promote the policies set forth in this part and shall represent this state in all matters within the scope of this part. The commission shall adopt rules pursuant to chapter 17A as necessary to transact its business and for the administration and exercise of its powers and duties.

9. In carrying out its duties, the commission may accept gifts, contributions, donations and grants, and use them for any purpose within the scope of this part.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.3, 455A.8, 455A.15, 455A.17; 82 Acts, ch 1199, §17, 96]

C83, §455B.263

83 Acts, ch 137, §10; 85 Acts, ch 7, §3; 2011 Acts, ch 25, §143

Referred to in §455B.264, 455B.265A, 455B.266

**455B.264 Jurisdiction — water and floodplains.**

1. The department has jurisdiction over the public and private waters in the state and the lands adjacent to the waters necessary for the purposes of carrying out this part. The department may construct flood control works or any part of the works. In the construction of the works, in making surveys and investigations, or in formulating plans and programs relating to the water resources of the state, the department may cooperate with an agency of another state or the United States, or with any other person.

2. Upon application by any person for permission to divert, pump, or otherwise take waters from any watercourse, underground basin or watercourse, drainage ditch, or settling basin within this state for any purpose other than a nonregulated use, the director shall investigate the effect of the use upon the natural flow of the watercourse, the effect of the use upon the owners of any land which might be affected by the use, the effect of the use upon prior users of the water source and contracts made under section 455B.263 and whether the use is consistent with the principles and policies of beneficial use.

3. Upon application by any person for approval of the construction or maintenance of any structure, dam, obstruction, deposit, or excavation to be erected, used, or maintained in or on the floodplains of any river or stream, the department shall investigate the effect of the construction or maintenance project on the efficiency and capacity of the floodway. In determining the effect of the proposal the department shall consider fully its effect on flooding of or flood control for any proposed works and adjacent lands and property, on the wise use

and protection of water resources, on the quality of water, on fish, wildlife, and recreational facilities or uses, and on all other public rights and requirements.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.18; 82 Acts, ch 1199, §18, 96]

C83, §455B.264

83 Acts, ch 137, §11; 85 Acts, ch 7, §4; 86 Acts, ch 1245, §1899A, 1899B

Referred to in §455B.265A

**455B.265 Permits for diversion, storage, and withdrawal — fees authorized.**

1. In its consideration of applications for permits, the department shall give priority in processing to persons in the order that the applications are received, except where the application of this processing priority system prevents the prompt approval of routine applications or where the public health, safety, or welfare will be threatened by delay. If the department determines after investigation that the diversion, storage, or withdrawal is consistent with the principles and policies of beneficial use and ensuring conservation, the department shall grant a permit. An application for a permit shall be approved or denied within ninety days from the date that the department receives the complete application. A renewal permit shall be approved or denied by the department within thirty days from the date that the department receives a complete application for renewal. If the applicant requests an extension of the time allotted, the department may approve the request to allow the applicant more time to submit additional information to resolve a contested or complex application. Regardless of the request in the application, and subject to appeal, the director or the department may determine the duration and frequency of withdrawal and the quantity of water to be diverted, stored, or withdrawn pursuant to the permit. Each permit granted after July 1, 1986, shall include conditions requiring routine conservation practices, and requiring implementation of emergency conservation measures after notification by the department.

2. If an application is received by July 1, 1986, the department shall grant a permit for the continuation of a beneficial use of water that was a nonregulated use prior to July 1, 1985, and now requires a permit pursuant to section 455B.268. However, the permit is subject to conditions requiring routine and emergency conservation measures and to modification or cancellation under section 455B.271. Applications received after July 1, 1986 for those uses shall be determined pursuant to subsection 1.

3. Permits shall be granted for a period of ten years; however, permits for withdrawal of water may be granted for less than ten years if geological data on the capacity of the aquifer and the rate of its recharge are indeterminate, and permits for the storage of water may be granted for the life of the structure unless revoked by the department. A permit granted shall remain as an appurtenance of the land described in the permit through the date specified in the permit and any extension of the permit or until an earlier date when the permit or its extension is canceled under section 455B.271. Upon application for a permit prior to the termination date specified in the permit, a permit may be renewed by the department for a period of ten years.

4. Permits for aquifer storage and recovery shall be granted for a period of twenty years or the life of the project, whichever is less, unless revoked by the department. The department shall adopt rules pursuant to chapter 17A relating to information an applicant for a permit shall submit to the department. At a minimum, the information shall include engineering, investigation, and evaluation information requisite to assure protection of the groundwater resource, and assurances that an aquifer storage and recovery site shall not unreasonably restrict other uses of the aquifer. Upon application and prior to the termination date specified in the original permit or a subsequent renewal permit, a renewal permit may be issued by the department for an additional period of twenty years. The department shall not authorize withdrawals of treated water from an aquifer storage and recovery site by anyone other than the permittee during the period of the original permit and each subsequent renewal permit. Treated water injected into an aquifer covered by a permit issued pursuant to this subsection is the property of the permittee.

5. Prior to the issuance of a new permit or modification of a permit under this section to a community public water supply, the department shall publish a notice of recommendation

to grant a permit. The notice shall include a brief summary of the proposed permit and shall be published in a newspaper of general circulation within the county of the proposed water source as provided in section 618.3. If the newspaper of general circulation is not the newspaper of the nearest locality to the proposed water source that publishes a newspaper, the notice shall also be published in the newspaper of the nearest locality to the proposed water source that publishes a newspaper and the department may charge the applicant for the expenses associated with publishing the notice in the second newspaper.

6. The department may charge a fee to a person who has been granted a permit pursuant to this section or is required to have a permit pursuant to section 455B.268. The commission shall adopt by rule the fee amounts.

*a.* The amount of a fee shall be based on the department's reasonable cost of reviewing applications, issuing permits, ensuring compliance with the terms of the permits, and resolving water interference complaints. The commission shall calculate the fees to produce total revenues of not more than five hundred thousand dollars for each fiscal year, commencing with the fiscal year beginning July 1, 2009, and ending June 30, 2010.

*b.* Fees collected pursuant to this subsection shall be credited to the water use permit fund created in section 455B.265A.

*c.* The commission shall annually review the amount of moneys generated by the fees, the balance in the water use permit fund, and the anticipated expenses for the succeeding fiscal year.

*d.* Fees paid pursuant to this section shall not be subject to sales or services taxes.

*e.* The department shall not require an applicant to pay both an annual fee and an application fee when submitting an application for a water use permit.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.20; 82 Acts, ch 1199, §19, 96]

C83, §455B.265

83 Acts, ch 137, §12; 85 Acts, ch 7, §5; 86 Acts, ch 1245, §1899A, 1899B; 90 Acts, ch 1094, §1; 98 Acts, ch 1043, §3; 2005 Acts, ch 51, §1; 2008 Acts, ch 1163, §2; 2013 Acts, ch 59, §3

Referred to in §423.3, 455B.265A, 455B.271, 455B.281

Subsection 1 amended

**455B.265A Water use permit fund — appropriation.**

1. A water use permit fund is created in the state treasury. The fund shall be separate from the general fund of the state and shall be under the control of the department.

2. Moneys credited to the fund from the fees assessed pursuant to section 455B.265, subsection 6, are appropriated to the department and shall be used for all of the following purposes:

*a.* Reviewing applications for permits under section 455B.265, issuing permits, and providing technical assistance to permit applicants.

*b.* Ensuring compliance with the terms of the permits.

*c.* Implementing and enforcing the provisions of sections 455B.261 through 455B.281 pertaining to water allocation, use, diversion, storage, and withdrawal, and completing investigations needed to issue new or modified permits or to resolve water interference complaints.

3. Notwithstanding section 8.33, any unexpended balance in the fund at the end of a fiscal year shall be retained in the fund.

4. Notwithstanding section 12C.7, subsection 2, interest, earnings on investments, or time deposits of the moneys in the fund shall be retained in the fund.

2008 Acts, ch 1163, §3

Referred to in §455B.265

**455B.266 Priority allocation.**

1. After any event described in paragraphs *"a"* through *"d"* of this subsection has occurred, the department shall investigate and, if appropriate, may implement the priority allocation plan provided in subsection 2. The department shall require existing permittees to implement appropriate emergency conservation measures. The pertinent public notice and hearing requirements of subsection 4 of this section and sections 455B.271 and 455B.278 shall apply to the implementation of the plan.

*a.* Receipt of a petition by twenty-five affected persons or a governmental subdivision requesting that the priority allocation plan be implemented due to a substantial local water shortage.

*b.* Receipt of information from a state or federal natural resource, research or climatological agency indicating that a drought of local or state magnitude is imminent.

*c.* Issuance by the governor of a proclamation of a disaster emergency due to a drought or other event affecting water resources of the state.

*d.* Determination by the department in conjunction with the department of homeland security and emergency management of a local crisis which affects availability of water.

2. Notwithstanding a person's possession of a permit or the person's use of water being a nonregulated use, the department may suspend or restrict usage of water by category of use on a local or statewide basis in the following order:

*a.* Water conveyed across state boundaries.

*b.* Uses of water primarily for recreational or aesthetic purposes.

*c.* Uses of water for the irrigation of hay, corn, soybeans, oats, grain sorghum or wheat.

*d.* Uses of water for the irrigation of crops other than hay, corn, soybeans, oats, grain sorghum or wheat.

*e.* Uses of water for manufacturing or other industrial processes.

*f.* Uses of water for generation of electrical power for public consumption.

*g.* Uses of water for livestock production.

*h.* Uses of water for human consumption and sanitation supplied by rural water districts, municipal water systems, or other public water supplies as defined in section 455B.171.

*i.* Uses of water for human consumption and sanitation supplied by a private water supply as defined in section 455B.171.

3. Unless the governor has issued a proclamation described in subsection 1, paragraph "*c*", the department shall not impose a suspension of water use or a further restriction, other than conservation, on the uses of water provided in subsection 2, paragraphs "*g*" through "*i*" or on users of water pursuant to a contract with the state as provided in section 455B.263, subsections 5 and 6. If a contract with the state as provided in section 455B.263, subsections 5 and 6 was in effect prior to March 5, 1985, the department shall not impose a suspension of water use or a further restriction, other than conservation, on the users of water pursuant to that contract.

4. Suspension or restrictions of water usage applicable to otherwise nonregulated water users shall be by emergency order of the director which the department shall cause to be published in local newspapers of general circulation and broadcast by local media. The emergency order shall state an effective date of the suspension or restriction and shall be immediately effective on such date unless stayed, modified or vacated at a hearing before the commission or by a court.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.21; 82 Acts, ch 1199, §20, 96]

C83, §455B.266

83 Acts, ch 137, §13; 85 Acts, ch 7, §6; 86 Acts, ch 1136, §1; 86 Acts, ch 1245, §1899A, 1899B; 92 Acts, ch 1139, §30; 2003 Acts, ch 179, §157; 2013 Acts, ch 29, §56

Referred to in §455B.265A, 455B.271

Subsection 1, paragraph d amended

**455B.267 Permits for beneficial use — prohibitions.**

1. The director or the commission may issue a permit for beneficial use of water in a watercourse if the established average minimum water flow is preserved.

2. A use of water shall not be authorized if it will impair the effect of this chapter or any other pollution control law of this state.

3. A permit shall not be issued or continued if it will impair the navigability of any navigable watercourse.

4. A permit to divert, store or withdraw water shall not be issued or continued if it will

unreasonably impair the long-term availability of water from a surface or groundwater source in terms of quantity or quality, or otherwise adversely affect the public health or welfare.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.22 – 455A.24; 82 Acts, ch 1199, §21, 96]
C83, §455B.267
85 Acts, ch 7, §7; 86 Acts, ch 1245, §1899A
Referred to in §455B.265A, 460.302

**455B.268 When permit required.**

1. A permit shall be required for the following:

*a.* Except for a nonregulated use, a person diverting, storing or withdrawing water from any surface or groundwater source.

*b.* A person who diverts water or any material from the surface directly into an underground watercourse or basin.

2. The commission may adopt, modify, or repeal rules pursuant to chapter 17A specifying the conditions under which the director may authorize specific nonrecurring minor uses of water for periods not to exceed one year through registration.

3. Notwithstanding any exemptions from permit requirements, nothing in this part exempts water users from requirements for reporting which the commission adopts by rule.

[C58, 62, 66, 71, 73, 75, 77, §455A.25; C79, 81, §455A.8, 455A.25; 82 Acts, ch 1199, §22, 96]
C83, §455B.268
85 Acts, ch 7, §8; 86 Acts, ch 1245, §1899A
Referred to in §455B.172, 455B.265, 455B.265A

**455B.269 Taking water prohibited.**

1. A person shall not take water from a natural watercourse, underground basin or watercourse, drainage ditch, or settling basin within this state for any purpose other than a nonregulated use except in compliance with the sections of this part which relate to the withdrawal, diversion, or storage of water. However, existing uses may be continued during the period of the pendency of an application for a permit.

2. A person, other than the aquifer storage and recovery permittee, shall not take treated water from a permitted aquifer storage and recovery site within this state.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.26; 82 Acts, ch 1199, §23, 96]
C83, §455B.269
83 Acts, ch 137, §14; 98 Acts, ch 1043, §4
Referred to in §455B.265A

**455B.270 Rights preserved.**

The sections of this part which relate to the withdrawal, diversion, or storage of water do not deprive any person of the right to use diffused waters, to drain land by use of tile, open ditch, or surface drainage, or to construct an impoundment on the person's property or across a stream that originates on the person's property if provision is made for safe construction and for a continued established average minimum flow when the flow is required to protect the rights of water users below.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.27; 82 Acts, ch 1199, §24, 96]
C83, §455B.270
83 Acts, ch 137, §15
Referred to in §455B.265A

**455B.271 Modification or cancellation of permits.**

Each permit issued under section 455B.265 is irrevocable for its term and for any extension of its term except as follows:

1. A permit may be modified or canceled by the department with the consent of the permittee.

2. Subject to appeal to the department of inspections and appeals, a permit may be modified or canceled by the director if any of the following occur:

*a.* There is a breach of the terms of the permit.

*b.* There is a violation of the law pertaining to the permit by the permittee or the permittee's agents.

*c.* There is a circumstance of nonuse as provided in section 455B.272.

*d.* The department finds that modification or cancellation is necessary to protect the public health or safety, to protect the public interests in lands or waters, to require conservation measures or to prevent substantial injury to persons or property in any manner. Before the modification or cancellation is effective, the department shall give at least thirty days' written notice mailed to the permittee at the permittee's last known address, stating the grounds of the proposed modification or cancellation and giving the permittee an opportunity to be heard on the proposal.

3. By written emergency order to the permittee, the department may suspend or restrict operations under a permit if the director finds it necessary in an emergency to protect the public health, to protect the public interest in waters against imminent danger of substantial injury in any manner or to an extent not expressly authorized by the permit, to implement the priority allocation system of section 455B.266, or to protect persons or property against imminent danger. The department may require the permittee to take measures necessary to prevent or remedy the injury. The emergency order shall state the effective date of the suspension or restriction and shall be immediately effective on that date unless stayed, modified or vacated at a hearing before the department or by a court.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.28; 82 Acts, ch 1199, §25, 96]

C83, §455B.271

83 Acts, ch 137, §16; 85 Acts, ch 7, §9, 10; 86 Acts, ch 1245, §1899A, 1899B

Referred to in §455B.265, 455B.265A, 455B.266, 455B.281

**455B.272 Termination of permit.**

The right of the permittee and the permittee's successors to the use of water shall terminate when the permittee or the permittee's successors fail for three consecutive years to use it for the specific beneficial purpose authorized in the permit and, after notification by the department of intent to cancel the permit for nonuse, the permittee or the permittee's successors fail to demonstrate adequate plans to use water within a reasonable time. However, nonuse of water due to adequate rainfall does not constitute grounds for cancellation of a permit to use water for irrigation.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.29; 82 Acts, ch 1199, §26, 96]

C83, §455B.272

83 Acts, ch 137, §17

Referred to in §455B.265A, 455B.271

**455B.273 Disposal of permit.**

A permittee may sell, transfer, or assign a permit by conveying, leasing, or otherwise transferring the ownership of the land described in the permit, but the permit does not constitute ownership or absolute rights of use of the waters. The waters remain subject to the principle of beneficial use and the orders of the director or commission.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.30; 82 Acts, ch 1199, §27, 96]

C83, §455B.273

86 Acts, ch 1245, §1899

Referred to in §455B.265A

**455B.274 Unauthorized depleting uses.**

If a person files a complaint with the department that another person is making a depleting use of water not expressly exempted as a nonregulated use under this part and without a permit to do so, the department shall cause an investigation to be made and if the facts stated in the complaint are verified the department shall order the discontinuance of the use.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.32; 82 Acts, ch 1199, §28, 96]

C83, §455B.274

Referred to in §455B.265A

**455B.275 Prohibited acts — powers of commission and executive director.**

1. A person shall not permit, erect, use, or maintain a structure, dam, obstruction, deposit, or excavation in or on a floodway or floodplains, which will adversely affect the efficiency of or unduly restrict the capacity of the floodway, or adversely affect the control, development, protection, allocation, or utilization of the water resources of the state, and the same are declared to be public nuisances.

2. The department may commence, maintain, and prosecute any appropriate action to enjoin or abate a nuisance, including any of the nuisances specified in subsection 1 and any other nuisance which adversely affects flood control.

3. *a.* A person shall file a written application with the department if the person desires to do any of the following:

(1) Erect, construct, use, or maintain a structure, dam, obstruction, deposit, or excavation in or on any floodway or floodplains.

(2) Erect, construct, maintain, or operate a dam on a navigable or meandered stream.

(3) Erect, construct, maintain, or operate a dam on a stream for manufacturing or industrial purposes.

*b.* The application shall set forth information as required by rule of the commission. The department, after an investigation, shall approve or deny the application imposing conditions and terms as prescribed by the department.

4. Notwithstanding design criteria and guidelines for Iowa dams adopted by the department, all of the following standards shall apply to a person reconstructing a dam that was damaged due to a natural disaster who files an application under subsection 3:

*a.* The person reconstructing the dam is only required to possess the flooding easements or ownership which was held prior to the reconstruction as long as the former normal pool elevation is not exceeded and the spillway capacity is increased by at least fifty percent.

*b.* Flooding easements or ownership is only required to the top of the reconstructed spillway elevation.

5. The department may maintain an action in equity to enjoin a person from erecting or making or permitting to be made a structure, dam, obstruction, deposit, or excavation for which a permit has not been granted. The department may also seek judicial abatement of any structure, dam, obstruction, deposit, or excavation erected or made without a permit required under this part. The abatement proceeding may be commenced to enforce an administrative determination of the department in a contested case proceeding that a public nuisance exists and should be abated. The costs of abatement shall be borne by the violator. Notwithstanding section 352.11, a structure, dam, obstruction, deposit, or excavation on a floodway or floodplain in an agricultural area established under chapter 352 is not exempt from the sections of this part which relate to regulation of floodplains and floodways. As used in this subsection, "*violator*" includes a person contracted to erect or make a structure, dam, obstruction, deposit, or excavation in a floodway including stream straightening unless the project is authorized by a permit required under this part.

6. The department may remove or eliminate a structure, dam, obstruction, deposit, or excavation in a floodway which adversely affects the efficiency of or unduly restricts the capacity of the floodway, by an action in condemnation, and in assessing the damages in the proceeding, the appraisers and the court shall take into consideration whether the structure, dam, obstruction, deposit, or excavation is lawfully in or on the floodway in compliance with this part.

7. The department may require, as a condition of an approval order or permit granted pursuant to this part, the furnishing of a performance bond with good and sufficient surety, conditioned upon full compliance with the order or permit and the rules of the commission. In determining the need for and amount of bond, the department shall give consideration to the hazard posed by the construction and maintenance of the approved works and the protection of the health, safety, and welfare of the people of the state. This subsection does not apply to orders or permits granted to a governmental entity.

8. When approving a request to straighten a stream, the department may establish as a condition of approval a permanent prohibition against tillage of land owned by the person receiving the approval and lying within a minimum distance from the stream sufficient in

the judgment of the director or commission to hold soil erosion to reasonable limits. The department shall record the prohibition in the office of the county recorder of the appropriate county and the prohibition shall attach to the land.

9. The commission shall establish, by rule, thresholds for dimensions and effects, and any structure, dam, obstruction, deposit, or excavation having smaller dimensions and effects than those established by the commission is not subject to regulation under this section. The thresholds shall be established so that only those structures, dams, obstructions, deposits, or excavations posing a significant threat to the well-being of the public and the environment are subject to regulation.

10. The commission or the department shall not initiate any administrative or judicial action to remove or eliminate any structure, dam, obstruction, deposit, or excavation in a floodway, or to remove or eliminate any stream straightening, or to place other restrictions on the use of land or water affected by the structure, dam, obstruction, deposit, excavation, or stream straightening if not initiated within five years after the department becomes aware of the erection or making of the structure, dam, obstruction, deposit, excavation, or stream straightening. After ten years from the completion of the erection or making of the structure, dam, obstruction, deposit, excavation, or stream straightening, the prohibition of this subsection applies to, but is not limited to, any administrative or judicial abatement or action in condemnation that the commission or department may initiate under this section unless action is required to protect the public safety, in which case this section is not intended to limit the department from taking actions otherwise authorized by law.

[C50, 54, §455A.19; C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.33; 82 Acts, ch 1199, §29, 96]

C83, §455B.275

83 Acts, ch 137, §18; 86 Acts, ch 1144, §2; 88 Acts, ch 1196, §1, 2; 90 Acts, ch 1108, §4; 2011 Acts, ch 25, §143; 2013 Acts, ch 69, §1; 2013 Acts, ch 140, §70

Referred to in §455B.265A, 469A.8

Nuisances in general, chapter 657

In addition to prospective application, 1988 amendments amending subsection 5 and enacting subsection 10 apply to all knowledge possessed by department for at least five years before July 1, 1988, and to all projects completed earlier than ten years before July 1, 1988; 88 Acts, ch 1196, §3

Validity of permits or licenses issued before July 1, 1990, under chapter 469, Code 1989; rights and obligations governed by §455B.275; 90 Acts, ch 1108, §6

NEW subsection 4 and former subsections 4 – 9 renumbered as 5 – 10

**455B.276 Floodplains — encroachment limits.**

The commission may establish and enforce rules for the orderly development and wise use of the floodplains of any river or stream within the state and alter, change, or revoke the rules. The commission shall determine the characteristics of floods which reasonably may be expected to occur and may establish by order encroachment limits, protection methods, and minimum protection levels appropriate to the flooding characteristics of the stream and to reasonable use of the floodplains. The order shall fix the length of floodplains to be regulated at any practical distance, the width of the zone between the encroachment limits so as to include portions of the flood plains adjoining the channel, which with the channel, are required to carry and discharge the flood waters or flood flow of the river or stream, and the design discharge and water surface elevations for which protection shall be provided for projects outside the encroachment limits but within the limits of inundation. Plans for the protection of projects proposed for areas subject to inundation shall be reviewed as plans for flood control works within the purview of section 455B.277. An order establishing encroachment limits shall not be issued until notice of the proposed order is given and opportunity for public hearing given for the presentation of protests against the order. In establishing the limits, the commission shall avoid to the greatest possible degree the evacuation of persons residing in the area of a floodway, the removal of residential structures occupied by the persons in the area of a floodway, and the removal of structures erected or made prior to July 4, 1965, which are located on the flood plains of a river or stream but not within the area of a floodway.

The commission shall cooperate with and assist local units of government in the establishment of encroachment limits, floodplain regulations, and zoning ordinances relating to floodplain areas within their jurisdiction. Encroachment limits, floodplain

regulations, or floodplain zoning ordinances proposed by local units of government shall be submitted to the department for review and approval prior to adoption by the local units of government. Changes or variations from an approved regulation or ordinance as it relates to floodplain use are subject to approval by the commission prior to adoption. Individual applications, plans, and specifications and individual approval orders shall not be required for works on the floodplains constructed in conformity with encroachment limits, floodplain regulations, or zoning ordinances adopted by the local units of government and approved by the commission.

[C50, 54, §455A.21; C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.35; 82 Acts, ch 1199, §30, 96]
C83, §455B.276
83 Acts, ch 137, §19
Referred to in §455B.265A

**455B.277 Flood control works coordinated.**

All flood control works in the state, which are established and constructed after April 16, 1949, shall be coordinated in design, construction, and operation according to sound and accepted engineering practice so as to effect the best flood control obtainable throughout the state. A person shall not construct or install works of any nature for flood control until the proposed works and the plans and specifications for the works are approved by the department. The department shall consider all the pertinent facts relating to the proposed works which will affect flood control and water resources in the state and shall determine whether the proposed works in the plans and specifications will be in aid of and acceptable as part of, or will adversely affect and interfere with flood control in the state, adversely affect the control, development, protection, allocation, or utilization of the water resources of the state, or adversely affect or interfere with an approved local water resources plan. In the event of disapproval, the department shall set forth the objectionable features so that the proposed works and the plans and specifications for the proposed works may be corrected or adjusted to obtain approval.

This section applies to drainage districts, soil and water conservation districts, the natural resource commission, political subdivisions of the state, and private persons undertaking projects relating to flood control.

[C50, 54, §455A.22; C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.36; 82 Acts, ch 1199, §31, 96]
C83, §455B.277
83 Acts, ch 137, §20; 88 Acts, ch 1134, §86
Referred to in §455B.265A, 455B.276

**455B.278 Permit application procedures.**

1. The commission shall adopt, modify, or repeal rules establishing procedures by which permits required under this part shall be issued, suspended, revoked, modified, or denied. The rules shall include provisions for application, public notice and opportunity for public hearing, and contested cases. Public notice of a decision by the director to issue a permit shall be given in a manner designed to inform persons who may be adversely affected by the permitted project or activity.

2. Action by the department upon an application for a permit required under this part may be appealed to the commission by the applicant or any affected person within thirty days of the department's action. A hearing before the commission or its designee is a contested case. The hearings and judicial review of decisions of the commission shall be carried out in accordance with chapter 17A. Notwithstanding chapter 17A, petitions for judicial review may be filed in the district court of Polk county or of any county in which the property affected is located. If the commission, the district court, or the supreme court determines that the action of the commission shall be stayed, the petitioner shall file an appropriate bond approved by the court.

[C50, 54, §455A.23; C58, 62, 66, 71, 73, 75, 77, 79, 81, §455A.19, 455A.37; 82 Acts, ch 1199, §32, 96]
C83, §455B.278
83 Acts, ch 136, §3; 83 Acts, ch 137, §21
Referred to in §455B.265A, 455B.266

**455B.279 Violation.**

1. The director may issue any order necessary to secure compliance with or prevent a violation of this part or the rules adopted pursuant to this part. Within thirty days of issuance, the order may be appealed to the commission by filing a notice of appeal with the director. The appeal shall be conducted as a contested case pursuant to chapter 17A and the commission may affirm, modify, or revoke the order. The department may request legal services as required from the attorney general, including any legal proceeding necessary to obtain compliance with this part and rules and orders issued under this part.

2. A person who violates a provision of this part or a rule or order adopted or promulgated or the conditions of a permit issued pursuant to this part is subject to a civil penalty not to exceed five hundred dollars for each day that a violation occurs.

[C50, 54, §455A.26; C58, 62, 66, 71, 73, 75, 77, §455A.39; C79, 81, §455A.33(7), 455A.39; 82 Acts, ch 1199, §33, 96]

C83, §455B.279

83 Acts, ch 137, §22; 86 Acts, ch 1144, §3

Referred to in §455B.265A

**455B.280** Repealed by 86 Acts, ch 1245, § 668.

**455B.281 Compensation for well interference.**

If an investigation by the department, using information provided by the applicant or permittee and the complainant, discloses that a proposed or existing permitted use or combination of such uses is causing or will cause the delivery system to fail in a well which supplies water for a nonregulated use, the department may condition issuance or continuation of a permit upon payment by the permittee of compensation for all or a portion of the cost of a replacement water supply system or remedial measures necessitated by the interference. However, such condition may be imposed only after the parties demonstrate to the department that a good faith effort to negotiate a mutually agreeable compensation has been made and has failed.

Determination of the amount of compensation for the well interference shall be made a part of the determination of the department in accordance with section 455B.265 or 455B.271. The department may require the submission of itemized estimates of the cost of remedial repairs or a replacement water supply system. In determining appropriate compensation, the department shall consider the age and condition of the affected well or pumping system and its reasonableness as a method of obtaining groundwater in light of the history of development of groundwater in the surrounding area. When compensation is required for all or part of the cost of construction of a replacement water supply system or reconstruction of an affected well, the construction or reconstruction must comply with applicable well construction standards. A permittee is not required to pay compensation before having an opportunity to do test pumping authorized by the department and supervised by the department or designee.

The determination of the department shall be subject to administrative and judicial review and shall be the exclusive remedy for such interference.

85 Acts, ch 7, §11

Referred to in §455B.265A

**455B.282 County and city control of junkyards.**

Nothing in this part shall be construed as limiting the authority of a city or county to adopt an ordinance regulating a junkyard located within a five hundred year floodplain.

2009 Acts, ch 146, §4

**455B.283 through 455B.290** Reserved.

## PART 5

## WATER POLLUTION CONTROL WORKS AND DRINKING WATER FACILITIES FINANCING PROGRAM

See also §16.131 – 16.135

**455B.291 Definitions.**

As used in this part, unless the context requires otherwise:

1. *"Administration funds"* means funds established pursuant to this part for the costs and expenses associated with administering the program under this part and section 16.133A.

2. *"Authority"* means the Iowa finance authority created in section 16.1A.

3. *"Clean Water Act"* means the federal Water Pollution Control Act of 1972, Pub. L. No. 92-500, as amended by the Water Quality Act of 1987, Pub. L. No. 100-4, as published in 33 U.S.C. § 1251 – 1376, as amended.

4. *"Cost"* means all costs, charges, expenses, or other indebtedness incurred by a loan recipient and determined by the department as reasonable and necessary for carrying out all works and undertakings necessary or incidental to the accomplishment of any project.

5. *"Eligible entity"* means a person eligible under the provisions of the Clean Water Act, the Safe Drinking Water Act, and the commission rules to receive loans for projects from any of the revolving loan funds.

6. *"Loan recipient"* means an eligible entity that has received a loan from any of the revolving loan funds.

7. *"Municipality"* means a city, county, sanitary district, state agency, or other governmental body or corporation empowered to provide sewage collection and treatment services, or any combination of two or more of the governmental bodies or corporations acting jointly, in connection with a project.

8. *"Program"* means the Iowa water pollution control works and drinking water facilities financing program created pursuant to section 455B.294.

9. *"Project"* means one of the following:

*a.* In the context of water pollution control facilities, the acquisition, construction, reconstruction, extension, equipping, improvement, or rehabilitation of any works and facilities useful for the collection, treatment, and disposal of sewage and industrial waste in a sanitary manner including treatment works as defined in section 212 of the Clean Water Act, or the implementation and development of management programs established under sections 319 and 320 of the Clean Water Act, including construction and undertaking of nonpoint source water pollution control projects and related development activities authorized under those sections.

*b.* In the context of drinking water facilities, the acquisition, construction, reconstruction, extending, remodeling, improving, repairing, or equipping of waterworks, water mains, extensions, or treatment facilities useful for providing potable water to residents served by a water system, including the acquisition of real property needed for any of the foregoing purposes, and such other purposes and programs as may be authorized under the Safe Drinking Water Act.

10. *"Revolving loan funds"* means the funds of the program established under sections 16.133A and 455B.295.

11. *"Safe Drinking Water Act"* means Tit. XIV of the federal Public Health Service Act, commonly known as the "Safe Drinking Water Act", 42 U.S.C. § 300f et seq., as amended by the Safe Drinking Water Amendments of 1996, Pub. L. No. 104-182, as amended.

12. *"Water system"* means any community water system or nonprofit noncommunity water system, each as defined in the Safe Drinking Water Act, that is eligible under the rules of the department to receive a loan under the program for the purposes of undertaking a project.

88 Acts, ch 1217, §10; 89 Acts, ch 83, §54; 95 Acts, ch 98, §1; 97 Acts, ch 4, §7; 2002 Acts, ch 1019, §1; 2009 Acts, ch 30, §11; 2013 Acts, ch 100, §25, 27

Referred to in §16.131, 418.4, 455B.199B, 456A.17

Subsection 2 amended

**455B.292 Findings.**

The general assembly finds that the proper construction, rehabilitation, operation, and maintenance of modern and efficient wastewater treatment works, other water pollution control works, and drinking water facilities are essential to protecting and improving the state's water quality and the health of its citizens; that protecting and improving water quality is an issue of concern to the citizens of the state; that in addition to protecting and improving the state's water quality, adequate wastewater treatment and water pollution control works and drinking water facilities are essential to economic growth and development; that during the last several years the amount of federal grant money available to states and local governments for assistance in constructing and improving wastewater treatment works and safe drinking water facilities has sharply diminished and will likely continue to diminish; and that it is proper for the state to encourage local governments, individuals, and other entities to undertake water pollution control and drinking water projects through the establishment of a state mechanism to provide loans at the lowest reasonable rates.

88 Acts, ch 1217, §11; 97 Acts, ch 4, §8; 2002 Acts, ch 1019, §2

Referred to in §16.131, 455B.199B, 456A.17

**455B.293 Policy.**

It is the policy of this state that it is in the public interest to establish a water pollution control works and drinking water facilities financing program and revolving loan funds and administration funds to make loans available from the state to eligible entities for the purpose of undertaking projects. This section shall be broadly construed to effect and accomplish that purpose.

88 Acts, ch 1217, §12; 97 Acts, ch 4, §9; 2002 Acts, ch 1019, §3

Referred to in §16.131, 455B.199B, 456A.17

**455B.294 Establishment of the Iowa water pollution control works and drinking water facilities financing program.**

The Iowa water pollution control works and drinking water facilities financing program is established for the purpose of making loans available to eligible entities to finance all or part of the costs of projects. The program shall be a joint and cooperative undertaking of the department and the authority. The department and the authority may enter into and provide any agreements, documents, instruments, certificates, data, or information necessary in connection with the operation, administration, and financing of the program consistent with this part, the Safe Drinking Water Act, the Clean Water Act, the rules of the department and the commission, the rules of the authority, and other applicable federal and state law. The authority and the department may act to conform the program to the applicable guidance and regulations adopted by the United States environmental protection agency.

88 Acts, ch 1217, §13; 97 Acts, ch 4, §10; 2002 Acts, ch 1019, §4

Referred to in §16.131, 16.131A, 455B.199B, 455B.291, 456A.17

**455B.295 Funds and accounts.**

1. Four separate funds are established in the state treasury, to be known as the water pollution control works revolving loan fund, the water pollution control works administration fund, the drinking water facilities revolving loan fund, and the drinking water facilities administration fund.

2. Each of the revolving loan funds shall include sums appropriated to the revolving loan funds by the general assembly, sums transferred by action of the governor under section 455B.296, subsection 3, sums allocated to the state expressly for the purposes of establishing each of the revolving loan funds under the Clean Water Act and the Safe Drinking Water Act, all receipts by the revolving loan funds, and any other sums designated for deposit to the revolving loan funds from any public or private source. All moneys appropriated to and deposited in the revolving loan funds are appropriated and shall be used for the sole purpose of making loans to eligible entities to finance all or part of the cost of projects, including sponsor projects under the water resource restoration sponsor program established in section 455B.199. The moneys appropriated to and deposited in the water pollution control works revolving loan fund shall not be used to pay the nonfederal share of the cost of projects

receiving grants under the Clean Water Act. The moneys in the revolving loan funds are not considered part of the general fund of the state, are not subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the general fund of the state but shall remain in the revolving loan funds to be used for their respective purposes. The revolving loan funds are separate dedicated funds under the administration and control of the authority and subject to section 16.31. Moneys on deposit in the revolving loan funds shall be invested by the treasurer of state in cooperation with the authority, and the income from the investments shall be credited to and deposited in the appropriate revolving loan funds.

3. The administration funds shall include sums appropriated to the administration funds by the general assembly, sums allocated to the state for the express purposes of administering the programs, policies, and undertakings authorized by the Clean Water Act and the Safe Drinking Water Act, and all receipts by the administration funds from any public or private source. All moneys appropriated to and deposited in the administration funds are appropriated for and shall be used and administered by the department to pay the costs and expenses associated with the program, including administration of the program, as may be determined by the department.

4. The department may establish and maintain funds or accounts determined to be necessary to carry out the purposes of this part and shall provide for the funding, administration, investment, restrictions, and disposition of the funds and accounts. The department and the authority may combine administration of the revolving loan funds, and cross collateralize the same to the extent permitted by the Clean Water Act, the Safe Drinking Water Act, and other applicable federal law. Moneys appropriated to the department and the authority for purposes of paying the costs and expenses associated with the administration of the program shall be administered as determined by the department and the authority.

5. The funds or accounts held by the department, or a trustee acting on behalf of the department pursuant to a trust agreement related to the program, shall not be considered part of the general fund of the state, are not subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the general fund of the state, but shall remain in the funds and accounts maintained by the department or trustee pursuant to a trust agreement. Funds and accounts held by the department, or a trustee acting on behalf of the department pursuant to a trust agreement related to the program, are separate dedicated funds and accounts under the administration and control of the department.

88 Acts, ch 1217, §14; 97 Acts, ch 4, §11; 2002 Acts, ch 1019, §5; 2009 Acts, ch 30, §12 – 14; 2009 Acts, ch 72, §8

Referred to in §16.131, 16.131A, 455B.199, 455B.199B, 455B.291, 456A.17

**455B.296 Intended use plans — capitalization grants — accounting.**

1. Each fiscal year beginning July 1, 1988, the department may prepare and deliver intended use plans and enter into capitalization grant agreements with the administrator of the United States environmental protection agency under the terms and conditions set forth in the Clean Water Act and the Safe Drinking Water Act and federal regulations adopted pursuant to the Acts and may accept capitalization grants for each of the revolving loan funds in accordance with payment schedules established by the administrator. All payments from the administrator shall be deposited in the appropriate revolving loan funds.

2. The department and the authority shall establish fiscal controls and accounting procedures during appropriate accounting periods for payments received for deposit in and disbursements made from the revolving loan funds and the administration funds and to fund balances at the beginning and end of the accounting periods.

3. Upon receipt of the joint recommendation of the department and the authority with respect to the amounts to be so reserved and transferred, and subject in all respects to the applicable provisions of the Clean Water Act, Safe Drinking Water Act, and other applicable federal law, the governor may direct that the recommended portion of a capitalization grant made in respect of one of the revolving loan funds in any year be reserved for the transfer to another revolving loan fund. The authority and the department may effect the transfer of any

funds reserved for such purpose, as directed by the governor, and shall cause the records of the program to reflect the transfer. Any sums so transferred shall be expended in accordance with the intended use plan for the applicable revolving loan fund.

88 Acts, ch 1217, §15; 97 Acts, ch 4, §12; 2002 Acts, ch 1019, §6; 2009 Acts, ch 30, §15
Referred to in §16.131, 455B.199B, 455B.295, 455B.297, 456A.17

**455B.297 Loans to eligible entities.**

1. Moneys deposited in the revolving loan funds shall be used for the primary purpose of making loans to eligible entities to finance the eligible costs of projects in accordance with the intended use plans developed by the department under section 455B.296. The loan recipients and the purpose and amount of the loans shall be determined by the director, in accordance with rules adopted by the commission, in compliance with and subject to the terms and conditions of the Clean Water Act, the Safe Drinking Water Act, and other applicable federal law, as applicable, and any resolution, agreement, indenture, or other document of the authority, and rules adopted by the authority, relating to any bonds, notes, or other obligations issued for the program which may be applicable to the loan.

2. Notwithstanding any provision of this chapter to the contrary, moneys received under the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, and deposited in the revolving loan funds may be used in any manner permitted or required by applicable federal law.

88 Acts, ch 1217, §16; 97 Acts, ch 4, §13; 2002 Acts, ch 1019, §7; 2009 Acts, ch 30, §16; 2009 Acts, ch 100, §19, 21
Referred to in §16.131, 455B.199B, 456A.17

**455B.298 Powers and duties of the director.**

The director shall:

1. Process, review, and approve or deny intended use plan applications to determine if an application meets the eligibility requirements set by the rules of the department.

2. Process and review all documents relating to the planning, design, construction, and operation of water pollution control works and drinking water facilities pursuant to this part.

3. Prepare and process, in coordination with the authority, documents relating to the administration of the program.

4. Include in the budget prepared pursuant to section 455A.4, subsection 1, paragraph "c", an annual budget for the administration of the program and the use and disposition of amounts on deposit in the administration funds.

5. Receive fees pursuant to the program as determined in conjunction with the authority.

6. Perform other acts and assume other duties and responsibilities necessary for the operation of the program and for the carrying out of the Clean Water Act and the Safe Drinking Water Act.

88 Acts, ch 1217, §17; 97 Acts, ch 4, §14; 2002 Acts, ch 1019, §8; 2009 Acts, ch 30, §17
Referred to in §16.131, 455B.199B, 456A.17

**455B.299 Adoption of rules.**

The commission shall adopt rules pursuant to chapter 17A appropriate for the administration of this part.

88 Acts, ch 1217, §18
Referred to in §16.131, 455B.199B, 456A.17

**455B.300** Reserved.

# DIVISION IV

# SOLID WASTE DISPOSAL

## PART 1

## SOLID WASTE

**455B.301 Definitions.**

As used in this part 1 of division IV, unless the context clearly indicates a contrary intent:

1. *"Actual cost"* means the operational, remedial and emergency action, closure, postclosure, and monitoring costs of a sanitary disposal project for the lifetime of the project.

2. *"Beneficial use"* means a specific utilization of a solid by-product as a resource that constitutes reuse rather than disposal, does not adversely affect human health or the environment, and is approved by the department.

3. *"Beverage"* means wine as defined in section 123.3, subsection 47, alcoholic liquor as defined in section 123.3, subsection 5, beer as defined in section 123.3, subsection 7, wine cooler or drink, tea, potable water, soda water and similar carbonated soft drinks, mineral water, fruit juice, vegetable juice, or fruit or vegetable drinks, which are intended for human consumption.

4. *"Beverage container"* means a sealed glass, plastic, or metal bottle, can, jar, or carton containing a beverage.

5. *"Biodegradable"* means degradable through a process by which fungi or bacteria secrete enzymes to convert a complex molecular structure to simple gasses and organic compounds.

6. *"Closure"* means actions that will prevent, mitigate, or minimize the threat to public health and the environment posed by a closed sanitary landfill, including but not limited to application of final cover, grading and seeding of final cover, installation of an adequate monitoring system, and construction of ground and surface water diversion structures, if necessary.

7. *"Closure plan"* means the plan which specifies the methods and schedule by which an operator will complete or cease disposal operations of a sanitary disposal project, prepare the area for long-term care, and make the area suitable for other uses.

8. *"Degradable"* means capable of decomposing by biodegradation, photodegradation, or chemical process into harmless component parts after exposure to natural elements for not more than three hundred sixty-five days.

9. *"Financial assurance instrument"* means an instrument submitted by an applicant to ensure the operator's financial capability to provide reasonable and necessary remedial responses.

*a.* The instrument shall be sufficient to ensure adequate response pursuant to section 455B.304, subsection 6.

*b.* The instrument shall be sufficient to ensure the proper closure and postclosure care of the project, and corrective action, if necessary, in the event the operator fails to correctly perform those requirements.

*c.* The instrument may provide for one or more of the following:

(1) The establishment of a secured trust fund.
(2) The use of a cash or surety bond.
(3) The obtaining of insurance.
(4) The satisfaction of a corporate financial test.
(5) The satisfaction of a local government financial test.
(6) The obtaining of a corporate guarantee.
(7) The obtaining of a local government guarantee.
(8) The use of a local government dedicated fund.
(9) The obtaining of an irrevocable letter of credit.

10. *"Incinerator"* means any enclosed device using controlled flame combustion that does

not meet the criteria for classification as a boiler and is not listed as an industrial furnace. *"Incinerator"* does not include thermal oxidizers used for the treatment of gas emissions.

11. *"Leachate"* means fluid that has percolated through solid waste and which contains contaminants consisting of dissolved or suspended materials, chemicals, or microbial waste products from the solid waste.

12. *"Lifetime of the project"* means the projected period of years that a landfill will receive waste, from the time of opening until closure, based on the volume of waste to be received projected at the time of submittal of the initial project plan and the calculated refuse capacity of the landfill based upon the design of the project.

13. *"Manufacturer"* means a person who by labor, art, or skill transforms raw material into a finished product or article of trade.

14. *"Photodegradable"* means degradable through a process in which ultraviolet radiation in sunlight causes a chemical change in a material.

15. *"Postclosure"* and *"postclosure care"* mean the time and actions taken for the care, maintenance, and monitoring of a sanitary disposal project after closure that will prevent, mitigate, or minimize the threat to public health, safety, and welfare and the threat to the environment posed by the closed facility.

16. *"Postclosure plan"* means the plan which specifies the methods and schedule by which the operator will perform the necessary monitoring and care for the area after closure of a sanitary disposal project.

17. *"Private agency"* means a private agency as defined in section 28E.2.

18. *"Public agency"* means a public agency as defined in section 28E.2.

19. *"Resource recovery system"* means the recovery and separation of ferrous metals and nonferrous metals and glass and aluminum and the preparation and burning of solid waste as fuel for the production of electricity.

20. *"Rubble"* means dirt, stone, brick, or similar inorganic materials used for beneficial fill, landscaping, excavation, or grading at places other than a sanitary disposal project. *"Rubble"* includes asphalt waste only as long as it is not used in contact with water or in a floodplain. For purposes of this chapter, *"rubble"* does not mean gypsum or gypsum wallboard, coal combustion residue, foundry sand, or other industrial process wastes unless those wastes are approved by the department.

21. *"Sanitary disposal project"* means all facilities and appurtenances including all real and personal property connected with such facilities, which are acquired, purchased, constructed, reconstructed, equipped, improved, extended, maintained, or operated to facilitate the final disposition of solid waste without creating a significant hazard to the public health or safety, and which are approved by the executive director.

22. *"Sanitary landfill"* means a sanitary disposal project where solid waste is buried between layers of earth.

23. *"Solid waste"* means garbage, refuse, rubbish, and other similar discarded solid or semisolid materials, including but not limited to such materials resulting from industrial, commercial, agricultural, and domestic activities. Solid waste may include vehicles, as defined by section 321.1, subsection 90. This definition does not prohibit the use of rubble at places other than a sanitary disposal project. *"Solid waste"* does not include any of the following:

*a.* Hazardous waste regulated under the federal Resource Conservation and Recovery Act, 42 U.S.C. § 6921-6934.

*b.* Hazardous waste as defined in section 455B.411, except to the extent that rules allowing for the disposal of specific wastes have been adopted by the commission.

*c.* Source, special nuclear, or by-product material as defined in the Atomic Energy Act of 1954, as amended to January 1, 1979.

*d.* Petroleum contaminated soil that has been remediated to acceptable state or federal standards.

[C71, §406.2; C73, 75, 77, 79, 81, §455B.75]

C83, §455B.301

85 Acts, ch 241, §1, 2; 86 Acts, ch 1175, §1; 87 Acts, ch 225, §404; 88 Acts, ch 1182, §1; 90 Acts, ch 1168, §50; 91 Acts, ch 252, §4; 92 Acts, ch 1182, §1; 2008 Acts, ch 1118, §1; 2013 Acts, ch 90, §109

Referred to in §331.441, 331.461, 455B.306, 455B.482, 455D.3, 455E.11, 558.69

Subsection 20 amended

**455B.301A Declaration of policy.**

1. The protection of the health, safety, and welfare of Iowans and the protection of the environment require the safe and sanitary disposal of solid wastes. An effective and efficient solid waste disposal program protects the environment and the public, and provides the most practical and beneficial use of the material and energy values of solid waste. While recognizing the continuing necessity for the existence of landfills, alternative methods of managing solid waste and a reduction in the reliance upon land disposal of solid waste are encouraged. In the promotion of these goals, the following waste management hierarchy in descending order of preference, is established as the solid waste management policy of the state:

*a.* Volume reduction at the source.

*b.* Recycling and reuse.

*c.* Combustion with energy recovery.

*d.* Other approved techniques of solid waste management including but not limited to combustion for waste disposal and disposal in sanitary landfills.

2. In the implementation of the solid waste management policy, the state shall:

*a.* Establish and maintain a cooperative state and local program of project planning, and technical and financial assistance to encourage comprehensive solid waste management.

*b.* Utilize the capabilities of private enterprise as well as the services of public agencies to accomplish the desired objectives of an effective solid waste management program.

87 Acts, ch 225, §405; 94 Acts, ch 1177, §1; 2006 Acts, ch 1063, §1

Referred to in §455B.302, 455B.304, 455B.311, 455D.3, 455D.5

**455B.302 Duty of cities and counties — agreements — liens.**

Every city and county of this state shall provide for the establishment and operation of a comprehensive solid waste reduction program consistent with the waste management hierarchy under section 455B.301A, and a sanitary disposal project for final disposal of solid waste by its residents. Comprehensive programs and sanitary disposal projects may be established either separately or through cooperative efforts for the joint use of the participating public agencies as provided by law.

Cities and counties may execute with public and private agencies contracts, leases, or other necessary instruments, purchase land and do all things necessary not prohibited by law for the implementation of waste management programs, collection of solid waste, establishment and operation of sanitary disposal projects, and general administration of the same. Any agreement executed with a private agency for the operation of a sanitary disposal project shall provide for the posting of a sufficient surety bond by the private agency conditioned upon the faithful performance of the agreement. A city or county may at any time during regular working hours enter upon the premises of a sanitary disposal project, including the premises of a sanitary landfill, in order to inspect the premises and monitor the operations and general administration of the project to ensure compliance with the agreement and with state and federal laws. This includes the right of the city or county to enter upon the premises of a former sanitary disposal project which has been closed, including the premises of a former sanitary landfill, owned by a private agency, for the purpose of providing required postclosure care.

A city or county which provides closure or postclosure care on the premises of a sanitary landfill owned by a private agency, shall have a lien upon the property to secure payment for the amount of materials and labor expended by the city or county to perform the required closure or postclosure care on the premises. The lien shall be recordable and collectable in the same manner as provided in section 424.11. The lien shall attach at the time the city or county incurs expenses to provide closure or postclosure care on the premises of the sanitary

landfill. The lien shall be valid as against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, only upon filing a notice of the lien with the recorder of the county in which the property is located. Upon payment, the city or county shall release the lien. If no lien has been recorded at the time the property is sold or transferred, the property shall not be subject to a lien or claim for any closure or postclosure costs incurred by the city or county.

[C71, §406.3; C73, 75, 77, 79, 81, §455B.76]
C83, §455B.302
88 Acts, ch 1169, §4; 89 Acts, ch 272, §28; 94 Acts, ch 1044, §1
Referred to in §331.381, 331.427, 455B.304, 455B.306

**455B.303 Administrator's duties.**

The director shall administer the provisions of this part 1 of division IV subject to the rules established by the commission.

Local boards of health shall cooperate in the enforcement of the provisions of said part and the director may seek their aid and delegate administrative duties of the department to the local boards of health in matters relating to solid waste, refuse disposal plants, and sanitary disposal projects.

The director may issue, modify, or deny variances from the rules of the commission. The applicant may appeal the decision of the director to the commission.

[C71, §406.4; C73, 75, 77, 79, 81, §455B.77]
C83, §455B.303
86 Acts, ch 1245, §1899

**455B.304 Rules established.**

1. The commission shall establish rules for the proper administration of this part 1 of division IV which shall reflect and accommodate as far as is reasonably possible the current and generally accepted methods and techniques for treatment and disposition of solid waste which will serve the purposes of this part, and which shall take into consideration the factors, including others which it deems proper, such as existing physical conditions, topography, soils and geology, climate, transportation, and land use, and which shall include but are not limited to rules relating to the establishment and location of sanitary disposal projects, sanitary practices, inspection of sanitary disposal projects, collection of solid waste, disposal of solid waste, pollution controls, the issuance of permits, approved methods of private disposition of solid waste, the general operation and maintenance of sanitary disposal projects, and the implementation of this part.

2. The commission shall adopt rules that allow the use of wet or dry sludge from publicly owned treatment works for land application. A sale of wet or dry sludge for the purpose of land application shall be accompanied by a written agreement signed by both parties which contains a general analysis of the contents of the sludge. The heavy metal content of the sludge shall not exceed that allowed by rules of the commission. An owner of a publicly owned treatment works which sells wet or dry sludge is not subject to any action by the purchaser to recover damages for harm to person or property caused by sludge that is delivered pursuant to a sale unless it is a result of a violation of the written agreement or if the heavy metal content of the sludge exceeds that allowed by rules of the commission. Nothing in this section shall provide immunity to any person from action by the department pursuant to section 455B.307.

3. The commission shall adopt rules prohibiting the disposal of uncontained liquid waste in a sanitary landfill. The rules shall prohibit land burial or disposal by land application of wet sewer sludge at a sanitary landfill.

4. The commission shall adopt rules requiring that each sanitary disposal project established pursuant to section 455B.302 and permitted pursuant to section 455B.305 install and maintain a sufficient number of groundwater monitoring wells to adequately determine the quality of the groundwater and the impact the sanitary disposal project, if any, is having on the groundwater adjacent to the sanitary disposal project site.

5. The commission shall adopt rules requiring a schedule of monitoring of the quality of

groundwater adjacent to the sanitary disposal project from the groundwater monitoring wells installed in accordance with this section during the period the sanitary disposal project is in use. Schedules of monitoring may be varied in consideration of the types of sanitary disposal practices, hydrologic and geologic conditions, construction and operation characteristics, and volumes and types of wastes handled at the sanitary disposal project site.

6. The commission shall, by rule, require continued monitoring of groundwater pursuant to this section for a period of thirty years after the sanitary disposal project is closed. The commission may prescribe a lesser period of monitoring duration and frequency in consideration of the potential or lack thereof for groundwater contamination from the sanitary disposal project. The commission may extend the thirty-year monitoring period on a site-specific basis by adopting rules specifically addressing additional monitoring requirements for each sanitary disposal project for which the monitoring period is to be extended.

7. The commission shall adopt rules which may require the installation of shafts to relieve the accumulation of gas in a sanitary disposal project.

8. The commission shall adopt rules which establish closure, postclosure, leachate control and treatment, and financial assurance standards and requirements and which establish minimum levels of financial responsibility for sanitary disposal projects.

9. The commission shall adopt rules which establish the minimum distance between tiling lines and a sanitary landfill in order to assure no adverse effect on the groundwater.

10. The commission shall adopt rules for the distribution of grants to cities, counties, central planning agencies, and public or private agencies working in cooperation with cities or counties, for the purpose of solid waste management. The rules shall base the awarding of grants on a project's reflection of the solid waste management policy and hierarchy established in section 455B.301A, the proposed amount of local matching funds, and community need.

11. A sanitary landfill disposal project operating with a permit shall have a trained, tested, and certified operator. The department shall adopt by rule a certification program.

12. The commission shall adopt rules for the certification of operators of solid waste incinerators. The criteria for certification shall include, but is not limited to, an operator's technical competency and operation and maintenance of solid waste incinerators.

13. Notwithstanding the provisions of this chapter regarding the requirement of the equipping of a sanitary landfill with a leachate control system and the establishment and continuation of a postclosure account, the department shall adopt rules which provide for an exemption from the requirements to equip a publicly owned sanitary landfill with a leachate control system and to establish and maintain a postclosure account if the sanitary landfill operator is a public agency, if the sanitary landfill has closed or will close by July 1, 1992, and will no longer accept waste for disposal after that date, and if at the time of closure of the sanitary landfill monitoring of the groundwater does not reveal the presence of leachate. The department shall require postclosure groundwater monitoring and shall establish the requirements for the implementation of leachate collection and control in cases in which leachate is found during postclosure monitoring. The department shall provide for a closure completion period following the date of closure of a sanitary landfill. Notwithstanding the provisions of this paragraph, the public agency shall retain financial responsibility for closure and postclosure requirements applicable to sanitary disposal projects.

14. The commission shall adopt rules providing for the land application of soils resulting from the remediation of underground storage tank releases in the state.

15. The commission shall adopt rules which require all sanitary disposal projects in which the tonnage fee pursuant to section 455B.310 is imposed, to install scales and utilize these scales to calculate payment of the tonnage fee.

16. The commission shall adopt rules which prohibit the land application of petroleum contaminated soils on floodplains.

17. The commission shall adopt rules to establish a special waste authorization program. For purposes of this subsection, "*special waste*" means any industrial process waste, pollution control waste, or toxic waste which presents a threat to human health or the environment or a waste with inherent properties which make the disposal of the waste in a sanitary landfill

difficult to manage. Special waste does not include domestic, office, commercial, medical, or industrial waste that does not require special handling or limitations on its disposal. Special waste does not include hazardous wastes which are regulated under the federal Resource Conservation and Recovery Act, 42 U.S.C. § 6921 – 6934, nor does it include hazardous waste as defined in section 455B.411, except to the extent that the commission has adopted rules allowing the disposal of certain wastes.

18. The commission shall adopt rules for the issuance of a single general permit, after notice and opportunity for a public hearing. The single general permit shall cover numerous facilities to the extent that they are representative of a class of facilities which can be identified and conditioned by a single permit.

19. The commission shall adopt rules for determining when the utilization of a solid by-product, including energy recovery, constitutes beneficial use rather than the disposal of solid waste. Materials approved for beneficial use at a sanitary landfill shall be exempt from the tonnage fee imposed by section 455B.310 to the extent authorized by rule or permit.

[C71, §406.5; C73, 75, 77, 79, 81, §455B.78; 82 Acts, ch 1112, §1, 2]

C83, §455B.304

85 Acts, ch 58, §1; 86 Acts, ch 1174, §1 – 3; 87 Acts, ch 225, §406 – 408; 89 Acts, ch 272, §29; 90 Acts, ch 1235, §16; 90 Acts, ch 1255, §27; 90 Acts, ch 1260, §25; 92 Acts, ch 1215, §5; 94 Acts, ch 1177, §2; 95 Acts, ch 61, §2; 95 Acts, ch 215, §3; 97 Acts, ch 137, §7; 98 Acts, ch 1193, §1; 2006 Acts, ch 1014, §3; 2008 Acts, ch 1118, §2, 3

Referred to in §455B.172, 455B.301

**455B.305 Issuance or renewal of permits by director.**

1. The director shall issue, revoke, suspend, modify, or deny permits for the construction and operation of sanitary disposal projects.

*a.* A permit shall be issued by the director or, at the director's direction, by a local board of health for each sanitary disposal project operated in this state. The permit shall be issued in the name of the city or county or, where applicable, in the name of the public or private agency operating the project. Permits issued pursuant to this section are in addition to any other licenses, permits, or variances authorized or required by law, including but not limited to chapter 335.

*b.* Each sanitary disposal project shall be inspected periodically by the department or a local board of health.

*c.* A permit may be suspended or revoked by the director if a sanitary disposal project is found not to meet the requirements of this part 1 or the rules adopted pursuant to this part 1. The suspension or revocation of a permit may be appealed to the department.

2. The director shall not issue or renew a permit for a municipal solid waste landfill unless the permit applicant, in conjunction with all local governments using the landfill, has documented its implementation of solid waste disposal methods other than final disposal in a sanitary landfill.

3. The director shall not issue or renew a permit for a sanitary landfill unless the landfill is equipped with a leachate control system.

4. The director shall not issue or renew a permit for a transfer station operating as part of an agreement between two planning areas pursuant to section 455B.306, subsection 2, unless the applicant, in conjunction with all local governments using the transfer station, has documented its implementation of solid waste disposal methods other than final disposal in a sanitary landfill.

[C71, §406.6; C73, 75, 77, 79, 81, §455B.79]

C83, §455B.305

83 Acts, ch 136, §4; 86 Acts, ch 1175, §2; 86 Acts, ch 1245, §1899, 1899B; 87 Acts, ch 225, §409, 410; 89 Acts, ch 272, §30; 92 Acts, ch 1215, §6; 94 Acts, ch 1177, §3; 2005 Acts, ch 31, §1; 2008 Acts, ch 1118, §4; 2011 Acts, ch 25, §52

Referred to in §331.381, 455B.304, 455B.306

**455B.305A Local approval of sanitary landfill and infectious waste incinerator projects.**

1. *a.* Prior to the siting of a proposed, new sanitary landfill, incinerator, or infectious

medical waste incinerator, a city, county, or private agency, shall submit a request for local siting approval to the city council or county board of supervisors which governs the city or county in which the proposed site is to be located. The requirements of this section do not apply to the expansion of an existing sanitary landfill owned by a private agency which disposes of waste which the agency generates on property owned by the agency. The city council or county board of supervisors shall approve or disapprove the site for each sanitary landfill, or incinerator, or infectious medical waste incinerator.

*b.* Prior to the siting of a proposed new sanitary landfill or incinerator by a private agency disposing of waste which the agency generates on property owned by the agency which is located outside of the city limits and for which no county zoning ordinance exists, the private agency shall cause written notice of the proposal, including the nature of the proposed facility, and the right of the owner to submit a petition for formal siting of the proposed site, to be served either in person or by mail on the owners and residents of all property within two miles in each direction of the proposed local site area. The owners shall be identified based upon the authentic tax records of the county in which the proposed site is to be located. The private agency shall notify the county board of supervisors which governs the county in which the site is to be located of the proposed siting, and certify that notices have been mailed to owners and residents of the impacted area. Written notice shall be published in the official newspaper, as selected by the county board of supervisors pursuant to section 349.1, of the county in which the site is located. The notice shall state the name and address of the applicant, the location of the proposed site, the nature and size of the development, the nature of the activity proposed, the probable life of the proposed activity, and a description of the right of persons to comment on the request. If two hundred fifty or a minimum of twenty percent, whichever is less, of the owners and residents of property notified submit a petition for formal review to the county board of supervisors or if the county board of supervisors, on the board's own motion, requires formal review of the proposed siting, the private agency proposal is subject to the formal siting procedures established pursuant to this section.

2. An applicant for siting approval shall submit information to the city council or county board of supervisors to demonstrate compliance with the requirements prescribed by this chapter regarding a sanitary landfill or infectious waste incinerator. Siting approval shall be granted only if the proposed project meets all of the following criteria:

*a.* The project is necessary to accommodate the solid waste management needs of the area which the project is intended to serve.

*b.* The project is designed, located, and proposed to be operated so that the public health, safety, and welfare will be protected.

*c.* The project is located so as to minimize incompatibility with the character of the surrounding area and to minimize the effect on the value of the surrounding property. The city council or county board of supervisors shall consider the advice of the appropriate planning and zoning commission regarding the application.

*d.* The plan of operations for the project is designed to minimize the danger to the surrounding area from fire, spills, or other operational accidents.

*e.* The traffic patterns to or from the project are designed in order to minimize the impact on existing traffic flows.

*f.* Information regarding the previous operating experience of a private agency applicant and its subsidiaries or parent corporation in the area of solid waste management or related activities are made available to the city council or county board of supervisors.

*g.* The department of natural resources has been consulted by the city council or board of supervisors prior to the approval.

3. *a.* No later than fourteen days prior to a request for siting approval, the applicant shall cause written notice of the request to be served either in person or by restricted certified mail on the owners of all property within the proposed local site area not solely owned by the applicant, and on the owners of all property within one thousand feet in each direction of the lot line of the proposed local site property if the proposed local site is within the city limits, or within two miles in each direction of the lot line of the proposed local site property if the proposed local site is outside of the city limits. The owners shall be identified based upon the authentic tax records of the county in which the project is to be located.

*b.* Written notice shall be published in the official newspaper of the county in which the site is located. The notice shall state the name and address of the applicant, the location of the proposed site, the nature and size of the development, the nature of the activity proposed, the probable life of the proposed activity, the date when the request for site approval will be submitted, and a description of the right of persons to comment on the request.

4. *a.* An applicant shall file a copy of its request with the department and with the city council or the county board of supervisors in which the proposed site is located. The request shall include the substance of the applicant's proposal and all documents, if any, submitted as of that date to the department pertaining to the proposed project. All documents or other materials pertaining to the proposed project on file with the city council or county board of supervisors shall be made available for public inspection at the office of the city council or county board of supervisors and may be copied upon payment of the actual cost of reproduction.

*b.* Any person may file written comment with the city council or county board of supervisors concerning the appropriateness of the proposed site for its intended purpose. The city council or county board of supervisors shall consider any comment received or postmarked not later than thirty days after the date of the last public hearing.

5. At least one public hearing shall be held by the city council or county board of supervisors no sooner than ninety days but no later than one hundred twenty days from receipt of the request for siting approval. A hearing shall be preceded by published notice in an official newspaper of the county of the proposed site, including in any official newspaper located in the city of the proposed site.

6. *a.* Decisions of the city council or the county board of supervisors shall be in writing, specifying the reasons for the decision. The written decision of the city council or the county board of supervisors shall be available for public inspection at the office of the city council or county board of supervisors and may be copied upon payment of the actual cost of reproduction. Final action shall be taken by the city council or the county board of supervisors within one hundred eighty days after the filing of the request for site approval.

*b.* At any time prior to completion by the applicant of the presentation of the applicant's factual evidence and an opportunity for questioning by the city council or the county board of supervisors and members of the public, the applicant may file not more than one amended application upon payment of additional fees pursuant to subsection 9. The time limitation for final action on an amended application shall be extended for an additional ninety days.

7. Construction of a project which is granted local siting approval under this section shall commence within one calendar year from the date upon which it was granted or the permit shall be nullified.

8. The local siting approval, criteria, and other procedures provided for in this section are the exclusive local siting procedures. Local zoning, ordinances, or other local land use requirements may be considered in such siting decisions.

9. A city council or a county board of supervisors shall charge an applicant for siting approval, under this section, a fee to cover the reasonable and necessary costs incurred by the city or county in the siting approval process.

10. An applicant shall not file a request for local siting approval which is substantially the same as a request which was denied within the preceding two years pursuant to a finding against the applicant under the established criteria.

90 Acts, ch 1191, §1; 92 Acts, ch 1182, §2, 3; 94 Acts, ch 1023, §55; 2011 Acts, ch 25, §143

**455B.305B** Repealed by 90 Acts, ch 1191, § 8.

**455B.306 Plans filed.**

1. A city, county, or private agency operating, or planning to operate, a municipal solid waste sanitary disposal project shall file with the director one of two types of comprehensive plans detailing the method by which the city, county, or private agency will comply with this part 1. The first type is a comprehensive plan in which solid waste is disposed of in a sanitary landfill within the planning area. The second type is a comprehensive plan in which all solid

waste is consolidated at, and transported from, a transfer station for disposal at a sanitary landfill in another comprehensive planning area or state.

*a.* All cities and counties shall also file with the director a comprehensive plan detailing the method by which the city or county will comply with the requirements of section 455B.302 to establish and implement a comprehensive solid waste reduction program for its residents.

*b.* A public agency managing the waste stream for cities or counties pursuant to chapter 28E shall file one comprehensive plan on behalf of its members. Filing of a comprehensive plan constitutes full compliance by the public agency's members with the filing requirements of this section.

*c.* If both a public agency managing the waste stream for a city or county pursuant to chapter 28E, and one or more of the public agency's member cities or counties file a comprehensive plan under this subsection, the director shall, following notice to the agency, make a determination that any plan filed by a member city or county is compatible with the comprehensive plan of the chapter 28E public agency. If the director determines that a city's or county's comprehensive plan is not compatible with the comprehensive plan of a public agency, as defined in chapter 28E, the director shall require the city or county to provide justification for the approval of the comprehensive plan based upon the following factors: the innovative nature of the comprehensive plan, the urgency of the plan's implementation, any unique features of the city's or county's comprehensive plan, and whether the plan otherwise complies with the provisions of this chapter.

*d.* This subsection does not prevent the director from approving pilot projects which otherwise comply with the provisions of this chapter.

*e.* The director shall review each comprehensive plan submitted and may reject, suggest modification, or approve the proposed plan. The director shall aid in the development of comprehensive plans for compliance with this part. The director shall make available to cities, counties, and private agencies the forms appropriate for the submission of comprehensive plans, and the director may hold hearings for the purpose of implementing this part.

*f.* The director, and any governmental agencies with primary responsibility for the development and conservation of energy resources, shall provide research and assistance when cities and counties operating, or planning to operate, sanitary disposal projects request aid in planning and implementing resource recovery systems.

*g.* A comprehensive plan filed by a private agency operating, or planning to operate, a sanitary disposal project required by section 455B.302 shall be developed in cooperation and consultation with the city or county responsible for establishing and operating a sanitary disposal project.

*h.* The director shall review a completed plan for the control and treatment of leachate, to meet the requirements of subsection 7, paragraph "*b*", and shall reject the plan, suggest modifications, or approve it within six months of the time the plan was submitted. If the director has not acted on the plan within those six months, the plan shall be considered approved. However, the director, upon a request to renew or reissue a previously issued permit may require that the plan be updated.

2. A planning area that closes all of the municipal solid waste sanitary landfills located in the planning area and chooses instead to use a municipal solid waste sanitary landfill in another planning area may choose to retain its autonomy as long as the sanitary landfill in the other planning area complies with all the requirements of this chapter, and all solid waste generated within the planning area closing its landfills is consolidated at, and transported from, a permitted transfer station. For purposes of this subsection, a planning area closing its own landfills that chooses to retain its autonomy shall not be required to join the planning area that contains the landfill it is using for final disposal of its solid waste.

*a.* If a planning area chooses to retain autonomy pursuant to this subsection, the planning area receiving solid waste from the planning area sending it shall not be required to include the sending planning area in its comprehensive plan provided that no services other than the acceptance of solid waste for disposal are shared between the two planning areas. A planning area receiving solid waste shall only be responsible for the permitting, planning, and waste reduction and diversion programs within that planning area.

*b.* If the department determines that solid waste cannot reasonably be consolidated

and transported from a particular transfer station, the department may establish permit conditions to address the transport and disposal of the solid waste. A planning area sending solid waste for disposal in another planning area may retain autonomy under this subsection only if both comprehensive planning areas enter into an agreement pursuant to chapter 28E that includes all of the following:

(1) A detailed methodology of the manner in which solid waste will be tracked and reported between the two planning areas.

(2) A detailed methodology of the manner in which the receiving sanitary landfill will collect, remit, and report tonnage fees, pursuant to section 455B.310, paid by the planning area that is transporting the solid waste. The methodology shall include both the remittances of tonnage fees to the state and the retained tonnage fees.

3. The plan required by subsection 1 for sanitary disposal projects shall be filed with the department at the time of initial application for the construction and operation of a sanitary disposal project and at a minimum shall be updated and refiled with the department at the time of each subsequent application for renewal or reissuance of a previously issued permit. The department may, consistent with rules of the commission, require filing or updating of a plan at other times.

4. A city or county required to file with the director a comprehensive plan detailing the method by which the city or county will comply with the requirements of section 455B.302 to establish and implement a comprehensive solid waste reduction program for its residents and which seeks approval of the inclusion of refuse-derived fuel as a component of its percentage of waste reduction, shall file an annual report with the director regarding the percentage of reduction attributable to refuse-derived fuel and the justification for such inclusion. The director shall approve or reject the inclusion. The percentage of reduction attributable to refuse-derived fuel and allowable for inclusion shall not exceed fifty percent.

5. A comprehensive plan filed pursuant to this section shall incorporate and reflect the waste management hierarchy of the state solid waste management policy and shall at a minimum address the following general topics:

*a.* The extent to which solid waste is or can be recycled.

*b.* The economic and technical feasibility of using other existing sanitary disposal project facilities in lieu of initiating or continuing the sanitary landfill currently used.

*c.* The expected environmental impact of alternative solid waste disposal methods, including the use of sanitary landfills.

*d.* A specific plan and schedule for implementing technically and economically feasible solid waste disposal methods that will result in minimal environmental impact.

6. The comprehensive plan shall provide details of a local recycling program which shall contain a methodology for meeting the state volume reduction goal pursuant to section 455D.3, and a methodology for implementing a program of separation of wastes including but not limited to glass, plastic, paper, and metal.

7. In addition to the above requirements, the following specific areas must be addressed in detail in a comprehensive plan filed in conjunction with the issuance, renewal, or reissuance of a permit for a sanitary disposal project:

*a.* A closure and postclosure plan detailing the schedule for and the methods by which the operator will meet the conditions for proper closure and postclosure adopted by rule by the commission. The plan shall include, but is not limited to, the proposed frequency and types of actions to be implemented prior to and following closure of an operation, the proposed postclosure actions to be taken to return the area to a condition suitable for other uses, and an estimate of the costs of closure and postclosure and the proposed method of meeting these costs. The postclosure plan shall reflect the thirty-year time period requirement for postclosure responsibility.

*b.* A plan for the control and treatment of leachate, including financial considerations proposed in meeting the costs of control and treatment in order to meet the requirements of section 455B.305, subsection 3.

*c.* A financial plan detailing the actual cost of the sanitary disposal project and including the funding sources of the project. In addition to the submittal of the financial plan filed

pursuant to this subsection, the operator of an existing sanitary landfill shall submit an annual financial statement to the department.

*d.* An emergency response and remedial action plan including established provisions to minimize the possibility of fire, explosion, or any release to air, land, or water of pollutants that could threaten human health and the environment, and the identification of possible occurrences that may endanger human health and environment.

*e.* A description of the planning area and service area to be served by the city, county, or private agency under the comprehensive plan. Except as provided in subsection 2, a comprehensive plan shall not include a planning area or service area, any part of which is included in another comprehensive plan.

8. When a proposed plan is subject to review and approval by several state and local agencies, if the plan is substantially modified after approval by an agency, the plan shall be resubmitted as a new proposal to all other agencies to ensure that all agencies have approved the same plan.

9. In addition to the comprehensive plan filed pursuant to subsection 1, a person operating, or proposing to operate, a sanitary disposal project shall provide a financial assurance instrument to the department prior to the initial approval of a permit or prior to the renewal of a permit for an existing or expanding facility beginning July 1, 1988.

*a.* The financial assurance instrument shall meet all requirements adopted by rule by the commission, and shall not be canceled, revoked, disbursed, released, or allowed to terminate without the approval of the department. Following the cessation of operation or the closure of a sanitary disposal project, neither the guarantor nor the operator shall cancel, revoke, or disburse the financial assurance instrument or allow the instrument to terminate until the operator is released from closure, postclosure, and monitoring responsibilities.

*b.* The operator of a sanitary landfill shall maintain closure and postclosure accounts. The commission shall adopt by rule the amounts to be contributed to the accounts based upon the amount of solid waste received by the facility. The accounts established shall be specific to the facility.

(1) Money in the accounts shall not be assigned for the benefit of creditors with the exception of the state.

(2) Money in an account shall not be used to pay any final judgment against a licensee arising out of the ownership or operation of the site during its active life or after closure.

(3) Conditions under which the department may gain access to the accounts and circumstances under which the accounts may be released to the operator after closure and postclosure responsibilities have been met, shall be established by the commission.

*c.* The commission shall adopt by rule the minimum amounts of financial responsibility for sanitary disposal projects.

*d.* Financial assurance instruments may include any of the instruments described in section 455B.301, subsection 9.

*e.* The annual financial statement submitted to the department pursuant to subsection 7, paragraph "*c*", shall include the current amounts established in each of the accounts and the projected amounts to be deposited in the accounts in the following year.

10. If a city, county, or private agency does not incorporate the elements of the solid waste hierarchy of the state solid waste management policy in a proposed initial or adopted comprehensive plan, the city council or county board of supervisors governing the city or county in which the sanitary landfill is proposed to be located or is located shall hold a public hearing to address the basis for not including any of the elements in the plan.

11. A city council or county board of supervisors governing the area in which a sanitary disposal project is proposed to be located or is located shall hold a public hearing to address the issue of including or not including local curbside recycling in the comprehensive plan.

12. This section shall not apply to a sanitary landfill project owned by an electric generating facility and used exclusively for the disposal of coal combustion residue. A utility under this subsection may demonstrate financial assurance by any of the instruments described in section 455B.301, subsection 9, or by an alternative method acceptable to the department. The financial assurance instrument submitted must ensure the facility's financial capability to provide reasonable and necessary response during the lifetime of the

project and for a specified period of time following closure as required by rules adopted by the commission.

[C71, §406.7; C73, 75, 77, 79, 81, §455B.80]

C83, §455B.306

86 Acts, ch 1175, §3; 86 Acts, ch 1245, §1899; 87 Acts, ch 225, §411 – 414; 89 Acts, ch 272, §31, 32; 90 Acts, ch 1255, §24; 92 Acts, ch 1213, §1; 92 Acts, ch 1215, §7 – 9; 2004 Acts, ch 1078, §1; 2005 Acts, ch 31, §2 – 4; 2006 Acts, ch 1030, §42; 2007 Acts, ch 215, §115; 2008 Acts, ch 1118, §5 – 7

Referred to in §28G.1, 28G.2, 331.381, 455B.305, 455B.310, 455F.8A

**455B.306A Annexation of territory — expansion of services.**

1. A city which annexes an area pursuant to chapter 368, or plans to operate or expand solid waste collection services into an area where the collection of solid waste is presently being provided by a private entity, shall notify the private entity by certified mail at least sixty days before its annexation or expansion of its intent to provide solid waste collection services in the area.

2. A city shall not commence alternative solid waste collection in such an area for one year from the effective date of the annexation or one year from the effective date of the notice that the city intends to operate or expand solid waste collection services in the area, unless the city contracts with the private entity to continue the services for that period.

3. A private entity providing solid waste collection services pursuant to this section shall provide solid waste collection services in the area in accordance with the city's comprehensive plan.

92 Acts, ch 1174, §6

**455B.307 Dumping — where prohibited — penalty.**

1. A private agency or public agency shall not dump or deposit or permit the dumping or depositing of any solid waste at any place other than a sanitary disposal project approved by the director unless the agency has been granted a permit by the department which allows the dumping or depositing of solid waste on land owned or leased by the agency. The department shall adopt rules regarding the permitting of this activity which shall provide that the public interest is best served, but which may be based upon criteria less stringent than those regulating a public sanitary disposal project provided that the rules adopted meet the groundwater protection goal specified in section 455E.4. The comprehensive plans for these facilities may be varied in consideration of the types of sanitary disposal practices, hydrologic and geologic conditions, construction and operations characteristics, and volumes and types of waste handled at the disposal site. The director may issue temporary permits for dumping or disposal of solid waste at disposal sites for which an application for a permit to operate a sanitary disposal project has been made and which have not met all of the requirements of part 1 of this division and the rules adopted by the commission if a compliance schedule has been submitted by the applicant specifying how and when the applicant will meet the requirements for an operational sanitary disposal project and the director determines the public interest will be best served by granting such temporary permit.

2. The director may issue any order necessary to secure compliance with or prevent a violation of the provisions of this part 1 of division IV or the rules adopted pursuant to the part. The attorney general shall, on request of the department, institute any legal proceedings necessary in obtaining compliance with an order of the commission or the director or prosecuting any person for a violation of the provisions of the part or rules issued pursuant to the part.

3. Any person who violates any provision of part 1 of this division or any rule or any order adopted or the conditions of any permit or order issued pursuant to part 1 of this division

shall be subject to a civil penalty, not to exceed five thousand dollars for each day of such violation.

[C71, §406.9; C73, 75, 77, 79, 81, §455B.82]

C83, §455B.307

86 Acts, ch 1245, §1899; 87 Acts, ch 225, §415; 88 Acts, ch 1169, §5; 89 Acts, ch 281, §1

Referred to in §455B.304

**455B.307A Discarding of solid waste — prohibitions — penalty.**

1. For the purposes of this section, *"discard"* means to place, cause to be placed, throw, deposit, or drop.

2. A person shall not discard solid waste onto or in any water or land of the state, or into areas or receptacles provided for such purposes which are under the control of or used by a person who has not authorized the use of the receptacle by the person discarding the solid waste.

3. A person who violates this section is subject to a civil penalty not to exceed one thousand dollars for each violation. The revenue from the penalty provided in this subsection shall be remitted to the treasurer of state for deposit in the general fund of the state. Fifty percent of such moneys are appropriated to the state department of transportation for purposes of the cleanup of litter and illegally discarded solid waste. The remaining fifty percent of such moneys shall be deposited in the general fund of the county in which the violation occurred to be used exclusively for the cleanup and prevention of illegal dumping.

92 Acts, ch 1215, §10; 2006 Acts, ch 1087, §1

Referred to in §455B.307B

**455B.307B Illegal dumping enforcement officer.**

1. For purposes of this section, *"officer"* means the illegal dumping enforcement officer in a county.

2. The board of supervisors of each county may annually appoint an illegal dumping enforcement officer for the county. The board of supervisors may appoint the officer from recommendations by the county board of health or may select a person outside the recommendations made by the county board of health. The board of supervisors shall appoint a person who is a citizen of the United States, is of good moral character, and has not previously been convicted of a felony.

3. An illegal dumping enforcement officer shall take an oath of office prescribed by the board of supervisors. An officer's appointment shall be effective March 1 and shall continue for a term at the discretion of the board of supervisors.

4. An illegal dumping enforcement officer, subject to direction and control by the county board of supervisors, shall only be empowered to enforce the provisions of sections 455B.307A and 455B.363 and local littering ordinances. An officer shall not have the duty to enforce any other traffic or criminal laws of the state, county, or a municipality. An officer may enter upon any public land in the county, excluding land within the limits of cities, unless otherwise authorized by a city, and any private property with the permission of the landowner at any time for the performance of the officer's duties, and may hire the labor and equipment necessary subject to the approval of the board of supervisors.

5. A person shall not willfully obstruct, resist, impede, or interfere with an illegal dumping enforcement officer in connection with the officer's enforcement of sections 455B.307A and 455B.363 and local littering ordinances. A person shall not willfully retaliate or discriminate in any manner against an officer as a reprisal for any act or omission of the officer. A person violating this subsection is guilty of a simple misdemeanor.

2004 Acts, ch 1128, §1

**455B.308 Appeal from order.**

Any person aggrieved by an order of the director may appeal the order by filing a written notice of appeal with the director within thirty days of the issuance of the order. The director shall schedule a hearing for the purpose of hearing the arguments of the aggrieved person within thirty days of the filing of the notice of appeal. The hearing may be held before the commission or its designee. A complete record shall be made of the proceedings. The director

shall issue the findings in writing to the aggrieved person within thirty days of the conclusion of the hearing. Judicial review may be sought of actions of the commission in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of the Act, petitions for judicial review may be filed in the district court of the county where the acts in issue occurred.

[C71, §406.10; C73, 75, 77, 79, 81, §455B.83]
C83, §455B.308
86 Acts, ch 1245, §1899; 2003 Acts, ch 44, §114

**455B.309** Repealed by 87 Acts, ch 225, § 116.

**455B.310 Tonnage fee imposed — appropriations — exemptions.**

1. Except as provided in subsection 5, the operator of a sanitary landfill shall pay a tonnage fee to the department for each ton or equivalent volume of solid waste received and disposed of at the sanitary landfill during the preceding reporting period. The department shall determine by rule the volume which is equivalent to a ton of waste.

2. The tonnage fee is four dollars and twenty-five cents per ton of solid waste, except as provided in section 455J.5, subsection 1, paragraph *"b"*.

3. If a sanitary landfill required to pay a tonnage fee under this section has an updated comprehensive plan approved by the department, the sanitary landfill operator shall retain, in addition to the ninety-five cents retained pursuant to subsection 4, twenty-five cents of the tonnage fee per ton of solid waste in the fiscal year beginning July 1, 1998, and every year thereafter. In the fiscal year beginning July 1, 1999, and every year thereafter, any planning area which meets the statewide average, as determined by the department on July 1, 1999, shall retain, in addition to the twenty-five cents retained pursuant to this subsection, ten cents of the tonnage fee per ton of solid waste regardless of whether the planning area subsequently fails to meet the statewide average. Any tonnage fees retained pursuant to this subsection shall be used for waste reduction, recycling, or small business pollution prevention purposes. Any tonnage fee retained pursuant to this subsection shall be taken from that portion of the tonnage fee which would have been allocated to funding alternatives to landfills pursuant to section 455E.11, subsection 2, paragraph *"a"*, subparagraph (1).

4. If a planning area achieves the fifty percent waste reduction goal provided in section 455D.3, ninety-five cents of the tonnage fee shall be retained by a city, county, or public or private agency. If the fifty percent waste reduction goal has not been met, one dollar and twenty cents of the tonnage fee shall be retained by a city, county, or public or private agency. Moneys retained by a city, county, or public or private agency shall be used as follows:

*a.* To meet comprehensive planning requirements of section 455B.306, the development of a closure or postclosure plan, the development of a plan for the control and treatment of leachate including the preparation of facility plans and detailed plans and specifications, and the preparation of a financial plan.

*b.* If a planning area achieves the fifty percent waste reduction goal provided in section 455D.3, forty-five cents of the retained funds shall be used for implementing waste volume reduction and recycling requirements of comprehensive plans filed under section 455B.306. If the fifty percent waste reduction goal has not been met, seventy cents of the retained funds shall be used for implementing waste volume reduction and recycling requirements of comprehensive plans filed under section 455B.306. The funds shall be distributed to a city, county, or public agency served by the sanitary disposal project. Fees collected by a private agency which provides for the final disposal of solid waste shall be remitted to the city, county, or public agency served by the sanitary disposal project. However, if a private agency is designated to develop and implement the comprehensive plan pursuant to section 455B.306, fees under this paragraph shall be retained by the private agency.

*c.* For other environmental protection activities.

*d.* Each sanitary landfill owner or operator shall submit a return to the department identifying the use of all fees retained under this section including the manner in which the fees were distributed. A planning area entering into an agreement pursuant to section 455B.306, subsection 2, shall submit such information to the department and a planning area

receiving the solid waste under such an agreement shall, in addition, submit evidence to the department demonstrating that required retained fees were returned in a timely manner to other planning areas under the agreement. The return shall be submitted concurrently with the return required under subsection 7.

5. Solid waste disposal facilities with special provisions which limit the site to disposal of construction and demolition waste, landscape waste, coal combustion waste, cement kiln dust, foundry sand, and solid waste materials approved by the department for lining or capping, or for construction berms, dikes, or roads in a sanitary disposal project or sanitary landfill are exempt from the tonnage fees imposed under this section. However, solid waste disposal facilities under this subsection are subject to the fees imposed pursuant to section 455B.105, subsection 11, paragraph *"a"*. Notwithstanding the provisions of section 455B.105, subsection 11, paragraph *"b"*, the fees collected pursuant to this subsection shall be deposited in the solid waste account as established in section 455E.11, subsection 2, paragraph *"a"*, to be used by the department for the regulation of these solid waste disposal facilities.

6. All tonnage fees received by the department under this section shall be deposited in the solid waste account of the groundwater protection fund created under section 455E.11.

7. Fees imposed by this section shall be paid to the department on a quarterly basis with payment due by no more than ninety days following the quarter during which the fees were collected. The payment shall be accompanied by a return which shall identify the amount of fees to be allocated to the landfill alternative financial assistance program, the amount of fees, in terms of cents per ton, retained for meeting waste reduction and recycling goals under section 455D.3, and additional fees imposed for failure to meet the twenty-five percent waste reduction and recycling goal under section 455D.3. Sanitary landfills serving more than one planning area shall submit separate reports for each planning area.

8. A person required to pay fees by this section who fails or refuses to pay the fees imposed by this section or who fails or refuses to provide the return required by this section shall be assessed a penalty of two percent of the fee due for each month the fee or return is overdue. The penalty shall be paid in addition to the fee due.

9. Foundry sand used by a sanitary landfill as daily cover, road base, or berm material or for other purposes defined as beneficial uses by rule of the department is exempt from imposition of the tonnage fee under this section. Sanitary landfills shall use foundry sand as a replacement for earthen material, if the foundry sand is generated by a foundry located within the state and if the foundry sand is provided to the sanitary landfill at no cost to the sanitary landfill.

85 Acts, ch 241, §4; 86 Acts, ch 1175, §5; 87 Acts, ch 225, §416 – 418; 88 Acts, ch 1169, §6 – 8; 90 Acts, ch 1070, §1; 91 Acts, ch 257, §2 – 5; 92 Acts, ch 1215, §11, 12; 92 Acts, ch 1239, §47; 92 Acts, ch 1244, §44; 93 Acts, ch 176, §45; 95 Acts, ch 80, §1; 98 Acts, ch 1018, §1; 98 Acts, ch 1193, §2; 2001 Acts, ch 124, §1, 6; 2005 Acts, ch 31, §5, 6; 2008 Acts, ch 1109, §1

Referred to in §455B.304, 455B.306, 455D.3, 455E.11, 455J.5

**455B.311 Grants.**

The director, with the approval of the commission, may make grants to cities, counties, or central planning agencies representing cities and counties or combinations of cities, counties, or central planning agencies from funds reserved under and for the purposes specified in section 455E.11, subsection 2, paragraph *"a"*, subject to all of the following conditions:

1. Application for grants shall be in a form and contain information as prescribed by rule of the department.

2. Grants shall only be awarded to a city or a county; however, a grant may be made to a central planning agency representing more than one city or county or combination of cities or counties for the purpose of planning and implementing regional solid waste management facilities or may be made to private or public agencies working in cooperation with a city or county. The department shall award grants, in accordance with the rules adopted by the commission, based upon a proposal's reflection of the solid waste management policy and hierarchy established in section 455B.301A. Grants shall be awarded only for an amount determined by the department to be reasonable and necessary to conduct the work as set

forth in the grant application. Grants may be awarded at a maximum cost-share level of ninety percent with a preference given for regional or shared projects and a preference given to projects involving environmentally fragile areas which are particularly subject to groundwater contamination. Grants shall be awarded in a manner which will distribute the grants geographically throughout the state.

3. Grants shall be awarded only for an amount determined by the department to be reasonable and necessary to conduct the work as set forth in the grant application. Grants for less than a county-wide planning area shall be limited to twenty-five percent state funds, for a single-county planning area the state funds shall be limited to fifty percent, and for a two-county planning area the state funds shall be limited to seventy-five percent. For each additional county above a two-county planning area, the maximum allowable state funds shall be increased by an additional five percent, up to a maximum of ninety percent state funds.

4. Grants shall not be awarded to a city, county, or central planning agency if the entity has not submitted a completed hydrogeological plan to the department.

5. A city, county, or central planning agency on behalf of a city or county may not receive more than one grant under this section in any three-year period.

6. The director, with the approval of the commission, may deny a grant application if in the judgment of the director the applicant could not reasonably be expected to adequately and properly complete the plan for which the grant is requested or the applicant could not reasonably be expected to implement a planned sanitary disposal project.

86 Acts, ch 1175, §6; 87 Acts, ch 225, §115, 419; 92 Acts, ch 1215, §13

**455B.312 Waste abatement program.** Repealed by 2011 Acts, ch 9, § 10.

**455B.313 Beverage container connectors — prohibition.**

1. A distributor as defined in section 455C.1, subsection 9, shall not sell or offer to sell any beverage container if the beverage container is connected to another beverage container by a device constructed of a material which is not biodegradable or photodegradable.

2. A distributor violating subsection 1 is guilty of a serious misdemeanor.

88 Acts, ch 1182, §2

**455B.314 Incineration at sanitary disposal projects.**

Beginning January 1, 1990, a sanitary disposal project that includes incineration as a part of its disposal process shall separate from the materials to be incinerated recyclable and reusable materials, materials which will result in uncontrolled toxic or hazardous air emissions when burned, and hazardous or toxic materials which are not rendered nonhazardous or nontoxic by incineration. The removed materials shall be recycled, reused, or treated and disposed in a manner approved by the department. Separation of waste includes magnetic separation.

89 Acts, ch 272, §33

**455B.315 Radioactive materials — prohibited deposit in sanitary landfills.**

A person shall not dispose of, and a sanitary landfill shall not accept for final disposal, radioactive materials, as defined as of January 1, 1990, pursuant to section 136C.1.

90 Acts, ch 1191, §3

**455B.316 Penalty.** Repealed by 2011 Acts, ch 9, § 10.

**455B.317 through 455B.330** Reserved.

## PART 2

## RADIOACTIVE WASTE

Referred to in §455B.104

**455B.331 Definitions.**

As used in this part 2 of division IV, unless the context otherwise requires:

1. *"Nuclear waste disposal site"* means all facilities and appurtenances including all real and personal property connected with such facilities, which are acquired, leased, purchased, constructed, reconstructed, equipped, improved, extended, maintained, or operated to facilitate the final disposition of radioactive waste without creating a significant hazard to the public health or safety, and which are approved by the director.

2. *"Radiation"* means any ionizing radiation including, but not limited to, high-speed electrons, neutrons, protons and other nuclear particles, but not sound waves.

3. *"Radioactive material"* means any solid, liquid, or gaseous material which emits radiation spontaneously.

[C73, 75, 77, 79, 81, §455B.85]
C83, §455B.331
86 Acts, ch 1245, §1899

**455B.332 Policy.** Repealed by 2006 Acts, ch 1014, § 10.

**455B.333 Rules for transporting.** Repealed by 2006 Acts, ch 1014, § 10.

**455B.334 Waste disposal site.**

The commission may approve or prohibit the establishment and operation of a nuclear waste disposal site in this state by a private person. In determining whether to grant or deny a permit to establish and operate a nuclear waste disposal site, the commission shall consider the need for a nuclear waste disposal site and the existing physical conditions, topography, soils and geology, climate, transportation, and land use at the proposed site. If the commission decides to issue a permit to establish and operate a nuclear waste disposal site, it shall establish, by rule, standards and procedures for the safe operation and maintenance of the proposed site. The commission shall also require the permittee to provide a sufficient surety bond or other financial commitment to insure the perpetual maintenance and monitoring of the nuclear waste disposal site.

[C73, 75, 77, 79, 81, §455B.88]
C83, §455B.334
83 Acts, ch 136, §5

**455B.335 Director's duties.**

The director:

1. Shall enforce any rules adopted under this part 2 of division IV and furnish a copy of the rules to each applicant for a permit required under this part.

2. May require the maintenance of records relating to the receipt, storage, transfer, or disposal of radioactive material.

3. May issue, modify, or revoke orders in accordance with the provisions of this part 2 of division IV or the rules adopted under said part.

4. May require the submission of plans and specifications for the design, construction, maintenance, and monitoring of nuclear waste disposal sites for review and appraisal.

[C73, 75, 77, 79, 81, §455B.89]
C83, §455B.335
83 Acts, ch 136, §6; 86 Acts, ch 1245, §1899; 2006 Acts, ch 1014, §4

**455B.335A Pathological waste incineration facilities — radioactive materials — requirements.**

1. The director shall require that a person who operates or proposes to operate a waste

incinerator which provides for the incineration of pathological radioactive materials conduct dispersion modeling, under the direction of the Iowa department of public health, for radiological isotopes to measure the emission levels of alpha and gamma rays. The director shall allow a three-month period during which time the operator or person proposing operation of such an incinerator shall conduct the required dispersion modeling. In order to initiate or continue such incineration, the results of the modeling shall provide that the existing incinerator meets or the proposed incinerator will meet the emission standards established by the United States environmental protection agency for a selected isotope.

2. The department shall conduct a public hearing following submission to the director of the results of the dispersion modeling conducted by an operator or person proposing operation of a waste incinerator which provides for or will provide for the incineration of pathological radioactive materials.

3. If the dispersion modeling results do not meet the standards for emission limitations prescribed under subsection 1, the director shall require the operator or the person who proposes to operate a waste incinerator which provides for the incineration of pathological radioactive materials to employ or conduct an additional dispersion modeling test employing the best available control technology. Following employment of the best available control technology or the conducting of the additional dispersion modeling, if the incinerator or proposed incinerator does not or will not meet the standards prescribed under subsection 2, the operator's permit for incineration of pathological radioactive materials shall be revoked or the permit for such proposed incineration shall be denied.

91 Acts, ch 242, §2

**455B.336 Notice to violators.**

If the director determines that there are reasonable grounds to believe a violation of this part 2 of division IV or of the rules issued under said part has occurred, the director shall give written notice by certified mail to the alleged violator specifying the alleged violations involved and specifying a period of time in which to eliminate the violation. If the alleged violator fails to comply within such specified time, the director shall schedule a hearing and give written notice to the alleged violator by certified mail. In connection with the hearings, the director may issue subpoenas requiring the attendance of witnesses and the production of records pertinent to such hearing. On the basis of the findings, the director shall issue a final order which shall be forwarded to the alleged violator by certified mail.

[C73, 75, 77, 79, 81, §455B.90]

C83, §455B.336

86 Acts, ch 1245, §1899

**455B.337 Emergency action.**

Whenever the director finds that an emergency exists requiring immediate action to protect the public health and safety, the director may, without notice or hearing, issue an emergency order reciting that an emergency exists and requiring that such action be taken as the director deems necessary to meet the emergency. The order may be issued orally to the person whose operation constitutes the emergency by the director and confirmed by a copy of such order to be sent by certified mail within twenty-four hours after the issuance of the oral order. The emergency order shall be effective immediately. Any person receiving an emergency order may request a hearing before the commission within thirty days following the receipt of the order. The commission shall schedule a hearing within fourteen days after receipt of the request for a hearing and give written notice to the alleged violator by certified mail. The commission may also schedule a hearing in the absence of a request by the alleged violator. On the basis of the findings, the commission shall issue a final order which shall be forwarded to the alleged violator by certified mail.

The director may, if an emergency exists, impound or order the impounding of any

radioactive material in the possession of any person who is not equipped to observe, or fails to observe, the provisions of this part 2 of division IV or any rules adopted under said part.

[C73, 75, 77, 79, 81, §455B.91]
C83, §455B.337
86 Acts, ch 1245, §1899

**455B.338 Judicial review.**

Judicial review of the actions of the commission may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of said Act, a petition for judicial review may be filed in the district court of the county in which the alleged violation was committed or in which a final order was entered.

[C73, 75, 77, 79, 81, §455B.92]
C83, §455B.338
2003 Acts, ch 44, §114

**455B.339 Injunction.**

Whenever, in the judgment of the director, any person has engaged in or is about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this part 2 of division IV or any rule or order promulgated under said part, the director may request the attorney general to make application in the name of the state to the district court of the county in which such acts or practices may be performed, for an order enjoining such acts or practices notwithstanding the existence or pursuit of any other remedy, and the attorney general shall make such application.

[C73, 75, 77, 79, 81, §455B.93]
C83, §455B.339
86 Acts, ch 1245, §1899

**455B.340 Penalty.**

Any person who violates any provisions of this part 2 of division IV or rules adopted under said part, or any order of the department or director issued pursuant to said part, shall be guilty of a serious misdemeanor and, in addition, the person may be enjoined from continuing such violation. Each day of continued violation after notice that a violation is being committed shall constitute a separate violation.

[C73, 75, 77, 79, 81, §455B.94]
C83, §455B.340
86 Acts, ch 1245, §1899, 1899B

**455B.341 through 455B.360** Reserved.

## PART 3

## DEBRIS

Referred to in §455B.104

**455B.361 Definitions.**

As used in this part 3 of division IV, unless the context otherwise requires:

1. *"Discard"* means to place, cause to be placed, throw, deposit or drop.
2. *"Litter"* means any garbage, rubbish, trash, refuse, waste materials, or debris.

[C73, 75, 77, 79, 81, §455B.95]
C83, §455B.361

**455B.362 Director's duties.**

The director, at the direction of the commission, shall establish programs to encourage the active support of business, industry and the general public for litter control.

The director, at the direction of the commission, shall coordinate and encourage the

cooperation of state and local public agencies in the administration of this part 3 of division IV.

[C73, 75, 77, 79, 81, §455B.96]
C83, §455B.362
86 Acts, ch 1245, §1899

**455B.363 Litter.**

No person shall discard any litter onto or in any water or land of this state, except that nothing in this section shall be construed to affect the authorized collection and discarding of such litter in or on areas or receptacles provided for such purpose.

[C73, 75, 77, 79, 81, §455B.97]
C83, §455B.363
Referred to in §455B.307B, 455B.364
See §321.369

**455B.364 Penalty.**

Any person violating the provisions of section 455B.363, upon conviction, shall be guilty of a simple misdemeanor. The court, in lieu of or in addition to any other sentence imposed, may direct and supervise a labor of litter gathering.

[C73, 75, 77, 79, 81, §455B.98]
C83, §455B.364

**455B.365 through 455B.380** Reserved.

## PART 4

## HAZARDOUS CONDITIONS

Referred to in §101.10, 455B.104, 455B.423, 455H.102

**455B.381 Definitions.**

As used in this part 4 unless the context otherwise requires:

1. *"Cleanup"* means actions necessary to contain, collect, control, identify, analyze, clean up, treat, disperse, remove, or dispose of a hazardous substance.

2. *"Cleanup costs"* means costs incurred by the state or its political subdivisions or the agents of the state or a political subdivision in the prevention or mitigation of damages from a hazardous condition or the cleanup of a hazardous substance involved in a hazardous condition.

3. *"Corrosive"* means causing or producing visible destruction or irreversible alterations in human skin tissue at the site of contact, or in the case of leakage of a hazardous substance from its packaging, causing or producing a severe destruction or erosion of other materials through chemical processes.

4. *"Hazardous condition"* means any situation involving the actual, imminent, or probable spillage, leakage, or release of a hazardous substance onto the land, into a water of the state, or into the atmosphere, which creates an immediate or potential danger to the public health or safety or to the environment. For purposes of this division, a site which is a hazardous waste or hazardous substance disposal site as defined in section 455B.411, subsection 4, is a hazardous condition.

5. *"Hazardous substance"* means any substance or mixture of substances that presents a danger to the public health or safety and includes but is not limited to a substance that is toxic, corrosive, or flammable, or that is an irritant or that generates pressure through decomposition, heat, or other means. *"Hazardous substance"* may include any hazardous waste identified or listed by the administrator of the United States environmental protection agency under the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976, or any toxic pollutant listed under section 307 of the federal Water Pollution Control Act as amended to January 1, 1977, or any hazardous substance designated under section 311 of the federal Water Pollution Control Act as amended to January 1, 1977,

or any hazardous material designated by the secretary of transportation under the Hazardous Materials Transportation Act.

6. *"Irritant"* means a substance causing or producing dangerous or intensely irritating fumes upon contact with fire or when exposed to air.

7. *a. "Person having control over a hazardous substance"* means a person who at any time produces, handles, stores, uses, transports, refines, or disposes of a hazardous substance the release of which creates a hazardous condition, including bailees, carriers, and any other person in control of a hazardous substance when a hazardous condition occurs, whether the person owns the hazardous substance or is operating under a lease, contract, or other agreement with the legal owner of the hazardous substance.

*b. "Person having control over a hazardous substance"* does not include a person who holds indicia of ownership in a hazardous condition site, if the person satisfies all of the following:

(1) Holds indicia of ownership primarily to protect that person's security interest in the hazardous condition site, where the indicia of ownership was acquired either for the purpose of securing payment of a loan or other indebtedness, or in the course of protecting the security interest. The term *"primarily to protect that person's security interest"* includes but is not limited to ownership interests acquired as a consequence of that person exercising rights as a security interest holder in the hazardous condition site, where the exercise is necessary or appropriate to protect the security interest, to preserve the value of the collateral, or to recover a loan or indebtedness secured by the interest. The person holding indicia of ownership in a hazardous condition site and who acquires title or a right to title to the site upon default under the security arrangement, or at, or in lieu of, foreclosure, shall continue to hold the indicia of ownership primarily to protect that person's security interest so long as the subsequent actions of the person with respect to the site are intended to protect the collateral secured by the interest, and demonstrate that the person is seeking to sell or liquidate the secured property rather than holding the property for investment purposes.

(2) Does not exhibit managerial control of, or managerial responsibility for, the daily operation of the hazardous condition site through the actual, direct, and continual or recurrent exercise of managerial control over the hazardous condition site in which that person holds a security interest, which managerial control materially divests the borrower, debtor, or obligor of control.

(3) Has taken no subsequent action with respect to the site which causes or exacerbates a release or threatened release of a hazardous substance.

8. *"Political subdivision"* means any municipality, township, or county, or district, or authority, or any portion, or combination of two or more thereof, including but not limited to any emergency services and emergency management agency established pursuant to chapter 28E or 29C, and any municipal fire departments and ambulance services and agents thereof.

9. *"Release"* means a threatened or real emission, discharge, spillage, leakage, pumping, pouring, emptying, or dumping of a hazardous substance into or onto the land, air, or waters of the state unless one of the following applies:

*a.* The release is done in compliance with the conditions of a federal or state permit.

*b.* The hazardous substance is confined and expected to stay confined to property owned, leased or otherwise controlled by the person having control over the hazardous substance.

*c.* In the use of pesticides, the application is done in accordance with the product label.

10. *"Toxic"* means causing or producing a dangerous physiological, anatomic, or biochemical change in a biological system.

11. *"Waters of the state"* means rivers, streams, lakes, and any other bodies of surface and subsurface water lying within or forming a part of the boundaries of the state which are not entirely confined and located completely upon lands owned, leased or otherwise controlled

by a single person or by two or more persons jointly or as tenants in common. *"Waters of the state"* includes waters of the United States lying within the state.

[C79, 81, §455B.110]

C83, §455B.381

84 Acts, ch 1108, §1; 86 Acts, ch 1025, §1; 86 Acts, ch 1245, §1899; 91 Acts, ch 155, §1; 93 Acts, ch 42, §2; 2009 Acts, ch 16, §1, 2

Referred to in §124C.1, 455B.171, 455B.191, 455B.392, 455B.751, 455B.752, 455H.103, 455H.301, 459.506

**455B.382 Administrative agency.**

The department shall be the agency of the state to prevent, abate, and control the exposure of the citizens of the state to hazardous conditions as defined in this part 4 of division IV.

[C79, 81, §455B.111]

C83, §455B.382

Referred to in §459.506

**455B.383 Powers and duties of department.**

The department shall:

1. Establish such rules pursuant to the provisions of chapter 17A as are necessary to protect the public from unnecessary exposure to hazardous substances.

2. Develop a comprehensive plan for the prevention, abatement and control of hazardous conditions within the state.

[C79, 81, §455B.112]

C83, §455B.383

86 Acts, ch 1245, §1899B

Referred to in §459.506

**455B.384 Powers and duties of the executive director.**

The director shall:

1. Provide technical advice and assistance to other state agencies, to political subdivisions of the state and to other persons upon request for the control, abatement, and prevention of hazardous conditions.

2. Collect and disseminate such information, publish such guidelines or reports, and conduct such educational programs deemed necessary to implement the provisions of this part 4 of division IV. Educational programs may be conducted in cooperation with other public or private agencies through agreements concluded pursuant to chapter 28E.

3. Exercise such other powers consistent with the Code and the provisions of this part 4 as the commission may direct.

[C79, 81, §455B.113]

C83, §455B.384

86 Acts, ch 1245, §1899

Referred to in §459.506

**455B.385 State hazardous condition contingency plan.**

All public agencies, as defined in chapter 28E, shall cooperate in the development and implementation of a state hazardous condition contingency plan. The plan shall detail the manner in which public agencies shall participate in the response to a hazardous condition. The director may enter into agreements, with approval of the commission, with any state agency or unit of local government or with the federal government, as necessary to develop and implement the plan. The plan shall be coordinated with the department of homeland security and emergency management and any joint emergency management agencies established pursuant to chapter 29C.

[C79, 81, §455B.114]

C83, §455B.385

86 Acts, ch 1245, §1899; 92 Acts, ch 1139, §31; 2003 Acts, ch 179, §157; 2013 Acts, ch 29, §57

Referred to in §459.506

Section amended

**455B.386 Notification of spills — penalty.**

A person manufacturing, storing, handling, transporting, or disposing of a hazardous substance shall notify the department and the local police department or the office of the sheriff of the affected county of the occurrence of a hazardous condition as soon as possible but not later than six hours after the onset of the hazardous condition or discovery of the hazardous condition. A sheriff or police chief who has been notified of a hazardous condition shall immediately notify the department. The department, upon receiving notice of a hazardous condition, shall immediately notify the operator of any public water supply system or private water supply system which may be affected by the hazardous condition. If requested, a person shall submit within thirty days of the department's request a written report of particulars of the incident. A person violating this section is subject to a civil penalty of not more than one thousand dollars.

[C79, 81, §455B.115]

C83, §455B.386

84 Acts, ch 1108, §2; 90 Acts, ch 1032, §1

Referred to in §29C.8A, 321.266, 331.653, 455G.31, 459.506

See also §321.266

**455B.387 Removal of hazardous substances.**

1. When any hazardous condition exists, the director may remove or provide for the removal and disposal of the hazardous substance at any time, unless the director determines such removal will be properly and promptly accomplished by the owner or operator of the vessel, vehicle, container, pipeline or other facility.

2. The director may use any resources available under the hazardous condition contingency plan to provide for the removal of hazardous substances. If the director finds that public agencies cannot provide the necessary labor or equipment or if the director determines that emergency conditions exist, the director may contract with a private person or agency for removal of the hazardous substance. In those cases where equipment or services are obtained from a public or private person or agency under emergency conditions, section 455B.105, subsection 6 does not apply.

3. An action taken by a person to abate, control, or clean up a hazardous substance involved in a hazardous condition shall not be construed as an admission of liability for a hazardous condition.

[C79, 81, §455B.116]

C83, §455B.387

83 Acts, ch 101, §94; 84 Acts, ch 1108, §3; 86 Acts, ch 1245, §1899

Referred to in §459.506

**455B.388 Injunctions and emergency orders.**

1. If it is determined by the director that an emergency exists respecting any matter affecting or likely to affect the public health, the director may issue any order necessary to terminate the emergency without notice and without hearing. Any such order shall be binding and effective immediately and until such order is modified or vacated at a contested case hearing before the commission or by a court.

2. The director may request that the attorney general institute legal proceedings for a temporary or permanent injunction pursuant to section 455B.391 for purposes of enforcing an emergency order.

[C79, 81, §455B.117]

C83, §455B.388

86 Acts, ch 1245, §1899

Referred to in §459.506

**455B.389 Judicial review.**

Judicial review of any order or other action of the commission or of the director may be sought in accordance with the terms of chapter 17A. Notwithstanding the provisions of

chapter 17A, petitions for judicial review may be filed in the district court of the county in which the alleged hazardous condition occurred.

[C79, 81, §455B.118]
C83, §455B.389
86 Acts, ch 1245, §1899
Referred to in §459.506

**455B.390 Jurisdiction limited.**

Nothing contained in this part 4 of division IV shall be deemed to grant to the department any authority or jurisdiction under this part 4 with respect to the following:

1. Hazardous conditions existing solely within and which will probably continue to exist solely within commercial and industrial plants, works, or shops under the jurisdiction of chapters 88 and 91.

2. Relations between employers and employees with respect to hazardous conditions except that where such hazardous conditions extend to or affect areas within the scope of the authority granted by this part 4 of division IV, the department may take any action consistent with this part 4 to abate such hazardous condition.

3. The storage, transportation, handling, or use of flammable liquids, combustibles, and explosives, control over which is exercised by the state fire marshal under chapter 100.

4. The storage, transportation, handling or use of pesticides over which control is exercised by the state secretary of agriculture under chapter 206, except when spillage of pesticides creates a hazardous condition.

5. The storage, transportation, handling or use of fertilizers over which control is exercised by the state secretary of agriculture under chapter 200, except when spillage of fertilizers creates a hazardous condition.

[C79, 81, §455B.119]
C83, §455B.390
92 Acts, ch 1163, §94
Referred to in §101.10, 459.506

**455B.391 Duties of attorney general.**

1. The attorney general shall, at the request of the department, institute any legal proceedings, including an action for an injunction or temporary injunction, necessary to obtain compliance with the provisions of this part 4 of division IV. In any legal proceedings any previous findings of fact of the director or the department after due notice and hearing shall be conclusive if supported by substantial evidence in the record when the record is viewed as a whole.

2. The attorney general shall, at the request of the director, take appropriate action against the person having control over a hazardous substance to recover for the liabilities resulting under section 455B.392.

[C79, 81, §455B.120]
C83, §455B.391
86 Acts, ch 1158, §1; 86 Acts, ch 1245, §1899, 1899B
Referred to in §455B.388, 459.506

**455B.392 Liability for cleanup costs.**

1. *a.* A person having control over a hazardous substance is strictly liable to the state or a political subdivision for all of the following:

(1) The reasonable cleanup costs incurred by the state or its political subdivisions or the agents of the state or a political subdivision as a result of the failure of the person to clean up a hazardous substance involved in a hazardous condition caused by that person.

(2) The reasonable costs incurred by the state or its political subdivisions or the agents of the state or a political subdivision to evacuate people from the area threatened by a hazardous condition caused by the person.

(3) The reasonable damages to the state for the injury to, destruction of, or loss of natural resources resulting from a hazardous condition caused by that person including the costs of assessing the injury, destruction, or loss.

(4) The excessive and extraordinary cost incurred by the state or its political subdivisions or the agents of the state or a political subdivision in responding at and to the scene of a hazardous condition caused by that person.

*b.* If the failure is willful, the person is liable for punitive damages not to exceed triple the cleanup costs incurred by the state or its political subdivisions or the agents of the state or a political subdivision. Prompt and good faith notification to the state or a political subdivision by the person having control over a hazardous substance that the person does not have the resources or managerial capability to begin or continue cleanup, or a good faith effort to clean up, relieves the person of liability for punitive damages, but not for actual cleanup costs.

*c.* Claims under this subsection shall be made by the state agency or the political subdivision that incurred costs or damages under this subsection, and such costs or damages will be subject to administrative and judicial review, including the terms of chapter 17A when appropriate. If administrative or judicial review is sought, a political subdivision making a claim shall submit an advisory request to the department to determine whether the cleanup actions serving as the basis for the cleanup costs were consistent with this chapter. The department shall respond in writing to a request within thirty days of receiving the request.

2. Liability under subsection 1 is limited to the following maximum dollar limitations:

*a.* Five million dollars for any vehicle, boat, aircraft, pipeline, or other manner of conveyance which transports a hazardous substance.

*b.* Fifty million dollars for any facility generating, storing, or disposing of a hazardous substance.

3. There is no liability under this section for a person otherwise liable if the hazardous condition is solely resulting from one or more of the following:

*a.* An act of God.

*b.* An act of war.

*c.* (1) An act or omission of a third party if the person establishes both of the following:

(a) That taking into consideration the characteristics of the hazardous substance, the person otherwise liable exercised due care with respect to the hazardous substance.

(b) That the person otherwise liable took precautions against the foreseeable acts or omissions of the third party and the foreseeable consequences.

(2) As used in this paragraph, *"third party"* does not include an employee or agent of the person otherwise liable or a third party whose act or omission occurs directly or indirectly in connection with a contractual relationship with the person otherwise liable.

4. There is no liability under this section for a person otherwise liable if all of the following conditions exist:

*a.* The liability arises during the transportation of a hazardous substance.

*b.* The fact that the hazardous substance is a hazardous substance has been misrepresented to the person transporting the hazardous substance.

*c.* The person transporting the hazardous substance does not know or have reason to know that the misrepresentation has been made.

5. Money collected by the department pursuant to this section shall be deposited in the hazardous waste remedial fund created in section 455B.423. Moneys shall be used in the manner permitted for the fund. Moneys collected by a state agency other than the department of natural resources pursuant to this section are appropriated to that agency for purposes of reimbursing costs of the agency for emergency response activities described in subsection 1. Moneys collected by a political subdivision pursuant to this section shall be retained by the political subdivision and shall be used for purposes of reimbursing costs of the political subdivision for emergency response activities described in subsection 1.

6. This section does not deny any person any legal or equitable rights, remedies, or defenses or affect any legal relationship other than the legal relationship between the state or a political subdivision and a person having control over a hazardous substance pursuant to subsection 1.

7. *a.* There is no liability under this section for a person who has satisfied the requirements of section 455B.381, subsection 7, paragraph *"b"*, regardless of when that person acquired title or right to title to the hazardous condition site, except that a person

otherwise exempt from liability under this subsection shall be liable to the state or a political subdivision for the lesser of:

(1) The total reasonable cleanup costs incurred by the state to clean up a hazardous substance at the hazardous condition site; or

(2) The amount representing the postcleanup fair market value of the property comprising the hazardous condition site.

*b.* Liability under this subsection shall only be imposed when the person holds title to the hazardous condition site at the time the state or a political subdivision incurs reasonable cleanup costs.

*c.* For purposes of this subsection, *"postcleanup fair market value"* means the actual amount of consideration received by such person upon sale or transfer of the hazardous condition site which has been cleaned up by the state or a political subdivision to a bona fide purchaser for value.

*d.* Cleanup expenses incurred by the state or a political subdivision shall be a lien upon the real estate constituting the hazardous condition site, recordable and collectable in the same manner as provided for in section 424.11, subject to the terms of this subsection. The lien shall attach at the time the state or a political subdivision incurs expenses to clean up the hazardous condition site. The lien shall be valid as against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, only when a notice of the lien is filed with the recorder of the county in which the property is located. Upon payment by the person to the state or a political subdivision, of the amount specified in this subsection, the state or a political subdivision shall release the lien. If no lien has been recorded at the time the person sells or transfers the property, then the person shall not be liable for any cleanup costs incurred by the state or a political subdivision.

84 Acts, ch 1108, §4; 86 Acts, ch 1158, §2, 3; 86 Acts, ch 1245, §1899; 93 Acts, ch 42, §3; 94 Acts, ch 1157, §1, 2; 2009 Acts, ch 16, §3

Referred to in §455B.391, 459.506, 481A.151

**455B.393 Liability of state employees or persons providing assistance.**

1. A person employed by the state is not liable for damages incurred as a result of actions taken by the person when acting in the person's official capacity pursuant to this part, rules adopted pursuant to this part and the hazardous condition contingency plan.

2. A person who provides assistance at the request of the department or by previous agreement with the department in the event of a hazardous condition is not liable in a civil action for damages as a result of that person's acts or omissions in rendering the assistance. This section does not relieve a person from civil damages in any of the following circumstances:

*a.* If the person providing assistance is also the person having control over the hazardous substance which created the hazardous condition.

*b.* If the person rendered assistance for payment beyond reimbursement for out-of-pocket expenses or with the expectation of such payment.

*c.* For acts or omissions which result from intentional wrongdoing or gross negligence.

84 Acts, ch 1108, §5

Referred to in §459.506

**455B.394 Right of entry.**

A person shall not refuse entry or access to, or harass or obstruct an authorized representative of the department who seeks entry or access for the purpose of investigating or responding to a hazardous condition. The representative shall present appropriate credentials. Upon a showing of probable cause in writing and made under oath, a judge or magistrate having proper jurisdiction shall issue a suitably restricted search warrant to the representative of the department for the purposes of enabling the representative to investigate or respond to a hazardous condition.

84 Acts, ch 1108, §6

Referred to in §459.506

**455B.395 Public information.**

Information obtained under this part or a rule, order or condition adopted or issued under this part, or an investigation authorized thereby, shall be available to the public unless the information constitutes trade secrets or information which is entitled to confidential treatment in order to protect a plan, process, tool, mechanism, or compound which is known only to the person claiming confidential treatment and confidential treatment is necessary to protect the person's trade, business or manufacturing process.

84 Acts, ch 1108, §7
Referred to in §459.506

**455B.396 Claim of state.**

1. Liability to the state under this part or part 5 of this division is a debt to the state. Liability to a political subdivision under this part of this division is a debt to the political subdivision. The debt, together with interest on the debt at the maximum lawful rate of interest permitted pursuant to section 535.2, subsection 3, paragraph *"a"*, from the date costs and expenses are incurred by the state or a political subdivision is a lien on real property, except single and multifamily residential property, on which the department incurs costs and expenses creating a liability and owned by the persons liable under this part or part 5. To perfect the lien, a statement of claim describing the property subject to the lien must be filed within one hundred twenty days after the incurrence of costs and expenses by the state or a political subdivision. The statement shall be filed with, accepted by, and recorded by the county recorder in the county in which the property subject to the lien is located. The statement of claim may be amended to include subsequent liabilities. To be effective, the statement of claim shall be amended and filed within one hundred twenty days after the occurrence of the event resulting in the amendment.

2. The lien may be dissolved by filing with the appropriate recording officials a certificate that the debt for which the lien is attached, together with interest and costs on the debt, has been paid or legally abated.

86 Acts, ch 1115, §1; 2009 Acts, ch 16, §4
Referred to in §459.506

**455B.397 Financial disclosure.**

Immediately upon the incurrence of any liability to the state under this part, the debtor shall submit to the director a report consisting of documentation of the debtor's liabilities and assets, including if filed, a copy of the annual report submitted to the secretary of state pursuant to chapter 490. A subsequent report pursuant to this section shall be submitted annually on April 15 for the life of the debt. These reports shall be kept confidential and shall not be available to the public.

86 Acts, ch 1115, §2; 90 Acts, ch 1205, §12
Referred to in §459.506

**455B.398** Reserved.

**455B.399 Cleanup assistance — liability.**

1. A person who provides assistance or advice in mitigating or attempting to mitigate the effects of an actual or threatened hazardous condition or in preventing, cleaning up or disposing of or in attempting to prevent, clean up or dispose of a hazardous condition is not liable for damages resulting from the assistance or advice.

2. Subsection 1 does not apply to a person who receives compensation other than reimbursement for out-of-pocket expenses for services in rendering the assistance or advice.

3. This section does not limit the liability of a person for damages resulting from the person's gross negligence or reckless, wanton or intentional misconduct.

84 Acts, ch 1059, §1
Referred to in §459.506

**455B.400 through 455B.410** Reserved.

## PART 5

## HAZARDOUS WASTE AND SUBSTANCE MANAGEMENT

Referred to in §455B.104, 455B.396, 455H.102

"Toxic Cleanup Days"; see §455E.11(2c) and 455F.8

**455B.411 Definitions.**

As used in this part 5, unless the context otherwise requires:

1. *"Disposal"* means the discharge, deposit, injection, dumping, spilling, leaking, or placing of a hazardous waste or hazardous substance into or on land or water so that the hazardous waste or hazardous substance or a constituent of the hazardous waste or hazardous substance may enter the environment or be emitted into the air or discharged into any waters, including groundwaters.

2. *"Hazardous substance"* means a hazardous substance as defined in 42 U.S.C. § 9601 of the federal Comprehensive Environmental Response, Compensation, and Liability Act and any element, compound, mixture, solution, or substance designated pursuant to 40 C.F.R. § 302.4.

3. *a.* *"Hazardous waste"* means a waste or combination of wastes that, because of its quantity, concentration, biological degradation, leaching from precipitation, or physical, chemical, or infectious characteristics, has either of the following effects:

(1) Causes, or significantly contributes to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness.

(2) Poses a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed. *"Hazardous waste"* may include but is not limited to wastes that are toxic, corrosive or flammable or irritants, strong sensitizers or explosives.

*b.* *"Hazardous waste"* does not include:

(1) Agricultural wastes, including manures and crop residues that are returned to the soil as fertilizers or soil conditioners.

(2) Source, special nuclear, or by-product material as defined in the Atomic Energy Act of 1954, as amended to January 1, 1979.

4. *"Hazardous waste or hazardous substance disposal site"* means real property which has been used for the disposal of hazardous waste or hazardous substances either illegally or prior to regulation as a hazardous waste or a hazardous substance under this part and any adjoining real property and groundwater affected by the disposal activities.

[C81, §455B.130; 81 Acts, ch 151, §1]

C83, §455B.411

84 Acts, ch 1108, §8; 84 Acts, ch 1157, §1; 84 Acts, ch 1158, §2; 86 Acts, ch 1025, §2, 3; 91 Acts, ch 155, §2; 2011 Acts, ch 9, §3

Referred to in §124C.1, 455B.191, 455B.301, 455B.304, 455B.381, 455B.482, 455B.751, 455F.1, 558.69, 716B.1

**455B.412 through 455B.421** Repealed by 2011 Acts, ch 9, § 10.

**455B.422** Repealed by 87 Acts, ch 180, § 12.

**455B.423 Hazardous substance remedial fund.**

1. A hazardous substance remedial fund is created within the state treasury. Moneys received from fees, penalties, general revenue, federal funds, gifts, bequests, donations, or other moneys so designated shall be deposited in the state treasury to the credit of the fund. Any unexpended balance in the remedial fund at the end of each fiscal year shall be retained in the fund.

2. *a.* The director may use the fund for any of the following purposes:

(1) Administrative services for the identification, assessment and cleanup of hazardous waste or hazardous substance disposal sites.

(2) Payments to other state agencies for services consistent with the management of hazardous waste or hazardous substance disposal sites.

(3) Emergency response activities as provided in part 4 of this division.

(4) Financing the nonfederal share of the cost of cleanup and site rehabilitation activities as well as postclosure operation and maintenance costs, pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980.

(5) Financing the cost of cleanup and site rehabilitation activities as well as postclosure operation and maintenance costs of hazardous waste or hazardous substance disposal sites that do not qualify for federal cost sharing pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980.

(6) Through agreements or contracts with other state agencies, to work with private industry to develop alternatives to land disposal of hazardous waste or hazardous substances including but not limited to resource recovery, recycling, neutralization, and reduction.

(7) For the administration of the waste tire collection or processing site permit program.

*b.* However, at least seventy-five percent of the fund shall be used for the purposes stated in paragraph *"a"*, subparagraphs (4) and (5).

3. Neither the state nor its officers, employees, or agents are liable for an injury caused by a dangerous condition at a hazardous waste or hazardous substance disposal site unless the condition is the result of gross negligence on the part of the state, its officers, employees, or agents.

4. The director may contract with any person to perform the acts authorized in this section.

5. Moneys shall not be used from the fund for hazardous waste or hazardous substance disposal site cleanup unless the director has made all reasonable efforts to secure voluntary agreement to pay the costs of necessary remedial actions from owners or operators of hazardous waste or hazardous substance disposal sites or other responsible persons.

6. The director shall make all reasonable efforts to recover the full amount of moneys expended from the fund through litigation or cooperative agreements with responsible persons. Moneys recovered pursuant to this subsection shall be deposited with the treasurer of state and credited to the remedial fund.

84 Acts, ch 1108, §9; 86 Acts, ch 1025, §5; 86 Acts, ch 1245, §1899; 91 Acts, ch 155, §3 – 5; 92 Acts, ch 1218, §2; 2004 Acts, ch 1101, §63; 2011 Acts, ch 25, §105; 2012 Acts, ch 1023, §58

Referred to in §455B.392, 455B.432, 455D.11B

**455B.424 Hazardous waste fees.**

1. The person who generates hazardous waste or the owner or operator of a hazardous waste disposal facility who transports hazardous wastes off of the site where the hazardous waste was generated or off the disposal facility site shall pay a fee of ten dollars for each ton up to two thousand five hundred tons of hazardous waste transported off the site, excluding the water content of any waste that is transported to another facility under the ownership of the generator for the purposes of waste treatment or recycling.

2. A person who generates hazardous waste or owns or operates a facility which treats or disposes of hazardous waste at the facility shall pay the following fees:

*a.* Forty dollars for each ton of hazardous wastes placed, deposited, dumped or disposed of onto or into the land at a disposal facility in Iowa.

*b.* Two dollars for each ton up to five hundred tons of hazardous waste destroyed or treated at the generator's site or at the disposal facility to render the hazardous waste nonhazardous.

3. Fees specified in subsections 1 and 2 shall not be imposed on the state or any of its political subdivisions.

4. Fees specified in subsections 1 and 2 shall not be imposed on any of the following:

*a.* Hazardous waste that is reclaimed or reused for energy or materials.

*b.* Hazardous waste that is transformed into new products which are not wastes.

*c.* Hazardous wastes created or retrieved as a result of remedial actions at a hazardous waste or hazardous substance disposal site.

*d.* Influent waste water to a treatment facility which is subject to regulation under either 33 U.S.C. § 1317(b) or 33 U.S.C. § 1342.

*e.* A hazardous waste which due to its intrinsic physical, chemical or biological composition degrades, decomposes or changes physical characteristics so as to be rendered or considered nonhazardous without any form of external mechanical, physical or chemical treatment being introduced. However, such change to a nonhazardous nature must occur within twenty-four hours of the generation of the hazardous waste before the exemption granted in this paragraph is applicable.

5. In addition to other fees imposed by this section, a person that is required to obtain a United States environmental protection agency identification number shall pay the following fees:

*a.* If the person generates more than one thousand kilograms of hazardous waste per month, a fee of two hundred fifty dollars.

*b.* If the person generates hazardous waste but does not generate more than one thousand kilograms of hazardous waste per month, a fee of twenty-five dollars.

*c.* If the person is a transporter of hazardous waste, a fee of twenty-five dollars.

*d.* If the person operates a hazardous waste treatment, storage, or disposal facility, a fee of twenty-five dollars.

6. Fees imposed by this section shall be paid to the department on an annual basis. Fees are due on April 15 for the previous calendar year. The payment shall be accompanied by a return in the form prescribed by the department.

7. A person required to pay fees by this section who fails or refuses to pay the fees imposed by this section shall be assessed a penalty of fifteen percent of the fee due. The penalty shall be paid in addition to the fee due.

8. Moneys collected or received by the department pursuant to this section shall be transmitted to the treasurer of state for deposit in the hazardous waste remedial fund.

9. The fees imposed by this section shall be suspended if after collection of the fees due from the previous quarter, the hazardous waste remedial fund has a balance in excess of six million dollars. If the balance falls below three million dollars, the fees shall be reimposed commencing the beginning of the next calendar quarter.

84 Acts, ch 1108, §10; 88 Acts, ch 1115, §1; 91 Acts, ch 155, §6; 98 Acts, ch 1178, §11, 12
Referred to in §455B.432

**455B.425 Annual report on hazardous substance remedial fund.**

The director shall annually on January 1 give a full accounting of moneys received, moneys expended, sources and recipients, and purposes of the expenditures for the preceding fiscal year in the hazardous substance remedial fund to the general assembly and the governor.

84 Acts, ch 1108, §11; 86 Acts, ch 1025, §6; 86 Acts, ch 1245, §1899
Referred to in §455B.432

**455B.426 Registry of hazardous waste or hazardous substance disposal sites.**

1. The director shall maintain and make available for public inspection a registry of confirmed hazardous waste or hazardous substance disposal sites in the state. The director shall take all necessary action to ensure that the registry provides a complete listing of all sites. The registry shall contain the exact location of each site and identify the types of waste found at each site.

2. The director shall investigate all known or suspected hazardous waste or hazardous substance disposal sites and determine whether each site should be included in the registry. In the evaluation of known or suspected hazardous waste or hazardous substance disposal sites, the director may enter private property and perform tests and analyses.

3. Beginning July 1, 2011, a new site shall not be placed on the registry of confirmed hazardous waste or hazardous substance disposal sites.

4. A site placed on the registry of confirmed hazardous waste or hazardous substance disposal sites prior to July 1, 2011, shall be removed upon the execution of a uniform environmental covenant pursuant to the provisions of chapter 455I relating to the

contaminated portions of the property listed on the registry. A site may also be removed from the registry pursuant to section 455B.427, subsection 4.

5. If no sites remain listed on the registry of confirmed hazardous waste or hazardous substance disposal sites, the department shall recommend to the general assembly the repeal of this section and sections 455B.427 through 455B.432.

84 Acts, ch 1108, §12; 86 Acts, ch 1025, §7; 86 Acts, ch 1245, §1899; 91 Acts, ch 155, §7; 2011 Acts, ch 9, §4, 5

Referred to in §455B.429, 455B.430, 455B.431, 455B.432, 455H.509

**455B.427 Annual report on hazardous waste or hazardous substance disposal sites.**

1. The director shall annually on January 1 transmit a report to the general assembly and the governor identifying all hazardous waste or hazardous substance disposal sites in the state listed on the registry. A copy of the report shall also be sent to the board of supervisors of every county containing a site.

2. The annual report shall include, but is not limited to, the following information for each site:

*a.* A general description of the site, including the name and address of the site, the type and quantity of the hazardous waste or hazardous substance disposed of at the site and the name of the current owners of the site.

*b.* A summary of significant environmental problems at or near the site.

*c.* A summary of serious health problems in the immediate vicinity of the site and health problems deemed by the director in cooperation with the Iowa department of public health to be related to conditions at the site.

*d.* The status of testing, monitoring, or remedial actions in progress or recommended by the director.

*e.* The status of pending legal actions and federal, state, or local government permits concerning the site.

*f.* The relative priority for remedial action at each site.

*g.* The proximity of the site to private residences, public buildings or property, school facilities, places of work, or other areas where individuals may be regularly present.

3. In developing and maintaining the annual report, the director shall assess the relative priority of the need for action at each site to remedy environmental and health problems resulting from the presence of hazardous wastes or hazardous substances at the sites. In making assessments of relative priority, the director, in cooperation with the Iowa department of public health on matters relating to public health, shall place every site in one of the following classifications:

*a.* Causing or presenting an imminent danger of causing irreversible or irreparable damage to the public health or environment — immediate action required.

*b.* Significant threat to the environment — action required.

*c.* Not a significant threat to the public health or environment — action may be deferred.

*d.* Site properly closed — requires continued management.

*e.* Site properly closed, no evidence of present or potential adverse impact — no further action required.

4. A site classified as properly closed under subsection 3, paragraph "*e*", shall be removed from all subsequent annual reports and the register of hazardous waste or hazardous substance disposal sites.

5. The director shall work with the Iowa department of public health when assessing the effects of a hazardous waste or hazardous substance disposal site on human health.

84 Acts, ch 1108, §13; 86 Acts, ch 1025, §8; 86 Acts, ch 1245, §1899; 91 Acts, ch 155, §8

Referred to in §455B.426, 455B.431, 455B.432

**455B.428 Investigation of sites.**

1. The director shall investigate each hazardous waste or hazardous substance disposal site listed in the registry to determine its relative priority.

2. The director shall identify each hazardous waste or hazardous substance disposal site by providing all of the following:

*a.* The address and site boundaries.

*b.* The time period of use for disposal of hazardous waste or hazardous substances.

*c.* The name of the current owner and operator and names of reported owners and operators during the time period of use for disposal of hazardous waste or hazardous substances.

*d.* The names of persons responsible for the generation and transportation of the hazardous waste or hazardous substances disposed of at the site.

*e.* The type, quantity and manner of hazardous waste or hazardous substances disposal.

3. When preliminary evidence suggests further assessment is necessary, the director may assess any of the following:

*a.* The depth of the water table at the site.

*b.* The nature of soils at the site.

*c.* The location, nature, and size of aquifers at the site.

*d.* The direction of present and historic groundwater flows at the site.

*e.* The location and nature of surface waters at and near the site.

*f.* The levels of contaminants in groundwater, surface water, air, and soils at and near the site resulting from hazardous wastes or hazardous substances disposed of at the site.

*g.* The current quality of all drinking water drawn from or distributed through the area in which the site is located, if the director determines that water quality may have been affected by the site.

4. The director shall maintain a site assessment file for each site listed in the registry. The file shall contain all information obtained pursuant to this section and shall be open to the public. Information in the file may be reproduced by any person at a charge not to exceed the actual cost of reproduction for copies of file information.

84 Acts, ch 1108, §14; 86 Acts, ch 1025, §9; 86 Acts, ch 1245, §1899; 91 Acts, ch 155, §9
Referred to in §455B.426, 455B.432

**455B.429 Notification to owners — appeals.**

1. Within sixty days after July 1, 1984, the director shall notify the owner of any part of a site to be included in the registry required by section 455B.426. The notice shall be sent by certified mail to the owner's last known address. Thirty days before a site is added to the registry, the director shall notify the owner of any part of the site by certified mail of the proposed addition to the registry. The notice shall be sent by certified mail to the owner's last known address.

2. An owner or operator of a site proposed for listing in the registry or listed in the registry pursuant to section 455B.426, may petition the director for deletion of the site, modification of the site classification, or modification of any information regarding the site. A site shall not be listed on the registry until a final determination has been made on any appeal initiated under this section. An appeal is a contested case for the purposes of chapter 17A.

3. Within ninety days after the submission of an appeal, the department shall conduct a hearing to review the determination. At least thirty days prior to the hearing the department shall publish a notice of hearing in a newspaper of general circulation in the county in which the site is located. The department shall also notify in writing the owner or operator of the site at least thirty days prior to the hearing.

4. At least thirty days following the hearing, the department shall provide the owner or operator with a written determination accompanied by reasons for the determination on the appeal.

5. Within ten days of a determination, the director shall notify the local governments with jurisdiction over the site whenever a change is made in the registry pursuant to this section.

84 Acts, ch 1108, §15; 86 Acts, ch 1245, §1899
Referred to in §455B.426, 455B.430, 455B.432

**455B.430 Use and transfer of sites — penalty — financial disclosure.**

1. A person shall not substantially change the manner in which a hazardous waste or hazardous substance disposal site on the registry pursuant to section 455B.426 is used without the written approval of the director.

2. A person shall not sell, convey, or transfer title to a hazardous waste or hazardous substance disposal site which is on the registry pursuant to section 455B.426 without the written approval of the director. The director shall respond to a request for a change of ownership within thirty days of its receipt.

3. Decisions of the director concerning the use or transfer of a hazardous waste or hazardous substance disposal site may be appealed in the manner provided in section 455B.429.

4. If the director has reason to believe this section has been violated, or is in imminent danger of being violated, the director may institute a civil action in district court for injunctive relief to prevent the violation and for the assessment of a civil penalty not to exceed one thousand dollars per day for each day of violation. Moneys collected under this subsection shall be deposited in the remedial fund.

5. Immediately upon the listing of real property in the registry of hazardous waste or hazardous substance disposal sites, a person liable for cleanup costs shall submit to the director a report consisting of documentation of the responsible person's liabilities and assets, including if filed, a copy of the annual report submitted to the secretary of state pursuant to chapter 490. A subsequent report pursuant to this section shall be submitted annually on April 15 for the period the site remains on the registry.

84 Acts, ch 1108, §16; 86 Acts, ch 1025, §10; 86 Acts, ch 1245, §1899; 86 Acts, ch 1115, §3; 90 Acts, ch 1205, §13; 91 Acts, ch 155, §10

Referred to in §455B.426, 455B.432

**455B.431 Recording of site designation.**

When the director places a site on the registry as provided in section 455B.426, then the director shall file with the county recorder a statement disclosing the period during which the site was used as a hazardous waste or hazardous substances disposal area. When the director finds that a site on the registry has been properly closed under section 455B.427, subsection 3, paragraph "*e*", with no evidence of potential adverse impact, this finding shall be filed with the county recorder. The finding shall state that the director's finding does not warrant to a future purchaser of the site that the site will be free from any future adverse impacts as a result of use of the site as a hazardous waste or hazardous substances disposal site.

84 Acts, ch 1108, §17; 86 Acts, ch 1025, §11; 86 Acts, ch 1245, §1899

Referred to in §455B.426, 455B.432

**455B.432 Liability.**

Acts or omissions of the director or the department in carrying out the duties imposed by sections 455B.423 through 455B.431 shall not be cause for a claim against the state within the meaning of chapter 669.

84 Acts, ch 1108, §18; 86 Acts, ch 1245, §1899

Referred to in §455B.426

**455B.433 Physical infrastructure assistance — funding — liability.** Repealed by 2012 Acts, ch 1126, § 26.

**455B.434 through 455B.440** Reserved.

## PART 6

## HAZARDOUS WASTE SITES AND FACILITIES

**455B.441 through 455B.455** Repealed by 2011 Acts, ch 9, § 10.

**455B.456 through 455B.460** Reserved.

## PART 7

## DISPOSAL OF HAZARDOUS WASTE ON LAND

**455B.461 through 455B.463** Repealed by 2011 Acts, ch 9, § 10.

**455B.464 Additional hazardous or restricted waste listed.** Repealed by 2006 Acts, ch 1014, § 10.

**455B.465 through 455B.468** Repealed by 2011 Acts, ch 9, § 10.

**455B.469 and 455B.470** Reserved.

## PART 8

## UNDERGROUND STORAGE TANKS

Referred to in §455E.11, 455H.102, 455H.107, 455H.204

**455B.471 Definitions.**

As used in this part unless the context otherwise requires:

1. *"Board"* means the Iowa comprehensive petroleum underground storage tank fund board.

2. *"Corrective action"* means an action taken to reduce, minimize, eliminate, clean up, control, or monitor a release to protect the public health and safety or the environment. Corrective action includes, but is not limited to, excavation of an underground storage tank for purposes of repairing a leak or removal of a tank, removal of contaminated soil, disposal or processing of contaminated soil, cleansing of groundwaters or surface waters, natural biodegradation, institutional controls, and site management practices. Corrective action does not include replacement of an underground storage tank. Corrective action specifically excludes third-party liability.

3. *"Fund"* means the Iowa comprehensive petroleum underground storage tank fund.

4. *"Nonoperational storage tank"* means an underground storage tank in which regulated substances will not be deposited or from which regulated substances will not be dispensed after July 1, 1985.

5. *"Operator"* means a person in control of, or having responsibility for, the daily operation of the underground storage tank.

6. *a.* *"Owner"* means:

(1) In the case of an underground storage tank in use on or after July 1, 1985, a person who owns the underground storage tank used for the storage, use, or dispensing of regulated substances.

(2) In the case of an underground storage tank in use before July 1, 1985, but no longer in use on that date, a person who owned the tank immediately before the discontinuation of its use.

*b.* To the extent consistent with the federal Resource Conservation and Recovery Act, as amended to January 1, 1994, 42 U.S.C. § 6901 et seq., *"owner"* does not include a person who holds indicia of ownership in the underground storage tank or the tank site property if all of the following apply:

(1) The person holds indicia of ownership primarily to protect that person's security interest in the underground storage tank or tank site property, where such indicia of ownership was acquired either for the purpose of securing payment of a loan or other indebtedness, or in the course of protecting the security interest. The term *"primarily to protect that person's security interest"* includes but is not limited to ownership interests acquired as a consequence of that person exercising rights as a security interest holder in the underground storage tank or tank site property, where such exercise is necessary or appropriate to protect the security interest, to preserve the value of the collateral, or

to recover a loan or indebtedness secured by such interest. The person holding indicia of ownership in the underground storage tank or tank site property and who acquires title or a right to title to such underground storage tank or tank site property upon default under the security arrangement, or at, or in lieu of, foreclosure, shall continue to hold such indicia of ownership primarily to protect that person's security interest so long as subsequent actions taken by that person with respect to the underground storage tank or tank site property are intended to protect the collateral secured by the interest, and demonstrate that the person is seeking to sell or liquidate the secured property rather than holding the property for investment purposes.

(2) The person does not exhibit managerial control of, or managerial responsibility for, the daily operation of the underground storage tank or tank site property through the actual, direct, and continual or recurrent exercise of managerial control over the underground storage tank or tank site property in which that person holds a security interest, which managerial control materially divests the borrower, debtor, owner or operator of the underground storage tank or tank site property of such control.

(3) The person has taken no subsequent action with respect to the site which causes or exacerbates a release or threatened release of a hazardous substance.

7. *"Petroleum"* means petroleum, including crude oil or any fraction of crude oil which is liquid at standard conditions of temperature and pressure (sixty degrees Fahrenheit and fourteen and seven-tenths pounds per square inch absolute).

8. *"Regulated substance"* means an element, compound, mixture, solution or substance which, when released into the environment, may present substantial danger to the public health or welfare or the environment. Regulated substance includes substances designated in 40 C.F.R., pts. 61 and 116, and 40 C.F.R. § 401.15, and petroleum including crude oil or any fraction of crude oil which is liquid at standard conditions of temperature and pressure (sixty degrees Fahrenheit and fourteen and seven-tenths pounds per square inch absolute). However, regulated substance does not include a substance regulated as a hazardous waste under the Resource Conservation and Recovery Act of 1976. Substances may be added or deleted as regulated substances by rule of the commission pursuant to section 455B.474.

9. *"Release"* means spilling, leaking, emitting, discharging, escaping, leaching, or disposing of a regulated substance, including petroleum, from an underground storage tank into groundwater, surface water, or subsurface soils.

10. *"Tank site"* means a tank or grouping of tanks within close proximity of each other located on the facility for the purpose of storing regulated substances.

11. *a.* *"Underground storage tank"* means one or a combination of tanks, including underground pipes connected to the tanks which are used to contain an accumulation of regulated substances and the volume of which, including the volume of the underground pipes, is ten percent or more beneath the surface of the ground.

*b.* (1) *"Underground storage tank"* does not include:

(a) Farm or residential tanks of one thousand one hundred gallons or less capacity used for storing motor fuel for noncommercial purposes.

(b) Tanks used for storing heating oil for consumptive use on the premises where stored.

(c) Residential septic tanks.

(d) Pipeline facilities regulated under the Natural Gas Pipeline Safety Act of 1968, as amended to January 1, 1985, codified at 49 U.S.C. § 1671 et seq., the Hazardous Liquid Pipeline Safety Act of 1979, as amended to January 1, 1985, codified at 49 U.S.C. § 2001 et seq., or an intrastate pipeline facility regulated under chapter 479.

(e) A surface impoundment, pit, pond, or lagoon.

(f) A storm water or wastewater collection system.

(g) A flow-through process tank.

(h) A liquid trap or associated gathering lines directly related to oil or gas production and gathering operations.

(i) A storage tank situated in an underground area including but not limited to a basement, cellar, mineworking, drift, shaft, or tunnel if the storage tank is situated upon or above the surface of the floor.

(2) *"Underground storage tank"* does not include pipes connected to a tank described in paragraph *"b"*, subparagraph (1).

85 Acts, ch 162, §1; 89 Acts, ch 131, §33 – 35; 93 Acts, ch 42, §5; 94 Acts, ch 1067, §1; 95 Acts, ch 215, §4; 2011 Acts, ch 25, §106; 2012 Acts, ch 1023, §59

Referred to in §101.1, 101.21, 455B.473, 455B.474, 455B.751, 455B.752, 455G.13, 558.69

**455B.472 Declaration of policy.**

The general assembly finds that the release of regulated substances from underground storage tanks constitutes a threat to the public health and safety and to the natural resources of the state, and that existing regulatory programs of the department and other agencies do not adequately or appropriately address this substantial public concern.

85 Acts, ch 162, §2

**455B.473 Report of existing and new tanks — fee.**

1. Except as provided in subsection 2, the owner or operator of an underground storage tank existing on or before July 1, 1985, shall notify the department in writing by May 1, 1986, of the existence of each tank and specify the age, size, type, location and uses of the tank.

2. The owner of an underground storage tank taken out of operation between January 1, 1974 and July 1, 1985, shall notify the department in writing by July 1, 1986, of the existence of the tank unless the owner knows the tank has been removed from the ground. The notice shall specify to the extent known to the owner, the date the tank was taken out of operation, the age of the tank on the date taken out of operation, the size, type and location of the tank, and the type and quantity of substances left stored in the tank on the date that it was taken out of operation.

3. An owner or operator which brings into use an underground storage tank after July 1, 1985, shall notify the department in writing within thirty days of the existence of the tank and specify the age, size, type, location and uses of the tank.

4. An owner or operator of a storage tank described in section 455B.471, subsection 11, paragraph *"b"*, subparagraph (1), subparagraph division (a), which brings the tank into use after July 1, 1987, shall notify the department of the existence of the tank within thirty days. The registration of the tank shall be accompanied by a fee of ten dollars to be deposited in the storage tank management account. A tank which is existing before July 1, 1987, shall be reported to the department by July 1, 1989. Tanks under this section installed on or following July 1, 1987, shall comply with underground storage tank regulations adopted by rule by the department.

5. The notice of the owner or operator to the department under subsections 1 through 3 shall be accompanied by a fee of ten dollars for each tank included in the notice. All moneys collected shall be deposited in the storage tank management account of the groundwater protection fund created in section 455E.11. All moneys collected pursuant to this section prior to July 1, 1987, which have not been expended, shall be deposited in the storage tank management account.

6. Subsections 1 to 3 do not apply to an underground storage tank for which notice was given pursuant to section 103, subsection c, of the Comprehensive Environmental Response, Compensation and Liabilities Act of 1980.

7. A person who sells, installs, modifies, or repairs a tank used or intended to be used as an underground storage tank shall notify the purchaser and the owner or operator of the tank in writing of the owner's notification requirements pursuant to this section including the prohibition on depositing a regulated substance into tanks which have not been registered and issued tags by the department. A person who installs an underground storage tank and the owner or operator of the underground storage tank shall, prior to installing an underground storage tank, notify the department in writing regarding the intent to install a tank.

8. *a.* It shall be unlawful to deposit or accept a regulated substance in an underground storage tank which has not been registered and issued permanent and annual tank management fee renewal tags pursuant to subsections 1 through 6. A person shall not deposit a regulated substance in an underground storage tank after receiving notice from

the department that the underground storage tank is not covered by an approved form of financial responsibility in accordance with section 455B.474, subsection 2.

*b.* The department shall furnish the owner or operator of an underground storage tank with a registration tag for each underground storage tank registered with the department. The owner or operator shall affix the tag to the fill pipe of each registered underground storage tank. If an owner or operator fails to register or obtain annual renewal tags for the underground storage tank, the owner or operator shall pay an additional fee of two hundred fifty dollars upon registration of the tank. A fee imposed pursuant to this subsection shall not preclude the department from assessing an administrative penalty pursuant to section 455B.476.

9. The department may deny issuance of a registration or annual tank management fee renewal tag for failure of the owner or operator to provide proof the underground storage tank is covered by an approved form of financial responsibility as provided in section 455B.474, subsection 2.

85 Acts, ch 162, §3; 87 Acts, ch 225, §604, 605; 2001 Acts, ch 51, §1, 2; 2002 Acts, ch 1119, §60; 2011 Acts, ch 25, §136, 143; 2012 Acts, ch 1023, §150

Referred to in §455B.474, 455B.477, 455E.11

**455B.473A Petroleum underground storage tank registration amnesty program.** Repealed by 2011 Acts, ch 34, § 164.

**455B.474 Duties of commission — rules.**

The commission shall adopt rules pursuant to chapter 17A relating to:

1. *a.* Release detection, prevention, and correction as may be necessary to protect human health and the environment, applicable to all owners and operators of underground storage tanks. The rules shall include but are not limited to requirements for:

(1) Maintaining a leak detection system, an inventory control system with a tank testing, or a comparable system or method designed to identify releases in a manner consistent with the protection of human health and the environment.

(2) Maintaining records of any monitoring or leak detection system, inventory control system, tank testing or comparable system, and periodic underground storage tank facility compliance inspections conducted by inspectors certified by the department.

(3) Reporting of any releases and corrective action taken in response to a release from an underground storage tank.

(4) Establishing criteria for classifying sites according to the release of a regulated substance in connection with an underground storage tank.

(a) The classification system shall consider the actual or potential threat to public health and safety and to the environment posed by the contaminated site and shall take into account relevant factors, including the presence of contamination in soils, groundwaters, and surface waters, and the effect of conduits, barriers, and distances on the contamination found in those areas according to the following factors:

(i) Soils shall be evaluated based upon the depth of the existing contamination and its distance from the ground surface to the contamination zone and the contamination zone to the groundwater; the soil type and permeability, including whether the contamination exists in clay, till or sand and gravel; and the variability of the soils, whether the contamination exists in soils of natural variability or in a disturbed area.

(ii) Groundwaters shall be evaluated based upon the depth of the contamination and its distance from the ground surface to the groundwater and from the contamination zone to the groundwater; the flow pattern of the groundwater, the direction of the flow in relation to the contamination zone and the interconnection of the groundwater with the surface or with surface water and with other groundwater sources; the nature of the groundwater, whether it is located in a high yield aquifer, an isolated, low yield aquifer, or in a transient saturation zone; and use of the groundwater, whether it is used as a drinking water source for public or private drinking water supplies, for livestock watering, or for commercial and industrial processing.

(iii) Surface water shall be evaluated based upon its location, its distance in relation to the

contamination zone, the groundwater system and flow, and its location in relation to surface drainage.

(iv) The effect of conduits, barriers, and distances on the contamination found in soils, groundwaters, and surface waters. Consideration should be given to the following: the effect of contamination on conduits such as wells, utility lines, tile lines and drainage systems; the effect of conduits on the transport of the contamination; whether a well is active or abandoned; what function the utility line serves, whether it is a sewer line, a water distribution line, telephone line, or other line; the existence of barriers such as buildings and other structures, pavement, and natural barriers, including rock formations and ravines; and the distance which separates the contamination found in the soils, groundwaters, or surface waters from the conduits and barriers.

(b) A site shall be classified as either high risk, low risk, or no action required, as determined by a certified groundwater professional.

(i) A site shall be considered high risk when a certified groundwater professional determines that contamination from the site presents an unreasonable risk to public health and safety or the environment under any of the following conditions:

(A) Contamination is affecting or likely to affect groundwater which is used as a source water for public or private water supplies, to a level rendering them unsafe for human consumption.

(B) Contamination is actually affecting or is likely to affect surface water bodies to a level where surface water quality standards, under section 455B.173, will be exceeded.

(C) Harmful or explosive concentrations of petroleum substances or vapors affecting structures or utility installations exist or are likely to occur.

(ii) A site shall be considered low risk when a certified groundwater professional determines that low risk conditions exist as follows:

(A) Contamination is present and is affecting groundwater, but high risk conditions do not exist and are not likely to occur.

(B) Contamination is above action level standards, but high risk conditions do not exist and are not likely to occur.

(iii) A site shall be considered no action required and a no further action certificate shall be issued by the department when a certified groundwater professional determines that contamination is below action level standards and high or low risk conditions do not exist and are not likely to occur.

(iv) For purposes of classifying a site as either low risk or no action required, the department shall rely upon the example tier one risk-based screening level look-up table of ASTM (American society for testing and materials) international's emergency standard, ES38-94, or other look-up table as determined by the department by rule.

(v) A site cleanup report which classifies a site as either high risk, low risk, or no action required shall be submitted by a groundwater professional to the department with a certification that the report complies with the provisions of this chapter and rules adopted by the department. The report shall be determinative of the appropriate classification of the site and the site shall be classified as indicated by the groundwater professional unless, within ninety days of receipt by the department, the department identifies material information in the report that is inaccurate or incomplete, and based upon inaccurate or incomplete information in the report the risk classification of the site cannot be reasonably determined by the department based upon industry standards. If the department determines that the site cleanup report is inaccurate or incomplete, the department shall notify the groundwater professional of the inaccurate or incomplete information within ninety days of receipt of the report and shall work with the groundwater professional to obtain correct information or additional information necessary to appropriately classify the site. However, from July 1, 2010, through June 30, 2011, the department shall have one hundred twenty days to notify the certified groundwater professional when a report is not accepted based on material information that is found to be inaccurate or incomplete. A groundwater professional who knowingly or intentionally makes a false statement or misrepresentation which results in a mistaken classification of a site shall be guilty of a serious misdemeanor and shall have the groundwater professional's certification revoked under this section.

(5) The closure of tanks to prevent any future release of a regulated substance into the environment. If consistent with federal environmental protection agency technical standard regulations, state tank closure rules shall include, at the tank owner's election, an option to fill the tank with an inert material. Removal of a tank shall not be required if the tank is filled with an inert material pursuant to department of natural resources rules. A tank closed, or to be closed and which is actually closed, within one year of May 13, 1988, shall be required to complete monitoring or testing as required by the department to ensure that the tank did not leak prior to closure, but shall not be required to have a monitoring system installed.

(6) Establishing corrective action response requirements for the release of a regulated substance in connection with an underground storage tank. The corrective action response requirements shall include but not be limited to all of the following:

(a) A requirement that the site cleanup report do all of the following:

(i) Identify the nature and level of contamination resulting from the release.

(ii) Provide supporting data and a recommendation of the degree of risk posed by the site relative to the site classification system adopted pursuant to paragraph "*a*", subparagraph (4).

(iii) Provide supporting data and a recommendation of the need for corrective action.

(iv) Identify the corrective action options which shall address the practical feasibility of implementation, costs, expected length of time to implement, and environmental benefits.

(b) To the fullest extent practicable, allow for the use of generally available hydrological, geological, topographical, and geographical information and minimize site specific testing in preparation of the site cleanup report.

(c) Require that at a minimum the source of a release be stopped either by repairing, upgrading, or closing the tank and that free product be removed or contained on site.

(d) High risk sites shall be addressed pursuant to a corrective action design report, as submitted by a groundwater professional and as accepted by the department. The corrective action design report shall determine the most appropriate response to the high risk conditions presented. The appropriate corrective action response shall be based upon industry standards and shall take into account the following:

(i) The extent of remediation required to reclassify the site as a low risk site.

(ii) The most appropriate exposure scenarios based upon residential, commercial, or industrial use or other predefined industry accepted scenarios.

(iii) Exposure pathway characterizations including contaminant sources, transport mechanisms, and exposure pathways.

(iv) Affected human or environmental receptors and exposure scenarios based on current and projected use scenarios.

(v) Risk-based corrective action assessment principles which identify the risks presented to the public health and safety or the environment by each release in a manner that will protect the public health and safety or the environment using a tiered procedure consistent with ASTM (American society for testing and materials) international's emergency standard, ES38-94.

(vi) Other relevant site specific factors such as the feasibility of available technologies, existing background contaminant levels, current and planned future uses, ecological, aesthetic, and other relevant criteria, and the applicability and availability of engineering and institutional controls, including an environmental covenant as established by chapter 455I.

(vii) Remediation shall not be required on a site that does not present an increased cancer risk at the point of exposure of one in one million for residential areas or one in ten thousand for nonresidential areas.

(e) A corrective action design report submitted by a groundwater professional shall be accepted by the department and shall be primarily relied upon by the department to determine the corrective action response requirements of the site. However, if within ninety days of receipt of a corrective action design report, the department identifies material information in the corrective action design report that is inaccurate or incomplete, and if based upon information in the report the appropriate corrective action response cannot be reasonably determined by the department based upon industry standards, the department shall notify the groundwater professional that the corrective action design report is not accepted, and the department shall work with the groundwater professional to correct the

material information or to obtain the additional information necessary to appropriately determine the corrective action response requirements as soon as practicable. However, from July 1, 2010, through June 30, 2011, the department shall have one hundred twenty days to notify the certified groundwater professional when a corrective action design report is not accepted based on material information that is found to be inaccurate or incomplete. A groundwater professional who knowingly or intentionally makes a false statement or misrepresentation which results in an improper or incorrect corrective action response shall be guilty of a serious misdemeanor and shall have the groundwater professional's certification revoked under this section.

(f) Low risk sites shall be monitored as deemed necessary by the department consistent with industry standards. Monitoring shall not be required on a site which has received a no further action certificate. A site that has maintained less than the applicable target level for four consecutive sampling events shall be reclassified as a no action required site regardless of exit monitoring criteria and guidance.

(g) An owner or operator may elect to proceed with additional corrective action on the site. However, any action taken in addition to that required pursuant to this subparagraph (6), shall be solely at the expense of the owner or operator and shall not be considered corrective action for purposes of section 455G.9, unless otherwise previously agreed to by the board and the owner or operator pursuant to section 455G.9, subsection 7. Corrective action taken by an owner or operator due to the department's failure to meet the time requirements provided in subparagraph division (e) shall be considered corrective action for purposes of section 455G.9.

(h) Notwithstanding other provisions to the contrary and to the extent permitted by federal law, the department shall allow for bioremediation of soils and groundwater. For purposes of this subparagraph division, "*bioremediation*" means the use of biological organisms, including microorganisms or plants, to degrade organic pollutants to common natural products.

(i) Replacement or upgrade of a tank on a site classified as a high or low risk site shall be equipped with a secondary containment system with monitoring of the space between the primary and secondary containment structures or other board approved tank system or methodology.

(j) The commission and the board shall cooperate to ensure that remedial measures required by the corrective action rules adopted pursuant to this subparagraph (6) are reasonably cost-effective and shall, to the fullest extent possible, avoid duplicating and conflicting requirements.

(k) The director may order an owner or operator to immediately take all corrective actions deemed reasonable and necessary by the director if the corrective action is consistent with the prioritization rules adopted under this subparagraph (6). Any order taken by the director pursuant to this subparagraph division shall be reviewed at the next meeting of the environmental protection commission.

(7) Specifying an adequate monitoring system to detect the presence of a leaking underground storage tank and to provide for protection of the groundwater resources for regulated tanks installed prior to January 14, 1987. The effective date of the rules adopted shall be January 14, 1989. In the event that federal regulations are adopted by the United States environmental protection agency after the commission has adopted state standards pursuant to this subsection, the commission shall immediately proceed to adopt rules consistent with those federal regulations adopted. Unless the federal environmental protection agency adopts final rules to the contrary, rules adopted pursuant to this section shall not apply to hydraulic lift reservoirs, such as for automobile hoists and elevators, containing hydraulic oil.

(8) Issuing a no further action certificate or a monitoring certificate to the owner or operator of an underground storage tank site.

(a) A no further action certificate shall be issued by the department for a site which has been classified as a no further action site or which has been reclassified pursuant to completion of a corrective action plan or monitoring plan to be a no further action site by a groundwater professional, unless within ninety days of receipt of the report submitted by

the groundwater professional classifying the site, the department notifies the groundwater professional that the report and site classification are not accepted and the department identifies material information in the report that is inaccurate or incomplete which causes the department to be unable to accept the classification of the site. An owner or operator shall not be responsible for additional assessment, monitoring, or corrective action activities at a site that is issued a no further action certificate unless it is determined that the certificate was issued based upon false material statements that were knowingly or intentionally made by a groundwater professional and the false material statements resulted in the incorrect classification of the site.

(b) A monitoring certificate shall be issued by the department for a site which does not require remediation, but does require monitoring of the site.

(c) A certificate shall be recorded with the county recorder. The owner or operator of a site who has been issued a certificate under this subparagraph (8), or a subsequent purchaser of the site shall not be required to perform further corrective action because action standards are changed at a later date. A certificate shall not prevent the department from ordering corrective action of a new release.

(9) Establishing a certified compliance inspector program administered by the department for underground storage tank facility compliance inspections.

(a) The certified compliance inspector program shall provide for, but not be limited to, all of the following:

(i) Mandatory periodic underground storage tank facility compliance inspections by owners and operators using inspectors certified by the department.

(ii) Compliance inspector qualifications, certification procedures, certification and renewal fees sufficient to cover administrative costs, continuing education requirements, inspector discipline standards including certification suspension and revocation for good cause, compliance inspection standards, professional liability bonding or insurance requirements, and any other requirements as the commission may deem appropriate. Certification and renewal fees received by the department are appropriated to the department for purposes of the administration of the certified compliance inspector program.

(b) The department shall continue to conduct independent inspections as provided in section 455B.475 as deemed appropriate to assure effective compliance and enforcement and for the purpose of auditing the accuracy and completeness of inspections conducted by certified compliance inspectors.

(c) Acts or omissions by a certified compliance inspector, the state, or the department regarding certification, renewal, oversight of the certification process, continuing education, discipline, inspection standards, or any other actions, rules, or regulations arising out of the certification, inspections, or duties imposed by this section shall not be cause for a claim against the state or the department within the meaning of chapter 669 or any other provision of the Iowa Code.

*b.* In adopting the rules under this subsection, the commission may distinguish between types, classes, and ages of underground storage tanks. In making the distinctions, the commission may take into consideration factors including but not limited to location of the tanks, compatibility of a tank material with the soil and climate conditions, uses of the tanks, history of maintenance, age of the tanks, current industry recommended practices, national consensus codes, hydrogeology, water table, size of the tanks, quantity of regulated substances periodically deposited in or dispensed from the tank, the degree of risk presented by the regulated substance, the technical and managerial capability of the owners and operators, and the compatibility of the regulated substance and the materials of which the underground storage tank is fabricated.

*c.* The department may issue a variance, which includes an enforceable compliance schedule, from the mandatory monitoring requirement for an owner or operator who demonstrates plans for tank removal, replacement, or filling with an inert material pursuant to a department approved variance. A variance may be renewed for just cause.

2. The maintenance of evidence of financial responsibility as the director determines to be feasible and necessary for taking corrective action and for compensating third parties

for bodily injury and property damage caused by release of a regulated substance from an underground storage tank.

*a.* (1) Financial responsibility required by this subsection may be established in accordance with rules adopted by the commission by any one, or any combination, of the following methods: insurance, guarantee, surety bond, letter of credit, or qualification as a self-insurer. In adopting requirements under this subsection, the commission may specify policy or other contractual terms, conditions, or defenses which are necessary or are unacceptable in establishing the evidence of financial responsibility.

(2) A person who establishes financial responsibility by self-insurance shall not require or shall not enforce an indemnification agreement with an operator or owner of the tank covered by the self-insurance obligation, unless the owner or operator has committed a substantial breach of a contract between the self-insurer and the owner or operator, and that substantial breach relates directly to the operation of the tank in an environmentally sound manner. This subparagraph applies to all contracts between a self-insurer and an owner or operator entered into on or after May 5, 1989.

*b.* If the owner or operator is in bankruptcy, reorganization, or arrangement pursuant to the federal bankruptcy law or if jurisdiction in any state court or federal court cannot be obtained over an owner or operator likely to be solvent at the time of judgment, any claim arising from conduct for which evidence of financial responsibility must be provided under this subsection may be asserted directly against the guarantor providing the evidence of financial responsibility. In the case of action pursuant to this paragraph, the guarantor is entitled to invoke all rights and defenses which would have been available to the owner or operator if an action had been brought against the owner or operator by the claimant and which would have been available to the guarantor if an action had been brought against the guarantor by the owner or operator.

*c.* The total liability of a guarantor shall be limited to the aggregate amount which the guarantor has provided as evidence of financial responsibility to the owner or operator under this subsection. This subsection does not limit any other state or federal statutory, contractual, or common law liability of a guarantor to its owner or operator including, but not limited to, the liability of the guarantor for bad faith in negotiating or in failing to negotiate the settlement of any claim. This subsection does not diminish the liability of any person under section 107 or 111 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or other applicable law.

*d.* For the purpose of this subsection, the term *"guarantor"* means any person, other than the owner or operator, who provides evidence of financial responsibility for an owner or operator under this subsection.

*e.* If an owner or operator is required to uncover or remove an underground storage tank based upon a determination of the department that the underground storage tank presents a hazard to the public health, safety, or the environment, and if upon inspection of the tank the determination is unfounded, the state may reimburse reasonable costs incurred in the inspection of the tank. Claims for reimbursement shall be filed on forms provided by the commission. The commission shall adopt rules pursuant to chapter 17A relating to determinations of reasonableness in approval or rejection of claims in cases of dispute. Claims shall be paid from the general fund of the state. When any one of the tanks or the related pumps and piping at a multiple tank facility are found to be leaking, the state shall not reimburse costs for uncovering or removing any of the other tanks, piping, or pumps that are not found to be leaking.

3. Standards of performance for new underground storage tanks which shall include, but are not limited to, design, construction, installation, release detection, and compatibility standards. Until the effective date of the standards adopted by the commission and after January 1, 1986, a person shall not install an underground storage tank for the purpose of storing regulated substances unless the tank (whether of single or double wall construction) meets all the following conditions:

*a.* The tank will prevent release due to corrosion or structural failure for the operational life of the tank.

*b.* The tank is cathodically protected against corrosion, constructed of noncorrosive

material, steel clad with a noncorrosive material, or designed in a manner to prevent the release or threatened release of any stored substance.

*c.* The material used in the construction or lining of the tank is compatible with the substance to be stored. If soil tests conducted in accordance with ASTM (American society for testing and materials) international's standard G57-78 or another standard approved by the commission show that soil resistivity in an installation location is twelve thousand ohm/cm or more (unless a more stringent soil resistivity standard is adopted by rule of the commission), a storage tank without corrosion protection may be installed in that location until the effective date of the standards adopted by the commission and after January 1, 1986.

*d.* Rules adopted by the commission shall specify adequate monitoring systems to detect the presence of a leaking underground storage tank and to provide for protection of the groundwater resources from regulated tanks installed after January 14, 1987. In the event that federal regulations are adopted by the United States environmental protection agency after the commission has adopted state standards pursuant to this subsection, the commission shall immediately proceed to adopt rules consistent with those federal regulations adopted. Tanks installed on or after January 14, 1987, shall continue to be considered new tanks for purposes of this chapter and are subject to state monitoring requirements unless federal requirements are more restrictive.

4. The form and content of the written notices required by section 455B.473.

5. The duties of owners or operators of underground storage tanks to locate and abate the source of release of regulated substances, when in the judgment of the director, the local hydrology, geology and other relevant factors reasonably include a tank as a potential source.

6. Reporting requirements necessary to enable the department to maintain an accurate inventory of underground storage tanks.

7. Designation of regulated substances subject to this part, consistent with section 455B.471, subsection 8. The rules shall be at least as stringent as the regulations of the federal government pursuant to section 311, subsection b, paragraph 2, subparagraph A of the federal Water Pollution Control Act, 33 U.S.C. § 1321(b)(2)(A), pursuant to section 102 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9602, pursuant to section 307, subsection a of the federal Water Pollution Control Act, 33 U.S.C. § 1317(a), pursuant to section 112 of the Clean Air Act, 42 U.S.C. § 7412, or pursuant to section 7 of the Toxic Substances Control Act, 15 U.S.C. § 2606.

8. Requirements as may be necessary to maintain state program approval and which are consistent with applicable provisions of the federal Energy Policy Act of 2005, Pub. L. No. 109-58, Tit. XV, Subtit. B, Underground Storage Tank Compliance, as codified in 42 U.S.C. § 6991 et seq.

*a.* The commission shall adopt rules establishing a training program applicable to owners and operators of underground storage tanks. The rules may include provisions for department certification of operators, self-certification by owners and operators, education and training requirements, owner requirements to assure operator qualifications, and assessment of education, training, and certification fees. The rules shall be consistent with and sufficient to comply with the operator training requirements as provided in 42 U.S.C. § 6991i, guidance adopted pursuant to that provision by the administrator of the United States environmental protection agency, and state program approval requirements under 42 U.S.C. § 6991i(b).

*b.* The commission shall adopt rules related to the prohibition on the delivery of regulated substances consistent with and sufficient to comply with the provisions of 42 U.S.C. § 6991k, guidance adopted by the administrator of the United States environmental protection agency pursuant to that provision, and state program approval requirements under 42 U.S.C. § 6991k(a)(3).

*c.* The commission shall adopt rules applicable to secondary containment requirements consistent with and sufficient to comply with the provisions of Pub. L. No. 109-58, Tit. XV, § 1530(a), as codified at 42 U.S.C. § 6991b(i)(1), and guidance adopted by the administrator of the United States environmental protection agency pursuant to that provision. Each new underground storage tank or piping connected to any such new tank installed after July

1, 2007, or any existing underground storage tank or existing piping connected to such existing underground storage tank that is replaced after August 1, 2007, shall be secondarily contained if the installation is within one thousand feet of any existing community water system or any existing potable drinking water well as provided in Pub. L. No. 109-58, Tit. XV, § 1530(a), as codified at 42 U.S.C. § 6991b(i)(1), and in guidance adopted by the United States environmental protection agency pursuant to that provision. Rules adopted under this paragraph shall not amend or modify the secondary containment requirements in subsection 1, paragraph "*a*", subparagraph (6), subparagraph division (i).

9. *a.* Groundwater professionals shall be certified. The commission shall adopt rules pursuant to chapter 17A for such certifications, and the rules shall include provisions for certification suspension or revocation for good cause.

*b.* A groundwater professional is a person who provides subsurface soil contamination and groundwater consulting services or who contracts to perform remediation or corrective action services and is one or more of the following:

(1) A person certified by the American institute of hydrology, the national water well association, the American board of industrial hygiene, or the association of groundwater scientists and engineers.

(2) A professional engineer licensed in Iowa.

(3) A professional geologist certified by a national organization.

(4) Any person who has five years of direct and related experience and training as a groundwater professional or in the field of earth sciences.

(5) Any other person with a license, certification, or registration to practice hydrogeology or groundwater hydrology issued by any state in the United States or by any national organization, provided that the license, certification, or registration process requires, at a minimum, all of the following:

(a) Possession of a bachelor's degree from an accredited college.

(b) Five years of related professional experience.

*c.* The department of natural resources may provide for a civil penalty of no more than fifty dollars for failure to obtain certification. An interested person may obtain a list of certified groundwater professionals from the department of natural resources. The department may impose and retain a fee for the certification of persons under this subsection sufficient to cover the costs of administration.

*d.* The certification of groundwater professionals shall not impose liability on the board, the department, or the fund for any claim or cause of action of any nature, based on the action or inaction of a groundwater professional certified pursuant to this subsection.

*e.* A person who requests certification under this subsection shall be required to attend a course of instruction and pass a certification examination. An applicant who successfully passes the examination shall be certified as a groundwater professional.

*f.* All groundwater professionals shall be required to complete continuing education requirements as adopted by rule by the commission.

*g.* The commission may provide for exemption from the certification requirements of this subsection and rules adopted hereunder for a professional engineer licensed pursuant to chapter 542B, if the person is qualified in the field of geotechnical, hydrological, environmental groundwater, or hydrogeological engineering.

*h.* Notwithstanding the certification requirements of this subsection, a site cleanup report or corrective action design report submitted by a certified groundwater professional shall be accepted by the department in accordance with subsection 1, paragraph "*a*", subparagraph (4), subparagraph division (b), subparagraph subdivision (v), and paragraph "*a*", subparagraph (6), subparagraph division (e).

10. Requirements that persons and companies performing or providing services for underground storage tank installations, installation inspections, testing, permanent closure of underground storage tanks by removal or filling in place, and other closure activities as defined by rules adopted by the commission be certified by the department. This provision does not apply to persons performing services in their official capacity and as authorized by the state fire marshal's office or fire departments of political subdivisions of the state. The rules adopted by the commission shall include all of the following:

*a.* Establishing separate certification criteria applicable to underground storage tank installers and installation inspectors, underground storage tank testers, and persons conducting underground storage tank closure activities as required by commission rules.

*b.* Establishing minimum qualifications for certification including but not limited to considerations based on education, character, professional ethics, experience, manufacturer or other private agency certification, training and apprenticeship, and field demonstration of competence. The rules may provide for exemption from education, experience, and training requirements for a licensed engineer for whom underground storage tank installation is within the scope of their license and practice but shall require compliance with other certification requirements.

*c.* Requiring a written examination developed and administered by the department or by some other qualified public or private entity identified by the department. The department may contract with a public or private entity to administer the department's examination or a department-approved third party examination. The examination shall, at a minimum, be sufficient to establish knowledge of all applicable underground storage tank rules adopted under this section, private industry standards, federal standards, and other applicable standards adopted by the state fire marshal's office pursuant to chapter 101.

*d.* Providing for a minimum two-year renewable certification period. A person may apply for a combined certificate applicable to underground storage tank installer and installer inspector certification, tester certification, and closure certification.

*e.* Providing that certificate holders obtain and provide proof of financial responsibility for environmental liability with minimum liability limits of one million dollars per occurrence and in the aggregate. The rules may provide exemptions where the certificate holder is employed by the owner or operator of the underground storage tank system and the underground storage tank system is covered by a financial responsibility mechanism under subsection 2.

*f.* Providing criteria for the department to take disciplinary action including issuance of warnings, reprimands, suspension and probation, and revocation. Any certificate holder subject to suspension or revocation shall be entitled to notice and an opportunity for an evidentiary hearing as provided in section 17A.18.

*g.* Providing for certification reciprocity between states upon demonstration that the out-of-state certification criteria is substantially equivalent to rules adopted by the commission.

*h.* Providing for assessment of fees sufficient to cover the costs of administration of the certification program. A separate fee may be established for persons applying for a combination of installer and installer inspector, testing, or closure certifications. Fees received by the department pursuant to this subsection are appropriated to the department for purposes of the administration of activities under this subsection.

*i.* Notwithstanding subsection 7, the commission may adopt rules requiring that all underground storage tank installations, installation inspections, testing, and closure activities be conducted by persons certified in accordance with this subsection.

*j.* Acts or omissions of a person certified under this subsection, the state, or the department regarding certification, renewal, oversight of the certification process, continuing education, discipline, inspection standards, or any other actions including department onsite supervision of certified activities, rules, or regulations arising out of the certification, shall not be cause for a claim against the state or the department within the meaning of chapter 669 or any other provision of the Code.

85 Acts, ch 162, §4; 86 Acts, ch 1245, §1899A; 87 Acts, ch 225, §606; 88 Acts, ch 1244, §4 – 7, 9; 89 Acts, ch 131, §36, 37; 91 Acts, ch 252, §5, 6; 92 Acts, ch 1163, §95; 95 Acts, ch 215, §5 – 10; 2000 Acts, ch 1058, §44, 45; 2004 Acts, ch 1086, §106; 2005 Acts, ch 102, §2; 2007 Acts, ch 171, §1 – 6; 2009 Acts, ch 41, §263; 2010 Acts, ch 1069, §57; 2010 Acts, ch 1193, §169 – 174; 2011 Acts, ch 25, §107, 137, 138, 143; 2012 Acts, ch 1023, §60 – 62

Referred to in §159A.14, 455B.471, 455B.473, 455B.474A, 455G.9, 455H.105

**455B.474A Rules consistent with federal regulations.**

The rules adopted by the commission under section 455B.474 shall be consistent with and shall not exceed the requirements of federal regulations relating to the regulation of underground storage tanks except as provided in section 455B.474, subsection 1, paragraph *"a"*, subparagraph (6), and section 455B.474, subsection 3, paragraph *"d"*. It is the intent of the general assembly that state rules adopted pursuant to section 455B.474, subsection 1, paragraph *"a"*, subparagraph (6), and section 455B.474, subsection 3, paragraph *"d"*, be consistent with and not more restrictive than federal regulations adopted by the United States environmental protection agency when those rules are adopted.

2010 Acts, ch 1069, §58; 2011 Acts, ch 25, §139; 2013 Acts, ch 30, §101
Section amended

**455B.475 Duties and powers of the director.**

The director shall:

1. Inspect and investigate the facilities and records of owners and operators of underground storage tanks as may be necessary to determine compliance with this part and the rules adopted pursuant to this part. An inspection or investigation shall be concluded subject to section 455B.103, subsection 4. For purposes of developing a rule, maintaining an accurate inventory or enforcing this part, the department may:

*a.* Enter at reasonable times any establishment or other place where an underground storage tank is located.

*b.* Inspect and obtain samples from any person of a regulated substance and conduct monitoring or testing of the tanks, associated equipment, contents or surrounding soils, air, surface water and groundwater. Each inspection shall be commenced and completed with reasonable promptness.

(1) If the director obtains a sample, prior to leaving the premises, the director shall give the owner, operator, or agent in charge a receipt describing the sample obtained and if requested a portion of each sample equal in volume or weight to the portion retained. If the sample is analyzed, a copy of the results of the analysis shall be furnished promptly to the owner, operator, or agent in charge.

(2) Documents or information obtained from a person under this subsection shall be available to the public except as provided in this subparagraph. Upon a showing satisfactory to the director by a person that public disclosure of documents or information, or a particular part of the documents or information to which the director has access under this subsection would divulge commercial or financial information entitled to protection as a trade secret, the director shall consider the documents or information or the particular portion of the documents or information confidential. However, the document or information may be disclosed to officers, employees or authorized representatives of the United States charged with implementing the federal Solid Waste Disposal Act, to employees of the state of Iowa or of other states when the document or information is relevant to the discharge of their official duties, and when relevant in any proceeding under the federal Solid Waste Disposal Act or this part.

2. Maintain an accurate inventory of underground storage tanks.

3. Take any action allowed by law which, in the director's judgment, is necessary to enforce or secure compliance with this part or any rule adopted under this part.

85 Acts, ch 162, §5; 86 Acts, ch 1245, §1899A
Referred to in §455B.474

**455B.476 Violations — orders.**

1. If there is substantial evidence that a person has violated or is violating a provision of this part or a rule adopted under this part the director may issue an order directing the person to desist in the practice which constitutes the violation, and to take corrective action as necessary to ensure that the violation will cease, and may impose appropriate administrative penalties pursuant to section 455B.109. The person to whom the order is issued may appeal the order to the commission as provided in chapter 17A. On appeal, the commission may affirm, modify or vacate the order of the director.

2. However, if it is determined by the director that an emergency exists respecting any matter affecting or likely to affect the public health, the director may issue any order necessary to terminate the emergency without notice and without hearing. The order is binding and effective immediately and until the order is modified or vacated at a hearing before the commission or by a district court.

3. The director, with the approval of the commission, may request the attorney general to institute legal proceedings pursuant to section 455B.477.

85 Acts, ch 162, §6; 86 Acts, ch 1245, §1899A
Referred to in §455B.473

**455B.477 Penalties — burden of proof.**

1. A person who violates a provision of this part or a rule or order issued under this part is subject to a civil penalty not to exceed five thousand dollars for each day during which the violation continues. The civil penalty is an alternative to a criminal penalty provided under this part.

2. A person who knowingly fails to notify or makes a false statement, representation, or certification in a record, report, plan or other document filed or required to be maintained under this part or who falsifies, tampers with or knowingly renders inaccurate a monitoring device or method required to be maintained under this part or by a rule or order issued under this part, is guilty of an aggravated misdemeanor.

3. The attorney general, at the request of the director with approval of the commission, shall institute any legal proceedings, including an action for an injunction, necessary to enforce the penalty provisions of this part or to obtain compliance with the provisions of this part or rules adopted or order issued under this part. In any action, previous findings of fact of the director or the commission after notice and hearing are conclusive if supported by substantial evidence in the record when the record is viewed as a whole.

4. In all proceedings with respect to an alleged violation of a provision of this part or a rule adopted or order issued by the commission, the burden of proof is upon the commission or the department.

5. If the attorney general has instituted legal proceedings in accordance with this section, all related issues which could otherwise be raised by the alleged violator in a proceeding for judicial review under section 455B.478 shall be raised in the legal proceedings instituted in accordance with this section.

6. The penalty for intentional failure of an owner or operator to register a petroleum underground storage tank under section 455B.473 shall be a minimum of seven thousand five hundred dollars up to a maximum of ten thousand dollars after October 1, 1989.

7. The civil penalties or other damages or moneys recovered by the state or the petroleum underground storage tank fund in connection with a petroleum underground storage tank under this part of this division or chapter 455G shall be credited to the fund created in section 455G.3 and allocated between fund accounts according to the fund budget. Any federal moneys, including but not limited to federal underground storage tank trust fund moneys, received by the state or the department of natural resources in connection with a release occurring on or after May 5, 1989, or received generally for underground storage tank programs on or after May 5, 1989, shall be credited to the fund created in section 455G.3 and allocated between fund accounts according to the fund budget, unless such use would be contrary to federal law. The department shall cooperate with the board of the Iowa comprehensive petroleum underground storage tank fund to maximize the state's eligibility for and receipt of federal funds for underground storage tank related purposes.

85 Acts, ch 162, §7; 86 Acts, ch 1245, §1899A; 88 Acts, ch 1244, §10; 89 Acts, ch 131, §39
Referred to in §29C.8A, 455B.476, 455B.478

**455B.478 Judicial review.**

Except as provided in section 455B.477, subsection 5, judicial review of an order or other action of the commission or the director may be sought in accordance with chapter 17A. Notwithstanding chapter 17A, the Iowa administrative procedure Act, petitions for judicial

review may be filed in the district court of the county in which the alleged offense was committed or the final order was entered.

85 Acts, ch 162, §8; 86 Acts, ch 1245, §1899A
Referred to in §455B.477

**455B.479 Storage tank management fee.**

An owner or operator of an underground storage tank shall pay an annual storage tank management fee of sixty-five dollars per tank of over one thousand one hundred gallons capacity. The fees collected shall be deposited in the storage tank management account of the groundwater protection fund.

87 Acts, ch 225, §607; 89 Acts, ch 131, §38; 2010 Acts, ch 1193, §175
Referred to in §455E.11

## PART 9

## WASTE MANAGEMENT ASSISTANCE

Legislative findings and purpose; 87 Acts, ch 180, §2

**455B.480 Short title.**

This part may be cited as the *"Waste Management Assistance Act"*.

87 Acts, ch 180, §1; 92 Acts, ch 1239, §21; 2001 Acts, ch 7, §4; 2002 Acts, ch 1162, §46

**455B.481 Waste management policy.**

1. The purpose of this part is to promote the proper management of solid, hazardous, and low-level radioactive wastes in Iowa.

2. The department, in cooperation with the Iowa waste reduction center for safe and economic management of solid waste and hazardous substances established in section 268.4, shall work with generators of hazardous wastes in the state to develop and implement aggressive waste minimization programs. The department shall provide and promote educational and informational programs, provide confidential, voluntary technical assistance to hazardous waste generators, promote assistance by the Iowa waste reduction center, and promote other voluntary activities by the public and private sectors that support the following pollution prevention hierarchy, in descending order of preference:

*a.* Source reduction for waste elimination.

*b.* Reuse.

*c.* On-site recycling.

*d.* Off-site recycling.

*e.* Waste treatment.

*f.* Combustion with energy recovery.

*g.* Land disposal.

87 Acts, ch 180, §3; 89 Acts, ch 242, §2; 92 Acts, ch 1239, §21; 2001 Acts, ch 7, §5; 2002 Acts, ch 1162, §47; 2013 Acts, ch 12, §1, 2
Referred to in §455B.484, 455D.5
Section amended

**455B.482 Definitions.**

As used in this part unless the context otherwise requires:

1. *"Disposal"* means the isolation of waste from the biosphere in a permanent facility designed for that purpose.

2. *"Facilities"* means land and improvements on land, buildings and other structures, and other appurtenances used for the management of solid, toxic, hazardous, or low-level radioactive wastes, including but not limited to waste collection sites, waste transfer stations, waste reclamation and recycling centers, waste processing centers, waste treatment centers, waste storage sites, waste reduction and compaction centers, waste incineration centers, waste detoxification centers, and waste disposal sites.

3. *"Hazardous waste"* means hazardous waste as defined in section 455B.411, subsection 3.

4. *"Long-term monitoring and maintenance"* means the continued observation and care of a facility after closure in order to ensure that the site poses no threat to the public health, the groundwater, and the environment. In the case of a low-level radioactive waste facility, the time period constituting *"long-term"* is the number of years of monitoring and maintenance based upon the half-life properties of the wastes, and in the case of a hazardous waste facility is the number of years based upon the projected active toxicity of the waste.

5. *"Low-level radioactive waste"* means low-level radioactive waste as defined in section 457B.1, article II, paragraph *"m"*, and as defined in the federal Low-Level Radioactive Waste Policy Amendments Act, 42 U.S.C. § 2021.

6. *"Management of waste"* means the storage, transportation, treatment, or disposal of waste.

7. *"Person"* means person as defined in section 4.1.

8. *"Pollution prevention"* means employment of a practice that reduces the industrial use of toxic substances or reduces the environmental and health hazards associated with an environmental waste without diluting or concentrating the waste before the release, handling, storage, transport, treatment, or disposal of the waste.

9. *"Regulatory agency"* means a federal, state, or local agency that issues a license or permit required for the siting, construction, operation, or maintenance of a facility pursuant to federal or state statute or rule, or local ordinance or resolution.

10. *"Site"* means the geographic location of a facility.

11. *"Solid waste"* means solid waste as defined in section 455B.301, subsection 20.

12. *"State"* means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands or any other territorial possession of the United States.

13. *"Storage"* means the temporary holding of waste for treatment or disposal.

14. *"Treatment"* means any method, technique, or process designed to change the physical, chemical, or biological characteristics or composition of any waste in order to render the waste safer for transport or management, amenable to recovery, convertible to another usable material, or reduced in volume.

15. *"Waste"* means solid waste, hazardous waste, and low-level radioactive waste as defined in this section.

87 Acts, ch 180, §4; 92 Acts, ch 1239, §21; 2001 Acts, ch 7, §6; 2002 Acts, ch 1162, §48; 2006 Acts, ch 1014, §7; 2008 Acts, ch 1032, §201; 2013 Acts, ch 12, §3

NEW subsection 8 and former subsections 8 – 14 renumbered as 9 – 15

**455B.483 Waste management assistance.**

The director of the department of natural resources shall provide for administration of the provisions of this part.

87 Acts, ch 180, §5; 92 Acts, ch 1239, §21; 2001 Acts, ch 7, §7; 2002 Acts, ch 1162, §49

**455B.484 Duties of the department.**

The department shall:

1. Recommend to the commission the adoption of rules necessary to implement this part.

2. Implement the waste management policy provided in section 455B.481.

3. Represent the state in all matters pertaining to plans, procedures, negotiations, and agreements for interstate compacts or public-private compacts relating to the ownership, operation, management, or funding of a facility. Any agreement is subject to the approval of the commission.

4. Develop, sponsor, and assist in the implementation of public education and information

programs on proper and safe management of waste in cooperation with other public and private agencies as deemed appropriate.

87 Acts, ch 180, §6; 88 Acts, ch 1134, §87; 89 Acts, ch 242, §3, 4; 92 Acts, ch 1239, §21; 2001 Acts, ch 7, §8, 9; 2002 Acts, ch 1050, §41; 2002 Acts, ch 1119, §61; 2002 Acts, ch 1162, §50 – 52; 2003 Acts, ch 108, §75; 2006 Acts, ch 1014, §8; 2013 Acts, ch 12, §4, 5

Subsections 2 – 4 stricken
NEW subsection 2 and former subsection 5 renumbered as 3
Subsections 6 and 7 stricken and former subsection 8 renumbered as 4
Subsections 9 and 10 stricken

**455B.484A Confidentiality for assistance programs.**

1. As used in this section:

*a.* *"Applicant"* means a person, acting in good faith, who seeks the services of an assistance program.

*b.* *"Assistance information"* means all information voluntarily supplied to or obtained by an assistance program for the sole purpose of providing assistance to an applicant and which constitutes information not otherwise available to an assistance program.

*c.* *"Assistance program"* means the pollution prevention program of the department or of the Iowa waste reduction center for safe and economic management of solid waste and hazardous substances conducted pursuant to section 268.4.

2. Assistance information in the possession of an assistance program or an employee or agent of an assistance program is privileged and confidential, is not subject to discovery, subpoena, or other means of legal compulsion, and is not admissible evidence in an administrative or judicial proceeding. However, assistance information discoverable from sources other than an assistance program or prohibited from being made confidential pursuant to federal or state law does not become privileged or confidential merely because it has been made available to or is in the custody of an assistance program or an employee or agent of an assistance program.

3. Assistance information shall not be used by an employee or agent of the state in determining whether to initiate an enforcement action or investigation by the state.

92 Acts, ch 1214, §1; 2013 Acts, ch 12, §6

Referred to in §455K.3
Subsection 1, paragraph c amended

**455B.485 Powers and duties of the commission.**

The commission shall:

1. Establish policy for the implementation of this part.

2. Adopt, modify, or repeal rules necessary to implement this part pursuant to chapter 17A.

3. Recommend legislative action which may be required for the safe and proper management of waste, for the acquisition or operation of a facility, for the funding of a facility, to enter into interstate agreements for the management of a facility, and to improve the operation of the department relating to waste management assistance.

87 Acts, ch 180, §7; 92 Acts, ch 1239, §21; 2001 Acts, ch 7, §10; 2002 Acts, ch 1162, §53; 2013 Acts, ch 12, §7

Subsections 3 and 5 stricken and former subsection 4 renumbered as 3

**455B.486 Facility siting.**

The commission shall adopt rules establishing criteria for the identification of sites which are suitable for the operation of low-level radioactive waste disposal facilities. The department shall apply these criteria, once adopted, to identify and recommend to the commission sites suitable for locating facilities for the disposal of low-level radioactive waste. The commission shall accept or reject the recommendation of the department. If the commission rejects the recommendation of the department, the commission shall state its reasons for rejecting the recommendation.

87 Acts, ch 180, §8; 92 Acts, ch 1239, §21; 2002 Acts, ch 1162, §54; 2013 Acts, ch 12, §8

Subsection 1 stricken and former subsection 2 redesignated as an unnumbered paragraph

**455B.487 Facility acquisition and operation.**

1. The commission shall adopt rules establishing criteria for the identification of land areas or sites which are suitable for the operation of facilities for the management of low-level radioactive wastes. Upon request, the department shall assist in locating suitable sites for the location of a facility. The commission may purchase or condemn land to be leased or used for the operation of a facility subject to chapter 6A. Consideration for a contract for purchase of land shall not be in excess of funds appropriated by the general assembly for that purpose. The commission may lease land purchased under this section to any person including the state or a state agency. This section authorizes the state to own or operate low-level radioactive waste facilities, subject to the approval of the general assembly.

2. The purchase, condemnation, use, or lease of land for the management of wastes, shall be approved by the general assembly prior to the purchase, condemnation, use, or lease of the land.

3. *a.* The terms of the lease or contract shall establish responsibility for long-term monitoring and maintenance of the site. The commission shall require that the lessee or operator post bond or provide proof of sufficient insurance coverage, as determined by the commission to be reasonably necessary to protect the state against liabilities arising from the storage of wastes, abandonment of the facility, facility accidents, failure of the facility, or other liabilities which may arise.

*b.* The terms of the lease or contract shall also require that the lessee or operator of the facility pay an annual fee to the state, as established by the commission, to cover facility monitoring costs, and shall require that the lessee or operator establish a long-term monitoring and maintenance fund in which the lessee or operator shall deposit annually an amount specified by the commission. The fund shall be used to pay closure, long-term monitoring and maintenance, and contingency costs.

4. The lease agreement or contract shall provide for a local review and monitoring committee established by the county or municipal entity governing the jurisdiction in which the facility is located. Prior to the approval of a lease agreement or contract the local committee shall review the application of the prospective lessee or operator and shall determine the suitability of the proposed site for the facility. The local committee may inspect the facility during operation and may make recommendations regarding the operation and closure of the facility. The commission shall establish a surtax paid by the lessee or operator of a facility to the local governmental entity, and retained by the local governmental entity in which the facility is located. The lessee or operator of the facility shall provide funding for the implementation of the duties of the local committee.

5. The lessee or operator is subject to all applicable permit and licensing requirements. The leasehold interest, including improvements made to the property, shall be listed, assessed, and valued as any other real property as provided by law.

6. *a.* Facilities acquired or operated pursuant to this section shall comply with applicable federal and state statutes, local ordinances, and regulations adopted by regulatory agencies to the extent required by law.

*b.* Facilities acquired or operated pursuant to this section may be used for regional, statewide or multistate management of wastes.

*c.* Facilities acquired or operated pursuant to this section shall not be used for the purpose of shallow land burial of wastes as a means of disposal.

7. An operator of a facility acquired or operated pursuant to this section shall require that a person, prior to the use of the facility, submit proof that reasonable and good faith measures have been taken to reduce the generation of waste.

87 Acts, ch 180, §9; 2012 Acts, ch 1021, §80; 2013 Acts, ch 12, §9, 10
Subsection 1 amended
Subsection 8 stricken

**455B.488 Household hazardous waste collection and disposition.**

The department shall develop, sponsor, and assist in conducting local, regional, or statewide programs for the receipt or collection and proper management of hazardous wastes from households and farms. In conducting such events the department may establish

limits on the types and amounts of wastes that will be collected, and may establish a fee system for acceptance of wastes in quantities exceeding the limits established pursuant to this section.

87 Acts, ch 180, §10; 92 Acts, ch 1239, §21; 2003 Acts, ch 108, §76

**455B.489** Repealed by 89 Acts, ch 272, § 41.

**455B.490** Repealed by 92 Acts, ch 1018, § 3.

## DIVISION V

## AGRICULTURAL CHEMICALS REGULATION — WASTE MANAGEMENT RESEARCH

**455B.491 Restrictions on use of agricultural chemicals.**

1. If the commission determines that an agricultural chemical causes an unreasonable, adverse effect on humans or the environment, the commission shall submit to the secretary of agriculture its findings and recommended actions. The secretary of agriculture shall propose rules implementing the recommended actions and shall hold a public hearing to determine the effects of the proposed rules as provided in chapter 206 after review and consideration of the findings as provided in subsection 2 of this section. A rule of the secretary shall be adopted pursuant to chapter 17A.

2. The commission shall submit to the secretary of agriculture its findings on the unreasonable, adverse effect that the agricultural chemical causes to humans or the environment. The department of agriculture and land stewardship shall prepare an estimate of the economic impact of restricting the use of the agricultural chemical. The economic impact statement, the commission's findings and the report of the advisory committee created under section 206.23 shall be available at the time of publication of the intended rule action by the secretary. The secretary of agriculture and the advisory committee shall review the commission's findings and collect, analyze and interpret any other scientific data relating to the agricultural chemical. The secretary and the committee shall consider any official reports, academic studies, expert opinions or testimony, or other matters deemed to have probative value and shall consider the toxicity, hazard, effectiveness, public need for the agricultural chemical or other means of control other than the chemical in question, and the economic impact on the members of the public and agencies affected by it.

3. As used in this section, "*agricultural chemical*" means a pesticide as defined in section 206.2 and also means any feed or soil additive, other than a pesticide, which is designed for and used to promote the growth of plants or animals.

[C71, §206A.2; C73, 75, 77, §455B.100; C79, §455B.130, 455B.131; C81, §455B.150]
C83, §455B.471
CS85, §455B.491

**455B.492 through 455B.499** Reserved.

**455B.500 Waste management research by persons in conjunction with institutions of higher education.**

A person acting in conjunction with a private college, community college, or state board of regents institution, to conduct research relating to waste management, on private property, or on property in which a city or county holds an interest, shall notify the department in writing. The person is not required to obtain authorization, including but not limited to a permit, by the department for one hundred twenty days after submitting the notice. After the end of the one-hundred-twenty-day period the department shall conduct an evaluation of the permit

status of the research and may determine whether a permit ought to be issued or modified before the research continues.

90 Acts, ch 1260, §26
Section not amended; editorial change applied

## DIVISION VI

## INFECTIOUS WASTE

**455B.501 Regulation of infectious waste.**

1. As used in this section, unless the context otherwise requires:

*a. "Contaminated animal carcasses"* means waste including carcasses, body parts, and bedding of animals that were exposed to infectious agents during research, production of biologicals, or testing of pharmaceuticals.

*b. "Contaminated sharps"* means all discarded sharp items derived from patient care in medical, research, or industrial facilities including glass vials containing materials defined as infectious, hypodermic needles, scalpel blades, and pasteur pipettes.

*c. "Cultures and stocks of infectious agents"* means specimen cultures collected from medical and pathological laboratories, cultures and stocks of infectious agents from research and industrial laboratories, wastes from the production of biological agents, discarded live and attenuated vaccines, and culture dishes and devices used to transfer, inoculate, or mix cultures.

*d. "Human blood and blood products"* means human serum, plasma, other blood components, bulk blood, or containerized blood in quantities greater than twenty milliliters.

*e. "Infectious"* means containing pathogens with sufficient virulence and quantity so that exposure to an infectious agent by a susceptible host could result in an infectious disease when the infectious agent is improperly treated, stored, transplanted, or disposed.

*f. "Infectious waste"* means waste, which is infectious, including but not limited to contaminated sharps, cultures, and stocks of infectious agents, blood and blood products, pathological waste, and contaminated animal carcasses from hospitals or research laboratories.

*g. "Pathological waste"* means human tissues and body parts that are removed during surgery or autopsy.

2. The department shall recommend, for adoption by the commission, standards for on-site and off-site treatment of infectious waste. In developing standards, the department shall consider factors affecting the feasibility of alternative methods of treatment and disposal, including but not limited to the volume of infectious waste generated, the availability of treatment facilities within geographic areas, and the costs of transporting infectious wastes to treatment facilities. The standards shall include monitoring requirements for treatment facilities and training requirements for operators of facilities. The standards may include requirements for management plans dealing with the plans for management of infectious wastes in compliance with adopted standards. In cases in which an individual generator of infectious waste is served by a person treating or disposing of the infectious waste, the person treating or disposing of the waste may prepare the plan for all generators served.

89 Acts, ch 245, §1; 99 Acts, ch 46, §1
Local approval of infectious waste incinerator projects; §455B.305A

**455B.502** Repealed by 99 Acts, ch 46, § 3.

**455B.503 Infectious waste treatment and disposal facilities — permits required — rules.**

The commission shall adopt rules which require a person who owns or operates an infectious waste treatment or disposal facility to obtain an operating permit before initial operation of the facility. The rules shall specify the information required to be submitted with the application for a permit and the conditions under which a permit may be issued, suspended, modified, revoked, or renewed. The rules shall address but are not limited

to the areas of operator safety, recordkeeping and tracking procedures, best available appropriate technologies, emergency response and remedial action procedures, waste minimization procedures, and long-term liability. The department shall not grant permits for the construction or operation of a commercial infectious waste treatment or disposal facility until the commission has adopted the required rules.

91 Acts, ch 242, §4; 92 Acts, ch 1182, §4; 93 Acts, ch 103, §1; 99 Acts, ch 46, §2

**455B.504 Collection and transportation of infectious medical waste — permits required — rules.** Repealed by 2011 Acts, ch 9, § 10.

**455B.505 Infectious waste treatment and disposal facilities — national register of historic places.**

The department of natural resources shall not grant a permit for the construction or operation of a commercial infectious waste treatment or disposal facility within one mile of a site or building which has been placed on the national register of historic places. This section does not apply to hospitals, health care facilities licensed pursuant to chapter 135C, physicians' offices or clinics, and other health service-related entities.

91 Acts, ch 242, §6

**455B.506 through 455B.515** Reserved.

## DIVISION VII

## TOXICS POLLUTION PREVENTION PROGRAM

**455B.516 Definitions.** Repealed by 2013 Acts, ch 12, § 26.

With respect to proposed amendment to former §455B.516 by 2013 Acts, ch 30, §102, see Code editor's note on simple harmonization

**455B.517 Duties of department.** Repealed by 2013 Acts, ch 12, § 26.

**455B.518 Toxics pollution prevention plans.** Repealed by 2013 Acts, ch 12, § 26.

**455B.519 through 455B.600** Reserved.

## DIVISION VIII

## CONTAMINATED SITES

**455B.601 and 455B.602** Repealed by 2011 Acts, ch 9, § 10.

**455B.603 through 455B.700** Reserved.

## DIVISION IX

## OIL SPILLS

**455B.701 Oil spill immunity.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Damages"* means damages of any kind for which liability may exist under the laws of this state resulting from, arising out of, or relating to the discharge or threatened discharge of oil.

*b.* *"Discharge"* means any emission, other than natural seepage, intentional or

unintentional, and includes, but is not limited to, spilling, leaking, pumping, pouring, emitting, emptying, or dumping.

*c.* *"Federal on-scene coordinator"* means the federal official designated by the federal agency in charge of the removal efforts or by the United States environmental protection agency or the United States coast guard to coordinate and direct responses under the national contingency plan.

*d.* *"National contingency plan"* means the national contingency plan prepared and published under 33 U.S.C. § 1321(d).

*e.* *"Oil"* means oil of any kind or in any form, including, but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil.

*f.* *"Remove"* or *"removal"* means containment and removal of oil or a hazardous substance from water and shorelines or the taking of other actions as may be necessary to minimize or mitigate damage to the public health or welfare, including, but not limited to, fish, shellfish, wildlife, and public and private property, shorelines, and beaches.

*g.* *"Removal costs"* means the costs of removal that are incurred after a discharge of oil has occurred or, in any case in which there is a substantial threat of a discharge of oil, the costs to prevent, minimize, or mitigate oil pollution from such an incident.

*h.* *"Responsible party"* means a responsible party as defined under 33 U.S.C. § 2701.

2. *Exemption from liability.*

*a.* Notwithstanding any other provisions of law, a person is not liable for removal costs or damages which result from acts or omissions taken or made in the course of rendering care, assistance, or advice consistent with the national contingency plan or as otherwise directed by the federal on-scene coordinator or by the state official with responsibility for oil spill response.

*b.* Paragraph *"a"* does not apply to the following:

(1) A responsible party.

(2) When the damage involves personal injury or wrongful death.

(3) If the person is grossly negligent or engages in willful misconduct.

*c.* A responsible party is liable for any removal costs and damages that another person is relieved of under paragraph *"a"*.

*d.* This section does not affect the liability of a responsible party for oil spill response under state law.

95 Acts, ch 15, §1

**455B.702 through 455B.750** Reserved.

## DIVISION X

## CONTAMINATED PROPERTY — FINANCIAL LIABILITY

**455B.751 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Acquired"* means purchased, leased, obtained by inheritance or descent and distribution, or obtained by foreclosure sale under chapter 654, nonjudicial voluntary foreclosure under section 654.18, deed in lieu of foreclosure under section 654.19, foreclosure without redemption under section 654.20, or nonjudicial foreclosure of nonagriculture mortgages under chapter 655A.

2. *"Hazardous substance"* means the same as defined in section 455B.381 or 455B.411.

3. *"Hazardous waste"* means the same as defined in section 455B.411.

4. *"Potentially responsible party"* means a person whose acts or omissions were a proximate cause of the contamination of the acquired property, or a person whose negligent acts or omissions are a proximate cause of injury or damages resulting from exposure to such contamination. Injury or damages to persons or property arising by reason of contamination that migrates from the acquired property shall not be deemed to be caused

by an act or omission of the person that acquired the property, except to the extent that the act or omission of such person exacerbated the release of such contamination.

5. *"Regulated substance"* means the same as defined in section 455B.471.

6. *"Response action"* means any action taken to reduce, minimize, eliminate, clean up, control, assess, or monitor a release of hazardous substances, hazardous waste, or regulated substances to protect the public health, safety, or the environment.

7. *"Third party"* means any person other than a person that holds indicia of title to property or that has acquired property as identified in section 455B.752.

8. *"Third-party liability"* means any liability or obligation, other than contractual obligations that specifically waive all or part of the immunity provided by section 455B.752, arising out of or resulting from contamination of property by a hazardous substance, hazardous waste, or a regulated substance, including without limitation, claims for illness, personal injury, death, consequential damages, exemplary damages, lost profits, trespass, loss of use of property, loss of rental value, reduction in property value, property damages, or statutory or common law nuisance.

2004 Acts, ch 1141, §75, 79; 2005 Acts, ch 19, §58

**455B.752 Immunity from third-party liability.**

A person that holds indicia of ownership of property contaminated by a hazardous substance, hazardous waste, or regulated substance, and that satisfies all of the conditions provided in section 455B.381, subsection 7, paragraph *"b"*, or section 455B.471, subsection 6, paragraph *"b"*, subparagraphs (1), (2), and (3), or a person that has acquired property contaminated by a hazardous substance, hazardous waste, or regulated substance, shall not be liable to any third party for any third-party liability arising from such contamination provided that all of the following apply:

1. The person does not knowingly cause or permit a new or additional hazardous substance, hazardous waste, or regulated substance to arise on or from the acquired property that injures a third party or contaminates property owned or leased by a third party.

2. The person is not a potentially responsible party or affiliated with any potentially responsible party by reason of any of the following:

*a.* Any direct or indirect familial relationship.

*b.* Any contractual, corporate, or financial relationship, other than a contractual, corporate, or financial relationship that is created by the instruments by which title to the property is conveyed or financed or by a contract for the sale of goods or services.

*c.* A reorganization of a business entity that is or was a potentially responsible party.

2004 Acts, ch 1141, §76, 79

Referred to in §455B.751, 455B.753

**455B.753 Access to property.**

A person that holds indicia of title to property or a person that has acquired property as identified in section 455B.752 shall provide reasonable access to the acquired property to any potentially responsible party or to any authorized regulatory authority for the purpose of investigating or evaluating any contamination, planning, or preparing a remedial plan for any abatement of the contamination, and for any required remediation.

2004 Acts, ch 1141, §77, 79

**455B.754 Legal responsibility.**

This division shall not be interpreted to affect the legal responsibility to the state to conduct response actions under any applicable state law. This division shall not be interpreted to affect or provide immunity from any criminal liability.

2004 Acts, ch 1141, §78, 79

**455B.755 through 455B.800** Reserved.

# DIVISION XI

## VEHICLE RECYCLING — MERCURY REDUCTION AND REMOVAL

Future repeal of division upon development and implementation of national mercury switch recovery program; conditions; department of natural resources to notify Code editor of federal program implementation; 2006 Acts, ch 1120, §11

### 455B.801 Short title.

This division shall be known and may be cited as the *"Mercury-Free Recycling Act"*.

2006 Acts, ch 1120, §2

Future repeal of division upon development and implementation of national mercury switch recovery program; conditions; department of natural resources to notify Code editor of federal program implementation; 2006 Acts, ch 1120, §11

### 455B.802 Definitions.

As used in this division, unless the context otherwise requires:

1. *"Capture rate"* means the amount of mercury removed, collected, and recovered from end-of-life vehicles, expressed as a percentage of the mercury available from mercury-added switches in end-of-life vehicles annually.

2. *"End-of-life vehicle"* means any vehicle which is sold, given, or otherwise conveyed to a vehicle recycler or scrap recycling facility for the purpose of recycling and that does not exceed ten thousand pounds gross vehicle weight.

3. *"Manufacturer"* means any person that is the last person to produce or assemble a new vehicle that utilizes mercury-added switches, or in the case of an imported vehicle, the importer or domestic distributor of such vehicle. *"Manufacturer"* does not include a person that has never utilized a mercury-added switch in the production or assembly of a new vehicle.

4. *"Mercury-added switch"* means a light switch that contains mercury which was installed by a manufacturer in a motor vehicle.

5. *"Scrap recycling facility"* means a fixed location where machinery and equipment are utilized for processing and manufacturing scrap metal into prepared grades and whose principal product is scrap iron, scrap steel, or nonferrous metallic scrap for sale for remelting purposes.

6. *"Vehicle recycler"* means any person engaged in the business of acquiring, dismantling, or destroying six or more vehicles in a calendar year for the primary purpose of resale of the vehicles' parts.

2006 Acts, ch 1120, §3

Referred to in §455B.808

For future repeal of this section upon development and implementation of national mercury switch recovery program; conditions; see 2006 Acts, ch 1120, §11

### 455B.803 Plans for removal, collection, and recovery of vehicle mercury-added switches.

1. Within ninety days of July 1, 2006, each manufacturer of vehicles sold in this state shall, individually or as part of a group, develop and publish a plan for a system to remove, collect, and recover mercury-added switches from end-of-life vehicles that were manufactured by the manufacturer. Publication shall be in accordance with section 455B.807, subsection 2.

2. *a.* The manufacturer shall implement a system to remove, collect, and recover mercury-added switches from end-of-life vehicles within ninety days of publication of the plan.

*b.* The system developed and implemented pursuant to this section shall provide, at a minimum, all of the following:

(1) Educational materials about the program to inform the public and other stakeholders about the purpose of the collection program and how to participate in the program.

(2) A method for implementing, operating, maintaining, and monitoring the system, in accordance with subsection 3. This may include the use of third-party contractors that are qualified and fully insured to perform these tasks.

(3) Information about mercury-added switches identifying all of the following:

(a) The make, model, and year of vehicles potentially containing mercury-added switches.

(b) A description of the mercury-added switches.

(c) The location of the mercury-added switches.

(d) The safe, cost-effective, and environmentally sound methods for the removal of the mercury-added switches from end-of-life vehicles.

(4) A method to arrange and pay for the transportation of the collected mercury-added switches to permitted facilities.

(5) A method to arrange and pay for the recycling of the mercury-added switches.

(6) A method to track participation and publish the progress of the mercury-added switch collection in accordance with section 455B.807, subsection 2.

(7) A database of participating vehicle recyclers, including all of the following:

(a) Documentation that the vehicle recycler joined the program.

(b) Records of all submissions by a vehicle recycler of any information required pursuant to subparagraph (6).

(c) Confirmation that the vehicle recycler has submitted switches at least once every twelve months since joining the program.

(8) A target mercury-added switch capture rate for vehicles manufactured by the manufacturer of ninety percent. A description of additional or alternative actions that shall be implemented by the manufacturer to improve the system and its operation in the event that the target capture rate is not met shall be published with the required tracking information no less than annually.

(9) The program shall not include inaccessible mercury-added switches from end-of-life vehicles with significant damage to the vehicle in the area surrounding the mercury-added switch location. All accessible mercury-added switches are expected to be collected under the provisions of this division.

*c.* In developing a removal, collection, and recovery system for end-of-life vehicles, a manufacturer shall, to the extent practicable, utilize the existing end-of-life vehicle recycling infrastructure.

*d.* If the commission determines that the manufacturer's plan for a system to remove, collect, and recover mercury-added switches from end-of-life vehicles does not comply with this section, the commission may require the manufacturer to make any necessary modification to the plan.

*e.* On July 1, 2020, the commission shall cease enforcement of the removal, collection, and recovery plans under this section. On or before July 1, 2020, the commission shall review the mercury-added switch removal, collection, and recovery portion of this division and submit a recommendation to the general assembly regarding the necessity of continuing the enforcement of the removal, collection, and recovery plans under this section.

3. The total cost of the removal, collection, and recovery system for mercury-added switches shall be paid by the manufacturer. Costs shall include but not be limited to all of the following:

*a.* Labor to remove mercury-added switches. Labor shall be reimbursed at a minimum rate of four dollars per mercury-added switch removed, or if the vehicle identification number of the source vehicle is required for reimbursement, at a minimum rate of five dollars.

*b.* Training.

*c.* Packaging in which to transport mercury-added switches to recycling, storage, or disposal facilities.

*d.* Shipping of mercury-added switches to recycling, storage, or disposal facilities.

*e.* Recycling, storage, or disposal of the mercury-added switches.

*f.* Public education materials and presentations.

*g.* Maintenance of all appropriate systems and procedures to protect the environment from mercury contamination from collected mercury-added switches.

4. A vehicle recycler that performs as required under a removal, collection, and recovery plan shall be afforded the protections provided in section 613.18.

2006 Acts, ch 1120, §4; 2007 Acts, ch 126, §78

Referred to in §455B.808

For future repeal of this section upon development and implementation of national mercury switch recovery program; conditions; see 2006 Acts, ch 1120, §11

**455B.804 Prohibition and proper management of mercury-added vehicle switches.**

1. Prior to delivery to a scrap recycling facility, a person who sells, gives, or otherwise conveys ownership of an end-of-life vehicle to the scrap recycling facility for recycling shall remove all mercury-added switches from such end-of-life vehicle unless the mercury-added switch is inaccessible due to significant damage to the end-of-life vehicle in the area where the mercury-added switch is located.

2. A person shall not represent that mercury-added switches have been removed from a vehicle or vehicle hulk being sold, given, or otherwise conveyed for recycling if that person has not removed such mercury-added switches or arranged with another person to remove such switches.

2006 Acts, ch 1120, §5

For future repeal of this section upon development and implementation of national mercury switch recovery program; conditions; see 2006 Acts, ch 1120, §11

**455B.805 General compliance with other provisions.**

Except as expressly provided in this division, compliance with this division shall not exempt a person from compliance with any other law.

2006 Acts, ch 1120, §6

For future repeal of this section upon development and implementation of national mercury switch recovery program; conditions; see 2006 Acts, ch 1120, §11

**455B.806 Regulations.**

The commission shall adopt rules pursuant to chapter 17A as necessary to implement the provisions of this division.

2006 Acts, ch 1120, §7

For future repeal of this section upon development and implementation of national mercury switch recovery program; conditions; see 2006 Acts, ch 1120, §11

**455B.807 Public notification.**

1. The department shall make available to the general public in an electronic format the plan of a manufacturer for a system to remove, collect, and recover mercury-added switches from end-of-life vehicles and any report required under section 455B.808.

2. Publication of all required plans, information, reports, and educational materials under this division shall be through no less than two types of media available to the general public. One medium must be available twenty-four hours per day, seven days per week, and maintained with current information. Acceptable types of media include but are not limited to internet sites, periodicals, journals, and other publicly available media in the state.

2006 Acts, ch 1120, §8; 2013 Acts, ch 90, §257

Referred to in §455B.803

For future repeal of this section upon development and implementation of national mercury switch recovery program; conditions; see 2006 Acts, ch 1120, §11

Code editor directive applied

**455B.808 Reporting.**

One year after the implementation of a removal, collection, and recovery system, and annually thereafter, a manufacturer subject to section 455B.803 shall report to the department concerning the performance under the manufacturer's plan. The report shall include statistical information received under section 455B.803. The report shall also include but not be limited to all of the following:

1. The number of mercury-added switches collected.
2. An estimate of the amount of mercury contained in the collected switches.
3. The capture rate as defined in section 455B.802.
4. The estimated number of vehicles manufactured by the manufacturer containing mercury-added switches.
5. The estimated number of vehicles manufactured by the manufacturer that have been processed for recycling by vehicle recyclers.

2006 Acts, ch 1120, §9

Referred to in §455B.807

For future repeal of this section upon development and implementation of national mercury switch recovery program; conditions; see 2006 Acts, ch 1120, §11

**455B.809 State procurement.**

Notwithstanding other policies and guidelines for the procurement of vehicles, the state shall, within one year of July 1, 2006, revise its policies, rules, and procedures to give priority and preference to the purchase of vehicles free of mercury-added components taking into consideration competition, price, availability, and performance.

2006 Acts, ch 1120, §10

For future repeal of this section upon development and implementation of national mercury switch recovery program; conditions; see 2006 Acts, ch 1120, §11

**455B.810 through 455B.850** Reserved.

DIVISION XII

IOWA CLIMATE CHANGE
ADVISORY COUNCIL

**455B.851 Iowa climate change advisory council.** Repealed by its own terms; 2010 Acts, ch 1031, § 259.

# CHAPTER 455C

## BEVERAGE CONTAINERS CONTROL

Referred to in §123.187, 423.6, 455A.4, 455A.6


455C.1 Definitions.
455C.2 Refund values.
455C.3 Payment of refund value.
455C.4 Refusal to accept containers.
455C.5 Refund value stated on container — exceptions.
455C.6 Redemption centers.
455C.7 Unapproved redemption centers.
455C.8 Snap-top cans prohibited. Repealed by 2013 Acts, ch 12, §26.
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455C.10 Appeal.
455C.11 Repealed by 87 Acts, ch 22, §17.
455C.12 Penalties.
455C.13 Distributors' agreements authorized.
455C.14 Redemption of refused nonrefillable metal beverage containers.
455C.15 Plastic cans prohibited. Repealed by 2013 Acts, ch 12, §26.
455C.16 Beverage containers — disposal at sanitary landfill prohibited.
455C.17 Grants for independent redemption centers.


**455C.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Beverage"* means wine as defined in section 123.3, subsection 47, alcoholic liquor as defined in section 123.3, subsection 5, beer as defined in section 123.3, subsection 7, mineral water, soda water and similar carbonated soft drinks in liquid form and intended for human consumption.

2. *"Beverage container"* means any sealed glass, plastic, or metal bottle, can, jar or carton containing a beverage.

3. *"Commission"* means the environmental protection commission of the department.

4. *"Consumer"* means any person who purchases a beverage in a beverage container for use or consumption.

5. *"Dealer"* means any person who engages in the sale of beverages in beverage containers to a consumer.

6. *"Dealer agent"* means a person who solicits or picks up empty beverage containers from a dealer for the purpose of returning the empty beverage containers to a distributor or manufacturer.

7. *"Department"* means the department of natural resources created under section 455A.2.

8. *"Director"* means the director of the department.

9. *"Distributor"* means any person who engages in the sale of beverages in beverage containers to a dealer in this state, including any manufacturer who engages in such sales.

10. *"Geographic territory"* means the geographical area within a perimeter formed by the outermost boundaries served by a distributor.

11. *"Manufacturer"* means any person who bottles, cans, or otherwise fills beverage containers for sale to distributors or dealers.

12. *"Nonrefillable beverage container"* means a beverage container not intended to be refilled for sale by a manufacturer.

13. *"Redemption center"* means a facility at which consumers may return empty beverage containers and receive payment for the refund value of the empty beverage containers.

[C79, 81, §455C.1; 82 Acts, ch 1199, §71, 96]

85 Acts, ch 32, §111; 86 Acts, ch 1245, §1899C, 1899D; 87 Acts, ch 22, §12; 88 Acts, ch 1200, §1; 89 Acts, ch 272, §34, 42; 90 Acts, ch 1261, §43, 44; 91 Acts, ch 268, §433, 442, 443; 92 Acts, ch 1242, §40, 47

Referred to in §455B.313

**455C.2 Refund values.**

1. A refund value of not less than five cents shall be paid by the consumer on each beverage container sold in this state by a dealer for consumption off the premises. Upon return of the empty beverage container upon which a refund value has been paid to the dealer or person operating a redemption center and acceptance of the empty beverage container by the dealer or person operating a redemption center, the dealer or person operating a redemption center shall return the amount of the refund value to the consumer.

2. In addition to the refund value provided in subsection 1 of this section, a dealer, or person operating a redemption center who redeems empty beverage containers or a dealer agent shall be reimbursed by the distributor required to accept the empty beverage containers an amount which is one cent per container. A dealer, dealer agent, or person operating a redemption center may compact empty metal beverage containers with the approval of the distributor required to accept the containers.

[C79, 81, §455C.2]

87 Acts, ch 22, §13; 88 Acts, ch 1200, §2; 89 Acts, ch 272, §35, 42; 90 Acts, ch 1261, §43, 44; 91 Acts, ch 268, §434, 442, 443; 92 Acts, ch 1242, §34, 38, 39, 40, 47

Referred to in §123.24, 455C.3, 455C.4, 455C.12

**455C.3 Payment of refund value.**

Except as provided in section 455C.4:

1. A dealer shall not refuse to accept from a consumer any empty beverage container of the kind, size and brand sold by the dealer, or refuse to pay to the consumer the refund value of a beverage container as provided under section 455C.2.

2. A distributor shall accept and pick up from a dealer served by the distributor or a redemption center for a dealer served by the distributor at least weekly, or when the distributor delivers the beverage product if deliveries are less frequent than weekly, any empty beverage container of the kind, size and brand sold by the distributor, and shall pay to the dealer or person operating a redemption center the refund value of a beverage container and the reimbursement as provided under section 455C.2 within one week following pickup of the containers or when the dealer or redemption center normally pays the distributor for the deposit on beverage products purchased from the distributor if less frequent than weekly. A distributor or employee or agent of a distributor is not in violation of this subsection if a redemption center is closed when the distributor attempts to make a regular delivery or a regular pickup of empty beverage containers. This subsection does not apply to a distributor selling alcoholic liquor to the alcoholic beverages division of the department of commerce.

3. A distributor shall not be required to pay to a manufacturer a deposit or refund value on a nonrefillable beverage container.

4. A distributor shall accept from a dealer agent any empty beverage container of the kind, size, and brand sold by the distributor and which was picked up by the dealer agent from a

dealer within the geographic territory served by the distributor and the distributor shall pay the dealer agent the refund value of the empty beverage container and the reimbursement as provided in section 455C.2.

5. The alcoholic beverages division of the department of commerce shall provide for the disposal of empty beverage containers as required under subsection 2. The division shall give priority consideration to the recycling of the empty beverage containers to the extent possible, before any other appropriate disposal method is considered or implemented.

[C79, 81, §455C.3]

83 Acts, ch 84, §1; 88 Acts, ch 1200, §3; 89 Acts, ch 272, §36, 42; 90 Acts, ch 1261, §43, 44; 91 Acts, ch 268, §442, 443; 92 Acts, ch 1242, §35, 38, 39, 40, 47

Referred to in §455C.12

**455C.4 Refusal to accept containers.**

1. Except as provided in section 455C.5, subsection 3, a dealer, a person operating a redemption center, a distributor or a manufacturer may refuse to accept any empty beverage container which does not have stated on it a refund value as provided under section 455C.2.

2. A dealer may refuse to accept and to pay the refund value of any empty beverage container if the place of business of the dealer and the kind and brand of empty beverage containers are included in an order of the department approving a redemption center under section 455C.6.

3. A dealer or a distributor may refuse to accept and to pay the refund value of an empty wine or alcoholic liquor container which is marked to indicate that it was sold by a state liquor store. The alcoholic beverages division shall not reimburse a dealer or a distributor the refund value on an empty wine or alcoholic liquor container which is marked to indicate that the container was sold by a state liquor store.

4. A class "E" liquor control licensee may refuse to accept and to pay the refund value on an empty alcoholic liquor container from a dealer or a redemption center or from a person acting on behalf of or who has received empty alcoholic liquor containers from a dealer or a redemption center.

5. A manufacturer or distributor may refuse to accept and to pay the refund value and reimbursement as provided in section 455C.2 on any empty beverage container that was picked up by a dealer agent from a dealer outside the geographic territory served by the manufacturer or distributor.

[C79, 81, §455C.4]

85 Acts, ch 32, §112; 87 Acts, ch 22, §14, 15; 88 Acts, ch 1200, §4; 89 Acts, ch 161, §9

Referred to in §455C.3

**455C.5 Refund value stated on container — exceptions.**

1. Each beverage container sold or offered for sale in this state by a dealer shall clearly indicate by embossing or by a stamp, label or other method securely affixed to the container, the refund value of the container. The department shall specify, by rule, the minimum size of the refund value indication on the beverage containers.

2. A person, except a distributor, shall not import into this state after July 1, 1979 a beverage container which does not have securely affixed to the container the refund value indication. The provisions of this subsection do not apply if:

*a.* For beverage containers containing alcoholic liquor as defined in section 123.3, subsection 5, the total capacity of the containers is not more than one quart or, in the case of alcoholic liquor personally obtained outside the United States, one gallon.

*b.* For beverage containers containing beer as defined in section 123.3, subsection 7, the total capacity of the containers is not more than two hundred eighty-eight fluid ounces.

*c.* For all other beverage containers, the total capacity of the containers is not more than five hundred seventy-six fluid ounces.

3. The provisions of subsections 1 and 2 of this section do not apply to a refillable glass beverage container which has a brand name permanently marked on it and which has a refund value of not less than five cents, to any other refillable beverage container which has a refund value of not less than five cents and which is exempted by the director under rules

adopted by the commission, or to a beverage container sold aboard a commercial airliner or passenger train for consumption on the premises.

[C79, 81, §455C.5]

85 Acts, ch 32, §113; 87 Acts, ch 22, §16

Referred to in §123.26, 455C.4, 455C.12, 455C.14

**455C.6 Redemption centers.**

1. To facilitate the return of empty beverage containers and to serve dealers of beverages, any person may establish a redemption center, subject to the approval of the department, at which consumers may return empty beverage containers and receive payment of the refund value of such beverage containers.

2. An application for approval of a redemption center shall be filed with the department. The application shall state the name and address of the person responsible for the establishment and operation of the redemption center, the kind and brand names of the beverage containers which will be accepted at the redemption center, and the names and addresses of the dealers to be served by the redemption center. The application shall contain such other information as the director may reasonably require.

3. The department shall approve a redemption center if it finds that the redemption center will provide a convenient service to consumers for the return of empty beverage containers. The order of the department approving a redemption center shall state the dealers to be served by the redemption center and the kind and brand names of empty beverage containers which the redemption center must accept. The order may contain such other provisions to insure that the redemption center will provide a convenient service to the public as the director may determine.

4. The department may review the approval of any redemption center at any time. After written notice to the person responsible for the establishment and operation of the redemption center, and to the dealers served by the redemption center, the commission may, after hearing, withdraw approval of a redemption center if the commission finds there has not been compliance with the department's order approving the redemption center, or if the redemption center no longer provides a convenient service to the public.

5. All approved redemption centers shall meet applicable health standards.

[C79, 81, §455C.6]

Referred to in §455C.4

**455C.7 Unapproved redemption centers.**

Any person may establish a redemption center which has not been approved by the department, at which a consumer may return empty beverage containers and receive payment of the refund value of the beverage containers. The establishment of an unapproved redemption center shall not relieve any dealer from the responsibility of redeeming any empty beverage containers of the kind and brand sold by the dealer.

[C79, 81, §455C.7]

**455C.8 Snap-top cans prohibited.** Repealed by 2013 Acts, ch 12, § 26.

**455C.9 Rules adopted.**

The commission shall adopt, upon recommendation of the director, the rules necessary to carry out the provisions of this chapter, subject to the provisions of chapter 17A.

[C79, 81, §455C.9]

**455C.10 Appeal.**

Any person aggrieved by an order of the department relating to the approval or withdrawal of approval for a redemption center may seek judicial review of such order as provided in chapter 17A.

[C79, 81, §455C.10]

**455C.11** Repealed by 87 Acts, ch 22, § 17.

**455C.12 Penalties.**

1. Any person violating the provisions of section 455C.2, 455C.3, or 455C.5, or a rule adopted under this chapter, shall be guilty of a simple misdemeanor.

2. A distributor who collects or attempts to collect a refund value on an empty beverage container when the distributor has paid the refund value on the container to a dealer, redemption center, or consumer is guilty of a fraudulent practice.

3. Any person who does any of the following acts is guilty of a fraudulent practice:

*a.* Collects or attempts to collect the refund value on the container a second time, with the knowledge that the refund value has once been paid by the distributor to a dealer, redemption center or consumer.

*b.* Manufactures, sells, possesses or applies a false or counterfeit label or indication which shows or purports to show a refund value for a beverage container, with intent to use the false or counterfeit label or indication.

*c.* Collects or attempts to collect a refund value on a container with the use of a false or counterfeit label or indication showing a refund value, knowing the label or indication to be false or counterfeit.

4. As used in this section, a false or counterfeit label or indication means a label or indication purporting to show a valid refund value which has not been initially applied as authorized by a distributor.

5. Subsection 2 and subsection 3, paragraph *"a"* of this section have no application to empty beverage containers which are intended to be refillable and are in a standard of condition except for sanitization to be refillable by the manufacturer.

[C79, 81, §455C.12]

2013 Acts, ch 12, §11

Subsection 1 amended

**455C.13 Distributors' agreements authorized.**

A distributor may enter into a contract or agreement with any other distributor, manufacturer or person for the purpose of collecting or paying the refund value on, or disposing of, beverage containers as provided in this chapter.

[C81, §455C.13]

**455C.14 Redemption of refused nonrefillable metal beverage containers.**

1. If the refund value indication required under section 455C.5 on an empty nonrefillable metal beverage container is readable but the redemption of the container is lawfully refused by a dealer or person operating a redemption center under other sections of this chapter or rules adopted pursuant to these sections, the container shall be accepted and the refund value paid to a consumer as provided in this section. Each beer distributor selling nonrefillable metal beverage containers in this state shall provide individually or collectively by contract or agreement with a dealer, person operating a redemption center or another person, at least one facility in the county seat of each county where refused empty nonrefillable metal beverage containers having a readable refund value indication as required by this chapter are accepted and redeemed. In cities having a population of twenty-five thousand or more, the number of the facilities provided shall be one for each twenty-five thousand population or a fractional part of that population.

2. A beer distributor violating this section is guilty of a simple misdemeanor.

[C81, §455C.14]

**455C.15 Plastic cans prohibited.** Repealed by 2013 Acts, ch 12, § 26.

**455C.16 Beverage containers — disposal at sanitary landfill prohibited.**

Beginning July 1, 1990, the final disposal of beverage containers by a dealer, distributor, or manufacturer, or person operating a redemption center, in a sanitary landfill, is prohibited. Beginning September 1, 1992, the final disposal of beverage containers used to contain

alcoholic liquor as defined in section 123.3, subsection 5, by a dealer, distributor, or manufacturer, or person operating a redemption center in a sanitary landfill, is prohibited.

89 Acts, ch 272, §37; 91 Acts, ch 268, §435; 92 Acts, ch 1215, §14

**455C.17 Grants for independent redemption centers.**

1. An independent redemption center grant program shall be established by the department to award grants for improvements to independent redemption centers. An *"independent redemption center"* is a redemption center that is also a nonprofit or a for-profit facility that has existed prior to July 1, 2008, and that is not affiliated with or in any way a subsidiary of a dealer, a distributor, or a manufacturer.

2. *a.* An independent redemption center grant fund is established in the state treasury under the authority of the department. The fund shall consist of moneys appropriated to the fund or appropriated to the department for purposes of the grant program. Moneys in the fund are appropriated to the department to be used for the grant program.

*b.* Notwithstanding section 8.33, moneys in the fund at the close of any fiscal year shall not revert to any other fund but shall remain in the fund for the subsequent fiscal year to be used for purposes of the fund.

3. *a.* Moneys in the grant fund shall be used by the department to provide grants to independent redemption centers for purposes of making improvements to such centers. The department shall not award grants in a fiscal year in an aggregate of more than one million dollars. A grant shall not exceed fifteen thousand dollars for any independent redemption center.

*b.* The department shall not pay administrative costs relating to the management of the grant program in excess of three and one-half percent of the moneys in the fund in a fiscal year.

2008 Acts, ch 1191, §78

# CHAPTER 455D

## WASTE VOLUME REDUCTION AND RECYCLING

Referred to in §364.22, 455H.303


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455D.19 Packaging — heavy metal content.
455D.20 Refuse-derived fuel — calculation as portion of waste reduction goal. Repealed by 2004 Acts, ch 1078, §3.
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455D.23 Violations.
455D.24 Judicial review.
455D.25 Civil actions for compliance — penalties.
455D.26 Green advisory committee. Repealed by its own terms; 2010 Acts, ch 1166, §2.

**455D.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Commission"* means the environmental protection commission.

2. *"Department"* means the department of natural resources created pursuant to section 455A.2.

3. *"Director"* means the director of the department.

4. *"Pollution prevention techniques"* means any of the following practices employed by the user of a toxic substance:

*a.* Input substitution, which is the replacement of a toxic substance or raw material used in a production process with a nontoxic or less toxic substance.

*b.* Product reformulation, which is the substitution of an end product which is nontoxic or less toxic upon use or release for an existing end product.

*c.* Production process redesign or modification, which is the development and use of production processes of a different design other than those currently in use.

*d.* Production process modernization, which is the upgrading or replacing of existing production process equipment or methods with other equipment or methods based on the same production process.

*e.* Improved operation and maintenance of existing production process equipment and methods, which is the modification or addition to existing equipment or methods, including but not limited to such techniques as improved housekeeping practices, system adjustments, product and process inspections, and production process control equipment or methods.

*f.* Recycling, reuse, or extended use of toxic substances by using equipment or methods that become an integral part of the production process.

5. *"Recycling"* means any process by which waste, or materials which would otherwise become waste, are collected, separated, or processed and revised or returned to use in the form of raw materials or products. *"Recycling"* includes but is not limited to the composting of yard waste which has been previously separated from other waste, but does not include any form of energy recovery.

6. *"Waste reduction"* means practices which reduce, avoid, or eliminate both the generation of solid waste and the use of toxic materials so as to reduce risks to health and the environment and to avoid, reduce, or eliminate the generation of wastes or environmental pollution at the source and not merely achieved by shifting a waste output or waste stream from one environmental medium to another environmental medium.

89 Acts, ch 272, §1; 2013 Acts, ch 12, §12, 13
Referred to in §455D.3
Subsection 3 stricken and former subsection 4 renumbered as 3
NEW subsection 4
Subsection 5 stricken and former subsection 6 renumbered as 5
Subsection 7 stricken and former subsection 8 renumbered as 6

**455D.2 Findings.**

The general assembly finds that:

1. Iowa's environment is precious and no person has the right to pollute Iowa's air, water, or soil. The environment is vulnerable and irreplaceable, and all Iowans have an ongoing responsibility to conserve, preserve, and enhance the state's natural resources to guarantee their continued existence and use by the present and future generations.

2. The land itself is the source of Iowa's livelihood not only for the purposes of an

agricultural economy, but for the establishment of manufacturing plants, business offices, and residences. While zoning establishes restrictions on the use of land for social order, a similar system has not been established to maintain environmental order below the ground. Protection of the environment includes not only visible but invisible threats as well.

3. The rapidly rising volume of waste deposited by society threatens the capacity of existing and future landfills. The nature of waste disposal today means that unknown quantities of potentially toxic and hazardous materials are being buried and pose a constant threat to the groundwater supply. In addition, the nature of the waste and disposal methods utilized allow the waste to remain basically inert for decades, if not centuries, without decomposition.

4. Wastes filling Iowa's landfills may, at best, represent a potential resource. However, without proper management, wastes are hazards to the environment and life itself.

5. The reduction of solid waste at the source and the recycling of reusable waste materials will reduce the flow of waste to sanitary landfills and increase the supply of reusable materials for the use of the public.

89 Acts, ch 272, §2

**455D.3 Goals for waste stream reduction — procedures — reductions and increases in fees.**

1. *Waste reduction goals.*

*a.* The goal of the state is to reduce the amount of materials in the waste stream, existing as of July 1, 1988, by an intermediate goal of twenty-five percent, and by a final goal of at least fifty percent, through the practice of waste volume reduction at the source and through recycling. For the purposes of this section, *"waste stream"* means the disposal of solid waste as *"solid waste"* is defined in section 455B.301.

*b.* Notwithstanding section 455D.1, subsection 5, facilities which employ combustion of solid waste with energy recovery and refuse-derived fuel, which are included in an approved comprehensive plan, may include these processes in the definition of recycling for the purpose of meeting the state goal if at least thirty-five percent of the fifty percent waste reduction goal is met through volume reduction at the source and recycling and reuse, as established pursuant to section 455B.301A, subsection 1, paragraphs *"a"* and *"b"*.

2. *Departmental monitoring.*

*a.* If at any time the department determines that a planning area has met or exceeded the twenty-five percent goal, but has not met or exceeded the fifty percent goal, a planning area shall subtract sixty cents from the total amount of the tonnage fee imposed pursuant to section 455B.310. If at any time the department determines that a planning area has met or exceeded the fifty percent goal, a planning area shall subtract fifty cents from the total amount of the tonnage fee imposed pursuant to section 455B.310. The reduction in tonnage fees pursuant to this paragraph shall be taken from that portion of the tonnage fees which would have been allocated for funding alternatives to landfills pursuant to section 455E.11, subsection 2, paragraph *"a"*, subparagraph (1).

*b.* If the department determines that a planning area has failed to meet the twenty-five percent goal, the planning area shall remit fifty cents per ton to the department. The moneys shall be deposited in the groundwater protection fund created in section 455E.11, subsection 2, paragraph *"a"*, and credited to the solid waste account of the fund to be used for funding alternatives to landfills pursuant to section 455E.11, subsection 2, paragraph *"a"*, subparagraph (1). Moneys shall continue to be remitted pursuant to this paragraph until such time as evidence of attainment of the twenty-five percent goal is documented in subsequent plans submitted to the department.

*c.* If at any time the department determines that a planning area has met or exceeded the fifty percent goal, the planning area shall subtract fifty cents from the total amount of the tonnage fee imposed pursuant to section 455B.310. This amount shall be in addition to any amount subtracted pursuant to paragraph *"a"*. The reduction in tonnage fees pursuant to this paragraph shall be taken from that portion of the tonnage fees which would have been allocated to funding alternatives to landfills pursuant to section 455E.11, subsection 2,

paragraph *"a"*, subparagraph (1). A planning area failing to meet the fifty percent goal is not required to remit any additional tonnage fees to the department.

3. *Environmental management systems.* A planning area designated as an environmental management system pursuant to section 455J.7 is exempt from the waste stream reduction goals of this section.

89 Acts, ch 272, §3; 92 Acts, ch 1213, §2; 94 Acts, ch 1177, §4; 95 Acts, ch 80, §2; 95 Acts, ch 209, §25; 98 Acts, ch 1193, §3; 2001 Acts, ch 124, §2, 6; 2006 Acts, ch 1063, §2; 2008 Acts, ch 1109, §2; 2011 Acts, ch 25, §108; 2013 Acts, ch 12, §14, 15

Referred to in §455B.306, 455B.310, 455J.5

Subsection 1 amended

Subsection 2 stricken and former subsection 3 amended and renumbered as 2

Subsection 4 stricken and former subsection 5 renumbered as 3

**455D.4 Waste volume reduction policies.**

1. It is the policy of this state to encourage the development of waste volume reduction programs and education at the local government level through incentives, technical assistance, grants, and other practical measures.

2. It is the policy of this state to support and encourage the development of new uses and markets for recycled goods, placing emphasis on the development, in Iowa, of businesses relating to waste reduction and recycling.

3. The provision of education concerning waste volume reduction at the elementary through high school levels and through community organizations will enhance the success of local programs requiring public involvement.

4. This state supports and encourages manufacturing methods which are environmentally sustainable, technologically safe, and ecologically sound. The state shall encourage manufacturing methods which enhance waste reduction by creating products with longer usage life, and by creating products which are adaptable to secondary uses, require less input material, and decrease resource consumption.

5. The people of this state recognize that a variety of benefits result from a comprehensive waste reduction policy including the following environmental, economic, governmental, and public benefits:

*a.* Not producing waste in the first instance is the most certain means for avoiding the widely recognized health and environmental damage associated with waste. Although waste reduction will never eliminate all wastes, to the extent that waste reduction is achieved it results in the most certain form of direct risk reduction.

*b.* Waste reduction may result in reduced pollution control costs for industry by stimulating and promoting beneficial technological and management reorganization within industry in place of pollution control strategies which channel capital into nonproductive pollution control expenditures.

*c.* The government is better able to administer programs which offer a variety of benefits to industry and which reduce the overall cost of government involvement than it is to administer programs which offer few benefits to industry and require increasingly extensive, complex, and costly governmental actions.

*d.* Public confidence in environmental policies of the government is important for the effectiveness of these policies. Waste reduction poses no adverse environmental and public health effects and does not, therefore, lead to increased public concern. Waste reduction also increases the public confidence that the government and industry are doing all that is possible to protect human health and the environment.

89 Acts, ch 272, §4

**455D.5 Statewide waste reduction and recycling network — established.**

1. The department shall establish a statewide waste reduction and recycling network to promote the waste management policy contained in section 455B.481 and the waste management hierarchy contained in section 455B.301A. Programs established shall encourage waste generators to reduce the volume of waste generated and to recycle or properly dispose of the waste that is generated. The network shall utilize existing recycling companies when possible. The programs may utilize financial and legal incentives,

education, technical assistance, regulation, and other methods as appropriate to implement the programs. The programs may involve the development of public and private sector initiatives, the development of markets and other opportunities for waste reduction and recycling, and other related efforts.

2. The elements of the network shall include but are not limited to all of the following:

*a.* Promotion of efforts to increase the amount of recyclable materials used by the public.

*b.* Promotion of efforts to recover recyclable materials from the waste stream.

*c.* Promotion of local efforts to implement recycling collection centers located at disposal sites or other convenient local sites.

*d.* Promotion of local efforts of curbside collection of separated recyclable waste materials.

*e.* Provision of public education programs which promote public awareness of waste volume reduction and the use of recyclable materials.

*f.* Promotion of the creation of markets for recyclable materials.

*g.* Promotion of research, manufacturing processes, and product development, which provide for waste reduction through decreased material input, and resource consumption.

*h.* Promotion of the concentration of the efforts of the business and industry resource search service by the small business assistance center for the safe and economic management of solid waste and hazardous substances at the university of northern Iowa, to locate existing waste streams and materials from businesses and industries which generate small amounts of waste and to catalyze the reuse of these materials in the production of goods and services.

89 Acts, ch 272, §5; 95 Acts, ch 44, §4

**455D.6 Duties of the director.**

The director shall:

1. Unless otherwise specified in this chapter, recommend rules to the commission which are necessary to implement this chapter.

2. Administer and coordinate the waste volume reduction and recycling fund created under section 455D.15.

3. Enter into contracts and agreements, with the approval of the commission, for contracts in excess of twenty-five thousand dollars, with local units of government, other state agencies, governments of other states, governmental agencies of the United States, other public and private contractors, and other persons as may be necessary or beneficial in carrying out the department's duties under this chapter.

4. Develop a strategy and recommend to the commission the adoption of rules necessary to implement a strategy for white goods and waste oil.

5. Develop a strategy and recommend to the commission the adoption of rules necessary to implement a strategy for the recycling of electronic goods and the disassembling and removing of toxic parts from electronic goods.

89 Acts, ch 272, §6; 2002 Acts, ch 1162, §59; 2003 Acts, ch 145, §286; 2013 Acts, ch 12, §16, 17

Referred to in §455D.22, 455D.25

Subsection 1 amended

Subsection 2 stricken and former subsections 3 and 4 renumbered as 2 and 3

Subsections 5, 8, 9, and 10 stricken and former subsections 6 and 7 amended and renumbered as 4 and 5

**455D.7 Duties of the commission.**

The commission shall:

1. Unless otherwise specified in this chapter, adopt rules necessary to implement this chapter pursuant to chapter 17A.

2. Prohibit land disposal of specific components of the waste stream for which the department has developed and implemented a strategy for alternative disposal according to the waste management hierarchy.

3. Establish by rule standards for the acceptance of recyclable or rebatable products at

redemption centers. The standards may address matters of public health and handling by the redemption center.

89 Acts, ch 272, §7; 2013 Acts, ch 12, §18, 19
Subsection 1 amended
Subsection 4 stricken

**455D.8 Deposits, rebates, and waste abatement fees.** Repealed by 2011 Acts, ch 9, § 11.

**455D.9 Land disposal of yard waste — prohibited.**

1. Land disposal of yard waste as defined by the department is prohibited. However, yard waste which has been separated at its source from other solid waste may be accepted by a sanitary landfill for the purposes of soil conditioning or composting.

2. The department shall assist local communities in the development of collection systems for yard waste generated from residences and shall assist in the establishment of local composting facilities. Each city and county shall, by ordinance, require persons within the city or county to separate yard waste from other solid waste generated.

3. The department shall adopt rules which define yard waste and provide for the safe and proper method of composting yard waste and other organic materials.

4. State and local agencies responsible for the maintenance of public lands in the state shall give preference to the use of composted materials in all land maintenance activities.

5. This section does not prohibit the use of yard waste as land cover or as soil conditioning material.

6. This section prohibits the open burning of yard waste within the permitted boundary at a sanitary disposal project.

89 Acts, ch 272, §9; 90 Acts, ch 1191, §4; 92 Acts, ch 1182, §5; 2013 Acts, ch 12, §20
Subsections 1, 2, 3, and 6 amended

**455D.9A Disposal of baled solid waste at a sanitary landfill — prohibited.**

Beginning January 1, 1992, a person shall not dispose of baled solid waste at a sanitary landfill and a sanitary landfill shall not accept baled solid waste for final disposal. Solid waste which is baled on-site may be disposed of at the sanitary landfill.

91 Acts, ch 113, §1; 99 Acts, ch 14, §1

**455D.10 Land disposal of lead acid batteries — prohibited — collection for recycling.**

1. Beginning July 1, 1990, land disposal of lead acid batteries is prohibited.

2. A person offering for sale or selling lead acid batteries at retail in the state shall do all of the following:

*a.* Accept used lead acid batteries from customers who purchase new lead acid batteries, at the point of sale.

*b.* Post written notice that land disposal of lead acid batteries is prohibited and that state law requires the retailer to accept lead acid batteries for recycling when new lead acid batteries are purchased.

3. A person offering for sale or selling lead acid batteries at wholesale shall accept used lead acid batteries from retailers who purchase new lead acid batteries for resale to consumers, or from wholesale customers.

89 Acts, ch 272, §10

**455D.10A Household batteries — heavy metal content and recycling requirements.**

1. *Definitions.* As used in this section and in section 455D.10B unless the context otherwise requires:

*a.* *"Button cell battery"* means a household battery which resembles a button or coin in size and shape.

*b.* *"Consumer"* means a person who purchases household batteries for personal or business use.

*c.* *"Easily removed"* means a battery or battery pack which can be removed from a battery-powered product by the consumer, using common household tools.

*d.* *"Household battery"* means any type of dry cell battery used by consumers, including

but not limited to mercuric oxide, carbon-zinc, zinc air, silver oxide, nickel-cadmium, nickel-hydride, alkaline, lithium, or sealed lead acid batteries.

*e. "Institutional generator"* means a governmental, commercial, industrial, communications, or medical facility which generates waste mercuric oxide, nickel-cadmium, or sealed lead acid rechargeable batteries.

*f. "Rechargeable consumer product"* means a product that is primarily powered by a rechargeable battery and is primarily used or purchased to be used for household purposes.

*g. "Rechargeable household battery"* means a small sealed nickel-cadmium or sealed lead acid battery used for nonvehicular purposes and weighing less than twenty-five pounds, which can be recharged by the consumer and reused.

2. *Mercury content limited.*

*a.* A person shall not sell, distribute, or offer for retail sale in this state an alkaline manganese battery that contains more than twenty-five one-thousandths of a percent mercury by weight. A person shall not sell, distribute, or offer for sale at retail in this state an alkaline manganese household battery manufactured on or after January 1, 1996, to which mercury has been added. This paragraph does not apply to alkaline manganese button cell batteries.

*b.* A person shall not sell, distribute, or offer for retail sale in this state an alkaline manganese button cell battery which contains more than twenty-five milligrams of mercury.

3. *Recycling/disposal requirements for household batteries.*

*a.* Beginning July 1, 1996, a system or systems shall be in place to protect the health and safety of Iowans, and the state's environment, from the toxic components of used household batteries. The system or systems shall include at least one of the following elements:

(1) Elimination or reduction to the extent established by rule of the department, of heavy metals and other toxic components in nickel-cadmium, mercuric oxide, or sealed lead acid household batteries, to ensure protection of public health, safety, and the environment when placed in or disposed of as part of mixed municipal solid waste.

(2) Establishment of a comprehensive recycling program for each type of battery listed in subparagraph (1) that is sold, distributed, or offered for sale in this state. An institutional generator shall provide for the on-site source separation and collection of used mercuric oxide batteries, nickel-cadmium rechargeable batteries, and sealed lead acid rechargeable batteries. All participants in the stream of commerce relating to the batteries, which are listed in subparagraph (1) and which are not designated as exempt pursuant to section 455D.10B, subsection 2, paragraph *"a"*, subparagraph (3) or (4), shall, individually or collectively, be responsible for developing and operating a system for collecting and transporting used batteries to the appropriate dry cell battery manufacturer or to a site or facility designated by a manufacturer. Additionally, dry cell battery manufacturers shall be responsible for the recycling of used batteries in an environmentally sound manner.

(3) Provision for collection, transporting, and proper disposal of used household batteries of the types listed in subparagraph (1) which are distributed, sold, or offered for retail sale in the state. For the purposes of this paragraph, *"proper disposal"* means disposal which complies with all applicable state and federal laws. All participants in the stream of commerce relating to the batteries, which are listed in subparagraph (1) and which are not designated as exempt pursuant to section 455D.10B, subsection 2, paragraph *"a"*, subparagraph (3) or (4), shall, individually or collectively, be responsible for developing and operating a system for collecting and transporting used batteries to the appropriate dry cell battery manufacturer or to a site or facility designated by a manufacturer. Additionally, dry cell battery manufacturers shall be responsible for proper disposal of the used batteries.

*b.* To meet the recycling and disposal requirements of this subsection, participants in the systems established under this subsection, either individually or collectively, shall do all of the following:

(1) Identify a collection entity, other than a local government collection system, unless the local government agrees otherwise, through which the discarded batteries listed in paragraph *"a"*, subparagraph (1) shall be returned for collection and recycling or disposal.

(2) Inform each customer of the prohibition of disposal of batteries listed in paragraph

*"a"*, subparagraph (1), and a safe and convenient return process available to the customer for recycling or proper disposal.

*c.* After July 1, 1996, nickel-cadmium, sealed lead acid, or mercuric oxide household batteries shall not be sold, distributed, or offered for sale in the state, unless a system required by this section is in operation.

*d.* The department may make recommendations to the commission to include other types of household or rechargeable batteries, not enumerated in paragraph *"a"*, subparagraph (1), in the requirements of this subsection.

*e.* This subsection does not apply to batteries subject to regulation under the federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.

4. *Rules adopted.* The commission shall adopt, upon recommendation of the director, the rules necessary to carry out the provisions of this section pursuant to chapter 17A.

92 Acts, ch 1215, §15; 95 Acts, ch 99, §1; 2007 Acts, ch 151, §1; 2011 Acts, ch 25, §140
Referred to in §455D.10B, 455D.25

**455D.10B Batteries used in rechargeable consumer products.**

1. A person shall not distribute, sell, or offer for retail sale in the state a rechargeable consumer product manufactured on or after January 1, 1994, unless all of the following conditions are met:

*a.* The battery can be easily removed by the consumer, or is contained in a battery pack that is separate from the product and can be easily removed.

*b.* The battery, the instruction manual, and the product package are clearly labeled to indicate that the battery must be recycled or disposed of properly and includes the designation "Cd" or "Ni-Cd" for nickel-cadmium batteries and "Pb" or "Lead" for small lead batteries.

2. *a.* A rechargeable consumer product manufacturer may apply to the department for exemption from the requirements of subsection 1 if any of the following apply:

(1) The product cannot be redesigned or manufactured to comply with the requirements prior to January 1, 1994.

(2) The redesign of the product to comply with the requirements would result in significant danger to public health and safety.

(3) The battery poses no unreasonable hazard to public health, safety, or the environment when placed in and processed or disposed of as part of mixed municipal solid waste, pursuant to section 455D.10A.

(4) The consumer product manufacturer has in operation a program to recycle used batteries in an environmentally sound manner.

*b.* A manufacturer of a product that is powered by a battery that cannot be easily removed who has been granted an exemption under this subsection shall label the product as required in subsection 1, paragraph *"b"*.

3. An exemption granted by the department under subsection 2, paragraph *"a"*, subparagraph (1), is limited to a maximum of two years, but may be renewed.

92 Acts, ch 1215, §16; 94 Acts, ch 1037, §1, 2; 2011 Acts, ch 25, §109
Referred to in §455D.10A

**455D.11 Waste tires — land disposal prohibited.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Permit"* means a permit issued by the department to establish, construct, modify, own, or operate a tire stockpiling facility.

*b.* *"Processing"* means producing or manufacturing usable materials from waste tires.

*c.* *"Processing site"* means a site which is used for the processing of waste tires and which is owned or operated by a tire processor who has a permit for the site.

*d.* *"Tire collector"* means either a person who owns or operates a site used for the storage, collection, or deposit of more than five hundred waste tires or an authorized vehicle recycler who is licensed by the state department of transportation pursuant to section 321H.4 and who owns or operates a site used for the storage, collection, or deposit of more than three thousand five hundred waste tires.

*e.* *"Tire processor"* means a person engaged in the processing of waste tires.

*f.* *"Waste tire"* means a tire that is no longer suitable for its originally intended purpose due to wear, damage, or defect. *"Waste tire"* does not include a nonpneumatic tire.

*g.* *"Waste tire collection site"* means a site which is used for the storage, collection, or deposit of waste tires.

2. Land disposal of waste tires is prohibited beginning July 1, 1991, unless the tire has been processed in a manner established by the department. A sanitary landfill shall not refuse to accept a waste tire which has been properly processed.

3. The department shall conduct a study and make recommendations to the general assembly by January 1, 1991, concerning a waste tire abatement program which includes but is not limited to the following:

*a.* The number and geographic distribution of waste tires generated and existing in the state.

*b.* The development of markets for the recycling and processing of waste tires, in the midwestern states.

*c.* The methods to establish reliable sources of waste tires for users of waste tires.

*d.* The permitting of waste tire collection sites, waste tire processing facilities, and waste tire haulers.

*e.* The methods for the cleanup of existing stockpiles of waste tires.

4. Upon completion of the study pursuant to subsection 3, the department shall determine the number of stockpiling facilities which are necessary and shall develop rules for stockpiling facilities which include but are not limited to the following:

*a.* The prohibition of burning within one hundred yards of a tire stockpile.

*b.* The maximum height, width, and length of a tire stockpile.

*c.* Plans to control mosquitoes and rodents.

*d.* A facility closure plan.

*e.* Specifications for fire lanes between stockpiles.

*f.* Limitations of the total number of tires allowed at a single stockpile site.

5. The department shall develop criteria for the issuance of permits and shall issue permits to qualified stockpiling facilities.

6. The department shall provide financial assistance to persons who establish recycling and processing sites for waste tires, subject to the rules established by the department for the establishment of such sites and subject to the conditions prescribed by the department for application for and awarding of such financial assistance.

7. The commission shall adopt rules which provide the following:

*a.* That a person who contracts with another person to transport more than forty waste tires is required to contract only with a person registered as a waste tire hauler pursuant to section 455D.11I.

*b.* That a person who transports waste tires for final disposal is required to only dispose of the tires at a permitted sanitary disposal facility.

8. The department shall adopt rules relating to the storage and disposal of nonpneumatic tires and processed tires.

89 Acts, ch 272, §11; 91 Acts, ch 257, §7; 92 Acts, ch 1218, §3; 96 Acts, ch 1117, §2; 97 Acts, ch 24, §1; 2002 Acts, ch 1121, §2; 2004 Acts, ch 1030, §1; 2007 Acts, ch 151, §2; 2013 Acts, ch 90, §110

Referred to in §455D.22, 455D.25

Subsection 7, paragraph c stricken

**455D.11A Financial assurance — waste tire collection or processing sites.**

1. A person owning or operating a waste tire collection or processing site shall provide a financial assurance instrument to the department prior to the initial approval of a permit or prior to the renewal of a permit for an existing or expanding facility. The financial assurance instrument shall be used to provide for closure of the waste tire collection or processing facility.

2. The financial assurance instrument shall meet all requirements adopted by rule by the commission, and shall not be canceled, revoked, disbursed, released, or allowed to terminate without the approval of the department.

3. Financial assurance instruments may include instruments such as cash or surety bond, a letter of credit in a form prescribed by the department, a secured trust fund, a corporate guarantee, or a combination of such instruments and guarantees sufficient to satisfy the requirements of subsection 5. The department may request an annual audit, which shall remain confidential, to be performed by a third party.

4. If the owner or operator of a waste tire collection or processing site chooses to provide financial assurance in the form of a surety bond, the bond shall be executed by a surety company authorized to do business in this state. The bond shall be continuous in nature until canceled by the surety. A surety shall provide at least ninety days' notice in writing to the owner or operator and to the department indicating the surety's intent to cancel the bond and the effective date of the cancellation. The surety bond shall be for the benefit of the citizens of this state and shall be conditioned upon compliance with this section. The surety's liability under this subsection is limited to the amount of the bond or the amount of the damages or moneys due, whichever is less. However, this subsection does not limit the amount of damages recoverable from an owner or operator to the amount of the surety bond. The bond shall be made in a form prescribed by the commissioner of insurance and written by a company authorized by the commissioner of insurance to do business in this state. If a surety bond is canceled which has been provided as financial assurance under this subsection, the owner or operator of the waste tire collection or processing site shall demonstrate to the department within thirty days of the cancellation, a means of continued compliance with the financial assurance requirements of this section. If a means of continued compliance is not demonstrated within the thirty-day period, the department shall suspend the permit for the site, and the owner or operator shall perform proper closure of the site within thirty days. If the owner or operator does not properly close the site within the time period allowed, the department shall file a claim with the surety company, prior to the effective date of cancellation of the bond, to collect the amount of the bond for use in performing proper closure. A person who fails to provide for proper closure, notwithstanding collection by the department of the amount of the bond, is guilty of a serious misdemeanor.

5. Financial assurance shall be provided in the amounts as follows:

*a.* For a waste tire collection or processing site, the financial assurance instrument for a waste tire collection site shall provide coverage in an amount which is equivalent to thirty-five cents per passenger tire equivalent collected by the site prior to July 1, 1998. The financial assurance instrument for a waste tire processing site shall provide coverage in an amount which is equivalent to thirty-five cents per passenger tire equivalent collected for processing by the site which is above the three-day processing supply of tires for the site as determined by the department. This paragraph shall take effect July 1, 1999.

*b.* For a waste tire collection or processing site, the financial assurance instrument for a waste tire collection site shall provide coverage in an amount which is equivalent to eighty-five cents per passenger tire equivalent collected by the site on or after July 1, 1998, and the financial assurance instrument for a waste tire processing site shall provide coverage in an amount which is equivalent to eighty-five cents per passenger tire equivalent collected for processing by the site which is above the three-day processing supply of tires for the site as determined by the department.

6. The financial assurance instrument shall not be assigned for the benefit of creditors with the exception of the state, and shall not be used to pay any final judgment against a permit holder arising out of the ownership or operation of the site. The commission shall adopt rules to establish conditions under which the department may gain access to the financial assurance instrument.

7. The requirement for financial assurance shall not apply to waste tire collection or processing sites operated by a city or county, or operated in conjunction with a sanitary landfill.

8. All requirements for financial assurance provided for in this section shall become effective July 1, 1998.

92 Acts, ch 1218, §4; 94 Acts, ch 1023, §56; 97 Acts, ch 53, §1, 2; 98 Acts, ch 1180, §1, 2

Referred to in §455D.11C, 455D.22, 455D.25

**455D.11B Permitting of waste tire collection or processing sites — fees.**

An owner or operator of a waste tire collection or processing site, including an enclosed site, shall obtain a permit from the department prior to operation of the site. The owner or operator shall pay an annual fee of eight hundred fifty dollars to the department. The moneys collected by the department shall be deposited in the hazardous substance remedial fund established pursuant to section 455B.423 and shall be used for the purposes of administering the waste tire collection or processing site permit program.

92 Acts, ch 1218, §5

Referred to in §455D.22, 455D.25

**455D.11C Waste tire management fund.**

1. A waste tire management fund is created within the state treasury. Notwithstanding section 8.33, any unexpended balance in the fund at the end of each fiscal year shall be retained in the fund. Notwithstanding section 12C.7, any interest or earnings on investments from moneys in the fund shall be credited to the fund. Moneys from the fund that are expended by the department in closing or bringing into compliance a waste tire collection site pursuant to section 455D.11A and later recouped by the department shall be credited to the fund.

2. Moneys in the waste tire management fund are appropriated and shall be used for the following purposes:

*a.* Thirty percent of the moneys shall be used for all of the following positions:

(1) One full-time equivalent position for the administration of permits and registrations for tire processing, storage, and hauling activities, and tire program initiatives.

(2) One and one-half full-time equivalent positions for waste tire-related compliance checks and inspections. The full-time equivalent positions shall be divided equally between the field offices in the state.

*b.* Ten percent of the moneys shall be used for a public education and awareness initiative related to the proper tire disposal options and environmental and health hazards posed by improper tire storage.

*c.* Thirty percent of the moneys shall be used for market development initiatives for waste tires.

*d.* Thirty percent of the moneys shall be used for waste tire stockpile abatement initiatives which would require a cost-share agreement with the landowner.

96 Acts, ch 1117, §3; 2004 Acts, ch 1173, §1; 2008 Acts, ch 1113, §116; 2011 Acts, ch 34, §103

**455D.11D through 455D.11F** Repealed by 2004 Acts, ch 1173, § 2.

**455D.11G Waste tire disposal fees and abatement costs.**

1. A retail tire dealer who currently charges a fee relating to disposal of used tires is encouraged to include the fee within the sales price of new tires. The practice by retail tire dealers of adding the fee as a separate charge on sales invoices is discouraged.

2. Notwithstanding any provision in this chapter, any generator of waste tires who is identified as being a contributor to the materials which are the object of an abatement and who can document full compliance with this chapter and administrative rules adopted pursuant to this chapter in disposing of such waste tires shall not be liable for any of the cost of recovery actions of the abatement.

96 Acts, ch 1117, §7; 98 Acts, ch 1180, §5

**455D.11H Future repeal.** Repealed by 2004 Acts, ch 1173, § 2.

**455D.11I Registration of waste tire haulers — bond.**

1. For the purposes of this section, "*waste tire hauler*" means a person who transports for hire more than forty waste tires in a single load for commercial purposes.

2. A waste tire hauler shall register with, and obtain a certificate of registration from, the department before hauling waste tires in this state. Requirements for registration of a waste

tire hauler shall include a provision that waste tire haulers shall pay all amounts due to any individual or group of individuals when due for damages caused by improper disposal of waste tires by the waste tire hauler or the waste tire hauler's employee while acting within the scope of employment. The waste tire hauler may apply for a certificate of registration by submitting the forms provided for that purpose and shall provide the name of the applicant and the address of the applicant's principal place of business and any additional information as deemed appropriate by the department.

3. A certificate of registration issued under this section is valid for one year from the date of issuance. A registered waste tire hauler may renew the certificate by filing a renewal application in the form prescribed by the department, accompanied by any applicable renewal fee.

4. A certificate of registration shall at all times be carried and displayed in the vehicle used for transportation of waste tires and shall be shown to a representative of the department of natural resources or the state department of transportation, upon request. The state department of transportation may inspect vehicles used for the transportation of waste tires and request that the certificate of registration of the waste tire hauler be shown.

5. The department shall establish a reasonable registration fee sufficient to offset expenses incurred in the administration of this section.

6. The department shall require that a waste tire hauler have on file with the department before the issuance or renewal of a registration certificate, a surety bond executed by a surety company authorized to do business in this state in the sum of a minimum of ten thousand dollars, which bond shall be continuous in nature until canceled by the surety. A surety shall provide at least thirty days' notice in writing to the waste tire hauler and to the department indicating the surety's intent to cancel the bond and the effective date of the cancellation. The surety bond shall be for the benefit of the citizens of this state and shall be conditioned upon the waste tire hauler's willingness to comply with this section. The surety's liability under this subsection is limited to the amount of the bond or the amount of the damages or moneys due, whichever is less. However, this subsection does not limit the amount of damages recoverable from a waste tire hauler to the amount of the surety bond. The bond shall be made in a form prescribed by the commissioner of insurance and written by a company authorized by the commissioner of insurance to do business in this state.

7. The department shall adopt rules necessary for the implementation and administration of this section.

2002 Acts, ch 1121, §4; 2003 Acts, ch 44, §69; 2007 Acts, ch 151, §3, 4

Referred to in §455D.11, 455D.22, 455D.25

**455D.12 Plastic container labeling.**

1. In this section unless the context otherwise requires:

*a.* *"Label"* means a molded imprint or raised symbol on or near the bottom of a plastic product.

*b.* *"Plastic"* means any material made of polymeric organic compounds and additives that can be shaped by flow.

*c.* *"Plastic bottle"* means a plastic container that has a neck that is smaller than the body of the container, accepts a screw-type, snap cap, or other closure, and has a capacity of sixteen fluid ounces or more, but less than five gallons.

*d.* *"Rigid plastic container"* means any formed or molded container, other than a bottle, intended for single use, composed predominantly of plastic resin, and having a relatively inflexible infinite shape or form with a capacity of eight ounces or more, but less than five gallons.

2. A person shall not distribute, sell, or offer for sale in this state a plastic bottle or rigid plastic container unless the product is labeled with a code indicating the plastic resin used to produce the bottle or container. Rigid plastic bottles or rigid plastic containers with labels and basecups of a different material shall be coded by their basic material. The code shall consist of a number placed within a triangle of arrows and letters placed below the triangle of arrows. The triangle shall be equilateral, formed by three arrows with the apex of each point of the triangle at the midpoint of each arrow, rounded with a short radius. The arrowhead of

each arrow shall be at the midpoint of each side of the triangle with a short gap separating the pointer from the base of the adjacent arrow. The triangle, formed by the three arrows curved at their midpoints, shall depict a clockwise path around the code number. The numbers and letters used shall be as follows:

*a.* 1 and PETE (polyethylene terephthalate)

*b.* 2 and HDPE (high density polyethylene)

*c.* 3 and V (vinyl)

*d.* 4 and LDPE (low density polyethylene)

*e.* 5 and PP (polypropylene)

*f.* 6 and PS (polystyrene)

*g.* 7 and OTHER (includes multilayer)

3. A container manufacturer or distributor who violates this section is subject to a civil penalty of not more than five hundred dollars for each violation.

89 Acts, ch 272, §12; 2013 Acts, ch 12, §21, 22
Subsection 2, unnumbered paragraph 1 amended
Subsection 3 stricken and former subsection 4 renumbered as 3

**455D.13 Land disposal of used oil and used oil filters prohibited — collection and recycling.**

1. A sanitary landfill shall not accept used oil for final disposal.

2. A person offering for sale or selling oil or oil filters at retail in the state shall do the following:

*a.* Accept at the point of sale, used oil and used oil filters from customers, or post notice of locations where a customer may dispose of used oil and used oil filters.

*b.* Post written notice that it is unlawful to dispose of used oil in a sanitary landfill.

3. A business that generates used oil filters or collects used oil filters from a person shall not dispose of the oil filters in a sanitary landfill and shall source-separate and recycle the oil filters.

89 Acts, ch 272, §13; 2008 Acts, ch 1167, §1, 2

**455D.14 Products manufactured with chlorofluorocarbons prohibited.**

Beginning January 1, 1990, a person shall not sell, offer for sale, purchase, or use plastic foam packaging products or food service items manufactured with chlorofluorocarbons. Beginning January 1, 1998, a person shall not sell, offer for sale, purchase, or use plastic foam products, not previously prohibited, which are manufactured with fully halogenated chlorofluorocarbons. A person violating this section is guilty of a serious misdemeanor.

89 Acts, ch 272, §14

**455D.15 Waste volume reduction and recycling fund.**

1. A waste volume reduction and recycling fund is created within the state treasury. Moneys received by the department from fees, including general revenue, federal funds, awards, wills, bequests, gifts, or other moneys designated shall be deposited in the state treasury to the credit of the fund. Notwithstanding section 8.33, any unexpended balance in the fund at the end of each fiscal year shall be retained in the fund. Any interest and earnings on investments from money in the fund shall be credited to the fund, section 12C.7 notwithstanding.

2. The fund shall be utilized by the department for providing technical assistance to Iowa businesses in developing and implementing pollution prevention techniques.

89 Acts, ch 272, §15; 2011 Acts, ch 9, §6; 2013 Acts, ch 12, §23, 24
Referred to in §29C.8A, 455D.6
Subsection 2 stricken and rewritten
Subsection 3 stricken

**455D.16 Mercury — thermostats.**

1. As used in this section, unless the context otherwise requires:

*a.* "*Manufacturer*" means any person, firm, association, partnership, corporation, governmental entity, organization, combination, or joint venture that owns or owned the brand name of the thermostat.

*b.* *"Mercury-added thermostat"* means a product or device that uses a mercury switch to sense and control room temperature through communication with heating, ventilating, or air-conditioning equipment. *"Mercury-added thermostat"* includes thermostats used to sense and control room temperature in residential, commercial, industrial, and other buildings but does not include thermostats used to sense and control temperature as part of a manufacturing process.

*c.* *"Thermostat retailer"* means a person who sells thermostats of any kind directly to homeowners or other nonprofessionals through any selling or distribution mechanism, including but not limited to sales using the internet or catalogues. A thermostat retailer may also be a thermostat wholesaler if it meets the definition of thermostat wholesaler.

*d.* *"Thermostat wholesaler"* means a person who is engaged in the distribution and wholesale selling of large quantities of heating, ventilation, and air-conditioning components, including thermostats, to contractors who install heating, ventilation, and air-conditioning components, including thermostats.

2. Beginning July 1, 2009, a person shall not sell, offer for sale, or install a mercury-added thermostat in this state.

3. Beginning April 1, 2009, except as otherwise provided, a person who generates a discarded mercury-added thermostat shall manage the mercury-added thermostat as a hazardous waste or universal hazardous waste, according to all applicable state and federal regulations. A contractor who replaces or removes mercury-added thermostats shall assure that any discarded mercury-added thermostat is subject to proper separation and management as hazardous waste or universal hazardous waste. A contractor who replaces a mercury-added thermostat in a residence shall deliver the mercury-added thermostat to an appropriate collection location for recycling.

4. Each thermostat manufacturer that has offered for final sale, sold at final sale, or distributed mercury-added thermostats in the state shall individually, or in conjunction with other thermostat manufacturers, do all of the following:

*a.* Not later than October 1, 2008, submit a plan to the department for approval describing a collection program for mercury-added thermostats. The program contained in the plan shall ensure that all the following take place:

(1) That an education and outreach program is developed. The program shall be directed toward thermostat wholesalers, thermostat retailers, contractors, and homeowners and ensure a maximum rate of collection of mercury-added thermostats. There shall not be a cost to thermostat wholesalers or thermostat retailers for education and outreach materials.

(2) That handling and recycling of mercury-added thermostats are accomplished in a manner that is consistent with the provisions of the universal waste rules.

(3) That containers for mercury-added thermostat collection are provided to all thermostat wholesalers. The cost to thermostat wholesalers for such containers shall be limited to an initial, reasonable, one-time fee per container as specified in the plan.

(4) That collection points will be established to serve homeowners. The collection points shall include but are not limited to regional collection centers permitted under 567 IAC 123. Collection points may include but are not limited to thermostat retailers.

(5) That collection systems are provided to all collection points. Collection systems may include individual product mail back or multiple collection containers. The costs of collection shall not be passed on to a collection point. The costs to a collection point shall be limited to an initial, reasonable, one-time fee per container as specified in the plan.

*b.* Not later than April 1, 2009, implement a mercury-added thermostat collection plan approved by the department.

*c.* Beginning in 2010, submit an annual report to the department by April 1 of each year that includes, at a minimum, all of the following:

(1) The number of mercury-added thermostats collected and recycled by that manufacturer during the previous calendar year.

(2) The estimated total amount of mercury contained in the thermostat components collected by that manufacturer during the previous calendar year.

(3) A list of all participating thermostat wholesalers and all collection points for homeowners.

(4) An evaluation of the effectiveness of the manufacturer's collection program.

(5) An accounting of the administrative costs incurred in the course of administering the collection and recycling program.

5. *a.* By April 1, 2009, a thermostat wholesaler shall do both of the following:

(1) Act as a collection site for mercury-added thermostats.

(2) Promote and utilize the collection containers provided by thermostat manufacturers to facilitate a contractor collection program.

*b.* By April 1, 2009, a thermostat retailer shall participate in an education and outreach program to educate consumers on the collection program for mercury-added thermostats.

6. Beginning April 1, 2009, all of the following sales prohibitions shall apply to thermostat manufacturers, thermostat wholesalers, and thermostat retailers:

*a.* A thermostat manufacturer not in compliance with this section is prohibited from offering any thermostat for final sale in the state. A thermostat manufacturer not in compliance with this section shall provide the necessary support to thermostat wholesalers and thermostat retailers to ensure the manufacturer's thermostats are not offered for final sale.

*b.* A thermostat wholesaler or thermostat retailer shall not offer for final sale any thermostat of a manufacturer that is not in compliance with this section.

7. The department shall do all of the following:

*a.* Review and grant approval of, deny, or approve with modifications a manufacturer plan required under this section. The department shall not approve a plan unless all elements of subsection 4, paragraph "*a*", are adequately addressed and the program outlined in the plan will assure a maximum rate of collection of mercury-added thermostats. In reviewing a plan the department may consider consistency of the plan with collection requirements in other states and consider consistency between thermostat manufacturer collection programs. In reviewing plans, the agency shall ensure that education and outreach programs are uniform and consistent to ensure ease of implementation by thermostat wholesalers and thermostat retailers.

*b.* The department shall establish a process for public review and comment on all plans submitted by thermostat manufacturers prior to plan approval. The department shall consult with interested persons, including representatives of thermostat manufacturers, environmental groups, thermostat wholesalers, thermostat retailers, contractors, and local government.

*c.* By January 15, 2010, and annually thereafter, the department shall submit a written report to the general assembly regarding the collection and recycling of mercury-added thermostats in the state. The first report submitted shall include recommendations for any statutory changes concerning the collection and recycling of mercury-added thermostats. Subsequent reports shall include an evaluation of the effectiveness of the mercury-added thermostat collection and recycling programs, information on actual collection rates, and recommendations for any statutory changes concerning the collection and recycling of mercury-added thermostats.

8. The goal of the collection and recycling efforts under this section is to collect and recycle as many mercury-added thermostats as reasonably practicable. By January 1, 2009, the department shall determine collection goals for the program in consultation with interested persons, including the national electrical manufacturers association and representatives of thermostat manufacturers, thermostat wholesalers, thermostat retailers, contractors, environmental groups, and local government. If collection efforts fail to meet the collection goals described in this subsection, the department shall, in consultation with the national electrical manufacturers association and other interested persons, consider modifications to collection programs in an attempt to improve collection rates in accordance with these goals.

2008 Acts, ch 1168, §1

**455D.17 and 455D.18** Repealed by 92 Acts, ch 1215, § 19.

**455D.19 Packaging — heavy metal content.**

1. The general assembly finds and declares all of the following:

*a.* The management of solid waste can pose a wide range of hazards to public health and safety and to the environment.

*b.* Packaging comprises a significant percentage of the overall solid waste stream.

*c.* The presence of heavy metals in packaging is a concern in light of the likely presence of heavy metals in emissions or ash when packaging is incinerated or in leachate when packaging is landfilled.

*d.* Lead, mercury, cadmium, and hexavalent chromium, on the basis of available scientific and medical evidence, are of particular concern.

*e.* It is desirable as a first step in reducing the toxicity of packaging waste to eliminate the addition of heavy metals to packaging.

*f.* The intent of the general assembly is to achieve reduction in toxicity without impeding or discouraging the expanded use of postconsumer materials in the production of packaging and its components.

2. As used in this section unless the context otherwise requires:

*a.* *"Distributor"* means a person who takes title to one or more packages or packaging components purchased for promotional purposes or resale. A person involved solely in delivering or storing packages or packaging components on behalf of third parties is not a distributor.

*b.* *"Incidental presence"* means the presence of a regulated metal as an unintended or undesired ingredient of a package or packaging component.

*c.* *"Intentional introduction"* means an act of deliberately utilizing a regulated metal in the formulation of a package or packaging component where its continued presence is desired in the final package or packaging component to provide a specific characteristic, appearance, or quality. Intentional introduction does not include the use of a regulated metal as a processing agent or intermediate to impart certain chemical or physical changes during manufacturing, if the incidental presence of a residue of the metal in the final package or packaging component is neither desired nor deliberate, and if the final package or packaging component is in compliance with subsection 4, paragraph *"a"*, subparagraph (3). Intentional introduction also does not include the use of recycled materials as feedstock for the manufacture of new packaging materials, if the recycled materials contain amounts of a regulated metal and if the new package or packaging component is in compliance with subsection 4, paragraph *"a"*, subparagraph (3).

*d.* *"Manufacturer"* means a person who produces one or more packages or packaging components.

*e.* *"Manufacturing"* means physical or chemical modification of one or more materials to produce packaging or packaging components.

*f.* *"Package"* means a container which provides a means of marketing, protecting, or handling a product including a unit package, intermediate package, or a shipping container. *"Package"* also includes but is not limited to unsealed receptacles such as carrying cases, crates, cups, pails, rigid foil and other trays, wrappers and wrapping films, bags, and tubs.

*g.* *"Packaging component"* means any individual assembled part of a package including but not limited to interior and exterior blocking, bracing, cushioning, weatherproofing, exterior strapping, coatings, closures, inks, labels, tin-plated steel that meets ASTM (American society for testing and materials) international specification A-623, electro-galvanized coated steel, or hot-dipped-coated galvanized steel that meets ASTM (American society for testing and materials) international specification A-525 or A-879.

*h.* *"Regulated metal"* means any metal regulated under this section.

*i.* *"Reusable entities"* means packaging or packaging components having a controlled distribution and reuse subject to the exemption provided in subsection 5, paragraph *"e"*.

3. A manufacturer or distributor shall not offer for sale or sell or offer for promotional purposes a package or packaging component, in this state, which includes, in the package itself or in any packaging component, inks, dyes, pigments, adhesives, stabilizers, or any other additives, any lead, cadmium, mercury, or hexavalent chromium which has been intentionally introduced as an element during manufacturing or distribution as opposed to

the incidental presence of any of these elements and which exceed the concentration level established by the department. A distributor shall only be subject to the assessment of a civil penalty pursuant to section 455D.25, subsection 2, for the knowing violation of this section. Knowledge by the distributor of the violation shall be presumed beginning sixty days from the receipt of notification from the department by certified mail.

4. *a.* The concentration levels of lead, cadmium, mercury, and hexavalent chromium present in a package or packaging component shall not exceed the following:

(1) Six hundred parts per million by weight by July 1, 1992.

(2) Two hundred fifty parts per million by weight by July 1, 1993.

(3) One hundred parts per million by weight by July 1, 1994.

*b.* Concentration levels of lead, cadmium, mercury, and hexavalent chromium shall be determined using ASTM (American society for testing and materials) international test methods, as revised, or United States environmental protection agency test methods for evaluating solid waste, S-W 846, as revised.

5. The following packaging and packaging components are exempt from the requirements of this section:

*a.* Packaging or packaging components with a code indicating a date of manufacture prior to July 1, 1990, and packaging or packaging components used by the alcoholic beverage industry or the wine industry prior to July 1, 1992.

*b.* Packages or packaging components to which lead, cadmium, mercury, or hexavalent chromium have been added in the manufacturing, forming, printing, or distribution process in order to comply with health or safety requirements of federal law or for which there is no feasible alternative if the manufacturer of a package or packaging component petitions the department for an exemption from the provisions of this paragraph for a particular package or packaging component. The department may grant a two-year exemption, if warranted by the circumstances, and an exemption may, upon meeting either criterion of this paragraph, be renewed for two years. For purposes of this paragraph, a use for which there is no feasible alternative is one in which the regulated substance is essential to the protection, safe handling, or function of the package's contents.

*c.* Packages and packaging components that would not exceed the maximum contaminant levels established but for the addition of recycled materials.

*d.* (1) Packages or packaging components that are reused, but exceed contaminant levels set forth in subsection 4, paragraph "*a*", subparagraph (3), if all of the following criteria are met:

(a) The product being conveyed by the package, including any packaging component, is regulated under federal or state health or safety requirements.

(b) Transportation of the packaged product is regulated under federal or state transportation requirements.

(c) The disposal of the packages or packaging components is performed according to federal or state radioactive or hazardous waste disposal requirements.

(2) The department may grant a two-year exemption if warranted by the circumstances and an exemption may, upon meeting the criteria of this paragraph, be renewed for additional two-year periods.

*e.* (1) Packages or packaging components which qualify as reusable entities that exceed the contaminant levels set forth in subsection 4, paragraph "*a*", subparagraph (3), if the manufacturers or distributors of such packages or packaging components petition the department for an exemption and receive approval from the department according to the following standards based upon a satisfactory demonstration that the environmental benefit of the controlled distribution and reuse is significantly greater than if the same package is manufactured in compliance with the contaminant levels set forth in subsection 4, paragraph "*a*", subparagraph (3). The department may grant a two-year exemption, if warranted by the circumstances, and an exemption may, upon meeting the four criteria listed in subparagraph (2), subparagraph divisions (a) through (d), be renewed for additional two-year periods.

(2) In order to receive an exemption, the application must ensure that reusable entities are used, transported, and disposed of in a manner consistent with the following criteria:

(a) A means of identifying in a permanent and visible manner those reusable entities containing regulated metals for which an exemption is sought.

(b) A method of regulatory and financial accountability so that a specified percentage of the reusable entities manufactured and distributed to another person are not discarded by that person after use, but are returned to the manufacturer or the manufacturer's designee.

(c) A system of inventory and record maintenance to account for the reusable entities placed in, and removed from, service.

(d) A means of transforming returned entities, that are no longer reusable, into recycled materials for manufacturing or into manufacturing wastes which are subject to existing federal or state laws or regulations governing manufacturing wastes to ensure that these wastes do not enter the commercial or municipal waste stream.

(3) The application for an exemption must document the measures to be taken by the applicant as set out in subparagraph (2), subparagraph divisions (a) through (d).

6. By July 1, 1992, a manufacturer or distributor of packaging or packaging components shall make available to purchasers, to the department, and to the general public upon request, certificates of compliance which state that the manufacturer's or distributor's packaging or packaging components comply with, or are exempt from, the requirements of this section.

If the manufacturer or distributor of the package or packaging component reformulates or creates a new package or packaging component, the manufacturer or distributor shall provide an amended or new certificate of compliance for the reformulated or new package or packaging component.

7. The commission shall adopt rules to administer this section and recommend any other toxic substances contained in packaging to be added to the list in order to further reduce the toxicity of packaging waste.

90 Acts, ch 1255, §29; 91 Acts, ch 203, §5; 91 Acts, ch 255, §15; 94 Acts, ch 1085, §1; 96 Acts, ch 1095, §1; 2004 Acts, ch 1086, §75, 106; 2007 Acts, ch 151, §5 – 7; 2009 Acts, ch 41, §134, 135

Referred to in §455D.22, 455D.25

**455D.20 Refuse-derived fuel — calculation as portion of waste reduction goal.** Repealed by 2004 Acts, ch 1078, § 3.

**455D.21 Local ordinance — curbside collection.**

A city council or county board of supervisors which provides for the collection of solid waste by its residents shall consider as a proposed ordinance, the mandatory curbside collection of recyclable materials which have been separated from other solid waste. The proposed ordinance shall be considered in accordance with chapter 331 or 380.

92 Acts, ch 1215, §17

**455D.22 Civil penalty.**

A person who violates section 455D.6, subsection 4, section 455D.11, 455D.11A, 455D.11B, 455D.11I, or 455D.19, or any rule, permit, or order issued pursuant thereto shall be subject to a civil penalty which shall be established, assessed, and collected in the same manner as provided in section 455B.109. Any civil penalty collected shall be deposited in the general fund of the state.

2007 Acts, ch 151, §8

Section not amended; internal reference change applied

**455D.23 Violations.**

The director may issue any order necessary to secure compliance with or prevent a violation of the provisions of this chapter or any rule adopted or permit or order issued pursuant to this chapter. The person to whom such compliance order is issued may cause to be commenced a contested case within the meaning of chapter 17A, by filing within thirty days a notice of appeal to the commission. On appeal, the commission may affirm, modify, or vacate the order of the director.

2007 Acts, ch 151, §9

**455D.24 Judicial review.**

Judicial review of any order or other action of the commission or director may be sought in accordance with the terms of chapter 17A. Notwithstanding the terms of chapter 17A, petitions for judicial review may be filed in the district court of the county in which the alleged offense was committed.

2007 Acts, ch 151, §10

**455D.25 Civil actions for compliance — penalties.**

1. The attorney general, on request of the department, shall institute any legal proceedings necessary to obtain compliance with an order of the commission or the director, including proceedings for a temporary injunction, or prosecuting any person for a violation of an order of the commission or the director or the provisions of this chapter or any rules adopted or permit or order issued pursuant to this chapter.

2. Any person who violates section 455D.10A, 455D.11, 455D.11A, 455D.11B, 455D.11I, or 455D.19, or any order or permit issued or rule adopted pursuant to section 455D.6, subsection 4, section 455D.10A, 455D.11, 455D.11A, 455D.11B, 455D.11I, or 455D.19, shall be subject to a civil penalty, not to exceed ten thousand dollars for each day of such violation.

2007 Acts, ch 151, §11

Referred to in §455D.19

Section not amended; internal reference change applied

**455D.26 Green advisory committee.** Repealed by its own terms; 2010 Acts, ch 1166, §2.

# CHAPTER 455E

## GROUNDWATER PROTECTION

Referred to in §364.22, 455A.6, 455H.102, 455H.303


455E.1 Title.
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**455E.1 Title.**

This chapter shall be known and may be cited as the *"Groundwater Protection Act"*.

87 Acts, ch 225, §101

**455E.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Active cleanup"* means removal, treatment, or isolation of a contaminant from groundwater through the directed efforts of humans.

2. *"Commission"* means the environmental protection commission created under section 455A.6.

3. *"Contaminant"* means any chemical, ion, radionuclide, synthetic organic compound, microorganism, waste, or other substance which does not occur naturally in groundwater or which naturally occurs at a lower concentration.

4. *"Contamination"* means the direct or indirect introduction into groundwater of any contaminant caused in whole or in part by human activities.

5. *"Department"* means the department of natural resources created under section 455A.2.

6. *"Director"* means the director of the department.

7. *"Groundwater"* means any water of the state, as defined in section 455B.171, which occurs beneath the surface of the earth in a saturated geological formation of rock or soil.

8. *"Passive cleanup"* means the removal or treatment of a contaminant in groundwater through management practices or the construction of barriers, trenches, and other similar facilities for prevention of contamination, as well as the use of natural processes such as groundwater recharge, natural decay, and chemical or biological decomposition.

87 Acts, ch 225, §102
Referred to in §455B.190A

**455E.3 Findings.**

The general assembly finds that:

1. Groundwater is a precious and vulnerable natural resource. The vast majority of persons in the state depend on groundwater as a drinking water source. Agriculture, commerce, and industry also depend heavily on groundwater. Historically, the majority of Iowa's groundwater has been usable for these purposes without treatment. Protection of groundwater is essential to the health, welfare, and economic prosperity of all citizens of the state.

2. Many activities of humans, including the manufacturing, storing, handling, and application to land of pesticides and fertilizers; the disposal of solid and hazardous wastes; the storing and handling of hazardous substances; and the improper construction and the abandonment of wells and septic systems have resulted in groundwater contamination throughout the state.

3. Knowledge of the health effects of contaminants varies greatly. The long-term detriment to human health from synthetic organic compounds in particular is largely unknown but is of concern.

4. Any detectable quantity of a synthetic organic compound in groundwater is unnatural and undesirable.

5. The movement of groundwater, and the movement of contaminants in groundwater, are often difficult to ascertain or control. Decontamination is difficult and expensive to accomplish. Therefore, preventing contamination of groundwater is of paramount importance.

87 Acts, ch 225, §103

**455E.4 Groundwater protection goal.**

The intent of the state is to prevent contamination of groundwater from point and nonpoint sources of contamination to the maximum extent practical, and if necessary to restore the groundwater to a potable state, regardless of present condition, use, or characteristics.

87 Acts, ch 225, §104
Referred to in §455B.307

**455E.5 Groundwater protection policies.**

1. It is the policy of the state to prevent further contamination of groundwater from any source to the maximum extent practical.

2. The discovery of any groundwater contamination shall require appropriate actions to prevent further contamination. These actions may consist of investigation and evaluation or enforcement actions if necessary to stop further contamination as required under chapter 455B.

3. All persons in the state have the right to have their lawful use of groundwater unimpaired by the activities of any person which render the water unsafe or unpotable.

4. All persons in the state have the duty to conduct their activities so as to prevent the release of contaminants into groundwater.

5. Documentation of any contaminant which presents a significant risk to human health, the environment, or the quality of life shall result in either passive or active cleanup. In both cases, the best technology available or best management practices shall be utilized. The department shall adopt rules which specify the general guidelines for determining the cleanup actions necessary to meet the goals of the state and the general procedures for determining the parties responsible by July 1, 1989. Until the rules are adopted, the absence of rules shall not be raised as a defense to an order to clean up a source of contamination.

6. Adopting health-related groundwater standards may be of benefit in the overall

groundwater protection or other regulatory efforts of the state. However, the existence of such standards, or lack of them, shall not be construed or utilized in derogation of the groundwater protection goal and protection policies of the state.

7. The department shall take actions necessary to promote and assure public confidence and public awareness. In pursuing this goal, the department shall make public the results of groundwater investigations.

8. Education of the people of the state is necessary to preserve and restore groundwater quality. The content of this groundwater protection education must assign obligations, call for sacrifice, and change some current values. Educational efforts should strive to establish a conservation ethic among Iowans and should encourage each Iowan to go beyond enlightened self-interest in the protection of groundwater quality.

87 Acts, ch 225, §105

**455E.6 Legal effects — liability.**

This chapter supplements other legal authority and shall not enlarge, restrict, or abrogate any remedy which any person or class of persons may have under other statutory or common law and which serves the purpose of groundwater protection. An activity that does not violate chapter 455B or 459, subchapters II and III, does not violate this chapter. In the event of a conflict between this section and another provision of this chapter, it is the intent of the general assembly that this section prevails.

Liability shall not be imposed upon an agricultural producer for the costs of active cleanup, or for any damages associated with or resulting from the detection in the groundwater of any quantity of nitrates provided that application has been in compliance with soil test results and that the applicator has properly complied with label instructions for application of the fertilizer. Compliance with the above provisions may be raised as an affirmative defense by an agricultural producer.

Liability shall not be imposed upon an agricultural producer for costs of active cleanup, or for any damages associated with or resulting from the detection in the groundwater of pesticide provided that the applicator has properly complied with label instructions for application of the pesticide and that the applicator has a valid appropriate applicator's license. Compliance with the above provisions may be raised as an affirmative defense by an agricultural producer.

87 Acts, ch 225, §106

**455E.7 Primary administrative agency.**

The department is designated as the agency to coordinate and administer groundwater protection programs for the state.

87 Acts, ch 225, §107

**455E.8 Powers and duties of the director.**

In addition to other groundwater protection duties, the director, in cooperation with soil and water conservation district commissioners and with other state and local agencies, shall:

1. Develop and administer a comprehensive groundwater monitoring network, including point of use, point of contamination, and problem assessment monitoring sites across the state, and the assessment of ambient groundwater quality.

2. Complete groundwater hazard mapping of the state and make the results available to state and local planning organizations by July 1, 1991.

3. Establish a system or systems within the department for collecting, evaluating, and disseminating groundwater quality data and information.

4. Develop and maintain a natural resource geographic information system and comprehensive water resource data system. The system shall be accessible to the public.

5. Develop and adopt by administrative rule, criteria for evaluating groundwater protection programs by July 1, 1988.

6. Take any action authorized by law, including the investigatory and enforcement actions authorized by chapters 455B and 459, subchapters I, II, III, IV, and VI,* to implement the provisions of this chapter and the rules adopted pursuant to this chapter.

7. Disseminate data and information, relative to this chapter, to the public to the greatest extent practical.

8. Develop a program, in consultation with the department of education and the department of environmental education of the university of northern Iowa, regarding water quality issues which shall be included in the minimum program required in grades seven and eight pursuant to rules adopted by the state board of education under section 256.11, subsection 4.

87 Acts, ch 225, §108; 88 Acts, ch 1262, §8; 2013 Acts, ch 12, §25

Referred to in §455E.11

*Chapter 459, subchapters I, II, III, IV, and VI, transferred from ch 455B and subchapter V transferred from former ch 455J in Code 2003 pursuant to legislative directive in 2002 Acts, ch 1137

Subsections 2 and 3 stricken and former subsections 4 – 10 renumbered as 2 – 8

**455E.9 Powers and duties of the commission.**

1. The commission shall adopt rules to implement this chapter.

2. When groundwater standards are proposed by the commission, all available information to develop the standards shall be considered, including federal regulations and all relevant information gathered from other sources. A public hearing shall be held in each congressional district prior to the submittal of a report on standards to the general assembly. This report on how groundwater standards may be a part of a groundwater protection program shall be submitted by the department to the general assembly for its consideration by January 1, 1989.

87 Acts, ch 225, §109

**455E.10 Joint duties — local authority.**

1. All state agencies shall consider groundwater protection policies in the administration of their programs. Local agencies shall consider groundwater protection policies in their programs. All agencies shall cooperate with the department in disseminating public information and education materials concerning the use and protection of groundwater, in collecting groundwater management data, and in conducting research on technologies to prevent or remedy contamination of groundwater.

2. Political subdivisions are authorized and encouraged to implement groundwater protection policies within their respective jurisdictions, provided that implementation is at least as stringent but consistent with the rules of the department.

87 Acts, ch 225, §110

**455E.11 Groundwater protection fund established — appropriations.**

1. *a.* A groundwater protection fund is created in the state treasury. Moneys received from sources designated for purposes related to groundwater monitoring and groundwater quality standards shall be deposited in the fund. Notwithstanding section 8.33, any unexpended balances in the groundwater protection fund and in any of the accounts within the groundwater protection fund at the end of each fiscal year shall be retained in the fund and the respective accounts within the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the groundwater protection fund or in any of the accounts within the groundwater protection fund shall be credited to the groundwater protection fund or the respective accounts within the groundwater protection fund. The fund may be used for the purposes established for each account within the fund.

*b.* The director shall include in the departmental budget prepared pursuant to section 455A.4, subsection 1, paragraph "*c*", a proposal for the use of groundwater protection fund moneys, and a report of the uses of the groundwater protection fund moneys appropriated in the previous fiscal year.

*c.* The secretary of agriculture shall submit the report on a biennial basis to the governor in the same manner as provided in section 7A.3. The report shall include a proposal for the use of groundwater protection fund moneys, and uses of the groundwater protection fund moneys appropriated in the two previous fiscal years.

2. The following accounts are created within the groundwater protection fund:

*a.* A solid waste account. Moneys received from the tonnage fee imposed under section 455B.310 and from other sources designated for environmental protection purposes in relation to sanitary disposal projects shall be deposited in the solid waste account. Moneys shall be allocated as follows:

(1) After the one dollar and fifty-five cents is allocated pursuant to subparagraph (2), the remaining moneys from the tonnage fee shall be used for funding alternatives to landfills and shall be allocated as follows:

(a) (i) Each fiscal year for the fiscal period beginning July 1, 2010, and ending June 30, 2014, not more than two hundred thousand dollars to the department for purposes of awarding a beautification grant each year to one organization that does all of the following:

(A) Assists communities and organizations in cleanup and beautification projects.

(B) Conducts research to assist in the understanding of reasons for littering and illegal dumping.

(C) Administers antilittering and beautification education programs.

(D) Increases public awareness of the costs of littering.

(ii) The grant recipient shall do all of the following:

(A) Expend not more than fifty percent of the moneys for a public education and awareness initiative designed to reduce litter and illegal dumping.

(B) Expend not more than fifty percent of the moneys for a community partnership program designed to support community beautification projects.

(iii) As a condition of the grant award each year, the department shall require the grant recipient to submit a written report to the department by the end of the fiscal year for which the grant is awarded. In addition to any other information required by the department, the report shall include information detailing the expenditure of all moneys received by the organization and the results achieved through the expenditure of the money.

(b) Fifty thousand dollars to the department to implement the special waste authorization program.

(c) One hundred sixty-five thousand dollars to the department to be used for the by-products and waste search service at the university of northern Iowa.

(d) Up to thirty percent of the fees remitted shall be used for grants to environmental management systems as provided in section 455J.7.

(e) Not more than four hundred thousand dollars to the department for purposes of providing funding assistance to eligible communities to address abandoned buildings by promoting waste abatement, diversion, selective dismantlement of building components, and recycling. Eligible communities include a city with a population of five thousand or fewer. Eligible costs for program assistance include but are not limited to asbestos and other hazardous material abatement and removal, the recovery processing of recyclable or reusable material through the selective dismantlement of abandoned buildings, and reimbursement for purchased recycled content materials used in the renovation of buildings. For projects that support community beautification, the department may elect to administer funding to eligible communities in collaboration with the organization awarded the beautification grant in accordance with subparagraph division (a), subparagraph subdivision (i).

(f) The balance of the remaining funds shall be used by the department to develop and implement demonstration projects for landfill alternatives to solid waste disposal including recycling programs. These funds may also be used to assist planning areas which have not been designated as environmental management systems in meeting the designation requirements of section 455J.3.

(2) One dollar and fifty-five cents shall be used as follows:

(a) Forty-eight percent to the department to be used for the following purposes:

(i) Eight thousand dollars shall be transferred to the Iowa department of public health for departmental duties required under section 135.11, subsections 18 and 19, and section 139A.21.

(ii) The administration and enforcement of a groundwater monitoring program and other required programs relating to solid waste management.

(iii) The development of guidelines for groundwater monitoring at sanitary disposal projects as defined in section 455B.301.

(iv) The waste management assistance program of the department.

(b) Sixteen percent to the university of northern Iowa to develop and maintain the Iowa waste reduction center for the safe and economic management of solid waste and hazardous substances.

(c) Six and one-half percent for the department to establish a program to provide competitive grants to regional coordinating councils for projects in regional economic development centers related to a by-products and waste exchange system. Grantees under this program shall coordinate activities with other available state or multistate waste exchanges, including but not limited to the by-products and waste search service at the university of northern Iowa. The department shall consult with the economic development authority and the waste reduction center at the university of northern Iowa in establishing criteria for and the awarding of grants under this program. The department shall expend not more than thirty thousand dollars of the moneys appropriated under this subparagraph division to contract with the by-products and waste search service at the university of northern Iowa to provide training and other technical services to grantees under the program. If regional economic development centers cease to exist, the department shall transfer existing contracts to one or more community colleges or councils of governments and shall revise the criteria and rules for this program to allow community colleges or councils of governments to be applicants for competitive grants.

(d) For the fiscal year beginning July 1, 2005, nine and one-half percent to the department to establish permanent household hazardous waste collection sites so that both urban and rural populations are served and so that collection services are available to the public on a regular basis. Beginning July 1, 2006, six and one-quarter percent to the department to establish permanent household hazardous waste collection sites so that both urban and rural populations are served and so that collection services are available to the public on a regular basis. Beginning July 1, 2007, three percent to the department to establish permanent household hazardous waste collection sites so that both urban and rural populations are served and so that collection services are available to the public on a regular basis. Beginning July 1, 2008, any moneys collected pursuant to this subparagraph division that remain unexpended at the end of a fiscal year for establishment of permanent household hazardous waste collection sites shall be used for purposes of subparagraph division (e).

(e) For the fiscal year beginning July 1, 2005, three percent to the department for payment of transportation costs related to household hazardous waste collection programs. Beginning July 1, 2006, six and one-quarter percent to the department for payment of transportation costs related to household hazardous waste collection programs. Beginning July 1, 2007, nine and one-half percent to the department for payment of transportation costs related to household hazardous waste collection programs.

(f) Eight and one-half percent to the department to provide additional toxic cleanup days or other efforts of the department to support permanent household hazardous material collection systems and special events for household hazardous material collection, and for the natural resource geographic information system required under section 455E.8, subsection 4. Departmental rules adopted for implementation of toxic cleanup days shall provide sufficient flexibility to respond to the household hazardous material collection needs of both small and large communities. Repayment moneys from the Iowa business loan program for waste reduction and recycling pursuant to section 455B.310, subsection 2, paragraph *"b"*, Code 1993, and discontinued pursuant to 1993 Iowa Acts, ch. 176, section 45, shall be placed into this account to support household hazardous materials programs of the department.

(g) Three percent for the economic development authority to establish, in cooperation with the department of natural resources, a marketing initiative to assist Iowa businesses producing recycling or reclamation equipment or services, recyclable products, or products from recycled materials to expand into national markets. Efforts shall include the reuse and recycling of sawdust.

(h) Five and one-half percent to the department for the provision of assistance to public

and private entities in developing and implementing waste reduction and minimization programs for Iowa industries.

*b*. An agriculture management account. Moneys collected from the groundwater protection fee levied pursuant to section 200.8, subsection 4, the portion of the fees collected pursuant to section 206.8, subsection 2, and section 206.12, subsection 3, and other moneys designated for the purpose of agriculture management shall be deposited in the agriculture management account. The agriculture management account shall be used for the following purposes:

(1) Nine thousand dollars of the account is appropriated to the Iowa department of public health for carrying out the departmental duties under section 135.11, subsections 18 and 19, and section 139A.21.

(2) Two hundred thousand dollars of the moneys deposited in the agriculture management account is appropriated to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1987, and ending June 30, 1988, for the demonstration projects regarding agriculture drainage wells and sinkholes. Any remaining balance of the appropriation made for the purpose of funding such demonstration projects for the fiscal year beginning July 1, 1987, and ending June 30, 1988, shall not revert to the account, notwithstanding section 8.33, but shall remain available for the purpose of funding such demonstration projects during the fiscal period beginning July 1, 1988, and ending June 30, 1990.

(3) Of the remaining moneys in the account:

(a) Thirty-five percent is appropriated annually for the Leopold center for sustainable agriculture at Iowa state university of science and technology.

(b) Two percent is appropriated annually to the department and, except for administrative expenses, is transferred to the Iowa department of public health for the purpose of administering grants to counties and conducting oversight of county-based programs for the testing of private rural water supply wells, private rural water supply well sealing, and the proper closure of private rural abandoned wells and cisterns. Not more than thirty-five percent of the moneys is appropriated annually for grants to counties for the purpose of conducting programs of private rural water supply testing, private rural water supply well sealing, the proper closure of private rural abandoned wells and cisterns, or any combination thereof. An amount agreed to by the department of natural resources and the Iowa department of public health shall be retained by the department of natural resources for administrative expenses.

(i) A county applying for grants under this subparagraph division shall submit only one application. To be eligible for a grant, a county must have adopted standards for private water supply and private disposal facilities at least as stringent as the standards adopted by the commission. During each fiscal year, the amount granted each eligible applicant shall be the total funds available divided by the number of eligible counties applying. Upon receipt of the grant, the county may apply the funds to any one or more of the above three programs.

(ii) Not more than six percent of the moneys is appropriated annually to the state hygienic laboratory to assist in well testing. For purposes of this subparagraph division, "*cistern*" means an artificial reservoir constructed underground for the purpose of storing rainwater.

(c) The department shall allocate a sum not to exceed seventy-nine thousand dollars of the moneys appropriated for the fiscal year beginning July 1, 1987, and ending June 30, 1988, for the preparation of a detailed report and plan for the establishment on July 1, 1988, of the center for health effects of environmental contamination. The plan for establishing the center shall be presented to the general assembly on or before January 15, 1988. The report shall include the assemblage of all existing data relating to Iowa drinking water supplies, including characteristics of source, treatment, presence of contaminants, precise location, and usage patterns to facilitate data retrieval and use in research; and detailed organizational plans, research objectives, and budget projections for the anticipated functions of the center in subsequent years. The department may allocate annually a sum not to exceed nine percent of the moneys of the account to the center, beginning July 1, 1988.

(d) Thirteen percent of the moneys is appropriated annually to the department of agriculture and land stewardship for financial incentive programs related to agricultural

drainage wells and sinkholes, for studies and administrative costs relating to sinkholes and agricultural drainage wells programs. Of the moneys allocated for financial incentive programs, the department may reimburse landowners for engineering costs associated with voluntarily closing agricultural drainage wells. The financial incentives allocated for voluntary closing of agricultural drainage wells shall be provided on a cost-share basis which shall not exceed fifty percent of the estimated cost or fifty percent of the actual cost, whichever is less. Engineering costs do not include construction costs, including costs associated with earth moving.

*c.* A household hazardous waste account.

(1) The moneys collected pursuant to section 455F.7 and moneys collected pursuant to section 29C.8A which are designated for deposit, shall be deposited in the household hazardous waste account. Two thousand dollars is appropriated annually to the Iowa department of public health to carry out departmental duties under section 135.11, subsections 18 and 19, and section 139A.21. The remainder of the account shall be used to fund toxic cleanup days and the efforts of the department to support a collection system for household hazardous materials, including public education programs, training, and consultation of local governments in the establishment and operation of permanent collection systems, and the management of collection sites, education programs, and other activities pursuant to chapter 455F, including the administration of the household hazardous materials permit program by the department of revenue.

(2) The department shall submit to the general assembly, annually on or before January 1, an itemized report which includes but is not limited to the total amount of moneys collected and the sources of the moneys collected, the amount of moneys expended for administration of the programs funded within the account, and an itemization of any other expenditures made within the previous fiscal year.

*d.* A storage tank management account. All fees collected pursuant to section 455B.473, subsection 5, and section 455B.479, shall be deposited in the storage tank management account. Moneys deposited in the account shall be expended for the following purposes:

(1) One thousand dollars is appropriated annually to the Iowa department of public health to carry out departmental duties under section 135.11, subsections 18 and 19, and section 139A.21.

(2) The moneys remaining in the account after the appropriation in subparagraph (1) are appropriated from the storage tank management account to the department of natural resources for the administration of a state storage tank program pursuant to chapter 455B, division IV, part 8, and for programs which reduce the potential for harm to the environment and the public health from storage tanks.

(3) Each fiscal year, the department of natural resources shall enter into an agreement with the Iowa comprehensive petroleum underground storage tank fund board for the completion of administrative tasks during the fiscal year directly related to the evaluation and modification of risk based corrective action rules as necessary and processes that affect the administration in subparagraph (2).

87 Acts, ch 225, §111; 88 Acts, ch 1169, §9 – 13; 88 Acts, ch 1188, §2, 3; 88 Acts, ch 1190, §3; 89 Acts, ch 131, §41; 89 Acts, ch 272, §38; 89 Acts, ch 311, §28; 90 Acts, ch 1255, §30, 31; 90 Acts, ch 1260, §27, 28; 91 Acts, ch 257, §6; 91 Acts, ch 268, §237; 92 Acts, ch 1215, §18; 92 Acts, ch 1239, §21; 93 Acts, ch 176, §46; 94 Acts, ch 1023, §112; 94 Acts, ch 1173, §36; 94 Acts, ch 1177, §5; 95 Acts, ch 80, §3; 95 Acts, ch 97, §1; 95 Acts, ch 216, §35; 98 Acts, ch 1220, §22; 2000 Acts, ch 1066, §46 – 49; 2000 Acts, ch 1086, §1; 2001 Acts, ch 7, §13, 14; 2001 Acts, ch 24, §54; 2001 Acts, ch 124, §3 – 6; 2001 Acts, ch 129, §6; 2002 Acts, ch 1119, §176; 2002 Acts, ch 1162, §60 – 62; 2003 Acts, ch 145, §286; 2004 Acts, ch 1082, §5; 2004 Acts, ch 1101, §64; 2005 Acts, ch 33, §2, 3; 2006 Acts, ch 1178, §28; 2008 Acts, ch 1109, §3; 2008 Acts, ch 1126, §17, 33; 2009 Acts, ch 41, §136, 263; 2010 Acts, ch 1191, §24; 2010 Acts, ch 1193, §176; 2011 Acts, ch 25, §53, 110, 143; 2011 Acts, ch 118, §85, 89; 2011 Acts, ch 128, §23, 24, 60

Referred to in §135.11, 455B.310, 455B.311, 455B.473, 455D.3, 455F.8A, 455J.7, 473.19A

See Iowa Acts for special provisions relating to appropriations in a given year

Section not amended; internal reference change applied

# CHAPTER 455F

## HOUSEHOLD HAZARDOUS WASTE

Referred to in §455A.6, 455E.11


455F.1 Definitions.
455F.2 Policy statement.
455F.3 Repealed by 97 Acts, ch 191, §4.
455F.4 Consumer information booklets.
455F.5 Duties of the commission.
455F.6 Duties of the department.
455F.7 Household hazardous materials permit.
455F.8 Household hazardous waste cleanup program created.
455F.8A Household hazardous material collection sites.
455F.8B Local government education programs.
455F.9 Education program.
455F.10 Penalty.
455F.11 Recycling and reclamation programs.


**455F.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Commission"* means the state environmental protection commission.
2. *"Department"* means the department of natural resources.
3. *"Display area label"* means the signage used by a retailer to mark a household hazardous material display area as prescribed by the department of natural resources.
4. *"Household hazardous material"* means a product used for residential purposes and designated by rule of the department of natural resources and may include any hazardous substance as defined in section 455B.411, subsection 2; and any hazardous waste as defined in section 455B.411, subsection 3; and shall include but is not limited to the following materials: motor oils, motor oil filters, gasoline and diesel additives, degreasers, waxes, polishes, pure solvents, lacquers, thinners, caustic household cleaners, spot and stain remover with petroleum base, petroleum-based fertilizers, and paints with the exception of latex-based paints. However, *"household hazardous material"* does not include noncaustic household cleaners, laundry detergents or soaps, dishwashing compounds, chlorine bleach, personal care products, personal care soaps, cosmetics, and medications.
5. *"Manufacturer"* means a person who manufactures or produces a household hazardous material for resale in this state.
6. *"Residential"* means a permanent place of abode, which is a person's home as opposed to a person's place of business.
7. *"Retailer"* means a person offering for sale or selling a household hazardous material to the ultimate consumer, within the state.
8. *"Wholesaler"* or *"distributor"* means a person other than a manufacturer or manufacturer's agent who engages in the business of selling or distributing a household hazardous material within the state, for the purpose of resale.

87 Acts, ch 225, §501; 97 Acts, ch 191, §1

**455F.2 Policy statement.**

It is the policy of this state to educate Iowans regarding the hazardous nature of certain household products, proper use of the products, and the proper methods of disposal of residual product and containers in order to protect the public health, safety, and the environment.

87 Acts, ch 225, §502

**455F.3** Repealed by 97 Acts, ch 191, § 4.

**455F.4 Consumer information booklets.**

A retailer shall maintain and prominently display a booklet, developed by the department, in cooperation with manufacturers, distributors, wholesalers, and retailer associations and provided to retailers at departmental expense, which provides information regarding the proper use of household hazardous materials and specific instructions for the proper

disposal of certain substance categories. The department shall also develop and provide to a retailer, at departmental expense, bulletins regarding household hazardous materials which provide information designated by rule of the commission. The retailer shall distribute the bulletins without charge to customers.

A manufacturer or distributor of household hazardous materials who authorizes independent contractor retailers to sell the products of the manufacturer or distributor on a person-to-person basis primarily in the customer's home, shall print informational lists of its products which are designated by the department as household hazardous materials. These lists of products and the consumer information booklets prepared in accordance with this section shall be provided by the manufacturer or distributor in sufficient quantities to each contractor retailer for dissemination to customers. During the course of a sale of a household hazardous material by a contractor retailer, the customer shall in the first instance be provided with a copy of both the list and the consumer information booklet. In subsequent sales to the same customer, the list and booklet shall be noted as being available if desired.

87 Acts, ch 225, §504

**455F.5 Duties of the commission.**

The commission shall:

1. Adopt rules which establish a uniform label to be supplied and used by retailers.
2. Adopt rules which designate the type and amount of information to be included in the consumer information booklets and bulletins.

87 Acts, ch 225, §505

**455F.6 Duties of the department.**

The department shall:

1. Designate products which are household hazardous materials and, based upon the designations and in consultation with manufacturers, distributors, wholesalers, and retailer associations, develop a household hazardous product list for the use of retailers in identifying the products.
2. Enforce the provisions of this chapter and implement the penalties established.
3. Identify, after consulting with departmental staff and the listing of other states, no more than fifty commonly used household products which, due to level of toxicity, extent of use, nondegradability, or other relevant characteristic, constitute the greatest danger of contamination of the groundwater when placed in a landfill. The department may identify additional products by rule.

87 Acts, ch 225, §506; 88 Acts, ch 1169, §14

**455F.7 Household hazardous materials permit.**

1. A retailer offering for sale or selling a household hazardous material shall have a valid permit for each place of business owned or operated by the retailer for this activity. All permits provided for in this section shall expire on June 30 of each year. Every retailer shall submit an annual application by July 1 of each year and a fee of twenty-five dollars to the department of revenue for a permit upon a form prescribed by the director of revenue. Permits are nonrefundable, are based upon an annual operating period, and are not prorated. A person in violation of this section shall be subject to permit revocation upon notice and hearing. The department shall remit the fees collected to the household hazardous waste account of the groundwater protection fund. A person distributing general use pesticides labeled for agricultural or lawn and garden use with gross annual pesticide sales of less than ten thousand dollars is subject to the requirements and fee payment prescribed by this section.

2. A manufacturer or distributor of household hazardous materials, which authorizes retailers as independent contractors to sell the products of the manufacturer or distributor on a person-to-person basis primarily in the customer's home, may obtain a single household hazardous materials permit on behalf of its authorized retailers in the state, in lieu of individual permits for each retailer, and pay a fee of twenty-five dollars. However, a manufacturer or distributor which has gross retail sales of three million dollars or more in the state shall pay an additional permit fee of one hundred dollars for each subsequent

increment of three million dollars of gross retail sales in the state, up to a maximum permit fee of three thousand dollars.

87 Acts, ch 225, §507; 88 Acts, ch 1169, §15; 2003 Acts, ch 145, §286; 2013 Acts, ch 90, §111
Referred to in §455E.11
Subsection 1 amended

**455F.8 Household hazardous waste cleanup program created.**

The department shall conduct programs to collect and dispose of small amounts of hazardous wastes which are being stored in residences or on farms. The program shall be known as "toxic cleanup days". The department shall promote and conduct the program and shall by contract with a qualified and bonded waste handling company, collect and properly dispose of wastes believed by the person disposing of the waste to be hazardous. The department shall establish maximum amounts of hazardous wastes to be accepted from a person during the toxic cleanup days program. Amounts accepted from a person above the maximum shall be limited by the department and may be subject to a fee set by the department, but the department shall not assess a fee for amounts accepted below the maximum amount. The department shall designate the times and dates for the collection of wastes. In order to achieve the maximum benefit from the program, the department shall offer toxic cleanup days on a statewide basis and provide at least one toxic cleanup day in each departmental region. Toxic cleanup days shall be offered in both rural and urban areas to provide a comparison of response levels and to test the viability of multicounty toxic cleanup days. The department shall prepare an annual report citing the results and costs of the program for submittal to the general assembly.

87 Acts, ch 225, §508; 90 Acts, ch 1255, §32

**455F.8A Household hazardous material collection sites.**

1. By January 1, 1991, the department shall complete an assessment of the needs of local governments for temporary collection sites for household hazardous materials. Upon completion of the assessment, the department shall design a model facility which would adequately serve the needs identified. During the design phase, the department shall also identify facility permit requirements.

2. *a.* Following the completion of the assessment and design of the model facility, the department shall set a goal of establishing a three-year competitive grant program to assist in the development of five pilot household hazardous waste reduction and collection programs.

*b.* The grant program shall provide for the establishment of five pilot sites so that both rural and urban populations are served.

*c.* The department shall develop criteria to evaluate proposals for the establishment of sites. The criteria shall give priority to proposals for sites which provide the most efficient services and which provide local, public, and private contributions for establishment of the sites. The criteria shall also include a requirement that the recipient of a grant design and construct a facility sufficient for the collection, sorting, and packaging of materials prior to transportation of the materials to the final disposal site. Final review of design and construction of the proposed facilities shall be by the department.

*d.* The recipients of grants shall provide for collection of hazardous wastes from conditionally exempt small quantity generators in the area of the facility established. The facility shall require payment for collection from conditionally exempt small quantity generators if the amount of waste disposed is greater than ten pounds. Conditionally exempt small quantity generators which deliver their hazardous wastes to the site shall not be required to obtain a permit to transport the hazardous waste to the site.

3. A private agency which provides for the collection and disposal of household hazardous waste as part of an approved comprehensive plan pursuant to section 455B.306 shall be eligible for reimbursement moneys pursuant to section 455E.11, subsection 2, paragraph "*a*", subparagraph (2), subparagraph division (e).

90 Acts, ch 1255, §33; 2005 Acts, ch 33, §1; 2009 Acts, ch 41, §263

**455F.8B Local government education programs.**

A recipient of a household hazardous waste reduction and collection program grant shall do all of the following:

1. Identify a regional or local agency to coordinate a public education effort, and provide for staff to implement the education program.
2. Establish a community education effort to be integrated within the existing educational system regarding household hazardous waste reduction and recycling.
3. Develop a plan for the recycling of hazardous substances not minimized by the public. The plan shall optimize resource use while minimizing waste and shall include a formal arrangement for the exchange of materials at no cost to the participants and an arrangement for the acceptance by the department of administrative services or the local or regional government agency of hazardous materials useful in its operations.

90 Acts, ch 1255, §34; 97 Acts, ch 191, §2; 2003 Acts, ch 145, §286

**455F.9 Education program.**

In addition to the toxic cleanup days program, the department shall implement a public information and education program regarding the use and disposal of household hazardous materials. The program shall provide appropriate information concerning the reduction in use of the materials, including the purchase of smaller quantities, selection of alternative products, and hazards associated with the use of unregistered and unregulated alternative products. The department shall cooperate with existing educational institutions, the household product industry, distributors, wholesalers, and retailers, and other agencies of government and shall enlist the support of service organizations, whenever possible, in promoting and conducting the programs in order to effectuate the household hazardous materials policy of the state.

87 Acts, ch 225, §509; 97 Acts, ch 191, §3

**455F.10 Penalty.**

Any person violating a provision of this chapter or a rule adopted pursuant to this chapter is guilty of a simple misdemeanor.

87 Acts, ch 225, §510

**455F.11 Recycling and reclamation programs.**

Up to eighty thousand dollars of the moneys deposited in the household hazardous waste account shall be allocated to the department of natural resources for city, county, or service organization projects relative to recycling and reclamation events. A city, county, or service organization shall submit a competitive grant to the department of natural resources by April 1 for approval by the department no later than May 15.

87 Acts, ch 225, §512

# CHAPTER 455G

## FUEL STORAGE TANKS AND DISPENSING INFRASTRUCTURE

Referred to in §321.145, 323.1, 424.1, 424.2, 424.6, 455B.174, 455B.477, 455I.2

Legislative findings; legislative intent; conditions upon finding of invalidity; 89 Acts, ch 131, §1, 2, 59
See also chapter 101

SUBCHAPTER I

COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND

455G.1 Title — scope.
455G.2 Definitions.
455G.3 Establishment of Iowa comprehensive petroleum underground storage tank fund.

455G.3A Special appropriation — renewable fuel infrastructure fund. Repealed by its own terms; 2006 Acts, ch 1175, §19, 23.
455G.4 Governing board.
455G.5 Independent contractors to be retained by board.
455G.6 Iowa comprehensive petroleum underground storage tank fund — general and specific powers.
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455G.8 Revenue sources for fund.
455G.9 Remedial program.
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455G.12 Board authority for prioritization.
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455G.14 Fund not subject to regulation.
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455G.19 Repealed by 95 Acts, ch 215, §29.
455G.20 Final approval.
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SUBCHAPTER II

ABOVEGROUND PETROLEUM STORAGE TANK FUND

455G.23 Aboveground petroleum storage tank fund. Repealed by its own terms; 2004 Acts, ch 1094, §4, 6.
455G.24 through 455G.30 Reserved.

SUBCHAPTER III

E-85 GASOLINE STORAGE AND DISPENSING INFRASTRUCTURE

455G.31 E-85 gasoline storage and dispensing infrastructure.

## SUBCHAPTER I

## COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND

**455G.1 Title — scope.**

1. This subchapter is entitled the *"Iowa Comprehensive Petroleum Underground Storage Tank Fund Act"*.

2. This subchapter applies to petroleum underground storage tanks for which an owner or operator is required to maintain proof of financial responsibility under federal or state law, from the effective date of the regulation of the federal environmental protection agency governing that tank, and not from the effective compliance date, unless the effective compliance date of the regulation is the effective date of the regulation. An owner or operator of a petroleum underground storage tank required by federal or state law to maintain proof of financial responsibility for that underground storage tank is subject to this subchapter and chapter 424.

*a.* As of May 5, 1989, tanks excluded by the federal Resource Conservation and Recovery Act, subtitle I, included the following:

(1) A farm or residential tank of one thousand one hundred gallons or less capacity used for storing motor fuel for noncommercial purposes.

(2) A tank used for storing heating oil for consumptive use on the premises where stored.

(3) A septic tank.

(4) A pipeline facility, including gathering lines, regulated under any of the following:

(a) The federal Natural Gas Pipeline Safety Act of 1968.

(b) The federal Hazardous Liquid Petroleum Pipeline Safety Act of 1979.

(c) State laws comparable to the provisions of the law referred to in subparagraph division (a) or (b).

(5) A surface impoundment, pit, pond, or lagoon.

(6) A storm water or wastewater collection system.

(7) A flow-through process tank.

(8) A liquid trap or associated gathering lines directly related to oil or gas production and gathering operations.

(9) A storage tank situated in an underground area, such as a basement, cellar, mine working, drift, shaft, or tunnel, if the storage tank is situated upon or above the surface of the floor to permit inspection of its entire surface.

*b.* As of May 5, 1989, tanks exempted or excluded by United States environmental protection agency financial responsibility regulations, 40 C.F.R. § 280.90, included the following:

(1) Underground storage tank systems not in operation on or after the applicable compliance date.

(2) Those owned or operated by state and federal governmental entities whose debts and liabilities are the debts and liabilities of a state or the United States.

(3) Any underground storage tank system holding hazardous wastes listed or identifiable under subtitle C of the federal Solid Waste Disposal Act, or a mixture of such hazardous waste and other regulated substances.

(4) Any wastewater treatment tank system that is part of a wastewater treatment facility regulated under section 307(b) or 402 of the federal Clean Water Act.

(5) Equipment or machinery that contains regulated substances for operational purposes such as hydraulic lift tanks and reservoirs and electrical equipment tanks.

(6) Any underground storage tank system whose capacity is one hundred ten gallons or less.

(7) Any underground storage tank system that contains a de minimis concentration of regulated substances.

(8) Any emergency spill or overflow containment underground storage tank system that is expeditiously emptied after use.

(9) Any underground storage tank system that is part of an emergency generator system at nuclear power generation facilities regulated by the nuclear regulatory commission under 10 C.F.R. pt. 50, appendix A.

(10) Airport hydrant fuel distribution systems.

(11) Underground storage tank systems with field-constructed tanks.

*c.* If and when federal law changes, the department of natural resources shall adopt by rule such additional requirements, exemptions, deferrals, or exclusions as required by federal law. It is expected that certain classes of tanks currently exempted or excluded by federal regulation will be regulated by the United States environmental protection agency in the future. A tank which is not required by federal law to maintain proof of financial responsibility shall not be subject to department of natural resources rules on proof of financial responsibility.

89 Acts, ch 131, §42; 91 Acts, ch 252, §7, 8; 2009 Acts, ch 41, §263; 2013 Acts, ch 90, §112, 113

Referred to in §424.6, 455G.9, 455G.21

Exemption certificates; §424.6

Subsection 1 amended

Subsection 2, unnumbered paragraph 1 amended

**455G.2 Definitions.**

As used in this subchapter unless the context otherwise requires:

1. *"Board"* means the Iowa comprehensive petroleum underground storage tank fund board.

2. *"Bond"* means a bond, note, or other obligation issued by the treasurer of state for the fund and the purposes of this subchapter.

3. *"Claimant"* means an owner or operator who has received assistance under the remedial account or who had coverage under the underground storage tank insurance fund, established in section 455G.11, Code 2003, with respect to a release, or an installer or inspector who had coverage under the underground storage tank insurance fund.

4. *"Community remediation"* means a program of coordinated testing, planning, or remediation, involving two or more tank sites potentially connected with a continuous

contaminated area, pursuant to rules adopted by the board. A community remediation does not expand the scope of coverage otherwise available or relieve liability otherwise imposed under state or federal law.

5. *"Corrective action"* means an action taken to minimize, eliminate, or clean up a release to protect the public health and welfare or the environment. Corrective action includes, but is not limited to, excavation of an underground storage tank for the purposes of repairing a leak or removal of a tank, removal of contaminated soil, and cleansing of groundwaters or surface waters. Corrective action does not include replacement of an underground storage tank or other capital improvements to the tank. Corrective action specifically excludes third-party liability. Corrective action includes the expenses incurred to prepare a site cleanup report for approval by the department of natural resources detailing the planned response to a release or suspected release, but not necessarily all actions proposed to be taken by a site cleanup report.

6. *"Diminution"* is the amount of petroleum which is released into the environment prior to its intended beneficial use.

7. *"Diminution rate"* is the presumed rate at which petroleum experiences diminution, and is equal to one-tenth of one percent of all petroleum deposited into a tank.

8. *"Free product"* means a regulated substance that is present as a nonaqueous phase liquid.

9. *"Fund"* means the Iowa comprehensive petroleum underground storage tank fund.

10. *"Improvement"* means the acquisition, construction, or improvement of any tank, tank system, or monitoring system in order to comply with state and federal technical requirements or to obtain insurance to satisfy financial responsibility requirements.

11. *"Insurance"* includes any form of financial assistance or showing of financial responsibility sufficient to comply with the federal Resource Conservation and Recovery Act or the Iowa department of natural resources' underground storage tank financial responsibility rules.

12. *"Insurance premium"* includes any form of premium or payment for insurance or for obtaining other forms of financial assurance, or showing of financial responsibility.

13. *"Petroleum"* means petroleum, including crude oil or any fraction of crude oil which is liquid at standard conditions of temperature and pressure (sixty degrees Fahrenheit and fourteen and seven-tenths pounds per square inch absolute).

14. *"Potentially responsible party"* means a person who may be responsible or liable for a release for which the fund has made payments for corrective action or third-party liability.

15. *"Precorrective action value"* means the purchase price of the tank site paid by the owner after October 26, 1990.

16. *"Release"* means any spilling, leaking, emitting, discharging, escaping, leaching, or dispersing from an underground storage tank into groundwater, surface water, or subsurface soils.

17. *"Small business"* means a business that meets all of the following requirements:

*a.* Is independently owned and operated.

*b.* Owns at least one, but no more than twelve tanks at no more than two different tank sites.

*c.* Has a net worth of four hundred thousand dollars or less.

18. *"Tank"* means an underground storage tank for which proof of financial responsibility is, or on a date definite will be, required to be maintained pursuant to the federal Resource Conservation and Recovery Act and the regulations from time to time adopted pursuant to that Act or successor Acts or amendments.

19. *"Third-party liability"* means both of the following:

*a.* Property damage including physical injury to tangible property, but not including loss of use, other than costs to remediate.

*b.* Bodily injury including sickness, bodily injury, illness, or death.

89 Acts, ch 131, §43; 90 Acts, ch 1235, §17, 18; 91 Acts, ch 252, §9 – 12; 98 Acts, ch 1068, §1, 2; 2001 Acts, ch 51, §4; 2004 Acts, ch 1094, §1, 5, 6; 2005 Acts, ch 19, §59, 60; 2010 Acts, ch 1193, §185, 186, 195; 2013 Acts, ch 90, §114, 115

Referred to in §424.2, 455G.16
Unnumbered paragraph 1 amended
Subsection 2 amended

**455G.3 Establishment of Iowa comprehensive petroleum underground storage tank fund.**

1. The Iowa comprehensive petroleum underground storage tank fund is created as a separate fund in the state treasury, and any funds remaining in the fund at the end of each fiscal year shall not revert to the general fund but shall remain in the Iowa comprehensive petroleum underground storage tank fund. Interest or other income earned by the fund shall be deposited in the fund. The fund shall include moneys credited to the fund under this section, section 321.145, subsection 2, paragraph "*a*", and sections 455G.8 and 455G.9, and section 455G.11, Code 2003, and other funds which by law may be credited to the fund. The moneys in the fund are appropriated to and for the purposes of the board as provided in this subchapter. Amounts in the fund shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes set forth in this subchapter. The treasurer of state shall act as custodian of the fund and disburse amounts contained in it as directed by the board including automatic disbursements of funds as received pursuant to the terms of bond indentures and documents and security provisions to trustees and custodians. The treasurer of state is authorized to invest the funds deposited in the fund at the direction of the board and subject to any limitations contained in any applicable bond proceedings. The income from such investment shall be credited to and deposited in the fund. The fund shall be administered by the board which shall make expenditures from the fund consistent with the purposes of the programs set out in this subchapter without further appropriation. The fund may be divided into different accounts with different depositories as determined by the board and to fulfill the purposes of this subchapter.

2. The board shall assist Iowa's owners and operators of petroleum underground storage tanks in complying with federal environmental protection agency technical and financial responsibility regulations by establishment of the Iowa comprehensive petroleum underground storage tank fund. The treasurer of state may issue its bonds, or series of bonds, to assist the board, as provided in this subchapter.

3. The purposes of this subchapter shall include but are not limited to any of the following:

*a.* To establish a remedial account to fund corrective action for petroleum releases as provided by section 455G.9.

*b.* To establish a loan guarantee account, as provided by and to the extent permitted by section 455G.10, Code 1999.

*c.* To establish a marketability fund for the purposes as stated in section 455G.21.

4. The state, the general fund of the state, or any other fund of the state, other than the Iowa comprehensive petroleum underground storage tank fund, is not liable for a claim or cause of action in connection with a tank not owned or operated by the state, or agency of the state. All expenses incurred by the fund shall be payable solely from the fund and no liability or obligation shall be imposed upon the state. The liability of the fund is limited to the extent of coverage provided by the account or fund under which a claim is submitted, subject to the terms and conditions of that coverage. The liability of the fund is further limited by the moneys made available to the fund, and no remedy shall be ordered which would require the fund to exceed its then current funding limitations to satisfy an award or which would restrict the availability of moneys for higher priority sites. The state is not liable for a claim presented against the fund.

5. For purposes of payment of refunds of the environmental protection charge under section 424.15 by the department of revenue, the treasurer of state shall allocate to the department of administrative services the total amount budgeted by the fund's board for environmental protection charge refunds. Any unused funds shall be remitted to the treasurer of state.

6. *a.* For the fiscal year beginning July 1, 2010, and each fiscal year thereafter, there is appropriated from the Iowa comprehensive petroleum underground storage tank fund to the department of natural resources two hundred thousand dollars for purposes of technical review support to be conducted by nongovernmental entities for leaking underground storage tank assessments.

*b.* Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

7. *a.* For the fiscal year beginning July 1, 2010, there is appropriated from the Iowa comprehensive petroleum underground storage tank fund to the department of natural resources one hundred thousand dollars for purposes of database modifications necessary to accept batched external data regarding underground storage tank inspections conducted by nongovernmental entities.

*b.* Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

8. *a.* For the fiscal year beginning July 1, 2010, and each fiscal year thereafter, there is appropriated from the Iowa comprehensive petroleum underground storage tank fund to the department of agriculture and land stewardship two hundred fifty thousand dollars for the sole and exclusive purpose of inspecting fuel quality at pipeline terminals and renewable fuel production facilities, including salaries, support, maintenance, and miscellaneous purposes.

*b.* Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

9. Beginning September 1, 2010, the board shall administer safety training, hazardous material training, environmental training, and underground storage tank operator training in the state to be provided by an entity approved by the department of natural resources. The training provided pursuant to this subsection shall be available to any tank operator in the state at an equal and reasonable cost and shall not be conditioned upon any other requirements. Each fiscal year, the board shall not expend more than two hundred fifty thousand dollars from the Iowa comprehensive petroleum underground storage tank fund for purposes of administering this subsection.

89 Acts, ch 131, §44; 90 Acts, ch 1235, §19; 91 Acts, ch 159, §29; 95 Acts, ch 215, §11, 12; 98 Acts, ch 1065, §1; 98 Acts, ch 1068, §3, 4; 2000 Acts, ch 1226, §13, 30; 2001 Acts, ch 190, §21; 2002 Acts, ch 1050, §42; 2003 Acts, ch 145, §263; 2003 Acts, 1st Ex, ch 2, §198, 205; 2004 Acts, ch 1094, §2, 5, 6; 2005 Acts, ch 19, §61, 62; 2008 Acts, ch 1113, §117; 2010 Acts, ch 1061, §60; 2010 Acts, ch 1193, §177, 187, 195; 2011 Acts, ch 128, §25, 26; 2013 Acts, ch 90, §116

Referred to in §321.145, 455B.477

For temporary exceptions, changes, or other noncodified enactments modifying these statutory provisions, see annual Iowa Acts of the general assembly

Subsections 1 – 3 amended

**455G.3A Special appropriation — renewable fuel infrastructure fund.** Repealed by its own terms; 2006 Acts, ch 1175, § 19, 23.

**455G.4 Governing board.**

1. *Members of the board.*

*a.* The Iowa comprehensive petroleum underground storage tank fund board is established consisting of the following members:

(1) The director of the department of natural resources, or the director's designee.

(2) The treasurer of state, or the treasurer's designee.

(3) An employee of the department of management who has been designated as a risk manager by the director of the department of management.

(4) Three public members appointed by the governor and confirmed by the senate to

staggered four-year terms, except that, of the first members appointed, one public member shall be appointed for a term of two years and one for a term of four years. A public member shall have experience, knowledge, and expertise of the subject matter embraced within this subchapter. A public member may have experience in either, or both, financial markets or insurance.

(5) Three owners or operators appointed by the governor, two of which shall be designated as follows:

(a) One member shall be an owner or operator who is self-insured.

(b) One member shall be a member of the petroleum marketers and convenience stores of Iowa or its designee.

(6) The director of the legislative services agency, or the director's designee. The director under this subparagraph shall not participate as a voting member of the board.

*b.* A public member appointed pursuant to paragraph *"a"*, subparagraph (4), shall not have a conflict of interest. For purposes of this section, a *"conflict of interest"* means an affiliation, within the twelve months before the member's appointment, with the regulated tank community, or with a person or property and casualty insurer offering competitive insurance or other means of financial assurance or which previously offered environmental hazard insurance for a member of the regulated tank community.

*c.* The filling of positions reserved for public representatives, vacancies, membership terms, payment of compensation and expenses, and removal of members are governed by chapter 69. Members of the board are entitled to receive reimbursement of actual expenses incurred in the discharge of their duties within the limits of funds appropriated to the board or made available to the fund. Each member of the board may also be eligible to receive compensation as provided in section 7E.6. The members shall elect a voting chairperson of the board from among the members of the board.

2. *Department cooperation with board.* The director of the department of natural resources shall cooperate with the board in the implementation of this part so as to minimize unnecessary duplication of effort, reporting, or paperwork and maximize environmental protection.

3. *Rules and emergency rules.*

*a.* The board shall adopt rules regarding its practice and procedures, develop underwriting standards, establish procedures for investigating and settling claims made against the fund, and otherwise implement and administer this subchapter.

*b.* Rules necessary for the implementation and collection of the environmental protection charge shall be adopted.

*c.* Rules to facilitate and encourage the use of community remediation whenever possible shall be adopted.

*d.* The board shall adopt rules relating to appeal procedures which shall require the administrator to deliver notice of appeal to the affected parties within fifteen days of receipt of notice, require that the hearing be held within one hundred eighty days of the filing of the petition unless good cause is shown for the delay, and require that a final decision be issued no later than one hundred twenty days following the close of the hearing. The time restrictions in this paragraph may be waived by mutual agreement of the parties.

4. *Public bid.* All contracts entered into by the board, including contracts relating to community remediation, shall be awarded on a competitive basis to the maximum extent practical. In those situations where it is determined that public bidding is not practical, the basis for the determination of impracticability shall be documented by the board or its designee. This subsection applies only to contracts entered into on or after July 1, 1992.

5. *Contract approval.*

*a.* The board shall approve any contract entered into pursuant to this subchapter if the cost of the contract exceeds seventy-five thousand dollars.

*b.* A listing of all contracts entered into pursuant to this subchapter shall be presented at each board meeting and shall be made available to the public. The listing shall state the interested parties to the contract, the amount of the contract, and the subject matter of the contract.

*c.* The board shall be required to review and approve or disapprove the administrator's

failure to approve a contract under section 455G.12A. Review by the board shall not be required for cancellation or replacement of a contract for a site included in a community remediation project or when an emergency situation exists.

6. *Reporting.* Beginning July 2003, the board shall submit a written report quarterly to the legislative council, the chairperson and ranking member of the committee on environment and energy independence in the senate, and the chairperson and ranking member of the committee on environmental protection in the house of representatives regarding changes in the status of the program including but not limited to the number of open claims by claim type; the number of new claims submitted and the eligibility status of each claim; a summary of the risk classification of open claims; the status of all claims at high-risk sites including the number of corrective action design reports submitted, approved, and implemented during the reporting period; total moneys reserved on open claims and total moneys paid on open claims; and a summary of budgets approved and invoices paid for high-risk site activities including a breakdown by corrective action design report, construction and equipment, implementation, operation and maintenance, monitoring, over excavation, free product recovery, site reclassification, reporting and other expenses, or a similar breakdown. In each report submitted by the board, the board shall include an estimated timeline to complete corrective action at all currently eligible high-risk sites where a corrective action design report has been submitted by a claimant and approved during the reporting period. The timeline shall include the projected year when a no further action designation will be obtained based upon the corrective action activities approved or anticipated at each claimant site. The timeline shall be broken down in annual increments with the number or percentage of sites projected to be completed for each time period. The report shall identify and report steps taken to expedite corrective action and eliminate the state's liability for open claims.

89 Acts, ch 131, §45; 91 Acts, ch 252, §13; 92 Acts, ch 1217, §3, 4; 93 Acts, ch 155, §1; 98 Acts, ch 1068, §5; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 110, §2 – 4; 2005 Acts, ch 19, §63 – 65; 2006 Acts, ch 1010, §118; 2008 Acts, ch 1031, §114; 2009 Acts, ch 133, §155; 2010 Acts, ch 1193, §178; 2011 Acts, ch 25, §54; 2012 Acts, ch 1095, §149; 2013 Acts, ch 90, §117 – 119

Referred to in §159A.11, 455G.5
Confirmation; see §2.32
Environmental protection charge, see chapter 424
Subsection 1, paragraph a, subparagraph (4) amended
Subsection 3, paragraph a amended
Subsection 5, paragraphs a and b amended

**455G.5 Independent contractors to be retained by board.**

The board shall administer the fund. A contract entered into on or after July 1, 1992, to retain a person to act as the administrator of the fund shall be subject to public bid. All other contracts to retain a person under this section shall be in compliance with the public bidding requirements of section 455G.4, subsection 4.

The board may enter into a contract or an agreement authorized under chapter 28E with a private agency or person, the department of natural resources, the Iowa finance authority, the department of administrative services, the department of revenue, other departments, agencies, or governmental subdivisions of this state, another state, or the United States, in connection with its administration and implementation of this subchapter or chapter 424 or 455B.

The board may reimburse a contractor, public or private, retained pursuant to this section for expenses incurred in the execution of a contract or agreement. Reimbursable expenses include, by way of example, but not exclusion, the costs of collecting the environmental protection charge or administering specific delegated duties or powers of the board.

89 Acts, ch 131, §46; 92 Acts, ch 1217, §5; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §65; 2013 Acts, ch 90, §120

Unnumbered paragraph 2 amended

**455G.6 Iowa comprehensive petroleum underground storage tank fund — general and specific powers.**

In administering the fund, the board has all of the general powers reasonably necessary and convenient to carry out its purposes and duties and may do any of the following, subject to express limitations contained in this subchapter:

1. Guarantee secured and unsecured loans, and enter into agreements for corrective action, acquisition and construction of tank improvements, and provide for the insurance program. The loan guarantees may be made to a person or entity owning or operating a tank. The board may take any action which is reasonable and lawful to protect its security and to avoid losses from its loan guarantees.

2. Acquire, hold, and mortgage personal property and real estate and interests in real estate to be used.

3. Purchase, construct, improve, furnish, equip, lease, option, sell, exchange, or otherwise dispose of one or more improvements under the terms it determines.

4. Grant a mortgage, lien, pledge, assignment, or other encumbrance on one or more improvements, revenues, asset of right, accounts, or funds established or received in connection with the fund, including revenues derived from the moneys credited under section 321.145, subsection 2, paragraph "*a*", and deposited in the fund or an account of the fund.

5. Provide that the interest on bonds may vary in accordance with a base or formula.

6. Contract for the acquisition, construction, or both of one or more improvements or parts of one or more improvements and for the leasing, subleasing, sale, or other disposition of one or more improvements in a manner it determines.

7. The board may contract with the treasurer of state for the treasurer of state to issue bonds and do all things necessary with respect to the purposes of the fund, as set out in the contract between the board and the treasurer of state. The board may delegate to the treasurer of state and the treasurer of state shall then have all of the powers of the board which are necessary to issue and secure bonds and carry out the purposes of the fund, to the extent provided in the contract between the board and the treasurer of state. The treasurer of state may issue the treasurer of state's bonds in principal amounts which, in the opinion of the board, are necessary to provide sufficient funds for the fund, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds, other expenditures of the treasurer of state incident to and necessary or convenient to carry out the bond issue for the fund, and all other expenditures of the board necessary or convenient to administer the fund. The bonds are investment securities and negotiable instruments within the meaning of and for purposes of the uniform commercial code, chapter 554.

8. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the fund, all of which may be deposited with trustees or depositories in accordance with bond or security documents and pledged by the board to the payment thereof, and are not an indebtedness of this state, or a charge against the general credit or general fund of the state, and the state shall not be liable for any financial undertakings with respect to the fund. Bonds issued under this subchapter shall contain on their face a statement that the bonds do not constitute an indebtedness of the state.

9. The proceeds of bonds issued by the treasurer of state and not required for immediate disbursement may be deposited with a trustee or depository as provided in the bond documents and invested in any investment approved by the treasurer of state and specified in the trust indenture, resolution, or other instrument pursuant to which the bonds are issued without regard to any limitation otherwise provided by law.

10. The bonds shall be:

*a.* In a form, issued in denominations, executed in a manner, and payable over terms and with rights of redemption, and be subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

*b.* Negotiable instruments under the laws of the state and may be sold at prices, at public or private sale, and in a manner, as prescribed by the treasurer of state. Chapters 73A, 74, 74A and 75 do not apply to their sale or issuance of the bonds.

*c.* Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this subchapter and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.

11. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

12. Bonds must be authorized by a trust indenture, resolution, or other instrument of the treasurer of state, approved by the board. However, a trust indenture, resolution, or other instrument authorizing the issuance of bonds may delegate to an officer of the issuer the power to negotiate and fix the details of an issue of bonds.

13. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code, chapter 554, to be valid, binding, or effective.

14. Bonds issued under the provisions of this section are declared to be issued for an essential public and governmental purpose and all bonds issued under this subchapter shall be exempt from taxation by the state of Iowa and the interest on the bonds shall be exempt from the state income tax and the state inheritance and estate tax.

15. *a.* Subject to the terms of any bond documents, moneys in the fund or fund accounts may be expended for administration expenses, civil penalties, moneys paid under an agreement, stipulation, or settlement, for the costs associated with sites within a community remediation project, for costs related to contracts entered into with a state agency or university, costs for activities relating to litigation, or for the costs of any other activities as the board may determine are necessary and convenient to facilitate compliance with and to implement the intent of federal laws and regulations and this subchapter. For purposes of this subchapter, administration expenses include expenses incurred by the underground storage tank section of the department of natural resources in relation to tanks regulated under this subchapter.

*b.* The authority granted under this subsection which allows the board to expend fund moneys on an activity the board determines is necessary and convenient to facilitate compliance with and to implement the intent of federal laws and regulations and this subchapter, shall only be used in accordance with the following:

(1) Prior board approval shall be required before expenditure of moneys pursuant to this authority shall be made.

(2) If the expenditure of fund moneys pursuant to this authority would result in the board establishing a policy which would substantially affect the operation of the program, rules shall be adopted pursuant to chapter 17A prior to the board or the administrator taking any action pursuant to this proposed policy.

16. The board shall cooperate with the department of natural resources in the implementation and administration of this subchapter to assure that in combination with existing state statutes and rules governing underground storage tanks, the state will be, and continue to be, recognized by the federal government as having an "*approved state account*" under the federal Resource Conservation and Recovery Act, especially by compliance with the Act's subtitle I financial responsibility requirements as enacted in the federal Superfund Amendments and Reauthorization Act of 1986 and the financial responsibility regulations adopted by the United States environmental protection agency at 40 C.F.R. pts. 280 and 281. Whenever possible this subchapter shall be interpreted to further the purposes of, and to comply, and not to conflict, with such federal requirements.

17. The board may adopt rules pursuant to chapter 17A providing for the transfer of all or a portion of the liabilities of the board under this subchapter. Notwithstanding other

provisions to the contrary, the board, upon such transfer, shall not maintain any duty to reimburse claimants under this subchapter for those liabilities transferred.

89 Acts, ch 131, §47; 90 Acts, ch 1235, §20; 92 Acts, ch 1018, §1; 92 Acts, ch 1217, §6; 95 Acts, ch 215, §13; 98 Acts, ch 1065, §2; 2000 Acts, ch 1226, §14, 30; 2003 Acts, ch 44, §114; 2003 Acts, ch 110, §5; 2003 Acts, 1st Ex, ch 2, §199, 205; 2008 Acts, ch 1113, §118; 2008 Acts, ch 1119, §9; 2010 Acts, ch 1138, §55; 2010 Acts, ch 1193, §188 – 190, 195; 2012 Acts, ch 1017, §86; 2013 Acts, ch 90, §121 – 124

Referred to in §422.7
Unnumbered paragraph 1 amended
Subsection 8 amended
Subsection 10, paragraph c amended
Subsections 14 – 17 amended

**455G.7 Security for bonds — capital reserve fund — irrevocable contracts.**

1. *a.* For the purpose of securing one or more issues of bonds for the fund, the treasurer of state, with the approval of the board, may authorize the establishment of one or more special funds, called "capital reserve funds". The treasurer of state may pay into the capital reserve funds the proceeds of the sale of its bonds and other money which may be made available to the treasurer of state from other sources for the purposes of the capital reserve funds. Except as provided in this section, money in a capital reserve fund shall be used only as required for any of the following:

(1) The payment of the principal of and interest on bonds or of the sinking fund payments with respect to those bonds.

(2) The purchase or redemption of the bonds.

(3) The payment of a redemption premium required to be paid when the bonds are redeemed before maturity.

*b.* However, money in a capital reserve fund shall not be withdrawn if the withdrawal would reduce the amount in the capital reserve fund to less than the capital reserve fund requirement, except for the purpose of making payment, when due, of principal, interest, redemption premiums on the bonds, and making sinking fund payments when other money pledged to the payment of the bonds is not available for the payments. Income or interest earned by, or increment to, a capital reserve fund from the investment of all or part of the capital reserve fund may be transferred by the treasurer of state to other accounts of the fund if the transfer does not reduce the amount of the capital reserve fund below the capital reserve fund requirement.

2. If the treasurer of state decides to issue bonds secured by a capital reserve fund, the bonds shall not be issued if the amount in the capital reserve fund is less than the capital reserve fund requirement, unless at the time of issuance of the bonds the treasurer of state deposits in the capital reserve fund from the proceeds of the bonds to be issued or from other sources, an amount which, together with the amount then in the capital reserve fund, is not less than the capital reserve fund requirement.

3. In computing the amount of a capital reserve fund for the purpose of this section, securities in which all or a portion of the capital reserve fund is invested shall be valued by a reasonable method established by the treasurer of state. Valuation shall include the amount of interest earned or accrued as of the date of valuation.

4. In this section, "*capital reserve fund requirement*" means the amount required to be on deposit in the capital reserve fund as of the date of computation.

5. To assure maintenance of the capital reserve funds, the treasurer of state shall, on or before July 1 of each calendar year, make and deliver to the governor the treasurer of state's certificate stating the sum, if any, required to restore each capital reserve fund to the capital reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor may submit to both houses printed copies of a budget including the sum, if any, required to restore each capital reserve fund to the capital reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the treasurer of state pursuant to this section shall be deposited in the applicable capital reserve fund.

6. All amounts paid by the state pursuant to this section shall be considered advances by

the state and, subject to the rights of the holders of any bonds of the treasurer of state that have previously been issued or will be issued, shall be repaid to the state without interest from all available revenues of the fund in excess of amounts required for the payment of bonds of the treasurer of state, the capital reserve fund, and operating expenses.

7. If any amount deposited in a capital reserve fund is withdrawn for payment of principal, premium, or interest on the bonds or sinking fund payments with respect to bonds thus reducing the amount of that fund to less than the capital reserve fund requirement, the treasurer of state shall immediately notify the governor and the general assembly of this event and shall take steps to restore the capital reserve fund to the capital reserve fund requirement for that fund from any amounts designated as being available for such purpose.

89 Acts, ch 131, §48; 2010 Acts, ch 1193, §191, 195
Section not amended; editorial change applied

**455G.8 Revenue sources for fund.**

Revenue for the fund shall include, but is not limited to, the following, which shall be deposited with the board or its designee as provided by any bond or security documents and credited to the fund:

1. *Bonds issued to capitalize fund.* The proceeds of bonds issued to capitalize and pay the costs of the fund, and investment earnings on the proceeds except as required for the capital reserve funds.

2. *Statutory allocations fund.* The moneys credited from the statutory allocations fund under section 321.145, subsection 2, paragraph *"a"*, shall be allocated, consistent with this subchapter, among the fund's accounts, for debt service and other fund expenses, according to the fund budget, resolution, trust agreement, or other instrument prepared or entered into by the board or treasurer of state under direction of the board.

3. *Cost recovery enforcement.* Cost recovery enforcement net proceeds as provided by section 455G.13 shall be allocated to the innocent landowners fund created under section 455G.21, subsection 2, paragraph *"a"*. When federal cleanup funds are recovered, the funds are to be deposited to the remedial account of the fund and used solely for the purpose of future cleanup activities.

4. *Other sources.* Interest attributable to investment of money in the fund or an account of the fund. Moneys in the form of a devise, gift, bequest, donation, federal or other grant, reimbursement, repayment, judgment, transfer, payment, or appropriation from any source intended to be used for the purposes of the fund.

89 Acts, ch 131, §49; 90 Acts, ch 1235, §21; 95 Acts, ch 215, §14, 15; 98 Acts, ch 1068, §6; 99 Acts, ch 114, §31; 2003 Acts, 1st Ex, ch 2, §200, 205; 2008 Acts, ch 1113, §119; 2010 Acts, ch 1193, §179, 192, 195; 2013 Acts, ch 90, §125
Referred to in §455G.3
Subsection 2 amended

**455G.9 Remedial program.**

1. *Limits of remedial account coverage.* Moneys in the remedial account shall only be paid out for the following:

*a.* (1) Corrective action for an eligible release reported to the department of natural resources on or after July 1, 1987, but prior to May 5, 1989. Third-party liability is specifically excluded from remedial account coverage. For a claim for a release under this subparagraph, the remedial program shall pay in accordance with subsection 4. For a release to be eligible for coverage under this subparagraph the following conditions must be satisfied:

(a) The owner or operator applying for coverage shall not be a person who is maintaining, or has maintained, proof of financial responsibility for federal regulations through self-insurance.

(b) The owner or operator applying for coverage shall not have claimed bankruptcy any time on or after July 1, 1987.

(c) The claim for coverage pursuant to this subparagraph must have been filed with the board prior to January 31, 1990, except that cities and counties must have filed their claim with the board by September 1, 1990.

(d) The owner or operator at the time the release was reported to the department of

natural resources must have been in compliance with then current monitoring requirements, if any, or must have been in the process of compliance efforts with anticipated requirements, including installation of monitoring devices, a new tank, tank improvements or retrofit, or any combination.

(2) Corrective action, up to one million dollars total, and subject to prioritization rules as established pursuant to section 455G.12A, for a release reported to the department of natural resources after May 5, 1989, and on or before October 26, 1990. Third-party liability is specifically excluded from remedial account coverage. Corrective action coverage provided pursuant to this paragraph may be aggregated with other financial assurance mechanisms as permitted by federal law to satisfy required aggregate and per occurrence limits of financial responsibility for both corrective action and third-party liability, if the owner's or operator's effective financial responsibility compliance date is prior to October 26, 1990. School districts who reported a release to the department of natural resources prior to December 1, 1990, shall have until July 1, 1991, to report a claim to the board for remedial coverage under this subparagraph.

(3) Corrective action for an eligible release reported to the department of natural resources on or after January 1, 1984, but prior to July 1, 1987. Third-party liability is specifically excluded from remedial account coverage. For a claim for a release under this subparagraph, the remedial program shall pay in accordance with subsection 4. For a release to be eligible for coverage under this subparagraph the following conditions must be satisfied:

(a) The owner or operator applying for coverage must be currently engaged in the business for which the tank connected with the release was used prior to the report of the release.

(b) The owner or operator applying for coverage shall not be a person who is maintaining, or has maintained, proof of financial responsibility for federal regulations through self-insurance.

(c) The owner or operator applying for coverage shall not have claimed bankruptcy any time on or after January 1, 1985.

(d) The claim for coverage pursuant to this subparagraph must have been filed with the board prior to September 1, 1990.

(e) The owner or operator at the time the release was reported to the department of natural resources must have been in compliance with then current monitoring requirements, if any, or must have been in the process of compliance efforts with anticipated requirements, including installation of monitoring devices, a new tank, tank improvements or retrofit, or any combination.

(4) One hundred percent of the costs of corrective action for a release reported to the department of natural resources on or before July 1, 1991, if the owner or operator is not a governmental entity and is a not-for-profit organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code with a net annual income of twenty-five thousand dollars or less for the year 1990, and if the tank which is the subject of the corrective action is a registered tank and is under one thousand one hundred gallons capacity.

(5) For the purposes of calculating corrective action costs under this paragraph, corrective action shall include the cost of a tank system upgrade required by section 455B.474, subsection 1, paragraph "*a*", subparagraph (6), subparagraph division (i). Payments under this subparagraph shall be limited to a maximum of ten thousand dollars for any one site.

(6) For the purposes of calculating corrective action costs under this paragraph, corrective action shall include the costs associated with monitoring required by the rules adopted under section 455B.474, subsection 1, paragraph "*a*", subparagraph (6), but corrective action shall exclude monitoring used for leak detection required by rules adopted under section 455B.474, subsection 1, paragraph "*a*", subparagraph (1).

*b*. Corrective action and third-party liability for a release discovered on or after January 24, 1989, for which a responsible owner or operator able to pay cannot be found and for which the federal underground storage tank trust fund or other federal moneys do not provide coverage. For the purposes of this section property shall not be deeded or

quitclaimed to the state or board in lieu of cleanup. Additionally, the ability to pay shall be determined after a claim has been filed. The board is not liable for any cost where either the responsible owner or operator, or both, have a net worth greater than fifteen thousand dollars, or where the responsible party can be determined. Third-party liability specifically excludes any claim, cause of action, or suit, for personal injury including, but not limited to, loss of use or of private enjoyment, mental anguish, false imprisonment, wrongful entry or eviction, humiliation, discrimination, or malicious prosecution.

*c.* Corrective action and third-party liability for a tank owned or operated by a financial institution eligible to participate in the remedial account under section 455G.16 if the prior owner or operator is unable to pay, if so authorized by the board as part of a condition or incentive for financial institution participation in the fund pursuant to section 455G.16. Third-party liability specifically excludes any claim, cause of action, or suit, for personal injury including, but not limited to, loss of use or of private enjoyment, mental anguish, false imprisonment, wrongful entry or eviction, humiliation, discrimination, or malicious prosecution.

*d.* One hundred percent of the costs of corrective action and third-party liability for a release situated on property acquired by a county for delinquent taxes pursuant to chapters 445 through 448, for which a responsible owner or operator able to pay, other than the county, cannot be found. A county is not a "responsible party" for a release in connection with property which it acquires in connection with delinquent taxes, and does not become a responsible party by sale or transfer of property so acquired. In such situations, the board may act as an agent for the county. Actual corrective action on the site shall be overseen by the department, the board, and a certified groundwater professional. Third-party liability specifically excludes any claim, cause of action, or suit, for personal injury including but not limited to loss of use or of private enjoyment, mental anguish, false imprisonment, wrongful entry or eviction, humiliation, discrimination, or malicious prosecution. Reasonable acquisition costs do not include any taxes or costs related to the collection of taxes.

*e.* Corrective action for a release reported to the department of natural resources after May 5, 1989, and on or before October 26, 1990, in connection with a tank owned or operated by a state agency or department which elects to participate in the remedial account pursuant to this paragraph. A state agency or department which does not receive a standing unlimited appropriation which may be used to pay for the costs of a corrective action may opt, with the approval of the board, to participate in the remedial account. As a condition of opting to participate in the remedial account, the agency or department shall pay all registration fees, storage tank management fees, environmental protection charges, and all other charges and fees upon all tanks owned or operated by the agency or department in the same manner as if the agency or department were a person required to maintain financial responsibility. Once an agency has opted to participate in the remedial program, it cannot opt out, and shall continue to pay all charges and fees upon all tanks owned or operated by the agency or department so long as the charges or fees are imposed on similarly situated tanks of a person required to maintain financial responsibility. The board shall by rule adopted pursuant to chapter 17A provide the terms and conditions for a state agency or department to opt to participate in the remedial account. A state agency or department which opts to participate in the remedial account shall be subject to the minimum copayment schedule of subsection 4, as if the state agency or department were a person required to maintain financial responsibility.

*f.* One hundred percent of the costs up to twenty thousand dollars incurred by the board under section 455G.12A, subsection 2, paragraph "*b*", for site cleanup reports. Costs of a site cleanup report which exceed twenty thousand dollars shall be considered a cost of corrective action and the amount shall be included in the calculations for corrective action cost copayments under subsection 4. The board shall have the discretion to authorize a site cleanup report payment in excess of twenty thousand dollars if the site is participating in community remediation.

*g.* (1) Corrective action for the costs of a release under all of the following conditions:

(a) The property upon which the tank causing the release was situated was transferred by inheritance, devise, or bequest.

(b) The property upon which the tank causing the release was situated has not been used to store or dispense petroleum since December 31, 1975.

(c) The person who received the property by inheritance, devise, or bequest was not the owner of the property during the period of time when the release which is the subject of the corrective action occurred.

(d) The release was reported to the board by October 26, 1991.

(2) Corrective action costs and copayment amounts under this paragraph "*g*" shall be paid in accordance with subsection 4.

(3) A person requesting benefits under this paragraph "*g*" may establish that the conditions of subparagraph (1), subparagraph divisions (a), (b), and (c), are met through the use of supporting documents, including a personal affidavit.

*h.* One hundred percent of the costs of corrective action for a governmental subdivision in connection with a tank which was in place on the date the release was discovered or reported if the governmental subdivision did not own or operate the tank which caused the release and if the governmental subdivision did not obtain the property upon which the tank giving rise to the release is located on or after May 3, 1991. Property acquired pursuant to eminent domain in connection with a United States department of housing and urban development approved urban renewal project is eligible for payment of costs under this paragraph whether or not the property was acquired on or after May 3, 1991.

*i.* Notwithstanding section 455G.1, subsection 2, corrective action, for a release which was tested prior to October 26, 1990, and for which the site was issued a no-further-action letter by the department of natural resources and which was later determined, due to sale of the property or removal of a nonoperating tank, to require remediation which was reported to the administrator by October 26, 1992, in an amount as specified in subsection 4. In order to qualify for benefits under this paragraph, the applicant must not have operated a tank on the property during the period of time for which the applicant owned the property and the applicant must not be a financial institution.

*j.* One hundred percent of the costs of corrective action for a governmental subdivision in connection with a tank if the governmental subdivision did not own or operate the tank from which the release occurred, and the property was acquired pursuant to eminent domain after the release occurred. A governmental subdivision which acquires property pursuant to eminent domain in order to obtain benefits under this paragraph is not a responsible party for a release in connection with property which it acquired, and does not become a responsible party by sale or transfer of property so acquired.

*k.* Pursuant to an agreement between the board and the department of natural resources, assessment and corrective action arising out of releases at sites for which a no further action certificate has been issued pursuant to section 455B.474, when the department determines that an unreasonable risk to public health and safety may still exist or that previously reported upon applicable target levels have been exceeded. At a minimum, the agreement shall address eligible costs, contracting for services, and conditions under which sites may be reevaluated.

*l.* Up to fifteen thousand dollars for the permanent closure of an underground storage tank system that does not meet performance standards for new or upgraded tanks or is otherwise required to be closed pursuant to rules adopted by the environmental protection commission pursuant to section 455B.474. Reimbursement is limited to costs approved by the board prior to the closure activities.

2. *Remedial account funding.* The remedial account shall be funded by that portion of the proceeds of the use tax imposed under chapter 423, subchapter III, and other moneys and revenues budgeted to the remedial account by the board.

3. *Trust fund to be established.* When the remedial account has accumulated sufficient capital to provide dependable income to cover the expenses of expected future releases or expected future losses for which no responsible owner is available, the excess capital shall be transferred to a trust fund administered by the board and created for that purpose.

4. *Minimum copayment schedule.*

*a.* An owner or operator shall be required to pay the greater of five thousand dollars or eighteen percent of the first eighty thousand dollars of the total costs of corrective action

for that release, except for claims pursuant to section 455G.21, where the claimant is not a responsible party or potentially responsible party for the site for which the claim is filed.

*b.* If a site's actual expenses exceed eighty thousand dollars, the remedial account shall pay the remainder, as required by federal regulations, of the total costs of the corrective action for that release, not to exceed one million dollars, except that a county shall not be required to pay a copayment in connection with a release situated on property acquired in connection with delinquent taxes, as provided in subsection 1, paragraph *"d"*, unless subsequent to acquisition the county actively operates a tank on the property for purposes other than risk assessment, risk management, or tank closure.

5. *Recovery of gain on sale of property.*

*a.* If an owner or operator ceases to own or operate a tank site for which remedial account benefits were received within ten years of the receipt of any account benefit and sells or transfers a property interest in the tank site for an amount which exceeds one hundred twenty percent of the precorrective action value, adjusted for equipment and capital improvements, the owner or operator shall refund to the remedial account an amount equal to ninety percent of the amount in excess of one hundred twenty percent of the precorrective action value up to a maximum of the expenses incurred by the remedial account associated with the tank site plus interest, equal to the interest for the most recent twelve-month period for the most recent bond issue for the fund, on the expenses incurred, compounded annually. An owner or operator under this subsection shall notify the board of the sale or transfer of the property interest in the tank site. Expenses incurred by the fund are a lien upon the property recordable and collectible in the same manner as the lien provided for in section 424.11 at the time of sale or transfer, subject to the terms of this section.

*b.* This subsection shall not apply if the sale or transfer is pursuant to a power of eminent domain, or benefits. When federal cleanup funds are recovered, the funds are to be deposited to the remedial account of the fund and used solely for the purpose of future cleanup activities.

6. *Recurring releases treated as a newly reported release.* A release shall be treated as a release reported on or after May 5, 1989, if prior to May 5, 1989, a release was reported to the department, corrective action was taken pursuant to a site cleanup report approved by the department, and the work performed was accepted by the department. For purposes of this subsection, work performed is accepted by the department if the department did not order further action within ninety days of the date on which the department had notice that the work was completed, unless the department clearly indicated in writing to the owner, operator, contractor, or other agent that additional work would be required beyond that specified in the site cleanup report or in addition to the work actually performed.

7. *Expenses of cleanup not required.* When an owner or operator who is eligible for benefits under this subchapter is allowed by the department of natural resources to monitor in place, the expenses incurred for cleanup beyond the level required by the department of natural resources may be covered under any of the accounts established under the fund only if approved by the board as cost-effective relative to the department accepted monitoring plan or relative to the repeal date specified in section 424.19. The cleanup expenses incurred for work completed beyond what is required is the responsibility of the person contracting for the excess cleanup. The board shall seek to terminate the responsible party's environmental liabilities at such sites prior to the board ceasing operation.

8. *Owner or operator defined.* For purposes of receiving benefits under this section, *"owner or operator"* means the then current tank owner or operator or the owner of the land for which a covered release was reported or application for benefits was submitted on or before the relevant application deadlines of this section.

9. *Self-insureds.* For a self-insured as determined under 567 IAC 136.6(455B), to qualify for remedial benefits under this section, tanks shall be upgraded by January 1, 1995, as specified by the United States environmental protection agency in 40 C.F.R. § 280.21, as amended through January 1, 1989. A self-insured who qualifies for benefits under this section shall repay any benefits received if the upgrade date is not met.

10. *Expenses incurred by governmental subdivisions and public works utilities.* The board shall adopt rules for reimbursement for reasonable expenses incurred by a governmental subdivision or public works utility for sampling, treating, handling, or

disposing, as required by the department, of petroleum-contaminated soil and groundwater encountered in a public right-of-way during installation, maintenance, or repair of a utility or public improvement. The board may seek full recovery from a responsible party liable for the release for such expenses and for all other costs and reasonable attorney fees and costs of litigation for which moneys are expended by the fund. Any expense described in this subsection incurred by the fund constitutes a lien upon the property from which the release occurred. A lien shall be recorded and an expense shall be collected in the same manner as provided in section 424.11.

89 Acts, ch 131, §50; 89 Acts, ch 307, §46; 90 Acts, ch 1235, §22 – 28; 90 Acts, ch 1267, §42 – 44; 91 Acts, ch 252, §14 – 24; 92 Acts, ch 1217, §7; 93 Acts, ch 155, §2 – 4; 95 Acts, ch 215, §16, 17; 98 Acts, ch 1065, §3 – 5; 99 Acts, ch 74, §1, 2; 2000 Acts, ch 1226, §15, 30; 2003 Acts, 1st Ex, ch 2, §201, 205; 2004 Acts, ch 1094, §3, 5, 6; 2007 Acts, ch 171, §7, 8; 2010 Acts, ch 1193, §180 – 184; 2011 Acts, ch 25, §111, 112, 141, 142; 2013 Acts, ch 90, §126

Referred to in §455B.474, 455G.3, 455G.12A, 455G.21

Subsection 7 amended

**455G.10** Repealed by 89 Acts, ch 131, § 62.

**455G.11 Insurance fund.** Repealed by 89 Acts, ch 131, § 61.

**455G.12 Board authority for prioritization.**

1. If the board determines that, within the realm of sound business judgment and practice, prioritization of assistance is necessary in light of funds available for loan guarantees or insurance coverage, the board may develop rules for assistance or coverage prioritization based upon adherence or planned adherence of the owner or operator to higher than minimum environmental protection and safety compliance considerations.

2. Prior to the adoption of prioritization rules, the board shall at minimum review the following issues:

*a.* The positive environmental impact of assistance prioritization.

*b.* The economic feasibility, including the availability of private financing, for an owner or operator to obtain priority status.

*c.* Any negative impact on Iowa's rural petroleum distribution network which could result from prioritization.

*d.* Any similar prioritization systems in use by the private financing or insurance markets in this state, including terms, conditions, or exclusions.

*e.* The intent of this subchapter that the board shall maximize the availability of reasonably priced, financially sound insurance coverage or loan guarantee assistance.

89 Acts, ch 131, §53; 2011 Acts, ch 25, §143; 2013 Acts, ch 90, §127

Subsection 2, paragraph e amended

**455G.12A Cost containment authority.**

1. *Validity of contracts.* A contract in which one of the parties to the contract is an owner or operator of a petroleum underground storage tank, for goods or services which may be payable or reimbursable from the fund, is invalid unless and until the administrator has approved the contract as fair and equitable to the tank owner or operator, and found that the contract terms are within the range of usual and customary rates for similar or equivalent goods or services within the state, and found that the goods or services are necessary for the owner or operator to comply with fund or regulatory standards. An owner or operator may appoint the administrator as an agent for the purposes of negotiating contracts with suppliers of goods or services compensable by the fund. The administrator may select another contractor for goods or services other than the one offered by the owner or operator, if the scope of the proposed work or actual work of the offered contractor does not reflect the quality of workmanship required, or the costs are determined to be excessive.

2. *Contract approval.*

*a.* In the course of review and approval of a contract pursuant to this section, the administrator may require an owner or operator to obtain and submit three bids, provided

that the administrator coordinates bid submission with the department. The administrator may require specific terms and conditions in a contract subject to approval.

*b.* The board shall have authority to contract for site cleanup reports. The board's responsibility for site cleanup reports is limited to those site cleanup reports subject to approval by the department of natural resources and required in connection with the remediation of a release which is eligible for benefits under section 455G.9. The site cleanup report shall address existing and available remedial technologies and the costs associated with the use of each technology. The board shall not have the authority to affect a contract which has been given written approval under this section.

3. *Exclusive contracts.*

*a.* The administrator may enter into a contract or an exclusive contract with the supplier of goods or services required by a class of tank owners or operators in connection with an expense payable or reimbursable from the fund, to supply a specified good or service for a gross maximum price, fixed rate, on an exclusive basis, or subject to another contract term or condition reasonably calculated to obtain goods or services for the fund or for tank owners and operators at a reasonable cost. A contract may provide for direct payment from the fund to a supplier.

*b.* The administrator may retain, subject to board approval, an independent person to assist in the review of work required in connection with a release or tank system for which fund benefits are sought, and to establish prevailing cost of goods and services needed. Nothing in this section is intended to preempt the regulatory authority of the department.

4. *Prior approval by administrator.* Unless emergency conditions exist, a contractor performing services pursuant to this section shall have the budget for the work approved by the administrator prior to commencement of the work. No expense incurred which is above the budgeted amount shall be paid unless the administrator approves such expense prior to its being incurred. All invoices or bills shall be submitted with appropriate documentation as deemed necessary by the board, no later than thirty days after the work has been performed. Neither the board nor an owner or operator is responsible for payment for work incurred which has not been previously approved by the board.

90 Acts, ch 1235, §40; 91 Acts, ch 252, §31, 32; 2011 Acts, ch 25, §113
Referred to in §455G.4, 455G.9

**455G.13 Cost recovery enforcement.**

1. *Full recovery sought from owner.* The board shall seek full recovery from the owner, operator, or other potentially responsible party liable for the released petroleum which is the subject of a corrective action, for which the fund expends moneys for corrective action or third-party liability, and for all other costs, including reasonable attorney fees and costs of litigation for which moneys are expended by the fund in connection with the release. When federal cleanup funds are recovered, the funds are to be deposited to the remedial account of the fund and used solely for the purpose of future cleanup activities.

2. *Limitation of liability of owner or operator.* Except as provided in subsection 3:

*a.* The board or the department of natural resources shall not seek recovery for expenses in connection with corrective action for a release from an owner or operator eligible for assistance under the remedial account except for any unpaid portion of the deductible or copayment. This section does not affect any authorization of the department of natural resources to impose or collect civil or administrative fines or penalties or fees. The remedial account shall not be held liable for any third-party liability.

*b.* An owner or operator's liability for a release for which coverage is admitted under the underground storage tank insurance fund established in section 455G.11, Code 2003, shall not exceed the amount of the deductible.

3. *Owner or operator not in compliance, subject to full and total cost recovery.* Notwithstanding subsection 2, the liability of an owner or operator shall be the full and total costs of corrective action and bodily injury or property damage to third parties, as specified in subsection 1, if the owner or operator has not complied with the financial responsibility or other underground storage tank rules of the department of natural resources or with this subchapter and rules adopted under this subchapter.

4. *Treble damages for certain violations.*

*a.* Notwithstanding subsections 2 and 3, the owner or operator, or both, of a tank are liable to the fund for punitive damages in an amount equal to three times the amount of any cost incurred or moneys expended by the fund as a result of a release of petroleum from the tank if the owner or operator did any of the following:

(1) Failed, without sufficient cause, to respond to a release of petroleum from the tank upon, or in accordance with, a notice issued by the director of the department of natural resources.

(2) After May 5, 1989, failed to perform any of the following:

(a) Failed to register the tank, which was known to exist or reasonably should have been known to exist.

(b) Intentionally failed to report a known release.

*b.* The punitive damages imposed under this subsection are in addition to any costs or expenditures recovered from the owner or operator pursuant to this subchapter and in addition to any other penalty or relief provided by this subchapter or any other law.

*c.* However, the state, a city, county, or other political subdivision shall not be liable for punitive damages.

5. *Lien on tank site.* Any amount for which an owner or operator is liable to the fund, if not paid when due, by statute, rule, or contract, or determination of liability by the board or department of natural resources after hearing, shall constitute a lien upon the real property where the tank, which was the subject of corrective action, is situated, and the liability shall be collected in the same manner as the environmental protection charge pursuant to section 424.11.

6. *Joinder of parties.* The department of natural resources has standing in any case or contested action related to the fund or a tank to assert any claim that the department may have regarding the tank at issue in the case or contested action. Upon motion and sufficient showing by a party to a cost recovery or subrogation action provided for under this section, the court or the administrative law judge shall join to the action any potentially responsible party who may be liable for costs and expenditures of the type recoverable pursuant to this section.

7. *Strict liability.* The standard of liability for a release of petroleum or other regulated substance as defined in section 455B.471 is strict liability.

8. *Third-party contracts not binding on board, proceedings against responsible party.* An insurance, indemnification, hold harmless, conveyance, or similar risk-sharing or risk-shifting agreement shall not be effective to transfer any liability for costs recoverable under this section. The fund, board, or department of natural resources may proceed directly against the owner or operator or other allegedly responsible party. This section does not bar any agreement to insure, hold harmless, or indemnify a party to the agreement for any costs or expenditures under this subchapter, and does not modify rights between the parties to an agreement, except to the extent the agreement shifts liability to an owner or operator eligible for assistance under the remedial account for any damages or other expenses in connection with a corrective action for which another potentially responsible party is or may be liable. Any such provision is null and void and of no force or effect.

9. *Later proceedings permitted against other parties.* The entry of judgment against a party to the action does not bar a future action by the board or the department of natural resources against another person who is later alleged to be or discovered to be liable for costs and expenditures paid by the fund. Notwithstanding section 668.5 no other potentially responsible party may seek contribution or any other recovery from an owner or operator eligible for assistance under the remedial account for damages or other expenses in connection with corrective action for a release for which the potentially responsible party is or may be liable. Subsequent successful proceedings against another party shall not modify or reduce the liability of a party against whom judgment has been previously entered.

10. *Claims against potentially responsible parties.*

*a.* Upon payment by the fund for corrective action or third-party liability pursuant to this subchapter, the rights of the claimant to recover payment from any potentially responsible

party, are assumed by the board to the extent paid by the fund. A claimant is precluded from receiving double compensation for the same injury.

*b.* In an action brought pursuant to this subchapter seeking damages for corrective action or third-party liability, the court shall permit evidence and argument as to the replacement or indemnification of actual economic losses incurred or to be incurred in the future by the claimant by reason of insurance benefits, governmental benefits or programs, or from any other source.

*c.* A claimant may elect to permit the board to pursue the claimant's cause of action for any injury not compensated by the fund against any potentially responsible party, provided the attorney general determines such representation would not be a conflict of interest. If a claimant so elects, the board's litigation expenses shall be shared on a pro rata basis with the claimant, but the claimant's share of litigation expenses is payable exclusively from any share of the settlement or judgment payable to the claimant.

11. *Exclusion of punitive damages.* The fund shall not be liable in any case for punitive damages.

12. *Recovery or subrogation — installers and inspectors.* Notwithstanding any other provision contained in this subchapter, the board or a person insured under the underground storage tank insurance fund established in section 455G.11, Code 2003, has no right of recovery or right of subrogation against an installer or an inspector who was insured by the underground storage tank insurance fund for the tank giving rise to the liability other than for recovery of any deductibles paid.

89 Acts, ch 131, §54; 91 Acts, ch 252, §33 – 36; 98 Acts, ch 1068, §12, 13; 99 Acts, ch 114, §36; 2005 Acts, ch 19, §66, 67; 2011 Acts, ch 25, §114; 2013 Acts, ch 90, §128 – 133

Referred to in §455G.8, 455G.21
Subsection 3 amended
Subsection 4, paragraph b amended
Subsections 6 and 8 amended
Subsection 10, paragraphs a and b amended
Subsection 12 amended

**455G.14 Fund not subject to regulation.**

The fund is not subject to regulation under chapter 502 or Title XIII, subtitle 1.

89 Acts, ch 131, §55; 98 Acts, ch 1068, §14; 2005 Acts, ch 19, §68

**455G.15 Fund not part of the Iowa insurance guaranty association.**

Notwithstanding any other provisions of law to the contrary, the fund shall not be considered an insurance company or insurer under the laws of this state and shall not be a member of nor be entitled to claim against the Iowa insurance guaranty association created under chapter 515B.

89 Acts, ch 131, §56

**455G.16 Financial institution participation in fund.**

The board may impose conditions on the participation of a financial institution in the fund. Conditions shall be reasonably intended to increase the quantity of private capital available for loans to tank owners or operators who are small businesses within the meaning of section 455G.2. Additionally, the board may offer incentives to financial institutions meeting conditions imposed by the board. Incentives may include extended fund coverage of corrective action or third-party liability expenses, waiver of copayment or deductible requirements, or other benefits not offered to other participants, if reasonably intended to increase the quantity of private capital available for loans by an amount greater than the increased costs of the incentives to the fund.

Third-party liability expenses under this section specifically exclude any claim, cause of action, or suit, for personal injury including, but not limited to, loss of use or of private enjoyment, mental anguish, false imprisonment, wrongful entry or eviction, humiliation, discrimination, or malicious prosecution.

89 Acts, ch 131, §57; 91 Acts, ch 252, §37

Referred to in §455G.9

**455G.17 Inspectors — education — registration.** Repealed by 2007 Acts, ch 171, § 11, 13. See § 455B.474.

**455G.18 Groundwater professionals — certification.** Repealed by 2007 Acts, ch 171, § 12. See § 455B.474.

**455G.19** Repealed by 95 Acts, ch 215, § 29.

**455G.20 Final approval.**

Notwithstanding any other provision to the contrary, the department of natural resources shall have final approval for a determination as to when remediation shall begin on a site.

92 Acts, ch 1217, §9

**455G.21 Marketability fund.**

1. A marketability fund is created as a separate fund in the state treasury under the control of the board. The board shall administer the marketability fund. Notwithstanding section 8.33, moneys remaining in the marketability fund at the end of each fiscal year shall not revert to the general fund but shall remain in the marketability fund. The marketability fund shall include, notwithstanding section 12C.7, interest earned by the marketability fund or other income specifically allocated to the marketability fund.

2. The marketability fund shall be used for the following purposes:

*a.* The innocent landowners fund shall be established as a separate fund in the state treasury under the control of the board. The innocent landowners fund shall include any moneys recovered pursuant to cost recovery enforcement under section 455G.13. Notwithstanding section 455G.1, subsection 2, benefits for the costs of corrective action may be provided to the owner of a petroleum-contaminated property, or an owner or operator of an underground storage tank located on the property, who is not otherwise eligible to receive benefits under section 455G.9 due to the date on which the release causing the contamination was reported or the date the claim was filed. An owner of a petroleum-contaminated property, or an owner or operator of an underground storage tank located on the property, shall be eligible for payment of corrective action costs subject to copayment requirements under section 455G.9, subsection 4. The board may adopt rules conditioning receipt of benefits under this paragraph to those petroleum-contaminated properties which present a higher degree of risk to the public health and safety or the environment and may adopt rules providing for denial of benefits under this paragraph to a person who did not make a good faith attempt to comply with the provisions of this subchapter. This paragraph does not confer a legal right to an owner of petroleum-contaminated property, or an owner or operator of an underground storage tank located on the property, for receipt of benefits under this paragraph.

*b.* The remainder of the moneys shall be used for payment of remedial benefits as provided in section 455G.9.

3. Moneys in the fund shall not be used for purposes of bonding or providing security for bonding under this subchapter.

95 Acts, ch 215, §28, 34; 96 Acts, ch 1034, §69, 71; 98 Acts, ch 1065, §6; 99 Acts, ch 114, §37, 38; 2001 Acts, ch 51, §3; 2010 Acts, ch 1061, §61; 2013 Acts, ch 90, §134, 135

Referred to in §455G.3, 455G.8, 455G.9

Subsection 2, paragraph a amended

Subsection 3 amended

**455G.22** Repealed by 2000 Acts, ch 1226, § 21, 30. See § 455G.9(1k).

## SUBCHAPTER II

## ABOVEGROUND PETROLEUM STORAGE TANK FUND

**455G.23 Aboveground petroleum storage tank fund.** Repealed by its own terms; 2004 Acts, ch 1094, § 4, 6.

**455G.24 through 455G.30** Reserved.

## SUBCHAPTER III

## E-85 GASOLINE STORAGE AND DISPENSING INFRASTRUCTURE

**455G.31 E-85 gasoline storage and dispensing infrastructure.**

1. *a.* As used in this section, unless the context otherwise requires:

(1) *"Dispenser"* includes a motor fuel pump, including but not limited to a motor fuel blender pump.

(2) *"E-85 gasoline"*, *"ethanol blended gasoline"*, and *"retail dealer"* mean the same as defined in section 214A.1.

(3) *"Gasoline storage and dispensing infrastructure"* means any storage tank located below ground or above ground and any associated equipment including but not limited to a pipe, hose, connection, fitting seal, or motor fuel pump, which is used to store, measure, and dispense gasoline by a retail dealer.

(4) *"Motor fuel pump"* means the same as defined in section 214.1.

*b.* Ethanol blended gasoline shall be designated in the same manner as provided in section 214A.2.

2. A retail dealer may use gasoline storage and dispensing infrastructure to store and dispense ethanol blended gasoline classified as E-9 or higher if the department of natural resources under this subchapter or the state fire marshal under chapter 101 determines that it is compatible with the ethanol blended gasoline being used.

3. A retail dealer may use a dispenser that does not satisfy the requirement in subsection 2 to dispense ethanol blended gasoline classified as higher than E-10 if any of the following applies:

*a.* (1) The dispenser is listed by an independent testing laboratory as compatible for use with ethanol blended gasoline classified as E-9 or higher. In addition, the retail dealer must visually inspect the dispenser and the dispenser sump daily for leaks and equipment failure and maintain a record of such inspection for at least one year after the inspection. The record shall be located on the premises of the retail dealer and shall be made available to the department of natural resources or the state fire marshal upon request. If a leak is detected, the department of natural resources shall be notified pursuant to section 455B.386.

(2) The state fire marshal shall issue an order as soon as practicable after determining that a commercially available dispenser is listed as compatible for use with E-85 gasoline by an independent testing laboratory. The state fire marshal shall publish the order in the Iowa administrative bulletin.* A person shall not install a dispenser which would otherwise be permitted under subparagraph (1) after sixty days following the date that the order is published. A person who installed such dispenser before the sixty-day period expired may use the dispenser as provided in subparagraph (1) until four years after the date that the order is published.

(3) This paragraph *"a"* is repealed four years following the date that the order issued by the state fire marshal is published in the Iowa administrative bulletin as provided in subparagraph (2).

*b.* (1) The dispenser's manufacturer has submitted the dispenser to an independent

testing laboratory to be listed as compatible for use with E-85 gasoline. In addition, the retail dealer must install an under-dispenser containment system with electronic monitoring. The under-dispenser containment system shall comply with applicable rules adopted by the department of natural resources and the state fire marshal.

(2) If within ten years from the date that a dispenser described in subparagraph (1) is installed, the same model of dispenser is listed as compatible for use with E-85 gasoline by an independent testing laboratory, the dispenser shall be deemed as compatible for use with ethanol blended gasoline classified as E-9 or higher up to and including E-85 by the department of natural resources and the state fire marshal. However, if after that time, the same model of dispenser is not listed as compatible for use with E-85 gasoline by an independent testing laboratory, subparagraph (1) no longer applies, and the retail dealer must do any of the following:

(a) Upgrade or replace the dispenser as necessary to be listed as compatible for use with E-85 gasoline.

(b) Comply with the requirements in paragraph "*a*".

2006 Acts, ch 1142, §25; 2006 Acts, ch 1185, §122; 2007 Acts, ch 22, §80; 2007 Acts, ch 211, §47 – 49; 2008 Acts, ch 1169, §22 – 25, 30; 2009 Acts, ch 105, §1; 2011 Acts, ch 34, §104; 2013 Acts, ch 90, §136

Referred to in §159A.14, 323.4A

*A declaratory order issued by the state fire marshal was published as ARC 9620B in the July 27, 2011, Iowa Administrative Bulletin, Volume XXXIV, number 2

Subsection 2 amended

# CHAPTER 455H

## LAND RECYCLING AND REMEDIATION STANDARDS

Referred to in §6A.22, 6B.56, 455A.6, 455I.2


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## SUBCHAPTER 1

## GENERAL PROVISIONS

**455H.101 Short title.**

This chapter shall be known and may be cited as the *"Iowa Land Recycling and Environmental Remediation Standards Act"*.

97 Acts, ch 127, §1

**455H.102 Scope.**

The environmental remediation standards established under this chapter shall be used for any response action or other site assessment or remediation that is conducted at a site enrolled pursuant to this chapter notwithstanding provisions regarding water quality in chapter 455B, division III; hazardous conditions in chapter 455B, division IV, part 4; hazardous waste and substance management in chapter 455B, division IV, part 5; underground storage tanks, other than petroleum underground storage tanks, in chapter 455B, division IV, part 8; and groundwater protection in chapter 455E.

97 Acts, ch 127, §2; 2011 Acts, ch 9, §7

**455H.103 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Affected area"* means any real property affected, suspected of being affected, or modeled to be likely affected by a release occurring at an enrolled site.

2. *"Affiliate"* means a corporate parent, subsidiary, or predecessor of a participant, a co-owner or cooperator of a participant, a spouse, parent, or child of a participant, an affiliated corporation or enterprise of a participant, or any other person substantially involved in the legal affairs or management of a participant, as defined by the department.

3. *"Background levels"* means concentrations of hazardous substances naturally occurring and generally present in the environment in the vicinity of an enrolled site or an affected area and not the result of releases.

4. *"Commission"* means the environmental protection commission created under section 455A.6.

5. *"Department"* means the department of natural resources created under section 455A.2.

6. *"Director"* means the director of the department of natural resources appointed under section 455A.3.

7. *"Enrolled site"* means any property which has been or is suspected to be the site of or affected by a release and which has been enrolled pursuant to this chapter by a participant.

8. *"Environmental covenant"* means a servitude arising under an environmental response project that imposes activity and use limitations as defined in section 455I.2.

9. *"Hazardous substance"* has the same meaning as defined in section 455B.381.

10. *"Noncancer health risk"* means the potential for adverse systemic or toxic effects caused by exposure to noncarcinogenic hazardous substances expressed as the hazard quotient for a hazardous substance. A hazard quotient is the ratio of the level of exposure of a hazardous substance over a specified time period to a reference dose for a similar exposure period.

11. *"Participant"* means any person who enrolls property pursuant to this chapter. A participant is a participant only to the extent the participant complies with the requirements of this chapter.

12. *"Protected groundwater source"* means a saturated bed, formation, or group of formations which has a hydraulic conductivity of at least forty-four-hundredths meters per day and a total dissolved solids concentration of less than two thousand five hundred milligrams per liter.

13. *"Protected party"* means any of the following:

*a.* A participant, including, but not limited to, a development authority or fiduciary.

*b.* A person who develops or otherwise occupies an enrolled site after the issuance of a no further action letter.

*c.* A successor or assignee of a protected party, as to an enrolled site of a protected party.

*d.* A lender which practices commercial lending including, but not limited to, providing financial services, holding of security interests, workout practices, and foreclosure or the recovery of funds from the sale of an enrolled site.

*e.* A parent corporation or subsidiary of a participant.

*f.* A co-owner or cooperator, either by joint tenancy or a tenancy in common, or any other party sharing a legal relationship with the participant.

*g.* A holder of a beneficial interest of a land trust or inter vivos trust, whether revocable or irrevocable, as to any interests in an enrolled site.

*h.* A mortgagee or trustee of a deed of trust existing as to an enrolled site as of the date of issuance of a no further action letter.

*i.* A transferee of the participant whether the transfer is by purchase, eminent domain, assignment, bankruptcy proceeding, partition, dissolution of marriage, settlement or adjudication of any civil action, charitable gift, or bequest, in conjunction with the acquisition of title to the enrolled site.

*j.* An heir or devisee of a participant.

*k.* A government agency or political subdivision which acquires an enrolled site through voluntary or involuntary means, including, but not limited to, abandonment, tax foreclosure, eminent domain, or escheat.

14. *"Release"* means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment of a hazardous substance, including the abandonment or discarding of barrels, containers, and other closed receptacles containing any hazardous substance, but excludes all of the following:

*a.* Any release which results in exposure to persons solely within a workplace, with respect to a claim which such persons may assert against the employer of such persons.

*b.* Emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, vessel, or pipeline pumping station engine.

*c.* The release of source, by-product, or special nuclear material from a nuclear incident, as those terms are defined in the federal Atomic Energy Act of 1954, if such release is subject to requirements with respect to financial protection established by the nuclear regulatory commission under 42 U.S.C. § 2210 or, for the purposes of 42 U.S.C. § 9604 or any other response action, any release of source, by-product, or special nuclear material from any processing site designated under 42 U.S.C. § 7912(a)(1) or 7942(a).

*d.* The use of pesticides in accordance with the product label.

15. *"Response action"* means an action taken to reduce, minimize, eliminate, clean up, control, assess, or monitor a release to protect the public health and safety or the environment. *"Response action"* includes, but is not limited to, investigation, excavation, removal, disposal, cleansing of groundwaters or surface waters, natural biodegradation, institutional controls, technological controls, or site management practices.

97 Acts, ch 127, §3; 99 Acts, ch 114, §39; 2005 Acts, ch 102, §3

**455H.104 Declaration of policy.**

The general assembly finds and declares all of the following:

1. Some real property in Iowa is not put to its highest productive use because it is contaminated or it is perceived to be contaminated as a result of past activity on the property. The reuse of these sites is an important component of a sound land-use policy that will prevent the needless development of prime farmland and open-space and natural areas, and reduce public expenditures for installing new infrastructure.

2. Incentives should be put in place to encourage capable persons to voluntarily develop and implement cleanup plans.

3. The safe reuse of property should be encouraged through the adoption of environmental remediation standards developed through an open process which take into account the risks associated with any release at the site. Any remediation standards

adopted by this state must provide for the protection of the public health and safety and the environment.

97 Acts, ch 127, §4

**455H.105 Duties of the commission.**

The commission shall do all of the following:

1. Adopt rules pertaining to the assessment, evaluation, and cleanup of the presence of hazardous substances which allow participants to carry out response actions using background standards, statewide standards, or site-specific cleanup standards pursuant to this chapter.

2. Adopt rules establishing statewide standards and criteria for determination of background standards and site-specific cleanup standards.

3. Adopt rules establishing a program intended to encourage and enhance assessment, evaluation, and cleanup of sites which may have been the site of or affected by a release.

4. Adopt rules establishing a program to administer the land recycling fund established in section 455H.401.

5. Adopt rules establishing requirements for the submission, performance, and verification of site assessments, cleanup plans, and certifications of completion. The rules shall provide that all site assessments, cleanup plans, and certifications of completion submitted by a participant shall be prepared by or under the supervision of an appropriately trained professional, including a groundwater professional certified pursuant to section 455B.474.

6. Adopt rules for public notice of the proposed verification of a certificate of completion by the department where the certificate of completion is conditioned on the use of an institutional or technological control.

97 Acts, ch 127, §5; 2007 Acts, ch 171, §9

**455H.106 Duties of the department.**

The department shall do all of the following:

1. Enter into agreements or issue orders in connection with the enrollment of property into a program established pursuant to this chapter.

2. Issue no further action letters upon the demonstration of compliance with applicable standards for an affected area by a participant.

3. Enter into agreements or issue orders providing for institutional and technological controls to assure compliance with applicable standards pursuant to this chapter.

4. Take actions necessary, including the revocation, suspension, or modification of permits or agreements, the issuance of orders, and the initiation of administrative or judicial proceedings, to enforce the provisions of this chapter and any agreements, covenants, easements, or orders issued pursuant to this chapter.

97 Acts, ch 127, §6

**455H.107 Land recycling program.**

1. A person may enroll property in the land recycling program pursuant to this chapter to carry out a response action in accordance with rules adopted by the commission which outline the eligibility for enrollment. The eligibility rules shall reasonably encourage the enrollment of all sites potentially eligible to participate under this chapter and shall not take into account any amounts the department may be reimbursed under this chapter.

2. All participants shall enter into an agreement with the department to reimburse the department for actual costs incurred by the department in reviewing documents submitted as a part of the enrollment of the site. This fee shall not exceed seven thousand five hundred dollars per enrolled site. An agreement entered into under this subsection must allow the department access to the enrolled site and must require a demonstration of the participant's ability to carry out a response action reasonably associated with the enrolled site.

3. All of the following shall not be enrolled in the land recycling program:

*a.* Property for which corrective action is needed or has been taken for petroleum underground storage tanks under chapter 455B, division IV, part 8. However, such property

may be enrolled to address hazardous substances other than petroleum from underground storage tanks.

*b.* Property which has been placed or is proposed to be included on the national priorities list established pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

*c.* An animal feeding operation structure as defined in section 459.102.

4. If the site cleanup assessment demonstrates that the release on the enrolled site has affected additional property, all property which is shown to be affected by the release on the enrolled site shall be enrolled in addition to the enrolled site.

5. Following enrollment of the property in the land recycling program, the participant shall proceed on a timely basis to carry out response actions in accordance with the rules implementing this chapter.

6. Once the participant has demonstrated the affected area is in compliance with the standards described in subchapter 2, the department shall proceed on a timely basis and issue a no further action letter pursuant to section 455H.301.

7. The participant may withdraw the enrolled site from further participation in the land recycling program at any time upon written notice to the department. Any participant who withdraws an enrolled site from further participation in the program shall not be entitled to any refund or credit for the enrollment fee paid pursuant to this section and shall, subject to the limitation on fees in subsection 2, be liable for any costs actually incurred by the department. The department or court may determine that a participant who withdraws prior to completion of all response actions identified for the enrolled site forfeits all benefits and immunities provided by this chapter as to the enrolled site. If it is deemed necessary and appropriate by the department, a participant who withdraws shall stabilize the enrolled site in accordance with a plan approved by the department.

97 Acts, ch 127, §7

## SUBCHAPTER 2

## RESPONSE ACTION STANDARDS AND REVIEW PROCEDURES

Referred to in §455H.107

**455H.201 Cleanup standards.**

1. *a.* A participant carrying out a response action shall take such response actions as necessary to assure that conditions in the affected area comply with any of the following, as applicable:

(1) Background standards established pursuant to section 455H.202.

(2) Statewide standards established pursuant to section 455H.203.

(3) Site-specific cleanup standards established pursuant to section 455H.204.

*b.* Any remediation standard which is applied must provide for the protection of the public health and safety and the environment.

2. A participant may use a combination of these standards to implement a site remediation plan and may propose to use the site-specific cleanup standards whether or not efforts have been made to comply with the background or statewide standards.

3. Until rules setting out requirements for background standards, statewide standards, or site-specific cleanup standards are finally adopted by the commission and effective, participants may utilize site-specific cleanup standards for any hazardous substance utilizing the procedures set out in the department's rules implementing risk-based corrective action for underground storage tanks and, where relevant, the United States environmental protection agency's guidance regarding risk assessment for superfund sites.

4. The standards may be complied with through a combination of response actions that may include, but are not limited to, treatment, removal, technological or institutional controls,

and natural attenuation and other natural mechanisms, and can include the use of innovative or other demonstrated measures.

97 Acts, ch 127, §8; 2011 Acts, ch 25, §143

**455H.202 Background standards.**

1. Methods to identify background standards shall be adopted by the commission after consideration of the joint recommendations of the department and the technical advisory committee.

2. The demonstration that the affected area meets the background standard shall be documented by the participant in the following manner:

*a.* Compliance with the background standard shall be demonstrated by collection and analysis of representative samples from environmental media of concern.

*b.* A final report that documents compliance with the background standard shall be submitted to the department and shall include, as appropriate, all of the following:

(1) A description of procedures and conclusions of the site investigation to characterize the nature, extent, direction, volume, and composition of hazardous substances.

(2) The basis for selecting environmental media of concern, descriptions of removal or decontamination procedures performed in remediation, and summaries of sampling methodology and analytical results which demonstrate that the background standard has been complied with.

(3) The basis for determining the background levels.

97 Acts, ch 127, §9

Referred to in §455H.201

**455H.203 Statewide standards.**

1. Statewide standards shall be adopted by the commission after consideration of the joint recommendations of the department and the technical advisory committee. The standards must provide for the protection of the public health and safety and the environment.

2. In establishing these standards, all of the following shall be considered:

*a.* Separate standards shall be established for hazardous substances in soil, in groundwater which is a protected groundwater source, and in groundwater which is not a protected groundwater source.

*b.* In groundwater which is a protected groundwater source, the standards shall be the maximum contaminant levels established pursuant to the department's drinking water standards or, for contaminants that do not have established drinking water standards, the standards shall be derived in a manner comparable to that used for establishment of drinking water standards. An affected area shall not be required to be cleaned up to concentration levels below or more restrictive than background levels.

*c.* In groundwater which is not a protected groundwater source, the standards shall be no more protective than a standard reflecting an increased cancer risk of one in ten thousand from exposure to contaminants that are known or probable human carcinogens; a standard reflecting a noncancer health risk of one-tenth from exposure to contaminants that are possible human carcinogens; or a standard reflecting a noncancer health risk of one from exposure to contaminants that are not known, probable, or possible human carcinogens. An affected area shall not be required to be cleaned up to levels below or more restrictive than background levels.

*d.* In soil, the standards shall be no more protective than a standard reflecting an increased cancer risk of five in one million from exposure to contaminants that are known or probable human carcinogens; a standard reflecting a noncancer health risk of one-tenth from exposure to contaminants that are possible human carcinogens; or a standard reflecting a noncancer health risk of one from exposure to contaminants that are not known, probable, or possible human carcinogens. An affected area shall not be required to be cleaned up to concentration levels below or more restrictive than background levels.

*e.* Statewide standards specified in paragraphs *"b"*, *"c"*, and *"d"* assume exposure to individual contaminants in groundwater or soil. If more than one contaminant exists in a medium or exposure to contaminants can occur from more than one medium, standards

shall be adjusted to reflect a cumulative increased cancer risk that is no less protective than one in ten thousand and a cumulative noncancer health risk to the same target human organ that is no less protective than one. Risks associated with background levels of contaminants shall not be included in the cumulative risk determination.

3. The demonstration that the affected area meets the statewide standard shall be documented by the participant, as appropriate, in the following manner:

*a.* Compliance with cleanup levels shall be demonstrated by collection and analysis of representative samples from the environmental medium of concern.

*b.* A final report that documents compliance with the statewide standard shall be submitted to the department which includes, as appropriate, the descriptions of procedures and conclusions of the site investigation to characterize the nature, extent, direction, rate of movement at the site and cumulative effects, if any, volume, composition, and concentration of hazardous substances in environmental media, the basis for selecting environmental media of concern, documentation supporting the selection of residential or nonresidential exposure factors, descriptions of removal or treatment procedures performed in remediation, and summaries of sampling methodology and analytical results which demonstrate that hazardous substances have been removed or treated to applicable levels.

97 Acts, ch 127, §10; 2002 Acts, ch 1091, §1

Referred to in §455H.201

**455H.204 Site-specific cleanup standards.**

1. Procedures to establish site-specific cleanup standards shall be adopted by the commission after consideration of the joint recommendations of the department and the technical advisory committee. Site-specific cleanup standards must provide for the protection of the public health and safety and the environment.

2. Site-specific cleanup standards and appropriate response actions shall take into account all of the following provided, however, that an affected area shall not be required to be cleaned up to levels below or more restrictive than background levels, and in groundwater which is not a protected groundwater source, to a concentration level which presents an increased cancer risk of less than one in ten thousand:

*a.* The most appropriate exposure scenarios based on current or probable future residential, commercial, industrial, or other industry-accepted scenarios.

*b.* Exposure pathway characterizations including contaminant sources, transport mechanisms, and exposure pathways.

*c.* Affected human or environmental receptors and exposure scenarios based on current or probable projected use scenarios.

*d.* Risk-based corrective action assessment principles which identify risks presented to the public health and safety or the environment by each released hazardous substance in a manner that will protect the public health and safety or the environment using a tiered procedure consistent with the ASTM (American society for testing and materials) international standards applied to nonpetroleum and petroleum hazardous substances.

*e.* Other relevant site-specific risk-related factors such as the feasibility of available technologies, existing background levels, current and planned future uses, ecological, aesthetic, and other relevant criteria, and the applicability and availability of technological and institutional controls.

*f.* Cleanup shall not be required in an affected area that does not present any of the following:

(1) An increased cancer risk from a single contaminant at the point of exposure of five in one million for residential areas or one in ten thousand for nonresidential areas.

(2) An increased cancer risk from multiple contaminants or multiple routes of exposure greater than one in ten thousand.

(3) An increased noncancer health risk from a single contaminant at the point of exposure of greater than one, or greater than one-tenth for possible carcinogens.

(4) An increased noncancer risk to the same target human organ from multiple contaminants or multiple routes of exposure greater than one.

3. The concentration of a hazardous substance in an environmental medium of concern

at an affected area where the site-specific standard has been selected shall not be required to meet the site-specific standard if the site-specific standard is numerically less than the background level. In such cases, the background level shall apply.

4. Any participant electing to comply with site-specific standards established by this section shall submit, as appropriate, all of the following reports and evaluations for review and approval by the department:

*a.* (1) A site-specific risk assessment report and a cleanup plan. The site-specific risk assessment report must include, as appropriate, all of the following:

(a) Documentation and descriptions of procedures and conclusions from the site investigation to characterize the nature, extent, direction, rate of movement, volume, and composition of hazardous substances.

(b) The concentration of hazardous substances in environmental media of concern, including summaries of sampling methodology and analytical results.

(c) A fate and transport analysis to demonstrate that no exposure pathways exist.

(2) If no exposure pathways exist, a risk assessment report and a cleanup plan are not required and no remedy is required to be proposed or completed.

*b.* A final report demonstrating compliance with site-specific cleanup standards has been completed in accordance with the cleanup plan.

*c.* This section does not preclude a participant from submitting a site-specific risk assessment report and cleanup plan at one time to the department for review.

5. Upon submission of either a site-specific risk assessment report or a cleanup plan to the department, the department shall notify the participant of any deficiencies in the report or plan in a timely manner.

6. Owners and operators of underground storage tanks other than petroleum underground storage tanks, aboveground storage tanks, and pipelines which contain or have contained petroleum shall comply with the corrective action rules issued pursuant to chapter 455B, division IV, part 8, to satisfy the requirements of this section.

97 Acts, ch 127, §11; 2002 Acts, ch 1091, §2; 2004 Acts, ch 1086, §76; 2011 Acts, ch 25, §143
Referred to in §455H.201

**455H.205 Variances.**

1. A participant may apply to the department for a variance from any applicable provision of this chapter.

2. The department may issue a variance from applicable standards only if the participant demonstrates all of the following:

*a.* The participant demonstrates either of the following:

(1) It is technically infeasible to comply with the applicable standards.

(2) The cost of complying with the applicable standards exceeds the benefits.

*b.* The proposed alternative standard or set of standards in the terms and conditions set forth in the application will result in an improvement of environmental conditions in the affected area and ensure that the public health and safety will be protected.

*c.* The establishment of and compliance with the alternative standard or set of standards in the terms and conditions is necessary to promote, protect, preserve, or enhance employment opportunities or the reuse of the enrolled site.

3. If requested by a participant, the department may issue a variance from any other provision of this chapter if the department determines that the variance would be consistent with the declaration of policy of this chapter and is reasonable under the circumstances.

97 Acts, ch 127, §12

**455H.206 Institutional and technological controls.**

1. In achieving compliance with the cleanup standards under this chapter, a participant may use an institutional or technological control. The director may require reasonable proof of financial assurance where necessary to assure a technological control remains effective.

2. An institutional or technological control includes any of the following:

*a.* A state or federal law or regulation.

*b.* An ordinance of any political subdivision of the state.

*c.* A contractual obligation recorded and executed in a manner satisfying chapter 558.

*d.* A control which the participant can demonstrate reduces or manages the risk from a release through the period necessary to comply with the applicable standards.

*e.* An environmental protection easement filed prior to July 1, 2005.

*f.* An environmental covenant created in accordance with chapter 455I.

3. If the department's determination of compliance with applicable standards pursuant to subchapter 3 is conditioned on a restriction in the use of any real estate in the affected area, the participant must utilize an institutional control. If the restriction in use is to limit the use to nonresidential use, the participant must use an environmental covenant as the institutional control. Environmental covenants may also be used to implement other institutional or technological controls. An environmental covenant must comply with the requirements of chapter 455I.

4. If the use of an institutional or technological control is confirmed in a no further action letter issued pursuant to section 455H.301, the institutional or technological control may be enforced in district court by the department, a political subdivision of this state, the participant, or any successor in interest to the participant.

5. An institutional or technological control, except for an environmental covenant, may be removed, discontinued, modified, or terminated by the participant or a successor in interest to the participant upon a demonstration that the control no longer is required to assure compliance with the applicable standard. Upon review and approval by the department, the department shall issue an amendment to its no further action letter approving the removal, discontinuance, modification, or termination of an institutional or technological control which is no longer needed.

6. An environmental covenant created pursuant to subsection 3 may be terminated or amended only in accordance with chapter 455I. The department may determine that any person who intentionally violates an environmental covenant or other technological or institutional control contained in a no further action letter loses any of the benefits provided by this chapter as to the affected area. In the event the technological or institutional controls fail to achieve compliance with the applicable standards, the participant shall undertake an additional response action sufficient to demonstrate to the department compliance with applicable standards. Failure to proceed in a timely manner in performing the additional response action may result in termination of the participant's enrollment in the land recycling program.

97 Acts, ch 127, §13; 2005 Acts, ch 102, §4

**455H.207 Response action — permitting requirements.**

1. A participant who would be otherwise required to obtain a permit, license, plan approval, or other approval from the department under any provision of the Code may obtain a consolidated standards permit for the activities in connection with the response action for which the permit, license, plan approval, or other approval is required. The consolidated standards permit shall encompass all the substantive requirements applicable to those activities under any applicable federal or state statute, rule, or regulation and any agreements the director had entered into with the United States environmental protection agency under those statutes, rules, or regulations.

2. In addition to any other notice or hearing requirements of relevant chapters, at least ten days prior to issuing a permit under this section, the director shall publish a notice of the proposed permit which contains a general description of the activities to be conducted in the affected area under the permit. The notice shall be published in the official newspaper, as designated by the county board of supervisors pursuant to section 349.1, of the county in which the site is located. A person may submit written or oral comments on or objections to the permit. After considering the comments and objections, the director shall approve or deny the application for the consolidated standards permit.

3. A participant issued a consolidated standards permit under this section in connection with a particular activity is not required to obtain a permit, license, plan approval, or other approval from the department in connection with any activity under the applicable provisions of the Code or rules. A participant who obtains a consolidated standards permit

for a particular activity is deemed to be in compliance with the requirement to obtain from the department a permit, license, plan approval, or other approval in connection with the activity under the applicable provisions of the Code or rules. A violation of the conditions of the consolidated standards permit shall be deemed to be a violation of the applicable statute, rule, or regulation under which approval of activities in connection with a response action would have been required and is subject to enforcement in the same manner and to the same extent as a violation of the applicable statute, rule, or regulation would have been.

97 Acts, ch 127, §14

**455H.208 Public participation.**

Public participation shall be a required component of the process for participants for all sites enrolled in the land recycling program. The required level of public participation shall vary depending on the conditions existing at a site. At a minimum, the department shall notify all adjacent property owners, occupants of adjacent property, and the city or county in which the property is located of a site's enrollment in the land recycling program and of the scope of work described in the participation agreement, and give the notified parties the opportunity to obtain updates regarding the status of activities relating to the enrolled site in the land recycling program. The notification shall not be required before the participant has had the opportunity to collect basic information characterizing the nature and extent of the contamination, but the notification shall be required in a timely manner allowing appropriate parties to have input in the formulation of the response action. If contaminants from the enrolled site have migrated off the enrolled site or are likely to migrate off the enrolled site, as determined by the department, the department shall notify by direct mailing all potentially affected parties, including the city or county in which the potentially affected property is located, and officials in charge of any potentially impacted public water supply and the notified parties shall be given opportunity to comment on proposed response actions. The department may require the participant of an enrolled site to publish public notice in a local newspaper if widespread interest in the site exists or is likely to exist as determined by the department. The department shall consider reasonable comments from potentially affected parties in determining whether to approve or disapprove a proposed response action or site closure.

2002 Acts, ch 1091, §3; 2003 Acts, ch 108, §78

## SUBCHAPTER 3

## EFFECTS OF PARTICIPATION

Referred to in §455H.206

**455H.301 No further action letters.**

1. Once a participant demonstrates that an affected area meets applicable standards and the department has certified that the participant has met all requirements for completion, the department shall promptly issue a no further action letter to the participant.

2. *a.* A no further action letter shall state that the participant and any protected party are not required to take any further action at the site related to any hazardous substance for which compliance with applicable standards is demonstrated by the participant in accordance with applicable standards, except for continuing requirements specified in the no further action letter. If the participant was a person having control over a hazardous substance, as that phrase is defined in section 455B.381, at the time of the release, a no further action letter may provide that a further response action may be required, where appropriate, to protect against an imminent and substantial threat to public health, safety, and welfare. A protected party who was a person having control over a hazardous substance, as that phrase is defined in section 455B.381, at the time of the release, may be required by the department to conduct a further response action, where appropriate, to protect against an imminent and substantial threat to public health, safety, and welfare.

*b.* If a person transfers property to an affiliate in order for that person or the affiliate to

obtain a benefit to which the transferor would not otherwise be eligible under this chapter or to avoid an obligation under this chapter, the affiliate shall be subject to the same obligations and obtain the same level of benefits as those available to the transferor under this chapter.

*c.* A no further action letter shall be void if the department demonstrates by clear, satisfactory, and convincing evidence that any approval under this chapter was obtained by fraud or material misrepresentation, knowing failure to disclose material information, or false certification to the department.

3. The department shall provide, upon request, a no further action letter as to the affected area to each protected party.

4. The department shall condition the no further action letter upon compliance with any institutional or technological controls relied upon by the participant to demonstrate compliance with the applicable standards.

5. A no further action letter shall be in a form recordable in county real estate records as provided in chapter 558.

97 Acts, ch 127, §15; 2011 Acts, ch 25, §143

Referred to in §455H.107, 455H.206, 455H.302, 455H.303, 455H.503, 455H.509

**455H.302 Covenants not to sue.**

Upon issuance of a no further action letter pursuant to section 455H.301, a covenant not to sue arises by operation of law. The covenant releases the participant and each protected party from liability to the state, in the state's capacity as a regulator administering environmental programs, to perform additional environmental assessment, remedial activity, or response action with regard to the release of a hazardous substance for which the participant and each protected party has complied with the requirements of this chapter.

97 Acts, ch 127, §16

**455H.303 Cessation of statutory liability.**

Upon issuance of a no further action letter pursuant to section 455H.301, except as provided in that section, the participant and each protected party shall no longer have liability under chapter 455A, under chapter 455B other than liability for petroleum underground storage tanks, or under chapters 455D and 455E to the state or to any other person as to any condition at the affected area with regard to hazardous substances for which compliance with applicable standards was demonstrated by the participant in accordance with this chapter and for which the department has provided a certificate of completion.

97 Acts, ch 127, §17

**455H.304 Limitation of liability.**

1. As used in this section, unless the context requires otherwise:

*a.* *"Environmental claim"* means a civil action for damages for environmental harm and includes a civil action under this chapter for recovery of the costs of conducting a response action, but does not include a civil action for damages for a breach of contract or another agreement between persons or for a breach of a warranty that exists pursuant to the Code or common law of this state.

*b.* *"Environmental harm"* means injury, death, loss, or threatened loss to a person or property caused by exposure to or the release of a hazardous substance.

2. Except as may be required in accordance with obligations incurred pursuant to participation in the land recycling program established in this chapter, all of the following, or any officer or employee thereof, are relieved of any further liability for any environmental claim resulting from the presence of hazardous substances at, or the release of hazardous substances from, an enrolled site where a response action is being or has been conducted under this chapter, unless an action or omission of the person, state agency, political subdivision, or public utility, or an officer or employee thereof, constitutes willful or wanton misconduct or intentionally tortious conduct:

*a.* A contractor working for another person in conducting any response action under this chapter.

*b.* A state agency or political subdivision that is conducting a voluntary response action

or a maintenance activity on lands, easements, or rights-of-way owned, leased, or otherwise held by the state agency or political subdivision.

*c.* A state agency when an officer or employee of the state agency provides technical assistance to a participant undertaking a response action under this chapter or rules adopted pursuant to this chapter, or to a contractor, officer, or employee of the agency, in connection with the response action.

*d.* A public utility, as defined in section 476.1, which is performing work in any of the following:

(1) An easement or right-of-way of a public utility across an affected area where a response action is being or has been conducted and where the public utility is constructing or has main or distribution lines above or below the surface of the ground for purposes of maintaining the easement or right-of-way for construction, repair, or replacement of any of the following:

(a) Main or distribution lines above or below the surface of the ground.

(b) Poles, towers, foundations, or other structures supporting or sustaining any such lines.

(c) Appurtenances to poles, towers, foundations, or other structures supporting or sustaining any such lines.

(2) An affected area where a response action is being conducted that is necessary to establish or maintain utility service to the property, including, without limitation, the construction, repair, or replacement of any of the following:

(a) Main or distribution lines above or below the surface of the ground.

(b) Poles, towers, foundations, or other structures supporting or sustaining any such lines.

(c) Appurtenances to poles, towers, foundations, or other structures supporting or sustaining any such lines.

3. This section does not create, and shall not be construed to create, a new cause of action against or substantive legal right against a person, state agency, political subdivision, or public utility, or an officer or employee thereof.

4. This section does not affect, and shall not be construed as affecting, any immunities from civil liability or defenses established by another section of the Code or available at common law, to which a person, state agency, political subdivision, or public utility, or officer or employee thereof, may be entitled under circumstances not covered by this section.

97 Acts, ch 127, §18

**455H.305 Participation not deemed an admission of liability.**

1. Enrolling a site pursuant to this chapter or participating in a response action does not constitute an admission of liability under the statutes of this state, the rules adopted pursuant to the statutes, or the ordinances and resolutions of a political subdivision, or an admission of civil liability under the Code or common law of this state.

2. The fact that a person has become a participant in a response action under this chapter is not admissible in any civil, criminal, or administrative proceeding initiated or brought under any law of this state other than to enforce this chapter.

3. All information, documents, reports, data produced, and any sample collected as a result of enrolling any property under this chapter are not admissible against the person undertaking the response action, and are not discoverable in any civil or administrative proceeding against the participant undertaking the response action except in a judicial or administrative proceeding initiated to enforce this chapter in connection with an alleged violation thereof. This prohibition against admissibility does not apply to any person whose covenant not to sue has been revoked under this chapter.

4. Enrolling a site pursuant to this chapter or participating in a response action shall not be construed to be an acknowledgment that the conditions at the affected area identified and addressed by the response action constitute a threat or danger to public health or safety or the environment.

97 Acts, ch 127, §19

**455H.306 Liability protections.**

The protections from liability afforded under this chapter shall be in addition to the exclusions to any liability protections afforded participants under any other provision of the Code.

97 Acts, ch 127, §20

**455H.307 Liability — new release — condition outside affected area.**

Protections afforded in this chapter shall not relieve a person from liability for a release of a hazardous substance occurring at the enrolled site after the issuance of a no further action letter or from liability for any condition outside the affected area addressed in the cleanup plan and no further action letter.

97 Acts, ch 127, §21

**455H.308 Relationship to federal law.**

The liability protection and immunities afforded under this chapter extend only to liability or potential liability arising under state law. It is not intended to provide any relief as to liability or potential liability arising under federal law. This section shall not be construed as precluding any agreement with a federal agency by which it agrees to provide liability protection based on participation and completion of a cleanup plan under this chapter.

97 Acts, ch 127, §22

**455H.309 Incremental property taxes.**

To encourage economic development and the recycling of contaminated land to promote the purposes of this chapter, cities and counties may provide by ordinance that the costs of carrying out response actions under this chapter are to be reimbursed, in whole or in part, by incremental property taxes over a six-year period. A city or county which implements the option provided for under this section shall provide that taxes levied on property enrolled in the land recycling program under this chapter each year by or for the benefit of the state, city, county, school district, or other taxing district shall be divided as provided in section 403.19, subsections 1 and 2, in the same manner as if the enrolled property was taxable property in an urban renewal project. Incremental property taxes collected under this section shall be placed in a special fund of the city or county. A participant shall be reimbursed with moneys from the special fund for costs associated with carrying out a response action in accordance with rules adopted by the commission. Beginning in the fourth of the six years of collecting incremental property taxes, the city or county shall begin decreasing by twenty-five percent each year the amount of incremental property taxes computed under this section.

97 Acts, ch 127, §23

## SUBCHAPTER 4

## LAND RECYCLING FUND

**455H.401 Land recycling fund.**

1. A land recycling fund is created within the state treasury under the control of the commission. Moneys received from fees, general revenue, federal funds, gifts, bequests, donations, or other moneys so designated shall be deposited in the fund. Any unexpended balance in the land recycling fund at the end of each fiscal year shall be retained in the fund, notwithstanding section 8.33.

2. The commission may use the land recycling fund to provide for all of the following:

*a.* Financial assistance to political subdivisions of the state for activities related to an enrolled site.

*b.* Financial assistance and incentives for qualifying enrolled sites.

*c.* Funding for any other purpose consistent with this chapter and deemed appropriate by the commission.

97 Acts, ch 127, §24

Referred to in §455H.105

SUBCHAPTER 5

MISCELLANEOUS PROVISIONS

**455H.501 and 455H.502** Repealed by 99 Acts, ch 114, § 54.

**455H.503 Recordkeeping requirements.**

The director shall maintain a record of the affected areas or portion of affected areas for which no further action letters were issued under section 455H.301 and which involve institutional or technological controls that restrict the use of any of the enrolled sites to comply with applicable standards. The records pertaining to those sites shall indicate the applicable use restrictions.

97 Acts, ch 127, §27

**455H.504 Transferability of participation benefits.**

A no further action letter, a covenant not to sue, and any agreement authorized to be entered into and entered into under this chapter and the rules adopted pursuant to this chapter may be transferred by the participant or a later recipient to any other person by assignment or in conjunction with the acquisition of title to the enrolled site to which the document applies.

97 Acts, ch 127, §28

**455H.505 Emergency response.**

The provisions of this chapter shall not prevent or impede the immediate response of the department or a participant to an emergency which involves an imminent or actual release of a hazardous substance which threatens public health and safety or the environment. The emergency response action taken by the participant shall comply with the provisions of this chapter and the participant shall not be prejudiced by the mitigation measures undertaken to that point.

97 Acts, ch 127, §29

**455H.506 Interim response.**

The provisions of this chapter shall not prevent or impede a participant from undertaking mitigation measures to prevent significant impacts on human health or the environment. A response action for the site shall not be prejudiced by the mitigation measures undertaken prior to enrolling a property in the land recycling program. The effects of any interim mitigation measure shall be taken into account in the department's evaluation of the participant's compliance with applicable standards.

97 Acts, ch 127, §30

**455H.507 Transition from existing programs.**

Except for any enrolled site which is the subject of an enforcement action by an agency of the state or the federal government prior to July 1, 1997, for any property where actions similar to a response action have commenced pursuant to any provision of chapter 455B prior to July 1, 1997, the person carrying out the action shall elect within ninety days following the final adoption of rules implementing this chapter to either continue to proceed in accordance with the laws and rules in effect prior to July 1, 1997, or to proceed pursuant to this chapter.

97 Acts, ch 127, §31

**455H.508 Participant protection.**

A participant shall not be subject to either a civil enforcement action by an agency of this state or a political subdivision of this state, or an action filed pursuant to section 455B.112

regarding any release, response action, or condition which is the subject of the response action. This protection is contingent on the participant proceeding on a due and timely basis to carry out the response action.

97 Acts, ch 127, §32

**455H.509 Removal of a site from the registry listing.**

An enrolled site listed on the registry of confirmed hazardous waste or hazardous substance disposal sites, established pursuant to section 455B.426, which has completed a response action as to the conditions which led to its original listing on the registry, shall be removed from the registry listing, once a letter of no further action has been issued pursuant to section 455H.301.

97 Acts, ch 127, §33

**455H.510 Relationship to federal programs.**

The provisions of this chapter shall not prevent the department from enforcing both specific numerical cleanup standards and monitoring of compliance requirements specifically required to be enforced by the federal government as a condition of the receipt of program authorization, delegation, primacy, or federal funds.

97 Acts, ch 127, §34

**455H.511 Federal stringency.**

Any rules or standards established pursuant to this chapter shall be no more stringent than those required under any comparable federal law or regulation.

97 Acts, ch 127, §35

# CHAPTER 455I

## UNIFORM ENVIRONMENTAL COVENANTS ACT

Referred to in §455B.103, 455B.426, 455B.474, 455H.206, 558.68, 614.24, 614.32


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**455I.1 Title.**

This chapter shall be known and cited as the *"Uniform Environmental Covenants Act"*.

2005 Acts, ch 102, §5

**455I.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Activity and use limitations"* means restrictions or obligations created under this chapter with respect to real property. *"Activity and use limitations"* may include, but is not limited to, restrictions on installation of water wells and other exposure receptors, construction of surface and subsurface structures, disturbance of and maintenance of soil caps and technological controls, and land use classifications such as residential, nonresidential, or industrial.

2. *"Agency"* means the department of natural resources created by section 455A.2 or any

other state department or federal agency that determines or approves the environmental response project pursuant to which an environmental covenant is created.

3. *"Common interest community"* means a condominium, cooperative, or other real property with respect to which a person, by virtue of the person's ownership of a parcel of real property, is obligated to pay property taxes or insurance premiums for, or for maintenance or improvement of, other real property described in a recorded covenant that creates the common interest community.

4. *"Environmental covenant"* means a servitude arising under an environmental response project that imposes activity and use limitations or the written document creating such servitude.

5. *"Environmental response project"* means a plan or work performed for environmental remediation or flood control affecting real property and conducted under or by one of the following:

*a.* A federal or state program that is subject to the jurisdiction of an agency, including but not limited to programs established by chapters 455B and 455G, corrective or response actions pursuant to 42 U.S.C. § 6901 et seq., and remedial actions under 42 U.S.C. § 9601 et seq.

*b.* A federal or state program for the replacement or protection of ecological features including wetlands.

*c.* A state voluntary cleanup program authorized in chapter 455H.

*d.* An incident to a closure conducted with approval of an agency of a solid or hazardous waste management unit, a sanitary disposal project, or an underground storage tank.

6. *"Grantor"* means any person with sufficient fee title or other property ownership interests necessary to create a valid environmental covenant under Iowa law.

7. *"Holder"* means the grantee of an environmental covenant as specified in section 455I.3, subsection 1.

8. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

9. *"Record"*, used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

2005 Acts, ch 102, §6; 2012 Acts, ch 1018, §5, 7

Referred to in §455H.103

Validity and enforceability under this chapter of certain instruments entered into on or after July 1, 1992, and before July 1, 2012, and declared as environmental covenants by July 1, 2013; 2012 Acts, ch 1018, §7

**455I.3 Nature of rights — subordination of interests.**

1. Any person, including a person that owns an interest in the real property, an agency, or a municipality or other unit of local government, may be a holder. An environmental covenant may identify more than one holder. The interest of a holder is an interest in real property.

2. A right of an agency under this chapter or under an environmental covenant, other than a right as a holder, is not an interest in real property.

3. An agency is bound by any obligation it assumes in an environmental covenant, but an agency does not assume obligations merely by signing an environmental covenant. Any other person that signs an environmental covenant is bound by the obligations the person assumes in the environmental covenant, but signing the environmental covenant does not change obligations, rights, or protections granted or imposed under law or administrative action other than this chapter except as provided in the environmental covenant.

4. The following rules apply to interests in real property in existence at the time an environmental covenant is created or amended:

*a.* An interest that has priority under other law is not affected by an environmental covenant unless the person that owns the interest subordinates that interest to the environmental covenant.

*b.* This chapter does not require a person that owns a prior interest to subordinate that interest to an environmental covenant or to agree to be bound by the environmental covenant.

*c.* A subordination agreement may be contained in an environmental covenant covering

real property or in a separate record. If the environmental covenant covers commonly owned property in a common interest community, the covenant or record may be signed by any person authorized by the governing board of the owners' association.

*d.* An agreement by a person to subordinate a prior interest to an environmental covenant affects the priority of that person's interest but does not by itself impose any affirmative obligation on the person with respect to the environmental covenant.

2005 Acts, ch 102, §7

Referred to in §455I.2

**455I.4 Contents of environmental covenant.**

1. An environmental covenant shall contain all of the following:

*a.* A statement that the instrument is an environmental covenant executed pursuant to this chapter.

*b.* A legally sufficient description of the real property subject to the environmental covenant.

*c.* A description of the activity and use limitations on the real property.

*d.* The identity of every holder and grantor.

*e.* A signature by the grantor, the agency, every holder, and, unless waived by the agency, every owner in fee simple of the real property subject to the environmental covenant.

*f.* Identification of the name and location of any final agency action decision documents for the environmental response project reflected in the environmental covenant.

*g.* The rights of access to the real property granted in connection with implementation or enforcement of the environmental covenant.

2. In addition to the information required in this section, an environmental covenant may contain other information, restrictions, and requirements agreed to by the persons who sign the environmental covenant, including any of the following:

*a.* Requirements for periodic reporting describing compliance with the environmental covenant.

*b.* Requirements for notice to an agency following transfer of a specified interest in, or concerning proposed changes in use of, applications for building permits for, or proposals for any site work affecting the contamination on, the real property subject to the environmental covenant.

*c.* A brief narrative description of the contamination and remedy, including the contaminants of concern, the pathways of exposure, limits on exposure, and the location and extent of the contamination.

*d.* Limitations on amendment or termination of the environmental covenant in addition to those contained in sections 455I.9 and 455I.10.

*e.* Rights of the holder in addition to the holder's right to enforce the environmental covenant pursuant to section 455I.11.

3. In addition to other conditions for its approval of an environmental covenant authorized by law, an agency may require those persons specified by the agency who have interests in the real property to sign the environmental covenant.

2005 Acts, ch 102, §8

**455I.5 Validity — effect on other instruments.**

1. An environmental covenant that complies with this chapter runs with the land.

2. An environmental covenant that is otherwise effective is valid and enforceable even if any of the following applies to the environmental covenant:

*a.* The environmental covenant is not appurtenant to an interest in real property.

*b.* The environmental covenant can be or has been assigned to a person other than the original holder.

*c.* The environmental covenant is not of a character that has been recognized traditionally at common law.

*d.* The environmental covenant imposes a negative burden.

*e.* The environmental covenant imposes an affirmative obligation on a person having an interest in the real property or on the holder.

*f.* The benefit or burden does not touch or concern real property.

*g.* There is no privity of estate or contract.

*h.* The holder dies, ceases to exist, resigns, or is replaced.

*i.* The owner of an interest subject to the environmental covenant and the holder are the same person.

3. An instrument that creates restrictions or obligations with respect to real property that would qualify as activity and use limitations except for the fact that the instrument was recorded before July 1, 2005, is valid and enforceable and is not rendered invalid or unenforceable based upon any of the potential limitations on enforcement of interests described in subsection 2 or because it was identified as an easement, servitude, deed restriction, or other interest. This chapter does not apply in any other respect to such an instrument.

4. This chapter does not invalidate or render unenforceable any interest, whether designated as an environmental covenant or other interest, that was created prior to July 1, 2005, or that is otherwise enforceable under the laws of this state.

2005 Acts, ch 102, §9; 2006 Acts, ch 1030, §43, 89

**455I.6 Relationship to other land-use law.**

This chapter does not authorize a use of real property that is otherwise prohibited by zoning, by law other than this chapter regulating use of real property, or by a recorded instrument that has priority over the environmental covenant. An environmental covenant may prohibit or restrict uses of real property which are authorized by zoning or by law other than this chapter.

2005 Acts, ch 102, §10

**455I.7 Notice.**

1. A copy of a recorded environmental covenant shall be provided to each of the following in the manner required by an agency:

*a.* Each person that signed the environmental covenant.

*b.* Each person holding a recorded interest in the real property subject to the environmental covenant.

*c.* Each person in possession of the real property subject to the environmental covenant.

*d.* Each municipality or other unit of local government in which real property subject to the environmental covenant is located.

*e.* Any other person the agency requires.

2. The validity of an environmental covenant is not affected by failure to provide a copy of the environmental covenant as required under this section.

2005 Acts, ch 102, §11

**455I.8 Recording.**

1. An environmental covenant and any amendment or termination of the environmental covenant shall be recorded in every county in which any portion of the real property subject to the environmental covenant is located. For purposes of indexing, a holder shall be treated as a grantee.

2. Except as otherwise provided in section 455I.9, subsection 4, an environmental covenant is subject to the laws of this state governing recording and priority of interests in real property.

2005 Acts, ch 102, §12

**455I.9 Duration — amendment by court or department action.**

1. An environmental covenant is perpetual unless any of the following occurs:

*a.* The environmental covenant, by its terms, is limited to a specific duration or terminated by the occurrence of a specific event.

*b.* The environmental covenant is terminated by consent pursuant to section 455I.10.

*c.* The environmental covenant is terminated pursuant to subsection 2 or 3.

*d.* The environmental covenant is terminated by foreclosure of an interest that has priority over the environmental covenant.

*e.* The environmental covenant is terminated or modified in an eminent domain proceeding, but only if all of the following occur:

(1) The agency that signed the document, if any, is a party to the proceeding.

(2) Each person that signed the environmental covenant, unless the person waived in a signed record the right to consent or a court finds that the person no longer exists or cannot be located or identified with the exercise of reasonable diligence, and the current property owner are given notice of the pendency of the proceeding.

(3) The court determines, after hearing, that the termination or modification will not adversely affect human health and safety or the environment.

2. If the agency that signed an environmental covenant is a state agency and has determined that the intended purposes can no longer be realized, the agency may terminate the environmental covenant or reduce its burden on the real property subject to the environmental covenant. Notice shall be provided to each person that signed the covenant or their assignee, to the current property owner, and to any other persons identified in section 455I.10, subsection 1. The agency's determination or failure to make a determination upon request shall constitute final agency action. Failure by the agency to make a determination within sixty days upon request shall constitute final agency action. Any person entitled to notice by the agency shall be entitled to judicial review pursuant to section 17A.19 with the following exceptions:

*a.* Proceedings for judicial review shall be filed in the county in which the environmental covenant was recorded.

*b.* Notwithstanding section 17A.19, subsection 2, service of process shall not be jurisdictional and shall be as provided in the Iowa rules of civil procedure.

*c.* Notwithstanding section 17A.19, subsection 3, a petition for judicial review shall be filed within thirty days of the written decision by the agency. Such filing shall be jurisdictional.

*d.* The district court shall hear and consider relevant evidence, including testimony or other evidence not considered by the agency, regarding the question of whether the environmental covenant should be terminated or the burden on the real estate reduced if, based on changed circumstances, the court determines the intended purposes of the environmental covenant can no longer be realized.

3. If the agency that signed an environmental covenant is a federal agency, the agency's determination or failure to make a determination as provided in subsection 2 shall be reviewable in accordance with applicable federal law.

4. Except as otherwise provided in subsections 1, 2, and 3, an environmental covenant may not be extinguished, limited, or impaired through issuance of a tax deed, foreclosure of a tax lien, or application of the doctrine of adverse possession, prescription, abandonment, waiver, lack of enforcement, or acquiescence, or a similar doctrine.

5. An environmental covenant may not be extinguished, limited, or impaired by application of section 558.68 or sections 614.24 through 614.38.

2005 Acts, ch 102, §13

Referred to in §455I.4, 455I.8

**455I.10 Amendment or termination by consent.**

1. An environmental covenant may be amended or terminated by consent only if the amendment or termination is signed by all of the following:

*a.* The agency.

*b.* The current owner in fee simple of the real property subject to the environmental covenant.

*c.* Each person that originally signed the environmental covenant or an assignee of an original signatory, unless the person waived in a recorded document the right to consent or the agency finds that the person no longer exists or cannot be located or identified with the exercise of reasonable diligence.

*d.* Except as otherwise provided in subsection 4, paragraph "*b*", the holder.

2. If an interest in real property is subject to an environmental covenant, the interest is

not affected by an amendment to the environmental covenant unless the current owner of the interest consents to the amendment or has waived in a recorded document the right to consent to amendments.

3. Except for an assignment undertaken pursuant to a governmental reorganization, assignment of an environmental covenant to a new holder is an amendment.

4. Except as otherwise provided in an environmental covenant, all of the following apply:

*a.* A holder may not assign its interest without consent of the other parties as provided in subsection 1.

*b.* A holder may be removed and replaced by agreement of the other parties specified in subsection 1.

*c.* A court of competent jurisdiction may fill a vacancy in the position of holder.

2005 Acts, ch 102, §14

Referred to in §455I.4, 455I.9

**455I.11 Enforcement of environmental covenant.**

1. A civil action for injunctive or other equitable relief for violation of an environmental covenant may be maintained by any of the following:

*a.* A holder or grantor.

*b.* The agency or, if the agency is not the agency with authority to determine or approve the environmental response project, the department of natural resources.

*c.* Any person to whom the environmental covenant expressly grants power to enforce the environmental covenant.

*d.* A person whose interest in the real property or whose collateral or liability may be affected by the alleged violation of the environmental covenant.

*e.* A municipality or other unit of local government in which the real property subject to the environmental covenant is located.

2. This chapter does not limit the regulatory authority of an agency under law other than this chapter with respect to an environmental response project.

3. A person is not responsible for or subject to liability for environmental remediation or flood control solely because it has the right to enforce an environmental covenant.

2005 Acts, ch 102, §15; 2006 Acts, ch 1030, §44; 2012 Acts, ch 1018, §6, 7

Referred to in §455I.4

Validity and enforceability under this chapter of certain instruments entered into on or after July 1, 1992, and before July 1, 2012, and declared as environmental covenants by July 1, 2013; 2012 Acts, ch 1018, §7

**455I.12 Relation to Electronic Signatures in Global and National Commerce Act.**

This chapter modifies, limits, or supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but does not modify, limit, or supersede section 101(a) of that Act, 15 U.S.C. § 7001(a), or authorize electronic delivery of any of the notices described in section 103(b) of that Act, 15 U.S.C. § 7003(b).

2005 Acts, ch 102, §16

# CHAPTER 455J

## ENVIRONMENTAL MANAGEMENT SYSTEMS


455J.1 Environmental management systems — legislative findings — purpose.
455J.2 Definitions.
455J.3 Environmental management system designation requirements.
455J.4 Annual compliance reports.
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455J.7 Designation of environmental management systems.


**455J.1 Environmental management systems — legislative findings — purpose.**

1. The purpose of this chapter is to encourage responsible environmental management and solid waste disposal and to enhance efforts to promote environmental stewardship.

2. The general assembly finds and declares all of the following:

*a.* The policy of responsible environmental management can be furthered by rewarding solid waste disposal projects that operate in an innovative, cost-effective, technologically advanced, and environmentally sensitive manner.

*b.* Responsible environmental management can also be furthered by changing the focus of solid waste disposal projects from disposal management to environmental resource management.

*c.* The concept of environmental stewardship embraces every aspect of the environmental footprint created by the management and disposal of solid waste.

*d.* Environmental management systems mitigate the climate change impacts of solid waste disposal by reducing the amount of greenhouse gases released into the atmosphere. In addition, environmental management systems improve water quality by limiting and treating the impacts of leachate disposal and by providing positive examples of sustainable water resource management.

*e.* The goal of managing resources in a sustainable manner is to increase the benefits to communities and society for the present and for the future.

2008 Acts, ch 1109, §4

Referred to in §455J.7

**455J.2 Definitions.**

For purposes of this chapter:

1. *"Commission"* means the environmental protection commission.

2. *"Council"* means the solid waste alternatives program advisory council established by the director.

3. *"Department"* means the department of natural resources.

4. *"Director"* means the director of the department of natural resources.

5. *"Environmental management system"* or *"system"* means a solid waste planning area which has been designated as an environmental management system pursuant to section 455J.7. *"Environmental management system"* includes a planning area designated as an environmental management system that is providing multiple environmental services in addition to solid waste disposal and that is planning for the continuous improvement of solid waste management by appropriately and aggressively mitigating the environmental impacts of solid waste disposal.

2008 Acts, ch 1109, §5

**455J.3 Environmental management system designation requirements.**

To qualify for designation as an environmental management system pursuant to section 455J.7, a solid waste planning area shall actively pursue all of the following:

1. *Yard waste management.* Provide for the operation of a yard waste management program or contract with another party to do so.

2. *Hazardous household waste collection.* Provide for the proper management and disposal of hazardous household waste by operating a regional collection center or participating in a regional collection center network. The regional collection center shall provide for the collection and disposal of hazardous household wastes, including but not limited to paint, pesticides, batteries, automotive products, sharps, needles and syringes, and pool chemicals. The regional collection center shall encourage the reuse of any materials for which reuse is possible and may educate households on the use of safer alternatives through efforts designed to increase public participation and to increase the participation of local government entities not currently in a network. Regional collection centers may also provide for the assessment of current educational programs by examining changes in consumer behavior.

3. *Water quality improvement.* Provide for a water quality improvement program within the system's planning area. Such a program may include offering educational programs, sponsoring awareness initiatives, providing for cleanup activities such as the cleanup of illegal dumping areas, and otherwise promoting responsible environmental behavior.

4. *Greenhouse gas reduction.* Implement a greenhouse gas reduction program designed

to prevent the release of greenhouse gases into the atmosphere. Such a program may include but is not limited to the following activities:

*a.* Generating electricity or producing other fuels through the collection of landfill gas, such as a methane gas recovery or minimization system.

*b.* Collecting and managing food and other organic waste from households and from industrial and commercial establishments, or attempting to recover energy from the reuse of biomass.

*c.* Implementing programs that encourage the efficient use of energy and promote the use of renewable fuels.

*d.* Discouraging the uncontrolled burning of solid waste and yard waste.

*e.* Setting recycling goals to measure energy savings and quantify the level of success of greenhouse gas mitigation efforts.

*f.* Collection and recycling services targeted at waste generated by industrial and commercial facilities such as cardboard, paper, construction, and demolition waste.

5. *Recycling services.*

*a.* Offer recycling services for paper, glass, metal, and plastics within the communities served. In addition to offering recycling of paper, metal, glass, and plastics, a solid waste planning area may also offer recycling services for electronic waste, white goods, and tires.

*b.* Recycling services may also be targeted at waste generated by industrial and commercial facilities such as cardboard, paper, construction, and demolition waste.

*c.* Recycling services offered in an effort to meet the goals of this subsection may be provided through drop-off sites or through curbside recycling programs operated in conjunction with solid waste collection.

6. *Environmental education.* Plan and implement programs educating the public on environmental stewardship. These programs may include components designed to prevent illegal dumping, reduce greenhouse gas emissions, improve water quality, reduce waste generation, increase recycling and reuse, or any other environmental objective that furthers the purpose and goals of this chapter.

2008 Acts, ch 1109, §6

Referred to in §455E.11, 455J.4, 455J.7

**455J.4 Annual compliance reports.**

1. On September 1, 2009, and each year thereafter, each environmental management system shall submit to the department an annual report. The report shall document the system's compliance with the requirements of section 455J.3.

2. The department shall adopt by rule methods and criteria for determining whether a system is in compliance with the provisions of this chapter. In adopting methods and criteria, the department shall consult with stakeholders in order to develop reasonable and appropriate criteria. In determining whether a system is in compliance with the provisions of this chapter, the department shall evaluate whether a system is making continuing progress in regard to the requirements of section 455J.3.

2008 Acts, ch 1109, §7

**455J.5 Incentives.**

1. A solid waste planning area designated as an environmental management system pursuant to section 455J.7 shall qualify for all of the following:

*a.* An exemption from solid waste reduction goals imposed on sanitary landfills pursuant to section 455D.3.

*b.* A reduced tonnage fee of three dollars and sixty-five cents per ton, to be imposed as provided in section 455B.310, notwithstanding section 455B.310, subsection 2, of which two dollars and ten cents shall be remitted to the department.

*c.* Financial assistance as recommended by the council and approved by the commission pursuant to section 455J.7.

2. Notwithstanding any other provision of law to the contrary, in addition to the incentives

in subsection 1, an environmental management system is only required to file its updated comprehensive plan once every five years.

2008 Acts, ch 1109, §8

Referred to in §455B.310

**455J.6 Solid waste alternatives program advisory council.**

1. A solid waste alternatives program advisory council is established within the department. The council consists of the following voting members serving staggered three-year terms who shall be appointed by the director:

*a.* One member representing the Iowa recycling association.

*b.* One member representing the Iowa waste exchange.

*c.* One member representing the economic development authority's recycle Iowa program.

*d.* One member representing the Iowa society of solid waste administrators.

*e.* Three members representing solid waste planning areas of various sizes.

*f.* One member representing the Iowa chapter of the national solid wastes management association.

*g.* One member representing the department.

2. In appointing members to the council, the director shall include representatives from both public and private solid waste entities.

3. Members shall not be entitled to compensation, but shall be entitled to reimbursement for expenses pursuant to section 7E.6.

4. A majority of voting members shall not include any member who has a conflict of interest. A statement by a member that the member has a conflict of interest is conclusive for this purpose. A vacancy in the membership does not prevent the council from performing the duties of the council.

2008 Acts, ch 1109, §9; 2011 Acts, ch 34, §105; 2011 Acts, ch 118, §85, 89

**455J.7 Designation of environmental management systems.**

1. *Consideration of plans.* The council shall consider solid waste management plans submitted by solid waste planning areas and make recommendations for designation as an environmental management system to the commission. All system designations recommended by the council are subject to approval by the commission. Any solid waste planning area may submit a plan to the council and seek designation as a system.

*a.* By October 1, 2008, the council shall recommend the designation of up to six initial qualifying solid waste planning areas as environmental management systems to serve as pilot projects. By October 1, 2009, and by the same date each year thereafter, the council may recommend the designation of any additional planning areas as systems, provided those areas meet the requirements of section 455J.3.

*b.* In recommending the designation of a planning area as a system, the council shall make a determination as to whether the area meets the requirements of section 455J.3. The council shall not recommend the designation of a planning area as a system unless the planning area meets the requirements of section 455J.3.

*c.* The commission shall consider the plans submitted to the council and shall review the council's recommendations on those plans. The commission shall approve or reject each plan and shall make publicly available its reasons for doing so.

2. *System review.*

*a.* By October 1, 2009, and by the same date each year thereafter, the council shall review the annual reports of all designated systems and determine whether those systems remain in compliance with section 455J.3. If the council determines that a planning area is no longer in compliance, the council may recommend to the commission the revocation of the planning area's system designation.

*b.* The council may review and monitor the progress of those planning areas that have not been designated as a system and shall coordinate with other statewide boards, task forces, and other entities in order to achieve the goals and objectives of this chapter.

3. *Allocation of funds.*

*a.* The council shall recommend to the commission a reasonable allocation of the moneys provided in section 455E.11, subsection 2, paragraph *"a"*, subparagraph (1), subparagraph division (d), to eligible systems. In making its recommendation as to the allocation of moneys, the council shall adopt and use a set of reasonable criteria. The criteria shall conform to the goals and purposes of this chapter as described in section 455J.1 and shall be approved by the commission.

*b.* Notwithstanding any other provision of law to the contrary, the commission shall make a final allocation of the funds described in section 455E.11, subsection 2, paragraph *"a"*, subparagraph (1), subparagraph division (d), to systems meeting the requirements of this chapter.

*c.* Moneys allocated pursuant to this subsection shall be used by systems to further compliance with any of the requirements of section 455J.3.

2008 Acts, ch 1109, §10; 2009 Acts, ch 41, §263

Referred to in §455D.3, 455E.11, 455J.2, 455J.3, 455J.5

# CHAPTER 455K

## ENVIRONMENTAL AUDIT PRIVILEGE AND IMMUNITY


455K.1 Title.
455K.2 Definitions.
455K.3 Privilege.
455K.4 Waiver of privilege — disclosure.
455K.5 Required disclosure.
455K.6 Materials not privileged.
455K.7 Review of privileged documents.
455K.8 Voluntary disclosure of environmental violation — immunity.
455K.9 Other privileges not affected.
455K.10 Environmental auditor training program.
455K.11 Summary.
455K.12 Rulemaking.
455K.13 Costs.


**455K.1 Title.**

This chapter shall be known and cited as the *"Environmental Audit Privilege and Immunity Act"*.

98 Acts, ch 1109, §1

**455K.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of natural resources created under section 455A.2 or its delegated authority.

2. *"Environmental audit"* means a voluntary evaluation of a facility or operation, of an activity at a facility or operation, or of an environmental management system at a facility or operation when the facility, operation, or activity is regulated under state or federal environmental laws, rules, or permit conditions, conducted by an owner or operator, an employee of the owner or operator, or an independent contractor retained by the owner or operator that is designed to identify historical or current noncompliance with environmental laws, rules, ordinances, or permit conditions, discover environmental contamination or hazards, remedy noncompliance or improve compliance with environmental laws, or improve an environmental management system. Once notification is given to the department, an environmental audit shall be completed within a reasonable time not to exceed six months unless an extension is approved by the department based on reasonable grounds.

3. *"Environmental audit report"* means a document or set of documents generated and developed for the primary purpose and in the course of or as a result of conducting an environmental audit. An *"environmental audit report"* includes supporting information which may include, but is not limited to, the report document itself, observations, samples, analytical results, exhibits, findings, opinions, suggestions, recommendations, conclusions,

drafts, memoranda, drawings, photographs, computer-generated or electronically recorded information, maps, charts, graphs, surveys, implementation plans, interviews, discussions, correspondence, and communications related to the environmental audit. An "*environmental audit report*" may include any of the following components:

*a.* An executive summary prepared by the person conducting the environmental audit which may include the scope of the environmental audit, the information gained in the environmental audit, conclusions, recommendations, exhibits, and appendices.

*b.* Memoranda and documents analyzing portions or all of the report and discussing implementation issues.

*c.* An implementation plan which addresses correcting past noncompliance, improving current compliance or an environmental management system, or preventing future noncompliance.

*d.* Periodic updates documenting progress in completing the implementation plan.

4. "*Inquiring party*" means any party appearing before a court or a presiding officer in an administrative proceeding seeking to review or obtain an in camera review of an environmental audit report.

5. "*Owner or operator*" means the person or entity who caused the environmental audit to be undertaken.

6. "*Privilege*" means the protections provided in regard to an environmental audit report as provided in this chapter.

98 Acts, ch 1109, §2
Referred to in §455K.3

**455K.3 Privilege.**

1. Material included in an environmental audit report generated during an environmental audit conducted after July 1, 1998, is privileged and confidential and is not discoverable or admissible as evidence in any civil or administrative proceeding, except as otherwise provided in this chapter. The environmental audit report shall be labeled "ENVIRONMENTAL AUDIT REPORT: PRIVILEGED DOCUMENT". Failure to label each document within the report does not constitute a waiver of the environmental audit privilege or create a presumption that the privilege does or does not apply.

2. A person shall not be compelled to testify in regard to or produce a document included in an environmental audit report in any of the following circumstances:

*a.* If the testimony or document discloses any component listed in section 455K.2, subsection 3, that was made as part of the preparation of an environmental audit report and that is addressed in a privileged part of an environmental audit report.

*b.* If the person is any of the following:

(1) A person who conducted any portion of the environmental audit but did not personally observe the physical events of an environmental violation.

(2) A person to whom the results of the environmental audit report are disclosed under section 455K.4, subsection 2.

(3) A custodian of the environmental audit report.

3. A person who conducts or participates in the preparation of an environmental audit report and who has observed physical events of an environmental violation may testify about those events but shall not be compelled to testify about or produce documents related to the preparation of or any privileged part of an environmental audit or any component listed in section 455K.2, subsection 3.

4. An employee of a state agency or other governmental employee shall not request, review, or otherwise use an environmental audit report during an agency inspection of a regulated facility or operation, or an activity of a regulated facility or operation.

5. A party asserting the privilege under this section has the burden of establishing the applicability of the privilege.

6. The privilege provided in this section is in addition to the privilege provided to assistance programs pursuant to section 455B.484A.

98 Acts, ch 1109, §3
Referred to in §455K.4, 455K.8

**455K.4 Waiver of privilege — disclosure.**

1. The privilege described in section 455K.3 shall not apply to the extent that the privilege is expressly waived in writing by the owner or operator who prepared the environmental audit report or caused the report to be prepared.

2. Disclosure of an environmental audit report or any other information generated by an environmental audit does not waive the privilege established in section 455K.3 if the disclosure meets any of the following criteria:

*a.* The disclosure is made to address or correct a matter raised by the environmental audit and the disclosure is made to any of the following:

(1) A person employed by the owner or operator, including temporary and contract employees.

(2) A legal representative of the owner or operator.

(3) An officer or director of the regulated facility or operation or a partner of the owner or operator.

(4) An independent contractor retained by the owner or operator.

*b.* The disclosure is made under the terms of a confidentiality agreement between any person and the owner or operator of the audited facility or operation.

3. A party to a confidentiality agreement described in subsection 2, paragraph *"b"*, who violates that agreement is liable for damages caused by the disclosure and for any other penalties stipulated in the confidentiality agreement.

4. Information that is disclosed under subsection 2, paragraph *"b"*, is confidential and is not subject to disclosure under chapter 22.

5. The protections provided by federal or state law shall be afforded to individuals who disclose information to law enforcement authorities.

6. The provisions of this chapter shall not abrogate the protections provided by federal and state law regarding confidentiality and trade secrets.

98 Acts, ch 1109, §4; 2011 Acts, ch 106, §15, 17

Referred to in §455K.3

**455K.5 Required disclosure.**

1. A court or a presiding officer in an administrative hearing may require disclosure of a portion of an environmental audit report in a civil or administrative proceeding if the court or presiding officer affirmatively determines, after an in camera review, that any of the following exists:

*a.* The privilege is asserted for a fraudulent purpose.

*b.* The portion of the environmental audit report is not subject to the privilege under section 455K.6.

*c.* The portion of the environmental audit report shows evidence of noncompliance with a state or federal environmental or other law, rule, or permit condition and appropriate efforts to achieve compliance with the law or ordinance were not promptly initiated and pursued with reasonable diligence after discovery of noncompliance.

*d.* The portion of the environmental audit report shows clear and convincing evidence of substantial actual personal injury, which information is not otherwise available.

*e.* The portion of the environmental audit report shows a clear and present danger to the public health or the environment.

2. A party seeking disclosure under this section has the burden of proving that subsection 1 applies.

3. A decision of a presiding officer in an administrative hearing under subsection 1 may be directly appealed to the district court without disclosure of the environmental audit report to any person unless so ordered by the court.

4. A determination of a court under this section is subject to interlocutory appeal to an appropriate appellate court.

5. If a court finds that a person claiming privilege under this chapter intentionally claimed the privilege for material not privileged as provided in section 455K.6, the person is subject to a fine not to exceed one thousand dollars.

6. Privilege provided in this chapter does not apply if an owner or operator of the facility

or operation has been found in a civil or administrative proceeding to have committed serious violations in this state that constitute a pattern of continuous or repeated violations of environmental laws, administrative rules, or permit conditions, that were due to separate and distinct events giving rise to the violations within the three-year period prior to the date of disclosure.

98 Acts, ch 1109, §5

**455K.6 Materials not privileged.**

1. The privilege described in this chapter does not apply to any of the following:

*a.* A document, communication, datum, report, or other information required by a regulatory agency to be collected, developed, retained, or reported under a state or federal environmental law, rule, or permit condition.

*b.* Information obtained by observation, sampling, or monitoring by a regulatory agency or a regulatory agency's authorized designee.

*c.* Information obtained from a source not involved in the preparation of the environmental audit report.

2. This section does not limit the right of a person to agree to conduct an environmental audit and disclose an environmental audit report.

98 Acts, ch 1109, §6

Referred to in §455K.5, 455K.7

**455K.7 Review of privileged documents.**

1. The privileges created in this chapter shall not apply to criminal investigations or proceedings. An environmental audit report, supporting documents, and testimony relating thereto may be obtained by a prosecutor's subpoena pursuant to the rules of criminal procedure. If an environmental audit report is obtained, reviewed, or used in a criminal investigation or proceeding, the administrative and civil evidentiary privilege established in this chapter is not waived or made inapplicable for any purpose other than for the criminal investigation or proceeding.

2. Notwithstanding the privilege established in this chapter, the department may review information in an environmental audit report, but such review does not waive or make the administrative and civil evidentiary privilege inapplicable to the report. A regulatory agency shall not adopt a rule or impose a condition that circumvents the purpose of this chapter.

3. If information is required to be made available to the public by operation of a specific state or federal law, rule, or permit condition, the governmental authority shall notify the person claiming the privilege of the potential for public disclosure prior to obtaining such information under subsection 1 or 2.

4. If privileged information is disclosed under subsection 2 or 3, on the motion of a party, a court or the presiding officer in an administrative hearing shall suppress evidence offered in any civil or administrative proceeding that arises or is derived from review, disclosure, or use of information obtained under this section if the review, disclosure, or use is not authorized under section 455K.6. A party having received information under subsection 2 or 3 has the burden of proving that the evidence offered did not arise and was not derived from the review of privileged information.

98 Acts, ch 1109, §7

**455K.8 Voluntary disclosure of environmental violation — immunity.**

1. An owner or operator is eligible for immunity under this section from the time the department receives official notification from the owner or operator of a scheduled environmental audit. An owner or operator is immune from any administrative or civil penalty associated with the information disclosed if the owner or operator makes a prompt voluntary disclosure to the department regarding an environmental violation which is discovered through the environmental audit. The owner or operator creates a rebuttable presumption that the disclosure is voluntary by meeting the criteria provided in subsection 2 at the time of disclosure. To rebut the presumption that a disclosure is voluntary, the department or other party has the burden of proving that the disclosure was not voluntary.

Immunity is not provided if the violations of state or federal environmental law, rule, or permit condition are intentional or if the violations of state or federal law, rule, or permit condition resulted in substantial actual injury or imminent and substantial risk of injury to persons, property, or the environment.

2. The disclosure of information is voluntary if all of the following circumstances exist:

*a.* The disclosure arises out of an environmental audit and relates to privileged information as provided in section 455K.3.

*b.* The person making the disclosure uses reasonable efforts to pursue compliance and to correct the noncompliance within a reasonable period of time after completion of the environmental audit in accordance with a remediation schedule submitted to and approved by the department. If evidence shows that the noncompliance is due to the failure to obtain a permit, reasonable effort may be demonstrated by the submittal of a complete permit application within a reasonable time. Disclosure of information required to be reported by state or federal law, rule, or permit condition is not considered to be voluntary disclosure and the immunity provisions in this section are not applicable.

*c.* Environmental violations are identified in an environmental audit report and disclosed to the department before there is notice of a citizen suit or a legal complaint by a third party.

*d.* Environmental violations are identified in an environmental audit report and disclosed to the department before the environmental violations are reported by any person not involved in conducting the environmental audit or to whom the environmental audit report was disclosed.

3. If an owner or operator has not provided the department with notification of a scheduled environmental audit prior to performing the audit, a disclosure of information is voluntary if the environmental violations are identified in an environmental audit report and disclosed by certified mail to the proper regulatory agency that has jurisdiction over the disclosed violation prior to the agency's commencement of an investigation.

4. If a person is required to make a disclosure relating to a specific issue under a specific permit condition or under an order issued by the department, the disclosure is not voluntary with respect to that issue.

5. Except as provided in this section, this section does not impair the authority of the proper regulatory agency to require a technical or remedial action or to order injunctive relief.

6. Upon application to the department, the time period within which the disclosed violation is corrected under subsection 2 may be extended if it is not practical to correct the noncompliance within the reasonable period of time initially approved by the department. The department shall not unreasonably withhold the grant of an extension. If the department denies an extension, the department shall provide the requesting party with a written explanation of the reasons for the denial. A request for de novo review of the department's decision may be made to the appropriate court.

7. Immunity provided under this section from administrative or civil penalties does not apply under any of the following circumstances:

*a.* If an owner or operator of the facility or operation has been found in a civil or administrative proceeding to have committed serious violations in this state that constitute a pattern of continuous or repeated violations of environmental laws, administrative rules, and permit conditions and that were due to separate and distinct events giving rise to the violations within the three-year period prior to the date of disclosure, or if under section 459.604 an owner or operator of a facility or operation is classified as a habitual violator.

*b.* If a violation of an environmental law, administrative rule, permit condition, settlement agreement, or order on consent, final order, or judicial order results in a substantial economic benefit which gives the violator a clear advantage over its business competitors.

8. In cases where the conditions of a voluntary disclosure are not met but a good faith effort was made to voluntarily disclose and resolve a violation detected in an environmental audit, the state regulatory authorities shall consider the nature and extent of any good faith effort in deciding the appropriate enforcement response and shall consider reducing any administrative or civil penalties based on mitigating factors showing that one or more of the conditions for voluntary disclosure have been met.

9. The immunity provided by this section does not abrogate the responsibility of a person

as provided by applicable law to report a violation, to correct the violation, conduct necessary remediation, or respond to third-party actions. This chapter shall not be construed to confer immunity from liability in any private civil action except those actions brought pursuant to section 455B.111.

10. Information required by rule to be submitted to the department as part of a disclosure made pursuant to this section is not privileged information.

98 Acts, ch 1109, §8

**455K.9 Other privileges not affected.**

This chapter shall not limit, waive, or abrogate the scope or nature of any statutory or common-law privilege, including the work product doctrine and the attorney-client privilege.

98 Acts, ch 1109, §9

**455K.10 Environmental auditor training program.**

A training program for and standards for certification of environmental auditors shall be developed jointly by the Iowa waste reduction center and the department. The training program shall be administered by the Iowa waste reduction center. The program shall provide training on the proper conduct of an environmental audit; local, state, and federal environmental ordinances, rules, and laws that apply to businesses in this state; and the environmental audit laws in this state. The program shall be made available to small and large business owners and operators, consulting engineers, regulatory personnel, and citizens through the community college system. A fee may be assessed for participation in the program. Upon completion of the training program, program participants may elect to be tested by the department for certification as an environmental auditor for the purposes of this chapter.

98 Acts, ch 1109, §10

**455K.11 Summary.**

On or before December 1 of each year, the department shall make available a summary of the number of environmental audit notices received, the violations, and the remediation status of the violations reported pursuant to this chapter during the preceding fiscal year.

98 Acts, ch 1109, §11

**455K.12 Rulemaking.**

The department shall adopt rules pursuant to chapter 17A necessary to administer this chapter.

98 Acts, ch 1109, §12

**455K.13 Costs.**

The necessary costs incurred by the department under this chapter shall be funded from appropriations made to the department from the general fund of the state.

98 Acts, ch 1109, §13

# CHAPTER 456

## GEOLOGICAL SURVEY

Referred to in §455A.4

Chapter transferred from ch 460A in Code 2003 pursuant to
Code editor directive; 2002 Acts, 2nd Ex, ch 1003, §260, 262


456.1 Geological survey created — definitions.
456.2 State geologist — qualifications.
456.3 Survey.
456.4 Investigations — collection — renting space.
456.5 Authority to enter lands.
456.6 Detailed reports.
456.7 Annual report.
456.8 Cooperation.
456.9 Publication of reports.
456.10 Distribution and sale of reports.
456.11 Maps — surveys.
456.12 Failure to furnish map.
456.13 Maps property of state — custody — copies.


**456.1 Geological survey created — definitions.**

1. A geological survey of the state is created within the department.
2. As used in this chapter, unless the context otherwise requires:

*a.* *"Department"* means the department of natural resources created under section 455A.2.

*b.* *"Director"* means the director of the department.

[C97, §2497; C24, 27, 31, 35, 39, §**4549;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §305.1]
86 Acts, ch 1245, §1881
C93, §460A.1
2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §456.1
2011 Acts, ch 25, §143

**456.2 State geologist — qualifications.**

The director shall appoint the state geologist. The state geologist must have a degree in geology from an accredited college or university and must have at least five years of geological experience. The annual salary of the state geologist shall be determined by the director.

[R60, §180, 181; C97, §2498; C24, 27, 31, 35, 39, §**4550;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §305.2]
86 Acts, ch 1245, §1882
C93, §460A.2
2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §456.2

**456.3 Survey.**

The state geologist shall be director of the survey and shall make a complete survey of the natural resources of the state in all their economic and scientific aspects, including the determination of the order, arrangement, dip, and comparative magnitude of the various formations; the discovery and examination of all useful deposits, including their richness in mineral contents and their fossils; and the investigation of the position, formation, and arrangement of the different ores, coals, clays, building stones, glass sands, marls, peats, mineral oils, natural gases, mineral and artesian waters, and such other minerals or other materials as may be useful, with particular regard to the value thereof for commercial purposes and their accessibility.

[R60, §182; C97, §2499; C24, 27, 31, 35, 39, §**4551;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §305.3]
C93, §460A.3
2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §456.3

**456.4 Investigations — collection — renting space.**

The state geologist shall investigate the characters of the various soils and their capacities for agricultural purposes, the streams, and other scientific and natural resource matters that may be of practical importance and interest. For the purpose of preserving well drilling samples, rock cores, fossils, and other materials as may be necessary to carry on investigations, the state geologist shall have the authority to lease or rent sufficient space for storage of these materials with the approval of the director of the department of administrative services. A complete cabinet collection may be made to illustrate the natural products of the state, and the state geologist may also furnish suites of materials, rocks, and fossils for colleges and public museums within the state, if it can be done without impairing the general state collection.

[R60, §182, 185, 187; C97, §2499; C24, 27, 31, 35, 39, §**4552;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §305.4]

C93, §460A.4

2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §456.4

2003 Acts, ch 145, §286

**456.5 Authority to enter lands.**

For the purpose of carrying on the aforesaid investigations the state geologist and the state geologist's assistants and employees shall have authority to enter and cross all lands within the state; provided that in so doing no damage is done to private property.

[C24, 27, 31, 35, 39, §**4553;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §305.5]

C93, §460A.5

2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §456.5

**456.6 Detailed reports.**

The state geologist and the state geologist's assistants shall make detailed maps and reports of counties and districts as fast as the work is completed, which reports shall embrace such geological, mineralogical, topographical, and scientific details as are necessary to make complete records thereof, which may include the necessary illustrations, maps, charts, and diagrams.

[R60, §184; C97, §2500; S13, §2500; C24, 27, 31, 35, 39, §**4554;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §305.6]

C93, §460A.6

2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §456.6

**456.7 Annual report.**

The state geologist shall, annually, at the time provided by law, make to the governor a full report of the work in the preceding year, which report shall be accompanied by such other reports and papers as may be considered desirable for publication.

[R60, §184; C97, §2498, 2500; S13, §2500; C24, 27, 31, 35, 39, §**4555;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §305.7]

C93, §460A.7

2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §456.7

**456.8 Cooperation.**

The state geologist shall cooperate with the United States geological survey, with other federal and state organizations, and with adjoining state surveys in the making of topographic maps and the study of geologic problems of the state when, in the opinion of the state geologist, such cooperation will result in profit to the state.

[S13, §2500; C24, 27, 31, 35, 39, §**4556;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §305.8]

C93, §460A.8

2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §456.8

**456.9 Publication of reports.**

The state geologist may direct the preparation and publication of special reports and bulletins of educational and scientific value or containing information of immediate use to the people.

[C97, §2501; S13, §2501; C24, 27, 31, 35, 39, §**4557;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §305.9]
C93, §460A.9
2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §456.9
Reports, §7A.27

**456.10 Distribution and sale of reports.**

All publications of the geological survey shall be distributed by the state as are other published reports of state officers when no special provision is made. When such distribution has been made the state geologist shall retain a sufficient number of copies to supply probable future demands and any copies in excess of such number shall be sold to persons making application therefor at the cost price of publication, the money thus accruing to be turned into the treasury of the state.

[C97, §2501; S13, §2501; C24, 27, 31, 35, 39, §**4558;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §305.10]
C93, §460A.10
2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §456.10

**456.11 Maps — surveys.**

The operator of any underground mine shall comply with the following provisions relative to maps and surveys:

1. *Scale.* Each mine map shall be drawn to a scale of not more than two hundred feet to the inch.

2. *General specifications.* Each map shall show the name of the state, county, and township in which the mine is located, the designation of the mine, the name of the company or operator, the certificate of the mining engineer or surveyor as to the accuracy and date of the survey, the north point, and the scale to which the map is drawn.

3. *Boundaries and surface lines.* Every map shall correctly show the surface boundary lines of the mineral rights pertaining to each mine and all section or quarter section lines or corners within the same, the lines of town lots and streets, the tracks and sidetracks of all railroads, the location of all wagon roads, rivers, streams, and ponds, and reservations made of the mineral.

4. *Underground conditions.* For the underground workings, the map shall show all shafts, slopes, tunnels, or other openings to the surface or to the workings of a contiguous mine; all excavations, entries, rooms, and crosscuts; the location of the escape ways, and of the fan or furnace or other means of ventilation and the direction of air currents, and the location of permanent pumps, hauling engines, engine planes, abandoned works, fire walls, and standing water.

5. *Separate maps.* A separate and similar map drawn to the same scale in all cases shall be made of each layer of minerals mined in any mine in this state. A separate map shall also be made of the surface whenever the surface buildings, lines, or objects are so numerous as to obscure the details of the mine workings if drawn upon the same sheet with them, and in such case the surface map shall be drawn upon transparent cloth or paper so that it can be laid upon the map of the underground workings and thus truly indicate the local relation of lines and objects on the surface to the excavations of the mine and any other principal workings of the mine.

6. *Rise and dip of minerals.* Each map of underground workings shall also show by

profile drawing and measurement, the last one hundred fifty feet approaching the boundary lines, showing the rise and dip of the minerals.

7. *Copies.* The original or true copies of the maps shall be kept at the office of the mine, and true copies thereof shall also be furnished the state geologist within thirty days after the completion of the same.

8. *Extensions.* An accurate extension of the last preceding survey of every mine in active operation shall be made once in every twelve months prior to July 1 of every year and the result of such survey, with the date thereof, shall be promptly and accurately entered upon the original map, and a true, correct, and accurate copy of the extended map shall be forwarded to the state geologist so as to show all changes in plan of new work in the mine, and all extensions of the old workings to the most advanced face or boundary of the workings which have been made since the last preceding survey, and the parts of the mine abandoned or worked out after the last preceding survey shall be clearly indicated and shown by colorings, which copy must be delivered to the state geologist within thirty days after the last survey is made.

9. *Abandoned mine.* When any underground mine is worked out or is about to be abandoned or indefinitely closed, the operator of the same shall make or cause to be made a completed and extended map of the mine and the result of the same shall be duly extended on all maps of the mine and copies thereof so as to show all excavations and the most advanced workings of the mine, and their exact relation to the boundary or section lines on the surface, and deliver to the state geologist a copy of the completed map.

10. *Copies furnished.* The state geologist shall provide the division of soil conservation within the department of agriculture and land stewardship a copy of each map and map extension received by the geologist under this section.

[C97, §2485; S13, §2485, 2496-m; C24, 27, 31, 35, 39, §**1245, 1351 – 1355, 1357, 1358;** C46, 50, 54, 58, 62, 66, 71, 73, §82.28, 83.14 – 83.18, 83.20, 83.21; C75, 77, 79, 81, §305.12]

C93, §460A.12

2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §456.11

Referred to in §456.13

**456.12 Failure to furnish map.**

When the operator of any mine neglects or refuses for a period of ninety days to furnish to the state geologist the map or plan, or a copy thereof, of such mine or any extension thereof, as provided in this chapter, the state geologist shall cause to be made an accurate map or plan of such mine or extension as the case may be, at the expense of the operator. The cost shall be paid by the state and recovered from such operator. It shall be the duty of the county attorney of the county in which such mine is located, at the request of the state geologist, to bring action in the name of the state for such recovery.

[S13, §2485-a, 2496-m; C24, 27, 31, 35, 39, §**1246, 1359;** C46, 50, 54, 58, 62, 66, 71, 73, §82.29, 83.22; C75, 77, 79, 81, §305.13]

C93, §460A.13

2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §456.12

Referred to in §331.756(55)

**456.13 Maps property of state — custody — copies.**

The maps so delivered to the state geologist shall be the property of the state and shall remain in the custody of the state geologist. They shall be kept at the office of the geological survey and be open to examination by all persons interested in the maps; but such examination shall only be made in the presence of the state geologist or a designee, and the state geologist shall not permit any copies of the maps to be made without the written

consent of the operator or the owner of the property, except as provided in section 456.11 or if the mine has been abandoned for at least five years.

[C97, §2485; S13, §2485, 2496-m; C24, 27, 31, 35, 39, §**1247, 1356;** C46, 50, 54, 58, 62, 66, 71, 73, §82.30, 83.19; C75, 77, 79, 81, §305.14]

C93, §460A.14

2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §456.13

# CHAPTER 456A

## REGULATION AND FUNDING — NATURAL RESOURCES DEPARTMENT

Referred to in §455A.4, 455A.5, 481A.1

This chapter not enacted as a part of this title; transferred from chapter 107 in Code 1993


456A.1 Definitions.
456A.2 through 456A.5 Reserved.
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456A.13 Officers and employees — peace officer status.
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456A.35 Applications not limited.
456A.36 Timber buyers.
456A.37 Aquatic invasive species — prevention and control.
456A.38 Lease to beginning farmers program.


**456A.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Commission"* means the natural resource commission.
2. *"Department"* means the department of natural resources created under section 455A.2.
3. *"Director"* means the director of the department.

[S13, §1400-p; C24, 27, §1795, 2604; C31, §1703-d2, -d3, 1795, 2604; C35, §1703-g1; C39, §**1703.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.1; 82 Acts, ch 1199, §92, 96]

86 Acts, ch 1245, §1827

C93, §456A.1

**456A.2 through 456A.5** Reserved.

**456A.6 Expenses generally.**

The members and employees of the commission, the director and officers shall be reimbursed for all actual and necessary expenses incurred by them in the discharge of

their official duties when absent from their usual place of abode, unless said appointees or employees are serving under a contract which requires them to defray their own expenses.

[C31, §1703-d6; C35, §1703-g6; C39, §**1703.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.6]

C93, §456A.6

**456A.7 through 456A.11** Reserved.

**456A.12 Lighting by law enforcement vehicles of conservation officer.**

The required usage of lighting devices set out in sections 321.384 through 321.409 and section 321.415 does not apply to official law enforcement vehicles operated by conservation officers appointed under section 456A.13, while these vehicles are being used in criminal investigations or while attempting to apprehend suspected criminals.

88 Acts, ch 1216, §43

C89, §107.12

C93, §456A.12

**456A.13 Officers and employees — peace officer status.**

The director shall employ the number of assistants, including a professionally trained state forester, that are necessary to carry out the duties imposed on the commission; and, under the same conditions, the director shall appoint the number of full-time officers and supervisory personnel that are necessary to enforce all laws of the state and rules and regulations of the commission. The full-time officers and supervisory personnel have the same powers that are conferred by law on peace officers in the enforcement of all laws of the state of Iowa and the apprehension of violators. A person appointed as a full-time officer shall be at least twenty-one years of age on the date of appointment and shall not be employed as a full-time officer after attaining the age of sixty-five. *"Full-time officer"* means any person appointed by the director to enforce the laws of this state.

[C73, §4052; C97, §2540; SS15, §2539, 2540; C24, 27, §1715; C31, §1703-d20, -d22, 1715; C35, §1703-g13, -g15; C39, §**1703.40, 1703.42;** C46, 50, 54, 58, 62, 66, 71, §107.13, 107.15; C73, 75, 77, 79, 81, §107.13]

86 Acts, ch 1245, §1828, 1854

C93, §456A.13

98 Acts, ch 1183, §114

Referred to in §97B.49B, 97B.49G, 161A.42, 456A.12, 481A.68, 801.4

**456A.14 Temporary appointments — peace officer status.**

The director may appoint temporary officers for a period not to exceed six months and may adopt minimum physical, educational, mental, and moral requirements for the temporary officers. Chapter 80B does not apply to the temporary officers. Temporary officers have all the powers of peace officers in the enforcement of this chapter and chapters 321G, 321I, 456B, 461A, 461B, 462A, 462B, 463B, 465C, 481A, 481B, 482, 483A, 484A, and 484B, and the trespass laws.

[C35, §1703-g14; C39, §**1703.41;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.14]

86 Acts, ch 1245, §1829; 92 Acts, ch 1160, §15

C93, §456A.14

2004 Acts, ch 1132, §91

Referred to in §481A.68

**456A.15 Removal.**

The appointees and employees aforesaid may be removed by the said director at any time subject to the approval of the commission.

[C31, §1703-d20; C35, §1703-g16; C39, §**1703.43;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.16]

C83, §107.15

C93, §456A.15

**456A.16 Income tax refund checkoff for fish and game fund.**

A person who files an individual or a joint income tax return with the department of revenue under section 422.13 may designate any amount to be paid to the state fish and game protection fund. If the refund due on the return or the payment remitted with the return is insufficient to pay the additional amount designated by the taxpayer to the state fish and game protection fund, the amount designated shall be reduced to the remaining amount of refund or the remaining amount remitted with the return.

The revenues received shall be used within the state of Iowa for habitat development and shall be deposited in the state fish and game protection fund. The revenue may be used for the matching of federal funds. The revenues and matched federal funds may be used for acquisition of land, leasing of land or obtaining of easements from willing sellers for use of land as wildlife habitats for game and nongame species. Not less than fifty percent of the funds derived from the checkoff shall be used for the purposes of preserving, protecting, perpetuating and enhancing nongame wildlife in this state. Nongame wildlife includes those animal species which are endangered, threatened or not commonly pursued or killed either for sport or profit. Notwithstanding the exemption in section 427.1, the land acquired with the revenues and matched federal funds is subject to the full consolidated levy of property taxes which shall be paid from those revenues. In addition the revenues may be used for the development and enhancement of wildlife lands and habitat areas and for research and management necessary to qualify for federal funds.

The director of revenue shall draft the income tax form to allow the designation of contributions to the state fish and game protection fund on the tax return.

The department of revenue on or before January 31 of the year following the preceding calendar year shall certify the total amount designated on the tax return forms due in the preceding calendar year and shall report the amount to the state treasurer. The state treasurer shall credit the amount to the state fish and game protection fund.

The general assembly shall appropriate annually from the state fish and game protection fund the amount credited to the fund from the checkoff to the department for the purposes specified in this section.

The action taken by a person for the checkoff is irrevocable.

The department shall adopt rules to implement this section. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of administrative services and accounts identified as owing under section 8A.504 and the political contribution allowed under section 68A.601 shall be satisfied.

[82 Acts, ch 1015, §1, 2, ch 1196, §1]
C83, §107.16
84 Acts, ch 1263, §2; 85 Acts, ch 230, §2; 86 Acts, ch 1244, §22
C93, §456A.16
2002 Acts, ch 1162, §63; 2003 Acts, ch 145, §286; 2004 Acts, ch 1101, §66
Referred to in §422.12H
Limitation on number of income tax return checkoffs; automatic repeal of certain checkoffs; see §422.12E

**456A.17 Funds — restrictions.**

1. The following four funds are created in the state treasury:

*a.* A state fish and game protection fund.

*b.* A state conservation fund.

*c.* An administration fund.

*d.* A county conservation board fund.

2. The state fish and game protection fund, except as otherwise provided, consists of all moneys accruing from license fees and all other sources of revenue arising under the fish and wildlife programs. Notwithstanding section 12C.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the state fish and game protection fund shall be credited to that fund.

3. The county conservation board fund consists of all moneys credited to it by law or appropriated to it by the general assembly.

4. The state conservation fund, except as otherwise provided, consists of all other funds accruing to the department for the purposes embraced by this chapter.

5. The administration fund shall consist of an equitable portion of the gross amount of the state fish and game protection fund and the state conservation fund, to be determined by the commission, sufficient to pay the expense of administration entailed by this chapter.

6. All receipts and refunds and reimbursements related to activities funded by the administration fund are appropriated to the administration fund. All refunds and reimbursements relating to activities of the state fish and game protection fund shall be credited to the state fish and game protection fund.

7. Notwithstanding section 8.33, revenues deposited in the state conservation fund, and remaining in the state conservation fund on June 30 of any fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for one year after the close of the fiscal year during which such revenues were deposited. Any such revenues remaining unexpended at the end of the one-year period during which the revenues are available for expenditure shall revert to the general fund of the state.

8. The department may apply for a loan for the construction of facilities for the collection and treatment of waste water and for the supply, treatment, and distribution of drinking water under the state water pollution control works and drinking water facilities financing program as established in sections 455B.291 through 455B.299. In order to provide for the repayment of a loan granted under the financing program, the commission may impose a lien on not more than ten percent of the annual revenues from user fees and related revenue derived from park and recreation areas under chapter 461A which are deposited in the state conservation fund. If a lien is established as provided in this paragraph, repayment of the loan is the first priority on the revenues received and dedicated for the loan repayment each year.

[C31, §1703-d23, 1820; C35, §1703-g17; C39, §**1703.44;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.17; 82 Acts, ch 1084, §1]

84 Acts, ch 1262, §3; 86 Acts, ch 1244, §23; 86 Acts, ch 1245, §1830, 1831

C93, §456A.17

94 Acts, ch 1107, §72; 95 Acts, ch 98, §2; 2002 Acts, ch 1162, §64; 2002 Acts, 2nd Ex, ch 1003, §242, 262; 2003 Acts, ch 17, §1, 2; 2010 Acts, ch 1034, §3, 4; 2011 Acts, ch 25, §55

Referred to in §455A.19, 456A.18, 456A.27, 456A.28, 483A.3B, 484A.4

**456A.18 Report of funds.**

The director shall, at least monthly, make return and pay to the treasurer of state all moneys then in the director's hands belonging to the funds created in section 456A.17.

[C31, §1703-d23, 1820; C35, §1703-g18; C39, §**1703.45;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.18]

86 Acts, ch 1245, §1832

C93, §456A.18

2005 Acts, ch 3, §75

**456A.19 Expenditures.**

1. All funds accruing to the fish and game protection fund, except an equitable portion of the administration fund, shall be expended solely in carrying on fish and wildlife activities. Expenditures incurred by the department in carrying on the activities shall be only on authorization by the general assembly.

*a.* The department shall by October 1 of each year submit to the department of management for transmission to the general assembly a detailed estimate of the amount required by the department during the succeeding year for carrying on fish and wildlife activities. The estimate shall be in the same general form and detail as required by law in estimates submitted by other state departments.

*b.* Any unexpended balance at the end of the biennium shall revert to the fish and game protection fund.

*c.* All administrative expense shall be paid from the administration fund.

*d.* All other expenditures shall be paid from the state conservation fund.

2. All expenditures under this chapter are subject to approval by the director of management and the director of the department of administrative services.

3. All moneys credited to the county conservation board fund shall be used to provide grants to county conservation boards to provide funding for the purposes of chapter 350. These grants are in addition to moneys appropriated to the conservation boards from the county boards of supervisors. The grants shall be made to the conservation boards based upon the needs of the boards. Applications shall be made by the boards to the commission.

[C35, §1703-g19; C39, §**1703.46;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.19]

84 Acts, ch 1262, §4; 86 Acts, ch 1245, §1833, 1834; 88 Acts, ch 1134, §25; 88 Acts, ch 1158, §18

C93, §456A.19

94 Acts, ch 1107, §73; 95 Acts, ch 214, §22; 2002 Acts, ch 1162, §65; 2003 Acts, ch 108, §79; 2003 Acts, ch 145, §286; 2011 Acts, ch 25, §56; 2013 Acts, ch 30, §103

Referred to in §456A.24, 456A.27, 456A.28

Section amended

**456A.20 Limitation on nursery stock — exception.**

1. Moneys appropriated to the department which are used in growing or handling nursery stock shall be used for growing or handling of the nursery stock for distribution only on state-owned lands. However, the department may do any of the following:

*a.* Produce and sell game cover packets and trees for erosion control at private sale.

*b.* Produce trees for a demonstration windbreak in each township in the state.

*c.* Dispose of growing trees under a departmental plan of distribution.

2. The department shall deposit a portion of the moneys that it receives from selling trees and shrubs as provided in this section to the forestry management and enhancement fund as created in section 456A.21. The amount deposited in the fund shall equal five cents for each coniferous tree and ten cents for each hardwood tree and shrub sold.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.20]

86 Acts, ch 1245, §1835, 1845

C93, §456A.20

99 Acts, ch 206, §25; 2000 Acts, ch 1154, §32

Referred to in §456A.21

**456A.21 Forestry management and enhancement fund.**

1. A forestry management and enhancement fund is created in the state treasury under the department's control. The fund is composed of moneys deposited into the fund pursuant to section 456A.20, moneys appropriated by the general assembly, and moneys available to and obtained or accepted by the department from the United States or private sources for placement in the fund.

2. Moneys in the fund are subject to an annual audit by the auditor of state. The fund is subject to warrants written by the director of the department of administrative services, drawn upon the written requisition of the department.

3. The fund shall be used exclusively to support the management and enhancement of forests, including woodlands or timber stands in this state, on private lands in cooperation with the owners of those lands. The department shall use moneys in the fund to support the following full-time equivalent positions in addition to those supported from the general fund of the state:

*a.* Four forestry technicians who shall serve regions of the state as designated by the department.

*b.* One professional forester who shall serve the southwest region of the state.

4. The commission may adopt rules pursuant to chapter 17A to administer this section.

5. Section 8.33 shall not apply to moneys in the fund. Notwithstanding section 12C.7, moneys earned as income, including as interest, from the fund shall remain in the fund until expended as provided in this section.

99 Acts, ch 206, §26; 2000 Acts, ch 1160, §2; 2002 Acts, ch 1162, §66; 2003 Acts, ch 108, §80, 81; 2003 Acts, ch 145, §286

Referred to in §456A.20

**456A.22** Repealed by 96 Acts, ch 1022, § 1.

**456A.23 General duties.**

The department shall protect, propagate, increase, and preserve the wild mammals, fish, birds, reptiles, and amphibians of the state and enforce by proper actions and proceedings the laws, rules, and regulations relating to them. The department shall collect, classify, and preserve all statistics, data, and information as in its opinion tend to promote the objects of this chapter, conduct research in improved conservation methods, and disseminate information to residents and nonresidents of Iowa in conservation matters.

[C31, 35, §1703-d11; C39, §**1703.49;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.23]
83 Acts, ch 168, §1; 91 Acts, ch 268, §224
C93, §456A.23
Referred to in §456A.26

**456A.24 Specific powers.**

The department is hereby authorized and empowered to:

1. Expend, as authorized by the general assembly under section 456A.19, any and all moneys accruing to the fish and game protection fund from any and all sources in carrying out the purposes of this chapter; any Act, or Acts, not consistent with this provision are hereby repealed so far as they may apply to the fish and game protection fund.

2. Acquire by purchase, condemnation, lease, agreement, gift, and devise lands or waters suitable for the purposes hereinafter enumerated, and rights-of-way thereto, and to maintain the same for the following purposes, to wit:

*a.* Public hunting, fishing, and trapping grounds and waters to provide areas in which any person may hunt, fish, or trap in accordance with the law and the rules of the department;

*b.* Fish hatcheries, fish nurseries, game farms, and wild mammal, fish, bird, reptile, and amphibian refuges.

3. Extend and consolidate lands or waters suitable for the above purposes by exchange for other lands or waters and to purchase, erect, and maintain buildings necessary to the work of the department.

4. Capture, propagate, buy, sell, or exchange any species of wild mammal, fish, bird, reptile, and amphibian needed for stocking the lands or waters of the state, and to feed, provide for, and care for them.

5. The department is hereby authorized to adopt and enforce such departmental rules governing procedure as may be necessary to carry out the provisions of this chapter; also to carry out any other laws the enforcement of which is vested in the department.

6. The department is hereby further authorized to adopt, publish, and enforce such administrative orders as are authorized in section 481A.38.

7. Pay the salaries, wages, compensation, traveling, and other necessary expenses of the commissioners, director, officers, and other employees of the department, and to expend money for necessary supplies and equipment, and to make such other expenditures as may be necessary for the carrying into effect the purposes of this chapter.

8. Control by shooting or trapping any wild mammal, fish, bird, reptile, and amphibian for the purpose of preventing the destruction of or damage to private or public property, but shall not go upon private property for that purpose without the consent of the owner or occupant.

9. Provide for the protection against fire and other destructive agencies on state and privately owned forests, parks, wildlife areas, and other property under its jurisdiction, and cooperate with federal and other state agencies in protection programs approved by the department, and with the consent of the owner, on privately owned areas.

10. Provide conservation employees, when on duty, suitable uniforms, equipment, arms, and supplies.

11. Establish a program governing the harvesting and sale of American ginseng subject to the convention on international trade in endangered species of wild fauna and flora and adopt rules providing for the time and conditions for harvesting the ginseng, the registration of dealers and exporters, the records kept by dealers and exporters, and the certification of legal taking. The time for harvesting of wild ginseng shall not begin before September 1

or extend beyond November 1. A person violating this subsection or rules adopted by the department pursuant to this subsection is subject to a scheduled fine pursuant to section 805.8B, subsection 4.

12. Adopt rules authorizing officers and employees of the department who are peace officers to issue warning citations for violations of this chapter and chapters 321G, 321I, 350, 456B, 457A, 461A through 461C, 462A, 462B, 463B, 464A, 465A through 465C, 481A, 481B, 482, 483A, 484A, and 484B.

13. Apply to any appropriate agency or officer of the United States government to participate in or receive aid from any federal program relating to forests or forestry management. The department may enter into contracts and agreements with the United States government or an appropriate agency of the United States government as necessary to secure funding for the acquisition, development, improvement, and management of forests and forestry resources and to provide funds or assistance to local governments or private citizens involved in forestry management. In connection with obtaining the benefits of a forestry program, the director shall coordinate the department's activities with and represent the interests of all state agencies and the political subdivisions of the state having interests in forests or forestry management.

14. Enter into an interstate wildlife violators compact with one or more states to enforce state laws and rules relating to the protection and conservation of wildlife subject to the requirements of section 28E.9. The commission may adopt rules as necessary for the implementation of the compact.

[C31, 35, §1703-d12; C39, §**1703.50;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.24]

83 Acts, ch 33, §1; 83 Acts, ch 168, §2 – 4; 86 Acts, ch 1245, §1836, 1837, 1845; 91 Acts, ch 78, §1; 92 Acts, ch 1160, §16

C93, §456A.24

93 Acts, ch 13, §1; 93 Acts, ch 38, §1; 2001 Acts, ch 14, §1; 2001 Acts, ch 137, §5; 2004 Acts, ch 1132, §92

Referred to in §456A.26, 481A.48, 481A.67, 481A.130, 483A.28, 805.8B(4)

**456A.25 Orders.**

Administrative orders shall be made only after an investigation of the matter concerned.

[C31, §1703-d13; C35, §1703-e12; C39, §**1703.51;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.25]

C93, §456A.25

Referred to in §456A.26

**456A.26 Interpretation and limitations.**

Sections 456A.23 through 456A.25 shall not be construed as authorizing the commission to change any penalty for violating any game law or regulation, or change the amount of any license established by the legislature, or to promulgate any open season on any fish, animal, or bird contrary to the laws of the state of Iowa, or to extend except as provided in this chapter any open season or bag limit on any kind of fish, game, fur-bearing animals, or of any birds prescribed by the laws of the state of Iowa or by federal laws or regulations, or to contract any indebtedness or obligation beyond the funds to which they are lawfully entitled.

[C31, 35, §1703-d15; C39, §**1703.52;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.26]

C93, §456A.26

2009 Acts, ch 133, §156

**456A.27 Federal wildlife Act — assent.**

The state of Iowa assents to the provisions of the Act of Congress entitled "An Act To Provide That The United States Shall Aid The States In Wildlife Restoration Projects, And For Other Purposes", approved September 2, 1937, 50 Stat. 917, and the department may perform acts as necessary to the conduct and establishment of cooperative wildlife restoration projects, as defined in the Act of Congress, in compliance with the Act and with regulations promulgated by the secretary of agriculture under the Act. No funds accruing to the state of Iowa from

license fees paid by hunters shall be diverted for any other purpose than as set out in sections 456A.17 and 456A.19.

[C39, §**1703.53;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.27]
86 Acts, ch 1245, §1838, 1845
C93, §456A.27
2006 Acts, ch 1010, §119

**456A.28 Fish restoration projects.**

The state of Iowa assents to the provisions of the Act of Congress entitled "An Act To Provide That The United States Shall Aid The States In Fish Restoration Projects, And For Other Purposes", approved August 9, 1950, Pub. L. No. 681, and the department may perform acts as necessary to the conduct and establishment of cooperative fish restoration projects, as defined in the Act of Congress, in compliance with the Act and with regulations promulgated by the secretary of the interior under the Act. No funds accruing to the state of Iowa from fishing license fees shall be diverted for any other purposes than as set out in sections 456A.17 and 456A.19.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §107.28]
86 Acts, ch 1245, §1839, 1845
C93, §456A.28

**456A.29 Outdoor recreational and watershed projects.**

The department may perform acts as necessary to the conduct and establishment of cooperative outdoor recreational and watershed projects as defined by the Congress of the United States and by regulations of the appropriate federal agency and may accept federal funds and assistance for the purpose of planning, acquisition, and development of outdoor recreational and watershed projects.

[C66, 71, 73, 75, 77, 79, 81, §107.29]
86 Acts, ch 1245, §1840, 1845
C93, §456A.29
2012 Acts, ch 1023, §157

**456A.30 Federal assistance for outdoor recreation.**

The legislature finds that the state of Iowa and its subdivisions should enjoy the benefits of federal assistance programs for the planning and development of the outdoor recreation resources of the state, including the acquisition of lands and waters and interests therein. It is the purpose of this section and sections 456A.31 through 456A.34 to provide authority to enable the state of Iowa and its subdivisions to participate in the benefits of such programs.

[C66, 71, 73, 75, 77, 79, 81, §107.30]
C93, §456A.30
Referred to in §456A.34

**456A.31 Comprehensive plan.**

The department may prepare, maintain, and keep up-to-date a comprehensive plan for the development of the outdoor recreation resources of the state, and acquire lands, waters, and interests in lands and waters for such areas and facilities.

[C66, 71, 73, 75, 77, 79, 81, §107.31]
86 Acts, ch 1245, §1841, 1845
C93, §456A.31
Referred to in §456A.30, 456A.34, 461.32

**456A.32 Application for aid.**

The department may apply to any appropriate agency or officer of the United States for participation in or the receipt of aid from any federal program respecting outdoor recreation. The department may enter into contracts and agreements with the United States or any appropriate agency of the United States and, for purposes of preparation, maintenance, and updating of the comprehensive plan, may from time to time engage and contract for the services and advice of a professional planner of outdoor recreation plans and facilities and

hire employees for such purposes as deemed necessary. In connection with obtaining the benefits of any such program, the department shall coordinate the department's activities with and represent the interests of all agencies and subdivisions of the state having interests in the planning, development, and maintenance of outdoor recreation resources and facilities.

[C66, 71, 73, 75, 77, 79, 81, §107.32]
86 Acts, ch 1245, §1842, 1845
C93, §456A.32
Referred to in §456A.30, 456A.34

**456A.33 Watershed projects.**

The department may perform acts as necessary to conduct an establishment of cooperative outdoor recreational and watershed projects as defined by the Congress of the United States and by regulations of the appropriate federal agency and may accept federal funds and assistance for the purpose of planning, acquisition, and development of outdoor recreational and watershed projects.

[C66, 71, 73, 75, 77, 79, 81, §107.33]
86 Acts, ch 1245, §1843, 1845
C93, §456A.33
Referred to in §456A.30, 456A.34

**456A.33A Watershed priority.**

The commission shall each year establish a priority list of watersheds which are of highest importance based on soil loss to be used for the allocation of moneys set aside in annual appropriations from the general fund to the department of agriculture and land stewardship for permanent soil conservation practices under chapter 161A on watersheds above publicly owned lakes. Chapter 17A does not apply to this section.

91 Acts, ch 268, §225
CS91, §107.33A
C93, §456A.33A
Referred to in §161A.73, 456A.30, 461.34

**456A.33B Lake restoration plan and report.**

1. *a.* It is the intent of the general assembly that the department of natural resources shall develop annually a lake restoration plan and report that shall be submitted to the joint appropriations subcommittee on transportation, infrastructure, and capitals and the legislative services agency by no later than January 1 of each year. The plan and report shall include the department's plans and recommendations for lake restoration projects to receive funding consistent with the process and criteria provided in this section, and shall include the department's assessment of the progress and results of projects funded with moneys appropriated under this section.

*b.* The department shall recommend funding for lake restoration projects that are designed to achieve the following goals:

(1) Ensure a cost-effective, positive return on investment for the citizens of Iowa.
(2) Ensure local community commitment to lake and watershed protection.
(3) Ensure significant improvement in water clarity, safety, and quality of Iowa lakes.
(4) Provide for a sustainable, healthy, functioning lake system.
(5) Result in the removal of the lake from the impaired waters list.

2. The process and criteria the department shall utilize to recommend funding for lake restoration projects shall be as follows:

*a.* The department shall develop an initial list of not more than thirty-five significant public lakes to be considered for funding based on the feasibility of restoring each lake and the use or potential use of the lake, if restored. The list shall include lake projects under active development that the department shall recommend be given priority for funding so long as progress toward completion of the projects remains consistent with the goals of this section.

*b.* The department shall meet with representatives of communities where lakes on the initial list are located to provide an initial lake restoration assessment and to explain the

process and criteria for receiving lake restoration funding. Communities with lakes not included on the initial list may petition the director of the department for a preliminary lake restoration assessment and explanation of the funding process and criteria. The department shall work with representatives of each community to develop a joint lake restoration action plan. At a minimum, each joint action plan shall document the causes, sources, and magnitude of lake impairment, evaluate the feasibility of the lake and watershed restoration options, establish water quality goals and a schedule for attainment, assess the economic benefits of the project, identify the sources and amounts of any leveraged funds, and describe the community's commitment to the project, including local funding. The community's commitment to the project may include moneys to fund a lake diagnostic study and watershed assessment, including development of a TMDL (total maximum daily load).

*c.* Each joint lake restoration plan shall comply with the following guidelines:

(1) Biologic controls will be utilized to the maximum extent, wherever possible.

(2) If proposed, dredging of the lake will be conducted to a mean depth of at least ten feet to gain water quality benefits unless a combination of biologic and structural controls is sufficient to assure water quality targets will be achieved at a shallower average water depth.

(3) The costs of lake restoration will include the maintenance costs of improvements to the lake.

(4) Delivery of phosphorus and sediment from the watershed will be controlled and in place before lake restoration begins. Loads of phosphorus and sediment, in conjunction with in-lake management, will meet or exceed the following water quality targets:

(a) Clarity. A four-and-one-half-foot Secchi depth will be achieved fifty percent of the time from April 1 through September 30.

(b) Safety. Beaches will meet water quality standards for recreational use.

(c) Biota. A diverse, balanced, and sustainable aquatic community will be maintained.

(d) Sustainability. The water quality benefits from the restoration efforts will be sustained for at least fifty years.

*d.* The department shall evaluate the joint action plans and prioritize the plans based on the criteria required in this section. The department's annual lake restoration plan and report shall include the prioritized list and the amounts of state and other funding the department recommends for each lake restoration project. The department may seek public comment on its recommendations prior to submitting the plan and report to the general assembly.

2006 Acts, ch 1179, §26; 2007 Acts, ch 22, §81, 82; 2011 Acts, ch 25, §143; 2012 Acts, ch 1023, §63

Referred to in §456A.30, 461.38

**456A.34 Limit on state's commitment.**

The department shall not make a commitment or enter into an agreement pursuant to an exercise of authority under sections 456A.30 through 456A.33 until the department has determined that sufficient funds are available to the department for meeting the state's share, if any, of project costs. It is the legislative intent that, to the extent necessary to assure the proper operation and maintenance of areas and facilities acquired or developed pursuant to any program participated in by this state under authority of these sections, the areas and facilities shall be publicly maintained for outdoor recreation purposes. The department may enter into and administer agreements with the United States or any appropriate agency of the United States for planning, acquisition, and development projects involving participating federal aid funds on behalf of any subdivision of this state, if the subdivision gives necessary assurances to the department that it has available sufficient funds to meet its shares, if any, of the cost of the project and that the acquired or developed areas will be operated and maintained at the expense of the subdivision for public outdoor recreation use.

[C66, 71, 73, 75, 77, 79, 81, §107.34]

86 Acts, ch 1245, §1844, 1845

C93, §456A.34

Referred to in §456A.30

**456A.35 Applications not limited.**

The commission shall not limit the number of applications submitted for consideration or the number of projects under construction with respect to United States heritage conservation and recreation service projects.

[C79, 81, §107.35]

C93, §456A.35

**456A.36 Timber buyers.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Employee"* means a person in service or under contract for hire, expressed or implied, oral or written, who is engaged in any phase of the enterprise or business.

*b.* *"Timber"* means trees, standing or felled, and logs which can be used for sawing or processing into lumber for building or structural purposes or for the manufacture of an article. However, *"timber"* does not include firewood, Christmas trees, fruit or ornamental trees or wood products not used or to be used for building, structural, manufacturing, or processing purposes.

*c.* *"Timber buyer"* means a person engaged in the business of buying timber from the timber growers for sawing into lumber, for processing, or for resale, but does not include a person who occasionally purchases timber for sawing or processing for the person's own use and not for resale. *"Timber buyer"* includes a person who contracts with a timber grower on a shared-profit basis to harvest timber from the timber grower's land.

*d.* *"Timber grower"* means the owner, tenant, or operator of land in this state who has an interest in, or is entitled to receive a part of the proceeds from, the sale of timber grown in this state and includes a person exercising authority to sell timber.

2. *a.* (1) A timber buyer shall file with the commission a surety bond signed by the person as principal and a corporate surety authorized to engage in the business of executing surety bonds within the state. In lieu of a corporate surety a timber buyer may, with the approval of the commission, file a bond signed by the timber buyer as principal and accompanied by a bank certificate of deposit in a form approved by the commission showing to the satisfaction of the commission that funds equal to the amount of the required bond are on deposit in a bank to be held by the bank for the period covered by the certificate. The funds shall be made payable upon demand to the director, subject to the provisions of this section, for the use and benefit of the people of the state and for the use and benefit of a timber grower from whom the timber buyer purchased and who is not paid by the timber buyer or for the use and benefit of a timber grower whose timber has been cut by the timber buyer or the timber buyer's agents, and who has not been paid.

(2) The principal amount of the bond shall be ten percent of the total amount paid to timber growers during the preceding year, plus ten percent of the total amount due or delinquent and unpaid to timber growers at the end of the preceding year, and ten percent of the market value of growers' shares of timber harvested during the previous year. However, the total amount of the bond shall be not less than three thousand dollars and not more than fifteen thousand dollars.

(3) The bond or surety shall not be canceled or altered except upon at least sixty days' notice in writing to the commission.

(4) Bonds shall be in the form approved by the director, be conditioned to secure an honest cutting and accounting for timber purchased by the timber buyer, secure payment to the timber growers, and insure the timber growers against all fraudulent acts of the timber buyer in the purchase and cutting of the timber of this state.

*b.* If a timber buyer fails to pay when due an amount due a timber grower for timber purchased, or fails to pay legally determined damages for timber wrongfully cut by a timber buyer or the buyer's agent, or commits a violation of this section, an action on the bond for forfeiture may be commenced. The action is not exclusive and is in addition to other legal remedies available.

*c.* The timber grower, the owner of timber cut, or the director may bring action on the bond for payment of the amount due from proceeds of the bond in the district court of the

county in which the place of business of the timber buyer is situated or in any other lawful venue.

*d.* The attorney general, upon request of the commission, shall institute proceedings to have the bond of the timber buyer forfeited for violation of any of the provisions of this section or for noncompliance with a commission rule. A timber buyer whose bond has been forfeited shall not engage in the business of buying timber for one year after the forfeiture.

*e.* If the commission realizes more than the amount of liability from the security, after deducting expenses incurred in converting the security into money, the commission shall pay the excess to the timber buyer who furnished the security.

3. The following are violations of this section:

*a.* For a timber buyer to fail to pay, as agreed, for timber purchased.

*b.* For a timber buyer to cut or cause to be cut or appropriate timber not purchased.

*c.* For a timber buyer to willfully make a false statement in connection with the bond or other information required to be given to the commission or a timber grower.

*d.* For a timber buyer to fail to honestly account to the timber grower or the commission for timber purchased or cut if the buyer is under a duty to do so.

*e.* For a timber buyer to commit a fraudulent act in connection with the purchase or cutting of timber.

*f.* For a timber buyer to transport timber without written proof of ownership or the written consent of the owner.

*g.* For a person to purchase timber without obtaining, prior to taking possession of the timber, written proof of the vendor's ownership of the timber or the written consent of the owner of the timber. The purchaser shall keep the written proof of ownership or consent on file for at least three months from the date the timber was released to the purchaser's possession.

4. *a.* With the written consent of the timber buyer, the commission, its agents and other employees may inspect the premises and records of the timber buyer.

*b.* If the timber buyer refuses admittance, or if prior to such refusal the director demonstrates the necessity for a warrant, the director may make application under oath to the district court of the county in which the premises or records are located for the issuance of a search warrant.

*c.* In the application the director shall state that an inspection of the premises or record designated in the application may result in evidence tending to reveal the existence of violations of the provisions of this section or rule issued by the commission pursuant to this section. The application shall describe the premises or records to be inspected, give the date of the last inspection if known, give the date and time of the proposed inspection, declare the need for such inspection, recite that notice of desire to make an inspection has been given to affected persons and that admission was refused if that be the fact, and state that the inspection has no purpose other than to carry out the purpose of the statute or rule pursuant to which inspection is to be made.

*d.* The court may issue a search warrant, after examination of the applicant and any witnesses, if the court is satisfied that there is probable cause to believe the existence of the allegations contained in the application.

*e.* In making investigations, examinations, or surveys pursuant to the authority of this subsection, the director must execute the warrant in a reasonable manner within ten days after its date of issuance.

5. A person who engages in business as a timber buyer without filing a bond or surety with the commission or in violation of any of the provisions of this section, or a timber buyer who refuses to permit inspection of premises, books, accounts, or records as provided in this section is guilty of a serious misdemeanor.

6. The commission may promulgate rules as necessary to carry out the provisions of this section.

7. The commission may, by application to a district court, obtain an injunction restraining a person who engages in the business of timber buying in this state from engaging in the

business until that person complies with this section. Upon refusal or neglect to obey the order of the court, the court may compel obedience by proceedings for contempt.

[C81, §107.36]

C93, §456A.36

96 Acts, ch 1073, §1, 2; 2011 Acts, ch 25, §115

**456A.37 Aquatic invasive species — prevention and control.**

1. *Definitions.* As used in this section:

*a.* *"Aquatic invasive species"* means nonnative wildlife or plant species that have been determined by the department to pose a significant threat to the aquatic resources or water infrastructure of the state.

*b.* *"Aquatic plant"* means a submergent, emergent, floating, or floating-leaved plant, including algae, and includes any part of such a plant.

*c.* *"Bait"* means the same as defined in section 481A.1.

*d.* *"Water-related equipment"* means a motor vehicle, boat, watercraft, dock, boat lift, raft, vessel, trailer, tool, implement, device, or any other associated equipment or container, including but not limited to portable bait containers, live wells, ballast tanks, bilge areas, and water-hauling equipment that is capable of containing or transporting aquatic invasive species, aquatic plants, or water.

2. *Rulemaking.* The commission shall adopt rules pursuant to chapter 17A for the implementation and administration of this section. The rules shall do all of the following:

*a.* Restrict the introduction, propagation, use, possession, and spread of aquatic invasive species.

*b.* Identify waters of the state with infestations of aquatic invasive species. The commission shall require that such waters be posted as infested.

*c.* If the commission determines that an additional species should be defined as an *"aquatic invasive species"*, the species shall be defined by the commission by rule as an *"aquatic invasive species"*.

3. *Prohibitions.*

*a.* A person shall not transport on a public road, or place or attempt to place into waters of the state, any water-related equipment that has an aquatic invasive species or aquatic plant attached to or within the water-related equipment except as follows:

(1) When authorized by a written permit issued by the director upon a finding that the person is unable to comply with the requirements of this lettered paragraph *"a"*, is substantially impacted by the prohibitions of this lettered paragraph *"a"*, and is affording adequate protection of the aquatic resources or water infrastructure of the state by an alternative means.

(2) When the department, or other governmental entity approved by the director, is undertaking management activities that would constitute prohibited activities under this lettered paragraph *"a"* but are necessary to manage the aquatic resources or water infrastructure of the state, including but not limited to aquatic invasive species control, and sufficient mitigation efforts are undertaken to avoid or minimize, to the greatest extent possible, exposure of the waters of the state to an aquatic invasive species.

(3) When disposing of or engaging in a control activity of an aquatic invasive species and exposure to other waters of the state is minimized.

(4) When transporting commercial or municipal aquatic plant harvesting equipment to a suitable location away from any waters of the state, for purposes of cleaning the equipment of any remaining aquatic plants or wildlife.

(5) When water-related equipment is legally purchased or traded by or from a commercial source.

(6) For purposes of constructing or transporting a shooting or observation blind, provided that there are no aquatic invasive species present on or in the blind, and the aquatic plants used on or in the blind are emergent, cut above the waterline, and contain no propagules such as seed heads, roots, or rhizomes.

(7) For purposes of submitting a sample to the department or to another entity as directed

by the department, provided that the sample is in a sealed container. Any test results of such samples shall be reported to the department.

(8) When engaged in emergency response activities, provided that the person engaged in such activities is affiliated with a law enforcement agency or an agency with emergency response authority.

(9) When otherwise permitted under a disaster declaration issued consistent with chapter 29C.

*b.* A person shall drain all water from water-related equipment when leaving the waters of the state and before transporting the water-related equipment off a water access area or riparian property. Drain plugs, bailers, valves, or other devices used to control the drainage of water from ballast tanks, bilges, and live wells shall be removed or opened while transporting water-related equipment except as follows:

(1) When authorized by a written permit issued by the director upon a finding that the person is unable to comply with the requirements of this lettered paragraph *"b"*, is substantially impacted by the prohibitions of this lettered paragraph *"b"*, and is affording adequate protection of the aquatic resources or water infrastructure of the state by an alternative means.

(2) When the department, or other governmental entity approved by the director, is undertaking management activities that would constitute prohibited activities under this lettered paragraph *"b"* but are necessary to manage the aquatic resources or water infrastructure of the state, including but not limited to aquatic invasive species control, and sufficient mitigation efforts are undertaken to avoid or minimize, to the greatest extent possible, exposure of the waters of the state to an aquatic invasive species.

(3) When water-related equipment constitutes a marine sanitary system, a closed engine cooling system, or is a tank or container of potable drinking water or other beverage intended for human consumption.

(4) When engaged in emergency response activities, provided that the person engaged in such activities is affiliated with a law enforcement agency or an agency with emergency response authority.

(5) When otherwise permitted under a disaster declaration issued consistent with chapter 29C.

*c.* A person who violates this subsection is subject to a scheduled fine pursuant to section 805.8B, subsection 5.

4. *Inspections.* Persons operating and transporting water-related equipment shall inspect the equipment for aquatic invasive species when the equipment is removed from, or before entering waters of the state. If an aquatic invasive species is present on or within the water-related equipment, the aquatic invasive species shall be removed immediately. Any water-related equipment is subject to inspection by a representative of the department. A representative of the department may prohibit a person from placing or operating water-related equipment in waters of the state if the person refuses to allow an inspection of the water-related equipment or refuses to remove and dispose of aquatic invasive species, aquatic plants, or water on or within the water-related equipment.

96 Acts, ch 1042, §1; 2001 Acts, ch 137, §5; 2004 Acts, ch 1137, §1; 2005 Acts, ch 137, §2, 3; 2005 Acts, ch 179, §70, 71; 2013 Acts, ch 67, §1

Referred to in §805.8B(5, 5a, 5b, 5c)

Section stricken and rewritten

**456A.38 Lease to beginning farmers program.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Agricultural land"*, *"authority"*, *"beginning farmer"*, and *"farming"* mean the same as defined in section 175.2.

*b.* *"Program"* means the lease to beginning farmers program as provided in this section.

2. The department of natural resources shall establish and administer a lease to beginning farmers program. The department shall annually lease agricultural land that it holds or manages as wildlife habitat in each county to beginning farmers seeking to participate in the

program. The department shall advertise the program in a manner that encourages wide participation by beginning farmers to lease the agricultural land.

3. The department shall establish annual lease payments for available agricultural land under the program by using the following criteria:

*a.* Market factors.

*b.* Prior leases for the same or comparable agricultural land.

*c.* The cost of establishment or maintenance of soil conservation practices, if applicable.

*d.* Other criteria established by the department.

4. The department shall execute a lease with a beginning farmer selected to participate in the program after such person has been certified by the authority as a beginning farmer who meets the requirements of the authority, which shall be based on section 175.12, subsection 3, paragraphs "*a*", "*c*", "*f*", and "*g*".

5. *a.* If two or more beginning farmers seek to execute a lease under the program for the same agricultural land, the department shall select the beginning farmer to participate in the program by drawing lots.

*b.* If no beginning farmer seeks to participate in the program, or no beginning farmer is found qualified to participate in the program, the department shall lease the agricultural land under another lease program that it administers pursuant to chapter 461A, including as provided in 571 IAC ch. 21.

6. The department shall establish terms and conditions in the lease for beginning farmers participating in the program. The lease executed by the department under the program shall at least include all of the following:

*a.* The number of acres leased. The department shall not lease more than two hundred forty acres of agricultural land to a beginning farmer for the production of crops. However, this restriction does not apply to agricultural land leased for grazing livestock.

*b.* The term of the lease. The term may be based on the use of the agricultural land. A lease shall not be for more than seven years. A beginning farmer shall not sublease the agricultural land.

*c.* The required and permitted uses of the agricultural land during the lease term. The department may require the establishment of a conservation system, crop rotation, or cover crop, if appropriate. The department may require that a beginning farmer adopt generally accepted farming practices or soil conservation practices, so long as such practices are compatible with the department's policies related to resource management and outdoor recreation.

7. At the end of a lease term, a beginning farmer who leased agricultural land under the program is eligible to be selected again to lease the same agricultural land. However, the department shall provide a preference to an available beginning farmer who has not previously participated in the program.

8. The department is not required to lease agricultural land under the program that it would not otherwise lease for farming. The department may lease agricultural land for farming under another lease program administered by the department pursuant to its authority under chapter 461A, including as provided in 571 IAC ch. 21, only after it has made agricultural land available for lease to all beginning farmers seeking to participate in the program.

9. The department shall adopt rules necessary to administer this section.

2013 Acts, ch 64, §1
NEW section

# CHAPTER 456B

## SPECIAL PROVISIONS — NATURAL RESOURCES DEPARTMENT

Referred to in §455A.4, 455A.5, 456A.14, 456A.24, 481A.1

This chapter not enacted as a part of this title; transferred from chapter 108 in Code 1993

GENERAL PROVISIONS

456B.1 Definitions.
456B.2 through 456B.6 Reserved.
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PROTECTED WETLANDS

456B.12 Inventory of protected wetlands.
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456B.14 Civil penalty.

## GENERAL PROVISIONS

**456B.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Commission"* means the natural resource commission.
2. *"Department"* means the department of natural resources created under section 455A.2.
3. *"Director"* means the director of the department.
4. *"Protected wetlands"* means type 3, type 4, and type 5 wetlands as described in circular 39, "Wetlands of the United States", 1971 Edition, published by the United States department of the interior. However, a protected wetland does not include land where an agricultural drainage well has been plugged causing a temporary wetland or land within a drainage district or levee district.
5. *"Wetlands"* means an area of two or more acres in a natural condition that is mostly under water or waterlogged during the spring growing season and is characterized by vegetation of hydric soils.

86 Acts, ch 1245, §1846
C87, §108.1
90 Acts, ch 1199, §1
C93, §456B.1
Referred to in §427.1(23a), 459.102

**456B.2 through 456B.6** Reserved.

**456B.7 Stream control on private lands.**

1. Upon receiving consent in writing from the landowner, the department may enter upon private lands containing waters and streams draining into state-owned lakes and streams, for any or all of the following purposes:

*a.* Deepening.
*b.* Filling.
*c.* Widening.
*d.* Contracting.
*e.* Improving and protecting banks.
*f.* Constructing spillways and discharge structures.
*g.* Controlling erosion on tributary land.
*h.* Providing structures or other works conducive to the regulation of stream flow.

2. Any action taken by the commission under this section is subject to the approval of the environmental protection commission.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §108.7; 82 Acts, ch 1199, §53, 96]

86 Acts, ch 1245, §1847
C93, §456B.7
2011 Acts, ch 25, §143
Referred to in §456B.8

**456B.8 Jurisdiction — public access.**

Any such agreement with any landowner shall give the commission jurisdiction of such land, waters, and streams to accomplish the purposes set out in said agreement and in case any improvement contemplated by section 456B.7 is for the sole purpose of improving any stream and not mainly for the purpose of preventing silting in a state-owned lake, then said agreement with the landowner shall include an easement of public access to said stream where improved and along the banks thereof.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §108.8]
C93, §456B.8

**456B.9 Accreted land.**

Any land created, by any such improvement, in areas now under the jurisdiction of the state will remain under such jurisdiction until otherwise disposed of.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §108.9]
C93, §456B.9

**456B.10 Artificial lakes — soil conservation.**

In the construction of artificial lakes on intermittent streams, for which funds are appropriated by the general assembly, the commission shall not proceed with actual construction work unless and until soil conservation practices are in effect on at least seventy-five percent of the land comprising the watershed of the proposed impoundment, or a willingness to carry on such practices has been shown by the owners or operators of seventy-five percent of the land by signing of a soil conservation farm plan and cooperative agreements with the local soil and water conservation district governing body.

[C35, §1703-g28; C39, §**1703.58;** C46, 50, 54, §108.5; C58, 62, 66, 71, 73, 75, 77, 79, 81, §108.10]
86 Acts, ch 1245, §1854; 87 Acts, ch 23, §3
C93, §456B.10
2012 Acts, ch 1023, §157

**456B.11 Agricultural drainage wells — wetlands — conservation easements.**

The department shall develop and implement a program for the acquisition of wetlands and conservation easements on and around wetlands that result from the closure or change in use of agricultural drainage wells upon implementation of the programs specified in section 460.302 to eliminate groundwater contamination caused by the use of agricultural drainage wells. The program shall be coordinated with the department of agriculture and land stewardship. The department may use moneys appropriated for this purpose from the agriculture management account of the groundwater protection fund in addition to other moneys available for wetland acquisition, protection, development, and management.

87 Acts, ch 225, §301
CS87, §108.11
C93, §456B.11

PROTECTED WETLANDS

**456B.12 Inventory of protected wetlands.**

1. The department shall inventory the wetlands and marshes of each county and make a preliminary designation as to which constitute protected wetlands. The department shall consult with the county conservation board in making the preliminary designations. Upon completion of the inventory with preliminary designations, the department shall use an

existing map or prepare a map and a list of the marshes and wetlands which are designated as protected wetlands in each county. The department shall file at least one copy of the list and map with the county conservation board and the county recorder. The department shall notify the landowners affected by the preliminary wetlands designation by certified mail. The notice shall state that any person may challenge the designation of the protected wetlands or may request the designation of additional marshes or wetlands as protected wetlands, by doing one of the following:

*a.* Filing a petition for a hearing with the director within sixty days following the date of notice. The petition shall state specifically the reasons for disputing the preliminary designations of the department. The hearing shall be held in the county within sixty days following the expiration of the sixty-day period for filing petitions.

*b.* Filing a request for mediation with the farm mediation service as provided in section 654A.16 within sixty days following the date of the notice. The department shall participate in mediation as provided in section 654A.16.

2. Within sixty days following the completion of the hearing, or the issuance of a mediation release in which both parties agree to the designation or no agreement is reached, the director shall issue an order designating the protected wetlands in the county. The order shall be considered a final decision of the department in a contested case for the purposes of judicial review pursuant to chapter 17A.

90 Acts, ch 1199, §2
C91, §108.12
C93, §456B.12
2011 Acts, ch 25, §143
Referred to in §427.1(23), 654A.16

**456B.13 Protection of wetlands.**

1. A person shall not drain a protected wetland without first obtaining a permit from the department.

2. The department shall not issue a permit to drain a protected wetland except under one of the following conditions:

*a.* The protected wetland is replaced by the applicant with a wetland of equal or greater value as determined by the department.

*b.* The protected wetland does not meet the criteria for continued designation as a protected wetland.

3. This section does not prohibit any of the following:

*a.* A landowner utilizing the bed of a protected wetland for pasture or cropland if there is no construction of dikes, ditches, tile lines, or buildings and the agricultural use does not result in drainage.

*b.* A person maintaining, repairing, or replacing an improvement to a drainage district as provided in chapter 468, as long as the improvement continues to serve the drainage district and the functions of the improvement are not expanded beyond the scope of functions as designed prior to the maintenance, repair, or replacement.

90 Acts, ch 1199, §3
C91, §108.13
91 Acts, ch 172, §1
C93, §456B.13
98 Acts, ch 1025, §1
Referred to in §456B.14

**456B.14 Civil penalty.**

A person who violates the permit requirement of section 456B.13 is subject to a civil penalty of not more than five hundred dollars for each day that the violation continues. A civil penalty assessed under this section shall not apply until the fourth day after a violator is given written notification of the violation.

90 Acts, ch 1199, §4

C91, §108.14
C93, §456B.14

# CHAPTER 457

RESERVED

# CHAPTER 457A

## CONSERVATION EASEMENTS

Referred to in §455A.4, 455A.5, 456A.24, 481A.1

This chapter not enacted as a part of this title;
transferred from chapter 111D in Code 1993


| | | | |
|---|---|---|---|
| 457A.1 | Acquisition by other than condemnation. | 457A.4 | Statement of extent. |
| 457A.2 | Definitions. | 457A.5 | Rule of construction. |
| 457A.3 | Recording. | 457A.6 | and 457A.7 Reserved. |
| | | 457A.8 | Privately held easements. |


**457A.1 Acquisition by other than condemnation.**

The department of natural resources, soil and water conservation districts as provided in chapter 161A, the historical division of the department of cultural affairs, the state archaeologist appointed by the state board of regents pursuant to section 263B.1, any county conservation board, and any city or agency of a city may acquire by purchase, gift, contract, or other voluntary means, but not by eminent domain, conservation easements in land to preserve scenic beauty, wildlife habitat, riparian lands, wetlands, or forests; promote outdoor recreation, agriculture, soil or water conservation, or open space; or otherwise conserve for the benefit of the public the natural beauty, natural and cultural resources, and public recreation facilities of the state.

[C71, 73, 75, 77, 79, 81, §111D.1; 82 Acts, ch 1199, §58, 96]
86 Acts, ch 1245, §1873
C93, §457A.1
2002 Acts, ch 1012, §1; 2003 Acts, ch 128, §1
Referred to in §457A.2, 457A.5

**457A.2 Definitions.**

1. *"Conservation easement"* means an easement in, servitude upon, restriction upon the use of, or other interest in land owned by another, created for any of the purposes set forth in section 457A.1. A conservation easement shall be transferable to any other public body authorized to acquire conservation easements. A conservation easement shall be perpetual unless expressly limited to a lesser term, or unless released by the holder, or unless a change of circumstances renders the easement no longer beneficial to the public. A comparative economic test shall not be used to determine whether a conservation easement is beneficial to the public. A conservation easement shall be enforceable during the term of the easement notwithstanding sections 614.24 through 614.38.

2. *"Natural and cultural resources"* includes, but is not limited to, archaeological and historical resources.

[C71, 73, 75, 77, 79, 81, §111D.2]
86 Acts, ch 1245, §1874
C93, §457A.2
2002 Acts, ch 1012, §2; 2003 Acts, ch 44, §70
Referred to in §457A.8, 462B.1

**457A.3 Recording.**
Conservation easements shall be recorded as other instruments affecting real estate are recorded, and each public body acquiring one or more conservation easements shall maintain a current inventory thereof. Unrecorded and uninventoried conservation easements shall be deemed abandoned.
[C71, 73, 75, 77, 79, 81, §111D.3]
C93, §457A.3

**457A.4 Statement of extent.**
A conservation easement shall clearly state its extent and purpose.
[C71, 73, 75, 77, 79, 81, §111D.4]
C93, §457A.4

**457A.5 Rule of construction.**
The powers accorded by this chapter shall be in addition to, and not in derogation of, all powers provided by law with respect to the public bodies named in section 457A.1.
[C71, 73, 75, 77, 79, 81, §111D.5]
C93, §457A.5

**457A.6 and 457A.7** Reserved.

**457A.8 Privately held easements.**
A conservation easement may be held by a private, nonprofit organization for public benefit if the instrument granting the easement or the bylaws of the organization provide that the easement will be transferred either to a public body or another private, nonprofit organization upon the dissolution of the private, nonprofit organization. A conservation easement meeting these requirements acquired after July 1, 1984 is transferable and perpetual as provided in section 457A.2.
84 Acts, ch 1115, §1
C85, §111D.8
C93, §457A.8

# CHAPTER 457B

## MIDWEST INTERSTATE LOW-LEVEL RADIOACTIVE WASTE COMPACT

This chapter not enacted as a part of this title;
transferred from chapter 8C in Code 1993

457B.1 Low-level radioactive waste compact.

**457B.1 Low-level radioactive waste compact.**
The midwest interstate low-level radioactive waste compact is entered into and enacted into law with all jurisdictions legally joining therein, in the form substantially as follows:
1. *Article I — Policy and purpose.*
*a.* (1) There is created the "*Midwest Interstate Low-Level Radioactive Waste Compact*".
(2) The states party to this compact recognize that the Congress of the United States, by enacting the Low-Level Radioactive Waste Policy Act, as amended by the Low-Level Radioactive Waste Policy Amendments Act of 1985, 42 U.S.C. § 2021b-j, has provided for and encouraged the development of low-level radioactive waste compacts as a tool for disposing of such waste. The party states acknowledge that the Congress declared that each state is responsible for providing for the availability of capacity either within or outside the state for the disposal of low-level radioactive waste generated within its borders, except for waste generated as a result of certain defense activities of the federal government or federal

research and development activities. The party states also recognize that the disposal of low-level radioactive waste is handled most efficiently on a regional basis; and that the safe and efficient management of low-level radioactive waste generated within the region requires that sufficient capacity to dispose of such waste be properly provided.

*b.* It is the policy of the party states to enter into a regional low-level radioactive waste disposal compact for the purpose of:

(1) Providing the instrument and framework for a cooperative effort;

(2) Providing sufficient facilities for the proper disposal of low-level radioactive waste generated in the region;

(3) Protecting the health and safety of the citizens of the region;

(4) Limiting the number of facilities required to effectively and efficiently dispose of low-level radioactive waste generated in the region;

(5) Encouraging source reduction and the environmentally sound treatment of waste that is generated to minimize the amount of waste to be disposed of;

(6) Ensuring that the costs, expenses, liabilities, and obligations of low-level radioactive waste disposal are paid by generators and other persons who use compact facilities to dispose of their waste;

(7) Ensuring that the obligations of low-level radioactive waste disposal that are the responsibility of the party states are shared equitably among them;

(8) Ensuring that the party states that comply with the terms of this compact and fulfill their obligations under it share equitably in the benefits of the successful disposal of low-level radioactive waste; and

(9) Ensuring the environmentally sound, economical, and secure disposal of low-level radioactive wastes.

*c.* Implicit in the congressional consent to this compact is the expectation by the Congress and the party states that the appropriate federal agencies will actively assist the compact commission and the individual party states to this compact by:

(1) Expeditious enforcement of federal rules, regulations, and laws;

(2) Imposition of sanctions against those found to be in violation of federal rules, regulations, and laws; and

(3) Timely inspection of their licensees to determine their compliance with these rules, regulations, and laws.

2. *Article II — Definitions.* As used in this compact, unless the context clearly requires a different construction:

*a.* *"Care"* means the continued observation of a facility after closing for the purposes of detecting a need for maintenance, ensuring environmental safety, and determining compliance with applicable licensure and regulatory requirements and including the correction of problems which are detected as a result of that observation.

*b.* *"Close"*, *"closed"*, or *"closing"* means that the compact facility with respect to which any of those terms are used has ceased to accept low-level radioactive waste for disposal. *"Permanently closed"* means that the compact facility with respect to which the term is used has ceased to accept low-level radioactive waste because a compact facility has operated for twenty years or a longer period of time as authorized by article VI, paragraph *"i"*, its capacity has been reached, the commission has authorized it to close pursuant to article III, paragraph *"h"*, subparagraph (7), the host state of such facility has withdrawn from the compact or had its membership revoked, or this compact has been dissolved.

*c.* *"Commission"* means the midwest interstate low-level radioactive waste commission.

*d.* *"Compact facility"* means a waste disposal facility that is located within the region and that is established by a party state pursuant to the designation of that state as a host state by the commission.

*e.* *"Development"* includes the characterization of potential sites for a waste disposal facility, siting of such a facility, licensing of such a facility, and other actions taken by a host state prior to the commencement of construction of a facility to fulfill its obligations as a host state.

*f.* *"Disposal"* with regard to low-level radioactive waste, means the permanent isolation

of that waste in accordance with the requirements established by the United States nuclear regulatory commission or the licensing agreement state.

*g.* *"Disposal plan"* means the plan adopted by the commission for the disposal of low-level radioactive waste within the region.

*h.* *"Facility"* means a parcel of land or site, together with the structures, equipment, and improvements on or appurtenant to the land or site, which is or has been used for the disposal of low-level radioactive waste, which is being developed for that purpose, or upon which the construction of improvements or installation of equipment is occurring for that purpose.

*i.* *"Final decision"* means a final action of the commission determining the legal rights, duties, or privileges of any person. *"Final decision"* does not include preliminary, procedural, or intermediate actions by the commission, actions regulating the internal administration of the commission, or actions of the commission to enter into or refrain from entering into contracts or agreements with vendors to provide goods or services to the commission.

*j.* *"Generator"* means a person who first produces low-level radioactive waste, including, without limitation, any person who does so in the course of or incident to manufacturing, power generation, processing, waste treatment, waste storage, medical diagnosis and treatment, research, or other industrial or commercial activity. If the person who first produced an item or quantity of low-level radioactive waste cannot be identified, *"generator"* means the person first possessing the low-level radioactive waste who can be identified.

*k.* *"Host state"* means any state which is designated by the commission to host a compact facility or has hosted a compact facility.

*l.* *"Long-term care"* means those activities taken by a host state after a compact facility is permanently closed to ensure the protection of air, land, and water resources and the health and safety of all people who may be affected by the compact facility.

*m.* *"Low-level radioactive waste"* or *"waste"* means radioactive waste that is not classified as high-level radioactive waste and that is Class A, B, or C low-level radioactive waste as defined in 10 C.F.R. § 61.55, as that section existed on January 26, 1983. *"Low-level radioactive waste"* or *"waste"* does not include any such radioactive waste that is owned or generated by the United States department of energy; by the United States navy as a result of the decommissioning of its vessels; or as a result of research, development, testing, or production of an atomic weapon.

*n.* *"Operates"*, *"operational"*, or *"operating"* means that the compact facility with respect to which any of those terms is used accepts low-level radioactive waste for disposal.

*o.* *"Party state"* means an eligible state that enacts this compact into law, pays any eligibility fee established by the commission, and has not withdrawn from this compact or had its membership in this compact revoked, provided that a state that has withdrawn from this compact or had its membership revoked becomes a party state if it is readmitted to membership in this compact pursuant to article VIII, paragraph *"a"*. *"Party state"* includes a host state. *"Party state"* also includes statutorily created administrative departments, agencies, or instrumentalities of a party state, but does not include municipal corporations, regional or local units of government, or other political subdivisions of a party state that are responsible for governmental activities on less than a statewide basis.

*p.* *"Person"* means any individual, corporation, association, business enterprise, or other legal entity either public or private and any legal successor, representative, agent, or agency of that individual, corporation, association, business enterprise, or other legal entity. *"Person"* also includes the United States, states, political subdivisions of states, and any department, agency, or instrumentality of the United States or a state.

*q.* *"Region"* means the area of the party states.

*r.* *"Site"* means the geographic location of a facility.

*s.* *"State"* means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands or other territorial possession of the United States.

*t.* *"Storage"* means the temporary holding of low-level radioactive waste.

*u.* *"Treatment"* means any method, technique or process, including storage for radioactive decay, designed to change the physical, chemical or biological characteristics or composition of low-level radioactive waste in order to render the low-level radioactive waste safer for

transport or management, amenable to recovery, convertible to another usable material or reduced in volume.

*v.* *"Waste management"*, *"manage waste"*, *"management of waste"*, *"management"*, or *"managed"* means the storage, treatment, or disposal of low-level radioactive waste.

3. *Article III — The commission.*

*a.* There is created the midwest interstate low-level radioactive waste commission. The commission consists of one voting member from each party state. The governor of each party state shall notify the commission in writing of its member and any alternates. An alternate may act on behalf of the member only in that member's absence. The method for selection and the expenses of each commission member shall be the responsibility of the member's respective state.

*b.* Each commission member is entitled to one vote. Except as otherwise specifically provided in this compact, an action of the commission is binding if a majority of the total membership casts its vote in the affirmative. A party state may direct its member or alternate member of the commission how to vote or not vote on matters before the commission.

*c.* The commission shall elect annually from among its members a chairperson. The commission shall adopt and publish, in convenient form, bylaws and policies which are not inconsistent with this compact, including procedures for the use of binding arbitration under article VI, paragraph *"o"*, and procedures which substantially conform with the provisions of the federal Administrative Procedure Act, 5 U.S.C. § 500 – 559, in regard to notice, conduct, and recording of meetings; access by the public to records; provision of information to the public; conduct of adjudicatory hearings; and issuance of decisions.

*d.* The commission shall meet at least once annually and shall also meet upon the call of the chairperson or any other commission member.

*e.* All meetings of the commission shall be open to the public with reasonable advance notice. The commission may, by majority vote, close a meeting to the public for the purpose of considering sensitive personnel or legal strategy matters. However, all commission actions and decisions shall be made in open meetings and appropriately recorded.

*f.* The commission may establish advisory committees for the purpose of advising the commission on any matters pertaining to waste management.

*g.* The office of the commission shall be in a party state. The commission may appoint or contract for and compensate such limited staff necessary to carry out its duties and functions. The staff shall have the responsibilities and authority delegated to it by the commission in its bylaws. The staff shall serve at the commission's pleasure with the exception that staff hired as the result of securing federal funds shall be hired and governed under applicable federal statutes and regulations. In selecting any staff, the commission shall assure that the staff has adequate experience and formal training to carry out the functions assigned to it by the commission.

*h.* The commission may do any or all of the following:

(1) Appear as an intervenor or party in interest before any court of law or any federal, state, or local agency, board, or commission in any matter related to waste management. In order to represent its views, the commission may arrange for any expert testimony, reports, evidence, or other participation.

(2) Review any emergency closing of a compact facility, determine the appropriateness of that closing, and take whatever lawful actions are necessary to ensure that the interests of the region are protected.

(3) Take any action which is appropriate and necessary to perform its duties and functions as provided in this compact.

(4) Approve the disposal of naturally occurring and accelerator-produced radioactive material at a compact facility. The commission shall not approve the acceptance of such material without first making an explicit determination of the effect of the new low-level radioactive waste stream on the compact facility's maximum capacity. Such approval requires the affirmative vote of a majority of the commission, including the affirmative vote of the member from the host state of the compact facility that would accept the material for disposal. Any such host state may at any time rescind its vote granting the approval and, thereafter, additional naturally occurring and accelerator-produced radioactive material shall

not be disposed of at a compact facility unless the disposal is again approved. All provisions of this compact apply to the disposal of naturally occurring and accelerator-produced radioactive material that has been approved for disposal at a compact waste facility pursuant to this subparagraph.

(5) Enter into contracts in order to perform its duties and functions as provided in this compact.

(6) When approved by the commission, with the member from each host state in which an affected compact facility is operating or being developed or constructed voting in the affirmative, enter into agreements to do any of the following:

(a) Import for disposal within the region low-level radioactive waste generated outside the region.

(b) Export for disposal outside the region low-level radioactive waste generated inside the region.

(c) Dispose of low-level radioactive waste generated within the region at a facility within the region that is not a compact facility.

(7) Authorize a host state to permanently close a compact facility located within its borders earlier than otherwise would be required by article VI, paragraph "*i*". Such closing requires the affirmative vote of a majority of the commission, including the affirmative vote of the member from the state in which the affected compact facility is located.

*i.* The commission shall do all of the following:

(1) Submit an annual report to, and otherwise communicate with, the governors and the appropriate officers of the legislative bodies of the party states regarding the activities of the commission.

(2) Adopt and amend, by a two-thirds vote of the membership, in accordance with the procedures and criteria developed pursuant to article IV, a regional disposal plan which designates host states for the establishment of needed compact facilities.

(3) Adopt an annual budget.

(4) Establish and implement a procedure for determining the capacity of a compact facility. The capacity of a compact facility shall be established as soon as reasonably practical after the host state of the compact facility is designated and shall not be changed thereafter without the consent of the host state. The capacity of a compact facility shall be based on the projected volume, radioactive characteristics, or both, of the low-level radioactive waste to be disposed of at the compact facility during the period set forth in article VI, paragraph "*i*".

(5) Provide a host state with funds necessary to pay reasonable development expenses incurred by the host state after it is designated to host a compact facility.

(6) Establish and implement procedures for making payments from the remedial action fund provided for in paragraph "*p*".

(7) Establish and implement procedures to investigate a complaint joined in by two or more party states regarding another party state's performance of its obligations.

(8) Adopt policies promoting source reduction and the environmentally sound treatment of low-level radioactive waste in order to minimize the amount of low-level radioactive waste to be disposed of at compact facilities.

(9) Establish and implement procedures for obtaining information from generators regarding the volume and characteristics of low-level radioactive waste projected to be disposed of at compact facilities and regarding generator activities with respect to source reduction, recycling, and treatment of low-level radioactive waste.

(10) Prepare annual reports regarding the volume and characteristics of low-level radioactive waste projected to be disposed of at compact facilities.

*j.* Funding for the commission shall be provided as follows:

(1) When no compact facility is operating, the commission may assess fees to be collected from generators of low-level radioactive waste in the region. The fees shall be reasonable and equitable. The commission shall establish and implement procedures for assessing and collecting the fees. The procedures may allow the assessing of fees against less than all generators of low-level radioactive waste in the region; provided that if fees are assessed against less than all generators of waste in the region, generators paying the fees shall be

reimbursed the amount of the fees, with reasonable interest, out of the revenues of operating compact facilities.

(2) When a compact facility is operating, funding for the commission shall be provided through a surcharge collected by the host state as part of the fee system provided for in article VI, paragraph "*j*". The surcharge to be collected by the host state shall be determined by the commission and shall be reasonable and equitable.

(3) In the aggregate, the fees or surcharges, as the case may be, shall be no more than is necessary to:

(a) Cover the annual budget of the commission.

(b) Provide a host state with the funds necessary to pay reasonable development expenses incurred by the host state after it is designated to host a compact facility.

(c) Provide moneys for deposit in the remedial action fund established pursuant to paragraph "*p*".

(d) Provide moneys to be added to an inadequately funded long-term care fund as provided in article VI, paragraph "*o*".

*k*. Financial statements of the commission shall be prepared according to generally accepted accounting principles. The commission shall contract with an independent certified public accountant to annually audit its financial statements and to submit an audit report to the commission. The audit report shall be made a part of the annual report of the commission required by this article.

*l*. The commission may accept for any of its purposes and functions and may utilize and dispose of any donations, grants of money, equipment, supplies, materials and services from any state or the United States, or any subdivision or agency thereof, or interstate agency, or from any institution, person, firm, or corporation. The nature, amount, and condition, if any, attendant upon any donation or grant accepted or received by the commission together with the identity of the donor, grantor, or lender, shall be detailed in the annual report of the commission.

*m*. The commission is a legal entity separate and distinct from the party states. Members of the commission and its employees are not personally liable for actions taken by them in their official capacity. The commission is not liable or otherwise responsible for any costs, expenses, or liabilities resulting from the development, construction, operation, regulation, closing, or long-term care of any compact facility or any noncompact facility made available to the region by any contract or agreement entered into by the commission under paragraph "*h*", subparagraph (6). Nothing in this paragraph relieves the commission of its obligations under this article or under contracts to which it is a party. Any liabilities of the commission are not liabilities of the party states.

*n*. Final decisions of the commission shall be made, and shall be subject to judicial review, in accordance with all of the following conditions:

(1) Every final decision shall be made at an open meeting of the commission. Before making a final decision, the commission shall provide an opportunity for public comment on the matter to be decided. Each final decision shall be reduced to writing and shall set forth the commission's reasons for making the decision.

(2) Before making a final decision, the commission may conduct an adjudicatory hearing on the proposed decision.

(3) Judicial review of a final decision shall be initiated by filing a petition in the United States district court for the district in which the person seeking the review resides or in which the commission's office is located not later than sixty days after issuance of the commission's written decision. Concurrently with filing the petition for review with the court, the petitioner shall serve a copy of the petition on the commission. Within five days after receiving a copy of the petition, the commission shall mail a copy of it to each party state and to all other persons who have notified the commission of their desire to receive copies of such petitions. Any failure of the commission to so mail copies of the petition does not affect the jurisdiction of the reviewing court. Except as otherwise provided in this subparagraph, standing to obtain judicial review of final decisions of the commission and the form and scope of the review are subject to and governed by 5 U.S.C. § 706.

(4) (a) If a party state seeks judicial review of a final decision of the commission that does

any of the following, the facts shall be subject to trial de novo by the reviewing court unless trial de novo of the facts is affirmatively waived in writing by the party state:

(i) Imposes financial penalties on a party state.

(ii) Suspends the right of a party state to have waste generated within its borders disposed of at a compact facility or at a noncompact facility made available to the region by an agreement entered into by the commission under paragraph *"h"*, subparagraph (6).

(iii) Terminates the designation of a party state as a host state.

(iv) Revokes the membership of a party state in this compact.

(v) Establishes the amounts of money that a party state that has withdrawn from this compact or had its membership in this compact revoked is required to pay under article VIII, paragraph *"e"*.

(b) Any such trial de novo of the facts shall be governed by the federal rules of civil procedure and the federal rules of evidence.

(5) Preliminary, procedural, or intermediate actions by the commission that precede a final decision are subject to review only in conjunction with review of the final decision.

(6) Except as provided in subparagraph (5), actions of the commission that are not final decisions are not subject to judicial review.

*o.* Unless approved by a majority of the commission, with the member from each host state in which an affected compact facility is operating or is being developed or constructed voting in the affirmative, no person shall do any of the following:

(1) Import low-level radioactive waste generated outside the region for disposal within the region.

(2) Export low-level radioactive waste generated within the region for disposal outside the region.

(3) Manage low-level radioactive waste generated outside the region at a facility within the region.

(4) Dispose of low-level radioactive waste generated within the region at a facility within the region that is not a compact facility.

*p.* (1) The commission shall establish a remedial action fund to pay the costs of reasonable remedial actions taken by a party state if an event results from the development, construction, operation, closing, or long-term care of a compact facility that poses a threat to human health, safety, or welfare or to the environment. The amount of the remedial action fund shall be adequate to pay the costs of all reasonably foreseeable remedial actions. A party state shall notify the commission as soon as reasonably practical after the occurrence of any event that may require the party state to take a remedial action. The failure of a party state to notify the commission does not limit the rights of the party state under this paragraph *"p"*.

(2) If the moneys in the remedial action fund are inadequate to pay the costs of reasonable remedial actions, the amount of the deficiency is a liability with respect to which generators shall provide indemnification under article VII, paragraph *"g"*. Generators who provide the required indemnification have the rights of contribution provided in article VII, paragraph *"g"*. This paragraph *"p"* applies to remedial action taken by a party state regardless of whether the party state takes the remedial action on its own initiative or because it is required to do so by a court or regulatory agency of competent jurisdiction.

*q.* If the commission makes payment from the remedial action fund provided for in paragraph *"p"*, the commission is entitled to obtain reimbursement under applicable rules of law from any person who is responsible for the event giving rise to the remedial action. Reimbursement may be obtained from a party state only if the event giving rise to the remedial action resulted from the activities of that party state as a generator of waste.

*r.* If this compact is dissolved, all moneys held by the commission shall be used first to pay for any ongoing or reasonably anticipated remedial actions. Remaining moneys shall be distributed in a fair and equitable manner to those party states that have operating or closed compact facilities within their borders and shall be added to the long-term care funds maintained by those party states.

4. *Article IV — Regional disposal plan.* The commission shall adopt and periodically update a regional disposal plan designed to ensure the safe and efficient disposal of low-level

radioactive waste generated within the region. In adopting a regional low-level radioactive waste disposal plan, the commission shall do all of the following:

*a.* Adopt procedures for determining, consistent with considerations for public health and safety, the type and number of compact facilities which are presently necessary and which are projected to be necessary to dispose of low-level radioactive waste generated within the region;

*b.* Develop and adopt procedures and criteria for identifying a party state as a host state for a compact facility. In developing these criteria, the commission shall consider all of the following:

(1) The health, safety, and welfare of the citizens of the party states.

(2) The existence of compact facilities within each party state.

(3) The minimization of low-level radioactive waste transportation.

(4) The volumes and types of low-level radioactive wastes projected to be generated within each party state.

(5) The environmental impacts on the air, land, and water resources of the party states.

(6) The economic impacts on the party states.

*c.* Conduct such hearings, and obtain such reports, studies, evidence, and testimony required by its approved procedures prior to identifying a party state as a host state for a needed compact facility;

*d.* Prepare a draft disposal plan and any update thereof, including procedures, criteria, and host states, which shall be made available in a convenient form to the public for comment. Upon the request of a party state, the commission shall conduct a public hearing in that state prior to the adoption or update of the disposal plan. The disposal plan and any update thereof shall include the commission's response to public and party state comment.

5. *Article V — Rights and obligations of party states.*

*a.* Each party state shall act in good faith in the performance of acts and courses of conduct which are intended to ensure the provision of facilities for regional availability and usage in a manner consistent with this compact.

*b.* Except for low-level radioactive waste attributable to radioactive material or low-level radioactive waste imported into the region in order to render the material or low-level radioactive waste amenable to transportation, storage, disposal, or recovery, or in order to convert the low-level radioactive waste or material to another usable material, or to reduce it in volume or otherwise treat it, each party state has the right to have all low-level radioactive wastes generated within its borders disposed of at compact facilities subject to the payment of all fees established by the host state under article VI, paragraph *"j"*, and to the provisions contained in article VI, paragraphs *"l"* and *"s"*, article VIII, paragraph *"d"*, article IX, paragraphs *"c"* and *"d"*, and article X. All party states have an equal right of access to any facility made available to the region by an agreement entered into by the commission pursuant to article III, paragraph *"h"*, subparagraph (6), subject to the provisions of article VI, paragraphs *"l"* and *"s"*, article VIII, paragraphs *"c"* and *"d"*, and article X.

*c.* If a party state's right to have waste generated within its borders disposed of at compact facilities, or at any noncompact facility made available to the region by an agreement entered into by the commission under article III, paragraph *"h"*, subparagraph (6), is suspended, low-level radioactive waste generated within its borders by any person shall not be disposed of at any such facility during the period of the suspension.

*d.* To the extent permitted by federal law, each party state may enforce any applicable federal and state laws, regulations, and rules pertaining to the packaging and transportation of waste generated within or passing through its borders. Nothing in this paragraph shall be construed to require a party state to enter into any agreement with the United States nuclear regulatory commission.

*e.* Each party state shall provide to the commission any data and information the commission requires to implement its responsibilities. Each party state shall establish the capability to obtain any data and information required by the commission.

*f.* (1) If, notwithstanding the sovereign immunity provision in article VII, paragraph *"f"*, subparagraph (1), and the indemnification provided for in article III, paragraph *"p"*, article VI, paragraph *"o"*, and article VII, paragraph *"g"*, a party state incurs a cost as a result of an

inadequate remedial action fund or an exhausted long-term care fund, or incurs a liability as a result of an action described in article VII, paragraph "*f*", subparagraph (1), and not described in article VII, paragraph "*f*", subparagraph (2), the cost or liability shall be the pro rata obligation of each party state and each state that has withdrawn from this compact or had its membership in this compact revoked. The commission shall determine each state's pro rata obligation in a fair and equitable manner based on the amount of low-level radioactive waste from each such state that has been or is projected to be disposed of at the compact facility with respect to which the cost or liability to be shared was incurred. No state shall be obligated to pay the pro rata obligation of any other state.

(2) The pro rata obligations provided for in this paragraph "*f*" do not result in the creation of state debt. Rather, the pro rata obligations are contractual obligations that shall be enforced by only the commission or an affected party state.

*g.* If the party states make payment pursuant to this paragraph, the surcharge or fee provided for in article III, paragraph "*j*", shall be used to collect the funds necessary to reimburse the party states for those payments. The commission shall determine the time period over which reimbursement shall take place.

6. *Article VI — Development, operation, and closing of compact facilities.*

*a.* A party state may volunteer to become a host state, and the commission may designate that state as a host state.

*b.* If not all compact facilities required by the regional disposal plan are developed pursuant to paragraph "*a*", the commission may designate a host state.

*c.* After a state is designated a host state by the commission, it is responsible for the timely development and operation of the compact facility it is designated to host. The development and operation of the compact facility shall not conflict with applicable federal and host state laws, rules, and regulations, provided that the laws, rules, and regulations of a host state and its political subdivisions shall not prevent, nor shall they be applied so as to prevent, the host state's discharge of the obligation set forth in this paragraph. The obligation set forth in this paragraph is contingent upon the discharge by the commission of its obligation set forth in article III, paragraph "*i*", subparagraph (5).

*d.* If a party state designated as a host state fails to discharge the obligations imposed upon it by paragraph "*c*", its host state designation may be terminated by a two-thirds vote of the commission with the member from the host state of any then operating compact facility voting in the affirmative. A party state whose host state designation has been terminated has failed to fulfill its obligations as a host state and is subject to the provisions of article VIII, paragraph "*d*".

*e.* Any party state designated as a host state may request the commission to relieve that state of the responsibility to serve as a host state. Except as set forth in paragraph "*d*", the commission may relieve a party state of its responsibility only upon a showing by the requesting party state that, based upon criteria established by the commission that are consistent with applicable federal criteria, no feasible potential compact facility site exists within its borders. A party state relieved of its host state responsibility shall repay to the commission any funds provided to that state by the commission for the development of a compact facility, and also shall pay to the commission the amount the commission determines is necessary to ensure that the commission and the other party states do not incur financial loss as a result of the state being relieved of its host state responsibility. Any funds so paid to the commission with respect to the financial loss of the other party states shall be distributed forthwith by the commission to the party states that would otherwise incur the loss. In addition, until the state relieved of its responsibility is again designated as a host state and a compact facility located in that state begins operating, it shall annually pay to the commission, for deposit in the remedial action fund, an amount the commission determines is fair and equitable in light of the fact the state has been relieved of the responsibility to host a compact facility, but continues to enjoy the benefits of being a member of this compact.

*f.* The host state shall select the technology for the compact facility. If requested by the commission, information regarding the technology selected by the host state shall be submitted to the commission for its review. The commission may require the host state to make changes in the technology selected by the host state if the commission demonstrates

that the changes do not decrease the protection of air, land, and water resources and the health and safety of all people who may be affected by the compact facility. If requested by the host state, any commission decision requiring the host state to make changes in the technology shall be preceded by an adjudicatory hearing in which the commission shall have the burden of proof.

*g.* A host state may assign to a private contractor the responsibility, in whole or in part, to develop, construct, operate, close, or provide long-term care for a compact facility. Assignment of such responsibility by a host state to a private contractor does not relieve the host state of any responsibility imposed upon it by this compact. A host state may secure indemnification from the private contractor for any costs, liabilities, and expenses incurred by the host state resulting from the development, construction, operation, closing, or long-term care of a compact facility.

*h.* To the extent permitted by federal and state law, a host state shall regulate and license any compact facility within its borders and ensure the long-term care of that compact facility.

*i.* A host state shall accept waste for disposal for a period of twenty years from the date the compact facility in the host state becomes operational, or until its capacity has been reached, whichever occurs first. At any time before the compact facility closes, the host state and the commission may enter into an agreement to extend the period during which the host state is required to accept such waste or to increase the capacity of the compact facility. Except as specifically authorized by paragraph *"l"*, subparagraph (4), the twenty-year period shall not be extended, and the capacity of the facility shall not be increased, without the consent of the affected host state and the commission.

*j.* A host state shall establish a system of fees to be collected from the users of any compact facility within its borders. The fee system, and the costs paid through the system, shall be reasonable and equitable. The fee system shall be subject to the commission's approval. The fee system shall provide the host state with sufficient revenue to pay costs associated with the compact facility, including, but not limited to operation, closing, long-term care, debt service, legal costs, local impact assistance, and local financial incentives. The fee system also shall be used to collect the surcharge provided in article III, paragraph *"j"*, subparagraph (2). The fee system shall include incentives for source reduction and shall be based on the hazard of the low-level radioactive waste as well as the volume.

*k.* A host state shall ensure that a compact facility located within its borders that is permanently closed is properly cared for so as to ensure protection of air, land, and water resources and the health and safety of all people who may be affected by the facility.

*l.* The development of subsequent compact facilities shall be as follows:

(1) No compact facility shall begin operating until the commission designates the host state of the next compact facility.

(2) (a) The following actions shall be taken by the state designated to host the next compact facility within the specified number of years after the compact facility it is intended to replace begins operation:

(i) Within three years, enact legislation providing for the development of the next compact facility.

(ii) Within seven years, initiate site characterization investigations and tests to determine licensing suitability for the next compact facility.

(iii) Within eleven years, submit a license application for the next compact facility that the responsible licensing authority deems complete.

(b) If a host state fails to take any of these actions within the specified time, all low-level radioactive waste generated by a person within that state shall be denied access to the then operating compact facility, and to any noncompact facility made available to the region by any agreement entered into by the commission pursuant to article III, paragraph *"h"*, subparagraph (6), until the action is taken. Denial of access may be rescinded by the commission, with the member from the host state of the then operating compact facility voting in the affirmative. A host state that fails to take any of these actions within the specified time has failed to fulfill its obligations as a host state and is subject to the provisions of this paragraph *"l"*, and article VIII, paragraph *"d"*.

(3) Within fourteen years after a compact facility begins operating, the state designated

to host the next compact facility shall have obtained a license from the responsible licensing authority to construct and operate the compact facility the state has been designated to host. If the license is not obtained within the specified time, all low-level radioactive waste generated by any person within the state designated to host the next compact facility shall be denied access to the then operating compact facility, and to any noncompact facility made available to the region by any agreement entered into by the commission pursuant to article III, paragraph *"h"*, subparagraph (6), until the license is obtained. The state designated to host the next compact facility shall have failed in its obligations as a host state and shall be subject to paragraph *"d"*, and article VIII, paragraph *"d"*. In addition, at the sole option of the host state of the then operating compact facility, all low-level radioactive waste generated by any person within any party state that has not fully discharged its obligations under paragraph *"i"*, shall be denied access to the then operating compact facility, and to a noncompact facility made available to the region by an agreement entered into by the commission pursuant to article III, paragraph *"h"*, subparagraph (6), until the license is obtained. Denial of access may be rescinded by the commission, with the member from the host state of the then operating compact facility voting in the affirmative.

(4) If twenty years after a compact facility begins operating, the next compact facility is not ready to begin operating, the state designated to host the next compact facility shall have failed in its obligation as a host state and shall be subject to paragraph *"d"*, and article VIII, paragraph *"d"*. If at the time the capacity of the then operating compact facility has been reached, or twenty years after the facility began operating, whichever occurs first, the next compact facility is not ready to begin operating, the host state of the then operating compact facility, without the consent of any other party state or the commission, may continue to operate the facility until a compact facility in the next host state is ready to begin operating. During any such period of continued operation of a compact facility, all low-level radioactive waste generated by any person within the state designated to host the next compact facility shall be denied access to the then operating compact facility and to a noncompact facility made available to the region by an agreement entered into by the commission pursuant to article III, paragraph *"h"*, subparagraph (6). In addition, during such period, at the sole option of the host state of the then operating compact facility, all low-level radioactive waste generated by any person within any party state that has not fully discharged its obligations under paragraph *"i"*, shall be denied access to the then operating compact facility and to any noncompact facility made available to the region by any agreement entered into by the commission pursuant to article III, paragraph *"h"*, subparagraph (6). Denial of access may be rescinded by the commission, with the member from the host state of the then operating compact facility voting in the affirmative. The provisions of this subparagraph shall not apply if their application is inconsistent with an agreement between the host state of the then operating compact facility and the commission as authorized in paragraph *"i"*, or inconsistent with paragraph *"p"* or *"q"*.

(5) During any period that access is denied for low-level radioactive waste disposal pursuant to paragraph *"l"*, subparagraph (2), (3), or (4), the party state designated to host the next compact disposal facility shall pay to the host state of the then operating compact facility an amount the commission determines is reasonably necessary to ensure that the host state, or an agency or political subdivision thereof, does not incur financial loss as a result of the denial of access.

(6) The commission may modify any of the requirements contained in paragraph *"l"*, subparagraphs (2) and (3), if it finds that circumstances have changed so that the requirements are unworkable or unnecessarily rigid or no longer serve to ensure the timely development of a compact facility. The commission may adopt such a finding by a two-thirds vote, with the member from the host state of the then operating compact facility voting in the affirmative.

*m.* This compact shall not prevent an emergency closing of a compact facility by a host state to protect air, land, and water resources and the health and safety of all people who may be affected by the compact facility. A host state that has an emergency closing of a compact facility shall notify the commission in writing within three working days of its action and shall, within thirty working days of its action, demonstrate justification for the closing.

*n.* A party state that has fully discharged its obligations under paragraph "*i*" shall not again be designated a host state of a compact facility without its consent until each party state has been designated to host a compact facility and has fully discharged its obligations under paragraph "*i*", or has been relieved under paragraph "*e*", of its responsibility to serve as a host state.

*o.* Each host state of a compact facility shall establish a long-term care fund to pay for monitoring, security, maintenance, and repair of the facility after it is permanently closed. The expenses of administering the long-term care fund shall be paid out of the fund. The fee system established by the host state that establishes a long-term care fund shall be used to collect moneys in amounts that are adequate to pay for all long-term care of the compact facility. The moneys shall be deposited into the long-term care fund. Except where the matter is resolved through arbitration, the amount to be collected through the fee system for deposit into the fund shall be determined through an agreement between the commission and the host state establishing the fund. Not less than three years, nor more than five years, before the compact facility it is designated to host is scheduled to begin operating, the host state shall propose to the commission the amount to be collected through the fee system for deposit into the fund. If, one hundred eighty days after such proposal is made to the commission, the host state and the commission have not agreed, either the commission or the host state may require the matter to be decided through binding arbitration. The method of administration of the fund shall be determined by the host state establishing the long-term care fund, provided that moneys in the fund shall be used only for the purposes set forth in this paragraph, and shall be invested in accordance with the standards applicable to trustees under the laws of the host state establishing the fund. If, after a compact facility is closed, the commission determines the long-term care fund established with respect to that compact facility is not adequate to pay for all long-term care for that compact facility, the commission shall collect and pay over to the host state of the closed compact facility, for deposit into the long-term care fund, an amount determined by the commission to be necessary to make the amount in the fund adequate to pay for all long-term care of the compact facility. If a long-term care fund is exhausted and long-term care expenses for the compact facility with respect to which the fund was created have been reasonably incurred by the host state of the compact facility, those expenses are a liability with respect to which generators shall provide indemnification as provided in article VII, paragraph "*g*". Generators that provide indemnification shall have contribution rights as provided in article VII, paragraph "*g*".

*p.* A host state that withdraws from the compact or has its membership revoked shall immediately and permanently close any compact facility located within its borders, except that the commission and a host state may enter into an agreement under which the host state may continue to operate, as a noncompact facility, a facility within its borders that, before the host state withdrew or had its membership revoked, was a compact facility.

*q.* If this compact is dissolved, the host state of any then operating compact facility shall immediately and permanently close the compact facility, provided that a host state may continue to operate a compact facility or resume operating a previously closed compact facility, as a noncompact facility, subject to all of the following requirements:

(1) The host state shall pay to the other party states the portion of the funds provided to that state by the commission for the development, construction, operation, closing, or long-term care of a compact facility that is fair and equitable, taking into consideration the period of time the compact facility located in that state was in operation and the amount of waste disposed of at the compact facility, provided that a host state that has fully discharged its obligations under paragraph "*i*", shall not be required to make such payment.

(2) The host state shall physically segregate low-level radioactive waste disposed of at the compact facility after this compact is dissolved from low-level radioactive waste disposed of at the compact facility before this compact is dissolved.

(3) The host state shall indemnify and hold harmless the other party states from all costs, liabilities, and expenses, including reasonable attorneys' fees and expenses, caused by operating the compact facility after this compact is dissolved, provided that this indemnification and hold-harmless obligation shall not apply to costs, liabilities, and expenses resulting from the activities of a host state as a generator of waste.

(4) Moneys in the long-term care fund established by the host state that are attributable to the operation of the compact facility before this compact is dissolved, and investment earnings thereon, shall be used only to pay the cost of monitoring, securing, maintaining, or repairing that portion of the compact facility used for the disposal of low-level radioactive waste before this compact is dissolved. Such moneys and investment earnings, and moneys added to the long-term care fund through a distribution authorized by article III, paragraph "*r*", also may be used to pay the cost of any remedial action made necessary by an event resulting from the disposal of waste at the facility before this compact is dissolved.

*r.* Financial statements of a compact facility shall be prepared according to generally accepted accounting principles. The commission may require the financial statements to be audited on an annual basis by a firm of certified public accountants selected and paid by the commission.

*s.* (1) Low-level radioactive waste may be accepted for disposal at a compact facility only if the generator of the low-level radioactive waste has signed, and there is on file with the commission, an agreement to provide indemnification to a party state, or employee of that state, for all of the following:

(a) Any cost of a remedial action described in article III, paragraph "*p*", that, due to inadequacy of the remedial action fund, is not paid as set forth in that provision.

(b) Any expense for long-term care described in paragraph "*o*" that, due to exhaustion of the long-term care fund, is not paid as set forth in that provision.

(c) Any liability for damages to persons, property, or the environment incurred by a party state, or employee of that state while acting within the scope of employment, resulting from the development, construction, operation, regulation, closing, or long-term care of a compact facility, or a noncompact facility made available to the region by an agreement entered into by the commission pursuant to article III, paragraph "*h*", subparagraph (6), or other matter arising from this compact. The agreement also shall require generators to indemnify the party state or employee against all reasonable attorney's fees and expenses incurred in defending an action for such damages. This indemnification shall not extend to liability based on any of the following:

(i) The activities of the party states as generators of waste.

(ii) The obligations of the party states to each other and the commission imposed by this compact or other contracts related to the disposal of low-level radioactive waste under this compact.

(iii) Activities of a host state or employees thereof that are grossly negligent or willful and wanton.

(2) The agreement shall provide that the indemnification obligation of generators shall be joint and several, except that the indemnification obligation of the party states with respect to their activities as generators of low-level radioactive waste shall not be joint and several, but instead shall be prorated according to the amount of waste that each state had disposed of at the compact facility giving rise to the liability. Such proration shall be calculated as of the date of the event giving rise to the liability. The agreement shall be in a form approved by the commission with the member from the host state of any then operating compact facility voting in the affirmative. Among generators there shall be rights of contribution based on equitable principles, and generators shall have rights of contribution against another person responsible for such damages under common law, statute, rule, or regulation, provided that a party state that through its own activities did not generate any low-level radioactive waste disposed of at the compact facility giving rise to the liability, an employee of such a party state, and the commission shall not have a contribution obligation. The commission may waive the requirement that the party state sign and file such an indemnification agreement as a condition to being able to dispose of low-level radioactive waste generated as a result of the party state's activities. Such a waiver shall not relieve a party state of the indemnification obligation imposed by article VII, paragraph "*g*".

7. *Article VII — Other laws and regulations.*

*a.* Nothing in this compact:

(1) Abrogates or limits the applicability of any act of Congress or diminishes or otherwise impairs the jurisdiction of any federal agency expressly conferred thereon by the Congress;

(2) Prevents the enforcement of any other law of a party state which is not inconsistent with this compact;

(3) Prohibits any generator from storing or treating, on its own premises, low-level radioactive waste generated by it within the region;

(4) Affects any administrative or judicial proceeding pending on the effective date of this compact;

(5) Alters the relations between and the respective internal responsibility of the government of a party state and its subdivisions;

(6) Affects the generation, treatment, storage, or disposal of waste generated by the atomic energy defense activities of the secretary of the United States department of energy or successor agencies or federal research and development activities as described in 42 U.S.C. § 2021;

(7) Affects the rights and powers of any party state or its political subdivisions, to the extent not inconsistent with this compact, to regulate and license any facility or the transportation of waste within its borders.

(8) Requires a party state to enter into any agreement with the United States nuclear regulatory commission.

(9) Limits, expands, or otherwise affects the authority of a state to regulate low-level radioactive waste classified by any agency of the United States government as below regulatory concern or otherwise exempt from federal regulation.

*b.* If a court of the United States finally determines that a law of a party state conflicts with this compact, this compact shall prevail to the extent of the conflict. The commission shall not commence an action seeking such a judicial determination unless commencement of the action is approved by a two-thirds vote of the membership of the commission.

*c.* Except as authorized by this compact, no law, rule, or regulation of a party state or of any of its subdivisions or instrumentalities may be applied in a manner which discriminates against the generators of another party state.

*d.* Except as provided in article III, paragraph "*m*", and paragraph "*f*" of this article, no provision of this compact shall be construed to eliminate or reduce in any way the liability or responsibility, whether arising under common law, statute, rule, or regulation, of any person for penalties, fines, or damages to persons, property, or the environment resulting from the development, construction, operation, closing, or long-term care of a compact facility, or a noncompact facility made available to the region by an agreement entered into by the commission pursuant to article III, paragraph "*h*", subparagraph (6), or other matter arising from this compact. The provisions of this compact shall not alter otherwise applicable laws relating to compensation of employees for workplace injuries.

*e.* Except as provided in 28 U.S.C. § 1251(a), the district courts of the United States have exclusive jurisdiction to decide cases arising under this compact. This paragraph does not apply to proceedings within the jurisdiction of state or federal regulatory agencies or to judicial review of proceedings before state or federal regulatory agencies. This paragraph shall not be construed to diminish other laws of the United States conferring jurisdiction on the courts of the United States.

*f.* For the purposes of activities pursuant to this compact, the sovereign immunity of party states and employees of party states shall be as follows:

(1) A party state or employee thereof, while acting within the scope of employment, shall not be subject to suit or held liable for damages to persons, property, or the environment resulting from the development, construction, operation, regulation, closing, or long-term care of a compact facility, or any noncompact facility made available to the region by any agreement entered into by the commission pursuant to article III, paragraph "*h*", subparagraph (6). This applies whether the claimed liability of the party state or employee is based on common law, statute, rule, or regulation.

(2) The sovereign immunity granted in subparagraph (1) does not apply to any of the following:

(a) Actions based upon the activities of the party states as generators of low-level radioactive waste. With regard to those actions, the sovereign immunity of the party states shall not be affected by this compact.

(b) Actions based on the obligations of the party states to each other and the commission imposed by this compact, or other contracts related to the disposal of low-level radioactive waste under this compact. With regard to those actions, the party states shall have no sovereign immunity.

(c) Actions against a host state, or employee thereof, when the host state or employee acted in a grossly negligent or willful and wanton manner.

*g.* If in an action described in paragraph "*f*", subparagraph (1), and not described in paragraph "*f*", subparagraph (2), it is determined that, notwithstanding paragraph "*f*", subparagraph (1), a party state, or employee of that state who acted within the scope of employment, is liable for damages or has liability for other matters arising under this compact as described in article VI, paragraph "*s*", subparagraph (3), subparagraph division (c), the generators who caused waste to be placed at the compact facility with respect to which the liability was incurred shall indemnify the party state or employee against that liability. Those generators also shall indemnify the party state or employee against all reasonable attorney's fees and expenses incurred in defending against any such action. The indemnification obligation of generators under this paragraph shall be joint and several, except that the indemnification obligation of party states with respect to their activities as generators of waste shall not be joint and several, but instead shall be prorated according to the amount of waste each state has disposed of at the compact facility giving rise to the liability. Among generators, there shall be rights of contribution based upon equitable principles, and generators shall have rights of contribution against another person responsible for damages under common law, statute, rule, or regulation. A party state that through its own activities did not generate low-level radioactive waste disposed of at the compact facility giving rise to the liability, an employee of a party state, and the commission shall have no contribution obligation under this paragraph. This paragraph shall not be construed as a waiver of the sovereign immunity provided for in paragraph "*f*", subparagraph (1).

*h.* The sovereign immunity of a party state provided for in paragraph "*f*", subparagraph (1), shall not be extended to a private contractor assigned responsibilities as authorized in article VI, paragraph "*g*".

8. *Article VIII — Eligible parties, withdrawal, revocation, suspension of access, entry into force, and termination.*

*a.* Any state may petition the commission to be eligible for membership in the compact. The commission may establish appropriate eligibility requirements. These requirements may include, but are not limited to, an eligibility fee or designation as a host state. A petitioning state becomes eligible for membership in the compact upon the approval of the commission, including the affirmative vote of the member from each host state in which a compact facility is operating or being developed or constructed. Any state becoming eligible upon the approval of the commission becomes a member of the compact when the state enacts this compact into law and pays the eligibility fee established by the commission.

*b.* The commission is formed upon the appointment of commission members and the tender of the membership fee payable to the commission by three party states. The governor of the first state to enact this compact shall convene the initial meeting of the commission. The commission shall cause legislation to be introduced in the Congress which grants the consent of the Congress to this compact, and shall take action necessary to organize the commission and implement the provisions of this compact.

*c.* A party state that has fully discharged its obligations under article VI, paragraph "*i*", or has been relieved under article VI, paragraph "*e*", of its responsibilities to serve as a host state, may withdraw from this compact by repealing the authorizing legislation and by receiving the unanimous consent of the commission. Withdrawal takes effect on the date specified in the commission resolution consenting to withdrawal. All legal rights of the withdrawn state established under this compact, including, but not limited to, the right to have low-level radioactive waste generated within its borders disposed of at compact facilities, cease upon the effective date of withdrawal, but any legal obligations of that party state under this compact, including, but not limited to, those set forth in paragraph "*e*" continue until they are fulfilled.

*d.* Any party state that fails to comply with the terms of this compact or fails to fulfill its obligations may have reasonable financial penalties imposed against it, may have the right to have low-level radioactive waste generated within its borders disposed of at compact facilities, or a noncompact facility made available to the region by an agreement entered into by the commission pursuant to article III, paragraph *"h"*, subparagraph (6), suspended, or may have its membership in the compact revoked by a two-thirds vote of the commission, provided that the membership of the party state designated to host the next compact facility shall not be revoked unless the member from the host state of a then operating compact facility votes in the affirmative. Revocation takes effect on the date specified in the resolution revoking the party state's membership. All legal rights of the revoked party state established under this compact, including, but not limited to, the right to have low-level radioactive waste generated within its borders disposed of at compact facilities, cease upon the effective date of revocation, but any legal obligations of that party state under this compact, including, but not limited to, those set forth in paragraph *"e"* continue until they are fulfilled. The chairperson of the commission shall transmit written notice of a revocation of a party state's membership in the compact, suspension of a party state's low-level radioactive waste disposal rights, or imposition of financial penalties immediately following the vote of the commission to the governor of the affected party state, governors of all the other party states, and the Congress of the United States.

*e.* A party state that withdraws from this compact or has its membership in the compact revoked before it has fully discharged its obligations under article VI forthwith shall repay to the commission the portion of the funds provided to that state by the commission for the development, construction, operation, closing, or long-term care of a compact facility that the commission determines is fair and equitable, taking into consideration the period of time the compact facility located in that host state was in operation and the amount of low-level radioactive waste disposed of at the compact facility. If at any time after a compact facility begins operating, a party state withdraws from the compact or has its membership revoked, the withdrawing or revoked party state shall be obligated forthwith to pay to the commission, the amount the commission determines would have been paid under the fee system established by the host state of the compact facility, to dispose of at the compact facility the estimated volume of low-level radioactive waste generated in the withdrawing or revoked party state that would have been disposed of at the compact facility from the time of withdrawal or revocation until the time the compact facility is closed. Any funds so paid to the commission shall be distributed by the commission to the persons who would have been entitled to receive the funds had they originally been paid to dispose of low-level radioactive waste at the facility. Any person receiving funds from the commission shall apply the funds to the purposes to which they would have been applied had they originally been paid to dispose of low-level radioactive waste at the compact facility. In addition, a withdrawing or revoked party state forthwith shall pay to the commission an amount the commission determines to be necessary to cover all other costs and damages incurred by the commission and the remaining party states as a result of the withdrawal or revocation. The intention of this paragraph is to eliminate a decrease in revenue resulting from withdrawal of a party state or revocation of a party state's membership, to eliminate financial harm to the remaining party states, and to create an incentive for party states to continue as members of the compact and to fulfill their obligations. This paragraph shall be construed and applied so as to effectuate this intention.

*f.* Any party state whose right to have low-level radioactive waste generated within its borders disposed of at compact facilities is suspended by the commission, shall pay to the host state of the compact facility to which access has been suspended the amount the commission determines is reasonably necessary to ensure that the host state, or any political subdivision thereof, does not incur financial loss as a result of the suspension of access.

*g.* This compact becomes effective upon enactment by at least three eligible states and consent to this compact by the Congress. The consent given to this compact by the Congress shall extend to any future admittance of new party states and to the power of the commission to regulate the shipment and disposal of waste and disposal of naturally occurring and accelerator-produced radioactive material pursuant to this compact. Amendments to this compact are effective when enacted by all party states and, if necessary, consented to by the

Congress. To the extent required by the Low-Level Radioactive Waste Policy Amendments Act of 1985, 42 U.S.C. § 2021(d)(4)(d), every five years after this compact has taken effect, the Congress by law may withdraw its consent.

*h.* The withdrawal of a party state from this compact, the suspension of low-level radioactive waste disposal rights, the termination of a party state's designation as a host state, or the revocation of a state's membership in this compact does not affect the applicability of this compact to the remaining party states.

*i.* (1) This compact may be dissolved and the obligations arising under this compact may be terminated only as follows:

(a) Through unanimous agreement of all party states expressed in duly enacted legislation; or

(b) Through withdrawal of consent to this compact by the Congress under Article I, section 10, of the United States Constitution, in which case dissolution shall take place one hundred twenty days after the effective date of the withdrawal of consent.

(2) Unless explicitly abrogated by the state legislation dissolving this compact, or if dissolution results from withdrawal of congressional consent, the limitations on the investment and use of long-term care funds in article VI, paragraph "*o*" and paragraph "*q*", subparagraph (4), the contractual obligations in article V, paragraph "*f*", the indemnification obligations and contribution rights in article VI, paragraphs "*o*" and "*s*", and article VII, paragraph "*g*", and the operation rights indemnification and hold-harmless obligations in article VI, paragraph "*q*", shall remain in force notwithstanding dissolution of this compact.

9. *Article IX — Penalties and enforcement.*

*a.* Each party state shall prescribe and enforce penalties against any person who is not an official of another state for violation of any provision of this compact.

*b.* The parties to this compact intend that the courts of the United States shall specifically enforce the obligations, including the obligations of party states and revoked or withdrawn party states, established by this compact.

*c.* The commission, an affected party state, or both may obtain injunctive relief, recover damages, or both to prevent or remedy violations of this compact.

*d.* Each party state acknowledges that the transport into a host state of low-level radioactive waste packaged or transported in violation of applicable laws, rules, and regulations may result in the imposition of sanctions by the host state which may include reasonable financial penalties assessed against any generator, transporter, or collector responsible for the violation, or suspension or revocation of access to the compact facility in the host state by a generator, transporter, or collector responsible for the violation.

*e.* Each party state has the right to seek legal recourse against a party state which acts in violation of this compact.

*f.* This compact shall not be construed to create a cause of action for a person other than a party state or the commission. Nothing in this paragraph shall limit the right of judicial review set forth in article III, paragraph "*n*", subparagraph (3), or the rights of contribution set forth in article III, paragraph "*p*", article VI, paragraphs "*o*" and "*s*", and article VII, paragraph "*g*".

10. *Article X — Severability and construction.* The provisions of this compact shall be severable and if any provision of this compact is finally determined by a court of competent jurisdiction to be contrary to the constitution of a participating state or of the United States or the application thereof to a person or circumstance is held invalid, the validity of the remainder of this compact to that person or circumstance and the applicability of the entire compact to any other person or circumstance shall not be affected thereby. If a provision of this compact shall be held contrary to the constitution of a state participating therein, the compact shall remain in full force and effect as to the state affected as to all severable matters. If any provision of this compact imposing a financial obligation upon a party state, or a state that has withdrawn from this compact or had its membership in this compact revoked, is finally determined by a court of competent jurisdiction to be unenforceable due to the state's constitutional limitations on its ability to pay the obligation, then that state shall use its best efforts to obtain an appropriation to pay the obligation, and, if the state is a party state, its right to have low-level radioactive waste generated within its borders disposed of at compact

facilities, or a noncompact facility made available to the region by an agreement entered into by the commission pursuant to article III, paragraph *"h"*, subparagraph (6), shall be suspended until the appropriation is obtained.

83 Acts, ch 8, §1
CS83, §8C.1
85 Acts, ch 67, §3
C93, §457B.1
96 Acts, ch 1051, §1; 97 Acts, ch 23, §54; 2008 Acts, ch 1032, §201; 2009 Acts, ch 41, §263
Referred to in §136C.12, 455B.482

# CHAPTER 458

RESERVED

# CHAPTER 458A

## OIL, GAS, AND OTHER MINERALS

Referred to in §455A.4, 455A.6

This chapter not enacted as a part of this title;
transferred from chapter 84 in Code 1993


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**458A.1 Declaration of policy.**

It is declared to be in the public interest to foster, to encourage, and to promote the development, production, and utilization of natural resources of oil and gas and metallic minerals in the state in such a manner as will prevent waste; to authorize and to provide for the operation and development of oil and gas and metallic minerals properties in such a manner that a greater ultimate recovery of oil and gas and metallic minerals be had and that the correlative rights of all owners be fully protected; and to encourage and to authorize such measures as will result in the greatest possible economic recovery of oil and gas and metallic minerals within the state to the end that the landowners, the royalty owners, the producers, and the general public realize and enjoy the greatest possible good from these vital natural

resources. It is further declared that the general welfare of the people requires that the underground and surface water of the state be protected from pollution and conserved in the best interests of the people of the state.

[C39, §**1360.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §84.1; 81 Acts, ch 41, §1]
C93, §458A.1

**458A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Certificate of clearance"* means a permit prescribed by the department for the transportation or the delivery of oil or gas or product and issued or registered in accordance with the rule or order requiring the permit.
2. *"Commission"* means the environmental protection commission of the department.
3. *"Department"* means the department of natural resources created under section 455A.2.
4. *"Director"* means the director of the department or a designee.
5. *"Exploration"* means an on-site geologic examination from the surface of an area by core, rotary, percussion, or other drilling for the purpose of obtaining stratigraphic or metallic mineral resource information or establishing the nature of a known metallic mineral deposit.
6. *"Field"* means the general area underlaid by one or more pools.
7. *"Gas"* means and includes all natural gas and all other fluid hydrocarbons which are produced at the wellhead and not hereinabove defined as oil.
8. *"Illegal gas"* means gas which has been produced from any well within this state in excess of the quantity permitted by any rule or order of the department.
9. *"Illegal oil"* means oil which has been produced from any well within the state in excess of the quantity permitted by any rule or order of the department.
10. *"Illegal product"* means any product derived in whole or in part from illegal oil or illegal gas.
11. *"Metallic mineral resources"* means the valuable minerals of an area containing metals such as, but not restricted to, lead, copper, zinc, and iron that are presently recoverable or may be recoverable in the future.
12. *"Oil"* means and includes crude petroleum oil and other hydrocarbons regardless of gravity which are produced at the wellhead in liquid form and the liquid hydrocarbons known as distillate or condensate recovered or extracted from gas, other than gas produced in association with oil and commonly known as casinghead gas.
13. *"Owner"* means the person who has the right to drill into and produce from a pool and to appropriate the oil or gas that person produces therefrom either for that person or others or for that person and others.
14. *"Person"* means and includes any natural person, corporation, association, partnership, receiver, trustee, personal representative, guardian, fiduciary or other representative of any kind, and includes any department, agency, or instrumentality of the state or of any governmental subdivision thereof.
15. *"Pool"* means an underground reservoir containing a common accumulation of oil or gas or both; each zone of a structure which is completely separated from any other zone in the same structure is a pool, as that term is used in this chapter.
16. *"Producer"* means the owner of a well or wells capable of producing oil or gas or both.
17. *"Product"* means any commodity made from oil or gas and includes refined crude oil, crude tops, topped crude, processed crude, processed crude petroleum, residue from crude petroleum, cracking stock, uncracked fuel oil, fuel oil, treated crude oil, residuum, gas oil, casinghead gasoline, natural-gas gasoline, kerosene, benzine, wash oil, waste oil, blended gasoline, lubricating oil, blends or mixtures of oil with one or more liquid products or by-products derived from oil or gas, and blends or mixtures of two or more liquid products or by-products derived from oil or gas, whether hereinabove enumerated or not.
18. *"Reasonable market demand"* means the demand for oil or gas for reasonable current requirements for consumption and use within and without the state, together with such quantities as are reasonably necessary for building up or maintaining reasonable working stocks and reasonable reserves of oil or gas or product.
19. *"Waste"* means and includes:

*a.* Physical waste, as that term is generally understood in the oil and gas industry,

*b.* The inefficient, excessive, or improper use of, or the unnecessary dissipation of reservoir energy,

*c.* The location, spacing, drilling, equipping, operating, or producing of any oil or gas well or wells in a manner which causes, or tends to cause, reduction in the quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations, or which causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas,

*d.* The inefficient storing of oil, and

*e.* The production of oil or gas in excess of transportation or marketing facilities or in excess of reasonable market demand.

20. *"Well"* means any hole drilled to determine stratigraphic sequence, mineralization, or for the discovery of oil or gas.

21. The word *"and"* includes the word *"or"* and the use of the word "or" includes the word "and". The use of the plural includes the singular and the use of the singular includes the plural.

[C66, 71, 73, 75, 77, 79, 81, §84.2; 81 Acts, ch 41, §2; 82 Acts, ch 1199, §37, 38, 96]
86 Acts, ch 1245, §1810 – 1812
C93, §458A.2

**458A.3 Waste prohibited.**

Waste of oil and gas is prohibited.

[C66, 71, 73, 75, 77, 79, 81, §84.3]
C93, §458A.3

**458A.4 Duties and powers of director.**

The director shall administer this chapter. The director shall make investigations the director deems proper to determine whether waste exists or is imminent or whether other facts exist which justify action. The director has the authority:

1. To require:

*a.* Identification of ownership of oil or gas wells, producing leases, tanks, plants, structures, and facilities for the refining or intrastate transportation of oil and gas;

*b.* The making and filing of all mechanical well logs and the filing of directional surveys if taken, and the filing of reports on well location, drilling and production, and the filing free of charge of samples and core chips and of complete cores less tested sections when requested in the department within six months after the completion or abandonment of the well;

*c.* The drilling, casing, operation, and plugging of wells in such manner as to prevent the escape of oil or gas out of one stratum into another, the intrusion of water into oil or gas stratum, the pollution of fresh water supplies by oil, gas, or highly mineralized water, to prevent blowouts, cavings, seepages, and fires, and to prevent the escape of oil, gas, or water into workable coal or other mineral deposits;

*d.* The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with this chapter, and the rules of the department prescribed to govern the production of oil and gas on state and private lands within the state of Iowa;

*e.* That the production from wells be separated into gaseous and liquid hydrocarbons, and that each be accurately measured by the means and upon standards prescribed by the department;

*f.* The operation of wells with efficient gas-oil and water-oil ratios, and to fix these ratios;

*g.* Certificates of clearance in connection with the transportation or delivery of any native and indigenous Iowa produced crude oil, gas, or any product;

*h.* Metering or other measuring of any native and indigenous Iowa produced crude oil, gas, or product in pipelines, gathering systems, barge terminals, loading racks, refineries, or other places; and

*i.* That every person who produces, sells, purchases, acquires, stores, transports, refines, or processes native and indigenous Iowa produced crude oil or gas in this state shall keep and maintain within this state complete and accurate records of the quantities of oil or gas, which records shall be available for examination by the department at all reasonable times,

and that every such person file with the department the reports it may prescribe with respect to the oil or gas or the products of the oil or gas.

2. To regulate:

*a.* The drilling, producing, and plugging of wells, and all other operations for the production of oil or gas;

*b.* The shooting and chemical treatment of wells;

*c.* The spacing of wells;

*d.* Operations to increase ultimate recovery such as cycling of gas, the maintenance of pressure, and the introduction of gas, water, or other substances into producing formations; and

*e.* Disposal of highly mineralized water and oil field wastes.

3. To limit and to allocate the production of oil and gas from any field, pool, or area.

4. To classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter.

5. To promulgate and to enforce rules and orders to effectuate the purposes and the intent of this chapter.

6. To make rules or orders for the classification of wells as oil wells or dry natural gas wells; or wells drilled, or to be drilled, for geological information, or as wells for secondary recovery projects, or wells for the disposal of highly mineralized water, brine, or other oil field wastes, or wells for the storage of dry natural gas, or casinghead gas, or wells for the development of reservoirs for the storage of liquid petroleum gas and for the exploration and production of metallic mineral resources.

[C39, §**1360.04, 1360.05;** C46, 50, 54, 58, 62, §84.4, 84.5; C66, 71, 73, 75, 77, 79, 81, §84.4; 81 Acts, ch 41, §3; 82 Acts, ch 1199, §39, 40, 96]

86 Acts, ch 1245, §1813 – 1815

C93, §458A.4

**458A.5 Drilling permit required.**

It is unlawful to commence operations for the drilling of a well for oil or gas or the production of metallic minerals or to commence operations to deepen any well to a different geological formation without first giving the director notice of intention to drill, and without first obtaining a permit from the director, under rules prescribed by the department and paying to the department a fee established by rule of the department for the well. The fee shall be deposited in the general fund of the state.

[C39, §**1360.03;** C46, 50, 54, 58, 62, §84.3; C66, 71, 73, 75, 77, 79, 81, §84.5; 81 Acts, ch 41, §4; 82 Acts, ch 1199, §41, 96]

86 Acts, ch 1245, §1815, 1816

C93, §458A.5

**458A.6 Department shall determine market demand and regulate the amount of production.**

The department shall determine market demand for each marketing district and regulate the amount of production as follows:

1. The department shall limit the production of oil and gas within each marketing district to that amount which can be produced without waste, and which does not exceed the reasonable market demand.

2. When the department limits the total amount of oil or gas which may be produced in the state or a marketing district, the department shall allocate or distribute the allowable production among the pools in the district on a reasonable basis, giving, where reasonable under the circumstances to each pool with small wells of settled production, an allowable production which prevents the general premature abandonment of the wells in the pool.

3. When the department limits the total amount of oil or gas which may be produced in any pool in this state to an amount less than that amount which the pool could produce if no restriction were imposed, which limitation is imposed either incidental to, or without, a limitation of the total amount of oil or gas produced in the marketing district wherein the pool is located, the department shall allocate or distribute the allowable production among

the wells or producing properties in the pool on a reasonable basis, preventing or minimizing reasonable avoidable drainage, so that each property will have the opportunity to produce or to receive its just and equitable share, subject to the reasonable necessities for the prevention of waste.

4. In allocating the market demand for gas between pools within marketing districts, the department shall give due regard to the fact that gas produced from oil pools is to be regulated in a manner which will protect the reasonable use of its energy for oil production.

5. The department is not required to determine the reasonable market demand applicable to any single pool, except in relation to all other pools within the same marketing district, and in relation to the demand applicable to the marketing district. In allocating allowables to pools, the department may consider, but is not bound by nominations of purchasers to purchase from particular fields, pools, or portions thereof. The department shall allocate the total allowable for the state in a manner which prevents undue discrimination between marketing districts, fields, pools, or portions thereof resulting from selective buying or nomination by purchasers.

[C66, 71, 73, 75, 77, 79, 81, §84.6; 82 Acts, ch 1199, §42, 96]

C93, §458A.6

**458A.7 Department shall set spacing units.**

The department shall set spacing units as follows:

1. When necessary to prevent waste, to avoid the drilling of unnecessary wells, or to protect correlative rights, the department shall establish spacing units for a pool. Spacing units when established shall be of uniform size and shape for the entire pool, except that when found to be necessary for any of the purposes above mentioned, the department may divide any pool into zones and establish spacing units for each zone, which units may differ in size and shape from those established in any other zone.

2. The size and shape of spacing units are to be such as will result in the efficient and economical development of the pool as a whole.

3. An order establishing spacing units for a pool shall specify the size and shape of each unit and the location of the permitted well thereon in accordance with a reasonably uniform spacing plan. Upon application, if the director finds that a well drilled at the prescribed location would not produce in paying quantities, or that surface conditions would substantially add to the burden or hazard of drilling such well, the director is authorized to enter an order permitting the well to be drilled at a location other than that prescribed by such spacing order; however, the director shall include in the order suitable provisions to prevent the production from the spacing unit of more than its just and equitable share of the oil and gas in the pool.

4. An order establishing units for a pool shall cover all lands determined or believed to be underlaid by the pool, and may be modified by the director from time to time to include additional areas determined to be underlaid by the pool. When found necessary for the prevention of waste, or to avoid the drilling of unnecessary wells or to protect correlative rights, an order establishing spacing units in a pool may be modified by the director to increase the size of spacing units in the pool or any zone of the pool, or to permit the drilling of additional wells on a reasonable uniform plan in the pool, or any zone of the pool. Orders of the director may be appealed to the department within thirty days.

[C39, §**1360.02;** C46, 50, 54, 58, 62, §84.2; C66, 71, 73, 75, 77, 79, 81, §84.7; 82 Acts, ch 1199, §43, 96]

86 Acts, ch 1245, §1816

C93, §458A.7

**458A.8 Integration of fractional tracts.**

1. When two or more separately owned tracts are embraced within a spacing unit, or when there are separately owned interests in all or a part of the spacing unit, then the owners and royalty owners of the tracts may pool their interests for the development and operation of the spacing unit. In the absence of voluntary pooling the department upon the application of any interested person, shall enter an order pooling all interests in the spacing unit for the

development and operations of the unit. Each pooling order shall be made after notice and hearing, and shall be upon terms and conditions that are just and reasonable, and that afford to the owner of each tract or interest in the spacing unit the opportunity to recover or receive, without unnecessary expense, a just and equitable share. Operations incident to the drilling of a well upon any portion of a spacing unit covered by a pooling order shall be deemed for all purposes to be the conduct of the operations upon each separately owned tract in the drilling unit by the several owners of the unit. That portion of the production allocated to each tract included in a spacing unit covered by a pooling order shall, when produced, be deemed for all purposes to have been produced from the tract by a well drilled on it.

2. Each pooling order shall make provision for the drilling and operation of a well on the spacing unit, and for the payment of the reasonable actual cost of the well by the owners of interests in the spacing unit, plus a reasonable charge for supervision. In the event of any dispute as to such costs the department shall determine the proper costs. If an owner shall drill and operate, or pay the expenses of drilling and operating the well for the benefit of others, then, the owner so drilling or operating shall, upon complying with the terms of section 458A.10, have a lien on the share of production from the spacing unit accruing to the interest of each of the other owners for the payment of a proportionate share of the expenses. All the oil and gas subject to the lien shall be marketed and sold and the proceeds applied in payment of the expenses secured by the lien as provided for in section 458A.10.

[C66, 71, 73, 75, 77, 79, 81, §84.8; 82 Acts, ch 1199, §44, 96]

C93, §458A.8

Referred to in §458A.10

**458A.9 Voluntary agreements for unit operation valid.**

An agreement for the unit or cooperative development and operation of a field or pool, in connection with the conduct of a repressuring or pressure maintenance operations, cycling or recycling operations, including the extraction and separation of liquid hydrocarbons from natural gas, or any other method of operation, including water floods, may be performed without being in violation of any of the statutes of this state relating to trusts, monopolies, or contracts and combinations in restraint of trade, if the agreement is approved by the department as being in the public interest, protective of correlative rights, and reasonably necessary to increase ultimate recovery or to prevent waste of oil or gas. The agreements bind only the persons who execute them, and their heirs, successors, assigns, and legal representatives.

[C66, 71, 73, 75, 77, 79, 81, §84.9; 82 Acts, ch 1199, §45, 96]

C93, §458A.9

**458A.10 Liens for development and operating costs.**

A person to whom another is indebted for expenses incurred in drilling and operating a well on a drilling unit required to be formed as provided for in section 458A.8, may, in order to secure payment of the amount due, fix a lien upon the interest of the debtor in the production from the drilling unit or the unit area, as the case may be, by filing for record, with the recorder of the county where property involved, or any part thereof, is located, an affidavit setting forth the amount due and the interest of the debtor in such production. The person to whom the amount is payable may, at the expense of the debtor, store all or any part of the production upon which the lien exists until the total amount due, including reasonable storage charges, is paid or the commodity is sold at foreclosure sale and delivery is made to the purchaser. The lien may be foreclosed as provided for with respect to foreclosure of a lien on chattels.

[C66, 71, 73, 75, 77, 79, 81, §84.10]

C93, §458A.10

Referred to in §458A.8

**458A.11 Rules covering practice before department.**

1. The department shall prescribe rules governing the practice and procedure before it.

2. An order or amendment of an order, except in an emergency, shall not be made by the department without a public hearing upon at least ten days' notice. The public hearing shall

be held at the time and place prescribed by the department, and any interested person is entitled to be heard.

3. When an emergency requiring immediate action is found to exist the department may issue an emergency order without notice of hearing, which shall be effective upon promulgation. An emergency order shall not remain effective for more than fifteen days.

4. Any notice required by this chapter shall be given at the election of the department either by personal service or by letter to the last recorded address and one publication in a newspaper of general circulation in the state capital city and in a newspaper of general circulation in the county where the land affected or some part of the land is situated. The notice shall issue in the name of the state, shall be signed by the director, shall specify the style and number of the proceeding, the time and place of the hearing, and shall briefly state the purpose of the proceeding. Should the department elect to give notice by personal service, the service may be made by any officer authorized to serve process, or by any agent of the department, in the same manner as is provided by law for the service of original notices in civil actions in the district court of the state. Proof of the service by such agent shall be by the affidavit of the person making personal service.

5. All orders issued by the department shall be in writing, shall be entered in full and indexed in books to be kept by the director for that purpose, and shall be public records open for inspection at all times during reasonable office hours. A copy of any rule or order certified by the director or any officer of the department shall be received in evidence in all courts of this state with the same effect as the original.

6. The department may act upon its own motion, or upon the petition of any interested person. On the filing of a petition concerning any matter within the jurisdiction of the department, the department shall promptly fix a date for a hearing and shall cause notice of the hearing to be given. The hearing shall be held without undue delay after the filing of the petition. The department shall enter its order within thirty days after the hearing.

[C66, 71, 73, 75, 77, 79, 81, §84.11; 82 Acts, ch 1199, §46, 96]
86 Acts, ch 1245, §1815, 1816
C93, §458A.11

**458A.12 Summoning witnesses, administering oaths, requiring production of records — hearing examiners appointed.**

1. The department may summon witnesses, administer oaths, and require the production of records, books, and documents for examination at any hearing or investigation conducted. A person shall not be excused from attending and testifying, or from producing books, papers, and records before the department or a court, or from obedience to the subpoena of the department or a court, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of the person may tend to incriminate the person or subject the person to a penalty or forfeiture. However this subsection does not require a person to produce any books, papers, or records, or to testify in response to any inquiry not pertinent to some question lawfully before the department or court for determination. A natural person is not subject to criminal prosecution or to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which, in spite of objections, the person may be required to testify or produce as evidence, documentary or otherwise, before the department or court, or in obedience to subpoena. However, a person testifying shall not be exempted from prosecution and punishment for perjury committed in so testifying.

2. In case of failure or refusal on the part of any person to comply with the subpoena issued by the department, or in case of the refusal of any witness to testify as to any matter regarding which the witness may be interrogated, any court in the state, upon the application of the department, may issue an attachment for the person and compel the person to comply with the subpoena, and to attend before the department and produce the records, books, and documents for examination, and to give testimony. The courts may punish for contempt as in the case of disobedience to a like subpoena issued by the court, or for refusal to testify.

3. The department may appoint a hearing examiner or examiners to conduct hearings

required by this chapter. When appointed, the hearing examiner may exercise all of the powers delegated to the department by this section.

[C66, 71, 73, 75, 77, 79, 81, §84.12; 82 Acts, ch 1199, §47, 96]
C93, §458A.12

**458A.13** Reserved.

**458A.14 Appeal to district court — procedure of appeal.**

Judicial review of an action of the department may be sought in accordance with the terms of chapter 17A. Notwithstanding that chapter, petitions for judicial review may be filed in the district court of Polk county or in the district court of any county in which the property affected or some portion of the property is located.

[C66, 71, 73, 75, 77, 79, 81, §84.14; 82 Acts, ch 1199, §48, 49, 96]
C93, §458A.14

**458A.15 Acquisition and handling illegal oil and gas prohibited — seizure of illegal oil and gas and sale thereof.**

1. The sale, purchase, acquisition, transportation, refining, processing, or handling of illegal oil, illegal gas, or illegal product is prohibited. However, a penalty by way of fine shall not be imposed upon a person who sells, purchases, acquires, transports, refines, processes, or handles illegal oil, illegal gas, or illegal product unless:

*a.* The person knows, or is put on notice, of facts indicating that illegal oil, illegal gas, or illegal product is involved.

*b.* The person fails to obtain a certificate of clearance with respect to the oil, gas, or product where prescribed by order of the department, or fails to follow any other method prescribed by an order of the department for the identification of the oil, gas or product.

2. Illegal oil, illegal gas, and illegal product are declared to be contraband and are subject to seizure and sale; seizure and sale to be in addition to any other remedies and penalties provided in this chapter for violations relating to illegal oil, illegal gas, or illegal product. When the department believes that any oil, gas or product is illegal, the department acting by the attorney general, shall bring a civil action in rem in the district court of the county where the oil, gas, or product is found, to seize and sell the same, or the department may include an action in rem for the seizure and sale of illegal oil, illegal gas, or illegal product in any suit brought for an injunction or penalty involving illegal oil, illegal gas, or illegal product. Any person claiming an interest in oil, gas, or product affected by the action may intervene as an interested party in the action.

3. Actions for the seizure and sale of illegal oil, illegal gas, or illegal product shall be strictly in rem, and shall proceed in the name of the state as plaintiff against the illegal oil, illegal gas, or illegal products as defendant. No bond or similar undertaking shall be required of the plaintiff. Upon the filing of the petition for seizure and sale, the attorney general shall issue a notice, with a copy of the complaint attached thereto, which shall be served in the manner provided for service of original notices in civil actions, upon any and all persons having or claiming any interest in the illegal oil, illegal gas, or illegal products described in the petition. Service shall be completed by the filing of an affidavit by the person making the service, stating the time and manner of making such service. Any person who fails to appear and answer within the period of thirty days shall be forever barred by the judgment based on such service. If the court, on a properly verified petition, or affidavits, or oral testimony, finds that grounds for seizure and for sale exist, the court shall issue an immediate order of seizure, describing the oil, gas, or product to be seized and directing the sheriff of the county to take such oil, gas, or product into the sheriff's custody, actual or constructive, and to hold the same subject to the further order of the court. The court, in such order of seizure, may direct the sheriff to deliver the oil, gas, or product seized by the sheriff under the order to an agent appointed by the court as the agent of the court; such agent to give bond in an amount and with such surety as the court may direct, conditioned upon the agent's compliance with the orders of the court concerning the custody and disposition of such oil, gas, or product.

4. Any person having an interest in oil, gas, or product described in an order of seizure and

contesting the right of the state to the seizure and sale thereof may, prior to the sale thereof as herein provided, obtain the release thereof, upon furnishing bond to the sheriff approved by the court, in an amount equal to one hundred fifty percent of the market value of the oil, gas, or product to be released, and conditioned as the court may direct upon redelivery to the sheriff of such product released or upon payment to the sheriff of the market value thereof as the court may direct, if and when ordered by the court, and upon full compliance with the further orders of the court.

5. If the court, after a hearing upon a petition for the seizure and sale of oil, gas, or product, finds that such oil, gas, or product is contraband, the court shall order the sale thereof by the sheriff in the same manner and upon the same notice of sale as provided by law for the sale of personal property on execution of judgment entered in a civil action except that the court may order that the illegal oil, illegal gas, or illegal product be sold in specified lots or portions and at specified intervals. Upon such sale, title to the oil, gas, or product sold shall vest in the purchaser free of the claims of any and all persons having any title thereto or interest therein at or prior to the seizure thereof, and the same shall be legal oil, legal gas, or legal product, as the case may be, in the hands of the purchaser.

6. All proceeds derived from the sale of illegal oil, illegal gas, or illegal product, as above provided, after payment of costs of suit and expenses incident to the sale and all amounts paid as penalties provided for by this chapter shall be paid to the state treasurer and credited to the general fund.

[C66, 71, 73, 75, 77, 79, 81, §84.15; 82 Acts, ch 1199, §50, 96]

C93, §458A.15

Referred to in §331.653

**458A.16 Penalties.**

1. Any person who violates any provision of this chapter, or any rule or order of the department where no other penalty is provided is guilty of a simple misdemeanor.

2. If any person, for the purpose of evading this chapter, or any rule or order of the department, makes or causes to be made any false entry or statement in a report required by this chapter or by any rule or order, or makes or causes to be made any false entry in any record, account, or memorandum required by this chapter, or by any rule or order, or omits, or causes to be omitted, from any record, account, or memorandum, full, true, and correct entries as required by this chapter, or by any rule or order, or removes from this state or destroys, mutilates, alters, or falsifies any such record, account, or memorandum, the person is guilty of a fraudulent practice.

3. Any person knowingly aiding or abetting any other person in the violation of any provision of this chapter, or any rule or order of the department is subject to the same penalty as that prescribed by this chapter for the violation by the other person.

[C66, 71, 73, 75, 77, 79, 81, §84.16; 82 Acts, ch 1199, §51, 96]

C93, §458A.16

Fraudulent practices, see §714.8 – 714.14

**458A.17 Action to restrain violation or threatened violation.**

1. If it appears that any person is violating or threatening to violate any provision of this chapter, or any rule or order of the department, the department shall bring suit against the person in the district court of any county where the violation occurs or is threatened, to restrain the person from continuing the violation or from carrying out the threat of violation. In the suit, the court has jurisdiction to grant to the department, without bond or other undertaking, the prohibitory and mandatory injunctions as the facts may warrant, including temporary restraining orders, preliminary injunctions, temporary, preliminary, or final orders restraining the movement or disposition of any illegal oil, illegal gas, or illegal product, any of which the court may order to be impounded or placed in the custody of an agent appointed by the court.

2. If the department fails to bring suit to enjoin a violation or threatened violation of any provision of this chapter, or any rule or order of the department, within ten days after receipt of written request to do so by any person who is or will be adversely affected by

the violation, the person making the request may bring suit in the person's own behalf to restrain the violation or threatened violation in any court in which the department might have brought suit. The department shall be made a party defendant in the suit in addition to the person violating or threatening to violate a provision of this chapter, or a rule or order of the department, and the action shall proceed and injunctive relief may be granted to the department or the petitioner without bond in the same manner as if suit had been brought by the department.

[C66, 71, 73, 75, 77, 79, 81, §84.17; 82 Acts, ch 1199, §52, 96]
C93, §458A.17

**458A.18 Mineral rights taxed separately.**

All rights and interests in or to oil, gas or other minerals underlying land, whether created by or arising under deed, lease, reservation of rights, or otherwise, which rights or interests are owned by any person other than the owner of the land, shall be assessed and taxed separately to the owner of such rights or interests in the same manner as other real estate. The taxes on such rights or interests which are not owned by the owner of the land shall not be a lien on the land.

[C66, 71, 73, 75, 77, 79, 81, §84.18]
C93, §458A.18

**458A.19 Rate.**

In order to pay the costs of assessment and collection and provide a reasonable minimum standard of taxation, the taxes on any such rights or interests not owned by the owner of the land, shall be not less than five cents per acre.

[C66, 71, 73, 75, 77, 79, 81, §84.19]
C93, §458A.19

**458A.20 Tax sale — redemption by owner.**

When any such rights or interests not owned by the owner of the land are sold at tax sale, and when the owner of such rights or interests does not redeem under the provisions of chapter 447 within ninety days after such tax sale, the owner of the land shall thereafter have the same right of redemption as the owner of such rights or interests has, and redemption by the owner of the land shall terminate all right of redemption of the owner of such rights or interests.

[C66, 71, 73, 75, 77, 79, 81, §84.20]
C93, §458A.20

**458A.21 Lease of public lands.**

The state, counties and cities and other political subdivisions may lease publicly owned lands under their respective jurisdictions for the purpose of oil or gas or metallic minerals exploration and production. Any such leases shall be entered into on behalf of the state by the executive council, on behalf of a county by the board of supervisors, on behalf of a city by the council and on behalf of another political subdivision by the governing body. The leases shall be upon terms and conditions as agreed upon.

Revenues derived from the leasing of state-owned lands shall be paid into the general fund of the state. Revenues derived from the leasing of other public lands shall be paid into the general fund of the respective lessor political subdivision.

[C39, §**1360.10;** C46, 50, 54, 58, 62, §84.10; C66, 71, 73, 75, 77, 79, 81, §84.21; 81 Acts, ch 41, §5]
C93, §458A.21
Referred to in §331.361, 331.427

**458A.22 Duty to have forfeited lease released — affidavit of noncompliance — notice to landowner — remedies.**

1. When any oil, gas, or metallic mineral lease given on land situated in Iowa and recorded, becomes forfeited by failure of the lessee to comply with its provisions or the Iowa law, the

lessee shall, within sixty days after date of forfeiture of the lease, have the lease surrendered in writing, duly acknowledged, and placed on record in the county where the leased land is situated. If the lessee fails to execute and record a release of the recorded lease within the time provided for, the owner of the land may execute an affidavit of noncompliance in substantially the following form:

AFFIDAVIT OF NONCOMPLIANCE

State of Iowa )
County of ..... ) ss.

....., being first duly sworn, upon oath deposes and says that the deponent is ..... as referred to in an (oil and gas) (metallic mineral) mining lease dated the ..... day of ..... (month), ..... (year), which lease is recorded in Volume ....., Page ....., or as Instrument # ..... of the County Records of ..... County, ....., and which lease covers the following described lands: .....
.....

And further, deponent says that on the ..... day of ..... (month), ..... (year), under the terms of said lease, there should have been paid to the deponent or deposited to the deponent's credit in the ..... Bank of ..... the sum of ..... Dollars ($.....), the payment of which was necessary in order to keep the above described lease in force and effect. Deponent hereby swears the above payment has never been made to the deponent or the deponent's representatives, in money or otherwise, nor has same been deposited to the deponent's credit in the above bank.

And further, deponent says that there has been no drilling or development of any nature or kind whatsoever done on the land covered by the lease referred to herein, as called for under the terms of said lease.

.....
.....

Subscribed and sworn to before me, a Notary Public for the State of Iowa, this ..... day of ..... (month), ..... (year)

.....
Notary Public
My commission expires .....

AFFIDAVIT OF THE BANKER

State of ..... )
County of ..... ) ss.

I, ....., (Cashier) (President) of the ..... Bank of ....., being first duly sworn, upon my oath declare that there has not been deposited to the credit of ..... in the ..... Bank of ....., by ..... or any other party, any sum of money whatsoever, in payment of rental under the terms of the (oil and gas) (metallic mineral) mining lease referred to in this affidavit.

Witness my hand this ..... day of ..... (month), ..... (year)

.....
(Cashier) (President) of ..... Bank

Subscribed and sworn to before me, a Notary Public for the State of Iowa on the ..... day of ..... (month), ..... (year)
.....
Notary Public
My commission expires .....

2. The owner of the land shall retain the original affidavit and shall mail a copy of the affidavit by restricted certified mail, as defined in section 618.15, to the lessee. If the lessee, within thirty days after receipt of the affidavit, gives notice in writing, by restricted certified mail, to the owner of the land that the lease has not been forfeited and that the lessee still claims that the lease is in full force and effect, then the owner of the land shall be entitled to the remedies provided by this chapter for the cancellation of such disputed lease.

3. If the lessee does not notify the owner of the land as provided in subsection 2, then the owner shall file the original affidavit for recording with the county recorder, and thereafter the record of the lease shall not be notice to the public of the existence of the lease or of any interest therein or rights thereunder, and the record shall not be received in evidence in any court of the state on behalf of the lessee against the lessor, and the lease shall stand forfeited.

[C39, §**1360.06;** C46, 50, 54, 58, 62, §84.6; C66, 71, 73, 75, 77, 79, 81, §84.22; 81 Acts, ch 41, §6, 7]

C93, §458A.22

2000 Acts, ch 1058, §56; 2006 Acts, ch 1031, §6

Referred to in §331.602

**458A.23 Action to obtain release — damages, costs and attorney fees — attachment.**

Should the owner of such lease neglect or refuse to execute a release as provided by this chapter, or contend lease is in full force and effect, then the owner of the leased premises may sue in any court of competent jurisdiction to obtain such release, and may also recover in such action the sum of one hundred dollars as damages, and all costs, together with a reasonable attorney fee for preparing and prosecuting the suit, and may also recover any additional damages that the evidence in the case will warrant. In all such actions, writs of attachment may issue as in other cases.

[C39, §**1360.07;** C46, 50, 54, 58, 62, §84.7; C66, 71, 73, 75, 77, 79, 81, §84.23]

C93, §458A.23

**458A.24 Extension upon contingency — affidavit.**

If a recorded lease contains the statement of any contingency upon the happening of which the term of any such lease may be extended, the owner of said lease may at any time before the expiration of the definite term of said lease file with said county recorder an affidavit setting forth the description of the lease, that the affiant is the owner thereof and the facts showing that the required contingency has happened, or the record of such lease shall not impart notice to the public of the continuance of said lease. This affidavit shall be recorded in full by the county recorder and such record together with that of the lease shall be due notice to the public of the existence and continuing validity of said lease, until the same shall be forfeited, canceled, set aside, or surrendered according to law.

[C39, §**1360.08;** C46, 50, 54, 58, 62, §84.8; C66, 71, 73, 75, 77, 79, 81, §84.24]

C93, §458A.24

Referred to in §331.602

**458A.25 Liens for labor or materials and of contractor and subcontractor — manner of perfecting liens — enforcement of liens.**

Provisions of chapter 572 as to mechanic's liens or labor and materials furnished for improvements on real estate and of contractors and subcontractors, shall apply to labor and materials furnished for gas or oil wells, or pipe lines, and such liens shall not attach on the real estate, but shall attach to the whole of the lease held, and upon the gas or oil

wells, buildings and appurtenances and pipe lines for which said labor or materials were furnished, and shall be perfected and enforced as provided by said chapter.

[C39, §**1360.09;** C46, 50, 54, 58, 62, §84.9; C66, 71, 73, 75, 77, 79, 81, §84.25]
C93, §458A.25

# CHAPTER 459

## ANIMAL AGRICULTURE COMPLIANCE ACT

Referred to in §455A.4, 455A.6, 455B.103, 455B.103A, 455B.105, 455B.107, 459A.103, 459A.104, 459B.104, 459B.307

Chapter transferred from sections in chapter 455B and from chapter 455J in Code 2003 pursuant to Code editor directive; 2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262

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## SUBCHAPTER I

## GENERAL PROVISIONS

Referred to in §455B.111, 455B.112, 455B.113, 455B.115, 455E.8

**459.101 Title.**

This chapter shall be known and may be cited as the *"Animal Agriculture Compliance Act"*.
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

**459.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Aerobic structure"* means an animal feeding operation structure other than an egg washwater storage structure which employs bacterial action which is maintained by the utilization of air or oxygen and which includes aeration equipment.

2. *"Anaerobic lagoon"* means an unformed manure storage structure, if the primary function of the structure is to store and stabilize manure, the structure is designed to receive manure on a regular basis, and the structure's design waste loading rates provide that the predominant biological activity is anaerobic. An anaerobic lagoon does not include any of the following:

*a.* A settled open feedlot effluent basin as defined in section 459A.102.

*b.* An anaerobic treatment system that includes collection and treatment facilities for all off gases.

3. *"Animal"* means cattle, swine, horses, sheep, chickens, turkeys, or fish.

4. *"Animal feeding operation"* means a lot, yard, corral, building, or other area in which animals are confined and fed and maintained for forty-five days or more in any twelve-month period, and all structures used for the storage of manure from animals in the operation. Except as required for a national pollutant discharge elimination system permit required pursuant to the federal Water Pollution Control Act, 33 U.S.C. ch. 26, as amended, an animal feeding operation does not include a livestock market.

5. *"Animal feeding operation structure"* means a confinement building, manure storage

structure, dry bedded confinement feeding operation structure as defined in section 459B.102, or egg washwater storage structure.

6. *"Animal unit"* means a unit of measurement based upon the product of multiplying the number of animals of each category by a special equivalency factor as follows:

*a.* Slaughter or feeder cattle ..... 1.000
*b.* Immature dairy cattle ..... 1.000
*c.* Mature dairy cattle ..... 1.400
*d.* Butcher or breeding swine weighing more than fifty-five pounds ..... 0.400
*e.* Swine weighing fifteen pounds or more but not more than fifty-five pounds ..... 0.100
*f.* Sheep or lambs ..... 0.100
*g.* Horses ..... 2.000
*h.* Turkeys weighing one hundred twelve ounces or more ..... 0.018
*i.* Turkeys weighing less than one hundred twelve ounces ..... 0.0085
*j.* Chickens weighing forty-eight ounces or more ..... 0.010
*k.* Chickens weighing less than forty-eight ounces ..... 0.0025
*l.* Fish ..... 0.001

7. *"Animal unit capacity"* means a measurement used to determine the maximum number of animal units that may be maintained as part of an animal feeding operation at any one time, including as provided in sections 459.201 and 459.301.

8. *"Animal weight capacity"* means the product of multiplying the maximum number of animals which the owner or operator confines in an animal feeding operation at any one time by the average weight during a production cycle.

9. "*Cemetery*" means a space held for the purpose of permanent burial, entombment, or interment of human remains that is owned or managed by a political subdivision or private entity, or a cemetery regulated pursuant to chapter 523I. However, "*cemetery*" does not include a pioneer cemetery as defined in section 331.325.

10. *"Commercial enterprise"* means a building which is used as a part of a business that manufactures goods, delivers services, or sells goods or services, which is customarily and regularly used by the general public during the entire calendar year and which is connected to electric, water, and sewer systems. A commercial enterprise does not include a farm operation.

11. "*Commercial manure service*" means a sole proprietor or business association as defined in section 202B.102, engaged in the business of transporting, handling, storing, or applying manure for a fee.

12. "*Commercial manure service representative*" means a natural person who is any of the following:

*a.* A manager of a commercial manure service. As used in this paragraph a *"manager"* is a person who is actively involved in the operation of a commercial manure service and takes an important part in making management decisions substantially contributing to or affecting the success of the commercial manure service.

*b.* An employee, agent, or contractor of a commercial manure service, if the person is engaged in transporting, handling, storing, or applying manure on behalf of the commercial manure service.

13. "*Commission*" means the environmental protection commission created pursuant to section 455A.6.

14. "*Confinement feeding operation*" means an animal feeding operation in which animals are confined to areas which are totally roofed.

15. "*Confinement feeding operation building*" or "*confinement building*" means a building used in conjunction with a confinement feeding operation to house animals.

16. *"Confinement feeding operation structure"* means an animal feeding operation structure that is part of a confinement feeding operation.

17. *"Confinement site manure applicator"* means a person, other than a commercial manure service or a commercial manure service representative, who applies manure on land if the manure originates from a manure storage structure.

18. *"Covered"* means organic or inorganic material placed upon an animal feeding operation structure used to store manure as provided by rules adopted by the department after receiving recommendations which shall be submitted to the department by the college of agriculture and life sciences at Iowa state university of science and technology.

19. *"Critical public area"* means land as designated by the department pursuant to rules adopted pursuant to chapter 17A, if all of the following apply:

*a.* The land is part of a public park, preserve, or recreation area that is owned or managed by the federal government; by the department, including under chapter 461A or 465C; or by a political subdivision.

*b.* The land has a unique scenic, cultural, archaeological, scientific, or historic significance or contains a rare or valuable ecological system.

20. *"Department"* means the department of natural resources created pursuant to section 455A.2.

21. *"Designated area"* means a known sinkhole, a cistern, an abandoned well, an unplugged agricultural drainage well, an agricultural drainage well surface inlet, a drinking water well, a designated wetland, or a water source. However, *"designated area"* does not include a terrace tile inlet or a surface tile inlet other than an agricultural drainage well surface tile inlet.

22. *"Designated wetland"* means land designated as a protected wetland by the United States department of the interior or the department of natural resources, including but not limited to a protected wetland as defined in section 456B.1, if the land is owned and managed by the federal government or the department of natural resources. However, a designated wetland does not include land where an agricultural drainage well has been plugged causing a temporary wetland or land within a drainage district or levee district.

23. *"Director"* means the director of the department of natural resources.

24. *"Document"* means any form required to be processed by the department under this chapter regulating animal feeding operations, including but not limited to applications or related materials for permits as provided in section 459.303, manure management plans as provided in section 459.312, comment or evaluation by a county board of supervisors considering an application for a construction permit, the department's analysis of the application including using and responding to a master matrix pursuant to section 459.304, and notices required under those sections.

25. *"Dry manure"* means manure which meets all of the following conditions:

*a.* The manure does not flow perceptibly under pressure.

*b.* The manure is not capable of being transported through a mechanical pumping device designed to move a liquid.

*c.* The constituent molecules of the manure do not flow freely among themselves but may show a tendency to separate under stress.

26. *"Earthen manure storage basin"* means an earthen cavity, either covered or uncovered, which, on a regular basis, receives waste discharges from a confinement feeding operation if accumulated wastes from the basin are completely removed at least once each year.

27. *"Educational institution"* means a building in which an organized course of study or training is offered to students enrolled in kindergarten through grade twelve and served by local school districts, accredited or approved nonpublic schools, area education agencies, community colleges, institutions of higher education under the control of the state board of regents, and accredited independent colleges and universities.

28. *"Egg washwater storage structure"* means an aerobic or anaerobic structure used to store the wastewater resulting from the washing and in-shell packaging of eggs.

29. *"Family member"* means a person related to another person as parent, grandparent, child, grandchild, sibling, or a spouse of such a related person.

30. *"Formed manure storage structure"* means a covered or uncovered impoundment used

to store manure from an animal feeding operation, which has walls and a floor constructed of concrete, concrete block, wood, steel, or similar materials.

31. *"Frozen ground"* means soil that is impenetrable due to frozen soil moisture but does not include soil that is only frozen to a depth of two inches or less.

32. *"High-quality water resource"* means that part of a water source or wetland that the department has designated as any of the following:

*a.* A high-quality water (Class "HQ") or a high-quality resource water (Class "HQR") according to 567 IAC ch. 61, in effect on January 1, 2001.

*b.* A protected water area system, according to a state plan adopted by the department in effect on January 1, 2001.

33. *"Indemnity fee"* means a fee provided in section 459.502 or 459.503.

34. *"Karst terrain"* means land having karst formations that exhibit surface and subterranean features of a type produced by the dissolution of limestone, dolomite, or other soluble rock and characterized by closed depressions, sinkholes, or caves.

35. *"Liquid manure"* means manure that meets all of the following requirements:

*a.* It flows perceptibly under pressure.

*b.* It is capable of being transported through a mechanical pumping device designated to move a liquid.

*c.* Its constituent molecules flow freely among themselves and show the tendency to separate under stress.

36. *"Livestock market"* means any place where animals are assembled from two or more sources for public auction, private sale, or on a commission basis, which is under state or federal supervision, including a livestock sale barn or auction market, if such animals are kept for ten days or less.

37. *"Long-term stockpile location"* means an area where a person stockpiles manure for more than six months in any two-year period.

38. *"Major water source"* means a water source that is a lake, reservoir, river, or stream located within the territorial limits of the state, or any marginal river area adjacent to the state, if the water source is capable of supporting a floating vessel capable of carrying one or more persons during a total of a six-month period in one out of ten years, excluding periods of flooding, which has been identified by rules adopted by the commission.

39. *"Manure"* means animal excreta or other commonly associated wastes of animals, including but not limited to bedding, litter, or feed losses.

40. *"Manure storage structure"* means a formed manure storage structure or an unformed manure storage structure.

*a.* A manure storage structure includes a dry bedded manure storage structure as defined in section 459B.102.

*b.* A manure storage structure does not include an egg washwater storage structure.

41. *"One hundred year floodplain"* means the land adjacent to a major water source, if there is at least a one percent chance that the land will be inundated in any one year, according to calculations adopted by rules adopted pursuant to section 459.103. In making the calculations, the department shall consider available maps or data compiled by the federal emergency management agency.

42. *"Permittee"* means a person who, pursuant to section 459.303, obtains a permit for the construction of a manure storage structure, or a confinement feeding operation, if a manure storage structure is connected to the confinement feeding operation.

43. *"Professional engineer"* means a person engaged in the practice of engineering as defined in section 542B.2 who is issued a certificate of licensure as a professional engineer pursuant to section 542B.17.

44. *"Public thoroughfare"* means a road, street, or bridge that is constructed or maintained by the state or a political subdivision.

45. *"Public use area"* means any of the following:

*a.* A portion of land owned by the United States, the state, or a political subdivision with facilities which attract the public to congregate and remain in the area for significant periods of time, as provided by rules which shall be adopted by the department pursuant to chapter 17A.

*b.* A cemetery.

46. *"Qualified confinement feeding operation"* means a confinement feeding operation having an animal unit capacity of any of the following:

*a.* For a confinement feeding operation maintaining animals other than swine as part of a farrowing and gestating operation or farrow-to-finish operation or cattle as part of a cattle operation, five thousand three hundred thirty-three or more animal units.

*b.* (1) For a confinement feeding operation maintaining swine as part of a farrowing and gestating operation, two thousand five hundred or more animal units.

(2) In calculating the animal unit capacity of a confinement feeding operation under subparagraph (1), an animal unit does not include replacement breeding swine, if all of the following apply:

(a) The replacement breeding swine are raised at the confinement feeding operation.

(b) The replacement breeding swine are used in the farrowing and gestating operation.

(3) The method of calculating animal units under subparagraph (2) shall only be used for purposes of determining whether a confinement feeding operation is a qualified confinement feeding operation subject to section 459.206.

*c.* For a confinement feeding operation maintaining swine as part of a swine farrow-to-finish operation, five thousand four hundred or more animal units.

*d.* For a confinement feeding operation maintaining cattle, eight thousand five hundred or more animal units.

47. *"Qualified stockpile cover"* means a barrier impermeable to precipitation that is used to protect a stockpile from precipitation.

48. *"Qualified stockpile structure"* means any of the following:

*a.* A building.

*b.* A roofed structure other than a building that is all of the following:

(1) Impermeable to precipitation.

(2) Constructed using wood, steel, aluminum, vinyl, plastic, or other similar materials.

(3) Constructed with walls or other means to prevent precipitation-induced surface runoff from contacting the stockpile.

49. *"Religious institution"* means a building in which an active congregation is devoted to worship.

50. *"Restricted spray irrigation equipment"* means spray irrigation equipment which disperses manure through an orifice at a maximum pressure of eighty pounds per square inch or more.

51. *"Small animal feeding operation"* means an animal feeding operation which has an animal unit capacity of five hundred or fewer animal units.

52. *"Snow covered ground"* means soil covered by one inch or more of snow or soil covered by one-half inch or more of ice.

53. *"Spray irrigation equipment"* means mechanical equipment used for the aerial application of manure, if the equipment receives manure from a manure storage structure during application via a pipe or hose connected to the structure, and includes a type of equipment customarily used for the aerial application of water to aid the growing of general farm crops.

54. *"Stockpile"* means dry manure originating from a confinement feeding operation that is stored at a particular location outside a manure storage structure.

55. *"Stockpile dry manure"* means to create or add to a stockpile.

56. *"Surface water drain tile intake"* means an opening to a drain tile which allows surface water to enter the drain tile without filtration through the soil profile.

57. *"Swine farrow-to-finish operation"* means a confinement feeding operation in which porcine are produced and in which a primary portion of the phases of the production cycle are conducted at one confinement feeding operation. Phases of the production cycle include but are not limited to gestation, farrowing, growing, and finishing.

58. *"Unformed manure storage structure"* means a covered or uncovered impoundment used to store manure, other than a formed manure storage structure, which includes an anaerobic lagoon, aerobic structure, or earthen manure storage basin.

59. *"Water of the state"* means the same as defined in section 455B.171.

60. *"Water source"* means a lake, river, reservoir, creek, stream, ditch, or other body of water or channel having definite banks and a bed with water flow, except lakes or ponds without outlet to which only one landowner is riparian.

95 Acts, ch 195, §15

CS95, §455B.161

98 Acts, ch 1209, §12, 13, 53; 2002 Acts, ch 1137, §7, 8, 32, 68, 71; 2002 Acts, ch 1138, §1 – 3, 5; 2002 Acts, 2nd Ex, ch 1003, §248, 260, 262

C2003, §459.102

2003 Acts, ch 44, §71, 72; 2003 Acts, ch 52, §1, 6; 2003 Acts, ch 108, §82; 2003 Acts, ch 138, §1, 2; 2003 Acts, ch 163, §1, 2, 23; 2004 Acts, ch 1086, §77; 2005 Acts, ch 136, §34, 35; 2008 Acts, ch 1032, §59; 2008 Acts, ch 1191, §143, 147, 148; 2009 Acts, ch 38, §1, 16; 2009 Acts, ch 155, §1, 32, 34; 2012 Acts, ch 1036, §2; 2012 Acts, ch 1085, §1, 2

Referred to in §101.21, 165B.1, 202.1, 202C.1, 331.304A, 455B.171, 455H.107, 459A.102, 459A.103, 459B.102, 562.1A, 579B.1, 654C.1, 657.11

**459.103 General authority — commission and department.**

1. The commission shall establish by rule adopted pursuant to chapter 17A, requirements relating to the construction, including expansion, or operation of animal feeding operations, including related animal feeding operation structures. The requirements shall include but are not limited to minimum manure control, the issuance of permits, and departmental investigations, inspections, and testing.

2. Any provision referring generally to compliance with the requirements of this chapter as applied to animal feeding operations also includes compliance with requirements in rules adopted by the commission pursuant to this section, orders issued by the department as authorized under this chapter, and the terms and conditions applicable to licenses, certifications, permits, or manure management plans required under subchapter III. However, for purposes of approving or disapproving an application for a construction permit as provided in section 459.304, conditions for the approval of an application based on results produced by a master matrix are not requirements of this chapter until the department approves or disapproves an application based on those results.

98 Acts, ch 1209, §25

C99, §455B.200

2002 Acts, ch 1137, §27, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §250, 259, 260, 262

C2003, §459.103

2003 Acts, ch 163, §3, 23; 2007 Acts, ch 82, §2

Referred to in §459.102, 459.304, 459.318

## SUBCHAPTER II

## ANIMAL FEEDING OPERATIONS — AIR QUALITY

Referred to in §15E.208, 172D.3, 306.27, 364.22, 455A.6, 455B.103A, 455B.111, 455B.112, 455B.113, 455B.115, 455B.134, 455B.135, 455B.137, 455B.138, 455B.142, 455E.6, 455E.8, 459.311A, 459.401, 459.602

**459.201 Special terms.**

For purposes of this subchapter, all of the following shall apply:

1. Two or more animal feeding operations under common ownership or management are deemed to be a single animal feeding operation if they are adjacent or utilize a common system for manure storage. For purposes of determining whether two or more confinement feeding operations are adjacent, all of the following must apply:

*a.* At least one confinement feeding operation structure must be constructed on or after March 21, 1996.

*b.* A confinement feeding operation structure which is part of one confinement feeding operation is separated by less than a minimum required distance from a confinement feeding operation structure which is part of the other confinement feeding operation. The minimum required distance shall be as follows:

(1) (a) One thousand two hundred fifty feet for a confinement feeding operation having

an animal unit capacity of less than three thousand animal units for animals other than swine maintained as part of a swine farrowing and gestating operation or farrow-to-finish operation, or cattle maintained as part of a cattle operation.

(b) One thousand two hundred fifty feet for a confinement feeding operation having an animal unit capacity of less than one thousand two hundred fifty animal units for swine maintained as part of a farrowing and gestating operation, less than two thousand seven hundred animal units for swine maintained as part of a farrow-to-finish operation, or less than four thousand animal units for cattle maintained as part of a cattle operation.

(2) (a) One thousand five hundred feet for a confinement feeding operation having an animal unit capacity of three thousand or more but less than five thousand animal units for animals other than swine maintained as part of a swine farrowing and gestating operation or farrow-to-finish operation, or cattle maintained as part of a cattle operation.

(b) One thousand five hundred feet for a confinement feeding operation having an animal unit capacity of one thousand two hundred fifty or more but less than two thousand animal units for swine maintained as part of a swine farrowing and gestating operation, two thousand seven hundred or more but less than five thousand four hundred animal units for swine maintained as part of a farrow-to-finish operation, or four thousand or more but less than six thousand five hundred animal units for cattle maintained as part of a cattle operation.

(3) (a) Two thousand five hundred feet for a confinement feeding operation having an animal unit capacity of five thousand or more animal units for animals other than swine maintained as part of a swine farrowing and gestating operation or farrow-to-finish operation, or cattle maintained as part of a cattle operation.

(b) Two thousand five hundred feet for a confinement feeding operation having an animal unit capacity of two thousand or more animal units for swine maintained as part of a swine farrowing and gestating operation, five thousand four hundred animal units or more for swine maintained as part of a farrow-to-finish operation, or six thousand five hundred or more animal units for cattle maintained as part of a cattle operation.

2. A confinement feeding operation structure is *"constructed"* when any of the following occurs:

*a.* Excavation for a proposed confinement feeding operation structure or proposed expansion of an existing confinement feeding operation structure, including excavation for the footings of the confinement feeding operation structure.

*b.* Forms for concrete are installed for a proposed confinement feeding operation structure or the proposed expansion of an existing confinement feeding operation structure.

*c.* Piping for the movement of manure is installed within or between confinement feeding operation structures as proposed or proposed to be expanded.

3. In calculating the animal unit capacity of a confinement feeding operation, the animal unit capacity shall include the animal unit capacity of all confinement feeding operation buildings which are part of the confinement feeding operation, unless a confinement feeding operation building has been abandoned.

4. A confinement feeding operation structure is abandoned if the confinement feeding operation structure has been razed, removed from the site of a confinement feeding operation, filled in with earth, or converted to uses other than a confinement feeding operation structure so that it cannot be used as a confinement feeding operation structure without significant reconstruction.

5. All distances between locations of objects provided in this part shall be measured in feet from their closest points, as provided by rules adopted by the department. However, a distance between a public thoroughfare and a confinement feeding operation structure shall be measured from the portion of the right-of-way which is closest to the confinement feeding operation structure.

98 Acts, ch 1209, §14, 53
C99, §455B.161A
2002 Acts, ch 1137, §9, 10, 67, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.201
Referred to in §459.102, 459.301

**459.202 Confinement feeding operations structures — separation distances.**

The following shall apply to confinement feeding operation structures:

1. *a.* Except as provided in subsection 3 and sections 459.203, 459.205, and 459.206, this subsection applies to confinement feeding operation structures constructed on or after May 31, 1995, but prior to January 1, 1999; and to the expansion of structures constructed prior to January 1, 1999.

*b.* The following table represents the minimum separation distance in feet required between a confinement feeding operation structure and a residence not owned by the owner of the confinement feeding operation, or a commercial enterprise, bona fide religious institution, or an educational institution:

| Type of structure | Minimum separation distance in feet for operations having an animal weight capacity of less than 625,000 pounds for animals other than cattle, or less than 1,600,000 pounds for cattle | Minimum separation distance in feet for operations having an animal weight capacity of 625,000 or more pounds but less than 1,250,000 pounds for animals other than cattle, or 1,600,000 or more pounds but less than 4,000,000 pounds for cattle | Minimum separation distance in feet for operations having an animal weight capacity of 1,250,000 or more pounds for animals other than cattle, or 4,000,000 or more pounds for cattle |
|---|---|---|---|
| Anaerobic lagoon | 1,250 | 1,875 | 2,500 |
| Uncovered earthen manure storage basin | 1,250 | 1,875 | 2,500 |
| Uncovered formed manure storage structure | 1,000 | 1,500 | 2,000 |
| Covered earthen manure storage basin | 750 | 1,000 | 1,500 |
| Covered formed manure storage structure | 750 | 1,000 | 1,500 |
| Confinement building | 750 | 1,000 | 1,500 |
| Egg washwater storage structure | 750 | 1,000 | 1,500 |

2. *a.* Except as provided in subsection 3 and sections 459.203, 459.205, and 459.206, this subsection applies to confinement feeding operation structures constructed on or after January 1, 1999, but prior to March 1, 2003, and to the expansion of structures constructed on or after January 1, 1999, but prior to March 1, 2003.

*b.* The following table represents the minimum separation distance in feet required between a confinement feeding operation structure and a residence not owned by the owner of the confinement feeding operation, or a commercial enterprise, bona fide religious institution, or an educational institution:

| Type of structure | Minimum separation distance in feet for operations having an animal weight capacity of less than 625,000 pounds for animals other than cattle, or less than 1,600,000 pounds for cattle | Minimum separation distance in feet for operations having an animal weight capacity of 625,000 or more pounds but less than 1,250,000 pounds for animals other than cattle, or 1,600,000 or more pounds but less than 4,000,000 pounds for cattle | Minimum separation distance in feet for operations having an animal weight capacity of 1,250,000 or more pounds for animals other than cattle, or 4,000,000 or more pounds for cattle |
|---|---|---|---|
| Anaerobic lagoon | 1,250 | 1,875 | 2,500 |
| Uncovered earthen manure storage basin | 1,250 | 1,875 | 2,500 |
| Uncovered formed manure storage structure | 1,250 | 1,500 | 2,000 |
| Covered earthen manure storage basin | 1,000 | 1,250 | 1,875 |
| Covered formed manure storage structure | 1,000 | 1,250 | 1,875 |
| Confinement building | 1,000 | 1,250 | 1,875 |
| Egg washwater storage structure | 750 | 1,000 | 1,500 |

3. *a.* Except as provided in sections 459.203, 459.205, and 459.206, this subsection applies to confinement feeding operation structures constructed on or after May 31, 1995, but prior to March 1, 2003; to the expansion of structures constructed on or after May 31, 1995, but prior to March 1, 2003; and to the expansion of structures constructed prior to May 31, 1995.

*b.* The following table represents the minimum separation distance in feet required between a confinement feeding operation structure and a public use area; or between a confinement feeding operation structure and a residence not owned by the owner of the confinement feeding operation, a commercial enterprise, a bona fide religious institution, or an educational institution, if the residence, commercial enterprise, religious institution, or educational institution is located within the corporate limits of a city:

| Type of structure | Minimum separation distance in feet for operations having an animal weight capacity of less than 625,000 pounds for animals other than cattle, or less than 1,600,000 pounds for cattle | Minimum separation distance in feet for operations having an animal weight capacity of 625,000 or more pounds but less than 1,250,000 pounds for animals other than cattle, or 1,600,000 or more pounds but less than 4,000,000 pounds for cattle | Minimum separation distance in feet for operations having an animal weight capacity of 1,250,000 or more pounds for animals other than cattle, or 4,000,000 or more pounds for cattle |
|---|---|---|---|
| Confinement feeding operation structure | 1,250 | 1,875 | 2,500 |

4. *a.* Except as provided in subsection 5 and sections 459.203, 459.205, and 459.206, this subsection applies to confinement feeding operation structures constructed on or after March 1, 2003, and to the expansion of confinement feeding operation structures constructed on or after March 1, 2003.

*b.* The following table represents the minimum separation distance in feet required between a confinement feeding operation structure and a residence not owned by the owner of the confinement feeding operation, a commercial enterprise, a bona fide religious institution, or an educational institution:

| Type of structure | For a confinement feeding operation having an animal unit capacity of less than 1,000 animal units | For a confinement feeding operation having an animal unit capacity of 1,000 or more but less than 3,000 animal units | For a confinement feeding operation having an animal unit capacity of 3,000 or more animal units |
|---|---|---|---|
| Anaerobic lagoon | 1,875 | 2,500 | 3,000 |
| Uncovered earthen manure storage basin | 1,875 | 2,500 | 3,000 |
| Uncovered formed manure storage structure | 1,500 | 2,000 | 2,500 |
| Covered earthen manure storage basin | 1,250 | 1,875 | 2,375 |
| Covered formed manure storage structure | 1,250 | 1,875 | 2,375 |
| Confinement building | 1,250 | 1,875 | 2,375 |
| Egg washwater storage structure | 1,000 | 1,500 | 2,000 |

5. *a.* Except as provided in sections 459.203, 459.205, and 459.206, this subsection applies to confinement feeding operation structures constructed on or after March 1, 2003, and to the expansion of confinement feeding operation structures constructed on or after March 1, 2003.

*b.* The following table represents the minimum separation distance in feet required between a confinement feeding operation structure and a public use area; or between a

confinement feeding operation structure and a residence not owned by the owner of the confinement feeding operation, a commercial enterprise, a bona fide religious institution, or an educational institution, if the residence, commercial enterprise, religious institution, or educational institution is located within the corporate limits of a city:

| Type of structure | For a confinement feeding operation having an animal unit capacity of less than 1,000 animal units | For a confinement feeding operation having an animal unit capacity of 1,000 or more but less than 3,000 animal units | For a confinement feeding operation having an animal unit capacity of 3,000 or more animal units |
|---|---|---|---|
| Confinement feeding operation structure | 1,875 | 2,500 | 3,000 |

6. Except as provided in section 459.205, a confinement feeding operation structure shall not be constructed or expanded within one hundred feet from a public thoroughfare.

95 Acts, ch 195, §16
CS95, §455B.162
98 Acts, ch 1209, §15 – 17, 53; 99 Acts, ch 114, §58, 59; 2002 Acts, ch 1137, §11 – 17, 67, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.202
2013 Acts, ch 30, §104 – 108
Referred to in §459.203, 459.205, 459.207, 459.303, 459.304, 459.305, 654C.1
Subsection 1, unnumbered paragraphs 1 and 2 designated as paragraphs a and b
Subsection 2, unnumbered paragraphs 1 and 2 designated as paragraphs a and b
Subsection 3, unnumbered paragraphs 1 and 2 designated as paragraphs a and b
Subsection 4, unnumbered paragraphs 1 and 2 designated as paragraphs a and b
Subsection 5, unnumbered paragraphs 1 and 2 designated as paragraphs a and b

**459.203 Separation distance requirements for confinement feeding operations — expansion of prior constructed operations.**

A confinement feeding operation constructed or expanded prior to the date that a distance requirement became effective under section 459.202 and which does not comply with the section's distance requirement may continue to operate regardless of the distance requirement. The confinement feeding operation may be expanded if any of the following applies:

1. *a.* For a confinement feeding operation constructed prior to January 1, 1999, any construction or expansion of a confinement feeding operation structure complies with the distance requirements applying to that structure as provided in section 459.202, subsections 1 and 3.

*b.* For a confinement feeding operation constructed on or after January 1, 1999, but prior to March 1, 2003, any construction or expansion of a confinement feeding operation structure complies with the distance requirements applying to that structure as provided in section 459.202, subsections 2 and 3.

*c.* For a confinement feeding operation constructed on or after March 1, 2003, any construction or expansion of a confinement feeding operation structure complies with the distance requirements applying to that structure as provided in section 459.202, subsections 4 and 5.

2. All of the following apply to the expansion of the confinement feeding operation:

*a.* No portion of the confinement feeding operation after expansion is closer than before expansion to a location or object for which separation is required under section 459.202.

*b.* For a confinement feeding operation that includes a confinement feeding operation

structure constructed prior to March 1, 2003, the animal weight capacity of the confinement feeding operation as expanded is not more than the lesser of the following:

(1) Double its animal weight capacity on the following dates:

(a) May 31, 1995, for a confinement feeding operation that includes a confinement feeding operation structure constructed prior to January 1, 1999.

(b) January 1, 1999, for a confinement feeding operation that only includes a confinement feeding operation structure constructed on or after January 1, 1999, but does include a confinement feeding operation structure constructed prior to March 1, 2003.

(2) Either of the following:

(a) Six hundred twenty-five thousand pounds animal weight capacity for animals other than cattle.

(b) One million six hundred thousand pounds animal weight capacity for cattle.

*c.* For a confinement feeding operation that does not include a confinement feeding operation structure constructed prior to March 1, 2003, the animal unit capacity of the confinement feeding operation as expanded is not more than the lesser of the following:

(1) Double its animal unit capacity on March 1, 2003.

(2) One thousand animal units.

3. The confinement feeding operation includes a confinement feeding operation structure that is constructed prior to March 1, 2003, and is expanded by replacing one or more unformed manure storage structures with one or more formed manure storage structures, if all of the following apply:

*a.* The animal weight capacity or animal unit capacity, whichever is applicable, is not increased for that portion of the confinement feeding operation that utilizes all replacement formed manure storage structures.

*b.* Use of each replaced unformed manure storage structure is discontinued within one year after the construction of the replacement formed manure storage structure.

*c.* The capacity of all replacement formed manure storage structures does not exceed the amount required to store manure produced by that portion of the confinement feeding operation utilizing the formed manure storage structures during any fourteen-month period.

*d.* No portion of the replacement formed manure storage structure is closer to an object or location for which separation is required under section 459.202 than any other confinement feeding operation structure which is part of the operation.

95 Acts, ch 195, §17

CS95, §455B.163

98 Acts, ch 1209, §18, 53; 99 Acts, ch 114, §58, 59; 2002 Acts, ch 1137, §18 – 20, 67, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §459.203

Referred to in §459.202

**459.204 Liquid manure application — separation distance.**

Except as provided in section 459.205, a person shall not apply liquid manure from a confinement feeding operation on land located within seven hundred fifty feet from a residence not owned by the titleholder of the land, a commercial enterprise, a bona fide religious institution, an educational institution, or a public use area.

C2001, §455B.162(5)

2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §459.204

Referred to in §459.205, 459.207, 459.304, 459.305, 654C.1

**459.204A Stockpiling dry manure.**

A person may stockpile dry manure so long as the person stockpiles the dry manure in compliance with restrictions applicable to stockpiling as provided in this subchapter and subchapter III.

2009 Acts, ch 38, §2, 16

**459.204B Stockpiling dry manure — minimum separation distance requirements.**

Except as provided in section 459.205, a person shall not stockpile dry manure within one thousand two hundred fifty feet from a residence not owned by the titleholder of the land, a commercial enterprise, a bona fide religious institution, an educational institution, or a public use area.

2009 Acts, ch 38, §3, 16

Referred to in §459.205

**459.205 Separation distance requirements — exemptions.**

A separation distance requirement provided in this subchapter shall not apply to the following:

1. A confinement feeding operation structure, if the structure is part of a confinement feeding operation which qualifies as a small animal feeding operation. However, this subsection shall not apply if the confinement feeding operation structure is an unformed manure storage structure.

2. *a.* A confinement feeding operation structure which is constructed or expanded, if the titleholder of the land benefiting from the distance separation requirement executes a written waiver with the titleholder of the land where the structure is located. If a confinement feeding operation structure is constructed or expanded within the separation distance required between a confinement feeding operation structure and a public thoroughfare as required pursuant to section 459.202, the state or a political subdivision constructing or maintaining the public thoroughfare benefiting from the distance separation requirement may execute a written waiver with the titleholder of the land where the structure is located. The confinement feeding operation structure shall be constructed or expanded under such terms and conditions that the parties negotiate.

*b.* A written waiver under this subsection becomes effective only upon the recording of the waiver in the office of the recorder of deeds of the county in which the benefited land is located. The filed waiver shall preclude enforcement by the state of section 459.202 as it relates to a distance requirement between the confinement feeding operation structure and the location or object benefiting from the separation distance requirement.

3. A confinement feeding operation structure which is constructed or expanded within any distance from a residence, educational institution, commercial enterprise, bona fide religious institution, city, or public use area, if the residence, educational institution, commercial enterprise, or bona fide religious institution was constructed or expanded, or the boundaries of the city or public use area were expanded, after the date that the confinement feeding operation was established. The date the confinement feeding operation was established is the date on which the confinement feeding operation commenced operating. A change in ownership or expansion of the confinement feeding operation shall not change the established date of operation.

4. The application of liquid manure on land within a separation distance required between the applied manure and an object or location for which separation is required under section 459.204, if any of the following apply:

*a.* The liquid manure is injected into the soil or incorporated within the soil not later than twenty-four hours from the original application, as provided by rules adopted by the commission.

*b.* The titleholder of the land benefiting from the separation distance requirement executes a written waiver with the titleholder of the land where the manure is applied.

*c.* The liquid manure originates from a small animal feeding operation.

*d.* The liquid manure is applied by spray irrigation equipment using a center pivot mechanism as provided by rules adopted by the department, if all of the following apply:

(1) The spray irrigation equipment uses hoses which discharge the liquid manure in a downward direction at a height of not more than nine feet above the soil.

(2) The spray irrigation equipment disperses manure through an orifice at a maximum pressure of not more than twenty-five pounds per square inch.

(3) The liquid manure is not applied within two hundred fifty feet from a residence not

owned by the titleholder of the land, a commercial enterprise, a bona fide religious institution, an educational institution, or a public use area.

5. The stockpiling of dry manure within a separation distance required between a stockpile and an object or location for which separation is required under section 459.204B if any of the following apply:

*a.* The titleholder of the land benefiting from the separation distance requirement executes a written waiver with the titleholder of the land where the stockpile is located.

*b.* The stockpile consists of dry manure originating from a small animal feeding operation.

*c.* The stockpile consists of dry manure originating from a confinement feeding operation that was constructed before January 1, 2006, unless the confinement feeding operation is expanded after that date.

6. The distance between a confinement feeding operation structure and a cemetery, if any of the following applies:

*a.* The confinement feeding operation structure was constructed or expanded prior to January 1, 1999.

*b.* The construction or expansion of the confinement feeding operation structure began prior to January 1, 1999.

95 Acts, ch 195, §19
CS95, §455B.165
98 Acts, ch 1209, §20, 21, 53; 2000 Acts, ch 1154, §31; 2002 Acts, ch 1137, §21, 22, 67, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.205
2009 Acts, ch 38, §4, 16
Referred to in §459.202, 459.204, 459.204B, 654C.1, 654C.5

**459.206 Qualified confinement feeding operations — manure storage structures.**

1. Except as provided in subsection 2, a qualified confinement feeding operation storing manure in a manure storage structure shall only use a manure storage structure that employs bacterial action which is maintained by the utilization of air or oxygen, and which shall include aeration equipment. The type and degree of treatment technology required to be installed shall be based on the size of the confinement feeding operation, according to rules adopted by the department. The equipment shall be installed, operated, and maintained in accordance with the manufacturer's instructions and requirements of rules adopted pursuant to this section.

2. The requirements of subsection 1 do not apply to any of the following:

*a.* A qualified confinement feeding operation which includes a confinement feeding operation structure constructed prior to May 31, 1995.

*b.* A qualified confinement feeding operation that stores dry manure.

C2001, §455B.162(6)
2002 Acts, ch 1137, §16, 17, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.206
2009 Acts, ch 38, §5, 16
Referred to in §459.102, 459.202

**459.207 Animal feeding operations — airborne pollutants control.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Airborne pollutant"* means hydrogen sulfide, ammonia, or odor.

*b.* *"Separated location"* means a location or object from which a separation distance is required under section 459.202 or 459.204, other than a public thoroughfare.

2. The department shall conduct a comprehensive field study to monitor the level of airborne pollutants emitted from animal feeding operations in this state, including but not limited to each type of confinement feeding operation structure.

3. *a.* After the completion of the field study, the department may develop comprehensive plans and programs for the abatement, control, and prevention of airborne pollutants originating from animal feeding operations in accordance with this section. The comprehensive plans and programs may be developed if the baseline data from the field

study demonstrates to a reasonable degree of scientific certainty that airborne pollutants emitted by an animal feeding operation are present at a separated location at levels commonly known to cause a material and verifiable adverse health effect. The department may adopt any comprehensive plans or programs in accordance with chapter 17A prior to implementation or enforcement of an air quality standard but in no event shall the plans and programs provide for the enforcement of an air quality standard prior to December 1, 2004.

*b.* Any air quality standard established by the department for animal feeding operations shall be based on and enforced at distances measured from a confinement feeding operation structure to a separated location. In providing for the enforcement of the standards, the department shall take all initial measurements at the separated location. If the department determines that a violation of the standards exists, the department may conduct an investigation to trace the source of the airborne pollutant. This section does not prohibit the department from entering the premises of an animal feeding operation in compliance with section 455B.103. The department shall comply with standard biosecurity requirements customarily required by the animal feeding operation which are necessary in order to control the spread of disease among an animal population.

*c.* The department shall establish recommended best management practices, mechanisms, processes, or infrastructure under the comprehensive plans and programs in order to reduce the airborne pollutants emitted from an animal feeding operation.

*d.* The department shall provide a procedure for the approval and monitoring of alternative or experimental practices, mechanisms, processes, or infrastructure to reduce the airborne pollutants emitted from an animal feeding operation, which may be incorporated as part of the comprehensive plans and programs developed under this section.

2002 Acts, ch 1137, §23, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

## SUBCHAPTER III

## ANIMAL FEEDING OPERATIONS — WATER QUALITY

Referred to in §15E.208, 306.27, 364.22, 455A.6, 455B.103A, 455B.111, 455B.112, 455B.113, 455B.115, 455B.173, 455B.174, 455B.175, 455B.179, 455B.182, 455B.185, 455E.6, 455E.8, 459.103, 459.204A, 459.401, 459.601, 459.603

**459.301 Special terms.**

For purposes of this subchapter, all of the following shall apply:

1. Two or more animal feeding operations under common ownership or management are deemed to be a single animal feeding operation if they are adjacent or utilize a common area or system for manure disposal. In addition, for purposes of determining whether two or more confinement feeding operations are adjacent, all of the following must apply:

*a.* At least one confinement feeding operation structure must be constructed on or after May 21, 1998.

*b.* A confinement feeding operation structure which is part of one confinement feeding operation is separated by less than a minimum required distance from a confinement feeding operation structure which is part of the other confinement feeding operation. The minimum required distance shall be as follows:

(1) One thousand two hundred fifty feet for confinement feeding operations having a combined animal unit capacity of less than one thousand animal units.

(2) Two thousand five hundred feet for confinement feeding operations having a combined animal unit capacity of one thousand animal units or more.

2. A confinement feeding operation structure is *"constructed"* in the same manner as provided in section 459.201.

3. *a.* In calculating the animal unit capacity of a confinement feeding operation, the animal unit capacity shall include the animal unit capacity of all confinement feeding operation buildings which are part of the confinement feeding operation, unless a confinement feeding operation building has been abandoned as provided in section 459.201.

*b.* In calculating animal unit capacity for purposes of an election to be considered a small animal feeding operation as provided in section 459.312A, the animal unit capacity of

a confinement feeding operation shall include all confinement feeding operation buildings that are used to do any of the following:

(1) House animals.

(2) Store manure.

4. All distances between locations or objects provided in this subchapter shall be measured in feet from their closest points.

5. *a.* The department shall designate by rule each one hundred year floodplain in this state according to the location of the one hundred year floodplain. A person shall not be prohibited from constructing a confinement feeding operation structure on a one hundred year floodplain unless the one hundred year floodplain is designated by rule in accordance with this subsection.

*b.* (1) Until the effective date of rules adopted by the department to designate the location of each one hundred year floodplain in this state, a person shall not construct a confinement feeding operation structure on land that contains a soil type classified as alluvial unless one of the following applies:

(a) If the person does not apply for a construction permit as provided in section 459.303, the person must petition the department for a declaratory order pursuant to section 17A.9 to determine whether the location of the proposed confinement feeding operation structure is located on a one hundred year floodplain. The department shall issue a declaratory order in response to the petition, notwithstanding any other provision provided in section 17A.9 to the contrary, within thirty days from the date that the petition is filed with the department.

(b) If the person does apply for a construction permit as provided in section 459.303, the person must identify that the land contains a soil type classified as alluvial. The department shall determine whether the land is located on a one hundred year floodplain.

(2) The department shall provide in its declaratory order or its approval or disapproval of a construction permit application a determination regarding whether the confinement feeding operation structure is to be located on a one hundred year floodplain, whether the confinement feeding operation structure may be constructed at the location, and any conditions for the construction.

(3) This paragraph *"b"* is repealed on the effective date that rules are adopted by the department pursuant to paragraph *"a"*. The department shall provide a caption on the adopted rule as published in the Iowa administrative bulletin as provided in section 17A.4, stating that this paragraph is repealed as provided in this subparagraph. The director of the department shall deliver a copy of the adopted rule to the Iowa Code editor.

6. Dry manure that is stockpiled within a distance of one thousand two hundred fifty feet from another stockpile shall be considered part of the same stockpile.

98 Acts, ch 1209, §27, 53

C99, §455B.200B

2002 Acts, ch 1137, §30 – 32, 67, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §252, 259, 260, 262

C2003, §459.301

2003 Acts, ch 44, §73; 2009 Acts, ch 38, §6, 16; 2013 Acts, ch 106, §1

Referred to in §459.102, 459.310

Subsection 3 amended

**459.302 Document processing requirements.**

1. The department shall adopt and promulgate forms required to be completed in order to comply with this subchapter including forms for documents that the department shall make available on the internet.

2. *a.* The department shall provide for procedures for the receipt, filing, processing, and return of documents in an electronic format, including but not limited to the transmission of documents by the internet. The department shall provide for authentication of the documents that may include electronic signatures as provided in chapter 554D.

*b.* The department shall to every extent feasible provide for the processing of permits and manure management plans required under this subchapter using electronic systems,

including programming, necessary to ensure the completeness and accuracy of the documents in accordance with the requirements of this subchapter.

2002 Acts, ch 1137, §34, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262

Referred to in §459.312, 459A.201

**459.303 Confinement feeding operations — permit requirements.**

1. The department shall approve or disapprove applications for permits for the construction, including the expansion, of confinement feeding operation structures, as provided by rules adopted pursuant to this chapter. The department's decision to approve or disapprove a permit for the construction of a confinement feeding operation structure shall be based on whether the application is submitted according to procedures required by the department and the application meets standards established by the department. A person shall not begin construction of a confinement feeding operation structure requiring a permit under this section, unless the department first approves the person's application and issues to the person a construction permit. The department shall provide conditions for requiring when a person must obtain a construction permit.

*a.* Except as provided in paragraph "*b*", a person must obtain a permit to construct any of the following:

(1) A confinement feeding operation structure if after construction its confinement feeding operation would have an animal unit capacity of at least one thousand animal units.

(2) The confinement feeding operation structure is an unformed manure storage structure.

*b.* A person is not required to obtain a permit to construct a confinement feeding operation structure if any of the following apply:

(1) The confinement feeding operation structure, if constructed, would be part of a small animal feeding operation. However, the person must obtain a permit under this section if the confinement feeding operation structure is an unformed manure storage structure.

(2) The confinement feeding operation structure is part of a confinement feeding operation which is owned by a research college conducting research activities as provided in section 459.318.

2. The department shall issue a construction permit upon approval of an application. The department shall approve the application if the application is submitted to the county board of supervisors in the county where the proposed confinement feeding operation structure is to be located as required pursuant to section 459.304, and the application meets the requirements of this chapter. If a county submits an approved recommendation pursuant to a construction evaluation resolution filed with the department, the application must also achieve a satisfactory rating produced by the master matrix used by the board or department under section 459.304. The department shall approve the application regardless of whether the applicant is required to be issued a construction permit.

3. The department shall not approve an application for a construction permit unless the applicant submits all of the following:

*a.* An indemnity fee as provided in section 459.502 that the department shall deposit into the livestock remediation fund created in section 459.501.

*b.* A manure management plan as provided in section 459.312 and manure management plan filing fee as provided in section 459.400.

*c.* A construction permit application fee as provided in section 459.400.

*d.* A livestock odor mitigation evaluation certificate issued by Iowa state university as provided in section 266.49. The department shall not obtain, maintain, or consider the results of an evaluation. The applicant is not required to submit the certificate if any of the following applies:

(1) The confinement feeding operation is twice the minimum separation distance required from the nearest object or location from which a separation distance is required pursuant to section 459.202 on the date of the application, not including a public thoroughfare.

(2) The owner of each object or location which is less than twice the minimum separation distance required pursuant to section 459.202 from the confinement feeding operation on the

date of the application, other than a public thoroughfare, executes a document consenting to the construction.

(3) The applicant submits a document swearing that Iowa state university has failed to furnish a certificate to the applicant within forty-five days after the applicant requested the university to conduct a livestock odor mitigation evaluation as provided in section 266.49.

(4) The application is for a permit to expand a confinement feeding operation, if the confinement feeding operation was first constructed before January 1, 2009.

(5) Iowa state university does not provide for a livestock odor mitigation evaluation effort as provided in section 266.49, for any reason, including because funding is not available.

4. The applicant may submit a master matrix as completed by the applicant.

5. *a.* A confinement feeding operation meets threshold requirements under this subsection if the confinement feeding operation after construction of a proposed confinement feeding operation structure would have a minimum animal unit capacity of the following:

(1) Three thousand animal units for animals other than swine maintained as part of a swine farrowing and gestating operation or farrow-to-finish operation or cattle maintained as part of a cattle operation.

(2) One thousand two hundred fifty animal units for swine maintained as part of a swine farrowing and gestating operation.

(3) Two thousand seven hundred fifty animal units for swine maintained as part of a farrow-to-finish operation.

(4) Four thousand animal units for cattle maintained as part of a cattle operation.

*b.* The department shall not approve an application for a construction permit unless the following apply:

(1) If the application is for a permit to construct an unformed manure storage structure, the application must include a statement approved by a professional engineer certifying that the construction of the unformed manure storage structure complies with the construction design standards required in this subchapter.

(2) If the application is for a permit to construct three or more confinement feeding operation structures, the application must include a statement providing that the construction of the confinement feeding operation structures will not impede drainage through established drainage tile lines which cross property boundary lines unless measures are taken to reestablish the drainage prior to completion of construction. For a confinement feeding operation that meets threshold requirements, the statement must be approved by a professional engineer. Otherwise, if the application is for a permit to construct a formed manure storage structure, the statement must be part of the construction design statement as provided in section 459.306.

(3) If the application is for a permit to construct a formed manure storage structure, other than for a confinement feeding operation meeting threshold requirements, the applicant must include a construction design statement as provided in section 459.306. An application for a permit to construct a formed manure storage structure as part of a confinement feeding operation that meets threshold requirements must include a statement approved by a professional engineer certifying that the construction of the formed manure storage structure complies with the requirements of this subchapter.

(4) The department may only require that an application for a permit to construct a formed manure storage structure or egg washwater storage structure that is part of a confinement feeding operation meeting threshold requirements include an engineering report, construction plans, or specifications prepared by a licensed professional engineer or the natural resources conservation service of the United States department of agriculture.

6. As a condition to approving an application for a construction permit, the department may require any of the following:

*a.* The installation of a related pollution control device or practice, including but not limited to the installation and operation of a water pollution monitoring system for an unformed manure storage structure.

*b.* The department's approval of the installation of any proposed system to permanently lower the groundwater table at a site as part of the construction of an unformed manure storage structure, as is necessary to ensure that the unformed manure storage structure does

not pollute groundwater sources, including providing for standards as provided in section 459.308.

7. *a.* The department shall not issue a permit to a person under this section if an enforcement action by the department, relating to a violation of this chapter concerning a confinement feeding operation in which the person has an interest, is pending, as provided in section 459.317.

*b.* The department shall not issue a permit to a person under this section for five years after the date of the last violation committed by a person or confinement feeding operation in which the person holds a controlling interest during which the person or operation was classified as a habitual violator under section 459.604.

98 Acts, ch 1209, §26, 53

C99, §455B.200A

2002 Acts, ch 1137, §28, 29, 68, 70, 71; 2002 Acts, 2nd Ex, ch 1003, §251, 259 – 262

C2003, §459.303

2003 Acts, ch 44, §74; 2003 Acts, ch 108, §83; 2008 Acts, ch 1174, §11 – 14; 2011 Acts, ch 81, §11

Referred to in §266.46, 459.102, 459.301, 459.304, 459.305, 459.306, 459.308, 459.310, 459.312, 459.400, 459.401, 459.403, 459.502, 459.503

Implementation of subsection 3, paragraph d, is contingent upon receipt of sufficient funds by Iowa state university; 2008 Acts, ch 1174, §13

**459.304 Construction permit application procedure — county participation — comments — master matrix.**

1. *a.* The department shall deliver a copy or require the applicant to deliver a copy of the application for a permit to construct, including expanding, a confinement feeding operation structure pursuant to section 459.303, including supporting documents, to the county board of supervisors in the county where the confinement feeding operation structure subject to the permit is proposed to be constructed.

*b.* The county auditor or other county officer designated by the county board of supervisors may accept the application on behalf of the board. If the department requires the applicant to deliver a copy of the application to the county board of supervisors, the board shall notify the department that the board has received the application according to procedures required by the department.

2. Regardless of whether the county board of supervisors has adopted a construction evaluation resolution, the county may provide comment to the department on a construction permit application for a confinement feeding operation structure.

*a.* The board shall provide for comment as follows:

(1) The board shall publish a notice that the board has received the application in a newspaper having a general circulation in the county.

(2) The notice shall include all of the following:

(a) The name of the person applying to receive the construction permit.

(b) The name of the township where the confinement feeding operation structure is to be constructed.

(c) Each type of confinement feeding operation structure proposed to be constructed.

(d) The animal unit capacity of the confinement feeding operation if the construction permit were to be approved.

(e) The time when and the place where the application may be examined as provided in section 22.2.

(f) Procedures for providing public comments to the board as provided by the board.

*b.* The board may hold a public hearing to receive public comments regarding the application. The county board of supervisors may submit comments by the board and the public to the department as provided in this section, including but not limited to all of the following:

(1) The existence of an object or location not included in the application that benefits from a separation distance requirement as provided in section 459.202 or 459.204 or 459.310.

(2) The suitability of soils and the hydrology of the site where construction of a confinement feeding operation structure is proposed.

(3) The availability of land for the application of manure originating from the confinement feeding operation.

(4) Whether the construction of a proposed confinement feeding operation structure will impede drainage through established tile lines, laterals, or other improvements which are constructed to facilitate the drainage of land not owned by the person applying for the construction permit.

3. A county board of supervisors may adopt a construction evaluation resolution relating to the construction of a confinement feeding operation structure. The board must submit such resolution to the department for filing. If the board has submitted such resolution to the department, the board may evaluate the construction permit application and submit an adopted recommendation to the department to approve or disapprove a construction permit application as provided in this subsection. The board must make its decision to recommend approval or disapproval of the permit application as provided in this subsection.

*a.* For the expansion of a confinement feeding operation that includes a confinement feeding operation structure constructed prior to April 1, 2002, the board shall not evaluate a construction permit application for the construction or expansion of a confinement feeding operation structure if after the expansion of the confinement feeding operation, its animal unit capacity is one thousand six hundred sixty-six animal units or less.

*b.* The board must conduct an evaluation of the application using the master matrix as provided in section 459.305. The board's recommendation may be based on the master matrix or may be based on comments under this section regardless of the results of the master matrix.

*c.* In completing the master matrix, the board shall not score criteria on a selective basis. The board must score all criteria which is part of the master matrix according to the terms and conditions relating to construction as specified in the application or commitments for manure management that are to be incorporated into a manure management plan as provided in section 459.312.

*d.* The board's adopted recommendation to the department shall include the specific reasons and any supporting documentation for the decision to recommend approval or disapproval of the application.

4. The department must receive the county board of supervisor's comments or evaluation for approval or disapproval of an application for a construction permit not later than thirty days following the applicant's delivery of the application to the department. Regardless of whether the department receives comments or an evaluation by a county board of supervisors, the department must approve or disapprove an application for a construction permit within sixty days following the applicant's delivery of the application to the department. However, the applicant may deliver a notice requesting a continuance. Upon receipt of a notice, the time required for the county or department to act upon the application shall be suspended for the period provided in the notice, but for not more than thirty days after the department's receipt of the notice. The applicant may submit more than one notice. However, the department may provide that an application is terminated if no action is required by the department for one year following delivery of the application to the board. The department may also provide for a continuance when it considers the application. The department shall provide notice to the applicant and the board of the continuance. The time required for the department to act upon the application shall be suspended for the period provided in the notice, but for not more than thirty days. However, the department shall not provide for more than one continuance.

5. *a.* The department shall approve an application for a construction permit if the board of supervisors which has filed a county construction evaluation resolution submits an adopted recommendation to approve the construction permit application which may be based on a satisfactory rating produced by the master matrix to the department and the department determines that the application meets the requirements of this chapter. The department shall disapprove an application that does not satisfy the requirements of this chapter regardless of the adopted recommendation of the board. The department shall consider any timely filed comments made by the board as provided in this section to determine if an application meets the requirements of this chapter.

*b.* If the board submits to the department an adopted recommendation to disapprove an

application for a construction permit that is based on a rating produced by the master matrix, the department shall first determine if the application meets the requirements of this chapter as provided in section 459.103. The department shall disapprove an application that does not satisfy the requirements of this chapter regardless of any result produced by using the master matrix. If the application meets the requirements of this chapter, the department shall conduct an independent evaluation of the application using the master matrix. The department shall approve the application if it achieves a satisfactory rating according to the department's evaluation. The department shall disapprove the application if it produces an unsatisfactory rating regardless of whether the application satisfies the requirements of this chapter. The department shall consider any timely filed comments made by the board as provided in this section to determine if an application meets the requirements of this chapter.

*c.* If the county board of supervisors does not submit a construction evaluation resolution to the department, fails to submit an adopted recommendation, submits only comments, or fails to submit comments, the department shall approve the application if the application meets the requirements of this chapter as provided in section 459.103.

6. The department may conduct an inspection of the site on which the construction is proposed after providing at a minimum twenty-four hours' notice or upon receiving consent from the construction permit applicant. The county board of supervisors that has adopted a construction evaluation resolution may designate a county employee to accompany a departmental official during the site inspection. The county employee shall have the same right to access to the site's real estate as the departmental official conducting the inspection during the period that the county employee accompanies the departmental official. The departmental official and the county employee shall comply with standard biosecurity requirements customarily required by the confinement feeding operation that are necessary in order to control the spread of disease among an animal population.

7. Upon written request by a county resident, the county board of supervisors shall forward to the county resident a copy of the board's adopted recommendation, any county comments to the department on the permit application, and the department's responses, as provided in chapter 22.

8. *a.* The department shall deliver a notice to the applicant within three days of the department's decision to approve or disapprove an application for a construction permit. If the board of supervisors has submitted an adopted recommendation to the department for the approval or disapproval of a construction permit application as provided in this section, the department shall notify the board of the department's decision to approve or disapprove the application at the same time.

*b.* (1) The applicant may contest the department's decision by requesting a hearing and may elect to have the hearing conducted before an administrative law judge pursuant to chapter 17A or before the commission. If the applicant and a board of supervisors are both contesting the department's decision, the applicant may request that the commission conduct the hearing on a consolidated basis. The commission shall hear the case according to procedures established by rules adopted by the department. The commission may hear the case as a contested case proceeding under chapter 17A. The department, upon petition by the applicant, shall deliver to the administrative law judge or the commission a copy of the board of supervisors' recommendation together with the results produced by its master matrix and any supporting data or documents submitted with the results, comments submitted by the board to the department, and the department's evaluation of the application including the results produced by its matrix and any supporting data or documents. If the commission hears the case, its decision shall be the department's final agency action. The commission shall render a decision within thirty-five days from the date that the applicant or board files a demand for a hearing.

(2) A county board of supervisors that has submitted an adopted recommendation to the department may contest the department's decision by requesting a hearing before the commission. The commission shall hear the case according to procedures established by rules adopted by the department. The commission may hear the case as a contested case proceeding under chapter 17A. The board may request that the department submit a copy of the department's evaluation of the application including the results produced by its

matrix and any supporting data or documents. The decision by the commission shall be the department's final agency action. The commission shall render a decision within thirty-five days from the date that the board initiates the proceeding.

*c.* Judicial review of the decision of either the department or the commission may be sought in accordance with the terms of chapter 17A.

9. An applicant for a construction permit may withdraw the permit application from consideration by the department at any time by filing a written request with the department. The filing of the request shall not prejudice the right of the applicant to resubmit the application.

2002 Acts, ch 1137, §35, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §255, 259, 260, 262
Referred to in §459.102, 459.103, 459.303

**459.305 Master matrix.**

1. The department shall adopt rules for the development and use of a master matrix. The purpose of the master matrix is to provide a comprehensive assessment mechanism in order to produce a statistically verifiable basis for determining whether to approve or disapprove an application for the construction, including expansion, of a confinement feeding operation structure requiring a permit pursuant to section 459.303.

*a.* The master matrix shall be used to establish conditions for the construction of a confinement feeding operation structure and for the implementation of manure management practices, which conditions shall be included in the approval of the construction permit or the original manure management plan as applicable. The master matrix shall be used to determine all of the following:

(1) The appropriate location to construct a confinement feeding operation structure, including the proximity and orientation of a proposed confinement feeding operation structure to objects or locations for which separation distances are required pursuant to sections 459.202 or 459.204 and 459.310.

(2) The appropriate type of a confinement feeding operation structure required to be constructed, including the type and size of the manure storage structure, or the installation of a related pollution-control device.

*b.* The master matrix shall be designed to produce quantifiable results based on the scoring of objective criteria according to an established value scale. Each criterion shall be assigned points corresponding to the value scale. The master matrix shall consider risks and factors mitigating risks if the confinement feeding operation structure were constructed according to the application.

*c.* The master matrix may be a computer model. However, the master matrix must be a practical tool for use by persons when completing applications and by persons when scoring applications. To every extent feasible, the master matrix shall include criteria presented in the form of questions that may be readily scored according to ascertainable data and upon which reasonable persons familiar with the location of a proposed construction site would not ordinarily disagree.

2. The master matrix shall include criteria valuing environmental and community impacts for use by county boards of supervisors and the department. The master matrix shall include definite point selections for all criteria provided in the master matrix. The master matrix shall provide only for scoring of positive points and shall not provide for deduction of points. The master matrix shall provide for a minimum threshold score required to receive a satisfactory rating. The master matrix shall be structured to ensure that it feasibly provides for a satisfactory rating. Criteria valuing environmental impacts shall account for animal agriculture's relationship to quality of the environment and the conservation of natural resources, and may include factors that refer to all of the following:

*a.* Topography.

*b.* Surface water drainage characteristics.

*c.* The suitability of the soils and the hydrology or hydrogeology of the site.

*d.* The proximity to public use areas and critical public areas.

*e.* The proximity to water sources, including high-quality water resources.

2002 Acts, ch 1137, §36, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262
Referred to in §459.304, 459.312A

**459.306 Construction design statement — formed manure storage structures.**

1. *a.* Except as provided in paragraph *"b"*, a person shall not construct a formed manure storage structure, unless the person submits a construction design statement for filing with the department.

*b.* The following persons are not required to submit a construction design statement with the department:

(1) A person who constructs a formed manure storage structure as part of a small animal feeding operation.

(2) A person who submits a statement approved by a professional engineer certifying that the construction of the formed manure storage structure complies with the construction design standards required in this subchapter, including a person required to submit such a statement as part of an application for a construction permit pursuant to section 459.303.

2. The construction design statement must include all of the following:

*a.* A summary description of the type of formed manure storage structure proposed to be constructed, including whether such formed manure storage structure is to be constructed of concrete.

*b.* (1) If the formed manure storage structure is to be constructed of concrete, a statement by the person responsible for constructing the formed manure storage structure certifying that such person will construct the formed manure storage structure in accordance with the construction design standards required in this subchapter.

(2) If the formed manure storage structure is not to be constructed of concrete, a statement by the person responsible for constructing the formed manure storage structure certifying that such person will construct the formed manure storage structure in accordance with the construction design standards required in this subchapter.

*c.* If a construction permit is required pursuant to section 459.303 for the construction of three or more confinement feeding operation structures that include a formed manure storage structure, the person responsible for constructing the formed manure storage structure must provide that the construction of the formed manure storage structure will not impede drainage through established drainage tile lines which cross property boundary lines unless measures are taken to reestablish the drainage prior to completion of construction.

*d.* A manure management plan as required in section 459.312 which may be submitted as part of an application for a construction permit as provided in section 459.303.

3. Unless the construction design statement is part of a construction permit application as provided in section 459.303, the department shall file the construction design statement. Otherwise, the department shall approve or disapprove the construction design statement as part of the construction permit application. The construction design statement shall be considered filed on the date that it is first received by the department. The department may request information from the person submitting the construction design statement if the department determines that it is incorrect or incomplete. Within thirty days after filing the construction design statement, the department shall notify the person that the construction design statement is filed and request any additional information.

2002 Acts, ch 1137, §33, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §254, 259, 260, 262
Referred to in §459.303, 459.312, 459.312A

**459.307 Construction design standards — formed manure storage structures.**

The department shall adopt rules establishing construction design standards for formed manure storage structures that are part of confinement feeding operations other than small animal feeding operations. However, the construction design standards shall apply to a formed manure storage structure that is part of a small animal feeding operation as provided in section 459.310.

1. The department may provide for different standards based on criteria developed by the department, which may include any of the following:

*a.* The animal unit capacity of the manure storage structure's confinement feeding operation or the manure storage structure's manure volume capacity.

*b.* Whether the manure storage structure stores only dry manure.

*c.* Whether the manure storage structure is part of a confinement feeding operation building.

*d.* The use of concrete, including its use for the structure's footings, walls, or floor.

2. The construction design standards shall be based, to every extent possible, on uniform standards such as available standards promulgated by ASTM (American society for testing and materials) international. The department may require that all or any part of a formed manure storage structure be constructed of concrete.

3. The construction design standards for concrete shall provide for all of the following:

*a.* The concrete's minimum compressive strength calculated on a pounds-per-square-inch basis.

*b.* The use of reinforcement, including but not limited to the grade, amount, and location of steel rebar or fiberglass, wire mesh or fabric, or similar materials set in the concrete, or the use of exterior braces to support joints.

*c.* The depth of footings.

*d.* The thickness of the footings, the floor, and walls.

4. A person shall only construct a formed manure storage structure on karst terrain or an area which drains into a known sinkhole pursuant to upgraded construction design standards necessary to ensure that the structure does not pollute groundwater sources.

2002 Acts, ch 1137, §50, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262; 2003 Acts, ch 84, §1, 6; 2004 Acts, ch 1086, §106; 2009 Acts, ch 38, §7, 16

Referred to in §459.310

**459.308 Unformed manure storage structures — construction standards — inspections.**

1. The department shall adopt rules requiring construction design standards for unformed manure storage structures required to be constructed pursuant to a construction permit issued pursuant to section 459.303.

2. The construction design standards for unformed manure storage structures established by the department shall account for special design characteristics of confinement feeding operations, including all of the following:

*a.* The lining of the structure shall be constructed with materials deemed suitable by the department in order to minimize seepage loss through the lining's seal.

*b.* The structure shall be constructed with materials deemed suitable by the department in order to control erosion on the structure's berm, side slopes, and base.

*c.* The structure shall be constructed to minimize seepage into near-surface water sources.

*d.* The top of the floor of the structure's liner must be above the groundwater table as determined by the department. If the groundwater table is less than two feet below the top of the liner's floor, the structure shall be installed with a synthetic liner. If the department allows an unformed manure storage structure to be located at a site by permanently lowering the groundwater table, the department shall confirm that the proposed system meets standards necessary to ensure that the structure does not pollute groundwater sources. If the department allows drain tile installed to lower a groundwater table to remain where located, the department shall require that a device be installed to allow monitoring of the water in the drain tile line. The department shall also require the installation of a device to allow shutoff of the drain tile lines, if the drain tile lines do not have a surface outlet accessible on the property where the structure is located.

3. A person shall not construct an unformed manure storage structure on karst terrain or on an area that drains into a known sinkhole. However, a person may construct an unformed manure storage structure, if there is a twenty-five-foot vertical separation distance between the bottom of the unformed manure storage structure and underlying limestone, dolomite, or other soluble rock.

4. *a.* The department shall conduct a routine inspection of each unformed manure storage structure at least once each year. A routine inspection conducted pursuant to this subsection shall be limited to a visual inspection of the site where the unformed manure

storage structure is located. The department shall inspect the site at a reasonable time after providing at least twenty-four hours' notice to the person owning or managing the confinement feeding operation. The visual inspection shall include, but not be limited to, determining whether any of the following exists:

(1) An adequate freeboard level.

(2) The seepage of manure from the unformed manure storage structure.

(3) Erosion.

(4) Inadequate vegetation cover.

(5) The presence of an opening allowing manure to drain from the unformed manure storage structure.

*b.* Nothing in this subsection restricts the department from conducting an inspection of a confinement feeding operation which is not routine.

98 Acts, ch 1209, §36
C99, §455B.205
2002 Acts, ch 1137, §47 – 49, 67, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259 – 261
C2003, §459.308
2003 Acts, ch 84, §2, 6
Referred to in §459.303

**459.309 Settled open feedlot effluent basins — construction design standards.** Repealed by 2005 Acts, ch 136, § 37. See § 459A.301.

**459.310 Distance requirements.**

1. Except as provided in subsections 3 and 4, the following shall apply:

*a.* A confinement feeding operation structure shall not be constructed closer than five hundred feet away from the surface intake of an agricultural drainage well. A confinement feeding operation structure shall not be constructed closer than one thousand feet from a wellhead, cistern of an agricultural drainage well, or known sinkhole. However, the department may adopt rules requiring an increased separation distance under this paragraph in order to protect the integrity of a water of the state. The increased separation distance shall not be more than two thousand feet. If the department exercises its discretion to increase the separation distance requirement, the department shall not approve an application for the construction of a confinement feeding operation structure within that separation distance as provided in section 459.303.

*b.* A confinement feeding operation structure shall not be constructed if the confinement feeding operation structure as constructed is closer than any of the following:

(1) Five hundred feet away from a water source other than a major water source.

(2) One thousand feet away from a major water source.

(3) Two thousand five hundred feet away from a designated wetland.

*c.* (1) A water source, other than a major water source, shall not be constructed, expanded, or diverted, if the water source as constructed, expanded, or diverted is closer than five hundred feet away from a confinement feeding operation structure.

(2) A major water source shall not be constructed, expanded, or diverted, if the major water source as constructed, expanded, or diverted is closer than one thousand feet from a confinement feeding operation structure.

(3) A designated wetland shall not be established, if the designated wetland is closer than two thousand five hundred feet away from a confinement feeding operation structure.

2. Except as provided in subsection 4, a confinement feeding operation structure shall not be constructed on land that is part of a one hundred year floodplain as designated by rules adopted by the department pursuant to section 459.301.

3. A separation distance required in subsection 1 shall not apply to any of the following:

*a.* A location or object and a farm pond or privately owned lake, as defined in section 462A.2.

*b.* A confinement feeding operation building, an egg washwater storage structure, or a manure storage structure constructed with a secondary containment barrier. The department

shall adopt rules providing for the construction and use of a secondary containment barrier, including construction design standards.

4. A separation distance required in subsection 1 or the prohibition against construction of a confinement feeding operation structure on a one hundred year floodplain as provided in subsection 2 shall not apply to a confinement feeding operation that includes a confinement feeding operation structure that was constructed prior to March 1, 2003, if any of the following apply:

*a.* One or more unformed manure storage structures that are part of the confinement feeding operation are replaced with one or more formed manure storage structures on or after April 28, 2003, and all of the following apply:

(1) The animal weight capacity or animal unit capacity, whichever is applicable, is not increased for that portion of the confinement feeding operation that utilizes all replacement formed manure storage structures.

(2) The use of each replaced unformed manure storage structure is discontinued within one year after the construction of the replacement formed manure storage structure.

(3) The capacity of all replacement formed manure storage structures does not exceed the amount required to store manure produced by that portion of the confinement feeding operation utilizing the formed manure storage structures during any eighteen-month period.

(4) No portion of the replacement formed manure storage structure is closer to the location or object from which separation is required under subsection 1 than any other confinement feeding operation structure which is part of the operation.

(5) The formed manure storage structure meets or exceeds the requirements of section 459.307.

*b.* (1) A formed manure storage structure that is part of the confinement feeding operation is constructed on or after April 28, 2003, pursuant to a variance granted by the department. In granting the variance, the department shall make a finding of all of the following:

(a) The replacement formed manure storage structure replaces the confinement feeding operation's existing manure storage and handling facilities.

(b) The replacement formed manure storage structure complies with standards adopted pursuant to section 459.307.

(c) The replacement formed manure storage structure more likely than not provides a higher degree of environmental protection than the confinement feeding operation's existing manure storage and handling facilities.

(2) If the formed manure storage structure will replace any existing manure storage structure, the department shall, as a condition of granting the variance, require that the replaced manure storage structure be properly closed.

5. A person shall not construct or expand an unformed manure storage structure within an agricultural drainage well area as provided in section 460.205.

95 Acts, ch 195, §26

CS95, §455B.204

98 Acts, ch 1209, §35, 53; 2002 Acts, ch 1137, §44, 45, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262

C2003, §459.310

2003 Acts, ch 84, §3 – 6; 2003 Acts, ch 108, §84, 85; 2011 Acts, ch 25, §143

Referred to in §459.304, 459.305, 459.307, 459.318

**459.311 Minimum requirements for manure control.**

1. A confinement feeding operation shall retain all manure produced by the operation between periods of manure disposal. For purposes of this section, dry manure may be retained by stockpiling as provided in this subchapter. A confinement feeding operation shall not discharge manure directly into water of the state or into a tile line that discharges directly into water of the state.

2. Notwithstanding subsection 1, a confinement feeding operation that is a concentrated animal feeding operation as defined in 40 C.F.R. § 122.23(b) shall comply with applicable national pollutant discharge elimination system permit requirements as provided in the

federal Water Pollution Control Act, 33 U.S.C. ch. 26, as amended, and 40 C.F.R. pts. 122 and 412, pursuant to rules that shall be adopted by the commission. Any rules adopted pursuant to this subsection shall be no more stringent than requirements under the federal Water Pollution Control Act, 33 U.S.C. ch. 26, as amended, and 40 C.F.R. pts. 122 and 412.

3. Manure from an animal feeding operation shall be disposed of in a manner which will not cause surface water or groundwater pollution. Disposal in accordance with the provisions of state law, including this chapter, rules adopted pursuant to the provisions of state law, including this chapter, guidelines adopted pursuant to this chapter, and section 459.314, shall be deemed as compliance with this requirement.

4. The department may require that the owner of a confinement feeding operation install and operate a water pollution monitoring system as part of an unformed manure storage structure.

5. The owner of the confinement feeding operation which discontinues the use of the operation shall remove all manure from related confinement feeding operation structures used to store manure, by a date specified in an order issued to the operation by the department, or six months following the date that the confinement feeding operation is discontinued, whichever is earlier.

95 Acts, ch 195, §24

CS95, §455B.201

98 Acts, ch 1209, §28; 99 Acts, ch 114, §57; 2002 Acts, ch 1137, §37, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262

C2003, §459.311

2009 Acts, ch 38, §8, 16; 2010 Acts, ch 1029, §2

Referred to in §459.311E, 459.313A, 459.318, 459.319, 459B.307

**459.311A Stockpiling dry manure.**

A person may stockpile dry manure so long as the person stockpiles the dry manure in compliance with restrictions applicable to stockpiling as provided in this subchapter and subchapter II.

2009 Acts, ch 38, §9, 16

**459.311B Stockpiling dry manure — minimum separation distance requirements and prohibitions.**

1. A person shall not stockpile dry manure within the following distances from any of the following:

*a.* A terrace tile inlet or surface tile inlet, two hundred feet. However, this paragraph does not apply to a person who stockpiles the dry manure in a manner that does not allow precipitation-induced runoff to drain from the stockpile to the terrace tile inlet or surface tile inlet. A terrace tile inlet or surface tile inlet does not include a tile inlet that is not directly connected to a tile line that discharges directly into a water of the state.

*b.* (1) A designated area, four hundred feet. However, an increased separation distance of eight hundred feet shall apply to all of the following:

(a) A high-quality water resource.

(b) An agricultural drainage well.

(c) A known sinkhole.

(2) Subparagraph (1) does not apply to a person who stockpiles dry manure in a manner that does not allow precipitation-induced runoff to drain from the stockpile to the designated area.

2. A person shall not stockpile dry manure in a grassed waterway.

3. A person shall not stockpile dry manure on land having a slope of more than three percent. However, this subsection shall not apply to a person who stockpiles dry manure using methods, structures, or practices that contain the stockpile, including but not limited to silt fences, temporary earthen berms, or other effective measures, and that prevent or diminish precipitation-induced runoff from the stockpile.

2009 Acts, ch 38, §10, 16

**459.311C Stockpiling dry manure on terrain other than karst terrain.**

A person stockpiling dry manure on terrain, other than karst terrain, for more than fifteen consecutive days shall comply with any of the following:

1. Stockpile dry manure using any of the following:

*a.* A qualified stockpile structure.

*b.* A qualified stockpile cover. However, the person shall not stockpile dry manure using a qualified stockpile cover at a long-term stockpile location unless the person stockpiles the dry manure on compacted soil, compacted granular aggregates, asphalt, concrete, or other similar materials.

2. Deliver a stockpile inspection statement to the department as follows:

*a.* The department must receive the statement by the fifteenth day of each month.

*b.* The stockpile inspection statement shall provide the location of the stockpile and document the results of an inspection conducted by the person during the previous month. The inspection must evaluate whether precipitation-induced runoff is draining away from the stockpile and, if so, describe actions taken to prevent the runoff. If an inspection by the department documents that precipitation-induced runoff is draining away from a stockpile, the person shall immediately remove dry manure from the stockpile in compliance with this chapter or comply with all directives of the department to prevent the runoff.

*c.* The stockpile inspection statement must be in writing and may be on a form prescribed by the department.

2009 Acts, ch 38, §11, 16

**459.311D Stockpiling dry manure on karst terrain.**

A person stockpiling dry manure on karst terrain shall comply with all of the following:

1. The person shall stockpile the dry manure at a location where there is a vertical separation distance of at least five feet between the bottom of the stockpile and the underlying limestone, dolomite, or other soluble rock.

2. A person who stockpiles dry manure for more than fifteen consecutive days shall use any of the following:

*a.* A qualified stockpile structure.

*b.* A qualified stockpile cover. However, the person shall not stockpile dry manure using a qualified stockpile cover at a long-term stockpile location unless the stockpile is located on reinforced concrete at least five inches thick.

2009 Acts, ch 38, §12, 16

**459.311E Stockpiling — required practices.**

1. A person stockpiling dry manure shall comply with applicable requirements of the national pollutant discharge elimination system pursuant to the federal Water Pollution Control Act, 33 U.S.C. ch. 26, as amended, and 40 C.F.R. pts. 122 and 412.

2. A person stockpiling dry manure shall remove the dry manure and apply it in accordance with the provisions of this chapter, including but not limited to section 459.311, within six months after the dry manure is first stockpiled.

2009 Acts, ch 38, §13, 16

**459.312 Manure management plan — requirements.**

1. The following persons shall submit a manure management plan, including an original manure management plan and an updated manure management plan, as required in this section to the department:

*a.* The owner of a confinement feeding operation, other than a small animal feeding operation, if any of the following apply:

(1) The confinement feeding operation was constructed after May 31, 1985, regardless of whether the confinement feeding operation structure was required to be constructed pursuant to a construction permit.

(2) The owner constructs a manure storage structure, regardless of whether the person is required to be issued a permit for the construction pursuant to section 459.303 or whether the person has submitted a prior manure management plan.

*b.* A person who applies manure from a confinement feeding operation, other than a small animal feeding operation, which is located in another state, if the manure is applied on land located in this state.

2. Not more than one confinement feeding operation shall be covered by a single manure management plan.

3. The owner of a confinement feeding operation who is required to submit a manure management plan under this section shall submit an updated manure management plan to the department on an annual basis. The department shall provide for a date that each updated manure management plan is required to be submitted to the department. The department may provide for staggering the dates on which updated manure management plans are due. To satisfy the requirements of an updated manure management plan, an owner of a confinement feeding operation may, in lieu of submitting a complete plan, file a document stating that the manure management plan has not changed, or state all of the changes made since the original manure management plan or a previous updated manure management plan was submitted and approved.

4. *a.* The department shall deliver a copy of the manure management plan or require the person submitting the manure management plan to deliver a copy of the manure management plan to all of the following:

(1) The county board of supervisors in the county where the manure storage structure owned by the person is located.

(2) The county board of supervisors in the county where the manure storage structure is proposed to be constructed. If the person is required to be issued a permit for the construction of the manure storage structure as provided in section 459.303, the manure management plan shall accompany the application for the construction permit as provided in section 459.303.

(3) The county board of supervisors in the county where the manure is to be applied.

*b.* The manure management plan shall be filed with the county board of supervisors. The county auditor or other county officer may accept the manure management plan on behalf of the board.

5. A person shall not remove manure from a manure storage structure which is part of a confinement feeding operation for which a manure management plan is required under this section, unless the department approves a manure management plan, including an original manure management plan and an updated manure management plan, as required in this section. The manure management plan shall be submitted by the owner of the confinement feeding operation as provided by the department in accordance with section 459.302. The owner of a confinement feeding operation required to submit a manure management plan for the construction of a manure storage structure may remove manure from another manure storage structure that is constructed, if the department has approved a manure management plan covering that manure storage structure. The department may adopt rules allowing a person to remove manure from a manure storage structure until the manure management plan is approved or disapproved by the department according to terms and conditions required by rules adopted by the department.

6. The department shall not approve an original manure management plan unless the plan is accompanied by a manure management plan filing fee required pursuant to section 459.400. The department shall not approve an updated manure management plan unless the updated manure management plan is accompanied by an annual compliance fee required pursuant to section 459.400.

7. *a.* The department shall not approve an application for a permit to construct a confinement feeding operation structure unless the owner of the confinement feeding operation applying for approval submits an original manure management plan together with the application for the construction permit as provided in section 459.303.

*b.* The department shall not file a construction design statement as provided in section 459.306 unless the owner of the confinement feeding operation structure submits an original manure management plan together with the construction design statement. The construction design statement and manure management plan may be submitted as part of an application for a construction permit as provided in section 459.303.

8. A manure management plan must be authenticated by the person required to submit the manure management plan as required by the department in accordance with section 459.302.

9. The department shall approve or disapprove a manure management plan according to procedures established by the department:

*a.* For an original manure management plan submitted due to the construction of a confinement feeding operation structure, the department shall approve or disapprove the manure management plan as follows:

(1) If the confinement feeding operation structure is constructed pursuant to a construction permit issued pursuant to section 459.303, the manure management plan shall be approved or disapproved as part of the construction permit application.

(2) If the confinement feeding operation structure is not constructed pursuant to a construction permit issued pursuant to section 459.303, the manure management plan shall be approved or disapproved within sixty days from the date that the department receives the manure management plan.

*b.* For an original manure management plan submitted for a reason other than the construction of a confinement feeding operation structure, the manure management plan shall be approved within sixty days from the date that the department receives the manure management plan.

*c.* For an updated manure management plan, the manure management plan shall be approved within thirty days from the date that the department receives the updated manure management plan.

10. A manure management plan shall include all of the following:

*a.* Restrictions on the application of manure based on all of the following:

(1) Calculations necessary to determine the land area required for the application of manure from a confinement feeding operation based on nitrogen use levels in order to obtain optimum crop yields according to a crop schedule specified in the manure management plan, and according to requirements adopted by the department.

(2) A phosphorus index. The department shall establish a phosphorus index by rule in order to determine the manner and timing of the application to a land area of manure originating from a confinement feeding operation. The phosphorus index shall provide for the application of manure on a field basis. The phosphorus index shall be used to determine application rates, based on the number of pounds of phosphorus that may be applied per acre and application practices. The phosphorus index shall be based on the field office technical guide for Iowa as published by the United States department of agriculture, natural resources conservation service, which sets forth nutrient management standards.

*b.* Manure nutrient levels as determined by either manure testing or accepted standard manure nutrient values.

*c.* Manure application methods, timing of manure application, and the location of the manure application.

*d.* If the location of the application is on land other than land owned by the person applying for the construction permit, the plan shall include a copy of each written agreement executed between the person and the landowner where the manure will be applied.

*e.* An estimate of the annual animal production and manure volume or weight produced by the confinement feeding operation.

*f.* Methods, structures, or practices to prevent or diminish soil loss and potential surface water pollution.

*g.* Methods or practices to minimize potential odors caused by the application of manure by the use of spray irrigation equipment.

*h.* A description of land identified for the application of liquid manure due to an emergency if allowed pursuant to section 459.313A. The owner must identify the land in the original manure management plan or in the next updated manure management plan required to be submitted to the department following the application.

11. A confinement feeding operation classified as a habitual violator as provided in section 459.604 shall submit a manure management plan to the department on an annual basis, which must be approved by the department for the following year of operation. The manure management plan shall be a replacement original manure management plan

rather than a manure management plan update. However, the habitual violator required to submit a replacement original manure management plan must submit an annual compliance fee in the same manner as if the habitual violator were submitting an updated manure management plan.

12. A person required to submit a manure management plan to the department shall maintain a current manure management plan and maintain records sufficient to demonstrate compliance with the manure management plan. Chapter 22 shall not apply to the records which shall be kept confidential by the department and its agents and employees. The contents of the records are not subject to disclosure except as follows:

*a.* Upon waiver by the person receiving the permit.

*b.* In an action or administrative proceeding commenced under this chapter. Any hearing related to the action or proceeding shall be closed.

*c.* When required by subpoena or court order.

13. The department may inspect the confinement feeding operation at any time during normal working hours, and may inspect records required to be maintained as part of the manure management plan. The department shall regularly inspect a confinement feeding operation if the operation or a person holding a controlling interest in the operation is classified as a habitual violator pursuant to section 459.604. The department shall assess and the confinement feeding operation shall pay the actual costs of the inspection.

14. A person required to authenticate a manure management plan submitted to the department who is found in violation of the terms and conditions of the plan shall not be subject to an enforcement action other than the assessment of a civil penalty pursuant to section 459.603.

95 Acts, ch 195, §25

CS95, §455B.203

98 Acts, ch 1209, §30 – 32, 53; 2002 Acts, ch 1137, §38 – 41, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §256, 257, 259, 260, 262

C2003, §459.312

2003 Acts, ch 108, §86; 2009 Acts, ch 41, §137, 138; 2009 Acts, ch 155, §2; 2011 Acts, ch 25, §143

Referred to in §459.102, 459.303, 459.304, 459.306, 459.312A, 459.313A, 459.400, 459.401, 459.403, 459.503, 459.604, 459A.208

**459.312A Election to be a small animal feeding operation.**

1. A person otherwise required to submit an updated manure management plan as required in section 459.312 and pay an annual compliance fee as required in section 459.400 may make a small animal feeding operation election as provided in this section.

2. Upon the effective date of the election, the confinement feeding operation covered by the updated manure management plan shall be considered a small animal feeding operation only for purposes of submitting the updated manure management plan and paying the annual compliance fee, during the period of the election.

3. A person is eligible to make an election only if all of the following apply:

*a.* The confinement feeding operation has a capacity of five hundred or fewer animal units which shall be calculated by determining all of the following:

(1) The number of animal units housed at the confinement feeding operation at any one time during the period of election.

(2) The animal unit capacity of each confinement feeding operation building that is used to store manure during the period of the election. However, this subparagraph (2) does not apply if a confinement feeding operation building stores manure pursuant to a temporary approval issued by the department. The department shall not issue a temporary approval unless the manure is stored on an emergency basis for a limited period. The department shall establish terms and conditions for a temporary approval. The department may issue one or more extensions to a temporary approval if necessary.

*b.* The department is notified of the election in a manner required by the department. The department may require that a person submit a notice of election as part of an updated manure management plan form or as a separate document.

4. The department shall provide for the period of election, including its effective and

expiration dates. However, the period of election shall be at least for the same period covered by the updated manure management plan. An election automatically terminates when more than five hundred animal units are housed at the confinement feeding operation at any one time.

5. This section does not affect any of the following:

*a.* A condition associated with a construction permit as provided in this subchapter, including but not limited to a master matrix as provided in section 459.305.

*b.* A requirement unrelated to filing an updated manure management plan or paying an annual compliance fee, including but not limited to the filing of a construction design statement as provided in section 459.306, the application of manure as provided in section 459.313A, or the certification of a person as a confinement site manure applicator as provided in section 459.315.

2013 Acts, ch 106, §2
Referred to in §459.301
NEW section

**459.313 Manure application — rules.**

1. The department shall adopt rules governing the application of manure originating from an anaerobic lagoon or aerobic structure which is part of a confinement feeding operation. The rules shall establish application rates and practices to minimize groundwater or surface water pollution resulting from application, including pollution caused by runoff or other manure flow resulting from precipitation events. The rules shall establish different application rates and practices based on the water holding capacity of the soil at the time of application.

2. A person shall not apply manure by spray irrigation equipment, except as provided by rules adopted by the department pursuant to chapter 17A. However, a person shall not use restricted spray irrigation equipment to apply manure originating from a confinement feeding operation, unless the manure has been diluted as provided by rules adopted by the department, including diluted by use of an anaerobic lagoon.

98 Acts, ch 1209, §34, 53
C99, §455B.203B
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262
C2003, §459.313

**459.313A Application of manure on land — snow covered ground and frozen ground.**

A person may apply manure originating from an animal feeding operation on snow covered ground or frozen ground, except to the extent otherwise provided by applicable requirements in this section, this chapter, or the national pollutant discharge elimination system pursuant to the federal Water Pollution Control Act, 33 U.S.C. ch. 26, as amended, and 40 C.F.R. pts. 122 and 412.

1. During the period beginning December 21 and ending April 1, the person may apply liquid manure originating from a manure storage structure, that is part of a confinement feeding operation, on snow covered ground only when there is an emergency. During the period beginning February 1 and ending April 1, the person may apply liquid manure originating from a manure storage structure, that is part of a confinement feeding operation, on frozen ground only when there is an emergency. An emergency occurs only when there is an immediate need to comply with section 459.311, subsection 1, due to unforeseen circumstances affecting the storage of the liquid manure. The unforeseen circumstances must be beyond the control of the owner of the confinement feeding operation, including but not limited to natural disaster, unusual weather conditions, or equipment or structural failure. A person who is authorized to apply liquid manure on snow covered ground or frozen ground when there is an emergency shall comply with all of the following:

*a.* The person must contact the department by telephone prior to the application.

*b.* The person must apply the liquid manure on land identified for such application in a manure management plan submitted by the owner of the confinement feeding operation to the department as provided in section 459.312. The owner of the confinement feeding

operation must identify the land in the manure management plan prior to the application. The owner must identify the land in the original manure management plan or in the next updated manure management plan required to be submitted to the department following the application.

*c.* The liquid manure must be applied on a field with a phosphorus index rating of two or less.

*d.* Any surface water drain tile intake that is on land in the owner's manure management plan and located down gradient of the application must be temporarily blocked beginning not later than the time that the liquid manure is first applied and ending not earlier than two weeks after the completion of the application.

2. The authorization to apply liquid manure in subsection 1 does not apply to any of the following:

*a.* An immediate need to comply with section 459.311, subsection 1, caused by the improper design or management of the manure storage structure, including but not limited to a failure to properly account for the volume of the manure to be stored.

*b.* Liquid manure originating from a manure storage structure constructed or expanded on or after July 1, 2009, if the manure storage structure has a capacity to store manure for less than one hundred eighty days.

3. Subsections 1 and 2 do not apply to any of the following:

*a.* The application of liquid manure originating from a small animal feeding operation.

*b.* The application of liquid manure and injection into the soil or incorporation within the soil on the same date.

2009 Acts, ch 155, §3
Referred to in §459.312, 459.312A, 459.313B

**459.313B Application of liquid manure on snow covered ground or frozen ground — annual report.**

1. On or before February 15 of each year, the director of the department, or the department's designee, shall appear before and present a report to the standing committees of the senate and house of representatives having jurisdiction over agriculture and environmental protection. The report shall include all instances in which persons have applied liquid manure originating from a manure storage structure, that is part of a confinement feeding operation, on snow covered ground or frozen ground because of an emergency as provided in section 459.313A. The report shall include an assessment of the application's impact on water quality, including the success of actions taken to prevent or remediate such impact.

2. This section is repealed on July 1, 2014.

2009 Acts, ch 155, §4

**459.314 Application of manure near designated areas.**

1. The department shall adopt rules relating to the application of manure in close proximity to a designated area.

2. Except as otherwise provided in this subsection, a person shall not apply manure on land located within two hundred feet from a designated area, unless one of the following applies:

*a.* The manure is land-applied by injection or incorporation on the same date as the manure was land-applied.

*b.* An area of permanent vegetation cover, including filter strips and riparian forest buffers, exists for fifty feet surrounding the designated area other than an unplugged agricultural drainage well or surface intake to an unplugged agricultural drainage well, and the area of permanent vegetation cover is not subject to manure application.

*c.* The department adopts rules requiring an increased separation distance for the application of manure located in proximity to a high-quality water resource in order to protect the integrity of the high-quality water resource. However, the department shall not

provide for an increased separation distance requirement that is more than four times the separation distance requirement otherwise applicable under this section.

95 Acts, ch 195, §3
CS95, §159.27
98 Acts, ch 1209, §50
C99, §455B.204A
2002 Acts, ch 1137, §46, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262
C2003, §459.314
2009 Acts, ch 38, §14, 16
Referred to in §459.311

**459.314A Licensure — commercial manure service.**

A person shall not engage in the business of a commercial manure service unless the department issues the person a commercial manure service license under this section.

1. The department shall not issue a license to a commercial manure service unless each manager of the commercial manure service is certified as a commercial manure service representative pursuant to section 459.315.

2. The department shall not issue a license to a commercial manure service if the license for the commercial manure service has been revoked within the previous three years or a person who holds a controlling interest in the commercial manure service held a controlling interest in another commercial service which has been revoked within the previous three years.

3. The department may impose conditions or limitations upon the license. However, the issuance of a license shall not be conditioned upon providing a bond or maintaining a certain financial condition. A commercial manure service shall be issued a single license regardless of the number of sites where the commercial manure service operates offices.

4. A license application must be submitted to the department on a form furnished by the department according to procedures required by the department. The license shall expire on March 1 of each year.

5. A commercial manure service shall be charged a license fee as provided in section 459.400.

2003 Acts, ch 163, §4, 23
Referred to in §459.400

**459.314B Disciplinary action — commercial manure service.**

The department may issue an order to suspend or revoke the license of a commercial manure service as provided in chapter 17A, including an order to immediately suspend or revoke the license pursuant to section 17A.18A. The department may suspend or revoke the license of a commercial manure service for an applicable violation of this chapter. In addition, the department may suspend or revoke a commercial manure service's license for any of the following:

1. Committing a fraudulent act, including but not limited to engaging in a deceptive act or practice, deliberately misrepresenting or omitting a material fact in the license application, or submitting a statement verifying that an employee may be substituted for certification without paying a fee as provided in section 459.400.

2. Knowingly assisting a person in evading the provisions of this chapter.

3. Knowingly employing or executing a contract with a person who acts as a commercial manure service representative and who is not certified pursuant to section 459.315.

2003 Acts, ch 163, §5, 23; 2007 Acts, ch 126, §81

**459.315 Certification and education requirements.**

1. *a.* A person shall not act as a commercial manure service representative unless the person is certified pursuant to an educational program as provided in this section.

*b.* A person shall not act as a confinement site manure applicator unless the person is certified pursuant to an educational program as provided in this section.

2. *a.* A person required to be certified as a commercial manure service representative must be certified by the department each year. The person shall be certified after completing

an educational program which shall consist of an examination required to be passed by the person or three hours of continuing instructional courses which the person must attend each year in lieu of passing the examination.

*b.* A person required to be certified as a confinement site manure applicator must be certified by the department every three years. However, if the person is exempt from paying the certification fee because a family member has paid a certification fee as provided in section 459.400, the person's certification shall expire on the same date that the paid family member's certification expires. A person shall be certified after completing an educational program which shall consist of an examination required to be passed by the person or two hours of continuing instructional courses which the person must attend each year in lieu of passing the examination.

3. The department shall adopt, by rule, requirements for the certification, including educational program requirements. The department may establish different educational programs designed for commercial manure service representatives and confinement site manure applicators. The department shall adopt rules necessary to administer this section, including establishing certification standards and continuing instructional courses as provided in this subsection.

*a.* The department shall adopt rules establishing subjects for continuing instructional courses that emphasize practical and cost-effective methods to prevent manure spills and limit the impact of manure spills, especially from manure storage structures. The subjects may also include methods for transporting, handling, or applying manure; identifying the potential effects of manure upon surface water and groundwater; and procedures to remediate the potential effects of manure on surface water or groundwater.

*b.* The department shall adopt by rule criteria for allowing a person required to be certified to complete either a written or oral examination.

*c.* The department shall administer the continuing instructional courses, by either teaching the courses or selecting persons to teach the courses, according to criteria as provided by rules adopted by the department. The department shall, to the extent possible, select persons to teach the continuing instructional courses. The department is not required to compensate persons to teach the continuing instructional courses. In selecting persons, the department shall consult with organizations interested in transporting, handling, storing, or applying manure, including the Iowa commercial nutrient applicators association and associations representing agricultural producers. The Iowa cooperative extension service in agriculture and home economics of Iowa state university of science and technology shall cooperate with the department in administering the continuing instructional courses. The Iowa cooperative extension service may teach continuing instructional courses, train persons selected to teach courses, or distribute informational materials to persons teaching the courses.

*d.* The department shall provide that the continuing instructional courses be made available via the department's internet site, the internet site of a person selected to teach the continuing instructional courses, or the Iowa cooperative extension service in agriculture and home economics of Iowa state university of science and technology.

*e.* The department, in administering the certification program under this section, and the department of agriculture and land stewardship, in administering the certification program for pesticide applicators, may cooperate together.

4. This section shall not require a person to be certified as a confinement site manure applicator if the person applies manure which originates from a manure storage structure which is part of a small animal feeding operation.

5. *a.* This section shall not require a person to be certified as a commercial manure service representative if any of the following applies:

(1) The person is any of the following:

(a) Actively engaged in farming who trades work with another such person.

(b) Employed by a person actively engaged in farming not solely as a manure applicator who applies manure as an incidental part of the person's general duties.

(c) Engaged in applying manure as an incidental part of a custom farming operation.

(d) Engaged in applying manure as an incidental part of a person's duties as provided by rules adopted by the department providing for an exemption.

(2) The person transports, handles, stores, or applies manure for a period of thirty days from the date of initial employment as a commercial manure service representative and all of the following apply:

(a) The person is actively seeking certification under this section.

(b) The person is transporting, handling, storing, or applying manure under the instructions and control of a certified commercial manure service representative. The commercial manure service representative must be physically present at the site where the manure is located. The commercial manure service representative must also be in sight or immediate communication distance of the supervised person.

*b.* This section shall not require a person to be certified as a confinement site manure applicator if all of the following apply:

(1) The person is a part-time employee or family member of a confinement site manure applicator.

(2) The person is acting under the instructions and control of a certified confinement site manure applicator who is both of the following:

(a) Physically present at the site where the manure is located.

(b) In sight or hearing distance of the supervised person.

6. The department may charge a fee for certifying a person under this section as provided in section 459.400.

98 Acts, ch 1209, §33, 47, 53

C99, §455B.203A

99 Acts, ch 114, §30; 2000 Acts, ch 1107, §1 – 4; 2002 Acts, ch 1137, §42, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262

C2003, §459.315

2003 Acts, ch 163, §6 – 11, 23; 2003 Acts, 1st Ex, ch 2, §27, 209; 2013 Acts, ch 60, §1, 2

Referred to in §459.312A, 459.314A, 459.314B, 459.400

Subsection 3, paragraph d, to be fully implemented within 12 months after completion of development project by department; appropriation of funds; 2013 Acts, ch 60, §2; 2013 Acts, ch 132, §17, 50

Subsection 3 amended

**459.315A Disciplinary action — commercial manure service representatives.**

The department may issue an order to suspend or revoke the certification of a commercial manure service representative for a violation of this chapter. The department shall issue an order for the suspension or revocation of a certificate as provided in chapter 17A. The department may issue an order to immediately suspend or revoke the certification notwithstanding section 17A.18.

2003 Acts, ch 163, §12, 23

**459.316 Compliance fees.** Transferred to § 459.400; 2003 Acts, ch 163, § 22, 23.

**459.317 Habitual violators — pending actions — restrictions on construction.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Habitual violator"* means a person classified as a habitual violator pursuant to section 459.604.

*b.* *"Operation of law"* means a transfer by inheritance, devise or bequest, court order, dissolution decree, order in bankruptcy, insolvency, replevin, foreclosure, execution sale, the execution of a judgment, the foreclosure of a real estate mortgage, the forfeiture of a real estate contract, or a transfer resulting from a decree for specific performance.

*c.* *"Suspect site"* means a confinement feeding operation or land where a confinement feeding operation could be constructed, if the site is subject to a suspect transaction.

*d.* *"Suspect transaction"* means a transaction in which a habitual violator does any of the following:

(1) Transfers a controlling interest in a suspect site to any of the following:

(a) An employee of the habitual violator or business in which the person holds a controlling interest.

(b) A person who holds an interest in a business, including a confinement feeding operation, in which the habitual violator holds a controlling interest.

(c) A person related to the habitual violator as spouse, parent, grandparent, lineal ascendant of a grandparent or spouse and any other lineal descendant of the grandparent or spouse, or a person acting in a fiduciary capacity for a related person. This paragraph does not apply to a transaction completed by an operation of law.

(2) Provides financing for the construction or operation of a confinement feeding operation to any person, by providing a contribution or loan to the person, or providing cash or other tangible collateral for a contribution or loan made by a third person.

*e.* *"Transaction"* includes a transfer in any manner or by any means, including any of the following:

(1) Delivery and acceptance between two parties, including by contract or agreement with or without consideration, including by sale, exchange, barter, or gift.

(2) An operation of law.

2. *a.* A person shall not construct or expand a confinement feeding operation structure if the person is any of the following:

(1) A party to a pending action for a violation of this chapter concerning a confinement feeding operation in which the person has a controlling interest and the action is commenced in district court by the attorney general.

(2) A habitual violator.

*b.* A person shall not construct or expand a confinement feeding operation structure for five years after the date of the last violation, committed by the person or confinement feeding operation in which the person holds a controlling interest, during which the person or operation was classified as a habitual violator.

*c.* This subsection shall not prohibit a person from completing the construction or expansion of a confinement feeding operation structure, if any of the following apply:

(1) The person has an unexpired permit for the construction or expansion of the confinement feeding operation structure.

(2) The person is not required to obtain a permit for the construction or expansion of the confinement feeding operation structure.

*d.* For purposes of this subsection, *"construct"* or *"expand"* includes financing and contracting to build a confinement feeding operation structure regardless of whether the person subsequently leases, owns, or operates the confinement feeding operation structure.

3. A person who receives a controlling interest in a suspect site pursuant to a suspect transaction must submit a notice of the transaction to the department within thirty days. If, after notice and opportunity to be heard, pursuant to the contested case provisions of chapter 17A, the department finds that one purpose of the transaction was to avoid the conditions and enhanced penalties imposed upon a habitual violator, the person shall be subject to the same conditions and enhanced penalties as applied to the habitual violator at the time of the transaction.

4. The department shall conduct an annual review of each confinement feeding operation which is a habitual violator and each confinement feeding operation in which a habitual violator holds a controlling interest.

97 Acts, ch 150, §1

CS97, §455B.202

98 Acts, ch 1209, §29, 53; 99 Acts, ch 114, §29; 2002 Acts, ch 1137, §67, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262

C2003, §459.317

Referred to in §459.303

**459.318 Exception to regulation.**

1. As used in this section, *"research college"* means an accredited public or private college or university, including but not limited to a university under the control of the state board of regents as provided in chapter 262, or a community college under the jurisdiction of a board of directors for a merged area as provided in chapter 260C, if the college or university performs research or experimental activities regarding animal agriculture or agronomy.

2. The requirements of this subchapter which regulate animal feeding operations, including rules adopted by the department pursuant to section 459.103, shall not apply to research activities and experiments performed under the authority and regulations of a research college, if the research activities and experiments relate to animal feeding operations, including but not limited to the confinement of animals and the storage and disposal of manure originating from animal feeding operations.

3. This section shall not apply to requirements provided in any of the following:

*a.* Section 459.311, including rules adopted by the department under that section.

*b.* Section 459.310, including rules adopted by the department under that section.

98 Acts, ch 1209, §37
C99, §455B.206
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262
C2003, §459.318
Referred to in §459.303

**459.319 Stockpiling — exception from regulation.**

1. This subchapter shall not apply to a person who stockpiles dry manure if the stockpile's dry manure originates from a confinement feeding operation that was constructed prior to January 1, 2006, unless the confinement feeding operation is expanded after that date.

2. Subsection 1 does not apply to any of the following:

*a.* A person who stockpiles dry manure in violation of section 459.311.

*b.* A stockpile where precipitation-induced runoff has drained away.

2009 Acts, ch 38, §15, 16

**459.320 Exception from regulation — election for confinement feeding operations confining fish.**

A person who exclusively confines fish as part of a confinement feeding operation may elect to comply with the permitting requirements of section 455B.183 in lieu of the permitting requirements of this subchapter.

2012 Acts, ch 1085, §3
Compliance with applicable national pollutant discharge elimination system permit provisions required, see 2012 Acts, ch 1085, §4

## SUBCHAPTER IV

## ANIMAL AGRICULTURE COMPLIANCE FUND — FEES

Referred to in §455B.111, 455B.112, 455B.113, 455B.115, 455E.8

**459.400 Compliance fees.**

1. The department shall establish, assess, and collect all of the following compliance fees:

*a.* A construction permit application fee that is required to accompany an application submitted to the department for approval to construct a confinement feeding operation structure as provided in section 459.303. The amount of the construction permit application fee shall not exceed two hundred fifty dollars.

*b.* A manure management plan filing fee that is required to accompany an original manure management plan submitted to the department for approval as provided in section 459.312. However, the manure management plan required to be filed as part of an application for a construction permit shall be paid together with the construction permit application fee. The amount of the manure management plan filing fee shall not exceed two hundred fifty dollars.

*c.* An annual compliance fee that is required to accompany an updated manure management plan submitted to the department for approval as provided in section 459.312. The amount of the annual compliance fee shall not exceed a rate of fifteen cents per animal unit based on the animal unit capacity of the confinement feeding operation covered by the manure management plan. If the person submitting the manure management plan is a contract producer, as provided in chapter 202, the active contractor shall be assessed the annual compliance fee.

*d.* Educational program fees paid by persons required by the department to be certified as commercial manure service representatives or confinement site manure applicators pursuant to section 459.315. The amount of the educational program fees together with commercial manure service licensing fees shall be adjusted annually by the department based on the costs of administering section 459.315 and paying the expenses of the department relating to certification.

(1) The fee for certification of a commercial manure service representative shall not be more than seventy-five dollars. A commercial manure service licensed pursuant to section 459.314A may pay for the annual certification of its employees. If a commercial manure service makes payment for an employee to be certified as a commercial manure service representative and that employee leaves employment, the commercial manure service may substitute a new employee to be certified for the former employee. The department shall not charge for the certification of the substituted employee. The department may require that the commercial manure service provide the department with documentation that the substitution is valid. The department shall not charge the fee to a person who is a manager of a commercial manure service licensed pursuant to section 459.314A. The department may require that the commercial manure service provide documentation that a person is a manager.

(2) A person who is certified as a confinement site manure applicator as provided in section 459.315 is exempt from paying the certification fee if all of the following apply:

(a) The person is certified within one year from the date that a family member has been certified as a confinement site manure applicator.

(b) The family member has paid the fee for that family member's own certification.

*e.* Fees paid by persons required by the department to be licensed as a commercial manure service as provided in section 459.314A. The fee for a commercial manure service license shall not be more than two hundred dollars. The amount of the licensing fees together with educational program fees shall be adjusted annually by the department based on the costs of administering section 459.315 and paying the expenses of the department relating to certification.

2. Compliance fees collected by the department shall be deposited into the animal agriculture compliance fund created in section 459.401.

*a.* Except as provided in paragraph "*b*", moneys collected from all fees shall be deposited into the compliance fund's general account.

*b.* Moneys collected from the annual compliance fee shall be deposited into the compliance fund's assessment account. Moneys collected from commercial manure service license fees and educational program fees shall be deposited into the compliance fund's educational program account.

3. At the end of each fiscal year the department shall determine the balance of unencumbered and unobligated moneys in the assessment account and the educational program account of the animal agriculture compliance fund created pursuant to section 459.401.

*a.* If on June 30, the balance of unencumbered and unobligated moneys in the assessment account is one million dollars or more, the department shall adjust the rate of the annual compliance fee for the following fiscal year. The adjusted rate for the annual compliance fee shall be based on the department's estimate of the amount required to ensure that at the end of the following fiscal year the balance of unencumbered and unobligated moneys in the assessment account is not one million dollars or more.

*b.* If on June 30, the balance of unencumbered and unobligated moneys in the educational program account is twenty-five thousand dollars or more, the department shall adjust the rate of the commercial manure service license fee and the educational program fee for the following fiscal year. The adjusted rate for the fees shall be based on the department's estimate of the amount required to ensure that at the end of the following fiscal year the balance of unencumbered and unobligated moneys in the assessment account is not twenty-five thousand dollars or more.

2002 Acts, ch 1137, §43, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262

C2003, §459.316

2003 Acts, ch 163, §13 – 16, 22, 23
CS2003, §459.400
Referred to in §459.303, 459.312, 459.312A, 459.314A, 459.314B, 459.315, 459.401

**459.401 Animal agriculture compliance fund.**

1. An animal agriculture compliance fund is created in the state treasury under the control of the department. The compliance fund is separate from the general fund of the state.

2. The compliance fund is composed of three accounts: the general account, the assessment account, and the educational program account.

*a.* The general account is composed of moneys appropriated by the general assembly and moneys available to and obtained or accepted by the department from the United States government or private sources for placement in the compliance fund. Unless otherwise specifically provided in statute, moneys required to be deposited in the compliance fund shall be deposited into the general account. The general account shall include moneys deposited into the account from all of the following:

(1) The construction permit application fee required pursuant to section 459.303.

(2) The manure management plan filing fee required pursuant to section 459.312.

(3) Educational program fees required to be paid by commercial manure service representatives or confinement site manure applicators pursuant to section 459.400.

(4) A commercial manure service license fee as provided in section 459.400.

*b.* The assessment account is composed of moneys collected from the annual compliance fee required pursuant to section 459.400.

*c.* The educational program account is composed of moneys collected from the commercial manure service license fee and the educational program fee required pursuant to section 459.400.

3. Moneys in the compliance fund are appropriated to the department exclusively to pay the expenses of the department in administering and enforcing the provisions of subchapters II and III as necessary to ensure that animal feeding operations comply with all applicable requirements of those provisions, including rules adopted or orders issued by the department pursuant to those provisions. The moneys shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this subsection. The department shall not transfer moneys from the compliance fund's assessment account to another fund or account, including but not limited to the fund's general account.

4. Moneys in the fund, which may be subject to warrants written by the director of the department of administrative services, shall be drawn upon the written requisition of the director of the department of natural resources or an authorized representative of the director.

5. Notwithstanding section 8.33, any unexpended balance in an account of the compliance fund at the end of the fiscal year shall be retained in that account. Notwithstanding section 12C.7, subsection 2, interest, earnings on investments, or time deposits of the moneys in an account of the compliance fund shall be credited to that account.

2002 Acts, ch 1137, §6, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §247, 259, 260, 262; 2003 Acts, ch 145, §286; 2003 Acts, ch 163, §17 – 20, 23; 2003 Acts, ch 179, §73; 2004 Acts, ch 1086, §78; 2005 Acts, ch 136, §36; 2009 Acts, ch 155, §33, 34; 2011 Acts, ch 128, §35, 45; 2013 Acts, ch 30, §109
Referred to in §459.400
Subsection 2, unnumbered paragraph 1 amended

**459.402 Animal agriculture compliance fees — delinquencies.**

If a fee imposed under this chapter for deposit into the animal agriculture compliance fund is delinquent, the department may charge interest on any amount of the fee that is delinquent. The rate of interest shall not be more than the current rate published in the Iowa administrative bulletin by the department of revenue pursuant to section 421.7. The interest amount shall be computed from the date that the fee is delinquent, unless the department designates a later date. The interest amount shall accrue for each month in which a delinquency is calculated as provided in section 421.7, and counting each fraction

of a month as an entire month. The interest amount shall become part of the amount of the fee due.

2002 Acts, ch 1137, §5, 68, 71; 2002 Acts, 2nd Ex, ch 1003, § 259, 260, 262; 2003 Acts, ch 145, §286

**459.403 County assessment of fees prohibited.**

A county shall not assess or collect a fee under this chapter for the regulation of animal agriculture, including but not limited to any fee related to the filing, consideration, or evaluation of an application for a construction permit pursuant to section 459.303 or the filing of a manure management plan pursuant to section 459.312.

2002 Acts, ch 1137, §4, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262

## SUBCHAPTER V

## LIVESTOCK REMEDIATION FUND — INDEMNITY FEES

Referred to in §7D.10A

**459.501 Livestock remediation fund.**

1. A livestock remediation fund is created as a separate fund in the state treasury under the control of the department. The general fund of the state is not liable for claims presented against the fund.

2. The fund consists of moneys from indemnity fees remitted by permittees to the department as provided in section 459.502; moneys from indemnity fees remitted by persons required to submit manure management plans to the department pursuant to section 459.503; sums collected on behalf of the fund by the department through legal action or settlement; moneys required to be repaid to the department by a county pursuant to this subchapter; interest, property, and securities acquired through the use of moneys in the fund; or moneys contributed to the fund from other sources.

3. *a.* The moneys collected under this section shall be deposited in the fund and shall be appropriated to the department for the following exclusive purposes:

(1) To provide moneys for cleanup of abandoned facilities as provided in section 459.505, and to pay the department for costs related to administering the provisions of this subchapter. For each fiscal year, the department shall not use more than one percent of the total amount which is available in the fund or ten thousand dollars, whichever is less, to pay for the costs of administration.

(2) To allocate moneys to the department of agriculture and land stewardship for the payment of expenses incurred by the department of agriculture and land stewardship associated with providing for the sustenance and disposition of livestock in immediate need of sustenance pursuant to chapter 717. The department of natural resources shall allocate any amount of unencumbered and unobligated moneys demanded in writing by the department of agriculture and land stewardship as provided in this subparagraph. The department of natural resources shall complete the allocation upon receiving the demand.

*b.* Moneys in the fund shall not be subject to appropriation or expenditure for any other purpose than provided in this section.

4. The treasurer of state shall act as custodian of the fund and disburse amounts contained in the fund as directed by the department. The treasurer of state is authorized to invest the moneys deposited in the fund. The income from such investment shall be credited to and deposited in the fund. Notwithstanding section 8.33, moneys in the fund are not subject to reversion to the general fund of the state. The fund shall be administered by the department which shall make expenditures from the fund consistent with the purposes set out in this subchapter. The moneys in the fund shall be disbursed upon warrants drawn by the director of the department of administrative services pursuant to the order of the department. The fiscal year of the fund begins July 1. The finances of the fund shall be calculated on an accrual basis in accordance with generally accepted accounting principles. The auditor of state shall regularly perform audits of the fund.

5. The following shall apply to moneys in the fund:

*a.* (1) The executive council may authorize payment of moneys as an expense paid from the appropriations addressed in section 7D.29 and in the manner provided in section 7D.10A in an amount necessary to support the fund, including the following:

(a) The payment of claims as provided in section 459.505.

(b) The allocation of moneys to the department of agriculture and land stewardship for the payment of expenses incurred by the department of agriculture and land stewardship associated with providing for the sustenance and disposition of livestock pursuant to chapter 717.

(2) Notwithstanding subparagraph (1), the executive council's authorization for payment shall be provided only if the amount of moneys in the fund, which are not obligated or encumbered, and not counting the department's estimate of the cost to the fund for pending or unsettled claims, the amount to be allocated to the department of agriculture and land stewardship, and any amount required to be credited to the general fund of the state under this subsection, is less than one million dollars.

*b.* The department of natural resources shall credit an amount to the fund from which the expense authorized by the executive council as provided in paragraph *"a"* was appropriated which is equal to an amount authorized for payment to support the livestock remediation fund by the executive council under paragraph *"a"*. However, the department shall only be required to credit the moneys to such fund if the moneys in the livestock remediation fund which are not obligated or encumbered, and not counting the department's estimate of the cost to the livestock remediation fund for pending or unsettled claims, the amount to be allocated to the department of agriculture and land stewardship, and any amount required to be transferred to the fund from which appropriated as described in this paragraph, are in excess of two million five hundred thousand dollars. The department is not required to credit the total amount to the fund from which appropriated as described in this paragraph during any one fiscal year.

95 Acts, ch 195, §5
CS95, §204.2
98 Acts, ch 1209, §3, 50
C99, §455J.2
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.501
2003 Acts, ch 44, §76; 2003 Acts, ch 52, §2, 3, 6; 2003 Acts, ch 145, §286; 2011 Acts, ch 81, §1; 2011 Acts, ch 131, §35, 158; 2012 Acts, ch 1021, §81
Referred to in §7D.10A, 459.303, 460.206, 717.4A, 717.5

**459.502 Indemnity fees required — construction permits.**

1. An indemnity fee shall be assessed upon permittees which shall be paid to and collected by the department, prior to issuing a permit for the construction of a confinement feeding operation as provided in section 459.303. The amount of the fees shall be based on the following:

*a.* If the confinement feeding operation has an animal unit capacity of less than one thousand animal units, the following shall apply:

(1) For all animals other than poultry, the amount of the fee shall be ten cents per animal unit of capacity for confinement feeding operations.

(2) For poultry, the amount of the fee shall be four cents per animal unit of capacity for confinement feeding operations.

*b.* If the confinement feeding operation has an animal unit capacity of one thousand or more animal units but less than three thousand animal units, the following shall apply:

(1) For all animals other than poultry, the amount of the fee shall be fifteen cents per animal unit of capacity for confinement feeding operations.

(2) For poultry, the amount of the fee shall be six cents per animal unit of capacity for confinement feeding operations.

*c.* If the confinement feeding operation has an animal unit capacity of three thousand or more animal units, the following shall apply:

(1) For all animals other than poultry, the amount of the fee shall be twenty cents per animal unit of capacity for confinement feeding operations.

(2) For poultry, the amount of the fee shall be eight cents per animal unit of capacity for confinement feeding operations.

2. The department shall deposit moneys collected from the fees into the livestock remediation fund according to procedures adopted by the department.

95 Acts, ch 195, §6
CS95, §204.3
98 Acts, ch 1209, §4, 50
C99, §455J.3
2002 Acts, ch 1137, §54 – 56, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.502
2011 Acts, ch 25, §143; 2012 Acts, ch 1021, §82
Referred to in §459.102, 459.303, 459.501, 459.503A

**459.503 Indemnity fee required — manure management plan.**

An indemnity fee shall be assessed upon persons required to submit an original manure management plan as provided in section 459.312, but not required to obtain a construction permit pursuant to section 459.303. A person required to submit a replacement original manure management plan shall not be assessed an indemnity fee. The amount of the fee shall be ten cents per animal unit of capacity for the confinement feeding operation covered by the manure management plan.

98 Acts, ch 1209, §5, 50
C99, §455J.4
2002 Acts, ch 1137, §57, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.503
Referred to in §459.102, 459.501, 459.503A

**459.503A Indemnity fee — waiver and reinstatement.**

The indemnity fee required under sections 459.502 and 459.503 shall be waived and the fee shall not be assessable or owing if, at the end of any three-month period, unobligated and unencumbered moneys in the livestock remediation fund, not counting the department's estimate of the cost to the fund for pending or unsettled claims, exceed three million dollars. The department shall reinstate the indemnity fee under those sections if unobligated and unencumbered moneys in the fund, not counting the department's estimate of the cost to the fund for pending or unsettled claims, are less than two million dollars.

2003 Acts, ch 52, §4, 6; 2011 Acts, ch 81, §11

**459.504 Use of fund for emergency cleanup.**

If the department provides cleanup of a condition caused by a confinement feeding operation as provided in section 459.506, the department may use moneys in the fund for purposes of supporting the cleanup. The department shall reimburse the fund from moneys recovered by the department as reimbursement for the cleanup as provided in section 459.506.

98 Acts, ch 1209, §7, 50
C99, §455J.6
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.504

**459.505 Use of moneys by counties for cleanup.**

1. A county that has acquired real estate containing a manure storage structure following nonpayment of taxes pursuant to section 446.19 may make a claim against the fund to pay cleanup costs incurred by the county as provided in section 459.506. Each claim shall include a bid by a qualified person, other than a governmental entity, to remove and dispose of the manure for a fixed amount specified in the bid.

2. If a county provides cleanup under section 459.506 after acquiring real estate following

nonpayment of taxes, the department shall determine if a claim is eligible to be satisfied under this subsection, and do one of the following:

*a.* Pay the amount of the claim required in this section, based on the fixed amount specified in the bid submitted by the county upon completion of the work.

*b.* Obtain a lower fixed amount bid for the work from another qualified person, other than a governmental entity, and pay the amount of the claim required in this section, based on the fixed amount in this bid upon completion of the work. The department is not required to comply with section 8A.311 in implementing this section.

3. If a county provides cleanup of a condition causing a clear, present, and impending danger to the public health or environment, as provided in section 459.506, the county may make a claim against the fund to pay cleanup costs incurred by the county, according to procedures and requirements established by rules adopted by the department. The department shall determine if a claim is eligible to be satisfied under this subsection, and pay the amount of the claim required in this section.

4. Upon a determination that the claim is eligible for payment, the department shall provide for payment of one hundred percent of the claim, as provided in this section. If at any time the department determines that there are insufficient moneys to make payment of all claims, the department shall pay claims according to the date that the claims are received by the department. To the extent that a claim cannot be fully satisfied, the department shall order that the unpaid portion of the payment be deferred until the claim can be satisfied. However, the department shall not satisfy claims from moneys dedicated for the administration of the fund.

5. In the event of payment of a claim under this section, the fund is subrogated to the extent of the amount of the payment to all rights, powers, privileges, and remedies of the county regarding the payment amount. The county shall render all necessary assistance to the department in securing the rights granted in this section. A case or proceeding initiated by a county which involves a claim submitted to the department shall not be compromised or settled without the consent of the department. A county shall not be eligible to submit a claim to the department if the county has compromised or settled a case or proceeding, without the consent of the department.

6. If upon disposition of the real estate the county realizes an amount which exceeds the total amount of the delinquent real estate taxes, the county shall forward to the fund any excess amount which is not more than the amount expended by the fund to pay the claim by the county.

95 Acts, ch 195, §7
CS95, §204.4
98 Acts, ch 1209, §6, 50
C99, §455J.5
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.505
2003 Acts, ch 145, §264
Referred to in §459.501

**459.506 Cleanup.**

1. *a.* A county that has acquired real estate on which there is located a confinement feeding operation following the nonpayment of taxes pursuant to section 446.19, may provide for cleanup, including removing and disposing of manure at any time, remediating contamination which originates from the confinement feeding operation, or demolishing and disposing of structures relating to the confinement feeding operation. The county may seek reimbursement including by bringing an action for the costs of the cleanup from the person abandoning the real estate.

*b.* If the confinement feeding operation has caused a clear, present, and impending danger to the public health or the environment, the department may clean up the confinement feeding operation and remediate contamination which originates from the confinement feeding operation, pursuant to sections 455B.381 through 455B.399. If the department fails to commence cleanup within twenty-four hours after being notified of a condition

requiring cleanup, the county may provide for the cleanup as provided in this paragraph. The department or county may seek reimbursement including by bringing an action for the costs of the cleanup from a person liable for causing the condition.

2. A person cleaning up a confinement feeding operation located on real estate acquired by a county may demolish or dispose of any building or equipment of the confinement feeding operation located on the land according to rules adopted by the department pursuant to chapter 17A, which apply to the disposal of farm buildings or equipment by an individual or business organization.

95 Acts, ch 195, §8
CS95, §204.5
98 Acts, ch 1209, §8, 50
C99, §455J.7
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.506
Referred to in §459.504, 459.505

**459.507 No state obligation.**

This subchapter does not imply any guarantee or obligation on the part of this state, or any of its agencies, employees, or officials, either elective or appointive, with respect to any agreement or undertaking to which this subchapter relates.

95 Acts, ch 195, §9
CS95, §204.6
98 Acts, ch 1209, §50
C99, §455J.8
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.507

**459.508 Departmental rules.**

The department shall adopt administrative rules pursuant to chapter 17A necessary to administer this subchapter.

95 Acts, ch 195, §10
CS95, §204.7
98 Acts, ch 1209, §50
C99, §455J.9
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §459.508

## SUBCHAPTER VI

## ENFORCEMENT

Referred to in §364.22, 455B.111, 455B.112, 455B.113, 455B.115, 455E.8, 459B.401

**459.601 Animal feeding operations — investigations and enforcement actions.**

1. A person may file a complaint alleging that an animal feeding operation is in violation of this chapter, including rules adopted by the department, or environmental standards or regulations subject to federal law and enforced by the department.

*a.* The complaint may be filed with the department according to procedures required by the department or with the county board of supervisors in the county where the violation is alleged to have occurred, according to procedures required by the board. The county auditor may accept the complaint on behalf of the board.

*b.* If the county board of supervisors receives a complaint, it shall conduct a review to determine if the allegation contained in the complaint constitutes a violation, without investigating whether the facts supporting the allegation are true or untrue.

(1) If the county board of supervisors determines that the allegation does not constitute a violation, it shall notify the complainant, the animal feeding operation which is the subject of the complaint, and the department, according to rules adopted by the department.

(2) If the county board of supervisors determines that the allegation constitutes a violation, it shall forward the complaint to the department which shall investigate the complaint as provided in this section.

*c.* If the department receives a complaint from a complainant or a county forwarding a complaint, the department shall conduct an investigation of the complaint if the department determines that the complaint is legally sufficient and an investigation is justified. The department shall receive a complaint filed by a complainant, regardless of whether the complainant has filed a complaint with a county board of supervisors.

(1) The department in its discretion shall determine the urgency of the investigation, and the time and resources required to complete the investigation, based upon the circumstances of the case, including the severity of a threat to the quality of surface or subsurface water.

(2) The department shall notify the county board of supervisors in the county where the violation is alleged to occur prior to investigating the premises of the alleged violation. However, the department is not required to provide notice if the department determines that a clear, present, and impending danger to the public health or environment requires immediate action.

(3) The county board of supervisors may designate a county employee to accompany a departmental official during the investigation of the premises of a confinement feeding operation. The county designee shall have the same right of access to the real estate of the premises as the departmental official conducting the inspection during the period that the county designee accompanies the departmental official.

(4) Upon the completion of an investigation, the department shall notify the complainant of the results of the investigation, including any anticipated, pending, or completed enforcement action arising from the investigation. The department shall deliver a copy of the notice to the animal feeding operation that is the subject of the complaint and the board of supervisors of the county where the violation is alleged to have occurred.

*d.* A county board of supervisors or the department is not required to divulge information regarding the identity of the complainant.

2. *a.* The department and the attorney general shall enforce the provisions of this chapter in the same manner as provided in chapter 455B, division I.

*b.* The department and the attorney general may enforce the provisions of subchapter III in the same manner as provided in section 455B.175.

3. When entering the premises of an animal feeding operation, a person who is a departmental official, an agent of the department, or a person accompanying the departmental official or agent shall comply with section 455B.103. The person shall also comply with standard biosecurity requirements customarily required by the animal feeding operation which are necessary in order to control the spread of disease among an animal population.

95 Acts, ch 195, §13

CS95, §455B.110

98 Acts, ch 1209, §11, 53; 99 Acts, ch 96, §39; 2002 Acts, ch 1137, §3, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §459.601

2007 Acts, ch 82, §3

**459.602 Air quality violations — civil penalty.**

A person who violates subchapter II shall be subject to a civil penalty which shall be established, assessed, and collected in the same manner as provided in section 455B.109. Any civil penalty collected shall be deposited into the watershed improvement fund created in section 466A.2.

2002 Acts, ch 1137, §24, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262; 2011 Acts, ch 128, §36, 45

Referred to in §455B.109, 459B.402, 466A.2

**459.603 Water quality violations — civil penalty.**

A person who violates subchapter III shall be subject to a civil penalty which shall be established, assessed, and collected in the same manner as provided in section 455B.109 or 455B.191. Any civil penalty collected shall be deposited into the watershed improvement fund created in section 466A.2.

2002 Acts, ch 1137, §51, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §259, 260, 262; 2007 Acts, ch 82, §4; 2011 Acts, ch 128, §37, 45

Referred to in §455B.109, 459.312, 459A.502, 459B.402, 466A.2

**459.604 Habitual violators — classification — penalties.**

1. *a.* The department may impose a civil penalty upon a habitual violator which shall not exceed twenty-five thousand dollars for each day the violation continues. The increased penalty may be assessed for each violation committed subsequent to the violation which results in classifying the person as a habitual violator. A person shall be classified as a habitual violator if the person has committed three or more violations as described in this subsection. To be considered a violation that is applicable to a habitual violator determination, a violation must have been committed on or after January 1, 1995. In addition, each violation must have been referred to the attorney general for legal action under this chapter, and each violation must be subject to the assessment of a civil penalty or a court conviction, in the five years prior to the date of the latest violation provided in this subsection, counting any violation committed by a confinement feeding operation in which the person holds a controlling interest. A person shall be removed from the classification of habitual violator on the date on which the person and all confinement feeding operations in which the person holds a controlling interest have committed less than three violations described in this subsection for the prior five years. For purposes of counting violations, a continuing and uninterrupted violation shall be considered as one violation. Different types of violations shall be counted as separate violations regardless of whether the violations were committed during the same period. A violation must relate to one of the following:

(1) The construction or operation of a confinement feeding operation structure, or the installation or use of a related pollution control device or practice, for which the person must obtain a permit, in violation of this chapter, or rules adopted by the department, including the terms or conditions of the permit.

(2) Intentionally making a false statement or misrepresenting information to the department as part of an application for a construction permit for a confinement feeding operation structure, or the installation of a related pollution control device or practice for which the person must obtain a construction permit.

(3) Failing to obtain a permit or approval by the department in violation of this chapter or departmental rule which requires a permit to construct or operate a confinement feeding operation or use a confinement feeding operation structure, anaerobic lagoon, or a pollution control device or practice which is part of a confinement feeding operation.

(4) Operating a confinement feeding operation, including a confinement feeding operation structure, or a related pollution control device or practice, which causes pollution to the waters of the state, if the pollution was caused intentionally, or caused by a failure to take measures required to abate the pollution which resulted from an act of God.

(5) Failing to submit a manure management plan as required pursuant to section 459.312, or operating a confinement feeding operation without having a manure management plan approved by the department.

*b.* This subsection shall not apply unless the department has previously notified the person of the person's classification as a habitual violator. The department shall notify persons classified as habitual violators of their classification, additional restrictions imposed upon the persons pursuant to their classification, and special civil penalties that may be imposed upon the persons. The notice shall be sent to the persons by certified mail.

2. Moneys assessed and collected in civil penalties and interest earned on civil penalties,

arising out of a violation involving an animal feeding operation, shall be deposited into the watershed improvement fund created in section 466A.2.

2002 Acts, ch 1137, §26, 67, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262; 2003 Acts, ch 108, §87; 2011 Acts, ch 25, §143; 2011 Acts, ch 128, §38, 45

Referred to in §15E.208, 266.43, 266.44, 266.45, 455B.109, 455B.175, 455K.8, 459.303, 459.312, 459.317, 459.605, 466A.2

**459.605 Habitual violators — permit restrictions.**

For five years after the date of the last violation of this chapter committed by a person or by a confinement feeding operation in which the person holds a controlling interest during which the person or confinement feeding operation was classified as a habitual violator under section 459.604, all of the following shall apply:

1. The department may not issue a new permit under this chapter to the person or confinement feeding operation.

2. The department may revoke or refuse to renew an existing permit issued under this chapter to the person or confinement feeding operation, if the permit relates to a confinement feeding operation and the department determines that the continued operation of the confinement feeding operation under the existing permit constitutes a clear, present, and impending danger to the public health or environment.

2002 Acts, ch 1137, §26, 67, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

# CHAPTER 459A

## ANIMAL AGRICULTURE COMPLIANCE ACT FOR OPEN FEEDLOT OPERATIONS

Referred to in §455A.4, 455B.103, 455B.103A, 455B.105, 455B.111, 455B.112, 455B.113, 455B.115, 455B.174, 455B.175, 455B.179, 455B.182, 455B.185, 455B.197

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## SUBCHAPTER I

## GENERAL PROVISIONS

**459A.101 Title.**

This chapter shall be known and may be cited as the *"Animal Agriculture Compliance Act for Open Feedlot Operations"*.

2005 Acts, ch 136, §1

**459A.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Alternative technology system"* or *"alternative system"* means a system for open feedlot effluent control as provided in section 459A.303.
2. *"Animal"* means the same as defined in section 459.102.
3. *"Animal feeding operation"* means the same as defined in section 459.102.
4. *"Animal unit"* means the same as defined in section 459.102.
5. *"Animal unit capacity"* means a measurement used to determine the maximum number of animal units that may be maintained as part of an open feedlot operation.
6. *"ASTM international"* means the American society for testing and materials international.
7. *"Commission"* means the environmental protection commission created pursuant to section 455A.6.
8. *"Department"* means the department of natural resources.
9. *"Designated area"* means a known sinkhole, a cistern, an abandoned well, an unplugged agricultural drainage well, an agricultural drainage well surface inlet, a drinking water well, a designated wetland, or a water source. However, *"designated area"* does not include a terrace tile inlet or surface tile inlet other than an agricultural drainage well surface tile inlet.
10. *"Designated wetland"* means the same as defined in section 459.102.
11. *"Document"* means any form required to be processed by the department under this chapter, including but not limited to applications for permits or related materials as provided in section 459A.205, soils and hydrogeologic reports as provided in section 459A.206, construction certifications as provided in section 459A.207, nutrient management plans as provided in section 459A.208, and notices required under this chapter.
12. *"Grassed waterway"* means a natural or constructed channel that is shaped or graded and established with suitable vegetation for the stable conveyance of surface water runoff.
13. *"High-quality water resource"* means the same as defined in section 459.102.
14. *"Nutrient management plan"* or *"plan"* means a plan which provides for the management of open feedlot effluent, including the application of effluent as provided in section 459A.208.
15. *"Open feedlot"* means a lot, yard, corral, building, or other area used to house animals in conjunction with an open feedlot operation.
16. *"Open feedlot effluent"* or *"effluent"* means a combination of manure, precipitation-induced runoff, or other runoff from an open feedlot before its settleable solids have been removed.
17. *"Open feedlot operation"* or *"operation"* means an unroofed or partially roofed animal feeding operation if crop, vegetation, or forage growth or residue cover is not maintained as part of the animal feeding operation during the period that animals are confined in the animal feeding operation.
18. *"Open feedlot operation structure"* means an open feedlot, settled open feedlot effluent basin, a solids settling facility, or an alternative technology system. *"Open feedlot operation structure"* does not include a manure storage structure as defined in section 459.102.
19. *"Operating permit"* means a permit which regulates the operation of an open feedlot operation as issued by the department or the United States environmental protection agency,

including as provided in state law or pursuant to the federal Water Pollution Control Act, Tit. 33, U.S.C. ch. 26, as amended, and 40 C.F.R. pt. 122.

20. *"Research college"* means an accredited public or private college or university, including but not limited to a university under the control of the state board of regents as provided in chapter 262, or a community college under the jurisdiction of a board of directors for a merged area as provided in chapter 260C, if the college or university performs research or experimental activities regarding animal agriculture or agronomy.

21. *"Settleable solids"* or *"solids"* means that portion of open feedlot effluent that meets all of the following requirements:

*a.* The solids do not flow perceptibly under pressure.

*b.* The solids are not capable of being transported through a mechanical pumping device designed to move a liquid.

*c.* The constituent molecules of the solids do not flow freely among themselves but do show the tendency to separate under stress.

22. *"Settled open feedlot effluent"* or *"settled effluent"* means a combination of manure, precipitation-induced runoff, or other runoff originating from an open feedlot after its settleable solids have been removed.

23. *"Settled open feedlot effluent basin"* or *"basin"* means an impoundment which is part of an open feedlot operation, if the primary function of the impoundment is to collect and store settled open feedlot effluent.

24. *"Solids settling facility"* means a basin, terrace, diversion, or other structure or solids removal method which is part of an open feedlot operation and which is designed and operated to remove settleable solids from open feedlot effluent. A *"solids settling facility"* does not include a basin, terrace, diversion, or other structure or solids removal method which retains the liquid portion of open feedlot effluent for more than seven consecutive days following a precipitation event.

25. *"Stockpile"* means to store solids from an open feedlot operation outside of an open feedlot operation structure or outside of an area that drains to an open feedlot operation structure.

26. *"Water of the state"* means the same as defined in section 455B.171.

27. *"Water source"* means the same as defined in section 459.102.

28. *"Waters of the United States"* means the same as defined in 40 C.F.R. pt. 122, § 2, as that section exists on July 1, 2005.

2005 Acts, ch 136, §2; 2006 Acts, ch 1010, §120; 2006 Acts, ch 1088, §1, 6; 2010 Acts, ch 1061, §180

Referred to in §202.1, 459.102, 459B.102, 579B.1

**459A.103 Special terms.**

For purposes of this chapter, all of the following shall apply:

1. *a.* Two or more open feedlot operations under common ownership or common management are deemed to be a single open feedlot operation if they are adjacent or utilize a common area or system for open feedlot effluent disposal.

*b.* For purposes of determining whether two or more open feedlot operations are adjacent, all of the following shall apply:

(1) At least one open feedlot operation structure must be constructed on or after July 17, 2002.

(2) An open feedlot operation structure which is part of one open feedlot operation is separated by less than one thousand two hundred fifty feet from an open feedlot operation structure which is part of the other open feedlot operation.

*c.* (1) For purposes of determining whether two or more open feedlot operations are under common ownership, a person must hold an interest in each of the open feedlot operations as any of the following:

(a) A sole proprietor.

(b) A joint tenant or tenant in common.

(c) A holder of a majority equity interest in a business association as defined in section 202B.102, including but not limited to as a shareholder, partner, member, or beneficiary.

(2) An interest in the open feedlot operation under subparagraph (1), subparagraph division (b) or (c), which is held directly or indirectly by the person's spouse or dependent child shall be attributed to the person.

*d.* For purposes of determining whether two or more open feedlot operations are under common management, a person must have significant control of the management of the day-to-day operations of each of the open feedlot operations. Common management does not include control over a contract livestock facility by a contractor, as defined in section 202.1.

2. An open feedlot operation structure is *"constructed"* when any of the following occurs:

*a.* Excavation commences for a proposed open feedlot operation structure or proposed expansion of an existing open feedlot operation structure.

*b.* Forms for concrete are installed for a proposed open feedlot operation structure or the proposed expansion of an existing open feedlot operation structure.

*c.* Piping for the movement of open feedlot effluent is installed within or between open feedlot operation structures as proposed or proposed to be expanded.

3. *a.* In calculating the animal unit capacity of an open feedlot operation, the animal unit capacity shall not include the animal unit capacity of any confinement feeding operation building as defined in section 459.102, which is part of the open feedlot operation.

*b.* Notwithstanding paragraph *"a"*, only for purposes of determining whether an open feedlot operation must obtain an operating permit, the animal unit capacity of the animal feeding operation includes the animal unit capacities of both the open feedlot operation and the confinement feeding operation if the animals in the open feedlot operation and the confinement feeding operation are all in the same category or type of animals as used in the definitions of large and medium concentrated animal feeding operations in 40 C.F.R. pt. 122. In all other respects the confinement feeding operation shall be governed by chapter 459 and the open feedlot operation shall be governed by this chapter.

4. An open feedlot operation structure is abandoned if the open feedlot operation structure has been razed, removed from the site of an open feedlot operation, filled in with earth, or converted to uses other than an open feedlot operation structure so that it cannot be used as an open feedlot operation structure without significant reconstruction.

5. All distances between locations or objects provided in this chapter shall be measured in feet from their closest points.

6. The regulation of open feedlot effluent shall be construed as also regulating settled open feedlot effluent and solids.

7. *"Seasonal high-water table"* means the seasonal high-water table as determined by a professional engineer pursuant to the following requirements:

*a.* The seasonal high-water table shall be determined by evaluating soil profile characteristics such as color and mottling from soil corings, soil test pits, or other soil profile evaluation methods, water level data from soil corings or other sources, and other pertinent information.

*b.* If a drainage tile line to artificially lower the seasonal high-water table is installed as provided in section 459A.302, the level to which the seasonal high-water table will be lowered will be the seasonal high-water table.

2005 Acts, ch 136, §3; 2006 Acts, ch 1030, §45; 2008 Acts, ch 1191, §144, 147, 148; 2011 Acts, ch 25, §116

**459A.104 General authority — commission and department — purpose — compliance.**

1. The commission shall establish by rule adopted pursuant to chapter 17A, requirements relating to the construction, including expansion, or operation of open feedlot operations, including related open feedlot operation structures.

2. Any provision referring generally to compliance with the requirements of this chapter as applied to open feedlot operations also includes compliance with requirements in rules adopted by the commission pursuant to this section, orders issued by the department as authorized under this chapter, and the terms and conditions applicable to licenses, certifications, permits, or nutrient management plans required under this chapter.

3. The purpose of this chapter is to provide requirements relating to the construction,

including the expansion, and operation of open feedlot operations, and the control of open feedlot effluent, which shall be construed to supplement applicable provisions of chapter 459. If there is a conflict between the provisions of this chapter and chapter 459, the provisions of this chapter shall prevail.

2005 Acts, ch 136, §4
Referred to in §459A.105

**459A.105 Exception to regulation.**

1. Except as provided in subsection 2, the requirements of this chapter which regulate open feedlot operations, including rules adopted by the department pursuant to section 459A.104, shall not apply to research activities and experiments performed under the authority and regulations of a research college, if the research activities and experiments relate to an open feedlot operation structure or the disposal or treatment of effluent originating from an open feedlot operation.

2. The requirements of section 459A.410, including rules adopted by the department under that section, apply to research activities and experiments performed under the authority and regulations of a research college.

2005 Acts, ch 136, §5
Referred to in §459A.205

## SUBCHAPTER II

## DOCUMENTATION

**459A.201 Document processing requirements.**

1. The department shall adopt and promulgate forms required to be completed in order to comply with this chapter, including forms for documents that the department shall make available on the internet in the same manner as provided in section 459.302.

2. *a.* The department shall provide for procedures for the receipt, filing, processing, and return of documents in an electronic format in the same manner as provided in section 459.302. The department shall provide for authentication of the documents that may include electronic signatures as provided in chapter 554D.

*b.* The department shall to every extent feasible provide for the processing of documents required under this subchapter using electronic systems in the same manner as required in section 459.302.

3. *a.* The department shall approve or disapprove an application for a construction permit as provided in section 459A.205 within sixty days after receiving the permit application. However, the applicant may deliver a notice requesting a continuance. Upon receipt of a notice, the time required for the department to act upon the application shall be suspended for the period provided in the notice, but for not more than thirty days after the department's receipt of the notice. The applicant may submit more than one notice. However, the department may provide that an application is terminated if no action is required by the department for one year following delivery of the application to the department. The department may also provide for a continuance when it considers the application. The department shall provide notice to the applicant of the continuance. The time required for the department to act upon the application shall be suspended for the period provided in the notice, but for not more than thirty days. However, the department shall not provide for more than one continuance.

*b.* A nutrient management plan as provided in section 459A.208 shall be approved or disapproved as part of a construction permit application pursuant to section 459A.205. If the nutrient management plan is not part of an application for a construction permit, the nutrient management plan shall be approved or disapproved within sixty days from the date that the department receives the nutrient management plan.

2005 Acts, ch 136, §6
Referred to in §459A.208

**459A.202 Operating permit requirements.** Repealed by its own terms; 2006 Acts, ch 1088, § 2.

**459A.203 and 459A.204** Reserved.

**459A.205 Permit requirements — settled open feedlot effluent basins and alternative technology systems.**

1. The department shall approve or disapprove applications for permits for the construction, including the expansion, of settled open feedlot effluent basins and alternative technology systems, as provided in this chapter. The department's decision to approve or disapprove a permit for the construction of a basin or alternative system shall be based on whether the application is submitted according to procedures and standards required by this chapter. A person shall not begin construction of a basin or alternative system requiring a permit under this section, unless the department first approves the person's application and issues to the person a construction permit.

2. The department shall issue a construction permit upon approval of an application. The department shall approve the application regardless of whether the applicant is required to be issued a construction permit.

3. The department shall not approve an application for a construction permit unless the applicant submits all of the following:

*a.* For an open feedlot operation submitting an application for a construction permit on or after April 30, 2007, a nutrient management plan as provided in section 459A.208.

*b.* An engineering report, construction plans, and specifications prepared by a licensed professional engineer or the natural resources conservation service of the United States department of agriculture certifying that the construction of the settled open feedlot effluent basin or alternative technology system complies with the construction design standards required in this chapter.

4. An open feedlot operation must be issued a construction permit prior to any of the following:

*a.* The construction, including expansion, of a settled open feedlot effluent basin or alternative technology system if the open feedlot operation is required to be issued an operating permit.

*b.* The department has previously issued the open feedlot operation a construction permit and any of the following applies:

(1) The animal unit capacity of the open feedlot operation will be increased to more than the animal unit capacity approved by the department in the previous construction permit.

(2) The volume of open feedlot effluent stored at the open feedlot operation would be more than the volume approved by the department in the previous construction permit.

(3) The open feedlot operation was discontinued for twenty-four months or more and the animal unit capacity would be one thousand animal units or more.

5. Prior to submitting an application for a construction permit the applicant may submit a conceptual design and site investigation report to the department for review and comment.

6. The application for the construction permit shall include all of the following:

*a.* The name of the owner of the open feedlot operation and the name of the open feedlot operation, including a mailing address and telephone number for the owner and the operation.

*b.* The name of the contact person for the open feedlot operation, including the person's mailing address and telephone number.

*c.* The location of the open feedlot operation.

*d.* A statement providing that the application is for any of the following:

(1) The construction or expansion of a settled open feedlot effluent basin or alternative technology system for an existing open feedlot operation which is not expanding.

(2) The construction or expansion of a settled open feedlot effluent basin or alternative technology system for an existing open feedlot operation which is expanding.

(3) The construction of a settled open feedlot effluent basin or alternative technology system for a proposed new open feedlot operation.

*e.* The animal unit capacity for each animal species in the open feedlot operation before and after the proposed construction.

*f.* An engineering report, construction plans, and specifications prepared by a licensed professional engineer or by the United States natural resources conservation service, for the settled open feedlot operation effluent basin or alternative technology system.

*g.* A soils and hydrogeologic report of the site, as required in section 459A.206.

*h.* Information, including but not limited to maps, drawings, and aerial photos that clearly show the location of all of the following:

(1) The open feedlot operation and all existing and proposed settled open feedlot effluent basins or alternative technology systems, clean water diversions, and other pertinent features or structures.

(2) Any other open feedlot operation under common ownership or common management and located within one thousand two hundred fifty feet of the open feedlot operation.

(3) A public water supply system as defined in section 455B.171 or a drinking water well which is located within a distance from the operation as prescribed by rules adopted by the department.

*i.* For an open feedlot operation implementing an alternative technology system as provided in section 459A.303, the applicant shall submit all of the following:

(1) Information showing that the proposed open feedlot operation meets criteria for siting as established by rules adopted by the department. However, if the site does not meet the criteria, the information shall show substantially equivalent alternatives to meeting such criteria.

(2) The results of predictive computer modeling for the proposed alternative technology system to determine suitability of the proposed site for the system and to predict performance of the alternative technology system as compared to the use of a settled open feedlot effluent basin.

(3) A conceptual design of the proposed alternative technology system, as developed by a licensed engineer.

7. *a.* Except as provided in paragraph *"b"*, a construction permit for an open feedlot operation expires as follows:

(1) If construction does not begin within one year after the date the construction permit is issued.

(2) If construction is not completed within three years after the date the construction permit is issued.

*b.* If requested, the department may grant an extension of time to begin or complete construction upon a showing of just cause by the construction permit applicant.

8. The department may suspend or revoke a construction permit, modify the terms or conditions of a construction permit, or disapprove a request to extend the time to begin or complete construction as provided in this section, if it determines that the operation of the open feedlot operation constitutes a clear, present, and impending danger to public health or the environment.

9. This section does not require a person to be issued a permit to construct a settled open feedlot effluent basin or alternative technology system if the basin or system is part of an open feedlot operation which is owned by a research college conducting research activities as provided in section 459A.105.

2005 Acts, ch 136, §7; 2006 Acts, ch 1088, §3, 6

Referred to in §459A.102, 459A.201, 459A.206, 459A.207, 459A.208, 459A.301, 459A.302

**459A.206 Settled open feedlot effluent basins — soils and hydrogeologic report.**

1. A settled open feedlot effluent basin required to be constructed pursuant to a construction permit issued pursuant to section 459A.205 shall meet design standards as required by a soils and hydrogeologic report.

2. The report shall be submitted with the construction permit application as provided in section 459A.205. The report shall include all of the following:

*a.* A description of the steps to determine the soils and hydrogeologic conditions at the proposed construction site, a description of the geologic units encountered, and a description

of the effects of the soil and groundwater elevation and direction of flow on the construction and operation of the basin.

*b.* The subsurface soil classification of the site. A subsurface soil classification shall be based on ASTM international designation D-2487-92 or D-2488-90.

*c.* The results of at least three soil corings reflecting the continuous soil profile taken for each basin. The soil corings shall be taken and used in determining subsurface soil characteristics and groundwater elevation and direction of flow of the proposed site for construction. The soil corings shall be taken as follows:

(1) By a qualified person ordinarily engaged in the practice of taking soil cores and in performing soil testing.

(2) At locations that reflect the continuous soil profile conditions existing within the area of the proposed basin, including conditions found near the corners and the deepest point of the proposed basin. The soil corings shall be taken to a minimum depth of ten feet below the bottom elevation of the basin.

(3) By a method such as hollow stem auger or other method that identifies the continuous soil profile and does not result in the mixing of soil layers.

2005 Acts, ch 136, §8; 2011 Acts, ch 25, §143
Referred to in §459A.102, 459A.205

**459A.207 Construction certification.**

1. The owner of an open feedlot operation who is issued a construction permit for a settled open feedlot effluent basin as provided in section 459A.205 after July 1, 2005, shall submit to the department a construction certification from a licensed professional engineer certifying all of the following:

*a.* The basin was constructed in accordance with the design plans submitted to the department as part of an application for a construction permit pursuant to section 459A.205. If the actual construction deviates from the approved design plans, the construction certification shall identify all changes and certify that the changes were consistent with all applicable standards of this section.

*b.* The basin was inspected by the licensed professional engineer after completion of construction and before commencement of operation.

2. A written record of an investigation for drainage tile lines, including the findings of the investigation and actions taken to comply with subchapter III, shall be submitted as part of the construction certification.

2005 Acts, ch 136, §9
Referred to in §459A.102, 459A.302

**459A.208 Nutrient management plan — requirements.**

1. The owner of an open feedlot operation which has an animal unit capacity of one thousand animal units or more or which is required to be issued an operating permit shall develop and implement a nutrient management plan meeting the requirements of this section.

2. Not more than one open feedlot operation shall be covered by a single nutrient management plan.

3. A person shall not remove open feedlot effluent from an open feedlot operation structure which is part of an open feedlot operation for which a nutrient management plan is required under this section, unless the department approves a nutrient management plan as required in this section. The department may adopt rules allowing a person to remove open feedlot effluent from an open feedlot operation structure until the nutrient management plan is approved or disapproved by the department according to terms and conditions required by rules adopted by the department.

4. The department shall not approve an application for a permit to construct a settled open feedlot effluent basin unless the owner of the open feedlot operation applying for approval submits a nutrient management plan together with the application for the construction permit as provided in section 459A.205. The owner shall also submit proof that the owner has published a notice for public comment as provided in this section. The

department shall approve or disapprove the nutrient management plan as provided in section 459A.201.

5. Prior to approving or disapproving a nutrient management plan as required in this section, the department may receive comments exclusively to determine whether the nutrient management plan is submitted according to procedures required by the department and that the nutrient management plan complies with the provisions of this chapter.

*a.* The owner of the open feedlot operation shall publish a notice for public comment in a newspaper having a general circulation in the county where the open feedlot operation is or is proposed to be located and in the county where open feedlot effluent, which originates from the open feedlot operation, may be applied under the terms and conditions of the nutrient management plan.

*b.* The notice for public comment shall include all of the following:

(1) The name of the owner of the open feedlot operation submitting the nutrient management plan.

(2) The name of the township where the open feedlot operation is or is proposed to be located and the name of the township where open feedlot effluent originating from the open feedlot operation may be applied.

(3) The animal unit capacity of the open feedlot operation.

(4) The time when and the place where the nutrient management plan may be examined as provided in section 22.2.

(5) Procedures for providing public comment to the department. The notice shall also include procedures for requesting a public hearing conducted by the department. The department is not required to conduct a public hearing if it does not receive a request for the public hearing within ten days after the first publication of the notice for public comment as provided in this subsection. If such a request is received, the public hearing must be conducted within thirty days after the first date that the notice for public comment was published.

(6) A statement that a person may acquire information relevant to making comments under this subsection by accessing the department's internet site. The notice for public comment shall include the address of the department's internet site as required by the department.

*c.* The department shall maintain an internet site where persons may access information relevant to making comments under this subsection. The department may include an electronic version of the nutrient management plan as provided in section 459A.201. The department shall include information regarding the time when, the place where, and the manner in which persons may participate in a public hearing as provided in this subsection.

6. A nutrient management plan must be authenticated by the owner of the open feedlot operation as required by the department in accordance with section 459A.201.

7. A nutrient management plan shall include all of the following:

*a.* Restrictions on the application of open feedlot effluent based on all of the following:

(1) Calculations necessary to determine the land area required for the application of open feedlot effluent from an open feedlot operation based on nitrogen use levels in order to obtain optimum crop yields according to a crop schedule specified in the nutrient management plan, and according to requirements adopted by the department.

(2) A phosphorus index established pursuant to section 459.312.

*b.* Information relating to the application of the open feedlot effluent, including all of the following:

(1) Nutrient levels of the open feedlot effluent.

(2) Application methods, the timing of the application, and the location of the land where the application occurs.

*c.* If the application is on land other than land owned or rented for crop production by the owner of the open feedlot operation, the plan shall include a copy of each written agreement executed by the owner of the open feedlot operation and the landowner or the person renting the land for crop production where the open feedlot effluent may be applied.

*d.* An estimate of the open feedlot effluent volume or weight produced by the open feedlot operation.

*e.* Information which shows all of the following:

(1) There is adequate storage for open feedlot effluent, including procedures to ensure proper operation and maintenance of the storage structures.

(2) The proper management of animal mortalities to ensure that animals are not disposed of in an open feedlot operation structure or a treatment system that is not specifically designed to treat animal mortalities.

(3) Surface drainage prior to contact with an open feedlot structure is diverted, as appropriate, from the open feedlot operation.

(4) Animals kept in the open feedlot operation do not have direct contact with any waters of the United States.

(5) Chemicals or other contaminants handled on-site are not disposed of in an open feedlot operation structure or a treatment system that is not specifically designed to treat such chemicals or contaminants.

8. If an open feedlot operation uses an alternative technology system as provided in section 459A.303, the nutrient management plan is not required to provide for settled effluent that enters the alternative technology system.

9. The owner of an open feedlot operation who is required to develop and implement a nutrient management plan shall maintain a current nutrient management plan and maintain records sufficient to demonstrate compliance with the nutrient management plan.

2005 Acts, ch 136, §10; 2006 Acts, ch 1030, §46, 47; 2006 Acts, ch 1088, §4, 6; 2013 Acts, ch 90, §257

Referred to in §459A.102, 459A.201, 459A.205

Code editor directive applied

## SUBCHAPTER III

## DESIGN STANDARDS AND CONSTRUCTION REQUIREMENTS

Referred to in §459A.207

**459A.301 Settled open feedlot effluent basins — construction design standards — rules.**

If the department requires that a settled open feedlot effluent basin be constructed according to construction design standards, regardless of whether the department requires the owner to be issued a construction permit under section 459A.205, any construction design standards for the basin shall be established by rules as provided in chapter 17A that exclusively account for special design characteristics of open feedlot operations and related basins, including but not limited to the dilute composition of settled open feedlot effluent as collected and stored in the basins.

2005 Acts, ch 136, §11

**459A.302 Settled open feedlot effluent basins — construction requirements.**

A settled open feedlot effluent basin required to be constructed pursuant to a construction permit issued pursuant to section 459A.205 shall meet all of the following requirements:

1. *a.* Prior to constructing a settled open feedlot effluent basin, the site for the basin shall be investigated for a drainage tile line by the owner of the open feedlot operation. The investigation shall be made by digging a core trench to a depth of at least six feet deep from ground level at the projected center of the berm of the basin. If a drainage tile line is discovered, one of the following solutions shall be implemented:

(1) The drainage tile line shall be rerouted around the perimeter of the basin at a distance of at least twenty-five feet horizontally separated from the outside edge of the berm of the basin. For an area of the basin where there is not a berm, the drainage tile line shall be rerouted at least fifty feet horizontally separated from the edge of the basin.

(2) The drainage tile line shall be replaced with a nonperforated tile line under the basin floor. The nonperforated tile line shall be continuous and without connecting joints. There must be a minimum of three feet between the nonperforated tile line and the basin floor.

*b.* A written record of the investigation shall be submitted as part of the construction certification required under section 459A.207.

2. *a.* The settled open feedlot effluent basin shall be constructed with a minimum separation of two feet between the top of the liner of the basin and the seasonal high-water table.

*b.* If a drainage tile line around the perimeter of the basin is installed a minimum of two feet below the top of the basin liner to artificially lower the seasonal high-water table, the top of the basin's liner may be a maximum of four feet below the seasonal high-water table. The seasonal high-water table may be artificially lowered by gravity flow tile lines or other similar system. However, the following shall apply:

(1) Except as provided in subparagraph (2), an open feedlot operation shall not use a nongravity mechanical system that uses pumping equipment.

(2) If the open feedlot operation was constructed before July 1, 2005, the operation may continue to use its existing nongravity mechanical system that uses pumping equipment or it may construct a new nongravity mechanical system that uses pumping equipment. However, an open feedlot operation that expands the area of its open feedlot on or after April 1, 2011, shall not use a nongravity mechanical system that uses pumping equipment.

3. Drainage tile lines may be installed to artificially lower the seasonal high-water table at a settled open feedlot effluent basin, if all of the following conditions are satisfied:

*a.* A device to allow monitoring of the water in the drainage tile lines and a device to allow shutoff of the flow in the drainage tile lines are installed, if the drainage tile lines do not have a surface outlet accessible on the property where the settled open feedlot effluent basin is located.

*b.* Drainage tile lines are installed horizontally at least twenty-five feet away from the settled open feedlot effluent basin. Drainage tile lines shall be placed in a vertical trench and encased in granular material which extends upward to the level of the seasonal high-water table.

4. A settled open feedlot effluent basin shall be constructed with at least four feet between the bottom of the basin and a bedrock formation.

5. A settled open feedlot effluent basin constructed on a floodplain or within a floodway of a river or stream shall comply with rules of the department.

6. The liner of a settled open feedlot effluent basin shall comply with all of the following:

*a.* The liner shall comply with any of the following permeability standards:

(1) The liner shall be constructed to have a percolation rate that shall not exceed one-sixteenth inch per day at the design depth of the basin as determined by percolation tests conducted by the professional engineer. If a clay soil liner is used, the liner shall be constructed with a minimum thickness of twelve inches or the minimum thickness necessary to comply with the percolation rate in this section, whichever is greater.

(2) The liner shall be constructed at optimum moisture content not less than ninety-five percent of the maximum density as determined by a standard five-point proctor test performed at the site of the open feedlot operation by a professional engineer. If a clay soil liner is used, the liner shall be constructed with a minimum thickness of twelve inches.

*b.* If a synthetic liner is used, the liner shall be installed to comply with the percolation rate required in this section.

7. The owner of an open feedlot operation using a settled open feedlot effluent basin shall inspect the berms of the basin at least semiannually for evidence of erosion. If the inspection reveals erosion which may impact the basin's structural stability or the integrity of the basin's liner, the owner shall repair the berms.

2005 Acts, ch 136, §12

Referred to in §459A.103, 459A.303

**459A.303 Alternative technology systems.**

In lieu of using a settled open feedlot effluent basin as provided in section 459A.302 to meet the open feedlot effluent control requirements of section 459A.401, an open feedlot operation may use an alternative technology system for open feedlot effluent control.

1. The alternative technology system must provide an equivalent level of open feedlot effluent control as would be achieved by using a settled open feedlot effluent basin.

2. The department shall adopt rules establishing requirements for the construction and operation of alternative technology systems.

2005 Acts, ch 136, §13
Referred to in §459A.102, 459A.205, 459A.208

## SUBCHAPTER IV

## OPEN FEEDLOT EFFLUENT CONTROL

**459A.401 Open feedlot effluent control methods.**

An open feedlot operation shall provide for the management of open feedlot effluent by using an open feedlot effluent control method as follows:

1. All settleable solids from open feedlot effluent shall be removed prior to discharge into a water of the state.

*a.* The settleable solids shall be removed by use of a solids settling facility. The construction of a solids settling facility is not required where existing site conditions provide for removal of settleable solids prior to discharge into a water of the state.

*b.* The removal of settleable solids shall be deemed to have occurred when the velocity of flow of the open feedlot effluent has been reduced to less than point five feet per second for a minimum of five minutes. A solids settling facility shall have sufficient capacity to store settled solids between periods of land application and to provide required flow-velocity reduction for open feedlot effluent flow volumes resulting from a precipitation event of less intensity than a ten-year, one-hour frequency event. A solids settling facility which receives open feedlot effluent shall provide a minimum of one square foot of surface area for each eight cubic feet of open feedlot effluent per hour resulting from a ten-year, one-hour frequency precipitation event.

2. This subsection shall apply to an open feedlot operation which is required to be issued an operating permit.

*a.* An open feedlot operation in compliance with the inspection and recordkeeping requirements of 40 C.F.R. pt. 122 and 40 C.F.R. pt. 412 applicable to the operation may discharge open feedlot effluent into any waters of the United States due to a precipitation event, if any of the following apply:

(1) For an open feedlot operation that houses cattle, other than veal cattle, the operation is designed, constructed, operated, and maintained to not discharge open feedlot effluent resulting from a twenty-five-year, twenty-four-hour precipitation event into any waters of the United States.

(2) For an open feedlot operation that houses veal calves, swine, chickens, or turkeys, the operation is designed, constructed, operated, and maintained to not discharge open feedlot effluent resulting from a one-hundred-year, twenty-four-hour precipitation event into any waters of the United States.

*b.* If the open feedlot operation is designed, constructed, and operated in accordance with the requirements of an open feedlot effluent control system as provided in rules adopted by the department, the operation shall be deemed to be in compliance with this section, unless a discharge from the operation causes a violation of state water quality standards as provided in chapter 455B, division III.

3. The following shall apply to an open feedlot operation which has an animal unit capacity of one thousand animal units or more:

*a.* (1) The open feedlot operation shall not discharge open feedlot effluent from an open feedlot operation structure into any waters of the United States, unless the discharge is pursuant to an operating permit.

(2) The open feedlot operation shall not be required to be issued an operating permit if the operation does not discharge open feedlot effluent into any waters of the United States.

*b.* The control of open feedlot effluent originating from the open feedlot operation may be accomplished by the use of a solids settling facility, settled open feedlot effluent basin, alternative technology system, or any other open feedlot effluent control structure or practice approved by the department. The department may require the diversion of surface drainage prior to contact with an open feedlot operation structure. Solids shall be settled from open feedlot effluent before the effluent enters a settled open feedlot effluent basin or alternative technology system.

2005 Acts, ch 136, §14; 2007 Acts, ch 126, §82; 2008 Acts, ch 1191, §145, 148

Referred to in §459A.303, 459A.402

**459A.402 Open feedlot effluent control — alternative control practices.**

If because of topography or other factors related to the site of an open feedlot operation it is economically or physically impractical to comply with open feedlot effluent control requirements using an open feedlot control method in section 459A.401, the department shall allow the use of other open feedlot effluent control practices if those practices will provide an equivalent level of open feedlot effluent control that would be achieved by using an open feedlot effluent control method pursuant to section 459A.401.

2005 Acts, ch 136, §15

**459A.403 Solids stockpiling.**

A person may stockpile solids, subject to all of the following:

1. *a.* The person shall not stockpile the solids within the following distances:

(1) Four hundred feet from a designated area other than a high-quality water resource.

(2) Eight hundred feet from a high-quality water resource.

*b.* The person shall not stockpile solids within two hundred feet from a terrace tile inlet or surface tile inlet unless the solids are maintained in a manner that will not allow precipitation-induced runoff to drain from the solids to the terrace tile inlet or surface tile inlet.

*c.* The person shall not stockpile solids in a grassed waterway or where water pools on the soil surface.

*d.* The person shall not stockpile solids on land having a slope of more than three percent unless methods, structures, or practices are implemented to contain the stockpiled solids, including but not limited to using hay bales, silt fences, temporary earthen berms, or other effective measures, and to prevent or diminish precipitation-induced runoff from the stockpiled solids.

2. The person must remove the stockpiled solids and apply them in accordance with the provisions of this chapter, including but not limited to section 459A.410, within six months after the solids are stockpiled.

2006 Acts, ch 1088, §5, 6

**459A.404 through 459A.409** Reserved.

**459A.410 Effluent application requirements.**

Open feedlot effluent shall be applied in a manner which does not cause surface water or groundwater pollution. Application in accordance with the provisions of state law, including this chapter, rules adopted pursuant to the provisions of state law, including this chapter, and guidelines adopted pursuant to this chapter, shall be deemed as compliance with this section.

2005 Acts, ch 136, §16

Referred to in §459A.105, 459A.403

**459A.411 Discontinuance of operations.**

The owner of an open feedlot operation who discontinues the use of the operation shall remove all open feedlot effluent from related open feedlot operation structures used to store open feedlot effluent, as soon as practical but not later than six months following the date the open feedlot operation is discontinued.

2005 Acts, ch 136, §17

## SUBCHAPTER V

## ENFORCEMENT

**459A.501 General.**

The department and the attorney general shall enforce the provisions of this chapter in the same manner as provided in chapter 455B, division I and section 455B.175, unless otherwise provided in this chapter.

2005 Acts, ch 136, §18; 2007 Acts, ch 82, §5

**459A.502 Violations — civil penalty.**

A person who violates this chapter shall be subject to a civil penalty which shall be established, assessed, and collected in the same manner as provided in section 455B.191. Any civil penalty collected and interest on a civil penalty shall be deposited into the watershed improvement fund created in section 466A.2. A person shall not be subject to a penalty under this section and a penalty under section 459.603 for the same violation.

2005 Acts, ch 136, §19; 2011 Acts, ch 128, §39, 45

Referred to in §455B.109, 466A.2

# CHAPTER 459B

## DRY BEDDED CONFINEMENT FEEDING OPERATIONS

Referred to in §455A.4, 455B.103, 455B.103A, 455B.105, 455B.111, 455B.112, 455B.174, 455B.175, 455B.182, 455B.185

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## SUBCHAPTER I

## GENERAL PROVISIONS

**459B.101 Title.**

This chapter shall be known and may be cited as the *"Animal Agriculture Compliance Act for Dry Bedded Confinement Feeding Operations"*.

2009 Acts, ch 155, §5, 18

**459B.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Alluvial aquifer area"* means an area underlaid by sand or gravel aquifers situated beneath floodplains along stream valleys and includes alluvial deposits associated with stream terraces and benches, contiguous wind-blown sand deposits, and glacial outwash deposits.

2. *"Animal"* means cattle or swine.

3. *"Animal unit"* means the same as defined in section 459.102.

4. *"Animal unit capacity"* means the maximum number of animal units which the owner or operator confines in a dry bedded confinement feeding operation at any one time.

5. *"Bedding"* means crop, vegetation, or forage residue or similar materials placed in a dry bedded confinement building for the care of animals.

6. *"Commercial enterprise"* means the same as defined in section 459.102.

7. *"Confinement feeding operation"* means the same as defined in section 459.102.

8. *"Department"* means the department of natural resources.

9. *"Designated area"* means the same as defined in section 459A.102.

10. *"Designated wetland"* means the same as defined in section 459.102.

11. *"Dry bedded confinement feeding operation"* means a confinement feeding operation in which animals are confined to areas which are totally roofed and in which all manure is stored as dry bedded manure.

12. *"Dry bedded confinement feeding operation structure"* means a dry bedded manure confinement feeding operation building or a dry bedded manure storage structure.

13. *"Dry bedded manure"* means manure from animals that meets all of the following requirements:

*a.* The manure does not flow perceptibly under pressure.

*b.* The manure is not capable of being transported through a mechanical pumping device designed to move a liquid.

*c.* The manure contains bedding.

14. *"Dry bedded manure confinement feeding operation building"* or *"building"* means a building used in conjunction with a confinement feeding operation to house animals and in which any manure from the animals is stored as dry bedded manure.

15. *"Dry bedded manure storage structure"* means a covered or uncovered structure, other than a building, used to store dry bedded manure originating from a confinement feeding operation.

16. *"Educational institution"* means the same as defined in section 459.102.

17. *"Grassed waterway"* means the same as defined in section 459A.102.

18. *"High-quality water resource"* means the same as defined in section 459.102.

19. *"Karst terrain"* means the same as defined in section 459.102.

20. *"Major water source"* means the same as defined in section 459.102.

21. *"Manure"* means the same as defined in section 459.102.

22. *"One hundred year floodplain"* means the same as defined in section 459.102.

23. *"Public use area"* means the same as defined in section 459.102.

24. *"Stockpile"* means to store dry bedded manure outside of a dry bedded manure confinement feeding operation building or a dry bedded manure storage structure.

25. *"Water source"* means the same as defined in section 459.102.

2009 Acts, ch 155, §6, 18; 2010 Acts, ch 1069, §59

Referred to in §459.102

**459B.103 Special terms.**

For purposes of this chapter, all of the following shall apply:

1. Two or more dry bedded confinement feeding operations under common ownership or common management are deemed to be a single dry bedded confinement feeding operation if they are adjacent or utilize a common area or system for dry bedded manure disposal.

2. For purposes of determining whether two or more dry bedded confinement feeding operations are adjacent, all of the following shall apply:

*a.* At least one dry bedded confinement feeding operation structure must be constructed on or after March 21, 1996.

*b.* A dry bedded confinement feeding operation structure which is part of one dry bedded

confinement feeding operation is separated by less than one thousand two hundred fifty feet from a dry bedded confinement feeding operation structure which is part of the other dry bedded confinement feeding operation.

3. *a.* For purposes of determining whether two or more dry bedded confinement feeding operations are under common ownership, a person must hold an interest in each of the dry bedded confinement feeding operations as any of the following:

(1) A sole proprietor.

(2) A joint tenant or tenant in common.

(3) A holder of a majority equity interest in a business association as defined in section 202B.102, including but not limited to as a shareholder, partner, member, or beneficiary.

*b.* An interest in the dry bedded confinement feeding operation under paragraph "*a*", subparagraph (2) or (3) which is held directly or indirectly by the person's spouse or dependent child shall be attributed to the person.

4. For purposes of determining whether two or more dry bedded confinement feeding operations are under common management, a person must have significant control of the management of the day-to-day operations of each of the dry bedded confinement feeding operations. Common management does not include control over a contract livestock facility by a contractor, as defined in section 202.1.

5. In calculating the animal unit capacity of a dry bedded confinement feeding operation, the animal unit capacity shall include the animal unit capacity of all dry bedded manure confinement feeding operation buildings that are used to house animals in the dry bedded confinement feeding operation.

2009 Acts, ch 155, §7, 18; 2010 Acts, ch 1069, §60

**459B.104 General authority — commission and department — purpose — compliance.**

1. The environmental protection commission shall establish by rule adopted pursuant to chapter 17A, requirements relating to the construction, including expansion, or operation of dry bedded confinement feeding operations, including related dry bedded manure confinement feeding operation buildings and stockpiles.

2. Any provision referring generally to compliance with the requirements of this chapter as applied to dry bedded confinement feeding operations also includes compliance with requirements in rules adopted by the environmental protection commission pursuant to this section, orders issued by the department as authorized under this chapter, and the terms and conditions applicable to manure management plans required under this chapter.

3. The purpose of this chapter is to provide requirements relating to the construction, including the expansion, and operation of dry bedded confinement feeding operations, and the control of dry bedded manure which shall be construed to supplement applicable provisions of chapter 459. If there is a conflict between the provisions of this chapter and chapter 459, the provisions of this chapter shall prevail.

2009 Acts, ch 155, §8, 18

## SUBCHAPTER II

## DRY BEDDED MANURE STRUCTURES — CONSTRUCTION REQUIREMENTS

**459B.201 Construction design standards.**

A person constructing a dry bedded confinement feeding operation structure on karst terrain or in an alluvial aquifer area shall comply with all of the following:

1. The person must construct the dry bedded confinement feeding operation structure at a location where there is a vertical separation distance of at least five feet between the bottom of the floor of the dry bedded confinement feeding operation structure and the underlying limestone, dolomite, or other soluble rock in karst terrain or the underlying sand and gravel aquifer in an alluvial aquifer area.

2. The person must construct the dry bedded confinement feeding operation structure with a floor consisting of reinforced concrete at least five inches thick.

2009 Acts, ch 155, §9, 18

**459B.202 Distance requirements.**

1. Except as provided in subsection 3, the following shall apply:

*a.* A dry bedded confinement feeding operation structure shall not be constructed closer than five hundred feet away from the surface intake of an agricultural drainage well. A dry bedded confinement feeding operation structure shall not be constructed closer than one thousand feet from a wellhead, cistern of an agricultural drainage well, or known sinkhole.

*b.* A dry bedded confinement feeding operation structure shall not be constructed if the dry bedded confinement feeding operation structure as constructed is closer than any of the following:

(1) Two hundred feet away from a water source other than a major water source.

(2) One thousand feet away from a major water source.

(3) Two thousand five hundred feet away from a designated wetland.

*c.* (1) A water source, other than a major water source, shall not be constructed, expanded, or diverted if the water source as constructed, expanded, or diverted is closer than two hundred feet away from a dry bedded confinement feeding operation structure.

(2) A major water source shall not be constructed, expanded, or diverted if the major water source as constructed, expanded, or diverted is closer than one thousand feet from a dry bedded confinement feeding operation structure.

(3) A designated wetland shall not be established if the designated wetland is closer than two thousand five hundred feet away from a dry bedded confinement feeding operation structure.

2. A dry bedded confinement feeding operation structure shall not be constructed on land that is part of a one hundred year floodplain.

3. A separation distance required in subsection 1 shall not apply to any of the following:

*a.* A location or object and a farm pond or privately owned lake, as defined in section 462A.2.

*b.* A dry bedded confinement feeding operation structure constructed with a secondary containment barrier. The department shall adopt rules providing for the construction and use of a secondary containment barrier.

2009 Acts, ch 155, §10, 18

## SUBCHAPTER III

## DRY BEDDED MANURE CONTROL

**459B.301 Stockpiling — air quality.**

A person may stockpile dry bedded manure, subject to this section.

1. Except as provided in subsection 2, a person shall not stockpile dry bedded manure within one thousand two hundred fifty feet from a residence not owned by the titleholder of the land, a commercial enterprise, a bona fide religious institution, an educational institution, or a public use area.

2. A person may stockpile dry bedded manure within a separation distance required between the stockpiled dry bedded manure and an object or location for which separation is required under subsection 1, if any of the following apply:

*a.* The titleholder of the land benefiting from the separation distance requirement executes a written waiver with the titleholder of the land where the dry bedded manure is stockpiled.

*b.* The stockpiled dry bedded manure originates from a small animal feeding operation.

2009 Acts, ch 155, §11, 18

Referred to in §459B.402

**459B.302 through 459B.304** Reserved.

**459B.305 Dry bedded manure control — water quality.**

A dry bedded confinement feeding operation shall retain all dry bedded manure produced by the operation between periods of dry bedded manure application. For purposes of this section, dry bedded manure may be retained by stockpiling as provided in this chapter. A dry bedded confinement feeding operation shall not discharge dry bedded manure directly into water of the state or into a tile line that discharges directly into water of the state.

2009 Acts, ch 155, §12, 18

**459B.306 Stockpiling — NPDES requirements — water quality.**

A person stockpiling dry bedded manure shall comply with applicable requirements of the national pollutant discharge elimination system pursuant to the federal Water Pollution Control Act, 33 U.S.C. ch. 26, as amended, and 40 C.F.R. pts. 122 and 412.

2009 Acts, ch 155, §13, 18

**459B.307 Stockpiling — state requirements — water quality.**

A person may stockpile dry bedded manure, subject to all of the following:

1. *a.* The person shall not stockpile the dry bedded manure within the following distances to a designated area unless the dry manure is maintained in a manner that will not allow precipitation-induced runoff to drain from the dry bedded manure to the designated area:

(1) Four hundred feet from a designated area other than a high-quality water resource.

(2) Eight hundred feet from a high-quality water resource.

*b.* The person shall not stockpile dry bedded manure within two hundred feet from a terrace tile inlet or surface tile inlet unless the dry bedded manure is maintained in a manner that will not allow precipitation-induced runoff to drain from the dry bedded manure to the terrace tile inlet or surface tile inlet.

*c.* The person shall not stockpile dry bedded manure in a grassed waterway, where water pools on the soil surface, or in any location where surface water will enter the stockpiled dry bedded manure.

*d.* The person shall not stockpile dry bedded manure on land having a slope of more than three percent unless methods, structures, or practices are implemented to contain the stockpiled dry bedded manure, including but not limited to using hay bales, silt fences, temporary earthen berms, or other effective measures, and to prevent or diminish precipitation-induced runoff from the stockpiled dry bedded manure.

*e.* The person shall not stockpile dry bedded manure on karst terrain or in an alluvial aquifer area unless the person complies with all of the following:

(1) The person must stockpile the dry bedded manure at a location where there is a vertical separation distance of at least five feet between the bottom of the stockpiled dry manure and the underlying limestone, dolomite, or other soluble rock in karst terrain or the underlying sand and gravel aquifer in an alluvial aquifer area.

(2) The dry bedded manure must be stockpiled on reinforced concrete at least five inches thick.

2. The person shall remove the stockpiled dry bedded manure and apply it in accordance with the provisions of chapter 459, including but not limited to section 459.311, within six months after the dry bedded manure is stockpiled.

2009 Acts, ch 155, §14, 18

**459B.308 Manure management plan for a dry bedded confinement feeding operation.**

For purposes of a manure management plan for a dry bedded confinement feeding operation, if the application of dry bedded manure is on land other than land owned or rented for crop production by the owner of the dry bedded confinement feeding operation, the plan shall include a copy of each written agreement executed by the owner of the dry bedded confinement feeding operation and the landowner or the person renting the land for crop production where the dry bedded manure may be applied.

2009 Acts, ch 155, §15, 18; 2010 Acts, ch 1069, §61

## SUBCHAPTER IV

## ENFORCEMENT

**459B.401 General.**

The department and the attorney general shall enforce the provisions of this chapter in the same manner as provided in chapter 459, subchapter VI.

2009 Acts, ch 155, §16, 18

**459B.402 Violations — civil penalty.**

A person who violates section 459B.301 shall be subject to the same penalty as provided in section 459.602, and a person who violates any other provision of this chapter shall be subject to the same penalty as provided in section 459.603. Any civil penalty collected shall be deposited into the watershed improvement fund created in section 466A.2.

2009 Acts, ch 155, §17, 18; 2011 Acts, ch 128, §40, 45

Referred to in §455B.109, 466A.2

# CHAPTER 460

## AGRICULTURAL DRAINAGE WELLS AND SINKHOLES

Chapter transferred from §159.28 – 159.29B and chapter 455I in
Code 2003 pursuant to Code editor directive;
2002 Acts, ch 1137, §68, 71;
2002 Acts, 2nd Ex, ch 1003, §260, 262

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## SUBCHAPTER I

## GENERAL PROVISIONS

**460.101 Definitions.**

1. *"Agricultural drainage well"* means a vertical opening to an aquifer or permeable substratum which is constructed by any means including but not limited to drilling, driving, digging, boring, augering, jetting, washing, or coring, and which is capable of intercepting or receiving surface or subsurface drainage water from land directly or by a drainage system.

2. *"Agricultural drainage well area"* means an area of land where surface or subsurface water drains into an agricultural drainage well directly or through a drainage system connecting to the agricultural drainage well.

3. *"Alternative drainage system"* means a drainage system constructed as part of a

drainage district in order to drain surface or subsurface water from land due to the closing of an agricultural drainage well.

4. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

5. *"Designated agricultural drainage well area"* means an agricultural drainage well area in which there is located an anaerobic lagoon or earthen manure storage basin required to obtain a construction permit by the department of natural resources.

6. *"Division"* means the soil conservation division of the department of agriculture and land stewardship.

7. *"Drainage district"* means a drainage district established pursuant to chapter 468.

8. *"Drainage system"* means tile lines, laterals, surface inlets, or other improvements which are constructed to facilitate the drainage of land.

9. *"Earthen storage structure"* means an earthen cavity, either covered or uncovered, including but not limited to an anaerobic lagoon or earthen manure storage basin which is used to store manure, sewage, wastewater, industrial waste, or other waste as regulated by the department of natural resources, if stored in a liquid or semiliquid state.

10. *"Land"* means land which is used or which is suitable for use for any purpose, if the land is located within an agricultural drainage well area which includes land used or suitable for use in farming.

11. *"Surface water"* means water occurring on the surface of the ground.

12. *"Surface water intake"* means an artificial opening to a drain tile line which drains into an agricultural drainage well, if the artificial opening allows surface water to enter the drain tile line without filtration through the soil profile.

97 Acts, ch 193, §4

CS97, §455I.1

2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201; 2002 Acts, ch 1137, §52, 68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §460.101

Referred to in §159.1

## SUBCHAPTER II

## AGRICULTURAL DRAINAGE WELLS — REGULATION

**460.201 Definition.**

As used in this subchapter, unless the context otherwise requires, *"department"* means the department of natural resources.

2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

**460.202 Preventing surface water drainage into agricultural drainage wells.**

Not later than December 31, 2001, all of the following shall apply:

1. *a.* An owner of land on which an agricultural drainage well is located shall prevent surface water from draining into the agricultural drainage well. The landowner shall comply with rules, which shall be adopted by the department, in consultation with the division, required to carry out this section. The landowner shall do all of the following:

(1) If the land has a surface water intake emptying into an agricultural drainage well, including a surface water intake located in a road ditch, the landowner shall remove the surface water intake.

(2) If the land has a cistern connecting to an agricultural drainage well, the landowner shall construct and maintain sidewalls surrounding the cistern in order to prevent surface water runoff directly emptying into the agricultural drainage well.

(3) If the land has an agricultural drainage well, the landowner shall ensure that the agricultural drainage well and related drainage system are adequately ventilated in a manner that does not allow surface water to directly drain into the agricultural drainage well.

(4) The landowner shall install a locked cover over the agricultural drainage well or its cistern in order to prevent unauthorized access to the agricultural drainage well or its cistern.

*b.* This subsection does not require a person to remove a tile line that drains into an agricultural drainage well if the tile line does not have a surface water intake. This subsection also does not prohibit a person from installing a tile line, if the installed tile line does not increase an agricultural drainage well area.

2. An agricultural drainage well shall be inspected to ensure compliance with this section, as required by the county board of supervisors in the county in which the agricultural drainage well is located.

3. The department shall adopt guidelines as necessary to assist counties in performing inspections as provided in this section. The guidelines shall not affect the authority of a county to designate a person to perform inspections.

97 Acts, ch 193, §5
CS97, §455I.2
98 Acts, ch 1173, §1; 2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §460.202
2011 Acts, ch 25, §143
Referred to in §460.206

**460.203 Closing of agricultural drainage wells and construction of alternative drainage systems.**

1. Not later than December 31, 2001, the owner of land which is within a designated agricultural drainage well area shall close each agricultural drainage well located on the land. The owner shall close the agricultural drainage well in a manner using materials and according to specifications required by rules which shall be adopted by the department in consultation with the division. The department may provide different closing requirements based on classifications established by the department. However, the department's requirements shall ensure that an agricultural drainage well is closed by using sealing materials such as bentonite to permanently seal the agricultural drainage well from contamination by surface or subsurface water drainage.

2. A person owning land affected by the closing of an agricultural drainage well as required pursuant to subsection 1 may construct an alternative drainage system as part of an established or new drainage district as provided in chapter 468. The alternative drainage system shall ensure that surface or subsurface water does not drain into an agricultural drainage well.

97 Acts, ch 193, §6
CS97, §455I.3
99 Acts, ch 72, §1; 2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §460.203
Referred to in §460.206

**460.204 Notice.**

1. The department shall provide information regarding landowners registering agricultural drainage wells pursuant to section 460.302 to each county board of supervisors in which an agricultural drainage well is registered.

2. The department shall notify landowners of land on which an agricultural drainage well is located of the deadline for complying with this subchapter. The notice shall be provided by print, electronic media, or other notification process. The department shall provide the notice in cooperation with the county board of supervisors in the county where the agricultural drainage well is located.

3. The department shall mail a special notice to owners of land registering agricultural drainage wells pursuant to section 460.302.

97 Acts, ch 193, §7
CS97, §455I.4
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §460.204

**460.205 Prohibition against constructing earthen storage structures.**

A person shall not construct or expand an earthen storage structure within an agricultural drainage well area. Each day that a person operates an earthen storage structure which is constructed in violation of this section constitutes a separate violation.

97 Acts, ch 193, §8
CS97, §455I.5
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §460.205
Referred to in §459.310, 460.206

**460.206 Penalties.**

1. *a.* A person who violates section 460.202 or 460.203 is subject to a civil penalty of not more than one thousand dollars. However, if a person is found to have violated a section and again violates the section by not taking action necessary to correct a previous violation within sixty days after the person was found to have committed the previous violation, the person is subject to a civil penalty not to exceed five thousand dollars. If a person is convicted of violating a section two or more times and again violates that section by not taking action necessary to correct a previous violation within sixty days after the person was found to have committed the last previous violation, the person is subject to a civil penalty not to exceed fifteen thousand dollars.

*b.* A person who violates section 460.205 is subject to a civil penalty not to exceed five thousand dollars.

2. Moneys collected from the assessment of civil penalties and interest on civil penalties as provided for in this section shall be deposited in the livestock remediation fund as created in section 459.501.

97 Acts, ch 193, §9
CS97, §455I.6
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §460.206
2011 Acts, ch 81, §11

**460.207 Reimbursement of expenses.**

The expenses incurred by a county in carrying out this subchapter shall be prorated among the landowners in the county who own land on which an agricultural drainage well is located. The amount shall be placed upon the tax books, and collected with interest and penalties after due, in the same manner as other unpaid property taxes. If expenses are incurred by a drainage district, the board shall levy an assessment on the lands in the district where an agricultural drainage well is located as provided in section 468.50.

97 Acts, ch 193, §10
CS97, §455I.7
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §460.207

## SUBCHAPTER III

## AGRICULTURAL DRAINAGE WELLS — REGISTRATION — ALTERNATIVE DRAINAGE SYSTEMS — SINKHOLES

Referred to in §159.6A

**460.301 Definition.**

As used in this subchapter, unless the context otherwise requires, *"department"* means the department of agriculture and land stewardship.

2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

**460.302 Agricultural drainage wells.**

1. An owner of an agricultural drainage well shall register the well with the department of natural resources by September 30, 1988. The department of agriculture and land stewardship, in cooperation with the department of natural resources, shall adopt rules, pursuant to chapter 17A, which provide for an appeals process for violations of this subsection.

2. An owner of an agricultural drainage well and a landholder whose land is drained by the well or wells of another person shall develop, in consultation with the department of agriculture and land stewardship and the department of natural resources, a plan which proposes alternatives to the use of agricultural drainage wells by July 1, 1998.

*a.* Financial incentive moneys may be allocated from the financial incentive portion of the agriculture management account of the groundwater protection fund to implement alternatives to agricultural drainage wells.

*b.* An owner of an agricultural drainage well and a landholder whose land is drained by the well or wells of another person shall not be eligible for financial incentive moneys pursuant to paragraph *"a"* if the owner fails to register the well with the department of natural resources by September 30, 1988, or if the owner fails to develop a plan for alternatives in cooperation with the department of agriculture and land stewardship and the department of natural resources.

3. The department shall:

*a.* (1) On July 1, 1987 initiate a pilot demonstration and research project concerning elimination of groundwater contamination attributed to the use of agricultural chemicals and agricultural drainage wells. The project shall be established in a location in north central Iowa determined by the department to be the most appropriate. A demonstration project shall also be established in northeast Iowa to study techniques for the cleanup of sinkholes.

(2) The agricultural drainage well pilot project shall be designed to identify the environmental, economic, and social problems presented by continued use or closure of agricultural drainage wells and to monitor possible contamination caused by agriculture land management practices and agricultural chemical use relative to agricultural drainage wells.

*b.* Develop alternative management practices based upon the findings from the demonstration projects to reduce the infiltration of synthetic organic compounds into the groundwater through agricultural drainage wells and sinkholes.

*c.* Examine alternatives and the costs of implementation of alternatives to the use of agricultural drainage wells, and examine the legal, technical, and hydrological constraints for integrating alternative drainage systems into existing drainage districts.

4. Financial incentive moneys expended through the use of the financial incentive portion of the agriculture management account may be provided by the department to landowners in the project areas for employing reduced chemical farming practices and land management techniques.

5. The secretary may appoint interagency committees and groups as needed to coordinate the involvement of agencies participating in department sponsored projects. The interagency committees and groups may accept grants and funds from public and private organizations.

6. The department shall publish a report on the status and findings of the pilot demonstration projects on or before July 1, 1989, and each subsequent year of the projects. The department of agriculture and land stewardship shall develop a priority system for the elimination of chemical contamination from agricultural drainage wells and sinkholes. The priority system shall incorporate available information regarding the significance of contamination, the number of registered wells in the area, and the information derived from the report prepared pursuant to this subsection. The highest priority shall be given to agricultural drainage wells for which the above criteria are best met, and the costs of necessary action are at the minimum level.

7. Beginning July 1, 1993, the department shall initiate an ongoing program to meet the goal of eliminating chemical contamination caused by the use of agricultural drainage wells by January 1, 1995, based upon the findings of the report published pursuant to subsection 6.

8. Notwithstanding the prohibitions of section 455B.267, subsection 4, an owner of an

agricultural drainage well may make emergency repairs necessitated by damage to the drainage well to minimize surface runoff into the agricultural drainage well, upon the approval of the county board of supervisors or the board's designee of the county in which the agricultural drainage well is located. The approval shall be based upon the following conditions:

*a.* The well has been registered in accordance with both state and federal law.

*b.* The applicant will institute management practices including alternative crops, reduced application of chemicals, or other actions which will reduce the level of chemical contamination of the water which drains into the well.

*c.* The owner submits a written statement that approved emergency repairs are necessary and do not constitute a basis to avoid the eventual closure of the well if closure is later determined to be required. If a county board of supervisors or the board's designee approves the emergency repair of an agricultural drainage well, the county board of supervisors or the board's designee shall notify the department of natural resources of the approval within thirty days of the approval.

87 Acts, ch 225, §303

CS87, §159.29

88 Acts, ch 1188, §1; 90 Acts, ch 1027, §1 – 4; 94 Acts, ch 1198, §32; 96 Acts, ch 1219, §65; 2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §460.302

2011 Acts, ch 25, §143

Referred to in §456B.11, 460.204, 460.304, 558.69

**460.303 Agricultural drainage well water quality assistance fund.**

1. An agricultural drainage well water quality assistance fund is created in the state treasury under the control of the soil conservation division. The fund is composed of moneys appropriated by the general assembly, and moneys available to and obtained or accepted by the division or the state soil conservation committee established pursuant to section 161A.4, from the United States or private sources for placement in the fund.

2. Moneys in the fund are subject to an annual audit by the auditor of state.

3. Moneys in the fund are appropriated to support an agricultural drainage well water quality assistance program as provided in section 460.304. Moneys shall be used to provide financial incentives under the program, and to defray expenses by the division in administering the program. However, not more than one percent of the money in the fund is available to defray administrative expenses. The division may adopt rules pursuant to chapter 17A to administer this section.

4. The division shall not in any manner directly or indirectly pledge the credit of the state.

5. Section 8.33 shall not apply to moneys in the fund. Notwithstanding section 12C.7, moneys earned as income, including as interest, from the fund shall remain in the fund until expended as provided in this section.

97 Acts, ch 193, §2

CS97, §159.29A

2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262

C2003, §460.303

2003 Acts, ch 145, §286; 2006 Acts, ch 1057, §1; 2013 Acts, ch 132, §53

Referred to in §460.304

Subsection 3 amended

**460.304 Agricultural drainage well water quality assistance program.**

1. The soil conservation division shall establish an agricultural drainage well water quality assistance program as provided by rules which shall be adopted by the division pursuant to chapter 17A. The program shall be supported from moneys deposited in the agricultural drainage well water quality assistance fund created pursuant to section 460.303.

2. To the extent that moneys are available to support the program, the division shall expend moneys from the fund to do the following:

*a.* (1) Provide cost-share moneys to persons closing agricultural drainage wells in accordance with the priority system established pursuant to section 460.302. In conjunction

with closing agricultural drainage wells, the division shall award cost-share moneys to carry out the following projects:

(a) Construct alternative drainage systems.

(b) Establish water quality practices other than constructing alternative drainage systems, including but not limited to converting land to wetlands.

(2) The amount of moneys allocated in cost-share payments to a person qualifying under the program shall not exceed seventy-five percent of the estimated cost of carrying out the project or seventy-five percent of the actual cost of carrying out the project, whichever is less.

*b.* Contract with persons to obtain technical assessments in agricultural drainage well areas, including but not limited to areas having a predominance of shallow bedrock or karst terrain as the division determines is necessary to carry out a project.

3. *a.* A person who owns an interest in land within a designated agricultural drainage well area shall not be eligible to participate in the program, if the person is any of the following:

(1) A party to a pending legal or administrative action, including a contested case proceeding under chapter 17A, relating to an alleged violation involving an animal feeding operation as regulated by the department of natural resources, regardless of whether the pending action is brought by the department or the attorney general.

(2) Is classified as a habitual violator for a violation of state law involving an animal feeding operation as regulated by the department of natural resources.

*b.* Noncrop acres located within a designated agricultural drainage well area shall not be eligible to benefit from the program.

*c.* The department of natural resources shall cooperate with the division by providing information necessary to administer this subsection.

97 Acts, ch 193, §3
CS97, §159.29B
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §460.304
2006 Acts, ch 1057, §2; 2007 Acts, ch 22, §83; 2011 Acts, ch 25, §117, 143
Referred to in §460.303

**460.305 Sinkholes — conservation easement programs.**

The department shall develop and implement a program for the prevention of groundwater contamination through sinkholes. The program shall provide for education of landowners and encourage responsible chemical and land management practices in areas of the state prone to the formation of sinkholes.

The program may provide financial incentives for land management practices and the acquisition of conservation easements around sinkholes. The program may also provide financial assistance for the cleanup of wastes dumped into sinkholes.

The program shall be coordinated with the groundwater protection programs of the department of natural resources and other local, state, or federal government agencies which could compensate landowners for resource protection measures. The department shall use moneys appropriated for this purpose from the agriculture management account of the groundwater protection fund.

87 Acts, ch 225, §302
CS87, §159.28
2002 Acts, ch 1137, §68, 71; 2002 Acts, 2nd Ex, ch 1003, §260, 262
C2003, §460.305

# CHAPTER 460A

## GEOLOGICAL SURVEY

Transferred to chapter 456; 2002 Acts, 2nd Ex, ch 1003, §260, 262

# SUBTITLE 2

## LANDS AND WATERS

# CHAPTER 461

## NATURAL RESOURCES AND OUTDOOR RECREATION

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## SUBCHAPTER I

## GENERAL PROVISIONS

**461.1 Title.**

This Act shall be known and may be cited as the *"Natural Resources and Outdoor Recreation Act"*.

2010 Acts, ch 1158, §1, 17
Section not amended; editorial change applied

**461.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of agriculture and land stewardship, the department of natural resources, or the department of transportation.
2. *"Fiscal year"* means the state fiscal year effective as provided in section 3.12.
3. *"Initiative"* includes a program, project, practice, strategy, or plan established or administered by an agency that furthers a constitutional purpose as provided in section 461.3.
4. *"Recreational purpose"* includes hunting, trapping, angling, horseback riding, swimming, boating, camping, picnicking, hiking, bird watching, nature study, water skiing, snowmobiling, other summer and winter sports, and viewing or enjoying historical, archaeological, scenic, or scientific sites.
5. *"Trust fund"* means the natural resources and outdoor recreation trust fund created in section 461.31.
6. *"Trust fund moneys"* means moneys originating from the natural resources and outdoor recreation trust fund.

2010 Acts, ch 1158, §2, 17

**461.3 Constitutional purpose and implementation.**

1. This chapter is created for the constitutional purposes of protecting and enhancing water quality and natural areas in this state, including parks, trails, and fish and wildlife habitat, and conserving agricultural soils in this state.

2. This chapter is intended to implement Article VII, section 10, of the Constitution of the State of Iowa by establishing the natural resources and outdoor recreation trust fund, accounts in the trust fund, and appropriating or allocating trust fund moneys to support initiatives specified in subchapter IV.

2010 Acts, ch 1158, §3, 16

Referred to in §461.2, 461.31

SUBCHAPTER II

PARTICIPATION

**461.11 Departmental consultation.**

1. When making decisions regarding the expenditure of trust fund moneys affecting soil and water conservation, the secretary of agriculture shall regularly consult with the soil conservation committee established in section 161A.4. When making decisions regarding the expenditure of trust fund moneys affecting natural resources and outdoor recreation, the director of the department of natural resources shall regularly consult with the natural resource commission established pursuant to section 455A.5. When making decisions regarding the expenditure of trust fund moneys affecting trails, the department of transportation shall consult with the state transportation commission as provided in chapter 307A.

2. The heads of each department receiving trust fund moneys shall regularly meet and whenever practicable collaborate in decision making including by adopting rules, establishing funding priorities, and determining when it is beneficial to provide joint funding of initiatives.

2010 Acts, ch 1158, §4, 17

SUBCHAPTER III

ADMINISTRATION

**461.21 Audit.**

1. The auditor of state or a certified public accounting firm appointed by the auditor of state shall conduct an annual audit of the trust fund and all accounts and transactions of the trust fund and accounts.

2. The auditor of state or the certified public accounting firm appointed by the auditor as provided in subsection 1 shall be paid from trust fund moneys without reducing the percentage of trust fund moneys distributed to the Iowa resources enhancement and protection fund or any one account established pursuant to this chapter.

2010 Acts, ch 1158, §5, 17

**461.22 Report.**

The three departments shall jointly prepare and submit to the governor and the general assembly not later than January 15 of each year a complete report in an electronic format detailing all of the following:

1. The receipts and expenditures of the trust fund and its accounts, a summary of initiatives supported by trust fund moneys, the results of those expenditures, any performance goals or measurements, and plans for future short-term or long-term expenditures.

2. Recommendations to the general assembly, including legislation proposed by one or more of the departments.

2010 Acts, ch 1158, §6, 17

**461.23 Rules.**

The department of revenue, the department of agriculture and land stewardship, the department of natural resources, and department of transportation shall adopt rules separately or jointly as necessary in order to implement and administer this chapter.

2010 Acts, ch 1158, §7, 17

**461.24 Public listing.**

The department of natural resources, the department of agriculture and land stewardship, and the department of transportation shall cooperate to publish and maintain a public listing of how moneys contained in the natural resources and outdoor recreation trust fund as created in section 461.31 are distributed and spent during the course of each fiscal year. The departments shall designate one of the departments to be responsible for publishing and maintaining the public listing on the internet site operated by that department.

2010 Acts, ch 1158, §8, 17

## SUBCHAPTER IV

## NATURAL RESOURCES AND OUTDOOR RECREATION TRUST FUND AND DISTRIBUTIONS TO SUPPORT DEDICATED PURPOSES

Referred to in §461.3

**461.31 Natural resources and outdoor recreation trust fund — creation.**

1. A natural resources and outdoor recreation trust fund is created within the state treasury.

2. *a.* The trust fund shall be composed of moneys required to be credited to the trust fund by law and moneys accepted by a department for placement in an account established in this subchapter and from any source.

*b.* Trust fund moneys are exclusively appropriated by law to carry out the constitutional purposes provided in section 461.3.

*c.* Trust fund moneys shall supplement and not replace moneys appropriated by the general assembly to support the constitutional purposes provided in section 461.3.

*d.* Trust fund moneys shall only be used to support voluntary initiatives and shall not be used for regulatory efforts, enforcement actions, or litigation.

3. In administering a trust fund account, a department may contract, sue and be sued, and authorize payment for costs, fees, commissions, and other reasonable expenses from the account. However, a department shall not in any manner directly or indirectly pledge the credit of this state.

4. Notwithstanding section 8.33, any unexpended balance in the trust fund or in an account created within the trust fund at the end of each fiscal year shall be retained in the trust fund or the respective account. Notwithstanding section 12C.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the trust fund and its respective accounts shall be credited to the trust fund and its respective accounts. The recapture of awards originating from an account and other repayments to an account shall be retained in that account.

2010 Acts, ch 1158, §9, 17

Referred to in §423.2, 461.2, 461.24

**461.32 Natural resources account — allocations.**

1. A natural resources account is created in the trust fund. Twenty-three percent of the moneys credited to the trust fund shall be allocated to the account.

2. The account shall be used by the department of natural resources to support all of the following initiatives:

*a.* The establishment, restoration, or enhancement of state parks, state preserves, state forests, wildlife areas, wildlife habitats, native prairies, and wetlands.

*b.* Wildlife diversity.

*c.* Recreational purposes.

*d.* Technical assistance and financial incentives to private landowners to promote the management of forests, fisheries, wetlands, and wildlife.

*e.* The improvement of water trails, rivers, and streams.

*f.* Education and outreach that provide instruction regarding natural history and the outdoors. The subjects of such instruction may relate to opportunities involving recreational purposes, outdoor safety, and ethics.

3. The department of natural resources shall to every extent possible consider its comprehensive plan provided in section 456A.31 when making funding decisions.

2010 Acts, ch 1158, §10, 17

**461.33 Soil conservation and water protection account — allocations.**

1. A soil conservation and water protection account is created in the trust fund. Twenty percent of the moneys credited to the trust fund shall be allocated to the account.

2. The account shall be used by the department of agriculture and land stewardship to support all of the following initiatives:

*a.* Soil conservation and watershed protection, including by supporting the soil conservation division of the department of agriculture and land stewardship and soil and water conservation district commissioners. The department may provide for the installation of conservation practices and watershed protection improvements as provided in chapters 161A, 161C, 461A, 466, and 466A.

*b.* The conservation of highly erodible land. The department of agriculture and land stewardship may execute contracts with private landowners who agree to reserve such land only for uses that prevent erosion in excess of the applicable soil loss limits as established in section 161A.44.

*c.* Soil conservation or crop management practices used on land producing biomass for biorefineries, including cellulosic ethanol production.

3. The department of agriculture and land stewardship may use the account to provide financial incentives or technical assistance to landowners.

2010 Acts, ch 1158, §11, 17

**461.34 Watershed protection account — allocations.**

1. A watershed protection account is created in the trust fund. Fourteen percent of the moneys credited to the trust fund shall be allocated to the account.

2. The account shall be used cooperatively by the department of natural resources and the department of agriculture and land stewardship to support all of the following initiatives:

*a.* Water resource projects administered by the department of natural resources to preserve watersheds, including but not limited to all of the following:

(1) Projects to protect, restore, or enhance water quality in the state through the provision of financial assistance to communities for impairment-based, locally directed watershed projects. The department may use the account to support the water resource restoration sponsor program as provided in section 455B.199.

(2) Regional and community watershed assessment, planning, and prioritization efforts, including as provided in chapter 466B.

*b.* Surface water protection projects and practices administered by the department of agriculture and land stewardship or the department of natural resources, including but not limited to the installation of permanent vegetation cover, filter strips, grass waterways, and riparian forest buffers; dredging; and bank stabilization. The departments of agriculture and land stewardship and natural resources may use the account to support the conservation buffer strip program provided in section 466.4 and the conservation reserve enhancement program as provided in section 466.5.

3. The departments' decision to prioritize initiatives may be based on the priority list of watersheds provided in section 456A.33A.

2010 Acts, ch 1158, §12, 17

**461.35 Iowa resources enhancement and protection fund — allocation.**

Thirteen percent of the moneys credited to the trust fund shall be allocated to the Iowa resources enhancement and protection fund created in section 455A.18 for further allocation as provided in section 455A.19.

2010 Acts, ch 1158, §13, 17

**461.36 Local conservation partnership account — allocations.**

1. A local conservation partnership account is created in the trust fund. Thirteen percent of the moneys credited to the trust fund shall be allocated to the account.

2. The department of natural resources shall distribute trust fund moneys from the account to local communities for the following initiatives:

*a.* The maintenance and improvement of parks, preserves, wildlife areas, wildlife habitats, native prairies, and wetlands.

*b.* Wildlife diversity.

*c.* Recreational purposes.

*d.* The improvement of water trails, rivers, and streams.

*e.* Education and outreach programs and projects that provide instruction regarding natural history and the outdoors. The subjects of such instruction may relate to opportunities involving recreational purposes, outdoor safety, and ethics.

*f.* Any other purpose described in section 350.1.

3. A local community may cooperate with the state or the federal government to carry out the initiative. Two or more local communities may form an entity if allowed under chapter 28E in order to carry out the initiative.

4. As used in this section, "*local community*" means a county conservation board, a city, or a nongovernmental organization operating on a nonprofit basis.

2010 Acts, ch 1158, §14, 17; 2013 Acts, ch 90, §137

Subsection 2, unnumbered paragraph 1 amended

**461.37 Trails account — allocations.**

1. A trails account is created in the trust fund. Ten percent of the moneys credited to the trust fund shall be allocated to the account.

2. The department of transportation and the department of natural resources shall use moneys in the account to support initiatives related to the design, establishment, maintenance, improvement, and expansion of land trails.

3. The department of natural resources may use the account to support the design, establishment, maintenance, improvement, and expansion of water trails.

2010 Acts, ch 1158, §15, 17; 2013 Acts, ch 90, §138

Subsection 2 amended

**461.38 Lake restoration account — allocations.**

1. A lake restoration account is created in the trust fund. Seven percent of the moneys credited to the trust fund shall be allocated to the account.

2. The department of natural resources shall use moneys in the account to support public lake restoration initiatives as follows:

*a.* An initiative shall account for a lake's recreational, environmental, aesthetic, ecological, and social value. It must improve water quality.

*b.* The department's decision to prioritize an initiative may be based on the department's lake restoration plan and report as provided in section 456A.33B.

2010 Acts, ch 1158, §16, 17; 2013 Acts, ch 90, §139

Subsection 1 amended

# CHAPTER 461A

## PUBLIC LANDS AND WATERS

Referred to in §232.8, 350.5, 455A.4, 455A.5, 456A.14, 456A.17, 456A.24, 456A.38, 459.102, 461.33, 481A.1, 481A.130, 805.16, 903.1

This chapter not enacted as a part of this title;
transferred from chapter 111 in Code 1993

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GENERAL PROVISIONS

**461A.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Commission"* means the natural resource commission.
2. *"Department"* means the department of natural resources created under section 455A.2.
3. *"Director"* means the director of the department.

[C24, 27, 31, 35, 39, §**1797;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.1]
86 Acts, ch 1238, §57, 58; 86 Acts, ch 1245, §1861, 1992
C93, §461A.1

**461A.2 Duties in general.**

The commission shall investigate places in Iowa rich in natural history, forest reserves, archaeological specimens, and geological deposits; and the means of promoting forestry and maintaining and preserving animal and bird life and the conservation of the natural resources of the state.

[C24, 27, 31, 35, 39, §**1798;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.2]
C93, §461A.2

**461A.3 Duties as to parks.**

It shall be the duty of the commission to establish, maintain, improve, and beautify public parks and preserves upon the shores of lakes, streams, or other waters, or at other places within the state which have become historical or which are of scientific interest, or which by reason of their natural scenic beauty or location are adapted therefor. The commission shall have the power to maintain, improve or beautify state-owned bodies of water, and to provide proper public access thereto. The commission shall have the power to provide and operate facilities for the proper public use of the areas above described.

The commission shall open all roads which pass through the Ledges State Park from September 15 to November 1 of each year.

[C24, 27, 31, 35, 39, §**1799;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.3]
86 Acts, ch 1245, §1877
C93, §461A.3

**461A.3A Restore the outdoors program — appropriation.** Repealed by 2013 Acts, ch 132, § 56.

**461A.4 Construction of structures and operation of commercial concessions.**

1. *a.* A person shall not construct a structure including but not limited to a pier, wharf, sluice, piling, wall, fence, obstruction, erection, or building upon or over any state-owned or state-managed land or water under the jurisdiction of the commission without first obtaining from the commission a written permit. A permit, in matters relating to or in any manner affecting flood control, shall not be issued without approval of the environmental protection commission of the department. A person shall not construct or maintain a structure beyond the line of private ownership along or upon the shores of state-owned or state-managed waters in a manner to obstruct the passage of pedestrians along the shore between the ordinary high-water mark and the water's edge, except by permission of the commission.

*b.* The commission shall adopt and enforce rules governing and regulating the construction of a structure as provided in this subsection. The commission may prohibit or restrict its construction, or order the owner to remove the structure, when the commission determines that it is in the best interest of the public. The commission shall comply with the provisions of chapter 17A when issuing an order under this section.

2. A person shall not operate a commercial concession in a park, forest, fish and wildlife area, or recreation area under the jurisdiction of the department without first entering into a written contract with the department. The contract shall state the consideration and other terms under which the concession may be operated. The department may cancel or, in an

emergency, suspend a concession contract for the protection of the public health, safety, morals, or welfare.

[C27, 31, 35, §1799-b2; C39, §**1703.19, 1799.1;** C46, 50, 54, 58, §106.19, 111.4; C62, 66, 71, 73, 75, 77, 79, 81, §111.4; 82 Acts, ch 1199, §55, 96]

86 Acts, ch 1245, §1862, 1877; 88 Acts, ch 1192, §1; 90 Acts, ch 1108, §1

C93, §461A.4

2008 Acts, ch 1161, §6

Referred to in §461A.5A, 461A.5B, 461A.6

**461A.5 Obstruction removed.** Repealed by 2008 Acts, ch 1161, § 10.

**461A.5A Injunctive relief.**

If it appears to the department that a person is violating or about to violate a provision of section 461A.4 or refuses to comply with an order issued by the commission pursuant to section 461A.4, the department may refer the matter to the attorney general, who may bring an action in the district court in any county of the state for an injunction to restrain the person from committing the violation. Upon a proper showing, the court may order a permanent or temporary injunction. The state shall not be required to post a bond.

2008 Acts, ch 1161, §7

**461A.5B Penalties.**

1. Except as provided in subsection 2, a person who violates a provision of section 461A.4 or of a departmental rule or refuses to comply with an order issued by the commission pursuant to section 461A.4 is guilty of a simple misdemeanor.

2. The state may proceed against a person who violates a provision of section 461A.4 or refuses to comply with an order issued by the commission pursuant to section 461A.4 by initiating an alternative civil enforcement action in lieu of a criminal prosecution. The amount of the civil penalty shall not exceed five thousand dollars. Each day of a violation shall be considered a separate offense. The alternative civil enforcement action may be brought against the person as a contested case proceeding by the department under chapter 17A if the amount of the civil penalty is not more than ten thousand dollars or as a civil judicial proceeding by the attorney general upon referral by the department. In a contested case proceeding, the department may impose, assess, and collect the civil penalty.

2008 Acts, ch 1161, §8

**461A.6 Costs — lien.**

The cost of removing a structure as provided in section 461A.4 shall be paid by its owner, and the state shall have a lien upon the property for the cost of removal. The costs shall be payable at the time of removal and such lien may be enforced and foreclosed, as provided for the foreclosure of security interests in uniform commercial code, chapter 554, article 9, part 6.

[C31, 35, §1799-d1; C39, §**1799.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.6]

C93, §461A.6

2000 Acts, ch 1149, §170, 187; 2008 Acts, ch 1161, §9

**461A.7 Eminent domain.**

The commission may purchase or condemn lands for public parks. No contract for the purchase of such public parks shall be made to an amount in excess of funds appropriated therefor by the general assembly.

[C24, 27, 31, 35, 39, §**1800;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.7]

86 Acts, ch 1245, §1980

C93, §461A.7

**461A.8 Highways.**

The commission may purchase or condemn highways connecting parks with the public highways. When the highways have been purchased or condemned the same shall be public highways of this state and shall be maintained as other public highways of the county.

[C24, 27, 31, 35, 39, §**1801;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.8]
86 Acts, ch 1245, §1981
C93, §461A.8

**461A.9 Condemnation statutes.**

All the provisions of the law relating to the condemnation of lands for public state purposes shall apply to the provisions hereof in and so far as applicable.

[C24, 27, 31, 35, 39, §**1802;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.9]
C93, §461A.9
Eminent domain, chapters 6A and 6B

**461A.10 Title to lands.**

The title to all lands purchased, condemned, or donated, hereunder, for park or highway purposes, shall be taken in the name of the state and if thereafter it shall be deemed advisable to sell any portion of the land so purchased or condemned, the proceeds of such sale shall be placed to the credit of the said public state parks fund to be used for such park purposes.

[C24, 27, 31, 35, 39, §**1803;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.10]
C93, §461A.10

**461A.11 Gifts — jurisdiction over dedicated lands — plan.**

The commission may accept gifts of land or other property, or the use of lands or other property for a term of years, and improve and use the land as public state parks.

Any land adjacent to a meandered lake or a meandered stream which has been conveyed by gift, dedication or other means to the public, but has not been conveyed to the jurisdiction of a specific state agency or political subdivision, shall be subject to the jurisdiction of the commission and to the rules promulgated pursuant to this chapter. The commission shall prepare a plan for the appropriate public use of such land in accordance with this chapter within two years of its coming under the jurisdiction of the commission. The plan may be amended by the commission.

[C24, 27, 31, 35, 39, §**1804;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.11]
86 Acts, ch 1237, §5; 86 Acts, ch 1245, §1982
C93, §461A.11

**461A.12 Conditions — lands.**

The conditions attached to a gift shall be entered in writing as part of the record of the title by which the state takes the lands, and shall be inscribed upon any chart, map, or description of said park if the conditions are made by the grantor in lieu of money as a consideration paid by the state.

[C24, 27, 31, 35, 39, §**1805;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.12]
C93, §461A.12

**461A.13 Conditions — personalty.**

If the donation be other than real estate and a particular specification for its use be made by the donor, no part of such donation shall be used or expended for any other purpose.

[C24, 27, 31, 35, 39, §**1806;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.13]
C93, §461A.13

**461A.14 Reversion of gift.**

If the lands transferred to the state as a gift, or if lands purchased in whole or in part by the state from moneys given for that purpose, shall be abandoned or sold and not used for state park purposes, the donor shall reclaim the land or funds donated by filing the donor's request in writing with the executive council within six months of the time of the abandonment or

sale by the state of such lands, but no interest or other charge shall be demanded of or paid by the state. Any unclaimed funds shall be used for park purposes.

[C24, 27, 31, 35, 39, §**1807;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.14]
C93, §461A.14

**461A.15 Use of private funds.**

The commission may permit the improvement of parks, when established, or the improvement of bodies of water, upon the border of which such parks may be established, by the expenditure of private funds, such improvement to be done, however, under the direction of the commission, by and with the consent of the executive council.

[C24, 27, 31, 35, 39, §**1808;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.15]
C93, §461A.15

**461A.16 Landscape architect.**

The commission may call upon the Iowa state university of science and technology for the services of at least one competent landscape architect, engineer, or gardener, who shall, under the direction of the commission, proceed to work with it in the improvement of the state property under the control of said commission. The president of said university shall, when called upon, designate the landscape architect, engineer, or gardener, as the case may be, who shall work with said commission.

[C24, 27, 31, 35, 39, §**1809;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.16]
C93, §461A.16
Referred to in §461A.17

**461A.17 Expense and compensation.**

All necessary expenses incurred by such landscape architect, engineer, or gardener, under the provisions of section 461A.16, shall be paid in the same manner as are other expenditures by the commission, but no compensation shall be paid for such services.

[C24, 27, 31, 35, 39, §**1811;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.17]
C93, §461A.17

**461A.18 Jurisdiction.**

Jurisdiction over all meandered streams and lakes of this state and of state lands bordering thereon, not now used by some other state body for state purposes, is conferred upon the commission. The exercise of this jurisdiction is subject to the approval of the department in matters relating to or in any manner affecting flood control. The commission, with the approval of the executive council, may establish parts of the property into state parks, and when so established all of the provisions of this chapter relative to public parks apply to the property.

[C24, 27, 31, 35, 39, §**1812;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.18; 82 Acts, ch 1199, §56, 96]
C93, §461A.18

**461A.19 Boundaries.**

The commission shall at once proceed to establish the boundary lines between the state-owned property under its jurisdiction and privately owned property when said commission deems it feasible and necessary, and shall where deemed advisable mark the same so that the boundaries of such state-owned property may be easily ascertainable to the public.

[C24, 27, 31, 35, 39, §**1813;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.19]
C93, §461A.19

**461A.20 State department of transportation — duties.**

The commission may call upon the state department of transportation for the services of at least one competent engineer, who shall, under the direction of the commission, proceed to work in conjunction with it in carrying out the true spirit and purpose of this chapter.

[C24, 27, 31, 35, 39, §**1814;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.20]
86 Acts, ch 1245, §1877
C93, §461A.20

**461A.21 County engineer — duties.**

The commission may call upon the county engineer of any county to advise relative to the true boundary between the state-owned property and private property in the county, and to furnish plats and surveys showing such true boundary lines, and when directed by the commission, shall mark such boundary lines as herein provided.

[C24, 27, 31, 35, 39, §**1815;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.21]
C93, §461A.21

**461A.22 Surveys and plats.**

All surveys and plats shall be filed with the secretary of the executive council, and shall become public records of this state.

[C24, 27, 31, 35, 39, §**1816;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.22]
86 Acts, ch 1245, §1863
C93, §461A.22
Referred to in §463B.2

**461A.23 Compensation.**

The compensation and expenses of the highway engineer shall be paid as a part of the maintenance of the state department of transportation, and of the county engineer by the county, as the case may be.

[C24, 27, 31, 35, 39, §**1817;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.23]
C93, §461A.23

**461A.24 Boundaries — adjustment.**

Whenever a controversy shall arise as to the true boundary line between state-owned property and private property, the commission may adjust the boundary line or take such other action in the premises as in its judgment may seem right. When the disputed boundary line is fixed it shall be surveyed and marked.

[C24, 27, 31, 35, 39, §**1818;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.24]
86 Acts, ch 1245, §1983
C93, §461A.24

**461A.25 Leases and easements.**

The commission may recommend that the executive council lease property under the commission's jurisdiction. All leases shall reserve to the public of the state the right to enter upon the property leased for any lawful purpose. The council may, if it approves the recommendation and the lease to be entered into is for five years or less, execute the lease in behalf of the state and commission. If the recommendation is for a lease in excess of five years, with the exception of agricultural lands specifically dealt with in Article I, section 24 of the Constitution of the State of Iowa, the council shall advertise for bids. If a bid is accepted, the lease shall be let or executed by the council in accordance with the most desirable bid. The lease shall not be executed for a term longer than fifty years. Any such leasehold interest, including any improvements placed on it, shall be listed on the tax rolls as provided in chapters 428 and 443; assessed and valued as provided in chapter 441; taxes shall be levied on it as provided in chapter 444 and collected as provided in chapter 445; and the leasehold interest is subject to tax sale, redemption, and apportionment of taxes as provided in chapters 446, 447 and 448. The lessee shall discharge and pay all taxes.

The commission shall adopt rules providing for granting easements to political subdivisions

and utility companies on state land under the jurisdiction of the department. An applicant for an easement shall provide the director with information setting forth the need for the easement, availability of alternatives, and measures proposed to prevent or minimize adverse impacts on the affected property. An easement shall be executed by the director, approved as to form by the attorney general, and if granted for a term longer than five years, approved by the commission.

For the purposes of this section, property under the commission's jurisdiction does not include an area of the bed of a lake or river occupied by a dock or other appurtenance or means of access to a dock, including but not limited to boat hoists and boat slips, or occupied by a boat ramp, constructed or installed and maintained under littoral or riparian rights.

[C24, 27, 31, 35, 39, §**1819;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.25]
83 Acts, ch 101, §12
C93, §461A.25
97 Acts, ch 10, §1; 2006 Acts, ch 1102, §1

**461A.26 Special police.**

The commission in carrying out its duties may appoint the director and such other supervisory personnel of the department as necessary to act as special police to carry out the law enforcement program of the department. The officers are vested with the powers and charged with the duties of peace officers while in the performance of their official duties.

[C35, §1821-e1; C39, §**1821.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.26]
86 Acts, ch 1245, §1864
C93, §461A.26

**461A.27 Management by municipalities.**

The commission may enter into an agreement or arrangement with the board of supervisors of a county or the council of a city whereby the county or city shall undertake the care and maintenance of any lands under the jurisdiction of the commission. Counties and cities may maintain the lands and pay the expense of maintenance. A city may pay the expense from the general fund.

[C24, 27, 31, 35, 39, §**1822;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.27]
83 Acts, ch 123, §57, 209
C93, §461A.27

**461A.28 Expenditure by cities.**

Any one or more cities may through action of its city council expend money to aid in the purchase of land within the county for state parks which, when purchased, shall be the property of the state of Iowa, to be cared for as state parks.

[C27, 31, 35, §1822-a1; C39, §**1822.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.28]
C93, §461A.28
Referred to in §461A.30

**461A.29 Limitation on expenditures.**

The amount to be paid by such city or cities shall in no event exceed one-half of the total purchase price of the land involved in any single purchase, and in no event shall the total amount paid by such city or cities in any single purchase exceed the sum of fifty thousand dollars.

[C27, 31, 35, §1822-a2; C39, §**1822.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.29]
C93, §461A.29
Referred to in §461A.30

**461A.30 City funds available.**

Any such city or cities aiding in the purchase of land for state parks, as provided for in sections 461A.28 and 461A.29 may pay for the same out of the general fund, or may issue bonds for the payment of the same and levy a tax for the payment of such bonds and the

interest thereon, in accordance with the provisions of law relating to general corporate purpose bonds of a city.

[C27, 31, 35, §1822-a3; C39, §**1822.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.30]
C93, §461A.30

**461A.31 Sale of islands.**

No islands in any of the meandered streams and lakes of this state or in any of the waters bordering upon this state shall hereafter be sold, except with the majority vote of the executive council upon the majority recommendation of the commission, and in the event any of such islands are sold as herein provided the proceeds thereof shall become a part of the funds to be expended under the terms and provisions of this chapter.

[C24, 27, 31, 35, 39, §**1823;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.31]
C93, §461A.31

**461A.31A Sale of timber.**

If the estimated quantity of timber grown in a state park or a preserve to be sold by the department in a sixty-day period is ten thousand board feet or more or if the estimated value of the timber grown in a state park or a preserve to be sold by the department during the same period of time is five thousand dollars or more, the department shall conduct a public hearing on the proposed sale. Notice of the hearing shall be published as provided in section 331.305. After the public hearing, the department may proceed with the sale of the timber.

99 Acts, ch 206, §27

**461A.32 Sale of park lands — conveyances to cities or counties.**

The commission may sell or exchange such parts of public lands under the jurisdiction of the commission as in its judgment may be undesirable for conservation purposes, excepting state-owned meandered lands already surveyed and platted at state expense as a conservation plan and project tentatively adopted and now in the process of rehabilitation and development authorized by a special legislative Act. The sale or exchange shall be made upon the terms, conditions or considerations as the commission may approve, whereupon the secretary of state shall issue a patent therefor in the manner provided by law in other cases. The proceeds of any such sale or exchange shall become a part of the funds to be expended under the provisions of this chapter.

Upon request by resolution of any city or county or any legal agency thereof, the executive council may, upon majority recommendation of the commission, convey without consideration to such city or county or legal agency thereof, such public lands under the jurisdiction of the commission as in its judgment may be desirable for city or county parks. Conveyance shall be in the name of the state, with the great seal of the state attached and shall contain a provision that when such lands cease to be used as public park by said city or county such lands revert to the state, and such park shall, within one year after such land has reverted to the state, be restored, as nearly as possible, to the condition it was in when acquired by such city, county or legal agency thereof at the expense of such city, county or legal agency.

The state may require that the city, county or legal agency thereof file a notice of intention every three years.

[C24, 27, 31, 35, 39, §**1824;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.32]
86 Acts, ch 1244, §25; 86 Acts, ch 1245, §1877
C93, §461A.32

**461A.33 Form of conveyance.**

Conveyances shall be in the name of the state, signed by the governor and secretary of state, with the great seal of the state attached.

[C24, 27, 31, 35, 39, §**1825;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.33]
C93, §461A.33

**461A.34 Powers in municipalities.**

Municipalities, or individuals, or corporations organized for that purpose only, acting separately or in conjunction with each other, may establish like parks outside the limits of cities, and when established without the support of the public state parks fund, the municipalities, corporations, or persons establishing the same, as the case may be, shall have control thereof independently of the executive council; but none of the said municipalities, individuals, or corporations, acting under the provisions of this section shall establish, maintain or operate any such park as herein contemplated for pecuniary profit.

[C24, 27, 31, 35, 39, §**1827;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.34]

C93, §461A.34

Referred to in §331.382

**461A.35 Prohibited destructive acts.**

1. It shall be unlawful for any person to use, enjoy the privileges of, destroy, injure, or deface plant life, trees, buildings, or other natural or material property, or to construct or operate for private or commercial purposes any structure, or to remove any plant life, trees, buildings, sand, gravel, ice, earth, stone, wood, or other natural material, or to operate vehicles, within the boundaries of any state park, preserve, or stream or any other lands or waters under the jurisdiction of the commission for any purpose whatsoever, except upon the terms, conditions, limitations, and restrictions as set forth by the commission.

2. A person who violates this section commits a simple misdemeanor, punishable as a scheduled violation pursuant to section 805.8B, subsection 6, paragraph "*c*".

[C39, §**1828.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.35]

86 Acts, ch 1245, §1877

C93, §461A.35

2012 Acts, ch 1118, §1

Referred to in §350.10, 805.8B(6c)

**461A.35A Entrance fee.**

The department shall not impose a fee upon a person for entering into a state park or preserve.

99 Acts, ch 206, §28, 29

Referred to in §350.10

**461A.36 Speed limit.**

The maximum speed limit of all vehicles on state park and preserve drives, roads and highways shall be thirty-five miles per hour. All driving shall be confined to designated roadways. Whenever the commission shall determine that the speed limit hereinbefore set forth is greater than is reasonable or safe under the conditions found to exist at any place of congestion or upon any part of the park roads, drives or highways, said commission shall determine and declare a reasonable and safe speed limit thereat which shall be effective when appropriate signs giving notice thereof are erected at such places of congestion or other parts of the park roads, drives or highways.

[C39, §**1828.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.36]

86 Acts, ch 1245, §1877

C93, §461A.36

Referred to in §321.285, 350.10, 461A.57, 805.8A(5a)

For applicable scheduled fines, see §805.8A, subsections 5 and 14

**461A.37 Excessive loads.**

Excessively loaded vehicles shall not operate over state park or preserve drives, roads or highways. The determination as to whether the load is excessive will be made by the director or the director's representative and will depend upon the load and the road conditions.

[C39, §**1828.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.37]

86 Acts, ch 1245, §1878

C93, §461A.37

Referred to in §350.10, 461A.57

**461A.38 Parking.**

All vehicles shall be parked in designated parking areas, and no vehicle shall be left unattended on any state park or preserve drive, road or highway, except in the case of an emergency.

[C39, §**1828.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.38]

C93, §461A.38

Referred to in §350.10, 461A.57, 805.8A(1a)

For applicable scheduled fine, see §805.8A, subsection 1, paragraph a

**461A.39 Hitching to trees.**

No horse or other animal shall be hitched or tied to any tree or shrub, or in such a manner as to result in injury to state property.

[C39, §**1828.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.39]

C93, §461A.39

Referred to in §350.10, 461A.57, 805.8B(6a)

For applicable scheduled fine, see §805.8B, subsection 6, paragraph a

**461A.40 Fires.**

No fires shall be built, except in a place provided therefor, and such fire shall be extinguished when site is vacated unless it is immediately used by some other party.

[C39, §**1828.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.40]

C93, §461A.40

Referred to in §350.10, 461A.57, 805.8B(6b)

For applicable scheduled fine, see §805.8B, subsection 6, paragraph b

**461A.41 Removing plants, flowers or fruit.**

No person shall, in any manner, remove, destroy, injure or deface any tree, shrub, plant, or flower, or the fruit thereof, or disturb or injure any structure or natural attraction, except that upon written permission of the commission certain specimens may be removed for scientific purposes.

This section shall not apply to activities of the commission or its officers, or employees when caring for and managing state-owned land and waters under the jurisdiction of the commission. This section shall not apply to the gathering or removal of any tree, shrub, plant, flower, fruits, structures or natural attractions under terms, conditions, limitations and restrictions adopted by the commission as rules under chapter 17A.

[C39, §**1828.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.41]

86 Acts, ch 1245, §1877

C93, §461A.41

Referred to in §350.10, 461A.57

**461A.42 Use of firearms, explosives, weapons, and fireworks prohibited — exceptions.**

1. The use of firearms, explosives, and weapons of all kinds by a person is prohibited in all state parks and preserves except under the following conditions:

*a.* A firearm or other weapon authorized for hunting may be used in preserves or parts of preserves designated by the state advisory board on preserves at the request of the commission.

*b.* A person may use a bow and arrow with an attached bow fishing reel and ninety-pound minimum line attached to the arrow to take rough fish as provided by rule of the commission.

*c.* The commission may establish, by rule, the state parks or parts of state parks where firearms may be discharged during special events, festivals and education programs, or a special hunt to control animal populations. The rules governing special hunts to control animal populations shall be applied separately to each designated state park.

2. The use of fireworks, as defined in section 727.2, in state parks and preserves is prohibited except as authorized by a permit issued by the department. The commission shall establish, by rule adopted pursuant to chapter 17A, a fireworks permit system which authorizes the issuance of a limited number of permits to qualified persons to use or display fireworks in selected state parks and preserves.

3. A person violating this section is guilty of a simple misdemeanor punishable as a scheduled violation pursuant to section 805.8B, subsection 6, paragraph "*c*".

[C39, §**1828.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.42]
86 Acts, ch 1245, §1877; 91 Acts, ch 101, §1
C93, §461A.42
97 Acts, ch 180, §1; 99 Acts, ch 153, §10; 2012 Acts, ch 1118, §2
Referred to in §350.10, 724.4A, 805.8B(6c)

**461A.43 Littering grounds.**

No person shall place any waste, refuse, litter or foreign substance in any area or receptacle except those provided for that purpose.

[C39, §**1828.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.43]
C93, §461A.43
Referred to in §350.10, 461A.57, 602.8108, 805.8B(6e)
For applicable scheduled fine, see §805.8B, subsection 6, paragraph e

**461A.44 Prohibited areas.**

No person shall enter upon portions of any state park or preserve in disregard of official signs forbidding same, except by permission of the director or the director's representative.

[C39, §**1828.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.44]
86 Acts, ch 1245, §1878
C93, §461A.44
Referred to in §350.10, 805.8B(6c)
For applicable scheduled fine, see §805.8B, subsection 6, paragraph c

**461A.45 Animals on leash.**

No privately owned animal shall be allowed to run at large in any state park or preserve or upon lands or in waters owned by or under the jurisdiction of the commission except by permission of the commission. Every such animal shall be deemed as running at large unless the owner carries such animal or leads it by a leash or chain not exceeding six feet in length, or keeps it confined in or attached to a vehicle.

[C39, §**1828.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.45]
C93, §461A.45
Referred to in §350.10, 461A.57, 805.8B(6a)
For applicable scheduled fine, see §805.8B, subsection 6, paragraph a

**461A.46 Closing time.**

Except by arrangement or permission granted by the director or the director's authorized representative, all persons shall vacate state parks and preserves before 10:30 p.m. Areas may be closed at an earlier or later hour, of which notice shall be given by proper signs or instructions. The provisions of this section shall not apply to authorized camping in areas provided for that purpose.

[C39, §**1828.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.46]
C93, §461A.46
Referred to in §350.10, 461A.57, 805.8B(6b)
For applicable scheduled fine, see §805.8B, subsection 6, paragraph b

**461A.47 Camping.**

The commission is hereby authorized to fix fees for camping and other special privileges which shall be in such amounts as may be determined by the commission upon a basis of the cost of providing and reasonable value of such privileges.

[C39, §**1828.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.47]
C93, §461A.47
Referred to in §350.10, 455A.12, 461A.57

**461A.48 Camping areas.**

No person shall camp in any portion of a state park or preserve except in portions prescribed or designated by the commission.

[C39, §**1828.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.48]

C93, §461A.48

Referred to in §350.10, 461A.57, 805.8B(6d)

For applicable scheduled fine, see §805.8B, subsection 6, paragraph d

**461A.49 Time limit.**

No camping unit shall be permitted to camp for a period longer than that designated by the commission for the specific state park or preserve, and in no event longer than for a period of two weeks.

[C39, §**1828.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.49]

C93, §461A.49

Referred to in §350.10, 461A.57, 805.8B(6b)

For applicable scheduled fine, see §805.8B, subsection 6, paragraph b

**461A.50 Registering — vacating.**

Any person who camps in any state park or preserve shall register the person's name and address with the park custodian and advise the custodian when the camp is vacated.

[C39, §**1828.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.50]

C93, §461A.50

Referred to in §350.10, 461A.57, 805.8B(6a)

For applicable scheduled fine, see §805.8B, subsection 6, paragraph a

**461A.51 Camping refused.**

Custodians are given authority to refuse camping privileges and to rescind any and all camping permits for cause.

[C39, §**1828.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.51]

C93, §461A.51

Referred to in §350.10, 461A.57

## ICE, SAND, AND GRAVEL REMOVAL

**461A.52 Agreement with commission.**

No person shall remove any ice, sand, gravel, stone, wood, or other natural material from any lands or waters under the jurisdiction of the commission without first entering into an agreement with the commission.

[C39, §**1828.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.52]

C93, §461A.52

Referred to in §350.10, 461A.57

**461A.53 Permits.**

1. The commission may enter into agreements for the removal of ice, sand, gravel, stone, wood, or other natural material from lands or waters under the jurisdiction of the commission if, after investigation, it is determined that such removal will not be detrimental to the state's interest.

2. The commission may specify the terms and consideration under which such removal is permitted and issue written permits for such removal.

3. Notwithstanding subsection 2, the commission shall issue written permits with a royalty fee of ten cents per ton for the removal of sand and gravel for the purposes of flood control from state-owned lands and waters under the jurisdiction of the commission located on the Cedar river in a county with a population of more than one hundred twenty-seven thousand. This subsection is repealed on June 30, 2015.

[C39, §**1828.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.53]

C93, §461A.53

2010 Acts, ch 1160, §1, 2

Referred to in §350.10, 461A.57

**461A.54 Barriers on ice field.**

Any person removing ice under a permit shall erect barriers on any part of an ice field where ice is cut, where said field crosses or traverses any part of a stream or lake that is used as a way of passage.

[C39, §**1828.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.54]
C93, §461A.54
Referred to in §350.10, 461A.57

**461A.55 Dredging.**

In removing sand, gravel, or other material from state-owned waters by dredging, the operator shall so arrange the operator's equipment that other users of the lake or stream shall not be endangered by cables, anchors, or any concealed equipment. No waste material shall be left in the water in such manner as to endanger other craft or to change the course of any stream.

[C39, §**1828.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.55]
C93, §461A.55
Referred to in §350.10, 461A.57

**461A.56 Disturbing natural bank.**

Where operations are entirely on private property adjacent to a public lake or stream the natural bank between the state and privately owned areas shall not be removed except by permission of the commission.

[C39, §**1828.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.56]
C93, §461A.56
Referred to in §350.10, 461A.57

**461A.57 Penalties.**

Any person violating any of the provisions of sections 461A.36 to 461A.41, 461A.43, and 461A.45 to 461A.56 is guilty of a simple misdemeanor.

[C39, §**1828.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §111.57]
85 Acts, ch 206, §2
C93, §461A.57
2012 Acts, ch 1118, §3
Referred to in §350.10

## MAINTENANCE EQUIPMENT

**461A.58 Use by cities and state department of transportation.**

The city council within the limits of the municipal corporation and the state department of transportation may permit use of maintenance equipment under their control in state parks and other lands of the commission.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §111.58; 81 Acts, ch 117, §1011]
86 Acts, ch 1245, §1877
C93, §461A.58

## WATER RECREATIONAL AREAS

**461A.59 Powers in municipalities.**

Municipalities or corporations organized for that purpose only, acting separately or in conjunction with each other in counties not having a county conservation board, may establish water recreational areas and when established without the support of public funds

of the state of Iowa, the municipalities or corporations establishing the same, as the case may be, shall have control thereof independently of the executive council.

[C66, 71, 73, 75, 77, 79, 81, §111.59]
C93, §461A.59
Referred to in §331.382

**461A.60 Application for permit.**

Any municipality or corporation seeking to establish a water recreational area without public funds of the state of Iowa shall file with the commission a verified petition asking for a permit to establish a water recreational area.

[C66, 71, 73, 75, 77, 79, 81, §111.60]
86 Acts, ch 1245, §1877
C93, §461A.60
Referred to in §331.382

**461A.61 Petition.**

Said petition shall state:

1. The name of the municipality or corporation.
2. The applicant's principal office and place of business.
3. A legal description of the lands to be included within said water recreational area, a showing that seventy-five percent of the area is either owned or under option for purchase by the applicant, together with a map thereof.
4. A general description of the public and private highways, grounds and real estate, streams and private lands of any kind within said area.
5. The tentative locations, types of dams to be constructed for any artificial lakes to be established, the proposed area to be inundated by the waters to be impounded by said dams, and a map showing the location of said dams and areas to be inundated.
6. A map showing the location of proposed roads, fixtures, utilities and other facilities necessary in the operation of said water recreational area.
7. The proposed plan of operation and regulations for the use of said facilities by the public.

[C66, 71, 73, 75, 77, 79, 81, §111.61]
C93, §461A.61
Referred to in §331.382

**461A.62 Copy to environmental protection commission.**

A copy of the petition and the applications, plans, and specifications required under chapter 455B shall be filed with the environmental protection commission and any approval or permit required under chapter 455B shall be obtained prior to the establishment of the water recreational area or the granting of a permit for the area by the commission.

[C66, 71, 73, 75, 77, 79, 81, §111.62; 82 Acts, ch 1199, §57, 96]
83 Acts, ch 101, §13; 86 Acts, ch 1245, §1865
C93, §461A.62
Referred to in §331.382

**461A.63 Hearing — notice.**

On the filing of said petition the commission shall fix a date for hearing thereon and shall cause notice thereof to be published in some newspaper of general circulation in each county in which said proposed water recreational area will be established, said notice to be published for two consecutive weeks.

[C66, 71, 73, 75, 77, 79, 81, §111.63]
86 Acts, ch 1245, §1877
C93, §461A.63
Referred to in §331.382, 461A.76

**461A.64 Time and place.**

Said hearing shall not be less than ten days nor more than thirty days from the date of the last publication and shall be held in the office of the commission or such place as the commission shall decide.

[C66, 71, 73, 75, 77, 79, 81, §111.64]
86 Acts, ch 1245, §1877
C93, §461A.64
Referred to in §331.382

**461A.65 Objections.**

Any person, corporation, company, levee or drainage district or city whose rights or interests may be affected by said proposed water recreational area may file written objections to said proposed water recreational area or to the granting of said permit.

[C66, 71, 73, 75, 77, 79, 81, §111.65]
C93, §461A.65
Referred to in §331.382

**461A.66 Filing.**

All such objections shall be on file in the office of said commission not less than five days before the date of hearing on said application but said commission may permit the filing of said objections later than five days before said hearing in which event the applicant must be granted a reasonable time to meet said objections.

[C66, 71, 73, 75, 77, 79, 81, §111.66]
86 Acts, ch 1245, §1877
C93, §461A.66
Referred to in §331.382

**461A.67 Examination — testimony.**

The commission may examine the proposed water recreational area or may cause such examination to be made by an engineer or such other persons as it desires to be selected by it, who shall report the results of said examination to the commission. At said hearing the commission shall consider the petition and any objections filed thereto and may at its discretion hear such testimony as may aid it in determining the propriety of granting such permit.

[C66, 71, 73, 75, 77, 79, 81, §111.67]
86 Acts, ch 1245, §1877
C93, §461A.67
Referred to in §331.382

**461A.68 Final order — condition.**

It may grant such permit in whole or in part upon such terms, conditions and restrictions as may be determined by it to be just and proper and in the public interest, provided that before any permit shall be granted to any such municipality or corporation the commission shall, after public hearing as provided hereby, determine whether the water recreational area will be in the interests of the public health and welfare and an affirmative finding to such effect shall be a condition precedent to the granting of such permit.

[C66, 71, 73, 75, 77, 79, 81, §111.68]
C93, §461A.68
Referred to in §331.382

**461A.69 Costs and fees.**

Applicant shall pay all costs and expenses of the hearing and necessary preliminary investigation in connection therewith, including the cost of publishing notice of hearing.

[C66, 71, 73, 75, 77, 79, 81, §111.69]
C93, §461A.69
Referred to in §331.382

**461A.70 Permit.**

The commission shall cause to be prepared a uniform blank form of permit which shall provide a space for a general description of the area authorized to be included in any water recreational area to be established hereunder, the name and address of the municipality or corporation to whom said permit is granted and the terms and conditions upon which it is granted. Said permit shall be signed by the chairperson and all other members of the commission and the official seal of said commission shall be attached thereto.

[C66, 71, 73, 75, 77, 79, 81, §111.70]
86 Acts, ch 1245, §1877
C93, §461A.70
Referred to in §331.382, 461A.71, 461A.75

**461A.71 Public access and use.**

Any lake in the water recreational area, together with at least twenty-five percent of the water frontage of the water recreational area and all land which adjoins and lies within one hundred yards from any point of such twenty-five percent of the water frontage, shall be permanently subject to and available for free public access and use. The municipality or corporation shall grant to the state of Iowa a perpetual easement for such public access and use, and such easement shall not be impaired or destroyed in whole or in part by nonuse. Before a permit is granted as provided in section 461A.70, the commission and the municipality or corporation shall agree on the location and description of such water frontage and land to be permanently subject to and available for free public access and use, and such location and description shall be stated in the permit. However, in lieu of the foregoing procedure, the commission and the municipality or corporation may agree that the commission may select such water frontage and land after the permit is granted, and the permit shall so state. At any time the commission, with the written consent of the municipality or corporation, may designate any additional land within the water recreational area to be permanently subject to and available for free public access and use; and the municipality or corporation shall grant to the state of Iowa a perpetual easement for such public access and use, which easement shall not be impaired or destroyed in whole or in part by nonuse. However, the commission may enter into agreements from time to time with one or more municipalities or corporations for the management, development, improvement, care and maintenance of such lake, water frontage and land.

[C66, 71, 73, 75, 77, 79, 81, §111.71]
86 Acts, ch 1245, §1877
C93, §461A.71
Referred to in §331.382, 461A.75

**461A.72 Sale of permit.**

No permit shall be sold until the sale is approved by the commission.

[C66, 71, 73, 75, 77, 79, 81, §111.72]
C93, §461A.72
Referred to in §331.382

**461A.73 Records.**

The commission shall keep a record of all permits granted and issued by it showing when and to whom issued and the location of the area of the proposed water recreational area covered thereby.

[C66, 71, 73, 75, 77, 79, 81, §111.73]
86 Acts, ch 1245, §1877
C93, §461A.73
Referred to in §331.382

**461A.74 Extension of permit.**

Any municipality or corporation owning a permit granted hereby desiring to acquire an extension of said permit may petition the commission in the same manner provided for the granting of such permit and the same proceeding shall be had as on an original application.

[C66, 71, 73, 75, 77, 79, 81, §111.74]

C93, §461A.74

Referred to in §331.382

**461A.75 Condemnation of land.**

Whenever a permit has been granted as provided in section 461A.70 and the commission finds that the municipality or corporation owning such permit cannot acquire at a reasonable cost any necessary land or interest therein, the commission, with the approval of the executive council, may condemn such land or interest therein as provided in chapter 6B. However, such condemnation shall be limited to land and interests therein which will be permanently subject to and available for free public access and use, as provided in section 461A.71, or which will be required for a dam or other facilities necessary for the water recreational area. All costs of such condemnation, including all costs occasioned by appeal as set out in section 6B.33, and including the award and compensation for such land or interest therein, shall be paid by such municipality or corporation. The commission may permit such municipality or corporation to use such land or interest therein for the purposes of this division, upon such terms, conditions and restrictions as the commission shall determine to be just and proper and for free public access and use. Title to such land or interest therein shall remain in the state of Iowa.

[C66, 71, 73, 75, 77, 79, 81, §111.75]

86 Acts, ch 1245, §1877

C93, §461A.75

Referred to in §331.382

**461A.76 Contracts with local authorities.**

1. Notwithstanding anything in chapter 468, subchapter I, parts 1 through 5, to the contrary, county boards of supervisors and trustees having control of any levee or drainage district established thereunder, including joint levee or drainage districts, may enter into contracts and agreements with municipalities or corporations authorized to establish water recreational areas under the provisions of this division. Such contracts or agreements shall be in writing and may be made prior to or after the establishment of a water recreational area. If made prior to the establishment of a water recreational area they may be made conditional upon the final establishment of such area and if conditional upon such final establishment may be entered into prior to the hearing provided for in section 461A.63.

2. Such contracts or agreements may embrace any of the following subjects:

*a.* For the impoundment of drainage waters to create artificial lakes or ponds.

*b.* For compensation to drainage districts for drainage improvements destroyed or rendered useless by the establishment of water recreational areas and the structures, waters or works thereof.

*c.* For the diversion of waters from established drainage ditches or tile drains to other channels.

*d.* For sanitary measures and precautions.

*e.* For the control of water levels in lakes, ponds or impoundments of water to avoid damage to or malfunction of drainage facilities.

*f.* For the construction of additional drainage facilities promoting the interests of either or both of the contracting parties.

*g.* For the granting of easements or licenses by one party to the other.

*h.* For the payment of money by one contracting party to the other in consideration of acts or performance of the other party required by such contract or agreement.

3. When any expenditure of levee or drainage district funds is proposed by the authority contained in this section and where the estimated expenditure will exceed fifty percent of the original total cost of the district and subsequent improvements therein as defined by section 468.126, the same procedure respecting notice and hearing shall be followed as is provided

in said section 468.126, for repair proposals where the estimated cost of the repair exceeds fifty percent of the original total cost of the district and subsequent improvements therein.

[C66, 71, 73, 75, 77, 79, 81, §111.76]
C93, §461A.76
2011 Acts, ch 34, §106
Referred to in §331.382

**461A.77 Prohibited near borders of state.**

In order to reduce the possibility of affecting conservation measures to flood control projects which may be in progress in other states, water recreational areas shall not be established hereunder within seventy miles of the border of any other state.

[C66, 71, 73, 75, 77, 79, 81, §111.77]
C93, §461A.77
Referred to in §331.382

**461A.78 Method not exclusive.**

This division shall not be the exclusive method for establishing a water recreational area and shall not be construed to prohibit the establishment of public recreational areas by the Missouri river preservation and land use authority under chapter 463B.

[C66, 71, 73, 75, 77, 79, 81, §111.78]
91 Acts, ch 246, §4
C93, §461A.78
Referred to in §331.382

**461A.79 Public outdoor recreation and resources.**

1. Fifty percent of the funds appropriated for purposes of this section for public outdoor recreation and resources shall be expended on land acquisition and capital improvements in carrying out this chapter. Acquisition projects, both fee-simple and less-than-fee, from willing sellers, may be for purposes of establishment or expansion of state parks, public hunting areas, natural areas, public fishing areas, water access sites, trail corridors, and other acquisition projects that are in accord with this chapter. Notwithstanding the exemption provided by section 427.1, land acquired under this subsection is subject to the full consolidated levy of property taxes which shall be paid from revenues available to be expended under this subsection. Capital improvements may be either new developments or rehabilitative in nature. Lake and watershed restoration projects are eligible for funding under this subsection. Not more than fifty percent of the revenues available to be expended under this subsection may be used by the commission to enter into agreements with county conservation boards and county boards of supervisors in those counties without conservation boards to carry out the purposes of this subsection. The agreement shall not provide for the payment by the commission of more than seventy-five percent of the cost of the project and the agreement shall specify that the county conservation board or county board of supervisors, whichever is applicable, shall provide funds for the remaining cost of the project covered by the agreement. Moneys available to be expended under this subsection may be used for the matching of federal funds.

2. Forty-five percent of the funds appropriated for purposes of this section for public outdoor recreation and resources shall be expended on the state recreation tourism grant program. This program shall provide matching grants to cities and unincorporated communities for purposes of developing or improving recreational projects or tourist attractions. A city or unincorporated community may submit an application to the commission for a matching grant, except that an unincorporated community shall submit the application through the county board of supervisors. Applications shall be reviewed by the advisory council for public outdoor recreation and resources. The advisory council shall submit recommendations to the commission regarding possible recipients and grant amounts. Grants made to an unincorporated community shall be paid to the county board of supervisors to be used for the project of the unincorporated community. The amount of the grant shall not exceed fifty percent of the cost of the development or improvement to be

made and the application must demonstrate that the city or unincorporated community will provide the required matching funds.

3. Five percent of the funds appropriated for purposes of this section for public outdoor recreation and resources shall be expended on advertising which shall promote the use of recreational facilities and tourist attractions in the state. The commission shall enter into an agreement with the economic development authority for the expenditure of these funds for this purpose.

4. Moneys available to be expended for purposes of this section for public outdoor recreation and resources shall be credited to or deposited to the general fund of the state and appropriations made for purposes of this section shall be allocated as provided in this section. Moneys credited to or deposited to the general fund of the state pursuant to this subsection are subject to the requirements of section 8.60.

84 Acts, ch 1262, §1
C85, §111.79
86 Acts, ch 1245, §1877; 91 Acts, ch 260, §1212; 92 Acts, ch 1163, §28
C93, §461A.79
93 Acts, ch 131, §18; 94 Acts, ch 1107, §74; 2011 Acts, ch 118, §85, 89
Referred to in §461A.80

**461A.80 Public outdoor recreation and resources advisory council.**

1. An advisory council for public outdoor recreation and resources appropriations made for the purposes of section 461A.79 is created. The council shall consist of a public member appointed by the governor from each congressional district, the chairperson of the commission, the director, and a designee of the economic development authority.

2. Each county conservation board of those counties which are located in a congressional district shall nominate one person from the congressional district for appointment to the advisory council. The commission shall compile a list of the nominations of the county conservation boards for each congressional district and shall provide this list to the governor. The governor shall appoint one member from each congressional district from the nominations as provided. Appointments shall be made for three-year terms beginning July 1 in the year of appointment. A person shall not serve more than two terms. A vacancy shall be filled for the unexpired term in the same manner as the original appointment was made.

3. No more than three public members shall belong to the same political party. The council shall elect a chairperson annually from among the council's members, and the director shall serve as council secretary. Persons already serving in an elected or appointed governmental capacity are not eligible to serve as council members.

4. The advisory council shall meet annually, in July, and upon the call of the chairperson of the advisory council. The advisory council shall make policy recommendations to the commission regarding the projects and programs to be funded from funds available for public outdoor recreation and resources from appropriations made for the purposes of section 461A.79.

5. The public members of the advisory council shall be reimbursed for actual and necessary expenses for each day employed in the official discharge of their duties. The expenses shall be paid from the administration fund of the commission. Each member of the council may also be eligible to receive compensation as provided in section 7E.6.

84 Acts, ch 1262, §2
C85, §111.80
86 Acts, ch 1245, §1866, 1877
C93, §461A.80
94 Acts, ch 1107, §75; 2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1021, §83

# CHAPTER 461B

## USE OF STATE WATERS BY NONRESIDENTS

Referred to in §232.8, 456A.14, 456A.24, 481A.1, 805.16, 903.1

This chapter not enacted as a part of this title;
transferred from chapter 106A in Code 1993
See §321.498 et seq. for similar provisions for motor vehicles


461B.1 Legal effect of use and operation.
461B.2 "Person" defined.
461B.3 Original notice — form.
461B.4 Manner of service.
461B.5 Notification to nonresident — form.
461B.6 Optional notification.
461B.7 Proof of service.
461B.8 Actual service within this state.
461B.9 Venue of actions.
461B.10 Continuances.
461B.11 Duty of secretary of state.
461B.12 Expenses and attorney fees.
461B.13 Dismissal — effect.
461B.14 Action against insurance.


**461B.1 Legal effect of use and operation.**

The use, operation or maintenance by any nonresident of watercraft in the waters of this state, shall be deemed an appointment by such nonresident of the secretary of state as the nonresident's true and lawful attorney upon whom may be served all original notices of suit growing out of such use, operation or maintenance or resulting in damage or loss to person or property and said use, operation or maintenance shall be deemed an agreement by such nonresident that any original notice of suit so served shall be of the same legal force and validity as if personally served on the nonresident in this state.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.1]
C93, §461B.1

**461B.2 "Person" defined.**

The term "*person*" as used in this chapter means:

1. The owner of watercraft whether it is being used and operated personally by said owner or by the owner's agent.
2. An agent using and operating the watercraft for the agent's principal.
3. Any person who is in charge of the watercraft and of the use and operation thereof with the express or implied consent of the owner.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.2]
C93, §461B.2

**461B.3 Original notice — form.**

The original notice of suit filed with the secretary of state shall be in form and substance the same as now provided in suits against residents of this state, except that the part of said notice pertaining to the return day shall be in substantially the following form, to wit:

"and unless you appear thereto and defend in the district court of Iowa in and for ..... county at the courthouse in ....., Iowa before noon of the sixtieth day following the filing of this notice with the secretary of state, default will be entered and judgment rendered against you."

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.3]
C93, §461B.3

**461B.4 Manner of service.**

Plaintiff in any such action shall cause the original notice of suit to be served as follows:

1. By filing a copy of said original notice of suit with said secretary of state, together with a fee of four dollars, and
2. By mailing to the defendant, and to each of the defendants if more than one, within ten

days after said filing with the secretary of state, by restricted certified mail addressed to the defendant at the defendant's last known residence or place of abode, a notification of the said filing with the secretary of state.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.4; 81 Acts, ch 21, §4]
C93, §461B.4

**461B.5 Notification to nonresident — form.**

The notification, provided for by this chapter, shall be substantially in the following form, to wit:

To ..... (Here insert the name of each defendant and the defendant's residence or last known place of abode.)

You will take notice that an original notice of suit against you, a copy of which is hereto attached, was duly served upon you at Des Moines, Iowa, by filing a copy of said notice on the ..... day of ..... (month), ..... (year), with the secretary of state.

Dated at ....., Iowa, this ..... day of ..... (month), ..... (year)

.....
Plaintiff
By .....
Attorney for Plaintiff

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.5]
C93, §461B.5
2000 Acts, ch 1058, §56

**461B.6 Optional notification.**

In lieu of mailing said notification to the defendant in a foreign state, plaintiff may cause said notification to be personally served in the foreign state on the defendant by any adult person not a party to the suit, by delivering said notification to the defendant or by offering to make such delivery in case defendant refuses to accept delivery.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.6]
C93, §461B.6

**461B.7 Proof of service.**

Proof of the filing of a copy of said original notice of suit with the secretary of state, and proof of the mailing or personal delivery of said notification to said nonresident shall be made by affidavit of the party doing said acts. All affidavits of service shall be endorsed upon or attached to the originals of the papers to which they relate. All proofs of service, including the restricted certified mail return receipt, shall be forthwith filed with the clerk of the district court.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.7]
C93, §461B.7

**461B.8 Actual service within this state.**

The provisions of this chapter relative to service of original notice of suit on nonresidents shall not be deemed to prevent actual personal service in this state upon the nonresident in the time, manner, form, and under the conditions provided for service on residents.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.8]
C93, §461B.8
2009 Acts, ch 133, §157

**461B.9 Venue of actions.**

Actions against nonresidents as contemplated by this chapter may be brought in the county of which plaintiff is a resident, or in the county in which the injury was received or damage done.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.9]
C93, §461B.9

**461B.10 Continuances.**

The court in which such action is pending shall grant such continuances to a nonresident defendant as may be necessary to afford the nonresident defendant reasonable opportunity to defend said action.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.10]
C93, §461B.10

**461B.11 Duty of secretary of state.**

The secretary of state shall keep a record of all notices of suit filed with the secretary, shall not permit said filed notices to be taken from the secretary's office except on an order of court and shall, on request, and without fee, furnish any defendant with a certified copy of the notice in which the person is defendant.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.11]
C93, §461B.11

**461B.12 Expenses and attorney fees.**

If judgment is rendered against the plaintiff upon the trial of said action, said judgment shall include the reasonable expenses incurred by the defendant and the defendant's attorney in appearing to and defending against said action, provided that in the judgment of the trial court said action was commenced maliciously or without probable cause.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.12]
C93, §461B.12

**461B.13 Dismissal — effect.**

The dismissal of an action after the nonresident has entered a general appearance under the substituted service herein authorized shall bar the recommencement of the same action against the same defendant unless said recommenced action is accompanied by actual personal service of the original notice of suit on said defendant in this state.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.13]
C93, §461B.13

**461B.14 Action against insurance.**

Any contract insuring the liability of a nonresident operator of a motorboat in Iowa shall, in case of the death of said nonresident, be considered an asset of the nonresident's estate having a situs in Iowa in any civil action arising out of an accident in which said nonresident may be liable.

[C62, 66, 71, 73, 75, 77, 79, 81, §106A.14]
C93, §461B.14

# CHAPTER 461C

## PUBLIC USE OF PRIVATE LANDS AND WATERS

Referred to in §456A.24, 481A.1

This chapter not enacted as a part of this title;
transferred from chapter 111C in Code 1993


461C.1 Purpose.
461C.2 Definitions.
461C.3 Liability of holder limited.
461C.4 Users not invitees or licensees.
461C.5 Duties and liabilities of holder of leased land.
461C.6 When liability lies against holder.
461C.7 Construction of law.
461C.8 Urban deer control — municipal ordinance.


**461C.1 Purpose.**

The purpose of this chapter is to encourage private holders of land to make land and water areas available to the public for a recreational purpose and for urban deer control by limiting a holder's liability toward persons entering onto the holder's property for such purposes. The provisions of this chapter shall be construed liberally and broadly in favor of private holders of land to accomplish the purposes of this chapter.

[C71, 73, 75, 77, 79, 81, §111C.1]

C93, §461C.1

2006 Acts, ch 1121, §1; 2007 Acts, ch 22, §84; 2013 Acts, ch 128, §1; 2013 Acts, ch 140, §29, 39

For provision establishing effective date for 2013 amendment to section by 2013 Acts, ch 128, see 2013 Acts, ch 140, §29

Section amended

**461C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Charge"* means any consideration, the admission price or fee asked in return for invitation or permission to enter or go upon the land.

2. *"Holder"* means the possessor of a fee interest, a tenant, lessee, occupant or person in control of the premises; provided, however, holder shall not mean the state of Iowa, its political subdivisions, or any public body or any agencies, departments, boards, or commissions thereof.

3. *"Land"* means private land that is one or any combination of the following: abandoned or inactive surface mines; caves; land used for agricultural purposes; marshlands; timber; grasslands; or the privately owned roads, paths, trails, waters, water courses, exteriors and interiors of buildings, structures, machinery, or equipment appurtenant thereto. *"Land"* includes land that is not open to the general public. *"Land"* also includes private land located in a municipality in connection with and while being used for urban deer control.

4. *"Municipality"* means any city or county in the state.

5. *"Recreational purpose"* means the following or any combination thereof: hunting, trapping, horseback riding, fishing, swimming, boating, camping, picnicking, hiking, pleasure driving, motorcycling, all-terrain vehicle riding, nature study, water skiing, snowmobiling, other summer and winter sports, educational activities, and viewing or enjoying historical, archaeological, scenic, or scientific sites while going to and from or actually engaged therein. *"Recreational purpose"* includes the activity of accompanying another person who is engaging in such activities. *"Recreational purpose"* is not limited to active engagement in such activities, but includes entry onto, use of, passage over, and presence on any part of the land in connection with or during the course of such activities.

6. *"Urban deer control"* means deer hunting with a bow and arrow on private land in a municipality, without charge, as authorized by a municipal ordinance, for the purpose of reducing or stabilizing an urban deer population in the municipality. *"Urban deer control"* is not limited to active engagement in the activity of urban deer control but includes entry onto,

use of, passage over, and presence on any part of the land in connection with or during the course of such activity.

[C71, 73, 75, 77, 79, 81, §111C.2]

88 Acts, ch 1216, §46

C93, §461C.2

2006 Acts, ch 1121, §2, 3; 2012 Acts, ch 1100, §58; 2013 Acts, ch 128, §2; 2013 Acts, ch 140, §29, 39

For provision establishing effective date for 2013 amendment to section by 2013 Acts, ch 128, see 2013 Acts, ch 140, §29

Subsections 3, 5, and 6 amended

**461C.3 Liability of holder limited.**

1. Except as specifically recognized by or provided in section 461C.6, a holder of land does not owe a duty of care to keep the premises safe for entry or use by others for a recreational purpose or urban deer control, or to give any warning of a dangerous condition, use, structure, or activity on such premises to persons entering for such purposes.

2. Except as specifically recognized by or provided in section 461C.6, a holder of land does not owe a duty of care to others solely because the holder is guiding, directing, supervising, or participating in any recreational purpose or urban deer control undertaken by others on the holder's land.

[C71, 73, 75, 77, 79, 81, §111C.3]

C93, §461C.3

2006 Acts, ch 1121, §4; 2013 Acts, ch 128, §3; 2013 Acts, ch 140, §29, 39

Referred to in §461C.5

For provision establishing effective date for 2013 amendment to section by 2013 Acts, ch 128, see 2013 Acts, ch 140, §29

Section amended

**461C.4 Users not invitees or licensees.**

Except as specifically recognized by or provided in section 461C.6, a holder of land who either directly or indirectly invites or permits without charge any person to use such property for a recreational purpose or urban deer control does not thereby:

1. Extend any assurance that the premises are safe for any purpose.

2. Confer upon such person the legal status of an invitee or licensee to whom the duty of care is owed.

3. Assume a duty of care to such person solely because the holder is guiding, directing, supervising, or participating in any recreational purpose or urban deer control undertaken by the person on the holder's land.

4. Assume responsibility for or incur liability for any injury to person or property caused by an act or omission of such persons.

[C71, 73, 75, 77, 79, 81, §111C.4]

C93, §461C.4

2006 Acts, ch 1121, §5; 2013 Acts, ch 128, §4, 5; 2013 Acts, ch 140, §29, 39

Referred to in §461C.5

For provision establishing effective date for 2013 amendment to section by 2013 Acts, ch 128, see 2013 Acts, ch 140, §29

Unnumbered paragraph 1 amended

NEW subsection 3 and former subsection 3 renumbered as 4

**461C.5 Duties and liabilities of holder of leased land.**

Unless otherwise agreed in writing, the provisions of sections 461C.3 and 461C.4 shall be deemed applicable to the duties and liability of a holder of land leased, or any interest or right therein transferred to, or the subject of any agreement with, the United States or any agency thereof, or the state or any agency or subdivision thereof, for a recreational purpose or urban deer control.

[C71, 73, 75, 77, 79, 81, §111C.5]

C93, §461C.5

2006 Acts, ch 1121, §6; 2013 Acts, ch 128, §6; 2013 Acts, ch 140, §29, 39

For provision establishing effective date for 2013 amendment to section by 2013 Acts, ch 128, see 2013 Acts, ch 140, §29

Section amended

**461C.6 When liability lies against holder.**

Nothing in this chapter limits in any way any liability which otherwise exists:

1. For willful or malicious failure to guard or warn against a dangerous condition, use, structure, or activity.

2. For injury suffered in any case where the holder of land charges the person or persons who enter or go on the land for the recreational use thereof or for deer hunting, except that in the case of land or any interest or right therein, leased or transferred to, or the subject of any agreement with, the United States or any agency thereof or the state or any agency thereof or subdivision thereof, any consideration received by the holder for such lease, interest, right, or agreement shall not be deemed a charge within the meaning of this section.

[C71, 73, 75, 77, 79, 81, §111C.6]

C93, §461C.6

2006 Acts, ch 1121, §7; 2013 Acts, ch 128, §7; 2013 Acts, ch 140, §29, 39

Referred to in §461C.3, 461C.4

For provision establishing effective date for 2013 amendment to section by 2013 Acts, ch 128, see 2013 Acts, ch 140, §29

Section amended

**461C.7 Construction of law.**

Nothing in this chapter shall be construed to:

1. Create a duty of care or ground of liability for injury to persons or property.

2. Relieve any person using the land of another for a recreational purpose or urban deer control from any obligation which the person may have in the absence of this chapter to exercise care in the use of such land and in the person's activities thereon, or from the legal consequences of failure to employ such care.

3. Amend, repeal or modify the common law doctrine of attractive nuisance.

[C71, 73, 75, 77, 79, 81, §111C.7]

C93, §461C.7

2006 Acts, ch 1121, §8; 2013 Acts, ch 128, §8; 2013 Acts, ch 140, §29, 39

For provision establishing effective date for 2013 amendment to section by 2013 Acts, ch 128, see 2013 Acts, ch 140, §29

Subsection 2 amended

**461C.8 Urban deer control — municipal ordinance.**

1. A municipality may adopt an ordinance authorizing trained, volunteer hunters to hunt deer with a bow and arrow on private land within the municipality, without charge, for the purpose of urban deer control.

2. The ordinance shall specify all of the following:

*a.* How a person qualifies to participate in urban deer control.

*b.* Where urban deer control can occur.

*c.* Conditions under which urban deer control can be conducted, which are intended to minimize the risk of injury to persons and property.

3. A hunter who participates in urban deer control pursuant to this section shall be otherwise qualified to hunt deer in this state, purchase a hunting license that includes the wildlife habitat fee, and obtain a special deer hunting license valid only for the dates, locations, and type of deer specified on the license. Special deer hunting licenses issued pursuant to this section shall be available only to residents and shall cost the same as deer hunting licenses issued during general deer seasons. The commission may establish procedures for issuing more than one license per person as necessary to achieve the purposes of urban deer control, and the cost of each additional license shall be ten dollars.

4. An urban deer control ordinance is not effective until it has been approved by the department of natural resources.

5. The department of natural resources shall adopt rules in accordance with chapter 17A necessary for the administration of this section.

2006 Acts, ch 1121, §9; 2012 Acts, ch 1096, §1, 23

Section not amended; footnote deleted

# CHAPTER 462

RESERVED

# CHAPTER 462A

## WATER NAVIGATION REGULATIONS

Referred to in §88A.11, 99F.7, 232.8, 350.5, 455A.4, 455A.5, 456A.14, 456A.24, 481A.1, 554.13104, 692A.101, 805.16, 903.1

This chapter not enacted as a part of this title;
transferred from chapter 106 in Code 1993

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462A.81 Dealer's record of vessels bought, sold, or transferred.
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462A.83 Security interest in vessels — exemptions.
462A.84 Perfection and titles — fee.
462A.85 Forms — investigations.

## GENERAL PROVISIONS

**462A.1 Declaration of policy.**

It is the policy of this state to promote safety for persons and property in and connected with the use, operation and equipment of vessels and to promote uniformity of laws relating thereto.

[C97, §2511; C24, 27, 31, §1691; C35, §1703-e1; C39, §**1703.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §106.1]

C93, §462A.1

**462A.2 Definitions.**

As used in this chapter, unless the context clearly requires a different meaning:

1. *"Alcohol concentration"* means the number of grams of alcohol per any of the following:

*a.* One hundred milliliters of blood.

*b.* Two hundred ten liters of breath.

*c.* Sixty-seven milliliters of urine.

2. *"Alcoholic beverage"* includes alcohol, wine, spirits, beer, or any other beverage which contains ethyl alcohol and is fit for human consumption.

3. *"Authorized emergency vessel"* means any vessel which is designated or authorized by the commission for use in law enforcement, search and rescue, and disaster work.

4. *"Boat livery"* means a person who holds a vessel for hire, renting, leasing, or chartering including hotels, motels, or resorts which furnish a vessel to guests as part of the services of the business.

5. *"Certificate"* means a certificate of title.

6. *"Chemical test"* means an analysis of a person's blood, breath, urine, or other bodily substance for the determination of the presence of alcohol, a controlled substance, or a drug.

7. *"Commission"* means the natural resource commission.

8. *"Controlled substance"* means any drug, substance, or compound that is regulated under chapter 124, including any counterfeit substance or simulated controlled substance, as well as any metabolite or derivative of the drug, substance, or compound.

9. *"Cut-off switch"* means an operable factory-installed or dealer-installed emergency cut-off engine stop switch that is installed on a personal watercraft.

10. *"Cut-off switch lanyard"* means the cord used to attach the person of the operator of a personal watercraft to the cut-off switch.

11. *"Dealer"* means a person who engages in whole or in part in the business of buying, selling, or exchanging vessels either outright or on conditional sale, bailment, lease, security interest, or otherwise, and who has an established place of business for sale, trade, and display of vessels. A yacht broker is a dealer.

12. *"Department"* means the department of natural resources.

13. *"Director"* means the director of the department or the director's designee.

14. *"Established place of business"* means the place actually occupied either continuously or at regular periods by a dealer or manufacturer where the dealer's or manufacturer's books and records are kept and a large share of the dealer's or manufacturer's business is transacted.

15. *"Farm pond"* means a body of water wholly on the lands of a single owner, or a group

of joint owners, which does not have any connection with any public waters and which is less than ten surface acres.

16. *"Inboard"* means a vessel in which the engine is located internally, the propulsion system is rigidly attached to the engine, and the propulsion mechanism is within the confines of the vessel's extreme length and beam.

17. *"Inboard-outdrive"* means a vessel in which the power plant or engine is located inside of the vessel and the propulsion mechanism is located outside of the transom.

18. *"Inflatable vessel"* means a vessel which achieves and maintains its intended shape and buoyancy by inflation.

19. *"Lienholder"* means a person holding a security interest.

20. *"Manufacturer"* means a person engaged in the business of manufacturing or importing new and unused vessels, or new and unused outboard motors, for the purpose of sale or trade.

21. *"Motorboat"* means any vessel propelled by an inboard, inboard-outdrive, or outboard engine, whether or not such engine is the principal source of propulsion.

22. *"Navigable waters"* means all lakes, rivers, and streams, which can support a vessel capable of carrying one or more persons during a total of six months in one out of every ten years.

23. *"Nonresident"* means every person who is not a resident of this state.

24. *"Operate"* means to navigate or otherwise use a vessel or motorboat. For the purposes of section 462A.12, subsection 2, sections 462A.14, 462A.14A, 462A.14B, 462A.14C, 462A.14D, and 462A.14E, and section 462A.23, subsection 2, paragraph *"b"*, *"operate"*, when used in reference to a motorboat, means the motorboat is powered by a motor which is running, and when used in reference to a sailboat, means the sailboat is either powered by a motor which is running, or the sailboat is under way and has sails hoisted and is not propelled by a motor.

25. *"Operator"* means a person who operates or is in actual physical control of a vessel.

26. *"Owner"* means a person, other than a lienholder, having the property right in or title to a motorboat or vessel. The term includes a person entitled to the use or possession of a vessel or motorboat subject to an interest in another person, reserved or created by agreement and securing payment or performance of an obligation, but the term excludes a lessee under a lease not intended as security.

27. *"Passenger"* means a person carried on board a vessel, including the operator, and anyone towed by a vessel on water skis, surfboards, inner tubes, or similar devices.

28. *"Peace officer"* means:

*a.* A member of the state patrol.

*b.* A police officer under civil service as provided in chapter 400.

*c.* A sheriff.

*d.* A regular deputy sheriff who has had formal police training.

*e.* Any other certified law enforcement officer as defined in section 80B.3, who has satisfactorily completed an approved course relating to operating while intoxicated, either at the Iowa law enforcement academy or in a law enforcement training program approved by the department of public safety.

29. *"Person"* means an individual, partnership, firm, corporation, or association.

30. *"Personal watercraft"* means a vessel, less than sixteen feet in length, which is propelled by a water jet pump or similar machinery as its primary source of motor propulsion and is designed to be operated by a person sitting, standing, or kneeling on the vessel rather than being operated by a person sitting, standing, or kneeling inside the vessel.

31. *"Privately owned lake"* means any lake, located within the boundaries of this state and not subject to federal control covering navigation owned by an individual, group of individuals, or a nonprofit corporation and which is not open to the use of the general public but is used exclusively by the owners and their personal guests.

32. *"Proceeds"* includes whatever is received when collateral or proceeds are sold, exchanged, collected, or otherwise disposed of. The term also includes the account arising when the right to payment is earned under a contract right. Money, checks, and the like are cash *"proceeds"*. All other proceeds are *"noncash proceeds"*.

33. *"Sailboard"* means a windsurfing vessel with a mount for a sail, a daggerboard, and a small skeg.

34. *"Sailboat"* means any watercraft operated with a sail.

35. *"Security interest"* means an interest which is reserved or created by an agreement which secures payment or performance of an obligation and is valid against third parties generally.

36. *"Serious injury"* means the same as defined in section 702.18.

37. *"State of principal use"* means the state on whose waters a vessel is used or to be used most during a calendar year.

38. *"Undocumented vessel"* means any vessel which is not required to have, and does not have, a valid marine document issued by the bureau of customs or a foreign government.

39. *"Use"* means to operate, navigate, or employ a vessel. A vessel is in use whenever it is upon the water.

40. *"Vessel"* means every description of watercraft, other than a seaplane, used or capable of being used as a means of transportation on water or ice. Ice boats are watercraft.

41. *"Vessel for hire or commercial vessel"* means a vessel for the use of which a fee of any nature is imposed, including vessels furnished as a part of lodge, hotel, or resort services.

42. *"Wake"* means any movement of water created by a vessel which adversely affects the activities of another person who is involved in activities approved for that area or which may adversely affect the natural features of the shoreline.

43. *"Watercraft"* means any vessel which through the buoyance force of water floats upon the water and is capable of carrying one or more persons.

44. *"Watercraft education certificate"* means a certificate, approved by the commission, which is issued to a qualified applicant who is twelve years of age or older who has successfully completed a watercraft education course approved by the department.

45. *"Waters of this state under the jurisdiction of the commission"* means any navigable waters within the territorial limits of this state, and the marginal river areas adjacent to this state, exempting only farm ponds and privately owned lakes.

46. *"Writing fee"* means the amount paid by the boat owner to the county recorder for handling the transaction.

[C97, §2511; C24, 27, 31, §1691; C35, §1703-e1; C39, §**1703.01, 1703.09, 1703.10;** C46, 50, 54, 58, §106.1, 106.9, 106.10; C62, 66, 71, 73, 75, 77, 79, 81, §106.2; 82 Acts, ch 1028, §2, 3]

86 Acts, ch 1245, §1823 – 1826; 87 Acts, ch 134, §1, 2; 88 Acts, ch 1008, §1; 88 Acts, ch 1134, §24; 92 Acts, ch 1131, §1

C93, §462A.2

2000 Acts, ch 1099, §1; 2002 Acts, ch 1133, §1; 2005 Acts, ch 35, §31; 2007 Acts, ch 28, §2; 2008 Acts, ch 1031, §53; 2010 Acts, ch 1073, §3; 2011 Acts, ch 24, §1; 2012 Acts, ch 1021, §84; 2012 Acts, ch 1100, §59

Referred to in §358.26, 459.310, 459B.202, 713.6A, 713.6B

**462A.3 Powers and duties of commission.**

The commission is hereby vested with the power and is charged with the duty of observing, administering and enforcing the provisions of this chapter.

The commission may adopt and enforce rules under chapter 17A as necessary to carry out this chapter and to protect private and public property and the health, safety, and welfare of the public. In adopting rules, the commission shall give consideration to the various uses to which they may be put by and for public and private purposes, the preservation of each body of water, its bed, waters, ice, banks, and public and private property attached thereto, and the need for uniformity of rules relating to the use, operation, and equipment of vessels and vehicles.

[C97, §2511, 2512; S13, §2512; C24, 27, 31, §1691, 1692, 1694; C35, §1703-e1 – 1703-e3; C39, §**1703.01 – 1703.03, 1703.26;** C46, 50, 54, 58, §106.1 – 106.3, 106.26; C62, 66, 71, 73, 75, 77, 79, 81, §106.3; 82 Acts, ch 1028, §4]

86 Acts, ch 1245, §1826

C93, §462A.3

Referred to in §462A.26

**462A.4 Operation of unnumbered vessels prohibited.**

Every vessel except as provided in sections 462A.6 and 462A.6A on the waters of this state under the jurisdiction of the commission shall be numbered. A person shall not operate, maintain or give permission for the operation or maintenance of any vessel on such waters unless the vessel is numbered in accordance with this chapter or in accordance with applicable federal laws or in accordance with a federally approved numbering system of another state and unless the certificate of number awarded to the vessel is in full force and effect.

[C97, §2512; S13, §2512; C24, 27, 31, §1692; C35, §1703-e2, 1703-e7; C39, §**1703.02, 1703.07;** C46, 50, 54, 58, §106.2, 106.7; C62, 66, 71, 73, 75, 77, 79, 81, §106.4; 82 Acts, ch 1028, §5]

86 Acts, ch 1245, §1826; 88 Acts, ch 1183, §1

C93, §462A.4

Referred to in §462A.77, 805.8B(1b)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph b

**462A.5 Registration and identification number.**

1. The owner of each vessel required to be numbered by this state shall register it every three years with the commission through the county recorder of the county in which the owner resides, or, if the owner is a nonresident, the owner shall register it in the county in which such vessel is principally used. The commission shall develop and maintain an electronic system for the registration of vessels pursuant to this chapter. The commission shall establish forms and procedures as necessary for the registration of all vessels.

*a.* The owner of the vessel shall file an application for registration with the appropriate county recorder on forms provided by the commission. The application shall be completed and signed by the owner of the vessel and shall be accompanied by the appropriate fee, and the writing fee specified in section 462A.53. Upon applying for registration, the owner shall display a bill of sale, receipt, or other satisfactory proof of ownership as provided by the rules of the commission to the county recorder. If the county recorder is not satisfied as to the ownership of the vessel or that there are no undisclosed security interests in the vessel, the county recorder may register the vessel but shall, as a condition of issuing a registration certificate, require the applicant to follow the procedure provided in section 462A.5A. Upon receipt of the application in approved form accompanied by the required fees, the county recorder shall enter it upon the records of the recorder's office and shall issue to the applicant a pocket-size registration certificate. The certificate shall be executed in triplicate, one copy to be delivered to the owner, one copy to the commission, and one copy to be retained on file by the county recorder. The registration certificate shall bear the number awarded to the vessel, the passenger capacity of the vessel, and the name and address of the owner. In the use of all vessels except nonpowered sailboats, nonpowered canoes, and commercial vessels, the registration certificate shall be carried either in the vessel or on the person of the operator of the vessel when in use. In the use of nonpowered sailboats, nonpowered canoes, or commercial vessels, the registration certificate may be kept on shore in accordance with rules adopted by the commission. The operator shall exhibit the certificate to a peace officer upon request or, when involved in an occurrence of any nature with another vessel or other personal property, to the owner or operator of the other vessel or personal property.

*b.* A vessel that has an expired registration certificate from another state may be registered in this state upon proper application, payment of all applicable registration and writing fees, and payment of a penalty of five dollars.

*c.* On all vessels except nonpowered sailboats the owner shall cause the identification number to be painted on or attached to each side of the bow of the vessel in such size and manner as may be prescribed by the rules of the commission. On nonpowered boats the number may be placed at alternate locations as prescribed by the rules of the commission. All numbers shall be maintained in a legible condition at all times.

*d.* No number, other than the number awarded to a vessel under the provisions of this chapter or granted reciprocity pursuant to this chapter, shall be painted, attached or otherwise displayed on either side of the bow of such vessel.

*e.* The owner of each vessel must display and maintain, in a legible manner and in a prominent spot on the exterior of such vessel, other than the bow, the passenger capacity of the vessel which must conform with the passenger capacity designated on the registration certificate.

2. When an agency of the United States government shall have in force an overall system of identification numbering for vessels, the numbering system prescribed by the commission pursuant to this chapter, shall be in conformity therewith.

3. *a.* The registration fees for vessels subject to this chapter are as follows:

(1) For vessels of any length without motor or sail, twelve dollars.

(2) For motorboats or sailboats less than sixteen feet in length, twenty-two dollars and fifty cents.

(3) For motorboats or sailboats sixteen feet or more, but less than twenty-six feet in length, thirty-six dollars.

(4) For motorboats or sailboats twenty-six feet or more, but less than forty feet in length, seventy-five dollars.

(5) For motorboats or sailboats forty feet in length or more, one hundred fifty dollars.

(6) For all personal watercraft, forty-five dollars.

*b.* Every registration certificate and number issued becomes delinquent at midnight April 30 of the last calendar year of the registration period unless terminated or discontinued in accordance with this chapter. After January 1, 2007, an unregistered vessel and a renewal of registration may be registered for the three-year registration period beginning May 1 of that year. When unregistered vessels are registered after May 1 of the second year of the three-year registration period, such unregistered vessels may be registered for the remainder of the current registration period at two-thirds of the appropriate registration fee. When unregistered vessels are registered after May 1 of the third year of the three-year registration period, such unregistered vessels may be registered for the remainder of the current registration period at one-third of the appropriate registration fee.

*c.* If a timely application for renewal is made, the applicant shall receive the same registration number allocated to the applicant for the previous registration period. If the application for registration for the three-year registration period is not made before May 1 of the last calendar year of the registration period, the applicant shall be charged a penalty of five dollars.

4. *a.* If a person, after registering a vessel, moves from the address shown on the registration certificate, the person shall, within ten days, notify the county recorder in writing of the old and new address. If appropriate, the county recorder shall forward all past records of the vessel to the recorder of the county in which the owner resides.

*b.* If the name of a person, who has registered a vessel, is changed, the person shall, within ten days, notify the county recorder of the former and new name.

*c.* No fee shall be paid to the county recorder for making the changes mentioned in this subsection, unless the owner requests a new registration certificate showing the change, in which case a fee of one dollar plus a writing fee shall be paid to the recorder.

*d.* If a registration certificate is lost, mutilated or becomes illegible, the owner shall immediately make application for and obtain a duplicate registration certificate by furnishing information satisfactory to the county recorder. A fee of one dollar plus a writing fee shall be paid to the county recorder for a duplicate registration certificate.

*e.* If a vessel, registered under this chapter, is destroyed or abandoned, the destruction or abandonment shall be reported to the county recorder and the registration certificate shall be forwarded to the office of the county recorder within ten days after the destruction or abandonment.

5. All records of the commission and the county recorder, other than those declared by law to be confidential for the use of the commission and the county recorder, shall be open to public inspection during office hours.

6. The owner of each vessel which has a valid marine document issued by the bureau of customs of the United States government or any federal agency successor thereto shall register it every three years with the county recorder in the same manner prescribed for undocumented vessels and shall cause the registration validation decal to be placed on the

vessel in the manner prescribed by the rules of the commission. When the vessel bears the identification required in the documentation, it is exempt from the placement of the identification numbers as required on undocumented vessels. The fee for such registration is twenty-five dollars plus a writing fee.

7. If the owner of a currently registered vessel places the vessel in storage, the owner shall return the registration certificate to the county recorder with an affidavit stating that the vessel is placed in storage and the effective date of the storage. The county recorder shall notify the commission of each registered vessel placed in storage. When the owner of a stored vessel desires to renew the vessel's registration, the owner shall apply to the county recorder and pay the registration fees plus a writing fee as provided in subsections 1 and 3 without penalty. No refund of registration fees shall be allowed for a stored vessel.

8. The registration certificate shall indicate if the vessel is subject to the requirement of a certificate of title and the county from which the certificate of title is issued.

[C97, §2512; S13, §2512; C24, 27, 31, §1694; C35, §1703-e3, 1703-e7; C39, §**1703.03, 1703.07, 1703.08;** C46, 50, 54, 58, §106.3, 106.7, 106.8; C62, 66, 71, 73, 75, 77, 79, 81, §106.5; 82 Acts, ch 1028, §6 – 9]

84 Acts, ch 1082, §1, 2; 85 Acts, ch 110, §1; 87 Acts, ch 134, §3; 92 Acts, ch 1101, §1

C93, §462A.5

2000 Acts, ch 1019, §2; 2002 Acts, ch 1113, §9; 2005 Acts, ch 137, §4 – 7; 2007 Acts, ch 28, §3, 4; 2011 Acts, ch 25, §119, 143

Referred to in §331.602, 331.605, 462A.5A, 462A.6A, 805.8B(1a)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph a

**462A.5A Filing bond as assurance of ownership.**

An applicant for registration of a vessel for which the county recorder is not satisfied as to the ownership of the vessel as provided in section 462A.5, subsection 1, shall file with the department a bond in the form prescribed by the department and executed by the applicant, and also executed by a person authorized to conduct a surety business in this state. The form and amount of the bond shall be established by rule of the department. The bond shall be conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vessel or person acquiring any security interest in the vessel, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney fees, by reason of the issuance of the registration certificate of the vessel or on account of any defect in or undisclosed security interest upon the right, title, and interest of the applicant in and to the vessel. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond shall be returned at the end of three years or prior thereto if the vessel is no longer registered in this state and the registration certificate is surrendered to the department, unless the department has been notified of the pendency of an action to recover on the bond.

2002 Acts, ch 1113, §10

Referred to in §462A.5

**462A.6 Exemption from registration provisions of this chapter.**

A vessel shall not be required to be registered if it is:

1. Covered by a number in full force and effect which has been awarded to it pursuant to a federally approved numbering system of another state if such vessel shall not have been within this state for a period in excess of sixty days within one calendar year.

2. Foreign vessels temporarily using the navigable waters of the United States and of this state.

3. A public vessel of the United States, a state or subdivision thereof which is used for enforcement, search and rescue or official research and studies, but not including vessels used for recreation or commercial purposes.

4. A ship's lifeboat.

5. A type of vessel which has been exempted from registration by the commission after said commission has found that the registration or numbering of such vessel will not

materially aid in their identification and such vessel would be exempt from numbering if it were subject to federal law.

6. An air mattress, inner tube, or other toy or beach type item which is being used in a recognized swimming area. In the case of a natural lake or reservoir these beach or swimming areas may be less, but in no case shall exceed three hundred feet from shore.

7. The following nonpower or nonsail vessels:

*a.* Inflatable vessels, seven feet or less in length.

*b.* Conventional design canoes and kayak type vessels, thirteen feet or less in length.

[C39, §**1703.16, 1703.22;** C46, 50, 54, 58, §106.16, 106.22; C62, 66, 71, 73, 75, 77, 79, 81, §106.6]

C93, §462A.6

Referred to in §462A.4

**462A.6A Exemption from display of registration and capacity numbers.**

The following vessels are exempt from displaying a registration number and a passenger capacity number as required in section 462A.5:

1. Authentically constructed native American styled craft including birchbark canoes, dugout canoes, competitive racing shells, reed boats, and skin-covered canoes or boats.

2. Historically styled craft such as keel boats used only during historic recreations or public demonstrations.

3. A vessel which has a valid marine document issued by the United States coast guard and the vessel bears the identification required in the document.

4. A sailboard. However, the registration decal shall be attached to the bottom surface of the bow.

88 Acts, ch 1183, §2

C89, §106.6A

92 Acts, ch 1131, §2

C93, §462A.6A

Referred to in §462A.4

**462A.7 Occurrences involving vessels.**

1. The operator of a vessel involved in an occurrence that results in personal property damage or the injury or death of a person, shall, so far as possible without serious danger to the operator's own vessel, crew, or passengers, render to other persons affected by the occurrence such assistance as may be practicable and necessary to save them from or minimize any danger caused by the occurrence. The operator shall also give the operator's name, address, and identification of the operator's vessel in writing to any person injured and to the owner of any property damaged in the occurrence.

2. Whenever any vessel is involved in an occurrence that results in personal property damage or the injury or death of a person, except one which results only in property damage not exceeding two thousand dollars, a report of the occurrence shall be filed with the commission. The report shall be filed by the operator of the vessel and shall contain such information as the commission may, by rule, require. The report shall be submitted within forty-eight hours of the occurrence in cases that result in death, disappearance, or personal injuries requiring medical treatment by a licensed health care provider, and within five days of the occurrence in all other cases.

3. Every law enforcement officer who, in the regular course of duty, investigates an occurrence which is required to be reported by this section, shall, after completing such investigation, forward a report of such occurrence to the commission.

4. *a.* All reports shall be in writing. A vessel operator's report shall be without prejudice to the person making the report and shall be for the confidential use of the department. However, upon request the department shall disclose the identities of the persons on board the vessels involved in the occurrence and their addresses. Upon request of a person who made and filed a vessel operator's report, the department shall provide a copy of the vessel operator's report to the requester. A written vessel operator's report filed with the department

shall not be admissible in or used in evidence in any civil or criminal action arising out of the facts on which the report is based.

*b.* All written reports filed by law enforcement officers as required under subsection 3 are confidential to the extent provided in section 22.7, subsection 5, and section 622.11. However, a completed law enforcement officer's report shall be made available by the department or the investigating law enforcement agency to any party to an occurrence involving a vessel, the party's insurance company or its agent, or the party's attorney on written request and payment of a fee.

5. Failure of the operator of any vessel involved in an occurrence to offer assistance and aid to other persons affected by such occurrence, as set forth in this chapter, or to otherwise comply with the requirements of subsection 1, is punishable as follows:

*a.* In the event of an occurrence resulting only in property damage, the operator is guilty upon conviction of a simple misdemeanor.

*b.* In the event of an occurrence resulting in an injury to a person, the operator is guilty upon conviction of a serious misdemeanor.

*c.* In the event of an occurrence resulting in a serious injury to a person, the operator is guilty upon conviction of an aggravated misdemeanor.

*d.* In the event of an occurrence resulting in the death of a person, the operator is guilty upon conviction of a class "D" felony.

[C39, §**1703.21, 1703.23;** C46, 50, 54, 58, §106.21, 106.23; C62, 66, 71, 73, 75, 77, 79, 81, §106.7; 82 Acts, ch 1028, §10]

C93, §462A.7

97 Acts, ch 55, §1 – 3; 2006 Acts, ch 1124, §1; 2007 Acts, ch 28, §5

Referred to in §915.80

**462A.8 Transmittal of information.**

When any request is duly made by an authorized official or agency of the United States, any information compiled or otherwise available to the commission under this chapter, such information shall be transmitted to said official or agency.

[C62, 66, 71, 73, 75, 77, 79, 81, §106.8]

C93, §462A.8

**462A.9 Classification and required equipment.**

1. Vessels subject to the provisions of this chapter shall be divided into four classes as follows:

*a.* Class I. Less than sixteen feet in length.

*b.* Class II. Sixteen feet or over and less than twenty-six feet in length.

*c.* Class III. Twenty-six feet or over and less than forty feet in length.

*d.* Class IV. Forty feet or over.

2. Every vessel, in all weathers, from sunset to sunrise, shall carry and exhibit the following lights when underway, and during that time shall exhibit no other lights which may be mistaken for those required except that the international lighting system as approved by the United States coast guard will be accepted for use on motorboats on the waters of this state.

*a.* Every motorboat of classes I and II shall carry the following lights:

(1) A bright white light aft to show all around the horizon.

(2) A combined lantern in the fore part of the vessel and lower than the white light aft, showing green to starboard and red to port, so fixed as to throw the light from right ahead to two points abaft the beam on their respective sides.

*b.* Every motorboat of classes III and IV shall carry the following lights:

(1) A bright white light in the fore part of the vessel as near the bow as practicable, so constructed as to show an unbroken light over an arc of the horizon of twenty points of the compass, so fixed as to throw the light ten points on each side of the vessel; namely, from right ahead to two points abaft the beam on either side.

(2) A bright white light aft to show all around the horizon and higher than the white light forward.

(3) A green light on the starboard side so constructed as to show an unbroken light over an arc of the horizon of ten points of the compass, so fixed as to throw the light from right ahead to two points abaft the beam on the starboard side. A red light on the port side, so constructed as to show an unbroken light over an arc of the horizon of ten points of the compass so fixed as to throw the light from right ahead to two points abaft the beam on the port side. The said side lights shall be fitted with inboard screens of sufficient height so set as to prevent these lights from being seen across the bow.

*c.* Vessels of classes I and II, when propelled by sail alone, shall carry the combined lantern, but not the white light aft prescribed by this section. Vessels of classes III and IV when so propelled, shall carry the colored side lights, suitably screened, but not the white lights required by this section.

*d.* Every white light required by this section shall be of such character as to be visible at a distance of at least two miles. Every colored light required by this section shall be of such character as to be visible at a distance of at least one mile. The term *"visible"* in this section, when applied to lights, shall mean visible on a dark night with clear atmosphere.

*e.* When propelled by sail and machinery, such motorboat shall carry the lights required by this section for a motorboat propelled by machinery only.

3. Every vessel shall carry and exhibit such other lights required by the rules and regulations of the commission.

4. Every motorboat of class II, III or IV shall be provided with an efficient whistle or other sound producing appliance.

5. Every motorboat of class III or IV shall be provided with an efficient bell.

6. Every vessel shall carry at least one life preserver, life belt, ring buoy or other device, of the sort prescribed by the rules of the commission, for each passenger, so placed as to be readily accessible. This does not apply to a vessel which is a racing shell used in the sport of sculling or to a sailboard while used for windsurfing.

7. Every motorboat shall be provided with such number, size and type of fire extinguishers capable of promptly and effectually extinguishing burning gasoline, as may be prescribed by the regulations of the commission. Such fire extinguishers shall, at all times, be kept in condition for immediate and effective use and shall be so placed as to be readily accessible. Vessels powered by outboard motors of ten horsepower or less, need not carry the extinguishers as provided herein.

8. *a.* The provisions of subsections 4, 5 and 7 of this section shall not apply to motorboats while competing in any race conducted pursuant to section 462A.16 or, if such boats are designed and used solely for racing, while engaged in such navigation as is incidental to the tuning up of the boats and engines for the race.

*b.* The operator of a motorboat, while engaged in such race, must wear a crash helmet and life preserver.

9. Every motorboat shall have the carburetor or carburetors of every engine therein, except outboard motors, using a liquid of a volatile nature as fuel, equipped with such efficient flame arrestor, backfire trap or other similar device as may be prescribed by the rules and regulations of the commission.

10. Every motorboat, except open boats, using any liquid of a volatile nature as fuel, shall be provided with the means prescribed by the rules of the commission for properly and efficiently ventilating the bilges of the engines and fuel tank compartments so as to remove any explosive or flammable gases.

11. The commission is hereby authorized to make rules and regulations modifying the equipment requirements contained in this section to the extent necessary for the safety of operators and passengers.

12. The commission is hereby authorized to establish such pilot rules as may be necessary for the safe operation of vessels on the waters of this state under the jurisdiction of the commission.

13. An owner of a personal watercraft equipped with a cut-off switch shall maintain the cut-off switch and the accompanying cut-off switch lanyard in an operable, fully functional condition.

14. No person shall operate or give permission for the operation of a vessel which is not equipped as required by this section or modification thereof.

[S13, §2514-a; C24, 27, 31, §1697; C39, §**1703.10 – 1703.13;** C46, 50, 54, 58, §106.10 – 106.13; C62, 66, 71, 73, 75, 77, 79, 81, §106.9; 82 Acts, ch 1028, §11 – 13]

92 Acts, ch 1131, §3; 92 Acts, ch 1163, §26

C93, §462A.9

2007 Acts, ch 28, §6; 2011 Acts, ch 25, §143

Referred to in §805.8B(1a, 1b)

For applicable scheduled fines, see §805.8B, subsection 1, paragraphs a and b

**462A.10 Boat liveries.**

1. The owner of a boat livery shall cause to be kept a record of the name and address of the person or persons hiring any vessel which is designed or permitted by the owner to be operated for hire, the identification number thereof, the departure date and time and the expected time of return. The records shall be preserved for six months.

2. The owner of a boat livery shall not permit any of the owner's vessels, operated for hire, to depart from the owner's premises unless it shall have been provided, either by the owner or renter, with the equipment required by the commission.

[C97, §2512; S13, §2512; C24, 27, 31, §1692; C35, §1703-e2; C39, §**1703.02, 1703.11, 1703.24;** C46, 50, 54, 58, §106.2, 106.11, 106.24; C62, 66, 71, 73, 75, 77, 79, 81, §106.10]

C93, §462A.10

Referred to in §805.8B(1b)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph b

**462A.11 Muffling devices.**

The exhaust of every internal combustion engine used on any motorboat shall be effectively muffled by equipment so constructed and used as to muffle the total vessel noise in a reasonable manner in accordance with rules adopted by the commission. The use of cut-outs is prohibited, except for motorboats competing in a regatta or boat race approved as provided in section 462A.16 and for such motorboats while on trial run during a period from 8:00 a.m. to 6:00 p.m. not to exceed twenty-four hours immediately preceding such regatta or race.

[C39, §**1703.11, 1703.17;** C46, 50, 54, 58, §106.11, 106.17; C62, 66, 71, 73, 75, 77, 79, 81, §106.11; 82 Acts, ch 1028, §14]

C93, §462A.11

Referred to in §805.8B(1b)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph b

**462A.12 Prohibited operation.**

1. No person shall operate any vessel, or manipulate any water skis, surfboard or similar device in a careless, reckless or negligent manner so as to endanger the life, limb or property of any person.

2. A person shall not operate any vessel, or manipulate any water skis, surfboard or similar device while under the influence of an alcoholic beverage, marijuana, a narcotic, hypnotic or other drug, or any combination of these substances. However, this subsection does not apply to a person operating any vessel or manipulating any water skis, surfboard or similar device while under the influence of marijuana, or a narcotic, hypnotic or other drug if the substances were prescribed for the person and have been taken under the prescription and in accordance with the directions of a medical practitioner as defined in chapter 155A, provided there is no evidence of the consumption of alcohol and further provided the medical practitioner has not directed the person to refrain from operating a motor vehicle, any vessel or from manipulating any water skis, surfboard or similar device.

3. No person shall place, cause to be placed, throw or deposit onto or in any of the public waters, ice or land of this state any cans, bottles, garbage, rubbish, and other debris.

4. No person shall operate on the waters of this state under the jurisdiction of the conservation commission any vessel displaying or reflecting a blue light or flashing blue light unless such vessel is an authorized emergency vessel.

5. No person shall operate a vessel and enter into areas in which search and rescue

operations are being conducted or an area affected by a natural disaster unless authorized by the officer in charge of the search and rescue or disaster operation. Any person authorized in an area of operation shall operate the person's vessel at a no wake speed and shall keep clear of all other vessels engaged in the search and rescue or disaster operation. A person who must operate a vessel in a disaster area to gain access or egress from the person's home shall be considered an authorized person by the officer in charge.

6. An owner or operator of a vessel propelled by a motor of more than ten horsepower shall not permit any person under twelve years of age to operate the vessel unless accompanied in or on the same vessel by a responsible person of at least eighteen years of age who is experienced in motorboat operation. A person who is twelve years of age or older but less than eighteen years of age shall not operate any vessel propelled by a motor of more than ten horsepower unless the person has successfully completed a department-approved watercraft education course and obtained a watercraft education certificate or is accompanied in or on the same vessel by a responsible person of at least eighteen years of age who is experienced in motorboat operation. A person required to have a watercraft education certificate shall carry and shall exhibit or make available the certificate upon request of an officer of the department. A violation of this subsection is a simple misdemeanor as provided in section 462A.13. However, a person charged with violating this subsection shall not be convicted if the person produces in court, within a reasonable time, a watercraft education certificate. The cost of a watercraft education certificate, or any duplicate, shall not exceed five dollars.

7. A person shall not operate watercraft in a manner which unreasonably or unnecessarily interferes with other watercraft or with the free and proper navigation of the waters of the state. Anchoring under bridges, in a heavily traveled channel, in a lock chamber, or near the entrance of a lock constitutes such interference if unreasonable under the prevailing circumstances.

8. A person shall not operate a vessel in violation of restrictions as given by state-approved buoys or signs marking an area.

9. A person shall not operate on the waters of this state under the jurisdiction of the commission a vessel equipped with an engine of greater horsepower rating than is designated for the vessel by the federally required capacity plate or by the manufacturer's plate on those vessels not covered by federal regulations.

10. A person shall not leave an unattended vessel tied or moored to a dock which is placed immediately adjacent to a public boat launching ramp or to a dock which is posted for loading and unloading.

11. A person shall not operate a vessel within fifty feet of a diver's flag placed in accordance with the rules of the commission adopted under chapter 17A.

12. A person shall not operate a personal watercraft at any time between sundown and sunup.

13. A person shall not chase or harass animals while operating a personal watercraft or motorboat.

14. A person shall not operate a personal watercraft that is equipped with a cut-off switch, at any time, without first attaching the accompanying cut-off switch lanyard to the operator's person while the engine is running and the personal watercraft is in use.

15. A person shall not operate a vessel on the waters of this state under the jurisdiction of the commission unless every person on board the vessel who is under thirteen years of age is wearing a type I, II, III, or V personal flotation device, including "float coats" that meet this definition, that is approved by the United States coast guard, while the vessel is under way. This subsection does not apply when the person under thirteen years of age is in an enclosed cabin or below deck, or is a passenger on a commercial vessel with a passenger capacity of twenty-five persons or more.

[C39, §**1703.17, 1703.21;** C46, 50, 54, 58, §106.17, 106.21, 106.28; C62, 66, 71, 73, 75, 77, 79, 81, §106.12; 82 Acts, ch 1028, §15, 16]

86 Acts, ch 1143, §1; 87 Acts, ch 215, §38

C93, §462A.12
2002 Acts, ch 1133, §2, 3; 2003 Acts, ch 44, §77; 2005 Acts, ch 137, §8; 2007 Acts, ch 28, §7; 2008 Acts, ch 1161, §11 – 13; 2012 Acts, ch 1100, §60
Referred to in §462A.2, 462A.14A, 805.8B(1c), 915.80
For applicable scheduled fines, see §805.8B, subsection 1, paragraph c

**462A.12A Online watercraft education courses.**

1. The department shall develop requirements and standards for online watercraft education courses. Only vendors who have entered into a memorandum of understanding with the department shall be approved by the department to offer an online watercraft education course that upon successful completion is sufficient to result in the issuance of a watercraft education certificate to the person who completes the course.

2. A vendor approved to offer an online watercraft education course as provided in subsection 1 may charge a fee for the course as agreed to in the memorandum of understanding with the department and may also collect the watercraft education certificate fee on behalf of the department as agreed to in the memorandum of understanding.

2012 Acts, ch 1100, §61

**462A.13 Penalty.**

Any person violating any of the provisions of this chapter, or any of the rules adopted under this chapter, for which another penalty is not otherwise specifically provided, is guilty of a simple misdemeanor.

Chapter 232 shall have no application in the prosecution of offenses committed in violation of this chapter or rules and regulations which are adopted under the authority of this chapter which constitute simple misdemeanors.

[C97, §2313, 2315; S13, §2313, 2315; C24, 27, 31, §1695; C35, §1703-e5, 1703-e6; C39, §**1703.05, 1703.06;** C46, 50, 54, 58, §106.5, 106.6; C62, 66, 71, 73, 75, 77, 79, 81, §106.13; 82 Acts, ch 1028, §17]

C93, §462A.13
Referred to in §462A.12

**462A.14 Operating a motorboat or sailboat while intoxicated.**

1. A person commits the offense of operating a motorboat or sailboat while intoxicated if the person operates a motorboat or sailboat on the navigable waters of this state in any of the following conditions:

*a.* While under the influence of an alcoholic beverage or other drug or a combination of such substances.

*b.* While having an alcohol concentration of .08 or more.

*c.* While any amount of a controlled substance is present in the person, as measured in the person's blood or urine.

2. A person who violates subsection 1 commits:

*a.* A serious misdemeanor for the first offense, punishable by all of the following:

(1) Imprisonment in the county jail for not less than forty-eight hours, to be served as ordered by the court, less credit for any time the person was confined in a jail or detention facility following arrest. However, the court, in ordering service of the sentence and in its discretion, may accommodate the defendant's work schedule.

(2) Assessment of a fine of one thousand dollars. However, in the discretion of the court, if no personal or property injury has resulted from the defendant's actions, up to five hundred dollars of the fine may be waived. As an alternative to a portion or all of the fine, the court may order the person to perform unpaid community service.

(3) Prohibition of operation of a motorboat or sailboat for one year, pursuant to court order.

(4) Assignment to substance abuse evaluation and treatment, pursuant to subsection 12, and a course for drinking drivers.

*b.* An aggravated misdemeanor for a second offense, punishable by all of the following:

(1) Imprisonment in the county jail or community-based correctional facility for not less than seven days.

(2) Assessment of a fine of not less than one thousand five hundred dollars nor more than five thousand dollars.

(3) Prohibition of operation of a motorboat or sailboat for two years, pursuant to court order.

(4) Assignment to substance abuse evaluation and treatment, pursuant to subsections 12 and 13, and a course for drinking drivers.

*c.* A class "D" felony for a third offense and each subsequent offense, punishable by all of the following:

(1) Imprisonment in the county jail for a determinate sentence of not more than one year but not less than thirty days, or committed to the custody of the director of the department of corrections. A person convicted of a third or subsequent offense may be committed to the custody of the director of the department of corrections, who shall assign the person to a facility pursuant to section 904.513 or the offender may be committed to treatment in the community under the provisions of section 907.13.

(2) Assessment of a fine of not less than two thousand five hundred dollars nor more than seven thousand five hundred dollars.

(3) Prohibition of operation of a motorboat or sailboat for six years, pursuant to court order.

(4) Assignment to substance abuse evaluation and treatment, pursuant to subsections 12 and 13, and a course for drinking drivers.

*d.* A class "D" felony for any offense under this section resulting in serious injury to persons other than the defendant, if the court determines that the person who committed the offense caused the serious injury, and shall be imprisoned for a determinate sentence of not more than five years but not less than thirty days, or committed to the custody of the director of the department of corrections, and assessed a fine of not less than two thousand five hundred dollars nor more than seven thousand five hundred dollars. A person convicted of a felony offense may be committed to the custody of the director of the department of corrections, who shall assign the person to a facility pursuant to section 904.513. The court shall also order that the person not operate a motorboat or sailboat for one year in addition to any other period of time the defendant would have been ordered not to operate if no injury had occurred in connection with the violation. The court shall also assign the defendant to substance abuse evaluation and treatment pursuant to subsections 12 and 13, and a course for drinking drivers.

*e.* A class "B" felony for any offense under this section resulting in the death of persons other than the defendant, if the court determines that the person who committed the offense caused the death, and shall be imprisoned for a determinate sentence of not more than twenty-five years, or committed to the custody of the director of the department of corrections. A person convicted of a felony offense may be committed to the custody of the director of the department of corrections, who shall assign the person to a facility pursuant to section 904.513. The court shall also order that the person not operate a motorboat or sailboat for six years. The court shall also assign the defendant to substance abuse evaluation and treatment pursuant to subsections 12 and 13, and a course for drinking drivers.

3. *a.* Notwithstanding the provisions of sections 901.5 and 907.3, the court shall not defer judgment or sentencing, or suspend execution of any mandatory minimum sentence of incarceration applicable to the defendant under subsection 2, and shall not suspend execution of any other part of a sentence not involving incarceration imposed pursuant to subsection 2, if any of the following apply:

(1) If the defendant's alcohol concentration established by the results of an analysis of a specimen of the defendant's blood, breath, or urine withdrawn in accordance with this chapter exceeds .15, regardless of whether or not the alcohol concentration indicated by the chemical test minus the established margin of error inherent in the device or method used to conduct the test equals an alcohol concentration of .15 or more.

(2) If the defendant has previously been convicted of a violation of subsection 1 or a statute in another state substantially corresponding to subsection 1.

(3) If the defendant has previously received a deferred judgment or sentence for a

violation of subsection 1 or for a violation of a statute in another state substantially corresponding to subsection 1.

(4) If the defendant refused to consent to testing requested in accordance with section 462A.14A.

(5) If the offense under this section results in bodily injury to a person other than the defendant.

*b.* A minimum term of imprisonment in a county jail or community-based correctional facility imposed on a person convicted of a second or subsequent offense under subsection 2 shall be served on consecutive days. However, if the sentencing court finds that service of the full minimum term on consecutive days would work an undue hardship on the person, or finds that sufficient jail space is not available and is not reasonably expected to become available within four months after sentencing to incarcerate the person serving the minimum sentence on consecutive days, the court may order the person to serve the minimum term in segments of at least forty-eight hours and to perform a specified number of hours of unpaid community service as deemed appropriate by the sentencing court.

4. In determining if a violation charged is a second or subsequent offense for purposes of criminal sentencing or license or privilege revocation under this section:

*a.* Any conviction under this section within the previous twelve years shall be counted as a previous offense.

*b.* Deferred judgments entered pursuant to section 907.3 for violations of this section shall be counted as previous offenses.

*c.* Convictions or the equivalent of deferred judgments for violations in any other states under statutes substantially corresponding to this section shall be counted as previous offenses. The courts shall judicially notice the statutes of other states which define offenses substantially equivalent to an offense defined in this section and can therefore be considered corresponding statutes. Each previous violation on which conviction or deferral of judgment was entered prior to the date of the violation charged shall be considered and counted as a separate previous offense.

5. A person shall not be convicted and sentenced for more than one violation of this section for actions arising out of the same event or occurrence, even if the event or occurrence involves more than one of the conditions specified in subsection 1. However, a person who refuses a test pursuant to section 462A.14B may be subject to imposition of the penalties under that section in addition to the penalties under this section if the person violates both sections, even though the actions arise out of the same event or occurrence.

6. The clerk of the district court shall immediately certify to the department a true copy of each order entered with respect to deferral of judgment, deferral of sentence, or pronouncement of judgment and sentence for a defendant under this section.

7. *a.* This section does not apply to a person operating a motorboat or sailboat while under the influence of a drug if the substance was prescribed for the person and was taken under the prescription and in accordance with the directions of a medical practitioner as defined in chapter 155A or if the substance was dispensed by a pharmacist without a prescription pursuant to the rules of the board of pharmacy, if there is no evidence of the consumption of alcohol and the medical practitioner or pharmacist had not directed the person to refrain from operating a motor vehicle, or motorboat or sailboat.

*b.* When charged with a violation of subsection 1, paragraph "*c*", a person may assert, as an affirmative defense, that the controlled substance present in the person's blood or urine was prescribed or dispensed for the person and was taken in accordance with the directions of a practitioner and the labeling directions of the pharmacy, as that person and place of business are defined in section 155A.3.

8. In any prosecution under this section, evidence of the results of analysis of a specimen of the defendant's blood, breath, or urine is admissible upon proof of a proper foundation.

*a.* The alcohol concentration established by the results of an analysis of a specimen of the defendant's blood, breath, or urine withdrawn within two hours after the defendant was operating or in physical control of a motorboat or sailboat is presumed to be the alcohol concentration at the time of operating or being in physical control of the motorboat or sailboat.

*b.* The presence of a controlled substance or other drug established by the results of analysis of a specimen of the defendant's blood or urine withdrawn within two hours after the defendant was operating or in physical control of a motorboat or sailboat is presumed to show the presence of such controlled substance or other drug in the defendant at the time of operating or being in physical control of the motorboat or sailboat.

*c.* The nationally accepted standards for determining detectable levels of controlled substances in the division of criminal investigation's initial laboratory screening test for controlled substances adopted by the department of public safety shall be utilized in prosecutions under this section.

9. *a.* In addition to any fine or penalty imposed under this chapter, the court shall order a defendant convicted of or receiving a deferred judgment for a violation of this section to make restitution for damages resulting directly from the violation, to the victim, pursuant to chapter 910. An amount paid pursuant to this restitution order shall be credited toward any adverse judgment in a subsequent civil proceeding arising from the same occurrence. However, other than establishing a credit, a restitution proceeding pursuant to this section shall not be given evidentiary or preclusive effect in a subsequent civil proceeding arising from the same occurrence.

*b.* The court may order restitution paid to any public agency for the costs of the emergency response resulting from the actions constituting a violation of this section, not exceeding five hundred dollars per public agency for each such response. For the purposes of this paragraph, *"emergency response"* means any incident requiring response by fire fighting, law enforcement, ambulance, medical, or other emergency services. A public agency seeking such restitution shall consult with the county attorney regarding the expenses incurred by the public agency, and the county attorney may include the expenses in the statement of pecuniary damages pursuant to section 910.3.

10. In any prosecution under this section, the results of a chemical test shall not be used to prove a violation of subsection 1, paragraph *"b"* or paragraph *"c"*, if the alcohol, controlled substance, or other drug concentration indicated by the chemical test minus the established margin of error inherent in the device or method used to conduct the chemical test does not equal or exceed the level prohibited by subsection 1.

11. This section does not limit the introduction of any competent evidence bearing on the question of whether a person was under the influence of an alcoholic beverage or a controlled substance or other drug, including the results of chemical tests of specimens of blood, breath, or urine obtained more than two hours after the person was operating a motorboat or sailboat.

12. *a.* All substance abuse evaluations required under this section shall be completed at the defendant's expense.

*b.* In addition to assignment to substance abuse evaluation and treatment under this section, the court shall order any defendant convicted under this section to follow the recommendations proposed in the substance abuse evaluation for appropriate substance abuse treatment for the defendant. Court-ordered substance abuse treatment is subject to the periodic reporting requirements of section 125.86.

*c.* If a defendant is committed by the court to a substance abuse treatment facility, the administrator of the facility shall report to the court when it is determined that the defendant has received the maximum benefit of treatment at the facility and the defendant shall be released from the facility. The time for which the defendant is committed for treatment shall be credited against the defendant's sentence.

*d.* The court may prescribe the length of time for the evaluation and treatment or the court may request that the community college or licensed substance abuse program conducting the course for drinking drivers which the defendant is ordered to attend or the treatment program to which the defendant is committed immediately report to the court when the defendant has received maximum benefit from the course for drinking drivers or treatment program or has recovered from the defendant's addiction, dependency, or tendency to chronically abuse alcohol or drugs.

*e.* Upon successfully completing a course for drinking drivers or an ordered substance abuse treatment program, a court may place the defendant on probation for six months and

as a condition of probation, the defendant shall attend a program providing posttreatment services relating to substance abuse as approved by the court.

*f.* A defendant committed under this section who does not possess sufficient income or estate to make payment of the costs of the treatment in whole or in part shall be considered a state patient and the costs of treatment shall be paid as provided in section 125.44.

*g.* A defendant who fails to carry out the order of the court shall be confined in the county jail for twenty days in addition to any other imprisonment ordered by the court or may be ordered to perform unpaid community service work, and shall be placed on probation for one year with a violation of this probation punishable as contempt of court.

*h.* In addition to any other condition of probation, the defendant shall attend a program providing substance abuse prevention services or posttreatment services related to substance abuse as ordered by the court. The defendant shall report to the defendant's probation officer as ordered concerning proof of attendance at the treatment program or posttreatment program ordered by the court. Failure to attend or complete the program shall be considered a violation of probation and is punishable as contempt of court.

13. *a.* Upon a second or subsequent offense in violation of section 462A.14, the court upon hearing may commit the defendant for inpatient treatment of alcoholism or drug addiction or dependency to any hospital, institution, or community correctional facility in this state providing such treatment. The time for which the defendant is committed for treatment shall be credited against the defendant's sentence.

*b.* The court may prescribe the length of time for the evaluation and treatment or the court may request that the hospital to which the defendant is committed immediately report to the court when the defendant has received maximum benefit from the program of the hospital or institution or has recovered from the defendant's addiction, dependency, or tendency to chronically abuse alcohol or drugs.

*c.* A defendant committed under this section who does not possess sufficient income or estate to make payment of the costs of the treatment in whole or in part shall be considered a state patient and the costs of treatment shall be paid as provided in section 125.44.

[C97, §2513; S13, §2513; C24, 27, 31, §1695; C35, §1703-e5; C39, §**1703.05;** C46, 50, 54, 58, §106.5, 106.28; C62, 66, 71, 73, 75, 77, 79, 81, §106.14; 82 Acts, ch 1028, §18]

C93, §462A.14

2000 Acts, ch 1099, §2; 2000 Acts, ch 1232, §74; 2007 Acts, ch 10, §176; 2011 Acts, ch 24, §2

Referred to in §462A.2, 462A.14A, 462A.14B, 462A.14C, 462A.14D, 462A.14E, 462A.14F, 462A.34B, 811.1, 907.3, 915.80

**462A.14A Implied consent to test.**

1. A person who operates a motorboat or sailboat on the navigable waters in this state under circumstances which give reasonable grounds to believe that the person has been operating a motorboat or sailboat in violation of section 462A.14 is deemed to have given consent to the withdrawal of specimens of the person's blood, breath, or urine and to a chemical test or tests of the specimens for the purpose of determining the alcohol concentration or presence of controlled substances or other drugs, subject to this section.

2. *a.* If a peace officer has reasonable grounds to believe that any of the following has occurred, the peace officer may request that the motorboat or sailboat operator provide a sample of the operator's breath for a preliminary screening test using a device approved by the commissioner of public safety for that purpose:

(1) The motorboat or sailboat operator may be violating or has violated section 462A.14.

(2) The motorboat or sailboat has been involved in an accident resulting in injury or death.

(3) The motorboat or sailboat operator is or has been operating carelessly or recklessly, in violation of section 462A.12.

*b.* The results of this preliminary screening test may be used for the purpose of deciding whether an arrest should be made or whether to request a chemical test authorized in this chapter, but shall not be used in any court action except to prove that a chemical test was properly requested of a person pursuant to this section.

3. The withdrawal of the body substances and the test or tests shall be administered at the written request of a peace officer having reasonable grounds to believe that the person was

operating a motorboat or sailboat in violation of section 462A.14, and if any of the following conditions exist:

*a.* A peace officer has lawfully placed the person under arrest for violation of section 462A.14.

*b.* The motorboat or sailboat has been involved in an occurrence resulting in personal injury or death.

*c.* The person has refused to take a preliminary breath screening test provided by this chapter.

*d.* The preliminary breath screening test was administered and it indicated an alcohol concentration equal to or in excess of the level prohibited by section 462A.14.

*e.* The preliminary breath screening test was administered and it indicated an alcohol concentration of less than the level prohibited under section 462A.14, and the peace officer has reasonable grounds to believe that the person was under the influence of a controlled substance, a drug other than alcohol or a combination of alcohol and another drug.

4. *a.* The peace officer shall determine which of the three substances, breath, blood, or urine, shall be tested.

*b.* If the peace officer fails to offer a test within two hours after the preliminary screening test is administered or refused, or the arrest is made, whichever occurs first, a test is not required, and there shall be no suspension of motorboat or sailboat operation privileges.

*c.* Refusal to submit to a chemical test of urine or breath is deemed a refusal to submit, and the peace officer shall inform the person that the person's refusal will result in the suspension of the person's privilege to operate a motorboat or sailboat.

*d.* Refusal to submit to a chemical test of blood is not deemed a refusal to submit, but in that case, the peace officer shall then determine which one of the other two substances shall be tested and shall offer the test.

*e.* Notwithstanding paragraphs "*a*" through "*d*", if the peace officer has reasonable grounds to believe that the person was under the influence of a drug other than alcohol, or a combination of alcohol and another drug, a urine test may be required even after a blood or breath test has been administered.

*f.* A person who is dead, unconscious, or otherwise in a condition rendering the person incapable of consent or refusal is deemed not to have withdrawn the consent provided by this section, and the test may be given if a licensed physician certifies in advance of the test that the person is dead, unconscious, or otherwise in a condition rendering that person incapable of consent or refusal.

*g.* A person who has been requested to submit to a chemical test shall be advised by a peace officer of the following:

(1) A refusal to submit to the test is punishable by a mandatory civil penalty of five hundred to two thousand dollars, and suspension of motorboat or sailboat operating privileges for at least a year. In addition, if the person is also convicted of operating a motorboat or sailboat while intoxicated, the person shall be subject to additional penalties.

(2) If the person submits to the test and the results indicate an alcohol concentration equal to or in excess of the level prohibited under section 462A.14 and the person is convicted, the person's motorboat or sailboat operating privileges will be suspended for at least one year and up to six years, depending upon how many previous convictions the person has under this chapter, and whether or not the person has caused serious injury or death, in addition to any sentence and fine imposed for a violation of section 462A.14.

5. Refusal to submit to a test under this section does not prohibit the withdrawal of a specimen for chemical testing if a motorboat or sailboat has been involved in an accident resulting in death or serious bodily injury, if the peace officer has reasonable grounds to believe that the operator of the motorboat or sailboat was violating section 462A.14 at the time of the accident, and the peace officer has obtained, in compliance with chapter 808 or according to the procedure in section 462A.14D, a search warrant permitting the withdrawal of a specimen for chemical testing. The act of any person knowingly resisting or obstructing the withdrawal of a specimen pursuant to a search warrant issued under this section constitutes a contempt punishable by a fine not exceeding one thousand dollars or

imprisonment in a county jail not exceeding one year or by both such fine and imprisonment, and further constitutes a refusal to submit, punishable under this section.

6. Only a licensed physician, licensed physician assistant as defined in section 148C.1, medical technologist, or registered nurse, acting at the request of a peace officer, may withdraw a specimen of blood for the purpose of determining the alcohol concentration or the presence of a controlled substance or other drugs. However, any peace officer, using devices and methods approved by the commissioner of public safety, may take a specimen of a person's breath or urine for the purpose of determining the alcohol concentration or the presence of drugs. Only new equipment kept under strictly sanitary and sterile conditions shall be used for drawing blood. Medical personnel who use reasonable care and accepted medical practices in withdrawing blood specimens are immune from liability for their actions in complying with requests made of them pursuant to this section.

7. The person may have an independent chemical test or tests administered at the person's own expense in addition to any administered at the direction of a peace officer. The failure or inability of the person to obtain an independent chemical test or tests does not preclude the admission of evidence of the results of the test or tests administered at the direction of the peace officer. Upon the request of the person who is tested, the results of the test or tests administered at the direction of the peace officer shall be made available to the person.

8. In any prosecution under section 462A.14, evidence of the results of analysis of a specimen of the defendant's blood, breath, or urine is admissible upon proof of a proper foundation. The alcohol concentration established by the results of an analysis of a specimen of the defendant's blood, breath, or urine withdrawn within two hours after the defendant was operating or was otherwise in physical control of a motorboat or sailboat is presumed to be the alcohol concentration at the time of operation or being in physical control of the motorboat or sailboat. If a person refuses to submit to a chemical test, proof of refusal is admissible in any civil or criminal action or proceeding arising out of acts alleged to have been committed while the person was operating a motorboat or sailboat in violation of section 462A.14. This section does not limit the introduction of any competent evidence bearing on the question of whether a person was under the influence of an alcoholic beverage or a controlled substance or other drug, including the results of chemical tests of specimens of blood, breath, or urine obtained more than two hours after the person was operating a motorboat or sailboat.

2000 Acts, ch 1099, §3; 2007 Acts, ch 28, §8

Referred to in §462A.2, 462A.14, 462A.14B, 462A.14C, 462A.14D

**462A.14B Refusal to submit — penalty.**

1. If a person refuses to submit to the chemical testing, a test shall not be given unless the procedure in section 462A.14D is invoked. However, if the person refuses the test, the person shall be punishable by the court according to this section.

2. The court, upon finding that the officer had reasonable ground to believe the person to have been operating a motorboat or sailboat in violation of section 462A.14, that specified conditions existed for chemical testing pursuant to section 462A.14A, and that the person refused to submit to the chemical testing, shall:

*a.* Order that the person shall not operate a motorboat or sailboat for one year.

*b.* Impose a mandatory civil penalty as follows:

(1) For a first refusal under this section, five hundred dollars.

(2) For a second refusal under this section, one thousand dollars.

(3) For a third or subsequent refusal under this section, two thousand dollars.

3. If the person does not pay the civil penalty by the time the one-year order not to operate expires, the court shall extend the order not to operate a motorboat or sailboat for an additional year, and may also impose penalties for contempt.

4. The court shall not defer judgment or sentencing, or suspend execution of any order or fine applicable under this section.

5. The penalties imposed by this section shall apply in addition to any penalties imposed under section 462A.14, except that the one-year period under the order not to operate a motorboat or sailboat under this section shall be imposed and run concurrently with any

period of time a defendant is ordered not to operate a motorboat or sailboat under section 462A.14.

2000 Acts, ch 1099, §4
Referred to in §462A.2, 462A.14, 462A.14E, 915.80

**462A.14C Statement of officer.**

1. A person who has been requested to submit to a chemical test shall be advised by a peace officer of the following:

*a.* A refusal to submit to the test is punishable by a mandatory civil penalty of five hundred to two thousand dollars, and suspension of motorboat or sailboat operating privileges for at least a year. In addition, if the person is also convicted of operating a motorboat or sailboat while intoxicated, the person shall be subject to additional penalties.

*b.* If the person submits to the test and the results indicate the presence of a controlled substance or other drug, or an alcohol concentration equal to or in excess of the level prohibited by section 462A.14, the person's privilege to operate a motorboat or sailboat will be prohibited for at least one year, and up to six years.

2. This section does not apply in any case involving a person described in section 462A.14A, subsection 4, paragraph "*f*".

3. If a person refuses to submit to a chemical test, proof of refusal is admissible in any civil or criminal action or proceeding arising out of acts alleged to have been committed while the person was operating a motorboat or sailboat in violation of section 462A.14.

2000 Acts, ch 1099, §5
Referred to in §462A.2

**462A.14D Tests pursuant to warrants.**

1. Refusal to consent to a test under section 462A.14A does not prohibit the withdrawal of a specimen for chemical testing pursuant to a search warrant issued in the investigation of a suspected violation of section 462A.14 if all of the following grounds exist:

*a.* An accident has resulted in a death or personal injury reasonably likely to cause death.

*b.* There are reasonable grounds to believe that one or more of the persons whose operation of a motorboat or sailboat may have been the proximate cause of the accident was violating section 462A.14 at the time of the accident.

2. Search warrants may be issued under this section in full compliance with chapter 808 or search warrants may be issued under subsection 3.

3. Notwithstanding section 808.3, the issuance of a search warrant under this section may be based upon sworn oral testimony communicated by telephone if the magistrate who is asked to issue the warrant is satisfied that the circumstances make it reasonable to dispense with a written affidavit. The following shall then apply:

*a.* When a caller applies for the issuance of a warrant under this section and the magistrate becomes aware of the purpose of the call, the magistrate shall place under oath the person applying for the warrant.

*b.* The person applying for the warrant shall prepare a duplicate warrant and read the duplicate warrant, verbatim, to the magistrate who shall enter, verbatim, what is read to the magistrate on a form that will be considered the original warrant. The magistrate may direct that the warrant be modified.

*c.* The oral application testimony shall set forth facts and information tending to establish the existence of the grounds for the warrant and shall describe with a reasonable degree of specificity the person or persons whose operation of a motorboat or sailboat is believed to have been the proximate cause of the accident and from whom a specimen is to be withdrawn and the location where the withdrawal of the specimen or specimens is to take place.

*d.* If a voice recording device is available, the magistrate may record by means of that device all of the call after the magistrate becomes aware of the purpose of the call. Otherwise, the magistrate shall cause a stenographic or longhand memorandum to be made of the oral testimony of the person applying for the warrant.

*e.* If the magistrate is satisfied from the oral testimony that the grounds for the warrant exist or that there is probable cause to believe that they exist, the magistrate shall order

the issuance of the warrant by directing the person applying for the warrant to sign the magistrate's name on the duplicate warrant. The magistrate shall immediately sign the original warrant and enter on its face the exact time when the issuance was ordered.

*f.* The person who executes the warrant shall enter the time of execution on the face of the duplicate warrant.

*g.* The magistrate shall cause any record of the call made by means of a voice recording device to be transcribed, shall certify the accuracy of the transcript, and shall file the transcript and the original record with the clerk. If a stenographic or longhand memorandum was made of the oral testimony of the person who applied for the warrant, the magistrate shall file a signed copy with the clerk.

*h.* The clerk of court shall maintain the original and duplicate warrants along with the record of the telephone call and any transcript or memorandum made of the call in a confidential file until a charge, if any, is filed.

4. *a.* Search warrants issued under this section shall authorize and direct peace officers to secure the withdrawal of blood specimens by medical personnel under section 462A.14A. Reasonable care shall be exercised to ensure the health and safety of the persons from whom specimens are withdrawn in execution of the warrants.

*b.* If a person from whom a specimen is to be withdrawn objects to the withdrawal of blood, the warrant may be executed as follows:

(1) If the person is capable of giving a specimen of breath, and a direct breath testing instrument is readily available, the warrant may be executed by the withdrawal of a specimen of breath for chemical testing, unless the peace officer has reasonable grounds to believe that the person was under the influence of a controlled substance, a drug other than alcohol, or a combination of alcohol and another drug.

(2) If the testimony in support of the warrant sets forth facts and information that the peace officer has reasonable grounds to believe that the person was under the influence of a controlled substance, a drug other than alcohol, or a combination of alcohol and another drug, a urine sample shall be collected in lieu of a blood sample, if the person is capable of giving a urine sample and the sample can be collected without the need to physically compel the execution of the warrant.

5. The act of any person knowingly resisting or obstructing the withdrawal of a specimen pursuant to a search warrant issued under section 462A.14D constitutes contempt punishable as provided in that section and further constitutes a refusal to submit. Also, if the withdrawal of a specimen is so resisted or obstructed, section 462A.14A applies.

6. Nonsubstantive variances between the contents of the original and duplicate warrants shall not cause a warrant issued under subsection 3 to be considered invalid.

7. Specimens obtained pursuant to warrants issued under this section are not subject to disposition under section 808.9 or chapter 809 or 809A.

8. Subsections 3 to 7 of this section do not apply where a test may be administered under section 462A.14A, subsection 4, paragraph "*f*".

9. Medical personnel who use reasonable care and accepted medical practices in withdrawing blood specimens are immune from liability for their actions in complying with requests made of them pursuant to search warrants or pursuant to section 462A.14A.

2000 Acts, ch 1099, §6

Referred to in §462A.2, 462A.14A, 462A.14B

**462A.14E Violations of orders not to operate a motorboat or sailboat.**

1. A person who operates a motorboat or sailboat after the person has been ordered, pursuant to section 462A.14 or 462A.14B, not to operate a motorboat or sailboat commits a serious misdemeanor, punishable with a jail term and a mandatory fine of one thousand dollars.

2. In addition to the jail term and fine, the court shall extend the period of prohibition of operating a motorboat or sailboat for an additional like period.

2000 Acts, ch 1099, §7

Referred to in §462A.2

**462A.14F Department recordkeeping.**

The department shall collect and maintain statistics on the number of arrests and convictions for violations of section 462A.14 that occur each year.

2000 Acts, ch 1099, §8

**462A.15 Water skis and surfboards.**

1. No person shall operate a vessel on any waters of this state under the jurisdiction of the commission for towing a person or persons on water skis, surfboard or similar device unless there is in such vessel a responsible person, in addition to the operator, in a position to observe the progress of the person or persons being towed.

2. This section does not apply to a performer engaged in a professional exhibition or a person or persons engaged in a professional exhibition or a person or persons engaged in an activity authorized under section 462A.16.

[C39, §**1703.17;** C46, 50, 54, 58, §106.17; C62, 66, 71, 73, 75, 77, 79, 81, §106.15; 82 Acts, ch 1028, §19]

C93, §462A.15

2002 Acts, ch 1050, §43

Referred to in §805.8B(1c)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph c

**462A.16 Regattas, races, marine parades, tournaments or exhibitions.**

1. The commission may authorize the holding of regattas, motorboat or other boat races, marine parades, tournaments or exhibitions on any waters of this state under the jurisdiction of the commission. The commission shall adopt and may, from time to time, amend regulations concerning the safety of vessels and persons, either observers or participants. If a regatta, motorboat or other boat race, marine parade, tournament or exhibition is proposed to be held, the person in charge thereof shall file an application with the commission for permission to hold such regatta, motorboat or other boat race, marine parade, tournament or exhibition. The application shall set forth the date, time and location where it is proposed to hold such regatta, motorboat or other boat race, marine parade, tournament or exhibition and it shall not be conducted without written authorization of the commission.

2. The provisions of this section shall not exempt any person from compliance with applicable federal law or regulation, but nothing contained herein shall be construed to require the securing of a state permit under this section if a permit therefor has been obtained from an authorized agency having jurisdiction of the waters where such regatta, race, marine parade, tournament or exhibition is being conducted.

[C39, §**1703.17;** C46, 50, 54, 58, §106.17, 106.28; C62, 66, 71, 73, 75, 77, 79, 81, §106.16]

C93, §462A.16

Referred to in §462A.9, 462A.11, 462A.15

**462A.17 Local regulations restricted.**

1. This chapter and other applicable laws of this state govern the operation, equipment, numbering and all other matters relating thereto of any vessel whenever the vessel is operated or maintained on the waters of this state under the jurisdiction of the commission, but this chapter does not prevent the adoption of any ordinance or local law relating to the operation or equipment of vessels. Such ordinances or local law are operative only so long as they are not inconsistent with this chapter or the rules adopted by the commission.

2. Any subdivision of this state may, but only after public notice thereof by publication in a newspaper having a general circulation in such subdivision, make formal application to the commission for special rules and regulations concerning the operation of vessels on any waters within its territorial limits and shall set forth therein the reasons which make such special rules or regulations necessary or appropriate.

3. The commission, upon application of local authorities, may make special rules in conformity with this chapter, concerning the operation of vessels on any waters of this state under the jurisdiction of the commission within the territorial limits of any subdivision of this state. Special rules shall only be adopted upon a finding by the commission that the rules are necessary to carry out the policies and purposes of this chapter due to special

conditions with regard to a particular body of water and that the special rules provide greater protection to the public health, safety, and welfare than the rules of general application.

[C39, §**1703.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §106.17; 82 Acts, ch 1028, §20, 21]

C93, §462A.17

Referred to in §805.8B(1e)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph e

**462A.18 Owner's civil liability.**

The owner and operator of any undocumented vessel shall be liable for any injury or damage occasioned by the negligent operation of such vessel.

[C39, §**1703.21;** C46, 50, 54, 58, §106.21; C62, 66, 71, 73, 75, 77, 79, 81, §106.18]

C93, §462A.18

**462A.19** Reserved.

**462A.20 Boat inspection.**

A vessel either for hire or offered for hire upon any waters of this state under the jurisdiction of the commission may be inspected at any time by representatives of the commission or by any peace officer who is trained in enforcing, and who in the regular course of duty enforces, boating and navigation laws.

Officers appointed by the commission or any peace officer who is trained in enforcing, and who in the regular course of duty enforces, boating and navigation laws shall have the power and authority to determine whether such vessel is safe for the transportation of passengers or cargo and upon what waters it may be used. They may determine and designate the number of passengers or cargo, including crew, that may be carried and determine whether the machinery, equipment and all appurtenances are such as to make the vessel seaworthy, where used, and such other matters as are pertinent.

Private vessels may also be inspected to determine their seaworthiness at any time by representatives of the commission or by any peace officer who is trained in enforcing, and who in the regular course of duty enforces, boating and navigation laws.

[C97, §2511, 2512, 2513; S13, §2512, 2513; C24, 27, 31, §1691, 1692, 1694; C35, §1703-e1 – e3, 1703-e5; C39, §**1703.01 – 1703.03, 1703.05;** C46, 50, 54, 58, §106.1 – 106.3, 106.5; C62, 66, 71, §106.19, 106.20; C73, 75, 77, 79, 81, §106.20]

C93, §462A.20

2005 Acts, ch 137, §9

**462A.21 Fees.** Repealed by 2005 Acts, ch 137, § 19.

**462A.22 Engineer or pilot license.** Repealed by 2005 Acts, ch 137, § 19.

**462A.23 Suspension or revocation.**

1. Any officer appointed by the commission may, for cause, temporarily suspend the registration certificate of any vessel that has been issued under this chapter, and the commission, after a due hearing on the matter at its next session, shall make final determination in the matter.

2. The commission shall forthwith revoke the registration certificate of any vessel and the owner's or operator's privilege to operate a vessel for hire or commercial vessel, upon receiving a record of such owner or operator's conviction of any of the following offenses, when such conviction has become final:

*a.* Manslaughter resulting from the operation of a vessel.

*b.* Operating a motorboat or sailboat while intoxicated, or manipulating water skis, a surfboard, or a similar device while in an intoxicated condition or under the influence of a narcotic drug.

*c.* Failure to stop and render aid as required by this chapter when an occurrence involving a vessel results in the death or personal injury of another.

*d.* Perjury or the making of a false affidavit or statement under oath to the commission under this chapter relating to the ownership or operation of a vessel.

3. The commission is hereby authorized to suspend the registration certificate of any vessel and the owner's or operator's privilege to operate a vessel for hire or commercial vessel upon a showing by its records that the owner or operator:

*a.* Has committed an offense for which mandatory revocation of the registration certificate or of the privilege to operate a vessel for hire or commercial vessel is required upon conviction.

*b.* Is a habitual reckless or negligent operator of a vessel for hire or commercial vessel.

*c.* Is incompetent to operate a vessel for hire or commercial vessel.

*d.* Has permitted an unlawful or fraudulent use of such registration certificate.

4. The commission is hereby authorized to suspend or revoke the certificate of registration of a vessel registered under the provisions of this chapter when:

*a.* It is satisfied that such registration certificate was fraudulently or erroneously obtained.

*b.* It determines that a registered vessel is unsafe to be operated on waters of the state under the jurisdiction of the commission.

*c.* A registered vessel has been abandoned or wrecked.

*d.* Identification numbers are knowingly displayed on a vessel other than the one to which assigned.

5. Upon revocation of any registration certificate, the commission shall notify the county recorder who issued the same, who shall immediately enter the revocation upon the recorder's records.

6. The commission is hereby authorized to suspend or revoke the special certificate of any manufacturer or dealer when it is satisfied that:

*a.* Such special certificate was fraudulently or erroneously obtained.

*b.* Such special certificate is being used in violation of the provisions of this chapter or the rules and regulations of the commission.

*c.* Such manufacturer or dealer is violating any of the provisions of this chapter or the rules and regulations of the commission.

[C97, S13, §2513; C24, 27, 31, §1695; C35, §1703-e5; C39, §**1703.05;** C46, 50, 54, 58, §106.5; C62, 66, 71, 73, 75, 77, 79, 81, §106.23]

C93, §462A.23

2000 Acts, ch 1099, §9; 2005 Acts, ch 137, §10 – 12; 2007 Acts, ch 28, §9

Referred to in §331.602, 462A.2, 915.80

**462A.24 Overloading of vessels.**

No person owning or operating a vessel shall permit said vessel to be occupied by more passengers and crew than the registration capacity permits.

[C39, §**1703.16, 1703.24;** C46, 50, 54, 58, §106.16, 106.24; C62, 66, 71, 73, 75, 77, 79, 81, §106.24]

C93, §462A.24

Referred to in §805.8B(1c)

For applicable scheduled fine, see §805.8B, subsection 1, paragraph c

**462A.25 Penalty.**

If an owner or operator of a vessel for hire or commercial vessel operated upon the waters of this state under the jurisdiction of the commission permits such vessel to be occupied by more passengers and crew than the registration capacity allows or if a person continues to operate a vessel for hire or commercial vessel after the person's privilege to operate the vessel has been revoked, the person shall be guilty of a serious misdemeanor. The provisions of this section shall not apply to vessels registered or numbered by authority of the United States.

[C97, §2513; S13, §2513, 2514-d; C24, 27, 31, §1695, 1700; C35, §1703-e6, 1703-e10; C39, §**1703.06, 1703.22, 1703.27;** C46, 50, 54, 58, §106.6, 106.22, 106.27; C62, 66, 71, 73, 75, 77, 79, 81, §106.25]

C93, §462A.25

2005 Acts, ch 137, §13

**462A.26 Right-of-way rules — speed and distance rules — zoning water areas.**

1. Vessel traffic shall be governed by the following rules:

*a.* Passing from rear — keep to the operator's left.

*b.* Passing head on — keep to the operator's right.

*c.* Passing at right angles — vessel at the right has the right-of-way.

*d.* Manually propelled vessels have the right-of-way over all other vessels.

*e.* Sailboats have the right-of-way over all motor driven vessels. Motorboats, when meeting or overtaking sailboats, shall always pass on the leeward side.

*f.* Any vessel backing from a landing has the right-of-way over incoming vessels.

*g.* When necessary to protect the public health, safety, and welfare due to the physical nature and characteristics of any waters under the jurisdiction of the commission, the commission may promulgate further rules governing vessel traffic on such waters.

2. The commission may adopt rules governing all activities on waters and ice of this state under the jurisdiction of the commission, including impoundments constructed by or in cooperation with the federal government, when necessary and desirable to permit appropriate utilization of specific water areas, consistent with section 462A.3. The rules may include rules relating to the following:

*a.* Zoning as to area, activity, vessel, or vehicle, speed, and time of day during which specified activities are permitted.

*b.* Horsepower, size, and types of vessels and vehicles which may be operated.

*c.* Safety precautions and practices required.

3. Except as provided in special rules promulgated under this chapter, the following speed and distance regulations apply:

*a.* On all waters under the jurisdiction of the commission:

(1) A motorboat shall not be operated at speeds greater than five miles per hour when within one hundred feet of another craft traveling at five miles per hour or less.

(2) Motorboats shall maintain a minimum passing or meeting distance of fifty feet when both boats are traveling at speeds greater than five miles per hour.

(3) A motorboat shall not be operated at a speed exceeding ten miles per hour unless vision is unobstructed at least two hundred feet ahead.

*b.* On all inland lakes and federal impoundments under the jurisdiction of the commission, a motorboat shall not be operated within three hundred feet of shore at a speed greater than ten miles per hour.

[C39, §**1703.14;** C46, 50, 54, 58, §106.14; C62, 66, §106.26; C71, 73, 75, 77, 79, 81, §106.26, 106.31; 82 Acts, ch 1028, §22]

C93, §462A.26

2011 Acts, ch 25, §57

Referred to in §805.8B(1b)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph b

**462A.27 Removal of nonpermanent structures.**

Every structure, not considered a permanent structure by the commission or excepted by the rules of the commission, shall be removed from the waters, ice, or land of this state under the jurisdiction of the commission on or before December 15 of each year. Failure to comply with this section shall cause the structure to be declared a public nuisance and disposition shall be in accordance with sections 483A.32 to 483A.34.

[C39, §**1703.16, 1703.25;** C46, 50, 54, 58, §106.16, 106.25; C62, 66, 71, 73, 75, 77, 79, 81, §106.27; 82 Acts, ch 1028, §23]

C93, §462A.27

Referred to in §805.8B(1d)

For applicable scheduled fine, see §805.8B, subsection 1, paragraph d

**462A.27A Dock requirements — exemptions.**

1. A dock in a boat harbor located on the Cedar river in a city with a population of more than one hundred twenty-five thousand located in a county with a population of more than two hundred thousand is exempt from all dock requirements of the department of natural

resources if the dock is in compliance with local city regulations for a dock in such a boat harbor except as provided in subsection 2.

2. A dock in a boat harbor located on the Cedar river in a city with a population of more than one hundred twenty-five thousand located in a county with a population of more than two hundred thousand that meets the requirements of subsection 1 and that uses containers as dock flotation devices that were not originally manufactured as dock flotation devices, may continue to use such containers as dock flotation devices if the containers were in use on or before April 10, 2010. At the time that such containers are replaced, the replacement dock flotation devices shall be dock flotation devices that comply with the rules of the department of natural resources. However, if the ownership of the dock is transferred, the new owner shall have six months from the date of transfer to replace such containers with dock flotation devices that comply with the rules of the department of natural resources.

2010 Acts, ch 1123, §1, 2

**462A.28 Unworthy vessels drydocked.**

A person shall not place or allow to remain in the waters of this state under the jurisdiction of the commission, any vessel which has failed to pass inspection. All vessels shall be seaworthy for the waters on which they are being used.

[C39, §**1703.25;** C46, 50, 54, 58, §106.25; C62, 66, 71, 73, 75, 77, 79, 81, §106.28; 82 Acts, ch 1028, §24]

C93, §462A.28

Referred to in §805.8B(1d)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph d

**462A.29 Official duty exempted.**

Peace officers, members of the commission, its deputies, agents and employees are not violating the provisions of this chapter while acting within the scope of their employment in search and rescue operations, law enforcement duty, emergency duty, and other resource management activities as determined by rules of the commission.

[C39, §**1703.26;** C46, 50, 54, 58, §106.26; C62, 66, 71, 73, 75, 77, 79, 81, §106.29; 82 Acts, ch 1028, §25]

C93, §462A.29

**462A.30 Aircraft restriction.**

It is unlawful for any aircraft to make use of the inland lakes of the state, except in the transportation of persons or property between points separated by a distance of thirty miles or more. However, this section does not prohibit the use of such waters by any aircraft in danger or distress or the use of such waters by the operators of private aircraft, not operated for hire. In addition, the commission may, on the recommendation of the state department of transportation, designate certain areas on inland lakes of the state where seaplane flight instruction may be conducted under such conditions as may be adopted by the commission and the state department of transportation.

[C39, §**1703.15;** C46, 50, 54, 58, §106.15; C62, 66, 71, 73, 75, 77, 79, 81, §106.30]

C93, §462A.30

**462A.31 Artificial lakes.**

1. Except as provided in rules adopted under this chapter, a motorboat shall not be permitted on any artificial lake under the jurisdiction of the commission except the following:

*a.* A motorboat equipped with one or more outboard battery operated electric trolling motors.

*b.* A motorboat equipped with any power unit mounted or carried aboard the vessel may be operated at a no-wake speed on all artificial lakes of more than one hundred acres in size under the custody of the department. However, on lake Macbride, a motorboat with a power unit exceeding ten horsepower may be operated only when permitted by rule and the rule shall not authorize such use during the period beginning on the Friday before Memorial Day and ending on Labor Day inclusively. This paragraph does not limit motorboat horsepower

on natural lakes under the custody of the department or limit the department's authority to establish special speed zoning regulations.

2. All privately owned vessels on artificial lakes under the jurisdiction of the commission shall be kept at locations designated by the commission.

3. All privately owned vessels, used on or kept at the artificial lakes under the jurisdiction of the commission, shall be seaworthy for the waters where they are kept and used. All such vessels shall be removed from state property whenever ordered by the commission, and, in any event, shall be removed from such property not later than December 15 of each year.

4. Upon construction of an artificial lake by a political subdivision of this state, the subdivision may, after publication in a newspaper of general circulation in the subdivision, make formal application to the commission for special rules relating to the operation of watercraft on the lake, and shall set forth therein the reasons which make such special rules necessary or appropriate. The commission may promulgate the special rules as provided in this chapter, concerning the operation of watercraft on a lake constructed and maintained by a subdivision of this state. Such special rules may include the following:

*a.* Zoning by area and time to regulate navigation and other types of activity.

*b.* Regulating the horsepower, size and type of watercraft.

5. As provided in section 350.5, county conservation boards may make regulations concerning horsepower limits and no-wake speeds on artificial lakes under their jurisdiction, except for state-owned artificial lakes managed by a county conservation board under a management agreement.

[C39, §**1703.16;** C46, 50, 54, 58, §106.16; C62, 66, 71, 73, 75, 77, 79, 81, §106.31; 82 Acts, ch 1028, §26]

86 Acts, ch 1227, §1; 87 Acts, ch 124, §1, 2; 92 Acts, ch 1101, §2, 3

C93, §462A.31

97 Acts, ch 91, §1

Referred to in §805.8B(1b, 1e)

For applicable scheduled fines, see §805.8B, subsection 1, paragraphs b and e

**462A.32 Rules for buoys.**

1. No private buoy shall be maintained in the waters of this state under the jurisdiction of the commission except as specified by the rules of the commission.

2. No other obstruction of any kind shall be maintained in the waters of this state under the jurisdiction of the commission without first receiving permission from the commission to maintain such obstruction.

3. It is unlawful to tamper with, move or attempt to move or, except in an emergency, moor a vessel to any waterway marker or state-approved buoy or sign.

4. No boat shall be anchored away from the shore and left unguarded unless it is attached to a legal buoy.

[C39, §**1703.18;** C46, 50, 54, 58, §106.18; C62, 66, 71, 73, 75, 77, 79, 81, §106.32; 82 Acts, ch 1028, §27]

C93, §462A.32

Referred to in §805.8B(1d)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph d

**462A.33 Driving over ice.**

1. A person operating a craft or vehicle propelled by sail or by machinery in whole or in part shall not operate the craft or vehicle on the surface of ice on the lakes and streams of this state including but not limited to boundary streams and lakes unless the commission issues the person a permit.

2. Subsection 1 does not apply to automobiles, motorcycles, or trucks registered under chapter 321; snowmobiles registered under chapter 321G; or all-terrain vehicles, off-road motorcycles, or off-road utility vehicles registered under chapter 321I, when any of those vehicles are used without endangering public safety.

3. Except when authorized by a permit for a special event, persons shall not operate automobiles, motorcycles, trucks, all-terrain vehicles, off-road motorcycles, or off-road

utility vehicles on the ice of waters under the jurisdiction of the commission at a rate of speed greater than is reasonable or proper under all existing circumstances.

4. A permit issued by the commission pursuant to this section may be suspended or revoked by the commission if a craft or vehicle is operated in a careless manner which endangers others.

[C39, §**1703.20;** C46, 50, 54, 58, §106.20; C62, 66, 71, 73, 75, 77, 79, 81, §106.33; 82 Acts, ch 1028, §28]

85 Acts, ch 67, §13

C93, §462A.33

2008 Acts, ch 1161, §14

Referred to in §805.8B(1b)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph b

**462A.34 Authorized emergency vessels.**

Upon approach of an authorized emergency vessel displaying a blue light or flashing blue light, the operator of every other vessel shall stop and yield the right-of-way until the authorized vessel has passed. The provisions of this section shall not relieve the operator of an authorized emergency vessel from the duty to operate the vessel with due regard for the safety of all persons using the waters of this state, nor shall the provisions relieve the operator of any such vessel from liability from the operator's negligence.

[C71, 73, 75, 77, 79, 81, §106.34]

C93, §462A.34

Referred to in §805.8B(1c)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph c

**462A.34A Vehicles prohibited in streambed.**

1. Except as provided in subsection 2, a person shall not operate a motor vehicle in any of the following:

*a.* Any portion of a meandered stream.

*b.* Any portion of the bed of a nonmeandered stream which has been identified as a navigable stream or river by rule adopted by the department and which is covered by water.

*c.* Any portion of a stream identified as a trout stream by the department.

2. This section does not prohibit the use of ford crossings of public or private roads or any other ford crossing when used for agricultural purposes, the operation of construction vehicles engaged in lawful construction, repair, or maintenance in a streambed, or the operation of motor vehicles on ice.

3. The department of natural resources shall adopt rules identifying the navigable streams and rivers in which a motor vehicle may be operated. The department may exempt participants of organized special events from this section where the organized special event is approved by a state or local authority.

4. As used in this section, "*motor vehicle*" means a motor vehicle as defined in section 321.1, subsection 42.

89 Acts, ch 244, §41

CS89, §106.34A

C93, §462A.34A

**462A.34B Eluding or attempting to elude pursuing law enforcement vessel — penalty.**

1. The operator of a vessel commits a serious misdemeanor if the operator willfully fails to bring the vessel to a stop or otherwise eludes or attempts to elude an authorized marked law enforcement vessel operated by a uniformed peace officer or by a water patrol officer of the department of natural resources, after being given a visual and audible signal to stop. The signals given by the officer shall be by displaying a blue light or flashing blue and red lights and by sounding a horn or siren.

2. The operator of a vessel commits an aggravated misdemeanor if the operator willfully fails to bring the vessel to a stop or otherwise eludes or attempts to elude an authorized marked law enforcement vessel operated by a uniformed peace officer or by a water patrol

officer of the department of natural resources, after being given a visual and audible signal to stop as provided in this section and in doing so exceeds a reasonable speed.

3. The operator of a vessel commits a class "D" felony if the operator willfully fails to bring the vessel to a stop or otherwise eludes or attempts to elude an authorized marked law enforcement vessel operated by a uniformed peace officer or by a water patrol officer of the department of natural resources, after being given a visual and audible signal to stop as provided in this section, and in doing so exceeds a reasonable speed, and if any of the following occurs:

*a.* The operator is participating in a public offense, as defined in section 702.13, that is a felony.

*b.* The operator is in violation of section 462A.14 or 124.401.

*c.* The offense results in bodily injury to a person other than the operator.

2007 Acts, ch 28, §10

## VESSEL REGISTRATION REGULATIONS

**462A.35 Special certificate for manufacturer or dealer.**

A manufacturer or dealer owning, storing, repairing, or altering a vessel required to be registered under this chapter may operate the vessel for purposes of transporting, testing, demonstrating, or selling the vessel without registering each such vessel, provided that any such vessel displays thereon a special certificate issued to the manufacturer or dealer as provided in this chapter. This special certificate shall not be used for any vessel offered for hire or for any work or service vessels owned by a manufacturer or dealer.

[C71, 73, 75, 77, 79, 81, §106.35]

91 Acts, ch 57, §1; 92 Acts, ch 1163, §27

C93, §462A.35

Referred to in §805.8B(1a)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph a

**462A.36 Fee for special certificate — minimum requirements for issuance.**

1. Any manufacturer or dealer may, upon payment of a fee of fifteen dollars, make application to the commission, upon such forms as the commission prescribes, for a special certificate containing a general distinguishing number and for one or more duplicate special certificates. The applicant shall submit such reasonable proof of the applicant's status as a bona fide manufacturer or dealer as the commission may require.

2. The commission may adopt rules consistent with this chapter establishing minimum requirements for a dealer or manufacturer to be issued a special certificate. In adopting such rules the department shall consider the need to protect persons, property, and the environment, and to promote uniform practices relating to the sale and use of vessels. The commission may also adopt rules providing for the suspension or revocation of a dealer's or manufacturer's special certificate issued pursuant to this section.

[C71, 73, 75, 77, 79, 81, §106.36]

C93, §462A.36

2012 Acts, ch 1100, §62

**462A.37 Number assigned — special signs.**

The commission, upon granting any such application, shall issue to the applicant a special certificate containing the applicant's name and address, the general distinguishing number assigned to the applicant, the word "manufacturer" or "dealer", and such other information as the commission may prescribe. The manufacturer or dealer shall have the number so awarded printed upon or attached to a removable sign or signs to be temporarily but

firmly mounted upon or attached to the vessel being used, and the display must meet the requirements of this chapter and the rules and regulations of the commission.

[C71, 73, 75, 77, 79, 81, §106.37]

C93, §462A.37

Referred to in §805.8B(1a)

For applicable scheduled fines, see §805.8B, subsection 1, paragraph a

**462A.38 Duplicates.**

The commission shall also issue duplicate special certificates as applied for which shall have displayed thereon the general distinguishing number assigned to the applicant. Each duplicate special certificate so issued shall contain a number or symbol identifying the same from every other duplicate special certificate bearing the same general distinguishing number. The fee for each additional duplicate special certificate shall be two dollars.

[C71, 73, 75, 77, 79, 81, §106.38]

C93, §462A.38

**462A.39 Expiration date.**

Each special certificate issued hereunder shall expire at midnight on April 30 of the last calendar year of the registration period, and a new special certificate for the ensuing registration period may be obtained upon application to the commission and payment of the fee provided by law.

[C71, 73, 75, 77, 79, 81, §106.39]

C93, §462A.39

2005 Acts, ch 137, §14

**462A.40 Record of use.** Repealed by 2012 Acts, ch 1100, § 69.

**462A.41 Separate certificate for each city.**

If a manufacturer or dealer has an established place of business in more than one city, the manufacturer or dealer shall secure a separate and distinct special certificate and general distinguishing number for each such place of business.

[C71, 73, 75, 77, 79, 81, §106.41]

C93, §462A.41

**462A.42 List of used boats on hand furnished.** Repealed by 2012 Acts, ch 1100, § 69.

**462A.43 Transfer of ownership.**

Upon the transfer of ownership of any vessel, the owner, except as otherwise provided by this chapter, shall complete the form on the back of the registration certificate and shall deliver it to the purchaser or transferee at the time of delivering the vessel. If a vessel has an expired registration at the time of transfer, the transferee shall pay all applicable fees for the current registration period, the appropriate writing fee, and a penalty of five dollars, and a transfer of number shall be awarded in the same manner as provided for in an original registration. All penalties collected pursuant to this section shall be forwarded by the commission to the treasurer of state, who shall place the money in the state fish and game protection fund. The money so collected is appropriated to the commission solely for the administration and enforcement of navigation laws and water safety.

[C71, 73, 75, 77, 79, 81, §106.43]

C93, §462A.43

2007 Acts, ch 28, §11

**462A.44 Application for transfer.**

The purchaser or transferee shall, except as otherwise provided by this chapter, within thirty days of the purchase or transfer, file a new application form with the county recorder

with a fee of one dollar and the appropriate writing fee, and a transfer of number shall be awarded in the same manner as provided for in an original registration.

[C71, 73, 75, 77, 79, 81, §106.44]
C93, §462A.44
2002 Acts, ch 1035, §1
Referred to in §331.605

**462A.45 Transfer by dealer.**

When the purchaser or transferee of a vessel is a dealer who holds the same for resale and operates the vessel only for purposes incident to a resale and displays thereon a special dealers' certificate, or does not operate such vessel or permit it to be operated, such transferee shall not be required to obtain a new registration certificate but upon transferring the title or interest to another person the dealer shall sign the reverse side of the registration certificate of such vessel indicating the name and address of the new purchaser.

[C71, 73, 75, 77, 79, 81, §106.45]
C93, §462A.45

**462A.46 Purchase of registered vessel by dealer.**

Whenever a dealer purchases or otherwise acquires a vessel registered in this state, the dealer shall issue a signed receipt to the previous owner, indicating the date of purchase or acquisition, the name and address of such previous owner, and the registration number of the vessel purchased or acquired.

[C71, 73, 75, 77, 79, 81, §106.46]
C93, §462A.46
2012 Acts, ch 1100, §63

**462A.47 Transfer to dealer.**

Nothing in this section shall prohibit a dealer from obtaining a new registration and transfer of registration in the same manner as other purchasers.

[C71, 73, 75, 77, 79, 81, §106.47]
C93, §462A.47

**462A.48 Sales by manufacturer or dealer.**

Upon the sale of a vessel by a manufacturer or dealer, the purchaser shall, within thirty days of the purchase, make application for registration and the purchaser may operate the vessel without its individual identification number thereon for a period of not more than thirty-five days after the purchase date, provided that during such period the vessel shall have attached thereto, in accordance with the provisions of this chapter, a pasteboard card bearing the words "registration applied for" and the special certificate number of the dealer from whom the vessel was purchased together with the date of purchase plainly stamped or stenciled thereon.

[C71, 73, 75, 77, 79, 81, §106.48]
C93, §462A.48
2002 Acts, ch 1035, §2

**462A.49 Prohibited use of "applied for" card.**

No manufacturer or dealer shall permit the use of such card unless an application for a registration certificate has been made.

[C71, 73, 75, 77, 79, 81, §106.49]
C93, §462A.49

**462A.50 Official cards only to be used.**

The commission shall, upon the application of any manufacturer or dealer, furnish "registration applied for" cards free of charge. No cards shall be used except those furnished by the commission.

[C71, 73, 75, 77, 79, 81, §106.50]
C93, §462A.50

**462A.51 County recorder — duties.**

The county recorder shall be responsible for all fees and penalties for the issuance of vessel registrations. All unused registration certificates shall be surrendered to the commission upon demand.

[C71, 73, 75, 77, 79, 81, §106.51]
C93, §462A.51
Referred to in §331.602

**462A.52 Fees remitted to commission.**

1. Within ten days after the end of each month, a county recorder shall remit to the commission all fees collected by the recorder during the previous month. Before May 10 of the registration period beginning May 1 of that year, a county recorder shall remit to the commission all unused license blanks for the previous registration period. All fees collected for the registration of vessels shall be forwarded by the commission to the treasurer of the state, who shall place the money in the state fish and game protection fund. The money so collected is appropriated to the commission solely for the administration and enforcement of navigation laws and water safety.

2. Notwithstanding subsection 1, any increase in revenues received on or after July 1, 2007, but on or before June 30, 2023, pursuant to this section as a result of fee increases pursuant to 2005 Iowa Acts, ch. 137, shall be used by the commission only for the administration and enforcement of programs to control aquatic invasive species and for the administration and enforcement of navigation laws and water safety upon the inland waters of this state and shall be used in addition to funds already being expended by the commission each year for these purposes. The commission shall not reduce the amount of other funds being expended on an annual basis for these purposes as of July 1, 2005, during the period of the appropriation provided for in this subsection.

3. The commission shall submit a written report to the general assembly by December 31, 2007, and by December 31 of each year thereafter through December 31, 2023, summarizing the activities of the department in administering and enforcing programs to control aquatic invasive species and administering and enforcing navigation laws and water safety upon the inland waters of the state. The report shall include information concerning the amount of revenues collected pursuant to this section as a result of fee increases pursuant to 2005 Iowa Acts, ch. 137, and how the revenues were expended. The report shall also include information concerning the amount and source of all other funds expended by the commission during the year for the purposes of administering and enforcing programs to control aquatic invasive species and administering and enforcing navigation laws and water safety upon the inland waters of the state and how the funds were expended.

[C71, 73, 75, 77, 79, 81, §106.52]
89 Acts, ch 102, §1
C93, §462A.52
2005 Acts, ch 137, §15; 2012 Acts, ch 1023, §64; 2013 Acts, ch 72, §1
Referred to in §331.602
Subsections 2 and 3 amended

**462A.53 Amount of writing fees.**

A writing fee of one dollar and twenty-five cents for each privilege shall be collected by the county recorder.

[C71, 73, 75, 77, 79, 81, §106.5, 106.53; 82 Acts, ch 1028, §29]

C93, §462A.53
2005 Acts, ch 137, §16; 2012 Acts, ch 1100, §64
Referred to in §331.605, 462A.5

**462A.54 Disposal of writing fees.**
The writing fees collected by the county recorder shall be paid to the county treasurer by the county recorder as other such fees are paid to the county treasurer by the county recorder.
[C71, 73, 75, 77, 79, 81, §106.54]
C93, §462A.54
Referred to in §331.602

**462A.55 Sales or use tax to be paid before registration.**
No vessel shall be registered by the county recorder until there has been presented to the recorder receipts, bills of sale, or other satisfactory evidence that the sales or use tax has been paid for the purchase of the vessel. If the owner of the vessel is unable to present satisfactory evidence that the sales or use tax has been paid, the county recorder shall collect the tax. On or before the tenth day of each month, the county recorder shall remit to the department of revenue the amount of the taxes so collected during the preceding month, together with an itemized statement on forms furnished by the department of revenue showing the name of each taxpayer, the make and purchase price of each vessel and motor, the amount of tax paid, and such other information as the department of revenue shall require.
[C71, 73, 75, 77, 79, 81, §106.55]
C93, §462A.55
2003 Acts, ch 145, §286
Referred to in §331.602

**462A.56 through 462A.65** Reserved.

**462A.66 Inspection authority.**
An officer of the commission or any peace officer who is trained in enforcing, and who in the regular course of duty enforces, boating and navigation laws may stop and inspect a vessel being launched, being operated, or being moored on the waters of this state under the jurisdiction of the commission to determine whether the vessel is properly registered, numbered, and equipped as provided under this chapter and rules of the commission. An officer may board a vessel in the course of an inspection if the operator is unable to supply visual evidence that the vessel is properly registered and equipped as required by this chapter and rules of the commission. The inspection shall not include an inspection of an area that is not essential to determine compliance with the provisions of this chapter and rules of the commission.
[82 Acts, ch 1028, §31]
C83, §106.66
C93, §462A.66
2005 Acts, ch 137, §17

**462A.67 Inspection deficiency order.**
If after performing an inspection the officer determines that the vessel is not properly registered, numbered, or equipped, the officer may issue an inspection deficiency order or citation to the operator of the vessel. The inspection deficiency order may indicate any deficiencies found to exist during the inspection and shall direct the owner or operator of the vessel to properly register or number the vessel or have equipment repairs or replacements made and return a copy of the inspection deficiency order with proof of compliance with the registration, numbering, or equipment requirements to the commission within fourteen days. If such proof is not provided within fourteen days, the owner or operator is in violation of this chapter.
[82 Acts, ch 1028, §32]
C83, §106.67
C93, §462A.67

**462A.68 Termination of use.**

A vessel for which an inspection deficiency order has been issued shall cease to be used as soon as possible and shall not be launched upon the waters of this state under the jurisdiction of the commission until the vessel is in compliance with the registration, numbering, or equipment requirement for which the order was issued.

[82 Acts, ch 1028, §33]
C83, §106.68
C93, §462A.68

**462A.69 Public use of water for navigation purposes.**

Water occurring in any river, stream, or creek having definite banks and bed with visible evidence of the flow of water is flowing surface water and is declared to be public waters of the state of Iowa and subject to use by the public for navigation purposes in accordance with law. Land underlying flowing surface water is held subject to a trust for the public use of the water flowing over it. Such use is subject to the same rights, duties, limitations, and regulations as presently apply to meandered streams, or other streams deemed navigable for commercial purposes and to any reasonable use by the owner of the land lying under and next to the flowing surface water.

[82 Acts, ch 1028, §34]
C83, §106.69
C93, §462A.69

**462A.70 Hull identification, capacity plates, warning labels.**

1. *Altering or changing numbers on plates.*

*a.* A person shall not with fraudulent intent, deface, destroy, or alter the hull identification number, capacity plate, or any other plate, warning label, or instrument required by state or federal law on a vessel or component part nor shall a person place or stamp a hull identification number, capacity plate, or any other warning label or instrument upon a vessel or component part except one assigned thereto by state or federal law.

*b.* This section does not prohibit the restoration of an original hull identification number, capacity plate, or any other original plate, warning label, or instrument required by state or federal law when the restoration is made by the commission nor prevent a manufacturer from placing in the ordinary course of business numbers, plates, or marks upon vessels or component parts.

2. *Test to determine true number or plate.* When it appears that a hull identification number, capacity plate, or any other plate, warning label, or instrument required by state or federal law has been altered, defaced, or tampered with, a peace officer or inspector employed by the commission or any other person acting under the direction of a peace officer or inspector, may apply any recognized process or test to the vessel or part containing such number or plate for the purpose of determining the true number or plate content.

3. *Right of inspection.* Peace officers or examiners employed by the commission may inspect any vessel or component part in possession of any person or found upon the waters of this state under the jurisdiction of the commission or in a public mooring or storage area or enclosure in which vessels or component parts are kept for sale, storage, hire, or repair and to determine vessel or component part identification may board the vessel or enter the public mooring or storage area or enclosure.

4. *Penalty.* A person who is convicted of a violation of any of the provisions of this section or rules adopted under this section by the commission is guilty of a class "D" felony.

[82 Acts, ch 1028, §35]
C83, §106.70
C93, §462A.70

**462A.71 Reciprocity.**

1. The director, with the consent of the commission, may enter into agreements with the appropriate regulatory agencies of other states as necessary or convenient to carry out the

purposes of this chapter and not inconsistent with this chapter, and may do all acts contained in the agreements.

2. The agreements may include, but are not restricted to, the following provisions:

*a.* Regulations in regard to registration, numbering, and equipment of vessels.

*b.* Operating requirements for vessels and vessel operators.

*c.* Enforcement activity of officers.

[82 Acts, ch 1028, §36]
C83, §106.71
C93, §462A.71
2011 Acts, ch 25, §143

**462A.72 through 462A.76** Reserved.

## VESSEL CERTIFICATES OF TITLE

**462A.77 Owner's certificate of title — in general.**

1. Except as provided in subsection 3, an owner of a vessel seventeen feet or longer in length principally used on the waters of the state and to be numbered pursuant to section 462A.4 shall apply to the county recorder of the county in which the owner resides for a certificate of title for the vessel. The requirement of a certificate of title does not apply to canoes, kayaks, or inflatable vessels regardless of length.

2. Each certificate of title shall contain the information and shall be issued in a form the department prescribes.

3. *a.* A person who, on January 1, 1988, is the owner of a vessel seventeen feet or longer in length with a valid certificate of number issued by the state is not required to file an application for a certificate of title for the vessel. A person who, on or after January 1, 1988, purchases a vessel seventeen feet or longer in length which was registered with a valid certificate of number issued by this state before January 1, 1988, shall obtain a certificate of title for the vessel.

*b.* A person who is the owner of a vessel that is documented with the United States coast guard is not required to file an application for a certificate of title for the vessel and the vessel is exempt from the requirements of section 462A.82, subsections 1 and 2, and section 462A.84.

4. Every owner of a vessel subject to titling under this chapter shall apply to the county recorder for issuance of a certificate of title for the vessel within thirty days after acquisition. The application shall be on forms the department prescribes, and accompanied by the required fee. The application shall be signed and sworn to before a notarial officer as provided in chapter 9B or other person who administers oaths, or shall include a certification signed in writing containing substantially the representation that statements made are true and correct to the best of the applicant's knowledge, information, and belief, under penalty of perjury. The application shall contain the date of sale and gross price of the vessel or the fair market value if no sale immediately preceded the transfer, and any additional information the department requires. If the application is made for a vessel last previously registered or titled in another state or foreign country, it shall contain this information and any other information the department requires.

5. If a dealer buys or acquires a used vessel for resale, the dealer shall report the acquisition to the county recorder on the forms the department provides, or the dealer may apply for and obtain a certificate of title as provided in this chapter. If a dealer buys or acquires a used unnumbered vessel, the dealer shall apply for a certificate of title in the dealer's name within fifteen days. If a dealer buys or acquires a new vessel for resale, the dealer may apply for a certificate of title in the dealer's name.

6. Every dealer transferring a vessel requiring titling under this chapter shall assign the title to the new owner, or in the case of a new vessel assign the certificate of origin. Within fifteen days the dealer shall forward all moneys and applications to the county recorder.

7. The county recorder shall maintain a record of any certificate of title which the county

recorder issues and shall keep each certificate of title on record until the certificate of title has been inactive for five years.

8. A person shall not sell, assign, or transfer a vessel titled by the state without delivering to the purchaser or transferee a certificate of title with an assignment on it showing title in the purchaser or transferee. A person shall not purchase or otherwise acquire a vessel required to be titled by the state without obtaining a certificate of title for it in that person's name.

9. A person who owns a vessel which is not required to have a certificate of title may apply for and receive a certificate of title for the vessel and the vessel shall subsequently be subject to the requirements of this division as though the vessel was required to be titled.

87 Acts, ch 134, §4
CS87, §106.77
88 Acts, ch 1008, §2; 92 Acts, ch 1073, §1
C93, §462A.77
96 Acts, ch 1020, §1; 97 Acts, ch 23, §55; 2005 Acts, ch 137, §18; 2012 Acts, ch 1050, §44, 60; 2013 Acts, ch 140, §98
Subsection 4 amended

**462A.78 Fees — surcharge — duplicates.**

1. *a.* The county recorder shall charge a five dollar fee to issue a certificate of title, a transfer of title, a duplicate, or a corrected certificate of title.

*b.* In addition to the fee required under paragraph "*a*", and sections 462A.82 and 462A.84, a surcharge of five dollars shall be required.

2. If a certificate of title is lost, stolen, mutilated, destroyed, or becomes illegible, the first lienholder or, if there is none, the owner named in the certificate, as shown by the county recorder's records, shall within thirty days obtain a duplicate by applying to the county recorder. The applicant shall furnish information the department requires concerning the original certificate and the circumstances of its loss, mutilation, or destruction. Mutilated or illegible certificates shall be returned to the department with the application for a duplicate.

3. The duplicate certificate of title shall be marked plainly "duplicate" across its face, and mailed or delivered to the applicant.

4. If a lost or stolen original certificate of title for which a duplicate has been issued is recovered, the original shall be surrendered promptly to the department for cancellation.

5. The funds collected under subsection 1, paragraph "*a*", shall be placed in the general fund of the county and used for the expenses of the county conservation board if one exists in that county. Of each surcharge collected as required under subsection 1, paragraph "*b*", the county recorder shall remit five dollars to the department of revenue for deposit in the general fund of the state.

87 Acts, ch 134, §5
CS87, §106.78
91 Acts, ch 267, §606
C93, §462A.78
95 Acts, ch 219, §42; 2003 Acts, ch 145, §286

**462A.79 Obtaining manufacturer's or importer's certificate of origin.**

A manufacturer or dealer shall not transfer ownership of a new vessel required to be titled without supplying the transferee with the manufacturer's or importer's certificate of origin signed by the manufacturer's or importer's authorized agent. The certificate shall contain information the department requires. The department may adopt rules providing for the issuance of a certificate of origin for a vessel by the department upon good cause shown by the owner.

87 Acts, ch 134, §6
CS87, §106.79
88 Acts, ch 1008, §3
C93, §462A.79

**462A.80 Hull identification number of vessel.**

1. Every vessel whose construction began after October 31, 1972, shall have a hull identification number assigned and affixed as required by the federal Boat Safety Act of 1971. The department shall determine the procedures for application and for issuance of the hull identification number for homebuilt boats.

2. A person shall not destroy, remove, alter, cover, or deface the manufacturer's hull identification number, the plate bearing it, or any hull identification number the department assigns to a vessel without the department's permission.

3. A person other than a manufacturer who constructs a vessel or uses an unconventional device as a vessel for navigation shall submit an affidavit which describes the vessel or device to the department. In cooperation with the county recorder, the department shall assign a hull identification number to the vessel or device. The applicant shall cause the number to be carved, burned, stamped, embossed, or otherwise permanently affixed to the outboard side of the transom or, if there is no transom, to the outermost starboard side at the end of the hull that bears the rudder or other steering mechanism, above the waterline of the vessel or device in such a way that alteration, removal, or replacement would be obvious and evident.

87 Acts, ch 134, §7
CS87, §106.80
C93, §462A.80

**462A.81 Dealer's record of vessels bought, sold, or transferred.**

Every dealer shall maintain for three years a record of any vessel bought, sold, exchanged, or received for sale or exchange. This record shall be open to inspection by department representatives during reasonable business hours.

87 Acts, ch 134, §8
CS87, §106.81
C93, §462A.81

**462A.82 Transfer or repossession of vessel by operation of law — coast guard documentation of vessel.**

1. If ownership of a vessel is transferred by operation of law, such as by inheritance, order in bankruptcy, insolvency, replevin, or execution sale, the transferee, within thirty days after acquiring the right to possession of the vessel by operation of law, shall mail or deliver to the county recorder satisfactory proof of ownership as the county recorder requires, together with an application for a new certificate of title, and the required fee. A title tax is not required on these transactions.

2. If a lienholder repossesses a vessel by operation of law and holds it for resale, the lienholder shall secure a new certificate of title and shall pay the required fee.

3. If a vessel is documented with the United States coast guard, the owner shall mail or deliver to the county recorder proof of the documentation and the owner's certificate of title issued pursuant to this chapter is canceled upon the delivery. A title tax is not required on these transactions.

87 Acts, ch 134, §9
CS87, §106.82
C93, §462A.82
96 Acts, ch 1020, §2
Referred to in §462A.77, 462A.78

**462A.83 Security interest in vessels — exemptions.**

This division does not apply to or affect any of the following:

1. A lien given by statute or rule of law to a supplier of services or materials for a vessel.

2. A lien given by statute to the United States, this state, or any political subdivision of this state.

3. A security interest in a vessel created by a manufacturer or dealer who holds the vessel for sale, but a buyer in the ordinary course of trade from the manufacturer or dealer takes free of the security interest.

4. A lien arising out of an attachment of a vessel.
5. A security interest claimed on proceeds if the original security interest did not have to be noted on the certificate of title in order to be perfected.
6. A vessel for which a certificate of title is not required under this chapter.
7. A security interest perfected under chapter 554 before January 1, 1988.
87 Acts, ch 134, §10
CS87, §106.83
C93, §462A.83

**462A.84 Perfection and titles — fee.**
1. A security interest created in this state in a vessel required to have a certificate of title is not perfected until the security interest is noted on the certificate of title.
*a.* To perfect the security interest, an application for security interest must be presented along with the original title. The county recorder shall note the security interest on the face of the title and on the copy in the recorder's office.
*b.* The application fee for a security interest is five dollars. The fees shall be credited to the county general fund.
2. The certificate of title shall be presented to the county recorder when the application for security interest or for assignment of the security interest is presented and a new or endorsed certificate of title shall be issued to the secured party with the name and address of the secured party upon it.
3. When a security interest is discharged, the secured party shall note the cancellation of the security interest on the face of the certificate of title and send the title by first class mail to the office of the county recorder where the title was issued, or the secured party shall send a notarized letter by first class mail to the county recorder where the title was issued notifying the county recorder of the cancellation of the security interest. The county recorder shall note the release of the security interest in the county records as evidence of the release of the security interest.
87 Acts, ch 134, §11
CS87, §106.84
88 Acts, ch 1008, §4
C93, §462A.84
2007 Acts, ch 28, §12
Referred to in §462A.77, 462A.78

**462A.85 Forms — investigations.**
1. The department shall prescribe and provide suitable forms for applications, certificates of title, notices of security interests, and all other notices and forms necessary to carry out this division.
2. The department may make necessary investigations to procure information required to carry out this division.
87 Acts, ch 134, §12
CS87, §106.85
88 Acts, ch 1008, §5
C93, §462A.85

# CHAPTER 462B

## PROTECTED WATER AREA SYSTEM

Referred to in §455A.4, 455A.5, 456A.14, 456A.24, 481A.1

This chapter not enacted as a part of this title;
transferred from chapter 108A in Code 1993


462B.1 Definitions.
462B.2 State plan.
462B.3 Nomination of prospective protected water areas.
462B.4 Prospective designation.
462B.5 Prospective designation public hearing.
462B.6 Management plan.
462B.7 Management plan public hearing.
462B.8 Designation.
462B.9 Protection methods.
462B.10 Landowner cooperation.
462B.11 Judicial review.
462B.12 Local tax reimbursement.
462B.13 Interagency cooperation.
462B.14 Management cooperation with local government subdivisions.
462B.15 Part of a national system.
462B.16 Departmental rules.


**462B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commission"* means the natural resource commission.
2. *"Conservation easement"* means an easement as defined in section 457A.2.
3. *"Department"* means the department of natural resources.
4. *"Legislature"* means the Iowa general assembly.
5. *"Management plan"* means the document that states the goals and objectives of a specific protected water area which has been proposed for designation, the specific description of the area to be protected, land use agreements with property owners, the specific management programming considerations for the area, the in-depth project evaluations, analysis, justifications, and cost estimates, the proposed acquisition of fee title and conservation easements and other agreements, and the specific design and layout of facilities.
6. *"Prospective protected water area"* means a water area designated by the commission for which an in-depth study for permanent designation as an element of the protected water area system is conducted. Such areas shall possess outstanding cultural and natural resource values such as water conservation, scenic, fish, wetland, forest, prairie, mineral, geological, historic, archaeological, recreation, education, water quality, or flood protection values.
7. *"Protected water area"* means a water area permanently designated by the commission for inclusion in the protected water area system.
8. *"Protected water area system"* means a total comprehensive program that includes the goals and objectives, the state plan, the individual management plans, the prospective protected water areas, the protected water areas, the acquisition of fee title and conservation easements and other agreements, and the administration and management of such areas.
9. *"State plan"* means a long-range comprehensive document that states the goals and objectives of the protected water area system, establishes the procedure and criteria for prospective protected water area designation, provides the format for prospective area analysis, establishes a priority system for prospective area study, recommends potential areas for inclusion into the system, institutes interagency coordination, and outlines general administrative and management needs to develop and administer this system.
10. *"Water area"* means a river, lake, wetland, or other body of water and adjacent lands where the use of those lands affects the integrity of the water resource.

84 Acts, ch 1261, §2
C85, §108A.1
86 Acts, ch 1245, §1848, 1849
C93, §462B.1
Referred to in §462B.4

**462B.2 State plan.**

The commission shall maintain a state plan for the design and establishment of an administrative framework of a protected water area system and those adjacent lands needed to protect the integrity of that system.

84 Acts, ch 1261, §4
C85, §108A.2
C93, §462B.2

**462B.3 Nomination of prospective protected water areas.**

After basic resource and user data are gathered by or provided to the commission and the commission deems an area has merit for inclusion into a protected water area system, it may nominate the area for prospective protected water area designation. Other public agencies, interest groups, or citizens, may also recommend nomination of water areas for consideration of inclusion into the protected water area system by submitting to the commission a statement which includes at minimum a general description of the area being recommended for nomination, the resources needing protection, and the benefits to be derived from protecting the resources and a list of the individuals, organizations, and public agencies supporting the nomination.

84 Acts, ch 1261, §5
C85, §108A.3
C93, §462B.3

**462B.4 Prospective designation.**

The commission may designate all or part of any water area having any or all of the resource values cited in section 462B.1, subsection 6, as a prospective protected water area. The prospective designation shall be in effect for a period not to exceed two years during which a management plan is prepared for the protection and enhancement of those values cited in section 462B.1, subsection 6.

84 Acts, ch 1261, §6
C85, §108A.4
C93, §462B.4

**462B.5 Prospective designation public hearing.**

After the nomination of prospective protected water areas by the commission and prior to the designation as a prospective protected water area, the commission shall conduct a public hearing in the vicinity of the water area. Notice of the hearing shall be published at least twice, not less than seven days prior to the hearing, in a newspaper having general circulation in each county in which the proposed water area is located.

84 Acts, ch 1261, §7
C85, §108A.5
C93, §462B.5

**462B.6 Management plan.**

The commission shall prepare and maintain a management plan containing the recommendations for the establishment, development, management, use, and administration of each prospective protected water area designated by the commission. The management plan shall be completed during the two-year prospective designation period.

84 Acts, ch 1261, §8
C85, §108A.6
C93, §462B.6

**462B.7 Management plan public hearing.**

The commission shall hold a final public hearing on the completed management plan in the vicinity of the water area at least thirty days before permanent designation by the commission. Notice of the hearing shall be published at least twice, not less than seven days prior to the

hearing, in a newspaper having general circulation in each county in which the water area is located.

84 Acts, ch 1261, §9
C85, §108A.7
85 Acts, ch 67, §14
C93, §462B.7

**462B.8 Designation.**

The commission may adopt the management plan and may permanently designate the area into the protected water area system. Upon the commission adopting the management plan and permanently designating the area as a protected water area, the commission may submit the management plan to the legislature for funding consideration.

84 Acts, ch 1261, §10
C85, §108A.8
C93, §462B.8

**462B.9 Protection methods.**

The commission may use any one or a combination of the available methods, except condemnation, for managing and preserving a protected water area, including but not limited to fee and less than fee title acquisition techniques, such as easements, leasing agreements, covenants, and existing tax incentive programs.

84 Acts, ch 1261, §11
C85, §108A.9
C93, §462B.9

**462B.10 Landowner cooperation.**

Recognizing that most of the protected water areas may be within privately owned lands, the legislature encourages the commission to cooperate with the landowners within the designated areas in achieving the purposes of this chapter. Likewise, the landowners within the designated areas are encouraged to cooperate with the commission. Commission staff shall meet separately or in small groups with landowners within interim protected water areas during the preparation of the master plan to establish workable and acceptable agreements for the protection of the area and its accompanying resources in a manner consistent with the purposes of this chapter and the interest and concerns of the landowner.

84 Acts, ch 1261, §12
C85, §108A.10
C93, §462B.10

**462B.11 Judicial review.**

Judicial review of action of the commission may be sought in accordance with chapter 17A. Notwithstanding chapter 17A, petitions for judicial review may be filed in the district court of Polk county or of any county in which the property affected is located.

84 Acts, ch 1261, §13
C85, §108A.11
C93, §462B.11

**462B.12 Local tax reimbursement.**

The state of Iowa shall reimburse from the general fund of the state any political subdivision the amount of tax moneys lost due to any lower assessments of property resulting from lease agreements, and the acquisition of public lands and conservation easements stemming from designation of a protected water area.

84 Acts, ch 1261, §14
C85, §108A.12
C93, §462B.12

**462B.13 Interagency cooperation.**

All state and local agencies shall cooperate with the commission and coordinate their authorities, responsibilities, and program administration in a manner which will aid in the integrity of the protected water area system as outlined in the state plan, individual management plans, and commission administrative rules.

84 Acts, ch 1261, §15
C85, §108A.13
C93, §462B.13

**462B.14 Management cooperation with local government subdivisions.**

The commission may enter into written cooperative agreements with county boards of supervisors, county conservation boards, and municipal public agencies, for the management of a protected water area.

84 Acts, ch 1261, §16
C85, §108A.14
C93, §462B.14

**462B.15 Part of a national system.**

This chapter does not preclude a component of the protected water area system from being a part of the national wild and scenic river system under the federal Wild and Scenic Rivers Act, 16 U.S.C. § 1271 – 1287. The commission may enter into a written cooperative agreement for joint federal-state administration of rivers which may be designated under that federal Act.

84 Acts, ch 1261, §17
C85, §108A.15
C93, §462B.15

**462B.16 Departmental rules.**

The commission shall adopt under chapter 17A and enforce the administrative rules it deems necessary to carry out this chapter.

84 Acts, ch 1261, §18
C85, §108A.16
C93, §462B.16

# CHAPTER 463

RESERVED

# CHAPTER 463A

## UPPER MISSISSIPPI RIVERWAY COMPACT

Repealed by 2000 Acts, ch 1031, §1

# CHAPTER 463B

## MISSOURI RIVER PRESERVATION AND LAND USE AUTHORITY

Referred to in §456A.14, 456A.24, 461A.78, 481A.1

This chapter not enacted as a part of this title;
transferred from chapter 108B in Code 1993

463B.1 Legislative findings.
463B.2 Missouri river preservation and land use authority created — duties.
463B.3 Missouri river preservation and land use fund.

**463B.1 Legislative findings.**

The general assembly finds that the Missouri river is an important natural resource to the state of Iowa and that the creation of comprehensive plans which lead to the purchase, development, and preservation of land adjacent to the Missouri river will provide recreational and economic benefits to the state and to the counties and cities which border on the river. The general assembly further finds that current planning and purchase efforts relating to development of Missouri riverfront property have fallen short of the goal of developing a comprehensive plan for the recreational development of the Missouri river and that the creation of an authority which has the mission of engaging in these efforts will have a greater likelihood of reaching the desired goal.

91 Acts, ch 246, §1
CS91, §108B.1
C93, §463B.1

**463B.2 Missouri river preservation and land use authority created — duties.**

1. A Missouri river preservation and land use authority is created to engage in comprehensive planning for and the development and implementation of strategies designed to preserve and restore the natural beauty of the land adjacent to and the water of the Missouri river through state land acquisition. Planning and implementation activities shall be coordinated with plans and implementation activities of the department of natural resources for lands owned or acquired by the department. The authority shall be composed of a representative from each of the county conservation boards of the counties which border on the Missouri river, an elected official selected by the county board of supervisors of each of the counties which border on the Missouri river, six at-large public members, and four ex officio members. The board of supervisors of the counties which border on the Missouri river shall each appoint one of the at-large public members, who shall possess a demonstrated interest in or knowledge about natural resource conservation and protection and one of whom shall also be actively engaged in the business of farming. Interest or knowledge of an at-large member may be demonstrated by membership in an association or other organization which is involved in conservation, environmental protection, or related activities. The ex officio members of the authority shall be composed of a representative from the natural resource commission of the department of natural resources, a representative from the state department of transportation, a representative from the department of cultural affairs, and a representative from the office of attorney general. Members of the authority shall serve two-year terms. Members who are also members of a county conservation board or board of supervisors shall be reimbursed only for actual expenses incurred while performing duties of the authority. At-large members

shall be reimbursed for actual expenses and shall receive a per diem as specified in section 7E.6 for their performance of duties for the authority.

2. The mission of the authority is to research, develop comprehensive plans, and implement strategies which emphasize the creation of multipurpose recreational areas that foster and accent the natural characteristics of the Missouri river and which provide for environmentally sound land and water use practices for land adjacent to the Missouri river; to designate and prioritize for purchase parcels of land which are located in areas critical for the environmental health of the Missouri river waterway; to develop plans for and to acquire parcels of land to establish a public greenbelt along the banks of the Missouri river; to develop plans for public recreational use of lands adjacent to the Missouri river, including but not limited to a public bicycle trail; and to cooperate with county and city authorities, and federal and state authorities in order to fulfill the mission of the authority.

3. The authority shall develop plans and proposals and conduct public hearings relating to the conservation, preservation, and acquisition of land adjacent to the Missouri river. In developing plans and proposals the authority shall consult with any person or organization which has interests that would be affected by the acquisition and development of Missouri river property in accordance with the mission of the authority, including but not limited to utility companies, municipalities, agricultural organizations, the corps of engineers, rural water districts, soil and water conservation districts, private water suppliers, business and industry organizations, drainage and levee district associations, benefited recreational lake districts, and any soil conservation organizations. The authority shall include a copy of any plans and proposals and shall document the results and findings of those hearings in a report or series of reports. The authority shall submit an initial report, including an outline for a proposed ten-year plan and strategies for the attainment of the goals of this section, to the general assembly by the first day of the legislative session which commences in 1993. As part of the authority's planning and coordinating effort, the authority shall consult, at least annually, with the Iowa boundary commission and shall send copies of the minutes of all meetings of the authority to the commission. Within one year of July 1, 1991, the authority shall meet with the Iowa boundary commission. Meetings with the Iowa boundary commission shall be held at a time and a place agreed to between the commission and the authority.

4. The authority shall administer the Missouri river preservation and land use fund, under section 463B.3, and shall deposit and expend moneys in the fund for the development of plans for, development of, and purchase of lands adjacent to the Missouri river and for annual payment of property taxes on any land purchased. The county treasurer shall certify the amount of taxes due to the authority. The assessed value of the property held by the authority shall be that value determined under section 427.1, subsection 18, and the authority may protest the assessed value in the manner provided by law for any property owner to protest an assessment. For purposes of chapter 257, the assessed value of any property which was acquired by the authority shall be included in the valuation base of the school district and the payments made by the authority shall be considered as property tax revenues and not as miscellaneous income. The expenditure of funds may include, but is not limited to, use of moneys from the Missouri river preservation and land use fund to match funds from state, federal, and private resources.

5. The title to all property purchased by the authority shall be taken in the name of the state, but no land shall be acquired through condemnation proceedings and all purchases shall be from willing sellers. The authority may transfer jurisdiction over any lands the authority acquires to the department of natural resources, or may enter into agreements with the department or the appropriate county conservation board, for the management of the lands. All lands purchased shall be for public use, and not for private commercial purposes, but the authority may permit the expenditure of private funds for the improvement of land or water adjacent to or purchased by the authority. All surveys and plats of lands purchased by the authority shall be filed in the manner provided in section 461A.22. Land purchased by the authority shall be managed and policed in the manner provided under agreements between the authority and the agency responsible for management of the property, except that, subject to the restrictions contained in chapter 455B, the authority shall not be required

to obtain the prior permission of the natural resource commission when using private funds to establish land or water recreational areas, and any property purchased by the authority shall not be sold without the prior notification and consent of the authority.

91 Acts, ch 246, §2
CS91, §108B.2
C93, §463B.2
Referred to in §463B.3

**463B.3 Missouri river preservation and land use fund.**

A Missouri river preservation and land use fund is established in the office of treasurer of state, to be administered by and subject to the use of the Missouri river preservation and land use authority for the purposes established in section 463B.2. The Missouri river preservation and land use authority may accept gifts, grants, bequests, other moneys including but not limited to state or federal moneys, and in-kind contributions for deposit in the fund for the use of the authority to carry out the authority's mission. Gifts, grants, and bequests from public and private sources, state and federal moneys, and other moneys received by the authority shall be deposited in the fund and any interest earned on the fund shall be credited to the fund to be used for the purposes specified in section 463B.2. Notwithstanding section 8.33, any unexpended or unencumbered moneys remaining in the fund at the end of a fiscal year shall not revert to the general fund, but shall remain available for expenditure by the authority in succeeding fiscal years.

91 Acts, ch 246, §3
CS91, §108B.3
C93, §463B.3
Referred to in §463B.2

# CHAPTER 463C

## HONEY CREEK PARK DEVELOPMENT

Referred to in §12.30

463C.1 Title.
463C.2 Definitions.
463C.3 Legislative findings.
463C.4 Establishment of Honey creek premier destination park authority.
463C.5 Governing board.
463C.6 Staff — assistance by state officers, agencies, and departments.
463C.7 Limitation of liability.
463C.8 General powers of authority.
463C.9 Powers not restricted — law complete in itself.
463C.10 Honey creek premier destination park bond program.
463C.11 Honey creek premier destination park bond fund.
463C.12 Premier destination park bonds.
463C.13 Bond reserve funds.
463C.14 Pledges.
463C.15 Moneys of the authority.
463C.16 Annual report.
463C.17 Exemption from certain laws.
463C.18 Bankruptcy.
463C.19 Dissolution of the authority.
463C.20 Liberal interpretation.

**463C.1 Title.**

This chapter shall be known and may be cited as the *"Honey Creek Premier Destination Park Bond Program"*.

2005 Acts, ch 178, §43, 64

**463C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Authority"* means the Honey creek premier destination park authority created in section 463C.4.

2. *"Board"* means the governing board of the authority.

3. *"Bonds"* means bonds, notes, and other obligations and financing arrangements issued or entered into by the authority pursuant to this chapter.

4. *"Department"* means the department of natural resources.

5. *"Fund"* means the Honey creek premier destination park bond fund created in section 463C.11.

6. *"Gross revenues"* means all income and receipts derived from the operation of the Honey creek premier destination park.

7. *"Net revenues"* means gross revenues less operating expenses.

8. *"Operating expenses"* means salaries, wages, costs of maintenance and operation, and costs of materials, supplies, insurance, and purchases made at wholesale, in connection with the operation of the Honey creek premier destination park, and all other items normally included as operating expenses under requirements of law or recognized accounting practices. *"Operating expenses"* does not include depreciation, costs of capital improvements or extensions, bond principal payments, or bond interest payments.

9. *"Program"* means the Honey creek premier destination park bond program established in section 463C.10.

2005 Acts, ch 178, §44, 64; 2006 Acts, ch 1004, §1, 5

**463C.3 Legislative findings.**

1. The establishment of the Honey creek premier destination park bond program and Honey creek premier destination park authority is in all respects for the benefit of the people of the state of Iowa, for the improvement of their health and welfare, and for the promotion of the economy, which are public purposes.

2. The authority will be performing an essential governmental function in the exercise of the powers and duties conferred upon it by this chapter.

3. The authority will assist in the establishment of the Honey creek premier destination park in the state which will provide important recreational and economic benefits to the state.

4. Current efforts to develop the Honey creek premier destination park in the state have fallen short and the creation of an authority which has the mission of engaging and assisting in these efforts will increase the likelihood of reaching the desired goal.

5. It is necessary to create the Honey creek premier destination park bond program and authority to encourage the investment of private capital to stimulate the development and construction of the park including lodges, campgrounds, cabins, and golf courses through the use of public financing, and to this extent it is the public policy of this state to support the Honey creek premier destination park bond program in the procurement of necessary moneys for deposit into the Honey creek premier destination park bond fund.

2005 Acts, ch 178, §45, 64

**463C.4 Establishment of Honey creek premier destination park authority.**

1. The Honey creek premier destination park authority is created and constitutes a public instrumentality and agency of the state, separate and distinct from the state, exercising public and essential governmental functions.

2. The purposes of the authority include all of the following:

*a.* To implement and administer the Honey creek premier destination park bond program and to establish a stable source of revenue to be used for the purposes designated in this chapter.

*b.* To issue bonds and enter into funding options, consistent with this chapter, including refunding and refinancing its debt and obligations.

*c.* To provide for and secure the issuance and repayment of its bonds.

*d.* To invest funds available under this chapter to provide for a source of revenue in accordance with the program plan.

*e.* To refund and refinance the authority's debts and obligations, and to manage its funds, obligations, and investments as necessary and if consistent with its purpose.

*f.* To implement the purposes of this chapter.

3. The authority shall invest its funds and accounts in accordance with this chapter and shall not take action or invest in any manner that would cause the state to become a

stockholder in any corporation or that would cause the state to assume or agree to pay the debt or liability of any corporation in violation of the United States Constitution or the Constitution of the State of Iowa.

4. The authority shall not create any obligation of this state or any political subdivision of this state within the meaning of any constitutional or statutory debt limitation.

5. The authority shall not pledge the credit or taxing power of this state or any political subdivision of this state, or make its debts payable out of any moneys except those of the authority specifically pledged for their payment.

2005 Acts, ch 178, §46, 64
Referred to in §463C.2

**463C.5 Governing board.**

1. The powers of the authority are vested in and shall be exercised by a board consisting of the treasurer of state, the auditor of state, and the director of the department of management. Notwithstanding the provisions of section 12.30, subsection 2, regarding ex officio nonvoting status, the treasurer of state shall act as a voting member of the authority.

2. Two members of the board constitute a quorum.

3. The members shall elect a chairperson, vice chairperson, and secretary, annually, and other officers as the members determine necessary. The treasurer of state shall serve as treasurer of the authority.

4. Meetings of the board shall be held at the call of the chairperson or when a majority of the members so requests.

5. The members of the board shall not receive compensation by reason of their membership on the board.

2005 Acts, ch 178, §47, 64

**463C.6 Staff — assistance by state officers, agencies, and departments.**

1. The staff of the office of the treasurer of state shall also serve as staff of the authority under the supervision of the treasurer.

2. State officers, agencies, and departments may render services to the authority within their respective functions, as requested by the authority.

2005 Acts, ch 178, §48, 64

**463C.7 Limitation of liability.**

Members of the board and persons acting on the authority's behalf, while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out the powers and duties conferred on them under this chapter.

2005 Acts, ch 178, §49, 64

**463C.8 General powers of authority.**

1. The authority has all the general powers necessary to carry out its purposes and duties and to exercise its specific powers, including but not limited to all of the following powers:

*a.* The power to issue its bonds and to enter into other funding options as provided in this chapter.

*b.* The power to have perpetual succession as a public instrumentality and agency of the state, until dissolved in accordance with this chapter.

*c.* The power to sue and be sued in its own name.

*d.* The power to make and execute agreements, contracts, and other instruments, with any public or private person, in accordance with this chapter.

*e.* The power to hire and compensate legal counsel, notwithstanding chapter 13.

*f.* The power to hire investment advisors and other persons as necessary to fulfill its purpose.

*g.* The power to invest or deposit moneys of or held by the authority in any manner determined by the authority, notwithstanding chapter 12B or 12C.

*h.* The power to procure insurance, other credit enhancements, and other financing arrangements, and to execute instruments and contracts and to enter into agreements

convenient or necessary to facilitate financing arrangements of the authority and to fulfill the purposes of the authority under this chapter, including but not limited to such arrangements, instruments, contracts, and agreements as bond insurance, liquidity facilities, interest rate agreements, and letters of credit.

*i.* The power to accept appropriations, gifts, grants, loans, or other aid from public or private entities.

*j.* The power to adopt rules consistent with this chapter and in accordance with chapter 17A, as the board determines necessary.

*k.* The power to acquire, own, hold, administer, and dispose of property.

*l.* The power to determine, in connection with the issuance of bonds, and subject to the sales agreement, the terms and other details of financing, and the method of implementation of the program plan.

*m.* The power to perform any act not inconsistent with federal or state law necessary to carry out the purposes of the authority.

2. The authority is exempt from the requirements of chapter 8A, subchapter III.

2005 Acts, ch 178, §50, 64

**463C.9 Powers not restricted — law complete in itself.**

This chapter shall not restrict or limit the powers which the authority has under any other law of this state, but is cumulative as to any such powers. A proceeding, notice, or approval is not required for the creation of the authority or the issuance of obligations or an instrument as security, except as provided in this chapter.

2005 Acts, ch 178, §51, 64

**463C.10 Honey creek premier destination park bond program.**

The authority shall assist in the development and expansion of the Honey creek premier destination park in the state through the establishment of the Honey creek premier destination park bond program. The authority may issue its bonds or notes, or series of bonds or notes, for the purpose of defraying the cost of one or more projects for the development and expansion of the Honey creek premier destination park in the state, including lodges, campgrounds, cabins, and golf courses, and make secured and unsecured loans for the acquisition and construction of such projects on terms the authority determines.

2005 Acts, ch 178, §52, 64

Referred to in §463C.2

**463C.11 Honey creek premier destination park bond fund.**

1. The Honey creek premier destination park bond fund is established as a separate and distinct fund in the state treasury consisting of Honey creek premier destination park revenues, any moneys appropriated by the general assembly to the fund, and any other moneys available to and obtained or accepted by the authority for placement in the fund. The moneys in the fund shall be used to develop the Honey creek premier destination park in the state by funding the development and construction of facilities in the park including but not limited to lodges, campgrounds, cabins, and golf courses. The treasurer of state is authorized to establish separate and distinct accounts within the Honey creek premier destination park bond fund in connection with the issuance of the authority's bonds in accordance with the trust indenture or resolution authorizing the bonds and the authority is authorized to determine which revenues and accounts shall be pledged as security for the bonds. Amounts deposited in the Honey creek premier destination park bond fund shall be deposited in the separate and distinct accounts as set forth in the trust indenture or resolution authorizing the bonds. The authority is authorized to pledge and use the net revenues from the Honey creek premier destination park for payment of the bonds.

2. Payments of interest, repayments of moneys loaned pursuant to this chapter, and recaptures of awards shall be deposited in the fund.

3. Moneys in the fund may be used by the authority for the purpose of providing grants, loans, forgivable loans, loan guarantees under the Honey creek premier destination park bond program established in this chapter, and otherwise funding the development and

construction of facilities in the park including but not limited to lodges, campgrounds, cabins, and golf courses. The moneys in the fund shall be used for the development and construction of facilities in the Honey creek premier destination park.

4. The authority, in consultation with the department, shall determine which projects qualify for assistance from the fund, and which projects shall be funded.

2005 Acts, ch 178, §53, 64; 2006 Acts, ch 1004, §2, 5
Referred to in §463C.2, 463C.12

**463C.12 Premier destination park bonds.**

1. The authority may issue taxable or tax-exempt bonds, or a combination thereof, for the purpose of funding the Honey creek premier destination park bond fund established in section 463C.11 and for the purpose of refunding any bonds issued under this section. The authority may issue bonds in principal amounts which, in the opinion of the board, are necessary to provide sufficient funds for the Honey creek premier destination park bond fund established in section 463C.11, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds, other expenditures of the authority incident to and necessary or convenient to carry out the bond issue for the fund, and all other expenditures of the board necessary or convenient to administer the fund; provided, however, excluding the issuance of refunding bonds, the board shall issue bonds pursuant to this section which result in the deposit of net bond proceeds of not more than twenty-eight million dollars credited to the Honey creek premier destination park bond fund.

2. The bonds are investment securities and negotiable instruments within the meaning of and for the purposes of the uniform commercial code, chapter 554.

3. The authority may pledge amounts deposited in the Honey creek premier destination park bond fund established in section 463C.11 as security for the payment of the principal of, premium, if any, and interest on the bonds. Bonds issued under this section are payable solely and only out of the moneys, assets, or revenues of the Honey creek premier destination park bond fund and any bond reserve funds established pursuant to section 463C.13, all of which may be deposited with trustees or depositories in accordance with bond or security documents, and are not an indebtedness of this state, or a charge against the general credit or general fund of the state, and the state shall not be liable for the bonds except from amounts on deposit in the funds. Bonds issued under this section shall contain a statement that the bonds do not constitute an indebtedness of the state.

4. The bonds shall be:

*a.* In a form, issued in denominations, executed in a manner, payable over terms and with rights of redemption, and subject to such other terms and conditions as prescribed in the trust indenture, resolution, or other instrument authorizing their issuance.

*b.* Negotiable instruments under the laws of this state and may be sold at prices, at public or private sale, and in a manner as prescribed by the authority. Chapters 73A, 74, 74A, and 75 do not apply to the sale or issuance of the bonds.

*c.* Subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this section and as determined by the trust indenture, resolution, or other instrument authorizing their issuance.

5. The bonds are securities in which public officers and bodies of this state, political subdivisions of this state, insurance companies and associations and other persons carrying on an insurance business, banks, trust companies, savings associations, and investment companies, administrators, guardians, executors, trustees, and other fiduciaries, and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

6. Bonds must be authorized by a trust indenture, resolution, or other instrument of the authority that is approved by the authority. However, a trust indenture, resolution, or other instrument authorizing the issuance of bonds may delegate to an officer of the authority the power to negotiate and fix the details of an issuance of bonds.

7. Neither the resolution, trust agreement, or any other instrument by which a pledge is

created is required to be recorded or filed under the uniform commercial code, chapter 554, to be valid, binding, or effective.

8. Tax-exempt bonds issued by the authority in connection with the program, which are exempt from taxation for federal tax purposes, are also exempt from taxation by the state of Iowa and the interest on these bonds is exempt from state income taxes and state inheritance and estate taxes.

9. The authority may issue bonds for the purpose of refunding any bonds or notes issued pursuant to this section then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this section. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the board for deposit in the Honey creek premier destination park bond fund established in section 463C.11. All refunding bonds shall be issued and secured and subject to the provisions of this chapter in the same manner and to the same extent as other bonds issued pursuant to this section.

2005 Acts, ch 178, §54, 64; 2006 Acts, ch 1004, §3, 5; 2008 Acts, ch 1119, §10; 2010 Acts, ch 1138, §56; 2012 Acts, ch 1017, §87

Referred to in §8.57F, 422.7

**463C.13 Bond reserve funds.**

1. The authority may create and establish one or more special funds, to be known as bond reserve funds, and shall pay into each bond reserve fund any moneys appropriated and made available by the authority for the purpose of the bond reserve fund, any proceeds of sale of notes or bonds to the extent provided in the trust indenture, resolution, or other instrument of the treasurer of state authorizing their issuance, and any other moneys which may be available to the authority for the purpose of the bond reserve fund from any other sources. All moneys held in a bond reserve fund, except as otherwise provided in this section, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the bond reserve fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

2. Moneys in a bond reserve fund shall not be withdrawn from the bond reserve fund at any time in an amount that will reduce the amount of the bond reserve fund to less than the bond reserve fund requirement established for the bond reserve fund, as provided in this section, except for the purpose of making, with respect to bonds secured in whole or in part by the bond reserve fund, payment when due of principal, interest, redemption premiums, and the sinking fund payments with respect to the bonds for the payment of which other moneys are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of moneys in the bond reserve fund may be transferred by the authority to other reserve funds or the Honey creek premier destination park bond fund to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for the bond reserve fund.

3. The authority shall not at any time issue bonds, secured in whole or in part by a bond reserve fund, if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the bond reserve fund, unless the authority at the time of issuance of the bonds deposits in the bond reserve fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the bond reserve fund, will not be less than the bond reserve fund requirement for the bond reserve fund. For the purposes of this section, the term *"bond reserve fund requirement"* means, as of any particular date of computation, an amount of money, as provided in the

trust indenture, resolution, or other instrument of the authority authorizing the bonds with respect to which the bond reserve fund is established, equal to not more than the lesser of any of the following:

*a.* Ten percent of the stated principal amount of bonds secured in whole or in part by the bond reserve fund.

*b.* The maximum annual debt service on the issue of bonds.

*c.* One hundred twenty-five percent of the average annual debt service on the issue of bonds.

4. To assure the continued operation and solvency of the authority for the carrying out of its corporate purposes, provision is made in subsection 1 for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the chairperson of the authority shall, on or before January 1 of each calendar year, make and deliver to the governor the chairperson's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the authority pursuant to this section shall be deposited by the authority in the applicable bond reserve fund.

2005 Acts, ch 178, §55, 64; 2006 Acts, ch 1004, §4, 5

Referred to in §463C.12

**463C.14 Pledges.**

It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the treasurer of state shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the treasurer of state whether or not the parties have notice of the lien.

2005 Acts, ch 178, §56, 64

**463C.15 Moneys of the authority.**

1. Moneys of the authority from whatever source derived, except as otherwise provided in this chapter, shall be paid to the authority and shall be deposited in the Honey creek premier destination park bond fund. The moneys shall be withdrawn on the order of the person authorized by the authority. Deposits shall, if required by the authority, be secured in the manner determined by the authority. The auditor of state and the auditor's legally authorized representatives may periodically examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its financial standing, and the authority shall not be required to pay a fee for the examination.

2. The authority may contract with holders of its bonds or notes as to the custody, collection, security, investment, and payment of moneys of the authority, of moneys held in trust or otherwise for the payment of bonds or notes, and to carry out the contract. Moneys held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds or notes and deposits of the moneys may be secured in the same manner as moneys of the authority, and banks and trust companies may give security for the deposits.

3. Subject to the provisions of any contract with bondholders or noteholders and to the approval of the director of the department of administrative services, the authority shall prescribe a system of accounts.

4. The authority shall submit to the governor, the auditor of state, the department of management, and the department of administrative services, within thirty days of its receipt by the authority, a copy of the report of every external examination of the books and accounts of the authority other than copies of the reports of examinations made by the auditor of state.

2005 Acts, ch 178, §57, 64

**463C.16 Annual report.**

1. The authority shall submit to the governor, the general assembly, and the attorney general, on or before December 31, annually, a report including information regarding all of the following:

*a.* Its operations and accomplishments.

*b.* Its receipts and expenditures during the previous fiscal year, in accordance with classifications it establishes for its operating and capital accounts.

*c.* Its assets and liabilities at the end of the previous fiscal year and the status of reserve, special, and other funds.

*d.* A schedule of its bonds outstanding at the end of the previous fiscal year, and a statement of the amounts redeemed and issued during the previous fiscal year.

*e.* A statement of its proposed and projected activities.

*f.* Recommendations to the governor and the general assembly, as deemed necessary.

*g.* A statement of all projects funded in the previous fiscal year.

*h.* Any other information deemed necessary.

2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress during the reporting period in attaining these goals.

2005 Acts, ch 178, §58, 64

**463C.17 Exemption from certain laws.**

The authority, the department, and their agents and contracts entered into by the authority, the department, and their agents, in carrying out public and essential governmental functions are exempt from the laws of the state which provide for competitive bids, term length, and hearings in connection with contracts, except as provided in section 12.30. However, the exemption from competitive bid laws in this section shall not be construed to apply to contracts for the development or construction of facilities in the park, including but not limited to lodges, campgrounds, cabins, and golf courses.

2005 Acts, ch 178, §59, 64; 2007 Acts, ch 215, §116; 2011 Acts, ch 25, §58

**463C.18 Bankruptcy.**

Prior to the date which is three hundred sixty-six days after which the authority no longer has any bonds outstanding, the authority is prohibited from filing a voluntary petition under chapter nine of the federal bankruptcy code or such corresponding chapter or section as may, from time to time, be in effect, and a public official or organization, entity, or other person shall not authorize the authority to be or become a debtor under chapter nine or any successor or corresponding chapter or sections during such periods. The provisions of this section shall be part of any contractual obligation owed to the holders of bonds issued under this chapter. Any such contractual obligation shall not subsequently be modified by state law, during the period of the contractual obligation.

2005 Acts, ch 178, §60, 64

**463C.19 Dissolution of the authority.**

The authority shall dissolve no later than two years after the date of final payment of all outstanding bonds and the satisfaction of all outstanding obligations of the authority, except to the extent necessary to remain in existence to fulfill any outstanding covenants or provisions with bondholders or third parties made in accordance with this chapter. Upon dissolution of the authority, all assets of the authority shall be returned to the state and shall be deposited in the general fund of the state, unless otherwise directed by the general assembly, and the authority shall execute any necessary assignments or instruments, including any assignment of any right, title, or ownership to the state for receipt of payments.

2005 Acts, ch 178, §61, 64

**463C.20 Liberal interpretation.**

This chapter, being deemed necessary for the welfare of the state and its people, shall be liberally construed to effect its purpose.

2005 Acts, ch 178, §62, 64

# CHAPTER 464

RESERVED

# CHAPTER 464A

## DAMS AND SPILLWAYS

Referred to in §455A.4, 455A.5, 456A.24, 481A.1

This chapter not enacted as a part of this title;
transferred from chapter 112 in Code 1993


464A.1 Resolution of necessity.
464A.1A Definitions.
464A.2 Expert plan.
464A.3 Hearing — damages.
464A.4 Adoption of plan.
464A.5 Appraisal of damages.
464A.6 Filing appraisement.
464A.7 Damages determined.
464A.8 Judicial review — bond.
464A.9 Final determination and costs.
464A.10 Tentative plan.
464A.11 Water trails and low head dam public hazard statewide plan.


**464A.1 Resolution of necessity.**

Whenever, in the opinion of the commission, it is necessary and desirable for it to erect a dam or spillway across a stream or at the outlet of a lake, or to alter or reconstruct an existing dam or spillway, so as to increase or decrease its permanent height, or to permanently affect the water level above the structure, it shall proceed with said project by first adopting a resolution of necessity to be placed upon its records, in which it shall describe in a general way the work contemplated.

[C24, 27, 31, §1826; C35, §1828-e1; C39, §**1828.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §112.1]

86 Acts, ch 1245, §1877

C93, §464A.1

**464A.1A Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commission"* means the natural resource commission.
2. *"Department"* means the department of natural resources created under section 455A.2.
3. *"Director"* means the director of the department.

86 Acts, ch 1245, §1875

C87, §112.1A

C93, §464A.1A

**464A.2 Expert plan.**

The commission, upon receipt of a report and plan prepared by a competent civil engineer, showing the work contemplated, the effect on the water level, and probable cost and such other facts and recommendations as may be deemed material, may approve said plan which shall be considered a tentative plan only, for the project.

[C24, 27, 31, §1826; C35, §1828-e2; C39, §**1828.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §112.2]

C93, §464A.2

**464A.3 Hearing — damages.**

After the approval the commission, if it wishes to proceed further with the project, shall, with the consent of the environmental protection commission, fix a date of hearing not less than two weeks from date of approval of the plan. Notice of the day, hour and place of hearing, relative to proposed work, shall be provided by publication at least once a week for two consecutive weeks in some newspaper of general circulation published in the county

where the project is located, or in the counties where the water elevations are affected, under the tentative plan approved. The last publication shall not be less than five days prior to the day set for hearing. Any claim by any persons for damages which may be caused by the project shall be filed with the commission at or prior to the time of the hearing.

[C24, 27, 31, §1826; C35, §1828-e3; C39, §**1828.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §112.3; 82 Acts, ch 1199, §59, 96]

86 Acts, ch 1245, §1876

C93, §464A.3

**464A.4 Adoption of plan.**

If, at the time of the hearing, the commission shall find that the improvement would be conducive to the public convenience, welfare, benefit or utility, and the cost thereof is not excessive, and no claim shall have been filed for damages, it may adopt the tentative plan as final or may modify the plan, provided said modification will not, to any greater extent than the tentative plan, materially and adversely affect the interests of littoral or riparian owners.

[C24, 27, 31, §1826; C35, §1828-e4; C39, §**1828.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §112.4]

C93, §464A.4

**464A.5 Appraisal of damages.**

If, at the time of the hearing, the claims for damages shall have been filed, further proceedings shall be continued to an adjourned, regular, or special session, the date and place of which shall be fixed at the time of adjournment and of which all interested parties shall take notice, and the commission shall have the damages appraised by three appraisers to be appointed by the chief justice of the supreme court. One of these appraisers shall be a licensed civil engineer resident of the state and two shall be freeholders of the state, who shall not be interested in nor related to any person affected by the proposed project.

[C24, 27, 31, §1826; C35, §1828-e5; C39, §**1828.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §112.5]

C93, §464A.5

2007 Acts, ch 126, §83

**464A.6 Filing appraisement.**

The appraisers appointed to determine the damages caused by the proposed project shall view the premises and determine and fix the amount of damages to which each claimant is entitled and shall, at least three days before the date fixed by the commission to hear and determine the same, file with the secretary of the commission reports in writing showing the amount of damages sustained by each claimant. Should good cause for delay exist, the commission may postpone the time of final action on the project.

[C24, 27, 31, §1826; C35, §1828-e6; C39, §**1828.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §112.6]

C93, §464A.6

**464A.7 Damages determined.**

At the time fixed for hearing and after receipt of the report of the appraisers, the commission shall examine said report, both for and against each claim for damages and compensation and shall determine the amount of damages and compensation due each claimant and may affirm, increase or diminish the amount awarded by the appraisers. After such action, the commission may thereupon adopt a final plan for the project, and proceed with its construction, or it may dismiss the entire proceedings.

[C24, 27, 31, §1826; C35, §1828-e7; C39, §**1828.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §112.7]

C93, §464A.7

**464A.8 Judicial review — bond.**

Judicial review of the orders or actions of the commission fixing the amount of compensation awarded or damages sustained by any claimant may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. The petition for review shall be accompanied by an appeal bond with sufficient sureties to be approved by the clerk of the district court conditioned to pay all costs adjudged against the petitioner.

[C24, 27, 31, §1826; C35, §1828-e8; C39, §**1828.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §112.8]

C93, §464A.8

2003 Acts, ch 44, §114

Referred to in §602.8102(26)

**464A.9 Final determination and costs.**

The amount of damages or compensation found by the court shall be entered of record. Unless the result of the judicial review proceeding is more favorable to the petitioner than the action of the commission, all costs of the judicial review proceeding shall be taxed to the petitioner, but if more favorable, the cost shall be taxed to the respondents. All damages assessed and all costs occasioned under this chapter shall be paid from the funds of the commission.

[C24, 27, 31, §1826; C35, §1828-e9; C39, §**1828.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §112.9]

C93, §464A.9

**464A.10 Tentative plan.**

If, at the time of hearing on the tentative plan, no objectors appear and no claim for damages or compensation shall have been filed, or if proper waivers giving consent to the construction of the proposed improvement have been obtained from all parties affected then the commission may adopt the tentative plan as final and proceed with the work proposed.

[C24, 27, 31, §1826; C35, §1828-e10; C39, §**1828.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §112.10]

C93, §464A.10

**464A.11 Water trails and low head dam public hazard statewide plan.**

1. The department shall establish a water trails and low head dam public hazard program.

2. In administering the water trails and low head dam public hazard program, the department shall conduct a study of waterways for recreational purposes and develop a statewide plan by March 31, 2010. Elements of the plan shall include but not be limited to:

*a.* Compiling an inventory of low head dams, including a listing of those low head dams, for the purposes of publicizing hazards through maps and warning signage.

*b.* Seeking input from the public and experts in various fields, including fisheries, rescue professionals, water recreation, river management, public utilities conservation, and landscape architecture, to be used in the recreation and safety components of the plan.

*c.* Developing standard recommendations for local communities including signage system and placement guidelines, boating access type, placement and construction guidelines, and volunteer recommendations for communities.

*d.* Recommending design templates for low head dams to reduce incidents of drowning.

*e.* With input from stakeholders, developing criteria for prioritizing removal or modification of low head dams.

*f.* With input from stakeholders, developing criteria for prioritizing development of water trails.

3. The department may contract with a university or private consultant in order to assist with development of the plan.

2008 Acts, ch 1069, §1, 2; 2009 Acts, ch 144, §14

Implementation of section contingent upon appropriation of moneys necessary to carry out the section; 2008 Acts, ch 1069, §2

Appropriation of funds; 2008 Acts, ch 1178, §19; 2009 Acts, ch 184, §1, 4, 19, 28; 2013 Acts, ch 142, §45, 52

Section not amended; footnote revised

# CHAPTER 464B

## DAMS

Referred to in §455A.6

464B.1 through 464B.22 Reserved.
464B.23 Protection of banks.
464B.24 Embankments — damages.
464B.25 Right to utilize fall.

**464B.1 through 464B.22** Reserved.

**464B.23 Protection of banks.**

Where the water backed up by any dam belonging to any mill or machinery is about to break through or over the banks of the stream or raceway, or to wash a channel, so as to turn the water of such stream or raceway, or any part thereof, out of its ordinary channel, whereby such mill or machinery will be materially injured or affected, the owner or occupant of such mill or machinery, if that person does not own such banks or the land lying contiguous thereto, may, if necessary, enter thereon and erect and keep in repair such embankments and other works as may be necessary to prevent such water from breaking through or over the banks, or washing a channel as aforesaid; such owner or occupier committing thereon no unnecessary waste or damage, and being liable to pay all damages which the owner of the lands may actually sustain by reason thereof.

[R60, §1275, 1276; C73, §1204; C97, §1936; C24, 27, 31, 35, 39, §**7789;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §469.23]

C93, §464B.23

**464B.24 Embankments — damages.**

If any person shall injure, destroy, or remove any such embankment or other works, the owner or occupier of such mill or machinery may recover of such person all damages the owner or occupant may sustain by reason thereof.

[R60, §1277; C73, §1205; C97, §1937; C24, 27, 31, 35, 39, §**7790;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §469.24]

C93, §464B.24

**464B.25 Right to utilize fall.**

Any person owning and using a water power for the purpose of propelling machinery shall have the right to acquire, maintain, and utilize the fall below such power for the purpose of improving the same, in like manner and to the same extent as provided in this chapter for the erection or heightening of milldams. After such right has been acquired, the fall shall be considered part and parcel of said water power or privilege, and the deepening or excavating of the stream, tail, or raceway, as herein contemplated, shall in no way affect any rights relating to such water power acquired by the owner thereof prior to such change.

[C73, §1206; C97, §1938; C24, 27, 31, 35, 39, §**7791;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §469.25]

C93, §464B.25

# CHAPTER 465

## RESERVED

# CHAPTER 465A

## OPEN SPACE LANDS

Referred to in §456A.24, 481A.1

This chapter not enacted as a part of this title;
transferred from chapter 111E in Code 1993
Intent that highway scenic routes program
be coordinated with open space program, §306D.1(2)

465A.1 Statement of purpose — intent.
465A.2 Statewide open space acquisition and protection program — objectives and agency duties.
465A.3 Funding sources.
465A.4 Payment in lieu of property taxes.

**465A.1 Statement of purpose — intent.**

1. The general assembly finds that:

*a.* Iowa's most significant open space lands are essential to the well-being and quality of life for Iowans and to the economic viability of the state's recreation and tourism industry.

*b.* Many areas of high national significance in the state have not received adequate public protection to keep them free of visual blight, resource degradation, and negative impacts from inappropriate land use and surrounding development. Some of these areas include national park service and United States fish and wildlife service properties, national landmarks and trails, the Des Moines river greenbelt, the great river road, areas where interstate highways enter the state, cross major rivers, and pass by other areas of national significance, major state park and recreation areas, unique and protected water areas, and significant natural, geological, scenic, historic, and cultural properties of the state.

*c.* While state and federal funds are generally available for the acquisition and protection of fish and wildlife areas and habitats as well as boating access to public waters, funding programs for public open space acquisition and protection have not been adequate to meet needs.

*d.* Relative to other midwestern states, Iowa ranks last in the proportion of land acquired and protected for public open space.

2. *a.* A program shall be established to:

(1) Educate the citizens of the state about the needs and urgency of protecting the state's open spaces.

(2) Plan for the protection of the state's significant open space areas.

(3) Acquire and protect those properties on a priority basis through a variety of appropriate means.

*b.* In addition to other goals for the program, it is intended that a minimum of ten percent of the state's land area be included under some form of public open space protection by the year 2000.

87 Acts, ch 174, §1
CS87, §111E.1
C93, §465A.1
2011 Acts, ch 25, §120
Referred to in §465A.2

**465A.2 Statewide open space acquisition and protection program — objectives and agency duties.**

1. The department of natural resources has the following duties in undertaking programs to meet the objectives stated in section 465A.1.

*a.* Prepare and conduct new education and awareness programs designed to create greater public understanding of the needs, issues, and opportunities for protecting the state's significant open spaces. The department shall incorporate the recommendations of other state agencies and private sector organizations which have interests in open space protection. The department may enter into contracts with other agencies and the private sector for preparing and conducting these programs.

*b.* Prepare a statewide, long-range plan for the acquisition and protection of significant open space lands throughout the state as identified in section 465A.1. The department of transportation, department of economic development, and department of cultural affairs, private organizations, county conservation boards, city park and recreation departments, and the federal agencies with lands in the state shall be directly involved in preparing the plan. The plan shall include, but is not limited to, the following elements:

(1) Specific acquisition and protection needs and priorities for open space areas based on the following sequence of priorities:

(a) National.

(b) Regional.

(c) Statewide.

(d) Local.

(2) Identification of open space acquisition and protection techniques available or needed to carry out the plan.

(3) Additional education and awareness programs which are needed to encourage the acquisition and protection of areas identified in the plan.

(4) Management needs including maintenance, rehabilitation, and improvements.

(5) Funding levels needed to accomplish the statewide open space programs.

(6) Recommendations as to how federal programs can be modified or developed to assist the state's open space programs.

*c.* Acquire and protect open space properties as identified by priority in the plan as funding is made available for this purpose. In acquiring and protecting open space, the department shall:

(1) Accept applications for funding assistance from federal agencies, other state agencies, regional organizations, county conservation boards, city park and recreation agencies, and private organizations with an interest in open spaces.

(2) Obtain the maximum efficiency of funds appropriated for this program through the use of acquisition and protection techniques that provide the degree of protection required at the lowest cost.

(3) Encourage the provision of supporting or matching funds; however, the absence of these funds shall not prevent the approval of those projects of clear national importance.

2. The department may enter into contracts with private consultants for preparing all or part of the plan required under subsection 1, paragraph "*b*". The plan shall be submitted to the general assembly by July 1, 1988. Prior to submission of the plan to the general assembly, the department shall request comments on the proposed plan from state and federal agencies and private organizations with interests in open space protection. The comments shall be submitted to the general assembly.

3. The department may initiate pilot acquisition and protection projects prior to completion of the open space plan if the pilot projects have high national significance as identified in section 1, subsection 2.

87 Acts, ch 174, §2

CS87, §111E.2

C93, §465A.2

2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1021, §85

Duties of former department of economic development were assumed by economic development authority beginning July 1, 2011, pursuant to 2011 Acts, ch 118

**465A.3 Funding sources.**

1. To achieve the purposes of this chapter, the department, other state agencies, political subdivisions of the state, and private organizations may use funds from the following sources:

*a.* Appropriations by the general assembly.

*b.* Private grants and gifts.

*c.* Federal grants and loans intended for these purposes.

2. The department may enter into agreements with other state agencies, political

subdivisions of the state, and private organizations for the purposes of carrying out this natural open space program or specific elements of the program.

87 Acts, ch 174, §3
CS87, §111E.3
C93, §465A.3

**465A.4 Payment in lieu of property taxes.**

As a part of the budget proposal submitted to the general assembly under section 455A.4, subsection 1, paragraph "*c*", the director of the department of natural resources shall submit a budget request to pay the property taxes for the next fiscal year on open space property acquired by the department which would otherwise be subject to the levy of property taxes. The assessed value of open space property acquired by the department shall be that determined under section 427.1, subsection 18, and the director may protest the assessed value in the manner provided by law for any property owner to protest an assessment. For the purposes of chapter 257, the assessed value of the open space property acquired by the department shall be included in the valuation base of the school district and the payments made pursuant to this section shall be considered as property tax revenues and not as miscellaneous income. The county treasurer shall certify taxes due to the department. The taxes shall be paid annually from the departmental fund or account from which the open space property acquisition was funded. If the departmental fund or account has no moneys or no longer exists, the taxes shall be paid from funds as otherwise provided by the general assembly. If the total amount of taxes due certified to the department exceeds the amount appropriated, the taxes due shall be reduced proportionately so that the total amount equals the amount appropriated. This section applies to open space property acquired by the department on or after January 1, 1987.

87 Acts, ch 174, §4; 89 Acts, ch 135, §52
CS87, §111E.4
C93, §465A.4
Referred to in §455A.19

# CHAPTER 465B

## RECREATION TRAILS

Referred to in §456A.24, 481A.1

This chapter not enacted as a part of this title;
transferred from chapter 111F in Code 1993

465B.1 Statement of purpose — intent.
465B.2 Statewide trails development program.
465B.3 Involvement of other agencies.
465B.4 Funding.

**465B.1 Statement of purpose — intent.**

The general assembly finds that recreation trails provide a significant benefit for the health and well-being of Iowans and state visitors. Iowa has a national reputation as a place for hiking, walking, and bicycling. The use of recreation trails has a significant influence on Iowa's economy. Iowa's scenic landscapes, many small communities, and existing natural and transportation corridors are ideally suited for new recreation trails to support recreation and tourism activities such as walking, biking, driving for pleasure, horseback riding, boating and canoeing, skiing, snowmobiling, and others.

The general assembly finds that a program shall be established to acquire, develop, promote, and manage existing and new recreation trails. The objective of a statewide trails program shall be for the state to acquire and develop two thousand miles of new recreation trails and completion of existing trail projects before the year 2000.

87 Acts, ch 173, §1

CS87, §111F.1
C93, §465B.1
Referred to in §465B.2

**465B.2 Statewide trails development program.**

1. The state department of transportation shall undertake the following actions to establish a program to meet the objective stated in section 465B.1:

*a.* Prepare a long-range plan for the acquisition, development, promotion, and management of recreation trails throughout the state. The plan shall identify needs and opportunities for recreation trails of different kinds having national, statewide, regional, and multicounty importance. Recommendations in the plan shall include but not be limited to:

(1) Specific acquisition needs and opportunities for different types of trails.

(2) Development needs including trail surfacing, restrooms, shelters, parking, and other needed facilities.

(3) Promotional programs which will encourage Iowans and state visitors to increase use of trails.

(4) Management activities including maintenance, enforcement of rules, and replacement needs.

(5) Funding levels needed to accomplish the statewide trails objectives.

(6) Ways in which trails can be more fully incorporated with parks, cultural sites, and natural resource sites.

*b.* Include, within the plan, recommendations for standards for establishing functional classifications for all types of recreation trails as well as a system for determining jurisdictional control over trails. Levels of jurisdiction may be vested in the state, counties, cities, and private organizations.

2. *a.* The state department of transportation may enter into contracts for the preparation of the trails plan. The department shall involve the department of natural resources, the Iowa department of economic development, and the department of cultural affairs in the preparation of the plan. The recommendations and comments of organizations representing different types of trail users and others with interests in this program shall also be incorporated in the preparation of the trails plan and shall be submitted with the plan to the general assembly. The plan shall be submitted to the general assembly no later than January 15, 1988. Existing trail projects involving acquisition or development may receive funding prior to the completion of the trails plan.

*b.* The department shall give priority to funding the acquisition and development of trail portions which will complete segments of existing trails. The department shall give preference to the acquisition of trail routes which use existing or abandoned railroad right-of-ways, river valleys, and natural greenbelts. Multiple recreational use of routes for trails, other forms of transportation, utilities, and other uses compatible with trails shall be given priority.

*c.* The department may acquire property by negotiated purchase and hold title to property for development of trails. The department may enter into agreements with other state agencies, political subdivisions of the state, and private organizations for the planning, acquisition, development, promotion, management, operations, and maintenance of recreation trails.

3. The department may adopt rules under chapter 17A to carry out a trails program.

87 Acts, ch 173, §2
CS87, §111F.2
C93, §465B.2
2011 Acts, ch 34, §107

**465B.3 Involvement of other agencies.**

The department of natural resources, the economic development authority, and the department of cultural affairs shall assist the state department of transportation in developing

the statewide plan for recreation trails, in acquiring property, and in the development, promotion, and management of recreation trails.

87 Acts, ch 173, §3
CS87, §111F.3
C93, §465B.3
2011 Acts, ch 118, §85, 89

**465B.4 Funding.**

To achieve the purposes of this chapter, the state department of transportation, other state agencies, political subdivisions of the state, and private organizations may use funds from the following sources:

1. Funds appropriated by the general assembly.
2. Private grants and gifts.
3. Federal grants and loans intended for these purposes.

87 Acts, ch 173, §4
CS87, §111F.4
C93, §465B.4

# CHAPTER 465C

## STATE PRESERVES

Referred to in §455A.4, 455A.5, 455A.8, 456A.14, 456A.24, 459.102, 481A.1

This chapter not enacted as a part of this title;
transferred from chapter 111B in Code 1993


465C.1 Definitions.
465C.2 Advisory board.
465C.3 Membership.
465C.4 Expenses.
465C.5 Organization.
465C.6 Advisors.
465C.7 Ecologist.
465C.8 Powers and duties.
465C.9 Articles of dedication.
465C.10 When dedicated as a preserve.
465C.11 Area held in trust.
465C.12 Agencies urged to dedicate preserves.
465C.13 Other purposes not affected.
465C.14 Confidentiality of ecologically sensitive sites and information.


**465C.1 Definitions.**

As used in this chapter:

1. *"Area"* means an area of land or water or both land and water.
2. *"Board"* means the state advisory board for preserves established by this chapter.
3. *"Commission"* means the natural resource commission.
4. *"Dedication"* means the allocation of an area as a preserve by a public agency or by a private owner by written stipulation in a form approved by the state advisory board for preserves.
5. *"Department"* means department of natural resources created under section 455A.2.
6. *"Director"* means director of the department.
7. *"Preserve"* means an area of land or water formally dedicated under this chapter for maintenance as nearly as possible in its natural condition though it need not be completely primeval in character at the time of dedication or an area which has unusual flora, fauna, geological, archaeological, scenic, or historical features of scientific or educational value.

[C66, 71, 73, 75, 77, 79, 81, §111B.1]
86 Acts, ch 1245, §1869
C93, §465C.1
2006 Acts, ch 1030, §48

**465C.2 Advisory board.**

There is hereby created a state system of preserves and a state advisory board for preserves.

[C66, 71, 73, 75, 77, 79, 81, §111B.2]

C93, §465C.2

**465C.3 Membership.**

The board shall be composed of seven members, six of which shall be appointed by the governor. The commission, the conservation committee of the Iowa academy of science, and the state historical society shall submit to the governor a list of possible appointments. Members shall be selected from persons with a demonstrated interest in the preservation of natural lands and waters, and historic sites. The director shall serve as one member of the board. Any vacancies on the board shall be filled, for the remainder of the term vacated, by appointment by the governor provided by this chapter.

The first members appointed after the effective date of this chapter shall serve as follows: Two members to serve until July 1, 1968; two members to serve until July 1, 1969; two members to serve until July 1, 1970, and the director shall serve as long as the director is director. Members shall serve until their successors are appointed and qualified. As terms of members so appointed expire, their successors shall be appointed for terms to expire three years thereafter. Any member who has served two consecutive full terms will not be eligible for reappointment for a period of one year following the expiration of the member's second term.

[C66, 71, 73, 75, 77, 79, 81, §111B.3]

86 Acts, ch 1245, §1877

C93, §465C.3

**465C.4 Expenses.**

The members of the board may be reimbursed for necessary expenses in connection with performance of their duties. Each member of the board may also be eligible to receive compensation as provided in section 7E.6.

[C66, 71, 73, 75, 77, 79, 81, §111B.4]

86 Acts, ch 1245, §1870

C93, §465C.4

**465C.5 Organization.**

The board shall organize annually by the election of a chairperson. The board shall meet annually and at such other times as it deems necessary. Meetings may be called by the chairperson, and shall be called by the chairperson on the request of three members of the board.

[C66, 71, 73, 75, 77, 79, 81, §111B.5]

C93, §465C.5

**465C.6 Advisors.**

Representatives of such agencies, institutions, and organizations as the board may determine may serve as advisors to the board. Such advisors shall receive no compensation for this function but at the discretion of the board may be reimbursed for necessary expenses in connection with the performance of their duties.

[C66, 71, 73, 75, 77, 79, 81, §111B.6]

C93, §465C.6

**465C.7 Ecologist.**

The director shall employ, upon recommendation by the board, at salaries fixed by the board, a trained ecologist and other personnel as necessary to carry out the powers and duties of the board.

[C66, 71, 73, 75, 77, 79, 81, §111B.7]

86 Acts, ch 1245, §1871

C93, §465C.7

**465C.8 Powers and duties.**

The board shall have the following powers and duties:

1. To approve an area as a preserve.
2. To make and publish all rules necessary to carrying out the purposes of this chapter.
3. To recommend dedication as preserves, of areas owned by the state under the jurisdiction of the department.
4. To recommend acquisition of areas for dedication as preserves subject to approval by the natural resource commission.
5. To recommend dedication as preserves, areas owned by other public agencies, private groups, and individuals.
6. To make surveys and maintain registries and records of preserves and other areas of educational or scientific value and of habitats for rare and endangered species of plants and animals in the state.
7. To promote research and investigations, carry on interpretive programs and publish and disseminate information pertaining to preserves and related areas of educational or scientific value.
8. To promote the establishment and protection of, and advise in the management of, wild parks and other areas of educational or scientific value and otherwise foster and aid in the preservation of natural conditions elsewhere than in preserves.
9. To authorize payment of travel and other necessary expenses of the members of the board and advisors to the board, and salaries, wages, compensations, travel, supplies, and equipment necessary to carry out the duties of the board, and to authorize any other expenditures as may be necessary to carry into effect the purposes of this chapter.
10. To design and control the use of official state preserve signs and recommend to the state department of transportation locations for state preserve signs.
11. To submit to the governor and the legislature a report before January 15, 1967, and every two years thereafter which shall account for each preserve in the system and make such other reports and recommendations as it may deem necessary.
12. To prepare and recommend a budget, for inclusion as a line item money request in the departmental budget, for appropriation from the state general fund.

[C66, 71, 73, 75, 77, 79, 81, §111B.8]
86 Acts, ch 1245, §1872
C93, §465C.8

**465C.9 Articles of dedication.**

The public agency or private owner shall complete articles of dedication on forms approved by the board. When the articles of dedication have been approved by the governor, the board shall record them with the county recorder for the county or counties in which the area is located.

The articles of dedication may contain restrictions on development, sale, transfer, method of management, public access, and commercial or other use, and may contain such other provisions as may be necessary to further the purposes of this chapter. They may define the respective jurisdictions of the owner or operating agency and the board. They may provide procedures to be applied in case of violation of the dedication. They may recognize reversionary rights. They may vary in provisions from one preserve to another in accordance with differences in relative conditions.

[C66, 71, 73, 75, 77, 79, 81, §111B.9]
C93, §465C.9
2006 Acts, ch 1030, §49

**465C.10 When dedicated as a preserve.**

An area shall become a preserve when it has been approved by the board for dedication as a preserve, whether in public or private ownership, formally dedicated as a preserve within the system by a public agency or private owner and designated by the governor as a preserve.

[C66, 71, 73, 75, 77, 79, 81, §111B.10]
C93, §465C.10
2006 Acts, ch 1030, §50

**465C.11 Area held in trust.**

An area designated as a preserve within the system is hereby declared put to its highest, best, and most important use for public benefit. It shall be held in trust and shall not be alienated except to another public use upon a finding by the board of imperative and unavoidable public necessity and with the approval of the commission, the general assembly by concurrent resolution, and the governor. The board's interest or interests in any area designated as a preserve shall not be taken under the condemnation statutes of this state without such a finding of imperative and unavoidable public necessity by the board, and with the consent of the commission, the general assembly by concurrent resolution, and the governor.

The board, with the approval of the governor, may enter into amendments to any articles of dedication upon its finding that such amendment will not permit an impairment, disturbance, or development of the area inconsistent with the purposes of this chapter.

Before the board shall make a finding of imperative and unavoidable public necessity, or shall enter into any amendment to articles of dedication, it shall provide notice of such proposal and opportunity for any person to be heard. Such notice shall be published at least once in a newspaper with a general circulation in the county or counties wherein the area directly affected is situated, and mailed within ten days of such published notice to all persons who have requested notice of all such proposed actions. Each notice shall set forth the substance of the proposed action and describe, with or without legal description, the area affected, and shall set forth a place and time not less than sixty days thence for all persons desiring to be heard to have reasonable opportunity to be heard prior to the finding of the board.

[C66, 71, 73, 75, 77, 79, 81, §111B.11]
86 Acts, ch 1245, §1877
C93, §465C.11

**465C.12 Agencies urged to dedicate preserves.**

All departments, agencies, and instrumentalities of the state, including counties, municipalities, public corporations, boards, commissions, and universities shall be urged to dedicate as nature preserves within the system under the procedures outlined in this chapter, suitable areas or portions of areas within their jurisdiction.

[C66, 71, 73, 75, 77, 79, 81, §111B.12]
C93, §465C.12

**465C.13 Other purposes not affected.**

Nothing contained in this chapter shall be construed as interfering with the purposes stated in the establishment of or pertaining to any state or local park, preserve, wildlife refuge, or other area or the proper management and development thereof except that any agency administering any area designated as a nature preserve under the system shall be responsible for preserving the natural character of the area in accordance with the articles of dedication.

Designation of an area as a preserve within the system shall not void or replace any protected status under law which the area would have were it not so designated.

[C66, 71, 73, 75, 77, 79, 81, §111B.13]
C93, §465C.13

**465C.14 Confidentiality of ecologically sensitive sites and information.**

The director of the department of natural resources and the state ecologist shall comply with the requirements of section 22.7, subsection 21, regarding information pertaining to the nature and location of ecologically sensitive resources or sites. The director of the department of natural resources, in consultation with the state ecologist, shall consult with other public officers serving as lawful custodians of ecologically sensitive information to determine whether the information should be confidential or be released.

86 Acts, ch 1228, §3
C87, §111B.14
C93, §465C.14

# CHAPTER 466

## IMPROVEMENT OF WATERSHED ATTRIBUTES

Referred to in §461.33

466.1 Short title.
466.2 Legislative goal.
466.3 Iowa clean water award.
466.4 Conservation buffer strip program.
466.5 Conservation reserve enhancement program.
466.6 Water quality monitoring.
466.7 Water quality protection program.
466.8 On-site wastewater systems assistance program.
466.9 On-site wastewater systems assistance fund.

**466.1 Short title.**

This chapter shall be known and may be cited as *"Initiative on Improving Our Watershed Attributes (I on IOWA)"*.

2000 Acts, ch 1068, §1

**466.2 Legislative goal.**

The goal of this chapter is to develop a comprehensive water quality program that will result in water quality improvements while reducing proposed regulatory impacts. The program shall use information, education, monitoring, technical assistance, data gathering and evaluation, incentives, and more efficient issuance of permits. The program is expected to have a menu of initiatives and approaches to appeal to a broad audience of participants and shall be coordinated so that individual initiatives work toward the objective of improved water quality. The departments of agriculture and land stewardship and natural resources shall work cooperatively with federal agencies to obtain waivers and changes in rules and procedures at national and state levels to improve the federal programs' environmental and economic performance for Iowans. State agencies shall collaborate with other state agencies to attain the overall goal of improved water quality. The state department of transportation and the department of natural resources shall collaborate to provide for the preservation of topsoil, erosion control, water impoundment during highway construction and reconstruction, and restoration and management of roadside right-of-way for prairie restoration, wildlife habitat, and erosion control.

2000 Acts, ch 1068, §2

**466.3 Iowa clean water award.**

An Iowa clean water award is created. The governor and the general assembly shall give the award annually to a city or other political subdivision which has met criteria established by the department of natural resources and the department of agriculture and land stewardship identifying exemplary efforts to improve water quality within its jurisdiction.

2000 Acts, ch 1068, §3

**466.4 Conservation buffer strip program.**

1. As used in this section, *"conservation buffer strip"* means a riparian buffer, filter strip, waterway, contour buffer strip, shallow water area for wildlife, field border, or any vegetative barrier on private land that meets the criteria established by the United States department of agriculture, natural resources conservation service.

2. *a.* The department of agriculture and land stewardship, in consultation with the department of natural resources, shall establish a program to accelerate the United States department of agriculture's program to install conservation buffer strips in this state.

*b.* The department of agriculture and land stewardship shall request waivers from the United States department of agriculture to initiate projects that reward landowners maintaining current conservation practices. The goal of the projects is to discourage the destruction of existing conservation buffer strips and to monetarily reward landowners who maintain quality conservation practices. If the waivers are granted, up to twenty-five percent of the program resources shall be committed to establishing projects.

*c.* The department of agriculture and land stewardship shall request a waiver from the United States department of agriculture for the purpose of establishing that a person who is subject to a twenty-five percent reduction in conservation buffer strip payments due to grazing shall be allowed ninety days to graze animals.

*d.* The department of natural resources shall establish a prairie seed harvest program to assist in the restoration of prairies and provide for private land stewardship and public resource management through assistance with the implementation of buffer and filter strip practices, and public or private habitat development and management. The department shall carry out these efforts through landowner contacts and cooperation with private and public organizations.

*e.* The five-year goal of the conservation buffer strip program shall be to meet the objective of water quality improvement by enrolling an additional four hundred seven thousand five hundred acres.

2000 Acts, ch 1068, §4

Referred to in §461.34

**466.5 Conservation reserve enhancement program.**

1. A conservation reserve enhancement program is established within the department of agriculture and land stewardship to restore or construct wetlands for the purposes of intercepting tile line runoff, reducing nutrient loss, improving water quality, and enhancing agricultural production practices. The program shall be directed primarily, but not exclusively, toward the tile-drained areas of the state.

2. The department of agriculture and land stewardship shall request the assistance of and consult with the United States department of agriculture's natural resources conservation service and farm service agency to implement the conservation reserve enhancement program. The department shall also consult with county boards of supervisors, county conservation boards, drainage district representatives, department of natural resources, and soil and water conservation districts affected by the implementation of the conservation reserve enhancement program. The department shall also collaborate with other public agencies and private organizations to develop wetland habitat and related projects to improve water quality.

3. The department of agriculture and land stewardship shall maintain a record of all wetlands established pursuant to the conservation reserve enhancement program including any conditions that may apply to the landowner's right to remove the wetland after the provisions of the conservation reserve enhancement program contract or easement are concluded.

4. When establishing a wetland under this section, the department of agriculture and land stewardship shall be governed by the following requirements:

*a.* Wetland construction or restoration shall not damage the value of property in any public or private drainage system without the property owner's consent.

*b.* Wetland construction or restoration shall improve water quality and provide aesthetic and habitat benefits.

*c.* Wetland construction or restoration under this section may be used to mitigate wetland removal by the landowner if it meets the requirements of federal agencies with wetland jurisdictional authorities. Where practicable, priority shall be given to mitigating wetland removal within the same United States geological survey hydrologic unit code 8 watershed, but a watershed confines shall not limit the use of duly authorized wetland mitigation banks.

5. The five-year goal of the conservation reserve enhancement program is the establishment of thirty-two thousand five hundred acres of wetlands.

2000 Acts, ch 1068, §5; 2000 Acts, ch 1232, §75; 2003 Acts, ch 108, §88
Referred to in §461.34

**466.6 Water quality monitoring.**

The department of natural resources shall operate water quality monitoring stations for the purpose of gathering information and data to establish benchmarks for water quality in this state.

2000 Acts, ch 1068, §6

**466.7 Water quality protection program.**

1. The department of agriculture and land stewardship shall implement, in conjunction with the federal government and other entities, a program that provides multiobjective resource protections for flood control, water quality, erosion control, and natural resource conservation.

2. The department of agriculture and land stewardship shall implement a statewide, voluntary farm management demonstration program to demonstrate the effectiveness and adaptability of emerging practices in agronomy that protect water resources and provide other environmental benefits. A demonstration program under this subsection may complement, but shall not duplicate, projects conducted by Iowa state university extension service. The demonstration program shall be designed to concentrate on management techniques in both the livestock and crop genres and shall be offered to farm operators through an educational setting and demonstration projects. The demonstration program shall be offered in conjunction with the community colleges, Iowa state university, and private farmer demonstrations. Continuing education units shall be offered. The educational program shall be offered at no cost to farm operators who file a schedule F with the internal revenue service and do not have permitted livestock facilities or are certified under a manure management plan.

3. The department of agriculture and land stewardship shall provide financial assistance for the establishment of permanent soil and water conservation practices.

4. The department of natural resources shall provide local watershed managers with geographic information system data for their use in developing, monitoring, and displaying results of their watershed work. The local watershed data shall be considered public records and are accessible to the public pursuant to chapter 22.

5. The department of natural resources shall develop a program that provides support to local volunteer management efforts to the different programs concerned with water quality. The department shall assist in coordinating and tracking of the volunteer component of these programs to increase efficiency and avoid duplication of efforts in water quality monitoring and watershed improvement.

6. The department of natural resources shall provide for activities supporting the analysis of water quality monitoring data for trends and for the preparation and presentation of data to the public.

7. The department of natural resources shall contract to assist its staff with the review of national pollutant discharge elimination system permits.

8. The department of natural resources shall expand floodplain protection education to better inform local officials that make decisions with regard to floodplain management.

9. The department of natural resources shall continue the establishment of an effective and efficient method of developing a total maximum daily load program, based on

information gathered on other states' programs and investigation into alternative methods for satisfying the requirements.

2000 Acts, ch 1068, §7; 2001 Acts, ch 37, §1, 4

**466.8 On-site wastewater systems assistance program.**

1. The department of natural resources shall establish an on-site wastewater systems assistance program for the purpose of providing low-interest loans to homeowners for improving on-site wastewater disposal systems.

2. The environmental protection commission shall adopt rules for carrying out the program including but not limited to criteria for homeowner participation, the methods used to provide loans, and financing terms and limits.

3. The department may make and execute agreements with public or private entities, including lending institutions as defined in section 12.32, as required to administer the program.

4. Assistance provided to homeowners shall not be used to pay the nonfederal share of the cost of any wastewater system projects receiving grants under the federal Clean Water Act, 33 U.S.C. § 1381 – 1387.

2001 Acts, ch 37, §2, 4; 2001 Acts, ch 176, §69, 70; 2013 Acts, ch 59, §4

Referred to in §466.9

Section amended

**466.9 On-site wastewater systems assistance fund.**

1. An on-site wastewater systems assistance fund is established as a separate fund in the state treasury under the control of the department. Moneys in the fund are appropriated to the department for the exclusive purpose of supporting and administering the on-site wastewater systems assistance program as established in section 466.8.

2. The fund shall consist of all of the following:

*a.* Moneys appropriated to the department by the general assembly for deposit in the fund or to carry out the purposes of the on-site wastewater systems assistance program.

*b.* Moneys provided to the department by the federal government to carry out the purpose of administering the programs, policies, and undertakings authorized in the federal Clean Water Act, 33 U.S.C. § 1381 – 1387.

*c.* Moneys collected by the department pursuant to loan agreements from homeowners receiving loans under the on-site wastewater systems assistance program.

*d.* Any other moneys obtained or accepted by the department for deposit in the fund.

3. *a.* The fund shall consist of the following accounts:

(1) The financing account which shall be used for the exclusive purpose of providing financing to homeowners with improving on-site wastewater systems under the on-site wastewater systems assistance program.

(2) The administration account which shall be used by the department to defray expenses associated with carrying out the on-site wastewater systems assistance program.

*b.* Of all moneys deposited into the fund each year, the department shall credit at least ninety-six percent of the moneys to the financing account and any remaining moneys to the administration account.

4. The moneys in the fund are not considered part of the general fund of the state, and in determining a general fund balance shall not be included in the general fund of the state. The moneys in the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2001 Acts, ch 37, §3, 4; 2013 Acts, ch 59, §5

Subsection 3, paragraph a, subparagraph (1) amended

# CHAPTER 466A

## WATERSHED IMPROVEMENT GRANTS

Referred to in §461.33

466A.1 Definitions.
466A.2 Watershed improvement fund.
466A.3 Watershed improvement review board.
466A.4 Eligible applicants — local watershed improvement committees.
466A.5 Administration.

**466A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the watershed improvement review board as established in section 466A.3.

2. *"Committee"* means a local watershed improvement committee as provided in section 466A.4.

3. *"Division"* means the division of soil conservation within the department of agriculture and land stewardship as established in section 161A.4.

4. *"Fund"* means the watershed improvement fund as created pursuant to section 466A.2.

2005 Acts, ch 159, §3

**466A.2 Watershed improvement fund.**

1. *a.* A watershed improvement fund is created in the state treasury which shall be administered by the treasurer of state under the supervision of the watershed improvement review board. Moneys in the fund are appropriated to the treasurer of state for expenditure as authorized by the board to carry out the purposes of this chapter.

*b.* The fund shall include a general account and special account.

(1) Other than as provided in subparagraph (2), the general account shall include all moneys appropriated to the fund and any other moneys available to and obtained or accepted by the treasurer of state for placement in the fund shall be deposited in the fund. Additionally, payments of interest, recaptures of awards, and other repayments to the account shall be deposited in the account.

(2) The special account shall exclusively include moneys assessed and collected by or on behalf of the department of natural resources as provided in sections 455B.109, 459.602, 459.603, 459.604, 459A.502, and 459B.402. Additionally, payments of interest, recaptures of awards, and other repayments to the account shall be deposited in the account.

*c.* Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in an account of the fund that shall be credited to that account.

*d.* Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the end of the fiscal year shall not revert, but shall remain available for the same purpose in the succeeding fiscal year.

*e.* Moneys in the general account of the fund shall be used exclusively for carrying out the purposes of this chapter. Moneys in the special account of the fund shall be used exclusively by the board for purposes of awarding local watershed improvement grants and monitoring the progress of local watershed improvement projects awarded grants as provided in section 466A.3.

*f.* Moneys in the fund shall not be used by the treasurer of state for its administrative purposes.

2. The purposes of the watershed improvement fund are the following:

*a.* Enhancement of water quality in the state through a variety of impairment-based, locally directed watershed improvement grant projects. Innovative water quality projects shall be encouraged.

*b.* Positively affecting the management and use of water for the purposes of drinking, agriculture, recreation, sport, and economic development in the state.

*c.* Ensuring public participation in the process of determining priorities related to water quality including but not limited to all of the following:

(1) Agricultural runoff and drainage.
(2) Stream bank erosion.
(3) Municipal discharge.
(4) Storm water runoff.
(5) Unsewered communities.
(6) Industrial discharge.
(7) Livestock runoff.
(8) Structures and conservation systems for the prevention and mitigation of floods within the watershed of the project.
(9) Removal of channels of waterways to allow waterways to meander.

2005 Acts, ch 159, §4; 2007 Acts, ch 211, §38; 2009 Acts, ch 146, §5; 2011 Acts, ch 128, §41, 45

Referred to in §455B.109, 459.602, 459.603, 459.604, 459A.502, 459B.402, 466A.1, 466A.3

**466A.3 Watershed improvement review board.**

1. A watershed improvement review board is established.

*a.* The board shall consist of all of the following voting members, appointed by the named entity or entities and approved by the governor:
(1) One member of the agribusiness association of Iowa.
(2) One member of the Iowa association of water agencies.
(3) One member of the Iowa environmental council.
(4) One member of the Iowa farm bureau federation.
(5) One member of the Iowa pork producers association.
(6) One member of the Iowa rural water association.
(7) One member of the Iowa soybean association.
(8) One member representing soil and water conservation districts of Iowa.
(9) One member of the Iowa association of county conservation boards.
(10) One person representing the department of agriculture and land stewardship.
(11) One person representing the department of natural resources.

*b.* The board shall also include four members of the general assembly who shall serve as ex officio, nonvoting members. Not more than one member from each house shall be from the same political party. Two state senators shall be appointed, one by the majority leader of the senate and one by the minority leader of the senate. Two state representatives shall be appointed, one by the speaker of the house of representatives and one by the minority leader of the house of representatives. The legislator members shall serve terms as provided in section 69.16B. A legislator member may designate another person to attend a board meeting if the member is unavailable. Only the legislator member is eligible for per diem and expenses as provided in section 2.10.

2. A voting member other than a representative of a state agency shall be compensated as provided in section 7E.6 and is allowed actual and necessary expenses incurred in the performance of their duties. The moneys used to pay for compensation and expenses shall be paid from available interest or earnings on moneys in the fund.

3. *a.* The voting members of the board shall serve three-year staggered terms commencing and ending as provided in section 69.19. If a vacancy occurs, a successor shall be appointed in the same manner and subject to the same qualifications as the original appointment, to serve the remainder of the term.

*b.* The voting members of the board shall elect a chairperson and vice chairperson annually from the voting membership of the board. A majority of the voting members of the board constitutes a quorum. If the chairperson and vice chairperson are unable to preside over the board due to absence or disability, a majority of the voting members present may elect a temporary chairperson by a majority vote providing a quorum is present.

4. The watershed improvement review board shall carry out the purposes of this chapter as provided in section 466A.2, including by determining how moneys are to be expended from the watershed improvement fund and authorizing the expenditure of moneys from the fund. In carrying out those purposes, the board shall do all of the following:

*a.* Award local watershed improvement grants and monitor the progress of local watershed improvement projects awarded grants.

(1) A local watershed improvement grant may be awarded for an original period not to exceed five years. However, during those five years, the board may extend the period of the award for up to five additional years after the date that the original period would have ended.

(2) Each local watershed improvement grant awarded shall not exceed ten percent of the moneys appropriated for the grants during a fiscal year.

(3) Moneys deposited into the fund's special account shall be used exclusively for awarding local watershed improvement grants and monitoring the progress of local watershed improvement projects awarded grants as provided in this paragraph "*a*". However, any other moneys may also be used for awarding grants and monitoring the progress of projects.

*b.* Assist with the development of monitoring plans for local watershed improvement projects.

*c.* Review monitoring results before, during, and after completion of a local watershed improvement project.

*d.* Review costs and benefits of mitigation practices utilized by a project.

*e.* By January 31, annually, submit an electronic report to the governor and the general assembly regarding the progress of the watershed improvement projects during the previous calendar year.

*f.* Elicit the expertise of other organizations for technical assistance in the work of the board.

*g.* Independently develop and adopt administrative rules pursuant to chapter 17A to administer this chapter.

5. A watershed improvement review board member who also serves on a local watershed improvement committee shall abstain from voting on a local watershed improvement grant application submitted by the same local watershed improvement committee of which the person is a member. A member of the general assembly shall abstain from participating on any issue relating to a watershed which is in the member's legislative district.

2005 Acts, ch 159, §5; 2006 Acts, ch 1010, §121; 2006 Acts, ch 1185, §86; 2008 Acts, ch 1156, §48, 58; 2008 Acts, ch 1189, §33; 2009 Acts, ch 44, §1; 2011 Acts, ch 128, §42, 43, 45

Referred to in §466A.1, 466A.2

**466A.4 Eligible applicants — local watershed improvement committees.**

1. Public water supply utilities, counties, county conservation boards, and cities may also be eligible and apply for and receive local watershed improvement grants for water quality improvement projects. An applicant shall coordinate with a local watershed improvement committee or a soil and water conservation district and shall include in the application a description of existing projects and any potential impact the proposed project may have on existing or planned water quality improvement projects.

2. A local watershed improvement committee shall be organized for the purposes of applying for a local watershed improvement grant and implementing a local watershed improvement project. Each local watershed improvement grant application shall include a methodology for attaining measurable, observable, and performance-based results. A majority of the members of the committee shall represent a cause for the impairment of the watershed. The committee shall be authorized as a not-for-profit organization by the secretary of state. Soil and water conservation districts may also be eligible and apply for and receive local watershed improvement grants.

3. A local watershed improvement committee shall be responsible for application for and implementation of an approved local watershed improvement grant, including providing authorization for project bids and project expenditures under the grant. A portion of the grant moneys may be used to engage engineering expertise related to the project. The committee shall monitor local performance throughout the local watershed grant project

and shall submit a report at six-month intervals regarding the progress and findings of the project as required by the committee.

2005 Acts, ch 159, §6; 2007 Acts, ch 211, §39; 2009 Acts, ch 146, §6; 2009 Acts, ch 179, §142
Referred to in §466A.1

**466A.5 Administration.**

The soil conservation division of the department of agriculture and land stewardship shall provide administrative support to the board. Not more than one percent of the total moneys deposited in the general account of the watershed improvement fund on July 1 of a fiscal year or fifty thousand dollars, whichever is less, is appropriated each fiscal year to the division for the purposes of assisting the watershed improvement review board in administering this chapter.

2005 Acts, ch 159, §7; 2011 Acts, ch 128, §44, 45

# CHAPTER 466B

## SURFACE WATER PROTECTION, FLOOD MITIGATION, AND WATERSHED MANAGEMENT

Referred to in §461.34

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## SUBCHAPTER I

## SURFACE WATER PROTECTION AND FLOOD MITIGATION

**466B.1 Short title.**

This chapter shall be known and may be cited as the *"Surface Water Protection and Flood Mitigation Act"*.

2008 Acts, ch 1034, §1; 2009 Acts, ch 146, §7

**466B.2 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Council"* means the water resources coordinating council created in section 466B.3.
2. *"Department"* means the department of natural resources.
3. *"Political subdivision"* means a city, county, or soil and water conservation district.
4. *"Regional watershed"* means a watershed of hydrologic unit code scale 8.
5. *"Subwatershed"* means a watershed of hydrologic unit code scale 12 or smaller.
6. *"Watershed"* means a geographic area in which surface water is drained by rivers, streams, or other bodies of water.

2008 Acts, ch 1034, §2; 2013 Acts, ch 132, §57

NEW subsection 3 and former subsections 3 – 5 renumbered as 4 – 6

**466B.3 Water resources coordinating council.**

1. *Council established.* A water resources coordinating council is established within the department of agriculture and land stewardship.

2. *Purpose.* The purpose of the council shall be to preserve and protect Iowa's water resources, and to coordinate the management of those resources in a sustainable and fiscally responsible manner. In the pursuit of this purpose, the council shall use an integrated approach to water resource management, recognizing that insufficiencies exist in current approaches and practices, as well as in funding sources and the utilization of funds. The integrated approach used by the council shall attempt to overcome old categories, labels, and obstacles with the primary goal of managing the state's water resources comprehensively rather than compartmentally.

3. *Accountability.* The success of the council's efforts shall ultimately be measured by the following outcomes:

*a.* Whether the citizens of Iowa can more easily organize local watershed projects.

*b.* Whether the citizens of Iowa can more easily access available funds and water quality program resources.

*c.* Whether the funds, programs, and regulatory efforts coordinated by the council eventually result in a long-term improvement to the quality of surface water in Iowa.

*d.* Whether the potential for flood damage in each watershed in the state has been reduced.

4. *Membership.* The council shall consist of the following members:

*a.* The director of the department of natural resources or the director's designee.

*b.* The director of the soil conservation division of the department of agriculture and land stewardship or the director's designee.

*c.* The director of the department of public health or the director's designee.

*d.* The director of the department of homeland security and emergency management or the director's designee.

*e.* The dean of the college of agriculture and life sciences at Iowa state university or the dean's designee.

*f.* The dean of the college of public health at the university of Iowa or the dean's designee.

*g.* The dean of the college of natural sciences at the university of northern Iowa or the dean's designee.

*h.* The director of the department of transportation or the director's designee.

*i.* The director of the economic development authority or the director's designee.

*j.* The executive director of the Iowa finance authority or the executive director's designee.

*k.* The secretary of agriculture, who shall be the chairperson, or the secretary's designee. As the chairperson, and in order to further the coordination efforts of the council, the secretary may invite representatives from any other public agency, private organization, business, citizen group, or nonprofit entity to give public input at council meetings, provided the entity has an interest in the coordinated management of land resources, soil conservation, flood mitigation, or water quality. The secretary shall also invite and solicit advice from the following:

(1) The director of the Iowa water science center of the United States geological survey or the director's designee.

(2) The state conservationist from the Iowa office of the United States department of agriculture's natural resources conservation service or the state conservationist's designee.

(3) The executive director for Iowa from the United States department of agriculture's farm services agency or the executive director's designee.

(4) The state director for Iowa from the United States department of agriculture's office of rural development or the state director's designee.

(5) The director of region seven of the United States environmental protection agency or the director's designee.

(6) The corps commander from the United States army corps of engineers' Rock Island district or the commander's designee.

*l.* The dean of the college of engineering at the university of Iowa or the dean's designee.

5. *Meetings and quorum.*

*a.* The council shall be convened by the secretary of agriculture at least quarterly.

*b.* A majority of the members fixed by statute shall constitute a quorum, and any action taken by the council must be adopted by a majority of the voting membership.

6. *Duties and powers.*

*a.* The council shall engage in the regular coordination of water resource-related functions, including protection strategies, planning, assessment, prioritization, review, concurrence, advocacy, and education.

*b.* In coordinating water resource-related functions, the council may do all of the following:

(1) Consider the steps necessary to address the planning, management, and implementation of water resource improvement.

(2) Identify ways to facilitate communication and participation among all water resource stakeholders, including owners of land in Iowa whether they are residents or not.

(3) Identify inefficiencies in current programs and recommend ways to eliminate duplicative services.

(4) Improve the availability and management of water resource information.

(5) Provide incentives for, and recognition of, environmental excellence.

(6) Regularly assess and identify measurable improvements in water quality.

(7) Oversee the complete, statewide regional watershed assessment, prioritization, and planning process described in section 466B.5, including a short-term interim program and a long-term comprehensive state water quality and quantity plan updated every five years as provided in sections 466B.5 and 466B.6.

(8) Develop a protocol which identifies high-priority watersheds, including local and community-based subwatersheds, and which appropriately directs resources to those watersheds.

(9) Review best available technologies on a regular basis, so that investments of time and program resources can be prioritized and directed to projects that will best and most effectively improve water quality and reduce flood damage within regional and community subwatersheds.

(10) Review voluntary, performance-based standards for water resource management, land management, and soil conservation.

(11) Develop a protocol for assigning multiagency teams to regional watersheds and local subwatersheds and guide those teams in the coordination of citizen and agency activities within those watersheds.

(12) Engage in dialogue with, and pursue efforts to make cooperative agreements with, other states when a watershed extends beyond borders of this state.

(13) Enter into agreements and make contracts with third parties for the performance of duties imposed by this chapter.

(14) Prepare a memorandum of understanding identifying the roles and responsibilities of council members in the coordination of the implementation of community-based subwatershed improvement plans. The memorandum shall be a commitment by the agencies participating in council meetings to reach consensus regarding communications with subwatershed planning units.

*c.* The council shall develop recommendations for policies and funding promoting a watershed management approach to reduce the adverse impact of future flooding on this state's residents, businesses, communities, and soil and water quality. The council shall consider policies and funding options for various strategies to reduce the impact of flooding including but not limited to additional floodplain regulation; wetland protection, restoration, and construction; the promulgation and implementation of statewide storm water management standards; conservation easements and other land management; perennial ground cover and other agricultural conservation practices; pervious pavement, bioswales, and other urban conservation practices; and permanent or temporary water retention structures. In developing recommendations, the council shall consult with hydrological and land use experts, representatives of cities, counties, drainage and levee districts, agricultural interests, and soil and water conservation districts, and other urban and regional planning experts.

2008 Acts, ch 1034, §3; 2009 Acts, ch 41, §139; 2009 Acts, ch 146, §8 – 12; 2010 Acts, ch 1061, §62; 2011 Acts, ch 118, §85, 89; 2011 Acts, ch 119, §1 – 5; 2012 Acts, ch 1021, §86; 2012 Acts, ch 1023, §65; 2013 Acts, ch 29, §58

Referred to in §28N.3, 466B.2

Subsection 4, paragraph d amended

**466B.4 Legislative findings and marketing campaign.**

1. *Findings.* The general assembly finds all of the following:

*a.* Most Iowans desire to have improved water quality throughout the state, but many Iowans do not understand the problems with local water quality.

*b.* Most Iowans believe that the protection of fish and wildlife benefits all Iowans.

*c.* The benefits of improving water quality could far outweigh the costs of implementing mechanisms to improve it.

*d.* Most Iowans look to some level of government for the protection of water resources rather than to themselves and their own actions. However, it is not possible or desirable for state government to take complete control and responsibility for water quality.

*e.* In addition to the use of Iowa land for agriculture and economic development, the land in watersheds and floodplains should be managed to reduce flooding, reduce flood damage, ameliorate the effects of drought, improve water quality, improve habitat and the natural environment, increase renewable energy production, and enhance recreational opportunities.

2. *Marketing campaign.* The water resources coordinating council shall develop a marketing campaign to educate Iowans about the need to take personal responsibility for the quality and quantity of water in their local watersheds. The emphasis of the campaign shall be that not only is everyone responsible for clean water, but that everyone benefits from it as well, and that everyone is responsible for and benefits from reducing the risk for flooding and mitigating possible future flood damage. The goals of the campaign shall be to convince Iowans to take personal responsibility for clean water and reducing the risk of flooding and to equip them with the tools necessary to effect change through local water quality improvement projects and better flood plain management and flood risk programs.

3. *Contingent on funding.* The duties imposed in subsection 2 are contingent upon the receipt of funding sufficient to cover the costs associated with the marketing campaign.

2008 Acts, ch 1034, §4; 2009 Acts, ch 146, §13; 2010 Acts, ch 1193, §127

**466B.5 Regional watershed assessment, planning, and prioritization.**

1. *Regional watershed assessment program.* The department of natural resources shall create a regional watershed assessment program. The program shall assess all the regional watersheds in the state.

*a.* The statewide assessment shall be conducted at the rate of approximately one-fifth of the watersheds per year, and an initial full assessment shall be completed within five years. Thereafter, the department of natural resources shall review and update the assessments on a regular basis.

*b.* Each regional watershed assessment shall provide a summary of the overall condition of the watershed. The information provided in the summary may include land use patterns, soil types, slopes, management practices, stream conditions, and both point and nonpoint source impairments.

*c.* In conducting a regional watershed assessment, the department of natural resources may provide opportunities for local data collection and input into the assessment process.

2. *Planning and prioritization.* In conducting the regional watershed assessment program, the department of natural resources shall provide hydrological and geological information sufficient for the water resources coordinating council to prioritize watersheds statewide and for the various communities in those watersheds to plan remedial efforts in their local communities and subwatersheds.

3. *Report to council.* Upon completion of the statewide assessment, and upon updating the assessments, the department of natural resources shall report the results of the assessment to the council and the general assembly, and shall make the report publicly available.

2008 Acts, ch 1034, §5; 2011 Acts, ch 119, §6
Referred to in §466B.3, 466B.9

**466B.6 Community-based subwatershed improvement plans.**

1. *Facilitation of community-based subwatershed plans.* After the department of natural resources' completion of the initial regional watershed assessment, and after the council's prioritization of the regional watersheds, the council shall designate one or more of the agencies represented on the council to facilitate the development and implementation of local, community-based subwatershed improvement plans.

2. *Assessment, planning, prioritization, and implementation.* In facilitating the development of community-based subwatershed improvement plans, the agency or agencies designated by the council shall, based on the results of the regional watershed assessment program, identify critical subwatersheds within priority regional watersheds and recruit communities, citizen groups, local governmental entities, or other stakeholders to engage in the assessment, planning, prioritization, and implementation of a local community-based subwatershed improvement plan. The agency or agencies designated by the council may assist in the formation of a group of initial local community-based subwatershed improvement plans that can be implemented as pilot projects, in order to develop an effective process that can be replicated across the state.

2008 Acts, ch 1034, §6; 2011 Acts, ch 119, §7
Referred to in §466B.3

**466B.7 Community-based subwatershed monitoring.**

1. *Monitoring assistance.* After completion of the statewide regional watershed assessment and prioritization, and throughout the implementation of local community-based subwatershed improvement plans, the department of natural resources shall assist communities with the monitoring and measurement of local subwatersheds. The monitoring and measurement shall be designed for the particular needs of individual communities.

2. *Data collection and use.* Local communities in which the department of natural resources conducts subwatershed monitoring shall use the information to support subwatershed planning activities, do local data collection, and identify priority areas needing

additional resources. Local communities shall also collect data over time and use the data to evaluate the impacts of their management efforts.

2008 Acts, ch 1034, §7; 2011 Acts, ch 119, §8

**466B.8 Wastewater and storm water infrastructure assessment.**

The department of natural resources shall assess and prioritize communities within a watershed presenting the greatest level of risk to water quality and the health of residents. This prioritization shall include both sewered and unsewered communities.

2008 Acts, ch 1034, §8; 2011 Acts, ch 119, §9

**466B.9 Rulemaking authority.**

The department of natural resources and the department of agriculture and land stewardship shall have the power and authority reasonably necessary to carry out the duties imposed by this chapter. As to the department of natural resources, this includes rulemaking authority to carry out the regional watershed assessment program described in section 466B.5. As to the department of agriculture and land stewardship, this includes rulemaking authority to assist in the implementation of community-based subwatershed improvement plans.

2008 Acts, ch 1034, §9; 2011 Acts, ch 119, §10

**466B.10 Floodplain managers.**

The council shall encourage and support the formation of a chapter of the association of state floodplain managers in Iowa that would provide a vehicle for local floodplain managers and floodplain planners to further pursue professional educational opportunities.

2010 Acts, ch 1193, §128

**466B.11 Flood education.**

The Iowa state university agricultural extension service, the council, and agency members of the council shall, to the extent feasible, work with floodplain and hydrology experts to educate the general public about floodplains, flood risks, and basic floodplain management principles. This educational effort shall include developing educational materials and programs in consultation with floodplain experts.

2010 Acts, ch 1193, §129

**466B.12 through 466B.20** Reserved.

## SUBCHAPTER II

## WATERSHED MANAGEMENT AUTHORITIES

**466B.21 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Authority"* means a watershed management authority created pursuant to a chapter 28E agreement as provided in this subchapter.

2. *"Board"* means a board of directors of a watershed management authority.

2010 Acts, ch 1116, §3; 2013 Acts, ch 132, §58

Subsection 3 stricken

**466B.22 Watershed management authorities created.**

1. Two or more political subdivisions may create, by chapter 28E agreement, a watershed management authority pursuant to this subchapter. The participating political subdivisions must be located in the same United States geological survey hydrologic unit code 8 watershed. All political subdivisions within a watershed must be notified within thirty days prior to organization of any watershed management authority within the watershed, and provided the opportunity to participate.

2. The chapter 28E agreement shall include a map showing the area and boundaries of the authority.

3. A political subdivision may participate in more than one authority created pursuant to this subchapter.

4. A political subdivision is not required to participate in a watershed management authority or be a party to a chapter 28E agreement under this subchapter.

2010 Acts, ch 1116, §4

**466B.23 Duties.**

A watershed management authority may perform all of the following duties:

1. Assess the flood risks in the watershed.
2. Assess the water quality in the watershed.
3. Assess options for reducing flood risk and improving water quality in the watershed.
4. Monitor federal flood risk planning and activities.
5. Educate residents of the watershed area regarding water quality and flood risks.
6. Allocate moneys made available to the authority for purposes of water quality and flood mitigation.
7. Make and enter into contracts and agreements and execute all instruments necessary or incidental to the performance of the duties of the authority. A watershed management authority shall not acquire property by eminent domain.

2010 Acts, ch 1116, §5

**466B.24 Board of directors.**

1. An authority shall be governed by a board of directors. Members of a board of directors of an authority shall be divided among the political subdivisions comprising the authority and shall be appointed by the respective political subdivision's elected legislative body.

2. A board of directors shall consist of one representative of each participating political subdivision. This subsection shall not apply if a chapter 28E agreement under this subchapter provides an alternative board composition method.

3. The directors shall serve staggered terms of four years. The initial board shall determine, by lot, the initial terms to be shortened and lengthened, as necessary, to achieve staggered terms. A person appointed to fill a vacancy shall be appointed in the same manner as the original appointment for the duration of the unexpired term. A director is eligible for reappointment. This subsection shall not apply if a chapter 28E agreement under this subchapter provides an alternative for the length of term, appointment, and reappointment of directors.

4. A board may provide procedures for the removal of a director who fails to attend three consecutive regular meetings of the board. If a director is so removed, a successor shall be appointed for the duration of the unexpired term of the removed director in the same manner as the original appointment. The appointing body may at any time remove a director appointed by it for misfeasance, nonfeasance, or malfeasance in office.

5. A board shall adopt bylaws and shall elect one director as chairperson and one director as vice chairperson, each for a term of two years, and shall appoint a secretary who need not be a director.

6. A majority of the membership of a board of directors shall constitute a quorum for the purpose of holding a meeting of the board. The affirmative vote of a majority of a quorum shall be necessary for any action taken by an authority unless the authority's bylaws specify those particular actions of the authority requiring a greater number of affirmative votes. A vacancy in the membership of the board shall not impair the rights of a quorum to exercise all the rights and perform all the duties of the authority.

2010 Acts, ch 1116, §6

**466B.25 Activities coordination.**

In all activities of a watershed management authority, the authority may coordinate its activities with the department of natural resources, the department of agriculture and land

stewardship, councils of governments, public drinking water utilities, and soil and water conservation districts.

2010 Acts, ch 1116, §7

**466B.26 through 466B.30** Reserved.

SUBCHAPTER III

WATERSHED PLANNING ACTIVITIES

**466B.31 Watershed planning advisory council.**

1. A watershed planning advisory council is established for purposes of assembling a diverse group of stakeholders to review research and make recommendations to various state entities regarding methods to protect water resources in the state, assure an adequate supply of water, mitigate and prevent floods, and coordinate the management of those resources in a sustainable, fiscally responsible, and environmentally responsible manner. The advisory council may seek input from councils of governments or other organizations in the development of its recommendations. The advisory council shall meet once a year and at other times as deemed necessary to meet the requirements of this section. The advisory council may appoint a task force to assist the advisory council in completing its duties.

2. The watershed planning advisory council shall consist of all of the following members:

*a.* The voting members of the advisory council shall include all of the following:

(1) One member selected by the Iowa association of municipal utilities.

(2) One member selected by the Iowa league of cities.

(3) One member selected by the Iowa association of business and industry.

(4) One member selected by the Iowa water pollution control association.

(5) One member selected by the Iowa rural water association.

(6) One member selected by growing green communities.

(7) One member selected by the Iowa environmental council.

(8) One member selected by the Iowa farm bureau federation.

(9) One member selected by the Iowa corn growers association.

(10) One member selected by the Iowa soybean association.

(11) One member selected by the Iowa pork producers council.

(12) One member selected by the soil and water conservation districts of Iowa.

(13) One person representing the department of agriculture and land stewardship selected by the secretary of agriculture.

(14) One person representing the department of natural resources selected by the director.

(15) Two members selected by the Iowa conservation alliance.

(16) One member selected by the Iowa drainage district association.

(17) One member selected by the agribusiness association of Iowa.

(18) One member selected by the Iowa floodplain and stormwater management association.

(19) One member selected by Iowa rivers revival.

*b.* The nonvoting members of the advisory council shall include all of the following:

(1) Two members of the senate. One senator shall be appointed by the majority leader of the senate and one senator shall be appointed by the minority leader of the senate.

(2) Two members of the house of representatives. One member shall be appointed by the speaker of the house of representatives and one member shall be appointed by the minority leader of the house of representatives.

3. By December 1 of each year, the watershed planning advisory council shall submit a report to the governor, the general assembly, the department of agriculture and land stewardship, the department of natural resources, and the water resources coordinating council. The report shall include recommendations regarding all of the following:

*a.* Improving water quality and optimizing the costs of voluntarily achieving and maintaining water quality standards.

*b.* Creating economic incentives for voluntary nonpoint source load reductions, point source discharge reductions beyond those required by the federal Water Pollution Control Act, implementation of pollution prevention programs, wetland restoration and creation, and the development of emerging pollution control technologies.

*c.* Facilitating the implementation of total maximum daily loads, urban storm water control programs, and nonpoint source management practices required or authorized under the federal Water Pollution Control Act. This paragraph shall not be construed to obviate the requirement to develop a total maximum daily load for waters that do not meet water quality standards as required by section 303(d) of the federal Water Pollution Control Act or to delay implementation of a total maximum daily load that has been approved by the department and the director.

*d.* Providing incentives, methods, and practices for the development of new and more accurate and reliable pollution control quantification protocols and procedures, including but not limited to development of policy based on information and data that is publicly available and that can be verified and evaluated.

*e.* Providing greater flexibility for broader public involvement through community-based, nonregulatory, and performance-driven watershed management planning.

*f.* Assigning responsibility for monitoring flood risk, flood mitigation, and coordination with federal agencies.

*g.* Involving cities, counties, and other local and regional public and private entities in watershed improvement including but not limited to incentives for participation in a watershed management authority created under this chapter.

4. Each year, the voting members of the advisory council shall designate one voting member as chairperson.

2010 Acts, ch 1116, §1; 2011 Acts, ch 131, §98, 158

**466B.32 Watershed demonstration pilot projects.**

The department of natural resources and the department of agriculture and land stewardship, in collaboration with the United States department of agriculture's natural resources conservation service and the Iowa flood center established pursuant to section 466C.1, and in cooperation with the council, shall seek funding to plan, implement, and monitor one or more watershed demonstration pilot projects for urban and rural areas involving a twelve-digit hydrologic unit code subwatershed as defined by the United States geological survey. The pilot projects shall include features that seek to do all of the following:

1. Maximize soil water holding capacity from precipitation.
2. Minimize severe scour erosion and sand deposition during floods.
3. Manage water runoff in uplands under saturated soil moisture conditions.
4. Reduce and mitigate structural and nonstructural flood damage.

2010 Acts, ch 1116, §2

**466B.33 through 466B.40** Reserved.

## SUBCHAPTER IV

## WATER QUALITY INITIATIVE — NUTRIENTS

**466B.41 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Center"* means the Iowa nutrient research center established pursuant to section 466B.47.

2. *"Council"* means the Iowa nutrient research center advisory council established pursuant to section 466B.48.

3. *"Division"* means the division of soil conservation within the department of agriculture and land stewardship as established in section 161A.4.

4. *"Fund"* means the water quality initiative fund created in section 466B.45.

5. *"Nutrient"* includes nitrogen and phosphorus.

2013 Acts, ch 132, §59
NEW section

**466B.42 Water quality initiative.**

The division shall establish a water quality initiative in order to assess and reduce nutrients in this state's watersheds, including subwatersheds, and regional watersheds. The division shall establish and administer projects to reduce nutrients in surface waters from nonpoint sources in a scientific, reasonable, and cost-effective manner. The division shall utilize a pragmatic, strategic, and coordinated approach with the goal of accomplishing reductions over time.

2013 Acts, ch 132, §60
NEW section

**466B.43 and 466B.44** Reserved.

**466B.45 Water quality initiative fund.**

1. A water quality initiative fund is created in the state treasury under the management and control of the division.

2. The fund shall include moneys appropriated by the general assembly. The fund may include other moneys available to and obtained or accepted by the division, including moneys from public or private sources.

3. Moneys in the fund are appropriated to the division and shall be used exclusively to carry out the provisions of this subchapter as determined by the division, and shall not require further special authorization by the general assembly.

4. *a.* Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

*b.* Notwithstanding section 8.33, moneys appropriated or otherwise credited to the fund for a fiscal year shall not revert to the fund from which appropriated at the close of the fiscal year for which the appropriation was made but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins three years from the beginning date of the fiscal year for which the appropriation was made.

2013 Acts, ch 132, §61
Referred to in §466B.41
NEW section

**466B.46** Reserved.

**466B.47 Iowa nutrient research center — establishment and purpose.**

1. The state board of regents shall establish and maintain in Ames as part of Iowa state university of science and technology an Iowa nutrient research center.

2. The purpose of the center shall be to pursue a science-based approach to nutrient management research that may include but is not limited to evaluating the performance of current and emerging nutrient management practices, and using an adaptive management framework for providing recommendations for the implementation of nutrient management practices and the development of new nutrient management practices.

3. The center shall be administered by a director who shall be appointed by the dean of the college of agriculture and life sciences of Iowa state university of science and technology.

4. The center shall facilitate collaboration among appropriate institutions of higher education governed by the state board of regents, including but not limited to institutes, departments, and centers.

5. Any information collected or received by the center that identifies a person holding a legal interest in agricultural land or specific agricultural land shall be a confidential record under section 22.7.

2013 Acts, ch 132, §62
Referred to in §466B.41, 466B.48
NEW section

**466B.48 Iowa nutrient research center advisory council — establishment and purpose.**

1. The state board of regents shall establish and maintain in Ames as part of Iowa state university of science and technology an Iowa nutrient research center advisory council.

2. The council shall consist of the following members:

*a.* The dean of the college of agriculture and life sciences of Iowa state university of science and technology, or the dean's designee.

*b.* The director of the Iowa state university of science and technology extension service, or the director's designee.

*c.* A representative of the IIHR — hydroscience and engineering within the college of engineering of the university of Iowa who shall be appointed by the president of the university.

*d.* A person knowledgeable in an area related to nutrient research who shall be appointed by the president of the university of northern Iowa.

*e.* A person knowledgeable in an area related to nutrient research who shall be appointed by the state association of private colleges and universities.

*f.* The secretary of agriculture or the secretary's designee.

*g.* The administrative director of the soil conservation division of the department of agriculture and land stewardship as provided in chapter 161A, or the administrative director's designee.

*h.* The director of the department of natural resources, or the director's designee.

3. *a.* An appointed or designated member of the council shall serve at the pleasure of the person making the appointment or designation.

*b.* A majority of the members of the council as provided in subsection 2 constitutes a quorum. Any action taken by the council must be adopted by the affirmative vote of a majority of its members present, except that a lesser number may adjourn a meeting. The majority shall not include any member who has a conflict of interest and a statement by a member of a conflict of interest shall be conclusive for this purpose.

*c.* The council shall elect a chairperson and any other officers from the membership of the council as the council determines necessary. An officer shall serve for a term required by rules adopted by the council. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the council.

*d.* The council shall adopt rules that it determines are necessary for the conduct of business.

*e.* Only the member appointed by the state association of private colleges and universities is eligible for reimbursement of actual expenses as provided in section 7E.6. However, no member is eligible for a payment of a per diem.

4. The council shall function on a continuing basis for the study and recommendation of solutions for consideration by the Iowa nutrient research center in carrying out its purpose as provided in section 466B.47.

2013 Acts, ch 132, §63
Referred to in §466B.41
NEW section

# CHAPTER 466C

## IOWA FLOOD CENTER

466C.1 Iowa flood center.

**466C.1 Iowa flood center.**

1. The state board of regents shall establish and maintain in Iowa City as a part of the state university of Iowa an Iowa flood center. In conducting the activities of this chapter, the center shall work cooperatively with the department of natural resources, the department of agriculture and land stewardship, the water resources coordinating council, and other state and federal agencies.

2. The Iowa flood center shall have all of the following purposes:

*a.* To develop hydrologic models for physically-based flood frequency estimation and real-time forecasting of floods, including hydraulic models of floodplain inundation mapping.

*b.* To establish community-based programs to improve flood monitoring and prediction along Iowa's major waterways and to support ongoing flood research.

*c.* To share resources and expertise of the Iowa flood center.

*d.* To assist in the development of a workforce in the state knowledgeable regarding flood research, prediction, and mitigation strategies.

2009 Acts, ch 184, §15

Referred to in §418.8, 466B.32

# SUBTITLE 3

## SOIL AND WATER PRESERVATION — COUNTIES

## CHAPTERS 467 to 467F

RESERVED

## CHAPTER 468

### LEVEE AND DRAINAGE DISTRICTS AND IMPROVEMENTS

Referred to in §21.2, 22.1, 161F.6, 331.303, 437A.16, 456B.13, 460.101, 460.203

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## SUBCHAPTER I

## ESTABLISHMENT

Referred to in §331.382, 468.393, 468.397, 468.405

## PART 1

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Referred to in §331.502, 331.552, 350.4, 358.23, 461A.76, 468.3, 468.10, 468.41, 468.49, 468.59, 468.65, 468.67, 468.96, 468.115, 468.119, 468.126, 468.140, 468.152, 468.188, 468.207, 468.211, 468.240, 468.273, 468.283, 468.284, 468.288, 468.292, 468.297, 468.308, 468.335, 468.345, 468.529

**468.1 Jurisdiction to establish.**

The board of supervisors of any county shall have jurisdiction, power, and authority at any regular, special, or adjourned session, to establish a drainage district or districts, and to locate and establish levees, and cause to be constructed as hereinafter provided any levee, ditch, drain, or watercourse, or settling basins in connection therewith, or to straighten, widen, deepen, or change any natural watercourse, in such county, whenever the same will be of public utility or conducive to the public health, convenience or welfare.

[C73, §1207; C97, §1939; S13, §1989-a1; C24, 27, 31, 35, 39, §**7421;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.1]

89 Acts, ch 126, §2

CS89, §468.1

**468.2 Presumption and construction of laws.**

1. The drainage of surface waters from agricultural lands and all other lands, including state-owned lakes and wetlands, or the protection of such lands from overflow shall be presumed to be a public benefit and conducive to the public health, convenience, and welfare.

2. The provisions of this subchapter and all other laws for the drainage and protection from overflow of agricultural or overflow lands shall be liberally construed to promote leveeing, ditching, draining, and reclamation of wet, swampy, and overflow lands.

[S13, §1989-a1, -a46; C24, 27, 31, 35, 39, §**7422, 7594;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.2, 455.182]

89 Acts, ch 126, §2

CS89, §468.2

2011 Acts, ch 59, §1, 4

**468.3 Definitions.**

1. The term *"appraisers"* shall mean the persons appointed and qualified to ascertain the value of all land taken and the amount of damage arising from the construction of levee or drainage improvements.

2. Within the meaning of this subchapter, parts 1 through 5, and subchapter II, part 1, the term *"board"* shall embrace the board of supervisors, the joint boards of supervisors in case of intercounty levee or drainage districts, and the board of trustees in case of a district under trustee management.

3. As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

4. The term *"commissioners"* shall mean the persons appointed and qualified to classify lands, fix percentages of benefits, apportion and assess costs and expenses in any levee or drainage district, unless otherwise specifically indicated by law.

5. The term *"cost of improvements"* means the costs of any improvement which is subject to special assessment including, but not limited to, the costs of engineering, preliminary reports, property valuations, estimates, plans, specifications, notices, acquisition of land, easements, rights-of-way, construction, repair, supervision, inspection, testing, notices and publication, interest during construction and for a reasonable period following the completion of construction, and may include the default fund which shall amount to not more than ten percent of the total cost of an improvement assessed against benefited property.

6. The term *"engineer"* and the term *"civil engineer"*, within the meaning of this subchapter, parts 1 through 5, subchapter II, parts 1, 4, 5, and 6, and subchapter V, shall mean a person licensed as a professional engineer under the provisions of chapter 542B.

7. The term *"land surveyor"* shall mean a person licensed as a professional land surveyor under the provisions of chapter 542B.

8. For the purpose of this subchapter, parts 1 through 5, and with reference to improvements along or adjacent to the Missouri river the word *"levee"* shall be construed to include, in addition to its ordinary and accepted meaning, embankments, revetments, retards, or any other approved system of construction which may be deemed necessary to adequately protect the banks of any river or stream, within or adjacent to any county, from wash, cutting, or erosion.

[C24, 27, 31, 35, 39, §**7423, 7424;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.3, 455.4]

88 Acts, ch 1070, §1; 89 Acts, ch 126, §2

CS89, §468.3

2000 Acts, ch 1148, §1; 2007 Acts, ch 126, §84; 2012 Acts, ch 1009, §8

Referred to in §21.2, 22.1, 468.130

Further definitions, see §161F.6

**468.4 General rule for location.**

The levees, ditches, or drains herein provided for shall, so far as practicable, be surveyed and located along the general course of the natural streams and watercourses or in the

general course of natural drainage of the lands of said district; but where it will be more economical or practicable such ditch or drain need not follow the course of such natural streams, watercourses, or course of natural drainage, but may straighten, shorten, or change the course of any natural stream, watercourse, or general course of drainage.

[S13, §1989-a2; C24, 27, 31, 35, 39, §**7425;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.5]

89 Acts, ch 126, §2

CS89, §468.4

**468.5 Location across railroad.**

When any such ditch or drain crosses any railroad right-of-way, it shall when practicable be located at the place of the natural waterway across such right-of-way, unless said railroad company shall have provided another place in the construction of the roadbed for the flow of the water; and if located at the place provided by the railroad company, such company shall be estopped from afterwards objecting to such location on the ground that it is not at the place of the natural waterway.

[S13, §1989-a2; C24, 27, 31, 35, 39, §**7426;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.6]

89 Acts, ch 126, §2

CS89, §468.5

**468.6 Number of petitioners required.**

Two or more owners of lands named in the petition described in section 468.8, may file in the office of the county auditor a petition for the establishment of a levee or drainage district, including a district which involves only the straightening of a creek or river. If the district described in the petition is a subdistrict, one or more owners of land affected by the proposed improvement may petition for such district.

[S13, §1989-a2, -a23; C24, 27, 31, 35, 39, §**7427, 7428;** C46, §455.7, 455.8; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.7]

89 Acts, ch 126, §2

CS89, §468.6

**468.7 Request by nonpetitioners.**

In the event two or more landowners included in the proposed district other than the petitioners request a classification prior to the establishment of said district, they shall file in writing their request and execute a bond as required in section 468.9 to cover the expense of such classification if the district is not established. Such written request and the bond shall be filed before the board establishes a district.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §455.8]

89 Acts, ch 126, §2

CS89, §468.7

**468.8 Petition.**

The petition shall set forth:

1. An intelligible description, by congressional subdivision or otherwise, of the lands suggested for inclusion in the district.

2. That said lands are subject to overflow or are too wet for cultivation or subject to erosion or flood danger.

3. That the public benefit, utility, health, convenience, or welfare will be promoted by the suggested improvements.

4. The suggested starting point, route, terminus and lateral branches of the proposed improvements.

5. In the event the petitioners request a classification before the establishment of the district, the petition shall include a request that the district be classified as provided in

sections 468.38 through 468.44 after the board has approved the report of the engineer as a tentative plan but before the district is finally established.

[S13, §1989-a2, -a23; C24, 27, 31, 35, 39, §**7429;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.9]

89 Acts, ch 126, §2

CS89, §468.8

Referred to in §468.6

**468.9 Bond.**

1. There shall be filed with the petition a bond in an amount fixed and with sureties approved by the auditor, conditioned for the payment of all costs and expenses incurred in the proceedings in case the district is not finally established.

2. No preliminary expense shall be incurred before the establishment of such proposed improvement district by the board in excess of the amount of bond filed by the petitioners. In case it is necessary to incur any expense in addition to the amount of such bond, the board of supervisors shall require the filing of an additional bond by the petitioners and shall not proceed with the preliminary survey or authorize any additional expense until the additional bond is filed in a sufficient amount to cover such expense.

[S13, §1989-a2; C24, 27, 31, 35, 39, §**7430, 7431;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.10, 455.11]

89 Acts, ch 126, §2

CS89, §468.9

Referred to in §357.1A, 468.7

**468.10 Engineer.**

1. The board shall at its first session thereafter, regular, special, or adjourned, examine the petition and if it be found sufficient in form and substance, shall appoint a disinterested and competent civil engineer who shall give bond to the county for the use of the proposed levee or drainage district, if it be established, and if not established, for the use of the petitioners, in amount and with sureties to be approved by the auditor, and conditioned for the faithful and competent performance of the engineer's duties.

2. Any engineer employed under the provisions of this subchapter, parts 1 through 5 shall receive such compensation per diem as shall be fixed and determined by the board of supervisors.

3. The board may at any time terminate the contract with, and discharge the engineer.

4. The engineer shall keep an accurate record of the kind of work done by the engineer, the place where done, and the time engaged therein, and shall file an itemized statement thereof with the auditor. No expenses shall be incurred by the engineer except upon authority of the board, and vouchers shall be filed with the claims therefor.

[S13, §1989-a2, -a41, -a42; SS15, §1527-s21b; C24, 27, 31, 35, 39, §**7432 – 7436;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.12 – 455.16]

89 Acts, ch 126, §2

CS89, §468.10

94 Acts, ch 1051, §1

**468.11 Survey.**

The engineer shall examine the lands described in the petition and any other lands which would be benefited by said improvement or necessary in carrying out the same.

The engineer shall locate and survey such ditches, drains, levees, settling basins, pumping stations, and other improvements as will be necessary, practicable, and feasible in carrying out the purposes of the petition and which will be of public benefit or utility, or conducive to public health, convenience, or welfare.

[S13, §1989-a2; C24, 27, 31, 35, 39, §**7437;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.17]

89 Acts, ch 126, §2

CS89, §468.11

Referred to in §468.13, 468.22, 468.27, 468.339

**468.12 Report.**

1. The engineer shall make full written report to the county auditor, setting forth:

*a.* The starting point, route, and terminus of each ditch, drain, and levee and the character and location of all other improvements.

*b.* A plat and profile, showing all ditches, drains, levees, settling basins, and other improvements, the course, length, and depth of each ditch, the length, size, and depth of each drain, and the length, width, and height of each levee, through each tract of land, and the particular descriptions and acreage of the land required from each forty-acre tract or fraction thereof as right-of-way, or for settling basin or basins, together with the congressional or other description of each tract and the names of the owners thereof as shown by the transfer books in the office of the auditor. Said plat shall describe the width of the right-of-way to be taken from each forty-acre tract or fraction thereof.

*c.* The boundary of the proposed district, including therein by color or other designation other lands that will be benefited or otherwise affected by the proposed improvements, together with the location, size, and elevation of all lakes, ponds, and deep depressions therein.

*d.* Plans for the most practicable and economic place and method for passing machinery, equipment, and material required in the construction of said improvements across any highways, railroads, and other utilities within the proposed district.

*e.* The probable cost of the proposed improvements, together with such other facts and recommendations as the engineer shall deem material.

2. Where the proposed district contemplates as its object flood control or soil conservance the engineer shall include in the report data describing any soil conservance or flood control improvements, the nature of the improvements, and other data as prescribed by the department of natural resources.

[S13, §1989-a2; C24, 27, 31, 35, 39, §**7438;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.18; 82 Acts, ch 1199, §70, 96]

89 Acts, ch 126, §2

CS89, §468.12

2011 Acts, ch 25, §143

Referred to in §468.13, 468.22, 468.27, 468.339

**468.13 Procedure on report — classification.**

Upon the filing of the report of the engineer recommending the establishment of the levee or drainage district, the board shall at its first regular, adjourned, or special meeting examine and consider the same, and, if the plan is not approved the board may employ said engineer or another disinterested engineer to report another plan or make additional examination and surveys and file an additional report covering such matters as the board may direct. Additional surveys and reports must be made in accordance with the provisions of sections 468.11 and 468.12. At any time prior to the final adoption of the plans they may be amended, and as finally adopted by the board shall be conclusive unless the action of the board in finally adopting them shall be appealed from as hereinafter provided.

If the petition or other landowners requested a classification of the district prior to establishment, the board shall order a classification as provided by sections 468.38 through 468.44 after they have approved the report of the engineer as a tentative plan. The notice of hearing provided by section 468.14 shall also include the requirements of the notice of hearing provided in section 468.45 as to this classification, and the hearing on the petition provided in section 468.21 shall also include the matters to be heard as provided in section 468.46. If the board establishes the district as provided in section 468.22, the classification which is finally approved at said hearing by the board shall remain the basis of all future assessments for the purposes of said district as provided in section 468.49. The landowners shall have the same right of appeal from this classification as they would have if the petition

had not requested a classification prior to establishment and the classification had been made after establishment.

[S13, §1989-a3; C24, 27, 31, 35, 39, §**7439;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.19]

89 Acts, ch 126, §2

CS89, §468.13

**468.14 Notice of hearing.**

When any plan and report of the engineer has been approved by the board, such approval shall be entered of record in its proceedings as a tentative plan only for the establishment of said improvement. Thereupon it shall enter an order fixing a date for the hearing upon the petition not less than forty days from the date of the order of approval, and directing the auditor immediately to cause notice to be given to the owner of each tract of land or lot within the proposed levee or drainage district as shown by the transfer books of the auditor's office, including railway companies having right-of-way in the proposed district and to all lienholders or encumbrancers of any land within the proposed district without naming them, and also to all other persons whom it may concern, and without naming individuals all actual occupants of the land in the proposed district, of the pendency and prayer of the said petition, the favorable report thereon by the engineer, and that such report may be amended before final action, the approval thereof by the board as a tentative plan, and the day and the hour set for hearing on said petition and report, and that all claims for damages except claims for land required for right-of-way, and all objections to the establishment of said district for any reason must be made in writing and filed in the office of the auditor at or before the time set for such hearing.

[S13, §1989-a3; C24, 27, 31, 35, 39, §**7440;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.20]

89 Acts, ch 126, §2

CS89, §468.14

Referred to in §468.13, 468.15, 468.65, 468.126, 468.132, 468.134

**468.15 Service by publication — copy mailed — proof.**

The notice provided in section 468.14 shall be served by publication as provided in section 331.305 before the hearing except that the notice shall be published at least twenty days before the hearing date. Proof of the service shall be made by affidavit of the publisher. Copy of the notice shall also be sent by ordinary mail to each person and to the clerk or recorder of each city named in the notice at that person's last known mailing address unless there is on file an affidavit of the auditor, or of a person designated by the board to make the necessary investigation, stating that no mailing address is known and that diligent inquiry has been made to ascertain it. The copy of notice shall be mailed not less than twenty days before the day set for hearing and proof of the service shall be by affidavit of the auditor. Proofs of service required by this section shall be on file at the time the hearing begins.

[S13, §1989-a3; C24, 27, 31, 35, 39, §**7441;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.21]

87 Acts, ch 43, §14; 88 Acts, ch 1035, §1; 89 Acts, ch 126, §2

CS89, §468.15

Referred to in §468.48, 468.65, 468.74, 468.126, 468.132, 468.134, 468.207, 468.284, 468.602

**468.16 Service on agent.**

If any person, corporation, or company owning or having interest in any land or other property affected by any proposed improvement under this chapter shall file with the auditor an instrument in writing designating the name and post office address of the agent of the person, corporation, or company upon whom service of notice of said proceeding shall be made, the auditor shall, not less than twenty days prior to the date set for hearing upon said petition, send a copy of said notice by certified mail addressed to the agent so designated. Proof of such service shall be made by affidavit of the auditor filed in said proceeding at or before the date of the hearing upon the petition, and such service shall be in lieu of all other service of notice to such persons, corporations, or companies.

This designation when filed shall be in force for a period of five years thereafter and shall apply to all proceedings under said chapters during such period. The person, company, or corporation making such designation shall have the right to change the agent appointed therein or to amend it in any other particular.

[S13, §1989-a3; C24, 27, 31, 35, 39, §**7442;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.22]

89 Acts, ch 126, §2

CS89, §468.16

Referred to in §468.48, 468.65, 468.126, 468.132, 468.134, 468.207, 468.257

**468.17 Personal service.**

In lieu of publication, personal service of said notice may be made upon any owner of land in the proposed district, or upon any lienholder or other person interested in the proposed improvement, in the manner and for the time required for service of original notices in the district court. Proof of such service shall be on file with the auditor on the date of said hearing.

[S13, §1989-a3; C24, 27, 31, 35, 39, §**7443;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.23]

89 Acts, ch 126, §2

CS89, §468.17

Referred to in §468.65, 468.126, 468.132, 468.134, 468.207

Time and manner of service, R.C.P. 1.302 – 1.315

**468.18 Waiver of notice.**

No service of notice shall be required upon any person who shall file with the auditor a statement in writing, signed by the person, waiving notice, or who enters an appearance in the proceedings. The filing of a claim for damages or objections to the establishment of said district or other pleading shall be deemed an appearance.

[S13, §1989-a3; C24, 27, 31, 35, 39, §**7444;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.24]

89 Acts, ch 126, §2

CS89, §468.18

Referred to in §468.65, 468.126, 468.132, 468.134, 468.207

**468.19 Waiver of objections and damages.**

Any person, company, or corporation failing to file any claim for damages or objections to the establishment of the district at or before the time fixed for said hearing, except claims for land required for right-of-way, or for settling basins, shall be held to have waived all objections and claims for damages.

[S13, §1989-a4; C24, 27, 31, 35, 39, §**7445;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.25]

89 Acts, ch 126, §2

CS89, §468.19

Referred to in §468.207

**468.20 Adjournment for service — jurisdiction retained.**

If at the date set for hearing, it shall appear that any person entitled to notice has not been properly served with notice, the board may postpone said hearing and set another time for the same not less than thirty days from said date, and notice of such hearing as hereinbefore provided shall be served on such omitted parties. By fixing such new date for hearing and the adjournment of said proceeding to said date, the board shall not lose jurisdiction of the subject matter of said proceeding nor of any parties already served with notice.

[S13, §1989-a3; C24, 27, 31, 35, 39, §**7446;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.26]

89 Acts, ch 126, §2

CS89, §468.20

Referred to in §468.207

**468.21 Hearing of petition — dismissal.**

The petition may be amended at any time before final action on the petition. At the time set for hearing on the petition, the board shall hear and determine the sufficiency of the petition in form and substance and all objections filed against the establishment of such district, and the board may view the premises included in the said district. If the board finds that the construction of the proposed improvement will not materially benefit said lands or would not be for the public benefit or utility nor conducive to the public health, convenience, or welfare, or that the cost thereof is excessive, the board shall dismiss the proceedings.

[S13, §1989-a5; C24, 27, 31, 35, 39, §**7447;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.27]

89 Acts, ch 126, §2

CS89, §468.21

2013 Acts, ch 90, §140

Referred to in §468.13

Section amended

**468.22 Establishment — further investigation.**

If the board shall find that such petition complies with the requirements of law in form and substance, and that such improvement would be conducive to the public health, convenience, welfare, benefit, or utility, and that the cost thereof is not excessive, and no claim shall have been filed for damages, it may locate and establish the said district in accordance with the recommendation of the engineer and the report and plans on file; or it may refuse to establish the proposed district if it deem best, or it may direct the engineer or another one employed for that purpose to make further examinations, surveys, plats, profiles, and reports for the modification of said plans, or for new plans in accordance with sections 468.11 and 468.12, and continue further hearing to a fixed date. All parties over whom the board then has jurisdiction shall take notice of such further hearing; but any new parties rendered necessary by any modification or change of plans shall be served with notice as for the original establishment of a district. The county auditor shall appoint three appraisers as provided for in section 468.24 to assess the value of the right-of-way required for open ditches or other improvements.

[S13, §1989-a5; C24, 27, 31, 35, 39, §**7448;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.28]

89 Acts, ch 126, §2

CS89, §468.22

Referred to in §468.13

**468.23 Settling basins — purchase or lease of lands.**

If a settling basin or basins are provided as a part of a drainage improvement, the board of supervisors may buy or lease the necessary lands in lieu of condemning said lands. The board may by purchase acquire the necessary lands required for right-of-way for open ditches or other improvements in lieu of condemning said lands.

[C27, 31, 35, §7448-a1; C39, §**7448.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.29]

89 Acts, ch 126, §2

CS89, §468.23

**468.24 Appraisers.**

If the board shall find that such improvement will materially benefit said lands, will be conducive to the public health, convenience, welfare, benefit, or utility, and that the law has been complied with as to form and substance of the petition, the service of notice, and the survey and report of the engineer, and that said improvement should be made, then if any claims for damages shall have been filed, further proceedings shall be continued to an adjourned, regular, or special session, the date of which shall be fixed at the time of adjournment, and of which all interested parties shall take notice, and the auditor shall appoint three appraisers to assess damages, one of whom shall be an engineer, and two freeholders of the county who shall not be interested in nor related to any person interested in the proposed improvement, and the said appraisers shall take and subscribe an oath to

examine the said premises, ascertain and impartially assess all damages according to their best judgment, skill, and ability.

[S13, §1989-a5; C24, 27, 31, 35, 39, §**7449;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.30]

89 Acts, ch 126, §2

CS89, §468.24

Referred to in §468.22, 468.210

**468.25 Assessment — report — adjournment — other appraisers.**

The appraisers appointed to assess damages shall view the premises and determine and fix the amount of damages to which each claimant is entitled, and shall place a separate valuation upon the acreage of each owner taken for right-of-way for open ditches or for settling basins, as shown by plat of engineer, and shall, at least five days before the date fixed by the board to hear and determine the same, file with the county auditor reports in writing, showing the amount of damage sustained by each claimant. Should the report not be filed in time, or should any good cause for delay exist, the board may postpone the time of final action on the subject, and, if necessary, the auditor may appoint other appraisers.

[S13, §1989-a6; C24, 27, 31, 35, 39, §**7450;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.31]

89 Acts, ch 126, §2

CS89, §468.25

**468.26 Award by board.**

At the time fixed for hearing and after the filing of the report of the appraisers, the board shall examine said report, and may hear evidence thereon, both for and against each claim for damages and compensation, and shall determine the amount of damages and compensation due each claimant, and may affirm, increase, or diminish the amount awarded by the appraisers.

[S13, §1989-a6; C24, 27, 31, 35, 39, §**7451;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.32]

89 Acts, ch 126, §2

CS89, §468.26

Referred to in §468.210

**468.27 Dismissal or establishment — permanent easement.**

The board shall at the meeting, or at an adjourned session of the meeting, consider the costs of construction of the improvement as shown by the reports of the engineer and the amount of damages and compensation awarded to all claimants, and if, in its opinion, the costs of construction and amount of damages awarded create a greater burden than should justly be borne by the lands benefited by the improvement, it shall then dismiss the petition and assess the costs and expenses to the petitioners and their sureties, but if it finds that the cost and expense is not a greater burden than should be justly borne by the land benefited by the improvement, it shall finally and permanently locate and establish the district and improvement.

Following its establishment, the drainage district is deemed to have acquired by permanent easement all right-of-way for drainage district ditches, tile lines, settling basins and other improvements, unless they are acquired by fee simple, in the dimensions shown on the survey and report made in compliance with sections 468.11 and 468.12 or as shown on the permanent survey, plat, and profile, if one is made. Upon the establishment of the district, the petitioners shall file with the county auditor the survey and report or permanent survey, plat, and profile, as set forth in sections 468.172 and 468.173. This filing constitutes constructive notice to all persons of the rights conferred by this section. The permanent easement includes the right of ingress and egress across adjoining land and the right of access for maintenance, repair, improvement, and inspection. The owner or lessee shall be reimbursed for any crop

damages incurred in the maintenance, repair, improvement, and inspection except within the right-of-way of the drainage district.

[S13, §1989-a6; C24, 27, 31, 35, 39, §**7452;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.33]

85 Acts, ch 163, §1; 87 Acts, ch 42, §1; 89 Acts, ch 126, §2

CS89, §468.27

91 Acts, ch 80, §1; 91 Acts, ch 191, §121; 92 Acts, ch 1163, §96

**468.28 Dismissal on remonstrance.**

If, at or before the time set for final hearing as to the establishment of a proposed levee, drainage, or improvement district, except subdrainage district, there shall have been filed with the county auditor, or auditors, in case the district extends into more than one county, a remonstrance signed by a majority of the landowners in the district, and these remonstrants must in the aggregate own seventy percent or more of the lands to be assessed for benefits or taxed for said improvements, remonstrating against the establishment of said levee, drainage, or improvement district, setting forth the reasons therefor, the board or boards as the case may be, shall assess to the petitioners and their sureties or apportion the costs among them as the board or boards may deem just or as said parties may agree upon. When all such costs have been paid, the board or boards of supervisors shall dismiss said proceedings and cause to be filed with the county auditor all surveys, plats, reports, and records in relation to the proposed district.

[C24, 27, 31, 35, 39, §**7453;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.34]

89 Acts, ch 126, §2

CS89, §468.28

Referred to in §468.119

**468.29 Dissolution.**

When for a period of two years from and after the date of the establishment of a drainage district, or when an appeal is taken or litigation brought against said district within two years from the date such appeal or litigation is finally determined, no contract shall have been let or work done or drainage certificates or bonds issued for the construction of the improvements in such district, a petition may be filed in the office of the auditor, addressed to the board of supervisors, signed by a majority of the persons owning land in such district and who, in the aggregate, own sixty percent or more of all the land embraced in said district, setting forth the above facts and reciting that provision has been made by the petitioners for the payment of all costs and expenses incurred on account of such district. The board shall examine such petition at its next meeting after the filing thereof, and if found to comply with the above requirements, shall dissolve and vacate said district by resolution entered upon its records, to become effective upon the payment of all the costs and expenses incurred in relation to said district. In case of such vacation and dissolution and upon payment of all costs as herein provided, the auditor shall note the same on the drainage record, showing the date when such dissolution became effective.

[C24, 27, 31, 35, 39, §**7454;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.35]

89 Acts, ch 126, §2

CS89, §468.29

**468.30 Permanent survey, plat and profile.**

When the improvement has been finally located and established, the board may if necessary appoint the said engineer or a new one to make a permanent survey of said improvement as so located, showing the levels and elevations of each forty-acre tract of land and file a report of the same with the county auditor together with a plat and profile thereof.

[S13, §1989-a6; C24, 27, 31, 35, 39, §**7455;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.36]

89 Acts, ch 126, §2

CS89, §468.30

Referred to in §468.62

**468.31 Paying or securing damages.**

The amount of damages or compensation finally determined in favor of any claimant shall be paid in the first instance by the parties benefited by the said improvement, or secured by bond in the amount of such damages and compensation with sureties approved by the auditor.

[S13, §1989-a7; C24, 27, 31, 35, 39, §**7456;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.37]

89 Acts, ch 126, §2

CS89, §468.31

**468.32 Division of improvement.**

After the damages as finally fixed, shall have been paid or secured, the board may divide said improvement into suitable sections, having regard to the kind of work to be done, numbering the same consecutively from outlets to the beginning, and prescribing the time within which the improvement shall be completed. A settling basin, if provided for, may be embraced in a section by itself.

[S13, §1989-a7; C24, 27, 31, 35, 39, §**7457;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.38]

89 Acts, ch 126, §2

CS89, §468.32

**468.33 Supervising engineer — bond.**

Upon the payment or securing of damages, the board shall appoint a competent engineer to have charge of the work of construction thereof, who shall be required before entering upon the work to give a bond to the county for the use and benefit of the levee or drainage district, to be approved by the auditor in such sum as the board may fix, conditioned for the faithful discharge of the engineer's duties.

[S13, §1989-a7; C24, 27, 31, 35, 39, §**7458;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.39]

89 Acts, ch 126, §2

CS89, §468.33

**468.34 Advertisement for bids.**

The board shall publish notice once each week for two consecutive weeks in a newspaper published in the county where the improvement is located, and publish additional advertisement and publication elsewhere as the board may direct. The notice shall state the time and place of letting the work of construction of the improvement, specifying the approximate amount of work to be done in each numbered section of the district, the time fixed for the commencement, and the time of the completion of the work, that bids will be received on the entire work and in sections or divisions of it, and that a bidder will be required to deposit a bid security with the county auditor as provided in section 468.35. All notices shall fix the date to which bids will be received and upon which the work will be let. However, when the estimated cost of the improvement is less than twenty thousand dollars, the board may let the contract for the construction without taking bids and without publishing notice.

[C73, §1212; C97, §1944; S13, §1944; SS15, §1989-a8; C24, 27, 31, 35, 39, §**7459;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.40]

84 Acts, ch 1055, §10; 84 Acts, ch 1189, §1; 89 Acts, ch 126, §2

CS89, §468.34

94 Acts, ch 1051, §2; 2006 Acts, ch 1056, §1; 2010 Acts, ch 1091, §1, 4

See §468.66

**468.35 Bids — letting of work.**

1. The board shall award contract or contracts for each section of the work to the lowest responsible bidder or bidders therefor, bids to be submitted, received and acted upon separately as to the main drain and each of the laterals, and each settling basin, if any, exercising their own discretion as to letting such work as to the main drain as a whole, or as

to each lateral as a whole, or by sections as to both main drain and laterals, and reserving the right to reject any and all bids and readvertise the letting of the work.

2. A bid shall be in writing, specifying the portion of the work upon which the bid is made, and filed with the auditor. The bid shall be accompanied with a bid security. The bid security shall be in the form of a deposit of cash, a certified check on and certified by a bank in Iowa, a certified share draft drawn on a credit union in Iowa, or a bid bond with a corporate surety satisfactory to the board as provided in section 73A.20. The bid security must be payable to the auditor or the auditor's order at the auditor's office in a sum equal to five percent of the amount of the bid. However, if the maximum limit on a bid security would cause a denial of funds or services from the federal government which would otherwise be available, or if the maximum limit would otherwise be inconsistent with the requirements of federal law, the maximum limit may be suspended to the extent necessary to prevent denial of federal funds or services or to eliminate the inconsistency with federal requirements. The cash, check, or share draft of an unsuccessful bidder shall be returned, and the bid bond of an unsuccessful bidder shall be canceled. The bid security of a successful bidder shall be maintained as a guarantee that the bidder will enter into contract in accordance with the bids.

[SS15, §1989-a8; C24, 27, 31, 35, 39, §**7460, 7461;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.41, 455.42]

84 Acts, ch 1055, §11; 89 Acts, ch 126, §2

CS89, §468.35

94 Acts, ch 1051, §3; 2010 Acts, ch 1091, §2, 4

Referred to in §468.34

See §468.66

**468.36 Performance bond — return of deposit.**

A successful bidder is required to execute a bond with sureties approved by the auditor in favor of the county for the use and benefit of the levee or drainage district and all persons entitled to liens for labor or material in an amount not less than seventy-five percent of the contract price of the work to be done, conditioned for the timely, efficient, and complete performance of the contract, and the payment, as they become due, of all just claims for labor performed and material used in carrying out the contract. When a contract is executed and bond approved by the board, the certified check or certified share draft deposited with the bid shall be returned to the bidder.

[SS15, §1989-a8; C24, 27, 31, 35, 39, §**7462;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.43]

84 Acts, ch 1055, §12; 89 Acts, ch 126, §2

CS89, §468.36

**468.37 Contracts.**

All agreements and contracts for work or materials in constructing the improvements of such district shall be in writing, signed by the chairperson of the board of supervisors for and on behalf of the district and the parties who are to perform the work or furnish the materials specified in such contract. Such contract shall specify the particular work to be done or materials to be furnished, the time when it shall begin and when it shall be completed, the amount to be paid and the times of payment, with such other terms and conditions as to details necessary to a clear understanding of the terms thereof.

[C24, 27, 31, 35, 39, §**7463;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.44]

89 Acts, ch 126, §2

CS89, §468.37

**468.38 Commissioners to classify and assess.**

When a levee or drainage district has been located and finally established or, unless otherwise provided by law, when the required proceedings have been taken to enlarge, deepen, widen, change, or extend any of the ditches, laterals, settling basins, or drains of a district, or the required proceedings have been taken to annex additional lands to a district, or a plan of the United States government for original construction of the improvements in a district has been adopted by the district under sections 468.201 through 468.216, the board

shall appoint three commissioners to assess benefits and classify the lands affected by the improvement. One of the commissioners shall be a competent civil engineer and two of them shall be resident freeholders of the county in which the district is located, but not living within, nor interested in, any lands included in the district, nor related to any party whose land is affected by the district. The commissioners shall take and subscribe an oath of their qualifications and to perform the duties of classification of the lands, to fix the percentages of benefits, apportion and assess the costs and expenses of constructing the improvement, divide and rename original improvements, and, if included in the board's resolution, adopt special common outlet classifications to be maintained independent of the district's regular assessment schedules, according to law and their best judgment, skill, and ability. If the commissioners or any of them fail or neglect to act or perform the duties in the time and as required of them by law, the board shall appoint others with like qualifications to take their places and perform the duties.

[SS15, §1989-a12; C24, 27, 31, 35, 39, §**7464;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.45]

89 Acts, ch 126, §2

CS89, §468.38

91 Acts, ch 80, §2

Referred to in §468.8, 468.13, 468.49, 468.65, 468.126, 468.184

See §468.67

**468.39 Duties — time for performance — scale of benefits.**

At the time of appointing said commissioners, the board shall fix the time within which said assessment, classification, and apportionment shall be made, which may be extended for good cause shown. Within twenty days after their appointment, they shall begin to inspect and classify all the lands within said district, or any change, extension, enlargement, or relocation thereof in tracts of forty acres or less according to the legal or recognized subdivisions, in a graduated scale of benefits to be numbered according to the benefit to be received by each of such tracts from such improvement, and pursue said work continuously until completed and, when completed, shall make a full, accurate, and detailed report thereof and file the same with the auditor. The lands receiving the greatest benefit shall be marked on a scale of one hundred, and those benefited in a less degree with such percentage of one hundred as the benefits received bear in proportion thereto. They shall also make an equitable apportionment of the costs, expenses, fees, and damages computed on the basis of the percentages fixed.

[SS15, §1989-a12; C24, 27, 31, 35, 39, §**7465;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.46]

89 Acts, ch 126, §2

CS89, §468.39

Referred to in §468.8, 468.13, 468.184

**468.40 Rules of classification.**

In the report of the appraisers so appointed they shall specify each tract of land by proper description, and the ownership thereof, as the same appears on the transfer books in the auditor's office.

In estimating the benefits as to the lands not traversed by said improvement, they shall not consider what benefits such land shall receive after some other improvements shall have been constructed, but only the benefits which will be received by reason of the construction of the improvement in question as it affords an outlet to the drainage of such lands, or brings an outlet nearer to said lands or relieves the same from overflow and relieves and protects the same from damage by erosion.

When the land is a state-owned lake or state-owned wetland, the commissioners shall ascertain the benefits realized from removing excess water and shall not consider any benefit realized if the state-owned lake or state-owned wetland were drained or converted to another land use.

[S13, §1989-a13; SS15, §1989-a12; C24, 27, 31, 35, 39, §**7467;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.47]

89 Acts, ch 126, §2
CS89, §468.40
2011 Acts, ch 59, §2, 4
Referred to in §468.8, 468.13, 468.43, 468.184

**468.41 Assessment for lateral ditches — reclassification of benefited lands.**

1. In fixing the percentages and assessments of benefits and apportionment of costs of construction to lands benefited by lateral ditches and drains as a part of the entire improvement to be made in a drainage district, the commissioners shall ascertain and fix the percentage of benefits and apportionment of costs to the lands benefited by such lateral ditches on the same basis and in the same manner as if said lateral was, with its sublaterals, being constructed as a subdistrict as provided in this subchapter, parts 1 through 5, reporting separately:

*a.* The percentage of benefits and amount accruing to each forty-acre tract or less on account of the construction of the main ditch, drain, or watercourse including pumping plant, if any.

*b.* The percentage of benefits and amount accruing to each forty-acre tract or less on account of the construction of such lateral improvement.

2. When there has been a repair or improvement to a lateral ditch or drain as provided in section 468.126 and the lands benefited by the lateral have not been classified as provided in this section, the board may order a classification of the lands and the commission shall ascertain and fix the percentage of benefits and apportionment of costs to the lands benefited by such lateral ditches or drains on the same basis and in the same manner as if the lateral was with its sublaterals being constructed as a subdistrict as provided in this subchapter, parts 1 through 5. When this procedure is followed for the classification of any lateral ditch or drain in a given district, the board shall follow the same procedure for all other lateral ditches or drains in the district which have not been classified as prescribed in this section.

[S13, §1989-a23; SS15, §1989-a12; C24, 27, 31, 35, 39, §**7468;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.48]
83 Acts, ch 30, §1; 89 Acts, ch 126, §2
CS89, §468.41
Referred to in §468.8, 468.13, 468.131, 468.184

**468.42 Railroad property — collection.**

The commissioners to assess benefits and make apportionment of costs and expenses shall determine and assess the benefits to the property of any railroad company extending into or through the levee or drainage district, and make return thereof showing the benefit and the apportionment of costs and expenses of construction. Such assessment when finally fixed by the board shall constitute a debt due from the railroad company to the district, and unless paid it may be collected by ordinary proceedings for the district in the name of the county in any court having jurisdiction. All other proceedings in relation to railroads, except as otherwise provided, shall be the same as provided for individual property owners within the levee or drainage district.

[S13, §1989-a18; C24, 27, 31, 35, 39, §**7469;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.49]
89 Acts, ch 126, §2
CS89, §468.42
Referred to in §468.8, 468.13, 468.65, 468.184

**468.43 Public highways and state-owned lands.**

1. When any public highway or other public land extends into or through a levee or drainage district, the commissioners to assess benefits shall ascertain and return in their report the amount of benefits and the apportionment of costs and expenses to such highway or other public land, and the board of supervisors shall assess the same against such highway and land.

2. Such assessments against primary highways and other state-owned lands under the jurisdiction of the state department of transportation shall be paid by the state department

from the primary road fund on due certification of the amount by the county treasurer to the department, and against all secondary roads and other county owned lands under the jurisdiction of the board of supervisors, from county funds.

3. When state-owned land under the jurisdiction of the department of natural resources is situated within a levee or drainage district, the commissioners assessing benefits shall ascertain and return in their report the amount of benefits and the apportionment of costs and expenses to the land, and the board of supervisors shall assess the amount against the land. In estimating benefits to land which is a state-owned lake or state-owned wetland, the commissioners shall ascertain benefits as provided in section 468.40.

4. The assessments against lands under the jurisdiction of the department of natural resources shall be paid as an expense from the appropriations addressed in section 7D.29, if authorized by the executive council upon certification of the amount by the county treasurer.

[S13, §1989-a19, -a26; C24, 27, 31, 35, 39, §**7470;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.50]

83 Acts, ch 123, §183, 209; 85 Acts, ch 267, §3; 86 Acts, ch 1008, §1; 89 Acts, ch 126, §2

CS89, §468.43

97 Acts, ch 194, §1; 2011 Acts, ch 59, §3, 4; 2011 Acts, ch 131, §36, 158

Referred to in §331.429, 468.8, 468.13, 468.65, 468.184

**468.44 Report of commissioners.**

The commissioners, within the time fixed or as extended, shall make and file in the auditor's office a written verified report in tabulated form as to each forty-acre tract, and each tract of less than forty acres, setting forth:

1. The names of the owners thereof as shown by the transfer books of the auditor's office or the reports of the engineer on file, showing said entire classification of lands in said district.

2. The amount of benefits to highway and railroad property and the percentage of benefits to each of said other tracts and the apportionment and amount of assessment of cost and expense, or estimated costs or expense, against each:

*a.* For main ditches, and settling basins.

*b.* For laterals.

*c.* For levees and pumping station.

*d.* For erosion protection and control or flood control.

3. The aggregate amount of all assessments.

4. Any specific benefits other than those derived from the drainage of agricultural lands shall be separately stated.

[SS15, §1989-a12; C24, 27, 31, 35, 39, §**7471;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.51]

89 Acts, ch 126, §2

CS89, §468.44

Referred to in §468.8, 468.13, 468.184

See §468.67

**468.45 Notice of hearing.**

The board shall fix a time for a hearing upon the report of the commissioners, and the auditor shall cause notice to be served upon each person whose name appears as owner, naming the person, and also upon the person or persons in actual occupancy of any tract of land without naming the person or persons, of the day and hour of such hearing, which notice shall be for the same time and served in the same manner as is provided for the establishment of a levee or drainage district, and shall state the amount of assessment of costs and expenses of construction apportioned to each owner upon each forty-acre tract or less, and that all objections thereto must be in writing and filed with the auditor at or before the time set for such hearing.

[SS15, §1989-a12; C24, 27, 31, 35, 39, §**7472;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.52]

89 Acts, ch 126, §2

CS89, §468.45

Referred to in §468.13

**468.46 Hearing and determination.**

At the time fixed or at an adjourned hearing, the board shall hear and determine all objections filed to said report and shall fully consider the said report, and may affirm, increase, or diminish the percentage of benefits or the apportionment of costs and expenses made in said report against any body or tract of land in said district as may appear to the board to be just and equitable.

[SS15, §1989-a12; C24, 27, 31, 35, 39, §**7473;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.53]

89 Acts, ch 126, §2

CS89, §468.46

Referred to in §468.13

**468.47 Evidence — conclusive presumption.**

At such hearing, the board may hear evidence both for and against the approval of said report or any portion thereof, but it shall not be competent to show that any of the lands in said district assessed for benefits or against which an apportionment of costs and expenses has been made will not be benefited by such improvement in some degree. Any interested party may be heard in argument in person or by counsel.

[SS15, §1989-a12; C24, 27, 31, 35, 39, §**7474;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.54]

89 Acts, ch 126, §2

CS89, §468.47

Similar provision, §468.92

**468.48 Notice of increased assessment.**

The board shall cause notice to be served upon the owner of any tract of land or easement against which it is proposed to increase the assessment, requiring the owner to appear at a fixed date and show cause why such assessment should not be so increased. Such notice shall be served for the time and in the manner prescribed in section 468.15 or section 468.16, as the case may be, except that personal service in the same manner as an original notice may be made in lieu of the other methods.

[SS15, §1989-a12; C24, 27, 31, 35, 39, §**7475;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.55]

89 Acts, ch 126, §2

CS89, §468.48

Service of notice, R.C.P. 1.302 – 1.315

**468.49 Classification as basis for future assessments.**

A classification of land for drainage, erosion or flood control purposes, when finally adopted, shall remain the basis of all future assessments for the purpose of said district unless revised by the board in the manner provided for reclassification, except that where land included in said classification has been destroyed, in whole or in part, by the erosion of a river, or where additional right-of-way has been subsequently taken for drainage purposes, said land which has been so eroded and carried away by the action of a river or which has been taken for additional right-of-way, may be removed by said board from said district as classified, without any reclassification, and no assessment shall thereafter be made on the land so removed. Any deficiency in assessment existing as the result of said action of the board shall be spread by it over the balance of lands remaining in said district in the same ratio as was fixed in the classification of the lands, payable at the next taxpaying period.

Except districts established by mutual agreement in accordance with section 468.142 in the event any forty-acre tract or less, or any lot, tract, or parcel, as set forth in the existing classification or reclassification of any drainage district now or hereafter established, is divided into two or more tracts, whether such division is by sale or condemnation or platted as a subdivision, the classification of the original tract shall be apportioned to the resulting parcels, regardless of use, except for land taken for additional drainage right-of-way. The classification of the original tract may be apportioned between the resulting parcels by agreement between the parties to such division. The parties shall file with the county

auditor a written agreement setting forth the original description and the description of the tracts as subdivided and the percentage of the original classification apportioned to each. This agreement shall bear the signature of all of the parties to such subdivision. The agreement contemplated herein may be contained in the deed or other instrument effecting the division of the land, which agreement shall be binding upon the grantee or grantees by their acceptance of such instrument and their signatures shall not be necessary. The auditor shall enter this agreement in the drainage record and amend the current classification of the district in accordance with such agreement.

In the event the parties to such subdivision cannot agree as to the apportionment of the percentage classification, the board of supervisors shall, upon application of either party, appoint a commission having the qualifications of commissioners, in accordance with section 468.38. The commissioners shall inspect the lands involved and apportion the existing classification of the original tract equitably and fairly to each of the several tracts as subdivided and shall make a full, accurate and detailed report thereof and file the same with the county auditor within the time set by the board. The report of the commissioners shall set forth the names of the owners thereof, the description of each of the tracts and the percentage of the original classification that each such tract shall bear for main ditches and settling basins, for laterals, for levees and pumping station. Thereafter all the proceedings in relation thereto as to notice of hearing and fixing of percentage benefits shall be as in this subchapter, parts 1 through 5, provided in relation to original classification and assessments, and at such hearing, the board may affirm, increase or diminish the percentage of benefits so as to make them just and equitable, and cause the record of the existing classification, percentage of benefits or assessments, or both, to be modified accordingly. In the event the parties neither agree as to the apportionment of classification nor make application for the appointment of commissioners, then the auditor of the county in which the land is situated shall make such apportionment upon an equitable basis and enter the same of record as herein provided. No tract of land included within the boundary of any drainage district shall be exempt from drainage assessments or reassessments, except as herein provided.

[SS15, §1989-a12; C24, 27, §7466, 7476; C31, 35, 39, §**7476;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.56]

89 Acts, ch 126, §2

CS89, §468.49

Referred to in §468.13, 468.188

**468.50 Levy — interest.**

When the board has finally determined the matter of assessments of benefits and apportionment, the board shall levy the assessments as fixed by it upon the lands within the district, but an assessment on a tract, parcel, or lot within the district which is computed at less than five dollars shall be fixed at the sum of five dollars. All assessments shall be levied at that time as a tax and shall bear interest at a rate determined by the board notwithstanding chapter 74A from that date, payable annually, except as provided as to cash payments within a specified time.

[SS15, §1989-a12; C24, 27, 31, 35, 39, §**7477;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.57]

83 Acts, ch 101, §93; 89 Acts, ch 126, §2

CS89, §468.50

94 Acts, ch 1035, §1; 94 Acts, ch 1051, §4

Referred to in §460.207

**468.51 Lien of tax.**

Such taxes shall be a lien upon all premises against which they are assessed as fully as taxes levied for state and county purposes.

[S13, §1989-a45; C24, 27, 31, 35, 39, §**7478;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.58]

89 Acts, ch 126, §2

CS89, §468.51

**468.52 Levy for deficiency.**

If the first assessment made by the board for the original cost or for repairs of any improvement is insufficient, the board shall make an additional assessment and levy in the same ratio as the first for either purpose, but an assessment on any tract, parcel, or lot within the district which is computed at less than five dollars shall be fixed at the sum of five dollars. All assessments shall be levied at that time as a tax and, notwithstanding chapter 74A, shall bear interest at a rate determined by the board from that date, payable annually, except as provided as to cash payments within a specified time.

[S13, §1989-a26; C24, 27, 31, 35, 39, §**7479;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.59]

89 Acts, ch 126, §2

CS89, §468.52

94 Acts, ch 1051, §5; 2001 Acts, ch 107, §1

**468.53 Record of drainage taxes.**

All drainage or levee tax assessments shall be entered in the drainage record of the district to which they apply, and also upon the tax records of each county.

[C24, 27, 31, 35, 39, §**7480;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.60]

89 Acts, ch 126, §2

CS89, §468.53

**468.54 Funds — disbursement — interest.**

The taxes when collected shall be kept in a separate fund known as the county drainage or levee fund and shall be paid out only for purposes properly connected with and growing out of the county drainage and levee districts on order of the board. The auditor shall continue to keep a record of each of the drainage and levee district's funds so as to accurately reflect the financial condition of each district account. The county treasurer, on order of the board of supervisors, shall invest such funds not immediately needed for current operating expenses in United States government bonds, in time certificates of deposit, in savings accounts in banks as the board shall approve, in the interest-bearing obligations of the drainage and levee districts of the county, or as provided by chapter 12C. Interest collected by the treasurer on the funds invested shall be deposited in the county drainage or levee fund, and on July 1 of each year the auditor shall apportion and credit the interest to each drainage or levee district account in the proportion which the average credit balance of each district bears to the average balance of the county drainage or levee fund. The averages to be ascertained shall be the averages of the balances existing on the first of each month during the fiscal year immediately preceding. Interest collected on drainage or levee district taxes shall be credited to the district for which the taxes are being collected. This section does not permit expenditures in behalf of any district in excess of its share of the county drainage or levee fund. This section does not apply to drainage and levee districts under trustee management unless the trustees consent to its application, and in the absence of such consent, section 468.528 applies.

[S13, §1989-a13; C24, 27, 31, 35, 39, §**7481;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.61]

89 Acts, ch 126, §2

CS89, §468.54

92 Acts, ch 1016, §35

**468.55 Assessments — maturity and collection.**

If a landowner selects an option provided in section 468.57, all drainage or levee tax assessments become due and payable with the first half of ordinary taxes, and shall be collected in the same manner with the same interest for delinquency and the same manner of enforcing collection by tax sales. As an alternative, the landowner may pay the annual installment in two equal payments, one-half with the September payment of ordinary taxes and one-half payable with the March payment of ordinary taxes. All drainage or levee tax

assessments not optioned for installment payments by the landowner shall become due and payable within thirty days after the levy of assessments.

[S13, §1989-a26; C24, 27, 31, 35, 39, §**7482;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.62]

89 Acts, ch 126, §2

CS89, §468.55

92 Acts, ch 1016, §36; 92 Acts, ch 1177, §1; 2001 Acts, ch 107, §2; 2006 Acts, ch 1158, §64

Collection of taxes, chapter 445

**468.56 Payment of assessments.**

All assessments for benefits, as corrected and approved by the board, shall be levied at one time against the property benefited, and when levied and certified by the board, are payable at the office of the county treasurer. A person may pay the person's assessment in full without interest within thirty days after the levy of assessments, and before any improvement certificates or drainage bonds are issued for the assessment, and may pay a certificate at any time after issue, with accrued interest.

[S13, §1989-a26; C24, 27, 31, 35, 39, §**7483;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.63]

84 Acts, ch 1028, §1; 84 Acts, ch 1189, §2; 88 Acts, ch 1039, §1; 89 Acts, ch 126, §2

CS89, §468.56

**468.57 Installment payments — waiver.**

1. If the owner of any land against which a levy exceeding five hundred dollars has been made and certified shall, within thirty days from the date of such levy, agree in writing endorsed upon any improvement certificate referred to in section 468.70, or in a separate agreement, that in consideration of having a right to pay the owner's assessment in installments, the owner will not make any objection as to the legality of the assessment for benefit, or the levy of the taxes against the property, then such owner shall have the following options:

*a.* To pay one-third of the amount of the assessment at the time of filing the agreement; one-third within twenty days after the engineer in charge certifies to the auditor that the improvement is one-half completed; and the remaining one-third within twenty days after the improvement has been completed and accepted by the board. All installments shall be without interest if paid at said times, otherwise the assessments shall bear interest from the date of the levy at a rate determined by the board notwithstanding chapter 74A, payable annually, and be collected as other taxes on real estate, with like interest for delinquency.

*b.* To pay the assessments in not less than ten nor more than twenty equal installments, with the number of payments and interest rate determined by the board, notwithstanding chapter 74A. The first installment of each assessment, or the total amount if five hundred dollars or less, is due and payable on July 1 next succeeding the date of the levy, unless the assessment is filed with the county treasurer after May 31 in any year. The first installment shall bear interest on the whole unpaid assessment from the date of the levy as set by the board to the first day of December following the due date. The succeeding annual installments, with interest on the whole unpaid amount, to the first day of December following the due date, are respectively due on July 1 annually, and must be paid at the same time and in the same manner as the first semiannual payment of ordinary taxes. All future installments of an assessment may be paid on any date by payment of the then outstanding balance plus interest to the next December 1, or additional annual installments may be paid after the current installment has been paid before December 1 without interest. A payment must be for the full amount of the next installment. If installments remain to be paid, the next annual installment with interest added to December 1 will be due. After December 1, if a drainage assessment is not delinquent, a property owner may pay one-half or all of the next annual installment of principal and interest of a drainage assessment prior to the delinquency date of the installment. When the next installment has been paid in full, successive principal installments may be prepaid. The county treasurer shall accept the payments of the drainage assessment, and shall credit the next annual installment or

future installments of the drainage assessment to the extent of the payment or payments, and shall remit the payments to the drainage fund. If a property owner elects to pay one or more principal installments in advance, the pay schedule shall be advanced by the number of principal installments prepaid. Each installment of an assessment with interest on the unpaid balance is delinquent from October 1 after its due date. However, when the last day of September is a Saturday or Sunday, that amount shall be delinquent from the second business day of October. Taxes assessed pursuant to this chapter which become delinquent shall bear the same delinquent interest as ordinary taxes. When collected, the interest must be credited to the same drainage fund as the drainage special assessment.

2. The provisions of this section and of sections 468.58 through 468.61 may within the discretion of the board, also be made applicable to repairs and improvements made under the provisions of section 468.126.

[S13, §1989-a26, -a27; SS15, §1989-a12; C24, 27, 31, 35, 39, §**7484;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.64]

85 Acts, ch 163, §2; 86 Acts, ch 1099, §1; 89 Acts, ch 126, §2

CS89, §468.57

92 Acts, ch 1016, §37; 94 Acts, ch 1035, §2; 95 Acts, ch 57, §24; 97 Acts, ch 121, §26; 2011 Acts, ch 25, §143; 2011 Acts, ch 109, §4; 2012 Acts, ch 1138, §107

Referred to in §468.55, 468.59, 468.127

**468.58 Installment payments after appeal.**

When an owner takes an appeal from the assessment against any of the owner's land, the option to pay in installments whatever assessment is finally established against such land in said appeal shall continue, if within twenty days after the final determination of said appeal the owner shall file in the office of the auditor the owner's written election to pay in installments, and within said period pay such installments as would have matured prior to that time if no appeal had been taken, together with all accrued interest on said assessment to the last preceding interest-paying date.

[C24, 27, 31, 35, 39, §**7486;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.65]

89 Acts, ch 126, §2

CS89, §468.58

Referred to in §468.57, 468.127

**468.59 Notice of half and full completion.**

Within two days after the engineer has filed a certificate that the work is half completed and within two days after the board of supervisors has accepted the completed improvement as in this subchapter, parts 1 through 5, provided, the county auditor shall notify the owner of each lot or parcel of land who has signed an agreement of waiver as provided in section 468.57, of such fact. Such notice shall be given by certified mail sent to such owners, respectively, at the addresses filed with the auditor at the time of making such agreement of waiver.

[C24, 27, 31, 35, 39, §**7487;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.66]

89 Acts, ch 126, §2

CS89, §468.59

Referred to in §468.57, 468.127

**468.60 Lien of deferred installments.**

No deferred installment of the amount assessed as between vendor and vendee, mortgagor and mortgagee shall become a lien upon the property against which it is assessed and levied until June 30 of the preceding fiscal year in which it is due and payable.

[SS15, §1989-a12; C24, 27, 31, 35, 39, §**7488;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.67]

89 Acts, ch 126, §2

CS89, §468.60

Referred to in §468.57, 468.127

**468.61 Surplus funds — application of.**

When one-half or more of all assessments for a drainage or levee district have been paid and it is ascertained that there will be a surplus in the district fund after all assessments have been paid, the board may refund to the owner of each tract of land, not more than fifty percent of the owner's proportionate part of such surplus. When all construction work has been completed and all cost paid, and all assessments have been paid in full, the board may refund, to the owner of each tract of land, the owner's proportionate part of any surplus funds except such portion of the surplus as the board considers should be retained for a sinking fund to pay future maintenance and repair costs.

[C24, 27, 31, §7489; C35, §7488-e1, 7489; C39, §**7488.1, 7489;** C46, §455.68, 455.69; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.68]

89 Acts, ch 126, §2

CS89, §468.61

Referred to in §468.57, 468.127

**468.62 Change of conditions — modification of plan.**

If, after the improvement has been finally located and before construction thereof has been completed, there has been a change of conditions of such nature that the plan of improvement as adopted should be modified or amended, the board may direct the engineer appointed under section 468.30 or another engineer, to make a report showing such changes or modifications of the plan of improvement as may be necessary to meet the change of conditions. Upon the filing of such report, the board shall have jurisdiction to adopt said modified or amended plan of improvement or may further modify or amend and adopt the same by following the procedure provided in sections 468.201 and 468.205 through 468.209 so far as same are applicable, except that awards for damages shall not be canceled where there has been no change made in the improvement which would increase or decrease the damages awarded. However, modifications and changes may be made in the plan on which hearing was held without further notice or hearing, provided the same do not increase or decrease the estimated cost to the district by more than twenty-five percent.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.69]

89 Acts, ch 126, §2

CS89, §468.62

Referred to in §468.66

**468.63 Drainage subdistrict.**

After the establishment of a drainage district, a person owning land within the district which has been assessed for benefits, but which is separated from the main ditch, drain, or watercourse for which it has been so assessed, by the land of others, who desires a ditch or drain constructed from the person's land across the land of the others in order to connect with the main ditch, drain, or watercourse, and is unable to agree with the intervening owners on the terms and conditions on which the person may enter upon their lands and cause to be constructed the connecting drain or ditch, may file a petition for the establishment of a subdistrict. After the petition is filed, the proceedings shall be the same as provided for the establishment of an original district.

[S13, §1989-a23; C24, 27, 31, 35, 39, §**7490;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.70]

86 Acts, ch 1050, §1; 88 Acts, ch 1069, §1; 89 Acts, ch 126, §2

CS89, §468.63

97 Acts, ch 163, §1

Referred to in §468.141

**468.64 Presumption — jurisdiction.**

Such connecting ditch or drain which a person shall cause to be constructed shall be presumed conducive to the public health, welfare, convenience, and utility the same as if it had been so constructed as a part of the original improvement of said district. When such subdistrict has been established and constructed it shall become and be a part of the improvement of such drainage district as a whole and be under the control and supervision

of the board to the same extent and in every way as if it had been a part of the original improvement of such district.

[S13, §1989-a23; C24, 27, 31, 35, 39, §**7491;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.71]

89 Acts, ch 126, §2

CS89, §468.64

**468.65 Reclassification.**

1. When, after a drainage or levee district has been established, except districts established by mutual agreement in accordance with section 468.142, and the improvements thereof constructed and put in operation, there has been a material change as to lands occupied by highway or railroad right-of-way or in the character of the lands benefited by the improvement, or when a repair, improvement, or extension has become necessary, the board may consider whether the existing assessments are equitable as a basis for payment of the expense of maintaining the district and of making the repair, improvement or extension. If they find the same to be inequitable in any particular, they shall by resolution express such finding, appoint three commissioners possessing the qualifications prescribed in section 468.38 and order a reclassification as follows:

*a.* If they find the assessments to be generally inequitable they shall order a reclassification of all property subject to assessment, such as lands, highways, and railroads in said district.

*b.* If the inequity ascertained by the board is limited to the proportion paid by highways or railroads, a general reclassification of all lands shall not be necessary but the commissioners may evaluate and determine the fair proportion to be paid by such highways or railroads or both as provided in sections 468.42 and 468.43.

*c.* Any benefits of a character for which levee or drainage districts may be established and which are attributable to or enhanced by the improvement or by the repair, improvement, or extension thereof, shall be a proper subject of consideration in a reclassification notwithstanding the district may have been originally established for a limited purpose.

*d.* (1) If after a district has been reclassified, the board in its judgment concludes there were errors in the reclassification or there is an inequitable assessment of benefits, the board may on its own motion, after notice to the landowners involved as provided in sections 468.14 through 468.18 and by resolution, order the district or any portion of the district to again be reclassified as prescribed in this section and in section 468.67.

(2) The board may include in its resolution an order to the commissioners that they prepare special common outlet classifications, if needed, in conjunction with the reclassification of the district.

2. Such reclassification when finally adopted shall remain the basis for all future assessments unless revised as provided in this subchapter, parts 1 through 5.

[C24, 27, 31, 35, 39, §**7492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.72]

89 Acts, ch 126, §2

CS89, §468.65

91 Acts, ch 80, §3; 2011 Acts, ch 25, §121

Referred to in §468.184

**468.66 Bids required.**

In case the board shall finally determine that any such changes as defined in section 468.62 shall be made involving an expenditure of twenty thousand dollars or more, the work shall be let by bids in the same manner as is provided for the original construction of such improvements.

[C24, 27, 31, 35, 39, §**7493;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.73]

89 Acts, ch 126, §2

CS89, §468.66

94 Acts, ch 1051, §6; 2006 Acts, ch 1056, §2; 2010 Acts, ch 1091, §3, 4

See §468.34, 468.35

**468.67 Procedure governing reclassification.**

The proceedings for such reclassification shall in all particulars be governed by the same rules as for original classification. The commissioners shall fix the percentage of actual benefits and make an equitable apportionment of the costs and expenses of such repairs, improvements or extensions and file a report thereof with the auditor in the same form and manner as for original classification. Thereafter, all the proceedings in relation thereto as to notice, hearing, and fixing of percentage of benefits and amount of assessments shall be as in this subchapter, parts 1 through 5, provided in relation to original classification and assessments, and at such hearing the board may affirm, increase, or diminish the percentage and assessment of benefits and apportionment of costs and expenses so as to make them just and equitable, and cause the record of the original classification, percentage of benefits, and assessments to be modified accordingly.

[C24, 27, 31, 35, 39, §**7494;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.74]

89 Acts, ch 126, §2

CS89, §468.67

Referred to in §468.65

See §468.38, 468.44

**468.68 Drainage warrants received for assessments.**

Warrants drawn upon the construction or maintenance funds of any district for which an assessment has been or must be levied, shall be transferable by endorsement, and may be acquired by any taxpayer of such district and applied at their accrued face value upon the assessment levied to create the fund against which the warrant was drawn; when the amount of the warrant exceeds the amount of the assessment, the treasurer shall cancel the said warrant, and give the holder thereof a certificate for the amount of such excess, which certificate shall be filed with the auditor, who shall issue a warrant for the amount of such excess, and charge the treasurer therewith. Such certificate is transferable by endorsement, and will entitle the holder to the new warrant, made payable to the holder's order, and bearing the original number, preceded by the words, "Issued as unpaid balance due on warrant number .....".

[S13, §1989-a13; C24, 27, 31, 35, 39, §**7495;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.75]

89 Acts, ch 126, §2

CS89, §468.68

**468.69 Bonds received for assessments.**

Bonds issued for the cost of construction, maintenance or repair of any drainage or levee district, or for the refunding of any obligation of such district, may be acquired by any taxpayer or group of taxpayers of such district, and applied at their face value in the order of their priority, if any priority exists between bonds of the same issue, upon the payment of the delinquent and/or future assessments levied against the property of such taxpayers to pay off the bonds so acquired; the interest coupons attached to such bonds, may likewise be applied at their face value to the payment of assessments for interest accounts, delinquent or future.

[C35, §7495-e1; C39, §**7495.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.76]

89 Acts, ch 126, §2

CS89, §468.69

See §74.1 et seq.

**468.70 Installment assessments — interest-bearing warrants — improvement certificates.**

The board may provide by resolution for the payment of assessments in not more than twenty annual installments with interest at a rate determined by the board, notwithstanding chapter 74A. The board may issue warrants bearing interest at the same rate, which warrants shall be numbered and state a maturity date in which event they shall bear interest from the date of issuance without being presented for payment and marked unpaid for want of funds. The warrants may be sold by the board for cash in an amount not less than their face value, together with any accrued interest.

The board may provide by resolution for the issuance of improvement certificates payable to bearer or to the contractors, naming them, who have constructed the said improvement or completed any part thereof, in payment or part payment of such work.

[S13, §1989-a26; C24, 27, 31, 35, 39, §**7499;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.77]

89 Acts, ch 126, §2

CS89, §468.70

94 Acts, ch 1035, §3

Referred to in §468.57, 468.74

**468.71 Form, negotiability and effect.**

Each of such certificates shall state the amount of one or more drainage assessments or part thereof made against the property, designating it and the owner thereof liable for the payment of such assessments. Said certificates shall be negotiable and transfer to the bearer all right and interest in and to the tax in every such assessment or part thereof described in such certificates, and shall authorize such bearer to collect and receive every assessment embraced in said certificate by or through any of the methods provided by law for their collection as the same mature.

[S13, §1989-a26; C24, 27, 31, 35, 39, §**7500;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.78]

89 Acts, ch 126, §2

CS89, §468.71

Referred to in §468.74

**468.72 Interest — place of payment.**

Such certificates shall bear interest at a rate determined by the board, payable annually, and shall be paid by the taxpayer to the county treasurer, who shall receipt for the same and cause the amount to be credited on the certificates issued therefor.

[S13, §1989-a26; C24, 27, 31, 35, 39, §**7501;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.79]

89 Acts, ch 126, §2

CS89, §468.72

94 Acts, ch 1035, §4

Referred to in §468.74

**468.73 Sale at par — right to pay.**

Any person shall have the right to pay the amount of the person's assessment represented by any outstanding improvement certificate, with the interest thereon to the date of such payment, at any time. No improvement certificate shall be issued or negotiated for the use of the drainage district for less than par value with accrued interest up to the delivery or transfer thereof. Every such certificate, when paid, shall be delivered to the treasurer and by the treasurer surrendered to the party to whose assessment it relates.

[S13, §1989-a26, -a27; C24, 27, 31, 35, 39, §**7502;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.80]

89 Acts, ch 126, §2

CS89, §468.73

Referred to in §468.74

**468.74 Drainage bonds.**

When a drainage district has been established or the making of any subsequent repair or improvement determined upon, if the board of supervisors shall find that the cost of such improvement will create assessments against the land included therein greater than should be levied in a single year upon the lands benefited by such improvement, then, instead of issuing improvement certificates, as provided in sections 468.70 through 468.73 the board may fix the amount that shall be levied and collected each year until such cost and expenses are paid, and may issue drainage bonds of the county covering all assessments exclusive of assessments of one hundred dollars and less.

Before such bonds shall be issued, the governing body of the district shall cause an action for declaratory judgment to be brought in the district court of the county in which the bonds are to be issued, asking that their legality be confirmed. The court shall fix a date for hearing thereon and notice thereof shall be given to the owners of each lot or tract of land within the district, which shall be affected by an assessment to pay the proposed bonds, as shown by the transfer books in the auditor's office; also to the holders of liens of record upon said lands; and to all persons to whom it may concern without naming them specifically. Such notice shall be given by publication and by mailing for the same time in advance of hearing and in the same manner prescribed in section 468.15. After the entry of the declaratory judgment adjudicating the validity of such bonds, the approval of the district court shall be endorsed on the bonds before their issuance.

[C97, §1953; S13, §1989-a27; C24, 27, 31, 35, 39, §**7503;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.81]

89 Acts, ch 126, §2

CS89, §468.74

**468.75 Form.**

Each of such bonds shall be numbered and have printed upon its face that it is a "Drainage Bond", stating the county and number of the district for which it is issued, the date and maturity thereof, that it is in pursuance of a resolution of the board of supervisors, that it is to be paid only from taxes for levee and drainage improvement purposes levied and collected on the lands assessed for benefits within the district for which the bond is issued.

[S13, §1989-a27; C24, 27, 31, 35, 39, §**7504;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.82]

89 Acts, ch 126, §2

CS89, §468.75

**468.76 Amount — interest — maturity.**

In no case shall the aggregate amount of all bonds issued exceed the benefits assessed. The bonds shall not be issued for a greater amount than the aggregate amount of assessments for the payment of which they are issued, nor for a longer period of maturity than twenty years. The bonds shall bear interest at a rate determined by the board, notwithstanding chapter 74A, payable semiannually, on June 1 and December 1 of each year. The interest on unpaid assessments shall be at a rate determined by the board.

[C97, §1953; S13, §1989-a27; C24, 27, 31, 35, 39, §**7505;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.83]

89 Acts, ch 126, §2

CS89, §468.76

94 Acts, ch 1035, §5

Referred to in §357.21

**468.77 Maturity — interest — highway benefits.**

The board shall fix the amount, maturity, and interest of all bonds to be issued. It shall determine the amount of assessments to highways for benefits within the district to be covered by each bond issue. The taxes levied for benefits to highways and other public lands within any drainage or levee district shall be paid at the same times and in the same proportion as assessments against the lands of private owners.

[S13, §1989-a27; C24, 27, 31, 35, 39, §**7506;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.84]

89 Acts, ch 126, §2

CS89, §468.77

**468.78 Sale or application at par — premium.**

Such bonds may be applied at par with accrued interest to the payment of work as it progresses upon the improvements of the district, or, the board may sell, through the county treasurer, said bonds at not less than par with accrued interest and devote the proceeds to

such payment. Any premium derived from the sale of said bonds shall be credited to the drainage fund of the district.

[C97, §1953; S13, §1989-a27; C24, 27, 31, 35, 39, §**7508;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.86]

89 Acts, ch 126, §2

CS89, §468.78

Referred to in §357.21

**468.79 Deficiency levy — additional bonds.**

If any levy of assessments is not sufficient to meet the interest and principal of outstanding bonds, or if default shall occur by reason of nonpayment of assessments, additional assessments may be made on the same classification as the previous ones. Additional bond issues may be made when necessary to complete full payment for improvements, by the same proceedings as previous issues.

[C97, §1953; S13, §1989-a27; C24, 27, 31, 35, 39, §**7509;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.87]

89 Acts, ch 126, §2

CS89, §468.79

**468.80 Funding or refunding indebtedness.**

Drainage districts may settle, adjust, renew, or extend the time of payment of the legal indebtedness they may have, or any part thereof, in the sum of one thousand dollars or upwards, whether evidenced by bonds, warrants, certificates, or judgments, and may fund or refund the same and issue bonds therefor in the manner provided in section 468.367.

[C27, 31, 35, §7509-a1; C39, §**7509.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.88]

89 Acts, ch 126, §2

CS89, §468.80

Additional provisions, §468.540 – 468.567

**468.81 Record of bonds.**

A record of the numbers, amounts, and maturities of all such bonds shall be kept by the auditor showing specifically the lands embraced in the district upon which the tax has not been previously paid in full.

[S13, §1989-a27; C24, 27, 31, 35, 39, §**7510;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.89]

89 Acts, ch 126, §2

CS89, §468.81

**468.82 Payment.**

1. All assessments of twenty dollars and less shall be paid in cash.

2. The board at the time of making the levy, shall fix a time within which all assessments in excess of one hundred dollars may be paid in cash, and before any bonds are issued, publish notice in an official newspaper in the county where the district is located, of such time. After the expiration of such time, no assessments may be paid except in the manner and at the times fixed by the board in the resolution authorizing the issue of the bonds.

[C24, 27, 31, 35, 39, §**7511, 7512;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.90, 455.91]

89 Acts, ch 126, §2

CS89, §468.82

**468.83 Appeals.**

1. Any person aggrieved may appeal from any final action of the board in relation to any matter involving the person's rights, to the district court of the county in which the proceeding was held.

2. In districts extending into two or more counties, appeals from final orders resulting

from the joint action of the several boards or the board of trustees of such district may be taken to the district court of any county into which the district extends.

[S13, §1989-a6, -a11, -a14, -a35; C24, 27, 31, 35, 39, §**7513, 7514;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.92, 455.93]

89 Acts, ch 126, §2

CS89, §468.83

Referred to in §468.126, 468.135

**468.84 Time and manner.**

All appeals shall be taken within twenty days after the date of final action or order of the board from which such appeal is taken by filing with the auditor a notice of appeal, designating the court to which the appeal is taken and the order or action appealed from, and stating that the appeal will come on for hearing thirty days following perfection of the appeal with allowances of additional time for good cause shown. This notice shall be accompanied by an appeal bond with sureties to be approved by the auditor conditioned to pay all costs adjudged against the appellant and to abide the orders of the court.

[S13, §1989-a6, -a14, -a35; C24, 27, 31, 35, 39, §**7515;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.94]

89 Acts, ch 126, §2

CS89, §468.84

Referred to in §357.33, 468.85, 468.126, 468.135, 468.547

Presumption of approval of bond, §636.10

**468.85 Transcript.**

When notice of any appeal with the bond as required by section 468.84 shall be filed with the auditor, the auditor shall forthwith make and certify a transcript of the notice of appeal and appeal bond, and file the same with the clerk.

[S13, §1989-a14; C24, 27, 31, 35, 39, §**7516;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.95]

89 Acts, ch 126, §2

CS89, §468.85

Referred to in §357.33, 468.126, 468.135

**468.86 Petition — docket fee — waiver — dismissal.**

Within twenty days after perfection of the appeal the appellant shall file a petition setting forth the order or final action of the board appealed from and the grounds of the appellant's objections and the appellant's complaint, with a copy of the appellant's claim for damages or objections filed with the auditor. The appellant shall pay to the clerk the filing fee as provided by law in other cases. A failure to pay the filing fee or to file such petition shall be deemed a waiver of the appeal and in such case the court shall dismiss the same.

[S13, §1989-a14; C24, 27, 31, 35, 39, §**7517;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.96]

89 Acts, ch 126, §2

CS89, §468.86

Referred to in §357.33, 468.126, 468.135, 602.8102(65)

**468.87 Pleadings on appeal.**

It shall not be necessary for the appellees to file an answer to the petition unless some affirmative defense is made thereto, but they may do so.

[S13, §1989-a14; C24, 27, 31, 35, 39, §**7518;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.97]

89 Acts, ch 126, §2

CS89, §468.87

Referred to in §357.33, 468.126, 468.135, 602.8102(65)

**468.88 Proper parties — employment of counsel.**

In all actions or appeals affecting the district, the board of supervisors shall be a proper party for the purpose of representing the district and all interested parties therein, other than

the adversary parties, and the employment of counsel by the board shall be for the purpose of protecting the rights of the district and interested parties therein other than the adversary parties.

[S13, §1989-a14; C24, 27, 31, 35, 39, §**7519;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.98]

89 Acts, ch 126, §2

CS89, §468.88

Referred to in §357.33, 468.126, 468.135, 602.8102(65)

**468.89 Plaintiffs and defendants.**

In all appeals or actions adversary to the district, the appellant or complaining party shall be entitled the plaintiff, and the board of supervisors and drainage district it represents, the defendants.

[S13, §1989-a14; C24, 27, 31, 35, 39, §**7520;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.99]

89 Acts, ch 126, §2

CS89, §468.89

Referred to in §357.33, 468.126, 602.8102(65)

**468.90 Right of board and district to sue.**

In all appeals or actions for or in behalf of the district, the board and the drainage district it represents may sue as the plaintiffs.

[S13, §1989-a14; C24, 27, 31, 35, 39, §**7521;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.100]

89 Acts, ch 126, §2

CS89, §468.90

Referred to in §357.33, 468.126, 602.8102(65)

**468.91 Trial on appeal — consolidation.**

Appeals from orders or actions of the board fixing the amount of compensation for lands taken for right-of-way or the amount of damages to which any claimant is entitled shall be tried as ordinary proceedings. All other appeals shall be triable in equity. The court may, in its discretion, order the consolidation for trial of two or more of such equitable cases.

[S13, §1989-a6, -a14, -a35; C24, 27, 31, 35, 39, §**7522;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.101]

89 Acts, ch 126, §2

CS89, §468.91

Referred to in §357.33, 468.126, 602.8102(65)

**468.92 Conclusive presumption on appeal.**

On the trial of an appeal from the action of the board in fixing and assessing the amount of benefits to any land within the district as established, it shall not be competent to show that any lands assessed for benefits within said district as established are not benefited in some degree by the construction of the said improvement.

An exception to the conclusiveness of an assessment under this section shall be in those cases where it has been determined under section 468.188 that land has later been deprived of benefits received by a division of the district by some other improvement.

[SS15, §1989-a12; C24, 27, 31, 35, 39, §**7523;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.102]

89 Acts, ch 126, §2

CS89, §468.92

Referred to in §357.33, 468.126, 602.8102(65)

Similar provision, §468.47

**468.93 Order as to damages — duty of clerk.**

If the appeal is from the action of the board as to the amount of damages or compensation awarded, the amount found by the court shall be entered of record, but no judgment shall be rendered therefor. The amount thus ascertained shall be certified by the clerk of said court

to the board of supervisors who shall thereafter proceed as if such amount had been by it allowed to the claimant.

[S13, §1989-a6; C24, 27, 31, 35, 39, §**7524;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.103]

89 Acts, ch 126, §2

CS89, §468.93

Referred to in §357.33, 468.126, 602.8102(65)

**468.94 Costs.**

Unless the result on the appeal is more favorable to the appellant than the action of the board, all costs of the appeal shall be taxed to the appellant, but if more favorable, the cost shall be taxed to the appellees.

[S13, §1989-a6; C24, 27, 31, 35, 39, §**7525;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.104]

89 Acts, ch 126, §2

CS89, §468.94

Referred to in §357.33, 468.126, 602.8102(65)

**468.95 Decree as to establishing district or including lands.**

On appeal from the action of the board in establishing or refusing to establish said district, or in including land within the district, the court may enter such order or decree as may be equitable and just in the premises, and the clerk of said court shall certify the decree or order to the board of supervisors which shall proceed thereafter in said matter as if such order had been made by the board. The taxation of costs among the litigants shall be in the discretion of the court.

[S13, §1989-a6; C24, 27, 31, 35, 39, §**7526;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.105]

89 Acts, ch 126, §2

CS89, §468.95

Referred to in §357.33, 468.126, 602.8102(65)

**468.96 Appeal as exclusive remedy — nonappellants.**

Upon appeal the decision of the court shall in no manner affect the rights or liabilities of any person who did not appeal. The remedy by appeal provided for in this subchapter, parts 1 through 5, shall be exclusive of all other remedies.

[S13, §1989-a46; C24, 27, 31, 35, 39, §**7527;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.106]

89 Acts, ch 126, §2

CS89, §468.96

Referred to in §357.33, 468.126

**468.97 Reversal by court — recision by board.**

In any case where the decree has been entered setting aside the establishment of a drainage district for errors in the proceedings, and such decree becomes final, the board shall rescind its order establishing the drainage district, assessing benefits, and levying the tax based thereon, and shall also cancel any contract made for construction work or material, and shall refund any and all assessments paid.

[S13, §1989-a14; C24, 27, 31, 35, 39, §**7528;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.107]

89 Acts, ch 126, §2

CS89, §468.97

Referred to in §357.33, 468.126

**468.98 Setting aside establishment — procedure.**

After the court on appeal has entered a decree revising or modifying the action of the board, the board shall fix a new date for hearing, and proceed in all particulars in the manner provided for the original establishment of the district, avoiding the errors and irregularities for which the original establishment was set aside, and after a valid establishment thereof,

proceed in all particulars as provided by law in relation to the original establishment of such districts.

[S13, §1989-a14; C24, 27, 31, 35, 39, §**7529;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.108]

89 Acts, ch 126, §2

CS89, §468.98

Referred to in §357.33, 468.126

**468.99 Reassessment to cure illegality.**

Whenever any special assessment upon any lands within any drainage district shall have been adjudged to be void for any jurisdictional defect or for any illegality or uncertainty as to the terms of any contract and the improvement shall have been wholly completed, the board or boards of supervisors shall have power to remedy such illegality or uncertainty as to the terms of any such contract with the consent of the person with whom such contract shall have been entered into and make certain the terms of such contract and shall then cause a reassessment of such land to be made on an equitable basis with the other land in the district by taking the steps required by law in the making of an original assessment and relevying the tax in accordance with such assessment, and such tax shall have the same force and effect as though the board or boards of supervisors had jurisdiction in the first instance and no illegality or uncertainty existed in the contract.

[C24, 27, 31, 35, 39, §**7530;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.109]

89 Acts, ch 126, §2

CS89, §468.99

Referred to in §357.33

**468.100 Monthly estimate — payment.**

The supervising engineer shall, on or before the tenth day of each calendar month, furnish the contractor and file with the auditor estimates for work done during the preceding calendar month under the contract on each section, and the auditor shall at once draw warrants in favor of such contractor on the drainage funds of the district or give the contractor an order directing the county treasurer to deliver to the contractor or contractors improvement certificates, or drainage bonds as the case may be, for ninety percent of the estimate on work done. Such monthly estimates shall remain on file in the office of the auditor as a part of the permanent records of the district to which they relate. Drainage warrants, bonds or improvement certificates when so issued shall be in such amounts as the auditor determines, not however, in amounts in excess of one thousand dollars.

All of the provisions of this section shall, when applicable, apply to repair work and improvement work in the same force and effect as to original construction.

[C97, §1944; S13, §1944, 1989-a9; C24, 27, 31, 35, 39, §**7531;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.110]

89 Acts, ch 126, §2

CS89, §468.100

**468.101 Completion of work — report — notice.**

When the work to be done under a contract is completed to the satisfaction of the engineer in charge of construction, the engineer shall report and certify that the contract is completed to the board. Upon receipt of the report, the board shall set a day to consider the report and shall give notice of the time and purpose of the meeting by ordinary mail to the owners of the land on which the work was done, and to the owners of each tract of land or lot within the district by publication in a newspaper of general circulation in the county. The publication is not required to name the owners of any tract of land or lot within the district. The date for considering the report by the board shall be not less than ten days after the date of mailing, or publication, whichever is later.

[S13, §1989-a9; C24, 27, 31, 35, 39, §**7532;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.111]

85 Acts, ch 163, §3; 86 Acts, ch 1099, §2; 89 Acts, ch 126, §2

CS89, §468.101
95 Acts, ch 47, §1
Referred to in §357.18

**468.102 Objections.**

Any party interested in the said district or the improvement thereof may file objections to said report and submit any evidence tending to show said report should not be accepted. Any interested party having a claim for damages arising out of the construction of the improvement or repair shall file said claim with the board at or before the time fixed for hearing on the completion of the contract, which claim shall not include any claim for land taken for right-of-way or for severance of land.

[C24, 27, 31, 35, 39, §**7533;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.112]
89 Acts, ch 126, §2
CS89, §468.102
Referred to in §357.18, 468.103

**468.103 Final settlement — claims for damages.**

If it finds the work under any contract has been completed and accepted, the board shall compute the balance due, and if there are no liens on file against such balance, it shall enter of record an order directing the auditor to draw a warrant in favor of said contractor upon the levee or drainage fund of said district or give the contractor an order directing the county treasurer to deliver to the contractor improvement certificates or drainage bonds, as the case may be, for such balance found to be due, but such warrants, improvement certificates or bonds shall not be delivered to the contractor until the expiration of thirty days after the acceptance of the work.

If any claims for damages have been filed as provided in section 468.102, the board shall review said claims and determine said claims. If the determination by the board on any claim for damages results in a finding by the board that the damages resulting to the claimant were due to the negligence of the contractor, then the board shall provide for payment of said claim out of the remaining funds owing to the contractor. If the determination by the board results in a finding that the damages resulting to the claimant were not due to the negligence of the contractor but resulted from unavoidable necessity in the performance of the contract, then the board shall allow for payment of said claim in the amount fixed by the board out of the funds in said drainage district.

[C73, §1212; C97, §1944; S13, §1944, 1989-a9; C24, 27, 31, 35, 39, §**7534;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.113]
89 Acts, ch 126, §2
CS89, §468.103
Filing of claims, §573.10

**468.104 Abandonment of work.**

In case any contractor abandons or fails to proceed diligently and properly with the work before completion, or in case the contractor fails to complete the same in the time and according to the terms of the contract, the board shall make written demand on the contractor and the contractor's surety to proceed with the work within ten days. Service of said demand may be personal, or by certified mail addressed to the contractor and the surety, respectively, at their places of residence or business, as shown by the records in the auditor's office.

[S13, §1944, 1989-a10; C24, 27, 31, 35, 39, §**7535;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.114]
89 Acts, ch 126, §2
CS89, §468.104
Referred to in §357.17

**468.105 New contract — suit on bond.**

Unless the contractor or the surety on the contractor's bond shall appear and in good faith proceed to comply with the demand, and resume work under the contract within the time

fixed, the board shall proceed to let contracts for the unfinished work in the same manner as original contracts, and apply all funds not paid to the original contractor toward the completion of the work, and if not sufficient for such purpose, may cause suit to be brought upon the bond of the defaulting contractor for the benefit of the district, and the amount of recovery thereon shall be credited to the district.

[C73, §1212; C97, §1944; S13, §1944, 1989-a10; C24, 27, 31, 35, 39, §**7536;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.115]

89 Acts, ch 126, §2

CS89, §468.105

Referred to in §357.17

**468.106 Construction on or along highway.**

When a levee or drainage district shall have been established by the board and it shall become necessary or desirable that the levee, ditch, drain, or improvement shall be located and constructed within the limits of any public highway, it shall be so built as not materially to interfere with the public travel thereon.

[S13, §1989-a20; C24, 27, 31, 35, 39, §**7537;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.116]

89 Acts, ch 126, §2

CS89, §468.106

**468.107 Establishment of highways.**

The board shall have power to establish public highways along and upon any levee or embankment along any such ditch or drain, but when so established the same shall be worked and maintained as other highways and so as not to obstruct or impair the levee, ditch, or drain.

[S13, §1989-a20; C24, 27, 31, 35, 39, §**7538;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.117]

89 Acts, ch 126, §2

CS89, §468.107

**468.108 Bridges.**

When a levee, ditch, drain, or change of any natural watercourse crosses a public highway, necessitating moving or building or rebuilding any secondary road bridge upon, or ditch or drain crossing the road, the board of supervisors shall move, build, or rebuild it, paying the costs and expenses, including construction, maintenance, repair and improvement costs, from county funds.

If the bridge or crossing be upon or across a primary or interstate road, the work aforesaid shall be done by the state department of transportation and paid for out of the primary road fund.

[S13, §1989-a19; C24, 27, 31, 35, 39, §**7539;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.118]

83 Acts, ch 123, §184, 209; 89 Acts, ch 126, §2

CS89, §468.108

Referred to in §331.429

**468.109 Construction across railroad.**

Whenever the board of supervisors shall have established any levee, or drainage district, or change of any natural watercourse and the levee, ditch, drain, or watercourse as surveyed and located crosses the right-of-way of any railroad company, the county auditor shall immediately cause to be served upon such railroad company, in the manner provided for the service of original notices, a notice in writing stating the nature of the improvement to be constructed, the place where it will cross the right-of-way of such company, and the full requirements for its complete construction across such right-of-way as shown by the plans, specifications, plat, and profile of the engineer appointed by the board, and directing such company to construct such improvement according to said plans and specifications at the place designated, across its right-of-way, and to build and construct or rebuild and reconstruct the necessary culvert or bridge where any ditch, drain, or watercourse crosses

its right-of-way, so as not to obstruct, impede, or interfere with the free flow of the water therein, within thirty days from the time of the service of such notice upon it.

[S13, §1989-a18; C24, 27, 31, 35, 39, §**7540;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.119]

89 Acts, ch 126, §2

CS89, §468.109

Referred to in §468.110, 468.112

Manner of service, R.C.P. 1.302 – 1.315

**468.110 Duty to construct.**

Upon receiving the notice provided in section 468.109, such railroad company shall construct the improvement across its right-of-way according to the plans and specifications prepared by the engineer for said district, and build or rebuild the necessary culvert or bridge and complete the same within the time specified.

[S13, §1989-a18; C24, 27, 31, 35, 39, §**7541;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.120]

89 Acts, ch 126, §2

CS89, §468.110

**468.111 Bridges at natural waterway — costs.**

The cost of building, rebuilding, constructing, reconstructing, changing, or repairing, as the case may be, any culvert or bridge, when such improvement is located at the place of the natural waterway or place provided by the railroad company for the flow of the water, shall be borne by such railroad company without reimbursement therefor.

[S13, §1989-a18; C24, 27, 31, 35, 39, §**7542;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.121]

89 Acts, ch 126, §2

CS89, §468.111

**468.112 Construction when company refuses.**

If a railroad company does not comply with a notice provided in section 468.109, the board shall provide for the construction of the improvement under the supervision of the engineer in charge of the improvement. The railroad company shall be liable for the cost of the construction which shall be collected by the county on behalf of the district in any court having jurisdiction. The court may award a prevailing county reasonable attorney fees incurred by the county, to be paid by the railroad company and taxed as part of the costs of the action.

[S13, §1989-a18; C24, 27, 31, 35, 39, §**7543;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.122]

89 Acts, ch 126, §2

CS89, §468.112

99 Acts, ch 184, §1

**468.113 Cost of construction across railway.**

The cost of constructing the improvement across the right-of-way of such company, not including the cost of building or rebuilding and constructing or reconstructing any necessary culvert or bridge, when such improvement is located at the place of the natural waterway or place provided by the railroad company for the flow of the water, shall be considered as an element of such company's damages by the appraiser to appraise damages.

[S13, §1989-a18; C24, 27, 31, 35, 39, §**7544;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.123]

89 Acts, ch 126, §2

CS89, §468.113

**468.114 Passing drainage equipment across railway.**

It shall be the duty of any steam or electric railway company to furnish the contractor unrestricted passage across its right-of-way, telegraph, telephone, and signal lines for

the contractor's machines and equipment, whenever recommended by the engineer and approved by the board of supervisors, and the cost thereof shall be considered as an element of such company's damages by the appraisers thereof; provided that if such company shall fail to do so within thirty days after written notice from the auditor, the engineer shall cause the same to be done under the engineer's direction and the company shall be liable for the cost thereof to be collected by the county in any court having jurisdiction. Provided, further, that the railway company shall have the right to designate the day and hours thereof within said period of thirty days above mentioned when such crossing shall be made.

[C24, 27, 31, 35, 39, §**7545;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.124]
89 Acts, ch 126, §2
CS89, §468.114

**468.115 Passage across other public utilities.**

The owner or operator of a public utility, whether operated publicly or privately other than steam and electric railways shall afford the contractor of any drainage project under this subchapter, parts 1 through 5, unrestricted passage for the contractor's machines and equipment across the right-of-way lines or other equipment of such utility whenever recommended by the engineer and approved by the board of supervisors.

[C24, 27, 31, 35, 39, §**7546;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.125]
89 Acts, ch 126, §2
CS89, §468.115

**468.116 Failure to comply.**

If the owner or operator of the utility fails to afford such passage within fifteen days after written notice from the drainage engineer so to do, the contractor, under the supervision of the engineer, may proceed to do the necessary work to afford such passage and to place said utility in the same condition as before said passage; but the owner or operator shall have the right to designate the hours of the day when such crossing or passage shall be made.

[C24, 27, 31, 35, 39, §**7547;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.126]
89 Acts, ch 126, §2
CS89, §468.116

**468.117 Expenses attending passage.**

The work necessary to afford such passage shall be deemed to be covered by and included in the contract with the district under which the contractor is operating, and if the work is done by the owner or operator of such utility the reasonable expense thereof shall be paid out of the drainage funds of the district and charged to the account of the contractor.

[C24, 27, 31, 35, 39, §**7548;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.127]
89 Acts, ch 126, §2
CS89, §468.117

**468.118 Abandoned right-of-way.**

If a railroad or other utility has abandoned the use of its right-of-way for the purpose it was originally acquired or has sold its right-of-way to a person who will use it for a purpose other than for which it was originally acquired, the prior right or privilege of the drainage district to pass through the right-of-way of the railroad or utility shall become a permanent easement in favor of the drainage district for drainage purposes including the right of ingress and egress through adjacent property and the right of access for maintenance, repair, improvement and inspection. The permanent easement has the same dimensions as originally specified in the engineer's report and survey, or as acquired by use or as subsequently acquired.

If a railroad or other utility has abandoned the use of its right-of-way for the purpose it was originally acquired or has sold its right-of-way to a person who will use it for a purpose other than for which it was originally acquired in segments, each segment shall be assessed for benefits in the same proportion as the area of the segment bears to the area of the right-of-way through the forty-acre tract.

85 Acts, ch 163, §4

CS85, §455.127A
89 Acts, ch 126, §2
CS89, §468.118

**468.119 Annexation of additional lands.**

1. After the establishment of a levee or drainage district, if the board becomes convinced that additional lands contiguous to the district, and without regard to county boundaries, are benefited by the improvement or that the same are then receiving benefit or will be benefited by a repair or improvement to said district as contemplated in section 468.126, it may adopt, with or without a petition from owners of the proposed annexed lands, a resolution of necessity for the annexation of such additional land and appoint an engineer with the qualifications provided in this subchapter, parts 1 through 5, to examine such additional lands, to make a survey and plat thereof showing their relation, elevation, and condition of drainage with reference to such established district, and to make and file with the auditor a report as in this subchapter, parts 1 through 5, provided for the original establishment of such district, said report to specify the character of the benefits received.

2. In the event the additional lands are a part of an existing drainage district, as an alternative procedure to that established by subsection 1, the lands may be annexed in either of the following methods:

*a.* (1) A petition, proposing that the lands be included in a contiguous drainage district and signed by at least twenty percent of the landowners of those lands to be annexed, shall be filed with the governing board of each affected district.

(2) The board of the district in which the lands are presently included may, at its next regular meeting or at a special meeting called for that purpose, adopt a resolution approving and consenting to the annexation.

*b.* Whenever the owners of all of the land proposed to be annexed file a petition with the governing boards of the affected districts, the consent of the board in which the lands are then located shall not be required to consent to the annexation, and the board of the annexing district may proceed as provided in this section.

3. If either method of annexation provided for in subsection 2 is completed, the board of the district to which the lands are to be annexed may adopt a resolution of necessity for the annexation of the additional lands, as provided in this section.

4. The right of remonstrance, as provided under section 468.28, does not apply to the owners of lands being involuntarily annexed to an established district.

[S13, §1989-a54; C24, 27, 31, 35, 39, §**7549;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.128]
85 Acts, ch 163, §5; 89 Acts, ch 126, §2
CS89, §468.119
2009 Acts, ch 41, §140
Referred to in §468.121

**468.120 Proceedings on report.**

If the report recommends the annexation of the lands or any portion of them, the board shall consider the report, plats, and profiles and if satisfied that any of the lands are materially benefited by the district and that annexation is feasible, expedient, and for the public good, it shall proceed in all respects as to notice, hearing, appointment of appraisers to fix damages and as to hearing on the annexation; and if the annexation is finally made, as to classification and assessment of benefits to the annexed lands only, to the same extent and in the same manner as provided in the establishment of an original district. However, the annexation and classification of the annexed lands for benefits may be determined at one hearing. Those parties having an interest in the lands proposed to be annexed have the right to receive notice, to make objections, to file claims for damages, to have hearing, to take appeals and to do all

other things to the same extent and in the same manner as provided in the establishment of an original district.

[S13, §1989-a54; C24, 27, 31, 35, 39, §**7550;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.129]

85 Acts, ch 163, §6; 89 Acts, ch 126, §2

CS89, §468.120

**468.121 Levy on annexed lands.**

After annexation is made the board may levy upon the annexed lands an assessment sufficient to equal the assessments for benefit originally paid by the lands of equal classification if the finding by the board as provided by section 468.119 was that the lands should have been included in the district when originally established, plus their proportionate share of the costs of any enlargement or extension of drains required to serve the annexed lands. If the finding of the board as provided in section 468.119 was based on the fact that additional lands are now benefited by virtue of the repair, improvement, or the change of the topographical conditions made to the district and were not benefited by the district as originally established, then the board shall levy upon the annexed lands an assessment sufficient to pay their proportionate share of the costs of the repair or improvement which was the basis for the lands being annexed. If the board finds that the lands are presently receiving benefits from the district but that some were reasonably omitted from the original establishment because of the change of the topographical conditions, the assessments levied upon the annexed lands shall be limited to a proportionate share of the costs of current and future maintenance, repairs and improvements.

[S13, §1989-a54; C24, 27, 31, 35, 39, §**7551;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.130]

85 Acts, ch 163, §7; 89 Acts, ch 126, §2

CS89, §468.121

**468.122 Use of former and abandoned surveys.**

In cases where proceedings have been taken for the establishment of a levee or drainage district and an engineer has been appointed who has made a survey, return, and plat thereof and for any reason the improvement has been abandoned and the proceedings dismissed, and afterward proceedings are instituted for the establishment of a levee or drainage district which will benefit any territory surveyed in said former proceedings, the engineer shall use so much of the return, levels, surveys, plat, and profile made in the former proceedings as may be applicable. The engineer shall specify in the engineer's reports the parts thereof so used, and in case the cost of said returns, levels, surveys, plat, and profile made in said former proceedings has been paid by the former petitioners or their sureties, then a reasonable amount shall be allowed said petitioners or sureties for the use of the same.

[S13, §1989-a16; C24, 27, 31, 35, 39, §**7552;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.131]

89 Acts, ch 126, §2

CS89, §468.122

**468.123 Unsuccessful procedure — reestablishment.**

When proceedings have been instituted for the establishment of a drainage district or for any change or repair thereof, or the change of a natural watercourse, and the establishment thereof has failed for any reason either before or after the improvement is completed, the board shall have power to reestablish such district or improvement and any new improvement in connection therewith as recommended by the report of the engineer. As to all lands benefited by such reestablishment, repair, or improvement, the board shall proceed in the same manner as in the establishment of an original district, using as a basis for assessment the entire cost of the proceedings, improvement, and maintenance from the beginning; but in awarding damages and in the assessment of benefits account shall be taken of the amount of damages and taxes, if any, theretofore paid by those benefited, and

credit therefor given accordingly. All other proceedings shall be the same as for the original establishment of the district, making of improvements, and assessment of benefits.

[S13, §1989-a17, -a50; C24, 27, 31, 35, 39, §**7553;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.132]

89 Acts, ch 126, §2

CS89, §468.123

**468.124 New district including old district.**

If any levee or drainage district or improvement established either by legal proceedings or by private parties shall be insufficient to properly drain all of the lands tributary thereto, the board upon petition as for the establishment of an original levee or drainage district, shall have power to establish a new district covering and including such old district or improvement together with any additional lands deemed necessary. All outstanding indebtedness of the old levee or drainage district shall be assessed only against the lands included therein.

[S13, §1989-a25; C24, 27, 31, 35, 39, §**7554;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.133]

89 Acts, ch 126, §2

CS89, §468.124

Referred to in §468.125

**468.125 Credit for old improvement.**

When such district as contemplated in section 468.124 and the new improvement therein shall include the whole or any part of the former improvement, the commissioners, for classification of lands for assessment of benefits and apportionment of costs and expenses of such new improvement, shall take into consideration the value of such old improvement in the construction of the new one and allow proper credit therefor to the parties owning the old improvement as their interests may appear. In all other respects the same proceedings shall obtain as are provided for the original establishment of levee and drainage districts.

[S13, §1989-a25; C24, 27, 31, 35, 39, §**7555;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.134]

89 Acts, ch 126, §2

CS89, §468.125

**468.126 Repairs and improvements.**

1. When any levee or drainage district has been established and the improvement constructed, the improvement shall be at all times under the supervision of the board of supervisors except as otherwise provided for control and management by a board of trustees and the board shall keep the improvement in repair as provided in this section.

*a.* The board at any time on its own motion, without notice, may order done whatever is necessary to restore or maintain a drainage or levee improvement in its original efficiency or capacity, and for that purpose may remove silt and debris, repair any damaged structures, remove weeds and other vegetable growth, and whatever else may be needed to restore or maintain such efficiency or capacity or to prolong its useful life.

*b.* The board may at any time obtain an engineer's report regarding the most feasible means of repairing a drainage or levee improvement and the probable cost of making the repair. If the engineer advises, or the board otherwise concludes that permanent restoration of a damaged structure is not feasible at the time, the board may order temporary construction it deems necessary to the continued functioning of the improvement. If in maintaining and repairing tile lines the board finds from an engineer's report it is more economical to construct a new line than to repair the existing line, the new line may be considered to be a repair.

*c.* If the estimated cost of a repair exceeds twenty thousand dollars, or seventy-five percent of the original total cost of the district and subsequent improvements, whichever is the greater amount, the board shall set a date for a hearing on the matter of making the proposed repairs, and shall give notice as provided in sections 468.14 through 468.18. If a hearing is required and the estimated cost of the repair exceeds twenty-five thousand dollars, an engineer's report or a report from the soil and water conservation district conservationist

shall be presented at the hearing. The requirement of a report may be waived by the board if a prior report on the repair exists and that report is less than ten years old. The board shall not divide proposed repairs into separate programs in order to avoid the notice and hearing requirements of this paragraph. At the hearing the board shall hear objections to the feasibility of the proposed repairs, and following the hearing the board shall order that the repairs it deems desirable and feasible be made. Any interested party has the right of appeal from such orders in the manner provided in this subchapter, parts 1 through 5.

*d.* The right of remonstrance does not apply to repairs as defined in this section.

2. In the case of minor repairs, or in the eradication of brush and weeds along the open ditches, not in excess of twenty thousand dollars where the board finds that a saving to the district will result, the board may cause the repairs or eradication to be done by secondary road fund equipment, or weed fund equipment, and labor of the county and then reimburse the secondary road fund or the weed fund from the fund of the drainage district thus benefited.

3. When the board deems it necessary it may repair or reconstruct the outlet of any private tile line which empties into a drainage ditch of any district and assess the costs in each case against the land served by the private tile line.

4. For the purpose of this subsection, an "*improvement*" in a drainage or levee district in which any ditch, tile drain or other facility has previously been constructed is a project intended to expand, enlarge or otherwise increase the capacity of any existing ditch, drain or other facility above that for which it was designed.

*a.* When the board determines that improvements are necessary or desirable, the board shall appoint an engineer to make surveys as seem appropriate to determine the nature and extent of the needed improvements, and to file a report showing what improvements are recommended and their estimated costs, which report may be amended before final action. If the estimated cost of the improvements does not exceed twenty thousand dollars, or twenty-five percent of the original cost of the district and subsequent improvements, whichever is the greater amount, the board may order the work done without notice. The board shall not divide proposed improvements into separate programs in order to avoid the limitation for making improvements without notice. If the board deems it desirable to make improvements where the estimated cost exceeds the twenty thousand dollar or twenty-five percent limit, the board shall set a date for a hearing on the matter of constructing the proposed improvements and also on the matter of whether there shall be a reclassification of benefits for the cost of the proposed improvements and shall give notice as provided in sections 468.14 through 468.18. At the hearing, the board shall hear objections to the feasibility of the proposed improvements and arguments for or against a reclassification presented by or for any taxpayer of the district. Following the hearing, the board shall order that the improvements it deems desirable and feasible be made and shall also determine whether there should be a reclassification of benefits for the cost of improvements. If it is determined that a reclassification of benefits should be made, the board shall proceed as provided in section 468.38. In lieu of publishing the notice of a hearing as provided by this subsection, the board may mail a copy of the notice to each address where a landowner in the district resides by first class mail if the cost of mailing is less than publication of the notice. The mailing shall be made during the time the notice would otherwise be required to be published.

*b.* If the estimated cost of the improvements as defined in this subsection exceeds twenty-five thousand dollars, or the original cost of the district plus the cost of subsequent improvements in the district, whichever is the greater amount, a majority of the landowners, owning in the aggregate more than seventy percent of the total land in the district, may file a written remonstrance against the proposed improvements, at or before the time fixed for hearing on the proposed improvements, with the county auditor, or auditors in case the district extends into more than one county. If a remonstrance is filed, the board shall discontinue and dismiss all further proceedings on the proposed improvements and charge the costs incurred to date for the proposed improvements to the district. Any interested party may appeal from such orders in the manner provided in this subchapter, parts 1 through 5. However, this section does not affect the procedures of section 468.132 covering the common outlet.

5. Where under the laws in force prior to 1904 drainage ditches and levees were established and constructed without fixing at the time of establishment a definite boundary line for the body of land to be assessed for the cost thereof, the body of land which was last assessed to pay for the repair thereof shall also be considered as the established district for the purpose of this section.

6. The governing body of the district may, by contract or conveyance, acquire, within or without the district, the necessary lands or easements for making repairs or improvements under this section, including easements for borrow and easements for meander, and in addition thereto, the same may be obtained in the manner provided in the original establishment of the district, or by exercise of the power of eminent domain as provided for in chapter 6B. If additional right-of-way is required for any repair or improvement under this section, the same may be acquired in the same manner as provided for the acquisition of right-of-way in the original establishment of a district, except that where notice and hearing are not otherwise required under this section notice as provided in this subchapter, parts 1 through 5, to owners, lienholder of record, and occupants of the land from which right-of-way is to be acquired shall suffice.

7. In existing districts where the stream has by erosion appropriated lands beyond its original right-of-way and it is more economical and feasible to acquire an easement for such erosion and meander than to undertake containment of the stream in its existing right-of-way, the board may, in the discharge of the duties enjoined upon it by this section, effect such acquisition as to the whole or part of the course. Right-of-way so taken shall be classed an improvement for the purpose of procedure under this section.

8. If the drainage records on file in the auditor's office for a particular district do not define specifically the land taken for right-of-way for drainage purposes, the board may at any time upon its own motion employ a land surveyor to make a survey and report of the district and to actually define the right-of-way taken for drainage purposes. After the land surveyor has filed the survey and report with the board, the board shall fix a date for hearing on the report and shall serve notice of the hearing upon all landowners and lienholder of record and occupants of the lands traversed by the right-of-way in the manner and for the time required for service of original notices in the district court. At the hearing the board shall specifically define the land taken for the right-of-way. Once established, the right-of-way constitutes a permanent easement in favor of the drainage district for drainage purposes including the right of ingress and egress across adjoining land and the right of access for maintenance, repair, improvement and inspection. A person aggrieved by the action or failure to act of the board under this subsection may appeal only in compliance with sections 468.83 through 468.98.

[S13, §1989-a21; C24, 27, 31, 35, 39, §**7556, 7558 – 7561;** C46, §455.135, 455.137 – 455.140; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.135; 81 Acts, ch 150, §1]

85 Acts, ch 163, §8, 9; 87 Acts, ch 23, §15; 87 Acts, ch 143, §1; 89 Acts, ch 126, §2

CS89, §468.126

94 Acts, ch 1051, §7, 8; 2004 Acts, ch 1051, §1 – 3; 2008 Acts, ch 1047, §1 – 4

Referred to in §461A.76, 468.41, 468.57, 468.119, 468.127, 468.131, 468.132, 468.201, 468.260, 468.359, 468.396

**468.127 Payment.**

The costs of the repair or improvements provided for in section 468.126 shall be paid for out of the funds of the levee or drainage district. If the funds on hand are not sufficient to pay such expenses, the board within two years shall levy an assessment sufficient to pay the outstanding indebtedness and leave the balance which the board determines is desirable as a sinking fund to pay maintenance and repair expenses. Any assessment made under this section on any tract, parcel or lot within the district which is computed at less than five dollars shall be fixed at the sum of five dollars.

If the board deems that the costs of the repairs or improvements will create assessments against the lands in the district greater than should be borne in one year, it may levy the same at one time and provide for the payment of said costs and assessments in the manner

provided in sections 468.57 through 468.61; provided that assessments may be collected in not more than twenty installments as the board may determine.

[S13, §1989-a21; C24, 27, 31, 35, 39, §**7557;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.136]

89 Acts, ch 126, §2

CS89, §468.127

94 Acts, ch 1051, §9; 98 Acts, ch 1048, §1

**468.128 Impounding areas and erosion control devices.**

Levee and drainage districts are empowered to construct impounding areas and other flood and erosion control devices to protect lands of the district and drainage structures and may provide ways for access to improvements for the operation or protection thereof, where the cost is not excessive in consideration of the value to the district. Necessary lands or easements may be acquired within or without the district by purchase, lease or agreement, or by exercise of the right of eminent domain as provided for in chapter 6B and may be procured and construction undertaken either independently or in cooperation with other districts, individuals, or any federal or state agency or political subdivision.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.137]

89 Acts, ch 126, §2

CS89, §468.128

2006 Acts, 1st Ex, ch 1001, §44, 49

**468.129 Revenues used for operation, maintenance and construction.**

Levee and drainage districts may realize income from incidental uses of their improvements and rights-of-way which are not injurious to same or incompatible with the purposes of the district. Revenues derived therefrom may be expended for operating, maintenance or construction costs of the district as its governing body may elect.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.138]

89 Acts, ch 126, §2

CS89, §468.129

**468.130 City may discharge treated sewage.**

Any board, as defined in section 468.3, may by contract permit any city to discharge adequately treated sewage into drainage ditches. The contract shall fix the rental, make provision for termination, and shall provide that no nuisance shall be created.

[C58, 62, 66, 71, 73, §393.12; C75, 77, 79, 81, §455.139]

89 Acts, ch 126, §2

CS89, §468.130

**468.131 Reclassification required.**

When an assessment for improvements as provided in section 468.126, exceeds twenty-five percent of the original assessment and the original or subsequent assessment or report of the benefit commission as confirmed did not designate separately the amount each tract should pay for the main ditch and tile lateral drains then the board shall order a reclassification in accordance with the principles and rules set forth in section 468.41.

[C24, 27, 31, 35, 39, §**7562;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.141]

89 Acts, ch 126, §2

CS89, §468.131

**468.132 Improvement of common outlet — notice of hearing.**

When two or more drainage districts outlet into the same ditch, drain, or natural watercourse and the board determines that it is necessary to clean out, deepen, enlarge, extend, or straighten said ditch, drain, or natural watercourse in order to expeditiously carry off the combined waters of such districts, the board may proceed as provided in section 468.126. After said board has decided that such work should be done, it shall fix a date for hearing on its decision, and it shall give two weeks' notice thereof by certified mail to the

auditor of the county wherein the land to be assessed for such work is located, and said county auditor shall thereupon immediately notify by certified mail the board or boards of trustees of the districts having supervision thereof, as to said hearing on said contemplated work. In those instances where two or more districts involved are under the supervision of the same board, or joint board if the district is intercounty, the notice shall be given to all landowners affected as prescribed for in sections 468.14 through 468.18. Each district shall be assessed for the cost of such work in proportion to the benefits derived. Common outlet for the purpose of this section shall mean an outlet where two adjacent districts have an outlet common to both of said districts and which districts are also contiguous, one to the other.

[S13, §1989-a24; C24, 27, 31, 35, 39, §**7563;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.142]

89 Acts, ch 126, §2

CS89, §468.132

Referred to in §468.126

**468.133 Commissioners to apportion benefits — interest prohibited.**

For the purpose of ascertaining the proportionate benefits, the board shall appoint commissioners having the qualifications of benefit commissioners, one of whom shall be an engineer. Such commissioners appointed shall not be residents of any of the districts affected, nor shall any member thereof have any interest in land in any districts affected by the contemplated work. Such commission shall determine the percentage of benefits and the sum total to be assessed to each district for the improvement.

In the event that one of the districts to be assessed under this statute shall have any improvement such as a settling basin which reduces the quality and quantity of flow or sediment, such commission may give consideration to the existence of such an improvement when they determine the percentage of benefits and the sum total to be assessed to each district for the improvement.

[C24, 27, 31, 35, 39, §**7564;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.143]

89 Acts, ch 126, §2

CS89, §468.133

Referred to in §468.135

**468.134 Time of report — notice of hearing.**

When said commissioners are appointed, the board shall, by proper order, fix the time when the commissioners shall report their findings, but a report filed within thirty days of the time so fixed shall be deemed a compliance with said order. On the filing of said report, the board shall fix a time for hearing thereon, and it shall give notice thereof to the auditor of the county in which the land to be assessed for such work is located by certified mail; said county auditor shall thereupon immediately notify by certified mail the board of supervisors, and board or boards of trustees of the districts having supervision thereof, as to said hearing on said commissioner's report. In those instances where two or more districts are under the supervision of the same board, or joint board if the district is intercounty, the notice shall be given to all landowners affected as prescribed in sections 468.14 through 468.18.

[C24, 27, 31, 35, 39, §**7565;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.144]

89 Acts, ch 126, §2

CS89, §468.134

Referred to in §468.135

**468.135 Report and review — appeal.**

The commissioners shall file with the board a detailed report of their findings. Said board shall review said report and may, by proper order, increase or decrease the amount which shall be charged to each district. After the final order of the board herein has been made, said board shall notify the county auditor, in the time and manner as provided in sections 468.133 and 468.134, of said order, and said county auditor shall notify by certified mail the board of supervisors, and said board or boards of trustees, of said final order. Said board of supervisors and said board or boards of trustees, if aggrieved by said final order, may appeal

therefrom to the district court of the county in which any of the improvement proposed or done is located.

Any such appeal shall be taken, perfected and conducted in the time and manner provided in section 468.83, subsection 1, and sections 468.84 through 468.88, for appeals contemplated by said sections.

[C24, 27, 31, 35, 39, §**7566;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.145]
89 Acts, ch 126, §2
CS89, §468.135

**468.136 Levy under original classification.**

If the amount finally charged against a district does not exceed twenty-five percent of the original cost of the improvement in the district, the board shall proceed to levy the amount against all lands, highways, and railway rights-of-way and property within the district, in accordance with the original classification and apportionment. Any assessment made under this section on any tract, parcel, or lot within the district which is computed at less than five dollars shall be fixed at the sum of five dollars.

[C24, 27, 31, 35, 39, §**7567;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.146]
89 Acts, ch 126, §2
CS89, §468.136
94 Acts, ch 1051, §10

**468.137 Levy under reclassification.**

If the amount finally charged against a district exceeds twenty-five percent of the original cost of the improvement, the board may order a reclassification as provided for the original classification of a district and upon the final adoption of the new classification and apportionment shall proceed to levy that amount upon all lands, highways, and railway rights-of-way and property within the district, in accordance with the new classification and apportionment. An assessment made under this section on a tract, parcel, or lot within the district which is computed at less than five dollars shall be fixed at the sum of five dollars.

[C24, 27, 31, 35, 39, §**7568;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.147]
85 Acts, ch 163, §10; 89 Acts, ch 126, §2
CS89, §468.137
94 Acts, ch 1051, §11

**468.138 Removal of obstructions.**

The board shall cause to be removed from the ditches, drains, and laterals of any district any obstructions which interfere with the flow of the water, including trees, hedges, or shrubbery and the roots thereof, and may cause any tile drain so obstructed to be relaid in concrete or any other adequate protection, such work to be paid for from the drainage funds of the district.

[C24, 27, 31, 35, 39, §**7569;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.148]
89 Acts, ch 126, §2
CS89, §468.138

**468.139 Trees and hedges.**

When it becomes necessary to destroy any trees or hedges outside the right-of-way of any ditch, lateral, or drain in order to prevent obstruction by the roots thereof, if the board and the owners of such trees or hedges cannot agree upon the damage for the destruction thereof, the board may proceed to acquire the right to destroy and remove such trees or hedges by the same proceedings provided for acquiring right-of-way for said drainage improvement in the first instance.

[C24, 27, 31, 35, 39, §**7570;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.149]
89 Acts, ch 126, §2
CS89, §468.139
Condemnation procedure, chapter 6B
Similar provision, §468.347

**468.140 Outlet for lateral drains — specifications.**

The owner of any premises assessed for the payment of the costs of location and construction of any ditch, drain, or watercourse as in this subchapter, parts 1 through 5, provided, shall have the right to use the same as an outlet for lateral drains from the premises. The board of supervisors shall make specifications covering the manner in which such lateral drains shall be connected with the main ditches or other laterals and be maintained, and the owner shall follow such specifications in making and maintaining any such connection.

[S13, §1989-a22; C24, 27, 31, 35, 39, §**7571;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.150]

89 Acts, ch 126, §2

CS89, §468.140

**468.141 Subdistricts in intercounty districts.**

The board of supervisors of any county shall have jurisdiction to establish subdrainage districts of lands included within a district extending into two or more counties when the lands to compose such subdistricts lie wholly within such county, and to make improvements therein, repair and maintain the same, fix and levy assessments for the payment thereof, and the provisions of this section shall apply to all such drainage subdistricts, the lands of which lie wholly within one county. The proceedings for all such purposes shall be the same as for the establishment, construction, and maintenance of an original levee or drainage district the lands of which lie wholly within one county, so far as applicable, except that one or more persons may petition for a subdistrict as provided in section 468.63.

[S13, §1989-a37; C24, 27, 31, 35, 39, §**7572;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.151]

89 Acts, ch 126, §2

CS89, §468.141

**468.142 District by mutual agreement — presumption.**

The owners of lands may provide by mutual agreement in writing duly signed, acknowledged, and filed with the auditor for combined drainage of their lands by the location and establishment of a drainage district for such purposes and the construction of drains, ditches, settling basins, and watercourses upon and through their said lands. Such drainage district shall be presumed to be conducive to the public welfare, health, convenience, or utility.

[S13, §1989-a28; C24, 27, 31, 35, 39, §**7573;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.152]

89 Acts, ch 126, §2

CS89, §468.142

Referred to in §418.1, 468.49, 468.65

**468.143 What the agreement shall contain.**

Such agreements shall contain the following:

1. A description of the lands by congressional divisions, metes and bounds, or other intelligible manner, together with the names of the owners of all said lands.
2. The location of the drains and ditches to be constructed, describing their sources and outlets and the courses thereof.
3. The character and extent of drainage improvement to be constructed, including settling basins, if any.
4. The assessment of damages, if any.
5. The classification of the lands included in such district, the amount of drainage taxes or special assessments to be levied upon and against the several tracts, and when the same shall be levied and paid.

6. Such other provisions as the board deems necessary.

[S13, §1989-a28; C24, 27, 31, 35, 39, §**7574;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.153]

89 Acts, ch 126, §2

CS89, §468.143

**468.144 Board to establish.**

When such agreement is filed, the auditor shall record it in the drainage record. The board shall at a regular, special, or adjourned session thereafter locate and establish a drainage district and locate the ditches, drains, settling basins, and watercourses thereof as provided in said agreement, and enter of record an order accordingly. The board thereafter shall carry out the object, purpose, and intent of such agreement and cause to be completed and constructed the said improvement and shall retain jurisdiction of the same as fully as in districts established in any other manner. It shall cause to be levied upon and against the lands of such district, the drainage taxes and assessments according to said agreement and when collected said taxes and assessments shall constitute the drainage funds of said district to be applied upon order of the board as in said agreement provided.

[S13, §1989-a28; C24, 27, 31, 35, 39, §**7575;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.154]

89 Acts, ch 126, §2

CS89, §468.144

**468.145 Procedure.**

The board shall proceed to carry out the provisions of the agreement, advertising for and receiving bids, letting the work, making contracts, levying assessments, paying on estimates, issuing warrants, improvement certificates, or drainage bonds as the case may be, in the same manner as in districts established on petition, except as in said mutual agreement otherwise provided.

[S13, §1989-a28; C24, 27, 31, 35, 39, §**7576;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.155]

89 Acts, ch 126, §2

CS89, §468.145

**468.146 Outlet in adjoining county or in another state.**

1. When a drainage district is established and a satisfactory outlet cannot be obtained except through lands in an adjoining county, or when an improved outlet cannot be obtained except through lands downstream from the district boundary, the board shall have the power to purchase a right-of-way, to construct and maintain such outlets, and to pay all necessary costs and expenses out of the district funds. The board shall have similar authority relative to the construction and maintenance of silt basins upstream from the district boundary. In case the board and the owners of the land required for such outlet or silt basin cannot agree upon the price to be paid as compensation for the land taken or used, the board is hereby empowered to exercise the right of eminent domain as provided for in chapter 6B in order to procure such necessary right-of-way.

2. When a district is, or has been established in this state and no practicable outlet therefor can be obtained except through lands in an adjoining state, the board of supervisors of the county where said district is situated shall, as drainage commissioners, have power to purchase a right-of-way and to construct a ditch for such outlet in an adjoining state or to contribute to the construction of such a ditch, in an adjoining state and to pay for the same out of the funds of such district. Provided, however, that no drainage district or districts shall be charged or assessed any of the cost for land or work done unless previously agreed to by the board of supervisors or trustees of all of the drainage districts which will be assessed.

[S13, §1989-a39, -a55; C24, 27, 31, 35, 39, §**7577, 7578;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.156, 455.157]

89 Acts, ch 126, §2

CS89, §468.146
2006 Acts, 1st Ex, ch 1001, §45, 49
Referred to in §468.147

**468.147 Tax.**

The board of supervisors shall have authority to levy a tax on the lands in said drainage district established in this state to provide funds from which to pay for the improvement referred to in section 468.146, subsection 2, should such levy be necessary.

[C31, 35, §7578-c1; C39, §**7578.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.158]
89 Acts, ch 126, §2
CS89, §468.147

**468.148 Injuring or diverting — damages.**

Any person who shall willfully break down or through or injure any levee or bank of a settling basin, or who shall dam up, divert, obstruct, or willfully injure any ditch, drain, or other drainage improvement authorized by law shall be liable to the person or persons owning or possessing the lands for which such improvements were constructed in double the amount of damages sustained by such owner or person in possession; and in case of a subsequent offense by the same person, the person shall be liable in treble the amount of such damages.

[C73, §1227; C97, §1961; C24, 27, 31, 35, 39, §**7579;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.159]
89 Acts, ch 126, §2
CS89, §468.148

**468.149 Obstructing or damaging.**

Any person or persons willfully diverting, obstructing, impeding, or filling up, without legal authority, any ditch, drain, or watercourse or breaking down or injuring any levee or the bank of any settling basin, established, constructed, and maintained under any provision of law, or obstructing, or engaging in travel or agricultural practices upon the improvement or rights-of-way of a levee or drainage district which the governing body thereof has, by resolution, determined to be injurious to such improvement or to interfere with its proper preservation, operation or maintenance, and has prohibited, shall be deemed guilty of a serious misdemeanor and any such unlawful act as above described is hereby declared to be a nuisance and may be abated as such.

Said governing body shall also have the power to repair any ditch, drain or watercourse, or any levee or bank of any settling basin damaged by any person or persons in violation of the resolution of said governing body, after three days' notice to such person or persons to make such repair, in the event that there is a failure to do so, and the expense thereof shall be assessed to such person or persons and shall be certified and collected as other taxes.

[C24, 27, 31, 35, 39, §**7580;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.160]
89 Acts, ch 126, §2
CS89, §468.149
Nuisances in general, chapter 657

**468.150 Nuisance — abatement.**

Any ditch, drain, or watercourse which is now or hereafter may be constructed so as to prevent the surface and overflow water from the adjacent lands from entering and draining into and through the same is hereby declared a nuisance and may be abated as such.

[S13, §1989-a15; C24, 27, 31, 35, 39, §**7581;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.161]
89 Acts, ch 126, §2
CS89, §468.150
Nuisances in general, chapter 657

**468.151 Actions — settlement — counsel.**

Levee or drainage districts through their governing bodies are authorized to maintain actions in law or equity for the purposes of preventing or recovering damages that may

accrue to such districts on account of the impairment of their functions, or the increase in the cost of maintenance or operation of such districts, or on account of damages to property owned by such districts, resulting from the construction or operation of locks, dams and pools in the Mississippi or Missouri rivers; they may make settlements and adjustments of such damages and written contracts with relation thereto, and receive any appropriations that may be made by the Congress of the United States for the increased cost to drainage or levee districts and may agree to the construction and maintenance of present equipment and of new or remedial works, improvements and equipment as a part of such damages, or as a means of lessening the damages which will be suffered by the said districts. Said districts are further authorized to employ legal and engineering counsel for such purposes and to pay for the same out of the award of damages or out of the maintenance funds of the district.

If a lump sum settlement is made between the United States and the district to provide an annual payment of income therefrom, the county treasurer of the county in which the greater portion of the district is situated shall be custodian of such principal fund. The governing body of the district shall apply to the district court for authority to invest said fund as provided by section 636.23, in addition to the investments therein approved the court may authorize investment of said fund in interest-bearing bonds or warrants of said district. The income from said fund shall be disbursed by direction of the governing body of the district.

[C39, §**7581.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.162]
89 Acts, ch 126, §2
CS89, §468.151

**468.152 Waste banks — private use.**

The landowner may have any beneficial use of the land to which the landowner has fee title and which is occupied by the waste banks of an open ditch when such use does not interfere in any way with the easement or rights of the drainage district as contemplated by this subchapter, parts 1 through 5. For the purpose of gaining such use the landowner may smooth said waste banks, but in doing so the landowner must preserve the berms of such open ditch without depositing any additional dirt upon them.

[C24, 27, 31, 35, 39, §**7582;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.163]
89 Acts, ch 126, §2
CS89, §468.152

**468.153 Preliminary expenses — how paid.**

If the proposed district is all in one county, the board of supervisors may pay all necessary preliminary expenses in connection with the district. If it extends into other counties, the boards of the respective counties may pay a proportion of the expenses as the work done or expenses created in each county bears to the whole amount of work done or expenses created. The amounts shall be ascertained and reported by the engineer in charge of the work and be approved by the respective boards which shall, as soon as paid, charge the amount to the district, as their interests may appear, as soon as the district is established. If the district is not established, the amounts shall be collected upon the bond or bonds of the petitioners.

[S13, §1989-a48; C24, 27, 31, 35, 39, §**7583;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.164]
83 Acts, ch 123, §185, 209; 89 Acts, ch 126, §2
CS89, §468.153

**468.154 Additional help for auditor.**

If the work in the office of the auditor by reason of the existence of drainage districts is so increased that the regular officer is unable by diligence to do the same, the board of supervisors may employ such additional help as may be necessary to keep the records and

transact the business of the drainage districts. The expense of such help shall be paid by the districts in proportion to the amount of work done therefor.

[S13, §1989-a42; C24, 27, 31, 35, 39, §**7584;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.165]

89 Acts, ch 126, §2

CS89, §468.154

**468.155 Employment of counsel.**

The board is authorized to employ counsel to advise and represent it and drainage districts in any matter in which they are interested. Attorney fees and expenses shall be paid out of the drainage fund of the district for which the services are rendered, or may be apportioned equitably among two or more districts. Such attorneys shall be allowed reasonable compensation for their services, also necessary traveling expenses while engaged in such business. Attorneys rendering such services shall file with the auditor an itemized, verified account of all claims therefor, and statement of expenses, and the same shall be audited and allowed by the board in the amount found to be due.

[S13, §1989-a14; C24, 27, 31, 35, 39, §**7585;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.166]

89 Acts, ch 126, §2

CS89, §468.155

**468.156 Compensation of appraisers.**

Persons appointed to appraise and award damages and make classification of lands and assess benefits, other than the engineer, shall receive such compensation as the board may fix and in addition thereto, the necessary expense of transportation of said persons while engaged upon their work. They shall file with the auditor an itemized, verified account of the amount of time employed upon said work and their expenses.

[S13, §1989-a41; C24, 27, 31, 35, 39, §**7586;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.167]

89 Acts, ch 126, §2

CS89, §468.156

**468.157 Payment.**

All compensation for services rendered, fees, costs, and expenses when properly shown by itemized and verified statement shall be filed with the auditor and allowed by the board in such amounts as shall be just and true, and when so allowed shall be paid on order of the board from the levee or drainage funds of the district for which such services were rendered or expenses incurred, by warrants drawn on the treasurer by the auditor.

[S13, §1989-a41; C24, 27, 31, 35, 39, §**7588;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.169]

89 Acts, ch 126, §2

CS89, §468.157

**468.158 Purchase at tax sale.**

When land in a levee, drainage, or improvement district is being sold at a tax sale for delinquent taxes or assessment, the board of supervisors or the district trustees, as the case may be, shall have authority to bid in such land or any part of it, paying the amount of the bid from the funds of the district, and taking the certificate of sale in their names as trustees for such district, and may thereafter pay any assessments for taxes or benefits levied against said premises from the district funds. The amount paid for redemption which shall include such additional payment, shall be credited to the district.

[C24, 27, 31, 35, 39, §**7589;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.170]

89 Acts, ch 126, §2

CS89, §468.158

Similar provisions, chapter 569

**468.159 Tax deed — sale or lease.**

If no redemption shall be made the board of supervisors or trustees, as the case may be, shall receive the tax deed as trustees for the district. They shall credit the district with all income from said property. They may lease or sell and convey said property as trustees for such district and shall deposit all money received therefrom to the credit of such district. The board of trustees may also lease or sell and convey such other property of the district, both real and personal, as is no longer needed for the purposes for which the district was established, and any such leases, sales and conveyances prior to July 1, 1970, are hereby legalized and declared to be valid and binding.

This amendment in 1978 shall not be construed to affect any litigation involving the lease, sale or conveyance of property by the board of supervisors or board of trustees, as the case may be, of a drainage or levee district, which litigation is pending on July 1, 1978.

[C24, 27, 31, 35, 39, §**7590;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.171]
89 Acts, ch 126, §2
CS89, §468.159

**468.160 Purchase of tax certificate.**

When land in a drainage or levee district, or subdistrict, is subject to an unpaid assessment and levy for drainage purposes and has been sold for taxes the board of supervisors of that county, or if control of the district has passed to trustees then such trustees, may purchase the certificate of sale issued by the county treasurer by depositing with the county treasurer the amount of money to which the holder of the certificate would be entitled if redemption was made at that time, and thereupon the rights of the holder of the certificate and the ownership thereof shall vest in the board of supervisors, or the trustees of that district, as the case may be, in trust for said drainage district or subdistrict.

[C31, 35, §7590-c1; C39, §**7590.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.172]
89 Acts, ch 126, §2
CS89, §468.160
97 Acts, ch 121, §27
Referred to in §468.166

**468.161 Terms of redemption.**

Redemption from said tax sale shall be made on such terms as may be agreed upon between such board of supervisors or such trustees and the owner of the land involved; but in any case in which the owner of said land will pay as much as fifty percent of the value of the land at the time of redemption the owner shall be permitted to redeem. If the parties cannot agree upon such value, either of them may bring an action against the other in the district court of the county where the land is situated, and the court shall determine the matter. The proceeding shall be triable in equity.

[C31, 35, §7590-c2; C39, §**7590.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.173]
89 Acts, ch 126, §2
CS89, §468.161

**468.162 Payment — assignment of certificate.**

When such money is deposited with the county treasurer, the treasurer shall by mail notify the purchaser at the tax sale, or the latter's assignee if of record, and shall pay to the holder of such certificate the sum of money deposited with the treasurer for that purpose on surrender of the certificate with proper assignment thereon to the board of supervisors, or to the trustees of the district, as the case may be, as trustee for the district.

[C31, 35, §7590-c3; C39, §**7590.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.174]
89 Acts, ch 126, §2
CS89, §468.162
97 Acts, ch 121, §28

**468.163 Funds.**

Payment to the county treasurer for such certificate shall be from the fund of said drainage or levee district, or subdistrict, on a warrant issued against that fund which shall have precedence over all other outstanding warrants drawn against that fund in the order of their payment. Should there not be a sufficient amount in the fund of said district, or subdistrict, to pay said warrant then the board of supervisors, or the trustees of the district, as the case may be, are authorized to borrow a sum of money sufficient for that purpose on a warrant for that amount on the fund of the district, or subdistrict, which warrant shall bear interest from date at a rate not exceeding that permitted by chapter 74A and shall have preference in payment over all other unpaid warrants on said fund, and the county treasurer shall so enter the same on the list of warrants in the treasurer's office and call the same for payment as soon as there is sufficient money in said fund.

[C31, 35, §7590-c4; C39, §**7590.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.175]
89 Acts, ch 126, §2
CS89, §468.163
97 Acts, ch 121, §29

**468.164 Lease or sale of land.**

If said certificate goes to deed to the board or to the trustees, all leases and sales of the land shall be effected and record thereof made in the same manner in which leases and sales are effected and record thereof made when the county acquires title as a purchaser under execution sale.

[C31, 35, §7590-c5; C39, §**7590.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.176]
89 Acts, ch 126, §2
CS89, §468.164

**468.165 Duty of treasurer.** Repealed by 2003 Acts, ch 24, § 9.

**468.166 Purchase by bondholder.**

In any event where upon the request of the holder of any bond or bonds issued by any drainage district the board of supervisors shall fail, neglect or refuse to purchase the certificate of sale issued by the county treasurer and referred to in section 468.160 in manner and form as permitted by said section, the holder of such bond or bonds may, upon filing with the county auditor a sworn statement as to the making of such written request upon the board of supervisors and a recital of the failure of such board to act in the premises by complying with the provisions of said section, in the same manner and form purchase such certificate and the ownership thereof shall thereupon vest in such holder of such bond or bonds in trust for said drainage district or subdistrict, provided, however, that the holder shall have a lien upon said certificate and any beneficial interest arising therefrom for the holder's actual outlays including the holder's reasonable expenses and attorney's fees, if any, incurred in the premises. In the event any such holder of any bond or bonds shall acquire title the holder shall have a right to lease or convey said premises, upon giving thirty days' written notice to the board of supervisors by filing the same with the county auditor and in the event said board shall not approve said lease or sale, the same shall be referred to the district court of the county where the land is situated and there tried and determined in the manner prescribed in section 468.160. Any funds realized from the lease or sale of said land shall be first applied in extinguishing the lien of the holder of the certificate herein provided for and the balance shall be paid to the said drainage bond fund of said district.

[C35, §7590-g1; C39, §**7590.7;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.178]
89 Acts, ch 126, §2
CS89, §468.166

**468.167 Voting power.**

In case any proposition arises in said district to be determined by the vote of parties owning land therein, notice of such hearing shall be given and the board of supervisors or trustees, as the case may be, while holding title in trust to any such land, shall have the same right to

vote for or against such proposition as the former owner would have had if the former owner had not been divested of the title to said land.

[C24, 27, 31, 35, 39, §**7591;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.179]

89 Acts, ch 126, §2

CS89, §468.167

**468.168 Inspection of improvements.**

The board of any county into which a levee or drainage improvement extends shall cause a competent engineer to inspect such levee or drainage improvement as often as it deems necessary for the proper maintenance and efficient service thereof. The engineer shall make report to the board of the condition of the improvement, together with such recommendations as the engineer deems necessary. For any claim for services and expenses of inspection, the engineer shall file with the auditor an itemized and verified account of such service and expense to be allowed by the board in such amount as it shall find due and paid out of the drainage funds of the district. If the district extends into two or more counties, such action shall be had jointly by the several boards, and the expenses equitably apportioned among the lands in the different counties.

[S13, §1989-a44; C24, 27, 31, 35, 39, §**7592;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.180]

89 Acts, ch 126, §2

CS89, §468.168

**468.169 Watchpersons.**

When a levee has been established and constructed in any county, the board shall be empowered to employ one or more watchpersons, and fix their compensation, whose duty it shall be to watch such levee and make repairs thereon in case of emergency. Such employee shall file with the auditor an itemized, verified account for services rendered, and cost and expense incurred in watching or repairing such levee, and the same shall be audited and allowed by the board as other claims and paid by the county from funds belonging to such district.

[S13, §1989-a40; C24, 27, 31, 35, 39, §**7593;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.181]

89 Acts, ch 126, §2

CS89, §468.169

**468.170 Technical defects.**

The collection of drainage taxes and assessments shall not be defeated where the board has acquired jurisdiction of the interested parties and the subject matter, on account of technical defects and irregularities in the proceedings occurring prior to the order of the board locating and establishing the district and the improvements therein.

[S13, §1989-a46; C24, 27, 31, 35, 39, §**7595;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.183]

89 Acts, ch 126, §2

CS89, §468.170

**468.171 Conclusive presumption of legality.**

The final order establishing such district when not appealed from, shall be conclusive that all prior proceedings were regular and according to law.

[S13, §1989-a46; C24, 27, 31, 35, 39, §**7596;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.184]

89 Acts, ch 126, §2

CS89, §468.171

**468.172 Drainage record.**

The board shall provide a drainage record book, which shall be in the custody of the auditor, who shall keep a full and complete record therein of all proceedings relating to drainage

districts, so arranged and indexed as to enable any proceedings relative to any particular district to be examined readily.

[S13, §1989-a14, -a42; C24, 27, 31, 35, 39, §**7597;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.185]

89 Acts, ch 126, §2

CS89, §468.172

Referred to in §468.27, 468.298

**468.173 Records belong to district.**

All reports, maps, plats, profiles, field notes, and other documents pertaining to said matters, including all schedules, and memoranda relating to assessment of damages and benefits, shall belong to the district to which they relate, remain on file in the office of the county auditor, and be matters of permanent record of drainage proceedings.

[C24, 27, 31, 35, 39, §**7598;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.186]

89 Acts, ch 126, §2

CS89, §468.173

Referred to in §468.27, 468.298

**468.174 Membership in the national drainage association.**

1. Any drainage district may join and become a member of the national drainage association. A drainage district may pay a membership fee and annual dues upon the approval of the drainage board of such district, but not in excess of the following:

*a.* One hundred dollars for drainage districts having indebtedness in excess of one million dollars.

*b.* Fifty dollars for drainage districts having an indebtedness of five hundred thousand dollars and less than one million dollars.

*c.* Twenty-five dollars for drainage districts having an indebtedness of two hundred fifty thousand dollars and less than five hundred thousand dollars.

*d.* Ten dollars for drainage districts having an indebtedness less than two hundred fifty thousand dollars.

2. The annual dues for any district shall not exceed one-twentieth of one percent of the outstanding indebtedness of the district.

[C31, 35, §7598-c1; C39, §**7598.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.187]

89 Acts, ch 126, §2

CS89, §468.174

2012 Acts, ch 1023, §66

**468.175 Membership fee.**

The cost of membership fees and dues shall be assessed against the land in the drainage district and collected in the same manner and in the same ratio as assessments for the cost and maintenance of the drainage district.

[C31, 35, §7598-c2; C39, §**7598.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.188]

89 Acts, ch 126, §2

CS89, §468.175

**468.176 Other associations.**

Levee or drainage districts are authorized to become members of drainage associations for their mutual protection and benefit, and may pay dues and membership fees therein out of the maintenance funds.

[C39, §**7598.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.189]

89 Acts, ch 126, §2

CS89, §468.176

**468.177 Receiver authorized.**

Whenever the governing board of any drainage or levee district becomes the owner of a tax sale certificate, for any tract of land within the district, and one or more year's taxes subsequent to the tax certificate have gone delinquent, the said governing board may, on

behalf of such district, make application to the district court of the county within which such real estate or a part thereof is situated, for the appointment of a receiver to take charge of said delinquent real estate.

[C35, §7598-e1; C39, §**7598.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.190]
89 Acts, ch 126, §2
CS89, §468.177

**468.178 Hearing and notice thereof.**

Upon the filing of the petition for such appointment, the court shall fix a time and place of hearing thereon, and shall prescribe and direct the manner for the service of notice upon the owner, lienholders and persons in possession of said real estate, of the pendency of said application.

[C35, §7598-e2; C39, §**7598.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.191]
89 Acts, ch 126, §2
CS89, §468.178

**468.179 Appointment — grounds.**

Said application shall be heard by the court, at the time and place so designated, and after hearing thereon the court may appoint one of the members of the governing board of said drainage or levee district as receiver for said real estate, on the grounds that the said real estate is producing returns, and that the general and special taxes against the same are not being paid, and direct the receiver to forthwith take possession of the same and to collect the rents, issues and profits therefrom.

[C35, §7598-e3; C39, §**7598.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.192]
89 Acts, ch 126, §2
CS89, §468.179

**468.180 Bond.**

The cost of the premium of the bond of such receiver shall be paid for out of the general funds of the drainage or levee district, and no charge shall be made by the receiver for compensation in said cause.

[C35, §7598-e4; C39, §**7598.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.193]
89 Acts, ch 126, §2
CS89, §468.180

**468.181 Avoidance of receivership.**

The owner of any such tract of real estate may avoid the appointment of such receiver, either before or after the action is commenced, by entering into a good and sufficient written instrument with the governing board of such district, agreeing to apply the rent share of the products of said land, or its equivalent to the payment of taxes thereon.

[C35, §7598-e5; C39, §**7598.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.194]
89 Acts, ch 126, §2
CS89, §468.181

**468.182 Preference in leasing.**

In the event a receiver is appointed for any tract of land, the owner if actually in possession thereof, shall have the preference to rent the same.

[C35, §7598-e6; C39, §**7598.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.195]
89 Acts, ch 126, §2
CS89, §468.182

**468.183 Rents — application of.**

The rents, issues and profits of the real estate when collected by the receiver, shall be applied as follows:

1. To the payment of the costs and expenses of the receivership.
2. To the payment of current general taxes against said real estate.

3. To the payment of any current special taxes against said real estate.

4. The surplus shall be applied upon any delinquent taxes or tax certificates, and the remainder, if any, shall be paid to the owner of said real estate.

[C35, §7598-e7; C39, §**7598.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §455.196]

89 Acts, ch 126, §2

CS89, §468.183

**468.184 Land classification and assessment in district.**

1. *a.* (1) When a levee district shall have been located and finally established; or

(2) When the required proceedings have been taken to enlarge, extend, strengthen, raise, relocate, reconstruct, or improve any existing levee; or

(3) When the required proceedings have been held to annex additional lands to said levee district or to exclude or eliminate lands from said levee district; or

(4) When a plan of the United States government for the construction of any levee, or a portion of a levee, in said levee district, or for the enlarging, extending, strengthening, raising, relocating, reconstructing, or improving any existing levee, or a portion thereof, in accordance with any such plan in said levee district, has been heretofore or hereafter adopted by such levee district under the provisions of sections 468.201 through 468.216; or

(5) When the board shall, as authorized by section 468.65, determine that the assessments of benefits of said levee district against the lands in said levee district are generally inequitable the board may by resolution, or if a petition is filed by more than one-third of the owners, including corporations, of land within said levee district and who in the aggregate own more than one-third of the value of the land and land improvements in said levee district as the value thereof is then shown by the general tax records of the county or counties in which such land and land improvements are located, requesting the board to do so, the board shall order the lands in said levee district and the improvements on the land in said levee district classified or reclassified in accordance with the assessed taxable value of said land and land improvements as the same are then shown and as the same may be thereafter shown by the assessment roll of the county or counties in which said land and land improvements are located.

*b.* The assessed taxable value of any land, including land improvements exempt from general taxation but subject to assessment for levee purposes, shall be determined by the county assessor who shall make such determination in accordance with the rules of assessment applicable to adjacent lands and without any additional compensation therefor.

2. *a.* If the board orders classification or reclassification of lands as authorized in subsection 1, the board shall fix a time and place for a hearing to be held upon the action of the board in ordering such classification or reclassification, which hearing shall be held at the county seat of the county having the largest acreage in said levee district. The board shall cause notice of the time and place of such hearing to be served by the county auditor or auditors upon each person whose name appears as owner of lands or land improvements within the levee district in the transfer books of the auditor's office in the county or counties in which said levee district is located, naming that person, and also upon the person or persons in actual occupancy of any tract of land or land improvements located in said levee district, without naming that person or persons. Such notice shall be for the same time and served in the same manner as is provided for the establishment of a levee district, and such notice shall state:

(1) The aggregate estimated costs and expenses which the board proposes to assess under such classification or reclassification;

(2) The total aggregate assessed taxable value of all lands and land improvements in said levee district;

(3) That the said classification or reclassification of benefits will be based on the assessed taxable value of all lands and improvements to lands located in said levee district;

(4) That each tract of land and each land improvement in said levee district will be assessed for its pro rata share of said costs and expenses based upon the ratio that the assessed value of each tract of land and the assessed value of each land improvement bears to the total assessed taxable value of all lands and all land improvements in said district; and

(5) That all objections to said method of classification or reclassification shall be in writing and filed with the auditor of the county in which said land or land improvements are located before the time set for said hearing or with the board of trustees of said district at or before the time set for such hearing.

*b.* The notice need not show the amount of such costs and expenses to be apportioned to each such owner or to any particular tract of land or land improvement within such levee district.

3. If at or before the time set for said hearing as to such classification or reclassification, there shall have been filed with the county auditor, or auditors in case the district extends into more than one county, or with said board, a remonstrance or remonstrances or objections to such method of classification or reclassification signed by owners of land and land improvements in the levee district aggregating sixty percent of the total assessed value of the lands plus land improvements in said district as shown by the taxing records in said county or counties in which said district is located, the board shall abandon the alternative method of classification or reclassification herein authorized. The board may then proceed to classify the lands in said levee district as authorized under sections 468.38 through 468.44 or may proceed to reclassify the same as authorized under section 468.65 unless said remonstrances and objections filed as above provided are filed by a majority of the landowners in the levee district and these remonstrants and objectors in the aggregate own seventy percent or more of the acreage of lands in the levee district and, in writing, object to any reclassification of any kind, then the board shall not reclassify the lands within the district under the provision of this section nor shall the same be reclassified under the provisions of section 468.65.

4. At the time fixed or at any adjourned hearing if the remonstrances and objections filed at or before the hearing are not signed by sufficient number of owners, or the owners signing such remonstrances and objections do not meet the requirements hereinabove provided, then the board shall fully consider all objections and remonstrances and shall make a determination as to whether or not the costs and expenses shall be assessed:

*a.* By the alternative method hereinabove set forth; or

*b.* As provided by sections 468.38 through 468.44; or

*c.* That the land should be reclassified as provided in section 468.65; or

*d.* On the basis of a then existing classification of lands.

5. If the board shall determine that the cost and expenses shall be assessed on the basis of assessed taxable value as provided in subsections 1 through 4, then such basis shall be used for all future assessments made for the purposes of said levee district except if said assessed taxable value of lands and land improvements in said levee district may be changed or revised by the county assessor in the county or counties in which the same are located for general tax purposes, then any such revision made in the assessed taxable value by any such county assessor shall automatically constitute a revision of the classification of such land or land improvements for future assessments made by the board for the purpose of said levee district.

6. In lieu of the hearing provided for in subsections 1 through 5, the board may, and if the petition of owners provided for in subsections 1 through 5 so asks, the board shall call for an election for the purpose of determining the question of classification on the basis of assessed value of lands and land improvements. The question may be submitted at a regular election of the district or at a special election called for that purpose. It shall not be mandatory for the county commissioner of elections to conduct the elections, however provisions of sections 49.43 through 49.47 and of subchapter III of this chapter, insofar as the same are applicable, shall govern all such elections, and the question to be submitted shall be set forth in the notice of election. If sixty percent of the votes cast be in favor of the proposed change in assessment, it shall become effective for all future assessments as heretofore provided in this section. If the question should fail, no new election on the subject may be called for a period of one year.

7. When a levee district has been established and constructed, as an alternative to the other methods prescribed by law, upon reclassification, the levee district may adopt a method of classification and assessment uniform as to all land in the district, including railroad land, public highways and other public land and land exempt from general taxation, based on

the total amount to be assessed divided by the total acres within the district. This method of classification and assessment may be adopted either by hearing or by election and shall become effective as heretofore provided in this section.

8. When a drainage district or drainage and levee district has been established and constructed, and after the lands therein have been classified in accordance with the provisions of sections 468.39, 468.40, and 468.41 or reclassified in accordance with section 468.65, the district may adopt methods of assessment for maintenance, repair, and operation of said district uniform as to all land in the district in the same manner and by the same procedures as prescribed in subsections 1 through 7 of this section. Provided, however, that only those lands drained by respective mains and laterals shall be assessed for maintenance, repair, and operation of said mains and laterals, and provided further that this alternate method of assessment shall not be applied to making improvements in the drainage system.

9. Following the adoption of any alternative method of classification or assessment as provided in this section, the same shall continue in effect until such time as the method is changed pursuant to this section or to section 468.65.

10. *a.* All proceedings taken prior to July 1, 1968, purporting to establish or reestablish a drainage or levee district or districts, or to enlarge or change the boundaries of any drainage or levee district, and any assessments not heretofore declared invalid by any court, are hereby legalized, validated, and confirmed.

*b.* The foregoing shall not be construed to affect any litigation that may be pending at the time this section becomes effective involving the establishment, reestablishment, enlargement, or change in boundaries or any assessments of drainage or levee districts.

[C71, 73, 75, 77, 79, 81, §455.197]
89 Acts, ch 126, §2
CS89, §468.184
2011 Acts, ch 25, §122

**468.185** Repealed by 96 Acts, ch 1033, § 1.

**468.186 Easements through a drainage district.**

As used in this section, "*person*" shall mean any individual or group of individuals, corporation, firm, company, or association, except a railroad company.

1. When any person proposes to construct a pipeline, electric transmission line, communication line, underground service line, or other similar installations on, over, across, or beneath the right-of-way of any drainage or levee district, such person shall, before beginning construction, obtain from the drainage or levee district an easement to cross the district's right-of-way. The governing body of the district shall require such person to agree to comply with subsection 3 of this section and may, as a condition of granting such easement, attach thereto such additional conditions as they deem necessary. When the necessary easement has been obtained, such person shall construct the installation at the person's own expense and shall pay all costs of any reconstruction, relocation, modification, or reinstallation of the drainage or levee district's facility which may be necessary as a result of construction of the installation for which the easement was granted.

2. After construction of the installation has been completed in accordance with all conditions under which the easement is granted, the drainage or levee district shall maintain its facility at its own expense, and the person who constructed the installation, or the person's successors in interest, shall maintain the installation at the person's or successor's own expense. If the drainage or levee district subsequently undertakes any maintenance, improvement, or reconstruction of its facility which requires the modification, relocation, or reconstruction of the installation, the expense of such modification, relocation, or reconstruction shall be borne by the person who constructed the installation or the person's successors in interest.

3. When the construction of a public highway, or any installation for which an easement has been obtained under subsection 1 of this section, on, over, across, or beneath the right-of-way of any drainage or levee district disturbs or requires replacement of any portion of a tile drain less than twenty inches in diameter, and a portion of such drain will remain

wholly or partially exposed after the construction project has been completed, the portion which is to remain exposed and not less than three feet of such drain immediately on either side of the portion which is to remain exposed, shall be replaced either with steel pipe of not less than sixteen gauge or polyvinyl chloride pipe conforming to current industry standards regarding diameter and wall thickness.

[C71, 73, 75, 77, 79, 81, §455.199]
89 Acts, ch 126, §2
CS89, §468.186

**468.187 Agreements with owners or other districts.**

1. Levee and drainage districts are empowered to enter into agreements with the owners of lands lying inside or outside of said districts, or with other levee and drainage districts or municipalities, to provide levee protection or drainage for such lands on such terms as the board may agree and subject to the following terms and conditions:

*a.* The facilities of the district furnishing the service shall not be overburdened.

*b.* There shall be no additional cost to the district furnishing the service.

*c.* The agreement shall be in writing, be made a part of the drainage records and shall include all of the following:

(1) The description of the lands to be served.

(2) The location of tile lines constructed or to be constructed.

(3) The consideration to be paid to the district furnishing the service and the classification of the lands to be served.

(4) Such other provisions as the board deems necessary.

2. The provisions in an agreement described in subsection 1 modify other provisions of this chapter applicable to such lands.

[C71, 73, 75, 77, 79, 81, §455.200]
89 Acts, ch 126, §2
CS89, §468.187
2013 Acts, ch 86, §1, 6
Section amended

**468.188 Public improvements which divide a district — procedure.**

If it should develop that any type of public improvement, other than the forces of nature, has caused such a change in the district as to effectively sever and cut off some of the land in the district from other lands in the district and from the improvements in the district in such a way as to deprive the land of any further benefits from the improvement, or in some manner to divide the benefits that may be derived from two separated portions of the improvement, then the board of supervisors or the board of trustees in charge may upon notice to interested parties and hearing as provided by this subchapter, parts 1 through 5, for the original establishment of a district make an order to remove lands so deprived of benefits from the district without any reclassification, or may subdivide the district into two separate entities if the public improvement splits the district into two separate units, each of which may still derive some separate benefits from the separated portions of the district.

If the public improvement is such as to leave two separate portions of the improvement that are still operable and of benefit to the land on each side of the division made by the public improvement, then the board may divide the district into two separate units so that each may perform further work on the improvements in their respective parts, but neither shall be charged for work completed on the opposite side of the new improvement that divides them and may only be charged for the work done in that portion of the district remaining on their side of the division.

The same authority provided in this section shall vest in the board of supervisors or the board of trustees in the event a drainage district in any manner relinquishes its control over any portion of its improvements or its obligation to maintain same to another district and lands may be removed from the district or the district may be divided as provided in this section.

The board may further in dividing the district award to each of the separated portions

of the district the improvement remaining in each portion, determine the value of the improvement so remaining on each side and secondly determine the contributions of the lands in the separated portions to the improvements and the upkeep of the earlier district, and if the contribution is proportionate neither side shall owe the other portion of the district any money, but if contribution is disproportionate, the board shall determine an equitable adjustment and the amount of payment required for one portion to pay to the other to buy the existing improvement.

If land is eliminated from any further benefits, there need not be any reclassification and the board may remove the same from the district in the same manner as if the land has been destroyed in whole by the erosion of a river and spread any deficiency in assessment among the remaining lands as provided by section 468.49.

"*Type of public improvement*" for the purpose of this section includes drainage or levee improvements or new highways.

[C71, 73, 75, 77, 79, 81, §455.201]
89 Acts, ch 126, §2
CS89, §468.188
Referred to in §468.92, 468.250, 468.396

**468.189 Closing agricultural drainage wells — assessment of costs within a drainage district.**

The costs of closing an agricultural drainage well and constructing an alternative drainage system as part of a drainage district shall be assessed as a special assessment by the board as provided in this chapter.

97 Acts, ch 193, §11

**468.190 Farm mediation not applicable.**

A case, dispute, or other controversy arising under this chapter shall not be subject to any of the requirements of mediation provided in chapter 654A, 654B, or 654C.

2011 Acts, ch 94, §1

**468.191 through 468.200** Reserved.

## PART 2

## FEDERAL FLOOD CONTROL COOPERATION

Referred to in §331.502, 331.552, 350.4, 358.23, 461A.76, 468.3, 468.10, 468.41, 468.49, 468.59, 468.65, 468.67, 468.96, 468.115, 468.119, 468.126, 468.140, 468.152, 468.188, 468.207, 468.211, 468.240, 468.273, 468.283, 468.284, 468.288, 468.292, 468.297, 468.308, 468.335, 468.345, 468.529

**468.201 Plan of improvement.**

1. Whenever the government of the United States acting through its proper agencies or instrumentalities will undertake the original construction of improvements or the repair or alteration of existing improvements which will accomplish the purposes for which the district was established or aid in the accomplishment thereof and shall cause to be filed in the office of the auditor of the county in which said district is located a plan of such improvement or for the repair or alteration of existing improvements, the board shall have jurisdiction, power and authority, upon the notice, hearing and determination hereinafter provided, to adopt such plan of improvement or of repair or alteration of existing improvements and to provide necessary right-of-way therefor; and to pay such portion of all costs and damages incident to the adoption of such plan, the construction thereunder and the maintenance and operation of the works as will not be discharged by the federal government under legislation existing at the time of adoption; also to enter into such agreements with the United States government as may be necessary to meet federal requirements including the taking over, repair and maintenance of the works and to perform under such agreements.

2. If the cost to the district of the repair or alteration of existing improvements contemplated by this section does not exceed twenty-five percent of the sum of the

original cost to the district and the cost of subsequent improvements, including all federal contributions, the board may proceed under the provisions of section 468.126, without notice and hearing, and without appraisement as contemplated by section 468.210, but the remaining provisions of this section and sections 468.202 through 468.216 that are not in conflict with section 468.126 shall remain applicable.

3. If the federal program divides a project into separate phases, each phase shall be considered a separate program as described in section 468.126, subsection 4, and shall in no event be construed as an unauthorized division into separate programs to avoid the twenty-five percent limitation prescribed for making improvements under said section 468.126, subsection 4, without notice and hearing.

[C50, 54, 58, 62, 66, §455.201; C71, 73, 75, 77, 79, 81, §455.202]
89 Acts, ch 126, §2
CS89, §468.201
2011 Acts, ch 25, §123
Referred to in §468.38, 468.62, 468.184, 468.202, 468.203, 468.212

**468.202 Agreement in advance.**

The agreement with the federal government contemplated in section 468.201 may be entered into by the board in advance of the filing of the plan, such agreement to be effective if the plan is finally adopted. If the plan is approved the board shall make a record of any such cooperative agreement.

[C50, 54, 58, 62, 66, §455.202; C71, 73, 75, 77, 79, 81, §455.203]
89 Acts, ch 126, §2
CS89, §468.202
2013 Acts, ch 30, §110
Referred to in §468.38, 468.184, 468.201
Section amended

**468.203 Engineer appointed.**

After the filing of the plan contemplated in section 468.201 the board shall, at its first session thereafter, regular, special or adjourned, appoint a disinterested and competent civil or drainage engineer who shall give bond in an amount to be fixed by the board conditioned for the faithful and competent performance of the engineer's duties.

[C50, 54, 58, 62, 66, §455.203; C71, 73, 75, 77, 79, 81, §455.204]
89 Acts, ch 126, §2
CS89, §468.203
Referred to in §468.38, 468.184, 468.201

**468.204 Engineer's report.**

The engineer shall examine the plan filed by the federal agency and the lands affected thereby and shall make and file with the county auditor a full written report which, together with the federal plan, will show the following:

1. The character and location of all contemplated improvements, and the plats, profiles and specifications thereof.

2. The particular description and acreage of land required from each forty-acre tract or fraction thereof for right-of-way, borrow pits or other purposes together with congressional or other description of each tract and the names of the owners thereof as shown by the transfer books in the office of the auditor.

3. A particular description of each forty-acre tract or fraction thereof that will be excluded from benefit by adoption of the plan as filed, together with the name of the owners thereof as shown by the transfer books in the office of the auditor.

4. A particular description of each forty-acre tract or fraction thereof outside the district which will benefit from adoption of the plan as filed and the name of the owner thereof as shown by the transfer books in the office of the auditor.

5. Such rights-of-way or portions thereof previously established or acquired as will be rendered unnecessary by adoption of the federal plan and any unpaid damages awarded therefor.

6. Such other damages previously awarded as will be affected by adoption of the federal plan.

7. The recommendation of the engineer with respect to the adoption of the plan.

[C50, 54, 58, 62, 66, §455.204; C71, 73, 75, 77, 79, 81, §455.205]

89 Acts, ch 126, §2

CS89, §468.204

Referred to in §468.38, 468.184, 468.201

**468.205 Supplemental reports.**

Upon the filing of such report the board shall examine and consider the same together with the plan and the commitments involved in its adoption and may require supplemental reports of the engineer or of another disinterested engineer with such data as they may deem necessary or desirable including recommendations for any change or modification, negotiate with the federal agency involved and amend the plan in such manner as may be mutually agreed upon. The engineer shall make such supplemental reports as may be required by the board or necessitated by amendment of plan.

[C50, 54, 58, 62, 66, §455.205; C71, 73, 75, 77, 79, 81, §455.206]

89 Acts, ch 126, §2

CS89, §468.205

Referred to in §468.38, 468.62, 468.184, 468.201

**468.206 Notice and hearing.**

If upon consideration of the plan or amended plan and the report or reports of the engineer and the commitments involved in the adoption of the plan the board finds that the district will benefit therefrom or the purposes for which the district was established will be promoted thereby, the board shall adopt the same as a tentative plan, entering order to that effect and fixing a date for hearing thereon not less than thirty days thereafter and directing the auditor to cause notice to be given of such hearing as hereinafter provided.

[C50, 54, 58, 62, 66, §455.206; C71, 73, 75, 77, 79, 81, §455.207]

89 Acts, ch 126, §2

CS89, §468.206

Referred to in §468.38, 468.62, 468.184, 468.201

**468.207 Form of notice.**

Such notice shall be captioned in the name of the district and shall be directed to the owners of each tract or lot within said levee or drainage district, including railroad companies having rights-of-way, lienholders and encumbrancers, and to all owners, lienholders or encumbrancers of lands which an adoption of the plan would exclude from benefits and of lands outside the district which will benefit therefrom and to all other persons whom it may concern and, without naming them, to the occupants of all lands affected and shall set forth that there is on file in the office of the auditor a plan of construction of the federal agency (naming it), together with reports of an engineer thereon, which the board has tentatively approved, and that such plan may be amended before final action; also the day and hour set for hearing on the adoption of said plan, and that all claims for damages, except claims for land required for right-of-way or construction, and all objections to the adoption of said plan for any reason must be made in writing and filed in the office of the auditor at or before the time set for hearing. Provisions of this subchapter, parts 1 through 5, for giving notice, waiver of notice, waiver of objection and damages and adjournment for service contained in sections 468.15 through 468.20 shall apply.

[C50, 54, 58, 62, 66, §455.207; C71, 73, 75, 77, 79, 81, §455.208]

89 Acts, ch 126, §2

CS89, §468.207

Referred to in §468.38, 468.62, 468.184, 468.201

**468.208 Amendment — new parties.**

The board may continue the hearing pending decision and may amend the plan but in the event of amendment the board shall continue further hearing to a fixed date. All parties over

whom the board then has jurisdiction shall take notice of such further hearing but any new parties rendered necessary by the modification or change of plans shall be served with notice as for the original hearing.

[C50, 54, 58, 62, 66, §455.208; C71, 73, 75, 77, 79, 81, §455.209]

89 Acts, ch 126, §2

CS89, §468.208

Referred to in §468.38, 468.62, 468.184, 468.201

**468.209 Entry of order — effect.**

If the board, after consideration of the subject matter, including all objections filed to the adoption of the plan and all claims for damages, shall find that the district will be benefited by adoption of the plan or the purposes for which the district was established is furthered thereby, they shall enter order approving and adopting such final plan. Such order shall have the effect of:

1. Altering the boundaries of the district to conform to the changes effected by the plan adopted.
2. Canceling all existing awards for damages for property not appropriated for right-of-way or construction and rendered unnecessary by the plan so adopted.
3. Canceling all awards previously made for damages other than for right-of-way or construction but reinstating the claims for such damages which said claims may be amended by the claimants within ten days thereafter.
4. Canceling all unpaid assessments for benefits on lands excluded from the district by adoption of the plan. The assessments so canceled shall become part of the costs of the improvement.
5. Establishing as benefited thereby the lands added to the district by adoption of the plan and rendering same subject to classification and assessment.
6. Whenever a plan has been adopted as contemplated by this section, modification and changes can be made therein without further notice or hearing, provided the same do not increase or decrease the estimated cost of the plan to the district by more than twenty-five percent.

[C50, 54, 58, 62, 66, §455.209; C71, 73, 75, 77, 79, 81, §455.210]

89 Acts, ch 126, §2

CS89, §468.209

Referred to in §468.38, 468.62, 468.184, 468.201

**468.210 Appraisement.**

The board shall thereupon appoint three appraisers of the qualifications prescribed in section 468.24, who shall qualify in the manner therein provided, and shall fix a time for hearing on their report of which all interested parties shall take notice. The appraisers shall view the premises and fix and determine the damages to which each claimant is entitled, including claimants whose awards for damages were canceled by the order of adoption, and shall place a separate valuation upon the acreage of each owner taken for right-of-way or other purposes necessitated by adoption of the plan and shall file a report thereof in writing in the office of the auditor at least five days before the date fixed by the board for hearing thereon. Should the report not be filed on time or should good cause for delay exist the board may postpone the time for final action on the subject and, if necessary, may appoint other appraisers. Thereafter the provisions of section 468.26 shall apply.

[C50, 54, 58, 62, 66, §455.210; C71, 73, 75, 77, 79, 81, §455.211]

89 Acts, ch 126, §2

CS89, §468.210

Referred to in §468.38, 468.184, 468.201

**468.211 Assessment of benefits.**

Appointment of commissioners to assess benefits and classify lands within the district and all proceedings relative to such assessment and classification shall be as otherwise provided in this subchapter, parts 1 through 5, except that when the lands of the district have previously been classified, the commissioners shall classify and assess only such lands

as have been added to the district by adoption of the plan and recommend such changes in existing classifications as are materially affected by the plan so adopted. The board may, upon hearing, adjust the classification of lands affected by the plan.

[C50, 54, 58, 62, 66, §455.211; C71, 73, 75, 77, 79, 81, §455.212]
89 Acts, ch 126, §2
CS89, §468.211
Referred to in §468.38, 468.184, 468.201

**468.212 Installments — warrants.**

The board shall levy the costs contemplated in section 468.201 upon all of the lands of the district on the basis of the classification for benefits as finally established and the assessments so levied shall be paid in one installment unless the board in its discretion shall provide for the payment thereof in not more than twenty equal installments with interest at a rate determined by the board notwithstanding chapter 74A. The board may issue anticipatory warrants bearing interest at a rate determined by the board, notwithstanding chapter 74A. The warrants may be numbered and state a maturity date. The warrants may be sold by the board for cash in an amount not less than the face value thereof, together with accrued interest, if any.

[C50, 54, 58, 62, 66, §455.212; C71, 73, 75, 77, 79, 81, §455.213]
89 Acts, ch 126, §2
CS89, §468.212
94 Acts, ch 1035, §6
Referred to in §468.38, 468.184, 468.201

**468.213 Subsequent levies.**

The board shall make such subsequent levies as may be necessary to meet the expenses of the district including costs of maintenance, repair and operation of the works.

[C50, 54, 58, 62, 66, §455.213; C71, 73, 75, 77, 79, 81, §455.214]
89 Acts, ch 126, §2
CS89, §468.213
Referred to in §468.38, 468.184, 468.201

**468.214 Applicable statutes.**

Except as otherwise provided herein all provisions of this chapter relative to assessment of damages, appointment of an engineer, employment of counsel, payment for work, levy and collection of drainage and levee assessments and taxes, the issue of improvement certificates and drainage or levee bonds, the taking of appeals and the manner of trial thereof and all other proceedings relating thereto shall apply.

[C50, 54, 58, 62, 66, §455.214; C71, 73, 75, 77, 79, 81, §455.215]
89 Acts, ch 126, §2
CS89, §468.214
Referred to in §468.38, 468.184, 468.201

**468.215 Scope of plan.**

The provisions of this part shall be applicable to districts organized or established under the provisions of subchapters II and III.

[C50, 54, 58, 62, 66, §455.215; C71, 73, 75, 77, 79, 81, §455.216]
89 Acts, ch 126, §2
CS89, §468.215
Referred to in §468.38, 468.184, 468.201

**468.216 Districts under trustees.**

When a district is in the management of trustees as provided in subchapter III the board of trustees shall have the jurisdiction to adopt the federal plan as provided herein and to exercise all other powers herein granted except that any levy shall be made by the board of

supervisors upon certificate of the amount necessary by the trustees as provided in section 468.527.

[C50, 54, 58, 62, 66, §455.216; C71, 73, 75, 77, 79, 81, §455.217]
89 Acts, ch 126, §2
CS89, §468.216
Referred to in §468.38, 468.184, 468.201

**468.217 through 468.219** Reserved.

## PART 3

## INTERACTION WITH STATE AND LOCAL GOVERNMENTS

Referred to in §331.502, 331.552, 350.4, 358.23, 461A.76, 468.3, 468.10, 468.41, 468.49, 468.59, 468.65, 468.67, 468.96, 468.115, 468.119, 468.126, 468.140, 468.152, 468.188, 468.207, 468.211, 468.240, 468.273, 468.283, 468.284, 468.288, 468.292, 468.297, 468.308, 468.335, 468.345, 468.529

**468.220 Occupancy and use permitted — assessments paid.**

Any levee or drainage district organized, or in the process of being organized, under the laws of this state may occupy and use for any lawful levee or drainage purpose land owned by the state of Iowa, upon first obtaining permission to do so from the state or state agency controlling the same.

In the case of lands lying within the beds of meandered streams and border streams the permission shall be obtained from the natural resource commission of the department of natural resources. In the case of lands that are under the control of no office or agency of the state, then the permission shall be obtained from the executive council.

Such permission shall not be unreasonably withheld and shall be in the form of an easement executed by the governor or in the case of an agency, by the chairperson or presiding officer thereof, and when once granted shall be perpetual, except that if no use is made of the same for a period of five years such permission shall immediately thereafter expire.

All uses and occupancies as contemplated by this section existing on July 4, 1961, are hereby legalized.

The state of Iowa, its agencies and subdivisions shall be financially responsible for drainage and special assessments against land which they own, or hold title to, within existing drainage districts.

[C62, 66, §455.217; C71, 73, 75, 77, 79, 81, §455.218]
89 Acts, ch 126, §2
CS89, §468.220

**468.221 Written communication delivered to the state or a local government.**

1. This section applies whenever a board or county officer acting under this chapter is required to deliver a written communication to a state agency or local government. The written communication includes but is not limited to a notice, service of process, demand, statement, or a report.

2. *a.* If the written communication is to be delivered to a state agency, it may be delivered to the administrative head of the state agency or its governing body. The written communication may also be delivered to a person designated by the administrative head of the state agency or its governing body. The written communication may be delivered to the executive council if the administrative head of the state agency or its governing body cannot be determined.

*b.* If the written communication is to be delivered to a local government, it may be delivered to the governing body of the local government. The written communication may also be delivered to a person designated by the governing body. As used in this section, *"local government"* includes a county, city, township, or any special purpose district or authority.

2011 Acts, ch 39, §1; 2012 Acts, ch 1021, §87

**468.222 through 468.229** Reserved.

## PART 4

## BOARD OF COUNTY DRAINAGE ADMINISTRATORS

Referred to in §331.502, 331.552, 350.4, 358.23, 461A.76, 468.3, 468.10, 468.41, 468.49, 468.59, 468.65, 468.67, 468.96, 468.115, 468.119, 468.126, 468.140, 468.152, 468.188, 468.207, 468.211, 468.240, 468.273, 468.283, 468.284, 468.288, 468.292, 468.297, 468.308, 468.335, 468.345, 468.529

**468.230 Administrators appointed.**

The county board of supervisors of any county of this state in which one or more drainage districts are established may by resolution establish a board of county drainage administrators. All of the powers, duties, and responsibilities now or hereafter conferred on county boards of supervisors in this chapter shall thereupon be transferred to and thereafter exercised by the board of county drainage administrators. A drainage or levee district may be established pursuant to subchapter III.

[C71, 73, 75, 77, 79, 81, §455.219]
89 Acts, ch 126, §2
CS89, §468.230

**468.231 Administrator areas.**

When establishing a board of county drainage administrators, the board of supervisors shall divide the county, along township lines, into three drainage administrator areas of approximately equal territory. The board of county drainage administrators shall consist of one resident freeholder appointed by the county board of supervisors from each area, and at least two of the administrators shall be agricultural landowners. The members first appointed shall hold office for terms of one, two, and three years respectively, as indicated and fixed by the county board of supervisors. Thereafter, succeeding members shall be appointed for a term of three years, except that vacancies occurring otherwise than by expiration of a term shall be filled by appointment for the unexpired term. Any member of the board of county drainage administrators who shall cease to have any of the qualifications prescribed by this section shall thereupon be disqualified as a member of the board and the office shall be deemed vacant. Members of the board of county drainage administrators may be removed by the county board of supervisors for cause, but every such removal shall be by written order which shall be filed with the county auditor.

[C71, 73, 75, 77, 79, 81, §455.220]
89 Acts, ch 126, §2
CS89, §468.231

**468.232 Compensation.**

The members of the board of county drainage administrators shall each receive compensation at an hourly rate established by the county board of supervisors for time actually devoted to the duties of their office, and reimbursement at the rate established by section 70A.9 for travel to and from meetings of, or other places of performing the duties of, the board, and other actual and necessary expenses incurred in the performance of their duties.

[C71, 73, 75, 77, 79, 81, §455.221]
89 Acts, ch 126, §2
CS89, §468.232

**468.233 How paid.**

The compensation and expenses of the county board of drainage administrators, for each day or portion thereof necessarily expended in the transaction of the business of a drainage or levee district, shall be paid out of the funds of the district served. The administrators shall file with the auditor or auditors, as the case may be, itemized, verified statements of their

time devoted to the business of the district and the expenses incurred. If the administrators transact business of more than one district on a given day, they shall prorate their claims for compensation proportionately among the districts served on that day, but in no case shall a member of the board of county drainage administrators claim or receive a sum in excess of seventeen dollars and fifty cents, plus actual and necessary expenses, for a single day.

[C71, 73, 75, 77, 79, 81, §455.222]
89 Acts, ch 126, §2
CS89, §468.233

**468.234 Soil and water conservation districts.**

The governing board of every drainage or levee district organized under the laws of this state shall take notice of the district plan, and shall conform to the duly adopted rules, of the soil and water conservation district or districts in which the drainage or levee district is located. However, this section does not grant authority not otherwise granted by law to the governing boards of drainage or levee districts.

[C73, 75, 77, 79, 81, §455.223]
86 Acts, ch 1238, §61; 89 Acts, ch 83, §53; 89 Acts, ch 126, §2
CS89, §468.234

**468.235 through 468.239** Reserved.

## PART 5

## COUNTY-CITY DRAINAGE DISTRICT

Referred to in §331.502, 331.552, 350.4, 358.23, 461A.76, 468.3, 468.10, 468.41, 468.49, 468.59, 468.65, 468.67, 468.96, 468.115, 468.119, 468.126, 468.140, 468.152, 468.188, 468.207, 468.211, 468.240, 468.273, 468.283, 468.284, 468.288, 468.292, 468.297, 468.308, 468.335, 468.345, 468.529

**468.240 Supervisors of county over two hundred thousand may establish.**

The board of a county with a population of two hundred thousand persons or more that has established a drainage district located partly within the corporate limits of a city may expend federal grants or revenue sharing money or other funds not derived from local tax levies in amounts as the board deems proper to pay any part of the cost of improvements authorized in this subchapter, parts 1 through 5. The board may issue general obligation bonds to pay any part of the cost of improvements authorized in this subchapter, parts 1 through 5. The bonds shall be issued according to the provisions of chapter 384, division III, relating to general obligation bonds for essential corporate purposes.

[C77, 79, 81, §455.225]
89 Acts, ch 126, §2
CS89, §468.240

**468.241 through 468.249** Reserved.

## PART 6

## DISSOLUTION OF DRAINAGE DISTRICTS

**468.250 Jurisdiction to dissolve districts and abandon or transfer improvements.**

Drainage or levee districts may be dissolved and abandoned or assimilated by the procedures prescribed by this part.

1. When any drainage or levee district is free from indebtedness and it shall appear that the necessity therefor no longer exists or that the expense of the continued maintenance of the ditch or levee is in excess of the benefits to be derived therefrom, the board of supervisors or board of trustees, as the case may be, shall have power and jurisdiction, upon petition of a majority of the landowners, who, in the aggregate, own sixty percent of all land in such

district, to abandon the same and dissolve and discontinue such districts in the manner prescribed by sections 468.251 through 468.255. Nothing in this subsection shall prevent the board from eliminating land from a drainage district as permitted under section 468.188.

2. When one drainage or levee district, either intracounty or intercounty, includes within its territory all of the territory of one or more other drainage or levee districts, and it appears that one assessment and one governing body would be to the benefit of the owners and occupants of the land within the mutual jurisdiction of the overlying and the contained districts, the board of supervisors or board of trustees may effect the dissolution of a contained district and the transfer of jurisdiction and control over that contained district's improvements to the overlying district, in the manner prescribed by sections 468.256 through 468.261.

[C35, §7598-g1; C39, §**7598.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §456.1]
89 Acts, ch 126, §2
CS89, §468.250
Referred to in §468.255, 468.256

**468.251 Notice of hearing.**

Upon the filing of such petition the board shall enter an order fixing the date for hearing thereon not less than forty days from the date of the filing thereof and shall enter an order directing the county auditor, if such district is under the control of the board of supervisors, or the clerk of the board, if under the control of a board of trustees, to immediately cause notice of hearing thereon to be served on the owners of lands in such district as may then be provided by law in proceedings for the establishment of a drainage or levee district.

[C35, §7598-g2; C39, §**7598.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §456.2]
89 Acts, ch 126, §2
CS89, §468.251
Referred to in §468.250, 468.255

**468.252 Hearing on petition.**

The petition may be amended at any time before final action on the petition. At the time set for hearing on the petition, the board shall hear and determine the sufficiency of the petition as to form and substance and all objections filed against the abandonment and dissolution of such district. If the board finds that such district is free from indebtedness and that the necessity for the continued maintenance thereof no longer exists or that the expense of the continued maintenance of such district is not commensurate with the benefits derived therefrom, the board shall enter an order abandoning and dissolving such district, which order shall be filed with the county auditor of the county or counties in which such district is situated and noted on the drainage record.

[C35, §7598-g3; C39, §**7598.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §456.3]
89 Acts, ch 126, §2
CS89, §468.252
2013 Acts, ch 90, §141
Referred to in §468.250, 468.255
Section amended

**468.253 Appeal.**

Appeal may be taken from the order of the board to the district court of the county in which such district or a part thereof is situated, in the same time and manner as appeal may be taken from an order of the board of supervisors establishing a district.

[C35, §7598-g4; C39, §**7598.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §456.4]
89 Acts, ch 126, §2
CS89, §468.253
Referred to in §468.250, 468.255
Appeals, §468.83 et seq.

**468.254 Expense — refund.**

In case there are sufficient funds on hand in such district, or there are unpaid assessments outstanding or other property belonging to such district in an amount sufficient to pay such

expense, the expense of abandonment and dissolution shall be paid out of such funds or out of funds realized by the sale of such property. Where such district is free of indebtedness but there are not sufficient funds on hand or unpaid assessments outstanding or other assets to pay such expense the board shall assess such expense against the property in the district in the same proportions as the last preceding assessments of benefits. Any excess remaining to the credit of such district after sale of its assets and after payment of such expenses shall be prorated back to the property owners in the district in the proportions according to class and benefits as last assessed. If the petition is denied, the costs of said proceedings shall be paid by the petitioning owners.

[C35, §7598-g5; C39, §**7598.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §456.5]
89 Acts, ch 126, §2
CS89, §468.254
Referred to in §468.250, 468.255

**468.255 Abandonment of rights-of-way.**

If a dissolution is effected pursuant to section 468.250, subsection 1, and sections 468.251 through 468.254, the rights-of-way of the district for all purposes of the district shall be deemed abandoned.

[C35, §7598-g6; C39, §**7598.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §456.6]
89 Acts, ch 126, §2
CS89, §468.255
Referred to in §468.250

**468.256 Initiating dissolution of contained district.**

To initiate the dissolution of a contained district under the circumstances described in section 468.250, subsection 2:

1. The board of supervisors or board of trustees of the district proposed to be dissolved shall enter an order for the proposed dissolution of that district and the surrender of its improvements and rights-of-way to the overlying district.

2. The board of supervisors or board of trustees of the overlying district shall enter an order approving the proposed acceptance of those improvements and rights-of-way.

[C81, §456.11]
89 Acts, ch 126, §2
CS89, §468.256
Referred to in §468.250, 468.257, 468.260, 468.261, 468.500, 468.538

**468.257 Procedure for notice of hearing.**

1. The board of the overlying district shall enter an order fixing a place and a time, not less than forty days after the date of the later of the two orders required by section 468.256, for a hearing on the proposals described in the two orders.

2. The auditor, or auditors if the overlying district includes land lying in two or more counties, shall cause notice of the proposals and of the hearing to be given immediately upon the entry of an order under subsection 1. The notice must:

*a.* Include the texts of the orders entered pursuant to section 468.256, the date, time and place of the hearing, and a statement that all objections to the proposals embodied in the orders must be made in writing and filed in the office of the auditor at or before the time set for the hearing.

*b.* Be directed to all of the following:

(1) The owner of each tract of land or lot within the overlying district, as shown by the transfer books of the auditor's office, including railway companies having right-of-way in the district.

(2) All lienholders or encumbrancers of land within the overlying district, without naming them.

(3) All actual occupants of land in the overlying district, without naming individuals.

(4) All other persons whom it may concern.

3. Except as otherwise required by section 468.16, the notice required by this section shall be served by publication once in a newspaper of general circulation in each county in which

the overlying district's land is situated. The publication shall be made not less than twenty days prior to the day set for the hearing. Proof of service shall be made by affidavit of the publisher.

[C81, §456.12]
89 Acts, ch 126, §2
CS89, §468.257
Referred to in §468.250, 468.258, 468.260, 468.261, 468.500, 468.538

**468.258 Procedure at hearing.**

The hearing shall be convened at the time and place fixed in accordance with section 468.257, subsection 1, and the procedure at the hearing shall be as prescribed by this section.

1. The board of the contained district shall first hear all objections filed against the dissolution of the district and the surrender of its improvements to the overlying district. If, at the conclusion of that portion of the hearing, that board finds that the contained district is free of debt, that the economic benefits of the continued maintenance of that district would not be commensurate with its cost, and that it would be advantageous to dissolve and discontinue the contained district and surrender its improvements and rights-of-way to the overlying district, it shall enter an order dissolving the contained district and directing the surrender of its improvements and rights-of-way, conditioned on acceptance by the overlying district.

2. Immediately thereafter, the board of the overlying district shall hear all objections filed against the acceptance of the contained district's improvements and their maintenance. If it finds that the improvements are conducive to the drainage of surface waters from agricultural lands and all other lands in the overlying district or the protection of the lands from overflow, it shall enter an order accepting the improvements and rights-of-way of the contained district.

3. Orders issued pursuant to subsections 1 and 2 shall be filed with the county auditor of the county or counties in which the affected districts are situated and noted on the drainage record.

4. If at or before the time set for the hearing there have been filed with the county auditor or auditors, if either the contained or overlying district extends into more than one county, or with the board of either district, one or more remonstrances or objections to the dissolution of the contained district, or to the acceptance of that district's improvements and rights-of-way by the overlying district, signed by owners of land and land improvements in either district aggregating sixty percent of the total assessed value of the land in that district as shown by the taxing records in the county or counties in which that district is located, the board to which the remonstrances or objections have been made shall abandon its proposed action.

[C81, §456.13]
89 Acts, ch 126, §2
CS89, §468.258
Referred to in §468.250, 468.259, 468.260, 468.261, 468.500, 468.538

**468.259 Election in lieu of hearings.**

In lieu of the hearings provided for in section 468.258, the board of either district may call an election for the purpose of determining the dissolution of the contained district or the acceptance of that district's improvements and rights-of-way by the overlying district. The questions may be submitted at a regular election of the district or at a special election called for that purpose. It is not mandatory for the county commissioner of elections to conduct the elections, however the provisions of sections 49.43 to 49.47, and of subchapter III of this chapter, as they are applicable, shall govern the elections, and the question to be submitted shall be set forth in the notice of election.

1. If sixty percent or more of the votes cast are in favor of the proposed dissolution of the contained district involved, the board of that district shall enter an order dissolving the contained district and directing the surrender of its improvements and rights-of-way, conditioned on acceptance by the overlying district.

2. If sixty percent or more of the votes cast in the overlying district are in favor of the proposed acceptance by that district of the contained district's improvements

and rights-of-way, the board of the overlying district shall enter an order accepting the improvements and rights-of-way of the contained district.

3. Orders issued pursuant to subsections 1 and 2 shall be filed with the county auditor of the county or counties in which the affected districts are situated and noted on the drainage record.

[C81, §456.14]
89 Acts, ch 126, §2
CS89, §468.259
Referred to in §468.250, 468.260, 468.261, 468.500, 468.538

**468.260 Effect of dissolution, surrender and acceptance.**

When a contained district dissolves and surrenders its improvements and rights-of-way to the jurisdiction and control of an overlying district, and the overlying district accepts those improvements and rights-of-way, in accordance with sections 468.256 through 468.259:

1. It is presumed that the classification of the lands which were included in the dissolved district, as previously determined by the commissioners in the classification of those lands as a part of the overlying district, remains equitable and no reclassification of the overlying district or any part of it is necessary.

2. The improvements surrendered and accepted are at all times under the supervision of the board of the overlying district, and it is the duty of that board to keep the improvements in repair as provided in section 468.126 as fully and completely as though the improvements were a part of the original construction or improvements in the overlying district.

3. It is presumed that:

*a.* The improvements surrendered and accepted are an integral part of the overlying district's improvements, and are a public benefit and conducive to the public health, convenience and welfare.

*b.* No value is taken into consideration for the existing improvements nor is credit given to the parties owning them, and they shall not be considered an asset of the district that is dissolved.

4. The original cost and the subsequent cost of improvements in the district that has been dissolved are added to and become a part of the original cost and the subsequent cost of improvements in the overlying district.

[C81, §456.15]
89 Acts, ch 126, §2
CS89, §468.260
Referred to in §468.250

**468.261 Costs borne by overlying district.**

The overlying district shall pay all costs of the proceedings held pursuant to sections 468.256 through 468.259.

[C81, §456.16]
89 Acts, ch 126, §2
CS89, §468.261
Referred to in §468.250

**468.262 through 468.269** Reserved.

## SUBCHAPTER II

## JURISDICTIONS

Referred to in §331.382, 468.215

## PART 1

## INTERCOUNTY LEVEE OR DRAINAGE DISTRICTS

Referred to in §331.502, 331.552, 350.4, 468.3, 468.345, 468.397

**468.270 Petition and bond.**

When the levee or drainage district embraces land in two or more counties, a duplicate of the petition of any owner of land to be affected or benefited by such improvement shall be filed with the county auditor of each county into which said levee or drainage district will extend, accompanied by a duplicate bond to be filed with the auditor of each of the said counties as provided when the district is wholly within one county, in an amount and with sureties approved by the auditor of the county in which the largest acreage of the district is situated, which bond shall run in favor of the several counties in which it is filed.

[S13, §1989-a29; C24, 27, 31, 35, 39, §**7599;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.1]

89 Acts, ch 126, §2

CS89, §468.270

Referred to in §468.305

Procedure for converting several intracounty districts into one intercounty district, see §468.305 – 468.309

**468.271 Commissioners.**

Upon the filing of such petition in each county and the approval of such duplicate bond by the proper auditor, the board of each of such counties shall appoint a commissioner and the joint boards shall appoint a competent engineer who shall also act as a commissioner.

[S13, §1989-a29; C24, 27, 31, 35, 39, §**7600;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.2]

89 Acts, ch 126, §2

CS89, §468.271

Referred to in §468.305

**468.272 Examination and report.**

The commissioners thus appointed shall examine the application and make an inspection of all the lands embraced in the proposed district and shall determine what improvements in the way of levees, ditches, drains, settling basins, or change of natural watercourse are necessary for the drainage of the lands described in the petition. Such commissioners, including the engineer, shall file a detailed report of their examination and their findings and file a duplicate thereof in the office of the auditor of each of said counties.

[S13, §1989-a29; C24, 27, 31, 35, 39, §**7601;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.3]

89 Acts, ch 126, §2

CS89, §468.272

**468.273 Duty of engineer.**

In addition to the report of the commissioners as a whole, the engineer so appointed shall perform the same duties and in the same manner required of the engineer by subchapter I, parts 1 through 5 when the proposed district is located wholly within one county, and the engineer's surveys, plats, profiles, field notes, and reports of the engineer's surveys shall be made and filed in duplicate in each county.

[S13, §1989-a29; C24, 27, 31, 35, 39, §**7602;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.4]

89 Acts, ch 126, §2

CS89, §468.273

**468.274 Notice.**

Immediately upon the filing of the report of the commissioners and the engineer, if the same recommends the establishment of such district, notice shall be given by the auditor of each county to the owners of all the lots and tracts of land in the auditor's own county respectively embraced within such district as recommended by the commissioners as shown by the transfer books in the office of the auditor of each of said counties, and also to the persons in actual occupancy of all the lots or tracts of land in such district, and also to each lienholder or encumbrancer of any of such lots or tracts as shown by the records of the respective counties.

[S13, §1989-a29; C24, 27, 31, 35, 39, §**7603;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.5]

89 Acts, ch 126, §2

CS89, §468.274

**468.275 Contents of notice — service.**

Such notice shall state the time and place, when and where the boards of the several counties will meet in joint session for the consideration of said petition and the report of the commissioners and engineer thereon, and shall in other respects be the same and served in the same time and manner as required when the district is wholly within one county, except that the auditor of each county shall give notice only to the owners, occupants, encumbrancers, and lienholders of the lots and tracts of land embraced within the proposed district in the auditor's own county as shown by the records of such county.

[S13, §1989-a29; C24, 27, 31, 35, 39, §**7604;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.6]

89 Acts, ch 126, §2

CS89, §468.275

Notice and service, §468.14 et seq.

**468.276 Claims for damages — filing — waiver.**

Any person filing objections or claiming damages or compensation on account of the construction of such improvement shall file the same in writing in the office of the auditor of the county in which the person's land is situated, at or before the time set for hearing. The person may, however, file it at the time and place of hearing. If the person shall fail to file such claim at the time specified the person shall be held to have waived the person's right thereto, but claims for land taken for right-of-way for any open ditch or for settling basins need not be filed.

[S13, §1989-a30; C24, 27, 31, 35, 39, §**7605;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.7]

89 Acts, ch 126, §2

CS89, §468.276

**468.277 Organization and procedure — adjournments.**

At the time set for hearing such petition, the boards of the several counties shall meet at the place designated in said notice. They shall organize by electing a chairperson and a secretary, and when deemed advisable may adjourn to meet at the call of such chairperson at such time and place as the chairperson may designate, or may adjourn to a time and place fixed by said joint boards. They shall sit jointly in considering the petition, the report and the recommendations of the engineer, in the same manner as if the district were wholly within one county.

[S13, §1989-a31; C24, 27, 31, 35, 39, §**7606;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.8]

89 Acts, ch 126, §2

CS89, §468.277

**468.278 Tentative adoption of plans.**

The said boards by their joint action may dismiss the petition and refuse to establish such district, or they may approve and tentatively adopt the plans and recommendations of the engineer for the said district.

[C24, 27, 31, 35, 39, §**7607;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.9]

89 Acts, ch 126, §2

CS89, §468.278

**468.279 Appraisers.**

If the said boards shall adopt a tentative plan for the district, the board of each county shall select an appraiser and the several boards by joint action shall employ an engineer, and the said appraisers and engineer shall constitute the appraisers to appraise the damages and value of all right-of-way required for open ditches and of all lands required for settling basins.

[S13, §1989-a31; C24, 27, 31, 35, 39, §**7608;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.10]

89 Acts, ch 126, §2

CS89, §468.279

**468.280 Duty of appraisers — procedure.**

The appraisers shall proceed in the same manner and make return of their findings and appraisement the same as when the district is wholly within one county, except that a duplicate thereof shall be filed in the auditor's office of each of the several counties. After the filing of the report of the appraisers, all further proceedings shall be the same as where the district is wholly within one county, except as otherwise provided.

[S13, §1989-a31; C24, 27, 31, 35, 39, §**7609;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.11]

89 Acts, ch 126, §2

CS89, §468.280

Procedure, §468.24 et seq.

**468.281 Meetings of joint boards.**

The board of supervisors of any county in which a petition for the establishment of a levee or drainage district to extend into or through two or more counties is on file, may meet with the board or boards of any other county or counties in which such petition is on file, for the purpose of acting jointly with such other board or boards in reference to said petition or any business relating to such district. Any such joint meetings held in either of the counties in which such petition is on file shall constitute a valid and legal meeting of said joint boards for the transaction of any business pertaining to said petition or to the business of such district.

[S13, §1989-a37; C24, 27, 31, 35, 39, §**7610;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.12]

89 Acts, ch 126, §2

CS89, §468.281

**468.282 Equalizing voting power.**

When the boards are of unequal membership, for the purpose of equalizing their voting power each member of the smallest board shall cast a full vote and each member of a larger board shall cast such fractional part of a vote as results from dividing the smallest number by such larger number.

[S13, §1989-a29; C24, 27, 31, 35, 39, §**7611;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.13]

89 Acts, ch 126, §2

CS89, §468.282

**468.283 Commissioners to classify and assess.**

If the boards of the several counties acting jointly shall establish the district, they shall appoint a commission consisting of one from each county, and in addition thereto a competent

engineer who shall within twenty days begin to inspect the premises and classify the lands in said district fixing the percentages and assessments of benefits and the apportionment of costs and expenses and shall complete said work within the time fixed by the boards. The qualifications of said commissioners, their classification of lands, fixing percentages and assessments of benefits and apportionment of costs and the report thereof in all details shall be governed in all respects by the provisions of subchapter I, parts 1 through 5, for districts wholly within one county.

[S13, §1989-a32; C24, 27, 31, 35, 39, §**7612;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.14]

89 Acts, ch 126, §2

CS89, §468.283

**468.284 Notice and service thereof — objections.**

Upon the filing of the report of the commissioners to classify lands, fix and assess benefits and apportion costs and expenses, the auditors of the several counties, acting jointly, shall cause notice to be served upon all interested parties of the time when and the place where the boards will meet and consider such report and make a final assessment of benefits and apportionment of costs, which notice shall be the same and served for the time and in the manner and all proceedings thereon shall be the same as provided in subchapter I, parts 1 through 5, in districts wholly within one county, except publication of notice as provided in section 468.15 shall be in each of the counties into which the district extends, and also except that said notice to be published in each of the several counties shall contain only the names of the owners of each tract of land or lot in the district located within the respective county in which said notice is to be published and the total amount of all proposed assessments on the lands located in each of the other counties into which the district extends, and except further that the objections not filed prior to the date of the hearing shall be filed with the boards at the time and place of such hearing.

[S13, §1989-a32; C24, 27, 31, 35, 39, §**7613;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.15]

89 Acts, ch 126, §2

CS89, §468.284

**468.285 Levies — certificates and bonds.**

After the amount to be assessed and levied against the several tracts of land shall have been finally determined, the several boards, acting separately, and within their own counties, shall levy and collect the taxes apportioned and levied in their respective counties. They may issue warrants, improvement certificates, or bonds for the payment of the cost of such improvement within their respective counties, with the same right of landowners to pay without interest or in installments all as provided where the district is wholly within one county.

[S13, §1989-a32; C24, 27, 31, 35, 39, §**7614;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.16]

89 Acts, ch 126, §2

CS89, §468.285

Referred to in §468.286

Payment, §468.56 et seq.

**468.286 Bonds or proceeds made available.**

When drainage bonds are to be issued under the provisions of section 468.285 they shall be issued at such time that they or the proceeds thereof shall be available for the use of the district at a date not later than ninety days after the actual commencement of the work on the improvement as provided in relation to districts wholly within one county.

[C24, 27, 31, 35, 39, §**7615;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.17]

89 Acts, ch 126, §2

CS89, §468.286

**468.287 Supervising engineer.**

At the time of finally establishing the district, the boards of the several counties, acting jointly, shall employ a competent engineer to have charge and supervision of the construction of the improvement and they shall fix the engineer's compensation and the engineer shall, before entering upon said work, give a bond running to the several counties for the use and benefit of the district in the same amounts and of like tenor and effect as is provided in districts wholly within one county. A duplicate of such bond shall be filed with the auditor of each of said counties.

[S13, §1989-a34; C24, 27, 31, 35, 39, §**7616;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.18]

89 Acts, ch 126, §2

CS89, §468.287

Bond, §468.33

**468.288 Duty of engineer.**

The duties of the supervising engineer shall be the same in all respects as is provided by subchapter I, parts 1 through 5, for districts wholly within one county.

[S13, §1989-a34; C24, 27, 31, 35, 39, §**7617;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.19]

89 Acts, ch 126, §2

CS89, §468.288

**468.289 Notice of letting work — applicable procedure.**

If the boards, acting jointly, shall establish such district, the auditors of the several counties shall immediately thereafter, acting jointly, cause notice to be given of the time and place of the meeting of the boards for letting contracts for the construction of the improvement. The notices, bids, bonds, and all other proceedings in relation to letting contracts shall be the same as provided where the district is wholly within one county, but duplicates of contractors' bonds shall be filed with the auditor of each county.

[S13, §1989-a33; C24, 27, 31, 35, 39, §**7618;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.20]

89 Acts, ch 126, §2

CS89, §468.289

**468.290 Contracts.**

All contracts made for engineering work and the work of constructing improvements of an intercounty district shall be made by written contract executed by the contractor and such person as may be authorized by the boards of the several counties and by joint resolution and shall specify the work to be done, the amount of compensation therefor and the times and manner of payment, all as provided in relation to districts wholly within one county.

[S13, §1989-a33; C24, 27, 31, 35, 39, §**7619;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.21]

89 Acts, ch 126, §2

CS89, §468.290

**468.291 Monthly estimate — payment.**

The engineer in charge of the work shall furnish the contractor a monthly statement estimating the amount of work done on each section and in each county. A duplicate copy of the statement shall be filed with the auditor of each county where the work is done. When the auditor files the statement, the auditor shall draw a warrant for the contractor or give the contractor an order directing the treasurer to deliver to the contractor improvement certificates or drainage bonds, as the case may be, in favor of the contractor for ninety percent of the amount due from the auditor's county. Drainage warrants, bonds, or

improvement certificates when so issued shall be in such amounts as the auditor determines, but shall not be in amounts in excess of one thousand dollars.

[S13, §1989-a34; C24, 27, 31, 35, 39, §**7620;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.22]

89 Acts, ch 126, §2

CS89, §468.291

94 Acts, ch 1051, §12

**468.292 Final settlement.**

When the work to be done on any contract is completed to the satisfaction of the supervising engineer the engineer shall so report and certify to the boards of the several counties, and the auditors of the county shall fix a day to consider said report, and all the provisions shall apply in relation to objections to said report and the approval of the same and the completion of any unfinished or abandoned work as is provided in subchapter I, parts 1 through 5, relating to completion of work and final settlement in districts wholly within one county, except that, when the completed work is accepted by the joint action of the boards of supervisors of the several counties into which the district extends such acceptance shall be certified to the auditor of each county who shall draw a warrant for the contractor or give the contractor an order directing the treasurer to deliver to the contractor improvement certificates or drainage bonds, as the case may be, for the balance due from the portion of the district in such county.

[S13, §1989-a34; C24, 27, 31, 35, 39, §**7621;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.23]

89 Acts, ch 126, §2

CS89, §468.292

Referred to in §468.299

**468.293 Failure of board to act.**

When the establishment of a district, extending into two or more counties, is petitioned for as hereinbefore provided and one or more of such boards fails to take action thereon, the petitioners may cause notice in writing to be served upon the chairperson of each board demanding that action be taken upon the petition within twenty days from and after the service of such notice.

[S13, §1989-a36; C24, 27, 31, 35, 39, §**7622;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.24]

89 Acts, ch 126, §2

CS89, §468.293

**468.294 Transfer to district court.**

If such boards shall fail to take action thereon within the time named, or fail to agree, the petitioners may cause such proceedings to be transferred to the district court of any of the counties into which such proposed district extends by serving notice upon the auditors of the several counties within ten days after the expiration of said twenty days' notice, or after the failure of such boards to agree.

[S13, §1989-a36; C24, 27, 31, 35, 39, §**7623;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.25]

89 Acts, ch 126, §2

CS89, §468.294

**468.295 Transcript, docket and trial.**

Within thirty days after completion of notice, the auditor shall, acting jointly, prepare and certify to the clerk of the district court a full and complete transcript of all proceedings had

in such case. The clerk of the district court shall thereupon docket the case and same shall be triable in equity at any time after the expiration of twenty days thereafter.

[S13, §1989-a36; C24, 27, 31, 35, 39, §**7624;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.26]

89 Acts, ch 126, §2

CS89, §468.295

**468.296 Decree.**

The court shall enter judgment and decree dismissing the case or establishing such district and may by proper orders and writs enforce the same.

[S13, §1989-a36; C24, 27, 31, 35, 39, §**7625;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.27]

89 Acts, ch 126, §2

CS89, §468.296

**468.297 Law applicable.**

Except as otherwise stipulated in this part the provisions and procedure set forth in subchapter I, parts 1 through 5, shall govern and apply to the formation, establishment, and conduct of every levee or drainage district extending into two or more counties, the petition therefor, the giving or publication or service of notice therein, the appointment and duties of all officers or appraisers or commissioners, the making or filing of waivers, reports, plats, profiles, recommendations, notices, contracts, and papers, the classification and apportionment and assessment of lands and all other property, the taking and hearing of appeals, the issuance and delivery of warrants, bonds and assessment certificates, the payment of taxes and assessments, the making of improvements, ditches, drains, settling basins, changes, enlargements, extensions, and repairs, the inclusion of lands, and the making or performance of every other matter or thing whatsoever relevant to or in any wise connected with such joint drainage or levee district, and the rights, privileges, and duties of all persons, landowners, officers, appellants, and courts.

[S13, §1989-a37; C24, 27, 31, 35, 39, §**7626;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §457.28]

89 Acts, ch 126, §2

CS89, §468.297

**468.298 Records of intercounty districts.**

A record of all proceedings of an intercounty levee or drainage district shall be maintained by the auditor of each county in which a portion of the district lies, as provided by sections 468.172 and 468.173, but the records in the office of the auditor of the county having the largest acreage in the district shall be the official records of said district.

[C71, 73, 75, 77, 79, 81, §457.29]

89 Acts, ch 126, §2

CS89, §468.298

**468.299 County with largest acreage to keep funds.**

When an intercounty district has been finally established and original construction completed and final settlement made with the contractor, as provided by section 468.292, the treasurer of the county having the largest acreage of the district shall be the depository for all funds of the district and the treasurer of the other counties in which the district is situated shall periodically, at least annually, pay over all district funds received within said period to the treasurer of the county with the largest acreage, except that funds payable on improvement certificates or bonds shall be disbursed to the holders of the certificates or bonds by the treasurer of the county in which the land encumbered is located.

[C71, 73, 75, 77, 79, 81, §457.30]

89 Acts, ch 126, §2

CS89, §468.299

**468.300 through 468.304** Reserved.

## PART 2

## CONVERTING INTRACOUNTY DISTRICTS INTO INTERCOUNTY DISTRICT

Referred to in §468.345, 468.397

**468.305 Intracounty districts converted into intercounty district.**

Whenever one or more drainage districts in one county outlet into a ditch, drain, or natural watercourse, which ditch, drain, or natural watercourse is the common carrying outlet for one or more drainage districts in another county, the boards of supervisors of such counties acting jointly may by resolution, and on petition of the trustees of any one of such districts or one or more landowners therein, in either case such petition to be accompanied by a bond as provided in section 468.270, must initiate proceedings for the establishment of an intercounty drainage district by appointing commissioners as provided in section 468.271 and by requiring a bond as provided in section 468.270 and by proceeding as provided by subchapter II, part 1, and all powers, duties, limitations, and provisions of this part and subchapter II, part 1, shall be applicable thereto.

[C27, 31, 35, §7626-a1; C39, §**7626.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §458.1]
89 Acts, ch 126, §2
CS89, §468.305

**468.306 Benefited land only included.**

Neither any land nor any previously organized drainage district shall be included within, or assessed for, the proposed new intercounty district unless such land or unless such previously organized district shall receive special benefits from the improvements in the proposed new intercounty district.

[C27, 31, 35, §7626-a2; C39, §**7626.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §458.2]
89 Acts, ch 126, §2
CS89, §468.306

**468.307 Appeal by landowner.**

Any landowner affected by the establishment of the new intercounty district may appeal to the district court of the county where the owner's land lies from the action of the joint boards in establishing the new district or in including the owner's land within it.

[C27, 31, 35, §7626-a3; C39, §**7626.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §458.3]
89 Acts, ch 126, §2
CS89, §468.307

**468.308 Procedure on appeal.**

The procedure for taking such appeal and for hearing and determining it shall be that provided for similar appeals in subchapter I, parts 1 through 5.

[C27, 31, 35, §7626-a4; C39, §**7626.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §458.4]
89 Acts, ch 126, §2
CS89, §468.308

**468.309 Appeal by trustees or boards.**

Trustees or boards of supervisors having charge of any previously organized district which is proposed to be included either in whole or in part within the new intercounty district may, in the same manner and under the same procedure, appeal to the district court from the action of the joint boards in establishing the new district or in including therein the previously organized district or any part thereof.

[C27, 31, 35, §7626-a5; C39, §**7626.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §458.5]
89 Acts, ch 126, §2

CS89, §468.309
2013 Acts, ch 30, §111
Section amended

**468.310 through 468.314** Reserved.

## PART 3

## DRAINAGE OR LEVEE DISTRICTS EMBRACING PART OR WHOLE OF CITY

Referred to in §331.502, 468.345, 468.397, 468.500, 468.506

**468.315 Authority to include city.**

A county board of supervisors has the same power to establish a drainage or levee district that includes the whole or any part of a city as the county board does to establish a district located wholly outside a city, including providing for the assessment of damages and benefits within a city. However, a county board of supervisors shall not do any of the following:

1. Establish a drainage or levee district located wholly within the corporate limits of a city, unless the city consents by resolution adopted by its city council.
2. Establish a district for sanitary sewer purposes.

[S13, §1989-a38; C24, 27, 31, 35, 39, §**7627;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.1]
89 Acts, ch 126, §2
CS89, §468.315
2004 Acts, ch 1075, §1, 2

**468.316 Inclusion of city — notice.**

Notice of the filing of the petition for such district and the time of hearing thereon, shall set forth the boundaries of the territory included within such city and directed to the city clerk and the owners and lienholders of the property within such boundaries without naming individuals, to be served in the same manner as notices where the district is wholly outside of such city.

[S13, §1989-a38; C24, 27, 31, 35, 39, §**7628;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.2]
89 Acts, ch 126, §2
CS89, §468.316
Service of notice, §468.15 et seq.

**468.317 Assessments — notice.**

When the streets, alleys, public ways, or parks or lots or parcels including railroad rights-of-way of any city, or city under special charter, so included within a levee or drainage district, will be beneficially affected by the construction of any improvement in such district, it shall be the duty of the commissioners appointed to classify and assess benefits to estimate and return in their report the percentage and assessment of benefits to such streets, alleys, public ways, and parks, or lots or parcels including railroad rights-of-way and notice thereof shall be served upon the clerk of such city, irrespective of the form of government, and upon owners of lots, parcels, and railroad rights-of-way so assessed.

[S13, §1989-a38; C24, 27, 31, 35, 39, §**7629;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.3]
89 Acts, ch 126, §2
CS89, §468.317

**468.318 Objections — appeal.**

The council or clerk of such city or individual owners may file objections to such percentage and assessment of benefits in the time and manner provided in case of landowners outside

such city, and they shall have the same right to appeal from the finding of the board with reference to such assessment.

[S13, §1989-a38; C24, 27, 31, 35, 39, §**7630;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.4]

89 Acts, ch 126, §2

CS89, §468.318

Objections, §468.45; appeals, §468.83 et seq.

**468.319 Assessments — interest.**

Such assessment as finally made shall draw interest at the same rate and from the same time as assessment against lands.

[S13, §1989-a38; C24, 27, 31, 35, 39, §**7631;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.5]

89 Acts, ch 126, §2

CS89, §468.319

**468.320 Bonds, certificates and waivers.**

The board of supervisors and the city council shall have the same power in reference to issuing improvement certificates or drainage bonds and executing waivers on account of such assessment for benefits to streets, alleys, public ways, parks, and other lands as is herein conferred upon the board of supervisors in reference to assessment for benefits to highways.

[S13, §1989-a38; C24, 27, 31, 35, 39, §**7632;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.6]

89 Acts, ch 126, §2

CS89, §468.320

Certificates and bonds, §468.70 et seq.

**468.321 Funding bonds.**

Such cities may issue their funding bonds for the purpose of securing money to pay any assessment against it as provided by law.

[C24, 27, 31, 35, 39, §**7633;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.7]

89 Acts, ch 126, §2

CS89, §468.321

**468.322 Jurisdiction relinquished.**

If the board of supervisors of any county at any time finds that twenty-five percent or more of the total area of any established drainage district is located within the corporate limits of any city, that the district's drains are wholly or partially constructed of sewer tile, and that the district's drain or drains are needed or being used by the city for storm sewer or drainage purposes, the board may by resolution transfer to the city control of the entire drainage district, including the portion outside the corporate limits of the city.

[C24, 27, 31, 35, 39, §**7634;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.8]

89 Acts, ch 126, §2

CS89, §468.322

Referred to in §468.323

**468.323 Request for relinquishment.**

When a county board of supervisors elects to transfer control of a drainage district to a city, as provided in section 468.322, the resolution effecting the transfer shall state a time not less than thirty nor more than ninety days after adoption of the resolution when the transfer of control shall take effect. The resolution shall be certified to the governing body of the city and a copy thereof filed by the county auditor, who shall spread the same upon the records of the drainage district.

[C24, 27, 31, 35, 39, §**7635;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.9]

89 Acts, ch 126, §2

CS89, §468.323

Referred to in §468.324

**468.324 Duty to accept.**

It shall be the duty of the governing body of any city to accept control of and thereafter to administer a drainage district properly transferred to the city, commencing on the date specified in the resolution of the county board of supervisors certified to the governing body as provided in section 468.323, or at such later date as may be agreed to by the county board upon request of the governing body.

[C24, 27, 31, 35, 39, §**7636;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.10]
89 Acts, ch 126, §2
CS89, §468.324

**468.325 Jurisdiction of municipality.**

After the drainage district has been taken over by the city, it shall have complete control thereof, and may use the same for any purpose that said city through its city council deems proper and necessary for the advancement of the city or its health or welfare, and the city shall be responsible for the maintenance and upkeep of said drainage district only from and after its relinquishment by the board of supervisors to the city.

[C24, 27, 31, 35, 39, §**7637;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.11]
89 Acts, ch 126, §2
CS89, §468.325

**468.326 City council to control district.**

The council of any city acting under the provisions of this part shall have control, supervision and management of the district, and shall be vested with all of the powers which are now or may hereafter be conferred on the board of supervisors for the control, supervision and management of drainage districts under the laws of this state within the said district unless otherwise specifically provided.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §459.12]
89 Acts, ch 126, §2
CS89, §468.326

**468.327 Trustee control.**

A district formed pursuant to this part, under the control of a city council, may be placed under the control and management of a board of trustees as provided in subchapter III of this chapter. Each trustee shall be a citizen of the United States not less than eighteen years of age and a bona fide owner of benefited land in the district for which the trustee is elected. If the owner is a family farm corporation as defined by section 9H.1, subsection 9, a business corporation organized and existing under chapter 490 or 491, or a partnership, a stockholder or officer authorized by the corporation or a general partner may be elected as a trustee of the district.

84 Acts, ch 1040, §1
C85, §459.13
89 Acts, ch 126, §2
CS89, §468.327
90 Acts, ch 1205, §14; 93 Acts, ch 126, §4

**468.328 through 468.334** Reserved.

## PART 4

## HIGHWAY DRAINAGE DISTRICTS

Referred to in §468.3, 468.397

**468.335 Establishment.**

Whenever, in the opinion of the board of supervisors, it is necessary to drain any part of any public highway under its jurisdiction, and any land abutting upon or adjacent thereto, it

may proceed without petition or bond to establish a highway drainage district by proceeding in all other respects as provided in subchapter I, parts 1 through 5.

[SS15, §1989-b, -b2 – b6, -b8, -b12, -b13; C24, 27, 31, 35, 39, §**7638;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.1]

89 Acts, ch 126, §2

CS89, §468.335

**468.336 Powers.**

Such district, when established, shall have the powers granted to drainage and levee districts, and all parties interested shall have the same rights so far as applicable.

[SS15, §1989-b, -b2 – b6, -b8, -b12, -b13; C24, 27, 31, 35, 39, §**7639;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.2]

89 Acts, ch 126, §2

CS89, §468.336

**468.337 Initiation without petition.**

When the board of supervisors determines on its own action to proceed to the establishment of a highway drainage district, it shall do so by the adoption of a resolution of necessity to be placed upon its records, in which it shall describe in a general way the portion of any highway or highways to be included in such district, together with the description of abutting or adjacent land and railroad rights-of-way to be included in such district and made subject to assessment for such improvement.

[SS15, §1989-b; C24, 27, 31, 35, 39, §**7640;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.3]

89 Acts, ch 126, §2

CS89, §468.337

**468.338 Engineer.**

The board shall appoint a competent engineer for the district. If the county engineer is appointed, the engineer shall serve without additional compensation. In no case shall the county engineer act as a member of the assessment commission in a drainage district provided for in this part.

[SS15, §1989-b, -b11; C24, 27, 31, 35, 39, §**7641;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.4]

89 Acts, ch 126, §2

CS89, §468.338

**468.339 Survey and report.**

The engineer shall make a survey of the proposed district and report the same to the board, being governed in all respects as provided by sections 468.11 and 468.12 and designate particularly any portion of the secondary road system, or the primary road system, or any portion of either or both of said systems, as well as all lands adjoining and adjacent thereto, including lands and rights-of-way of railway companies which in the engineer's judgment will be benefited by drainage of highways in such district, and which should be embraced within the boundaries of such district.

[SS15, §1989-b1; C24, 27, 31, 35, 39, §**7642;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.5]

89 Acts, ch 126, §2

CS89, §468.339

**468.340 Assessment — report.**

The commission for assessment of benefits and classification of the property assessed shall determine and report:

1. The separate amount which shall be paid by the county on account of the secondary road system.

2. The separate amount which shall be paid by the state on account of the primary road system.

3. The amounts which shall be assessed against the right-of-way or other real estate of each railway company within such district.

4. The amounts which shall be assessed against each forty-acre tract or less within such district.

[SS15, §1989-b5; C24, 27, 31, 35, 39, §**7643;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.6]

89 Acts, ch 126, §2

CS89, §468.340

**468.341 Advanced payments.**

The board on construction of the improvement may advance that portion to be collected by special assessment, the amount so advanced to be replaced as the first special assessments are collected. The board may in lieu of making advancements, issue warrants to be known as "Drainage Warrants", the warrants to bear interest at a rate not exceeding that permitted by chapter 74A payable annually from the date of issue and to be paid out of the special assessments levied, when they are collected.

[SS15, §1989-b7; C24, 27, 31, 35, 39, §**7644;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.7]

83 Acts, ch 123, §186, 209; 89 Acts, ch 126, §2

CS89, §468.341

Referred to in §331.429

**468.342 Payment from road funds.**

The amount fixed by the final order of the board of supervisors to be paid:

1. On account of the primary road system, shall be payable by the state department of transportation on due certification of the amount by the county treasurer to the state department of transportation out of the primary road fund.

2. On account of the secondary road system, is payable from county funds.

[SS15, §1989-b5; C24, 27, 31, 35, 39, §**7645;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.8]

83 Acts, ch 123, §187, 209; 89 Acts, ch 126, §2

CS89, §468.342

Referred to in §331.429

**468.343 Dismissal — costs.**

If such proceedings are dismissed or said improvement abandoned, all costs of such proceedings shall be paid out of the fund of the road system for the benefit of which said proceeding was initiated.

[SS15, §1989-b10; C24, 27, 31, 35, 39, §**7646;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.9]

89 Acts, ch 126, §2

CS89, §468.343

**468.344 Condemnation of right-of-way.**

When in the judgment of the board of supervisors, it is inadvisable to establish a drainage district but necessary to acquire right-of-way through private lands for the construction of ditches or drains as outlets for the drainage of highways, the board of supervisors may cause such right-of-way to be condemned by proceedings in the manner required for the exercise of the right of eminent domain as for works of internal improvement, except that no attorney

fee shall be taxed, and pay the costs and expense of such condemnation from either or both of said secondary road funds.

[S13, §1989-a43; C24, 27, 31, 35, 39, §**7647;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.10]

89 Acts, ch 126, §2

CS89, §468.344

Condemnation procedure, chapter 6B

**468.345 Laws applicable.**

All proceedings for the construction and maintenance of highway drainage districts except as provided for in this chapter shall be as provided for in subchapter I, parts 1 through 5, and subchapter II, parts 1 through 3.

[C24, 27, 31, 35, 39, §**7648;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.11]

83 Acts, ch 101, §98; 89 Acts, ch 126, §2

CS89, §468.345

**468.346 Removal of trees from highway.**

When the roots of trees located within a highway obstruct the ditches or tile drains of such highway, the board of supervisors shall remove such trees from highways, except shade or ornamental trees adjacent to a dwelling house or other farm buildings or feedlots, or any tree or trees for windbreaks upon cultivated lands consisting of sandy or other light soils.

[C24, 27, 31, 35, 39, §**7649;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.12]

89 Acts, ch 126, §2

CS89, §468.346

**468.347 Trees outside of highways.**

When the roots of trees and hedges growing outside a highway obstruct the ditches or tile drains of any highway, the board of supervisors may acquire the right to destroy such trees in the manner provided for taking private property for public use. Ornamental trees adjacent to any dwelling, orchard trees and trees used as windbreaks for a dwelling house, outbuildings, barn or feedlots, shall be exempt from the provisions of this section.

[C24, 27, 31, 35, 39, §**7650;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §460.13]

89 Acts, ch 126, §2

CS89, §468.347

Condemnation procedure, chapter 6B

Similar provision, §468.139

**468.348 through 468.354** Reserved.

## PART 5

## DRAINAGE AND LEVEE DISTRICTS WITH PUMPING STATIONS

Referred to in §331.552, 350.4, 468.3, 468.397

**468.355 Authorization.**

The board of supervisors of any county or counties in which a drainage or levee district has been organized as by law provided, may establish and maintain a pumping station or stations, when and where the same may be necessary to secure a proper outlet for the drainage of the land comprising the district or any portion thereof, and the cost of construction and maintenance of said pumping station or stations shall be levied upon and collected from the

lands in the district benefited by such pumping station or stations, in the same manner as provided for in the construction and maintenance of said districts.

[S13, §1989-a49, -a52; C24, 27, 31, 35, 39, §**7651;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.1]

89 Acts, ch 126, §2

CS89, §468.355

**468.356 Petition — procedure — emergency pumping station.**

Such pumping station shall not be established or maintained unless a petition therefor shall be presented to the board signed by not less than one-third of the owners of lands benefited thereby. The lands benefited by such pumping station shall be determined by the board on said petition and report of the engineer, and such other evidence as it may hear. No additional land shall be taken into any such drainage district after the improvements therein have been substantially completed, unless one-third of the owners of the land proposed to be annexed have petitioned therefor or consented in writing thereto.

However, the board of supervisors may install a temporary portable pumping station to remove flood waters in an emergency. The board of supervisors shall levy and collect the cost of the purchase, operation and maintenance of the pumping station from the lands in the district benefited by the pumping station in the same manner as provided for in the construction and maintenance of a drainage or levee district. For the purpose of this paragraph an emergency occurs when ponded or standing water does not freely flow to the outlet ditch and the capacity of the outlet ditch is not fully used.

[S13, §1989-a49; C24, 27, 31, 35, 39, §**7652;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.2]

85 Acts, ch 166, §1; 89 Acts, ch 126, §2

CS89, §468.356

**468.357 Additional pumping station.**

After the establishment of a drainage district, including a pumping plant, and before the completion of the improvement therein, the board or boards may, if deemed necessary to fully accomplish the purposes of said improvement, by resolution authorize the establishment and maintenance of such additional pumping station or stations as the engineer may recommend, and if a petition is filed by one-third of the owners of land within such district asking the establishment of such pumping plant or plants, the board or boards must direct the engineer to investigate the advisability of the establishment thereof and upon the report of said engineer the board or boards shall determine whether such additional pumping plant or plants shall be established.

[C24, 27, 31, 35, 39, §**7653;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.3]

89 Acts, ch 126, §2

CS89, §468.357

**468.358 Transfer of pumps.**

If the board or boards determine that additional pumping plant or plants shall be established and maintained, a pump or pumps may be removed from any pumping station already established and may be installed in any such additional plant, if such removal can be made without injuring the efficient operation of the plant from which removed.

[C24, 27, 31, 35, 39, §**7654;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.4]

89 Acts, ch 126, §2

CS89, §468.358

**468.359 Costs.**

1. The cost of the establishment of such additional pumping plant or plants shall be paid in the same manner and upon the same basis as is provided for the cost of the original improvement.

2. The board of supervisors or the board of trustees, as the case may be, where the district has been established and the original improvement constructed, may proceed with the further

improvement of the original project in the manner provided in section 468.126, provided, however, that the cost of such further improvement does not exceed twenty-five percent of the sum of the original cost to the district and the cost of subsequent improvements, including all federal contributions.

3. For the purpose of this section the word *"improvement"* shall include the construction, reconstruction, enlargement and relocation of levees and acquisition of rights-of-way therefor.

[C24, 27, 31, 35, 39, §**7655;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.5]
89 Acts, ch 126, §2
CS89, §468.359
2011 Acts, ch 25, §124

**468.360 Dividing districts.**

When a drainage district has been created and more than one pumping plant is established therein, the board or boards of supervisors may, and upon petition of one-third of the owners of land within said district shall, appoint an engineer to investigate the advisability of dividing said district into two or more districts so as to include at least one pumping plant in each of such districts.

[C24, 27, 31, 35, 39, §**7656;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.6]
89 Acts, ch 126, §2
CS89, §468.360

**468.361 Notice — publication.**

If the engineer recommends such division the board of supervisors shall fix a time for hearing upon the question of such division and shall publish notice directed to all whom it may concern of the time and place of such hearing, for the time and in the manner as is required for the publication of notice of the establishment of said district, except that said notice need not name the owners and lienholders.

[C24, 27, 31, 35, 39, §**7657;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.7]
89 Acts, ch 126, §2
CS89, §468.361

**468.362 Hearing — jurisdiction of divided districts.**

At the time fixed, the board shall determine the advisability of such division and shall make such order with reference thereto as shall be deemed proper, having consideration for the interests of all concerned. If such division is made, the board or boards having jurisdiction of the original district shall retain jurisdiction of the new districts created by such division for the purpose of collecting assessments theretofore made and making such additional assessments as are necessary to pay the obligations theretofore contracted. For all other purposes, each division shall be under the jurisdiction of the board or boards of supervisors which would have had jurisdiction thereof if originally established as an independent district.

[C24, 27, 31, 35, 39, §**7658;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.8]
89 Acts, ch 126, §2
CS89, §468.362

**468.363 Division in other cases.**

After a levee or drainage district operating a pumping plant shall have been established and the improvement constructed and accepted, if it shall become apparent that the lands can be more effectually drained, managed, or controlled by a division thereof, then the said board or boards, or trustees, may, and if the district is divided by a stream, they shall, divide the district.

[C24, 27, 31, 35, 39, §**7659;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.9]
89 Acts, ch 126, §2
CS89, §468.363

**468.364 Assessments not affected — maintenance tax.**

Each district after the division shall be conducted as though established originally as a district. Nothing herein shall affect the legality or collection of any assessments levied before the division; but the maintenance tax, if any, shall be divided in proportion to the amount paid in by each district.

[C24, 27, 31, 35, 39, §**7660;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.10]
89 Acts, ch 126, §2
CS89, §468.364

**468.365 Election and apportionment of trustees.**

If said district, before the division was made, was under the control and management of trustees, then each trustee shall continue to serve in the district in which the trustee is situated, and other trustees shall be elected in each new district. The election for said new trustees shall be called by the old board of trustees in each district within ten days after said division is made and shall be conducted as provided for the election of trustees.

[C24, 27, 31, 35, 39, §**7661;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.11]
89 Acts, ch 126, §2
CS89, §468.365
Election of trustees and management of districts, §468.500 – 468.537

**468.366 Settling basin — condemnation.**

If, before a district operating a pumping plant is completed and accepted, it appears that portions of the lands within said district are wet or nonproductive by reason of the floods or overflow waters from one or more streams running into, through, or along said district and that said district or some other district of which such district shall have formed a part, shall have provided a settling basin to care for the said floods and overflow waters of said stream or watercourse, but no channel to said settling basin has been provided, said board or boards are hereby empowered to lease, buy, or condemn the necessary lands within or without the district for such channel. Proceedings to condemn shall be as provided in chapter 6B for the exercise of the right of eminent domain.

[C24, 27, 31, 35, 39, §**7662;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.12]
89 Acts, ch 126, §2
CS89, §468.366
2006 Acts, 1st Ex, ch 1001, §46, 49

**468.367 Funding bonds.**

When the owners of ten percent of the land in a drainage or levee district having and operating a pumping station shall petition the board of supervisors to extend the time of payment of the taxes assessed against the lands within said district for a period not exceeding twenty years, under such rules and regulations as said board may direct, the interest on such assessments to be paid annually the same as other taxes levied against the property, not less than one-twentieth of the principal of said extended tax to be paid each year until the entire tax is paid, and the lien of such tax to continue until fully paid, the board of supervisors may settle, adjust, renew, or extend the legal indebtedness of such district as shown by the assessments levied against the lands therein whether evidenced by certificates, warrants, bonds, or judgments by refunding all such indebtedness and issuing coupon bonds therefor when such indebtedness amounts to one thousand dollars or upwards, but for no other purpose.

[C24, 27, 31, 35, 39, §**7663;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.13]
89 Acts, ch 126, §2
CS89, §468.367
Referred to in §468.80
Refunding bonds, §468.540 – 468.569

**468.368 Form of bonds.**

Such bonds shall be issued in sums of not less than one hundred dollars or more than one thousand dollars each, running not more than twenty years, bearing interest not exceeding

that permitted by chapter 74A, payable annually or semiannually, and shall be substantially in the form provided by law for funding bonds issued for drainage purposes.

[C24, 27, 31, 35, 39, §**7664;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.14]
89 Acts, ch 126, §2
CS89, §468.368
Form of bond, §468.75

**468.369 Formal execution.**

Such bonds shall be numbered consecutively, signed by the chairperson of the board of supervisors, attested by the county auditor. The interest coupons attached thereto shall be executed in the same manner.

[C24, 27, 31, 35, 39, §**7665;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.15]
89 Acts, ch 126, §2
CS89, §468.369

**468.370 Resolution — requisites — record.**

All bonds issued under the provisions of this part shall be issued pursuant to and in conformity with a resolution adopted by the board of supervisors, which shall specify the amount authorized to be issued, the purpose for which issued, the rate of interest they shall bear and whether payable annually or semiannually, the place where the principal and interest shall be payable and when it becomes due, and such other provisions not inconsistent with law in reference thereto as the board of supervisors shall think proper, which resolution shall be entered of record upon the minutes of the proceedings of the said board and a complete copy thereof printed on the back of each bond, which resolution shall constitute a contract between the drainage district and the purchasers or holders of said bonds.

[C24, 27, 31, 35, 39, §**7666;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.16]
89 Acts, ch 126, §2
CS89, §468.370

**468.371 Registration.**

When bonds have been executed as aforesaid they shall be delivered to the county treasurer and the treasurer's receipt taken therefor. The county treasurer shall register the same in a book provided for that purpose, which shall show the number of each bond, its date, date of sale, amount, date of maturity, and the name and address of the purchaser, and if exchanged what evidences of debt were received therefor, which record shall at all times be open to the inspection of the owners of property within the district. The treasurer shall thereupon certify on the back of each bond as follows:

This bond duly and properly registered in my office this .....
day of ..... (month), ..... (year).
.....
Treasurer of the County of
.....

[C24, 27, 31, 35, 39, §**7667;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.17]
89 Acts, ch 126, §2
CS89, §468.371
2000 Acts, ch 1058, §56

**468.372 Liability of treasurer — reports.**

The treasurer shall stand charged on the treasurer's official bond with all bonds so delivered to the treasurer and the proceeds thereof. The treasurer shall report under oath to the board of supervisors, at each first regular session thereof in each month, a statement of all such bonds

sold or exchanged by the treasurer since the treasurer's last report and the date of such sale or exchange and when exchanged a description of the indebtedness for which exchanged.

[C24, 27, 31, 35, 39, §**7668;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.18]
89 Acts, ch 126, §2
CS89, §468.372

**468.373 Sale — application of proceeds.**

The county treasurer shall, under a resolution and the direction of the said county board of supervisors, sell the bonds for cash on the best available terms or exchange them on like terms for a legal indebtedness of the said district evidenced by bonds, warrants, or judgments outstanding at the date of the passage of the resolution authorizing the issue thereof, and the proceeds shall be applied and exclusively used for the purpose for which said bonds are issued. In no case shall they be sold or exchanged for a less sum than their face value and all interest accrued at the date of sale or exchange. After registration the treasurer shall deliver said bonds to the purchaser thereof and when exchanged for indebtedness of said district shall at once cancel all warrants or bonds or secure proper credits therefor on judgments.

[C24, 27, 31, 35, 39, §**7669;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.19]
89 Acts, ch 126, §2
CS89, §468.373

**468.374 Levy.**

Drainage districts issuing funding or refunding bonds under this part shall levy taxes for the payment of the principal and interest thereof, where there has not been a prior levy covering same, in accordance with the provisions of the law relating to taxation.

[C24, 27, 31, 35, 39, §**7670;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.20]
89 Acts, ch 126, §2
CS89, §468.374

**468.375 Scope of Act.**

Refunding bonds for the purposes set out in this part may be issued to pay off and take up bonds issued in payment for drainage improvements under prior laws or to refund any part thereof. Bonds thus issued shall substantially conform to the provisions of the law relating to drainage bonds and the face amount thereof shall be limited to the amount of the unpaid assessments, with interest thereon, applicable to the payment of the bonds so taken up.

[C24, 27, 31, 35, 39, §**7671;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.21]
89 Acts, ch 126, §2
CS89, §468.375

**468.376 Funds available to pay bonds.**

When refunding bonds shall be issued to pay for drainage improvements under the provisions of this part, all special assessments, taxes, and sinking funds applicable to the payment of such bonds previously issued shall be applicable in the same manner and the same extent to the payment of the refunding bonds issued hereunder, and all the powers and duties to levy and collect special assessments and taxes or create liens upon property shall continue until all refunding bonds shall be paid.

The drainage district shall collect the special assessments out of which the said bonds are payable and hold the same separate and apart in trust for the payment of said refunding bonds but the provisions of this part shall not apply to assessments or bonds adjudicated to be void.

[C24, 27, 31, 35, 39, §**7672;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.22]
89 Acts, ch 126, §2
CS89, §468.376

**468.377 Limitation of actions.**

No action shall be brought questioning the validity of any of the bonds authorized by this part from and after three months from the time the same are ordered issued by the proper authorities.

[C24, 27, 31, 35, 39, §**7673;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.23]
89 Acts, ch 126, §2
CS89, §468.377
Similar provisions, §468.562, 468.581

**468.378 Bankruptcy proceedings.**

All drainage districts with pumping plant and levee, which have power to incur indebtedness, through action of their own governing bodies are hereby authorized to proceed under and take advantage of all laws enacted by the Congress of the United States under the federal bankruptcy powers, which laws have for their object the relief of municipal indebtedness, including 48 Stat. 345, entitled "An Act To Amend An Act Entitled 'An Act To Establish A Uniform System Of Bankruptcy Throughout The United States', Approved July 1, 1898, And Acts Amendatory Thereof And Supplementary Thereto", approved May 24, 1934, and the officials and governing bodies of such drainage, pumping plant, and levee districts are authorized to adopt all proceedings and to do any and all acts necessary or convenient to fully avail such drainage, pumping plant, and levee districts of the provisions of such Acts of Congress.

[C35, §7673-g1; C39, §**7673.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §461.24]
89 Acts, ch 126, §2
CS89, §468.378
2006 Acts, ch 1010, §122

**468.379 Part applicable to districts with pumping stations.**

The provisions of this part so far as applicable shall apply to all levee districts maintaining levees for the protection of any drainage district or districts having pumping stations.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §461.25]
89 Acts, ch 126, §2
CS89, §468.379

**468.380 Construction near levee prohibited.**

No person, firm or corporation shall hereafter erect, alter, or maintain any building or other structure, except necessary public utility structures, or construct, alter, or maintain any ditch, or remove any earth within three hundred feet of the center line of any levee maintained by a drainage or levee district with pumping stations without first securing permission to so do from the governing board of said drainage or levee district with pumping stations. Such permission may be granted at any regular meeting thereof, and after written application is made therefor upon the form prescribed by said governing board.

[C62, 66, 71, 73, 75, 77, 79, 81, §461.26]
89 Acts, ch 126, §2
CS89, §468.380

**468.381 Penalty.**

Every person who shall violate any provisions of this part shall be guilty of a misdemeanor punishable by a fine of not more than one hundred dollars, and in default of payment thereof, by imprisonment in the county jail for not more than thirty days.

[C62, 66, 71, 73, 75, 77, 79, 81, §461.27]
89 Acts, ch 126, §2
CS89, §468.381

**468.382 Action to restrain or abate.**

In the event that any building or other structure, or any ditch is constructed, altered or maintained, or any earth removed in violation of any provisions of this part, the governing

board of said drainage or levee district with pumping stations maintaining said levee, may institute an appropriate action or proceeding to prevent such unlawful construction, alteration, or maintenance, or earth removal and to restrain, correct, or abate such violation, and may by petition duly verified, setting forth the facts, apply to the district court for an order enjoining all persons, firms or corporations from such construction, alteration, maintenance, or earth removal, until the entry of the final judgment or order.

[C62, 66, 71, 73, 75, 77, 79, 81, §461.28]
89 Acts, ch 126, §2
CS89, §468.382

**468.383 Liability for damage.**

In addition to all other penalties contained herein, any person, firm or corporation who shall construct, alter or maintain any building, other structure, or any ditch, or remove earth, in violation of this part, shall be liable to the drainage or levee district with pumping stations maintaining said levee, for all damage sustained by the drainage or levee district resulting from the violation, and in the event of flood, or other emergency so declared by resolution of the governing body, any building or other structure, or ditch so constructed without permission of the governing board, as required herein, and within three hundred feet of the center line of any levee, may be removed, or the ditch filled in, without prior notice thereof to the owner.

[C62, 66, 71, 73, 75, 77, 79, 81, §461.29]
89 Acts, ch 126, §2
CS89, §468.383

**468.384 through 468.389** Reserved.

## PART 6

## DRAINAGE DISTRICTS IN CONNECTION WITH UNITED STATES LEVEES

Referred to in §331.502, 331.552, 350.4, 468.3

**468.390 United States levees — cooperation of board.**

In any case where the United States has built or shall build a levee along or near the bank of a navigable stream forming a part of the boundary of this state, the board of supervisors of any county through which the same may pass shall have the power to aid in procuring the right-of-way for and maintaining said levee, and providing a system of internal drainage made necessary or advisable by the construction thereof. Such improvement shall be presumed to be conducive to the public health, convenience, welfare, or utility.

[C97, §1975; C24, 27, 31, 35, 39, §**7744;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §466.1]
89 Acts, ch 126, §2
CS89, §468.390
Referred to in §468.391, 468.396

**468.391 Manner of cooperation.**

Any United States government levee under the conditions mentioned in section 468.390 may be taken into consideration by the board as a part of the plan of any levee or drainage district and improvements therein, and such board may, by agreement with the proper authorities of the United States government, provide for payment of such just and equitable portion of the costs of procuring the right-of-way and maintenance of such levee as shall be conducive to the public welfare, health, convenience, or utility.

[C97, §1975; C24, 27, 31, 35, 39, §**7745;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §466.2]
89 Acts, ch 126, §2
CS89, §468.391
Referred to in §468.396

**468.392 Report of engineer — payment authorized.**

In the proceedings to establish such a district the engineer shall set forth in the engineer's report, separately from other items, the amount of the cost for the right-of-way of such levee, of constructing and maintaining the same; and if the plan is approved and the district finally established in connection with such levee, the board shall make a record of any such cooperative arrangement and may use such part of the funds of the district as may be necessary to pay the amount so agreed upon toward the right-of-way and maintenance of such levee.

[C97, §1976; C24, 27, 31, 35, 39, §**7746;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §466.3]
89 Acts, ch 126, §2
CS89, §468.392
Referred to in §468.396

**468.393 Costs assessed.**

If said district is established, the entire costs and expenses incurred under this part shall be assessed against and collected from the lands lying within such district, by the levy of a rate upon the assessable value of the land and improvements within such district, sufficient to raise the required sum; provided the board may, in their discretion, classify the land within such district and graduate the tax thereon, as provided in subchapter I.

[C97, §1982; S13, §1982; C24, 27, 31, 35, 39, §**7747;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §466.4]
89 Acts, ch 126, §2
CS89, §468.393
Referred to in §468.395, 468.396

**468.394 Annual installments.**

If the proposed improvement is the maintenance of a levee, the amount collected in any one year shall not exceed three dollars and thirty-seven and one-half cents per thousand dollars of the assessment valuation, which said assessment shall be levied at a level rate on the assessable value of the said lands, improvements, easements, and railroads within the district. If the amount necessary to pay for the improvement exceeds said sum, it shall be levied and collected in annual installments of twenty or less. For all other improvements, the board shall levy a rate sufficient to pay for the same, and may, at their discretion, make the same payable in annual installments of twenty or less.

[C97, §1984; C24, 27, 31, 35, 39, §**7748;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §466.5]
89 Acts, ch 126, §2
CS89, §468.394
Referred to in §468.395, 468.396

**468.395 Collection of tax.**

The assessment required under sections 468.393 and 468.394 shall be made by the board of supervisors at the time of levying general taxes, after the work has been authorized, and the assessment shall be entered on the records of the board of supervisors, then entered on the tax books by the county auditor as drainage taxes, and shall be collected by the county treasurer at the same time, in the same manner, and with the same interest, as general taxes. If the assessment is not paid the treasurer shall sell all lands upon which the assessment remains unpaid, at the same time, and in the same manner, as is now by law provided for the sale of lands for delinquent taxes, including all steps up to the execution and delivery of the tax deed. The landowners shall take notice of and pay the assessments without other or further notice than as is provided for in this part. The funds realized from the assessments shall constitute the drainage fund, as contemplated in this part, and shall be disbursed on warrants drawn against that fund by the county auditor, on the order of the board of supervisors.

[C97, §1983; C24, 27, 31, 35, 39, §**7749;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §466.6]
89 Acts, ch 126, §2
CS89, §468.395
92 Acts, ch 1016, §38
Referred to in §468.396

**468.396 Cost of maintaining.**

The board of supervisors shall have the right and power to keep and maintain any such levee, ditches, drains, or system of drainage, either in whole or in part, established under sections 468.390 through 468.395, as may in their judgment be required, and to levy the expense thereof upon the real estate within such drainage district as herein provided for, and collect and expend the same; provided, however, that no such work which shall impose a tax exceeding three dollars and thirty-seven and one-half cents per thousand dollars on the assessable value of the lands and improvements within the district shall be authorized by them, unless the same is first petitioned for and authorized in substantially the manner required by this part for the inauguration of new work except that if such work is of the kinds contemplated by section 468.126, and the cost thereof is within the limitations of said section, or is of the kinds contemplated by section 468.188, and the cost thereof is within the limitations of said section, then the provisions of section 468.126 or section 468.188 shall supersede the limitations of this section.

[C97, §1986; C24, 27, 31, 35, 39, §**7750;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §466.7]

89 Acts, ch 126, §2

CS89, §468.396

**468.397 Laws applicable.**

In the establishment and maintenance of levee and drainage districts in cooperation with the United States as in this part provided, all the proceedings in the filing and the form and substance of the petition, assessment of damages, appointment of an engineer, the engineer's surveys, plats, profiles, and report, notice of hearings, filing of claims and objections, hearings, appointment of commissioners to classify lands, assess benefits, and apportion costs and expenses, report, notice and hearing on the report, the appointment of a supervising engineer, the engineer's duties, the letting of work and making contracts, payment for work, levy and collection of drainage or levee assessments and taxes, the issue of improvement certificates and drainage or levee bonds, the taking of appeals and the manner of trial of appeals, and all other proceedings relating to the district shall be as provided in subchapter I, subchapter II, parts 1 through 5, subchapter III, subchapter IV, parts 1 and 2, and subchapter V except as otherwise in this part provided.

[C97, §1976 – 1989; S13, §1976, 1977, 1979, 1981, 1982, 1984, 1985, 1985-a, 1986, 1989; C24, 27, 31, 35, 39, §**7751;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §466.8]

83 Acts, ch 101, §101; 89 Acts, ch 126, §2

CS89, §468.397

**468.398 and 468.399** Reserved.

## PART 7

## INTERSTATE DRAINAGE DISTRICTS

**468.400 Cooperation — procedure.**

When proceedings for the drainage of lands bordering upon the state line are had and the total cost of constructing the improvement in this state, including all damage, has been ascertained, and the engineer in charge, before the final establishment of the district, reports that the establishment and construction of such improvement ought to be jointly done with like proceedings for the drainage of lands in the same drainage area in such an adjoining state and that drainage proceedings are pending in such state for the drainage of such lands, the said authorities of this state may enter an order continuing the hearing on the establishment of such district to a fixed date, of which all parties shall take notice.

[SS15, §1989-a77; C24, 27, 31, 35, 39, §**7752;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467.1]

89 Acts, ch 126, §2

CS89, §468.400

**468.401 Agreement as to costs.**

The board shall have power, when the total cost, including damages, of constructing the improvement in such other state has been ascertained by the authorities of such other state, to enter into an agreement as to the separate amounts which the property owners of each state should in equity pay toward the construction of the joint undertaking. When such amount is thus determined, the board or boards having jurisdiction in this state shall enter the same in the minutes of their proceedings and shall proceed therewith as though such amount to be paid by the portion of the district in this state had been originally determined by them as the cost of constructing the improvement in this state.

[SS15, §1989-a77; C24, 27, 31, 35, 39, §**7753;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467.2]

89 Acts, ch 126, §2

CS89, §468.401

**468.402 Contracts let by joint agreement.**

When the bids for construction are opened, unless the construction work on each side of the line can go forward independently, no contract shall be let by the authorities in this state, unless the acceptance of a bid or bids for the construction of the whole project is first jointly agreed upon by the authorities of both states.

[SS15, §1989-a77; C24, 27, 31, 35, 39, §**7754;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467.3]

89 Acts, ch 126, §2

CS89, §468.402

**468.403 Separate contracts.**

The contract or contracts for the construction of that portion of the improvement within this state shall be entirely distinct and separate from the contract or contracts let by the authorities of the neighboring state; but the aggregate amount of the contract or contracts for the construction of the work within this state shall not exceed an amount equal to the amount of the benefits assessed in this state including damages and other expenses.

[SS15, §1989-a77; C24, 27, 31, 35, 39, §**7755;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467.4]

89 Acts, ch 126, §2

CS89, §468.403

**468.404 Conditions precedent.**

No contract shall be let until the improvement shall be finally established in both states, and after the final adjustment in both states of damages and benefits. No bonds shall be issued until all litigation in both states arising out of said proceedings has been finally terminated by actual trial or agreements, or the expiration of all right of appeal.

[SS15, §1989-a78; C24, 27, 31, 35, 39, §**7756;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467.5]

89 Acts, ch 126, §2

CS89, §468.404

**468.405 Assessments, bonds and costs — limitation.**

All proceedings except as provided in this part in relation to the establishment, construction, and management of interstate drainage districts shall be as provided for the establishment and construction of districts wholly within this state as provided in subchapter I. All such proceedings shall relate only to the lands of such district which are located wholly within this state. Boards having jurisdiction in this state may make just and equitable agreements with like authorities in such adjoining state for the joint management,

repair, and maintenance of the entire improvement, after the establishment and completed construction thereof.

[SS15, §1989-a77; C24, 27, 31, 35, 39, §**7757;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §467.6]

89 Acts, ch 126, §2

CS89, §468.405

**468.406 through 468.499** Reserved.

## SUBCHAPTER III

## MANAGEMENT OF DRAINAGE OR LEVEE DISTRICTS BY TRUSTEES

Referred to in §331.382, 331.502, 331.552, 468.184, 468.215, 468.216, 468.230, 468.259, 468.327, 468.397

## PART 1

## AUTHORIZATION OF TRUSTEES

**468.500 Trustees authorized.**

1. *a.* In the manner provided in this subchapter, any drainage or levee district in which the original construction has been completed and paid for by bond issue or otherwise, may be placed under the control and management of a board of trustees to be elected by the persons owning land in the district that has been assessed for benefits.

*b.* A drainage or levee district under the control of a city council as provided in subchapter II, part 3, may be placed under the control and management of a board of trustees by the city council following the procedures provided in part 2 for the county board of supervisors.

2. An overlying drainage or levee district that controls and manages improvements and rights-of-way surrendered by a board of supervisors or board of trustees of a contained district, in accordance with sections 468.256 through 468.259, shall continue to be controlled and managed by a board of trustees as provided in part 3.

[SS15, §1989-a52a, -a61; C24, 27, 31, 35, 39, §**7674;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.1]

83 Acts, ch 163, §1; 89 Acts, ch 126, §2

CS89, §468.500

2013 Acts, ch 86, §2, 6

Section amended

## PART 2

## TRUSTEES — GENERAL PROVISIONS

Referred to in §468.500, 468.539

**468.501 Petition.**

A petition shall be filed in the office of the auditor signed by a majority of the persons including corporations owning land within the district assessed for benefits.

[S13, §1989-a52b; SS15, §1989-a52a; C24, 27, 31, 35, 39, §**7675;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.2]

89 Acts, ch 126, §2

CS89, §468.501

Referred to in §468.539

**468.502 Election.**

The board, at the next regular, adjourned, or special session shall canvass the petition and if signed by the requisite number of landowners, it shall order an election to be held at some

convenient place in the district not less than forty nor more than sixty days from the date of such order, for the election of three trustees of such district. It shall appoint from the freeholders of the district who reside in the county or counties, three judges and two clerks of election. It shall not be mandatory for the county commissioner of elections to conduct elections held pursuant to this subchapter, but they shall be conducted in accordance with the provisions of chapter 49 where not in conflict with this subchapter.

[S13, §1989-a52b; SS15, §1989-a63; C24, 27, 31, 35, 39, §**7676;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.3]

89 Acts, ch 126, §2

CS89, §468.502

Referred to in §468.503, 468.539

**468.503 Intercounty district.**

If the district extends into two or more counties, a duplicate of the petition shall be filed in the office of the auditor of each county. The boards of supervisors shall, within thirty days after the filing of such petition, meet in joint session and canvass the same, and if found to be signed by a majority of the owners of land in the district assessed for benefits, they shall by joint action order such election and appoint judges and clerks of election as provided in section 468.502.

[S13, §1989-a52b; SS15, §1989-a62, -a63; C24, 27, 31, 35, 39, §**7677;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.4]

89 Acts, ch 126, §2

CS89, §468.503

Referred to in §468.539

**468.504 Election districts.**

When a petition has been filed for the election of trustees to manage a district containing twenty thousand acres or more, the board, or, if the district extends into more than one county, the boards of the counties by joint action, shall, before the election, divide the district into three election districts for the purpose of securing a proper distribution of trustees in the district, and the division shall be so made that each election district will have substantially equal voting power and acreage, as nearly as may be. After the division is made there shall be elected one trustee for each of the election districts, but at the election all the qualified voters for the entire district shall be entitled to vote for each trustee. The division here provided for shall be for the purposes only of a proper distribution of trustees in the district and shall not otherwise affect the district or its management and control.

[C24, 27, 31, 35, 39, §**7678;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.5]

89 Acts, ch 126, §2

CS89, §468.504

2001 Acts, ch 89, §1

Referred to in §468.505, 468.539

**468.505 Record and plat of election districts.**

At the time of making a division into election districts, as provided in section 468.504, the board or boards shall designate by congressional divisions, subdivisions, metes and bounds, or other intelligible description, the lands embraced in each election district, and the auditor, or auditors if more than one county shall make a plat thereof in the drainage record of the district indicating thereon the boundary lines of each election district, numbering them, one, two, and three, respectively.

[C24, 27, 31, 35, 39, §**7679;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.6]

89 Acts, ch 126, §2

CS89, §468.505

Referred to in §468.539

**468.506 Eligibility of trustees.**

Each trustee shall be a citizen of the United States not less than eighteen years of age, and one of the following:

1. The bona fide owner of agricultural land in the election district for which the trustee is elected, and a resident of the county in which that district is located or of a county which is contiguous to or corners on that county.

2. The bona fide owner of nonagricultural land in the election district for which the trustee is elected, and a resident of that district. This subsection applies only when the election district is wholly within the corporate limits of a city.

3. A stockholder of a family farm corporation as defined in section 9H.1, subsection 9, which owns land in the election district who is a resident of the county in which that district is located or of a county which is contiguous to or corners on that county.

4. In a district which is a levee and drainage district which has eighty-five percent of its acreage within the corporate limits of a city and has been under the control of a city under subchapter II, part 3, a bona fide owner of benefited land in the district. If the owner is a family farm corporation as defined by section 9H.1, subsection 9, a business corporation organized and existing under chapter 490 or 491, or a partnership, a stockholder or officer authorized by the corporation or a general partner may be elected as a trustee of the district.

[C24, 27, 31, 35, 39, §**7680;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.7]
83 Acts, ch 163, §2; 89 Acts, ch 126, §2
CS89, §468.506
90 Acts, ch 1205, §15; 93 Acts, ch 126, §5

**468.507 Notice of election.**

The board, or, if in more than one county, the boards acting jointly, shall cause notice of said election to be given, setting forth the time and place of holding the same and the hours when the polls will open and close. Such notice shall be published for two consecutive weeks in a newspaper in which the official proceedings of the board are published in the county, or if the district extends into more than one county, then in such newspaper of each county. The last of such publications shall not be less than ten days before the date of said election.

[S13, §1989-a52b; SS15, §1989-a63; C24, 27, 31, 35, 39, §**7681;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.8]
89 Acts, ch 126, §2
CS89, §468.507

**468.508 Assessment to determine right to vote.**

Before any election is held, the election board shall obtain from the county auditor or auditors a certified copy of so much of the record of the establishment of such district as will show the lands embraced therein, the assessment and classification of each tract, and the name of the person against whom the same was assessed for benefits, and the present record owner, and such certified record shall be kept by the trustees after they are elected, for use in subsequent elections. They shall, preceding each subsequent election, procure from the county auditor or auditors additional certificates showing changes of title of land assessed for benefits and the names of the new owners.

[SS15, §1989-a75; C24, 27, 31, 35, 39, §**7682;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.9]
89 Acts, ch 126, §2
CS89, §468.508

**468.509 New owner entitled to vote.**

Anyone who has acquired ownership of assessed lands since the latest certificate from the auditor shall be entitled to vote at any election if the person presents to the election board for its inspection at the time the person demands the right to vote evidence showing that the person has title.

[SS15, §1989-a75; C24, 27, 31, 35, 39, §**7683;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.10]
89 Acts, ch 126, §2
CS89, §468.509

**468.510 Qualifications of voters.**

Each landowner eighteen years of age or over without regard to sex and any railway or other corporation owning land in said district assessed for benefits shall be entitled to one vote only, except as provided in section 468.511.

[SS15, §1989-a73; C24, 27, 31, 35, 39, §**7684;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.11]

89 Acts, ch 126, §2

CS89, §468.510

Referred to in §468.539

**468.511 Votes determined by assessment.**

1. When a petition asking for the right to vote in proportion to assessment of benefits at all elections for any purpose thereafter to be held within said district, signed by a majority of the landowners owning land within said district assessed for benefits, is filed with the board of trustees, then, in all elections of trustees thereafter held within said district, any person whose land is assessed for benefits without regard to age, sex, or condition shall be entitled to one vote for each ten dollars or fraction thereof of the original assessment under the current classification against the land actually owned by the person in said district at the time of the election, but in order to have such ballot counted for more than one vote the voter shall write the voter's name upon the ballot. The vote of any landowner of the district may be cast by absent voters ballot as provided in chapter 53 except that the form of the applications for ballots, the voters' affidavits on the envelopes, and the endorsement of the carrier envelope for preserving the ballot shall be substantially in the form provided in subsections 2, 3, and 4, below. Application blanks, envelopes, and ballots shall be provided by and submitted to the office of the county auditor in which the election is held. The cost of such blanks, envelopes, ballots, and postage shall be paid by the district. For the purpose of this subchapter all landowners of the district shall be considered qualified voters, regardless of their place of residence.

2. For the purpose of this subchapter, applications for ballots shall be made on blanks substantially in the following form:

Application for ballot to be voted at the
..... (Name of District) District Election
on ..... (Date)

State of ..... )
..... County ) ss.

I, ..... (Applicant), do solemnly swear that I am a landowner in the ..... (Name of District) District and that I am a duly qualified voter entitled to vote in said election, and I hereby make application for an official ballot or ballots to be voted by me at such election, and that I will return said ballot or ballots to the officer issuing same before the day of said election.

Signed .....

Date .....

Residence (street number if any) .....

City ..... State .....

Subscribed and sworn to before me this ..... day of ..... (month), ..... (year)

3. For the purpose of this subchapter, the affidavit on the reverse side of the envelopes used for enclosing the marked ballots shall be substantially as follows:

State of ..... )
..... County ) ss.

I, ..... (Applicant), do solemnly swear that I am a landowner in the ..... (Name of District) District and that

I am a duly qualified voter to vote in the election of trustees of said district and that I have marked the enclosed ballot in secret.
Signed .....

Subscribed and sworn to before me this ..... day of ..... (month), ..... (year), and that I hereby certify that the affiant exhibited the enclosed ballot to me unmarked; that the affiant then in my presence and in the presence of no other person and in such manner that I could not see the affiant's vote, marked such ballot, enclosed and sealed the same in this envelope; and that the affiant was not solicited or advertised by me for or against any candidate or measure.
.....
.....
(Official Title)

4. For the purposes of this subchapter, upon receipt of the ballot, the auditor shall at once enclose the same, unopened, together with the application made by the voter in a large carrier envelope, securely seal the same, and endorse thereon over the auditor's official signature, the following:

*a.* Name of the district in which the voter is a landowner.

*b.* Date of the election for which the ballot is cast.

*c.* Location of the polling place at which the ballot would be legally and properly cast if voted in person.

*d.* Names of the judges of the election of that polling place, and the statement that this envelope contains an absent voters ballot and must be opened only at the polls on election day while said polls are open.

[SS15, §1989-a73; C24, 27, 31, 35, 39, §**7685;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.12]

89 Acts, ch 126, §2

CS89, §468.511

2000 Acts, ch 1058, §63; 2009 Acts, ch 57, §95

Referred to in §468.510, 468.512, 468.539

**468.512 Vote by agent.**

Except where the provisions of section 468.511, providing for vote in proportion to assessment are invoked, any person or corporation owning land or right-of-way within the district and assessed for benefits may have the person's or the corporation's vote cast by the person's or the corporation's agent or proxy authorized to cast such vote by a power of attorney signed and acknowledged by such person or corporation, and filed before such vote is cast in the auditor's office of the county in which such election is held. Every such power of attorney shall specify the particular election for which it is to be used, indicating the day, month, and year of such election, and shall be void for all elections subsequently held. The vote of the owner of any land in a drainage or levee district in any election, where the vote is not determined by assessment, may be cast by absent voters ballot in the same manner and form and subject to the same rights and restrictions as is provided in section 468.511 relating to vote by absentee ballot when votes are determined by assessment.

[SS15, §1989-a73; C24, 27, 31, 35, 39, §**7686;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.13]

89 Acts, ch 126, §2

CS89, §468.512

**468.513 Vote of minor or person under legal incompetency.**

The vote of any person who is a minor or under legal incompetency shall be cast by the parent, guardian, or other legal representative of the person. The person casting the vote shall deliver to the judges and clerks of election a written sworn statement giving the name, age, and place of residence of the minor or person under legal incompetency, and any false

statement knowingly made to secure permission to cast such vote shall render the party so making it guilty of the crime of perjury.

[C24, 27, 31, 35, 39, §**7687;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.14]
89 Acts, ch 126, §2
CS89, §468.513
96 Acts, ch 1129, §95
Perjury, punishment, §720.2

**468.514 Ballots — petition for printed ballots.**

Candidates for drainage district trustee shall have their names placed on printed ballots provided a petition therefor is signed by ten qualified voters of the district and filed with the clerk of the board at least twenty-five days but not more than sixty-five days before the election. Space shall also be provided on the ballot for write-in votes.

[C24, 27, 31, 35, 39, §**7688;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.15]
86 Acts, ch 1099, §3; 89 Acts, ch 126, §2
CS89, §468.514
2001 Acts, ch 56, §36

**468.515 Candidates voted for.**

Each qualified voter for the whole district shall be entitled to vote for one candidate for each district for which a trustee is to be elected.

[C24, 27, 31, 35, 39, §**7689;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.16]
89 Acts, ch 126, §2
CS89, §468.515

**468.516 Election — canvass of votes — returns.**

On the day designated for said election the polls shall open at 1:00 p.m. and remain open until 5:00 p.m. unless otherwise provided under section 468.522. If no convenient polling place is to be found within the district, the election may be held at some convenient place outside the district. The judges of election shall canvass the vote and certify the result, and deposit with the auditor the ballots cast, together with the pollbooks showing the names of the voters; but if there is more than one county in the district, the returns shall be filed with the auditor of the county having the greatest acreage of said district.

[S13, §1989-a52c; SS15, §1989-a64; C24, 27, 31, 35, 39, §**7690;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.17]
89 Acts, ch 126, §2
CS89, §468.516
91 Acts, ch 54, §1
Referred to in §468.522

**468.517 Canvass — certificates of election.**

The canvass of the returns by the board or boards of supervisors shall be on the next Monday following the election. If the district is in more than one county, the board of supervisors of the county with the greatest acreage in the district shall canvass the vote. The board of supervisors of the other counties in which the district is located may attend and participate in the canvass of the returns. It or they shall make a return of the results of the canvass to the auditor, who shall issue certificates to the trustees elected, and when the district extends into more than one county, then the auditor with whom the election returns were filed shall issue the certificates and certify an abstract of the canvass to each other county in which the district is located.

[S13, §1989-a52c; SS15, §1989-a64; C24, 27, 31, 35, 39, §**7691;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.18]
85 Acts, ch 163, §11; 89 Acts, ch 126, §2
CS89, §468.517

**468.518 Tenure of office.**

The trustees so elected shall hold office until the fourth Saturday in January next succeeding their election and until their successors are elected and qualify. On the third Saturday in the January next succeeding their original election, an election shall be held at which three trustees shall be chosen, one for one year, one for two years, and one for three years, and each shall qualify and enter upon the duties of the office on the fourth Saturday of the same January. On the third Saturday in each succeeding January, an election shall be held to choose a successor to the trustee whose term is about to expire, and the term of the trustee's office shall be for three years and until a successor has qualified.

[SS15, §1989-a52d, -a65 – a67; C24, 27, 31, 35, 39, §**7692;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.19]

89 Acts, ch 126, §2

CS89, §468.518

Referred to in §468.539

**468.519 Levee and pumping station districts.**

In levee and drainage districts having pumping stations trustees shall hold office until the fourth Saturday in January three years after election. On the third Saturday in January of each year a trustee shall be elected for a term of three years to succeed the member of the board whose term will expire on the following Saturday. At the election there shall also be elected, if necessary, a trustee to fill any vacancy which occurred before the election.

[S13, §1989-a52e; SS15, §1989-a52d; C24, 27, 31, 35, 39, §**7693;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.20]

83 Acts, ch 101, §99; 89 Acts, ch 126, §2

CS89, §468.519

**468.520 Division of districts under trustees.**

When a trustee is to be elected, it shall be for a specified election district within the district.

[C24, 27, 31, 35, 39, §**7694;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.21]

83 Acts, ch 101, §100; 89 Acts, ch 126, §2

CS89, §468.520

**468.521 Elections — how conducted.**

After the first election of trustees, the trustees shall act as judges of election; however, a trustee standing for election shall not serve as a judge and shall be replaced as judge by a person not standing for election who is eligible to be elected as a trustee. The clerk of the board shall act as one of the clerks and some owner of land in the district shall be appointed by the board to act as another clerk. The trustees shall fill all vacancies in the election board. The result of each election shall be certified to the auditor or the several county auditors if the district is located in more than one county.

[SS15, §1989-a69; C24, 27, 31, 35, 39, §**7695;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.22]

85 Acts, ch 163, §12; 89 Acts, ch 126, §2

CS89, §468.521

Referred to in §468.539

**468.522 Change of date and time.**

The date on which the annual election shall be held and the polling hours may be changed by the choice of a majority of electors of the district expressed by ballot at any annual election, and the return of the vote shall be certified in the same manner as the returns for election of trustees. The polling hours may vary from the requirements of section 468.516, but the polls shall be open for at least three consecutive hours between the hours of 8:00 a.m. and 5:00 p.m. on the election day.

[S13, §1989-a52e; C24, 27, 31, 35, 39, §**7696;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.23]

89 Acts, ch 126, §2

CS89, §468.522
91 Acts, ch 54, §2
Referred to in §468.516

**468.523 Vacancies.**

If any vacancy occurs in the membership of the board of trustees between the annual elections, the remaining members of the board shall have power to fill such vacancies by appointment of persons having the same qualifications as themselves. The persons so appointed shall qualify in the same manner and hold office until the next annual election when their successors shall be elected. In the event that all places on the board become vacant, then a new board shall be appointed by the auditor, or if more than one county, then by the auditor of the county in which the greater acreage of the district is located. The persons so appointed shall hold office until the next annual election and until their successors are elected and qualify.

[SS15, §1989-a68; C24, 27, 31, 35, 39, §**7697;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.24]
89 Acts, ch 126, §2
CS89, §468.523

**468.524 Bonds.**

The trustees shall qualify by giving a bond in the sum of not less than one thousand dollars or more than five thousand dollars each, conditioned for the faithful discharge of their duties, said bond to be fixed and approved by the auditor of the county, and if more than one, then of the county in which the greater acreage of the district is located.

[SS15, §1989-a52f, -a71; C24, 27, 31, 35, 39, §**7698;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.25]
89 Acts, ch 126, §2
CS89, §468.524

**468.525 Organization.**

As soon as the trustees have qualified, they shall organize by electing one of their own number as chairperson and may select some other competent person as clerk of the board who shall serve during the pleasure of the board of trustees.

[SS15, §1989-a70; C24, 27, 31, 35, 39, §**7699;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.26]
89 Acts, ch 126, §2
CS89, §468.525

**468.526 Powers and duties of trustees.**

Trustees shall have control, supervision, and management of the district for which they are elected and shall be clothed with all of the powers now conferred on the board or boards of supervisors for the control, management, and supervision of drainage and levee districts under the laws of the state, including the power to acquire lands by conveyance, lease, or by the exercise of the power of eminent domain as provided for in chapter 6B for right-of-way for levees, ditches and settling basins within or without the district and to annex lands to the district, except as provided in section 468.527. Such authority shall extend only to the district for which they are elected.

[SS15, §1989-a52f, -a71; C24, 27, 31, 35, 39, §**7700;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.27]
89 Acts, ch 126, §2
CS89, §468.526

**468.527 Costs and expenses.**

All costs and expenses necessary to discharge the duties by this subchapter conferred upon trustees shall be levied and collected as provided by law and such levy shall be upon certificate by the trustees to the board or boards of supervisors of the amount necessary for such levy.

[SS15, §1989-a52f, -a71; C24, 27, 31, 35, 39, §**7701;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.28]

89 Acts, ch 126, §2

CS89, §468.527

Referred to in §468.216, 468.526

**468.528 Disbursement of funds.**

Drainage and levee taxes when so levied and collected shall be kept by the treasurer of the county in a separate fund to the credit of the district for which it is collected. The county treasurer shall disburse the moneys in the fund only upon any of the following:

1. The orders of the board of trustees, signed by the president of the board, upon which warrants shall be drawn by the auditor upon the treasurer.

2. For drainage and levee districts with pumping stations, by orders of the board of trustees directing the treasurer to place all or any part of the moneys into a checking account established by the board in a bank or credit union as defined in section 12C.1.

*a.* The treasurer shall disburse the moneys only upon resolution duly adopted by the board. The board shall not expend moneys in the account for a purpose if the board could not order the county treasurer to expend moneys from the county's separate fund for that same purpose.

*b.* The board shall file with the county auditor an annual financial statement that is accompanied by an unqualified opinion based upon an audit of the account performed by a certified public accountant licensed in this state. Notwithstanding paragraph "*a*", the board shall pay the costs associated with performing the audit out of the district's moneys.

[SS15, §1989-a52f; C24, 27, 31, 35, 39, §**7702;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.29]

89 Acts, ch 126, §2

CS89, §468.528

2011 Acts, ch 94, §2

Referred to in §468.54

**468.529 Certificates and bonds.**

The board of trustees of any district shall have the same power to issue improvement certificates and levee and drainage bonds under the same conditions and with like tenor and effect as is provided by subchapter I, parts 1 through 5, for such issuance by the board of supervisors, except that in case of the issue of levee or drainage bonds, the same shall be approved by a judge of the district court in and for the county or counties in which such district lies, which approval shall be printed upon such bonds before the same are negotiated.

[SS15, §1989-a52f; C24, 27, 31, 35, 39, §**7703;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.30]

89 Acts, ch 126, §2

CS89, §468.529

**468.530 Report to auditor.**

Such trustees shall, from time to time, and with reasonable promptness, furnish the auditor of each county in which any part of said district is situated, with a correct report of their acts and proceedings, which report shall be signed by the chairperson and the clerk of the board and shall be recorded by the auditor in the drainage record, and shall be published in one official paper in the county having a general circulation in the district.

[S13, §1989-a52g; SS15, §1989-a72; C24, 27, 31, 35, 39, §**7707;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.34]

89 Acts, ch 126, §2

CS89, §468.530

**468.531 Compensation — statements required.**

The compensation of the trustees and the clerk of the board is hereby fixed at an amount not to exceed two hundred dollars per day each and necessary expenses, to be paid out of the funds of the drainage or levee district for each day necessarily expended in the transaction of the business of the district, but no one shall draw compensation for services as trustee and as clerk at the same time. The board of trustees of a district may by resolution establish for themselves and for the clerk of the district a lower rate of pay than is fixed by this section. They shall file with the auditor or auditors, if more than one county, itemized, verified statements of their time devoted to the business of the district and of the expenses incurred.

[SS15, §1989-a52f, -a74; C24, 27, 31, 35, 39, §**7708;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.35]

89 Acts, ch 126, §2

CS89, §468.531

2011 Acts, ch 94, §3

**468.532 Change to supervisor management.**

Any district which has been placed under the management of trustees may be placed back under the management of the board or boards of supervisors in the manner provided in section 468.533.

[C24, 27, 31, 35, 39, §**7709;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.36]

89 Acts, ch 126, §2

CS89, §468.532

**468.533 Petition — canvass.**

For such purposes a petition signed by a majority of persons, including corporations, owning land within the district assessed for benefits and who in the aggregate own more than one-half the acreage of such lands, may be filed in the office of the auditor and if more than one county, then a duplicate shall be filed in the office of the auditor of each county.

The trustees shall fix a date not less than ten nor more than thirty days from the date such petition is filed for the canvass of such petition, and the trustees and auditor or auditors shall canvass said petition and certify and record in the drainage record the result.

[C24, 27, 31, 35, 39, §**7710;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.37]

89 Acts, ch 126, §2

CS89, §468.533

Referred to in §468.532

**468.534 Remonstrance.**

Remonstrances signed by the same persons who are qualified to sign the petition may be filed in the office of the auditor and if the same persons petition and remonstrate they shall be counted on the remonstrance only. Such remonstrances shall be filed not less than five days before the time set for hearing.

[C24, 27, 31, 35, 39, §**7711;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.38]

89 Acts, ch 126, §2

CS89, §468.534

**468.535 When change effective.**

If the result of the canvass shows a majority in favor of such change, then it shall become effectual on the date at which the next annual election of trustees would be held, and on such date the trustees shall surrender and turn over to the board or boards of supervisors the full and complete management and control of such district, together with all books, contracts, and other documents relating thereto.

[C24, 27, 31, 35, 39, §**7712;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.39]

89 Acts, ch 126, §2

CS89, §468.535

**468.536 Final report of trustees.**

On or before the date such change becomes effective, the said trustees shall make and file with the auditor, or if more than one county, a duplicate with each auditor, a final report setting forth:

1. The amount of cash funds on hand or to the credit of the district.
2. The amount of outstanding indebtedness of the district, and the form thereof, whether in warrants, improvement certificates, or bonds and the amount of each.
3. Any outstanding contracts for repairs or other work to be done.
4. A statement showing the condition of the improvements of the district, and specifying any portion thereof in need of repair.

[C24, 27, 31, 35, 39, §**7713;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.40]
89 Acts, ch 126, §2
CS89, §468.536

**468.537 Management by supervisors.**

After such change is made it shall be the duty of the board or boards of supervisors to manage and control the affairs of said district as fully and to the same extent as if it had never been under trustee management. They shall carry out any pending contracts lawfully made by the trustees as fully as if made by the board.

[C24, 27, 31, 35, 39, §**7714;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §462.41]
89 Acts, ch 126, §2
CS89, §468.537

## PART 3

## ESTABLISHMENT OF OVERLYING DISTRICT AS NEW DRAINAGE OR LEVEE DISTRICT

Referred to in §468.500

**468.538 Scope.**

This part applies when the board of trustees of an overlying district accepts all improvements and rights-of-way surrendered by a board of supervisors or board of trustees of a contained district, in accordance with sections 468.256 through 468.259. In addition, after such acceptance, the overlying district must include at least thirty-five thousand acres with a pumping station, regardless of whether the drainage or levee district is located in more than one county. Such a district shall continue to be controlled and managed by a board of trustees elected as provided in this part.

2013 Acts, ch 86, §3, 6
Referred to in §468.539
NEW section

**468.539 Qualified application.**

Part 2 of this subchapter shall also apply to this part, except as follows:

1. The trustees of the overlying district serving on the board at the time of acceptance as described in section 468.538 shall be considered initially elected as the trustees of the drainage or levee district as provided in sections 468.502, 468.503, and 468.521.

2. *a.* The board of trustees described in subsection 1 shall do all of the following:

(1) Establish the overlying district as a new drainage or levee district, which must include all improvements and rights-of-way surrendered by a board of supervisors or board of trustees of the contained district.

(2) Divide the new drainage or levee district into three election districts in the same manner as a board of supervisors acting pursuant to sections 468.504 and 468.505.

*b.* The petition described in section 468.501 is not required to be filed or considered under this subsection.

3. Each of the three persons elected as trustee to serve on a new drainage or levee district established pursuant to an election held by the board of trustees described in subsection 1 shall hold office for a staggered term as provided in section 468.518. A person elected as a

trustee of the new drainage or levee district shall be elected from a specified election district, unless the person is elected at large as provided in subsection 4.

4. The board of trustees described in subsection 1 or a subsequent board of trustees of the new drainage or levee district may provide for the election of two additional persons to serve as trustees. The two additional persons shall be elected at large by all qualified voters for the entire drainage or levee district. Of the five persons elected as trustees of the new drainage or levee district, not more than two persons shall be elected from the same specified election district. One person's initial term shall be for one year and the second person's initial term shall be for two years in the same manner as provided in section 468.518.

5. Votes shall be determined as provided pursuant to either section 468.510 or 468.511 in the same manner as was determined for the overlying district.

2013 Acts, ch 86, §4, 6
NEW section

## SUBCHAPTER IV

## FINANCING

## PART 1

## DRAINAGE REFUNDING BONDS

Referred to in §331.382, 331.552, 468.397

**468.540 Refunding bonds.**

The board of supervisors of any county may extend the time of the payment of any of its outstanding drainage bonds issued in anticipation of the collection of drainage assessments levied upon property within a drainage district, and may extend the time of payment of any unpaid assessment, or any installment or installments thereof, and may renew or extend the time of payment of such legal bonded indebtedness, or any part thereof, for account of such drainage district, and may refund the same and issue drainage refunding bonds therefor subject to the limitation and in the manner hereinafter provided.

[C27, 31, 35, §7714-b1; C39, §**7714.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.1]
89 Acts, ch 126, §2
CS89, §468.540
Similar provision, §468.367

**468.541 Petition for refunding.**

Before the time of payment of said assessments or any installment or installments thereof shall be extended and before the board shall institute proceedings for the issuance of drainage refunding bonds, the owners of not less than fifteen percent of the land within a drainage district as shown by the transfer books in the auditor's office upon which drainage assessments are unpaid, shall file a petition with the board requesting the extension of the time of payment of assessments levied in said drainage district or of any installment or installments thereof, setting forth the date said assessments to be extended were levied, the aggregate amount thereof unpaid, and requesting the issuance of drainage refunding bonds, stating the amount and purpose of said bonds.

[C27, 31, 35, §7714-b2; C39, §**7714.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.2]
89 Acts, ch 126, §2
CS89, §468.541

**468.542 Sufficiency of petition — hearing.**

Upon the receipt of any such petition the board shall, at the next regular meeting or regular adjourned meeting, determine the sufficiency thereof and fix a date of meeting of the board

at which it is proposed to extend the time of payment of said unpaid assessments and to take action for the issuance of drainage refunding bonds.

[C27, 31, 35, §7714-b3; C39, §**7714.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.3]
89 Acts, ch 126, §2
CS89, §468.542

**468.543 Notice.**

The board shall give ten days' notice of said meeting as required in relation to the issuance of bonds under chapter 73A.

[C27, 31, 35, §7714-b4; C39, §**7714.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.4]
89 Acts, ch 126, §2
CS89, §468.543
Referred to in §468.567

**468.544 Requirements of notice.**

Said notice shall be directed to each person whose name appears upon the transfer books in the auditor's office as owner of lands within said drainage district upon which said drainage assessments are unpaid, naming the owner, and also to the person or persons in actual occupancy of any of said tracts of land without naming them, and shall state the amount of unpaid assessments upon each forty-acre tract of land or less, and that all of said unpaid assessments, installment or installments thereof as proposed to be extended, may be paid in cash on or before the time fixed for said hearing, and that after the expiration of such time no assessments may be paid except in the manner and at the times fixed by the board in the resolution authorizing the issuance of said drainage refunding bonds.

[C27, 31, 35, §7714-b5; C39, §**7714.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.5]
89 Acts, ch 126, §2
CS89, §468.544
Referred to in §468.567

**468.545 Extending payment of assessments.**

If no appeal is taken to the issuance of bonds, as provided by chapter 73A, the board may extend the time of payment of the unpaid assessment or an installment or installments of it as requested in the petition and may issue drainage refunding bonds, or, in case of an appeal, the board may issue the bonds in accordance with the decision of the appeal board provided the assessments, installment, or installments have not been entered on the delinquent tax lists and have not been previously extended.

[C27, 31, 35, §7714-b6; C39, §**7714.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.6]
88 Acts, ch 1158, §76; 89 Acts, ch 126, §2
CS89, §468.545
Referred to in §468.567

**468.546 Appeal.**

Any person aggrieved by the final action of the board extending the time of payment of said unpaid assessment, installment or installments thereof may appeal therefrom to the district court of the county in which such action was taken.

[C27, 31, 35, §7714-b7; C39, §**7714.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.7]
89 Acts, ch 126, §2
CS89, §468.546

**468.547 Time and manner of appeal.**

All appeals shall be taken in the manner provided in section 468.84 except that said appeal shall be taken within ten days after the date of the final action of the board.

[C27, 31, 35, §7714-b8; C39, §**7714.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.8]
89 Acts, ch 126, §2
CS89, §468.547

**468.548 Maximum extension.**

The unpaid assessments against said lands within said drainage district shall not be extended for a period exceeding forty years from the time any assessment, installment or installments thereof to be extended become due. The board shall fix the amount that shall be levied and collected each year and may issue drainage refunding bonds covering all said unpaid assessments.

[C27, 31, 35, §7714-b9; C39, §**7714.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.9]
89 Acts, ch 126, §2
CS89, §468.548

**468.549 Form of bonds.**

Drainage refunding bonds shall be issued in denominations of not less than one hundred dollars nor more than one thousand dollars, each, running not more than forty years, bearing interest at a rate not exceeding that permitted by chapter 74A, payable semiannually, and shall be substantially in the form provided by law relating to drainage bonds, with such changes as shall be necessary to conform with this part.

[C27, 31, 35, §7714-b10; C39, §**7714.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.10]
89 Acts, ch 126, §2
CS89, §468.549

**468.550 Numbering, signing and attestation.**

Said bonds shall be numbered consecutively, signed by the chairperson of the board and attested by the county auditor with the seal of the county affixed. The interest coupons attached thereto shall be executed by the county auditor.

[C27, 31, 35, §7714-b11; C39, §**7714.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.11]
89 Acts, ch 126, §2
CS89, §468.550

**468.551 Resolution required.**

All bonds issued under the provisions of this part shall be issued pursuant to and in conformity with a resolution adopted by the board of supervisors which shall specify the amount of unpaid assessments to be extended, the times when the installment or installments of extended assessments shall become due, the amount of drainage refunding bonds authorized to be issued, the purpose for which issued, the rate of interest they shall bear, the place where the principal and interest shall be payable and the time or times when they shall become due, and such other provisions not inconsistent with law in reference thereto, as the board shall deem proper.

[C27, 31, 35, §7714-b12; C39, §**7714.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.12]
89 Acts, ch 126, §2
CS89, §468.551

**468.552 Record of resolution.**

Said resolution shall be entered of record upon the minutes of proceedings of said board and shall constitute a contract between the drainage district and the purchasers or holders of said bonds and shall be full authority for the revision of the tax rolls to accord therewith.

[C27, 31, 35, §7714-b13; C39, §**7714.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.13]
89 Acts, ch 126, §2
CS89, §468.552

**468.553 Record of bonds.**

When the bonds have been executed as aforesaid they shall be delivered to the county treasurer and the treasurer's receipt taken therefor. The treasurer shall register said bonds in a book provided for that purpose which shall show the number of each bond, its date, date of sale, amount, date of maturity, and the name and address of the purchaser, and if exchanged what evidences of indebtedness were received therefor, which record shall at all

times be open to the inspection of the owners of property within said drainage district. The treasurer shall thereupon certify on the back of each bond as follows:

This bond duly and properly registered in my office this .....
day of ..... (month), ..... (year).
.....
Treasurer of the County of
.....

[C27, 31, 35, §7714-b14; C39, §**7714.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.14]
89 Acts, ch 126, §2
CS89, §468.553
2000 Acts, ch 1058, §56

**468.554 Liability of treasurer — reports.**
The treasurer shall stand charged on the treasurer's official bond with all bonds so delivered to the treasurer and the proceeds thereof. The treasurer shall report under oath to the board, at each first regular session thereof in each month, a statement of all such bonds sold or exchanged by the treasurer since the treasurer's last report and the date of such sale or exchange and when exchanged a description of the indebtedness for which exchanged.
[C27, 31, 35, §7714-b15; C39, §**7714.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.15]
89 Acts, ch 126, §2
CS89, §468.554

**468.555 Sale, exchange and cancellation.**
The county treasurer shall, under a resolution and the direction of the said county board of supervisors, sell the bonds for cash on the best available terms or exchange them on like terms for the legal indebtedness of the said drainage district evidenced by the outstanding drainage bonds, authorized to be refunded by the resolution authorizing the issue of said refunding bonds, and the proceeds shall be applied and exclusively used for the purpose for which said bonds are issued. In no case shall they be sold or exchanged for a less sum than their face value and all interest accrued. After registration the treasurer shall deliver said refunding bonds to the purchaser thereof and when exchanged for said bonded indebtedness of said district, shall at once cancel a like amount of said drainage bonds.
[C27, 31, 35, §7714-b16; C39, §**7714.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.16]
89 Acts, ch 126, §2
CS89, §468.555

**468.556 Redemption from tax sale.**
In case any land within such drainage district shall have been sold at tax sale for failure of the owner thereof to pay any drainage assessments levied thereon, and before any tax deed has been issued, then on application of the owner of such land, the board of supervisors may effect a redemption thereof for such owner out of the proceeds of any refunding bond issue and add the cost of such redemption to the amount of the unpaid assessments against such land, payment thereof to be extended in manner and as a part of the remaining unpaid assessments thereon.
[C35, §7714-f1; C39, §**7714.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.17]
89 Acts, ch 126, §2
CS89, §468.556

**468.557 Effect of extension.**
The extension of the time of payment of any unpaid assessments or installment or installments thereof, in the manner aforesaid shall in no way impair the lien of said assessments as originally levied or the priority thereof, nor the right, duty, and power of the

officers authorized by law to levy, collect, and apply the proceeds thereof to the payment of said drainage refunding bonds.

[C27, 31, 35, §7714-b17; C39, §**7714.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.18]
89 Acts, ch 126, §2
CS89, §468.557

**468.558 Additional assessments.**

If said assessments should for any reason be insufficient to meet the interest and principal of said drainage refunding bonds additional assessments shall be made to provide for such deficiency.

[C27, 31, 35, §7714-b18; C39, §**7714.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.19]
89 Acts, ch 126, §2
CS89, §468.558

**468.559 Applicability of funds.**

All special assessments, taxes, and sinking funds applicable to the payment of the indebtedness refunded by said drainage bonds shall be applicable in the same manner and to the same extent to the payment of such refunding bonds issued hereunder, and the powers, rights, and duties to levy and collect special assessments or taxes, or create liens upon property shall continue until all refunding bonds shall be paid.

[C27, 31, 35, §7714-b19; C39, §**7714.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.20]
89 Acts, ch 126, §2
CS89, §468.559

**468.560 Trust fund.**

The special assessments out of which said bonds are payable shall be collected and held separate and apart in trust for the payment of said refunding bonds.

[C27, 31, 35, §7714-b20; C39, §**7714.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.21]
89 Acts, ch 126, §2
CS89, §468.560

**468.561 Liens unimpaired.**

When drainage refunding bonds are issued hereunder, nothing in this part shall be construed as impairing the lien of any unpaid drainage assessments or installments in such drainage district, the time of payment of which is not extended, nor shall this part be construed as impairing the priority of the lien thereof nor the right, duty, and power of the officers authorized by law to levy, collect, and apply the proceeds thereof to the payment of outstanding drainage bonds issued in anticipation of the collection thereof.

[C27, 31, 35, §7714-b21; C39, §**7714.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.22]
89 Acts, ch 126, §2
CS89, §468.561

**468.562 Limitation of action.**

No action shall be brought questioning the validity of any of the bonds authorized by this part from and after three months from the time the same are ordered issued by the proper authorities.

[C27, 31, 35, §7714-b22; C39, §**7714.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.23]
89 Acts, ch 126, §2
CS89, §468.562
Similar provisions, §468.377, 468.581

**468.563 Void bonds or assessments.**

The provisions of this part shall not apply to bonds or assessments adjudicated to be void.

[C27, 31, 35, §7714-b23; C39, §**7714.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.24]
89 Acts, ch 126, §2
CS89, §468.563

**468.564 Interpretative clause.**

This part shall be construed as granting additional power without limiting the power already existing for the extension of the time of payment of drainage assessments and the issuance of drainage bonds.

[C27, 31, 35, §7714-b24; C39, §**7714.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.25]
89 Acts, ch 126, §2
CS89, §468.564

**468.565 Composition with creditors — federal loans.**

For the purpose of refinancing, adjusting, composing and refunding in such adjusted amount the indebtedness of any drainage districts or levee districts, found to be in financial distress, the governing body thereof, or board of supervisors as the case may be, upon its own motion, is authorized to enter into agreements with the creditors of said district, for the reduction and composition of its outstanding indebtedness, and to make application for and negotiate with the reconstruction finance corporation, or any other loaning agency, for the borrowing of funds for such purposes.

[C35, §7714-g1; C39, §**7714.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.26]
89 Acts, ch 126, §2
CS89, §468.565

**468.566 Refinancing powers.**

In order to effect such loan, the governing body of such district, or board of supervisors, is authorized to execute such agreements and contracts, and to fulfill such requirements of the loaning agency as are not inconsistent with this part; and to issue, and pledge or sell such bonds at their face value to the said reconstruction finance corporation, or other loaning agency, furnishing the funds for such debt readjustment, in the amount required for such adjustment.

The governing body, or board of supervisors, shall also have the authority as a part of such plan of refinancing, adjusting, composing, and refunding its indebtedness, to cancel the old assessments collectible against the land within the district, pledged to the payment of its outstanding indebtedness and proportionately and equitably relevy the same, with interest, over the period covered by the new bonds, in an amount sufficient to pay said new bonds and interest thereon, provided, however, that the new assessments thereby created against any tract of land within the district shall not be in excess of the unpaid assessments against such tract before the readjustment or composition is made, and provided further, that such new and extended assessment against such tract shall fully replace the old assessment.

[C35, §7714-g2; C39, §**7714.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.27]
89 Acts, ch 126, §2
CS89, §468.566

**468.567 Report and hearing — appeal.**

1. At the direction of the governing board of such district, or board of supervisors, the county auditor of the county within which the land on which the indebtedness is being adjusted is situated, shall compile a tabulated report as to the lands within the said district, setting forth:

*a.* The name of the owner of each assessed tract as shown by the transfer books in the county auditor's office.

*b.* The amount of the unpaid old assessments against each of said tracts.

*c.* The amount of the new assessment required to pay the new bonds to be issued, together with the installments to be paid thereon annually of principal and interest, and the maximum period of time over which such assessments shall be paid.

2. After such report is tabulated and filed, a hearing upon the contemplated action of the governing body of such district, or board of supervisors, to make the proposed adjustment, composition, renewal and refunding in such adjusted amount of its outstanding indebtedness, together with the issuance of bonds and the levying of assessments therefor, shall be had in

the manner and upon the same notice as is prescribed in sections 468.543 through 468.545 and appeal may be made therefrom as provided in this part.

[C35, §7714-g3; C39, §**7714.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §463.28]
89 Acts, ch 126, §2
CS89, §468.567
2011 Acts, ch 25, §143

**468.568 and 468.569** Reserved.

## PART 2

## DEFAULTED DRAINAGE BONDS

Referred to in §331.382, 331.552, 468.397

**468.570 Extension of payment — application.**

When drainage district bonds have been issued in anticipation of the collection of drainage district assessments levied on real estate within such drainage district are in default, either for failure to pay principal installments or accrued interest thereon, and funds are not on hand within thirty days after such default, ten owners of real estate in such district or the owners of not less than ten percent in amount of the outstanding drainage bonds of such district may make application to the district court of the county wherein said drainage district is located, asking for an extension of time of payment, and a reamortization of the assessments on the real estate within such drainage district, which was in default, and a new schedule of payments of the bonds and other indebtedness, and the issuance of new bonds as provided by this part.

[C35, §7714-f2; C39, §**7714.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.1]
89 Acts, ch 126, §2
CS89, §468.570
Referred to in §468.571

**468.571 Petition.**

Ten owners of real estate in such district, or the owners of not less than ten percent in amount of the outstanding drainage bonds of such drainage district, may institute proceedings in the district court of the county issuing such bonds wherein the drainage district is located, by filing a petition which shall set forth the names and addresses of the ten petitioning real estate owners or the names and addresses of the petitioning owners of ten percent in amount of the drainage bonds of said district, that said bonds are in default as defined in section 468.570, that the petitioners have good reason to believe that said default cannot, or will not, be removed by payment under the present schedule of said district, and asking that the matters herein presented be reviewed by the court, and determined as provided by this part.

[C35, §7714-f3; C39, §**7714.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.2]
89 Acts, ch 126, §2
CS89, §468.571

**468.572 Hearing.**

On the filing of such petition the court shall enter an order fixing the date for hearing, which date shall be at least four weeks subsequent to the date of the filing of the order.

[C35, §7714-f4; C39, §**7714.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.3]
89 Acts, ch 126, §2
CS89, §468.572

**468.573 Parties — notice — service.**

The board of supervisors of such county or counties wherein the drainage district is located, shall be notified of the proceeding and hearing by original notice served in the same manner as in civil actions; notice of said hearing shall be served upon all owners of each tract of land or

lot within such drainage district, as shown by the transfer books in the county auditor's office, upon each lienholder or encumbrancer of any land within the said drainage district as shown by the county records, and upon all persons holding claims against said drainage district, as shown by the county records, and also upon all other persons whom it may concern, including bondholders and actual occupants of the land within said drainage district, without naming individuals, by publication thereof, once each week for two consecutive weeks, in some newspaper of general circulation in the county or counties where said drainage district is located, the last of which publications shall be not less than twenty days prior to the date set for hearing on the said petition and a copy of such notice shall also be sent by ordinary mail to the person's last known address unless there is on file an affidavit of one of the petitioners or the petitioner's attorney stating that no mailing address is known and that diligent inquiry has been made to ascertain it. Such copy of notice shall be mailed not less than twenty days prior to the date set for hearing. Proof of publication and mailing shall be by affidavit and shall be included in the records of the proceedings.

[C35, §7714-f5; C39, §**7714.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.4]
89 Acts, ch 126, §2
CS89, §468.573
Service of original notice, R.C.P. 1.302 – 1.315

**468.574 Jurisdiction of court.**

The district court shall have jurisdiction and power to adjudicate all the rights and issues between the drainage district, and the landowners, bondholders, lienholders, encumbrancers, claimants and creditors of the drainage district, and in determining the rights of the parties, shall take into consideration, the maturity of the bonds, the interest rate of the bonds, the present schedule and classification of assessments on the real estate, the ratio between the amount in default, and the amount of unpaid assessments in the drainage district, the gross amount needed to retire the bonds now outstanding and in default, the current retirement schedule on other indebtedness of the drainage district, the general tax structure of the drainage district, the unpaid taxes in the drainage district, the default by the drainage district in the payment of its bonded indebtedness, and the current financial condition of the taxpayers.

[C35, §7714-f6; C39, §**7714.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.5]
89 Acts, ch 126, §2
CS89, §468.574

**468.575 Conservator appointed.**

If the court finds that the necessary parties have instituted the proceedings, and that all necessary parties have been properly served with notice, and the order of the court, and that the drainage district is in default in the payment of its installment assessments, or the interest thereon, the court shall enter an order appointing the county auditor of the county in which such drainage district is located, or if such drainage district is located in more than one county, the county auditor of the county wherein the greater portion of the lands within said drainage district are located, receiver for the said drainage district, said receiver being hereafter called "conservator", and the said conservator shall be under the court's direction. The conservator shall be allowed such compensation as may be determined by the court, and said conservator may employ, under the direction and approval of the court, an attorney, and such assistants as may be necessary to perform the duties required by the conservator under the law, and orders of court.

[C35, §7714-f7; C39, §**7714.34;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.6]
89 Acts, ch 126, §2
CS89, §468.575

**468.576 Report — hearing thereon.**

The conservator shall, within thirty days from the date of the conservator's appointment, prepare and file with the clerk of the district court, a full report, giving in detail, the bonded indebtedness of said drainage district, the accrued interest thereon, and any and all other

indebtedness owing by said drainage district; a full and complete schedule of all lands sold at tax sale, including the amount of drainage assessments thereon; a list of all real estate within the drainage district, showing the unpaid assessments thereon; also said conservator shall set forth a schedule, under which the bonded indebtedness of said drainage district may be reamortized; also a schedule under which all other indebtedness of said drainage district may be paid or reamortized. Upon the filing of the report by the conservator, the court shall set a date for hearing thereon, which date shall not be less than ten or more than fifteen days, from the filing thereof.

[C35, §7714-f8; C39, §**7714.35;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.7]
89 Acts, ch 126, §2
CS89, §468.576

**468.577 Adjudication on report.**

At the hearing of the conservator's report, the court shall fix and determine the amount of money in the hands of the county treasurer belonging to the drainage district; the amount of the indebtedness of the drainage district; and to whom the indebtedness is due, and shall fix and determine the time, manner, and priority of payment of the indebtedness. The court shall fix and determine the amount of unpaid assessment or assessments against each tract of land within the drainage district, and may extend the time of payment, and reamortize and reallocate the assessments upon each tract of land within the drainage district. If the court finds that the assessments as levied against each tract of land within the drainage district are not sufficient to pay the indebtedness due and owing by the drainage district, the court may order the board of supervisors of the county within which the drainage district is located, to levy an assessment against the lands within the drainage district, in an amount to pay the deficit. However, assessment for the payment of drainage bonds or improvement certificates shall not be levied against any tract of land if the owner of the land is not delinquent in payment of any assessment. The amount of the reassessment on a particular piece of land shall be in direct proportion to the amount of unpaid assessments on the land. The assessment or expenses incidental thereto, for the payment of drainage bonds or improvement certificates under this part, shall not be levied against any tract of land if the owner of the land had previously paid all of the owner's assessment. The assessment shall be assessed and levied by the board of supervisors upon the lands within the drainage district, in the same proportion as the original assessment. A copy of the order entered by the court shall be filed by the clerk of the district court with the county auditor, and the schedule of payments of the indebtedness of the drainage district as fixed and determined by the court shall be entered upon the drainage records of the drainage district and also spread upon the tax records of the county, and shall become due and payable at the same time as ordinary taxes, and shall be collected in the same manner with the same interest for delinquency, and the same manner of enforcing collection by tax sale. The court may apportion the costs between the creditors of the drainage district and the drainage district.

[C35, §7714-f9; C39, §**7714.36;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.8]
89 Acts, ch 126, §2
CS89, §468.577
92 Acts, ch 1016, §39
Referred to in §468.578

**468.578 Refunding bonds.**

The court shall direct the board of supervisors to issue bonds in lieu of the outstanding drainage bonds for said drainage district, and additional bonds for the accrued interest and other indebtedness of said drainage district. Said bonds shall be payable in amounts, and at the time and manner, and with priority of payments as has been determined by order of court, as provided by section 468.577, and shall be called "conservator's drainage district bonds". Each bond shall be numbered and shall state on its face that it is a conservator's drainage district bond; that it is issued in pursuance of a resolution adopted by the board of supervisors, under order of court, and giving the name of the court and the county where such court is held; that it is issued to pay indebtedness of the drainage district; shall state

the county where such district is located, and the number of the drainage district for which it is issued; shall state the date of maturity of the bond, the rate of interest thereon, which rate shall not exceed that permitted by chapter 74A, and that the bond is to be paid only from taxes assessed, levied and collected on the lands within the drainage district for which the bond is issued subject to the provisions of section 468.577. All bonds shall be signed by the chairperson of the board of supervisors and countersigned by the conservator designated as such. The interest coupons attached to said bonds shall be attested by the signature of the conservator or a facsimile thereof. When the bonds have been executed as herein required, the conservator may sell said bonds at not less than par with accrued interest thereon, and pay the indebtedness of said drainage district, or may exchange said bonds with the creditors of said drainage district in amounts as have been fixed and determined by the court, and the conservator shall cancel all drainage bonds, improvement certificates, warrants or other evidence of indebtedness received by the conservator in lieu of the conservator's bonds.

[C35, §7714-f10; C39, §**7714.37;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.9]
89 Acts, ch 126, §2
CS89, §468.578

**468.579 Lien.**

When conservator's drainage district bonds are issued hereunder, nothing herein shall be construed as impairing the lien of all unpaid assessments upon the real estate within said drainage district, nor shall this part be construed as impairing the priority of the lien thereof, nor the right, duty and power of the officer authorized by law, to levy, collect and apply the proceeds thereof, to the payment of outstanding drainage bonds issued in anticipation of the collection thereof.

[C35, §7714-f11; C39, §**7714.38;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.10]
89 Acts, ch 126, §2
CS89, §468.579

**468.580 Trustees as parties.**

Should a drainage district in default be managed by drainage district trustees, said trustees shall also be named as proper and necessary parties defendant.

[C35, §7714-f12; C39, §**7714.39;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.11]
89 Acts, ch 126, §2
CS89, §468.580

**468.581 Limitation of action.**

No action shall be brought, questioning the validity of any conservator's drainage district bond issued under this part from and after three months from the date of the order causing the said bonds to be issued.

[C35, §7714-f13; C39, §**7714.40;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §464.12]
89 Acts, ch 126, §2
CS89, §468.581
Similar provisions, §468.377, 468.562

**468.582 through 468.584** Reserved.

## PART 3

## FUNDING OF COUNTY DRAINAGE DISTRICTS

**468.585 Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Drainage improvement"* includes the construction, improvement, or repair of the principal structures, works, component parts and accessories of a storm sewer, drainage

conduit, channel, or levee for the collection, detention, or discharge of drainage or surface waters.

2. *"Urban drainage district"* or *"district"* means a district defined by a county and one or more cities within the county pursuant to an agreement entered into by the county and cities in accordance with chapter 28E and this part with respect to drainage improvements which the county and cities determine benefit the property located in the cities and the designated unincorporated area of the county.

3. *"Cost"* means the same as defined in section 384.37, subsection 26.

85 Acts, ch 144, §1
CS85, §331.485
89 Acts, ch 126, §2
CS89, §468.585

**468.586 Assessment of costs of drainage improvements.**

A county may assess to property within an urban drainage district the cost of a drainage improvement within the county and drainage facilities extending outside the county. A county is empowered to proceed and construct and to assess the cost of a drainage improvement within a district in the same manner as a city may proceed under chapter 384, division IV, and the provisions of chapter 384, division IV, apply to counties with respect to drainage improvements, the assessment of their costs and the issuance of bonds for the improvements. A county may contract for a drainage improvement within a district under this part pursuant to chapter 331, division III, part 3.

85 Acts, ch 144, §1
CS85, §331.486
89 Acts, ch 126, §2
CS89, §468.586
2011 Acts, ch 25, §59

**468.587 Special assessment bonds.**

A county may issue special assessment bonds in anticipation of the collection of special assessments for the cost of drainage improvements within a district in the same manner as provided for cities under division IV of chapter 384.

85 Acts, ch 144, §1
CS85, §331.487
89 Acts, ch 126, §2
CS89, §468.587

**468.588 Chapter 28E agreement.**

An agreement entered into between a city and a county in accordance with chapter 28E with respect to a drainage improvement may include among others the following provisions:

1. The sharing of the total cost of the drainage improvement between the city and the county.

2. The amount of total assessments against private property within the city and within the unincorporated area of the county included within the district.

3. The method of specially assessing and determining benefits.

4. The amount of funds, if any, to be contributed by the city and county to the project other than special assessments.

5. The rates to be established and imposed upon property within the drainage district to pay the expenses of operation and maintenance of the drainage improvements.

6. The reduction of the county's debt service tax levy rate against property within a city which is a party to the joint agreement.

85 Acts, ch 144, §1
CS85, §331.488
89 Acts, ch 126, §2
CS89, §468.588

**468.589 Rates and charges for services and connection.**

If a county and city have entered into an agreement pursuant to chapter 28E to create an urban drainage district, the county or city or both may, to the extent and in the manner provided in the agreement, establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of a drainage improvement against property within the district and establish, impose, adjust, and provide for the collection of charges for connection to a drainage improvement. Rates and charges must be established by ordinance of the governing body of the county or city imposing the rates or charges. Rates or charges for the services of and connection to the drainage improvement if not paid as provided by the ordinance of the governing body, are a lien upon the premises served or benefited by that improvement and may be certified to the county treasurer and collected in the same manner as other taxes.

85 Acts, ch 144, §1
CS85, §331.489
89 Acts, ch 126, §2
CS89, §468.589
93 Acts, ch 73, §13
Referred to in §445.1

**468.590 Cities subject to debt service tax levy — rates.**

If a county and city have entered into a joint agreement pursuant to chapter 28E to create a district and issue county general obligation bonds to fund the costs of a drainage improvement in that district, the county's debt service tax levy for the county general obligation bonds shall not be levied against property located in any city except a city which has entered into the joint agreement.

The county and the cities entering into the joint agreement may provide in the joint agreement for a different rate of the county's debt service tax levy against property in unincorporated areas of the county and property within those cities.

85 Acts, ch 144, §1
CS85, §331.490
89 Acts, ch 126, §2
CS89, §468.590

**468.591 Authority.**

The authority of a city or county under this part with respect to districts and the financing of drainage improvements is in addition to any other authority of a city or county to contract, and levy special assessments and issue bonds to fund the costs.

85 Acts, ch 144, §1
CS85, §331.491
89 Acts, ch 126, §2
CS89, §468.591

**468.592 through 468.599** Reserved.

## SUBCHAPTER V

## INDIVIDUAL DRAINAGE RIGHTS

Referred to in §327G.81, 331.382, 331.502, 468.3, 468.397

**468.600 Drainage through land of others — application.**

When the owner of any land desires to construct any levee, open ditch, tile or other underground drain, for agricultural or mining purposes, or for the purposes of securing more complete drainage or a better outlet, across the lands of others or across the right-of-way of a railroad or highway, or when two or more landowners desire to construct a drain to serve their lands, the landowner or landowners may file with the auditor of the county in which any such land or right-of-way is situated, an application in writing, setting forth a description of

the land or other property through which the landowner is desirous of constructing any such levee, ditch, or drain, the starting point, route, terminus, character, size, and depth thereof. The auditor shall collect a fee of one dollar for filing each application for a ditch or drain.

[C73, §1217; C97, §1955; S13, §1955; C24, 27, 31, 35, 39, §**7715;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.1]

89 Acts, ch 126, §2

CS89, §468.600

**468.601 Notice of hearing — service.**

Upon the filing of any such application, the auditor shall forthwith fix a time and place for hearing thereon before the county board of supervisors, which hearing shall be not more than ninety days nor less than thirty days from the time of the filing of such application, and cause notice in writing to be served upon the owner of each tract of land across which any such levee, ditch, or drain is proposed to be located, as shown by the transfer books in the office of the county auditor, and also upon the person in actual occupancy of any such lands, of the pendency and prayer of such application and the time and place set for hearing on the same before the board of supervisors, which notice, as to residents of the county and railroad companies, shall be served not less than ten days before the time set for such hearing, in the manner that original notices are required to be served. Notice to a railroad company may be served upon any station agent.

[C73, §1218; C97, §1955; S13, §1955; C24, 27, 31, 35, 39, §**7716;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.2]

89 Acts, ch 126, §2

CS89, §468.601

Manner of service, R.C.P. 1.302 – 1.315

**468.602 Service upon nonresident.**

In case any such owner is a nonresident of the county the owner may be personally served in the manner required for original notices or, in lieu thereof, the owner may be given notice as provided in section 468.15.

[C73, §1218; C97, §1955; S13, §1955; C24, 27, 31, 35, 39, §**7717;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.3]

89 Acts, ch 126, §2

CS89, §468.602

**468.603 Service on omitted parties — adjournment.**

If at the hearing it should appear that any person entitled to notice has not been served with notice, the board may postpone such hearing and fix a new time for the same, and notice of such new time of hearing may be served on such omitted persons in the manner and for the time provided by law and by fixing such new time for hearing and by adjournment to such time, the board shall not lose jurisdiction of the subject matter of such proceeding nor of any persons previously served with notice.

[S13, §1955; C24, 27, 31, 35, 39, §**7718;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.4]

89 Acts, ch 126, §2

CS89, §468.603

**468.604 Claims for damages — waiver.**

Any person or corporation claiming damages or compensation for or on account of the construction of any such improvement, shall file a claim in writing therefor with the auditor at or before the time fixed for hearing on the application. A failure to file such claim at the time specified shall be deemed to be a waiver of the right to claim or recover such damage.

[S13, §1955; C24, 27, 31, 35, 39, §**7719;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.5]

89 Acts, ch 126, §2

CS89, §468.604

**468.605 Hearing — sufficiency of application — damages.**

At the time set for hearing on the application, if the board shall find that all necessary parties have been served with notice as required, they shall proceed to hear and determine the sufficiency of the application as to form and substance, which application may be amended both as to form and substance before final action thereon. They shall also determine the merits of the application, all objections thereto, and all claims filed for damages or compensation, and may view the premises. The board may adjourn the proceedings from day to day, but no adjournment shall be for a longer period than ten days.

[C73, §1219; C97, §1956; S13, §1956; C24, 27, 31, 35, 39, §**7720;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.6]

89 Acts, ch 126, §2

CS89, §468.605

**468.606 Shall locate when — specifications.**

If the supervisors find that the levee, ditch, or drain petitioned for will be beneficial for sanitary, agricultural, or mining purposes, they shall locate the same and fix the points of entrance and exit on such land or property, the course of the same through each tract of land, the size, character, and depth thereof, when and in what manner the same shall be constructed, how kept in repair, what connections may be made therewith, what compensation, if any, shall be made to the owners of such land or property for damages by reason of the construction of any such improvements, and any other question arising in connection therewith.

[C73, §1220; C97, §1956; S13, §1956; C24, 27, 31, 35, 39, §**7721;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.7]

89 Acts, ch 126, §2

CS89, §468.606

**468.607 Findings — record.**

The board shall reduce its findings, decision, and determination to writing, which shall be filed with the auditor, who shall record it in the official record of the board's proceedings, together with the application and all other papers filed in connection therewith, and the auditor shall cause the findings and decision of the board to be recorded in the office of the recorder of the county in which such land is situated and said decision shall be final unless appealed from as provided in section 468.608.

[C73, §1220; C97, §1956; S13, §1956; C24, 27, 31, 35, 39, §**7722;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.8]

89 Acts, ch 126, §2

CS89, §468.607

**468.608 Appeal — notice.**

Either party may appeal to the district court from any such decision by causing to be served, within ten days from the time it was filed with the auditor, a notice in writing upon the opposite party of the taking of such appeal, which notice shall be served in the same manner as is provided for the service of original notices. If the appellant is the party petitioning for the drain, the appellant shall also file a bond, conditioned to pay all costs of appeal that may be assessed against the appellant, which bond, if good and sufficient, shall be approved by the auditor.

[C73, §1223; C97, §1957; C24, 27, 31, 35, 39, §**7723;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.9]

89 Acts, ch 126, §2

CS89, §468.608

Referred to in §468.607, 468.631

Manner of service, R.C.P. 1.302 – 1.315

Presumption of approval of bond, §636.10

**468.609 Transcript.**

In case of appeal, the auditor shall certify to the district court a transcript of the proceedings before the board, which shall be filed in said court with the appeal bond, the party appealing paying for said transcript and the docketing of said appeal, as in other cases.

[C97, §1958; C24, 27, 31, 35, 39, §**7724;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.10]

89 Acts, ch 126, §2

CS89, §468.609

Referred to in §468.631

**468.610 Appeal — how tried — costs.**

The cause shall be tried in the district court by ordinary proceedings, upon such pleading as the court may direct, each party having the right to offer such testimony as shall be admissible under the rules of law. If the appellant does not recover a more favorable judgment in the district court than the appellant received in the decision of the board, the appellant shall pay all the costs of appeal.

[C97, §1957; C24, 27, 31, 35, 39, §**7725;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.11]

89 Acts, ch 126, §2

CS89, §468.610

Referred to in §468.631

**468.611 Parties — judgment — orders.**

The party claiming damages shall be the plaintiff and the applicant shall be the defendant; and the court shall render such judgment as shall be warranted by the verdict, the facts, and the law upon all the matters involved, and make such orders as will cause the same to be carried into effect.

[C73, §1224; C97, §1958; C24, 27, 31, 35, 39, §**7726;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.12]

89 Acts, ch 126, §2

CS89, §468.611

**468.612 Costs and damages — payment.**

The applicant shall pay the costs of the board and auditor and for the serving of notices for hearing, the fees of witnesses summoned by the board on said hearing, and the recording of the finding of the board by the county recorder.

[C73, §1221; C97, §1959; S13, §1959; C24, 27, 31, 35, 39, §**7727;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.13]

89 Acts, ch 126, §2

CS89, §468.612

Service of notice fees, §331.655(1)

Witness fees, §622.69 – 622.75

**468.613 Construction.**

Before entering on the construction of the drain, the party applying therefor shall pay to the party through whose land said drain is to be constructed the damages awarded to that party, or shall pay the same to the board for that party's use. The applicant may proceed to construct said drain in accordance with the decision of the board, and the taking of an appeal shall not delay such work.

[C97, §1959; S13, §1959; C24, 27, 31, 35, 39, §**7728;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.14]

89 Acts, ch 126, §2

CS89, §468.613

**468.614 Construction through railroad property.**

If any such ditch or drain shall be located through or across the right-of-way or other land of a railroad company, the board shall determine the cost of constructing the same and the railroad company shall have the privilege of constructing such improvement through its property in accordance with the specifications made by the board and recover the costs

thereof as fixed by the board. Such railroad company before it may exercise such privilege shall file its election to that effect with the auditor within five days after the decision of the board is filed.

[S13, §1959; C24, 27, 31, 35, 39, §**7729;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.15]
89 Acts, ch 126, §2
CS89, §468.614

**468.615 Deposit.**

In case such election is filed the applicant shall within ten days thereafter pay to the auditor, for the use of the railroad company, the cost of constructing the drainage improvement through its property, in addition to the amount that may be allowed as damages, and when the railroad company shall have completed the improvement through its property in accordance with such specifications it shall be entitled to demand and receive from the auditor such cost.

[S13, §1959; C24, 27, 31, 35, 39, §**7730;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.16]
89 Acts, ch 126, §2
CS89, §468.615

**468.616 Failure to construct.**

If the railroad company shall fail to so construct the improvement for a period of thirty days after filing its election so to do, the applicant may proceed to do so and may have returned to the applicant the cost thereof deposited with the auditor.

[S13, §1959; C24, 27, 31, 35, 39, §**7731;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.17]
89 Acts, ch 126, §2
CS89, §468.616

**468.617 Repairs.**

In case any dispute shall thereafter arise as to the repair of any such drain, the same shall be determined by the county board of supervisors upon application in substantially the same manner as in the original construction thereof.

[C73, §1226; C97, §1960; C24, 27, 31, 35, 39, §**7732;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.18]
89 Acts, ch 126, §2
CS89, §468.617

**468.618 Obstruction.**

Any person who shall dam up, obstruct, or in any way injure any ditch or drain so constructed, shall be liable to pay to the person owning or possessing the swamp, marsh, or other lowlands, for the draining of which such ditch or ditches have been opened, double the damages that shall be sustained by the owner, and, in case of a second or subsequent offense by the same person, treble such damages.

[C73, §1227; C97, §1961; C24, 27, 31, 35, 39, §**7733;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.19]
89 Acts, ch 126, §2
CS89, §468.618

**468.619 Drains on abutting boundary lines.**

When any watercourse or natural drainage line crosses the boundary line between two adjoining landowners and both parties desire to drain their land along such watercourse or natural drainage line, but are unable to agree as to the junction of the lines of drainage at such boundary line, the board of supervisors of the county in which said land is located shall have full power and authority upon the application of either party to hear and determine all questions arising between such parties after giving due notice to each of the time and place

of such hearing, and may render such decision thereon as to said board shall seem just and equitable.

[C97, §1962; C24, 27, 31, 35, 39, §**7734;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.20]
89 Acts, ch 126, §2
CS89, §468.619
Referred to in §468.620

**468.620 Boundary between two counties.**

If any controversy referred to in section 468.619 relates to a boundary line between adjoining owners which is also the boundary line between two counties, then such controversy shall be determined by the joint action of the boards of supervisors in said two adjoining counties, and all the proceedings shall be the same as provided in section 468.619 except that it shall be by the joint action of the boards of the two counties.

[C24, 27, 31, 35, 39, §**7735;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.21]
89 Acts, ch 126, §2
CS89, §468.620

**468.621 Drainage in course of natural drainage — reconstruction — damages.**

Owners of land may drain the land in the general course of natural drainage by constructing or reconstructing open or covered drains, discharging the drains in any natural watercourse or depression so the water will be carried into some other natural watercourse, and if the drainage is wholly upon the owner's land the owner is not liable in damages for the drainage unless it increases the quantity of water or changes the manner of discharge on the land of another. An owner in constructing a replacement drain, wholly on the owner's land, and in the exercise of due care, is not liable in damages to another if a previously constructed drain on the owner's own land is rendered inoperative or less efficient by the new drain, unless in violation of the terms of a written contract. This section does not affect the rights or liabilities of proprietors in respect to running streams.

[S13, §1989-a53; C24, 27, 31, 35, 39, §**7736;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.22]
87 Acts, ch 225, §306; 89 Acts, ch 126, §2
CS89, §468.621

**468.622 Drainage connection with highway.**

When the course of natural drainage of any land runs to a public highway, the owner of such land shall have the right to enter upon such highway for the purpose of connecting the owner's drain or ditch with any drain or ditch constructed along or across the said highway, but in making such connections, the owner shall do so in accordance with specifications furnished by the highway authorities having jurisdiction thereof, which specifications shall be furnished to the owner on application. The owner shall leave the highway in as good condition in every way as it was before the said work was done.

If a tile line or drainage ditch must be projected across the right-of-way to a suitable outlet, the expense of both material and labor used in installing the tile line or drainage ditch across the highway and any subsequent repair thereof shall be paid from funds available for the highways affected.

[C97, §1963; C24, 27, 31, 35, 39, §**7737;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.23]
89 Acts, ch 126, §2
CS89, §468.622

**468.623 Private drainage system — record.**

1. Any person who has provided a system of drainage on land owned by the person may have the same made a matter of record in the office of the county recorder of the county in which the drainage system is located, provided any drainage system constructed after July 1, 1969, shall be made a matter of record. The record shall contain the applicable entries specified in sections 558.49 and 558.52.

2. Records under subsection 1 may be used to give the owner's name, description of tracts

of land drained, stating the time when the drainage system was established, the kind, quality, and brand of tile used, the name and place of the manufacturing plant, the name of contractors who laid the tile, the name of the engineer in charge of the survey and installation, the cost of tile, delivery, installation, and engineering expense, depths, grades, outlets, connections, contracts for agreements with adjoining landowners as to connections, and any other matters or information that may be considered of value, and such information may be furnished by the landowner or the engineer having charge of the installation and certified to under oath.

[C24, 27, 31, 35, 39, §**7738;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.24]
89 Acts, ch 126, §2
CS89, §468.623
2009 Acts, ch 27, §24
Referred to in §331.607, 468.628

**468.624 and 468.625** Repealed by 2009 Acts, ch 27, § 39.

**468.626 Original plat filed.**

In lieu of making the record as herein provided any landowner may file with the county recorder the original plat used in the establishment of the drainage system, or a copy of the plat, which shall be certified by the engineer having made the same. If practicable, a plat filed under this section shall be made a matter of record and shall contain the applicable entries specified in sections 558.49 and 558.52.

[C24, 27, 31, 35, 39, §**7741;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.27]
89 Acts, ch 126, §2
CS89, §468.626
2009 Acts, ch 27, §25
Referred to in §468.628

**468.627 Record not part of title.**

The drainage records herein provided for shall not be construed as an essential part of the title to said lands, but may upon request be set out by abstracters as part of the record title of said lands.

[C24, 27, 31, 35, 39, §**7742;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.28]
89 Acts, ch 126, §2
CS89, §468.627

**468.628 Fees for recording.**

When information is filed with the county recorder pursuant to section 468.623 or 468.626, the recorder shall collect recording fees in the amounts specified in section 331.604.

[C24, 27, 31, 35, 39, §**7743;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.29]
89 Acts, ch 126, §2
CS89, §468.628
2009 Acts, ch 27, §26

**468.629 Lost records — hearing.**

When the records of any mutual drain are incomplete or have been lost, or when the owner of any land affected by such mutual drain believes that the apportionment of costs or damages is inequitable or that repair or reconstruction is needed, such owner may petition the board of supervisors for relief. The board shall notify all affected parties of such petition, and set a date for a hearing on the petition. The board may adjourn the proceedings from day to day, but no adjournment shall be for more than ten days, and may order such engineering examinations, reclassifications of lands and appraisals of damages as they deem necessary. At the completion of the hearing the supervisors shall reestablish the original records or establish a revised record and basis for apportionment of costs and damages as they find equitable and advisable, and may order such repairs or reconstruction as they find to be

needed. All cost of such reestablishment or revisions of records, and of the needed repair or reconstruction shall be apportioned in accordance with the basis established.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.30]
89 Acts, ch 126, §2
CS89, §468.629
Referred to in §468.630

**468.630 Mutual drains — establishment as district.**

Whenever a landowner fails to pay the cost apportioned as provided in section 468.629, or whenever a repair or reconstruction ordered as provided in said section is not made within reasonable time, and in such other instances as the board of supervisors desires, the board by resolution shall establish such mutual drain as a drainage district; all proceedings thereafter shall be as provided for other legally established districts.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.31]
89 Acts, ch 126, §2
CS89, §468.630
Referred to in §468.631

**468.631 Appeal.**

The decisions and actions of the board of supervisors under section 468.630 may be appealed as provided in sections 468.608 through 468.610.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.32]
89 Acts, ch 126, §2
CS89, §468.631

**468.632 Record filed with established district.**

When the lands served by a mutual drain are within the boundary of an established drainage district, a complete record of the proceeding relating to such mutual drain shall be filed with and as a part of, the records of such established district.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.33]
89 Acts, ch 126, §2
CS89, §468.632
Referred to in §468.633

**468.633 Lost or incomplete records.**

If the records referred to in section 468.632 are incomplete or have been lost, the board may reestablish such records so as to proportion future costs and damages in proportion to the benefits and damages received because of the construction of such mutual drains and improvements thereof, and may order such surveys, engineering reports, reclassification of lands and appraisal of damages as they deem necessary. All costs of such proceedings shall be assessed against the benefited lands.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.34]
89 Acts, ch 126, §2
CS89, §468.633
Referred to in §468.634

**468.634 Petition to combine with established district.**

Upon receipt of a petition, signed by the owners of the lands served by a mutual drain, requesting that such drain be combined with an established drainage district, the board shall hold a hearing with due notice to the owners of all lands affected by said mutual drain, and if the board finds it desirable it may by resolution make such mutual drains a part of the established district. Such hearing and resolution may be continued as the board deems necessary for the collection of additional information as provided in section 468.633. Such combination with an established district shall constitute dissolution of the mutual drain, and

shall be so recorded, after which such mutual drain shall be a part of the district drain in all respects.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §465.35]
89 Acts, ch 126, §2
CS89, §468.634

# SUBTITLE 4

## ENERGY

# CHAPTER 469

## ENERGY INDEPENDENCE INITIATIVES

Repealed by 2011 Acts, ch 118, §49, 89
For provisions regarding transfer of funds under the control of the office of energy independence to the economic development authority, continuation of licenses, permits, or contracts by the economic development authority, continued administration of grants or loans awarded from the Iowa power fund, continued administration of federal grant funds by the economic development authority, and employment status of certain office of energy independence employees,
see 2011 Acts, ch 118, §51, 89

# CHAPTER 469A

## HYDROELECTRIC PLANTS

Referred to in §28F.14


469A.1 Certificate of convenience and necessity.
469A.2 Public hearing.
469A.3 Public welfare promoted.
469A.4 Rules imposed.
469A.5 Costs advanced.
469A.6 Amendment or revocation.
469A.7 Penalty.
469A.8 Unlawful combination — receivership.


**469A.1 Certificate of convenience and necessity.**

It shall be unlawful for any person, firm, association or corporation to engage in the business of constructing, maintaining or operating within this state any hydroelectric generating plant or project without first having obtained from the executive council of Iowa a certificate of convenience and necessity declaring that the public convenience and necessity require such construction, maintenance or operation.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §469A.1]

Referred to in §469A.7

**469A.2 Public hearing.**

No certificate of convenience and necessity shall be issued by the executive council except after a public hearing thereon. The executive council shall, upon the filing of an application for such a certificate, fix the time of the public hearing thereon and shall prescribe the notice which shall be given by the applicant. Any interested person, firm, association, corporation, municipality, state board or commission may intervene and participate in such proceeding and at such hearing.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §469A.2]

**469A.3 Public welfare promoted.**

Before the executive council shall issue a certificate of convenience and necessity, it shall first be satisfied that the public convenience and necessity will be promoted thereby, that the applicant has the financial ability to carry out the terms and conditions imposed, and the applicant has in writing agreed to accept, abide by and comply with such reasonable terms and conditions as the executive council may require and impose.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §469A.3]

**469A.4 Rules imposed.**

The executive council shall prescribe such rules as it may determine necessary for the administration of the provisions of this chapter and may amend such rules at any time.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §469A.4]

**469A.5 Costs advanced.**

The executive council shall, upon the filing of an application, require the applicant to deposit with the secretary of the executive council such amount as the council shall determine, to pay the expenses to be incurred by the executive council in its investigations and in conducting the proceedings, and the executive council may, from time to time as it deems necessary, require the deposit of additional amounts for such purpose.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §469A.5]

**469A.6 Amendment or revocation.**

The executive council may at any time for just cause or upon the failure of the applicant to comply with and to obey the terms and conditions attached to the issuance of any certificate, or when the public convenience and necessity demands, alter, amend or revoke any certificate issued under the provisions of this chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §469A.6]

**469A.7 Penalty.**

Any person, firm, association or corporation who shall violate the provisions of section 469A.1, shall be guilty of a serious misdemeanor. Each separate day that a violation occurs shall constitute a separate offense.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §469A.7]

**469A.8 Unlawful combination — receivership.**

The state may take possession of a dam for which a permit has been issued under section 455B.275 through receivership proceedings, if the dam becomes owned, leased, trusteed, possessed, or controlled by a person in a manner constituting an unlawful combination or trust, or if the dam is the subject or part of the subject of an agreement to limit the output of hydraulic or hydroelectric power derived from the dam for the purpose of price fixing. The receivership proceedings must be instituted by the executive council, and shall be conducted for the purpose of disposing of the dam for a lawful use. The proceeds from the disposition shall be used to reimburse the state for expenses incurred in the receivership. The remaining proceeds shall be awarded to persons found by the court to be entitled to the proceeds.

90 Acts, ch 1108, §5

# CHAPTER 470

## LIFE CYCLE COST ANALYSIS OF PUBLIC FACILITIES

Referred to in §331.361, 473.15

For provisions regarding transfer of funds under the control of the office of energy independence to the economic development authority, continuation of licenses, permits, or contracts by the economic development authority, continued administration of grants or loans awarded from the Iowa power fund, continued administration of federal grant funds by the economic development authority, and employment status of certain office of energy independence employees, see 2011 Acts, ch 118, §51, 89


470.1 Definitions.
470.2 Policy — analysis required.
470.3 Elements of analysis.
470.4 Analysis approved.
470.5 Exceptions.
470.6 Restriction on use of public funds.
470.7 Life cycle cost analysis — approval.
470.8 Life cycle cost analysis — implementation and exemptions.


**470.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Authority"* means the economic development authority created in section 15.105.
2. *"Commissioner"* means the state building code commissioner.
3. *"Director"* means the director of the economic development authority.
4. *"Economic life"* means the projected or anticipated useful life of a facility as expressed by a term of years.
5. *"Energy system"* includes but is not limited to the following equipment or measures:

*a.* Equipment used to heat or cool the facility.

*b.* Equipment used to heat water in the facility.

*c.* On-site equipment used to generate electricity for the major facility.

*d.* On-site equipment that uses the sun, wind, oil, natural gas, coal, or electricity as a power source.

*e.* Energy conservation measures in the facility design and construction that decrease the energy requirements of the facility.

6. *"Facility"* means a building having twenty thousand square feet or more of usable floor space that is heated or cooled by a mechanical or electrical system or any building, system, or physical operation which consumes more than forty thousand British thermal units (BTUs) per square foot per year.
7. *"Initial cost"* means the moneys required for the capital construction or renovation of a facility.
8. *"Life cycle cost analysis"* means an analytical technique that considers certain costs of owning, using, and operating a facility over its economic life including but not limited to the following:

*a.* Initial costs.

*b.* System repair and replacement costs.

*c.* Maintenance costs.

*d.* Operating costs, including energy costs.

*e.* Salvage value.

9. *"Public agency"* means a state agency, political subdivision of the state, school district, area education agency, or community college.
10. *"Renovation"* means a project where additions or alterations exceed fifty percent of the value of a facility and will affect an energy system.

[C81, §470.1]

91 Acts, ch 253, §17, 18; 2009 Acts, ch 108, §23, 41; 2011 Acts, ch 118, §42 – 44, 89

**470.2 Policy — analysis required.**

The general assembly declares that energy management is of primary importance in the design of publicly owned facilities. Commencing January 1, 1980, a public agency responsible for the construction or renovation of a facility shall, in a design begun after that date, include as a design criterion the requirement that a life cycle cost analysis be conducted for the facility. The objectives of the life cycle cost analysis are to optimize energy efficiency at an acceptable life cycle cost. The life cycle cost analysis shall meet the requirements of section 470.3.

[C81, §470.2]

**470.3 Elements of analysis.**

1. A life cycle cost analysis shall include but is not limited to the following elements:

*a.* Specification of energy management objectives and health, safety, and functional constraints. The facility design shall comply with applicable state or local building code requirements.

*b.* Identification of the energy needs of the facility and energy system alternatives to meet those needs.

*c.* Cost of the energy system alternatives identified in paragraph *"b"* of this subsection.

*d.* Determination of amounts and timing of cash flow.

*e.* Calculation of life cycle cost using an economic model such as, but not limited to, rate of return, annual equivalent cost or present equivalent cost.

*f.* Evaluation of design and system alternatives using a method such as, but not limited to, design matrixes, ranking tables, or network analysis.

2. A public agency or a person preparing a life cycle cost analysis for a public agency shall consider the methods and analytical models provided by the authority and available through the commissioner, which are suited to the purpose for which the project is intended. Within sixty days of final selection of a design architect or engineer, a public agency, which is also a state agency under section 7D.34, shall notify the commissioner and the authority of the methodology to be used to perform the life cycle cost analysis, on forms provided by the authority.

[C81, §470.3]

88 Acts, ch 1179, §6; 91 Acts, ch 253, §19; 2009 Acts, ch 108, §24, 41; 2011 Acts, ch 118, §50, 89

Referred to in §470.2

**470.4 Analysis approved.**

The life cycle cost analysis shall be approved by the public agency before contracts for the construction or renovation are let. A public agency may accept a facility design and shall meet the requirements of this chapter if the design meets the operational requirements of the agency and provides the optimum life cycle cost. The public agency shall retain a copy of the life cycle cost analysis and a statement justifying a design decision both of which shall be available for public inspection at reasonable hours.

[C81, §470.4]

**470.5 Exceptions.**

This chapter does not apply to buildings used on January 1, 1980 by the division of adult corrections of the department of human services as maximum security detention facilities or to the renovation of property nominated to, or entered in the national register of historic places, designated by statute, or included in an established list of historic places compiled by the historical division of the department of cultural affairs.

[C81, §470.5; 82 Acts, ch 1238, §22]

83 Acts, ch 96, §157, 159

**470.6 Restriction on use of public funds.**

Public funds shall not be used for the construction or renovation of a facility unless the design for the work is prepared in accordance with this chapter and the actual construction or renovation meets the requirements of the design.

[C81, §470.6]

**470.7 Life cycle cost analysis — approval.**

1. The public agency responsible for the new construction or renovation of a public facility shall submit a copy of the life cycle cost analysis for review by the commissioner who shall consult with the authority. If the public agency is also a state agency under section 7D.34, comments by the authority or the commissioner, including any recommendation for changes in the analysis, shall, within thirty days of receipt of the analysis, be forwarded in writing to the public agency. If either the authority or the commissioner disagrees with any aspects of the life cycle cost analysis, the public agency affected shall timely respond in writing to the commissioner and the authority. The response shall indicate whether the agency intends to implement the recommendations and, if the agency does not intend to implement them, the public agency shall present its reasons. The reasons may include but are not limited to a description of the purpose of the facility or renovation, preservation of historical architectural features, architectural and site considerations, and health and safety concerns.

2. Within thirty days of receipt of the response of the public agency affected, the authority, the commissioner, or both, shall notify in writing the public agency affected of the authority's, the commissioner's, or both's agreement or disagreement with the response. In the event of a disagreement, the authority, the commissioner, or both, shall at the same time transmit the notification of disagreement with response and related papers to the executive council for resolution pursuant to section 7D.34. The life cycle cost analysis process, including submittal and approval, and implementation exemption requests pursuant to section 470.8, shall be completed prior to the letting of contracts for the construction or renovation of a facility.

88 Acts, ch 1179, §7; 89 Acts, ch 315, §28; 91 Acts, ch 253, §20; 2009 Acts, ch 108, §25, 41; 2011 Acts, ch 118, §50, 89

Referred to in §7D.35

**470.8 Life cycle cost analysis — implementation and exemptions.**

The public agency responsible for the new construction or renovation of a public facility shall implement the recommendations of the life cycle cost analysis.

The commissioner, in consultation with the director, shall, by rule, develop criteria to exempt facilities from the implementation requirements of this section. Using the criteria, the commissioner, in cooperation with the director, shall exempt facilities on a case by case basis. Factors to be considered when developing the exemption criteria shall include, but not be limited to, a description of the purpose of the facility or renovation, the preservation of historical architectural features, site considerations, and health and safety concerns. The commissioner and the director shall grant or deny a request for exemption from the requirements of this section within thirty days of receipt of the request.

91 Acts, ch 253, §21

Referred to in §470.7

# CHAPTERS 471 and 472

RESERVED

# CHAPTER 473

## ENERGY DEVELOPMENT AND CONSERVATION

Referred to in §455A.4, 455A.6

This chapter not enacted as a part of this title;
transferred from chapter 93 in Code 1993
For provisions regarding transfer of funds under the control of
the office of energy independence to the economic development authority,
continuation of licenses, permits, or contracts by the economic
development authority, continued administration of grants
or loans awarded from the Iowa power fund,
continued administration of federal grant funds
by the economic development authority, and employment status of
certain office of energy independence employees,
see 2011 Acts, ch 118, §51, 89


473.1 Definitions.
473.2 Findings.
473.3 Energy resource management goal.
473.4 through 473.6 Reserved.
473.7 Duties of the authority.
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473.9 Set-aside definitions.
473.10 Reserve required.
473.11 Energy conservation trust established — receipts and disbursements. Repealed by 2008 Acts, ch 1126, §32, 33.
473.12 Implementation of energy conservation measures — state board of regents. Repealed by 2005 Acts, ch 179, §160.
473.13 Implementation of energy conservation measures — state department of transportation. Repealed by 2008 Acts, ch 1126, §32, 33.
473.13A Energy management improvements identified and implemented.
473.14 Reserved.
473.15 Annual report.
473.16 and 473.17 Repealed by 2008 Acts, ch 1126, §32, 33.
473.18 Reserved.
473.19 Building energy management program.
473.19A Building energy management fund.
473.20 Energy loan program.
473.20A Self-liquidating financing.
473.21 through 473.39 Reserved.
473.40 Statewide building energy efficiency rating system. Repealed by 2006 Acts, ch 1014, §10.
473.41 Energy city designation program.
473.42 Exit signs — standards. Repealed by 2008 Acts, ch 1126, §32, 33.
473.43 Reserved.
473.44 Plumbing products efficiency standards — penalty. Repealed by 2008 Acts, ch 1126, §32, 33.


**473.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Alternative and renewable energy"* means energy sources including but not limited to solar, wind turbine, waste management, resource recovery, recovered energy generation, refuse-derived fuel, hydroelectric, agricultural crops or residues, hydrogen produced using renewable fuel sources, and woodburning, or relating to renewable fuel development and distribution.

2. *"Authority"* means the economic development authority created in section 15.105.

3. *"Commission"* means the environmental protection commission of the department of natural resources.

4. *"Director"* means the director of the authority or a designee.

5. *"Energy"* or *"energy sources"* means gasoline, fuel oil, natural gas, propane, coal, special fuels, and electricity.

6. *"Renewable fuel"* means a fuel that is all of the following:

*a.* A motor vehicle fuel that is any of the following:

(1) Produced from grain; starch; oilseed; vegetable, animal, or fish materials, including but not limited to fats, greases, and oil; sugar components, grasses, or potatoes; or other biomass.

(2) Natural gas produced from a biogas source including but not limited to a landfill, sewage waste treatment plant, animal feeding operation, or other place where decaying organic material is found.

*b.* Used to replace or reduce the quantity of fossil fuel present in a motor fuel mixture used to operate a motor vehicle.

7. *"Supplier"* means any person engaged in the business of selling, importing, storing, or generating energy sources, alternative and renewable energy, or renewable fuel in Iowa.

[C75, 77, 79, 81, §93.1]
86 Acts, ch 1245, §1817 – 1819
C93, §473.1
2008 Acts, ch 1126, §18, 19, 33; 2009 Acts, ch 108, §26, 41; 2011 Acts, ch 118, §45 – 47, 89; 2012 Acts, ch 1021, §88

**473.2 Findings.**

The general assembly finds that the health, welfare, and prosperity of all Iowans require the provision of adequate, efficient, reliable, environmentally safe, and least-cost energy at prices which accurately reflect the long-term cost of using such energy resources and which are equitable to all Iowans. The goals and objectives of this policy are to ensure the following:

1. *Efficiency.* The provision of reliable energy at the least possible cost to Iowans in such manner that:

*a.* Physical, human, natural, and financial resources are allocated efficiently.

*b.* All supply and demand options are considered and evaluated using comparable terms and methods in order to determine how best to meet consumers' demands for energy at the least cost.

2. *Environmental quality.* The protection of the environment from the adverse external costs of an energy resource utilization so that:

*a.* Environmental costs of proposed actions having a significant impact on the environment and the environmental impact of the alternatives are identified, documented, and considered in the resource development.

*b.* The prudently and reasonably incurred costs of environmental controls are recovered.

88 Acts, ch 1179, §1
C89, §93.2
C93, §473.2
2008 Acts, ch 1126, §20, 33
See also chapter 470 for life cycle cost analysis provisions

**473.3 Energy resource management goal.**

1. The goal of this state is to efficiently utilize energy resources to enhance the economy of the state by decreasing the state's dependence on nonrenewable energy resources from outside the state and by reducing the amount of energy used. This goal is to be implemented through the development of policies and programs that promote energy efficiency, energy conservation, and alternative and renewable energy use by all Iowans, through the development and enhancement of an energy efficiency and alternative and renewable energy industry, through the commercialization of energy resources and technologies that are economically and environmentally viable, and through the development and implementation of effective public information and education programs.

2. State government shall be a model and testing ground for the use of energy efficiency, energy conservation, and alternative and renewable energy systems.

90 Acts, ch 1252, §6
C91, §93.3
C93, §473.3
2008 Acts, ch 1126, §21, 33

**473.4 through 473.6** Reserved.

**473.7 Duties of the authority.**

The authority shall:

1. Supply and annually update the following information:

*a.* The historical use and distribution of energy in Iowa.

*b.* The growth rate of energy consumption in Iowa, including rates of growth for each energy source.

*c.* A projection of Iowa's energy needs at a minimum through the year 2025.

*d.* The impact of meeting Iowa's energy needs on the economy of the state, including the impact of energy efficiency and renewable energy on employment and economic development.

*e.* The impact of meeting Iowa's energy needs on the environment of the state, including the impact of energy production and use on greenhouse gas emissions.

*f.* An evaluation of renewable energy sources, including the current and future technological potential for such sources.

2. Collect and analyze data to use in forecasting future energy demand and supply for the state. A supplier is required to provide information pertaining to the supply, storage, distribution, and sale of energy sources in this state when requested by the authority. The information shall be of a nature which directly relates to the supply, storage, distribution, and sale of energy sources, and shall not include any records, documents, books, or other data which relate to the financial position of the supplier. The authority, prior to requiring any supplier to furnish it with such information, shall make every reasonable effort to determine if such information is available from any other governmental source. If it finds such information is available, the authority shall not require submission of the information from a supplier. Notwithstanding the provisions of chapter 22, information and reports obtained under this section shall be confidential except when used for statistical purposes without identifying a specific supplier and when release of the information will not give an advantage to competitors and serves a public purpose. The authority shall use this data to conduct energy forecasts.

3. Develop, recommend, and implement with appropriate agencies public and professional education and communication programs in energy efficiency, energy conservation, and conversion to alternative and renewable energy.

4. When necessary to carry out its duties under this chapter, enter into contracts with state agencies and other qualified contractors.

5. Receive and accept grants made available for programs relating to duties of the authority under this chapter.

6. Promulgate rules necessary to carry out the provisions of this chapter, subject to review in accordance with chapter 17A. Rules promulgated by the governor pursuant to a proclamation issued under the provisions of section 473.8 shall not be subject to review or a public hearing as required in chapter 17A; however, authority rules for implementation of the governor's proclamation are subject to the requirements of chapter 17A.

7. Assist in the implementation of public education and communications programs in energy development, use, and conservation, in cooperation with the department of education, the state university extension services, and other public or private agencies and organizations as deemed appropriate by the authority.

8. Develop a program to annually give public recognition to innovative methods of energy conservation, energy management, and alternative and renewable energy production.

9. Administer and coordinate federal funds for energy conservation, energy management, and alternative and renewable energy programs.

10. Administer and coordinate the state building energy management program including projects funded through private financing.

11. Provide information from monthly fuel surveys which establish a statistical average of motor fuel prices for various motor fuels provided throughout the state. Additionally, the authority shall provide statewide monthly fuel survey information which establishes a statistical average of motor fuel prices for various motor fuels provided in both metropolitan and rural areas of the state. The survey results shall be publicized in a monthly press release issued by the authority.

12. Conduct a study on activities related to energy production and use which contribute to global climate change, in conjunction with institutions under the control of the state board of regents. The study shall take the form of a climate change impacts review, to include the following:

*a.* Performance of an initial review of available climate change impacts studies relevant to this state.

*b.* Preparation of a summary of available data on recent changes in relevant climate conditions.

*c.* Identification of climate change impacts issues which require further research and an estimate of their cost.

*d.* Identification of important public policy issues relevant to climate change impacts.

[C75, 77, 79, 81, §93.7; 82 Acts, ch 1081, §1, 2, ch 1199, §92, 96]

86 Acts, ch 1245, §1820 – 1822; 88 Acts, ch 1179, §2; 88 Acts, ch 1281, §7; 89 Acts, ch 152, §1; 89 Acts, ch 297, §2; 90 Acts, ch 1252, §7 – 10

C93, §473.7

2007 Acts, ch 168, §15, 18; 2008 Acts, ch 1126, §22, 23, 33; 2009 Acts, ch 108, §27, 41; 2010 Acts, ch 1031, §260; 2011 Acts, ch 118, §50, 89; 2012 Acts, ch 1021, §89

**473.8 Emergency powers.**

1. If the authority by resolution determines the health, safety, or welfare of the people of this state is threatened by an actual or impending acute shortage of usable energy, it shall transmit the resolution to the governor together with its recommendation on the declaration of an emergency by the governor and recommended actions, if any, to be undertaken. Within thirty days of the date of the resolution, the governor may issue a proclamation of emergency which shall be filed with the secretary of state. The proclamation shall state the facts relied upon and the reasons for the proclamation.

2. *a.* Pursuant to the proclamation of an emergency or in response to a declaration of an energy emergency by the president of the United States under the federal Emergency Energy Conservation Act of 1979, Pub. L. No. 96-102, the governor by executive order may:

(1) Regulate the operating hours of energy consuming instrumentalities of state government, political subdivisions, private institutions and business facilities to the extent the regulation is not hazardous or detrimental to the health, safety, or welfare of the people of this state. However, the governor shall have no authority to suspend, amend or nullify any service being provided by a public utility pursuant to an order or rule of a federal agency which has jurisdiction over the public utility.

(2) Establish a system for the distribution and supply of energy. The system shall not include a coupon rationing program, unless the program is federally mandated.

(3) Curtail public and private transportation utilizing energy sources. Curtailment may include measures designed to promote the use of car pools and mass transit systems.

(4) Delegate any administrative authority vested in the governor to the authority or the director.

(5) Provide for the temporary transfer of directors, personnel, or functions of state departments and agencies, for the purpose of performing or facilitating emergency measures pursuant to subparagraphs (1) and (2).

(6) Accept the delegation of other mandatory measures as allowed by the federal Emergency Energy Conservation Act of 1979, Pub. L. No. 96-102.

*b.* If the general assembly is in session, it may revoke by concurrent resolution any proclamation of emergency issued by the governor. If the general assembly is not in session, the proclamation of emergency by the governor may be revoked by a majority vote of the standing membership of the legislative council. Such revocation shall be effective upon receipt of notice of the revocation by the secretary of state and any functions being performed pursuant to the governor's proclamation shall cease immediately.

3. A violation of an executive order of the governor issued pursuant to this section is a scheduled violation as provided in section 805.8C, subsection 1. If the violation is continuous and stationary in its nature and subsequent compliance can easily be ascertained, an officer may issue a memorandum of warning in lieu of a citation providing a reasonable amount of time not exceeding fourteen days to correct the violation and to comply with the requirements of the executive order.

[C75, 77, 79, 81, §93.8]

86 Acts, ch 1245, §1822

C93, §473.8
2001 Acts, ch 137, §5; 2009 Acts, ch 108, §28, 29, 41; 2011 Acts, ch 118, §50, 89
Referred to in §473.7, 805.8C(1)

**473.9 Set-aside definitions.**

As used in section 473.10 unless the context otherwise requires:

1. *"Hardship"* means a situation involving or potentially involving substantial discomfort or danger or economic dislocation caused by a shortage or distribution imbalance of a liquid fossil fuel.

2. *"Liquid fossil fuel"* means heating oils, diesel oil, motor gasoline, propane, residual fuel oils, kerosene, and aviation fuels.

3. *"Prime supplier"* means an individual, trustee, agency, partnership, association, corporation, company, municipality, political subdivision or other legal entity that makes the first sale of a liquid fossil fuel into the state distribution system for consumption within the state.

[81 Acts, ch 32, §3]
C83, §93.9
C93, §473.9

**473.10 Reserve required.**

1. If the authority or the governor finds that an impending or actual shortage or distribution imbalance of liquid fossil fuels may cause hardship or pose a threat to the health and economic well-being of the people of the state or a significant segment of the state's population, the authority or the governor may authorize the director to operate a liquid fossil fuel set-aside program as provided in subsection 2.

2. Upon authorization by the authority or the governor the director may require a prime supplier to reserve a specified fraction of the prime supplier's projected total monthly release of liquid fossil fuel in Iowa. The director may release any or all of the fuel required to be reserved by a prime supplier to end-users or to distributors for release through normal retail distribution channels to retail customers. However, the specified fraction required to be reserved shall not exceed three percent for propane, aviation fuel and residual oil, and five percent for motor gasoline, heating oil, and diesel oil.

3. The authority shall periodically review and may terminate the operation of a set-aside program authorized by the authority under subsection 1 when the authority finds that the conditions that prompted the authorization no longer exist. The governor shall periodically review and may terminate the operation of a set-aside program authorized by the governor under subsection 1 when the governor finds that the conditions that prompted the authorization no longer exist.

4. The authority shall adopt rules to implement this section.

[81 Acts, ch 32, §4]
C83, §93.10
86 Acts, ch 1245, §1822
C93, §473.10
2009 Acts, ch 108, §30, 41; 2011 Acts, ch 118, §50, 89; 2012 Acts, ch 1021, §90
Referred to in §473.9

**473.11 Energy conservation trust established — receipts and disbursements.** Repealed by 2008 Acts, ch 1126, § 32, 33.

**473.12 Implementation of energy conservation measures — state board of regents.** Repealed by 2005 Acts, ch 179, § 160.

**473.13 Implementation of energy conservation measures — state department of transportation.** Repealed by 2008 Acts, ch 1126, § 32, 33.

**473.13A Energy management improvements identified and implemented.**

The state, state agencies, political subdivisions of the state, school districts, area education agencies, and community colleges shall identify and implement, through energy audits and engineering analyses, all energy management improvements identified for which financing is facilitated by the authority for the entity. The energy management improvement financings shall be supported through payments from energy savings.

89 Acts, ch 297, §3
CS89, §93.13A
90 Acts, ch 1252, §11; 91 Acts, ch 253, §6
C93, §473.13A
2009 Acts, ch 108, §31, 41; 2011 Acts, ch 118, §50, 89
Referred to in §12.28

**473.14** Reserved.

**473.15 Annual report.**

The authority shall complete an annual report to assess the progress of state agencies in implementing energy management improvements, alternative and renewable energy systems, and life cycle cost analyses under chapter 470, and on the use of renewable fuels. The authority shall work with state agencies and with any entity, agency, or organization with which they are associated or involved in such implementation, to use available information to minimize the cost of preparing the report. The authority shall also provide an assessment of the economic and environmental impact of the progress made by state agencies related to energy management and alternative and renewable energy, along with recommendations on technological opportunities and policies necessary for continued improvement in these areas.

88 Acts, ch 1179, §5
C89, §93.15
C93, §473.15
2008 Acts, ch 1126, §24, 33; 2009 Acts, ch 108, §32, 41; 2011 Acts, ch 118, §50, 89

**473.16 and 473.17** Repealed by 2008 Acts, ch 1126, § 32, 33.

**473.18** Reserved.

**473.19 Building energy management program.**

1. The building energy management program is established by the authority. The building energy management program consists of the following forms of assistance for the state, state agencies, political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations:

*a.* Promoting program availability.

*b.* Developing or identifying guidelines and model energy techniques for the completion of energy analyses for state agencies, political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations.

*c.* Providing technical assistance for conducting or evaluating energy analyses for state agencies, political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations.

*d.* Providing or facilitating loans, leases, and other methods of alternative financing under the energy loan program for the state, state agencies, political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations to implement energy management improvements or energy analyses.

*e.* Providing assistance for obtaining insurance on the energy savings expected to be realized from the implementation of energy management improvements.

*f.* Facilitating self-liquidating financing for the state, state agencies, political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations pursuant to section 473.20A.

*g.* Assisting the treasurer of state with financing agreements entered into by the treasurer of state on behalf of state agencies to finance energy management improvements pursuant to section 12.28.

2. For the purpose of this section, section 473.20, and section 473.20A, *"energy management improvement"* means construction, rehabilitation, acquisition, or modification of an installation in a facility or vehicle which is intended to reduce energy consumption, or energy costs, or both, or allow the use of alternative and renewable energy. *"Energy management improvement"* may include control and measurement devices. *"Nonprofit organization"* means an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code.

3. The authority shall submit a report by January 1 annually to the governor and the general assembly detailing services provided and assistance rendered pursuant to the building energy management program and pursuant to sections 473.20 and 473.20A, and receipts and disbursements in relation to the building energy management fund created in section 473.19A.

4. Moneys awarded or allocated to the state, its citizens, or its political subdivisions as a result of the federal court decisions and United States department of energy settlements resulting from alleged violations of federal petroleum pricing regulations attributable to or contained within the Stripper Well fund shall be allocated to and remain under the control of the authority for utilization for energy program-related staff support purposes.

86 Acts, ch 1167, §2
C87, §93.19
87 Acts, ch 209, §1; 90 Acts, ch 1253, §120, 121; 91 Acts, ch 253, §7
C93, §473.19
2008 Acts, ch 1126, §25, 33; 2009 Acts, ch 108, §33, 41; 2011 Acts, ch 118, §50, 89
Referred to in §12.28, 298.3, 473.19A

**473.19A Building energy management fund.**

1. The building energy management fund is created within the state treasury under the control of the authority. The fund shall be used for the operational expenses and administrative costs incurred by the authority in facilitating and administering the building energy management program established in section 473.19.

2. The building energy management fund shall consist of amounts deposited into the fund or allocated from the following sources:

*a.* Any moneys awarded or allocated to the state, its citizens, or its political subdivisions as a result of the federal court decisions and United States department of energy settlements resulting from alleged violations of federal petroleum pricing regulations attributable to or contained within the Exxon fund. Amounts remaining in the oil overcharge account established in section 455E.11, subsection 2, paragraph *"e"*, Code 2007, and the energy conservation trust established in section 473.11, Code 2007, as of June 30, 2008, shall be deposited into the building energy management fund pursuant to this paragraph, notwithstanding section 8.60, subsection 15, Code 2007.

*b.* (1) Moneys received in the form of fees imposed upon the state, state agencies, political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations for services performed or assistance rendered pursuant to the building energy management program. Fees imposed pursuant to this paragraph shall be established by the authority in an amount corresponding to the operational expenses or administrative costs incurred by the authority in performing services or providing assistance authorized pursuant to the building energy management program, as follows:

(a) For a building of up to twenty-five thousand square feet, two thousand five hundred dollars.

(b) For a building in excess of twenty-five thousand square feet, an additional eight cents per square foot.

(c) A building that houses more energy intensive functions may be subject to a higher fee than the fees specified in subparagraph divisions (a) and (b) as determined by the authority.

(2) Any fees imposed shall be retained by the authority and are appropriated to the authority for purposes of providing services or assistance under the program.

*c.* Moneys appropriated by the general assembly and any other moneys, including grants and gifts from government and nonprofit organizations, available to and obtained or accepted by the authority for placement in the fund.

*d.* Moneys contained in the intermodal revolving loan fund administered by the department of transportation for the fiscal year beginning July 1, 2019, and succeeding fiscal years.

*e.* Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

3. The building energy management fund shall be limited to a maximum of one million dollars. Amounts in excess of this maximum limitation shall be transferred to and deposited in the rebuild Iowa infrastructure fund created in section 8.57, subsection 5.

2008 Acts, ch 1126, §26, 33; 2009 Acts, ch 108, §34, 41; 2011 Acts, ch 118, §50, 89; 2012 Acts, ch 1021, §140

Referred to in §473.19

**473.20 Energy loan program.**

1. An energy loan program is established and shall be administered by the authority.

2. The authority may facilitate the loan process for political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations for implementation of energy management improvements identified in an energy analysis. Loans shall be facilitated for all cost-effective energy management improvements. For political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations to receive loan assistance under the program, the authority shall require completion of an energy management plan including an energy analysis. The authority shall approve loans facilitated under this section.

3. *a.* Cities and counties shall repay the loans from moneys in their debt service funds. Area education agencies shall repay the loans from any moneys available to them.

*b.* School districts and community colleges may enter into financing arrangements with the authority or its duly authorized agents or representatives obligating the school district or community college to make payments on the loans beyond the current budget year of the school district or community college. Chapter 75 shall not be applicable. School districts shall repay the loans from moneys in either their general fund or debt service fund. Community colleges shall repay the loans from their general fund. Other entities receiving loans under this section shall repay the loans from any moneys available to them.

4. For the purpose of this section, *"loans"* means loans, leases, or alternative financing arrangements.

5. Political subdivisions of the state, school districts, area education agencies, and community colleges shall design and construct the most energy cost-effective facilities feasible and may use financing facilitated by the authority to cover the incremental costs above minimum building code energy efficiency standards of purchasing energy-efficient devices and materials unless other lower cost financing is available. As used in this section, "*facility*" means a structure that is heated or cooled by a mechanical or electrical system, or any system of physical operation that consumes energy to carry out a process.

6. The authority shall not require the state, state agencies, political subdivisions of the state, school districts, area education agencies, and community colleges to implement a specific energy management improvement identified in an energy analysis if the entity which prepared the analysis demonstrates to the authority that the facility which is the subject of the energy management improvement is unlikely to be used or operated for the full period of the expected savings payback of all costs associated with implementing the energy management improvement, including without limitation, any fees or charges of the authority, engineering firms, financial advisors, attorneys, and other third parties, and all financing costs including interest, if financed.

86 Acts, ch 1167, §3

C87, §93.20

87 Acts, ch 209, §2; 90 Acts, ch 1252, §12; 90 Acts, ch 1253, §120; 91 Acts, ch 253, §8
C93, §473.20
94 Acts, ch 1029, §30; 2001 Acts, ch 60, §1; 2008 Acts, ch 1126, §27 – 29, 33; 2009 Acts, ch 108, §35, 41; 2011 Acts, ch 118, §50, 89
Referred to in §279.53, 298.3, 473.19, 473.20A

**473.20A Self-liquidating financing.**

1. *a.* The authority may facilitate financing agreements that may be entered into with political subdivisions of the state, school districts, area education agencies, community colleges, or nonprofit organizations to finance the costs of energy management improvements on a self-liquidating basis. The provisions of section 473.20 defining eligible energy management improvements apply to financings under this section.

*b.* The financing agreement may contain provisions, including interest, term, and obligations to make payments on the financing agreement beyond the current budget year, as may be acceptable to political subdivisions of the state, school districts, area education agencies, community colleges, or nonprofit organizations.

*c.* The authority shall assist the treasurer of state with financing agreements entered into by the treasurer of state on behalf of state agencies pursuant to section 12.28 to finance energy management improvements being implemented by state agencies.

2. Political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations may enter into financing agreements and issue obligations necessary to carry out the provisions of the chapter. Chapter 75 shall not be applicable.

87 Acts, ch 209, §3
CS87, §93.20A
90 Acts, ch 1253, §120; 91 Acts, ch 253, §9
C93, §473.20A
2008 Acts, ch 1126, §30, 33; 2009 Acts, ch 108, §36, 41; 2011 Acts, ch 118, §50, 89
Referred to in §298.3, 473.19

**473.21 through 473.39** Reserved.

**473.40 Statewide building energy efficiency rating system.** Repealed by 2006 Acts, ch 1014, § 10.

**473.41 Energy city designation program.**

1. The authority shall establish an energy city designation program, with the objective of encouraging cities to develop and implement innovative energy efficiency programs. To qualify for designation as an energy city, a city shall submit an application on forms prescribed by the authority by rule, indicating the following:

*a.* Submission of community-based plans for energy reduction projects, energy-efficient building construction and rehabilitation, and alternative or renewable energy production.

*b.* Efforts to secure local funding for community-based plans, and documentation of any state or federal grant or loan funding being pursued in connection therewith.

*c.* Involvement of local schools, civic organizations, chambers of commerce, and private groups in a community-based plan.

*d.* Existing or proposed ordinances encouraging energy efficiency and conservation, recycling efforts, and energy-efficient building code provisions and enforcement.

*e.* Organization of an energy day observance and proclamation with a commemorating event and awards ceremony for leading energy-efficient community businesses, groups, schools, or individuals.

2. The authority shall establish by rule criteria for awarding energy city designations. If more than one designation is awarded annually, the criteria shall include a requirement that the authority award the designations to cities of varying populations. Rules shall also be established identifying and publicizing state grant and loan programs relating to energy efficiency, and the development of a procedure whereby the authority shall coordinate with

other state agencies preferences given in the awarding of grants or making of loans to energy city designated applicants.

2007 Acts, ch 157, §1; 2009 Acts, ch 108, §37, 41; 2011 Acts, ch 118, §50, 89

**473.42 Exit signs — standards.** Repealed by 2008 Acts, ch 1126, § 32, 33.

**473.43** Reserved.

**473.44 Plumbing products efficiency standards — penalty.** Repealed by 2008 Acts, ch 1126, § 32, 33.

# CHAPTER 473A

## MIDWEST ENERGY COMPACT

This chapter not enacted as a part of this title;
transferred from chapter 93A in Code 1993

473A.1 Midwest energy compact.

**473A.1 Midwest energy compact.**

The midwest energy compact is enacted into law and entered into with all other states which legally join in the compact in substantially the following form:

1. *Article I — Purpose.* It is the purpose of this compact to protect, preserve, and enhance:

*a.* The economic and general welfare of citizens of the joining states by increasing energy efficiency and energy independence.

*b.* The economies and very existence of local communities in such states, the economies of which are dependent upon imported energy sources.

2. *Article II — Commission.*

*a. Organization and management.*

(1) There is hereby created an agency of the member states to be known as the interstate midwest energy commission, hereinafter called the commission. The commission shall consist of three residents of each member state who shall have a background in energy efficiency and who shall be appointed as follows: One member appointed by the governor, who shall serve at the pleasure of the governor; one senator appointed in the manner prescribed by the senate of the state, except that in Iowa the appointment shall be made by the president of the senate, after consultation with the majority leader and the minority leader of the senate, and except that two senators may be appointed by the governor of the state of Nebraska from the unicameral legislature of the state of Nebraska; and one member of the house of representatives appointed in the manner prescribed by the house of representatives of the state. The member first appointed by the governor shall serve for a term of one year and the senator and representative first appointed shall each serve for a term of two years. Thereafter all members appointed shall serve for two-year terms. The attorneys general of member states or assistants designated by the attorneys general shall be nonvoting members of the commission.

(2) Each member shall be entitled to one vote. A member must be present to vote and no voting by proxy shall be permitted. The commission shall not act unless a majority of the voting members are present, and no action shall be binding unless approved by a majority of the total number of voting members present.

(3) The commission shall be a body corporate of each member state and shall adopt an official seal to be used as it may provide.

(4) The commission shall hold an annual meeting and other regular meetings as its bylaws may provide and special meetings as its executive committee may determine. The commission bylaws shall specify the dates of the annual and any other regular meetings, and shall provide for the giving of notice of annual, regular, and special meetings. Notices

of special meetings shall include the reasons therefor and an agenda of the items to be considered.

(5) The commission shall elect annually, from among its voting members, a chairperson, a vice chairperson, and a treasurer. The commission shall appoint an executive director who shall serve at its pleasure, and shall fix the duties and compensation of the director. The executive director shall be secretary of the commission. The commission shall make provision for the bonding of those of its officers and employees as it may deem appropriate.

(6) Irrespective of the civil service, personnel, or other merit system laws of any member state, the executive director shall appoint or discharge personnel as may be necessary for the performance of the functions of the commission and shall fix, with the approval of the commission, their duties and compensation. The commission bylaws shall provide for personnel policies and programs. The commission may establish and maintain, independently of or in conjunction with any one or more of the member states, a suitable retirement system for its full-time employees. Employees of the commission shall be eligible for social security coverage in respect of old age and survivors insurance provided that the commission takes steps as may be necessary pursuant to federal law to participate in the program of insurance as a governmental agency or unit. The commission may establish and maintain or participate in additional programs of employee benefits as may be appropriate. The commission may borrow, accept, or contract for the services of personnel from any state, the United States, or any other governmental entity.

(7) The commission may accept for any of its purposes and functions any and all donations and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any governmental entity, and may utilize and dispose of the same.

(8) The commission may establish one or more offices for the transacting of its business.

(9) The commission shall adopt bylaws for the conduct of its business. The commission shall publish its bylaws in convenient form, and shall file a copy of the bylaws and any amendments thereto with the appropriate agency or officer in each of the member states.

(10) The commission annually shall make to the governor and legislature of each member state a report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission, and shall include the nature, amount, and conditions, if any, of the donation, gift, grant, or services borrowed and the identity of the donor or lender. The commission may make additional reports as it may deem desirable.

*b. Committees.* The commission may establish committees from its membership as its bylaws may provide for the carrying out of its functions.

3. *Article III — Powers and duties of commission.*

*a.* The commission shall conduct comprehensive and continuing studies and investigations of energy efficiency measures and their relationship to and effect upon the citizens and economies of the member states.

*b.* The commission shall make recommendations for the correction of weaknesses and solutions to problems in present energy efficiency measures or the development of alternatives thereto, including the development, drafting, and recommendation of proposed state or federal legislation.

*c.* The commission is hereby authorized to do all things necessary and incidental to the administration of its functions under this compact.

4. *Article IV — Finance.*

*a.* The commission shall submit to the governor of each member state a budget of its estimated expenditures for the period required by the laws of that state for presentation to the legislature of that state.

*b.* The moneys necessary to finance the general operations of the commission not otherwise provided for in carrying forth its duties, responsibilities, and powers as stated herein shall be appropriated to the commission by the member states, when authorized by the respective legislatures. Appropriations by member states for the financing of the operations of the commission in the initial biennium of the compact shall be in the amount of fifty thousand dollars for each member state. Thereafter the total amount of appropriations requested shall be apportioned among the member states in the manner determined by the

commission. Failure of a member state to provide its share of financing is cause for the state to lose its membership in the compact.

*c.* The commission shall not incur any obligations of any kind prior to the making of appropriations adequate to meet the same, nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state.

*d.* The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

*e.* The accounts of the commission shall be open for inspection at any reasonable time.

5. *Article V — Eligible parties, entry into force, withdrawal, and termination.*

*a.* Any state contiguous to Iowa may become a member of this compact.

*b.* This compact shall become effective initially when enacted into law by any five states and in additional states upon their enactment of the same into law.

*c.* Any member state may withdraw from this compact by enacting a statute repealing the compact, but such withdrawal shall not become effective until one year after the enactment of the repealing statute and the notification of the commission thereof by the governor of the withdrawing state. A withdrawing state shall be liable for any obligations which it incurred on account of its membership up to the effective date of withdrawal, and if the withdrawing state has specifically undertaken or committed itself to any performance of an obligation extending beyond the effective date of withdrawal, it shall remain liable to the extent of that obligation.

*d.* This compact shall terminate one year after the notification of withdrawal by the governor of any member state which reduces the total membership in the compact to less than five states.

91 Acts, ch 253, §12
CS91, §93A.1
C93, §473A.1
2008 Acts, ch 1032, §201

# SUBTITLE 5

## PUBLIC UTILITIES

# CHAPTER 474

## UTILITIES DIVISION


474.1 Creation of division and board — organization.
474.2 Certain persons barred from office.
474.3 Proceedings.
474.4 Quorum — personal interest.
474.5 Rules, forms and service.
474.6 Appearances — record of votes — public hearings.
474.7 Seal.
474.8 Office — time employed — expenses.
474.9 General jurisdiction of utilities board.
474.10 General counsel.
474.11 through 474.54 Transferred to chapter 327C.


**474.1 Creation of division and board — organization.**

1. A utilities division is created within the department of commerce. The policymaking body for the division is the utilities board which is created within the division. The board is composed of three members appointed by the governor and subject to confirmation by the senate, not more than two of whom shall be from the same political party. Each member appointed shall serve for six-year staggered terms beginning and ending as provided by section 69.19. Vacancies shall be filled for the unexpired portion of the term in the same manner as full-term appointments are made.

2. The utilities board shall organize by appointing an executive secretary, who shall take the same oath as the members. The board shall set the salary of the executive secretary within the limits of the pay plan for exempt positions provided for in section 8A.413, subsection 3, unless otherwise provided by the general assembly. The board may employ additional personnel as it finds necessary. Subject to confirmation by the senate, the governor shall appoint a member as the chairperson of the board. The chairperson shall be the administrator of the utilities division. The appointment as chairperson shall be for a two-year term which begins and ends as provided in section 69.19.

3. As used in this chapter and chapters 475A, 476, 476A, 478, 479, 479A, and 479B, "*division*" and "*utilities division*" mean the utilities division of the department of commerce.

[C97, §2111; C24, 27, 31, 35, 39, §**7866;** C46, 50, 54, 58, 62, 66, 71, 73, §474.2; C75, 77, 79, 81, §474.1]

83 Acts, ch 127, §6; 86 Acts, ch 1245, §740; 89 Acts, ch 296, §70; 95 Acts, ch 192, §3; 2003 Acts, ch 145, §265; 2008 Acts, ch 1031, §115

Referred to in §34A.15, 437A.3, 437B.2, 477C.2, 546.7

Confirmation, see §2.32

**474.2 Certain persons barred from office.**

No person in the employ of any common carrier or other public utility, or owning any bonds, stock or property in any railroad company or other public utility shall be eligible to the office of utilities board member or secretary of the utilities board; and the entering into the employ of any common carrier or other public utility or the acquiring of any stock or other interest in any common carrier or other public utility by such member or secretary after appointment shall disqualify the member or secretary to hold the office or perform the duties thereof.

[C97, §2111; C24, 27, 31, 35, 39, §**7865;** C46, 50, 54, 58, 62, 66, 71, 73, §474.1; C75, 77, 79, 81, §474.2]

Referred to in §475A.1

**474.3 Proceedings.**

The utilities board may in all cases conduct its proceedings, when not otherwise prescribed by law, in such manner as will best conduce to the proper dispatch of business and the attainment of justice.

[C97, §2142; C24, 27, 31, 35, 39, §**7867;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §474.3]

**474.4 Quorum — personal interest.**

A majority of the utilities board shall constitute a quorum for the transaction of business, but no member shall participate in any hearing or proceeding in which the member has any pecuniary interest.

[C97, §2142; C24, 27, 31, 35, 39, §**7868;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §474.4]

**474.5 Rules, forms and service.**

1. The utilities board may from time to time make or amend its rules or orders as necessary for the preservation of order and the regulation of proceedings before it, including forms of notice and the service thereof, which shall conform as nearly as may be to those in use in the courts of the state.

2. The utilities board shall adopt rules approving the types of city-owned or utility-owned lighting which shall be used in providing energy-efficient exterior lighting under sections 364.23 and 476.62.

[C97, §2142; C24, 27, 31, 35, 39, §**7869;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §474.5]

89 Acts, ch 297, §8

Manner of commencing actions, chapter 617

**474.6 Appearances — record of votes — public hearings.**

Any party may appear before the utilities board and be heard in person or by attorney. Every vote and official action thereof shall be entered of record, and, upon the request of either party or person interested, its proceedings shall be public.

[C97, §2142; C24, 27, 31, 35, 39, §**7870;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §474.6]

**474.7 Seal.**

The utilities board shall have a seal, of which courts shall take judicial notice.

[C97, §2142; C24, 27, 31, 35, 39, §**7871;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §474.7]

**474.8 Office — time employed — expenses.**

The utilities board shall have an office at the seat of government and each member shall devote the member's whole time to the duties of the office, and the members and secretary and other employees shall receive their actual necessary traveling expenses while in the discharge of their official duties away from the general offices.

[C97, §2121; SS15, §2121; C24, 27, 31, 35, 39, §**7872;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §474.8]

**474.9 General jurisdiction of utilities board.**

The utilities board has general supervision of all pipelines and all lines for the transmission, sale, and distribution of electrical current for light, heat, and power pursuant to chapters 476, 476A, 478, 479, 479A, and 479B and has other duties as provided by law.

[S13, §2120-n; C24, 27, 31, 35, 39, §**7874;** C46, 50, 54, 58, 62, 66, 71, 73, §474.10; C75, 77, 79, 81, §474.9]

88 Acts, ch 1134, §90; 89 Acts, ch 296, §71; 95 Acts, ch 192, §4

**474.10 General counsel.**

The board shall employ a competent attorney to serve as its general counsel, and assistants to the general counsel as it finds necessary for the full and efficient discharge of its duties. The general counsel is the attorney for, and legal advisor of, the board and is exempt from the merit system provisions of chapter 8A, subchapter IV. Assistants to the general counsel are subject to the merit system provisions of chapter 8A, subchapter IV. The general counsel or an assistant to the general counsel shall provide the necessary legal advice to the board in all

matters and represent the board in all actions instituted in a state or federal court challenging the validity of a rule or order of the board. The existence of a fact which disqualifies a person from election or from acting as a utilities board member disqualifies the person from employment as general counsel or assistant general counsel. The general counsel shall devote full time to the duties of the office. During employment the counsel shall not be a member of a political committee, contribute to a political campaign fund other than through the income tax checkoff for contributions to the Iowa election campaign fund and the presidential election campaign fund, participate in a political campaign, or be a candidate for a political office.

83 Acts, ch 127, §7; 86 Acts, ch 1245, §741; 88 Acts, ch 1158, §77; 2003 Acts, ch 145, §266

**474.11 through 474.54** Transferred to chapter 327C.

# CHAPTER 475

RESERVED

# CHAPTER 475A

## CONSUMER ADVOCATE

Referred to in §474.1


| | | | |
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| 475A.2 | Duties. | 475A.6 | Certification of expenses to utilities division. |
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**475A.1 Consumer advocate.**

1. *Appointment.* The attorney general shall appoint a competent attorney to the office of consumer advocate, subject to confirmation by the senate, in accordance with section 2.32. The consumer advocate is the chief administrator of the consumer advocate division of the department of justice. The advocate's term of office is for four years. The term begins and ends in the same manner as set forth in section 69.19.

2. *Vacancy.* If a vacancy occurs in the office of consumer advocate, the vacancy shall be filled for the unexpired term in the same manner as an original appointment under the procedures of section 2.32.

3. *Disqualification.* The existence of a fact which disqualifies a person from election or acting as utilities board member under section 474.2 disqualifies the person from appointment or acting as consumer advocate.

4. *Political activity prohibited.* The consumer advocate shall devote the advocate's entire time to the duties of the office; and during the advocate's term of office the advocate shall not be a member of a political committee or contribute to a political campaign fund other than through the income tax checkoff for contributions to the Iowa election campaign fund and the presidential election campaign fund or take part in political campaigns or be a candidate for a political office.

5. *Removal.* The attorney general may remove the consumer advocate for malfeasance or nonfeasance in office, or for any cause which renders the advocate ineligible for appointment, or incapable or unfit to discharge the duties of the advocate's office; and the advocate's removal, when so made, is final.

83 Acts, ch 127, §8, 46; 86 Acts, ch 1245, §742, 743

**475A.2 Duties.**

The consumer advocate shall:

1. Investigate the legality of all rates, charges, rules, regulations, and practices of all persons under the jurisdiction of the utilities board, and institute civil proceedings before the board or any court to correct any illegality on the part of any such person. In any such investigation, the person acting for the office of the consumer advocate shall have the power to ask the board to issue subpoenas, compel the attendance and testimony of witnesses, and the production of papers, books, and documents, at the discretion of the board.

2. Act as attorney for and represent all consumers generally and the public generally in all proceedings before the utilities board.

3. Institute as a party judicial review of any decision of the utilities board, if the consumer advocate deems judicial review to be in the public interest.

4. Appear for all consumers generally and the public generally in all actions instituted in any state or federal court which involve the validity of a rule, regulation, or order of the utilities board.

5. Act as attorney for and represent all consumers generally and the public generally in proceedings before federal and state agencies and related judicial review proceedings and appeals, at the discretion of the consumer advocate.

6. Appear and participate as a party in the name of the office of consumer advocate in the performance of the duties of the office.

83 Acts, ch 127, §9

**475A.3 Office — employees — expenses.**

1. *Office.* The office of consumer advocate shall be a separate division of the department of justice and located at the same location as the utilities division of the department of commerce. Administrative support services may be provided to the consumer advocate division by the department of commerce.

2. *Employees.* The consumer advocate may employ attorneys, legal assistants, secretaries, clerks, and other employees the consumer advocate finds necessary for the full and efficient discharge of the duties and responsibilities of the office. The consumer advocate may employ consultants as expert witnesses or technical advisors pursuant to contract as the consumer advocate finds necessary for the full and efficient discharge of the duties of the office. Employees of the consumer advocate division, other than the consumer advocate, are subject to merit employment, except as provided in section 8A.412.

3. *Salaries, expenses, and appropriation.* The salary of the consumer advocate shall be fixed by the attorney general within the salary range set by the general assembly. The salaries of employees of the consumer advocate shall be at rates of compensation consistent with current standards in industry. The reimbursement of expenses for the employees and the consumer advocate is as provided by law. The appropriation for the office of consumer advocate shall be a separate line item contained in the appropriation from the department of commerce revolving fund created in section 546.12.

83 Acts, ch 127, §10, 46; 86 Acts, ch 1244, §59; 86 Acts, ch 1245, §744; 89 Acts, ch 158, §1; 94 Acts, ch 1107, §79; 2003 Acts, ch 145, §267; 2009 Acts, ch 181, §44

Referred to in §546.12

**475A.4 Utilities division records.**

The consumer advocate has free access to all the files, records, and documents in the office of the utilities division except:

1. Personal information in confidential personnel records of the utilities division.

2. Records which represent and constitute the work product of the general counsel of the utilities board, and records of confidential communications between utilities board members and their general counsel, where the records relate to a proceeding before the board in which the consumer advocate is a party or a proceeding in any state or federal court in which both the board and the consumer advocate are parties.

3. Customer information of a confidential nature which could jeopardize the customer's competitive status and is provided by the utility to the division. Such information shall be

provided to the consumer advocate by the division, if the board determines it to be in the public interest.

83 Acts, ch 127, §11; 88 Acts, ch 1134, §91; 89 Acts, ch 158, §2

**475A.5 Service.**

The consumer advocate is entitled to service of all documents required by statute or rule to be served on parties in proceedings before the utilities board and all notices, petitions, applications, complaints, answers, motions, and other pleadings filed pursuant to statute or rule with the board.

83 Acts, ch 127, §12

**475A.6 Certification of expenses to utilities division.**

The consumer advocate shall determine the advocate's expenses, including a reasonable allocation of general office expenses, directly attributable to the performance of the advocate's duties involving specific persons subject to direct assessment, and shall certify the expenses to the utilities division not less than quarterly. The expenses shall then be includable in the expenses of the division subject to direct assessment under section 476.10.

The consumer advocate shall annually, within ninety days after the close of each fiscal year, determine the advocate's expenses, including a reasonable allocation of general office expenses, attributable to the performance of the advocate's duties generally, and shall certify the expenses to the utilities division. The expenses shall then be includable in the expenses of the division subject to remainder assessment under section 476.10.

The consumer advocate is entitled to notice and opportunity to be heard in any utilities board proceeding on objection to an assessment for expenses certified by the consumer advocate. Expenses assessed under this section shall not exceed the amount appropriated for the consumer advocate division of the department of justice.

The office of consumer advocate may expend additional funds, including funds for outside consultants, if those additional expenditures are actual expenses which exceed the funds budgeted for the performance of the advocate's duties. Before the office expends or encumbers an amount in excess of the funds budgeted, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the expenses exceed the funds budgeted by the general assembly to the office of consumer advocate and that the office does not have other funds from which such expenses can be paid. Upon approval of the director of the department of management, the office may expend and encumber funds for excess expenses. The amounts necessary to fund the excess expenses shall be collected from those utilities or persons which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 8.

83 Acts, ch 127, §13; 90 Acts, ch 1247, §10; 99 Acts, ch 20, §1, 6

Referred to in §476.10, 476.53, 476.97

**475A.7 Consumer advisory panel.**

The attorney general shall appoint five members and the governor shall appoint four members to a consumer advisory panel to meet at the request of the consumer advocate for consultation regarding public utility regulation. A member shall be appointed from each congressional district with the appointee residing within the congressional district at the time of appointment. The remaining appointees shall be members at large. No more than five members shall belong to the same political party as provided in section 69.16. Not more than a simple majority of the members shall be of the same gender. The members appointed by the attorney general shall serve four-year terms at the pleasure of the attorney general and their appointments are not subject to confirmation. The members appointed by the governor shall serve four-year terms at the pleasure of the governor and their appointments are not subject to confirmation. The governor or attorney general shall fill a vacancy in the same manner as the original appointment for the unexpired portion of the member's term.

Members of the consumer advisory panel shall serve without compensation, but shall be reimbursed for actual expenses from funds appropriated to the consumer advocate division.

83 Acts, ch 127, §14, 47; 86 Acts, ch 1244, §60; 86 Acts, ch 1245, §746

# CHAPTER 476

## PUBLIC UTILITY REGULATION

Referred to in §6B.42, 8D.13, 11.6, 89.14, 256.90, 318.9, 331.248, 331.261, 357A.11A, 368.1, 373.11, 388.9A, 423.3, 427.1(2), 433.12, 437A.3, 437B.2, 474.1, 474.9, 499.80, 546.7


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## REGULATION AUTHORITY

**476.1 Applicability of authority.**

1. The utilities board within the utilities division of the department of commerce shall regulate the rates and services of public utilities to the extent and in the manner hereinafter provided.

2. As used in this chapter, *"board"* or *"utilities board"* means the utilities board within the utilities division of the department of commerce.

3. As used in this chapter, *"public utility"* shall include any person, partnership, business association, or corporation, domestic or foreign, owning or operating any facilities for:

*a.* Furnishing gas by piped distribution system or electricity to the public for compensation.

*b.* Furnishing communications services to the public for compensation.

*c.* Furnishing water by piped distribution system to the public for compensation.

4. Mutual telephone companies in which at least fifty percent of the users are owners,

cooperative telephone corporations or associations, telephone companies having less than fifteen thousand customers and less than fifteen thousand access lines, municipally owned utilities, and unincorporated villages which own their own distribution systems are not subject to the rate regulation provided for in this chapter.

5. This chapter does not apply to waterworks having less than two thousand customers, municipally owned waterworks, joint water utilities established pursuant to chapter 389, rural water districts incorporated and organized pursuant to chapters 357A and 504, cooperative water associations incorporated and organized pursuant to chapter 499, or to a person furnishing electricity to five or fewer customers either by secondary line or from an alternate energy production facility or small hydro facility, from electricity that is produced primarily for the person's own use.

6. A telephone company otherwise exempt from rate regulation and having telephone exchange facilities which cross state lines may elect, in a writing filed with the board, to have its rates regulated by the board. When a written election has been filed with the board, the board shall assume rate regulation jurisdiction over the company.

7. The jurisdiction of the board under this chapter shall include efforts designed to promote the use of energy efficiency strategies by rate or service-regulated gas and electric utilities.

[C66, 71, 73, 75, §490A.1; C77, 79, 81, §476.1; 81 Acts, ch 156, §4]

83 Acts, ch 127, §15, 16; 84 Acts, ch 1031, §1; 88 Acts, ch 1172, §2; 90 Acts, ch 1252, §18; 91 Acts, ch 150, §1; 91 Acts, ch 168, §9; 96 Acts, ch 1196, §1; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2012 Acts, ch 1023, §67

Referred to in §306.46, 352.6, 455H.304, 476.6, 476.22, 476.27, 476.91, 477C.7, 499.30, 499.33, 714H.4, 716.6B, 716.7

**476.1A Applicability of authority — certain electric utilities.**

1. Electric public utilities having fewer than ten thousand customers and electric cooperative corporations and associations are not subject to the rate regulation authority of the board. Such utilities are subject to all other regulation and enforcement activities of the board, including:

*a.* Assessment of fees for the support of the division.

*b.* Safety and engineering standards for equipment, operations, and procedures.

*c.* Assigned area of service.

*d.* Pilot projects of the board.

*e.* Assessment of fees for the support of the Iowa energy center created in section 266.39C and the center for global and regional environmental research established by the state board of regents.

*f.* Filing alternate energy purchase program plans with the board, and offering such programs to customers, pursuant to section 476.47.

*g.* Filing energy efficiency plans and energy efficiency results with the board. The energy efficiency plans as a whole shall be cost-effective. The board may permit these utilities to file joint plans. The board shall periodically report the energy efficiency results including energy savings of each of these utilities to the general assembly. The board may waive all or part of the energy efficiency filing and review requirements for electric cooperative corporations and associations and electric public utilities which demonstrate superior results with existing energy efficiency efforts.

2. However, sections 476.20, 476.21, 476.41 through 476.44, 476.51, 476.56, 476.62, and 476.66 and chapters 476A and 478, to the extent applicable, apply to such electric utilities.

3. Electric cooperative corporations and associations and electric public utilities exempt from rate regulation under this section shall not make or grant any unreasonable preferences or advantages as to rates or services to any person or subject any person to any unreasonable prejudice or disadvantage.

4. The board of directors or the membership of an electric cooperative corporation or association otherwise exempt from rate regulation may elect to have the cooperative's rates regulated by the board. The board shall adopt rules prescribing the manner in which the board of directors or the membership of an electric cooperative may so elect. If the board of directors or the membership of an electric cooperative has elected to have the cooperative's

rates regulated by the board, after two years have elapsed from the effective date of such election the membership of the electric cooperative may elect to exempt the cooperative from the rate regulation authority of the board.

86 Acts, ch 1039, §1; 88 Acts, ch 1174, §1; 88 Acts, ch 1175, §1; 89 Acts, ch 297, §9; 90 Acts, ch 1252, §19; 96 Acts, ch 1196, §2, 3; 2001 Acts, 1st Ex, ch 4, §8, 36; 2008 Acts, ch 1133, §2, 9
Referred to in §476.6, 476.44

**476.1B Applicability of authority — municipally owned utilities.**

1. Unless otherwise specifically provided by statute, a municipally owned utility furnishing gas or electricity is not subject to regulation by the board under this chapter, except for regulatory action pertaining to:

*a.* Assessment of fees for the support of the division and the office of consumer advocate, as set forth in section 476.10.

*b.* Safety standards.

*c.* Assigned areas of service, as set forth in sections 476.22 through 476.26.

*d.* Enforcement of civil penalties pursuant to section 476.51.

*e.* Disconnection of service, as set forth in section 476.20.

*f.* Discrimination against users of renewable energy resources, as set forth in section 476.21.

*g.* Encouragement of alternate energy production facilities, as set forth in sections 476.41 through 476.45.

*h.* Enforcement of section 476.56.

*i.* Enforcement of section 476.66.

*j.* Enforcement of section 476.62.

*k.* Assessment of fees for the support of the Iowa energy center created in section 266.39C and the center for global and regional environmental research created by the state board of regents.

*l.* Filing energy efficiency plans and energy efficiency results with the board. The energy efficiency plans as a whole shall be cost-effective. The board may permit these utilities to file joint plans. The board shall periodically report the energy efficiency results including energy savings of each of these utilities to the general assembly.

*m.* An electric power agency as defined in chapter 28F and section 390.9 that includes as a member a city or municipally owned utility that builds transmission facilities after July 1, 2001, is subject to applicable transmission reliability rules or standards adopted by the board for those facilities.

*n.* Filing alternate energy purchase program plans with the board, and offering such programs to customers, pursuant to section 476.47.

2. The board may waive all or part of the energy efficiency filing and review requirements for municipally owned utilities which demonstrate superior results with existing energy efficiency efforts.

3. Unless otherwise specifically provided by statute, a municipally owned utility providing local exchange services is not subject to regulation by the board under this chapter except for regulatory action pertaining to the enforcement of sections 476.11, 476.29, 476.95, 476.96, 476.100, 476.101, and 476.102.

86 Acts, ch 1162, §1; 88 Acts, ch 1174, §2; 88 Acts, ch 1175, §2; 89 Acts, ch 297, §10; 90 Acts, ch 1252, §20; 96 Acts, ch 1196, §4, 5; 97 Acts, ch 81, §1, 2, 6; 99 Acts, ch 63, §7, 8; 2001 Acts, 1st Ex, ch 4, §9, 36; 2008 Acts, ch 1133, §3, 9; 2010 Acts, ch 1018, §6
Referred to in §476.6

**476.1C Applicability of authority — certain gas utilities.**

1. Gas public utilities having fewer than two thousand customers:

*a.* Are not subject to the regulation authority of the utilities board under this chapter unless otherwise specifically provided. Sections 476.10, 476.20, 476.21, and 476.51 apply to such gas utilities.

*b.* Shall be subject to the assessment of fees for the support of the Iowa energy center created in section 266.39C and the center for global and regional environmental

research created by the state board of regents and shall file energy efficiency plans and energy efficiency results with the board. The energy efficiency plans as a whole shall be cost-effective. The board may waive all or part of the energy efficiency filing requirements if the gas utility demonstrates superior results with existing energy efficiency efforts.

*c.* Shall keep books, accounts, papers and records accurately and faithfully in the manner and form prescribed by the board. The board may inspect the accounts of the utility at any time.

*d.* (1) May make effective a new or changed rate, charge, schedule, or regulation after giving written notice of the proposed new or changed rate, charge, schedule, or regulation to all affected customers served by the public utility. The notice shall inform the customers of their right to petition for a review of the proposal to the utilities board within sixty days after notice is served if the petition contains the signatures of at least one hundred of the gas utility's customers. The notice shall state the address of the utilities board. The new or changed rate, charge, schedule, or regulation takes effect sixty days after such valid notice is served unless a petition for review of the new or changed rate, charge, schedule, or regulation signed by at least one hundred of the gas utility's customers is filed with the board prior to the expiration of the sixty-day period.

(2) If such a valid petition is filed with the board within the sixty-day period, any new or changed rate, charge, schedule, or regulation shall take effect, under bond or corporate undertaking, subject to refund of all amounts collected in excess of those amounts which would have been collected under the rates or charges finally approved by the board. The board shall within five months of the date of filing make a determination of just and reasonable rates based on a review of the proposal, applying established regulatory principles. The board may call upon the gas public utility and its customers to furnish factual evidence in support of or opposition to the new or changed rate, charge, schedule, or regulation. If the gas public utility disputes the finding, the utility may within twenty days file for further review, and the board shall docket the case as a formal proceeding under section 476.6, subsection 4, and set the case for hearing. The gas public utility shall submit factual evidence and written argument in support of the filing.

*e.* Shall not make effective a new or changed rate, charge, schedule, or regulation which relates to services for which a rate change is pending within twelve months following the date the petition to review the prior proposed rate, charge, schedule, or regulation was filed with the board or until the board has made its determination of just and reasonable rates, whichever date is earlier, unless the utility applies to the board for authority and receives authority to make a subsequent rate change at an earlier date.

*f.* Shall not make or grant any unreasonable preferences or advantages as to rates or services to any person or subject any person to any unreasonable prejudice or disadvantage. Rates charged by a gas public utility having less than two thousand customers for transportation of customer-owned gas shall not exceed the actual cost of such transportation services including a fair rate of return.

2. If, as a result of a review of a proposed new or changed rate, charge, schedule, or regulation of a gas public utility having fewer than two thousand customers, the consumer advocate alleges in a filing with the board that the utility rates are excessive, the disputed amounts shall be specified by the consumer advocate in the filing. The gas public utility shall, within the time prescribed by the board, file a bond or undertaking approved by the board conditioned upon the refund in a manner prescribed by the board of amounts collected after the date of the filing which are in excess of rates or charges finally determined by the board to be lawful. If after formal proceeding and hearing pursuant to section 476.6 the board finds that the utility rates are unlawful, the board shall order a refund, with interest, of amounts collected after the date of filing of the petition that are determined to be in excess of the amounts which would have been collected under the rates finally approved. However, the board shall not order a refund that is greater than the amount specified in the petition, plus interest. If the board fails to render a decision within ten months following the date of filing

of the petition, the board shall not order a refund of any excess amounts that are collected after the expiration of that ten-month period and prior to the date the decision is rendered.

87 Acts, ch 21, §1; 90 Acts, ch 1252, §21; 96 Acts, ch 1196, §6; 2012 Acts, ch 1021, §91
Referred to in §476.6

**476.1D Regulation and deregulation of communications services.**

1. Except as provided in this section, the jurisdiction of the board as to the regulation of communications services is not applicable to a service or facility that is provided or is proposed to be provided by a telephone utility that is or becomes subject to effective competition, as determined by the board.

*a.* In determining whether a service or facility is or becomes subject to effective competition, the board shall consider, among other factors, whether a comparable service or facility is available from a supplier other than the telephone utility in the geographic market being considered by the board and whether market forces in that market are sufficient to assure just and reasonable rates without regulation.

*b.* When considering market forces in the market proposed to be deregulated, the board shall consider factors including but not limited to the presence or absence of all of the following:

(1) Wireless communications services.

(2) Cable telephony services.

(3) Voice over internet protocol services.

(4) Economic barriers to the entry of competitors or potential competitors in that market.

*c.* (1) In addition to other services or facilities previously deregulated, effective July 1, 2005, and at the election of each telephone utility subject to rate regulation, the jurisdiction of the board is not applicable to the retail rate regulation of business and retail local exchange services provided throughout the state except for single line flat-rated residential and business service rates provided by a telephone utility subject to rate regulation on January 1, 2005. For each such telephone utility, the initial single line flat-rated residential and business service rates shall be the corresponding rates charged by the utility as of January 31, 2005. The initial single line flat-rated residential monthly service rates may be increased by an amount not to exceed one dollar per twelve-month period beginning July 1, 2005, and ending June 30, 2008. The initial single line flat-rated business monthly service rates may be increased by an amount not to exceed two dollars per twelve-month period beginning July 1, 2005, and ending June 30, 2008. However, the single line flat-rated residential service rate shall not exceed nineteen dollars per month and the single line flat-rated business service rate shall not exceed thirty-eight dollars per month prior to July 1, 2008, not including charges for extended area service, regulatory charges, taxes, and other fees. Each telephone utility's extended area service rates shall not be greater than the corresponding rates charged by the telephone utility as of January 31, 2005. The board shall determine a telephone utility's extended area service rates for new extended area service established on or after July 1, 2005. If a telephone utility fails to impose the rate increase during any twelve-month period, the utility shall not impose the unused increase in any subsequent year. In addition to the rate increases permitted pursuant to this section, the telephone utility may adjust its single line flat-rated residential and business service rates by a percentage equal to the most recent annual percentage change in the gross domestic product price index as published by the federal government. The board may also authorize additional changes in the monthly rates for single line flat-rated residential and business services to reflect exogenous factors beyond the control of the telephone utility.

(2) A telephone utility that elects to increase single line flat-rated residential or business service rates pursuant to this paragraph "*c*" shall offer digital subscriber line broadband service in all of the telephone utility's exchanges in this state within eighteen calendar months of the first rate increase made pursuant to this paragraph "*c*" by the telephone utility. The board may extend this deadline by up to nine calendar months for good cause. The board may assess a civil penalty or require a refund of all incremental revenue resulting from the rate increase initiated pursuant to this paragraph "*c*" if the telephone utility fails

to offer digital subscriber line broadband service within the time period required by this subparagraph.

(3) Effective July 1, 2008, the retail rate jurisdiction of the board shall not be applicable to single line flat-rated residential and business service rates unless the board during the first six calendar months of 2008 extends its retail rate jurisdiction over single line flat-rated residential and business service rates provided by a previously rate-regulated telephone utility. The board may extend its jurisdiction pursuant to this subparagraph for not more than two years and may do so only after the board finds that such action is necessary for the public interest. The board shall provide the general assembly with a copy of any order to extend its jurisdiction and shall permit any telephone utility subject to the extension to increase single line flat-rated residential and business monthly service rates by an amount up to two dollars during each twelve-month period of the extension. If a telephone utility fails to impose such a rate increase during any twelve-month period, the utility may not impose the unused increase in any subsequent year.

2. Except as provided in subsection 1, paragraph *"c"*, deregulation of a service or facility for a utility is effective only after a finding of effective competition by the board.

3. If the board finds that a service or facility is subject to effective competition, the board shall deregulate the service or facility within a reasonable time.

4. Upon deregulation, all investment, revenues, and expenses associated with the service or facility shall be removed from the telephone utility's regulated operations and shall not be considered by the board in setting rates for the telephone utility unless they continue to affect the utility's regulated operations. If the board considers investment, revenues, and expenses associated with unregulated services or facilities in setting rates for the telephone utility, the board shall not use any profits or costs from such unregulated services or facilities to determine the rates for regulated services or facilities. This section does not preclude the board from considering the investment, revenues, and expenses associated with the sale of classified directory advertising by a telephone utility in determining rates for the telephone utility.

5. Notwithstanding the presence of effective competition, if the board determines a service or facility is an essential communications service or facility and the public interest warrants retention of service regulation, the board shall deregulate rates and may continue service regulation.

6. The board may reimpose rate and service regulation on a deregulated service or facility if it determines the service or facility is no longer subject to effective competition.

7. The board may reimpose service regulation only on a deregulated service or facility if the board determines the service or facility is an essential communications service or facility and the public interest warrants service regulation, notwithstanding the presence of effective competition.

8. If the board reimposes regulation pursuant to subsection 6 or 7, the reimposition of regulation shall apply to all providers of the service or facility.

9. The board may investigate and obtain information from providers of deregulated services or facilities to determine whether the services or facilities are subject to effective competition or whether the service or facility is an essential communications service or facility and the public interest warrants service regulation. However, the board shall not, for purposes of this subsection, request or obtain information related to the provider's costs or earnings.

10. *a.* The board, at the request of a long distance telephone company, shall classify such company as a competitive long distance telephone company if more than half of the company's revenues from its Iowa intrastate telecommunications services and facilities are received from services and facilities that the board has determined to be subject to effective competition, or if more than half of the company's revenues from its Iowa intrastate telecommunications services and facilities are received from intralata interexchange services and facilities. For purposes of this subsection, *"intralata interexchange services"* means those interexchange services that originate and terminate within the same local access transport area.

*b.* The board shall promptly notify the director of revenue that a long distance telephone

company has been classified as a competitive long distance telephone company. Upon such notification by the board, the director of revenue shall assess the property of such competitive long distance telephone company, which property is first assessed for taxation in this state on or after January 1, 1996, in the same manner as all other property assessed as commercial property by the local assessor under chapters 427, 427A, 427B, 428, and 441. As used in this section, *"long distance telephone company"* means an entity that provides telephone service and facilities between local exchanges, but does not include a cellular service provider or a local exchange utility holding a certificate issued under section 476.29, subsection 12.

91 Acts, ch 150, §2; 95 Acts, ch 199, §1; 96 Acts, ch 1219, § 73; 2003 Acts, ch 126, §1; 2003 Acts, ch 145, §286; 2005 Acts, ch 9, §1; 2006 Acts, ch 1010, §123; 2011 Acts, ch 25, §143; 2012 Acts, ch 1023, §68

Referred to in §476.55, 476.103, 477.9A, 477C.7

**476.2 Board powers and rules — utility's Iowa office.**

1. The board shall have broad general powers to effect the purposes of this chapter notwithstanding the fact that certain specific powers are hereinafter set forth. The board shall have authority to issue subpoenas and to pay the same fees and mileage as are payable to witnesses in the courts of record of general jurisdiction and shall establish all needful, just and reasonable rules, not inconsistent with law, to govern the exercise of its powers and duties, the practice and procedure before it, and to govern the form, contents and filing of reports, documents and other papers provided for in this chapter or in the board's rules. In the establishment, amendment, alteration or repeal of any of such rules, the board shall be subject to the provisions of chapter 17A.

2. The board shall employ at rates of compensation consistent with current standards in industry such professionally trained engineers, accountants, attorneys, and skilled examiners and inspectors, secretaries, clerks, and other employees as it may find necessary for the full and efficient discharge of its duties and responsibilities as required by this chapter.

3. The board may intervene in any proceedings before the federal energy regulatory commission or any other federal or state regulatory body when it finds that any decision of that tribunal would adversely affect the costs of any public utility service within the state of Iowa.

4. The board shall have authority to inquire into the management of the business of all public utilities, and shall keep itself informed as to the manner and method in which the same is conducted, and may obtain from any public utility all necessary information to enable the board to perform its duties.

5. Each rate-regulated gas and electric utility operating within the state shall maintain within the state the utility's principal office for Iowa operations. The principal office shall be subject to the jurisdiction of the board and shall house those books, accounts, papers, and records of the utility deemed necessary by the board to be housed within the state. The utility shall maintain within the state administrative, technical, and operating personnel necessary for the delivery of safe and reasonably adequate services and facilities as required pursuant to section 476.8. A public utility which violates this section shall be subject to the penalties provided in section 476.51 and shall be denied authority to recover, for a period determined by the board, the costs of an energy efficiency plan pursuant to section 476.6, subsection 8.

6. The board shall provide the general assembly with a report on the energy efficiency planning efforts undertaken by utilities required to offer energy efficiency plans pursuant to section 476.6, subsection 14. The report shall be completed by January 1, 1998.

[C66, 71, 73, 75, §490A.2; C77, 79, 81, §476.2]

90 Acts, ch 1168, §51; 90 Acts, ch 1252, §22; 96 Acts, ch 1196, §7

Referred to in §476.12, 476.101

**476.3 Complaints — investigation — refunds.**

1. A public utility shall furnish reasonably adequate service at rates and charges in accordance with tariffs filed with the board. When there is filed with the board by any person or body politic, or filed by the board upon its own motion, a written complaint requesting the board to determine the reasonableness of the rates, charges, schedules, service, regulations,

or anything done or omitted to be done by a public utility subject to this chapter in contravention of this chapter, the written complaint shall be forwarded by the board to the public utility, which shall be called upon to satisfy the complaint or to answer it in writing within a reasonable time to be specified by the board. Copies of the written complaint forwarded by the board to the public utility and copies of all correspondence from the public utility in response to the complaint shall be provided by the board in an expeditious manner to the consumer advocate. If the board determines the public utility's response is inadequate and there appears to be any reasonable ground for investigating the complaint, the board shall promptly initiate a formal proceeding. If the consumer advocate determines the public utility's response to the complaint is inadequate, the consumer advocate may file a petition with the board which shall promptly initiate a formal proceeding if the board determines that there is any reasonable ground for investigating the complaint. The complainant or the public utility also may petition the board to initiate a formal proceeding which petition shall be granted if the board determines that there is any reasonable ground for investigating the complaint. The formal proceeding may be initiated at any time by the board on its own motion. If a proceeding is initiated upon petition filed by the consumer advocate, complainant, or the public utility, or upon the board's own motion, the board shall set the case for hearing and give notice as it deems appropriate. When the board, after a hearing held after reasonable notice, finds a public utility's rates, charges, schedules, service, or regulations are unjust, unreasonable, discriminatory, or otherwise in violation of any provision of law, the board shall determine just, reasonable, and nondiscriminatory rates, charges, schedules, service, or regulations to be observed and enforced.

2. *a.* If, as a result of a review procedure conducted under section 476.31, a review conducted under section 476.32, a special audit, an investigation by division staff, or an investigation by the consumer advocate, a petition is filed with the board by the consumer advocate, alleging that a utility's rates are excessive, the disputed amount shall be specified in the petition. The public utility shall, within the time prescribed by the board, file a bond or undertaking approved by the board conditioned upon the refund in a manner prescribed by the board of amounts collected after the date of filing of the petition in excess of rates or charges finally determined by the board to be lawful. If upon hearing the board finds that the utility's rates are unlawful, the board shall order a refund, with interest, of amounts collected after the date of filing of the petition that are determined to be in excess of the amounts which would have been collected under the rates finally approved. However, the board shall not order a refund that is greater than the amount specified in the petition, plus interest, and if the board fails to render a decision within ten months following the date of filing of the petition, the board shall not order a refund of any excess amounts that are collected after the expiration of that ten-month period and prior to the date the decision is rendered.

*b.* Notwithstanding the provisions of this subsection, the consumer advocate shall not file a petition under this subsection that alleges a local exchange carrier's rates are excessive while the local exchange carrier is participating in a price regulation plan approved by the board pursuant to section 476.97.

3. A determination of utility rates by the board pursuant to this section that is based upon a departure from previously established regulatory principles shall apply prospectively from the date of the decision.

[C66, 71, 73, 75, §490A.3; C77, 79, 81, §476.3; 81 Acts, ch 156, §5, 9]

83 Acts, ch 127, §17, 18; 89 Acts, ch 59, §1; 89 Acts, ch 97, §1; 95 Acts, ch 199, §2; 2011 Acts, ch 25, §143

Referred to in §476.4, 476.4A, 476.10, 476.33, 476.52, 476.97

**476.4 Tariffs filed.**

Every public utility shall file with the board tariffs showing the rates and charges for its public utility services and the rules and regulations under which such services were furnished, on April 1, 1963, which rates and charges shall be subject to investigation by the board as provided in section 476.3, and upon such investigation the burden of establishing the reasonableness of such rates and charges shall be upon the public utility filing the same. These filings shall be made under such rules as the board may prescribe within such

time and in such form as the board may designate. In prescribing rules and regulations with respect to the form of tariffs, the board shall, in the case of public utilities subject to regulation by any federal agency, give due regard to any corresponding rules and regulations of such federal agency, to the end that unnecessary duplication of effort and expense may be avoided so far as reasonably possible. Each public utility shall keep copies of its tariffs open to public inspection under such rules as the board may prescribe.

Every rate, charge, rule and regulation contained in any filing made with the commission on or prior to July 4, 1963, shall be effective as of such date, subject, however, to investigation as herein provided. If any such filing is made prior to the time the commission prescribes rules as aforesaid, and if such filing does not comply as to form or substance with such rules, then the public utility which filed the same shall within a reasonable time after the adoption of such rules make a new filing or filings complying with such rules, which new filing or filings shall be deemed effective as of July 4, 1963.

[C66, 71, 73, 75, §490A.4; C77, 79, 81, §476.4]

Referred to in §476.43

**476.4A Exemption from tariff filings for telephone utilities.**

Notwithstanding contrary provisions of this chapter, a telephone utility may offer centron, centrex, intraexchange private line, or multiline variety package service without filing a tariff unless the board determines such a procedure is not in the public interest. The telephone utility shall offer each service which is exempt from a tariff filing at a rate which exceeds the cost of the service. A telephone utility offering its services without filing a tariff shall not discriminate in an unreasonable manner for or against any customer.

A telephone utility shall provide the board with at least thirty days' notice prior to a request to offer service without filing a tariff. The board may require the telephone utility to file its price lists, contracts, or cost allocations for services offered without a tariff. Any such price lists, contracts, or cost allocations so filed shall be afforded rebuttable presumptions that they meet the requirements of section 22.7, subsection 6.

The board shall consider the revenues, expenses, and investment related to telephone utility services offered without a filed tariff in proceedings under section 476.3, 476.6, and 476.7.

84 Acts, ch 1267, §1

Section not amended; editorial changes applied

**476.5 Adherence to schedules — discounts.**

No public utility subject to rate regulation shall directly or indirectly charge a greater or less compensation for its services than that prescribed in its tariffs, and no such public utility shall make or grant any unreasonable preferences or advantages as to rates or services to any person or subject any person to any unreasonable prejudice or disadvantage.

Nothing in this section shall be construed to prohibit any public utility furnishing communications services from providing any service rendered by it without charge or at reduced rate to any of its active or retired officers, directors, or employees, or such officers, directors or employees of other public utilities furnishing communications services. Provided, however, said service is for personal use, and not for engaging in a business for profit.

[C66, 71, 73, 75, §490A.5; C77, 79, 81, §476.5]

**476.6 Changes in rates, charges, schedules, and regulations — supply and cost review — water costs for fire protection.**

1. *Filing with board.* A public utility subject to rate regulation shall not make effective a new or changed rate, charge, schedule, or regulation until the rate, charge, schedule, or regulation has been approved by the board, except as provided in subsections 8 and 10.

2. *Written notice of increase.* All public utilities, except those exempted from rate regulation by section 476.1, shall give written notice of a proposed increase of any rate or charge to all affected customers served by the public utility no more than sixty-two days prior to and prior to the time the application for the increase is filed with the board. Public utilities exempted from rate regulation by section 476.1 shall give written notice of a proposed increase of any rate or charge to all affected customers served by the public

utility at least thirty days prior to the effective date of the increase. If the public utility is subject to rate regulation, the notice to affected customers shall also state that the customer has a right to file a written objection to the rate increase and that the affected customers may request the board to hold a public hearing to determine if the rate increase should be allowed. The board shall prescribe the manner and method that the written notice to each affected customer of the public utility shall be served.

3. *Facts and arguments submitted.* At the time a public utility subject to rate regulation files with the board an application for any new or changed rates, charges, schedules, or regulations, the public utility also shall submit factual evidence and written argument offered in support of the filing. If the filing is an application for a general rate increase, the utility shall also file affidavits containing testimonial evidence to be offered in support of the filing, although this requirement does not apply if the public utility is a rural electric cooperative.

4. *Hearing set.* After the filing of an application for new or changed rates, charges, schedules, or regulations by a public utility subject to rate regulation, the board, prior to the expiration of thirty days after the filing date, shall docket the case as a formal proceeding and set the case for hearing unless the new or changed rates, charges, schedules, or regulations are approved by the board. However, if an application presents no material issue of fact subject to dispute, and the board determines that the application violates a relevant statute, or is not in substantial compliance with a board rule lawfully adopted pursuant to chapter 17A, the application may be rejected by the board without prejudice and without a hearing, provided that the board issues a written order setting forth all of its reasons for rejecting the application. In the case of a gas public utility having less than two thousand customers, the board shall docket a case as a formal proceeding and set the case for hearing as provided in section 476.1C. In the case of a rural electric cooperative, the board may docket the case as a formal proceeding and set the case for hearing prior to the proposed effective date of the tariff. The board shall give notice of formal proceedings as it deems appropriate. The docketing of a case as a formal proceeding suspends the effective date of the new or changed rates, charges, schedules, or regulations until the rates, charges, schedules, or regulations are approved by the board, except as provided in subsection 10.

5. *Utility hearing expenses reported.* When a case has been docketed as a formal proceeding under subsection 4, the public utility, within a reasonable time thereafter, shall file with the board a report outlining the utility's expected expenses for litigating the case through the time period allowed by the board in rendering a decision. At the conclusion of the utility's presentation of comments, testimony, exhibits, or briefs the utility shall submit to the board a listing of the utility's actual litigation expenses in the proceeding. As part of the findings of the board under subsection 6, the board shall allow recovery of costs of the litigation expenses over a reasonable period of time to the extent the board deems the expenses reasonable and just.

6. *Finding by board.* If, after hearing and decision on all issues presented for determination in the rate proceeding, the board finds the proposed rates, charges, schedules, or regulations of the utility to be unlawful, the board shall by order authorize and direct the utility to file new or changed rates, charges, schedules, or regulations which, when approved by the board and placed in effect, will satisfy the requirements of this chapter. The rates, charges, schedules, or regulations so approved are lawful and effective upon their approval.

7. *Limitation on filings.* A public utility shall not make a subsequent filing of an application for a new or changed rate, charge, schedule, or regulation which relates to services for which a rate filing is pending within twelve months following the date the prior application was filed or until the board has issued a final order on the prior application, whichever date is earlier, unless the public utility applies to the board for authority and receives authority to make a subsequent filing at an earlier date.

8. *Automatic adjustments permitted.* This chapter does not prohibit a public utility from making provision for the automatic adjustment of rates and charges for public utility service provided that a schedule showing the automatic adjustment of rates and charges is first filed with the board.

9. *Rate levels for telephone utilities.* The board may approve a schedule of rate levels for any regulated service provided by a utility providing communication services.

10. *Temporary authority.*

*a.* Upon the request of a public utility, the board shall, when required by this subsection, grant the public utility temporary authority to place in effect any or all of the suspended rates, charges, schedules, or regulations by filing with the board a bond or other undertaking approved by the board conditioned upon the refund in a manner to be prescribed by the board of any amounts collected in excess of the amounts which would have been collected under rates, charges, schedules, or regulations finally approved by the board. In determining that portion of the new or changed rates, charges, schedules, or regulations to be placed in effect prior to a final decision, the board shall apply previously established regulatory principles and shall, at a minimum, permit rates and charges which will allow the utility the opportunity to earn a return on common stock equity equal to that which the board held reasonable and just in the most recent rate case involving the same utility or the same type of utility service, provided that if the most recent final decision of the board in an applicable rate case was rendered more than twelve months prior to the date of filing of the request for temporary rates, the board shall in addition consider financial market data that is filed or that is otherwise available to the board and shall adjust the rate of return on common stock equity that was approved in that decision upward or downward as necessary to reflect current conditions. The board shall render a decision on a request for temporary authority within ninety days after the date of filing of the request. The decision shall be effective immediately. If the board has not rendered a final decision with respect to suspended rates, charges, schedules or regulations upon the expiration of ten months after the filing date, plus the length of any delay that necessarily results either from the failure of the public utility to exercise due diligence in connection with the proceedings or from intervening judicial proceedings, plus the length of any extension permitted by section 476.33, subsection 3, then those portions that were approved by the board on a temporary basis shall be deemed finally approved by the board and the utility may place them into effect on a permanent basis, and the utility also may place into effect subject to refund and until the final decision of the board any portion of the suspended rates, charges, schedules, or regulations not previously approved on a temporary basis by filing with the board a bond or other undertaking approved by the board.

*b.* A public utility may choose to place in effect temporary rates, charges, schedules, or regulations without board review ten days after the filing under this section. If the utility chooses to place such rates, charges, schedules, or regulations in effect without board review, the utility shall file with the board a bond or other corporate undertaking approved by the board conditioned upon the refund in a manner prescribed by the board of amounts collected in excess of the amounts which would have been collected under rates, charges, schedules, or regulations finally approved by the board. At the conclusion of the proceeding if the board determines that the temporary rates, charges, schedules, or regulations placed in effect under this paragraph were not based on previously established regulatory principles, the board shall consider ordering refunds based upon the overpayments made by each individual customer class, rate zone, or customer group.

*c.* If the board finds that an extension of the ten-month period is necessary to permit the accumulation of necessary data with respect to the operation of a newly constructed electric generating facility that has a capacity of one hundred megawatts or more of electricity and that is proposed to be included in the rate base for the first time, the board may extend the ten-month period up to a maximum extension of six months, but only with respect to that portion of the suspended rates, charges, schedules, or regulations that are necessarily connected with the inclusion of the generating facility in the rate base. If a utility is proposing to include in its rate base for the first time a newly constructed electric generating facility that has a capacity of one hundred megawatts or more of electricity, the filing date of new or changed rates, charges, schedules, or regulations shall, for purposes of computing the time limitations stated above, be the date as determined by the board that the new plant went into service, but only with respect to that portion of the suspended rates, charges, schedules, or regulations that are necessarily connected with the inclusion of the generating facility in the rate base.

*d.* The board shall determine the rate of interest to be paid by a public utility to persons

receiving refunds. The interest rate to be applied to refunds of moneys collected subject to refund under this subsection is two percent per annum plus the average quarterly interest rate at commercial banks for twenty-four-month loans for personal expenditures, as determined by the board, compounded annually. The board shall consider federal reserve statistical release G.19 or its equivalent when determining interest to be paid under this subsection.

11. *Refunds passed on to customers.* If pursuant to federal law or rule a rate-regulated public utility furnishing gas to customers in the state receives a refund or credit for past gas purchases, the savings shall be passed on to the customers in a manner approved by the board. Similarly, if pursuant to federal law or rule a rate-regulated public utility furnishing gas to customers in the state receives a rate for future gas purchases which is lower than the price included in the public utility's approved rate application, the savings shall be passed on to the customers in a manner approved by the board.

12. *Natural gas supply and cost review.*

*a.* The board shall periodically conduct a proceeding for the purpose of evaluating the reasonableness and prudence of a rate-regulated public utility's natural gas procurement and contracting practices. The natural gas supply and cost review shall be conducted as a contested case pursuant to chapter 17A.

*b.* Under procedures established by the board, each rate-regulated public utility furnishing gas shall periodically file a complete natural gas procurement plan describing the expected sources and volumes of its gas supply and changes in the cost of gas anticipated over a future twelve-month period specified by the board. The utilities shall file information as the board deems appropriate.

*c.* During the natural gas supply and cost review, the board shall evaluate the reasonableness and prudence of the gas procurement plan. If a utility is not taking all reasonable actions to minimize its purchase gas costs, consistent with assuring an adequate long-term supply of natural gas, the board shall not allow the utility to recover from its customers purchase gas costs in excess of those costs that would be incurred under reasonable and prudent policies and practices.

13. *Electric energy supply and cost review.* The board shall periodically conduct a proceeding for the purpose of evaluating the reasonableness and prudence of a rate-regulated public utility's procurement and contracting practices related to the acquisition of fuel for use in generating electricity. The evaluation may review the reasonableness and prudence of actions taken by a rate-regulated public utility to comply with the federal Clean Air Act Amendments of 1990, Pub. L. No. 101-549. The proceeding shall be conducted as a contested case pursuant to chapter 17A. Under procedures established by the board, the utility shall file information as the board deems appropriate. If a utility is not taking all reasonable actions to minimize its fuel and allowance transaction costs, the board shall not allow the utility to recover from its customers fuel and allowance transaction costs in excess of those costs that would be or would have been incurred under reasonable and prudent policies and practices.

14. *Energy efficiency plans.* Electric and gas public utilities shall offer energy efficiency programs to their customers through energy efficiency plans. An energy efficiency plan as a whole shall be cost-effective. In determining the cost-effectiveness of an energy efficiency plan, the board shall apply the societal test, utility cost test, rate-payer impact test, and participant test. Energy efficiency programs for qualified low-income persons and for tree planting programs, educational programs, and assessments of consumers' needs for information to make effective choices regarding energy use and energy efficiency need not be cost-effective and shall not be considered in determining cost-effectiveness of plans as a whole. The energy efficiency programs in the plans may be provided by the utility or by a contractor or agent of the utility. Programs offered pursuant to this subsection by gas and electric utilities that are required to be rate-regulated shall require board approval.

15. *Water costs for fire protection in certain cities.*

*a.* Application. A city furnished water by a public utility subject to rate regulation may apply to the board for inclusion of all or a part of the costs of fire hydrants or other improvements, maintenance, and operations for the purpose of providing adequate water production, storage, and distribution for public fire protection in the rates or charges

assessed to consumers covered by the applicant's fire protection service. The application shall be made in a form and manner approved by or as directed by the board. The applicant shall provide such additional information as the board may require to consider the application.

*b.* Review. The board shall review the application, and may in its discretion consider additional evidence, beyond that supplied in the application or provided by the applicant in response to a request for additional information pursuant to paragraph "*a*", including, but not limited to, soliciting oral or written testimony from other interested parties.

*c.* Notice. Written notice of a proposed rate increase shall be provided by the public utility pursuant to subsection 2, except that notice shall be provided within ninety days of the date of application. Costs of the notice shall be paid for by the applicant.

*d.* Conditions for approval. As a condition to approving an application to include water-related fire protection costs in the utility's rates or charges, the board shall make an affirmative determination that the following conditions will be met:

(1) That the service area currently charged for fire protection, either directly or indirectly, is substantially the same service area containing those persons who will pay for water-related fire protection through inclusion of such costs within the utility's rates or charges.

(2) That the inclusion of such costs within the utility's rates or charges will not cause substantial inequities among the utility's customers.

(3) That all or a portion of the costs sought to be included in the utility's rates or charges by the applicant are reasonable in the circumstances, and limited to the purposes specified in paragraph "*a*".

(4) That written notice has been provided pursuant to paragraph "*c*" and that the costs of the notice have been paid by the applicant.

*e.* Inclusion within rates or charges. If the board affirmatively determines that the conditions of paragraph "*d*" are or will be satisfied, the board shall include the reasonable costs in the rates or charges assessed to consumers covered by the applicant's fire protection service.

*f.* Written order. The board shall issue a written order within six months of the date of application. The written order shall include a recitation of the facts found pursuant to consideration of the application.

16. *Energy efficiency implementation, cost review, and cost recovery.*

*a.* Gas and electric utilities required to be rate-regulated under this chapter shall file energy efficiency plans with the board. An energy efficiency plan and budget shall include a range of programs, tailored to the needs of all customer classes, including residential, commercial, and industrial customers, for energy efficiency opportunities. The plans shall include programs for qualified low-income persons including a cooperative program with any community action agency within the utility's service area to implement countywide or communitywide energy efficiency programs for qualified low-income persons. Rate-regulated gas and electric utilities shall utilize Iowa agencies and Iowa contractors to the maximum extent cost-effective in their energy efficiency plans filed with the board.

*b.* A gas and electric utility required to be rate-regulated under this chapter shall assess potential energy and capacity savings available from actual and projected customer usage by applying commercially available technology and improved operating practices to energy-using equipment and buildings. The utility shall submit the assessment to the board. Upon receipt of the assessment, the board shall consult with the economic development authority to develop specific capacity and energy savings performance standards for each utility. The utility shall submit an energy efficiency plan which shall include economically achievable programs designed to attain these energy and capacity performance standards. The board shall periodically report the energy efficiency results including energy savings of each utility to the general assembly.

*c.* (1) Gas and electric utilities that are not required to be rate-regulated under this chapter shall assess maximum potential energy and capacity savings available from actual and projected customer usage through cost-effective energy efficiency measures and programs, taking into consideration the utility service area's historic energy load, projected demand, customer base, and other relevant factors. Each utility shall establish an energy

efficiency goal based upon this assessment of potential and shall establish cost-effective energy efficiency programs designed to meet the energy efficiency goal. Separate goals may be established for various customer groupings.

(2) Energy efficiency programs shall include efficiency improvements to a utility infrastructure and system and activities conducted by a utility intended to enable or encourage customers to increase the amount of heat, light, cooling, motive power, or other forms of work performed per unit of energy used. In the case of a municipal utility, for purposes of this paragraph, other utilities and departments of the municipal utility shall be considered customers to the same extent that such utilities and departments would be considered customers if served by an electric or gas utility that is not a municipal utility. Energy efficiency programs include activities which lessen the amount of heating, cooling, or other forms of work which must be performed, including but not limited to energy studies or audits, general information, financial assistance, direct rebates to customers or vendors of energy-efficient products, research projects, direct installation by the utility of energy-efficient equipment, direct and indirect load control, time-of-use rates, tree planting programs, educational programs, and hot water insulation distribution programs.

(3) Each utility shall commence the process of determining its cost-effective energy efficiency goal on or before July 1, 2008, shall provide a progress report to the board on or before January 1, 2009, and complete the process and submit a final report to the board on or before January 1, 2010. The report shall include the utility's cost-effective energy efficiency goal, and for each measure utilized by the utility in meeting the goal, the measure's description, projected costs, and the analysis of its cost-effectiveness. Each utility or group of utilities shall evaluate cost-effectiveness using the cost-effectiveness tests in accordance with subsection 14 of this section. Individual utilities or groups of utilities may collaborate in conducting the studies required hereunder and may file a joint report or reports with the board. However, the board may require individual information from any utility, even if it participates in a joint report.

(4) On January 1 of each even-numbered year, commencing January 1, 2012, gas and electric utilities that are not required to be rate-regulated shall file a report with the board identifying their progress in meeting the energy efficiency goal and any updates or amendments to their energy efficiency plans and goals. Filings made pursuant to this paragraph "*c*" shall be deemed to meet the filing requirements of section 476.1A, subsection 1, paragraph "*g*", and section 476.1B, subsection 1, paragraph "*l*".

*d.* (1) The board shall evaluate the reports required to be filed pursuant to paragraph "*b*" by gas and electric utilities required to be rate-regulated, and shall submit a report summarizing the evaluation to the general assembly on or before January 1, 2009.

(2) The board shall evaluate the reports required to be filed pursuant to paragraph "*c*" by gas and electric utilities that are not required to be rate-regulated, and shall submit a report summarizing the evaluation to the general assembly on or before January 1, 2011.

(3) The reports submitted by the board to the general assembly pursuant to this paragraph "*d*" shall include the goals established by each of the utilities. The reports shall also include the projected costs of achieving the goals, potential rate impacts, and a description of the programs offered and proposed by each utility or group of utilities, and may take into account differences in system characteristics, including but not limited to sales to various customer classes, age of facilities of new large customers, and heating fuel type. The reports may contain recommendations concerning the achievability of certain intermediate and long-term energy efficiency goals based upon the results of the assessments submitted by the utilities.

*e.* The board shall conduct contested case proceedings for review of energy efficiency plans and budgets filed by gas and electric utilities required to be rate-regulated under this chapter. The board may approve, reject, or modify the plans and budgets. Notwithstanding the provisions of section 17A.19, subsection 5, in an application for judicial review of the board's decision concerning a utility's energy efficiency plan or budget, the reviewing court shall not order a stay. Whenever a request to modify an approved plan or budget is filed subsequently by the office of consumer advocate or a gas or electric utility required to be rate-regulated under this chapter, the board shall promptly initiate a formal proceeding if the board determines that any reasonable ground exists for investigating the request. The formal

proceeding may be initiated at any time by the board on its own motion. Implementation of board-approved plans or budgets shall be considered continuous in nature and shall be subject to investigation at any time by the board or the office of the consumer advocate.

*f.* Notice to customers of a contested case proceeding for review of energy efficiency plans and budgets shall be in a manner prescribed by the board.

*g.* A gas or electric utility required to be rate-regulated under this chapter may recover, through an automatic adjustment mechanism filed pursuant to subsection 8, over a period not to exceed the term of the plan, the costs of an energy efficiency plan approved by the board, including amounts for a plan approved prior to July 1, 1996, in a contested case proceeding conducted pursuant to paragraph "*e*". The board shall periodically conduct a contested case proceeding to evaluate the reasonableness and prudence of the utility's implementation of an approved energy efficiency plan and budget. If a utility is not taking all reasonable actions to cost-effectively implement an approved energy efficiency plan, the board shall not allow the utility to recover from customers costs in excess of those costs that would be incurred under reasonable and prudent implementation and shall not allow the utility to recover future costs at a level other than what the board determines to be reasonable and prudent. If the result of a contested case proceeding is a judgment against a utility, that utility's future level of cost recovery shall be reduced by the amount by which the programs were found to be imprudently conducted. The utility shall not represent energy efficiency in customer billings as a separate cost or expense unless the board otherwise approves.

*h.* A rate-regulated utility required to submit an energy efficiency plan under this subsection shall, upon the request of a state agency or political subdivision to which it provides service, provide advice and assistance regarding measures which the state agency or political subdivision might take in achieving improved energy efficiency results. The cooperation shall include assistance in accessing financial assistance for energy efficiency measures.

17. *Filing of forecasts.* The board shall periodically require each rate-regulated gas or electric public utility to file a forecast of future gas requirements or electric generating needs and the board shall evaluate the forecast. The forecast shall include but is not limited to a forecast of the requirements of its customers, its anticipated sources of supply, and its anticipated means of addressing the forecasted gas requirements or electric generating needs.

18. *Energy efficiency program financing.* The board may require each rate-regulated gas or electric public utility to offer qualified customers the opportunity to enter into an agreement for the amount of moneys reasonably necessary to finance cost-effective energy efficiency improvements to the qualified customers' residential dwellings or businesses.

19. *Allocation of replacement tax costs.*

*a.* The costs of the replacement tax imposed pursuant to chapter 437A or 437B shall be reflected in the charges of utilities subject to rate regulation, in lieu of the utilities' costs of property taxes. The imposition of the replacement taxes pursuant to chapter 437A is not intended to initiate any change in the rates and charges for the sale of electricity, the sale of natural gas, or the transportation of natural gas that is subject to regulation by the board and in effect on January 1, 1999. The implementation and initial imposition of the replacement taxes pursuant to chapter 437B is not intended to result in an increase in the rates and charges for the sale of water that is subject to regulation by the board and in effect on January 1, 2013.

*b.* The cost of the replacement taxes imposed by chapter 437A or 437B shall be allocated among and within customer classes in a manner that will replicate the tax cost burden of the current property tax on individual customers to the maximum extent practicable.

*c.* Upon the restructuring of the electric industry in this state so that individual consumers are given the right to choose their electric suppliers, replacement tax costs shall be assigned to the service corresponding to the individual generation, transmission, and delivery taxes. In all other respects, the allocation of the replacement tax costs among and within the customer classes shall remain the same to the maximum extent practicable.

*d.* Notwithstanding this subsection, the board may determine the amount of replacement tax properly included in retail rates subject to its jurisdiction. The board may determine whether the base rates or some other form of rate is most appropriate for recovery of the costs of the replacement tax, subject to the requirement that utility rates be reasonable and

just. The board may also determine the appropriate allocation of the tax. Any significant modification to rate design relating to the replacement tax shall be made in a manner consistent with this subsection unless made in a contested case proceeding where the impact of such modification on competition and consumer costs is considered.

20. *Recovery of management costs.* A public utility which is assessed management costs by a local government pursuant to chapter 480A is entitled to recover those costs. If the public utility serves customers within the boundaries of the local government imposing the management costs, such costs shall be recovered exclusively from those customers.

21. *Electric power generating facility emissions.*

*a.* It is the intent of the general assembly that the state, through a collaborative effort involving state agencies and affected generation owners, provide for compatible statewide environmental and electric energy policies with respect to regulated emissions from rate-regulated electric power generating facilities in the state that are fueled by coal. Each rate-regulated public utility that is an owner of one or more electric power generating facilities fueled by coal and located in this state on July 1, 2001, shall develop a multiyear plan and budget for managing regulated emissions from its facilities in a cost-effective manner.

(1) The initial multiyear plan and budget shall be filed with the board by April 1, 2002. Updates to the plan and budget shall be filed at least every twenty-four months.

(2) Copies of the initial plan and budget, as well as any subsequent updates, shall be served on the department of natural resources.

(3) The initial multiyear plan and budget and any subsequent updates shall be considered in a contested case proceeding pursuant to chapter 17A. The department of natural resources and the consumer advocate shall participate as parties to the proceeding.

(4) The department of natural resources shall state whether the plan or update meets applicable state environmental requirements for regulated emissions. If the plan does not meet these requirements, the department shall recommend amendments that outline actions necessary to bring the plan or update into compliance with the environmental requirements.

*b.* The board shall not approve a plan or update that does not meet applicable state environmental requirements and federal ambient air quality standards for regulated emissions from electric power generating facilities located in the state.

*c.* The board shall review the plan or update and the associated budget, and shall approve the plan or update and the associated budget if the plan or update and the associated budget are reasonably expected to achieve cost-effective compliance with applicable state environmental requirements and federal ambient air quality standards. In reaching its decision, the board shall consider whether the plan or update and the associated budget reasonably balance costs, environmental requirements, economic development potential, and the reliability of the electric generation and transmission system.

*d.* The board shall issue an order approving or rejecting a plan, update, or budget within one hundred eighty days after the public utility's filing is deemed complete; however, upon good cause shown, the board may extend the time for issuing the order as follows:

(1) The board may grant an extension of thirty days.

(2) The board may grant more than one extension, but each extension must rely upon a separate showing of good cause.

(3) A subsequent extension must not be granted any earlier than five days prior to the expiration of the original one-hundred-eighty-day period, or the current extension.

*e.* The reasonable costs incurred by a rate-regulated public utility in preparing and filing the plan, update, or budget and in participating in the proceedings before the board and the reasonable costs associated with implementing the plan, update, or budget shall be included in its regulated retail rates.

*f.* It is the intent of the general assembly that the board, in an environmental plan, update, or associated budget filed under this section by a rate-regulated public utility, may limit investments or expenditures that are proposed to be undertaken prior to the time that the environmental benefit to be produced by the investment or expenditure would be required by state or federal law.

22. *Nuclear generating facilities — legislative intent.*

*a.* It is the intent of the general assembly to require certain rate-regulated public utilities to undertake analyses of and preparations for the possible construction of nuclear generating facilities in this state that would be beneficial in a carbon-constrained environment.

*b.* A rate-regulated electric utility that was subject to a revenue sharing settlement agreement with regard to its electric base rates as of January 1, 2010, shall recover, through a rider and pursuant to a tariff filing made on or before December 31, 2013, the reasonable and prudent costs of its analyses of and preparations for the possible construction of facilities of the type referenced in paragraph *"a"*. Cost recovery shall be accomplished by instituting a revenue increase applied in the same percentage amount to each customer class and not designed to recover, on an annual basis, more than five-tenths percent of the electric utility's calendar year 2009 revenues attributable to billed base rates in this state. At the conclusion of the cost recovery period, which shall extend no more than thirty-six months in total, the board shall conduct a contested case proceeding pursuant to chapter 17A to evaluate the reasonableness and prudence of the cost recovery. The utility shall file such information with the board as the board deems appropriate, including the filing of an annual report identifying and explaining expenditures identified in the rider as items for cost recovery, and any other information required by the board. If the board determines that the utility has imprudently incurred costs, or has incurred costs that are less than the amount recovered, the board shall order the utility to modify the rider to adjust the amount recoverable.

*c.* Costs that may be recovered through the rider described in paragraph *"b"* shall be consistent with the "United States Nuclear Regulatory Guide, Section 4.7, General Site Suitability Criteria for Nuclear Power Stations, Revision Two, April 1998," including costs related to the study and use of sites for nuclear generation.

[C66, 71, 73, 75, §490A.6; C77, 79, 81, §476.6; 81 Acts, ch 156, §6, 9, ch 157, §1 – 3; 82 Acts, ch 1100, §23]

83 Acts, ch 127, §19 – 26, 51; 84 Acts, ch 1023, §1; 87 Acts, ch 21, §2; 89 Acts, ch 58, §1; 89 Acts, ch 148, §1; 89 Acts, ch 321, §29; 90 Acts, ch 1103, §1; 90 Acts, ch 1252, §23 – 27; 91 Acts, ch 253, §22; 93 Acts, ch 68, §1; 96 Acts, ch 1196, §8, 9; 98 Acts, ch 1013, §1; 98 Acts, ch 1148, §2, 9; 98 Acts, ch 1194, §37, 40; 2001 Acts, 1st Ex, ch 4, §10, 36; 2002 Acts, ch 1162, §70, 71; 2003 Acts, ch 126, §2, 3; 2003 Acts, ch 145, §286; 2004 Acts, ch 1006, §1; 2006 Acts, ch 1030, §51; 2007 Acts, ch 168, §16, 18; 2008 Acts, ch 1133, §4, 5, 9; 2009 Acts, ch 108, §38, 41; 2009 Acts, ch 133, §158; 2010 Acts, ch 1176, §1, 3; 2011 Acts, ch 118, §50, 89; 2013 Acts, ch 30, §112; 2013 Acts, ch 94, §33, 35, 36

Referred to in §34A.7, 476.1C, 476.2, 476.4A, 476.10, 476.10A, 476.23, 476.33, 476.46, 476.52, 476.53, 476.97

2013 amendments to subsection 19, paragraphs a and b, take effect May 9, 2013, and apply retroactively to January 1, 2013, for property tax assessment years and replacement tax years beginning on or after January 1, 2013; 2013 Acts, ch 94, §35, 36

Subsection 19, paragraphs a and b amended

Subsection 22 amended

**476.6A Alternate energy production facilities — notification requirements.**

1. On and after January 1, 2013, the owner of an alternate energy production facility, as defined in section 476.42, which when constructed or installed will be attached to an electric transmission or distribution line or attached to equipment which is attached to an electric transmission or distribution line, who has not entered into a power purchase agreement with a public utility, shall be subject to the notification requirements of subsection 2.

2. No later than thirty days prior to commencement of the construction or installation of an alternate energy production facility as described in subsection 1, the owner of the facility shall provide written notice to the public utility within whose service territory the facility is to be located of the owner's intent to construct or install the facility, the type of facility to be constructed or installed, and the date that the facility is anticipated to commence operation.

2012 Acts, ch 1027, §1

**476.7 Application by utility for review.**

If there shall be filed with the board by any public utility an application requesting the board to determine the reasonableness of the utility's rates, charges, schedules, service or regulations, the board shall promptly initiate a formal proceeding. Such a formal proceeding may be initiated at any time by the board on its own motion. Whenever such a

proceeding has been initiated upon application or motion, the board shall set the case for hearing and give such notice thereof as it deems appropriate. Whenever the board, after a hearing held after reasonable notice, finds any public utility's rates, charges, schedules, service or regulations are unjust, unreasonable, insufficient, discriminatory or otherwise in violation of any provision of law, the board shall determine just, reasonable, sufficient and nondiscriminatory rates, charges, schedules, service or regulations to be thereafter observed and enforced.

[C66, 71, 73, 75, §490A.7; C77, 79, 81, §476.7]
Referred to in §476.4A, 476.97

**476.8 Utility charges and service.**

Every public utility is required to furnish reasonably adequate service and facilities. "*Reasonably adequate service and facilities*" for public utilities furnishing gas or electricity includes programs for customers to encourage the use of energy efficiency and renewable energy sources. The charge made by any public utility for any heat, light, gas, energy efficiency and renewable energy programs, water or power produced, transmitted, delivered or furnished, or communications services, or for any service rendered or to be rendered in connection therewith shall be reasonable and just, and every unjust or unreasonable charge for such service is prohibited and declared unlawful. In determining reasonable and just rates, the board shall consider all factors relating to value and shall not be bound by rate base decisions or rulings made prior to the adoption of this chapter.

The board, in determining the value of materials or services to be included in valuations or costs of operations for rate-making purposes, may disallow any unreasonable profit made in the sale of materials to or services supplied for any public utility by any firm or corporation owned or controlled directly or indirectly by such utility or any affiliate, subsidiary, parent company, associate or any corporation whose controlling stockholders are also controlling stockholders of such utility. The burden of proof shall be on the public utility to prove that no unreasonable profit is made.

[C66, 71, 73, 75, §490A.8; C77, 79, 81, §476.8]
83 Acts, ch 127, §27; 90 Acts, ch 1252, §28
Referred to in §476.2

**476.8A** Repealed by 90 Acts, ch 1168, § 64.

**476.9 Accounts rendered to board.**

1. Every public utility shall keep and render to the board in the manner and form prescribed by the board uniform accounts of all business transacted.

2. Every public utility engaged directly or indirectly in any other business than that of the production, transmission or furnishing of heat, light, water or power or furnishing communications services to the public shall, if required by the board, keep and render separately to the board in like manner and form the accounts of all such other business, in which case all the provisions of this chapter shall apply to the books, accounts, papers and records of such other business and all profits and losses may be taken into consideration by the board if deemed relevant to the general fiscal condition of the public utility.

3. Every public utility is required to keep and render its books, accounts, papers and records accurately and faithfully in the manner and form prescribed by the board, and to comply with all directions of the board relating to such books, accounts, papers and records.

4. The board shall consult with other state and federal regulatory bodies for the purpose of eliminating accounting discrepancies with regard to the keeping of public utility accounts before prescribing any system of accounts to be kept by the public utility.

[C66, 71, 73, 75, §490A.9; C77, 79, 81, §476.9]
Referred to in §476.101

**476.10 Investigations — expense — appropriation.**

1. *a.* In order to carry out the duties imposed upon it by law, the board may, at its discretion, allocate and charge directly the expenses attributable to its duties to the person bringing a proceeding before the board or to persons participating in matters before the

board. The board shall ascertain the certified expenses incurred and directly chargeable by the consumer advocate division of the department of justice in the performance of its duties. The board and the consumer advocate separately may decide not to charge expenses to persons who, without expanding the scope of the proceeding or matter, intervene in good faith in a board proceeding initiated by a person subject to the board's jurisdiction, the consumer advocate, or the board on its own motion. For assessments in any proceedings or matters before the board, the board and the consumer advocate separately may consider the financial resources of the person, the impact of assessment on participation by intervenors, the nature of the proceeding or matter, and the contribution of a person's participation to the public interest. The board may present a bill for expenses under this subsection to the person, either at the conclusion of a proceeding or matter, or from time to time during its progress. Presentation of a bill for expenses under this subsection constitutes notice of direct assessment and request for payment in accordance with this section.

*b.* The board shall ascertain the total of the division's expenses incurred during each fiscal year in the performance of its duties under law. The board shall add to the total of the division's expenses the certified expenses of the consumer advocate as provided under section 475A.6. The board shall deduct all amounts charged directly to any person from the total expenses of the board and the consumer advocate. The board may assess the amount remaining after the deduction to all persons providing service over which the board has jurisdiction in proportion to the respective gross operating revenues of such persons from intrastate operations during the last calendar year over which the board has jurisdiction. For purposes of determining gross operating revenues under this section, the board shall not include gross receipts received by a cooperative corporation or association for wholesale transactions with members of the cooperative corporation or association, provided that the members are subject to assessment by the board based upon the members' gross operating revenues, or provided that such a member is an association whose members are subject to assessment by the board based upon the members' gross operating revenues. If any portion of the remainder can be identified with a specific type of utility service, the board shall assess those expenses only to the entities providing that type of service over which the board has jurisdiction. The board may make the remainder assessments under this paragraph on a quarterly basis, based upon estimates of the expenditures for the fiscal year for the utilities division and the consumer advocate. Not more than ninety days following the close of the fiscal year, the utilities division shall conform the amount of the prior fiscal year's assessments to the requirements of this paragraph. For gas and electric public utilities exempted from rate regulation pursuant to this chapter, the remainder assessments under this paragraph shall be computed at one-half the rate used in computing the assessment for other persons.

2. *a.* A person subject to a charge or assessment shall pay the division the amount charged or assessed against the person within thirty days from the time the division provides notice to the person of the amount due, unless the person files an objection in writing with the board setting out the grounds upon which the person claims that such charge or assessment is excessive, unreasonable, erroneous, unlawful, or invalid. Upon receipt of an objection, the board shall set the matter for hearing and issue its order in accordance with its findings in the proceeding.

*b.* The order shall be subject to review in the manner provided in this chapter. All amounts collected by the division pursuant to the provisions of this section shall be deposited with the treasurer of state and credited to the department of commerce revolving fund created in section 546.12. Such amounts shall be spent in accordance with the provisions of chapter 8.

3. Whenever the board shall deem it necessary in order to carry out the duties imposed upon it in connection with rate regulation under section 476.6, investigations under section 476.3, or review proceedings under section 476.31, the board may employ additional temporary or permanent staff, or may contract with persons who are not state employees for engineering, accounting, or other professional services, or both. The costs of these additional employees and contract services shall be paid by the public utility whose rates are being reviewed in the same manner as other expenses are paid under this section. Beginning on July 1, 1991, there is appropriated out of any funds in the state treasury not otherwise

appropriated, such sums as may be necessary to enable the board to hire additional staff and contract for services under this section. The board shall increase quarterly assessments specified in subsection 1, paragraph "*b*", by amounts necessary to enable the board to hire additional staff and contract for services under this section. The authority to hire additional temporary or permanent staff that is granted to the board by this section shall not be subject to limitation by any administrative or executive order or decision that restricts the number of state employees or the filling of employee vacancies, and shall not be subject to limitation by any law of this state that restricts the number of state employees or the filling of employee vacancies unless that law is made applicable to this section by express reference to this section. Before the board expends or encumbers an amount in excess of the funds budgeted for rate regulation and before the board increases quarterly assessments pursuant to this subsection, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the expenses exceed the funds budgeted by the general assembly to the board for rate regulation and that the board does not have other funds from which the expenses can be paid. Upon approval of the director of the department of management the board may expend and encumber funds for the excess expenses, and increase quarterly assessments to raise the additional funds. The board and the office of consumer advocate may add additional personnel or contract for additional assistance to review and evaluate energy efficiency plans and the implementation of energy efficiency programs including, but not limited to, professionally trained engineers, accountants, attorneys, skilled examiners and inspectors, and secretaries and clerks. The board and the office of consumer advocate may also contract for additional assistance in the evaluation and implementation of issues relating to telecommunication competition. The board and the office of the consumer advocate may expend additional sums beyond those sums appropriated. However, the authority to add additional personnel or contract for additional assistance must first be approved by the department of management. The additional sums for energy efficiency shall be provided to the board and the office of the consumer advocate by the utilities subject to the energy efficiency requirements in this chapter. Telephone companies shall pay any additional sums needed for assistance with telecommunication competition issues. The assessments shall be in addition to and separate from the quarterly assessment.

4. *a.* Fees paid to the utilities division shall be deposited in the department of commerce revolving fund created in section 546.12. These funds shall be used for the payment, upon appropriation by the general assembly, of the expenses of the utilities division and the consumer advocate division of the department of justice.

*b.* The administrator and consumer advocate shall account for receipts and disbursements according to the separate duties imposed upon the utilities and consumer advocate divisions by the laws of this state and each separate duty shall be fiscally self-sustaining.

*c.* All fees and other moneys collected under this section and sections 478.4, 479.16, and 479A.9 shall be deposited into the department of commerce revolving fund created in section 546.12 and expenses required to be paid under this section shall be paid from funds appropriated for those purposes.

[C66, 71, 73, 75, §490A.10; C77, 79, 81, §476.10; 81 Acts, ch 156, §7, ch 158, §1]

83 Acts, ch 127, §28; 86 Acts, ch 1246, §613, 614; 89 Acts, ch 103, §1; 89 Acts, ch 296, §72; 89 Acts, ch 321, §30; 90 Acts, ch 1247, §11; 90 Acts, ch 1252, §29; 91 Acts, ch 260, §1236, 1237; 93 Acts, ch 131, §20, 21; 94 Acts, ch 1107, §80; 95 Acts, ch 199, §3; 2001 Acts, ch 9, §1, 3; 2009 Acts, ch 181, §45 – 47

Referred to in §12.91, 475A.6, 476.1B, 476.1C, 476.10A, 476.10B, 476.46, 476.53, 476.87, 476.97, 476.101, 477A.3, 477C.3, 478.4, 479.16, 479A.9

**476.10A Funding for Iowa energy center and center for global and regional environmental research.**

1. *a.* The board shall direct all gas and electric utilities to remit to the treasurer of state one-tenth of one percent of the total gross operating revenues during the last calendar year derived from their intrastate public utility operations. The board shall by rule provide a schedule for remittances.

*b.* The amounts collected pursuant to this section shall be in addition to the amounts permitted to be assessed pursuant to section 476.10. The board shall allow inclusion of these amounts in the budgets approved by the board pursuant to section 476.6, subsection 16, paragraph *"e"*.

*c.* (1) Eighty-five percent of the remittances collected pursuant to this section is appropriated to the Iowa energy center created in section 266.39C.

(2) Fifteen percent of the remittances collected pursuant to this section is appropriated to the center for global and regional environmental research established by the state board of regents.

2. Notwithstanding section 8.33, any unexpended moneys remitted to the treasurer of state under this section shall be retained for the purposes designated. Notwithstanding section 12C.7, subsection 2, interest or earnings on investments or time deposits of the moneys remitted under this section shall be retained and used for the purposes designated, pursuant to section 476.46.

3. The Iowa energy center and the center for global and regional environmental research shall each provide a written annual report to the utilities board that describes each center's activities and the results that each center has accomplished. Each report shall include an explanation of initiatives and projects of importance to the state of Iowa.

90 Acts, ch 1252, §30; 91 Acts, ch 253, §23; 96 Acts, ch 1196, §10; 2002 Acts, ch 1109, §3
Referred to in §476.46

**476.10B Energy-efficient building.**

1. For the purposes of this section, *"building project expenses"* means expenses that have been approved by the utilities board for the building and related improvements and furnishings developed under this section and that are considered part of the regulatory expenses charged by the utilities board and the consumer advocate division of the department of justice for carrying out duties under section 476.10.

2. The department of administrative services, in consultation with the board and the consumer advocate division of the department of justice, shall provide for the construction of a building to house the board and the division. A building developed under this subsection shall be a model energy-efficient building that may be used as a public example for similar efforts. The building shall comply with the life cycle cost provisions developed pursuant to section 72.5. The building shall be located on the capitol complex grounds or at another convenient location in the vicinity of the capitol complex grounds.

3. Building project expenses shall include but are not limited to the costs associated with construction, maintenance, and operation of the building that are approved by the board and shall also include principal of, premium, if any, and interest on indebtedness to finance the building.

4. The department of administrative services' costs associated with construction, maintenance, and operation of the building as provided under chapter 8A are building project expenses.

5. A cost-effective approach for financing construction of the building shall be utilized, which may include but is not limited to lease, lease-purchase, bonding, or installment acquisition arrangement, or a financing arrangement under section 12.28. If financing for the building is implemented under section 12.28, the limitation on principal under that section does not apply. This subsection is not a qualification of any other powers which the board and the division may possess and the authorizations and powers granted under this subsection are not subject to the terms, requirements, or limitations of any other provisions of law. The department of administrative services must comply with the provisions of section 12.28 when entering into financing agreements for the purchase of real or personal property.

6. *a.* If financing for the building is implemented through bonding, the provisions of section 12.91 shall apply. In order to assure maintenance of the bond reserve funds established in connection with the financing, the treasurer of state shall, on or before January 1 of each calendar year, make and deliver to the governor the treasurer's certificate stating the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund.

*b*. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor shall submit to both houses of the general assembly printed copies of a budget including the sum, if any, required to restore each bond reserve fund to the bond reserve fund requirement for that fund. Any sums appropriated by the general assembly and paid to the treasurer of state shall be deposited by the treasurer of state in the applicable bond reserve fund.

7. The department of administrative services, in consultation with the board and the division, shall secure architectural services, contract for construction, engineering, and construction oversight and management, and control the funding associated with the building construction and the building's operation and maintenance. The department of administrative services may utilize consultants or other expert assistance to address feasibility, planning, or other considerations connected with construction of the building or decision making regarding the building. The department of administrative services, on behalf of the board and division, shall consult with the office of the governor, appropriate legislative bodies, and the capitol planning commission.

2006 Acts, ch 1179, §73

Referred to in §12.91

**476.11 Telephone toll connections.**

Whenever toll connection between the lines or facilities of two or more telephone companies has been made, or is demanded under the statutes of this state and the companies concerned cannot agree as to the terms and procedures under which toll communications shall be interchanged, the board upon complaint in writing, after hearing had upon reasonable notice, shall determine such terms and procedures.

The board may resolve complaints, upon notice and hearing, that a utility, operating under section 476.29, has failed to provide just, reasonable, and nondiscriminatory arrangements for interconnection of its telecommunications services with another telecommunications provider.

[C66, 71, 73, 75, §490A.11; C77, 79, 81, §476.11]

95 Acts, ch 199, §4

Referred to in §476.1B

**476.12 Rehearings before board.**

Notwithstanding the Iowa administrative procedure Act, chapter 17A, any party, as defined in the rules and regulations promulgated by the board as provided in section 476.2, to a contested case before the board may within twenty days after the issuance of the final decision apply for a rehearing. The board shall either grant or refuse an application for rehearing within thirty days after the filing of the application, or may after giving the interested parties notice and opportunity to be heard and after consideration of all the facts, including those arising since the making of the order, abrogate or modify its order. A failure by the board to act upon the application for rehearing within the above period shall be deemed a refusal of the application. Neither the filing of an application for rehearing nor the granting of the application shall stay the effectiveness of an order unless the board so directs.

[C66, 71, 73, 75, §490A.12; C77, 79, 81, §476.12]

88 Acts, ch 1100, §2; 2003 Acts, ch 44, §114

Referred to in §478.32, 479.32, 479B.22

**476.13 Judicial review.**

1. Notwithstanding the Iowa administrative procedure Act, chapter 17A, the district court for Polk county or for the county in which a public utility maintains its principal place of business has exclusive venue for the judicial review under chapter 17A of actions of the board pursuant to rate-regulatory powers over that public utility.

2. Upon the filing of a petition for judicial review in an action referred to in subsection 1, the clerk of the district court shall notify the chief justice of the supreme court for purposes of assignment of a district judge under section 602.1212. The judicial review proceeding shall be heard by the district judge appointed by the supreme court under section 602.1212, but in the county of venue under subsection 1.

3. Notwithstanding the Iowa administrative procedure Act, chapter 17A, if a public utility seeks judicial review of an order approving rates for the public utility, the level of rates that may be collected, under bond and subject to refund, while the appeal is pending shall be limited to the level of the temporary rates set by the board, or the level of the final rates set by the board, whichever is greater. During the period the judicial review proceeding is pending, the board shall retain jurisdiction to determine the rate of interest to be paid on any refunds eventually required on rates collected during judicial review.

[C66, 71, 73, 75, §490A.13; C77, 79, 81, §476.13]

83 Acts, ch 127, §29; 2003 Acts, ch 44, §114

Referred to in §602.1212

See §478.32, 479.32

**476.14 Violations stopped.**

Whenever the board shall be of the opinion that any public utility or any other person is violating this chapter or any order of the board, the board may commence an action in the district court for the county in which such violation is alleged to have occurred, to have such violation stopped and prevented by injunction, mandamus or other appropriate remedy.

[C66, 71, 73, 75, §490A.20; C77, 79, 81, §476.14]

**476.15 Extent of jurisdiction.**

The jurisdiction and powers of the board shall extend as hereinbefore provided to the utility business of public utilities operating within this state to the full extent permitted by the Constitution and laws of the United States.

[C66, 71, 73, 75, §490A.21; C77, 79, 81, §476.15]

**476.16 Annual report.**

The board shall include in its annual report required under sections 7A.1 and 7A.10 among other matters, to the extent such regulation is conferred upon the board by this chapter, the following:

1. A complete financial report of receipts and expenditures, including list of public utilities and separately the amount of total fees and assessments paid by each.

2. A list of the applications, subject and disposition of each docket number under this chapter, including board fees for such docket assessed by the board.

[C66, 71, 73, 75, §490A.22; C77, 79, 81, §476.16]

Referred to in §476.101

**476.17 Peak-load energy conservation.**

1. The board may promulgate rules pursuant to chapter 17A which require or authorize a public utility to establish peak-load management procedures.

2. Rules of the board shall relate to reducing or limiting the peak-load period consumption.

3. In promulgating rules under this section, the board is not bound by decisions, rulings or orders which relate to the definitions of types or classes of customers and which were issued by the Iowa state commerce commission prior to July 1, 1980.

[C81, §476.17]

**476.18 Impermissible charges.**

1. Public utilities subject to rate regulation are prohibited from including either directly or indirectly in their charges or rates to customers the costs of lobbying.

2. Legal costs and attorney fees incurred by a public utility subject to rate regulation in an appeal in state or federal court involving the validity of any action of the board shall not be included either directly or indirectly in the public utility's charges or rates to customers except to the extent that recovery of legal costs and attorney fees is allowed by the board. The board shall allow a public utility to recover reasonable legal costs and attorney fees incurred in the appeal. The board may consider the degree of success of the legal arguments of the public utility in determining the reasonable legal costs and attorney fees to be allowed.

3. *a.* Public utilities subject to rate regulation are prohibited from including either directly or indirectly in their charges or rates to customers the costs of advertising other than

advertising which is required by the board or by other state or federal regulation. However, this subsection does not apply to a utility's advertising which is deemed by the board to be necessary for the utility's customers and which is approved by the board.

*b.* Every ad which is published, broadcast, or otherwise displayed or disseminated to the public by a public utility which is to be charged to the customers of the public utility and which is not required by the board or by other state or federal regulation shall include a statement in the ad that the costs of the ad are being charged to the customers of the public utility. This paragraph does not apply to a utility's product or service that is or becomes subject to competition as determined by the board.

4. This section does not apply to a rural electric cooperative.

83 Acts, ch 127, §30; 84 Acts, ch 1225, §1; 2011 Acts, ch 25, §143

**476.19 Construction of statutes.**

Nothing herein contained shall be construed to invalidate any proceedings under statutes existing prior to the enactment of this chapter; nor shall any action, litigation or appeal pending prior to the effective date of rate regulation of this chapter be affected hereby.

[C66, 71, 73, 75, §490A.25; C77, 79, 81, §476.19]

**476.20 Disconnection limited — notice — moratorium — deposits.**

1. A utility shall not, except in cases of emergency, discontinue, reduce, or impair service to a community, or a part of a community, except for nonpayment of account or violation of rules and regulations, unless and until permission to do so is obtained from the board.

2. The board shall establish rules requiring a regulated public utility furnishing gas or electricity to include in the utility's notice of pending disconnection of service a written statement advising the customer that the customer may be eligible to participate in the low income home energy assistance program or weatherization assistance program administered by the division of community action agencies of the department of human rights. The written statement shall list the address and telephone number of the local agency which is administering the customer's low income home energy assistance program and the weatherization assistance program. The written statement shall also state that the customer is advised to contact the public utility to settle any of the customer's complaints with the public utility, but if a complaint is not settled to the customer's satisfaction, the customer may file the complaint with the board. The written statement shall include the address and phone number of the board. If the notice of pending disconnection of service applies to a residence, the written statement shall advise that the disconnection does not apply from November 1 through April 1 for a resident who is a "head of household", as defined by law, and who has been certified to the public utility by the local agency which is administering the low income home energy assistance program and weatherization assistance program as being eligible for either the low income home energy assistance program or weatherization assistance program, and that if such a resident resides within the serviced residence, the customer should promptly have the qualifying resident notify the local agency which is administering the low income home energy assistance program and weatherization assistance program. The board shall establish rules requiring that the written notice contain additional information as it deems necessary and appropriate.

3. *a.* The board shall establish rules which shall be uniform with respect to all public utilities furnishing gas or electricity relating to disconnection of service. This subsection applies both to regulated utilities and to municipally owned utilities and unincorporated villages which own their own distribution systems, and violations of this subsection subject the utilities to civil penalties under section 476.51.

*b.* A qualified applicant for the low income home energy assistance program or the weatherization assistance program who is also a "head of household", as defined in section 422.4, subsection 7, shall be promptly certified by the local agency administering the applicant's program to the applicant's public utility that the resident is a "head of household" as defined in section 422.4, subsection 7, and is qualified for the low income home energy assistance program or weatherization assistance program. Notwithstanding subsection 1, a public utility furnishing gas or electricity shall not disconnect service from November

1 through April 1 to a residence which has a resident that has been certified under this paragraph.

*c.* The rules established by the board shall provide that a public utility furnishing gas or electricity shall not disconnect service to a residence in which one of the heads of household is a service member deployed for military service, as defined in section 29A.1, subsection 3, prior to a date ninety days after the end of the service member's deployment, if the public utility is informed of the deployment.

4. A public utility which violates a provision of this section relating to the disconnection of service or which violates a rule of the board relating to disconnection of service is subject to civil penalties imposed by the board under section 476.51.

5. *a.* The board shall establish rules which shall be uniform with respect to all public utilities furnishing gas or electricity relating to deposits which may be required by the public utility for the initiation or reinstatement of service.

(1) The deposit for a residential or commercial customer for a place which has previously received service shall not be greater than the highest billing of service for one month for the place in the previous twelve-month period.

(2) The deposit for a residential or a commercial customer for a place which has not previously received service or for an industrial customer shall be the customer's projected one month's usage for the place to be serviced as determined by the public utility according to rules established by the board.

*b.* This subsection does not prohibit a public utility from requiring payment of a customer's past due account with the utility prior to reinstatement of service.

*c.* The rules shall allow a person other than the customer to pay the customer's deposit. Upon termination of service to such a customer, the deposit plus accumulated interest less any unpaid utility bill of the customer, shall be reimbursed to the person who made the deposit.

[C66, 71, 73, 75, §490A.26; C77, 79, 81, §476.20]

83 Acts, ch 127, §31; 84 Acts, ch 1131, §1; 84 Acts, ch 1273, §1; 2010 Acts, ch 1170, §4; 2011 Acts, ch 25, §143; 2011 Acts, ch 47, §9

Referred to in §384.84, 476.1A, 476.1B, 476.1C, 476.29

**476.21 Discrimination prohibited.**

A municipality, corporation or cooperative association providing electrical or gas service shall not consider the use of renewable energy sources by a customer as a basis for establishing discriminatory rates or charges for any service or commodity sold to the customer or discontinue services or subject the customer to any other prejudice or disadvantage based on the customer's use or intended use of renewable energy sources. As used in this section, *"renewable energy sources"* includes but is not limited to, solar heating, wind power and the conversion of urban and agricultural organic wastes into methane gas and liquid fuels.

[C79, 81, §476.21]

Referred to in §476.1A, 476.1B, 476.1C

## ASSIGNED AREA OF SERVICE

**476.22 Definition.**

As used in sections 476.23 to 476.26, unless the context otherwise requires, *"electric utility"* includes a public utility furnishing electricity as defined in section 476.1 and a city utility as defined in section 390.1.

[C77, 79, 81, §476.22]

Referred to in §476.1B

**476.23 Electric service conflicts — certificates of authority.**

1. An electric utility shall not construct or extend facilities or furnish or offer to furnish electric service to the existing point of delivery of any customer already receiving electric service from another electric utility without having first filed with the board the express

written agreement of the electric utility presently serving this customer, except as otherwise provided in this section. Any municipal corporation, after being authorized by a vote of the people, or any electric utility may file a petition with the board requesting a certificate of authority to furnish electric service to the existing point of delivery of any customer already receiving electric service from another electric utility. If, after notice by the board to the electric utility currently serving the customer, objection to the petition is not filed and investigation is not deemed necessary, the board shall issue a certificate within thirty days of the filing of the petition. When an objection is filed, if the board, after notice and opportunity for hearing, determines that service to the customer by the petitioner is in the public interest, including consideration of any unnecessary duplication of facilities, it shall grant this certificate in whole or in part, upon such terms, conditions, and restrictions as may be justified. Whether or not an objection is filed, any certificate issued shall require that the petitioner pay to the electric utility presently serving the customer, the reasonable price for facilities serving the customer. This price determination by the board shall include due consideration of the cost of the facilities being acquired; any necessary generating capacity and transmission capacity dedicated to the customer, including, but not limited to, electric power generating facilities and alternate energy production facilities not yet in service but for which the board has issued an order pursuant to section 476.53, and electric power generating facility emissions plan budgets approved by the board pursuant to section 476.6, subsection 21; depreciation; loss of revenue; and the cost of facilities necessary to reintegrate the system of the utility after detaching the portion sold.

2. An electric utility shall not construct or extend facilities or furnish electric service to a prospective customer not presently being served, unless its existing service facilities are nearer the proposed point of delivery than the service facilities of any other utility. However, an electric utility may extend electric service and transmission lines if the electric utility closest to the delivery point consents to this extension in writing and a copy of the agreement is filed with the board or, if the board, after notice and opportunity for hearing and after giving due consideration to the prevention of unnecessary duplication of facilities, finds that service from an electric utility, other than the closest utility, is in the public interest. This subsection shall not apply if the prospective customers are within an exclusive service area assigned to an electric utility as provided in this division.

3. Notwithstanding subsections 1 and 2 of this section, any electric utility may extend electric service and transmission lines to its own utility property and facilities.

4. If not inconsistent with the provisions of this division:

*a.* All rights of municipal corporations under chapter 364 to grant a person a franchise to erect, maintain, and operate plants and systems for electric light and power within the corporate boundaries, and rights acquired by franchise or agreement shall be preserved in these municipal corporations;

*b.* All rights of city utilities under the city code shall be preserved in these city utilities;

*c.* All rights of city utilities and joint electric utilities under chapter 390 shall be preserved in these city utilities and joint electric utilities; and

*d.* All rights of cities under chapter 6B are preserved. However, prior to the institution of condemnation proceedings, the city shall obtain a certificate of authority from the board in accordance with this division and the board's determination of price under this division shall be conclusive evidence of damages in these condemnation proceedings.

[C66, 71, 73, 75, §490A.23, 490A.24; C77, 79, 81, §476.23]

2003 Acts, ch 29, §1, 6

Referred to in §437A.3, 476.1B, 476.22

**476.24 Electric utility service area maps.**

1. On or before July 1, 1977, and subsequently whenever requested by the board, electric utilities furnishing electricity to the public for compensation in this state shall file, jointly or severally, with the board detailed maps of their service area drawn to a scale of not less than one inch per mile or drawn to a larger scale if required for clarity showing all of the following:

*a.* The locations of an electric utility's generation, franchised transmission lines, distribution lines, and related facilities as of January 1, 1976.

*b.* All state and federal highways and other public roads within the electric utility's service area.

*c.* All section lines and numbers and township and range numbers within the electric utility's service area.

*d.* The corporate boundaries of all cities within the electric utility's service area.

*e.* All lakes and rivers within the electric utility's service area.

*f.* All railroads within the electric utility's service area.

*g.* Any additional information requested by the board.

2. On or before July 1, 1978, and subsequently when deemed by the board to be necessary, the board shall prepare or cause to have prepared a composite map of this state showing the service areas of electric utilities as submitted by the electric utilities. The form and detail of all maps shall be determined by the board.

[C77, 79, 81, §476.24]

Referred to in §476.1B, 476.22

**476.25 Assigned service areas — electric utilities — legislative policy.**

It is declared to be in the public interest to encourage the development of coordinated statewide electric service at retail, to eliminate or avoid unnecessary duplication of electric utility facilities, and to promote economical, efficient, and adequate electric service to the public. In order to effect that public interest, the board may establish service areas within which specified electric utilities shall provide electric service to customers on an exclusive basis. Except for good cause expressed through formal public statement, the board shall establish these exclusive service areas on or before July 1, 1979. These exclusive service area boundaries shall be established by the board upon the following basis:

1. The service area boundaries shall be in a line approximately equidistant between the electric distribution lines of adjacent electric utilities as they existed on January 1, 1976, and as shown by the maps filed in accordance with this division. However, those boundaries may be modified by the board to promote the public interest, to preserve existing service areas and electric utilities' rights to serve existing customers, and to prevent unnecessary duplication of facilities, to take account of natural and physical barriers which would make electric service beyond these barriers uneconomic and impractical and those boundaries shall be modified by the board to take account of the contracts between electric utilities which have been approved by the board pursuant to subsection 2 of this section. When an electric utility's exclusive service area is established by the board to include existing customers presently served by the facilities of another electric utility, unless a voluntary exchange of facilities is agreed upon by the electric utilities involved and approved by the board, the board after notice and opportunity for hearing, shall require the purchase of those facilities presently serving these customers at a reasonable price to be determined by the board. The board, on its own motion or at the request of an electric utility or municipal corporation, after notice and opportunity for hearing, may modify the boundaries of an electric utility exclusive service area which it has previously established if this modification, including consideration of the factors noted in this subsection, is found to be in the public interest.

2. Contracts between electric utilities to designate service areas and customers to be served by the electric utilities or for the exchange of customers between electric utilities, when approved by the board, shall be valid and enforceable and shall be incorporated into the appropriate exclusive service areas established pursuant to subsection 1 of this section. The board shall approve a contract if it finds that the contract will eliminate or avoid unnecessary duplication of facilities, will provide adequate electric service to all areas and customers affected, will promote the efficient and economical use and development of the electric systems of the contracting electric utilities, and is in the public interest.

3. An electric utility shall not serve or offer to serve electric customers in an exclusive service area assigned to another electric utility, nor shall an electric utility construct facilities to serve electric customers in an exclusive service area assigned to another electric utility. The state, an electric utility, or any other person who is injured or threatened with injury by conduct prohibited by this section may initiate a contested case proceeding with the board under chapter 17A. Upon finding a violation of this section the board shall order appropriate

corrective action including discontinuance of the unlawful service to electric customers, removal of the unlawful facility, or other disposition the board deems just and reasonable.

[C77, 79, 81, §476.25]

84 Acts, ch 1101, §1

Referred to in §476.1B, 476.22

**476.26 Effect of incorporation, annexation or consolidation.**

The inclusion by incorporation, consolidation, or annexation of any facilities or service area of an electric utility within the boundaries of any city shall not by such inclusion impair or affect in any respect the rights of the electric utility to continue to provide electric utility service and to extend service to prospective customers in accordance with the provisions of this division.

[C66, 71, 73, 75, §490A.23; C77, 79, 81, §476.26]

Referred to in §476.1B, 476.22

CROSSINGS — RAILROAD RIGHTS-OF-WAY

**476.27 Public utility crossing — railroad rights-of-way.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Board"* means the Iowa utilities board.

*b.* *"Crossing"* means the construction, operation, repair, or maintenance of a facility over, under, or across a railroad right-of-way by a public utility.

*c.* *"Direct expenses"* includes, but is not limited to, any or all of the following:

(1) The cost of inspecting and monitoring the crossing site.

(2) Administrative and engineering costs for review of specifications; for entering a crossing on the railroad's books, maps, and property records; and other reasonable administrative and engineering costs incurred as a result of the crossing.

(3) Document and preparation fees associated with a crossing, and any engineering specifications related to the crossing.

(4) Damages assessed in connection with the rights granted to a public utility with respect to a crossing.

*d.* *"Facility"* means any cable, conduit, wire, pipe, casing pipe, supporting poles and guys, manhole, or other material and equipment, that is used by a public utility to furnish any of the following:

(1) Communications services.

(2) Electricity.

(3) Gas by piped system.

(4) Sanitary and storm sewer service.

(5) Water by piped system.

*e.* *"Public utility"* means a public utility as defined in section 476.1, except that, for purposes of this section, *"public utility"* also includes all mutual telephone companies, municipally owned facilities, unincorporated villages, waterworks, municipally owned waterworks, joint water utilities, rural water districts incorporated under chapter 357A or 504, cooperative water associations, franchise cable television operators, and persons furnishing electricity to five or fewer persons.

*f.* *"Railroad"* or *"railroad corporation"* means a railroad corporation as defined in section 321.1, which is the owner, operator, occupant, manager, or agent of a railroad right-of-way or the railroad corporation's successor in interest. *"Railroad"* and *"railroad corporation"* include an interurban railway.

*g.* *"Railroad right-of-way"* means one or more of the following:

(1) A right-of-way or other interest in real estate that is owned or operated by a railroad corporation, the trustees of a railroad corporation, or the successor in interest of a railroad corporation.

(2) A right-of-way or other interest in real estate that is occupied or managed by or on behalf of a railroad corporation, the trustees of a railroad corporation, or the successor in

interest of a railroad corporation, including an abandoned railroad right-of-way that has not otherwise reverted pursuant to chapter 327G.

(3) Another interest in a former railroad right-of-way that has been acquired or is operated by a land management company or similar entity.

*h.* *"Special circumstances"* means either or both of the following:

(1) The existence of characteristics of a segment of railroad right-of-way or of a proposed utility facility that increase the direct expenses associated with a proposed crossing.

(2) A proposed crossing that involves a significant and imminent likelihood of danger to the public health or safety, or that is a serious threat to the safe operations of the railroad, or to the current use of the railroad right-of-way, necessitating additional terms and conditions associated with the crossing.

2. *Rulemaking and standard crossing fee.* The board, in consultation with the state department of transportation, shall adopt rules pursuant to chapter 17A prescribing the terms and conditions for a crossing. The rules shall provide that any crossing be consistent with the public convenience and necessity and reasonable service to the public. The rules, at a minimum, shall address the following:

*a.* The terms and conditions applicable to a crossing including, but not limited to, the following:

(1) Notification required prior to the commencement of any crossing activity.

(2) A requirement that the railroad and the public utility each maintain and repair the person's own property within the railroad right-of-way, and bear responsibility for each person's own acts and omissions; except that the public utility shall be responsible for any bodily injury or property damage that typically would be covered under a standard railroad protective liability insurance policy.

(3) The amount and scope of insurance or self-insurance required to cover risks associated with a crossing.

(4) A procedure to address the payment of costs associated with the relocation of public utility facilities within the railroad right-of-way necessary to accommodate railroad operations.

(5) Terms and conditions for securing the payment of any damages by the public utility before it proceeds with a crossing.

(6) Immediate access to a crossing for repair and maintenance of existing facilities in case of emergency.

(7) Engineering standards for utility facilities crossing railroad rights-of-way.

(8) Provision for expedited crossing, absent a claim of special circumstances, after payment by the public utility of the standard crossing fee, if applicable, and submission of completed engineering specifications to the railroad.

(9) Other terms and conditions necessary to provide for the safe and reasonable use of a railroad right-of-way by a public utility, and consistent with rules adopted by the board, including any complaint procedures adopted by the board to enforce the rules.

*b.* Unless otherwise agreed by the parties and subject to subsection 4, a public utility that locates its facilities within the railroad right-of-way for a crossing, other than a crossing along the public roads of the state pursuant to chapter 477, shall pay the railroad a one-time standard crossing fee of seven hundred fifty dollars for each crossing. The standard crossing fee shall be in lieu of any license or any other fees or charges to reimburse the railroad for the direct expenses incurred by the railroad as a result of the crossing. The public utility shall also reimburse the railroad for any actual flagging expenses associated with a crossing in addition to the standard crossing fee.

3. *Powers not limited.*

*a.* Notwithstanding subsection 2, rules adopted by the board shall not prevent a railroad and a public utility from otherwise negotiating the terms and conditions applicable to a crossing or the resolution of any disputes relating to such crossing.

*b.* Notwithstanding paragraph *"a"*, neither this subsection nor this section shall impair the authority of a public utility to secure crossing rights by easement pursuant to the exercise of the power of eminent domain.

4. *Special circumstances.*

*a.* A railroad or public utility that believes special circumstances exist for a particular crossing may petition the board for relief.

(1) If a petition for relief is filed, the board shall determine whether special circumstances exist that necessitate either a modification of the direct expenses to be paid, or the need for additional terms and conditions.

(2) The board may make any necessary findings of fact and determinations related to the existence of special circumstances, as well as any relief to be granted.

(3) A determination of the board, except for a determination on the issue of damages for the rights granted to a public utility with respect to a crossing, shall be considered final agency action subject to judicial review under chapter 17A.

(4) The board shall assess the costs associated with a petition for relief equitably against the parties.

*b.* A railroad or public utility that claims to be aggrieved by a determination of the board on the issue of damages for the rights granted to a public utility with respect to a crossing may seek judicial review as provided in subsection 5.

5. *Appeals.*

*a.* A railroad or public utility that claims to be aggrieved by the board's determination of damages for rights granted to a public utility may appeal the board's determination to the district court in the same manner as provided in section 6B.18 and sections 6B.21 through 6B.23. In any appeal of the determination of damages, the public utility shall be considered the applicant, and the railroad shall be considered the condemnee. References in sections 6B.18 and 6B.21 to "*compensation commission*" mean the board as defined in this section, or appointees of the board.

*b.* An appeal of any determination of the board other than the issues of damages for rights granted to a public utility shall be pursuant to chapter 17A.

6. *Authority to cross — emergency relief.*

*a.* Pending board resolution of a claim of special circumstances raised in a petition, a public utility may, upon securing the payment of any damages, and upon submission of completed engineering specifications to the railroad, proceed with a crossing in accordance with the rules adopted by the board, unless the board, upon application for emergency relief, determines that there is a reasonable likelihood that either of the following conditions exist:

(1) That the proposed crossing involves a significant and imminent likelihood of danger to the public health or safety.

(2) That the proposed crossing is a serious threat to the safe operations of the railroad or to the current use of the railroad right-of-way.

*b.* If the board determines that there is a reasonable likelihood that the proposed crossing meets either condition, then the board shall immediately intervene to prevent the crossing until a factual determination is made.

7. *Conflicting provisions.* Notwithstanding any provision of the Code to the contrary, this section shall apply in all crossings of railroad rights-of-way involving a public utility as defined in this section, and shall govern in the event of any conflict with any other provision of law.

2001 Acts, ch 138, §1, 2; 2002 Acts, ch 1119, §62; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2011 Acts, ch 25, §143

**476.28** Reserved.

## LOCAL TELEPHONE SERVICE

**476.29 Certificates for providing local telecommunications services.**

1. After September 30, 1992, a utility must have a certificate of public convenience and necessity issued by the board before furnishing land-line local telephone service in this state. No lines or equipment shall be constructed, installed, or operated for the purpose of furnishing the service before a certificate has been issued.

2. Except as provided in subsection 12, a certificate shall be issued by the board, after

notice and opportunity for hearing, if the board determines that the service proposed to be rendered will promote the public convenience and necessity, provided that an applicant other than a local exchange carrier, as defined in section 476.96, shall not be denied a certificate if the board finds that the applicant possesses the technical, financial, and managerial ability to provide the service it proposes to render and the board finds the service is consistent with the public interest. The board shall make a determination within ninety days of the submission by the applicant of evidence of its technical, financial, and managerial ability, unless the board determines that additional time is necessary to consider the application, in which case the board may extend the time for making a determination for an additional sixty days. The board may establish reasonable conditions or restrictions on the certificate at the time of issuance.

3. A certificate is transferable, subject to approval of the board pursuant to section 476.20, subsection 1, and for purposes of a rate-regulated local exchange utility shall be treated by the board in the same manner as a reorganization pursuant to sections 476.76 and 476.77.

4. Each certificate shall define the service territory in which land-line local telephone service will be provided. The service territory shall be shown on maps and other documentation as the board may require to be filed with the board. The board shall, by rule, specify the style, size, and kind of map or other documentation, and the information to be shown.

5. Each local exchange utility has an obligation to serve all eligible customers within the utility's service territory, unless explicitly excepted from this requirement by the board.

6. The certificate and tariffs approved by the board are the only authority required for the utility to furnish land-line local telephone service. However, to the extent not inconsistent with this section, the power to regulate the conditions required and manner of use of the highways, streets, rights-of-way, and public grounds remains in the appropriate public authority.

7. The inclusion of any facilities or service territory of a local exchange utility within the boundaries of a city does not impair or affect the rights of the utility to provide land-line local telephone service in the utility's service territory.

8. An agreement between local exchange utilities to designate service territory boundaries and customers to be served by the utilities, or for exchange of customers between utilities, when approved by the board after notice to affected persons and opportunity for hearing, is valid and enforceable and shall be incorporated into the appropriate certificates. The board shall approve an agreement if the board finds the agreement will result in adequate service to all areas and customers affected and is in the public interest.

9. A certificate may, after notice and opportunity for hearing, be revoked by the board for failure of a utility to furnish reasonably adequate telephone service and facilities. The board may also order a revocation affecting less than the entire service territory, or may place appropriate conditions on a utility to ensure reasonably adequate telephone service. Prior to revocation proceedings, the board shall notify the utility of any inadequacies in its service and facilities and allow the utility a reasonable time to eliminate the inadequacies.

10. In the event that eighty percent or more of the subscribers in a community served by a local exchange utility sign a petition indicating they are adversely affected by school reorganization or economic dislocation and prefer to have their local telephone service provided by a different local exchange utility and file that petition with the board, the board, after notice and opportunity for hearing, shall determine whether the certificate held by the local exchange utility shall be revoked or conditioned as provided in subsection 9.

11. The board shall assure that all territory in the state is served by a local exchange utility. If at any time due to certificate revocation proceedings, discontinuance of service proceedings, or any other reason, it appears that a particular territory may not be served by any local exchange utility, the board may, after notice to interested persons and opportunity for hearing, include all or part of the territory in the certificate of another local exchange utility or utilities. In determining the local exchange utility or utilities to be authorized or required to serve, the board shall consider the willingness and ability of the utilities to serve, the location of existing service facilities, the community of interest of the customers involved, and any other factors deemed relevant to the public interest.

12. The board, on or prior to September 30, 1992, shall issue to each local exchange utility in the state, without a contested case proceeding, a nonexclusive certificate to serve the area included within the utility's service territory boundaries as shown by the service territory boundary maps on record with the board on January 1, 1992. The board shall adopt rules pursuant to chapter 17A to implement the issuance of certificates.

*a.* A customer served by a local exchange utility, but outside the service territory of that utility when the utility's certificate is issued, shall continue to be served by that utility for as long as that customer remains eligible to receive and requests service.

*b.* If more than one utility has on file maps indicating service in the same territory, the board shall request the involved utilities to resolve the overlap. If the overlap is not resolved in a reasonable time, the board, after notice to interested persons and opportunity for hearing, shall determine the boundary, taking into consideration the criteria listed in subsection 11.

13. Notwithstanding other provisions of this section, approval by the voters of a city pursuant to section 388.2 of a proposal to establish or acquire a public utility providing communications services is conclusive evidence of the fact that the city has the technical, financial, and managerial ability to provide such service. Following the notice and opportunity for hearing in subsection 2, an applicant shall not be denied a certificate if the board finds the proposed service is consistent with the public interest.

14. This section does not prevent the board from adopting rules requiring or allowing local exchange utilities to provide extended area service or adjacent exchange service.

15. The board shall provide a written report to the general assembly no later than January 20, 2005, describing the current status of local telephone service in this state. The report shall include at a minimum the number of certificates of convenience issued, the number of current providers of local telephone service, and any other information deemed appropriate by the board.

92 Acts, ch 1058, §1 – 3; 95 Acts, ch 199, §5; 97 Acts, ch 81, §3, 6
Referred to in §476.1B, 476.1D, 476.11, 476.101, 477A.3, 714H.4
Section repealed effective July 1, 2017; 92 Acts, ch 1058, §3; 2007 Acts, ch 4, §1, 2

**476.30** Reserved.

RULES

**476.31 Continuing audit of operation.**

The board shall adopt not later than July 1, 1983, rules and policies to implement a program for the continuous review of operations of rate-regulated public utilities with respect to all matters that affect rates or charges for utility service.

[81 Acts, ch 156, §1]
Referred to in §476.3, 476.10

**476.32 Review of annual reports.**

The board shall review annual reports submitted by rate-regulated public utilities. The board shall commence rate-review proceedings under this chapter if an annual report indicates that the earnings of the public utility are excessive.

[81 Acts, ch 156, §2]
Referred to in §476.3

**476.33 Rules governing hearings.**

1. The board shall adopt rules pursuant to chapter 17A to provide for the completion of proceedings under section 476.3 within ten months after the date of the filing of a petition under section 476.3, subsection 2, and to provide for the completion of proceedings under section 476.6 within ten months after the date of filing of the new or changed rates, charges, schedules, or regulations under that section. These rules shall include reasonable time limitations for the submission or completion of comments and testimony, and exhibits, briefs, and hearings, and may provide for the granting of additional time upon the request of a party to the proceeding for good cause shown.

2. Additional time granted to a party under subsection 1 shall not extend the amount of time for which a utility is required to file a bond or other undertaking conditioned upon refund under section 476.3, subsection 2.

3. If in a proceeding under section 476.6 additional time is granted to a party under subsection 1, the board may extend the ten-month period during which a utility is prohibited from placing its entire rate increase request into effect under section 476.6, but an extension shall not exceed the aggregate amount of all additional time granted under subsection 1.

4. The board shall adopt rules that require the board, in rate regulatory proceedings under sections 476.3 and 476.6, to consider the use of the most current test period possible in determining reasonable and just rates, subject only to the availability of existing and verifiable data respecting costs and revenues, and in addition, to consider verifiable data that exists within nine months after the conclusion of the test year, respecting known and measurable changes in costs not associated with a different level of revenue, and known and measurable revenues not associated with a different level of costs, that are to occur at any time within twelve months after the date of commencement of the proceedings. Parties proposing adjustments that are not verifiable at the commencement of the proceedings shall include projected data related to the adjustments in their initial substantive filing with the board. For purposes of this subsection, a proceeding commences under section 476.6 upon the filing date of new or changed rates, charges, schedules, or regulations. This subsection does not limit the authority of the board to consider other evidence in proceedings under sections 476.3 and 476.6.

[81 Acts, ch 156, §3]

83 Acts, ch 127, §32, 33; 89 Acts, ch 97, §2; 90 Acts, ch 1168, §52; 2003 Acts, ch 179, §134; 2004 Acts, ch 1006, §2

Referred to in §476.6

**476.34 through 476.40** Reserved.

## ALTERNATE ENERGY PRODUCTION FACILITIES

**476.41 Purpose.**

It is the policy of this state to encourage the development of alternate energy production facilities and small hydro facilities in order to conserve our finite and expensive energy resources and to provide for their most efficient use.

83 Acts, ch 182, §2

Referred to in §476.1A, 476.1B, 476.43

**476.42 Definitions.**

As used in this division, unless the context otherwise requires:

1. *a.* *"Alternate energy production facility"* means any or all of the following:

(1) A solar, wind turbine, waste management, resource recovery, refuse-derived fuel, agricultural crops or residues, or woodburning facility. For purposes of this definition only, "*waste management*" includes a facility using plasma gasification to produce synthetic gas, either as a stand-alone fuel or for blending with natural gas, the output of which is used to generate electricity or steam. For purposes of this definition only, "*plasma gasification*" means the thermal dissociation of carbonaceous material into fragments of compounds in an oxygen-starved environment.

(2) Land, systems, buildings, or improvements that are located at the project site and are necessary or convenient to the construction, completion, or operation of the facility.

(3) Transmission or distribution facilities necessary to conduct the energy produced by the facility to users located at or near the project site.

*b.* A facility which is a qualifying facility under 18 C.F.R. pt. 292, subpt. B is not precluded from being an alternate energy production facility under this division.

2. *"Electric utility"* means a public utility that furnishes electricity to the public for compensation.

3. *"Next generating plant"* means an electric utility's assumed next coal-fired base load electric generating plant, whether planned or not, based on current technology and undiscounted current cost.

4. *a.* *"Small hydro facility"* means any or all of the following:

(1) A hydroelectric facility at a dam.

(2) Land, systems, buildings, or improvements that are located at the project site and are necessary or convenient to the construction, completion, or operation of the facility.

(3) Transmission or distribution facilities necessary to conduct the energy produced by the facility to users located at or near the project site.

*b.* A facility which is a qualifying facility under 18 C.F.R. pt. 292, subpt. B is not precluded from being a small hydro facility under this division.

83 Acts, ch 182, §3; 90 Acts, ch 1252, §31 – 33; 92 Acts, ch 1017, §1; 2010 Acts, ch 1061, §180; 2011 Acts, ch 25, §125; 2011 Acts, ch 77, §1

Referred to in §15E.61, 15E.351, 260C.18A, 476.1A, 476.1B, 476.6A, 476.46, 476.53

**476.43 Rates for alternate energy production facilities.**

1. Subject to section 476.44, the board shall require electric utilities to do both of the following under terms and conditions that the board finds are just and economically reasonable for the electric utilities' customers, are nondiscriminatory to alternate energy producers and small hydro producers, and will further the policy stated in section 476.41:

*a.* At least one of the following:

(1) Own alternate energy production facilities or small hydro facilities located in this state.

(2) Enter into long-term contracts to purchase or wheel electricity from alternate energy production facilities or small hydro facilities located in the utility's service area.

*b.* Provide for the availability of supplemental or backup power to alternate energy production facilities or small hydro facilities on a nondiscriminatory basis and at just and reasonable rates.

2. Upon application by the owner or operator of an alternate energy production facility or small hydro facility or any interested party, the board shall establish for the affected public utility just and economically reasonable rates for electricity purchased under subsection 1, paragraph *"a"*. The rates shall be established at levels sufficient to stimulate the development of alternate energy production and small hydro facilities in Iowa and to encourage the continuation of existing capacity from those facilities.

3. The board may adopt individual utility or uniform statewide facility rates. The board shall consider the following factors in setting individual or uniform rates:

*a.* The estimated capital cost of the next generating plant, including related transmission facilities, to be placed in service by the electric utility serving the area.

*b.* The term of the contract between the electric utility and the seller.

*c.* A levelized annual carrying charge based upon the term of the contract and determined in a manner consistent with both the methods and the current interest or return requirements associated with the electric utility's new construction program.

*d.* The electric utility's annual energy costs, including current fuel costs, related operation and maintenance costs, and other energy-related costs considered appropriate by the board.

*e.* External factors, including but not limited to, environmental and economic factors.

*f.* Other relevant factors.

*g.* If the board adopts uniform statewide rates, the board shall use representative data in lieu of utility specific information in applying the factors listed in paragraphs *"a"* through *"f"*.

4. In the case of a utility that purchases all or substantially all of its electricity requirements, the rates established under this section must be based on the electric utility's current purchased power costs.

5. In lieu of the other procedures provided by this section, an electric utility and an owner or operator of an alternate energy production facility or small hydro facility may enter into a long-term contract in accordance with subsection 1 and may agree to rates for purchase and

sale transactions. A contract entered into under this subsection must be filed with the board in the manner provided for tariffs under section 476.4.

6. This section does not require an electric utility to construct additional facilities unless those facilities are paid for by the owner or operator of the affected alternate energy production facility or small hydro facility.

83 Acts, ch 182, §4, 7; 90 Acts, ch 1252, §34 – 37; 2003 Acts, ch 29, §2, 6
Referred to in §28F.14, 476.1A, 476.1B, 476.44

**476.44 Exceptions.**

1. The board shall not require an electric utility to purchase or wheel electricity from an alternate energy production facility or small hydro facility unless the facility is owned or operated by an individual, firm, partnership, corporation, company, association, joint stock association, city, town, or county that meets both of the following:

*a.* Is not primarily engaged in the business of producing or selling electricity, gas, or useful thermal energy other than electricity, gas, or useful thermal energy sold solely from alternate energy production facilities or small hydro facilities.

*b.* Does not sell electricity, gas, or useful thermal energy to residential users other than the tenants or the owner or operator of the facility.

2. *a.* An electric utility subject to this division, except a utility that elects rate regulation pursuant to section 476.1A, shall not be required to own or purchase, at any one time, more than its share of one hundred five megawatts of power from alternative energy production facilities or small hydro facilities at the rates established pursuant to section 476.43. The board shall allocate the one hundred five megawatts based upon each utility's percentage of the total Iowa retail peak demand, for the year beginning January 1, 1990, of all utilities subject to this section. If a utility undergoes reorganization as defined in section 476.76, the board shall combine the allocated purchases of power for each utility involved in the reorganization.

*b.* Notwithstanding the one hundred five megawatt maximum, the board may increase the amount of power that a utility is required to own or purchase at the rates established pursuant to section 476.43 if the board finds that a utility, including a reorganized utility, exceeds its 1990 Iowa retail peak demand by twenty percent and the additional power the utility is required to purchase will encourage the development of alternate energy production facilities and small hydro facilities. The increase shall not exceed the utility's increase in peak demand multiplied by the ratio of the utility's share of the one hundred five megawatt maximum to its 1990 Iowa retail peak demand.

83 Acts, ch 182, §5; 90 Acts, ch 1252, §38; 92 Acts, ch 1163, §97; 92 Acts, ch 1166, §1; 2003 Acts, ch 29, §3, 6; 2008 Acts, ch 1032, §106
Referred to in §476.1A, 476.1B, 476.43

**476.44A Trading of credits.**

The board may establish or participate in a program to track, record, and verify the trading of credits or attributes relating to electricity generated from alternate energy production facilities or renewable energy sources among electric generators, utilities, and other interested entities, within this state and with similar entities in other states.

2008 Acts, ch 1128, §14, 15; 2008 Acts, ch 1133, §6, 9; 2008 Acts, ch 1191, §129
Referred to in §476.1B

**476.45 Exemption from excess capacity.**

Capacity of an alternate energy production facility or small hydro facility, that is owned or purchased by an electric utility, shall not be included in a calculation of an electric utility's excess generating capacity for ratemaking purposes.

83 Acts, ch 182, §6; 2003 Acts, ch 29, §4, 6
Referred to in §476.1B

**476.46 Alternate energy revolving loan program.**

1. The Iowa energy center created under section 266.39C shall establish and administer

an alternate energy revolving loan program to encourage the development of alternate energy production facilities and small hydro facilities within the state.

2. *a.* An alternate energy revolving loan fund is created in the office of the treasurer of state to be administered by the Iowa energy center.

*b.* The fund shall include moneys remitted to the fund pursuant to subsection 3 and any other moneys appropriated or otherwise directed to the fund.

*c.* Moneys in the fund shall be used to provide loans for the construction of alternate energy production facilities or small hydro facilities as defined in section 476.42.

*d.* (1) A gas or electric utility that is not required to be rate-regulated shall not be eligible for a loan under this section. However, gas and electric utilities not required to be rate-regulated shall be eligible for loans from moneys remitted to the fund except as provided in subsection 3. Such loans shall be limited to a maximum of five hundred thousand dollars per applicant and shall be limited to one loan every two years.

(2) A facility shall be eligible for no more than one million dollars in loans outstanding at any time under this program.

*e.* (1) Each loan shall be for a period not to exceed twenty years, shall bear no interest, and shall be repayable to the fund created under this section in installments as determined by the Iowa energy center. The interest rate upon delinquent payments shall accelerate immediately to the current legal usury limit.

(2) Any loan made pursuant to this program shall become due for payment upon sale of the facility for which the loan was made.

(3) Interest on the fund shall be deposited in the fund. A portion of the interest on the fund, not to exceed fifty percent of the total interest accrued, shall be used for promotion and administration of the fund.

*f.* Section 8.33 shall not apply to the moneys in the fund.

3. The board shall direct all gas and electric utilities required to be rate-regulated to remit to the treasurer of state by July 1, 1996, eighty-five one-thousandths of one percent of the total gross operating revenues during calendar year 1995 derived from their intrastate public utility operations, by July 1, 1997, eighty-five one-thousandths of one percent of the total gross operating revenues during calendar year 1996 derived from their intrastate public utility operations and by July 1, 1998, eighty-five one-thousandths of one percent of the total gross operating revenues during calendar year 1997 derived from their intrastate public utility operations. The amounts collected pursuant to this section shall be in addition to the amounts permitted to be assessed pursuant to section 476.10 and the amounts assessed pursuant to section 476.10A. The board shall allow inclusion of these amounts in the budgets approved by the board pursuant to section 476.6, subsection 16, paragraph "*e*".

96 Acts, ch 1196, §11; 2002 Acts, ch 1109, §4; 2008 Acts, ch 1126, §31, 33; 2009 Acts, ch 173, §35, 36

Referred to in §476.10A

**476.47 Alternate energy purchase programs.**

1. Beginning January 1, 2004, an electric utility, whether or not rate-regulated under this chapter, shall offer an alternate energy purchase program to customers, based on energy produced by alternate energy production facilities in Iowa.

2. The board shall require electric utilities to file plans for alternate energy purchase programs offered pursuant to this section.

*a.* Rate-regulated electric utilities shall file plans for alternate energy purchase programs that allow customers to contribute voluntarily to the development of alternate energy in Iowa, and shall file tariffs as required by the board by rule.

*b.* Electric utilities that are not rate-regulated shall offer alternate energy purchase programs at rates determined by their governing authority, and shall file tariffs with the board for informational purposes only.

3. The electric utility shall notify consumers of its alternate energy purchase program and any proposed modifications to such program at least sixty days prior to implementation of the program or any modification.

4. For purposes of this section, an electric utility may base its program on energy produced

by alternate energy production facilities located outside of Iowa under any of the following circumstances:

*a.* The energy is purchased by the electric utility pursuant to a contract in effect prior to July 1, 2001, and continues until the expiration of the contract, including any options to renew that are exercised by the electric utility.

*b.* The electric utility has a financial interest, as of July 1, 2001, in the alternate energy production facility that is located outside of Iowa, or in an entity that has a financial interest in an alternate energy production facility located outside of Iowa.

*c.* The energy is purchased by an electric utility that is not rate-regulated and that is required to purchase all of its electric power requirements from a single supplier that is physically located outside of Iowa.

5. This section shall not apply to non-rate-regulated electric utilities physically located outside of Iowa that serve Iowa customers.

6. Any consumer-owned utility may apply to the board for a waiver under this section, and the board, for good cause, may grant the waiver.

2001 Acts, 1st Ex, ch 4, §11, 36

Referred to in §476.1A, 476.1B

**476.48 Small wind innovation zone program.**

1. *Definitions.* For purposes of this section, unless the context otherwise requires:

*a.* *"Electric utility"* means a public utility that furnishes electricity to the public for compensation and which enters into a model interconnection agreement with the owner of a small wind energy system as provided in subsection 4.

*b.* *"Small wind energy system"* means a wind energy conversion system that collects and converts wind into energy to generate electricity which has a nameplate generating capacity of one hundred kilowatts or less.

*c.* *"Small wind innovation zone"* means a political subdivision of this state, including but not limited to a city, county, township, school district, community college, area education agency, institution under the control of the state board of regents, or any other local commission, association, or tribal council which adopts, or is encompassed within a local government which adopts, the model ordinance as provided in subsection 3.

2. *Program established.*

*a.* The utilities division shall establish and administer a small wind innovation zone program to optimize local, regional, and state benefits from wind energy and to facilitate and expedite interconnection of small wind energy systems with electric utilities throughout this state. Pursuant to the program, the owner of a small wind energy system located within a small wind innovation zone desiring to interconnect with an electric utility shall benefit from a streamlined application process, may utilize a model interconnection agreement, and can qualify under a model ordinance.

*b.* A political subdivision seeking to be designated a small wind innovation zone shall apply to the division upon a form developed by the division. The division shall approve an application which documents that the applicable local government has adopted the model ordinance or is in the process of amending an existing zoning ordinance to comply with the model ordinance and that an electric utility operating within the political subdivision has agreed to utilize the model interconnection agreement to contract with the small wind energy system owners who agree to its terms.

3. *Model ordinance.* The Iowa league of cities, the Iowa association of counties, the Iowa environmental council, the Iowa wind energy association, and representatives from the utility industry shall consult and develop a model ordinance to be offered on both the Iowa league of cities' and the Iowa association of counties' internet sites and made available for use by a local government which constitutes or encompasses a political subdivision that is applying for designation as a small wind innovation zone. A local government adopting the model ordinance shall establish an expedited approval process with regard to small wind energy systems in compliance with the ordinance in order to qualify as a small wind innovation zone.

4. *Model interconnection agreement.* The utilities board shall develop a model interconnection agreement by June 1, 2010, for utilization within a small wind innovation

zone by the owner of a small wind energy system seeking to interconnect with an electric utility. The interconnection agreement shall ensure that the energy produced can be safely interconnected with the utility without causing any adverse or unsafe consequences and is consistent with the electric utility's resource needs. The board shall establish by rule procedures for modification of the model interconnection agreement upon mutually agreeable terms and conditions in unique or unusual circumstances, subject to board approval. Electric utilities shall consider adopting the model interconnection agreement.

5. *Tax credit incentives.* The owner of a small wind energy system operating within a small wind innovation zone shall qualify for the renewable energy tax credit pursuant to chapter 476C.

6. *Reporting requirements.* The division shall prepare a report summarizing the number of applications received from political subdivisions seeking to be designated a small wind innovation zone, the number of applications granted, the number of small wind energy systems generating electricity within each small wind innovation zone, and the amount of wind energy produced, and shall submit the report to the members of the general assembly by January 1 annually.

2009 Acts, ch 148, §1, 2

Section takes effect May 22, 2009, and applies retroactively to tax years beginning on or after January 1, 2009; 2009 Acts, ch 148, §2

**476.49 and 476.50** Reserved.

## PENALTY

**476.51 Civil penalty.**

1. A public utility which, after written notice by the board of a specific violation, violates the same provision of this chapter, the same rule adopted by the board, or the same provision of an order lawfully issued by the board, is subject to a civil penalty, which may be levied by the board, of not less than one hundred dollars nor more than two thousand five hundred dollars per violation.

2. A public utility which willfully, after written notice by the board of a specific violation, violates the same provision of this chapter, the same rule adopted by the board, or the same provision of an order lawfully issued by the board, is subject to a civil penalty, which may be levied by the board, of not less than one thousand dollars nor more than ten thousand dollars per violation. For the purposes of this section, "*willful*" means knowing and deliberate, with a specific intent to violate.

3. Each violation is a separate offense. In the case of a continuing violation, each day a violation continues, after the time specified for compliance in the written notice by the board, is a separate and distinct offense. Any civil penalty may be compromised by the board. In determining the amount of the penalty, or the amount agreed upon in a compromise, the board may consider the appropriateness of the penalty in relation to the size of the public utility, the gravity of the violation, and the good faith of the public utility in attempting to achieve compliance following notification of a violation, and any other relevant factors.

4. The written notice given by the board to a public utility under this section shall specify an appropriate time for compliance.

5. Civil penalties collected pursuant to this section from utilities providing water, electric, or gas service shall be forwarded by the executive secretary of the board to the treasurer of state to be credited to the general fund of the state and to be used only for the low income home energy assistance program and the weatherization assistance program administered by the division of community action agencies of the department of human rights. Civil penalties collected pursuant to this section from utilities providing telecommunications service shall be forwarded to the treasurer of state to be credited to the department of commerce revolving fund created in section 546.12 to be used only for consumer education programs administered by the board. Penalties paid by a rate-regulated public utility pursuant to this section shall

be excluded from the utility's costs when determining the utility's revenue requirement, and shall not be included either directly or indirectly in the utility's rates or charges to customers.

83 Acts, ch 127, §34; 88 Acts, ch 1134, §92; 91 Acts, ch 260, §1238; 92 Acts, ch 1084, §1; 94 Acts, ch 1107, §81; 2003 Acts, ch 126, §4; 2009 Acts, ch 181, §48

Referred to in §476.1A, 476.1B, 476.1C, 476.2, 476.20, 476.103

## POLICIES

**476.52 Management efficiency.**

It is the policy of this state that a public utility shall operate in an efficient manner. If the board determines in the course of a proceeding conducted under section 476.3 or 476.6 that a utility is operating in an inefficient manner, or is not exercising ordinary, prudent management, or in comparison with other utilities in the state the board determines that the utility is performing in a less beneficial manner than other utilities, the board may reduce the level of profit or adjust the revenue requirement for the utility to the extent the board believes appropriate to provide incentives to the utility to correct its inefficient operation. If the board determines in the course of a proceeding conducted under section 476.3 or 476.6 that a utility is operating in such an extraordinarily efficient manner that tangible financial benefits result to the ratepayer, the board may increase the level of profit or adjust the revenue requirement for the utility. In making its determination under this section, the board may also consider a public utility's pursuit of energy efficiency programs. The board shall adopt rules for determining the level of profit or the revenue requirement adjustment that would be appropriate.

The board shall also adopt rules establishing a methodology for an analysis of a utility's management efficiency.

83 Acts, ch 127, §35; 89 Acts, ch 297, §11

**476.53 Electric generating and transmission facilities.**

1. It is the intent of the general assembly to attract the development of electric power generating and transmission facilities within the state in sufficient quantity to ensure reliable electric service to Iowa consumers and provide economic benefits to the state. It is also the intent of the general assembly to encourage rate-regulated public utilities to consider altering existing electric generating facilities, where reasonable, to manage carbon emission intensity in order to facilitate the transition to a carbon-constrained environment.

2. *a.* The general assembly's intent with regard to the development of electric power generating and transmission facilities, or the significant alteration of an existing generating facility, as provided in subsection 1, shall be implemented in a manner that is cost-effective and compatible with the environmental policies of the state, as expressed in this Title XI.

*b.* The general assembly's intent with regard to the reliability of electric service to Iowa consumers, as provided in subsection 1, shall be implemented by considering the diversity of the types of fuel used to generate electricity, the availability and reliability of fuel supplies, and the impact of the volatility of fuel costs.

3. *a.* The board shall specify in advance, by order issued after a contested case proceeding, the ratemaking principles that will apply when the costs of the electric power generating facility or alternate energy production facility are included in regulated electric rates whenever a rate-regulated public utility does any of the following:

(1) Files an application pursuant to section 476A.3 to construct in Iowa a baseload electric power generating facility with a nameplate generating capacity equal to or greater than three hundred megawatts or a combined-cycle electric power generating facility, or an alternate energy production facility as defined in section 476.42, or to significantly alter an existing generating facility. For purposes of this subparagraph, a significant alteration of an existing generating facility must, in order to qualify for establishment of ratemaking principles, fall into one of the following categories:

(a) Conversion of a coal fueled facility into a gas fueled facility.

(b) Addition of carbon capture and storage facilities at a coal fueled facility.

(c) Addition of gas fueled capability to a coal fueled facility, in order to convert the facility to one that will rely primarily on gas for future generation.

(d) Addition of a biomass fueled capability to a coal fueled facility.

With respect to a significant alteration of an existing generating facility, an original facility shall not be required to be either a baseload or a combined-cycle facility. Only the incremental investment undertaken by a utility under subparagraph divisions (a), (b), (c), or (d) shall be eligible to apply the ratemaking principles established by the order issued pursuant to paragraph "*e*". Facilities for which advanced ratemaking principles are obtained pursuant to this section shall not be subject to a subsequent board review pursuant to section 476.6, subsection 21 to the extent that the investment has been considered by the board under this section. To the extent an eligible utility has been authorized to make capital investments subject to section 476.6, subsection 21, such investments shall not be eligible for ratemaking principles pursuant to this section.

(2) Leases or owns in Iowa, in whole or in part, a new baseload electric power generating facility with a nameplate generating capacity equal to or greater than three hundred megawatts or a combined-cycle electric power generating facility, or a new alternate energy production facility as defined in section 476.42.

*b*. In determining the applicable ratemaking principles, the board shall not be limited to traditional ratemaking principles or traditional cost recovery mechanisms. Among the principles and mechanisms the board may consider, the board has the authority to approve ratemaking principles proposed by a rate-regulated public utility that provide for reasonable restrictions upon the ability of the public utility to seek a general increase in electric rates under section 476.6 for at least three years after the generating facility begins providing service to Iowa customers.

*c*. In determining the applicable ratemaking principles, the board shall make the following findings:

(1) The rate-regulated public utility has in effect a board-approved energy efficiency plan as required under section 476.6, subsection 16.

(2) The rate-regulated public utility has demonstrated to the board that the public utility has considered other sources for long-term electric supply and that the facility or lease is reasonable when compared to other feasible alternative sources of supply. The rate-regulated public utility may satisfy the requirements of this subparagraph through a competitive bidding process, under rules adopted by the board, that demonstrate the facility or lease is a reasonable alternative to meet its electric supply needs.

*d*. The applicable ratemaking principles shall be determined in a contested case proceeding, which proceeding may be combined with the proceeding for issuance of a certificate conducted pursuant to chapter 476A.

*e*. The order setting forth the applicable ratemaking principles shall be issued prior to the commencement of construction or lease of the facility.

*f*. Following issuance of the order, the rate-regulated public utility shall have the option of proceeding according to either of the following:

(1) Withdrawing its application for a certificate pursuant to chapter 476A.

(2) Proceeding with the construction or lease of the facility.

*g*. Notwithstanding any provision of this chapter to the contrary, the ratemaking principles established by the order issued pursuant to paragraph "*e*" shall be binding with regard to the specific electric power generating facility in any subsequent rate proceeding.

4. The utilities board and the consumer advocate may employ additional temporary staff, or may contract for professional services with persons who are not state employees, as the board and the consumer advocate deem necessary to perform required functions as provided in this section, including but not limited to review of power purchase contracts, review of emission plans and budgets, and review of ratemaking principles proposed for construction or lease of a new generating facility. Beginning July 1, 2002, there is appropriated out of any funds in the state treasury not otherwise appropriated, such sums as may be necessary to enable the board and the consumer advocate to hire additional staff and contract for services

under this section. The costs of the additional staff and services shall be assessed to the utilities pursuant to the procedure in section 476.10 and section 475A.6.

83 Acts, ch 127, §36, 50; 2001 Acts, 1st Ex, ch 4, §12, 36; 2002 Acts, 2nd Ex, ch 1003, §31, 35; 2003 Acts, ch 29, §5, 6; 2003 Acts, ch 159, §2 – 4; 2004 Acts, ch 1101, §67; 2010 Acts, ch 1176, §2, 3; 2010 Acts, ch 1193, §55, 69, 80; 2013 Acts, ch 30, §113

Referred to in §476.23, 476A.4, 476A.6, 476A.7

Subsection 2, paragraph a amended

**476.53A Renewable electric power generation.**

It is the intent of the general assembly to encourage the development of renewable electric power generation. It is also the intent of the general assembly to encourage the use of renewable power to meet local electric needs and the development of transmission capacity to export wind power generated in Iowa.

2011 Acts, ch 115, §1

**476.54 Delayed payment charges.**

A public utility shall not apply delayed payment charges on a customer's account if the scheduled payment was made by the customer within twenty days from the date the billing was sent to the customer. Delayed payment charges on a customer's account shall not exceed one and one-half percent per month of the past-due amount.

83 Acts, ch 127, §37

**476.55 Complaint of antitrust activities.**

1. An application for new or changed rates, charges, schedules, or regulations filed under this chapter, or an application for a certificate or an amendment to a certificate submitted under chapter 476A, by an electric transmission line utility or a gas pipeline utility or a subsidiary of either shall not be approved by the board if, upon complaint by an Iowa electric or gas utility, the board finds activities which create or maintain a situation inconsistent with antitrust laws and the policies which underlie them. The board may grant the rate or facility certification request once it determines that those activities which led to the antitrust complaint have been eliminated. However, this subsection does not apply to an application for new or changed rates, charges, schedules, or regulations after the expiration of the ten-month limitation and applicable extensions.

2. *a.* Notwithstanding section 476.1D, the board may receive a complaint from a local exchange carrier that another local exchange carrier has engaged in an activity that is inconsistent with antitrust laws and the policies which underlie them. For purposes of this subsection, *"local exchange carrier"* means the same as defined in section 476.96 and includes a city utility authorized pursuant to section 388.2 to provide local exchange services. If, after notice and opportunity for hearing, the board finds that a local exchange carrier has engaged in an activity that is inconsistent with antitrust laws and the policies which underlie them, the board may order any of the following:

(1) The local exchange carrier to adjust retail rates in an amount sufficient to correct the antitrust activity.

(2) The local exchange carrier to pay any costs incurred by the complainant for the pursuit of the complaint.

(3) The local exchange carrier to pay a civil penalty.

(4) Either the local exchange carrier or the complainant to pay the costs of the complaint proceeding before the board, and the other party's reasonable attorney fees.

*b.* This subsection shall not be construed to modify, restrict, or limit the right of a person to bring a complaint under any other provision of this chapter.

83 Acts, ch 127, §38; 2005 Acts, ch 9, §2; 2011 Acts, ch 25, §143

**476.56 Energy costs provided.**

A gas or electric public utility shall provide, upon the request of a person who states in writing that the person is an owner of real property, or an interested prospective purchaser

or renter of the property, which is or has been receiving gas or electric service from the public utility, the annual gas or electric energy costs for the property.

88 Acts, ch 1174, §3
Referred to in §476.1A, 476.1B

**476.57 Limitations on use of ADAD equipment — penalty.**

1. *Definition.* As used in this section, *"ADAD equipment"* means automatic dialing-announcing device equipment which is a device or system of devices used, either alone or in conjunction with other equipment, for the purpose of automatically selecting or dialing telephone numbers without the use of a live operator to disseminate prerecorded messages to the numbers selected or dialed.

2. *Prohibition.*

*a.* Except as provided in paragraph *"b"*, a person shall not use, employ, or direct another person to use, or contract for the use of ADAD equipment.

*b.* Except for ADAD equipment which randomly or sequentially selects the telephone numbers for calling, the prohibition in paragraph *"a"* does not apply to any of the following:

(1) Calls made with ADAD equipment by a nonprofit organization or by an individual using the calls other than for commercial profit-making purposes or fund-raising, if the calls do not involve the advertisement or offering for sale, lease, or rental of goods, services, or property.

(2) Calls made with ADAD equipment relating to payment for, service of, or warranty coverage of previously ordered or purchased goods or services or to persons or organizations with a prior business relationship with the persons or organizations using the calls.

(3) Calls made with ADAD equipment relating to the collection of lawful debts.

(4) Calls made with ADAD equipment to members or employees of the organization making the calls.

(5) Calls made with ADAD equipment which use an initial prerecorded message of a duration no greater than seven seconds prior to a live operator intercept, or calls which involve an initial message from a live operator.

3. *Termination.* Calls made with ADAD equipment must terminate the connection with any call within ten seconds after the person receiving the call acts to disconnect the call.

4. *Penalty.* A violation of this section is a serious misdemeanor.

91 Acts, ch 141, §1

**476.58 through 476.60** Reserved.

ENERGY EFFICIENCY PROGRAMS

**476.61** Repealed by 86 Acts, ch 1134, § 1, 3.

**476.62 Energy-efficient lighting required.**

All public utility-owned exterior flood lighting, including but not limited to street and security lighting, shall be replaced when worn-out exclusively with high pressure sodium lighting or lighting with equivalent or better energy efficiency as approved in rules adopted by the board.

89 Acts, ch 297, §12
Referred to in §474.5, 476.1A, 476.1B

**476.63 Energy efficiency programs.**

The division shall consult with the economic development authority in the development and implementation of public utility energy efficiency programs.

89 Acts, ch 297, §13; 90 Acts, ch 1252, §39; 2009 Acts, ch 108, §39, 41; 2011 Acts, ch 118, §50, 89

**476.64** Reserved.

**476.65** Repealed by 96 Acts, ch 1196, § 14.

CUSTOMER CONTRIBUTION FUND

**476.66 Customer contribution fund.**

1. The utilities board shall adopt rules which shall require each electric and gas public utility to establish a fund whose purposes shall include the receiving of contributions to assist the utility's low-income customers with weatherization measures to improve energy efficiency related to winter heating and summer cooling, and to supplement the energy assistance received under the federal low-income home energy assistance program for the payment of winter heating electric or gas utility bills.

2. The rules shall require each utility to periodically notify its customers of the availability and purpose of the fund and to provide them with forms on which they can authorize the utility to bill their contribution to the fund on a monthly basis.

3. The rules shall permit the fund to accept matching funds from persons or organizations who wish to provide assistance for customers of the utility.

4. The utility may be reimbursed by the fund for the administrative costs of the billings, disbursements, notices to customers, and financial recordkeeping. However, such reimbursement shall not exceed five percent of the total revenues collected.

5. The utility shall establish a board or committee to determine the appropriate distribution of the funds. The board or committee shall include representatives from community or regional organizations which are active in assisting citizens with payment of their winter heating bills.

6. The rules established by the utilities board shall require an annual report to be filed for each fund. The utilities board shall compile an annual statewide report of the fund results. The division of community action agencies of the department of human rights shall prepare an annual report of the unmet need for energy assistance and weatherization. Both reports shall be submitted to the appropriations committees of the general assembly on the first day of the following session.

7. Existing programs to receive customer contributions established by public utilities shall be construed to meet the requirements of this section. Such plans shall be subject to review by the utilities board.

88 Acts, ch 1175, §3; 92 Acts, ch 1155, §1; 2002 Acts, ch 1119, §177
Referred to in §216A.102, 476.1A, 476.1B

**476.67 through 476.70** Reserved.

PUBLIC UTILITY AFFILIATES

**476.71 Purpose.**

It is the intent of the general assembly that a public utility should not directly or indirectly include in regulated rates or charges any costs or expenses of an affiliate engaged in any business other than that of utility business unless the affiliate provides goods or services to the public utility. The costs that are included should be reasonably necessary and appropriate for utility business. It is also the intent of the general assembly that a public utility should only provide nonutility services in a manner that minimizes the possibility of cross-subsidization or unfair competitive advantage.

89 Acts, ch 103, §2

**476.72 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Affiliate"* means a party that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a rate-regulated public utility.

2. *"Control"* means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an enterprise through ownership, by contract or otherwise.

3. *"Nonutility service"* includes the sale, lease, or other conveyance of commercial and residential gas or electric appliances, interior lighting systems and fixtures, or heating, ventilating, or air conditioning systems and component parts or the servicing, repair, or maintenance of such equipment.

4. *"Public utility"* includes only gas or electric rate-regulated public utilities and rate-regulated telephone utilities providing local exchange telecommunication service.

5. *"Utility business"* means the generation or transmission of electricity or furnishing of gas or furnishing electricity or furnishing rate-regulated communications services to the public for compensation.

89 Acts, ch 103, §3

**476.73 Affiliate records.**

1. *Access to records.* Every public utility and affiliate through the public utility shall provide the board with access to books, records, accounts, documents, and other data and information which the board finds necessary to effectively implement and effectuate the provisions of this chapter.

2. *Separate records.* The board may require affiliates of a public utility to keep separate records and the board may provide for the examination and inspection of the books, accounts, papers, and records, as may be necessary to enforce this chapter.

3. *Allocation permitted.* The board may inquire as to and prescribe, for ratemaking purposes, the allocation of capitalization, earnings, debts, and expenses related to ownership, operation, or management of affiliates.

89 Acts, ch 103, §4

**476.74 Affiliate information required to be filed.**

1. *Goods and services.* All contracts or arrangements providing for the furnishing or receiving of goods and services including but not limited to the furnishing or receiving of management, supervisory, construction, engineering, accounting, legal, financial, marketing, data processing, or similar services made or entered into on or after July 1, 1989, between a public utility and any affiliate shall be filed annually with the board.

2. *Sales, purchases, and leases.* All contracts or arrangements for the purchase, sale, lease, or exchange of any property, right, or thing made or entered into on or after July 1, 1989, between a public utility and any affiliate shall be filed annually with the board.

3. *Loans.* All contracts or arrangements providing for any loan of money or an extension or renewal of any loan of money or any similar transaction made or entered into on or after July 1, 1989, between a public utility and any affiliate, whether as guarantor, endorser, surety, or otherwise, shall be filed annually with the board.

4. *Verified copies required.* Every public utility shall file with the board a verified copy of the contract or arrangement referred to in this section, or a verified summary of the unwritten contract or arrangement, and also of all the contracts and arrangements or a verified summary of the unwritten contracts or arrangements, whether written or unwritten, entered into prior to July 1, 1989, and in force and effect at that time. Any contract or agreement determined by the board to be a confidential record pursuant to section 22.7 shall be returned to the public utility filing the confidential record within sixty days after the contract or agreement is filed.

5. *Exemption.* The provisions of this section requiring filing of contracts or agreements with the board shall not apply to transactions with an affiliate where the amount of consideration involved is not in excess of fifty thousand dollars or five percent of the capital equity of the utility, whichever is smaller. However, regularly recurring payments under a general or continuing arrangement which aggregate a greater annual amount shall not be broken down into a series of transactions to come within this exemption. In any proceeding involving the rates, charges or practices of the public utility, the board may exclude from the

accounts of the public utility any unreasonable payment or compensation made pursuant to any contract or arrangement which is not required to be filed under this subsection.

6. *Continuing jurisdiction.* The board shall have the same jurisdiction over modifications or amendments of contracts or arrangements in this section as it has over the original contracts or arrangements. Any modification or amendment of contracts or arrangements shall also be filed annually with the board.

7. *Sanction.* For ratemaking purposes, the board may exclude the payment or compensation to an affiliate or adjust the revenue received from an affiliate associated with any contract or arrangement required to be filed with the board if the contract or arrangement is not so filed.

8. *Alternative information.* The board shall consult with other state and federal regulatory agencies for the purpose of eliminating duplicate or conflicting filing requirements and may adopt rules which provide that comparable information required to be filed with other state or federal regulatory agencies may be accepted by the board in lieu of information required by this section.

9. *Reasonableness required.* In any proceeding, whether upon the board's own motion or upon application or complaint involving the rates, charges, or practices of any public utility, the board, for ratemaking purposes may exclude from the accounts of the public utility or adjust any payment or compensation related to any transaction with an affiliate for any services rendered or for any property or service furnished or received, as described in this section, under contracts or arrangements with an affiliate unless and upon inquiry the public utility shall establish the reasonableness of the payment or compensation.

10. *Exemption by rule or waiver.* The board may adopt rules which exempt any public utility or class of public utility or class of contracts or arrangements from this section or waive the requirements of this section if the board finds that the exemption or waiver is in the public interest.

89 Acts, ch 103, §5

**476.75 Audits required.**

The board may periodically retain a nationally or regionally recognized independent auditing firm to conduct an audit of the transactions between a public utility and its affiliates. An affiliate transaction audit shall not be conducted more frequently than every three years, unless ordered by the board for good cause. The cost of the audit shall be paid by the public utility to the independent auditing firm and shall be included in its regulated rates and charges, unless otherwise ordered by the board for good cause after providing the public utility the opportunity for a hearing on the board's decision.

89 Acts, ch 103, §6

**476.76 Reorganization defined.**

For purposes of this division unless the context otherwise requires, "*reorganization*" means either of the following:

1. The acquisition, sale, lease, or any other disposition, directly or indirectly, including by merger or consolidation, of the whole or any substantial part of a public utility's assets.

2. The purchase or other acquisition or sale or other disposition of the controlling capital stock of any public utility, either directly or indirectly.

89 Acts, ch 103, §7
Referred to in §476.29, 476.44

**476.77 Time and standards for review.**

1. A reorganization shall not take place if the board disapproves. Prior to reorganization, the applicant shall file with the board a proposal for reorganization with supporting testimony and evidence to establish that the reorganization is not contrary to the interests of the public utility's ratepayers and the public interest.

2. A proposal for reorganization shall be deemed to have been approved unless the board disapproves the proposal within ninety days after its filing. The board, for good cause shown, may extend the deadline for acting on an application for an additional period not to exceed

ninety days. However, the board shall not disapprove a proposal for reorganization without providing for notice and opportunity for hearing. The notice of hearing shall be provided no later than fifty days after the proposal for reorganization has been filed.

3. In its review of a proposal for reorganization, the board may consider all of the following:

*a.* Whether the board will have reasonable access to books, records, documents, and other information relating to the public utility or any of its affiliates.

*b.* Whether the public utility's ability to attract capital on reasonable terms, including the maintenance of a reasonable capital structure, is impaired.

*c.* Whether the ability of the public utility to provide safe, reasonable, and adequate service is impaired.

*d.* Whether ratepayers are detrimentally affected.

*e.* Whether the public interest is detrimentally affected.

4. The board may adopt rules which exempt a public utility or class of public utility or class of reorganization from this section if the board finds that with respect to the public utility or class of public utility or class of reorganization review is not necessary in the public interest. The board may adopt rules necessary to protect the interest of the customers of the exempt public utility. These rules may include, but are not limited to, notification of a proposed sale or transfer of assets or stock. The board may waive the requirements of this section, if the board finds that board review is not necessary in the public interest.

89 Acts, ch 103, §8; 91 Acts, ch 68, §1; 98 Acts, ch 1097, §1, 2

Referred to in §476.29

**476.78 Cross-subsidization prohibited.**

A rate-regulated gas or electric public utility shall not directly or indirectly include any costs or expenses attributable to providing nonutility service in regulated rates or charges. Except for contracts existing as of July 1, 1996, a rate-regulated gas or electric public utility or its affiliates shall not use vehicles, service tools and instruments, or employees, the costs, salaries, or benefits of which are recoverable in the regulated rates for electric service or gas service to install, service, or repair residential or commercial gas or electric heating, ventilating, or air conditioning systems, or interior lighting systems and fixtures; or to sell at retail heating, ventilating, air conditioning, or interior lighting equipment. For the purpose of this section, *"commercial"* means a place of business primarily used for the storage or sale, at wholesale or retail, of goods, wares, services, or merchandise. Nothing in this section shall be construed to prohibit a rate-regulated gas or electric public utility from using its utility vehicles, service tools and instruments, and employees to market systems, services, and equipment, to light pilots, or to eliminate a customer emergency or threat to public safety.

89 Acts, ch 103, §9; 96 Acts, ch 1196, §12

Referred to in §476.83

**476.79 Provision of nonutility service.**

1. A rate-regulated gas or electric public utility providing any nonutility service to its customers shall keep and render to the board separate records of the nonutility service. The board may provide for the examination and inspection of the books, accounts, papers, and records of the nonutility service, as may be necessary, to enforce any provisions of this chapter.

2. The board shall adopt rules which specify the manner and form of the accounts relating to providing nonutility services which the rate-regulated gas or electric utility shall maintain.

89 Acts, ch 103, §10

Referred to in §476.83

**476.80 Additional requirements.**

A rate-regulated gas or electric public utility which engages in a systematic marketing effort as defined by the board, other than on an incidental or casual basis, to promote the availability of nonutility service from the public utility shall make available at reasonable compensation on a nondiscriminatory basis to all persons engaged primarily in providing

the same competitive nonutility services in that area all of the following services to the same extent utilized by the public utility in connection with its nonutility services:

1. Access to and use of the public utility's customer lists.
2. Access to and use of the public utility's billing and collection system.
3. Access to and use of the public utility's mailing system.

89 Acts, ch 103, §11
Referred to in §105.11, 476.81, 476.82, 476.83

**476.81 Audit required.**

The board may periodically retain a nationally or regionally recognized independent auditing firm to conduct an audit of the nonutility services provided by a rate-regulated gas or electric public utility subject to the provisions of section 476.80. A nonutility service audit shall not be conducted more frequently than every three years, unless ordered by the board for good cause. The cost of the audit shall be paid by the public utility to the independent auditing firm and shall be included in its regulated rates and charges, unless otherwise ordered by the board for good cause after providing the public utility the opportunity for a hearing on the board's decision.

89 Acts, ch 103, §12
Referred to in §476.82

**476.82 Exemption — energy efficiency.**

Notwithstanding any language to the contrary, nothing in this division shall prohibit a public utility from participating in or conducting energy efficiency projects or programs established or approved by the board or required by statute. A public utility participating in or conducting energy efficiency projects or programs established or approved by the board or required by statute shall not be subject to the provisions of sections 476.80 and 476.81 for those energy efficiency projects or programs.

89 Acts, ch 103, §13

**476.83 Complaints.**

Any person may file a written complaint with the board requesting that the board determine compliance by a rate-regulated gas or electric public utility with the provisions of section 476.78, 476.79, or 476.80, or any validly adopted rules to implement these sections. Upon the filing of a complaint, the board may promptly initiate a formal complaint proceeding and give notice of the proceeding and the opportunity for hearing. The formal complaint proceeding may be initiated at any time by the board on its own motion. The board shall render a decision in the proceeding within ninety days after the date the written complaint was filed, unless additional time is requested by the complainant.

89 Acts, ch 103, §14; 96 Acts, ch 1196, §13

**476.84 and 476.85** Reserved.

COMPETITIVE NATURAL GAS PROVIDERS

**476.86 Definitions.**

As used in this section and section 476.87, unless the context otherwise requires:

1. *"Aggregator"* means a person who combines retail end users into a group and arranges for the acquisition of competitive natural gas services without taking title to those services.

2. *"Competitive natural gas provider"* means a person who takes title to natural gas and sells it for consumption by a retail end user in the state of Iowa. *"Competitive natural gas provider"* includes an affiliate of an Iowa gas utility.

*"Competitive natural gas provider"* does not include the following:

*a.* A public utility which is subject to rate regulation under this chapter.

*b.* A municipally owned utility which provides natural gas service within its incorporated area or within the municipal natural gas competitive service area, as defined in section

437A.3, subsection 22, paragraph *"a"*, subparagraph (1), in which the municipally owned utility is located.

99 Acts, ch 20, §2, 6; 99 Acts, ch 208, §57, 74

**476.87 Certification of competitive natural gas providers.**

1. The board shall certify all competitive natural gas providers and aggregators providing natural gas services in this state. In an application for certification, a competitive natural gas provider or aggregator must reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services such provider or aggregator proposes to offer. The board may establish reasonable conditions or restrictions on the certificate at the time of issuance. The board shall adopt rules to establish specific criteria for certification. The board shall make a determination on an application for certification within ninety days of its submission, unless the board determines that additional time is necessary to consider the application, in which case the board may extend the time for making a determination for an additional sixty days.

2. The board may resolve disputes involving the provision of natural gas services by a competitive natural gas provider or aggregator.

3. The board shall allocate the costs and expenses reasonably attributable to certification and dispute resolution in this section to persons identified as parties to such proceeding who are engaged in or who seek to engage in providing natural gas services or other persons identified as participants in such proceeding. The funds received for the costs and the expenses of certification and dispute resolution shall be remitted to the treasurer of state for deposit in the department of commerce revolving fund created in section 546.12 as provided in section 476.10.

99 Acts, ch 20, §3, 6; 2009 Acts, ch 181, §49

Referred to in §476.86

**476.88 through 476.90** Reserved.

ALTERNATIVE OPERATOR SERVICES

**476.91 Alternative operator services.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a. "Alternative operator services company"* means a nongovernmental company which receives more than half of its Iowa intrastate telecommunications services revenues from calls placed by end-user customers from telephones other than ordinary residence or business telephones. The definition is further limited to include only companies which provide operator assistance, either through live or automated intervention, on calls placed from other than ordinary residence or business telephones, and does not include services provided under contract to rate-regulated local exchange utilities.

*b. "Contracting entity"* means an entity providing telephones other than ordinary residence or business telephones for use by end-user customers which has contracted with an alternative operator services company to provide telecommunications services to those telephones.

*c. "End-user customer"* means a person who places a local or toll call.

*d. "Other than ordinary residence or business telephones"* means telephones other than the residence or business telephones of the customary users of the telephones, including but not limited to pay telephones and telephones in motel, hotel, hospital, and college dormitory rooms.

2. *Jurisdiction.* Notwithstanding any finding by the board that a service or facility is subject to competition and should be deregulated pursuant to section 476.1, all intrastate telecommunications services provided by alternative operator services companies to end-user customers, using other than ordinary residence or business telephones, are subject to the jurisdiction of the board and shall be rendered pursuant to tariffs approved by the board. Alternative operator services companies shall be subject to all requirements and

sanctions provided in this chapter. Contracting entities shall be subject to the requirements of any board regulations concerning telecommunications services provided by alternative operator services companies.

3. *Requirements.* The board shall adopt and enforce requirements for the provision of services by alternative operator services companies and contracting entities.

4. *Billing by local exchange utilities.* Notwithstanding any finding by the board that a service or facility is subject to competition and should be deregulated pursuant to section 476.1, a regulated local exchange utility shall not perform billing and collection functions relating to regulated telecommunications services provided by an alternative operator services company, unless the alternative operator services company has filed a statement with the local exchange utility signed by a corporate officer, or other authorized person having personal knowledge, that all regulated telecommunications services to be billed shall be rendered pursuant to tariffs approved by the board.

89 Acts, ch 95, §1

**476.92 through 476.94** Reserved.

PRICE REGULATION FOR
TELECOMMUNICATIONS
SERVICES PROVIDERS

**476.95 Findings — statement of policy.**

The general assembly finds all of the following:

1. Communications services should be available throughout the state at just, reasonable, and affordable rates from a variety of providers.

2. In rendering decisions with respect to regulation of telecommunications companies, the board shall consider the effects of its decisions on competition in telecommunications markets and, to the extent reasonable and lawful, shall act to further the development of competition in those markets.

3. In order to encourage competition for all telecommunications services, the board should address issues relating to the movement of prices toward cost and the removal of subsidies in the existing price structure of the incumbent local exchange carrier.

4. Regulatory flexibility is appropriate when competition provides customers with competitive choices in the variety, quality, and pricing of communications services, and when consistent with consumer protection and other relevant public interests.

5. The board should respond with speed and flexibility to changes in the communications industry.

6. Economic development can be fostered by the existence of advanced communications networks.

95 Acts, ch 199, §6
Referred to in §476.1B, 476.96, 476.102

**476.96 Definitions.**

As used in section 476.95, this section, and sections 476.97 through 476.102, unless the context otherwise requires:

1. *"Basic communications service"* includes at a minimum, basic local telephone service, switched access, 911 and E-911 services, and dual party relay service. The board is authorized to classify by rule at any time, any other two-way switched communications services as basic communications services consistent with community expectations and the public interest.

2. *"Basic local telephone service"* means the provision of dial tone access and usage, for the transmission of two-way switched communications within a local exchange area, including, but not limited to, the following:

*a.* Residence service and business services, including flat rate or local measured service, private branch exchange trunks, trunk type hunting services, direct inward dialing, and the network access portion of central office switched exchange service.

*b.* Extended area service.
*c.* Touch tone service when provided separately.
*d.* Call tracing.
*e.* Calling number blocking on either a per call or a per line basis.
*f.* Local exchange white pages directories.
*g.* Installation and repair of local network access.
*h.* Local operator services, excluding directory assistance.
*i.* Toll service blocking and 1-900 and 1-976 access blocking.

3. *"Competitive local exchange service provider"* means any person, including a municipal utility, that provides local exchange services, other than a local exchange carrier or a nonrate-regulated wireline provider of local exchange services under an authorized certificate of public convenience and necessity within a specific geographic area described in maps filed with and approved by the board as of September 30, 1992.

4. *"Interim number portability"* means one or more mechanisms by which a local exchange customer at a particular location may change the customer's local exchange services provider without any change in the local exchange customer's telephone number, while experiencing as little loss of functionality as is feasible using available technology.

5. *"Local exchange carrier"* means any person that was the incumbent and historical rate-regulated wireline provider of local exchange services or any successor to such person that provides local exchange services under an authorized certificate of public convenience and necessity within a specific geographic area described in maps filed with and approved by the board as of September 30, 1992.

6. *"Nonbasic communications services"* means all communications services subject to the board's jurisdiction which are not deemed either by statute or by rule to be basic communications services, including any service offered by the local exchange carrier for the first time after July 1, 1995. A service is not considered new if it constitutes the bundling, unbundling, or repricing of an already existing service. Consistent with community expectations and the public interest, the board may reclassify by rule as nonbasic those two-way switched communications services previously classified by rule as basic.

7. *"Provider number portability"* means the capability of a local exchange customer to change the customer's local exchange services provider at the customer's same location without any change in the local exchange customer's telephone number, while preserving the full range of functionality that the customer currently experiences. *"Provider number portability"* includes the equal availability of information concerning the local exchange provider serving the number to all carriers, and the ability to deliver traffic directly to that provider without having first to route traffic to the local exchange carrier or otherwise use the services, facilities, or capabilities of the local exchange carrier to complete the call, and without the dialing of additional digits or access codes.

95 Acts, ch 199, §7; 97 Acts, ch 81, §4, 6
Referred to in §34A.2, 423.3, 476.1B, 476.29, 476.55, 476.97, 476.101, 476.102

**476.97 Price regulation.**

1. Notwithstanding contrary provisions of this chapter relating to rate regulation, the board may approve a plan for price regulation submitted by a rate-regulated local exchange carrier. The plan for price regulation is not effective until the approval by the board of tariffs implementing the unbundling of essential facilities pursuant to section 476.101, subsection 4, except for a local exchange carrier with less than seventy-five thousand access lines whose plan for price regulation will be effective concurrent with the approval of its plan. The board may approve a plan for price regulation prior to the adoption of rules related to the unbundling of essential facilities or concurrent with a rate proceeding under section 476.3, 476.6, or 476.7. During the term of the plan, the board shall regulate the prices of the local exchange carrier's basic and nonbasic communications services pursuant to the requirements of the price regulation plan approved by the board. The local exchange carrier shall not be subject to rate of return regulation during the term of the plan.

2. The board, after notice and opportunity for hearing, may approve, modify, or reject the plan. The board shall approve, modify, or reject the plan by no later than ninety days after

the date the plan is filed. The local exchange carrier shall have ten days to accept or reject any board modifications to its plan. If the local exchange carrier rejects a modification to its plan, the board shall reject the plan without prejudice to the local exchange carrier to submit another plan.

3. A price regulation plan, at a minimum, shall include provisions, consistent with the provisions of this section and any rules adopted by the board, for the following:

*a.* (1) Establishing and changing prices, terms, and conditions for basic communications services. The initial plan for price regulation must include a proposal, which the board shall approve, for reducing the local exchange carrier's average intrastate access service rates to the local exchange carrier's average interstate access service rates in effect as of the last day of the calendar year immediately preceding the date of filing of the plan, as follows:

(a) A local exchange carrier with five hundred thousand or more access lines in this state shall reduce its average intrastate access service rates by at least one hundred percent of the difference between average intrastate access service rates and average interstate access service rates as of the date that the plan becomes effective.

(b) A local exchange carrier with fewer than five hundred thousand but seventy-five thousand or more access lines in this state shall reduce its average intrastate access service rates to its average interstate access service rates in increments of at least twenty-five percent, with the initial reduction to take effect on approval of the plan and equal annual reductions on each anniversary of the approval during the first three years that its plan is in effect.

(c) A local exchange carrier with fewer than seventy-five thousand access lines in this state shall reduce its average intrastate access service rates to its average interstate access service rates with equal annual reductions during a period beginning no more than two years and ending no more than five years from the plan's inception.

(2) The board, during the term of the plan for a local exchange carrier with five hundred thousand or more access lines in this state, may consider further reductions toward economic costs in the local exchange carrier's average intrastate access service rates. The board may consider offsetting such reductions by an explicit subsidy replacement to the extent that such offsets are competitively neutral. In determining economic costs of access service the board shall consider all relevant costs of the service including shared and common costs of the local exchange carrier.

(3) This section shall not be construed to do either of the following:

(a) Prohibit an additional decrease in a carrier's average intrastate access service rate during the term of the plan.

(b) Permit any increase in a carrier's average intrastate access service rates during the term of the plan.

(4) (a) The plan shall also provide that the initial prices for basic communications services shall be three percent less than the rates approved and in effect at the time the local exchange carrier files its plan. A local exchange carrier which elects to reduce its rates by three percent shall not, at a later time, increase its rates for basic communications services as a result of the carrier's compliance with the board's rules relating to unbundling. In lieu of the three percent reduction, and prior to the adoption of rules relating to unbundling pursuant to section 476.101, subsection 4, paragraph "*a*", subparagraph (1), the local exchange carrier may request and the board may establish a regulated revenue requirement in a rate proceeding under section 476.3 or 476.6 commenced after July 1, 1995. After the determination of the local exchange carrier's regulated revenue requirement pursuant to the rate proceeding, the local exchange carrier shall not immediately implement rates designed to recover that regulated revenue requirement. Following the adoption of rules relating to unbundling pursuant to section 476.101, subsection 4, paragraph "*a*", subparagraph (1), the local exchange carrier shall commence a tariff proceeding for the approval of tariffs implementing such unbundling. The board has six months to complete this tariff proceeding and determine the local exchange carrier's final unbundled rates. The local exchange carrier shall carry forward the regulated revenue requirement determined by the board pursuant to the rate proceeding and design rates that comply with the board's rules relating

to unbundling that recover the regulated revenue requirement, and that implement the board's approved rate design established in the tariff proceeding.

(b) In lieu of taking the three percent reduction, a local exchange carrier that submits a plan for price regulation after the board adopts rules relating to unbundling may file a rate proceeding under section 476.3 or 476.6 and the board may approve rates designed to comply with those rules which allow the carrier to recover the established regulated revenue requirement and that implement the board's approved rate design established in the tariff proceeding.

(5) The plan shall provide for both increases and decreases in the prices for basic communications services reflecting annual changes in inflation. Initially, the board shall use the gross domestic product price index, as published by the federal government, for an inflation measure. The board by rule may adopt a more current measure of inflation. Any plan in effect as of July 1, 2003, that contains a productivity factor shall strike the productivity factor on a prospective basis.

(6) The plan may provide that price increases for basic communications services which are permitted under this section may be deferred and accumulated for a maximum of three years into a single price increase, provided that a deferred and accumulated price increase under this section shall not at any time exceed six percent. A price decrease for basic communications services shall not be deferred or accumulated, except that price decreases of less than two percent may be deferred by the local exchange carrier for one year. A price decrease required under this section may be offset by a price increase for a basic communications service that would have been permitted under this section in the previous twelve-month period, but which was deferred by the local exchange carrier.

*b.* Establishing and changing prices, terms, and conditions for nonbasic communications services.

*c.* Reporting new service offerings to the board.

*d.* Reflecting in rates any changes in revenues, expenses, and investment due to exogenous factors beyond the control of the local exchange carrier.

*e.* Providing notice to customers, the board, and the consumer advocate of changes in prices, terms, or conditions for basic and nonbasic communications services.

4. The board shall consider the extent to which a proposed plan complies with the requirements of subsection 3 and achieves the following:

*a.* Just, nondiscriminatory, and reasonable rates.

*b.* High quality, universally available communications services.

*c.* Encouragement of investment in communications infrastructure, efficiency improvements, and technological innovation.

*d.* The introduction of new communications products and services from a variety of sources.

*e.* Regulatory efficiency including reduction of regulatory costs and delays. A plan shall not provide for waiver of, release from, or delay in implementing the provisions of this section, section 476.101 or 476.102 or any rules adopted by the board pursuant to those sections.

5. Notwithstanding an approved plan for price regulation, the board shall continue to have regulatory authority over the following:

*a.* The level, extent, and timing of the unbundling of essential facilities offered by a local exchange carrier.

*b.* Ensuring against cross-subsidization between nonbasic communications services and basic communications services.

6. Any person, including the consumer advocate, a body politic, or the board on its own motion, may file a written complaint pursuant to section 476.3, subsection 1, regarding a local exchange carrier's implementation, operation under, or satisfaction of the purposes of its price regulation plan.

7. The consumer advocate may represent consumers before the board regarding any rule, order, or proceeding pertaining to price regulation. The consumer advocate may act as attorney for and represent consumers generally before any state or federal court concerning a board rule, order, or proceeding pertaining to price regulation.

8. In implementing price regulation, the board shall consider competitively neutral methods to assist lower-income Iowans to secure and retain telephone services.

9. The board shall determine the duration of any plan. The board shall review a local exchange carrier's operation under its plan, with notice and an opportunity for hearing, within four years of the initiation of the plan and prior to the termination of the plan. The local exchange carrier, consumer advocate, or any person may propose, and the board may approve, any reasonable modifications to a local exchange carrier's plan as a result of the review, except that such modifications shall not require a reduction in the rates for any basic communications service.

10. The board, in determining whether to file a written complaint pursuant to subsection 6 or prior to reviewing a local exchange carrier's operation pursuant to subsection 9, may request that such carrier provide any information which the board deems necessary to make such determination or conduct such review. The carrier shall provide the requested information upon receipt of the request from the board.

11. *a.* Notwithstanding subsections 1 through 10, a local exchange carrier with fewer than five hundred thousand access lines in this state shall have the option to be regulated pursuant to subsections 1 through 10 or pursuant to this subsection. A local exchange carrier which elects to become price-regulated under this subsection shall also be subject to subsections 5 through 8 and subsection 10 in the same manner as a local exchange carrier which operates under an approved plan of price regulation submitted pursuant to subsection 1.

*b.* A local exchange carrier which elects to become price-regulated under this subsection shall give written notice to the board of such election not less than thirty days prior to the date such regulation is to commence.

*c.* Upon election of a local exchange carrier to become price-regulated under this subsection, the carrier shall reduce its rates for basic local telephone service an average of three percent. In lieu of the three percent reduction, the local exchange carrier may establish its rates for basic local telephone service in a rate proceeding under section 476.3 or 476.6 commenced after July 1, 1995.

*d.* Initial prices for basic communications services, other than basic local telephone service, shall be set at the rates in effect as of the first of July prior to the date such regulation is to commence.

*e.* (1) A price-regulated local exchange carrier shall not increase its rates for basic communications services for a period of twelve months after electing to become price-regulated. To the extent necessary, rates for basic services may be increased to carry out the purpose of any rules that may be adopted by the board relating to the terms and conditions of unbundled services and interconnection. A price-regulated local exchange carrier may increase its rates for basic communications services following the initial twelve-month period to the extent that the change in its aggregate revenue weighted prices does not exceed the most recent annual change in the gross domestic product price index, as published by the federal government. If application of that formula achieves a negative result, prices shall be reduced so that the cumulative price change for basic services, including prior price reductions in these services, achieves the negative result. The board by rule may adopt different measures of inflation if they are found to be more reflective of the individual price-regulated carriers.

(2) Price increases for basic communications services which are permitted under this subsection may be deferred and accumulated for a maximum of three years into a single price increase, provided that a deferred and accumulated price increase under this subsection shall not at any time exceed six percent. A price decrease for basic communications services shall not be deferred or accumulated, except that price decreases of less than two percent may be deferred by the local exchange carrier for one year. A price decrease required under this section may be offset by a price increase for a basic communications service that would have been permitted under this section in the previous twelve-month period, but which was deferred by the local exchange carrier. A rate change pursuant to this subsection may take effect thirty days after the notification of the board and consumers.

(3) A price-regulated local exchange carrier shall not increase its aggregate revenue

weighted prices for nonbasic communications services more than six percent in any twelve-month period.

(4) A price-regulated local exchange carrier may reduce the price for any basic communications service, to an amount not less than the total service long-run incremental cost for such service on one day's notice filed with the board. For purposes of this subsection, *"total service long-run incremental costs"* means the difference between the company's total cost and the total cost of the company less the applicable service, feature, or function.

(5) A price-regulated local exchange carrier may offer new service alternatives for any basic communications services on thirty days prior notice to the board, provided that the preexisting basic communications service rate structure continues to be offered to customers. New telecommunications services shall be considered nonbasic communications services as defined in section 476.96, subsection 6.

(6) A price-regulated local exchange carrier must reduce the average intrastate access service rates to the carrier's average interstate access service rates. Such carrier shall reduce the average intrastate access service rates by at least twenty-five percent of the difference of such rates within ninety days of the election to be price-regulated and twenty-five percent each of the next three years.

*f.* A local exchange carrier shall notify customers of a rate change under this subsection at least thirty days prior to the effective date of the rate change.

*g.* A local exchange carrier which elects to become price-regulated under this subsection shall also be subject to the following:

(1) The local exchange carrier shall not be subject to rate-of-return regulation while operating under price regulation.

(2) All regulated services shall be provided pursuant to board-approved tariffs.

(3) All new regulated service offerings shall be reported to the board.

(4) Rates may be adjusted by the board to reflect any changes in revenues, expenses, and investment due to exogenous factors beyond the control of the local exchange carrier, including, but not limited to, the effects of local competition. The board shall have one hundred eighty days to consider rate changes proposed under this subparagraph, but for good cause may grant one extension of sixty days, not to exceed a total of two hundred forty days.

*h.* (1) The board may review a local exchange carrier's operation under this subsection, with notice and an opportunity for hearing, after four years of the carrier's election to be price-regulated. The local exchange carrier, consumer advocate, or any person may propose, and the board may approve, any reasonable modifications to the price regulation requirements in this subsection as a result of the specific carrier review, with the following limitations:

(a) Such modifications shall not require a reduction in the rates for any basic communications service or a return to rate-base, rate-of-return regulation.

(b) Such proposals for modifications under this paragraph *"h"* are limited to no more than one every three years.

(2) The board shall approve, or approve subject to modification, a proposal for modification within one hundred eighty days of filing, but for good cause may grant one extension of sixty days, not to exceed a total of two hundred forty days. Reasonable modifications may include increases without offsetting decreases in any rate for basic and nonbasic communications service of the carrier. In reviewing the carrier's proposal, the board shall consider, but not be limited to, potential rate consolidations, the impact of competition or other external factors since election of price regulation, the impact of the proposal on the carrier's ability to attract capital, and the impact of the proposal on the ability of the carrier to deploy advanced telecommunications services.

*i.* This subsection shall not be construed to prohibit an additional decrease or to permit any increase in a local exchange carrier's average intrastate access service rates during the term of the local exchange carrier's operation under price regulation.

*j.* (1) Upon the request of a local exchange carrier, the board shall, when required by this subsection, grant the carrier temporary authority to place in effect seventy-five percent, or such lesser amount as the carrier may request, of the requested increases in rates, charges,

schedules, or regulations by filing with the board a bond conditioned upon the refund in a manner to be prescribed by the board of any amounts collected from any customer class in excess of the amounts which would have been collected under rates, charges, schedules, or regulations finally approved by the board. The board shall approve a request for temporary authority within thirty days after the date of filing of the request. The decision shall be effective immediately.

(2) The board shall determine the rate of interest to be paid by a public utility to persons receiving refunds. The interest rate to be applied to refunds of moneys collected subject to refund under this subsection is one percent per annum plus the average quarterly interest rate at commercial banks for twenty-four-month loans for personal expenditures, as determined by the board, compounded annually. The board shall consider federal reserve statistical release G.19 or its equivalent when determining interest to be paid under this subsection.

*k.* The board and the consumer advocate may employ additional temporary staff, or may contract for professional services with persons who are not state employees, as the board and consumer advocate deem necessary to review a local exchange carrier's operations, proposal for modifications, rate change proposal, or proposed changes in aggregate revenue weighted prices pursuant to this subsection. Beginning July 1, 2002, there is appropriated out of any funds in the state treasury not otherwise appropriated, such sums as may be necessary to enable the board to hire additional staff and contract for services under this subsection. The costs of the additional staff and services shall be assessed to the local exchange carrier pursuant to the procedures in sections 475A.6 and 476.10.

95 Acts, ch 199, §8; 98 Acts, ch 1151, §1 – 3; 2002 Acts, ch 1060, §1 – 5; 2002 Acts, ch 1175, §36; 2003 Acts, ch 126, §5, 6; 2005 Acts, ch 9, §3; 2011 Acts, ch 25, §143

Referred to in §476.3, 476.96, 476.99, 476.101, 476.102

**476.98** Repealed by 2005 Acts, ch 9, § 4.

**476.99 Additional price regulation plan provisions.**

In addition to the provisions required in section 476.97, a local exchange carrier, prior to operating under price regulation, shall make provision for the following:

1. Reflecting in rates any changes due to changes in the average cost of the local exchange carrier resulting from the sale of an exchange in this state.

2. Encouraging modernization of the local exchange carrier's telecommunications infrastructure. This provision shall include a requirement that the local exchange carrier develop and file with the board an increased modernization plan.

95 Acts, ch 199, §10

Referred to in §476.96, 476.101, 476.102

## LOCAL EXCHANGE COMPETITION

**476.100 Prohibited acts.**

A local exchange carrier shall not do any of the following:

1. Discriminate against another provider of communications services by refusing or delaying access to the local exchange carrier's services.

2. Discriminate against another provider of communications services by refusing or delaying access to essential facilities on terms and conditions no less favorable than those the local exchange carrier provides to itself and its affiliates. A local telecommunications facility, feature, function, or capability of the local exchange carrier's network is an essential facility if all of the following apply:

*a.* Competitors cannot practically or economically duplicate the facility, feature, function, or capability, or obtain the facility, feature, function, or capability from another source.

*b.* The use of the facility, feature, function, or capability by potential competitors is technically and economically feasible.

*c.* Denial of the use of the facility, feature, function, or capability by competitors is unreasonable.

*d.* The facility, feature, function, or capability will enable competition.

3. Degrade the quality of access or service provided to another provider of communications services.

4. Fail to disclose in a timely manner, upon reasonable request and pursuant to a protective agreement concerning proprietary information, all information reasonably necessary for the design of network interface equipment, network interface services, or software that will meet the specifications of the local exchange carrier's local exchange network.

5. Unreasonably refuse or delay interconnections or provide inferior interconnections to another provider.

6. Use basic exchange service rates, directly or indirectly, to subsidize or offset the costs of other products or services offered by the local exchange carrier.

7. Discriminate in favor of itself or an affiliate in the provision and pricing of, or extension of credit for, any telephone service.

95 Acts, ch 199, §11
Referred to in §476.1B, 476.96, 476.101, 476.102

**476.101 Local exchange competition.**

1. A certificate of public convenience and necessity to provide local telephone service shall not be interpreted as conveying a monopoly, exclusive privilege, or franchise. A competitive local exchange service provider shall not be subject to the requirements of this chapter, except that a competitive local exchange service provider shall obtain a certificate of public convenience and necessity pursuant to section 476.29, file tariffs, notify affected customers prior to any rate increase, file reports, information, and pay assessments pursuant to section 476.2, subsection 4, and sections 476.9, 476.10, 476.16, 476.102, and 477C.7, and shall be subject to the board's authority with respect to adequacy of service, interconnection, discontinuation of service, civil penalties, and complaints. If, after notice and opportunity for hearing, the board determines that a competitive local exchange service provider possesses market power in its local exchange market or markets, the board may apply such other provisions of this chapter to a competitive local exchange service provider as it deems appropriate.

2. The duty of a local exchange carrier includes the duty, in accordance with requirements prescribed by the board pursuant to subsection 3 and other laws, to provide equal access to, and interconnection with, its facilities so that its network is fully interoperable with the telecommunications services and information services of other providers, and to offer unbundled essential facilities.

3. *a.* A local exchange carrier shall provide reasonable access to ducts, conduits, rights-of-way, and other pathways owned or controlled by the local exchange carrier to which reasonable access is necessary to a competitive local exchange service provider in order for a competitive local exchange service provider to provide service and is feasible for the local exchange carrier.

*b.* Upon application of a local exchange carrier or a competitive local exchange service provider, the board shall determine any matters concerning reasonable access to ducts, conduits, rights-of-way, and other pathways owned or controlled by the local exchange carrier upon which agreement cannot be reached, including but not limited to, matters regarding valuation, space, and capacity restraints, and compensation for access.

4. *a.* Prior to September 1, 1995, the board shall initiate a rulemaking proceeding to adopt rules that satisfy the requirements enumerated in subparagraphs (1) through (4). The rulemaking proceeding shall be completed as promptly as possible. The board, upon petition or on its own motion, may conduct a separate evidentiary hearing on the same or related subjects. The evidence from a hearing may be considered by the board during the rulemaking proceeding, provided that the board announces its intention to do so prior to the oral presentation in the rulemaking proceeding. The rules shall do the following:

(1) Require a local exchange carrier to provide unbundled essential facilities of its network, and allow reasonable and nondiscriminatory equal access to, use of, and interconnection with, those unbundled essential facilities on reasonable, cost-based, and tariffed terms and conditions. The board's rules must require a local exchange carrier,

including those operating under a plan of price regulation, to file tariffs implementing the unbundled essential facilities within ninety days of the board's final order adopting such rules, except for local exchange carriers with less than seventy-five thousand access lines which must file such tariffs within two years of July 1, 1995. Such access, use, and interconnection shall be on terms and conditions no less favorable than those the local exchange carrier provides to itself and its affiliates for the provision of local exchange, access, and toll services. This subsection shall not be construed to establish a presumption as to the level of interconnection charges, if any, to be determined by the board pursuant to subparagraph (2).

(2) Establish reciprocal cost-based compensation for termination of telecommunications services between local exchange carriers and competitive local exchange service providers.

(3) Require local exchange carriers to make interim number portability available on request of a competitive local exchange service provider, and to implement provider number portability as soon as the availability of necessary technology makes provider number portability economically and technically feasible, as determined by the board. The rules shall also devise a reasonable and nondiscriminatory mechanism for the recovery of all recurring and nonrecurring costs of interim and provider number portability.

(4) Develop the cost methodology appropriate for a competitive telecommunications environment.

*b.* The rules adopted in paragraph "*a*", subparagraphs (2) and (3), do not apply to local exchange carriers with less than seventy-five thousand access lines until a competitive local exchange service provider has filed for a certificate to provide basic communications services in an exchange or exchanges of the local exchange carrier, or the board determines that competitive necessity requires the implementation of the rules in paragraph "*a*", subparagraphs (2) and (3), by the local exchange carrier.

5. Local exchange carriers shall file tariffs or price lists in accordance with board rules with respect to the services, features, functions, and capabilities offered to comply with board rules on unbundling of essential facilities and interconnection. Local exchange carriers shall submit with the tariffs or price lists for basic communications services and toll services supporting information that is sufficient for the board to determine the relationship between the proposed charges and the costs of providing such services, features, functions, or capabilities, including the imputed cost of intrastate access service rates in toll service rates pursuant to existing board orders. The board shall review the tariffs or price lists to ensure that the charges are cost-based and that the terms and conditions contained in the tariffs or price lists unbundle any essential facilities in accordance with the board's rules and any other applicable laws.

6. This section shall not be construed to prohibit the board from enforcing rules or orders entered in contested cases pending on July 1, 1995, to the extent that such rules and orders are consistent with the provisions of this section.

7. Except as provided under section 476.29, subsection 2, and this section, the board shall not impose or allow a local exchange carrier to impose restrictions on the resale of local exchange services, functions, or capabilities. The board may prohibit residential service from being resold as a different class of service.

8. Any person may file a written complaint with the board requesting the board to determine compliance by a local exchange carrier with the provisions of sections 476.96 through 476.100, 476.102, and this section, or any board rules implementing those sections. Upon the filing of such complaint, the board may promptly initiate a formal complaint proceeding and give notice of the proceeding and the opportunity for hearing. The formal complaint proceeding may be initiated at any time by the board on its own motion. The board shall render a decision in the proceeding within ninety days after the date the written complaint was filed.

9. A telecommunications carrier, as defined in the federal Telecommunications Act of 1996, shall not do any of the following:

*a.* Use customer information in a manner which is not in compliance with 47 U.S.C. § 222.

*b.* Disparage the services offered by another telecommunications carrier through false or misleading statements.

*c.* Take any action that disadvantages a customer who has chosen to receive services from another telecommunications carrier.

10. In a proceeding associated with the granting of a certificate under section 476.29, approving maps and tariffs for competitive local exchange providers provided for in this section, or in resolving a complaint filed pursuant to subsection 8 and proceedings under 47 U.S.C. § 251 – 254, the board shall allocate the costs and expenses of the proceedings to persons identified as parties in the proceeding who are engaged in or who seek to engage in providing telecommunications services or other persons identified as participants in the proceeding. The funds received for the costs and the expenses shall be remitted to the treasurer of state for deposit in the department of commerce revolving fund created in section 546.12 as provided in section 476.10.

95 Acts, ch 199, §12; 98 Acts, ch 1151, §5; 99 Acts, ch 20, §4, 6; 2009 Acts, ch 181, §50
Referred to in §476.1B, 476.96, 476.97, 476.102

## UNIVERSAL SERVICE

**476.102 Universal service.**

1. The board shall initiate a proceeding to preserve universal service such that it shall be maintained in a competitively neutral fashion. As a part of this proceeding, the board shall determine the difference between the cost of providing universal service and the prices determined to be appropriate for such service.

2. The board shall base policies for the preservation of universal service on the following principles:

*a.* A plan adopted by the board should ensure the continued viability of universal service by maintaining quality services at just and reasonable rates.

*b.* The plan should define the nature and extent of the service encompassed within any entities' universal service obligations.

*c.* The plan should establish specific and predictable mechanisms to provide competitively neutral support for universal service. Those mechanisms shall include a nondiscriminatory mechanism by which funds to support universal service shall be collected, and a mechanism for disbursement of support funds to eligible subscribers, either directly to those subscribers, or to the subscriber's provider of local exchange services chosen by the subscriber.

*d.* The plan should be based on other principles as the board determines are necessary and appropriate for the protection of the public interest, convenience, and necessity and consistent with the purposes of sections 476.95 through 476.101 and this section.

95 Acts, ch 199, §13
Referred to in §476.1B, 476.96, 476.97, 476.101

## CHANGE IN SERVICE

**476.103 Unauthorized change in service — civil penalty.**

1. Notwithstanding the deregulation of a communications service or facility under section 476.1D, the board may adopt rules to protect consumers from unauthorized changes in telecommunications service. Such rules shall not impose undue restrictions upon competition in telecommunications markets.

2. As used in this section, unless the context otherwise requires:

*a.* *"Change in service"* means the designation of a new provider of a telecommunications service to a consumer, including the initial selection of a service provider, and includes the addition or deletion of a telecommunications service for which a separate charge is made to a consumer account.

*b.* *"Consumer"* means a person other than a service provider who uses a telecommunications service.

*c.* *"Executing service provider"* means, with respect to any change in telecommunications

service, a service provider who executes an order for a change in service received from another service provider.

*d.* *"Service provider"* means a person providing a telecommunications service.

*e.* *"Submitting service provider"* means a service provider who requests another service provider to execute a change in service.

*f.* *"Telecommunications service"* means a local exchange or long distance telephone service other than commercial mobile radio service.

3. The board shall adopt rules prohibiting an unauthorized change in telecommunications service. The rules shall be consistent with federal communications commission regulations regarding procedures for verification of customer authorization of a change in service. The rules, at a minimum, shall provide for all of the following:

*a.* (1) A submitting service provider shall obtain verification of customer authorization of a change in service before submitting such change in service.

(2) Verification appropriate under the circumstances for all other changes in service.

(3) The verification may be in written, oral, or electronic form and may be performed by a qualified third party.

(4) The reasonable time period during which the verification is to be retained, as determined by the board.

*b.* A customer shall be notified of any change in service.

*c.* Appropriate compensation for a customer affected by an unauthorized change in service.

*d.* Board determination of potential liability, including assessment of damages, for unauthorized changes in service among the customer, previous service provider, executing service provider, and submitting service provider.

*e.* A provision encouraging service providers to resolve customer complaints without involvement of the board.

*f.* The prompt reversal of unauthorized changes in service.

*g.* Procedures for a customer, service provider, or the consumer advocate to submit to the board complaints of unauthorized changes in service.

4. *a.* In addition to any applicable civil penalty set out in section 476.51, a service provider who violates a provision of this section, a rule adopted pursuant to this section, or an order lawfully issued by the board pursuant to this section, is subject to a civil penalty, which, after notice and opportunity for hearing, may be levied by the board, of not more than ten thousand dollars per violation. Each violation is a separate offense.

*b.* A civil penalty may be compromised by the board. In determining the amount of the penalty, or the amount agreed upon in a compromise, the board may consider the size of the service provider, the gravity of the violation, any history of prior violations by the service provider, remedial actions taken by the service provider, the nature of the conduct of the service provider, and any other relevant factors.

*c.* A civil penalty collected pursuant to this subsection shall be forwarded by the executive secretary of the board to the treasurer of state to be credited to the department of commerce revolving fund created in section 546.12 and to be used only for consumer education programs administered by the board.

*d.* A penalty paid by a rate-of-return regulated utility pursuant to this section shall be excluded from the utility's costs when determining the utility's revenue requirement, and shall not be included either directly or indirectly in the utility's rates or charges to its customers.

*e.* The board shall not commence an administrative proceeding to impose a civil penalty under this section for acts subject to a civil enforcement action pending in court under section 714D.7.

5. If the board determines, after notice and opportunity for hearing, that a service provider has shown a pattern of violations of the rules adopted pursuant to this section, the board may by order do any of the following:

*a.* Prohibit any other service provider from billing charges to residents of Iowa on behalf of the service provider determined to have engaged in such a pattern of violations.

*b.* Prohibit certificated local exchange service providers from providing exchange access services to the service provider.

*c.* Limit the billing or access services prohibition under paragraph "*a*" or "*b*" to a period of time. Such prohibition may be withdrawn upon a showing of good cause.

*d.* Revoke the certificate of public convenience and necessity of a local exchange service provider.

6. The board has primary jurisdiction over a complaint pursuant to this section initiated by a service provider.

7. Subsection 6 does not preclude proceedings before the federal communications commission to enforce applicable federal law. However, a service provider or a consumer, for the same alleged acts, shall not pursue a complaint both before the federal communications commission and pursuant to this section.

8. The board shall adopt competitively neutral rules establishing procedures for the solicitation, imposition, and lifting of preferred carrier freezes. A valid preferred carrier freeze prevents a change in service unless the subscriber gives the service provider from whom the freeze was requested the subscriber's express consent.

99 Acts, ch 16, §1; 2009 Acts, ch 181, §51

Referred to in §714D.6

SEVERABILITY

**476.104 Severability.**

If any provision of this chapter or its application to any person or circumstance is held invalid or otherwise rendered ineffective by any entity, the invalidity or ineffectiveness shall not affect other provisions or applications of this chapter that can be given effect without the invalid or ineffective provision or application, and to this end the provisions of this chapter are severable.

2003 Acts, ch 126, §7

# CHAPTER 476A

## ELECTRIC POWER GENERATION AND TRANSMISSION

Referred to in §6B.61, 28F.13, 427.1(2), 437A.3, 437A.6, 437A.7, 437A.15, 455B.133, 455B.134, 455B.147, 455B.173, 455B.174, 474.1, 474.9, 476.1A, 476.53, 476.55, 546.7

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ELECTRIC POWER AGENCIES

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476A.21 through 476A.36 Transferred to § 390.10 through 390.25; 2010 Acts, ch 1018, § 8 – 23.

## SUBCHAPTER I

## ELECTRIC POWER GENERATING FACILITIES

**476A.1 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Agency"* means an agency as defined in section 17A.2, subsection 1.

2. *"Board"* means the utilities board within the utilities division of the department of commerce.

3. *"Certificate"* means a certificate of public convenience, use and necessity issued pursuant to section 476A.6.

4. *"Commence to construct"* means significant alteration of a site to install permanent equipment or structures but does not include activities incident to preliminary engineering, environmental studies or acquisition of a site for a facility.

5. *"Facility"* means any electric power generating plant or a combination of plants at a single site, owned by any person, with a total capacity of twenty-five megawatts of electricity or more and those associated transmission lines connecting the generating plant to either a power transmission system or an interconnected primary transmission system or both. Transmission lines subject to the provisions of this subchapter shall not require a franchise under chapter 478.

6. *"Regulatory agency"* means an agency which issues licenses or permits required for the construction, operation or maintenance of a facility pursuant to statutes or rules in effect on the date on which an application for a certificate is accepted by the utilities board.

[C77, 79, 81, §476A.1]

90 Acts, ch 1252, §41; 2001 Acts, 1st Ex, ch 4, §35, 36

**476A.2 Certificate required.**

1. Commencing January 1, 1977, a person shall not commence to construct a facility except as provided in section 476A.9 unless a certificate for the facility has been issued by the board. This subchapter shall not apply to persons who prior to July 1, 1976:

*a.* Have acquired a site for a facility; and,

*b.* Have publicly announced the intention to construct a facility; and,

*c.* Have let contracts for major components of a facility.

2. Any significant alteration, as determined by the board, in the location, construction, maintenance, or operation of a facility whether constructed before or after July 1, 1976, shall require an application for an amendment to a certificate or a certificate, whichever is appropriate. *"Significant alteration"* shall include but shall not be limited to a change in the type of fuel used by the major electric generating facility.

3. Any person required to obtain a certificate or an amendment to a certificate shall construct, operate and maintain the facility according to the terms of the certificate and any amendments to the certificate. A certificate shall only be issued pursuant to this subchapter.

4. This subchapter shall not apply to an electric power generating plant, or combination of plants at a single site, with a total capacity of more than twenty-five but less than one hundred megawatts of electricity if the owner or operator prior to January 1, 1990, has met all of the following conditions:

*a.* Acquired a site for the facility.

*b.* Publicly announced the intention to construct a facility at that site.

*c.* Let contracts for major components of the facility.

[C77, 79, 81, §476A.2]

90 Acts, ch 1252, §42; 2001 Acts, 1st Ex, ch 4, §35, 36

**476A.3 Application submitted — review.**

An application for a certificate or an amendment to a certificate shall be submitted to the board on such forms as the board may prescribe. Copies of the application shall be forwarded to regulatory agencies. Regulatory agencies receiving a copy of the application shall conduct

a preliminary review of the contents and shall evaluate the application for completeness and compliance with the regulatory agency's permit and licensing requirements within a reasonable amount of time.

[C77, 79, 81, §476A.3]

Referred to in §476.53

**476A.4 Hearing scheduled — notice.**

1. The proceeding for the issuance of a certificate or an amendment to a certificate shall be treated in the same manner as a contested case pursuant to the provisions of chapter 17A. Upon acceptance of an application by the board, a public hearing shall be scheduled.

2. The board shall serve notice of the proceeding on the following:

*a.* Interested agencies, as determined by the board, and regulatory agencies.

*b.* County and city zoning authorities from the area in which the proposed site is located.

*c.* Owners of record of real property located within one thousand linear feet of the proposed site.

3. Notice of the proceeding in the form provided in section 17A.12, subsection 2, shall be published in a newspaper of general circulation in each county in which the proposed site is located once a week for two consecutive weeks with the second publication being at least twenty days prior to the date of the hearing. The board shall be responsible for publication and delivery of notices required by this section.

4. The board shall conduct the hearing, as described in subsection 1, in the county in which the construction of the greater portion of the facility is being proposed.

5. A proceeding for the issuance of a certificate under section 476A.5 may be consolidated with a contested case proceeding for determination of applicable ratemaking principles under section 476.53.

[C77, 79, 81, §476A.4]

2001 Acts, 1st Ex, ch 4, §13, 36

Referred to in §476A.5

**476A.5 Proceeding — role of regulatory agencies and local authorities.**

1. The board shall conduct the contested case proceeding. Regulatory agencies which appear on record at the proceeding shall state whether the application meets their permit and licensing requirements. If the application does not meet such requirements, the regulatory agency shall recommend amendments to the application which outline actions necessary to bring the applicant in compliance with the regulatory agency's permit and licensing requirements. The board shall not issue a certificate for a facility which does not meet the permit and licensing requirements of a regulatory agency.

2. If a regulatory agency which received notice pursuant to section 476A.4 fails to appear of record in the contested case proceeding, the board shall conclusively presume that the facility meets the regulatory agency's permit and licensing requirements and the regulatory agency shall immediately issue any license or permit required for the construction, operation or maintenance of the facility.

3. City and county zoning authorities designated as parties to the proceeding may appear on record and may state whether the facility meets city, county and airport zoning requirements. The failure of a facility to meet zoning requirements established pursuant to chapters 329, 335 and 414 shall not preclude the board from issuing the certificate and to that extent the provisions of this subsection shall supersede the provisions of chapters 329, 335 and 414.

[C77, 79, 81, §476A.5]

Referred to in §476A.4, 476A.9

**476A.6 Decision — criteria.**

The board shall render a decision on the application in an expeditious manner. A certificate shall be issued to the applicant if the board finds all of the following:

1. The services and operations resulting from the construction of the facility are consistent with legislative intent as expressed in section 476.53 and the economic development policy

of the state as expressed in Title I, subtitle 5, and will not be detrimental to the provision of adequate and reliable electric service.

2. The applicant is willing to construct, maintain, and operate the facility pursuant to the provisions of the certificate and this subchapter.

3. The construction, maintenance, and operation of the facility will be consistent with reasonable land use and environmental policies and consonant with reasonable utilization of air, land, and water resources, considering available technology and the economics of available alternatives.

[C77, 79, 81, §476A.6]

83 Acts, ch 127, §39; 90 Acts, ch 1252, §43 – 46; 2001 Acts, 1st Ex, ch 4, §14, 35, 36

Referred to in §476A.1

**476A.7 Issuance of certificate — effect.**

1. Issuance of a certificate by the board:

*a.* Authorizes construction of the facility on the site designated in the certificate according to the terms and conditions stated in the certificate and licenses and permits issued by regulatory agencies during the proceeding; and,

*b.* Gives the applicant the power of eminent domain to the extent and under such conditions as the board may approve, prescribe and find necessary for the public convenience, use and necessity, proceeding in the manner of works of internal improvement under chapter 6B. The burden of proving the necessity for the exercise of the power of eminent domain shall be on the person issued the certificate.

2. A certificate may be transferred, subject to the approval of the board, to a person who agrees to comply with the terms of the certificate including any amendments to the certificate. Certificates shall be transferable by operation of law to any receiver, trustee or similar assignee under a mortgage, deed of trust or similar instrument.

3. Pursuant to the provisions of section 476.53, a rate-regulated public utility shall have the option of withdrawing its application for issuance of a certificate at any time prior to the issuance of the certificate, or after the certificate has been issued.

[C77, 79, 81, §476A.7]

2001 Acts, 1st Ex, ch 4, §15, 36

**476A.8 Further approvals prohibited — exception.**

Upon issuance of a certificate, notwithstanding any provision of law except statutory requirements relating to the protection of employees engaged in the construction of the facility, a regulatory agency, city or county shall not require any further approval, permit or license for the construction of the facility.

[C77, 79, 81, §476A.8]

**476A.9 Advance site preparation.**

Subsequent to the hearing held pursuant to section 476A.5 and in the event of extensive delay in the issuance of a certificate, the board may permit an applicant having an application docketed for hearing to begin work to prepare the site for construction of the facility. Any activities conducted pursuant to this section shall have no probative value in the board's decision concerning the actual issuance of a certificate.

[C77, 79, 81, §476A.9]

Referred to in §476A.2

**476A.10 Costs of proceeding.**

The applicant for a certificate, or an amendment to certificate, shall pay all the costs and expenses incurred by the division in reaching a decision on the application including the costs of examinations of the site, the hearing, publishing of notice, division staff salaries, the cost of consultants employed by the division, and other expenses reasonably attributable to the proceeding.

[C77, 79, 81, §476A.10]

**476A.11 Single hearing — judicial review.**

Notwithstanding the provisions of chapter 17A:

1. Any proceeding or oral presentation held on an application for a certificate or an amendment to a certificate shall be held in lieu of any other proceeding or oral presentation required for a license or permit necessary for the construction, maintenance or operation of a facility.

2. The decision of the board shall be considered a single agency action. The agency action shall be subject to judicial review in the manner provided in chapter 17A.

3. Only parties to the proceeding before the board may seek judicial review of the final order of the board.

[C77, 79, 81, §476A.11]

**476A.12 Rules.**

The board shall adopt rules pursuant to chapter 17A necessary to implement the provisions of this subchapter including but not limited to the promulgation of facility siting criteria, the form for an application for a certificate and an amendment to a certificate, the description of information to be furnished by the applicant, the determination of what constitutes a significant alteration to a facility, and the establishment of minimum guidelines for public participation in the proceeding.

[C77, 79, 81, §476A.12]

2001 Acts, 1st Ex, ch 4, §35, 36

**476A.13 Staff assistance — federal preemption.**

1. The board may request staff assistance from other federal, state and local agencies, pursuant to chapter 28D, to assist in discharging the responsibilities assigned to the board pursuant to this subchapter. The board may exercise the powers and responsibilities assigned to the board under this subchapter jointly with other governmental agencies pursuant to chapter 28E.

2. This subchapter shall not apply to any facility over which an agency of the federal government has exclusive jurisdiction. When concurrent jurisdiction exists with certain powers reserved to the state, the state shall exercise those powers with respect to facilities operating within this state to the full extent permitted by the Constitution and the laws of the United States.

[C77, 79, 81, §476A.13]

2001 Acts, 1st Ex, ch 4, §35, 36

**476A.14 Penalties.**

1. Any person who commences to construct a facility as provided in this subchapter without having first obtained a certificate, or who constructs, operates, or maintains any facility other than in compliance with a certificate issued by the board or a certificate amended pursuant to this subchapter, or who causes any of these acts to occur, shall be liable for a civil penalty of not more than ten thousand dollars for each violation or for each day of continuing violation. Civil penalties collected pursuant to this subsection shall be forwarded by the clerk of court to the treasurer of state for deposit in the department of commerce revolving fund created in section 546.12.

2. The district court shall have exclusive jurisdiction to grant restraining orders and temporary or permanent injunctive relief as may be necessary to obtain compliance with this subchapter.

3. Persons convicted of violating any provision of this subchapter shall be guilty of a simple misdemeanor.

[C77, 79, 81, §476A.14]

2001 Acts, 1st Ex, ch 4, §35, 36; 2009 Acts, ch 181, §52

Referred to in §602.8102(67)

**476A.15 Waiver.**

The board, if it determines that the public interest would not be adversely affected, may waive any of the requirements of this subchapter.

83 Acts, ch 127, §40; 90 Acts, ch 1252, §47; 2001 Acts, 1st Ex, ch 4, §16, 35, 36

**476A.16 through 476A.19** Reserved.

SUBCHAPTER II

ELECTRIC POWER AGENCIES

**476A.20 Definitions.** Repealed by 2010 Acts, ch 1018, § 7. See § 390.9.

**476A.21 through 476A.36** Transferred to § 390.10 through 390.25; 2010 Acts, ch 1018, § 8 – 23.

# CHAPTER 476B

## WIND ENERGY PRODUCTION TAX CREDIT

Referred to in §2.48, 422.11J, 422.33, 422.60, 423.4, 432.12E, 437A.6, 437A.17B, 476C.4, 524.802


476B.1 Definitions.
476B.2 General rule.
476B.3 Credit amount.
476B.4 Limitation.
476B.5 Determination of eligibility.
476B.6 Tax credit certificate procedure.
476B.6A Alternative tax credit qualification — pilot project.
476B.7 Transfer of tax credit certificates.
476B.8 Use of tax credit certificates.
476B.9 Registration of tax credit certificates.
476B.10 Rules.


**476B.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Board"* means the utilities board within the utilities division of the department of commerce.

2. *"Department"* means the department of revenue.

3. *"Qualified electricity"* means electricity produced from wind at a qualified facility.

4. *"Qualified facility"* means an electrical production facility that meets all of the following:

*a.* Produces electricity from wind.

*b.* Is located in Iowa.

*c.* Was originally placed in service on or after July 1, 2005, but before July 1, 2012.

*d.* (1) For applications filed on or after March 1, 2008, consists of one or more wind turbines connected to a common gathering line which have a combined nameplate capacity of no less than two megawatts and no more than thirty megawatts.

(2) For applications filed on or after July 1, 2009, by a private college or university, community college, institution under the control of the state board of regents, public or accredited nonpublic elementary and secondary school, or public hospital, for the applicant's own use of qualified electricity, consists of wind turbines with a combined nameplate capacity of three-fourths of a megawatt or greater. For the purposes of this subparagraph, *"public hospital"* means a hospital licensed pursuant to chapter 135B and governed pursuant to chapter 145A, 226, 347, 347A, or 392.

2004 Acts, ch 1175, §409, 418; 2005 Acts, ch 179, §163; 2006 Acts, ch 1135, §1, 12; 2008 Acts, ch 1128, §4, 5, 15; 2009 Acts, ch 80, §1, 9; 2013 Acts, ch 138, §126, 127

Referred to in §476B.6A

2008 amendments to subsection 4 take effect May 1, 2008, and apply to tax years beginning on or after January 1, 2008; 2008 Acts, ch 1128, §15

2009 amendment to subsection 4, paragraph d, subparagraph (1) takes effect April 23, 2009, and applies retroactively to tax years beginning on or after January 1, 2008; 2009 Acts, ch 80, §9
2013 amendment to subsection 4, paragraph d, subparagraph (2) takes effect January 1, 2014; 2013 Acts, ch 138, §127
Subsection 4, paragraph d, subparagraph (2) amended

**476B.2 General rule.**

The owner of a qualified facility shall, for each kilowatt-hour of qualified electricity that the owner sells or uses for on-site consumption during the ten-year period beginning on the date the qualified facility was originally placed in service, be allowed a wind energy production tax credit to the extent provided in this chapter against the tax imposed in chapter 422, divisions II, III, and V, and chapter 432, and may claim a refund of tax imposed by chapter 423 or 437A for any tax year within the time period set forth in section 423.47 or 437A.14.

2004 Acts, ch 1175, §410, 418; 2008 Acts, ch 1128, §6, 15
2008 amendment to this section takes effect May 1, 2008, and applies retroactively to tax years beginning on or after January 1, 2008; 2008 Acts, ch 1128, §15

**476B.3 Credit amount.**

The wind energy production tax credit allowed under this chapter equals the product of one cent multiplied by the number of kilowatt-hours of qualified electricity sold or used for on-site consumption by the owner during the taxable year.

2004 Acts, ch 1175, §411, 418; 2005 Acts, ch 179, §164; 2008 Acts, ch 1128, §7, 15
2008 amendment to this section takes effect May 1, 2008, and applies retroactively to tax years beginning on or after January 1, 2008; 2008 Acts, ch 1128, §15

**476B.4 Limitation.**

The wind energy production tax credit shall not be allowed for any kilowatt-hour of electricity that is sold to a related person. For purposes of this section, persons shall be treated as related to each other if such persons would be treated as a single employer under the regulations prescribed under section 52(b) of the Internal Revenue Code. In the case of a corporation that is a member of an affiliated group of corporations filing a consolidated return, such corporation shall be treated as selling electricity to an unrelated person if such electricity is sold to such a person by another member of such group.

2004 Acts, ch 1175, §412, 418; 2005 Acts, ch 179, §165; 2009 Acts, ch 80, §2, 7, 9
2009 amendment to this section takes effect April 23, 2009, and applies retroactively to tax years beginning on or after January 1, 2008; aggregate limit and proration of funds on refund claims for taxes, interest, or penalties paid on sales of wind energy conversion property, exempt from sales tax under section 423.3, subsection 54, which occurred between January 1, 2008, and April 23, 2009; October 1, 2009, refund filing deadline; 2009 Acts, ch 80, §7, 9

**476B.5 Determination of eligibility.**

1. An owner may apply to the board for a written determination regarding whether a facility is a qualified facility by submitting to the board a written application containing all of the following:

*a.* Information regarding the ownership of the facility including the percentage of equity interest held by each owner.

*b.* The nameplate generating capacity of the facility.

*c.* Information regarding the facility's initial placement in service.

*d.* Information regarding the type of facility.

*e.* Except when electricity is used for on-site consumption, a copy of an executed power purchase agreement or other agreement to purchase electricity upon completion of the project. An executed interconnection agreement or transmission service agreement shall be accepted by the board under this paragraph if the owner of the facility has agreed to sell electricity from the facility directly or indirectly to a wholesale power pool market.

*f.* Any other information the board may require.

2. The board shall review the application and supporting information and shall make a preliminary determination regarding whether the facility is a qualified facility. The board shall notify the applicant of the approval or denial of the application within thirty days of receipt of the application and information required. If the board fails to notify the applicant of the approval or denial within thirty days, the application shall be deemed denied. An applicant who receives a determination denying an application may file an appeal with the board within thirty days from the date of the denial pursuant to the provisions of chapter

17A. In the absence of a timely appeal, the preliminary determination shall be final. If the application is incomplete, the board may grant an extension of time for the provision of additional information.

3. A facility that is not operational within eighteen months after issuance of an approval for the facility by the board shall cease to be a qualified facility. However, a facility that is approved as qualified under this section but is not operational within eighteen months due to the unavailability of necessary equipment shall be granted an additional twelve months to become operational. A facility that is granted and thereafter loses approval may reapply to the board for a new determination.

4. The maximum amount of nameplate generating capacity of all qualified facilities the board may find eligible under this chapter shall not exceed fifty megawatts of nameplate generating capacity.

5. An owner shall not be an owner of more than two qualified facilities.

2004 Acts, ch 1175, §413, 418; 2005 Acts, ch 179, §166; 2006 Acts, ch 1135, §2, 3, 12; 2008 Acts, ch 1128, §8, 15; 2009 Acts, ch 80, §3; 2011 Acts, ch 115, §2, 13

2008 amendment to subsection 1, paragraph e, takes effect May 1, 2008, and applies retroactively to tax years beginning on or after January 1, 2008; 2008 Acts, ch 1128, §15

**476B.6 Tax credit certificate procedure.**

1. *a.* If a city or a county in which a qualified facility is located has enacted an ordinance under section 427B.26 and an owner has filed for and received special valuation pursuant to that ordinance, the owner is not required to obtain approval from the city council or county board of supervisors to apply for the wind energy production tax credit pursuant to subsection 2.

*b.* (1) If neither a city nor a county in which a qualified facility is located has enacted an ordinance under section 427B.26, or a qualified facility is not eligible for special valuation pursuant to an ordinance adopted by a city or a county under section 427B.26, the owner must receive approval of the applicable city council or county board of supervisors of the city or county in which the qualified facility is located in order to be eligible to receive the wind energy production tax credit. The application for approval may be submitted prior to commencement of the construction of the qualified facility but shall be submitted no later than the close of the owner's first taxable year for which the credit is to be applied for. The application must contain the owner's name and address, the address of the qualified facility, and the dates of the owner's first and last taxable years for which the credit will be applied for. Within forty-five days of the receipt of the application for approval, the city council or county board of supervisors, as applicable, shall either approve or disapprove the application. After the forty-five-day time period has expired, the application is deemed to be approved.

(2) Upon approval of an application submitted pursuant to subparagraph (1), the owner may apply for the tax credit as provided in subsection 2. In addition, approval of the application submitted pursuant to subparagraph (1) is acceptance by the applicant for the assessment of the qualified facility for property tax purposes for a period of twelve years and approval by the city council or county board of supervisors, as applicable, for the payment of the property taxes levied on the qualified property to the state. For purposes of property taxation, the qualified facility receiving approval of an application submitted pursuant to subparagraph (1) shall be centrally assessed and shall be exempt from any replacement tax under section 437A.6 for the period during which the facility is subject to property taxation. The property taxes to be paid to the state are those property taxes which make up the consolidated tax levied on the qualified facility and which are due and payable in the twelve-year period beginning with the first fiscal year beginning on or after the end of the owner's first taxable year for which the credit is applied for. Upon approval of the application, the city council or county board of supervisors, as applicable, shall notify the county treasurer to designate on the tax statement which lists the taxes on the qualified facility the amount of the property taxes to be paid to the department. Payment of the designated property taxes to the department shall be in the same manner as required for the payment of regular property taxes and failure to pay designated property taxes to the department shall be treated the same as failure to pay property taxes to the county treasurer.

*c.* Once the owner of the qualified facility receives approval under paragraph "*b*", subsequent approval under paragraph "*b*" is not required for the same qualified facility for subsequent taxable years.

2. An owner of a qualified facility may apply to the board for the wind energy production tax credit by submitting to the board all of the following:

*a.* A completed application in a form prescribed by the board.

*b.* A copy of the determination granting approval of the facility as a qualified facility by the board.

*c.* A copy of a signed power purchase agreement or other agreement to purchase electricity.

*d.* Sufficient documentation that the electricity has been generated by the qualified facility and sold to a purchaser.

*e.* For a facility in which electricity is used for on-site consumption, the requirements of paragraphs "*c*" and "*d*" shall not be applicable. For such facilities, the owner must submit a certification under penalty of perjury that the claimed amount of electricity was generated by the qualified facility and consumed by the owner.

*f.* Any other information the board deems necessary.

3. The board shall notify the department of the amount of kilowatt-hours generated and purchased from a qualified facility or generated and used on-site by a qualified facility. The department shall calculate the amount of the tax credit for which the applicant is eligible and shall issue the tax credit certificate for that amount or notify the applicant in writing of its refusal to do so. An applicant whose application is denied may file an appeal with the department within sixty days from the date of the denial pursuant to the provisions of chapter 17A.

4. Each tax credit certificate shall contain the owner's name, address, and tax identification number, the amount of tax credits, the first taxable year the certificate may be used, the type of tax to which the tax credits shall be applied, and any other information required by the department. The tax credit certificate shall only list one type of tax to which the amount of the tax credit may be applied. Once issued by the department, the tax credit certificate shall not be terminated or rescinded.

5. A tax credit certificate may be filed pursuant to any of the following, to the extent applicable:

*a.* If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificate shall be issued directly to equity holders or beneficiaries of the applicant in proportion to their pro rata share of the income of such entity. The applicant shall, in the application made under this section, identify its equity holders or beneficiaries, and the percentage of such entity's income that is allocable to each equity holder or beneficiary.

*b.* If the tax credit applicant under this section is eligible to receive renewable electricity production credits authorized under section 45 of the Internal Revenue Code, as amended, and the tax credit applicant is a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificate may be issued to a partner if the business is a partnership, a shareholder if the business is an S corporation, or a member if the business is a limited liability company in the amounts designated by the eligible partnership, S corporation, or limited liability company. In absence of such designation, the credits under this section shall flow through to the partners, shareholders, or members in accordance with their pro rata share of the income of the entity. The applicant shall, in the application made under this section, identify the holders or beneficiaries that are to receive the tax credit certificates and the percentage of the tax credit that is allocable to each holder or beneficiary.

*c.* If an applicant under this section is eligible to receive renewable electricity production credits authorized under section 45 of the Internal Revenue Code, as amended, and the tax credit applicant is a partnership, limited liability company, S corporation, estate, trust,

or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificates and all future rights to the tax credit in this section may be distributed to an equity holder or beneficiary as a liquidating distribution or portion thereof, of a holder or beneficiary's interest in the applicant entity. The applicant shall, in the application made under this section, designate the percentage of the tax credit allocable to the liquidating equity holder or beneficiary that is to receive the current and future tax credit certificates under this section.

*d.* If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity, all of whose income is taxed directly to its equity holders or beneficiaries for the taxes imposed under chapter 422, division V, or under chapter 423, 432, or 437A, the tax credit certificate shall be issued directly to the partnership, limited liability company, S corporation, estate, trust, or other reporting entity.

6. The department shall not issue a tax credit certificate if the facility approved by the board as a qualified facility is not operational within eighteen months after the approval is issued.

7. Once a tax credit certificate is issued pursuant to this section, the tax credit may only be claimed against the type of tax reflected on the certificate.

8. A tax credit certificate shall not be used or attached to a return filed for a taxable year beginning prior to July 1, 2006.

2004 Acts, ch 1175, §414, 418; 2005 Acts, ch 179, §167; 2006 Acts, ch 1135, §4, 12; 2008 Acts, ch 1128, §9 – 11, 15; 2009 Acts, ch 80, §4, 9

Referred to in §476B.7

2008 amendments to this section take effect May 1, 2008, and apply retroactively to tax years beginning on or after January 1, 2008, for issuance of wind energy tax credits; 2008 Acts, ch 1128, §15

2009 amendment to subsection 1 takes effect April 23, 2009, and applies retroactively to tax years beginning on or after January 1, 2008; 2009 Acts, ch 80, §9

**476B.6A Alternative tax credit qualification — pilot project.**

Notwithstanding any other provision of this chapter to the contrary, the board shall establish a pilot project which will allow for a wind energy production tax credit of one and one-half cents multiplied by the number of kilowatt-hours of qualified electricity sold or used for on-site consumption by up to two qualified facilities selected for participation in the project. To be eligible for the project, a qualified facility shall meet all eligibility requirements otherwise applicable pursuant to this chapter, and in addition shall be located in a county in this state with a population of between forty-four thousand one hundred fifty and forty-four thousand five hundred based on the 2006 census, and with a combined nameplate generating capacity of at least one megawatt per applicant. For purposes of the pilot project, the two megawatt minimum requirement for qualification pursuant to section 476B.1, subsection 4, paragraph "*d*", shall not be applicable. The board shall reduce the remaining credits available under this chapter by a dollar amount equal to the amount of credits awarded pursuant to the project.

2009 Acts, ch 179, §143

**476B.7 Transfer of tax credit certificates.**

1. Wind energy production tax credit certificates issued under this chapter may be transferred to any person or entity. Within thirty days of transfer, the transferee must submit the transferred tax credit certificate to the department along with a statement containing the transferee's name, tax identification number, and address, and the denomination that each replacement tax credit certificate is to carry and any other information required by the department. Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department shall issue one or more replacement tax credit certificates to the transferee. Each replacement certificate must contain the information required under section 476B.6 and must have the same effective taxable year and the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule of the board shall not be transferable. A tax credit shall not be claimed by a transferee under this chapter until a

replacement tax credit certificate identifying the transferee as the proper holder has been issued. A replacement tax credit certificate may reflect a different type of tax than the type of tax noted on the original tax credit certificate.

2. The tax credit shall be freely transferable. The transferee may use the amount of the tax credit transferred against the taxes imposed under chapter 422, divisions II, III, and V, and chapter 432 for any tax year the original transferor could have claimed the tax credit. The transferee may claim a refund under chapter 423 or 437A for any tax year within the time period set forth in section 423.47 or 437A.14 for which the original transferor could have claimed a refund. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 422, divisions II, III, and V. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 422, divisions II, III, and V.

2004 Acts, ch 1175, §415, 418; 2005 Acts, ch 179, §168; 2008 Acts, ch 1128, §12, 15

2008 amendments to this section take effect May 1, 2008, and apply retroactively to tax years beginning on or after January 1, 2008; 2008 Acts, ch 1128, §15

**476B.8 Use of tax credit certificates.**

To claim a wind energy production tax credit under this chapter, a taxpayer must attach one or more tax credit certificates to the taxpayer's tax return, or if used against taxes imposed under chapter 423, the taxpayer shall comply with section 423.4, subsection 4, or if used against taxes imposed under chapter 437A, the taxpayer shall comply with section 437A.17B. A tax credit certificate shall not be used or attached to a return filed for a taxable year beginning prior to July 1, 2006. The tax credit certificate or certificates attached to the taxpayer's tax return shall be issued in the taxpayer's name, expire on or after the last day of the taxable year for which the taxpayer is claiming the tax credit, and show a tax credit amount equal to or greater than the tax credit claimed on the taxpayer's tax return. Any tax credit in excess of the taxpayer's tax liability for the taxable year may be credited to the taxpayer's tax liability for the following seven taxable years or until depleted, whichever is the earlier. If the tax credit is applied against the taxes imposed under chapter 423 or 437A, any credit in excess of the taxpayer's tax liability is carried over and can be filed with the refund claim for the following seven tax years or until depleted, whichever is earlier. However, the certificate shall not be used to reduce tax liability for a tax period ending after the expiration date of the certificate.

2004 Acts, ch 1175, §416, 418; 2005 Acts, ch 179, §169; 2008 Acts, ch 1128, §13, 15

2008 amendments to this section take effect May 1, 2008, and apply retroactively to tax years beginning on or after January 1, 2008; 2008 Acts, ch 1128, §15

**476B.9 Registration of tax credit certificates.**

The department shall develop a system for the registration of the wind energy production tax credit certificates issued or transferred under this chapter and a system that permits verification that any tax credit claimed on a tax return is valid and that transfers of the tax credit certificates are made in accordance with the requirements of this chapter. The tax credit certificates issued under this chapter shall not be classified as a security pursuant to chapter 502.

2004 Acts, ch 1175, §417, 418; 2005 Acts, ch 179, §170

**476B.10 Rules.**

The department and the board may adopt rules pursuant to chapter 17A for the administration and enforcement of this chapter.

2005 Acts, ch 179, §171

# CHAPTER 476C

## RENEWABLE ENERGY TAX CREDIT

Referred to in §2.48, 422.11J, 422.11L, 422.33, 422.60, 423.4, 432.12E, 437A.17B, 476.48


476C.1 Definitions.
476C.2 Tax credit amount — limitations.
476C.3 Determination of eligibility.
476C.4 Tax credit certificate procedure.
476C.5 Certificate issuance period.
476C.6 Transferability and use of tax credit certificates — registration.
476C.7 Rules.


**476C.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Anaerobic digester system"* means a system of components that processes plant or animal materials based on the absence of oxygen and produces methane or other biogas used to generate electricity, hydrogen fuel, or heat for a commercial purpose.

2. *"Biogas recovery facility"* means an anaerobic digester system that is located in this state.

3. *"Biomass conversion facility"* means a facility in this state that converts plant-derived organic matter including, but not limited to, agricultural food and feed crops, crop wastes and residues, wood wastes and residues, or aquatic plants to generate electricity, hydrogen fuel, or heat for a commercial purpose.

4. *"Board"* means the utilities board within the utilities division of the department of commerce.

5. *"Department"* means the department of revenue.

6. *"Eligible renewable energy facility"* means a wind energy conversion facility, a biogas recovery facility, a biomass conversion facility, a methane gas recovery facility, a solar energy conversion facility, or a refuse conversion facility that meets all of the following requirements:

*a.* Is located in this state.

*b.* Is at least fifty-one percent owned by one or more of any combination of the following:

(1) A resident of this state.

(2) Any of the following as defined in section 9H.1:

(a) An authorized farm corporation.

(b) An authorized limited liability company.

(c) An authorized trust.

(d) A family farm corporation.

(e) A family farm limited liability company.

(f) A family trust.

(g) A revocable trust.

(h) A testamentary trust.

(3) A small business as defined in section 15.102.

(4) An electric cooperative association organized pursuant to chapter 499 that sells electricity to end users located in this state.

(5) An electric cooperative association that has one or more members organized pursuant to chapter 499.

(6) A cooperative corporation organized pursuant to chapter 497 or a limited liability company organized pursuant to chapter 489 whose shares and membership are held by an entity that is not prohibited from owning agricultural land under chapter 9H.

(7) A school district located in this state.

*c.* Has at least one owner that meets the requirements of paragraph *"b"* for each two and one-half megawatts of nameplate generating capacity or the energy production capacity equivalent for hydrogen fuel or heat for a commercial purpose of the otherwise eligible renewable energy facility.

*d.* Was initially placed into service on or after July 1, 2005, and before January 1, 2015.

*e.* For applications filed on or after July 1, 2011, is a facility of not less than three-fourths

megawatts of nameplate generating capacity or the energy production capacity equivalent if all or a portion of the renewable energy produced is for on-site consumption by the producer.

*f.* For applications filed on or after July 1, 2011, except for wind energy conversion facilities, is a facility of no greater than sixty megawatts of nameplate generating capacity or the energy production capacity equivalent.

7. *"Energy production capacity equivalent"* means the amount of energy in a standard cubic foot of hydrogen gas or the number of British thermal units that are equal to the energy in a kilowatt-hour of electricity. For the purposes of this chapter, one kilowatt-hour shall be deemed equivalent to three thousand three hundred thirty-three British thermal units of heat or ten and forty-five one hundredths of standard cubic feet of hydrogen gas.

8. *"Heat for a commercial purpose"* means the heat in British thermal unit equivalents from refuse-derived fuel, methane, or other biogas produced in this state either for commercial use by a producer for on-site consumption or sold to a purchaser of renewable energy for use for a commercial purpose in this state or for use by an institution in this state.

9. *"Hydrogen fuel"* means hydrogen produced in this state from a renewable source that is used in a fuel cell or hydrogen-powered internal combustion engine.

10. *"Methane gas recovery facility"* means a facility in this state which is used in connection with a sanitary landfill or which uses wastes that would otherwise be deposited in a sanitary landfill, that collects methane gas or other gases and converts the gas into energy to generate electricity, hydrogen fuel, or heat for a commercial purpose.

11. *"Producer of renewable energy"* means a person who owns an eligible renewable energy facility.

12. *"Purchaser of renewable energy"* means a person who buys electric energy, hydrogen fuel, methane gas or other biogas used to generate electricity, or heat for a commercial purpose from an eligible renewable energy facility.

13. *"Refuse conversion facility"* means a facility in this state that converts solid waste into fuel that can be burned to generate heat for a commercial purpose in this state.

14. *"Solar energy conversion facility"* means a solar energy facility in this state that collects and converts incident solar radiation into energy to generate electricity.

15. *"Wind energy conversion facility"* means a wind energy conversion system in this state that collects and converts wind into energy to generate electricity.

2005 Acts, ch 160, §7, 14; 2006 Acts, ch 1135, §5 – 8, 12; 2008 Acts, ch 1162, §136, 154, 155; 2011 Acts, ch 115, §3 – 5; 2011 Acts, ch 118, §33, 89

Referred to in §476C.3

**476C.2 Tax credit amount — limitations.**

1. A producer or purchaser of renewable energy may receive renewable energy tax credits under this chapter in an amount equal to one and one-half cents per kilowatt-hour of electricity, or four dollars and fifty cents per million British thermal units of heat for a commercial purpose, or four dollars and fifty cents per million British thermal units of methane gas or other biogas used to generate electricity, or one dollar and forty-four cents per one thousand standard cubic feet of hydrogen fuel generated by and purchased from an eligible renewable energy facility or used for on-site consumption by the producer.

2. The renewable energy tax credit shall not be allowed for any kilowatt-hour of electricity, British thermal unit of heat for a commercial purpose, British thermal unit of methane gas or other biogas used to generate electricity, or standard cubic foot of hydrogen fuel that is purchased from an eligible renewable energy facility by a related person. For purposes of this subsection, persons shall be treated as related to each other if either person owns an eighty percent or more equity interest in the other person.

3. A taxpayer who is eligible to claim a renewable energy tax credit under this chapter shall not be eligible to claim a solar energy system tax credit under section 422.11L or 422.33.

2005 Acts, ch 160, §8, 14; 2011 Acts, ch 115, §6; 2012 Acts, ch 1121, §9 – 11

Subsection 3 takes effect May 25, 2012, and applies retroactively to tax years beginning on or after January 1, 2012; 2012 Acts, ch 1121, §10, 11

**476C.3 Determination of eligibility.**

1. A producer or purchaser of renewable energy may apply to the board for a written

determination regarding whether a facility is an eligible renewable energy facility by submitting to the board a written application containing all of the following:

*a.* Information regarding the ownership of the facility including the percentage of equity interest held by each owner.

*b.* The nameplate generating capacity of the facility or energy production capacity equivalent.

*c.* Information regarding the facility's initial placement in service.

*d.* Information regarding the type of facility and what type of renewable energy the facility will produce.

*e.* Except when the renewable energy is produced for on-site consumption by the producer, a copy of the power purchase agreement or other agreement to purchase electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose which shall designate either the producer or purchaser of renewable energy as eligible to apply for the renewable energy tax credit.

*f.* Any other information the board may require.

2. The board shall review the application and supporting information and shall make a preliminary determination regarding whether the facility is an eligible renewable energy facility. The board shall notify the applicant of the approval or denial of the application within thirty days of receipt of the application and information required. If the board fails to notify the applicant of the approval or denial within thirty days, the application shall be deemed denied unless the application is placed on a waiting list as described in subsection 6. An applicant who receives a determination denying an application may file an appeal with the board within thirty days from the date of the denial pursuant to the provisions of chapter 17A. In the absence of a timely appeal, the preliminary determination shall be final. If the application is incomplete, the board may grant an extension of time for the provision of additional information.

3. *a.* A facility that is not operational within thirty months after issuance of an approval for the facility by the board shall cease to be an eligible renewable energy facility. However, a wind energy conversion facility that is approved as eligible under this section but is not operational within eighteen months due to the unavailability of necessary equipment shall be granted an additional twenty-four months to become operational.

*b.* A facility which notifies the board prior to the expiration of the time periods specified in paragraph "*a*" that the facility intends to become operational and wishes to preserve its eligibility shall be granted a twelve-month extension. An extension may be renewed for succeeding twelve-month periods if the board is notified prior to the expiration of the extension of the continued intention to become operational during the succeeding period of extension.

*c.* If the owner of a facility discontinues efforts to achieve operational status, the owner shall notify the board. Upon receipt of such notification, the board shall no longer consider the facility as an eligible renewable energy facility under this chapter.

*d.* A facility that is granted and thereafter loses approval may reapply to the board for a new determination.

4. *a.* The maximum amount of nameplate generating capacity of all wind energy conversion facilities the board may find eligible under this chapter shall not exceed three hundred sixty-three megawatts of nameplate generating capacity.

*b.* The maximum amount of energy production capacity equivalent of all other facilities the board may find eligible under this chapter shall not exceed a combined output of fifty-three megawatts of nameplate generating capacity and one hundred sixty-seven billion British thermal units of heat for a commercial purpose. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, no more than ten megawatts of nameplate generating capacity or energy production capacity equivalent shall be allocated to any one facility. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, fifty-five billion British thermal units of heat for a commercial purpose shall be reserved for an eligible facility that is a refuse conversion facility for processed, engineered fuel from a multicounty solid waste management planning area. The maximum amount of energy

production capacity the board may find eligible for a single refuse conversion facility is fifty-five billion British thermal units of heat for a commercial purpose.

5. Notwithstanding the definition of "*eligible renewable energy facility*" in section 476C.1, subsection 6, unnumbered paragraph 1, of the maximum amount of energy production capacity equivalent of all other facilities found eligible pursuant to subsection 4, paragraph "*b*", an amount equivalent to ten megawatts of nameplate generating capacity shall be reserved for natural gas cogeneration facilities incorporated within or associated with an ethanol plant to assist the ethanol plant in meeting a low carbon fuel standard.

6. The board shall maintain a waiting list of facilities that may have been found eligible under this section but for the maximum capacity restrictions of subsection 4. The priority of the waiting list shall be maintained in the order the applications were received by the board. The board shall remove from the waiting list any facility that has subsequently been found ineligible under this chapter. If additional capacity becomes available within the capacity restrictions of subsection 4, the board shall grant approval to facilities according to the priority of the waiting list before granting approval to new applications. An owner of a facility on the waiting list shall provide the board each year by August 31 with a sworn statement of verification stating that the information contained in the application for eligibility remains true and correct or stating that the information has changed and providing the new information.

7. An owner meeting the requirements of section 476C.1, subsection 6, paragraph "*b*", shall not be an owner of more than two eligible renewable energy facilities. A person that has an equity interest equal to or greater than fifty-one percent in an eligible renewable energy facility shall not have an equity interest greater than ten percent in any other eligible renewable energy facility.

2005 Acts, ch 160, §9, 14; 2006 Acts, ch 1135, §9, 12, 13; 2006 Acts, ch 1171, §8, 9; 2009 Acts, ch 80, §5, 6; 2011 Acts, ch 115, §7 – 9; 2011 Acts, ch 118, §34, 89; 2012 Acts, ch 1138, §32, 33

Referred to in §476C.4

**476C.4 Tax credit certificate procedure.**

1. A producer or purchaser of renewable energy may apply to the board for the renewable energy tax credit by submitting to the board all of the following:

*a.* A completed application in a form prescribed by the board.

*b.* A copy of the determination granting approval of the facility as an eligible renewable energy facility by the board.

*c.* A copy of a signed power purchase agreement or other agreement to purchase electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose from an eligible renewable energy facility which shall designate either the producer or purchaser of renewable energy as eligible to apply for the renewable energy tax credit.

*d.* Sufficient documentation that the electricity, heat for a commercial purpose, methane gas or other biogas, or hydrogen fuel has been generated by the eligible renewable energy facility and sold to the purchaser of renewable energy.

*e.* To the extent the produced electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose is used for on-site consumption, the requirements of paragraphs "*c*" and "*d*" shall not be applicable. For such renewable energy production, the owner must submit a certification under penalty of perjury that the claimed amount of electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose was produced by the eligible facility and consumed by the owner.

*f.* Any other information the board deems necessary.

2. The board shall notify the department of the amount of kilowatt-hours, British thermal units of heat for a commercial purpose, British thermal units of methane gas or other biogas used to generate electricity, or standard cubic feet of hydrogen fuel generated and purchased from an eligible renewable energy facility or generated and used by the producer for on-site consumption. The department shall calculate the amount of the tax credit for which the applicant is eligible and shall issue the tax credit certificate for that amount or notify the applicant in writing of its refusal to do so. An applicant whose application is denied may file

an appeal with the department within sixty days from the date of the denial pursuant to the provisions of chapter 17A.

3. Each tax credit certificate shall contain the person's name, address, and tax identification number, the amount of tax credits, the first taxable year the certificate may be used, the type of tax to which the tax credits shall be applied, and any other information required by the department. The tax credit certificate shall only list one type of tax to which the amount of the tax credit may be applied. Once issued by the department, the tax credit certificate shall not be terminated or rescinded.

4. A tax credit certificate may be filed pursuant to any of the following, to the extent applicable:

*a.* If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificate shall be issued directly to equity holders or beneficiaries of the applicant in proportion to their pro rata share of the income of such entity. The applicant shall, in the application made under this section, identify its equity holders or beneficiaries, and the percentage of such entity's income that is allocable to each equity holder or beneficiary.

*b.* (1) If the tax credit applicant under this section is eligible to receive renewable electricity production credits authorized under section 45 of the Internal Revenue Code, as amended, and the tax credit applicant is a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificate may be issued to a partner if the business is a partnership, a shareholder if the business is an S corporation, or a member if the business is a limited liability company in the amounts designated by the eligible partnership, S corporation, or limited liability company. In absence of such designation, the credits under this section shall flow through to the partners, shareholders, or members in accordance with their pro rata share of the income of the entity.

(2) The applicant shall, in the application made under this section, identify the equity holders or beneficiaries that are to receive the tax credit certificates and the percentage of the tax credit that is allocable to each equity holder or beneficiary.

*c.* (1) If an applicant under this section is eligible to receive renewable electricity production credits authorized under section 45 of the Internal Revenue Code, as amended, and the tax credit applicant is a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificates and all future rights to the tax credit in this section may be distributed to an equity holder or beneficiary as a liquidating distribution or portion thereof, of a holder or beneficiary's interest in the applicant entity.

(2) The applicant shall, in the application made under this section, designate the percentage of the tax credit allocable to the liquidating equity holder or beneficiary that is to receive the current and future tax credit certificates under this section.

*d.* If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity, all of whose income is taxed directly to its equity holders or beneficiaries for the taxes imposed under chapter 422, division V, or under chapter 423, 432, or 437A, the tax credit certificate shall be issued directly to the partnership, limited liability company, S corporation, estate, trust, or other reporting entity.

5. The department shall not issue a tax credit certificate if the facility approved by the board as an eligible renewable energy facility is not operational within eighteen months after the approval is issued, subject to the extension provisions of section 476C.3, subsection 3.

6. The department shall not issue a tax credit certificate to any person who has received a tax credit pursuant to chapter 476B.

7. Once a tax credit certificate is issued pursuant to this section, the tax credit may only be claimed against the type of tax reflected on the certificate.

2005 Acts, ch 160, §10, 14; 2006 Acts, ch 1135, §10, 12; 2011 Acts, ch 25, §143; 2011 Acts, ch 115, §10, 11; 2012 Acts, ch 1021, §92

Referred to in §476C.6

**476C.5 Certificate issuance period.**

A producer or purchaser of renewable energy may receive renewable energy tax credit certificates for a ten-year period for each eligible renewable energy facility under this chapter. The ten-year period for issuance of the tax credit certificates begins with the date the purchaser of renewable energy first purchases electricity, hydrogen fuel, methane gas or other biogas used to generate electricity, or heat for commercial purposes from the eligible renewable energy facility for which a tax credit is issued under this chapter, or the date the producer of the renewable energy first uses the energy produced by the eligible renewable energy facility for on-site consumption. Renewable energy tax credit certificates shall not be issued for renewable energy purchased or produced for on-site consumption after December 31, 2024.

2005 Acts, ch 160, §11, 14; 2006 Acts, ch 1135, §11, 12; 2011 Acts, ch 115, §12

**476C.6 Transferability and use of tax credit certificates — registration.**

1. *a.* Renewable energy tax credit certificates issued under this chapter may be transferred to any person. A tax credit certificate shall only be transferred once. However, for purposes of this transfer provision, a decision between a producer and purchaser of renewable energy regarding who claims the tax credit issued pursuant to this chapter shall not be considered a transfer and must be set forth in the application for the tax credit pursuant to section 476C.4. Within thirty days of transfer, the transferee must submit the transferred tax credit certificate to the department along with a statement containing the transferee's name, tax identification number, and address, and the denomination that each new certificate is to carry and any other information required by the department. Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate must contain the information required under section 476C.4, subsection 3, and must have the same effective taxable year and the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule shall not be transferable. A tax credit shall not be claimed by a transferee under this chapter until a replacement tax credit certificate identifying the transferee as the proper holder has been issued. The replacement tax credit certificate may reflect a different type of tax than the type of tax noted on the original tax credit certificate.

*b.* The transferee may use the amount of the tax credit transferred against taxes imposed under chapter 422, divisions II, III, and V, and chapter 432 for any tax year the original transferor could have claimed the tax credit. The transferee may claim a refund under chapter 423 or 437A for any tax year within the time period set forth in section 423.47 or 437A.14 for which the original transferor could have claimed the refund. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 422, divisions II, III, and V. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 422, divisions II, III, and V.

2. To claim a renewable energy tax credit under this chapter, a taxpayer must attach one or more tax credit certificates to the taxpayer's tax return, or if used against taxes imposed under chapter 423, the taxpayer shall comply with section 423.4, subsection 4, or if used against taxes imposed under chapter 437A, the taxpayer shall comply with section 437A.17B. A tax credit certificate shall not be used or attached to a return filed for a taxable year beginning prior to July 1, 2006. The tax credit certificate or certificates attached to the taxpayer's tax return shall be issued in the taxpayer's name, expire on or after the last day of the taxable year for which the taxpayer is claiming the tax credit, and show a tax credit amount equal to or greater than the tax credit claimed on the taxpayer's tax return. Any tax credit in excess of

the taxpayer's tax liability for the taxable year may be credited to the taxpayer's tax liability for the following seven tax years or until the credit is depleted, whichever is earlier. If the tax credit is applied against the taxes imposed under chapter 423 or 437A, any credit in excess of the taxpayer's tax liability is carried over and can be filed with the refund claim for the following seven tax years or until depleted, whichever is earlier. However, the certificate shall not be used to reduce tax liability for a tax period ending after the expiration date of the certificate.

3. The department shall develop a system for the registration of the renewable energy tax credit certificates issued or transferred under this chapter and a system that permits verification that any tax credit claimed on a tax return is valid and that transfers of the tax credit certificates are made in accordance with the requirements of this chapter. The tax credit certificates issued under this chapter shall not be classified as a security pursuant to chapter 502.

2005 Acts, ch 160, §12, 14; 2011 Acts, ch 25, §143

**476C.7 Rules.**

The department and the board may adopt rules pursuant to chapter 17A for the administration and enforcement of this chapter.

2005 Acts, ch 160, §13, 14

# CHAPTER 476D

## SOY-BASED TRANSFORMER FLUID TAX CREDIT

Repealed by its own terms effective December 31, 2009;
2008 Acts, ch 1004, §6

# CHAPTER 477

## TELEGRAPH AND TELEPHONES — CABLE SYSTEMS

Referred to in §476.27

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## SUBCHAPTER I

## GENERAL PROVISIONS

**477.1 Right-of-way.**

Any person, firm, and corporation, within or without the state, may construct a telegraph or telephone line or cable system along the public roads of the state, or across or under the rivers or over, under, or through any lands belonging to the state or any private individual,

and may erect or install necessary fixtures. However, construction of a telegraph or telephone line or cable system along a primary road is subject to rules adopted by the state department of transportation.

[C51, §780; R60, §1348; C73, §1324; C97, §2158; C24, 27, 31, 35, 39, §**8300;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.1; C77, 79, 81, §477.1]

88 Acts, ch 1173, §1

Authorization in cities, §364.2

Removal from highway, chapter 318

**477.2 Removal of lines and cable systems.**

When any road along which the telegraph or telephone line or cable system has been constructed or installed is changed, the person, firm or corporation shall, upon ninety days' notice in writing, remove the telegraph or telephone lines or cable system to the road as established. The notice may be served upon any agent or operator in the employ of the person, firm or corporation.

[C73, §1324; C97, §2158; C24, 27, 31, 35, 39, §**8301;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.2; C77, 79, 81, §477.2]

88 Acts, ch 1173, §2

**477.3 Construction — installation — damages.**

The fixtures shall not be constructed or installed in a manner which causes inconvenience to the public in the use of any road or in the navigation of any stream; nor shall they be erected or installed on the private grounds of any individual without paying the individual a just equivalent for the damage the individual sustains by the construction or installation.

[C51, §781; R60, §1349; C73, §1325; C97, §2159; C24, 27, 31, 35, 39, §**8302;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.3; C77, 79, 81, §477.3]

88 Acts, ch 1173, §3

**477.4 Condemnation.**

If the person over or through whose lands this telegraph or telephone line or cable system passes claims more damages than the proprietor of the line or cable system is willing to pay, the amount of damages sustained may be determined in the same manner as provided for taking private property for works of internal improvement.

[C51, §782; R60, §1350; C73, §1326; C97, §2160; C24, 27, 31, 35, 39, §**8303;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.4; C77, 79, 81, §477.4]

88 Acts, ch 1173, §4

Condemnation procedure, chapter 6B

**477.5 Equal facilities — delay.**

If the proprietor of any telegraph or telephone line within the state, or the person having the control and management thereof, refuses to furnish equal facilities to the public and to all connecting lines for the transmission of communications in accordance with the nature of the business which it undertakes to carry on, or to transmit the same with fidelity and without unreasonable delay, the law in relation to limited partnerships, corporations, and to the taking of private property for works of internal improvement, shall no longer apply to them, and property taken for the use thereof without the consent of the owner may be recovered by the owner.

[C51, §783; R60, §1351; C73, §1327; C97, §2161; C24, 27, 31, 35, 39, §**8304;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.5; C77, 79, 81, §477.5]

2008 Acts, ch 1032, §63

Eminent domain, chapter 6A

**477.6 Delay — willful error — revealing contents.**

Any person employed in transmitting messages by telegraph or telephone must do so with fidelity and without unreasonable delay, and if anyone willfully fails thus to transmit them, or intentionally transmits a message erroneously, or makes known the contents of any message sent or received to any person except the person to whom it is addressed, or such person's

agent or attorney, or willfully and wrongfully takes or receives any telegraph or telephone message, the person is guilty of a simple misdemeanor.

[C51, §784; R60, §1352; C73, §1328; C97, §2162; C24, 27, 31, 35, 39, §**8305;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.6; C77, 79, 81, §477.6]

**477.7 Mistakes and delays.**

The proprietor of a telegraph or telephone line is liable for all mistakes in transmitting or receiving messages made by any person in the proprietor's employment, or for any unreasonable delay in their transmission or delivery, and for all damages resulting from failure to perform the foregoing or any other duty required by law, the provisions of any contract to the contrary notwithstanding.

[C51, §785; R60, §1353; C73, §1329; C97, §2163; C24, 27, 31, 35, 39, §**8306;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.7; C77, 79, 81, §477.7]

Referred to in §477.9A

**477.8 Negligence presumed.**

In any action against any telegraph or telephone company for damages caused by erroneous transmission of a message, or by unreasonable delay in delivery of a message, negligence on the part of the telegraph or telephone company shall be presumed upon proof of erroneous transmission or of unreasonable delay in delivery, and the burden of proof that such error or delay was not due to negligence upon its part shall rest upon such company.

[C97, §2164; C24, 27, 31, 35, 39, §**8307;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.8; C77, 79, 81, §477.8]

**477.9 Presentation of claim.**

No action for the recovery of such damages shall be maintained unless a claim therefor is presented in writing to such company, officer or agent thereof within sixty days from time cause of action accrues.

[C97, §2164; C24, 27, 31, 35, 39, §**8308;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.9; C77, 79, 81, §477.9]

**477.9A Deregulated services.**

A telegraph or telephone company whose services are deregulated by the board under section 476.1D may use public notice as a means of conveying terms and conditions to customers where identification of those customers is infeasible or impractical. Public notice may also be used to convey changes in terms and conditions, other than price increases or limitations of liability, to all other customers, but only if those customers were put on notice that this means would be used to convey subsequent changes. Notwithstanding section 477.7, when services are deregulated by the board under section 476.1D, a telegraph or telephone company, in any contract, agreement, or by means of public notice, may reasonably limit its liability under section 477.7 in the course of providing the deregulated communications services to its customers, except for acts of willful misconduct. However, this section does not allow a greater limitation on liability than exists in any contract or approved tariff as of the effective date of the deregulation of the services.

89 Acts, ch 321, §31; 92 Acts, ch 1163, §98

## SUBCHAPTER II

## RECIPROCAL SERVICE

**477.10 Definitions.**

1. *a. "Local exchange"*, within the meaning of this subchapter, shall refer to a telephone line or lines or to a telephone switchboard or switchboards operating by virtue of a franchise granted by a city furnishing telephonic communication between two or more members of the

public within the same city, village, community, locality or neighborhood, which said line or lines or switchboard or switchboards shall be under the same management and control.

*b.* *"Local exchange"* within the meaning of this subchapter shall not include or refer to privately owned or leased lines or switchboards, operated and used by members of the public other than telephone or telegraph companies as a public utility by which the public is offered telephonic service.

2. *"Local exchange company"* within the meaning of this subchapter, shall refer to any one or more individuals, firms or corporations operating one or more local exchanges as defined in this section.

3. *"Long distance company"* within the meaning of this subchapter shall refer to and include one or more persons, firms or corporations operating connecting lines between two or more local exchanges, one or more of which local exchanges are owned by a local telephone company other than such person, firm or corporation, over which line or lines telephonic communication is had between members of the public connected with said local exchanges.

[C35, §8308-f1; C39, §**8308.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.10; C77, 79, 81, §477.10]

2013 Acts, ch 90, §142

Referred to in §423.3, 714A.1

Section amended

**477.11 Facilities to local exchange.**

Long distance companies shall furnish equal facilities to any local exchange within the state desiring same, and to that end shall immediately make, or at the option of the long distance company, shall immediately permit to be made under its direction and at reasonably accessible places to be designated by such long distance company, the necessary connections between said local exchange and said long distance company telephone system to effect the furnishing of equal facilities to such local exchange.

[C35, §8308-f2; C39, §**8308.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.11; C77, 79, 81, §477.11]

**477.12 Transmission of messages.**

After such connection has been made said long distance company shall transmit communications and messages to, from and through all local exchanges connected with its system when requested, with fidelity and equality and without discrimination or unreasonable delay.

[C35, §8308-f3; C39, §**8308.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.12; C77, 79, 81, §477.12]

**477.13 Facilities to long distance companies.**

A connected local exchange company shall accept and furnish telephonic connection for all messages offered over the lines or through the system of any long distance company without discrimination or unreasonable delay, and with equality.

[C35, §8308-f4; C39, §**8308.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.13; C77, 79, 81, §477.13]

**477.14 Violations — effect.**

Should any local exchange company or long distance company refuse or fail to furnish the connection or service above required, the law in relation to limited partnerships, corporations, or the taking of private property for works of internal improvement shall no longer apply to them and property taken for the use thereof without the consent of the owner may be recovered by the owner.

[C35, §8308-f5; C39, §**8308.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §488.14; C77, 79, 81, §477.14]

Eminent domain, chapter 6A

# CHAPTER 477A

## CABLE OR VIDEO SERVICE FRANCHISES

Purpose of chapter; 2007 Acts, ch 201, §1


477A.1 Definitions.
477A.2 Certificate of franchise authority requirement.
477A.3 Application requirements — certificate of franchise authority.
477A.4 Applicability to federal law.
477A.5 Municipality restrictions.
477A.6 Public, educational, and governmental access channels.
477A.7 Fees — financial support.
477A.8 Customer service standards.
477A.9 Nondiscrimination by municipality.
477A.10 Provider discrimination prohibited.
477A.11 Applicability of other law.
477A.12 Rules.


**477A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the utilities board within the utilities division of the department of commerce.

2. *"Cable operator"* means the same as defined in 47 U.S.C. § 522.

3. *"Cable service"* means the same as defined in 47 U.S.C. § 522.

4. *"Cable system"* means the same as defined in 47 U.S.C. § 522.

5. *"Competitive cable service provider"* means a person who provides cable service over a cable system in an area other than the incumbent cable provider providing service in the same area.

6. *"Competitive video service provider"* means a person who provides video service other than a cable operator.

7. *"Franchise"* means an initial authorization, or renewal of an authorization, issued by the board or a municipality, regardless of whether the authorization is designated as a franchise, permit, license, resolution, contract, certificate, agreement, or otherwise, that authorizes the construction and operation of a cable system or video service provider's network in a public right-of-way.

8. *"Franchise fee"* means the fee imposed under section 477A.7.

9. *a.* *"Gross revenues"* means all consideration of any kind or nature, including but not limited to cash, credits, property, and in-kind contributions received from subscribers for the provision of cable service over a cable system by a competitive cable service provider or for the provision of video service by a competitive video service provider within a municipality's jurisdiction. Gross revenues are limited to the following:

(1) Recurring charges for cable service or video service.

(2) Event-based charges for cable service or video service, including but not limited to pay-per-view and video-on-demand charges.

(3) Rental of set-top boxes and other cable service or video service equipment.

(4) Service charges related to the provision of cable service or video service, including but not limited to activation, installation, and repair charges.

(5) Administrative charges related to the provision of cable service or video service, including but not limited to service order and service termination charges.

(6) A pro rata portion of all revenue derived, less refunds, rebates, or discounts, by a cable service provider or a video service provider for advertising over the cable service or video service network to subscribers within the franchise area where the numerator is the number of subscribers within the franchise area, and the denominator is the total number of subscribers reached by such advertising. This subparagraph applies only to municipalities that include this provision in their franchise agreements as of January 1, 2007.

*b.* *"Gross revenues"* does not include any of the following:

(1) Revenues not actually received, even if billed, including bad debt.

(2) Revenues received by any affiliate or any other person in exchange for supplying goods or services used by the person providing cable service or video service.

(3) Refunds, rebates, or discounts made to third parties, including subscribers, leased access providers, advertisers, or any municipality or other unit of local government.

(4) Regardless of whether the services are bundled, packaged, or functionally integrated with cable service or video service, any revenues derived by the holder of a certificate of franchise authority from services not classified as cable service or video service, including, without limitation, revenue received from telecommunications services, revenue received from information services, revenue received in connection with home-shopping services, or any other revenues attributed by the competitive cable service provider or competitive video service provider to noncable service or nonvideo service in accordance with the holder's books and records kept in the regular course of business and any applicable rules, regulations, standards, or orders.

(5) Revenues paid by subscribers to home-shopping programmers directly from the sale of merchandise through any home-shopping channel offered as part of the cable services or video services.

(6) Revenues from the sale of cable services or video services for resale in which the purchaser is required to collect the franchise fee from the purchaser's customer.

(7) Revenues from any tax of general applicability imposed upon the competitive cable service provider or competitive video service provider or upon subscribers by a city, state, federal, or any other governmental entity and required to be collected by the competitive cable service provider or competitive video service provider and remitted to the taxing entity, including but not limited to sales or use tax, gross receipts tax, excise tax, utility users tax, public service tax, and communication taxes, and including the franchise fee imposed under section 477A.7.

(8) Revenues forgone from the provision of cable services or video services to public institutions, public schools, or governmental entities at no charge.

(9) Revenues forgone from the competitive cable service provider's or competitive video service provider's provision of free or reduced-cost video service to any person, including, without limitation, any municipality and other public institutions or other institutions.

(10) Revenues from sales of capital assets or sales of surplus equipment.

(11) Revenues from reimbursements by programmers of marketing costs incurred by the competitive cable service provider or competitive video service provider for the introduction or promotion of new programming.

(12) Directory or internet advertising revenues including but not limited to yellow page, white page, banner advertisement, and electronic publishing.

(13) Copyright fees paid to the United States copyright office.

(14) Late payment charges.

(15) Maintenance charges.

10. *"Incumbent cable provider"* means the cable operator serving the largest number of cable subscribers in a particular franchise service area on January 1, 2007.

11. *"Institutional network"* means the system of dedicated fibers, coaxial cables, or wires constructed and maintained by an incumbent cable provider which is reserved and dedicated by the municipality for noncommercial purposes.

12. *"Municipality"* means a city.

13. *"Percentage of gross revenues"* means the percentage set by the municipality and identified in a written request made under section 477A.7, subsection 1, which shall be not greater than five percent. However, if the incumbent cable provider is a municipal utility providing telecommunications services under section 388.10, *"percentage of gross revenues"* means the percentage set by the municipality and identified in a written request made under section 477A.7, subsection 1, which shall not be greater than an equitable apportionment of the services and fees that the municipal utility pays to the municipality, or five percent, whichever is less.

14. *"Public right-of-way"* means the area on, below, or above a public roadway, highway, street, bridge, cartway, bicycle lane, or public sidewalk in which the municipality has an interest, including other dedicated rights-of-way for travel purposes and utility easements. *"Public right-of-way"* does not include the airwaves above a public right-of-way with regard

to cellular or other nonwire telecommunications or broadcast services or utility poles owned by a municipality or a municipal utility.

15. *"Video programming"* means the same as defined in 47 U.S.C. § 522.

16. *"Video service"* means video programming services provided through wireline facilities located at least in part in the public right-of-way without regard to delivery technology, including internet protocol technology. *"Video service"* does not include any video programming provided by a provider of commercial mobile service as defined in 47 U.S.C. § 332, or cable service provided by an incumbent cable provider or a competitive cable service provider or any video programming provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public internet.

2007 Acts, ch 201, §2, 15; 2008 Acts, ch 1062, §1

**477A.2 Certificate of franchise authority requirement.**

1. After July 1, 2007, a person providing cable service or video service in this state shall not provide such service without a franchise. The franchise may be issued by either the board pursuant to section 477A.3 or by a municipality pursuant to section 364.2.

2. *a.* A person providing cable service or video service under a franchise agreement with a municipality prior to July 1, 2007, is not subject to this section with respect to such municipality until the franchise agreement expires or is converted pursuant to subsection 6.

*b.* Upon expiration of a franchise, a person may choose to renegotiate a franchise agreement with a municipality or may choose to obtain a certificate of franchise authority under this chapter. An application for a certificate of franchise authority pursuant to this subsection may be filed within sixty days prior to the expiration of a municipal franchise agreement. A certificate of franchise authority obtained pursuant to an application filed prior to the expiration of a municipal franchise agreement shall take effect upon the expiration date of the municipal franchise agreement.

*c.* A municipal utility that provides cable service or video service in this state is not subject to this section and shall not be required to obtain a certificate of franchise authority pursuant to this chapter in the municipality in which the provision of cable service or video service by that municipality was originally approved.

3. For purposes of this section, a person providing cable service or video service is deemed to have executed a franchise agreement to provide cable service or video service with a specific municipality if an affiliate or predecessor of the person providing cable service or video service has or had executed an unexpired franchise agreement with that municipality as of May 29, 2007.

4. A competitive cable service provider or competitive video service provider shall provide at least thirty days' notice to each municipality with authority to grant a franchise in the service area, and to the incumbent cable provider, in which the competitive cable service provider or competitive video service provider is granted authority to provide service under a certificate of franchise authority that the competitive cable service provider or competitive video service provider will offer cable services or video services within the jurisdiction of the municipality, and shall not provide service without having provided such thirty days' notice. A copy of the notice shall be filed with the board on the date that the notice is provided. All notices required by this subsection shall be sent by certified mail.

5. As used in this section, *"affiliate"* includes but is not limited to a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a person receiving, obtaining, or operating under a franchise agreement with a municipality to provide cable service or video service through merger, sale, assignment, restructuring, or any other type of transaction.

6. If a competitive cable service provider or a competitive video service provider applies for a certificate of franchise authority to operate within a municipality, the incumbent cable provider may, at its discretion, apply for a certificate of franchise authority for that same municipality. Such application shall be automatically granted on the same day as a competitive cable service provider or competitive video service provider files a thirty days' notice of offering service as required pursuant to subsection 4. The franchise agreement

with the municipality is terminated on the date the board issues the certificate of franchise authority to an incumbent cable provider. The terms and conditions of the certificate of franchise authority shall be the same as the terms and conditions of a competitive cable service provider or a competitive video service provider pursuant to this chapter and shall replace the terms and conditions of the franchise agreement previously granted by the municipality.

2007 Acts, ch 201, §3, 15; 2008 Acts, ch 1062, §2; 2010 Acts, ch 1126, §1, 3
Referred to in §477A.3, 477A.7, 714H.4

**477A.3 Application requirements — certificate of franchise authority.**

1. The board shall issue a certificate of franchise authority under this chapter within thirty calendar days after receipt of a completed application and affidavit submitted by the applicant and signed by an officer or general partner of the applicant, subject to subsection 3. The application and affidavit shall provide all of the following information:

*a.* That the applicant has filed or will timely file with the federal communications commission all forms required by the commission in advance of offering cable service or video service in this state.

*b.* That the applicant agrees to comply with all applicable federal and state statutes, regulations, and rules.

*c.* That the applicant agrees to comply with all applicable state laws and nondiscriminatory municipal ordinances and regulations regarding the use and occupation of a public right-of-way in the delivery of the cable service or video service, to the extent consistent with this chapter, including the police powers of the municipalities in which the service is delivered.

*d.* A description of the service area to be served and the municipalities to be served by the applicant which may include certain designations of unincorporated areas. This description shall be updated by the applicant prior to the expansion of cable service or video service to a previously undesignated service area and, upon such expansion, notice shall be given to the board of the service area to be served by the applicant.

*e.* The address of the applicant's principal place of business and the names of the applicant's principal executive officers.

*f.* Documentation that the applicant possesses sufficient managerial, technical, and financial capability to provide the cable service or video service proposed in the service area. An applicant or its subsidiary which has been issued a certificate of public convenience and necessity to provide telephone service pursuant to section 476.29 shall be exempt from the provisions of this paragraph.

*g.* Copies of advertisements or news releases announcing the applicant's intent to provide cable service or video service in the service area intended for release if the certificate of franchise authority is granted.

*h.* A schedule of dates by which the applicant intends to commence operation in each municipality proposed to be served within the service area. This schedule shall be timely updated by the applicant as necessary to maintain accuracy.

2. In addition to the notice requirements in section 477A.2, subsection 4, an applicant shall provide notice to each municipality with authority to grant a franchise in the service area on the date that the application is submitted that the applicant has submitted an application to the board pursuant to subsection 1.

3. *a.* The board shall not issue a certificate of franchise authority to an applicant unless the board finds that all of the requirements specified in subsection 1 have been met.

*b.* The board may take up to an additional sixty calendar days, beyond the thirty-day period for issuance of a certificate of franchise authority specified in subsection 1, if the board determines that additional information will be required to make a determination regarding whether the requirements specified in subsection 1, paragraphs "*f*" through "*h*" have been met, and that the determination cannot be made within the thirty-day period.

*c.* The board may assess its costs associated with an application or a certificate of franchise authority pursuant to the assessment authority contained in section 476.10, subsection 1, paragraph "*a*".

4. The failure of the board to notify the applicant of the completeness of the applicant's affidavit or issue a certificate of franchise authority before the ninetieth calendar day after receipt of a completed affidavit shall constitute issuance of the certificate of franchise authority applied for by the applicant without further action by the applicant.

5. The certificate of franchise authority issued by the board shall contain all of the following:

*a.* A grant of authority to provide cable service or video service in the service area designated in the application.

*b.* A grant of authority to use and occupy the public right-of-way in the delivery of cable service or video service, subject to the laws of this state, including the police powers of the municipalities in which the service is delivered.

*c.* A statement that the grant of authority provided by the certificate is subject to the lawful operation of the cable service or video service by the applicant or the applicant's successor.

*d.* A statement that the franchise is for a term of ten years, is renewable under the terms of this section, and is nonexclusive.

6. *a.* If the holder of a certificate of franchise authority fails to commence operation of a cable system or video service network within twelve months from the date the application is granted, the board may determine that the applicant is not in compliance with the certificate of franchise authority and may revoke the certificate.

*b.* If a certificate is revoked pursuant to this subsection, and if the franchise agreement previously in effect between an incumbent cable provider and the municipality would have remained in effect for at least a sixty-day period prior to expiration, the previous franchise agreement shall be reinstated for the remaining duration of the previous agreement. The incumbent cable provider shall comply with the terms of the prior franchise agreement within ninety days of notification by the board. This paragraph is applicable to an incumbent cable provider who has not been issued a certificate of franchise authority pursuant to section 477A.2, subsection 6, as of April 12, 2010.

7. *a.* In the event that an applicant granted a certificate of franchise authority subsequently ceases to engage in construction or operation of a cable system or video service network and is no longer providing service, the applicant shall notify the municipality, the board, and the incumbent cable provider on the date that construction or service is terminated.

*b.* If the franchise agreement previously in effect between an incumbent cable provider and the municipality would have remained in effect for at least a sixty-day period prior to expiration, the previous franchise agreement shall be reinstated for the remaining duration of the previous agreement. The incumbent cable provider shall comply with the terms of the prior franchise agreement within ninety days of notification by the applicant. This paragraph is applicable to an incumbent cable provider who has not been issued a certificate of franchise authority pursuant to section 477A.2, subsection 6, as of April 12, 2010.

8. A certificate of franchise authority issued by the board is fully transferable to any successor of the applicant to which the certificate was initially issued. A notice of transfer shall be filed by the holder of the certificate of franchise authority with the board and the affected municipality and shall be effective fourteen business days after submission. The notice of transfer shall include the address of the successor's principal place of business and the names of the successor's principal executive officers. The successor shall assume all regulatory rights and responsibilities of the holder of the certificate. Neither the board nor an affected municipality shall have authority to review or require approval of such transfer.

9. The certificate of franchise authority issued by the board may be terminated by a person providing cable service or video service by submitting written notice to the board and any affected municipality. Neither the board nor an affected municipality shall have authority to review or require approval of such termination.

10. The board shall only have the authorization to issue a certificate of franchise authority as provided in this section, and shall not impose any additional requirements or regulations upon an applicant.

2007 Acts, ch 201, §4, 15; 2010 Acts, ch 1126, §2, 3

Referred to in §477A.2

**477A.4 Applicability to federal law.**

To the extent required by applicable law, a certificate of franchise authority issued under this chapter shall constitute a "franchise" for the purposes of 47 U.S.C. § 541(b)(1). To the extent required for the purposes of 47 U.S.C. § 521 – 561, only the state of Iowa shall constitute the exclusive franchising authority for competitive cable service providers and competitive video service providers in this state.

2007 Acts, ch 201, §5, 15

**477A.5 Municipality restrictions.**

1. A municipality shall not require a holder of a certificate of franchise authority to do any of the following:

*a.* Comply with a mandatory build-out provision.

*b.* Obtain a separate franchise.

*c.* Pay any additional fees, except as provided in this chapter.

*d.* Be subject to any additional franchise requirement by the municipality, except as provided in this chapter.

2. For purposes of this section, a *"franchise requirement"* includes any provision regulating rates or requiring build-out requirements to deploy any facilities or equipment.

3. Section 364.2 shall not apply to a holder of a certificate of franchise authority issued pursuant to this chapter.

2007 Acts, ch 201, §6, 15

**477A.6 Public, educational, and governmental access channels.**

1. Not later than one hundred eighty days after a request by a municipality in which a competitive cable service provider or a competitive video service provider is providing cable service or video service, the holder of the certificate of authority for that municipality shall designate a sufficient amount of capacity on the certificate holder's communications network to allow the provision of a comparable number of public, educational, and governmental channels that the incumbent cable provider in the municipality has activated and provided in the municipality under the terms of a franchise agreement with a municipality prior to July 1, 2007. If no such channels are active, the municipality may request a maximum of three public, educational, and governmental channels for a municipality with a population of at least fifty thousand, and a maximum of two public, educational, and governmental channels for a municipality with a population of less than fifty thousand.

*a.* The public, educational, and governmental content to be provided pursuant to this section and the operation of the public, educational, and governmental channels shall be the responsibility of the municipality receiving the benefit of such capacity. The holder of a certificate of franchise authority shall be responsible only for the transmission of such content, subject to technological restraints.

*b.* The municipality receiving capacity under this section shall ensure that all transmissions, content, or programming to be transmitted by the holder of the certificate of franchise authority are provided or submitted to the competitive cable service provider or competitive video service provider in a manner or form that is capable of being accepted and transmitted by the competitive cable service provider or competitive video service provider, without requirement for additional alteration or change in the content, over the particular network of the competitive cable service provider or competitive video service provider, which is compatible with the technology or protocol utilized by the competitive cable service provider or competitive video service provider to deliver services. At its election the municipality may reasonably request any cable service provider or video service provider to make any necessary change to the form of any programming, furnished for transmission, which shall be charged to the municipality, not to exceed the provider's incremental costs. The municipality shall have up to twelve months to reimburse the cable service provider or video service provider. The provision of such transmissions, content, or programming to the competitive cable service provider or competitive video service provider shall constitute authorization for such holder to carry such transmissions, content, or programming, at the holder's option, beyond the jurisdictional boundaries stipulated in any franchise agreement.

2. Where technically feasible, a competitive cable service provider or competitive video service provider that is a holder of a certificate of franchise authority and an incumbent cable provider shall use reasonable efforts to interconnect the cable or video communications network systems of the certificate holder and incumbent cable provider for the purpose of providing public, educational, and governmental programming. Interconnection may be accomplished by direct cable, microwave link, satellite, or other reasonable method of connection. A holder of a certificate of franchise authority and an incumbent cable provider shall negotiate in good faith and an incumbent cable provider shall not withhold interconnection of public, educational, or governmental channels.

3. A court of competent jurisdiction shall have exclusive jurisdiction to enforce any requirement under this section.

2007 Acts, ch 201, §7, 15

**477A.7 Fees — financial support.**

1. *a.* In any service area in which a competitive cable service provider or a competitive video service provider holding a certificate of franchise authority offers or provides cable service or video service, the competitive cable service provider or competitive video service provider shall calculate and pay a franchise fee to the municipality with authority to grant a certificate of franchise authority in that service area upon the municipality's written request. If the municipality makes such a request, the franchise fee shall be due and paid to the municipality on a quarterly basis, not later than forty-five days after the close of the quarter, and shall be calculated as a percentage of gross revenues. The municipality shall not demand any additional franchise fees from the competitive cable service provider or competitive video service provider, and shall not demand the use of any other calculation method for the franchise fee.

*b.* All cable service providers and video service providers shall pay a franchise fee at the same percent of gross revenues as had been assessed on the incumbent cable provider by the municipality as of January 1, 2007, and such percentage shall continue to apply for the period of the remaining term of the existing franchise agreement with the municipality. Upon expiration of the period of the remaining term of the agreement with the incumbent cable service provider, a municipality may request an increase in the franchise fee up to five percent of gross revenues.

*c.* A provider who is both a competitive cable service provider and a competitive video service provider shall be subject to and only be required to pay one franchise fee to a municipality under this subsection regardless of whether the provider provides both cable service and video service.

*d.* At the request of a municipality and not more than once per year, an independent auditor may perform reasonable audits of the competitive cable service provider's or competitive video service provider's calculation of the franchise fee under this subsection. The municipality shall bear the costs of any audit requested pursuant to this subsection, unless the audit discloses that the competitive cable service provider or competitive video service provider has underpaid franchise fees by more than five percent, in which case the competitive cable service provider or competitive video service provider shall pay all of the reasonable and actual costs of the audit.

*e.* A competitive cable service provider or competitive video service provider may identify and collect the amount of the franchise fee as a separate line item on the regular bill of each subscriber.

2. If an incumbent cable provider pays any fee to a municipality for public, educational, and governmental access channels, any subsequent holder of a certificate of franchise authority that includes that municipality shall pay this fee at the same rate during the remaining term of the existing franchise agreement with the municipality, even if the incumbent cable provider elects to convert to a certificate of franchise authority pursuant to section 477A.2. All fees collected pursuant to this subsection shall be used only for the support of the public, educational, and governmental access channels.

3. *a.* If an incumbent cable provider is required by a franchise agreement as of January 1, 2007, to provide institutional network capacity to a municipality for use by the municipality

for noncommercial purposes, the incumbent cable provider and any subsequent holder of a certificate of franchise authority shall provide support only for the existing institutional network on a pro rata basis per customer. Any financial support provided for an institutional network shall be limited to ongoing maintenance and support of the existing institutional network. This subsection shall be applicable only to a cable service provider's or video service provider's first certificate of franchise authority issued under this chapter, and shall not apply to any subsequent renewals. For the purposes of this subsection, maintenance and support shall only include the reasonable incremental cost of moves, changes, and restoring connectivity of the fiber or coaxial cable lines up to a demarcation point at the building.

*b.* For purposes of this subsection, the number of customers of a cable service provider or video service provider shall be determined based on the relative number of subscribers in that municipality at the end of the prior calendar year as reported to the municipality by all incumbent cable providers and holders of a certificate of franchise authority. Any records showing the number of subscribers shall be considered confidential records pursuant to section 22.7. The incumbent cable provider shall provide to the municipality, on an annual basis, the maintenance and support costs of the institutional network, subject to an independent audit. A municipality acting under this subsection shall notify and present a bill to competitive cable service providers or competitive video service providers for the amount of such support on an annual basis, beginning one year after issuance of the certificate of franchise authority. The annual institutional network support shall be due and paid by the providers to the municipality in four quarterly payments, not later than forty-five days after the close of each quarter. The municipality shall reimburse the incumbent cable provider for the amounts received from competitive cable service providers or competitive video service providers.

*c.* This subsection shall not apply if the incumbent cable service provider is a municipal utility providing telecommunications services under section 388.10.

4. A franchise fee may be assessed or imposed by a municipality without regard to the municipality's cost of inspecting, supervising, or otherwise regulating the franchise, and the fees collected may be credited to the municipality's general fund and used for municipal general fund purposes.

5. To the extent that any amount of franchise fees assessed by and paid to a municipality prior to May 29, 2007, pursuant to a franchise agreement between a municipality and any person to erect, maintain, and operate plants and systems for cable television, exceeds the municipality's reasonable costs of inspecting, supervising, or otherwise regulating the franchise, such amount is deemed and declared to be authorized and legally assessed by and paid to the municipality.

2007 Acts, ch 201, §8, 15
Referred to in §477A.1

**477A.8 Customer service standards.**

1. The holder of a certificate of franchise authority shall comply with customer service requirements consistent with those contained in 47 C.F.R. § 76.309, and shall maintain a local or toll-free telephone number for customer service contact.

2. The holder of a certificate of franchise authority shall implement an informal process for handling inquiries from municipalities and customers concerning billing events, service issues, and other complaints. If an issue is not resolved through this informal process, a municipality may request a confidential nonbinding mediation with the holder of a certificate of franchise authority, with the costs of such mediation to be shared equally between the municipality and the holder of a certificate of franchise authority.

2007 Acts, ch 201, §9, 15

**477A.9 Nondiscrimination by municipality.**

1. A municipality shall allow the holder of a certificate of franchise authority to install, construct, and maintain a communications network within a public right-of-way and shall provide the holder of a certificate of franchise authority with open, comparable, nondiscriminatory, and competitively neutral access to the public right-of-way.

2. A municipality shall not discriminate against the holder of a certificate of franchise authority in providing access to a municipal building or through a municipal utility pole attachment term.

2007 Acts, ch 201, §10, 15

**477A.10 Provider discrimination prohibited.**

1. The purpose of this section is to prevent discrimination among potential residential subscribers.

2. A competitive cable service provider or competitive video service provider holding a certificate of franchise authority shall not deny access to any group of potential residential subscribers because of the income of residents in the local area in which such group resides.

3. *a.* A video service provider operating under a certificate of franchise authority that is using telecommunication facilities to provide video services and has more than five hundred thousand telecommunication access lines in this state shall extend its system to a potential subscriber, at no cost to the potential subscriber, if all of the following criteria are met:

(1) The potential subscriber is located within its authorized service area.

(2) At least two hundred fifty dwelling units are located within two thousand five hundred feet of a remote terminal.

(3) These dwelling units do not have cable or video service available from another cable service provider or video service provider.

*b.* This subsection shall be applicable only after the first date on which the video service provider operating under a certificate of franchise authority is providing cable service or video service to more than fifty percent of all cable and video subscribers receiving cable or video service from the holders of certificates of franchise authority and any other providers of cable or video services operating under franchise agreements with a municipality.

2007 Acts, ch 201, §11, 15

**477A.11 Applicability of other law.**

1. This chapter is intended to be consistent with the federal Cable Act, 47 U.S.C. § 521 et seq.

2. Except as otherwise stated in this chapter, this chapter shall not be interpreted to prevent a competitive cable service provider, competitive video service provider, municipality, or other provider of cable service or video service from seeking clarification of any rights and obligations under federal law or to exercise any right or authority under federal or state law.

2007 Acts, ch 201, §12, 15

**477A.12 Rules.**

The board shall adopt rules necessary to administer this chapter.

2007 Acts, ch 201, §13, 15

# CHAPTER 477B

RESERVED

# CHAPTER 477C

## DUAL PARTY RELAY SERVICE

Referred to in §546.7


| | | | |
|---|---|---|---|
| 477C.1 | Dual party relay service — purpose. | 477C.4 | Telecommunications devices for the deaf. |
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| 477C.3 | Dual party relay service. | 477C.6 | Budget. |
| | | 477C.7 | Funding. |


**477C.1 Dual party relay service — purpose.**

The general assembly finds that the provision of a statewide dual party relay service will further the public interest and protect the health, safety, and welfare of the people of Iowa through an increase in the usefulness and availability of the telephone system. Many persons who are deaf, hard-of-hearing, or have speech impairments are not able to utilize the telephone system without this type of service. Therefore, it is the purpose of this chapter to enable the orderly development, operation, promotion, and funding of a statewide dual party relay service.

91 Acts, ch 194, §1; 93 Acts, ch 75, §6; 96 Acts, ch 1129, §96

**477C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the utilities board within the department of commerce created in section 474.1.

2. *"Communication impairment"* means the inability to use the telephone for communication without a telecommunications device for the deaf.

3. *"Council"* means the dual party relay council established in section 477C.5.

4. *"Dual party relay service"* or *"relay service"* means a communication service which provides communication-impaired persons access to the telephone system functionally equivalent to the access available to persons not communication-impaired.

5. *"Telecommunications device for the deaf"* means any specialized or supplemental telephone equipment used by communication-impaired persons to provide access to the telephone system.

91 Acts, ch 194, §2

**477C.3 Dual party relay service.**

With the advice of the council, the board shall plan, establish, administer, and promote a statewide program to provide dual party relay service as follows:

1. The board may enter into the necessary contracts and arrangements with private entities to provide for the delivery of relay service.

2. The relay service, to the extent reasonably possible, shall allow persons with communication impairments to use the telephone system in a manner and at a rate equivalent to persons without communication impairments.

3. The relay service may be provided on a stand-alone basis within the state, with other states, or with telephone utilities providing relay service in other states.

4. The board may employ additional personnel, pursuant to section 476.10, to plan, establish, administer, and promote the relay service.

91 Acts, ch 194, §3

Referred to in §8F.2, 477C.6

**477C.4 Telecommunications devices for the deaf.**

With the advice of the council, the board may plan, establish, administer, and promote a program to secure, finance, and distribute telecommunications devices for the deaf. The board may establish eligibility criteria for persons to receive telecommunications devices for

the deaf, including, but not limited to, requiring certification that the recipient cannot use the telephone for communication without a telecommunications device for the deaf.

91 Acts, ch 194, §4
Referred to in §8F.2, 477C.6

**477C.5 Dual party relay council.**

1. A dual party relay council is established, consisting of eleven members appointed by the board. The council shall advise the board on all matters concerning relay service and equipment distribution programs.

2. The council shall consist of:

*a.* Six consumers who have communication impairments.

*b.* Two representatives from telephone companies.

*c.* One representative from the office of deaf services of the department of human rights.

*d.* One representative from the office of the consumer advocate of the department of justice.

*e.* One member of the board or a designee of the board.

3. Council members who are not state or local government officers or employees shall be reimbursed for their necessary and actual expenses incurred in performance of their duties and shall receive a per diem of fifty dollars when the council is meeting, payable from moneys available to the board pursuant to section 477C.7.

91 Acts, ch 194, §5; 94 Acts, ch 1023, §57
Referred to in §477C.2

**477C.6 Budget.**

The board shall review and approve the proposed annual budget of the relay service program authorized in section 477C.3 and the equipment distribution program authorized in section 477C.4.

91 Acts, ch 194, §6

**477C.7 Funding.**

1. The board shall impose an annual assessment to fund the programs described in this chapter upon all telecommunications carriers providing service in the state.

2. The total assessment shall be allocated as follows:

*a.* Wireless communications service providers shall be assessed three cents per month for each wireless communications service number provided in this state.

*b.* (1) The remainder of the assessment shall be allocated one-half to local exchange telephone utilities and one-half to the following:

(a) Interexchange carriers.

(b) Centralized equal access providers.

(c) Alternative operator services companies.

(2) The assessment shall be allocated proportionally based upon revenues from all intrastate regulated, deregulated, and exempt telephone services under sections 476.1 and 476.1D.

3. The telecommunications carriers shall remit the assessed amounts quarterly to a special fund, as defined under section 8.2, subsection 9. The moneys in the fund are appropriated solely to plan, establish, administer, and promote the relay service and equipment distribution programs.

4. The telecommunications carriers subject to assessment shall provide the information requested by the board necessary for implementation of the assessment.

5. The local exchange telephone utilities shall not recover from intrastate access charges any portion of such utilities assessment imposed under this section.

91 Acts, ch 194, §7; 92 Acts, ch 1163, §99; 2005 Acts, ch 17, §1
Referred to in §476.101, 477C.5

# CHAPTER 478

## ELECTRIC TRANSMISSION LINES

Referred to in §6B.2A, 6B.42, 306A.3, 318.9, 437A.7, 474.1, 474.9, 476.1A, 476A.1, 546.7, 716.7


478.1 Franchise.
478.2 Petition for franchise — informational meetings held.
478.3 Petition — requirements.
478.4 Franchise — hearing.
478.5 Notice — objections filed.
478.6 Taking under eminent domain.
478.7 Form of franchise.
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478.9 Exclusive rights — duration of franchise.
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478.32 Rehearing — judicial review.
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478.36 Repealed by 92 Acts, ch 1103, §11, 12. See chapter 480.


**478.1 Franchise.**

1. A person shall not construct, erect, maintain, or operate a transmission line, wire, or cable that is capable of operating at an electric voltage of sixty-nine kilovolts or more along, over, or across any public highway or grounds outside of cities for the transmission, distribution, or sale of electric current without first procuring from the utilities board within the utilities division of the department of commerce a franchise granting authority as provided in this chapter.

2. A franchise shall not be required for electric lines constructed entirely within the boundaries of property owned by a person primarily engaged in the transmission or distribution of electric power or entirely within the boundaries of property owned by the end user of the electric power.

3. If the transmission line, wire, or cable is capable of operating only at an electric voltage of less than sixty-nine kilovolts, no franchise is required. However, the utilities board shall retain jurisdiction over all such lines, wires, or cables.

4. A person who seeks to construct, erect, maintain, or operate a transmission line, wire, or cable that will operate at an electric voltage of less than sixty-nine kilovolts outside of cities and that cannot secure the necessary voluntary easements to do so may petition the board pursuant to section 478.3, subsection 1, for a franchise granting authority for such construction, erection, maintenance, or operation, and for the use of the right of eminent domain.

5. Notwithstanding any other provision of this chapter, if an existing transmission line, wire, or cable is operating at thirty-four and one-half kilovolts, it may be franchised, rebuilt, and upgraded to be capable of operation at sixty-nine kilovolts using an abbreviated franchise process if the upgraded line will meet required safety standards, will be on substantially the same right-of-way, and will have substantially the same effect on the underlying properties. The abbreviated franchise process shall not require published notice or a public informational meeting. The board may adopt rules defining relevant terms, setting forth the steps of the abbreviated process, and specifying the requirements for the petition and landowner notification. The petitioner shall provide written notice concerning the anticipated construction to the last known address of the owners of record of the

property where construction will occur and to the parties residing on such property. The franchise may be granted if the board finds the upgraded line is necessary to serve a public use and represents a reasonable relationship to an overall plan of transmitting electricity in the public interest. The franchise shall not become effective until the petitioner has paid, or agreed to pay, all costs and expenses of the franchise proceeding specified in section 478.4.

[S13, §1527-c, 2120-n; C24, 27, 31, 35, 39, §**8309;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §489.1; C77, 79, 81, §478.1]

84 Acts, ch 1101, §2; 94 Acts, ch 1136, §1; 97 Acts, ch 113, §1; 2002 Acts, ch 1048, §1, 5; 2009 Acts, ch 66, §1, 2

Referred to in §478.31

Authorization in cities, §364.2

**478.2 Petition for franchise — informational meetings held.**

1. Any person authorized to transact business in the state including cities may file a verified petition asking for a franchise to erect, maintain, and operate a line or lines for the transmission, distribution, use, and sale of electric current outside cities and for such purpose to erect, use, and maintain poles, wires, guy wires, towers, cables, conduits, and other fixtures and appliances necessary for conducting electric current for light, heat, or power over, along, and across any public lands, highways, streams, or the lands of any person, company, or corporation, and to acquire necessary interests in real estate for such purposes.

2. As conditions precedent to the filing of a petition with the utilities board requesting a franchise for a new transmission line, and not less than thirty days prior to the filing of such petition, the person shall hold informational meetings in each county in which real property or rights will be affected.

*a.* A member of the board, the counsel of the board, or a hearing examiner designated by the board shall serve as the presiding officer at each meeting, shall present an agenda for such meeting which shall include a summary of the legal rights of the affected landowners, and shall distribute and review the statement of individual rights required under section 6B.2A, subsection 1. A formal record of the meeting shall not be required.

*b.* The meeting shall be held at a location reasonably accessible to all persons that may be affected by the granting of the franchise.

3. The person seeking the franchise for a new transmission line shall give notice of the informational meeting to each person, company, or corporation determined to be the landowner affected by the proposed project and any person, company, or corporation in possession of or residing on the property.

*a.* For the purposes of this section, unless the context otherwise requires:

(1) *"Landowner"* means a person listed on the tax assessment rolls as responsible for the payment of real estate taxes imposed on the property.

(2) *"Transmission line"* means any line capable of operating at sixty-nine kilovolts or more and extending a distance of not less than one mile across privately owned real estate.

*b.* The notice shall contain the following:

(1) The name of the applicant.

(2) The applicant's principal place of business.

(3) A general description and purpose of the proposed project.

(4) The general nature of the right-of-way desired.

(5) The possibility that the right-of-way may be acquired by condemnation if approved by the utilities board.

(6) A map showing the route of the proposed project.

(7) A description of the process used by the utilities board in making a decision on whether to approve a franchise or grant the right to take property by eminent domain.

(8) A statement that the landowner has the right to be present at such meetings and to file objections with the utilities board.

(9) The place and time of the meeting.

*c.* The notice shall be served not less than thirty days prior to the time set for the meeting by certified mail with return receipt requested and shall be published once in a newspaper

of general circulation in the county at least one week and not more than three weeks before the time of the meeting and such publication shall be considered notice to landowners whose residence is not known.

4. A person seeking rights under this chapter shall not negotiate or purchase any easements or other interests in land in any county known to be affected by the proposed project prior to the informational meeting.

[S13, §2120-n; C24, 27, 31, 35, 39, §**8310;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §489.2; C77, 79, 81, §478.2]

94 Acts, ch 1136, §2; 2000 Acts, ch 1179, §22, 30; 2002 Acts, ch 1048, §2, 5

Referred to in §6B.2A

**478.3 Petition — requirements.**

1. All petitions shall set forth:

*a.* The name of the individual, company, or corporation asking for the franchise.

*b.* The principal office or place of business.

*c.* The starting points, routes, and termini of the proposed lines, accompanied with a map or plat showing such details.

*d.* A general description of the public or private lands, highways, and streams over, across, or along which any proposed line will pass.

*e.* General specifications as to materials and manner of construction.

*f.* The maximum voltage to be carried over each line.

*g.* Whether or not the exercise of the right of eminent domain will be used and, if so, a specific reference to the lands described in paragraph *"d"* which are sought to be subject thereto.

*h.* An allegation that the proposed construction is necessary to serve a public use.

2. *a.* Petitions for transmission lines capable of operating at sixty-nine kilovolts or more and extending a distance of not less than one mile across privately owned real estate shall also set forth an allegation that the proposed construction represents a reasonable relationship to an overall plan of transmitting electricity in the public interest and substantiation of such allegations, including but not limited to, a showing of the following:

(1) The relationship of the proposed project to present and future economic development of the area.

(2) The relationship of the proposed project to comprehensive electric utility planning.

(3) The relationship of the proposed project to the needs of the public presently served and future projections based on population trends.

(4) The relationship of the proposed project to the existing electric utility system and parallel existing utility routes.

(5) The relationship of the proposed project to any other power system planned for the future.

(6) The possible use of alternative routes and methods of supply.

(7) The relationship of the proposed project to the present and future land use and zoning ordinances.

(8) The inconvenience or undue injury which may result to property owners as a result of the proposed project.

*b.* The utilities board may waive the proof required for such allegations which are not applicable to a particular proposed project.

*c.* The petition shall contain an affidavit stating that informational meetings were held in each county which the proposed project will affect and the time and place of each meeting.

3. For the purpose of this section, the term *"public"* shall not be interpreted to be limited to consumers located in this state.

[S13, §2120-n; C24, 27, 31, 35, 39, §**8311;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §489.3; C77, 79, 81, §478.3]

94 Acts, ch 1136, §3; 2001 Acts, 1st Ex, ch 4, §34, 36; 2002 Acts, ch 1048, §3, 5; 2011 Acts, ch 25, §143

Referred to in §478.1, 478.31

**478.4 Franchise — hearing.**

The utilities board shall consider the petition and any objections filed to it in the manner provided. It shall examine the proposed route or cause any engineer selected by it to do so. If a hearing is held on the petition it may hear testimony as may aid it in determining the propriety of granting the franchise. It may grant the franchise in whole or in part upon the terms, conditions, and restrictions, and with the modifications as to location and route as may seem to it just and proper. Before granting the franchise, the utilities board shall make a finding that the proposed line or lines are necessary to serve a public use and represents a reasonable relationship to an overall plan of transmitting electricity in the public interest. A franchise shall not become effective until the petitioners shall pay, or file an agreement to pay, all costs and expenses of the franchise proceeding, whether or not objections are filed, including costs of inspections or examinations of the route, hearing, salaries, publishing of notice, and any other expenses reasonably attributable to it. The funds received for the costs and the expenses of the franchise proceeding shall be remitted to the treasurer of state for deposit in the department of commerce revolving fund created in section 546.12 as provided in section 476.10.

[S13, §2120-n; C24, 27, 31, 35, 39, §**8312, 8313;** C46, 50, 54, 58, 62, §489.4, 489.5; C66, 71, 73, 75, §489.4; C77, 79, 81, §478.4]

87 Acts, ch 234, §431; 94 Acts, ch 1107, §82; 2009 Acts, ch 181, §53

Referred to in §476.10, 478.1, 478.13

**478.5 Notice — objections filed.**

Upon the filing of such petition, the utilities board shall cause a notice, addressed to the citizens of each county through which the proposed line or lines will extend, to be published in a newspaper located in each such county for two consecutive weeks. Said notice shall contain a general statement of the contents and purpose of the petition, a general description of the lands and highways to be traversed by the proposed line or lines, and shall state that any objections thereto must be filed in writing with the board not later than twenty days after the date of last publication of the notice. Any person, company, city or corporation whose rights may be affected, shall have the right to file written objections to the proposed improvement or to the granting of such franchise; such objections shall be filed with the board not later than twenty days after the date of last publication and shall state the grounds therefor. The board may allow objections to be filed later in which event the applicant must be given reasonable time to meet such late objections.

[S13, §2120-n; C24, 27, 31, 35, 39, §**8312, 8313;** C46, 50, 54, 58, 62, §489.4, 489.5; C66, 71, 73, 75, §489.5; C77, 79, 81, §478.5]

Referred to in §478.31

**478.6 Taking under eminent domain.**

Upon the filing of objections or when a petition involves the taking of property under the right of eminent domain, the utilities board shall set the matter for hearing and fix a time and place for the hearing. The hearing shall be not less than thirty days from the date of last publication and, where a new proposed transmission line exceeds one mile in length, shall be held in the county seat of the county located at the midpoint of the proposed electric transmission line. Written notice of the time and place of the hearing shall be served by the board, by ordinary mail, on the applicant, and those having filed objections. If no objections are filed and the petition does not involve the taking of property under the right of eminent domain, the board may grant a franchise without a hearing; however, the board may conduct a hearing if the board deems it necessary.

Where a petition seeks the use of the right of eminent domain over specific parcels of real property, the board shall prescribe the notice to be served upon the owners of record and parties in possession of the property over which the use of the right of eminent domain is sought. The notice shall include the statement of individual rights required pursuant to section 6B.2A, subsection 1.

When the board grants a franchise to any person, company, or corporation for the construction, erection, maintenance, and operation of transmission lines, wires, and cables

for the transmission of electricity, such person, company, or corporation shall be vested with the power of condemnation to such extent as the board may approve and find necessary for public use.

[C66, 71, 73, 75, §489.6; C77, 79, 81, §478.6; 81 Acts, ch 159, §1]

2000 Acts, ch 1179, §23, 30

**478.7 Form of franchise.**

The general counsel for the utilities board shall prepare a blank form of franchise, which shall provide space for a general description of the improvement authorized, the name and address of the person or corporation to whom granted, the general terms and conditions upon which the franchise is granted, and other things as necessary. This blank form shall be filled out and signed by the chairperson of the utilities board which grants the franchise, and the official seal shall be attached. The franchise is subject to regulations and restrictions as the general assembly prescribes, and to rules, not inconsistent with statutes, as the utilities board may establish.

[S13, §2120-n; C24, 27, 31, 35, 39, §**8314;** C46, 50, 54, 58, 62, §489.6; C66, 71, 73, 75, §489.7; C77, 79, 81, §478.7]

83 Acts, ch 127, §41

Legislative control in general, §491.39

**478.8 Valuation of franchise.**

No financial consideration shall be charged for such franchise. In fixing the value for rate-making purposes of the property of any person, company, or corporation owning it or operating under it no account shall be taken of, and no increased value shall be allowed for, any such franchise, except that the reasonable cost to the petitioners of obtaining said franchise may be included in the cost of constructing said line.

[C24, 27, 31, 35, 39, §**8315;** C46, 50, 54, 58, 62, §489.7; C66, 71, 73, 75, §489.8; C77, 79, 81, §478.8]

**478.9 Exclusive rights — duration of franchise.**

No exclusive right shall ever be given by franchise or otherwise to any person, company, corporation or city to conduct electrical energy, or to place electric wires, along or over or across any public highway or public place or ground; and no franchise or privilege shall ever be granted for any such purpose for a longer period than twenty-five years.

[C24, 27, 31, 35, 39, §**8316;** C46, 50, 54, 58, 62, §489.8; C66, 71, 73, 75, §489.9; C77, 79, 81, §478.9]

**478.10 Franchise transferable — notice.**

When any such electric transmission line or lines are sold and transferred either by voluntary or judicial sale, such transfer shall carry with it the franchise under which the said improvement is owned, maintained, or operated. If a transfer of such franchise is made before the improvement for which it was issued is constructed, in whole or in part, such transfer shall not be effective till the person, company, or corporation to whom it was issued shall file in the office of the utilities board granting the franchise a notice in writing stating the date of such transfer and the name and address of the transferee.

[C24, 27, 31, 35, 39, §**8317;** C46, 50, 54, 58, 62, §489.9; C66, 71, 73, 75, §489.10; C77, 79, 81, §478.10]

**478.11 Record of franchises.**

The utilities board shall keep a record of all such franchises granted and issued by it, when and to whom issued, with a general statement of the location, route, and termini of the transmission line or lines covered thereby. When any transfer of such franchise has been made as provided in this chapter, the board shall also make note upon its record of the date of such transfer and the name and address of the transferee.

[C24, 27, 31, 35, 39, §**8318;** C46, 50, 54, 58, 62, §489.10; C66, 71, 73, 75, §489.11; C77, 79, 81, §478.11]

**478.12 Acceptance of franchise.**

Any person, company, or corporation obtaining a franchise as in this chapter provided, or owning or operating under one, shall be conclusively held to an acceptance of the provisions thereof and of all laws relating to the regulation, supervision, or control thereof which are now in force or which may be hereafter enacted, and to have consented to such reasonable regulation as the utilities board may, from time to time, prescribe. The provisions of this chapter shall apply equally to assignees as well as to original owners.

[S13, §2120-p; C24, 27, 31, 35, 39, §**8319;** C46, 50, 54, 58, 62, §489.11; C66, 71, 73, 75, §489.12; C77, 79, 81, §478.12]

**478.13 Extension of franchise — public notice.**

1. Any person, firm, or corporation owning a franchise granted under this chapter or previously existing law may petition the utilities board for an extension of the franchise. The board shall adopt rules governing extension applications and proceedings with the intent that the extension applications and proceedings are less extensive than original applications and proceedings. Assessment of costs shall be as provided in section 478.4.

2. If the extension of franchise is sought for all lines in a given county or counties, the published notice need not contain a general description of the lands and highways traversed by the lines, but in lieu of containing such description the petitioner may offer to provide to any interested party, free of charge and within ten working days, a current, accurate map showing the location of the lines for which the franchise extension is sought. The public notice shall advise the citizens of the county or counties affected of the availability of such map. If this alternate procedure is not followed, the publication of the description of the lands and highways traversed by the lines shall be done in the manner as in an original application for franchise.

3. An extension under this section shall be granted only for a valid, existing franchise, and the lands, roads, or streams covered by the franchise over, through, or upon which electric transmission lines have in fact been erected or constructed and are in use or operation at the time of the application for the extension of the franchise.

4. The application for the extension of the franchise shall be accompanied by the written consent of the applicant that the provisions of all laws relating to public utilities, franchises, and transmission lines, or to the regulation, supervision, or control thereof which are then in force or which may be thereafter enacted, shall apply to its existing line or lines, franchises, and rights as if the franchise had been granted, the lines had been constructed, or rights had been obtained under the provisions of this chapter.

5. An extension of a franchise is not required for an electric transmission line that has been permanently retired from operation at sixty-nine kilovolts or more but that remains in service at a lower voltage. The board shall be notified of changes in operating status.

[S13, §2120-o; C24, 27, 31, 35, 39, §**8320;** C46, 50, 54, 58, 62, §489.12; C66, 71, 73, 75, §489.13; C77, 79, 81, §478.13]

94 Acts, ch 1136, §4; 97 Acts, ch 63, §1; 2002 Acts, ch 1048, §4, 5; 2002 Acts, ch 1097, §1

**478.14 Service furnished.**

Any city which owns or operates a system for the distribution of electric light or power, and which has obtained electric energy for such distribution from any person or firm or corporation owning or operating an electric light and power plant or transmission line, shall be entitled to have the service reasonably needed by such municipality and its patrons continued at and for a reasonable rate and charge and under reasonable rules of service.

It shall be unlawful for the owner or operator of such light and power plant or transmission line to disconnect or discontinue such service (except during nonpayment of reasonable charges) so long as such operator holds or enjoys any franchise to go upon or use any public streets, highways, or grounds.

Until the municipality and the operator shall agree upon a rate or charge for such service the municipality shall pay and the operator shall accept the rate provided in the expired contract if any existed, and if none existed then the rate before paid. This shall be without

prejudice, however, to the right of either party to test in court or before any lawfully constituted rate-making tribunal the reasonableness of such rate.

This section shall not apply if the original service to the municipality was given in case of emergency or for any other temporary purpose.

[C24, 27, 31, 35, 39, §**8321;** C46, 50, 54, 58, 62, §489.13; C66, 71, 73, 75, §489.14; C77, 79, 81, §478.14]

**478.15 Eminent domain — procedure — entering on land — reversion on nonuse.**

Any person, company, or corporation having secured a franchise as provided in this chapter, shall thereupon be vested with the right of eminent domain to such extent as the utilities board may approve, prescribe and find to be necessary for public use, not exceeding one hundred feet in width for right-of-way and not exceeding one hundred sixty acres in any one location, in addition to right-of-way, for the location of electric substations to carry out the purposes of said franchise; provided however, that where two hundred K V lines or higher voltage lines are to be constructed, the person, company, or corporation may apply to the board for a wider right-of-way not to exceed two hundred feet, and the board may for good cause extend the width of such right-of-way for such lines to the person, company, or corporation applying for the same. The burden of proving the necessity for public use shall be on the person, company or corporation seeking the franchise. A homestead site, cemetery, orchard or schoolhouse location shall not be condemned for the purpose of erecting an electric substation. If agreement cannot be made with the private owner of lands as to damages caused by the construction of said transmission line, or electric substations, the same proceedings shall be taken as provided for taking private property for works of internal improvement.

Any person, company or corporation proposing to construct a transmission line or other facility which involves the taking of property under the right of eminent domain and desiring to enter upon the land, which it proposes to appropriate, for the purpose of examining or surveying the same, shall first file with the utilities board, a written statement under oath setting forth the proposed routing of the line or facility including a description of the lands to be crossed, the names and addresses of owners, together with request that a permit be issued by said board authorizing said person, company or corporation or its duly appointed representative to enter upon the land for the purpose of examining and surveying and to take and use thereon any vehicle and surveying equipment necessary in making the survey. Said board shall within ten days after said request issue a permit, accompanied by such bond in such amount as the board shall approve, to the person, company or corporation making said application, if in its opinion the application is made in good faith and not for the purpose of harassing the owner of the land. If the board is of the opinion that the application is not made in good faith or made for the purpose of harassment to the owner of said land it shall set the matter for hearing and it shall be heard not more than twenty days after filing said application. Notice of the time and place of hearing shall be given by said board, to the owner of said land by registered mail with a return receipt requested, not less than ten days preceding date of hearing.

Any person, company or corporation that has obtained a permit in the manner herein prescribed may enter upon said land or lands, as above provided, and shall be liable for actual damages sustained in connection with such entry. An action in damages shall be the exclusive remedy.

If an electric transmission line right-of-way, or any part thereof, is wholly abandoned for public utility purposes by the relocation of the transmission lines, is not used or operated for a period of five years, or if its construction has been commenced and work has ceased and has not in good faith been resumed for five years, the right-of-way shall revert to the person or persons who, at the time of the abandonment or reversion, are the owners of the tract from which such right-of-way was taken. Following such abandonment of right-of-way, the owner or holder of purported fee title to such real estate may serve notice upon the owner of such right-of-way easement, or the owner's successor in interest, and upon any party in possession of said real estate, a written notice which shall accurately describe the real estate in question, set out the facts concerning ownership of the fee, ownership of the right-of-way

easement, and the period of abandonment, and notify said parties that such reversion shall be complete and final, and that the easement or other right shall be forfeited, unless said parties shall, within one hundred twenty days after the completed service of notice, file an affidavit with the county recorder of the county in which the real estate is located disputing the facts contained in said notice.

Said notice shall be served in the same manner as an original notice under the Iowa rules of civil procedure, except that when notice is served by publication no affidavit therefor shall be required before publication. If no affidavit disputing the facts contained in the notice is filed within one hundred twenty days, the party serving the notice may file for record in the office of the county recorder a copy of the notice with proofs of service attached thereto or endorsed thereon, and when so recorded, the record shall be constructive notice to all persons of the abandonment, reversion, and forfeiture of such right-of-way.

[S13, §2120-q; C24, 27, 31, 35, 39, §**8322;** C46, 50, 54, 58, 62, §489.14; C66, 71, 73, 75, §489.15; C77, 79, 81, §478.15]

Condemnation procedure, chapter 6B

**478.16** Repealed by 86 Acts, ch 1198, § 1.

**478.17 Access to lines — damages.**

Individuals or corporations operating such transmission lines shall have reasonable access to the same for the purpose of constructing, reconstructing, enlarging, repairing, or locating the poles, wires, or construction and other devices used in or upon such line, but shall pay to the owner of such lands and of crops thereon all damages to said lands or crops caused by entering, using, and occupying said lands for said purposes. Nothing herein contained shall prevent the execution of an agreement between the person or company owning or operating such line and the owner of said land or crops with reference to the use thereof.

[S13, §2120-t; C24, 27, 31, 35, 39, §**8324;** C46, 50, 54, 58, 62, §489.16; C66, 71, 73, 75, §489.17; C77, 79, 81, §478.17]

**478.18 Supervision of construction — location.**

1. The utilities board shall have power of supervision over the construction of a transmission line and over its future operation and maintenance.

2. A transmission line shall be constructed near and parallel to roads, to the right-of-way of the railways of the state, or along the division lines of the lands, according to the government survey, wherever the same is practicable and reasonable, and so as not to interfere with the use by the public of the highways or streams of the state, nor unnecessarily interfere with the use of any lands by the occupant.

[S13, §2120-r; C24, 27, 31, 35, 39, §**8325;** C46, 50, 54, 58, 62, §489.17; C66, 71, 73, 75, §489.18; C77, 79, 81, §478.18]

2002 Acts, ch 1097, §2

Removal from highway, chapter 318

**478.19 Manner of construction.**

Such lines shall be built of strong and proper wires attached to strong and sufficient supports properly insulated at all points of attachment; all wires, poles, and other devices which by ordinary wear or other causes are no longer safe shall be removed and replaced by new wires, poles, or other devices, as the case may be, and all abandoned wires, poles, or other devices shall be at once removed. Where wires carrying current are carried across, either above or below wires used for other service, the said transmission line shall be constructed in such manner as to eliminate, so far as practicable, damages to persons or property by reason of said crossing. There shall also be installed sufficient devices to automatically shut off electric current through said transmission line whenever connection is made whereby current is transmitted from the wires of said transmission line to the ground, and there shall also be provided a safe and modern improved device for the protection of said line against lightning. The utilities board shall have power to make and enforce such further and additional rules relating to location, construction, operation and maintenance of said transmission line as may be reasonable.

All transmission lines, wires or cables outside of cities for the transmission, distribution or sale of electric current at any voltage shall be constructed and maintained in accordance with standards adopted by rule by the utilities board.

[S13, §2120-r; C24, 27, 31, 35, 39, §**8326;** C46, 50, 54, 58, 62, §489.18; C66, 71, 73, 75, §489.19; C77, 79, 81, §478.19]

84 Acts, ch 1101, §3

**478.20 Distance from buildings.**

No transmission line shall be constructed, except by agreement, within one hundred feet of any dwelling house or other building, except where said line crosses or passes along a public highway or is located alongside or parallel with the right-of-way of any railway company. In addition to the foregoing, each person, company, or corporation shall conform to any other rules, regulations, or specifications established by the utilities board, in the construction, operation, or maintenance of such lines.

[S13, §2120-r; C24, 27, 31, 35, 39, §**8327;** C46, 50, 54, 58, 62, §489.19; C66, 71, 73, 75, §489.20; C77, 79, 81, §478.20]

**478.21 Nonuse — revocation of franchise — extensions of time.**

1. If the improvement for which a franchise is granted is not constructed in whole or in part within two years from the date the franchise is granted, or within two years after final unappealable disposition of judicial review of a franchise order or of condemnation proceedings, the franchise shall be forfeited and the utilities board which granted the franchise shall revoke the franchise and make a record of the revocation, unless the person holding the franchise petitions the board for an extension of time.

2. Upon a showing of sufficient justification for the delay of construction, the board may grant one or more extensions of time for periods up to two years for each extension.

[C24, 27, 31, 35, 39, §**8329;** C46, 50, 54, 58, 62, §489.20; C66, 71, 73, 75, §489.21; C77, 79, 81, §478.21]

94 Acts, ch 1136, §5; 2002 Acts, ch 1097, §3

**478.22 Action for violation.**

When the board determines that a person is in violation of this chapter, the board may commence an action in the district court of the county in which the violation is alleged to have occurred, for injunctive relief or other appropriate remedy.

[C24, 27, 31, 35, 39, §**8330;** C46, 50, 54, 58, 62, §489.21; C66, 71, 73, 75, §489.22; C77, 79, 81, §478.22]

91 Acts, ch 112, §1

**478.23 Prior franchises — legislative control.**

Any such franchise heretofore granted under previously existing law shall not be abrogated by the provisions of this chapter, but all such franchises and all franchises granted under the provisions of this chapter shall be subject to further legislative control.

[C24, 27, 31, 35, 39, §**8331;** C46, 50, 54, 58, 62, §489.22; C66, 71, 73, 75, §489.23; C77, 79, 81, §478.23]

**478.24 Violations.**

Any person, company or corporation constructing or undertaking to construct or maintain any electric transmission line, without first procuring a franchise for such purpose in accordance with the provisions of this chapter, shall be guilty of a serious misdemeanor; and for violating any of the other provisions of this chapter relating to electric transmission lines or disobeying any order or rule made by the utilities board in relation thereto, shall be guilty of a simple misdemeanor.

[S13, §1527-d; C24, 27, 31, 35, 39, §**8332;** C46, 50, 54, 58, 62, §489.23; C66, 71, 73, 75, §489.24; C77, 79, 81, §478.24]

**478.25 Wire crossing railroads — supervision.**

The utilities board shall have general supervision over any and all wires whatsoever crossing under or over any railway track and shall make rules prescribing the manner in which such wires shall cross such track; but in no case shall the board prescribe a less height for any wire than twenty-two feet above the top of the rails of any railroad track.

[S13, §2120-d, -e, -h; C24, 27, 31, 35, 39, §**8333;** C46, 50, 54, 58, 62, §489.24; C66, 71, 73, 75, §489.25; C77, 79, 81, §478.25]

**478.26 Wires across railroad right-of-way at highways.**

The utilities board shall prescribe the manner for the crossing of wires over and across railroad rights-of-way at highways and other places within the state.

[S13, §2120-i; C24, 27, 31, 35, 39, §**8334;** C46, 50, 54, 58, 62, §489.25; C66, 71, 73, 75, §489.26; C77, 79, 81, §478.26]

**478.27 Wires — how strung.**

No corporation or person shall place or string any such wire for transmitting electric current or any wire whatsoever across any track of a railroad except in the manner prescribed by the utilities board.

[S13, §2120-f; C24, 27, 31, 35, 39, §**8335;** C46, 50, 54, 58, 62, §489.26; C66, 71, 73, 75, §489.27; C77, 79, 81, §478.27]

**478.28 Examination of existing wires.**

The utilities board shall, either by personal examination or otherwise, obtain information where railroad tracks are crossed by wires contrary to, or not in compliance with, the rules prescribed by it. It shall order such change or changes to be made by the persons or corporations owning or operating such wires as may be necessary to make the same comply with said rules and within such reasonable time as it may prescribe.

[S13, §2120-g; C24, 27, 31, 35, 39, §**8336;** C46, 50, 54, 58, 62, §489.27; C66, 71, 73, 75, §489.28; C77, 79, 81, §478.28]

**478.29 Civil penalties.**

A person who violates a provision of this chapter is subject to a civil penalty, which may be levied by the board, of not more than one hundred dollars per violation or one thousand dollars per day of a continuing violation, whichever is greater. Civil penalties collected pursuant to this section shall be forwarded by the executive secretary of the board to the treasurer of state to be credited to the Iowa energy center created in section 266.39C.

Any civil penalty may be compromised by the board. In determining the amount of the penalty, or the amount agreed upon in compromise, the board shall consider the appropriateness of the penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance after notification of a violation.

[S13, §2120-j; C24, 27, 31, 35, 39, §**8337;** C46, 50, 54, 58, 62, §489.28; C66, 71, 73, 75, §489.29; C77, 79, 81, §478.29]

83 Acts, ch 127, §42; 91 Acts, ch 112, §2

**478.30 Crossing highway.**

Nothing in this chapter shall prevent any such individual or corporation having its high tension line on its own private right-of-way on both sides of any highway, from crossing such public highway under such rules and regulations as the utilities board may prescribe, and subject from time to time to legislative control as to duration and use.

[C24, 27, 31, 35, 39, §**8338;** C46, 50, 54, 58, 62, §489.29; C66, 71, 73, 75, §489.30; C77, 79, 81, §478.30]

**478.31 Temporary permits for lines less than one mile.**

Notwithstanding the provisions of section 478.1 any person, company or corporation proposing to construct an electric transmission line not exceeding one mile in length and

which does not involve the taking of property under the right of eminent domain may obtain a temporary construction permit from the utilities board by proceeding in the manner hereinafter set forth. Said person, company or corporation shall first file with the board a verified petition setting forth the requirements of section 478.3, subsection 1, paragraphs "*a*" through "*h*", with the further allegation that the petitioner is the nearest electric utility to the proposed point of service.

The petition shall also state that the filing thereof constitutes an application for a temporary construction permit and shall also have endorsed thereon the approval of the appropriate highway authority or railroad concerned if such line is to be constructed over, across or along a public highway or railroad.

Upon receipt of such petition the utilities board shall consider same and may grant a temporary construction permit in whole or in part or upon such terms, conditions and restrictions, and with such modifications as to location as may seem to it just and proper, however, no finding of public use will be made at the time of the issuance of the permit, such finding to be made, if substantiated by petitioner, at the subsequent consideration of the propriety of granting a franchise for the line subject to the permit. The signature of one utilities board member on such permit shall be sufficient. The issuance of such permit shall constitute temporary authority for the permit holder to construct the line for which the permit is granted.

Upon the granting of such temporary construction permit the utilities board shall cause the publication of notice required by section 478.5 and all other requirements shall be complied with as in the manner provided for the granting of a franchise. If a hearing is required then the petitioner shall make a sufficient and proper showing thereat before a franchise will be issued for the line. Any franchise issued will be subject to all applicable provisions of this chapter.

Notwithstanding anything foregoing, if the utilities board shall determine that a franchise should not be granted, or that further restrictions, conditions or modifications are required, or if the petitioner shall fail to make a sufficient and proper showing of the necessity for the granting of a franchise within six months of the granting of the temporary construction permit, the permit issued hereunder shall become null and void and the permit holder may be required to take such action deemed necessary by the board to remove, modify or relocate the construction undertaken by virtue of the temporary permit issued hereunder.

[C66, 71, 73, 75, §489.31; C77, 79, 81, §478.31]

**478.32 Rehearing — judicial review.**

Any person, company, or corporation aggrieved by the action of the utilities board in granting or failing to grant a franchise under the provisions of this chapter, shall be entitled to the rehearing procedure provided in section 476.12. Judicial review of actions of the board may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C71, 73, 75, §489.32; C77, 79, 81, §478.32]

2003 Acts, ch 44, §114

See §476.13

**478.33 Cancellation.**

A person seeking to acquire an easement or other property interest for the construction, maintenance or operation of an electric transmission line shall:

1. Allow the landowner or a person serving in a fiduciary capacity in the landowner's behalf to cancel any agreement granting an easement or other interest by certified mail with return requested to the company's principal place of business if received by the company within seven days, excluding Saturday and Sunday, of the date of the contract and inform the landowner or such fiduciary in writing of the right to cancel prior to the signing of the agreement by the landowner or such fiduciary.

2. Provide the landowner or a person serving in a fiduciary capacity in the landowner's behalf with a form in duplicate for the notice of cancellation.

3. Not record any agreement until after the period for cancellation has expired.

4. Not include in the agreement any waiver of the right to cancel in accordance with this section. The landowner or a person serving in a fiduciary capacity in the landowner's behalf may exercise the right of cancellation only once for each transmission line project.
[C81, §478.33]

**478.34 and 478.35** Reserved.

**478.36** Repealed by 92 Acts, ch 1103, § 11, 12. See chapter 480.

# CHAPTER 478A

## GAS LAMPS

478A.1 through 478A.6 Repealed by 82 Acts, ch 1163, §1.
478A.7 Decorative gas lamps.

**478A.1 through 478A.6** Repealed by 82 Acts, ch 1163, § 1.

**478A.7 Decorative gas lamps.**
1. Commencing January 1, 1979 a person shall not sell or offer for sale in this state a decorative gas lamp manufactured after December 31, 1978.
2. As used in this section *"decorative gas lamp"* means a device installed for the purpose of producing illumination by burning natural, mixed or liquid petroleum gas and utilizing either a mantle or an open flame, but does not include portable camp lanterns or gas lamps.
3. Persons convicted of violating this section shall be guilty of a simple misdemeanor.
4. Notwithstanding subsection 1, commencing January 1, 1990, a person may sell or offer for sale in this state a decorative gas lamp manufactured after December 31, 1978, if the utilities board within the utilities division of the department of commerce determines, after notice and an opportunity for interested persons to comment at an oral presentation, that the sale or offer for sale of decorative gas lamps does not violate the public interest.
[C79, 81, §478A.7]
89 Acts, ch 297, §14

# CHAPTER 479

## PIPELINES AND UNDERGROUND GAS STORAGE

Referred to in §6B.2A, 6B.42, 306A.3, 318.9, 428.24, 428.26, 428.28, 437A.3, 437A.5, 438.1, 438.2, 455B.471, 474.1, 474.9, 546.7


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**479.1 Purpose — applicability.**

It is the purpose of the general assembly in enacting this law to confer upon the utilities board the power and authority to supervise the transportation or transmission of any solid, liquid, or gaseous substance, except water, within or through this state by pipeline, whether specifically mentioned in this chapter or not, and the power and authority to supervise the underground storage of gas, to protect the safety and welfare of the public in its use of public or private highways, grounds, waters, and streams of any kind in this state. However, this chapter does not apply to interstate natural gas or hazardous liquid pipelines, pipeline companies, and underground storage, as these terms are defined in chapters 479A and 479B.

[C35, §8338-f14; C39, §**8338.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.1; C77, 79, 81, §479.1]

88 Acts, ch 1074, §27; 95 Acts, ch 192, §5

**479.2 Definitions.**

As used in this chapter:

1. *"Board"* means the utilities board within the utilities division of the department of commerce.

2. *"Pipeline"* means a pipe, pipes, or pipelines used for the transportation or transmission of a solid, liquid, or gaseous substance, except water, within or through this state. However, the term does not include interstate pipe, pipes, or pipelines used for the transportation or transmission of natural gas or hazardous liquids.

3. *"Pipeline company"* means a person engaged in or organized for the purpose of owning, operating, or controlling pipelines for the transportation or transmission of any solid, liquid, or gaseous substance, except water, within or through this state. However, the term does not include a person owning, operating, or controlling interstate pipelines for the transportation or transmission of natural gas or hazardous liquids.

4. *"Underground storage"* means storage of gas in a subsurface stratum or formation of the earth.

[C31, §8338-d1; C35, §8338-f15; C39, §**8338.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.2; C77, 79, 81, §479.2]

88 Acts, ch 1074, §28; 95 Acts, ch 192, §6

Referred to in §352.6

**479.3 Conditions attending operation.**

No pipeline company shall construct, maintain or operate any pipeline or lines under, along, over or across any public or private highways, grounds, waters or streams of any kind in this state except in accordance with the provisions of this chapter.

[C31, §8338-d2; C35, §8338-f16; C39, §**8338.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.3; C77, 79, 81, §479.3]

**479.4 Dangerous construction — inspection.**

The board is vested with power and authority and it shall be its duty to supervise all pipelines and underground storage and pipeline companies and shall from time to time inspect and examine the construction, maintenance and the condition of said pipelines and underground storage facilities and whenever said board shall determine that any pipeline and underground storage facilities or any apparatus, device or equipment used in connection therewith is unsafe and dangerous it shall immediately in writing notify said pipeline company, constructing or operating said pipeline and underground storage facilities, device, apparatus or other equipment to repair or replace any defective or unsafe part or portion of said pipeline and underground storage facilities, device, apparatus or equipment.

All faulty construction, as determined by the inspector, shall be repaired immediately by the contractor operating for the pipeline company and the cost of such repairs shall be paid by said contractor. If such repairs are not made by contractor, the board shall proceed to collect under the provisions of section 479.26.

[C31, §8338-d29; C35, §8338-f17; C39, §**8338.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.4; C77, 79, 81, §479.4]

See also §479.29

**479.5 Application for permit.**

A pipeline company doing business in this state shall file with the board its verified petition asking for a permit to construct, maintain and operate its pipeline or lines along, over or across the public or private highways, grounds, waters and streams of any kind of this state. Any pipeline company now owning or operating a pipeline in this state shall be issued a permit by the board upon supplying the information as provided for in section 479.6.

A pipeline company doing business in this state and proposing to engage in underground storage of gas within this state shall file with the board its verified petition asking for a permit to construct, maintain and operate facilities for the underground storage of gas to include the construction, placement, maintenance and operation of machinery, appliances, fixtures, wells, pipelines, and stations necessary for the construction, maintenance and operation of the gas underground storage facilities.

A pipeline company shall hold informational meetings in each county in which real property or property rights will be affected at least thirty days prior to filing the petition for a new pipeline. A member of the board or a person designated by the board shall serve as the presiding officer at each meeting, shall present an agenda for the meeting which shall include a summary of the legal rights of the affected landowners, and shall distribute and review the statement of individual rights required under section 6B.2A. A formal record of the meeting shall not be required.

The meeting shall be held at a location reasonably accessible to all persons, companies, or corporations which may be affected by the granting of the permit.

The pipeline company seeking the permit for a new pipeline shall give notice of the informational meeting to each person determined to be a landowner affected by the proposed project and each person in possession of or residing on the property. For the purposes of the informational meeting, *"landowner"* means a person listed on the tax assessment rolls

as responsible for the payment of real estate taxes imposed on the property and *"pipeline"* means a line transporting a solid, liquid, or gaseous substance, except water, under pressure in excess of one hundred fifty pounds per square inch and extending a distance of not less than five miles or having a future anticipated extension of an overall distance of five miles.

The notice shall set forth the name of the applicant; the applicant's principal place of business; the general description and purpose of the proposed project; the general nature of the right-of-way desired; the possibility that the right-of-way may be acquired by condemnation if approved by the utilities board; a map showing the route of the proposed project; a description of the process used by the utilities board in making a decision on whether to approve a permit including the right to take property by eminent domain; that the landowner has a right to be present at such meeting and to file objections with the board; and a designation of the time and place of the meeting. The notice shall be served by certified mail with return receipt requested not less than thirty days previous to the time set for the meeting, and shall be published once in a newspaper of general circulation in the county. The publication shall be considered notice to landowners whose residence is not known and to each person in possession of or residing on the property provided a good faith effort to notify can be demonstrated by the pipeline company.

A pipeline company seeking rights under this chapter shall not negotiate or purchase any easements or other interests in land in any county known to be affected by the proposed project prior to the informational meeting.

[C31, §8338-d3; C35, §8338-f18; C39, §**8338.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.5; C77, 79, 81, §479.5]

88 Acts, ch 1074, §29; 95 Acts, ch 192, §7; 2000 Acts, ch 1179, §24, 30

Referred to in §6B.2A, 479.30

**479.6 Petition.**

Said petition shall state:

1. The name of the individual, firm, corporation, company, or association asking for said permit.

2. The applicant's principal office and place of business.

3. A legal description of the route of said proposed line or lines, together with a map thereof.

4. A general description of the public or private highways, grounds and waters, streams and private lands of any kind along, over or across which said proposed line or lines will pass.

5. The specifications of material and manner of construction.

6. The maximum and normal operating pressure under which it is proposed to transport any solid, liquid, or gaseous substance, except water.

7. If permission is sought to construct, maintain and operate facilities for the underground storage of gas said petition shall include the following information in addition to that stated above:

*a.* A description of the public or private highways, grounds and waters, streams and private lands of any kind under which such storage is proposed, together with a map thereof.

*b.* Maps showing the location of proposed machinery, appliances, fixtures, wells and stations necessary for the construction, maintenance and operation of such gas underground storage facilities.

8. The possible use of alternative routes.

9. The relationship of the proposed project to the present and future land use and zoning ordinances.

10. The inconvenience or undue injury which may result to property owners as a result of the proposed project.

11. By affidavit, that informational meetings were held in each county which the proposed project will affect and the time and place of each meeting.

[C31, §8338-d4; C35, §8338-f19; C39, §**8338.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.6; C77, 79, 81, §479.6]

Referred to in §479.5, 479.23

**479.7 Hearing — notice.**

Upon the filing of said petition the board shall fix a date for hearing thereon and shall cause notice thereof to be published in some newspaper of general circulation in each county through which said proposed line or lines or gas storage facilities will extend; said notice to be published for two consecutive weeks.

Where a petition seeks the use of the right of eminent domain over specific parcels of real property, the board shall prescribe the notice to be served upon the owners of record and parties in possession of the property over which the use of the right of eminent domain is sought. The notice shall include the statement of individual rights required pursuant to section 6B.2A.

[C31, §8338-d5; C35, §8338-f20; C39, §**8338.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.7; C77, 79, 81, §479.7]

2000 Acts, ch 1179, §25, 30

**479.8 Time and place.**

The hearing shall not be less than ten days nor more than thirty days from the date of the last publication and where the proposed new pipeline would operate under pressure exceeding one hundred fifty pounds per square inch and exceed five miles in length, shall be held in the county seat of the county located at the midpoint of the proposed line or lines or the county in which the proposed gas storage facility would be located.

[C31, §8338-d6; C35, §8338-f21; C39, §**8338.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.8; C77, 79, 81, §479.8; 81 Acts, ch 159, §10]

**479.9 Objections.**

Any person, corporation, company or city whose rights or interests may be affected by said pipeline or lines or gas storage facilities may file written objections to said proposed pipeline or lines or gas storage facilities or to the granting of said permit.

[C31, §8338-d7; C35, §8338-f22; C39, §**8338.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.9; C77, 79, 81, §479.9]

**479.10 Filing.**

All such objections shall be on file in the office of said board not less than five days before the date of hearing on said application but said board may permit the filing of said objections later than five days before said hearing, in which event the applicant must be granted a reasonable time to meet said objections.

[C31, §8338-d8; C35, §8338-f23; C39, §**8338.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.10; C77, 79, 81, §479.10]

**479.11 Examination — testimony.**

The said board may examine the proposed route of said pipeline or lines and location of said gas storage area, or may cause such examination to be made by an engineer selected by it. At said hearing the said board shall consider said petition and any objections filed thereto and may in its discretion hear such testimony as may aid it in determining the propriety of granting such permit.

[C31, §8338-d9; C35, §8338-f24; C39, §**8338.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.11; C77, 79, 81, §479.11]

**479.12 Final order — condition.**

The board may grant a permit in whole or in part upon terms, conditions, and restrictions as to safety requirements and as to location and route as determined by it to be just and proper. Before a permit is granted to a pipeline company, the board, after a public hearing as provided in this chapter, shall determine whether the services proposed to be rendered will

promote the public convenience and necessity, and an affirmative finding to that effect is a condition precedent to the granting of a permit.

[C31, §8338-d10; C35, §8338-f25; C39, §**8338.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.12; C77, 79, 81, §479.12]

88 Acts, ch 1074, §30

Referred to in §479.18

**479.13 Costs and fees.**

The applicant shall pay all costs of the informational meetings, hearing, and necessary preliminary investigation including the cost of publishing notice of hearing, and shall pay the actual unrecovered costs directly attributable to construction inspections conducted by the board or the board's designee.

[C31, §8338-d11, -d12; C35, §8338-f26; C39, §**8338.34;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.13; C77, 79, 81, §479.13]

88 Acts, ch 1074, §31

**479.14 Inspection fee.**

A pipeline company shall pay an annual inspection fee of fifty cents per mile of pipeline or fraction thereof for each inch of diameter of the pipeline located in the state, the inspection fee to be paid to the board for the calendar year in advance between January 1 and February 1 of each year.

[C31, §8338-d13; C35, §8338-f27; C39, §**8338.35;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.14; C77, 79, 81, §479.14]

88 Acts, ch 1074, §32

**479.15 Failure to pay.**

It shall be the duty of the board to collect all inspection fees provided in this chapter, and failure to pay any such inspection fee within thirty days after the time the same shall become due shall be cause for revocation of the permit.

[C35, §8338-f28; C39, §**8338.36;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.15; C77, 79, 81, §479.15]

**479.16 Receipt of funds.**

All moneys received under this chapter shall be remitted monthly to the treasurer of state and credited to the department of commerce revolving fund created in section 546.12 as provided in section 476.10.

[C31, §8338-d14; C35, §8338-f29, -f30; C39, §**8338.37, 8338.38;** C46, 50, 54, 58, 62, 66, 71, §490.16, 490.17; C73, 75, §490.17; C77, 79, 81, §479.16]

87 Acts, ch 234, §432; 94 Acts, ch 1107, §83; 2009 Acts, ch 181, §54

Referred to in §476.10

**479.17 Rules.**

The said board shall have full authority and power to promulgate such rules as it deems proper and expedient to insure the orderly conduct of the hearings herein provided for and also to prescribe rules for the enforcement of this chapter.

[C31, §8338-d15; C35, §8338-f31; C39, §**8338.39;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.18; C77, 79, 81, §479.17]

**479.18 Permit.**

The board shall prepare and issue any permit granted in accordance with section 479.12. Said permit shall show the name and address of the pipeline company to which it is issued and identify by reference thereto the decision and order of the board under which said permit is issued. It shall be signed by the chairperson of the board and the official seal of the board shall be affixed thereto.

[C31, §8338-d16; C35, §8338-f32; C39, §**8338.40;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.19; C77, 79, 81, §479.18]

**479.19 Limitation on grant.**

No exclusive right shall ever be granted to any pipeline company to construct, maintain, and operate its pipeline or lines along, over or across any public highway, grounds or waters and no such permit shall ever be granted for a longer period than twenty-five years.

[C31, §8338-d17; C35, §8338-f33; C39, §**8338.41;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.20; C77, 79, 81, §479.19]

**479.20 Sale of permit.**

No permit shall be sold until the sale is approved by the board.

[C35, §8338-f34; C39, §**8338.42;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.21; C77, 79, 81, §479.20]

**479.21 Transfer of permit.**

If a transfer of such permit is made before the construction for which it was issued is completed in whole or in part such transfer shall not be effective until the person, company or corporation to whom it was issued shall file in the office of said board a notice in writing stating the date of such transfer and the name and address of said transferee.

[C31, §8338-d11; C35, §8338-f35; C39, §**8338.43;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.22; C77, 79, 81, §479.21]

**479.22 Records.**

The board shall keep a record of all permits granted and issued by it, showing when and to whom issued and the location and route of said pipeline or lines or gas storage area covered thereby. When any transfer of such permit has been made as provided in this chapter the said board shall also note upon its record the date of such transfer and the name and address of such transferee.

[C31, §8338-d20; C35, §8338-f36; C39, §**8338.44;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.23; C77, 79, 81, §479.22]

**479.23 Extension of permit.**

A pipeline company may petition the board for the extension of a permit granted under this chapter by filing a petition containing the information required by section 479.6, subsections 1 through 4, 6, and 7, and section 479.26.

[C31, §8338-d22; C35, §8338-f37; C39, §**8338.45;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.24; C77, 79, 81, §479.23]

95 Acts, ch 192, §8

**479.24 Eminent domain.**

A pipeline company granted a pipeline permit under this chapter shall be vested with the right of eminent domain* to the extent necessary and as prescribed and approved by the board, not exceeding seventy-five feet in width for right-of-way and not exceeding one acre in any one location in addition to right-of-way for the location of pumps, pressure apparatus, or other stations or equipment necessary to the proper operation of its pipeline. The board may grant additional eminent domain rights where the pipeline company has presented sufficient evidence to adequately demonstrate that a greater area is required for the proper construction, operation, and maintenance of the pipeline or for the location of pumps, pressure apparatus, or other stations or equipment necessary to the proper operation of its pipeline.

A pipeline company having secured a permit for underground storage of gas shall be vested with the right of eminent domain to the extent necessary and as prescribed and approved by the board in order to appropriate for its use for the underground storage of gas any subsurface stratum or formation in any land which the board shall have found to be suitable and in the public interest for the underground storage of gas, and may appropriate other interests in property, as may be required to adequately examine, prepare, maintain, and operate the underground gas storage facilities. This chapter does not authorize the construction of a pipeline longitudinally on, over or under any railroad right-of-way or public highway, or

at other than an approximate right angle to a railroad track or public highway without the consent of the railroad company, the state department of transportation, or the county board of supervisors, and this chapter does not authorize or give the right of condemnation or eminent domain for such purposes.

[C31, §8338-d23; C35, §8338-f38; C39, §**8338.46;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.25; C77, 79, 81, §479.24]

95 Acts, ch 192, §9

*See 253 Iowa 1143

Eminent domain, chapters 6A and 6B

**479.25 Damages.**

A pipeline company operating a pipeline or a gas storage area shall have reasonable access to the pipeline or gas storage area for the purpose of constructing, operating, maintaining, or locating pipes, pumps, pressure apparatus or other stations, wells, devices, or equipment used in or upon the pipeline or gas storage area; shall pay the owner of the land for the right of entry and the owner of crops for all damages caused by entering, using, or occupying the land; and shall pay to the owner all damages caused by the completion of construction of the pipeline due to wash or erosion of the soil at or along the location of the pipeline and due to the settling of the soil along and above the pipeline. However, this section shall not prevent the execution of an agreement between the pipeline company and the owner of land or crops with reference to the use of the land.

[C31, §8338-d26; C35, §8338-f39; C39, §**8338.47;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.26; C77, 79, 81, §479.25]

95 Acts, ch 192, §10

**479.26 Financial condition of permittee — bond.**

Before any permit is granted under this chapter the applicant must satisfy the board that the applicant has property within this state other than pipelines, subject to execution of a value in excess of two hundred fifty thousand dollars, or the applicant must file and maintain with the board a surety bond in the penal sum of two hundred fifty thousand dollars with surety approved by the board, conditioned that the applicant will pay any and all damages legally recovered against it growing out of the construction or operation of its pipeline and gas storage facilities in the state of Iowa. When the pipeline company deposits with the board security satisfactory to the board as a guaranty for the payment of the damages, or furnishes to the board satisfactory proofs of its solvency and financial ability to pay the damages, the pipeline company is relieved of the provisions requiring bond.

[C31, §8338-d27; C35, §8338-f40; C39, §**8338.48;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.27; C77, 79, 81, §479.26; 81 Acts, ch 159, §11]

Referred to in §479.4, 479.23

**479.27 Venue.**

In all cases arising under this chapter, the district court of any county in which property of a pipeline company is located shall have jurisdiction.

[C31, §8338-d28; C35, §8338-f41; C39, §**8338.49;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.28; C77, 79, 81, §479.27]

95 Acts, ch 192, §11

**479.28 Orders — enforcement.**

If said pipeline company fails to obey an order within a time prescribed by the said board the said board may commence an equitable action in the district court of the county where said defective, unsafe, or dangerous portion of said pipeline, device, apparatus or equipment is located to compel compliance with its said order. If, after due trial of said action the court finds that said order is reasonable, equitable and just, it shall decree a mandatory injunction compelling obedience to and compliance with said order and may grant such other relief as

may be just and proper. Appeal from said decree may be taken in the same manner as in other actions.

[C31, §8338-d30; C35, §8338-f42; C39, §**8338.50;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §490.29; C77, 79, 81, §479.28]

Appeal in civil actions, chapter 625A

**479.29 Land restoration.**

1. The board shall, pursuant to chapter 17A, adopt rules establishing standards for the restoration of agricultural lands during and after pipeline construction. In addition to the requirements of section 17A.4, the board shall distribute copies of the notice of intended action and opportunity for oral presentations to each county board of supervisors. Any county board of supervisors may, under the provisions of chapter 17A, and subsequent to the rulemaking proceedings, petition under those provisions for additional rulemaking to establish standards for land restoration after pipeline construction within that county. Upon the request of the petitioning county, the board shall schedule a hearing to consider the merits of the petition. Rules adopted under this section shall not apply to land located within city boundaries unless the land is used for agricultural purposes. Rules adopted under this section shall address, but are not limited to, all of the following subject matters:

*a.* Topsoil separation and replacement.

*b.* Temporary and permanent repair to drain tile.

*c.* Removal of rocks and debris from the right-of-way.

*d.* Restoration of areas of soil compaction.

*e.* Restoration of terraces, waterways, and other erosion control structures.

*f.* Revegetation of untilled land.

*g.* Future installation of drain tile or soil conservation structures.

*h.* Restoration of land slope and contour.

*i.* Restoration of areas used for field entrances and temporary roads.

*j.* Construction in wet conditions.

*k.* Designation of a pipeline company point of contact for landowner inquiries or claims.

2. The county board of supervisors shall cause an on-site inspection for compliance with the standards adopted under this section to be performed at any pipeline construction project in the county. A professional engineer familiar with the standards adopted under this section and licensed under chapter 542B shall be responsible for the inspection. A county board of supervisors may contract for the services of a licensed professional engineer for the purposes of the inspection. The reasonable costs of the inspection shall be borne by the pipeline company.

3. If the inspector determines that there has been a violation of the standards adopted under this section, of the land restoration plan, or of an independent agreement on land restoration or line location executed in accordance with subsection 10, the inspector shall give oral notice, followed by written notice, to the pipeline company and the contractor operating for the pipeline company and order corrective action to be taken in compliance with the standards. The costs of the corrective action shall be borne by the contractor operating for the pipeline company.

4. An inspector shall adequately inspect underground improvements altered during construction of pipeline. An inspection shall be conducted at the time of the replacement or repair of the underground improvements. An inspector shall be present on the site at all times at each phase and separate activity of the opening of the trench, the restoration of underground improvements, and backfilling. The pipeline company and its contractor shall keep an inspector continually informed of the work schedule and any schedule changes. If proper notice is given, construction shall not be delayed due to an inspector's failure to be present on the site.

5. If the pipeline company or its contractor does not comply with the requirements of this section, with the land restoration plan, or with an independent agreement on land restoration or line location executed in accordance with subsection 10, the county board of supervisors may petition the board for an order requiring corrective action to be taken. In addition, the

county board of supervisors may file a complaint with the board seeking imposition of civil penalties pursuant to section 479.31.

6. The pipeline company shall allow landowners and the inspector to view the proposed center line of the pipeline prior to commencing trenching operations to insure that construction takes place in its proper location.

7. An inspector may temporarily halt the construction if the construction is not in compliance with this chapter and the standards adopted pursuant to this chapter, the land restoration plan, or the terms of an independent agreement with the pipeline company regarding land restoration or line location executed in accordance with subsection 10, until the inspector consults with the supervisory personnel of the pipeline company.

8. The board shall instruct inspectors appointed by the board of supervisors regarding the content of the statutes and rules and the inspectors' responsibility to require construction conforming with the standards provided by this chapter.

9. Petitioners for a permit for pipeline construction shall file with the petition a written land restoration plan showing how the requirements of this section, and of rules adopted pursuant to this section, will be met. The petitioners shall provide copies of the plan to all landowners of property that will be disturbed by the construction.

10. This section does not preclude the application of provisions for protecting or restoring property that are different than those prescribed in this section, in rules adopted pursuant to this section, or in the land restoration plan, if the alternative provisions are contained in agreements independently executed by the pipeline company and landowner, and if the alternative provisions are not inconsistent with state law or with rules adopted by the board. Independent agreements on land restoration or line location between the landowner and pipeline company shall be in writing and a copy provided to the county inspector.

11. For purposes of this section, "*construction*" includes the removal of a previously constructed pipeline.

12. The requirements of this section shall apply only to pipeline construction projects commenced on or after June 1, 1999.

[C73, 75, 77, 79, §479.4; C81, §479.29; 81 Acts, ch 159, §12, 13]

95 Acts, ch 192, §12; 99 Acts, ch 85, §1, 11; 2007 Acts, ch 126, §85; 2008 Acts, ch 1032, §64

Referred to in §331.303

**479.30 Entry for land surveys.**

After the informational meeting or after the filing of a petition if no informational meeting is required, a pipeline company may enter upon private land for the purpose of surveying and examining the land to determine the direction or depth of a pipeline by giving ten days' written notice by restricted certified mail to the landowner as defined in section 479.5 and to any person residing on or in possession of the land. The entry for land surveys authorized in this section shall not be deemed a trespass and may be aided by injunction. The pipeline company shall pay the actual damages caused by the entry, survey, and examination.

[C81, §479.30]

95 Acts, ch 192, §13

**479.31 Civil penalty.**

1. A person who violates this chapter or any rule or order issued pursuant to this chapter shall be subject to a civil penalty levied by the board not to exceed one hundred thousand dollars for each violation. Each day that the violation continues shall constitute a separate offense. However, the maximum civil penalty shall not exceed one million dollars for any related series of violations. Civil penalties collected pursuant to this section shall be credited to and are appropriated for the Iowa energy center created in section 266.39C.

2. Any civil penalty may be compromised by the board. In determining the amount of the penalty, or the amount agreed upon in compromise, the appropriateness of the penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation, shall be considered. The amount of the penalty, when finally determined, or the amount agreed upon

in compromise, may be deducted from any sums owed by the state to the person charged, or may be recovered in a civil action.

[C71, 73, 75, §490.31; C77, 79, §479.29; C81, §479.31]

91 Acts, ch 112, §3; 95 Acts, ch 192, §14; 2013 Acts, ch 2, §1

Referred to in §479.29

Unnumbered paragraph 1 amended and editorially designated as subsection 1 and former unnumbered paragraph 2 editorially designated as subsection 2

**479.32 Rehearing — judicial review.**

Rehearing procedure for any person, company or corporation aggrieved by the action of the board in granting or failing to grant a permit under the provisions of this chapter shall be as provided in section 476.12. Judicial review may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C71, 73, 75, §490.32; C77, 79, §479.30; C81, §479.32]

2003 Acts, ch 44, §114

See §476.13

**479.33 Authorized federal aid.**

The board may enter into agreements with and receive moneys from the United States department of transportation for the inspection of pipelines to determine compliance with applicable standards of pipeline safety, and for enforcement of the applicable standards of pipeline safety as provided by Pub. L. No. 103-272, as codified in 49 U.S.C. § 60101 – 60125.

[C71, 73, 75, §490.33; C77, 79, §479.31; C81, §479.33]

88 Acts, ch 1074, §33; 95 Acts, ch 49, §13

**479.34 Cancellation.**

A person seeking to acquire an easement or other property interest for the construction, maintenance or operation of a pipeline shall:

1. Allow the landowner or a person serving in a fiduciary capacity in the landowner's behalf to cancel an agreement granting an easement or other interest by certified mail with return requested to the company's principal place of business if received by the company within seven days, excluding Saturday and Sunday, of the date of the contract and inform the landowner or such fiduciary in writing of the right to cancel prior to the signing of the agreement by the landowner or such fiduciary.

2. Provide the landowner or a person serving in a fiduciary capacity in the landowner's behalf with a form in duplicate for the notice of cancellation.

3. Not record any agreement until after the period for cancellation has expired.

4. Not include in the agreement any waiver of the right to cancel in accordance with this section. The landowner or a person serving in a fiduciary capacity in the landowner's behalf may exercise the right of cancellation only once for each pipeline project.

[C81, §479.34]

**479.35 through 479.40** Reserved.

**479.41 Arbitration agreements.**

If an easement or other written agreement between a landowner and a pipeline company provides for the determination through arbitration of the amount of monetary damages sustained by a landowner and caused by the construction, maintenance, or repair of a pipeline, and if either party has not appointed its arbitrator or agreed to an arbitrator under the agreement within thirty days after the other party has invoked the arbitration provisions of the agreement by written notice to the other party by restricted certified mail, the landowner or the pipeline company may petition a judicial magistrate in the county where the real property is located for the appointment of an arbitrator to serve in the stead of the arbitrator who would have been appointed or agreed to by the other party. Before filing the petition the landowner or pipeline company shall give notice of the petitioning of the judicial magistrate by restricted certified mail to the other party and file proof of mailing with the petition. If after hearing, the magistrate finds that the landowner or pipeline

company has not been diligent in appointing or reasonable in agreeing to an arbitrator, the magistrate shall appoint an impartial arbitrator who shall have all of the powers and duties of an arbitrator appointed or agreed to by the other party under the agreement.

For purposes of this section only, *"landowner"* means the persons who signed the easement or other written agreement, their heirs, successors, and assigns.

[81 Acts, ch 159, §2, 3]
95 Acts, ch 192, §15

**479.42 Subsequent pipelines.**

A pipeline company shall not install a subsequent pipeline upon its existing easement when a damage claim from the installation of its previous pipeline on that easement has not been resolved, unless the damage claim is under litigation, arbitration, or a proceeding pursuant to section 479.46.

With the exception of claims for damage to drain tile and future crop deficiency, for this section to apply, landowners and tenants must submit in writing their claims for damages caused by installation of the pipeline within one year of final cleanup on the real property.

[81 Acts, ch 159, §2, 4]
95 Acts, ch 192, §16

**479.43 Damage agreement.**

A pipeline company shall not install a pipeline until there is a written statement on file with the board as to how damages resulting from the construction of the pipeline shall be determined and paid, except in cases of eminent domain. The company shall provide a copy of the statement to the landowner.

[81 Acts, ch 159, §2, 5]

**479.44 Negotiated fee.**

In lieu of a one-time lump sum payment for an easement or other property interest allowing a pipeline to cross the property, a landowner and the pipeline company may negotiate an annual fee, to be paid over a fixed number of years. Unless the easement provides otherwise, the annual fee shall run with the land and shall be payable to the owner of record.

[81 Acts, ch 159, §2, 6]

**479.45 Particular damage claims.**

1. Compensable losses shall include, but are not limited to, all of the following:

*a.* Loss or reduced yield of crops or forage on the pipeline right-of-way, whether caused directly by construction or from disturbance of usual farm operations.

*b.* Loss or reduced yield of crops or yield from land near the pipeline right-of-way resulting from lack of timely access to the land or other disturbance of usual farm operations, including interference with irrigation.

*c.* Fertilizer, lime, or organic material applied by the landowner to restore land disturbed by construction to full productivity.

*d.* Loss of or damage to trees of commercial or other value that occurs at the time of construction, restoration, or at the time of any subsequent work by the pipeline company.

*e.* The cost of or losses in moving or relocating livestock, and the loss of gain by or the death or injury of livestock caused by the interruption or relocation of normal feeding.

*f.* Erosion on lands attributable to pipeline construction.

*g.* Damage to farm equipment caused by striking a pipeline, debris, or other material reasonably associated with pipeline construction while engaged in normal farming operations as defined in section 480.1.

2. A claim for damage for future crop deficiency within the easement strip shall not be precluded from renegotiation under section 6B.52 on the grounds that it was apparent at the time of settlement unless the settlement expressly releases the pipeline company from claims

for damage to the productivity of the soil. The landowner shall notify the company in writing fourteen days prior to harvest in each year to assess crop deficiency.

[81 Acts, ch 159, §2, 7]

99 Acts, ch 85, §2, 11

**479.46 Determination of installation damages.**

1. The county board of supervisors shall determine when installation of a pipeline has been completed in that county for the purposes of this section. Not less than ninety days after the completion of installation, and if an agreement cannot be made as to damages, a landowner whose land was affected by the installation of the pipeline or a pipeline company may file with the board of supervisors a petition asking that a compensation commission determine the damages arising from the installation of the pipeline.

2. *a.* If the board of supervisors by resolution approves the petition, the landowner or pipeline company shall commence the proceeding by filing an application with the chief judge of the judicial district of the county for the appointment of a compensation commission as provided in section 6B.4.

*b.* The application shall contain the following:

(1) The name and address of the applicant and a description of the land on which the damage is claimed to have occurred.

(2) A description of the nature of the damage claimed to have occurred and the amount of the damage claimed.

(3) The name and address of the pipeline company claimed to have caused the damage or the name and address of the affected landowner.

3. *a.* After the commissioners have been appointed, the applicant shall serve notice on the pipeline company or the landowner stating the following:

(1) That a compensation commission has been appointed to determine the damages caused by the installation of the pipeline.

(2) The name and address of the applicant and a description of the land on which the damage is claimed to have occurred.

(3) The date, time, and place when the commissioners will view the premises and proceed to appraise the damages and that the pipeline company or the landowner may appear before the commissioners.

*b.* If more than one landowner petitions the county board of supervisors, the application to the chief judge, notice to the pipeline company, and appraisement of damages shall be consolidated into one application, notice, and appraisement. The county attorney may assist in coordinating the consolidated application and notice, but does not become an attorney for the landowners by doing so.

4. The commissioners shall view the land at the time provided in the notice and assess the damages sustained by the landowner by reason of the installation of the pipeline and they shall file their report with the sheriff. The appraisement of damages returned by the commissioners is final unless appealed. After the appraisement of damages has been delivered to the sheriff by the compensation commission, the sheriff shall give written notice by ordinary mail to the pipeline company and the landowner of the date the appraisement of damages was made, the amount of the appraisement, and that any interested party may appeal to the district court within thirty days of the date of mailing. The sheriff shall endorse the date of mailing of notice on the original appraisement of damages. At the time of appeal, the appealing party shall give written notice to the adverse party or the party's attorney and the sheriff.

5. Chapter 6B applies to this section to the extent it is applicable and consistent with this section.

6. The pipeline company shall pay all costs of the assessment made by the commissioners and reasonable attorney fees and costs incurred by the landowner as determined by the commissioners if the award of the commissioners exceeds one hundred ten percent of the final offer of the pipeline company prior to the determination of damages; if the award does not exceed one hundred ten percent, the landowners shall pay the fees and costs incurred by the pipeline company. The pipeline company shall file with the sheriff an affidavit setting

forth the most recent offer made to the landowner. Commissioners shall receive a per diem of fifty dollars and actual and necessary expenses incurred in the performance of their official duties. The pipeline company shall also pay all costs occasioned by the appeal, including reasonable attorney fees to be taxed by the court, unless on the trial of the appeal the same or a lesser amount of damages is awarded than was allowed by the commission from which the appeal was taken.

7. As used in this section, *"damages"* means compensation for damages to the land, crops, and other personal property caused by the construction activity of installing a pipeline and its attendant structures but does not include compensation for a property interest, and *"landowner"* includes a farm tenant.

8. The provisions of this section do not apply if the easement provides for any other means of negotiation or arbitration.

[81 Acts, ch 159, §2, 8]

95 Acts, ch 192, §17; 2000 Acts, ch 1179, §26, 30; 2011 Acts, ch 25, §143

Referred to in §479.42

**479.47 Subsequent tiling.**

All additional costs of new tile construction caused by an existing pipeline shall be paid by the pipeline company. To receive compensation under this section, the landowner or agent of the landowner shall either present an invoice specifying the additional costs caused by the presence of the pipeline which is accompanied by a written verification of the additional costs by the county engineer or soil and water conservation district conservationist or reach an agreement with the pipeline company on the project design and share of the cost to be paid by the pipeline company during the planning of the tiling project.

[81 Acts, ch 159, §2, 9]

83 Acts, ch 128, §1, 2; 87 Acts, ch 23, §56; 92 Acts, ch 1103, §9; 95 Acts, ch 192, §18

Referred to in §479.48

**479.48 Reversion on nonuse.**

1. If a pipeline right-of-way, or any part of a pipeline right-of-way, is wholly abandoned for pipeline purposes by the relocation of the pipeline, is not used or operated for a period of five consecutive years, or if the construction of the pipeline has been commenced and work has ceased and has not in good faith resumed for five years, the right-of-way may revert as provided in this section to the person who, at the time of the abandonment or nonuse, is the owner of the tract from which such right-of-way was taken. For purposes of this section, a pipeline or a pipeline right-of-way is not considered abandoned or unused if it is transporting product or is being actively maintained with reasonable anticipation of a future use.

2. To effect a reversion on nonuse of right-of-way, the owner or holder of purported fee title to such real estate shall serve notice upon the owner of such right-of-way easement and, if filed of record, successors in interest and upon any party in possession of the real estate. The written notice shall accurately describe the real estate and easement in question, set out the facts concerning ownership of the fee, ownership of the right-of-way easement, and the period of abandonment or nonuse, and notify the parties that such reversion shall be complete and final, and that the easement or other right shall be forfeited, unless the parties shall, within one hundred twenty days after the completed service of notice, file an affidavit with the county recorder of the county in which the real estate is located disputing the facts contained in the notice.

3. The notice shall be served in the same manner as an original notice under the Iowa rules of civil procedure, except that when notice is served by publication an affidavit shall not be required before publication. If an affidavit disputing the facts contained in the notice is not filed within one hundred twenty days, the party serving the notice may file for record in the office of the county recorder a copy of the notice with proofs of service attached and endorsed, and when so recorded, the record shall be constructive notice to all persons of the abandonment, reversion, and forfeiture of such right-of-way.

4. Upon reversion of the easement, the landowner may require the pipeline company to

remove any pipe or pipeline facility remaining on the property. Provisions of this chapter relating to damages shall apply when the pipeline is removed.

5. Unless otherwise agreed to in writing by the landowner and the pipeline company, if a pipeline right-of-way is abandoned for pipeline use, but the pipe is not removed from the right-of-way, the pipeline company shall remain subject to section 479.49, shall remain responsible for the additional costs of subsequent tiling as provided for in section 479.47, shall mark the location of the line in response to a notice of proposed excavation in accordance with chapter 480, and shall remain subject to the damage provisions of this chapter in the event access to or excavation relating to the pipe is required. The landowner shall provide reasonable access to the pipeline in order to carry out the responsibilities of this subsection.

99 Acts, ch 85, §3, 11; 2000 Acts, ch 1139, §1

**479.49 Farmland improvements.**

A landowner or contractor may require a representative of the pipeline company to be present on site, at no charge to the landowner, at all times during each phase and separate activity related to a farmland improvement within fifty feet of either side of a pipeline. If the pipeline company and the landowner or contractor constructing the farmland improvement mutually agree that a representative of the pipeline company is not required to be present, the requirements of this section are waived in relation to the farmland improvement which would have otherwise made the requirements of this section applicable. A farmland improvement includes, but is not limited to, the terracing of farmland and tiling.

2000 Acts, ch 1139, §2

Referred to in §479.48

# CHAPTER 479A

## INTERSTATE NATURAL GAS PIPELINES

Referred to in §6B.42, 474.1, 474.9, 479.1, 546.7


479A.1 Purpose.
479A.2 Definitions.
479A.3 Conditions attending operation. Repealed by 2005 Acts, ch 32, §3.
479A.4 Construction inspection.
479A.5 Notice prior to construction. Repealed by 2005 Acts, ch 32, §3.
479A.6 Cost of construction inspection. Repealed by 2005 Acts, ch 32, §3.
479A.7 Annual inspection fee.
479A.8 Failure to pay — penalties. Repealed by 2005 Acts, ch 32, §3.
479A.9 Deposit of funds.
479A.10 Rules. Repealed by 2005 Acts, ch 32, §3.
479A.11 Damages.
479A.12 through 479A.17 Repealed by 2005 Acts, ch 32, §3.
479A.18 Federal inspection.
479A.19 through 479A.28 Repealed by 2005 Acts, ch 32, §3.


**479A.1 Purpose.**

It is the purpose of the general assembly in enacting this law to confer upon the utilities board the power and authority to act as an agent for the federal government in determining pipeline company compliance with the standards of the federal government for pipelines within the boundaries of the state.

88 Acts, ch 1074, §1; 2005 Acts, ch 32, §2

**479A.2 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Board"* means the utilities board within the utilities division of the department of commerce.

2. *"Pipeline"* means an interstate pipe, pipes, or pipelines used for the transportation or transmission of natural gas within or through this state.

3. *"Pipeline company"* means a person engaged in or organized for the purpose of owning, operating, or controlling pipelines.

4. *"Underground storage"* means the storage of natural gas in a subsurface stratum or formation of the earth by a pipeline company.

88 Acts, ch 1074, §2
Referred to in §437A.5

**479A.3 Conditions attending operation.** Repealed by 2005 Acts, ch 32, § 3.

**479A.4 Construction inspection.**

The board shall supervise pipelines, pipeline companies, and underground storage, and shall inspect the construction, maintenance, and condition of pipelines and underground storage facilities in accordance with section 479A.18. When inspecting for safety standard compliance, the board shall apply only United States department of transportation safety standards.

88 Acts, ch 1074, §4

**479A.5 Notice prior to construction.** Repealed by 2005 Acts, ch 32, § 3.

**479A.6 Cost of construction inspection.** Repealed by 2005 Acts, ch 32, § 3.

**479A.7 Annual inspection fee.**

A pipeline company shall pay an annual inspection fee of fifty cents per mile of pipeline or fraction thereof for each inch of diameter of the pipeline located in this state. The annual inspection fee shall be paid for the calendar year in advance between January 1 and February 1 of each year.

88 Acts, ch 1074, §7

**479A.8 Failure to pay — penalties.** Repealed by 2005 Acts, ch 32, § 3.

**479A.9 Deposit of funds.**

Moneys received under this chapter shall be credited to the department of commerce revolving fund created in section 546.12 as provided in section 476.10.

88 Acts, ch 1074, §9; 94 Acts, ch 1107, §84; 99 Acts, ch 85, §10, 11; 2009 Acts, ch 181, §55
Referred to in §476.10

**479A.10 Rules.** Repealed by 2005 Acts, ch 32, § 3.

**479A.11 Damages.**

A pipeline company operating pipelines or underground storage shall be given reasonable access to the pipelines and storage areas for the purpose of constructing, operating, maintaining, or locating their pipes, pumps, pressure apparatus, or other stations, wells, devices, or equipment used in or upon a pipeline or storage area, but shall pay the owner of the lands for the right of entry and the owner of crops on the land all damages caused by entering, using, or occupying the lands for these purposes; and shall pay to the owner of the lands, after the completion of construction of the pipeline or storage, all damages caused by settling of the soil along and above the pipeline, and wash or erosion of the soil along the pipeline due to the construction of the pipeline. However, this section does not prevent the execution of an agreement with other terms between the pipeline company and the owner of the land or crops with reference to their use.

88 Acts, ch 1074, §11; 95 Acts, ch 192, §19

**479A.12 through 479A.17** Repealed by 2005 Acts, ch 32, § 3.

**479A.18 Federal inspection.**

The board may enter into agreements with and receive moneys from the United States department of transportation for the inspection of pipelines to determine compliance with

the applicable standards of pipeline safety as provided by Pub. L. No. 103-272, as codified in 49 U.S.C. § 60101 – 60125.

88 Acts, ch 1074, §18; 95 Acts, ch 49, §14

Referred to in §479A.4

**479A.19 through 479A.28** Repealed by 2005 Acts, ch 32, § 3.

# CHAPTER 479B

## HAZARDOUS LIQUID PIPELINES AND STORAGE FACILITIES

Referred to in §6B.42, 306A.3, 474.1, 474.9, 479.1, 546.7


479B.1 Purpose — authority.
479B.2 Definitions.
479B.3 Conditions attending operation.
479B.4 Application for permit — informational meeting — notice.
479B.5 Petition.
479B.6 Hearing — notice.
479B.7 Objections.
479B.8 Examination — testimony.
479B.9 Final order — condition.
479B.10 Costs and fees.
479B.11 Inspection fee.
479B.12 Use of funds.
479B.13 Financial condition of permittee — bond.
479B.14 Permits — limitations — sale or transfer — records — extension.
479B.15 Entry for land surveys.
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**479B.1 Purpose — authority.**

It is the purpose of the general assembly in enacting this law to grant the utilities board the authority to implement certain controls over hazardous liquid pipelines to protect landowners and tenants from environmental or economic damages which may result from the construction, operation, or maintenance of a hazardous liquid pipeline or underground storage facility within the state, to approve the location and route of hazardous liquid pipelines, and to grant rights of eminent domain where necessary.

95 Acts, ch 192, §28

**479B.2 Definitions.**

As used in this chapter, unless the context appears otherwise:

1. *"Board"* means the utilities board within the utilities division of the department of commerce.

2. *"Hazardous liquid"* means crude oil, refined petroleum products, liquefied petroleum gases, anhydrous ammonia, liquid fertilizers, liquefied carbon dioxide, alcohols, and coal slurries.

3. *"Pipeline"* means an interstate pipe or pipeline and necessary appurtenances used for the transportation or transmission of hazardous liquids.

4. *"Pipeline company"* means a person engaged in or organized for the purpose of owning, operating, or controlling pipelines for the transportation or transmission of any hazardous liquid or underground storage facilities for the underground storage of any hazardous liquid.

5. *"Underground storage"* means storage of hazardous liquid in a subsurface stratum or formation of the earth.

6. *"Utilities division"* means the utilities division of the department of commerce.

95 Acts, ch 192, §29
Referred to in §214A.1

**479B.3 Conditions attending operation.**

A pipeline company shall not construct, maintain, or operate a pipeline or underground storage facility under, along, over, or across any public or private highways, grounds, waters, or streams of any kind in this state except in accordance with this chapter.

95 Acts, ch 192, §30

**479B.4 Application for permit — informational meeting — notice.**

A pipeline company doing business in this state shall file a verified petition with the board asking for a permit to construct, maintain, and operate a new pipeline along, over, or across the public or private highways, grounds, waters, and streams of any kind in this state. Any pipeline company now owning or operating a pipeline or underground storage facility in this state shall be issued a permit by the board upon supplying the information as provided for in section 479B.5, subsections 1 through 5, and meeting the requirements of section 479B.13.

A pipeline company doing business in this state and proposing to store hazardous liquid underground within this state shall file with the board a verified petition asking for a permit to construct, maintain, and operate facilities for the underground storage of hazardous liquid which includes the construction, placement, maintenance, and operation of machinery, appliances, fixtures, wells, pipelines, and stations necessary for the construction, maintenance, and operation of the underground storage facilities.

The pipeline company shall hold informational meetings in each county in which real property or property rights will be affected at least thirty days prior to filing the petition for a new pipeline. A member of the board, or a person designated by the board, shall serve as the presiding officer at each meeting and present an agenda for the meeting which shall include a summary of the legal rights of the affected landowners. No formal record of the meeting shall be required. The meeting shall be held at a location reasonably accessible to all persons who may be affected by granting the permit.

The pipeline company seeking the permit for a new pipeline shall give notice of the informational meeting to each landowner affected by the proposed project and each person in possession of or residing on the property. For the purposes of the informational meeting, *"landowner"* means a person listed on the tax assessment rolls as responsible for the payment of real estate taxes imposed on the property and *"pipeline"* means a line transporting a hazardous liquid under pressure in excess of one hundred fifty pounds per square inch and extending a distance of not less than five miles or having a future anticipated extension of an overall distance of five miles.

The notice shall set forth the following: the name of the applicant, the applicant's principal place of business, the general description and purpose of the proposed project, the general nature of the right-of-way desired, a map showing the route or location of the proposed project, that the landowner has a right to be present at the meeting and to file objections with the board, and a designation of the time and place of the meeting. The notice shall be sent by restricted certified mail and shall be published once in a newspaper of general circulation in the county not less than thirty days before the date set for the meeting. The publication shall be considered notice to landowners whose residence is not known and to each person in possession of or residing on the property provided a good faith effort to notify can be demonstrated by the pipeline company.

A pipeline company seeking rights under this chapter shall not negotiate or purchase an easement or other interest in land in a county known to be affected by the proposed project prior to the informational meeting.

95 Acts, ch 192, §31
Referred to in §479B.15

**479B.5 Petition.**

A petition for a permit shall state all of the following:

1. The name of the individual, firm, corporation, company, or association applying for the permit.
2. The applicant's principal office and place of business.
3. A legal description of the route of the proposed pipeline and a map of the route.
4. A general description of the public or private highways, grounds, waters, streams, and private lands of any kind along, over, or across which the proposed pipeline will pass.
5. If permission is sought to construct, maintain, and operate facilities for the underground storage of hazardous liquids the petition shall include the following additional information:
*a.* A description and a map of the public or private highways, grounds, waters, streams, and private lands of any kind under which the storage is proposed.
*b.* Maps showing the location of proposed machinery, appliances, fixtures, wells, and stations necessary for the construction, maintenance, and operation of the hazardous liquid storage facilities.
6. The possible use of alternative routes.
7. The relationship of the proposed project to the present and future land use and zoning ordinances.
8. The inconvenience or undue injury which may result to property owners as a result of the proposed project.
9. An affidavit attesting to the fact that informational meetings were held in each county affected by the proposed project and the time and place of each meeting.
95 Acts, ch 192, §32
Referred to in §479B.4, 479B.14

**479B.6 Hearing — notice.**
After the petition is filed, the board shall fix a date for a hearing and shall publish notice for two consecutive weeks, in a newspaper of general circulation in each county through which the proposed pipeline or hazardous liquid storage facilities will extend.
The hearing shall not be less than ten days nor more than thirty days from the date of the last publication of the notice. If the pipeline exceeds five miles in length, the hearing shall be held in the county seat of the county located at the midpoint of the proposed pipeline or the county in which the proposed hazardous liquid storage facility would be located.
95 Acts, ch 192, §33

**479B.7 Objections.**
A person, including a governmental entity, whose rights or interests may be affected by the proposed pipeline or hazardous liquid storage facilities may file written objections.
All objections shall be on file with the board not less than five days before the date of hearing on the application. However, the board may permit the filing of the objections later than five days before the hearing, in which event the applicant must be granted a reasonable time to meet the objections.
95 Acts, ch 192, §34

**479B.8 Examination — testimony.**
The board may examine the proposed route of the pipeline and location of the underground storage facility. At the hearing the board shall consider the petition and any objections and may hear testimony to assist the board in making its determination regarding the application.
95 Acts, ch 192, §35

**479B.9 Final order — condition.**
The board may grant a permit in whole or in part upon terms, conditions, and restrictions as to location and route as it determines to be just and proper. A permit shall not be granted to a pipeline company unless the board determines that the proposed services will promote the public convenience and necessity.
95 Acts, ch 192, §36

**479B.10 Costs and fees.**

The applicant shall pay all costs of the informational meetings, hearing, and necessary preliminary investigation including the cost of publishing notice of hearing, and shall pay the actual unrecovered costs directly attributable to inspections conducted by the board.

95 Acts, ch 192, §37

**479B.11 Inspection fee.**

If the board enters into agreements with the United States department of transportation pursuant to section 479B.23, a pipeline company shall pay an annual fee of fifty cents per mile of pipeline or fraction thereof for each inch of diameter of the pipeline located in the state. The inspection fee shall be paid to the board between January 1 and February 1 for the calendar year.

The board shall collect all fees. Failure to pay any fee within thirty days from the due date shall be grounds for revocation of the permit or assessment of civil penalties.

95 Acts, ch 192, §38

**479B.12 Use of funds.**

All moneys received under this chapter, other than civil penalties collected pursuant to section 479B.21, shall be remitted monthly to the treasurer of state and credited to the department of commerce revolving fund created in section 546.12.

95 Acts, ch 192, §39; 2009 Acts, ch 181, §56

**479B.13 Financial condition of permittee — bond.**

Before a permit is granted under this chapter the applicant must satisfy the board that the applicant has property within this state other than pipelines or underground storage facilities, subject to execution of a value in excess of two hundred fifty thousand dollars, or the applicant must file and maintain with the board a surety bond in the penal sum of two hundred fifty thousand dollars with surety approved by the board, conditioned that the applicant will pay any and all damages legally recovered against it growing out of the construction, maintenance, or operation of its pipeline or underground storage facilities in this state. When the pipeline company deposits with the board security satisfactory to the board as a guaranty for the payment of the damages, or furnishes to the board satisfactory proofs of its solvency and financial ability to pay the damages, the pipeline company is relieved of the provisions requiring bond.

95 Acts, ch 192, §40

Referred to in §479B.4, 479B.14

**479B.14 Permits — limitations — sale or transfer — records — extension.**

The board shall prepare and issue permits. The permit shall show the name and address of the pipeline company to which it is issued and identify the decision and order of the board under which the permit is issued. The permit shall be signed by the chairperson of the board and the official seal of the board shall be affixed to it.

The board shall not grant an exclusive right to any pipeline company to construct, maintain, or operate its pipeline along, over, or across any public or private highway, grounds, waters, or streams. The board shall not grant a permit for longer than twenty-five years.

A permit shall not be sold until the sale is approved by the board.

If a transfer of a permit is made before the construction for which it was issued is completed in whole or in part, the transfer shall not be effective until the pipeline company to which it was issued files with the board a notice in writing stating the date of the transfer and the name and address of the transferee.

The board shall keep a record of all permits granted by it, showing when and to whom granted and the location and route of the pipeline or underground storage facility, and if the permit has been transferred, the date and the name and address of the transferee.

A pipeline company may petition the board for an extension of a permit granted under this

section by filing a petition containing the information required by section 479B.5, subsections 1 through 5, and meeting the requirements of section 479B.13.

95 Acts, ch 192, §41

**479B.15 Entry for land surveys.**

After the informational meeting or after the filing of a petition if no informational meeting is required, a pipeline company may enter upon private land for the purpose of surveying and examining the land to determine direction or depth of pipelines by giving ten days' written notice by restricted certified mail to the landowner as defined in section 479B.4 and to any person residing on or in possession of the land. The entry for land surveys shall not be deemed a trespass and may be aided by injunction. The pipeline company shall pay the actual damages caused by the entry, survey, and examination.

95 Acts, ch 192, §42

**479B.16 Eminent domain.**

A pipeline company granted a pipeline permit shall be vested with the right of eminent domain, to the extent necessary and as prescribed and approved by the board, not exceeding seventy-five feet in width for right-of-way and not exceeding one acre in any one location in addition to right-of-way for the location of pumps, pressure apparatus, or other stations or equipment necessary to the proper operation of its pipeline. The board may grant additional eminent domain rights where the pipeline company has presented sufficient evidence to adequately demonstrate that a greater area is required for the proper construction, operation, and maintenance of the pipeline or for the location of pumps, pressure apparatus, or other stations or equipment necessary to the proper operation of its pipeline.

A pipeline company granted a permit for underground storage of hazardous liquid shall be vested with the right of eminent domain to the extent necessary and as prescribed and approved by the board in order to appropriate for its use for the underground storage of hazardous liquid any subsurface stratum or formation in any land which the board shall have found to be suitable and in the public interest for the underground storage of hazardous liquid, and may appropriate other interests in property, as may be required adequately to examine, prepare, maintain, and operate the underground storage facilities.

This chapter does not authorize the construction of a pipeline longitudinally on, over, or under any railroad right-of-way or public highway, or at other than an approximate right angle to a railroad track or public highway without the consent of the railroad company, the state department of transportation, or the county board of supervisors, and this chapter does not authorize or give the right of condemnation or eminent domain for such purposes.

95 Acts, ch 192, §43

**479B.17 Damages.**

A pipeline company operating a pipeline or an underground storage facility shall have reasonable access to the pipeline or underground storage facility for the purpose of constructing, operating, maintaining, or locating pipes, pumps, pressure apparatus, or other stations, wells, devices, or equipment used in or upon the pipeline or underground storage facility. A pipeline company shall pay the owner of the land for the right of entry and the owner of crops for all damages caused by entering, using, or occupying the lands and shall pay to the owner all damages caused by the completion of construction of the pipeline due to wash or erosion of the soil at or along the location of the pipeline and due to the settling of the soil along and above the pipeline. However, this section does not prevent the execution of an agreement between the pipeline company and the owner of the land or crops with reference to the use of the land.

95 Acts, ch 192, §44, 62

**479B.18 Venue.**

In all cases arising under this chapter, the district court of any county in which property of a pipeline company is located has jurisdiction of a case involving the pipeline company.

95 Acts, ch 192, §45

**479B.19 Orders — enforcement.**

If the pipeline company fails to obey an order within the period of time determined by the board, the board may commence an equitable action in the district court of the county where the pipeline, device, apparatus, equipment, or underground storage facility is located to compel compliance with its order. If, after trial, the court finds that the order is reasonable, equitable, and just, the court shall decree a mandatory injunction compelling obedience to and compliance with the order and may grant other relief as may be just and proper. Appeal from the decree may be taken in the same manner as in other actions.

95 Acts, ch 192, §46

**479B.20 Land restoration standards.**

1. The board, pursuant to chapter 17A, shall adopt rules establishing standards for the restoration of agricultural lands during and after pipeline or underground storage facility construction. In addition to the requirements of section 17A.4, the board shall distribute copies of the notice of intended action and opportunity for oral presentations to each county board of supervisors. Any county board of supervisors may, under the provisions of chapter 17A, and subsequent to the rulemaking proceedings, petition under those provisions for additional rulemaking to establish standards for land restoration after pipeline construction within that county. Upon the request of the petitioning county, the board shall schedule a hearing to consider the merits of the petition. Rules adopted under this section shall not apply to land located within city boundaries unless the land is used for agricultural purposes. Rules adopted under this section shall address, but are not limited to, all of the following subject matters:

*a.* Topsoil separation and replacement.

*b.* Temporary and permanent repair to drain tile.

*c.* Removal of rocks and debris from the right-of-way.

*d.* Restoration of areas of soil compaction.

*e.* Restoration of terraces, waterways, and other erosion control structures.

*f.* Revegetation of untilled land.

*g.* Future installation of drain tile or soil conservation structures.

*h.* Restoration of land slope and contour.

*i.* Restoration of areas used for field entrances and temporary roads.

*j.* Construction in wet conditions.

*k.* Designation of a pipeline company point of contact for landowner inquiries or claims.

2. The county board of supervisors shall cause an on-site inspection for compliance with the standards adopted under this section to be performed at any pipeline construction project in the county. A licensed professional engineer familiar with the standards adopted under this section and registered under chapter 542B shall be responsible for the inspection. A county board of supervisors may contract for the services of a licensed professional engineer for the purposes of the inspection. The reasonable costs of the inspection shall be paid by the pipeline company.

3. If the inspector determines that there has been a violation of the standards adopted under this section, of the land restoration plan, or of an independent agreement on land restoration or line location executed in accordance with subsection 10, the inspector shall give oral notice, followed by written notice, to the pipeline company and the contractor operating for the pipeline company and order corrective action to be taken in compliance with the standards. The costs of the corrective action shall be borne by the contractor operating for the pipeline company.

4. An inspector shall adequately inspect underground improvements altered during construction of the pipeline. An inspection shall be conducted at the time of the replacement or repair of the underground improvements. An inspector shall be present on the site at all times at each phase and separate activity of the opening of the trench, the restoration of underground improvements, and backfilling. The pipeline company and its contractor shall keep an inspector continually informed of the work schedule and any schedule changes. If proper notice is given, construction shall not be delayed due to an inspector's failure to be present on the site.

5. If the pipeline company or its contractor does not comply with the requirements of this section, with the land restoration plan or line location, or with an independent agreement on land restoration executed in accordance with subsection 10, the county board of supervisors may petition the board for an order requiring corrective action to be taken. In addition, the county board of supervisors may file a complaint with the board seeking imposition of civil penalties under section 479B.21.

6. The pipeline company shall allow landowners and the inspector to view the proposed center line of the pipeline prior to commencing trenching operations to ensure that construction takes place in its proper location.

7. An inspector may temporarily halt the construction if the construction is not in compliance with this chapter and the standards adopted pursuant to this chapter, the land restoration plan, or the terms of an independent agreement with the pipeline company regarding land restoration or line location executed in accordance with subsection 10, until the inspector consults with the supervisory personnel of the pipeline company.

8. The board shall instruct inspectors appointed by the board of supervisors regarding the content of the statutes and rules and the inspectors' responsibility to require construction conforming with the standards provided by this chapter.

9. Petitioners for a permit for pipeline construction shall file with the petition a written land restoration plan showing how the requirements of this section, and of rules adopted pursuant to this section, will be met. The company shall provide copies of the plan to all landowners of property that will be disturbed by the construction.

10. This section does not preclude the application of provisions for protecting or restoring property that are different than those prescribed in this section, in rules adopted under this section, or in the land restoration plan, if the alternative provisions are contained in agreements independently executed by the pipeline company and the landowner, and if the alternative provisions are not inconsistent with state law or with rules adopted by the board. Independent agreements on land restoration or line location between the landowner and pipeline company shall be in writing and a copy provided to the county inspector.

11. For the purposes of this section, "*construction*" includes the removal of a previously constructed pipeline.

12. The requirements of this section shall apply only to pipeline construction projects commenced on or after June 1, 1999.

95 Acts, ch 192, §47; 99 Acts, ch 85, §7, 11

**479B.21 Civil penalty.**

A person who violates this chapter or any rule or order issued pursuant to this chapter shall be subject to a civil penalty levied by the board in an amount not to exceed one thousand dollars for each violation. Each day that the violation continues shall constitute a separate offense. However, the maximum civil penalty shall not exceed two hundred thousand dollars for any related series of violations. Civil penalties collected pursuant to this section shall be credited to and are appropriated for the use of the Iowa energy center created in section 266.39C.

A civil penalty may be compromised by the board. In determining the amount of the penalty, or the amount agreed upon in compromise, the appropriateness of the penalty to the size of the pipeline company charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation, shall be considered. The amount of the penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owed by the state to the person charged, or may be recovered in a civil action.

95 Acts, ch 192, §48

Referred to in §479B.12, 479B.20

**479B.22 Rehearing — judicial review.**

Rehearing procedure for any person aggrieved by actions of the board under this chapter shall be as provided in section 476.12. Judicial review may be sought in accordance with the terms of chapter 17A.

95 Acts, ch 192, §49

**479B.23 Authorized federal aid.**

The board may enter into agreements with and receive moneys from the United States department of transportation for the inspection of pipelines to determine compliance with applicable standards of pipeline safety, and for enforcement of the applicable standards of pipeline safety as provided by 49 U.S.C. § 60101 et seq.

95 Acts, ch 192, §50

Referred to in §479B.11

**479B.24 Cancellation.**

A pipeline company seeking to acquire an easement or other property interest for the construction, maintenance, or operation of a pipeline or underground storage facility shall do all of the following:

1. Allow the landowner or a person serving in a fiduciary capacity on the landowner's behalf to cancel an agreement granting an easement or other interest by restricted certified mail to the pipeline company's principal place of business if received by the pipeline company within seven days, excluding Saturday and Sunday, of the date of the agreement and inform the landowner or the fiduciary in writing of the right to cancel prior to the signing of the agreement by the landowner or the fiduciary.
2. Provide the landowner or a person serving in a fiduciary capacity in the landowner's behalf with a form in duplicate for the notice of cancellation.
3. Not record an agreement until after the period for cancellation has expired.
4. Not include in the agreement a waiver of the right to cancel in accordance with this section. The landowner or a person serving in a fiduciary capacity in the landowner's behalf may exercise the right of cancellation only once for each pipeline project.

95 Acts, ch 192, §51

**479B.25 Arbitration agreements.**

If an easement or other written agreement between a landowner and a pipeline company provides for the determination through arbitration of the amount of monetary damages sustained by a landowner and caused by the construction, maintenance, or repair of a pipeline or underground storage facility, and if either party has not appointed its arbitrator or agreed to an arbitrator under the agreement within thirty days after the other party has invoked the arbitration provisions of the agreement by written notice to the other party by restricted certified mail, the landowner or the pipeline company may petition a magistrate in the county where the real property is located for the appointment of an arbitrator to serve in the stead of the arbitrator who would have been appointed or agreed to by the other party. Before filing the petition the landowner or pipeline company shall give notice of the petitioning of the magistrate by restricted certified mail to the other party and file proof of mailing with the petition.

If after hearing, the magistrate finds that the landowner or pipeline company has not been diligent in appointing or reasonable in agreeing to an arbitrator, the magistrate shall appoint an impartial arbitrator who shall have all of the powers and duties of an arbitrator appointed or agreed to by the other party under the agreement.

For purposes of this section only, "*landowner*" means the person who signed the easement or other written agreement, or the person's heirs, successors, and assigns.

95 Acts, ch 192, §52, 62

**479B.26 Subsequent pipeline or underground storage facility.**

A pipeline company shall not construct a subsequent pipeline or underground storage facility upon its existing easement when a damage claim from the installation of its previous

pipeline on that easement has not been resolved unless that claim is under litigation or arbitration, or is the subject of a proceeding pursuant to section 479B.30.

With the exception of claims for damage to drain tile and future crop deficiency, for this section to apply, landowners and tenants must submit their claims in writing for damages caused by construction of the pipeline or underground storage facility within one year of final cleanup on the real property by the pipeline company.

95 Acts, ch 192, §53

**479B.27 Damage agreement.**

A pipeline company shall not construct a pipeline or underground storage facility until a written statement is on file with the board as to how damages resulting from the construction of the pipeline shall be determined and paid, except in cases of eminent domain. The pipeline company shall provide a copy of the statement to the landowner.

95 Acts, ch 192, §54

**479B.28 Negotiated fee.**

In lieu of a one-time lump sum payment for an easement or other property interest allowing a pipeline to cross property or allowing underground storage of hazardous liquids, a landowner and the pipeline company may negotiate an annual fee, to be paid over a fixed number of years. Unless the easement provides otherwise, the annual fee shall run with the land and shall be payable to the owner of record.

95 Acts, ch 192, §55

**479B.29 Particular damage claims.**

1. Compensable losses shall include, but are not limited to, all of the following:

*a.* Loss or reduced yield of crops or forage on the pipeline right-of-way, whether caused directly by construction or from disturbance of usual farm operations.

*b.* Loss or reduced yield of crops or yield from land near the pipeline right-of-way resulting from lack of timely access to the land or other disturbance of usual farm operations, including interference with irrigation.

*c.* Fertilizer, lime, or organic material applied by the landowner to restore land disturbed by construction to full productivity.

*d.* Loss of or damage to trees of commercial or other value that occurs at the time of construction, restoration, or at the time of any subsequent work by the pipeline company.

*e.* The cost of or losses in moving or relocating livestock, and the loss of gain by or the death or injury of livestock caused by the interruption or relocation of normal feeding.

*f.* Erosion on lands attributable to pipeline construction.

*g.* Damage to farm equipment caused by striking a pipeline, debris, or other material reasonably associated with pipeline construction while engaged in normal farming operations as defined in section 480.1.

2. A claim for damage for future crop deficiency within the easement strip shall not be precluded from renegotiation under section 6B.52 on the grounds that it was apparent at the time of settlement unless the settlement expressly releases the pipeline company from claims for damage to the productivity of the soil. The landowner shall notify the pipeline company in writing fourteen days prior to harvest in each year to assess crop deficiency.

95 Acts, ch 192, §56, 62; 99 Acts, ch 85, §8, 11

**479B.30 Determination of construction damages.**

1. The county board of supervisors shall determine when construction of a pipeline or underground storage facility has been completed in that county for the purposes of this section. Not less than ninety days after the completion of construction and if an agreement cannot be made as to damages, a landowner whose land was affected by the construction of the pipeline or underground storage facility or the pipeline company may file with the board of supervisors a petition asking that a compensation commission determine the damages arising from construction of the pipeline.

2. If the board of supervisors by resolution approves the petition, the landowner

or pipeline company shall commence the proceeding by filing an application with the chief judge of the judicial district for the county for the appointment of a compensation commission as provided in section 6B.4. The application shall contain all of the following information:

*a.* The name and address of the applicant and a description of the land on which the damage is claimed to have occurred.

*b.* A description of the nature of the damage claimed to have occurred and the amount of the damage claimed.

*c.* The name and address of the pipeline company claimed to have caused the damage or the name and address of the affected landowner.

3. *a.* After the commissioners have been appointed, the applicant shall serve notice on the pipeline company or the landowner stating all of the following:

(1) That a compensation commission has been appointed to determine the damages caused by the construction of the pipeline or underground storage facility.

(2) The name and address of the applicant and a description of the land on which the damage is claimed to have occurred.

(3) The date, time, and place when the commissioners will view the premises and proceed to appraise the damages and that the pipeline company or landowner may appear before the commissioners.

*b.* If more than one landowner petitions the county board of supervisors, the application to the chief judge, notice to the pipeline company, and appraisement of damages shall be consolidated into one application, notice, and appraisement. The county attorney may assist in coordinating the consolidated application and notice, but does not become an attorney for the landowners by doing so.

4. The commissioners shall view the land at the time provided in the notice and assess the damages sustained by the landowner by reason of the construction of the pipeline or underground storage facility and they shall file their report with the sheriff. The appraisement of damages returned by the commissioners is final unless appealed. After the appraisement of damages has been delivered to the sheriff by the compensation commission, the sheriff shall give written notice by ordinary mail to the pipeline company and the landowner of the date the appraisement of damages was made, the amount of the appraisement, and that any interested party may appeal to the district court within thirty days of the date of mailing. The sheriff shall endorse the date of mailing of notice on the original appraisement of damages. At the time of appeal, the appealing party shall give written notice to the adverse party or the party's attorney and the sheriff.

5. Chapter 6B applies to this section to the extent it is applicable and consistent with this section.

6. The pipeline company shall pay all costs of the assessment made by the commissioners and reasonable attorney fees and costs incurred by the landowner as determined by the commissioners if the award of the commissioners exceeds one hundred ten percent of the final offer of the pipeline company prior to the determination of damages; if the award does not exceed one hundred ten percent, the landowners shall pay the fees and costs incurred by the pipeline company. The pipeline company shall file with the sheriff an affidavit setting forth the most recent offer made to the landowner. Commissioners shall receive a per diem of fifty dollars and actual and necessary expenses incurred in the performance of their official duties. The pipeline company shall also pay all costs occasioned by the appeal, including reasonable attorney fees to be taxed by the court, unless on the trial of the appeal the same or a lesser amount of damages is awarded than was allowed by the commission from which the appeal was taken.

7. As used in this section, *"damages"* means compensation for damages to the land, crops, and other personal property caused by the construction of a pipeline and its attendant structures or underground storage facility but does not include compensation for a property interest, and *"landowner"* includes a farm tenant.

8. The provisions of this section do not apply if the easement provides for any other means of negotiation or arbitration.

95 Acts, ch 192, §57, 62; 2000 Acts, ch 1179, §28, 30; 2011 Acts, ch 25, §143
Referred to in §479B.26

**479B.31 Subsequent tiling.**

All additional costs of new tile construction caused by an existing pipeline or underground storage facility shall be paid by the pipeline company. To receive compensation under this section, the landowner or agent of the landowner shall either present an invoice specifying the additional costs caused by the presence of the pipeline which is accompanied by a written verification of the additional costs by the county engineer or soil and water conservation district conservationist or reach an agreement with the pipeline company on the project design and share of the cost to be paid by the pipeline company during the planning of the tiling project.

95 Acts, ch 192, §58, 62
Referred to in §479B.32

**479B.32 Reversion on nonuse.**

1. If a pipeline right-of-way, or any part of the pipeline right-of-way, is wholly abandoned for pipeline purposes by the relocation of the pipeline, is not used or operated for a period of five consecutive years, or if the construction of the pipeline has been commenced and work has ceased and has not in good faith resumed for five years, the right-of-way may revert as provided in this section to the person who, at the time of the abandonment or nonuse, is the owner of the tract from which such right-of-way was taken. For purposes of this section, a pipeline or a pipeline right-of-way is not considered abandoned or unused if it is transporting product or is being actively maintained with reasonable anticipation of a future use.

2. To effect a reversion on nonuse of right-of-way, the owner or holder of purported fee title to such real estate shall serve notice upon the owner of such right-of-way easement and, if filed of record, successors in interest and upon any party in possession of the real estate. The written notice shall accurately describe the real estate and easement in question, set out the facts concerning ownership of the fee, ownership of the right-of-way easement, and the period of abandonment or nonuse, and notify the parties that such reversion shall be complete and final, and that the easement or other right shall be forfeited, unless the parties shall, within one hundred twenty days after the completed service of notice, file an affidavit with the county recorder of the county in which the real estate is located disputing the facts contained in the notice.

3. The notice shall be served in the same manner as an original notice under the Iowa rules of civil procedure, except that when notice is served by publication an affidavit shall not be required before publication. If an affidavit disputing the facts contained in the notice is not filed within one hundred twenty days, the party serving the notice may file for record in the office of the county recorder a copy of the notice with proofs of service attached and endorsed, and when so recorded, the record shall be constructive notice to all persons of the abandonment, reversion, and forfeiture of such right-of-way.

4. Upon reversion of the easement, the landowner may require the pipeline company to remove any pipe or pipeline facility remaining on the property. Provisions of this chapter relating to damages shall apply when the pipeline is removed.

5. Unless otherwise agreed to in writing by the landowner and the pipeline company, if a pipeline right-of-way is abandoned for pipeline use, but the pipe is not removed from the right-of-way, the pipeline company shall remain subject to section 479B.33, shall remain responsible for the additional costs of subsequent tiling as provided for in section 479B.31, shall mark the location of the line in response to a notice of proposed excavation in accordance with chapter 480, and shall remain subject to the damage provisions of this chapter in the event access to or excavation relating to the pipe is required. The landowner shall provide reasonable access to the pipeline in order to carry out the responsibilities of this subsection.

99 Acts, ch 85, §9, 11; 2000 Acts, ch 1139, §5

**479B.33 Farmland improvements.**

A landowner or contractor may require a representative of the pipeline company to be present on site, at no charge to the landowner, at all times during each phase and separate activity related to a farmland improvement within fifty feet of either side of a pipeline. If the pipeline company and the landowner or contractor constructing the farmland improvement mutually agree that a representative of the pipeline company is not required to be present, the requirements of this section are waived in relation to the farmland improvement which would have otherwise made the requirements of this section applicable. A farmland improvement includes, but is not limited to, the terracing of farmland and tiling.

2000 Acts, ch 1139, §6

Referred to in §479B.32

# CHAPTER 480

## UNDERGROUND FACILITIES INFORMATION

Referred to in §68A.406, 479.48, 479B.32


480.1 Definitions.
480.1A Applicability — prohibition.
480.2 Repealed by 92 Acts, ch 1103, §11, 12.
480.3 Notification center established — participation.
480.4 Required notice — location and marking of underground facilities — exception.
480.5 Damage to underground facility — report to operator.
480.6 Civil penalties.
480.7 Injunction.
480.8 Local ordinances and regulations unaffected.
480.9 Liability for owner of farmland.


**480.1 Definitions.**

1. *"Board"* means the board of directors of the notification center.

2. *"Damage"* means any impact with, destruction, impairment, or penetration of, or removal of support from an underground facility, including damage to its protective coating, housing, or device.

3. *"Emergency"* means a condition where there is clear and immediate danger to life or health, or essential services, or a potentially significant loss of property.

4. *"Excavation"* means an operation in which a structure or earth, rock, or other material in or on the ground is moved, removed, or compressed, or otherwise displaced by means of any tools, equipment, or explosives and includes, but is not limited to, grading, trenching, tiling, digging, ditching, drilling, augering, tunneling, scraping, cable or pipe plowing, driving, and demolition of structures.

*"Excavation"* does not include normal farming operations, residential, commercial, or similar gardening, the opening of a grave site in a cemetery, normal activities involved in land surveying pursuant to chapter 542B, operations in a solid waste disposal site which has planned for underground facilities, the replacement of an existing traffic sign at its current location and at no more than its current depth, and normal road or highway maintenance which does not change the original grade of the roadway or the ditch.

5. *"Excavator"* means a person proposing to engage or engaging in excavation.

6. *"Normal farming operations"* means plowing, cultivation, planting, harvesting, and similar operations routine to most farms, but excludes chisel plowing, sub-soiling, or ripping more than fifteen inches in depth, drain tile excavating, terracing, digging or driving a post in a new location other than replacing a post while repairing a fence in its existing location, and similar operations.

7. *"Notification center"* means the statewide notification center established in section 480.3.

8. *"Operator"* means a person owning or operating an underground facility including, but not limited to, public, private, and municipal utilities. An operator does not include a

person who owns or otherwise lawfully occupies real property where an underground facility is located only for the use and benefit of the owner or occupant on the property.

9. *"Person"* means a person as defined in section 4.1, subsection 20.

10. *"Underground facility"* means an item of personal property owned or leased by the operator which is buried or placed below ground for use in connection with the storage or conveyance of, or the provision of services supplying water, sewage, electronic, telephonic, or telegraphic communications, electric energy, hazardous liquids, or petroleum products including natural gas or other substances, and includes, but is not limited to, pipes, sewers, conduits, cables, valves, lines, wires, manholes, and attachments to such property but does not include sanitary sewer laterals, storm sewer laterals, and water service lines providing service to abutting private properties.

87 Acts, ch 135, §1; 92 Acts, ch 1103, §1
Referred to in §479.45, 479B.29

**480.1A Applicability — prohibition.**

This chapter applies to any excavation unless otherwise provided by law. A person shall not engage in any excavation unless the requirements of this chapter have been satisfied.

92 Acts, ch 1103, §2

**480.2** Repealed by 92 Acts, ch 1103, § 11, 12.

**480.3 Notification center established — participation.**

1. *a.* A statewide notification center is established and shall be organized as a nonprofit corporation pursuant to chapter 504.

(1) The center shall be governed by a board of directors which shall represent and be elected by operators, excavators, and other persons who participate in the center. The board, with input from all interested parties, shall determine the operating procedures and technology needed for a single statewide notification center and establish a notification process.

(2) In addition, the board shall either establish a competitive bidding procedure to select a vendor to provide the notification service or retain sufficient and necessary staff to provide the notification service.

(a) If a vendor is selected, the vendor contract shall be for a three-year period, which may be extended upon the approval of the board for a period not exceeding an additional three years. The terms of the vendor contract may be modified from time to time by the board and the vendor. The contract shall be reviewed, with an opportunity to receive new bids, at the end of the term of the contract.

(b) If the board retains staff to provide the notification service, the board, at the board's discretion, may review the notification service at any time and make a determination to use the competitive bidding procedure to select a vendor.

*b.* Upon the selection of a vendor pursuant to paragraph *"a"*, the board shall notify the chairperson of the utilities board in writing of the selection. The board shall submit an annual report to the chairperson of the utilities board including an annual audit and review of the services provided by the notification center and the vendor.

*c.* The board is subject to chapters 21 and 22.

2. The board shall implement the latest and most cost-effective technological improvements for the center in order to provide operators and excavators with the most accurate data available and in a timely manner to allow operators and excavators to perform their responsibilities with the minimum amount of interruptions.

3. Every operator shall participate in and share in the costs of the notification center. The financial condition and the transactions of the notification center shall be audited at least once each year by a certified public accountant. The notification center shall not provide any form of aid or make a contribution to a political party or to the campaign of a candidate for

political or public office. In addition to any applicable civil penalty, as provided in section 480.6, a violation of this section constitutes a simple misdemeanor.

87 Acts, ch 135, §3; 92 Acts, ch 1103, §3; 95 Acts, ch 112, §1; 98 Acts, ch 1049, §1; 2002 Acts, ch 1054, §1; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393

Referred to in §423.3, 480.1

**480.4 Required notice — location and marking of underground facilities — exception.**

1. *a.* Except as otherwise provided in this section, prior to any excavation, an excavator shall contact the notification center and provide notice of the planned excavation. This notice must be given at least forty-eight hours prior to the commencement of the excavation, excluding Saturdays, Sundays, and legal holidays. The notification center shall establish a toll-free telephone number to allow excavators to provide the notice required pursuant to this subsection.

*b.* A notice provided pursuant to this subsection for a location within a city shall include the following information:

(1) A street address or block and lot numbers, or both, of the proposed area of excavation.
(2) The name and address of the excavator.
(3) The excavator's telephone number.
(4) The type and extent of the proposed excavation.
(5) Whether the discharge of explosives is anticipated.
(6) The date and time when excavation is scheduled to begin.
(7) Approximate location of the excavation on the property.
(8) If known, the name of the housing development and property owner.

*c.* A notice provided pursuant to this subsection for a location outside a city shall include the following information:

(1) The name of the county, township, range, and section.
(2) The name and address of the excavator.
(3) The excavator's telephone number.
(4) The type and extent of the proposed excavation.
(5) Whether the discharge of explosives is anticipated.
(6) The date and time when excavation is scheduled to begin.
(7) Approximate location of the excavation on the property.
(8) If known, the quarter section, E911 address and global positioning system coordinate, name of property owner, name of housing development with street address or block and lot numbers, or both.

*d.* For purposes of the requirements of this section, an excavation commences the first time excavation occurs in an area that was not previously identified by the excavator in an excavation notice.

2. The notification center, upon receiving notice from an excavator, shall immediately transmit the information contained in the notice to each operator in the area of the proposed excavation and provide the names of all operators in that area to the excavator. The notification center shall assign an inquiry identification number to each notice and shall maintain a record of each notice for at least six years from the date the notice is received. The notification center shall not assess an operator who requests in writing not to receive a notification of its own excavations for any portion of the costs associated with such excavations.

3. *a.* (1) An operator who receives notice from the notification center shall mark the horizontal location of the operator's underground facility and the excavator shall use due care in excavating in the marked area to avoid damaging the underground facility. The operator shall complete such locating and marking within forty-eight hours after receiving the notice, excluding Saturdays, Sundays, and legal holidays, unless otherwise agreed by the operator and the excavator. The locating and marking of the underground facilities shall be completed at no cost to the excavator. If, in the opinion of the operator, the planned excavation requires that the precise location of the underground facilities be determined, the excavator, unless otherwise agreed upon between the excavator and the operator, shall

hand dig test holes to determine the location of the facilities unless the operator specifies an alternate method.

(2) The marking required under this subsection shall be done in a manner that will last for a minimum of five working days on any nonpermanent surface, or a minimum of ten working days on any permanent surface. If the excavation will continue for any period longer than such periods, the operator shall remark the location of the underground facility upon the request of the excavator. The request shall be made through the notification center.

*b.* An operator who receives notice from the notification center and who determines that the operator does not have any underground facility located within the proposed area of excavation shall notify the excavator concerning this determination prior to the indicated date of commencement of excavation.

*c.* For purposes of this chapter, the *"horizontal location of any underground facility"* is defined as including an area eighteen inches on either side of the underground facility.

4. An excavator is responsible for preserving the markings required in subsection 3 at all times during the excavation. If the markings will be destroyed or otherwise altered during the excavation, the excavator must establish suitable reference points which will enable the excavator to locate the underground facility at all times during the excavation.

5. The operator shall mark the location of any underground facility to conform with the uniform color code established by the American public works association's utility location and coordination council.

6. The only exception to this section shall be when an emergency exists. Under such conditions, excavation operations can begin immediately, provided reasonable precautions are taken to protect the underground facilities. The excavator shall notify the notification center of the excavation as soon as practical.

92 Acts, ch 1103, §4; 98 Acts, ch 1049, §2

**480.5 Damage to underground facility — report to operator.**

An excavator shall as soon as practical notify the operator when any damage occurs to an underground facility as a result of an excavation. The notice shall include the type of facility damaged and the extent of the damage. If damage occurs, an excavator shall refrain from backfilling in the immediate area of the underground facilities until the damage has been investigated by the operator, unless the operator authorizes otherwise.

If the damage results in an emergency, the excavator shall take all reasonable actions to alleviate the emergency including, but not limited to, the evacuation of the affected area. The excavator shall leave all equipment situated where the equipment was at the time the emergency was created and immediately contact the operator and appropriate authorities and necessary emergency response agencies.

92 Acts, ch 1103, §5

**480.6 Civil penalties.**

1. A person who violates a provision of this chapter is subject to a civil penalty as follows:

*a.* For a violation related to natural gas and hazardous liquid pipelines, an amount not to exceed ten thousand dollars for each violation for each day the violation continues, up to a maximum of five hundred thousand dollars.

*b.* For a violation related to any other underground facility, an amount not to exceed one thousand dollars for each violation for each day the violation continues, up to a maximum of twenty thousand dollars.

2. The attorney general, upon the receipt of a complaint, may institute any legal proceedings necessary to enforce the penalty provisions of this chapter.

3. All amounts collected pursuant to this section shall be remitted to the treasurer of state, who shall deposit the amount in the general fund of the state.

92 Acts, ch 1103, §6

Referred to in §480.3

**480.7 Injunction.**

Any affected person may make application to the district court for injunctive relief from any violation of this chapter.

92 Acts, ch 1103, §7

**480.8 Local ordinances and regulations unaffected.**

This chapter does not affect or impair any local ordinances or other provisions of law requiring permits to be obtained before excavation. However, a permit issued by any governing body does not relieve the excavator from complying with the requirements of this chapter, unless the governing body is the excavator and the governing body and the operator have agreed in writing to waive notification under this chapter. However, such an agreement shall not be considered in the issuance of any required permit.

92 Acts, ch 1103, §8

**480.9 Liability for owner of farmland.**

An owner of farmland used in a farm operation, as defined in section 352.2, who complies with the requirements of this chapter shall not be held responsible for any damages to an underground facility, including fiber optic cable, if the damage occurred on the farmland in the normal course of the farm operation, unless the owner intentionally damaged the underground facility or acted with wanton disregard or recklessness in causing the damage to the underground facility. For purposes of this section, an *"owner"* includes a family member, employee, or tenant of the owner.

95 Acts, ch 192, §59

# CHAPTER 480A

## PUBLIC UTILITIES IN PUBLIC RIGHTS-OF-WAY

Referred to in §476.6


480A.1 Purpose.
480A.2 Definitions.
480A.3 Fees.
480A.4 In-kind services.
480A.5 Arbitration.
480A.6 Franchise ordinance not superseded.


**480A.1 Purpose.**

The general assembly finds that it is in the public interest to define the right of local governments to charge public utilities for the location and operation of public utility facilities in local government rights-of-way.

98 Acts, ch 1148, §3, 9

**480A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Local government"* means a county, city, township, school district, or any special-purpose district or authority.

2. *"Management costs"* means the reasonable costs a local government actually incurs in managing public rights-of-way.

3. *"Public right-of-way"* means the area on, below, or above a public roadway, highway, street, bridge, cartway, bicycle lane, or public sidewalk in which the local government has an interest, including other dedicated rights-of-way for travel purposes and utility easements. A public right-of-way does not include the airwaves above a public right-of-way with regard to cellular or other nonwire telecommunications or broadcasts service or utility poles owned by a local government or a municipal utility.

4. *"Public utility"* means a person owning or operating a facility used for furnishing natural

gas by piped distribution system, electricity, communications services not including cable television systems, or water by piped distribution system, to the public for compensation.

98 Acts, ch 1148, §4, 9

**480A.3 Fees.**

A local government shall not recover any fee from a public utility for the use of its right-of-way, other than a fee for its management costs. A local government may recover from a public utility only those management costs caused by the public utility's activity in the public right-of-way. A fee or other obligation under this section shall be imposed on a competitively neutral basis. When a local government's management costs cannot be attributed to only one entity, those costs shall be allocated among all users of the public rights-of-way, including the local government itself. The allocation shall reflect proportionately the costs incurred by the local government as a result of the various types of uses of the public rights-of-way.

This section does not prohibit the collection of a franchise fee as permitted in section 480A.6.

98 Acts, ch 1148, §5, 9

Referred to in §480A.6

**480A.4 In-kind services.**

A local government, in lieu of a fee imposed under this chapter, shall not require in-kind services by a public utility right-of-way user, or require in-kind services as a condition of the use of the local government's public right-of-way.

98 Acts, ch 1148, §6, 9

**480A.5 Arbitration.**

1. A public utility that is denied registration, denied a right-of-way permit, that has its right-of-way permit revoked, or that believes that the fees imposed on such user by the local government do not conform to the requirements of this chapter may request in writing that such denial, revocation, or fee imposition be reviewed by the governing body of the local government. The governing body of the local government shall act within sixty days on a timely written request. A decision by the governing body affirming the denial, revocation, or fee imposition must be in writing and supported by written findings establishing the reasonableness of the decision.

2. Upon affirmation by the governing body of the denial, revocation, or fee imposition, the public utility may do either of the following:

*a.* With the consent of the governing body, have the matter finally resolved by binding arbitration. Binding arbitration must be before an arbitrator agreed to by both the local government and the public utility. If the parties are unable to agree on an arbitrator, the matter shall be resolved by a three-person arbitration panel made up of one arbitrator selected by the local government, one arbitrator selected by the public utility, and one arbitrator selected by the other two arbitrators. The cost and expense of a single arbitrator shall be borne equally by the local government and the public utility. If a three-person arbitration panel is selected, each party shall bear the expense of its own arbitrator and the parties shall jointly and equally bear the cost and expense of the third arbitrator, and of the arbitration. Each party to the arbitration shall pay its own costs, disbursements, and attorney fees.

*b.* Bring an action in district court to review a decision of the governing body made under this section.

98 Acts, ch 1148, §7, 9

**480A.6 Franchise ordinance not superseded.**

This chapter does not modify or supersede the rights and obligations of a local government and the public utility established by the terms of any existing or future franchise granted, approved, and accepted pursuant to section 364.2, subsection 4. A city which collects a city

franchise fee from an entity pursuant to section 364.2, subsection 4, under an existing or future franchise, shall not also collect a fee from that entity under section 480A.3.

98 Acts, ch 1148, §8, 9

Referred to in §480A.3

# SUBTITLE 6

## WILDLIFE

Referred to in §170.6, 170.7, 170.8

## CHAPTER 481

RESERVED

## CHAPTER 481A

### WILDLIFE CONSERVATION

Referred to in §232.8, 321K.1, 350.5, 455A.4, 455A.5, 456A.14, 456A.24, 482.1, 483A.21, 483A.32, 484B.3, 717B.2, 717B.3A, 717D.3, 805.16, 903.1

This chapter not enacted as a part of this title;
transferred from chapter 109 in Code 1993

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GENERAL PROVISIONS

**481A.1 Definitions.**

Words and phrases as used in this chapter and chapters 350, 456A, 456B, 457A, 461A through 461C, 462A, 462B, 463B, 464A, 465A through 465C, 481B, 482, 483A, 484A, and 484B and such other chapters as relate to the subject matter of these chapters shall be construed as follows:

1. *"Alien"* shall not be construed to mean any person who has applied for naturalization papers.

2. *"Amphibian"* means a member of the class Amphibia.

3. *"Aquaculture"* means the controlled propagation, growth, and harvest of aquatic organisms, including, but not limited to fish, amphibians, reptiles, mollusks, crustaceans, gastropods, algae, and other aquatic plants, by an aquaculturist.

4. *"Aquaculture unit"* means all private waters for aquaculture with or without buildings, used for the purpose of propagating, raising, holding, or harvesting aquatic organisms for commercial purposes.

5. *"Aquaculturist"* means an individual involved in producing, transporting, or marketing aquatic products from private waters for commercial purposes.

6. *"Bag limit"* or *"possession limit"* is the number of any kind of game, fish, bird or animal or other wildlife form permitted to be taken or held in a specified time.

7. *"Bait"* includes but is not limited to minnows, green sunfish, orange-spotted sunfish, gizzard shad, frogs, crayfish, and salamanders.

8. *"Biological balance"* means that condition when the number of animals present over the long term is at or near the number of animals of a particular species that the available habitat is capable of supporting.

9. *"Bird"* means a member of the class Aves.

10. *"Buy"* means to purchase, offer to purchase, barter for, trade for, or lease.

11. *"Closed season"* is that period of time during which hunting, fishing, trapping or taking is prohibited.

12. *"Commercial purposes"* means selling, giving, or furnishing to others.

13. *"Commission"* means the natural resource commission.

14. *"Contraband"* as used in the laws pertaining to the work of the commission shall mean anything, the possession of which was illegally procured, or the possession of which is unlawful.

15. *"Department"* means the department of natural resources.

16. *"Director"* means the director of the department or the director's designee.

17. *"Farm deer"* means the same as defined in section 170.1.

18. *"Fish"* means a member of the class Pisces.

19. *"Frog"* means a member of the order Anura.

20. *"Fur-bearing animals"* means the following which are declared to be fur-bearing animals for the purpose of regulation and protection under the Code: beaver, badger, mink, otter, muskrat, raccoon, skunk, opossum, spotted skunk or civet cat, weasel, coyote, bobcat, wolf, groundhog, red fox, and gray fox. This chapter does not apply to domesticated fur-bearing animals.

21. *"Game"* means all of the animals specified in this subsection except those designated as not protected, and includes the heads, skins, and any other parts, and the nests and eggs of birds and their plumage.

*a.* The Anatidae: such as swans, geese, brant, and ducks.

*b.* The Rallidae: such as rails, coots, mudhens, and gallinules.

*c.* The Limicolae: such as shorebirds, plovers, surfbirds, snipe, woodcock, sandpipers, tattlers, godwits, and curlews.

*d.* The Gallinae: such as wild turkeys, grouse, pheasants, partridges, and quail.

*e.* The Columbidae: such as mourning doves and wild rock doves only.

*f.* The Sciuridae: such as gray squirrels and fox squirrels.

*g.* The Leporidae: cottontail rabbits and jackrabbits only.

*h.* The Cervidae: such as elk or deer, other than farm deer.

22. *"Measurement of fish"* is the length from end of nose to longest tip of tail.

23. *"Minnows"* means chubs, suckers, shiners, dace, stonerollers, mud minnows, redhorse, blunt-nose, and fathead minnows.

24. *"Mussels"* means the pearly fresh water mussels, clams or naiads, and their shells.

25. *"Open season"* is that period of time during which hunting, fishing, trapping or taking is permitted.

26. *"Person"* shall mean any person, firm, partnership or corporation.

27. *"Possession"* is both active and constructive possession and any control of things referred to.

28. *"Private waters for aquaculture"* means waters confined within an artificial containment, such as man-made ponds, vats, tanks, raceways, and other indoor or outdoor facilities constructed wholly within or on the land of an owner or lessee and used for aquaculture.

29. *"Reptile"* means a member of the class Reptilia.

30. *"Sell"* or *"sale"* is selling, bartering, exchanging, offering or exposing for sale.

31. *"Spawn"* means any of the eggs of any fish, amphibian, or mussel.

32. *"Take"* or *"taking"* or *"attempting to take"* or *"hunt"* is any pursuing, or any hunting, fishing, killing, trapping, snaring, netting, searching for or shooting at, stalking or lying in wait for any game, animal, bird, or fish protected by the state laws or rules adopted by the commission whether or not such animal be then subsequently captured, killed, or injured.

33. *"Transport"* or *"transportation"* is all carrying or moving or causing to be carried or moved.

34. *"Turtle"* means any member of the order Testudines.

35. *"Whitetail"* means an animal belonging to the cervidae family and classified as part of the virginianus species of the odocoileus genus, commonly referred to as whitetail.

36. *"Wild animal"* means a wild mammal, bird, fish, amphibian, reptile, or other wildlife found in this state, whether game or nongame, migratory or nonmigratory, the ownership and title to which is claimed by this state.

37. *"Wild mammal"* means a member of the class Mammalia.

[C39, §**1703.60;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.1]

83 Acts, ch 168, §5; 86 Acts, ch 1245, §1850 – 1852; 88 Acts, ch 1216, §1, 2; 92 Acts, ch 1160, §17; 92 Acts, ch 1186, §1; 92 Acts, ch 1216, §1

C93, §481A.1

93 Acts, ch 99, §1; 95 Acts, ch 134, §5; 2003 Acts, ch 149, §14 – 16, 23; 2012 Acts, ch 1118, §4

Referred to in §456A.37, 556H.1, 717B.1, 717B.2, 717B.3A, 717B.6, 717D.3

**481A.2 State ownership and title — exceptions.**

The title and ownership of all fish, mussels, clams, and frogs in any of the public waters of the state, and in all ponds, sloughs, bayous, or other land and waters adjacent to any public waters stocked with fish by overflow of public waters, and of all wild game, animals, and birds, including their nests and eggs, and all other wildlife, found in the state, whether game or nongame, native or migratory, except deer in parks and in public and private preserves, the ownership of which was acquired prior to April 19, 1911, are hereby declared to be in

the state, except as otherwise provided in this chapter. The title and ownership of all aquatic organisms in aquaculture units and private aquacultural waters shall be in private persons.

[S13, §2562-c, 2563-j; SS15, §2562-b; C24, 27, 31, 35, 39, §**1704;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.2]

90 Acts, ch 1044, §1; 92 Acts, ch 1216, §2

C93, §481A.2

Referred to in §1.9

**481A.3 Conclusive presumption.**

Any person catching, taking, killing, or having in possession any of such fish, mussels, clams, frogs, game, animals, or birds, their nests or eggs, or other wildlife in violation of the provisions of this chapter, shall be held to consent that the title to the same shall be and remain in the state for the purpose of regulating and controlling the catching, taking, or having in possession the same, and disposing thereof after such catching, taking, or killing.

[S13, §2562-c; SS15, §2562-b; C24, 27, 31, 35, 39, §**1705;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.3]

C93, §481A.3

**481A.4 Fish hatcheries — game farms.**

The commission may establish and control the state hatcheries and game farms, which shall be used for the purpose of stocking the waters of the state with fish and the natural covers with game birds to the extent of the means provided for that purpose; and impartially and equitably distribute all birds, eggs, and fry raised by or furnished to the state, or for it through other sources, in the streams, lakes, and natural covers of the state.

[C97, §2539; SS15, §2539; C24, 27, 31, 35, 39, §**1709;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.4]

C93, §481A.4

**481A.5 State game refuges.**

1. The commission may establish state game refuges or sanctuaries on any land owned by the state of Iowa suitable for this purpose when necessary for the preservation of biological balance pursuant to the provisions of section 481A.39, for the protection of public parks, for the protection of the public health, safety and welfare, or to effect sound wildlife management.

2. In emergency situations when the maintenance of the biological balance as provided in section 481A.39 is threatened, the director may establish temporary state game refuges in conformity with sound wildlife management. The establishment of a temporary refuge shall be accomplished by posting notices in conspicuous places around the refuge. The establishment of a temporary refuge by the director shall be effective until five days after the next meeting of the commission or for such longer time as the commission may determine is necessary to maintain a biological balance as provided in section 481A.39 and to effect sound wildlife management.

[C27, 31, 35, §1709-a1; C39, §**1709.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.5]

C93, §481A.5

**481A.6 Game management area.**

The commission may establish a game management area upon any public lands or waters, or with the consent of the owner upon any private lands or waters, when necessary to maintain a biological balance as provided in section 481A.39 or to provide for public hunting, fishing, or trapping in conformity with sound wildlife management; and when a game management area is established, the commission shall with the consent of the owner, if any, have the right to post and prohibit, and to regulate or limit the lands or waters against trespassing, hunting, fishing, or trapping, and any violation of the regulations is unlawful.

[C35, §1709-e1; C39, §**1709.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.6]

90 Acts, ch 1216, §6

C93, §481A.6

Referred to in §805.8B(3c)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

**481A.6A Pen-reared pheasants — release by landowners and tenants.**

1. As used in this section, *"pen-reared pheasant"* means a Chinese ring-necked pheasant (Phasianus colchicus torquatus) and its subspecies which originates from a captive population and which has been propagated and held by a hatchery. For the purposes of this section *"pen-reared pheasant"* does not include a Reeves (Syrmaticus reevesii) or Lady Amherst (Chrysolophus amherstiae) pheasant, a subspecies of the Chinese ring-necked pheasant classified as a Japanese (Phasianus versicolor) or a Black-necked (P. colchicus colchicus) pheasant, or a melanistic mutant (black, white, or other color mix) of the Chinese ring-necked pheasant. This subsection is not applicable to game birds released for officially sanctioned field meets or trials and retriever meets or trials on private land pursuant to section 481A.22, pen-raised game birds used on private land pursuant to section 481A.56, or game birds released on hunting preserves pursuant to chapter 484B.

2. Notwithstanding section 481A.60, an owner or tenant of land may obtain pen-reared pheasants from a hatchery approved by the department, and raise or release the pen-reared pheasants on the owner's or tenant's land. A person shall not relocate a pen-reared pheasant to any other land.

3. A person taking a pen-reared pheasant shall comply with all requirements provided in this chapter and chapter 483A.

2010 Acts, ch 1180, §1; 2012 Acts, ch 1118, §5; 2013 Acts, ch 90, §143

Referred to in §484B.3

Subsection 1 amended

**481A.6B Pheasant population studies — reports.**

1. The department, in cooperation with private and public partners, shall conduct a multiyear study to determine the effectiveness of stocking wild or first-generation pheasants in the state.

2. The department, in cooperation with private and public partners, shall stock wild or first-generation pheasants in an area with suitable pheasant habitat that has a very low or no wild pheasant population. The rate at which the pheasant population changes over time in the stocked area shall be compared to the rate of change in another area where no pheasants have been stocked. Both areas shall be located in the southern half of the state. The results of the study shall be published and made available to the public at the conclusion of the study.

3. The department shall collect a sufficient amount of new data as is necessary to confirm or revise population parameters used by the department to predict pheasant population change. A report discussing the data collected and the changes made to the department's pheasant population prediction model, if any, shall be submitted to the general assembly and made available to the public by December 31, 2015.

4. The department, in cooperation with an institution under the control of the state board of regents, shall also conduct a study to determine the economic impact of pheasant hunting in Iowa. The study shall focus on the impact to rural areas of the state and to small communities. A report on the results of the study shall be submitted to the general assembly by December 31, 2014.

5. The duties imposed in this section are contingent on the receipt of outside funding by the department sufficient to cover the costs associated with the studies required.

6. This section is repealed June 30, 2018.

2012 Acts, ch 1106, §1

**481A.7 Hunting on game refuges.**

1. It shall be unlawful to hunt, pursue, kill, trap or take any wild animal, bird, or game on any state game refuge so established at any time of the year, and no one shall carry firearms thereon, providing, however, that predatory birds and animals may be killed or trapped under the authority and direction of the director.

2. The commission may specify the distance from a state game refuge where shooting is prohibited, and shall have notice of same posted at such distance in conspicuous places around the refuge, provided, however, this prohibition shall not apply to owners or tenants hunting on their own land outside of a state game refuge. The commission may

prohibit shooting at any reasonable distance from a state game refuge deemed necessary to accomplish the purposes for which the refuge is established.

[C27, 31, 35, §1709-a2; C39, §**1709.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.7]
86 Acts, ch 1245, §1855
C93, §481A.7
Referred to in §805.8B(3d)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

**481A.8 Notice of establishment.**

When any such refuge or preserve is established by the commission, it shall post notices of such establishment in conspicuous places around the refuge.

[C27, 31, 35, §1709-a3; C39, §**1709.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.8]
C93, §481A.8

**481A.9 Spawning grounds.**

To effect sound wildlife management and maintain biological balance as provided in section 481A.39, the commission may set aside certain portions of any state waters for spawning grounds where the same are suitable for this purpose for such length of time as it may deem advisable by the posting of notices in conspicuous places around such area, and it shall be unlawful for any person to fish or to in any manner interfere with the spawning of fish in this area. Any person violating any of the provisions of this section shall be guilty of a simple misdemeanor.

[C31, 35, §1709-c1; C39, §**1709.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.9]
C93, §481A.9

**481A.10 Reports and accounting.**

At the time provided by law, the director shall make a report to the governor of the director's doings for the preceding biennial period, including therein an itemized statement of all receipts and disbursements; also all contracts for the taking of soft fish from the waters of this state, with the profits accruing from such contracts; also such other information upon the subject of the culture of fish and the protection of game as may be of value. All funds derived under said contracts shall be paid into the state fish and game protection fund.

[C97, §2539; SS15, §2539; C24, 27, 31, 35, 39, §**1710;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.10]
C93, §481A.10

**481A.10A Farmer advisory committee.**

The director shall establish a farmer advisory committee for the purpose of providing information to the department regarding crop and tree damage caused by deer, wild turkey, and other predators. Members of the committee shall include a representative designated by each of the following organizations: the Iowa corn growers association, the Iowa farm bureau federation, the Iowa farmers union, the Iowa state horticulture society, the Iowa Christmas tree growers association, the Iowa nursery and landscape association, the department of agriculture and land stewardship, and the Iowa state university agricultural extension service. The committee shall meet with a representative of the department of natural resources on a semiannual basis. The committee shall serve without compensation or reimbursement for expenses.

87 Acts, ch 233, §224
CS87, §109.10A
C93, §481A.10A
2008 Acts, ch 1037, §1, 6
Referred to in §481C.2

**481A.11 Confiscated or accidentally killed game.**

Except as provided in section 481A.13, any game or fish seized by the commission under section 481A.12 or any game accidentally killed by a motor vehicle on a public highway shall, when salvageable, be disposed of as determined by the commission or its designee.

[C77, 79, 81, §109.11]

C93, §481A.11

**481A.12 Seizure of wildlife taken or handled illegally.**

The director or any peace officer shall seize with or without warrant and take possession of, or direct the disposal of, any fish, furs, birds, or animals, or mussels, clams, or frogs, which have been caught, taken, or killed at a time, in a manner, or for a purpose, or had in possession or under control, or offered for shipment, or illegally transported in the state or to a point beyond its borders, contrary to the Code. All fish, furs, birds, or animals, or mussels, clams, or frogs seized under this section may be relinquished to a representative of the commission or disposed of.

[SS15, §2539; C24, 27, 31, 35, 39, §**1714;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.12]

88 Acts, ch 1216, §3

C93, §481A.12

94 Acts, ch 1148, §1

Referred to in §331.653, 481A.11, 716.8

**481A.13 Search warrants.**

Any court having jurisdiction of the offense, upon receiving proof of probable cause for believing that any fish, mussels, clams, frogs, birds, furs, or animals caught, taken, killed, had in possession, under control, or shipped, contrary to the Code, or hidden or concealed in any place, shall issue a search warrant and cause a search to be made in any place therefor. The property so seized under warrant shall be safely kept under the direction of the court so long as necessary for the purpose of being used as evidence in any trial, and if a trial results in a conviction the property seized shall be confiscated by the director or the director's officers.

[SS15, §2539; C24, 27, 31, 35, 39, §**1716;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.13]

88 Acts, ch 1216, §4

C93, §481A.13

Referred to in §481A.11

Search warrant proceedings, chapters 808 and 809

**481A.14 Dams — fishways.**

It shall be unlawful for any person, firm, or corporation to place, erect, or cause to be placed or erected, any dam or other device or contrivance in such manner as to hinder or obstruct the free passage of fish up, down, or through such waters, except as otherwise provided in this chapter. Dams for manufacturing or other lawful purposes may be erected across the waters of the state. No permanent dam or obstruction across such waters shall be erected or maintained which is not provided with a fishway, except by written approval of the director, nor shall any pumping station or plant except sand pumping and dredging machines, in or connected with such waters be constructed or operated except by written approval of the director, which is not provided with screens to prevent fish from entering the pumping station or plant. Such fishways and screens shall be constructed and used according to the plans and specifications prepared and furnished by the director. Any dam, obstruction, or pumping plant which is not so constructed is a public nuisance and may be abated accordingly.

[C97, §2540, 2547, 2548; S13, §2547; SS15, §2540, 2548; C24, 27, 31, 35, 39, §**1741;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.14]

86 Acts, ch 1245, §1855

C93, §481A.14

Nuisances in general, chapter 657

**481A.15 Destruction or alteration of dam.**

It is unlawful for any owner or the owner's agent to remove or destroy any existing dam, or alter it in a way so as to lower the water level, without having received written approval from the environmental protection commission of the department.

[C24, 27, 31, 35, 39, §**1742;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.15; 82 Acts, ch 1199, §54, 96]

86 Acts, ch 1245, §1853

C93, §481A.15

**481A.16 Taking by director for stocking and exchange.**

The director may take from the public waters of the state, at any time and in any manner, any fish for the purpose of propagating or restocking other waters, or exchanging with fish and wildlife agencies of other states, the federal government, or private fish hatcheries.

[C97, §2546; S13, §2546; C24, 27, 31, 35, 39, §**1744;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.16]

83 Acts, ch 110, §1

C93, §481A.16

**481A.17 Target shooting sports program.**

The department shall establish a target shooting sports program to promote recreational target shooting sports. The purposes of the program shall be to introduce more Iowans to target shooting sports, promote existing target shooting programs, provide more target shooting facilities, and improve existing target shooting facilities. The commission may adopt rules to achieve these purposes.

2012 Acts, ch 1118, §6

**481A.18 Hunting incidents — mandatory reporting.**

This section applies to a person who is involved in a hunting incident with a firearm or a fall from a device that allows or assists a person to hunt from an elevated location, if the hunting incident results in an injury to a person, or property damage exceeding one hundred dollars. The person shall report the hunting incident to the sheriff's office in the county where the hunting incident occurred or to the department within twelve hours after the hunting incident occurred. However, if an injury caused by the hunting incident prevents timely reporting, the person shall make the report as soon as practicable. A person who fails to report the hunting incident as required in this section is guilty of a simple misdemeanor.

90 Acts, ch 1198, §1

C91, §109.18

C93, §481A.18

2008 Acts, ch 1161, §15

**481A.19 Reciprocity of states.**

1. *a.* Any person licensed by the authority of Illinois, Minnesota, Missouri, Wisconsin, Nebraska, or South Dakota to take fish, game, mussels, or fur-bearing animals from or in the waters forming the boundary between such state and Iowa, may take such fish, game, mussels, or fur-bearing animals from that portion of said waters lying within the territorial jurisdiction of this state, without having procured a license from the director of this state, in the same manner that persons holding Iowa licenses may do, if the laws of Illinois, Minnesota, Missouri, Wisconsin, Nebraska, or South Dakota, respectively, extend a similar privilege to persons so licensed under the laws of Iowa.

*b.* Any person licensed by the authority of Illinois, Minnesota, Missouri, Wisconsin, Nebraska, or South Dakota to take fish, game, mussels, or fur-bearing animals from or in lands under the jurisdiction of any of those states may take such fish, game, mussels, or fur-bearing animals from or in lands under the jurisdiction of the commission when such land is adjacent to that respective state but is separated from other land in Iowa by a body of water, without having procured a license from the director of this state, in the same manner that persons holding Iowa licenses may do, if the laws of Illinois, Minnesota, Missouri,

Wisconsin, Nebraska, or South Dakota, respectively, extend a similar privilege to persons so licensed under the laws of Iowa.

2. Any privileges conferred by this section shall be subject to a reciprocal agreement as negotiated by the commission and the authority of a state provided in subsection 1 which confers upon a licensee of this state reciprocal rights, privileges, and immunities as provided in section 483A.31. Such agreements may include determination of which state's seasons and limits shall apply for specific geographical areas.

[C24, 27, 31, 35, 39, §**1762;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.19]
86 Acts, ch 1245, §1855
C93, §481A.19
2008 Acts, ch 1161, §16; 2009 Acts, ch 144, §15, 16; 2011 Acts, ch 34, §108

**481A.20 Parrots and canaries.**

This chapter shall not be construed to forbid the selling or shipping of parrots, canaries, or any other cage birds which are imported from other countries or not native to any part of the United States.

[S13, §2563-r; C24, 27, 31, 35, 39, §**1777;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.20]
C93, §481A.20

**481A.21 Birds as targets.**

A person shall not keep or use any live pigeon or other bird as a target, to be shot at for amusement or as a test of skill in marksmanship, or shoot at a bird kept or used for such purpose, or be a party to such shooting, or lease any building, room, field, or premises, or knowingly permit the use thereof, for the purpose of such shooting. This section does not prevent any person from shooting at live pigeons, sparrows, and starlings when used in the training of hunting dogs. This section does not prevent any person from shooting at a game bird that is released a minimum of twenty-five yards from that person on a licensed hunting preserve. For the purposes of this section, *"game bird"* means the same as defined in section 484B.1.

[S13, §2563-i; C24, 27, 31, 35, 39, §**1778;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.21]
88 Acts, ch 1216, §5
C93, §481A.21
2009 Acts, ch 179, §213, 217; 2010 Acts, ch 1154, §1
Referred to in §481A.22, 805.8B(3c)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

**481A.22 Field and retriever meets — permit required.**

All officially sanctioned field meets or trials and retriever meets or trials where the skill of dogs is demonstrated in pointing, retrieving, trailing, or chasing any game bird, game animal, or fur-bearing animal shall require a field trial permit. Except as otherwise provided by law, it shall be unlawful to kill any wildlife in such events. Notwithstanding the provisions of section 481A.21 it shall be lawful to hold field meets or trials and retriever meets or trials where dogs are permitted to work in exhibition or contest whereby the skill of dogs is demonstrated by retrieving dead or wounded game birds which have been propagated by licensed game breeders within the state or secured from lawful sources outside the state and lawfully brought into the state. All such birds must be released on the day of trials on premises where the trials are held.

Such birds released may be shot by official guns after having secured a permit as herein provided.

Such permits may be issued by the director of the department upon proper application and the payment of a fee of two dollars for each trial held. A representative of the department shall attend all such trials and enforce the laws and regulations governing same.

The person or persons designated by the committee in charge to do the shooting for such trials shall be known as the official guns, and no other person shall be permitted to kill or attempt to kill any of the birds released for such trials.

Before any birds are released under this section, they must each have attached a tag provided by the department and attached by a representative of the department at a cost of not more than ten cents for each tag. All tags are to remain attached to birds until prepared for consumption.

It is unlawful for any person to hold, conduct, or to participate in a field or retriever trial before the permit required by this section has been secured or for any person to possess or remove from the trial grounds any birds which have not been tagged as herein required.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.22]

86 Acts, ch 1244, §24; 90 Acts, ch 1216, §7

C93, §481A.22

Referred to in §481A.6A, 805.8B(3c)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

**481A.23 Transportation for sale prohibited.**

It shall be unlawful for any person, firm, or corporation, except as otherwise provided, to offer for transportation or to transport by common carrier or vehicle of any kind, to any place within or without the state, for the purposes of sale, any of the fish, game, animals, or birds taken, caught, or killed within the state, or to peddle any of such fish, game, animals, or birds.

[C97, §2555; SS15, §2540, 2555; C24, 27, 31, 35, 39, §**1780;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.23]

C93, §481A.23

Analogous provision, §481A.38

**481A.24 Use of mobile radio transmitter prohibited — exceptions.**

1. For the purposes of this section:

*a. "One-way mobile radio transmitter"* means a radio capable of transmitting a signal only but not capable of transmitting a voice signal. The signal may be tracked or located by radio telemetry or located by an audible sound.

*b. "Two-way mobile radio transmitter"* means a radio capable of transmitting and receiving voice messages including, but not limited to, a citizen band radio or a cellular telephone.

2. Except as otherwise provided in this section, a person who is hunting shall not use a one-way or two-way mobile radio transmitter to communicate the location or direction of game or fur-bearing animals or to coordinate the movement of other hunters. This subsection does not apply to the hunting of coyotes except during the shotgun deer season as set by the commission under section 481A.38.

3. A licensed falconer may use a one-way mobile radio transmitter to recover a free-flying bird of prey properly banded and covered on the falconry permit.

4. A person hunting with the aid of a dog may use at any time a one-way mobile transmitter designed to track or aid in the recovery of the dog.

[C79, 81, §109.24]

88 Acts, ch 1216, §6

C93, §481A.24

93 Acts, ch 119, §1; 94 Acts, ch 1147, §1

Referred to in §805.8B(3d)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

**481A.25** Reserved.

**481A.26 Unlawful transportation.**

No person, except as otherwise provided, shall ship, carry or transport in any one day, game, fish, birds, or animals, except fur-bearing animals in excess of the number legally permitted to be in possession of such a person.

[C97, §2555; SS15, §2555; C24, 27, 31, §1783; C35, §1782-e1; C39, §**1782.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.26]

C93, §481A.26

Referred to in §805.8B(3c)

For applicable scheduled fine, see §805.8B, subsection 3, paragraph c

**481A.27 through 481A.29** Reserved.

**481A.30 Entire shipment contraband.**

In the shipping of fish, game, animals, birds, or furs, whenever a container includes one or more fish, game, animals, birds or furs that are contraband, the entire contents of the container shall be deemed contraband, and shall be seized by the director or the director's officers.

[C24, 27, 31, 35, 39, §**1787;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.30]

C93, §481A.30

**481A.31 Game brought into the state.**

It shall be lawful for any person, firm, or corporation to have in possession any fish or game lawfully taken outside the state and lawfully brought into the state, but the burden of proof shall be upon the person in such possession to show that such fish or game was lawfully killed and lawfully brought into the state.

[SS15, §2555; C24, 27, 31, 35, 39, §**1788;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.31]

C93, §481A.31

**481A.32 Violations — penalties.**

Whoever shall take, catch, kill, injure, destroy, have in possession, buy, sell, ship, or transport any frogs, fish, mussels, birds, their nests, eggs, or plumage, fowls, game, or animals or their fur or raw pelt in violation of the provisions of this chapter or of administrative rules of the commission or whoever shall use any device, equipment, seine, trap, net, tackle, firearm, drug, poison, explosive, or other substance or means, the use of which is prohibited by this chapter, or use the same at a time, place, or in a manner or for a purpose prohibited, or do any other act in violation of the provisions of this chapter or of administrative rules of the commission for which no other punishment is provided, is guilty of a simple misdemeanor and shall be assessed a minimum fine of twenty dollars for each offense.

Each fish, fowl, bird, bird's nest, egg, or plumage, and animal unlawfully caught, taken, killed, injured, destroyed, possessed, bought, sold, or shipped shall be a separate offense.

A person convicted of taking a deer, antelope, moose, buffalo, or elk with a prohibited weapon as defined by rules of the department, is subject to a fine of one hundred dollars for each offense committed while taking the animal with the prohibited weapon.

[R60, §4381 – 4383; C73, §4048, 4053, 4063; C97, §2543, 2544, 2551, 2552, 2556, 2558, 2561; S13, §2547-e, 2551-b, 2561, 2563-a8, -i, -o, -s, -v; SS15, §2540-a, 2544, 2551, 2552, 2556; C24, 27, 31, 35, 39, §**1789;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.32]

88 Acts, ch 1216, §7, 8

C93, §481A.32

2002 Acts, ch 1147, §1

Referred to in §481A.59

See also §481A.38 and applicable scheduled fine under §805.8B, subsection 3, paragraphs f and g

**481A.33 Violations relating to dams.**

Whoever shall erect any dam or other obstruction prohibited by this chapter or at a place or in a manner prohibited shall be guilty of a simple misdemeanor, or shall injure or destroy any dam lawfully erected, shall be guilty of an aggravated misdemeanor.

[C97, §2548, 2550; SS15, §2548; C24, 27, 31, 35, 39, §**1790;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.33]

C93, §481A.33

**481A.34 Violations by common carrier.**

A common carrier which violates any of the provisions of this chapter relating to receiving, having in possession, shipping, or delivering any fish, fowl, birds, birds' nests, eggs, or plumage, fur, raw pelts, game, or animals, in violation of the provisions of the Code or contrary to the regulations and restrictions provided in this chapter, and any agent,

employee, or servant of a common carrier violating such provisions, is guilty of a simple misdemeanor.

[C73, §4049; C97, §2557; C24, 27, 31, 35, 39, §**1791;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.34]

88 Acts, ch 1216, §9

C93, §481A.34

**481A.35 Attorney general and county attorneys.**

It shall be the duty of the attorney general, when requested by the director, to give the attorney general's opinion in writing upon any question of law arising under this chapter; and it shall be the duty of all county attorneys in this state when requested by the director or any officer appointed by the commission, to prosecute all criminal actions brought in their respective counties for violations of the provisions of this chapter. Nothing in this chapter shall be construed as prohibiting any person from instituting legal proceedings for the enforcement of any of the provisions thereof.

[R60, §4385; C73, §4051; C97, §2559; SS15, §2559; C24, 27, 31, 35, 39, §**1792;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.35]

C93, §481A.35

Referred to in §331.756(24)

**481A.36 Information — venue.**

In all prosecutions under this chapter, any number of violations may be charged in one information, but each charge shall be set out in a separate count if more than one charge is included in one information.

Prosecutions for violations may be brought in the county in which any fish, fowl, bird, bird's nest, eggs, or plumage, or animals protected by this chapter were unlawfully caught, taken, killed, trapped, ensnared, bought, sold, or shipped unlawfully, or in any county into or through which they were received, transported, or found in possession of any person.

[R60, §4385; C73, §4051; C97, §2559; SS15, §2559; C24, 27, 31, 35, 39, §**1793;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.36]

C93, §481A.36

**481A.37 Presumptive evidence.**

It shall be presumptive evidence of a violation of the provisions of this chapter for any person to:

1. Have in possession any fish, game, furs, birds, birds' nests, eggs or plumage, or animals, which have been unlawfully caught, taken, or killed.
2. Be in possession of such fish, game, furs, birds, or animals at a time when or place where it shall be unlawful to take, catch, or kill the same, except game, birds or animals, during the first ten days of the closed season.
3. Have in possession any implements, devices, equipment, or means whatever of taking fish, birds, or animals protected by the Code at any place where the possession or use thereof is prohibited.

[C97, §2554; S13, §2563-a10; SS15, §2554, 2555; C24, 27, 31, 35, 39, §**1794;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.37]

88 Acts, ch 1216, §10, 11

C93, §481A.37

## PROPAGATION AND PROTECTION OF FISH, GAME, WILD BIRDS, AND ANIMALS

**481A.38 Prohibited acts — restrictions on the taking of wildlife — special licenses.**

It is unlawful for a person to take, pursue, kill, trap or ensnare, buy, sell, possess, transport, or attempt to so take, pursue, kill, trap or ensnare, buy, sell, possess, or transport any game, protected nongame animals, fur-bearing animals or fur or skin of such animals, mussels,

frogs, spawn or fish or any part thereof, except upon the terms, conditions, limitations, and restrictions set forth herein, and administrative rules necessary to carry out the purposes set out in section 481A.39, or as provided by the Code.

1. *a.* The commission may upon its own motion and after an investigation, alter, limit, or restrict the methods or means employed and the instruments or equipment used in taking wild mammals, birds subject to section 481A.48, fish, reptiles, and amphibians, if the investigation reveals that the action would be desirable or beneficial in promoting the interests of conservation, or the commission may, after an investigation when it is found there is imminent danger of loss of fish through natural causes, authorize the taking of fish by means found advisable to salvage imperiled fish populations.

*b.* The commission shall adopt a rule permitting a crossbow to be used only by individuals with disabilities who are physically incapable of using a bow and arrow under the conditions in which a bow and arrow is permitted. The commission shall prepare an application to be used by an individual requesting the status. The application shall require the individual's physician to sign a statement declaring that the individual is not physically able to use a bow and arrow.

2. If the commission finds that the number of hunters licensed or the type of license issued to take deer or wild turkey should be limited or further regulated, the commission shall adopt procedures, by rule, for issuing the licenses. This subsection does not apply to the hunting of wild turkey on a hunting preserve licensed under chapter 484B.

3. The department and the commission shall exercise regulatory authority regarding seasons, bag limits, possession limits, locality, the method of taking, or the taking of fish and wildlife within the boundaries of the Sac and Fox tribe settlement in Tama county only to the extent provided in a written agreement between the tribal council of the Sac and Fox tribe of the Mississippi in Iowa and the department. The written agreement shall not be construed to supersede or impair the regulatory authority exercised by the commission pursuant to the federal Migratory Bird Treaty Act, the federal Migratory Bird Stamp Hunting Act, the federal Endangered Species Act, or other federal law, and shall not be construed to supersede or impair the regulatory authority exercised by the Sac and Fox tribe of the Mississippi in Iowa pursuant to any federal act, statute, or law. The department and the commission shall not unreasonably fail to enter into an agreement and shall pursue such an agreement in an expedient manner. This subsection shall become effective upon signing of the written agreement by the director of the department and the chairperson of the Sac and Fox tribe of the Mississippi in Iowa.

[R60, §4381; C73, §4048; C97, §2551, 2555; S13, §2562-c, 2563-j, -k, -m, -n; SS15, §2540, 2551, 2555, 2562-b, -c, 2563-a1, -a2, -u; C24, 27, 31, §1718, 1719, 1755, 1767, 1774; C35, §1718-c1; C39, §**1794.001;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.38; 82 Acts, ch 1037, §1]

84 Acts, ch 1213, §1; 84 Acts, ch 1260, §1; 88 Acts, ch 1216, §12; 89 Acts, ch 87, §1; 90 Acts, ch 1109, §1; 92 Acts, ch 1160, §18

C93, §481A.38

96 Acts, ch 1129, §97; 99 Acts, ch 39, §1; 2001 Acts, ch 134, §1, 2; 2007 Acts, ch 189, §1, 2; 2011 Acts, ch 25, §143

Referred to in §456A.24, 481A.24, 481A.48, 481A.67, 483A.24, 483A.28, 805.8B(3f, 3g)

For applicable scheduled fines, see §805.8B, subsection 3, paragraphs f and g

**481A.39 Biological balance maintained.**

The commission is designated the sole agency to determine the facts as to whether biological balance does or does not exist. The commission shall, by administrative rule, extend, shorten, open, or close seasons and set, increase, or reduce catch limits, bag limits, size limits, possession limits, or territorial limitations or further regulate taking conditions in accordance with sound fish and wildlife management principles.

[C39, §**1794.002;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.39]

88 Acts, ch 1216, §13

C93, §481A.39

Referred to in §481A.5, 481A.6, 481A.9, 481A.38, 481A.48, 481A.67, 483A.28

**481A.40 Use of drugs on wildlife — penalty.**

1. For the purposes of this section, *"drug"* means any chemical substance, other than food, that affects the structure or biological function of any wildlife under the jurisdiction of the department of natural resources.

2. Except with written authorization from the director or the director's designee or as otherwise provided by law, a person shall not administer any drug to any wildlife under the jurisdiction of the department of natural resources, including but not limited to drugs used for fertility control, disease prevention or treatment, immobilization, or growth stimulation.

3. This section does not prohibit the treatment of sick or injured wildlife by a licensed veterinarian or holder of a wildlife rehabilitation permit.

4. This section shall not be construed to limit employees of agencies of the state, the United States, or local animal control officers, licensed animal shelters, or licensed pounds in the performance of their official duties related to public health, wildlife management, or wildlife removal. However, a drug shall not be administered by any person for fertility control or growth stimulation except as provided in subsection 2.

5. An officer of the department may take possession of or dispose of any wildlife under the jurisdiction of the department of natural resources that the officer reasonably believes has been administered drugs in violation of this section.

6. A person who violates this section is guilty of a serious misdemeanor.

2007 Acts, ch 56, §1

**481A.41** Reserved.

**481A.42 Nongame protected — exclusion.**

Protected nongame species include wild fish, wild birds, wild bats, wild reptiles, and wild amphibians, an egg, a nest, a dead body or part of a dead body, and a product made from part of a body of a wild fish, wild bird, wild bat, wild reptile, or wild amphibian. However, nongame does not include game, fish that may be taken pursuant to regulations established under the Code or departmental rule, fur-bearing animals, turtles, or frogs, as defined in this chapter. The commission shall designate by rule those species of nongame which by their abundance or habits are declared a nuisance, and these species shall not be protected. Rules adopted shall include, but are not limited to, a provision that states that any bat, except for the Indiana bat, which is found within a building that is occupied by human beings is not a protected nongame species.

[S13, §2563-q; C24, 27, 31, §1776; C39, §**1794.005;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.42]

83 Acts, ch 168, §6; 92 Acts, ch 1107, §1

C93, §481A.42

93 Acts, ch 20, §1

Referred to in §717B.1

**481A.43 through 481A.46** Reserved.

**481A.47 Importing fish and game — permits.**

It shall be unlawful except as otherwise provided for any person, firm or corporation, to bring into the state of Iowa for the purpose of propagating or introducing, or to place or introduce into any of the inland or boundary waters of the state, any fish or spawn thereof that are not native to such waters, or introduce or stock any bird or animal unless application is first made in writing to the commission for a permit therefor and such permit granted. Such permit shall be granted only after the commission has made such investigation or inspection of the fish, birds or animals as it may deem necessary to determine whether or not such fish, birds or animals are free from disease and whether or not such introduction will be beneficial or detrimental to the native wildlife and the people of the state, and may or may not approve such planting, releasing or introduction according to its findings. Nothing in the above shall prohibit licensed game breeders from securing native or exotic birds or animals from outside the state and bringing them into the state and they shall not be required to have a permit as

provided above when such birds or animals are not released to the wild but are held on the game breeder's premises as breeding stock.

[C39, §**1794.010;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.47]

C93, §481A.47

Referred to in §805.8B(3d)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

## TERRITORIES, OPEN SEASONS, BAG AND POSSESSION LIMITS FOR GAME

**481A.48 Restrictions on game birds and animals.**

1. A person, except as otherwise provided by law, shall not willfully disturb, pursue, shoot, kill, take or attempt to take, or have in possession any of the following game birds or animals except within the open season established by the commission: gray or fox squirrel, bobwhite quail, cottontail or jackrabbit, duck, snipe, pheasant, goose, woodcock, partridge, mourning dove, coot, rail, ruffed grouse, wild turkey, pigeon, or deer. The seasons, bag limits, possession limits, and locality shall be established by the department or commission under the authority of sections 456A.24, 481A.38, and 481A.39.

2. The commission may adopt rules for the taking and possession of migratory birds which are subject to the federal Migratory Bird Treaty Act and Migratory Bird Stamp Hunting Act during the time and in the manner permitted under those federal Acts. The commission shall not adopt a rule for the taking or possession of a migratory bird for which an open season is not authorized by another paragraph of this section.

3. The commission may by rule permit the taking and possession of designated raptors and crows during the time and in the manner permitted under the federal Migratory Bird Treaty Act.

4. The commission shall establish methods by which pigeons may be taken which may include, but are not limited to, the use of trapping, chemical repellants, or toxic perches.

5. The commission shall establish one or more pistol or revolver seasons for hunting deer as separate firearm seasons or to coincide with one or more other firearm deer hunting seasons. Any pistol or revolver firing a magnum three hundred fifty-seven thousandths of one inch caliber or larger, centerfire, straight wall ammunition propelling an expanding-type bullet is legal for hunting deer during the pistol or revolver seasons. The commission shall adopt rules to allow black powder pistols or revolvers for hunting deer. The rules shall not allow pistols or revolvers with shoulder stock or long-barrel modifications. The barrel length of a pistol or revolver used for deer hunting shall be at least four inches. The rules may limit types of ammunition. A person who is sixteen years of age or less shall not hunt deer with a pistol or revolver. A person possessing a prohibited pistol or revolver while hunting deer commits a scheduled violation under section 805.8B, subsection 3, paragraph "*h*", subparagraph (5).

[R60, §4381; C73, §4048; C97, §2551, 2552; S13, §2563-q; SS15, §2551, 2552, 2563-u; C24, §1767, 1768, 1776; C27, 31, §1767, 1767-a1, 1768, 1776; C39, §**1794.011;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.48]

86 Acts, ch 1133, §2, 3

C93, §481A.48

97 Acts, ch 141, §1; 2001 Acts, ch 137, §5; 2011 Acts, ch 3, §1

Referred to in §170.8, 481A.38, 805.8B(3h)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph h

**481A.49** Reserved.

**481A.50 Selling birds.**

No part of the plumage, skin or body of any bird protected by this chapter shall be sold or had in possession for sale, irrespective of whether said bird was captured or killed within or without the state, except as otherwise provided.

[C39, §**1794.013;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.50]

C93, §481A.50

Referred to in §481A.55, 805.8B(3c)

For applicable scheduled fine, see §805.8B, subsection 3, paragraph c

**481A.51 Hunting license not trapping license.**

A hunting license shall not permit the holder to trap any fur-bearing animal as defined in this chapter.

[SS15, §2563-a1; C24, 27, §1718; C31, §1718-c1; C39, §**1794.014;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.51]

C93, §481A.51

**481A.52 Exhibiting catch to officer.**

A person who has in possession any game bird or game animal, fish or fur or part thereof shall upon request of the director or any officer appointed by the department exhibit it to the director or officer, and a refusal to do so is a violation of the Code.

[C31, §1768-c1; C39, §**1794.015;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.52]

88 Acts, ch 1216, §14

C93, §481A.52

Referred to in §805.8B(3d)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

**481A.53 Chasing from dens.**

It is unlawful to have in possession while hunting or to use while hunting any ferret or any device or any substance to be used for chasing animals from their dens.

[C31, §1767-c1; C39, §**1794.016;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.53]

88 Acts, ch 1216, §15

C93, §481A.53

Referred to in §805.8B(3d)

For applicable scheduled fine, see §805.8B, subsection 3, paragraph d

**481A.54 Shooting rifle, shotgun, pistol, or revolver over water, highway, or railroad right-of-way.**

1. A person shall not shoot any rifle on or over any of the public waters or public highways of the state or any railroad right-of-way.

2. A person shall not shoot a shotgun with a slug load, pistol, or revolver on or over a public roadway as defined in section 321.1, subsection 65.

3. This section does not apply to any peace officers or military personnel in the performance of their official duties.

[C31, §1772-c2; C39, §**1794.017;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.54]

91 Acts, ch 234, §1

C93, §481A.54

Referred to in §805.8B(3b)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph b

**481A.55 Selling game.**

1. Except as otherwise provided, a person shall not buy or sell, dead or alive, a bird or animal or any part of one which is protected by this chapter, but this section does not apply to fur-bearing animals, bones of wild turkeys that were legally taken, and the skins, plumage, and antlers of legally taken game. This section does not prohibit the purchase of jackrabbits from sources outside this state. A person shall not purchase, sell, barter, or offer to purchase, sell, or barter for millinery or ornamental use the feathers of migratory game birds; and a person shall not purchase, sell, barter, or offer to purchase, sell, or barter mounted specimens of migratory game birds.

2. Section 481A.50 and this section do not apply to a game species, fur-bearing animal

species, or variety of fish protected under this chapter which is sold by a nonprofit corporation as a part of a meal. The number of game of a game species or fur-bearing animal species, or a variety of fish protected by this chapter which are donated by a person to a nonprofit corporation plus any additional game of the same species or same variety of fish in the person's possession must not exceed the person's legal possession limit.

[C97, §2554; SS15, §2554; C24, 27, 31, §1769; C39, §**1794.018;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.55]

87 Acts, ch 176, §1; 88 Acts, ch 1216, §16

C93, §481A.55

2007 Acts, ch 28, §13

Referred to in §805.8B(3d)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

**481A.56 Training dogs.**

1. *a.* A person having a valid hunting license may train a bird dog on any game birds and a person having a valid fur harvester license may train a coonhound, foxhound, or trailing dog on any fur-bearing animals at any time of the year including during the closed season on such birds or animals. However, the animals when pursued to a tree or den shall not be further chased or removed in any manner from the tree or den. A person having a hunting license may train a dog on coyote or groundhog.

*b.* Only a pistol, revolver, or other gun shooting blank cartridges shall be used while training dogs during closed season except as provided in subsection 2 of this section.

2. Any pen-raised game bird may be used and may be shot in the training of bird dogs. Before any bird is released or used in the training of dogs, the bird shall have attached a band procured from the commission. The commission may charge a fee for such bands but the fee shall not exceed ten cents for each band.

3. A call back pen or live trap may be used for the purpose of retrieving banded birds when released in the wild for training purposes. Any bird not so banded when taken in a call back pen or trap shall be immediately returned unbanded to the wild. All call back pens or live traps when in use shall have attached a metal tag plainly labeled with the owner's name and address. Conservation officers shall have authority to confiscate such traps when found in use and not properly labeled.

4. The commission shall have the power to adopt rules prohibiting the training of any hunting dog on any game bird, game animal, or fur-bearing animal in the wild at any time when it has been determined that such training might have an adverse effect on the populations of these species.

[C39, §**1794.019;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.56]

85 Acts, ch 10, §1; 86 Acts, ch 1245, §1854; 88 Acts, ch 1216, §17

C93, §481A.56

2011 Acts, ch 25, §143

Referred to in §481A.6A, 484B.10, 805.8B(3c)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

**481A.57 Possession and storage.**

A person having lawful possession of game or fur-bearing animals or their pelts, except deer venison, may hold them for not to exceed thirty days after the close of the open season for such game or furbearers. A person having lawful possession of deer venison which is taken with a valid deer hunting license, may hold the deer venison from the date of taking until the following September 1. From September 1 until the first day of the next deer open season for which the person holds a valid deer hunting license, the person shall not possess more than twenty-five pounds of deer venison. Any person may possess up to twenty-five pounds of deer venison if the deer was obtained from a lawful source. A permit to hold for a longer period may be granted by the department.

[C39, §**1794.020;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.57]

88 Acts, ch 1216, §18

C93, §481A.57
2002 Acts, ch 1147, §2
Referred to in §805.8B(3e)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph e

**481A.58 Trapping birds or poisoning animals.**

No person except those acting under the authority of the director shall capture or take or attempt to capture or take, with any trap, snare or net, any game bird, nor shall any person use any poison or any medicated or poisoned food or any other substance for the killing, capturing or taking of any game bird or animal.

[R60, §4381; C73, §4048; C97, §2551; SS15, §2539, 2551; C24, 27, 31, §1773; C39, §**1794.021;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.58]
86 Acts, ch 1245, §1855
C93, §481A.58
Referred to in §805.8B(3d)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

**481A.59 Pigeons — interference prohibited.**

It shall be unlawful for any person or persons, except the owner or the owner's representatives, to shoot, kill, maim, injure, steal, capture, detain, or to interfere with any homing pigeon, commonly called "carrier pigeon", which shall at the time, have the name, initials, or other identification of its owner, stamped, marked, or attached thereon; or to remove any mark, band, or other means of identification from such pigeon which has the name, initials, or emblem of the owner stamped or marked upon it.

Whoever shall violate the provisions of this section shall be punished as is provided in section 481A.32.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.59]
C93, §481A.59

## GAME BREEDERS

**481A.60 Raising game — rulemaking authority.**

A person shall not raise or sell game or fur-bearing animals of the kinds protected by this chapter, except rock doves and pigeons, without first procuring a game breeder's license as provided by law. The commission may adopt rules which ensure that all game birds, game animals, and fur-bearing animals handled and confined by licensed game breeders are provided with humane care and treatment. A violation of a rule adopted by the commission is a cause for license revocation. This section does not apply to governmental zoos and exhibits.

[C39, §**1794.022;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.60]
88 Acts, ch 1216, §19; 91 Acts, ch 237, §1
C93, §481A.60
Referred to in §481A.6A, 805.8B(3c)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

**481A.61 Licensed game breeders — marketing game — penalty.**

1. Except as otherwise provided by law, a licensed game breeder whose original stock is obtained from a lawful source may possess any game bird, game animal, or fur-bearing animal, or any of their parts. Possession and use of the game birds, game animals, or fur-bearing animals obtained from a licensed game breeder are lawful.

2. Fur-bearing animals shall not be acquired for breeding or propagating purposes from any source unless they have been pen-raised for at least two successive generations.

3. A game breeder's license is not a license to possess, breed, propagate, sell, or dispose of any species which is defined as endangered or threatened under state law unless the species is listed on the license. Its possession, breeding, propagation, sale, and disposal are subject to all applicable state and federal statutes.

4. A licensed game breeder shall not acquire protected live game animals, game birds, their eggs, or fur-bearing animals taken from the wild within this state.

5. Game birds or game animals may be sold for food only under the following conditions:

*a.* The licensed game breeder shall file with the commission a facsimile of a stamp of similar type to that used by the United States department of agriculture in grading meat.

*b.* Licensed game breeders may sell dressed game birds or game animals to markets for resale providing each game bird or game animal has affixed upon it in a conspicuous and legible manner the imprint of the game breeder's stamp.

*c.* The stamp shall bear the name and number of the game breeder in letters of at least twelve point type size.

6. Markets selling stamped game shall:

*a.* Maintain the stamp on each game bird or game animal until the bird or animal is disposed of or sold.

*b.* Keep a record showing the total number of game birds or game animals sold together with the name and address of the game breeder from whom purchased and the number of game birds and animals in each purchase.

7. Markets selling stamped game, together with their records, are subject to inspection by an authorized representative of the commission at any reasonable time.

8. Violation of a provision of this section may be cause for license revocation.

[C39, §**1794.023;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.61]

86 Acts, ch 1245, §1854; 88 Acts, ch 1216, §20

C93, §481A.61

Referred to in §805.8B(3c)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

**481A.62 Records — reports — inspection.**

1. A holder of a game breeder's license shall keep the records and make the reports required by this section on forms provided by the department. The records shall be open for inspection at any reasonable time by the department or its authorized agents.

2. At the time of every sale or conveyance of an animal, animal parts, or products, the licensee shall complete a game breeder's sales receipt on forms provided by the department. The forms shall require the following information:

*a.* The name, address, county, and license number assigned to the breeder.

*b.* The name and address of the purchaser.

*c.* The number, species, sex, and age of the animals or birds conveyed.

3. *a.* Licensees shall maintain business records for all species in an annual report record book. The records shall include the following information:

(1) For each animal acquired other than by birth on the licensee's game farm, the sex and species, the date of acquisition, the number acquired, and the name and address of the source from which acquired.

(2) For each animal born on the licensee's game farm, the sex, species, date of birth, and number of any band, tag, or tattoo subsequently attached to the animal.

(3) For each animal sold or disposed of other than by death the same information required by the game breeder's sales receipt.

(4) For each animal which dies, disappears, or is destroyed on the licensee's game farm, the sex, species, date of death, and the number of any band, tag, or tattoo attached to the animal.

*b.* The licensee's copies of the required sales receipts shall be kept with the record book and are considered a part of it.

*c.* Records required by this section shall be entered in the annual report record book within forty-eight hours of the event.

4. Each licensee shall file an annual report with the commission on or before January 31. The report shall detail the game breeder's operations during the preceding license year. The original report shall be forwarded to the department and a copy shall be retained in the breeder's file for a period of three years from the date of expiration of the breeder's last license issued. Failure to keep or submit the required records and report are grounds for a refusal to renew a license for the succeeding year.

5. An on-site inspection of facilities shall be conducted by an officer of the commission

prior to the initial issuance of a game breeder's license. The facilities may be reinspected by an officer of the commission at any reasonable time.

6. Any officer of the commission may enter any place where any game bird, game animal, or fur-bearing animal is at the time located, or where it has been kept, or where the carcass of such animal may be, for the purpose of examining it in any way that may be necessary to determine whether it was or is infected with any contagious or infectious disease.

7. For the purpose of this section, infectious and contagious disease includes rabies, hoof-and-mouth disease, leptospirosis, blackhead, or any other communicable disease so designated by the commission.

8. The commission may regulate or prohibit the importation into the state and exportation from the state of any species of game bird, game animal, or fur-bearing animal, domesticated or not, which in its opinion, for any reason, is determined to be detrimental to the health of animals within or without the state.

9. The commission may quarantine or destroy any game bird, game animal, or fur-bearing animal which is found to be infected with any contagious or infectious disease.

10. A licensed game breeder or other person having control of any game bird, game animal, or fur-bearing animal shall not knowingly offer for sale, sell, or barter such birds or animals which have an infectious or contagious disease, or allow those birds or animals to run at large or come in contact with any other game birds, game animals, or fur-bearing animals.

[C39, §**1794.024;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.62]
88 Acts, ch 1216, §21
C93, §481A.62
2011 Acts, ch 25, §143
Referred to in §805.8B(3c)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

**481A.63** Repealed by 93 Acts, ch 99, § 6. See § 481A.144.

**481A.64** Reserved.

## SCIENTIFIC COLLECTING

**481A.65 Licenses.**

The director, after investigation, may issue to any person a scientific collector's license, a wildlife salvage permit, educational project permit, or a wildlife rehabilitation permit. A scientific collector's license will authorize the licensee to collect for scientific purposes only, any birds, nests, eggs, or wildlife. A wildlife salvage permit will authorize the permittee to salvage for educational purposes, any birds, nests, eggs, or animals according to the rules of the department. An educational project permit authorizes the permittee to collect, keep, or possess for educational purposes birds, fish, or wildlife which are not endangered, threatened, or otherwise specially managed according to the rules of the department. A wildlife rehabilitation permit will authorize the permittee to possess for rehabilitation purposes only, any orphaned or injured wildlife according to the rules of the department. A person to whom a license or permit is issued shall not dispose of any birds, nests, eggs, or wildlife or their parts except upon written permission of the director. The application for such licenses and permits shall be made upon blanks furnished by the department. The commission shall establish, by rule, the tenure and applicable fee for each permit authorized in this section. Each holder of a license or permit shall, by January 31 of each year, file with the department a report showing all specimens collected or possessed under authority of the license or permit. Upon a showing of cause the department may enter and inspect the

premises and collections authorized by this section. A license or permit may be revoked by the director, after due notice, at any time for cause.

[S13, §2563-o, -p; C24, 27, 31, §1779; C39, §**1794.027;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.65]

88 Acts, ch 1216, §23

C93, §481A.65

95 Acts, ch 46, §1

Referred to in §717F.7

**481A.66 Banding or marking.**

It shall be unlawful for any person to capture birds or animals for banding purposes except that the commission may, after investigation, issue a permit to any person permitting the person to capture birds or animals for the purpose of banding or marking same for scientific study, but no such birds or animals may be killed or injured or retained in possession, but must be liberated safely and promptly. Such permit may be revoked at any time for cause. Each holder of such permit shall report to the commission once each month the number, kind of birds or animals banded, and the band numbers.

[C39, §**1794.028;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.66]

C93, §481A.66

ANGLING LAWS

**481A.67 Seasons and limits.**

It is unlawful for a person, except as otherwise expressly provided, to take, capture, or kill fish, frogs, or turtles except during the open season established by the commission. It is unlawful during open season to take in any one day an amount in excess of the daily catch limit designated for each variety or each locality, or have in possession any variety of fish, frog, or turtle in excess of the possession limit, or have in possession any frog, fish, or turtle at any time under the minimum length or weight. The open season, possession limit, daily catch limit, and the minimum length or weight for each variety of fish, frog, or turtle shall be established by rule of the department or commission under the authority of sections 456A.24, 481A.38, 481A.39, and 482.1.

[C97, §2540; SS15, §2540; C24, 27, 31, §1731, 1732, 1733; C39, §**1794.029;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.67]

86 Acts, ch 1245, §1854; 88 Acts, ch 1216, §24

C93, §481A.67

Referred to in §805.8B(3i)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph i

**481A.68 Tip-up fishing device.**

1. As used in this section, *"tip-up fishing device"* means an ice fishing mechanism with an attached flag or signal to indicate fishing action, used to hold a fishing rod or pole with line and hook.

2. A person shall not use more than three tip-up fishing devices for fishing in the waters of the Mississippi river, the Missouri river, and the Big Sioux river, and their connected backwaters. A person may use two or three hooks on the same line, but the total number of hooks used by each person shall not exceed three. Each tip-up fishing device used in fishing shall have attached a tag plainly labeled with the owner's name and address. A person shall not use a tip-up fishing device for fishing within three hundred feet of a dam or spillway or in a part of the river which is closed or posted against use of the device. Three tip-up fishing devices may be used in addition to the two lines with no more than two hooks per line, as specified in section 481A.72.

3. An untagged tip-up fishing device found in use shall be confiscated by any officer appointed pursuant to section 456A.13 or 456A.14.

88 Acts, ch 1041, §1

C89, §109.68
C93, §481A.68
2003 Acts, ch 31, §1

**481A.69 Fish designated.**
The commission may adopt rules designating game fish, commercial fish, and rough fish.
88 Acts, ch 1216, §25
C89, §109.69
C93, §481A.69
Referred to in §805.8B(3b)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph b

**481A.70** Reserved.

**481A.71 Releasing unlawful catch.**
Any fish caught that is less than lawful minimum length or weight shall be handled with wet hands and released under water immediately with as little injury as possible.
[C39, §**1794.033;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.71]
C93, §481A.71
Referred to in §805.8B(3b)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph b

**481A.72 Hooks and lines.**
1. Except as otherwise provided in this chapter, a person shall not at any time take from the waters of the state any fish except with hook, line, and bait. A person shall not use more than three lines nor more than two hooks on each line in still fishing or trolling. In fly fishing not more than two flies may be used on one line, and in trolling and bait casting not more than two trolling spoons or artificial bait may be used on one line.
2. A person shall not leave fish line or lines and hooks in the water unattended by being out of visual sight of the lines and hooks.
3. One hook means a single, double, or treble pointed hook, and all hooks attached as a part of an artificial bait or lure shall be counted as one hook.
88 Acts, ch 1216, §26
C89, §109.72
C93, §481A.72
2012 Acts, ch 1096, §2, 23; 2013 Acts, ch 90, §144
Referred to in §481A.68, 483A.28, 805.8B(3b)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph b
Subsection 1 amended

**481A.73 Trotlines and tagged lines.**
In the waters of the state open to their use, a person shall not use more than five tagged lines set to take fish such as trotlines or throw lines. Such tagged lines shall not have in the aggregate more than fifteen hooks. Each separate line when in use shall have attached a tag plainly labeled with the owner's name and address, shall be checked at least once each twenty-four hours, and a person shall not use tagged lines in a stocked lake or within three hundred feet of a dam or spillway or in a stream or portion of stream, which is closed or posted against the use of such tackle. One end of such lines shall be set from the shore and be visible above the shore waterline, but no such line shall be set entirely across a stream or body of water. Any untagged or unlawful lines when found in use shall be confiscated by any officer appointed by the director.
[C73, §4052; C97, §2540, 2542; SS15, §2540; C24, 27, 31, §1734; C39, §**1794.035, 1794.037;** C46, 50, 54, 58, 62, 66, 71, 73, §109.73, 109.75; C75, 77, 79, 81, §109.73]
88 Acts, ch 1216, §27
C93, §481A.73
Referred to in §805.8B(3j)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph j

**481A.74 Where permitted.**

Trotlines and throw lines may be used in the border rivers of the state and in the inland waters. However, the commission may by rule prohibit the use of trotlines or throw lines in certain inland waters.

[C73, §4052; C97, §2540, 2542; C24, 27, 31, §1734; C39, §**1794.036;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.74]

C93, §481A.74

**481A.75** Reserved.

**481A.76 Unlawful means — exception.**

It is unlawful, except as otherwise provided, to use on or in the waters of the state any grabhook, snaghook, any kind of a net, seine, trap, firearm, dynamite, or other explosives, or poisonous or stupefying substances, lime, ashes, electricity, or hand fishing in the taking or attempting to take any fish, except that gaffhooks or landing nets may be used to assist in landing fish. The commission may permit designated fish to be taken by hand fishing, by snagging, by spearing, by bow and arrow, and with artificial light at the times and at the places as determined by rules of the commission.

[C97, §2540; SS15, §2540; C24, 27, 31, §1735; C39, §**1794.038;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.76]

88 Acts, ch 1216, §28

C93, §481A.76

2000 Acts, ch 1116, §1

Referred to in §805.8B(3d)

For applicable scheduled fine, see §805.8B, subsection 3, paragraph d

**481A.77** Reserved.

**481A.78 Stocking private water.**

No private water may be stocked by the commission unless the owner agrees that such waters shall be open to the public for fishing, except that the commission may, after investigation to determine their suitability as to size, depth, living conditions for fish, and management, provide a breeding stock of fish for privately owned farm ponds on request of the owner.

[C39, §**1794.040;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.78]

C93, §481A.78

Referred to in §481A.141

**481A.79** Reserved.

**481A.80 through 481A.82** Repealed by 93 Acts, ch 99, § 6. See § 481A.1, 481A.144, and 481A.145.

**481A.83 Prohibited stocking.**

A person shall not stock or introduce into the waters of the state a live fish, except for hooked bait, without the permission of the director. This section does not apply to privately owned ponds and lakes.

88 Acts, ch 1216, §30

C89, §109.83

C93, §481A.83

Referred to in §805.8B(3c)

For applicable scheduled fine, see §805.8B, subsection 3, paragraph c

**481A.84 Frogs — catching — selling.**

1. Frogs may be taken by holders of a fishing license only and they may be used for bait or food purposes, but no person shall take more than four dozen frogs in any one day or have in possession at any one time more than eight dozen frogs. Licensed bait dealers authorized

by law to sell bait may have in their possession to supply the bait needs of their customers, not more than twenty dozen frogs.

2. No person shall use any device, net, barrier or fence of any kind which prevents frogs from having free access to and egress from the water.

3. Transportation out of the state in any manner or for any purposes, of frogs taken in Iowa, is prohibited.

4. Nothing in this chapter shall be construed to prevent the purchase, sale or possession of frogs or any portion of the carcasses of frogs that have been legally taken and shipped in from without the state.

5. Nothing herein shall prevent any person from catching frogs on the person's own premises for the person's private use.

[C39, §**1794.046;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.84]
C93, §481A.84
Referred to in §805.8B(3c)
See §481A.67
For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

**481A.85 Prohibited areas.**

It shall be unlawful for any person at any time, except as otherwise provided, to take any fish, minnows, frogs, or other aquatic, biological life from any state fish hatchery, nursery or other area under the jurisdiction of the commission operated for fish production purposes.

[C39, §**1794.047;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.85]
C93, §481A.85
Referred to in §805.8B(3e)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph e

**481A.86 Federal employees excepted.**

Authorized employees of the United States bureau of sport fisheries and wildlife are hereby authorized to conduct fish culture operations, rescue work on the boundary waters of the state, and other operations necessary for rescue and hatchery work.

[C39, §**1794.048;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.86]
C93, §481A.86

## TRAPPING OR HUNTING OF FUR-BEARING ANIMALS

**481A.87 Open seasons.**

Except as otherwise provided, a person shall not take, capture, kill, or have in possession a fur-bearing animal or any of its parts at any time except during the open season as set by the commission except where the killing, trapping, or ensnaring is for the protection of a person or public or private property with the prior permission of a duly appointed representative of the commission. If prior permission is impractical or impossible to obtain and the fur-bearing animal represents a threat to a person, domestic animal, or private property, the fur-bearing animal may be taken without prior permission. All fur-bearing animals and all parts thereof taken as provided in this section shall be disposed of on the site or shall be relinquished to a representative of the commission.

[C97, §2553; SS15, §2553; C24, §1766; C27, 31, §1766, 1766-a1; C39, §**1794.049;** C46, §109.87, 109.93; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.87]
88 Acts, ch 1216, §31
C93, §481A.87
94 Acts, ch 1148, §2
Referred to in §805.8B(3l)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph "l"

**481A.88** Reserved.

**481A.89 Permit to hold hides.**

Upon application, which shall be filed with the commission within ten days after the close of the open season, any person may be permitted to hold hides or skins of fur-bearing animals lawfully taken for a longer time than specified above. Such application shall be verified and shall show the number and varieties of the skins or hides to be held by the applicant. The commission shall thereupon issue a permit to such applicant to hold such skins or hides, which permit shall authorize the holder to sell or otherwise dispose of such skins or hides.

[C31, §1766-c4; C39, §**1794.051;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.89]
C93, §481A.89

**481A.90 Disturbing dens.**

1. A person shall not molest or disturb, in any manner, any den, lodge, or house of a fur-bearing animal or beaver dam except by written permission of an officer appointed by the director.

2. This section does not prohibit the owner from destroying a den to protect the owner's property.

[C39, §**1794.052;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.90]
88 Acts, ch 1216, §32; 89 Acts, ch 83, §23
C93, §481A.90
Referred to in §805.8B(3d)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph d

**481A.91 Shooting or spearing.**

No person shall kill with shotgun, or spear any beaver, mink, otter, or muskrat, or have in possession any of said animals or the carcasses, skins or parts thereof that have been killed with shotgun or spear.

[C31, §1767-c2; C39, §**1794.053;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.91]
C93, §481A.91
Referred to in §805.8B(3d)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph d

**481A.92 Traps — disturbing dens — tags for traps.**

1. A person shall not use or attempt to use colony traps in taking, capturing, trapping, or killing any game or fur-bearing animals except muskrats as determined by rule of the commission. Box traps capable of capturing more than one game or fur-bearing animal at each setting are prohibited. A valid hunting license is required for box trapping cottontail rabbits and squirrels. All traps and snares used for the taking of fur-bearing animals shall have a metal tag attached plainly labeled with the user's name and address. All traps and snares, except those which are placed entirely under water, shall be checked at least once every twenty-four hours. Officers appointed by the department may confiscate such traps and snares found in use that are not properly labeled or checked.

2. Except as otherwise provided, a person shall not use chemicals, explosives, smoking devices, mechanical ferrets, wire, tool, instrument, or water to remove fur-bearing animals from their dens. Humane traps, or traps designed to kill instantly, with a jaw spread, as originally manufactured, exceeding eight inches are unlawful to use except when placed entirely under water.

3. Conibear type traps and snares shall not be set on the right-of-way of a public road within two hundred yards of the entry to a private drive serving a residence without the permission of the occupant.

4. A snare when set shall not have a loop larger than eight inches in horizontal measurement except for a snare set with at least one-half of the loop under water. A snare set on private land other than roadsides within thirty yards of a pond, lake, creek, drainage ditch, stream, or river shall not have a loop larger than eleven inches in horizontal measurement.

5. All snares shall have a functional deer lock which will not allow the snare loop to close smaller than two and one-half inches in diameter.

[R60, §4381; C73, §4048; C97, §2551, 2558; SS15, §2539, 2551; C24, 27, 31, §1771, 1773; C39, §**1794.054;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.92]

88 Acts, ch 1216, §33

C93, §481A.92

99 Acts, ch 40, §1

Referred to in §805.8B(3c)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

**481A.93 Hunting by artificial light.**

1. A person shall not throw or cast the rays of a spotlight, headlight, or other artificial light on a highway, or in a field, woodland, or forest for the purpose of spotting, locating, or taking or attempting to take or hunt a bird or animal, except raccoons or other fur-bearing animals when treed with the aid of dogs, while having in possession or control, either singly or as one of a group of persons, any firearm, bow, or other implement or device whereby a bird or animal could be killed or taken.

2. This section does not apply to any of the following:

*a.* Deer being taken by or under the control of a local governmental body within its corporate limits pursuant to an approved special deer population control plan.

*b.* A person who is totally blind using a laser sight on a bow or gun while hunting, if all of the following apply:

(1) The person's total blindness is supported by medical evidence produced by an eye care professional who is an ophthalmologist, optometrist, or medical doctor. The eye care professional must certify that the person has no vision or light perception in either eye. The certification must be carried on the person of the totally blind person and made available for inspection by the department.

(2) The totally blind person is accompanied and aided by a person who is at least eighteen years of age and whose vision is not seriously impaired. The accompanying person must purchase a hunting license that includes the wildlife habitat fee as provided in section 483A.1 if applicable. If the accompanying person is not required to have a hunting license the person is not required to pay the wildlife habitat fee. During the hunt, the accompanying adult must be within arm's reach of the totally blind person, and must be able to identify the target and the location of the laser sight beam on the target. A person other than the totally blind person shall not shoot the laser sight-equipped gun or bow.

[C62, 66, 71, 73, 75, 77, 79, 81, §109.93]

88 Acts, ch 1216, §34

C93, §481A.93

98 Acts, ch 1203, §1; 2008 Acts, ch 1161, §20; 2012 Acts, ch 1096, §3, 23

Referred to in §805.8B(3e)

For applicable scheduled fine, see §805.8B, subsection 3, paragraph e

Section not amended; footnote deleted

## FUR DEALERS

**481A.94 Definition.**

The term *"fur dealer"* as used in this chapter shall mean any person, firm, partnership, or corporation engaged in the business of buying, bartering, trading or otherwise obtaining raw hides or skins of fur-bearing animals.

[C39, §**1794.055;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 109.94]

C93, §481A.94

**481A.95 License — reciprocity.**

1. A license shall be required of each fur dealer and each employee, agent, or representative of a fur dealer except when the employee, agent, or representative is operating solely on the premises of a licensed fur dealer. A fur dealer shall conduct business

only at the location specified on the dealer's license, at an established fur auction, at the nonadvertised residence of a licensed fur harvester, or at the place of business specified on the license of any fur dealer. A nonresident licensed fur dealer may purchase location permits to operate at locations other than at the location specified on the fur dealer's license. A resident licensed fur dealer may obtain location permits without fee. Each location permit shall be valid only for the one location specified on the location permit and shall entitle the fur dealer and employee, agent, or representative of the licensed fur dealer to operate at that location. The commission shall, upon application and the payment of the required license fee, if any, furnish the proper license and location permits to the dealer.

2. A resident of another state shall pay the fee provided by statute for the nonresident fur dealer's license unless that state has a reciprocity agreement with this state. The reciprocity agreement must provide that each state will charge nonresidents from the other state the same fee for the nonresident fur dealer's license and the fee under the agreement must be less than the statutory fee of this state for nonresidents and higher than the statutory fee of this state for residents.

[C31, §1766-c3; C35, §1794-e1; C39, §**1794.056;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.95]

84 Acts, ch 1199, §1; 89 Acts, ch 90, §1; 91 Acts, ch 237, §2

C93, §481A.95

Referred to in §805.8B(3e)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph e

**481A.96 Possession by dealer.**

A licensed fur dealer may have in possession at any time skins or hides of animals which have been lawfully taken.

[C31, §1766-c4; C39, §**1794.058;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.96]

C93, §481A.96

**481A.97 Reports.**

Fur dealers shall keep accurate, current records of their transactions. The records shall show the number and kinds of hides and skins which have been purchased, the date of purchase, and the name and address of the seller. Such records shall be open at all reasonable times to inspection by the commission. On or before May 15 of each year, each fur dealer shall file a verified inventory with the commission. The inventory shall include all transactions for the preceding year.

[C31, §1766-c1; C39, §**1794.059;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.97]

C93, §481A.97

Referred to in §805.8B(3d)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

**481A.98 Reporting violations.**

Each fur dealer shall report to the commission, the name of any person if known to the dealer, who attempts to sell any skins or hides which appear to have been unlawfully taken, or possessed by that person.

[C31, §1766-c2; C39, §**1794.060;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.98]

88 Acts, ch 1216, §35

C93, §481A.98

**481A.99 through 481A.119** Reserved.

PROHIBITED ACTS

**481A.120 Hunting from aircraft or snowmobiles prohibited.**

A person, either singly or as one of a group of persons, shall not intentionally kill or wound, attempt to kill or wound, or pursue any animal, fowl, or fish from or with an aircraft in flight or from or with any self-propelled vehicles designed for travel on snow or ice which utilize

sled type runners, or skis, or an endless belt tread, or wheel or any combination thereof and which are commonly known as snowmobiles.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §109.120]
88 Acts, ch 1216, §36
C93, §481A.120
Referred to in §805.8B(3e)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph e

**481A.121 Turtles and crayfish — taking by nonresidents or aliens.**

It shall be unlawful for any nonresident or alien to take turtles or crayfish in Iowa, by any means or method, except from the Missouri and Mississippi rivers and the Big Sioux river.

[C62, 66, 71, 73, 75, 77, 79, 81, §109.121]
C93, §481A.121

**481A.122 Hunters' orange apparel.**

1. A person shall not hunt deer with firearms unless the person is at the time wearing one or more of the following articles of visible, external apparel: A vest, coat, jacket, sweatshirt, sweater, shirt, or coveralls, the color and material of which shall be solid blaze orange.

2. A person shall not hunt upland game birds, as defined by the department, unless the person is at the time wearing one or more of the following articles of visible, external apparel: A hat, cap, vest, coat, jacket, sweatshirt, sweater, shirt, or coveralls, the color and material of which shall be at least fifty percent solid blaze orange.

3. This section is not applicable to a person who is legally hunting with a raptor.

[C71, 73, 75, 77, 79, 81, §109.122]
88 Acts, ch 1216, §37
C93, §481A.122
2004 Acts, ch 1115, §1; 2009 Acts, ch 144, §17
Referred to in §805.8B(3d)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph d

**481A.123 Prohibited hunting near buildings, feedlots.**

1. A person shall not discharge a firearm or shoot or attempt to shoot a game or fur-bearing animal within two hundred yards of a building inhabited by people or domestic livestock or within two hundred yards of a feedlot unless the owner or tenant has given consent. However, within the corporate limits of a city, a person may take deer with a firearm within fifty yards of a building inhabited by people or domestic livestock, or a feedlot pursuant to an approved special deer population control plan, if the person obtains permission of the owner or tenant of the building or feedlot.

2. As used in this section, "*feedlot*" means a lot, yard, corral, or other area in which livestock are present and confined, for the purposes of feeding and growth before slaughter. The term does not include areas which are used for the raising of crops or other vegetation and upon which livestock are allowed to graze or feed.

3. *a.* This section does not apply to the discharge of a firearm for the purpose of target shooting on premises posted as a target shooting range that is open to the public, if the premises have been used as a target shooting range prior to the erection of a building inhabited by people or domestic livestock, or prior to the construction of a feedlot, located within two hundred yards of the target shooting range. This subsection applies only to the erection of a building inhabited by people or domestic livestock or to the construction of a feedlot located within two hundred yards of a target shooting range that is open to the public and that is identified as a target shooting range by the city, county, state, or federal government, which erection or construction occurs on or after May 14, 2004.

*b.* As used in this subsection, "*target shooting*" means the discharge of a firearm at an inanimate object, for amusement or as a test of skill in marksmanship.

4. *a.* This section does not apply to the discharge of a firearm on premises identified as a public hunting area, if the premises have been identified as a public hunting area prior to the erection of a building inhabited by people or domestic livestock, or prior to the construction of a feedlot, located within two hundred yards of the public hunting area. This subsection

applies only to the erection of a building inhabited by people or domestic livestock or to the construction of a feedlot located within two hundred yards of a public hunting area, which erection or construction occurs on or after May 14, 2004.

*b.* As used in this subsection, *"public hunting area"* means public lands or waters available for hunting by the public, and identified as a public hunting area by the city, county, state, or federal government.

5. *a.* This section does not apply to the discharge of a firearm on a farm unit by the owner or tenant of the farm unit or by a family member of the owner or tenant of the farm unit.

*b.* As used in this subsection, *"family member"*, *"farm unit"*, *"owner"*, and *"tenant"* mean the same as defined in section 483A.24, subsection 2.

6. This section does not apply to the discharge of a firearm for the purpose of developing and retaining the shooting proficiency of certified law enforcement officers on premises owned by the state, a county, or a municipality, and operated by a law enforcement agency, which are not open to the general public and which were in operation prior to March 28, 2013.

[C77, 79, 81, §109.123]

88 Acts, ch 1216, §38; 90 Acts, ch 1194, §1; 92 Acts, ch 1149, §1

C93, §481A.123

2000 Acts, ch 1116, §2; 2004 Acts, ch 1160, §1, 2; 2007 Acts, ch 28, §14; 2013 Acts, ch 9, §1, 2

Referred to in §805.8B(3c)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph c
NEW subsection 6

**481A.124 Taking predominantly white deer of the whitetail species prohibited.**

1. A person shall not take a predominantly white deer in this state.

2. This section only applies to whitetail, other than farm deer that are kept as provided in chapter 170.

3. A person violating subsection 1 is guilty of a simple misdemeanor.

88 Acts, ch 1184, §1

C89, §109.124

C93, §481A.124

2003 Acts, ch 149, §17, 23

**481A.125 Intentional interference with lawful hunting, fishing, or fur-harvesting activities — penalties.**

1. As used in this section, *"interfere with hunting, fishing, or fur-harvesting activities"* means one or more of the following:

*a.* To intentionally place oneself in a location where a human presence may affect the behavior of a fur-bearing animal, game, bird, or fish or the feasibility of killing or taking a fur-bearing animal, game, bird, or fish with the intent of obstructing or harassing another person who is lawfully hunting, fishing, or fur harvesting.

*b.* To intentionally create a visual, aural, olfactory, or physical stimulus for the purpose of affecting the behavior of a fur-bearing animal, game, bird, or fish with the intent of obstructing or harassing another person who is lawfully hunting, fishing, or fur harvesting.

*c.* To intentionally affect the condition or alter the placement of personal property used for the purpose of killing or taking a fur-bearing animal, game, bird, or fish with the intent of obstructing or harassing another person who is lawfully hunting, fishing, or fur harvesting.

2. A person shall not interfere with the lawful hunting, fishing, or fur-harvesting activities of another person in an area where hunting, fishing, or fur harvesting is authorized by a custodian of public property or an owner or lessee of private property.

3. A person who commits:

*a.* A first offense of interfering with hunting, fishing, or fur-harvesting activities is guilty of a simple misdemeanor.

*b.* A second or subsequent offense is punishable as a serious misdemeanor.

4. If a person who commits interfering with hunting, fishing, or fur-harvesting activities

possesses a license, certificate, or permit issued by the department, the license, certificate, or permit is subject to suspension or revocation pursuant to section 481A.134.

5. This section shall not prohibit a landowner, tenant, or an employee of a landowner or tenant from performing normal agricultural operations or a law enforcement officer from performing official duties.

91 Acts, ch 234, §2
CS91, §109.125
C93, §481A.125
2000 Acts, ch 1076, §1; 2000 Acts, ch 1232, §76, 77

**481A.125A Remote control or internet hunting — criminal and civil penalties.**

1. As used in this section, *"remote control or internet hunting"* means use of a computer or other electronic device, equipment, or software to remotely control the aiming or discharge of a firearm or other weapon, allowing a person who is not physically present to take a wild animal, a game bird or ungulate kept on a hunting preserve under chapter 484B, or a preserve whitetail kept on a hunting preserve under chapter 484C.

2. A person shall not offer for sale, take, or assist in the taking of a wild animal, a game bird or ungulate kept on a hunting preserve under chapter 484B, or a preserve whitetail kept on a hunting preserve under chapter 484C, by remote control or internet hunting.

3. A person who violates this section is guilty of a serious misdemeanor. A second or subsequent violation of this section is punishable as a class "D" felony.

4. In addition, any person who violates this section is subject to a civil penalty, which may be levied by the department, of not more than ten thousand dollars for each violation of this section. The moneys collected from imposition of a civil penalty shall be deposited in the state fish and game protection fund.

2007 Acts, ch 156, §1

## TAXIDERMY

**481A.126 Taxidermy.**

1. *"Taxidermist"* as used in this section means a person engaged in the business of preserving or mounting game, fish, or fur-bearing animals as defined in this chapter.

2. A license is required for the practice of taxidermy. The commission, upon application and payment of the required license fee, shall furnish proper certificates to the applicant. The director may revoke the license for good cause.

3. A licensed taxidermist may possess at any time game, fish, or fur-bearing animals which have been lawfully taken.

4. A taxidermist shall keep accurate records of its transactions showing the numbers and kinds of specimens received for preserving, the date of acquisition, and the name and address of the owner of the specimens.

5. A person shall not put or leave any game, fish, or fur-bearing animal in the custody of another person for the purpose of having taxidermy services performed unless each specimen has a tag attached which is signed by the possessor and states the address of the possessor, the total number and species of the specimens and the date the specimens were killed.

6. All transactions, tags, and specimens left in the custody of the taxidermist by another person shall be open to inspection by a conservation officer at any reasonable hour.

[82 Acts, ch 1010, §1]
C83, §109.126
88 Acts, ch 1216, §39, 40
C93, §481A.126
Referred to in §805.8B(3d)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

**481A.127 through 481A.129** Reserved.

CIVIL DAMAGES — SUSPENSIONS

**481A.130 Damages in addition to penalty — animals — ginseng.**

1. In addition to the penalties for violations of this chapter and chapters 350, 461A, 481B, and 482, a person convicted of unlawfully selling, taking, catching, killing, injuring, destroying, or having in possession any animal, shall reimburse the state for the value of such as follows:

*a.* For each elk, antelope, buffalo, or moose, two thousand five hundred dollars.

*b.* For each wild turkey, two hundred dollars.

*c.* For each bird or animal or the raw pelt or plumage of such bird or animal for which damages are not otherwise prescribed, fifty dollars.

*d.* For each reptile, mussel, or amphibian, fifteen dollars.

*e.* For each beaver, bobcat, mink, otter, red fox, gray fox, or raccoon, two hundred dollars.

*f.* For each animal classified by the commission as an endangered or threatened species, one thousand dollars.

*g.* For each antlered deer, reimbursement shall be based on the score of the antlered deer as measured by the Boone and Crockett club's scoring system for whitetail deer as follows:

(1) 150 gross inches or less: A minimum of two thousand dollars and not more than five thousand dollars, and eighty hours of community service or, in lieu of the community service, a minimum of four thousand dollars and not more than ten thousand dollars, in an amount that is deemed reasonable by the court.

(2) More than 150 gross inches: A minimum of five thousand dollars and not more than ten thousand dollars, and eighty hours of community service or, in lieu of the community service, a minimum of ten thousand dollars and not more than twenty thousand dollars, in an amount that is deemed reasonable by the court.

*h.* For each deer, except as provided in paragraph "*g*", and for each swan or crane, one thousand five hundred dollars.

*i.* For each fish, reimbursement shall be as follows:

(1) For each fish of a species other than shovelnose sturgeon, with an established daily limit greater than twenty-five, fifteen dollars.

(2) For each fish of a species other than paddlefish and muskellunge, with an established daily limit of twenty-five or less, fifty dollars.

(3) For each shovelnose sturgeon, paddlefish, and muskellunge, one thousand dollars.

2. In addition to any other penalty, a person convicted of unlawfully harvesting wild ginseng in violation of section 456A.24 shall reimburse the state at one hundred fifty percent of the ginseng's market value, as determined by the department.

3. This section does not apply to a landowner who cooperates with the department of natural resources and the department of agriculture and land stewardship to remove all whitetail from enclosed land as provided in section 170.5, even if all whitetail are not removed.

4. This section does not apply to a person who is liable to pay restitution to the department pursuant to section 481A.151 for injury to a wild animal caused by polluting a water of this state in violation of state law.

[C75, 77, 79, 81, §109.130; 82 Acts, ch 1211, §1 – 3]

88 Acts, ch 1216, §41; 90 Acts, ch 1142, §1; 92 Acts, ch 1186, §2

C93, §481A.130

93 Acts, ch 38, §2; 98 Acts, ch 1203, §2, 3; 99 Acts, ch 58, §1; 2003 Acts, ch 149, §18, 23; 2004 Acts, ch 1124, §1; 2007 Acts, ch 28, §15; 2009 Acts, ch 144, §18 – 20

Referred to in §481A.131, 481A.132, 481A.133, 716.8

**481A.131 Judgment — execution.**

1. In each case of conviction of unlawfully taking, catching, killing, injuring, destroying, or having in possession any fish, game, or fur-bearing animal, the court shall enter a judgment in favor of the state of Iowa for liquidated damages in an amount as provided in section 481A.130. If two or more persons who have acted together are convicted of the unlawful

taking, catching, killing, injuring, destroying, or having possession of any fish, game, or fur-bearing animal, the judgment shall be entered against them jointly.

2. Any liquidated damages assessed under this section and section 481A.130 shall be paid to the clerk of court. The clerk of court shall remit the damages paid to the department of natural resources. The department of natural resources shall credit such damages to the state fish and game protection fund.

3. The return of any uninjured fish, game, or fur-bearing animal which has been unlawfully taken, caught, or possessed, to the place where taken or caught or to any other place approved by the commission, shall constitute the discharge of any liquidated damages provided under section 481A.130.

4. Civil suits for the collection of judgments may be prosecuted by the attorney general or by county attorneys.

[C75, 77, 79, 81, §109.131; 82 Acts, ch 1211, §4]
86 Acts, ch 1245, §1854
C93, §481A.131
2012 Acts, ch 1118, §7
Referred to in §716.8

**481A.132 Service of process or arrest — pendency of damage claim.**

Service of process upon or arrest of any person charged with provisions of this chapter for which damages may be assessed pursuant to section 481A.130, shall serve as notice of the pendency of the liquidated damage claim. Trial on the criminal charge may be separated from the determination of the liquidated damage claim in the discretion of the court or by the request of the defendant, but upon conviction of the defendant in the criminal case, the only issue to be determined by the court on the liquidated damage claim is the fact of such conviction.

[C77, 79, 81, §109.132]
C93, §481A.132

**481A.133 Suspension of licenses, certificates, and permits.**

A person who is assessed damages pursuant to section 481A.130 shall immediately surrender all licenses, certificates, and permits to hunt, fish, or trap in the state to the department. The licenses, permits, and certificates, and the privileges associated with them shall remain suspended until the assessed damages and any accrued interest are paid in full. Upon payment of the assessed damages and any accrued interest, the suspension shall be lifted. Interest shall begin to accrue as of the date of judgment at a rate of ten percent per year.

90 Acts, ch 1198, §2
C91, §109.133
C93, §481A.133
2007 Acts, ch 28, §16

## CANCELLATIONS, SUSPENSIONS, REVOCATIONS, AND PENALTIES

**481A.134 Authority to cancel, suspend, or revoke license — point system.**

The department shall establish rules pursuant to chapter 17A providing for the suspension or revocation of licenses issued by the department. The rules may include procedures for summary cancellation of a license based on documentation that the licensee failed to pay the applicable fee for the license. For purposes of determining when to suspend or revoke a license issued by the department under this section, the department shall adopt a point system pursuant to chapter 17A for the purpose of weighing the seriousness of violations of the provisions of this chapter or chapter 481B, 482, 483A, 484A, or 484B, or of committing trespass as defined in section 716.7 while hunting deer, other than farm deer as defined in

section 170.1 or preserve whitetail as defined in section 484C.1. The weighted scale may be amended from time to time as experience dictates.

90 Acts, ch 1198, §3
C91, §109.134
92 Acts, ch 1160, §19
C93, §481A.134
2004 Acts, ch 1070, §1; 2007 Acts, ch 28, §17
Referred to in §481A.125

**481A.135 Repeat offender — records, enforcement, and penalties.**

1. The commission shall establish by rule, a recordkeeping system and other administrative procedures necessary to administer this section.

2. A person who pleads guilty or is convicted of a violation of any provision of this chapter or chapter 481B, 482, 483A, 484A, or 484B, or trespass as defined in section 716.7 while hunting deer, other than farm deer as defined in section 170.1 or preserve whitetail as defined in section 484C.1, while the person's license or licenses are suspended or revoked is guilty of a simple misdemeanor if the person has no other violations within the previous three years which occurred while the person's license or licenses have been suspended or revoked.

3. A person who pleads guilty or is convicted of a violation of any provision of this chapter or chapter 481B, 482, 483A, 484A, or 484B, or trespass as defined in section 716.7 while hunting deer, other than farm deer as defined in section 170.1 or preserve whitetail as defined in section 484C.1, while the person's license or licenses are suspended or revoked is guilty of a serious misdemeanor if the person has one other violation within the previous three years which occurred while the person's license or licenses have been suspended or revoked.

4. A person who pleads guilty or is convicted of a violation of any provision of this chapter or chapter 481B, 482, 483A, 484A, or 484B, or trespass as defined in section 716.7 while hunting deer, other than farm deer as defined in section 170.1 or preserve whitetail as defined in section 484C.1, while the person's license or licenses are suspended or revoked is guilty of an aggravated misdemeanor when the person has had two or more convictions within the previous three years which occurred while the person's license or licenses have been suspended or revoked.

5. An indictment or trial information for a violation requiring an enhanced penalty under this section shall specify the underlying violation committed by the person.

90 Acts, ch 1198, §4
C91, §109.135
92 Acts, ch 1160, §20
C93, §481A.135
2007 Acts, ch 28, §18; 2010 Acts, ch 1140, §22

**481A.136 Unlawful commercialization of wildlife — penalty.**

1. A person shall not buy or sell a wild animal or part of a wild animal if the wild animal is taken, transported, or possessed in violation of the laws of this state, or a rule adopted by the department.

2. A person violating subsection 1 is guilty of a serious misdemeanor.

92 Acts, ch 1186, §3

**481A.137 Abandonment of dead or injured wildlife.**

1. While taking or attempting to take game or fur-bearing animals, a person shall not abandon an injured game or fur-bearing animal without making a reasonable effort to retrieve the animal from the field. A person shall not leave a useable portion of game or a fur-bearing animal in the field.

2. A person violating subsection 1 is subject to a scheduled fine as provided in section 805.8B, subsection 3, paragraph "*e*".

3. As used in this section, "*useable portion*" means the following:

*a.* For game, that part of an animal which is customarily processed for human consumption.

*b.* For a fur-bearing animal, the fur or hide of the animal.

4. This section does not apply to pigeons or crows.

92 Acts, ch 1149, §2; 2001 Acts, ch 137, §5

Referred to in §805.8B(3e)

**481A.138 through 481A.140** Reserved.

AQUACULTURE

**481A.141 Aquaculture — license required.**

1. A person shall not engage in the business of aquaculture until that person has applied for and has been issued an aquaculture unit license from the department. The application period extends from January 1, or the date of the application, through December 31. A license shall not be issued to operate an aquaculture unit on private or nonmeandered lakes and streams and ponds that may become stocked with fish from public waters or natural migration. A pond stocked by the department pursuant to section 481A.78 shall not be used for aquaculture purposes.

2. The following persons must obtain an aquaculture unit license:

*a.* A person who, for commercial purposes, rears or maintains live animals or plants for food, bait, or for stocking in waters of the state.

*b.* An owner or operator of a pond where guests or customers are allowed to fish for a fee, or allowed to take fish without regard to angling licenses, seasons, gear restrictions, or bag limits.

3. The cultivation and sale of tropical fish species or ornamental aquatic plants or animals, not utilized for human consumption or bait purposes, but maintained in closed systems and utilized by the pet industry or hobbyists are exempt from license requirements.

92 Acts, ch 1216, §3

**481A.142 Licensed aquaculture units — activities allowed.**

A holder of an aquaculture unit license may:

1. Possess, propagate, buy, sell, deal in, and transport the aquatic organisms produced from breeding stock legally acquired, including minnows.

2. Sell fish for stocking purposes within or outside the state. Fish which are nonindigenous to Iowa shall not be received or sold in the state unless the aquaculture unit has obtained an importation permit from the department. The department shall establish, by rule, requirements governing importation, and shall include a list of approved aquaculture species. Failure to comply with this subsection will result in loss of license and a violator is subject to the scheduled fine provided in section 805.8B.

3. Hold, feed, and sell carp, buffalofish, and other fish legally taken by commercial fishers.

4. Harvest aquatic life on land under control of the aquaculture unit with commercial devices without obtaining any permits for the devices.

5. *a.* Sell bait, including minnows and frogs, propagated or raised within the licensed unit without having to obtain a bait dealer's license. However, aquaculture units wishing to take bait from areas other than their licensed units must also obtain a bait dealer's license.

*b.* A nonresident aquaculture unit licensee shall be limited to selling bait at wholesale unless the home state of the nonresident licensee allows residents of this state to sell bait at retail.

6. Take any gull, tern, or merganser within the bounds of the unit. An owner or operator of the licensed aquaculture unit, however, must first obtain a permit for this activity from the department or the United States fish and wildlife service. Each permittee shall file an annual report with the department which itemizes the birds taken during the period covered by the

permit, and dispose of birds taken according to methods established by the department. The department shall not issue a subsequent permit to any person failing to file this report.

92 Acts, ch 1216, §4; 2001 Acts, ch 137, §5; 2004 Acts, ch 1029, §1; 2012 Acts, ch 1118, §8

Referred to in §805.8B(3d)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

**481A.143 Licensed aquaculture units — requirements.**

1. Each licensed aquaculture unit shall prepare an annual report of all fish bought, sold, and shipped. The records shall include species name as well as the weight, volume, or count of fish involved. Reports shall be filed on or before December 31 of each year for the preceding year. The department may refuse to renew a unit license if the annual report is not provided.

2. Each licensed aquaculture unit shall secure its breeding stock from licensed aquaculture units or licensed aquaculturists in the state or from lawful sources outside the state. An aquaculture unit shall not secure stock in any other manner.

3. A shipment of fish must be accompanied by a duplicate of the sales invoice showing the name and address of the producer, date of shipment, the species being transported, the weight, volume, or count of each species being shipped and the name and address of the consignee. A duplicate of the sales invoice must be retained by the aquaculture unit or aquaculturist for one year following the sale.

4. A licensed aquaculture unit shall comply with all state laws pertaining to possession, taking, or selling of bait which it handles. The director may revoke the unit license of any person violating this subsection or a rule adopted by the department.

5. Minnow and bait boxes and tanks within licensed aquaculture units shall be open for inspection by the department at all times.

6. Aquaculture units shall not import live fish, viable eggs, or semen of any species of the salmonid family (trout, salmon, or char) and ictalurid family (catfishes and bullheads), including hybrids, unless the owner or operator possesses a fish importation permit. For the species listed in this subsection only, importation permits shall not be issued unless the fish, eggs, or semen have been inspected by the department and found to be free of disease detrimental to the state's fishery resources. The owner or operator of an aquaculture unit must provide a statement certifying the fish listed in this subsection or their eggs or semen to be disease free, and include the date of inspection. Certification is not required for other fish species, but the department may require inspection at any time. The department shall establish, by rule, those diseases detrimental to the state's fishery resources and the location of authorized certified pathologists for inspection.

92 Acts, ch 1216, §5

**481A.144 Licensed bait dealers — requirements.**

1. A person shall not sell minnows, frogs, crayfish, or salamanders for fish bait without first obtaining a bait dealer's license from the department upon payment of the license fee. A licensee shall comply with all laws pertaining to taking, possessing, and selling of bait handled by the licensee. If convicted of violating a provision of this chapter or a rule adopted pursuant to this chapter, a licensee shall forfeit the licensee's bait dealer license upon demand of the director.

2. When taking bait from lakes and streams, bait dealers shall take only the size of bait which they can use, and shall return all small minnows and frogs to the water immediately.

3. A minnow and bait box and a tank shall be open to inspection by the department at all times. A licensee shall have tanks and bait boxes of sufficient size and with proper aeration to keep the bait alive and prevent substantial loss.

4. A person shall not take or attempt to take minnows for commercial purposes from any waters of the state or shall not transport minnows without first obtaining a bait dealer's license. However, a person taking or transporting minnows for personal use is not required to have a bait dealer's license.

92 Acts, ch 1216, §6; 93 Acts, ch 99, §2; 2012 Acts, ch 1118, §9

Referred to in §805.8B(3k)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph k

**481A.145 Taking and selling of minnows and other bait — regulations.**

1. Except for species listed as threatened or endangered under chapter 481B, a licensed bait dealer may take sufficient bait from lakes and streams of this state that are not closed to the taking of bait, to supply the licensee's customers for hook and line fishing if the licensee is present while the bait is being taken.

2. Except as otherwise provided in this chapter, a person shall not carry, transport, ship, or cause to be carried, transported, or shipped, any minnows for the purpose of sale beyond the boundaries of the state. Minnows which are bred, hatched, propagated, or raised on a licensed aquaculture unit may be transported outside the state.

3. A person shall not transport, use, sell or offer to sell for bait or introduce into any inland waters of this state or into any waters from which the waters of the state may become stocked, any minnows or fish of the carp, quillback, gar, or dogfish species. Fish of the carp, quillback, gar, or dogfish species may be returned to the waters from which they are taken. A person shall not possess live gizzard shad at any lake in this state.

4. Minnow traps not exceeding thirty-six inches in length may be used when the taking of minnows is allowed. Each trap, when in use, shall have a metal tag attached plainly labeled with the owner's name and address.

5. A person shall not use a minnow dip net which exceeds four feet in diameter, a cast net which exceeds ten feet in diameter, or a minnow seine which exceeds twenty feet in length or has a mesh size smaller than one-quarter inch bar measure. Licensed bait dealers may obtain a permit from the department to use minnow seines longer than twenty feet, but not exceeding fifty feet in length.

6. The department may designate certain lakes and streams, and parts of them, from which minnow populations should be protected for the best management of the lakes or streams. If an investigation of a lake or stream or a portion of a lake or stream by the department indicates that the minnow population should be protected, the lake or stream or a portion of the lake or stream shall be closed to the taking of minnows for a period of time deemed advisable by the department.

92 Acts, ch 1216, §7; 93 Acts, ch 99, §3 – 5

Referred to in §805.8B(3c, 3d, 3k)

For applicable scheduled fines, see §805.8B, subsection 3, paragraphs c, d, and k

**481A.146 Authority of the director.**

The director may take any fish from the public waters of the state, at any time and in any manner, for the purpose of propagation or restocking other waters, or exchanging with fish and wildlife agencies of other states, the federal government, or licensed aquaculture units.

92 Acts, ch 1216, §8

**481A.147 Theft of fish.**

All fish in an aquaculture unit are private property and are not the property of the state, and the theft of fish from an aquaculture unit is punishable as provided in section 714.2.

92 Acts, ch 1216, §9

**481A.148 through 481A.150** Reserved.

POLLUTION — RESTITUTION

**481A.151 Restitution for pollution causing injury to wild animals.**

1. A person who is liable for polluting a water of this state in violation of state law, including this chapter, shall also be liable to pay restitution to the department for injury caused to a wild animal by the pollution. The amount of the restitution shall also include the department's administrative costs for investigating the incident. The administration of this section shall not result in a duplication of damages collected by the department under section 455B.392, subsection 1, paragraph *"a"*, subparagraph (3).

2. The commission shall adopt rules providing for procedures for investigations and the

administrative assessment of restitution amounts. The rules shall establish an opportunity to appeal a departmental action including by a contested case proceeding under chapter 17A. A final administrative decision assessing an amount of restitution may be enforced by the attorney general at the request of the director.

3. Rules adopted by the commission shall provide for methods used to determine the extent of an injury and the monetary values for the loss of injured wild animals based on species.

*a.* The rules shall provide for methods used to count dead fish and to calculate restitution values. The rules may incorporate methods and values published by the American fisheries society. To every extent practicable, the values shall be based on the estimates of lost recreational angler opportunities where applicable. As an alternative method of valuation, the rules may provide that for fish species that are protected by catch limits, possession limits, size limits, or closed seasons applicable to anglers, liquidated damages apply. The amount of the liquidated damages shall not exceed fifteen dollars per fish. For fish species that are classified by the commission as endangered or threatened, the rules may establish liquidated damages not to exceed one thousand dollars per fish.

*b.* The rules shall provide guidelines for estimating the extent of loss of a species that is affected by a pollution incident but which would not be practical to count in sample areas. The rules may establish liquidated damage amounts for species whose replacement cost is difficult to determine.

4. Moneys collected by the department in restitution shall be deposited into the state fish and game protection fund. The moneys shall be used exclusively to support restoration or improvement of fisheries, including but not limited to aquatic habitat improvement projects as provided in rules adopted by the commission. However, moneys collected from restitution paid for investigative costs shall be used as determined by the director.

2002 Acts, ch 1137, §58, 71

Referred to in §481A.130

# CHAPTER 481B

## ENDANGERED PLANTS AND WILDLIFE

Referred to in §232.8, 455A.4, 455A.5, 456A.14, 456A.24, 481A.1, 481A.130, 481A.134, 481A.135, 481A.145, 483A.32, 805.16, 903.1

This chapter not enacted as a part of this
title; transferred from chapter 109A in Code 1993
See §481A.134 and 481A.135 for point system and additional penalties


481B.1 Definitions.
481B.2 Cooperation with federal government.
481B.3 Investigations.
481B.4 Programs.
481B.5 Prohibitions.
481B.6 Species not on list.
481B.7 Special care to ensure survival.
481B.8 Damage to property or human life.
481B.9 Exemptions.
481B.10 Penalties.


**481B.1 Definitions.**

As used in this chapter:

1. *"Commission"* means the natural resource commission.

2. *"Director"* means the director of the department of natural resources.

3. *"Endangered species"* means any species of fish, plant life, or wildlife which is in danger of extinction throughout all or a significant part of its range. "Endangered species" does not include a species of insecta determined by the commission or the secretary of the United States department of interior to constitute a pest whose protection under this chapter would present an overwhelming and overriding risk to humans.

4. *"Fish or wildlife"* means any member of the animal kingdom, including any mammal, fish, amphibian, mollusk, crustacean, arthropod, or other invertebrate, and includes any part, product, egg, or offspring, or the dead body of parts thereof. Fish or wildlife includes

migratory birds, nonmigratory birds, or endangered birds for which protection is afforded by treaty or other international agreement.

5. *"Import"* means to bring into, or introduce into, or attempt to bring into, or attempt to introduce into, any place subject to the jurisdiction of this state.

6. *"Person"* means person as defined in section 4.1, subsection 20.

7. *"Plant"* or *"plant life"* means any member of the plant kingdom, including seeds, roots, and other parts thereof.

8. *"Species"* includes any subspecies of fish, plant life, or wildlife and any other group of fish, plants, or wildlife of the same species or smaller taxa in common spatial arrangement that interbreed or cross-pollinate when mature.

9. *"Take"*, in reference to fish and wildlife, means to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, collect and it includes an attempt to engage in any such conduct.

10. *"Take"*, in reference to plants, means to collect, pick, cut, dig up or destroy in any manner.

11. *"Threatened species"* means any species which is likely to become an endangered species within the foreseeable future throughout all or a significant portion of its range.

[C77, 79, 81, §109A.1]
86 Acts, ch 1245, §1856, 1857
C93, §481B.1

**481B.2 Cooperation with federal government.**

The commission shall perform those acts necessary for the conservation, protection, restoration, and propagation of endangered and threatened species in cooperation with the federal government, pursuant to Pub. L. No. 93-205, and pursuant to rules promulgated by the secretary of the interior.

[C77, 79, 81, §109A.2]
C93, §481B.2
2006 Acts, ch 1010, §124

**481B.3 Investigations.**

The director shall conduct investigations on fish, plants, and wildlife in order to develop information relating to population, distribution, habitat needs, limiting factors, and other biological and ecological data to determine management measures necessary for their continued ability to sustain themselves successfully. On the basis of these determinations and other available scientific and commercial data, which may include consultation with scientists and others who may have specialized knowledge, learning, or experience, the commission shall pursuant to chapter 17A promulgate a rule listing those species of fish, plants, and wildlife which are determined to be endangered or threatened within the state.

The commission shall review the state list of endangered and threatened species at least every two years and may amend the list.

[C77, 79, 81, §109A.3]
C93, §481B.3
Referred to in §481B.4, 481B.5, 481B.6

**481B.4 Programs.**

The director shall establish programs, including acquisition of land or aquatic habitat, necessary for the management of endangered or threatened species.

In carrying out the programs authorized by this section, the commission may enter into cooperative agreements with federal and state agencies, political subdivisions of the state, or with private persons for the administration and management of any area or program established under this section or for investigation as outlined in section 481B.3.

[C77, 79, 81, §109A.4]
C93, §481B.4

**481B.5 Prohibitions.**

Except as otherwise provided in this chapter or by rule, a person shall not take, possess, transport, import, export, process, sell or offer for sale, buy or offer to buy, nor shall a common or contract carrier transport or receive for shipment, any species of fish, plants, or wildlife appearing on the following lists which shall be adopted by rule of the commission:

1. The list of fish, plants, and wildlife indigenous to the state determined to be endangered or threatened within the state pursuant to section 481B.3.
2. The United States list of endangered or threatened native fish and wildlife as contained in 50 C.F.R. pt. 17 as amended to December 30, 1991.
3. The United States list of endangered or threatened plants as contained in 50 C.F.R. pt. 17 as amended to December 30, 1991.
4. The United States list of endangered or threatened foreign fish and wildlife as contained in 50 C.F.R. pt. 17 as amended to December 30, 1991.

[C77, 79, 81, §109A.5]
92 Acts, ch 1133, §1, 2
C93, §481B.5
2003 Acts, ch 108, §89
Referred to in §805.8B(3e)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph e

**481B.6 Species not on list.**

The commission may, by rule, treat any species as an endangered species or threatened species even though it is not listed pursuant to section 481B.3 if it finds that the species so closely resembles in appearance a species which is listed pursuant to section 481B.3 and that enforcement personnel would have substantial difficulty in attempting to differentiate between the listed and unlisted species, and the effect of this substantial difficulty is an additional threat to an endangered or threatened species, or finds that the treatment of an unlisted species will substantially facilitate the enforcement and further the intent of this chapter.

[C77, 79, 81, §109A.6]
C93, §481B.6

**481B.7 Special care to ensure survival.**

The director may permit the taking, possession, purchase, sale, transportation, importation, exportation, or shipment of endangered or threatened species which appear on the state list for scientific, zoological, or educational purposes, for propagation in captivity of such fish, plants, or wildlife, to ensure their survival.

[C77, 79, 81, §109A.7]
C93, §481B.7

**481B.8 Damage to property or human life.**

Upon good cause shown and where necessary to reduce damage to property or to protect human health, endangered or threatened species found on the state list may be removed, captured, or destroyed, but only pursuant to a permit issued by the director.

[C77, 79, 81, §109A.8]
C93, §481B.8

**481B.9 Exemptions.**

A species of fish, plant, or wildlife appearing on any of the lists of endangered species or threatened species which enters the state from another state or from outside the territorial limits of the United States may enter, be transported, possessed, and sold in accordance with rules adopted by the commission.

[C77, 79, 81, §109A.9]
92 Acts, ch 1133, §3
C93, §481B.9

**481B.10 Penalties.**

Whoever violates any of the provisions of this chapter shall be guilty of a simple misdemeanor.

[C77, 79, 81, §109A.10]

C93, §481B.10

# CHAPTER 481C

## WILD ANIMAL DEPREDATION PROCEDURES

481C.1 Wild animal depredation unit.
481C.2 Duties.
481C.2A Deer depredation management program — licenses and permits.
481C.3 Funding.

**481C.1 Wild animal depredation unit.**

A wild animal depredation unit is established within the department of natural resources. The unit shall be comprised of two wild animal depredation biologists.

97 Acts, ch 180, §2; 2002 Acts, ch 1162, §72

Referred to in §481C.3

**481C.2 Duties.**

1. The director of the department of natural resources shall enter into a memorandum of agreement with the United States department of agriculture, animal damage control division. The wild animal depredation unit shall serve and act as the liaison to the department for the producers in the state who suffer crop, horticultural product, tree, or nursery damage due to wild animals.

2. The department shall issue depredation permits to any landowner who incurs crop, horticultural product, tree, or nursery damage of one thousand dollars or more due to wild animals.

3. The criteria for issuing depredation licenses and permits shall be established in administrative rules in consultation with the farmer advisory committee created in section 481A.10A. The administrative rules adopted pursuant to this section shall not require a producer to erect or maintain fencing at a cost exceeding one thousand dollars as a requisite for receiving a depredation license or permit or for participation in a depredation plan.

97 Acts, ch 180, §3; 98 Acts, ch 1203, §4; 2008 Acts, ch 1037, §2, 6

Referred to in §481C.2A

**481C.2A Deer depredation management program — licenses and permits.**

1. Deer depredation licenses shall be available for issuance as follows:

*a.* Deer depredation licenses shall be available for issuance to resident hunters.

*b.* Depredation licenses issued pursuant to this subsection shall be valid to harvest antlerless deer only. Depredation licenses that are issued to a landowner and family members as defined in section 483A.24 shall be in addition to the number of free licenses that are available for issuance to such persons under section 483A.24. A landowner or a family member may obtain one free depredation license for each deer hunting season that is established by the commission. Deer may be harvested with a rifle pursuant to a depredation license in any area and in any season where the commission authorizes the use of rifles.

*c.* Licenses issued pursuant to this subsection may be issued at any time to a resident hunter who has permission to hunt on the land for which the license is valid pursuant to this subsection.

*d.* A producer who enters into a depredation agreement with the department of natural resources shall be issued a set of authorization numbers. Each authorization number authorizes a resident hunter to obtain a depredation license that is valid only for taking antlerless deer on the land designated in the producer's depredation plan. A producer may

transfer an authorization number issued to that producer to a resident hunter who has permission to hunt on the land for which the authorization number is valid. An authorization number shall be valid to obtain a depredation license in any season. The provisions of this paragraph shall be implemented by August 15, 2008. A transferee who receives an authorization number pursuant to this paragraph *"d"* shall be otherwise qualified to hunt deer in this state, purchase a hunting license that includes the wildlife habitat fee, and pay the one dollar fee for the purpose of the deer herd population management program.

2. Deer shooting permits shall be available for issuance as follows:

*a.* Deer shooting permits shall be available for issuance to landowners who incur crop, horticultural product, tree, or nursery damage as provided in section 481C.2 and shall be available for issuance for use on areas where public safety may be an issue.

*b.* Deer shooting permits issued pursuant to this subsection shall be valid and may be used outside of established deer hunting seasons.

3. Notwithstanding section 481C.2, subsection 3, a producer shall not be required to erect or maintain fencing as a requisite for receiving a deer depredation permit or for participation in a deer depredation plan pursuant to this section.

4. A person who harvests a deer with a deer depredation license or a deer shooting permit issued pursuant to this section shall utilize the deer harvest reporting system set forth in section 483A.8A and shall not be subject to different disposal or reporting requirements than are applicable to the harvest of deer pursuant to other deer hunting licenses except that any antlers on a deer taken pursuant to a shooting permit shall be delivered to the local conservation officer for disposal.

5. The department shall administer and enforce the administrative rules concerning deer depredation, including issuance of deer depredation licenses and deer shooting permits, that are established by the commission.

6. The department shall make educational materials that explain the deer depredation management program available to the general public, and available specifically to farmers and farm and commodity organizations, in both electronic and brochure formats.

7. The department shall conduct outreach programs for farmers and farm and commodity organizations that explain the deer depredation management program. The department shall develop, by rule, a master hunter program and maintain a list of master hunters who are available to assist producers in the deer depredation management program by increasing the harvest of antlerless deer on the producer's property.

2008 Acts, ch 1037, §3, 6; 2011 Acts, ch 34, §109; 2012 Acts, ch 1096, §4, 23
Section not amended; footnote deleted

**481C.3 Funding.**

The revenue from nonresident deer and wild turkey hunting licenses shall be used to pay the salaries, support, and maintenance of the wild animal depredation unit established pursuant to section 481C.1.

97 Acts, ch 180, §4; 2000 Acts, ch 1154, §33

# CHAPTER 482

## COMMERCIAL FISHING

Referred to in §456A.14, 456A.24, 481A.1, 481A.130, 481A.134, 481A.135, 483A.32

This chapter not enacted as a part of this title;
transferred from chapter 109B in Code 1993
See §481A.134 and 481A.135 for point system and additional penalties


482.1 Authority of the commission.
482.2 Definitions.
482.3 Commercial fishing — where permitted.
482.4 Commercial licenses and gear tags.
482.5 Commercial gear.
482.6 Tagging of commercial gear.
482.7 Gear attendance.
482.8 Baits.
482.9 Unlawful methods.
482.10 Commercial fishing licenses.
482.11 Turtles and turtle eggs.
482.12 Freshwater mussels. Repealed by 2009 Acts, ch 144, §48.
482.13 Reciprocity for commercial fishing and commercial turtle fishing.
482.14 Reports and records required — inspections.
482.15 Penalties.


**482.1 Authority of the commission.**

1. The natural resource commission shall observe, administer, and enforce this chapter. The natural resource commission may adopt and enforce rules under chapter 17A as necessary to carry out this chapter.

2. The natural resource commission may:

*a.* Remove or cause to be removed from the waters of the state any aquatic species that in the judgment of the commission is an underused renewable resource or has a detrimental effect on other aquatic populations. All proceeds from a sale of these aquatic organisms shall be credited to the state fish and game protection fund.

*b.* Issue to any person a permit or license authorizing that person to take, possess, and sell underused, undesirable, or injurious aquatic organisms from the waters of the state. The person receiving a permit or license shall comply with the applicable provisions of this chapter.

*c.* Authorize the director to enter into written contracts for the removal of underused, undesirable, or injurious organisms from the waters of the state. The contracts shall specify all terms and conditions desired. Sections 482.4, 482.6, and 482.14 do not apply to these contracts.

*d.* Prohibit, restrict, or regulate commercial fishing and commercial turtle harvesting in any waters of the state.

*e.* Revoke the license of a licensee for up to one year if the licensee has been convicted of a violation of chapter 481A, 482, or 483A. A licensee shall not continue commercial fishing while a license issued by the natural resource commission or issued by another state is under revocation or suspension.

*f.* Regulate the numbers of commercial fishers and commercial turtle harvesters and the amount, type, seasonal use, mesh size, construction and design, manner of use, and other criteria relating to the use of commercial gear for any body of water or part thereof.

*g.* Establish catch quotas, seasons, size limits, and other regulations for any species of commercial fish or turtles for any body of water or part thereof.

*h.* Designate by listing species as commercial fish or turtles.

*i.* Designate any body of water or its part as protected habitat and restrict, prohibit, or otherwise regulate the taking of commercial fish and turtles in protected habitat areas.

3. Employees of the department may lift and inspect any commercial gear at any time and may inspect commercial catches, commercial markets, and landings, and examine sale and purchase records of commercial fishers, commercial turtle harvesters, commercial roe harvesters, commercial turtle buyers, and commercial roe buyers upon demand.

4. Employees of the department may seize and retain as evidence any illegal fish or turtles, or any illegal commercial gear, or any other personal property used in violation of

any provision of the Code, and may confiscate any untagged or illegal commercial gear as contraband.

86 Acts, ch 1141, §1
C87, §109B.1
87 Acts, ch 115, §19
C93, §482.1
2009 Acts, ch 144, §21
Referred to in §481A.67

**482.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Boundary waters"* means the waters of the Mississippi, Missouri, and Big Sioux rivers.
2. *"Commercial fish helper"* means a person who is licensed by the state to assist a commercial fisher or a commercial roe harvester in operating commercial gear or in taking, attempting to take, possessing, or transporting commercial fish, roe species, roe, or turtles.
3. *"Commercial fisher"* means a person who is licensed by the state to take, attempt to take, possess, transport, sell, barter, or trade turtles or turtle eggs, commercial fish except roe species, or fish parts except roe.
4. *"Commercial fishing"* means taking, attempting to take, possessing, or transporting of commercial fish or turtles for the purpose of selling, bartering, trading, offering, or exposing for sale.
5. *"Commercial gear"* means the capturing equipment used by commercial fishers, commercial roe harvesters, and commercial turtle harvesters.
6. *"Commercial roe buyer"* means a person who is licensed by the state to engage in the business of buying, selling, bartering, or trading of roe and roe species.
7. *"Commercial roe harvester"* means a person who is licensed by the state to engage in the harvest and sale, barter, or trade of roe and roe species.
8. *"Commercial species"* means species of fish and turtles which may be lawfully taken and sold by commercial fishers, commercial roe harvesters, and commercial turtle harvesters, as established by rule by the commission.
9. *"Commercial turtle buyer"* means a person who is licensed by the state to engage in the business of buying, selling, bartering, or trading commercial turtles or turtle eggs.
10. *"Commercial turtle harvester"* means a person who is licensed by the state to take, attempt to take, possess, transport, and sell, barter, or trade commercial turtles or turtle eggs.
11. *"Commercial turtle harvesting"* means taking, attempting to take, possessing, or transporting of commercial turtles or turtle eggs for the purpose of selling, bartering, trading, offering, or exposing for sale.
12. *"Commercial turtle helper"* means a person who is licensed by the state to assist a commercial turtle harvester in operating commercial gear, or in taking, attempting to take, possessing, or transporting commercial turtles or turtle eggs.
13. *"Constant attendance"* means the presence of a commercial fisher whenever commercial gear is in use.
14. *"Director"* means the director of the department of natural resources, and the director's duly authorized assistants, deputies, or agents.
15. *"Game fish"* means all species and size categories of fish not included as "commercial species" or minnows.
16. *"Inland waters of the state"* means all public waters of the state excluding the boundary waters of the Mississippi, Big Sioux, and Missouri rivers.
17. *"Licensed commercial gear"* means any commercial gear that is licensed as provided in this chapter and that, when in use, has the proper tags attached as provided by this chapter.
18. *"Nonresident or alien"* means a person who does not qualify as a resident as defined in section 483A.1A.
19. *"Resident"* means a person as defined in section 483A.1A.
20. *"Roe"* means fish eggs.
21. *"Roe species"* means fish harvested for their eggs. Roe species include but are not

limited to shovelnose sturgeon and bowfin and any other fish defined as roe species by the commission by rule.

22. *"Waters of the state"* means all of the waters under the jurisdiction of the state.

86 Acts, ch 1141, §2
C87, §109B.2
91 Acts, ch 170, §1
C93, §482.2
2009 Acts, ch 144, §22

**482.3 Commercial fishing — where permitted.**

It is unlawful to use commercial gear in the taking of commercial fish, turtles, and mussels from the waters of the state, except as otherwise provided by statute or administrative rules of the commission.

86 Acts, ch 1141, §3
C87, §109B.3
C93, §482.3
Referred to in §805.8B(3e)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph e

**482.4 Commercial licenses and gear tags.**

1. A person shall not use or operate commercial gear unless an individual is at the site where the commercial gear is being operated who possesses an appropriate valid commercial license. A commercial license is valid from the date of issue to January 10 of the succeeding calendar year.

2. A commercial roe harvester shall possess a valid commercial fishing license and a valid commercial roe harvester license.

3. Commercial fishers and commercial turtle harvesters shall provide and affix weather-resistant gear tags to each piece of gear in use. Each weather-resistant gear tag shall plainly show the name, address, and commercial license number of the licensee and whether the gear is fish or turtle gear.

4. Annual license fees are as follows:

*a.* Commercial fisher, resident ..... $ 200.00
*b.* Commercial fisher, nonresident ..... $ 400.00
*c.* Commercial fish helper, resident ..... $ 50.00
*d.* Commercial fish helper, nonresident ..... $ 100.00
*e.* Commercial roe buyer, resident ..... $ 250.00
*f.* Commercial roe buyer, nonresident ..... $ 500.00
*g.* Commercial roe harvester, resident ..... $ 100.00
*h.* Commercial roe harvester, nonresident ..... $3,500.00
*i.* Commercial turtle buyer, resident ..... $ 200.00
*j.* Commercial turtle buyer, nonresident ..... $ 400.00
*k.* Commercial turtle harvester, resident ..... $ 100.00
*l.* Commercial turtle harvester, nonresident ..... $ 400.00
*m.* Commercial turtle helper, resident ..... $ 50.00
*n.* Commercial turtle helper, nonresident ..... $ 100.00

5. Commercial fish and turtle gear tags are required on the following units of commercial gear:

*a.* Seine.
*b.* Trammel net.
*c.* Gill net.
*d.* Entrapment nets.
*e.* Commercial trotline.
*f.* Commercial turtle trap.

86 Acts, ch 1141, §4
C87, §109B.4
89 Acts, ch 119, §1; 89 Acts, ch 192, §1, 2; 91 Acts, ch 170, §2, 3

C93, §482.4
2009 Acts, ch 144, §23; 2012 Acts, ch 1118, §10 – 13
Referred to in §452A.17, 482.1, 805.8B(3m)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph m

**482.5 Commercial gear.**

It is lawful for a person who is legally licensed to harvest commercial fish or commercial turtles to use commercial gear of a design, construction, size, season, and all other criteria established by the commission for taking those species of fish and turtles designated by the commission by rule.

86 Acts, ch 1141, §5
C87, §109B.5
C93, §482.5
2009 Acts, ch 144, §24
Referred to in §805.8B(3d)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph d

**482.6 Tagging of commercial gear.**

Each trotline shall have the tags affixed to one end. Each hoop net, slat net, trap net, and turtle trap shall have the appropriate tag affixed to the end nearest the pot. Each gill net and each trammel net shall have the tags affixed to the float line nearest the shore stake, but when fished under ice, the tags shall be affixed to the float line nearest the take-out hole. Each seine shall have the tags affixed to one end.

86 Acts, ch 1141, §6
C87, §109B.6
C93, §482.6
Referred to in §482.1, 805.8B(3b)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph b

**482.7 Gear attendance.**

1. A commercial fisher, commercial turtle harvester, or commercial roe harvester licensee must be present when commercial gear is operated. A commercial fish helper or commercial turtle helper shall not operate commercial gear except under the direct supervision of a commercial fisher, commercial turtle harvester, or commercial roe harvester. A nonresident commercial turtle helper is licensed only to assist a licensed nonresident commercial turtle harvester. Commercial gear shall be lifted and emptied of catch as provided by the rules of the commission. Constant attendance by the commercial fisher of seines, trammel nets, and gill nets is required when the gear is fished by driving, drive-seining, seining, floating, or drifting methods. Officers of the commission may grant a reasonable extension of gear attendance intervals only upon the request of a commercial fisher, commercial turtle harvester, or commercial roe harvester specifying why such an extension is necessary.

2. For the purposes of this section, "*direct supervision*" means that a commercial fisher, commercial turtle harvester, or commercial roe harvester must be in the same boat, within hand-signal distance, or within vocal communication distance, without the help of any electronic or amplifying device, of the commercial fish helper or commercial turtle helper being supervised.

86 Acts, ch 1141, §7
C87, §109B.7
C93, §482.7
2009 Acts, ch 144, §25
Referred to in §482.9, 805.8B(3d)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

**482.8 Baits.**

1. It is lawful for licensed commercial fishers, commercial turtle harvesters, and commercial roe harvesters to pursue, take, possess, and transport any commercial fish or their parts, bait fish, turtles, frogs, salamanders, leeches, crayfish, or any other aquatic invertebrates for bait unless otherwise prohibited by law.

2. It is lawful to use any member of the following families as bait fish in boundary

waters: Cyprinidae, the minnows; Catostomidae, the suckers; Umbridae, the mudminnows; Clupeidae, the herrings; Hiodontidae, the mooneyes; Amiidae, the bowfin unless otherwise prohibited by law.

3. It is lawful to use green sunfish, Lepomis cyanellus, and orange-spotted sunfish, Lepomis humilis, for bait fish.

4. It is lawful to use minnow seines for taking bait in the boundary waters. Minnow seines may not exceed fifty feet in length and eight feet in depth.

86 Acts, ch 1141, §8
C87, §109B.8
C93, §482.8
2009 Acts, ch 144, §26
Referred to in §805.8B(3d)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

**482.9 Unlawful methods.**

It is unlawful:

1. To use commercial gear which is not in accordance with this chapter or the rules of the commission.

2. To use commercial gear within nine hundred feet from a navigation dam on the boundary waters.

3. To use commercial gear within three hundred feet from the mouth of a tributary stream emptying into the boundary waters.

4. For a person to lift or to fish licensed commercial gear of another person, except when under the direct supervision of the licensee as provided in section 482.7.

5. To employ chemicals, electricity, or explosives into the water for taking fish, turtles, or freshwater mussels except as authorized by the director.

6. To have in one's possession game fish or other fish, turtles, or mussels deemed illegal by other provisions of law while engaged in commercial activities. A fish caught in commercial fishing that is not lawful to possess shall be handled with wet hands and immediately released under water with as little injury as possible.

7. To block or inhibit navigation through channels with commercial gear unless a minimum of three feet of water depth is maintained over float lines of any entanglement gear or leads to trap nets. Gear shall not block over one-half the width of a navigable channel if there is less than three feet of water over the gear.

86 Acts, ch 1141, §9
C87, §109B.9
C93, §482.9
2009 Acts, ch 144, §27; 2011 Acts, ch 34, §110
Referred to in §805.8B(3e)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph e

**482.10 Commercial fishing licenses.**

1. All persons who commercially take, attempt to take, possess, transport, sell, barter, trade, or buy commercial fish or their parts shall possess an appropriate, valid commercial fishing license. This subsection does not apply to an individual who buys commercial fish or their parts from a commercial fisher for personal consumption.

*a.* A commercial fisher license is required to operate commercial gear and to take, attempt to take, possess, process, transport, or sell any commercial fish, commercial turtles, or turtle eggs.

*b.* A commercial fish helper license is required to assist a commercial fisher or commercial roe harvester in operating commercial gear and in taking, attempting to take, possessing, or transporting commercial fish, roe species, roe, commercial turtles, or turtle eggs. A commercial fish helper is not permitted to buy, sell, barter, or trade commercial fish, roe species, roe, commercial turtles, or turtle eggs. A commercial fish helper license is not required for a person under sixteen years of age to assist a commercial fisher as provided in this paragraph *"b"*.

*c.* A commercial roe harvester license is required to harvest, possess, transport, or sell roe

or roe species or their parts. A commercial roe harvester is not permitted to buy, barter, or trade roe or roe species unless in possession of a valid roe buyer license. A commercial roe harvester shall sell roe or roe species only to a commercial roe buyer licensed in this state.

*d.* A commercial roe buyer license is required to buy, barter, or trade roe or roe species for resale.

2. All intrastate and interstate shipments of commercial fish, turtles, turtle eggs, or roe or roe species, must be accompanied by a receipt which shows the name and address of the seller, date of sale, and the species, numbers, and pounds of the fish, roe species, roe, turtles, or turtle eggs being sold.

86 Acts, ch 1141, §10
C87, §109B.10
C93, §482.10
2009 Acts, ch 144, §28; 2011 Acts, ch 34, §111
Referred to in §805.8B(3d)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph d

**482.11 Turtles and turtle eggs.**

1. All persons who commercially take, attempt to take, possess, transport, or sell turtles or turtle eggs shall possess an appropriate, valid commercial license. This subsection does not apply to an individual who buys turtles or turtle eggs from a commercial fisher or a commercial turtle harvester for personal consumption.

*a.* A commercial turtle harvester license is required to operate commercial gear and to take, attempt to take, possess, transport, sell, barter, or trade commercial turtles or turtle eggs. Nonresident commercial turtle harvesters shall harvest commercial turtles only from the boundary waters.

*b.* A commercial turtle helper license is required to assist a commercial turtle harvester in operating commercial gear, and in taking, attempting to take, possessing, or transporting commercial turtles or turtle eggs. A commercial turtle helper is not permitted to buy, sell, barter, or trade commercial turtles or turtle eggs. A commercial turtle helper license is not required for a person under sixteen years of age to assist a commercial turtle harvester as provided in this paragraph *"b"*.

*c.* A commercial turtle buyer license is required to engage in the business of buying, bartering, or trading commercial turtles or turtle eggs.

*d.* A commercial fisher license entitles commercial fishers to operate any licensed commercial gear and to take, attempt to take, possess, and sell, barter, or trade turtles or turtle eggs taken with such commercial gear.

2. It is unlawful to take, possess, or sell any species of turtles except those designated by the commission by rule.

86 Acts, ch 1141, §11
C87, §109B.11
89 Acts, ch 192, §3
C93, §482.11
2009 Acts, ch 144, §29, 30
Referred to in §805.8B(3n)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph n

**482.12 Freshwater mussels.** Repealed by 2009 Acts, ch 144, § 48. See § 483A.28.

**482.13 Reciprocity for commercial fishing and commercial turtle fishing.**

1. Reciprocal commercial fishing and commercial turtle fishing privileges are contingent upon a grant of similar privileges by the appropriate state to residents of this state.

2. The commission may negotiate commercial reciprocity agreements with other states.

86 Acts, ch 1141, §13
C87, §109B.13
91 Acts, ch 170, §5, 6
C93, §482.13

**482.14 Reports and records required — inspections.**

1. All commercial fishers, commercial turtle harvesters, commercial turtle buyers, commercial roe harvesters, and commercial roe buyers shall submit a monthly report supplying all information requested on forms furnished by the department. Reports must be received by the department no later than the fifteenth day of the following month.

2. Commercial fishers shall utilize a dated receipt with at least two parts, with one original and one copy of each receipt, that contains the species, number, and pounds of fish or turtles sold, bartered, or traded. Commercial fishers shall retain a copy of each receipt for five years following the transaction. A purchaser of commercial fish or turtles shall retain a copy of the receipt for as long as the purchaser is in possession of the fish or turtles.

3. Commercial turtle harvesters shall utilize a dated receipt with at least two parts, with one original and one copy of each receipt, that contains the species, number, and pounds of turtles sold, bartered, or traded. Commercial turtle harvesters shall retain a copy of each receipt for five years following the transaction. A purchaser of commercial turtles shall retain a copy of the receipt for as long as the purchaser is in possession of the turtles.

4. Commercial turtle buyers shall maintain accurate records of all transactions. The records shall contain the date, number, weight, and species of turtles purchased, the name and address of the seller, and the county or pools where the turtles were taken. The records shall be updated monthly. Such records shall be available for examination by employees of the department upon request. A commercial turtle buyer shall only purchase turtles from a licensed commercial fisher or commercial turtle harvester.

5. Commercial roe buyers shall utilize a receipt with at least two parts, with one original and at least one copy of each receipt, for each purchase of commercial roe species and roe. The original of the receipt shall be kept by the commercial roe buyer and a copy of the receipt shall be given to the commercial roe harvester selling the commercial roe species or roe. Commercial roe buyers and commercial roe harvesters shall retain such receipts for five years following the date of the transaction.

6. Facilities and records of commercial fish buyers, commercial turtle buyers, commercial roe harvesters, and commercial roe buyers shall be open at all reasonable times for inspection by any conservation officer.

86 Acts, ch 1141, §14
C87, §109B.14
91 Acts, ch 170, §7
C93, §482.14
2009 Acts, ch 144, §31
Referred to in §482.1

**482.15 Penalties.**

A person who violates this chapter or a rule issued under this chapter is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8B, subsection 3, paragraph *"e"*. However, the scheduled fine specified in section 805.8B, subsection 3, paragraph *"e"*, does not apply to a violation of this chapter or a rule for which another scheduled fine is specified in section 805.8B, subsection 3.

86 Acts, ch 1141, §15
C87, §109B.15
C93, §482.15
2000 Acts, ch 1203, §23; 2001 Acts, ch 130, §1; 2001 Acts, ch 137, §5
Referred to in §805.8B(3e)

# CHAPTER 483

RESERVED

# CHAPTER 483A

## FISHING AND HUNTING LICENSES, CONTRABAND, AND GUNS

Referred to in §232.8, 321K.1, 350.5, 455A.4, 455A.5, 456A.14, 456A.24, 481A.1, 481A.6A, 481A.134, 481A.135, 482.1, 484B.3, 805.16, 903.1

This chapter not enacted as a part of this title;
transferred from chapter 110 in Code 1993
See §481A.134 and 481A.135 for point system and additional penalties


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GENERAL PROVISIONS

**483A.1 Licenses — fees.**

Except as otherwise provided in this chapter, a person shall not fish, trap, hunt, pursue, catch, kill, take in any manner, use, have possession of, sell, or transport all or a part of any wild animal, bird, game, or fish, the protection and regulation of which is desirable for the conservation of resources of the state, without first obtaining a license for that purpose and the payment of a fee as follows:

1. Residents:

*a.* Fishing license, annual .....$ 17.00
*b.* Fishing license, three-year .....$ 51.00
*c.* Fishing license, seven-day .....$ 11.50
*d.* Fishing license, one-day .....$ 7.50
*e.* Third line fishing permit, annual .....$ 10.00
*f.* Fishing license, lifetime, sixty-five years or older .....$ 50.50
*g.* Hunting license, annual, not including the wildlife habitat fee .....$ 17.00
*h.* Hunting license, annual, including the wildlife habitat fee .....$ 28.00
*i.* Hunting license, three-year, including the wildlife habitat fees .....$ 84.00
*j.* Hunting license, lifetime, sixty-five years or older .....$ 50.50
*k.* Combination hunting and fishing license, annual, including the wildlife habitat fee .....$ 45.00
*l.* Deer hunting license .....$ 25.50
*m.* Wild turkey hunting license .....$ 22.50
*n.* Fur harvester license, annual, not including the wildlife habitat fee, sixteen years or older .....$ 20.50
*o.* Fur harvester license, annual, including the wildlife habitat fee, sixteen years or older .....$ 31.50
*p.* Fur harvester license, annual, not including the wildlife habitat fee, under sixteen years of age .....$ 5.50
*q.* Fur harvester license, lifetime, sixty-five years or older.....$ 50.50
*r.* Fur dealer license .....$225.50
*s.* Aquaculture unit license .....$ 25.50
*t.* Retail bait dealer license .....$ 30.50
*u.* Trout fishing fee .....$ 10.50
*v.* Game breeder license .....$ 15.50
*w.* Taxidermy license .....$ 15.50
*x.* Falconry license .....$ 20.50
*y.* Wildlife habitat fee .....$ 11.00
*z.* Migratory game bird fee .....$ 8.00
*aa.* Wholesale bait dealer license .....$125.00
*ab.* Boundary waters sport trotline license, annual .....$ 20.50

2. Nonresidents:

*a.* Fishing license, annual .....$ 39.00
*b.* Fishing license, seven-day .....$ 30.00
*c.* Fishing license, three-day .....$ 15.50
*d.* Fishing license, one-day .....$ 8.50
*e.* Third line fishing permit, annual .....$ 10.00

*f.* Hunting license, annual, including the wildlife habitat fee, eighteen years of age or older .....$121.00

*g.* Hunting license, annual, including the wildlife habitat fee, under eighteen years of age .....$ 41.00

*h.* Deer hunting license, antlered or any sex deer .....$295.00

*i.* Preference point issued under section 483A.7, subsection 3, paragraph "*b*", or section 483A.8, subsection 3, paragraph "*e*" .....$ 50.00

*j.* Deer hunting license, antlerless deer only, required with the purchase of an antlered or any sex deer hunting license .....$125.00

*k.* Deer hunting license, antlerless deer only .....$225.00

*l.* Holiday deer hunting license issued under section 483A.8, subsection 6, antlerless deer only .....$ 75.00

*m.* Wild turkey hunting license .....$100.00

*n.* Fur harvester license, including the wildlife habitat fee .....$211.00

*o.* Fur dealer license, annual .....$501.00

*p.* Fur dealer license, one day, one location .....$250.00

*q.* Location permit for fur dealers.....$ 56.00

*r.* Aquaculture unit license .....$ 56.00

*s.* Retail bait dealer license or the amount for the same type of license in the nonresident's state, whichever is greater .....$125.00

*t.* Wholesale bait dealer license or the amount for the same type of license in the nonresident's state, whichever is greater .....$250.00

*u.* Trout fishing fee .....$ 13.00

*v.* Game breeder license .....$ 26.00

*w.* Taxidermy license .....$ 26.00

*x.* Wildlife habitat fee .....$ 11.00

*y.* Migratory game bird fee .....$ 8.00

*z.* Boundary waters sport trotline license, annual .....$ 40.50

[S13, §2563-a2, -o, -p; SS15, §2547-a, 2562-b, 2563-a1; C24, §1706, 1718, 1719, 1748, 1752, 1756, 1779; C27, §1706, 1718, 1719, 1719-a1, 1748, 1752, 1756, 1779; C31, §1706, 1718, 1718-c1, 1719, 1719-a1, 1748, 1752, 1756, 1766-c3, 1779; C35, §1794-e1; C39, §**1794.082;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §110.1]

84 Acts, ch 1199, §2; 84 Acts, ch 1260, §2; 86 Acts, ch 1114, §1; 86 Acts, ch 1141, §17; 86 Acts, ch 1240, §1; 89 Acts, ch 90, §2; 89 Acts, ch 237, §1; 89 Acts, ch 238, §1; 91 Acts, ch 237, §3; 92 Acts, ch 1216, §10, 11

C93, §483A.1

95 Acts, ch 12, §1; 95 Acts, ch 46, §2; 98 Acts, ch 1199, §5, 27; 98 Acts, ch 1223, §30; 2001 Acts, ch 137, §5; 2001 Acts, ch 148, §1 – 3, 9; 2002 Acts, ch 1141, §1; 2003 Acts, ch 120, §1 – 4, 6; 2003 Acts, ch 152, §1 – 3, 6; 2005 Acts, ch 139, §3; 2007 Acts, ch 194, §1, 2; 2009 Acts, ch

144, §32, 33; 2009 Acts, ch 179, §147, 214, 215, 217; 2012 Acts, ch 1096, §5, 23; 2012 Acts, ch 1118, §14; 2013 Acts, ch 62, §1

Referred to in §331.605, 481A.93, 483A.1A, 483A.3, 483A.7, 483A.8, 483A.9A, 483A.17, 483A.28, 717F.7, 805.8B(3o)

Commercial fishing licenses, see §482.4

For applicable scheduled fines, see §805.8B, subsection 3, paragraph o

Subsection 1, NEW paragraph q and former paragraphs q – aa redesignated as r – ab

**483A.1A Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Boundary waters"* means the waters of the Mississippi, Missouri, and Big Sioux rivers.

2. *"Commission"* means the natural resource commission.

3. *"Department"* means the department of natural resources created under section 455A.2.

4. *"Director"* means the director of the department.

5. *"License"* means a privilege granted by the commission to fish, hunt, fur harvest, pursue, catch, kill, take in any manner, use, have possession of, sell, or transport all or part of a wild animal, bird, game, or fish, including any privilege related to a license granted by issuance of a stamp or a payment of a fee.

6. *"License agent"* means an individual, business, or governmental agency authorized to sell a license.

7. *"License document"* means an authorization, certificate, or permit issued by the department or a license agent that lists and confers one or more license privileges.

8. *"Nonresident"* means a person who is not a resident as defined in subsection 10.

9. *"Principal and primary residence or domicile"* means the one and only place where a person has a true, fixed, and permanent home, and to where, whenever the person is briefly and temporarily absent, the person intends to return. Relevant factors in determining a person's principal and primary residence or domicile include but are not limited to proof of place of employment, mailing address, utility records, land ownership records, vehicle registration, and address listed on the person's state and federal income tax returns. A person shall submit documentation to establish the person's principal and primary residence or domicile to the department or its designee upon request. The department or its designee shall keep confidential any document received pursuant to such a request if the document is required to be kept confidential by state or federal law.

10. *"Resident"* means a natural person who meets any of the following criteria during each year in which the person claims status as a resident:

*a.* Has physically resided in this state as the person's principal and primary residence or domicile for a period of not less than ninety consecutive days immediately before applying for or purchasing a resident license, tag, or permit under this chapter and has been issued an Iowa driver's license or an Iowa nonoperator's identification card. A person is not considered a resident under this paragraph if the person is residing in the state only for a special or temporary purpose including but not limited to engaging in hunting, fishing, or trapping.

*b.* Is a full-time student at either of the following:

(1) An accredited educational institution located in this state and resides in this state while attending the educational institution.

(2) An accredited educational institution located outside of this state, if the person is under the age of twenty-five and has at least one parent or legal guardian who maintains a principal and primary residence or domicile in this state.

*c.* Is a student who qualifies as a resident pursuant to paragraph *"b"* only for the purpose of purchasing any resident license specified in section 483A.1.

*d.* Is a nonresident under eighteen years of age whose parent is a resident of this state.

*e.* Is a member of the armed forces of the United States who is serving on active duty, claims residency in this state, and has filed a state individual income tax return as a resident pursuant to chapter 422, division II, for the preceding tax year, or is stationed in this state.

86 Acts, ch 1245, §1858

C87, §110.1A

C93, §483A.1A
95 Acts, ch 76, §1; 2000 Acts, ch 1116, §3 – 5; 2000 Acts, ch 1175, §1, 2; 2001 Acts, ch 134, §3; 2003 Acts, ch 37, §1; 2009 Acts, ch 144, §34, 35; 2011 Acts, ch 34, §112
Referred to in §321G.1, 321I.1, 482.2, 483A.2

**483A.2 Dual residency.**

A resident license shall be limited to persons who do not claim any resident privileges, except as defined in section 483A.1A, subsection 10, paragraphs *"b"*, *"c"*, *"d"*, and *"e"*, in another state or country. A person shall not purchase or apply for any resident license or permit if that person has claimed residency in any other state or country.

2000 Acts, ch 1116, §6; 2009 Acts, ch 144, §36

**483A.3 Wildlife habitat fee.**

1. *a.* A resident or nonresident person required to have a hunting or fur harvester license shall not hunt or trap unless the person purchases a hunting or fur harvester license that includes the wildlife habitat fee.

*b.* Residents who have permanent disabilities or who are younger than sixteen or older than sixty-five years of age may purchase a hunting or fur harvester license that does not include the wildlife habitat fee.

*c.* Eleven dollars of the fee paid for each resident or nonresident hunting or fur harvester license that includes the wildlife habitat fee shall be designated as a wildlife habitat fee.

*d.* All wildlife habitat fees shall be administered in the same manner as hunting and fur harvester licenses except all revenue derived from wildlife habitat fees shall be used within the state of Iowa for habitat development and shall be deposited in the state fish and game protection fund, except as provided in subsection 2. The revenue may be used for the matching of federal funds. The revenues and any matched federal funds shall be used for acquisition of land, leasing of land, or obtaining of easements from willing sellers for use as wildlife habitats. Notwithstanding the exemption provided by section 427.1, any land acquired with the revenues and matched federal funds shall be subject to the full consolidated levy of property taxes which shall be paid from those revenues. In addition the revenue may be used for the development and enhancement of wildlife lands and habitat areas.

*e.* Not less than fifty percent of all revenue from wildlife habitat fees shall be used by the commission to enter into agreements with county conservation boards or other public agencies in order to carry out the purposes of this section. The state share of funding of those agreements provided by the revenue from wildlife habitat fees shall not exceed seventy-five percent.

2. Up to sixty percent of the revenues from wildlife habitat fees which are not required under subsection 1 to be used by the commission to enter into agreements with county conservation boards or other public agencies may be credited to the wildlife habitat bond fund as provided in section 483A.53.

3. Notwithstanding subsections 1 and 2, any increase in wildlife habitat fee revenues received on or after July 1, 2007, pursuant to this section as a result of wildlife habitat fee increases pursuant to 2007 Iowa Acts, ch. 194, shall be used by the commission only for the purpose of the game bird habitat development program as provided in section 483A.3B. The commission shall not reduce on an annual basis for these purposes the amount of other funds being expended as of July 1, 2007.

4. A three-year hunting license purchased pursuant to section 483A.1, subsection 1, paragraph *"i"*, includes the payment of a wildlife habitat fee for each of the three years for which the license is valid and those fees shall be used as provided in this section.

[C79, 81, §110.3]
84 Acts, ch 1260, §3; 86 Acts, ch 1114, §2; 86 Acts, ch 1231, §1

C93, §483A.3
96 Acts, ch 1129, §98; 98 Acts, ch 1199, §6, 27; 98 Acts, ch 1223, §30; 2007 Acts, ch 194, §3; 2012 Acts, ch 1096, §6, 23
Referred to in §427.1(24a), 483A.3B, 805.8B(3b)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph b
Section not amended; footnote deleted

**483A.3A Fish habitat development funding.**

Three dollars from each resident and nonresident annual and seven-day fishing license and nine dollars from each resident three-year fishing license sold shall be deposited in the state fish and game protection fund and shall be used within this state for fish habitat development. Not less than fifty percent of this amount shall be used by the commission to enter into agreements with county conservation boards to carry out the purposes of this section.

2001 Acts, ch 148, §4, 9; 2003 Acts, ch 152, §4, 6; 2012 Acts, ch 1096, §7, 23
Section not amended; footnote deleted

**483A.3B Game bird habitat development programs.**

1. *Allocation of revenue — accounts.* All revenue collected from increases in wildlife habitat fees as provided in section 483A.3, subsection 3, that is deposited in the state fish and game protection fund shall be allocated as follows:

*a.* Two dollars of each wildlife habitat fee collected shall be allocated to the game bird wetlands conservation account.

*b.* One dollar of each wildlife habitat fee collected shall be allocated to the game bird buffer strip assistance account.

*c.* Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys collected from wildlife habitat fees that are deposited in each account created under this section shall be credited to that account. Notwithstanding section 8.33 or section 456A.17, moneys credited to each account created under this section shall not revert to the state general fund at the close of a fiscal year.

*d.* All revenue generated by increases in the wildlife habitat fee as provided in section 483A.3, subsection 3, shall be used as provided in this section, except for that part which is specified by the department for use in paying administrative expenses as provided in section 456A.17.

2. *Game bird wetlands conservation program.*

*a.* All moneys allocated to the game bird wetlands conservation account shall be used by the department only to carry out the purposes of the game bird wetlands conservation program and shall be used in addition to funds already being expended by the department each year for wetlands conservation purposes.

*b.* The purpose of the game bird wetlands conservation program is to create a sustained source of revenue to be used by the department to qualify for federal matching funds that are available for wetlands conservation and to undertake projects in conjunction with soil and water conservation districts, county conservation boards, and other partners that will aid in wetlands and associated habitat conservation in the state, including the acquisition, restoration, maintenance, or preservation of wetlands and associated habitat.

*c.* (1) All moneys that are allocated to the game bird wetlands conservation account shall accumulate in the account until the account balance is equal to one million dollars or an amount sufficient to be used by the department to qualify for federal matching funds. Each time the account balance reaches an amount sufficient to be used by the department to qualify for federal matching funds, the department shall apply for such matching funds, and upon obtaining such funds, shall expend the state and federal revenues available at that time to undertake projects as set forth in paragraph *"b"*.

(2) Additional moneys that are generated by game bird wildlife habitat fees and allocated to the game bird wetlands conservation account shall again accumulate in the account, and each time the account balance is equal to one million dollars or an amount sufficient to be used by the department to qualify for federal matching funds, the department shall again apply for federal matching funds, and upon obtaining such funds, shall expend the state and federal revenues available at that time to undertake projects as set forth in paragraph *"b"*.

*d.* The department shall use all state revenue and federal matching funds obtained under the federal North American Wetlands Conservation Act to undertake the purposes of the game bird wetlands conservation program as set forth in paragraph "*b*". State revenue allocated to the account shall be used by the department only for projects that increase public recreational hunting opportunities in the state and shall not be used for projects on private land that is not accessible to the public for recreational hunting.

3. *Game bird buffer strip assistance program.*

*a.* All moneys allocated to the game bird buffer strip assistance account shall be used by the department only to carry out the purposes of the game bird buffer strip assistance program and shall be used in addition to funds already being expended by the department each year for such purposes. The department shall not reduce the amount of other funds being expended for these purposes as of July 1, 2007.

*b.* The purpose of the game bird buffer strip assistance program is to increase landowner participation in federally funded conservation programs that benefit game birds and to increase opportunities for recreational hunting on private lands. To the extent possible, moneys allocated to the game bird buffer strip assistance account shall be used in conjunction with and to qualify for additional funding from private conservation organizations and other state and federal agencies to accomplish the purposes of the program. The funds may be used to provide private landowners with cost-sharing assistance for habitat improvement practices on projects that are not eligible for federal programs or where federal funding for such projects is not adequate. The department may utilize the funds to provide marketing and outreach efforts to landowners in order to maximize landowners' use of federal conservation programs. The department may coordinate such marketing and outreach efforts with soil and water conservation districts and other partners.

*c.* (1) All moneys that are allocated to the game bird buffer strip assistance account shall accumulate in the account for a period of three years. At the end of the three-year period, the moneys in the account shall be used by the department to carry out the purposes of the game bird buffer strip assistance program as set forth in paragraph "*b*". The department shall, by rule pursuant to chapter 17A, establish eligibility requirements for the program and procedures for applications for and approval of projects to be funded under the program. The department shall expend moneys from the account only for projects on private land that is accessible to the public for recreational hunting.

(2) Additional moneys that are generated by game bird wildlife habitat fees and allocated to the game bird buffer strip assistance account shall accumulate in the account and shall be used by the department every three years as set forth in subparagraph (1).

2007 Acts, ch 194, §4

Referred to in §483A.3

**483A.4 "Permanent disability" defined.**

For the purpose of obtaining a license, a person has a "*permanent disability*" if any of the following apply:

1. The person has been found under the provisions of the federal Social Security Act, Tit. II, or any other public or private pension system to have a total, permanent physical or mental condition which prevents that person from engaging in the person's occupation or qualifies that person for retirement.

2. The person has a severe physical disability and has qualified for a special license under section 483A.24.

[C79, 81, §110.4]

84 Acts, ch 1260, §4

C93, §483A.4

96 Acts, ch 1129, §99; 2010 Acts, ch 1061, §180

**483A.5 License for fur-bearing animals.**

A fur harvester license is required to hunt and to trap any fur-bearing animal. A hunting license is not required when hunting furbearers with a fur harvester license. However, coyote and groundhog may be hunted with a hunting or a fur harvester license.

84 Acts, ch 1260, §12
C85, §110.5
85 Acts, ch 10, §2; 86 Acts, ch 1114, §3
C93, §483A.5
98 Acts, ch 1199, §7, 27; 98 Acts, ch 1223, §30

**483A.6 Trout fishing fee.**

Any person required to have a fishing license shall not fish for or possess trout unless that person has paid the trout fishing fee. The proceeds from the fee shall be used exclusively for the trout program designated by the commission. The commission may grant a permit to a community event in which trout will be stocked in water which is not designated trout water and a person may catch and possess trout during the period and from the water covered by the permit without having paid the trout fishing fee.

[C62, 66, 71, 73, 75, 77, §110.1; C79, 81, §110.6]
86 Acts, ch 1240, §2; 86 Acts, ch 1245, §1877
C93, §483A.6
98 Acts, ch 1199, §8, 27; 98 Acts, ch 1223, §30; 2003 Acts, ch 152, §5, 6
Referred to in §805.8B(3b)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph b

**483A.7 Wild turkey hunting license and tag.**

1. A resident hunting wild turkey who is required to have a license must purchase a resident hunting license that includes the wildlife habitat fee in addition to the wild turkey hunting license. Upon application and payment of the required fees for archery-only licenses, a resident archer shall be issued two wild turkey licenses for the spring season.

2. The wild turkey hunting license shall be accompanied by a tag designed to be used only once. If a wild turkey is taken, the wild turkey shall be tagged and the tag shall be dated.

3. *a.* A nonresident wild turkey hunter is required to purchase a nonresident hunting license that includes the wildlife habitat fee and a nonresident wild turkey hunting license. The commission shall annually limit to two thousand three hundred licenses the number of nonresidents allowed to have wild turkey hunting licenses. Of the two thousand three hundred licenses, one hundred fifty licenses shall be valid for hunting with muzzle loading shotguns only. The commission shall allocate the nonresident wild turkey hunting licenses issued among the zones based on the populations of wild turkey. A nonresident applying for a wild turkey hunting license must exhibit proof of having successfully completed a hunter safety and ethics education program as provided in section 483A.27 or its equivalent as determined by the department before the license is issued.

*b.* The commission shall assign one preference point to a nonresident whose application for a nonresident wild turkey hunting license is denied due to limitations on the number of nonresident wild turkey hunting licenses available for issuance that year. An additional preference point shall be assigned to that person each subsequent year the person's license application is denied for that reason. A nonresident may purchase additional preference points pursuant to section 483A.1, subsection 2, paragraph "*i*". The first nonresident wild turkey hunting license drawing each year shall be made from the pool of applicants with the most preference points and continue to pools of applicants with successively fewer preference points until all available nonresident wild turkey hunting licenses have been issued. If a nonresident applicant receives a wild turkey hunting license, all of the applicant's assigned preference points at that time shall be removed.

86 Acts, ch 1240, §3
C87, §110.7
89 Acts, ch 237, §2; 90 Acts, ch 1003, §1

C93, §483A.7

94 Acts, ch 1111, §1; 98 Acts, ch 1199, §9, 27; 98 Acts, ch 1223, §30; 2001 Acts, ch 134, §4; 2001 Acts, ch 148, §5, 9; 2002 Acts, ch 1119, §63; 2009 Acts, ch 144, §37; 2009 Acts, ch 179, §147; 2012 Acts, ch 1096, §8, 9, 23

Referred to in §483A.1, 483A.24, 805.8B(3c)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

Special licenses, see §483A.24

Section not amended; footnotes revised

**483A.8 Deer hunting license and tag.**

1. A resident hunting deer who is required to have a hunting license must purchase a resident hunting license that includes the wildlife habitat fee, in addition to the deer hunting license. In addition, a resident who purchases a deer hunting license shall pay a one dollar fee that shall be used and is appropriated for the purpose of deer herd population management, including assisting with the cost of processing deer donated to the help us stop hunger program administered by the commission.

2. The deer hunting license shall be accompanied by a tag designed to be used only once. When a deer is taken, the deer shall be tagged and the tag shall be dated. The tag shall be attached to the carcass of a deer taken within fifteen minutes of the time the deer carcass is located after being taken, or before the carcass is moved to be transported by any means from the place where the deer was taken, whichever occurs first. For each antlered deer taken, the tag shall be affixed to the deer's antlers.

3. *a.* A nonresident hunting deer is required to purchase a nonresident hunting license that includes the wildlife habitat fee and a nonresident deer hunting license. In addition, a nonresident who purchases a deer hunting license shall pay a one dollar fee that shall be used and is appropriated for the purpose of deer herd population management, including assisting with the cost of processing deer donated to the help us stop hunger program administered by the commission.

*b.* A nonresident who purchases an antlered or any sex deer hunting license pursuant to section 483A.1, subsection 2, paragraph *"h"*, is required to purchase an antlerless deer only deer hunting license at the same time, pursuant to section 483A.1, subsection 2, paragraph *"j"*.

*c.* The commission shall annually limit to six thousand the number of nonresidents allowed to have antlered or any sex deer hunting licenses. Of the six thousand nonresident antlered or any sex deer hunting licenses issued, not more than thirty-five percent of the licenses shall be bow season licenses. After the six thousand antlered or any sex nonresident deer hunting licenses have been issued, all additional licenses shall be issued for antlerless deer only. The commission shall annually determine the number of nonresident antlerless deer only deer hunting licenses that will be available for issuance.

*d.* The commission shall allocate all nonresident deer hunting licenses issued among the zones based on the populations of deer. However, a nonresident applicant may request one or more hunting zones, in order of preference, in which the applicant wishes to hunt. If the request cannot be fulfilled, the applicable fees shall be returned to the applicant. A nonresident applying for a deer hunting license must exhibit proof of having successfully completed a hunter safety and ethics education program as provided in section 483A.27 or its equivalent as determined by the department before the license is issued.

*e.* The commission shall assign one preference point to a nonresident whose application for a nonresident antlered or any sex deer hunting license is denied due to limitations on the number of nonresident antlered or any sex deer hunting licenses available for issuance that year. An additional preference point shall be assigned to that person each subsequent year the person's license application is denied for that reason. A nonresident may purchase additional preference points pursuant to section 483A.1, subsection 2, paragraph *"i"*. The first nonresident antlered or any sex deer hunting license drawing each year shall be made from the pool of applicants with the most preference points and continue to pools of applicants with successively fewer preference points until all available nonresident antlered or any sex deer hunting licenses have been issued. If a nonresident applicant receives an antlered or

any sex deer hunting license, all of the applicant's assigned preference points at that time shall be removed.

4. The commission may provide, by rule, for the issuance of an additional antlerless deer hunting license to a person who has been issued an antlerless deer hunting license. The rules shall specify the number of additional antlerless deer hunting licenses which may be issued, and the season and zone in which the license is valid. The fee for an additional antlerless deer hunting license shall be ten dollars for residents.

5. A nonresident owning land in this state may apply for a nonresident antlered or any sex deer hunting license, and the provisions of subsection 3 shall apply. However, if a nonresident owning land in this state is unsuccessful in obtaining one of the nonresident antlered or any sex deer hunting licenses, the landowner shall be given preference for one of the antlerless deer only nonresident deer hunting licenses available pursuant to subsection 3. A nonresident owning land in this state shall pay the fee for a nonresident antlerless only deer hunting license and the license shall be valid to hunt on the nonresident's land only. If one or more parcels of land have multiple nonresident owners, only one of the nonresident owners is eligible for a nonresident antlerless only deer hunting license. If a nonresident jointly owns land in this state with a resident, the nonresident shall not be given preference for a nonresident antlerless only deer hunting license. The department may require proof of land ownership from a nonresident landowner applying for a nonresident antlerless only deer hunting license.

6. The commission shall provide by rule for the annual issuance to a nonresident of a nonresident antlerless deer hunting license that is valid for use only during the period beginning on December 24 and ending at sunset on January 2 of the following year and costs seventy-five dollars. A nonresident hunting deer with a license issued under this subsection shall be otherwise qualified to hunt deer in this state and shall purchase a nonresident hunting license that includes the wildlife habitat fee, and pay the one dollar fee for the purpose of deer herd population management as provided in subsection 3. Pursuant to this subsection, the commission shall make available for issuance only the remaining nonresident antlerless deer hunting licenses allocated under subsection 3 that have not yet been issued for the current year's nonresident antlerless deer hunting seasons.

7. A person who is issued a youth deer hunting license and does not take a deer during the youth deer hunting season may use the deer hunting license and unused tag during any other firearm season that is established by the commission to take a deer of either sex.

[C79, 81, §110.8]

86 Acts, ch 1240, §4; 89 Acts, ch 237, §3; 90 Acts, ch 1003, §2

C93, §483A.8

94 Acts, ch 1111, §2; 98 Acts, ch 1199, §10, 27; 98 Acts, ch 1203, §5 – 7; 98 Acts, ch 1223, §28 – 30; 2001 Acts, ch 134, §5; 2001 Acts, ch 148, §6, 7, 9; 2002 Acts, ch 1119, §64; 2003 Acts, ch 85, §1; 2005 Acts, ch 139, §4; 2005 Acts, ch 179, §132; 2007 Acts, ch 129, §1; 2008 Acts, ch 1158, §1; 2009 Acts, ch 144, §38; 2009 Acts, ch 179, §216, 217; 2011 Acts, ch 103, §1; 2012 Acts, ch 1096, §10 – 12, 23

Referred to in §483A.1, 483A.24, 805.8B(3c)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

Special licenses, see §483A.24

Section not amended; footnotes revised

**483A.8A Deer and wild turkey harvest reporting system.**

1. The commission shall provide, by rule, for the establishment of a deer and wild turkey harvest reporting system for the purpose of collecting information from hunters concerning the deer and wild turkey population in this state. Each person who is issued a deer or wild turkey hunting license in this state shall report such information pursuant to this section. Information collected by the commission pursuant to the deer and wild turkey harvest reporting system from a hunter who takes a deer or wild turkey shall be limited to the following:

*a.* The county where the deer or wild turkey was taken.

*b.* The season during which the deer or wild turkey was taken.

*c.* The sex of the deer or wild turkey taken.

*d.* The age of the deer or wild turkey taken.
*e.* The type of weapon used.
*f.* The hunting license number of the hunter.
*g.* The number of days the hunter hunted.
*h.* The total number of deer or wild turkey taken by the hunter.
2. The deer and wild turkey harvest reporting system established by the commission shall utilize and is limited to utilizing one or more of the following methods of reporting deer or wild turkey taken by hunters:
*a.* A toll-free telephone number.
*b.* A postcard.
*c.* Reporting at an electronic licensing location.
*d.* Electronic internet communication.
2005 Acts, ch 139, §5; 2009 Acts, ch 144, §39
Referred to in §481C.2A

**483A.8B Senior crossbow deer hunting licenses.**
1. A person who is a resident and who is seventy years of age or older may be issued one special senior statewide antlerless deer only crossbow deer hunting license to hunt deer during bow season as established by rule by the commission. A person who obtains a license to hunt deer under this section is not required to pay the wildlife habitat fee but shall be otherwise qualified to hunt deer in this state and shall purchase a resident hunting license that does not include the wildlife habitat fee.
2. A person may obtain a license under this section in addition to a statewide antlered or any sex deer hunting bow season license. Season dates, shooting hours, limits, license quotas, and other regulations for this license shall be the same as set forth by the commission by rule for bow season deer hunts.
2006 Acts, ch 1064, §1; 2012 Acts, ch 1096, §13, 23
Section not amended; footnote deleted

**483A.8C Nonambulatory persons — deer hunting licenses.**
1. A nonambulatory person who is a resident may be issued one any sex deer hunting license which is valid and may be used to hunt deer with a shotgun or a muzzleloading rifle during any established deer hunting season. A person who applies for a license pursuant to this section shall complete a form, as required by rule, that is signed by a physician who verifies that the person is nonambulatory.
2. A person who obtains a deer hunting license under this section is not required to pay the wildlife habitat fee but shall purchase a deer hunting license and hunting license that does not include the wildlife habitat fee, be otherwise qualified to hunt, and pay a one dollar fee that shall be used and is appropriated for the purpose of deer herd population management, including assisting with the cost of processing deer donated to the help us stop hunger program administered by the commission.
3. A person may obtain a license under this section in addition to any other deer hunting licenses for which the person is eligible.
4. For the purposes of this section, "*nonambulatory person*" means an individual who has received a nonambulatory person's permit from the department as provided by rule, and at a minimum has one or more of the following conditions:
*a.* Paralysis of the lower half of the body, usually due to disease or a spinal cord injury.
*b.* Loss or partial loss of both legs.
*c.* Any other physical affliction which makes it impossible for the person to ambulate successfully.
2009 Acts, ch 83, §1; 2012 Acts, ch 1096, §14, 23
Section not amended; footnote deleted

**483A.9 Blanks.**

The director shall provide blanks for, and determine the method, means, and requirements of issuing licenses including the issuance of licenses by electronic means.

[S13, §2563-a3; C24, 27, 31, §1722; C35, §1794-e2; C39, §**1794.083;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.2; C79, 81, §110.9]

86 Acts, ch 1245, §1878

C93, §483A.9

98 Acts, ch 1199, §11, 27; 98 Acts, ch 1223, §30

**483A.9A Combination packages of licenses.**

1. The commission is authorized, pursuant to rules adopted under chapter 17A, to develop combination packages of licenses in order to offer incentives to residents to purchase additional licenses or for the specific purpose of increasing sales of licenses that will help to recruit or retain hunters, anglers, and trappers in the state.

2. The total cost of each combination package of licenses offered shall be less than the total cost of the licenses if each were purchased separately.

3. The commission shall offer to residents a combination package of an annual fishing license and an annual hunting license, as provided in section 483A.1, subsection 1, the cost of which includes the wildlife habitat fee.

2009 Acts, ch 144, §40; 2012 Acts, ch 1096, §15, 23

Section not amended; footnote deleted

**483A.10 Issuance of licenses.**

1. The licenses and combination packages of licenses issued pursuant to this chapter shall be issued by the department or the license agents as specified by rules of the commission. A county recorder may issue licenses or combination packages of licenses subject to the rules of the commission.

2. The rules shall include the application procedures as necessary. The licenses and combination packages of licenses shall show the total cost of the license or combination package of licenses, including a writing fee to be retained by the license agent and any administrative fees to be forwarded to the department, if applicable. A person authorized to issue a license or combination package of licenses or collect a fee pursuant to this chapter or chapter 484A shall charge the fee specified in this chapter or chapter 484A only plus a writing fee and administrative fee, if applicable.

[SS15, §2563-a4; C24, 27, 31, §1724; C35, §1794-e3; C39, §**1794.084;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.3; C79, 81, §110.10]

84 Acts, ch 1260, §5

C93, §483A.10

98 Acts, ch 1199, §12, 27; 98 Acts, ch 1223, §30; 2000 Acts, ch 1019, §3; 2001 Acts, ch 134, §6; 2009 Acts, ch 144, §41

Referred to in §331.602

**483A.11 License agents.**

The director may designate license agents for the sale of licenses, but in so doing the interest of the state shall be fully protected.

[C31, §1724-c1; C35, §1794-e4; C39, §**1794.085;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.4; C79, 81, §110.11]

84 Acts, ch 1260, §6

C93, §483A.11

98 Acts, ch 1199, §13, 27; 98 Acts, ch 1223, §30; 2001 Acts, ch 134, §7

Referred to in §321G.4A, 321G.6, 321I.5, 321I.7

**483A.12 Fees.**

1. The license agent shall be responsible for all fees for the issuance of hunting, fishing, and fur harvester licenses and combination packages of licenses sold by the license agent. All unused license blanks shall be surrendered to the department upon the department's demand.

2. A license agent shall retain a writing fee of fifty cents from the sale of each license or

combination package of licenses except that the writing fee for a free deer or wild turkey hunting license as authorized under section 483A.24, subsection 2, shall be one dollar. If a county recorder is a license agent, the writing fees retained by the county recorder shall be deposited in the general fund of the county.

[C31, §1724-c1; C35, §1794-e5; C39, §**1794.086;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.5; C79, 81, §110.12]

83 Acts, ch 123, §56, 209; 84 Acts, ch 1260, §7

C93, §483A.12

98 Acts, ch 1199, §14, 27; 98 Acts, ch 1223, §30; 2001 Acts, ch 134, §8; 2009 Acts, ch 144, §42; 2011 Acts, ch 34, §113

Referred to in §331.427, 331.602, 331.605

**483A.13 Destroyed blanks.**

When license blanks in the possession of a license agent are accidentally destroyed, the holder of the blanks shall only be relieved from accountability upon the presentation of satisfactory explanation and the filing of a bond to the director that the blanks have actually been so destroyed. The commission may determine by rule what shall constitute a satisfactory explanation of the occurrence.

[C35, §1794-e6; C39, §**1794.087;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.6; C79, 81, §110.13]

C93, §483A.13

2001 Acts, ch 134, §9

Referred to in §331.602

**483A.14 Duplicate licenses and permits.**

When any license for which a fee has been set has been lost, destroyed, or stolen, the director or a license agent may issue a replacement license, if evidence is available to demonstrate issuance of the original license and a fee of two dollars is paid, to be placed in the fish and game protection fund. If, on examination of the evidence, the director or the license agent, as the case may be, is satisfied that the license has been lost, destroyed, or stolen, the director or the license agent shall issue a duplicate license which shall be plainly marked "duplicate" and the duplicate shall serve in lieu of the original license and it shall contain the same information and signature as the original. The license agent shall charge a writing fee of one dollar and the departmental administrative fee for each duplicate license issued pursuant to this section. The license agent shall retain the writing fee.

[C39, §**1794.088;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.7; C79, 81, §110.14]

C93, §483A.14

98 Acts, ch 1199, §15, 27; 98 Acts, ch 1223, §30; 2001 Acts, ch 134, §10

Referred to in §331.602

**483A.15 Accounting.**

The director shall establish, by rule, specific requirements for remittance of funds, and the necessary accounting and reporting for all types of licenses issued based on the manner and location of the issuance.

[SS15, §2563-a4; C24, 27, 31, §1725; C35, §1794-e7; C39, §**1794.089;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.8; C79, 81, §110.15]

C93, §483A.15

98 Acts, ch 1199, §16, 27; 98 Acts, ch 1223, §30

Referred to in §331.602

**483A.16** Repealed by 98 Acts, ch 1199, § 26, 27; 98 Acts, ch 1223, § 30.

**483A.17 Tenure of license.**

Every license, except as otherwise provided in this chapter, is valid from the date issued to January 10 of the succeeding calendar year for which it is issued. A license shall not be issued

prior to December 15 for the subsequent calendar year except for a three-year fishing license or a three-year hunting license issued to a resident pursuant to section 483A.1, subsection 1.

[S13, §2563-a8; C24, 27, 31, §1727; C35, §1794-e9; C39, §**1794.091;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.10; C79, 81, §110.17]

84 Acts, ch 1260, §8

C93, §483A.17

95 Acts, ch 46, §3; 2001 Acts, ch 134, §11; 2012 Acts, ch 1096, §16, 23

Section not amended; footnote deleted

**483A.18 Form of licenses.**

All hunting, fishing, and fur harvester licenses shall contain a general description of the licensee. Such licenses shall be upon such forms as the commission shall adopt. The address and the signature of the applicant and all signatures and other writing shall be in ink. All licenses shall clearly indicate the nature of the privilege granted.

[S13, §2563-a3, -a8; C24, 27, 31, §1722, 1727; C35, §1794-e10; C39, §**1794.092;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.11; C79, 81, §110.18]

84 Acts, ch 1260, §9

C93, §483A.18

**483A.19 Showing license document to officer.**

Every person shall, while fishing, hunting, or fur harvesting, show the person's license document to any peace officer or the owner or person in lawful control of the land or water upon which licensee may be hunting, fishing, or fur harvesting when requested by the persons to do so. Any failure to so carry or refusal to show or so exhibit the person's license document shall be a violation of this chapter. However, except for possession and exhibition of deer licenses and tags or wild turkey licenses and tags, a person charged with violating this section shall not be convicted if the person produces in court, within a reasonable time, a license document for hunting, fishing, or fur harvesting issued to that person and valid when the person was charged with a violation of this section.

[C39, §**1794.093;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.12; C79, 81, §110.19]

C93, §483A.19

96 Acts, ch 1034, §46; 98 Acts, ch 1199, §17, 27; 98 Acts, ch 1223, §30; 2001 Acts, ch 134, §12

Referred to in §805.8B(3b)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph b

**483A.20 Reciprocity.**

Licenses for bait dealers or for fishing, hunting, or fur harvesting shall not be issued to residents of states that do not sell similar licenses or certificates to residents of Iowa. However, this requirement is not applicable to the licensing of nonresident wholesale bait dealers who sell to licensed wholesale bait dealers in Iowa for resale.

86 Acts, ch 1141, §16

C87, §110.20

C93, §483A.20

96 Acts, ch 1034, §47; 2003 Acts, ch 120, §5, 6; 2004 Acts, ch 1105, §1, 2

**483A.21 Revocation or suspension.**

Upon the conviction of a licensee of any violation of chapter 481A, or of this chapter, or of any administrative order adopted and published by the commission, the magistrate may, as a part of the judgment, revoke one or more license privileges of the licensee, or suspend the privileges for any definite period.

The magistrate shall revoke the hunting license or suspend the privilege of procuring a hunting license for a period of one year of any person who has been convicted twice within a year of trespassing while hunting. If any of the license privileges of a licensee who purchased more than one license privilege is revoked, the remaining license privileges of the licensee shall still be valid and the magistrate shall enter on the license document the privilege that is

revoked. A person shall not purchase a license for a privilege that was revoked or suspended during the period of revocation or suspension.

In addition to other civil and criminal penalties imposed for illegally taking or possessing an elk, antelope, buffalo, or moose, the court shall revoke the hunting license of a violator. The violator shall not be allowed to procure a hunting license for the next two calendar years.

[S13, §2563-a9; C24, 27, 31, §1729; C35, §1794-e12; C39, §**1794.095;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.14; C79, 81, §110.21]

86 Acts, ch 1245, §1877; 90 Acts, ch 1142, §2

C93, §483A.21

2001 Acts, ch 134, §13

**483A.22 Record of revocation.**

When a license is revoked, the date, cause, and tenure of such revocation shall be kept on file with the license records of the commission. The commission may refuse the issuance of a new license to any person whose license has been revoked.

[S13, §2563-a7; C24, 27, 31, §1726; C35, §1794-e13; C39, §**1794.096;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.15; C79, 81, §110.22]

C93, §483A.22

2001 Acts, ch 134, §14

Referred to in §331.602

**483A.22A Sale of license lists.**

The department may establish, by rule, fees for lists of licensees. Notwithstanding section 22.3, the fee for a list of licensees may exceed the cost of preparing the list and providing the copying service.

98 Acts, ch 1199, §18, 27; 98 Acts, ch 1223, §30

**483A.23 Game birds or animals as pets.**

Any person may possess not more than two game birds or fur-bearing animals confined as pets without being required to purchase a license as a game breeder, but the person shall not be allowed to increase the person's stock beyond the original number nor shall the person be allowed to kill or sell such stock. Game birds or animals confined as authorized in this section must be obtained from a licensed game breeder or a legal source outside of this state.

[C24, 27, 31, §1720; C35, §1794-e14; C39, §**1794.097;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.16; C79, 81, §110.23]

C93, §483A.23

Referred to in §805.8B(3c)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph c

**483A.24 When license not required — special licenses.**

1. Owners or tenants of land, and their minor children, may hunt, fish or trap upon such lands and may shoot by lawful means ground squirrels, gophers, or woodchucks upon adjacent roads without securing a license so to do; except, special licenses to hunt deer and wild turkey shall be required of owners and tenants but they shall not be required to have a special wild turkey hunting license to hunt wild turkey on a hunting preserve licensed under chapter 484B.

2. *a.* As used in this subsection:

(1) *"Family member"* means a resident of Iowa who is the spouse or child of the owner or tenant and who resides with the owner or tenant.

(2) *"Farm unit"* means all parcels of land which are certified by the commission pursuant to rule as meeting all of the following requirements:

(a) Are in tracts of two or more contiguous acres.

(b) Are operated as a unit for agricultural purposes.

(c) Are under the lawful control of the owner or the tenant.

(3) (a) *"Owner"* means an owner of a farm unit who is a resident of Iowa and who is one of the following:

(i) Is the sole operator of the farm unit.

(ii) Makes all of the farm operation decisions but contracts for custom farming or hires labor for all or part of the work on the farm unit.

(iii) Participates annually in farm operation decisions or cropping practices on specific fields of the farm unit that are rented to a tenant.

(iv) Raises specialty crops on the farm unit including but not limited to orchards, nurseries, or tree farms that do not always produce annual income but require annual operating decisions about maintenance or improvement.

(v) Has all or part of the farm unit enrolled in a long-term agricultural land retirement program of the federal government.

(b) An "*owner*" does not mean a person who owns a farm unit and who employs a farm manager or third party to operate the farm unit, or a person who owns a farm unit and who rents the entire farm unit to a tenant who is responsible for all farm operations. However, this subparagraph division does not apply to an owner who is a parent of the tenant and who resides in this state.

(4) "*Tenant*" means a person who is a resident of Iowa and who rents and actively farms a farm unit owned by another person. A member of the owner's family may be a tenant. A person who works on the farm for a wage and is not a family member does not qualify as a tenant.

*b.* Upon written application on forms furnished by the department, the department shall issue annually without fee one wild turkey license to the owner of a farm unit or to a member of the owner's family, but not to both, and to the tenant or to a member of the tenant's family, but not to both. The wild turkey hunting license issued shall be valid only on the farm unit for which an applicant qualifies pursuant to this subsection and shall be equivalent to the least restrictive license issued under section 481A.38. The owner or the tenant need not reside on the farm unit to qualify for a free license to hunt on that farm unit.

*c.* Upon written application on forms furnished by the department, the department shall issue annually without fee two deer hunting licenses, one antlered or any sex deer hunting license and one antlerless deer only deer hunting license, to the owner of a farm unit or a member of the owner's family, but only a total of two licenses for both, and to the tenant of a farm unit or a member of the tenant's family, but only a total of two licenses for both. The deer hunting licenses issued shall be valid only for use on the farm unit for which the applicant applies pursuant to this paragraph. The owner or the tenant need not reside on the farm unit to qualify for the free deer hunting licenses to hunt on that farm unit. The free deer hunting licenses issued pursuant to this paragraph shall be valid and may be used during any shotgun deer season. The licenses may be used to harvest deer in two different seasons. In addition, a person who receives a free deer hunting license pursuant to this paragraph shall pay a one dollar fee for each license that shall be used and is appropriated for the purpose of deer herd population management, including assisting with the cost of processing deer donated to the help us stop hunger program administered by the commission.

*d.* In addition to the free deer hunting licenses received pursuant to paragraph "*c*", an owner of a farm unit or a member of the owner's family and the tenant or a member of the tenant's family may purchase a deer hunting license for any option offered to paying deer hunting licensees. An owner of a farm unit or a member of the owner's family and the tenant or a member of the tenant's family may also purchase two additional antlerless deer hunting licenses which are valid only on the farm unit for a fee of ten dollars each.

*e.* If the commission establishes a deer hunting season to occur in the first quarter of a calendar year that is separate from a deer hunting season that continues from the last quarter of the preceding calendar year, each owner and each tenant of a farm unit located within a zone where a deer hunting season is established, upon application, shall be issued a free deer hunting license for each of the two calendar quarters. Each license is valid only for hunting on the farm unit of the owner and tenant.

*f.* (1) A deer hunting license or wild turkey hunting license issued pursuant to this subsection shall be attested by the signature of the person to whom the license is issued and shall contain a statement in substantially the following form:

By signing this license I certify that I qualify as an owner or tenant under Iowa Code section 483A.24.

(2) A person who makes a false attestation under this paragraph "*f*" is guilty of a simple misdemeanor. In addition, the person's hunting license shall be revoked and the person shall not be issued a hunting license for a period of one year.

3. The director shall provide up to seventy-five nonresident deer hunting licenses for allocation as provided in this subsection.

*a.* Fifty of the nonresident deer hunting licenses shall be allocated as requested by a majority of a committee consisting of the majority leader of the senate, speaker of the house of representatives, and director of the economic development authority, or their designees. The licenses provided pursuant to this subsection shall be in addition to the number of nonresident licenses authorized pursuant to section 483A.8. The purpose of the special nonresident licenses is to allow state officials and local development groups to promote the state and its natural resources to nonresident guests and dignitaries. Photographs, videotapes, or any other form of media resulting from the hunting visitation shall not be used for political campaign purposes. The nonresident licenses shall be issued without application upon purchase of a nonresident hunting license that includes the wildlife habitat fee and the purchase of a nonresident deer hunting license. The licenses are valid in all zones open to deer hunting. The hunter safety and ethics education certificate requirement pursuant to section 483A.27 is waived for a nonresident issued a license pursuant to this subsection.

*b.* Twenty-five of the nonresident deer hunting licenses shall be allocated as provided in subsection 5.

4. The director shall provide up to seventy-five nonresident wild turkey hunting licenses for allocation as provided in this subsection.

*a.* Fifty of the nonresident wild turkey hunting licenses shall be allocated as requested by a majority of a committee consisting of the majority leader of the senate, speaker of the house of representatives, and director of the economic development authority, or their designees. The licenses provided pursuant to this subsection shall be in addition to the number of nonresident licenses authorized pursuant to section 483A.7. The purpose of the special nonresident licenses is to allow state officials and local development groups to promote the state and its natural resources to nonresident guests and dignitaries. Photographs, videotapes, or any other form of media resulting from the hunting visitation shall not be used for political campaign purposes. The nonresident licenses shall be issued without application upon purchase of a nonresident hunting license that includes the wildlife habitat fee and the purchase of a nonresident wild turkey hunting license. The licenses are valid in all zones open to wild turkey hunting. The hunter safety and ethics education certificate requirement pursuant to section 483A.27 is waived for a nonresident issued a license pursuant to this subsection.

*b.* Twenty-five of the nonresident wild turkey hunting licenses shall be allocated as provided in subsection 5.

5. Twenty-five of the nonresident deer hunting licenses and wild turkey hunting licenses allocated under subsections 3 and 4 shall be available for issuance to nonresidents who have served in the armed forces of the United States on active federal service and who were disabled during the veteran's military service or who are serving in the armed forces of the United States on active federal service and have been disabled during military service to enable the disabled person to participate in a hunt that is conducted by an organization that conducts hunting experiences in this state for disabled persons. The licenses shall be issued as follows:

*a.* The department shall prepare an application to be used by a person requesting a special license under this subsection.

(1) The department shall verify that the license will be used by the applicant in connection with a hunt conducted by an approved organization that conducts hunting experiences in this state for disabled veterans and members of the armed forces serving on active federal service who have been disabled during military service. The department shall specify, by

rules adopted under chapter 17A, what requirements an organization must meet in order to be approved to conduct hunts for disabled persons who obtain licenses under this subsection.

(2) The department of veterans affairs shall assist the department in verifying the status or claims of applicants under this subsection. As used in this subsection, *"disabled"* means entitled to a service connected rating under 38 U.S.C. ch. 11 with a degree of disability of thirty percent or more.

*b.* A license issued under this subsection shall be in addition to the number of nonresident wild turkey hunting licenses authorized pursuant to section 483A.7 and nonresident deer hunting licenses authorized pursuant to section 483A.8. However, a nonresident who obtains a license pursuant to this subsection is not eligible to obtain a nonresident deer hunting license or wild turkey hunting license under any other provision of law.

*c.* A disabled person who receives a special license under this subsection shall purchase a hunting license that includes the wildlife habitat fee, and a wild turkey hunting license or a deer hunting license, if applicable, all for the same fees that are charged to resident hunters. If hunting deer, the disabled person shall also pay a one dollar fee that shall be used and is appropriated for the purpose of deer herd population management, including assisting with the cost of processing deer donated to the help us stop hunger program administered by the commission.

*d.* A special hunting license that includes the wildlife habitat fee shall be available for issuance under this subsection to a disabled veteran or disabled member of the armed forces serving on active federal service for the same fee that is charged to a resident hunter to enable such a disabled person to participate in a hunt conducted by an organization approved under this subsection for which only a hunting license is required.

*e.* A disabled person who receives a special license under this subsection shall complete the hunter safety and ethics education course.

*f.* A license issued under this subsection is valid for use only on a hunt conducted by an organization approved under this subsection.

*g.* The commission shall adopt rules under chapter 17A for the administration of this subsection.

6. A resident or nonresident of the state under sixteen years of age is not required to have a license to fish in the waters of the state. However, residents and nonresidents under sixteen years of age must pay the trout fishing fee to possess trout or they must fish for trout with a licensed adult who has paid the trout fishing fee and limit their combined catch to the daily limit established by the commission.

7. A license shall not be required of minor pupils of the state school for the blind, state school for the deaf, or of minor residents of other state institutions under the control of an administrator of a division of the department of human services. In addition, a person who is on active duty with the armed forces of the United States, on authorized leave from a duty station located outside of this state, and a resident of the state of Iowa shall not be required to have a license to hunt or fish in this state. The military person shall carry the person's leave papers and a copy of the person's current earnings statement showing a deduction for Iowa income taxes while hunting or fishing. In lieu of carrying the person's earnings statement, the military person may also claim residency if the person is registered to vote in this state. If a deer or wild turkey is taken, the military person shall immediately contact a state conservation officer to obtain an appropriate tag to transport the animal. A license shall not be required of residents of county care facilities or any person who is receiving supplementary assistance under chapter 249.

8. A resident of the state under sixteen years of age is not required to have a hunting license to hunt game if accompanied by the minor's parent or guardian or in company with any other competent adult with the consent of the minor's parent or guardian, if the person accompanying the minor possesses a valid hunting license; however, there must be one licensed adult accompanying each person under sixteen years of age. The minor must have a deer hunting license to hunt deer and a wild turkey hunting license to hunt wild turkey.

9. A resident of the state under sixteen years of age is not required to have a fur harvester license to accompany the minor's parent or guardian, or any other competent adult with the consent of the minor's parent or guardian, while the parent or guardian or other adult is

hunting raccoons so long as the minor is not hunting and does not carry or use a firearm or any other weapon.

10. A person having a dog entered in a licensed field trial is not required to have a hunting license or fur harvester license to participate in the event or to exercise the person's dog on the area on which the field trial is to be held during the twenty-four-hour period immediately preceding the trial.

11. The commission shall issue without charge a special fishing license to residents of Iowa sixteen years or more of age who the commission finds have severe mental or physical disabilities. The commission is hereby authorized to prepare an application to be used by the person requesting the special license, which would require that the person's attending physician sign the form declaring that the person has a severe mental or physical disability and is eligible for exempt status.

12. The commission shall issue a special turkey hunting license or any sex deer hunting license to a nonresident twenty-one years of age or younger who the commission finds has a severe physical disability or has been diagnosed with a terminal illness. The licenses shall be issued as follows:

*a.* The commission may prepare an application to be used by the person requesting the special license, which requires that the person's attending physician sign the form declaring that the person has a severe physical disability or has been diagnosed with a terminal illness and is eligible for the special license.

*b.* The licenses provided pursuant to this subsection shall be in addition to the number of nonresident turkey hunting licenses authorized pursuant to section 483A.7 and nonresident deer hunting licenses authorized pursuant to section 483A.8.

*c.* The turkey hunting licenses are valid in all zones open to turkey hunting and shall be available for issuance and use during any turkey hunting season. The deer hunting licenses are valid in all zones open to deer hunting and shall be available for issuance and use during any deer hunting season.

*d.* A nonresident who receives a special license pursuant to this subsection shall purchase a hunting license that includes the wildlife habitat fee and the applicable nonresident turkey or deer hunting license, but is not required to complete the hunter safety and ethics education course if the person is accompanied and aided by a person who is at least eighteen years of age. The accompanying person must be qualified to hunt and have a hunting license that includes the wildlife habitat fee. During the hunt, the accompanying adult must be within arm's reach of the nonresident licensee.

*e.* The commission shall adopt rules under chapter 17A for the administration of this subsection.

13. No person shall be required to have a special wild turkey license to hunt wild turkey on a hunting preserve licensed under chapter 484B.

14. A lessee of a camping space at a campground may fish on a private lake or pond on the premises of the campground without a license if the lease confers an exclusive right to fish in common with the rights of the owner and other lessees.

15. The department may issue a permit, subject to conditions established by the department, which authorizes patients of a substance abuse facility, residents of health care facilities licensed under chapter 135C, tenants of elder group homes licensed under chapter 231B, tenants of assisted living program facilities licensed under chapter 231C, participants who attend adult day services programs licensed under chapter 231D, participants in services funded under a federal home and community-based services waiver implemented under the medical assistance program as defined in chapter 249A, and persons cared for in juvenile shelter care homes as provided for in chapter 232 to fish without a license as a supervised group. A person supervising a group pursuant to this subsection may fish with the group pursuant to the permit and is not required to obtain a fishing license.

16. Upon payment of the fee of five dollars for a lifetime fishing license or lifetime hunting and fishing combined license, the department shall issue a lifetime fishing license or lifetime hunting and fishing combined license to a resident of Iowa who has served in the armed forces of the United States on federal active duty and who was disabled or was a prisoner of war during that veteran's military service. The department shall prepare an application

to be used by a person requesting a lifetime fishing license or lifetime hunting and fishing combined license under this subsection. The department of veterans affairs shall assist the department in verifying the status or claims of applicants under this subsection. As used in this subsection, *"disabled"* means entitled to a service connected rating under 38 U.S.C. ch. 11.

17. The department shall issue without charge a special annual fishing or combined hunting and fishing license to residents of this state who have permanent disabilities and whose income falls below the federal poverty guidelines as published by the United States department of health and human services or residents of this state who are sixty-five years of age or older and whose income falls below the federal poverty guidelines as published by the United States department of health and human services. The commission shall provide for, by rule, an application to be used by an applicant requesting a special license. The commission shall require proof of age, income, and proof of permanent disability.

18. The department may issue a permit, subject to conditions established by the department, which authorizes a student sixteen years of age or older attending an Iowa public or accredited nonpublic school who is participating in the Iowa department of natural resources fish Iowa! basic spincasting module to fish without a license as part of a supervised school outing.

[S13, §2563-a3; C24, 27, 31, §1720, 1723; C35, §1794-e15; C39, §**1794.098;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §110.17; C79, 81, §110.24; 82 Acts, ch 1260, §16]

83 Acts, ch 96, §59, 159; 84 Acts, ch 1260, §10; 85 Acts, ch 10, §3; 85 Acts, ch 67, §15; 86 Acts, ch 1240, §5 – 7; 86 Acts, ch 1245, §1877; 88 Acts, ch 1216, §42; 89 Acts, ch 74, §1; 89 Acts, ch 87, §2, 3; 90 Acts, ch 1178, §1, 2; 91 Acts, ch 237, §4, 5; 92 Acts, ch 1140, §12

C93, §483A.24

94 Acts, ch 1018, §1; 94 Acts, ch 1023, §58; 96 Acts, ch 1129, §100; 96 Acts, ch 1172, §1; 97 Acts, ch 180, §6; 98 Acts, ch 1199, §19, 20, 27; 98 Acts, ch 1223, §30; 99 Acts, ch 180, §20; 2000 Acts, ch 1175, §3; 2001 Acts, ch 134, §15; 2001 Acts, ch 148, §8, 9; 2005 Acts, ch 115, §35, 40; 2005 Acts, ch 139, §6 – 10; 2005 Acts, ch 172, §24; 2006 Acts, ch 1010, §125; 2006 Acts, ch 1026, §1; 2006 Acts, ch 1043, §1; 2006 Acts, ch 1108, §1; 2007 Acts, ch 66, §1; 2008 Acts, ch 1032, §65; 2008 Acts, ch 1036, §1; 2008 Acts, ch 1161, §18; 2010 Acts, ch 1061, §63, 64; 2011 Acts, ch 25, §143; 2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1021, §93, 94; 2012 Acts, ch 1072, §38; 2012 Acts, ch 1096, §17 – 19, 23; 2013 Acts, ch 61, §1, 2

Referred to in §481A.123, 481C.2A, 483A.4, 483A.12, 805.8B(3c)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph c
Subsections 3 and 4 amended
NEW subsection 5 and former subsections 5 – 17 renumbered as 6 – 18

**483A.24A License refunds — military service.**

Notwithstanding any provision of this chapter to the contrary, a service member deployed for military service, as defined in section 29A.1, subsection 3, shall receive a refund of that portion of any license fee paid by the service member representing the service member's period of military service.

2010 Acts, ch 1170, §5; 2011 Acts, ch 47, §10; 2011 Acts, ch 131, §67, 158

**483A.24B Special deer hunts.**

1. The commission may establish a special season deer hunt for antlerless deer in those counties where paid antlerless only deer hunting licenses remain available for issuance.

2. Antlerless deer may be taken by shotgun, muzzleloading rifle, muzzleloading pistol, handgun, or bow during the special season as provided by the commission by rule.

3. Prior to December 15, a resident may obtain up to three paid antlerless only deer hunting licenses for the special season regardless of how many paid or free gun or bow deer hunting licenses the person may have already obtained. Beginning December 15, a resident or nonresident may purchase an unlimited number of antlerless only deer hunting licenses for the special season.

4. All antlerless deer hunting licenses issued pursuant to this section shall be included in the quotas established by the commission by rule for each county and shall be available in each county only until the quota established by the commission for that county is filled.

5. The daily bag and possession limit during the special season is one deer per license. The tagging requirements are the same as for the regular gun season.

6. A person who receives a license pursuant to this section shall be otherwise qualified to hunt deer in this state and shall purchase a hunting license that includes the wildlife habitat fee.

7. A person violating a provision of this section or a rule adopted pursuant to this section is guilty of a simple misdemeanor punishable as a scheduled violation as provided in section 483A.42.

2005 Acts, ch 139, §11; 2012 Acts, ch 1096, §20, 23
Section not amended; footnote deleted

**483A.24C Deer depredation management agreements — permits.** Repealed by 2008 Acts, ch 1037, § 5, 6. See § 481C.2A.

**483A.25 Pheasant and quail restoration program — appropriations.** Repealed by 2009 Acts, ch 144, § 48.

**483A.26 False claims.**

A nonresident shall not obtain a resident license by falsely claiming residency in the state. The use of a license by a person other than the person to whom the license is issued is unlawful and nullifies the license.

[82 Acts, ch 1013, §1]
C83, §110.26
84 Acts, ch 1260, §11; 90 Acts, ch 1216, §8
C93, §483A.26
95 Acts, ch 76, §2
Referred to in §805.8B(3p)
For applicable scheduled fines, see §805.8B, subsection 3, paragraph p

**483A.27 Hunter safety and ethics education program — license requirement.**

1. A person born after January 1, 1972, shall not obtain a hunting license unless the person has satisfactorily completed a hunter safety and ethics education course approved by the commission. A person who is eleven years of age or more may enroll in an approved hunter safety and ethics education course, but a person who is eleven years of age and who has successfully completed the course shall be issued a certificate of completion which becomes valid on the person's twelfth birthday. A certificate of completion from an approved hunter safety and ethics education course issued in this state, or a certificate issued by another state, country, or province for completion of a course that meets the standards adopted by the international hunter education association, is valid for the requirements of this section.

2. *a.* A certificate of completion shall not be issued to a person who has not satisfactorily completed a minimum of ten hours of training in an approved hunter safety and ethics education course. The department shall establish the curriculum for the first ten hours of an approved hunter safety and ethics education course offered in this state. Upon completion of the ten-hour curriculum, each person shall pass an individual oral test or a written test provided by the department. The department shall establish the criteria for successfully passing the tests. Based on the results of the test and demonstrated safe handling of a firearm, the instructor shall determine the persons who shall be issued a certificate of completion.

*b.* Notwithstanding paragraph "*a*", a resident who is eighteen years of age or older may obtain a certificate of completion without demonstrating the safe handling of a firearm.

3. The department shall provide a manual regarding hunter safety and ethics education which shall be used by all instructors and persons receiving hunter safety and ethics education training in this state. The department may produce the manual in a print or electronic format accessible from a computer, including from a data storage device or the department's internet site.

4. The department shall provide for the certification of persons who wish to become hunter safety and ethics instructors. A person shall not act as an instructor in hunter safety

and ethics education as provided in this section without first obtaining an instructor's certificate from the department.

5. An officer of the department or a certified instructor may issue a certificate to a person who has not completed the hunter safety and ethics education course but meets the criteria established by the commission.

6. A public or private school accredited pursuant to section 256.11 or an organization approved by the department may cooperate with the department in providing a course in hunter safety and ethics education or shooting sports activities as provided in this section.

7. A hunting license obtained under this section by a person who gave false information or presented a fraudulent certificate of completion shall be revoked and a new hunting license shall not be issued for at least two years from the date of conviction. A hunting license obtained by a person who was born after January 1, 1972, but has not satisfactorily completed the hunter safety and ethics education course or has not met the requirements established by the commission, shall be revoked.

8. The commission shall adopt rules in accordance with chapter 17A as necessary to carry out the administration of this section.

9. The initial hunter safety certificate shall be issued without cost. A duplicate certificate shall be issued at a cost of three dollars.

10. A person under eighteen years of age who is required to exhibit a valid hunting license, shall also exhibit a valid certificate of completion from a state approved hunter safety and ethics education course upon request of an officer of the department. A failure to carry or refusal to exhibit the certificate of completion as provided in this subsection is a violation of this chapter. A violator is guilty of a simple misdemeanor as provided in section 483A.42.

11. An instructor certified by the department shall be allowed to conduct a department-approved hunter safety and ethics education course or shooting sports activities course on public school property with the approval of a majority of the board of directors of the school district. Conducting an approved hunter safety and ethics education course or shooting sports activities course is not a violation of any public policy, rule, regulation, resolution, or ordinance which prohibits the possession, display, or use of a firearm, bow and arrow, or other hunting weapon on public school property or other public property in this state.

[82 Acts, ch 1035, §1]

C83, §110.27

85 Acts, ch 104, §1; 86 Acts, ch 1240, §8; 86 Acts, ch 1245, §1877; 91 Acts, ch 235, §1, 2

C93, §483A.27

97 Acts, ch 96, §1, 2; 2001 Acts, ch 176, §43; 2007 Acts, ch 28, §19; 2008 Acts, ch 1161, §19; 2009 Acts, ch 133, §159; 2013 Acts, ch 75, §1

Referred to in §483A.7, 483A.8, 483A.24, 805.8B(3b)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph b

Subsection 2 amended

**483A.28 Noncommercial harvest of aquatic species.**

1. A boundary waters sport trotline license entitles the licensee to use a maximum of four trotlines with two hundred hooks in the aggregate and only on boundary waters. All boundary waters sport trotlines shall be tagged with the name and address of the licensee on a weather-resistant tag provided by the licensee and affixed above the waterline. A boundary waters sport trotline licensee is not permitted to sell, barter, or trade fish or turtles taken pursuant to the license.

2. A valid fishing license issued pursuant to this chapter entitles the licensee to take and possess a maximum of one hundred pounds of live turtles or fifty pounds of dressed turtles. Any unattended fishing gear used to take turtles pursuant to a fishing license shall be tagged with the name and address of the licensee on a weather-resistant tag provided by the licensee and affixed above the waterline. A fishing licensee is not permitted to sell, barter, or trade live or dressed turtles taken pursuant to the license.

3. A valid fishing license issued pursuant to this chapter entitles the licensee to take and possess a maximum amount of mussels or shells daily as authorized by rule under the

authority of sections 456A.24, 481A.38, and 481A.39. A fishing licensee shall not sell, barter, or trade freshwater mussels or shells taken pursuant to the fishing license.

4. Any person who is issued a valid fishing license pursuant to this chapter may fish with a third line as provided in section 481A.72 only upon the annual purchase of a third line fishing permit as provided in section 483A.1.

2009 Acts, ch 144, §43; 2012 Acts, ch 1096, §21, 23
Referred to in §805.8B(3c)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph c
Section not amended; footnote deleted

**483A.29** Reserved.

**483A.30** Repealed by 97 Acts, ch 180, § 7.

**483A.31 Reciprocal privileges authorized.**

1. Reciprocal fishing, hunting, or trapping privileges are contingent upon a grant of similar privileges by another state to residents of this state.

2. The commission may negotiate fishing, hunting, or trapping reciprocity agreements with other states.

3. When another state confers upon fishing, hunting, or trapping licensees of this state reciprocal rights, privileges, and immunities, a fishing, hunting, or trapping license issued by that state entitles the licensee to all rights, privileges, and immunities in the public waters or public lands of this state enjoyed by the holders of equivalent licenses issued by this state, subject to duties, responsibilities, and liabilities imposed on licensees of this state by the laws of this state.

90 Acts, ch 1178, §3
C91, §110.31
C93, §483A.31
2008 Acts, ch 1161, §17; 2011 Acts, ch 34, §114
Referred to in §481A.19

CONTRABAND ARTICLES

**483A.32 Public nuisance.**

Any device, contrivance, or material used to violate a rule adopted by the commission, or any other provision of this chapter or chapter 481A, 481B, 482, 484A, or 484B, is a public nuisance and may be condemned by the state. The director, the director's officers, or any peace officer, shall seize the devices, contrivances, or materials used as a public nuisance, without warrant or process, and deliver them to a magistrate having jurisdiction. An automobile shall not be construed to be a public nuisance under this section.

[C73, §4052; C97, §2540; SS15, §2539, 2540; C24, 27, 31, §1715; C35, §1794-e16; C39, §**1794.099;** C46, 50, 54, 58, 62, 66, §110.18; C71, 73, 75, 77, §110.19; C79, 81, §110.32]

86 Acts, ch 1240, §9; 86 Acts, ch 1245, §1878
C93, §483A.32
98 Acts, ch 1125, §1
Referred to in §462A.27, 483A.33
Nuisances in general, chapter 657

**483A.33 Disposition of property seized as public nuisance.**

The disposition of property seized pursuant to section 483A.32 shall be conducted as follows:

1. The officer taking possession of property seized as a public nuisance shall make a written inventory of the property and deliver a copy of the inventory to the person from whom the property was seized. The inventory shall include the name of the person taking custody of the seized property, the date and time of seizure, location of the seizure, and the name of the seizing public agency. Property which has been seized shall be safely secured and stored by

the public agency which caused its seizure unless directed otherwise by the county attorney of the county where the property was seized or by the attorney general.

2. *a.* The county attorney or attorney general may file with the clerk of the district court for the county in which the property was seized a notice of condemnation which shall include a description of the property claimed to be condemned by the state, the grounds upon which the state claims that the property has been condemned, the date and place of seizure, and the name of the person from whom the property was seized.

*b.* The notice shall be filed not later than six months after the property was seized. Failure to file within the time limit terminates the state's right to claim a condemnation of the property.

*c.* The state shall give notice of condemnation to the person from whom the property was seized and any person identified as an owner or lien holder, by certified mail, personal service, or publication.

3. *a.* The person from whom the property was seized may make application for its return in the office of the clerk of the district court for the county in which the property was seized. The application shall be filed within thirty days after the receipt of the notice of condemnation. Failure to file the application within this time period terminates the interest of the person and the ownership of the property shall be transferred to the state.

*b.* The application for return of condemnable property shall be written and shall state the specific item or items sought, the nature and the source of the claimant's interest in the property, and the grounds upon which the claimant seeks to avoid condemnation. The ownership of property is not sufficient grounds for its return. The written application shall be specific and the claimant shall be limited at the judicial hearing to proof of the grounds set forth in the application for return. The fact that the property is inadmissible as evidence or that it may be suppressed is not grounds for its return. If specific grounds for return are not provided in the application for return, or the grounds are insufficient as a matter of law, the court may enter judgment on the pleadings without further hearing.

4. If an application for return of condemnable property is timely and of sufficient grounds, the claim shall be set for hearing. The hearing shall be held not less than ten nor more than thirty days after the filing of the claim. The proceeding shall be conducted by a magistrate or a district associate judge. All claims to the same property shall be heard in one proceeding, unless it is shown that the proceeding would result in prejudice to one or more of the parties.

5. *a.* Upon a finding by the court that the property is condemnable, the court shall enter an order transferring title of the property to the state, and placed at the disposal of the director, who may use or sell the property, depositing the proceeds of the sale in the state fish and game protection fund.

*b.* Upon a finding by the court that the property should not be condemned, the property shall be returned to the person from whom it was seized. If the property is necessary for use as evidence in a criminal proceeding, the property shall not be returned until its use as evidence is no longer required.

[C35, §1794-e17,-e18; C39, §**1794.100, 1794.101;** C46, 50, 54, 58, 62, 66, §110.19, 110.20; C71, 73, 75, 77, §110.20, 110.21; C79, 81, §110.33]

C93, §483A.33

98 Acts, ch 1125, §2

Referred to in §462A.27

**483A.34 Right to appeal.**

An appeal from a denial of an application for return of condemnable property, or from an order for return of condemnable property, shall be made within ten days after the entry of a judgment order and shall be conducted in the same manner as an appeal in a small claims action. The appellant, other than the state, shall post a bond of a reasonable amount as the

court may fix and approve, conditioned to pay all costs of the proceedings if the appellant is unsuccessful on appeal.

[C35, §1794-e19; C39, §**1794.102;** C46, 50, 54, 58, 62, 66, §110.21; C71, 73, 75, 77, §110.22; C79, 81, §110.34]

C93, §483A.34

98 Acts, ch 1125, §3

Referred to in §462A.27

## GUNS

**483A.35 "Gun" defined.**

The word "*gun*" as used in this chapter shall include every kind of a gun or rifle, except a revolver or pistol, and shall include those provided with pistol mountings which are designed to shoot shot cartridges.

[C31, §1772-c1; C35, §1794-e20; C39, §**1794.103;** C46, 50, 54, 58, 62, 66, §110.22; C71, 73, 75, 77, §110.23; C79, 81, §110.35]

C93, §483A.35

**483A.36 Manner of conveyance.**

A person, except as permitted by law, shall not have or carry a gun in or on a vehicle on a public highway, unless the gun is taken down or totally contained in a securely fastened case, and its barrels and attached magazines are unloaded.

[C24, 27, 31, §1772; C35, §1794-e21; C39, §**1794.104;** C46, 50, 54, 58, 62, 66, §110.23; C71, 73, 75, 77, §110.24; C79, 81, §110.36]

86 Acts, ch 1240, §10

C93, §483A.36

2010 Acts, ch 1113, §1

Referred to in §805.8B(3q)

For applicable scheduled fine, see §805.8B, subsection 3, paragraph q

**483A.37 Prohibited guns.**

No person shall use a swivel gun, nor any other firearm, except such as is commonly shot from the shoulder or hand in the hunting, killing or pursuit of game, and no such gun shall be larger than number 10 gauge.

[C97, §2558; C24, 27, 31, §1771; C35, §1794-e22; C39, §**1794.105;** C46, 50, 54, 58, 62, 66, §110.24; C71, 73, 75, 77, §110.25; C79, 81, §110.37]

C93, §483A.37

Referred to in §805.8B(3d)

For applicable scheduled fines, see §805.8B, subsection 3, paragraph d

## FREE FISHING DAYS

**483A.38 Free fishing days.**

The commission may designate one period of the year of not more than three days as free fishing days and during that period the residents may fish and lawfully possess fish without a license.

86 Acts, ch 1240, §11

C87, §110.38

C93, §483A.38

**483A.39 through 483A.41** Reserved.

## PENAL PROVISION

**483A.42 Penalties.**

A person who violates this chapter is guilty of a simple misdemeanor punishable as a scheduled violation under section 805.8B, subsection 3, paragraph *"e"*. However, the scheduled fine specified in section 805.8B, subsection 3, paragraph *"e"*, does not apply to a violation of this chapter for which another scheduled fine is specified in section 805.8B, subsection 3.

[C46, 50, 54, 58, 62, 66, §110.25; C71, 73, 75, 77, §110.26; C79, 81, §110.42]
86 Acts, ch 1240, §12
C93, §483A.42
2000 Acts, ch 1203, §24; 2001 Acts, ch 130, §2; 2001 Acts, ch 137, §5
Referred to in §483A.24B, 483A.27, 805.8B(3e)

**483A.43 through 483A.49** Reserved.

## WILDLIFE HABITAT BONDS

**483A.50 Definitions.**

When used in this division, unless the context otherwise requires:

1. *"Bonds"* means negotiable wildlife habitat bonds of the commission issued pursuant to this division and includes all bonds, notes, and other obligations issued in anticipation of these bonds or as refunding bonds pursuant to this division.
2. *"Treasurer"* means the treasurer of state of the state of Iowa.
3. *"Wildlife habitat bond fund"* means the fund created by section 483A.53.

86 Acts, ch 1231, §2
C87, §110.50
C93, §483A.50

**483A.51 Bonds issued by the commission.**

1. The commission may issue its negotiable bonds in principal amounts as, in the opinion of the commission, are necessary to provide funds for the acquisition of real property for the development and enhancement of wildlife lands and habitat areas, the payment of interest on its bonds and all other expenditures of the commission incident to and necessary or convenient to carry out the acquisition. However, the commission shall not have a total principal amount of bonds outstanding at any time in excess of eight million dollars. The bonds shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of chapter 554, the uniform commercial code.
2. Bonds issued by the commission are payable solely and only from the revenues credited to the wildlife habitat bond fund. Taxes or appropriations shall not be pledged for the payment of the bonds. Bonds are not an obligation of this state or any political subdivision of this state other than the commission within the meaning of any constitutional or statutory debt limitations, but are special obligations of the commission payable solely and only from the sources provided in this division, and the commission shall not pledge the general credit or taxing power of this state or any political subdivision of this state or make its debts payable out of any moneys except those of the wildlife habitat bond fund.
3. Bonds must be authorized by a resolution of the commission. However, a resolution authorizing the issuance of obligations may delegate to an officer of the commission the power to negotiate and fix the details of an issue of bonds or notes by an appropriate certificate of the authorized officer.
4. The bond proceedings shall provide for the purpose of the bonds, principal amount and principal maturity or maturities, the interest rate or rates or the maximum interest rate, the date of the bonds and the dates of payment of interest on the bonds, their denomination, the terms and conditions upon which parity bonds may be issued, and the establishment

within or without the state of a place or places of payment of principal of and interest on the bonds. The purpose of the bonds may be stated in the bond proceedings in terms describing the general purpose or purposes to be served. The commission may cause to be issued a prospectus or official statement in connection with the offering of the bonds. Bonds may be issued in coupon or in registered form, or both. Provision may be made for the registration of bonds with coupons attached as to principal alone, or as to both principal and interest, their exchange for bonds so registered, and for the conversion or reconversion into bonds with coupons attached of any bonds registered as to both principal and interest, and for reasonable charges for registration, exchange, conversion, and reconversion. Bonds shall be sold in the manner and at the time determined by the commission. Chapter 75 and sections 73A.12 through 73A.16 do not apply to these bonds. The bonds are negotiable instruments. The bond proceedings may contain additional provisions as to:

*a.* The redemption of bonds prior to maturity at the option of the commission at the price and on the terms and conditions provided in the bond proceedings.

*b.* Other terms of the bonds and concerning execution and delivery of the bonds.

*c.* The delegation of responsibility for any act relating to the issuance, execution, sale, redemption, or other matter pertaining to the bonds to any other officer, agency of the state, or other person or body.

*d.* Additional agreements with the bondholders relating to the bonds.

*e.* Payment from the proceeds of the sale of the bonds of all legal and financial expenses incurred by the commission in the issuance, sale, delivery, and payment of the bonds.

*f.* Other matters, alike or different, which may in any way affect the security of the bonds and the protection of the bondholders.

5. The power to issue bonds includes the power to issue obligations in the form of bond anticipation notes or other forms of short-term indebtedness and to renew these notes by the issuance of new notes. The holders of notes or interest coupons of notes have a right to be paid solely from those revenues credited to the wildlife habitat bond fund which were pledged to the payment of the bonds anticipated, or from the proceeds of those bonds or renewal notes, or both, as the commission provides in the bond proceedings authorizing the notes. The notes may be additionally secured by covenants of the commission to the effect that the commission will do those acts authorized by this division and necessary for the issuance of the bonds or renewal notes in appropriate amount, and either exchange the bonds or renewal notes for the notes, or apply the proceeds of the notes, to the extent necessary, to make full payment of the principal of and interest on the notes at the time contemplated, as provided in the bond proceedings. For this purpose, the commission may issue bonds or renewal notes in a principal amount and upon terms as authorized by this division and as necessary to provide funds to pay when required the principal of and interest on the outstanding notes. All provisions for and references to bonds in this division are applicable to notes authorized under this subsection to the extent not inconsistent with this subsection.

6. The commission may authorize and issue bonds for the refunding, including funding and retirement, and advance refunding with or without payment or redemption prior to maturity, of bonds previously issued by the commission. These bonds may be issued in amounts sufficient for payment of the principal amount of the prior bonds, any redemption premiums on the prior bonds, principal maturities of bonds maturing prior to the redemption of the remaining bonds on a parity with them, interest accrued or to accrue to the maturity date or dates of redemption of the bonds, and project costs including expenses incurred or to be incurred in connection with this issuance, refunding, funding, and retirement. Subject to the bond proceedings, the portion of proceeds of the sale of bonds issued under this subsection to be applied to principal of and interest on the prior bonds shall be credited to the appropriate account for the prior bonds. Bonds authorized under this subsection shall be deemed to be issued for those purposes for which the prior bonds were issued and are subject to the provisions of this division pertaining to other bonds. Refunding bonds may be issued without regard to whether or not the bonds to be refunded are payable on the same date or different dates or due serially or otherwise.

86 Acts, ch 1231, §3

C87, §110.51
C93, §483A.51

**483A.52 Additional powers of commission.**

In connection with the issuance of the bonds or in order to secure the payment of the bonds and interest on the bonds, the commission may by resolution:

1. Provide that the bonds be secured by a first lien on the revenues and receipts received or to be received into the wildlife habitat bond fund from income from the investment of the wildlife habitat bond fund, from moneys received from the sale of bonds, and from any other moneys which are available for the payment of bond service charges.

2. Pledge for the benefit of the bondholders any part of the receipts in the wildlife habitat bond fund. The pledge shall be effective without physical delivery or further act and moneys in the fund may be applied for the purposes as pledged without the necessity of an Act of appropriation.

3. Establish, authorize, set aside, regulate, and dispose of reserves and sinking funds.

4. Provide that sufficient amounts of the proceeds of the sale of the bonds may be used to fully or partially fund any and all reserves or sinking funds set out by the bond resolution.

5. Prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of the bonds whose holders must consent thereto, and the manner in which the consent may be given.

6. Purchase bonds, out of funds available for that purpose, which shall be canceled, at a price not exceeding either of the following:

*a.* If the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date.

*b.* If the bonds are not then redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

86 Acts, ch 1231, §4
C87, §110.52
C93, §483A.52
Referred to in §483A.53

**483A.53 Payment of bonds.**

A wildlife habitat bond fund is created in the state treasury. At the direction of the commission as provided in the bond proceedings or pursuant to section 483A.52, subsection 1 or 2, and as certified by the director, the treasurer of state shall credit to the wildlife habitat bond fund from the revenues received from the sale of wildlife habitat stamps a sum at least sufficient to pay interest on the bonds in each fiscal year and principal on the bonds that mature during each fiscal year. In each fiscal year after July 1, 1986 and after bonds are issued, and until all the bonds issued have been retired, in order to provide for the payment of principal of the bonds issued and sold and the interest on them as the same become due and mature, there is pledged and annually appropriated out of the revenues to be credited to the wildlife habitat bond fund an amount sufficient to pay principal and interest on the bonds issued for each of the years the bonds are outstanding. The director shall annually certify to the treasurer the amount of funds required to pay interest on the bonds in the ensuing fiscal year and the principal on the bonds that mature during the ensuing fiscal year.

86 Acts, ch 1231, §5
C87, §110.53
C93, §483A.53
Referred to in §483A.3, 483A.50

**483A.54 Nonliability of the state and its officials.**

Bonds issued are special limited obligations of the commission and are not a debt or liability of the state or any other political subdivision within the meaning of any constitutional or statutory debt limitation and are not a pledge of the state's credit or taxing power within the meaning of any constitutional or statutory limitation or provision and, except as provided in this division, an appropriation shall not be made, directly or indirectly, by the state

or any political subdivision of the state for the payment of bonds. The bonds are special obligations of the commission payable solely from the wildlife habitat bond fund. Funds from the general fund of the state shall not be used to pay interest or principal on the bonds if revenues deposited in the wildlife habitat bond fund are insufficient.

The members of the commission or other person executing the bonds is not personally liable for the payment of the bonds. The bonds are valid and binding obligations of the commission notwithstanding the fact that before the delivery of the bonds any of the officers whose signatures appear on the bonds cease to be officers of the state. From and after the sale and delivery of the bonds, they shall be incontestable by the commission.

86 Acts, ch 1231, §6
C87, §110.54
C93, §483A.54

**483A.55 Bonds as legal investments.**

Bonds are securities in which all public officers and bodies of the state and all municipalities and political subdivisions of this state, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, and savings associations, investment companies, and other persons carrying on a banking business, all administrators, guardians, executors, trustees, and other fiduciaries and all other persons who are now or may be authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. The bonds are also securities which may be deposited with and may be received by all public officers and bodies of the state and all municipalities and legal subdivisions of this state for any purpose for which the deposit of bonds or other obligations of the state is now or may be authorized.

86 Acts, ch 1231, §7
C87, §110.55
C93, §483A.55
2012 Acts, ch 1017, §88

**483A.56 Rights of bondholders.**

The bond proceedings may provide that a holder of bonds or a trustee under the bond proceedings, except to the extent that the holder's rights are restricted by the bond proceedings, may by legal proceedings, protect and enforce any rights under the laws of this state or granted by the bond proceedings. These rights include the right to compel the performance of all duties of the commission required by this division or the bond proceedings; to enjoin unlawful activities; and in the event of default with respect to the payment of any principal of or interest on bonds or in the performance of a covenant or agreement on the part of the commission in bond proceedings, to apply to a court to appoint a receiver to receive and administer the funds which are pledged to the payment of bonds or which are the subject of the covenant or agreement, with full power to pay and to provide for payment of any principal of or interest on bonds and with powers accorded receivers in general equity cases, excluding power to pledge additional funds or other income or moneys of the commission, the state, or governmental agencies of the state to the payment of the bonds.

86 Acts, ch 1231, §8
C87, §110.56
C93, §483A.56

# CHAPTER 484

RESERVED

# CHAPTER 484A

## MIGRATORY GAME BIRDS

Referred to in §232.8, 331.602, 455A.4, 455A.5, 456A.14, 456A.24, 481A.1, 481A.134, 481A.135, 483A.10, 483A.32, 805.16, 903.1

This chapter not enacted as a part of this title;
transferred from chapter 110B in Code 1993
See §481A.134 and 481A.135 for point system and additional penalties


484A.1 Definitions.
484A.2 Fee required.
484A.3 Repealed by 98 Acts, ch 1199, §26, 27; 98 Acts, ch 1223, §30.
484A.4 Use of revenue.
484A.5 Projects approved.
484A.6 Penalty.


**484A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commission"* means the natural resource commission.

2. *"Migratory game bird"* means any wild goose, brant, wild duck, snipe, rail, woodcock, or coot.

[C73, 75, 77, 79, 81, §110B.1]
86 Acts, ch 1245, §1860
C93, §484A.1
98 Acts, ch 1199, §21, 22, 27; 98 Acts, ch 1223, §30

**484A.2 Fee required.**

A person sixteen years of age or older shall not hunt or take any migratory game bird within this state without first paying a migratory game bird fee. The director shall determine the means and method of collecting the migratory game bird fees.

[C73, 75, 77, 79, 81, §110B.2]
C93, §484A.2
98 Acts, ch 1199, §23, 27; 98 Acts, ch 1223, §30
Referred to in §805.8B(3a)
For applicable scheduled fine, see §805.8B, subsection 3, paragraph a

**484A.3** Repealed by 98 Acts, ch 1199, § 26, 27; 98 Acts, ch 1223, § 30.

**484A.4 Use of revenue.**

All revenue generated from the migratory game bird fee shall be used for projects approved by the commission for the purpose of protecting and propagating migratory game birds and for the acquisition, development, restoration, maintenance or preservation of wetlands, except for that part which is specified by the commission for use in paying administrative expenses as provided in section 456A.17.

The commission may enter into contracts with nonprofit organizations for the use of fifteen percent of such funds outside the United States if the commission finds that such contracts are necessary for carrying out the purposes of this chapter.

[C73, 75, 77, 79, 81, §110B.4]
C93, §484A.4
98 Acts, ch 1199, §24, 27; 98 Acts, ch 1223, §30

**484A.5 Projects approved.**

Before approving and allocating funds for a proposed project to be undertaken outside this state or outside the United States, the commission shall obtain evidence that the project is acceptable to the government agency having jurisdiction over the lands and waters affected by the project.

[C73, 75, 77, 79, 81, §110B.5]
C93, §484A.5

**484A.6 Penalty.**

Any person violating any of the provisions of this chapter shall be guilty of a simple misdemeanor.

[C77, 79, 81, §110B.6]

C93, §484A.6

# CHAPTER 484B

## HUNTING PRESERVES

Referred to in §232.8, 455A.4, 455A.5, 456A.14, 456A.24, 481A.1, 481A.6A, 481A.38, 481A.125A, 481A.134, 481A.135, 483A.24, 483A.32, 484C.5, 805.16, 903.1

See §481A.134 and 481A.135 for point system and additional penalties


484B.1 Definitions.
484B.2 Rules.
484B.3 Authority of the director — exceptions to chapter.
484B.4 Application and license requirements.
484B.4A Minimum enclosed acreage — exceptions.
484B.5 Boundaries signed — fenced.
484B.6 Game birds released.
484B.7 Records — reports — inspections.
484B.8 Game bird transportation tags — markings.
484B.9 Ungulate transportation tags — markings.
484B.10 Season — hunting preserve license.
484B.11 Health requirements — game birds.
484B.12 Health requirements — ungulates.
484B.13 License refusal.
484B.14 Penalties.


**484B.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Commission"* means the natural resource commission.
2. *"Department"* means the department of natural resources.
3. *"Director"* means the director of the department.
4. *"Elk"* means an animal belonging to the cervidae family and classified as part of the canadensis species of the cervus genus.
5. *"Game birds"* means pen-reared birds of the family gallinae and mallard ducks.
6. *"Hunting preserve"* means property and facilities either privately owned or leased for holding, rearing, releasing, or processing captive-raised game for the purpose of hunting, for a fee, over an extended season.
7. *"Livestock"* means the same as defined in section 717.1.
8. *"Pen-reared"* means the propagation and holding of game birds and game animals whose origins are from captive populations.
9. *"Season"* means hunting preserve season.
10. *"Ungulate"* means hoofed nondomesticated mammal other than livestock.

92 Acts, ch 1160, §1; 2000 Acts, ch 1038, §2, 3; 2012 Acts, ch 1118, §15, 21

Referred to in §481A.21

**484B.2 Rules.**

The commission may adopt rules under chapter 17A as necessary to carry out this chapter.

92 Acts, ch 1160, §2

**484B.3 Authority of the director — exceptions to chapter.**

1. The director shall develop, administer, and enforce hunting preserve programs and requirements within the state which implement the provisions of this chapter and rules adopted by the commission pursuant to this chapter.

2. *a.* The chapter does not apply to keeping farm deer as regulated by the department of agriculture and land stewardship pursuant to chapter 170 or to preserve whitetail kept on a

hunting preserve as regulated by the department of natural resources pursuant to chapter 484C.

*b.* This chapter does not apply to an owner or tenant of land raising or releasing pen-reared pheasants on the owner's or tenant's land as provided in section 481A.6A, provided that a person taking a pen-reared pheasant complies with all requirements provided in chapters 481A and 483A.

92 Acts, ch 1160, §3; 2003 Acts, ch 149, §19, 23; 2005 Acts, ch 139, §13; 2010 Acts, ch 1180, §2

**484B.4 Application and license requirements.**

1. A person who owns or controls by lease or otherwise for five or more years, a contiguous tract of land having an area of not less than three hundred twenty acres, and who desires to establish a hunting preserve, to propagate and sell game birds and their young or unhatched eggs, and shoot game birds and ungulates on the land, under this chapter or the rules of the commission, shall make application to the department for an operator's license. The application shall be made under oath of the applicant or under oath of one of its principal officers if the applicant is an association or corporation. Under the authority of this license, any property or facilities to be used for propagating, holding, processing, or pasturing of game birds or ungulates shall not be required to be contained within the contiguous land area used for hunting purposes. The application shall be accompanied by an operator's license fee of two hundred dollars.

2. Upon receipt of an application, the department or its authorized agent shall inspect the proposed hunting preserve and facilities described in the application. If the department finds that the proposed hunting preserve meets the following requirements, the department may approve the application and issue a hunting preserve operator's license for the operation of the property and facilities described in the application with the rights and subject to the limitations in this chapter and the rules adopted by the commission:

*a.* The proposed hunting preserve contains at least three hundred twenty acres but not more than two thousand five hundred sixty acres.

*b.* The area of the proposed hunting preserve is contiguous.

*c.* The total area of all licensed hunting preserves and the proposed hunting preserve will not exceed three percent of the land area of the county.

*d.* The game birds or ungulates released on the preserve will not be detrimental to wildlife.

*e.* The proposed hunting preserve will not interfere with the normal activities of migratory birds.

3. All hunting preserve operator's licenses shall expire on March 31 of each year.

92 Acts, ch 1160, §4; 99 Acts, ch 208, §36; 2008 Acts, ch 1031, §54; 2008 Acts, ch 1032, §106
Referred to in §484B.4A

**484B.4A Minimum enclosed acreage — exceptions.**

A hunting preserve on which elk are kept must include at least three hundred twenty contiguous acres which are enclosed by a fence as required pursuant to section 484B.5. However, a person may keep elk only on a hunting preserve that includes a fewer number of enclosed acres if either of the following applies:

1. The commission grants a waiver for the hunting preserve according to terms and conditions required by the commission. The hunting preserve must include at least one hundred sixty contiguous acres.

2. *a.* The hunting preserve was operated as a business on January 1, 2005.

*b.* If the hunting preserve operated as a business on January 1, 2005, the landowner or the landowner's successor in interest may sell or otherwise transfer ownership of the hunting preserve to another person who may continue to operate the hunting preserve in the same manner as the landowner. However, this paragraph shall not apply if the owner of the hunting preserve or any successor in interest fails to meet the licensing requirements of section 484B.4 each year.

2012 Acts, ch 1118, §16, 21

**484B.5 Boundaries signed — fenced.**

Upon receipt of a hunting preserve license, the licensee shall promptly sign the licensed property with signs prescribed by the department. A licensee holding and releasing ungulates shall construct and maintain boundary fences prescribed by the department so as to enclose and contain all released ungulates and exclude all ungulates which are property of the state from becoming a part of the hunting preserve enterprise.

92 Acts, ch 1160, §5

Referred to in §484B.4A

**484B.6 Game birds released.**

The licensee of a licensed hunting preserve may take, or authorize to be taken within the season, the numbers of game birds as provided in this section:

1. A licensed hunting preserve may take up to eighty percent of the total number of pheasant and quail released. One hundred percent of all other game birds released may be taken.

2. A minimum of five hundred game birds shall be released during the hunting preserve season by each licensed hunting preserve authorized to release game birds.

3. A licensee operating two or more licensed hunting preserve areas shall release a cumulative minimum of eight hundred game birds during the hunting preserve season.

4. If hen ring-necked pheasants are shot on the licensed hunting preserve, no less than thirty-five percent of all ring-necked pheasants released shall be hens.

92 Acts, ch 1160, §6

**484B.7 Records — reports — inspections.**

1. Each hunting preserve licensee shall keep the records and make the reports required on forms prepared and provided by the department. All records shall be open for inspection at any reasonable time by the department or its authorized agents.

2. Each licensee shall file an annual report with the department on or before April 30. The report shall detail the hunting preserve operations during the preceding license year. The original report shall be forwarded to the department and a copy shall be retained in the hunting preserve's file for three years from the date of expiration of the hunting preserve's last license issued. Records required by this section shall be entered in the annual report record within twenty-four hours of the event. Failure to keep or submit the required records and reports is grounds for refusal to renew a license for the succeeding year. An on-site inspection of property and facilities shall be conducted by an authorized agent of the department prior to the initial issuance of a hunting preserve license. The hunting preserve may be reinspected by an agent of the department at any reasonable time. A licensed hunting preserve shall maintain adequate facilities for all designated birds and ungulates held under the hunting preserve license.

92 Acts, ch 1160, §7

**484B.8 Game bird transportation tags — markings.**

The department shall prepare transportation tags suitable for use upon the legs of game birds described in this chapter. The tags shall be of a type which are not removable without breaking and mutilating the tag. The tags shall be used to designate all game birds taken by hunters upon a licensed hunting preserve. The department shall provide licensees with the tags. All dead game birds removed from a licensed hunting preserve shall have a hunting preserve tag affixed to one leg prior to being transported from the licensed hunting preserve, except as otherwise provided by rule of the commission. All mallards released for hunting purposes shall be physically marked by the removal of the hind toe from the right foot at not more than four weeks of age, so as to provide for permanent identification. Game bird tags issued to a hunting preserve are not transferable.

92 Acts, ch 1160, §8

**484B.9 Ungulate transportation tags — markings.**

The department shall prepare transportation tags suitable for use upon the carcass of ungulates described in this chapter. The tags shall be used to designate all ungulates taken by hunters upon a licensed hunting preserve. The department shall provide licensees with the tags. All ungulates taken on a licensed hunting preserve shall be tagged with a numbered tag prior to being removed from the hunting preserve. The hunter shall tag the ungulate taken in accordance with the rules as determined by the department. The tag shall remain attached to the carcass of the dead ungulate until processed for consumption. The hunter shall be provided with a bill of sale by the licensee. The bill of sale shall remain in the possession of the hunter. Ungulate tags issued to a hunting preserve are not transferable.

92 Acts, ch 1160, §9

**484B.10 Season — hunting preserve license.**

1. A person shall not take a game bird or ungulate upon a hunting preserve, by shooting in any manner, except during the established season or as authorized by section 481A.56. The established season shall be September 1 through March 31 of the succeeding year, both dates inclusive. The owner of a hunting preserve shall establish the hunting season for nonnative, pen-reared ungulates on the hunting preserve.

2. Waterfowl shall not be shot over any area where pen-reared mallards may serve as live decoys for wild waterfowl. All persons hunting game birds or ungulates upon a licensed hunting preserve shall secure a hunting license that includes the wildlife habitat fee in accordance with the game laws of Iowa, with the exception that an unlicensed person may secure an annual hunting preserve license restricted to hunting preserves only for a license fee of five dollars. All persons who hunt on hunting preserves shall pay the wildlife habitat fee.

3. A nonresident youth under sixteen years of age may hunt game birds on a licensed hunting preserve upon securing an annual hunting preserve license restricted to hunting preserves only for a license fee of five dollars and payment of the wildlife habitat fee. A nonresident youth is not required to complete the hunter safety and ethics education course to obtain a hunting preserve license pursuant to this subsection if the youth is accompanied by a person who is at least eighteen years of age, is qualified to hunt, and possesses a valid hunting license that includes the wildlife habitat fee. During the hunt, the accompanying adult must be within arm's reach of the nonresident youth.

92 Acts, ch 1160, §10; 96 Acts, ch 1072, §1; 98 Acts, ch 1199, §25, 27; 98 Acts, ch 1223, §30; 2009 Acts, ch 144, §44; 2012 Acts, ch 1096, §22, 23

Remote control or internet hunting prohibited, see §481A.125A

Section not amended; footnote deleted

**484B.11 Health requirements — game birds.**

All game birds, including breeders and nonbreeders; or their chicks or unhatched eggs either purchased, propagated, confined, released, or sold by a licensed hunting preserve shall be free of diseases considered significant for wildlife, poultry, or livestock and shall comply with all game bird, mallard, and turkey requirements as designated by the national poultry improvement plan (NPIP) and in accordance with the United States department of agriculture and requirements of the Iowa department of agriculture and land stewardship.

92 Acts, ch 1160, §11

**484B.12 Health requirements — ungulates.**

All ungulates which are purchased, propagated, confined, released, or sold by a licensed hunting preserve shall be free of diseases considered significant for wildlife, poultry, or livestock. The department of agriculture and land stewardship shall provide for the regulation of farm deer as provided in chapter 170.

92 Acts, ch 1160, §12; 2000 Acts, ch 1038, §4; 2003 Acts, ch 149, §20, 23

**484B.13 License refusal.**

The department may either refuse to issue, refuse to renew, or suspend or revoke a hunting preserve license if the department finds that the licensed area or the operator or employees

of the licensed area are not in compliance with this chapter, or that the property or area is operated in violation of this chapter or administrative rules adopted under this chapter.
92 Acts, ch 1160, §13

**484B.14 Penalties.**
A person who violates a provision of this chapter or a rule adopted under this chapter is guilty of a simple misdemeanor.
92 Acts, ch 1160, §14

# CHAPTER 484C

## PRESERVE WHITETAIL

Referred to in §170.1, 170.1A, 481A.125A, 484B.3


484C.1 Definitions.
484C.2 Application of chapter.
484C.3 Rules.
484C.4 Departmental programs and requirements.
484C.5 Minimum enclosed acreage — exceptions.
484C.6 Fencing — certification.
484C.7 Registration and fee.
484C.8 Requirements for releasing whitetail — property interests.
484C.9 Documentation — inspections.
484C.10 Taking preserve whitetail — transportation tags.
484C.11 Taking preserve whitetail — processing.
484C.12 Health requirements — chronic wasting disease.
484C.13 Penalties.


**484C.1 Definitions.**
As used in this chapter, unless the context otherwise requires:
1. *"Commission"* means the natural resource commission as created pursuant to section 455A.6.
2. *"Department"* means the department of natural resources as created pursuant to section 455A.2.
3. *"Documented event"* includes but is not limited to the birth, death, harvest, transfer for consideration, or release of preserve whitetail.
4. *"Elk"* means an animal belonging to the cervidae family and classified as part of the canadensis species of the cervus genus.
5. *"Fence"* means a boundary fence which encloses preserve whitetail within a landowner's property as required to be constructed and maintained pursuant to this chapter.
6. *"Hunting preserve"* means land where a landowner keeps preserve whitetail as part of a business, if the business's purpose is to provide persons with the opportunity to hunt the preserve whitetail.
7. *"Landowner"* means a person who holds an interest in land, including a titleholder.
8. *"Preserve whitetail"* means whitetail kept on a hunting preserve.
9. *"Whitetail"* means an animal belonging to the cervidae family and classified as part of the virginianus species of the odocoileus genus.
2005 Acts, ch 139, §14; 2012 Acts, ch 1118, §17, 21
Referred to in §481A.134, 481A.135, 716.7, 716.8

**484C.2 Application of chapter.**
1. A landowner shall not keep whitetail unless the whitetail are kept as preserve whitetail pursuant to this chapter or as farm deer pursuant to chapter 170.
2. This chapter authorizes the department of natural resources to regulate preserve whitetail. However, the department of agriculture and land stewardship shall regulate whitetail kept as farm deer pursuant to chapter 170.
2005 Acts, ch 139, §15

**484C.3 Rules.**

The department shall adopt rules pursuant to chapter 17A as necessary to administer this chapter.

2005 Acts, ch 139, §16

Referred to in §484C.4

**484C.4 Departmental programs and requirements.**

The department shall develop, administer, and enforce hunting preserve programs and requirements, which implement the provisions of this chapter and rules adopted by the department pursuant to section 484C.3, regarding fencing, recordkeeping, reporting, and the tagging, transportation, testing, and monitoring for disease of preserve whitetail.

2005 Acts, ch 139, §17

**484C.5 Minimum enclosed acreage — exceptions.**

1. A hunting preserve must include at least three hundred twenty contiguous acres which are enclosed by a fence certified pursuant to section 484C.6. However, the hunting preserve may include a fewer number of enclosed acres if any of the following applies:

*a.* The commission grants a waiver for the hunting preserve according to terms and conditions required by the commission. The hunting preserve must include at least one hundred sixty contiguous acres.

*b.* (1) The hunting preserve was operated as a business on January 1, 2005.

(2) If the hunting preserve operated as a business on January 1, 2005, the landowner or the landowner's successor in interest may sell or otherwise transfer ownership of the hunting preserve to another person who may continue to operate the hunting preserve in the same manner as the landowner. However, this subparagraph shall not apply if the owner of the hunting preserve or any successor in interest fails to register with the department as provided in section 484C.7 for three or more consecutive years.

*c.* (1) The hunting preserve was not operated as a business on January 1, 2005, and all of the following apply:

(a) The hunting preserve has at least one hundred contiguous acres.

(b) The hunting preserve's fence is certified by the department not later than September 1, 2005.

(2) If the hunting preserve complies with subparagraph (1), the landowner or the landowner's successor in interest may sell or otherwise transfer ownership of the hunting preserve to another person who may continue to operate the hunting preserve in the same manner as the landowner. However, this subparagraph shall not apply if the owner of the hunting preserve or any successor in interest fails to register with the department as provided in section 484C.7 for three or more consecutive years.

2. Notwithstanding any other provision of this chapter or chapter 484B, a person may keep whitetail and elk together on a hunting preserve that includes less than three hundred twenty enclosed acres if the person receives a waiver as provided in subsection 1, paragraph "*a*" or meets the conditions specified in subsection 1, paragraph "*b*".

2005 Acts, ch 139, §18; 2012 Acts, ch 1118, §18, 21

Referred to in §484C.6

**484C.6 Fencing — certification.**

1. A fence required to enclose preserve whitetail under section 484C.5 must be constructed and maintained as prescribed by rules adopted by the department and as certified by the department. The fence shall be constructed and maintained to ensure that the preserve whitetail are kept in the enclosure and all other whitetail are excluded from the enclosure.

2. A fence that was certified by the department of agriculture and land stewardship pursuant to chapter 170 prior to July 1, 2005, shall be certified by the department of natural resources.

3. A fence shall be at least eight feet in height above ground level. The enclosure shall be posted with signs as prescribed by rules adopted by the department.

4. The department may require that the fence be inspected and approved by the

department prior to certification. The department shall periodically inspect the fence at any reasonable time by appointment or by providing the landowner with at least forty-eight hours' notice.

2005 Acts, ch 139, §19

Referred to in §484C.5, 484C.8, 484C.13

**484C.7 Registration and fee.**

A landowner who keeps preserve whitetail shall annually register the landowner's hunting preserve with the department by June 30. The landowner shall pay the department a registration fee. The amount of the registration fee shall not exceed three hundred fifty dollars per fiscal year. The fee shall be deposited into the state fish and game protection fund.

2005 Acts, ch 139, §20

Referred to in §484C.5, 484C.9, 484C.13

**484C.8 Requirements for releasing whitetail — property interests.**

A person shall not release whitetail kept as preserve whitetail onto land unless the landowner complies with all of the following:

1. The landowner must notify the department at least thirty days prior to first releasing the preserve whitetail on the land. The notice shall be provided in a manner required by the department. The notice must at least provide all of the following:

*a.* A statement verifying that the fence which encloses the land is certified by the department pursuant to section 484C.6.

*b.* The landowner's name.

*c.* The location of the land enclosed by the fence.

2. The landowner shall cooperate with the department to remove any whitetail from the enclosed land. However, after the thirtieth day following receipt of the notice, the state shall relinquish its property interest in any remaining whitetail that the landowner and the department were unable to remove from the enclosed land. Any remaining whitetail existing at that time on the enclosed land, and any progeny of the whitetail, shall become preserve whitetail and property of the landowner.

3. A hunting preserve may include whitetail which were regulated as farm deer by the department of agriculture and land stewardship pursuant to chapter 170 and transported to the hunting preserve. The whitetail shall be considered farm deer until released onto the hunting preserve. Once released onto the hunting preserve, the whitetail and its progeny become preserve whitetail and are subject to regulation by the department of natural resources.

2005 Acts, ch 139, §21

**484C.9 Documentation — inspections.**

1. The department shall prepare forms for documents, including records and reports, and provide such forms to landowners in order to comply with this section. The department shall provide procedures for the receipt, filing, processing, and return of documents in an electronic format. The department shall provide for the authentication of the documents that may include electronic signatures as provided in chapter 554D. However, this subsection does not require a landowner to complete or receive a document in an electronic format.

2. A landowner who operates a hunting preserve shall do all of the following:

*a.* Keep records as required by the department. The records shall be open for inspection at any reasonable time by the department.

*b.* File an annual report with the department on or before June 30. The report shall describe the hunting preserve operations during the preceding twelve months. The original report shall be forwarded to the department and a copy shall be retained in the hunting preserve's file for three years from the date of expiration of the landowner's last registration as provided in section 484C.7.

*c.* Keep a record of a documented event as required by the department. The record of the documented event shall be entered in the annual report required in this section. The record of the documented event shall be maintained by the landowner and submitted to the

department. The entry of the documented event shall be made within twenty-four hours after its occurrence as prescribed by departmental rule.

2005 Acts, ch 139, §22

Referred to in §484C.13

**484C.10 Taking preserve whitetail — transportation tags.**

The department shall provide transportation tags to a landowner for use in identifying the carcass of preserve whitetail.

1. The tags shall be used to designate all preserve whitetail taken by persons on the hunting preserve. A person taking the preserve whitetail shall tag the preserve whitetail in accordance with the rules adopted by the department.

2. The preserve whitetail taken on a hunting preserve shall be tagged prior to being removed from the hunting preserve.

3. A tag shall remain attached to the carcass of the dead preserve whitetail until processed for consumption. The person taking the preserve whitetail shall be provided with a bill of sale by the landowner. The bill of sale shall remain in the possession of the person taking the preserve whitetail.

4. Preserve whitetail tags issued to a hunting preserve are not transferable.

2005 Acts, ch 139, §23

**484C.11 Taking preserve whitetail — processing.**

If preserve whitetail have been taken, the harvested preserve whitetail may be processed by the hunting preserve as prescribed by rules adopted by the department. The rules shall provide for the marking and shipment of meat.

2005 Acts, ch 139, §24

**484C.12 Health requirements — chronic wasting disease.**

1. Preserve whitetail that are purchased, propagated, confined, released, or sold by a hunting preserve shall be free of diseases considered reportable for wildlife, poultry, or livestock. The department may provide for the quarantine of diseased preserve whitetail that threaten the health of animal populations.

2. The landowner, or the landowner's veterinarian, and an epidemiologist designated by the department shall develop a plan for eradicating a reportable disease among the preserve whitetail population. The plan shall be designed to reduce and then eliminate the reportable disease, and to prevent the spread of the disease to other animals. The plan must be developed and signed within sixty days after a determination that the preserve whitetail population is affected with the disease. The plan must address population management and adhere to rules adopted by the department. The plan must be formalized as a memorandum of agreement executed by the landowner or landowner's veterinarian and the epidemiologist. The plan must be approved by the department.

2005 Acts, ch 139, §25

**484C.13 Penalties.**

1. A person who violates a provision of this chapter or a rule adopted pursuant to this chapter is guilty of a simple misdemeanor.

2. A landowner who keeps preserve whitetail and who fails to register with the department as required in section 484C.7 is subject to a civil penalty of not more than two thousand five hundred dollars. The civil penalty shall be deposited in the state fish and game protection fund.

3. The department may suspend or revoke a fence certification issued pursuant to section 484C.6 if the department determines that a landowner has done any of the following:

*a.* Provided false information to the department in an application for fence certification pursuant to section 484C.6.

*b.* Failed to provide access to the department for an inspection as provided in this chapter.

*c.* Failed to maintain adequate records or to submit timely reports as provided in section 484C.9.

*d.* Failed to maintain a fence enclosing the land where preserve whitetail are kept as required by this chapter. The department shall not suspend or revoke a certification if the landowner remedies each item as provided in a notice of deficiency delivered to the landowner by the department. The remedies shall be completed within seven days from receipt of the notice. The notice shall be hand delivered or sent by certified mail.

2005 Acts, ch 139, §26

Remote control or internet hunting prohibited, see §481A.125A

# CHAPTER 485

RESERVED

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The Skeleton Index is intended to be used as a quick reference to enable the user to locate general subjects and specific statutes in the 2014 Iowa Code.

A more comprehensive General Index in PDF format and other electronic research tools can be accessed on the General Assembly's Internet site at www.legis.iowa.gov.


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# VOLUME V

# CODE OF IOWA

# 2014

CONTAINING

## ALL STATUTES OF A GENERAL AND PERMANENT NATURE

Including the Acts of a permanent nature
of the Eighty-fifth General Assembly, 2013

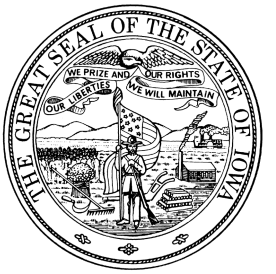


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2013

# PREFACE TO 2014 IOWA CODE

2014 IOWA CODE — PRINT CODE SUPPLEMENT DISCONTINUED — ANNUAL CD-ROM. This 2014 Iowa Code is published pursuant to Iowa Code chapters 2A and 2B by the Legislative Services Agency only on CD-ROM and on the Iowa General Assembly's Internet site. The printed softbound Code Supplement has been discontinued. The CD-ROM contains a copy of the official text of the 2014 Iowa Code in PDF format, divided into six parts to correspond to the six-volume format of the biennial printed version of the Iowa Code. Printed hardbound volumes of the Iowa Code will continue to be published following the second regular session of a General Assembly. A CD-ROM containing the Iowa Code will be published annually.

CODE CONTENTS AND EFFECTIVE DATES. This 2014 Iowa Code contains the permanent enactments of the 2013 session of the Eighty-fifth General Assembly and of earlier sessions if the effective dates of the enactments were delayed. Except as otherwise indicated in the text or in a footnote, new sections, amendments, and repeals were effective on or before July 1, 2013. Refer to the specific enactments to determine effective dates not shown. The Table of Contents enumerates the titles and subtitles in this Iowa Code, and each volume contains an analysis by title, subtitle, and chapter. Codified and original versions of the Constitution of the State of Iowa are included at the beginning of Volume I.

EDITORIAL DECISIONS. All duplicative or nonconflicting amendments to a Code section or part of a Code section were harmonized as required under Iowa Code sections 2B.13 and 4.11. A strike or repeal prevailed over an amendment to the same material. If amendments were irreconcilable, the last amendment in the Act, or latest in date of enactment, was codified as provided in Iowa Code sections 2B.13 and 4.8. Code Editor's Notes at the end of Volume VI explain editorial decisions. Iowa Code section 2B.13 governs editorial changes and their effective dates.

HISTORIES AND NOTES. Bracketed material at the end of Code sections traces the sections' history up through 1982. Beginning with the 1983 Legislative Session, history is traced by citing all Iowa Acts amending or enacting the Code sections. The history of a transferred section will include the publication year and the Code section from which the transfer took place. An explanatory note describing the most recent changes in each new or amended Code section follows the history. Internal reference citations follow Code titles, subtitles, chapters, chapter subdivisions, or sections.

INDEX AND TABLES. A Skeleton Index appears at the end of each volume. Conversion tables of Senate and House files to Iowa Acts chapters, tables of disposition of Iowa Acts, and a table of corresponding sections can be accessed on the General Assembly's Internet site.

COMMENTS. The editorial staff of the Iowa Code welcomes comments and suggestions for improvements.

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# DESIGNATION OF GENERAL ASSEMBLY — OFFICIAL LEGAL PUBLICATIONS — CITATIONS

**2.2 Designation of general assembly.**

Each regular session of the general assembly shall be designated by the year in which it convenes and by a number with a new consecutive number assigned with the session beginning in each odd-numbered year.

A special session of the general assembly shall be designated as an extraordinary session in the particular year of a numbered general assembly.

**2B.17 Official legal publications — citations.**

1. An official legal publication designated as such by the legislative services agency as provided in sections 2.42 and 2A.1, is the official and authoritative version of the statutes, administrative rules, or court rules of the state of Iowa.

2. *a.* The codified version of the state's constitution shall be known as the Constitution of the State of Iowa.

*b.* For statutes, the official versions of publications shall be known as the Iowa Acts, the Iowa Code, and the Code Supplement.

*c.* For administrative rules, the official versions of the publications shall be known as the Iowa Administrative Bulletin and the Iowa Administrative Code.

*d.* For court rules, the official version of the publication shall be known as the Iowa Court Rules.

3. The legislative services agency may adopt a style manual providing a uniform system of citing the codified Constitution of the State of Iowa and the official versions of publications listed in subsection 2, including by reference to commonly accepted legal sources. The legislative services agency style manual may provide for a different form of citation for electronic and printed versions of the same publication. Nothing in this section affects rules for style and format adopted pursuant to section 2.42.

4. The codified Constitution of the State of Iowa, and statutes enacted and joint resolutions enacted or passed by the general assembly shall be cited as follows:

*a.* The codified Constitution of the State of Iowa shall be cited as the Constitution of the State of Iowa, with a reference identifying the preamble or boundaries, or article, section, and subunit of a section. Subject to the legislative services agency style manual, the Constitution of the State of Iowa may be cited as the Iowa Constitution.

*b.* The Iowa Acts shall be cited as the Iowa Acts with a reference identifying the year of the publication in conformance with section 2.2, and the chapter of a bill enacted or joint resolution enacted or passed during a regular session, or in the alternative the bill or joint resolution chamber designation, and the section of the chapter or bill or subunit of a section. A bill or joint resolution enacted or passed during a special session shall be cited by the extraordinary session designation in conformance with section 2.2. If the Iowa Acts have not been published, a bill or joint resolution may be cited by its bill or joint resolution chamber designation.

*c.* The Iowa Code shall be cited as the Iowa Code. The Code Supplement shall be cited as the Code Supplement. Subject to the legislative services agency style manual, the Iowa Code may be cited as the Code of Iowa or Code and the Code Supplement may be cited as the Iowa Code Supplement, with references identifying parts of the publication, including but not limited to title or chapter, section, or subunit of a section. If the citation refers to a past edition of the Iowa Code or Code Supplement, the citation shall identify the year of publication.

5. Administrative rules shall be cited as follows:

*a.* The Iowa Administrative Bulletin shall be cited as the IAB, with references identifying the volume number which may be based on a fiscal year cycle, the issue number, and the ARC number assigned to the rulemaking document by the administrative rules coordinator pursuant to section 17A.4. Subject to the legislative services agency style manual, the citation may also include the publication's page number.

*b.* The Iowa Administrative Code shall be cited as the IAC, with references to an agency's identification number placed at the beginning of the citation and with references to parts of the publication, including but not limited to chapter, rule, or subunit of a rule.

6. The Iowa Court Rules shall be cited as the Iowa Court Rules, with references to the rule number and to subunits of the publication, which may include but are not limited to the Iowa Rules of Civil Procedure, the Iowa Rules of Criminal Procedure, the Iowa Rules of Evidence, the Iowa Rules of Appellate Procedure, the Iowa Rules of Professional Conduct, and the Iowa Code of Judicial Conduct. Subject to the legislative services agency style manual, the names of the rules may be abbreviated.

Chapters of the Code are cited as whole numerals; as chapter 124 or chapter 124A.

Sections are cited as decimal numerals; as section 124.401 or section 124A.3. Sections are often divided into subunits. The following is an example of the hierarchical structure of a Code section:

Section: 35D.15
Subsection: 2
Paragraph: *a*
Subparagraph: (1)
Subparagraph division: (a)
Subparagraph subdivision: (ii)
Subparagraph part: (B)
Subparagraph subpart: (I) *This subunit does not exist in present Code*

The above Code section example may be abbreviated as 35D.15(2)(a)(1)(a)(ii)(B)(I) or 35D.15 [2a(1)(a)(ii)(B)(I)].

# ABBREVIATIONS

C51 ..... Code of 1851
R60 ..... Revision of 1860
C73 ..... Code of 1873
C97 ..... Code of 1897
S'02 ..... Supplement of 1902
S'07 ..... Supplement of 1907
S13 ..... Supplement of 1913
SS15 ..... Supplemental Supplement 1915
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C77 ..... Code of 1977
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S79 ..... Supplement of 1979
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S81 ..... Supplement of 1981
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CS83 ..... Supplement of 1983
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CS85 ..... Code Supplement of 1985
C87 ..... Code of 1987
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CS2003 ..... Code Supplement of 2003
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CS2005 ..... Code Supplement of 2005
C2007 ..... Code of 2007
CS2007 ..... Code Supplement of 2007
C2009 ..... Code of 2009
CS2009 ..... Code Supplement of 2009
C2011 ..... Code of 2011
CS2011 ..... Code Supplement of 2011
C2013 ..... Code of 2013
C2014 ..... Code of 2014
GA ..... General Assembly
§ or Sec. ..... Section
Art. ..... Article
Ch ..... Chapter
1st Ex ..... First Extra Session
2nd Ex ..... Second Extra Session
R (in tables) ..... Repealed
Vol ..... Volume
Ct.R. ..... Court Rule
R.C.P. ..... Rules of Civil Procedure
R.Cr.P. ..... Rules of Criminal Procedure
R.App.P. .... Rules of Appellate Procedure
R.Prob.P. ..... Rules of Probate Procedure
Stat. ..... Statutes at Large (U. S.)
U.S.C. ..... United States Code
U.S.C. App. United States Code Appendix
Pub. L. No. ... Public Law Number (U. S.)
C.F.R. Code of Federal Regulations (U. S.)
Tit. ..... Title in federal Acts
Subtit. ..... Subtitle in federal Acts
Pt. ..... Part in federal Acts
Subpt. ..... Subpart in federal Acts

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# TITLE XII

## BUSINESS ENTITIES

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# SUBTITLE 1

## PARTNERSHIPS

## CHAPTER 486

### UNIFORM PARTNERSHIP LAW

Repealed effective January 1, 2001, by
98 Acts, ch 1201, §78; see chapter 486A

## CHAPTER 486A

### UNIFORM PARTNERSHIP ACT

Referred to in §10.1, 501.101, 501A.102, 558.72, 669.14

This chapter applies to all partnerships on and after
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## GENERAL PROVISIONS

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As used in this chapter, unless the context otherwise requires:

1. *"Business"* includes every trade, occupation, and profession.

2. *"Debtor in bankruptcy"* means a person who is the subject of any of the following:

*a.* An order for relief under Tit. 11 of the United States Code or a comparable order under a successor statute of general application.

*b.* A comparable order under federal, state, or foreign law governing insolvency.

3. *"Distribution"* means a transfer of money or other property from a partnership to a partner in the partner's capacity as a partner or to the partner's transferee.

4. *"Foreign limited liability partnership"* means a partnership that satisfies both of the following:

*a.* The partnership is formed under laws other than the laws of this state.

*b.* The partnership has the status of a limited liability partnership under those laws.

5. *"Limited liability partnership"* means a partnership that has filed a statement of qualification under section 486A.1001 and does not have a similar statement in effect in any other jurisdiction.

6. *"Partnership"* means an association of two or more persons to carry on as co-owners a business for profit formed under section 486A.202, predecessor law, or comparable law of another jurisdiction.

7. *"Partnership agreement"* means the agreement, whether written, oral, or implied, among the partners concerning the partnership, including amendments to the partnership agreement.

8. *"Partnership at will"* means a partnership in which the partners have not agreed to remain partners until the expiration of a definite term or the completion of a particular undertaking.

9. *"Partnership interest"* or *"partner's interest in the partnership"* means all of a partner's interests in the partnership, including the partner's transferable interest and all management and other rights.

10. *"Person"* means as defined in section 4.1.

11. *"Property"* means all property, real, personal, or mixed, tangible or intangible, or any interest in such property.

12. *"State"* means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

13. *"Statement"* means a statement of partnership authority under section 486A.303, a statement of denial under section 486A.304, a statement of dissociation under section 486A.704, a statement of dissolution under section 486A.805, a statement of merger under section 486A.907, a statement of qualification under section 486A.1001, a statement of foreign qualification under section 486A.1102, or an amendment or cancellation of any of the foregoing.

14. *"Transfer"* includes an assignment, conveyance, lease, mortgage, deed, and encumbrance.

98 Acts, ch 1201, §1, 79, 82; 2010 Acts, ch 1061, §180

Referred to in §142D.2

**486A.102 Knowledge and notice.**

1. A person knows a fact if the person has actual knowledge of it.

2. A person has notice of a fact if any of the following apply:

*a.* The person knows of it.

*b.* The person has received a notification of it.

*c.* The person has reason to know it exists from all of the facts known to the person at the time in question.

3. A person notifies or gives a notification to another by taking steps reasonably required to inform the other person in ordinary course, whether or not the other person learns of it.

4. A person receives a notification when any of the following occur:

*a.* The notification comes to the person's attention.

*b.* The notification is duly delivered at the person's place of business or at any other place held out by the person as a place for receiving communications.

5. Except as otherwise provided in subsection 6, a person other than an individual knows,

has notice, or receives a notification of a fact for purposes of a particular transaction when the individual conducting the transaction knows, has notice, or receives a notification of the fact, or in any event when the fact would have been brought to the individual's attention if the person had exercised reasonable diligence. The person exercises reasonable diligence if the person maintains reasonable routines for communicating significant information to the individual conducting the transaction and there is reasonable compliance with the routines. Reasonable diligence does not require an individual acting for the person to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.

6. A partner's knowledge, notice, or receipt of a notification of a fact relating to the partnership is effective immediately as knowledge by, notice to, or receipt of a notification by the partnership, except in the case of a fraud on the partnership committed by or with the consent of that partner.

98 Acts, ch 1201, §2, 79, 82

**486A.103 Effect of partnership agreement — nonwaivable provisions.**

1. Except as otherwise provided in subsection 2, relations among the partners and between the partners and the partnership are governed by the partnership agreement. To the extent the partnership agreement does not otherwise provide, this chapter governs relations among the partners and between the partners and the partnership.

2. The partnership agreement shall not do any of the following:

*a.* Vary the rights and duties under section 486A.105 except to eliminate the duty to provide copies of statements to all of the partners.

*b.* Unreasonably restrict the right of access to books and records under section 486A.403, subsection 2.

*c.* Eliminate the duty of loyalty under section 486A.404, subsection 2, or 486A.603, subsection 2, paragraph "*c*", except as follows:

(1) The partnership agreement may identify specific types or categories of activities that do not violate the duty of loyalty, if not manifestly unreasonable.

(2) All of the partners or a number or percentage specified in the partnership agreement may authorize or ratify, after full disclosure of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty.

*d.* Unreasonably reduce the duty of care under section 486A.404, subsection 3, or 486A.603, subsection 2, paragraph "*c*".

*e.* Eliminate the obligation of good faith and fair dealing under section 486A.404, subsection 4, but the partnership agreement may prescribe the standards by which the performance of the obligation is to be measured, if the standards are not manifestly unreasonable.

*f.* Vary the power to dissociate as a partner under section 486A.602, subsection 1, except to require the notice under section 486A.601, subsection 1, to be in writing.

*g.* Vary the right of a court to expel a partner in the events specified in section 486A.601, subsection 5.

*h.* Vary the requirement to wind up the partnership business in cases specified in section 486A.801, subsection 4, 5, or 6.

*i.* Vary the law applicable to a limited liability partnership under section 486A.106, subsection 2.

*j.* Restrict rights of third parties under this chapter.

98 Acts, ch 1201, §3, 79, 82

**486A.104 Supplemental principles of law.**

1. Unless displaced by particular provisions of this chapter, the principles of law and equity supplement this chapter.

2. If an obligation to pay interest arises under this chapter and the rate is not specified, the rate is that specified in section 535.3.

98 Acts, ch 1201, §4, 79, 82

**486A.105 Execution, filing, and recording of statements.**

1. A statement may be filed in the office of the secretary of state. A certified copy of a statement that is filed in an office in another state may be filed in the office of the secretary of state. Either filing has the effect provided in this chapter with respect to partnership property located in or transactions that occur in this state.

2. A certified copy of a statement that has been filed in the office of the secretary of state and recorded in the office for recording transfers of real property has the effect provided for recorded statements in this chapter. A recorded statement that is not a certified copy of a statement filed in the office of the secretary of state does not have the effect provided for recorded statements in this chapter.

3. A statement filed by a partnership must be executed by at least two partners. Other statements must be executed by a partner or other person authorized by this chapter. An individual who executes a statement as, or on behalf of, a partner or other person named as a partner in a statement shall personally declare under penalty of perjury that the contents of the statement are accurate.

4. A person authorized by this chapter to file a statement may amend or cancel the statement by filing an amendment or cancellation that names the partnership, identifies the statement, and states the substance of the amendment or cancellation.

5. A person who files a statement pursuant to this section shall promptly send a copy of the statement to every nonfiling partner and to any other person named as a partner in the statement. Failure to send a copy of a statement to a partner or other person does not limit the effectiveness of the statement as to a person not a partner.

6. The secretary of state may collect a fee for filing or providing a certified copy of a statement. The county recorder may collect a fee for recording a statement.

98 Acts, ch 1201, §5, 79, 82

Referred to in §486A.103, 486A.303, 486A.907, 486A.1001, 486A.1102

**486A.106 Governing law.**

1. Except as otherwise provided in subsection 2, the law of the jurisdiction in which a partnership has its chief executive office governs relations among the partners and between the partners and the partnership.

2. The law of this state governs relations among the partners and the partnership and the liability of partners for an obligation of a limited liability partnership.

98 Acts, ch 1201, §6, 79, 82

Referred to in §486A.103

**486A.107 Partnership subject to amendment or repeal of chapter.**

A partnership governed by this chapter is subject to any amendment to or repeal of this chapter.

98 Acts, ch 1201, §7, 79, 82

## ARTICLE 2

## NATURE OF PARTNERSHIP

**486A.201 Partnership as entity.**

1. A partnership is an entity distinct from its partners.

2. A limited liability partnership continues to be the same entity that existed before the filing of a statement of qualification under section 486A.1001.

98 Acts, ch 1201, §8, 79, 82

**486A.202 Formation of partnership.**

1. Except as otherwise provided in subsection 2, the association of two or more persons to carry on as co-owners a business for profit forms a partnership, whether or not the persons intend to form a partnership.

2. An association formed under a statute other than this chapter, a predecessor statute, or a comparable statute of another jurisdiction is not a partnership under this chapter.

3. In determining whether a partnership is formed, the following rules apply:

*a.* Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership does not by itself establish a partnership, even if the co-owners share profits made by the use of the property.

*b.* The sharing of gross returns does not by itself establish a partnership, even if the persons sharing them have a joint or common right or interest in property from which the returns are derived.

*c.* A person who receives a share of the profits of a business is presumed to be a partner in the business, unless the profits were received in payment of or for any of the following:

(1) Of a debt by installments or otherwise.

(2) For services as an independent contractor or of wages or other compensation to an employee.

(3) Of rent.

(4) Of an annuity or other retirement or health benefit to a beneficiary, representative, or designee of a deceased or retired partner.

(5) Of interest or other charge on a loan, even if the amount of payment varies with the profits of the business, including a direct or indirect present or future ownership of the collateral, or rights to income, proceeds, or increase in value derived from the collateral.

(6) For the sale of the goodwill of a business or other property by installments or otherwise.

98 Acts, ch 1201, §9, 79, 82

Referred to in §486A.101

**486A.203 Partnership property.**

Property acquired by a partnership is property of the partnership and not of the partners individually.

98 Acts, ch 1201, §10, 79, 82

**486A.204 When property is partnership property.**

1. Property is partnership property if acquired in the name of any of the following:

*a.* The partnership.

*b.* One or more partners with an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership but without an indication of the name of the partnership.

2. Property is acquired in the name of the partnership by a transfer to any of the following:

*a.* The partnership in its name.

*b.* One or more partners in their capacity as partners in the partnership, if the name of the partnership is indicated in the instrument transferring title to the property.

3. Property is presumed to be partnership property if purchased with partnership assets, even if not acquired in the name of the partnership or of one or more partners with an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership.

4. Property acquired in the name of one or more of the partners, without an indication in the instrument transferring title to the property of the person's capacity as a partner or of the existence of a partnership and without use of partnership assets, is presumed to be separate property, even if used for partnership purposes.

98 Acts, ch 1201, §11, 79, 82

## ARTICLE 3

## RELATIONS OF PARTNERS TO PERSONS DEALING WITH PARTNERSHIP

**486A.301 Partner agent of partnership.**

Subject to the effect of a statement of partnership authority under section 486A.303:

1. Each partner is an agent of the partnership for the purpose of its business. An act of a partner, including the execution of an instrument in the partnership name, for apparently carrying on in the ordinary course the partnership business or business of the kind carried on by the partnership binds the partnership, unless the partner had no authority to act for the partnership in the particular matter and the person with whom the partner was dealing knew or had received a notification that the partner lacked authority.

2. An act of a partner which is not apparently for carrying on in the ordinary course the partnership business or business of the kind carried on by the partnership binds the partnership only if the act was authorized by the other partners.

98 Acts, ch 1201, §12, 79, 82

Referred to in §486A.302, 486A.401, 486A.702, 486A.804, 486A.805

**486A.302 Transfer of partnership property.**

1. Partnership property may be transferred as follows:

*a.* Subject to the effect of a statement of partnership authority under section 486A.303, partnership property held in the name of the partnership may be transferred by an instrument of transfer executed by a partner in the partnership name.

*b.* Partnership property held in the name of one or more partners with an indication in the instrument transferring the property to the partners of their capacity as partners or of the existence of a partnership, but without an indication of the name of the partnership, may be transferred by an instrument of transfer executed by the persons in whose name the property is held.

*c.* Partnership property held in the name of one or more persons other than the partnership, without an indication in the instrument transferring the property to the partners of their capacity as partners or of the existence of a partnership, may be transferred by an instrument of transfer executed by the persons in whose name the property is held.

2. A partnership may recover partnership property from a transferee only if it proves that execution of the instrument of initial transfer did not bind the partnership under section 486A.301 and if one of the following applies:

*a.* As to a subsequent transferee who gave value for property transferred under subsection 1, paragraphs "*a*" and "*b*", proves that the subsequent transferee knew or had received a notification that the person who executed the instrument of initial transfer lacked authority to bind the partnership.

*b.* As to a transferee who gave value for property transferred under subsection 1, paragraph "*c*", proves that the transferee knew or had received a notification that the property was partnership property and that the person who executed the instrument of initial transfer lacked authority to bind the partnership.

3. A partnership shall not recover partnership property from a subsequent transferee if the partnership would not have been entitled to recover the property, under subsection 2, from any earlier transferee of the property.

4. If a person holds all of the partners' interests in the partnership, all of the partnership property vests in that person. The person may execute a document in the name of the partnership to evidence vesting of the property in that person and may file or record the document.

98 Acts, ch 1201, §13, 79, 82

Referred to in §486A.907

**486A.303 Statement of partnership authority.**

1. A partnership may file a statement of partnership authority as provided in this subsection.

*a.* The statement of partnership authority must include all of the following:

(1) The name of the partnership.

(2) The street address of its chief executive office and of one office in this state, if there is one.

(3) The names and mailing addresses of all of the partners or of an agent appointed and maintained by the partnership for the purpose of subsection 2.

(4) The names of the partners authorized to execute an instrument transferring real property held in the name of the partnership.

*b.* The statement of partnership authority may state the authority, or limitations on the authority, of some or all of the partners to enter into other transactions on behalf of the partnership and any other matter.

2. If a statement of partnership authority names an agent, the agent shall maintain a list of the names and mailing addresses of all of the partners and make it available to any person on request for good cause shown.

3. If a filed statement of partnership authority is executed pursuant to section 486A.105, subsection 3, and states the name of the partnership but does not contain all of the other information required by subsection 1, the statement nevertheless operates with respect to a person not a partner as provided in subsections 4 and 5.

4. Except as otherwise provided in subsection 7, a filed statement of partnership authority supplements the authority of a partner to enter into transactions on behalf of the partnership as follows:

*a.* Except for transfers of real property, a grant of authority contained in a filed statement of partnership authority is conclusive in favor of a person who gives value without knowledge to the contrary, so long as and to the extent that a limitation on that authority is not then contained in another filed statement. A filed cancellation of a limitation on authority revives the previous grant of authority.

*b.* A grant of authority to transfer real property held in the name of the partnership contained in a certified copy of a filed statement of partnership authority recorded in the office for recording transfers of that real property is conclusive in favor of a person who gives value without knowledge to the contrary, so long as and to the extent that a certified copy of a filed statement containing a limitation on that authority is not then of record in the office for recording transfers of that real property. The recording in the office for recording transfers of that real property of a certified copy of a filed cancellation of a limitation on authority revives the previous grant of authority.

5. A person not a partner is deemed to know of a limitation on the authority of a partner to transfer real property held in the name of the partnership if a certified copy of the filed statement containing the limitation on authority is of record in the office for recording transfers of that real property.

6. Except as otherwise provided in subsections 4 and 5 and sections 486A.704 and 486A.805, a person not a partner is not deemed to know of a limitation on the authority of a partner merely because the limitation is contained in a filed statement.

7. A statement of partnership authority filed by the secretary of state is effective until amended or canceled, unless an earlier cancellation date is specified in the statement.

98 Acts, ch 1201, §14, 79, 82; 2013 Acts, ch 108, §1

Referred to in §486A.101, 486A.301, 486A.302, 486A.304, 486A.702, 486A.703, 486A.704, 486A.805, 633A.4606

Subsection 7 amended

**486A.304 Statement of denial.**

A partner or other person named as a partner in a filed statement of partnership authority or in a list maintained by an agent pursuant to section 486A.303, subsection 2, may file a statement of denial stating the name of the partnership and the fact that is being denied,

which may include denial of a person's authority or status as a partner. A statement of denial is a limitation on authority as provided in section 486A.303, subsections 4 and 5.

98 Acts, ch 1201, §15, 79, 82

Referred to in §486A.101, 486A.1205

**486A.305 Partnership liable for partner's actionable conduct.**

1. A partnership is liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a partner acting in the ordinary course of business of the partnership or with authority of the partnership.

2. If, in the course of the partnership's business or while acting with authority of the partnership, a partner receives or causes the partnership to receive money or property of a person not a partner, and the money or property is misapplied by a partner, the partnership is liable for the loss.

98 Acts, ch 1201, §16, 79, 82

**486A.306 Partner's liability.**

1. Except as otherwise provided in subsections 2 and 3, all partners are liable jointly and severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by law.

2. A person admitted as a partner into an existing partnership is not personally liable for any partnership obligation incurred before the person's admission as a partner.

3. An obligation of a partnership incurred while the partnership is a limited liability partnership, whether arising in contract, tort, or otherwise, is solely the obligation of the partnership. A partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for such an obligation solely by reason of being or so acting as a partner. This subsection applies notwithstanding anything inconsistent in the partnership agreement that existed immediately before the vote required to become a limited liability partnership under section 486A.1001, subsection 2.

98 Acts, ch 1201, §17, 79, 82

Referred to in §486A.307, 486A.703, 486A.806, 486A.807, 486A.903, 486A.906

**486A.307 Actions by and against partnership and partners.**

1. A partnership may sue and be sued in the name of the partnership.

2. An action may be brought against the partnership and, to the extent not inconsistent with section 486A.306, any or all of the partners in the same action or in separate actions.

3. A judgment against a partnership is not by itself a judgment against a partner. A judgment against a partnership shall not be satisfied from a partner's assets unless there is also a judgment against the partner.

4. A judgment creditor of a partner shall not levy execution against the assets of the partner to satisfy a judgment based on a claim against the partnership unless the partner is personally liable for the claim under section 486A.306 and one or more of the following apply:

*a.* A judgment based on the same claim has been obtained against the partnership and a writ of execution on the judgment has been returned unsatisfied in whole or in part.

*b.* The partnership is a debtor in bankruptcy.

*c.* The partner has agreed that the creditor need not exhaust partnership assets.

*d.* A court grants permission to the judgment creditor to levy execution against the assets of a partner based on a finding that partnership assets subject to execution are clearly insufficient to satisfy the judgment, that exhaustion of partnership assets is excessively burdensome, or that the grant of permission is an appropriate exercise of the court's equitable powers.

*e.* Liability is imposed on the partner by law or contract independent of the existence of the partnership.

5. This section applies to any partnership liability or obligation resulting from a representation by a partner or purported partner under section 486A.308.

98 Acts, ch 1201, §18, 79, 82

**486A.308 Liability of purported partner.**

1. If a person, by words or conduct, purports to be a partner, or consents to being represented by another as a partner, in a partnership or with one or more persons not partners, the purported partner is liable to a person to whom the representation is made, if that person, relying on the representation, enters into a transaction with the actual or purported partnership. If the representation, either by the purported partner or by a person with the purported partner's consent, is made in a public manner, the purported partner is liable to a person who relies upon the purported partnership even if the purported partner is not aware of being held out as a partner to the claimant. If partnership liability results, the purported partner is liable with respect to that liability as if the purported partner were a partner. If no partnership liability results, the purported partner is liable with respect to that liability jointly and severally with any other person consenting to the representation.

2. If a person is thus represented to be a partner in an existing partnership, or with one or more persons not partners, the purported partner is an agent of persons consenting to the representation to bind the persons to the same extent and in the same manner as if the purported partner were a partner, with respect to persons who enter into transactions in reliance upon the representation. If all of the partners of the existing partnership consent to the representation, a partnership act or obligation results. If fewer than all of the partners of the existing partnership consent to the representation, the person acting and the partners consenting to the representation are jointly and severally liable.

3. A person is not liable as a partner merely because the person is named by another in a statement of partnership authority.

4. A person does not continue to be liable as a partner merely because of a failure to file a statement of dissociation or to amend a statement of partnership authority to indicate the partner's dissociation from the partnership.

5. Except as otherwise provided in subsections 1 and 2, persons who are not partners as to each other are not liable as partners to other persons.

98 Acts, ch 1201, §19, 79, 82

Referred to in §486A.307

## ARTICLE 4

## RELATIONS OF PARTNERS TO EACH OTHER AND TO PARTNERSHIP

**486A.401 Partner's rights and duties.**

1. Each partner is deemed to have an account subject to the following:

*a.* The account is credited with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, the partner contributes to the partnership and the partner's share of the partnership profits.

*b.* The account is charged with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, distributed by the partnership to the partner and the partner's share of the partnership losses.

2. Each partner is entitled to an equal share of the partnership profits and is chargeable with a share of the partnership losses in proportion to the partner's share of the profits.

3. A partnership shall reimburse a partner for payments made and indemnify a partner for liabilities incurred by the partner in the ordinary course of the business of the partnership or for the preservation of its business or property, if such payments were made or liabilities incurred without violation of the partner's duties to the partnership or the other partners.

4. A partnership shall reimburse a partner for an advance to the partnership beyond the amount of capital the partner agreed to contribute.

5. A payment or advance made by a partner which gives rise to a partnership obligation under subsection 3 or 4 constitutes a loan to the partnership which accrues interest from the date of the payment or advance.

6. Each partner has equal rights in the management and conduct of the partnership business.

7. A partner may use or possess partnership property only on behalf of the partnership.

8. A partner is not entitled to remuneration for services performed for the partnership, except for reasonable compensation for services rendered in winding up the business of the partnership.

9. A person may become a partner only with the consent of all of the partners.

10. A difference arising as to a matter in the ordinary course of business of a partnership may be decided by a majority of the partners. An act outside the ordinary course of business of a partnership and an amendment to the partnership agreement may be undertaken only with the consent of all of the partners.

11. This section does not affect the obligations of a partnership to other persons under section 486A.301.

98 Acts, ch 1201, §20, 79, 82

Referred to in §486A.405

**486A.402 Distributions in kind.**

A partner has no right to receive, and shall not be required to accept, a distribution in kind.

98 Acts, ch 1201, §21, 79, 82

**486A.403 Partner's rights and duties with respect to information.**

1. A partnership shall keep its books and records, if any, at its chief executive office.

2. A partnership shall provide partners and their agents and attorneys access to its books and records. It shall provide former partners and their agents and attorneys access to books and records pertaining to the period during which the former partners were partners. The right of access provides the opportunity to inspect and copy books and records during ordinary business hours. A partnership may impose a reasonable charge, covering the costs of labor and material, for copies of documents furnished.

3. Each partner and the partnership shall furnish to a partner, and to the legal representative of a deceased partner or partner under legal disability, all of the following:

*a.* Without demand, any information concerning the partnership's business and affairs reasonably required for the proper exercise of the partner's rights and duties under the partnership agreement or this chapter.

*b.* On demand, any other information concerning the partnership's business and affairs, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances.

98 Acts, ch 1201, §22, 79, 82

Referred to in §486A.103, 486A.405

**486A.404 General standards of partner's conduct.**

1. The only fiduciary duties a partner owes to the partnership and the other partners are the duty of loyalty and the duty of care set forth in subsections 2 and 3.

2. A partner's duty of loyalty to the partnership and the other partners is limited to the following:

*a.* To account to the partnership and hold as trustee for the partnership any property, profit, or benefit derived by the partner in the conduct and winding up of the partnership business or derived from a use by the partner of partnership property, including the appropriation of a partnership opportunity.

*b.* To refrain from dealing with the partnership in the conduct or winding up of the partnership business as or on behalf of a party having an interest adverse to the partnership.

*c.* To refrain from competing with the partnership in the conduct of the partnership business before the dissolution of the partnership.

3. A partner's duty of care to the partnership and the other partners in the conduct and winding up of the partnership business is limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

4. A partner shall discharge the duties to the partnership and the other partners under

this chapter or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.

5. A partner does not violate a duty or obligation under this chapter or under the partnership agreement merely because the partner's conduct furthers the partner's own interest.

6. A partner may lend money to and transact other business with the partnership, and as to each loan or transaction the rights and obligations of the partner are the same as those of a person who is not a partner, subject to other applicable law.

7. This section applies to a person winding up the partnership business as the personal or legal representative of the last surviving partner as if the person were a partner.

98 Acts, ch 1201, §23, 79, 82

Referred to in §486A.103, 486A.405, 486A.601, 486A.603

**486A.405 Actions by partnership and partners.**

1. A partnership may maintain an action against a partner for a breach of the partnership agreement, or for the violation of a duty to the partnership, causing harm to the partnership.

2. A partner may maintain an action against the partnership or another partner for legal or equitable relief, with or without an accounting as to partnership business, to do any of the following:

*a.* Enforce the partner's rights under the partnership agreement.

*b.* Enforce the partner's rights under this chapter, including any or all of the following:

(1) The partner's rights under section 486A.401, 486A.403, or 486A.404.

(2) The partner's right on dissociation to have the partner's interest in the partnership purchased pursuant to section 486A.701 or enforce any other right under article 6 or 7.

(3) The partner's right to compel a dissolution and winding up of the partnership business under section 486A.801 or enforce any other right under article 8.

*c.* Enforce the rights and otherwise protect the interests of the partner, including rights and interests arising independently of the partnership relationship.

3. The accrual of, and any time limitation on, a right of action for a remedy under this section is governed by other law. A right to an accounting upon a dissolution and winding up does not revive a claim barred by law.

98 Acts, ch 1201, §24, 79, 82

Referred to in §486A.701

**486A.406 Continuation of partnership beyond definite term or particular undertaking.**

1. If a partnership for a definite term or particular undertaking is continued, without an express agreement, after the expiration of the term or completion of the undertaking, the rights and duties of the partners remain the same as they were at the expiration or completion, so far as is consistent with a partnership at will.

2. If the partners, or those of them who habitually acted in the business during the term or undertaking, continue the business without any settlement or liquidation of the partnership, they are presumed to have agreed that the partnership will continue.

98 Acts, ch 1201, §25, 79, 82

## ARTICLE 5

## TRANSFEREES AND CREDITORS OF PARTNER

**486A.501 Partner not co-owner of partnership property.**

A partner is not a co-owner of partnership property and has no interest in partnership property which can be transferred, either voluntarily or involuntarily.

98 Acts, ch 1201, §26, 79, 82

**486A.502 Partner's transferable interest in partnership.**

The only transferable interest of a partner in the partnership is the partner's share of the profits and losses of the partnership and the partner's right to receive distributions. The interest is personal property.

98 Acts, ch 1201, §27, 79, 82

**486A.503 Transfer of partner's transferable interest.**

1. A transfer, in whole or in part, of a partner's transferable interest in the partnership is or does all of the following:

*a.* Is permissible.

*b.* Does not by itself cause the partner's dissociation or a dissolution and winding up of the partnership business.

*c.* Does not, as against the other partners or the partnership, entitle the transferee, during the continuance of the partnership, to participate in the management or conduct of the partnership business, to require access to information concerning partnership transactions, or to inspect or copy the partnership books or records.

2. A transferee of a partner's transferable interest in the partnership has a right to all of the following:

*a.* To receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled.

*b.* To receive upon the dissolution and winding up of the partnership business, in accordance with the transfer, the net amount otherwise distributable to the transferor.

*c.* To seek under section 486A.801, subsection 6, a judicial determination that it is equitable to wind up the partnership business.

3. In a dissolution and winding up, a transferee is entitled to an account of partnership transactions only from the date of the latest account agreed to by all of the partners.

4. Upon transfer, the transferor retains the rights and duties of a partner other than the interest in distributions transferred.

5. A partnership need not give effect to a transferee's rights under this section until it has notice of the transfer.

6. A transfer of a partner's transferable interest in the partnership in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having notice of the restriction at the time of transfer.

98 Acts, ch 1201, §28, 79, 82

**486A.504 Partner's transferable interest subject to charging order.**

1. On application by a judgment creditor of a partner or of a partner's transferee, a court having jurisdiction may charge the transferable interest of the judgment debtor to satisfy the judgment. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require.

2. A charging order constitutes a lien on the judgment debtor's transferable interest in the partnership. The court may order a foreclosure of the interest subject to the charging order at any time. The purchaser at the foreclosure sale has the rights of a transferee.

3. At any time before foreclosure, an interest charged may be redeemed by or with any of the following:

*a.* By the judgment debtor.

*b.* With property other than partnership property, by one or more of the other partners.

*c.* With partnership property, by one or more of the other partners with the consent of all of the partners whose interests are not so charged.

4. This chapter does not deprive a partner of a right under exemption laws with respect to the partner's interest in the partnership.

5. This section provides the exclusive remedy by which a judgment creditor of a partner or

partner's transferee may satisfy a judgment out of the judgment debtor's transferable interest in the partnership.

98 Acts, ch 1201, §29, 79, 82

## ARTICLE 6

## PARTNER'S DISSOCIATION

Referred to in §486A.405

**486A.601 Events causing partner's dissociation.**

A partner is dissociated from a partnership upon the occurrence of any of the following events:

1. The partnership's having notice of the partner's express will to withdraw as a partner or on a later date specified by the partner.

2. An event agreed to in the partnership agreement as causing the partner's dissociation.

3. The partner's expulsion pursuant to the partnership agreement.

4. The partner's expulsion by the unanimous vote of the other partners if any of the following apply:

*a.* It is unlawful to carry on the partnership business with that partner.

*b.* There has been a transfer of all or substantially all of that partner's transferable interest in the partnership, other than a transfer for security purposes, or a court order charging the partner's interest, which has not been foreclosed.

*c.* Within ninety days after the partnership notifies a corporate partner that it will be expelled because it has filed a certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation, there is no revocation of the certificate of dissolution or no reinstatement of its charter or its right to conduct business.

*d.* A partnership, limited partnership, or limited liability company that is a partner has been dissolved and its business is being wound up.

5. On application by the partnership or another partner, the partner's expulsion by judicial determination because of any of the following:

*a.* The partner engaged in wrongful conduct that adversely and materially affected the partnership business.

*b.* The partner willfully or persistently committed a material breach of the partnership agreement or of a duty owed to the partnership or the other partners under section 486A.404.

*c.* The partner engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with the partner.

6. The partner's actions constituting any of the following:

*a.* Becoming a debtor in bankruptcy.

*b.* Executing an assignment for the benefit of creditors.

*c.* Seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or liquidator of that partner or of all or substantially all of that partner's property.

*d.* Failing, within ninety days after the appointment, to have vacated or stayed the appointment of a trustee, receiver, or liquidator of the partner or of all or substantially all of the partner's property obtained without the partner's consent or acquiescence, or failing within ninety days after the expiration of a stay to have the appointment vacated.

7. In the case of a partner who is an individual any of the following:

*a.* The partner's death.

*b.* The appointment of a general guardian or general conservator for the partner.

*c.* A judicial determination that the partner has otherwise become incapable of performing the partner's duties under the partnership agreement.

8. In the case of a partner that is a trust or is acting as a partner by virtue of being a trustee of a trust, distribution of the trust's entire transferable interest in the partnership, but not merely by reason of the substitution of a successor trustee.

9. In the case of a partner that is an estate or is acting as a partner by virtue of being a

personal representative of an estate, distribution of the estate's entire transferable interest in the partnership, but not merely by reason of the substitution of a successor personal representative.

10. Termination of a partner who is not an individual, partnership, corporation, trust, or estate.

98 Acts, ch 1201, §30, 79, 82
Referred to in §486A.103, 486A.602, 486A.801

**486A.602 Partner's power to dissociate — wrongful dissociation.**

1. A partner has the power to dissociate at any time, rightfully or wrongfully, by express will pursuant to section 486A.601, subsection 1.

2. A partner's dissociation is wrongful only if any of the following applies:

*a.* It is in breach of an express provision of the partnership agreement.

*b.* In the case of a partnership for a definite term or particular undertaking, before the expiration of the term or the completion of the undertaking if any of the following occur:

(1) The partner withdraws by express will, unless the withdrawal follows within ninety days after another partner's dissociation by death or otherwise under section 486A.601, subsections 6 through 10, or wrongful dissociation under this subsection.

(2) The partner is expelled by judicial determination under section 486A.601, subsection 5.

(3) The partner is dissociated by becoming a debtor in bankruptcy.

(4) In the case of a partner who is not an individual, trust other than a business trust, or estate, the partner is expelled or otherwise dissociated because it willfully dissolved or terminated.

3. A partner who wrongfully dissociates is liable to the partnership and to the other partners for damages caused by the dissociation. The liability is in addition to any other obligation of the partner to the partnership or to the other partners.

98 Acts, ch 1201, §31, 79, 82
Referred to in §486A.103, 486A.701, 486A.801

**486A.603 Effect of partner's dissociation.**

1. If a partner's dissociation results in a dissolution and winding up of the partnership business, article 8 applies; otherwise, article 7 applies.

2. Upon a partner's dissociation all of the following apply:

*a.* The partner's right to participate in the management and conduct of the partnership business terminates, except as otherwise provided in section 486A.803.

*b.* The partner's duty of loyalty under section 486A.404, subsection 2, paragraph "*c*", terminates.

*c.* The partner's duty of loyalty under section 486A.404, subsection 2, paragraphs "*a*" and "*b*", and duty of care under section 486A.404, subsection 3, continue only with regard to matters arising and events occurring before the partner's dissociation, unless the partner participates in winding up the partnership's business pursuant to section 486A.803.

98 Acts, ch 1201, §32, 79, 82
Referred to in §486A.103

## ARTICLE 7

## PARTNER'S DISSOCIATION WHEN BUSINESS NOT WOUND UP

Referred to in §486A.405, 486A.603

**486A.701 Purchase of dissociated partner's interest.**

1. If a partner is dissociated from a partnership without resulting in a dissolution and winding up of the partnership business under section 486A.801, the partnership shall cause the dissociated partner's interest in the partnership to be purchased for a buyout price determined pursuant to subsection 2.

2. The buyout price of a dissociated partner's interest is the amount that would have been distributable to the dissociating partner under section 486A.807, subsection 2, if, on the date of dissociation, the assets of the partnership were sold at a price equal to the greater of the liquidation value or the value based on a sale of the entire business as a going concern without the dissociated partner and the partnership were wound up as of that date. Interest must be paid from the date of dissociation to the date of payment.

3. Damages for wrongful dissociation under section 486A.602, subsection 2, and all other amounts owing, whether or not presently due, from the dissociated partner to the partnership, must be offset against the buyout price. Interest must be paid from the date the amount owed becomes due to the date of payment.

4. A partnership shall indemnify a dissociated partner whose interest is being purchased against all partnership liabilities, whether incurred before or after the dissociation, except liabilities incurred by an act of the dissociated partner under section 486A.702.

5. If no agreement for the purchase of a dissociated partner's interest is reached within one hundred twenty days after a written demand for payment, the partnership shall pay, or cause to be paid, in cash to the dissociated partner the amount the partnership estimates to be the buyout price and accrued interest, reduced by any offsets and accrued interest under subsection 3.

6. If a deferred payment is authorized under subsection 8, the partnership may tender a written offer to pay the amount the partnership estimates to be the buyout price and accrued interest, reduced by any offsets under subsection 3, stating the time of payment, the amount and type of security for payment, and the other terms and conditions of the obligation.

7. The payment or tender required by subsection 5 or 6 must be accompanied by all of the following:

*a.* A written statement of partnership assets and liabilities as of the date of dissociation.

*b.* The latest available partnership balance sheet and income statement, if any.

*c.* A written explanation of how the estimated amount of the payment was calculated.

*d.* Written notice that the payment is in full satisfaction of the obligation to purchase unless, within one hundred twenty days after the written notice, the dissociated partner commences an action to determine the buyout price, any offsets under subsection 3, or other terms of the obligation to purchase.

8. A partner who wrongfully dissociates before the expiration of a definite term or the completion of a particular undertaking is not entitled to payment of any portion of the buyout price until the expiration of the term or completion of the undertaking, unless the partner establishes to the satisfaction of the court that earlier payment will not cause undue hardship to the business of the partnership. A deferred payment must be adequately secured and bear interest.

9. A dissociated partner may maintain an action against the partnership, pursuant to section 486A.405, subsection 2, paragraph "*b*", subparagraph (2), to determine the buyout price of that partner's interest, any offsets under subsection 3, or other terms of the obligation to purchase. The action must be commenced within one hundred twenty days after the partnership has tendered payment or an offer to pay or within one year after written demand for payment if no payment or offer to pay is tendered. The court shall determine the buyout price of the dissociated partner's interest, any offset due under subsection 3, and accrued interest, and enter judgment for any additional payment or refund. If deferred payment is authorized under subsection 8, the court shall also determine the security for payment and other terms of the obligation to purchase. The court may assess reasonable attorney's fees and the fees and expenses of appraisers or other experts for a party to the action, in amounts the court finds equitable, against a party that the court finds acted arbitrarily, vexatiously, or not in good faith. The finding may be based on the partnership's failure to tender payment or an offer to pay or to comply with subsection 7.

98 Acts, ch 1201, §33, 79, 82

Referred to in §486A.405, 486A.906

**486A.702 Dissociated partner's power to bind and liability to partnership.**

1. For two years after a partner dissociates without resulting in a dissolution and

winding up of the partnership business, the partnership, including a surviving partnership under article 9, is bound by an act of the dissociated partner which would have bound the partnership under section 486A.301 before dissociation only if at the time of entering into the transaction all of the following apply:

*a.* The other party reasonably believed that the dissociated partner was then a partner.

*b.* The other party did not have notice of the partner's dissociation.

*c.* The other party is not deemed to have had knowledge under section 486A.303, subsection 5, or notice under section 486A.704, subsection 3.

2. A dissociated partner is liable to the partnership for any damage caused to the partnership arising from an obligation incurred by the dissociated partner after dissociation for which the partnership is liable under subsection 1.

98 Acts, ch 1201, §34, 79, 82
Referred to in §486A.701, 486A.704, 486A.906

**486A.703 Dissociated partner's liability to other persons.**

1. A partner's dissociation does not of itself discharge the partner's liability for a partnership obligation incurred before dissociation. A dissociated partner is not liable for a partnership obligation incurred after dissociation, except as otherwise provided in subsection 2.

2. A partner who dissociates without resulting in a dissolution and winding up of the partnership business is liable as a partner to the other party in a transaction entered into by the partnership, or a surviving partnership under article 9, within two years after the partner's dissociation, only if the partner is liable for the obligation under section 486A.306 and at the time of entering into the transaction all of the following apply:

*a.* The other party reasonably believed that the dissociated partner was then a partner.

*b.* The other party did not have notice of the partner's dissociation.

*c.* The other party is not deemed to have had knowledge under section 486A.303, subsection 5, or notice under section 486A.704, subsection 3.

3. By agreement with the partnership creditor and the partners continuing the business, a dissociated partner may be released from liability for a partnership obligation.

4. A dissociated partner is released from liability for a partnership obligation if a partnership creditor, with notice of the partner's dissociation but without the partner's consent, agrees to a material alteration in the nature or time of payment of a partnership obligation.

98 Acts, ch 1201, §35, 79, 82
Referred to in §486A.704, 486A.906

**486A.704 Statement of dissociation.**

1. A dissociated partner or the partnership may file a statement of dissociation stating the name of the partnership and that the partner is dissociated from the partnership.

2. A statement of dissociation is a limitation on the authority of a dissociated partner for the purposes of section 486A.303, subsections 4 and 5.

3. For the purposes of section 486A.702, subsection 1, paragraph "*c*", and section 486A.703, subsection 2, paragraph "*c*", a person not a partner is deemed to have notice of the dissociation ninety days after the statement of dissociation is filed.

98 Acts, ch 1201, §36, 79, 82
Referred to in §486A.101, 486A.303, 486A.702, 486A.703

**486A.705 Continued use of partnership name.**

Continued use of a partnership name, or a dissociated partner's name as part of a partnership name, by partners continuing the business does not of itself make the dissociated partner liable for an obligation of the partners or the partnership continuing the business.

98 Acts, ch 1201, §37, 79, 82

## ARTICLE 8

## WINDING UP PARTNERSHIP BUSINESS

Referred to in §486A.405, 486A.603

**486A.801 Events causing dissolution and winding up of partnership business.**

A partnership is dissolved, and its business must be wound up, only upon the occurrence of any of the following events:

1. In a partnership at will, the partnership's having notice from a partner, other than a partner who is dissociated under section 486A.601, subsections 2 through 10, of that partner's express will to withdraw as a partner, or on a later date specified by the partner.

2. In a partnership for a definite term or particular undertaking if any of the following occur or are present:

*a.* The expiration of ninety days after a partner's dissociation by death or otherwise under section 486A.601, subsections 6 through 10, or wrongful dissociation under section 486A.602, subsection 2, unless before that time a majority in interest of the remaining partners, including partners who have rightfully dissociated pursuant to section 486A.602, subsection 2, paragraph "*b*", subparagraph (1), agree to continue the partnership.

*b.* The express will of all of the partners to wind up the partnership business.

*c.* The expiration of the term or the completion of the undertaking.

3. An event agreed to in the partnership agreement resulting in the winding up of the partnership business.

4. An event that makes it unlawful for all or substantially all of the business of the partnership to be continued, but a cure of illegality within ninety days after notice to the partnership of the event is effective retroactively to the date of the event for purposes of this section.

5. On application by a partner, a judicial determination that concludes any of the following:

*a.* The economic purpose of the partnership is likely to be unreasonably frustrated.

*b.* Another partner has engaged in conduct relating to the partnership business which makes it not reasonably practicable to carry on the business in partnership with that partner.

*c.* It is not otherwise reasonably practicable to carry on the partnership business in conformity with the partnership agreement.

6. On application by a transferee of a partner's transferable interest, a judicial determination that it is equitable to wind up the partnership business at any of the following times:

*a.* After the expiration of the term or completion of the undertaking, if the partnership was for a definite term or particular undertaking at the time of the transfer or entry of the charging order that gave rise to the transfer.

*b.* At any time, if the partnership was a partnership at will at the time of the transfer or entry of the charging order that gave rise to the transfer.

98 Acts, ch 1201, §38, 79, 82

Referred to in §486A.103, 486A.405, 486A.503, 486A.701

**486A.802 Partnership continues after dissolution.**

1. Subject to subsection 2, a partnership continues after dissolution only for the purpose of winding up its business. The partnership is terminated when the winding up of its business is completed.

2. At any time after the dissolution of a partnership and before the winding up of its business is completed, all of the partners, including any dissociating partner other than a wrongfully dissociating partner, may waive the right to have the partnership's business wound up and the partnership terminated. In that event all of the following apply:

*a.* The partnership resumes carrying on its business as if dissolution had never occurred, and any liability incurred by the partnership or a partner after the dissolution and before the waiver is determined as if dissolution had never occurred.

*b.* The rights of a third party accruing under section 486A.804, subsection 1, or arising out

of conduct in reliance on the dissolution before the third party knew or received a notification of the waiver shall not be adversely affected.

98 Acts, ch 1201, §39, 79, 82

**486A.803 Right to wind up partnership business.**

1. After dissolution, a partner who has not wrongfully dissociated may participate in winding up the partnership's business, but on application of any partner, partner's legal representative, or transferee, the court, for good cause shown, may order judicial supervision of the winding up.

2. The legal representative of the last surviving partner may wind up a partnership's business.

3. A person winding up a partnership's business may preserve the partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, settle and close the partnership's business, dispose of and transfer the partnership's property, discharge the partnership's liabilities, distribute the assets of the partnership pursuant to section 486A.807, settle disputes by mediation or arbitration, and perform other necessary acts.

98 Acts, ch 1201, §40, 79, 82

Referred to in §486A.603

**486A.804 Partner's power to bind partnership after dissolution.**

Subject to section 486A.805, a partnership is bound by a partner's act after dissolution that meets any of the following criteria:

1. Is appropriate for winding up the partnership business.

2. Would have bound the partnership under section 486A.301 before dissolution, if the other party to the transaction did not have notice of the dissolution.

98 Acts, ch 1201, §41, 79, 82

Referred to in §486A.802, 486A.805, 486A.806

**486A.805 Statement of dissolution.**

1. After dissolution, a partner who has not wrongfully dissociated may file a statement of dissolution stating the name of the partnership and that the partnership has dissolved and is winding up its business.

2. A statement of dissolution cancels a filed statement of partnership authority for the purposes of section 486A.303, subsection 4, and is a limitation on authority for the purposes of section 486A.303, subsection 5.

3. For the purposes of sections 486A.301 and 486A.804, a person not a partner is deemed to have notice of the dissolution and the limitation on the partners' authority as a result of the statement of dissolution ninety days after it is filed.

4. After filing and, if appropriate, recording a statement of dissolution, a dissolved partnership may file and, if appropriate, record a statement of partnership authority which will operate with respect to a person not a partner as provided in section 486A.303, subsections 4 and 5, in any transaction, whether or not the transaction is appropriate for winding up the partnership business.

98 Acts, ch 1201, §42, 79, 82

Referred to in §486A.101, 486A.303, 486A.804

**486A.806 Partner's liability to other partners after dissolution.**

1. Except as otherwise provided in subsection 2 and section 486A.306, after dissolution a partner is liable to the other partners for the partner's share of any partnership liability incurred under section 486A.804.

2. A partner who, with knowledge of the dissolution, incurs a partnership liability under section 486A.804, subsection 2, by an act that is not appropriate for winding up the partnership business is liable to the partnership for any damage caused to the partnership arising from the liability.

98 Acts, ch 1201, §43, 79, 82

**486A.807 Settlement of accounts and contributions among partners.**

1. In winding up a partnership's business, the assets of the partnership, including the contributions of the partners required by this section, must be applied to discharge its obligations to creditors, including, to the extent permitted by law, partners who are creditors. Any surplus must be applied to pay in cash the net amount distributable to partners in accordance with their right to distributions under subsection 2.

2. Each partner is entitled to a settlement of all partnership accounts upon winding up the partnership business. In settling accounts among the partners, profits and losses that result from the liquidation of the partnership assets must be credited and charged to the partners' accounts. The partnership shall make a distribution to a partner in an amount equal to any excess of the credits over the charges in the partner's account. A partner shall contribute to the partnership an amount equal to any excess of the charges over the credits in the partner's account, but excluding from the calculation charges attributable to an obligation for which the partner is not personally liable under section 486A.306.

3. If a partner fails to contribute the full amount required under subsection 2, all of the other partners shall contribute, in the proportions in which those partners share partnership losses, the additional amount necessary to satisfy the partnership obligations for which they are personally liable under section 486A.306. A partner or partner's legal representative may recover from the other partners any contributions the partner makes to the extent the amount contributed exceeds that partner's share of the partnership obligations for which the partner is personally liable under section 486A.306.

4. After the settlement of accounts, each partner shall contribute, in the proportion in which the partner shares partnership losses, the amount necessary to satisfy partnership obligations that were not known at the time of the settlement and for which the partner is personally liable under section 486A.306.

5. The estate of a deceased partner is liable for the partner's obligation to contribute to the partnership.

6. An assignee for the benefit of creditors of a partnership or a partner, or a person appointed by a court to represent creditors of a partnership or a partner, may enforce a partner's obligation to contribute to the partnership.

98 Acts, ch 1201, §44, 79, 82

Referred to in §486A.701, 486A.803, 486A.906

## ARTICLE 9

## CONVERSIONS AND MERGERS

Referred to in §486A.702, 486A.703

**486A.901 Definitions.**

In this article:

1. *"General partner"* means a partner in a partnership and a general partner in a limited partnership.

2. *"Limited partner"* means a limited partner in a limited partnership.

3. *"Limited partnership"* means a limited partnership created under chapter 488, predecessor law, or comparable law of another jurisdiction.

4. *"Partner"* includes both a general partner and a limited partner.

98 Acts, ch 1201, §45, 79, 82; 2004 Acts, ch 1021, §111, 117, 118

**486A.902 Conversion of partnership to limited partnership.**

1. A partnership may be converted to a limited partnership pursuant to this section.

2. The terms and conditions of a conversion of a partnership to a limited partnership must be approved by all of the partners or by a number or percentage specified for conversion in the partnership agreement.

3. After the conversion is approved by the partners, the partnership shall file a certificate of limited partnership in the jurisdiction in which the limited partnership is to be formed. The certificate must include all of the following:

*a.* A statement that the partnership was converted to a limited partnership from a partnership.

*b.* Its former name.

*c.* A statement of the number of votes cast by the partners for and against the conversion and, if the vote is less than unanimous, the number or percentage required to approve the conversion under the partnership agreement.

4. The conversion takes effect when the certificate of limited partnership is filed or at any later date specified in the certificate.

5. A general partner who becomes a limited partner as a result of the conversion remains liable as a general partner for an obligation incurred by the partnership before the conversion takes effect. If the other party to a transaction with the limited partnership reasonably believes when entering the transaction that the limited partner is a general partner, the limited partner is liable for an obligation incurred by the limited partnership within ninety days after the conversion takes effect. The limited partner's liability for all other obligations of the limited partnership incurred after the conversion takes effect is that of a limited partner as provided in chapter 488.

98 Acts, ch 1201, §46, 79, 82; 2004 Acts, ch 1021, §112, 117, 118

**486A.903 Conversion of limited partnership to partnership.**

1. A limited partnership may be converted to a partnership pursuant to this section.

2. Notwithstanding a provision to the contrary in a limited partnership agreement, the terms and conditions of a conversion of a limited partnership to a partnership must be approved by all of the partners.

3. After the conversion is approved by the partners, the limited partnership shall cancel its certificate of limited partnership.

4. The conversion takes effect when the certificate of limited partnership is canceled.

5. A limited partner who becomes a general partner as a result of the conversion remains liable only as a limited partner for an obligation incurred by the limited partnership before the conversion takes effect. Except as otherwise provided in section 486A.306, the partner is liable as a general partner for an obligation of the partnership incurred after the conversion takes effect.

98 Acts, ch 1201, §47, 79, 82

**486A.904 Effect of conversion — entity unchanged.**

1. A partnership or limited partnership that has been converted pursuant to this article is for all purposes the same entity that existed before the conversion.

2. When a conversion takes effect all of the following apply:

*a.* All property owned by the converting partnership or limited partnership remains vested in the converted entity.

*b.* All obligations of the converting partnership or limited partnership continue as obligations of the converted entity.

*c.* An action or proceeding pending against the converting partnership or limited partnership may be continued as if the conversion had not occurred.

98 Acts, ch 1201, §48, 79, 82

**486A.905 Merger of partnerships.**

1. Pursuant to a plan of merger approved as provided in subsection 3, a partnership may be merged with one or more partnerships or limited partnerships.

2. The plan of merger must set forth all of the following:

*a.* The name of each partnership or limited partnership that is a party to the merger.

*b.* The name of the surviving entity into which the other partnerships or limited partnerships will merge.

*c.* Whether the surviving entity is a partnership or a limited partnership and the status of each partner.

*d.* The terms and conditions of the merger.

*e.* The manner and basis of converting the interests of each party to the merger into

interests or obligations of the surviving entity, or into money or other property in whole or part.

*f.* The street address of the surviving entity's chief executive office.

3. The plan of merger must be approved as follows:

*a.* In the case of a partnership that is a party to the merger, by all of the partners, or a number or percentage specified for merger in the partnership agreement.

*b.* In the case of a limited partnership that is a party to the merger, by the vote required for approval of a merger by the law of the state or foreign jurisdiction in which the limited partnership is organized and, in the absence of such a specifically applicable law, by all of the partners, notwithstanding a provision to the contrary in the partnership agreement.

4. After a plan of merger is approved and before the merger takes effect, the plan may be amended or abandoned as provided in the plan.

5. The merger takes effect on the later of any of the following:

*a.* The approval of the plan of merger by all parties to the merger, as provided in subsection 3.

*b.* The filing of all documents required by law to be filed as a condition to the effectiveness of the merger.

*c.* Any effective date specified in the plan of merger.

98 Acts, ch 1201, §49, 79, 82

**486A.906 Effect of merger.**

1. When a merger takes effect all of the following apply:

*a.* The separate existence of every partnership or limited partnership that is a party to the merger, other than the surviving entity, ceases.

*b.* All property owned by each of the merged partnerships or limited partnerships vests in the surviving entity.

*c.* All obligations of every partnership or limited partnership that is a party to the merger become the obligations of the surviving entity.

*d.* An action or proceeding pending against a partnership or limited partnership that is a party to the merger may be continued as if the merger had not occurred, or the surviving entity may be substituted as a party to the action or proceeding.

2. The secretary of state of this state is the agent for service of process in an action or proceeding against a surviving foreign partnership or limited partnership to enforce an obligation of a domestic partnership or limited partnership that is a party to a merger. The surviving entity shall promptly notify the secretary of state of the mailing address of its chief executive office and of any change of address. Upon receipt of process, the secretary of state shall mail a copy of the process to the surviving foreign partnership or limited partnership.

3. A partner of the surviving partnership or limited partnership is liable for all of the following:

*a.* All obligations of a party to the merger for which the partner was personally liable before the merger.

*b.* All other obligations of the surviving entity incurred before the merger by a party to the merger, but those obligations may be satisfied only out of property of the surviving entity.

*c.* Except as otherwise provided in section 486A.306, all obligations of the surviving entity incurred after the merger takes effect, but those obligations may be satisfied only out of property of the surviving entity if the partner is a limited partner.

4. If the obligations incurred before the merger by a party to the merger are not satisfied out of the property of the surviving partnership or limited partnership, the general partners of that party immediately before the effective date of the merger shall contribute the amount necessary to satisfy that party's obligations to the surviving entity, in the manner provided in section 486A.807 or in chapter 488 or under the law of the jurisdiction in which the party was formed, as the case may be, as if the merged party were dissolved.

5. A partner of a party to a merger who does not become a partner of the surviving partnership or limited partnership is dissociated from the entity, of which that partner was a partner, as of the date the merger takes effect. The surviving entity shall cause the partner's interest in the entity to be purchased under section 486A.701 or another statute specifically

applicable to that partner's interest with respect to a merger. The surviving entity is bound under section 486A.702 by an act of a general partner dissociated under this subsection, and the partner is liable under section 486A.703 for transactions entered into by the surviving entity after the merger takes effect.

98 Acts, ch 1201, §50, 79, 82; 99 Acts, ch 114, §40; 2004 Acts, ch 1021, §113, 117, 118

**486A.907 Statement of merger.**

1. After a merger, the surviving partnership or limited partnership may file a statement that one or more partnerships or limited partnerships have merged into the surviving entity.

2. A statement of merger must contain all of the following:

*a.* The name of each partnership or limited partnership that is a party to the merger.

*b.* The name of the surviving entity into which the other partnerships or limited partnership were merged.

*c.* The street address of the surviving entity's chief executive office and of an office in this state, if any.

*d.* Whether the surviving entity is a partnership or a limited partnership.

3. Except as otherwise provided in subsection 4, for the purposes of section 486A.302, property of the surviving partnership or limited partnership which before the merger was held in the name of another party to the merger is property held in the name of the surviving entity upon filing a statement of merger.

4. For the purposes of section 486A.302, real property of the surviving partnership or limited partnership which before the merger was held in the name of another party to the merger is property held in the name of the surviving entity upon recording a certified copy of the statement of merger in the office for recording transfers of that real property.

5. A filed and, if appropriate, recorded statement of merger, executed and declared to be accurate pursuant to section 486A.105, subsection 3, stating the name of a partnership or limited partnership that is a party to the merger in whose name property was held before the merger and the name of the surviving entity, but not containing all of the other information required by subsection 2, operates with respect to the partnerships or limited partnerships named to the extent provided in subsections 3 and 4.

98 Acts, ch 1201, §51, 79, 82

Referred to in §486A.101

**486A.908 Nonexclusive.**

This article is not exclusive. Partnerships or limited partnerships may be converted or merged in any other manner provided by law.

98 Acts, ch 1201, §52, 79, 82

## ARTICLE 10

## LIMITED LIABILITY PARTNERSHIP

**486A.1001 Statement of qualification.**

1. A partnership may become a limited liability partnership pursuant to this section.

2. The terms and conditions on which a partnership becomes a limited liability partnership must be approved by the vote necessary to amend the partnership agreement except, in the case of a partnership agreement that expressly considers obligations to contribute to the partnership, by the vote necessary to amend those provisions.

3. After the approval required by subsection 2, a partnership may become a limited liability partnership by filing a statement of qualification. The statement must contain all of the following:

*a.* The name of the partnership.

*b.* The street address of the partnership's chief executive office and, if different, the street address of an office in this state, if any.

*c.* The address of a registered office and the name and address of a registered agent for

service of process in this state, which the partnership is required to maintain as provided in section 486A.1211.

*d.* A statement that the partnership elects to be a limited liability partnership.

*e.* A deferred effective date, if any.

4. The statement shall be executed by one or more partners authorized to execute the statement on behalf of the partnership.

5. The status of a partnership as a limited liability partnership is effective on the later of the filing of the statement or a date specified in the statement. The status remains effective, regardless of changes in the partnership, until the statement is canceled pursuant to section 486A.105, subsection 4.

6. The status of a partnership as a limited liability partnership and the liability of its partners is not affected by errors or later changes in the information required to be contained in the statement of qualification under subsection 3.

7. The filing of a statement of qualification establishes that a partnership has satisfied all conditions precedent to the qualification of the partnership as a limited liability partnership.

8. An amendment or cancellation of a statement of qualification is effective when it is filed or on a deferred effective date specified in the amendment or cancellation.

98 Acts, ch 1201, §53, 79, 82

Referred to in §486A.101, 486A.201, 486A.306, 486A.1211, 488.108, 490.401, 504.401, 504.403

**486A.1002 Name.**

The name of a limited liability partnership must end with "Registered Limited Liability Partnership", "Limited Liability Partnership", "R.L.L.P.", "L.L.P.", "RLLP", or "LLP".

98 Acts, ch 1201, §54, 79, 82

Referred to in §488.108, 490.401, 504.401, 504.403

## ARTICLE 11

## FOREIGN LIMITED LIABILITY PARTNERSHIP

**486A.1101 Law governing foreign limited liability partnership.**

1. The law under which a foreign limited liability partnership is formed governs relations among the partners and between the partners and the partnership and the liability of partners for obligations of the partnership.

2. A foreign limited liability partnership may not be denied a statement of foreign qualification by reason of any difference between the law under which the partnership was formed and the law of this state.

3. A statement of foreign qualification does not authorize a foreign limited liability partnership to engage in any business or exercise any power that a partnership may not engage in or exercise in this state as a limited liability partnership.

98 Acts, ch 1201, §55, 79, 82

**486A.1102 Statement of foreign qualification.**

1. Before transacting business in this state, a foreign limited liability partnership must file a statement of foreign qualification. The statement must contain all of the following:

*a.* The name of the foreign limited liability partnership which satisfies the requirements of the state or other jurisdiction under whose law it is formed and ends with "Registered Limited Liability Partnership", "Limited Liability Partnership", "R.L.L.P.", "L.L.P.", "RLLP", or "LLP".

*b.* The street address of the partnership's chief executive office and, if different, the street address of an office of the partnership in this state, if any.

*c.* If there is no office of the partnership in this state, the name and street address of the partnership's agent for service of process.

*d.* A deferred effective date, if any.

2. The agent of a foreign limited liability partnership for service of process must be an

individual who is a resident of this state or other person authorized to do business in this state.

3. The status of a partnership as a foreign limited liability partnership is effective on the later of the filing of the statement of foreign qualification or a date specified in the statement. The status remains effective, regardless of changes in the partnership, until it is canceled pursuant to section 486A.105, subsection 4.

4. An amendment or cancellation of a statement of foreign qualification is effective when it is filed or on a deferred effective date specified in the amendment or cancellation.

98 Acts, ch 1201, §56, 79, 82; 2002 Acts, ch 1119, §178

Referred to in §486A.101

**486A.1103 Effect of failure to qualify.**

1. A foreign limited liability partnership transacting business in this state may not maintain an action or proceeding in this state unless it has in effect a statement of foreign qualification.

2. The failure of a foreign limited liability partnership to have in effect a statement of foreign qualification does not impair the validity of a contract or act of the foreign limited liability partnership or preclude it from defending an action or proceeding in this state.

3. A limitation on personal liability of a partner is not waived solely by transacting business in this state without a statement of foreign qualification.

4. If a foreign limited liability partnership transacts business in this state without a statement of foreign qualification, the secretary of state is its agent for service of process with respect to a right of action arising out of the transaction of business in this state.

98 Acts, ch 1201, §57, 79, 82

**486A.1104 Activities not constituting transacting business.**

1. Activities of a foreign limited liability partnership which do not constitute transacting business for the purpose of this article include all of the following:

*a.* Maintaining, defending, or settling an action or proceeding.

*b.* Holding meetings of its partners or carrying on any other activity concerning its internal affairs.

*c.* Maintaining bank accounts.

*d.* Maintaining offices or agencies for the transfer, exchange, and registration of the partnership's own securities or maintaining trustees or depositories with respect to those securities.

*e.* Selling through independent contracts.

*f.* Soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if the orders require acceptance outside this state before they become contracts.

*g.* Creating or acquiring indebtedness, with or without a mortgage, or other security interest in property.

*h.* Collecting debts or foreclosing mortgages or other security interests in property securing the debts, and holding, protecting, and maintaining property so acquired.

*i.* Conducting an isolated transaction that is completed within thirty days and is not one in the course of similar transactions.

*j.* Transacting business in interstate commerce.

2. For purposes of this article, the ownership in this state of income-producing real property or tangible personal property, other than property excluded under subsection 1, constitutes transacting business in this state.

3. This section does not apply in determining the contracts or activities that may subject a foreign limited liability partnership to service of process, taxation, or regulation under any other law of this state.

98 Acts, ch 1201, §58, 79, 82

**486A.1105 Action by attorney general.**

The attorney general may maintain an action to restrain a foreign limited liability partnership from transacting business in this state in violation of this article.

98 Acts, ch 1201, §59, 79, 82

## ARTICLE 12

## FILING PROVISIONS

**486A.1201 Filing requirements.**

1. A document shall satisfy the requirements of this section, and of any other section that adds to or varies these requirements, to be entitled to filing.

2. The document shall be filed in the office of the secretary of state.

3. The document shall contain the information required by this chapter. The document may contain other information as well.

4. The document shall be typewritten or printed. The typewritten or printed portion shall be black. Manually signed photocopies, or other reproduced copies, including facsimiles or other electronically or computer-generated copies of typewritten or printed documents may be filed.

5. The document shall be in the English language. A limited partnership name need not be in English if written in English letters or Arabic or Roman numerals.

6. Except as otherwise provided in this chapter, the document shall be executed by one of the following methods:

*a.* By two or more partners.

*b.* By a person authorized under this chapter, the partnership agreement, or other law to execute the document.

*c.* If the partnership is in the hands of a receiver, trustee, or other court-appointed fiduciary, by such receiver, trustee, or fiduciary.

*d.* If the document is that of a registered agent, by the registered agent, if the person is an individual, or by a person authorized by the registered agent to execute the document, if the registered agent is an entity.

7. The person executing the document shall sign it and state beneath or opposite the person's signature, the person's name and the capacity in which the person signs. The secretary of state may accept for filing a document containing a copy of a signature, however made.

8. If, pursuant to any provision of this chapter, the secretary of state has prescribed a mandatory form for the document, the document shall be in or on the prescribed form.

9. The document shall be delivered to the office of the secretary of state for filing and shall be accompanied by the correct filing fee.

10. The secretary of state may adopt rules for the electronic filing of documents and the certification of electronically filed documents.

98 Acts, ch 1201, §60, 79, 82

Referred to in §486A.1205

**486A.1202 Fees.**

1. The secretary of state shall collect fees for documents described in this subsection which are delivered to the secretary's office for filing as follows:

| DOCUMENT | FEE |
|---|---|
| *a.* Statement of qualification | $ 50 |
| *b.* Statement of foreign qualification | $100 |
| *c.* Amendment to statement of qualification | $ 20 |
| *d.* Amendment to statement of foreign qualification | $ 20 |

*e.* Cancellation of statement of qualification ..... $ 20
*f.* Cancellation of statement of foreign qualification ..... $ 20
*g.* Application for certificate of existence or qualification ..... $ 5
*h.* Any other statement or document required or permitted to be filed ..... $ 5

2. The secretary of state shall collect a fee of five dollars each time process is served on the secretary under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.

3. The secretary of state shall collect fees for copying and certifying the copy of any filed document relating to a domestic or foreign partnership as follows:

*a.* One dollar a page for copying.

*b.* Five dollars for the certificate.

98 Acts, ch 1201, §61, 79, 82

**486A.1203 Effective time and date of documents.**

1. Except as provided in subsection 2 and section 486A.1204, subsection 3, a document accepted for filing is effective at the later of the following:

*a.* At the time of filing on the date it is filed, as evidenced by the secretary of state's date and time endorsement on the original document.

*b.* At the time specified in the document as its effective time on the date it is filed.

2. A document may specify a delayed effective time and date, and if it does so the document becomes effective at the time and date specified. If a delayed effective date but no time is specified, the document is effective at the close of business on that date. A delayed effective date for a document shall not be later than the ninetieth day after the date it is filed.

98 Acts, ch 1201, §62, 79, 82

**486A.1204 Correcting filed documents.**

1. A partnership may correct a document filed by the secretary of state if the document satisfies one or both of the following:

*a.* The document contains an incorrect statement.

*b.* The document was defectively executed, attested, sealed, verified, or acknowledged.

2. A document is corrected by complying with both of the following:

*a.* By preparing a statement of correction that satisfies all of the following:

(1) The statement describes the document, including its filing date, or a copy of the document is attached to the statement.

(2) The statement specifies the incorrect statement and the reason it is incorrect or the manner in which the execution was defective.

(3) The statement corrects the incorrect statement or defective execution.

*b.* By delivering the statement to the secretary of state for filing.

3. Statements of corrections are effective on the effective date of the document they correct except as to persons relying on the uncorrected document and adversely affected by the correction. As to those persons, statements of correction are effective when filed.

98 Acts, ch 1201, §63, 79, 82

Referred to in §486A.1203

**486A.1205 Filing duty of secretary of state.**

1. If a document delivered to the office of the secretary of state for filing satisfies the requirements of section 486A.1201, the secretary of state shall file it and issue any necessary certificate.

2. The secretary of state files a document by stamping or otherwise endorsing "filed", together with the secretary of state's name and official title and the date and time of receipt, on both the document and the receipt for the filing fee. After filing a document, and except

as provided in sections 486A.304 and 486A.1213, the secretary of state shall deliver the document, with the filing fee receipt, or acknowledgment of receipt if no fee is required, attached, to the domestic or foreign partnership or its representative.

3. If the secretary of state refuses to file a document, the secretary of state shall return it to the domestic or foreign partnership or its representative within ten days after the document was received by the secretary of state, together with a brief, written explanation of the reason for the refusal.

4. The secretary of state's duty to file documents under this section is ministerial. Filing or refusing to file a document does not do any of the following:

*a.* Affect the validity or invalidity of the document in whole or part.

*b.* Relate to the correctness or incorrectness of information contained in the document.

*c.* Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

98 Acts, ch 1201, §64, 79, 82

**486A.1206 Appeal from secretary of state's refusal to file document.**

1. If the secretary of state refuses to file a document delivered to the secretary of state's office for filing, the domestic or foreign partnership may appeal the refusal, within thirty days after the return of the document, to the district court for the county in which the partnership's principal office is located or, if none is located in this state, for the county in which its registered office is or will be located. The appeal is commenced by petitioning the court to compel filing the document and by attaching to the petition the document and the secretary of state's explanation of the refusal to file.

2. The court may summarily order the secretary of state to file the document or take other action the court considers appropriate.

3. The court's final decision may be appealed as in other civil proceedings.

98 Acts, ch 1201, §65, 79, 82

**486A.1207 Evidentiary effect of copy of filed document.**

A certificate attached to a copy of a document filed by the secretary of state, bearing the secretary of state's signature, which may be in facsimile, and the seal of the secretary of state, is conclusive evidence that the original document is on file with the secretary of state.

98 Acts, ch 1201, §66, 79, 82

**486A.1208 Certificates issued by secretary of state.**

1. The secretary of state shall issue to any person, upon request, a certificate that sets forth any facts recorded in the office of the secretary of state.

2. A certificate issued by the secretary of state may be relied upon, subject to any qualification stated in the certificate, as prima facie evidence of the facts set forth in the certificate.

98 Acts, ch 1201, §67, 79, 82

**486A.1209 Penalty for signing false document.**

1. A person commits an offense if that person signs a document the person knows is false in any material respect with intent that the document be delivered to the secretary of state for filing.

2. An offense under this section is a serious misdemeanor punishable by a fine not to exceed one thousand dollars.

98 Acts, ch 1201, §68, 79, 82

**486A.1210 Secretary of state powers.**

The secretary of state has the power reasonably necessary to perform the duties required of the secretary of state by this chapter.

98 Acts, ch 1201, §69, 79, 82

**486A.1211 Registered office and registered agent.**

Each partnership that is qualified under section 486A.1001 shall continuously maintain in this state the following:

1. A registered office.

2. A registered agent, who is one of the following:

*a.* An individual who resides in this state and whose business office is identical with the registered office.

*b.* A domestic corporation whose business office is identical with the registered office.

*c.* A foreign corporation authorized to transact business in this state whose business office is identical with the registered office.

98 Acts, ch 1201, §70, 79, 82

Referred to in §486A.1001

**486A.1212 Change of registered office or registered agent.**

1. A partnership may change its registered office or registered agent by delivering to the secretary of state for filing a statement of change that sets forth all of the following:

*a.* The name of the partnership.

*b.* The street address of its current registered office.

*c.* If the registered office is to be changed, the street address of the new registered office.

*d.* The name of its current registered agent.

*e.* If the registered agent is to be changed, the name of the new registered agent and the new registered agent's written consent to the appointment, either on the statement of change or in an accompanying document.

*f.* That, after the change or changes are made, the street addresses of its registered office and of the business office of its registered agent will be identical.

2. If a registered agent changes the street address of the registered agent's business office, the registered agent may change the street address of the registered office of any partnership for which the registered agent is the registered agent by giving written notice to the partnership of the change and executing, either manually or in facsimile, and delivering to the secretary of state for filing a statement of change that complies with the requirements of subsection 1 and recites that notice of the change has been given to the partnership.

98 Acts, ch 1201, §71, 79, 82

**486A.1213 Resignation of registered agent.**

1. The registered agent of a partnership may resign the agency by delivering to the secretary of state for filing a statement of resignation, which shall be accompanied by two exact or conformed copies of such statement. The statement of resignation may include a statement that the registered office is also discontinued.

2. After filing the statement of resignation, the secretary of state shall deliver one copy to the registered office of the partnership and the other copy to the chief executive office of the partnership.

3. The agency appointment is terminated, and the registered office discontinued if so provided, on the thirty-first day after the date on which the statement of resignation was filed.

98 Acts, ch 1201, §72, 79, 82

Referred to in §486A.1205

**486A.1214 Service on partnership.**

1. A partnership's registered agent is the partnership's agent for service of any process, notice, or demand required or permitted by law to be served on the partnership.

2. If a partnership has no registered agent, or the registered agent cannot with reasonable diligence be served, the partnership may be served by registered or certified mail, return receipt requested, addressed to the partnership at its chief executive office. Service is perfected under this subsection at the earliest of the following:

*a.* The date the partnership receives the process, notice, or demand.

*b.* The date shown on the return receipt, if signed on behalf of the partnership.

*c.* Five days after mailing.

3. This section does not prescribe the only means, or necessarily the required means, of serving a partnership.
98 Acts, ch 1201, §73, 79, 82

ARTICLE 13

MISCELLANEOUS PROVISIONS

**486A.1301 Uniformity of application and construction.**
This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it.
98 Acts, ch 1201, §74, 79, 82

**486A.1302 Short title.**
This chapter may be cited as the *"Uniform Partnership Act"*.
98 Acts, ch 1201, §75, 79, 82

# CHAPTER 487

## UNIFORM LIMITED PARTNERSHIP LAW

Repealed by its own terms effective January 1, 2006;
2004 Acts, ch 1021, §114; see chapter 488

# CHAPTER 488

## UNIFORM LIMITED PARTNERSHIP ACT

Referred to in §9H.1, 10B.1, 486A.901, 486A.902, 486A.906, 501A.102, 547.1, 558.72, 669.14

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## ARTICLE 1

## GENERAL PROVISIONS

**488.101 Short title.**

This chapter may be cited as the "*Uniform Limited Partnership Act*".

2004 Acts, ch 1021, §1, 118

**488.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "*Certificate of limited partnership*" means the certificate required by section 488.201. The term includes the certificate as amended or restated.

2. "*Contribution*", except in the phrase "*right of contribution*", means any benefit provided by a person to a limited partnership in order to become a partner or in the person's capacity as a partner.

3. "*Debtor in bankruptcy*" means a person that is the subject of either of the following:

*a.* An order for relief under Tit. 11 of the United States Code or a comparable order under a successor statute of general application.

*b.* A comparable order under federal, state, or foreign law governing insolvency.

4. "*Deliver*", "*delivery*", or "*delivered*" means any method of delivery used in conventional commercial practice, including delivery in person, by mail, commercial delivery, and electronic transmission.

5. "*Designated office*" means:

*a.* With respect to a limited partnership, the office that the limited partnership is required to designate and maintain under section 488.114.

*b.* With respect to a foreign limited partnership, its principal office.

6. "*Distribution*" means a transfer of money or other property from a limited partnership to a partner in the partner's capacity as a partner or to a transferee on account of a transferable interest owned by the transferee.

7. "*Electronic transmission*" or "*electronically transmitted*" means any process of

communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient.

8. *"Foreign limited liability limited partnership"* means a foreign limited partnership whose general partners have limited liability for the obligations of the foreign limited partnership under a provision similar to section 488.404, subsection 3.

9. *"Foreign limited partnership"* means a partnership formed under the laws of a jurisdiction other than Iowa and required by those laws to have one or more general partners and one or more limited partners. The term includes a foreign limited liability limited partnership.

10. *"General partner"* means:

*a.* With respect to a limited partnership, a person that is either of the following:

(1) A person that becomes a general partner under section 488.401.

(2) A person that was a general partner in a limited partnership when the limited partnership became subject to this chapter under section 488.1204, subsection 1 or 2.

*b.* With respect to a foreign limited partnership, a person that has rights, powers, and obligations similar to those of a general partner in a limited partnership.

11. *"Limited liability limited partnership"*, except in the phrase *"foreign limited liability limited partnership"*, means a limited partnership whose certificate of limited partnership states that the limited partnership is a limited liability limited partnership.

12. *"Limited partner"* means:

*a.* With respect to a limited partnership, a person that is either of the following:

(1) A person that becomes a limited partner under section 488.301.

(2) A person that was a limited partner in a limited partnership when the limited partnership became subject to this chapter under section 488.1204, subsection 1 or 2.

*b.* With respect to a foreign limited partnership, a person that has rights, powers, and obligations similar to those of a limited partner in a limited partnership.

13. *"Limited partnership"*, except in the phrases *"foreign limited partnership"* and *"foreign limited liability limited partnership"*, means an entity, having one or more general partners and one or more limited partners, which is formed under this chapter by two or more persons or becomes subject to this chapter under article 11 or section 488.1204, subsection 1 or 2. The term includes a limited liability limited partnership.

14. *"Partner"* means a limited partner or general partner.

15. *"Partnership agreement"* means the partners' agreement, whether oral, implied, in a record, or in any combination, concerning the limited partnership. The term includes the agreement as amended.

16. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, or government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.

17. *"Person dissociated as a general partner"* means a person dissociated as a general partner of a limited partnership.

18. *"Principal office"* means the office where the principal executive office of a limited partnership or foreign limited partnership is located, whether or not the office is located in this state.

19. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

20. *"Required information"* means the information that a limited partnership is required to maintain under section 488.111.

21. *"Sign"* means either of the following:

*a.* To execute or adopt a tangible symbol with the present intent to authenticate a record.

*b.* To attach or logically associate an electronic symbol, sound, or process to or with a record with the present intent to authenticate the record.

22. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

23. *"Transfer"* includes an assignment, conveyance, deed, bill of sale, lease, mortgage, security interest, encumbrance, gift, and transfer by operation of law.

24. *"Transferable interest"* means a partner's right to receive distributions.

25. *"Transferee"* means a person to which all or part of a transferable interest has been transferred, whether or not the transferor is a partner.

2004 Acts, ch 1021, §2, 118; 2004 Acts, ch 1175, §373 – 375; 2010 Acts, ch 1061, §180
Referred to in §9H.1, 10B.1

**488.103 Knowledge and notice.**

1. A person knows a fact if the person has actual knowledge of it.

2. A person has notice of a fact if any of the following apply:

*a.* The person knows of it.

*b.* The person has received a notification of it.

*c.* The person has reason to know it exists from all of the facts known to the person at the time in question.

*d.* The person has notice of it under subsection 3 or 4.

3. A certificate of limited partnership on file in the office of the secretary of state is notice that the partnership is a limited partnership and the persons designated in the certificate as general partners are general partners. Except as otherwise provided in subsection 4, the certificate is not notice of any other fact.

4. A person has notice of any of the following:

*a.* Another person's dissociation as a general partner, ninety days after the effective date of an amendment to the certificate of limited partnership which states that the other person has dissociated, or ninety days after the effective date of a statement of dissociation pertaining to the other person, whichever occurs first.

*b.* A limited partnership's dissolution, ninety days after the effective date of an amendment to the certificate of limited partnership stating that the limited partnership is dissolved.

*c.* A limited partnership's termination, ninety days after the effective date of a statement of termination.

*d.* A limited partnership's conversion under article 11, ninety days after the effective date of the articles of conversion.

*e.* A merger under article 11, ninety days after the effective date of the articles of merger.

5. A person notifies or gives a notification to another person by taking steps reasonably required to inform the other person in ordinary course, whether or not the other person learns of it.

6. A person receives a notification when either of the following applies:

*a.* Notification comes to the person's attention.

*b.* Notification is delivered at the person's place of business or at any other place held out by the person as a place for receiving communications.

7. Except as otherwise provided in subsection 8, a person other than an individual knows, has notice, or receives a notification of a fact for purposes of a particular transaction when the individual conducting the transaction for the person knows, has notice, or receives a notification of the fact, or in any event when the fact would have been brought to the individual's attention if the person had exercised reasonable diligence. A person other than an individual exercises reasonable diligence if the person maintains reasonable routines for communicating significant information to the individual conducting the transaction for the person and there is reasonable compliance with the routines. Reasonable diligence does not require an individual acting for the person to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.

8. A general partner's knowledge, notice, or receipt of a notification of a fact relating to the limited partnership is effective immediately as knowledge of, notice to, or receipt of a notification by the limited partnership, except in the case of a fraud on the limited partnership committed by or with the consent of the general partner. A limited partner's knowledge,

notice, or receipt of a notification of a fact relating to the limited partnership is not effective as knowledge of, notice to, or receipt of a notification by the limited partnership.

2004 Acts, ch 1021, §3, 118

Referred to in §488.207, 488.402

**488.104 Nature, purpose, and duration of entity.**

1. A limited partnership is an entity distinct from its partners. A limited partnership is the same entity regardless of whether its certificate states that the limited partnership is a limited liability limited partnership.

2. A limited partnership may be organized under this chapter for any lawful purpose.

3. A limited partnership has a perpetual duration.

2004 Acts, ch 1021, §4, 118

Referred to in §488.1204

**488.105 Powers.**

A limited partnership has the powers to do all things necessary or convenient to carry on its activities, including the power to sue, be sued, and defend in its own name and to maintain an action against a partner for harm caused to the limited partnership by a breach of the partnership agreement or violation of a duty to the partnership.

2004 Acts, ch 1021, §5, 118

Referred to in §488.110

**488.106 Governing law.**

The law of this state governs relations among the partners of a limited partnership and between the partners and the limited partnership and the liability of partners as partners for an obligation of the limited partnership.

2004 Acts, ch 1021, §6, 118

Referred to in §488.110

**488.107 Supplemental principles of law — rate of interest.**

1. Unless displaced by particular provisions of this chapter, the principles of law and equity supplement this chapter.

2. If an obligation to pay interest arises under this chapter and the rate is not specified, the rate shall be set according to the provisions of section 535.3.

2004 Acts, ch 1021, §7, 118

**488.108 Name.**

1. The name of a limited partnership may contain the name of any partner.

2. The name of a limited partnership that is not a limited liability limited partnership must contain the phrase "limited partnership" or the abbreviation "L. P." or "LP" and must not contain the phrase "limited liability limited partnership" or the abbreviation "LLLP" or "L. L. L. P.".

3. The name of a limited liability limited partnership must contain the phrase "limited liability limited partnership" or the abbreviation "LLLP" or "L. L. L. P." and must not contain the abbreviation "LP" or "L. P.".

4. Unless authorized by subsection 5, the name of a limited partnership must be distinguishable in the records of the secretary of state from all of the following:

*a.* The name of each person other than an individual incorporated, organized, or authorized to transact business in this state.

*b.* A name reserved, registered, or protected as follows:

(1) For a limited liability partnership, section 486A.1001 or 486A.1002.

(2) For a limited partnership, this section, section 488.109, or section 488.810.

(3) For a business corporation, section 490.401, 490.402, 490.403, or 490.1422.

(4) For a limited liability company under chapter 489, section 489.108, 489.109, or 489.706.

(5) For a nonprofit corporation, section 504.401, 504.402, 504.403, or 504.1423.

5. A limited partnership may apply to the secretary of state for authorization to use a name

that does not comply with subsection 4. The secretary of state shall authorize use of the name applied for if, as to each conflicting name, at least one of the following applies:

*a.* The present user, registrant, or owner of the conflicting name consents in a signed record to the use and submits an undertaking in a form satisfactory to the secretary of state to change the conflicting name to a name that complies with subsection 4 and is distinguishable in the records of the secretary of state from the name applied for.

*b.* The applicant delivers to the secretary of state a certified copy of the final judgment of a court of competent jurisdiction establishing the applicant's right to use the name applied for in this state.

*c.* The applicant delivers to the secretary of state proof satisfactory to the secretary of state that at least one of the following applies to the present user, registrant, or owner of the conflicting name:

(1) The present user, registrant, or owner of the conflicting name has merged into the applicant.

(2) The present user, registrant, or owner of the conflicting name has been converted into the applicant.

(3) The present user, registrant, or owner of the conflicting name has transferred substantially all of its assets, including the conflicting name, to the applicant.

6. Subject to section 488.905, this section applies to any foreign limited partnership transacting business in this state, having a certificate of authority to transact business in this state, or applying for a certificate of authority.

7. This chapter does not control the use of fictitious names. However, a limited partnership which uses a fictitious name in this state shall deliver to the secretary of state for filing a copy of the resolution of the limited partnership certified by its general partners, adopting the fictitious name.

2004 Acts, ch 1021, §8, 118; 2004 Acts, ch 1049, §191; 2005 Acts, ch 4, §1; 2005 Acts, ch 19, §70; 2006 Acts, ch 1089, §1; 2008 Acts, ch 1162, §137, 154, 155

Referred to in §488.109, 488.201, 488.810, 488.902, 488.905, 490.401, 504.401, 504.403

**488.109 Reservation of name.**

1. The exclusive right to the use of a name that complies with section 488.108 may be reserved by any of the following:

*a.* A person intending to organize a limited partnership under this chapter and to adopt the name.

*b.* A limited partnership or a foreign limited partnership authorized to transact business in this state intending to adopt the name.

*c.* A foreign limited partnership intending to obtain a certificate of authority to transact business in this state and adopt the name.

*d.* A person intending to organize a foreign limited partnership and intending to have it obtain a certificate of authority to transact business in this state and adopt the name.

*e.* A foreign limited partnership formed under the name.

*f.* A foreign limited partnership formed under a name that does not comply with section 488.108, subsection 2 or 3, but the name reserved under this paragraph may differ from the foreign limited partnership's name only to the extent necessary to comply with section 488.108, subsections 2 and 3.

2. A person may apply to reserve a name under subsection 1 by delivering to the secretary of state for filing an application that states the name to be reserved and the paragraph of subsection 1 that applies. If the secretary of state finds that the name is available for use by the applicant, the secretary of state shall file a statement of name reservation and reserve the name for the exclusive use of the applicant for a nonrenewable period of one hundred twenty days.

3. A person that has reserved a name under this section may deliver to the secretary of state for filing a notice of transfer that states the reserved name, the name and street and mailing address of some other person to which the reservation is to be transferred, and the

paragraph of subsection 1 which applies to the other person. Subject to section 488.206, subsection 3, the transfer is effective when the secretary of state files the notice of transfer.

2004 Acts, ch 1021, §9, 118

Referred to in §488.108, 490.401, 504.401, 504.403

**488.110 Effect of partnership agreement — nonwaivable provisions.**

1. Except as otherwise provided in subsection 2, the partnership agreement governs relations among the partners and between the partners and the partnership. To the extent the partnership agreement does not otherwise provide, this chapter governs relations among the partners and between the partners and the partnership.

2. A partnership agreement shall not do any of the following:

*a.* Vary a limited partnership's power under section 488.105 to sue, be sued, and defend in its own name.

*b.* Vary the law applicable to a limited partnership under section 488.106.

*c.* Vary the requirements of section 488.204.

*d.* Vary the information required under section 488.111 or unreasonably restrict the right to information under section 488.304 or 488.407, but the partnership agreement may impose reasonable restrictions on the availability and use of information obtained under those sections and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use.

*e.* Eliminate the duty of loyalty under section 488.408, but the partnership agreement may do any of the following:

(1) Identify specific types or categories of activities that do not violate the duty of loyalty, if not manifestly unreasonable.

(2) Specify the number or percentage of partners which may authorize or ratify, after full disclosure to all partners of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty.

*f.* Unreasonably reduce the duty of care under section 488.408, subsection 3.

*g.* Eliminate the obligation of good faith and fair dealing under section 488.305, subsection 2, and section 488.408, subsection 4, but the partnership agreement may prescribe the standards by which the performance of the obligation is to be measured, if the standards are not manifestly unreasonable.

*h.* Vary the power of a person to dissociate as a general partner under section 488.604, subsection 1, except to require that the notice under section 488.603, subsection 1, be in a record.

*i.* Vary the power of a court to decree dissolution in the circumstances specified in section 488.802.

*j.* Vary the requirement to wind up the partnership's business as specified in section 488.803.

*k.* Unreasonably restrict the right to maintain an action under article 10.

*l.* Restrict the right of a partner under section 488.1110, subsection 1, to approve a conversion or merger, or the right of a general partner under section 488.1110, subsection 2, to consent to an amendment to the certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership.

*m.* Restrict rights under this chapter of a person other than a partner or a transferee.

2004 Acts, ch 1021, §10, 118

Referred to in §488.201

**488.111 Required information.**

A limited partnership shall maintain at its designated office all of the following information:

1. A current list showing the full name and last known street and mailing address of each partner, separately identifying the general partners, in alphabetical order, and the limited partners, in alphabetical order.

2. A copy of the initial certificate of limited partnership and all amendments to and restatements of the certificate, together with signed copies of any powers of attorney under which any certificate, amendment, or restatement has been signed.

3. A copy of any filed articles of conversion or merger.

4. A copy of the limited partnership's federal, state, and local income tax returns and reports, if any, for the three most recent years.

5. A copy of any partnership agreement made in a record and any amendment made in a record to any partnership agreement.

6. A copy of any financial statement of the limited partnership for the three most recent years.

7. A copy of the three most recent biennial reports delivered by the limited partnership to the secretary of state pursuant to section 488.210.

8. A copy of any record made by the limited partnership during the past three years of any consent given by or vote taken of any partner pursuant to this chapter or the partnership agreement.

9. Unless contained in a partnership agreement made in a record, a record stating all of the following:

*a.* The amount of cash, and a description and statement of the agreed value of the other benefits, contributed and agreed to be contributed by each partner.

*b.* The times at which, or events on the happening of which, any additional contributions agreed to be made by each partner are to be made.

*c.* For any person that is both a general partner and a limited partner, a specification of what transferable interest the person owns in each capacity.

*d.* Any events upon the happening of which the limited partnership is to be dissolved and its activities wound up.

2004 Acts, ch 1021, §11, 118

Referred to in §488.102, 488.110

**488.112 Business transactions of partner with partnership.**

A partner may lend money to and transact other business with the limited partnership and has the same rights and obligations with respect to the loan or other transaction as a person that is not a partner.

2004 Acts, ch 1021, §12, 118

**488.113 Dual capacity.**

A person may be both a general partner and a limited partner. A person that is both a general and limited partner has the rights, powers, duties, and obligations provided by this chapter and the partnership agreement in each of those capacities. When the person acts as a general partner, the person is subject to the obligations, duties, and restrictions under this chapter and the partnership agreement for general partners. When the person acts as a limited partner, the person is subject to the obligations, duties, and restrictions under this chapter and the partnership agreement for limited partners.

2004 Acts, ch 1021, §13, 118

**488.114 Office and agent for service of process.**

1. A limited partnership shall designate and continuously maintain in this state both of the following:

*a.* An office, which need not be a place of its activity in this state.

*b.* An agent for service of process.

2. A foreign limited partnership shall designate and continuously maintain in this state an agent for service of process.

3. An agent for service of process of a limited partnership or foreign limited partnership must be an individual who is a resident of Iowa or other person authorized to do business in this state.

2004 Acts, ch 1021, §14, 118

Referred to in §488.102, 488.802, 488.803, 488.807A, 488.906

**488.115 Change of designated office or agent for service of process.**

1. In order to change its designated office, agent for service of process, or the address

of its agent for service of process, a limited partnership or a foreign limited partnership may deliver to the secretary of state for filing a statement of change containing all of the following:

*a.* The name of the limited partnership or foreign limited partnership.

*b.* The street and mailing address of its current designated office.

*c.* If the current designated office is to be changed, the street and mailing address of the new designated office.

*d.* The name and street and mailing address of its current agent for service of process.

*e.* If the current agent for service of process or an address of the agent is to be changed, the new information.

2. Subject to section 488.206, subsection 3, a statement of change is effective when filed by the secretary of state.

2004 Acts, ch 1021, §15, 118

Referred to in §488.202, 488.208, 488.210, 488.906

**488.116 Resignation of agent for service of process.**

1. In order to resign as an agent for service of process of a limited partnership or foreign limited partnership, the agent must deliver to the secretary of state for filing a statement of resignation containing the name of the limited partnership or foreign limited partnership.

2. After receiving a statement of resignation, the secretary of state shall file it and mail a copy to the designated office of the limited partnership or foreign limited partnership and another copy to the principal office if the address of the office appears in the records of the secretary of state and is different from the address of the designated office.

3. An agency for service of process is terminated on the date on which the statement of resignation was filed with the secretary of state.

2004 Acts, ch 1021, §16, 118

Referred to in §488.206

**488.117 Service of process.**

1. An agent for service of process appointed by a limited partnership or foreign limited partnership is an agent of the limited partnership or foreign limited partnership for service of any process, notice, or demand required or permitted by law to be served upon the limited partnership or foreign limited partnership.

2. If a limited partnership or foreign limited partnership does not appoint or maintain an agent for service of process in this state or the agent for service of process cannot with reasonable diligence be found at the agent's address, the secretary of state is an agent of the limited partnership or foreign limited partnership upon whom process, notice, or demand may be served.

3. Service of any process, notice, or demand on the secretary of state may be made by delivering to and leaving with the secretary of state duplicate copies of the process, notice, or demand. If a process, notice, or demand is served on the secretary of state, the secretary of state shall forward one of the copies by certified mail or restricted certified mail to the limited partnership or foreign limited partnership at its designated office.

4. Service is effected under subsection 3 at the earliest of any of the following:

*a.* The date the limited partnership or foreign limited partnership receives the process, notice, or demand.

*b.* The date shown on the return receipt, if signed on behalf of the limited partnership or foreign limited partnership.

*c.* Five days after the process, notice, or demand is deposited in the mail, if mailed postpaid and correctly addressed.

5. The secretary of state shall keep a record of each process, notice, and demand served pursuant to this section and record the time of, and the action taken regarding, the service.

6. This section does not affect the right to serve process, notice, or demand in any other manner provided by law.

2004 Acts, ch 1021, §17, 118

Referred to in §488.1105, 488.1109

**488.118 Consent and proxies of partners.**

Action requiring the consent of partners under this chapter may be taken without a meeting, and a partner may appoint a proxy to consent or otherwise act for the partner by signing an appointment record, either personally or by the partner's attorney in fact.

2004 Acts, ch 1021, §18, 118

## ARTICLE 2

## FORMATION — CERTIFICATE OF LIMITED PARTNERSHIP AND OTHER FILINGS

**488.201 Formation of limited partnership — certificate of limited partnership.**

1. In order for a limited partnership to be formed, a certificate of limited partnership must be delivered to the secretary of state for filing. The certificate must state all of the following:

*a.* The name of the limited partnership, which must comply with section 488.108.

*b.* The street and mailing address of the initial designated office and the name and street and mailing address of the initial agent for service of process.

*c.* The name and the street and mailing address of each general partner.

*d.* Whether the limited partnership is a limited liability limited partnership.

*e.* Any additional information required by article 11.

2. A certificate of limited partnership may also contain any other matters but shall not vary or otherwise affect the provisions specified in section 488.110, subsection 2, in a manner inconsistent with that subsection.

3. If there has been substantial compliance with subsection 1, subject to section 488.206, subsection 3, a limited partnership is formed when the secretary of state files the certificate of limited partnership. The secretary of state's filing of the certificate is conclusive proof that all conditions precedent to formation of the limited partnership have been satisfied except in a proceeding by the state to cancel or revoke the certificate or involuntarily dissolve the limited partnership.

4. Subject to subsection 2, if any provision of a partnership agreement is inconsistent with the filed certificate of limited partnership or with a filed statement of dissociation, termination, or change or filed articles of conversion or merger, all of the following apply:

*a.* The partnership agreement prevails as to partners and transferees.

*b.* The filed certificate of limited partnership, statement of dissociation, termination, or change or articles of conversion or merger prevail as to persons, other than partners and transferees, that reasonably rely on the filed record to their detriment.

2004 Acts, ch 1021, §19, 118

Referred to in §488.102, 488.1104, 488.1204, 633A.4606

**488.202 Amendment or restatement of certificate.**

1. In order to amend its certificate of limited partnership, a limited partnership must deliver to the secretary of state for filing an amendment or, pursuant to article 11, articles of merger stating all of the following:

*a.* The name of the limited partnership.

*b.* The date of filing of its initial certificate.

*c.* The changes the amendment makes to the certificate as most recently amended or restated.

2. A limited partnership shall promptly deliver to the secretary of state for filing an amendment to a certificate of limited partnership to reflect any of the following:

*a.* The admission of a new general partner.

*b.* The dissociation of a person as a general partner.

*c.* The appointment of a person to wind up the limited partnership's activities under section 488.803, subsection 3 or 4.

3. A general partner that knows that any information in a filed certificate of limited

partnership was false when the certificate was filed or has become false due to changed circumstances shall promptly do at least one of the following:

*a.* Cause the certificate to be amended.

*b.* If appropriate, deliver to the secretary of state for filing a statement of change pursuant to section 488.115 or a statement of correction pursuant to section 488.207.

4. A certificate of limited partnership may be amended at any time for any other proper purpose as determined by the limited partnership.

5. A restated certificate of limited partnership may be delivered to the secretary of state for filing in the same manner as an amendment.

6. Subject to section 488.206, subsection 3, an amendment or restated certificate is effective when filed by the secretary of state.

2004 Acts, ch 1021, §20, 118; 2004 Acts, ch 1175, §376
Referred to in §488.208

**488.203 Statement of termination.**

A dissolved limited partnership that has completed winding up may deliver to the secretary of state for filing a statement of termination that states all of the following:

1. The name of the limited partnership.

2. The date of filing of its initial certificate of limited partnership.

3. Any other information as determined by the general partners filing the statement or by a person appointed pursuant to section 488.803, subsection 3 or 4.

2004 Acts, ch 1021, §21, 118
Referred to in §488.803

**488.204 Signing of records.**

1. Each record delivered to the secretary of state for filing pursuant to this chapter must be signed in the following manner:

*a.* An initial certificate of limited partnership must be signed by all general partners listed in the certificate.

*b.* An amendment adding or deleting a statement that the limited partnership is a limited liability limited partnership must be signed by all general partners listed in the certificate.

*c.* An amendment designating as general partner a person admitted under section 488.801, subsection 3, paragraph "*b*", following the dissociation of a limited partnership's last general partner must be signed by the new general partner.

*d.* An amendment required by section 488.803, subsection 3, following the appointment of a person to wind up the dissolved limited partnership's activities must be signed by that person.

*e.* Any other amendment must be signed by all of the following:

(1) At least one general partner listed in the certificate.

(2) Each other person designated in the amendment as a new general partner.

(3) Each person that the amendment indicates has dissociated as a general partner, unless any of the following applies:

(a) The person is deceased or a guardian or general conservator has been appointed for the person and the amendment so states.

(b) The person has previously delivered to the secretary of state for filing a statement of dissociation.

*f.* A restated certificate of limited partnership must be signed by at least one general partner listed in the certificate, and, to the extent the restated certificate effects a change under any other paragraph of this subsection, the certificate must be signed in a manner that satisfies that paragraph.

*g.* A statement of termination must be signed by all general partners listed in the certificate or, if the certificate of a dissolved limited partnership lists no general partners, by the person appointed pursuant to section 488.803, subsection 3 or 4, to wind up the dissolved limited partnership's activities.

*h.* Articles of conversion must be signed by each general partner listed in the certificate of limited partnership.

*i.* Articles of merger must be signed as provided in section 488.1108, subsection 1.

*j.* Any other record delivered on behalf of a limited partnership to the secretary of state for filing must be signed by at least one general partner listed in the certificate.

*k.* A statement by a person pursuant to section 488.605, subsection 1, paragraph *"d"*, stating that the person has dissociated as a general partner must be signed by that person.

*l.* A statement of withdrawal by a person pursuant to section 488.306 must be signed by that person.

*m.* A record delivered on behalf of a foreign limited partnership to the secretary of state for filing must be signed by at least one general partner of the foreign limited partnership.

*n.* Any other record delivered on behalf of any person to the secretary of state for filing must be signed by that person.

2. Any person may sign by an attorney in fact any record to be filed pursuant to this chapter.

2004 Acts, ch 1021, §22, 118

Referred to in §488.110

**488.205 Signing and filing pursuant to judicial order.**

1. If a person required by this chapter to sign a record or deliver a record to the secretary of state for filing does not do so, any other person that is aggrieved may petition the appropriate court to order any of the following:

*a.* The person to sign the record.

*b.* The person to deliver the record to the secretary of state for filing.

*c.* The secretary of state to file the record unsigned.

2. If the person aggrieved under subsection 1 is not the limited partnership or foreign limited partnership to which the record pertains, the aggrieved person shall make the limited partnership or foreign limited partnership a party to the action. A person aggrieved under subsection 1 may seek the remedies provided in subsection 1 in the same action in combination or in the alternative.

3. A record filed unsigned pursuant to this section is effective without being signed.

2004 Acts, ch 1021, §23, 118

Referred to in §488.208

**488.206 Delivery to and filing of records by secretary of state — effective time and date.**

1. A record authorized or required to be delivered to the secretary of state for filing under this chapter must be captioned to describe the record's purpose, contain the information required by this chapter but may include other information as well, and be in a medium permitted by the secretary of state. The document must be typewritten or printed. If the document is electronically transmitted, it must be in a format that can be retrieved or reproduced in typewritten or printed form. The document must be delivered to the office of the secretary of state for filing. Delivery may be made by electronic transmission if and to the extent permitted by the secretary of state. The secretary of state may adopt rules for the electronic filing of documents and the certification of electronically filed documents. If it is filed in typewritten or printed form and not transmitted electronically, the secretary of state may require an exact or conformed copy to be delivered with the document. Unless the secretary of state determines that a record does not comply with the filing requirements of this chapter, and if all filing fees have been paid, the secretary of state shall file the record and perform all of the following:

*a.* For a statement of dissociation, send all of the following:

(1) A copy of the filed statement and a receipt for the fees to the person which the statement indicates has dissociated as a general partner.

(2) A copy of the filed statement and receipt to the limited partnership.

*b.* For a statement of withdrawal, send all of the following:

(1) A copy of the filed statement and a receipt for the fees to the person on whose behalf the record was filed.

(2) If the statement refers to an existing limited partnership, a copy of the filed statement and receipt to the limited partnership.

*c.* For all other records, send a copy of the filed record and a receipt for the fees to the person on whose behalf the record was filed.

2. Upon request and payment of a fee, the secretary of state shall send to the requester a certified copy of the requested record.

3. Except as otherwise provided in sections 488.116 and 488.207, a record delivered to the secretary of state for filing under this chapter may specify an effective time and a delayed effective date. Except as otherwise provided in this chapter, a record filed by the secretary of state is effective according to the following:

*a.* If the record does not specify an effective time and does not specify a delayed effective date, on the date and at the time the record is filed, as evidenced by the secretary of state's endorsement of the date and time on the record.

*b.* If the record specifies an effective time but not a delayed effective date, on the date the record is filed at the time specified in the record.

*c.* If the record specifies a delayed effective date but not an effective time, at 12:01 a.m. on the earlier of either of the following:

(1) The specified date.

(2) The ninetieth day after the record is filed.

*d.* If the record specifies an effective time and a delayed effective date, at the specified time on the earlier of either of the following:

(1) The specified date.

(2) The ninetieth day after the record is filed.

4. If the secretary of state refuses to file a document, the secretary of state shall return it to the limited partnership or foreign limited partnership or its representative, together with a brief, written explanation of the reason for the refusal.

5. The secretary of state's duty to file documents under this section is ministerial. Filing or refusing to file a document does not do any of the following:

*a.* Affect the validity or invalidity of the document in whole or part.

*b.* Relate to the correctness or incorrectness of information contained in the document.

*c.* Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

2004 Acts, ch 1021, §24, 118

Referred to in §488.109, 488.115, 488.201, 488.202, 488.907, 488.1108

**488.207 Correcting filed record.**

1. A limited partnership or foreign limited partnership may deliver to the secretary of state for filing a statement of correction to correct a record previously delivered by the limited partnership or foreign limited partnership to the secretary of state and filed by the secretary of state, if at the time of filing the record contained false or erroneous information or was defectively signed.

2. A statement of correction shall not state a delayed effective date and must do all of the following:

*a.* Describe the record to be corrected, including its filing date, or attach a copy of the record as filed.

*b.* Specify the incorrect information and the reason it is incorrect or the manner in which the signing was defective.

*c.* Correct the incorrect information or defective signature.

3. When filed by the secretary of state, a statement of correction is effective retroactively as of the effective date of the record the statement corrects, but the statement is effective when filed for the following:

*a.* For the purposes of section 488.103, subsections 3 and 4.

*b.* As to persons relying on the uncorrected record and adversely affected by the correction.

2004 Acts, ch 1021, §25, 118

Referred to in §488.202, 488.206, 488.208

**488.208 Liability for false information in filed record — penalty.**

1. If a record delivered to the secretary of state for filing under this chapter and filed by the secretary of state contains false information, a person that suffers loss by reliance on the information may recover damages for the loss from any or all of the following:

*a.* A person that signed the record, or caused another to sign it on the person's behalf, and knew the information to be false at the time the record was signed.

*b.* A general partner that has notice that the information was false when the record was filed or has become false because of changed circumstances, if the general partner has notice for a reasonably sufficient time before the information is relied upon to enable the general partner to effect an amendment under section 488.202, file a petition pursuant to section 488.205, or deliver to the secretary of state for filing a statement of change pursuant to section 488.115 or a statement of correction pursuant to section 488.207.

2. Signing a record authorized or required to be filed under this chapter that the signer knows to be false in material respect constitutes a serious misdemeanor punishable by a fine not to exceed one thousand dollars.

2004 Acts, ch 1021, §26, 118

**488.209 Certificate of existence or authorization.**

1. The secretary of state, upon request and payment of the requisite fee, shall furnish a certificate of existence for a limited partnership if the records filed in the office of the secretary of state show that the secretary of state has filed a certificate of limited partnership and has not filed a statement of termination. A certificate of existence must state all of the following:

*a.* The limited partnership's name.

*b.* That it was duly formed under the laws of this state and the date of formation.

*c.* Whether all fees, taxes, and penalties under this chapter or other law due the secretary of state have been paid.

*d.* Whether the limited partnership's most recent biennial report required by section 488.210 has been filed by the secretary of state.

*e.* Whether the secretary of state has administratively dissolved the limited partnership.

*f.* Whether the limited partnership's certificate of limited partnership has been amended to state that the limited partnership is dissolved.

*g.* That a statement of termination has not been filed by the secretary of state.

*h.* Other facts of record in the office of the secretary of state which may be requested by the applicant.

2. The secretary of state, upon request and payment of the requisite fee, shall furnish a certificate of authorization for a foreign limited partnership if the records filed in the office of the secretary of state show that the secretary of state has filed a certificate of authority, has not revoked the certificate of authority, and has not filed a notice of cancellation. A certificate of authorization must state all of the following:

*a.* The foreign limited partnership's name and any alternate name adopted under section 488.905, subsection 1, for use in this state.

*b.* That it is authorized to transact business in this state.

*c.* Whether all fees, taxes, and penalties under this chapter or other law due the secretary of state have been paid.

*d.* Whether the foreign limited partnership's most recent biennial report required by section 488.210 has been filed by the secretary of state.

*e.* That the secretary of state has not revoked its certificate of authority and has not filed a notice of cancellation.

*f.* Other facts of record in the office of the secretary of state which may be requested by the applicant.

3. Subject to any qualification stated in the certificate, a certificate of existence or authorization issued by the secretary of state may be relied upon as conclusive evidence that the limited partnership or foreign limited partnership is in existence or is authorized to transact business in this state.

2004 Acts, ch 1021, §27, 118; 2004 Acts, ch 1175, §377, 378

**488.210 Biennial report for secretary of state.**

1. A limited partnership or a foreign limited partnership authorized to transact business in this state shall deliver to the secretary of state for filing a biennial report that states all of the following:

*a.* The name of the limited partnership or foreign limited partnership.

*b.* The street and mailing address of its designated office and the name and street and mailing address of its agent for service of process in this state.

*c.* In the case of a limited partnership, the street and mailing address of its principal office.

*d.* In the case of a foreign limited partnership, the state or other jurisdiction under whose law the foreign limited partnership is formed and any alternate name adopted under section 488.905, subsection 1.

2. Information in a biennial report must be current as of the date the biennial report is delivered to the secretary of state for filing.

3. If a biennial report does not contain the information required in subsection 1, the secretary of state shall promptly notify the reporting limited partnership or foreign limited partnership and return the report to it for correction. If the report is corrected to contain the information required in subsection 1 and delivered to the secretary of state within thirty days after the effective date of the notice, it is timely delivered.

4. If a filed biennial report contains an address of a designated office or the name or address of an agent for service of process which differs from the information shown in the records of the secretary of state immediately before the filing, the differing information in the biennial report is considered a statement of change under section 488.115.

5. The first biennial report shall be delivered to the secretary of state between January 1 and April 1 of the first odd-numbered year following the calendar year in which a limited partnership was formed or a foreign limited partnership was authorized to transact business. Subsequent biennial reports must be delivered to the secretary of state between January 1 and April 1 of the following odd-numbered calendar years. A filing fee for the biennial report shall be determined by the secretary of state. For purposes of this section, each biennial report shall contain information related to the two-year period immediately preceding the calendar year in which the report is filed.

2004 Acts, ch 1021, §28, 118

Referred to in §488.111, 488.209, 488.906

## ARTICLE 3

## LIMITED PARTNERS

**488.301 Becoming limited partner.**

A person becomes a limited partner according to any of the following:

1. As provided in the partnership agreement.
2. As the result of a conversion or merger under article 11.
3. With the consent of all the partners.

2004 Acts, ch 1021, §29, 118

Referred to in §488.102

**488.302 No right or power as limited partner to bind limited partnership.**

A limited partner does not have the right or the power as a limited partner to act for or bind the limited partnership.

2004 Acts, ch 1021, §30, 118

**488.303 No liability as limited partner for limited partnership obligations.**

An obligation of a limited partnership, whether arising in contract, tort, or otherwise, is not the obligation of a limited partner. A limited partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for an obligation of the limited partnership

solely by reason of being a limited partner, even if the limited partner participates in the management and control of the limited partnership.

2004 Acts, ch 1021, §31, 118

**488.304 Right of limited partner and former limited partner to information.**

1. On ten days' demand, made in a record received by the limited partnership, a limited partner may inspect and copy required information during regular business hours in the limited partnership's designated office. The limited partner need not have any particular purpose for seeking the information.

2. During regular business hours and at a reasonable location specified by the limited partnership, a limited partner may obtain from the limited partnership and inspect and copy true and full information regarding the state of the activities and financial condition of the limited partnership and other information regarding the activities of the limited partnership as is just and reasonable if the limited partner complies with all of the following:

*a.* The limited partner seeks the information for a purpose reasonably related to the partner's interest as a limited partner.

*b.* The limited partner makes a demand in a record received by the limited partnership, describing with reasonable particularity the information sought and the purpose for seeking the information.

*c.* The information sought is directly connected to the limited partner's purpose.

3. Within ten days after receiving a demand pursuant to subsection 2, the limited partnership in a record shall inform the limited partner that made the demand of all of the following:

*a.* What information the limited partnership will provide in response to the demand.

*b.* When and where the limited partnership will provide the information.

*c.* If the limited partnership declines to provide any demanded information, the limited partnership's reasons for declining.

4. Subject to subsection 6, a person dissociated as a limited partner may inspect and copy required information during regular business hours in the limited partnership's designated office if the person complies with all of the following:

*a.* The information pertains to the period during which the person was a limited partner.

*b.* The person seeks the information in good faith.

*c.* The person meets the requirements of subsection 2.

5. The limited partnership shall respond to a demand made pursuant to subsection 4 in the same manner as provided in subsection 3.

6. If a limited partner dies, section 488.704 applies.

7. The limited partnership may impose reasonable restrictions on the use of information obtained under this section. In a dispute concerning the reasonableness of a restriction under this subsection, the limited partnership has the burden of proving reasonableness.

8. A limited partnership may charge a person that makes a demand under this section reasonable costs of copying, limited to the costs of labor and material.

9. Whenever this chapter or a partnership agreement provides for a limited partner to give or withhold consent to a matter, before the consent is given or withheld, the limited partnership shall, without demand, provide the limited partner with all information material to the limited partner's decision that the limited partnership knows.

10. A limited partner or person dissociated as a limited partner may exercise the rights under this section through an attorney or other agent. Any restriction imposed under subsection 7 or by the partnership agreement applies both to the attorney or other agent and to the limited partner or person dissociated as a limited partner.

11. The rights stated in this section do not extend to a person as transferee, but may be exercised by the legal representative of an individual under legal disability who is a limited partner or person dissociated as a limited partner.

2004 Acts, ch 1021, §32, 118

Referred to in §488.110, 488.407, 488.704

**488.305 Limited duties of limited partners.**

1. A limited partner does not have any fiduciary duty to the limited partnership or to any other partner solely by reason of being a limited partner.

2. A limited partner shall discharge the duties to the partnership and the other partners under this chapter or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.

3. A limited partner does not violate a duty or obligation under this chapter or under the partnership agreement merely because the limited partner's conduct furthers the limited partner's own interest.

2004 Acts, ch 1021, §33, 118
Referred to in §488.110, 488.601, 488.602

**488.306 Person erroneously believing self to be limited partner.**

1. Except as otherwise provided in subsection 2, a person that makes an investment in a business enterprise and erroneously but in good faith believes that the person has become a limited partner in the enterprise is not liable for the enterprise's obligations by reason of making the investment, receiving distributions from the enterprise, or exercising any rights of or appropriate to a limited partner, if, on ascertaining the mistake, the person does either of the following:

*a.* Causes an appropriate certificate of limited partnership, amendment, or statement of correction to be signed and delivered to the secretary of state for filing.

*b.* Withdraws from future participation as an owner in the enterprise by signing and delivering to the secretary of state for filing a statement of withdrawal under this section.

2. A person that makes an investment described in subsection 1 is liable to the same extent as a general partner to any third party that enters into a transaction with the enterprise, believing in good faith that the person is a general partner, before the secretary of state files a statement of withdrawal, certificate of limited partnership, amendment, or statement of correction to show that the person is not a general partner.

3. If a person makes a diligent effort in good faith to comply with subsection 1, paragraph "*a*", and is unable to cause the appropriate certificate of limited partnership, amendment, or statement of correction to be signed and delivered to the secretary of state for filing, the person has the right to withdraw from the enterprise pursuant to subsection 1, paragraph "*b*", even if the withdrawal would otherwise breach an agreement with others that are or have agreed to become co-owners of the enterprise.

2004 Acts, ch 1021, §34, 118
Referred to in §488.204

## ARTICLE 4

## GENERAL PARTNERS

**488.401 Becoming general partner.**

A person becomes a general partner according to any of the following:

1. As provided in the partnership agreement.

2. Under section 488.801, subsection 3, paragraph "*b*", following the dissociation of a limited partnership's last general partner.

3. As the result of a conversion or merger under article 11.

4. With the consent of all the partners.

2004 Acts, ch 1021, §35, 118
Referred to in §488.102

**488.402 General partner agent of limited partnership.**

1. Each general partner is an agent of the limited partnership for the purposes of its activities. An act of a general partner, including the signing of a record in the partnership's name, for apparently carrying on in the ordinary course the limited partnership's activities or activities of the kind carried on by the limited partnership binds the limited partnership,

unless the general partner did not have authority to act for the limited partnership in the particular matter and the person with which the general partner was dealing knew, had received a notification, or had notice under section 488.103, subsection 4, that the general partner lacked authority.

2. An act of a general partner which is not apparently for carrying on in the ordinary course the limited partnership's activities or activities of the kind carried on by the limited partnership binds the limited partnership only if the act was authorized in the partnership agreement or by all the other partners.

2004 Acts, ch 1021, §36, 118

Referred to in §488.606, 488.804, 488.1112

**488.403 Limited partnership liable for general partner's actionable conduct.**

1. A limited partnership is liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a general partner acting in the ordinary course of activities of the limited partnership or with authority of the limited partnership.

2. If, in the course of the limited partnership's activities or while acting with authority of the limited partnership, a general partner receives or causes the limited partnership to receive money or property of a person not a partner, and the money or property is misapplied by a general partner, the limited partnership is liable for the loss.

2004 Acts, ch 1021, §37, 118

**488.404 General partner's liability.**

1. Except as otherwise provided in subsections 2 and 3, all general partners are liable jointly and severally for all obligations of the limited partnership unless otherwise agreed by the claimant or provided by law.

2. A person that becomes a general partner of an existing limited partnership is not personally liable for an obligation of a limited partnership incurred before the person became a general partner.

3. An obligation of a limited partnership incurred while the limited partnership is a limited liability limited partnership, whether arising in contract, tort, or otherwise, is solely the obligation of the limited partnership. A general partner is not personally liable, directly or indirectly, by way of contribution or otherwise, for such an obligation solely by reason of being or acting as a general partner. This subsection applies despite anything inconsistent in the partnership agreement that existed immediately before the consent required to become a limited liability limited partnership under section 488.406, subsection 2, paragraph "*b*".

2004 Acts, ch 1021, §38, 118

Referred to in §488.102, 488.405, 488.607, 488.806, 488.807, 488.808, 488.1111

**488.405 Actions by and against partnership and partners.**

1. To the extent not inconsistent with section 488.404, a general partner may be joined in an action against the limited partnership or named in a separate action.

2. A judgment against a limited partnership is not by itself a judgment against a general partner. A judgment against a limited partnership shall not be satisfied from a general partner's assets unless there is also a judgment against the general partner.

3. A judgment creditor of a general partner shall not levy execution against the assets of the general partner to satisfy a judgment based on a claim against the limited partnership, unless the partner is personally liable for the claim under section 488.404 and at least one of the following applies:

*a.* A judgment based on the same claim has been obtained against the limited partnership and a writ of execution on the judgment has been returned unsatisfied in whole or in part.

*b.* The limited partnership is a debtor in bankruptcy.

*c.* The general partner has agreed that the creditor need not exhaust limited partnership assets.

*d.* A court grants permission to the judgment creditor to levy execution against the assets of a general partner based on a finding that limited partnership assets subject to execution are clearly insufficient to satisfy the judgment, that exhaustion of limited partnership assets

is excessively burdensome, or that the grant of permission is an appropriate exercise of the court's equitable powers.

*e.* Liability is imposed on the general partner by law or contract independent of the existence of the limited partnership.

2004 Acts, ch 1021, §39, 118

**488.406 Management rights of general partner.**

1. Each general partner has equal rights in the management and conduct of the limited partnership's activities. Except as expressly provided in this chapter, any matter relating to the activities of the limited partnership may be exclusively decided by the general partner or, if there is more than one general partner, by a majority of the general partners.

2. The consent of each partner is necessary to do any or all of the following:

*a.* Amend the partnership agreement.

*b.* Amend the certificate of limited partnership to add or, subject to section 488.1110, delete a statement that the limited partnership is a limited liability limited partnership.

*c.* Sell, lease, exchange, or otherwise dispose of all, or substantially all, of the limited partnership's property, with or without the goodwill, other than in the usual and regular course of the limited partnership's activities.

3. A limited partnership shall reimburse a general partner for payments made and indemnify a general partner for liabilities incurred by the general partner in the ordinary course of the activities of the partnership or for the preservation of its activities or property.

4. A limited partnership shall reimburse a general partner for an advance to the limited partnership beyond the amount of capital the general partner agreed to contribute.

5. A payment or advance made by a general partner which gives rise to an obligation of the limited partnership under subsection 3 or 4 constitutes a loan to the limited partnership which accrues interest from the date of the payment or advance.

6. A general partner is not entitled to remuneration for services performed for the partnership.

2004 Acts, ch 1021, §40, 118

Referred to in §488.404

**488.407 Right of general partner and former general partner to information.**

1. A general partner, without having any particular purpose for seeking the information, may inspect and copy during regular business hours any or all of the following:

*a.* In the limited partnership's designated office, required information.

*b.* At a reasonable location specified by the limited partnership, any other records maintained by the limited partnership regarding the limited partnership's activities and financial condition.

2. Each general partner and the limited partnership shall furnish to a general partner all of the following:

*a.* Without demand, any information concerning the limited partnership's activities and financial condition reasonably required for the proper exercise of the general partner's rights and duties under the partnership agreement or this chapter.

*b.* On demand, any other information concerning the limited partnership's activities, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances.

3. Subject to subsection 5, on ten days' demand made in a record received by the limited partnership, a person dissociated as a general partner may have access to the information and records described in subsection 1 at the location specified in subsection 1 if all of the following apply:

*a.* The information or record pertains to the period during which the person was a general partner.

*b.* The person seeks the information or record in good faith.

*c.* The person satisfies the requirements imposed on a limited partner by section 488.304, subsection 2.

4. The limited partnership shall respond to a demand made pursuant to subsection 3 in the same manner as provided in section 488.304, subsection 3.

5. If a general partner dies, section 488.704 applies.

6. The limited partnership may impose reasonable restrictions on the use of information under this section. In any dispute concerning the reasonableness of a restriction under this subsection, the limited partnership has the burden of proving reasonableness.

7. A limited partnership may charge a person dissociated as a general partner that makes a demand under this section reasonable costs of copying, limited to the costs of labor and material.

8. A general partner or person dissociated as a general partner may exercise the rights under this section through an attorney or other agent. Any restriction imposed under subsection 6 or by the partnership agreement applies both to the attorney or other agent and to the general partner or person dissociated as a general partner.

9. The rights under this section do not extend to a person as transferee, but the rights under subsection 3 of a person dissociated as a general partner may be exercised by the legal representative of an individual who dissociated as a general partner under section 488.603, subsection 7, paragraph *"b"* or *"c"*.

2004 Acts, ch 1021, §41, 118

Referred to in §488.110

**488.408 General standards of general partner's conduct.**

1. The only fiduciary duties that a general partner has to the limited partnership and the other partners are the duties of loyalty and care under subsections 2 and 3.

2. A general partner's duty of loyalty to the limited partnership and the other partners is limited to all of the following:

*a.* To account to the limited partnership and hold as trustee for it any property, profit, or benefit derived by the general partner in the conduct and winding up of the limited partnership's activities or derived from a use by the general partner of limited partnership property, including the appropriation of a limited partnership opportunity.

*b.* To refrain from dealing with the limited partnership in the conduct or winding up of the limited partnership's activities as or on behalf of a party having an interest adverse to the limited partnership.

*c.* To refrain from competing with the limited partnership in the conduct or winding up of the limited partnership's activities.

3. A general partner's duty of care to the limited partnership and the other partners in the conduct and winding up of the limited partnership's activities is limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

4. A general partner shall discharge the duties to the partnership and the other partners under this chapter or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.

5. A general partner does not violate a duty or obligation under this chapter or under the partnership agreement merely because the general partner's conduct furthers the general partner's own interest.

2004 Acts, ch 1021, §42, 118

Referred to in §488.110, 488.509, 488.603, 488.605

## ARTICLE 5

## CONTRIBUTIONS AND DISTRIBUTIONS

**488.501 Form of contribution.**

A contribution of a partner may consist of tangible or intangible property or other benefit to the limited partnership, including money, services performed, promissory notes, other agreements to contribute cash or property, and contracts for services to be performed.

2004 Acts, ch 1021, §43, 118

**488.502 Liability for contribution.**

1. A partner's obligation to contribute money or other property or other benefit to, or to perform services for, a limited partnership is not excused by the partner's death, disability, or other inability to perform personally.

2. If a partner does not make a promised nonmonetary contribution, the partner is obligated at the option of the limited partnership to contribute money equal to that portion of the value, as stated in the required information, of the stated contribution which has not been made.

3. The obligation of a partner to make a contribution or return money or other property paid or distributed in violation of this chapter may be compromised only by consent of all partners. A creditor of a limited partnership which extends credit or otherwise acts in reliance on an obligation described in subsection 1, without notice of any compromise under this subsection, may enforce the original obligation.

2004 Acts, ch 1021, §44, 118

Referred to in §488.702

**488.503 Sharing of distributions.**

A distribution by a limited partnership must be shared among the partners on the basis of the value, as stated in the required information when the limited partnership decides to make the distribution, of the contributions the limited partnership has received from each partner.

2004 Acts, ch 1021, §45, 118

**488.504 Interim distributions.**

A partner does not have a right to any distribution before the dissolution and winding up of the limited partnership unless the limited partnership decides to make an interim distribution.

2004 Acts, ch 1021, §46, 118

**488.505 No distribution on account of dissociation.**

A person does not have a right to receive a distribution on account of dissociation.

2004 Acts, ch 1021, §47, 118

Referred to in §488.1204

**488.506 Distribution in kind.**

A partner does not have a right to demand or receive any distribution from a limited partnership in any form other than cash. Subject to section 488.812, subsection 2, a limited partnership may distribute an asset in kind to the extent each partner receives a percentage of the asset equal to the partner's share of distributions.

2004 Acts, ch 1021, §48, 118

**488.507 Right to distribution.**

When a partner or transferee becomes entitled to receive a distribution, the partner or transferee has the status of, and is entitled to all remedies available to, a creditor of the limited partnership with respect to the distribution. However, the limited partnership's obligation to make a distribution is subject to offset for any amount owed to the limited partnership by the partner or dissociated partner on whose account the distribution is made.

2004 Acts, ch 1021, §49, 118

**488.508 Limitations on distribution.**

1. A limited partnership shall not make a distribution in violation of the partnership agreement.

2. A limited partnership shall not make a distribution if after the distribution any of the following would result:

*a.* The limited partnership would not be able to pay its debts as they become due in the ordinary course of the limited partnership's activities.

*b.* The limited partnership's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the limited partnership were to be dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential rights upon dissolution, winding up, and termination of partners whose preferential rights are superior to those of persons receiving the distribution.

3. A limited partnership may base a determination that a distribution is not prohibited under subsection 2 on financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable in the circumstances.

4. Except as otherwise provided in subsection 7, the effect of a distribution under subsection 2 is measured according to either of the following:

*a.* In the case of distribution by purchase, redemption, or other acquisition of a transferable interest in the limited partnership, as of the date money or other property is transferred or debt incurred by the limited partnership.

*b.* In all other cases, as of the date of either of the following:

(1) The date the distribution is authorized, if the payment occurs within one hundred twenty days after that date.

(2) The date the payment is made, if payment occurs more than one hundred twenty days after the distribution is authorized.

5. A limited partnership's indebtedness to a partner incurred by reason of a distribution made in accordance with this section is at parity with the limited partnership's indebtedness to its general, unsecured creditors.

6. A limited partnership's indebtedness, including indebtedness issued in connection with or as part of a distribution, is not considered a liability for purposes of subsection 2 if the terms of the indebtedness provide that payment of principal and interest is made only to the extent that a distribution could then be made to partners under this section.

7. If indebtedness is issued as a distribution, each payment of principal or interest on the indebtedness is treated as a distribution, the effect of which is measured on the date the payment is made.

2004 Acts, ch 1021, §50, 118; 2004 Acts, ch 1175, §379

Referred to in §488.509

**488.509 Liability for improper distributions.**

1. A general partner that consents to a distribution made in violation of section 488.508 is personally liable to the limited partnership for the amount of the distribution which exceeds the amount that could have been distributed without the violation if it is established that in consenting to the distribution the general partner failed to comply with section 488.408.

2. A partner or transferee that received a distribution knowing that the distribution to that partner or transferee was made in violation of section 488.508 is personally liable to the limited partnership but only to the extent that the distribution received by the partner or transferee exceeded the amount that could have been properly paid under section 488.508.

3. A general partner against which an action is commenced under subsection 1 may do any or all of the following:

*a.* Implead in the action any other person that is liable under subsection 1 and compel contribution from the person.

*b.* Implead in the action any person that received a distribution in violation of subsection 2 and compel contribution from the person in the amount the person received in violation of subsection 2.

4. An action under this section is barred if it is not commenced within two years after the distribution.

2004 Acts, ch 1021, §51, 118

Referred to in §488.702

## ARTICLE 6

## DISSOCIATION

**488.601 Dissociation as limited partner.**

1. A person does not have a right to dissociate as a limited partner before the termination of the limited partnership.

2. A person is dissociated from a limited partnership as a limited partner upon the occurrence of any of the following events:

*a.* The limited partnership's having notice of the person's express will to withdraw as a limited partner or on a later date specified by the person.

*b.* An event agreed to in the partnership agreement as causing the person's dissociation as a limited partner.

*c.* The person's expulsion as a limited partner pursuant to the partnership agreement.

*d.* The person's expulsion as a limited partner by the unanimous consent of the other partners if any of the following apply:

(1) It is unlawful to carry on the limited partnership's activities with the person as a limited partner.

(2) There has been a transfer of all of the person's transferable interest in the limited partnership, other than a transfer for security purposes, or a court order charging the person's interest, which has not been foreclosed.

(3) The person is a corporation and, within ninety days after the limited partnership notifies the person that it will be expelled as a limited partner because it has filed a certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation, there is no revocation of the certificate of dissolution or no reinstatement of its charter or its right to conduct business.

(4) The person is a limited liability company or partnership that has been dissolved and whose business is being wound up.

*e.* On application by the limited partnership, the person's expulsion as a limited partner by judicial order because of any of the following:

(1) The person engaged in wrongful conduct that adversely and materially affected the limited partnership's activities.

(2) The person willfully or persistently committed a material breach of the partnership agreement or of the obligation of good faith and fair dealing under section 488.305, subsection 2.

(3) The person engaged in conduct relating to the limited partnership's activities which makes it not reasonably practicable to carry on the activities with the person as limited partner.

*f.* In the case of a person who is an individual, the person's death.

*g.* In the case of a person that is a trust or is acting as a limited partner by virtue of being a trustee of a trust, distribution of the trust's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor trustee.

*h.* In the case of a person that is an estate or is acting as a limited partner by virtue of being a personal representative of an estate, distribution of the estate's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor personal representative.

*i.* Termination of a limited partner that is not an individual, partnership, limited liability company, corporation, trust, or estate.

*j.* The limited partnership's participation in a conversion or merger under article 11, if either of the following applies:

(1) The limited partnership is not the converted or surviving entity.

(2) The limited partnership is the converted or surviving entity but, as a result of the conversion or merger, the person ceases to be a limited partner.

2004 Acts, ch 1021, §52, 118

Referred to in §488.1204

**488.602 Effect of dissociation as limited partner.**

1. Upon a person's dissociation as a limited partner, all of the following apply:

*a.* Subject to section 488.704, the person does not have further rights as a limited partner.

*b.* The person's obligation of good faith and fair dealing as a limited partner under section 488.305, subsection 2, continues only as to matters arising and events occurring before the dissociation.

*c.* Subject to section 488.704 and article 11, any transferable interest owned by the person in the person's capacity as a limited partner immediately before dissociation is owned by the person as a mere transferee.

2. A person's dissociation as a limited partner does not of itself discharge the person from any obligation to the limited partnership or the other partners which the person incurred while a limited partner.

2004 Acts, ch 1021, §53, 118

Referred to in §488.1204

**488.603 Dissociation as general partner.**

A person is dissociated from a limited partnership as a general partner upon the occurrence of any of the following events:

1. The limited partnership's having notice of the person's express will to withdraw as a general partner or on a later date specified by the person.

2. An event agreed to in the partnership agreement as causing the person's dissociation as a general partner.

3. The person's expulsion as a general partner pursuant to the partnership agreement.

4. The person's expulsion as a general partner by the unanimous consent of the other partners if any of the following apply:

*a.* It is unlawful to carry on the limited partnership's activities with the person as a general partner.

*b.* There has been a transfer of all or substantially all of the person's transferable interest in the limited partnership, other than a transfer for security purposes, or a court order charging the person's interest, which has not been foreclosed.

*c.* The person is an entity which participates in a merger and is not the surviving entity.

5. On application by the limited partnership, the person's expulsion as a general partner by judicial determination because of any of the following:

*a.* The person engaged in wrongful conduct that adversely and materially affected the limited partnership activities.

*b.* The person willfully or persistently committed a material breach of the partnership agreement or of a duty owed to the partnership or the other partners under section 488.408.

*c.* The person engaged in conduct relating to the limited partnership's activities which makes it not reasonably practicable to carry on the activities of the limited partnership with the person as a general partner.

6. The person does or is one of the following:

*a.* Becomes a debtor in bankruptcy.

*b.* Executes an assignment for the benefit of creditors.

*c.* Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all of the person's property.

*d.* Fails, within ninety days after the appointment, to have vacated or stayed the appointment of a trustee, receiver, or liquidator of the general partner or of all or substantially all of the person's property obtained without the person's consent or acquiescence, or failing within ninety days after the expiration of a stay to have the appointment vacated.

*e.* Is a corporation that has filed articles of dissolution or the equivalent, has had its

charter revoked, or has had its right to conduct business suspended by the jurisdiction of its incorporation, and all of the following apply:

(1) There is no revocation of the articles of dissolution or no reinstatement of its charter of its right to conduct business within ninety days after such filing, revocation, or suspension.

(2) The limited partnership, or any partner, notifies the partners that such filing, revocation, or suspension has occurred, and no vote to retain the general partner occurs within ninety days of such notification.

*f.* Is a limited liability company or partnership that has been dissolved and whose business is being wound up, and the limited partnership, or any partner, notifies the partners that such dissolution has occurred and no vote to retain the general partner occurs within ninety days of such notification.

7. In the case of a person who is an individual, any of the following:

*a.* The person's death.

*b.* The appointment of a guardian or general conservator for the person.

*c.* A judicial determination that the person has otherwise become incapable of performing the person's duties as a general partner under the partnership agreement.

8. In the case of a person that is a trust or is acting as a general partner by virtue of being a trustee of a trust, distribution of the trust's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor trustee.

9. In the case of a person that is an estate or is acting as a general partner by virtue of being a personal representative of an estate, distribution of the estate's entire transferable interest in the limited partnership, but not merely by reason of the substitution of a successor personal representative.

10. Termination of a general partner that is not an individual, partnership, limited liability company, corporation, trust, or estate.

11. The limited partnership's participation in a conversion or merger under article 11, if either of the following applies:

*a.* The limited partnership is not the converted or surviving entity.

*b.* The limited partnership is the converted or surviving entity but, as a result of the conversion or merger, the person ceases to be a general partner.

2004 Acts, ch 1021, §54, 118

Referred to in §229.27, 488.110, 488.407, 488.604, 488.1204

**488.604 Person's power to dissociate as general partner — wrongful dissociation.**

1. A person has the power to dissociate as a general partner at any time, rightfully or wrongfully, by express will pursuant to section 488.603, subsection 1.

2. A person's dissociation as a general partner is wrongful only if either of the following applies:

*a.* The dissociation is in breach of an express provision of the partnership agreement.

*b.* The dissociation occurs before the termination of the limited partnership, and at least one of the following also applies:

(1) The person withdraws as a general partner by express will.

(2) The person is expelled as a general partner by judicial determination under section 488.603, subsection 5.

(3) The person is dissociated as a general partner by becoming a debtor in bankruptcy.

(4) In the case of a person that is not an individual, trust other than a business trust, or estate, the person is expelled or otherwise dissociated as a general partner because it willfully dissolved or terminated.

3. A person that wrongfully dissociates as a general partner is liable to the limited partnership and, subject to section 488.1001, to the other partners for damages caused by the dissociation. The liability is in addition to any other obligation of the general partner to the limited partnership or to the other partners.

2004 Acts, ch 1021, §55, 118

Referred to in §488.110

**488.605 Effect of dissociation as general partner.**

1. Upon a person's dissociation as a general partner, all of the following apply:

*a.* The person's right to participate as a general partner in the management and conduct of the partnership's activities terminates.

*b.* The person's duty of loyalty as a general partner under section 488.408, subsection 2, paragraph "*c*", terminates.

*c.* The person's duty of loyalty as a general partner under section 488.408, subsection 2, paragraphs "*a*" and "*b*", and duty of care under section 488.408, subsection 3, continue only with regard to matters arising and events occurring before the person's dissociation as a general partner.

*d.* The person may sign and deliver to the secretary of state for filing a statement of dissociation pertaining to the person and, at the request of the limited partnership, shall sign an amendment to the certificate of limited partnership which states that the person has dissociated.

*e.* Subject to section 488.704 and article 11, any transferable interest owned by the person immediately before dissociation in the person's capacity as a general partner is owned by the person as a mere transferee.

2. A person's dissociation as a general partner does not of itself discharge the person from any obligation to the limited partnership or the other partners which the person incurred while a general partner.

2004 Acts, ch 1021, §56, 118

Referred to in §488.204

**488.606 Power to bind — liability to limited partnership before dissolution of partnership of person dissociated as general partner.**

1. After a person is dissociated as a general partner and before the limited partnership is dissolved, converted under article 11, or merged out of existence under article 11, the limited partnership is bound by an act of the person only if all of the following apply:

*a.* The act would have bound the limited partnership under section 488.402 before the dissociation.

*b.* At the time the other party enters into the transaction, all of the following apply:

(1) Less than two years have passed since the dissociation.

(2) The other party does not have notice of the dissociation and reasonably believes that the person is a general partner.

2. If a limited partnership is bound under subsection 1, the person dissociated as a general partner which caused the limited partnership to be bound is liable to the following:

*a.* To the limited partnership for any damage caused to the limited partnership arising from the obligation incurred under subsection 1.

*b.* If a general partner or another person dissociated as a general partner is liable for the obligation, to the general partner or other person for any damage caused to the general partner or other person arising from the liability.

2004 Acts, ch 1021, §57, 118

**488.607 Liability to other persons of person dissociated as general partner.**

1. A person's dissociation as a general partner does not of itself discharge the person's liability as a general partner for an obligation of the limited partnership incurred before dissociation. Except as otherwise provided in subsections 2 and 3, the person is not liable for a limited partnership's obligation incurred after dissociation.

2. A person whose dissociation as a general partner resulted in a dissolution and winding up of the limited partnership's activities is liable to the same extent as a general partner under section 488.404 on an obligation incurred by the limited partnership under section 488.804.

3. A person that has dissociated as a general partner but whose dissociation did not result in a dissolution and winding up of the limited partnership's activities is liable on a transaction entered into by the limited partnership after the dissociation only if all of the following apply:

*a.* A general partner would be liable on the transaction.

*b.* At the time the other party enters into the transaction, all of the following apply:

(1) Less than two years have passed since the dissociation.

(2) The other party does not have notice of the dissociation and reasonably believes that the person is a general partner.

4. By agreement with a creditor of a limited partnership and the limited partnership, a person dissociated as a general partner may be released from liability for an obligation of the limited partnership.

5. A person dissociated as a general partner is released from liability for an obligation of the limited partnership if the limited partnership's creditor, with notice of the person's dissociation as a general partner but without the person's consent, agrees to a material alteration in the nature or time of payment of the obligation.

2004 Acts, ch 1021, §58, 118

Referred to in §488.812, 488.1111

## ARTICLE 7

## TRANSFERABLE INTERESTS AND RIGHTS

**488.701 Partner's transferable interest.**

The only interest of a partner which is transferable is the partner's transferable interest. A transferable interest is personal property.

2004 Acts, ch 1021, §59, 118

**488.702 Transfer of partner's transferable interest.**

1. All of the following apply to a transfer, in whole or in part, of a partner's transferable interest:

*a.* It is permissible.

*b.* It does not by itself cause the partner's dissociation or a dissolution and winding up of the limited partnership's activities.

*c.* It does not, as against the other partners or the limited partnership, entitle the transferee to participate in the management or conduct of the limited partnership's activities, to require access to information concerning the limited partnership's transactions except as otherwise provided in subsection 3, or to inspect or copy the required information or the limited partnership's other records.

2. A transferee has a right to receive, in accordance with the transfer, all of the following:

*a.* Distributions to which the transferor would otherwise be entitled.

*b.* Upon the dissolution and winding up of the limited partnership's activities, the net amount otherwise distributable to the transferor.

3. In a dissolution and winding up, a transferee is entitled to an account of the limited partnership's transactions only from the date of dissolution.

4. Upon transfer, the transferor retains the rights of a partner other than the interest in distributions transferred and retains all duties and obligations of a partner.

5. A limited partnership need not give effect to a transferee's rights under this section until the limited partnership has notice of the transfer.

6. A transfer of a partner's transferable interest in the limited partnership in violation of a restriction on transfer contained in the partnership agreement is ineffective as to a person having notice of the restriction at the time of transfer.

7. A transferee that becomes a partner with respect to a transferable interest is liable for the transferor's obligations under sections 488.502 and 488.509. However, the transferee is not obligated for liabilities unknown to the transferee at the time the transferee became a partner.

2004 Acts, ch 1021, §60, 118

Referred to in §488.704

**488.703 Rights of creditor of partner or transferee.**

1. On application to a court of competent jurisdiction by any judgment creditor of a partner

or transferee, the court may charge the transferable interest of the judgment debtor with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of a transferee. The court may appoint a receiver of the share of the distributions due or to become due the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require to give effect to the charging order.

2. A charging order constitutes a lien on the judgment debtor's transferable interest. The court may order a foreclosure upon the interest subject to the charging order at any time. The purchaser at the foreclosure sale has the rights of a transferee.

3. At any time before foreclosure, an interest charged may be redeemed by any of the following:

*a.* By the judgment debtor.

*b.* With property other than limited partnership property, by one or more of the other partners.

*c.* With limited partnership property, by the limited partnership with the consent of all partners whose interests are not so charged.

4. This chapter does not deprive any partner or transferee of the benefit of any exemption laws applicable to the partner's or transferee's transferable interest.

5. This section provides the exclusive remedy by which a judgment creditor of a partner or transferee may satisfy a judgment out of the judgment debtor's transferable interest.

2004 Acts, ch 1021, §61, 118; 2004 Acts, ch 1175, §380

**488.704 Power of estate of deceased partner.**

If a partner dies, the deceased partner's personal representative or other legal representative may exercise the rights of a transferee as provided in section 488.702 and, for the purposes of settling the estate, may exercise the rights of a current limited partner under section 488.304.

2004 Acts, ch 1021, §62, 118

Referred to in §229.27, 488.304, 488.407, 488.602, 488.605

## ARTICLE 8

## DISSOLUTION

Referred to in §488.1105, 488.1109

**488.801 Nonjudicial dissolution.**

Except as otherwise provided in section 488.802, a limited partnership is dissolved, and its activities must be wound up, only upon the occurrence of any of the following:

1. The happening of an event specified in the partnership agreement.

2. The consent of all general partners and of limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective.

3. After the dissociation of a person as a general partner, upon occurrence of either of the following:

*a.* If the limited partnership has at least one remaining general partner, the consent to dissolve the limited partnership given within ninety days after the dissociation by partners owning a majority of the rights to receive distributions as partners at the time the consent is to be effective.

*b.* If the limited partnership does not have a remaining general partner, the passage of ninety days after the dissociation, unless before the end of the period, all of the following occur:

(1) Consent to continue the activities of the limited partnership and admit at least one general partner is given by limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective.

(2) At least one person is admitted as a general partner in accordance with the consent.

4. The passage of ninety days after the dissociation of the limited partnership's last limited

partner, unless before the end of the period the limited partnership admits at least one limited partner.

5. The signing and filing of a declaration of dissolution by the secretary of state under section 488.809, subsection 3.

2004 Acts, ch 1021, §63, 118
Referred to in §488.204, 488.401, 488.1204

**488.802 Judicial dissolution.**

On application by or for a partner, the district court for the county in which the office described in section 488.114, subsection 1, paragraph "*a*", is located may order dissolution of a limited partnership if it is not reasonably practicable to carry on the activities of the limited partnership in conformity with the partnership agreement.

2004 Acts, ch 1021, §64, 118
Referred to in §488.110, 488.801

**488.803 Winding up.**

1. A limited partnership continues after dissolution only for the purpose of winding up its activities.

2. In winding up its activities, the limited partnership:

*a.* May amend its certificate of limited partnership to state that the limited partnership is dissolved, preserve the limited partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, transfer the limited partnership's property, settle disputes by mediation or arbitration, file a statement of termination as provided in section 488.203, and perform other necessary acts.

*b.* Shall discharge the limited partnership's liabilities, settle and close the limited partnership's activities, and marshal and distribute the assets of the partnership.

3. If a dissolved limited partnership does not have a general partner, a person to wind up the dissolved limited partnership's activities may be appointed by the consent of limited partners owning a majority of the rights to receive distributions as limited partners at the time the consent is to be effective. A person appointed under this subsection:

*a.* Has the powers of a general partner under section 488.804.

*b.* Shall promptly amend the certificate of limited partnership to state all of the following:

(1) That the limited partnership does not have a general partner.

(2) The name of the person that has been appointed to wind up the limited partnership.

(3) The street and mailing address of the person.

4. On the application of any partner, the district court in the county in which the office described in section 488.114, subsection 1, paragraph "*a*", is located may order judicial supervision of the winding up, including the appointment of a person to wind up the dissolved limited partnership's activities, if any of the following applies:

*a.* A limited partnership does not have a general partner and within a reasonable time following the dissolution no person has been appointed pursuant to subsection 3.

*b.* The applicant establishes other good cause.

2004 Acts, ch 1021, §65, 118
Referred to in §488.110, 488.202, 488.203, 488.204, 488.809

**488.804 Power of general partner and person dissociated as general partner to bind partnership after dissolution.**

1. A limited partnership is bound by a general partner's act after dissolution in which any of the following applies:

*a.* The act is appropriate for winding up the limited partnership's activities.

*b.* The act would have bound the limited partnership under section 488.402 before dissolution, if, at the time the other party enters into the transaction, the other party does not have notice of the dissolution.

2. A person dissociated as a general partner binds a limited partnership through an act occurring after dissolution if both of the following apply:

*a.* At the time the other party enters into the transaction, all of the following apply:

(1) Less than two years have passed since the dissociation.

(2) The other party does not have notice of the dissociation and reasonably believes that the person is a general partner.

*b.* At least one of the following applies:

(1) The act is appropriate for winding up the limited partnership's activities.

(2) The act would have bound the limited partnership under section 488.402 before dissolution and at the time the other party enters into the transaction the other party does not have notice of the dissolution.

2004 Acts, ch 1021, §66, 118

Referred to in §488.607, 488.803, 488.805

**488.805 Liability after dissolution of general partner and person dissociated as general partner to limited partnership, other general partners, and persons dissociated as general partner.**

1. If a general partner having knowledge of the dissolution causes a limited partnership to incur an obligation under section 488.804, subsection 1, by an act that is not appropriate for winding up the partnership's activities, the general partner is liable for all of the following:

*a.* To the limited partnership for any damage caused to the limited partnership arising from the obligation.

*b.* If another general partner or a person dissociated as a general partner is liable for the obligation, to that other general partner or person for any damage caused to that other general partner or person arising from the liability.

2. If a person dissociated as a general partner causes a limited partnership to incur an obligation under section 488.804, subsection 2, the person is liable for all of the following:

*a.* To the limited partnership for any damage caused to the limited partnership arising from the obligation.

*b.* If a general partner or another person dissociated as a general partner is liable for the obligation, to the general partner or other person for any damage caused to the general partner or other person arising from the liability.

2004 Acts, ch 1021, §67, 118

**488.806 Known claims against dissolved limited partnership.**

1. A dissolved limited partnership may dispose of the known claims against it by following the procedure described in subsection 2.

2. A dissolved limited partnership may notify its known claimants of the dissolution in a record. The notice must do all of the following:

*a.* Specify the information required to be included in a claim.

*b.* Provide a mailing address to which the claim is to be sent.

*c.* State the deadline for receipt of the claim, which may not be less than one hundred twenty days after the date the notice is received by the claimant.

*d.* State that the claim will be barred if not received by the deadline.

*e.* Unless the limited partnership has been throughout its existence a limited liability limited partnership or elected under prior law to become a limited liability limited partnership, state that the barring of a claim against the limited partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner which is based on section 488.404.

3. A claim against a dissolved limited partnership is barred if the requirements of subsection 2 are met and at least one of the following applies:

*a.* The claim is not received by the specified deadline.

*b.* In the case of a claim that is timely received but rejected by the dissolved limited partnership, the claimant does not commence an action to enforce the claim against the limited partnership within ninety days after the receipt of the notice of the rejection.

4. This section does not apply to a claim based on an event occurring after the effective date of dissolution or a liability that is contingent on that date.

2004 Acts, ch 1021, §68, 118

Referred to in §488.807, 488.808, 488.809

**488.807 Other claims against dissolved limited partnership.**

1. A dissolved limited partnership may publish notice of its dissolution and request persons having claims against the limited partnership to present them in accordance with the notice.

2. The notice must do all of the following:

*a.* Be published at least once in a newspaper of general circulation in the county in which the dissolved limited partnership's principal office is located or, if it has none in this state, in the county in which the limited partnership's designated office is or was last located.

*b.* Describe the information required to be contained in a claim and provide a mailing address to which the claim is to be sent.

*c.* State that a claim against the limited partnership is barred unless an action to enforce the claim is commenced within five years after publication of the notice.

*d.* Unless the limited partnership has been throughout its existence a limited liability limited partnership or elected under prior law to become a limited liability limited partnership, state that the barring of a claim against the limited partnership will also bar any corresponding claim against any general partner or person dissociated as a general partner which is based on section 488.404.

3. If a dissolved limited partnership publishes a notice in accordance with subsection 2, the claim of each of the following claimants is barred unless the claimant commences an action to enforce the claim against the dissolved limited partnership within five years after the publication date of the notice:

*a.* A claimant that did not receive notice in a record under section 488.806.

*b.* A claimant whose claim was timely sent to the dissolved limited partnership but not acted on.

*c.* A claimant whose claim is contingent or based on an event occurring after the effective date of dissolution.

4. A claim not barred under this section may be enforced:

*a.* Against the dissolved limited partnership, to the extent of its undistributed assets.

*b.* If the assets have been distributed in liquidation, against a partner or transferee to the extent of that person's proportionate share of the claim or the limited partnership's assets distributed to the partner or transferee in liquidation, whichever is less, but a person's total liability for all claims under this paragraph does not exceed the total amount of assets distributed to the person as part of the winding up of the dissolved limited partnership.

*c.* Against any person liable on the claim under section 488.404.

2004 Acts, ch 1021, §69, 118

Referred to in §488.807A, 488.808, 488.809

**488.807A Court proceedings.**

1. A dissolved limited partnership that has published a notice under section 488.807 may file an application with the district court of the county in which the office described in section 488.114 is located for a determination of the amount and form of security to be provided for the payment of claims that are contingent or have not been made known to the dissolved limited partnership or that are based on an event occurring after the effective date of dissolution but that based on the facts known to the dissolved limited partnership, are reasonably estimated to arise after the effective date of dissolution. Provision need not be made for any claim that is or is reasonably anticipated to be barred under section 488.807.

2. Within ten days after the filing of the application, notice of the proceeding shall be given by the dissolved limited partnership to each claimant holding a contingent claim whose contingent claim is shown on the records of the dissolved limited partnership.

3. The court may appoint a guardian ad litem to represent all claimants whose identities are unknown in any proceeding brought under this section. The reasonable fees and expenses of such guardian, including all reasonable expert witness fees, shall be paid by the dissolved limited partnership.

4. Provision by the dissolved limited partnership for security in the amount and form ordered by the court under subsection 1 shall satisfy the dissolved limited partnership's obligations with respect to claims that are contingent, have not been made known to the

dissolved limited partnership or are based on an event occurring after the effective date of dissolution, and such claims shall not be enforced against a partner who received assets in liquidation.

2004 Acts, ch 1021, §70, 118

**488.808 Liability of general partner and person dissociated as general partner when claim against limited partnership barred.**

If a claim against a dissolved limited partnership is barred under section 488.806 or 488.807, any corresponding claim under section 488.404 is also barred.

2004 Acts, ch 1021, §71, 118

**488.809 Administrative dissolution.**

1. The secretary of state may dissolve a limited partnership administratively if the limited partnership does not, within sixty days after the due date, do any of the following:

*a.* Pay any fee, tax, or penalty under this chapter or other law due the secretary of state.

*b.* Deliver its biennial report to the secretary of state.

2. If the secretary of state determines that a ground exists for administratively dissolving a limited partnership, the secretary of state shall file a record of the determination and serve the limited partnership with a copy of the filed record.

3. If within sixty days after service of the copy the limited partnership does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the secretary of state that each ground determined by the secretary of state does not exist, the secretary of state shall administratively dissolve the limited partnership by preparing, signing, and filing a declaration of dissolution that states the grounds for dissolution. The secretary of state shall serve the limited partnership with a copy of the filed declaration.

4. A limited partnership administratively dissolved continues its existence but may carry on only activities necessary to wind up its activities and liquidate its assets under sections 488.803 and 488.812 and to notify claimants under sections 488.806 and 488.807.

5. The administrative dissolution of a limited partnership does not terminate the authority of its agent for service of process.

2004 Acts, ch 1021, §72, 118; 2004 Acts, ch 1175, §381

Referred to in §488.801

**488.810 Reinstatement following administrative dissolution.**

1. A limited partnership that has been administratively dissolved may apply to the secretary of state for reinstatement at any time after the effective date of dissolution. The application must be delivered to the secretary of state for filing and state all of the following:

*a.* The name of the limited partnership and the effective date of its administrative dissolution.

*b.* That the grounds for dissolution either did not exist or have been eliminated.

*c.* If the application is received more than five years after the effective date of the dissolution, that the limited partnership's name satisfies the requirements of section 488.108.

2. If the secretary of state determines that an application contains the information required by subsection 1 and that the information is correct, the secretary of state shall prepare a declaration of reinstatement that states this determination, sign, and file the declaration of reinstatement, and deliver a copy to the limited partnership.

3. When reinstatement becomes effective, it relates back to and takes effect as of the effective date of the administrative dissolution and the limited partnership may resume its activities as if the administrative dissolution had never occurred.

4. A limited partnership shall not relinquish the right to retain its name if the reinstatement is effective within five years of the effective date of the limited partnership's dissolution.

2004 Acts, ch 1021, §73, 118; 2006 Acts, ch 1089, §2 – 5

Referred to in §488.108, 490.401, 504.401, 504.403

**488.811 Appeal from denial of reinstatement.**

1. If the secretary of state denies a limited partnership's application for reinstatement following administrative dissolution, the secretary of state shall prepare, sign, and file a notice

that explains the reason or reasons for denial and serve the limited partnership with a copy of the notice.

2. Within thirty days after service of the notice of denial, the limited partnership may appeal from the denial of reinstatement by petitioning the district court to set aside the dissolution. The petition must be served on the secretary of state and contain a copy of the secretary of state's declaration of dissolution, the limited partnership's application for reinstatement, and the secretary of state's notice of denial.

3. The court may summarily order the secretary of state to reinstate the dissolved limited partnership or may take other action the court considers appropriate.

2004 Acts, ch 1021, §74, 118

**488.812 Disposition of assets — when contributions required.**

1. In winding up a limited partnership's activities, the assets of the limited partnership, including the contributions required by this section, must be applied to satisfy the limited partnership's obligations to creditors, including, to the extent permitted by law, partners that are creditors.

2. Any surplus remaining after the limited partnership complies with subsection 1 must be paid in cash as a distribution.

3. If a limited partnership's assets are insufficient to satisfy all of its obligations under subsection 1, with respect to each unsatisfied obligation incurred when the limited partnership was not a limited liability limited partnership, the following rules apply:

*a.* Each person that was a general partner when the obligation was incurred and that has not been released from the obligation under section 488.607 shall contribute to the limited partnership for the purpose of enabling the limited partnership to satisfy the obligation. The contribution due from each of those persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those persons when the obligation was incurred.

*b.* If a person does not contribute the full amount required under paragraph "*a*" with respect to an unsatisfied obligation of the limited partnership, the other persons required to contribute by paragraph "*a*" on account of the obligation shall contribute the additional amount necessary to discharge the obligation. The additional contribution due from each of those other persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those other persons when the obligation was incurred.

*c.* If a person does not make the additional contribution required by paragraph "*b*", further additional contributions are determined and due in the same manner as provided in that paragraph.

4. A person that makes an additional contribution under subsection 3, paragraph "*b*" or "*c*", may recover from any person whose failure to contribute under subsection 3, paragraph "*b*" or "*c*", necessitated the additional contribution. A person shall not recover under this subsection more than the amount additionally contributed. A person's liability under this subsection shall not exceed the amount the person failed to contribute.

5. The estate of a deceased individual is liable for the person's obligations under this section.

6. An assignee for the benefit of creditors of a limited partnership or a partner, or a person appointed by a court to represent creditors of a limited partnership or a partner, may enforce a person's obligation to contribute under subsection 3.

2004 Acts, ch 1021, §75, 118

Referred to in §488.506, 488.809

## ARTICLE 9

## FOREIGN LIMITED PARTNERSHIPS

**488.901 Governing law.**

1. The laws of the state or other jurisdiction under which a foreign limited partnership

is organized govern relations among the partners of the foreign limited partnership and between the partners and the foreign limited partnership and the liability of partners as partners for an obligation of the foreign limited partnership.

2. A foreign limited partnership shall not be denied a certificate of authority by reason of any difference between the laws of the jurisdiction under which the foreign limited partnership is organized and the laws of this state.

3. A certificate of authority does not authorize a foreign limited partnership to engage in any business or exercise any power that a limited partnership shall not engage in or exercise in this state.

2004 Acts, ch 1021, §76, 118

**488.902 Application for certificate of authority.**

1. A foreign limited partnership may apply for a certificate of authority to transact business in this state by delivering an application to the secretary of state for filing. The application must state all of the following:

*a.* The name of the foreign limited partnership and, if the name does not comply with section 488.108, an alternate name adopted pursuant to section 488.905, subsection 1.

*b.* The name of the state or other jurisdiction under whose law the foreign limited partnership is organized.

*c.* The street and mailing address of the foreign limited partnership's principal office and, if the laws of the jurisdiction under which the foreign limited partnership is organized require the foreign limited partnership to maintain an office in that jurisdiction, the street and mailing address of the required office.

*d.* The name and street and mailing address of the foreign limited partnership's initial agent for service of process in this state.

*e.* The name and street and mailing address of each of the foreign limited partnership's general partners.

*f.* Whether the foreign limited partnership is a foreign limited liability limited partnership.

2. A foreign limited partnership shall deliver with the completed application a certificate of existence or a record of similar import signed by the secretary of state or other official having custody of the foreign limited partnership's publicly filed records in the state or other jurisdiction under whose law the foreign limited partnership is organized.

2004 Acts, ch 1021, §77, 118

**488.903 Activities not constituting transacting business.**

1. Activities of a foreign limited partnership which do not constitute transacting business in this state within the meaning of this article include all of the following:

*a.* Maintaining, defending, and settling an action or proceeding.

*b.* Holding meetings of its partners or carrying on any other activity concerning its internal affairs.

*c.* Maintaining accounts in financial institutions.

*d.* Maintaining offices or agencies for the transfer, exchange, and registration of the foreign limited partnership's own securities or maintaining trustees or depositories with respect to those securities.

*e.* Selling through independent contractors.

*f.* Soliciting or obtaining orders, whether by mail or electronic means or through employees or agents or otherwise, if the orders require acceptance outside this state before they become contracts.

*g.* Creating or acquiring indebtedness, mortgages, or security interests in real or personal property.

*h.* Securing or collecting debts or enforcing mortgages or other security interests in property securing the debts, and holding, protecting, and maintaining property so acquired.

*i.* Owning, without more, real or personal property.

*j.* Conducting an isolated transaction that is completed within thirty days and is not one in the course of similar transactions of a like manner.

*k.* Transacting business in interstate commerce.

2. For purposes of this article, the ownership in this state of income-producing real or tangible personal property, other than property excluded under subsection 1, constitutes transacting business in this state.

3. This section does not apply in determining the contacts or activities that may subject a foreign limited partnership to service of process, taxation, or regulation under any other law of this state.

2004 Acts, ch 1021, §78, 118

**488.904 Approval of application for certificate of authority — notification.**

Unless the secretary of state determines that an application for a certificate of authority does not comply with the filing requirements of this chapter, the secretary of state, upon receiving payment of all filing fees, shall file the application, notify the applicant that the application has been approved, and provide a receipt for the payment of fees. Such notification shall serve as certificate of authority to transact business in this state.

2004 Acts, ch 1021, §79, 118

**488.905 Noncomplying name of foreign limited partnership.**

1. A foreign limited partnership whose name does not comply with section 488.108 shall not obtain a certificate of authority until it adopts, for the purpose of transacting business in this state, an alternate name that complies with section 488.108. A foreign limited partnership that adopts an alternate name under this subsection and then obtains a certificate of authority with the name need not also comply with chapter 547. After obtaining a certificate of authority with an alternate name, a foreign limited partnership shall transact business in this state under the name unless the foreign limited partnership is authorized under chapter 547 to transact business in this state under another name.

2. If a foreign limited partnership authorized to transact business in this state changes its name to one that does not comply with section 488.108, it shall not thereafter transact business in this state until it complies with subsection 1 and obtains an amended certificate of authority.

2004 Acts, ch 1021, §80, 118

Referred to in §488.108, 488.209, 488.210, 488.902

**488.906 Revocation of certificate of authority.**

1. A certificate of authority of a foreign limited partnership to transact business in this state may be revoked by the secretary of state in the manner provided in subsections 2 and 3 if the foreign limited partnership does not do any of the following:

*a.* Pay, within sixty days after the due date, any fee, tax or penalty under this chapter or other law due the secretary of state.

*b.* Deliver, within sixty days after the due date, its biennial report required under section 488.210.

*c.* Appoint and maintain an agent for service of process as required by section 488.114, subsection 2.

*d.* Deliver for filing a statement of a change under section 488.115 within thirty days after a change has occurred in the name or address of the agent.

2. In order to revoke a certificate of authority, the secretary of state must prepare, sign, and file a notice of revocation and send a copy to the foreign limited partnership's agent for service of process in this state, or if the foreign limited partnership does not appoint and maintain a proper agent in this state, to the foreign limited partnership's designated office. The notice must state all of the following:

*a.* The revocation's effective date, which must be at least sixty days after the date the secretary of state sends the copy.

*b.* The foreign limited partnership's failures to comply with subsection 1 which are the reason for the revocation.

3. The authority of the foreign limited partnership to transact business in this state ceases on the effective date of the notice of revocation unless before that date the foreign limited partnership cures each failure to comply with subsection 1 stated in the notice. If the foreign

limited partnership cures the failures, the secretary of state shall so indicate on the filed notice.

2004 Acts, ch 1021, §81, 118; 2004 Acts, ch 1175, §382

**488.907 Cancellation of certificate of authority — effect of failure to have certificate.**

1. In order to cancel its certificate of authority to transact business in this state, a foreign limited partnership must deliver to the secretary of state for filing a notice of cancellation. The certificate is canceled when the notice becomes effective under section 488.206.

2. A foreign limited partnership transacting business in this state shall not maintain an action or proceeding in this state unless it has a certificate of authority to transact business in this state.

3. The failure of a foreign limited partnership to have a certificate of authority to transact business in this state does not impair the validity of a contract or act of the foreign limited partnership or prevent the foreign limited partnership from defending an action or proceeding in this state.

4. A partner of a foreign limited partnership is not liable for the obligations of the foreign limited partnership solely by reason of the foreign limited partnership's having transacted business in this state without a certificate of authority.

5. If a foreign limited partnership transacts business in this state without a certificate of authority or cancels its certificate of authority, it appoints the secretary of state as its agent for service of process for rights of action arising out of the transaction of business in this state.

2004 Acts, ch 1021, §82, 118

**488.908 Action by attorney general.**

The attorney general may maintain an action to restrain a foreign limited partnership from transacting business in this state in violation of this article.

2004 Acts, ch 1021, §83, 118

## ARTICLE 10

## ACTIONS BY PARTNERS

Referred to in §488.110

**488.1001 Direct action by partner.**

1. Subject to subsection 2, a partner may maintain a direct action against the limited partnership or another partner for legal or equitable relief, with or without an accounting as to the partnership's activities, to enforce the rights and otherwise protect the interests of the partner, including rights and interests under the partnership agreement or this chapter or arising independently of the partnership relationship.

2. A partner commencing a direct action under this section is required to plead and prove an actual or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by the limited partnership.

3. The accrual of, and any time limitation on, a right of action for a remedy under this section is governed by other law. A right to an accounting upon a dissolution and winding up does not revive a claim barred by law.

2004 Acts, ch 1021, §84, 118

Referred to in §488.604

**488.1002 Derivative action.**

A partner may maintain a derivative action to enforce a right of a limited partnership, but a partner shall not commence such a proceeding until both of the following have occurred:

1. A written demand has been made upon the general partner or partners, requesting that they cause the limited partnership to take suitable action.

2. Ninety days have expired from the date the demand was made, unless the partner has earlier been notified that the demand has been rejected by the general partner or partners or

unless irreparable injury to the limited partnership would result by waiting for the expiration of the ninety-day period.

2004 Acts, ch 1021, §85, 118

**488.1003 Proper plaintiff.**

A derivative action may be maintained only by a person that is a partner at the time the action is commenced and where one of the following also applies:

1. The person was a partner when the conduct giving rise to the action occurred.

2. The person's status as a partner devolved upon the person by operation of law or pursuant to the terms of the partnership agreement from a person that was a partner at the time of the conduct.

2004 Acts, ch 1021, §86, 118; 2005 Acts, ch 19, §71

**488.1004 Pleading.**

In a derivative action, the petition must state with particularity the date and content of plaintiff's demand and either the general partners' response to the demand or how the limited partnership would be irreparably harmed by waiting for such a response for ninety days.

2004 Acts, ch 1021, §87, 118

**488.1005 Proceeds and expenses.**

1. Except as otherwise provided in subsection 2:

*a.* Any proceeds or other benefits of a derivative action, whether by judgment, compromise, or settlement, belong to the limited partnership and not to the derivative plaintiff.

*b.* If the derivative plaintiff receives any proceeds, the derivative plaintiff shall immediately remit them to the limited partnership.

2. If a derivative action is successful in whole or in part, the court may award the plaintiff reasonable expenses, including reasonable attorney fees, from the recovery of the limited partnership.

3. If the court finds that the derivative proceeding was commenced or maintained without reasonable cause or for an improper purpose, it may order the plaintiff to pay any defendant's reasonable expenses, including reasonable attorney fees, incurred in defending the action.

2004 Acts, ch 1021, §88, 118

## ARTICLE 11

## CONVERSION AND MERGER

Referred to in §488.102, 488.103, 488.201, 488.202, 488.301, 488.401, 488.601, 488.602, 488.603, 488.605, 488.606

**488.1101 Definitions.**

For purposes of this article, unless the context otherwise requires:

1. "*Constituent limited partnership*" means a constituent organization that is a limited partnership.

2. "*Constituent organization*" means an organization that is party to a merger.

3. "*Converted organization*" means the organization into which a converting organization converts pursuant to sections 488.1102 through 488.1105.

4. "*Converting limited partnership*" means a converting organization that is a limited partnership.

5. "*Converting organization*" means an organization that converts into another organization pursuant to section 488.1102.

6. "*General partner*" means a general partner of a limited partnership.

7. "*Governing statute*" of an organization means the statute that governs the organization's internal affairs.

8. "*Organization*" means a general partnership, including a limited liability partnership; limited partnership, including a limited liability limited partnership; limited liability

company; business trust; corporation; or any other person having a governing statute. The term includes domestic and foreign organizations whether or not organized for profit.

9. *"Organizational documents"* means all of the following:

*a.* For a domestic or foreign general partnership, its partnership agreement.

*b.* For a limited partnership or foreign limited partnership, its certificate of limited partnership and partnership agreement.

*c.* For a domestic or foreign limited liability company, its articles of organization and operating agreement, or comparable records as provided in its governing statute.

*d.* For a business trust, its agreement of trust and declaration of trust.

*e.* For a domestic or foreign corporation for profit, its articles of incorporation, bylaws, and other agreements among its shareholders which are authorized by its governing statute, or comparable records as provided in its governing statute.

*f.* For any other organization, the basic records that create the organization and determine its internal governance and the relations among the persons that own it, have an interest in it, or are members of it.

10. *"Personal liability"* means personal liability for a debt, liability, or other obligation of an organization which is imposed on a person that co-owns, has an interest in, or is a member of the organization according to either of the following:

*a.* By the organization's governing statute solely by reason of the person co-owning, having an interest in, or being a member of the organization.

*b.* By the organization's organizational documents under a provision of the organization's governing statute authorizing those documents to make one or more specified persons liable for all or specified debts, liabilities, and other obligations of the organization solely by reason of the person or persons co-owning, having an interest in, or being a member of the organization.

11. *"Surviving organization"* means an organization into which one or more other organizations are merged. A surviving organization may preexist the merger or be created by the merger.

2004 Acts, ch 1021, §89, 118

**488.1102 Conversion.**

1. An organization other than a limited partnership may convert to a limited partnership, and a limited partnership may convert to another organization pursuant to this section and sections 488.1103 through 488.1105 and a plan of conversion, if all of the following apply:

*a.* The other organization's governing statute authorizes the conversion.

*b.* The conversion is not prohibited by the law of the jurisdiction that enacted the governing statute.

*c.* The other organization complies with its governing statute in effecting the conversion.

2. A plan of conversion must be in a record and must include all of the following:

*a.* The name and form of the organization before conversion.

*b.* The name and form of the organization after conversion.

*c.* The terms and conditions of the conversion, including the manner and basis for converting interests in the converting organization into any combination of money, interests in the converted organization, and other consideration.

*d.* The organizational documents of the converted organization.

2004 Acts, ch 1021, §90, 118

Referred to in §488.1101

**488.1103 Action on plan of conversion by converting limited partnership.**

1. Subject to section 488.1110, a plan of conversion must be consented to by all the partners of a converting limited partnership.

2. Subject to section 488.1110 and any contractual rights, after a conversion is approved, and at any time before a filing is made under section 488.1104, a converting limited partnership may amend the plan or abandon the planned conversion according to any or all of the following:

*a.* As provided in the plan.

*b.* Except as prohibited by the plan, by the same consent as was required to approve the plan.

2004 Acts, ch 1021, §91, 118
Referred to in §488.1101, 488.1102

**488.1104 Filings required for conversion — effective date.**

1. After a plan of conversion is approved:

*a.* A converting limited partnership shall deliver to the secretary of state for filing articles of conversion, which must include all of the following:

(1) A statement that the limited partnership has been converted into another organization.

(2) The name and form of the organization and the jurisdiction of its governing statute.

(3) The date the conversion is effective under the governing statute of the converted organization.

(4) A statement that the conversion was approved as required by this chapter.

(5) A statement that the conversion was approved as required by the governing statute of the converted organization.

(6) If the converted organization is a foreign organization not authorized to transact business in this state, the street and mailing address of an office which the secretary of state may use for the purposes of section 488.1105, subsection 3.

*b.* If the converting organization is not a converting limited partnership, the converting organization shall deliver to the secretary of state for filing a certificate of limited partnership, which must include, in addition to the information required by section 488.201, all of the following:

(1) A statement that the limited partnership was converted from another organization.

(2) The name and form of the organization and the jurisdiction of its governing statute.

(3) A statement that the conversion was approved in a manner that complied with the organization's governing statute.

2. A conversion becomes effective according to the following:

*a.* If the converted organization is a limited partnership, when the certificate of limited partnership takes effect.

*b.* If the converted organization is not a limited partnership, as provided by the governing statute of the converted organization.

2004 Acts, ch 1021, §92, 118
Referred to in §488.1101, 488.1102, 488.1103

**488.1105 Effect of conversion.**

1. An organization that has been converted pursuant to this article is for all purposes the same entity that existed before the conversion.

2. When a conversion takes effect, all of the following apply:

*a.* All property owned by the converting organization remains vested in the converted organization.

*b.* All debts, liabilities, and other obligations of the converting organization continue as obligations of the converted organization.

*c.* An action or proceeding pending by or against the converting organization may be continued as if the conversion had not occurred.

*d.* Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of the converting organization remain vested in the converted organization.

*e.* Except as otherwise provided in the plan of conversion, the terms and conditions of the plan of conversion take effect.

*f.* Except as otherwise agreed, the conversion does not dissolve a converting limited partnership for the purposes of article 8.

3. A converted organization that is a foreign organization consents to the jurisdiction of the courts of this state to enforce any obligation owed by the converting limited partnership, if before the conversion the converting limited partnership was subject to suit in this state on the obligation. A converted organization that is a foreign organization and not authorized to transact business in this state appoints the secretary of state as its agent for service of process

for purposes of enforcing an obligation under this subsection. Service on the secretary of state under this subsection is made in the same manner and with the same consequences as in section 488.117, subsections 3 and 4.

2004 Acts, ch 1021, §93, 118

Referred to in §488.1101, 488.1102, 488.1104

**488.1106 Mergers.**

1. A limited partnership may merge with one or more other constituent organizations pursuant to this section and sections 488.1107 through 488.1109 and a plan of merger, if all of the following apply:

*a.* The governing statute of each of the other organizations authorizes the merger.

*b.* The merger is not prohibited by the law of a jurisdiction that enacted any of those governing statutes.

*c.* Each of the other organizations complies with its governing statute in effecting the merger.

2. A plan of merger must be in a record and must include all of the following:

*a.* The name and form of each constituent organization.

*b.* The name and form of the surviving organization and, if the surviving organization is to be created by the merger, a statement to that effect.

*c.* The terms and conditions of the merger, including the manner and basis for converting the interests in each constituent organization into any combination of money, interests in the surviving organization, and other consideration.

*d.* If the surviving organization is to be created by the merger, the surviving organization's organizational documents.

*e.* If the surviving organization is not to be created by the merger, any amendments to be made by the merger to the surviving organization's organizational documents.

2004 Acts, ch 1021, §94, 118; 2004 Acts, ch 1175, §383

**488.1107 Action on plan of merger by constituent limited partnership.**

1. Subject to section 488.1110, a plan of merger must be consented to by all the partners of a constituent limited partnership.

2. Subject to section 488.1110 and any contractual rights, after a merger is approved, and at any time before a filing is made under section 488.1108, a constituent limited partnership may amend the plan or abandon the planned merger according to any or all of the following:

*a.* As provided in the plan.

*b.* Except as prohibited by the plan, with the same consent as was required to approve the plan.

2004 Acts, ch 1021, §95, 118

Referred to in §488.1106

**488.1108 Filings required for merger — effective date.**

1. After each constituent organization has approved a merger, articles of merger must be signed on behalf of all of the following:

*a.* Each preexisting constituent limited partnership, by each general partner listed in the certificate of limited partnership.

*b.* Each other preexisting constituent organization, by an authorized representative.

2. The articles of merger must include all of the following:

*a.* The name and form of each constituent organization and the jurisdiction of its governing statute.

*b.* The name and form of the surviving organization, the jurisdiction of its governing statute, and, if the surviving organization is created by the merger, a statement to that effect.

*c.* The date the merger is effective under the governing statute of the surviving organization.

*d.* If the surviving organization is to be created by the merger, one of the following:

(1) If it will be a limited partnership, the limited partnership's certificate of limited partnership.

(2) If it will be an organization other than a limited partnership, the organizational document that creates the organization.

*e.* If the surviving organization preexists the merger, any amendments provided for in the plan of merger for the organizational document that created the organization.

*f.* A statement as to each constituent organization that the merger was approved as required by the organization's governing statute.

*g.* If the surviving organization is a foreign organization not authorized to transact business in this state, the street and mailing address of an office which the secretary of state may use for the purposes of section 488.1109, subsection 2.

*h.* Any additional information required by the governing statute of any constituent organization.

3. Each constituent limited partnership shall deliver the articles of merger for filing in the office of the secretary of state.

4. A merger becomes effective under this article according to one of the following:

*a.* If the surviving organization is a limited partnership, upon the later of the following:

(1) Compliance with subsection 3.

(2) Subject to section 488.206, subsection 3, as specified in the articles of merger.

*b.* If the surviving organization is not a limited partnership, as provided by the governing statute of the surviving organization.

2004 Acts, ch 1021, §96, 118

Referred to in §488.204, 488.1106, 488.1107

**488.1109 Effect of merger.**

1. When a merger becomes effective, all of the following apply:

*a.* The surviving organization continues or comes into existence.

*b.* Each constituent organization that merges into the surviving organization ceases to exist as a separate entity.

*c.* All property owned by each constituent organization that ceases to exist vests in the surviving organization.

*d.* All debts, liabilities, and other obligations of each constituent organization that ceases to exist continue as obligations of the surviving organization.

*e.* An action or proceeding pending by or against any constituent organization that ceases to exist may be continued as if the merger had not occurred.

*f.* Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of each constituent organization that ceases to exist vest in the surviving organization.

*g.* Except as otherwise provided in the plan of merger, the terms and conditions of the plan of merger take effect.

*h.* Except as otherwise agreed, if a constituent limited partnership ceases to exist, the merger does not dissolve the limited partnership for the purposes of article 8.

*i.* If the surviving organization is created by the merger, one of the following applies:

(1) If it is a limited partnership, the certificate of limited partnership becomes effective.

(2) If it is an organization other than a limited partnership, the organizational document that creates the organization becomes effective.

*j.* If the surviving organization preexists the merger, any amendments provided for in the articles of merger for the organizational document that created the organization become effective.

2. A surviving organization that is a foreign organization consents to the jurisdiction of the courts of this state to enforce any obligation owed by a constituent organization, if before the merger the constituent organization was subject to suit in this state on the obligation. A surviving organization that is a foreign organization and not authorized to transact business in this state appoints the secretary of state as its agent for service of process for the purposes of enforcing an obligation under this subsection. Service on the secretary of state under

this subsection is made in the same manner and with the same consequences as in section 488.117, subsections 3 and 4.

2004 Acts, ch 1021, §97, 118

Referred to in §488.1106, 488.1108

**488.1110 Restrictions on approval of conversions and mergers and on relinquishing limited liability limited partnership status.**

1. If a partner of a converting or constituent limited partnership will have personal liability with respect to a converted or surviving organization, approval and amendment of a plan of conversion or merger are ineffective without the consent of the partner, unless all of the following apply:

*a.* The limited partnership's partnership agreement provides for the approval of the conversion or merger with the consent of fewer than all the partners.

*b.* The partner has consented to the provision of the partnership agreement.

2. An amendment to a certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership is ineffective without the consent of each general partner, unless all of the following apply:

*a.* The limited partnership's partnership agreement provides for the amendment with the consent of less than all the general partners.

*b.* Each general partner that does not consent to the amendment has consented to the provision of the partnership agreement.

3. A partner does not give the consent required by subsection 1 or 2 merely by consenting to a provision of the partnership agreement which permits the partnership agreement to be amended with the consent of fewer than all the partners.

2004 Acts, ch 1021, §98, 118

Referred to in §488.110, 488.406, 488.1103, 488.1107

**488.1111 Liability of general partner after conversion or merger.**

1. A conversion or merger under this article does not discharge any liability under sections 488.404 and 488.607 of a person that was a general partner in or dissociated as a general partner from a converting or constituent limited partnership, but all of the following apply:

*a.* The provisions of this chapter pertaining to the collection or discharge of the liability continue to apply to the liability.

*b.* For the purposes of applying those provisions, the converted or surviving organization is deemed to be the converting or constituent limited partnership.

*c.* If a person is required to pay any amount under this subsection, all of the following apply:

(1) The person has a right of contribution from each other person that was liable as a general partner under section 488.404 when the obligation was incurred and has not been released from the obligation under section 488.607.

(2) The contribution due from each of those persons is in proportion to the right to receive distributions in the capacity of general partner in effect for each of those persons when the obligation was incurred.

2. In addition to any other liability provided by law, both of the following apply:

*a.* A person that immediately before a conversion or merger became effective was a general partner in a converting or constituent limited partnership that was not a limited liability limited partnership is personally liable for each obligation of the converted or surviving organization arising from a transaction with a third party after the conversion or merger becomes effective, if, at the time the third party enters into the transaction, all of the following apply to the third party:

(1) The third party does not have notice of the conversion or merger.

(2) The third party reasonably believes all of the following:

(a) The converted or surviving business is the converting or constituent limited partnership.

(b) The converting or constituent limited partnership is not a limited liability limited partnership.

(c) The person is a general partner in the converting or constituent limited partnership.

*b.* A person that was dissociated as a general partner from a converting or constituent limited partnership before the conversion or merger became effective is personally liable for each obligation of the converted or surviving organization arising from a transaction with a third party after the conversion or merger becomes effective, if all of the following apply:

(1) Immediately before the conversion or merger became effective the converting or surviving limited partnership was not a limited liability limited partnership.

(2) At the time the third party enters into the transaction less than two years have passed since the person dissociated as a general partner and all of the following apply to the third party:

(a) The third party does not have notice of the dissociation.

(b) The third party does not have notice of the conversion or merger.

(c) The third party reasonably believes that the converted or surviving organization is the converting or constituent limited partnership, the converting or constituent limited partnership is not a limited liability limited partnership, and the person is a general partner in the converting or constituent limited partnership.

2004 Acts, ch 1021, §99, 118

**488.1112 Power of general partners and persons dissociated as general partners to bind organization after conversion or merger.**

1. An act of a person that immediately before a conversion or merger became effective was a general partner in a converting or constituent limited partnership binds the converted or surviving organization after the conversion or merger becomes effective, if all of the following apply:

*a.* Before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under section 488.402.

*b.* At the time the third party enters into the transaction, all of the following apply to the third party:

(1) The third party does not have notice of the conversion or merger.

(2) The third party reasonably believes that the converted or surviving business is the converting or constituent limited partnership and that the person is a general partner in the converting or constituent limited partnership.

2. An act of a person that before a conversion or merger became effective was dissociated as a general partner from a converting or constituent limited partnership binds the converted or surviving organization after the conversion or merger becomes effective, if all of the following apply:

*a.* Before the conversion or merger became effective, the act would have bound the converting or constituent limited partnership under section 488.402 if the person had been a general partner.

*b.* At the time the third party enters into the transaction, less than two years have passed since the person dissociated as a general partner and all of the following apply to the third party:

(1) The third party does not have notice of the dissociation.

(2) The third party does not have notice of the conversion or merger.

(3) The third party reasonably believes that the converted or surviving organization is the converting or constituent limited partnership and that the person is a general partner in the converting or constituent limited partnership.

3. If a person having knowledge of the conversion or merger causes a converted or surviving organization to incur an obligation under subsection 1 or 2, the person is liable to either or both of the following:

*a.* To the converted or surviving organization for any damage caused to the organization arising from the obligation.

*b.* If another person is liable for the obligation, to that other person for any damage caused to that other person arising from the liability.

2004 Acts, ch 1021, §100, 118

**488.1113 Article not exclusive.**
This article does not preclude an entity from being converted or merged under other law.
2004 Acts, ch 1021, §101, 118

ARTICLE 12

MISCELLANEOUS PROVISIONS

**488.1201 Uniformity of application and construction.**
In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.
2004 Acts, ch 1021, §102, 118

**488.1202 Severability.**
If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.
2004 Acts, ch 1021, §103, 118

**488.1203 Relation to Electronic Signatures in Global and National Commerce Act.**
This chapter modifies, limits, or supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but this chapter does not modify, limit, or supersede section 101(c) of that Act or authorize electronic delivery of any of the notices described in section 103(b) of that Act.
2004 Acts, ch 1021, §104, 118

**488.1204 Application to existing relationships.**
1. Before January 1, 2006, this chapter governs only the following:
*a.* A limited partnership formed on or after January 1, 2005.
*b.* Except as otherwise provided in subsections 3 and 4, a limited partnership formed before January 1, 2005, that elects, in the manner provided in its partnership agreement or by law for amending the partnership agreement, to be subject to this chapter.
2. Except as otherwise provided in subsection 3, on and after January 1, 2006, this chapter governs all limited partnerships.
3. With respect to a limited partnership formed before January 1, 2005, the following rules apply except as the partners otherwise elect in the manner provided in the partnership agreement or by law for amending the partnership agreement:
*a.* Section 488.104, subsection 3, does not apply and the limited partnership has whatever duration it had under the law applicable immediately before January 1, 2005.
*b.* The limited partnership is not required to amend its certificate of limited partnership to comply with section 488.201, subsection 1, paragraph "*d*".
*c.* Sections 488.505, 488.601, and 488.602 do not apply, and a limited partner has the same right and power to dissociate from the limited partnership, with the same consequences, as existed immediately before January 1, 2005.
*d.* Section 488.603, subsection 4, does not apply.
*e.* Section 488.603, subsection 5, does not apply, and a court has the same power to expel a general partner as the court had immediately before January 1, 2005.
*f.* Section 488.801, subsection 3, does not apply and the connection between a person's dissociation as a general partner and the dissolution of the limited partnership is the same as existed immediately before January 1, 2005.
*g.* If a limited partnership elected under prior law to become a limited liability limited partnership by filing a statement of qualification with the secretary of state, the statement of qualification is deemed to be an amendment to the certificate of limited partnership in

compliance with section 488.201, subsection 1, paragraph "*d*", and the limited liability limited partnership automatically is a limited liability limited partnership under this chapter.

4. With respect to a limited partnership that elects pursuant to subsection 1, paragraph "*b*", to be subject to this chapter, after the election takes effect, the provisions of this chapter relating to the liability of the limited partnership's general partners to third parties apply according to the following:

*a.* Before January 1, 2006, to all of the following:

(1) A third party that had not done business with the limited partnership in the year before the election took effect.

(2) A third party that had done business with the limited partnership in the year before the election took effect only if the third party knows or has received a notification of the election.

*b.* On and after January 1, 2006, to all third parties, but those provisions remain inapplicable to any obligation incurred while those provisions were inapplicable under paragraph "*a*", subparagraph (2).

*c.* Notwithstanding the foregoing provisions of this subsection, if a preexisting limited liability limited partnership elects to be subject to this chapter prior to January 1, 2006, this chapter's provisions relating to the liability of general partners to third parties apply immediately to all third parties, regardless of whether a third party has previously done business with the limited liability limited partnership.

2004 Acts, ch 1021, §105, 118

Referred to in §488.102, 488.1207

**488.1205 Savings clause.**

This chapter does not affect an action commenced, proceeding brought, or right accrued before this chapter takes effect.

2004 Acts, ch 1021, §106, 118

**488.1206 Fees.**

1. The secretary of state shall collect the following fees when the documents described in this subsection are delivered to the secretary's office for filing:

*a.* Certificate of limited partnership ..... $100

*b.* Application for registration of foreign limited partnership and for issuance of a certificate of registration to transact business in this state ..... $100

*c.* Amendment to certificate of limited partnership ..... $100

*d.* Amendment to application for registration of foreign limited partnership ..... $100

*e.* Cancellation of certificate of limited partnership ..... $ 20

*f.* Cancellation of registration of foreign limited partnership ..... $ 20

*g.* A consent required to be filed under this chapter..... $ 20

*h.* Application to reserve a limited partnership name ..... $ 10

*i.* A notice of transfer of reservation of name ..... $ 10

*j.* Articles of correction ..... $ 5

*k.* Application for certificate of existence or registration ..... $ 5

*l.* A statement of dissociation ..... $ 20

*m.* A statement of dissolution ..... $ 20

*n.* A statement of termination ..... $ 20

*o.* A statement of change ..... $ 20

*p.* Any other document required or
permitted to be filed ..... $ 5

2. The secretary of state shall collect a fee of five dollars each time process is served on the secretary under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.

3. The secretary of state shall collect the following fees for copying and certifying the copy of any filed document relating to a limited partnership or foreign limited partnership:

*a.* One dollar per page for copying.

*b.* Five dollars for certification.

2004 Acts, ch 1021, §107, 118

**488.1207 Effective date.**

This chapter takes effect January 1, 2005, and applies as provided in section 488.1204 and in other sections of this chapter.

2004 Acts, ch 1021, §108, 118

# SUBTITLE 2

## BUSINESS AND PROFESSIONAL CORPORATIONS AND COMPANIES

Referred to in §491.39

# CHAPTER 489

## REVISED UNIFORM LIMITED LIABILITY COMPANY ACT

Referred to in §9H.4, 10.1, 10B.4, 10B.7, 476C.1, 488.108, 490.401, 501A.102, 504.401, 504.403, 524.315, 524.1309, 524.2001, 547.1, 558.72

Before January 1, 2011, this chapter governs
limited liability companies formed on or
after January 1, 2009, and companies
electing to be subject to this chapter;
on and after January 1, 2011, this chapter governs
all limited liability companies; see §489.1304

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## ARTICLE 1

## GENERAL PROVISIONS

**489.101 Short title.**

This chapter may be cited as the *"Revised Uniform Limited Liability Company Act"*.

2008 Acts, ch 1162, §1, 155

**489.102 Definitions.**

As used in this chapter:

1. *"Certificate of organization"* means the certificate required by section 489.201. The term includes the certificate as amended or restated.

2. *"Contribution"* means any benefit provided by a person to a limited liability company that is any of the following:

*a.* In order to become a member upon formation of the company and in accordance with an agreement between or among the persons that have agreed to become the initial members of the company.

*b.* In order to become a member after formation of the company and in accordance with an agreement between the person and the company.

*c.* In the person's capacity as a member and in accordance with the operating agreement or an agreement between the member and the company.

3. *"Debtor in bankruptcy"* means a person that is the subject of any of the following:

*a.* An order for relief under Tit. 11 of the United States Code or a successor statute of general application.

*b.* A comparable order under federal, state, or foreign law governing insolvency.

4. *"Deliver"* or *"delivery"* means any method of delivery used in conventional commercial practice, including delivery in person, by mail, commercial delivery, and electronic transmission.

5. *"Distribution"*, except as otherwise provided in section 489.405, subsection 6, means a transfer of money or other property from a limited liability company to another person on account of a transferable interest.

6. *"Domestic cooperative"* means an entity organized on a cooperative basis under chapter 497, 498, or 499 or a cooperative organized under chapter 501 or 501A.

7. *"Effective"*, with respect to a record required or permitted to be delivered to the secretary of state for filing under this chapter, means effective under section 489.205, subsection 3.

8. *"Electronic transmission"* means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient.

9. *"Foreign limited liability company"* means an unincorporated entity formed under the law of a jurisdiction other than this state and denominated by that law as a limited liability company.

10. *"Limited liability company"*, except in the phrase *"foreign limited liability company"*, means an entity formed under this chapter.

11. *"Manager"* means a person that under the operating agreement of a manager-managed limited liability company is responsible, alone or in concert with others, for performing the management functions stated in section 489.407, subsection 3.

12. *"Manager-managed limited liability company"* means a limited liability company that qualifies under section 489.407, subsection 1.

13. *"Member"* means a person that has become a member of a limited liability company under section 489.401 and has not dissociated under section 489.602.

14. *"Member-managed limited liability company"* means a limited liability company that is not a manager-managed limited liability company.

15. *"Operating agreement"* means the agreement, whether or not referred to as an operating agreement and whether oral, in a record, implied, or in any combination thereof, of all the members of a limited liability company, including a sole member, concerning the matters described in section 489.110, subsection 1. The term includes the agreement as amended or restated.

16. *"Organizer"* means a person that acts under section 489.201 to form a limited liability company.

17. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

18. *"Principal office"* means the principal executive office of a limited liability company or foreign limited liability company, whether or not the office is located in this state.

19. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

20. *"Registered office"* means the office that a limited liability company or foreign limited liability company is required to designate and maintain under section 489.113.

21. *"Sign"* means, with the present intent to authenticate or adopt a record, to do any of the following:

*a.* Execute or adopt a tangible symbol.

*b.* Attach to or logically associate with the record an electronic symbol, sound, or process.

22. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

23. *"Transfer"* includes an assignment, conveyance, deed, bill of sale, lease, mortgage, security interest, encumbrance, gift, or transfer by operation of law.

24. *"Transferable interest"* means the right, as originally associated with a person's capacity as a member, to receive distributions from a limited liability company in accordance with the operating agreement, whether or not the person remains a member or continues to own any part of the right.

25. *"Transferee"* means a person to which all or part of a transferable interest has been transferred, whether or not the transferor is a member.

2008 Acts, ch 1162, §2, 155; 2010 Acts, ch 1100, §1

Referred to in §9H.1, 10B.1, 10D.1, 203.1, 489.1304, 501A.102

**489.103 Knowledge — notice.**

1. A person knows a fact when the person has or is any of the following:

*a.* Has actual knowledge of it.

*b.* Is deemed to know it under subsection 4, paragraph *"a"*, or law other than this chapter.

2. A person has notice of a fact when the person has or is any of the following:

*a.* Has reason to know the fact from all of the facts known to the person at the time in question.

*b.* Is deemed to have notice of the fact under subsection 4, paragraph *"b"*.

3. A person notifies another of a fact by taking steps reasonably required to inform the other person in ordinary course, whether or not the other person knows the fact.

4. A person that is not a member is deemed both of the following:

*a.* To know of a limitation on authority to transfer real property as provided in section 489.302, subsection 7.

*b.* To have notice of all of the following regarding a limited liability company's:

(1) Dissolution, ninety days after a statement of dissolution under section 489.702, subsection 2, paragraph *"b"*, subparagraph (1), becomes effective.

(2) Termination, ninety days after a statement of termination under section 489.702, subsection 2, paragraph *"b"*, subparagraph (6), becomes effective.

(3) Merger, conversion, or domestication, ninety days after articles of merger, conversion, or domestication under article 10 become effective.

2008 Acts, ch 1162, §3, 155
Referred to in §489.206, 489.302

**489.104 Nature, purpose, and duration of limited liability company.**

1. A limited liability company is an entity distinct from its members.

2. A limited liability company may have any lawful purpose, regardless of whether for profit.

3. A limited liability company has perpetual duration.

2008 Acts, ch 1162, §4, 155

**489.105 Powers.**

1. Except as otherwise provided in subsection 2, a limited liability company has the capacity to sue and be sued in its own name and the power to do all things necessary or convenient to carry on its activities.

2. Until a limited liability company has or has had at least one member, the company lacks the capacity to do any act or carry on any activity except all of the following:

*a.* Delivering to the secretary of state for filing a statement of change under section 489.114, an amendment to the certificate under section 489.202, a statement of correction under section 489.206, a biennial report under section 489.209, or a statement of termination under section 489.702, subsection 2, paragraph *"b"*, subparagraph (6).

*b.* Admitting a member under section 489.401.

*c.* Dissolving under section 489.701.

3. A limited liability company that has or has had at least one member may ratify an act or activity that occurred when the company lacked capacity under subsection 2.

2008 Acts, ch 1162, §5, 155
Referred to in §489.110

**489.106 Governing law.**

The law of this state governs all of the following:

1. The internal affairs of a limited liability company.

2. The liability of a member as member and a manager as manager for the debts, obligations, or other liabilities of a limited liability company.

2008 Acts, ch 1162, §6, 155
Referred to in §489.110

**489.107 Supplemental principles of law.**

Unless displaced by particular provisions of this chapter, the principles of law and equity supplement this chapter.

2008 Acts, ch 1162, §7, 155

**489.108 Name.**

1. The name of a limited liability company must contain the words *"limited liability company"* or *"limited company"* or the abbreviation "L. L. C.", "LLC", "L. C.", or "LC". "Limited" may be abbreviated as "Ltd.", and "company" may be abbreviated as "Co.".

2. Unless authorized by subsection 3, the name of a limited liability company must be distinguishable in the records of the secretary of state from all of the following:

*a.* The name of each person that is not an individual and that is incorporated, organized, or authorized to transact business in this state.

*b.* Each name reserved under section 489.109.

3. A limited liability company may apply to the secretary of state for authorization to use a name that does not comply with subsection 2. The secretary of state shall authorize use of the name applied for if either of the following applies:

*a.* The present user, registrant, or owner of the noncomplying name consents in a signed record to the use and submits an undertaking in a form satisfactory to the secretary of state to change the noncomplying name to a name that complies with subsection 2 and is distinguishable in the records of the secretary of state from the name applied for.

*b.* The applicant delivers to the secretary of state a certified copy of the final judgment of a court establishing the applicant's right to use in this state the name applied for.

4. A limited liability company may use the name, including the fictitious name, of another entity that is used in this state if the other entity is formed under the law of this state or is authorized to transact business in this state and the proposed user limited liability company meets any of the following conditions:

*a.* Has merged with the other entity.

*b.* Has been formed by reorganization of the other entity.

*c.* Has acquired all or substantially all of the assets, including the name, of the other entity.

5. This article does not control the use of fictitious names. However, if a limited liability company uses a fictitious name in this state, it shall deliver to the secretary of state for filing a certified copy of the resolution of its members if it is member-managed or its managers if it is manager-managed, adopting the fictitious name.

6. Subject to section 489.805, this section applies to a foreign limited liability company transacting business in this state which has a certificate of authority to transact business in this state or which has applied for a certificate of authority.

2008 Acts, ch 1162, §8, 155; 2009 Acts, ch 133, §160

Referred to in §488.108, 489.201, 489.706, 489.802, 489.805, 490.401, 504.401, 504.403

**489.109 Reservation of name.**

1. A person may reserve the exclusive use of the name of a limited liability company, including a fictitious or assumed name for a foreign limited liability company whose name is not available, by delivering an application to the secretary of state for filing. The application must state the name and address of the applicant and the name proposed to be reserved. If the secretary of state finds that the name applied for is available, it must be reserved for the applicant's exclusive use for a one-hundred-twenty-day period.

2. The owner of a name reserved for a limited liability company may transfer the reservation to another person by delivering to the secretary of state for filing a signed notice of the transfer which states the name and address of the transferee.

2008 Acts, ch 1162, §9, 155

Referred to in §488.108, 489.108, 490.401, 504.401, 504.403, 524.310

**489.110 Operating agreement — scope, function, and limitations.**

1. Except as otherwise provided in subsections 2 and 3, the operating agreement governs all of the following:

*a.* Relations among the members as members and between the members and the limited liability company.

*b.* The rights and duties under this chapter of a person in the capacity of manager.

*c.* The activities of the company and the conduct of those activities.

*d.* The means and conditions for amending the operating agreement.

2. To the extent the operating agreement does not otherwise provide for a matter described in subsection 1, this chapter governs the matter.

3. An operating agreement shall not do any of the following:

*a.* Vary a limited liability company's capacity under section 489.105 to sue and be sued in its own name.

*b.* Vary the law applicable under section 489.106.

*c.* Vary the power of the court under section 489.204.

*d.* Subject to subsections 4 through 7, eliminate the duty of loyalty, the duty of care, or any other fiduciary duty.

*e.* Subject to subsections 4 through 7, eliminate the contractual obligation of good faith and fair dealing under section 489.409, subsection 4.

*f.* Unreasonably restrict the duties and rights stated in section 489.410.

*g.* Vary the power of a court to decree dissolution in the circumstances specified in section 489.701, subsection 1, paragraphs "*d*" and "*e*".

*h.* Vary the requirement to wind up a limited liability company's business as specified in section 489.702, subsection 1, and section 489.702, subsection 2, paragraph "*a*".

*i.* Unreasonably restrict the right of a member to maintain an action under article 9.

*j.* Restrict the right to approve a merger, conversion, or domestication under section 489.1014 to a member that will have personal liability with respect to a surviving, converted, or domesticated organization.

*k.* Except as otherwise provided in section 489.112, subsection 2, restrict the rights under this chapter of a person other than a member or manager.

4. If not manifestly unreasonable, the operating agreement may do any of the following:

*a.* Restrict or eliminate the duty to do any of the following:

(1) As required in section 489.409, subsection 2, paragraph "*a*", and section 489.409, subsection 8, to account to the limited liability company and to hold as trustee for it any property, profit, or benefit derived by the member in the conduct or winding up of the company's business, from a use by the member of the company's property, or from the appropriation of a limited liability company opportunity.

(2) As required in section 489.409, subsection 2, paragraph "*b*", and section 489.409, subsection 8, to refrain from dealing with the company in the conduct or winding up of the company's business as or on behalf of a party having an interest adverse to the company.

(3) As required by section 489.409, subsection 2, paragraph "*c*", and section 489.409, subsection 8, to refrain from competing with the company in the conduct of the company's business before the dissolution of the company.

*b.* Identify specific types or categories of activities that do not violate the duty of loyalty.

*c.* Alter the duty of care, except to authorize intentional misconduct or knowing violation of law.

*d.* Alter any other fiduciary duty, including eliminating particular aspects of that duty.

*e.* Prescribe the standards by which to measure the performance of the contractual obligation of good faith and fair dealing under section 489.409, subsection 4.

5. The operating agreement may specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one or more disinterested and independent persons after full disclosure of all material facts.

6. To the extent the operating agreement of a member-managed limited liability company expressly relieves a member of a responsibility that the member would otherwise have under this chapter and imposes the responsibility on one or more other members, the operating agreement may, to the benefit of the member that the operating agreement relieves of the responsibility, also eliminate or limit any fiduciary duty that would have pertained to the responsibility.

7. The operating agreement may alter or eliminate the indemnification for a member or manager provided by section 489.408, subsection 1, and may eliminate or limit a member's or manager's liability to the limited liability company and members for money damages, except for any of the following:

*a.* A breach of the duty of loyalty.

*b.* A financial benefit received by the member or manager to which the member or manager is not entitled.

*c.* A breach of a duty under section 489.406.

*d.* Intentional infliction of harm on the company or a member.

*e.* An intentional violation of criminal law.

8. The court shall decide any claim under subsection 4 that a term of an operating agreement is manifestly unreasonable. All of the following apply:

*a.* The court shall make its determination as of the time the challenged term became part of the operating agreement and by considering only circumstances existing at that time.

*b.* The court may invalidate the term only if, in light of the purposes and activities of the limited liability company, it is readily apparent that any of the following applies:

(1) The objective of the term is unreasonable.

(2) The term is an unreasonable means to achieve the provision's objective.

2008 Acts, ch 1162, §10, 155; 2013 Acts, ch 30, §114, 115

Referred to in §489.102, 489.112, 489.408

Subsection 3, paragraph h amended

Subsection 4, paragraph a amended

**489.111 Operating agreement — effect on limited liability company and persons becoming members — preformation agreement.**

1. A limited liability company is bound by and may enforce the operating agreement, whether or not the company has itself manifested assent to the operating agreement.

2. A person that becomes a member of a limited liability company is deemed to assent to the operating agreement.

3. Two or more persons intending to become the initial members of a limited liability company may make an agreement providing that upon the formation of the company the agreement will become the operating agreement. One person intending to become the initial member of a limited liability company may assent to terms providing that upon the formation of the company the terms will become the operating agreement.

4. An operating agreement in a signed record that excludes modification or recision except by a signed record cannot be otherwise modified or rescinded.

2008 Acts, ch 1162, §11, 155

**489.112 Operating agreement — effect on third parties and relationship to records effective on behalf of limited liability company.**

1. An operating agreement may specify that its amendment requires the approval of a person that is not a party to the operating agreement or the satisfaction of a condition. An amendment is ineffective if its adoption does not include the required approval or satisfy the specified condition.

2. The obligations of a limited liability company and its members to a person in the person's capacity as a transferee or dissociated member are governed by the operating agreement. Subject only to any court order issued under section 489.503, subsection 2, paragraph "*b*", to effectuate a charging order, an amendment to the operating agreement made after a person becomes a transferee or dissociated member is effective with regard to any debt, obligation, or other liability of the limited liability company or its members to the person in the person's capacity as a transferee or dissociated member.

3. If a record that has been delivered by a limited liability company to the secretary of state for filing and has become effective under this chapter contains a provision that would be ineffective under section 489.110, subsection 3, if contained in the operating agreement, the provision is likewise ineffective in the record.

4. Subject to subsection 3, if a record that has been delivered by a limited liability company to the secretary of state for filing and has become effective under this chapter conflicts with a provision of the operating agreement, the following rules apply:

*a.* The operating agreement prevails as to members, dissociated members, transferees, and managers.

*b.* The record prevails as to other persons to the extent they reasonably rely on the record.

2008 Acts, ch 1162, §12, 155

Referred to in §489.110, 489.201, 489.202, 489.1304

**489.113 Registered office and registered agent for service of process.**

A limited liability company or a foreign limited liability company that has a certificate of authority under section 489.802 shall designate and continuously maintain in this state all of the following:

1. A registered office, which need not be a place of its activity in this state.

2. A registered agent for service of process who may be any of the following:

*a.* An individual who resides in this state and whose business office is identical with the registered office.

*b.* A domestic corporation, limited liability company, or not-for-profit domestic corporation whose business office is identical with the registered office.

*c.* A foreign corporation, foreign limited liability company, or not-for-profit foreign corporation authorized to transact business in this state whose business office is identical with the registered office.

2008 Acts, ch 1162, §13, 155; 2010 Acts, ch 1100, §2

Referred to in §489.102, 489.806

**489.114 Change of registered office or registered agent for service of process.**

1. A limited liability company or foreign limited liability company may change its registered office or its registered agent for service of process by delivering to the secretary of state for filing a statement of change that sets forth all of the following:

*a.* The name of the company.

*b.* If the current registered office is to be changed, the street and mailing addresses of the new registered office.

*c.* If the current registered agent is to be changed, the name of the new registered agent and the new agent's consent to the appointment. The agent's consent may be on the statement or attached to it.

*d.* That after the change or changes are made, the street address of its registered office and the business office of its registered agent will be identical.

2. If a registered agent changes the street address of the registered agent's business office, the registered agent may change the street address of the registered office of any limited liability company or foreign limited liability company for which the person is the registered agent by notifying the limited liability company or foreign limited liability company in writing of the change and signing, either manually or in facsimile, and delivering to the secretary of state for filing a statement that complies with the requirements of subsection 1 and recites that the limited liability company or foreign limited liability company has been notified of the change.

3. If a registered agent changes the registered agent's business address to another place, the registered agent may change the business address and the address of the registered agent by filing a statement as required by subsection 2 for each limited liability company or foreign limited liability company, or a single statement of all limited liability companies or all foreign limited liability companies named in the notice, except that it need be signed only by the registered agent and need not be responsive to subsection 1, paragraph "*c*", and must recite that a copy of the statement has been mailed to each limited liability company or foreign limited liability company named in the notice.

4. A limited liability company or foreign limited liability company may also change its registered office or registered agent in its biennial report as provided in section 489.209.

5. Subject to section 489.205, subsection 3, a statement of change is effective when filed by the secretary of state.

2008 Acts, ch 1162, §14, 155; 2010 Acts, ch 1100, §3

Referred to in §489.105, 489.202, 489.209, 489.806

**489.115 Resignation of registered agent for service of process.**

1. A registered agent may resign the agent's agency appointment by signing and delivering to the secretary of state for filing the signed original statement of resignation. The statement of resignation may include a statement that the registered office is also discontinued. The registered agent shall send a copy of the statement of resignation by certified mail, return receipt requested, to the limited liability company or foreign limited liability company at its principal office and to the registered office, if not discontinued. The registered agent shall certify to the secretary of state that the copies have been sent to the limited liability company or foreign limited liability company, including the date the copies were sent.

2. The agency appointment is terminated, and the registered office discontinued if so provided, on the date on which the statement was filed.

2008 Acts, ch 1162, §15, 155; 2010 Acts, ch 1100, §4

Referred to in §489.205

**489.116 Service of process.**

1. A limited liability company's or foreign limited liability company's registered agent is the company's agent for service of process, notice, or demand required or permitted by law to be served on the company.

2. If a limited liability company or foreign limited liability company has no registered agent, or the agent cannot with reasonable diligence be served, the company may be served by registered or certified mail, return receipt requested, addressed to the company at its principal office. Service is perfected under this subsection at the earliest of any of the following:

*a.* The date the limited liability company or foreign limited liability company receives the mail.

*b.* The date shown on the return receipt, if signed on behalf of the company.

*c.* Five days after its deposit in the United States mail, as evidenced by the postmark, if mailed postpaid and correctly addressed.

3. A limited liability company or foreign limited liability company may be served pursuant to this section, as provided in another provision of this chapter, or as provided in sections 617.3 through 617.6, unless the manner of service is otherwise specifically provided for by another provision of law.

2008 Acts, ch 1162, §16, 155; 2010 Acts, ch 1100, §5; 2010 Acts, ch 1193, §56

Referred to in §489.706, 489.1005, 489.1009, 489.1013

**489.117 Fees.**

1. The secretary of state shall collect the following fees when documents described in this subsection are delivered to the secretary's office for filing:

*a.* Certificate of organization ..... $ 50

*b.* Application for use of indistinguishable name ..... $ 10

*c.* Application for reserved name ..... $ 10

*d.* Notice of transfer of reserved name ..... $ 10

*e.* Statement of change of registered agent or registered office or both ..... No fee

*f.* Registered agent's statement of change of registered office for each affected limited liability company ..... No fee

*g.* Registered agent's statement of resignation ..... No fee

*h.* Amendment to certificate of organization ..... $ 50

*i.* Restatement of certificate of organization with amendment of certificate ..... $ 50

*j.* Articles of merger ..... $ 50

*k.* Statement of dissolution ..... $ 5

*l.* Declaration of administrative dissolution ..... No fee

*m.* Application for reinstatement following administrative dissolution ..... $ 5

*n.* Certificate of reinstatement ..... No fee

*o.* Application for certificate of authority ..... $100

*p.* Application for amended certificate of authority ..... $100

*q.* Statement of cancellation ..... $ 10
*r.* Certificate of revocation
of authority to transact business ..... No fee
*s.* Statement of correction ..... $ 5
*t.* Application for certificate of
existence or authorization ..... $ 5
*u.* Any other document required or
permitted to be filed by this chapter ..... $ 5

2. The secretary of state shall collect a fee of five dollars each time process is served on the secretary under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.

3. The secretary of state shall collect the following fees for copying and certifying the copy of any filed document relating to a domestic or foreign limited liability company:

*a.* One dollar a page for copying.

*b.* Five dollars for the certificate.

4. The secretary of state may impose, assess, and collect a filing fee as a condition to accepting a biennial report as provided in section 489.209.

2008 Acts, ch 1162, §17, 155; 2010 Acts, ch 1100, §6, 7
Referred to in §489.209, 524.303
Authority to refund fees; 2012 Acts, ch 1131, §28; 2013 Acts, ch 135, §24, 52
Section not amended; footnote revised

## ARTICLE 2

## FORMATION — CERTIFICATE OF ORGANIZATION AND OTHER FILINGS

**489.201 Formation of limited liability company — certificate of organization.**

1. One or more persons may act as organizers to form a limited liability company by signing and delivering to the secretary of state for filing a certificate of organization.

2. A certificate of organization must state all of the following:

*a.* The name of the limited liability company, which must comply with section 489.108.

*b.* The street address of the initial registered office and the name of the initial registered agent for service of process on the company.

3. Subject to section 489.112, subsection 3, a certificate of organization may also contain statements as to matters other than those required by subsection 2. However, a statement in a certificate of organization is not effective as a statement of authority.

4. A limited liability company is formed when the secretary of state has filed the certificate of organization, unless the certificate states a delayed effective date pursuant to section 489.205, subsection 3. If the certificate states a delayed effective date, a limited liability company is not formed if, before the certificate takes effect, a statement of cancellation is signed and delivered to the secretary of state for filing and the secretary of state files the certificate.

5. Subject to any delayed effective date and except in a proceeding by this state to dissolve a limited liability company, the filing of the certificate of organization by the secretary of state is conclusive proof that the organizer satisfied all conditions to the formation of a limited liability company.

2008 Acts, ch 1162, §18, 155; 2010 Acts, ch 1100, §8
Referred to in §489.102, 489.203, 489.205, 489.208, 489.1008

**489.202 Amendment or restatement of certificate of organization.**

1. A certificate of organization may be amended or restated at any time.

2. To amend its certificate of organization, a limited liability company must deliver to the secretary of state for filing an amendment stating all of the following:

*a.* The name of the company.

*b.* The date of filing of its certificate of organization.

*c.* The changes the amendment makes to the certificate as most recently amended or restated.

3. To restate its certificate of organization, a limited liability company must deliver to the secretary of state for filing a restatement, designated as such in its heading, stating all of the following:

*a.* In the heading or an introductory paragraph, the company's present name and the date of the filing of the company's initial certificate of organization.

*b.* If the company's name has been changed at any time since the company's formation, each of the company's former names.

*c.* The changes the restatement makes to the certificate as most recently amended or restated.

4. Subject to section 489.112, subsection 3, and section 489.205, subsection 3, an amendment to or restatement of a certificate of organization is effective when filed by the secretary of state.

5. If a member of a member-managed limited liability company, or a manager of a manager-managed limited liability company, knows that any information in a filed certificate of organization was inaccurate when the certificate was filed or has become inaccurate owing to changed circumstances, the member or manager shall promptly do any of the following:

*a.* Cause the certificate to be amended.

*b.* If appropriate, deliver to the secretary of state for filing a statement of change under section 489.114 or a statement of correction under section 489.206.

2008 Acts, ch 1162, §19, 155

Referred to in §489.105

**489.203 Signing of records to be delivered for filing to secretary of state.**

1. A record delivered to the secretary of state for filing pursuant to this chapter must be signed as follows:

*a.* Except as otherwise provided in paragraphs "*b*" and "*c*", a record signed on behalf of a limited liability company must be signed by a person authorized by the company.

*b.* A limited liability company's initial certificate of organization must be signed by at least one person acting as an organizer.

*c.* A record filed on behalf of a limited liability company that does not have or has not had at least one member must be signed by an organizer.

*d.* A record filed on behalf of a dissolved limited liability company that has no members must be signed by the person winding up the company's activities under section 489.702, subsection 3, or a person appointed under section 489.702, subsection 4, to wind up those activities.

*e.* A statement of cancellation under section 489.201, subsection 4, must be signed by each organizer that signed the initial certificate of organization, but a personal representative of a deceased or incompetent organizer may sign in the place of the decedent or incompetent.

*f.* A statement of denial by a person under section 489.303 must be signed by that person.

*g.* Any other record must be signed by the person on whose behalf the record is delivered to the secretary of state.

2. Any record filed under this chapter may be signed by an agent.

2008 Acts, ch 1162, §20, 155

Referred to in §489.209, 489.1004, 489.1008

**489.204 Signing and filing pursuant to judicial order.**

1. If a person required by this chapter to sign a record or deliver a record to the secretary of state for filing under this chapter does not do so, any other person that is aggrieved may petition the district court to order one or more of the following:

*a.* The person to sign the record.

*b.* The person to deliver the record to the secretary of state for filing.

*c.* The secretary of state to file the record unsigned.

2. If a petitioner under subsection 1 is not the limited liability company or foreign limited liability company to which the record pertains, the petitioner shall make the company a party to the action.

3. If a district court orders an unsigned record to be delivered to the secretary of state, the secretary of state shall file the record and the court order upon receipt.

2008 Acts, ch 1162, §21, 155

Referred to in §489.110

**489.205 Delivery to and filing of records by secretary of state — effective time and date.**

1. A record authorized or required to be delivered to the secretary of state for filing under this chapter must be captioned to describe the record's purpose, be in a medium permitted by the secretary of state, and be delivered to the secretary of state. If the filing fees have been paid, unless the secretary of state determines that a record does not comply with the filing requirements of this chapter, the secretary of state shall file the record and any of the following applies:

*a.* For a statement of denial under section 489.303, send a copy of the filed statement and a receipt for the fees to the person on whose behalf the statement was delivered for filing and to the limited liability company.

*b.* For all other records, send a copy of the filed record and a receipt for the fees to the person on whose behalf the record was filed.

2. Upon request and payment of the requisite fee, the secretary of state shall send to the requester a certified copy of a requested record.

3. Except as otherwise provided in sections 489.115 and 489.206, and except for a certificate of organization that contains a statement as provided in section 489.201, subsection 4, a record delivered to the secretary of state for filing under this chapter may specify an effective time and a delayed effective date. Subject to section 489.115, section 489.201, subsection 4, and section 489.206, a record filed by the secretary of state is effective as follows:

*a.* If the record does not specify either an effective time or a delayed effective date, on the date and at the time the record is filed as evidenced by the secretary of state's endorsement of the date and time on the record.

*b.* If the record specifies an effective time but not a delayed effective date, on the date the record is filed at the time specified in the record.

*c.* If the record specifies a delayed effective date but not an effective time, at 12:01 a.m. on the earlier of any of the following:

(1) The specified date.

(2) The ninetieth day after the record is filed.

*d.* If the record specifies an effective time and a delayed effective date, at the specified time on the earlier of any of the following:

(1) The specified date.

(2) The ninetieth day after the record is filed.

*e.* A delayed effective date for a record shall not be later than the ninetieth day after the date on which it is filed.

2008 Acts, ch 1162, §22, 155

Referred to in §489.102, 489.114, 489.201, 489.202, 489.209, 489.302, 489.1004

**489.206 Correcting filed record.**

1. A limited liability company or foreign limited liability company may deliver to the secretary of state for filing a statement of correction to correct a record previously delivered by the company to the secretary of state and filed by the secretary of state, if at the time of filing the record contained inaccurate information or was defectively signed.

2. A statement of correction under subsection 1 shall not have a delayed effective date and must do all of the following:

*a.* Describe the record to be corrected, including its filing date, or attach a copy of the record as filed.

*b.* Specify the inaccurate information and the reason it is inaccurate or the manner in which the signing was defective.

*c.* Correct the defective signature or inaccurate information.

3. When filed by the secretary of state, a statement of correction under subsection 1 is effective retroactively as of the effective date of the record the statement corrects, but the statement is effective when filed as to all of the following:

*a.* For the purposes of section 489.103, subsection 4.

*b.* As to persons that previously relied on the uncorrected record and would be adversely affected by the retroactive effect.

2008 Acts, ch 1162, §23, 155

Referred to in §489.105, 489.202, 489.205

**489.207 Penalty for signing false record.**

1. A person commits an offense if that person signs a record the person knows is false in any material respect with intent that the record be delivered to the secretary of state for filing.

2. An offense under this section is a serious misdemeanor punishable by a fine not to exceed one thousand dollars.

2008 Acts, ch 1162, §24, 155

**489.208 Certificate of existence or authorization.**

1. The secretary of state, upon request and payment of the requisite fee, shall furnish to any person a certificate of existence for a limited liability company if the records filed in the office of the secretary of state show that the company has been formed under section 489.201 and the secretary of state has not filed a statement of termination pertaining to the company. A certificate of existence must state all of the following:

*a.* The company's name.

*b.* That the company was duly formed under the laws of this state, the date of its formation, and the period of its duration if less than perpetual.

*c.* Whether all fees, taxes, and penalties due under this chapter or other law to the secretary of state have been paid.

*d.* Whether the company's most recent biennial report required by section 489.209 has been filed by the secretary of state.

*e.* Whether the secretary of state has administratively dissolved the company.

*f.* Whether the company has delivered to the secretary of state for filing a statement of dissolution.

*g.* That a statement of termination has not been filed by the secretary of state.

*h.* Other facts of record in the office of the secretary of state which are specified by the person requesting the certificate.

2. The secretary of state, upon request and payment of the requisite fee, shall furnish to any person a certificate of authorization for a foreign limited liability company if the records filed in the office of the secretary of state show that the secretary of state has filed a certificate of authority, has not revoked the certificate of authority, and has not filed a notice of cancellation. A certificate of authorization must state all of the following:

*a.* The company's name and any alternate name adopted under section 489.805, subsection 1, for use in this state.

*b.* That the company is authorized to transact business in this state.

*c.* Whether all fees, taxes, and penalties due under this chapter or other law to the secretary of state have been paid.

*d.* Whether the company's most recent biennial report required by section 489.209 has been filed by the secretary of state.

*e.* That the secretary of state has not revoked the company's certificate of authority and has not filed a notice of cancellation.

*f.* Other facts of record in the office of the secretary of state which are specified by the person requesting the certificate.

3. Subject to any qualification stated in the certificate, a certificate of existence or certificate of authorization issued by the secretary of state is conclusive evidence that the

limited liability company is in existence or the foreign limited liability company is authorized to transact business in this state.

2008 Acts, ch 1162, §25, 155; 2010 Acts, ch 1100, §9

**489.209 Biennial report for secretary of state.**

1. A limited liability company or a foreign limited liability company authorized to transact business in this state shall deliver to the secretary of state for filing a biennial report that states all of the following:

*a.* The name of the company.

*b.* The street address of the company's registered office, the name of its registered agent at that office, and the consent of any new registered agent.

*c.* The street address of its principal office.

*d.* In the case of a foreign limited liability company, the state or other jurisdiction under whose law the company is formed and any alternate name adopted under section 489.805, subsection 1.

2. Information in a biennial report under this section must be current as of the date the report is delivered to the secretary of state for filing. The report shall be executed on behalf of the limited liability company or foreign limited liability company and signed as provided in section 489.203.

3. The first biennial report under this section must be delivered to the secretary of state between January 1 and April 1 of the first odd-numbered year following the calendar year in which a limited liability company was formed or a foreign limited liability company was authorized to transact business. A subsequent biennial report must be delivered to the secretary of state between January 1 and April 1 of each following odd-numbered calendar year. A filing fee for the biennial report shall be determined by the secretary of state pursuant to section 489.117. Each biennial report shall contain information related to the two-year period immediately preceding the calendar year in which the report is filed.

4. If a biennial report does not contain the information required in this section, the secretary of state shall promptly notify the reporting limited liability company or foreign limited liability company in writing and return the report to it for correction.

5. The secretary of state may provide for the change of registered office or registered agent on the form prescribed by the secretary of state for the biennial report, provided that the form contains the information required in section 489.114. If the secretary of state determines that a biennial report does not contain the information required in this section but otherwise meets the requirements of section 489.114 for the purpose of changing the registered office or registered agent, the secretary of state shall file the statement of change for the registered office or registered agent, effective as provided in section 489.205, subsection 3, before returning the biennial report to the limited liability company as provided in this section. A statement of change of registered office or registered agent accomplished pursuant to this subsection shall be executed by a person authorized to execute the biennial report.

2008 Acts, ch 1162, §26, 155; 2010 Acts, ch 1100, §10

Referred to in §489.105, 489.114, 489.117, 489.208, 489.705, 489.806

## ARTICLE 3

## RELATIONS OF MEMBERS AND MANAGERS TO PERSONS DEALING WITH LIMITED LIABILITY COMPANY

**489.301 No agency power of member as member.**

1. A member is not an agent of a limited liability company solely by reason of being a member.

2. A person's status as a member does not prevent or restrict law other than this chapter from imposing liability on a limited liability company because of the person's conduct.

2008 Acts, ch 1162, §27, 155

**489.302 Statement of authority.**

1. A limited liability company may deliver to the secretary of state for filing a statement of authority. All of the following apply to the statement:

*a.* It must include the name of the company and the street address of its principal office.

*b.* With respect to any position that exists in or with respect to the company, it may state the authority, or limitations on the authority, of all persons holding the position to do any of the following:

(1) Execute an instrument transferring real property held in the name of the company.

(2) Enter into other transactions on behalf of, or otherwise act for or bind, the company.

*c.* It may state the authority, or limitations on the authority, of a specific person to do any of the following:

(1) Execute an instrument transferring real property held in the name of the company.

(2) Enter into other transactions on behalf of, or otherwise act for or bind, the company.

2. To amend or cancel a statement of authority filed by the secretary of state under section 489.205, subsection 1, a limited liability company must deliver to the secretary of state for filing an amendment or cancellation stating all of the following:

*a.* The name of the company.

*b.* The street address of the company's principal office.

*c.* The caption of the statement being amended or canceled and the date the statement being affected became effective.

*d.* The contents of the amendment or a declaration that the statement being affected is canceled.

3. A statement of authority affects only the power of a person to bind a limited liability company to persons that are not members.

4. Subject to subsection 3 and section 489.103, subsection 4, and except as otherwise provided in subsections 6, 7, and 8, a limitation on the authority of a person or a position contained in an effective statement of authority is not by itself evidence of knowledge or notice of the limitation by any person.

5. Subject to subsection 3, a grant of authority not pertaining to a transfer of real property and contained in an effective statement of authority is conclusive in favor of a person that gives value in reliance on the grant, except to the extent that when the person gives value, any of the following applies:

*a.* The person has knowledge to the contrary.

*b.* The statement has been canceled or restrictively amended under subsection 2.

*c.* A limitation on the grant is contained in another statement of authority that became effective after the statement containing the grant became effective.

6. Subject to subsection 3, an effective statement of authority that grants authority to transfer real property held in the name of the limited liability company and that is recorded by certified copy in the office for recording transfers of the real property is conclusive in favor of a person that gives value in reliance on the grant without knowledge to the contrary, except to the extent that when the person gives value, any of the following applies:

*a.* The statement has been canceled or restrictively amended under subsection 2 and a certified copy of the cancellation or restrictive amendment has been recorded in the office for recording transfers of the real property.

*b.* A limitation on the grant is contained in another statement of authority that became effective after the statement containing the grant became effective and a certified copy of the later-effective statement is recorded in the office for recording transfers of the real property.

7. Subject to subsection 3, if a certified copy of an effective statement containing a limitation on the authority to transfer real property held in the name of a limited liability company is recorded in the office for recording transfers of that real property, all persons are deemed to know of the limitation.

8. Subject to subsection 9, an effective statement of dissolution or statement of

termination is a cancellation of any filed statement of authority for the purposes of subsection 6 and is a limitation on authority for the purposes of subsection 7.

9. After a statement of dissolution becomes effective, a limited liability company may deliver to the secretary of state for filing and, if appropriate, may record a statement of authority that is designated as a post-dissolution statement of authority. The statement operates as provided in subsections 6 and 7.

10. A statement of authority filed by the secretary of state under section 489.205, subsection 1, is effective until amended or canceled as provided in subsection 2, unless an earlier cancellation date is specified in the statement.

11. An effective statement of denial operates as a restrictive amendment under this section and may be recorded by certified copy for the purposes of subsection 6, paragraph "*a*".

2008 Acts, ch 1162, §28, 155; 2009 Acts, ch 41, §144, 145; 2010 Acts, ch 1100, §11, 12; 2013 Acts, ch 108, §2

Referred to in §489.103, 489.407A

Subsection 10 amended

**489.303 Statement of denial.**

A person named in a filed statement of authority granting that person authority may deliver to the secretary of state for filing a statement of denial that does all of the following:

1. Provides the name of the limited liability company and the caption of the statement of authority to which the statement of denial pertains.

2. Denies the grant of authority.

3. Certifies to the secretary of state that the person denying authority has sent a copy of the statement of denial to the limited liability company, including the date on which the copy was sent.

2008 Acts, ch 1162, §29, 155; 2010 Acts, ch 1100, §13

Referred to in §489.203, 489.205

**489.304 Liability of members and managers.**

1. For debts, obligations, or other liabilities of a limited liability company, whether arising in contract, tort, or otherwise all of the following apply:

*a.* They are solely the debts, obligations, or other liabilities of the company.

*b.* They do not become the debts, obligations, or other liabilities of a member or manager solely by reason of the member acting as a member or manager acting as a manager.

2. The failure of a limited liability company to observe any particular formalities relating to the exercise of its powers or management of its activities is not a ground for imposing liability on the members or managers for the debts, obligations, or other liabilities of the company.

2008 Acts, ch 1162, §30, 155

Referred to in §421.26, 422.16, 489.702, 489.1201

## ARTICLE 4

## RELATIONS OF MEMBERS TO EACH OTHER AND TO LIMITED LIABILITY COMPANY

**489.401 Becoming member.**

1. If a limited liability company is to have only one member upon formation, a person becomes the member as agreed by that person and the organizer of the company or a majority of organizers if more than one. That person and the organizer may be, but need not be, different persons. If different, the organizer acts on behalf of the initial member.

2. If a limited liability company is to have more than one member upon formation, those persons become members as agreed by the persons before the formation of the company. The organizer acts on behalf of the persons in forming the company and may be, but need not be, one of the persons.

3. If a limited liability company has no members upon formation, a person becomes a member of the limited liability company with the consent of the organizer or a majority of the organizers if more than one. The organizers may consent to more than one person simultaneously becoming the company's initial members.

4. After formation of a limited liability company, a person becomes a member upon any of the following:

*a.* As provided in the operating agreement.

*b.* As the result of a transaction effective under article 10.

*c.* With the consent of all the members.

*d.* If, within ninety consecutive days after the company ceases to have any members, all of the following occur:

(1) The last person to have been a member, or the legal representative of that person, designates a person to become a member.

(2) The designated person consents to become a member.

5. A person may become a member without acquiring a transferable interest and without making or being obligated to make a contribution to the limited liability company.

2008 Acts, ch 1162, §31, 155; 2009 Acts, ch 41, §146

Referred to in §489.102, 489.105

**489.402 Form of contribution.**

A contribution may consist of tangible or intangible property or other benefit to a limited liability company, including money, services performed, promissory notes, other agreements to contribute money or property, and contracts for services to be performed.

2008 Acts, ch 1162, §32, 155

**489.403 Liability for contributions.**

1. A person's obligation to make a contribution to a limited liability company is not excused by the person's death, disability, or other inability to perform personally. If a person does not make a required contribution, the person or the person's estate is obligated to contribute money equal to the value of the part of the contribution which has not been made, at the option of the company.

2. A creditor of a limited liability company which extends credit or otherwise acts in reliance on an obligation described in subsection 1 may enforce the obligation.

3. An operating agreement may provide that the interest of any member who fails to make a contribution that the member is obligated to make is subject to specified penalties for, or specified consequences of, such failure. The penalty or consequence may take the form of reducing or eliminating the defaulting member's proportionate interest in a limited liability company, subordinating the member's interest to that of a nondefaulting member, a forced sale of the member's interest, forfeiture of the member's interest, the lending by other members of the amount necessary to meet the member's commitment, a fixing of the value of the member's interest by appraisal or by formula and redemption, or sale of the member's interest at such value or other penalty or consequence.

2008 Acts, ch 1162, §33, 155

Referred to in §489.502

**489.404 Sharing of and right to distributions before dissolution.**

1. Any distributions made by a limited liability company before its dissolution and winding up must be in equal shares among members and dissociated members, except to the extent necessary to comply with any transfer effective under section 489.502 and any charging order in effect under section 489.503.

2. A person has a right to a distribution before the dissolution and winding up of a limited liability company only if the company decides to make an interim distribution. A person's dissociation does not entitle the person to a distribution.

3. A person does not have a right to demand or receive a distribution from a limited liability company in any form other than money. Except as otherwise provided in section 489.708, subsection 3, a limited liability company may distribute an asset in kind if each part of the

asset is fungible with each other part and each person receives a percentage of the asset equal in value to the person's share of distributions.

4. If a member or transferee becomes entitled to receive a distribution, the member or transferee has the status of, and is entitled to all remedies available to, a creditor of the limited liability company with respect to the distribution.

2008 Acts, ch 1162, §34, 155

**489.405 Limitations on distribution.**

1. A limited liability company shall not make a distribution if after the distribution any of the following applies:

*a.* The company would not be able to pay its debts as they become due in the ordinary course of the company's activities.

*b.* The company's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the company were to be dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential rights upon dissolution, winding up, and termination of members whose preferential rights are superior to those of persons receiving the distribution.

2. A limited liability company may base a determination that a distribution is not prohibited under subsection 1 on financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable under the circumstances.

3. Except as otherwise provided in subsection 5, the effect of a distribution under subsection 1 is measured as follows:

*a.* In the case of a distribution by purchase, redemption, or other acquisition of a transferable interest in the company, as of the date money or other property is transferred or debt incurred by the company.

*b.* In all other cases, as follows:

(1) The date that distribution is authorized, if the payment occurs within one hundred twenty days after that date.

(2) The date that payment is made, if the payment occurs more than one hundred twenty days after the distribution is authorized.

4. A limited liability company's indebtedness to a member incurred by reason of a distribution made in accordance with this section is at parity with the company's indebtedness to its general, unsecured creditors.

5. A limited liability company's indebtedness, including indebtedness issued in connection with or as part of a distribution, is not a liability for purposes of subsection 1 if the terms of the indebtedness provide that payment of principal and interest are made only to the extent that a distribution could be made to members under this section. If indebtedness is issued as a distribution, each payment of principal or interest on the indebtedness is treated as a distribution, the effect of which is measured on the date the payment is made.

6. In subsection 1, "*distribution*" does not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business under a bona fide retirement plan or other benefits program.

2008 Acts, ch 1162, §35, 155

Referred to in §489.102, 489.406, 489.408

**489.406 Liability for improper distributions.**

1. Except as otherwise provided in subsection 2, if a member of a member-managed limited liability company or manager of a manager-managed limited liability company consents to a distribution made in violation of section 489.405 and in consenting to the distribution fails to comply with section 489.409, the member or manager is personally liable to the company for the amount of the distribution that exceeds the amount that could have been distributed without the violation of section 489.405.

2. To the extent the operating agreement of a member-managed limited liability company expressly relieves a member of the authority and responsibility to consent to distributions and imposes that authority and responsibility on one or more other members, the liability

stated in subsection 1 applies to the other members and not the member that the operating agreement relieves of authority and responsibility.

3. A person that receives a distribution knowing that the distribution to that person was made in violation of section 489.405 is personally liable to the limited liability company but only to the extent that the distribution received by the person exceeded the amount that could have been properly paid under section 489.405.

4. A person against which an action is commenced because the person is liable under subsection 1 may do all of the following:

*a.* Implead any other person that is subject to liability under subsection 1 and seek to compel contribution from the person.

*b.* Implead any person that received a distribution in violation of subsection 3 and seek to compel contribution from the person in the amount the person received in violation of subsection 3.

5. An action under this section is barred if not commenced within two years after the distribution.

2008 Acts, ch 1162, §36, 155

Referred to in §489.110, 489.502

**489.407 Management of limited liability company.**

1. A limited liability company is a member-managed limited liability company unless the operating agreement does any of the following:

*a.* Expressly provides that any of the following apply:

(1) The company is or will be "manager-managed".

(2) The company is or will be "managed by managers".

(3) Management of the company is or will be "vested in managers".

*b.* Includes words of similar import.

2. In a member-managed limited liability company, all of the following rules apply:

*a.* The management and conduct of the company are vested in the members.

*b.* Each member has equal rights in the management and conduct of the company's activities.

*c.* A difference arising among members as to a matter in the ordinary course of the activities of the company may be decided by a majority of the members.

*d.* An act outside the ordinary course of the activities of the company, including selling, leasing, exchanging, or otherwise disposing of all, or substantially all, of the company's property, with or without the goodwill, may be undertaken only with the consent of all members.

*e.* The operating agreement may be amended only with the consent of all members.

*f.* Approve a merger, conversion, or domestication under article 10.

3. In a manager-managed limited liability company, all of the following rules apply:

*a.* Except as otherwise expressly provided in this chapter, any matter relating to the activities of the company is decided exclusively by the managers.

*b.* Each manager has equal rights in the management and conduct of the activities of the company.

*c.* A difference arising among managers as to a matter in the ordinary course of the activities of the company may be decided by a majority of the managers.

*d.* The consent of all members is required to do any of the following:

(1) Sell, lease, exchange, or otherwise dispose of all, or substantially all, of the company's property, with or without the goodwill, outside the ordinary course of the company's activities.

(2) Approve a merger, conversion, or domestication under article 10.

(3) Undertake any other act outside the ordinary course of the company's activities.

(4) Amend the operating agreement.

*e.* A manager may be chosen at any time by the consent of a majority of the members and remains a manager until a successor has been chosen, unless the manager at an earlier time resigns, is removed, or dies, or, in the case of a manager that is not an individual, terminates. A manager may be removed at any time by the consent of a majority of the members without notice or cause.

*f.* A person need not be a member to be a manager, but the dissociation of a member that is also a manager removes the person as a manager. If a person that is both a manager and a member ceases to be a manager, that cessation does not by itself dissociate the person as a member.

*g.* A person's ceasing to be a manager does not discharge any debt, obligation, or other liability to the limited liability company or members which the person incurred while a manager.

4. An action requiring the consent of members under this chapter may be taken without a meeting, and a member may appoint a proxy or other agent to consent or otherwise act for the member by signing an appointing record, personally or by the member's agent.

5. The dissolution of a limited liability company does not affect the applicability of this section. However, a person that wrongfully causes dissolution of the company loses the right to participate in management as a member and a manager.

6. This chapter does not entitle a member to remuneration for services performed for a member-managed limited liability company, except for reasonable compensation for services rendered in winding up the activities of the company.

2008 Acts, ch 1162, §37, 155
Referred to in §489.102, 489.702

**489.407A Real estate interest transferred by limited liability company or foreign limited liability company.**

1. A transfer of an interest in real estate situated in this state held by a limited liability company or a foreign limited liability company authorized to transact business in this state is subject to the provisions of this section.

2. *a.* In a member-managed company, a transfer of an interest in real estate held by the company may be undertaken by any of the following:

(1) As provided in the operating agreement, or if the operating agreement does not so provide, only with the consent of all members.

(2) As provided in a statement of authority filed by the company with the secretary of state and the recorder of the county where the real estate is situated pursuant to section 489.302.

*b.* A requirement of paragraph "*a*" is applicable to every transfer of an interest in real estate situated in this state held by a member-managed company, whether or not the transfer is in the ordinary course of the company's business.

3. *a.* In a manager-managed company, a transfer of an interest in real estate held by the company may be undertaken by any of the following:

(1) As provided in the operating agreement, or if the operating agreement does not so provide, only with the consent of a majority of all managers.

(2) As provided in a statement of authority filed by the company with the secretary of state and the recorder of the county where the real estate is situated pursuant to section 489.302.

*b.* A requirement in paragraph "*a*" is applicable to every transfer of an interest in real estate situated in this state held by a manager-managed limited liability company, whether or not the transfer is in the ordinary course of the company's business.

2013 Acts, ch 108, §4
NEW section

**489.408 Indemnification and insurance.**

1. A limited liability company shall reimburse for any payment made and indemnify for any debt, obligation, or other liability incurred by a member of a member-managed company or the manager of a manager-managed company in the course of the member's or manager's activities on behalf of the company, if, in making the payment or incurring the debt, obligation, or other liability, the member or manager complied with the duties stated in sections 489.405 and 489.409.

2. A limited liability company may purchase and maintain insurance on behalf of a member or manager of the company against liability asserted against or incurred by the member or manager in that capacity or arising from that status even if, under section

489.110, subsection 7, the operating agreement could not eliminate or limit the person's liability to the company for the conduct giving rise to the liability.

2008 Acts, ch 1162, §38, 155

Referred to in §489.110

**489.409 Standards of conduct for members and managers.**

1. A member of a member-managed limited liability company owes to the company and, subject to section 489.901, subsection 2, the other members the fiduciary duties of loyalty and care stated in subsections 2 and 3.

2. The duty of loyalty of a member in a member-managed limited liability company includes all of the following duties:

*a.* To account to the company and to hold as trustee for it any property, profit, or benefit derived by the member regarding any of the following:

(1) In the conduct or winding up of the company's activities.

(2) From a use by the member of the company's property.

(3) From the appropriation of a limited liability company opportunity.

*b.* To refrain from dealing with the company in the conduct or winding up of the company's activities as or on behalf of a person having an interest adverse to the company.

*c.* To refrain from competing with the company in the conduct of the company's activities before the dissolution of the company.

3. Subject to the business judgment rule as stated in subsection 7, the duty of care of a member of a member-managed limited liability company in the conduct and winding up of the company's activities is to act with the care that a person in a like position would reasonably exercise under similar circumstances and in a manner the member reasonably believes to be in the best interests of the company. In discharging this duty, a member may rely in good faith upon opinions, reports, statements, or other information provided by another person that the member reasonably believes is a competent and reliable source for the information.

4. A member in a member-managed limited liability company or a manager-managed limited liability company shall discharge the duties under this chapter or under the operating agreement and exercise any rights consistently with the contractual obligation of good faith and fair dealing.

5. It is a defense to a claim under subsection 2, paragraph "*b*", and any comparable claim in equity or at common law that the transaction was fair to the limited liability company.

6. All of the members of a member-managed limited liability company or a manager-managed limited liability company may authorize or ratify, after full disclosure of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty.

7. *a.* A member satisfies the duty of care in subsection 3 if all of the following apply:

(1) The member is not interested in the subject matter of the business judgment.

(2) The member is informed with respect to the subject of the business judgment to the extent the member reasonably believes to be appropriate in the circumstances.

(3) The member has a rational basis for believing that the business judgment is in the best interests of the limited liability company.

*b.* A person challenging the business judgment of a member has the burden of proving a breach of the duty of care, and in a damage action, the burden of proving that the breach was the legal cause of damage suffered by the limited liability company.

8. In a manager-managed limited liability company, all of the following rules apply:

*a.* Subsections 1, 2, 3, 5, and 7 apply to the manager or managers and not the members.

*b.* The duty stated under subsection 2, paragraph "*c*", continues until winding up is completed.

*c.* Subsection 4 applies to the members and managers.

*d.* Subsection 6 applies only to the members.

*e.* A member does not have any fiduciary duty to the company or to any other member solely by reason of being a member.

2008 Acts, ch 1162, §39, 155

Referred to in §489.110, 489.406, 489.408, 489.602, 489.1203

**489.410 Right of members, managers, and dissociated members to information.**

1. In a member-managed limited liability company, all of the following rules apply:

*a.* On reasonable notice, a member may inspect and copy during regular business hours, at a reasonable location specified by the company, any record maintained by the company regarding the company's activities, financial condition, and other circumstances, to the extent the information is material to the member's rights and duties under the operating agreement or this chapter.

*b.* The company shall furnish to each member all of the following:

(1) Without demand, any information concerning the company's activities, financial condition, and other circumstances which the company knows and is material to the proper exercise of the member's rights and duties under the operating agreement or this chapter, except to the extent the company can establish that it reasonably believes the member already knows the information.

(2) On demand, any other information concerning the company's activities, financial condition, and other circumstances, except to the extent the demand or information demanded is unreasonable or otherwise improper under the circumstances.

*c.* The duty to furnish information under paragraph "*b*" also applies to each member to the extent the member knows any of the information described in paragraph "*b*".

2. In a manager-managed limited liability company, all of the following rules apply:

*a.* The informational rights stated in subsection 1 and the duty stated in subsection 1, paragraph "*c*", apply to the managers and not the members.

*b.* During regular business hours and at a reasonable location specified by the company, a member may obtain from the company and inspect and copy full information regarding the activities, financial condition, and other circumstances of the company as is just and reasonable if all of the following apply:

(1) The member seeks the information for a purpose material to the member's interest as a member.

(2) The member makes a demand in a record received by the company, describing with reasonable particularity the information sought and the purpose for seeking the information.

(3) The information sought is directly connected to the member's purpose.

*c.* Within ten days after receiving a demand pursuant to paragraph "*b*", subparagraph (2), the company shall in a record inform the member that made the demand all of the following:

(1) Of the information that the company will provide in response to the demand and when and where the company will provide the information.

(2) If the company declines to provide any demanded information, the company's reasons for declining.

*d.* Whenever this chapter or an operating agreement provides for a member to give or withhold consent to a matter, before the consent is given or withheld, the company shall, without demand, provide the member with all information that is known to the company and is material to the member's decision.

3. On ten days' demand made in a record received by a limited liability company, a dissociated member may have access to information to which the person was entitled while a member if the information pertains to the period during which the person was a member, the person seeks the information in good faith, and the person satisfies the requirements imposed on a member by subsection 2, paragraph "*b*". The company shall respond to a demand made pursuant to this subsection in the manner provided in subsection 2, paragraph "*c*".

4. A limited liability company may charge a person that makes a demand under this section the reasonable costs of copying, limited to the costs of labor and material.

5. A member or dissociated member may exercise rights under this section through an agent or, in the case of an individual under legal disability, a legal representative. Any restriction or condition imposed by the operating agreement or under subsection 7 applies both to the agent or legal representative and the member or dissociated member.

6. The rights under this section do not extend to a person as transferee.

7. In addition to any restriction or condition stated in its operating agreement, a limited liability company, as a matter within the ordinary course of its activities, may

impose reasonable restrictions and conditions on access to and use of information to be furnished under this section, including designating information confidential and imposing nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction under this subsection, the company has the burden of proving reasonableness.

2008 Acts, ch 1162, §40, 155

Referred to in §489.110, 489.504

## ARTICLE 5

## TRANSFERABLE INTERESTS AND RIGHTS OF TRANSFEREES AND CREDITORS

**489.501 Nature of transferable interest.**

A transferable interest is personal property.

2008 Acts, ch 1162, §41, 155

**489.502 Transfer of transferable interest.**

1. For a transfer, in whole or in part, all of the following applies to a transferable interest:

*a.* It is permissible.

*b.* It does not by itself cause a member's dissociation or a dissolution and winding up of the limited liability company's activities.

*c.* Subject to section 489.504, it does not entitle the transferee to do any of the following:

(1) Participate in the management or conduct of the company's activities.

(2) Except as otherwise provided in subsection 3, have access to records or other information concerning the company's activities.

2. A transferee has the right to receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled.

3. In a dissolution and winding up of a limited liability company, a transferee is entitled to an account of the company's transactions only from the date of dissolution.

4. A transferable interest may be evidenced by a certificate of the interest issued by the limited liability company in a record, and, subject to this section, the interest represented by the certificate may be transferred by a transfer of the certificate.

5. A limited liability company need not give effect to a transferee's rights under this section until the company has notice of the transfer.

6. A transfer of a transferable interest in violation of a restriction on transfer contained in the operating agreement or another agreement to which the transferor is a party is ineffective as to a person having notice of the restriction at the time of transfer.

7. Except as otherwise provided in section 489.602, subsection 4, paragraph *"b"*, when a member transfers a transferable interest, the transferor retains the rights of a member other than the interest in distributions transferred and retains all duties and obligations of a member.

8. When a member transfers a transferable interest to a person that becomes a member with respect to the transferred interest, the transferee is liable for the member's obligations under section 489.403 and section 489.406, subsection 3, known to the transferee when the transferee becomes a member.

2008 Acts, ch 1162, §42, 155

Referred to in §489.404, 489.503, 489.504, 489.708, 489.1203

**489.503 Charging order.**

1. On application by a judgment creditor of a member or transferee, a court may enter a charging order against the transferable interest of the judgment debtor for the unsatisfied amount of the judgment. A charging order constitutes a lien on a judgment debtor's transferable interest and requires the limited liability company to pay over to the person to

which the charging order was issued any distribution that would otherwise be paid to the judgment debtor.

2. To the extent necessary to effectuate the collection of distributions pursuant to a charging order in effect under subsection 1, the court may do all of the following:

*a.* Appoint a receiver of the distributions subject to the charging order, with the power to make all inquiries the judgment debtor might have made.

*b.* Make all other orders necessary to give effect to the charging order.

3. Upon a showing that distributions under a charging order will not pay the judgment debt within a reasonable time, the court may foreclose the lien and order the sale of the transferable interest. The purchaser at the foreclosure sale only obtains the transferable interest, does not thereby become a member, and is subject to section 489.502.

4. At any time before foreclosure under subsection 3, the member or transferee whose transferable interest is subject to a charging order under subsection 1 may extinguish the charging order by satisfying the judgment and filing a certified copy of the satisfaction with the court that issued the charging order.

5. At any time before foreclosure under subsection 3, a limited liability company or one or more members whose transferable interests are not subject to the charging order may pay to the judgment creditor the full amount due under the judgment and thereby succeed to the rights of the judgment creditor, including the charging order.

6. This chapter does not deprive any member or transferee of the benefit of any exemption laws applicable to the member's or transferee's transferable interest.

7. This section provides the exclusive remedy by which a person seeking to enforce a judgment against a member or transferee may, in the capacity of judgment creditor, satisfy the judgment from the judgment debtor's transferable interest.

2008 Acts, ch 1162, §43, 155

Referred to in §489.112, 489.404, 489.602, 489.708, 489.1203

**489.504 Power of personal representative of deceased member.**

If a member dies, the deceased member's personal representative or other legal representative may exercise the rights of a transferee provided in section 489.502, subsection 3, and, for the purposes of settling the estate, the rights of a current member under section 489.410.

2008 Acts, ch 1162, §44, 155

Referred to in §489.502, 489.603

## ARTICLE 6

## MEMBER'S DISSOCIATION

**489.601 Member's power to dissociate — wrongful dissociation.**

1. A person has the power to dissociate as a member at any time, rightfully or wrongfully, by withdrawing as a member by express will under section 489.602, subsection 1.

2. A person's dissociation from a limited liability company is wrongful only if any of the following applies to the dissociation:

*a.* It is in breach of an express provision of the operating agreement.

*b.* It occurs before the termination of the company and any of the following applies:

(1) The person withdraws as a member by express will.

(2) The person is expelled as a member by judicial order under section 489.602, subsection 5.

(3) The person is dissociated under section 489.602, subsection 7, paragraph "*a*", by becoming a debtor in bankruptcy.

(4) In the case of a person that is not a trust other than a business trust, an estate, or an individual, the person is expelled or otherwise dissociated as a member because it willfully dissolved or terminated.

3. A person that wrongfully dissociates as a member is liable to the limited liability company and, subject to section 489.901, to the other members for damages caused by the

dissociation. The liability is in addition to any other debt, obligation, or other liability of the member to the company or the other members.

2008 Acts, ch 1162, §45, 155

**489.602 Events causing dissociation.**

A person is dissociated as a member from a limited liability company when any of the following applies:

1. The company has notice of the person's express will to withdraw as a member, but, if the person specified a withdrawal date later than the date the company had notice, on that later date.

2. An event stated in the operating agreement as causing the person's dissociation occurs.

3. The person is expelled as a member pursuant to the operating agreement.

4. The person is expelled as a member by the unanimous consent of the other members if any of the following applies:

*a.* It is unlawful to carry on the company's activities with the person as a member.

*b.* There has been a transfer of all of the person's transferable interest in the company, other than any of the following:

(1) A transfer for security purposes.

(2) A charging order in effect under section 489.503 which has not been foreclosed.

*c.* The person is a corporation and, within ninety days after the company notifies the person that it will be expelled as a member because the person has filed a certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation, the certificate of dissolution has not been revoked or its charter or right to conduct business has not been reinstated.

*d.* The person is a limited liability company or partnership that has been dissolved and whose business is being wound up.

5. On application by the company, the person is expelled as a member by judicial order because the person has done any of the following:

*a.* Has engaged, or is engaging, in wrongful conduct that has adversely and materially affected, or will adversely and materially affect, the company's activities.

*b.* Has willfully or persistently committed, or is willfully and persistently committing, a material breach of the operating agreement or the person's duties or obligations under section 489.409.

*c.* Has engaged in, or is engaging in, conduct relating to the company's activities which makes it not reasonably practicable to carry on the activities with the person as a member.

6. In the case of a person who is an individual, any of the following applies:

*a.* The person dies.

*b.* In a member-managed limited liability company, any of the following applies:

(1) A guardian or general conservator for the person is appointed.

(2) There is a judicial order that the person has otherwise become incapable of performing the person's duties as a member under this chapter or the operating agreement.

7. In a member-managed limited liability company, the person does any of the following:

*a.* Becomes a debtor in bankruptcy.

*b.* Executes an assignment for the benefit of creditors.

*c.* Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all of the person's property.

8. In the case of a person that is a trust or is acting as a member by virtue of being a trustee of a trust, the trust's entire transferable interest in the company is distributed.

9. In the case of a person that is an estate or is acting as a member by virtue of being a personal representative of an estate, the estate's entire transferable interest in the company is distributed.

10. In the case of a member that is not an individual, partnership, limited liability company, corporation, trust, or estate, the termination of the member.

11. The company participates in a merger under article 10, if any of the following applies:

*a.* The company is not the surviving entity.

*b.* Otherwise as a result of the merger, the person ceases to be a member.

12. The company participates in a conversion under article 10.

13. The company participates in a domestication under article 10, if, as a result of the domestication, the person ceases to be a member.

14. The company terminates.

2008 Acts, ch 1162, §46, 155

Referred to in §489.102, 489.502, 489.601

**489.603 Effect of person's dissociation as member.**

1. When a person is dissociated as a member of a limited liability company, all of the following apply:

*a.* The person's right to participate as a member in the management and conduct of the company's activities terminates.

*b.* If the company is member-managed, the person's fiduciary duties as a member end with regard to matters arising and events occurring after the person's dissociation.

*c.* Subject to section 489.504 and article 10, any transferable interest owned by the person immediately before dissociation in the person's capacity as a member is owned by the person solely as a transferee.

2. A person's dissociation as a member of a limited liability company does not of itself discharge the person from any debt, obligation, or other liability to the company or the other members which the person incurred while a member.

2008 Acts, ch 1162, §47, 155

**489.604 Member's power to dissociate under certain circumstances.**

1. If the certificate of organization or an operating agreement does not specify the time or the events upon the happening of which a member may dissociate, a member may dissociate from the limited liability company in the event any amendment to the certificate of organization or operating agreement that is adopted over the member's written dissent adversely affects the rights or preferences of the dissenting member's transferable interest in any of the ways described in paragraphs "*a*" through "*f*". A dissociation in the event of such dissent and adverse effect is deemed to have occurred as of the effective date of the amendment, if the member gives notice to the limited liability company not more than sixty days after the date of the amendment. In valuing the member's distribution pursuant to this subsection, any depreciation in anticipation of the amendment shall be excluded. An amendment that does any of the following is subject to this section:

*a.* Alters or abolishes a member's right to receive a distribution.

*b.* Alters or abolishes a member's right to voluntarily dissociate.

*c.* Alters or abolishes a member's right to vote on any matter, except as the rights may be altered or abolished through the acceptance of contributions or the making of contribution agreements.

*d.* Alters or abolishes a member's preemptive right to make contributions.

*e.* Establishes or changes the conditions for or consequences of expulsion.

*f.* Waives the application of this section to the limited liability company.

2. A member dissociating under this section is not liable for damages for the breach of any agreement not to withdraw.

3. This section applies to a limited liability company whose original articles of organization or certificate of organization is filed with the secretary of state on or after July 1, 1997.

4. This section applies to a limited liability company whose original articles of organization are filed with the secretary of state and effective on or prior to June 30, 1997, if such company's operating agreement provides that it is subject to this section.

5. The operating agreement of a limited liability company may waive the applicability of this section to the company and its members.

2008 Acts, ch 1162, §48, 155

Referred to in §524.1309

## ARTICLE 7

## DISSOLUTION AND WINDING UP

Referred to in §489.1005, 489.1009, 489.1013, 489.1205

**489.701 Events causing dissolution.**

1. A limited liability company is dissolved, and its activities must be wound up, upon the occurrence of any of the following:

*a.* An event or circumstance that the operating agreement states causes dissolution.

*b.* The consent of all the members.

*c.* Once the company has at least one member, the passage of ninety consecutive days during which the company has no members.

*d.* On application by a member, the entry by a district court of an order dissolving the company on the grounds that any of the following applies:

(1) The conduct of all or substantially all of the company's activities is unlawful.

(2) It is not reasonably practicable to carry on the company's activities in conformity with the certificate of organization and the operating agreement.

*e.* On application by a member or transferee, the entry by a district court of an order dissolving the company on the grounds that the managers or those members in control of the company have done any of the following:

(1) Have acted, are acting, or will act in a manner that is illegal or fraudulent.

(2) Have acted or are acting in a manner that is oppressive and was, is, or will be directly harmful to the applicant.

2. In a proceeding brought under subsection 1, paragraph "*e*", the court may order a remedy other than dissolution.

2008 Acts, ch 1162, §49, 155

Referred to in §489.105, 489.110, 489.702, 489.1205

**489.702 Winding up.**

1. A dissolved limited liability company shall wind up its activities, and the company continues after dissolution only for the purpose of winding up.

2. In winding up its activities, all of the following apply to a limited liability company:

*a.* It shall discharge the company's debts, obligations, or other liabilities, settle and close the company's activities, and marshal and distribute the assets of the company.

*b.* It may do all of the following:

(1) Deliver to the secretary of state for filing a statement of dissolution stating the name of the company and that the company is dissolved.

(2) Preserve the company activities and property as a going concern for a reasonable time.

(3) Prosecute and defend actions and proceedings, whether civil, criminal, or administrative.

(4) Transfer the company's property.

(5) Settle disputes by mediation or arbitration.

(6) Deliver to the secretary of state for filing a statement of termination stating the name of the company and that the company is terminated.

(7) Perform other acts necessary or appropriate to the winding up.

3. If a dissolved limited liability company has no members, the legal representative of the last person to have been a member may wind up the activities of the company. If the person does so, the person has the powers of a sole manager under section 489.407, subsection 3, and is deemed to be a manager for the purposes of section 489.304, subsection 1, paragraph "*b*".

4. If the legal representative under subsection 3 declines or fails to wind up the company's activities, a person may be appointed to do so by the consent of transferees owning a majority of the rights to receive distributions as transferees at the time the consent is to be effective. All of the following apply to a person appointed under this subsection:

*a.* The person has the powers of a sole manager under section 489.407, subsection 3, and is deemed to be a manager for the purposes of section 489.304, subsection 1, paragraph "*b*".

*b.* The person shall promptly deliver to the secretary of state for filing an amendment to the company's certificate of organization to do all of the following:

(1) State that the company has no members.

(2) State that the person has been appointed pursuant to this subsection to wind up the company.

(3) Provide the street and mailing addresses of the person.

5. The district court may order judicial supervision of the winding up of a dissolved limited liability company, including the appointment of a person to wind up the company's activities pursuant to any of the following:

*a.* On application of a member, if the applicant establishes good cause.

*b.* On the application of a transferee, if all of the following apply:

(1) The company does not have any members.

(2) The legal representative of the last person to have been a member declines or fails to wind up the company's activities.

(3) Within a reasonable time following the dissolution a person has not been appointed pursuant to subsection 4.

*c.* In connection with a proceeding under section 489.701, subsection 1, paragraph "*d*" or "*e*".

2008 Acts, ch 1162, §50, 155; 2009 Acts, ch 133, §161
Referred to in §489.103, 489.105, 489.110, 489.203, 489.705, 489.1205

**489.703 Known claims against dissolved limited liability company.**

1. Except as otherwise provided in subsection 4, a dissolved limited liability company may give notice of a known claim under subsection 2, which has the effect as provided in subsection 3.

2. A dissolved limited liability company may in a record notify its known claimants of the dissolution. The notice must do all of the following:

*a.* Specify the information required to be included in a claim.

*b.* Provide a mailing address to which the claim is to be sent.

*c.* State the deadline for receipt of the claim, which may not be less than one hundred twenty days after the date the notice is received by the claimant.

*d.* State that the claim will be barred if not received by the deadline.

3. A claim against a dissolved limited liability company is barred if the requirements of subsection 2 are met and any of the following applies:

*a.* The claim is not received by the specified deadline.

*b.* If the claim is timely received but rejected by the company, all of the following apply:

(1) The company causes the claimant to receive a notice in a record stating that the claim is rejected and will be barred unless the claimant commences an action against the company to enforce the claim within ninety days after the claimant receives the notice.

(2) The claimant does not commence the required action within the ninety days.

4. This section does not apply to a claim based on an event occurring after the effective date of dissolution or a liability that on that date is contingent.

2008 Acts, ch 1162, §51, 155
Referred to in §489.704, 489.705

**489.704 Other claims against dissolved limited liability company.**

1. A dissolved limited liability company may publish notice of its dissolution and request persons having claims against the company to present them in accordance with the notice.

2. The notice authorized by subsection 1 must do all of the following:

*a.* Be published at least once in a newspaper of general circulation in the county in this state in which the dissolved limited liability company's principal office is located or, if it has none in this state, in the county in which the company's registered office is or was last located.

*b.* Describe the information required to be contained in a claim and provide a mailing address to which the claim is to be sent.

*c.* State that a claim against the company is barred unless an action to enforce the claim is commenced within five years after publication of the notice.

3. If a dissolved limited liability company publishes a notice in accordance with subsection 2, unless the claimant commences an action to enforce the claim against the company within five years after the publication date of the notice, the claim of each of the following claimants is barred:

*a.* A claimant that did not receive notice in a record under section 489.703.

*b.* A claimant whose claim was timely sent to the company but not acted on.

*c.* A claimant whose claim is contingent at, or based on an event occurring after, the effective date of dissolution.

4. A claim not barred under this section may be enforced as follows:

*a.* Against a dissolved limited liability company, to the extent of its undistributed assets.

*b.* If assets of the company have been distributed after dissolution, against a member or transferee to the extent of that person's proportionate share of the claim or of the assets distributed to the member or transferee after dissolution, whichever is less, but a person's total liability for all claims under this paragraph does not exceed the total amount of assets distributed to the person after dissolution.

2008 Acts, ch 1162, §52, 155

Referred to in §489.705

**489.705 Administrative dissolution.**

1. The secretary of state may commence a proceeding under this section to administratively dissolve a limited liability company if any of the following apply:

*a.* The limited liability company has not delivered a biennial report to the secretary of state in a form that meets the requirements of section 489.209 within sixty days after it is due, or has not paid within sixty days after the due date, any fee, tax, or penalty due to the secretary of state under this chapter or law other than this chapter.

*b.* The limited liability company is without a registered office or registered agent in this state for sixty days or more.

*c.* The limited liability company does not notify the secretary of state within sixty days that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.

*d.* The limited liability company's period of duration stated in its certificate of organization has expired.

2. If the secretary of state determines that a ground exists for administratively dissolving a limited liability company, the secretary of state shall file a record of the determination and serve the company with a copy of the filed record.

3. If within sixty days after service of the copy pursuant to subsection 2 a limited liability company does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the secretary of state that each ground determined by the secretary of state does not exist, the secretary of state shall dissolve the company administratively by preparing, signing, and filing a declaration of dissolution that states the grounds for dissolution. The secretary of state shall serve the company with a copy of the filed declaration.

4. A limited liability company that has been administratively dissolved continues in existence but, subject to section 489.706, may carry on only activities necessary to wind up its activities and liquidate its assets under sections 489.702 and 489.708 and to notify claimants under sections 489.703 and 489.704.

5. The administrative dissolution of a limited liability company does not terminate the authority of its registered agent for service of process.

2008 Acts, ch 1162, §53, 155; 2010 Acts, ch 1100, §14

Referred to in §489.706

**489.706 Reinstatement following administrative dissolution.**

1. A limited liability company administratively dissolved under section 489.705 may apply to the secretary of state for reinstatement at any time after the effective date of dissolution. The application must be delivered to the secretary of state and meet all of the following requirements:

*a.* Recite the name of the limited liability company at its date of dissolution and the effective date of its administrative dissolution.

*b.* State that the ground or grounds for dissolution as provided in section 489.705 have been eliminated.

*c.* If the application is received more than five years after the effective date of the administrative dissolution, state a name that satisfies the requirements of section 489.108.

*d.* State the federal tax identification number of the limited liability company.

2. The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the departments of revenue and workforce development. The departments of revenue and workforce development shall report to the secretary of state the tax status of the limited liability company. If either department reports to the secretary of state that a filing delinquency or liability exists against the limited liability company, the secretary of state shall not cancel the declaration of dissolution until the filing delinquency or liability is satisfied.

3. If the secretary of state determines that the application contains the information required by subsection 1, and that a delinquency or liability reported pursuant to subsection 2 has been satisfied, and that the information is correct, the secretary of state shall cancel the declaration of dissolution and prepare a certificate of reinstatement that recites the secretary of state's determination and the effective date of reinstatement, file the original of the certificate, and serve a copy on the limited liability company under section 489.116. If the limited liability company's name in subsection 1, paragraph "*c*", is different than the name in subsection 1, paragraph "*a*", the certificate of reinstatement shall constitute an amendment to the limited liability company's certificate of organization insofar as it pertains to its name. A limited liability company shall not relinquish the right to retain its name as provided in section 489.108, if the reinstatement is effective within five years of the effective date of the limited liability company's dissolution.

4. When the reinstatement is effective, it relates back to and takes effect as of the effective date of the administrative dissolution as if the administrative dissolution had never occurred.

2008 Acts, ch 1162, §54, 155; 2010 Acts, ch 1040, §1

Referred to in §488.108, 489.705, 490.401, 504.401, 504.403

**489.707 Appeal from rejection of reinstatement.**

1. If the secretary of state rejects a limited liability company's application for reinstatement following administrative dissolution, the secretary of state shall prepare, sign, and file a notice that explains the reason for rejection and serve the company with a copy of the notice.

2. Within thirty days after service of a notice of rejection of reinstatement under subsection 1, a limited liability company may appeal from the rejection by petitioning the district court to set aside the dissolution. The petition must be served on the secretary of state and contain a copy of the secretary of state's declaration of dissolution, the company's application for reinstatement, and the secretary of state's notice of rejection.

3. The court may order the secretary of state to reinstate a dissolved limited liability company or take other action the court considers appropriate.

2008 Acts, ch 1162, §55, 155

**489.708 Distribution of assets in winding up limited liability company's activities.**

1. In winding up its activities, a limited liability company must apply its assets to discharge its obligations to creditors, including members that are creditors.

2. After a limited liability company complies with subsection 1, any surplus must be distributed in the following order, subject to any charging order in effect under section 489.503:

*a.* To each person owning a transferable interest that reflects contributions made by a member and not previously returned, an amount equal to the value of the unreturned contributions.

*b.* In equal shares among members and dissociated members, except to the extent necessary to comply with any transfer effective under section 489.502.

3. If a limited liability company does not have sufficient surplus to comply with subsection 2, paragraph "*a*", any surplus must be distributed among the owners of transferable interests in proportion to the value of their respective unreturned contributions.

4. All distributions made under subsections 2 and 3 must be paid in money.

2008 Acts, ch 1162, §56, 155

Referred to in §489.404, 489.705, 489.1203, 489.1205

## ARTICLE 8

## FOREIGN LIMITED LIABILITY COMPANIES

Referred to in §489.1206

**489.801 Governing law.**

1. The law of the state or other jurisdiction under which a foreign limited liability company is formed governs all of the following:

*a.* The internal affairs of the company.

*b.* The liability of a member as member and a manager as manager for the debts, obligations, or other liabilities of the company.

2. A foreign limited liability company shall not be denied a certificate of authority by reason of any difference between the law of the jurisdiction under which the company is formed and the law of this state.

3. A certificate of authority does not authorize a foreign limited liability company to engage in any business or exercise any power that a limited liability company shall not engage in or exercise in this state.

2008 Acts, ch 1162, §57, 155

**489.802 Application for certificate of authority.**

1. A foreign limited liability company may apply for a certificate of authority to transact business in this state by delivering an application to the secretary of state for filing. The application must state all of the following:

*a.* The name of the company and, if the name does not comply with section 489.108, an alternate name adopted pursuant to section 489.805, subsection 1.

*b.* The name of the state or other jurisdiction under whose law the company is formed.

*c.* The street and mailing addresses of the company's principal office and, if the law of the jurisdiction under which the company is formed requires the company to maintain an office in that jurisdiction, the street and mailing addresses of the required office.

*d.* The name of the company's initial registered agent for service of process in this state.

2. A foreign limited liability company shall deliver with a completed application under subsection 1 a certificate of existence or a record of similar import signed by the secretary of state or other official having custody of the company's publicly filed records in the state or other jurisdiction under whose law the company is formed.

2008 Acts, ch 1162, §58, 155; 2010 Acts, ch 1100, §15

Referred to in §489.113

**489.803 Activities not constituting transacting business.**

1. Activities of a foreign limited liability company which do not constitute transacting business in this state within the meaning of this article include all of the following:

*a.* Maintaining, defending, or settling an action or proceeding.

*b.* Carrying on any activity concerning its internal affairs, including holding meetings of its members or managers.

*c.* Maintaining accounts in financial institutions.

*d.* Maintaining offices or agencies for the transfer, exchange, and registration of the company's own securities or maintaining trustees or depositories with respect to those securities.

*e.* Selling through independent contractors.

*f.* Soliciting or obtaining orders, whether by mail or electronic means or through employees or agents or otherwise, if the orders require acceptance outside this state before they become contracts.

*g.* Creating or acquiring indebtedness, mortgages, or security interests in real or personal property.

*h.* Securing or collecting debts or enforcing mortgages or other security interests in property securing the debts and holding, protecting, or maintaining property so acquired.

*i.* Conducting an isolated transaction that is completed within thirty days and is not in the course of similar transactions.

*j.* Transacting business in interstate commerce.

2. For purposes of this article, the ownership in this state of income-producing real property or tangible personal property, other than property excluded under subsection 1, constitutes transacting business in this state.

3. This section does not apply in determining the contacts or activities that may subject a foreign limited liability company to service of process, taxation, or regulation under law of this state other than this chapter.

2008 Acts, ch 1162, §59, 155

**489.804 Filing of certificate of authority.**

Unless the secretary of state determines that an application for a certificate of authority does not comply with the filing requirements of this chapter, the secretary of state, upon payment of all filing fees, shall file the application of a foreign limited liability company, prepare, sign, and file a certificate of authority to transact business in this state, and send a copy of the filed certificate, together with a receipt for the fees, to the company or its representative.

2008 Acts, ch 1162, §60, 155

**489.805 Noncomplying name of foreign limited liability company.**

1. A foreign limited liability company whose name does not comply with section 489.108 shall not obtain a certificate of authority until it adopts, for the purpose of transacting business in this state, an alternate name that complies with section 489.108. After obtaining a certificate of authority with an alternate name, a foreign limited liability company shall transact business in this state under the alternate name.

2. If a foreign limited liability company authorized to transact business in this state changes its name to one that does not comply with section 489.108, it may not thereafter transact business in this state until it complies with subsection 1 and obtains an amended certificate of authority.

2008 Acts, ch 1162, §61, 155

Referred to in §489.108, 489.208, 489.209, 489.802

**489.806 Revocation of certificate of authority.**

1. A certificate of authority of a foreign limited liability company to transact business in this state may be revoked by the secretary of state in the manner provided in subsections 2 and 3 if the company does not do any of the following:

*a.* Pay, within sixty days after the due date, any fee, tax, or penalty due the secretary of state under this chapter or law other than this chapter.

*b.* Deliver, within sixty days after the due date, its biennial report required under section 489.209.

*c.* Appoint and maintain a registered agent and registered office as required by section 489.113, subsections 1 and 2.

*d.* Deliver for filing a statement of a change under section 489.114 within thirty days after a change has occurred in the name of its registered agent or the address of its registered office.

2. To revoke a certificate of authority of a foreign limited liability company, the secretary of state must prepare, sign, and file a notice of revocation and send a copy to the company's registered agent for service of process in this state or, if the company does not appoint and

maintain a proper registered agent in this state, to the company's principal office. The notice must state all of the following:

*a.* The revocation's effective date, which must be at least sixty days after the date the secretary of state sends the copy.

*b.* The grounds for revocation under subsection 1.

3. The authority of a foreign limited liability company to transact business in this state ceases on the effective date in the notice of revocation unless before that date the company cures each ground for revocation stated in the notice filed under subsection 2. If the company cures each ground, the secretary of state shall file a record so stating.

2008 Acts, ch 1162, §62, 155; 2010 Acts, ch 1100, §16, 17

**489.807 Cancellation of certificate of authority.**

1. To cancel its certificate of authority to transact business in this state, a foreign limited liability company must deliver to the secretary of state for filing a notice of cancellation stating all of the following:

*a.* The name of the foreign limited liability company and that the company desires to cancel its certificate of authority.

*b.* That the foreign limited liability company revokes the authority of its registered agent to accept service on its behalf and appoints the secretary of state as its agent for service of process in any proceeding based on a cause of action arising during the time it was authorized to transact business in this state.

*c.* A mailing address to which the secretary of state may mail a copy of any process served on the secretary of state under paragraph *"b"*.

*d.* A commitment to notify the secretary of state in the future of any change in the mailing address of the foreign limited liability company.

2. The certificate is canceled when the notice becomes effective.

2008 Acts, ch 1162, §63, 155

**489.808 Effect of failure to have certificate of authority.**

1. A foreign limited liability company transacting business in this state shall not maintain an action or proceeding in this state unless it has a certificate of authority to transact business in this state.

2. The failure of a foreign limited liability company to have a certificate of authority to transact business in this state does not impair the validity of a contract or act of the company or prevent the company from defending an action or proceeding in this state.

3. The successor to a foreign limited liability company that transacted business in this state without a certificate of authority and the assignee of a cause of action arising out of that business shall not maintain a proceeding based on that cause of action in any court in this state until the foreign limited liability company or its successor obtains a certificate of authority.

4. A district court may stay a proceeding commenced by a foreign limited liability company, its successor, or assignee until it determines whether the foreign limited liability company or its successor or assignee requires a certificate of authority. If it so determines, the district court may further stay the proceeding until the foreign limited liability company or its successor or assignee obtains the certificate.

5. A foreign limited liability company is liable for a civil penalty not to exceed a total of one thousand dollars if it transacts business in this state without a certificate of authority. The attorney general may collect penalties due under this subsection.

6. A member or manager of a foreign limited liability company is not liable for the debts, obligations, or other liabilities of the company solely because the company transacted business in this state without a certificate of authority.

7. If a foreign limited liability company transacts business in this state without a certificate of authority or cancels its certificate of authority, it appoints the secretary of state as its registered agent for service of process for rights of action arising out of the transaction of business in this state.

2008 Acts, ch 1162, §64, 155

**489.809 Action by attorney general.**

The attorney general may maintain an action to enjoin a foreign limited liability company from transacting business in this state in violation of this article.

2008 Acts, ch 1162, §65, 155

## ARTICLE 9

## ACTIONS BY MEMBERS

Referred to in §489.110

**489.901 Direct action by member.**

1. Subject to subsection 2, a member may maintain a direct action against another member, a manager, or the limited liability company to enforce the member's rights and otherwise protect the member's interests, including rights and interests under the operating agreement or this chapter or arising independently of the membership relationship.

2. A member maintaining a direct action under this section must plead and prove an actual or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by the limited liability company.

2008 Acts, ch 1162, §66, 155

Referred to in §489.409, 489.601

**489.902 Derivative action.**

A member may maintain a derivative action to enforce a right of a limited liability company as follows:

1. The member first makes a demand on the other members in a member-managed limited liability company, or the managers of a manager-managed limited liability company, requesting that they cause the company to bring an action to enforce the right, and the managers or other members do not bring the action within ninety days from the date the demand was made unless the member has earlier been notified that the demand has been rejected by the company or unless irreparable injury to the company would result by waiting for the expiration of the ninety-day period.

2. A demand under subsection 1 would be futile.

2008 Acts, ch 1162, §67, 155

Referred to in §489.903, 489.904, 489.906

**489.903 Proper plaintiff.**

1. Except as otherwise provided in subsection 2, a derivative action under section 489.902 may be maintained only by a person that is a member at the time the action is commenced and remains a member while the action continues.

2. If the sole plaintiff in a derivative action dies while the action is pending, the court may permit another member of the limited liability company to be substituted as plaintiff.

2008 Acts, ch 1162, §68, 155

**489.904 Pleading.**

In a derivative action under section 489.902, the complaint must state with particularity any of the following:

1. The date and content of the plaintiff's demand and the response to the demand by the managers or other members.

2. If a demand has not been made, the reasons a demand under section 489.902, subsection 1, would be futile.

2008 Acts, ch 1162, §69, 155

**489.905** Reserved.

**489.906 Proceeds and expenses.**

1. Except as otherwise provided in subsection 2, all of the following apply:

*a.* Any proceeds or other benefits of a derivative action under section 489.902, whether by judgment, compromise, or settlement, belong to the limited liability company and not to the plaintiff.

*b.* If the plaintiff receives any proceeds, the plaintiff shall remit them immediately to the company.

2. If a derivative action under section 489.902 is successful in whole or in part, the court may award the plaintiff reasonable expenses, including reasonable attorney fees and costs, from the recovery of the limited liability company.

2008 Acts, ch 1162, §70, 155

## ARTICLE 10

## MERGER, CONVERSION, AND DOMESTICATION

Referred to in §489.103, 489.401, 489.407, 489.602, 489.603, 489.1202

**489.1001 Definitions.**

As used in this article:

1. "*Constituent limited liability company*" means a constituent organization that is a limited liability company.

2. "*Constituent organization*" means an organization that is party to a merger.

3. "*Converted organization*" means the organization into which a converting organization converts pursuant to sections 489.1006 through 489.1009.

4. "*Converting limited liability company*" means a converting organization that is a limited liability company.

5. "*Converting organization*" means an organization that converts into another organization pursuant to section 489.1006.

6. "*Domesticated company*" means the company that exists after a domesticating foreign limited liability company or limited liability company effects a domestication pursuant to sections 489.1010 through 489.1013.

7. "*Domesticating company*" means the company that effects a domestication pursuant to sections 489.1010 through 489.1013.

8. "*Governing statute*" means the statute that governs an organization's internal affairs.

9. "*Organization*" means a general partnership, including a limited liability partnership, limited partnership, including a limited liability limited partnership, limited liability company, business trust, corporation, or any other person having a governing statute. The term includes a domestic or foreign organization regardless of whether organized for profit.

10. "*Organizational documents*" means all of the following:

*a.* For a domestic or foreign general partnership, its partnership agreement.

*b.* For a limited partnership or foreign limited partnership, its certificate of limited partnership and partnership agreement.

*c.* For a domestic or foreign limited liability company, its certificate or articles of organization and operating agreement, or comparable records as provided in its governing statute.

*d.* For a business trust, its agreement of trust and declaration of trust.

*e.* For a domestic or foreign corporation for profit, its articles of incorporation, bylaws, and other agreements among its shareholders which are authorized by its governing statute, or comparable records as provided in its governing statute.

*f.* For any other organization, the basic records that create the organization and determine its internal governance and the relations among the persons that own it, have an interest in it, or are members of it.

11. "*Personal liability*" means liability for a debt, obligation, or other liability of an organization which is imposed on a person that co-owns, has an interest in, or is a member of the organization by any of the following:

*a.* The governing statute solely by reason of the person co-owning, having an interest in, or being a member of the organization.

*b.* The organization's organizational documents under a provision of the governing statute authorizing those documents to make one or more specified persons liable for all or specified debts, obligations, or other liabilities of the organization solely by reason of the person or persons co-owning, having an interest in, or being a member of the organization.

12. *"Surviving organization"* means an organization into which one or more other organizations are merged whether the organization preexisted the merger or was created by the merger.

2008 Acts, ch 1162, §71, 155

**489.1002 Merger.**

1. A limited liability company may merge with one or more other constituent organizations pursuant to this section, sections 489.1003 through 489.1005, and a plan of merger, if all of the following apply:

*a.* The governing statute of each of the other organizations authorizes the merger.

*b.* The merger is not prohibited by the law of a jurisdiction that enacted any of the governing statutes.

*c.* Each of the other organizations complies with its governing statute in effecting the merger.

2. A plan of merger must be in a record and must include all of the following:

*a.* The name and form of each constituent organization.

*b.* The name and form of the surviving organization and, if the surviving organization is to be created by the merger, a statement to that effect.

*c.* The terms and conditions of the merger, including the manner and basis for converting the interests in each constituent organization into any combination of money, interests in the surviving organization, and other consideration.

*d.* If the surviving organization is to be created by the merger, the surviving organization's organizational documents that are proposed to be in a record.

*e.* If the surviving organization is not to be created by the merger, any amendments to be made by the merger to the surviving organization's organizational documents that are, or are proposed to be, in a record.

2008 Acts, ch 1162, §72, 155

Referred to in §489.1015

**489.1003 Action on plan of merger by constituent limited liability company.**

1. Subject to section 489.1014, a plan of merger must be consented to by all the members of a constituent limited liability company.

2. Subject to section 489.1014 and any contractual rights, after a merger is approved, and at any time before articles of merger are delivered to the secretary of state for filing under section 489.1004, a constituent limited liability company may amend the plan or abandon the merger as follows:

*a.* As provided in the plan.

*b.* Except as otherwise prohibited in the plan, with the same consent as was required to approve the plan.

2008 Acts, ch 1162, §73, 155

Referred to in §489.1002, 489.1015

**489.1004 Filings required for merger — effective date.**

1. After each constituent organization has approved a merger, articles of merger must be signed on behalf of all of the following:

*a.* Each constituent limited liability company, as provided in section 489.203, subsection 1.

*b.* Each other constituent organization, as provided in its governing statute.

2. Articles of merger under this section must include all of the following:

*a.* The name and form of each constituent organization and the jurisdiction of its governing statute.

*b.* The name and form of the surviving organization, the jurisdiction of its governing statute, and, if the surviving organization is created by the merger, a statement to that effect.

*c.* The date the merger is effective under the governing statute of the surviving organization.

*d.* If the surviving organization is to be created by the merger, as follows:

(1) If it will be a limited liability company, the company's certificate of organization.

(2) If it will be an organization other than a limited liability company, the organizational document that creates the organization that is in a public record.

*e.* If the surviving organization preexists the merger, any amendments provided for in the plan of merger for the organizational document that created the organization that are in a public record.

*f.* A statement as to each constituent organization that the merger was approved as required by the organization's governing statute.

*g.* If the surviving organization is a foreign organization not authorized to transact business in this state, the street and mailing addresses of an office that the secretary of state may use for the purposes of section 489.1005, subsection 2.

*h.* Any additional information required by the governing statute of any constituent organization.

3. Each constituent limited liability company shall deliver the articles of merger for filing in the office of the secretary of state.

4. A merger becomes effective under this article as follows:

*a.* If the surviving organization is a limited liability company, upon the later of any of the following:

(1) Compliance with subsection 3.

(2) Subject to section 489.205, subsection 3, as specified in the articles of merger.

*b.* If the surviving organization is not a limited liability company, as provided by the governing statute of the surviving organization.

2008 Acts, ch 1162, §74, 155

Referred to in §489.1002, 489.1003, 489.1015

**489.1005 Effect of merger.**

1. When a merger becomes effective all of the following apply:

*a.* The surviving organization continues or comes into existence.

*b.* Each constituent organization that merges into the surviving organization ceases to exist as a separate entity.

*c.* All property owned by each constituent organization that ceases to exist vests in the surviving organization.

*d.* All debts, obligations, or other liabilities of each constituent organization that ceases to exist continue as debts, obligations, or other liabilities of the surviving organization.

*e.* An action or proceeding pending by or against any constituent organization that ceases to exist may be continued as if the merger had not occurred.

*f.* Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of each constituent organization that ceases to exist vest in the surviving organization.

*g.* Except as otherwise provided in the plan of merger, the terms and conditions of the plan of merger take effect.

*h.* Except as otherwise agreed, if a constituent limited liability company ceases to exist, the merger does not dissolve the limited liability company for the purposes of article 7.

*i.* If the surviving organization is created by the merger, any of the following applies:

(1) If it is a limited liability company, the certificate of organization becomes effective.

(2) If it is an organization other than a limited liability company, the organizational document that creates the organization becomes effective.

*j.* If the surviving organization preexisted the merger, any amendments provided for in the articles of merger for the organizational document that created the organization become effective.

2. A surviving organization that is a foreign organization consents to the jurisdiction of

the courts of this state to enforce any debt, obligation, or other liability owed by a constituent organization, if before the merger the constituent organization was subject to suit in this state on the debt, obligation, or other liability. A surviving organization that is a foreign organization and not authorized to transact business in this state appoints the secretary of state as its registered agent for service of process for the purposes of enforcing a debt, obligation, or other liability under this subsection. Service on the secretary of state under this subsection must be made in the same manner and has the same consequences as in section 489.116, subsections 2 and 3.

2008 Acts, ch 1162, §75, 155; 2010 Acts, ch 1193, §57, 77
Referred to in §489.1002, 489.1004, 489.1015

**489.1006 Conversion.**

1. An organization other than a limited liability company or a foreign limited liability company may convert to a limited liability company, and a limited liability company may convert to an organization other than a foreign limited liability company pursuant to this section, sections 489.1007 through 489.1009, and a plan of conversion, if all of the following apply:

*a.* The other organization's governing statute authorizes the conversion.

*b.* The conversion is not prohibited by the law of the jurisdiction that enacted the other organization's governing statute.

*c.* The other organization complies with its governing statute in effecting the conversion.

2. A plan of conversion must be in a record and must include all of the following:

*a.* The name and form of the organization before conversion.

*b.* The name and form of the organization after conversion.

*c.* The terms and conditions of the conversion, including the manner and basis for converting interests in the converting organization into any combination of money, interests in the converted organization, and other consideration.

*d.* The organizational documents of the converted organization that are, or are proposed to be, in a record.

2008 Acts, ch 1162, §76, 155
Referred to in §489.1001

**489.1007 Action on plan of conversion by converting limited liability company.**

1. Subject to section 489.1014, a plan of conversion must be consented to by all the members of a converting limited liability company.

2. Subject to section 489.1014 and any contractual rights, after a conversion is approved, and at any time before articles of conversion are delivered to the secretary of state for filing under section 489.1008, a converting limited liability company may amend the plan or abandon the conversion as follows:

*a.* As provided in the plan.

*b.* Except as otherwise prohibited in the plan, by the same consent as was required to approve the plan.

2008 Acts, ch 1162, §77, 155
Referred to in §489.1001, 489.1006

**489.1008 Filings required for conversion — effective date.**

1. After a plan of conversion is approved, all of the following apply:

*a.* A converting limited liability company shall deliver to the secretary of state for filing articles of conversion, which must be signed as provided in section 489.203, subsection 1, and must include all of the following:

(1) A statement that the limited liability company has been converted into another organization.

(2) The name and form of the organization and the jurisdiction of its governing statute.

(3) The date the conversion is effective under the governing statute of the converted organization.

(4) A statement that the conversion was approved as required by this chapter.

(5) A statement that the conversion was approved as required by the governing statute of the converted organization.

(6) All documents required to be filed with the secretary of state in accordance with the governing statute of the converted organization to effectuate the conversion.

(7) If the converted organization is a foreign organization not authorized to transact business in this state, the street and mailing addresses of an office which the secretary of state may use for the purposes of section 489.1009, subsection 3.

*b.* If the converting organization is not a converting limited liability company, the converting organization shall deliver to the secretary of state for filing a certificate of organization, which must include, in addition to the information required by section 489.201, subsection 2, all of the following:

(1) A statement that the converted organization was converted from another organization.

(2) The name and form of that converting organization and the jurisdiction of its governing statute.

(3) A statement that the conversion was approved in a manner that complied with the converting organization's governing statute.

2. A conversion becomes effective as follows:

*a.* If the converted organization is a limited liability company, when the certificate of organization takes effect.

*b.* If the converted organization is not a limited liability company, as provided by the governing statute of the converted organization.

2008 Acts, ch 1162, §78, 155

Referred to in §489.1001, 489.1006, 489.1007

**489.1009 Effect of conversion.**

1. An organization that has been converted pursuant to this article is for all purposes the same entity that existed before the conversion.

2. When a conversion takes effect all of the following apply:

*a.* All property owned by the converting organization remains vested in the converted organization.

*b.* All debts, obligations, or other liabilities of the converting organization continue as debts, obligations, or other liabilities of the converted organization.

*c.* An action or proceeding pending by or against the converting organization may be continued as if the conversion had not occurred.

*d.* Except as prohibited by law other than this chapter, all of the rights, privileges, immunities, powers, and purposes of the converting organization remain vested in the converted organization.

*e.* Except as otherwise provided in the plan of conversion, the terms and conditions of the plan of conversion take effect.

*f.* Except as otherwise agreed, the conversion does not dissolve a converting limited liability company for the purposes of article 7.

3. A converted organization that is a foreign organization consents to the jurisdiction of the courts of this state to enforce any debt, obligation, or other liability for which the converting limited liability company is liable if, before the conversion, the converting limited liability company was subject to suit in this state on the debt, obligation, or other liability. A converted organization that is a foreign organization and not authorized to transact business in this state appoints the secretary of state as its registered agent for service of process for purposes of enforcing a debt, obligation, or other liability under this subsection. Service on the secretary of state under this subsection must be made in the same manner and has the same consequences as in section 489.116, subsections 2 and 3.

2008 Acts, ch 1162, §79, 155; 2010 Acts, ch 1193, §58, 77

Referred to in §489.1001, 489.1006, 489.1008

**489.1010 Domestication.**

1. A foreign limited liability company may become a limited liability company pursuant

to this section, sections 489.1011 through 489.1013, and a plan of domestication, if all of the following apply:

*a.* The foreign limited liability company's governing statute authorizes the domestication.

*b.* The domestication is not prohibited by the law of the jurisdiction that enacted the governing statute.

*c.* The foreign limited liability company complies with its governing statute in effecting the domestication.

2. A limited liability company may become a foreign limited liability company pursuant to this section, sections 489.1011 through 489.1013, and a plan of domestication, if all of the following apply:

*a.* The foreign limited liability company's governing statute authorizes the domestication.

*b.* The domestication is not prohibited by the law of the jurisdiction that enacted the governing statute.

*c.* The foreign limited liability company complies with its governing statute in effecting the domestication.

3. A plan of domestication must be in a record and must include all of the following:

*a.* The name of the domesticating company before domestication and the jurisdiction of its governing statute.

*b.* The name of the domesticated company after domestication and the jurisdiction of its governing statute.

*c.* The terms and conditions of the domestication, including the manner and basis for converting interests in the domesticating company into any combination of money, interests in the domesticated company, and other consideration.

*d.* The organizational documents of the domesticated company that are, or are proposed to be, in a record.

2008 Acts, ch 1162, §80, 155

Referred to in §489.1001, 489.1013

**489.1011 Action on plan of domestication by domesticating limited liability company.**

1. A plan of domestication must be consented to as follows:

*a.* By all the members, subject to section 489.1014, if the domesticating company is a limited liability company.

*b.* As provided in the domesticating company's governing statute, if the company is a foreign limited liability company.

2. Subject to any contractual rights, after a domestication is approved, and at any time before articles of domestication are delivered to the secretary of state for filing under section 489.1012, a domesticating limited liability company may amend the plan or abandon the domestication as follows:

*a.* As provided in the plan.

*b.* Except as otherwise prohibited in the plan, by the same consent as was required to approve the plan.

2008 Acts, ch 1162, §81, 155

Referred to in §489.1001, 489.1010

**489.1012 Filings required for domestication — effective date.**

1. After a plan of domestication is approved, a domesticating company shall deliver to the secretary of state for filing articles of domestication, which must include all of the following:

*a.* A statement, as the case may be, that the company has been domesticated from or into another jurisdiction.

*b.* The name of the domesticating company and the jurisdiction of its governing statute.

*c.* The name of the domesticated company and the jurisdiction of its governing statute.

*d.* The date the domestication is effective under the governing statute of the domesticated company.

*e.* If the domesticating company was a limited liability company, a statement that the domestication was approved as required by this chapter.

*f.* If the domesticating company was a foreign limited liability company, a statement that the domestication was approved as required by the governing statute of the other jurisdiction.

*g.* If the domesticated company was a foreign limited liability company not authorized to transact business in this state, the street and mailing addresses of an office that the secretary of state may use for the purposes of section 489.1013, subsection 2.

2. A domestication becomes effective as follows:

*a.* When the certificate of organization takes effect, if the domesticated company is a limited liability company.

*b.* According to the governing statute of the domesticated company, if the domesticated organization is a foreign limited liability company.

2008 Acts, ch 1162, §82, 155

Referred to in §489.1001, 489.1010, 489.1011

**489.1013 Effect of domestication.**

1. When a domestication takes effect, all of the following apply:

*a.* The domesticated company is for all purposes the company that existed before the domestication.

*b.* All property owned by the domesticating company remains vested in the domesticated company.

*c.* All debts, obligations, or other liabilities of the domesticating company continue as debts, obligations, or other liabilities of the domesticated company.

*d.* An action or proceeding pending by or against a domesticating company may be continued as if the domestication had not occurred.

*e.* Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of the domesticating company remain vested in the domesticated company.

*f.* Except as otherwise provided in the plan of domestication, the terms and conditions of the plan of domestication take effect.

*g.* Except as otherwise agreed, the domestication does not dissolve a domesticating limited liability company for the purposes of article 7.

2. A domesticated company that is a foreign limited liability company consents to the jurisdiction of the courts of this state to enforce any debt, obligation, or other liability owed by the domesticating company, if, before the domestication, the domesticating company was subject to suit in this state on the debt, obligation, or other liability. A domesticated company that is a foreign limited liability company and not authorized to transact business in this state appoints the secretary of state as its registered agent for service of process for purposes of enforcing a debt, obligation, or other liability under this subsection. Service on the secretary of state under this subsection must be made in the same manner and has the same consequences as in section 489.116, subsections 2 and 3.

3. If a limited liability company has adopted and approved a plan of domestication under section 489.1010 providing for the company to be domesticated in a foreign jurisdiction, a statement surrendering the company's certificate of organization must be delivered to the secretary of state for filing setting forth all of the following:

*a.* The name of the company.

*b.* A statement that the certificate of organization is being surrendered in connection with the domestication of the company in a foreign jurisdiction.

*c.* A statement that the domestication was approved as required by this chapter.

*d.* The jurisdiction of formation of the domesticated foreign limited liability company.

2008 Acts, ch 1162, §83, 155; 2010 Acts, ch 1061, §65; 2010 Acts, ch 1193, §59, 77

Referred to in §489.1001, 489.1010, 489.1012

**489.1014 Restrictions on approval of mergers, conversions, and domestications.**

1. If a member of a constituent, converting, or domesticating limited liability company will have personal liability with respect to a surviving, converted, or domesticated organization, approval or amendment of a plan of merger, conversion, or domestication is ineffective without the consent of the member, unless all of the following apply:

*a.* The company's operating agreement provides for approval of a merger, conversion, or domestication with the consent of fewer than all the members.

*b.* The member has consented to the provision of the operating agreement.

2. A member does not give the consent required by subsection 1 merely by consenting to a provision of the operating agreement that permits the operating agreement to be amended with the consent of fewer than all the members.

2008 Acts, ch 1162, §84, 155

Referred to in §489.110, 489.1003, 489.1007, 489.1011

**489.1015 Merger of domestic cooperative into a domestic limited liability company.**

1. A limited liability company may merge with a domestic cooperative only as provided by this section. A limited liability company may merge with one or more domestic cooperatives if all of the following apply:

*a.* Only one limited liability company and one or more domestic cooperatives are parties to the merger.

*b.* When the merger becomes effective, the separate existence of each domestic cooperative ceases and the limited liability company is the surviving entity per organization.

*c.* As to each domestic cooperative, the plan of merger is initiated and adopted, and the merger is effectuated, as provided in section 501A.1101.

*d.* As to the limited liability company, the plan of merger complies with section 489.1002, the plan of merger is approved as provided in section 489.1003, and the articles of merger are prepared, signed, and filed as provided in section 489.1004.

*e.* Notwithstanding section 489.1002 or 489.1005, the surviving organization must be the limited liability company.

2. Section 501A.1103 governs the abandonment by a domestic cooperative of a merger authorized by this section. Section 489.1003, subsection 2, governs the abandonment by a limited liability company of a merger authorized by this section.

2008 Acts, ch 1162, §85, 155

Referred to in §501A.1101, 501A.1102, 501A.1103

**489.1016 Article not exclusive.**

This article does not preclude an entity from being merged, converted, or domesticated under law other than this chapter.

2008 Acts, ch 1162, §86, 155

## ARTICLE 11

## PROFESSIONAL LIMITED LIABILITY COMPANIES

**489.1101 Definitions.**

As used in this article, unless the context otherwise requires:

1. *"Employee"* or *"agent"* does not include a clerk, stenographer, secretary, bookkeeper, technician, or other person who is not usually and ordinarily considered by custom and practice to be practicing a profession nor any other person who performs all that person's duties for the professional limited liability company under the direct supervision and control of one or more managers, employees, or agents of the professional limited liability company who are duly licensed in this state to practice a profession which the limited liability company is authorized to practice in this state. This article does not require any such persons to be licensed to practice a profession if they are not required to be licensed under any other law of this state.

2. *"Foreign professional limited liability company"* means a limited liability company organized under laws other than the laws of this state for a purpose for which a professional limited liability company may be organized under this article.

3. *"Licensed"* includes registered, certified, admitted to practice, or otherwise legally authorized under the laws of this state.

4. *"Profession"* means the profession of certified public accountancy, architecture, chiropractic, dentistry, physical therapy, practice as a physician assistant, psychology, professional engineering, land surveying, landscape architecture, law, medicine and surgery, optometry, osteopathic medicine and surgery, accounting practitioner, podiatry, real estate brokerage, speech pathology, audiology, veterinary medicine, pharmacy, nursing, or marital and family therapy, provided that the marital and family therapist is licensed under chapters 147 and 154D.

5. *"Professional limited liability company"* means a limited liability company subject to this article, except a foreign professional limited liability company.

6. *"Regulating board"* means any board, commission, court, or governmental authority which, under the laws of this state, is charged with the licensing, registration, certification, admission to practice, or other legal authorization of the practitioners of any profession.

7. *a.* *"Voluntary transfer"* includes a sale, voluntary assignment, gift, pledge, or encumbrance; a voluntary change of legal or equitable ownership or beneficial interest; or a voluntary change of persons having voting rights with respect to any transferable interest, except as proxies.

*b.* *"Voluntary transfer"* does not include a transfer of an individual's interest in a limited liability company or other property to a guardian or conservator appointed for that individual or the individual's property.

2008 Acts, ch 1088, §141; 2008 Acts, ch 1162, §87, 155; 2011 Acts, ch 1, §1, 5, 6

**489.1102 Purposes and powers.**

1. A professional limited liability company shall be organized only for the purpose of engaging in the practice of one specific profession, or two or more specific professions which could lawfully be practiced in combination by a licensed individual or a partnership of licensed individuals, and for the additional purpose of doing all lawful things which may be incidental to or necessary or convenient in connection with the practice of the profession or professions. The certificate of organization of a professional limited liability company shall state in substance that the purposes for which the professional limited liability company is organized are to engage in the general practice of a specified profession or professions, or one or more specified branches or divisions thereof, and to do all lawful things which may be incidental to or necessary or convenient in connection with the practice of the profession or professions.

2. *a.* For purposes of this section, medicine and surgery, osteopathic medicine and surgery, and practice as a physician assistant shall be deemed to be professions which could lawfully be practiced in combination by licensed individuals or a partnership of licensed individuals.

*b.* Nothing in this section shall be construed to expand the scope of practice of a physician assistant or modify the requirement in section 148C.4 that a physician assistant perform medical services under the supervision of a licensed physician.

2008 Acts, ch 1162, §88, 155; 2011 Acts, ch 1, §2, 5, 6

Referred to in §489.1105, 489.1114

**489.1103 Name.**

The name of a professional limited liability company, the name of a foreign professional limited liability company or its name as modified for use in this state, and any fictitious name or trade name adopted by a professional limited liability company or foreign professional limited liability company shall contain the words "professional limited liability company", "professional limited company", or the abbreviation "P. L. L. C.", "PLLC", "P. L. C.", or "PLC", and except for the addition of such words or abbreviation, shall be a name which could lawfully be used by a licensed individual or by a partnership of licensed individuals in the practice in this state of a profession which the professional limited liability company is authorized to practice. Each regulating board may by rule adopt additional requirements as to the corporate names and fictitious or trade names of professional limited liability

companies and foreign professional limited liability companies which are authorized to practice a profession which is within the jurisdiction of the regulating board.

2008 Acts, ch 1162, §89, 155; 2011 Acts, ch 56, §3, 5, 6

2011 amendment takes effect April 13, 2011, and applies retroactively to January 1, 2009; 2011 Acts, ch 56, §5, 6

**489.1104 Who may organize.**

One or more individuals having capacity to contract and licensed to practice a profession in this state in which the professional limited liability company is to be authorized to practice, may organize a professional limited liability company.

2008 Acts, ch 1162, §90, 155

**489.1105 Practice by professional limited liability company.**

1. Notwithstanding any other statute or rule of law, a professional limited liability company may practice a profession, but may do so in this state only through a member, manager, employee, or agent, who is licensed to practice the same profession in this state. In its practice of a profession, a professional limited liability company shall not do any act which could not lawfully be done by an individual licensed to practice the profession which the professional limited liability company is authorized to practice.

2. *a.* This section shall not prohibit persons practicing medicine and surgery, persons practicing osteopathic medicine and surgery, or persons practicing as physician assistants from practicing their respective professions in lawful combination pursuant to section 489.1102.

*b.* Nothing in this section shall be construed to expand the scope of practice of a physician assistant or modify the requirement in section 148C.4 that a physician assistant perform medical services under the supervision of a licensed physician.

2008 Acts, ch 1162, §91, 155; 2011 Acts, ch 1, §3, 5, 6

**489.1106 Professional regulation.**

A professional limited liability company shall not be required to register with or to obtain any license, registration, certificate, or other legal authorization from a regulating board in order to practice a profession. Except as provided in this section, this article does not restrict or limit in any manner the authority or duties of any regulating board with respect to individuals practicing a profession which is within the jurisdiction of the regulating board, even if the individual is a member, manager, employee, or agent of a professional limited liability company or foreign professional limited liability company and practices the individual's profession through such professional limited liability company.

2008 Acts, ch 1162, §92, 155

**489.1107 Relationship and liability to persons served.**

This article does not modify any law applicable to the relationship between an individual practicing a profession and a person receiving professional services, including but not limited to any liability arising out of such practice or any law respecting privileged communications. This article does not modify or affect the ethical standards or standards of conduct of any profession, including but not limited to any standards prohibiting or limiting the practice of the profession by a limited liability company or prohibiting or limiting the practice of two or more professions in combination. All such standards shall apply to the members, managers, employees, and agents through whom a professional limited liability company practices any profession in this state, to the same extent that the standards apply to an individual practitioner.

2008 Acts, ch 1162, §93, 155

**489.1108 Issuance of interests.**

An interest of a professional limited liability company shall be issued only to an individual who is licensed to practice in any state a profession which the professional limited liability company is authorized to practice. Interests of a professional limited liability company shall not at any time be issued in, transferred into, or held in joint tenancy, tenancy in common, or

any other form of joint ownership or co-ownership. Chapter 502 shall not be applicable to nor govern any transaction relating to any interests of a professional limited liability company.

2008 Acts, ch 1162, §94, 155

**489.1109 Assignment of interests.**

A member or other person shall not make a voluntary assignment of an interest in a professional limited liability company to any person, except to the professional limited liability company or to an individual who is licensed to practice in this state a profession which the limited liability company is authorized to practice. The certificate of organization or operating agreement of the professional limited liability company may contain any additional provisions restricting the assignment of interests. Unless the certificate of organization or an operating agreement otherwise provides, a voluntary assignment requires the unanimous consent of the members.

2008 Acts, ch 1162, §95, 155

**489.1110 Convertible interests — rights and options.**

A professional limited liability company shall not create or issue any interest convertible into an interest of the professional limited liability company. The provisions of this article with respect to the issuance and transfer of interests apply to the creation, issuance, and transfer of any right or option entitling the holder to purchase from a professional limited liability company any interest of the professional limited liability company. A right or option shall not be transferable, whether voluntarily, involuntarily, by operation of law, or in any other manner. Upon the death of the holder, or when the holder ceases to be licensed to practice a profession in this state which the professional limited liability company is authorized to practice, the right or option shall expire.

2008 Acts, ch 1162, §96, 155

**489.1111 Voting trust — proxy.**

A member of a professional limited liability company shall not create or enter into a voting trust or any other agreement conferring upon any other person the right to vote or otherwise represent any interests of a professional limited liability company, and no such voting trust or agreement is valid or effective. Any proxy of a member of a professional limited liability company shall be an individual licensed to practice a profession in this state which the professional limited liability company is authorized to practice. Any provision in any proxy instrument denying the right of the member to revoke the proxy at any time or for any period of time is not valid or effective. This section does not otherwise limit the right of a member to vote by proxy, but the certificate of organization or operating agreement of the professional limited liability company may further limit or deny the right to vote by proxy.

2008 Acts, ch 1162, §97, 155

**489.1112 Required purchase by professional limited liability company of its own interests.**

1. Notwithstanding any other statute or rule of law, a professional limited liability company shall purchase its own interests as provided in this section; and a member of a professional limited liability company and the member's executor, administrator, legal representative, and successors in interest, shall sell and transfer the interests held by them as provided in this section.

2. Upon the death of a member, the professional limited liability company shall immediately purchase all interests held by the deceased member.

3. In order to remain a member of a professional limited liability company, the member shall at all times be licensed to practice in this state a profession which the professional limited liability company is authorized to practice. When a member does not have or ceases to have this qualification, the professional limited liability company shall immediately purchase all interests held by that member.

4. When a person other than a member of record becomes entitled to have interests of a professional limited liability company transferred into that person's name or to exercise

voting rights, except as a proxy, with respect to interests of the professional limited liability company, the professional limited liability company shall immediately purchase the interests. Without limiting the generality of the foregoing, this section shall be applicable whether the event occurs as a result of appointment of a guardian or conservator for a member or the member's property, transfer of interests by operation of law, involuntary transfer of interests, judicial proceeding, execution, levy, bankruptcy proceeding, receivership proceeding, foreclosure or enforcement of a pledge or encumbrance, or any other situation or occurrence. However, this section does not apply to any voluntary transfer of interests as defined in this article.

5. Interests purchased by a professional limited liability company under this section shall be transferred to the professional limited liability company as of the close of business on the date of the death or other event which requires purchase. The member and the member's executors, administrators, legal representatives, or successors in interest, shall promptly do all things which may be necessary or convenient to cause transfer to be made as of the transfer date. However, the interests shall promptly be transferred on the books and records of the professional limited liability company as of the transfer date, notwithstanding any delay in transferring or surrendering the interests or certificates representing the interests, and the transfer shall be valid and effective for all purposes as of the close of business on the transfer date. The purchase price for such interests shall be paid as provided in this article, but the transfer of interests to the professional limited liability company as provided in this section shall not be delayed or affected by any delay or default in making payment.

6. Notwithstanding subsections 1 through 5, purchase by the professional limited liability company is not required upon the occurrence of any event other than death of a member, if the professional limited liability company is dissolved within sixty days after the occurrence of the event. The certificate of organization or operating agreement of the professional limited liability company may provide that purchase is not required upon the death of a member, if the professional limited liability company is dissolved within sixty days after the date of the member's death.

7. Unless otherwise provided in the certificate of organization or an operating agreement of the professional limited liability company or in an agreement among all members of the professional limited liability company, all of the following apply:

*a.* The purchase price for interests shall be its book value as of the end of the month immediately preceding the death or other event which requires purchase. Book value shall be determined from the books and records of the professional limited liability company in accordance with the regular method of accounting used by the professional limited liability company, uniformly and consistently applied. Adjustments to book value shall be made, if necessary, to take into account work in process and accounts receivable. A final determination of book value made in good faith by an independent certified public accountant or firm of certified public accountants employed by the professional limited liability company for the purpose shall be conclusive on all persons.

*b.* The purchase price shall be paid in cash as follows:

(1) Upon the death of a member, thirty percent of the purchase price shall be paid within ninety days after death, and the balance shall be paid in three equal annual installments on the first three anniversaries of the death.

(2) Upon the happening of any other event referred to in this section, one-tenth of the purchase price shall be paid within ninety days after the date of the event, and the balance shall be paid in three equal annual installments on the first three anniversaries of the date of the event.

*c.* Interest from the date of death or other event shall be payable annually on principal payment dates, at the rate of six percent per annum on the unpaid balance of the purchase price.

*d.* All persons who are members of the professional limited liability company on the date of death or other event, and their executors, administrators, and legal representatives, shall, to the extent the professional limited liability company fails to meet its obligations under this section, be jointly liable for the payment of the purchase price and interest in proportion

to their percentage of ownership of the professional limited liability company's interests, disregarding interests of the deceased or withdrawing member.

*e.* The part of the purchase price remaining unpaid after the initial payment shall be evidenced by a negotiable promissory note, which shall be executed by the professional limited liability company and all members liable for payment. Any person liable on the note shall have the right to prepay the note in full or in part at any time.

*f.* If the person making any payment is not reasonably able to determine which of two or more persons is entitled to receive a payment, or if the payment is payable to a person who is unknown, or who is under disability and there is no person legally competent to receive the payment, or who cannot be found after the exercise of reasonable diligence by the person making the payment, it shall be deposited with the treasurer of state and shall be subject to the provisions of section 490.1440 with respect to funds deposited with the treasurer of state upon the voluntary or involuntary dissolution of a business corporation.

8. Notwithstanding the other provisions of this section, no part of the purchase price shall be required to be paid until the certificates, if any, representing the interests have been surrendered to the professional limited liability company.

9. Notwithstanding the other provisions of this section, payment of any part of the purchase price for interests of a deceased member shall not be required until the executor or administrator of the deceased member provides any indemnity, release, or other document from any taxing authority, which is reasonably necessary to protect the professional limited liability company against liability for estate, inheritance, and death taxes.

10. The certificate of organization or an operating agreement of the professional limited liability company or an agreement among all members of a professional limited liability company may provide for a different purchase price, a different method of determining the purchase price, a different interest rate or no interest, and other terms, conditions, and schedules of payment.

11. The certificate of organization or an operating agreement of the professional limited liability company or an agreement among all members of a professional limited liability company may provide for the optional or mandatory purchase of its own interests by the professional limited liability company in other situations, subject to any applicable law regarding such a purchase.

2008 Acts, ch 1162, §98, 155

**489.1113 Certificates representing interests.**

Each certificate representing an interest of a professional limited liability company shall state in substance that the certificate represents an interest in a professional limited liability company and is not transferable except as expressly provided in this article and in the certificate of organization or an operating agreement of the professional limited liability company.

2008 Acts, ch 1162, §99, 155

**489.1114 Management.**

All managers of a professional limited liability company shall at all times be individuals who are licensed to practice a profession in this state or a lawful combination of professions pursuant to section 489.1102, which the limited liability company is authorized to practice. A person who is not licensed shall have no authority or duties in the management or control of the professional limited liability company. If a manager ceases to have this qualification, the manager shall immediately and automatically cease to hold such management position.

2008 Acts, ch 1162, §100, 155; 2011 Acts, ch 1, §4, 5, 6

**489.1115 Merger.**

A professional limited liability company shall not merge with any entity except another professional limited liability company subject to this article or a professional corporation subject to chapter 496C. Merger is not permitted unless the surviving or new professional

limited liability company is a professional limited liability company which complies with all requirements of this article.

2008 Acts, ch 1162, §101, 155

**489.1116 Dissolution or liquidation.**

A violation of any provision of this article by a professional limited liability company or any of its members or managers shall be cause for its involuntary dissolution, or liquidation of its assets and business by the district court. Upon the death of the last remaining member of a professional limited liability company, or when the last remaining member is not licensed or ceases to be licensed to practice a profession in this state which the professional limited liability company is authorized to practice, or when any person other than the member of record becomes entitled to have all interests of the last remaining member of the professional limited liability company transferred into that person's name or to exercise voting rights, except as a proxy, with respect to such interests, the professional limited liability company shall not practice any profession and it shall be promptly dissolved. However, if prior to dissolution all outstanding interests of the professional limited liability company are acquired by two or more persons licensed to practice a profession in this state which the professional limited liability company is authorized to practice, the professional limited liability company need not be dissolved and may practice the profession as provided in this article.

2008 Acts, ch 1162, §102, 155

**489.1117 Foreign professional limited liability company.**

1. A foreign professional limited liability company may practice a profession in this state if it complies with the provisions of this article. The secretary of state may prescribe forms for this purpose. A foreign professional limited liability company may practice a profession in this state only through members, managers, employees, and agents who are licensed to practice the profession in this state. The provisions of this article with respect to the practice of a profession by a professional limited liability company apply to a foreign professional limited liability company.

2. This article does not prohibit the practice of a profession in this state by an individual who is a member, manager, employee, or agent of a foreign professional limited liability company, if the individual could lawfully practice the profession in this state in the absence of any relationship to a foreign professional limited liability company. This subsection applies regardless of whether or not the foreign professional limited liability company is authorized to practice a profession in this state.

2008 Acts, ch 1162, §103, 155

**489.1118 Limited liability companies organized under the other laws.**

This article does not apply to or interfere with the practice of any profession by or through any professional limited liability company organized after July 1, 1992, under any other law of this state or any other state or country, if the practice is lawful under any other statute or rule of law of this state. Any such professional limited liability company may voluntarily elect to adopt this article and become subject to its provisions, by amending its certificate of organization to be consistent with all provisions of this article and by stating in its amended certificate of organization that the limited liability company has voluntarily elected to adopt this article. Any limited liability company organized under any law of any other state or country may become subject to the provisions of this article by complying with all provisions of this article with respect to foreign professional limited liability companies.

2008 Acts, ch 1162, §104, 155

**489.1119 Conflicts with other provisions of this chapter.**

The provisions of this article shall prevail over any inconsistent provisions of this chapter.

2008 Acts, ch 1162, §105, 155

## ARTICLE 12

## SERIES LIMITED LIABILITY COMPANIES

**489.1201 Series of transferable interests.**

1. An operating agreement may establish or provide for the establishment of a designated series of transferable interests having separate rights, powers, or duties with respect to specified property or obligations of the limited liability company or profits and losses associated with specified property or obligations, and, to the extent provided in the operating agreement, any such series may have a separate business purpose or investment objective. The name of each series must contain the name of the limited liability company and be distinguishable from the name of any other series set forth in the certificate of organization.

2. Notwithstanding contrary provisions of this chapter, the debts, liabilities, and obligations incurred, contracted for, or otherwise existing with respect to a particular series shall be enforceable against the assets of that series only, and not against the assets of the limited liability company generally, if all of the following apply:

*a.* The operating agreement creates one or more series.

*b.* Separate and distinct records are maintained for that series and separate and distinct records account for the assets associated with that series. The assets associated with a series must be accounted for separately from the other assets of the limited liability company, including another series.

*c.* The operating agreement provides for such limitation on liabilities.

*d.* Notice of the establishment of the series and of the limitation on liabilities of the series is set forth in the certificate of organization of the limited liability company. The filing of the certificate of organization containing a notice of the limitation on liabilities of a series in the office of the secretary of state constitutes notice of the limitation on liabilities of such series.

3. A series meeting all of the conditions of subsection 2 shall be treated as a separate entity to the extent set forth in the certificate of organization.

4. Notwithstanding section 489.304, or a contrary provision in an operating agreement, a member or manager may agree to be obligated personally for any or all of the debts, obligations, or liabilities of one or more series.

5. An operating agreement may provide for classes or groups of members or managers associated with a series having such relative rights, powers, and duties as the operating agreement may provide. The operating agreement may provide for the future creation of additional classes or groups of members or managers associated with the series having such relative rights, powers, and duties as may from time to time be established, including rights, powers, and duties senior to existing classes and groups of members or managers associated with the series. An operating agreement may provide for the taking of an action, including the amendment of the operating agreement, without the vote or approval of any member or manager or class or group of members or managers, including all action to create under the provisions of the operating agreement a class or group of the series of membership interests that was not previously outstanding. An operating agreement may provide that any member or class or group of members associated with a series does not have voting rights.

6. An operating agreement may grant to all or certain identified members or managers or a specified class or group of the members or managers associated with a series the right to vote on any matter separately or with all or any class or group of the members or managers associated with the series. Voting by members or managers associated with a series may be on a per capita, number, financial interest, class, group, or other basis.

7. Except to the extent modified by this article, the provisions of this chapter which are generally applicable to a limited liability company, and its managers, members and transferees, shall be applicable to each series with respect to the operations of such series.

2008 Acts, ch 1162, §106, 155

Referred to in §10.1, 10.10, 489.1202, 489.1205

**489.1202 Management of a series.**

1. A series is member-managed unless the operating agreement does any of the following:

*a.* Expressly provides any of the following:

(1) The series is or will be "manager-managed".

(2) The series is or will be "managed by managers".

(3) Management of the series is or will be "vested in managers".

*b.* Includes words of similar import.

2. In a member-managed series, unless modified pursuant to section 489.1201, subsections 5 and 6, all of the following rules apply:

*a.* The management and conduct of the series are vested in the members of the series.

*b.* Each series member has equal rights in the management and conduct of the series' activities.

*c.* A difference arising among series members as to a matter in the ordinary course of the activities of the series may be decided by a majority of the series members.

*d.* An act outside the ordinary course of the activities of the series may be undertaken only with the consent of all members of the series.

*e.* The operating agreement may be amended only with the consent of all members of the series.

3. In a manager-managed series, all of the following rules apply:

*a.* Except as otherwise expressly provided in this chapter, any matter relating to the activities of the series is decided exclusively by the managers of the series.

*b.* Each series manager has equal rights in the management and conduct of the activities of the series.

*c.* A difference arising among managers of a series as to a matter in the ordinary course of the activities of the series may be decided by a majority of the managers of the series.

*d.* Unless modified pursuant to section 489.1201, subsections 5 and 6, the consent of all members of the series is required to do any of the following:

(1) Sell, lease, exchange, or otherwise dispose of all, or substantially all, of the series' property, with or without the goodwill, outside the ordinary course of the series' activities.

(2) Approve a merger, conversion, or domestication under article 10.

(3) Undertake any other act outside the ordinary course of the series' activities.

(4) Amend the operating agreement as it pertains to the series.

*e.* A manager of the series may be chosen at any time by the consent of a majority of the members of the series and remains a manager of the series until a successor has been chosen, unless the series manager at an earlier time resigns, is removed, or dies, or, in the case of a series manager that is not an individual, terminates. A series manager may be removed at any time by the consent of a majority of the members without notice or cause.

*f.* A person need not be a series member to be a manager of a series, but the dissociation of a series member that is also a series manager removes the person as a manager of the series. If a person that is both a series manager and a series member ceases to be a manager of the series, that cessation does not by itself dissociate the person as a member of the series.

*g.* A person's ceasing to be a series manager does not discharge any debt, obligation, or other liability to the series or members of the series which the person incurred while a manager of the series.

4. An action requiring the consent of members of a series under this chapter may be taken without a meeting, and a member of a series may appoint a proxy or other agent to consent or otherwise act for the series member by signing an appointing record, personally or by the series member's agent.

5. The dissolution of a series does not affect the applicability of this section. However, a person that wrongfully causes dissolution of the series loses the right to participate in management as a series member and a series manager.

6. This chapter does not entitle a series member of a series to remuneration for services performed for a member-managed series, except for reasonable compensation for services rendered in winding up the activities of the series.

2008 Acts, ch 1162, §107, 155

**489.1203 Series distributions.**

1. Any distribution made by a series before its dissolution and winding up must be in equal shares among the series members and dissociated series members, except to the extent necessary to comply with any transfer effective under section 489.502 and any charging order in effect under section 489.503.

2. A person has a right to a distribution before the dissolution and winding up of a series only if the series decides to make an interim distribution. A person's dissociation does not entitle the person to a distribution.

3. A person does not have a right to demand or receive a distribution from a series in any form other than money. Except as otherwise provided in section 489.708, subsection 3, a series may distribute an asset in kind if each part of the asset is fungible with each other part and each person receives a percentage of the asset equal in value to the person's share of distributions.

4. If a series member or transferee becomes entitled to receive a distribution, the series member or transferee has the status of, and is entitled to all remedies available to, a creditor of the series with respect to the distribution.

5. *a.* A series shall not make a distribution if after the distribution any of the following occurs:

(1) The series would not be able to pay its debts as they become due in the ordinary course of the series' activities.

(2) The series' total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the series were to be dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential rights upon dissolution, winding up, and termination of members whose preferential rights are superior to those of persons receiving the distribution.

*b.* As used in paragraph *"a"*, *"distribution"* does not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business under a bona fide retirement plan or other benefits program.

6. A series may base a determination that a distribution is not prohibited under subsection 1 on financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable under the circumstances.

7. Except as otherwise provided in subsection 9, the effect of a distribution under subsection 1 is measured as follows:

*a.* In the case of a distribution by purchase, redemption, or other acquisition of a transferable interest in the series, as of the date money or other property is transferred or debt incurred by the series.

*b.* In all other cases, as of the date when one of the following occurs:

(1) The distribution is authorized, if the payment occurs within one hundred twenty days after that date.

(2) The payment is made, if the payment occurs more than one hundred twenty days after the distribution is authorized.

8. A series' indebtedness to a series member incurred by reason of a distribution made in accordance with this section is at parity with the series' indebtedness to its general, unsecured creditors.

9. A series' indebtedness, including indebtedness issued in connection with or as part of a distribution, is not a liability for purposes of subsection 5 if the terms of the indebtedness provide that payment of principal and interest are made only to the extent that a distribution could be made to members of the series under this section. If such indebtedness is issued as a distribution, each payment of principal or interest on the indebtedness is treated as a distribution, the effect of which is measured on the date the payment is made.

10. *a.* Except as otherwise provided in paragraph *"b"*, if a member of a member-managed series or manager of a manager-managed series consents to a distribution made in violation of this section and in consenting to the distribution fails to comply with section 489.409, the member or manager is personally liable to the series for the amount of the distribution that exceeds the amount that could have been distributed without the violation of this section.

*b.* To the extent the operating agreement of a member-managed series expressly relieves a series member of the authority and responsibility to consent to distributions and imposes that authority and responsibility on one or more other members of the series, the liability stated in paragraph "*a*" applies to the other members of the series and not the member of the series that the operating agreement relieves of authority and responsibility.

11. A person that receives a distribution knowing that the distribution to that person was made in violation of this section is personally liable to the limited liability company but only to the extent that the distribution received by the person exceeded the amount that could have been properly paid under this section.

12. A person against which an action is commenced because the person is liable under subsection 10 may do any of the following:

*a.* Implead any other person that is subject to liability under subsection 10 and seek to compel contribution from the person.

*b.* Implead any person that received a distribution in violation of subsection 11 and seek to compel contribution from the person in the amount the person received in violation of that subsection.

13. An action under this section is barred if not commenced within two years after the distribution.

2008 Acts, ch 1162, §108, 155; 2009 Acts, ch 133, §162, 163

**489.1204 Dissociation from a series.**

Unless otherwise provided in the operating agreement, a member shall cease to be associated with a series and to have the power to exercise any rights or powers of a member with respect to such series upon the assignment of all of the member's transferable interest with respect to such series. Except as otherwise provided in an operating agreement, an event under this chapter or identified in an operating agreement that causes a member to cease to be associated with a series, by itself, shall not cause such member to cease to be associated with any other series or terminate the continued membership of a member in the limited liability company.

2008 Acts, ch 1162, §109, 155

**489.1205 Termination of a series.**

1. Except to the extent otherwise provided in the operating agreement, a series may be terminated and its affairs wound up without causing the dissolution of the limited liability company. The termination of a series established pursuant to section 489.1201, subsection 1, shall not affect the limitation on a liability of such series provided by section 489.1201, subsection 2. A series is not terminated and its affairs shall continue despite the dissolution of the limited liability company under article 7 but the series shall be terminated and its affairs shall be wound up upon the first to occur of any of the events described in section 489.701, subsection 1, paragraphs "*a*" through "*e*", as applied to the series.

2. Notwithstanding section 489.702, unless otherwise provided in the operating agreement, any of the following persons may wind up the affairs of a series:

*a.* A manager associated with a series who has not wrongfully terminated the series.

*b.* If there is no manager of a series, the members associated with the series or a person approved by the members associated with the series.

*c.* If there is more than one class or group of members associated with the series, then by each class or group of members associated with the series, in either case, by members who own more than fifty percent of the transferable interests of the series owned by all of the members associated with the series or by the members of each class or group associated with the series.

3. The persons winding up the affairs of a series, in the name of the series and for and on behalf of the series, may take all actions with respect to the series as are permitted under section 489.702 for a limited liability company. The persons winding up the affairs of a series shall provide for the claims and obligations of the series as provided in section 489.708 for a limited liability company and distribute the assets of the series as provided in section 489.708

for a limited liability company. An action taken pursuant to this subsection shall not affect the liability of a member and shall not impose liability on a liquidating trustee.

2008 Acts, ch 1162, §110, 155

**489.1206 Foreign series.**

A foreign limited liability company that is authorized to do business in this state under article 8 which is governed by an operating agreement that establishes or provides for the establishment of designated series of transferable interests having separate rights, powers, or duties with respect to specified property or obligations of the foreign limited liability company, or profits and losses associated with the specified property or obligations, shall indicate that fact on the application for a certificate of authority as a foreign limited liability company. In addition, the foreign limited liability company shall state on the application whether the debts, liabilities, and obligations incurred, contracted for, or otherwise existing with respect to a particular series, if any, are enforceable against the assets of such series only, and not against the assets of the foreign limited liability company generally.

2008 Acts, ch 1162, §111, 155

## ARTICLE 13

## MISCELLANEOUS PROVISIONS

**489.1301 Uniformity of application and construction.**

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

2008 Acts, ch 1162, §112, 155

**489.1302 Relation to Electronic Signatures in Global and National Commerce Act.**

This chapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but does not modify, limit, or supersede section 101(c) of that Act, 15 U.S.C. § 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that Act, 15 U.S.C. § 7003(b).

2008 Acts, ch 1162, §113, 155

**489.1303 Savings clause.**

This chapter does not affect an action commenced, proceeding brought, or right accrued before January 1, 2009.

2008 Acts, ch 1162, §114, 155; 2013 Acts, ch 90, §145

Section amended

**489.1304 Application to existing relationships.**

1. Before January 1, 2011, this chapter governs all of the following:

*a.* A limited liability company formed on or after January 1, 2009.

*b.* Except as otherwise provided in subsection 3, a limited liability company formed before January 1, 2009, which elects, in the manner provided in its operating agreement or by law for amending the operating agreement, to be subject to this chapter.

2. Except as otherwise provided in subsection 3, on and after January 1, 2011, this chapter governs all limited liability companies.

3. For the purposes of applying this chapter to a limited liability company formed before January 1, 2009, all of the following apply:

*a.* The limited liability company's articles of organization are deemed to be the company's certificate of organization.

*b.* For the purposes of applying section 489.102, subsection 12, and subject to section 489.112, subsection 4, language in the limited liability company's articles of organization designating the limited liability company's management structure operates as if that language were in the operating agreement.

*c.* If a professional limited liability company's name complied with section 490A.1503 as that section existed on December 30, 2010, that company's name shall also be deemed to comply with the name requirements of section 489.1103, Code 2011.

2008 Acts, ch 1162, §115, 155; 2011 Acts, ch 56, §4, 6

# CHAPTER 490

## BUSINESS CORPORATIONS

Referred to in §9H.1, 9H.4, 10.1, 10B.1, 10B.4, 10B.7, 10D.1, 15E.202, 15E.204, 15E.205, 261B.3A, 312.8, 423.1, 455B.397, 455B.430, 468.327, 468.506, 491.1, 495.3, 496B.3, 496B.6, 496B.8, 496B.11, 496B.12, 496B.17, 496C.2, 496C.3, 496C.4, 496C.9, 496C.14, 496C.16, 496C.19, 496C.20, 496C.21, 496C.22, 497.34, 498.36, 499.43B, 499.54, 499.59A, 499.61, 499.69A, 501A.102, 504.1108, 506.12, 508B.2, 514.23, 515.1, 515G.2, 515G.3, 521.2, 521.17, 524.1309, 524.1809, 524.2001, 544A.21, 547.1, 556.1, 556.5, 558.72, 669.14

Chapter effective December 31, 1989; 89 Acts, ch 288, §196
Transition; application to existing corporations;
§490.1701 – 490.1703
Reorganization option for cooperative associations, §499.43B


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# DIVISION I

# GENERAL PROVISIONS

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**490.101 Short title.**
This chapter is entitled and may be cited as the *"Iowa Business Corporation Act"*.
89 Acts, ch 288, §1

**490.102 Reservation of power to amend or repeal.**
The general assembly has the power to amend or repeal all or part of this chapter at any time and all domestic and foreign corporations subject to this chapter are governed by an amendment or repeal.
89 Acts, ch 288, §2

**490.103 through 490.119** Reserved.

## PART B

**490.120 Filing requirements.**
1. A document must satisfy the requirements of this section, and of any other section that adds to or varies these requirements, to be entitled to filing.
2. The document must be filed in the office of the secretary of state.
3. The document must contain the information required by this chapter. It may contain other information as well.
4. The document must be typewritten or printed. If the document is electronically transmitted, it must be in a format that can be retrieved or reproduced in typewritten or printed form.
5. The document must be in the English language. A corporate name need not be in English if written in English letters or Arabic or Roman numerals, and the certificate of existence required of foreign corporations need not be in English if accompanied by a reasonably authenticated English translation.
6. Except as provided in section 490.1622, subsection 2, the document must be executed by one of the following methods:
*a.* The chairperson of the board of directors of a domestic or foreign corporation, its president, or another of its officers.
*b.* If directors have not been selected or the corporation has not been formed, by an incorporator.
*c.* If the corporation is in the hands of a receiver, trustee, or other court-appointed fiduciary, by that fiduciary.
7. *a.* The person executing the document shall sign it and state beneath or opposite

the person's signature, the person's name and the capacity in which the person signs. The document may, but need not, contain a corporate seal, attestation, acknowledgment, or verification.

*b.* The secretary of state may accept for filing a document containing a copy of a signature, however made.

8. If the secretary of state has prescribed a mandatory form for the document under section 490.121, the document must be in or on the prescribed form.

9. The document must be delivered to the office of the secretary of state for filing. Delivery may be made by electronic transmission if and to the extent permitted by the secretary of state. If it is filed in typewritten or printed form and not transmitted electronically, the secretary of state may require one exact or conformed copy to be delivered with the document, except as provided in sections 490.503 and 490.1509.

10. When the document is delivered to the office of the secretary of state for filing, the correct filing fee, and any franchise tax, license fee, or penalty, shall be paid in a manner permitted by the secretary of state.

11. The secretary of state may adopt rules for the electronic filing of documents and the certification of electronically filed documents.

12. Whenever a provision of this chapter permits any of the terms of a plan or a filed document to be dependent on facts objectively ascertainable outside of the plan or filed document, all of the following provisions apply:

*a.* The manner in which the facts will operate upon the terms of the plan or filed document shall be set forth in the plan or filed document.

*b.* The facts may include, but are not limited to any of the following:

(1) Any of the following that is available in a nationally recognized news or information medium either in print or electronically: statistical or market indices, market prices of any security or group of securities, interest rates, currency exchange rates, or similar economic or financial data.

(2) A determination or action by any person or body, including the corporation or any other party to a plan or filed document.

(3) The terms of, or actions taken under, an agreement to which the corporation is a party, or any other agreement or document.

*c.* As used in this subsection:

(1) "*Filed document*" means a document filed with the secretary of state under any provision of this chapter except division XV or section 490.1622.

(2) "*Plan*" means a plan of merger or share exchange.

*d.* The following provisions of a plan or filed document may not be made dependent on facts outside the plan or filed document:

(1) The name and address of any person required in a filed document.

(2) The registered office of any entity required in a filed document.

(3) The registered agent of any entity required in a filed document.

(4) The number of authorized shares and designation of each class or series of shares.

(5) The effective date of a filed document.

(6) Any required statement in a filed document of the date on which the underlying transaction was approved or the manner in which that approval was given.

*e.* If a provision of a filed document is made dependent on a fact ascertainable outside of the filed document, and that fact is not ascertainable by reference to a source described in paragraph "*b*", subparagraph (1), or a document that is a matter of public record, or the affected shareholders have not received notice of the fact from the corporation, then the corporation shall file with the secretary of state articles of amendment setting forth the fact promptly after the time when the fact referred to is first ascertainable or thereafter changes. Articles of amendment under this paragraph are deemed to be authorized by the authorization of the original filed document to which they relate and may be filed by the corporation without further action by the board of directors or the shareholders.

89 Acts, ch 288, §3; 90 Acts, ch 1205, §16; 2002 Acts, ch 1154, §1, 2, 125; 2007 Acts, ch 140, §1; 2012 Acts, ch 1023, §157

Referred to in §490.125, 490.140, 490.202, 490.601, 490.1006, 490.1102, 490.1103, 490.1601, 490.1622

**490.121 Forms.**

1. *a.* The secretary of state may prescribe and furnish on request forms including but not limited to the following:

(1) A foreign corporation's application for a certificate of authority to transact business in this state.

(2) A foreign corporation's application for a certificate of withdrawal.

(3) The biennial report.

*b.* If the secretary of state so requires, use of these listed forms prescribed by the secretary of state is mandatory.

2. The secretary of state may prescribe and furnish on request forms for other documents required or permitted to be filed by this chapter but their use is not mandatory.

89 Acts, ch 288, §4; 96 Acts, ch 1170, §2; 97 Acts, ch 171, §5; 2012 Acts, ch 1023, §157
Referred to in §490.120

**490.122 Filing, service, and copying fees.**

1. The secretary of state shall collect the following fees when the documents described in this subsection are delivered to the secretary's office for filing:

| DOCUMENT | FEE |
|---|---|
| *a.* Articles of incorporation | $ 50 |
| *b.* Application for use of indistinguishable name | $ 10 |
| *c.* Application for reserved name | $ 10 |
| *d.* Notice of transfer of reserved name | $ 10 |
| *e.* Application for registered name per month or part thereof | $ 2 |
| *f.* Application for renewal of registered name | $ 20 |
| *g.* Corporation's statement of change of registered agent or registered office or both | No fee |
| *h.* Agent's statement of change of registered office for each affected corporation | No fee |
| *i.* Agent's statement of resignation | No fee |
| *j.* Amendment of articles of incorporation | $ 50 |
| *k.* Restatement of articles of incorporation with amendment of articles | $ 50 |
| *l.* Articles of merger, share exchange, or conversion | $ 50 |
| *m.* Articles of dissolution | $ 5 |
| *n.* Articles of revocation of dissolution | $ 5 |
| *o.* Certificate of administrative dissolution | No fee |
| *p.* Application for reinstatement following administrative dissolution | $ 5 |
| *q.* Certificate of reinstatement | No fee |
| *r.* Certificate of judicial dissolution | No fee |
| *s.* Application for certificate of authority | $100 |
| *t.* Application for amended certificate of authority | $100 |
| *u.* Application for certificate of withdrawal | $ 10 |
| *v.* Certificate of revocation of authority to transact business | No fee |
| *w.* Articles of correction | $ 5 |

*x.* Application for certificate of existence or authorization ..... $ 5

*y.* Any other document required or permitted to be filed by this chapter ..... $ 5

2. The secretary of state shall collect a fee of five dollars each time process is served on the secretary under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.

3. The secretary of state shall collect the following fees for copying and certifying the copy of any filed document relating to a domestic or foreign corporation:

*a.* $1.00 a page for copying.

*b.* $5.00 for the certificate.

89 Acts, ch 288, §5; 90 Acts, ch 1205, §17; 97 Acts, ch 171, §6; 2008 Acts, ch 1162, §116, 155
Referred to in §499.45, 499.54, 524.303, 524.1402, 524.1410, 524.1421
Filing fee for biennial report; §490.1622
Authority to refund fees; 2012 Acts, ch 1131, §28; 2013 Acts, ch 135, §24, 52
Section not amended; footnote revised

**490.123 Effective time and date of documents.**

1. Except as provided in subsection 2 and section 490.124, subsection 3, a document accepted for filing is effective at the later of the following times:

*a.* At the date and time of filing, as evidenced by such means as the secretary of state may use for the purpose of recording the date and time of filing.

*b.* At the time specified in the document as its effective time on the date it is filed.

2. A document may specify a delayed effective time and date, and if it does so the document becomes effective at the time and date specified. If a delayed effective date but no time is specified, the document is effective at the close of business on that date. A delayed effective date for a document shall not be later than the ninetieth day after the date it is filed.

89 Acts, ch 288, §6; 2002 Acts, ch 1154, §3, 125
Referred to in §490.1523, 490.1622

**490.124 Correcting filed documents.**

1. A domestic or foreign corporation may correct a document filed by the secretary of state if the document satisfies one of the following:

*a.* The document contains an inaccuracy.

*b.* The document was defectively executed, attested, sealed, verified, or acknowledged.

*c.* The electronic transmission was defective.

2. A document is corrected by complying with both of the following:

*a.* By preparing articles of correction that satisfy all of the following requirements:

(1) Describe the document, including its filing date, or attach a copy of it to the articles.

(2) Specify the inaccuracy or defect to be corrected.

(3) Correct the inaccuracy or defect.

*b.* By delivering the articles to the secretary of state for filing.

3. Articles of correction are effective on the effective date of the document they correct except as to persons relying on the uncorrected document and adversely affected by the correction. As to those persons, articles of correction are effective when filed.

89 Acts, ch 288, §7; 2002 Acts, ch 1154, §4, 125
Referred to in §490.123

**490.125 Filing duty of secretary of state.**

1. If a document delivered to the office of the secretary of state for filing satisfies the requirements of section 490.120, the secretary of state shall file it.

2. The secretary of state files a document by recording it as filed on the date and time of receipt. After filing a document, except the biennial report required by section 490.1622, and except as provided in sections 490.503 and 490.1509, the secretary of state shall deliver to the domestic or foreign corporation or its representative a copy of the document with an acknowledgment of the date and time of filing.

3. If the secretary of state refuses to file a document, the secretary of state shall return

it to the domestic or foreign corporation or its representative, together with a brief, written explanation of the reason for the refusal.

4. The secretary of state's duty to file documents under this section is ministerial. Filing or refusing to file a document does not:

*a.* Affect the validity or invalidity of the document in whole or part.

*b.* Relate to the correctness or incorrectness of information contained in the document.

*c.* Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

89 Acts, ch 288, §8; 96 Acts, ch 1170, §3; 97 Acts, ch 171, § 7; 2002 Acts, ch 1154, §5, 125

**490.126 Appeal from secretary of state's refusal to file document.**

1. If the secretary of state refuses to file a document delivered to the secretary's office for filing, the domestic or foreign corporation may appeal the refusal, within thirty days after the return of the document, to the district court for the county in which the corporation's principal office or, if none in this state, its registered office is or will be located. The appeal is commenced by petitioning the court to compel filing the document and by attaching to the petition the document and the secretary of state's explanation of the refusal to file.

2. The court may summarily order the secretary of state to file the document or take other action the court considers appropriate.

3. The court's final decision may be appealed as in other civil proceedings.

89 Acts, ch 288, §9

**490.127 Evidentiary effect of copy of filed document.**

A certificate from the secretary of state delivered with a copy of a document filed by the secretary of state is conclusive evidence that the original document is on file with the secretary of state.

89 Acts, ch 288, §10; 90 Acts, ch 1205, §18; 2002 Acts, ch 1154, §6, 125

**490.128 Certificate of existence.**

1. Anyone may apply to the secretary of state to furnish a certificate of existence for a domestic corporation or a certificate of authorization for a foreign corporation.

2. A certificate of existence or authorization must set forth all of the following:

*a.* The domestic corporation's corporate name or the foreign corporation's corporate name used in this state.

*b.* That one of the following apply:

(1) If it is a domestic corporation, that it is duly incorporated under the law of this state, the date of its incorporation, and the period of its duration if less than perpetual.

(2) If it is a foreign corporation, that it is authorized to transact business in this state.

*c.* That all fees required by this chapter have been paid.

*d.* That its most recent biennial report required by section 490.1622 has been filed by the secretary of state.

*e.* If it is a domestic corporation, that articles of dissolution have not been filed.

*f.* Other facts of record in the office of the secretary of state that may be requested by the applicant.

3. Subject to any qualification stated in the certificate, a certificate of existence or authorization issued by the secretary of state may be relied upon as conclusive evidence that the domestic or foreign corporation is in existence or is authorized to transact business in this state.

89 Acts, ch 288, §11; 90 Acts, ch 1205, §19; 97 Acts, ch 171, §8

**490.129 Penalty for signing false document.**

1. A person commits an offense if that person signs a document the person knows is false in any material respect with intent that the document be delivered to the secretary of state for filing.

2. An offense under this section is a serious misdemeanor punishable by a fine of not to exceed one thousand dollars.
89 Acts, ch 288, §12

**490.130** Repealed by 91 Acts, ch 211, § 13. See § 9.7.

**490.131 through 490.134** Reserved.

PART C

**490.135 Secretary of state — powers.**
The secretary of state has the power reasonably necessary to perform the duties required of the secretary of state by this chapter.
89 Acts, ch 288, §14

**490.136 through 490.139** Reserved.

PART D

**490.140 Definitions.**
In this chapter, unless the context requires otherwise:
1. *"Articles of incorporation"* include amended and restated articles of incorporation and articles of merger.
2. *"Authorized shares"* means the shares of all classes a domestic or foreign corporation is authorized to issue.
3. *"Conspicuous"* means so written, displayed, or presented that a reasonable person against whom the writing is to operate should have noticed it. For example, text in italics, boldface, contrasting color, capitals, or underlined is conspicuous.
4. *"Cooperative association"* means an entity which is structured and operated on a cooperative basis pursuant to 26 U.S.C. § 1381(a) and which meets the definitional requirements of an association as provided in 12 U.S.C. § 1141(j)(a) or 7 U.S.C. § 291.
5. *"Corporation"* or *"domestic corporation"* means a corporation for profit, which is not a foreign corporation, incorporated under or subject to this chapter.
6. *"Deliver"* or *"delivery"* means any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery, and, if authorized in accordance with section 490.141, by electronic transmission.
7. *"Distribution"* means a direct or indirect transfer of money or other property, except its own shares, or incurrence of indebtedness by a corporation to or for the benefit of its shareholders in respect of any of its shares. A distribution may be in the form of a declaration or payment of a dividend; a purchase, redemption, or other acquisition of shares; a distribution of indebtedness; or otherwise.
8. *"Document"* means any of the following:
*a.* A tangible medium on which information is inscribed, and includes any writing or written instrument.
*b.* An electronic record.
9. *"Domestic unincorporated entity"* means an unincorporated entity whose internal affairs are governed by the laws of this state.
10. *"Effective date of notice"* is defined in section 490.141.
11. *"Electronic"* means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
12. *"Electronic record"* means information that is stored in an electronic or other medium and is retrievable in paper form through an automated process used in conventional

commercial practice, unless otherwise authorized in accordance with section 490.141, subsection 10.

13. *"Electronic transmission"* or *"electronically transmitted"* means any form or process of communication not directly involving the physical transfer of paper or another tangible medium, which is all of the following:

*a.* Suitable for the retention, retrieval, and reproduction of information by the recipient.

*b.* Retrievable in paper form by the recipient through an automated process used in conventional commercial practice, unless otherwise authorized in accordance with section 490.141, subsection 10.

14. *"Employee"* includes an officer but not a director. A director may accept duties that make the director also an employee.

15. *"Entity"* includes corporation and foreign corporation; not-for-profit corporation; profit and not-for-profit unincorporated association; business trust, estate, partnership, trust, and two or more persons having a joint or common economic interest; and state, United States, and foreign government.

16. *"Expenses"* means reasonable expenses of any kind that are incurred in connection with a matter.

17. The phrase *"facts objectively ascertainable"* outside of a filed document or plan is defined in section 490.120, subsection 12.

18. *"Foreign corporation"* means a corporation for profit incorporated under a law other than the law of this state.

19. *"Governmental subdivision"* includes authority, city, county, district, township, and other political subdivision.

20. *"Includes"* denotes a partial definition.

21. *"Individual"* includes the estate of an incompetent, a ward, or a deceased individual.

22. *"Means"* denotes an exhaustive definition.

23. *"Notice"* is defined in section 490.141.

24. *"Person"* means a person as defined in section 4.1.

25. *"Principal office"* means the office, in or out of this state, so designated in the biennial report, where the principal executive offices of a domestic or foreign corporation are located.

26. *"Proceeding"* includes civil suit and criminal, administrative, and investigatory action.

27. *"Public corporation"* means a corporation that has a class of voting stock that is listed on a national securities exchange or held of record by more than two thousand shareholders.

28. *"Qualified director"* means the same as defined in section 490.143.

29. *"Record date"* means the date established under division VI or VII on which a corporation determines the identity of its shareholders for purposes of this chapter.

30. *"Secretary"* means the corporate officer to whom the board of directors has delegated responsibility under section 490.840, subsection 3, for custody of the minutes of the meetings of the board of directors and of the shareholders and for authenticating records of the corporation.

31. *"Share"* means the unit into which the proprietary interests in a corporation are divided.

32. *"Shareholder"* means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

33. *"Sign"* or *"signature"* means, with present intent to authenticate or adopt a document, doing any of the following:

*a.* Executing or adopting a tangible symbol to a document, and includes any manual, facsimile, or conformed signature.

*b.* Attaching to or logically associating with an electronic transmission an electronic sound, symbol, or process, and includes an electronic signature in an electronic transmission.

34. *"State"*, when referring to a part of the United States, includes a state and commonwealth and their agencies and governmental subdivisions, and a territory and insular possession and their agencies and governmental subdivisions, of the United States.

35. *"Subscriber"* means a person who subscribes for shares in a corporation, whether before or after incorporation.

36. *"United States"* includes a district, authority, bureau, commission, department, and any other agency of the United States.

37. *"Voting group"* means all shares of one or more classes or series that under the articles of incorporation or this chapter are entitled to vote and be counted together collectively on a matter at a meeting of shareholders. All shares entitled by the articles of incorporation or this chapter to vote generally on the matter are for that purpose a single voting group.

38. *"Voting power"* means the current power to vote in the election of directors.

39. *"Writing"* or *"written"* means any information in the form of a document.

89 Acts, ch 288, §15; 91 Acts, ch 211, §3; 97 Acts, ch 171, §9; 2001 Acts, ch 142, §1; 2002 Acts, ch 1154, §7, 8, 125; 2007 Acts, ch 140, §2; 2011 Acts, ch 2, §1, 10; 2013 Acts, ch 31, §1, 2, 82

Referred to in §15E.202
2013 amendments to this section take effect January 1, 2014; 2013 Acts, ch 31, §82
Future repeal of former subsection 21A by 2011 Acts, ch 2, §9 stricken by 2013 Acts, ch 14, §1
Subsections 3 and 6 amended
NEW subsections 8 and 9 and former subsection 8 renumbered as 10
NEW subsections 11 and 12 and former subsection 9 amended and renumbered as 13
Former subsections 10 and 11 renumbered as 14 and 15
NEW subsection 16 and former subsections 12 – 21A renumbered as 17 – 27
NEW subsection 28 and former subsections 22 – 25 renumbered as 29 – 32
Former subsection 26 amended and renumbered as 33
Former subsections 27 – 31 renumbered as 34 – 38
NEW subsection 39

**490.141 Notice or other communication.**

1. Notice under this chapter must be in writing unless oral notice is reasonable in the circumstances. Unless otherwise agreed between the sender and the recipient, words in a notice or other communication under this chapter must be in English.

2. A notice or other communication may be given or sent by any method of delivery, except that electronic transmissions must be in accordance with this section. If these methods of delivery are impracticable, a notice or other communication may be communicated by a newspaper of general circulation in the area where published; or by radio, television, or other form of public broadcast communication.

3. Notice or other communication to a domestic or foreign corporation authorized to transact business in this state may be delivered to its registered agent at its registered office or to the secretary of the corporation at its principal office shown in its most recent biennial report or, in the case of a foreign corporation that has not yet delivered a biennial report, in its application for a certificate of authority.

4. Notice or other communications may be delivered by electronic transmission if consented to by the recipient or if authorized by subsection 10.

5. Any consent under subsection 4 may be revoked by the person who consented by written or electronic notice to the person to whom the consent was delivered. Any such consent is deemed revoked if all of the following apply:

*a.* The corporation is unable to deliver two consecutive electronic transmissions given by the corporation in accordance with such consent.

*b.* Such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice or other communications; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

6. Unless otherwise agreed between the sender and the recipient, an electronic transmission is received when all of the following apply:

*a.* The electronic transmission enters an information processing system that the recipient has designated or uses for the purposes of receiving electronic transmissions or information of the type sent, and from which the recipient is able to retrieve the electronic transmission.

*b.* The electronic transmission is in a form capable of being processed by that system.

7. Receipt of an electronic acknowledgment from an information processing system described in subsection 6, paragraph *"a"*, establishes that an electronic transmission was received but, by itself, does not establish that the content sent corresponds to the content received.

8. An electronic transmission is received under this section even if no individual is aware of its receipt.

9. Notice or other communication if in a comprehensible form or manner, is effective at the earliest of any of the following:

*a.* If in physical form, the earliest of when it is actually received or when it is left at any of the following:

(1) A shareholder's address shown on the corporation's record of shareholders maintained by the corporation under section 490.1601, subsection 3.

(2) A director's residence or usual place of business.

(3) The corporation's principal place of business.

*b.* If mailed by United States mail postage prepaid and correctly addressed to a shareholder, upon deposit in the United States mail.

*c.* If mailed by United States mail postage prepaid and correctly addressed to a recipient other than a shareholder, the earliest of when it is actually received or as follows:

(1) If sent by registered or certified mail, return receipt requested, the date shown on the return receipt signed by or on behalf of the addressee.

(2) Five days after it is deposited in the United States mail.

*d.* If an electronic transmission, when it is received as provided in subsection 6.

*e.* If oral, when communicated.

10. A notice or other communication may be in the form of an electronic transmission that cannot be directly reproduced in paper form by the recipient through an automated process used in conventional commercial practice only if all of the following apply:

*a.* The electronic transmission is otherwise retrievable in perceivable form.

*b.* The sender and the recipient have consented in writing to the use of such form of electronic transmission.

11. If this chapter prescribes requirements for notices or other communications in particular circumstances, those requirements govern. If articles of incorporation or bylaws prescribe requirements for notices or other communications, not inconsistent with this section or other provisions of this chapter, those requirements govern. The articles of incorporation or bylaws may authorize or require delivery of notices of meetings of directors by electronic transmission.

89 Acts, ch 288, §16; 97 Acts, ch 171, §10; 2002 Acts, ch 1154, §9, 125; 2013 Acts, ch 31, §3, 82

Referred to in §490.140

2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82

Section amended

**490.142 Number of shareholders.**

1. For purposes of this chapter, any of the following identified as a shareholder in a corporation's current record of shareholders constitutes one shareholder:

*a.* Three or fewer co-owners.

*b.* A corporation, partnership, trust, estate, or other entity.

*c.* The trustees, guardians of the property, custodians, or other fiduciaries of a single trust, estate, or account.

2. For purposes of this chapter, shareholdings registered in substantially similar names constitute one shareholder if it is reasonable to believe that the names represent the same person.

89 Acts, ch 288, §17

**490.143 Qualified director.**

1. For purposes of this chapter, a *"qualified director"* is a director who takes action under any of the following provisions, if at the time action is to be taken any of the following applies:

*a.* Under section 490.744, the director does not have any of the following:

(1) A material interest in the outcome of the proceeding.

(2) A material relationship with a person who has such an interest.

*b.* Under section 490.853 or 490.855, all of the following apply:

(1) The director is not a party to the proceeding.

(2) The director is not a director as to whom a transaction is a director's conflicting interest transaction or who sought a disclaimer of the corporation's interest in a business opportunity under section 490.870, which transaction or disclaimer is challenged in the proceeding.

(3) The director does not have a material relationship with a director described in either subparagraph (1) or (2).

*c.* Under section 490.862, the director is not any of the following:

(1) A director as to whom the transaction is a director's conflicting interest transaction.

(2) A director who has a material relationship with another director as to whom the transaction is a director's conflicting interest transaction.

*d.* Under section 490.870, the director would be a qualified director under paragraph "*c*", if the business opportunity was a director's conflicting interest transaction.

2. For purposes of this section, all of the following apply:

*a.* "*Material interest*" means an actual or potential benefit or detriment, other than one which would devolve on the corporation or the shareholders generally, that would reasonably be expected to impair the objectivity of the director's judgment when participating in the action to be taken.

*b.* "*Material relationship*" means a familial, financial, professional, employment, or other relationship that would reasonably be expected to impair the objectivity of the director's judgment when participating in the action to be taken.

3. The presence of one or more of the following circumstances shall not automatically prevent a director from being a qualified director:

*a.* Nomination or election of the director to the current board by any director who is not a qualified director with respect to the matter, or by any person that has a material relationship with that director, acting alone or participating with others.

*b.* Service as a director of another corporation of which a director who is not a qualified director with respect to the matter, or any individual who has a material relationship with that director, is or was also a director.

*c.* With respect to action to be taken under section 490.744, status as a named defendant, as a director against whom action is demanded, or as a director who approved the conduct being challenged.

2013 Acts, ch 31, §4, 82

Referred to in §490.140

Section takes effect January 1, 2014; 2013 Acts, ch 31, §82

NEW section

**490.144 Householding.**

1. A corporation has delivered written notice or any other report or statement under this chapter, the articles of incorporation, or the bylaws to all shareholders who share a common address if all of the following apply:

*a.* The corporation delivers one copy of the notice, report, or statement to the common address.

*b.* The corporation addresses the notice, report, or statement to those shareholders either as a group or to each of those shareholders individually or to the shareholders in a form to which each of those shareholders has consented.

*c.* Each of those shareholders consents to delivery of a single copy of such notice, report, or statement to the shareholders' common address. Any such consent shall be revocable by any of such shareholders who deliver written notice of revocation to the corporation. If such written notice of revocation is delivered, the corporation shall begin providing individual notices, reports, or other statements to the revoking shareholder no later than thirty days after delivery of the written notice of revocation.

2. Any shareholder who fails to object by written notice to the corporation, within sixty days of written notice by the corporation of its intention to send single copies of notices, reports, or statements to shareholders who share a common address as permitted

by subsection 1, shall be deemed to have consented to receiving such single copy at the common address.

2013 Acts, ch 31, §5, 82
Section takes effect January 1, 2014; 2013 Acts, ch 31, §82
NEW section

## DIVISION II

## INCORPORATION

Referred to in §15E.206

**490.201 Incorporators.**

One or more persons may act as the incorporator or incorporators of a corporation by executing and delivering articles of incorporation to the secretary of state for filing.

89 Acts, ch 288, §18
Referred to in §15E.206

**490.202 Articles of incorporation.**

1. The articles of incorporation must set forth all of the following:

*a.* A corporate name for the corporation that satisfies the requirements of section 490.401.

*b.* The number of shares the corporation is authorized to issue.

*c.* The street address of the corporation's initial registered office and the name of its initial registered agent at that office.

*d.* The name and address of each incorporator.

2. The articles of incorporation may set forth any or all of the following:

*a.* The names and addresses of the individuals who are to serve as the initial directors.

*b.* Provisions not inconsistent with law regarding:

(1) The purpose or purposes for which the corporation is organized.

(2) Managing the business and regulating the affairs of the corporation.

(3) Defining, limiting, and regulating the powers of the corporation, its board of directors, and shareholders.

(4) A par value for authorized shares or classes of shares.

(5) The imposition of personal liability on shareholders for the debts of the corporation to a specified extent and upon specified conditions.

*c.* Any provision that under this chapter is required or permitted to be set forth in the bylaws.

*d.* (1) A provision eliminating or limiting the liability of a director to the corporation or its shareholders for money damages for any action taken, or any failure to take any action, as a director, except liability for any of the following:

(a) The amount of a financial benefit received by a director to which the director is not entitled.

(b) An intentional infliction of harm on the corporation or the shareholders.

(c) A violation of section 490.833.

(d) An intentional violation of criminal law.

(2) A provision shall not eliminate or limit the liability of a director for an act or omission occurring prior to the date when the provision in the articles of incorporation becomes effective.

*e.* A provision permitting or making obligatory indemnification of a director for liability, as defined in section 490.850, subsection 3, to any person for any action taken, or any failure to take any action, as a director, except liability for any of the following:

(1) Receipt of a financial benefit to which the person is not entitled.

(2) An intentional infliction of harm on the corporation or its shareholders.

(3) A violation of section 490.833.

(4) An intentional violation of criminal law.

3. The articles of incorporation need not set forth any of the corporate powers enumerated in this chapter.

4. Provisions of the articles of incorporation may be made dependent upon facts objectively ascertainable outside the articles of incorporation in accordance with section 490.120.

89 Acts, ch 288, §19; 2002 Acts, ch 1154, §10, 125; 2003 Acts, ch 44, §80; 2007 Acts, ch 140, §3; 2012 Acts, ch 1023, §87

Referred to in §490.831, 490.851, 490.853, 490.1113, 491.5, 524.1309

Section not amended; internal reference change applied

**490.203 Incorporation.**

1. Unless a delayed effective date or time is specified, the corporate existence begins when the articles of incorporation are filed.

2. The secretary of state's filing of the articles of incorporation is conclusive proof that the incorporators satisfied all conditions precedent to incorporation except in a proceeding by the state to cancel or revoke the incorporation or involuntarily dissolve the corporation.

89 Acts, ch 288, §20

**490.204 Liability for preincorporation transactions.**

All persons purporting to act as or on behalf of a corporation, knowing there was no incorporation under this chapter, are jointly and severally liable for all liabilities created while so acting.

89 Acts, ch 288, §21

**490.205 Organization of corporation.**

1. After incorporation:

*a.* If initial directors are named in the articles of incorporation, the initial directors shall hold an organizational meeting, at the call of a majority of the directors, to complete the organization of the corporation by appointing officers, adopting bylaws and carrying on any other business brought before the meeting.

*b.* If initial directors are not named in the articles, the incorporator or incorporators shall hold an organizational meeting at the call of a majority of the incorporators to do one of the following:

(1) Elect directors and complete the organization of the corporation.

(2) Elect a board of directors who shall complete the organization of the corporation.

2. Action required or permitted by this chapter to be taken by incorporators at an organizational meeting may be taken without a meeting if the action taken is evidenced by one or more written consents describing the action taken and signed by each incorporator.

3. An organizational meeting may be held in or out of this state.

89 Acts, ch 288, §22

**490.206 Bylaws.**

1. The incorporators or board of directors of a corporation shall adopt initial bylaws for the corporation.

2. The bylaws of a corporation may contain any provision for managing the business and regulating the affairs of the corporation that is not inconsistent with law or the articles of incorporation.

89 Acts, ch 288, §23

**490.207 Emergency bylaws.**

1. Unless the articles of incorporation provide otherwise, the board of directors of a corporation may adopt bylaws to be effective only in an emergency defined in subsection 4. The emergency bylaws, which are subject to amendment or repeal by the shareholders, may make all provisions necessary for managing the corporation during the emergency, including:

*a.* Procedures for calling a meeting of the board of directors.

*b.* Quorum requirements for the meeting.

*c.* Designation of additional or substitute directors.

2. All provisions of the regular bylaws consistent with the emergency bylaws remain

effective during the emergency. The emergency bylaws are not effective after the emergency ends.

3. Corporate action taken in good faith in accordance with the emergency bylaws has both of the following effects:

*a.* The action binds the corporation.

*b.* The action shall not be used to impose liability on a corporate director, officer, employee, or agent.

4. An emergency exists for purposes of this section if a quorum of the corporation's directors cannot readily be assembled because of some catastrophic event.

89 Acts, ch 288, §24

## DIVISION III

## PURPOSES AND POWERS

**490.301 Purposes.**

1. A corporation incorporated under this chapter has the purpose of engaging in any lawful business unless a more limited purpose is set forth in the articles of incorporation.

2. A corporation engaging in a business that is subject to regulation under another statute of this state may incorporate under this chapter only if permitted by, and subject to all limitations of, the other statute.

89 Acts, ch 288, §25

Referred to in §490.401

**490.302 General powers.**

Unless its articles of incorporation provide otherwise, a corporation has perpetual duration and succession in its corporate name and has the same powers as an individual to do all things necessary or convenient to carry out its business and affairs, including without limitation power to do all of the following:

1. Sue and be sued, complain, and defend in its corporate name.

2. Have a corporate seal, which may be altered at will, and use it, or a facsimile of it, by impressing or affixing it or in any other manner reproducing it.

3. Make and amend bylaws, not inconsistent with its articles of incorporation or with the laws of this state, for managing the business and regulating the affairs of the corporation.

4. Purchase, receive, lease, or otherwise acquire, and own, hold, improve, use, and otherwise deal with, real or personal property, or any legal or equitable interest in property, wherever located.

5. Sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property.

6. Purchase, receive, subscribe for, or otherwise acquire, own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of, and deal in and with shares or other interests in, or obligations of, any other entity.

7. Make contracts and guarantees, incur liabilities, borrow money, issue its notes, bonds, and other obligations, which may be convertible into or include the option to purchase other securities of the corporation, and secure any of its obligations by mortgage or pledge of any of its property, franchises, or income.

8. Lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment.

9. Be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other entity.

10. Conduct its business, locate offices, and exercise the powers granted by this chapter within or without this state.

11. Elect directors and appoint officers, employees, and agents of the corporation, define their duties, fix their compensation, and lend them money and credit.

12. Pay pensions and establish pension plans, pension trusts, profit sharing plans, share

bonus plans, share option plans, and benefit or incentive plans for any or all of its current or former directors, officers, employees, and agents.

13. Make donations for the public welfare or for charitable, scientific, or educational purposes.

14. Transact any lawful business that will aid governmental policy.

15. Make payments or donations, or do any other act, not inconsistent with law, that furthers the business and affairs of the corporation.

89 Acts, ch 288, §26

**490.303 Emergency powers.**

1. In anticipation of or during an emergency as defined in subsection 4, the board of directors of a corporation may do either or both of the following:

*a.* Modify lines of succession to accommodate the incapacity of any director, officer, employee, or agent.

*b.* Relocate the principal office, designate alternative principal offices or regional offices, or authorize the officers to do so.

2. During an emergency defined in subsection 4, unless emergency bylaws provide otherwise:

*a.* Notice of a meeting of the board of directors need be given only to those directors whom it is practicable to reach and may be given in any practicable manner, including by publication and radio.

*b.* One or more officers of the corporation present at a meeting of the board of directors may be deemed to be directors for the meeting, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum.

3. Corporate action taken in good faith during an emergency under this section to further the ordinary business affairs of the corporation shall both:

*a.* Bind the corporation.

*b.* Not be used to impose liability on a corporate director, officer, employee, or agent.

4. An emergency exists for purposes of this section if a quorum of the corporation's directors cannot readily be assembled because of some catastrophic event.

89 Acts, ch 288, §27

**490.304 Ultra vires.**

1. Except as provided in subsection 2, the validity of corporate action is not challengeable on the ground that the corporation lacks or lacked power to act.

2. A corporation's power to act may be challenged in any of the following proceedings:

*a.* By a shareholder against the corporation to enjoin the act.

*b.* By the corporation, directly, derivatively, or through a receiver, trustee, or other legal representative, against an incumbent or former director, officer, employee, or agent of the corporation.

*c.* By the attorney general under section 490.1430.

3. In a shareholder's proceeding under subsection 2, paragraph "*a*", to enjoin an unauthorized corporate act, the court may enjoin or set aside the act, if equitable and if all affected persons are parties to the proceeding, and may award damages for loss, other than anticipated profits, suffered by the corporation or another party because of enjoining the unauthorized act.

89 Acts, ch 288, §28

## DIVISION IV

## NAMES

**490.401 Corporate name.**

1. A corporate name:

*a.* Must contain the word "corporation", "incorporated", "company", or "limited", or the

abbreviation "corp.", "inc.", "co.", or "ltd.", or words or abbreviations of like import in another language.

*b.* Shall not contain language stating or implying that the corporation is organized for a purpose other than that permitted by section 490.301 and its articles of incorporation.

2. Except as authorized by subsections 3 and 4, a corporate name must be distinguishable upon the records of the secretary of state from all of the following:

*a.* The corporate name of a corporation incorporated or authorized to transact business in this state.

*b.* A name reserved, registered, or protected as follows:

(1) For a limited liability partnership, section 486A.1001 or 486A.1002.

(2) For a limited partnership, section 488.108, 488.109, or 488.810.

(3) For a business corporation, this section, or section 490.402, 490.403, or 490.1422.

(4) For a limited liability company under chapter 489, section 489.108, 489.109, or 489.706.

(5) For a nonprofit corporation, section 504.401, 504.402, 504.403, or 504.1423.

*c.* The fictitious name adopted by a foreign corporation or a not-for-profit foreign corporation authorized to transact business in this state because its real name is unavailable.

*d.* The corporate name of a not-for-profit corporation incorporated or authorized to transact business in this state.

3. A corporation may apply to the secretary of state for authorization to use a name that is not distinguishable upon the secretary's records from one or more of the names described in subsection 2. The secretary of state shall authorize use of the name applied for if one of the following conditions applies:

*a.* The other corporation consents to the use in writing and submits an undertaking in form satisfactory to the secretary of state to change its name to a name that is distinguishable upon the records of the secretary of state from the name of the applying corporation.

*b.* The applicant delivers to the secretary of state a certified copy of the final judgment of a court of competent jurisdiction establishing the applicant's right to use the name applied for in this state.

4. A corporation may use the name, including the fictitious name, of another domestic or foreign corporation that is used in this state if the other corporation is incorporated or authorized to transact business in this state and the proposed user corporation submits documentation to the satisfaction of the secretary of state establishing one of the following conditions:

*a.* Has merged with the other corporation.

*b.* Has been formed by reorganization of the other corporation.

*c.* Has acquired all or substantially all of the assets, including the corporate name, of the other corporation.

5. This chapter does not control the use of fictitious names; however, if a corporation or a foreign corporation uses a fictitious name in this state it shall deliver to the secretary of state for filing a copy of the resolution of its board of directors, certified by its secretary, adopting the fictitious name.

89 Acts, ch 288, §29; 90 Acts, ch 1205, §20 – 22; 96 Acts, ch 1170, §4; 2004 Acts, ch 1049, §183, 191, 192; 2006 Acts, ch 1089, §6; 2008 Acts, ch 1162, §138, 154, 155

Referred to in §488.108, 490.202, 490.403, 490.1422, 490.1506, 504.401, 504.403

**490.402 Reserved name.**

1. A person may reserve the exclusive use of a corporate name, including a fictitious name for a foreign corporation whose corporate name is not available, by delivering an application to the secretary of state for filing. The application must set forth the name and address of the applicant and the name proposed to be reserved. If the secretary of state finds that the corporate name applied for is available, the secretary of state shall reserve the name for the applicant's exclusive use for a nonrenewable one hundred twenty day period.

2. The owner of a reserved corporate name may transfer the reservation to another person

by delivering to the secretary of state a signed notice of the transfer that states the name and address of the transferee.

89 Acts, ch 288, §30
Referred to in §488.108, 490.401, 490.1506, 504.401, 504.403, 504.1506, 524.310

**490.403 Registered name.**

1. A foreign corporation may register its corporate name, or its corporate name with any addition required by section 490.1506, if the name is distinguishable upon the records of the secretary of state from the corporate names that are not available under section 490.401, subsection 2, paragraph *"b"*.

2. A foreign corporation registers its corporate name, or its corporate name with any addition required by section 490.1506, by delivering to the secretary of state for filing an application:

*a.* Setting forth its corporate name, or its corporate name with any addition required by section 490.1506, the state or country and date of its incorporation, and a brief description of the nature of the business in which it is engaged.

*b.* Accompanied by a certificate of existence, or a document of similar import, from the state or country of incorporation.

3. The name is registered for the applicant's exclusive use upon the effective date of the application.

4. A foreign corporation whose registration is effective may renew it for successive years by delivering to the secretary of state for filing a renewal application which complies with the requirements of subsection 2 between October 1 and December 31 of the preceding year. The renewal application renews the registration for the following calendar year.

5. A foreign corporation whose registration is effective may thereafter qualify as a foreign corporation under that name or consent in writing to the use of that name by a corporation thereafter incorporated under this chapter or by another foreign corporation thereafter authorized to transact business in this state. The first registration terminates when the domestic corporation is incorporated with that name or the foreign corporation qualifies or consents to the qualification of another foreign corporation under the registered name.

89 Acts, ch 288, §31
Referred to in §488.108, 490.401, 490.1506, 504.401, 504.403, 504.1506, 524.310

## DIVISION V

## REGISTERED OFFICE AND AGENT — SERVICE

**490.501 Registered office and registered agent.**

Each corporation must continuously maintain in this state both of the following:

1. A registered office that may be the same as any of its places of business.

2. A registered agent, who may be any of the following:

*a.* An individual who resides in this state and whose business office is identical with the registered office.

*b.* A domestic corporation or not-for-profit domestic corporation whose business office is identical with the registered office.

*c.* A foreign corporation or not-for-profit foreign corporation authorized to transact business in this state whose business office is identical with the registered office.

89 Acts, ch 288, §32
Referred to in §491.111, 624.23

**490.502 Change of registered office or registered agent.**

1. A corporation may change its registered office or registered agent by delivering to the secretary of state for filing a statement of change that sets forth all of the following:

*a.* The name of the corporation.

*b.* If the current registered office is to be changed, the street address of the new registered office.

*c.* If the current registered agent is to be changed, the name of the new registered agent and the new agent's written consent, either on the statement or attached to it, to the appointment.

*d.* That after the change or changes are made, the street addresses of its registered office and the business office of its registered agent will be identical.

2. If the street address of a registered agent's business office changes, the agent may change the street address of the registered office of any corporation for which the person is the registered agent by delivering a signed written notice of the change to the corporation and delivering to the secretary of state for filing a signed statement that complies with the requirements of subsection 1 and recites that the corporation has been notified of the change.

3. If a registered agent changes the registered agent's business address to another place, the registered agent may change the business address and the address of the registered agent by filing a statement as required in subsection 2 for each corporation, or a single statement for all corporations named in the notice, except that it need be signed only by the registered agent and need not be responsive to subsection 1, paragraph "*c*", and must recite that a copy of the statement has been mailed to each corporation named in the notice.

4. A corporation may also change its registered office or registered agent in its biennial report as provided in section 490.1622.

89 Acts, ch 288, §33; 96 Acts, ch 1170, §5; 97 Acts, ch 171, §11; 2006 Acts, ch 1089, §7; 2013 Acts, ch 31, §6, 82

Referred to in §490.1622, 490.1701

2013 amendment to subsection 2 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 2 amended

**490.503 Resignation of registered agent.**

1. A registered agent may resign the agent's agency appointment by signing and delivering to the secretary of state for filing the signed original statement of resignation. The statement may include a statement that the registered office is also discontinued. The registered agent shall send a copy of the statement of resignation by certified mail to the corporation at its principal office and to the registered office, if not discontinued. The registered agent shall certify to the secretary of state that the copies have been sent to the corporation, including the date the copies were sent.

2. The agency appointment is terminated, and the registered office discontinued if so provided, on the date on which the statement was filed.

89 Acts, ch 288, §34; 96 Acts, ch 1170, §6

Referred to in §490.120, 490.125

**490.504 Service on corporation.**

1. A corporation's registered agent is the corporation's agent for service of process, notice, or demand required or permitted by law to be served on the corporation.

2. If a corporation has no registered agent, or the agent cannot with reasonable diligence be served, the corporation may be served by registered or certified mail, return receipt requested, addressed to the secretary of the corporation at its principal office. Service is perfected under this subsection at the earliest of:

*a.* The date the corporation receives the mail.

*b.* The date shown on the return receipt, if signed on behalf of the corporation.

*c.* Five days after its deposit in the United States mail, as evidenced by the postmark, if mailed postpaid and correctly addressed.

3. A corporation may be served pursuant to this section, as provided in other provisions of this chapter, or as provided in sections 617.3 through 617.6, unless the manner of service is otherwise specifically provided for by statute.

89 Acts, ch 288, §35; 96 Acts, ch 1170, §7

Referred to in §490.1114, 490.1421, 490.1422, 490.1423, 624.23

# DIVISION VI

# SHARES AND SHAREHOLDERS' RIGHTS

Referred to in §490.140

## PART A

**490.601 Authorized shares.**

1. The articles of incorporation must set forth any classes of shares and series of shares within a class, and the number of shares of each class and series, that the corporation is authorized to issue. If more than one class or series of shares is authorized, the articles of incorporation must prescribe a distinguishing designation for each class or series and must describe, prior to the issuance of shares of a class or series, the terms, including the preferences, rights, and limitations of that class or series. Except to the extent varied as permitted by this section, all shares of a class or series must have terms, including preferences, rights, and limitations that are identical with those of other shares of the same class or series.

2. The articles of incorporation must authorize all of the following:

*a.* One or more classes or series of shares that together have unlimited voting rights.

*b.* One or more classes or series of shares, which may be the same class or classes as those with voting rights, that together are entitled to receive the net assets of the corporation upon dissolution.

3. The articles of incorporation may authorize one or more classes or series of shares that have any of the following qualities:

*a.* Have special, conditional, or limited voting rights, or no right to vote, except to the extent otherwise provided by this chapter.

*b.* Are redeemable or convertible as specified in the articles of incorporation in any of the following ways:

(1) At the option of the corporation, the shareholder, or another person or upon the occurrence of a specified event.

(2) For cash, indebtedness, securities, or other property.

(3) At prices and in amounts specified, or determined in accordance with a designated formula.

*c.* Entitle the holders to distributions calculated in any manner, including dividends that may be cumulative, noncumulative, or partially cumulative.

*d.* Have preference over any other class or series of shares with respect to distributions, including distributions upon the dissolution of the corporation.

4. The terms of shares may be made dependent upon facts objectively ascertainable outside the articles of incorporation in accordance with section 490.120, subsection 12.

5. The terms of shares may vary among holders of the same class or series so long as such variations are expressly set forth in the articles of incorporation.

6. The description of the preferences, rights, and limitations of classes or series of shares in subsection 3 is not exhaustive.

89 Acts, ch 288, §36; 2007 Acts, ch 140, §4

Referred to in §490.602

**490.602 Terms of class or series determined by board of directors.**

1. If the articles of incorporation so provide, the board of directors is authorized, without shareholder approval, to do any of the following:

*a.* Classify any unissued shares into one or more series within a class.

*b.* Reclassify any unissued shares of any class into one or more classes or into one or more series within one or more classes.

*c.* Reclassify any unissued shares of any series of any class into one or more classes or into one or more series within a class.

2. If the board of directors acts pursuant to subsection 1, it must determine the terms,

including the preferences, rights, and limitations, to the same extent permitted under section 490.601, of any of the following:

*a.* Any class of shares before the issuance of any shares of that class.

*b.* Any series within a class before the issuance of any shares of that series.

3. Before issuing any shares of a class or series created under this section, the corporation must deliver to the secretary of state for filing articles of amendment setting forth the terms determined under subsection 1.

89 Acts, ch 288, §37; 2007 Acts, ch 140, §5
Referred to in §490.1005

**490.603 Issued and outstanding shares.**

1. A corporation may issue the number of shares of each class or series authorized by the articles of incorporation. Shares that are issued are outstanding shares until they are reacquired, redeemed, converted, or canceled.

2. The reacquisition, redemption, or conversion of outstanding shares is subject to the limitations of subsection 3 and to section 490.640.

3. At all times that shares of the corporation are outstanding, one or more shares that together have unlimited voting rights and one or more shares that together are entitled to receive the net assets of the corporation upon dissolution must be outstanding.

89 Acts, ch 288, §38

**490.604 Fractional shares.**

1. A corporation may:

*a.* Issue fractions of a share or pay in money the value of fractions of a share.

*b.* Arrange for disposition of fractional shares by the shareholders.

*c.* Issue scrip in registered or bearer form entitling the holder to receive a full share upon surrendering enough scrip to equal a full share.

2. Each certificate representing scrip must be conspicuously labeled "scrip" and must contain the information required by section 490.625, subsection 2.

3. The holder of a fractional share is entitled to exercise the rights of a shareholder, including the right to vote, to receive dividends, and to participate in the assets of the corporation upon liquidation. The holder of scrip is not entitled to any of these rights unless the scrip provides for them.

4. The board of directors may authorize the issuance of scrip subject to any condition considered desirable, including:

*a.* That the scrip will become void if not exchanged for full shares before a specified date.

*b.* That the shares for which the scrip is exchangeable may be sold and the proceeds paid to the scrip holders.

89 Acts, ch 288, §39

**490.605 through 490.619** Reserved.

PART B

**490.620 Subscription for shares before incorporation.**

1. A subscription for shares entered into before incorporation is irrevocable for six months unless the subscription agreement provides a longer or shorter period or all the subscribers agree to revocation.

2. The board of directors may determine the payment terms of subscriptions for shares that were entered into before incorporation unless the subscription agreement specifies them. A call for payment by the board of directors must be uniform so far as practicable as to all shares of the same class or series, unless the subscription agreement specifies otherwise.

3. Shares issued pursuant to subscriptions entered into before incorporation are fully paid and nonassessable when the corporation receives the consideration specified in the subscription agreement.

4. If a subscriber defaults in payment of money or property under a subscription agreement entered into before incorporation, the corporation may collect the amount owed as any other debt. Alternatively, unless the subscription agreement provides otherwise, the corporation may rescind the agreement and may sell the shares if the debt remains unpaid more than twenty days after the corporation sends a written demand for payment to the subscriber.

5. A subscription agreement entered into after incorporation is a contract between the subscriber and the corporation subject to section 490.621.

89 Acts, ch 288, §40; 2013 Acts, ch 31, §7, 82

Referred to in §490.622

2013 amendment to subsection 4 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 4 amended

**490.621 Issuance of shares.**

1. The powers granted in this section to the board of directors may be reserved to the shareholders by the articles of incorporation.

2. The board of directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, contracts for services to be performed, or other securities of the corporation.

3. Before the corporation issues shares, the board of directors must determine that the consideration received or to be received for shares to be issued is adequate. That determination by the board of directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid, and nonassessable.

4. When the corporation receives the consideration for which the board of directors authorized the issuance of shares, the shares issued for that consideration are fully paid and nonassessable.

5. The corporation may place in escrow shares issued for a contract for future services or benefits or a promissory note, or make other arrangements to restrict the transfer of the shares, and may credit distributions in respect of the shares against their purchase price, until the services are performed, the note is paid, or the benefits received. If the services are not performed, the note is not paid, or the benefits are not received, the shares escrowed or restricted and the distributions credited may be canceled in whole or in part.

6. *a.* An issuance of shares or other securities convertible into or rights exercisable for shares, in a transaction or a series of integrated transactions, requires approval of the shareholders, at a meeting at which a quorum exists consisting of at least a majority of the votes entitled to be cast on the matter, if both of the following conditions are satisfied:

(1) The shares, other securities, or rights are issued for consideration other than cash or cash equivalents.

(2) The voting power of shares that are issued and issuable as a result of the transaction or series of integrated transactions will comprise more than twenty percent of the voting power of the shares of the corporation that were outstanding immediately before the transaction.

*b.* For purposes of this subsection, the following shall apply:

(1) For purposes of determining the voting power of shares issued and issuable as a result of a transaction or series of integrated transactions, the voting power of shares shall be the greater of the following:

(a) The voting power of the shares to be issued.

(b) The voting power of the shares that would be outstanding after giving effect to the conversion of convertible shares and other securities and the exercise of rights to be issued.

(2) A series of transactions is integrated if consummation of one transaction is made contingent on consummation of one or more of the other transactions.

89 Acts, ch 288, §41; 2002 Acts, ch 1154, §11, 125

Referred to in §490.620, 490.622, 490.1104

**490.622 Liability of shareholders.**

1. A purchaser from a corporation of its own shares is not liable to the corporation or its

creditors with respect to the shares except to pay the consideration for which the shares were authorized to be issued under section 490.621, or specified in the subscription agreement authorized under section 490.620.

2. Unless otherwise provided in the articles of incorporation, a shareholder of a corporation is not personally liable for the acts or debts of the corporation.

89 Acts, ch 288, §42

**490.623 Share dividends.**

1. Unless the articles of incorporation provide otherwise, shares may be issued pro rata and without consideration to the corporation's shareholders or to the shareholders of one or more classes or series. An issuance of shares under this subsection is a share dividend.

2. Shares of one class or series shall not be issued as a share dividend in respect of shares of another class or series unless one or more of the following conditions are met:

*a.* The articles of incorporation so authorize.

*b.* A majority of the votes entitled to be cast by the class or series to be issued approve the issue.

*c.* There are no outstanding shares of the class or series to be issued.

3. If the board of directors does not fix the record date for determining shareholders entitled to a share dividend, it is the date the board of directors authorizes the share dividend.

89 Acts, ch 288, §43

**490.624 Share options.**

1. A corporation may issue rights, options, or warrants for the purchase of shares or other securities of the corporation. The board of directors shall determine the terms upon which the rights, options, or warrants are issued, and the terms, including the consideration for which the shares or other securities are to be issued. The authorization by the board of directors for the corporation to issue such rights, options, or warrants constitutes authorization of the issuance of the shares or other securities for which the rights, options, or warrants are exercisable.

2. The terms and conditions of such rights, options, or warrants, including those outstanding on July 1, 1989, may include, without limitation, restrictions, or conditions that do any of the following:

*a.* Preclude or limit the exercise, transfer, or receipt of such rights, options, or warrants by any person or persons owning or offering to acquire a specified number or percentage of the outstanding shares or other securities of the corporation or by any transferee or transferees of any such person or persons.

*b.* Invalidate or void such rights, options, or warrants held by any such person or persons or any such transferee or transferees.

3. The board of directors may authorize one or more officers to do all of the following:

*a.* Designate the recipients of rights, options, warrants, or other equity compensation awards that involve the issuance of shares.

*b.* Determine, within an amount and subject to any other limitations established by the board and, if applicable, the stockholders, the number of such rights, options, warrants, or other equity compensation awards and the terms thereof to be received by the recipients, provided that an officer shall not use such authority to designate the officer or any other persons the board of directors may specify as a recipient of such rights, options, warrants, or other equity compensation awards.

89 Acts, ch 288, §44; 2007 Acts, ch 140, §6; 2008 Acts, ch 1031, §55, 116; 2013 Acts, ch 31, §8, 82

Subsection 3 takes effect January 1, 2014; 2013 Acts, ch 31, §82

NEW subsection 3

**490.624A Poison pill defense authorized.**

The terms and conditions of stock rights or options issued by the corporation may include, without limitation, restrictions or conditions that preclude or limit the exercise, transfer, or receipt of such rights or options by a person, or group of persons, owning or offering to acquire a specified number or percentage of the outstanding common shares or other

securities of the corporation, or a transferee of the offeror, or that invalidate or void such stock rights or options held by an offeror or a transferee of the offeror.

89 Acts, ch 288, §45

**490.625 Content of certificates.**

1. Shares may be, but need not be, represented by certificates. Unless this chapter or another section expressly provides otherwise, the rights and obligations of shareholders are identical whether or not their shares are represented by certificates.

2. At a minimum each share certificate must state on its face all of the following:

*a.* The name of the issuing corporation and that it is organized under the law of this state.

*b.* The name of the person to whom issued.

*c.* The number and class of shares and the designation of the series, if any, the certificate represents.

3. If the issuing corporation is authorized to issue different classes of shares or different series within a class, the designations, relative rights, preferences, and limitations applicable to each class, the variations in rights, preferences, and limitations determined for each series, and the authority of the board of directors to determine variations for future series must be summarized on the front or back of each certificate. Alternatively, each certificate may state conspicuously on its front or back that the corporation will furnish the shareholder this information on request in writing and without charge.

4. Each share certificate:

*a.* Must be signed either manually or in facsimile by two officers designated in the bylaws or by the board of directors.

*b.* May bear the corporate seal or its facsimile.

5. If the person who signed, either manually or in facsimile, a share certificate no longer holds office when the certificate is issued, the certificate is nevertheless valid.

89 Acts, ch 288, §46

Referred to in §490.604, 490.626

**490.626 Shares without certificates.**

1. Unless the articles of incorporation or bylaws provide otherwise, the board of directors of a corporation may authorize the issue of some or all of the shares of any or all of its classes or series without certificates. The authorization does not affect shares already represented by certificates until they are surrendered to the corporation.

2. Within a reasonable time after the issue or transfer of shares without certificates, the corporation shall send the shareholder a written statement of the information required on certificates by section 490.625, subsections 2 and 3, and, if applicable, section 490.627.

89 Acts, ch 288, §47

Referred to in §490.627, 490.732

**490.627 Restriction on transfer of shares and other securities.**

1. The articles of incorporation, bylaws, an agreement among shareholders, or an agreement between shareholders and the corporation may impose restrictions on the transfer or registration of transfer of shares of the corporation. A restriction does not affect shares issued before the restriction was adopted unless the holders of the shares are parties to the restriction agreement or voted in favor of the restriction.

2. A restriction on the transfer or registration of transfer of shares is valid and enforceable against the holder or a transferee of the holder if the restriction is authorized by this section and its existence is noted conspicuously on the front or back of the certificate or is contained in the information statement required by section 490.626, subsection 2. Unless so noted, a restriction is not enforceable against a person without knowledge of the restriction.

3. A restriction on the transfer or registration of transfer of shares is authorized for any of the following purposes:

*a.* To maintain the corporation's status when it is dependent on the number or identity of its shareholders.

*b.* To preserve exemptions under federal or state securities law.

*c.* For any other reasonable purpose.

4. A restriction on the transfer or registration of transfer of shares may do any of the following:

*a.* Obligate the shareholder first to offer the corporation or other persons, separately, consecutively, or simultaneously, an opportunity to acquire the restricted shares.

*b.* Obligate the corporation or other persons, separately, consecutively, or simultaneously, to acquire the restricted shares.

*c.* Require the corporation, the holders of any class of its shares, or another person to approve the transfer of the restricted shares, if the requirement is not manifestly unreasonable.

*d.* Prohibit the transfer of the restricted shares to designated persons or classes of persons, if the prohibition is not manifestly unreasonable.

5. For purposes of this section, "*shares*" includes a security convertible into or carrying a right to subscribe for or acquire shares.

89 Acts, ch 288, §48
Referred to in §490.626

**490.628 Expense of issue.**

A corporation may pay the expenses of selling or underwriting its shares, and of organizing or reorganizing the corporation, from the consideration received for shares.

89 Acts, ch 288, §49

**490.629 Reversion of disbursements to cooperative associations.**

1. As used in this section, "*disbursement*" means an amount of any distribution or any other increment or sum realized or accruing from stock or other equity interest in a cooperative association organized under this chapter.

2. Once a person's stock or other equity interest in a cooperative association organized under this chapter is deemed abandoned under section 556.5, any disbursement held by the cooperative association for or owing to the person shall be subject to the same requirements as provided in section 499.30A that apply to a cooperative association organized under chapter 499, including all of the following:

*a.* The retention of the disbursement in a reversion fund established by the cooperative association or the delivery of the disbursement to the treasurer of state.

*b.* The payment of the disbursement to a person filing a claim with the cooperative association who asserts an interest in the disbursement.

*c.* The forfeiture of the disbursement to the cooperative association, and the use of the forfeited disbursement by the cooperative association in order to teach and promote cooperation or provide for economic development, including creating economic opportunities for its shareholders.

2001 Acts, ch 142, §2
Referred to in §556.5

## PART C

**490.630 Shareholders' preemptive rights.**

1. The shareholders of a corporation do not have a preemptive right to acquire the corporation's unissued shares except to the extent the articles of incorporation so provide.

2. A statement included in the articles of incorporation that "the corporation elects to have preemptive rights", or words of similar import, means that the following principles apply except to the extent the articles of incorporation expressly provide otherwise:

*a.* The shareholders of the corporation have a preemptive right, granted on uniform terms and conditions prescribed by the board of directors to provide a fair and reasonable opportunity to exercise the right, to acquire proportional amounts of the corporation's unissued shares upon the decision of the board of directors to issue them.

*b.* A shareholder may waive the shareholder's preemptive right. A waiver evidenced by a writing is irrevocable even though it is not supported by consideration.

*c.* There is no preemptive right with respect to:

(1) Shares issued as compensation to directors, officers, agents, or employees of the corporation, its subsidiaries, or its affiliates.

(2) Shares issued to satisfy conversion or option rights created to provide compensation to directors, officers, agents, or employees of the corporation, its subsidiaries, or its affiliates.

(3) Shares authorized in articles of incorporation that are issued within six months from the effective date of incorporation.

(4) Shares sold otherwise than for money.

*d.* Holders of shares of any class without general voting rights but with preferential rights to distributions or assets have no preemptive rights with respect to shares of any class.

*e.* Holders of shares of any class with general voting rights but without preferential rights to distributions or assets have no preemptive rights with respect to shares of any class with preferential rights to distributions or assets unless the shares with preferential rights are convertible into or carry a right to subscribe for or acquire shares without preferential rights.

*f.* Shares subject to preemptive rights that are not acquired by shareholders may be issued to any person for a period of one year after being offered to shareholders at a consideration set by the board of directors that is not lower than the consideration set for the exercise of preemptive rights. An offer at a lower consideration or after the expiration of one year is subject to the shareholders' preemptive rights.

3. For purposes of this section, *"shares"* includes a security convertible into or carrying a right to subscribe for or acquire shares.

89 Acts, ch 288, §50; 2006 Acts, ch 1089, §8

**490.631 Corporation's acquisition of its own shares.**

1. A corporation may acquire its own shares and, except as may be otherwise provided pursuant to section 490.632, shares so acquired constitute authorized but unissued shares.

2. If the articles of incorporation prohibit the reissue of the acquired shares, the number of authorized shares is reduced by the number of shares acquired.

89 Acts, ch 288, §51; 90 Acts, ch 1205, §23; 2002 Acts, ch 1154, §12, 125

Referred to in §490.1005

**490.632 Reacquired shares as issued but not outstanding shares.**

1. A corporation which, as of December 30, 1989, treated any of its shares which it had reacquired as issued but not outstanding shares may continue to treat those shares as issued but not outstanding shares.

2. If a corporation reacquires its own shares after December 30, 1989, but before January 1, 1991, those shares constitute issued but not outstanding shares as of and after their reacquisition if either of the following is applicable:

*a.* When the shares are reacquired, the articles of incorporation contain a provision specifying that reacquired shares constitute issued but not outstanding shares.

*b.* Prior to January 1, 1991, the board of directors adopts a resolution specifying that shares reacquired after December 30, 1989, and prior to January 1, 1991, constitute issued but not outstanding shares.

3. If a corporation reacquires its own shares after December 31, 1990, those shares constitute issued but not outstanding shares if, at the time they are reacquired by the corporation, either of the following is applicable:

*a.* The articles of incorporation contain a provision specifying that reacquired shares constitute issued but not outstanding shares.

*b.* The board of directors has adopted a resolution specifying that reacquired shares constitute issued but not outstanding shares.

4. Unless otherwise provided in its articles of incorporation, a corporation may at any time, by resolution adopted by its board of directors, cancel or otherwise restore to the status of authorized but unissued shares any of its shares which it has previously reacquired and treated as issued but not outstanding shares.

90 Acts, ch 1205, §24; 91 Acts, ch 97, §54

Referred to in §490.631

**490.633 through 490.639** Reserved.

PART D

**490.640 Distribution to shareholders.**

1. A board of directors may authorize and the corporation may make distributions to its shareholders subject to restriction by the articles of incorporation and the limitation in subsection 3.

2. If the board of directors does not fix the record date for determining shareholders entitled to a distribution, other than one involving a repurchase or reacquisition of shares, it is the date the board of directors authorizes the distribution.

3. No distribution may be made if, after giving it effect either of the following would result:

*a.* The corporation would not be able to pay its debts as they become due in the usual course of business.

*b.* The corporation's total assets would be less than the sum of its total liabilities plus, unless the articles of incorporation permit otherwise, the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

4. The board of directors may base a determination that a distribution is not prohibited under subsection 3 either on financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable in the circumstances.

5. The effect of a distribution under subsection 3 is measured:

*a.* In the case of distribution by purchase, redemption, or other acquisition of the corporation's shares, as of the earlier of:

(1) The date money or other property is transferred or debt incurred by the corporation.

(2) The date the shareholder ceases to be a shareholder with respect to the acquired shares.

*b.* In the case of any other distribution of indebtedness, as of the date the indebtedness is distributed.

*c.* In all other cases, as of:

(1) The date the distribution is authorized if the payment occurs within one hundred twenty days after the date of authorization.

(2) The date the payment is made if it occurs more than one hundred twenty days after the date of authorization.

6. A corporation's indebtedness to a shareholder incurred by reason of a distribution made in accordance with this section is at parity with the corporation's indebtedness to its general, unsecured creditors except to the extent subordinated by agreement.

7. Indebtedness of a corporation, including indebtedness issued as a distribution, is not considered a liability for purposes of determinations under subsection 3 if its terms provide that payment of principal and interest are made only if and to the extent that payment of a distribution to shareholders could then be made under this section. If the indebtedness is issued as a distribution, each payment of principal or interest is treated as a distribution, the effect of which is measured on the date the payment is actually made.

8. This section shall not apply to distributions in liquidation under division XIV.

89 Acts, ch 288, §52; 2002 Acts, ch 1154, §13, 125; 2008 Acts, ch 1015, §1

Referred to in §490.603, 490.732, 490.833, 490.1434

# DIVISION VII

# MEETINGS — NOTICE — VOTING

Referred to in §490.140

## PART A

**490.701 Annual meeting.**

1. Unless directors are elected by written consent in lieu of an annual meeting as permitted by section 490.704, a corporation shall hold annually, at a time stated in or fixed in accordance with the bylaws, a meeting of shareholders; provided, however, that if a corporation's articles of incorporation authorize shareholders to cumulate their votes when electing directors pursuant to section 490.728, directors shall not be elected by less than unanimous consent.

2. Annual shareholders' meetings may be held in or out of this state at the place stated in or fixed in accordance with the bylaws. If no place is stated in or fixed in accordance with the bylaws, annual meetings shall be held at the corporation's principal office.

3. The failure to hold an annual meeting at the time stated in or fixed in accordance with a corporation's bylaws does not affect the validity of any corporate action.

89 Acts, ch 288, §53; 2013 Acts, ch 31, §9, 82

2013 amendment to subsection 1 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 1 amended

**490.702 Special meeting.**

1. Except as provided in subsection 5, a corporation shall hold a special meeting of shareholders upon the occurrence of either of the following:

*a.* On call of its board of directors or the person or persons authorized to call a special meeting by the articles of incorporation or bylaws.

*b.* If the shareholders of at least ten percent of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the corporation one or more written demands for the meeting describing the purpose or purposes for which it is to be held, provided that the articles of incorporation may fix a lower percentage or a higher percentage not exceeding twenty-five percent of all the votes entitled to be cast on any issue proposed to be considered. Unless otherwise provided in the articles of incorporation, a written demand for a special meeting may be revoked by a writing to that effect received by the corporation prior to the receipt by the corporation of demands sufficient in number to require the holding of a special meeting.

2. If not otherwise fixed under section 490.703 or 490.707, the record date for determining shareholders entitled to demand a special meeting is the date the first shareholder signs the demand.

3. Special shareholders' meetings may be held in or out of this state at the place stated in or fixed in accordance with the bylaws. If no place is stated or fixed in accordance with the bylaws, special meetings shall be held at the corporation's principal office.

4. Only business with the purpose or purposes described in the meeting notice required by section 490.705, subsection 3, may be conducted at a special shareholders' meeting.

5. Notwithstanding subsections 1 through 4, a public corporation is required to hold a special meeting only upon the occurrence of either of the following:

*a.* On call of its board of directors or the person or persons authorized to call a special meeting by the articles of incorporation or bylaws.

*b.* If the holders of at least fifty percent of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the

corporation's secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

89 Acts, ch 288, §54; 97 Acts, ch 117, §1, 2; 2002 Acts, ch 1154, §14, 125; 2011 Acts, ch 2, §2, 10

Referred to in §490.703

Future repeal of 2011 amendment to subsection 5, unnumbered paragraph 1, by 2011 Acts, ch 2, §9 stricken by 2013 Acts, ch 14, §1

Section not amended; footnote revised

**490.703 Court-ordered meeting.**

1. The district court of the county where a corporation's principal office, or, if none in this state, its registered office, is located may summarily order a meeting to be held pursuant to any of the following:

*a.* On application of any shareholder of the corporation entitled to participate in an annual meeting if an annual meeting was not held or action by written consent in lieu thereof did not become effective within the earlier of six months after the end of the corporation's fiscal year or fifteen months after its last annual meeting.

*b.* On application of a shareholder who signed a demand for a special meeting valid under section 490.702 if any of the following applies:

(1) Notice of the special meeting was not given within thirty days after the date the demand was delivered to the corporation's secretary.

(2) The special meeting was not held in accordance with the notice.

2. The court may fix the time and place of the meeting, ascertain the shares entitled to participate in the meeting, specify a record date or dates for ascertaining shareholders entitled to notice of and to vote at the meeting, prescribe the form and content of the meeting notice, fix the quorum required for specific matters to be considered at the meeting or direct that the votes represented at the meeting constitute a quorum for action on those matters, and enter other orders necessary to accomplish the purpose or purposes of the meeting.

89 Acts, ch 288, §55; 2013 Acts, ch 31, §10, 82

Referred to in §490.702, 490.705

2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82

Section amended

**490.704 Action without meeting.**

1. Unless otherwise provided in the articles of incorporation, any action required or permitted by this chapter to be taken at a shareholders' meeting may be taken without a meeting or vote, and, except as provided in subsection 5, without prior notice, if one or more written consents describing the action taken are signed by the holders of outstanding shares having not less than ninety percent of the votes entitled to be cast at a meeting at which all shares entitled to vote on the action were present and voted, and are delivered to the corporation for inclusion in the minutes or filing with the corporate records.

2. Except in the case of a public corporation, the articles of incorporation may provide that any action required or permitted by this chapter to be taken at a shareholders' meeting may be taken without a meeting, and without prior notice, if consents in writing setting forth the action so taken are signed by the holders of outstanding shares having not less than the minimum number of votes that would be required to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. The written consent shall bear the date of signature of the shareholder who signs the consent and be delivered to the corporation for inclusion in the minutes or filing with the corporate records.

3. If not otherwise fixed under section 490.707 and if prior board action is not required respecting the action to be taken without a meeting, the record date for determining the shareholders entitled to take action without a meeting shall be the first date on which a signed written consent is delivered to the corporation. If not otherwise fixed under section 490.707 and if prior board action is required respecting the action to be taken without a meeting, the record date shall be the close of business on the day the resolution of the board taking such prior action is adopted. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest date on which a consent delivered to the corporation as required by this section was signed, written consents signed by sufficient shareholders to take the action have been delivered to the corporation. A written consent may

be revoked by a writing to that effect delivered to the corporation before unrevoked written consents sufficient in number to take the corporate action are delivered to the corporation.

4. A consent signed pursuant to the provisions of this section has the effect of a meeting vote and may be described as such in any document. Unless the articles of incorporation, bylaws, or a resolution of the board of directors provides for a reasonable delay to permit tabulation of written consents, the action taken by written consent shall be effective when written consents signed by sufficient shareholders to take the action are delivered to the corporation.

5. *a.* If this chapter requires that notice of a proposed action be given to nonvoting shareholders and the action is to be taken by written consent of the voting shareholders, the corporation must give its nonvoting shareholders written notice of the action not more than ten days after any of the following:

(1) Written consents sufficient to take the action have been delivered to the corporation.

(2) Such later date that tabulation of consents is completed pursuant to an authorization under subsection 4.

*b.* The notice must reasonably describe the action taken and contain or be accompanied by the same material that, under any provision of this chapter, would have been required to be sent to nonvoting shareholders in a notice of a meeting at which the proposed action would have been submitted to the shareholders for action.

6. *a.* If action is taken by less than unanimous written consent of the voting shareholders, the corporation must give its nonconsenting voting shareholders written notice of the action not more than ten days after any of the following:

(1) Written consents sufficient to take the action have been delivered to the corporation.

(2) Such later date that tabulation of consents is completed pursuant to an authorization under subsection 4.

*b.* The notice must reasonably describe the action taken and contain or be accompanied by the same material that, under any provision of this chapter, would have been required to be sent to voting shareholders in a notice of a meeting at which the action would have been submitted to the shareholders for action.

7. The notice requirements in subsections 5 and 6 shall not delay the effectiveness of actions taken by written consent, and a failure to comply with such notice requirements shall not invalidate actions taken by written consent, provided that this subsection shall not be deemed to limit judicial power to fashion any appropriate remedy in favor of a shareholder adversely affected by a failure to give such notice within the required time period.

89 Acts, ch 288, §56; 2002 Acts, ch 1154, §15, 125; 2013 Acts, ch 31, §11, 82

Referred to in §490.701, 490.808, 490.1320, 490.1340

2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82

Section amended

**490.705 Notice of meeting.**

1. A corporation shall notify shareholders of the date, time, and place of each annual and special shareholders' meeting no fewer than ten nor more than sixty days before the meeting date. The notice shall include the record date for determining the shareholders entitled to vote at the meeting, if such date is different than the record date for determining shareholders entitled to notice of the meeting. If the board of directors has authorized participation by means of remote communication pursuant to section 490.709 for any class or series of shareholders, the notice to such class or series of shareholders shall describe the means of remote communication to be used. Unless this chapter or the articles of incorporation require otherwise, the corporation is required to give notice only to shareholders entitled to vote at the meeting as of the record date for determining the shareholders entitled to notice of the meeting.

2. Unless this chapter or the articles of incorporation require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

3. Notice of a special meeting must include a description of the purpose or purposes for which the meeting is called.

4. If not otherwise fixed under section 490.703 or 490.707, the record date for determining

shareholders entitled to notice of and to vote at an annual or special shareholders' meeting is the close of business on the day before the first notice is delivered to shareholders.

5. Unless the bylaws require otherwise, if an annual or special shareholders' meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under section 490.707, however, notice of the adjourned meeting must be given under this section to shareholders entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

89 Acts, ch 288, §57; 2013 Acts, ch 31, §12, 82
Referred to in §490.702
2013 amendment to subsections 1 and 5 takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsections 1 and 5 amended

**490.706 Waiver of notice.**

1. A shareholder may waive any notice required by this chapter, the articles of incorporation, or bylaws before or after the date and time stated in the notice. The waiver must be in writing, be signed by the shareholder entitled to the notice, and be delivered to the corporation for inclusion in the minutes or filing with the corporate records.

2. A shareholder's attendance at a meeting:

*a.* Waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly upon the shareholder's arrival objects to holding the meeting or transacting business at the meeting.

*b.* Waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

89 Acts, ch 288, §58

**490.707 Record date.**

1. The bylaws may fix or provide the manner of fixing the record date or dates for one or more voting groups in order to determine the shareholders entitled to notice of a shareholders' meeting, to demand a special meeting, to vote, or to take any other action. If the bylaws do not fix or provide for fixing a record date, the board of directors of the corporation may fix a future date as the record date.

2. A record date fixed under this section shall not be more than seventy days before the meeting or action requiring a determination of shareholders.

3. A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the board of directors fixes a new record date or dates, which it must do if the meeting is adjourned to a date more than one hundred twenty days after the date fixed for the original meeting.

4. If a court orders a meeting adjourned to a date more than one hundred twenty days after the date fixed for the original meeting, it may provide that the original record date continues in effect or it may fix a new record date or dates.

5. The record date for a shareholders' meeting fixed by or in the manner provided in the bylaws or by the board of directors shall be the record date for determining shareholders entitled both to notice of and to vote at the shareholders' meeting unless, in the case of a record date fixed by the board of directors and to the extent not prohibited by the bylaws, the board, at the time it fixes the record date for shareholders entitled to notice of the meeting, fixes a later record date on or before the date of the meeting to determine the shareholders entitled to vote at the meeting.

89 Acts, ch 288, §59; 2013 Acts, ch 31, §13, 82
Referred to in §490.702, 490.704, 490.705, 490.720
2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82
Section amended

**490.708 Conduct of the meeting.**

1. At each meeting of shareholders, a chairperson shall preside. The chairperson shall be appointed as provided in the bylaws or, in the absence of such provisions, by the board.

2. The chairperson, unless the articles of incorporation or bylaws provide otherwise, shall determine the order of business and shall have the authority to establish rules for the conduct of the meeting.

3. Any rules adopted for, and the conduct of, the meeting shall be fair to shareholders.

4. The chairperson of the meeting shall announce at the meeting when the polls close for each matter voted upon. If no announcement is made, the polls shall be deemed to have closed upon the final adjournment of the meeting. After the polls close, no ballots, proxies, or votes nor any revocations or changes to any ballots, proxies, or votes may be accepted.

2002 Acts, ch 1154, §16, 125

**490.709 Remote participation in annual and special meetings.**

1. Shareholders of any class or series may participate in any meeting of shareholders by means of remote communication to the extent the board of directors authorizes such participation for such class or series. Participation by means of remote communication shall be subject to such guidelines and procedures as the board of directors adopts, and shall be in conformity with subsection 2.

2. Shareholders participating in a shareholders' meeting by means of remote communication shall be deemed present and may vote at such a meeting if the corporation has implemented reasonable measures to do all of the following:

*a.* Verify that each person participating remotely is a shareholder.

*b.* Provide such shareholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to communicate, and to read or hear the proceedings of the meeting, substantially concurrently with such proceedings.

2013 Acts, ch 31, §14, 82

Referred to in §490.705

Section takes effect January 1, 2014; 2013 Acts, ch 31, §82

NEW section

**490.710 through 490.719** Reserved.

PART B

**490.720 Shareholders' list for meeting.**

1. After fixing a record date for a meeting, a corporation shall prepare an alphabetical list of the names of all its shareholders who are entitled to notice of a shareholders' meeting. If the board of directors fixes a different record date under section 490.707, subsection 5, to determine the shareholders entitled to vote at the meeting, a corporation also shall prepare an alphabetical list of the names of all its shareholders who are entitled to vote at the meeting. A list must be arranged by voting group and within each voting group by class or series of shares, and show the address of and number of shares held by each shareholder.

2. The shareholders' list for notice must be available for inspection by any shareholder beginning two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholders' list for voting must be similarly available for inspection promptly after the record date for voting. A shareholder, or a shareholder's agent or attorney, is entitled on written demand to inspect and, subject to the requirements of section 490.1602, subsection 4, to copy a list, during regular business hours and at the person's expense, during the period it is available for inspection.

3. The corporation shall make the list of shareholders entitled to vote available at the meeting, and any shareholder, or a shareholder's agent or attorney, is entitled to inspect the list at any time during the meeting or any adjournment.

4. If the corporation refuses to allow a shareholder, or a shareholder's agent or attorney, to inspect a shareholders' list before or at the meeting, or copy a list as permitted by subsection

2, the district court of the county where a corporation's principal office or, if none in this state, its registered office, is located, on application of the shareholder, may summarily order the inspection or copying at the corporation's expense and may postpone the meeting for which the list was prepared until the inspection or copying is complete.

5. Refusal or failure to prepare or make available a shareholders' list does not affect the validity of action taken at the meeting.

89 Acts, ch 288, §60; 91 Acts, ch 211, §4; 2013 Acts, ch 31, §15, 82
Referred to in §490.1602
2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82
Section amended

**490.721 Voting entitlement of shares.**

1. Except as provided in subsections 2 and 3 or unless the articles of incorporation provide otherwise, each outstanding share, regardless of class, is entitled to one vote on each matter voted on at a shareholders' meeting. Only shares are entitled to vote.

2. Absent special circumstances, the shares of a corporation are not entitled to vote if they are owned, directly or indirectly, by a second corporation, domestic or foreign, and the first corporation owns, directly or indirectly, a majority of the shares entitled to vote for directors of the second corporation.

3. Subsection 2 does not limit the power of a corporation to vote any shares, including its own shares, held by it in a fiduciary capacity.

4. Redeemable shares are not entitled to vote after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares.

89 Acts, ch 288, §61

**490.722 Proxies.**

1. A shareholder may vote the shareholder's shares in person or by proxy.

2. An appointment of a proxy is effective when a signed appointment form or an electronic transmission of the appointment is received by the inspector of election or the officer or agent of the corporation authorized to tabulate votes. An appointment is valid for eleven months unless a longer period is expressly provided in the appointment.

3. An appointment of a proxy is revocable unless the appointment form or electronic transmission states that it is irrevocable and the appointment is coupled with an interest. Appointments coupled with an interest include, but are not limited to, the appointment of:

*a.* A pledgee.

*b.* A person who purchased or agreed to purchase the shares.

*c.* A creditor of the corporation who extended it credit under terms requiring the appointment.

*d.* An employee of the corporation whose employment contract requires the appointment.

*e.* A party to a voting agreement created under section 490.731.

4. The death or incapacity of the shareholder appointing a proxy does not affect the right of the corporation to accept the proxy's authority unless notice of the death or incapacity is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises the proxy's authority under the appointment.

5. An appointment made irrevocable under subsection 3 is revoked when the interest with which it is coupled is extinguished.

6. A transferee for value of shares subject to an irrevocable appointment may revoke the appointment if the transferee did not know of its existence when the transferee acquired the shares and the existence of the irrevocable appointment was not noted conspicuously on the certificate representing the shares or on the information statement for shares without certificates.

7. Subject to section 490.724 and to any express limitation on the proxy's authority stated

in the appointment form or electronic transmission, a corporation is entitled to accept the proxy's vote or other action as that of the shareholder making the appointment.

89 Acts, ch 288, §62; 2002 Acts, ch 1154, §17, 125; 2013 Acts, ch 31, §16, 82
2013 strike of subsection 2 takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsection 2 stricken and former subsections 3 – 8 renumbered as 2 – 7

**490.723 Shares held by nominees.**

1. A corporation may establish a procedure by which the beneficial owner of shares that are registered in the name of a nominee is recognized by the corporation as the shareholder. The extent of this recognition may be determined in the procedure.

2. The procedure may set forth:

*a.* The types of nominees to which it applies.

*b.* The rights or privileges that the corporation recognizes in a beneficial owner.

*c.* The manner in which the procedure is selected by the nominee.

*d.* The information that must be provided when the procedure is selected.

*e.* The period for which selection of the procedure is effective.

*f.* Other aspects of the rights and duties created.

89 Acts, ch 288, §63

**490.724 Corporation's acceptance of votes.**

1. If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a shareholder, the corporation if acting in good faith is entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder.

2. If the name signed on a voted consent, waiver, or proxy appointment does not correspond to the name of its shareholder, the corporation if acting in good faith is nevertheless entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder if:

*a.* The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity.

*b.* The name signed purports to be that of an administrator, executor, guardian of the property, or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment.

*c.* The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment.

*d.* The name signed purports to be that of a pledgee, beneficial owner, or attorney in fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder has been presented with respect to the vote, consent, waiver, or proxy appointment.

*e.* Two or more persons are the shareholder as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all the co-owners.

3. The corporation is entitled to reject a vote, consent, waiver, or proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

4. The corporation and its officer or agent who accepts or rejects a vote, consent, waiver, or proxy appointment in good faith and in accordance with the standards of this section are not liable in damages to the shareholder for the consequences of the acceptance or rejection.

5. Corporate action based on the acceptance or rejection of a vote, consent, waiver,

or proxy appointment under this section is valid unless a court of competent jurisdiction determines otherwise.

89 Acts, ch 288, §64; 2002 Acts, ch 1154, §18, 125; 2003 Acts, ch 44, §81; 2013 Acts, ch 31, §17, 82

Referred to in §490.722

2013 amendment to subsection 4 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 4 amended

**490.725 Quorum and voting requirements for voting groups.**

1. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. Unless the articles of incorporation or this chapter provides otherwise, a majority of the votes entitled to be cast on the matter by the voting group constitutes a quorum of that voting group for action on that matter.

2. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

3. If a quorum exists, action on a matter, other than the election of directors, by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the articles of incorporation or this chapter require a greater number of affirmative votes.

4. An amendment of articles of incorporation adding, changing, or deleting a quorum or voting requirement for a voting group greater than specified in subsection 2 or 3 is governed by section 490.727.

5. The election of directors is governed by section 490.728.

89 Acts, ch 288, §65

Referred to in §490.726

**490.726 Action by single or multiple groups.**

1. If the articles of incorporation or this chapter provide for voting by a single voting group on a matter, action on that matter is taken when voted upon by that voting group as provided in section 490.725.

2. If the articles of incorporation or this chapter provide for voting by two or more voting groups on a matter, action on that matter is taken only when voted upon by each of those voting groups counted separately as provided in section 490.725. Action may be taken by one voting group on a matter even though no action is taken by another voting group entitled to vote on the matter.

89 Acts, ch 288, §66

**490.727 Greater quorum or voting requirements.**

1. The articles of incorporation or bylaws may provide for a greater quorum or voting requirement for shareholders or voting groups of shareholders than is provided for by this chapter.

2. An amendment to the articles of incorporation or bylaws that adds, changes, or deletes a greater quorum or voting requirement must meet the same quorum requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect or proposed to be adopted, whichever is greater.

89 Acts, ch 288, §67; 2002 Acts, ch 1154, §19, 125; 2003 Acts, ch 44, §82

Referred to in §490.725

**490.728 Voting for directors — cumulative voting.**

1. Unless otherwise provided in the articles of incorporation, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present.

2. Shareholders do not have a right to cumulate their votes for directors unless the articles of incorporation so provide.

3. A statement included in the articles of incorporation that "[all] [a designated voting group of] shareholders are entitled to cumulate their votes for directors", or words of similar

import, means that the shareholders designated are entitled to multiply the number of votes they are entitled to cast by the number of directors for whom they are entitled to vote and cast the product for a single candidate or distribute the product among two or more candidates.

4. Shares otherwise entitled to vote cumulatively shall not be voted cumulatively at a particular meeting unless any of the following applies:

*a.* The meeting notice or proxy statement accompanying the notice states conspicuously that cumulative voting is authorized.

*b.* A shareholder who has the right to cumulate the shareholder's votes gives notice to the corporation not less than forty-eight hours before the time set for the meeting of the shareholder's intent to cumulate votes during the meeting, and if one shareholder gives this notice all other shareholders in the same voting group participating in the election are entitled to cumulate their votes without giving further notice.

89 Acts, ch 288, §68; 90 Acts, ch 1205, §25; 2002 Acts, ch 1154, §20, 125; 2013 Acts, ch 31, §18, 82

Referred to in §490.701, 490.725

Subsection 4 takes effect January 1, 2014; 2013 Acts, ch 31, §82

NEW subsection 4

**490.729 Inspectors of election.**

1. A corporation having any shares listed on a national securities exchange or regularly traded in a market maintained by one or more members of a national or affiliated securities association shall, and any other corporation may, appoint one or more inspectors to act at a meeting of shareholders and make a written report of the inspectors' determinations. Each inspector shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of the inspector's ability.

2. The inspectors shall do all of the following:

*a.* Ascertain the number of shares outstanding and the voting power of each.

*b.* Determine the shares represented at a meeting.

*c.* Determine the validity of proxies and ballots.

*d.* Count all votes.

*e.* Determine the result.

3. An inspector may be an officer or employee of the corporation.

2002 Acts, ch 1154, §21, 125

PART C

**490.730 Voting trusts.**

1. One or more shareholders may create a voting trust, conferring on a trustee the right to vote or otherwise act for them, by signing an agreement setting out the provisions of the trust, which may include anything consistent with its purpose, and transferring their shares to the trustee. When a voting trust agreement is signed, the trustee shall prepare a list of the names and addresses of all owners of beneficial interests in the trust, together with the number and class of shares each transferred to the trust, and deliver copies of the list and agreement to the corporation's principal office.

2. A voting trust becomes effective on the date the first shares subject to the trust are registered in the trustee's name. A voting trust is valid for not more than ten years after its effective date unless extended under subsection 3.

3. All or some of the parties to a voting trust may extend it for additional terms of not more than ten years each by signing an extension agreement and obtaining the voting trustee's written consent to the extension. An extension is valid for ten years from the date the first shareholder signs the extension agreement. The voting trustee must deliver copies of the extension agreement and list of beneficial owners to the corporation's principal office. An extension agreement binds only those parties signing it.

89 Acts, ch 288, §69

Referred to in §490.731

**490.731 Voting agreements.**

1. Two or more shareholders may provide for the manner in which they will vote their shares by signing an agreement for that purpose. A voting agreement created under this section is not subject to section 490.730.

2. A voting agreement created under this section is specifically enforceable.

89 Acts, ch 288, §70

Referred to in §490.722

**490.732 Shareholder agreements.**

1. An agreement among the shareholders of a corporation that complies with this section is effective among the shareholders and the corporation even though it is inconsistent with one or more other provisions of this chapter in that it does one of the following:

*a.* Eliminates the board of directors or restricts the discretion or powers of the board of directors.

*b.* Governs the authorization or making of distributions whether or not in proportion to ownership of shares, subject to the limitations in section 490.640.

*c.* Establishes who shall be directors or officers of the corporation, or their terms of office or manner of selection or removal.

*d.* Governs, in general or in regard to specific matters, the exercise or division of voting power by or between the shareholders and directors or by or among any of them, including use of weighted voting rights or director proxies.

*e.* Establishes the terms and conditions of any agreement for the transfer or use of property or the provision of services between the corporation and any shareholder, director, officer, or employee of the corporation, or among any of them.

*f.* Transfers to one or more shareholders or other persons all or part of the authority to exercise the corporate powers or to manage the business and affairs of the corporation, including the resolution of any issue about which there exists a deadlock among directors or shareholders.

*g.* Requires dissolution of the corporation at the request of one or more of the shareholders or upon the occurrence of a specified event or contingency.

*h.* Otherwise governs the exercise of the corporate powers or the management of the business and affairs of the corporation or the relationship among the shareholders, the directors, and the corporation, or among any of them, and is not contrary to public policy.

2. An agreement authorized by this section must satisfy all of the following requirements:

*a.* Be set forth in one of the following places and manners:

(1) The articles of incorporation or bylaws and approved by all persons who are shareholders at the time of the agreement.

(2) In a written agreement that is signed by all persons who are shareholders at the time of the agreement and is made known to the corporation.

*b.* Be subject to amendment only by all persons who are shareholders at the time of the amendment, unless the agreement provides otherwise.

*c.* Be valid for ten years, unless the agreement provides otherwise.

3. The existence of an agreement authorized by this section shall be noted conspicuously on the front or back of each certificate for outstanding shares or on the information statement required by section 490.626, subsection 2. If at the time of the agreement the corporation has shares outstanding represented by certificates, the corporation shall recall the outstanding certificates and issue substitute certificates that comply with this subsection. The failure to note the existence of the agreement on the certificate or information statement shall not affect the validity of the agreement or any action taken pursuant to it. Any purchaser of shares who, at the time of purchase, did not have knowledge of the existence of the agreement shall be entitled to recision of the purchase. A purchaser shall be deemed to have knowledge of the existence of the agreement if its existence is noted on the certificate or information statement for the shares in compliance with this subsection and, if the shares are not represented by a certificate, the information statement is delivered to the purchaser at or prior to the time of purchase of the shares. An action to enforce the right of recision authorized by this subsection

must be commenced within the earlier of ninety days after discovery of the existence of the agreement or two years after the time of purchase of the shares.

4. An agreement authorized by this section shall cease to be effective when the corporation becomes a public corporation. If the agreement ceases to be effective for any reason, the board of directors may, if the agreement is contained or referred to in the corporation's articles of incorporation or bylaws, adopt an amendment to the articles of incorporation or bylaws, without shareholder action, to delete the agreement and any references to it.

5. An agreement authorized by this section that limits the discretion or powers of the board of directors shall relieve the directors of, and impose upon the person or persons in whom such discretion or powers are vested, liability for acts or omissions imposed by law on directors to the extent that the discretion or powers of the directors are limited by the agreement.

6. The existence or performance of an agreement authorized by this section shall not be a ground for imposing personal liability on any shareholder for the acts or debts of the corporation even if the agreement or its performance treats the corporation as if it were a partnership or results in failure to observe the corporate formalities otherwise applicable to the matters governed by the agreement.

7. Incorporators or subscribers for shares may act as shareholders with respect to an agreement authorized by this section if no shares have been issued when the agreement is made.

2002 Acts, ch 1154, §22, 125; 2002 Acts, ch 1175, §88; 2013 Acts, ch 31, §19, 82
Referred to in §490.801
2013 amendment to subsection 4 takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsection 4 amended

**490.733 through 490.739** Reserved.

## PART D

Referred to in §490.809

**490.740 Definitions.**

In this part, unless the context otherwise requires:

1. *"Derivative proceeding"* means a civil suit in the right of a domestic corporation or, to the extent provided in section 490.747, in the right of a foreign corporation.

2. *"Shareholder"* includes a beneficial owner whose shares are held in a voting trust or held by a nominee on the beneficial owner's behalf.

89 Acts, ch 288, §71; 2002 Acts, ch 1154, §23, 125

**490.741 Standing.**

A shareholder shall not commence or maintain a derivative proceeding unless the shareholder satisfies both of the following:

1. Was a shareholder of the corporation at the time of the act or omission complained of or became a shareholder through transfer by operation of law from one who was a shareholder at that time.

2. Fairly and adequately represents the interests of the corporation in enforcing the right of the corporation.

2002 Acts, ch 1154, §24, 125
Referred to in §490.809

**490.742 Demand.**

A shareholder shall not commence a derivative proceeding until both of the following have occurred:

1. A written demand has been made upon the corporation to take suitable action.

2. Ninety days have expired from the date delivery of the demand was made, unless the shareholder has earlier been notified that the demand has been rejected by the corporation

or unless irreparable injury to the corporation would result by waiting for the expiration of the ninety-day period.

2002 Acts, ch 1154, §25, 125; 2013 Acts, ch 31, §20, 82
2013 amendment to subsection 2 takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsection 2 amended

**490.743 Stay of proceedings.**

If the corporation commences an inquiry into the allegations made in the demand or complaint, the court may stay any derivative proceeding for a period of time as the court deems appropriate.

2002 Acts, ch 1154, §26, 125
Referred to in §490.747

**490.744 Dismissal.**

1. A derivative proceeding shall be dismissed by the court on motion by the corporation if one of the groups specified in subsection 2 or 5 has determined in good faith after conducting a reasonable inquiry upon which its conclusions are based that the maintenance of the derivative proceeding is not in the best interests of the corporation. A corporation moving to dismiss on this basis shall submit in support of the motion a short and concise statement of the reasons for its determination.

2. Unless a panel is appointed pursuant to subsection 5, the determination in subsection 1 shall be made by any of the following:

*a.* A majority vote of qualified directors present at a meeting of the board of directors if the qualified directors constitute a quorum.

*b.* A majority vote of a committee consisting of two or more qualified directors appointed by majority vote of qualified directors present at a meeting of the board of directors, whether or not such qualified directors constitute a quorum.

3. *a.* If a derivative proceeding is commenced after a determination has been made rejecting a demand by a shareholder, the complaint shall allege with particularity facts establishing any of the following:

(1) That a majority of the board of directors did not consist of qualified directors at the time the determination was made.

(2) That the requirements of subsection 1 have not been met.

*b.* All discovery and other proceedings shall be stayed during the pendency of any motion to dismiss unless the court finds upon the motion of any party that particularized discovery is necessary to preserve evidence or prevent undue prejudice to that party.

4. If a majority of the board of directors consisted of qualified directors at the time the determination was made, the plaintiff shall have the burden of proving that the requirements of subsection 1 have not been met; if not, the corporation shall have the burden of proving that the requirements of subsection 1 have been met.

5. The court may appoint a panel of one or more independent persons upon motion by the corporation to make a determination whether the maintenance of the derivative proceeding is in the best interests of the corporation. In such case, the plaintiff shall have the burden of proving that the requirements of subsection 1 have not been met.

2002 Acts, ch 1154, §27, 125; 2012 Acts, ch 1023, §157; 2013 Acts, ch 31, §21, 82
Referred to in §490.143
2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82
Section amended

**490.745 Discontinuance or settlement.**

A derivative proceeding shall not be discontinued or settled without the court's approval. If the court determines that a proposed discontinuance or settlement will substantially affect the interests of the corporation's shareholders or a class of shareholders, the court shall direct that notice be given to the shareholders affected.

2002 Acts, ch 1154, §28, 125
Referred to in §490.747

**490.746 Payment of expenses.**

On termination of the derivative proceeding, the court may do any of the following:

1. Order the corporation to pay the plaintiff's expenses incurred in the proceeding, if it finds that the proceeding has resulted in a substantial benefit to the corporation.

2. Order the plaintiff to pay any defendant's expenses incurred in defending the proceeding, if it finds that the proceeding was commenced or maintained without reasonable cause or for an improper purpose.

2002 Acts, ch 1154, §29, 125; 2013 Acts, ch 31, §22, 82

Referred to in §490.747

2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82

Section amended

**490.747 Applicability to foreign corporations.**

In any derivative proceeding in the right of a foreign corporation, the matters covered by this part shall be governed by the laws of the jurisdiction of incorporation of the foreign corporation except for sections 490.743, 490.745, and 490.746.

2002 Acts, ch 1154, §30, 125

Referred to in §490.740

**490.748 Shareholder action to appoint custodian or receiver.**

1. The district court may appoint one or more persons to be custodians, or, if the corporation is insolvent, to be receivers, of and for a corporation in a proceeding by a shareholder where it is established that any of the following applies:

*a.* The directors are deadlocked in the management of the corporate affairs, the shareholders are unable to break the deadlock, and irreparable injury to the corporation is threatened or being suffered.

*b.* The directors or those in control of the corporation are acting fraudulently and irreparable injury to the corporation is threatened or being suffered.

2. *a.* The district court may issue injunctions, appoint a temporary custodian or temporary receiver with all the powers and duties the court directs, take other action to preserve the corporate assets wherever located, and carry on the business of the corporation until a full hearing is held.

*b.* The district court shall hold a full hearing, after notifying all parties to the proceeding and any interested persons designated by the court, before appointing a custodian or receiver.

*c.* The district court has jurisdiction over the corporation and all of its property, wherever located.

3. The district court may appoint an individual or domestic or foreign corporation, authorized to transact business in this state, as a custodian or receiver and may require the custodian or receiver to post bond, with or without sureties, in an amount the court directs.

4. The district court shall describe the powers and duties of the custodian or receiver in its appointing order, which may be amended from time to time. Among other powers, all of the following apply:

*a.* A custodian may exercise all of the powers of the corporation, through or in place of its board of directors, to the extent necessary to manage the business and affairs of the corporation.

*b.* A receiver may do any of the following:

(1) Dispose of all or any part of the assets of the corporation wherever located, at a public or private sale, if authorized by the district court.

(2) Sue and defend in the receiver's own name as receiver in all courts of this state.

5. The district court during a custodianship may redesignate the custodian as a receiver, and during a receivership may redesignate the receiver as a custodian, if doing so is in the best interests of the corporation.

6. The district court from time to time during the custodianship or receivership may order compensation paid and expense disbursements or reimbursements made to the custodian or receiver from the assets of the corporation or proceeds from the sale of its assets.

2013 Acts, ch 31, §23, 82

Section takes effect January 1, 2014; 2013 Acts, ch 31, §82

NEW section

# DIVISION VIII

# DIRECTORS AND OFFICERS

Referred to in §490.1405

## PART A

**490.801 Requirement for and functions of board of directors.**

1. Except as provided in section 490.732, each corporation must have a board of directors.

2. All corporate powers shall be exercised by or under the authority of the board of directors of the corporation, and the business and affairs of the corporation shall be managed by or under the direction, and subject to the oversight, of its board of directors, subject to any limitation set forth in the articles of incorporation, or in an agreement authorized under section 490.732.

89 Acts, ch 288, §72; 2002 Acts, ch 1154, §31, 125; 2013 Acts, ch 31, §24, 82

Referred to in §490.825

2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82

Section amended

**490.802 Qualifications of directors.**

The articles of incorporation or bylaws may prescribe qualifications for directors. A director need not be a resident of this state or a shareholder of the corporation unless the articles of incorporation or bylaws so prescribe.

89 Acts, ch 288, §73

**490.803 Number and election of directors.**

1. A board of directors must consist of one or more individuals, with the number specified in or fixed in accordance with the articles of incorporation or bylaws.

2. *a.* The number of directors may be increased or decreased from time to time by amendment to, or in the manner provided in, the articles of incorporation or the bylaws.

*b.* Notwithstanding paragraph "*a*", the number of directors of a public corporation subject to section 490.806A, subsection 1, shall be increased or decreased only by the affirmative vote of a majority of its board of directors.

3. Directors are elected at the first annual shareholders' meeting and at each annual meeting thereafter unless their terms are staggered under section 490.806 or 490.806A.

89 Acts, ch 288, §74; 91 Acts, ch 211, §5; 2002 Acts, ch 1154, §32, 125; 2011 Acts, ch 2, §3, 10

Future repeal of 2011 amendments to subsections 2 and 3 by 2011 Acts, ch 2, §9 stricken by 2013 Acts, ch 14, §1

Section not amended; footnote revised

**490.804 Election of directors by certain classes of shareholders.**

If the articles of incorporation authorize dividing the shares into classes, the articles may also authorize the election of all or a specified number of directors by the holders of one or more authorized classes of shares. Each class, or classes, of shares entitled to elect one or more directors is a separate voting group for purposes of the election of directors.

89 Acts, ch 288, §75

Referred to in §490.806A

**490.805 Terms of directors generally.**

1. The terms of the initial directors of a corporation expire at the first shareholders' meeting at which directors are elected.

2. The terms of all other directors expire at the next annual shareholders' meeting following their election unless their terms are staggered under section 490.806 or 490.806A.

3. A decrease in the number of directors does not shorten an incumbent director's term.

4. The term of a director elected to fill a vacancy expires at the next shareholders' meeting at which directors are elected, except as provided in section 490.806A.

5. Despite the expiration of a director's term, the director continues to serve until a

successor for that director is elected and qualifies or until there is a decrease in the number of directors.

89 Acts, ch 288, §76; 2011 Acts, ch 2, §4, 10

Future repeal of 2011 amendments to subsections 2 and 4 by 2011 Acts, ch 2, §9 stricken by 2013 Acts, ch 14, §1

Section not amended; footnote revised

**490.806 Staggered terms for directors.**

Except as otherwise provided in section 490.806A, a corporation's articles of incorporation may provide for staggering the terms of its directors by dividing the total number of directors into two or three groups, with each group containing one-half or one-third of the total, as near as may be. In that event, the terms of directors in the first group expire at the first annual shareholders' meeting after their election, the terms of the second group expire at the second annual shareholders' meeting after their election, and the terms of the third group, if any, expire at the third annual shareholders' meeting after their election. At each annual shareholders' meeting held thereafter, directors shall be chosen for a term of two years or three years, as the case may be, to succeed those whose terms expire.

89 Acts, ch 288, §77; 2011 Acts, ch 2, §5, 10

Referred to in §490.803, 490.805, 490.806A

Future repeal of 2011 amendment to section by 2011 Acts, ch 2, §9 stricken by 2013 Acts, ch 14, §1

Section not amended; footnote revised

**490.806A Public corporations — staggered terms.**

1. Except as provided in subsection 2, and notwithstanding anything to the contrary in the articles of incorporation or bylaws of a public corporation, the terms of directors of a public corporation shall be staggered by dividing the number of directors into three groups, as nearly equal in number as possible. The first group shall be referred to as "class I directors", the second group shall be referred to as "class II directors", and the third group shall be referred to as "class III directors".

*a.* On or before the date on which a public corporation first convenes an annual shareholders' meeting following the time the public corporation becomes subject to this subsection, the board of directors of the public corporation shall by majority vote designate from among its members directors to serve as class I directors, class II directors, and class III directors.

*b.* The terms of directors serving in office on the date that the public corporation becomes subject to this subsection shall be as follows:

(1) Class I directors shall continue in office until the first annual shareholders' meeting following the date that the public corporation becomes subject to this subsection, and until their successors are elected. The shareholders' meeting shall be conducted not less than eleven months following the last annual shareholders' meeting conducted before the public corporation became subject to this subsection.

(2) Class II directors shall continue in office until one year following the first annual shareholders' meeting described in subparagraph (1), and until their successors are elected.

(3) Class III directors shall continue in office until two years following the first annual shareholders' meeting described in subparagraph (1), and until their successors are elected.

*c.* At each annual shareholders' meeting of a public corporation subject to this subsection, the successors to the class of directors whose term expires at that meeting shall be elected to hold office for a term of three years following such meeting and until their successors are elected.

*d.* The board of directors of a public corporation subject to this subsection shall adopt an amendment to its articles of incorporation as provided in section 490.1005A.

*e.* Notwithstanding this subsection, the articles of incorporation of a public corporation may confer upon the holders of preferred shares the right to elect one or more directors pursuant to section 490.804, who shall serve for such term, and have such voting powers, as shall be stated in the articles of incorporation.

2. Every public corporation shall be subject to subsection 1, unless it is exempt pursuant to this subsection.

*a.* (1) In order for a public corporation in existence on March 23, 2011, to be exempt

from subsection 1, its board of directors must adopt a resolution or take action under section 490.821 expressly making an election to be exempt from the provisions of subsection 1. Such resolution or action must be adopted or taken within forty days after March 23, 2011.

(2) Upon adopting the resolution or taking board action under section 490.821, the public corporation is no longer subject to subsection 1, effective immediately unless otherwise provided for in the resolution or by the board action.

*b.* If on March 23, 2011, the articles of incorporation of the public corporation already provide for staggering the terms of its directors under section 490.806, the public corporation shall be exempt from the provisions of subsection 1. In such event, no further corporate action is required, and the public corporation is not required to amend or modify any provision of its articles of incorporation or bylaws in order to be exempt from subsection 1.

*c.* A corporation that becomes a public corporation on or after March 23, 2011, is exempt from the provisions of subsection 1.

2011 Acts, ch 2, §6, 10
Referred to in §490.803, 490.805, 490.1005A
Future repeal of section by 2011 Acts, ch 2, §9 stricken by 2013 Acts, ch 14, §1
Section not amended; footnote revised

**490.807 Resignation of directors.**

1. A director may resign at any time by delivering a written resignation to the board of directors or its chair, or to the secretary of the corporation.

2. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation that is conditioned upon failing to receive a specified vote for election as a director may provide that it is irrevocable.

89 Acts, ch 288, §78; 2013 Acts, ch 31, §25, 82
Referred to in §490.810
2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82
Section amended

**490.808 Removal of directors by shareholders.**

1. The shareholders may remove one or more directors with or without cause unless the articles of incorporation provide that directors may be removed only for cause.

2. If a director is elected by a voting group of shareholders, only the shareholders of that voting group may participate in the vote to remove that director.

3. If cumulative voting is authorized, a director shall not be removed if the number of votes sufficient to elect that director under cumulative voting is voted against the director's removal. If cumulative voting is not authorized, a director may be removed only if the number of votes cast to remove that director exceeds the number of votes cast not to remove the director.

4. A director may be removed by the shareholders only at a meeting called for the purpose of removing the director and after notice stating that the purpose, or one of the purposes, of the meeting is removal of the director. A director shall not be removed pursuant to written consents under section 490.704 unless written consents are obtained from the holders of all the outstanding shares of the corporation entitled to vote on the removal of the director.

89 Acts, ch 288, §79; 91 Acts, ch 211, §6

**490.809 Removal of directors by judicial proceeding.**

1. The district court of the county where a corporation's principal office or, if none in this state, its registered office is located may remove a director of the corporation from office in a proceeding commenced by or in the right of the corporation if the court finds that both of the following apply:

*a.* The director engaged in fraudulent conduct with respect to the corporation or its shareholders, grossly abused the position of director, or intentionally inflicted harm on the corporation.

*b.* Considering the director's course of conduct and the inadequacy of other available remedies, removal would be in the best interest of the corporation.

2. A shareholder proceeding on behalf of the corporation under subsection 1 shall comply with all of the requirements of division VII, part D, except section 490.741.

3. The court, in addition to removing the director, may bar the director from reelection for a period prescribed by the court.

4. This section does not limit the equitable powers of the court to order other relief.

89 Acts, ch 288, §80; 2002 Acts, ch 1154, §33, 125

**490.810 Vacancy on board.**

1. Unless the articles of incorporation provide otherwise, if a vacancy occurs on a board of directors, including a vacancy resulting from an increase in the number of directors, the vacancy may be filled in any of the following manners:

*a.* The shareholders may fill the vacancy.

*b.* The board of directors may fill the vacancy.

*c.* If the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

1A. For a public corporation subject to section 490.806A, subsection 1, a vacancy on the board of directors, including but not limited to a vacancy resulting from an increase in the number of directors, shall be filled solely by the affirmative vote of a majority of the remaining directors, even though less than a quorum of the board.

2. If the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group are entitled to vote to fill the vacancy if it is filled by the shareholders, and only the directors elected by that voting group are entitled to fill the vacancy if it is filled by the directors.

3. A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date under section 490.807, subsection 2 or otherwise, may be filled before the vacancy occurs but the new director shall not take office until the vacancy occurs.

89 Acts, ch 288, §81; 2011 Acts, ch 2, §7, 10; 2013 Acts, ch 31, §26, 82

2013 amendment to subsection 2 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Future repeal of subsection 1A by 2011 Acts, ch 2, §9 stricken by 2013 Acts, ch 14, §1

Subsection 2 amended

**490.811 Compensation of directors.**

Unless the articles of incorporation or bylaws provide otherwise, the board of directors may fix the compensation of directors.

89 Acts, ch 288, §82

**490.812 through 490.819** Reserved.

PART B

**490.820 Meetings.**

1. The board of directors may hold regular or special meetings in or out of this state.

2. Unless the articles of incorporation or bylaws provide otherwise, the board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

89 Acts, ch 288, §83

Referred to in §490.825

**490.821 Action without meeting.**

1. Except to the extent that the articles of incorporation or bylaws require that action by the board of directors be taken at a meeting, action required or permitted by this chapter to be taken by the board of directors may be taken without a meeting if each director signs a consent describing the action to be taken and delivers it to the corporation.

2. Action taken under this section is the act of the board of directors when one or more consents signed by all the directors are delivered to the corporation. The consent may specify the time at which the action taken is to be effective. A director's consent may be withdrawn by revocation signed by the director and delivered to the corporation prior to delivery to the corporation of unrevoked written consents signed by all the directors.

3. A consent signed under this section has the effect of an action taken at a meeting of the board of directors and may be described as such in any document.

89 Acts, ch 288, §84; 2002 Acts, ch 1154, §34, 125

Referred to in §490.806A, 490.825

**490.822 Notice of meeting.**

1. Unless the articles of incorporation or bylaws provide otherwise, regular meetings of the board of directors may be held without notice of the date, time, place, or purpose of the meeting.

2. Unless the articles of incorporation or bylaws provide for a longer or shorter period, special meetings of the board of directors must be preceded by at least two days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting unless required by the articles of incorporation or bylaws.

89 Acts, ch 288, §85

Referred to in §490.825

**490.823 Waiver of notice.**

1. A director may waive any notice required by this chapter, the articles of incorporation, or bylaws before or after the date and time stated in the notice. Except as provided by subsection 2, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records.

2. A director's attendance at or participation in a meeting waives any required notice to that director of the meeting unless the director at the beginning of the meeting or promptly upon the director's arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

89 Acts, ch 288, §86

Referred to in §490.825

**490.824 Quorum and voting.**

1. Unless the articles of incorporation or bylaws require a different number, or unless otherwise specifically provided in this chapter, a quorum of a board of directors consists of either:

*a.* A majority of the fixed number of directors if the corporation has a fixed board size.

*b.* A majority of the number of directors prescribed, or, if no number is prescribed the number in office immediately before the meeting begins, if the corporation has a variable-range size board.

2. The articles of incorporation or bylaws may authorize a quorum of a board of directors to consist of no fewer than one-third of the fixed or prescribed number of directors determined under subsection 1.

3. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board of directors unless the articles of incorporation or bylaws require the vote of a greater number of directors.

4. *a.* A director who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless one or more of the following occurs:

(1) The director objects at the beginning of the meeting or promptly upon the director's arrival to holding it or transacting business at the meeting.

(2) The director's dissent or abstention from the action taken is entered in the minutes of the meeting.

(3) The director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting.

*b.* The right of dissent or abstention is not available to a director who votes in favor of the action taken.

89 Acts, ch 288, §87; 2002 Acts, ch 1154, §35, 125; 2012 Acts, ch 1023, §157
Referred to in §490.825, 490.853

**490.825 Committees.**

1. Unless this chapter, the articles of incorporation, or the bylaws provide otherwise, a board of directors may create one or more committees and appoint one or more members of the board of directors to serve on any committee.

2. Unless this chapter provides otherwise, the creation of a committee and appointment of members to it must be approved by the greater of either:

*a.* A majority of all the directors in office when the action is taken.

*b.* The number of directors required by the articles of incorporation or bylaws to take action under section 490.824.

3. Sections 490.820 through 490.824 apply both to committees of the board and to committee members.

4. To the extent specified by the board of directors or in the articles of incorporation or bylaws, each committee may exercise the powers of the board of directors under section 490.801.

5. A committee shall not, however:

*a.* Authorize or approve distributions, except according to formula or method, or within limits, prescribed by the board of directors.

*b.* Approve or propose to shareholders action that this chapter requires be approved by shareholders.

*c.* Fill vacancies on the board of directors or, subject to subsection 7, on any of its committees.

*d.* Adopt, amend, or repeal bylaws.

6. The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a director with the standards of conduct described in section 490.830.

7. The board of directors may appoint one or more directors as alternate members of any committee to replace any absent or disqualified member during the member's absence or disqualification. Unless the articles of incorporation or the bylaws or the resolution creating the committee provide otherwise, in the event of the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, unanimously, may appoint another director to act in place of the absent or disqualified member.

89 Acts, ch 288, §88; 2002 Acts, ch 1154, §36, 125; 2003 Acts, ch 108, §90

**490.826 Submission of matters for shareholder vote.**

A corporation may agree to submit a matter to a vote of its shareholders even if, after approving the matter, the board of directors determines it no longer recommends the matter.

2013 Acts, ch 31, §27, 82
Referred to in §490.1003, 490.1104, 490.1202, 490.1402
Section takes effect January 1, 2014; 2013 Acts, ch 31, §82
NEW section

**490.827 through 490.829** Reserved.

PART C

**490.830 Standards of conduct for directors.**

1. Each member of the board of directors, when discharging the duties of a director, shall act in conformity with all of the following:

*a.* In good faith.

*b.* In a manner the director reasonably believes to be in the best interests of the corporation.

2. The members of the board of directors or a committee of the board, when becoming informed in connection with their decision-making function or devoting attention to their oversight function, shall discharge their duties with the care that a person in a like position would reasonably believe appropriate under similar circumstances.

3. In discharging board or committee duties a director shall disclose, or cause to be disclosed, to the other board or committee members information which the director knows is not already known by them but is known by the director to be material to the discharge of their decision-making or oversight functions, except that disclosure is not required to the extent that the director reasonably believes that doing so would violate a duty imposed under law, a legally enforceable obligation of confidentiality, or a professional ethics rule.

4. In discharging board or committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on the performance by any of the persons specified in subsection 6, paragraph "*a*", to whom the board may have delegated, formally or informally by course of conduct, the authority or duty to perform one or more of the board's functions that are delegable under applicable law.

5. In discharging board or committee duties a director, who does not have knowledge that makes reliance unwarranted, is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the persons specified in subsection 6.

6. A director is entitled to rely, in accordance with subsection 4 or 5, on any of the following:

*a.* One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided.

*b.* Legal counsel, public accountants, or other persons as to matters involving skills or expertise the director reasonably believes are either of the following:

(1) Matters within the particular person's professional or expert competence.

(2) Matters as to which the particular person merits confidence.

*c.* A committee of the board of directors of which the director is not a member if the director reasonably believes the committee merits confidence.

89 Acts, ch 288, §89; 2002 Acts, ch 1154, §37, 125; 2013 Acts, ch 31, §28, 82

Referred to in §490.825, 490.833, 491.16A

Subsection 3 takes effect January 1, 2014; 2013 Acts, ch 31, §82

NEW subsection 3 and former subsections 3 – 5 renumbered as 4 – 6

**490.831 Standards of liability for directors.**

1. A director shall not be liable to the corporation or its shareholders for any decision as director to take or not to take action, or any failure to take any action, unless the party asserting liability in a proceeding establishes both of the following:

*a.* That any of the following apply:

(1) No defense interposed by the director based on any of the following precludes liability:

(a) A provision in the articles of incorporation authorized by section 490.202, subsection 2, paragraph "*d*".

(b) The protection afforded by section 490.861 for action taken in compliance with section 490.862 or 490.863.

(c) The protection afforded by section 490.870.

(2) The protection afforded by section 490.870 does not preclude liability.

*b.* That the challenged conduct consisted or was the result of one of the following:

(1) Action not in good faith.

(2) A decision that satisfies one of the following:

(a) That the director did not reasonably believe to be in the best interests of the corporation.

(b) As to which the director was not informed to an extent the director reasonably believed appropriate in the circumstances.

(3) A lack of objectivity due to the director's familial, financial, or business relationship

with, or a lack of independence due to the director's domination or control by, another person having a material interest in the challenged conduct, which also meets both of the following criteria:

(a) Which relationship or which domination or control could reasonably be expected to have affected the director's judgment respecting the challenged conduct in a manner adverse to the corporation.

(b) After a reasonable expectation to such effect has been established, the director shall not have established that the challenged conduct was reasonably believed by the director to be in the best interests of the corporation.

(4) A sustained failure of the director to devote attention to ongoing oversight of the business and affairs of the corporation, or a failure to devote timely attention, by making, or causing to be made, appropriate inquiry, when particular facts and circumstances of significant concern materialize that would alert a reasonably attentive director to the need for such oversight, attention, or inquiry.

(5) Receipt of a financial benefit to which the director was not entitled or any other breach of the director's duties to deal fairly with the corporation and its shareholders that is actionable under applicable law.

2. *a.* A party seeking to hold the director liable for money damages shall also have the burden of establishing both of the following:

(1) That harm to the corporation or its shareholders has been suffered.

(2) The harm suffered was proximately caused by the director's challenged conduct.

*b.* A party seeking to hold the director liable for other money payment under a legal remedy, such as compensation for the unauthorized use of corporate assets, shall also have whatever persuasion burden may be called for to establish that the payment sought is appropriate in the circumstances.

*c.* A party seeking to hold the director liable for other money payment under an equitable remedy, such as profit recovery by or disgorgement to the corporation, shall also have whatever persuasion burden may be called for to establish that the equitable remedy sought is appropriate in the circumstances.

3. This section shall not do any of the following:

*a.* In any instance where fairness is at issue, such as consideration of the fairness of a transaction to the corporation under section 490.861, subsection 2, paragraph "*c*", alter the burden of proving the fact or lack of fairness otherwise applicable.

*b.* Alter the fact or lack of liability of a director under another section of this chapter, such as the provisions governing the consequences of an unlawful distribution under section 490.833 or a transactional interest under section 490.861.

*c.* Affect any rights to which the corporation or a shareholder may be entitled under another statute of this state or the United States.

89 Acts, ch 288, §90; 2002 Acts, ch 1154, §38, 125; 2003 Acts, ch 44, §83; 2008 Acts, ch 1015, §2; 2009 Acts, ch 133, §164; 2013 Acts, ch 31, §29, 30, 82

Referred to in §490.842, 491.16A

2013 amendments to subsection 1, paragraph a, and subsection 3 take effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 1, paragraph a, subparagraph (1) amended

Subsection 3, paragraphs a and b amended

**490.832 Director conflict of interest.** Repealed by 2013 Acts, ch 31, § 81, 82.

Section repeal takes effect January 1, 2014; 2013 Acts, ch 31, §82

**490.833 Liability for unlawful distribution.**

1. A director who votes for or assents to a distribution in excess of what may be authorized and made pursuant to section 490.640, subsection 1, or section 490.1409, subsection 1, is personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating section 490.640, subsection 1, or section 490.1409, subsection 1, if the party asserting liability establishes that when taking the action the director did not comply with section 490.830.

2. A director held liable for an unlawful distribution under subsection 1 is entitled to both of the following:

*a.* Contribution from every other director who could be held liable under subsection 1 for the unlawful distribution.

*b.* Recoupment from each shareholder of the pro rata portion of the amount of the unlawful distribution the shareholder accepted, knowing the distribution was made in violation of section 490.640, subsection 1, or section 490.1409, subsection 1.

3. *a.* A proceeding to enforce the liability of a director under subsection 1 is barred unless it is commenced within two years after one of the following dates:

(1) The date on which the effect of the distribution was measured under section 490.640, subsection 5 or 8.

(2) The date as of which the violation of section 490.640, subsection 1, occurred as the consequence of disregard of a restriction in the articles of incorporation.

(3) The date on which the distribution of assets to shareholders under section 490.1409, subsection 1, was made.

*b.* A proceeding to enforce contribution or recoupment under subsection 2 is barred unless it is commenced within one year after the liability of the claimant has been finally adjudicated under subsection 1.

89 Acts, ch 288, §92; 2002 Acts, ch 1154, §40, 125
Referred to in §490.202, 490.831, 491.16A

**490.834 through 490.839** Reserved.

PART D

**490.840 Officers.**

1. A corporation has the offices described in its bylaws or designated by the board of directors in accordance with the bylaws.

2. The board of directors may elect individuals to fill one or more offices of the corporation. An officer may appoint one or more officers if authorized by the bylaws or the board of directors.

3. The bylaws or the board of directors shall assign to one of the officers responsibility for preparing minutes of the directors' and shareholders' meetings and for maintaining and authenticating the records of the corporation required to be kept under section 490.1601, subsections 1 and 5.

4. The same individual may simultaneously hold more than one office in a corporation.

89 Acts, ch 288, §93; 2002 Acts, ch 1154, §41, 125
Referred to in §490.140, 491.16A

**490.841 Functions of officers.**

Each officer has the authority and shall perform the functions set forth in the bylaws or, to the extent consistent with the bylaws, the functions prescribed by the board of directors or by direction of an officer authorized by the board of directors to prescribe the functions of other officers.

89 Acts, ch 288, §94; 2013 Acts, ch 31, §31, 82
Referred to in §491.16A
2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82
Section amended

**490.842 Standards of conduct for officers.**

1. An officer when performing in such capacity has the duty to act in conformity with all of the following:

*a.* In good faith.

*b.* With the care that a person in a like position would reasonably exercise under similar circumstances.

*c.* In a manner the officer reasonably believes to be in the best interests of the corporation.

2. In discharging the officer's duties an officer, who does not have knowledge that makes reliance unwarranted, is entitled to rely on any of the following:

*a.* The performance of properly delegated responsibilities by one or more employees of the corporation whom the officer reasonably believes to be reliable and competent in performing the responsibilities delegated.

*b.* Information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more employees of the corporation whom the officer reasonably believes to be reliable and competent in the matters presented.

*c.* Legal counsel, public accountants, or other persons retained by the corporation as to matters involving skills or expertise the officer reasonably believes are matters within the particular person's professional or expert competence, or as to which the particular person merits confidence.

3. An officer shall not be liable as an officer to the corporation or its shareholders for any decision to take or not to take action, or any failure to take any action, if the duties of the officer are performed in compliance with this section. Whether an officer who does not comply with this section shall have liability will depend in such instance on applicable law, including those principles of section 490.831 that have relevance.

89 Acts, ch 288, §95; 2002 Acts, ch 1154, §42, 125; 2013 Acts, ch 31, §32, 82

Referred to in §491.16A

2013 amendment to subsection 1, unnumbered paragraph 1, takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 1, unnumbered paragraph 1 amended

**490.843 Resignation and removal of officers.**

1. An officer may resign at any time by delivering notice to the corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective time. If a resignation is made effective at a later time and the board or appointing officer accepts the future effective time, the board or the appointing officer may fill the pending vacancy before the effective time if the board or appointing officer provides that the successor does not take office until the effective time.

2. An officer may be removed at any time with or without cause by any of the following:

*a.* The board of directors.

*b.* The officer who appointed such officer, unless the bylaws or the board of directors provide otherwise.

*c.* Any other officer if authorized by the bylaws or the board of directors.

3. In this section, *"appointing officer"* means the officer, including any successor to that officer, who appointed the officer resigning or being removed.

89 Acts, ch 288, §96; 91 Acts, ch 211, §7; 2002 Acts, ch 1154, §43, 125

**490.844 Contract rights of officers.**

1. The appointment of an officer does not itself create contract rights.

2. An officer's removal does not affect the officer's contract rights, if any, with the corporation. An officer's resignation does not affect the corporation's contract rights, if any, with the officer.

89 Acts, ch 288, §97

**490.845 through 490.849** Reserved.

PART E

**490.850 Definitions.**

As used in this part of this chapter, unless the context otherwise requires:

1. *"Corporation"* includes any domestic or foreign predecessor entity of a corporation in a merger.

2. *"Director"* or *"officer"* means an individual who is or was a director or officer, respectively, of a corporation or who, while a director or officer of the corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee

benefit plan, or other entity. A director or officer is considered to be serving an employee benefit plan at the corporation's request if the individual's duties to the corporation also impose duties on, or otherwise involve services by, the individual to the plan or to participants in or beneficiaries of the plan. *"Director"* or *"officer"* includes, unless the context requires otherwise, the estate or personal representative of a director or officer.

3. *"Liability"* means the obligation to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or expenses incurred with respect to a proceeding.

4. *a.* *"Official capacity"* means:

(1) When used with respect to a director, the office of director in a corporation.

(2) When used with respect to an officer, as contemplated in section 490.856, the office in a corporation held by the officer.

*b.* *"Official capacity"* does not include service for any other domestic or foreign corporation or any partnership, joint venture, trust, employee benefit plan, or other entity.

5. *"Party"* means an individual who was, is, or is threatened to be made a defendant or respondent in a proceeding.

6. *"Proceeding"* means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

89 Acts, ch 288, §98; 2002 Acts, ch 1154, §44, 125; 2005 Acts, ch 19, §72; 2013 Acts, ch 30, §116; 2013 Acts, ch 31, §33 – 35, 82

Referred to in §490.202, 491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801

2013 amendments by 2013 Acts, ch 31 take effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 2 amended

Subsections 3 and 4 stricken and former subsections 5 and 6 amended and renumbered as 3 and 4

Former subsections 7 and 8 renumbered as 5 and 6

**490.851 Permissible indemnification.**

1. Except as otherwise provided in this section, a corporation may indemnify an individual who is a party to a proceeding because the individual is a director against liability incurred in the proceeding if either of the following apply:

*a.* All of the following apply:

(1) The individual acted in good faith.

(2) The individual reasonably believed:

(a) In the case of conduct in the individual's official capacity, that the individual's conduct was in the best interests of the corporation.

(b) In all other cases, that the individual's conduct was at least not opposed to the best interests of the corporation.

(3) In the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.

*b.* The individual engaged in conduct for which broader indemnification has been made permissible or obligatory under a provision of the articles of incorporation as authorized by section 490.202, subsection 2, paragraph *"e"*.

2. A director's conduct with respect to an employee benefit plan for a purpose the director reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of subsection 1, paragraph *"b"*, subparagraph (2).

3. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the relevant standard of conduct described in this section.

4. Unless ordered by a court under section 490.854, subsection 1, paragraph *"c"*, a corporation shall not indemnify a director under this section in either of the following circumstances:

*a.* In connection with a proceeding by or in the right of the corporation, except for reasonable expenses incurred in connection with the proceeding if it is determined that the director has met the relevant standard of conduct under subsection 1.

*b.* In connection with any proceeding with respect to conduct for which the director was

adjudged liable on the basis that the director received a financial benefit to which the director was not entitled, whether or not involving action in the director's official capacity.

89 Acts, ch 288, §99; 2002 Acts, ch 1154, §45, 125; 2003 Acts, ch 44, §84, 116

Referred to in §490.853, 490.854, 490.855, 490.858, 491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801

**490.852 Mandatory indemnification.**

A corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because the director is or was a director of the corporation against reasonable expenses incurred by the director in connection with the proceeding.

89 Acts, ch 288, §100; 2002 Acts, ch 1154, §46, 125

Referred to in §490.853, 490.854, 490.856, 491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801

**490.853 Advance for expenses.**

1. A corporation may, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred in connection with the proceeding by an individual who is a party to the proceeding because that individual is a member of the board of directors if the director delivers all of the following to the corporation:

*a.* A signed written affirmation of the director's good faith belief that the relevant standard of conduct described in section 490.851 has been met by the director or that the proceeding involved conduct for which liability has been eliminated under a provision of the articles of incorporation as authorized by section 490.202, subsection 2, paragraph *"d"*.

*b.* A signed written undertaking of the director to repay any funds advanced if the director is not entitled to mandatory indemnification under section 490.852 and it is ultimately determined under section 490.854 or 490.855 that the director has not met the relevant standard of conduct described in section 490.851.

2. The undertaking required by subsection 1, paragraph *"b"*, must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to the financial ability of the director to make repayment.

3. Authorizations under this section shall be made according to any of the following:

*a.* By the board of directors as follows:

(1) If there are two or more qualified directors, by a majority vote of all the qualified directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more qualified directors appointed by such a vote.

(2) If there are fewer than two qualified directors, by the vote necessary for action by the board in accordance with section 490.824, subsection 3, in which authorization directors who are not qualified directors may participate.

*b.* By the shareholders, but shares owned by or voted under the control of a director who at the time is not a qualified director shall not be voted on the authorization.

89 Acts, ch 288, §101; 2002 Acts, ch 1154, §47, 125; 2002 Acts, ch 1175, §89; 2013 Acts, ch 31, §36, 82

Referred to in §490.143, 490.854, 490.858, 491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801

2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82

Section amended

**490.854 Court-ordered indemnification.**

1. A director who is a party to a proceeding because the person is a director may apply for indemnification or an advance for expenses to the court conducting the proceeding or to another court of competent jurisdiction. After receipt of an application, and after giving any notice it considers necessary, the court shall do one of the following:

*a.* Order indemnification if the court determines that the director is entitled to mandatory indemnification under section 490.852.

*b.* Order indemnification or advance for expenses if the court determines that the director is entitled to indemnification or advance for expenses pursuant to a provision authorized by section 490.858, subsection 1.

*c.* Order indemnification or advance for expenses if the court determines, in view of all the relevant circumstances, that it is fair and reasonable to do one of the following:

(1) To indemnify the director.

(2) To advance expenses to the director, even if the director has not met the relevant standard of conduct set forth in section 490.851, subsection 1, failed to comply with section 490.853 or was adjudged liable in a proceeding referred to in subsection 490.851, subsection 4, paragraph "*a*" or "*b*", but if the director was adjudged so liable the director's indemnification shall be limited to reasonable expenses incurred in connection with the proceeding.

2. If the court determines that the director is entitled to indemnification under subsection 1, paragraph "*a*", or to indemnification or advance for expenses under subsection 1, paragraph "*b*", it shall also order the corporation to pay the director's reasonable expenses incurred in connection with obtaining court-ordered indemnification or advance for expenses. If the court determines that the director is entitled to indemnification or advance for expenses under subsection 1, paragraph "*c*", it may also order the corporation to pay the director's reasonable expenses to obtain court-ordered indemnification or advance for expenses.

89 Acts, ch 288, §102; 2002 Acts, ch 1154, §48, 125
Referred to in §490.851, 490.853, 490.856, 491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801

**490.855 Determination and authorization of indemnification.**

1. A corporation shall not indemnify a director under section 490.851 unless authorized for a specific proceeding after a determination has been made that indemnification is permissible because the director has met the relevant standard of conduct set forth in section 490.851.

2. The determination shall be made by any of the following:

*a.* If there are two or more qualified directors, by the board of directors by a majority vote of all the qualified directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more qualified directors appointed by such a vote.

*b.* By special legal counsel selected in one of the following manners:

(1) Selected in the manner prescribed in paragraph "*a*".

(2) If there are fewer than two qualified directors, selected by the board of directors, in which selection directors who are not qualified directors may participate.

*c.* By the shareholders, but shares owned by or voted under the control of a director who at the time is not a qualified director shall not be voted on the determination.

3. Authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible, except that if there are fewer than two qualified directors or if the determination is made by special legal counsel, authorization of indemnification shall be made by those entitled to select special legal counsel under subsection 2, paragraph "*b*", subparagraph (2).

89 Acts, ch 288, §103; 2002 Acts, ch 1154, §49, 125; 2013 Acts, ch 31, §37, 82
Referred to in §490.143, 490.853, 490.858, 491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801
2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82
Section amended

**490.856 Indemnification of officers.**

1. A corporation may indemnify and advance expenses under this part to an officer of the corporation who is a party to the proceeding because the person is an officer, according to all of the following:

*a.* To the same extent as to a director.

*b.* If the person is an officer but not a director, to such further extent as may be provided by the articles of incorporation, the bylaws, a resolution of the board of directors, or contract, except for either of the following:

(1) Liability in connection with a proceeding by or in the right of the corporation other than for reasonable expenses incurred in connection with the proceeding.

(2) Liability arising out of conduct that constitutes any of the following:

(a) Receipt by the officer of a financial benefit to which the officer is not entitled.

(b) An intentional infliction of harm on the corporation or the shareholders.

(c) An intentional violation of criminal law.

2. The provisions of subsection 1, paragraph "*b*", shall apply to an officer who is also a

director if the basis on which the officer is made a party to a proceeding is an action taken or a failure to take an action solely as an officer.

3. An officer of a corporation who is not a director is entitled to mandatory indemnification under section 490.852, and may apply to a court under section 490.854 for indemnification or an advance for expenses, in each case to the same extent to which a director may be entitled to indemnification or advance for expenses under those provisions.

89 Acts, ch 288, §104; 2002 Acts, ch 1154, §50, 125; 2003 Acts, ch 44, §85
Referred to in §490.850, 491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801

**490.857 Insurance.**

A corporation may purchase and maintain insurance on behalf of an individual who is a director or officer of the corporation, or who, while a director or officer of the corporation, serves at the corporation's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity, against liability asserted against or incurred by that individual in that capacity or arising from the individual's status as a director or officer, whether or not the corporation would have power to indemnify or advance expenses to that individual against the same liability under this part.

89 Acts, ch 288, §105; 2002 Acts, ch 1154, §51, 125
Referred to in §491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801

**490.858 Variation by corporate action — application of part.**

1. A corporation may, by a provision in its articles of incorporation or bylaws or in a resolution adopted or a contract approved by its board of directors or shareholders, obligate itself in advance of the act or omission giving rise to a proceeding to provide indemnification in accordance with section 490.851 or advance funds to pay for or reimburse expenses in accordance with section 490.853. Any such obligatory provision shall be deemed to satisfy the requirements for authorization referred to in section 490.853, subsection 3, and in section 490.855, subsection 3. Any such provision that obligates the corporation to provide indemnification to the fullest extent permitted by law shall be deemed to obligate the corporation to advance funds to pay for or reimburse expenses in accordance with section 490.853 to the fullest extent permitted by law, unless the provision specifically provides otherwise.

2. A right of indemnification or to advances for expenses created by this division or under subsection 1 and in effect at the time of an act or omission shall not be eliminated or impaired with respect to such act or omission by an amendment of the articles of incorporation or bylaws or a resolution of the directors or shareholders, adopted after the occurrence of such act or omission, unless, in the case of a right created under subsection 1, the provision creating such right and in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such act or omission has occurred.

3. Any provision pursuant to subsection 1 shall not obligate the corporation to indemnify or advance expenses to a director of a predecessor of the corporation, pertaining to conduct with respect to the predecessor, unless otherwise specifically provided. Any provision for indemnification or advance for expenses in the articles of incorporation, bylaws, or a resolution of the board of directors or shareholders of a predecessor of the corporation in a merger or in a contract to which the predecessor is a party, existing at the time the merger takes effect, shall be governed by section 490.1106, subsection 1, paragraph "c".

4. Subject to subsection 2, a corporation may, by a provision in its articles of incorporation, limit any of the rights to indemnification or advance for expenses created by or pursuant to this part.

5. This part does not limit a corporation's power to pay or reimburse expenses incurred by a director or an officer in connection with the director's or officer's appearance as a witness in a proceeding at a time when the director or officer is not a party.

6. This part does not limit a corporation's power to indemnify, advance expenses to, or provide or maintain insurance on behalf of an employee or agent.

89 Acts, ch 288, §106; 2002 Acts, ch 1154, §52, 125; 2013 Acts, ch 31, §38, 39, 82
Referred to in §490.854, 491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801
2013 amendments adding subsection 2 and amending former subsection 3 take effect January 1, 2014; 2013 Acts, ch 31, §82
NEW subsection 2 and former subsection 2 renumbered as 3
Former subsection 3 amended and renumbered as 4
Former subsections 4 and 5 renumbered as 5 and 6

**490.859 Exclusivity of part.**

A corporation may provide indemnification or advance expenses to a director or an officer only as permitted by this part.

2002 Acts, ch 1154, §53, 125
Referred to in §491.3, 491.16, 497.34, 498.36, 499.59A, 508C.16, 524.801

## PART F

**490.860 Part definitions.**

As used in this part, unless the context otherwise requires:

1. *"Control"*, including the term *"controlled by"*, means any of the following:

*a.* Having the power, directly or indirectly, to elect or remove a majority of the members of the board of directors or other governing body of an entity, whether through the ownership of voting shares or interests, by contract, or otherwise.

*b.* Being subject to a majority of the risk of loss from the entity's activities or entitled to receive a majority of the entity's residual returns.

2. *"Director's conflicting interest transaction"* means a transaction effected or proposed to be effected by the corporation, or by an entity controlled by the corporation to which, or respecting which, any of the following applies:

*a.* To which, at the relevant time, the director is a party.

*b.* Respecting which, at the relevant time, the director had knowledge and a material financial interest known to the director.

*c.* Respecting which, at the relevant time, the director knew that a related person was a party or had a material financial interest.

3. *"Fair to the corporation"* means, for purposes of section 490.861, subsection 2, paragraph *"c"*, that the transaction as a whole was beneficial to the corporation, taking into appropriate account whether it was all of the following:

*a.* Fair in terms of the director's dealings with the corporation.

*b.* Comparable to what might have been obtainable in an arm's length transaction, given the consideration paid or received by the corporation.

4. *"Material financial interest"* means a financial interest in a transaction that would reasonably be expected to impair the objectivity of the director's judgment when participating in action on the authorization of the transaction.

5. *"Related person"* means any of the following:

*a.* The director's spouse.

*b.* A child, stepchild, grandchild, parent, stepparent, grandparent, sibling, step sibling, half sibling, aunt, uncle, niece, or nephew, or spouse of any thereof, of the director or of the director's spouse.

*c.* An individual living in the same home as the director.

*d.* An entity, other than the corporation or an entity controlled by the corporation, controlled by the director or any person specified in this subsection.

*e.* A domestic or foreign person who is any of the following:

(1) A business or nonprofit corporation, other than the corporation or an entity controlled by the corporation, of which the director is a director.

(2) An unincorporated entity of which the director is a general partner or a member of the governing body.

(3) An individual, trust, or estate for whom or of which the director is a trustee, guardian, personal representative, or like fiduciary.

*f.* A person that is, or an entity that is controlled by, an employer of the director.

6. *"Relevant time"* means any of the following:

*a.* The time at which directors' action respecting the transaction is taken in compliance with section 490.862.

*b.* If the transaction is not brought before the board of directors of the corporation, or its committee, for action under section 490.862, at the time the corporation, or an entity controlled by the corporation, becomes legally obligated to consummate the transaction.

7. *"Required disclosure"* means disclosure of all of the following:

*a.* The existence and nature of the director's conflicting interest.

*b.* All facts known to the director respecting the subject matter of the transaction that a director free of such conflicting interest would reasonably believe to be material in deciding whether to proceed with the transaction.

2013 Acts, ch 31, §40, 82
Referred to in §490.862, 490.863, 490.870
Section takes effect January 1, 2014; 2013 Acts, ch 31, §82
NEW section

**490.861 Judicial action.**

1. A transaction effected or proposed to be effected by the corporation, or by an entity controlled by the corporation, shall not be the subject of equitable relief, or give rise to an award of damages or other sanctions against a director of the corporation, in a proceeding by a shareholder or by or in the right of the corporation, on the ground that the director has an interest respecting the transaction, if it is not a director's conflicting interest transaction.

2. A director's conflicting interest transaction may not be the subject of equitable relief, or give rise to an award of damages or other sanctions against a director of the corporation, in a proceeding by a shareholder or by or in the right of the corporation, on the ground that the director has an interest respecting the transaction, if any of the following apply:

*a.* Directors' action respecting the transaction was taken in compliance with section 490.862 at any time.

*b.* Shareholders' action respecting the transaction was taken in compliance with section 490.863 at any time.

*c.* The transaction, judged according to the circumstances at the relevant time, is established to have been fair to the corporation.

2013 Acts, ch 31, §41, 82
Referred to in §490.831, 490.860, 490.862, 490.863
Section takes effect January 1, 2014; 2013 Acts, ch 31, §82
NEW section

**490.862 Directors' action.**

1. Directors' action respecting a director's conflicting interest transaction is effective for purposes of section 490.861, subsection 2, paragraph *"a"*, if the transaction has been authorized by the affirmative vote of a majority, but no fewer than two, of the qualified directors who voted on the transaction, after required disclosure by the conflicted director of information not already known by such qualified directors, or after modified disclosure in compliance with subsection 2, provided that all of the following apply:

*a.* The qualified directors have deliberated and voted outside the presence of and without the participation by any other director.

*b.* Where the action has been taken by a committee, all members of the committee were qualified directors, and any of the following apply:

(1) The committee was composed of all the qualified directors on the board of directors.

(2) The members of the committee were appointed by the affirmative vote of a majority of the qualified directors on the board.

2. Notwithstanding subsection 1, when a transaction is a director's conflicting interest transaction only because a related person described in section 490.860, subsection 5, paragraph *"e"* or *"f"*, is a party to or has a material financial interest in the transaction, the conflicted director is not obligated to make required disclosure to the extent that the

director reasonably believes that doing so would violate a duty imposed under law, a legally enforceable obligation of confidentiality, or a professional ethics rule, provided that the conflicted director discloses to the qualified directors voting on the transaction all of the following:

*a.* All information required to be disclosed that is not so violative.

*b.* The existence and nature of the director's conflicting interest.

*c.* The nature of the conflicted director's duty not to disclose the confidential information.

3. A majority, but no fewer than two, of all the qualified directors on the board of directors, or on the committee, constitutes a quorum for purposes of action that complies with this section.

4. Where directors' action under this section does not satisfy a quorum or voting requirement applicable to the authorization of the transaction by reason of the articles of incorporation, the bylaws, or a provision of law, independent action to satisfy those authorization requirements must be taken by the board of directors or a committee, in which action directors who are not qualified directors may participate.

2013 Acts, ch 31, §42, 82

Referred to in §490.143, 490.831, 490.860, 490.861, 490.870, 490.1301, 490.1340

Section takes effect January 1, 2014; 2013 Acts, ch 31, §82

NEW section

**490.863 Shareholders' action.**

1. *a.* Shareholders' action respecting a director's conflicting interest transaction is effective for purposes of section 490.861, subsection 2, paragraph "*b*", if a majority of the votes cast by the holders of all qualified shares are in favor of the transaction after all of the following occur:

(1) Notice to shareholders describing the action to be taken respecting the transaction.

(2) Provision to the corporation of the information referred to in subsection 2.

(3) Communication to the shareholders entitled to vote on the transaction of the information that is the subject of required disclosure, to the extent the information is not known by them.

*b.* In the case of shareholders' action at a meeting, the shareholders entitled to vote shall be determined as of the record date for notice of the meeting.

2. A director who has a conflicting interest respecting the transaction shall, before the shareholders' vote, inform the secretary or other officer or agent of the corporation authorized to tabulate votes, in writing, of the number of shares that the director knows are not qualified shares under subsection 3, and the identity of the holders of those shares.

3. For purposes of this section, all of the following apply:

*a.* "*Holder*" means and "*held by*" refers to shares held by both a record shareholder, as defined in section 490.1301, subsection 8, and a beneficial shareholder, as defined in section 490.1301, subsection 2.

*b.* "*Qualified shares*" means all shares entitled to be voted with respect to the transaction except for shares that the secretary or other officer or agent of the corporation authorized to tabulate votes either knows, or under subsection 2 is notified, are held by any of the following:

(1) A director who has a conflicting interest respecting the transaction.

(2) A related person of the director, excluding a person described in section 490.860, subsection 5, paragraph "*f*".

4. A majority of the votes entitled to be cast by the holders of all qualified shares constitutes a quorum for purposes of compliance with this section. Subject to the provisions of subsection 5, shareholders' action that otherwise complies with this section is not affected by the presence of holders, or by the voting, of shares that are not qualified shares.

5. If a shareholders' vote does not comply with subsection 1 solely because of a director's failure to comply with subsection 2, and if the director establishes that the failure was not intended to influence and did not in fact determine the outcome of the vote, the court may take such action respecting the transaction and the director, and may give such effect, if any, to the shareholders' vote, as the court considers appropriate in the circumstances.

6. Where shareholders' action under this section does not satisfy a quorum or voting requirement applicable to the authorization of the transaction by reason of the articles

of incorporation, the bylaws, or a provision of law, independent action to satisfy those authorization requirements must be taken by the shareholders, in which action shares that are not qualified shares may participate.

2013 Acts, ch 31, §43, 82; 2013 Acts, ch 140, §71
Referred to in §490.831, 490.861, 490.870, 490.1340
Section takes effect January 1, 2014; 2013 Acts, ch 31, §82
NEW section

**490.864 through 490.869** Reserved.

PART G

**490.870 Business opportunities.**

1. A director's taking advantage, directly or indirectly, of a business opportunity may not be the subject of equitable relief, or give rise to an award of damages or other sanctions against the director, in a proceeding by or in the right of the corporation on the ground that such opportunity should have first been offered to the corporation, if before becoming legally obligated respecting the opportunity the director brings it to the attention of the corporation and any of the following apply:

*a.* Action by qualified directors disclaiming the corporation's interest in the opportunity is taken in compliance with the procedures set forth in section 490.862, as if the decision being made concerned a director's conflicting interest transaction.

*b.* Shareholders' action disclaiming the corporation's interest in the opportunity is taken in compliance with the procedure set forth in section 490.863, as if the decision being made concerned a director's conflicting interest transaction; except that, rather than making the "*required disclosure*" as defined in section 490.860, in each case the director shall have made prior disclosure to those acting on behalf of the corporation of all material facts concerning the business opportunity that are then known to the director.

2. In any proceeding seeking equitable relief or other remedy based upon an alleged improper taking advantage of a business opportunity by a director, the fact that the director did not employ the procedure described in subsection 1 before taking advantage of the opportunity shall not create an inference that the opportunity should have been first presented to the corporation or alter the burden of proof otherwise applicable to establish that the director breached a duty to the corporation in the circumstances.

2008 Acts, ch 1015, §3; 2013 Acts, ch 31, §44, 82
Referred to in §490.143, 490.831
2013 amendment to subsection 1, paragraphs a and b, takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsection 1, paragraphs a and b amended

DIVISION IX

SPECIAL CLASSES

**490.901 Foreign-trade zone corporation.**

A corporation may be organized under the laws of this state for the purpose of establishing, operating, and maintaining a foreign-trade zone as defined in 19 U.S.C. § 81(a). A corporation organized for the purposes set forth in this section has all powers necessary or convenient for applying for a grant of authority to establish, operate, and maintain a foreign-trade zone under 19 U.S.C. § 81(a) et seq., and regulations promulgated under that law, and for establishing, operating, and maintaining a foreign-trade zone pursuant to that grant of authority.

89 Acts, ch 288, §107

**490.902 Foreign insurance companies becoming domestic.**

The secretary of state, upon a corporation complying with this section and upon the filing of articles of incorporation and upon receipt of the fees as provided in this chapter, shall issue an acknowledgment of receipt of document as of the date of the filing of the articles of incorporation with the secretary of state. The acknowledgment of receipt of document shall state on its face that it is issued in accordance with this section. The secretary of state shall then notify the appropriate officer of the state or country of the corporation's last domicile that the corporation is now a domestic corporation domiciled in this state. This section applies to life insurance companies, and to insurance companies doing business under chapter 515.

89 Acts, ch 288, §108; 96 Acts, ch 1170, §8

Referred to in §508.12, 515.78, 515E.3A

## DIVISION X

## AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS

### PART A

**490.1001 Amendment of articles of incorporation — authority to amend.**

1. A corporation may amend its articles of incorporation at any time to add or change a provision that is required or permitted in the articles of incorporation as of the effective date of the amendment or to delete a provision that is not required to be contained in the articles of incorporation.

2. A shareholder of the corporation does not have a vested property right resulting from any provision in the articles of incorporation, including provisions relating to management, control, capital structure, dividend entitlement, or purpose or duration of the corporation.

89 Acts, ch 288, §109; 2002 Acts, ch 1154, §54, 125

**490.1002 Amendment before issuance of shares.**

If a corporation has not yet issued shares, its board of directors, or its incorporators if it has no board of directors, may adopt one or more amendments to the corporation's articles of incorporation.

89 Acts, ch 288, §110; 2002 Acts, ch 1154, §55, 125

**490.1003 Amendment by board of directors and shareholders.**

If a corporation has issued shares, an amendment to the articles of incorporation shall be adopted in the following manner:

1. The proposed amendment must be adopted by the board of directors.

2. *a.* Except as provided in sections 490.1005, 490.1007, and 490.1008, after adopting the proposed amendment, the board of directors must submit the amendment to the shareholders for their approval. The board of directors must also transmit to the shareholders a recommendation that the shareholders approve the amendment, unless any of the following apply:

(1) The board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make such a recommendation.

(2) Section 490.826 applies.

*b.* If paragraph *"a"*, subparagraph (1) or (2), applies, the board must transmit to the shareholders the basis for so proceeding.

3. The board of directors may condition its submission of the amendment to the shareholders on any basis.

4. If the amendment is required to be approved by the shareholders, and the approval is to be given at a meeting, the corporation must notify each shareholder, whether or not entitled to vote, of the meeting of shareholders at which the amendment is to be submitted for approval.

The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and must contain or be accompanied by a copy of the amendment.

5. Unless the articles of incorporation, bylaws, or the board of directors acting pursuant to subsection 3 requires a greater vote or greater number of shares to be present, approval of the amendment requires the approval of the shareholders at a meeting at which a quorum consisting of at least a majority of the votes entitled to be cast on the amendment exists, and, if any class or series of shares is entitled to vote as a separate group on the amendment, except as provided in section 490.1004, subsection 3, the approval of each such separate voting group at a meeting at which a quorum of the voting group consisting of at least a majority of the votes entitled to be cast on the amendment by that voting group exists.

89 Acts, ch 288, §111; 2002 Acts, ch 1154, §56, 125; 2002 Acts, ch 1175, §90; 2013 Acts, ch 31, §45, 82

Referred to in §490.1007

2013 amendment to subsection 2 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 2 amended

**490.1004 Voting on amendments by voting groups.**

1. If a corporation has more than one class of shares outstanding, the holders of the outstanding shares of a class are entitled to vote as a separate voting group, if shareholder voting is otherwise required by this chapter, on a proposed amendment to the articles of incorporation if the amendment would do any of the following:

*a.* Effect an exchange or reclassification of all or part of the shares of the class into shares of another class.

*b.* Effect an exchange or reclassification, or create the right of exchange, of all or part of the shares of another class into shares of the class.

*c.* Change the rights, preferences, or limitations of all or part of the shares of the class.

*d.* Change the shares of all or part of the class into a different number of shares of the same class.

*e.* Create a new class of shares having rights or preferences with respect to distributions or to dissolution that are prior or superior to the shares of the class.

*f.* Increase the rights, preferences, or number of authorized shares of any class that, after giving effect to the amendment, have rights or preferences with respect to distributions or to dissolution that are prior or superior to the shares of the class.

*g.* Limit or deny an existing preemptive right of all or part of the shares of the class.

*h.* Cancel or otherwise affect rights to distributions that have accumulated but not yet been authorized on all or part of the shares of the class.

2. If a proposed amendment would affect a series of a class of shares in one or more of the ways described in subsection 1, the holders of shares of that series are entitled to vote as a separate voting group on the proposed amendment.

3. If a proposed amendment that entitles the holders of two or more classes or series of shares to vote as separate voting groups under this section would affect those two or more classes or series in the same or a substantially similar way, the holders of shares of all the classes or series so affected must vote together as a single voting group on the proposed amendment, unless otherwise provided in the articles of incorporation or required by the board of directors.

4. A class or series of shares is entitled to the voting rights granted by this section although the articles of incorporation provide that the shares are nonvoting shares.

89 Acts, ch 288, §112; 2002 Acts, ch 1154, §57, 125

Referred to in §490.1003, 490.1104

**490.1005 Amendment by board of directors.**

Unless the articles of incorporation provide otherwise, a corporation's board of directors may adopt amendments to the corporation's articles of incorporation without shareholder approval for any of the following purposes:

1. To extend the duration of the corporation if it was incorporated at a time when limited duration was required by law.

2. To delete the names and addresses of the initial directors.

3. To delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the secretary of state.

4. If the corporation has only one class of shares outstanding:

*a.* To change each issued and unissued authorized share of the class into a greater number of whole shares of that class.

*b.* To increase the number of authorized shares of the class to the extent necessary to permit the issuance of shares as a share dividend.

5. To change the corporate name by substituting the word "corporation", "incorporated", "company", "limited", or the abbreviation "corp.", "inc.", "co.", or "ltd.", for a similar word or abbreviation in the name, or by adding, deleting, or changing a geographical attribution for the name.

6. To reflect a reduction in authorized shares, as a result of the operation of section 490.631, subsection 2, when the corporation has acquired its own shares and the articles of incorporation prohibit the reissue of the acquired shares.

7. To delete a class of shares from the articles of incorporation, as a result of the operation of section 490.631, subsection 2, when there are no remaining shares of the class because the corporation has acquired all shares of the class and the articles of incorporation prohibit the reissue of the acquired shares.

8. To make any change expressly permitted by section 490.602, subsection 1 or 2, to be made without shareholder approval.

89 Acts, ch 288, §113; 2002 Acts, ch 1154, §58, 125; 2007 Acts, ch 140, §7
Referred to in §490.1003, 490.1102, 490.1104

**490.1005A Public corporation — amendment by board of directors.**

1. The board of directors of a public corporation subject to section 490.806A, subsection 1, shall adopt an amendment to its articles of incorporation which includes all of the following:

*a.* A statement that the public corporation is subject to section 490.806A, subsection 1.

*b.* Any necessary changes to the articles of incorporation required to implement the requirements of section 490.806A, subsection 1, including by staggering the terms of the board of directors as described in that subsection.

2. Any amendment to the articles of incorporation as provided in subsection 1 of this section shall be made without shareholder approval.

2011 Acts, ch 2, §8, 10
Future repeal of section by 2011 Acts, ch 2, §9 stricken by 2013 Acts, ch 14, §1
Section not amended; footnote revised

**490.1006 Articles of amendment.**

After an amendment to the articles of incorporation has been adopted and approved in the manner required by this chapter and by the articles of incorporation, the corporation shall deliver to the secretary of state, for filing, articles of amendment, which shall set forth all of the following:

1. The name of the corporation.

2. The text of each amendment adopted, or the information required by section 490.120, subsection 12, paragraph "*e*".

3. If an amendment provides for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment, if not contained in the amendment itself, which may be made dependent upon facts objectively ascertainable outside the articles of amendment in accordance with section 490.120, subsection 12.

4. If an amendment:

*a.* Required approval by the shareholders, a statement that the amendment was duly approved by the shareholders in the manner required by this chapter and by the articles of incorporation.

*b.* Is being filed pursuant to section 490.120, subsection 12, a statement to that effect.

89 Acts, ch 288, §114; 2002 Acts, ch 1154, §59, 125; 2007 Acts, ch 140, §8
Referred to in §490.1007

**490.1007 Restated articles of incorporation.**

1. A corporation's board of directors may restate its articles of incorporation at any time with or without shareholder approval, to consolidate all amendments into a single document.

2. If the restated articles include one or more new amendments that require shareholder approval, the amendments must be adopted and approved as provided in section 490.1003.

3. A corporation that restates its articles of incorporation shall deliver to the secretary of state for filing articles of restatement setting forth the name of the corporation and the text of the restated articles of incorporation together with a certificate that states that the restated articles consolidate all amendments into a single document and, if a new amendment is included in the restated articles, that also include the statements required under section 490.1006.

4. Duly adopted restated articles of incorporation supersede the original articles of incorporation and all amendments to the original articles of incorporation.

5. The secretary of state may certify restated articles of incorporation as the articles of incorporation currently in effect, without including the certificate information required by subsection 3.

89 Acts, ch 288, §115; 2002 Acts, ch 1154, §60, 125
Referred to in §490.1003

**490.1008 Amendment pursuant to reorganization.**

1. A corporation's articles of incorporation may be amended without action by the board of directors or shareholders to carry out a plan of reorganization ordered or decreed by a court of competent jurisdiction under the authority of law of the United States.

2. The individual or individuals designated by the court shall deliver to the secretary of state for filing articles of amendment setting forth all of the following:

*a.* The name of the corporation.

*b.* The text of each amendment approved by the court.

*c.* The date of the court's order or decree approving the articles of amendment.

*d.* The title of the reorganization proceeding in which the order or decree was entered.

*e.* A statement that the court had jurisdiction of the proceeding under federal statute.

3. This section does not apply after entry of a final decree in the reorganization proceeding even though the court retains jurisdiction of the proceeding for limited purposes unrelated to consummation of the reorganization plan.

89 Acts, ch 288, §116; 2002 Acts, ch 1154, §61, 125
Referred to in §490.1003

**490.1009 Effect of amendment.**

An amendment to the articles of incorporation does not affect a cause of action existing against or in favor of the corporation, a proceeding to which the corporation is a party, or the existing rights of persons other than shareholders of the corporation. An amendment changing a corporation's name does not abate a proceeding brought by or against the corporation in its former name.

89 Acts, ch 288, §117; 2002 Acts, ch 1154, §62, 125

**490.1010 through 490.1019** Reserved.

PART B

**490.1020 Amendment of bylaws by board of directors or shareholders.**

1. A corporation's shareholders may amend or repeal the corporation's bylaws.

2. A corporation's board of directors may amend or repeal the corporation's bylaws unless either of the following apply:

*a.* The articles of incorporation or section 490.1021 reserve that power exclusively to the shareholders in whole or in part.

*b.* The shareholders in amending, repealing, or adopting a bylaw expressly provide that the board of directors shall not amend, repeal, or reinstate that bylaw.

89 Acts, ch 288, §118; 2002 Acts, ch 1154, §63, 125

**490.1021 Bylaw increasing quorum or voting requirement for directors.**

1. A bylaw that increases a quorum or voting requirement for the board of directors may be amended or repealed as follows:

*a.* If adopted by the shareholders, only by the shareholders, unless the bylaws otherwise provide.

*b.* If adopted by the board of directors, either by the shareholders or by the board of directors.

2. A bylaw adopted or amended by the shareholders that increases a quorum or voting requirement for the board of directors may provide that it can be amended or repealed only by a specified vote of either the shareholders or the board of directors.

3. Action by the board of directors under subsection 1 to amend or repeal a bylaw that changes the quorum or voting requirement for the board of directors must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater.

89 Acts, ch 288, §119; 2002 Acts, ch 1154, §64, 125

Referred to in §490.1020

**490.1022** Repealed by 2002 Acts, ch 1154, § 123, 125.

## DIVISION XI

## MERGER, SHARE EXCHANGE, AND CONVERSION

Referred to in §15E.208

**490.1101 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Converted entity"* means a corporation or other entity into which a converting entity converts pursuant to sections 490.1111 through 490.1114.

2. *"Converting entity"* means a corporation or other entity that converts into an other entity or corporation pursuant to section 490.1111.

3. *"Governing statute"* of a corporation or other entity means the statute that governs the corporation or other entity's internal affairs.

4. *"Interests"* means the proprietary interests in an other entity.

5. *"Merger"* means a business combination pursuant to section 490.1102.

6. *"Organizational documents"* means the basic document or documents that create, or determine the internal governance of, an other entity.

7. *"Other entity"* means any association or legal entity, other than a domestic or foreign corporation, organized to conduct business, including, without limitation, limited partnerships, general partnerships, limited liability partnerships, limited liability companies, joint ventures, joint stock companies, and business trusts.

8. *"Party to a merger"* or *"party to a share exchange"* means any domestic or foreign corporation or other entity that will accomplish one of the following during a merger:

*a.* Merge under a plan of merger.

*b.* Acquire shares or interests of another corporation or an other entity in a share exchange.

*c.* Have all of its shares or interests or all of one or more classes or series of its shares or interests acquired in a share exchange.

9. *"Share exchange"* means a business combination pursuant to section 490.1103.

10. *"Survivor"* in a merger means the corporation or other entity into which one or more

other corporations or other entities are merged. A survivor of a merger may preexist the merger or be created by the merger.

89 Acts, ch 288, §121; 97 Acts, ch 117, §3; 97 Acts, ch 171, §12; 2002 Acts, ch 1154, §65, 125; 2008 Acts, ch 1162, §117, 155

**490.1102 Merger.**

1. One or more domestic corporations may merge with a domestic or foreign corporation or other entity pursuant to a plan of merger.

2. A foreign corporation, or domestic or foreign other entity, may be a party to the merger, or may be created by the terms of the plan of merger, only if both of the following are satisfied:

*a.* The merger is permitted by the laws under which the corporation or other entity is organized or by which it is governed.

*b.* In effecting the merger, the corporation or other entity complies with such laws and with its articles of incorporation or organizational documents.

3. The plan of merger must include all of the following:

*a.* The name of each corporation or other entity that will merge and the name of the corporation or other entity that will be the survivor of the merger.

*b.* The terms and conditions of the merger.

*c.* The manner and basis of converting the shares of each merging corporation and interests of each merging other entity into shares, or other securities, interests, obligations, rights to acquire shares or other securities, cash, other property, or any combination of the foregoing.

*d.* The articles of incorporation of any corporation, or the organizational documents of any other entity, to be created by the merger, or if a new corporation or other entity is not to be created by the merger, any amendments to the survivor's articles of incorporation or organizational documents.

*e.* Any other provisions required by the laws under which any party to the merger is organized or by which it is governed, or by the articles of incorporation or organizational documents of any such party.

4. The terms of a plan of merger may be made dependent on facts objectively ascertainable outside the plan in accordance with section 490.120, subsection 12.

5. The plan of merger may also include a provision that the plan may be amended prior to filing the articles of merger with the secretary of state, provided that if the shareholders of a domestic corporation that is a party to the merger are required or permitted to vote on the plan, the plan must provide that subsequent to approval of the plan by such shareholders the plan shall not be amended to change any of the following:

*a.* Change the amount or kind of shares or other securities, interests, obligations, rights to acquire shares or other securities, cash, or other property to be received by the shareholders of or owners of interests in any party to the merger upon conversion of their shares or interests under the plan.

*b.* Change the articles of incorporation of any corporation, or the organizational documents of any other entity, that will survive or be created as a result of the merger, except for changes permitted by section 490.1005 or by comparable provisions of the laws under which the foreign corporation or other entity is organized or governed.

*c.* Change any of the other terms or conditions of the plan if the change would adversely affect such shareholders in any material respect.

89 Acts, ch 288, §122; 97 Acts, ch 117, §4; 2002 Acts, ch 1154, §66, 125; 2007 Acts, ch 140, §9

Referred to in §490.1101, 499.69A, 508B.2, 515G.2

**490.1103 Share exchange.**

1. Either of the following may occur through a share exchange:

*a.* A domestic corporation may acquire all of the shares of one or more classes or series of shares of another domestic or foreign corporation, or all of the interests of one or more classes or series of interests of a domestic or foreign other entity, in exchange for shares or

other securities, interests, obligations, rights to acquire shares or other securities, cash, other property, or any combination of the foregoing, pursuant to a plan of share exchange.

*b.* All of the shares of one or more classes or series of shares of a domestic corporation may be acquired by another domestic or foreign corporation or other entity, in exchange for shares or other securities, interests, obligations, rights to acquire shares or other securities, cash, other property, or any combination of the foregoing, pursuant to a plan of share exchange.

2. A foreign corporation, or a domestic or foreign other entity, may be a party to the share exchange only if both of the following conditions are met:

*a.* The share exchange is permitted by the laws under which the corporation or other entity is organized or by which it is governed.

*b.* In effecting the share exchange, the corporation or other entity complies with such laws and with its articles of incorporation or organizational documents.

3. The plan of share exchange must include all of the following:

*a.* The name of each corporation or other entity whose shares or interests will be acquired and the name of the corporation or other entity that will acquire those shares or interests.

*b.* The terms and conditions of the share exchange.

*c.* The manner and basis of exchanging shares of a corporation or interests in an other entity whose shares or interests will be acquired under the share exchange into shares or other securities, interests, obligations, rights to acquire shares or other securities, cash, other property, or any combination of the foregoing.

*d.* Any other provisions required by the laws under which any party to the share exchange is organized or by the articles of incorporation or organizational documents of any such party.

4. The terms of a share exchange may be made dependent on facts objectively ascertainable outside the plan in accordance with section 490.120, subsection 12.

5. The plan of share exchange may also include a provision that the plan may be amended prior to filing of the articles of share exchange with the secretary of state, provided that if the shareholders of a domestic corporation that is a party to the share exchange are required or permitted to vote on the plan, the plan must provide that subsequent to approval of the plan by such shareholders the plan shall not be amended to change either of the following:

*a.* The amount or kind of shares or other securities, interests, obligations, rights to acquire shares or other securities, cash, or other property to be issued by the corporation or to be received by the shareholders of or owners of interests in any party to the share exchange in exchange for their shares or interests under the plan.

*b.* Any of the terms or conditions of the plan if the change would adversely affect such shareholders in any material respect.

6. This section does not limit the power of a domestic corporation to acquire shares of another corporation or interests in an other entity in a transaction other than a share exchange.

89 Acts, ch 288, §123; 2002 Acts, ch 1154, §67, 125; 2007 Acts, ch 140, §10
Referred to in §490.1101

**490.1104 Action on a plan of merger or share exchange.**

In the case of a domestic corporation that is a party to a merger or share exchange:

1. The plan of merger or share exchange must be adopted by the board of directors.

2. *a.* Except as provided in subsection 7 and in section 490.1105, after adopting the plan of merger or share exchange the board of directors must submit the plan to the shareholders for their approval. The board of directors must also transmit to the shareholders a recommendation that the shareholders approve the plan, unless any of the following apply:

(1) The board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make such a recommendation.

(2) Section 490.826 applies.

*b.* If paragraph "*a*", subparagraph (1) or (2), applies, the board must transmit to the shareholders the basis for so proceeding.

3. The board of directors may condition its submission of the plan of merger or share exchange to the shareholders on any basis.

4. If the plan of merger or share exchange is required to be approved by the shareholders,

and if the approval is to be given at a meeting, the corporation must notify each shareholder, whether or not entitled to vote, of the meeting of shareholders at which the plan is to be submitted for approval. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the plan and must contain or be accompanied by a copy or summary of the plan. If the corporation is to be merged into an existing corporation or other entity, the notice shall also include or be accompanied by a copy or summary of the articles of incorporation or organizational documents of that corporation or other entity. If the corporation is to be merged into a corporation or other entity that is to be created pursuant to the merger, the notice shall include or be accompanied by a copy or summary of the articles of incorporation or organizational documents of the new corporation or other entity.

5. Unless the articles of incorporation, bylaws, or the board of directors require a greater vote or a greater number of votes to be present, the approval of the plan of merger or share exchange shall require the approval of the shareholders at a meeting at which a quorum consisting of at least a majority of the votes entitled to be cast on the plan exists, and, if any class or series of shares is entitled to vote as a separate group on the plan of merger or share exchange, the approval of each such separate voting group at a meeting at which a quorum of the voting group consisting of at least a majority of the votes entitled to be cast on the merger or share exchange by that voting group is present.

6. Separate voting by voting groups is required for each of the following:

*a.* On a plan of merger, by each class or series of shares that are to be converted, pursuant to the provisions of the plan of merger, into shares or other securities, interests, obligations, rights to acquire shares or other securities, cash, other property, or any combination of the foregoing, or would have a right to vote as a separate group on a provision in the plan that, if contained in a proposed amendment to articles of incorporation, would require action by separate voting groups under section 490.1004.

*b.* On a plan of share exchange, by each class or series of shares included in the exchange, with each class or series constituting a separate voting group.

*c.* On a plan of merger or share exchange, if the voting group is entitled under the articles of incorporation to vote as a voting group to approve a plan of merger or share exchange.

7. Unless the articles of incorporation otherwise provide, approval by the corporation's shareholders of a plan of merger or share exchange is not required if all of the following conditions are satisfied:

*a.* The corporation will survive the merger or is the acquiring corporation in a share exchange.

*b.* Except for amendments permitted by section 490.1005, its articles of incorporation will not be changed.

*c.* Each shareholder of the corporation whose shares were outstanding immediately before the effective date of the merger or share exchange will hold the same number of shares, with identical preferences, limitations, and relative rights, immediately after the effective date of change.

*d.* The issuance in the merger or share exchange of shares or other securities convertible into or rights exercisable for shares does not require a vote under section 490.621, subsection 6.

8. If, as a result of a merger or share exchange, one or more shareholders of a domestic corporation would become subject to personal liability for the obligations or liabilities of any other person or other entity, approval of the plan of merger shall require the execution, by each such shareholder, of a separate written consent to become subject to such personal liability.

89 Acts, ch 288, §124; 2002 Acts, ch 1154, §68, 125; 2013 Acts, ch 31, §46, 82
Referred to in §490.1302, 508B.2, 515G.2, 524.1402
2013 amendment to subsection 2 takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsection 2 amended

**490.1105 Merger between parent and subsidiary or between subsidiaries.**

1. A domestic parent corporation that owns shares of a domestic or foreign subsidiary corporation that carry at least ninety percent of the voting power of each class and series of the outstanding shares of the subsidiary that have voting power may merge the subsidiary into

itself or into another such subsidiary, or merge itself into the subsidiary, without the approval of the board of directors or shareholders of the subsidiary unless the articles of incorporation of any of the corporations otherwise provide, and unless, in the case of a foreign subsidiary, approval by the subsidiary's board of directors or shareholders is required by the laws under which the subsidiary is organized.

2. If under subsection 1 approval of a merger by the subsidiary's shareholders is not required, the parent corporation shall, within ten days after the effective date of the merger, notify each of the subsidiary's shareholders that the merger has become effective.

3. Except as provided in subsections 1 and 2, a merger between a parent and subsidiary shall be governed by the provisions of this division, applicable to mergers generally.

89 Acts, ch 288, §125; 2002 Acts, ch 1154, §69, 125

Referred to in §490.1104, 490.1110, 490.1301, 490.1302, 490.1320, 490.1322, 524.1408

**490.1106 Articles of merger or share exchange.**

1. After a plan of merger or share exchange has been adopted and approved as required by this chapter, articles of merger or share exchange shall be signed on behalf of each party to the merger or share exchange by any officer or other duly authorized representative. The articles shall set forth the following:

*a.* The names of the parties to the merger or share exchange and the date on which the merger or share exchange occurred or is to be effective.

*b.* If the articles of incorporation of the survivor of a merger are amended, or if a new corporation is created as a result of a merger, the amendments to the survivor's articles of incorporation or the articles of incorporation of the new corporation.

*c.* If the plan of merger or share exchange required approval by the shareholders of a domestic corporation that was a party to the merger or share exchange, a statement that the plan was duly approved by the shareholders and, if voting by any separate voting group was required, by each such separate voting group, in the manner required by this chapter and the articles of incorporation.

*d.* If the plan of merger or share exchange did not require approval by the shareholders of a domestic corporation that was a party to the merger or share exchange, a statement to that effect.

*e.* As to each foreign corporation and each other entity that was a party to the merger or share exchange, a statement that the plan and the performance of its terms were duly authorized by all action required by the laws under which the corporation or other entity is organized or by which it is governed, and by its articles of incorporation or organizational documents.

2. Articles of merger or share exchange shall be delivered to the secretary of state for filing by the survivor of the merger or the acquiring corporation in a share exchange and shall take effect on the effective date of the merger or share exchange.

89 Acts, ch 288, §126; 2002 Acts, ch 1154, §70, 125; 2013 Acts, ch 31, §47, 82

Referred to in §490.858, 499.69A

2013 amendment to subsection 1, unnumbered paragraph 1, takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 1, unnumbered paragraph 1 amended

**490.1107 Effect of merger or share exchange.**

1. When a merger becomes effective, certain acts shall occur as follows:

*a.* The corporation or other entity that is designated in the plan of merger as the survivor continues or comes into existence, as the case may be.

*b.* The separate existence of every corporation or other entity that is merged into the survivor ceases.

*c.* All property owned by, and every contract right possessed by, each corporation or other entity that merges into the survivor is vested in the survivor without reversion or impairment.

*d.* All liabilities of each corporation or other entity that is merged into the survivor are vested in the survivor.

*e.* The name of the survivor may, but need not be, substituted in any pending proceeding for the name of any party to the merger whose separate existence ceased in the merger.

*f.* The articles of incorporation or organizational documents of the survivor are amended to the extent provided in the plan of merger.

*g.* The articles of incorporation or organizational documents of a survivor that is created by the merger become effective.

*h.* The shares of each corporation that is a party to the merger, and the interests in another entity that is a party to a merger, that are to be converted under the plan of merger into shares, interests, obligations, rights to acquire securities, other securities, cash, other property, or any combination of the foregoing, are converted, and the former holders of such shares or interests are entitled only to the rights provided to them in the plan of merger or to any rights they may have under division XIII.

2. When a share exchange becomes effective, the shares of each domestic corporation that are to be exchanged for shares or other securities, interests, obligations, rights to acquire shares or securities, other securities, cash, other property, or any combination of the foregoing, are entitled only to the rights provided to them in the plan of share exchange or to any rights they may have under division XIII.

3. Any shareholder of a domestic corporation that is a party to a merger or share exchange who, prior to the merger or share exchange, was liable for the liabilities or obligations of such corporation, shall not be released from such liabilities or obligations by reason of the merger or share exchange.

4. Upon a merger becoming effective, a foreign corporation, or a foreign other entity, that is the survivor of the mergers, is deemed to do both of the following:

*a.* Appoint the secretary of state as its agent for service of process in a proceeding to enforce the rights of shareholders of each domestic corporation that is a party to the merger who exercise appraisal rights.

*b.* Agree that it will promptly pay the amount, if any, to which such shareholders are entitled under division XIII.

89 Acts, ch 288, §127; 2002 Acts, ch 1154, §71, 125

**490.1108 Abandonment of a merger or share exchange.**

1. Unless otherwise provided in a plan of merger or share exchange or in the laws under which a foreign corporation or a domestic or foreign other entity that is a party to a merger or a share exchange is organized or by which it is governed, after the plan has been adopted and approved as required by this division, and at any time before the merger or share exchange has become effective, it may be abandoned by any party to the merger or share exchange without action by the party's shareholders or owners of interests, in accordance with any procedures set forth in the plan of merger or share exchange or, if no such procedures are set forth in the plan, in the manner determined by the board of directors of a corporation, or the managers of any other entity, subject to any contractual rights of other parties to the merger or share exchange.

2. If a merger or share exchange is abandoned under subsection 1 after articles of merger or share exchange have been filed with the secretary of state but before the merger or share exchange has become effective, a statement that the merger or share exchange has been abandoned in accordance with this section, signed on behalf of a party to the merger or share exchange by an officer or other duly authorized representative, shall be delivered to the secretary of state for filing prior to the effective date of the merger or share exchange. Upon filing, the statement shall take effect and the merger or share exchange shall be deemed abandoned and shall not become effective.

89 Acts, ch 288, §128; 2002 Acts, ch 1154, §72, 125; 2013 Acts, ch 31, §48, 82

2013 amendment to subsection 2 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 2 amended

**490.1108A Consideration of acquisition proposals — community interests.**

1. A director, in determining what is in the best interest of the corporation when considering a tender offer or proposal of acquisition, merger, consolidation, or similar proposal, may consider any or all of the following community interest factors, in addition to consideration of the effects of any action on shareholders:

*a.* The effects of the action on the corporation's employees, suppliers, creditors, and customers.

*b.* The effects of the action on the communities in which the corporation operates.

*c.* The long-term as well as short-term interests of the corporation and its shareholders, including the possibility that these interests may be best served by the continued independence of the corporation.

2. If on the basis of the community interest factors described in subsection 1, the board of directors determines that a proposal or offer to acquire or merge the corporation is not in the best interests of the corporation, it may reject the proposal or offer. If the board of directors determines to reject any such proposal or offer, the board of directors has no obligation to facilitate, to remove any barriers to, or to refrain from impeding, the proposal or offer. Consideration of any or all of the community interest factors is not a violation of the business judgment rule or of any duty of the director to the shareholders, or a group of shareholders, even if the director reasonably determines that a community interest factor or factors outweigh the financial or other benefits to the corporation or a shareholder or group of shareholders.

2002 Acts, ch 1154, §73, 125

Referred to in §508B.13

**490.1109 Qualified merger — corporation and cooperative association.**

A corporation and a cooperative association organized under chapter 499 may merge as provided in section 499.69A.

97 Acts, ch 17, §1

**490.1110 Business combinations with interested shareholders.**

1. Notwithstanding any other provision of this chapter, a corporation shall not engage in any business combination with an interested shareholder for a period of three years following the time that the shareholder became an interested shareholder, unless any of the following apply:

*a.* Prior to the time the shareholder became an interested shareholder, the board of directors of the corporation approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder.

*b.* Upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least eighty-five percent of the voting stock of the corporation outstanding at the time the transaction commenced, excluding, for purposes of determining the number of shares outstanding, those shares owned by persons who are directors and officers, and by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer.

*c.* At or subsequent to the time the shareholder became an interested shareholder, the business combination is approved by the board of directors and authorized at an annual or special meeting of shareholders by the affirmative vote of at least sixty-six and two-thirds percent of the outstanding voting stock which is not owned by the interested shareholder. Such approval shall not be by written consent.

2. *a.* This section does not apply in any of the following circumstances:

(1) The corporation does not have a class of voting stock that is listed on a national securities exchange, authorized for quotation on the national association of securities dealers automated quotations – national market system, or held of record by more than two thousand shareholders, unless any of the foregoing results from action taken, directly or indirectly, by an interested shareholder or from a transaction in which a person becomes an interested shareholder.

(2) The corporation's original articles of incorporation contain a provision expressly electing not to be governed by this section.

(3) The corporation, by action of its board of directors, adopts an amendment to its bylaws by no later than September 29, 1997, expressly electing not to be governed by this section, which amendment shall not be further amended by the board of directors.

(4) (a) The corporation, by action of its shareholders, adopts an amendment to its articles of incorporation or bylaws expressly electing not to be governed by this section, provided that, in addition to any other vote required by law, such amendment to the articles of incorporation or bylaws must be approved by the affirmative vote of a majority of the shares entitled to vote. An amendment adopted pursuant to this subparagraph is effective immediately in the case of a corporation that has never had a class of voting stock that falls within any of the three categories set out in subparagraph (1) and has not elected by a provision in its original articles of incorporation or any amendment to such articles to be governed by this section. In all other cases, an amendment adopted pursuant to this subparagraph is not effective until twelve months after the adoption of the amendment and does not apply to any business combination between the corporation and any person who became an interested shareholder of the corporation on or prior to such adoption.

(b) An amendment to the bylaws adopted pursuant to this subparagraph shall not be further amended by the board of directors.

(5) A shareholder becomes an interested shareholder inadvertently and both of the following apply:

(a) As soon as practicable the shareholder divests itself of ownership of sufficient shares so that the shareholder ceases to be an interested shareholder.

(b) The shareholder would not, at any time within the three-year period immediately prior to a business combination between the corporation and such shareholder, have been an interested shareholder but for the inadvertent acquisition of ownership.

(6) (a) The business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required in this subparagraph of a proposed transaction which satisfies all of the following:

(i) Constitutes a transaction described in subparagraph division (b).

(ii) Is with or by a person who either was not an interested shareholder during the previous three years or who became an interested shareholder with the approval of the corporation's board of directors or who became an interested shareholder during the time period described in subparagraph (7).

(iii) Is approved or not opposed by a majority of the members of the board of directors then in office who were directors prior to any person becoming an interested shareholder during the previous three years, or who were recommended for election or elected to succeed such directors by a majority of such directors.

(b) A proposed transaction under subparagraph division (a) is limited to the following:

(i) A merger of the corporation, other than a merger pursuant to section 490.1105.

(ii) A sale, lease, exchange, mortgage, pledge, transfer, or other disposition, in one or more transactions and whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation, other than to a direct or indirect wholly owned subsidiary of the corporation or to the corporation itself, which has an aggregate market value equal to fifty percent or more of either the aggregate market value of all of the assets of the corporation determined on a consolidated basis, or the aggregate market value of all the outstanding stock of the corporation.

(iii) A proposed tender or exchange offer for fifty percent or more of the outstanding voting stock of the corporation.

(c) The corporation shall give no less than twenty days' notice to all interested shareholders prior to the consummation of any of the transactions described in subparagraph division (b), subparagraph subdivision (i) or (ii).

(7) The business combination is with an interested shareholder who becomes an interested shareholder of the corporation at a time when the corporation is not subject to this section pursuant to subparagraph (1), (2), (3), or (4).

*b.* Notwithstanding paragraph "*a*", subparagraphs (1) through (4), a corporation may elect under its original articles of incorporation or any amendment to such articles to be subject to this section. However, such amendment shall not apply to restrict a business combination between the corporation and an interested shareholder of the corporation if the interested shareholder became such prior to the effective date of the amendment.

3. As used in this section, unless the context otherwise requires:

*a. "Affiliate"* means a person that directly, or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

*b. "Associate"*, when used to indicate a relationship with a person, means any of the following:

(1) A corporation, partnership, unincorporated association, or other entity of which the person is a director, officer, or partner or is, directly or indirectly, the owner of twenty percent or more of any class of voting stock.

(2) A trust or other estate in which the person has at least a twenty percent beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity.

(3) A relative or spouse of the person, or any relative of the spouse, who has the same residence as the person.

*c. "Business combination"*, with respect to a corporation and an interested shareholder of such corporation, means any of the following:

(1) A merger or consolidation of the corporation or any direct or indirect majority-owned subsidiary of the corporation with the interested shareholder, or with any other corporation, partnership, unincorporated association, or other entity if the merger or consolidation is caused by the interested shareholder and as a result of such merger the surviving entity is not subject to subsection 1.

(2) A sales, lease, exchange, mortgage, pledge, transfer, or other disposition, in one transaction or a series of transactions, except proportionately as a shareholder of such corporation, to or with the interested shareholder, whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation which assets have an aggregate market value equal to ten percent or more of either the aggregate market value of all the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation.

(3) A transaction which results in the issuance or transfer by the corporation or by any direct or indirect majority-owned subsidiary of the corporation of any stock of the corporation or of such subsidiary to the interested shareholder, except for the following:

(a) Pursuant to the exercise, exchange, or conversion of securities exercisable for, exchangeable for, or convertible into stock of the corporation or such subsidiary which securities were outstanding prior to the time that the interested shareholder became an interested shareholder.

(b) Pursuant to a merger under section 490.1105.

(c) Pursuant to a distribution paid or made, or the exercise, exchange, or conversion of securities exercisable for, exchangeable for, or convertible into stock of such corporation or any such subsidiary, which stock is distributed pro rata to all holders of a class or series of stock of the corporation subsequent to the time the interested shareholder became an interested shareholder.

(d) Pursuant to an exchange offer by the corporation to purchase stock made on the same terms to all holders of the stock.

(e) Any issuance or transfer of stock by the corporation, provided, however, that in no case under subparagraph divisions (c) and (d) and this subparagraph division shall there be an increase in the interested shareholder's proportionate share of the stock of any class or series of the corporation or of the voting stock of the corporation.

(4) A transaction involving the corporation or any direct or indirect majority-owned subsidiary of the corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the corporation or of any such subsidiary which is owned by the interested shareholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested shareholder.

(5) The receipt by the interested shareholder of the benefit, directly or indirectly, except proportionately as a shareholder of such corporation, of any loans, advances, guarantees, pledges, or other financial benefits, other than those expressly permitted in subparagraphs (1)

through (4), provided by or through the corporation or any direct or indirect majority-owned subsidiary.

*d.* *"Control"*, including the terms *"controlling"*, *"controlled by"*, and *"under common control with"*, means the ability, directly or indirectly, to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of twenty percent or more of the outstanding voting stock of any corporation, partnership, unincorporated association, or other entity is presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding this paragraph, a presumption of control shall not apply where a person holds voting stock, in good faith and not for the purpose of circumventing this section, as an agent, bank, broker, nominee, custodian, or trustee for one or more owners who do not individually or as a group have control of such entity.

*e.* *"Interested shareholder"* means any person, other than the corporation and any direct or indirect majority-owned subsidiary of the corporation, that is the owner of ten percent or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of ten percent or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an interested shareholder, and the affiliates and associates of such person. *"Interested shareholder"* does not include a person whose ownership of shares in excess of the ten percent limitation is the result of action taken solely by the corporation, provided that such person is an interested shareholder if, after such action by the corporation, the person acquires additional shares of voting stock of the corporation, other than as a result of further corporate action not caused, directly or indirectly, by such person. For purposes of determining whether a person is an interested shareholder, the outstanding voting stock of the corporation does not include any other unissued stock of the corporation which may be issuable pursuant to any agreement, arrangement, or understanding, or upon exercise of conversion rights, warrants, or options, or otherwise.

*f.* *"Owner"*, including the terms *"own"* and *"owned"* when used with respect to any stock, means a person that individually or with or through any of such person's affiliates or associates satisfies any of the following:

(1) Beneficially owns such stock, directly or indirectly.

(2) Has the right to do either of the following:

(a) Acquire such stock, whether such right is exercisable immediately or only after the passage of time, pursuant to any agreement, arrangement, or understanding, or upon the exercise of conversion rights, exchange rights, warrants, or options, or otherwise. However, a person is not deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered stock is accepted for purchase or exchange.

(b) Vote such stock pursuant to any agreement, arrangement, or understanding. However, a person is not deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement, or understanding to vote such stock arises solely from the revocable proxy or consent given in response to a proxy or consent solicitation made to ten or more persons.

(3) Has any agreement, arrangement, or understanding for the purpose of acquiring, holding, voting, or disposing of such stock with any other person who beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock. However, an agreement, arrangement, or understanding for the purpose of voting such stock does not include voting pursuant to a revocable proxy or consent under subparagraph (2), subparagraph division (b).

*g.* *"Person"* means any individual, corporation, partnership, unincorporated association, or other entity.

*h.* *"Stock"* means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

*i.* *"Voting stock"* means, with respect to any corporation, stock of any class or series

entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity.

4. The articles of incorporation or bylaws shall not require, for any vote of shareholders required by this section, a greater vote of shareholders than that specified in this section.

97 Acts, ch 117, §5; 97 Acts, ch 188, §52; 98 Acts, ch 1100, §66; 2002 Acts, ch 1154, §74, 75, 125; 2009 Acts, ch 41, §263; 2012 Acts, ch 1023, §88, 89

**490.1111 Conversion.**

1. An other entity may convert to a domestic corporation, and a domestic corporation may convert to an other entity pursuant to this section and sections 490.1112 through 490.1114 and a plan of conversion, if all of the following apply:

*a.* The other entity's governing statute authorizes the conversion.

*b.* The conversion is not prohibited by the law of the jurisdiction that enacted the governing statute.

*c.* The other entity complies with its governing statute in effecting the conversion.

2. A plan of conversion must be in a record and must include all of the following:

*a.* The name and form of the converting entity before conversion.

*b.* The name and form of the converted entity after conversion.

*c.* The terms and conditions of the conversion, including the manner and basis for converting interests in the converting entity into any combination of money, interests in the converted entity, and other consideration.

*d.* The organizational documents or articles of incorporation and bylaws of the converted entity.

2008 Acts, ch 1162, §118, 155

Referred to in §490.1101, 490.1302

**490.1112 Action on plan of conversion by converting domestic corporation.**

1. In the case of a domestic corporation that is being converted into an other entity all of the following apply:

*a.* The plan of conversion must be adopted by the domestic corporation's board of directors.

*b.* After adopting the plan of conversion, the domestic corporation's board of directors must submit the plan to the domestic corporation's shareholders for their approval. The board of directors must also transmit to the shareholders a recommendation that the shareholders approve the plan, unless the board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make such a recommendation, in which case the board of directors must transmit to the shareholders the basis for that determination.

*c.* The domestic corporation must notify each shareholder of the domestic corporation, whether or not entitled to vote, of the meeting of shareholders at which the plan is to be submitted for approval. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the plan of conversion and must contain or be accompanied by a copy or summary of the plan of conversion. The notice shall include or be accompanied by a copy of the organizational documents as they will be in effect immediately after the conversion.

*d.* The domestic corporation's board of directors may condition its submission of the plan of conversion to the domestic corporation's shareholders on any basis.

*e.* Unless the articles of incorporation, bylaws, or the board of directors of the domestic corporation require a greater vote or a greater number of votes to be present, the approval of the plan of conversion shall require the approval of the domestic corporation's shareholders at a meeting at which a quorum consisting of at least a majority of the votes entitled to be cast on the plan exists, and, if any classes or series of shares is entitled to vote as a separate group on the plan of conversion, the approval of each such separate voting group at a meeting at which a quorum of the voting group consisting of at least a majority of the votes entitled to be cast on the conversion by that voting group is present.

*f.* If any provision of the articles of incorporation, bylaws, or an agreement of the domestic

corporation to which any of the directors or shareholders of the domestic corporation are parties, adopted or entered into before the effective date of this section, applies to a merger of the corporation and the document does not refer to a conversion of the corporation, the provision shall be deemed to apply to a conversion of the corporation until such provision is subsequently amended.

*g.* If as a result of the conversion as provided in this subsection, one or more shareholders of the domestic corporation would become subject to owner liability for the debts, obligations, or liabilities of any other person or entity, approval of the plan of conversion shall require the execution, by each such shareholder of the domestic corporation, of a separate written consent to become so subject to such owner liability.

2. After a conversion is approved as provided in subsection 1, and at any time before a filing is made under section 490.1113, a domestic corporation that is being converted may amend its plan of conversion or abandon the planned conversion as follows:

*a.* As provided in the plan of conversion.

*b.* Except as prohibited by the plan of conversion, by the same consent as was required to approve the plan of conversion.

2008 Acts, ch 1162, §119, 155; 2009 Acts, ch 41, §147
Referred to in §490.1101, 490.1111, 490.1302

**490.1113 Filings required for conversion — effective date.**

1. After a plan of conversion is approved, all of the following apply:

*a.* A domestic corporation that is being converted into an other entity shall deliver to the secretary of state for filing articles of conversion, which must include all of the following:

(1) A statement that the domestic corporation has been converted into an other entity.

(2) The name and form of the other entity and the jurisdiction of its governing statute.

(3) The date the conversion is effective under the governing statute of the converted entity.

(4) A statement that the conversion was approved as required by this chapter.

(5) A statement that the conversion was approved as required by the governing statute of the converted entity.

(6) If the converted entity is a foreign other entity not authorized to transact business in this state, the street and mailing address of an office which the secretary of state may use for the purposes of section 490.1114, subsection 3.

*b.* If the converting entity is not a converting domestic corporation, the converting entity shall deliver to the secretary of state for filing articles of incorporation, which must include, in addition to the information required by section 490.202, all of the following:

(1) A statement that the domestic corporation was converted from an other entity.

(2) The name and form of the other entity and the jurisdiction of its governing statute.

(3) A statement that the conversion was approved in a manner that complied with the other entity's governing statute.

2. A conversion becomes effective according to the following:

*a.* If the converted entity is a domestic corporation, when the articles of incorporation are filed.

*b.* If the converted entity is not a domestic corporation, as provided by the governing statute of the converted other entity.

2008 Acts, ch 1162, §120, 155
Referred to in §490.1101, 490.1111, 490.1112, 490.1302

**490.1114 Effect of conversion.**

1. A domestic corporation or other entity that has been converted pursuant to this division is for all purposes the same domestic corporation or other entity that existed before the conversion.

2. When a conversion takes effect, all of the following apply:

*a.* All property owned by the converting entity remains vested in the converted entity.

*b.* All debts, liabilities, and other obligations of the converting entity continue as obligations of the converted entity.

*c.* An action or proceeding pending by or against the converting entity may be continued as if the conversion had not occurred.

*d.* The shares or interests of the converting entity are reclassified into shares, interests, other securities, obligations, rights to acquire shares, interests or other securities, or into cash or other property in accordance with the plan of conversion; and the shareholders or interest holders of the converting entity are entitled only to the rights provided to them under the terms of the conversion and to any appraisal rights they may have under the organic law of the converting entity.

*e.* Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of the converting entity remain vested in the converted entity.

*f.* Except as otherwise provided in the plan of conversion, the terms and conditions of the plan of conversion take effect.

*g.* Except as otherwise agreed, the conversion does not dissolve a converting domestic corporation for the purposes of division XIV.

3. A converted entity that is a foreign other entity consents to the jurisdiction of the courts of this state to enforce any obligation owed by the converting corporation, if before the conversion the converting corporation was subject to suit in this state on the obligation. A converted other entity that is a foreign other entity and not authorized to transact business in this state appoints the secretary of state as its agent for service of process for purposes of enforcing an obligation under this subsection. Service on the secretary of state under this subsection is made in the same manner and with the same consequences as in section 490.504.

2008 Acts, ch 1162, §121, 155; 2013 Acts, ch 90, §146
Referred to in §490.1101, 490.1111, 490.1113, 490.1302
Subsection 1 amended

## DIVISION XII

## DISPOSITION OF ASSETS

**490.1201 Disposition of assets not requiring shareholder approval.**

Approval of the shareholders of a corporation is not required to do any of the following, unless the articles of incorporation otherwise provide:

1. To sell, lease, exchange, or otherwise dispose of any or all of the corporation's assets in the usual and regular course of business.

2. To mortgage, pledge, dedicate to the repayment of indebtedness, whether with or without recourse, or otherwise encumber any or all of the corporation's assets, whether or not in the usual and regular course of business.

3. To transfer any or all of the corporation's assets to one or more corporations or other entities, all of the shares or interests of which are owned by the transferring corporation.

4. To distribute assets pro rata to the holders of one or more classes or series of the corporation's shares.

89 Acts, ch 288, §129; 2002 Acts, ch 1154, §76, 125
Referred to in §490.1202

**490.1202 Shareholder approval of certain dispositions.**

1. A sale, lease, exchange, or other disposition of assets, other than a disposition described in section 490.1201, requires approval of the corporation's shareholders if the disposition would leave the corporation without a significant continuing business activity. If a corporation retains a business activity that represented at least twenty-five percent of total assets at the end of the most recently completed fiscal year, and twenty-five percent of either income from continuing operations before taxes or revenues from continuing operations for that fiscal year, in each case of the corporation and its subsidiaries on a consolidated basis, the corporation will conclusively be deemed to have retained a significant continuing business activity; but no presumption that the disposition will leave the corporation without a significant continuing

business activity shall arise from the fact that the corporation's continuing business activity does not equal or exceed any of these percentages.

2. *a.* A disposition that requires approval of the shareholders under subsection 1 shall be initiated by a resolution by the board of directors authorizing the disposition. After adoption of such a resolution, the board of directors shall submit the proposed disposition to the shareholders for their approval. The board of directors shall also transmit to the shareholders a recommendation that the shareholders approve the proposed disposition, unless any of the following apply:

(1) The board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make such a recommendation.

(2) Section 490.826 applies.

*b.* If paragraph *"a"*, subparagraph (1) or (2), applies, the board shall transmit to the shareholders the basis for so proceeding.

3. The board of directors may condition its submission of a disposition to the shareholders under subsection 2 on any basis.

4. If a disposition is required to be approved by the shareholders under subsection 1, and if the approval is to be given at a meeting, the corporation shall notify each shareholder, whether or not entitled to vote, of the meeting of shareholders at which the disposition is to be submitted for approval. The notice shall state that the purpose, or one of the purposes, of the meeting is to consider the disposition and shall contain a description of the disposition, including the terms and conditions of the disposition and the consideration to be received by the corporation.

5. Unless the articles of incorporation, bylaws, or the board of directors acting pursuant to subsection 3 require a greater vote or a greater number of votes to be present, the approval of a disposition by the shareholders shall require the approval of the shareholders at a meeting at which a quorum consisting of at least a majority of the votes entitled to be cast on the disposition exists.

6. After a disposition has been approved by the shareholders under subsection 2, and at any time before the disposition has been consummated, it may be abandoned by the corporation without action by the shareholders, subject to any contractual rights of other parties to the disposition.

7. A disposition of assets in the course of dissolution under division XIV is not governed by this section.

8. The assets of a direct or indirect consolidated subsidiary shall be deemed the assets of the parent corporation for the purposes of this section.

89 Acts, ch 288, §130; 2002 Acts, ch 1154, §77, 125; 2013 Acts, ch 31, §49, 82

Referred to in §490.1302

2013 amendment to subsection 2 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 2 amended

## DIVISION XIII

## APPRAISAL RIGHTS

Referred to in §490.1107, 499.69A, 524.1309, 524.1406, 524.1417

## PART A

## RIGHT TO APPRAISAL AND PAYMENT FOR SHARES

**490.1301 Definitions.**

In this division, unless the context otherwise requires:

1. *"Affiliate"* means a person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with another person or is a senior

executive thereof. For purposes of section 490.1302, subsection 2, paragraph *"d"*, a person is deemed to be an affiliate of its senior executives.

2. *"Beneficial shareholder"* means a person who is the beneficial owner of shares held in a voting trust or by a nominee on the beneficial owner's behalf.

3. *"Corporation"* means the issuer of the shares held by a shareholder demanding appraisal. In addition, for matters covered in sections 490.1322 through 490.1331, *"corporation"* includes the surviving entity in a merger.

4. *a. "Fair value"* means the value of the corporation's shares determined according to the following:

(1) Immediately before the effectuation of the corporate action to which the shareholder objects.

(2) Using customary and current valuation concepts and techniques generally employed for similar businesses in the context of the transaction requiring appraisal.

(3) Without discounting for lack of marketability or minority status except, if appropriate, for amendments to the articles pursuant to section 490.1302, subsection 1, paragraph *"e"*.

*b.* With respect to shares of a corporation that is a bank holding company as defined in section 524.1801, the factors identified in section 524.1406, subsection 3, paragraph *"a"*, shall also be considered in determining fair value.

5. *"Interest"* means interest from the effective date of the corporate action until the date of payment, at the rate of interest on judgments in this state on the effective date of the corporate action.

6. *"Interested transaction"* means a corporate action described in section 490.1302, subsection 1, other than a merger pursuant to section 490.1105, involving an interested person in which any of the shares or assets of the corporation are being acquired or converted. As used in this definition, all of the following apply:

*a. "Beneficial owner"* means any person who, directly or indirectly, through any contract, arrangement, or understanding, other than a revocable proxy, has or shares the power to vote, or to direct the voting of, shares; except that a member of a national securities exchange is not deemed to be a beneficial owner of securities held directly or indirectly by it on behalf of another person solely because the member is the record holder of the securities if the member is precluded by the rules of the exchange from voting without instruction on contested matters or matters that may affect substantially the rights or privileges of the holders of the securities to be voted. When two or more persons agree to act together for the purpose of voting their shares of the corporation, each member of the group formed thereby is deemed to have acquired beneficial ownership, as of the date of the agreement, of all voting shares of the corporation beneficially owned by any member of the group.

*b. "Excluded shares"* means shares acquired pursuant to an offer for all shares having voting power if the offer was made within one year prior to the corporate action for consideration of the same kind and of a value equal to or less than that paid in connection with the corporate action.

*c. "Interested person"* means a person, or an affiliate of a person, who at any time during the one-year period immediately preceding approval by the board of directors of the corporate action was or had any of the following:

(1) Was the beneficial owner of twenty percent or more of the voting power of the corporation, other than as owner of excluded shares.

(2) Had the power, contractually or otherwise, other than as owner of excluded shares, to cause the appointment or election of twenty-five percent or more of the directors to the board of directors of the corporation.

(3) Was a senior executive or director of the corporation or a senior executive of any affiliate thereof, and that senior executive or director will receive, as a result of the corporate action, a financial benefit not generally available to other shareholders as such, other than any of the following:

(a) Employment, consulting, retirement, or similar benefits established separately and not as part of or in contemplation of the corporate action.

(b) Employment, consulting, retirement, or similar benefits established in contemplation of, or as part of, the corporate action that are not more favorable than those existing before the

corporate action or, if more favorable, that have been approved on behalf of the corporation in the same manner as is provided in section 490.862.

(c) In the case of a director of the corporation who will, in the corporate action, become a director of the acquiring entity in the corporate action or one of its affiliates, rights and benefits as a director that are provided on the same basis as those afforded by the acquiring entity generally to other directors of such entity or such affiliate.

7. *"Preferred shares"* means a class or series of shares whose holders have preference over any other class or series with respect to distributions.

8. *"Record shareholder"* means the person in whose name shares are registered in the records of the corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with the corporation.

9. *"Senior executive"* means the chief executive officer, chief operating officer, chief financial officer, and anyone in charge of a principal business unit or function.

10. *"Shareholder"* means both a record shareholder and a beneficial shareholder.

89 Acts, ch 288, §131; 2000 Acts, ch 1211, §2; 2002 Acts, ch 1154, §78, 125; 2012 Acts, ch 1023, §157; 2013 Acts, ch 31, §50, 82

Referred to in §490.863, 490.1430, 524.1406

Subsection 6 takes effect January 1, 2014; 2013 Acts, ch 31, §82

NEW subsection 6 and former subsections 6 – 9 renumbered as 7 – 10

**490.1302 Shareholders' right to appraisal.**

1. A shareholder is entitled to appraisal rights, and to obtain payment of the fair value of the shareholder's shares, in the event of any of the following corporate actions:

*a.* Consummation of a merger to which the corporation is a party if either of the following apply:

(1) Shareholder approval is required for the merger by section 490.1104 and the shareholder is entitled to vote on the merger, except that appraisal rights shall not be available to any shareholder of the corporation with respect to shares of any class or series that remain outstanding after consummation of the merger.

(2) The corporation is a subsidiary and the merger is governed by section 490.1105.

*b.* Consummation of a share exchange to which the corporation is a party as the corporation whose shares will be acquired, if the shareholder is entitled to vote on the exchange, except that appraisal rights shall not be available to any shareholder of the corporation with respect to any class or series of shares of the corporation that is not exchanged.

*c.* Consummation of a disposition of assets pursuant to section 490.1202 if the shareholder is entitled to vote on the disposition.

*d.* An amendment of the articles of incorporation with respect to a class or series of shares that reduces the number of shares of a class or series owned by the shareholder to a fraction of a share if the corporation has the obligation or right to repurchase the fractional share so created.

*e.* Any other amendment to the articles of incorporation, merger, share exchange, or disposition of assets to the extent provided by the articles of incorporation, bylaws, or a resolution of the board of directors.

*f.* Consummation of a conversion of the corporation to an other entity pursuant to sections 490.1111 through 490.1114.

2. Notwithstanding subsection 1, the availability of the appraisal rights under subsection 1, paragraphs *"a"* through *"d"*, shall be limited in accordance with the following provisions:

*a.* Appraisal rights shall not be available for the holders of shares of any class or series of shares which is any of the following:

(1) A covered security under section 18(b)(1)(A) or (B) of the federal Securities Act of 1933, as amended.

(2) Traded in an organized market and has at least two thousand shareholders and a market value of at least twenty million dollars, exclusive of the value of such shares held by the corporation's subsidiaries, senior executives, directors, and beneficial shareholders owning more than ten percent of such shares.

(3) Issued by an open-end management investment company registered with the United

States securities and exchange commission under the federal Investment Company Act of 1940 and may be redeemed at the option of the holder at net asset value.

*b.* The applicability of paragraph "*a*" shall be determined according to the following:

(1) The record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders to act upon the corporate action requiring appraisal rights.

(2) The day before the effective date of such corporate action if there is no meeting of shareholders.

*c.* Paragraph "*a*" shall not be applicable and appraisal rights shall be available pursuant to subsection 1 for the holders of any class or series of shares who are required by the terms of the corporate action requiring appraisal rights to accept for such shares anything other than cash or shares of any class or any series of shares of any corporation, or any other proprietary interest of any other entity, that satisfies the standards set forth in paragraph "*a*", at the time the corporate action becomes effective.

*d.* Paragraph "*a*" shall not be applicable and appraisal rights shall be available pursuant to subsection 1 for the holders of any class or series of shares where the corporate action is an interested transaction.

3. Notwithstanding any other provision of this section, the articles of incorporation as originally filed or any amendment thereto may limit or eliminate appraisal rights for any class or series of preferred shares, but any such limitation or elimination contained in an amendment to the articles of incorporation that limits or eliminates appraisal rights for any of such shares that are outstanding immediately prior to the effective date of such amendment or that the corporation is or may be required to issue or sell thereafter pursuant to any conversion, exchange, or other right existing immediately before the effective date of such amendment, shall not apply to any corporate action that becomes effective within one year of that date if such action would otherwise afford appraisal rights.

89 Acts, ch 288, §132; 2002 Acts, ch 1154, §79, 125; 2008 Acts, ch 1162, §122, 155; 2013 Acts, ch 31, §51 – 55, 82; 2013 Acts, ch 140, §72

Referred to in §490.1301, 490.1320, 490.1321, 490.1322, 490.1340

2013 amendments to subsection 2 and strike of subsection 4 take effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 2, paragraph a stricken and rewritten

Subsection 2, paragraph b, subparagraph (1) amended

Subsection 2, paragraph d stricken and rewritten

Subsection 2, paragraph e stricken

Subsection 4 stricken

**490.1303 Assertion of rights by nominees and beneficial owners.**

1. A record shareholder may assert appraisal rights as to fewer than all the shares registered in the record shareholder's name but owned by a beneficial shareholder only if the record shareholder objects with respect to all shares of the class or series owned by the beneficial shareholder and notifies the corporation in writing of the name and address of each beneficial shareholder on whose behalf appraisal rights are being asserted. The rights of a record shareholder who asserts appraisal rights for only part of the shares held of record in the record shareholder's name under this subsection shall be determined as if the shares as to which the record shareholder objects and the record shareholder's other shares were registered in the names of different record shareholders.

2. A beneficial shareholder may assert appraisal rights as to shares of any class or series held on behalf of the shareholder only if the shareholder does both of the following:

*a.* Submits to the corporation the record shareholder's written consent to the assertion of such rights no later than the date referred to in section 490.1322, subsection 2, paragraph "*b*", subparagraph (2).

*b.* Does so with respect to all shares of the class or series that are beneficially owned by the beneficial shareholder.

89 Acts, ch 288, §133; 2002 Acts, ch 1154, §80, 125; 2002 Acts, ch 1175, §91

**490.1304 through 490.1319** Reserved.

## PART B

## PROCEDURE FOR EXERCISE OF APPRAISAL RIGHTS

**490.1320 Notice of appraisal rights.**

1. Where any proposed corporate action specified in section 490.1302, subsection 1, is to be submitted to a vote at a shareholders' meeting, the meeting notice must state that the corporation has concluded that the shareholders are, are not, or may be entitled to assert appraisal rights under this part. If the corporation concludes that appraisal rights are or may be available, a copy of this part must accompany the meeting notice sent to those record shareholders entitled to exercise appraisal rights.

2. In a merger pursuant to section 490.1105, the parent corporation must notify in writing all record shareholders of the subsidiary who are entitled to assert appraisal rights that the corporate action became effective. Such notice must be sent within ten days after the corporate action became effective and include the materials described in section 490.1322.

3. Where any corporate action specified in section 490.1302, subsection 1, is to be approved by written consent of the shareholders pursuant to section 490.704, all of the following apply:

*a.* Written notice that appraisal rights are, are not, or may be available must be sent to each record shareholder from whom a consent is solicited at the time consent of such shareholder is first solicited and, if the corporation has concluded that appraisal rights are or may be available, must be accompanied by a copy of this chapter.

*b.* Written notice that appraisal rights are, are not, or may be available must be delivered together with the notice to nonconsenting and nonvoting shareholders required by section 490.704, subsections 5 and 6, may include the materials described in section 490.1322 and, if the corporation has concluded that appraisal rights are or may be available, must be accompanied by a copy of this chapter.

4. Where corporate action described in section 490.1302, subsection 1, is proposed, or a merger pursuant to section 490.1105 is effected, the notice referred to in subsection 1 or 3, if the corporation concludes that appraisal rights are or may be available, and in subsection 2 shall be accompanied by all of the following:

*a.* The annual financial statements specified in section 490.1620, subsection 1, of the corporation that issued the shares that may be subject to appraisal, which shall be as of a date ending not more than sixteen months before the date of the notice and shall comply with section 490.1620, subsection 2; provided that, if such annual financial statements are not reasonably available, the corporation shall provide reasonably equivalent financial information.

*b.* The latest available quarterly financial statements of such corporation, if any.

5. The right to receive the information described in subsection 4 may be waived in writing by a shareholder before or after the corporate action.

89 Acts, ch 288, §134; 2002 Acts, ch 1154, §81, 125; 2013 Acts, ch 31, §56, 82

Referred to in §490.1330, 490.1331

2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82

Section amended

**490.1321 Notice of intent to demand payment.**

1. If a corporate action specified in section 490.1302, subsection 1, is submitted to a vote at a shareholders' meeting, a shareholder who wishes to assert appraisal rights with respect to any class or series of shares must do all of the following:

*a.* Deliver to the corporation before the vote is taken written notice of the shareholder's intent to demand payment if the proposed action is effectuated.

*b.* Not vote, or cause or permit to be voted, any shares of such class or series in favor of the proposed action.

2. If a corporate action specified in section 490.1302, subsection 1, is to be approved by less than unanimous written consent, a shareholder who wishes to assert appraisal rights

with respect to any class or series of shares must not sign a consent in favor of the proposed action with respect to that class or series of shares.

3. A shareholder who fails to satisfy the requirements of subsection 1 or 2, is not entitled to payment under this part.

89 Acts, ch 288, §135; 2002 Acts, ch 1154, §82, 125; 2013 Acts, ch 31, §57, 82
Referred to in §490.1322
2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82
Section amended

**490.1322 Appraisal notice and form.**

1. If proposed corporate action requiring appraisal rights under section 490.1302, subsection 1, becomes effective, the corporation must send a written appraisal notice and the form required by subsection 2, paragraph "*a*", to all shareholders who satisfied the requirements of section 490.1321, subsection 1, or section 490.1321, subsection 2. In the case of a merger under section 490.1105, the parent must deliver an appraisal notice and form to all record shareholders who may be entitled to assert appraisal rights.

2. The appraisal notice must be delivered no earlier than the date the corporate action specified in section 490.1302, subsection 1, became effective and no later than ten days after such date and must do all of the following:

*a.* Supply a form that does all of the following:

(1) Specifies the first date of any announcement to shareholders made prior to the date the corporate action became effective of the principal terms of the proposed corporate action, if any.

(2) If such announcement was made, requires the shareholder asserting appraisal rights to certify whether beneficial ownership of those shares for which appraisal rights are asserted was acquired before that date.

(3) Requires the shareholder asserting appraisal rights to certify that such shareholder did not vote for or consent to the transaction.

*b.* State all of the following:

(1) Where the form must be sent and where certificates for certificated shares must be deposited and the date by which those certificates must be deposited, which date shall not be earlier than the date for receiving the required form under subparagraph (2).

(2) A date by which the corporation must receive the form, which date shall not be fewer than forty nor more than sixty days after the date the appraisal notice is sent under subsection 1, and state that the shareholder shall have waived the right to demand appraisal with respect to the shares unless the form is received by the corporation by such specified date.

(3) The corporation's estimate of the fair value of the shares.

(4) That, if requested in writing, the corporation will provide, to the shareholder so requesting, within ten days after the date specified in subparagraph (2) the number of shareholders who return the forms by the specified date and the total number of shares owned by them.

(5) The date by which the notice to withdraw under section 490.1323 must be received, which date must be within twenty days after the date specified in subparagraph (2).

*c.* Be accompanied by a copy of this division.

89 Acts, ch 288, §136; 91 Acts, ch 211, §8; 2002 Acts, ch 1154, §83, 125; 2013 Acts, ch 31, §58 – 61, 82
Referred to in §490.1301, 490.1303, 490.1320, 490.1323, 490.1324, 490.1325, 490.1330, 490.1331
2013 amendments to this section take effect January 1, 2014; 2013 Acts, ch 31, §82
Subsection 1 amended
Subsection 2, unnumbered paragraph 1 amended
Subsection 2, paragraph a amended
Subsection 2, paragraph b, subparagraph (2) amended

**490.1323 Perfection of rights — right to withdraw.**

1. A shareholder who receives notice pursuant to section 490.1322 and who wishes to exercise appraisal rights must sign and return the form sent by the corporation and, in the case of certificated shares, deposit the shareholder's certificates in accordance with the terms of the notice by the date referred to in the notice pursuant to section 490.1322, subsection 2, paragraph "*b*", subparagraph (2). In addition, if applicable, the shareholder

must certify on the form whether the beneficial owner of such shares acquired beneficial ownership of the shares before the date required to be set forth in the notice pursuant to section 490.1322, subsection 2, paragraph *"a"*. If a shareholder fails to make this certification, the corporation may elect to treat the shareholder's shares as after-acquired shares under section 490.1325. In addition, a shareholder who wishes to exercise appraisal rights must execute and return the form and, in a case of certificated shares, deposit the shareholder's certificates in accordance with the terms of the notice by the date referred to in the notice pursuant to section 490.1322, subsection 2, paragraph *"b"*, subparagraph (2). Once a shareholder deposits that shareholder's certificates or, in the case of uncertificated shares, returns the signed forms, that shareholder loses all rights as a shareholder, unless the shareholder withdraws pursuant to subsection 2.

2. A shareholder who has complied with subsection 1 may nevertheless decline to exercise appraisal rights and withdraw from the appraisal process by so notifying the corporation in writing by the date set forth in the appraisal notice pursuant to section 490.1322, subsection 2, paragraph *"b"*, subparagraph (5). A shareholder who fails to so withdraw from the appraisal process shall not thereafter withdraw without the corporation's written consent.

3. A shareholder who does not sign and return the form and, in the case of certificated shares, deposit the shareholder's share certificates where required, each by the date set forth in the notice described in section 490.1322, subsection 2, shall not be entitled to payment under this division.

89 Acts, ch 288, §137; 2002 Acts, ch 1154, §84, 125; 2003 Acts, ch 44, §86; 2013 Acts, ch 31, §62, 82

Referred to in §490.1301, 490.1322, 490.1324

2013 amendment to subsections 1 and 3 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsections 1 and 3 amended

**490.1324 Payment.**

1. Except as provided in section 490.1325, within thirty days after the form required by section 490.1322, subsection 2, paragraph *"b"*, subparagraph (2), is due, the corporation shall pay in cash to those shareholders who complied with section 490.1323, subsection 1, the amount the corporation estimates to be the fair value of their shares, plus interest.

2. The payment to each shareholder pursuant to subsection 1 must be accompanied by all of the following:

*a.* (1) The annual financial statements specified in section 490.1620, subsection 1, of the corporation that issued the shares to be appraised, which shall be of a date ending not more than sixteen months before the date of payment and shall comply with section 490.1620, subsection 2; provided that, if such annual financial statements are not reasonably available, the corporation shall provide reasonably equivalent financial information.

(2) The latest available quarterly financial statements of such corporation, if any.

*b.* A statement of the corporation's estimate of the fair value of the shares, which estimate must equal or exceed the corporation's estimate given pursuant to section 490.1322, subsection 2, paragraph *"b"*, subparagraph (3).

*c.* A statement that shareholders described in subsection 1 have the right to demand further payment under section 490.1326 and that if any such shareholder does not do so within the time period specified therein, such shareholder shall be deemed to have accepted the payment to the shareholder pursuant to subsection 1 in full satisfaction of the corporation's obligations under this chapter.

89 Acts, ch 288, §138; 2002 Acts, ch 1154, §85, 125; 2003 Acts, ch 44, §87; 2013 Acts, ch 31, §63, 82

Referred to in §490.1301, 490.1325, 490.1326, 490.1331, 524.1406

2013 amendment to subsection 2, paragraph a, takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 2, paragraph a amended

**490.1325 After-acquired shares.**

1. A corporation may elect to withhold payment required by section 490.1324 from any shareholder who was required to, but did not certify that beneficial ownership of all of the shareholder's shares for which appraisal rights are asserted was acquired before the date set forth in the appraisal notice sent pursuant to section 490.1322, subsection 2, paragraph *"a"*.

2. If the corporation elects to withhold payment under subsection 1, it must within thirty days after the form required by section 490.1322, subsection 2, paragraph *"b"*, subparagraph (2), is due, notify all shareholders who are described in subsection 1 regarding all of the following:

*a.* Of the information required by section 490.1324, subsection 2, paragraph *"a"*.

*b.* Of the corporation's estimate of fair value pursuant to section 490.1324, subsection 2, paragraph *"b"*.

*c.* That they may accept the corporation's estimate of fair value, plus interest, in full satisfaction of their demands or demand appraisal under section 490.1326.

*d.* That those shareholders who wish to accept such offer must notify the corporation of their acceptance of the corporation's offer within thirty days after receiving the offer.

*e.* That those shareholders who do not satisfy the requirements for demanding appraisal under section 490.1326 shall be deemed to have accepted the corporation's offer.

3. Within ten days after receiving the shareholder's acceptance pursuant to subsection 2, the corporation must pay in cash the amount it offered under subsection 2, paragraph *"b"*, to each shareholder who agreed to accept the corporation's offer in full satisfaction of the shareholder's demand.

4. Within forty days after sending the notice described in subsection 2, the corporation must pay in cash the amount it offered to pay under subsection 2, paragraph *"b"*, to each shareholder described in subsection 2, paragraph *"e"*.

89 Acts, ch 288, §139; 91 Acts, ch 211, §9; 2002 Acts, ch 1154, §86, 125; 2013 Acts, ch 31, §64, 82

Referred to in §490.1301, 490.1323, 490.1324, 490.1326, 490.1330, 490.1331

2013 amendment to subsection 1 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 1 amended

**490.1326 Procedure if shareholder dissatisfied with payment or offer.**

1. A shareholder paid pursuant to section 490.1324 who is dissatisfied with the amount of the payment must notify the corporation in writing of that shareholder's estimate of the fair value of the shares and demand payment of that estimate plus interest, less any payment under section 490.1324. A shareholder offered payment under section 490.1325 who is dissatisfied with that offer must reject the offer and demand payment of the shareholder's stated estimate of the fair value of the shares plus interest.

2. A shareholder who fails to notify the corporation in writing of that shareholder's demand to be paid the shareholder's stated estimate of the fair value plus interest under subsection 1 within thirty days after receiving the corporation's payment or offer of payment under section 490.1324 or 490.1325, respectively, waives the right to demand payment under this section and shall be entitled only to the payment made or offered pursuant to those respective sections.

89 Acts, ch 288, §140; 91 Acts, ch 211, §10; 97 Acts, ch 171, §13; 2002 Acts, ch 1154, §87, 125

Referred to in §490.1301, 490.1324, 490.1325, 490.1330, 490.1331

**490.1327 and 490.1328** Repealed by 2002 Acts, ch 1154, § 123, 125.

**490.1329** Reserved.

PART C

**490.1330 Court action.**

1. If a shareholder makes a demand for payment under section 490.1326 that remains unsettled, the corporation shall commence a proceeding within sixty days after receiving the payment demand and petition the court to determine the fair value of the shares and accrued interest. If the corporation does not commence the proceeding within the sixty-day period, it shall pay in cash to each shareholder the amount the shareholder demanded pursuant to section 490.1326 plus interest.

2. The corporation shall commence the proceeding in the district court of the county where the corporation's principal office or, if none, its registered office, in this state is located. If the corporation is a foreign corporation without a registered office in this state, it shall commence the proceeding in the county in this state where the principal office or registered office of the domestic corporation merged with the foreign corporation was located at the time of the transaction.

3. The corporation shall make all shareholders, whether or not residents of this state, whose demands remain unsettled, parties to the proceeding as in an action against their shares and all parties must be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law.

4. The jurisdiction of the court in which the proceeding is commenced under subsection 2 is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers shall have the powers described in the order appointing them, or in any amendment to it. The shareholders demanding appraisal rights are entitled to the same discovery rights as parties in other civil proceedings. There shall be no right to a jury trial.

5. Each shareholder made a party to the proceeding is entitled to judgment for either of the following:

*a.* The amount, if any, by which the court finds the fair value of the shareholder's shares, plus interest, exceeds the amount paid by the corporation to the shareholder for such shares.

*b.* The fair value, plus interest, of the shareholder's shares for which the corporation elected to withhold payment under section 490.1325.

6. Notwithstanding the provisions of this division, if the corporation is a bank holding company as defined in section 524.1801, fair value, at the election of the bank holding company, may be determined as provided in section 524.1406, subsection 3, prior to giving notice under section 490.1320 or 490.1322. The fair value as determined shall be included in any notice under section 490.1320 or 490.1322, and section 490.1326 shall not apply.

89 Acts, ch 288, §143; 2000 Acts, ch 1211, §1; 2002 Acts, ch 1154, §88, 125
Referred to in §490.1301, 490.1331

**490.1331 Court costs and expenses.**

1. The court in an appraisal proceeding commenced under section 490.1330 shall determine all court costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the court costs against the corporation, except that the court may assess court costs against all or some of the shareholders demanding appraisal, in amounts the court finds equitable, to the extent the court finds such shareholders acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this division.

2. The court in an appraisal proceeding may also assess the expenses for the respective parties, in amounts the court finds equitable, for any of the following:

*a.* Against the corporation and in favor of any or all shareholders demanding appraisal if the court finds the corporation did not substantially comply with the requirements of section 490.1320, 490.1322, 490.1324, or 490.1325.

*b.* Against either the corporation or a shareholder demanding appraisal, in favor of any other party, if the court finds that the party against whom the expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this chapter.

3. If the court in an appraisal proceeding finds that the expenses incurred by any shareholder were of substantial benefit to other shareholders similarly situated, and that such expenses should not be assessed against the corporation, the court may direct that such expenses be paid out of the amounts awarded the shareholders who were benefited.

4. To the extent the corporation fails to make a required payment pursuant to section 490.1324, 490.1325, or 490.1326, the shareholder may sue directly for the amount owed and, to the extent successful, shall be entitled to recover from the corporation expenses of the suit.

89 Acts, ch 288, §144; 2002 Acts, ch 1154, §89, 125; 2013 Acts, ch 31, §65, 82
Referred to in §490.1301
2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82
Section amended

**490.1332 through 490.1339** Reserved.

**490.1340 Other remedies limited.**

1. The legality of a proposed or completed corporate action described in section 490.1302, subsection 1, shall not be contested, nor may the corporate action be enjoined, set aside, or rescinded, in a legal or equitable proceeding by a shareholder after the shareholders have approved the corporate action.

2. Subsection 1 does not apply to a corporate action that meets any of the following conditions:

*a.* Was not authorized and approved in accordance with the applicable provisions of any of the following:

(1) Division X, XI, or XII of this chapter.

(2) The articles of incorporation or bylaws.

(3) The resolution of the board of directors authorizing the corporate action.

*b.* Was procured as a result of fraud, a material misrepresentation, or an omission of a material fact necessary to make statements made, in light of the circumstances in which they were made, not misleading.

*c.* Is an interested transaction, unless it has been recommended by the board of directors in the same manner as is provided in section 490.862 and has been approved by the shareholders in the same manner as is provided in section 490.863 as if the interested transaction were a director's conflicting interest transaction.

*d.* Is approved by less than unanimous consent of the voting shareholders pursuant to section 490.704, if all of the following apply:

(1) The challenge to the corporate action is brought by a shareholder who did not consent and as to whom notice of the approval of the corporate action was not effective at least ten days before the corporate action was effected.

(2) The proceeding challenging the corporate action is commenced within ten days after notice of the approval of the corporate action is effective as to the shareholder bringing the proceeding.

2013 Acts, ch 31, §66, 82

Section takes effect January 1, 2014; 2013 Acts, ch 31, §82

NEW section

## DIVISION XIV

## DISSOLUTION

Referred to in §15E.207, 490.640, 490.1114, 490.1202

## PART A

Referred to in §15E.208

**490.1401 Dissolution by incorporators or initial directors.**

A majority of the incorporators or initial directors of a corporation that has not issued shares or has not commenced business may dissolve the corporation by delivering to the secretary of state for filing articles of dissolution that set forth all of the following:

1. The name of the corporation.

2. The date of its incorporation.

3. Either of the following:

*a.* That none of the corporation's shares has been issued.

*b.* That the corporation has not commenced business.

4. That no debt of the corporation remains unpaid.

5. That the net assets of the corporation remaining after winding up have been distributed to the shareholders, if shares were issued.

6. That a majority of the incorporators or initial directors authorized the dissolution.

89 Acts, ch 288, §145

**490.1402 Dissolution by board of directors and shareholders.**

1. A corporation's board of directors may propose dissolution for submission to the shareholders.

2. For a proposal to dissolve to be adopted both of the following must apply:

*a.* (1) The board of directors must recommend dissolution to the shareholders unless any of the following apply:

(a) The board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation.

(b) Section 490.826 applies.

(2) If paragraph "*a*", subparagraph (1) or (2), applies, it must communicate the basis for so proceeding.

*b.* The shareholders entitled to vote must approve the proposal to dissolve as provided in subsection 5.

3. The board of directors may condition its submission of the proposal for dissolution on any basis.

4. The corporation shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders' meeting. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider dissolving the corporation.

5. Unless the articles of incorporation, bylaws, or the board of directors acting pursuant to subsection 3 requires a greater vote, a greater number of shares to be present, or a vote by voting groups, adoption of the proposal to dissolve shall require the approval of the shareholders at a meeting at which the quorum consisting of at least a majority of the votes entitled to be cast exists.

89 Acts, ch 288, §146; 2002 Acts, ch 1154, §90, 125; 2013 Acts, ch 31, §67, 82

Referred to in §490.1434

2013 amendment to subsection 2, paragraph a, takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 2, paragraph a amended

**490.1403 Articles of dissolution.**

1. At any time after dissolution is authorized, the corporation may dissolve by delivering to the secretary of state for filing articles of dissolution setting forth all of the following:

*a.* The name of the corporation.

*b.* The date dissolution was authorized.

*c.* If dissolution was approved by the shareholders, a statement that the proposal to dissolve was duly approved by the shareholders in the manner required by this chapter and by the articles of incorporation.

2. A corporation is dissolved upon the effective date of its articles of dissolution.

3. For purposes of this division, "*dissolved corporation*" means a corporation whose articles of dissolution have become effective and includes a successor entity to which the remaining assets of the corporation are transferred subject to its liabilities for purposes of liquidation.

89 Acts, ch 288, §147; 2002 Acts, ch 1154, §91, 125

Referred to in §490.1404, 490.1434

**490.1404 Revocation of dissolution.**

1. A corporation may revoke its dissolution within one hundred twenty days of the effective date of its articles of dissolution.

2. Revocation of dissolution must be authorized in the same manner as the dissolution was authorized unless that authorization permitted revocation by action of the board of directors alone, in which event the board of directors may revoke the dissolution without shareholder action.

3. After the revocation of dissolution is authorized, the corporation may revoke the dissolution by delivering to the secretary of state for filing articles of revocation of dissolution, together with a copy of its articles of dissolution, that set forth all of the following:

*a.* The name of the corporation.

*b.* The effective date of the dissolution that was revoked.

*c.* The date that the revocation of dissolution was authorized.

*d.* If the corporation's board of directors or incorporators revoked the dissolution, a statement to that effect.

*e.* If the corporation's board of directors revoked a dissolution authorized by the shareholders, a statement that revocation was permitted by action by the board of directors alone pursuant to that authorization.

*f.* If shareholder action was required to revoke the dissolution, the information required by section 490.1403, subsection 1, paragraph "*c*".

4. Revocation of dissolution is effective upon the effective date of the articles of revocation of dissolution.

5. When the revocation of dissolution is effective, it relates back to and takes effect as of the effective date of the dissolution as if the dissolution had never occurred.

89 Acts, ch 288, §148; 2002 Acts, ch 1154, §92, 125; 2003 Acts, ch 44, §88
Referred to in §524.1306

**490.1405 Effect of dissolution.**

1. A dissolved corporation continues its corporate existence but shall not carry on any business except that appropriate to wind up and liquidate its business and affairs, including any of the following:

*a.* Collecting its assets.

*b.* Disposing of its properties that will not be distributed in kind to its shareholders.

*c.* Discharging or making provision for discharging its liabilities.

*d.* Distributing its remaining property among its shareholders according to their interests.

*e.* Doing every other act necessary to wind up and liquidate its business and affairs.

2. Dissolution of a corporation does not do any of the following:

*a.* Transfer title to the corporation's property.

*b.* Prevent transfer of its shares or securities, although the authorization to dissolve may provide for closing the corporation's share transfer records.

*c.* Subject its directors or officers to standards of conduct different from those prescribed in division VIII.

*d.* Change quorum or voting requirements for its board of directors or shareholders; change provisions for selection, resignation, or removal of its directors or officers or both; or change provisions for amending its bylaws.

*e.* Prevent commencement of a proceeding by or against the corporation in its corporate name.

*f.* Abate or suspend a proceeding pending by or against the corporation on the effective date of dissolution.

*g.* Terminate the authority of the registered agent of the corporation.

89 Acts, ch 288, §149
Referred to in §490.1421, 490.1433, 490.1434

**490.1406 Known claims against dissolved corporation.**

1. A dissolved corporation may dispose of the known claims against it by notifying its known claimants in writing of the dissolution at any time after its effective date.

2. The written notice must do all of the following:

*a.* Describe information that must be included in a claim.

*b.* Provide a mailing address where a claim may be sent.

*c.* State the deadline, which may not be fewer than one hundred twenty days from the effective date of the written notice, by which the dissolved corporation must receive the claim.

*d.* State that the claim will be barred if not received by the deadline.

3. A claim against the dissolved corporation is barred if either of the following occur:

*a.* A claimant who was given written notice under subsection 2 does not deliver the claim to the dissolved corporation by the deadline.

*b.* A claimant whose claim was rejected by the dissolved corporation does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejection notice.

4. For purposes of this section, *"claim"* does not include a contingent liability or a claim based on an event occurring after the effective date of dissolution.

89 Acts, ch 288, §150; 2002 Acts, ch 1154, §93, 125
Referred to in §490.1407, 490.1409, 490.1421, 490.1433, 490.1434

**490.1407 Other claims against dissolved corporation.**

1. A dissolved corporation may also publish notice of its dissolution and request that persons with claims against the dissolved corporation present them in accordance with the notice.

2. The notice must meet all of the following requirements:

*a.* Be published one time in a newspaper of general circulation in the county where the dissolved corporation's principal office or, if none in this state, its registered office is or was last located.

*b.* Describe the information that must be included in a claim and provide a mailing address where the claim may be sent.

*c.* State that a claim against the dissolved corporation will be barred unless a proceeding to enforce the claim is commenced within three years after the publication of the notice.

3. If the dissolved corporation publishes a newspaper notice in accordance with subsection 2, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved corporation within three years after the publication date of the newspaper notice:

*a.* A claimant who was not given written notice under section 490.1406.

*b.* A claimant whose claim was timely sent to the dissolved corporation but not acted on.

*c.* A claimant whose claim is contingent or based on an event occurring after the effective date of dissolution.

4. A claim that is not barred by section 490.1406, subsection 2, or subsection 3 of this section, may be enforced in either of the following ways:

*a.* Against the dissolved corporation, to the extent of its undistributed assets.

*b.* Except as provided in section 490.1408, subsection 4, if the assets have been distributed in liquidation, against a shareholder of the dissolved corporation to the extent of the shareholder's pro rata share of the claim or the corporate assets distributed to the shareholder in liquidation, whichever is less, but a shareholder's total liability for all claims under this section shall not exceed the total amount of assets distributed to the shareholder in liquidation.

89 Acts, ch 288, §151; 2002 Acts, ch 1154, §94, 125
Referred to in §490.1408, 490.1409, 490.1421, 490.1433, 490.1434

**490.1408 Court proceedings.**

1. A dissolved corporation that has published a notice under section 490.1407 may file an application with the district court of the county where the dissolved corporation's principal office or, if none in this state, its registered office is located for a determination of the amount and form of security to be provided for payment of claims that are contingent or have not been made known to the dissolved corporation or that are based on an event occurring after the effective date of dissolution but that, based on the facts known to the dissolved corporation, are reasonably estimated to arise after the effective date of dissolution. Provision need not be made for any claim that is or is reasonably anticipated to be barred under section 490.1407, subsection 3.

2. Within ten days after the filing of the application, notice of the proceeding shall be given by the dissolved corporation to each claimant holding a contingent claim whose contingent claim is shown on the records of the dissolved corporation.

3. The court may appoint a guardian ad litem to represent all claimants whose identities are unknown in any proceeding brought under this section. The reasonable fees and expenses of such guardian, including all reasonable expert witness fees, shall be paid by the dissolved corporation.

4. Provision by the dissolved corporation for security in the amount and the form ordered by the court under subsection 1, shall satisfy the dissolved corporation's obligations with

respect to claims that are contingent, have not been made known to the dissolved corporation or are based on an event occurring after the effective date of dissolution, and such claims shall not be enforced against a shareholder who received assets in liquidation.

2002 Acts, ch 1154, §95, 125
Referred to in §490.1407, 490.1409

**490.1409 Director duties.**

1. Directors shall cause the dissolved corporation to discharge or make reasonable provision for the payment of claims and make distributions of assets to shareholders after payment or provision for claims.

2. Directors of a dissolved corporation which has disposed of claims under section 490.1406, 490.1407, or 490.1408 shall not be liable for breach of subsection 1, with respect to claims against the dissolved corporation that are barred or satisfied under section 490.1406, 490.1407, or 490.1408.

2002 Acts, ch 1154, §96, 125
Referred to in §490.833

**490.1410 through 490.1419** Reserved.

PART B

Referred to in §249A.40

**490.1420 Grounds for administrative dissolution.**

The secretary of state may commence a proceeding under section 490.1421 to administratively dissolve a corporation if any of the following apply:

1. The corporation has not delivered a biennial report to the secretary of state in a form that meets the requirements of section 490.1622, within sixty days after it is due, or has not paid any fee, tax, or penalty due to the secretary of state under this chapter or law other than this chapter, within sixty days after it is due.

2. The corporation is without a registered agent or registered office in this state for sixty days or more.

3. The corporation does not notify the secretary of state within sixty days that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.

4. The corporation's period of duration stated in its articles of incorporation expires.

89 Acts, ch 288, §152; 96 Acts, ch 1170, §9, 10; 97 Acts, ch 171, §14; 2010 Acts, ch 1100, §18
Referred to in §490.1421

**490.1421 Procedure for and effect of administrative dissolution.**

1. If the secretary of state determines that one or more grounds exist under section 490.1420 for dissolving a corporation, the secretary of state shall serve the corporation with written notice of the secretary of state's determination under section 490.504.

2. If the corporation does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the secretary of state that each ground determined by the secretary of state does not exist within sixty days after service of the notice is perfected under section 490.504, the secretary of state shall administratively dissolve the corporation by signing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. The secretary of state shall file the original of the certificate and serve a copy on the corporation under section 490.504.

3. A corporation administratively dissolved continues its corporate existence but shall not carry on any business except that necessary to wind up and liquidate its business and affairs under section 490.1405 and notify claimants under sections 490.1406 and 490.1407.

4. The administrative dissolution of a corporation does not terminate the authority of its registered agent.

5. The secretary of state's administrative dissolution of a corporation pursuant to this section appoints the secretary of state the corporation's agent for service of process in any

proceeding based on a cause of action which arose during the time the corporation was authorized to transact business in this state. Service of process on the secretary of state under this subsection is service on the corporation. Upon receipt of process, the secretary of state shall serve a copy of the process on the corporation as provided in section 490.504. This subsection does not preclude service on the corporation's registered agent, if any.

89 Acts, ch 288, §153; 96 Acts, ch 1170, §11

Referred to in §490.1420, 490.1422

**490.1422 Reinstatement following administrative dissolution.**

1. A corporation administratively dissolved under section 490.1421 may apply to the secretary of state for reinstatement at any time after the effective date of dissolution. The application must meet all of the following requirements:

*a.* Recite the name of the corporation at its date of dissolution and the effective date of its administrative dissolution.

*b.* State that the ground or grounds for dissolution have been eliminated.

*c.* If the application is received more than five years after the effective date of dissolution, state a corporate name that satisfies the requirements of section 490.401.

*d.* State the federal tax identification number of the corporation.

2. *a.* The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the departments of revenue and workforce development. The departments of revenue and workforce development shall report to the secretary of state the tax status of the corporation. If either department reports to the secretary of state that a filing delinquency or liability exists against the corporation, the secretary of state shall not cancel the certificate of dissolution until the filing delinquency or liability is satisfied.

*b.* (1) If the secretary of state determines that the application contains the information required by subsection 1, and that a delinquency or liability reported pursuant to paragraph "*a*" has been satisfied, and that the information is correct, the secretary of state shall cancel the certificate of dissolution and prepare a certificate of reinstatement that recites the secretary of state's determination and the effective date of reinstatement, file the certificate of reinstatement, and deliver a copy to the corporation under section 490.504.

(2) If the corporate name in subsection 1, paragraph "*c*", is different than the corporate name in subsection 1, paragraph "*a*", the certificate of reinstatement shall constitute an amendment to the articles of incorporation insofar as it pertains to the corporate name. A corporation shall not relinquish the right to retain its corporate name if the reinstatement is effective within five years of the effective date of the corporation's dissolution.

3. When the reinstatement is effective, it relates back to and takes effect as of the effective date of the administrative dissolution as if the administrative dissolution had never occurred.

89 Acts, ch 288, §154; 92 Acts, ch 1244, §46; 93 Acts, ch 17, §1; 93 Acts, ch 126, §7, 8; 94 Acts, ch 1053, §1; 96 Acts, ch 1170, § 12, 13; 2003 Acts, ch 145, §286; 2006 Acts, ch 1089, §9 – 12; 2010 Acts, ch 1040, §2

Referred to in §249A.40, 488.108, 490.401, 504.401, 504.403

**490.1423 Appeal from denial of reinstatement.**

1. If the secretary of state denies a corporation's application for reinstatement following administrative dissolution, the secretary of state shall serve the corporation under section 490.504 with a written notice that explains the reason or reasons for denial.

2. The corporation may appeal the denial of reinstatement to the district court within thirty days after service of the notice of denial is perfected. The corporation appeals by petitioning the court to set aside the dissolution and attaching to the petition copies of the secretary of state's certificate of dissolution, the corporation's application for reinstatement, and the secretary of state's notice of denial.

3. The court may summarily order the secretary of state to reinstate the dissolved corporation or may take other action the court considers appropriate.

4. The court's final decision may be appealed as in other civil proceedings.

89 Acts, ch 288, §155

**490.1424 through 490.1429** Reserved.

PART C

**490.1430 Grounds for judicial dissolution.**

1. The district court may dissolve a corporation in any of the following ways:

*a.* A proceeding by the attorney general, if it is established that any of the following apply:

(1) The corporation obtained its articles of incorporation through fraud.

(2) The corporation has continued to exceed or abuse the authority conferred upon it by law.

*b.* A proceeding by a shareholder if it is established that any of the following conditions exist:

(1) The directors are deadlocked in the management of the corporate affairs, the shareholders are unable to break the deadlock, and either irreparable injury to the corporation is threatened or being suffered, or the business and affairs of the corporation can no longer be conducted to the advantage of the shareholders generally, because of the deadlock.

(2) The directors or those in control of the corporation have acted, are acting, or will act in a manner that is illegal, oppressive, or fraudulent.

(3) The shareholders are deadlocked in voting power and have failed, for a period that includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have expired.

(4) The corporate assets are being misapplied or wasted.

*c.* A proceeding by a creditor if it is established that any of the following apply:

(1) The creditor's claim has been reduced to judgment, the execution on the judgment returned unsatisfied, and the corporation is insolvent.

(2) The corporation has admitted in writing that the creditor's claim is due and owing and the corporation is insolvent.

*d.* A proceeding by the corporation to have its voluntary dissolution continued under court supervision.

*e.* A proceeding by a shareholder if the corporation has abandoned its business and has failed within a reasonable time to liquidate and distribute its assets and dissolve.

2. Subsection 1, paragraph "*b*", shall not apply in the case of a corporation that, on the date of the filing of the proceeding, has shares which are any of the following:

*a.* Listed on the New York stock exchange, the American stock exchange, or on any exchange owned or operated by the NASDAQ stock market, l.l.c., or listed or quoted on a system owned or operated by the national association of securities dealers, inc.

*b.* Not so listed or quoted, but are held by at least three hundred shareholders and the shares outstanding have a market value of at least twenty million dollars, exclusive of the value of such shares held by the corporation's subsidiaries, senior executives, directors, and beneficial shareholders owning more than ten percent of such shares.

3. As used in this section, "*beneficial shareholder*" has the meaning specified in section 490.1301, subsection 2.

89 Acts, ch 288, §156; 2013 Acts, ch 31, §68, 82

Referred to in §490.304, 490.1431, 490.1433, 490.1434

2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82

Section amended

**490.1431 Procedure for judicial dissolution.**

1. Venue for a proceeding by the attorney general to dissolve a corporation lies in Polk county. Venue for a proceeding brought by any other party named in section 490.1430 lies in the county where a corporation's principal office or, if none in this state, its registered office is or was last located.

2. It is not necessary to make shareholders parties to a proceeding to dissolve a corporation unless relief is sought against them individually.

3. A court in a proceeding brought to dissolve a corporation may issue injunctions, appoint a receiver or custodian pendente lite with all powers and duties the court directs, take other action required to preserve the corporate assets wherever located, and carry on the business of the corporation until a full hearing can be held.

4. Within ten days of the commencement of a proceeding to dissolve a corporation under section 490.1430, subsection 1, paragraph *"b"*, the corporation must send to all shareholders, other than the petitioner, a notice stating that the shareholders are entitled to avoid the dissolution of the corporation by electing to purchase the petitioner's shares under section 490.1434, and a copy of section 490.1434.

89 Acts, ch 288, §157; 2002 Acts, ch 1154, §97, 125; 2013 Acts, ch 31, §69, 82
2013 amendment to subsection 4 takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsection 4 amended

**490.1432 Receivership or custodianship.**

1. Unless an election to purchase has been filed under section 490.1434, a court in a judicial proceeding brought to dissolve a corporation may appoint one or more receivers to wind up and liquidate, or one or more custodians to manage, the business and affairs of the corporation. The court shall hold a hearing, after notifying all parties to the proceeding and any interested persons designated by the court, before appointing a receiver or custodian. The court appointing a receiver or custodian has jurisdiction over the corporation and all its property wherever located.

2. The court may appoint an individual or a domestic or foreign corporation authorized to transact business in this state as a receiver or custodian. The court may require the receiver or custodian to post bond, with or without sureties, in an amount the court directs.

3. The court shall describe the powers and duties of the receiver or custodian in its appointing order, which may be amended from time to time. Among other powers:

*a.* The receiver may do either or both of the following:

(1) Dispose of all or any part of the assets of the corporation wherever located, at a public or private sale, if authorized by the court.

(2) Sue and defend in the receiver's own name as receiver of the corporation in all courts of this state.

*b.* The custodian may exercise all of the powers of the corporation, through or in place of its board of directors or officers, to the extent necessary to manage the affairs of the corporation in the best interests of its shareholders and creditors.

4. The court during a receivership may redesignate the receiver a custodian, and during a custodianship may redesignate the custodian a receiver, if doing so is in the best interests of the corporation, its shareholders, and creditors.

5. The court from time to time during the receivership or custodianship may order compensation paid and expenses paid or reimbursed to the receiver or custodian from the assets of the corporation or proceeds from the sale of the assets.

89 Acts, ch 288, §158; 2013 Acts, ch 31, §70, 82
2013 amendment to subsections 1 and 5 takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsections 1 and 5 amended

**490.1433 Decree of dissolution.**

1. If after a hearing the court determines that one or more grounds for judicial dissolution described in section 490.1430 exist, it may enter a decree dissolving the corporation and specifying the effective date of the dissolution, and the clerk of the court shall deliver a certified copy of the decree to the secretary of state, who shall file it.

2. After entering the decree of dissolution, the court shall direct the winding up and liquidation of the corporation's business and affairs in accordance with section 490.1405 and the notification of claimants in accordance with sections 490.1406 and 490.1407.

89 Acts, ch 288, §159
Referred to in §602.8102(68)

**490.1434 Election to purchase in lieu of dissolution.**

1. In a proceeding under section 490.1430, subsection 1, paragraph *"b"*, to dissolve a corporation, the corporation may elect or, if it fails to elect, one or more shareholders may

elect to purchase all shares owned by the petitioning shareholder at the fair value of the shares. An election pursuant to this section shall be irrevocable unless the court determines that it is equitable to set aside or modify the election.

2. An election to purchase pursuant to this section may be filed with the court at any time within ninety days after the filing of the petition under section 490.1430, subsection 1, paragraph *"b"*, or at such later time as the court in its discretion may allow. If the election to purchase is filed by one or more shareholders, the corporation shall, within ten days thereafter, give written notice to all shareholders, other than the petitioner. The notice must state the name and number of shares owned by the petitioner and the name and number of shares owned by each electing shareholder and must advise the recipients of their right to join the election to purchase shares in accordance with this section. Shareholders who wish to participate must file notice of their intention to join in the purchase no later than thirty days after the effective date of the notice to them. All shareholders who have filed an election or notice of their intention to participate in the election to purchase thereby become parties to the proceeding and shall participate in the purchase in proportion to their ownership of shares as of the date the first election was filed, unless they otherwise agree or the court otherwise directs. After an election has been filed by the corporation or one or more shareholders, the proceeding under section 490.1430, subsection 1, paragraph *"b"*, shall not be discontinued or settled, nor shall the petitioning shareholder sell or otherwise dispose of the shareholder's shares, unless the court determines that it would be equitable to the corporation and the shareholders, other than the petitioner, to permit such discontinuance, settlement, sale, or other disposition.

3. If, within sixty days of the filing of the first election, the parties reach agreement as to the fair value and terms of purchase of the petitioner's shares, the court shall enter an order directing the purchase of the petitioner's shares upon the terms and conditions agreed to by the parties.

4. If the parties are unable to reach an agreement as provided for in subsection 3, the court, upon application of any party, shall stay the section 490.1430, subsection 1, paragraph *"b"*, proceedings and determine the fair value of the petitioner's shares as of the day before the date on which the petition under section 490.1430, subsection 1, paragraph *"b"*, was filed or as of such other date as the court deems appropriate under the circumstances.

5. Upon determining the fair value of the shares, the court shall enter an order directing the purchase upon such terms and conditions as the court deems appropriate, which may include payment of the purchase price in installments, where necessary in the interests of equity, provision for security to assure payment of the purchase price and any additional costs, fees, and expenses as may have been awarded, and, if the shares are to be purchased by shareholders, the allocation of shares among them. In allocating petitioner's shares among holders of different classes of shares, the court shall attempt to preserve the existing distribution of voting rights among holders of different classes insofar as practicable and may direct that holders of a specific class or classes shall not participate in the purchase. Interest may be allowed at the rate and from the date determined by the court to be equitable, but if the court finds that the refusal of the petitioning shareholder to accept an offer of payment was arbitrary or otherwise not in good faith, no interest shall be allowed. If the court finds that the petitioning shareholder has probable grounds for relief under section 490.1430, subsection 1, paragraph *"b"*, subparagraph (2) or (4), it may award to the petitioning shareholder reasonable fees and expenses of counsel and of any experts employed by the shareholder.

6. Upon entry of an order under subsection 3 or 5, the court shall dismiss the petition to dissolve the corporation under section 490.1430, and the petitioning shareholder shall no longer have any rights or status as a shareholder of the corporation, except the right to receive the amounts awarded to the shareholder by the order of the court which shall be enforceable in the same manner as any other judgment.

7. The purchase ordered pursuant to subsection 5 shall be made within ten days after the date the order becomes final, unless before that time the corporation files with the court a notice of its intention to adopt articles of dissolution pursuant to sections 490.1402 and 490.1403, which articles must then be adopted and filed within fifty days thereafter. Upon

filing of such articles of dissolution, the corporation shall be dissolved in accordance with the provisions of sections 490.1405 through 490.1407, and the order entered pursuant to subsection 5 shall no longer be of any force or effect, except that the court may award the petitioning shareholder reasonable fees and expenses in accordance with the provisions of the last sentence of subsection 5 and the petitioner may continue to pursue any claims previously asserted on behalf of the corporation.

8. Any payment by the corporation pursuant to an order under subsection 3 or 5, other than an award of fees and expenses pursuant to subsection 5, is subject to the provisions of section 490.640.

2002 Acts, ch 1154, §98, 125; 2013 Acts, ch 31, §71, 82
Referred to in §490.1431, 490.1432
Effective date of notice, see §490.141
2013 amendment to subsections 1, 2, 4, and 5 takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsections 1, 2, 4, and 5 amended

**490.1435 through 490.1439** Reserved.

## PART D

**490.1440 Deposit with state treasurer.**

Assets of a dissolved corporation that should be transferred to a creditor, claimant, or shareholder of the corporation who cannot be found or who is not competent to receive them shall be reduced to cash and deposited with the treasurer of state or other appropriate state official for safekeeping. When the creditor, claimant, or shareholder furnishes satisfactory proof of entitlement to the amount deposited, the treasurer of state or other appropriate state official shall pay the creditor, claimant, or shareholder or that person's representative that amount.

89 Acts, ch 288, §160
Referred to in §489.1112, 524.1305, 524.1310, 533.404, 556.6

# DIVISION XV

# FOREIGN CORPORATIONS

Referred to in §490.120, 524.1805

## PART A

**490.1501 Authority to transact business required.**

1. A foreign corporation shall not transact business in this state until it obtains a certificate of authority from the secretary of state.

2. The following activities, among others, do not constitute transacting business within the meaning of subsection 1:

*a.* Maintaining, defending, or settling any proceeding.

*b.* Holding meetings of the board of directors or shareholders or carrying on other activities concerning internal corporate affairs.

*c.* Maintaining bank accounts.

*d.* Maintaining offices or agencies for the transfer, exchange, and registration of the corporation's own securities or maintaining trustees or depositories with respect to those securities.

*e.* Selling through independent contractors.

*f.* Soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if the orders require acceptance outside this state before they become contracts.

*g.* Creating or acquiring indebtedness, mortgages, and security interests in real or personal property.

*h.* Securing or collecting debts or enforcing mortgages and security interests in property securing the debts.

*i.* Owning, without more, real or personal property.

*j.* Conducting an isolated transaction that is completed within thirty days and that is not one in the course of repeated transactions of a like nature.

*k.* Transacting business in interstate commerce.

3. The list of activities in subsection 2 is not exhaustive.

89 Acts, ch 288, §161

**490.1502 Consequences of transacting business without authority.**

1. A foreign corporation transacting business in this state without a certificate of authority shall not maintain a proceeding in any court in this state until it obtains a certificate of authority.

2. The successor to a foreign corporation that transacted business in this state without a certificate of authority and the assignee of a cause of action arising out of that business shall not maintain a proceeding based on that cause of action in any court in this state until the foreign corporation or its successor obtains a certificate of authority.

3. A court may stay a proceeding commenced by a foreign corporation, its successor, or assignee until it determines whether the foreign corporation or its successor requires a certificate of authority. If it so determines, the court may further stay the proceeding until the foreign corporation or its successor obtains the certificate.

4. A foreign corporation is liable for a civil penalty of not to exceed a total of one thousand dollars if it transacts business in this state without a certificate of authority. The attorney general may collect all penalties due under this subsection.

5. Notwithstanding subsections 1 and 2, the failure of a foreign corporation to obtain a certificate of authority does not impair the validity of its corporate acts or prevent it from defending any proceeding in this state.

89 Acts, ch 288, §162

**490.1503 Application for certificate of authority.**

1. A foreign corporation may apply for a certificate of authority to transact business in this state by delivering an application to the secretary of state for filing. The application must set forth all of the following:

*a.* The name of the foreign corporation or, if its name is unavailable for use in this state, a corporate name that satisfies the requirements of section 490.1506.

*b.* The name of the state or country under whose law it is incorporated.

*c.* Its date of incorporation and period of duration.

*d.* The street address of its principal office.

*e.* The address of its registered office in this state and the name of its registered agent at that office.

*f.* The names and usual business addresses of its current directors and officers.

2. The foreign corporation shall deliver the completed application to the secretary of state, and also deliver to the secretary of state a certificate of existence or a document of similar import duly authenticated by the secretary of state or other official having custody of corporate records in the state or country under whose law it is incorporated which is dated no earlier than ninety days prior to the date the application is filed with the secretary of state.

89 Acts, ch 288, §163; 96 Acts, ch 1170, §14

Referred to in §490.1504, 490.1510

**490.1504 Amended certificate of authority.**

1. A foreign corporation authorized to transact business in this state must obtain an amended certificate of authority from the secretary of state if it changes any of the following:

*a.* Its corporate name.

*b.* The period of its duration.

*c.* The state or country of its incorporation.

2. The requirements of section 490.1503 for obtaining an original certificate of authority apply to obtaining an amended certificate under this section.

89 Acts, ch 288, §164

Referred to in §490.1506

**490.1505 Effect of certificate of authority.**

1. A certificate of authority authorizes the foreign corporation to which it is issued to transact business in this state subject, however, to the right of the state to revoke the certificate as provided in this chapter.

2. A foreign corporation with a valid certificate of authority has the same but no greater rights and has the same but no greater privileges as, and except as otherwise provided in this chapter is subject to the same duties, restrictions, penalties, and liabilities now or later imposed on, a domestic corporation of like character.

3. This chapter does not authorize this state to regulate the organization or internal affairs of a foreign corporation authorized to transact business in this state.

89 Acts, ch 288, §165

**490.1506 Corporate name of foreign corporation.**

1. If the corporate name of a foreign corporation does not satisfy the requirements of section 490.401, the foreign corporation, to obtain or maintain a certificate of authority to transact business in this state, may do either of the following:

*a.* Add the word "corporation", "incorporated", "company", or "limited", or the abbreviation "corp.", "inc.", "co.", or "ltd.", to its corporate name for use in this state.

*b.* Use a fictitious name to transact business in this state if its real name is unavailable and it delivers to the secretary of state for filing a copy of the resolution of its board of directors, certified by its secretary, adopting the fictitious name.

2. Except as authorized by subsections 3 and 4, the corporate name, including a fictitious name, of a foreign corporation must be distinguishable upon the records of the secretary of state from all of the following:

*a.* The corporate name of a corporation incorporated or authorized to transact business in this state.

*b.* A name reserved, registered, or protected as provided in section 490.402 or 490.403.

*c.* The fictitious name of another foreign corporation authorized to transact business in this state.

*d.* The corporate name of a not-for-profit corporation incorporated or authorized to transact business in this state.

3. A foreign corporation may apply to the secretary of state for authorization to use in this state the name of another corporation incorporated or authorized to transact business in this state that is not distinguishable upon the secretary of state's records from the name applied for. The secretary of state shall authorize use of the name applied for if either of the following apply:

*a.* The other corporation consents to the use in writing and submits an undertaking in form satisfactory to the secretary of state to change its name to a name that is distinguishable upon the records of the secretary of state from the name of the applying corporation.

*b.* The applicant delivers to the secretary of state a certified copy of a final judgment of a court of competent jurisdiction establishing the applicant's right to use the name applied for in this state.

4. A foreign corporation may use in this state the name, including the fictitious name, of another domestic or foreign corporation that is used in this state if the other corporation is incorporated or authorized to transact business in this state and the foreign corporation has filed documentation satisfactory to the secretary of state of the occurrence of any of the following:

*a.* The foreign corporation has merged with the other corporation.

*b.* The foreign corporation has been formed by reorganization of the other corporation.

*c.* The foreign corporation has acquired all or substantially all of the assets, including the corporate name, of the other corporation.

5. If a foreign corporation authorized to transact business in this state changes its corporate name to one that does not satisfy the requirements of section 490.401, it shall not transact business in this state under the changed name until it adopts a name satisfying the requirements of section 490.401 and obtains an amended certificate of authority under section 490.1504.

89 Acts, ch 288, §166; 96 Acts, ch 1170, §15; 2006 Acts, ch 1089, §13
Referred to in §490.403, 490.1503

**490.1507 Registered office and registered agent of foreign corporation.**

A foreign corporation authorized to transact business in this state must continuously maintain in this state both of the following:

1. A registered office that may be the same as any of its places of business.

2. A registered agent, who may be any of the following:

*a.* An individual who resides in this state and whose business office is identical with the registered office.

*b.* A domestic corporation or not-for-profit domestic corporation whose business office is identical with the registered office.

*c.* A foreign corporation or foreign not-for-profit corporation authorized to transact business in this state whose business office is identical with the registered office.

89 Acts, ch 288, §167

**490.1508 Change of registered office or registered agent of foreign corporation.**

1. A foreign corporation authorized to transact business in this state may change its registered office or registered agent by delivering to the secretary of state for filing a statement of change that sets forth:

*a.* Its name.

*b.* If the current registered office is to be changed, the street address of its new registered office.

*c.* If the current registered agent is to be changed, the name of its new registered agent and the new agent's written consent, either on the statement or attached to it, to the appointment.

*d.* That after the change or changes are made, the street addresses of its registered office and the business office of its registered agent will be identical.

2. If the street address of a registered agent's business office changes, the agent may change the street address of the registered office of any foreign corporation for which the person is the registered agent by notifying the corporation in writing of the change, and signing and delivering to the secretary of state for filing a statement of change that complies with the requirements of subsection 1 and recites that the corporation has been notified of the change.

3. A corporation may also change its registered office or registered agent in its biennial report as provided in section 490.1622.

89 Acts, ch 288, §168; 96 Acts, ch 1170, §16; 97 Acts, ch 171, §15; 2013 Acts, ch 31, §72, 82
Referred to in §490.1530, 490.1622
2013 amendment to subsection 2 takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsection 2 amended

**490.1509 Resignation of registered agent of foreign corporation.**

1. The registered agent of a foreign corporation may resign the agency appointment by signing and delivering to the secretary of state for filing the signed original statement of resignation. The statement of resignation may include a statement that the registered office is also discontinued. The registered agent shall send a copy of the statement of resignation by certified mail to the corporation at its principal office and to the registered office, if not discontinued. The registered agent shall certify to the secretary of state that the copies have been sent to the corporation, including the date the copies were sent.

2. The agency appointment is terminated, and the registered office discontinued if so provided, on the date on which the statement was filed.

89 Acts, ch 288, §169; 96 Acts, ch 1170, §17
Referred to in §490.120, 490.125, 490.1530

**490.1510 Service on foreign corporation.**

1. The registered agent of a foreign corporation authorized to transact business in this state is the corporation's agent for service of process, notice, or demand required or permitted by law to be served on the foreign corporation.

2. A foreign corporation may be served by registered or certified mail, return receipt requested, addressed to the secretary of the foreign corporation at its principal office shown in its application for a certificate of authority or in its most recent biennial report if the foreign corporation meets any of the following conditions:

*a.* Has no registered agent or its registered agent cannot with reasonable diligence be served.

*b.* Has withdrawn from transacting business in this state under section 490.1520.

*c.* Has had its certificate of authority revoked under section 490.1531.

3. *a.* A foreign corporation that does not have a current certificate of authority to transact business in this state under section 490.1503 may be served, with respect to an in rem action, in the manner provided in subsections 2 and 4, addressed to the secretary of the foreign corporation at its principal office as found either in the records of the jurisdiction of incorporation or in public records filed by it with an agency of the United States or any state having regulatory authority over the foreign corporation's business and affairs.

*b.* For purposes of paragraph "*a*", "*in rem action*" means an action, statutory notice, or demand involving the title to real estate or tangible personal property sited in Iowa; the partition or the foreclosure of a lien or mortgage against real estate; or the determination of the priorities of liens or claims against such real estate or personal property.

4. Service is perfected under subsection 2 or 3 at the earliest of:

*a.* The date the foreign corporation receives the mail.

*b.* The date shown on the return receipt, if signed on behalf of the foreign corporation.

*c.* Five days after its deposit in the United States mail, as evidenced by the postmark, if mailed postpaid and correctly addressed.

5. A foreign corporation may also be served in any other manner permitted by law.

89 Acts, ch 288, §170; 97 Acts, ch 171, §16; 2011 Acts, ch 56, §1, 2

Referred to in §490.1531, 490.1532

**490.1511 through 490.1519** Reserved.

PART B

**490.1520 Withdrawal of foreign corporation.**

1. A foreign corporation authorized to transact business in this state shall not withdraw from this state until it obtains a certificate of withdrawal from the secretary of state.

2. A foreign corporation authorized to transact business in this state may apply for a certificate of withdrawal by delivering an application to the secretary of state for filing. The application must set forth all of the following:

*a.* The name of the foreign corporation and the name of the state or country under whose law it is incorporated.

*b.* That it is not transacting business in this state and that it surrenders its authority to transact business in this state.

*c.* That it revokes the authority of its registered agent to accept service on its behalf and appoints the secretary of state as its agent for service of process in any proceeding based on a cause of action arising during the time it was authorized to transact business in this state.

*d.* A mailing address to which the secretary of state may mail a copy of any process served on the secretary of state under paragraph "c".

3. After the withdrawal of the corporation is effective, service of process on the secretary of state under this section is service on the foreign corporation. Upon receipt of process, the

secretary of state shall mail a copy of the process to the foreign corporation at the mailing address set forth under subsection 2.

89 Acts, ch 288, §171; 96 Acts, ch 1170, §18
Referred to in §490.1510

**490.1521 and 490.1522** Reserved.

**490.1523 Transfer of authority.**

1. A foreign business corporation authorized to transact business in this state that converts to a foreign nonprofit corporation or to any form of foreign unincorporated entity that is required to obtain a certificate of authority or make a similar type of filing with the secretary of state if it transacts business in this state shall file with the secretary of state an application for transfer of authority signed by any officer or other duly authorized representative. The application shall set forth all of the following:

*a.* The name of the corporation.

*b.* The type of unincorporated entity to which it has been converted and the jurisdiction whose laws govern its internal affairs.

*c.* Any other information that would be required in a filing under the laws of this state by an unincorporated entity of the type the corporation has become seeking authority to transact business in this state.

2. The application for transfer of authority shall be delivered to the secretary of state for filing and shall take effect at the effective time provided in section 490.123.

3. Upon the effectiveness of the application for transfer of authority, the authority of the corporation under this chapter to transact business in this state shall be transferred without interruption to the converted entity which shall thereafter hold such authority subject to the provisions of the laws of this state applicable to that type of unincorporated entity.

2013 Acts, ch 31, §73, 82
Section takes effect January 1, 2014; 2013 Acts, ch 31, §82
NEW section

**490.1524 through 490.1529** Reserved.

PART C

**490.1530 Grounds for revocation.**

The secretary of state may commence a proceeding under section 490.1531 to revoke the certificate of authority of a foreign corporation authorized to transact business in this state if:

1. The foreign corporation does not deliver its biennial report to the secretary of state in a form that meets the requirements of section 490.1622 within sixty days after it is due.

2. The foreign corporation is without a registered agent or registered office in this state for sixty days or more.

3. The foreign corporation does not inform the secretary of state under section 490.1508 or 490.1509 that its registered agent or registered office has changed, that its registered agent has resigned, or that its registered office has been discontinued within sixty days of the change, resignation, or discontinuance.

4. An incorporator, director, officer, or agent of the foreign corporation signed a document that person knew was false in any material respect with intent that the document be delivered to the secretary of state for filing.

5. The secretary of state receives a duly authenticated certificate from the secretary of state or other official having custody of corporate records in the state or country under whose law the foreign corporation is incorporated stating that it has been dissolved or disappeared as the result of a merger.

89 Acts, ch 288, §172; 90 Acts, ch 1205, §27; 96 Acts, ch 1170, §19; 97 Acts, ch 171, §17
Referred to in §490.1531

**490.1531 Procedure for and effect of revocation.**

1. If the secretary of state determines that one or more grounds exist under section 490.1530 for revocation of a certificate of authority, the secretary of state shall serve the foreign corporation with written notice of the secretary's determination under section 490.1510.

2. If the foreign corporation does not correct each ground for revocation or demonstrate to the reasonable satisfaction of the secretary of state that each ground determined by the secretary of state does not exist within sixty days after service of the notice is perfected under section 490.1510, the secretary of state may revoke the foreign corporation's certificate of authority by signing a certificate of revocation that recites the ground or grounds for revocation and its effective date. The secretary of state shall file the original of the certificate and serve a copy on the foreign corporation under section 490.1510.

3. The authority of a foreign corporation to transact business in this state ceases on the date shown on the certificate revoking its certificate of authority.

4. The secretary of state's revocation of a foreign corporation's certificate of authority appoints the secretary of state the foreign corporation's agent for service of process in any proceeding based on a cause of action which arose during the time the foreign corporation was authorized to transact business in this state. Service of process on the secretary of state under this subsection is service on the foreign corporation. Upon receipt of process, the secretary of state shall mail a copy of the process to the secretary of the foreign corporation at its principal office shown in its most recent biennial report or in any subsequent communication received from the corporation stating the current mailing address of its principal office, or, if none is on file, in its application for a certificate of authority.

5. Revocation of a foreign corporation's certificate of authority does not terminate the authority of the registered agent of the corporation.

89 Acts, ch 288, §173; 97 Acts, ch 171, §18

Referred to in §490.1510, 490.1530

**490.1532 Appeal from revocation.**

1. A foreign corporation may appeal the secretary of state's revocation of its certificate of authority to the district court within thirty days after service of the certificate of revocation is perfected under section 490.1510. The foreign corporation appeals by petitioning the court to set aside the revocation and attaching to the petition copies of its certificate of authority and the secretary of state's certificate of revocation.

2. The court may summarily order the secretary of state to reinstate the certificate of authority or may take any other action the court considers appropriate.

3. The court's final decision may be appealed as in other civil proceedings.

89 Acts, ch 288, §174

## DIVISION XVI

## RECORDS AND REPORTS

### PART A

**490.1601 Corporate records.**

1. A corporation shall keep as permanent records minutes of all meetings of its shareholders and board of directors, a record of all actions taken by the shareholders or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation.

2. A corporation shall maintain appropriate accounting records.

3. A corporation or its agent shall maintain a record of its shareholders in a form that permits preparation of a list of the names and addresses of all shareholders in alphabetical order by class of shares showing the number and class of shares held by each.

4. A corporation shall maintain its records in the form of a document, including an

electronic record, or in another form capable of conversion into paper form within a reasonable time.

5. A corporation shall keep a copy of the following records at its principal office:

*a.* Its articles or restated articles of incorporation, all amendments to them currently in effect, and any notices to shareholders referred to in section 490.120, subsection 12, paragraph "*e*", regarding facts on which a filed document is dependent.

*b.* Its bylaws or restated bylaws and all amendments to them currently in effect.

*c.* Resolutions adopted by its board of directors creating one or more classes or series of shares, and fixing their relative rights, preferences, and limitations, if shares issued pursuant to those resolutions are outstanding.

*d.* The minutes of all shareholders' meetings, and records of all action taken by shareholders without a meeting, for the past three years.

*e.* All written communications to shareholders generally within the past three years, including the financial statements furnished for the past three years under section 490.1620.

*f.* A list of the names and business addresses of its current directors and officers.

*g.* Its most recent biennial report delivered to the secretary of state under section 490.1622.

89 Acts, ch 288, §175; 97 Acts, ch 171, §19; 2007 Acts, ch 140, §11, 12; 2013 Acts, ch 31, §74, 82

Referred to in §490.141, 490.840, 490.1602

2013 amendment to subsection 4 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 4 amended

**490.1602 Inspection of records by shareholders.**

1. A shareholder of a corporation is entitled to inspect and copy, during regular business hours at the corporation's principal office, any of the records of the corporation described in section 490.1601, subsection 5, if the shareholder gives the corporation signed written notice of the shareholder's demand at least five business days before the date on which the shareholder wishes to inspect and copy.

2. For any meeting of shareholders for which the record date for determining shareholders entitled to vote at the meeting is different than the record date for notice of the meeting, any person who becomes a shareholder subsequent to the record date for notice of the meeting and is entitled to vote at the meeting is entitled to obtain from the corporation upon request the notice and any other information provided by the corporation to shareholders in connection with the meeting, unless the corporation has made such information generally available to shareholders by posting it on its internet site or by other generally recognized means. Failure of a corporation to provide such information does not affect the validity of action taken at the meeting.

3. A shareholder of a corporation is entitled to inspect and copy, during regular business hours at a reasonable location specified by the corporation, any of the following records of the corporation if the shareholder meets the requirements of subsection 4 and gives the corporation a signed written notice of the shareholder's demand at least five business days before the date on which the shareholder wishes to inspect and copy any of the following:

*a.* Excerpts from minutes of any meeting of the board of directors or a committee of the board of directors while acting in place of the board of directors on behalf of the corporation, minutes of any meeting of the shareholders, and records of action taken by the shareholders, board of directors, or a committee of the board without a meeting, to the extent not subject to inspection under subsection 1.

*b.* Accounting records of the corporation.

*c.* The record of shareholders.

4. A shareholder may inspect and copy the records described in subsection 3 only if all of the following apply:

*a.* The shareholder's demand is made in good faith and for a proper purpose.

*b.* The shareholder describes with reasonable particularity the shareholder's purpose and the records the shareholder desires to inspect.

*c.* The records are directly connected with the shareholder's purpose.

5. The right of inspection granted by this section shall not be abolished or limited by a corporation's articles of incorporation or bylaws.

6. This section does not affect any of the following:

*a.* The right of a shareholder to inspect records under section 490.720 or, if the shareholder is in litigation with the corporation, to the same extent as any other litigant.

*b.* The power of a court, independently of this chapter, to compel the production of corporate records for examination.

7. For purposes of this section, *"shareholder"* includes a beneficial owner whose shares are held in a voting trust or by a nominee on the shareholder's behalf.

89 Acts, ch 288, §176; 2013 Acts, ch 31, §75, 82

Referred to in §490.720, 490.1603, 490.1604

2013 amendment to this section takes effect January 1, 2014; 2013 Acts, ch 31, §82

Section amended

**490.1603 Scope of inspection right.**

1. A shareholder's agent or attorney has the same inspection and copying rights as the shareholder represented.

2. The right to copy records under section 490.1602 includes, if reasonable, the right to receive copies by xerographic or other means, including copies through an electronic transmission if available and so requested by the shareholder.

3. The corporation may comply at its expense with a shareholder's demand to inspect the record of shareholders under section 490.1602 by providing the shareholder with a list of shareholders that was compiled no earlier than the date of the shareholder's demand.

4. The corporation may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the shareholder. The charge shall not exceed the estimated cost of production, reproduction, or transmission of the records.

89 Acts, ch 288, §177; 2002 Acts, ch 1154, §99, 125; 2013 Acts, ch 31, §76, 82

2013 amendment to subsection 3 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 3 amended

**490.1604 Court-ordered inspection.**

1. If a corporation does not allow a shareholder who complies with section 490.1602, subsection 1, to inspect and copy any records required by that subsection to be available for inspection, the district court of the county where the corporation's principal office or, if none in this state, its registered office is located may summarily order inspection and copying of the records demanded at the corporation's expense upon application of the shareholder.

2. If a corporation does not within a reasonable time allow a shareholder to inspect and copy any other records, the shareholder who complies with section 490.1602 may apply to the district court in the county where the corporation's principal office or, if none in this state, its registered office is located for an order to permit inspection and copying of the records demanded. The court shall dispose of an application under this subsection on an expedited basis.

3. If the court orders inspection and copying of the records demanded, it shall also order the corporation to pay the shareholder's costs, including reasonable counsel fees, incurred to obtain the order unless the corporation proves that it refused inspection in good faith because it had a reasonable basis for doubt about the right of the shareholder to inspect the records demanded.

4. If the court orders inspection and copying of the records demanded, it may impose reasonable restrictions on the use or distribution of the records by the demanding shareholder.

89 Acts, ch 288, §178; 2013 Acts, ch 31, §77, 82

2013 amendment to subsection 2 takes effect January 1, 2014; 2013 Acts, ch 31, §82

Subsection 2 amended

**490.1605 Inspection of records by directors.**

1. A director of a corporation is entitled to inspect and copy the books, records, and documents of the corporation at any reasonable time to the extent reasonably related to the performance of the director's duties as a director, including duties as a member of a committee, but not for any other purpose or in any manner that would violate any duty to the corporation.

2. The district court of the county where the corporation's principal office, or if none in this state, its registered office, is located may order inspection and copying of the books, records, and documents at the corporation's expense, upon application of a director who has been refused such inspection rights, unless the corporation establishes that the director is not entitled to such inspection rights. The court shall dispose of an application under this subsection on an expedited basis.

3. If an order is issued, the court may include provisions protecting the corporation from undue burden or expense, and prohibiting the director from using information obtained upon exercise of the inspection rights in a manner that would violate a duty to the corporation, and may also order the corporation to reimburse the director for the director's costs, including reasonable counsel fees, incurred in connection with the application.

2002 Acts, ch 1154, §100, 125

**490.1606 Exception to notice requirement.**

1. Whenever notice would otherwise be required to be given under any provision of this chapter to a shareholder, such notice need not be given if any of the following apply:

*a.* Notices to the shareholders of two consecutive annual meetings, and all notices of meetings during the period between such two consecutive annual meetings, have been sent to such shareholder at such shareholder's address as shown on the records of the corporation and have been returned undeliverable or could not be delivered.

*b.* All, but not less than two, payments of dividends on securities during a twelve-month period, or two consecutive payments of dividends on securities during a period of more than twelve months, have been sent to such shareholder at such shareholder's address as shown on the records of the corporation and have been returned undeliverable or could not be delivered.

2. If any such shareholder shall deliver to the corporation a written notice setting forth such shareholder's then-current address, the requirement that notice be given to such shareholder shall be reinstated.

2002 Acts, ch 1154, §101, 125; 2013 Acts, ch 31, §78, 82
2013 amendment to subsection 1 takes effect January 1, 2014; 2013 Acts, ch 31, §82
Subsection 1 amended

**490.1607 through 490.1619** Reserved.

PART B

**490.1620 Financial statements for shareholders.**

1. A corporation shall deliver to its shareholders annual financial statements, which may be consolidated or combined statements of the corporation and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of changes in shareholders' equity for the year unless that information appears elsewhere in the financial statements. If financial statements are prepared for the corporation on the basis of generally accepted accounting principles, the annual financial statements must also be prepared on that basis.

2. If the annual financial statements are reported upon by a public accountant, the report must accompany them. If not, the statements must be accompanied by a statement of the president or the person responsible for the corporation's accounting records which does all of the following:

*a.* States such person's reasonable belief whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation.

*b.* Describes any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

3. Within one hundred twenty days after the close of each fiscal year, the corporation shall send the annual financial statements to each shareholder. Thereafter, on written request from a shareholder to whom the statements were not sent, the corporation shall send the

shareholder the latest financial statements. A public corporation may fulfill its responsibilities under this section by delivering the specified financial statements, or otherwise making them available, in any manner permitted by the applicable rules and regulations of the United States securities and exchange commission.

89 Acts, ch 288, §179; 2013 Acts, ch 31, §79, 82

Referred to in §490.1320, 490.1324, 490.1601

2013 amendment striking and rewriting this section takes effect January 1, 2014; 2013 Acts, ch 31, §82

Section stricken and rewritten

**490.1621 Other reports to shareholders.** Repealed by 2002 Acts, ch 1154, § 123, 125.

**490.1622 Biennial report for secretary of state.**

1. Each domestic corporation, and each foreign corporation authorized to transact business in this state, shall deliver to the secretary of state for filing a biennial report that sets forth all of the following:

*a.* The name of the corporation and the state or country under whose law it is incorporated.

*b.* The address of its registered office and the name of its registered agent at that office in this state, together with the consent of any new registered agent.

*c.* The address of its principal office.

*d.* The names and addresses of the president, secretary, treasurer, and one member of the board of directors.

2. Information in the biennial report must be current as of the date the report is delivered to the secretary of state for filing. The report shall be executed on behalf of the corporation and signed as provided in section 490.120 or by any other person authorized by the board of directors of the corporation.

3. The first biennial report shall be delivered to the secretary of state between January 1 and April 1 of the first even-numbered year following the calendar year in which a domestic corporation was incorporated or a foreign corporation was authorized to transact business. Subsequent biennial reports must be delivered to the secretary of state between January 1 and April 1 of the following even-numbered calendar years. A filing fee for the biennial report shall be determined by the secretary of state. For purposes of this section, each biennial report shall contain information related to the two-year period immediately preceding the calendar year in which the report is filed.

4. If a biennial report does not contain the information required by this section, the secretary of state shall promptly notify the reporting domestic or foreign corporation in writing and return the report to it for correction.

5. The secretary of state may provide for the change of registered office or registered agent on the form prescribed by the secretary of state for the biennial report, provided that the form contains the information required in section 490.502 or 490.1508. If the secretary of state determines that a biennial report does not contain the information required by this section but otherwise meets the requirements of section 490.502 or 490.1508 for the purpose of changing the registered office or registered agent, the secretary of state shall file the statement of change of registered office or registered agent, effective as provided in section 490.123, before returning the biennial report to the corporation as provided in this section. A statement of change of registered office or agent pursuant to this subsection shall be executed by a person authorized to execute the biennial report.

89 Acts, ch 288, §181; 96 Acts, ch 1170, §20, 21; 97 Acts, ch 171, §20; 2010 Acts, ch 1100, §19

Referred to in §490.120, 490.125, 490.128, 490.502, 490.1420, 490.1508, 490.1530, 490.1601

## DIVISION XVII

## TRANSITION PROVISIONS

**490.1701 Application to existing corporations.**

1. Except as provided in this subsection or chapter 504, Code 1989, or current chapter 504, this chapter does not apply to or affect entities subject to chapter 504, Code 1989, or current chapter 504. Such entities continue to be governed by all laws of this state applicable to them before December 31, 1989, as those laws are amended. This chapter does not derogate or limit the powers to which such entities are entitled.

2. *a.* Unless otherwise provided, this chapter does not apply to an entity subject to chapter 174, 497, 498, 499, 499A, 524, or 533 or a corporation organized on the mutual plan under chapter 491, or a telephone company organized as a corporation under chapter 491 qualifying pursuant to an internal revenue service letter ruling under Internal Revenue Code § 501(c)(12) as a nonprofit corporation entitled to distribute profits in a manner similar to a chapter 499 corporation, unless such entity voluntarily elects to adopt the provisions of this chapter and complies with the procedure prescribed by subsection 3 of this section.

*b.* A corporation organized under chapter 496C may voluntarily elect to adopt the provisions of this chapter by complying with the provisions prescribed by subsection 3.

3. The procedure for the voluntary election referred to in subsection 2 is as follows:

*a.* The corporation shall amend or restate its articles of incorporation to indicate that the corporation adopts this chapter and to designate the address of its initial registered office and the name of its registered agent at that office and, if the name of the corporation is not in compliance with the requirements of this chapter, to change the name of the corporation to one complying with the requirements of this chapter.

*b.* (1) The instrument shall be delivered to the secretary of state for filing and recording in the secretary of state's office. If the corporation was organized under chapter 524 or 533, the instrument shall also be filed and recorded in the office of the county recorder. The corporation shall at the time it files the instrument with the secretary of state deliver also to the secretary of state for filing in the secretary of state's office any biennial report which is then due.

(2) If the county of the initial registered office as stated in the instrument for a corporation organized under chapter 524 or 533 is one which is other than the county where the principal place of business of the corporation, as designated in its articles of incorporation, was located, the corporation shall forward to the county recorder of the county in which the principal place of business of the corporation was located a copy of the instrument and the corporation shall forward to the recorder of the county in which the initial registered office of the corporation is located, in addition to a copy of the original instrument, a copy of the articles of incorporation of the corporation together with all amendments to them as then on file in the secretary of state's office. The corporation shall, through an officer or director, certify to the secretary of state that a copy has been sent to each applicable county recorder, including the date each copy was sent.

*c.* Upon the filing of the instrument by a corporation all of the following apply:

(1) All of the provisions of this chapter apply to the corporation.

(2) The secretary of state shall issue a certificate as to the filing of the instrument and deliver the certificate to the corporation or its representative.

(3) The secretary of state shall not file the instrument with respect to a corporation unless at the time of filing the corporation is validly existing and in good standing in that office under the chapter under which it is incorporated. The corporation shall be considered validly existing and in good standing for the purpose of this chapter for a period of three months following the expiration date of the corporation, provided all biennial reports due have been filed and all fees due in connection with the biennial reports have been paid.

*d.* The provisions of this chapter becoming applicable to a corporation voluntarily electing to be governed by this chapter do not affect any right accrued or established, or any liability or penalty incurred, under the chapter under which it is incorporated prior to the filing by the

secretary of state in the secretary of state's office of the instrument manifesting the election by the corporation to adopt the provisions of this chapter as provided in this subsection.

4. Except as specifically provided in this chapter, this chapter applies to all domestic corporations in existence on December 31, 1989, that were incorporated under any general statute of this state providing for incorporation of corporations for profit if power to amend or repeal the statute under which the corporation was incorporated was reserved.

5. A corporation subject to this chapter which does not have a registered office or registered agent or both designated on the records of the secretary of state is subject to all of the following provisions:

*a.* The office of the corporation set forth in its first biennial report filed under this chapter shall be deemed its registered office until December 31, 1990, or until it files a designation of registered office with the secretary of state, whichever is earlier.

*b.* The person signing the first biennial report of the corporation filed under this chapter shall be deemed the registered agent until December 31, 1990, or a statement designating a registered agent has been filed with the secretary of state, whichever is earlier.

*c.* Section 490.502 does not apply to the corporation until December 31, 1990, or until the corporation files a designation of registered office and registered agent at that office with the secretary of state, whichever is earlier.

6. A corporation subject to this chapter is not subject to chapter 491, 492, 493, or 495.

89 Acts, ch 288, §182; 93 Acts, ch 126, §9; 97 Acts, ch 107, §6; 97 Acts, ch 171, §21 – 24; 2002 Acts, ch 1017, §5, 8; 2003 Acts, ch 66, §1, 2; 2003 Acts, ch 108, §91; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394; 2006 Acts, ch 1010, §126; 2006 Acts, ch 1089, §14; 2012 Acts, ch 1017, §89; 2012 Acts, ch 1023, §157

Referred to in §496C.14, 496C.19, 515G.3

**490.1702 Application to qualified foreign corporations.**

A foreign corporation authorized to transact business in this state on December 31, 1989, is subject to this chapter but is not required to obtain a new certificate of authority to transact business under this chapter.

89 Acts, ch 288, §183

**490.1703 Savings provisions.**

1. Except as provided in subsection 2, the repeal of a statute by 1989 Iowa Acts, chapter 288, and the amendment or repeal of a statute by 2002 Iowa Acts, chapter 1154, does not affect:

*a.* The operation of the statute or any action taken under it before its amendment or repeal.

*b.* Any ratification, right, remedy, privilege, obligation, or liability acquired, accrued, or incurred under the statute before its amendment or repeal.

*c.* Any violation of the statute, or any penalty, forfeiture, or punishment incurred because of the violation, before its amendment or repeal.

*d.* Any proceeding, reorganization, or dissolution commenced under the statute before its amendment or repeal, and the proceeding, reorganization, or dissolution may be completed in accordance with the statute as if it had not been amended or repealed.

2. If a penalty or punishment imposed for violation of a statute repealed by 1989 Iowa Acts, chapter 288, is reduced by 1989 Iowa Acts, chapter 288, the penalty or punishment if not already imposed shall be imposed in accordance with this chapter.

3. In the event that any provision of this chapter is deemed to modify, limit, or supersede the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., the provisions of this chapter shall control to the maximum extent permitted by section 102(a)(2) of that federal Act.

89 Acts, ch 288, §184; 90 Acts, ch 1168, §53; 2003 Acts, ch 66, §3; 2013 Acts, ch 31, §80, 82

Subsection 3 takes effect January 1, 2014; 2013 Acts, ch 31, §82

NEW subsection 3

**490.1704 Preemptive rights for existing corporations.** Repealed by 2006 Acts, ch 1089, § 16.

**490.1705 Reinstatement of corporations existing prior to December 31, 1989.** Repealed by 2006 Acts, ch 1030, § 86; 2006 Acts, ch 1089, § 16.

# CHAPTER 490A

## LIMITED LIABILITY COMPANIES

Repealed by its own terms effective December 31, 2010; 2008 Acts, ch 1162, §153, 155; see chapter 489
Chapter 489 governs limited liability companies formed on or after January 1, 2009; and all limited liability companies on and after January 1, 2011; option for companies formed under this chapter to come under chapter 489 prior to that date; see §489.1304

# CHAPTER 491

## CORPORATIONS FOR PECUNIARY PROFIT

Referred to in §28E.29, 261B.3A, 468.327, 468.506, 490.1701, 499.5, 499.43B, 504.1108, 508B.2, 514.23, 515.1, 515.11A, 515G.2, 515G.3, 518.1, 518A.1, 519.2, 521.2, 521.17, 521A.14, 524.2001, 552A.2, 669.14

Applicable to domestic corporations organized prior to July 1, 1971; §491.1
Reorganization option for cooperative associations, §499.43B

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## DIVISION I

## GENERAL PROVISIONS

**491.1 Who may incorporate.**

Any number of persons may become incorporated under this chapter prior to July 1, 1971, for the transaction of any lawful business, but the incorporation confers no power or privilege not possessed by natural persons, except as provided in this chapter. All domestic corporations shall be organized under chapter 490, except as expressly provided otherwise in chapter 490.

[C51, §673; R60, §1150; C73, §1058; C97, §1607; C24, 27, 31, 35, 39, §**8339;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.1]

83 Acts, ch 101, §106; 89 Acts, ch 83, §65; 89 Acts, ch 288, §186

Referred to in §521A.14

Incorporation of mutual insurance holding companies resulting from reorganization of domestic mutual insurance companies, see §521A.14

**491.2 Single person.**

Except as otherwise provided by law, a single person may incorporate under the provisions of this chapter, thereby entitling that person to all the privileges and immunities provided herein, but if the person adopts the name of an individual or individuals as that of the corporation, the person must add thereto the word "incorporated".

[C51, §702; R60, §1179; C73, §1088; C97, §1608; C24, 27, 31, 35, 39, §**8340;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.2]

**491.3 Powers.**

Among the powers of such corporations are the following:

1. To have perpetual succession.
2. To sue and be sued by its corporate name.
3. To have a common seal, which it may alter at pleasure.
4. To render the interests of the stockholders transferable.
5. To exempt the private property of its members from liability for corporate debts, except as otherwise declared.
6. To make contracts, acquire and transfer property — possessing the same powers in such respects as natural persons.

7. To establish bylaws, and make all rules and regulations necessary for the management of its affairs.

8. A corporation organized under or subject to this chapter may make indemnification as provided in sections 490.850 through 490.859.

[C51, §674; R60, §1151; C73, §1059; C97, §1609; C24, 27, 31, 35, 39, §**8341;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.3]

83 Acts, ch 71, §2; 90 Acts, ch 1205, §29; 2002 Acts, ch 1154, §102, 125

**491.4** Repealed by 94 Acts, ch 1055, § 16.

**491.5 Articles adopted and filed.**

1. Before commencing any business except their own organization, they must adopt articles of incorporation, which must be signed and acknowledged by the incorporators. Said articles shall then be forwarded to the secretary of state. Upon the filing of such articles, the secretary of state shall issue a certificate of incorporation and record said articles in a book kept for that purpose.

2. Such articles shall contain:

*a.* Name of corporation and its principal place of business.

*b.* The objects for which it is formed.

*c.* The amount of authorized capital stock, the classes of stock and number of shares authorized, with the par value and conditions of each class of such shares, and the time when and conditions under which it is to be paid in.

*d.* The time of commencement and existence of the corporation.

*e.* The names and addresses of the incorporators and the officers or persons its affairs are to be conducted by, and the times when and manner in which such officers will be elected.

*f.* Whether private property is to be exempt from corporate debts.

*g.* The manner in which the articles may be amended.

*h.* Any provision eliminating or limiting the personal liability of a director to the corporation or its shareholders or members for money damages as provided in section 490.202, subsection 2, paragraph "*d*", except that section 490.202, subsection 2, paragraph "*d*", subparagraph (1), subparagraph division (c), shall have no application.

*i.* Any provision permitting or making obligatory indemnification of a director as provided in section 490.202, subsection 2, paragraph "*e*", except that section 490.202, subsection 2, paragraph "*e*", subparagraph (3), shall have no application.

[C51, §675; R60, §1152; C73, §1060; C97, §1610; S13, §1610; C24, 27, 31, 35, 39, §**8343;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.5]

87 Acts, ch 212, §2; 88 Acts, ch 1170, §3; 94 Acts, ch 1055, §4; 2003 Acts, ch 66, §5, 6; 2012 Acts, ch 1023, §151, 157

Referred to in §491.10, 491.107

**491.6 Filing or refusal to file.**

When articles of incorporation are presented to the secretary of state for the purpose of being filed, if the secretary is satisfied that they are in proper form to meet the requirements of law, that their object is a lawful one and not against public policy, that their plan for doing business, if any be provided for, is honest and lawful, the secretary shall file them; but if the secretary is of the opinion that they are not in proper form to meet the requirements of the law, or that their object is an unlawful one, or against public policy, or that their plan for doing business is dishonest or unlawful, the secretary shall refuse to file them.

[S13, §1610; C24, 27, 31, 35, 39, §**8344;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.6]

Referred to in §491.10, 491.107

**491.7 Question of legality submitted.**

Should a question of doubt arise as to the legality of the articles, the secretary of state shall submit them to the attorney general whose duty it shall be to forthwith examine and return

them with an opinion in writing touching the point or points concerning which inquiry has been made of the attorney general.

[S13, §1610; C24, 27, 31, 35, 39, §**8345;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.7]
Referred to in §491.10, 491.107

**491.8 Action on opinion.**

If such opinion is in favor of the legality of the articles, and no other objections are apparent, they shall then, upon payment of the proper fee, be filed and otherwise dealt with as the law provides. If, however, such opinion be against their legality they shall not be filed.

[S13, §1610; C24, 27, 31, 35, 39, §**8346;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.8]
Referred to in §491.10, 491.107

**491.9 Submission to executive council.**

Upon the rejection of any articles of incorporation by the secretary of state, except for the reason that they have been held by the attorney general to be illegal, they shall, if the person or persons presenting them so request, be submitted to the executive council, which shall, as soon as practicable, consider the said articles and if the council determines that the articles are in proper form, of honest purpose, not against public policy, nor otherwise objectionable, it shall so advise the secretary of state in writing, whereupon the secretary shall, upon the payment of the proper fees, file the same and proceed otherwise as the law directs; but if the council sustains the previous action of the secretary of state in rejecting said articles, such decision by the council shall be reported to the secretary of state in writing, and the secretary shall then return said articles to the person or persons presenting them with such explanation as shall be proper in the case.

[C13, §1610; C24, 27, 31, 35, 39, §**8347;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.9]
Referred to in §491.10, 491.107

**491.10 Interpretative clause.**

Nothing in sections 491.5 to 491.9 shall be construed as repealing or modifying any statute now in force in respect to the approval of articles of incorporation relating to insurance companies or investment companies.

[S13, §1610; C24, 27, 31, 35, 39, §**8348;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.10]
2012 Acts, ch 1017, §90

**491.11 Incorporation fee.**

Corporations organized for a period of years shall pay the secretary of state, before a certificate of incorporation is issued, a fee of fifty dollars.

[C97, §1610; S13, §1610; C24, 27, 31, 35, 39, §**8349;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.11]
93 Acts, ch 126, §10
Referred to in §491.28, 491.107
See §491.28

**491.12** Repealed by 93 Acts, ch 126, § 35.

**491.13 Place of business.**

Any corporation organized under the laws of this state shall fix upon and designate in its articles of incorporation its principal place of business which must be in this state, and if outside the limits of a city then its post office address must be given. The place of business so designated shall not be changed except through an amendment to its articles of incorporation.

When a corporation changes its principal place of business from one county to another, an amendment for this purpose shall be filed with the secretary of state, recorded in the office of the recorder of deeds of the county of the previous place of business, and then said amendment together with the articles of incorporation and all amendments thereto shall be filed with the recorder of deeds of the county to which said corporation's principal place of business is changed.

[C97, §1612; S13, §1612; C24, 27, 31, 35, 39, §**8353;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.13]

**491.14 Custody of office — business maintained.**

Its place of business shall be in charge of an agent of the corporation and shall be the place where it shall hold its stockholders' meetings, keep a record of its proceedings and its stock and transfer books. The board of directors may designate by resolution some other place in the county where business of the corporation is transacted as the place for holding a stockholders' meeting if notice is mailed to the stockholders at least twenty days prior to each meeting informing the stockholders of the place, date, and hour of the stockholders' meeting.

[C97, §1612; S13, §1612; C24, 27, 31, 35, 39, §**8354;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.14]

**491.15 Service of original notice — secretary of state.**

Any corporation organized under the laws of this state that does not maintain an office in the county of its organization may file with the secretary of state a certified copy of a resolution of the board of directors of said corporation giving name and address in Iowa of a resident agent on whom the service of original notice of civil suit in the courts of this state may be served, or file with the secretary of state a written instrument duly signed and acknowledged authorizing the secretary of state to acknowledge service of notice or process for and in behalf of such corporation in this state and consenting that service of notice or process may be made upon the secretary of state. Failing which, or in the event such agent may not be found within the state, service of such process may then be made upon said corporation through the secretary of state by sending the original and two copies thereof to the secretary, and the secretary shall immediately upon its receipt acknowledge service thereon in behalf of the defendant corporation by writing thereon, giving the date thereof, and shall immediately return such notice or process by certified mail to the clerk of the court in which the suit is pending, addressed by the clerk's official title, and shall also forthwith mail a copy with a copy of the secretary's acknowledgment of service written thereon, by certified mail addressed to the corporation at the address of its principal place of business as shown by the records in the secretary of state's office, and shall retain the second copy for the secretary's files.

[C97, §1612; S13, §1612; C24, 27, 31, 35, 39, §**8355, 8356;** C46, 50, §491.15, 491.16; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.15]

**491.16 Indemnification of officers, directors, employees, and agents — insurance.**

Sections 490.850 through 490.859 apply to corporations organized under or subject to this chapter.

[C71, 73, 75, 77, 79, 81, §491.16]

83 Acts, ch 71, §3; 90 Acts, ch 1205, §30; 2002 Acts, ch 1154, §103, 125

**491.16A Directors and officers — duties and liabilities.**

Sections 490.830 through 490.842 apply to corporations organized under or subject to this chapter.

2003 Acts, ch 66, §7

**491.17 Notice of incorporation.**

A notice must be published once each week for four weeks in succession in some newspaper as convenient as practicable to the principal place of business, which must contain:

1. The name of the corporation and its principal place of business.
2. The general nature of the business to be transacted.
3. The amount of capital stock authorized, and the times and conditions on which it is to be paid in.
4. The time of the commencement and existence of the corporation.
5. By what officers or persons its affairs are to be conducted, and the times when and manner in which they will be elected.

6. Whether private property is to be exempt from corporate debts.

[C51, §677, 678; R60, §1154, 1155; C73, §1062, 1063; C97, §1613; S13, §1613; C24, 27, 31, 35, 39, §**8357;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.17]

Referred to in §491.20, 491.32, 491.109

Legalizing Acts, chapter 591

**491.18 Proof of publication — filing.**

Proof of such publication, by affidavit of the publisher of the newspaper in which it is made, shall be filed with the secretary of state, and shall be evidence of the fact.

[C97, §1613; S13, §1613; C24, 27, 31, 35, 39, §**8358;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.18]

**491.19 Commencement of business.**

The corporation may commence business as soon as the certificate is issued by the secretary of state, and its acts shall be valid if the publication in a newspaper is made within three months from the date of such certificate; providing that when the notice is not published within the time herein prescribed, but is subsequently published for the required time, and proof of the publication thereof filed with the secretary of state, the acts of such corporation after such publication shall be valid.

[C51, §679; R60, §1156; C73, §1064; C97, §1614; C24, 27, 31, 35, 39, §**8359;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.19]

**491.20 Amendments — fees.**

Amendments to articles of incorporation making changes in any of the provisions of the articles may be made at any annual meeting of the stockholders or special meeting called for that purpose, and they shall be valid only when recorded, approved and published as the original articles are required to be, except where the amendment provides for changing the principal place of business from one county to another, in which event said amendment shall be published in both the counties of the former and new place of business. Publication shall be by notice setting out the substance of the amendment and, in the case of amended and substituted articles, said notice shall contain the matters and things required to be published by section 491.17, relating to original incorporations. If no increase is made in the amount of capital stock, a certificate fee of one dollar and a recording fee of fifty cents per page must be paid. Where capital stock is increased the certificate fee shall be omitted but there shall be paid a recording fee of fifty cents per page and in addition a filing fee which in case of corporations existing for a period of years shall be one dollar per thousand of such increase and in case of corporations empowered to exist perpetually shall be one dollar and ten cents per thousand of such increase. Corporations providing for perpetual existence by amendment to its articles shall, at the time of filing such amendment, pay to the secretary of state a fee of one hundred dollars together with a recording fee of fifty cents per page, and, for all authorized capital stock in excess of ten thousand dollars, an additional fee of one dollar ten cents per thousand.

Its articles of incorporation to the contrary notwithstanding, if three-fourths of the voting stock of any corporation organized under the provisions of this chapter, with assets of the value of one million dollars or more, is owned by individuals owning not more than one share each of the voting stock thereof, said articles may be amended at any regular or special meeting of stockholders, when a notice in writing of the substance of the proposed amendment has been mailed by ordinary mail to each voting stockholder of such corporation not more than ninety nor less than sixty days prior to said meeting, by the affirmative vote of two-thirds of the voting stock represented at said meeting when said amendment is approved by the affirmative vote of two-thirds of the members of the board of directors at a meeting prior to the mailing of said notice.

If such corporation is renewed under the provisions of section 491.25, the voting stock of

dissenting stockholders or any portion thereof may be purchased by the corporation at its option as provided in said section.

[C51, §680; R60, §1157; C73, §1065; C97, §1615; S13, §1615; C24, 27, 31, 35, 39, §**8360;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.20]

Referred to in §491.24, 491.26, 491.107

Notice of amendment legalized, §591.11

**491.21 Signing and acknowledging of amendments.**

Such amendments need only be signed and acknowledged by such officers of the corporation as may be designated by the stockholders to perform such act.

[C97, §1615; S13, §1615; C24, 27, 31, 35, 39, §**8361;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.21]

**491.22 Individual property liable.**

A failure to substantially comply with the foregoing requirements in relation to organization and publicity shall render the individual property of the stockholders liable for the corporate debts; but corporators and stockholders in railway and street railway companies shall be liable only for the amount of stock held by them therein.

[C51, §689; R60, §1166, 1338; C73, §1068; C97, §1616; C24, 27, 31, 35, 39, §**8362;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.22]

**491.23 Dissolution — notice — filing with secretary of state.**

A corporation may be dissolved prior to the period fixed in the articles of incorporation, by unanimous consent, or in accordance with the provisions of its articles, and notice thereof must be given in the same manner and for the same time as is required for its organization; provided, however, that the notice of such dissolution shall be deemed sufficient if signed by the officers of such corporation and published as required by law. Notice thereof shall also be given by the filing in the office of the secretary of state the proof of publication of notice of dissolution and said proof shall be recorded by the secretary of state in the same manner as the recording of amendments, and a recording fee of one dollar shall apply thereto.

[C51, §682, 683; R60, §1159, 1160; C73, §1066, 1067; C97, §1617; C24, 27, 31, 35, 39, §**8363;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 491.23]

94 Acts, ch 1055, §5

**491.24 Duration.**

Corporations for the construction and operation, or the operation alone, of steam railways, interurban railways, and street railways, or for the transaction of the business of life insurance, may be formed to endure fifty years; those for other purposes, not to exceed twenty years; provided, however, that in addition to the power herein granted to incorporate for a period of years, corporations hereafter organized or now existing may have perpetual existence by so providing in the articles of incorporation or by amendment thereto pursuant to section 491.20.

[C51, §681; R60, §1158; C73, §1069; C97, §1618; S13, §1618; C24, 27, 31, 35, 39, §**8364;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.24]

**491.25 Renewal — conditions.**

Corporations existing for a period of years may be renewed from time to time for the same or shorter periods, or may be renewed to exist perpetually, upon compliance with the provisions of this section and other applicable statutes.

The right of renewal is vested in the stockholders and shall be exercised by a resolution thereof adopted at any regular meeting or at any special meeting called for that purpose. Such resolution must be adopted by a majority of all the votes cast at such meeting, or by such other vote as is authorized or required in the company's existing articles of incorporation.

If the renewal instrument in proper form and the necessary fees are tendered to the secretary of state for filing three months or less either prior or subsequent to the corporation's expiration date, such renewal shall take effect immediately upon the expiration of the corporation's previous period of existence, and in such case, the corporate existence shall

be considered as having been extended without interruption. If the renewal is filed more than three months before or after the expiration date, such renewal shall take effect upon the date such renewal with necessary fees is accepted and filed by the secretary of state; and in cases where filed more than three months after the expiration date, shall not be in legal effect a renewal unless the procedure provided for and the additional fees provided for in section 491.28 are fully complied with and paid.

In all cases of renewal, those stockholders voting for such renewal must purchase at its real value the stock voted against such renewal, and shall have three years from the date such action for renewal was taken in which to purchase and pay for the stock voting against such renewal, which purchase price shall bear interest at the rate of five percent per annum from the date of such renewal action until paid.

[C51, §681; R60, §1158; C73, §1069; C97, §1618; S13, §1618; C24, 27, 31, 35, 39, §**8365, 8366;** C46, 50, §491.25, 491.26; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.25]

Referred to in §491.20, 491.26

**491.26 Stock of dissenting holders.**

The provisions of section 491.25 shall not apply to any renewal voted before July 4, 1951, but all rights of any corporation described or referred to in the last two paragraphs of section 491.20 to purchase stock of dissenting stockholders or any portion thereof are preserved to said corporation both before and after this section becomes operative.

[S13, §1618; C24, 27, 31, 35, 39, §**8366;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.26]

**491.27 Execution of renewal — record required.**

After the action of the stockholders for the renewal of any corporation, a certificate, showing the proceedings resulting in the renewal, sworn to by the president and secretary of the corporation, or by other officers as may be designated by the stockholders, together with the articles of incorporation, which may be the original articles of incorporation or amended and substituted articles, shall be filed with the secretary of state and be recorded by the secretary in a book kept for that purpose.

[S13, §1618; C24, 27, 31, 35, 39, §**8367;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.27]

94 Acts, ch 1055, §6

**491.28 Filing with secretary of state — fees — certificate of renewal.**

Upon filing with the secretary of state the said certificate and articles of incorporation, and upon the payment to the secretary of state of the fees prescribed by section 491.11 for newly organized corporations, the secretary of state shall issue a proper certificate for the renewal of the corporation.

Whenever, after timely notice has been received that its articles of incorporation will expire and the corporate existence of any corporation has expired and not been renewed within the period prescribed by statute, said corporation thereafter files with the secretary of state amended and substituted articles of incorporation for the purpose of renewing and extending its corporate existence, the secretary of state shall cause said corporation to file satisfactory proof that no judgments against said corporation or the stockholders thereof are outstanding which may be liens against said corporation and that there is no pending litigation involving said corporation or the corporate existence of said corporation. Upon the filing of said proof the secretary of state may acknowledge and file for record the amended and substituted articles of said corporation and issue a certificate of renewal upon the payment of the renewal fees required by statute, however, the secretary of state shall charge and collect an additional ten percent of said renewal fees for each month or major fraction thereof said corporation was delinquent in renewal of its corporate existence as a penalty, but in no instance shall such additional delinquency fee be less than one hundred dollars and not more than one thousand dollars. Said certificate of renewal when issued shall have the same force and effect as though issued upon proper and timely application by said corporation and it shall date from the expiration of the corporate period which it succeeds.

[S13, §1618; C24, 27, 31, 35, 39, §**8368;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.28]

Referred to in §491.25

**491.29 Erroneous certificate — correction.**

In all cases wherein the secretary of state has prior to April 10, 1931 issued to a corporation organized or purporting to have been organized under the laws of this state a certificate renewing and extending its corporate existence from an erroneous date or for a period of time in excess of that provided by law, the secretary of state shall, upon the surrender of such certificate, issue to such corporation a new certificate, extending and renewing the corporate existence thereof from the correct date or for the period of time provided by law.

[C31, 35, §8368-d1; C39, §**8368.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.29]

**491.30 and 491.31** Repealed by 93 Acts, ch 126, § 35.

**491.32 Notice of renewal — publication.**

Within three months after the filing of the certificate and articles of incorporation with the secretary of state, the corporation so renewed shall publish a notice of renewal. Said notice shall be published once each week for four weeks in succession in a newspaper as convenient as practicable to the principal place of business of the corporation, and proof of publication filed in the office of the secretary of state, and shall contain the matters and things required to be published by section 491.17, relating to original incorporations.

[S13, §1618; C24, 27, 31, 35, 39, §**8370;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.32]

Notice of renewal legalized, §591.10

**491.33 Foreign insurance companies becoming domestic.**

The secretary of state upon a corporation complying with the provisions of this section and upon the filing of articles of incorporation and upon receipt of the fees as provided in this chapter shall issue a certificate of incorporation as of the date of the corporation's original incorporation in its state of original incorporation. The certificate of incorporation shall state on its face that it is issued in accordance with the provisions of this section. The secretary of state shall then notify the appropriate officer of the state or country of the corporation's last domicile that the corporation is now a domestic corporation domiciled in this state. This section applies to life insurance companies, and to insurance companies doing business under chapter 515.

[C75, 77, 79, 81, §491.33; 81 Acts, ch 161, §1]

94 Acts, ch 1055, §7

Referred to in §508.12, 515.78

**491.34 and 491.35** Repealed by 69 Acts, ch 273, § 1827 – 1829.

**491.36 Foreign-trade zone corporation.**

A corporation may be organized under the laws of this state for the purpose of establishing, operating, and maintaining a foreign-trade zone as defined in 19 U.S.C. § 81a. A corporation organized for the purposes set forth in this section has all powers necessary or convenient for applying for a grant of authority to establish, operate, and maintain a foreign-trade zone under the provisions of 19 U.S.C. § 81a, et seq., and rules promulgated thereunder, and for establishing, operating, and maintaining a foreign-trade zone pursuant to that grant of authority.

[C81, §491.36]

2010 Acts, ch 1061, §66

**491.37** Repealed by 69 Acts, ch 273, § 1830.

**491.38 Consolidation of interstate bridge companies.**

Any corporation heretofore or hereafter organized under the laws of this state for the purpose of constructing or operating, or constructing and operating, a bridge, one extremity of which shall rest in an adjacent state, may merge or consolidate the stock, property, rights, franchises, privileges, assets and liabilities of such corporation with the stock, property, rights, franchises, privileges, assets and liabilities of a corporation organized for a similar

purpose under the laws of such adjacent state, upon such terms not in conflict with law as may be mutually agreed upon, and thereafter such merged or consolidated corporations shall be one corporation with such name as may be agreed upon, and shall have all of the property, rights, privileges, assets and franchises, and be subject to all of the liabilities, of the merging or consolidating corporations.

[C31, 35, §8375-d1; C39, §**8375.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.38]

2013 Acts, ch 90, §147

Section amended

**491.39 Legislative control.**

The articles of incorporation, bylaws, rules and regulations of corporations hereafter organized under the provisions of either Title XII, subtitles 2 through 5, or Title XIII, subtitle 1 or 2, or whose organization may be adopted or amended thereunder, shall at all times be subject to legislative control, and may be at any time altered, abridged or set aside by law, and every franchise obtained, used, or enjoyed by such corporation may be regulated, withheld, or be subject to conditions imposed upon the enjoyment thereof, whenever the general assembly shall deem necessary for the public good.

[C73, §1090; C97, §1619; C24, 27, 31, 35, 39, §**8376;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.39]

Iowa Constitution, Art. I, §21; Art. VIII, §12

United States Constitution, Article I, §10

**491.40 Fraud — penalty for.**

Intentional fraud in failing to comply substantially with the articles of incorporation, or in deceiving the public or individuals in relation to their means or their liabilities, shall be a fraudulent practice. Any person who has sustained injury from such fraud may also recover damages therefor against those guilty of participating in such fraud.

[C51, §686; R60, §1163; C73, §1071; C97, §1620; C24, 27, 31, 35, 39, §**8377;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.40]

Referred to in §491.41, 491.42

**491.41 Diversion of funds — unlawful dividends.**

The diversion of the funds of the corporation to other objects than those mentioned in its articles and in the notice published, if any person be injured thereby, and the payment of dividends which leaves insufficient funds to meet the liabilities thereof, shall be such fraud as will subject those guilty thereof to the penalties of section 491.40; and such dividends, or their equivalent, in the hands of stockholders, shall be subject to such liabilities. If the directors or other officers or agents of any corporation shall declare and pay any dividend when such corporation is known by them to be insolvent, or any dividend the payment of which would render it insolvent, or which would diminish the amount of its capital stock, all directors, officers, or agents knowingly consenting thereto shall be jointly and severally liable for all the debts of such corporation then existing, but dividends made in good faith before knowledge of the occurring of losses shall not come within the provisions of this section.

[C51, §687, 688; R60, §1164, 1165; C73, §1072, 1073; C97, §1621; C24, 27, 31, 35, 39, §**8378;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 491.41]

Referred to in §491.42

**491.42 Forfeiture.**

Any intentional violation by the board of directors or the managing officers of the corporation of the provisions of sections 491.40 and 491.41 shall work a forfeiture of the corporate privileges, to be enforced as provided by law.

[C51, §690; R60, §1167; C73, §1074; C97, §1622; C24, 27, 31, 35, 39, §**8379;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.42]

**491.43 Keeping false accounts.**

The intentional keeping of false books or accounts shall be a fraudulent practice on the part of any officer, agent, or employee of the corporation guilty thereof, or of anyone whose duty it is to see that such books or accounts are correctly kept.

[C51, §691; R60, §1168; C73, §1075; C97, §1623; C24, 27, 31, 35, 39, §**8381;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.43]

**491.44 and 491.45** Reserved.

**491.46 Books to show names of stockholders.**

The books of the corporation shall be kept to show the amount of capital stock actually paid in, the number of shares of stock issued, the original stockholders, and all transfers of shares of stock, and there shall be entered upon the books of the corporation the name of the person by and to whom stock is transferred, the numbers or other designations of the shares of stock and the date of transfer. This section does not create any rights or impose any duties inconsistent with the provisions of chapter 554.

[C51, §692; R60, §1169; C73, §1078; C97, §1626; C24, 27, 31, 35, 39, §**8385;** C46, 50, §491.47; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.46]

Referred to in §491.50

**491.47 Names exhibited at meetings.**

It shall be the duty of the officer or agent of any corporation organized under the laws of the state of Iowa, or any foreign corporation qualified to do business in the state of Iowa and holding a meeting of its stockholders in the state of Iowa, who has charge of the stock records of such corporation to prepare and make, at least ten days before the holding of such meeting, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order. Such list shall be open and available at the place where said meeting is to be held for said ten days to the examination of any stockholder, and shall be kept at the time and place of meeting during the whole time thereof, and subject to the inspection of any stockholder who may be present at said meeting. The original or duplicate stock ledger of the corporation shall be the only evidence as to who are the stockholders entitled to examine such list or the books of the corporation or to vote in person or by proxy at such meeting. Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting. An officer or agent having charge of the transfer books who shall fail to prepare the list of stockholders, or keep the same on file for a period of ten days, or produce and keep the same open for inspection at the meeting, as provided in this section, shall be liable to any stockholder suffering damage on account of such failure, to the extent of such damage.

[C24, 27, 31, 35, 39, §**8384;** C46, 50, §491.46; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.47]

Referred to in §491.50

**491.48 Stock certificates — signing.**

A corporation organized and existing under the laws, either general or special, of this state, may designate in its articles or bylaws the officer or officers who shall be empowered to sign stock certificates issued by the corporation. If the articles or bylaws provide for the signature of a registrar or the signature or countersignature of a transfer agent on stock certificates issued by it, the corporation may likewise provide in the articles or bylaws that in lieu of the actual signature of the officer or officers authorized to sign stock certificates, the facsimile thereof may be either engraved or printed thereon.

[C31, 35, §8385-d1; C39, §**8385.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.48]

**491.49** Repealed by 65 Acts, ch 413, § 10102.

**491.50 Examination by stockholder.**

1. Any person who shall be a stockholder of record of any corporation organized under the laws of the state of Iowa or any foreign corporation authorized to transact business in the state of Iowa and maintaining its books and records in the state of Iowa shall have the right to examine in person or by duly authorized agent or attorney at any reasonable time

or times and for any proper purpose the stock records, minutes and records of stockholders' meetings, and the books and records of account and to make extracts therefrom.

2. The provisions of sections 491.46 and 491.47 and this section shall not apply to savings associations, deposit, loan, and investment records of banks, trust companies, or insurance companies organized under the laws of the state of Iowa, and to whom the provisions of this chapter would otherwise be applicable.

[C51, §692; R60, §1169; C73, §1078; C97, §1626; C24, 27, 31, 35, 39, §**8385, 8386;** C46, 50, §491.47, 491.50; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.50]

2012 Acts, ch 1017, §91

**491.51 through 491.53** Repealed by 65 Acts, ch 413, § 10102.

**491.54 Liability of collateral holder.**

No holder of stock as collateral security shall be liable for assessments on the same.

[C97, §1626; C24, 27, 31, 35, 39, §**8390;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.54]

**491.55 Right to vote stock — attachment.**

Every executor, administrator, guardian, or trustee shall represent the stock in the person's hands at all corporate meetings, and may vote the same as a stockholder.

Every person who shall pledge the person's stock, in the absence of a written agreement to the contrary, may represent the same at all such meetings and vote accordingly.

The owner of corporate stock levied upon by attachment or other proceeding shall have the right to vote the same at all corporate meetings, until such time as the owner shall have been divested of title thereto by execution sale.

Nothing contained in this section shall in any manner conflict with any provision in the articles of incorporation, or the bylaws of the corporation issuing the stock.

[S13, §1641-a; C24, 27, 31, 35, 39, §**8391;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.55]

**491.56 Expiration and closing of business.**

Corporations whose charters expire by limitation or the voluntary act of the stockholders may nevertheless continue to act for the purpose of winding up their affairs.

[C51, §694; R60, §1171; C73, §1080; C97, §1629; C24, 27, 31, 35, 39, §**8392;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.56]

**491.57 Sinking fund and loaning thereof.**

For the purpose of repairs, rebuilding, enlarging, or to meet contingencies, or for the purpose of creating a sinking fund, the corporation may set apart a sum which it may loan, and take proper securities therefor.

[C51, §699; R60, §1176; C73, §1081; C97, §1630; C24, 27, 31, 35, 39, §**8393;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.57]

**491.58 Liability of stockholders.**

Neither anything in this chapter contained, nor any provisions in the articles of corporation, shall exempt the stockholders from individual liability to the amount of the unpaid installments on the stock owned by them, or transferred by them for the purpose of defrauding creditors; and execution against the company may, to that extent, be levied upon the private property of any such individual.

[C51, §695; R60, §1172; C73, §1082; C97, §1631; C24, 27, 31, 35, 39, §**8394;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.58]

2012 Acts, ch 1017, §92

**491.59 Levy on private property.**

In none of the cases contemplated in this chapter can the private property of the stockholders be levied upon for the payment of corporate debts while corporate property can be found with which to satisfy the same; but it will be sufficient proof that no property can

be found, if an execution has issued on a judgment against the corporation, and a demand has been thereon made of some one of the last acting officers of the body for property on which to levy, and the officer neglects to point out any such property.

[C97, §1631; C24, 27, 31, 35, 39, §**8395;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.59]

Referred to in §491.61

**491.60 Suit by creditor — measure of recovery.**

In suits by creditors to recover unpaid installments upon shares of stock against any person who has in any manner obtained such stock of the corporation, the stockholder shall be liable for the difference between the amount paid by the stockholder to the corporation for said stock and the face value thereof.

[C97, §1631; C24, 27, 31, 35, 39, §**8396;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.60]

**491.61 Corporate property exhausted.**

Before any stockholder can be charged with the payment of a judgment rendered for a corporate debt, an action shall be brought against the stockholder, in any stage of which the stockholder may point out corporate property subject to levy; and, upon the stockholder's satisfying the court of the existence of such property, by affidavit or otherwise, the cause may be continued, or execution against the stockholder stayed, until the property can be levied upon and sold, and the court may subsequently render judgment for any balance which there may be after disposing of the corporate property; but if a demand of property has been made as contemplated in section 491.59, the costs of said action shall, in any event, be paid by the company or the defendant therein, but the stockholder shall not be permitted to controvert the validity of the judgment rendered against the corporation, unless it was rendered through fraud and collusion.

[C51, §696, 697; R60, §1173, 1174; C73, §1083, 1084; C97, §1632; C24, 27, 31, 35, 39, §**8397;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 491.61]

**491.62 Indemnity — contribution.**

When the property of a stockholder is taken for a corporate debt, the stockholder may maintain an action against the corporation for indemnity, and against any of the other stockholders for contribution.

[C51, §698; R60, §1175; C73, §1085; C97, §1633; C24, 27, 31, 35, 39, §**8398;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.62]

**491.63 Franchise sold on execution.**

The franchise of a corporation may be levied upon under execution and sold, but the corporation shall not become thereby dissolved, and no dissolution of the original corporation shall affect the franchise, and the purchaser becomes vested with all the powers of the corporation therefor. Such franchise shall be sold without appraisement.

[C51, §700; R60, §1177; C73, §1086; C97, §1634; C24, 27, 31, 35, 39, §**8399;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.63]

**491.64 Production of books.**

In proceedings by or against a corporation or a stockholder to charge the stockholder's private property, or the dividends received by the stockholder, the court may, upon motion of either party, upon cause shown for that purpose, compel the officers or agents of the corporation to produce the books and records of the corporation.

[C51, §701; R60, §1178; C73, §1087; C97, §1635; C24, 27, 31, 35, 39, §**8400;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.64]

Similar provision, R.C.P. 1.512 et seq.

**491.65 Estoppel.**

No person or persons acting as a corporation shall be permitted to set up the want of a legal organization as a defense to an action against them as a corporation, nor shall any person sued on a contract made with such an acting corporation, or sued for an injury to its property,

or a wrong done to its interests, be permitted to set up a want of such legal organization in the person's defense.

[C51, §704; R60, §1181; C73, §1089; C97, §1636; C24, 27, 31, 35, 39, §**8401;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.65]

**491.66 Dissolution — receivership.**

Courts of equity shall have full power, on good cause shown, to dissolve or close up the business of any corporation, and to appoint a receiver therefor, who shall be a resident of the state of Iowa. An action therefor may be instituted by the attorney general in the name of the state, reserving, however, to the stockholders and creditors all rights now possessed by them.

[C97, §1640; C24, 27, 31, 35, 39, §**8402;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.66]

**491.67** Repealed by 79 Acts, ch 133, § 13.

**491.68 False statements or pretenses.**

Every director, officer, or agent of any corporation or joint-stock association, who knowingly concurs in making, publishing, or posting, either generally or privately to the stockholders or other persons, any written report, exhibit, or statement of its affairs or pecuniary condition, or book or notice containing any material statement which is false, or any untrue or willfully or fraudulently exaggerated report, prospectus, account, statement of operations, values, business, profits, expenditures, or prospects, or any other paper or document intended to produce or give, or having a tendency to produce or give, the shares of stock in such corporation a greater value or a less apparent or market value than they really possess, is guilty of a fraudulent practice.

[S13, §1641-g; C24, 27, 31, 35, 39, §**8404;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.68]

**491.69 through 491.71** Repealed by 75 Acts, ch 57, § 17.

**491.72 through 491.100** Reserved.

## DIVISION II

## CORPORATION MERGER OR CONSOLIDATION

**491.101 Definitions.**

1. *"Merger"* means the uniting of two or more corporations into one corporation in such manner that the corporation resulting from the merger retains its corporate existence and absorbs the other constituent corporation or corporations which thereby lose their or its corporate existence.

2. *"Consolidation"* means the uniting of two or more corporations into a single new corporation, all of the constituent corporations thereby ceasing to exist as separate entities.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.101]

**491.101A Poison pill defense authorized.**

The terms and conditions of stock rights or options issued by the corporation may include, without limitation, restrictions or conditions that preclude or limit the exercise, transfer, or receipt of such rights or options by a person, or group of persons, owning or offering to acquire a specified number or percentage of the outstanding common shares or other securities of the corporation, or a transferee of the offeror, or that invalidate or void such stock rights or options held by an offeror or a transferee of the offeror.

89 Acts, ch 288, §187

**491.101B Consideration of community interests in consideration of acquisition proposals.**

1. A director, in determining what is in the best interest of the corporation when considering a tender offer or proposal of acquisition, merger, consolidation, or similar proposal, may consider any or all of the following community interest factors, in addition to consideration of the effects of any action on shareholders:

*a.* The effects of the action on the corporation's employees, suppliers, creditors, and customers.

*b.* The effects of the action on the communities in which the corporation operates.

*c.* The long-term as well as short-term interests of the corporation and its shareholders, including the possibility that these interests may be best served by the continued independence of the corporation.

2. If on the basis of the community interest factors described in subsection 1, the board of directors determines that a proposal or offer to acquire or merge the corporation is not in the best interests of the corporation, it may reject the proposal or offer. If the board of directors determines to reject any such proposal or offer, the board of directors has no obligation to facilitate, to remove any barriers to, or to refrain from impeding, the proposal or offer. Consideration of any or all of the community interest factors is not a violation of the business judgment rule or of any duty of the director to the shareholders, or a group of shareholders, even if the director reasonably determines that a community interest factor or factors outweigh the financial or other benefits to the corporation or a shareholder or group of shareholders.

89 Acts, ch 288, §188

**491.102 Procedure for merger.**

1. Any two or more corporations whether heretofore or hereafter organized may merge into one of such corporations in the manner provided in this section.

2. The board of directors of each corporation shall, by resolution adopted by a majority vote of the members of each such board, approve a plan of mergers setting forth:

*a.* The names of the corporations proposing to merge, and the name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation.

*b.* The terms and conditions of the proposed merger.

*c.* The manner and basis of converting the shares of each merging corporation into shares or other securities or obligations of the surviving corporation.

*d.* A statement of any changes in the articles of incorporation of the surviving corporation to be effected by such merger.

*e.* Such other provisions with respect to the proposed merger as are deemed necessary or desirable.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.102]

2012 Acts, ch 1023, §90

Referred to in §508B.2, 515G.2, 521.2

**491.103 Procedure for consolidation.**

1. Any two or more corporations whether heretofore or hereafter organized may consolidate into a new corporation in the manner provided in this section.

2. The board of directors of each corporation shall, by a resolution adopted by a majority vote of the members of each such board, approve a plan of consolidation setting forth:

*a.* The names of the corporations proposing to consolidate, and the name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation.

*b.* The terms and conditions of the proposed consolidation.

*c.* The manner and basis of converting the shares of each corporation into shares, or other securities, or obligations of the new corporation.

*d.* With respect to the new corporation, all of the statements required to be set forth in articles of incorporation for corporations organized under this chapter.

*e.* Such other provisions with respect to the proposed consolidation as are deemed necessary or desirable.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.103]

2012 Acts, ch 1023, §91

Referred to in §508B.2, 515G.2, 521.2

**491.104 Meetings of shareholders.**

The board of directors of each corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. Written or printed notice shall be delivered not less than twenty days before such meeting, either personally or by mail, to each shareholder of record entitled to vote at such meeting. Such notice shall state the place, day, hour and purpose of the meeting, and a copy or a summary of the plan of merger or plan of consolidation, as the case may be, shall be included in or enclosed with such notice.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.104]

Referred to in §508B.2, 515G.2, 521.2

**491.105 Approval by shareholders.**

At each such meeting, a vote of the shareholders entitled to vote thereat shall be taken on the proposed plan of merger or consolidation. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote at such meeting, of each of such corporations, unless any class of shares of any such corporations is entitled to vote as a class in respect thereof in which event, as to such corporation, the plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of at least a majority of the outstanding shares of each such class of shares entitled to vote as a class in respect thereof and two-thirds of the total outstanding shares entitled to vote at such meeting. Any class of shares of any such corporation shall be entitled to vote as a class if the plan of merger or consolidation, as the case may be, contains any provision which, if contained in a proposed amendment to articles of incorporation, would entitle such class of shares to vote as a class.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.105]

Referred to in §508B.2, 515G.2, 521.2

**491.106 Articles of merger or consolidation.**

Upon such approval, articles of merger or articles of consolidation shall be executed in duplicate by each corporation by its president or a vice president, and verified by that person, attested by its secretary or an assistant secretary, and shall be acknowledged and shall set forth:

1. The plan of merger or the plan of consolidation.

2. As to each corporation, the number of shares outstanding, and the number of shares entitled to vote, and, if the shares of any class are entitled to vote as a class, the designation of each such class and the number of outstanding shares thereof entitled to vote.

3. As to each corporation, the number of shares voted for and against such plan respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each such class voted for and against such plan, respectively.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.106]

**491.107 Filing articles of merger or consolidation.**

A duly executed and acknowledged copy of the articles of merger or consolidation shall be forwarded to the secretary of state for filing and recording as provided in section 491.5.

The procedure set forth in sections 491.6 to 491.9 of this chapter shall be applicable to the filing of articles of consolidation or merger.

If as the result of a consolidation a new Iowa corporation is formed then the fees provided for in section 491.11 shall be applicable. If as the result of a merger an existing Iowa

corporation becomes the survivor the articles of merger shall be deemed an amendment to its articles of incorporation and section 491.20 shall be applicable.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.107]

94 Acts, ch 1055, §8

**491.108 Effective date of merger or consolidation.**

Upon the payment of all fees and charges and upon the filing of the articles of consolidation or merger with the secretary of state the secretary of state shall issue to the corporation or its representative a certificate of consolidation or a certificate of merger and upon the issuance of said certificate the merger or consolidation shall be effected.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.108]

**491.109 Notice.**

Notice of the articles of consolidation or merger shall be given as provided in section 491.17.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.109]

**491.110 Effect of merger or consolidation.**

When such merger or consolidation has been effected:

1. The several corporations parties to the plan of merger or consolidation shall be a single corporation, which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation.

2. The separate existence of all corporations parties to the plan of merger or consolidation, except the surviving or new corporation, shall cease.

3. Such surviving or new corporation shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a corporation organized under this chapter.

4. Such surviving or new corporation shall thereupon and thereafter possess all the rights, privileges, immunities and franchises, as well of a public as of a private nature, of each of the merging or consolidating corporations; and all property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest, of or belonging to or due to each of the corporations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such single corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of such corporations shall not revert or be in any way impaired by reason of such merger or consolidation.

5. Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted to judgment as if such merger or consolidation had not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.

6. In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the articles of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of corporations organized under this chapter shall be deemed to be the articles of incorporation of the new corporation.

7. The aggregate amount of the net assets of the merging or consolidating corporations which was available for the payment of dividends immediately prior to such merger or consolidation, to the extent that the amount thereof is not transferred to stated capital by the issuance of shares or otherwise, shall continue to be available for the payment of dividends by such surviving or new corporation.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.110]

**491.111 Merger or consolidation of domestic and foreign corporations.**

1. One or more foreign corporations and one or more domestic corporations whether heretofore or hereafter organized may be merged or consolidated in the following manner, provided such merger or consolidation is permitted by the laws of the state under which each such foreign corporation is organized:

*a.* Each domestic corporation shall comply with the provisions of this chapter with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the state under which it is organized.

*b.* If the surviving or new corporation, as the case may be, is to be governed by the laws of any state other than this state, it shall comply with the provisions of the statutes of the state of Iowa with respect to foreign corporations if it is to do business in this state, and in every case it shall file with the secretary of state of this state:

(1) An agreement that it may be served with process in this state in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or new corporation.

(2) The appointment of a resident agent as provided for in section 490.501.

(3) An agreement that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount, if any, to which they shall be entitled under the provisions of this division with respect to the rights of dissenting shareholders.

2. Insofar as the state of Iowa is concerned, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations, if the surviving or new corporation is to be governed by the laws of this state. If the surviving or new corporation is to be governed by the laws of any state other than this state, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except insofar as the laws of such other state provide otherwise.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.111]

93 Acts, ch 126, §11; 2012 Acts, ch 1023, §157

**491.112 Rights of dissenting shareholders.**

If a shareholder of a corporation which is a party to a merger or consolidation shall file with such corporation, prior to or at the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to such plan of merger or consolidation, and shall not vote in favor thereof, and such shareholder, within twenty days after the merger or consolidation is effected, shall make written demand on the surviving or new corporation for payment of the fair value of the shareholder's shares as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new corporation shall pay to such shareholder, upon surrender of the certificate or certificates representing said shares, such fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the twenty-day period shall be conclusively presumed to have consented to the merger or consolidation and shall be bound by the terms thereof.

If within thirty days after the date on which such merger or consolidation was effected the value of such shares is agreed upon between the dissenting shareholder and the surviving or new corporation payment therefor shall be made within ninety days after the date on which such merger or consolidation was effected, upon the surrender of the certificate or certificates representing said shares. Upon payment of the agreed value the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

If within such period of thirty days the shareholder and the surviving or new corporation do not so agree, then the dissenting shareholder may, within sixty days after the expiration of the thirty-day period, file a petition in any court of competent jurisdiction within the state and judicial subdivision thereof in which the registered office or the principal place of business of the surviving or new corporation is situated, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the surviving or new corporation for the amount of such fair value as of the day prior to the date on which such

vote was taken approving such merger or consolidation, together with interest thereon at the rate of five percent per annum to the date of such judgment. The action shall be prosecuted as an equitable action and the practice and procedure shall conform to the practice and procedure in equity cases. The judgment shall be payable only upon and simultaneously with the surrender to the surviving or new corporation of the certificate or certificates representing said shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares, or in the surviving or new corporation. Such shares may be held and disposed of by the surviving or new corporation as it may see fit. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under the shareholder shall be conclusively presumed to have approved and ratified the merger or consolidation and shall be bound by the terms thereof.

The right of a dissenting shareholder to be paid the fair value of the shareholder's shares as herein provided shall cease if and when the corporation shall abandon the merger or consolidation.

Shares acquired by the corporation pursuant to the payment of the agreed value thereof or to the payment of judgment entered therefor as in this section provided may be held and disposed of by the corporation as it shall see fit.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.112]

**491.113 Issuance of stock.**

All stock issued in connection with such merger or consolidation shall be issued pursuant to the provisions of chapter 492 and nothing in this amendment shall be construed as eliminating the requirements of said chapter.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.113]

**491.114 Amana stock.**

Notwithstanding anything contained in this chapter and chapters 492 and 502, a corporation organized under the laws of the state of Iowa having assets of the value of one million dollars or more, the articles of which provide that an individual may not vote more than one share of the common voting shares of stock of the corporation, and which give to children of the owners of shares of the common voting stock the right to purchase one common voting share of stock in the corporation upon attaining majority or within a fixed period thereafter, and which authorize the issuance, sale and delivery of not to exceed one share of the common voting stock to any one individual, may issue, sell and deliver its shares of common voting stock, whether held by it as treasury stock or whether issued as an original issue, for the following considerations and upon the following terms and conditions, and with the following limitations:

1. Such common voting stock may be issued, sold and delivered by the corporation either for cash or upon credit or time payments or installment payments or for a consideration evidenced in part or in whole by the written agreement of the purchaser thereof to pay for the same, payment of said purchase price to be secured by a lien on said stock.

2. No such stock shall be issued, sold and delivered for a price less than the par value thereof at the time of such issuance, sale and delivery.

3. Not more than one share of said stock shall be so issued, sold and delivered to any one individual, but when issued, sold and delivered, said stock may be voted by the owner thereof, if the articles of incorporation or bylaws of such corporation, whether now in effect or hereafter adopted or amended, so provide, although a part or all of the price to be paid therefor may be owing to the corporation under said written agreement of the purchaser to pay for the same.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §491.114]

**491.115** Repealed by 77 Acts, ch 127, § 9.

# CHAPTER 492

## CAPITAL STOCK

Referred to in §490.1701, 491.113, 491.114, 515.11A, 524.2001, 669.14


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| 492.1 | Endorsement of amount paid. | 492.8 | Elements considered in fixing amount. |
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| 492.5 | Par value required. | 492.12 | Violation. |
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**492.1 Endorsement of amount paid.**

No certificate or shares of stock shall be issued, delivered, or transferred by any corporation, officer or agent thereof, or by the owner of such certificate or shares without having endorsed on the face thereof what amount or portion of the par value has been paid to the corporation issuing the same, and whether such payment has been in money or property.

[C97, §1627; S13, §1627; C24, 27, 31, 35, 39, §**8408;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.1]

Referred to in §492.2, 492.3, 492.4

**492.2 Effect of violation.**

Any certificate of stock issued, delivered, or transferred in violation of section 492.1 when the corporation has not received payment therefor at par in money or property at a valuation approved by the executive council, shall be void, and the issuance, delivery, or transfer of each certificate shall be considered a separate transaction.

[C24, 27, 31, 35, 39, §**8409;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.2]

Referred to in §492.3, 492.4

**492.3 Penalties.**

Any person violating the provisions of sections 492.1 and 492.2, or knowingly making a false statement on such certificate, shall be guilty of a fraudulent practice.

[C97, §1627; S13, §1627; C24, 27, 31, 35, 39, §**8410;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.3]

Referred to in §492.4

**492.4 Certain corporations excepted.**

Sections 492.1 to 492.3 shall not apply to railway or quasi-public corporations organized before October 1, 1897.

[S13, §1627; C24, 27, 31, 35, 39, §**8411;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.4]

**492.5 Par value required.**

No corporation organized under the laws of this state shall issue any certificate of a share of capital stock, or any substitute therefor, until the corporation has received the par value thereof.

[S13, §1641-b; C24, 27, 31, 35, 39, §**8412;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.5]

2012 Acts, ch 1017, §93

Referred to in §492.10, 492.11, 492.12, 495.1

**492.6 Payment in property other than cash.**

If it is proposed to pay for said capital stock in property or in any other thing than money, the corporation proposing the same must, before issuing capital stock in any form, apply to the executive council of the state for leave so to do. Such application shall state the amount of capital stock proposed to be issued for a consideration other than money, and set forth specifically the property or other thing to be received in payment for such stock, providing

that the foregoing provision shall not apply to trust companies or insurance companies organized under the laws of this state.

Any insurance company proposing to issue capital stock for property or any thing other than money, before issuing the capital stock in any form, shall apply to the commissioner of insurance for leave so to do. Such application to the commissioner of insurance shall state the amount of capital stock proposed to be issued for a consideration other than money and set forth specifically the property or other thing to be received in payment for such stock.

[S13, §1641-b; C24, 27, 31, 35, 39, §**8413;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.6]

Referred to in §492.10, 492.11, 492.12, 493.4, 495.1

**492.7 Executive council to fix amount.**

The executive council or the commissioner of insurance as the case may be, shall make investigation, under such rules as it may prescribe, and ascertain the real value of the property or other thing which the corporation is to receive for the stock. It shall enter its finding, fixing the value at which the corporation may receive the same in payment for capital stock; and no corporation shall issue capital stock for the said property or thing in a greater amount than the value so fixed.

[S13, §1641-b; C24, 27, 31, 35, 39, §**8414;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.7]

Referred to in §492.10, 492.11, 492.12, 493.4, 495.1

**492.8 Elements considered in fixing amount.**

For the purpose of encouraging the construction of new steam or electric railways, and manufacturing industries within this state, the labor performed in effecting the organization and promotion of such corporation, and the reasonable discount allowed or reasonable commission paid in negotiating and effecting the sale of bonds for the construction and equipment of such railroad or manufacturing plant, shall be taken into consideration by said council as elements of value in fixing the amount of capital stock that may be issued.

[S13, §1641-b; C24, 27, 31, 35, 39, §**8415;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.8]

Referred to in §492.10, 492.11, 492.12, 493.4, 495.1

**492.9 Certificate of issuance of stock.**

It shall be the duty of every corporation to file a certificate under oath with the secretary of state, within thirty days after the issuance of any capital stock, stating the date of issue, the amount issued, the sum received therefor, if payment be made in money, or the property or thing taken, if such be the method of payment. If the corporation fails to file said certificate of issuance of stock within the thirty-day period herein provided, it may thereafter file the same upon first paying to the secretary of state a penalty of ten dollars when the said certificate is offered for filing. Provided further that the penalty herein provided for is first paid and provided the said report contains the specific information required by this section as to the issuance of any capital stock not previously reported, then the first annual report filed by such corporation following such failure to comply with the provisions of this section, shall be received by the secretary of state as a compliance with this section.

[S13, §1641-c; C24, 27, 31, 35, 39, §**8416;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.9]

93 Acts, ch 126, §12; 2012 Acts, ch 1017, §94

Referred to in §495.1, 591.14

**492.10 Cancellation of stock — reimbursement.**

The capital stock of any corporation issued in violation of the terms and provisions of sections 492.5 to 492.8 shall be void, and in a suit brought by the attorney general on behalf of the state in any court having jurisdiction, a decree of cancellation shall be entered; and if the corporation has received any money or thing of value for the said stock, such money or thing of value shall be returned to the individual, firm, company, or corporation from whom

it was received, and if represented by labor or other service of intangible nature, the value thereof shall constitute a claim against the corporation issuing stock in exchange therefor.

[S13, §1641-d; C24, 27, 31, 35, 39, §**8417;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.10]

**492.11 Dissolution — distribution of assets.**

Any corporation violating the provisions of sections 492.5 to 492.8 shall, upon the application of the attorney general, in behalf of the state, made to any court of competent jurisdiction, be dissolved, its affairs wound up, and its assets distributed among the stockholders other than those who have received the stock so unlawfully issued.

[S13, §1641-e; C24, 27, 31, 35, 39, §**8418;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.11]

**492.12 Violation.**

Any officer, agent or representative of a corporation who violates any of the provisions of sections 492.5 to 492.8 shall be guilty of a simple misdemeanor.

[S13, §1641-f; C24, 27, 31, 35, 39, §**8419;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §492.12]

# CHAPTER 493

## STOCK WITHOUT PAR VALUE

Referred to in §490.1701, 524.2001, 669.14


| | | | |
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| 493.1 | Authorization. | 493.7 | Certificates of stock. |
| 493.2 | Par value — method of stating. | 493.8 | Number of shares. |
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**493.1 Authorization.**

Any corporation, heretofore or hereafter organized for pecuniary profit under the laws of this state, except state banks, trust companies, and insurance companies, may create one or more classes of stock without any nominal or par value, with such rights, preferences, privileges, voting powers, limitations, restrictions and qualifications thereon not inconsistent with law as shall be expressed in its articles of incorporation, or any amendment thereto. Stock without par value which is preferred as to dividends, or as to its distributive share of the assets of the corporation upon dissolution, may be made subject to redemption at such times and prices as may be determined in such articles of incorporation, or any amendment thereto. In the case of stock without par value which is preferred as to its distributive share of the assets of the corporation upon dissolution, the amount of such preference shall be stated in the articles of incorporation, or any amendment thereto.

[C31, 35, §8419-c1; C39, §**8419.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.1]

2012 Acts, ch 1017, §95

**493.2 Par value — method of stating.**

In any case, in which the par value of the shares of stock of a corporation shall be required to be stated in the articles of incorporation, or any amendment thereto, or in any other place, it shall be stated in respect to shares without par value that such shares are without par value, and when the amount of such stock authorized, issued or outstanding shall be required to be stated, the number of shares thereof authorized, issued or outstanding, as the case may be, shall be stated, and it shall also be stated that such shares are without par value.

[C31, 35, §8419-c2; C39, §**8419.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.2]

**493.3 Amount of stock.**

For the purpose of any rule of law or of any statutory provision relating to the amount of capital stock issued and represented by shares of stock without par value except as otherwise provided in this chapter such amounts shall be taken to be the amount of money or the actual value of the consideration, as fixed by the directors or otherwise, in accordance with law, as the case may be, for which such shares of stock shall have been issued. In any such case in which stock having a par value shall have been issued with stock without par value for a specified combined consideration, in determining the amount of the capital stock issued and represented by shares of stock without par value the then book value of such stock having a par value shall first be deducted from the amount of the money or actual value of the consideration determined as aforesaid, and the excess thereof, if any, shall be taken to be the amount of capital stock represented by the shares of stock without par value so issued.

[C31, 35, §8419-c3; C39, §**8419.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.3]

**493.4 Sale value.**

Subject to any limitations and restrictions set forth in the articles of incorporation, or amendment thereto, any such corporation may issue its authorized capital stock without par value for such consideration as may be prescribed in the articles of incorporation, or amendment thereto, or, if not prescribed, then for such consideration as may be fixed by resolution passed by the stockholders of such corporation at any annual meeting thereof, or at any special meeting thereof duly called for that purpose, or by the board of directors acting under authority of such stockholders given in like manner. In the absence of fraud in the transaction, the judgment of the board of directors in fixing and determining such sale value shall be conclusive as to the creditors and stockholders. Nothing in this chapter shall be so construed as to repeal the law as it now appears in sections 492.6, 492.7, and 492.8.

[C31, 35, §8419-c4; C39, §**8419.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.4]

Referred to in §493.5

**493.5 Liability of holder.**

Any and all shares without par value issued for the consideration as prescribed or fixed in section 493.4 shall be deemed fully paid and nonassessable and the holder of such shares shall not be liable to the corporation or to its creditors in respect thereto.

[C31, 35, §8419-c5; C39, §**8419.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.5]

**493.6 Status of stock.**

Except as to any preferences, rights, limitations, privileges and restrictions, lawfully granted or imposed with respect to any stock or class thereof, shares of stock without nominal or par value shall be deemed to be an aliquot part of the aggregate capital of the corporation issuing the same and equal to every other share of stock of the same class.

[C31, 35, §8419-c6; C39, §**8419.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.6]

**493.7 Certificates of stock.**

Each stock certificate issued for shares without nominal or par value shall have plainly written or printed upon its face the number of shares which it represents, and the number of such shares the corporation is authorized to issue, and no such certificate shall state any nominal or par value of such shares or express any rate of dividend to which it shall be entitled in terms of percentage of any par or other value.

[C31, 35, §8419-c7; C39, §**8419.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.7]

**493.8 Number of shares.**

The number of authorized shares of stock without par value may be increased or reduced in the manner and subject to the conditions provided by law for the increase or reduction of the capital stock of a similar corporation having shares with par value. All other statutory provisions relating to stock having a par value shall also apply to stock without par value, so

far as the same may be legally, necessarily or practically applicable to, and not inconsistent with, the provisions of this chapter.

[C31, 35, §8419-c8; C39, §**8419.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.8]

**493.9 Change in stock.**

Any such corporation may, by appropriate amendments to its articles of incorporation, adopted by a two-third affirmative vote of each class of stock then issued and outstanding and affected by such amendment, change its common or preferred stock having a par value to an equal, greater or less number of shares of stock having no par value, and, in connection therewith, may fix the amount of capital represented by such shares of stock without par value.

[C31, 35, §8419-c9; C39, §**8419.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.9]

2013 Acts, ch 30, §117

Section amended

**493.10 Convertibility.**

The articles of incorporation, or any amendment thereto, of any such corporation may provide that shares of stock of any class shall be convertible into shares of stock of any other class upon such terms and conditions as may be therein stated.

[C31, 35, §8419-c10; C39, §**8419.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.10]

**493.11 Incorporation fee — computation.**

For the purpose of computing the statutory fee for incorporating or for any other statutory provision based on the par value of shares of stock, but for no other purpose, each share of stock without par value shall be considered equivalent to a share having a nominal or par value of one hundred dollars.

[C31, 35, §8419-c11; C39, §**8419.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.11]

**493.12 Applicability of statutes.**

Except as otherwise provided by this chapter, such corporations issuing shares without par value, under the provisions hereof, shall be and remain subject to the laws of this state, now or hereafter in force, relating to the formation, regulation, consolidation, or merger, rights, powers and privileges of corporations organized for pecuniary profit, and all other laws applicable thereto.

All Acts or parts of Acts providing for the incorporation, organization, administration and management of the affairs of corporations organized for pecuniary profit and having shares of stock with a par value are hereby made applicable to corporations having shares of stock without par value, except where the same are inconsistent with the provisions of this chapter.

[C31, 35, §8419-c12; C39, §**8419.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §493.12]

# CHAPTERS 493A and 494

RESERVED

# CHAPTER 495

## FOREIGN PUBLIC UTILITY CORPORATIONS

Referred to in §490.1701, 669.14


| | | | |
|---|---|---|---|
| 495.1 | Capital stock and permit. | 495.4 | Sale of capital stock. |
| 495.2 | Holding companies. | 495.5 | Violations — stock void. |
| 495.3 | Biennial report — fee. | 495.6 | Dissolution — receiver. |

**495.1 Capital stock and permit.**

Sections 492.5 to 492.9 are applicable to any foreign corporation which directly or indirectly owns, uses, operates, controls, or is concerned in the operation of any public gasworks, electric light plant, heating plant, waterworks, interurban or street railway located within the state, or the carrying on of any gas, electric light, electric power, heating business, waterworks, interurban or street railway business within the state, or that owns or controls, directly or indirectly, any of the capital stock of any corporation which owns, uses, operates or is concerned in the operation of any public gasworks, electric light plant, electric power plant, heating plant, waterworks, interurban or street railway located within the state, or any foreign corporation that exercises any control in any way or in any manner over any of such works, plants, interurban or street railways or the business carried on by such works, plants, interurban or street railways by or through the ownership of the capital stock of any corporation or corporations or in any other manner whatsoever, and the ownership, operation, or control of any such works, plants, interurban or street railways or the business carried on by any of such works or plants or the ownership or control of the capital stock in any corporation owning or operating any of such works, plants, interurban or street railways by any foreign corporation in violation of this chapter is unlawful.

[S13, §1641-1; C24, 27, 31, 35, 39, §**8433;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §495.1]

93 Acts, ch 126, §13

**495.2 Holding companies.**

The provisions of this chapter are hereby made applicable to all corporations, including so-called "holding companies" which by or through the ownership of the capital stock in any other corporation or corporations or a series of corporations owning or controlling the capital stock of each other can or may exercise control over the capital stock of any corporation which owns, uses, operates, or is concerned in the operation of any public gasworks, electric light plant, electric power plant, heating plant, waterworks, interurban or street railway located in the state, or the business carried on by such works or plants.

[S13, §1641-m; C24, 27, 31, 35, 39, §**8434;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §495.2]

**495.3 Biennial report — fee.**

All corporations subject to the provisions of this chapter are hereby required to pay the fee and to make the biennial report in the form and manner and at the time as specified in chapter 490.

[S13, §1641-n; C24, 27, 31, 35, 39, §**8435;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §495.3]

2000 Acts, ch 1022, §3

**495.4 Sale of capital stock.**

The provisions of this chapter are hereby made applicable to the sale of its own capital stock by any corporation subject to the provisions of this chapter, whether said capital stock has been heretofore issued by said corporation or not, including the sale of so-called "treasury stock" or stock of the corporation in the hands of a trustee or where the corporation participates in any way or manner in the benefits of said sales, and also to the sale of any of the obligations of any corporation subject to the provisions of this chapter, the payment of which is secured by the deposit or pledge of any of the capital stock of said corporation.

[S13, §1641-o; C24, 27, 31, 35, 39, §**8436;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §495.4]

**495.5 Violations — stock void.**

Shares of capital stock of any corporation owned or controlled in violation of this chapter shall be void and the holder of such shares shall not be entitled to exercise the powers of a shareholder of the corporation or permitted to participate in or be entitled to any of the

benefits accruing to shareholders of the corporation. This chapter shall be construed so as to prevent evasion and to accomplish the intents and purposes of this chapter.

[S13, §1641-p; C24, 27, 31, 35, 39, §**8437;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §495.5]

93 Acts, ch 126, §14

**495.6 Dissolution — receiver.**

Courts of equity shall have full power to dissolve, close up, or dispose of any business or property owned, operated, or controlled in violation of the provisions of this chapter; to dissolve any corporation owning or controlling the capital stock of any other corporation in violation of the provisions of this chapter and to close up or dispose of the business or property of said corporation; and if the court finds that, in order to carry out the purposes of this chapter, it is necessary so to do, it may dissolve the corporation issuing the stock which is owned in violation of the provisions of this chapter, close up the business of said corporation and dispose of its property, and the court may also appoint a receiver who shall be a resident of Iowa for any business or for any corporation which has violated the provisions thereof or of the corporation issuing the stock which is held in violation thereof. Any action to enforce the provisions of this chapter may be instituted by the attorney general in the name of the state of Iowa or by a citizen in the name of the state of Iowa at the citizen's own proper cost and expense, reserving, however, to the stockholders owning capital stock not held in violation of this chapter all rights possessed by them.

[S13, §1641-q; C24, 27, 31, 35, 39, §**8438;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §495.6]

# CHAPTER 496

RESERVED

# CHAPTER 496A

BUSINESS CORPORATIONS

Repealed effective December 31, 1989, by 89 Acts, ch 288, §195, 196; see chapter 490; transition and savings provisions, §490.1701 – 490.1703

# CHAPTER 496B

ECONOMIC DEVELOPMENT CORPORATIONS

Referred to in §502.201, 524.901, 669.14

496B.1 Title of Act.
496B.2 Definitions.
496B.3 Authorized corporations.
496B.4 Offices.
496B.5 Purposes.
496B.6 Powers.
496B.7 Stock — limitations.
496B.8 Stockholders' privileges.
496B.9 Loan procedures.
496B.10 Duration of membership.
496B.11 Powers of shareholders.
496B.12 Articles amended.
496B.13 Board of directors.
496B.14 Earned surplus set aside.
496B.15 Deposit of funds.
496B.16 Reports to department of economic development. Repealed by 2006 Acts, ch 1100, §7.
496B.17 Certificate to do business.
496B.18 Repealed by 79 Acts, ch 120, §18.
496B.19 Dissolution.
496B.20 State credit not available.

**496B.1 Title of Act.**

This chapter shall be known and may be cited as the *"Iowa Economic Development Act"*.

[C66, 71, 73, 75, 77, 79, 81, §496B.1]

**496B.2 Definitions.**

As used in this chapter, unless the context otherwise requires, the term:

1. *"Authority"* means the economic development authority created in section 15.105, or any entity which succeeds to the functions of the authority.

2. *"Board of directors"* means members of the board of directors of a development corporation constituted under section 496B.13 in office from time to time.

3. *"Development corporation"* means any corporation organized pursuant to this chapter and for the purpose of developing businesses, industries, and enterprises in the state of Iowa by the loaning of money thereto and investing money therein, and otherwise organizing for the purposes in section 496B.5.

4. *"Financial institution"* means any bank, trust company, savings association, insurance company or related corporation, partnership, foundation or other institution licensed to do business in the state of Iowa and engaged primarily in lending or investing funds.

5. *"Loan limit"* means, for any member, the maximum amount permitted to be outstanding at any one time on loans made by any such member to a development corporation, as determined herein.

6. *"Member"* means any financial institution which shall undertake to lend money to a development corporation upon its call and in accordance with the provision of section 496B.9.

[C66, 71, 73, 75, 77, 79, 81, §496B.2]

2011 Acts, ch 118, §82, 83, 89; 2012 Acts, ch 1017, §96

Referred to in §16.1

**496B.3 Authorized corporations.**

There is hereby authorized to be incorporated under the Iowa business corporation Act, chapter 490, development corporations which meet and comply with the requirements of this chapter. Such corporations shall be subject to and have the powers and privileges conferred by the provisions of this chapter and those provisions of the Iowa business corporation Act, chapter 490, which are not inconsistent with and to the extent not restricted or limited by the provisions of this chapter. No corporation shall be deemed incorporated pursuant to and under the provisions of this chapter unless the same is approved by the authority and unless its articles of incorporation provide that it is incorporated pursuant to this chapter. To assure a broad base from which development corporations may obtain loans from members, the authority at its discretion may limit the number of development corporations organized and existing pursuant to this chapter to one or more such corporations.

[C66, 71, 73, 75, 77, 79, 81, §496B.3]

2001 Acts, ch 24, §63; 2011 Acts, ch 118, §85, 89

**496B.4 Offices.**

A development corporation may have offices in such places within the state of Iowa as may be fixed by the board of directors.

[C66, 71, 73, 75, 77, 79, 81, §496B.4]

**496B.5 Purposes.**

The purposes of a development corporation shall be limited to those provided in this section and shall be to promote, stimulate, develop and advance the business prosperity and economic welfare of the state of Iowa and its citizens; to encourage and assist through loans, investments, or other business transactions, the location of new business and industry in the state; to rehabilitate and assist existing business and industry in this state; to stimulate and assist in the expansion of any kind of business activity which would tend to promote business development and maintain the economic stability of this state, provide maximum opportunities for employment, encourage thrift, and improve the standard of living of the citizens of this state; to cooperate and act in conjunction with other organizations, public

or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this state; and to provide financing for the promotion, development, and conduct of all kinds of business activity in this state.

[C66, 71, 73, 75, 77, 79, 81, §496B.5]

Referred to in §496B.2

**496B.6 Powers.**

Any development corporation shall, subject to the restrictions and limits herein contained, have the following powers:

1. To make contracts and incur liabilities for any of the purposes of the development corporation; provided that no development corporation shall incur any secondary liability by way of guaranty or endorsement of the obligations of any person, firm, corporation, joint stock company, association, or trust, or in any other manner.

2. To borrow money either from its members or pursuant to lending arrangements entered into under the authority granted in subsection 7 of this section, or both from its members and pursuant to said lending arrangements, and to issue therefor its bonds, debentures, notes, or other evidences of indebtedness, whether secured or unsecured, and when necessary to secure the same by mortgage, pledge, deed of trust, or other lien on its property, franchises, rights, and privileges of every kind and nature, or any part thereof or interest therein, without securing shareholder or member approval; provided, that no loan to a development corporation shall be secured in any manner unless all outstanding loans to such corporation, and for which loan or loans no subordination agreement has been entered into between the respective loan maker and the development corporation, shall be secured equally and ratably in proportion to the unpaid balance of such loans and in the same manner.

3. To make loans to any person, firm, corporation, joint stock company, association, or trust and to establish and regulate the terms and conditions with respect to any such loans, and the charges for interest and service connected therewith.

4. To acquire the goodwill, business, rights, real and personal property, and other assets, or any part thereof, or interest therein, of any persons, firms, corporations, associations, or trusts, and to assume, undertake, or pay the obligations, debts, and liabilities of any such person, firm, corporation, association, or trust; to acquire, construct or reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease, or otherwise dispose of industrial plants and business establishments.

5. To cooperate with and avail itself of the facilities of the authority and to cooperate with and assist and otherwise encourage organizations in the various communities of the state of Iowa in the promotion, assistance, and development of business prosperity and economic welfare of such communities or of this state or any part thereof.

6. To do all acts and things necessary or convenient to carry out the powers expressly granted in this chapter and such other powers not in conflict herewith granted under the Iowa business corporation Act, chapter 490.

7. To enter into lending arrangements with state and federal agencies or instrumentalities whereby the development corporation may participate in lending operations or secure guarantees or qualify under applicable laws to further state or federal lending programs by becoming a participant therein.

[C66, 71, 73, 75, 77, 79, 81, §496B.6]

2001 Acts, ch 24, §64; 2011 Acts, ch 118, §85, 89

**496B.7 Stock — limitations.**

Capital stock shall be issued only on receipt by each development corporation of cash in such amount not less than the par value thereof as may be determined by the board of directors. No shareholder of any development corporation shall be entitled as of right to purchase or subscribe for any unissued or treasury shares of the corporation, and no such shareholder shall be entitled as of right to purchase or subscribe for any bonds, notes,

certificates of indebtedness, debentures, or other obligations convertible into shares of the development corporation.

[C66, 71, 73, 75, 77, 79, 81, §496B.7]

**496B.8 Stockholders' privileges.**

Notwithstanding any rule at common law or any provision of any general or special law or any provision in their respective articles of incorporation, agreements of association, or trust indentures:

1. Any person, as defined in the Iowa business corporation Act, chapter 490, is hereby authorized to acquire, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of any bond, security or other evidences of indebtedness created by, or the shares of the capital stock of, development corporations, and while owners of said shares to exercise all the rights, powers and privileges of ownership, including the right to vote thereon, all without the approval of any regulatory agency of this state.

2. Any financial institution is hereby authorized to become a member of a development corporation and to make loans to such corporation.

3. Any financial institution which does not become a member of a development corporation shall not be permitted to acquire any shares of the capital stock of such development corporation.

4. Each financial institution which becomes a member of a development corporation is hereby authorized to acquire, purchase, hold, sell, assign, mortgage, pledge, or otherwise dispose of any bonds, securities or other evidences of indebtedness created by, or the shares of the capital stock of, the development corporation of which it is a member, and while owners of such shares to exercise all rights, powers and privileges of ownership, including the right to vote thereon, all without the approval of any regulatory agency of this state; provided that the amount of the capital stock of any development corporation which may be acquired by any member pursuant to the authority granted herein shall not exceed ten percent of the loan limit of such member. The amount of capital stock of a development corporation which any member is authorized to acquire pursuant to the authority granted herein is in addition to the amount of capital stock in other corporations which such member may otherwise be authorized to acquire.

[C66, 71, 73, 75, 77, 79, 81, §496B.8]

89 Acts, ch 180, §2; 2001 Acts, ch 24, §64

**496B.9 Loan procedures.**

A financial institution may request membership in a development corporation by making application to the board of directors thereof on such form and in such manner as such board of directors may require, and membership shall become effective upon acceptance of such application by said board. Each member of any development corporation shall make loans to such development corporation as and when called upon by that corporation to do so on such terms and conditions as shall be approved from time to time by the board of directors subject to the following:

1. All loan limits shall be established at the thousand dollar amount nearest the amount computed in accordance with the provisions of this section.

2. No loan to a development corporation shall be made if immediately thereafter the total amount of the obligations of the development corporation calling for the loan would exceed ten times the amount then paid in on the outstanding capital stock of such corporation.

3. The total amount outstanding at any one time on loans to a development corporation made by a member thereof when added to the amount of the investment in the capital stock of such corporation and held by such member, shall not exceed the lesser of:

*a.* Twenty percent of the total amount then outstanding on loans to such development corporation by all members thereof, including in said total amount outstanding amounts validly called for loan but not yet loaned.

*b.* (1) The limit, to be determined as of the time such member becomes a member, on the basis of the audited balance sheet of such member at the close of its fiscal year immediately preceding its application for membership, as follows:

(a) Banks and trust companies — two percent of the paid-in capital, surplus, and undivided profits.

(b) Stock life insurance companies — one percent of capital and unassigned surplus.

(c) Mutual life insurance companies — one percent of the unassigned surplus.

(d) All other insurance companies — one-tenth of one percent of the assets.

(e) Other financial institutions — such limits as may be approved by the board of directors of the development corporation.

(2) Provided that the lending limit of any one member shall not exceed two hundred fifty thousand dollars.

4. Each call for loan shall be prorated among the members in substantially the same proportion that the adjusted loan limit of each member bears to the aggregate of the adjusted loan limits of all members. The adjusted loan limit of a member shall be the amount of such member's loan limit, reduced by the balance of outstanding obligations of the corporation to such member and the investment in capital stock of the corporation held by such member at the time of such call.

5. All loans to a development corporation by a member shall be evidenced by registered bonds, debentures, notes, or other evidences of indebtedness of the development corporation, which shall be freely transferable by the registered holder thereof on the books of the corporation.

[C66, 71, 73, 75, 77, 79, 81, §496B.9]

2012 Acts, ch 1017, §97; 2012 Acts, ch 1023, §157

Referred to in §496B.2

**496B.10 Duration of membership.**

Membership in any development corporation shall be for the duration of the respective development corporation; provided, however, that upon written notice given to the development corporation five years in advance a member thereof may withdraw from membership in such corporation at the expiration date of such notice. Provided that a financial institution may at any time withdraw from membership without such notice in the event of its merger with another financial institution, after commencement of proceedings for voluntary or involuntary dissolution, receivership, or reorganization pursuant to or by operation of federal or state law or in the event of conversion from a state financial institution to a federal financial institution or the reverse. If there shall be a legislative amendment of this chapter affecting the rights and obligations of the members and shareholders or otherwise affecting the articles of incorporation of such corporation which shall not have been approved by the members and shareholders within the time set forth and in the manner provided in this chapter, any member not approving such amendment may immediately withdraw from membership upon giving written notice to the corporation not later than ninety days from the effective date of the amendment. A member shall not be obligated to make any loans to a development corporation pursuant to calls made subsequent to the withdrawal of said member therefrom.

[C66, 71, 73, 75, 77, 79, 81, §496B.10]

**496B.11 Powers of shareholders.**

The shareholders and the members of the development corporation shall have the following powers of such corporation:

1. Those powers granted in the Iowa business corporation Act, chapter 490, which are not inconsistent with the provisions of this chapter.

2. To determine the number and elect directors as provided herein.

3. To amend the articles of incorporation as provided herein.

4. To dissolve the corporation as provided herein.

5. To exercise such other of the powers of the corporation as may be conferred on the shareholders and the members by the bylaws. As to all matters requiring action by the shareholders and the members of the corporation, such shareholders and such members shall vote separately thereon by classes and, except as may be otherwise herein provided, approval of such matters shall require the affirmative vote of a majority of the votes to which

the shareholders present or represented at the meeting are entitled, and the affirmative vote of a majority of the votes to which the members present or represented at the meeting are entitled. Each shareholder shall have one vote, in person or by proxy, for each share of capital stock held by the shareholder, and each member shall have one vote, in person or by proxy, except that any member having a loan limit of more than one thousand dollars shall have one additional vote, in person or by proxy, for each additional one thousand dollars which such member is authorized to have outstanding on loans to the corporation at any one time as determined herein.

[C66, 71, 73, 75, 77, 79, 81, §496B.11]

2001 Acts, ch 24, §62

**496B.12 Articles amended.**

1. The articles of incorporation of any development corporation may be amended by the votes of the shareholders and the members thereof voting separately by classes.

2. Any amendment shall require approval by the affirmative vote of two-thirds of the votes to which the shareholders shall be entitled and two-thirds of the votes to which the members shall be entitled. No amendment, however, shall be made which:

*a.* Is inconsistent with this chapter.

*b.* Authorizes any additional class or classes of shares of capital stock.

*c.* Eliminates or curtails the authority of the authority with respect to the corporation.

3. Without the consent of each of the members affected, no amendment shall be made which does any of the following:

*a.* Increases the obligation of a member to make loans to the corporation.

*b.* Makes any change in the principal amount, interest rate, maturity date, or in the security or credit position of any outstanding loan of a member to the corporation.

*c.* Affects a member's right to withdraw from membership, as provided herein.

*d.* Affects a member's voting rights in the corporation.

4. Within thirty days after any meeting at which amendment of any such articles has been adopted, articles of amendment signed and sworn to by the president, secretary, and majority of the directors, setting forth such amendment and the due adoption thereof, shall be submitted to the director of the authority who shall examine them, and if the director finds that they conform to the requirements of this chapter, shall so certify and endorse the director's approval thereof. Thereupon, the articles of amendment shall be filed in the office of the secretary of state in the manner set forth and as provided in the Iowa business corporation Act, chapter 490, and no such amendment shall take effect until such articles of amendment shall have been approved and filed as aforesaid.

5. Within sixty days after the effective date of any legislative amendment affecting the rights and obligations of the members and shareholders or otherwise affecting the articles of incorporation, the approval of such legislative amendments shall be voted on by the shareholders and the members of the development corporation at a meeting duly called for that purpose. If such legislative amendment is not approved by the affirmative vote of two-thirds of the votes to which such shareholders shall be entitled and two-thirds of the votes to which such members shall be entitled, any such member voting against the approval of such legislative amendment shall have the right to withdraw from membership as provided in this chapter.

6. Within thirty days after any meeting at which a legislative amendment affecting the articles of incorporation of a development corporation has been voted on, a certificate filed and sworn to by the secretary or other recording officer of such corporation setting forth the action taken at such meeting with respect to such amendment shall be submitted to the director of the authority and upon receipt of such approval shall be filed in the office of the secretary of state.

[C66, 71, 73, 75, 77, 79, 81, §496B.12]

2001 Acts, ch 24, §62; 2011 Acts, ch 118, §85, 89; 2012 Acts, ch 1021, §95

**496B.13 Board of directors.**

The board of directors shall consist of such number not less than fifteen as shall be determined in the first instance by the incorporators and thereafter annually by the members and the shareholders at each annual meeting or at any special meeting held in lieu of the annual meeting. At each annual meeting or at any special meeting held in lieu of the annual meeting, the members of each corporation shall elect two-thirds of the board of directors and the shareholders shall elect the remaining directors. The directors shall hold office until the next annual meeting of the corporation or special meeting held in lieu of the annual meeting after their election, and until their successors are elected and qualify unless sooner removed in accordance with the provisions of the bylaws. Any vacancy in the office of a director elected by the members shall be filled by the directors elected by the members, and any vacancy in the office of a director elected by the shareholders shall be filled by the directors elected by the shareholders.

Notwithstanding any provisions of law to the contrary, officers and directors of insurance companies and other financial institutions may be members of the board of directors of any corporation organized for the purposes of this chapter to which the insurance company or other financial institution may make a loan or may make an investment.

[C66, 71, 73, 75, 77, 79, 81, §496B.13]

Referred to in §496B.2

**496B.14 Earned surplus set aside.**

Each year each development corporation shall set apart as earned surplus not less than ten percent of its net earnings for the preceding fiscal year until such surplus shall be equal in value to one-half of the amount paid in on the capital stock then outstanding. Whenever the amount of surplus established herein shall become impaired, it shall be built up again to the required amount in the manner provided for its original accumulation. Net earnings and surplus shall be determined by the board of directors, after providing for such reserves as said directors deem desirable, and the directors' determination made in good faith shall be conclusive on all persons.

[C66, 71, 73, 75, 77, 79, 81, §496B.14]

**496B.15 Deposit of funds.**

No development corporation shall deposit any of its funds in any financial institution unless such institution has been designated as a depository by a vote of a majority of the directors present at any authorized meeting of the board of directors exclusive of any director who is an officer or director of the depository so designated. No development corporation shall receive money on deposit.

[C66, 71, 73, 75, 77, 79, 81, §496B.15]

**496B.16 Reports to department of economic development.** Repealed by 2006 Acts, ch 1100, § 7.

**496B.17 Certificate to do business.**

Upon the approval of the authority as required in this chapter and the issuance of a certificate as provided in the Iowa business corporation Act, chapter 490, a development corporation shall then be authorized to commence business and to issue stock thereof to the extent authorized in its articles of incorporation.

[C66, 71, 73, 75, 77, 79, 81, §496B.17]

2001 Acts, ch 24, §64; 2011 Acts, ch 118, §85, 89

**496B.18** Repealed by 79 Acts, ch 120, § 18.

**496B.19 Dissolution.**

A development corporation may be dissolved upon the affirmative vote of two-thirds of the votes to which the shareholders thereof shall be entitled and two-thirds of the votes to which the members shall be entitled. Upon any dissolution of a development corporation,

none of the corporation's assets shall be distributed to the shareholders until all sums due the members of the corporation as creditors thereof have been paid in full.
[C66, 71, 73, 75, 77, 79, 81, §496B.19]

**496B.20 State credit not available.**
Under no circumstances is the credit of the state of Iowa pledged herein.
[C66, 71, 73, 75, 77, 79, 81, §496B.20]

# CHAPTER 496C

## PROFESSIONAL CORPORATIONS

Referred to in §10B.4, 10B.7, 169.4A, 489.1115, 490.1701, 547.1, 669.14


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**496C.1 Short title.**
This chapter shall be known and may be cited as the *"Iowa Professional Corporation Act"*.
[C71, 73, 75, 77, 79, 81, §496C.1]

**496C.2 Definitions.**
For words used in this chapter, unless the context otherwise requires, the definitions contained in the Iowa business corporation Act, chapter 490, apply, and:

1. *"Employees"* or *"agents"* does not include clerks, stenographers, secretaries, bookkeepers, technicians, or other persons who are not usually and ordinarily considered by custom and practice to be practicing a profession, nor any other person who performs all that person's duties for the professional corporation under the direct supervision and control of one or more officers, employees, or agents of the professional corporation who are duly licensed in this state to practice a profession which the corporation is authorized to practice in this state. This chapter shall not be construed to require any such persons to be licensed to practice a profession if they are not required to be licensed under any other law of this state.

2. *"Foreign professional corporation"* means a corporation organized under laws other than the laws of this state for a purpose for which a professional corporation may be organized under this chapter.

3. *"Licensed"* includes registered, certified, admitted to practice, or otherwise legally authorized under the laws of this state.

4. *"Profession"* means the profession of certified public accountancy, architecture, chiropractic, dentistry, physical therapy, practice as a physician assistant, psychology, professional engineering, land surveying, landscape architecture, law, medicine and surgery, optometry, osteopathic medicine and surgery, accounting practitioner, podiatry, real estate brokerage, speech pathology, audiology, veterinary medicine, pharmacy, and the practice of nursing.

5. *"Professional corporation"* means a corporation subject to this Act, except a foreign professional corporation.

6. *"Regulating board"* means any board, commission, court, or governmental authority which, under the laws of this state, is charged with the licensing, registration, certification, admission to practice, or other legal authorization of the practitioners of any profession.

7. *"Voluntary transfer"* includes any sale, voluntary assignment, gift, pledge, or encumbrance; any voluntary change of legal or equitable ownership or beneficial interest; or any voluntary change of persons having voting rights with respect to any shares, except as proxies; but does not include any transfer of an individual's shares or other property to a guardian or conservator appointed for such individual or the individual's property.

[C71, 73, 75, 77, 79, 81, §496C.2]

90 Acts, ch 1205, §31; 2007 Acts, ch 13, §2; 2008 Acts, ch 1088, §141; 2010 Acts, ch 1131, §5

**496C.3 Applicability of Iowa business corporation Act.**

The Iowa business corporation Act, chapter 490, shall be construed as part of this chapter and shall apply to professional corporations, including, but not limited to, their organization, reports, fees, authority, powers, rights, and the regulation and conduct of their affairs. The provisions of the Iowa business corporation Act, chapter 490, on foreign corporations shall apply to foreign professional corporations. The provisions of this chapter shall prevail over any inconsistent provisions of the Iowa business corporation Act, chapter 490, or any other law.

[C71, 73, 75, 77, 79, 81, §496C.3]

2001 Acts, ch 24, §62

**496C.4 Purposes and powers.**

1. A professional corporation shall be organized only for the purpose of engaging in the practice of one specific profession, or two or more specific professions which could lawfully be practiced in combination by a licensed individual or a partnership of licensed individuals, and for the additional purpose of doing all lawful things which may be incidental to or necessary or convenient in connection with the practice of the profession or professions. The articles of incorporation shall state in substance that the purposes for which the corporation is organized are to engage in the general practice of a specified profession or professions, or one or more specified branches or divisions thereof, and to do all lawful things which may be incidental to or necessary or convenient in connection with the practice of the profession or professions. Each professional corporation, unless otherwise provided in its articles of incorporation or unless expressly prohibited by this chapter, shall have all powers granted to corporations by the Iowa business corporation Act, chapter 490.

2. *a.* For purposes of this section, medicine and surgery, osteopathic medicine and surgery, and practice as a physician assistant shall be deemed to be professions which could lawfully be practiced in combination by licensed individuals or a partnership of licensed individuals.

*b.* Nothing in this section shall be construed to expand the scope of practice of a physician assistant or modify the requirement in section 148C.4 that a physician assistant perform medical services under the supervision of a licensed physician.

[C71, 73, 75, 77, 79, 81, §496C.4]

2001 Acts, ch 24, §64; 2010 Acts, ch 1131, §6

Referred to in §496C.7, 496C.16

**496C.5 Corporate name.**

The corporate name of a professional corporation, the corporate name of a foreign professional corporation or its name as modified for use in this state, and any fictitious name or trade name adopted by a professional corporation or foreign professional corporation shall contain the words "professional corporation" or the abbreviation "P. C.", and except for the addition of such words or abbreviation, shall be a name which could lawfully be used by a licensed individual or by a partnership of licensed individuals in the practice in this state of a profession which the corporation is authorized to practice. Each regulating board may

by rule or regulation adopt additional requirements as to the corporate names and fictitious or trade names of professional corporations and foreign professional corporations which are authorized to practice a profession which is within the jurisdiction of the regulating board.

[C71, 73, 75, 77, 79, 81, §496C.5]

90 Acts, ch 1205, §32

**496C.6 Who may incorporate.**

One or more individuals having capacity to contract, each of whom is licensed to practice in this state a profession which the professional corporation is to be authorized to practice, may act as incorporators of a professional corporation.

[C71, 73, 75, 77, 79, 81, §496C.6]

**496C.7 Practice by professional corporation.**

1. Notwithstanding any other statute or rule of law, a professional corporation may practice a profession, but may do so in this state only through shareholders, directors, officers, employees, and agents who are licensed to practice the same profession in this state.

2. In its practice of a profession, no professional corporation shall do any act which could not lawfully be done by individuals licensed to practice the profession which the professional corporation is authorized to practice.

3. *a.* This section shall not prohibit persons practicing medicine and surgery, persons practicing osteopathic medicine and surgery, or persons practicing as physician assistants from practicing their respective professions in lawful combination pursuant to section 496C.4.

*b.* Nothing in this section shall be construed to expand the scope of practice of a physician assistant or modify the requirement in section 148C.4 that a physician assistant perform medical services under the supervision of a licensed physician.

[C71, 73, 75, 77, 79, 81, §496C.7]

2010 Acts, ch 1131, §7

**496C.8 Professional regulation.**

No professional corporation shall be required to register with or to obtain any license, registration, certificate, or other legal authorization from any regulating board in order to practice a profession. Except as provided in this section, nothing in this chapter shall restrict or limit in any manner the authority or duties of any regulating board with respect to individuals practicing any profession which is within the jurisdiction of the regulating board, even if the individual is a shareholder, director, officer, employee, or agent of a professional corporation or foreign professional corporation and practices the individual's profession through such corporation.

[C71, 73, 75, 77, 79, 81, §496C.8]

**496C.9 Relationship and liability to persons served.**

This chapter does not modify any law applicable to the relationship between an individual practicing a profession and a person receiving professional services, including, but not limited to, any liability arising out of such practice and any law respecting privileged communications.

This chapter does not modify or affect the ethical standards or standards of conduct of any profession, including, but not limited to, any standards prohibiting or limiting the practice of the profession by a corporation or prohibiting or limiting the practice of two or more professions in combination. All such standards shall apply to the shareholders, directors, officers, employees, and agents through whom a professional corporation practices any profession in this state, to the same extent that the standards apply to an individual practitioner.

Unless otherwise provided in the articles of incorporation, the liability of the shareholders of a professional corporation, as shareholders, shall be limited in the same manner and to the

same extent as in the case of a corporation organized under the Iowa business corporation Act, chapter 490.

[C71, 73, 75, 77, 79, 81, §496C.9]

2001 Acts, ch 24, §64

**496C.10 Issuance of shares.**

Shares of a professional corporation may be issued, and treasury shares may be disposed of, only to individuals who are licensed to practice in this state, or in any other state or territory of the United States or in the District of Columbia, a profession which the corporation is authorized to practice.

Unless otherwise provided in the articles of incorporation or bylaws, the affirmative vote or consent in writing of all of the outstanding shareholders entitled to vote, or such lesser proportion as may be provided in the articles or bylaws, is necessary in order to authorize the issuance of any shares or the disposal of any treasury shares, and to fix the consideration for shares or treasury shares.

No shares of a professional corporation shall at any time be issued in, transferred into, or held in joint tenancy, tenancy in common, or any other form of joint ownership or co-ownership.

The Iowa securities law shall not be applicable to nor govern any transaction relating to any shares of a professional corporation.

[C71, 73, 75, 77, 79, 81, §496C.10]

**496C.11 Transfer of shares.**

No shareholder or other person shall make any voluntary transfer of any shares in a professional corporation to any person, except to the professional corporation or to an individual who is licensed to practice in this state a profession which the corporation is authorized to practice.

Unless otherwise provided in the articles of incorporation or bylaws, the affirmative vote or consent in writing of all of the outstanding shareholders entitled to vote, or such lesser proportion as may be provided in the articles or bylaws, is necessary in order to authorize any voluntary transfer of any shares of a professional corporation.

The articles of incorporation or bylaws may contain any additional provisions restricting the transfer of shares.

[C71, 73, 75, 77, 79, 81, §496C.11]

**496C.12 Convertible securities — stock rights and options.**

No professional corporation shall create or issue any securities convertible into shares of the professional corporation. The provisions of this chapter with respect to the issuance and transfer of shares and disposal of treasury shares apply to the creation, issuance, and transfer of any rights or options entitling the holder to purchase from a professional corporation any shares of the corporation, including treasury shares. Rights or options shall not be transferable, whether voluntarily, involuntarily, by operation of law, or in any other manner. Upon the death of the holder, or whenever the holder ceases to be licensed to practice in this state a profession which the corporation is authorized to practice, the rights or options shall expire.

[C71, 73, 75, 77, 79, 81, §496C.12]

**496C.13 Voting trust — proxy.**

No shareholder of a professional corporation shall create or enter into a voting trust or any other agreement conferring upon any other person the right to vote or otherwise represent any shares of a professional corporation, and no such voting trust or agreement is valid or effective. Any proxy of a shareholder of a professional corporation shall be an individual licensed to practice in this state a profession which the corporation is authorized to practice. Any provision in any proxy instrument denying the right of the shareholder to revoke the proxy at any time or for any period of time is not valid or effective. This section does not

otherwise limit the right of a shareholder to vote by proxy, but the articles of incorporation or bylaws may further limit or deny the right to vote by proxy.

[C71, 73, 75, 77, 79, 81, §496C.13]

**496C.14 Required purchase by professional corporation of its own shares.**

1. *a.* Notwithstanding any other statute or rule of law, a professional corporation shall purchase its own shares as provided in this section; and the shareholders of a professional corporation and their executors, administrators, legal representatives, and successors in interest shall sell and transfer the shares held by them as provided in this section.

*b.* The corporation may validly purchase its own shares even though its net assets are less than its stated capital, or even though by so doing its net assets would be reduced below its stated capital.

*c.* Upon the death of a shareholder, the professional corporation shall immediately purchase all shares held by the deceased shareholder.

2. In order to remain a shareholder of a professional corporation, a shareholder shall at all times be licensed to practice in this state a profession which the corporation is authorized to practice. Whenever any shareholder does not have or ceases to have this qualification, the corporation shall immediately purchase all shares held by that shareholder.

3. Whenever any person other than the shareholder of record becomes entitled to have shares of a corporation transferred into that person's name or to exercise voting rights, except as a proxy, with respect to shares of the corporation, the corporation shall immediately purchase such shares. Without limiting the generality of the foregoing, this section shall be applicable whether the event occurs as a result of the appointment of a guardian or conservator for a shareholder or the shareholder's property, transfer of shares by operation of law, involuntary transfer of shares, judicial proceedings, execution, levy, bankruptcy proceedings, receivership proceedings, foreclosure or enforcement of a pledge or encumbrance, or any other situation or occurrence. However, this section does not apply to any voluntary transfer of shares as defined in this chapter.

4. Shares purchased by the corporation under the provisions of this section shall be transferred to the corporation as of the close of business on the date of the death or other event which requires purchase. The shareholder and the shareholder's executors, administrators, legal representatives, or successors in interest shall promptly do all things which may be necessary or convenient to cause transfer to be made as of the transfer date. However, the shares shall promptly be transferred on the stock transfer books of the corporation as of the transfer date, notwithstanding any delay in transferring or surrendering the shares or certificates representing the shares, and the transfer shall be valid and effective for all purposes as of the close of business on the transfer date. The purchase price for such shares shall be paid as provided in this chapter, but the transfer of shares to the corporation as provided in this section shall not be delayed or affected by any delay or default in making payment.

5. Notwithstanding subsections 1 through 4, purchase by the corporation is not required upon the occurrence of any event other than death of a shareholder if the corporation is dissolved or voluntarily elects to adopt the provisions of the Iowa business corporation Act, as provided in section 490.1701, subsection 2, within sixty days after the occurrence of the event. The articles of incorporation or bylaws may provide that purchase is not required upon the death of a shareholder if the corporation is dissolved within sixty days after the death. Notwithstanding subsections 1 through 4, purchase by the corporation is not required upon the death of a shareholder if the corporation voluntarily elects to adopt the provisions of the Iowa business corporation Act, as provided in section 490.1701, subsection 2, within sixty days after death.

6. Unless otherwise provided in the articles of incorporation or bylaws or in an agreement among all shareholders of the professional corporation:

*a.* The purchase price for shares shall be their book value as of the end of the month immediately preceding the death or other event which requires purchase. Book value shall be determined from the books and records of the professional corporation in accordance with the regular method of accounting used by the corporation, uniformly and consistently

applied. Adjustments to book value shall be made, if necessary, to take into account work in process and accounts receivable. Any final determination of book value made in good faith by any independent certified public accountant or firm of certified public accountants employed by the corporation for the purpose shall be conclusive on all persons.

*b.* The purchase price shall be paid in cash as follows:

(1) Upon the death of a shareholder, thirty percent of the purchase price shall be paid within ninety days after death, and the balance shall be paid in three equal annual installments on the first three anniversaries of the death.

(2) Upon the happening of any other event referred to in this section, one-tenth of the purchase price shall be paid within ninety days after the date of such event, and the balance shall be paid in three equal annual installments on the first three anniversaries of the date of the event.

*c.* Interest from the date of death or other event shall be payable annually on principal payment dates, at the rate of six percent per annum on the unpaid balance of the purchase price.

*d.* All persons who are shareholders of the professional corporation on the date of death or other event, and their executors, administrators, and legal representatives, shall, to the extent the corporation fails to meet its obligations hereunder, be jointly liable for the payment of the purchase price and interest in proportion to their percentage of ownership of the corporation's shares, disregarding shares of the deceased or withdrawing shareholder.

*e.* The part of the purchase price remaining unpaid after the initial payment shall be evidenced by a negotiable promissory note, which shall be executed by the corporation and all shareholders liable for payment. Any person liable on the note shall have the right to prepay the note in full or in part at any time.

*f.* If the person making any payment is not reasonably able to determine which of two or more persons is entitled to receive a payment, or if the payment is payable to a person who is unknown, or who is under disability and there is no person legally competent to receive the payment, or who cannot be found after the exercise of reasonable diligence by the person making the payment, it shall be deposited with the treasurer of state and shall be subject to the provisions of the Iowa business corporation Act, chapter 490, with respect to funds deposited with the treasurer of state upon the voluntary or involuntary dissolution of a corporation.

*g.* Notwithstanding the provisions of this section, no part of the purchase price shall be required to be paid until the certificates representing such shares have been surrendered to the corporation.

*h.* Notwithstanding the provisions of this section, payment of any part of the purchase price for shares of a deceased shareholder shall not be required until the executor or administrator of the deceased shareholder provides any indemnity, release, or other document from any taxing authority, which is reasonably necessary to protect the corporation against liability for estate, inheritance, and death taxes.

7. The articles of incorporation or bylaws or an agreement among all shareholders of a professional corporation may provide for a different purchase price, a different method of determining the purchase price, a different interest rate or no interest, and other terms, conditions, and schedules of payment.

8. The articles of incorporation or bylaws or an agreement among all shareholders of a professional corporation may provide for the optional or mandatory purchase of its own shares by the corporation in other situations, subject to any applicable law regarding such purchase.

[C71, 73, 75, 77, 79, 81, §496C.14]

2001 Acts, ch 24, §62; 2003 Acts, ch 66, §8; 2009 Acts, ch 133, §165

**496C.15 Certificates representing shares.**

Each certificate representing shares of a professional corporation shall state in substance that the certificate represents shares in a professional corporation and is not transferable except as expressly provided in this chapter and in the articles of incorporation and bylaws of the corporation.

[C71, 73, 75, 77, 79, 81, §496C.15]

**496C.16 Management.**

All directors of a professional corporation and all officers of a professional corporation, except assistant officers, shall at all times be individuals who are licensed to practice in this state a profession, or a lawful combination of professions pursuant to section 496C.4, which the corporation is authorized to practice. However, upon the occurrence of any event that requires the corporation either to be dissolved or to elect to adopt the provisions of the Iowa business corporation Act, chapter 490, as provided in section 496C.19, provided the corporation ceases to practice the profession that the corporation is authorized to practice, as provided in section 496C.19, then individuals who are not licensed to practice in this state a profession that the corporation is authorized to practice may be appointed as officers and directors for the sole purpose of carrying out the dissolution of the corporation or, if applicable, the voluntary election of the corporation to adopt the provisions of the Iowa business corporation Act, as provided in section 496C.19.

[C71, 73, 75, 77, 79, 81, §496C.16]

2003 Acts, ch 66, §9; 2004 Acts, ch 1086, §79; 2010 Acts, ch 1131, §8

**496C.17 Bylaws.**

The initial bylaws of a professional corporation shall be adopted by its board of directors. The power to alter, amend, or repeal the bylaws or adopt new bylaws is reserved to and vested in the shareholders unless granted to the board of directors by the articles of incorporation.

[C71, 73, 75, 77, 79, 81, §496C.17]

**496C.18 Merger or consolidation.**

No professional corporation shall merge or consolidate with any other corporation except another professional corporation subject to this chapter. Merger or consolidation shall not be permitted unless the surviving or new corporation is a professional corporation which complies with all requirements of this chapter.

[C71, 73, 75, 77, 79, 81, §496C.18]

**496C.19 Dissolution or liquidation.**

Violation of any provision of this chapter by a professional corporation or any of its shareholders, directors, or officers shall be cause for its involuntary dissolution, or liquidation of its assets and business by the district court, as provided in the Iowa business corporation Act, chapter 490. Upon the death of the last remaining shareholder of a professional corporation, or whenever the last remaining shareholder is not licensed or ceases to be licensed to practice in this state a profession which the corporation is authorized to practice, or whenever any person other than the shareholder of record becomes entitled to have all shares of the last remaining shareholder of the corporation transferred into that person's name or to exercise voting rights, except as a proxy, with respect to such shares, the corporation shall not practice any profession and it shall either be promptly dissolved or shall promptly elect to adopt the provisions of the Iowa business corporation Act, as provided in section 490.1701, subsection 2. However, if prior to such dissolution all outstanding shares of the corporation are acquired by one or more persons licensed to practice in this state a profession which the corporation is authorized to practice, the corporation need not be dissolved and may practice the profession as provided in this chapter.

[C71, 73, 75, 77, 79, 81, §496C.19]

2001 Acts, ch 24, §64; 2003 Acts, ch 66, §10

Referred to in §496C.16

**496C.20 Foreign professional corporation.**

A foreign professional corporation may practice a profession in this state if it complies with the provisions of the Iowa business corporation Act, chapter 490, on foreign corporations. The secretary of state may prescribe forms for such purpose.

A foreign professional corporation may practice a profession in this state only through shareholders, directors, officers, employees, and agents who are licensed to practice the

profession in this state. The provisions of this chapter with respect to the practice of a profession by a professional corporation apply to a foreign professional corporation.

The certificate of authority of a foreign professional corporation may be revoked by the secretary of state as provided in the Iowa business corporation Act, chapter 490, if the foreign professional corporation fails to comply with any provision of this chapter.

This chapter shall not be construed to prohibit the practice of a profession in this state by an individual who is a shareholder, director, officer, employee, or agent of a foreign professional corporation if the individual could lawfully practice the profession in this state in the absence of any relationship to a foreign professional corporation. The preceding sentence shall apply regardless of whether or not the foreign professional corporation is authorized to practice a profession in this state.

[C71, 73, 75, 77, 79, 81, §496C.20]

2001 Acts, ch 24, §62

**496C.21 Biennial report.**

1. Each biennial report of a professional corporation or foreign professional corporation shall, in addition to the information required by the Iowa business corporation Act, chapter 490, set forth:

*a.* The name and address of one shareholder.

*b.* In the case of a professional corporation, a statement under oath whether or not all shareholders, directors, and officers, except assistant officers, of the corporation are licensed to practice in this state a profession which the corporation is authorized to practice, and whether or not all employees and agents of the corporation who practice a profession in this state on behalf of the corporation are licensed to practice the profession in this state.

*c.* In the case of a foreign professional corporation, a statement under oath whether or not all shareholders, directors, officers, employees, and agents who practice a profession in this state on behalf of the corporation are licensed to practice the profession in this state.

*d.* Additional information necessary or appropriate to enable the secretary of state or regulating board to determine whether the professional corporation or foreign professional corporation is complying with this chapter.

2. Information shall be set forth on forms prescribed and furnished by the secretary of state.

3. A corporation subject to the provisions of this chapter shall pay the biennial filing fee and make the biennial report in a form and manner and at the time specified in chapter 490.

[C71, 73, 75, 77, 79, 81, §496C.21]

83 Acts, ch 144, §5; 97 Acts, ch 171, §25; 2000 Acts, ch 1022, §4, 5; 2001 Acts, ch 24, §64; 2012 Acts, ch 1023, §157

**496C.22 Corporations organized under other laws.**

This chapter shall not apply to or interfere with the practice of any profession by or through any corporation hereafter organized under any other law of this state or any other state or country if such practice is lawful under any other statute or rule of law of this state.

Any corporation subject to the provisions of the Iowa business corporation Act, chapter 490, may voluntarily elect to adopt this chapter and become subject to its provisions by amending its articles of incorporation to be consistent with all provisions of this chapter and by stating in its amended articles of incorporation that the corporation has voluntarily elected to adopt this chapter.

Any corporation organized under any law of any other state or country may become subject to the provisions of this chapter by complying with all provisions of this chapter with respect to foreign professional corporations.

[C71, 73, 75, 77, 79, 81, §496C.22]

2001 Acts, ch 24, §62

# SUBTITLE 3

## ASSOCIATIONS

Referred to in §491.39

# CHAPTER 497

## COOPERATIVE ASSOCIATIONS

Referred to in §10B.1, 10B.4, 10B.7, 476C.1, 489.102, 490.1701, 498.32, 499.43A, 499.60, 499.71, 500.3, 501.104, 501.601, 501A.102, 501A.1104, 502.102, 502.201, 547.1, 552A.2, 556.1, 558.72, 669.14

Applicable only to associations originally chartered before July 4, 1935, §499.1
Option to come under chapter 499, §499.43A
Merger or consolidation with other entities; §499.71, 501A.1101 – 501A.1104
Option to come under chapter 501; §501.601
Option to come under chapter 501A; §501A.1104


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### 497.1 Purposes of cooperative.

Any number of persons, not less than five, may associate themselves as a cooperative association, society, company, or exchange, for the purpose of conducting any agricultural, dairy, ethanol production, mercantile, mining, manufacturing, or mechanical business on the cooperative plan. For the purposes of this chapter, the words "*association*", "*company*", "*corporation*", "*exchange*", "*society*", or "*union*", shall be construed to mean the same.

[SS15, §1641-r1; C24, 27, 31, 35, 39, §**8459;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.1]

92 Acts, ch 1099, §7

Referred to in §497.3, 502.102

### 497.2 Articles of incorporation.

They shall sign and acknowledge written articles which shall contain the name of said association and the names and residences of the persons forming the same. Such articles shall also contain a statement of the purposes of the association, and shall designate the city or village where its principal place of business shall be located. Such articles shall also state the amount of capital stock, the number of shares, and the par value of each.

[SS15, §1641-r2; C24, 27, 31, 35, 39, §**8460;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.2]

Referred to in §497.3

**497.3 Filing — certificate of incorporation.**

The original articles of incorporation of associations organized under this chapter shall be filed with the secretary of state, and be by the secretary recorded in a book kept for that purpose; and if such articles comply with the provisions of sections 497.1 and 497.2, the secretary shall issue a certificate of incorporation to the association. No publication of notice of the incorporation of such an association shall be required.

[SS15, §1641-r3; C24, 27, 31, 35, 39, §**8461;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.3]

94 Acts, ch 1055, §9

**497.4 Fee.**

For filing the articles of incorporation of associations organized under this chapter, there shall be paid to the secretary of state ten dollars, and for the filing of an amendment to such articles, five dollars; provided that when the capital stock of such corporation shall be less than five hundred dollars, such fee for filing either the articles of incorporation or amendments thereto shall be one dollar. In all cases there shall be paid a recording fee of fifty cents per page.

[SS15, §1641-r4; C24, 27, 31, 35, 39, §**8462;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.4]

94 Acts, ch 1055, §10

**497.5 Board of directors.**

Every such association shall be managed by a board of not less than five directors, who shall be elected by and from the stockholders at such time and for such term of office as the bylaws may prescribe, and shall hold office for the time for which elected and until their successors are elected and qualify.

[SS15, §1641-r5; C24, 27, 31, 35, 39, §**8463;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.5]

**497.6 Removal.**

A majority of the stockholders shall have the power at any regular or special stockholders' meeting, legally called, to remove any director or officer for cause, and fill the vacancy, and thereupon the director or officer so removed, shall cease to be a director or officer of said corporation.

[SS15, §1641-r5; C24, 27, 31, 35, 39, §**8464;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.6]

**497.7 Officers.**

The officers of every such association shall be a president, one or more vice presidents, a secretary, and a treasurer, who shall be elected annually by the directors, and each of said officers must be a director of the association. The offices of secretary and treasurer may be combined, and when so combined the person filling the office shall be secretary-treasurer.

[SS15, §1641-r5; C24, 27, 31, 35, 39, §**8465;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.7]

**497.8 Amending articles.**

The association may amend its articles of incorporation by a majority vote of its stockholders at any regular stockholders' meeting, or at any special stockholders' meeting called for that purpose, on ten days' notice to all stockholders. Said power to amend shall include the power to increase or diminish the amount of capital stock and the number of shares; provided the amount of the capital stock shall not be diminished below the amount of paid-up capital at the time the amendment is adopted.

[SS15, §1641-r6; C24, 27, 31, 35, 39, §**8466;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.8]

**497.9 Record of amendments.**

Within thirty days after the adoption of an amendment to its articles of incorporation, an association shall cause a copy of the amendment adopted to be recorded in the office of the secretary of state.

[SS15, §1641-r6; C24, 27, 31, 35, 39, §**8467;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.9]

94 Acts, ch 1055, §11

**497.10 Powers.**

An association created under this chapter shall have power to conduct any agricultural, dairy, mercantile, mining, manufacturing, or mechanical business, on the cooperative plan, and may buy, sell, and deal in the products of any other cooperative company heretofore or hereafter organized under the provisions hereof.

[SS15, §1641-r7; C24, 27, 31, 35, 39, §**8468;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.10]

**497.11 Ownership of shares and voting power limited.**

No stockholder in any such association shall own shares of a greater aggregate par value than five thousand dollars, except as hereinafter provided, nor shall a stockholder be entitled to more than one vote.

[SS15, §1641-r8; C24, 27, 31, 35, 39, §**8469;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.11]

**497.12 Stockholding.**

At any regular meeting, or any regularly called special meeting, at which at least a majority of all of its stockholders shall be present, or represented, an association organized under this chapter, may by a majority vote of the stockholders present or represented, subscribe for shares and invest its reserve fund, not to exceed twenty-five percent of its capital, in the capital stock of any other cooperative association.

[SS15, §1641-r9; C24, 27, 31, 35, 39, §**8470;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.12]

**497.13 Issue of shares as payment.**

Whenever an association created under this chapter shall purchase the business of another association, person, or persons, it may pay for the same in whole or in part by issuing to the selling association or person shares of its capital stock to an amount, which at fair market value as determined by the executive council, would equal the fair market value of the business so purchased as determined by the executive council as in cases of other corporations.

[SS15, §1641-r10; C24, 27, 31, 35, 39, §**8471;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.13]

Payment in property other than money, §492.6 et seq.

**497.14 May act as trustee.**

In case the cash value of such purchased business exceeds one thousand dollars, the directors of the association are authorized to hold the shares in excess of one thousand dollars in trust for the vendor, and dispose of the same to such persons, and within such times, as may be mutually satisfactory to the parties in interest, and to pay the proceeds thereof as currently received to the former owner of said business.

[SS15, §1641-r11; C24, 27, 31, 35, 39, §**8472;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.14]

**497.15 Paid-up stock — right to vote.**

Certificates of stock shall not be issued to any subscriber until fully paid, but the bylaws of the association may allow subscribers to vote as stockholders; provided part of the stock subscribed for has been paid in cash.

[SS15, §1641-r11; C24, 27, 31, 35, 39, §**8473;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.15]

**497.16 Voting by mail.**

At any regularly called general or special meeting of the stockholders, a written vote received by mail from any absent stockholder, and signed by that stockholder, may be read in such meeting, and shall be equivalent to a vote of each of the stockholders so signing, provided the stockholder has been previously notified in writing by the secretary of the exact motion or resolution upon which such vote is taken, and a copy of same is forwarded with and attached to the vote so mailed by the stockholder.

[SS15, §1641-r12; C24, 27, 31, 35, 39, §**8474;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.16]

**497.17 Reserve fund.**

The board of directors, subject to revision by the association at any general or special meeting, shall each year set aside not less than ten percent of the net profits for a reserve fund, until an amount has accumulated therein equal to fifty percent of the paid-up capital stock.

[SS15, §1641-r13; C24, 27, 31, 35, 39, §**8475;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.17]

**497.18 Educational fund — dividends.**

The board may each year, out of remaining net profits, subject to the approval of the association at any general or special meeting:

1. Provide an educational fund to be used in teaching cooperation, not exceeding five percent of the net profits.
2. Declare and pay a dividend on the stock, not exceeding ten percent.

[SS15, §1641-r13; C24, 27, 31, 35, 39, §**8476;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.18]

**497.19 Additional dividends.**

The remainder of said net profits shall be distributed by uniform dividends upon the amount of purchases of shareholders, and upon the wages and salaries of employees. In producing associations, such as creameries, canneries, elevators, factories, and the like, dividends shall be on raw material delivered instead of on goods purchased. In case the association is both a selling and a producing concern, the dividends may be on both raw material delivered and goods purchased by patrons.

[SS15, §1641-r13; C24, 27, 31, 35, 39, §**8477;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.19]

**497.20 When dividends distributed.**

The profits or net earnings of such associations shall be distributed to those entitled thereto, at such times as the bylaws shall prescribe, which shall be as often as once in twelve months.

[SS15, §1641-r14; C24, 27, 31, 35, 39, §**8478;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.20]

**497.21 Dissolution.**

If such association, for five consecutive years, shall fail to declare a dividend upon the shares of its paid-up capital, five or more stockholders, by petition, setting forth such fact, may apply to the district court of the county wherein is situated its principal place of business

in this state, for its dissolution. If, upon hearing, the allegations of the petition are found to be true, the court may adjudge a dissolution of the association.

[SS15, §1641-r14; C24, 27, 31, 35, 39, §**8479;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.21]

**497.22 Biennial report — penalty.**

Section 504.1613 applies to a cooperative association organized under this chapter in the same manner as that section applies to a corporation organized under chapter 504. In addition to the information required to be set forth in the biennial report under section 504.1613, the cooperative association shall also set forth the total amount of business transacted, number of members, total expense of operation, total amount of indebtedness, and total profits or losses for each calendar or fiscal year of the two-year period which ended immediately preceding the first day of January of the year in which the report is filed.

A cooperative association which fails to comply with this section before April 1 of the year in which the report is due is subject to a penalty of ten dollars.

[SS15, §1641-r15; C24, 27, 31, 35, 39, §**8480;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.22]

97 Acts, ch 171, §26; 2004 Acts, ch 1049, §184, 191, 192

Referred to in §497.23, 497.25

**497.23 Exemption from report.**

Any corporation organized under the provisions of this chapter after the first day of January shall be exempt from the provisions of section 497.22 for the year in which incorporated, after which it shall, however, be subject to all of the provisions of said section.

[C27, 31, 35, §8480-a1; C39, §**8480.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.23]

**497.24 List of delinquents.**

In the month of April of each year the secretary of state shall prepare a list of all delinquent corporations and file the same in the secretary of state's office.

[C27, 31, 35, §8480-a2; C39, §**8480.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.24]

**497.25 Notice to delinquents.**

On or before the first day of May of the year the report is due the secretary of state shall mail to each delinquent association a notice of such delinquency and of the penalties provided in section 497.22.

[C27, 31, 35, §8480-a3; C39, §**8480.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.25]

97 Acts, ch 171, §27

**497.26 Cancellation.**

If the biennial report required is not filed and penalties paid on or before the last day of June the secretary of state shall, on the first day of July following, cancel the name of any delinquent corporation from the list of live corporations in the secretary of state's office, and enter such cancellation on the proper records.

[C27, 31, 35, §8480-a4; C39, §**8480.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.26]

2000 Acts, ch 1022, §6

**497.27 Effect of cancellation.**

When so canceled the corporate rights of any such corporation shall be forfeited and its corporate period terminated on the date such cancellation shall have been entered on the records of the secretary of state's office.

[C27, 31, 35, §8480-a5; C39, §**8480.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.27]

**497.28 Reinstatement of corporation.**

Any corporation whose corporate rights have been canceled and forfeited in the manner provided herein may, however, before September 1 following such cancellation, make application to the secretary of state for reinstatement and upon being furnished good and sufficient reasons for not having filed its report the secretary shall, upon the filing of

such report and the payment of the penalty, reinstate said corporation and the decree of cancellation shall be annulled and the corporation shall be entitled to continue to act as a corporation for the unexpired portion of its corporate period as fixed by its articles of incorporation and the limitations prescribed by law.

[C27, 31, 35, §8480-a6; C39, §**8480.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.28]

**497.29 Chapter extended to former companies.**

All cooperative corporations, companies, or associations heretofore organized and doing business under prior statutes, or which have attempted to so organize and do business, shall have the benefit of all the provisions of this chapter and be bound thereby, on filing with the secretary of state, amended and substituted articles of incorporation drawn in accordance with the provisions of this chapter and a written declaration, signed and sworn to by the president and secretary to the effect that said cooperative company or association has by a majority vote of its stockholders decided to accept the benefits of and to be bound by the provisions hereof.

[SS15, §1641-r16; C24, 27, 31, 35, 39, §**8481;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.29]

94 Acts, ch 1055, §12

**497.30 Use of term "cooperative" restricted.**

No corporation or association organized after July 4, 1915, shall be entitled to use the term "cooperative" as part of its corporate or other business name or title, unless it has complied with the provisions of this chapter, and any corporation or association violating the provisions of this section may be enjoined from doing business under such name at the instance of any stockholder of any association legally organized under the provisions of this chapter.

[SS15, §1641-r17; C24, 27, 31, 35, 39, §**8482;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.30]

**497.31 Use of funds.**

None of the funds of any association organized under the provisions of this chapter shall be used in the payment of any promotion; as commissions, salaries or expenses of any kind, character, or nature whatsoever.

[SS15, §1641-r18; C24, 27, 31, 35, 39, §**8483;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.31]

**497.32 Private property exempt.**

The private property of the stockholders shall be exempt from execution for the debts of the corporation.

[SS15, §1641-r19; C24, 27, 31, 35, 39, §**8484;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §497.32]

**497.33 Personal liability.**

Except as otherwise provided in this chapter, a director, officer, employee, or member of the corporation is not liable on the corporation's debts or obligations and a director, officer, member, or other volunteer is not personally liable in that capacity, for a claim based upon any action taken, or any failure to take action in the discharge of the person's duties, except for the amount of a financial benefit received by the person to which the person is not entitled, an intentional infliction of harm on the corporation or its members, or an intentional violation of criminal law.

87 Acts, ch 212, §6; 2003 Acts, ch 66, §11; 2004 Acts, ch 1086, §80

**497.34 Indemnification.**

A cooperative association operating under this chapter may indemnify any present or former director, officer, employee, member, or volunteer in the manner and in the instances authorized in sections 490.850 through 490.859, provided that where sections 490.850 through 490.859 provide for action by shareholders the sections are applicable to action by

voting members of the cooperative association, and where sections 490.850 through 490.859 refer to the corporation organized under chapter 490 the sections are applicable to the cooperative association organized under this chapter, and where sections 490.850 through 490.859 refer to the director the sections are applicable to a director, officer, employee, member, or volunteer of the cooperative association organized under this chapter.

88 Acts, ch 1170, §6; 94 Acts, ch 1023, §62; 2002 Acts, ch 1154, §104, 125

**497.35 Statement to estate of stockholder.**

The board of directors, upon receiving actual notice of a stockholder's death, shall provide a statement to the administrator or executor of the stockholder's estate, or to the attorney representing the stockholder's estate. The statement shall describe agricultural products owned by the stockholder which are in the possession of the association.

This section shall not require an association to conduct a search of the status of its stockholders. The association shall exercise reasonable diligence in determining to whom the statement must be delivered. The statement shall be delivered to the administrator, executor, or attorney, within thirty days following a determination as to whom the statement must be delivered. A statement is not required to be prepared or delivered, if the association is not notified of the stockholder's death within one year after the date of death, or by the date that the stockholder's estate is closed, whichever is later.

91 Acts, ch 230, §1

# CHAPTER 498

## NONPROFIT COOPERATIVE ASSOCIATIONS

Referred to in §10B.1, 10B.4, 10B.7, 489.102, 490.1701, 499.43A, 499.60, 499.71, 501.104, 501.601, 501A.102, 501A.1104, 502.102, 502.201, 547.1, 552A.2, 556.1, 558.72, 669.14

Applicable only to associations originally chartered before July 4, 1935; see chapter 499
Permissible reorganization under later law; §499.43A
Merger or consolidation with other entities; §499.71, 501A.1101 – 501A.1104
Option to come under chapter 501; §501.601
Option to come under chapter 501A; §501A.1104

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498.37 Statement to estate of stockholder.

**498.1 Nature.**

Associations organized under the provisions of this chapter are declared to be not for pecuniary profit.

[C27, 31, 35, §8485-b1; C39, §**8485.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.1]

**498.2 Purposes of cooperative — limitation.**

Any number of persons, not less than five, may associate themselves as a cooperative association, without capital stock, for the purpose of conducting any agricultural, livestock, horticultural, dairy, ethanol production, mercantile, mining, manufacturing, or mechanical business, or the constructing and operating of telephone and high tension electric transmission lines on the cooperative plan and of acting as a cooperative selling agency. Cooperative livestock shipping associations organized under this chapter shall do business with members only.

[C24, 27, 31, 35, 39, §**8486;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.2]

92 Acts, ch 1099, §8

Referred to in §502.102

**498.3 Terms defined — products of nonmembers.**

For the purpose of this chapter, the words "*association*", "*exchange*", "*society*", or "*union*", shall be construed to mean the same and are defined to mean a corporate body composed of actual producers or consumers of the given commodity handled by the association, whose business is conducted for the mutual benefit of its members and not for the profit of stockholders, and control of which is vested in its members upon the basis of one vote to each member. Associations shall not deal in the products of nonmembers to an amount greater in value than such as are handled by it for members.

[C24, 27, 31, 35, 39, §**8487;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.3]

**498.4 Articles — personal liability.**

They shall sign and acknowledge written articles, which shall contain the name of the association and the names and residences of the incorporators. Such articles shall also contain a statement of the purposes of the association, the amount of the membership fee, and shall designate the city or village where its principal place of business shall be located, and the manner in which such articles may be amended, and any limitation which the members propose to place upon their personal liability for the debts of the association.

[C24, 27, 31, 35, 39, §**8488;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.4]

**498.5 Filing — certificate of incorporation.**

The original articles of incorporation shall be filed for record with the secretary of state. Upon approval of such articles, the secretary of state shall issue a certificate of incorporation.

[C24, 27, 31, 35, 39, §**8489;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.5]

**498.6 Fees.**

For filing the articles of incorporation of associations organized under this chapter, there shall be paid to the secretary of state five dollars, and for the filing of an amendment to such articles, two dollars. In all cases there shall be paid a recording fee of fifty cents per page.

[C24, 27, 31, 35, 39, §**8490;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.6]

**498.7 Amendments.**

Within thirty days after the adoption of any amendment to its articles of incorporation, the association shall cause a copy of such amendment to be recorded in the office of the secretary of state.

[C24, 27, 31, 35, 39, §**8491;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.7]

**498.8 Board of directors — removals.**

Every such association shall be managed by a board of not less than five directors, who shall be elected by and from the members at such time and for such term of office as the articles may prescribe. They shall hold office until their successors are elected and qualify;

but a majority of the members shall have the power at any regular or special meeting of the association legally called, to remove any director or officer for cause, and fill the vacancy.

[C24, 27, 31, 35, 39, §**8492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.8]

**498.9 Officers.**

The officers of every such association shall be a president, one or more vice presidents, a secretary, and treasurer, who shall be elected annually by the directors, from amongst their own number. The offices of secretary and treasurer may be held by the same person.

[C24, 27, 31, 35, 39, §**8493;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.9]

**498.10 Admission of members.**

Under the terms and conditions prescribed in its bylaws, an association may admit as members persons engaged in the production of the products, or in the use or consumption of the supplies, to be handled by or through the association, including the lessors and landlords of lands used for the production of such products, who receive as rent part of the crop raised on the leased premises.

[C24, 27, 31, 35, 39, §**8494;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.10]

**498.11 Membership certificates.**

Membership certificates in due form shall be issued to all charter members and to such others as shall subsequently be admitted by the association in accordance with its articles and bylaws.

[C24, 27, 31, 35, 39, §**8495;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.11]

**498.12 Certificates nontransferable — surrender.**

No such certificate shall be transferable by the member to any other person, but shall be surrendered to the association in case of the member's voluntary withdrawal.

[C24, 27, 31, 35, 39, §**8496;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.12]

Referred to in §498.14

**498.13 Automatic cancellation — revocation.**

It shall become void upon the member's death, or may be revoked by the directors upon proof duly made that the member has ceased to be a producer of products handled by or through the association, in the case of producing or selling associations or has ceased to be the user of products handled by or through the association in case of stores and supply associations, or for failure to observe its bylaws or the member's contractual obligations to it.

[C24, 27, 31, 35, 39, §**8497;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.13]

Referred to in §498.14

**498.14 Conditions printed on certificates.**

The conditions of membership specified in sections 498.12 and 498.13 shall be printed upon the face of every membership certificate.

[C24, 27, 31, 35, 39, §**8498;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.14]

**498.15 Combinations of local associations.**

Likewise, associations may be formed under this chapter whose membership shall consist of other associations formed under the provisions of this chapter, the purpose being to federate local associations into central cooperative associations for the more economical and efficient performance of their marketing or other operations.

[C24, 27, 31, 35, 39, §**8499;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.15]

**498.16 Powers of central associations.**

Such central associations may enter into contracts, agreements and arrangements with their member associations. Each member association in such federated associations shall have an official representative chosen by its own board of directors, who shall cast one vote and no more at all business meetings of the federated association.

[C24, 27, 31, 35, 39, §**8500;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.16]

**498.17 Voting power.**

Each member of an association shall be entitled to one vote and no more upon all questions affecting the control and management of the affairs of the association and in the selection of its board of directors.

[C24, 27, 31, 35, 39, §**8501;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.17]

**498.18 Proxies — voting by mail.**

No vote by proxy shall be permitted, but a written vote received by mail from any absent member, and signed by that member, may be read and counted at any regular or special meeting of the association, provided that the secretary shall notify all members in writing of the exact motion or resolution upon which such vote is to be taken, and a copy of same shall be forwarded with and attached to the vote so mailed by the member.

[C24, 27, 31, 35, 39, §**8502;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.18]

**498.19 Power to compel sales and purchases — liquidated damages.**

The association may require members to sell all or a stipulated part of their specifically enumerated products exclusively through the association or to buy specifically enumerated supplies exclusively through the association, but in such case, a reasonable period during each year shall be specified during which any member, by giving notice in prescribed form, may be released from such obligation thereafter. Where it is desired to enter into the exclusive arrangement provided in this section, the association shall execute a contract with each such member setting forth what goods or wares are to be handled and upon what terms. In order to protect itself in the necessary outlay, which it may make for the maintenance of its services, the association may stipulate that some regular charge shall be paid by the member for each unit of goods covered by such contract whether actually handled by the association or not, and in order to reimburse the association for any loss or damage which it or its members may sustain through the member's failure to deliver the member's products to or to procure the member's supplies from the association.

In case it is difficult or impracticable to determine the actual amount of damage suffered by the association or its members through such failure to comply with the terms of such a contract, the association and the member may agree upon a sum to be paid as liquidated damages for the breach of the member's contract, said amount to be stated in the contract.

[C24, 27, 31, 35, 39, §**8503;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.19]

**498.20 Financial power.**

Every association may borrow money necessary for the conduct of its business, and may issue notes, bonds, or debentures therefor, and may give security in the form of mortgage or otherwise for the repayment thereof.

[C24, 27, 31, 35, 39, §**8504;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.20]

**498.21 Personal liability.**

Members of such association may limit their personal liability to the amount of their membership fee as provided in their articles of incorporation.

[C24, 27, 31, 35, 39, §**8505;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.21]

**498.22 Cost of service — dues.**

Associations formed under this chapter shall perform services on a basis of the lowest practicable cost, and may provide for meeting the cost thereof through dues, assessments, or service charges, which shall be prescribed in the bylaws. Such charges shall be set high enough to provide a margin of safety above current operating costs and fixed charges upon borrowed capital.

[C24, 27, 31, 35, 39, §**8506;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.22]

**498.23 Reserve and educational funds — patronage dividends.**

Out of any surplus remaining in any given year, the directors shall each year set aside not less than ten percent of such savings for the accumulation of a reserve fund until such

reserve shall equal at least forty percent of the invested capital of the association, not less than one percent nor more than five percent for a permanent educational fund from which expenditures shall be made annually at the discretion of the directors for the purpose of teaching cooperation, and the remainder to be returned to the members as a patronage dividend prorated on a uniform basis to each member upon the value of business done by that member through the association.

[C24, 27, 31, 35, 39, §**8507;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.23]

**498.24 Biennial report — penalty.**

Section 504.1613 applies to a cooperative association organized under this chapter in the same manner as that section applies to a corporation organized under chapter 504. In addition to the information required to be set forth in the biennial report under section 504.1613, the cooperative association shall also set forth the total amount of business transacted, number of members, total expense of operation, total amount of indebtedness, and total profits or losses for each calendar or fiscal year of the two-year period which ended immediately preceding the first day of January of the year in which the report is filed.

A cooperative association which fails to comply with this section before April 1 of the year in which the report is due is subject to a penalty of ten dollars.

[C24, 27, 31, 35, 39, §**8508;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.24]

97 Acts, ch 171, §28; 2004 Acts, ch 1049, §185, 191, 192

Referred to in §498.25, 498.27

**498.25 Exemption from report.**

Any corporation organized under the provisions of this chapter after the first day of January shall be exempt from the provisions of section 498.24 for the year in which incorporated, after which it shall, however, be subject to all of the provisions of said section.

[C27, 31, 35, §8508-a1; C39, §**8508.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.25]

**498.26 List of delinquents.**

In the month of April of each year the secretary of state shall prepare a list of all delinquent corporations and file the same in the secretary of state's office.

[C27, 31, 35, §8508-a2; C39, §**8508.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.26]

**498.27 Notice to delinquents.**

On or before the first day of May of the year the report is due the secretary of state shall mail to each delinquent association a notice of such delinquency and of the penalties provided in section 498.24.

[C27, 31, 35, §8508-a3; C39, §**8508.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.27]

97 Acts, ch 171, §29

**498.28 Cancellation.**

If the biennial report required is not filed and penalties paid on or before the last day of June the secretary of state shall, on the first day of July following, cancel the name of any delinquent corporation from the list of live corporations in the secretary of state's office, and enter such cancellation on the proper records.

[C27, 31, 35, §8508-a4; C39, §**8508.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.28]

2000 Acts, ch 1022, §7

**498.29 Effect of cancellation.**

When so canceled the corporate rights of any such corporation shall be forfeited and its corporate period terminated on the date such cancellation shall have been entered on the records of the secretary of state's office.

[C27, 31, 35, §8508-a5; C39, §**8508.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.29]

**498.30 Reinstatement of corporation.**

Any corporation whose corporate rights have been canceled and forfeited in the manner provided herein may, however, before September 1 following such cancellation, make

application to the secretary of state for reinstatement and upon being furnished good and sufficient reasons for not having filed its report the secretary shall, upon the filing of such report and the payment of the penalty, reinstate said corporation and the decree of cancellation shall be annulled and the corporation shall be entitled to continue to act as a corporation for the unexpired portion of its corporate period as fixed by its articles of incorporation and the limitations prescribed by law.

[C27, 31, 35, §8508-a6; C39, §**8508.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.30]

**498.31 Chapter extended to former associations.**

All corporations, or associations heretofore organized and doing business under prior statutes, or which have attempted so to organize and do business cooperatively, shall have the benefit of all the provisions of this chapter and be bound thereby, on filing with the secretary of state amended and substituted articles of incorporation drawn in accordance with the provisions of this chapter and a written declaration signed and sworn to by the president and secretary, to the effect that said company or association has, by a majority vote of its stockholders, decided to accept the benefits of and to be bound by the provisions of this chapter.

[C24, 27, 31, 35, 39, §**8509;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.31]

**498.32 Use of term "cooperative" — injunction.**

No corporation or association hereafter organized shall be entitled to use the term "cooperative" as part of its corporate or other business name or title, unless it has complied with the provisions of this chapter or of chapter 497, and any corporation or association violating the provisions of this chapter may be enjoined from doing business under such name at the instance of any stockholder of any association legally organized under the provisions of this chapter.

[C24, 27, 31, 35, 39, §**8510;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.32]

**498.33 Use of funds — promotion expenses.**

None of the funds of any association shall be used for purposes of any promotion as commissions, salaries, or expenses of any kind, character, or nature whatsoever, except that in the case of associations operating in more than one county, if the par value of securities to be sold is in excess of one hundred thousand dollars, a sum not to exceed five percent of the par value of bonds or debentures sold may be used by committees elected by the members for selling or soliciting for the sale of such securities or for hiring responsible salaried solicitors for that purpose.

[C24, 27, 31, 35, 39, §**8511;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.33]

**498.34 Duration of incorporation — renewal.**

Associations formed under the provisions of this chapter shall continue for a period of twenty-five years, unless earlier dissolved by order of its members or by other processes as by law provided, and the term of its existence may be renewed by the filing of new articles of association, as by law provided.

[C24, 27, 31, 35, 39, §**8512;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §498.34]

**498.35 Personal liability.**

Except as otherwise provided in this chapter, a director, officer, employee, or member of the association is not liable on the association's debts or obligations and a director, officer, member, or other volunteer is not personally liable in that capacity, for a claim based upon any action taken, or any failure to take action in the discharge of the person's duties, except for the amount of a financial benefit received by the person to which the person is not entitled, an intentional infliction of harm on the association or its members, or an intentional violation of criminal law.

87 Acts, ch 212, §7; 2003 Acts, ch 66, §12

**498.36 Indemnification.**

A cooperative association operating under this chapter may indemnify any present or former director, officer, employee, member, or volunteer in the manner and in the instances authorized in sections 490.850 through 490.859, provided that where sections 490.850 through 490.859 provide for action by shareholders the sections are applicable to action by voting members of the cooperative association, and where sections 490.850 through 490.859 refer to the corporation organized under chapter 490 the sections are applicable to the cooperative association organized under this chapter, and where sections 490.850 through 490.859 refer to the director the sections are applicable to a director, officer, employee, member, or volunteer of the cooperative association organized under this chapter.

88 Acts, ch 1170, §7; 94 Acts, ch 1023, §63; 2002 Acts, ch 1154, §105, 125

**498.37 Statement to estate of stockholder.**

The board of directors, upon receiving actual notice of a member's death, shall provide a statement to the administrator or executor of the member's estate, or to the attorney representing the member's estate. The statement shall describe agricultural products owned by the member which are in the possession of the association.

This section shall not require an association to conduct a search of the status of its members. The association shall exercise reasonable diligence in determining to whom the statement must be delivered. The statement shall be delivered to the administrator, executor, or attorney, within thirty days following a determination as to whom the statement must be delivered. A statement is not required to be prepared or delivered, if the association is not notified of the member's death within one year after the date of death, or by the date that the member's estate is closed, whichever is later.

91 Acts, ch 230, §2

# CHAPTER 499

## COOPERATIVE ASSOCIATIONS

Referred to in §10.1, 10B.1, 10B.4, 10B.7, 357A.21, 427.1(27a, 27b, 27c, 27e), 476.1, 476C.1, 489.102, 490.629, 490.1109, 490.1701, 501.104, 501.601, 501A.102, 501A.501, 501A.1104, 502.102, 502.201, 547.1, 552A.2, 556.1, 556.5, 558.72, 669.14

Applicable to associations formed from and after July 4, 1935; §499.1
Applicable to associations electing to be under this chapter pursuant to §499.43A, 499.43B
Option to come under chapter 501; §501.601
Option to come under chapter 501A; §501A.1104

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## GENERAL PROVISIONS

**499.1 Applicable.**

This chapter applies only to cooperative associations as defined in section 499.2. All such associations formed from and after July 4, 1935, must be organized under this chapter.

[C35, §8512-g1; C39, §**8512.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.1]

**499.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural associations"* are those formed to produce, grade, blend, preserve, process, store, warehouse, market, sell, or handle an agricultural product, or a by-product of an agricultural product; to produce ethanol; to purchase, produce, sell, or supply machinery, petroleum products, equipment, fertilizer, supplies, business services, or educational service to or for those engaged as bona fide producers of agricultural products; to finance any such activities; or to engage in any cooperative activity connected with or for any number of these purposes.

2. *"Agricultural products"* include horticultural, viticultural, forestry, dairy, livestock, poultry, bee and any other farm products.

3. *"Alternative voting method"* means a method of voting other than a written ballot, including voting by electronic, telephonic, internet, or other means that reasonably allows members the opportunity to vote.

4. *"Association"* means a corporation formed under this chapter.

5. A *"cooperative association"* is one which deals with or functions for its members at least to the extent required by section 499.3; and which distributes its net earnings among its members in proportion to their dealings with it, except for limited dividends or other items permitted in this chapter; and in which each voting member has one vote and no more.

6. *"Local deferred patronage dividends"* of an association means that portion of each member's deferred patronage dividends described in section 499.30 which the board of directors of the association has determined arise from earnings of the association other than earnings which have been allocated to the association but which have not been paid in cash to the association by other cooperative organizations of which the association is a member. However, if the board of directors fails to make a determination with respect to a deceased member's deferred patronage dividends prior to the member's death, then "local deferred patronage dividends" means that portion of the member's deferred patronage dividends which is proportional to the deferred patronage dividends described in section 499.30 less the amount of undistributed net earnings which have been allocated to the association by other cooperative organizations of which the association is a member, compared to all deferred patronage dividends of the association.

7. *"Local deferred patronage preferred stock"* of an association means preferred stock, if any, of an association which has been issued in exchange for local deferred patronage dividends. If preferred stock has been issued in exchange for deferred patronage dividends prior to the time the board of directors of the association has determined the portion of each member's deferred patronage dividend which represents local deferred patronage dividends, then the board of directors may reasonably determine what portion of the preferred stock was issued in exchange for local deferred patronage dividends and the portion which was issued for other deferred patronage dividends.

8. *"Member"* refers not only to members of nonstock associations but also to common stockholders of stock associations, unless the context of a particular provision otherwise indicates.

[C35, §8512-g2; C39, §**8512.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.2]

86 Acts, ch 1196, §1; 88 Acts, ch 1026, §1; 92 Acts, ch 1099, §9; 2011 Acts, ch 23, §1; 2011 Acts, ch 34, §115

Referred to in §499.1, 502.102

**499.3 Dealing with nonmembers.**

A nonstock livestock shipping association shall not handle livestock of any nonmembers.

Any association may restrict the amount of business done with nonmembers and may limit its dealings or any class thereof to members only.

[C35, §8512-g3; C39, §**8512.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.3]

2001 Acts, ch 12, §1, 6

Referred to in §499.2, 499.49

**499.4 Use of term "cooperative" restricted.**

A person including a corporation hereafter organized, which is not an association as defined in this chapter or a cooperative as defined in chapter 501 or 501A, shall not use the word "cooperative" or any abbreviation thereof in its name or advertising or in any connection with its business, except foreign associations admitted under section 499.54. The attorney general or any association or any member thereof may sue and enjoin such use.

This chapter does not control the use of fictitious names; however, if a cooperative association or a foreign cooperative association uses a fictitious name in this state, it shall deliver to the secretary of state for filing a copy of the resolution of its board of directors, certified by its secretary, adopting the fictitious name.

[C35, §8512-g4; C39, §**8512.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.4]

97 Acts, ch 23, §56; 2001 Acts, ch 12, §2, 6; 2005 Acts, ch 135, §114

**499.5 Permissible organizers.**

1. Five or more individuals, or two or more associations, may organize an association.

2. All individual incorporators of agricultural associations must be engaged in producing agricultural products, which phrase includes landlords and tenants as specified in section 499.13.

3. A nonprofit water utility organized under chapter 357A or 504 may elect to become an association under this chapter upon majority vote of its members by filing with the secretary of state a statement confirming the election and appropriate articles of incorporation. However, the association is subject to the service limitation provisions contained in sections 357.1A and 357A.2.

4. A telephone company organized as a corporation under chapter 491 and qualifying pursuant to an internal revenue service letter ruling under Internal Revenue Code § 501(c)(12) as a nonprofit corporation entitled to distribute profits in a manner similar to an association under this chapter may reorganize as an association under this chapter upon the affirmative vote of two-thirds of the votes cast by the shares entitled to vote in an election at a meeting at which a majority of all shares entitled to vote cast a vote.

[C35, §8512-g5; C39, §**8512.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.5]

88 Acts, ch 1172, §3; 90 Acts, ch 1164, §1; 96 Acts, ch 1044, §1; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393

**499.5A Water utilities — members of federated associations.**

Notwithstanding section 499.13, a water utility organized under this chapter, a municipal water utility, or a water district organized under chapter 357, 357A, or 504 may be a member of a federated association.

88 Acts, ch 1172, §4; 94 Acts, ch 1137, §2; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393

**499.6 Purposes.**

A cooperative association may be organized under this chapter for any lawful purpose or purposes.

[C35, §8512-g6; C39, §**8512.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.6]

88 Acts, ch 1026, §2; 88 Acts, ch 1172, §5

**499.7 Powers.**

Except as expressly limited in its articles, each association has the following powers:

1. To conduct business, carry on operations, establish and operate offices, and exercise all powers granted by this chapter in or outside this state.

2. To borrow any amounts of money, and give any form of obligation or security therefor.

3. To make advances to patrons or members, or members of member-associations, and take any form of obligation or security therefor.

4. To acquire, hold, transfer or pledge any obligation or security representing funds actually advanced or used for any cooperative activity; or stock, memberships, bonds

or obligations of any cooperative organization dealing in any product handled by the association, or any by-product thereof.

5. To make any contract, endorsement or guaranty it deems desirable incident to its transfer or pledge of any obligation or security.

6. To acquire, own or dispose of any real or personal property deemed convenient for its business, including patents, trademarks and copyrights.

7. To exercise any power, right or privilege suitable or necessary for, or incident to, promoting or accomplishing any of its powers, purposes or activities, or granted to ordinary corporations, save such as are inconsistent with this chapter.

8. To exercise any of its powers anywhere. No association organized under this chapter shall engage in the business of banking.

[C35, §8512-g7; C39, §**8512.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.7]
88 Acts, ch 1026, §3

**499.8 Contracts authorized.**

An agricultural association may contract with any member for the member's exclusive sale to or through it, of all or any part of the member's agricultural products or other designated commodities. Such contracts may permit the association to take and sell the property without acquiring title thereto, and pay the member the sale price less costs and expenses of selling, which may include the member's pro rata portion of the association's annual outlay for overhead, interest, preferred dividends, reserves or other specified charges. Such contracts must be for a specified time, not less than one year. Each contract shall fix a period of at least ten days during each year after the first, within which either party may terminate it without affecting any liability previously accrued.

[C35, §8512-g8; C39, §**8512.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.8]
Referred to in §499.9

**499.9 Penalties — performance — injunction — arbitration.**

Contracts permitted by section 499.8 may provide that the member pay the association any sum, fixed in amount or by a specified method of computation, for each violation thereof; also all the association's expenses of any suit thereon, including bond premiums and attorney's fees. All such provisions shall be enforced as written, whether at law or in equity, and shall be deemed proper measurement of actual damages, and not penalties or forfeitures.

The association may obtain specific performance of any such contract, or enjoin its threatened or continued breach, despite the adequacy of any legal or other remedy.

If the association files a verified petition, showing an actual or threatened breach of any such contract and seeking any remedy therefor, the court shall, without notice or delay but on such bond as it deems proper, issue a temporary injunction against such breach or its continuance.

The parties to such contracts may agree to arbitrate any controversy subsequently arising thereunder, and fix the number of arbitrators and method of their appointment. Such agreements shall be valid and irrevocable, except on such grounds as invalidate contracts generally. If they specify no method for appointing arbitrators, or if either party fails to follow such method, or if for any reason arbitrators are not named or vacancies filled, either party may apply to the district court to designate the necessary arbitrator, who shall then act under the agreement with the same authority as if named in it. Unless otherwise agreed, there shall be but one arbitrator.

[C35, §8512-g9; C39, §**8512.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.9]

**499.10 Cooperative agreements.**

Any association may make any agreement or arrangement with any other association or cooperative organization for the cooperative or more economical carrying on of any of its business. Any number of such associations or organizations may unite to employ or use, or may separately employ or use, the same methods, means or agencies for conducting their respective businesses.

[C35, §8512-g10; C39, §**8512.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.10]

**499.11 Legality declared.**

No association, contract, method or act which complies with this chapter shall be deemed a conspiracy or combination in restraint of trade or an illegal monopoly, or an attempt to lessen business or fix prices arbitrarily, or to accomplish any improper or illegal purpose.

[C35, §8512-g11; C39, §**8512.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.11]

**499.12 Exemption of private property.**

The private property of the members or stockholders shall be exempt from execution for the debts of the corporation.

[C35, §8512-g12; C39, §**8512.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.12]

**499.13 Membership — eligibility.**

A membership or share of common stock shall not be issued to, or held by, any person unless the person is eligible for membership in the association under its articles. A person may be eligible only if the person is engaged in producing a product marketed by the association, the person customarily consumes or uses the supplies or commodities that the association handles, or the person uses the services that the association renders. A farm tenant or landlord who receives a share of agricultural products as rent may be eligible for membership in an agricultural association as a producer. A cooperative association engaged in any directly or indirectly related activity may be eligible for membership. An association may be formed which includes among its members cooperative associations or restricts its membership to cooperative associations.

[C35, §8512-g13; C39, §**8512.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.13]

97 Acts, ch 17, §2

Referred to in §499.5, 499.5A

**499.14 Membership in nonstock associations.**

Membership in associations without capital stock may be acquired by eligible parties in the manner provided in the articles, which shall specify the rights of members, the issuing price of memberships, if any, and what, if any, fixed dividends accrue thereon. If the articles so provide, membership shall be of two classes, voting and nonvoting. Voting members shall be agricultural producers, and all other members shall be nonvoting members. Nonvoting members shall have all the rights of membership except the right to vote.

[C35, §8512-g14; C39, §**8512.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.14]

2001 Acts, ch 12, §3, 6

**499.14A Electric cooperative association memberships.**

An electric cooperative association may have one or more classes of members. Qualifications, requirements, methods of acceptance, terms, conditions, termination, and other incidents of membership shall be set forth in the articles of incorporation of the association.

93 Acts, ch 94, §1; 2001 Acts, ch 12, §4, 6

**499.15 Certificates of membership or stock.**

The association may issue certificates of membership or stock, each of which states the fixed dividend, if any, and the restrictions or limitations upon its ownership, voting, transfer, redemption, or cancellation.

[C35, §8512-g15; C39, §**8512.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.15]

2007 Acts, ch 23, §1

**499.16 Subscriptions — stock or membership.**

If permitted by the association's articles of incorporation, any eligible subscriber for common stock or membership may vote and be treated as a member after making part payment of the amount, if any, required to be paid for the common stock or membership in cash, giving the subscriber's note for the balance, and satisfying any other requirement for the subscription as set forth in the articles. A subscription may be forfeited as provided in

section 499.32. Stock or membership shall not be issued until payment of the amount, if any, required to be paid for the stock or membership is fully made. A subscriber shall not hold office until the association has issued the subscriber stock or membership.

[C35, §8512-g16; C39, §**8512.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.16]
97 Acts, ch 17, §3; 2001 Acts, ch 12, §5, 6; 2007 Acts, ch 23, §2
Referred to in §499.30

**499.17 Transfer of stock or membership.**

No common stock shall be transferable, unless the articles expressly provide for transfer to others eligible for membership. Such provision may require that the transfer be preceded by an offer to the association, or be otherwise restricted. No nonstock membership shall be transferable, and if the association issues certificates of membership or stock to a member, the certificates shall be surrendered to the association on the member's voluntary withdrawal.

[C35, §8512-g17; C39, §**8512.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.17]
2007 Acts, ch 23, §3

**499.18 Expulsion of members.**

The directors may expel any member if the member has attempted to transfer that member's membership or stock in violation of its terms, or has willfully violated any article or bylaw which provides for such penalty.

[C35, §8512-g18; C39, §**8512.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.18]

**499.19 Cancellation of membership or stock.**

If a common stockholder or member dies, or becomes ineligible, or is expelled, that person's stock or membership shall forthwith be canceled. In cases of expulsion the association shall pay the stockholder or member its value as shown by the books on the date of cancellation, but not more than its original issuing price, within sixty days thereafter. In cases of death or ineligibility, it shall pay such value to the stockholder or member or the stockholder's or member's personal representative within two years thereafter, without interest.

[C35, §8512-g19; C39, §**8512.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.19]

**499.20 Withdrawal of members.**

The articles may permit and regulate voluntary withdrawal of members and the resulting cancellation of their common stock and memberships.

[C35, §8512-g20; C39, §**8512.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.20]

**499.21 Obligations not affected.**

The death, expulsion or withdrawal of a member shall not impair the member's contracts, debts, or obligations to the association.

[C35, §8512-g21; C39, §**8512.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.21]

**499.22 Capital stock.**

An association with capital stock may divide the shares into common and preferred stock. Par value stock shall not be issued for less than par. The general corporation laws shall govern the consideration for which no-par stock is issued. If the articles so provide, common stock may be issued in two classes, voting and nonvoting. Voting stock shall be issued to all agricultural producers and nonvoting stock to all other members. Voting stock or nonvoting stock may be issued to a cooperative association as provided in the articles of incorporation of the association issuing the stock. Nonvoting stock shall have all privileges of membership except the right to vote. Preferred stock held by nonmembers shall not exceed in amount that held by members.

[C35, §8512-g22; C39, §**8512.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.22]
97 Acts, ch 17, §4; 98 Acts, ch 1100, §67

**499.23 Dividends on common stock.**

Unless the articles provide that common stock shall receive no dividends, the directors may declare noncumulative dividends thereon at such rate as they may fix, not exceeding eight percent per annum.

[C35, §8512-g23; C39, §**8512.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.23]

**499.24 Preferred stock.**

Preferred stock shall bear cumulative or noncumulative dividends as fixed by the articles. It shall have no vote. It shall be issued and be transferable without regard to eligibility or membership, and be redeemable on terms specified in the articles and as provided for in this chapter. The directors shall determine the time and amount of its issue.

[C35, §8512-g24; C39, §**8512.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.24]
2011 Acts, ch 27, §1

**499.25 Issuing preferred stock in purchases.**

An association may discharge all or any part of obligations incurred in purchasing any business, property or stock, or an interest therein, by issuing its authorized preferred stock in an amount not exceeding the fair market value of the thing purchased. Issuance of such stock shall be upon the fair market value of the property purchased, as determined through an appraisal made by the directors or a competent appraiser employed by the directors. Such preferred stock shall be valid as though paid for in cash.

[C35, §8512-g25; C39, §**8512.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.25]
90 Acts, ch 1164, §2

**499.26 Service charges.**

Unless the articles otherwise provide, the bylaws or the directors may prescribe charges to be made to each member for services rendered the member or upon products bought from or sold to the member, and the time and manner of their collection.

[C35, §8512-g26; C39, §**8512.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.26]

**499.27 Meetings.**

Regular meetings of members shall be held at least once each year, the first of which shall be on the date specified in its articles. Unless otherwise provided in the articles or bylaws, subsequent meetings shall be on the same date in each succeeding year.

Unless otherwise provided in the articles, the directors may call special meetings of members, and must do so upon written demand of twenty percent of the members.

Unless the member waives it in writing, each member shall have ten days' written notice of the time and place of all meetings, and of the purpose of all special meetings. Such notice shall be given to the member in person or by mail directed to the member's address as shown on the books of the association, or if the articles so provide, by publication in a regular publication of general circulation among its members, or a newspaper of general circulation published at the principal place of business of the association.

[C35, §8512-g27; C39, §**8512.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.27]
Referred to in §10.9

**499.28 Number of votes.**

No member may own more than one membership or share of common stock. Each voting member shall be entitled to one vote and no more at all corporate meetings.

[C35, §8512-g28; C39, §**8512.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.28]

**499.29 Manner of voting.**

A vote shall not be cast by proxy. The vote of a member-association shall be cast only by its representative duly authorized in writing. A member may cast that member's vote in advance of the meeting by mail ballot or, if the association's articles or bylaws permit, by an

alternative voting method upon any proposition of which the member has been previously notified in writing.

[C35, §8512-g29; C39, §**8512.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.29]
96 Acts, ch 1115, §1; 2011 Acts, ch 23, §2

**499.30 Distribution of earnings.**

The directors shall annually dispose of the earnings of the association in excess of its operating expenses as follows:

1. To provide a reasonable reserve for depreciation, obsolescence, bad debts, or contingent losses or expenses.

2. *a.* (1) To the extent that the cooperative association is operating on a pooling basis, the board of directors of the cooperative association shall determine the portion of the remaining earnings derived from the pool that will be added to the surplus. The cooperative association is operating on a pooling basis, if the association markets, sells, or handles an agricultural product and all of the following apply:

(a) The product is a pool composed by commingling units of the same kind of product which are contributed to the cooperative association by its members.

(b) The earnings of the association are computed without deducting a charge for products delivered by members of the association who are contributing units to be commingled in the product pool.

(2) The board of directors may provide an advance payment to the members of the association contributing units of the product to be commingled in the product pool during the contribution period.

*b.* To the extent that the cooperative association is not operating on a pooling basis as provided in this subsection, at least ten percent of the remaining earnings must be added to surplus until surplus equals either thirty percent of the total of all capital paid in for stock or memberships, plus all unpaid patronage dividends, plus certificates of indebtedness payable upon liquidation, earnings from nonmember business, and earnings arising from the earnings of other cooperative organizations of which the association is a member, or one thousand dollars, whichever is greater. No additions shall be made to surplus when it exceeds either fifty percent of the total, or one thousand dollars, whichever is greater, without the approval of the membership by a majority of votes cast.

3. Not less than one percent nor more than five percent of earnings in excess of reserves may be placed in an educational fund, to be used as the directors deem suitable for teaching or promoting cooperation.

4. After disposing of earnings as provided in subsections 1 and 2, the cooperative association shall pay any fixed dividends on stock or memberships.

5. Notwithstanding an association's articles of incorporation, for each taxable year of the association, the association shall allocate all remaining net earnings to the account of each member, including subscribers described in section 499.16, ratably in proportion to the business the member did with the association during that year. The directors shall determine, or the articles of incorporation or bylaws of the association may specify, the percentage or the amount of the allocation to be currently paid in cash. However, for a cooperative association other than a public utility as defined in section 476.1, the amount to be currently payable in cash shall not exceed twenty percent of the allocation during any period when unpaid local deferred patronage dividends of deceased members for prior years are outstanding. Notwithstanding the twenty percent allocation limitation, the directors of a cooperative association or the articles of incorporation or bylaws of the association may specify any percentage or amount to be currently paid in cash to the estates of deceased natural persons who were members. All the remaining allocation not paid in cash shall be transferred to a revolving fund as provided in section 499.33 and credited to the members

and subscribers. The credits in the revolving fund are referred to in this chapter as deferred patronage dividends.

[C35, §8512-g30; C39, §**8512.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.30]

86 Acts, ch 1196, §2, 3; 94 Acts, ch 1058, §1; 95 Acts, ch 106, §1; 96 Acts, ch 1115, §2; 2012 Acts, ch 1023, §157

Referred to in §499.2, 499.30A, 499.31

**499.30A Reversion of disbursements.**

1. As used in this section, *"disbursement"* means an amount of any dividend, patronage dividend, distribution including earnings distribution, or any other increment or sum realized or accruing from a membership or stock, subscription, or other equity interest in a cooperative association.

2. Once a person's membership or stock, subscription, or other member's equity in a cooperative association is deemed abandoned under section 556.5, the cooperative association may retain any disbursement held by the cooperative association for or owing to the person. The cooperative association may also deliver the disbursement to the treasurer of state for disposition as abandoned property pursuant to sections 556.5 and 556.11.

3. If the cooperative association elects to retain the disbursement under this section, the disbursement shall be deposited into a reversion fund established by the cooperative association.

4. A disbursement having an aggregate value of fifty dollars or more that is retained by the cooperative association shall be forfeited to the cooperative association only if the cooperative association publishes at least one notice of the abandoned property in a publication regularly distributed to its membership or in a newspaper having a general circulation in the county where the cooperative association is located. The notice shall include all of the following:

*a.* The name and address of the cooperative association.

*b.* The name of the person who has an interest in the disbursement according to the records of the cooperative association.

*c.* A brief description of the type of disbursement retained by the cooperative association.

*d.* A statement that the disbursement will be forfeited to the cooperative association unless the person files a claim for the disbursement within the period provided for in this section.

5. *a.* Subject to this subsection, a person asserting an interest in the disbursement may file a claim for it with the cooperative association in a manner and according to procedures required by the cooperative association. If a person is entitled to an abandoned membership, stock, subscription, or other interest as provided in section 556.20 or 556.21, the cooperative association shall also pay the person the disbursement deposited in the reversion fund that is realized or accrued from the membership or stock, subscription, or other interest.

*b.* If a person has not filed a claim for the disbursement within six months after the first date that the notice of abandoned property is first published as provided in this section, the disbursement shall be forfeited to the cooperative association.

6. The disbursements deposited into the reversion fund that are forfeited to the cooperative association shall be used as provided in this subsection. The cooperative association may authorize the payment of forfeited disbursements to persons claiming interests in forfeited disbursements as provided in the cooperative association's articles of incorporation or bylaws. Otherwise, forfeited disbursements shall be used as the directors deem suitable for any of the following purposes:

*a.* Teaching and promoting cooperation. The directors may deposit the amounts of disbursements into the education fund as provided in section 499.30.

*b.* Economic development including private or joint public and private investments involving the creation of economic opportunities for its members or the retention of existing sources of income that would otherwise be lost.

2001 Acts, ch 142, §3; 2004 Acts, ch 1028, §1

Referred to in §490.629, 556.5

**499.31 Control of allocation by members.**

The members may at any meeting control the amount to be allocated to surplus or educational fund, within the limits specified in section 499.30, or the amount to be allocated to reserves.

[C35, §8512-g31; C39, §**8512.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.31]

**499.32 Patronage dividends of subscribers.**

Patronage dividends to subscribers whose stock or membership is not fully paid in cash shall be applied toward such payment until it is completed. If the articles or bylaws so provide, subscriptions not fully paid within two years may be canceled and all payments or patronage dividends thereon forfeited.

[C35, §8512-g32; C39, §**8512.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.32]

Referred to in §499.16

**499.33 Use of revolving fund.**

1. The directors may use a revolving fund to pay the obligations or add to the capital of the association or retire its preferred stock. In that event the deferred patronage dividends credited to members constitute a charge on the revolving fund, on future additions to the revolving fund, and on the corporate assets, subordinate to existing or future creditors and preferred stockholders. Except as otherwise provided in subsection 2, deferred patronage dividends for any year have priority over those for subsequent years.

2. *a.* Prior to other payments of deferred patronage dividends or redemption of preferred stock held by members, the directors of a cooperative association, other than a cooperative association which is a public utility as defined in section 476.1, shall pay local deferred patronage dividends and redeem local deferred patronage preferred stock of deceased natural persons who were members, and may pay deferred patronage dividends or may redeem preferred stock of deceased natural persons who were members or of members who become ineligible, without reference to the order of priority.

*b.* The directors of a cooperative association which is a public utility as defined in section 476.1 may pay deferred patronage dividends and redeem preferred stock of deceased natural persons who were members, and may pay all other deferred patronage dividends or redeem preferred stock of members without reference to priority.

3. Payment of deferred patronage dividends or the redemption of preferred stock shall be carried out to the extent and in the manner specified in the bylaws of the association.

[C35, §8512-g33; C39, §**8512.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.33]

86 Acts, ch 1196, §4; 95 Acts, ch 106, §2

Referred to in §499.30, 499.35

**499.34 Patronage dividend certificates.**

If its articles or bylaws so provide, an association may issue transferable or nontransferable certificates for deferred patronage dividends.

[C35, §8512-g34; C39, §**8512.34;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.34]

Referred to in §499.35

**499.35 Time of payment.**

Credits or certificates referred to in sections 499.33 and 499.34 shall not mature until the dissolution or liquidation of the association, but shall be callable by the association at any time in the order of priority specified in section 499.33.

[C35, §8512-g35; C39, §**8512.35;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.35]

**499.36 Directors.**

1. The affairs of each association shall be managed by a board of directors.

2. *a.* A director must be a member of the association or an officer or a member of a member-association. A director shall be elected by the members as prescribed by the association's articles of incorporation.

*b.* At least five directors shall serve on the association's board. The number of directors shall be established in accordance with the association's articles of incorporation or bylaws.

If a board has the power to fix or change the number of directors, the board may increase or decrease by thirty percent or less the number of directors last approved by the members. Only the members may increase or decrease by more than thirty percent the number of directors last approved by the members.

*c.* The articles of incorporation may establish a variable range for the size of the board by fixing a minimum and maximum number of directors. If a variable range is established, the number of directors may be fixed or changed from time to time, within the minimum and maximum number, by the members or the board. After shares are issued, only the members may change the range for the size of the board, change from a fixed to a variable-range-size board, or change from a variable-size to a fixed-size board.

3. *a.* Unless the articles or bylaws otherwise provide, if a vacancy occurs on the board, including a vacancy resulting from an increase in the number of directors, the vacancy may be filled by any of the following:

(1) The shareholders.

(2) The board.

(3) If the directors remaining in office constitute fewer than a quorum of the board, the directors may fill the vacancy by the affirmative vote of all the directors remaining in office.

*b.* A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date, may be filled before the vacancy occurs. The new director shall not take office until the vacancy occurs.

4. The articles or bylaws may permit the directors to select an executive committee from their own number; and may prescribe its authority, which may be coextensive with that of the whole board.

5. Directors shall be elected by districts, if the articles specify the districts, the number of directors from each district, the manner of nomination, redistricting, or reapportionment, and whether directors are to be directly elected by the members or by delegates chosen by them. Districts shall be formed and redistricting shall be ordered, from time to time, so that the districts contain as nearly as possible an equal number of members. The bylaws shall describe the district boundaries currently in effect.

6. Unless the articles of incorporation or bylaws provide otherwise, the board of directors may permit any or all directors to participate in a regular or special meeting through the use of any means of communication by which all directors participating are able to simultaneously hear each other during the meeting. A director participating in a meeting pursuant to this subsection is deemed to be present in person at the meeting.

7. Unless the articles of incorporation or bylaws provide otherwise, an action required or permitted by this chapter to be taken at a board of directors' meeting may be taken without a meeting if the action is taken by all members of the board. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and filed with the corporate records reflecting the action taken. An action taken under this subsection is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed under this subsection is deemed to have the same effect as a meeting vote and may be described as such in any document.

[C35, §8512-g36; C39, §**8512.36;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.36]

86 Acts, ch 1196, §5; 92 Acts, ch 1147, §1; 94 Acts, ch 1023, §64; 97 Acts, ch 17, §5

Referred to in §499.38, 499.40

**499.36A Standards of conduct for directors.**

1. A director shall discharge the duties of the position of director in good faith, in a manner the director reasonably believes to be in the best interests of the association, and with the care that a person in a like position would reasonably believe appropriate under similar circumstances. A person who so performs those duties is not liable by reason of being or having been a director of the association.

2. *a.* A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(1) One or more officers or employees of the association whom the director reasonably believes to be reliable and competent in the matters presented.

(2) Legal counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence.

(3) A committee of the board upon which the director does not serve, duly established by the board as to matters within its designated authority, if the director reasonably believes the committee to merit confidence.

*b.* Paragraph "*a*" does not apply to a director who has knowledge concerning the matter in question that makes the reliance otherwise permitted by that paragraph unwarranted.

3. A director who is present at a meeting of the board when an action is approved by the affirmative vote of a majority of the directors present is presumed to have assented to the action approved, unless any of the following applies:

*a.* The director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, and does not participate in the meeting after the objection, in which case the director is not considered to be present at the meeting for any purpose of this chapter.

*b.* The director votes against the action at the meeting.

*c.* The director is prohibited by a conflict of interest from voting on the action.

4. In discharging the duties of a director, the director may, in addition to consideration of the effects of any action on the association and its members, consider any or all of the following community interest factors:

*a.* The effects of the action on the association's employees, suppliers, creditors, and customers.

*b.* The interests of and effects on communities and the cooperative system in which the association and its members operate.

*c.* The long-term as well as short-term interests of the association and its members, including the possibility that these interests may be best served by the continued independence of the association.

2008 Acts, ch 1141, §1; 2009 Acts, ch 133, §166

Referred to in §499.37A, 499.47D

**499.37 Officers.**

1. The board of directors of the association shall select the association's officers as provided in its articles of incorporation or bylaws, and shall fill vacancies in such offices. The articles of incorporation or bylaws shall delegate to an officer the responsibility for all of the following:

*a.* Preparing minutes of meetings of the directors and the shareholders.

*b.* Authenticating the association's records.

2. Unless the association's articles of incorporation or bylaws otherwise provide, the association's officers shall serve for annual terms beginning at the close of the first regular meeting of members in each year.

[C35, §8512-g37; C39, §**8512.37;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.37]

2003 Acts, ch 66, §13

**499.37A Standards of conduct for officers.**

1. An officer, when performing in such capacity, shall act in conformity with all of the following:

*a.* In good faith.

*b.* With the care that a person in a like position would reasonably exercise under similar circumstances.

*c.* In a manner the officer reasonably believes to be in the best interests of the association.

2. In discharging the officer's duties, an officer who does not have knowledge that makes such reliance unwarranted is entitled to rely on any of the following:

*a.* The performance of properly delegated responsibilities by one or more employees of the association whom the officer reasonably believes to be reliable and competent in performing the responsibilities delegated.

*b.* Information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more employees of the association whom the officer reasonably believes to be reliable and competent in the matters presented.

*c.* Legal counsel, public accountants, or other persons retained by the association as to matters involving skills or expertise the officer reasonably believes are matters within the particular person's professional or expert competence or as to which the particular person merits confidence.

3. An officer shall not be liable as an officer to the association or its members for any decision to take or not to take action, or any failure to take any action, if the duties of the officer are performed in compliance with this section. Whether an officer who does not comply with this section is liable depends in such instance on applicable law, including those principles of section 499.36A that have relevance.

2008 Acts, ch 1141, §2

**499.38 Removal of officers and directors.**

At any meeting called for that purpose, any officer or director may be removed by vote of a majority of all voting members of the association. A director chosen under section 499.36, subsection 5, may likewise be removed by vote of a majority of all members in the director's district.

[C35, §8512-g38; C39, §**8512.38;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.38]

**499.39 Referendum.**

If provided for in the articles of incorporation, any action of directors shall, on demand of one-third of the directors made and recorded at the same meeting, be referred to a regular or special meeting of members called for such purpose. Such action shall stand until and unless annulled by a majority of the votes cast at such meeting, which vote shall not impair rights of third parties previously acquired.

[C35, §8512-g39; C39, §**8512.39;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.39]

**499.40 Articles.**

Articles of incorporation must be signed and acknowledged by each incorporator. They may deal with any fiscal or internal affair of the association or any subject hereof in any manner not inconsistent with this chapter. All articles must state in the English language:

1. The name of the association, which must include the word "cooperative"; and the address of its principal office.

2. The purposes for which it is formed, and a statement that it is organized under this chapter.

3. Its duration, which may be perpetual.

4. The name, occupation and post office address of each incorporator.

5. The following information regarding the directors:

*a.* Their number.

*b.* Whether there is a fixed number or a variable range as provided in section 499.36. If a variable range is established, the information shall include the minimum and maximum number.

*c.* Their qualifications.

*d.* Their terms of office.

*e.* How they shall be chosen and removed from office.

6. Who are eligible for membership, how members shall be admitted and membership lost, how earnings shall be distributed among members, how assets shall be distributed in liquidation, and, in addition, either:

*a.* That the association shall have capital stock; the classes, par value and authorized number of shares of each class thereof; how shares shall be issued and paid for; and what rights, limitations, conditions and restrictions pertain to the stock, which shall be alike as to all stock of the same class; or

*b.* That the association shall have no capital stock, and what limitations, conditions,

restrictions and rights pertain to membership; and if the rights are unequal, the rules respecting them shall be specifically stated.

7. The date of the first regular meeting of members.

8. The name and street address of the association's initial registered agent.

[C35, §8512-g40; C39, §**8512.40;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.40]
93 Acts, ch 126, §15; 97 Acts, ch 17, §6
Referred to in §499.42

**499.41 Amendments.**

1. Notwithstanding the provisions of the articles of incorporation of any association pertaining to amendment thereto now in effect, any association may amend its articles of incorporation by a vote of sixty-six and two-thirds percent of the members present, or voting by mailed ballot or alternative voting method, and having voting privileges, at any annual meeting or any special meeting called for that purpose, provided that at least ten days before said annual meeting or special meeting a copy of the proposed amendment or summary thereof be sent to all members having voting rights; or said articles of incorporation may be amended in accordance with the amendment requirements contained in the articles or bylaws of said association that are adopted subsequent to July 4, 1963, or are in effect on or after July 4, 1964, provided said amendment requirements in the articles or bylaws are not less than established in this section.

2. Amendments shall be executed and filed as provided in section 499.44.

[C35, §8512-g41; C39, §**8512.41;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.41]
90 Acts, ch 1164, §3; 2011 Acts, ch 23, §3
Referred to in §499.42, 499.43A, 499.43B

**499.41A Greater voting or quorum requirements.**

An amendment to the articles of incorporation of an association that adds, changes, or deletes a greater voting or quorum requirement by the members than required by this chapter must be adopted by the voting or quorum requirements then in effect or proposed to be adopted, whichever is greater.

2008 Acts, ch 1141, §3

**499.42 Renewal.**

An association may extend its duration perpetually, or for any definite time, by resolution adopted by a majority of all its members, or any different vote for which the articles may provide, at a meeting called for that purpose and held before its original expiration.

Unless the association has meanwhile wound up, its duration may be extended in like manner within three years after its original expiration, with the same effect as if done prior thereto, by a vote of two-thirds of all its members.

The resolution must state the name of the association, its original expiration date, and for how long thereafter its duration is extended, and must also adopt, and designate officers to execute, renewal articles of incorporation containing the things required in section 499.40.

The renewal articles shall be executed and filed as required by section 499.41. Renewal shall not relieve the association from fees, charges, or penalties which may have accrued against it.

[C35, §8512-g42; C39, §**8512.42;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.42]
90 Acts, ch 1164, §4

**499.43 Existing corporations — option.** Repealed by 2006 Acts, ch 1062, § 2, 3. See § 499.43A.

**499.43A Existing cooperatives organized under chapter 497 or 498 — conversion option.**

1. As used in this section, *"cooperative association"* means any of the following:

*a.* An association organized under chapter 497, regardless of whether it is referred to as an "association", "company", "corporation", "exchange", "society", or "union" as provided in that chapter.

*b.* A cooperative association organized under chapter 498, regardless of whether it is referred to as an "association", "exchange", "society", or "union" as provided in that chapter.

2. A cooperative association may elect to be governed by and to comply with the provisions of this chapter. The election shall be governed by the following procedures:

*a.* The board of directors and members must adopt a resolution reciting that the cooperative association elects to be governed by and to comply with this chapter. The cooperative association, to the extent necessary, shall change its name to comply with the provisions of this chapter. The resolution shall be adopted according to the same procedures as provided in section 499.41. Upon the adoption of the resolution, the cooperative association shall execute an instrument on forms prescribed by the secretary of state. The instrument must be signed by the president and secretary and verified by one of the officers signing the instrument. The instrument shall include all of the following:

(1) The name of the cooperative association, before and after this election.

(2) A description of each resolution adopted by the cooperative association pursuant to this section, including the date each resolution was adopted.

*b.* The instrument shall be filed with the secretary of state. The cooperative association shall amend its articles of incorporation pursuant to section 499.41 to comply with the provisions of this chapter. The secretary of state shall not file the instrument unless the cooperative association organized under chapter 497 is in compliance with the provisions of chapter 497 at the time of filing. The secretary of state shall not file the instrument unless the cooperative association organized under chapter 498 is in compliance with the provisions of chapter 498 at the time of filing. A cooperative association shall file a biennial report which is due pursuant to section 499.49.

3. Upon filing the instrument with the secretary as required in this section, all of the following shall apply:

*a.* The cooperative association shall be deemed to be organized under this chapter and the provisions of this chapter shall apply to the cooperative association.

*b.* The secretary of state shall issue a certificate to the cooperative association acknowledging that it is deemed to be organized under this chapter.

4. The application of this chapter to the cooperative association does not affect any of the following:

*a.* For a cooperative association organized under chapter 497, a right accrued or established, or liability or penalty incurred, pursuant to chapter 497 prior to the filing of the instrument with the secretary of state as required in this section.

*b.* For a cooperative association organized under chapter 498, a right accrued or established, or liability or penalty incurred, pursuant to chapter 498 prior to the filing of the instrument with the secretary of state as required in this section.

92 Acts, ch 1066, §2; 94 Acts, ch 1055, §13; 2000 Acts, ch 1022, §8; 2006 Acts, ch 1062, §1, 3

**499.43B Existing cooperatives organized under chapter 490 or 491 — option.**

A cooperative association organized under chapter 490 or 491 may elect to be governed by and to comply with the provisions of this chapter. The election shall be governed by the following procedures:

1. The board of directors and shareholders must adopt a resolution reciting that the cooperative association elects to be governed by and to comply with this chapter. The cooperative association, to the extent necessary, shall change its name to comply with the provisions of this chapter. The resolution shall be adopted according to the same procedures as provided in section 499.41. Upon the adoption of the resolution, the cooperative association shall execute an instrument on forms prescribed by the secretary of state. The instrument must be signed by the president and secretary and verified by one of the officers signing the instrument. The instrument shall include all of the following:

*a.* The name of the cooperative association, before and after this election.

*b.* A description of each resolution adopted by the cooperative association pursuant to this section, including the date each resolution was adopted.

2. The instrument shall be filed with the secretary of state. The cooperative association shall amend its articles of incorporation pursuant to section 499.41 to comply with the

provisions of this chapter. The secretary of state shall not file the instrument unless the cooperative association is in compliance with the provisions of the chapter in which it was organized at the time of filing. A cooperative association shall file a biennial report which is due pursuant to section 499.49. Upon filing the instrument with the secretary, all of the following shall apply:

*a.* The cooperative association shall be deemed to be organized under this chapter and the provisions of this chapter shall apply to the cooperative association.

*b.* The secretary of state shall issue a certificate to the cooperative association acknowledging that it is deemed to be organized under this chapter.

3. The application of this chapter to the cooperative association does not affect a right accrued or established, or liability or penalty incurred pursuant to the chapter in which the cooperative association was formally organized, prior to the filing of the instrument with the secretary of state.

2003 Acts, ch 59, §1

**499.44 Execution and filing of documents.**

1. The secretary of state shall record all documents submitted to and required to be filed with the secretary under this chapter.

2. *a.* A document required to be filed with the secretary of state pursuant to this chapter must be executed. The person executing the document must be the association's presiding officer of the board of directors, or the association's president or other officer. However, if the board of directors has not been selected or the association has not been formed, the document must be signed by an incorporator of the association. If the association is under the control of a person acting as a fiduciary of the association, including a trustee or receiver, the document must be signed by the fiduciary.

*b.* A document required to be executed shall contain the printed name of the person executing the document and the capacity in which the person serves the association. The signature of the person must appear above or opposite the person's printed name and capacity. In the discretion of the secretary of state, a document containing a copy of the person's signature may be accepted for filing. The document may also contain a corporate seal, an attestation by the secretary of state or person charged by the secretary, or an acknowledgment, verification, or proof that the execution is valid.

3. Articles of incorporation, amendments to articles, or renewal of articles must be filed with the secretary of state. The association's corporate existence shall begin upon approval by the secretary of state of the articles and issuance of the certificate of incorporation.

4. A document required to be filed with the secretary of state pursuant to this chapter is effective at the later of the following times:

*a.* The time of filing on the date it is filed, as evidenced by the secretary of state's date and time endorsement on the original document.

*b.* The delayed effective time and date specified in the document. If a delayed effective date but no time is specified in the document, the document is effective at the close of business on that date. A delayed effective date for a document shall not be later than the ninetieth day after the date it is filed.

5. *a.* A document filed under this section may be corrected if the document contains an incorrect statement or the execution of the document was defective. A document is corrected by filing with the secretary articles of correction which describe the document to be corrected, including its filing date or a copy of the document. The articles must specify the incorrect statement or defective execution, and correct the incorrect statement or defective execution.

*b.* Articles of correction are deemed to be effective on the date that the document corrected took or takes effect. However, as applied to persons relying upon the uncorrected document or adversely affected by the articles of correction, the effective date of the articles of correction is the date that the articles are filed.

[C35, §8512-g44; C39, §**8512.44;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.44]

90 Acts, ch 1164, §6; 97 Acts, ch 65, §1; 2007 Acts, ch 23, §4

Referred to in §499.41, 499.67

**499.45 Fees.**

A fee of twenty dollars shall be paid to the secretary of state upon filing articles of incorporation, amendments, or renewals.

Except as provided in this section, the association shall pay the fees prescribed by section 490.122 when the documents described in that section are delivered to the secretary of state for filing.

[C35, §8512-g45; C39, §**8512.45;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.45]
93 Acts, ch 126, §16; 94 Acts, ch 1107, §30; 97 Acts, ch 171, §30

**499.46 Bylaws.**

The directors, by a vote of seventy-five percent of the directors, may adopt, alter, amend, or repeal bylaws for the association, which shall remain in force until altered, amended, or repealed by a vote of seventy-five percent of the members present or represented having voting privileges, at any annual meeting or special meeting of the membership, provided that at least ten days' prior written notice of the impending membership vote has been mailed to all members of the association with a copy or summary of the proposed adoption, alteration, amendment, or repeal of the bylaws. Proposals by members to adopt, alter, amend, or repeal bylaws by vote of the membership shall be presented to the association's registered office for mailing to the membership by the association at least twenty days prior to the meeting at which the proposed change is to be considered. Bylaws shall be kept by the secretary subject to inspection by any member at any time. Bylaws may deal with the fiscal or internal affairs of the association or any subject of this chapter in any manner not inconsistent with this chapter or the articles.

[C35, §8512-g46; C39, §**8512.46;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.46]
96 Acts, ch 1115, §3

**499.47 Dissolution.**

1. An association whose duration has expired, or which is sooner dissolved by voluntary act of its members, shall continue to exist for the purpose of winding up its affairs until its complete liquidation under subsection 3 hereof.

2. An association may be dissolved by two-thirds of all votes cast at any meeting called for that purpose at which a majority of all voting members vote.

3. Upon the expiration or voluntary dissolution of an association, the members shall designate three of their number as trustees to replace the officers and directors and wind up its affairs. The trustees shall have all the powers of the board, including the power to sell and convey real or personal property and execute conveyances. Within the time fixed in their designation, or any extension of that time, the trustees shall liquidate the association's assets, pay its debts and expenses, and distribute remaining funds among the members. Upon distribution of remaining assets the association shall stand dissolved and cease to exist. The trustees shall make and sign a report of the dissolution. The report shall be filed with the secretary of state.

4. The trustees and their successors in office shall be chosen, and the time for their action fixed and extended, by a majority of all votes cast at any meeting called for such purpose.

[C35, §8512-g47; C39, §**8512.47;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.47]
90 Acts, ch 1164, §7; 2007 Acts, ch 23, §5; 2007 Acts, ch 215, §254

**499.47A Sale or other disposition of assets in regular course of business and mortgage or pledge of assets.**

The sale, lease, exchange, or other disposition of the property and assets of a cooperative association, when made in the usual and regular course of the business of the cooperative association, and the mortgage or pledge of any or all of the property and assets of the cooperative association, may be made upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property, real or personal, including shares of any other corporation or cooperative association, domestic or foreign,

as authorized by its board of directors; and in such case no authorization or consent of the members shall be required.

87 Acts, ch 88, §1

**499.47B Sale or other disposition of assets other than in regular course of business.**

A sale, lease, exchange, or other disposition of all, or substantially all, the property and assets, with or without the goodwill, of a cooperative association organized under this chapter, if not made in the usual and regular course of its business, may be made upon the terms and conditions and for such consideration, which may consist in whole or in part of money or property, real or personal, including shares of any other cooperative association organized under this chapter, as may be authorized in the following manner:

1. The board of directors shall adopt a resolution recommending the sale, lease, exchange, or other disposition and directing the submission thereof to a vote at a meeting of the membership, which may either be an annual or a special meeting. The board of directors may condition its recommendation and submission of the sale, lease, exchange, or other disposition to the members for approval under this section on any basis.

2. Written or printed notice shall be given to each member of record entitled to vote at the meeting within the time and in the manner provided in this chapter for the giving of notice of meetings of members, and, whether the meeting be an annual or a special meeting, shall state that the purpose, or one of the purposes, of the meeting is to consider the proposed sale, lease, exchange, or other disposition of substantially all of the property and assets of the cooperative association.

3. At the meeting, the membership may authorize the sale, lease, exchange, or other disposition and may fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the cooperative association. Such authorization for the sale, lease, exchange, or other disposition shall be approved by the members as follows:

*a.* Except as provided in paragraph *"b"*, the sale, lease, exchange, or other disposition must be approved by a two-thirds vote of the members in which vote a majority of all voting members participate.

*b.* (1) If the cooperative association's articles of incorporation require approval by more than two-thirds of its members in which vote a majority of all voting members participate, the sale, lease, exchange, or other disposition must be approved by the greater number as provided in the articles of incorporation.

(2) If the board of directors adopts additional conditions for the approval of the sale, lease, exchange, or other disposition as provided in subsection 1, the additional conditions must be satisfied in order for the sale, lease, exchange, or other disposition to be approved.

4. After such authorization by a vote of members, the board of directors nevertheless, in its discretion, may abandon the sale, lease, exchange, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by the members.

87 Acts, ch 88, §2; 2008 Acts, ch 1141, §4; 2011 Acts, ch 23, §4, 5; 2012 Acts, ch 1023, §69, 70

Referred to in §499.47C

**499.47C Sale or other disposition of assets in exchange for common stock.**

1. In addition to the requirements of section 499.47B, in any case where a cooperative association issues its common stock or membership, or subscriptions for common stock or membership, or both, as a part or all of the consideration for the sale, lease, exchange, or other disposition of all, or substantially all, the property and assets of another cooperative association, the issuance of such common stock or membership, or subscriptions for common stock or membership, or both, shall be authorized by the issuing cooperative association in the following manner:

*a.* The board of directors shall adopt a resolution recommending the issuance of the common stock or membership, or subscriptions for common stock or membership, or both,

and directing the submission thereof to a vote at a meeting of the membership, which may be either an annual or special meeting.

*b.* Written or printed notice shall be given to each member of record entitled to vote at the meeting within the time and in the manner provided in this chapter for the giving of notice of meetings to members, and, whether the meeting be an annual or a special meeting, shall state that the purpose, or one of the purposes of the meeting, is to consider the proposed issuance of common stock or membership, or subscriptions for common stock or membership, or both, as consideration for all or a part of the property and assets of the other cooperative association.

*c.* At the meeting the membership may authorize the issuance and may fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the property and assets to be received as consideration. Such authorization shall be approved if a majority of the voting members present vote in the affirmative.

*d.* After such authorization by a vote of members, the board of directors nevertheless, in its discretion, may abandon the issuance, without further action or approval by the members.

2. If a cooperative association, in connection with its acquisition of property or assets of another cooperative association, agrees to solicit common stock or membership, or subscriptions for common stock or membership to the members of the cooperative association selling such property or assets, the agreement shall not itself constitute the issuance of common stock or membership, or subscriptions for common stock or membership as described in this section. This section shall not apply to a merger as defined in section 499.61.

87 Acts, ch 88, §3; 2012 Acts, ch 1023, §157

**499.47D Consideration of acquisition proposals — community interests.**

1. A director, in determining what is in the best interest of the association when considering a tender offer or proposal of acquisition, proposal of merger, proposal of consolidation, or similar proposal, may, in addition to consideration of the effects of any action on the association and its members, consider any or all of the community interest factors described in section 499.36A.

2. If on the basis of the community interest factors described in section 499.36A, the board of directors determines that a tender offer or proposal to acquire, merge, or consolidate the association or any similar proposal is not in the best interest of the association, it may reject the tender offer or proposal. If the board of directors rejects any such tender offer or proposal, the board of directors has no obligation to facilitate, to remove any barriers to, or to refrain from impeding the tender offer or proposal. Consideration of any or all of the community interest factors is not a violation of the business judgment rule or of any duty of the director to the members, or a group of members, even if the director reasonably determines that a community interest factor or factors outweigh the financial or other benefits to the association or a member or group of members.

2008 Acts, ch 1141, §5

**499.48 Distribution in liquidation.**

1. On dissolution or liquidation, the assets of the association shall be used to pay liquidation expenses first, next the association's obligations other than patronage dividends or patronage dividend certificates which it has issued, and the remainder shall be distributed in the following priority:

*a.* To pay to each person the full amount originally paid by that person in cash for stock or other equity interest in the association.

*b.* To pay to each person in proportion to the total of each person's revolving fund, stock, or other equity interest in the association remaining after the payment under paragraph "*a*".

2. In applying subsection 1, paragraphs "*a*" and "*b*", all classes of stock, all revolving funds, and all other equity interests in the association shall be treated equally based on their stated values. However, an association may establish its own method of distributing the assets remaining, after paying liquidation expenses and obligations other than patronage dividends

or patronage dividend certificates which it has issued, in articles of incorporation adopted, amended, or restated after July 1, 1986.

[C35, §8512-g48; C39, §**8512.48;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.48]
86 Acts, ch 1196, §6; 2012 Acts, ch 1023, §92

**499.49 Biennial report.**

Section 504.1613 applies to a cooperative organized under this chapter in the same manner as that section applies to a corporation organized under chapter 504. In addition to the information required to be set forth in the biennial report under section 504.1613, the cooperative shall also set forth the number of members of the cooperative, the percentage of the cooperative's business done with or for its own members during each of the fiscal or calendar years of the preceding two-year period, the percentage of the cooperative's business done with or for each class of nonmembers specified in section 499.3, and any other information deemed necessary by the secretary of state to advise the secretary whether the cooperative is actually functioning as a cooperative.

[C35, §8512-g49; C39, §**8512.49;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.49]
93 Acts, ch 126, §17; 97 Acts, ch 171, §31; 2004 Acts, ch 1049, §186, 191, 192
Referred to in §499.43A, 499.43B, 499.76

**499.50** Repealed by 97 Acts, ch 171, § 49.

**499.51 and 499.52** Repealed by 93 Acts, ch 126, § 35.

**499.53 Quo warranto.**

The right of an association to exist or continue under this chapter may be inquired into by the attorney general, but not otherwise. If from its biennial report or otherwise, the secretary of state is informed that it is not functioning as a cooperative, the secretary shall so notify the attorney general who, if the attorney general finds reasonable cause so to believe, shall bring action to oust it and wind up its affairs.

[C35, §8512-g53; C39, §**8512.53;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.53]
2000 Acts, ch 1022, §9

**499.54 Foreign associations.**

Any foreign corporation organized under generally similar laws of any other state shall be admitted to do business in Iowa upon compliance with the general laws relating to foreign corporations and payment of the same fees as would be required under section 490.122 if the foreign cooperative corporation is a foreign corporation for profit seeking authority to transact business in Iowa under chapter 490. Upon the secretary of state being satisfied that the foreign corporation is so organized and has so complied, the secretary shall issue a certificate authorizing the foreign corporation to do business in Iowa.

Such a foreign corporation thus admitted shall be entitled to all remedies provided in this chapter, and to enforce all contracts theretofore or thereafter made by the foreign corporation which any association might make under this chapter.

If such a foreign corporation amends its articles it shall forthwith file a copy of the amendment with the secretary of state, certified by the secretary or other proper official of the state under whose laws it is formed, and shall pay the fees prescribed for amendments by section 490.122. Foreign corporations shall also file statements and pay fees otherwise prescribed by section 490.122.

[C35, §8512-g54; C39, §**8512.54;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.54]
93 Acts, ch 126, §18
Referred to in §499.4, 501.104

**499.55 Individual exemptions applicable.**

All exemptions or privileges applying to agricultural products in the possession or control of the individual producer shall apply to such products in the possession or control of any association which have been delivered to it by its members.

[C35, §8512-g55; C39, §**8512.55;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.55]

**499.56 Conflicting laws.**
Any law conflicting with any part of this chapter shall be construed as not applicable to associations formed hereunder.
[C35, §8512-g56; C39, §**8512.56;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.56]

**499.57 State powers.**
The state reserves the right to modify, amend or repeal this chapter, or any part hereof, and to cancel, modify, repeal or extend any grant, power, permit or franchise obtained or secured under this chapter, at any future time.
[C35, §8512-g57; C39, §**8512.57;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.57]

**499.58** Repealed by 92 Acts, ch 1147, § 5.

**499.59 Personal liability.**
Except as otherwise provided in this chapter, a director, officer, employee, or member of the association is not liable on the association's debts or obligations, and a director, officer, member, or other volunteer is not personally liable in that capacity, for a claim based upon any action taken, or any failure to take action in the discharge of the person's duties, except for the amount of a financial benefit received by the person to which the person is not entitled, an intentional infliction of harm on the association or its members, or an intentional violation of criminal law.
87 Acts, ch 212, §8; 88 Acts, ch 1134, §93; 2003 Acts, ch 66, §14

**499.59A Indemnification.**
A cooperative association operating under this chapter may indemnify any present or former director, officer, employee, member, or volunteer in the manner and in the instances authorized in sections 490.850 through 490.859, provided that where sections 490.850 through 490.859 provide for action by shareholders the sections are applicable to action by voting members of the cooperative association, and where sections 490.850 through 490.859 refer to the corporation organized under chapter 490 the sections are applicable to the cooperative association organized under this chapter, and where sections 490.850 through 490.859 refer to the director the sections are applicable to a director, officer, employee, member, or volunteer of the cooperative association organized under this chapter.
88 Acts, ch 1170, §8; 94 Acts, ch 1023, §65; 2002 Acts, ch 1154, §106, 125

**499.60 Chapters inapplicable.**
The provisions of chapters 497 and 498 are hereby declared inoperative as to corporations chartered from and after July 4, 1935, but said chapters shall continue in force and effect as to corporations organized or operating thereunder prior to July 4, 1935, so long as any such corporations elect to operate under or renew their charters under said chapters.
[C35, §8512-g61; C39, §**8512.60;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.60]

## MERGER AND CONSOLIDATION

**499.61 Definitions.**
When used in this division, unless the context otherwise requires:
1. "*Consolidation*" means the uniting of two or more cooperative associations into one cooperative association, in such manner that a new cooperative association is formed, and the new cooperative association absorbs the others, which cease to exist as separate entities.
2. "*Merger*" means the uniting of two or more cooperative associations into one cooperative association, in such manner that one of the merging associations retains its corporate existence and absorbs the others, which cease to exist as corporate entities. "*Merger*" does not include the acquisition, by purchase or otherwise, of the assets of one cooperative association by another, unless the acquisition only becomes effective by the

filing of articles of merger by the associations and the issuance of a certificate of merger pursuant to sections 499.67 and 499.68.

3. *"New association"* is the cooperative association resulting from the consolidation of two or more cooperative associations.

4. *"Qualified corporation"* means a corporation organized and existing under chapter 490, which is structured and operated on a cooperative basis pursuant to 26 U.S.C. § 1381(a)(2) and which meets the definitional requirements of an association as provided in 12 U.S.C. § 1141j(a) or 7 U.S.C. § 291.

5. *"Qualified merger"* means the uniting of one or more cooperative associations with one or more qualified corporations to form one cooperative association or qualified corporation, in such a manner that one entity participating in the merger continues to exist and absorbs the others, with the others ceasing to exist as cooperative or corporate entities.

6. *"Qualified survivor"* means the cooperative association or qualified corporation which continues to exist after a qualified merger.

7. *"Surviving association"* is the cooperative association resulting from the merger of two or more cooperative associations.

[C71, 73, 75, 77, 79, 81, §499.61]

87 Acts, ch 88, §4; 97 Acts, ch 17, §7

Referred to in §499.47C

**499.62 Merger.**

1. Any two or more cooperative associations may merge into one cooperative association in the manner provided in this section.

2. The board of directors of each cooperative association shall, by resolution adopted by a majority vote of all members of each board, approve a plan of merger which shall set forth:

*a.* The names of the cooperative associations proposing to merge and the name of the surviving association.

*b.* The terms and conditions of the proposed merger.

*c.* A statement of any changes in the articles of incorporation of the surviving association.

*d.* Other provisions deemed necessary or desirable.

[C71, 73, 75, 77, 79, 81, §499.62]

2012 Acts, ch 1023, §93

Merger with other business entities; §501A.1101 – 501A.1103

**499.63 Consolidation.**

1. Any two or more cooperative associations may be consolidated into a new cooperative association in the manner provided in this section.

2. The board of directors of each cooperative association shall, by resolution adopted by a majority vote of all members of each board, approve a plan of consolidation setting forth:

*a.* The names of the cooperative associations proposing to consolidate and the name of the new association.

*b.* The terms and conditions of the proposed consolidation.

*c.* With respect to the new association, all of the statements required to be set forth in articles of incorporation for cooperative associations.

*d.* Other provisions deemed necessary or desirable.

[C71, 73, 75, 77, 79, 81, §499.63]

2012 Acts, ch 1023, §94

Consolidation with other business entities; §501A.1101

**499.64 Vote of members.**

1. The board of directors of a cooperative association, upon recommending a plan of merger or consolidation be approved by the members, shall, by motion or resolution, direct that the plan be submitted to a vote at a meeting of members, which may be either an annual or special meeting. The board of directors may condition its recommendation and submission of a plan of merger or consolidation to the members for approval under this section on any basis. Written notice shall be given not less than twenty days prior to the meeting, either personally or by mail to each voting member and shareholder of record. The notice shall

state the time, place, and purpose of the meeting, and a summary of the plan of merger or consolidation shall be included in or enclosed with the notice.

2. At the meeting, a vote of the members who are entitled to vote in the affairs of the association shall be taken on the proposed plan of merger or consolidation. The plan of merger or consolidation shall be approved as follows:

*a.* Except as provided in paragraph *"b"*, the proposed plan of merger or consolidation must be approved by a two-thirds vote of the members in which vote a majority of all voting members participate.

*b.* (1) If the cooperative association's articles of incorporation require approval by more than two-thirds of its members in which vote a majority of all voting members participate, the proposed plan of merger or consolidation must be approved by the greater number as provided in the articles of incorporation.

(2) If the board of directors adopts additional conditions for the approval of the plan of merger or consolidation as provided in subsection 1, the additional conditions must be satisfied in order for the plan of merger or consolidation to be approved.

[C71, 73, 75, 77, 79, 81, §499.64]

97 Acts, ch 17, §8; 2008 Acts, ch 1141, §6; 2011 Acts, ch 23, §6; 2012 Acts, ch 1023, §71, 72

**499.65 Objection of members — purchase of shares upon demand.**

If a voting member or voting shareholder of a cooperative association which is a party to a merger or consolidation files with the cooperative association, prior to or at the meeting of members at which the plan is submitted to a vote, a written objection to the plan of merger or consolidation, and votes in opposition to the plan, and the member or shareholder, within twenty days after the merger or consolidation is approved by the other members, makes written demand on the surviving or new association for payment of the fair value of that member's or shareholder's interest as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new association shall pay to the member or shareholder, upon surrender of that person's certificate of membership or shares of stock, the fair value of that person's interest as provided in section 499.66. A member or shareholder who fails to make demand within the twenty-day period is conclusively presumed to have consented to the merger or consolidation and is bound by its terms.

In the event that a dissenting member or shareholder does business with the surviving or new association before payment has been made for that person's membership or stock, the dissenting member or shareholder is deemed to have consented to the merger or consolidation and to have waived all further rights as a dissenting member or shareholder.

[C71, 73, 75, 77, 79, 81, §499.65]

86 Acts, ch 1196, §7; 92 Acts, ch 1147, §2

Referred to in §499.66

**499.66 Value determined.**

1. As used in this section:

*a.* *"Dissenting member"* means a voting member who votes in opposition to the plan of merger or consolidation and who makes a demand for payment of the fair value under section 499.65.

*b.* *"Old association"* means the association in which the member owns or owned a membership.

*c.* *"New association"* means the surviving or new association after the merger or consolidation.

*d.* *"Issue price"* means the amount paid for an interest in the old association or the amount stated in a notice of allocation of patronage dividends.

*e.* *"Fair market value"* means the cash price that would be paid by a willing buyer to a willing seller, neither being under any compulsion to buy or sell.

2. *a.* Within twenty days after the merger or consolidation is effected, the new association shall make a written offer to each dissenting member to pay a specified sum deemed by the new association to be the fair value of that dissenting member's interest in the old association. This offer shall be accompanied by a balance sheet of the old association as of the latest

available date, a profit and loss statement of the old association for the twelve-month period ending on the date of this balance sheet, and a list of the dissenting member's interests in the old association. If the dissenting member does not agree that the sum stated in this notice represents the fair value of the member's interest, then the member may file a written objection with the new association within twenty days after receiving this notice. A dissenting member who fails to file this objection within the twenty-day period is conclusively presumed to have consented to the fair value stated in the notice.

*b.* If the surviving or new association receives any objections to fair values, then within ninety days after the merger or consolidation is effected, the new association shall file a petition in the Iowa district court asking for a finding and determination of the fair value of each type of equity. The action shall be prosecuted as an equitable action.

*c.* The fair value of a dissenting member's interest in the old association shall be determined as of the day preceding the merger or consolidation by taking the lesser of either the issue price of the dissenting member's membership, common stock, deferred patronage dividends, and preferred stock, or the amount determined by subtracting the old association's debts from the fair market value of the old association's assets, dividing the remainder by the total issue price of all memberships, common stock, preferred stock, and revolving funds, and then multiplying the quotient from this division by the total issue price of a dissenting member's membership, common stock, preferred stock, and revolving fund interest.

3. The new association shall pay to each dissenting member in cash within sixty days after the merger or consolidation the amount paid in cash by the dissenting member for that member's interest in the old association. The new association shall pay the remainder of each dissenting member's fair value in ten annual equal payments. The final payment must be made not later than fifteen years after the merger or consolidation. The value of the deferred patronage dividends and preferred stock shall be considered a liability of the new association as reflected in the accounts of the new association until the value of the patronage dividends or preferred stock is paid in full to the dissenting member. A dissenting member who is a natural person who dies before receiving the fair value shall have all of the person's fair value paid with the same priority as if the person was a member at the time of death.

[C71, 73, 75, 77, 79, 81, §499.66]

86 Acts, ch 1196, §8; 87 Acts, ch 16, §1, 2; 92 Acts, ch 1147, §3; 2012 Acts, ch 1023, §157

Referred to in §10.9, 499.65

**499.67 Articles of merger or consolidation.**

1. Upon approval, articles of merger or articles of consolidation shall be executed by each cooperative association as provided in section 499.44. The articles must include the following:

*a.* The plan of merger or the plan of consolidation.

*b.* As to each cooperative association, the number of individuals or cooperative associations entitled to vote.

*c.* As to each cooperative association, the number of individuals or cooperative associations who voted for and against the plan at the meeting called for that purpose.

2. The articles of merger or articles of consolidation shall be delivered to the secretary of state for filing.

3. The secretary of state, upon the filing of articles of merger or articles of consolidation, shall issue a certificate of merger or a certificate of consolidation, and send the certificate to the surviving or new association, or to its representative.

[C71, 73, 75, 77, 79, 81, §499.67]

90 Acts, ch 1164, §8, 9; 94 Acts, ch 1055, §14; 2012 Acts, ch 1023, §157

Referred to in §499.61

**499.68 When effective — effect.**

A merger or consolidation shall become effective upon the date that the certificate of merger or the certificate of consolidation is issued by the secretary of state, or the effective date specified in the articles of merger or articles of consolidation, whichever is later. When a merger or consolidation has become effective:

1. The several cooperative associations which are parties to the plan of merger or consolidation shall be a single cooperative association, which, in the case of a merger, shall be that cooperative association designated in the plan of merger as the surviving association, and, in the case of consolidation, shall be that cooperative association designated in the plan of consolidation as the new association.

2. The separate existence of all cooperative associations which are parties to the plan of merger or consolidation, except the surviving or new association, shall cease.

3. The surviving or new association shall have all the rights, privileges, immunities, and powers and shall be subject to all the duties and liabilities of a cooperative association organized under the laws of this state.

4. The surviving or new association shall possess all the rights, privileges, immunities, and franchises, public as well as private, of each of the merging or consolidating cooperative associations.

5. All property, real, personal, and mixed, and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest, of or belonging to or due to each of the cooperative associations merged or consolidated, shall be transferred to and vested in the surviving or new association without further act or deed. The title to any real estate, or any interest in real estate vested in any of the cooperative associations merged or consolidated, shall not revert or be in any way impaired by reason of the merger or consolidation.

6. A surviving or new association shall be responsible and liable for all obligations and liabilities of each of the cooperative associations merged or consolidated.

7. Any claim existing or action or proceeding pending by or against any of the cooperative associations merged or consolidated may be prosecuted as if the merger or consolidation had not taken place, or the surviving or new association may be substituted for the merged or consolidated association. Neither the rights of creditors nor any liens upon the property of any cooperative association shall be impaired by a merger or consolidation.

8. In the case of a merger, the articles of incorporation of the surviving association shall be deemed to be amended to the extent that changes in its articles of incorporation are stated in the plan of merger. In the case of a consolidation, the statements set forth in the articles of consolidation which are required or permitted to be set forth in the articles of incorporation of cooperative associations organized under the laws of the state of Iowa shall be deemed to be the original articles of incorporation of the new cooperative association.

9. The aggregate amount of the net assets of the merging or consolidating cooperative associations which was available for the payment of dividends immediately prior to the merger or consolidation, to the extent that the amount is not transferred to stated capital by the issuance of shares or otherwise, shall continue to be available for the payment of dividends by the surviving or new association.

[C71, 73, 75, 77, 79, 81, §499.68]

97 Acts, ch 65, §2; 2012 Acts, ch 1023, §95

Referred to in §499.61, 499.69A

**499.69 Foreign and domestic mergers or consolidations.**

1. One or more foreign cooperative associations and one or more domestic cooperative associations may be merged or consolidated in the following manner, if such merger or consolidation is permitted by the laws of the state under which each foreign cooperative association is organized:

*a.* Each domestic cooperative association shall comply with the provisions of this division with respect to the merger or consolidation of domestic cooperative associations, and each foreign cooperative association shall comply with the applicable provisions of the laws of the state under which it is organized.

*b.* If the surviving or new association is to be governed by the laws of any state other than this state, it shall comply with the provisions of the laws of this state with respect to the qualifications of foreign cooperative associations if it is to transact business in this state, and in every case it shall file with the secretary of state of this state:

(1) An agreement that it may be served with process in this state in any proceeding for

the enforcement of any obligation of any domestic cooperative association which is a party to the merger or consolidation, and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic cooperative association, against the surviving or new association.

(2) An irrevocable appointment of the secretary of state of this state as its agent to accept service of process in any proceeding.

(3) An agreement that it will promptly pay to the dissenting shareholders of any domestic cooperative association the amount to which they are entitled under the provisions of this division with respect to the rights of dissenters.

2. The effect of such merger or consolidation shall be the same as the effect of the merger or consolidation of domestic cooperative associations, if the surviving or new association is to be governed by the laws of this state. If the surviving or new association is to be governed by the laws of any other state, the effect of merger or consolidation shall be the same as in the case of the merger or consolidation of domestic cooperative associations, except as the laws of the other state otherwise provide.

[C71, 73, 75, 77, 79, 81, §499.69]

2012 Acts, ch 1023, §96

Referred to in §499.69A

**499.69A Qualified mergers.**

1. One or more cooperative associations and one or more qualified corporations may participate in a qualified merger as provided in this section.

2. Each participating cooperative association and qualified corporation must approve a written plan of qualified merger.

*a.* The plan shall set forth all of the following:

(1) The name of each cooperative association and qualified corporation participating in the qualified merger, and the name of the qualified survivor.

(2) The terms and conditions of the qualified merger.

(3) The manner and basis of converting the interests, including shares or other securities, and obligations in each nonsurviving cooperative association or qualified corporation into the interests and obligations of the qualified survivor.

(4) Any amendments to the articles of incorporation of the qualified survivor as are desired to be effected by the qualified merger, or a statement that no amendment is desired.

(5) The date that the qualified merger becomes effective, if the date is different than the date when a certificate of merger is to be issued for a cooperative association, or if the date is different than the date when the articles of merger are filed with the secretary of state for a qualified corporation.

(6) Other provisions relating to the qualified merger as are deemed necessary or desirable.

*b.* A proposed plan for a qualified merger complying with the requirements of this section shall be approved as follows:

(1) For a cooperative association which is a party to the proposed qualified merger, the cooperative association shall approve the plan as provided in this chapter.

(2) For a qualified corporation which is a party to the proposed qualified merger, the qualified corporation shall approve the plan as provided in chapter 490.

*c.* After the proposed plan for the qualified merger is approved, a cooperative association or qualified corporation may abandon the merger in the manner provided in the plan, prior to the filing of the articles of merger.

3. After a proposed plan of the qualified merger is approved, the qualified survivor shall deliver articles of merger for the qualified merger to the secretary of state for filing. The articles of merger shall be executed by each cooperative association and qualified corporation which is a party to the qualified merger. The articles of merger shall set forth all of the following:

*a.* The name of each cooperative association and qualified corporation which is a party to the qualified merger.

*b.* The plan for the qualified merger.

*c.* The effective date of the qualified merger, if later than the date of filing the articles of merger.

*d.* The name of the qualified survivor.

*e.* A statement that the plan for the qualified merger was approved by each participating cooperative association and qualified corporation in a manner required for the cooperative association and qualified corporation as provided in this section.

4. For a surviving cooperative association, a qualified merger becomes effective upon the filing of the articles of merger with the secretary of state and the issuance of a certificate of merger pursuant to section 499.68 or the date stated in the articles of merger, whichever is later. For a surviving qualified corporation, a qualified merger becomes effective upon the filing of the articles of merger with the secretary of state pursuant to section 490.1106 or the date stated in the articles, whichever is later.

5. The effect of a qualified merger for a qualified survivor which is a cooperative association shall be as provided for in this chapter. The effect of a qualified merger for a qualified survivor which is a qualified corporation shall be as provided for corporations under chapter 490.

6. The provisions governing the right of a shareholder or member of a cooperative association to object to a merger or the right of a member to dissent and obtain payment of the fair value of an interest in the cooperative association in the case of a merger as provided in this chapter shall apply to a qualified merger. The provisions governing the right of a shareholder of a corporation to dissent from and obtain payment of the fair value of the shareholder's shares in the case of a merger as provided in division XIII of chapter 490 shall apply to a qualified merger.

7. A foreign cooperative association may participate in a qualified merger as provided in this section, if the foreign cooperative association complies with the requirements for a cooperative association under this section and the requirements for a foreign cooperative association under section 499.69. A foreign corporation may participate in a qualified merger as provided in this section if it complies with the requirements of a qualified corporation under this section and the requirements for a foreign corporation under section 490.1102.

97 Acts, ch 17, §9; 2002 Acts, ch 1154, §107, 125

Referred to in §490.1109

**499.70 Abandonment before filing.**

At any time prior to the filing of the articles of merger or consolidation, the merger or consolidation may be abandoned pursuant to provisions set forth in the plan of merger or consolidation.

[C71, 73, 75, 77, 79, 81, §499.70]

**499.71 Other laws applicable.**

The provisions of this division shall also apply to cooperative associations organized under chapters 497 and 498.

[C71, 73, 75, 77, 79, 81, §499.71]

## REGISTERED OFFICE AND REGISTERED AGENT

**499.72 Registered office and registered agent.**

Each association must continuously maintain in this state both of the following:

1. A registered office that may be the same as any of its places of business.

2. A registered agent, who may be any of the following:

*a.* An individual who resides in this state and whose business office is identical with the registered office.

*b.* A domestic corporation or not-for-profit domestic corporation whose business office is identical with the registered office.

*c.* A foreign corporation or not-for-profit foreign corporation authorized to transact business in this state whose business office is identical with the registered office.

93 Acts, ch 126, §19

**499.73 Change of registered office or registered agent.**

1. An association may change its registered office or registered agent by delivering to the secretary of state for filing a statement of change that sets forth all of the following:

*a.* The name of the association.

*b.* The street address of its current registered office.

*c.* If the current registered office is to be changed, the street address of the new registered office.

*d.* The name of its current registered agent.

*e.* If the current registered agent is to be changed, the name of the new registered agent and the new agent's written consent, either on the statement or attached to it, to the appointment.

*f.* That after the change or changes are made, the street addresses of its registered office and the business office of its registered agent will be identical.

2. If a registered agent changes the street address of the registered agent's business office, the registered agent may change the street address of the registered office of any association for which the person is the registered agent by notifying the association in writing of the change and signing, either manually or in facsimile, and delivering to the secretary of state for filing a statement that complies with the requirements of subsection 1 and recites that the association has been notified of the change.

3. If a registered agent changes the registered agent's business address to another place, the registered agent may change the business address and the address of the registered agent by filing a statement as required in subsection 2 for each association, or a single statement for all associations named in the notice, except that it need be signed only by the registered agent or agents and need not be responsive to subsection 1, paragraph "*e*", and must recite that a copy of the statement has been mailed to each association named in the notice.

4. An association may also appoint or change its registered office or registered agent in its biennial report.

93 Acts, ch 126, §20; 2000 Acts, ch 1022, §10

**499.73A Change of principal office.**

An association may change its principal office by delivering to the secretary of state for filing a statement of change that sets forth all of the following:

1. The name of the association.

2. The street address of its current principal office.

3. The street address of its new principal office.

2007 Acts, ch 23, §6

**499.74 Resignation of registered agent.**

1. A registered agent may resign the agent's agency appointment by signing and delivering to the secretary of state for filing the signed original and two exact or conformed copies of a statement of resignation. The statement may include a statement that the registered office is also discontinued.

2. After filing the statement the secretary of state shall mail one copy to the registered office, if not discontinued, and the other copy to the association at its principal office.

3. The agency appointment is terminated, and the registered office discontinued if so provided, on the thirty-first day after the date on which the statement was filed.

93 Acts, ch 126, §21

**499.75 Service on association.**

1. An association's registered agent is the association's agent for service of process, notice, or demand required or permitted by law to be served on the association.

2. If an association has no registered agent, or the agent cannot with reasonable diligence

be served, the association may be served by registered or certified mail, return receipt requested, addressed to the secretary of the association at its principal office. Service is perfected under this subsection at the earliest of any of the following:

*a.* The date the association receives the mail.

*b.* The date shown on the return receipt, if signed on behalf of the association.

*c.* Five days after its deposit in the United States mail, as evidenced by the postmark, if mailed postpaid and correctly addressed.

3. This section does not prescribe the only means, or necessarily the required means, of serving an association.

93 Acts, ch 126, §22

Referred to in §499.77, 499.78, 499.78A

## ADMINISTRATIVE DISSOLUTION

**499.76 Grounds for administrative dissolution.**

The secretary of state may commence a proceeding under section 499.77 to administratively dissolve an association if any of the following apply:

1. The association has not delivered a biennial report to the secretary of state in a form that meets the requirements of section 499.49, within sixty days after it is due.

2. The association is without a registered agent or registered office in this state for sixty days or more.

3. The association does not notify the secretary of state within sixty days that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.

4. The association's period of duration stated in its articles of incorporation expires.

93 Acts, ch 126, §23; 97 Acts, ch 171, §32; 2000 Acts, ch 1022, §11

Referred to in §499.77

**499.77 Procedure for and effect of administrative dissolution.**

1. If the secretary of state determines that one or more grounds exist under section 499.76 for dissolving an association, the secretary of state shall serve the association by ordinary mail with written notice of the secretary of state's determination pursuant to section 499.75.

2. If the association does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the secretary of state that each ground determined by the secretary of state does not exist within sixty days after service of the notice is perfected pursuant to section 499.75, the secretary of state shall administratively dissolve the association by signing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. The secretary of state shall file the original of the certificate and serve a copy on the association pursuant to section 499.75.

3. An association administratively dissolved continues its existence but shall not carry on any business except that necessary to wind up and liquidate its business and affairs and notify claimants.

4. The administrative dissolution of an association does not terminate the authority of its registered agent.

93 Acts, ch 126, §24

Referred to in §499.76, 499.78

**499.78 Reinstatement following administrative dissolution.**

1. An association administratively dissolved under section 499.77 may apply to the secretary of state for reinstatement at any time after the effective date of dissolution. The application must meet all of the following requirements:

*a.* Recite the name of the association at its date of dissolution and the effective date of its administrative dissolution.

*b.* State that the ground or grounds for dissolution have been eliminated.

2. If the secretary of state determines that the application contains the information

required by subsection 1 and that the information is correct, the secretary of state shall cancel the certificate of dissolution and prepare a certificate of reinstatement that recites the secretary of state's determination and the effective date of reinstatement, file the original of the certificate, and serve a copy on the association pursuant to section 499.75.

3. When the reinstatement is effective, it relates back to and takes effect as of the effective date of the administrative dissolution as if the administrative dissolution had never occurred.

93 Acts, ch 126, §25; 97 Acts, ch 171, §33; 2006 Acts, ch 1089, §41

**499.78A Appeal from denial of reinstatement.**

1. If the secretary of state denies an association's application for reinstatement following administrative dissolution, the secretary of state shall serve the association pursuant to section 499.75 with a written notice that explains the reason or reasons for denial.

2. The association may appeal the denial of reinstatement to the district court within thirty days after service of the notice of denial is perfected. The association appeals by petitioning the court to set aside the dissolution and attaching to the petition copies of the secretary of state's certificate of dissolution, the association's application for reinstatement, and the secretary of state's notice of denial.

3. The court may summarily order the secretary of state to reinstate the dissolved association or may take other action the court considers appropriate.

4. The court's final decision may be appealed as in other civil proceedings.

93 Acts, ch 126, §26

## OTHER MATTERS

**499.79 Statement to estate of members and stockholders.**

The board of directors, upon receiving actual notice of the death of a member or stockholder, shall provide a statement to the administrator or executor of the member's or stockholder's estate, or to the attorney representing such estate. The statement shall describe agricultural products owned by the member or stockholder which are in the possession of the association.

This section shall not require an association to conduct a search of the status of its members or stockholders. The association shall exercise reasonable diligence in determining to whom the statement must be delivered. The statement shall be delivered to the administrator, executor, or attorney, within thirty days following a determination as to whom the statement must be delivered. A statement is not required to be prepared or delivered, if the association is not notified of the member's or stockholder's death within one year after the date of death, or by the date that the member's or stockholder's estate is closed, whichever is later.

91 Acts, ch 230, §3

**499.80 Member information.**

If a member of a cooperative association intends to distribute information to other members of a cooperative association and the member does not have a list of the members of the cooperative association, the member may request the board of directors to distribute the information for the member.

The board of directors shall adopt a policy which permits the distribution of materials or information to members of a cooperative association by request of a member when the purpose of the request concerns directly the action of the board of directors of the cooperative association.

The board of directors shall distribute for a member such material or information requested, provided that the board of directors may charge the member for the mailing costs incurred by the cooperative association in distributing the information.

Cooperative associations subject to regulation under chapter 476 are exempt from the provisions of this section.

92 Acts, ch 1147, §4

**499.81 through 499.84** Repealed by 77 Acts, ch 127, § 9.

# CHAPTER 499A

## MULTIPLE HOUSING

Referred to in §441.21, 490.1701, 558.72, 572.31, 669.14

1991 additions, amendments, and repeals apply to cooperatives organized on or after December 1, 1990; for prior law, see Code 1991; 91 Acts, ch 30, §18

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## SUBCHAPTER I

Referred to in §499A.104

**499A.1 Articles.**

1. Any two or more persons of full age, a majority of whom are citizens of the state, may organize themselves for the following or similar purposes: Ownership of residential, business property on a cooperative basis. A corporation is a person within the meaning of this chapter. The organizers shall adopt, and sign and acknowledge the articles of incorporation, stating the name by which the cooperative shall be known, the location of its principal place of business, its business or objects, the number of directors to conduct the cooperative's business or objects, the names of the directors for the first year, the time of the cooperative's annual meeting, the time of the annual meeting of its directors, and the manner in which the articles may be amended. The articles of incorporation shall be filed with the secretary of state who shall, if the secretary approves the articles, endorse the secretary of state's approval on the articles, record the articles, and forward the articles to the county recorder of the county where the principal place of business is to be located, and there the articles shall be recorded, and upon recording be returned to the cooperative. The articles shall not be filed by the secretary of state until a filing fee of five dollars together with a recording fee of fifty cents per page is paid, and upon the payment of the fees and the approval of the articles by the secretary of state, the secretary shall issue to the cooperative a certificate of incorporation as a cooperative not for pecuniary profit. The county recorder shall collect recording fees pursuant to section 331.604 for articles forwarded for recording under this section.

2. Amendments to the articles shall be filed and receive approval as provided in this

chapter for articles, and the fee for amendments shall be five dollars in each instance. An amendment is not effective until the amendment is approved and the fee is paid.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.1]

91 Acts, ch 30, §1; 2009 Acts, ch 27, §27

**499A.2 Powers — duration.**

Upon filing such articles the persons signing and acknowledging the same and their associates and successors shall become a body corporate with the name therein stated and shall have power:

1. To have perpetual succession by its name, unless a limited period of duration is stated in its articles of incorporation, or they are sooner dissolved by three-fourths vote of all the members thereof, or by act of the general assembly or by operations of law.
2. To sue and be sued in its corporate name.
3. To build and construct apartment houses or dwellings.
4. To purchase, take, receive, lease as lessee, take by gift, devise or bequest, or otherwise acquire, and to own, hold, use and otherwise deal in and with any real or personal property or any interest therein.
5. To sell, convey, mortgage, pledge, lease as lessor, and otherwise dispose of all or any part of its property and assets.
6. To make contracts and incur liabilities which may be appropriate to enable it to accomplish any or all of its purposes; to borrow money for its corporate purposes at such rates of interest as the cooperative may determine, to issue its notes, bonds and other obligations; and to secure any of its obligations by mortgage, pledge, or deed of trust of all or any of its property.
7. To elect or appoint officers and agents of the cooperative, and to define their duties and fix their compensation.
8. To make and alter bylaws not inconsistent with its articles of incorporation or with the laws of this state, for the administration and the regulation of the affairs of the cooperative.
9. To cease its cooperative activities and surrender its cooperative franchise.
10. To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the cooperative is organized.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.2]

91 Acts, ch 30, §16

**499A.2A Bylaws.**

1. The initial bylaws of the cooperative shall be adopted by the cooperative's board of directors. Prior to the admission of members to the cooperative, the power to alter, amend, or repeal the bylaws or adopt new bylaws is vested in the board of directors. Following the admission of members to the cooperative, the power to alter, amend, or repeal the bylaws or adopt new bylaws is vested in the members in accordance with the method set forth in the bylaws.
2. The bylaws may contain any provisions for the regulation and management of the affairs of the cooperative not inconsistent with law or the articles of incorporation. However, the bylaws must provide for:

*a.* The number of members of the board of directors and the term of the members.

*b.* The election of a president, vice president, treasurer, and secretary by the board of directors.

*c.* The qualifications, powers and duties, terms of office, and manner of electing and removing board members and officers and filling vacancies of such members.

*d.* The method of amending the bylaws.

91 Acts, ch 30, §7; 2012 Acts, ch 1023, §157

**499A.3 Members.**

A cooperative shall have only one class of members. The designation of that class and the rights of the members of the class shall be set forth in the articles of incorporation or

the bylaws. The cooperative must issue membership certificates evidencing the ownership interest of each member of the cooperative.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.3]

91 Acts, ch 30, §2

**499A.3A Meetings of members.**

Meetings of members may be held at such places as may be provided in the articles of incorporation or the bylaws, or as may be fixed from time to time in accordance with the provisions of the articles or the bylaws. In the absence of any such provision, all meetings shall be held at the registered office of the cooperative.

An annual meeting of the members shall be held at such time as may be provided in the articles of incorporation or the bylaws. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the cooperative.

Special meetings of the members may be called by the president or by the board of directors. Special meetings of the members may also be called by such officers or persons, or by a number or proportion of members as may be provided in the articles of incorporation or the bylaws. In the absence of a provision fixing the number or proportion of members entitled to call a meeting, a special meeting of members may be called by members having one-twentieth of the votes entitled to be cast at the meeting.

91 Acts, ch 30, §8

**499A.3B Notice of members meetings.**

Unless the articles of incorporation or the bylaws otherwise provide, written notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered no less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or persons calling the meeting, to each member entitled to vote at the meeting. If mailed, notice is deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the cooperative, with postage prepaid.

91 Acts, ch 30, §9

**499A.3C Voting.**

Each member is entitled to one vote on each matter submitted to a vote of the members. A membership interest in the cooperative jointly owned by two or more persons is nevertheless entitled to one vote.

A member entitled to vote may vote in person or by proxy in the manner prescribed in the bylaws.

91 Acts, ch 30, §10

**499A.4 Dividends.**

A dividend or distribution of property among the members shall not be made until dissolution of the cooperative.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.4]

91 Acts, ch 30, §3

**499A.5 and 499A.6** Repealed by 91 Acts, ch 30, § 17, 18.

**499A.7 Reorganizing prior to expiration of term.**

The directors or members of any cooperative organized under this chapter may reorganize the cooperative, and all the property and rights of the cooperative shall vest in the cooperative as reorganized.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.7]

91 Acts, ch 30, §4

**499A.8 Reorganizing after expiration of term.**

When the term of a cooperative organized under this chapter has expired, but the organization has continued to act as such cooperative, the directors or members thereof may reorganize, and the property and rights therein shall vest in the reorganized cooperative for the use and benefit of all of the members in the original cooperative.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.8]

91 Acts, ch 30, §16

**499A.9 Amendments of articles.**

Any cooperative organized under this chapter may change its name or amend its articles of incorporation by a vote of a majority of the members, in such manner as may be provided in its articles; but if no such provision is made in the articles the same may be amended at any regular meeting or special meeting called for that purpose by the president or secretary or a majority of the board of directors. Notice of any meeting at which it is proposed to amend the articles of incorporation, shall be given by mailing to each member at the member's last known post office address at least ten days prior to such meeting, a notice signed by the secretary setting forth the proposed amendments in substance, or by two publications of said notice in some daily or weekly newspaper in general circulation in the county wherein said cooperative has its principal place of business. The last publication of said notice shall be not less than ten days prior to the date of said meeting. There shall be paid to the secretary of state at the time of the filing of such change or amendment a recording fee of fifty cents per page.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.9]

91 Acts, ch 30, §16

Referred to in §499A.10

**499A.10 Record — effect.**

The change or amendment provided for in section 499A.9 shall be recorded as the original articles are recorded. From the date of filing such change or amendment for record, the provisions of said section having been complied with, the change or amendment shall take effect as a part of the original articles, and the cooperative thus constituted shall have the same rights, powers and franchises, be entitled to the same immunities, and liable upon all contracts to the same extent, as before such change or amendment.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.10]

91 Acts, ch 30, §16

**499A.11 Ownership — certificate of membership.**

The cooperative has the right to purchase real estate for the purpose of erecting, owning, and operating apartment houses or apartment buildings. The interest of each individual member in the cooperative shall be evidenced by the issuance of a certificate of membership. The certificate of membership is coupled with a possessory interest in the real and personal property of the cooperative, entitling each member to a proprietary lease with the cooperative under which each member has an exclusive possessory interest in an apartment unit and a possessory interest in common with all other members in that portion of the cooperative's real and personal property not constituting apartment units, and which creates a legal relationship of landlord and tenant between the cooperative and member. The certificate of membership shall be executed by the president of the cooperative and attested by its secretary in the name and in the behalf of the cooperative.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.11]

91 Acts, ch 30, §5

**499A.12 and 499A.13** Repealed by 91 Acts, ch 30, § 17, 18.

**499A.14 Taxation.**

The real estate shall be taxed in the name of the cooperative, and each member of the cooperative shall pay that member's proportionate share of the tax in accordance with the

proration formula set forth in the bylaws, and each member occupying an apartment as a residence shall receive that member's proportionate homestead tax credit and each veteran of the military services of the United States identified as such under the laws of the state of Iowa or the United States shall receive as a credit that member's veterans tax benefit as prescribed by the laws of the state of Iowa.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.14]

91 Acts, ch 30, §6

Homestead credit, chapter 425

Veterans exemption, §426A.11

**499A.15 through 499A.17** Repealed by 91 Acts, ch 30, § 17, 18.

**499A.18 Homestead.**

Each individual apartment constitutes a homestead and is exempt from execution, provided the member otherwise qualifies within the laws of the state of Iowa for such exemption.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.18]

91 Acts, ch 30, §13

**499A.18A Upkeep of the cooperative.**

It is the duty of the cooperative to maintain generally all portions of the cooperative's real property other than the apartment units. The maintenance, repair, and replacement costs of the cooperative's real property shall be contributed to by each of the members in accordance with the proration formula set forth in the bylaws. Each member is responsible for maintenance and repair of the person's apartment unit in the manner provided for in the bylaws and as prescribed by each member's proprietary lease.

91 Acts, ch 30, §11

**499A.19 Election of directors.**

The directors shall be elected by the members of the cooperative. The election of officers shall be made by the board of directors. The annual election of the directors shall be held during the month of January of each year, and they shall serve until their successors are elected and qualified.

The board of directors shall elect as officers, a president, a vice president, a secretary, and a treasurer.

It is the duty of the secretary to keep the records of the cooperative, and a correct list of the members, and all such records shall be submitted to any member upon demand at any reasonable time.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.19]

91 Acts, ch 30, §14

**499A.20** Reserved.

**499A.21** Repealed by 91 Acts, ch 30, § 17, 18. See § 499A.22(6).

**499A.22 Lien for assessments.**

1. *a.* The cooperative has a lien on a member's interest in the cooperative for all operating charges or other assessments payable by the member pursuant to the member's proprietary lease from the time the operating charge or other assessment becomes due. If carrying charges and assessments are payable in installments, the full amount of the charge or assessment is a lien from the first time the first installment becomes due. Upon nonpayment of a carrying charge or assessment, the member may be evicted from the member's apartment unit in the same manner as provided by law in the case of an unlawful holdover by a tenant and the lien may be foreclosed by judicial sale in like manner as a mortgage on real estate, or may be foreclosed by the power of sale provided in this section.

*b.* A lien under this section is prior to all other liens and encumbrances on a member's cooperative interest except liens and encumbrances on the cooperative's real property which the cooperative creates, assumes, or takes subject to, and liens for real estate taxes and other

governmental assessments or charges against the cooperative or the member's cooperative interest.

2. The cooperative, upon a member's nonpayment of carrying charges and assessments and the cooperative's compliance with this section, may sell the defaulting member's cooperative interest. Sale may be at a public sale or by private negotiation, and at any time and place, but every aspect of the sale, including the method, advertising, time, place, and terms must be reasonable. The cooperative shall give to the member and any sublessees of the member reasonable written notice of the time and place of a public sale or, if a private sale is intended, of the intention of entering into a contract to sell and of the time after which a private disposition may be made. The same notice shall also be sent to any other person who has a recorded interest in the defaulting member's cooperative interest which would be extinguished by the sale. The notices required by this subsection may be sent to any address reasonable under the circumstances. Sale may not be held until five weeks after the sending of the notice. The cooperative may buy at a public sale, and, if the sale is conducted by a fiduciary or other person not related to the cooperative, at a private sale.

3. *a.* The proceeds of a sale under the preceding subsection shall be applied in the following order:

(1) The reasonable expenses of sale.

(2) The reasonable expenses of securing possession before sale, and the reasonable expenses of holding, maintaining, and preparing the cooperative interest for sale. These expenses include, but are not limited to, the payment of taxes and other governmental charges, premiums on liability insurance, and to the extent provided for by agreement between the cooperative and the member, reasonable attorney fees and other legal expenses incurred by the cooperative.

(3) Satisfaction of the cooperative's lien.

(4) Satisfaction in the order of priority of any subordinate claim of record.

(5) Remittance of any excess to the member.

*b.* Unless otherwise agreed, the member is liable for any deficiency.

4. If a cooperative interest is sold pursuant to this section, a good faith purchaser for value acquires the member's interest in the cooperative free of the debt that gave rise to the lien under which the sale occurred, and free of any subordinate interest.

5. At any time before the cooperative has disposed of the cooperative interest or entered into a contract for its disposition under the power of sale, the member or the holder of any subordinate security interest may cure the member's default and prevent sale or other disposition by tendering the performance due, including any amounts due arising from the exercise of the rights under this section, plus the reasonable expenses of proceeding to foreclosure incurred to the time of tender, including reasonable attorney fees of the creditor.

6. The property of a member other than the member's membership interest in the cooperative is not subject to claims of the cooperative's creditors, whether or not the member's membership interest is subject to those claims.

91 Acts, ch 30, §12; 2012 Acts, ch 1023, §97

**499A.23 and 499A.24** Reserved.

**499A.25 Title of Act.**

This subchapter shall be known and cited as *"The Cooperative Housing Act"*.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499A.20]

91 Acts, ch 30, §15

CS91, §499A.25

**499A.26 through 499A.100** Reserved.

SUBCHAPTER II

**499A.101 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Advisor"* means a member of the association's advisory committee.

2. *"Association"* means a sweat equity housing cooperative association created pursuant to this subchapter.

3. *"Authority"* means a local housing authority created pursuant to section 499A.102.

4. *"Low income"* means the income of *"very low income families"* as defined in section 16.1.

5. *"Partner"* means a low-income sweat equity member of the association, and member of the sweat equity partners' committee.

6. *"Sweat equity"* means any contribution made by a partner to the operations of the association, including but not limited to physical labor.

90 Acts, ch 1120, §1

**499A.102 Local housing authority.**

1. A local housing authority may be created to encourage and assist the formation of housing cooperatives under this chapter. The following persons are authorized to form an authority, separately, or in combination with other authorized persons:

*a.* A city.

*b.* A county.

*c.* A nonprofit community organization.

*d.* A nonprofit religious organization.

2. The local housing authority shall be funded from the following sources:

*a.* State grants, loans, or other appropriations administered by the Iowa finance authority.

*b.* Funds solicited from third parties by the local housing authority.

*c.* Local government appropriations to the local housing authority.

*d.* Any other available sources, including but not limited to bequests, devises, and federal moneys.

3. The Iowa finance authority may provide assistance for initial organization of local housing authorities.

90 Acts, ch 1120, §2

Referred to in §499A.101

**499A.103 Low-income participants.**

The local housing authority shall recruit low-income persons to participate as sweat equity partners in a housing cooperative association organized by the local housing authority.

90 Acts, ch 1120, §3

**499A.104 Sweat equity housing cooperative association.**

1. The local housing authority may form one or more sweat equity housing cooperative associations under this chapter. A sweat equity housing cooperative association shall operate as a multiple housing cooperative association under subchapter I, except as specifically provided otherwise under this subchapter.

2. A sweat equity housing cooperative association shall meet the following additional conditions:

*a.* A sweat equity partners' committee shall be established, with each partner entitled to one vote on the committee.

*b.* The sweat equity committee shall hold twenty-five percent of the stock of the association upon incorporation of the association.

*c.* An advisory committee shall be established, made up of equity investors, skill contributors, and other community representatives including, but not limited to:

(1) Tradesperson volunteers.

(2) Community college trade representatives and business educators.

(3) Financial and legal advisors to association management.

*d.* The advisory committee shall hold seventy-five percent of the stock of the association upon incorporation of the association.

3. The association shall be controlled by the board of directors, with representation of partners and advisors on the board proportional to each group's equity interest at the time of the last election of directors to the board.

4. An association shall do all of the following:

*a.* Acquire existing housing or small business building stock in need of rehabilitation.

*b.* Establish a rehabilitation plan, which shall include, but not be limited to, all of the following elements:

(1) Statement of purpose.

(2) Financial plan.

(3) Construction timetable.

(4) Materials schedule.

(5) Construction training program schedule for partners. If a contract is executed with a person to perform skilled labor or to supervise skilled work, the person must be certified by an organization recognized as representing a membership of persons with common skills.

(6) Financial and managerial training program for partners.

(7) Bylaws of the association.

(8) A contract between the partners and advisors including the terms of transfer of stock from the advisory committee to the partners' committee.

*c.* Establish a program to ensure that partners are equipped with skills necessary for full participation in society.

*d.* Encourage participation by partners in the activities of the community.

90 Acts, ch 1120, §4; 2001 Acts, ch 61, §17

Referred to in §499A.105

**499A.105 Association financing.**

1. *Organizational and construction phase.* Upon incorporation, and after adoption of a rehabilitation plan pursuant to section 499A.104, the association may apply to the Iowa finance authority or other sources for financial assistance. The Iowa finance authority shall review the rehabilitation plan, and subject to the availability of moneys, may approve for the association state grants, loans, or other appropriations administered by the Iowa finance authority.

2. *Stock transfer.* Advisory committee stock shall be transferred to the partners' committee for distribution to partners in accordance with the terms of the rehabilitation plan contract.

3. *Operational phase.* Upon completion of the rehabilitation plan and implementation of the contract, the association shall be wholly owned by partners. The partners shall rent space only to other association partners. New partners may be admitted subject to completion of required partner training programs and sweat equity contributions, as required by the association's bylaws. Partners shall make mortgage payments in proportion to their equity interest in the property, with total payments sufficient to repay the mortgage loan, maintain the property, and accumulate a capital reserve fund for future repairs and improvements. The capital reserve fund and enforcement of partner obligations is the responsibility of the board of directors.

90 Acts, ch 1120, §5

**499A.106 Reimbursement of sweat equity contribution.**

The association shall establish criteria for the reimbursement of a partner terminating membership in the association, in accordance with the partner's sweat equity contribution.

90 Acts, ch 1120, §6

# CHAPTER 499B

## HORIZONTAL PROPERTY (CONDOMINIUMS)

Referred to in §354.9, 425.11, 427A.1, 535B.1, 572.1, 572.31, 669.14


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**499B.1 Short title.**

This chapter shall be known as the *"Horizontal Property Act."*

[C66, 71, 73, 75, 77, 79, 81, §499B.1]

**499B.2 Definitions.**

Unless it is plainly evident from the context that a different meaning is intended, as used herein:

1. *"Apartment"* means one or more rooms occupying all or a part of a floor or floors in a building of one or more floors or stories and notwithstanding whether the apartment be intended for use or used as a residence, office, for the operation of any industry or business or for any other use not prohibited by law.

2. *"Building"* means and includes one or more buildings, whether attached to one or more buildings or unattached; provided, however, that if there is more than one building, all such buildings shall be described and included in the declaration, or an amendment thereto, and comprise an integral part of a single horizontal property regime.

3. *"Co-owner"* means a person, corporation, or other legal entity capable of holding or owning any interest in real property who owns all or an interest in an apartment within the building.

4. *"Council of co-owners"* means all the co-owners of the building. The business and affairs of the council of co-owners may be conducted by organizing a corporation not for pecuniary profit of which the co-owners are members.

5. *"General common elements"*, unless otherwise provided in the declaration or lawful amendments thereto, means and includes:

*a.* The land on which the building is erected.

*b.* The foundations, basements, floors, exterior walls of each apartment and of the building, ceilings and roofs, halls, lobbies, stairways, and entrances and exits or communication ways, elevators, garbage incinerators and in general all devices or installations existing for common use.

*c.* Compartments or installations of central services for public utilities, common heating and refrigeration units, reservoirs, water tanks and pumps servicing other than one apartment.

*d.* Premises for lodging of service personnel engaged in performing services other than services within a single apartment.

6. *"Limited common elements"* means and includes those common elements which are specified in or determined under the declaration to be reserved for the use of one or more apartments to the exclusion of the other apartments, such as special corridors, stairways and elevators, sanitary services common to the apartments of a particular floor, and the like.

7. *"Majority of co-owners"* or *"percent of co-owners"* means the owners of more than one-half or owners of that percent of interest in the building irrespective of the total number of co-owners.

8. *"Property"* includes the land whether committed to the horizontal property regime in fee or as a leasehold interest, the building, all other improvements located thereon, and all easements, rights and appurtenances belonging thereto.

9. All pronouns used herein include the male, female and neuter genders and include the singular or plural numbers, as the case may be.

[C66, 71, 73, 75, 77, 79, 81, §499B.2]

Referred to in §103.22, 103.23

**499B.3 Recording of declaration to submit property to regime.**

1. When the sole owner or all of the owners, or the sole lessee or all of the lessees of a lease desire to submit a parcel of real property upon which a building is located or to be constructed to the horizontal property regime established by this chapter, a declaration to that effect shall be executed and acknowledged by the sole owner or lessee or all of such owners or lessees and shall be recorded in the office of the county recorder of the county in which such property lies. The county recorder shall collect recording fees pursuant to section 331.604.

2. If the declaration is to convert an existing structure, the declarant shall file the declaration of the horizontal property regime with the city in which the regime is located or with the county if not located within a city at least sixty days before being recorded in the office of the county recorder to enable the city or county, as applicable, to establish that the converted structure meets appropriate building code requirements as provided in section 499B.20. However, if the city or county, as applicable, does not have a building code, the declarant shall file the declaration with the state building code commissioner instead of the applicable city or county at least sixty days before the recording of the declaration to enable the commissioner to establish that the converted structure meets the state building code, as adopted pursuant to section 103A.7.

3. A declaration under this section for a horizontal property regime proposed to be located within an area of review established by a city under section 354.9 shall, in addition to being submitted to the county, be submitted to the city for review and approval.

[C66, 71, 73, 75, 77, 79, 81, §499B.3]

2000 Acts, ch 1142, §1, 5; 2004 Acts, ch 1086, §81; 2009 Acts, ch 27, §28; 2010 Acts, ch 1051, §2

Referred to in §499B.4, 499B.12

**499B.4 Contents of declaration.**

The declaration provided for in section 499B.3 shall contain:

1. A description of the land.

2. A description of the building, stating the number of stories and basements, the number of apartments and the principal materials of which it is or is to be constructed.

3. The apartment number of each apartment, and a statement of its location, approximate area, number of rooms, an immediate common area to which it has access, and any other data necessary for its proper identification.

4. A description of the general common elements and facilities.

5. A description of the limited common elements and facilities, if any, stating to which apartments their use is reserved.

6. The fractional or percentage interest which each apartment bears to the entire horizontal property regime. The sum of such shall be one if expressed in fractions and one hundred if expressed in percentage.

7. The provision as to the percentage of votes by the apartment owners which shall be

determinative of whether to rebuild, repair, restore, or sell the property in the event of damage or destruction of all or part of the property.

8. Any further details in connection with the property which the person executing the declaration may deem desirable to set forth consistent with this chapter.

9. The method by which the declaration may be amended, consistent with the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §499B.4]

Referred to in §499B.5, 499B.7, 499B.12

**499B.5 Contents of deeds of apartments.**

Deeds of apartments shall include the following particulars:

1. Description of land as provided in section 499B.4, including the document reference number and date of recording of the declaration.

2. The apartment number of the apartment in the declaration and any other data necessary for its proper identification.

3. The percentage of undivided interest appertaining to the apartment in the common areas and facilities.

4. Any further details which the grantor and grantee may deem desirable to set forth consistent with the declaration and this chapter.

[C66, 71, 73, 75, 77, 79, 81, §499B.5]

2009 Acts, ch 27, §29

**499B.6 Copy of the floor plans to be filed.**

There shall be attached to the declaration, at the time it is filed, a full and an exact copy of the plans of the building, which copy shall be entered of record along with the declaration. The plans shall show graphically all particulars of the building including but not limited to the dimensions, area, and location of common elements affording access to each apartment. Other common elements, both limited and general, shall be shown graphically insofar as possible and shall be certified to by an engineer, architect, or land surveyor, who is registered or licensed to practice that profession in this state.

[C66, 71, 73, 75, 77, 79, 81, §499B.6; 82 Acts, ch 1068, §1]

2007 Acts, ch 22, §85

**499B.7 Interest in common elements — reference to them in instrument.**

1. The fractional or percentage interest in the general common elements and the fractional or percentage interest in the limited common elements where such exist are hereby declared to be appurtenant to each of the separate apartments.

2. Any conveyance, encumbrance, lien, alienation or devise of an apartment under a horizontal property regime by any instrument which describes the land and apartment as set forth in section 499B.4, shall also convey, encumber, alienate, devise or be a lien upon the fractional or percentage interest appurtenant to each such apartment under section 499B.4, subsection 6, to the general common elements, and the respective share or percentage interest to limited common elements where applicable, whether such general common elements or limited common elements are described as in section 499B.4, subsections 4 and 5, by general reference only, or not at all.

[C66, 71, 73, 75, 77, 79, 81, §499B.7]

**499B.8 Removal from provisions of this chapter.**

1. All of the apartment owners may remove a property from the provisions of this chapter by an instrument to that effect, duly recorded, provided that the holders of all liens affecting any of the apartments consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the percentage of the undivided interest of the apartment owner in the property as hereinafter provided.

2. Upon removal of the property from the provisions of this chapter, the property shall be deemed to be owned in common by the apartment owners. The undivided interest in the property owned in common which shall appertain to each apartment owner shall be the

percentage of undivided interest previously owned by such owner in the common area and facilities.

[C66, 71, 73, 75, 77, 79, 81, §499B.8]

Referred to in §499B.9

**499B.9 Removal no bar to subsequent resubmission.**

The removal provided for in section 499B.8 shall in no way bar the subsequent resubmission of the property to the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §499B.9]

**499B.10 Individual apartments and interest in common elements are alienable.**

When real property containing a building is committed to a horizontal property regime, each individual apartment located in the building and the interests in the general common elements and limited common elements if any, appurtenant thereto, shall constitute for all purposes a separate parcel of real property and shall be as completely and freely alienable as any separate parcel of real property is or may be under the laws of this state, except as limited by the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §499B.10]

2000 Acts, ch 1142, §2, 5

**499B.11 Real property tax and special assessments — levy on each apartment.**

1. All real property taxes and special assessments shall be assessed and levied on each apartment and its respective appurtenant fractional share or percentage of the land, general common elements and limited common elements where applicable as these apartments and appurtenances are separately owned, and not on the entire horizontal property regime. The fair market value determined for an apartment includes the value of its appurtenant share or percentage of the land, general common elements, and limited common elements.

2. Any exemption from taxes that may exist on real property or the ownership thereof shall not be denied by virtue of the registration of the property under the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §499B.11]

99 Acts, ch 187, §1, 2; 2000 Acts, ch 1142, §3; 2001 Acts, ch 116, §26

**499B.12 Liens against apartments — removal from lien — effect of part payment.**

1. Subsequent to recording the declaration provided for in section 499B.3, and while the property remains enrolled in a horizontal property regime, no lien shall thereafter arise or be effective against the property. During such period liens or encumbrances shall arise or be created only against the individual apartment and the general common elements and limited common elements where applicable, appurtenant to such apartment, in the same manner and under the same conditions in every respect as liens or encumbrances may arise or be created upon or against any other separate parcel of real property subject to individual ownership.

2. In the event a lien against two or more apartments becomes effective, the owners of the separate apartments may remove their apartment and the general common elements and limited common elements where applicable appurtenant to such apartment from the lien by payment of the fractional or proportional amounts attributable to each of the apartments affected. Such individual payments shall be computed by reference to the fractions or percentages appearing on the declaration provided for in section 499B.4, subsection 6. Subsequent to any such payment, discharge or other satisfaction the individual apartment and the general common elements and limited common elements applicable appurtenant thereto shall thereafter be free and clear of the lien so paid, satisfied or discharged. Such partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce the lienor's rights against any apartment and the general common elements, limited common elements where applicable appurtenant thereto not so paid, satisfied or discharged.

[C66, 71, 73, 75, 77, 79, 81, §499B.12]

**499B.13 Limitation upon availability of partition — exception as to limitation of partition by joint ownership.**

1. The provisions of chapter 651, relating to partition of real property shall not be available to any owner of any interest in real property included within a regime established under this chapter as against any other owner or owners of any interest or interests in the same regime, so as to terminate the regime.

2. Nothing contained in the chapter shall be construed as a limitation on partition by joint owners of one or more apartments in a regime as to individual ownership of such apartment or apartments without terminating the regime, or as to ownership of such apartment or apartments and lands outside the limits of the regime.

[C66, 71, 73, 75, 77, 79, 81, §499B.13]

**499B.14 Bylaws.**

The administration of every property shall be governed by bylaws, a true copy of which shall be annexed to the declaration and made a part thereof. No modification of or amendment to the bylaws shall be valid unless set forth in an amendment to the declaration and such amendment is duly recorded.

[C66, 71, 73, 75, 77, 79, 81, §499B.14]

**499B.15 Contents of bylaws.**

The bylaws must provide for at least the following:

1. The form of administration, indicating whether this shall be in charge of an administrator or of a board of administration, or otherwise, and specifying the powers, manner of removal, and, where proper, the compensation thereof.

2. If the form of administration is a board of administration, board meetings must be open to all apartment owners except for meetings between the board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. Notice of each board meeting must be mailed or delivered to each apartment owner at least seven days before the meeting. Minutes of meetings of the board of administration must be maintained in written form or in another form that can be converted into written form within a reasonable time. The official records of the board of administration must be open to inspection and available for photocopying at reasonable times and places. Any action taken by a board of administration at a meeting that is in violation of any of the provisions of this subsection is not valid or enforceable.

3. Method of calling or summoning the co-owners to assemble; what percentage, if other than a majority of apartment owners, shall constitute a quorum; who is to preside over the meeting and who will keep the minute book wherein the resolutions shall be recorded.

4. Maintenance, repair and replacement of the common areas and facilities and payments therefor including the method of approving payment vouchers.

5. Manner of collecting from the apartment owners their share of the common expenses.

6. Designation and removal of personnel necessary for the maintenance, repair and replacement of the common areas and facilities.

7. The percentage of votes required to amend the bylaws.

[C66, 71, 73, 75, 77, 79, 81, §499B.15]

2010 Acts, ch 1080, §1

**499B.16 Disposition of property — destruction or damage.**

If within thirty days of the date of the damage or destruction to all or part of the property, it is not determined by the council of co-owners to repair, reconstruct or rebuild, then and in that event:

1. The property shall be deemed to be owned in common by the apartment owners;

2. The undivided interest in the property owned in common which shall appertain to each apartment owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities;

3. Any liens affecting any of the apartments shall be deemed to be transferred in

accordance with the existing priorities to the percentage of the undivided interest of the apartment owner in the property as provided herein; and

4. The property shall be subject to an action for partition at the suit of any apartment owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the apartment owners in a percentage equal to the percentage of undivided interest owned by each owner in the property, after first paying out of the respective shares of the apartment owners, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each apartment owner.

[C66, 71, 73, 75, 77, 79, 81, §499B.16]

**499B.17 Lien against owner of unit.**

All sums assessed by the council of co-owners but unpaid for the share of the common expenses chargeable to any apartment shall constitute a lien on such apartment prior to all other liens except only tax liens on the apartment in favor of any assessing unit and special district and all sums unpaid on a first mortgage of record. Such lien may be foreclosed by suit by the council of co-owners or the representatives thereof, acting on behalf of the apartment owners, in like manner as a mortgage of real property. In the event of any such foreclosure, the apartment owner shall be required to pay a reasonable rental for the apartment if so provided in the bylaws, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The council of co-owners or the representatives thereof, acting on behalf of the apartment owners, shall have power, unless prohibited by the declaration, to bid in the apartment at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

[C66, 71, 73, 75, 77, 79, 81, §499B.17]

2011 Acts, ch 25, §60

**499B.18 Common expenses before foreclosure.**

Where the mortgagee of a first mortgage of record or other purchaser of an apartment obtains title to the apartment as a result of foreclosure of the first mortgage, such acquirer of title, the acquirer's successors and assigns, shall not be liable for the share of the common expenses or assessments by the council of co-owners chargeable to such apartment which became due prior to the acquisition of title to such apartment by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the apartment owners including such acquirer, the acquirer's successors and assigns.

[C66, 71, 73, 75, 77, 79, 81, §499B.18]

**499B.19 Common expenses after voluntary conveyance.**

In a voluntary conveyance the grantee of an apartment shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for the grantor's share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the council of co-owners or its representatives, setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the apartment conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount therein set forth.

[C66, 71, 73, 75, 77, 79, 81, §499B.19]

**499B.20 Conversions to meet building codes.**

After April 25, 2000, an existing structure shall not be converted to a horizontal property regime unless the converted structure meets local city or county, as applicable, building code requirements in effect on the date of conversion or the state building code requirements, as adopted pursuant to section 103A.7, if the local city or county does not have a building code.

For purposes of this section, if the structure is located in a city, the city building code applies and if the structure is located in the unincorporated area of the county, the county building code applies.

2000 Acts, ch 1142, §4, 5; 2004 Acts, ch 1086, §82
Referred to in §499B.3

# CHAPTER 500

## COLLECTIVE MARKETING

Referred to in §669.14

500.1 Authorization.
500.2 Liquidated damages.
500.3 Applicability of chapter.

**500.1 Authorization.**

Persons engaged in the conduct of any agricultural, horticultural, dairy, livestock, mercantile, mining, or manufacturing business in the manner provided in section 500.3 may act together in associations, corporate or otherwise, for the purpose of collectively producing, processing, preparing for market, handling, and marketing the products of their members. Such persons may organize and operate such associations, and such associations may make the necessary contracts and agreements to effect that purpose, any law to the contrary notwithstanding.

[C24, 27, 31, 35, 39, §**8513;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §500.1]
Referred to in §500.3

**500.2 Liquidated damages.**

Contracts and agreements entered into between associations and the members thereof may, where damages that may be sustained for the breach thereof are difficult of ascertainment, provide for such penalties as may be agreed upon, which penalties, if the parties thereto so agree, shall be construed as liquidated damages and be enforceable in the full amount thereof both at law and in equity.

[C24, 27, 31, 35, 39, §**8514;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §500.2]

**500.3 Applicability of chapter.**

The provisions of this chapter shall apply:

1. To corporations organized under the provisions of chapter 497.

2. *a.* To other incorporated associations or companies organized without capital stock, not for pecuniary profit and for the mutual benefit of their members.

*b.* For purposes of this subsection, "*not for pecuniary profit*" includes but is not necessarily limited to an incorporated association organized to assist its members to make profits for themselves as producers by the means authorized in section 500.1, but not to make income or profit for distribution to its members, directors, or officers, except as provided in chapter 504.

[C24, 27, 31, 35, 39, §**8515;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §500.3; 81 Acts, ch 162, §1]

2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2012 Acts, ch 1023, §157
Referred to in §500.1

# CHAPTER 501

## CLOSED COOPERATIVES

Referred to in §10B.1, 10B.4, 10B.7, 15.333, 15E.202, 175.37, 203.1, 489.102, 499.4, 501A.102, 501A.501, 501A.1104, 502.102, 502.201, 547.1, 556.1, 558.72, 669.14

Statement of purpose; 96 Acts, ch 1010, §1
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## SUBCHAPTER I

## GENERAL PROVISIONS

**501.101 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Alternative voting method"* means a method of voting other than a written ballot, including voting by electronic, telephonic, internet, or other means that reasonably allows members the opportunity to vote.

2. *"Articles"* means the cooperative's articles of association.

3. *"Authorized person"* means a person who is one of the following:

*a.* A farming entity.

*b.* A person who owns at least one hundred fifty acres of agricultural land and receives as rent a share of the crops or the animals raised on the land if that person is a natural person or a general partnership as organized under chapter 486, Code 1999, or chapter 486A in which all partners are natural persons.

*c.* An employee of the cooperative who performs at least one thousand hours of service for the cooperative in each calendar year.

4. *"Board"* means the cooperative's board of directors.

5. *"Cooperative"* means a cooperative association organized under this chapter or converted to this chapter pursuant to section 501.601.

6. *"Farming"* means the same as defined in section 9H.1.

7. *"Farming entity"* means any one of the following:

*a.* A natural person or a fiduciary for a natural person who regularly participates in

physical labor or operations management in a farming operation and files schedule F as part of the person's annual form 1040 or form 1041 filing with the United States internal revenue service.

*b.* A family farm corporation, family farm limited liability company, family farm limited partnership, or family trust, as defined in section 9H.1.

*c.* A general partnership as organized under chapter 486, Code 1999, or chapter 486A in which all the partners are natural persons actively engaged in farming as provided in section 9H.1.

8. *"Interest"* means a voting interest or other interest in a cooperative as described in the cooperative's articles of association.

9. *"Interest holder"* means a person who owns an interest in a cooperative, whether or not that interest has voting rights.

10. *"Member"* means a person who owns a voting interest in a cooperative.

11. *"Membership"* means the interest established by a member owning a voting interest.

12. *"Voting interest"* means an interest in a cooperative that has voting rights.

96 Acts, ch 1010, §3; 98 Acts, ch 1152, §1 – 6, 69; 99 Acts, ch 96, §40, 41; 2011 Acts, ch 23, §7; 2011 Acts, ch 131, §68, 158

**501.102 Purposes and powers.**

1. A cooperative organized under this chapter has the purpose of engaging in any lawful business unless a more limited purpose is set forth in the articles.

2. Unless its articles provide otherwise, a cooperative has perpetual duration and succession in its cooperative name and has the same powers as an individual to do all things necessary or convenient to carry out its business and affairs, including, but not limited to, all of the following:

*a.* Sue and be sued, complain, and defend in its name.

*b.* Have a seal, which may be altered at will, and use it, or a facsimile of it, by impressing or affixing it or in any other manner reproducing it.

*c.* Make and amend bylaws, not inconsistent with its articles of association or with the laws of this state, for managing the business and regulating the affairs of the cooperative.

*d.* Purchase, receive, lease, or otherwise acquire, and own, hold, improve, use, and otherwise deal with, real or personal property, or any legal or equitable interest in property, wherever located.

*e.* Sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property.

*f.* Purchase, receive, subscribe for, or otherwise acquire, own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of, and deal in and with shares or other interests in, or obligations of, any other entity.

*g.* Make contracts and guarantees, incur liabilities, borrow money, issue its notes, bonds, and other obligations, which may be convertible into or include the option to purchase other interests of the cooperative, and secure any of its obligations by mortgage or pledge of any of its property, franchises, or income.

*h.* Lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment.

*i.* Be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other entity.

*j.* Conduct its business, locate offices, and exercise the powers granted by this chapter within or without this state.

*k.* Elect directors and appoint officers, employees, and agents of the cooperative, define their duties, fix their compensation, and lend them money and credit.

*l.* Pay pensions and establish pension plans, pension trusts, profit-sharing plans, bonus plans, and benefit or incentive plans for any or all of its current or former directors, officers, employees, and agents.

*m.* Make donations for the public welfare or for charitable, scientific, or educational purposes.

*n.* Transact any lawful business that will aid governmental policy.

*o.* Make payments or donations, or do any other act, not inconsistent with law, that furthers the business and affairs of the cooperative.

96 Acts, ch 1010, §4; 98 Acts, ch 1152, §7, 69

**501.103 Permissible members — limited farming activities.**

1. Notwithstanding section 9H.4, any person or entity, subject to the limitations set forth in section 501.305, and subject to the cooperative's articles and bylaws, is permitted to own interests, including voting interests, in a cooperative.

2. Notwithstanding section 9H.4, a cooperative may, directly or indirectly, acquire or otherwise obtain or lease agricultural land in this state, for as long as the cooperative continues to meet the following requirements:

*a.* Farming entities own sixty percent of the interests and are eligible to cast sixty percent of the votes at member meetings.

*b.* Authorized persons own at least seventy-five percent of the interests and are eligible to cast at least seventy-five percent of the votes at member meetings.

*c.* The cooperative does not, either directly or indirectly, acquire or otherwise obtain or lease agricultural land, if the total agricultural land either directly or indirectly owned or leased by the cooperative would then exceed six hundred forty acres.

3. A cooperative that claims that it is exempt from the restrictions of section 9H.4 pursuant to subsection 2 shall file a biennial report with the secretary of state on or before March 31 of each even-numbered year on forms supplied by the secretary of state. The report shall be signed by the president or the vice president of the cooperative and shall contain the following:

*a.* The cooperative's name and address.

*b.* A certification that the cooperative meets both of the requirements of subsection 2.

*c.* The number of acres of agricultural land owned, leased, or held by the cooperative, including the following:

(1) The total number of acres in the state.

(2) The number of acres in each county identified by county name.

(3) The number of acres owned.

(4) The number of acres leased.

(5) The number of acres held other than by ownership or lease.

(6) The number of acres used for the production of row crops.

4. The president or the vice president of the cooperative who falsifies a report is guilty of perjury as provided in section 720.2.

5. In the event of a transfer of an interest in a cooperative by operation of law as a result of death, divorce, bankruptcy, or pursuant to a security interest, the cooperative may disregard the transfer for purposes of determining compliance with subsection 2 for a period of two years after the transfer.

96 Acts, ch 1010, §5; 97 Acts, ch 171, §34; 98 Acts, ch 1152, §8, 69; 2005 Acts, ch 19, §73

Referred to in §10.3, 10.5, 10.7, 10.10, 10B.4A, 502.102

Suspension of filing requirement, §10B.4A

**501.104 Name.**

The name of a cooperative organized under this chapter must comply with all of the following:

1. The name must contain the word "*cooperative*", "*coop*", or "*co-op*".

2. The name must be distinguishable from all of the following:

*a.* The name of a cooperative organized under this chapter.

*b.* The name of a cooperative or cooperative association organized under another chapter, including chapter 497, 498, 499, or 501A.

*c.* The name of a foreign cooperative, cooperative association, or corporation authorized to do business in this state, including as provided in section 499.54 or section 501A.221.

*d.* The name of a cooperative which has been administratively dissolved pursuant to section 501.812 for a period of less than five years from the effective date of the dissolution.

96 Acts, ch 1010, §6; 2006 Acts, ch 1089, §42

Referred to in §501.202, 501.813

**501.105 Execution and filing of documents.**

1. The secretary of state may prescribe and furnish on request forms for the proper administration of this chapter. If the secretary of state has prescribed a mandatory form for a document, then that form must be on the prescribed form.

2. Articles must be signed by all of the organizers; and all other documents filed with the secretary of state must be signed by one of the cooperative's officers. The printed name and capacity of each signatory must appear in proximity to the signatory's signature. The secretary of state may accept a document containing a copy of the signature. A document is not required to contain a seal, an acknowledgment, or a verification.

3. The secretary of state shall collect the following fees:

*a.* Twenty dollars upon the filing of original or amended articles or articles of merger.

*b.* Five dollars upon the filing of all other required documents.

*c.* Five dollars per document and fifty cents per page for copying and certifying a document.

4. A document is effective at the later of the following times:

*a.* The time of filing on the date it is filed, as evidenced by the secretary of state's date and time endorsement on the original document.

*b.* The delayed effective time and date specified in the document. If a delayed effective date but no time is specified in the document, the document is effective at the close of business on that date. A delayed effective date for a document shall not be later than the ninetieth day after the date it is filed.

5. A document filed under this section may be corrected if the document contains an incorrect statement or the execution of the document was defective. A document is corrected by filing with the secretary of state articles of correction which describe the document to be corrected, including its filing date or a copy of the document. The articles must specify and correct the incorrect statement or defective execution. Articles of correction are effective on the effective date of the document it corrects except as to persons relying on the original document and adversely affected by the correction. As to those persons, articles of correction are effective when filed.

6. The secretary of state shall forward for recording a copy of each original, amended, and restated articles, articles of merger, articles of consolidation, and articles of dissolution to the recorder of the county in which the cooperative has its principal place of business, or in the case of a merger or consolidation, to the recorders of each of the counties in which the merging or consolidating cooperatives have their principal offices. The county recorder shall collect recording fees pursuant to section 331.604 for documents forwarded for recording under this subsection.

96 Acts, ch 1010, §7; 98 Acts, ch 1152, §9, 69; 2009 Acts, ch 27, §30
Referred to in §501.617, 501.713

**501.106 Registered office and registered agent.**

1. A cooperative must continuously maintain in this state a registered office that may be the same as any of its places of business, and a registered agent, who may be any of the following:

*a.* An individual who resides in this state and whose business office is identical with the registered office.

*b.* A domestic corporation or not-for-profit domestic corporation whose business office is identical with the registered office.

*c.* A foreign corporation or not-for-profit foreign corporation authorized to transact business in this state whose business office is identical with the registered office.

2. A cooperative may change its registered office or registered agent by delivering to the secretary of state for filing a statement of change that sets forth all of the following:

*a.* The name of the cooperative.

*b.* The street address of its current registered office.

*c.* If the street address of the current registered office is to be changed, the street address of the new registered office.

*d.* The name of its current registered agent.

*e.* If the current registered agent is to be changed, the name of the new registered agent and the new agent's written consent, either on the statement or attached to it, to the appointment.

*f.* That after the change or changes are made, the street addresses of its registered office and the business office of its registered agent will be identical.

3. *a.* If a registered agent changes the street address of the registered agent's business office, the registered agent may change the street address of the registered office of any cooperative for which the person is the registered agent by notifying the cooperative in writing of the change and signing, either manually or in facsimile, and delivering to the secretary of state for filing, a statement that provides for a registered office and a registered agent as provided in this section, and which recites that the cooperative has been notified of the change.

*b.* If a registered agent changes the registered agent's business address to another place, the registered agent may change the business address and the address of the registered agent by filing a statement as required in paragraph "*a*" for each cooperative, or a single statement for all cooperatives named in the notice, except that it need be signed only by the registered agent or agents or be responsive to subsection 2, paragraph "*e*". The statement must recite that a copy of the statement has been mailed to each cooperative named in the notice.

4. A cooperative may also change its registered office or registered agent in its biennial report.

5. *a.* A registered agent may resign the agent's agency appointment by signing and delivering to the secretary of state for filing the signed original statement of resignation. The statement may include a statement that the registered office is also discontinued. The registered agent shall send a copy of the statement of resignation by certified mail to the cooperative at its principal office and to the registered office, if not discontinued. The registered agent shall certify to the secretary of state that the copies have been sent to the cooperative, including the date the copies were sent.

*b.* The agency appointment is terminated, and the registered office discontinued if so provided, on the date on which the statement was filed.

6. *a.* A cooperative's registered agent is the cooperative's agent for service of process, notice, or demand required or permitted by law to be served on the cooperative.

*b.* If a cooperative has no registered agent, or the agent cannot with reasonable diligence be served, the cooperative may be served by registered or certified mail, return receipt requested, addressed to the secretary of the cooperative at its principal office. Service is perfected under this paragraph at the earliest of any of the following:

(1) The date that the cooperative receives the mail.

(2) The date shown on the return receipt, if signed on behalf of the cooperative.

(3) Five days after its deposit in the United States mail, as evidenced by the postmark, if mailed postpaid and correctly addressed.

*c.* A cooperative may be served pursuant to this section or as provided in other provisions of this chapter, unless the manner of service is otherwise specifically provided for by statute.

96 Acts, ch 1010, §8; 98 Acts, ch 1152, §10, 11, 69; 2000 Acts, ch 1022, §12

Referred to in §501.713, 501.812, 501.813, 501.814

**501.107** Repealed by 98 Acts, ch 1152, § 68, 69. See § 501.701 et seq.

**501.108 Quo warranto.**

The attorney general alone shall have the right to inquire into whether a cooperative has the right to exist or continue under this chapter. If the secretary of state is informed that a cooperative is not functioning as a cooperative, the secretary of state shall notify the attorney general. If the attorney general finds reasonable cause that the cooperative is not functioning as provided under this chapter, the attorney general shall bring action to wind up the affairs of the cooperative.

96 Acts, ch 1010, §10

## SUBCHAPTER II

## ARTICLES AND BYLAWS

**501.201 Cooperative formation.**

Three or more individuals may organize a cooperative under this chapter by executing and delivering articles to the secretary of state.

96 Acts, ch 1010, §11

**501.202 Documents of organization.**

1. The initial articles must set forth all of the following:

*a.* The name, address, and occupation of each organizer.

*b.* The names and addresses of the initial directors.

*c.* The street address of the cooperative's initial registered office and the name of its initial registered agent at that office.

2. The articles must set forth all of the following:

*a.* The name that satisfies the requirements of section 501.104.

*b.* A statement that it is organized under this chapter.

*c.* Its duration, which may be perpetual.

*d.* The classes of interests and the authorized number of interests of each class.

*e.* The quorum required for each member meeting.

*f.* The member voting rules.

3. The articles may set forth any other provision consistent with law.

96 Acts, ch 1010, §12; 98 Acts, ch 1152, §12, 13, 69

Referred to in §501.203

**501.203 Amended and restated documents of organization.**

1. A cooperative may amend its articles at any time to add or change a provision that is required or permitted in the articles or to delete a provision not required in the articles.

2. A cooperative may restate its articles at any time. A restatement of the articles must contain the information required by section 501.202, subsection 2, and may set forth any other provision consistent with law.

3. If the board recommends the amendment or restatement to the members, the amendment or restatement must be adopted by the members by a vote of two-thirds of the votes cast.

4. If the board does not recommend the amendment or restatement to the members, then the amendment or restatement must be adopted by the members by a vote of two-thirds of the votes cast in which vote a majority of all votes are cast.

96 Acts, ch 1010, §13; 2011 Acts, ch 23, §8; 2012 Acts, ch 1023, §73

**501.204 Bylaws.**

The board may adopt or amend the cooperative's bylaws by a vote of three-fourths of the board. The members may adopt or amend the cooperative's bylaws by a vote of three-fourths of the votes cast in which vote a majority of all votes are cast. A bylaw provision adopted by the members shall not be amended or repealed by the directors.

96 Acts, ch 1010, §14; 2011 Acts, ch 23, §9; 2012 Acts, ch 1023, §74

## SUBCHAPTER III

## MEMBERS

**501.301 Liability of members.**

A member is not personally liable for the acts or debts of the cooperative.

96 Acts, ch 1010, §15

**501.302 Calling and notice of meetings.**

1. A cooperative shall hold an annual member meeting at a time and place fixed in accordance with the bylaws.

2. The board may call special member meetings, and the board shall call a special member meeting upon the written demand of twenty percent of the members.

3. A cooperative shall give each member at least ten days' advance notice of the time, place, and the issues to be considered at each member meeting. This notice may be given in person or by mail to the last known address of the member, or the notice requirement may be met by the member waiving the notice.

4. The record date for determining the members entitled to notice of and to vote at a member meeting is the close of business on the day before the first notices for the meeting are delivered or mailed.

96 Acts, ch 1010, §16

Referred to in §501.802

**501.303 Conduct of meetings.**

1. Only those issues included in the notice of a member meeting may be considered at that meeting.

2. A member may vote at a member meeting in person or by mail ballot that specifies the issue and the member's vote on that issue. If the board makes available a ballot form, then that form must be used to cast a mail ballot on that issue. If the cooperative's articles or bylaws permit it, a member may cast a vote by an alternative voting method. The cooperative shall take reasonable measures to authenticate that a vote is cast by a member eligible to cast that vote.

96 Acts, ch 1010, §17; 2011 Acts, ch 23, §10

**501.304 Member information.**

1. Within ten days from receiving a demand of a member, the cooperative shall produce and furnish the member with the names and addresses of all members of the cooperative.

2. The board shall adopt a policy which permits the distribution of information to all of the members upon the request of a member when the purpose of the request concerns directly the action of the board. Upon receipt of the information and the request of a member, the board shall distribute the information to all of the members. The cooperative may charge the requesting member the costs incurred by the cooperative in distributing the information.

96 Acts, ch 1010, §18

Referred to in §501.702

**501.305 Multiple membership prohibited.**

A person who is a member owning fifteen percent or more of a cooperative shall not be eligible to be a member of any other cooperative organized under this chapter. A person violating this section is subject to a civil penalty of not more than one hundred dollars. The person's membership in a cooperative shall terminate if the person's acquisition of an interest in that cooperative caused the person to be in violation of this section.

96 Acts, ch 1010, §19

Referred to in §501.103

**501.306 Number of votes.**

A person who is a member shall not own more than one membership. The person shall be entitled to cast not more than one vote regarding any matter in which a vote is conducted, including any matter subject to a vote during a cooperative meeting.

96 Acts, ch 1010, §20; 98 Acts, ch 1152, §14, 69

**501.307 Financial information.**

The cooperative shall make available financial information to its membership by doing either of the following:

1. Preparing and providing to its members a financial statement for the cooperative's last fiscal year.

*a.* The financial statement must be based upon an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, a qualification in an opinion is valid, if it is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited is invalid for purposes of this section.

*b.* The financial statement must disclose the assets, liabilities, and net worth of the cooperative. The financial statement must be prepared according to generally accepted accounting principles. Assets must be shown at original cost less depreciation, or based upon a valuation in accordance with a competent appraisal. Unpriced contracts for agricultural commodities or products must be shown as a liability and valued at the applicable current market price of the agricultural commodities or products as of the date the financial statement is prepared.

2. Honoring a demand to provide access at all reasonable hours at its offices to the books, records, accounts, papers, documents, and computer programs or other recordings relating to the property, assets, business, and financial affairs of the cooperative. The demand shall be in writing and signed by at least fifty percent of all the members of the cooperative. The cooperative shall honor the demand within one day from its receipt. Upon receipt of the demand, the cooperative must provide access to one or more persons selected by the fifty percent of the members to conduct the examination.

96 Acts, ch 1010, §21

## SUBCHAPTER IV

## DIRECTORS, OFFICERS, AND AGENTS

### PART 1

### GENERAL PROVISIONS

**501.401 Number and election.**

1. The affairs of a cooperative shall be managed by a board of not less than three directors.
2. The members shall elect the directors as prescribed in the articles or bylaws.
3. Each director shall serve the term prescribed in the articles or bylaws. The terms may be staggered.

96 Acts, ch 1010, §22

**501.402 Vacancies.**

1. A director may resign at any time by delivering written notice to the board chairperson or the board secretary. A resignation is effective when the notice is delivered unless the notice specifies a later effective date.
2. The members may remove one or more directors with or without cause unless the articles provide that directors may be removed only for cause.
3. The articles may authorize the board to remove a director for a cause specified in the articles.
4. Unless the articles or bylaws provide otherwise, the board shall fill each vacancy until the members elect a director to fill the vacancy at the next scheduled meeting of the members. If the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

96 Acts, ch 1010, §23

**501.403 Board action.**

1. The board may hold regular or special meetings in or out of this state. A quorum of the board consists of a majority of the directors.
2. Unless the articles or bylaws provide otherwise:

*a.* Regular board meetings may be held without notice of the date, time, place, or purpose of the meeting.

*b.* Special board meetings must be preceded by at least two days' notice of the date, time, and place of the meeting; but the notice need not describe the purpose of the special meeting.

*c.* The board may create one or more committees composed of directors, and specify the duties and authority of each committee.

*d.* The board may permit any number of directors to participate in a regular or special meeting by, or conduct the meeting through, the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting.

*e.* Action required or permitted by this chapter to be taken at a board meeting may be taken without a meeting if the action is taken by all members of the board. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes or filed with the cooperative's records reflecting the action taken. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

3. A director may waive any notice required by this chapter, the articles, or the bylaws before or after the date and time stated in the notice. The waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or records of the cooperative. A director's attendance at or participation in a meeting waives any required notice to that director of the meeting unless the director at the beginning of the meeting or promptly upon the director's arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

96 Acts, ch 1010, §24; 98 Acts, ch 1152, §15, 16, 69

**501.404 Director conflict of interest.**

1. A conflict of interest transaction is a transaction with the cooperative in which a director has a direct or indirect interest. A director shall be deemed to have a conflict of interest in a matter concerning a transaction between the cooperative and another entity, if the director owns a twenty-five percent or greater ownership interest in the other entity. A conflict of interest transaction is not voidable by the cooperative solely because of the director's interest in the transaction if any one of the following is true:

*a.* The material facts of the transaction and the director's interest were disclosed or known to the board or a board committee and the board or committee authorized, approved, or ratified the transaction. For purposes of this paragraph, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board or on the committee who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this paragraph. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under this paragraph, if the transaction is otherwise authorized, approved, or ratified as provided in this paragraph.

*b.* The material facts of the transaction and the director's interest were disclosed or known to the members entitled to vote and they authorized, approved, or ratified the transaction. For purposes of this paragraph, a conflict of interest transaction is authorized, approved, or ratified if it receives a majority of the votes entitled to be counted under this paragraph. Voting interests owned by or voted under the control of a director who has a direct or indirect interest in the transaction, and voting interests owned by or voted under the control of an entity described in subsection 2, paragraph "*a*", shall not be counted in a vote of members to determine whether to authorize, approve, or ratify a conflict of interest transaction under this paragraph. The vote of those voting interests, however, is counted in determining whether the transaction is approved under other sections of this chapter. A majority of the votes, whether or not the members are present, that are entitled to be counted in a vote on the

transaction under this paragraph constitutes a quorum for the purpose of taking action under this paragraph.

*c.* The transaction was fair to the cooperative.

2. For purposes of this section, a director of the cooperative has an indirect interest in a transaction if either:

*a.* Another entity in which the director has a material financial interest is a party to the transaction.

*b.* Another entity of which the director is a director, officer, or trustee is a party to the transaction and the transaction is or should be considered by the board.

96 Acts, ch 1010, §25; 97 Acts, ch 23, §57; 98 Acts, ch 1152, §17, 69

**501.405 Officers.**

A cooperative shall have officers described in its bylaws or appointed by the board in accordance with the bylaws. The bylaws or the board shall delegate to one of the officers responsibility for preparing minutes of the directors' and members' meetings and for authenticating records of the cooperative. Each officer has the authority and shall perform the duties set forth in the bylaws or, to the extent consistent with the bylaws, the duties prescribed by the board. The same individual may simultaneously hold more than one office.

96 Acts, ch 1010, §26

**501.406 Standards of conduct.**

1. A director or officer shall discharge the director's or officer's duties in conformity with all of the following:

*a.* In good faith.

*b.* With the care an ordinarily prudent person in a like position would exercise under similar circumstances.

*c.* In a manner the director or officer reasonably believes to be in the best interests of the cooperative.

2. In discharging duties by a director or officer, the director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following:

*a.* One or more officers or employees of the cooperative whom the director or officer reasonably believes to be reliable and competent in the matters presented.

*b.* A person, including but not limited to a legal counsel or public accountant, regarding a matter that the director or officer reasonably believes is within the person's professional or expert competence.

*c.* A committee of the board of which the director or officer is not a member if the director or officer reasonably believes the committee merits confidence.

3. A director or officer is not acting in good faith if the director or officer has knowledge concerning a matter in question that makes reliance otherwise permitted by subsection 2 unwarranted.

4. A director or officer is not liable for any action taken as a director or officer, or the failure to take action, if the director or officer performs the duties of the office in compliance with this section or if, and to the extent that, liability for the action or failure to act has been limited by the articles pursuant to section 501.407.

96 Acts, ch 1010, §27

Referred to in §501.805

**501.407 Personal liability — indemnification.**

1. The articles may contain a provision eliminating or limiting the personal liability of a director, officer, or interest holder of the cooperative for money damages for any action taken, or any failure to take action as a director, officer, or interest holder, except liability for any of the following:

*a.* An intentional infliction of harm on the cooperative or its members.

*b.* An intentional violation of criminal law.

*c.* The amount of a financial benefit received by the person to which the person is not entitled.

*d.* An act or omission occurring prior to the date when the provision in the articles becomes effective.

2. The articles may contain a provision permitting or making obligatory indemnification of a director or officer for liability, as defined in section 501.411, to any person for any action taken, or any failure to take any action, as a director or officer, except liability for any of the following:

*a.* Receipt of a financial benefit to which the person is not entitled.

*b.* An intentional infliction of harm on the cooperative or its members.

*c.* An intentional violation of criminal law.

96 Acts, ch 1010, §28; 98 Acts, ch 1152, §18, 19, 69; 2003 Acts, ch 66, §15; 2004 Acts, ch 1101, §69

Referred to in §501.406, 501.412, 501.414

**501.408** Repealed by 98 Acts, ch 1152, § 68, 69. See § 501.411 et seq.

**501.409 and 501.410** Reserved.

PART 2

INDEMNIFICATION

**501.411 Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Cooperative"* includes any domestic or foreign predecessor entity of a cooperative in a merger.

2. *"Director"* or *"officer"* means an individual who is or was a director or officer, respectively, of a cooperative who, while a director or officer of the cooperative, is or was serving at the cooperative's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign cooperative, corporation, partnership, joint venture, trust, employee benefit plan, or other entity. A director or officer is considered to be serving an employee benefit plan at the cooperative's request if the director's or officer's duties to the cooperative also impose duties on, or otherwise involve services by, that director or officer to the plan or to participants in or beneficiaries of the plan. *"Director"* or *"officer"* includes, unless the context requires otherwise, the estate or personal representative of a director or officer.

3. *"Disinterested director"* means a director who at the time of a vote referred to in section 501.414, subsection 3, or a vote or selection referred to in section 501.416, subsection 2 or 3, is not either of the following:

*a.* A party to the proceeding.

*b.* An individual having a familial, financial, professional, or employment relationship with the director whose indemnification or advance for expenses is the subject of the decision being made, which relationship would in the circumstances, reasonably be expected to exert an influence on the director's judgment when voting on the decision being made.

4. *"Expenses"* includes counsel fees.

5. *"Liability"* means the obligation to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses incurred with respect to a proceeding.

6. *"Official capacity"* means:

*a.* When used with respect to a director, the office of director in a cooperative.

*b.* When used with respect to an officer, as contemplated in section 501.417, the office in a cooperative held by the officer.

*"Official capacity"* does not include service for any other domestic or foreign cooperative or any corporation, partnership, joint venture, trust, employee benefit plan, or other entity.

7. *"Party"* means an individual who was, is, or is threatened to be made a defendant or respondent in a proceeding.

8. *"Proceeding"* means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

98 Acts, ch 1152, §20, 69; 2003 Acts, ch 66, §16
Referred to in §501.407

**501.412 Permissible indemnification.**

1. Except as otherwise provided in this section, a cooperative may indemnify an individual who is a party to a proceeding because the individual is a director against liability incurred in the proceeding if either of the following apply:

*a.* All of the following apply:

(1) The individual acted in good faith.

(2) The individual reasonably believed:

(a) In the case of conduct in the individual's official capacity, that the individual's conduct was in the best interests of the cooperative.

(b) In all other cases, that the individual's conduct was at least not opposed to the best interests of the cooperative.

(3) In the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.

*b.* The individual engaged in conduct for which broader indemnification has been made permissible or obligatory under a provision of the articles of organization as authorized by section 501.407, subsection 2.

2. A director's conduct with respect to an employee benefit plan for a purpose the director reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of subsection 1, paragraph "*a*", subparagraph (2), subparagraph division (b).

3. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the relevant standard of conduct described in this section.

4. Unless ordered by a court pursuant to section 501.415, subsection 1, paragraph "*c*", a cooperative shall not indemnify a director in either of the following circumstances:

*a.* In connection with a proceeding by or in the right of the cooperative, except for reasonable expenses incurred in connection with the proceeding if it is determined that the director has met the relevant standard of conduct under subsection 1, paragraph "*a*".

*b.* In connection with any proceeding with respect to conduct for which the director was adjudged liable on the basis that the director received a financial benefit to which the director was not entitled, whether or not involving action in the director's official capacity.

98 Acts, ch 1152, §21, 69; 2003 Acts, ch 66, §17; 2009 Acts, ch 41, §263
Referred to in §501.414, 501.415, 501.416, 501.419, 501.712

**501.413 Mandatory indemnification.**

A cooperative shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because the director is or was a director of the cooperative.

98 Acts, ch 1152, §22, 69; 2003 Acts, ch 66, §18
Referred to in §501.414, 501.415, 501.417, 501.712

**501.414 Advance for expenses.**

1. A cooperative may, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding because the person is a director if the person delivers all of the following to the cooperative:

*a.* A written affirmation of the director's good faith belief that either the director has met the relevant standard of conduct described in section 501.412 or that the proceeding involves conduct for which liability has been eliminated under a provision of the articles of organization as authorized by section 501.407, subsection 1.

*b.* The director's written undertaking to repay any funds advanced if the director is not

entitled to mandatory indemnification under section 501.413 and it is ultimately determined that the director has not met the relevant standard of conduct described in section 501.412.

2. The undertaking required by subsection 1, paragraph "*b*", must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to the financial ability of the director to make repayment.

3. Authorizations under this section shall be made according to either of the following:

*a*. By the board of directors, according to one of the following:

(1) If there are two or more disinterested directors, by a majority vote of all the disinterested directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more disinterested directors appointed by such a vote.

(2) If there are fewer than two disinterested directors, if a quorum is present when the vote is taken, by the affirmative vote of a majority of the directors present, unless the articles or bylaws require the vote of a greater number of directors, in which authorization directors who do not qualify as disinterested directors may participate.

*b*. By the members, but voting interests owned by or voted under the control of a director who at the time does not qualify as a disinterested director shall not be voted on the authorization.

98 Acts, ch 1152, §23, 69; 2003 Acts, ch 66, §19
Referred to in §501.411, 501.415, 501.419, 501.712

**501.415 Court-ordered indemnification.**

1. A director who is a party to a proceeding because the person is a director may apply to the court conducting the proceeding or to another court of competent jurisdiction for indemnification or an advance for expenses. After receipt of an application, and after giving any notice the court considers necessary, the court shall proceed according to the following:

*a*. Order indemnification if the court determines that the director is entitled to mandatory indemnification under section 501.413.

*b*. Order indemnification or advance for expenses if the court determines that the director is entitled to indemnification or advance for expenses pursuant to a provision authorized by section 501.419, subsection 1.

*c*. Order indemnification or advance for expenses if the court determines, in view of all the relevant circumstances, that it is fair and reasonable to do one of the following:

(1) To indemnify the director.

(2) To advance expenses to the director, even if the director has not met the relevant standard of conduct set forth in section 501.412, subsection 1, failed to comply with section 501.414, or was adjudged liable in a proceeding referred to in section 501.412, subsection 4, paragraph "*a*" or "*b*", but if the director was adjudged so liable the director's indemnification shall be limited to reasonable expenses incurred in connection with the proceeding.

2. If the court determines that the director is entitled to indemnification under subsection 1, paragraph "*a*", or to indemnification or advance for expenses under subsection 1, paragraph "*b*", the court shall also order the cooperative to pay the director's reasonable expenses incurred in connection with obtaining court-ordered indemnification or advance for expenses. If the court determines that the director is entitled to indemnification or advance for expenses under subsection 1, paragraph "*c*", the court may also order the cooperative to pay the director's reasonable expenses to obtain court-ordered indemnification or advance for expenses.

98 Acts, ch 1152, §24, 69; 2003 Acts, ch 66, §20
Referred to in §501.412, 501.417, 501.712

**501.416 Determination and authorization of indemnification.**

1. A cooperative shall not indemnify a director under section 501.412 unless authorized for a specific proceeding after a determination has been made that indemnification of the director is permissible because the director has met the relevant standard of conduct set forth in section 501.412.

2. The determination shall be made by one of the following:

*a.* If there are two or more disinterested directors, by the board of directors by a majority vote of all the disinterested directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more disinterested directors appointed by such a vote.

*b.* By special legal counsel.

(1) The special legal counsel shall be selected in the manner described in paragraph "*a*".

(2) If there are fewer than two disinterested directors, special legal counsel shall be selected by the board of directors, in which selection directors who do not qualify as disinterested directors may participate.

*c.* By the members, but voting interests owned by or voted under the control of a director who at the time does not qualify as a disinterested director shall not be voted on the determination.

3. Authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible, except that if there are fewer than two disinterested directors or if the determination is made by special legal counsel, authorization of indemnification shall be made by those entitled under subsection 2, paragraph "*b*", to select special legal counsel.

98 Acts, ch 1152, §25, 69; 2003 Acts, ch 66, §21
Referred to in §501.411, 501.419

**501.417 Indemnification of officers.**

1. A cooperative may indemnify and advance expenses under this part to an officer of the cooperative who is a party to the proceeding because the person is an officer, according to both of the following:

*a.* To the same extent as to a director.

*b.* If the person is an officer but not a director, to such further extent as may be provided by the articles of association, the bylaws, a resolution of the board of directors, or contract, except for either of the following:

(1) Liability in connection with a proceeding by or in the right of the cooperative other than for reasonable expenses incurred in connection with the proceeding.

(2) Liability arising out of conduct that constitutes any of the following:

(a) Receipt by the officer of a financial benefit to which the officer is not entitled.

(b) An intentional infliction of harm on the cooperative or the interest holders.

(c) An intentional violation of criminal law.

2. The provisions of subsection 1, paragraph "*b*", shall apply to an officer who is also a director if the basis on which the officer is made a party to a proceeding is an act or omission solely as an officer.

3. An officer of a cooperative who is not a director is entitled to mandatory indemnification under section 501.413, and may apply to a court under section 501.415 for indemnification or an advance for expenses, in each case to the same extent to which a director may be entitled to indemnification or an advance for expenses under those provisions.

98 Acts, ch 1152, §26, 69; 2003 Acts, ch 66, §22
Referred to in §501.411

**501.418 Insurance.**

A cooperative may purchase and maintain insurance on behalf of an individual who is a director or officer of the cooperative, or who, while a director or officer of the cooperative, serves at the cooperative's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign cooperative, corporation, partnership, joint venture, trust, employee benefit plan, or other entity, against liability asserted against or incurred by that individual in that capacity or arising from the individual's status as a director or officer, whether or not the cooperative would have power to indemnify or advance expenses to that individual against the same liability under this part.

98 Acts, ch 1152, §27, 69; 2003 Acts, ch 66, §23

**501.419 Variation by corporate action — application of this part.**

1. A cooperative may, by a provision in its articles of organization or bylaws or in a

resolution adopted or a contract approved by its board of directors or members, obligate itself in advance of the act or omission giving rise to a proceeding to provide indemnification in accordance with section 501.412 or advance funds to pay for or reimburse expenses in accordance with section 501.414. Any such obligatory provision shall be deemed to satisfy the requirements for authorization referred to in section 501.414, subsection 3, and in section 501.416, subsection 3. Any such provision that obligates the cooperative to provide indemnification to the fullest extent permitted by law shall be deemed to obligate the cooperative to advance funds to pay for or reimburse expenses in accordance with section 501.414 to the fullest extent permitted by law, unless the provision specifically provides otherwise.

2. Any provision pursuant to subsection 1 shall not obligate the cooperative to indemnify or advance expenses to a director of a predecessor of the cooperative, pertaining to conduct with respect to the predecessor, unless otherwise specifically provided. Any provision for indemnification or advance for expenses in the articles of organization, bylaws, or a resolution of the board of directors or members of a predecessor of the cooperative in a merger or in a contract to which the predecessor is a party, existing at the time the merger takes effect, shall be governed by section 501.618, subsection 3.

3. A cooperative may, by a provision in its articles of organization, limit any of the rights to indemnification or advance for expenses created by or pursuant to this part.

4. This part does not limit a cooperative's power to pay or reimburse expenses incurred by a director or an officer in connection with the director's or officer's appearance as a witness in a proceeding at a time when the director or officer is not a party.

5. This part does not limit a cooperative's power to indemnify, advance expenses to, or provide or maintain insurance on behalf of an employee or agent.

98 Acts, ch 1152, §28, 69; 2003 Acts, ch 66, §24

Referred to in §501.415

**501.420 Exclusivity.**

A cooperative may provide indemnification or advance expenses to a director or an officer only as permitted by this chapter.

2003 Acts, ch 66, §25

## SUBCHAPTER V

## CAPITAL STRUCTURE

**501.501 Issuance and transfer of interests.**

1. A cooperative may issue the number of interests of each class authorized by its articles. A cooperative may issue fractional interests. Interests may be represented by certificates or by entry on the cooperative's interest record books.

2. A member shall not sell or otherwise transfer voting interests to any person. A member may be restricted or limited from selling or otherwise transferring any other class of interests of the cooperative as provided by the cooperative's articles of association or bylaws or an agreement executed between the cooperative and the member.

3. A cooperative may acquire its own interests, and interests so acquired constitute authorized but unissued interests.

96 Acts, ch 1010, §30; 97 Acts, ch 16, §1; 98 Acts, ch 1152, §29, 69

**501.502 Termination of membership.**

1. A membership shall terminate upon the death of the member.

2. The articles or bylaws may authorize the board to terminate a membership for any of the following reasons:

*a.* The member has attempted to transfer any interest to a person who is not a member and has not been approved for membership.

*b.* The member has failed to meet the member's commitment to provide products to the cooperative or to buy the cooperative's products.

*c.* The member is no longer an authorized person.

*d.* The member is no longer a farming entity.

3. A member's right to vote at member meetings shall cease upon termination of the membership.

4. The cooperative shall redeem, without interest, the voting interest of a terminated member within one year after the termination of the membership for the fair market value of the interest. If the amount originally paid by the member for the voting interest was less than ten percent of the total amount the member paid for all classes of interests, the cooperative may redeem the voting interest for its issue price if the cooperative's articles of association grant the cooperative this authority.

5. The cooperative shall redeem, without interest, all of the terminated member's allocated patronage refunds and preferred interests originally issued as allocated patronage refunds for the issue price as follows:

*a.* If a terminated member's current equity is less than two percent of the cooperative's total members' equity, the cooperative shall either redeem the terminated member's equity within one year after the termination of the membership or redeem the terminated member's equity in annual amounts of not less than twenty percent of the total amount provided that the entire amount must be redeemed within five years after the termination of the membership.

*b.* If a terminated member's current equity equals or exceeds two percent of the cooperative's total members' equity, the cooperative shall redeem the terminated member's equity in annual amounts of not less than fifteen percent of the total amount provided that the entire amount must be redeemed within seven years after the termination of the membership.

96 Acts, ch 1010, §31; 97 Acts, ch 16, §2; 98 Acts, ch 1152, §30 – 32, 69

**501.503 Distribution of net savings.**

The board shall annually dispose of the cooperative's earnings in excess of its operating expenses as follows:

1. If the articles authorize the payment of distributions on a class of interests, then the directors may declare a distribution pursuant to the articles. Distributions shall not exceed eight percent of the value of the interest in each fiscal year. The members may control the amount that is allocated under this subsection.

2. To provide a reasonable reserve for depreciation, obsolescence, bad debts, or contingent losses or expenses. The members may control the amount that is allocated under this subsection.

3. To increase the cooperative's retained savings to the extent determined by the board to be necessary based on its evaluation of the future needs and the competitive position of the cooperative.

4. The cooperative shall have an unconditional binding obligation to distribute to the members all remaining net savings as determined under the United States Internal Revenue Code. These net savings shall be allocated to each member in proportion to the business the member did with the cooperative during the preceding fiscal year. The net savings may be separately calculated for two or more categories of business, and allocated to the members on the basis of business done within each of these categories. Net savings shall be distributed in the form of cash or interests, or a combination of cash and interests, as determined by the board.

96 Acts, ch 1010, §32; 98 Acts, ch 1152, §33, 69

## SUBCHAPTER VI

## CONVERSION, SALE, MERGER, AND CONSOLIDATION

## PART 1

## CONVERSION OF EXISTING ASSOCIATIONS AND SALE OF ASSETS

**501.601 Existing associations.**

1. As used in this section:

*a.* *"Dissenting member"* means a voting member who votes in opposition to the plan of conversion and who makes a demand for payment as provided in this section not later than the deadline for members to vote to approve the plan of conversion.

*b.* *"Issue price"* means the amount paid for an interest in the association or the value stated in a notice of allocation of patronage refunds.

2. An association organized under chapter 497, 498, or 499 may adopt this chapter pursuant to the following procedures:

*a.* The board must adopt a plan of conversion that specifies the changes in the articles to comply with this chapter, the effect of the conversion on the association's outstanding members' equity, and the option or options available to the equity holders who do not want to continue their investment in the association.

*b.* The members must approve the plan of conversion by a vote of two-thirds of the votes cast in which vote a majority of all votes are cast.

3. *a.* The cooperative shall redeem all of the members' equity held by dissenting members at its issue price within one year after the conversion to this chapter is effective.

*b.* An equity holder who is not a voting member shall have the same rights as a dissenting member if the equity holder makes a demand for payment pursuant to paragraph *"a"* not later than the deadline for members to vote to approve the plan of conversion.

*c.* The association shall notify all equity holders of their rights pursuant to paragraph *"a"* at the same time the association notifies the members of the member meeting to vote on the plan of conversion.

96 Acts, ch 1010, §33; 2011 Acts, ch 23, §11 – 13; 2012 Acts, ch 1023, §75

Referred to in §501.101

**501.602** Repealed by 98 Acts, ch 1152, § 68, 69. See § 501.611 et seq.

**501.603 Sale of assets.**

1. A cooperative may, on the terms and conditions and for the consideration determined by the board, mortgage, pledge, or otherwise encumber any or all of its property.

2. A cooperative may sell, lease, exchange, or otherwise dispose of all, or substantially all, of its property, with or without the goodwill, on the terms and conditions and for the consideration determined by the board, which consideration may include the interests of another cooperative, if the board recommends the proposed transaction to the members, and the members approve it by a vote of two-thirds of the votes cast in which vote a majority of all votes are cast. The board may condition its submission of the proposed transaction on any basis.

96 Acts, ch 1010, §35; 98 Acts, ch 1152, §34, 69; 2011 Acts, ch 23, §14; 2012 Acts, ch 1023, §76

**501.604** Repealed by 98 Acts, ch 1152, § 68, 69. See § 501.801 et seq.

**501.605 through 501.610** Reserved.

## PART 2

## MERGER AND CONSOLIDATION

**501.611 Definitions.**

When used in this part, unless the context otherwise requires:

1. *"Consolidation"* means the uniting of two or more cooperatives organized under this chapter into one cooperative organized under this chapter, in such manner that a new cooperative is formed, and the new cooperative absorbs the others, which cease to exist as separate entities.

2. *"Dissenting member"* means a voting member who votes in opposition to the plan of merger or consolidation and who makes a demand for payment of the fair value under section 501.615.

3. *"Fair value"* means the cash price that would be paid by a willing buyer to a willing seller, neither being under any compulsion to buy or sell.

4. *"Issue price"* means the amount paid for an interest in the old cooperative or the amount stated in a notice of allocation of patronage distributions.

5. *"Merger"* means the uniting of two or more cooperatives organized under this chapter into one cooperative organized under this chapter, in such manner that one of the merging associations continues to exist and absorbs the others, which cease to exist as entities. *"Merger"* does not include the acquisition, by purchase or otherwise, of the assets of one cooperative by another, unless the acquisition only becomes effective by the filing of articles of merger by the cooperatives and the issuance of a certificate of merger pursuant to sections 501.617 and 501.618.

6. *"New cooperative"* is the cooperative resulting from the consolidation of two or more cooperatives organized under this chapter.

7. *"Old cooperative"* means the cooperative in which the member owns or owned a membership prior to merger or consolidation.

8. *"Surviving cooperative"* is the cooperative resulting from the merger of two or more cooperatives organized under this chapter.

98 Acts, ch 1152, §35, 69

**501.612 Merger.**

Any two or more cooperatives may merge into one cooperative in the manner provided in this section. The board of directors of each cooperative shall, by resolution adopted by a majority vote of all members of each board, approve a plan of merger which shall set forth all of the following:

1. The names of the cooperatives proposing to merge and the name of the surviving cooperative.

2. The terms and conditions of the proposed merger.

3. A statement of any changes in the articles of association of the surviving cooperative.

4. Other provisions deemed necessary or desirable.

98 Acts, ch 1152, §36, 69

Merger with other business entities; §501A.1101 – 501A.1103

**501.613 Consolidation.**

Any two or more cooperatives may be consolidated into a new cooperative as provided in this section. The board of directors of each cooperative shall, by resolution adopted by a majority vote of all members of each board, approve a plan of consolidation setting forth:

1. The names of the cooperatives proposing to consolidate and the name of the new cooperative.

2. The terms and conditions of the proposed consolidation.

3. With respect to the new cooperative, all of the statements required to be set forth in articles of association for cooperatives.

4. Other provisions deemed necessary or desirable.

98 Acts, ch 1152, §37, 69

Consolidation with other business entities; §501A.1101

**501.614 Vote of members.**

1. The board of directors of a cooperative, upon approving a plan of merger or consolidation, shall, by motion or resolution, direct that the plan be submitted to a vote at a meeting of members, which may be either an annual or special meeting. Written notice shall be given not less than twenty days prior to the meeting, either personally or by mail, to each voting member of record. The notice shall state the time, place, and purpose of the meeting, and a summary of the plan of merger or consolidation shall be included in or enclosed with the notice.

2. At the meeting, a vote of the members who are entitled to vote in the affairs of the association shall be taken on the proposed plan of merger or consolidation. The plan of merger or consolidation shall be approved if two-thirds of the members vote affirmatively and a majority of all voting members participate in the voting.

98 Acts, ch 1152, §38, 69; 2011 Acts, ch 23, §15; 2012 Acts, ch 1023, §77

**501.615 Objection of members — purchase of interests upon demand.**

1. If a member of a cooperative which is a party to a merger or consolidation files with the cooperative, prior to or at the meeting of members at which the plan is submitted to a vote, a written objection to the plan of merger or consolidation, and votes in opposition to the plan, and the member, within twenty days after the merger or consolidation is approved by the other members, makes written demand on the surviving or new cooperative for payment of the fair value of that member's interest as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new cooperative shall pay to the member, upon surrender of that person's certificate of membership or interests in the cooperative, the fair value of that person's interest as provided in section 501.616. A member who fails to make demand within the twenty-day period is conclusively presumed to have consented to the merger or consolidation and is bound by its terms.

2. In the event that a dissenting member does business with the surviving or new cooperative before payment has been made for that person's membership, the dissenting member is deemed to have consented to the merger or consolidation and to have waived all further rights as a dissenting member.

98 Acts, ch 1152, §39, 69

Referred to in §501.611

**501.616 Value determined.**

1. Within twenty days after the merger or consolidation is effected, the surviving or new cooperative shall make a written offer to each dissenting member to pay a specified sum deemed by the surviving or new cooperative to be the fair value of that dissenting member's interest in the old cooperative. This offer shall be accompanied by a balance sheet of the old cooperative as of the latest available date, a profit and loss statement of the old cooperative for the twelve-month period ending on the date of the balance sheet, and a list of the dissenting member's interests in the old cooperative. If the dissenting member does not agree that the sum stated in the notice represents the fair value of the member's interest, then the member may file a written objection with the surviving or new cooperative within twenty days after receiving the notice. A dissenting member who fails to file the objection within the twenty-day period is conclusively presumed to have consented to the fair value stated in the notice.

2. If the surviving or new cooperative receives any objections to fair values, then within ninety days after the merger or consolidation is effected, the surviving or new cooperative shall file a petition in district court asking for a finding and determination of the fair value of each type of equity. The action shall be tried as an equitable action.

3. The fair value of a dissenting member's interest in the old cooperative shall be determined as of the day preceding the merger or consolidation by taking the lesser of either the issue price of the dissenting member's membership, deferred patronage, and any other interests in the cooperative, or the amount determined by subtracting the old cooperative's

debts from the fair market value of the old cooperative's assets, dividing the remainder by the total issue price of all memberships, deferred patronage, and all other interests, and then multiplying the quotient from this division by the total issue price of a dissenting member's membership, deferred patronage, and other interests.

4. The surviving or new cooperative shall pay to each dissenting member in cash within sixty days after the merger or consolidation the amount paid in cash by the dissenting member for that member's interest in the old cooperative. The surviving or new cooperative shall pay the remainder of each dissenting member's fair value in ten annual equal payments. The final payment must be made not later than fifteen years after the merger or consolidation. The value of the deferred patronage or interests issued to evidence deferred patronage shall be considered a liability of the surviving or new cooperative as reflected in the accounts of the surviving or new cooperative until the value of the deferred patronage or interests issued to evidence deferred patronage is paid in full to the dissenting member. A dissenting member who is a natural person who dies before receiving the fair value shall have all of the person's fair value paid with the same priority as if the person was a member at the time of death.

98 Acts, ch 1152, §40, 69

Referred to in §501.615

**501.617 Articles of merger or consolidation.**

1. Upon approval, articles of merger or articles of consolidation shall be executed by each cooperative as provided in section 501.105. The articles must include the following:

*a.* The plan of merger or the plan of consolidation.

*b.* As to each cooperative, the number of members.

*c.* As to each cooperative, the number of members who voted for and against the plan at the meeting called for that purpose.

2. The articles of merger or articles of consolidation shall be delivered to the secretary of state for filing.

3. The secretary of state, upon the filing of articles of merger or articles of consolidation, shall issue a certificate of merger or a certificate of consolidation and send the certificate to the surviving or new cooperative, or to its representative.

98 Acts, ch 1152, §41, 69; 2012 Acts, ch 1023, §157

Referred to in §501.611

**501.618 Effective date — effect.**

A merger or consolidation shall become effective upon the date that the certificate of merger or the certificate of consolidation is issued by the secretary of state, or the effective date specified in the articles of merger or articles of consolidation, whichever is later. When a merger or consolidation has become effective:

1. The several cooperatives which are parties to the plan of merger or consolidation shall be a single cooperative, which, in the case of a merger, shall be that cooperative designated in the plan of merger as the surviving cooperative, and, in the case of consolidation, shall be that cooperative designated in the plan of consolidation as the new cooperative.

2. The separate existence of all cooperatives which are parties to the plan of merger or consolidation, except the surviving or new cooperative, shall cease.

3. The surviving or new cooperative shall have all the rights, privileges, immunities, and powers and shall be subject to all the duties and liabilities of a cooperative organized under this chapter.

4. The surviving or new cooperative shall possess all the rights, privileges, immunities, and franchises, public as well as private, of each of the merging or consolidating cooperatives.

5. All property, real, personal, and mixed, and all debts due on whatever account, including all choses in action, and all and every other interest, of or belonging to or due to each of the cooperatives merged or consolidated, shall be transferred to and vested in the surviving or new cooperative without further act or deed. The title to any real estate, or any interest in real estate vested in any of the cooperatives merged or consolidated, shall not revert or be in any way impaired by reason of the merger or consolidation.

6. A surviving or new cooperative shall be responsible and liable for all obligations and liabilities of each of the cooperatives merged or consolidated.

7. Any claim existing or action or proceeding pending by or against any of the cooperatives merged or consolidated may be prosecuted as if the merger or consolidation had not taken place, or the surviving or new cooperative may be substituted for the merged or consolidated cooperative. Neither the rights of creditors nor any liens upon the property of any cooperative shall be impaired by a merger or consolidation.

8. In the case of a merger, the articles of association of the surviving cooperative shall be deemed to be amended to the extent that changes in its articles of association are stated in the plan of merger. In the case of a consolidation, the statements set forth in the articles of consolidation which are required or permitted to be set forth in the articles of association of a cooperative shall be deemed to be the original articles of association of the new cooperative.

9. The aggregate amount of the net assets of the merging or consolidating cooperative which was available for the payment of distributions immediately prior to the merger or consolidation, to the extent that the amount is not transferred to stated capital by the issuance of interests or otherwise, shall continue to be available for the payment of distributions by the surviving or new cooperative.

98 Acts, ch 1152, §42, 69; 2012 Acts, ch 1023, §98

Referred to in §501.419, 501.611

**501.619 Abandonment before filing.**

At any time prior to the filing of the articles of merger or consolidation, the merger or consolidation may be abandoned pursuant to provisions set forth in the plan of merger or consolidation.

98 Acts, ch 1152, §43, 69

## SUBCHAPTER VII

## RECORDS AND REPORTS

### PART 1

### RECORDS

**501.701 Records.**

1. A cooperative shall keep as permanent records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the cooperative.

2. A cooperative shall maintain appropriate accounting records.

3. A cooperative or its agent shall maintain a record of its interest holders in a form that permits preparation of a list of the names and addresses of all interest holders in alphabetical order by class of interests showing the number and class of interests held by each.

4. A cooperative shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

5. A cooperative shall keep a copy of the following records:

*a.* Its articles or restated articles of association and all amendments to them currently in effect.

*b.* Its bylaws or restated bylaws and all amendments to them currently in effect.

*c.* Resolutions adopted by its board of directors creating one or more classes or series of interests, and fixing their relative rights, preferences, and limitations, if the interests issued pursuant to those resolutions are outstanding.

*d.* The minutes of all members' meetings, and records of all action taken by members without a meeting, for the past three years.

*e.* All written communications to interest holders generally within the past three years, including the financial statements furnished for the past three years under section 501.711.

*f.* A list of the names and business addresses of its current directors and officers.

*g.* Its most recent biennial report delivered to the secretary of state under section 501.713.

98 Acts, ch 1152, §44, 69; 99 Acts, ch 96, §42; 2000 Acts, ch 1022, §13

Referred to in §501.702

**501.702 Inspection of records by interest holders.**

1. An interest holder of a cooperative is entitled to inspect and copy, during regular business hours at the cooperative's principal office, any of the records of the cooperative described in section 501.701, subsection 5, if the interest holder gives the cooperative written notice of the interest holder's demand at least five business days before the date on which the interest holder wishes to inspect and copy.

2. An interest holder of a cooperative is entitled to inspect and copy, during regular business hours at a reasonable location specified by the cooperative, any of the following records of the cooperative if the interest holder meets the requirements of subsection 3 and gives the cooperative written notice of the interest holder's demand at least five business days before the date on which the interest holder wishes to inspect and copy any of the following:

*a.* Excerpts from minutes of any meeting of the board of directors, records of any action of a committee of the board of directors while acting in place of the board of directors on behalf of the cooperative, minutes of any meeting of the members, and records of action taken by the members or board of directors without a meeting, to the extent not subject to inspection under subsection 1 of this section.

*b.* Accounting records of the cooperative.

*c.* The record of interest holders.

3. An interest holder may inspect and copy the records described in subsection 2 only if:

*a.* The interest holder's demand is made in good faith and for a proper purpose.

*b.* The interest holder describes with reasonable particularity the interest holder's purpose and the records the interest holder desires to inspect.

*c.* The records are directly connected with the interest holder's purpose.

4. The right of inspection granted by this section shall not be abolished or limited by a cooperative's articles of association or bylaws.

5. This section does not affect either of the following:

*a.* The right of a member to obtain information under section 501.304 or the right of an interest holder to obtain information, if the interest holder is in litigation with the cooperative, to the same extent as any other litigant.

*b.* The power of a court, independently of this chapter, to compel the production of cooperative records for examination.

98 Acts, ch 1152, §45, 69; 99 Acts, ch 96, §43

Referred to in §501.703, 501.704

**501.703 Scope of inspection right.**

1. An interest holder's agent or attorney has the same inspection and copying rights as the interest holder the agent or attorney represents.

2. The right to copy records under section 501.702 includes, if reasonable, the right to receive copies made by photographic, xerographic, or other technological means.

3. The cooperative may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the interest holder. The charge shall not exceed the estimated cost of production or reproduction of the records.

4. The cooperative may comply with an interest holder's demand to inspect the record of interest holders under section 501.702, subsection 2, paragraph "*c*", by providing the interest holder with a list of its interest holders that was compiled no earlier than the date of the interest holder's demand.

98 Acts, ch 1152, §46, 69

**501.704 Court-ordered inspection.**

1. If a cooperative does not allow an interest holder who complies with section 501.702, subsection 1, to inspect and copy any records required by that subsection to be available for inspection, the district court of the county where the cooperative's principal office or, if none in this state, its registered office is located may summarily order inspection and copying of the records demanded at the cooperative's expense upon application of the interest holder.

2. If a cooperative does not within a reasonable time allow an interest holder to inspect and copy any other records, the interest holder who complies with section 501.702, subsections 2 and 3, may apply to the district court in the county where the cooperative's principal office or, if not in this state, its registered office is located for an order to permit inspection and copying of the records demanded. The court shall dispose of an application under this subsection on an expedited basis.

3. If the court orders inspection and copying of the records demanded, it shall also order the cooperative to pay the interest holder's costs, including reasonable counsel fees, incurred to obtain the order unless the cooperative proves that it refused inspection in good faith because it had a reasonable basis for doubt about the right of the interest holder to inspect the records demanded.

4. If the court orders inspection and copying of the records demanded, it may impose reasonable restrictions on the use or distribution of the records by the demanding interest holder.

98 Acts, ch 1152, §47, 69

**501.705 through 501.710** Reserved.

PART 2

REPORTS

**501.711 Financial statements for interest holders.**

A cooperative shall prepare annual financial statements, which may be consolidated or combined statements of the cooperative and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year and an income statement for that year. Upon written request from an interest holder, a cooperative, at its expense, shall furnish to that interest holder the financial statements requested. If the annual financial statements are reported upon by a public accountant, the report must accompany the financial statements.

98 Acts, ch 1152, §48, 69

Referred to in §501.701

**501.712 Other reports to interest holders.**

1. If a cooperative indemnifies or advances expenses to a director under sections 501.412 through 501.415 in connection with a proceeding by or in the right of the cooperative, the cooperative shall report the indemnification or advance in writing to the members with or before the notice of the next members' meeting.

2. If a cooperative issues or authorizes the issuance of interests for promissory notes or for promises to render services in the future, the cooperative shall report in writing to the members the number of interests authorized or issued, and the consideration received by the cooperative, with or before the notice of the next members' meeting.

98 Acts, ch 1152, §49, 69

**501.713 Biennial report for secretary of state.**

1. Each cooperative authorized to transact business in this state shall deliver to the secretary of state for filing a biennial report that sets forth all of the following:

*a.* The name of the cooperative.

*b.* The address of its registered office and the name of its registered agent at that office in this state, together with the consent of any new registered agent.

*c.* The address of its principal office.

*d.* The names and addresses of the president, secretary, treasurer, and one member of the board of directors.

2. Information in the biennial report must be current as of the first day of January of the year in which the report is due. The report shall be executed on behalf of the cooperative and signed as provided in section 501.105 or by any other person authorized by the board of directors of the cooperative.

3. The first biennial report shall be delivered to the secretary of state between January 1 and April 1 of the first even-numbered year following the calendar year in which a cooperative was organized. Subsequent biennial reports must be delivered to the secretary of state between January 1 and April 1 of the following even-numbered calendar years. A filing fee for the biennial report shall be determined by the secretary of state.

4. If a biennial report does not contain the information required by this section, the secretary of state shall promptly notify the reporting cooperative in writing and return the report to the cooperative for correction.

5. The secretary of state may provide for the change of registered office or registered agent on the form prescribed by the secretary of state for the biennial report, provided that the form contains the information required in section 501.106. If the secretary of state determines that a biennial report does not contain the information required by this section but otherwise meets the requirements of section 501.106 for the purpose of changing the registered office or registered agent, the secretary of state shall file the statement of change of registered office or registered agent, effective as provided in section 501.105, before returning the biennial report to the cooperative as provided in this section. A statement of change of registered office or agent pursuant to this subsection shall be executed by a person authorized to execute the biennial report.

98 Acts, ch 1152, §50, 69; 99 Acts, ch 96, §44; 2000 Acts, ch 1022, §14, 15

Referred to in §501.701, 501.811

## SUBCHAPTER VIII

## DISSOLUTION

### PART 1

### GENERAL PROVISIONS

**501.801 Dissolution by organizers or initial directors.**

A majority of the organizers or initial directors of a cooperative that has not issued interests or has not commenced business may dissolve the cooperative by delivering to the secretary of state for filing articles of dissolution that set forth all of the following:

1. The name of the cooperative.

2. The date of its organization.

3. Either of the following:

*a.* That none of the cooperative's interests have been issued.

*b.* That the cooperative has not commenced business.

4. That no debt of the cooperative remains unpaid.

5. That the net assets of the cooperative remaining after winding up have been distributed in accordance with this chapter and the articles of association of the cooperative.

6. That a majority of the organizers or initial directors authorized the dissolution.

98 Acts, ch 1152, §51, 69

**501.802 Dissolution by board of directors and members.**

1. A cooperative's board of directors may propose dissolution for submission to the members.

2. For a proposal to dissolve to be adopted both of the following must apply:

*a.* The board of directors must recommend dissolution to the members unless the board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the members.

*b.* The members entitled to vote must approve the proposal to dissolve as provided in subsection 5.

3. The board of directors may condition its submission of the proposal for dissolution on any basis.

4. The cooperative shall notify each member of a meeting to consider dissolution in accordance with section 501.302. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider dissolving the cooperative.

5. Unless the articles of association or the board of directors acting pursuant to subsection 3 require a greater vote or a vote by voting groups, the proposal to dissolve must be approved by a majority of all the votes entitled to be cast on that proposal in order to be adopted.

98 Acts, ch 1152, §52, 69

**501.803 Articles of dissolution.**

1. At any time after dissolution is authorized, the cooperative may dissolve by delivering to the secretary of state for filing articles of dissolution setting forth all of the following:

*a.* The name of the cooperative.

*b.* The date dissolution was authorized.

*c.* If dissolution was approved by the members, both of the following:

(1) The number of votes entitled to be cast on the proposal to dissolve.

(2) Either the total number of votes cast for and against dissolution or the total number of undisputed votes cast for dissolution and a statement that the number cast for dissolution was sufficient for approval.

2. A cooperative is dissolved upon the effective date of its articles of dissolution.

98 Acts, ch 1152, §53, 69

Referred to in §501.804

**501.804 Revocation of dissolution.**

1. A cooperative may revoke its dissolution within one hundred twenty days of the effective date of the dissolution.

2. Revocation of dissolution must be authorized in the same manner as the dissolution was authorized unless that authorization permitted revocation by action of the board of directors alone, in which event the board of directors may revoke the dissolution without member action.

3. After the revocation of dissolution is authorized, the cooperative may revoke the dissolution by delivering to the secretary of state for filing articles of revocation of dissolution, together with a copy of its articles of dissolution, that set forth all of the following:

*a.* The name of the cooperative.

*b.* The effective date of the dissolution that was revoked.

*c.* The date that the revocation of dissolution was authorized.

*d.* If the cooperative's board of directors or organizers revoked the dissolution, a statement to that effect.

*e.* If the cooperative's board of directors revoked a dissolution authorized by the members, a statement that revocation was permitted by action by the board of directors alone pursuant to that authorization.

*f.* If member action was required to revoke the dissolution, the information required by section 501.803, subsection 1, paragraph "*c*".

4. Revocation of dissolution is effective upon the effective date of the articles of revocation of dissolution.

5. When the revocation of dissolution is effective, it relates back to and takes effect as of the effective date of the dissolution as if the dissolution had never occurred.

98 Acts, ch 1152, §54, 69

**501.805 Effect of dissolution.**

1. A dissolved cooperative continues its existence but shall not carry on any business except that appropriate to wind up and liquidate its business and affairs, including any of the following:

*a.* Collecting its assets.

*b.* Disposing of its properties that will not be distributed in kind in accordance with this chapter and the cooperative's articles of association.

*c.* Discharging or making provision for discharging its liabilities.

*d.* Distributing its remaining property in accordance with this chapter and the cooperative's articles of association.

*e.* Doing every other act necessary to wind up and liquidate its business and affairs.

2. Dissolution of a cooperative does not do any of the following:

*a.* Transfer title to the cooperative's property.

*b.* Prevent transfer of its interests, although the authorization to dissolve may provide for closing the cooperative's interest transfer records.

*c.* Subject its directors or officers to standards of conduct different from those prescribed in section 501.406.

*d.* Change quorum or voting requirements for its board of directors or members; change provisions for selection, resignation, or removal of its directors or officers or both; or change provisions for amending its bylaws.

*e.* Prevent commencement of a proceeding by or against the cooperative in its name.

*f.* Abate or suspend a proceeding pending by or against the cooperative on the effective date of dissolution.

*g.* Terminate the authority of the registered agent of the cooperative.

98 Acts, ch 1152, §55, 69

Referred to in §501.812, 501.824

**501.806 Distribution of assets.**

Upon the cooperative's dissolution, the cooperative's assets shall first be used to pay expenses necessary to carry out the dissolution and liquidation of assets, then be used to pay the cooperative's obligations other than the payment of deferred patronage or interests issued as deferred patronage, and the remainder shall be paid in the manner set forth in the cooperative's articles of association.

98 Acts, ch 1152, §56, 69

**501.807 Known claims against dissolved cooperative.**

1. A dissolved cooperative may dispose of the known claims against it by following the procedure described in this section.

2. The dissolved cooperative shall notify its known claimants in writing of the dissolution at any time after the effective date of the dissolution. The written notice must do all of the following:

*a.* Describe information that must be included in a claim.

*b.* Provide a mailing address where a claim may be sent.

*c.* State the deadline, which shall not be fewer than one hundred twenty days from the effective date of the written notice, by which the dissolved cooperative must receive the claim.

*d.* State that the claim will be barred if not received by the deadline.

3. A claim against the dissolved cooperative is barred if either of the following occur:

*a.* A claimant who was given written notice under subsection 2 does not deliver the claim to the dissolved cooperative by the deadline.

*b.* A claimant whose claim was rejected by the dissolved cooperative does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejection notice.

4. For purposes of this section, *"claim"* does not include a contingent liability or a claim based on an event occurring after the effective date of dissolution.

98 Acts, ch 1152, §57, 69
Referred to in §501.808, 501.812, 501.824

**501.808 Unknown claims against dissolved cooperative.**

1. A dissolved cooperative may also publish notice of its dissolution and request that persons with claims against the cooperative present them in accordance with the notice.

2. The notice must meet all of the following requirements:

*a.* Be published one time in a newspaper of general circulation in the county where the dissolved cooperative's principal office or, if not in this state, its registered office is or was last located.

*b.* Describe the information that must be included in a claim and provide a mailing address where the claim may be sent.

*c.* State that a claim against the cooperative will be barred unless a proceeding to enforce the claim is commenced within five years after the publication of the notice.

3. If the dissolved cooperative publishes a newspaper notice in accordance with subsection 2, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved cooperative within five years after the publication date of the newspaper notice:

*a.* A claimant who did not receive written notice under section 501.807.

*b.* A claimant whose claim was timely sent to the dissolved cooperative but not acted on.

*c.* A claimant whose claim is contingent or based on an event occurring after the effective date of dissolution.

4. A claim may be enforced under this section in either of the following ways:

*a.* Against the dissolved cooperative, to the extent of its undistributed assets.

*b.* If the assets have been distributed in liquidation, against an interest holder of the dissolved cooperative to the extent of the interest holder's pro rata share of the claim or the cooperative assets distributed to the interest holder in liquidation, whichever is less, but an interest holder's total liability for all claims under this section shall not exceed the total amount of assets distributed to the interest holder in liquidation.

98 Acts, ch 1152, §58, 69
Referred to in §501.812, 501.824

**501.809 and 501.810** Reserved.

## PART 2

## ADMINISTRATIVE DISSOLUTION

**501.811 Grounds for administrative dissolution.**

The secretary of state may commence a proceeding under section 501.812 to administratively dissolve a cooperative if any of the following apply:

1. The cooperative has not delivered a biennial report to the secretary of state in a form that meets the requirements of section 501.713, within sixty days after it is due, or has not paid the filing fee as determined by the secretary of state, within sixty days after it is due.

2. The cooperative is without a registered agent or registered office in this state for sixty days or more.

3. The cooperative does not notify the secretary of state within sixty days that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.

4. The cooperative's period of duration stated in its articles of association expires.

98 Acts, ch 1152, §59, 69; 2000 Acts, ch 1022, §16
Referred to in §501.812

**501.812 Procedure for and effect of administrative dissolution.**

1. If the secretary of state determines that one or more grounds exist under section 501.811 for dissolving a cooperative, the secretary of state shall serve the cooperative with written notice of the secretary of state's determination under section 501.106.

2. If the cooperative does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the secretary of state that each ground determined by the secretary of state does not exist within sixty days after service of the notice is perfected under section 501.106, the secretary of state shall administratively dissolve the cooperative by signing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. The secretary of state shall file the original of the certificate and serve a copy on the cooperative under section 501.106.

3. A cooperative administratively dissolved continues its existence but shall not carry on any business except that necessary to wind up and liquidate its business and affairs under section 501.805 and notify claimants under sections 501.807 and 501.808.

4. The administrative dissolution of a cooperative does not terminate the authority of its registered agent.

5. The secretary of state's administrative dissolution of a cooperative pursuant to this section appoints the secretary of state the cooperative's agent for service of process in any proceeding based on a cause of action which arose during the time the cooperative was authorized to transact business in this state. Service of process on the secretary of state under this subsection is service on the cooperative. Upon receipt of process, the secretary of state shall serve a copy of the process on the cooperative as provided in section 501.106. This subsection does not preclude service on the cooperative's registered agent, if any.

98 Acts, ch 1152, §60, 69

Referred to in §501.104, 501.811, 501.813

**501.813 Reinstatement following administrative dissolution.**

1. A cooperative administratively dissolved under section 501.812 may apply to the secretary of state for reinstatement at any time after the effective date of dissolution. The application must meet all of the following requirements:

*a.* Recite the name of the cooperative at its date of dissolution and the effective date of its administrative dissolution.

*b.* State that the ground or grounds for dissolution have been eliminated.

*c.* If the application is received more than five years after the effective date of the cooperative's dissolution, state a name that satisfies the requirements of section 501.104.

*d.* State the federal tax identification number of the cooperative.

2. *a.* The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the departments of revenue and workforce development. The departments of revenue and workforce development shall report to the secretary of state the tax status of the cooperative. If either department reports to the secretary of state that a filing delinquency or liability exists against the cooperative, the secretary of state shall not cancel the certificate of dissolution until the filing delinquency or liability is satisfied.

*b.* (1) If the secretary of state determines that the application contains the information required by subsection 1, and that a delinquency or liability reported pursuant to paragraph "*a*" has been satisfied, and that the information is correct, the secretary of state shall cancel the certificate of dissolution and prepare a certificate of reinstatement that recites the secretary of state's determination and the effective date of reinstatement, file the document, and deliver a copy to the cooperative under section 501.106.

(2) If the name of the cooperative as provided in subsection 1, paragraph "*c*", is different than the name in subsection 1, paragraph "*a*", the certificate of reinstatement shall constitute an amendment to the articles of association insofar as it pertains to the name. A cooperative shall not relinquish the right to retain its name if the reinstatement is effective within five years of the effective date of the cooperative's dissolution.

3. When the reinstatement is effective, it relates back to and takes effect as of the effective date of the administrative dissolution as if the administrative dissolution had never occurred.

98 Acts, ch 1152, §61, 69; 2003 Acts, ch 145, §286; 2006 Acts, ch 1089, §43 – 45; 2010 Acts, ch 1040, §4

**501.814 Appeal from denial of reinstatement.**

1. If the secretary of state denies a cooperative's application for reinstatement following administrative dissolution, the secretary of state shall serve the cooperative under section 501.106 with a written notice that explains the reason or reasons for denial.

2. The cooperative may appeal the denial of reinstatement to the district court within thirty days after service of the notice of denial is perfected. The cooperative appeals by petitioning the court to set aside the dissolution and attaching to the petition copies of the secretary of state's certificate of dissolution, the cooperative's application for reinstatement, and the secretary of state's notice of denial.

3. The court may summarily order the secretary of state to reinstate the dissolved cooperative or may take other action the court considers appropriate.

4. The court's final decision may be appealed as in other civil proceedings.

98 Acts, ch 1152, §62, 69

**501.815 through 501.820** Reserved.

PART 3

JUDICIAL DISSOLUTION

**501.821 Grounds for judicial dissolution.**

The district court may dissolve a cooperative in any of the following ways:

1. A proceeding by the attorney general, if it is established that either of the following apply:

*a.* The cooperative obtained its articles of association through fraud.

*b.* The cooperative has continued to exceed or abuse the authority conferred upon it by law.

2. A proceeding by a member if it is established that any of the following conditions exist:

*a.* The directors are deadlocked in the management of the cooperative's affairs, the members are unable to break the deadlock, and either irreparable injury to the cooperative is threatened or being suffered, or the business and affairs of the cooperative can no longer be conducted to the advantage of the interest holders generally, because of the deadlock.

*b.* The directors or those in control of the cooperative have acted, are acting, or will act in a manner that is illegal, oppressive, or fraudulent.

*c.* The members are deadlocked in voting power and have failed, for a period that includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have expired.

*d.* The cooperative's assets are being misapplied or wasted.

3. A proceeding by a creditor if it is established that either of the following apply:

*a.* The creditor's claim has been reduced to judgment, the execution on the judgment returned unsatisfied, and the cooperative is insolvent.

*b.* The cooperative has admitted in writing that the creditor's claim is due and owing and the cooperative is insolvent.

4. A proceeding by the cooperative to have its voluntary dissolution continued under court supervision.

98 Acts, ch 1152, §63, 69

Referred to in §501.822, 501.824

**501.822 Procedure for judicial dissolution.**

1. Venue for a proceeding by the attorney general to dissolve a cooperative lies in Polk

county district court. Venue for a proceeding brought by any other party named in section 501.821 lies in the county where a cooperative's principal office or, if not in this state, its registered office is or was last located.

2. It is not necessary to make interest holders parties to a proceeding to dissolve a cooperative unless relief is sought against them individually.

3. A court in a proceeding brought to dissolve a cooperative may issue injunctions, appoint a receiver or custodian pendente lite with all powers and duties the court directs, take other action required to preserve the cooperative's assets wherever located, and carry on the business of the cooperative until a full hearing can be held.

98 Acts, ch 1152, §64, 69

**501.823 Receivership or custodianship.**

1. A court in a judicial proceeding brought to dissolve a cooperative may appoint one or more receivers to wind up and liquidate, or one or more custodians to manage, the business and affairs of the cooperative. The court shall hold a hearing, after notifying all parties to the proceeding and any interested persons designated by the court, before appointing a receiver or custodian. The court appointing a receiver or custodian has exclusive jurisdiction over the cooperative and all its property wherever located.

2. The court may appoint an individual or a domestic or foreign corporation authorized to transact business in this state as a receiver or custodian. The court may require the receiver or custodian to post bond, with or without sureties, in an amount the court directs.

3. The court shall describe the powers and duties of the receiver or custodian in its appointing order, which may be amended from time to time.

*a.* Among other powers, the receiver may do any of the following:

(1) Dispose of all or any part of the assets of the cooperative wherever located, at a public or private sale, if authorized by the court.

(2) Sue and defend in the receiver's own name as receiver of the cooperative in all courts of this state.

*b.* The custodian may exercise all of the powers of the cooperative, through or in place of its board of directors or officers, to the extent necessary to manage the affairs of the cooperative in the best interests of its interest holders and creditors.

4. The court during a receivership may redesignate the receiver a custodian, and during a custodianship may redesignate the custodian a receiver, if doing so is in the best interests of the cooperative, its interest holders, and creditors.

5. The court from time to time during the receivership or custodianship may order compensation paid and expense disbursements or reimbursements made to the receiver or custodian and the receiver's or custodian's counsel from the assets of the cooperative or proceeds from the sale of the assets.

98 Acts, ch 1152, §65, 69

**501.824 Decree of dissolution.**

1. If after a hearing the court determines that one or more grounds for judicial dissolution described in section 501.821 exist, it may enter a decree dissolving the cooperative and specifying the effective date of the dissolution, and the clerk of the district court shall deliver a certified copy of the decree to the secretary of state, who shall file it.

2. After entering the decree of dissolution, the court shall direct the winding up and liquidation of the cooperative's business and affairs in accordance with section 501.805 and the notification of claimants in accordance with sections 501.807 and 501.808.

98 Acts, ch 1152, §66, 69

**501.825 through 501.830** Reserved.

## PART 4

## DEPOSIT OF ASSETS

**501.831 Deposit with state treasurer.**

Assets of a dissolved cooperative that should be transferred to a creditor, claimant, or interest holder of the cooperative who cannot be found or who is not competent to receive them shall be reduced to cash and deposited with the treasurer of state or other appropriate state official for safekeeping. When the creditor, claimant, or interest holder furnishes satisfactory proof of entitlement to the amount deposited, the treasurer of state or other appropriate state official shall pay the creditor, claimant, or interest holder or that person's representative the amount.

98 Acts, ch 1152, §67, 69

# CHAPTER 501A

## COOPERATIVE ASSOCIATIONS ACT

Referred to in §10B.1, 10B.4, 10B.7, 15E.202, 203.1, 489.102, 499.4, 501.104, 502.201, 547.1, 556.1, 558.72, 669.14


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## SUBCHAPTER I

## GENERAL PROVISIONS

**501A.101 Short title.**

This chapter shall be known and may be cited as the *"Iowa Cooperative Associations Act"*.
2005 Acts, ch 135, §1

**501A.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Address"* means mailing address, including a zip code. In the case of a registered address, the term means the mailing address and the actual office location, which shall not be a post office box.

2. *"Alternative voting method"* means a method of voting other than a written ballot, including voting by electronic, telephonic, internet, or other means that reasonably allows members the opportunity to vote.

3. *"Articles"* means the articles of organization of a cooperative as originally filed or subsequently amended as provided in this chapter.

4. *"Association"* means a business entity on a cooperative plan and organized under the laws of this state or another state or that is chartered to conduct business under the laws of another state.

5. *"Board"* means the board of directors of a cooperative.

6. *"Business entity"* means a person organized under statute or common law in this state or another jurisdiction for purposes of engaging in a commercial activity on a profit, cooperative, or not-for-profit basis, including but not limited to a corporation or entity taxed as a corporation under the Internal Revenue Code, nonprofit corporation, cooperative or cooperative association, partnership, limited partnership, limited liability company, limited liability partnership, investment company, joint stock company, joint stock association, or trust, including but not limited to a business trust.

7. *"Cooperative"* means a business association organized under this chapter.

8. *"Crop"* means a plant used for food, animal feed, fiber, or oil, if the plant is classified as a forage or cereal plant, including but not limited to alfalfa, barley, buckwheat, corn, flax, forage, millet, oats, popcorn, rye, sorghum, soybeans, sunflowers, wheat, and grasses used for forage or silage.

9. *"Domestic business entity"* means a business entity organized under the laws of this state, including but not limited to a limited liability company as defined in section 489.102; a corporation organized pursuant to chapter 490; a nonprofit corporation organized under chapter 504; a partnership, limited partnership, limited liability partnership, or limited liability limited partnership as provided in chapter 486A or 488; or a cooperative association or other cooperative organized under this chapter or chapter 497, 498, 499, or 501.

10. *"Domestic cooperative"* means a cooperative association or other cooperative organized under this chapter or chapter 497, 498, 499, or 501.

11. *"Foreign business entity"* means a business entity that is not a domestic business entity.

12. *"Foreign cooperative"* means a foreign business entity organized to conduct business consistent with this chapter or chapter 497, 498, or 499.

13. *"Iowa limited liability company"* means a limited liability company governed by chapter 489.

14. *"Livestock"* means the same as defined in section 717.1.

15. *"Member"* means a person or entity reflected on the books of a cooperative as the owner of governance rights of a membership interest of the cooperative and includes patron and nonpatron members.

16. *"Member control agreement"* means an instrument which controls the investment or governance of nonpatron members, which may be executed by the board and one or more nonpatron members and which may provide for their individual or collective rights to elect directors or to participate in the distribution or allocation of profits or losses.

17. *"Membership interest"* means a member's interest in a cooperative consisting of a member's financial rights, a member's right to assign financial rights, a member's governance rights, and a member's right to assign governance rights. *"Membership interest"* includes patron membership interests and nonpatron membership interests.

18. *"Members' meeting"* means a regular or special members' meeting.

19. *"Nonpatron member"* means a member who holds a nonpatron membership interest.

20. *"Nonpatron membership interest"* means a membership interest that does not require the holder to conduct patronage for or with the cooperative to receive financial rights or distributions.

21. *"Patron"* means a person or entity who conducts patronage with the cooperative, regardless of whether the person is a member.

22. *"Patronage"* means business, transactions, or services done for or with the cooperative as defined by the cooperative.

23. *"Patron member"* means a member holding a patron membership interest.

24. *"Patron membership interest"* means the membership interest requiring the holder to conduct patronage for or with the cooperative, as specified by the cooperative to receive financial rights or distributions.

25. *"Secretary"* means the secretary of state.

26. *"Traditional cooperative"* means a cooperative or cooperative association organized under chapter 497, 498, 499, or 501.

2005 Acts, ch 135, §2, 118, 119; 2008 Acts, ch 1162, §139, 154, 155; 2011 Acts, ch 23, §16
Referred to in §175.38

**501A.103 Requirements for signatures on documents.**

A document is signed when a person has affixed the person's name on a document. A person authorized to do so by this chapter, the articles or bylaws, or by a resolution approved by the directors or the members must sign the document. A signature on a document may be a facsimile affixed, engraved, printed, placed, stamped with indelible ink, transmitted by facsimile or electronically, or in any other manner reproduced on the document.

2005 Acts, ch 135, §3; 2006 Acts, ch 1030, §52
Referred to in §501A.231

## SUBCHAPTER II

## FILING

Referred to in §501A.503, 501A.504

## PART 1

## GENERAL REQUIREMENTS

**501A.201 General filing requirements.**

1. A document must satisfy the requirements of this section, and of any other section that adds to or varies these requirements, to be entitled to filing.

2. The document must be one that this chapter requires or permits to be filed with the secretary.

3. The document must contain the information required by this chapter. The document may contain other information as well.

4. The document must be typewritten or printed. The typewritten or printed portion shall be in black ink. Manually signed photocopies, or other reproduced copies, including facsimiles and other electronically or computer-generated copies of typewritten or printed documents may be filed.

5. The document must be in the English language. A cooperative's name need not be in English if written in English letters or Arabic or Roman numerals. The articles, duly authenticated by the official having custody of the applicable records in the state or country under whose law the cooperative is formed, which are required of cooperatives, need not be in English if accompanied by a reasonably authenticated English translation.

6. The document must be executed by one of the following persons:

*a.* An officer of the cooperative, or if no officer has been selected, by any patron member of the cooperative.

*b.* If the cooperative has not been organized, by the organizers of the cooperative as provided in subchapter V.

*c.* If the cooperative is in the hands of a receiver, trustee, or other court-appointed fiduciary, that fiduciary.

7. The person executing the document shall sign the document and state beneath or opposite the person's signature, the person's name, and the capacity in which the person signs.

8. If, pursuant to any provision of this chapter, the secretary has prescribed a mandatory form for the document, the document shall be in or on the prescribed form.

9. The document must be delivered to the secretary for filing and must be accompanied by the correct filing fee as provided in this subchapter.

2005 Acts, ch 135, §4

Referred to in §501A.202, 501A.504

**501A.202 Filing duty of secretary of state.**

1. If a document delivered to the secretary for filing satisfies the requirements of section 501A.201, the secretary shall file it and issue any necessary certificate.

2. The secretary files a document by recording it as filed on the date and at the time of receipt. After filing a document, and except as provided in section 501A.204, the secretary shall deliver the document, and an acknowledgment of the date and time of filing, to the domestic cooperative or foreign cooperative or its representative.

3. If the secretary refuses to file a document, the secretary shall return it to the domestic cooperative or foreign cooperative or its representative within ten days after the document was received by the secretary, together with a brief, written explanation of the reason for the refusal.

4. The secretary's duty to file documents under this section is ministerial. Filing or refusing to file a document does not do any of the following:

*a.* Affect the validity or invalidity of the document in whole or in part.

*b.* Relate to the correctness or incorrectness of information contained in the document.

*c.* Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

2005 Acts, ch 135, §5

**501A.203 Effective time and date of documents.**

1. Except as provided in subsection 2 and section 501A.204, subsection 3, a document accepted for filing is effective at the later of the following times:

*a.* At the time of filing on the date the document is filed, as evidenced by the secretary's date and time endorsement on the original document.

*b.* At the time specified in the document as its effective time on the date the document is filed.

2. A document may specify a delayed effective time and date, and if the document does so, the document becomes effective at the time and date specified. If a delayed effective date

but no time is specified, the document is effective at the close of business on that date. A delayed effective date for a document shall not be later than the ninetieth day after the date the document is filed.

2005 Acts, ch 135, §6
Referred to in §501A.231

**501A.204 Correcting filed documents.**

1. A domestic cooperative or foreign cooperative may correct a document filed by the secretary if the document satisfies any of the following requirements:

*a.* Contains an incorrect statement.

*b.* Was defectively executed, attested, sealed, verified, or acknowledged.

2. A document is corrected by complying with all of the following:

*a.* By preparing articles of correction that satisfy all of the following requirements:

(1) Describe the document, including its filing date, or attach a copy of the document to the articles.

(2) Specify the incorrect statement and the reason the statement is incorrect or the manner in which the execution was defective.

(3) Correct the incorrect statement or defective execution.

*b.* By delivering the articles of correction to the secretary for filing.

3. Articles of correction are effective on the effective date of the document the articles correct, except as to persons relying on the uncorrected document and adversely affected by the correction. As to those persons, articles of correction are effective when filed.

2005 Acts, ch 135, §7
Referred to in §501A.202, 501A.203

**501A.205 Fees.**

1. The secretary shall collect the following fees when documents described in this subsection are delivered to the secretary's office for filing:

*a.* Articles of organization ..... $ 50

*b.* Application for use of indistinguishable name ..... $ 10

*c.* Application for reserved name ..... $ 10

*d.* Notice of transfer of reserved name ..... $ 10

*e.* Application for registered name per month or part thereof ..... $ 2

*f.* Application for renewal of registered name ..... $ 20

*g.* Statement of change of registered agent or registered office or both ..... No fee

*h.* Agent's statement of change of registered office for each affected cooperative ..... No fee

*i.* Agent's statement of resignation ..... No fee

*j.* Amendment of articles of organization..... $ 50

*k.* Restatement of articles of organization with amendment of articles ..... $ 50

*l.* Articles of merger ..... $ 50

*m.* Articles of dissolution ..... $ 5

*n.* Articles of revocation of dissolution ..... $ 5

*o.* Certificate of administrative dissolution ..... No fee

*p.* Application for reinstatement following administrative dissolution ..... $ 5

*q.* Certificate of reinstatement ..... No fee

*r.* Certificate of judicial dissolution ..... No fee

*s.* Application for certificate of authority ..... $100

*t.* Application for amended certificate of authority ..... $100

*u.* Application for certificate of cancellation ..... $ 10

*v.* Certificate of revocation of authority to transact business ..... No fee

*w.* Articles of correction ..... $ 5

*x.* Application for certificate of existence or authorization ..... $ 5

*y.* Any other document required or permitted to be filed by this chapter ..... $ 5

2. The secretary shall collect a fee of five dollars each time process is served on the secretary under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.

3. The secretary shall collect the following fees for copying and certifying the copy of any filed document relating to a domestic cooperative or foreign cooperative:

*a.* One dollar a page for copying.

*b.* Five dollars for the certificate.

2005 Acts, ch 135, §8

Referred to in §501A.503

**501A.206 Forms.**

1. *a.* The secretary may prescribe and furnish on request forms, including but not limited to the following:

(1) An application for a certificate of existence.

(2) A foreign cooperative's application for a certificate of authority to transact business in this state.

(3) A foreign cooperative's application for a certificate of withdrawal.

*b.* If the secretary so requires, use of these listed forms prescribed by the secretary is mandatory.

2. The secretary may prescribe and furnish on request forms for other documents required or permitted to be filed by this chapter, but their use is not mandatory.

2005 Acts, ch 135, §9; 2012 Acts, ch 1023, §157

**501A.207 Appeal from secretary of state's refusal to file document.**

1. If the secretary refuses to file a document delivered to the secretary's office for filing, the domestic cooperative or foreign cooperative may appeal the refusal, within thirty days after the return of the document, to the district court for the county in which the cooperative's principal office or, if none in this state, where its registered office is or will be located. The appeal is commenced by petitioning the court to compel filing the document and by attaching to the petition the document and the secretary's explanation of the refusal to file.

2. The court may summarily order the secretary to file the document or take other action the court considers appropriate.

3. The court's final decision may be appealed as in other civil proceedings.

2005 Acts, ch 135, §10

**501A.208 Evidentiary effect of copy of filed document.**

A certificate attached to a copy of a document filed by the secretary, bearing the secretary's signature, which may be in facsimile, and the seal of the secretary, is conclusive evidence that the original document is on file with the secretary.

2005 Acts, ch 135, §11

**501A.209 Certificate of existence.**

1. Anyone may apply to the secretary to furnish a certificate of existence for a domestic cooperative or a certificate of authorization for a foreign cooperative.

2. A certificate of existence or certificate of authorization must set forth all of the following:

*a.* The domestic cooperative's name or the foreign cooperative's name used in this state.

*b.* That one of the following applies:

(1) If it is a domestic cooperative, that it is duly organized under the law of this state, the date of its organization, and the period of its duration.

(2) If it is a foreign cooperative, that it is authorized to transact business in this state.

*c.* That all fees required by this subchapter have been paid.

*d.* If it is a domestic cooperative, that articles of dissolution have not been filed.

*e.* Other facts of record in the office of the secretary that may be requested by the applicant.

3. Subject to any qualification stated in the certificate, a certificate of existence or certificate of authorization issued by the secretary may be relied upon as conclusive evidence that the domestic cooperative or foreign cooperative is in existence or is authorized to transact business in this state.

2005 Acts, ch 135, §12

**501A.210 Penalty for signing false document.**

1. A person commits an offense if that person signs a document the person knows is false in any material respect with intent that the document be delivered to the secretary for filing.

2. An offense under this section is a serious misdemeanor punishable by a fine of not to exceed one thousand dollars.

2005 Acts, ch 135, §13

**501A.211 Secretary of state — powers.**

The secretary has the power reasonably necessary to perform the duties required of the secretary by this chapter.

2005 Acts, ch 135, §14

## PART 2

## FOREIGN COOPERATIVES

**501A.221 Certificate of authority.**

A foreign cooperative may apply for a certificate of authority to transact business in this state by delivering an application to the secretary for filing. An application for registration as a foreign cooperative shall set forth all of the following:

1. The name of the foreign cooperative and, if different, the name under which the foreign cooperative proposes to register and transact business in this state.

2. The state or other jurisdiction in which the foreign cooperative was formed and the date of its formation.

3. The street address of the registered office of the foreign cooperative in this state and the name of the registered agent at the office.

4. The address of the principal office, which is the office where the principal executive offices are located.

5. A certificate of existence or a document of similar import duly authenticated by the proper office of the state or other jurisdiction of its formation which is dated no earlier than ninety days prior to the date that the application is filed with the secretary.

2005 Acts, ch 135, §15

Referred to in §501.104

**501A.222 Cancellation of certificate of authority.**

1. A foreign cooperative may cancel its certificate of authority by delivering to the secretary for filing a certificate of cancellation which shall set forth all of the following:

*a.* The name of the foreign cooperative and the name of the state or other jurisdiction under whose jurisdiction the foreign cooperative was formed.

*b.* That the foreign cooperative is not transacting business in this state and that the foreign cooperative surrenders its registration to transact business in this state.

*c.* That the foreign cooperative revokes the authority of its registered agent to accept service on its behalf and appoints the secretary as its agent for service of process in any proceeding based on a cause of action arising during the time the foreign cooperative was authorized to transact business in this state.

*d.* A mailing address to which the secretary may mail a copy of any process served on the secretary under paragraph "*c*".

*e.* A commitment to notify the secretary in the future of any change in the mailing address of the foreign cooperative.

2. The certificate of authority shall be canceled upon the filing of the certificate of cancellation by the secretary.

2005 Acts, ch 135, §16

## PART 3

## REPORTS

**501A.231 Biennial report for secretary of state.**

1. A cooperative authorized to transact business in this state shall deliver to the secretary of state for filing a biennial report that sets forth all of the following:

*a.* The name of the cooperative.

*b.* The address of its registered office and the name of its registered agent at that office in this state, together with the consent of any new registered agent.

*c.* The address of its principal office.

*d.* The names and addresses of the president, secretary, treasurer, and one member of the board of directors.

2. Information in the biennial report must be current as of the first day of January of the year in which the report is due. The report shall be executed on behalf of the cooperative and signed as provided in section 501A.103 or by any other person authorized by the board of directors of the cooperative.

3. The first biennial report shall be delivered to the secretary of state between January 1 and April 1 of the first even-numbered year following the calendar year in which a cooperative is organized. Subsequent biennial reports shall be delivered to the secretary of state between January 1 and April 1 of the following even-numbered calendar years. A filing fee for the biennial report shall be determined by the secretary of state.

4. If a biennial report does not contain the information required by this section, the secretary of state shall promptly notify the reporting cooperative in writing and return the report to the cooperative for correction.

5. The secretary of state may provide for the change of registered office or registered agent on the form prescribed by the secretary of state for the biennial report, provided that the form contains the information required by section 501A.402. If the secretary of state determines that a biennial report does not contain the information required by this section but otherwise meets the requirements of section 501A.402 for the purpose of changing the registered office or registered agent, the secretary of state shall file the statement of change of registered office or registered agent, effective as provided in section 501A.203, before returning the biennial report to the cooperative as provided in this section. A statement of change of registered office or agent pursuant to this subsection shall be executed by a person authorized to execute the biennial report.

2005 Acts, ch 135, §17; 2005 Acts, ch 179, §133

## SUBCHAPTER III

## NAMES

**501A.301 Name.**

1. A cooperative name must contain the word "cooperative", "coop", or the abbreviation "CP".

2. Except as authorized by subsections 3 and 4, a cooperative name must be distinguishable upon the records of the secretary from all of the following:

*a.* The name of a domestic cooperative, limited liability company, limited partnership, or corporation organized under the laws of this state or registered as a foreign cooperative, foreign limited liability company, foreign limited partnership, or foreign corporation in this state.

*b.* A name reserved in the manner provided under the laws of this state.

*c.* The fictitious name adopted by a foreign cooperative, foreign limited liability company, foreign limited partnership, or foreign corporation authorized to transact business in this state because its real name is unavailable.

*d.* The corporate name of a nonprofit corporation incorporated or authorized to transact business in this state.

3. A cooperative may apply to the secretary for authorization to use a name that is not distinguishable upon the secretary's records from one or more of the names described in subsection 2. The secretary shall authorize use of the name applied for if one of the following conditions applies:

*a.* The other entity consents to the use in writing and submits an undertaking in a form satisfactory to the secretary to change the entity's name to a name that is distinguishable upon the records of the secretary from the name of the applying cooperative.

*b.* The applicant delivers to the secretary a certified copy of the final judgment of a court of competent jurisdiction establishing the applicant's right to use the name applied for in this state.

4. A cooperative may use the name, including the fictitious name, of another business entity that is used in this state if the other business entity is formed under the laws of this state or is authorized to transact business in this state and the proposed user cooperative meets one of the following conditions:

*a.* Has merged with the other business entity.

*b.* Has been formed by reorganization of the other business entity.

*c.* Has acquired all or substantially all of the assets, including the name, of the other business entity.

5. This chapter does not control the use of fictitious names; however, if a cooperative uses a fictitious name in this state, the cooperative shall deliver to the secretary for filing a certified copy of the resolution of the cooperative adopting the fictitious name.

2005 Acts, ch 135, §18

**501A.302 Reserved name.**

1. A person may reserve the exclusive use of a cooperative name, including a fictitious name for a foreign cooperative whose cooperative name is not available, by delivering an application to the secretary for filing. The application must set forth the name and address of the applicant and the name proposed to be reserved. If the secretary finds that the cooperative name applied for is available, the secretary shall reserve the name for the applicant's exclusive use for a nonrenewable one-hundred-twenty-day period.

2. The owner of a reserved cooperative name may transfer the reservation to another person by delivering to the secretary a signed notice of the transfer that states the name and address of the transferee.

2005 Acts, ch 135, §19

## SUBCHAPTER IV

## REGISTERED OFFICE AND AGENT

**501A.401 Registered office and registered agent.**

A cooperative must continuously maintain in this state each of the following:

1. A registered office that may be the same as any of its places of business.

2. A registered agent who may be any of the following:

*a.* An individual who is a resident of this state and whose business office is identical with the registered office.

*b.* A cooperative, domestic corporation, domestic limited liability company, or not-for-profit domestic corporation whose business office is identical with the registered office.

*c.* A foreign cooperative, foreign corporation, foreign limited liability company, or not-for-profit foreign corporation authorized to transact business in this state whose business office is identical with the registered office.

2005 Acts, ch 135, §20

Referred to in §501A.402

**501A.402 Change of registered office or registered agent.**

1. A cooperative may change its registered office or registered agent by delivering to the secretary for filing a statement of change that sets forth the following:

*a.* The name of the domestic cooperative or foreign cooperative.

*b.* If the current registered office is to be changed, the street address of the new registered office.

*c.* If the current registered agent is to be changed, the name of the new registered agent and the new agent's written consent, either on the statement or attached to the statement, to the appointment.

*d.* That after the change or changes are made, the street address of its registered office and the business office of its registered agent will be identical.

2. A statement of change shall forthwith be filed in the office of the secretary by a cooperative whenever its registered agent dies, resigns, or ceases to satisfy the requirements of section 501A.401.

3. If a registered agent changes the registered agent's business address to another place, the registered agent may change the business address and the address of the registered agent by filing a statement as required in subsection 1 for each cooperative, or a single statement for all cooperatives named in the notice, except that the statement need be signed only by the registered agent and need not be responsive to subsection 1, paragraph "*c*", and must recite that a copy of the statement has been mailed to each cooperative named in the notice.

4. The change of address of a registered office or the change of registered agent becomes effective upon the filing of such statement by the secretary.

2005 Acts, ch 135, §21

Referred to in §501A.231

**501A.403 Resignation of registered agent — discontinuance of registered office — statement.**

1. A registered agent may resign the agent's agency appointment by signing and delivering to the secretary for filing an original statement of resignation. The statement may include a statement that the registered office is also discontinued. The registered agent shall send a copy of the statement of resignation to the registered office, if not discontinued, and to the cooperative at its principal office. The agent shall certify to the secretary that the copy has been sent to the cooperative, including the date the copy was sent.

2. The agency appointment is terminated, and the registered office discontinued if so provided, on the date on which the statement is filed by the secretary.

2005 Acts, ch 135, §22

**501A.404 Service on domestic cooperatives.**

1. A domestic cooperative's registered agent is the cooperative's agent for service of process, notice, or demand required or permitted by law to be served on the cooperative.

2. If a cooperative has no registered agent, or the agent cannot with reasonable diligence be served, the cooperative may be served by registered mail or certified mail, return receipt requested, and addressed to the cooperative at its principal office. Service is perfected under this subsection at the earliest of any of the following:

*a.* The date the cooperative receives the mail.

*b.* The date shown on the return receipt for the registered mail or certified mail, return receipt requested, if signed on behalf of the cooperative.

*c.* Five days after its deposit in the United States mail, as evidenced by the postmark, if mailed postpaid and correctly addressed.

3. This section does not prescribe the only means, or necessarily the required means, of serving a domestic cooperative or foreign cooperative.

2005 Acts, ch 135, §23

**501A.405 Service on foreign cooperative.**

1. The registered agent of a foreign cooperative authorized to transact business in this state is the foreign cooperative's agent for service of process, notice, or demand required or permitted by law to be served on the foreign cooperative.

2. A foreign cooperative may be served by certified mail or restricted certified mail addressed to the foreign cooperative at its principal office shown in its application for a certificate of authority if the foreign cooperative meets any of the following conditions:

*a.* Has no registered agent or its registered agent cannot with reasonable diligence be served.

*b.* Has withdrawn from transacting business in this state.

*c.* Has had its certificate of authority revoked.

3. Service is perfected under subsection 2 at the earliest of any of the following:

*a.* The date the foreign cooperative receives the mail.

*b.* The date shown on the return receipt for the restricted certified mail, if signed on behalf of the foreign cooperative.

*c.* Five days after its deposit in the United States mail, as evidenced by the postmark, if mailed postpaid and correctly addressed.

4. A foreign cooperative may also be served in any other manner permitted by law.

2005 Acts, ch 135, §24

## SUBCHAPTER V

## ORGANIZATION

Referred to in §501A.201

**501A.501 Organizational purpose.**

A cooperative may be formed and organized for any lawful purpose for the benefit of its members, including but not limited to any of the following purposes:

1. To store or market agricultural commodities, including crops and livestock.

2. To market, process, or otherwise change the form or marketability of agricultural commodities. The cooperative may provide for the manufacturing or processing of those commodities into products.

3. To accomplish other purposes that are necessary or convenient to facilitate the production or marketing of agricultural commodities or agricultural products by patron members, other patrons, and other persons, and for other purposes that are related to the business of the cooperative.

4. To provide products, supplies, and services to its patron members, other patrons, and others.

5. For any other purpose that a cooperative is authorized by law under chapter 499 or 501.
2005 Acts, ch 135, §25
Referred to in §501A.601

**501A.502 Organizers.**

1. *Qualification.* A cooperative may be organized by one or more organizers who shall be adult natural persons, and who may act for themselves as individuals or as the agents of other entities. The organizers forming the cooperative need not be members of the cooperative.

2. *Role of organizers.* If the first board of directors is not named in the articles of organization, the organizers may elect the first board or may act as directors with all of the powers, rights, duties, and liabilities of directors, until directors are elected or until a contribution is accepted, whichever occurs first.

3. *Meeting or written action.*

*a.* After the filing of articles of organization, the organizers or the directors named in the articles of organization shall either hold an organizational meeting at the call of a majority of the organizers or of the directors named in the articles, or take written action for the purposes of transacting business and taking actions necessary or appropriate to complete the organization of the cooperative, including but not limited to all of the following:

(1) Amending the articles.

(2) Electing directors.

(3) Adopting bylaws.

(4) Authorizing or ratifying the purchase, lease, or other acquisition of suitable space, furniture, furnishings, supplies, or materials.

(5) Adopting a fiscal year.

(6) Contracting to receive and accept contributions.

(7) Making appropriate tax elections.

*b.* If a meeting is held, the person or persons calling the meeting shall give at least three days' notice of the meeting to each organizer or director named, stating the date, time, and place of the meeting. Organizers and directors may waive notice of an organizational meeting in the same manner that a director may waive notice of meetings of the board.

2005 Acts, ch 135, §26; 2012 Acts, ch 1023, §157

**501A.503 Articles of organization.**

1. *Requirements.*

*a.* The articles of organization for the cooperative shall include all of the following:

(1) The name of the cooperative.

(2) The purpose of the cooperative.

(3) The name and address of each organizer.

(4) The period of duration for the cooperative, if the duration is not to be perpetual.

(5) The street address of the cooperative's initial registered office and the name of its registered agent at that office.

*b.* The articles may contain any other lawful provision.

2. *Effect of filing.* When the articles of organization or an application for a certificate of authority has been filed pursuant to subchapter II and the required fee has been paid to the secretary under section 501A.205, all of the following shall be presumed:

*a.* All conditions precedent that are required to be performed by the organizers have been complied with.

*b.* The organization of the cooperative has been organized under the laws of this state as a separate legal entity.

*c.* The secretary will issue an acknowledgment to the cooperative.

2005 Acts, ch 135, §27; 2006 Acts, ch 1030, §53
Referred to in §501A.505

**501A.504 Amendment of articles.**

1. *Procedure.*

*a.* The articles of organization of a cooperative shall be amended only as follows:

(1) The board, by majority vote, must pass a resolution stating the text of the proposed

amendment. The text of the proposed amendment and an attached ballot, if the board has provided for a mail ballot in the resolution, shall be mailed or otherwise distributed with a regular or special meeting notice to each member. If the board authorizes an alternative voting method, the text of the proposed amendment and explanation of how to cast a vote using the alternative voting method shall be distributed with the regular or special meeting notice to each member. The notice shall designate the time and place of the meeting for the proposed amendment to be considered and voted on.

(2) If a quorum of the members is registered as being present or represented at the meeting, the proposed amendment is adopted if any of the following occurs:

(a) If approved by a majority of the votes cast.

(b) For a cooperative with articles or bylaws requiring more than majority approval or other conditions for approval, the amendment is approved by a proportion of the votes cast or a number of total members as required by the articles or bylaws and the conditions for approval in the articles or bylaws have been satisfied.

*b.* After an amendment has been adopted by the members, the amendment must be signed by the chairperson, vice chairperson, records officer, or assistant records officer and a copy of the amendment filed in the office of the secretary.

2. *Certified statement.*

*a.* The board shall prepare a certified statement affirming that all of the following are true:

(1) The vote and meeting of the board adopting a resolution of the proposed amendment.

(2) The notice given to members of the meeting at which the amendment was adopted.

(3) The quorum registered at the meeting.

(4) The vote cast adopting the amendment.

*b.* The certified statement shall be signed by the chairperson, vice chairperson, records officer, or financial officer and filed with the records of the cooperative.

3. *Amendment by directors.* A majority of directors may amend the articles if the cooperative does not have any members with voting rights.

4. *Filing.* An amendment of the articles shall be filed with the secretary as required in section 501A.201. The amendment is effective as provided in subchapter II. After an amendment to the articles of organization has been adopted and approved in the manner required by this chapter and by the articles of organization, the cooperative shall deliver to the secretary of state for filing articles of amendment which shall set forth all of the following:

*a.* The name of the cooperative.

*b.* The text of each amendment adopted.

*c.* The date of each amendment's adoption.

*d.* (1) If the amendment was adopted by the directors, a statement that the amendment was duly adopted in the manner required by this chapter and by the articles of organization and that members' adoption was not required.

(2) If an amendment required adoption by the members, a statement that the amendment was duly adopted by the members in the manner required by this chapter and by the articles of organization.

2005 Acts, ch 135, §28; 2006 Acts, ch 1010, §128; 2011 Acts, ch 23, §17, 18; 2012 Acts, ch 1021, §96

**501A.505 Existence.**

1. *Commencement.* The existence of a cooperative shall commence on or after the filing of articles of organization as provided in section 501A.503.

2. *Duration.* A cooperative shall have a perpetual duration unless the cooperative provides for a limited period of duration in the articles or the cooperative is dissolved as provided in subchapter XII.

2005 Acts, ch 135, §29

**501A.506 Bylaws.**

1. *Required.* A cooperative shall have bylaws governing the cooperative's business affairs, structure, the qualifications, classification, rights and obligations of members, and

the classifications, allocations, and distributions of membership interests, which are not otherwise provided in the articles or by this chapter.

2. *Contents.*

*a.* If not stated in the articles, a cooperative's bylaws must state all of the following:

(1) The purpose of the cooperative.

(2) The capital structure of the cooperative to the extent not stated in the articles, including a statement of the classes and relative rights, preferences, and restrictions granted to or imposed upon each class of member interests, the rights to share in profits or distributions of the cooperative, and the authority to issue membership interests, which may be designated to be determined by the board.

(3) A provision designating the voting and governance rights, to the extent not stated in the articles, including which membership interests have voting power and any limitations or restrictions on the voting power, which shall be in accordance with the provisions of this chapter.

(4) A statement that patron membership interests with voting power shall be restricted to one vote for each member regardless of the amount of patron membership interests held in the affairs of the cooperative or a statement describing the allocation of voting power allocated as prescribed in this chapter.

(5) A statement that membership interests held by a member are transferable only with the approval of the board or as provided in the bylaws.

(6) If nonpatron membership interests are authorized, all of the following:

(a) A statement as to how profits and losses will be allocated and cash will be distributed between patron membership interests collectively and nonpatron membership interests collectively to the extent not stated in the articles.

(b) A statement that net income allocated to a patron membership interest as determined by the board in excess of dividends and additions to reserves shall be distributed on the basis of patronage.

(c) A statement that the records of the cooperative shall include patron membership interests and, if authorized, nonpatron membership interests, which may be further described in the bylaws of any classes and in the reserves.

*b.* The bylaws may contain any provision relating to the management or regulation of the affairs of the cooperative that are not inconsistent with law or the articles, and shall include all of the following:

(1) The number of directors and the qualifications, manner of election, powers, duties, and compensation, if any, of directors.

(2) The qualifications of members and any limitations on their number.

(3) The manner of admission, withdrawal, suspension, and expulsion of members.

(4) Generally, the governance rights, financial rights, assignability of governance and financial rights, and other rights, privileges, and obligations of members and their membership interests, which may be further described in member control agreements.

(5) Any provisions required by the articles to be in the bylaws.

3. *Adoption.*

*a.* Bylaws shall be adopted before any distributions to members, but if the articles or bylaws provide that rights of contributors to a class of membership interest will be determined in the bylaws, the bylaws must be adopted before the acceptance of any contributions to that class.

*b.* Subject to subsections 4, 5, and 6, the bylaws of a cooperative may be adopted or amended by the directors, or the members may adopt or amend bylaws at a regular or special members' meeting if all of the following apply:

(1) The notice of the regular or special meeting contains a statement that the bylaws or restated bylaws will be voted upon and copies are included with the notice, or copies are available upon request from the cooperative and a summary statement of the proposed bylaws or amendment is included with the notice.

(2) A quorum is registered as being present or represented by mail or alternative voting method if the mail or alternative voting method is authorized by the board.

(3) The bylaws or amendment is approved by a majority vote cast, or for a cooperative with

articles or bylaws requiring more than majority approval or other conditions for approval, the bylaws or amendment is approved by a proportion of the vote cast or a number of the total members as required by the articles or bylaws and the conditions for approval in the articles or bylaws have been satisfied.

*c.* Until the next annual or special members' meeting, the majority of directors may adopt and amend bylaws for the cooperative that are consistent with subsections 4, 5, and 6, which may be further amended or repealed by the members at an annual or special members' meeting.

4. *Amendment of bylaws by board or members.*

*a.* The board may amend the bylaws at any time to add, change, or delete a provision, unless any of the following applies:

(1) This chapter, the articles, or the bylaws reserve the power exclusively to the members in whole or in part.

(2) A particular bylaw expressly prohibits the board from doing so.

*b.* Any amendment of the bylaws adopted by the board must be distributed to the members no later than ten days after adoption and the notice of the annual meeting of the members must contain a notice and summary or the actual amendments to the bylaws adopted by the board.

*c.* The members may amend the bylaws even though the bylaws may also be amended by the board.

5. *Bylaw changing quorum or voting requirement for members.*

*a.* (1) The members may amend the bylaws to fix a greater quorum or voting requirement for members, or voting groups of members, than is required under this chapter.

(2) An amendment to the bylaws to add, change, or delete a greater quorum or voting requirement for members shall meet the same quorum requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect or proposed to be adopted, whichever is greater.

*b.* A bylaw that fixes a greater quorum or voting requirement for members under paragraph "*a*" shall not be adopted and shall not be amended by the board.

6. *Bylaw changing quorum or voting requirement for directors.*

*a.* A bylaw that fixes a greater quorum or voting requirement for the board may be amended by any of the following methods:

(1) If adopted by the members, only by the members.

(2) If adopted by the board, either by the members or by the board.

*b.* A bylaw adopted or amended by the members that fixes a greater quorum or voting requirement for the board may provide that the bylaw may be amended only by a specified vote of either the members or the board, but if the bylaw is to be amended by a specified vote of the members, the bylaw must be adopted by the same specified vote of the members.

*c.* Action by the board under paragraph "*a*", subparagraph (2), to adopt or amend a bylaw that changes the quorum or voting requirement for the board shall meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater.

7. *Emergency bylaws.*

*a.* Unless otherwise provided in the articles or bylaws, the board may adopt bylaws to be effective only in an emergency as defined in paragraph "*d*". The emergency bylaws, which are subject to amendment or repeal by the members, may include all provisions necessary for managing the cooperative during the emergency, including any of the following:

(1) Procedures for calling a meeting of the board.

(2) Quorum requirements for the meeting.

(3) Designation of additional or substitute directors.

*b.* All provisions of the regular bylaws consistent with the emergency bylaws shall remain in effect during the emergency. The emergency bylaws shall not be effective after the emergency ends.

*c.* All of the following shall apply to action taken in good faith in accordance with the emergency bylaws:

(1) The action binds the cooperative.

(2) The action shall not be the basis for imposition of liability on any director, officer, employee, or agent of the cooperative on the grounds that the action was not authorized cooperative action.

*d.* An emergency exists for the purposes of this section, if a quorum of the directors cannot readily be obtained because of some catastrophic event.

2005 Acts, ch 135, §30

Member control agreements, see §501A.1007

Emergency powers, see §501A.602

**501A.507 Cooperative records.**

1. *Permanent records required to be kept.* A cooperative shall keep as permanent records minutes of all meetings of its members and of the board, a record of all actions taken by the members or the board without a meeting by a written unanimous consent in lieu of a meeting, and a record of all waivers of notices of meetings of the members and of the board.

2. *Accounting records.* A cooperative shall maintain appropriate accounting records.

3. *Format.* A cooperative shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

4. *Copies.* A cooperative shall keep a copy of each of the following records at its principal office:

*a.* Its articles and other governing instruments.

*b.* Its bylaws or other similar instruments.

*c.* A record of the names and addresses of its members, in a form that allows preparation of an alphabetical list of members with each member's address.

*d.* The minutes of members' meetings, and records of all actions taken by members without a meeting by unanimous written consent in lieu of a meeting, for the past three years.

*e.* All written communications within the past three years to members as a group or to any class of members as a group.

*f.* A list of the names and business addresses of its current board members and officers.

*g.* All financial statements prepared for periods ending during the last fiscal year.

5. *Policy.* Except as otherwise limited by this chapter, the board of a cooperative shall have discretion to determine what records are appropriate for the purposes of the cooperative, the length of time records are to be retained, and policies relating to the confidentiality, disclosure, inspection, and copying of the records of the cooperative.

2005 Acts, ch 135, §31

Referred to in §501A.801

## SUBCHAPTER VI

## POWERS AND AUTHORITIES

**501A.601 Powers.**

1. *Generally.*

*a.* In addition to other powers, a cooperative as an agent or otherwise may do any of the following:

(1) Perform every act necessary or proper to the conduct of the cooperative's business or the accomplishment of the purposes of the cooperative.

(2) Enjoy other rights, powers, or privileges granted by the laws of this state to other cooperatives, except those that are inconsistent with the express provisions of this chapter.

(3) Have the powers provided in section 501A.501 and in this section.

*b.* This section does not give a cooperative the power or authority to exercise the powers of a credit union under chapter 533 or a bank under chapter 524.

2. *Dealing in products.* A cooperative may buy, sell, or deal in its own commodities or products or those of another person, including but not limited to those of its members, patrons, or nonmembers; or commodities or products of another cooperative organized under this chapter or another cooperative association organized under other law including

a traditional cooperative, or members or patrons of such cooperatives or cooperative associations. A cooperative may negotiate the price at which its commodities or products may be sold.

3. *Contracts.* A cooperative may enter into or become a party to a contract or agreement for the cooperative or for the cooperative's members or patrons or between the cooperative and its members or patrons.

4. *Holding and transactions of real and personal property.*

*a.* A cooperative may purchase and hold, lease, mortgage, encumber, sell, exchange, and convey as a legal entity real, personal, and intellectual property, including real estate, buildings, personal property, patents, and copyrights as the business of the cooperative may require, including but not limited to the sale or other disposition of assets required by the business of the cooperative as determined by the board.

*b.* A cooperative may take, receive, and hold real or personal property, including the principal and interest of money or other negotiable instruments and rights in a contract, in trust for any purpose not inconsistent with the purposes of the cooperative in its articles or bylaws. The cooperative may exercise fiduciary powers in relation to taking, receiving, and holding the real or personal property. However, a cooperative's fiduciary powers do not include trust powers or trust services exercised for its members as provided in section 633.63 or chapter 524.

5. *Buildings.* A cooperative may erect buildings or other structures or facilities on the cooperative's owned or leased property or on a right-of-way legally acquired by the cooperative.

6. *Debt instruments.*

*a.* A cooperative may issue bonds, debentures, or other evidence of indebtedness, except as provided in subsection 1, paragraph "*b*". The cooperative shall not issue bonds, debentures, or other evidence of indebtedness to a nonaccredited member, unless prior to issuance the cooperative provides the member with a written disclosure statement which includes a conspicuous notice that moneys are not insured or guaranteed by an agency or instrumentality of the United States government, and that the investment may lose value.

*b.* A cooperative may borrow money, may secure any of its obligations by mortgage of or creation of a security interest in or other encumbrances or assignment of all or any of its property, franchises, or income, and may issue guarantees for any legal purpose.

*c.* A cooperative may form special purpose business entities to secure assets of the cooperative.

7. *Advances to patrons.* A cooperative may make advances to its members or patrons on products delivered by the members or patrons to the cooperative.

8. *Deposits.* A cooperative may accept donations or deposits of money or real or personal property from other cooperatives or associations from which the cooperative is constituted.

9. *Borrowing, investment, and payment terms.* A cooperative may borrow money from its members, or cooperatives or associations from which the cooperative is constituted, with security that the cooperative considers sufficient. A cooperative may invest or reinvest its moneys. A cooperative may extend payment terms to its customers not exceeding six months from the date of the sale of the cooperative's goods or services. An extension of payment terms by the cooperative shall not be secured by real property. A cooperative may exercise rights as a lien creditor or judgment creditor to collect any past due or delinquent account which is owed to the cooperative.

10. *Pensions and benefits.* A cooperative may pay pensions, retirement allowances, and compensation for past services to and for the benefit of, and establish, maintain, continue, and carry out, wholly or partially at the expense of the cooperative, employee or incentive benefit plans, trusts, and provisions to or for the benefit of any or all of its and its related organizations' officers, managers, directors, governors, employees, and agents, and in the case of a related organization that is a cooperative, members who provide services to the cooperative, and any of their families, dependents, and beneficiaries. A cooperative may indemnify and purchase and maintain insurance for and on behalf of a fiduciary of any of these employee benefit and incentive plans, trusts, and provisions.

11. *Insurance.*

*a.* A cooperative may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, or agent of the cooperative and in which the cooperative has an insurable interest. The cooperative may also purchase and maintain insurance on the life of a member for the purpose of acquiring at the death of the member any or all membership interests in the cooperative owned by the member.

*b.* A cooperative or a foreign cooperative shall not sell, solicit, or negotiate in this state any line of insurance to members or nonmembers.

12. *Ownership interests in other entities.*

*a.* A cooperative may purchase, acquire, hold, or dispose of the ownership interests of another business entity or organize business entities whether organized under the laws of this state or another state or the United States and assume all rights, interests, privileges, responsibilities, and obligations arising out of the ownership interests, including a business entity organized as any of the following:

(1) As a federation of associations.

(2) For the purpose of forming a district, state, or national marketing sales or service agency.

(3) For the purpose of acquiring marketing facilities at terminal or other markets in this state or other states.

*b.* A cooperative may purchase, own, and hold ownership interests, including stock and other equity interests, memberships, interests in nonstock capital, and evidences of indebtedness of any domestic business entity or foreign business entity.

13. *Fiduciary powers.* A cooperative may exercise any and all fiduciary powers in relations with members, cooperatives, or business entities from which the cooperative is constituted. However, these fiduciary powers do not include trust powers or trust services for its members as provided in section 633.63 or chapter 524.

2005 Acts, ch 135, §32; 2006 Acts, ch 1010, §129; 2012 Acts, ch 1017, §98

**501A.602 Emergency powers.**

1. In anticipation of or during an emergency as defined in this section, the board may do any of the following:

*a.* Modify lines of succession to accommodate the incapacity of any director, officer, employee, or agent.

*b.* Relocate the principal office, designate alternative principal offices or regional offices, or authorize the officers to do so.

2. During an emergency, unless emergency bylaws provide otherwise, all of the following apply:

*a.* A notice of a meeting of the board need be given only to those directors to whom it is practicable to reach and may be given in any practicable manner, including by publication or radio.

*b.* One or more officers of the cooperative present at a meeting of the board may be deemed to be directors for the meeting, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum.

3. All of the following apply to cooperative action taken in good faith during an emergency under this section to further the ordinary business affairs of the cooperative:

*a.* The action binds the cooperative.

*b.* The action shall not be the basis for the imposition of liability on any director, officer, employee, or agent of the cooperative on the grounds that the action was not an authorized cooperative action.

4. An emergency exists for purposes of this section if a quorum of the directors cannot readily be obtained because of a catastrophic event.

2005 Acts, ch 135, §33

Emergency bylaws, see §501A.506

**501A.603 Agricultural commodities and products — marketing contracts.**

1. *Authority.* A cooperative and its patron member or patron may make and execute a marketing contract, requiring the patron member or patron to sell a specified portion of the

patron member's or patron's agricultural commodity or product or specified commodity or product produced from a certain area exclusively to or through the cooperative or facility established by the cooperative.

2. *Title to commodities or products.* If a sale is contracted to the cooperative, the sale shall transfer title to the commodity or product absolutely, except for a recorded lien or security interest against the agricultural commodity or product of the patron member or patron as provided in article 9 of chapter 554, and provisions in Title XIV, subtitle 3, governing agricultural liens, and liens granted against farm products under federal law, to the cooperative on delivery of the commodity or product or at another specified time if expressly provided in the contract. The contract may allow the cooperative to sell or resell the commodity or product of its patron member or patron with or without taking title to the commodity or product, and pay the resale price to the patron member or patron, after deducting all necessary selling, overhead, and other costs and expenses, including other proper reserves and interest.

3. *Term of contract.* A single term of a marketing contract shall not exceed ten years, but a marketing contract may be made self-renewing for periods not exceeding five years each, subject to the right of either party to terminate by giving written notice of the termination during a period of the current term as specified in the contract.

4. *Damages for breach of contract.* The cooperative's bylaws or marketing contract in which the cooperative is a party may set a specific sum as liquidated damages to be paid by the patron member or patron to the cooperative for breach of any provision of the marketing contract regarding the sale or delivery or withholding of a commodity or product and may provide that the patron member or patron shall pay the costs, premiums for bonds, expenses, and fees if an action is brought on the contract by the cooperative. The remedies for breach of contract are valid and enforceable in the courts of this state. The provisions shall be enforced as liquidated damages and are not considered a penalty.

5. *Injunction against breach of contract.* If there is a breach or threatened breach of a marketing contract by a patron member or patron, the cooperative is entitled to an injunction to prevent the further breach of the contract and to a decree of specific performance of the contract. Pending the adjudication of the action after filing a complaint showing the breach or threatened breach and filing a sufficient bond, the cooperative is entitled to a temporary restraining order and preliminary injunction against the patron member or patron.

6. *Penalties for contract interference.* A person who knowingly induces or attempts to induce any patron member or patron of a cooperative organized under this chapter to breach a marketing contract with the cooperative is guilty of a simple misdemeanor.

7. *Civil damages for contract interference.* In addition to the penalty provided in subsection 6, the person may be liable to the cooperative for civil damages for any violation of that subsection.

2005 Acts, ch 135, §34; 2006 Acts, ch 1030, §54

## SUBCHAPTER VII

## DIRECTORS — LIABILITY AND INDEMNIFICATION — OFFICERS

## PART 1

## DIRECTORS

**501A.701 Board governs cooperative.**

A cooperative shall be governed by its board of directors, which shall take all action for and on behalf of the cooperative, except those actions reserved or granted to members. Board action shall be by the affirmative vote of a majority of the directors voting at a duly called meeting unless a greater majority is required by the articles or bylaws. A director individually or collectively with other directors does not have authority to act for or on behalf of the

cooperative unless authorized by the board. A director may advocate interests of members or member groups to the board, but the fiduciary duty of each director is to represent the best interests of the cooperative and all members collectively.

2005 Acts, ch 135, §35

**501A.702 Number of directors.**

The board shall not have less than five directors, except that a cooperative with fifty or fewer members may have three or more directors as prescribed in the cooperative's articles or bylaws.

2005 Acts, ch 135, §36

**501A.703 Election of directors.**

1. *First board.* The organizers shall elect and obtain the acknowledgment of the first board to serve until directors are elected by members. Until election by members, the first board shall appoint directors to fill any vacancies.

2. *Generally.*

*a.* Directors shall be elected for the term, at the time, and in the manner provided in this section and the bylaws.

*b.* A majority of the directors shall be members and a majority of the directors shall be elected exclusively by the members holding patron membership interests unless otherwise provided in the articles or bylaws.

*c.* The voting power of the directors may be allocated according to equity classifications or allocation units of the cooperative. If the cooperative authorizes nonpatron membership interests, one of the following must apply:

(1) At least one-half of the voting power on matters of the cooperative that are not specific to equity classifications or allocation units shall be allocated to the directors elected by members holding patron membership interests.

(2) The directors elected by the members holding patron membership interests shall have at least an equal voting power or shall not have a minority voting power on general matters of the cooperative that are not specific to equity classifications or allocation units.

*d.* A director holds office for the term the director was elected and until a successor is elected and has qualified, or until the earlier death, resignation, removal, or disqualification of the director.

*e.* The expiration of a director's term with or without election of a qualified successor does not make the prior or subsequent acts of the director or the board void or voidable.

*f.* Subject to any limitation in the articles or bylaws, the board may set the compensation of directors.

*g.* Directors may be divided into or designated and elected by class or other distinction as provided in the articles or bylaws.

*h.* A director may resign by giving written notice to the chairperson of the board or the board. The resignation is effective without acceptance when the notice is given to the chairperson of the board or the board unless a later effective time is specified in the notice.

3. *Election at regular meeting.* Directors shall be elected at the regular members' meeting for the terms of office prescribed in the bylaws. Except for directors elected at district meetings or special meetings to fill a vacancy, all directors shall be elected at the regular members' meeting. There shall be no cumulative voting for directors except as provided in this chapter and the articles or bylaws.

4. *District or local unit election of directors.* For a cooperative with districts or other units, members may elect directors on a district or unit basis if provided in the bylaws. The directors may be nominated or elected at district meetings if provided in the bylaws. Directors who are nominated at district meetings shall be elected at the annual regular members' meeting by vote of the entire membership, unless the bylaws provide that directors who are nominated at district meetings are to be elected by vote of the members of the district, at the district meeting or the annual regular members' meeting.

5. *Vote by ballot or alternative voting method.* The following shall apply to voting by ballot or alternative voting method:

*a.* A member shall not vote for a director other than by being present at a meeting, by mail ballot, or by alternative voting method, as authorized by the board.

*b.* The ballot shall be in a form prescribed by the board.

*c.* The member shall mark the ballot for the candidate chosen and mail the ballot to the cooperative in a sealed plain envelope inside another envelope bearing the member's name, or the member shall vote by designating the candidate chosen by an alternative voting method in the manner prescribed by the board.

*d.* If the ballot of the member is received by the cooperative on or before the date of the regular members' meeting or as otherwise prescribed for an alternative voting method, the ballot or alternative voting method shall be accepted and counted as the vote of the absent member.

6. *Business entity members may nominate persons for director.* If a member of a cooperative is not a natural person, and the bylaws do not provide otherwise, the member may appoint or elect one or more natural persons to be eligible for election as a director.

7. *Term.* A director holds office for the term the director was elected and until a successor is elected and has qualified, or the earlier death, resignation, removal, or disqualification of the director.

8. *Acts not void or voidable.* The expiration of a director's term with or without the election of a qualified successor does not make prior or subsequent acts of the director void or voidable.

9. *Compensation.* Subject to any limitation in the articles or bylaws, the board may fix the compensation of the directors.

10. *Classification.* Directors may be divided into classes as provided in the articles or bylaws.

2005 Acts, ch 135, §37; 2006 Acts, ch 1030, §55; 2011 Acts, ch 23, §19; 2011 Acts, ch 131, §69, 158

**501A.704 Filling vacancies.**

1. *Patron directors.* If a patron member director's position becomes vacant or a new director position is created for a director that was or is to be elected by patron members, the board, in consultation with the directors elected by patron members, shall appoint a patron member of the cooperative to fill the director's position until the next regular or special members' meeting. If there are no directors elected by patron members on the board at the time of the vacancy, a special patron members' meeting shall be called to fill the patron member director vacancy.

2. *Nonpatron directors.* If the vacating director was not elected by the patron members or a new director position is created, unless otherwise provided in the articles or bylaws, the board shall appoint a director to fill the vacant position by majority vote of the remaining or then serving directors even though less than a quorum. At the next regular or special members' meeting, the members or patron members shall elect a director to fill the unexpired term of the vacant director's position.

2005 Acts, ch 135, §38

**501A.705 Removal of directors.**

1. *Modification.* The provisions of this section apply unless modified by the articles or the bylaws.

2. *Removal of directors.* A director may be removed at any time, with or without cause, if all of the following apply:

*a.* The director was named by the board to fill a vacancy.

*b.* The members have not elected directors in the interval between the time of the appointment to fill a vacancy and the time of the removal.

*c.* A majority of the remaining directors present affirmatively vote to remove the director.

3. *Removal by members.* Any one or all of the directors may be removed at any time, with or without cause, by the affirmative vote of the holders of a majority of the voting power of membership interests entitled to vote at an election of directors, provided that if a director has been elected solely by the patron members or the holders of a class or series of membership

interests as stated in the articles or bylaws, then that director may be removed only by the affirmative vote of the holders of a majority of the voting power of the patron members for a director elected by the patron members or of all membership interests of that class or series entitled to vote at an election of that director.

4. *Election of replacements.* New directors may be elected at a meeting at which directors are removed.

2005 Acts, ch 135, §39

**501A.706 Board of directors' meetings.**

1. *Time and place.* Meetings of the board may be held from time to time as provided in the articles or bylaws at any place within or without the state that the board may select or by any means described in subsection 2. If the board fails to select a place for a meeting, the meeting must be held at the principal executive office, unless the articles or bylaws provide otherwise.

2. *Electronic communications.*

*a.* A conference among directors by any means of communication through which the directors may simultaneously hear each other during the conference constitutes a board meeting, if the same notice is given of the conference as would be required by subsection 3 for a meeting, and if the number of directors participating in the conference would be sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence in person at the meeting.

*b.* A director may participate in a board meeting not described in paragraph "*a*" by any means of communication through which the director, other directors so participating, and all directors physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by that means constitutes presence in person at the meeting.

3. *Calling meetings and notice.* Unless the articles or bylaws provide for a different time period, a director may call a board meeting by giving at least ten days' notice or, in the case of organizational meetings, at least three days' notice to all directors of the date, time, and place of the meeting. The notice need not state the purpose of the meeting unless this chapter, the articles, or the bylaws require it.

4. *Previously scheduled meetings.* If the day or date, time, and place of a board meeting have been provided in the articles or bylaws, or announced at a previous meeting of the board, no notice is required. Notice of an adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.

5. *Waiver of notice.* A director may waive notice of a meeting of the board. A waiver of notice by a director entitled to notice is effective whether given before, at, or after the meeting, and whether given in writing, orally, or by attendance. Attendance by a director at a meeting is a waiver of notice of that meeting, except where the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting after the objection.

6. *Absent directors.* If the articles or bylaws so provide, a director may give advance written consent or opposition to a proposal to be acted on at a board meeting. If the director is not present at the meeting, consent or opposition to a proposal does not constitute presence for purposes of determining the existence of a quorum, but consent or opposition must be counted as the vote of a director present at the meeting in favor of or against the proposal and must be entered in the minutes or other record of action at the meeting, if the proposal acted on at the meeting is substantially the same or has substantially the same effect as the proposal to which the director has consented or objected.

2005 Acts, ch 135, §40

**501A.707 Quorum.**

A majority, or a larger or smaller portion or number provided in the articles or bylaws, of the directors currently holding office is a quorum for the transaction of business. In the absence of a quorum, a majority of the directors present may adjourn a meeting from time to time until a quorum is present. If a quorum is present when a duly called or held meeting is convened,

the directors present may continue to transact business until adjournment, even though the withdrawal of a number of directors originally present leaves less than the proportion of number otherwise required for a quorum.

2005 Acts, ch 135, §41

**501A.708 Action of board of directors.**

1. Except as provided in subsection 2, the board shall only take action at a duly held meeting by the affirmative vote of any of the following:

*a.* A majority of directors present at the meeting.

*b.* A majority of the directors' voting power present at the meeting.

2. The articles or bylaws may require the affirmative vote of a larger vote than provided in subsection 1. If the articles or bylaws require a larger vote than is required by this chapter for a particular action, the articles or bylaws control.

2005 Acts, ch 135, §42

**501A.709 Action without a meeting.**

1. *Method.* An action required or permitted to be taken at a board meeting may be taken by written action signed by all of the directors. If the articles or bylaws so provide, any action, other than an action requiring member approval, may be taken by written action signed by the number of directors that would be required to take the same action at a meeting of the board at which all directors were present.

2. *Effective time.* The written action is effective when signed by the required number of directors, unless a different effective time is provided in the written action.

3. *Notice and liability.* When written action is permitted to be taken by less than all directors, all directors must be notified immediately of its text and effective date. Failure to provide the notice does not invalidate the written action. A director who does not sign or consent to the written action has no liability for the action or actions taken by the written action.

2005 Acts, ch 135, §43

**501A.710 Audit committee.**

The board shall establish an audit committee to review the financial information and accounting report of the cooperative. The cooperative shall have the financial information audited for presentation to the members unless the cooperative's bylaws allow financial statements that are not audited and the financial statements clearly state that they are not audited and the difference between the financial statements and audited financial statements that are prepared according to generally accepted accounting procedures. The directors shall elect members to the audit committee. The audit committee shall ensure an independent review of the cooperative's finances and audit.

2005 Acts, ch 135, §44

**501A.711 Committees.**

1. *Generally.* A resolution approved by the affirmative vote of a majority of the board may establish committees having the authority of the board in the management of the business of the cooperative only to the extent provided in the resolution. Committees may include a special litigation committee consisting of one or more independent directors or other independent persons to consider legal rights or remedies of the cooperative and whether those rights and remedies should be pursued. Committees other than special litigation committees are subject at all times to the direction and control of the board.

2. *Membership.* Committee members must be natural persons. Unless the articles or bylaws provide for a different membership or manner of appointment, a committee consists of one or more persons, who need not be directors, appointed by affirmative vote of a majority of the directors present.

3. *Procedure.* The procedures for meetings of the board apply to committees and members of committees to the same extent as those sections apply to the board and individual directors.

4. *Minutes.* Minutes, if any, of committee meetings must be made available upon request to members of the committee and to any director.

5. *Standard of conduct.* The establishment of, delegation of authority to, and action by a committee does not alone constitute compliance by a director with the standard of conduct set forth in section 501A.712.

6. *Committee members considered directors.* Committee members are considered to be directors for purposes of sections 501A.712, 501A.713, and 501A.715.

2005 Acts, ch 135, §45

**501A.712 Standard of conduct.**

1. *Standard and liability.* A director shall discharge the duties of the position of director in good faith, in a manner the director reasonably believes to be in the best interests of the cooperative, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A person who so performs those duties is not liable by reason of being or having been a director of the cooperative.

2. *Reliance.*

*a.* A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(1) One or more officers or employees of the cooperative whom the director reasonably believes to be liable and competent in the matters presented.

(2) Counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence.

(3) A committee of the board upon which the director does not serve, duly established by the board, as to matters within its designated authority, if the director reasonably believes the committee to merit confidence.

*b.* Paragraph "*a*" does not apply to a director who has knowledge concerning the matter in question that makes the reliance otherwise permitted by paragraph "*a*" unwarranted.

3. *Presumption of assent and dissent.* A director who is present at a meeting of the board when an action is approved by the affirmative vote of a majority of the directors present is presumed to have assented to the action approved, unless any of the following applies:

*a.* The director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting after the objection, in which case the director is not considered to be present at the meeting for any purpose of this chapter.

*b.* The director votes against the action at the meeting.

*c.* The director is prohibited by a conflict of interest from voting on the action.

4. *Considerations.* In discharging the duties of the position of director, a director may, in considering the best interests of the cooperative, consider the interests of the cooperative's employees, customers, suppliers, and creditors, the economy of the state, and long-term as well as short-term interests of the cooperative and its patron members, including the possibility that these interests may be best served by the continued independence of the cooperative.

2005 Acts, ch 135, §46

Referred to in §501A.711

**501A.713 Director conflicts of interest.**

1. *Conflict and procedure when conflict arises.*

*a.* A contract or other transaction between a cooperative and one or more of its directors, or between a cooperative and a business entity in or of which one or more of its directors are governors, directors, managers, officers, or legal representatives or have a material financial interest, is not void or voidable because the director or directors or the other business entities are parties or because the director or directors are present at the meeting of the members or the board or a committee at which the contract or transaction is authorized, approved, or ratified, if any of the following applies:

(1) The contract or transaction was, and the person asserting the validity of the contract

or transaction sustains the burden of establishing that the contract or transaction was, fair and reasonable as to the cooperative at the time it was authorized, approved, or ratified and all of the following apply:

(a) The material facts as to the contract or transaction and as to the director's or directors' interest are disclosed or known to the members.

(b) The material facts as to the contract or transaction and as to the director's or directors' interest are fully disclosed or known to the board or a committee, and the board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a majority of the board or committee, but the interested director or directors are not counted in determining the presence of a quorum and must not vote.

(2) The contract or transaction is a distribution, contract, or transaction that is made available to all members or patron members as part of the cooperative's business.

*b.* If a committee is elected or appointed to authorize, ratify, or approve a contract or transaction under this section, the members of the committee must not have a conflict of interest and must be charged with representing the best interests of the cooperative.

2. *Material financial interest.* For purposes of this section, all of the following apply:

*a.* A resolution fixing the compensation of a director or fixing the compensation of another director as a director, officer, employee, or agent of the cooperative is not void or voidable or considered to be a contract or other transaction between a cooperative and one or more of its directors for purposes of this section even though the director receiving the compensation fixed by the resolution is present and voting at the meeting of the board or a committee at which the resolution is authorized, approved, or ratified or even though other directors voting upon the resolution are also receiving compensation from the cooperative.

*b.* A director has a material financial interest in each organization in which the director or a family member of the director has a material financial interest. A contract or other transaction between a cooperative and a family member of a director is considered to be a transaction between the cooperative and the director. A family member of a director includes the spouse, parents, children and spouses of children, brothers and sisters and spouses of brothers and sisters, and the brothers and sisters of the spouse of the director or any combination of them.

2005 Acts, ch 135, §47
Referred to in §501A.711

## PART 2

## LIABILITY AND INDEMNIFICATION OF PARTIES

**501A.714 Limitation of liability of directors, officers, employees, members, and volunteers.**

Except as otherwise provided in this chapter, a director, officer, employee, or member of the cooperative is not liable for the cooperative's debts or obligations, and a director, officer, member, or other volunteer is not personally liable in that capacity for a claim based upon any action taken, or any failure to take action in the discharge of the person's duties, except for the amount of a financial benefit received by the person to which the person is not entitled, an intentional infliction of harm to the cooperative or its members or patrons, or an intentional violation of criminal law.

2005 Acts, ch 135, §48
Referred to in §501A.715

**501A.715 Indemnification.**

1. *Definitions.* As used in this section, all of the following apply:

*a.* "*Official capacity*" means any of the following:

(1) With respect to a director, the position of director in a cooperative.

(2) With respect to a person other than a director, the elective or appointive office or position held by the person, member of a committee of the board, the employment

relationship undertaken by an employee of the cooperative, or the scope of the services provided by members of the cooperative who provide services to the cooperative.

(3) With respect to a director, chief executive officer, member, or employee of the cooperative who, while a director, chief executive officer, or member or employee of the cooperative, is or was serving at the request of the cooperative or whose duties in that position involve or involved service as a governor, director, manager, officer, member, partner, trustee, employee, or agent of another organization or employee benefit plan, the position of that person as a governor, director, manager, officer, member, partner, trustee, employee, or agent, as the case may be, of the other organization or employee benefit plan.

*b.* *"Predecessor entity"* includes a domestic cooperative or foreign cooperative that was the predecessor of the cooperative referred to in this section in a merger or other transaction in which the predecessor entity's existence ceased upon consummation of the transaction.

*c.* *"Proceeding"* means a threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of the cooperative.

*d.* *"Special legal counsel"* means counsel who has not represented the cooperative or a related organization, or a director, manager, member of a committee of the board, or employee whose indemnification is in issue.

2. *Indemnification.*

*a.* Subject to the provisions of subsection 4, a cooperative shall indemnify a person made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person against judgments, penalties, and fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorney fees and disbursements incurred by the person in connection with the proceeding, if, with respect to the acts or omissions of the person complained of in the proceeding, any of the following applies:

(1) All of the following apply:

(a) The person has not been indemnified by another organization or employee benefit plan for the same judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorney fees and disbursements incurred by the person in connection with the proceeding with respect to the same acts or omissions.

(b) The person acted in good faith.

(c) The person has not received an improper personal benefit.

(d) The person has not committed an act for which liability can be eliminated or limited under section 501A.714.

(e) In the case of a criminal proceeding, the person had no reasonable cause to believe the conduct was unlawful.

(2) (a) In the case of an act or omission occurring in the official capacity described in subsection 1, paragraph *"a"*, subparagraph (1) or (2), the person reasonably believed that the conduct was in the best interests of the cooperative.

(b) In the case of an act or omission occurring in the official capacity described in subsection 1, paragraph *"a"*, subparagraph (3), the person reasonably believed that the conduct was not opposed to the best interests of the cooperative. If the person's acts or omissions complained of in the proceeding relate to conduct as a director, officer, trustee, employee, or agent of an employee benefit plan, the conduct is not considered to be opposed to the best interests of the cooperative if the person reasonably believed that the conduct was in the best interests of the participants or beneficiaries of the employee benefit plan.

*b.* The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent does not, of itself, establish that the person did not meet the criteria set forth in this subsection.

3. *Advances.*

*a.* Subject to the provisions of subsection 4, if a person is made or threatened to be made a party to a proceeding, the person is entitled, upon written request to the cooperative, to payment or reimbursement by the cooperative of reasonable expenses, including attorney

fees and disbursements incurred by the person in advance of the final disposition of the proceeding, as follows:

(1) Upon receipt by the cooperative of a written affirmation by the person of a good-faith belief that the criteria for indemnification set forth in subsection 2 have been satisfied, and a written undertaking by the person to repay all amounts paid or reimbursed by the cooperative, if it is ultimately determined that the criteria for indemnification have not been satisfied.

(2) After a determination that the facts then known to those making the determination would not preclude indemnification under this section.

*b.* The written undertaking required by this subsection is an unlimited general obligation of the person making it, but need not be secured and shall be accepted without reference to financial ability to make the repayment.

4. *Prohibition or limit on indemnification or advances.* The articles or bylaws either may prohibit indemnification or advances of expenses otherwise required by this section or may impose conditions on indemnification or advances of expenses in addition to the conditions contained in subsection 2 or 3, including, without limitation, monetary limits on indemnification or advances of expenses if the conditions apply equally to all persons or to all persons within a given class. A prohibition or limit on indemnification or advances of expenses shall not apply to or affect the right of a person to indemnification or advances of expenses with respect to any acts or omissions of the person occurring before the effective date of a provision in the articles or the date of adoption of a provision in the bylaws establishing the prohibition or limit on indemnification or advances of expenses.

5. *Reimbursement to witnesses.* This section does not require, or limit the ability of, a cooperative to reimburse expenses, including attorney fees and disbursements incurred by a person in connection with an appearance as a witness in a proceeding at a time when the person has not been made or threatened to be made a party to a proceeding.

6. *Determination of eligibility.*

*a.* All determinations whether indemnification of a person is required because the criteria set forth in subsection 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subsection 3 must be made as follows:

(1) By the board by a majority of a quorum, if the directors who are, at the time, parties to the proceeding are not counted for determining either a majority or the presence of a quorum.

(2) If a quorum under subparagraph (1) cannot be obtained, by a majority of a committee of the board consisting solely of two or more directors not at the time parties to the proceeding duly designated to act in the matter by a majority of the full board, including directors who are parties.

(3) If a determination is not made under subparagraph (1) or (2), by special legal counsel selected either by a majority of the board or a committee by vote under subparagraph (1) or (2), or if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board, including directors who are parties.

(4) If a determination is not made under subparagraphs (1) through (3), by the affirmative vote of the members, but the membership interests held by parties to the proceeding must not be counted in determining the presence of a quorum and are not considered to be present and entitled to vote on the determination.

(5) If an adverse determination is made under subparagraphs (1) through (4) or paragraph *"b"* or if a determination is not made under subparagraphs (1) through (4) or paragraph *"b"* within sixty days either after the later to occur of the termination of a proceeding or a written request for indemnification to the cooperative, or a written request for an advance of expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place upon application of the person and any notice the court requires. The person seeking indemnification or payment or reimbursement of expenses under this subparagraph has the burden of establishing that the person is entitled to indemnification or payment or reimbursement of expenses.

*b.* With respect to a person who is not, and was not at the time of the act or omission complained of in the proceedings, a director, chief executive officer, or person possessing,

directly or indirectly, the power to direct or cause the direction of the management or policies of the cooperative, the determination whether indemnification of this person is required because the criteria set forth in subsection 2 have been satisfied and whether such person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subsection 3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.

7. *Insurance.* A cooperative may purchase and maintain insurance on behalf of a person in that person's official capacity against any liability asserted against and incurred by the person in or arising from that capacity, whether or not the cooperative would have been required to indemnify the person against the liability under the provisions of this section.

8. *Disclosure.* A cooperative that indemnifies or advances expenses to a person in accordance with this section in connection with a proceeding by or on behalf of the cooperative shall report to the members in writing the amount of the indemnification or advance and to whom and on whose behalf it was paid not later than the next meeting of members.

9. *Indemnification of other persons.* Nothing in this section must be construed to limit the power of the cooperative to indemnify persons other than a director, chief executive officer, member, employee, or member of a committee of the board of the cooperative by contract or otherwise.

2005 Acts, ch 135, §49; 2006 Acts, ch 1010, §130; 2006 Acts, ch 1030, §56, 85, 89; 2012 Acts, ch 1023, §99, 157

Referred to in §501A.711

## PART 3

## OFFICERS

**501A.716 Officers.**

1. *Required officers.*

*a.* The board shall elect all of the following:

(1) A chairperson.

(2) One or more vice chairpersons.

*b.* The board shall elect or appoint all of the following:

(1) A records officer.

(2) A financial officer.

*c.* The officers, other than the chief executive officer, shall not have the authority to bind the cooperative except as authorized by the board.

2. *Additional officers.* The board may elect additional officers as the articles or bylaws authorize or require.

3. *Records officer and financial officer may be combined.* The offices of records officer and financial officer may be combined.

4. *Officers that must be members.* The chairperson and first vice chairperson shall be directors and members. The financial officer, records officer, and additional officers need not be directors or members.

5. *Chief executive officer.* The board may employ a chief executive officer to manage the day-to-day affairs and business of the cooperative, and if a chief executive officer is employed, the chief executive officer shall have the authority to implement the functions, duties, and obligations of the cooperative except as restricted by the board. The chief executive officer shall not exercise authority reserved to the board or the members under this chapter, the articles, or the bylaws.

2005 Acts, ch 135, §50

## SUBCHAPTER VIII

## MEMBERS — PROPERTY — OWNERSHIP INTERESTS

## PART 1

## MEMBERS

**501A.801 Members.**

1. *Requirement.* A cooperative shall have one or more patron members.

2. *Grouping of members.*

*a.* A cooperative may group members and patron members in districts, units, or on another basis if and as authorized in its articles or bylaws. The articles or bylaws may include authorization for the board to determine the groupings.

*b.* The board may implement the use of districts or units, including setting the time and place and prescribing the rules of conduct for holding meetings by districts or units to elect delegates to members' meetings.

3. *Member violations.*

*a.* A member who knowingly, intentionally, or repeatedly violates a provision of this chapter, the articles or bylaws of the cooperative, or a member control agreement or marketing contract with the cooperative may be required by the board to surrender the member's voting power or the financial rights of membership interest of any class owned by the member, or both.

*b.* The cooperative shall refund to the member for the surrendered financial rights of membership interest the lesser of the book value or market value of the financial right of the membership interest payable in not more than seven years from the date of surrender or the board may transfer all of any patron member's financial rights to a class of financial rights held by members who are not patron members, or to a certificate of interest, which carries liquidation rights on par with membership interests and is redeemed within seven years after the transfer as provided in the certificate.

*c.* Membership interests required to be surrendered may be reissued or be retired and canceled by the board.

4. *Inspection of cooperative records by member.*

*a.* A member is entitled to inspect and copy, at the member's expense, during regular business hours at a reasonable location specified by the cooperative, any of the records described in section 501A.507 if the member meets the requirements of paragraph "*b*" and gives the cooperative written demand at least five business days before the date on which the member wishes to inspect and copy the records. Notwithstanding the provisions of this subsection or any provisions of section 501A.507, a member shall not have the right to inspect or copy any records of the cooperative relating to the amount of equity capital in the cooperative held by any person or any accounts receivable or other amounts due the cooperative from any person, or any personnel records or employment records of any employee.

*b.* To be entitled to inspect and copy permitted records, the member shall meet all of the following requirements:

(1) The member must have been a member for at least one year immediately preceding the demand to inspect or copy or must be a member holding at least five percent of all of the outstanding equity interests in the cooperative as of the date the demand is made.

(2) The demand is made in good faith and for a proper cooperative business purpose.

(3) The member describes with reasonable particularity the purpose and the records the member desires to inspect.

(4) The records are directly connected with the described purpose.

*c.* The right of inspection granted by this subsection shall not be abolished or limited by the articles, bylaws, or any actions of the board or the members.

*d.* This subsection does not affect any of the following:

(1) The right of a member to inspect records to the same extent as any other litigant if the member is in litigation with the cooperative.

(2) The power of a court to compel the production of the cooperative's records for examination.

*e.* Notwithstanding any other provision in this subsection, if the records to be inspected or copied are in active use or storage and, therefore, not available at the time otherwise provided for inspection or copying, the cooperative shall notify the member and shall set a date and hour within three business days of the date otherwise set in this subsection for the inspection or copying.

*f.* A member's agent or attorney has the same inspection and copying rights as the member. The right to copy records under this subsection includes, if reasonable, the right to receive copies made by photographic copying, xerographic copying, or other means. The cooperative may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. The charge shall not exceed the estimated cost of production and reproduction of the records.

*g.* If a cooperative refuses to allow a member, or the member's agent or attorney, who complies with this subsection to inspect or copy any records that the member is entitled to inspect or copy within a prescribed time limit or, if none, within a reasonable time, the district court of the county in this state where the cooperative's principal office is located or, if it has no principal office in this state, the district court of the county in which its registered office is located may, on application of the member, summarily order the inspection or copying of the records demanded at the cooperative's expense.

*h.* If a court orders inspection or copying of the records demanded, unless the cooperative proves that it refused inspection or copying in good faith because it had a reasonable basis for doubt about the right of the member or the member's agent or attorney to inspect or copy the records demanded, all of the following shall apply:

(1) The court may order the losing party to pay the prevailing party's reasonable costs, including reasonable attorney fees.

(2) The court may order the losing party to pay the prevailing party for any damages the prevailing party shall have incurred by reason of the subject matter of the litigation.

(3) If inspection or copying is ordered under this paragraph "*h*", the court may order the cooperative to pay the member's inspection and copying expenses.

(4) The court may grant either party any other remedy provided by law.

(5) The court may impose reasonable restrictions on the use or distribution of the records by the demanding member.

2005 Acts, ch 135, §51

**501A.802 Member liability.**

A member is not, merely on the account of that status, personally liable for the acts, debts, liabilities, or obligations of a cooperative. A member is liable for any unpaid subscription for the membership interest, unpaid membership fees, or a debt for which the member has separately contracted with the cooperative.

2005 Acts, ch 135, §52

See also §501A.714

**501A.803 Regular members' meetings.**

1. *Annual meeting.* Regular members' meetings shall be held annually at a time determined by the board, unless otherwise provided for in the bylaws.

2. *Location.* The regular members' meeting shall be held at the principal place of business of the cooperative or at another conveniently located place as determined by the bylaws or the board.

3. *Business and fiscal reports.* The officers shall submit reports to the members at the regular members' meeting covering the business of the cooperative for the previous fiscal year that show the condition of the cooperative at the close of the fiscal year.

4. *Election of directors.* All directors shall be elected at the regular members' meeting

for the terms of office prescribed in the bylaws, except for directors elected at district or unit meetings.

5. *Notice.*

*a.* The cooperative shall give notice of regular members' meetings by mailing the regular members' meeting notice to each member at the members' last known post office address or by other notification approved by the board and agreed to by the members. The regular members' meeting notice shall be published or otherwise given by approved method at least two weeks before the date of the meeting or mailed at least fifteen days before the date of the meeting.

*b.* The notice shall contain a summary of any bylaw amendments adopted by the board since the last annual meeting.

6. *Waiver and objections.* A member may waive notice of a meeting of members. A waiver of notice by a member entitled to notice is effective whether given before, at, or after the meeting, and whether given in writing, orally, or by attendance. Attendance by a member at a meeting is a waiver of notice of that meeting, except where the member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item cannot lawfully be considered at that meeting and does not participate in the consideration of the item at that meeting.

2005 Acts, ch 135, §53

**501A.804 Special members' meetings.**

1. *Calling meeting.* Special members' meetings of the members may be called by any of the following:

*a.* A majority vote of the board.

*b.* The written petition of at least twenty percent of the patron members and, if authorized by the articles or bylaws, twenty percent of the nonpatron members, twenty percent of all members, or members representing twenty percent of the membership interests collectively submitted to the chairperson.

2. *Notice.* The cooperative shall give notice of a special members' meeting by mailing the special members' meeting notice to each member personally at the person's last known post office address, or by another process determined by the board if the member is to vote by an alternative voting method as approved by the board and agreed to by the member individually or the members generally. For a member that is an entity, the notice mailed, or delivered by another process for vote by an alternative voting method, shall be to an officer of the entity. The special members' meeting notice shall state the time, place, and purpose of the special members' meeting. The special members' meeting notice shall be issued within ten days from and after the date of the presentation of a members' petition, and the special members' meeting shall be held within thirty days after the date of the presentation of the members' petition.

3. *Waiver and objections.* A member may waive notice of a meeting of members. A waiver of notice by a member entitled to notice is effective whether given before, at, or after the meeting, and whether given in writing, orally, or by attendance. Attendance by a member at a meeting is a waiver of notice of that meeting, except where the member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item cannot lawfully be considered at that meeting and does not participate in the consideration of the item at that meeting.

2005 Acts, ch 135, §54; 2011 Acts, ch 23, §20

**501A.805 Certification of meeting notice.**

1. *Certificate of mailing.* After mailing special or regular members' meeting notices or otherwise delivering the notices, the cooperative shall execute a certificate containing the date of mailing or delivery of the notice and a statement that the special or regular members' meeting notices were mailed or delivered as prescribed by law.

2. *Matter of record.* The certificate shall be made a part of the record of the meeting.

3. *Failure to receive meeting notice.* Failure of a member to receive a special or regular members' meeting notice does not invalidate an action taken by the members at a members' meeting.

2005 Acts, ch 135, §55

**501A.806 Quorum.**

1. *Quorum.* The quorum for a members' meeting to transact business shall be by any of the following:

*a.* Ten percent of the total number of members of a cooperative with five hundred or fewer members.

*b.* Fifty members for cooperatives with more than five hundred members.

2. *Quorum for voting by mail.* In determining a quorum at a meeting, on a question submitted to a vote by mail or by an alternative voting method, members present in person or represented by mail vote or the alternative voting method shall be counted. The attendance of a sufficient number of members to constitute a quorum shall be established by a registration of the members of the cooperative present at the meeting. The registration shall be verified by the chairperson or the records officer of the cooperative and shall be reported in the minutes of the meeting.

3. *Meeting action invalid without quorum.* An action by a cooperative is not valid or legal in the absence of a quorum at the meeting at which the action was taken.

2005 Acts, ch 135, §56; 2011 Acts, ch 23, §21

Referred to in §501A.808

**501A.807 Remote communications for members' meetings.**

1. *Construction and application.* This section shall be construed and applied to all of the following:

*a.* To facilitate remote communication consistent with other applicable law.

*b.* To be consistent with reasonable practices concerning remote communication and with the continued expansion of those practices.

2. *Members' meetings held solely by means of remote communication.* To the extent authorized in the articles, a member control agreement, or the bylaws and determined by the board, a regular or special meeting of members may be held solely by any combination of means of remote communication through which the members may participate in the meeting, if notice of the meeting is given to every owner of membership interests entitled to vote as would be required by this chapter for a meeting, and if the membership interests held by the members participating in the meeting would be sufficient to constitute a quorum at a meeting. Participation by a member by that means constitutes presence at the meeting in person or by proxy if all the other requirements of this chapter for the meeting are met.

3. *Participation in members' meetings by means of remote communication.* To the extent authorized in the articles or the bylaws and determined by the board, a member not physically present in person or by proxy at a regular or special meeting of members may, by means of remote communication, participate in a meeting of members held at a designated place. Participation by a member by that means constitutes presence at the meeting in person or by proxy if all the other requirements of this chapter for the meeting are met.

4. *Requirements for meetings held solely by means of remote communication and for participation by means of remote communication.* In any meeting of members held solely by means of remote communication under subsection 2 or in any meeting of members held at a designated place in which one or more members participate by means of remote communication under subsection 3, all of the following shall apply:

*a.* The cooperative shall implement reasonable measures to verify that each person deemed present and entitled to vote at the meeting by means of remote communication is a member.

*b.* The cooperative shall implement reasonable measures to provide each member participating by means of remote communication with a reasonable opportunity to participate in the meeting, including an opportunity to do all of the following:

(1) Read or hear the proceedings of the meeting substantially concurrently with those proceedings.

(2) If allowed by the procedures governing the meeting, have the member's remarks heard or read by other participants in the meeting substantially concurrently with the making of those remarks.

(3) If otherwise entitled, vote on matters submitted to the members.

5. *Notice to members.*

*a.* Any notice to members given by the cooperative under any provision of this chapter, the articles, or the bylaws by a form of electronic communication consented to by the member to whom the notice is given is effective when given. The notice is deemed given upon any of the following:

(1) If by facsimile communication, when directed to a telephone number at which the member has consented to receive notice.

(2) If by electronic mail, when directed to an electronic mail address at which the member has consented to receive notice.

(3) If by a posting on an electronic network on which the member has consented to receive notice, together with separate notice to the member of the specific posting, upon the later of any of the following:

(a) The posting.

(b) The giving of the separate notice.

(4) If by any other form of electronic communication by which the member has consented to receive notice, when directed to the member.

*b.* An affidavit of the secretary, other authorized officer, or authorized agent of the cooperative that the notice has been given by a form of electronic communication is, in the absence of fraud, prima facie evidence of the facts stated in the affidavit.

*c.* Consent by a member to notice given by electronic communication may be given in writing or by authenticated electronic communication. The cooperative is entitled to rely on any consent so given until revoked by the member, provided that no revocation affects the validity of any notice given before receipt by the cooperative of revocation of the consent.

6. *Revocation.* Any ballot, vote, authorization, or consent submitted by electronic communication under this chapter may be revoked by the member submitting the ballot, vote, authorization, or consent so long as the revocation is received by a director or the chief executive officer of the cooperative at or before the meeting or before an action without a meeting is effective.

7. *Waiver.* Waiver of notice by a member of a meeting by means of authenticated electronic communication may be given in the manner provided for the regular or special meeting. Participation in a meeting by means of remote communication described in subsections 2 and 3 is a waiver of notice of that meeting, except where the member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item cannot lawfully be considered at the meeting and does not participate in the consideration of the item at that meeting.

2005 Acts, ch 135, §57

Referred to in §501A.814

**501A.808 Action of members.**

1. *Action by affirmative vote of members.*

*a.* The members shall take action by the affirmative vote of the members of the greater of any of the following:

(1) A majority of the voting power of the membership interests present and entitled to vote on that item of business.

(2) A majority of the voting power that would constitute a quorum for the transaction of business at the meeting, except where this chapter, the articles or bylaws, or a member control agreement requires a larger proportion.

*b.* If the articles, bylaws, or a member control agreement require a larger proportion than

is required by this chapter for a particular action, the articles, bylaws, or the member control agreement shall have control over the provisions of this chapter.

2. *Class or series of membership interests.* In any case where a class or series of membership interests is entitled by this chapter, the articles, bylaws, a member control agreement, or the terms of the membership interests to vote as a class or series, the matter being voted upon must also receive the affirmative vote of the owners of the same proportion of the membership interests present of that class or series; or of the total outstanding membership interests of that class or series, as the proportion required under subsection 1, unless the articles, bylaws, or the member control agreement requires a larger proportion. Unless otherwise stated in the articles, bylaws, or a member control agreement, in the case of voting as a class or series, the minimum percentage of the total voting power of membership interests of the class or series that must be present is equal to the minimum percentage of all membership interests entitled to vote required to be present under section 501A.806.

3. *Greater quorum or voting requirements.*

*a.* The articles or bylaws adopted by the members may provide for a greater quorum or voting requirement for members or voting groups than is provided for by this chapter.

*b.* An amendment to the articles or bylaws that adds, changes, or deletes a greater quorum or voting requirement shall meet the same quorum requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect or proposed to be adopted, whichever is greater.

2005 Acts, ch 135, §58; 2006 Acts, ch 1030, §57

**501A.809 Action without a meeting.**

1. *Method.* An action required or permitted to be taken at a meeting of the members may be taken by written action signed, or consented to by authenticated electronic communication, by all of the members. If the articles, bylaws, or a member control agreement so provide, any action may be taken by written action signed, or consented to by authenticated electronic communication, by the members who own voting power equal to the voting power that would be required to take the same action at a meeting of the members at which all members were present.

2. *Effective time.* The written action is effective when signed or consented to by authenticated electronic communication by the required members, unless a different effective time is provided in the written action.

3. *Notice and liability.* When written action is permitted to be taken by less than all members, all members must be notified immediately of its text and effective date. Failure to provide the notice does not invalidate the written action. A member who does not sign or consent to the written action has no liability for the action or actions taken by the written action.

2005 Acts, ch 135, §59

**501A.810 Member voting rights.**

1. *Patron and nonpatron member voting.* A patron member of a cooperative is only entitled to one vote on an issue to be voted upon by members holding patron membership interests. However, if authorized in the cooperative's articles or bylaws, a patron member may be entitled to additional votes based on patronage criteria in section 501A.811. If nonpatron members are authorized by the patron members and granted voting rights on any matter voted on by the members of the cooperative, the entire patron members' voting power shall be voted collectively based upon the vote of the majority of patron members voting on the issue and the collective vote of the patron members shall be a majority of the vote cast unless otherwise provided in the bylaws. The bylaws shall not reduce the collective patron member vote to less than fifteen percent of the total vote on matters of the cooperative. A nonpatron member has the voting rights in accordance to the nonpatron member's nonpatron membership interests as granted in the bylaws, subject to the provisions of this chapter.

2. *Right to vote at meeting.* A member or delegate may exercise voting rights on any matter that is before the members as prescribed in the articles or bylaws at a members'

meeting from the time the member or delegate arrives at the members' meeting, unless the articles or bylaws specify an earlier and specific time for closing the right to vote.

3. *Voting method.* A member's vote at a members' meeting shall be cast in person, by mail if a mail ballot is authorized by the board, or by an alternative voting method if that is authorized by the board. A vote shall not be cast by proxy, except as provided in subsection 4. The cooperative shall take reasonable measures to authenticate that a vote is cast by a member eligible to cast that vote.

4. *Members represented by delegates.*

*a.* The provisions of this subsection apply to members represented by delegates.

*b.* A cooperative may provide in the articles or bylaws that units or districts of members are entitled to be represented at members' meetings by delegates chosen by the members of the unit or district. The delegates may vote on matters at the members' meeting in the same manner as a member. The delegates may only exercise the voting rights on a basis and with the number of votes as prescribed in the articles or bylaws.

*c.* If the approval of a certain portion of the members is required for adoption of amendments, a dissolution, a merger, a consolidation, or a sale of assets, the votes of delegates shall be counted as votes by the members represented by the delegate.

*d.* Patron members may be represented by the proxy of other patron members.

*e.* Nonpatron members may be represented by proxy if authorized in the bylaws.

5. *Mail ballots.* The provisions of this subsection apply to mail ballots.

*a.* A member who is or will be absent from a members' meeting may vote by mail on any motion, resolution, or amendment that the board submits for vote by mail.

*b.* A ballot shall be in the form prescribed by the board and be accompanied by the text of the proposed motion, resolution, or amendment to be acted upon at the meeting.

*c.* The member shall express a choice by marking an appropriate choice on the ballot and mail, deliver, or otherwise submit the ballot to the cooperative in a plain, sealed envelope inside another envelope bearing the member's name or by an alternative method approved by the board.

*d.* A properly executed ballot shall be accepted by the board and counted as the vote of the absent member at the meeting.

6. *Alternative voting method.* The board may also allow the members to vote by alternative voting method, provided the members receive a copy of the proposed motion, resolution, or amendment to be acted upon.

2005 Acts, ch 135, §60; 2011 Acts, ch 23, §22 – 24

Referred to in §501A.813, 501A.903, 501A.1007

**501A.811 Patron member voting based on patronage.**

1. *Patron members to have an additional vote.* A cooperative may authorize by the articles or the bylaws for patron members to have an additional vote for all of the following:

*a.* A stipulated amount of business transacted between the patron member and cooperative.

*b.* A stipulated number of patron members in a member cooperative.

*c.* A certain stipulated amount of equity allocated to or held by a patron member in the cooperative's central organization.

*d.* A combination of methods provided in this subsection.

2. *Delegates elected by patrons to have an additional vote.* A cooperative that is organized into units or districts of patron members may, by the articles or the bylaws, authorize the delegates elected by its patron members to have an additional vote for any of the following:

*a.* A stipulated amount of business transacted between the patron members in the units or districts and the cooperative.

*b.* A certain stipulated amount of equity allocated to or held by the patron members of the units or districts of the cooperative.

*c.* A combination of methods in this subsection.

2005 Acts, ch 135, §61

Referred to in §501A.810

**501A.812 Voting rights.**

1. *Determination.* The board may fix a date not more than sixty days, or a shorter time period provided in the articles or bylaws, before the date of a meeting of members as the date for the determination of the owners of membership interests entitled to notice of and entitled to vote at the meeting. When a date is so fixed, only members on that date are entitled to notice of and permitted to vote at that meeting of members.

2. *Nonmembers.* The articles or bylaws may give or prescribe the manner of giving a creditor, security holder, or other person a right to vote on patron membership interests under this section.

3. *Jointly owned membership interests.* Membership interests owned by two or more members may be voted by any one of them unless the cooperative receives written notice from any one of them denying the authority of that person to vote those membership interests.

4. *Manner of voting and presumption.* Except as provided in subsection 3, an owner of a nonpatron membership interest or a patron membership interest with more than one vote that is entitled to vote may vote any portion of the membership interest in any way the member chooses. If a member votes without designating the proportion voted in a particular way, the member is considered to have voted all of the membership interest in that way.

2005 Acts, ch 135, §62

**501A.813 Voting by organizations and legal representatives.**

1. *Membership interests held by another organization.* Membership interests of a cooperative reflected in the required records as being owned by another domestic business entity or foreign business entity may be voted by the chairperson, chief executive officer, or another legal representative of that organization.

2. *Membership interests held by subsidiary.* Except as provided in subsection 3, membership interests of a cooperative reflected in the required records as being owned by a subsidiary are not entitled to be voted on any matter.

3. *Membership interests controlled in a fiduciary capacity.* Membership interests of a cooperative in the name of, or under the control of, the cooperative or a subsidiary in a fiduciary capacity are not entitled to be voted on any matter, except to the extent that the settler or beneficiary possesses and exercises a right to vote or gives the cooperative or, with respect to membership interests in the name of or under control of a subsidiary, the subsidiary, binding instructions on how to vote the membership interests.

4. *Voting by certain representatives.* Subject to section 501A.810, membership interests under the control of a person in a capacity as a personal representative, an administrator, executor, guardian, conservator, or the like may be voted by the person, either in person or by proxy, without reflecting in the required records those membership interests in the name of the person.

5. *Voting by trustees in bankruptcy or receiver.* Membership interests reflected in the required records in the name of a trustee in bankruptcy or a receiver may be voted by the trustee or receiver either in person or by proxy. Membership interests under the control of a trustee in bankruptcy or a receiver may be voted by the trustee or receiver without reflecting in the required records the name of the trustee or receiver, if authority to do so is contained in an appropriate order of the court by which the trustee or receiver was appointed. The right to vote of trustees in bankruptcy and receivers is subject to section 501A.810.

6. *Membership interests held by other organizations.* Membership interests reflected in the required records in the name of a business entity not described in subsections 1 through 5 may be voted either in person or by proxy by the legal representative of that business entity.

7. *Grant of security interest.* The grant of a security interest in a membership interest does not entitle the holders of the security interest to vote.

2005 Acts, ch 135, §63

**501A.814 Proxies.**

1. *Authorization.*

*a.* A patron member may only grant a proxy to vote to another patron member.

*b.* A member may cast or authorize the casting of a vote by any of the following:

(1) Filing a written appointment of a proxy with the board at or before the meeting at which the appointment is to be effective.

(2) Telephonic transmission or authenticated electronic communication, whether or not accompanied by written instructions of the member, of an appointment of a proxy with the cooperative or the cooperative's duly authorized agent at or before the meeting at which the appointment is to be effective.

*c.* The telephonic transmission or authenticated electronic communication must set forth or be submitted with information from which it can be determined that the appointment was authorized by the member. If it is reasonably concluded that the telephonic transmission or authenticated electronic communication is valid, the inspectors of election or, if there are not inspectors, the other persons making that determination shall specify the information upon which they relied to make that determination. A proxy so appointed may vote on behalf of the member, or otherwise participate, in a meeting by remote communication under section 501A.807, to the extent the member appointing the proxy would have been entitled to participate by remote communication if the member did not appoint the proxy.

*d.* A copy, facsimile, telecommunication, or other reproduction of the original writing or transmission may be substituted or used in lieu of the original writing or transmission for any purpose for which the original transmission could be used, if the copy, facsimile, telecommunication, or other reproduction is a complete and legible reproduction of the entire original writing or transmission.

*e.* An appointment of a proxy for membership interests owned jointly by two or more members is valid if signed or consented to by authenticated electronic communication, by any one of them, unless the cooperative receives from any one of those members written notice or an authenticated electronic communication either denying the authority of that person to appoint a proxy or appointing a different proxy.

2. *Duration.* The appointment of a proxy is valid for eleven months unless a longer period is expressly provided in the appointment. An appointment is not irrevocable unless the appointment is coupled with an interest in the membership interests or the cooperative.

3. *Termination.* An appointment may be terminated at will unless the appointment is coupled with an interest, in which case the appointment shall not be terminated except in accordance with the terms of an agreement, if any, between the parties to the appointment. Termination may be made by filing written notice of the termination of the appointment with a manager of the cooperative or by filing a new written appointment of a proxy with a manager of the cooperative. Termination in either manner revokes all prior proxy appointments and is effective when filed with a manager of the cooperative.

4. *Revocation by death or incapacity.* The death or incapacity of a person appointing a proxy does not revoke the authority of the proxy, unless written notice of the death or incapacity is received by a manager of the cooperative before the proxy exercises the authority under that appointment.

5. *Multiple proxies.* Unless the appointment specifically provides otherwise, if two or more persons are appointed as proxies for a member, all of the following apply:

*a.* Any one of them may vote the membership interests on each item of business in accordance with specific instructions contained in the appointment.

*b.* If no specific instructions are contained in the appointment with respect to voting the membership interests on a particular item of business, the membership interests must be voted as a majority of the proxies determine. If the proxies are equally divided, the membership interests must not be voted.

6. *Vote of proxy accepted and liability.* Unless the appointment of a proxy contains a restriction, limitation, or specific reservation of authority, the cooperative may accept a vote or action taken by a person named in the appointment. The vote of a proxy is final, binding, and not subject to challenge, but the proxy is liable to the member for damages resulting from a failure to exercise the proxy or from an exercise of the proxy in violation of the authority granted in the appointment.

7. *Limited authority.* If a proxy is given authority by a member to vote on less than all items of business considered at a meeting of members, the member is considered to be present and entitled to vote by the proxy only with respect to those items of business for which the

proxy has authority to vote. A proxy who is given authority by a member who abstains with respect to an item of business is considered to have authority to vote on the item of business for purposes of this subsection.

2005 Acts, ch 135, §64

## PART 2

## PROPERTY AND ASSETS

**501A.815 Sale of property and assets.**

1. *Member approval not required.* A cooperative may, by affirmative vote of a majority of the board present, upon those terms and conditions and for those considerations, which may be money, securities, or other instruments for the payment of money or other property, as the board considers expedient and without member approval, do any of the following:

*a.* Sell, lease, transfer, or otherwise dispose of all or substantially all of its property and assets in the usual and regular course of its business.

*b.* Grant a security interest in all or substantially all of its property and assets whether or not in the usual and regular course of its business.

*c.* Transfer any or all of its property to a business entity all the ownership interests of which are owned by the cooperative.

*d.* For purposes of debt financing, transfer any or all of its property to a special purpose entity owned or controlled by the cooperative for an asset securitization.

2. *Member approval required.* Except as provided in subsection 1, a cooperative, by affirmative vote of a majority of the board present, may sell, lease, transfer, or otherwise dispose of all or substantially all of its property and assets, including its goodwill, not in the usual and regular course of its business, upon those terms and conditions and for those considerations, which may be money, securities, or other instruments for the payment of money or other property, as the board considers expedient, when approved at a regular or special meeting of the members by the affirmative vote of two-thirds of the voting power voting at the meeting. Ten days' written notice of the meeting must be given to all members whether or not they are entitled to vote at the meeting. The written notice must state that a purpose of the meeting is to consider the sale, lease, transfer, or other disposition of all or substantially all of the property and assets of the cooperative.

3. *Confirmatory documents.* Confirmatory deeds, assignments, or similar instruments to evidence a sale, lease, transfer, or other disposition may be signed and delivered at any time in the name of the transferor by its current chairperson of the board or authorized agents.

4. *Liability of transferee.* The transferee is liable for the debts, obligations, and liabilities of the transferor only to the extent provided in the contract or agreement between the transferee and the transferor or to the extent provided by law.

2005 Acts, ch 135, §65

## PART 3

## OWNERSHIP INTERESTS

**501A.816 Vote of ownership interests held by cooperative.**

A cooperative that holds ownership interests of another business entity may, by direction of the cooperative's board, elect or appoint a person to represent the cooperative at a meeting of the business entity. The representative has authority to represent the cooperative and may cast the cooperative's vote at the business entity's meeting.

2005 Acts, ch 135, §66

## SUBCHAPTER IX

## MEMBERSHIP INTERESTS

**501A.901 Membership interests.**

1. *Patron membership interests.* Patron membership interests shall be the only membership interests of a cooperative unless nonpatron memberships are authorized under subsection 2. If nonpatron interests are authorized, the patron membership interests collectively shall have not less than fifty percent of the cooperative's financial rights to profit allocations and distributions. However, the cooperative's articles or bylaws may be amended by the affirmative vote of patron members to allow the cooperative's financial rights to profit allocations and distributions to patron members collectively to be a lesser amount but in no case less than fifteen percent.

2. *Nonpatron membership interests.*

*a.* In order for a cooperative to have nonpatron membership interests, the patron members must approve articles or bylaw provisions authorizing the terms and conditions of the nonpatron membership interests, which may include authorizing the board to determine the terms and conditions of the nonpatron membership interests.

*b.* If nonpatron membership interests are authorized, the cooperative may solicit and issue nonpatron membership interests on terms and conditions determined by the board and disclosed in the articles, bylaws, or by separate disclosure to the members. Each member acquiring nonpatron membership interests shall sign a member control agreement or otherwise agree to the conditions of the bylaws. The control agreement or the bylaws shall describe the rights and obligations of the member as it relates to the nonpatron membership interests, the financial and governance rights, the transferability of the nonpatron membership interests, the division and allocation of profits and losses among the membership interests and membership classes, and financial rights upon liquidation. If the articles or bylaws do not otherwise provide for the allocation of the profits and losses between patron membership interests and nonpatron membership interests, then the allocation of profits and losses among nonpatron membership interests individually and patron membership interests collectively shall be allocated on the basis of the value of contributions to capital made according to the patron membership interests collectively and the nonpatron membership interests individually to the extent the contributions have been accepted by the cooperative. Distributions of cash or other assets of the cooperative shall be allocated among the membership interests as provided in the articles or bylaws, subject to the provisions of this chapter. If not otherwise provided in the articles or bylaws, distributions shall be made on the basis of value of the capital contributions of the patron membership interests collectively and the nonpatron membership interests to the extent the contributions have been accepted by the cooperative.

3. *Amounts and divisions of membership interests.* The authorized amount and divisions of patron membership interests and, if authorized by the patron members, nonpatron membership interests, may be increased, decreased, established, or altered in accordance with the restrictions in this chapter by amending the articles or bylaws at a regular members' meeting or at a special members' meeting called for the purpose of the amendment.

4. *Issuance of membership interests.* Authorized membership interests may be issued on terms and conditions prescribed in the articles, bylaws, or if authorized in the articles or bylaws as determined by the board. The cooperative shall disclose to any person acquiring membership interests to be issued by the cooperative, the organization, capital structure, and known business prospects and risks of the cooperative, the nature of the governance and financial rights of the membership interest being acquired and of other classes of membership and membership interests. The cooperative shall notify all members of the membership interests being issued by the cooperative. A membership interest shall not be issued until subscription price of the membership interest has been paid for in money or property with the value of the property to be contributed approved by the board.

5. *Transferring or selling membership interests.* After issuance by the cooperative,

membership interests in a cooperative may only be sold or transferred with the approval of the board. The board may adopt resolutions prescribing procedures to prospectively approve transfers.

6. *Cooperative first right to purchase membership interests.* The articles or bylaws may provide that the cooperative or the patron members, individually or collectively, have the first privilege of purchasing the membership interests of any class of membership interests offered for sale. The first privilege to purchase membership interests may be satisfied by notice to other members that the membership interests are for sale and a procedure by which members may proceed to attempt to purchase and acquire the membership interests.

7. *Payment for dissenting membership interests.*

*a.* Subject to the provisions in the articles and bylaws, a member may dissent from and obtain payment for the fair value of the member's membership interests in the cooperative if all of the following apply:

(1) The majority of the cooperative's member voting power is held by different classes of interests.

(2) The articles or bylaws are amended or the cooperative is merged or otherwise combined with another entity in a manner that materially and adversely affects the rights and preferences of the membership interests of the dissenting member.

*b.* The dissenting member shall file a notice of intent to demand fair value of the membership interest with the records officer of the cooperative within thirty days after the amendment of the bylaws and notice of the amendment to members; otherwise, the right of the dissenting member to demand payment of fair value for the membership interest is waived. If a proposed amendment of the articles or bylaws must be approved by the members, a member who is entitled to dissent and who wishes to exercise dissenter's rights shall file a notice to demand fair value of the membership interest with the records officer of the cooperative; otherwise, the right to demand fair value for the membership interest by the dissenting member is waived. After receipt of the dissenting member's demand notice and approval of the amendment, the cooperative has sixty days to rescind the amendment, or otherwise the cooperative shall remit the fair value for the member's interest to the dissenting member by one hundred eighty days after receipt of the notice. Upon receipt of the fair value for the membership interest, the member has no further member rights in the cooperative.

2005 Acts, ch 135, §67

Referred to in §501A.1007

**501A.902 Assignment of financial rights.**

1. *Assignment of financial rights permitted.* Except as provided in subsection 3, a member's financial rights are transferable in whole or in part.

2. *Effect of assignment of financial rights.* An assignment of a member's financial rights entitles the assignee to receive, to the extent assigned, only the share of profits and losses and the distributions to which the assignor would otherwise be entitled. An assignment of a member's financial rights does not dissolve the cooperative and does not entitle or empower the assignee to become a member, to exercise any governance rights, to receive any notices from the cooperative, or to cause dissolution. The assignment shall not allow the assignee to control the member's exercise of governance or voting rights.

3. *Restrictions of assignment of financial rights.*

*a.* A restriction on the assignment of financial rights may be imposed in the articles, in the bylaws, in a member control agreement, by a resolution adopted by the members, by an agreement among or other written action by the members, or by an agreement among or other written action by the members and the cooperative. A restriction is not binding with respect to financial rights reflected in the required records before the adoption of the restriction, unless the owners of those financial rights are parties to the agreement or voted in favor of the restriction.

*b.* Subject to paragraph "*c*", a written restriction on the assignment of financial rights that is not manifestly unreasonable under the circumstances and is noted conspicuously in the required records may be enforced against the owner of the restricted financial rights or

a successor or transferee of the owner, including a pledgee or a legal representative. Unless noted conspicuously in the required records, a restriction, even though permitted by this section, is ineffective against a person without knowledge of the restriction.

*c.* With regard to restrictions on the assignment of financial rights, a would-be assignee of financial rights is entitled to rely on a statement of membership interest issued by the cooperative under section 501A.903. A restriction on the assignment of financial rights, which is otherwise valid and in effect at the time of the issuance of a statement of membership interest but which is not reflected in that statement, is ineffective against an assignee who takes an assignment in reliance on the statement.

*d.* Notwithstanding any provision of law, articles, bylaws, member control agreement, other agreement, resolution, or action to the contrary, a security interest in a member's financial rights may be foreclosed and otherwise enforced, and a secured party may assign a member's financial rights in accordance with the uniform commercial code, chapter 554, without the consent or approval of the member whose financial rights are subject to the security interest.

2005 Acts, ch 135, §68

Referred to in §501A.903

**501A.903 Nature of a membership interest and statement of interest owned.**

1. *Generally.* A membership interest is personal property. A member has no interest in specific cooperative property. All property of the cooperative is property of the cooperative.

2. *Statement of membership interest.* At the request of any member, the cooperative shall state in writing the particular membership interest owned by that member as of the date the cooperative makes the statement. The statement must describe the member's rights to vote, if any, to share in profits and losses, and to share in distributions, restrictions on assignments of financial rights under section 501A.902, subsection 3, or voting rights under section 501A.810 then in effect, as well as any assignment of the member's rights then in effect other than a security interest.

3. *Terms of membership interests.* All the membership interests of a cooperative are subject to all of the following:

*a.* Membership interests shall be of one class, without series, unless the articles or bylaws establish or authorize the board to establish more than one class or series within classes.

*b.* Ordinary patron membership interests and, if authorized, nonpatron membership interests subject to this chapter are entitled to vote as provided in section 501A.810, and have equal rights and preferences in all matters not otherwise provided for by the board and to the extent that the articles or bylaws have fixed the relative rights and preferences of different classes and series.

*c.* Membership interests share profits and losses and are entitled to distributions as provided in sections 501A.1005 and 501A.1006.

4. *Rights of judgment creditor.* On application to a court of competent jurisdiction by any judgment creditor of a member, the court may charge a member's or an assignee's financial rights with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of an assignee of a member's financial rights under section 501A.902. This chapter does not deprive any member or assignee of financial rights of the benefit of any exemption laws applicable to the membership interest. This section is the sole and exclusive remedy of a judgment creditor with respect to the judgment debtor's membership interest.

5. *Establishment of class or series.*

*a.* Subject to any restrictions in the articles or bylaws, the power granted in this subsection may be exercised by a resolution or resolutions establishing a class or series, setting forth the designation of the class or series, and fixing the relative rights and preferences of the class or series. Any of the rights and preferences of a class or series established in the articles, bylaws, or by resolution of the board may do any of the following:

(1) Be made dependent upon facts ascertainable outside the articles or bylaws or outside the resolution or resolutions establishing the class or series, if the manner in which the facts

operate upon the rights and preferences of the class or series is clearly and expressly set forth in the articles or bylaws or in the resolution or resolutions establishing the class or series.

(2) Include by reference some or all of the terms of any agreements, contracts, or other arrangements entered into by the cooperative in connection with the establishment of the class or series if the cooperative retains at its principal executive office a copy of the agreements, contracts, or other arrangements or the portions will be included by reference.

*b.* A statement setting forth the name of the cooperative and the text of the resolution and certifying the adoption of the resolution and the date of adoption must be given to the members before the acceptance of any contributions for which the resolution creates rights or preferences not set forth in the articles or bylaws. Where the members have received notice of the creation of membership interests with rights or preferences not set forth in the articles or bylaws before the acceptance of the contributions with respect to the membership interests, the statement may be filed anytime within one year after the acceptance of the contributions. The resolution is effective three days after delivery to the members is deemed effective by the board, or, if the statement is not required to be given to the members before the acceptance of contributions, on the date of its adoption by the directors.

6. *Specific terms.* Without limiting the authority granted in this section, in regulating the membership interests of a class or series, a cooperative may do any of the following:

*a.* Subject to the right of the cooperative, redeem any of those membership interests at the price fixed for their redemption by the articles or bylaws or by the board.

*b.* Entitle the members to receive cumulative, partially cumulative, or noncumulative distributions.

*c.* Provide a preference over any class or series of membership interests for the payment of distributions of any or all kinds.

*d.* Convert membership interests into any other class or any series of the same or another class.

*e.* Provide full, partial, or no voting rights, except as provided in section 501A.810.

7. *Grant of a security interest.* For the purpose of any law relating to security interests, membership interests, governance or voting rights, and financial rights are each to be characterized as provided in section 554.8103, subsection 3.

8. *Powers of estate of a deceased or incompetent member.*

*a.* If a member who is an individual dies or a court of competent jurisdiction adjudges the member to be incompetent to manage the member's person or property, or an order for relief under the bankruptcy code is entered with respect to the member, the member's executor, administrator, guardian, conservator, trustee, or other legal representative may exercise all of the member's rights for the purpose of settling the estate or administering the member's property. If a member is a business entity, trust, or other entity and is dissolved, terminated, or placed by a court in receivership or bankruptcy, the powers of that member may be exercised by its legal representative or successor.

*b.* If an event referred to in paragraph *"a"* causes the termination of a member's membership interest and the termination does not result in dissolution, then, subject to the articles and bylaws, all of the following apply:

(1) As provided in section 501A.902, the terminated member's interest will be considered to be merely that of an assignee of the financial rights owned before the termination of membership.

(2) The rights to be exercised by the legal representative of the terminated member shall be limited accordingly.

9. *Liability of subscribers and members with respect to membership interests.* A person who subscribes to or owns a membership interest in a cooperative is under no obligation to the cooperative or its creditors with respect to the membership interests subscribed for or owned, except to pay to the cooperative the full consideration for which the membership interests are issued or to be issued.

2005 Acts, ch 135, §69; 2006 Acts, ch 1030, §58

Referred to in §501A.902

**501A.904 Certificated and uncertificated membership interests.**

1. *Certificated — uncertificated.* The membership interests of a cooperative shall be either certificated or uncertificated. Each holder of certificated membership interests issued is entitled to a certificate of membership interest.

2. *Signature required.* Certificates shall be signed by an agent or officer authorized in the articles or bylaws to sign share certificates or, in the absence of an authorization, by the chairperson or records officer of the cooperative.

3. *Signature valid.* If a person signs or has a facsimile signature placed upon a certificate while the chairperson, an officer, transfer agent, or records officer of a cooperative, the certificate may be issued by the cooperative, even if the person has ceased to have that capacity before the certificate is issued, with the same effect as if the person had that capacity at the date of its issue.

4. *Form of certificate.* A certificate representing membership interests of a cooperative shall contain on its face all of the following:

*a.* The name of the cooperative.

*b.* A statement that the cooperative is organized under the laws of this state and this chapter.

*c.* The name of the person to whom the certificate is issued.

*d.* The number and class of membership interests, and the designation of the series, if any, that the certificate represents.

*e.* A statement that the membership interests in the cooperative are subject to the articles and bylaws of the cooperative.

*f.* Any restrictions on transfer, including approval of the board, if applicable, first rights of purchase by the cooperative, and other restrictions on transfer, which may be stated by reference to the back of the certificate or to another document.

5. *Limitations set forth.* A certificate representing membership interests issued by a cooperative authorized to issue membership interests of more than one class or series shall set forth upon the face or back of the certificate, or shall state that the cooperative will furnish to any member upon request and without charge, a full statement of the designations, preferences, limitations, and relative rights of the membership interests of each class or series authorized to be issued, so far as they have been determined, and the authority of the board to determine the relative rights and preferences of subsequent classes or series.

6. *Prima facie evidence.* A certificate signed as provided in subsection 2 is prima facie evidence of the ownership of the membership interests referred to in the certificate.

7. *Uncertificated membership interests.*

*a.* Unless uncertificated membership interests are prohibited by the articles or bylaws, a resolution approved by the affirmative vote of a majority of the directors present may provide that some or all of any or all classes and series of its membership interests will be uncertificated membership interests.

*b.* The resolution does not apply to membership interests represented by a certificate until the certificate is surrendered to the cooperative. Within a reasonable time after the issuance or transfer of uncertificated membership interests, the cooperative shall send to the new member the information required by this section to be stated on certificates. This information is not required to be sent to the new holder by a publicly held cooperative that has adopted a system of issuance, recordation, and transfer of its membership interests by electronic or other means not involving an issuance of certificates if the system complies with section 17A of the Securities Exchange Act of 1934, 15 U.S.C. § 78a et seq. Except as otherwise expressly provided by statute, the rights and obligations of the holders of certificated and uncertificated membership interests of the same class and series are identical.

2005 Acts, ch 135, §70; 2012 Acts, ch 1023, §157

**501A.905 Lost certificates — replacement.**

1. *Issuance.* A new membership interest certificate may be issued under section 554.8405 in place of one that is alleged to have been lost, stolen, or destroyed.

2. *Not overissue.* The issuance of a new certificate under this section does not constitute an overissue of the membership interests the new certificate represents.

2005 Acts, ch 135, §71

**501A.906 Restriction on transfer or registration of membership interests.**

1. *How imposed.* A restriction on the transfer or registration of transfer of membership interests of a cooperative may be imposed in the articles, in the bylaws, by a resolution adopted by the members, or by an agreement among or other written action by a number of members or holders of other membership interests or among them and the cooperative. A restriction is not binding with respect to membership interests issued prior to the adoption of the restriction, unless the holders of those membership interests are parties to the agreement or voted in favor of the restriction.

2. *Restrictions permitted.*

*a.* A written restriction on the transfer or registration of transfer of membership interests of a cooperative that is not manifestly unreasonable under the circumstances may be enforced against the holder of the restricted membership interests or a successor or transferee of the holder, including a pledgee or a legal representative, if the restriction is any of the following:

(1) Noted conspicuously on the face or back of the certificate.

(2) Included in this chapter or the articles or bylaws.

(3) Included in information sent to the holders of uncertificated membership interests.

*b.* Unless otherwise restricted by this chapter, the articles, bylaws, noted conspicuously on the face or back of the certificate, or included in information sent to the holders of uncertificated membership interests, a restriction, even though permitted by this section, is ineffective against a person without knowledge of the restriction. A restriction under this section is deemed to be noted conspicuously and is effective if the existence of the restriction is stated on the certificate and reference is made to a separate document creating or describing the restriction.

2005 Acts, ch 135, §72; 2012 Acts, ch 1023, §157

## SUBCHAPTER X

## CONTRIBUTIONS, ALLOCATIONS, AND DISTRIBUTIONS — MEMBER CONTROL AGREEMENTS

**501A.1001 Authorization, form, and acceptance of contributions.**

1. *Board to authorize.* Subject to any restrictions in this chapter regarding patron and nonpatron membership interests or in the articles or bylaws, and only when authorized by the board, a cooperative may accept contributions, which may be patron or nonpatron membership contributions as determined by the board under subsections 2 and 3, make contribution agreements under section 501A.1003, and make contribution rights agreements under section 501A.1004.

2. *Permissible forms.* A person may make a contribution to a cooperative by any of the following:

*a.* Paying money or transferring the ownership of an interest in property to the cooperative or rendering services to or for the benefit of the cooperative.

*b.* Executing a written obligation signed by the person to pay money or transfer ownership of an interest in property to the cooperative or to perform services to or for the benefit of the cooperative.

3. *Acceptance.* A purported contribution shall not be treated or considered as a contribution, unless all of the following apply:

*a.* The board accepts the contribution on behalf of the cooperative and in that acceptance describes the contribution, including terms of future performance, if any, and states the value being accorded to the contribution.

*b.* The fact of contribution and the contribution's accorded value are both reflected in the required records of the cooperative.

4. *Valuation by directors.* The determinations of the board as to the amount or fair value or the fairness to the cooperative of the contribution accepted or to be accepted by the cooperative or the terms of payment or performance, including under a contribution agreement in section 501A.1003, and a contribution rights agreement in section 501A.1004, are presumed to be proper if they are made in good faith and on the basis of accounting methods, or a fair valuation or other method, reasonable in the circumstances. Directors who are present and entitled to vote, and who, intentionally or without reasonable investigation, fail to vote against approving a consideration that is unfair to the cooperative, or overvalue property or services received or to be received by the cooperative as a contribution, are jointly and severally liable to the cooperative for the benefit of the then members who did not consent to and are damaged by the action to the extent of the damages of those members. A director against whom a claim is asserted under this subsection, except in case of knowing participation in a deliberate fraud, is entitled to contribution on an equitable basis from other directors who are liable under this subsection.

2005 Acts, ch 135, §73; 2005 Acts, ch 179, §134

Referred to in §501A.1002

**501A.1002 Restatement of value of previous contributions.**

1. *Definition.* As used in this section, an "*old contribution*" is a contribution reflected in the required records of a cooperative before the time the cooperative accepts a new contribution.

2. *Restatement required.* Whenever a cooperative accepts a new contribution, the board shall restate, as required by this section, the value of all old contributions.

3. *Restatement as to particular series or class to which new contribution pertains.*

*a.* Unless otherwise provided in a cooperative's articles or bylaws, this subsection sets forth the method of restating the value of old contributions that pertain to the same series or class to which the new contribution pertains. In restating the value, the cooperative shall do all of the following:

(1) State the value the cooperative has accorded to the new contribution under section 501A.1001, subsection 3, paragraph "*a*".

(2) Determine what percentage the value stated under subparagraph (1) will constitute, after the restatement required by this subsection, of the total value of all contributions that pertain to the particular series or class to which the new contribution pertains.

(3) Divide the value stated under subparagraph (1) by the percentage determined under subparagraph (2), yielding the total value, after the restatement required by this subsection, of all contributions pertaining to the particular series or class.

(4) Subtract the value stated under subparagraph (1) from the value determined under subparagraph (3), yielding the total value, after the restatement required by this subsection, of all the old contributions pertaining to the particular series or class.

(5) Subtract the value, as reflected in the required records before the restatement required by this subsection, of the old contributions from the value determined under subparagraph (4), yielding the value to be allocated among and added to the old contributions pertaining to the particular series or class.

(6) Allocate the value determined under subparagraph (5) proportionally among the old contributions pertaining to the particular series or class, add the allocated values to those old contributions, and change the required records accordingly.

*b.* The values determined under paragraph "*a*", subparagraph (5), and allocated and added under paragraph "*a*", subparagraph (6), may be positive, negative, or zero.

4. *Restatement method for other series or class.* Unless otherwise provided in a cooperative's articles or bylaws, this subsection sets forth the method of restating the value of old contributions that do not pertain to the same series or class to which the new contribution pertains. In restating the value, the cooperative shall do all of the following:

*a.* Determine the percentage by which the restatement under subsection 3 has changed

the total contribution value reflected in the required records for the series or class to which the new contribution pertains.

*b.* As to each old contribution that does not pertain to the same series or class to which the new contribution pertains, change the value reflected in the required records by the percentage determined under paragraph "*a*". The percentage determined under paragraph "*a*" may be positive, negative, or zero.

5. *New contributions may be aggregated.* If a cooperative accepts more than one contribution pertaining to the same series or class at the same time, then for the purpose of the restatement required by this section, the cooperative may consider all the new contributions a single contribution.

2005 Acts, ch 135, §74

**501A.1003 Contribution agreements.**

1. *Signed writing.* A contribution agreement, whether made before or after the formation of the cooperative, is not enforceable against the would-be contributor unless it is in writing and signed by the would-be contributor.

2. *Irrevocable period.* Unless otherwise provided in the contribution agreement, or unless all of the would-be contributors and, if in existence, the cooperative, consent to a shorter or longer period, a contribution agreement is irrevocable for a period of six months.

3. *Current and deferred payment.* A contribution agreement, whether made before or after the formation of a cooperative, must be paid or performed in full at the time or times, or in the installments, if any, specified in the contribution agreement. In the absence of a provision in the contribution agreement specifying the time at which the contribution is to be paid or performed, the contribution must be paid or performed at the time or times determined by the board. However, a call made by the board for payment or performance on contributions must be uniform for all membership interests of the same class or for all membership interests of the same series.

4. *Failure to pay — remedies.*

*a.* Unless otherwise provided in the contribution agreement, in the event of default in the payment or performance of an installment or call when due, the cooperative may proceed to collect the amount due in the same manner as a debt due the cooperative. If a would-be contributor does not make a required contribution of property or services, the cooperative shall require the would-be contributor to contribute cash equal to that portion of the value, as stated in the cooperative's required records, of the contribution that has not been made.

*b.* (1) If the amount due under a contribution agreement remains unpaid for a period of twenty days after written notice of demand for payment has been given to the delinquent would-be contributor, the membership interests that were subject to the contribution agreement may be offered for sale by the cooperative for a price in money equaling or exceeding the sum of the full balance owed by the delinquent would-be contributor plus the expenses incidental to the sale.

(2) If the membership interests that were subject to the contribution agreement are sold according to this paragraph "*b*", the cooperative shall pay to the delinquent would-be contributor or to the delinquent would-be contributor's legal representative the lesser of one of the following:

(a) The excess of net proceeds realized by the cooperative over the sum of the amount owed by the delinquent would-be contributor plus the expenses incidental to the sale, less any penalty stated in the contribution agreement, which may include forfeiture of the partial contribution.

(b) The amount actually paid by the delinquent would-be contributor.

(3) If the membership interests that were subject to the contribution agreement are not sold according to this paragraph "*b*", the cooperative may collect the amount due in the same manner as a debt due the cooperative or cancel the contribution agreement according to paragraph "*c*".

*c.* If the amount due under a contribution agreement remains unpaid for a period of twenty days after written notice of demand for payment has been given to the delinquent would-be contributor and the membership interests that were subject to the defaulted

contribution agreement have not been sold according to paragraph "*b*", the cooperative may cancel the contribution agreement. In addition, the cooperative may retain any portion of the contribution agreement price actually paid as provided in the contribution agreement. The cooperative shall refund to the delinquent would-be contributor or the delinquent would-be contributor's legal representatives any portion of the contribution agreement price as provided in the contribution agreement.

5. *Restrictions on assignment.* Unless otherwise provided in the articles or bylaws, a would-be contributor's rights under a contribution agreement shall not be assigned, in whole or in part, to a person who was not a member at the time of the assignment, unless all the members approve the assignment by unanimous written consent.

2005 Acts, ch 135, §75; 2012 Acts, ch 1023, §157
Referred to in §501A.1001

**501A.1004 Contribution rights agreements.**

1. *Agreements permitted.* Subject to any restrictions in a cooperative's articles or bylaws, the cooperative may enter into contribution rights agreements under the terms, provisions, and conditions established by board resolution.

2. *Writing required and terms to be stated.* Any contribution rights agreement must be in writing and the writing must state in full, summarize, or include by reference all the agreement's terms, provisions, and conditions of the rights to make contributions.

3. *Restrictions on assignment.* Unless otherwise provided in a cooperative's articles or bylaws, a would-be contributor's rights under a contribution rights agreement shall not be assigned, in whole or in part, to a person who was not a member at the time of the assignment, unless all the members approve the assignment by unanimous written consent.

2005 Acts, ch 135, §76
Referred to in §501A.1001

**501A.1005 Allocations and distributions — profits, losses, cash, or other assets.**

1. *Allocation of profits and losses.* If nonpatron membership interests are authorized by the patrons, the bylaws shall prescribe the allocation of profits and losses between patron membership interests collectively and any other membership interests. If the bylaws do not otherwise provide, the profits and losses between patron membership interests collectively and other membership interests shall be allocated on the basis of the value of contributions to capital made by the patron membership interests collectively and other membership interests accepted by the cooperative. The allocation of profits to the patron membership interests collectively shall not be less than fifty percent of the total profits in any fiscal year, except if authorized in the cooperative's articles or bylaws that are adopted by an affirmative vote of the patron members, or in the articles or bylaws as amended by the affirmative vote of the patron members. However, the allocation of profits to the patron membership interests collectively shall not be less than fifteen percent of the total profits in any fiscal year.

2. *Distribution of cash or other assets.* A cooperative's bylaws shall prescribe the distribution of cash or other assets of the cooperative among the membership interests of the cooperative. If nonpatron membership interests are authorized by the patrons and the bylaws do not provide otherwise, distributions shall be made to the patron membership interests collectively and other members on the basis of the value of contributions to capital made and accepted by the cooperative, by the patron membership interests collectively, and other membership interests. The distributions to patron membership interests collectively shall not be less than fifty percent of the total distributions in any fiscal year, except if authorized in the articles or bylaws adopted by the affirmative vote of the patron members, or the articles or bylaws as amended by the affirmative vote of the patron members. However, the distributions to patron membership interests collectively shall not be less than fifteen percent of the total distributions in any fiscal year.

2005 Acts, ch 135, §77; 2006 Acts, ch 1030, §59
Referred to in §501A.903, 501A.1007

**501A.1006 Allocations and distributions — net income.**

1. *Distribution of net income.* A cooperative may set aside a portion of net income

allocated to the patron membership interests as the board determines advisable to create or maintain a capital reserve.

2. *Reserves.* In addition to a capital reserve, the board may, for patron membership interests, do any of the following:

*a.* Set aside an amount not to exceed five percent of the annual net income of the cooperative for promoting and encouraging cooperative organization.

*b.* Establish and accumulate reserves for new buildings, machinery and equipment, depreciation, losses, and other proper purposes.

3. *Patronage distributions.* Net income allocated to patron members in excess of dividends on equity and additions to reserves shall be distributed to patron members on the basis of patronage. A cooperative may establish allocation units, whether the units are functional, divisional, departmental, geographic, or otherwise. The cooperative may provide for pooling arrangements. The cooperative may account for and distribute net income to patrons on the basis of allocation units and pooling arrangements. A cooperative may offset the net loss of an allocation unit or pooling arrangement against the net income of other allocation units or pooling arrangements.

4. *Frequency of distribution.* A distribution of net income shall be made at least annually. The board shall present to the members at their annual meeting a report covering the operations of the cooperative during the preceding fiscal year.

5. *Form of distribution.* A cooperative may distribute net income to patron members in cash, capital credits, allocated patronage equities, revolving fund certificates, or its own or other securities.

6. *Eligible nonmember patrons.* A cooperative may provide in the bylaws that nonmember patrons are allowed to participate in the distribution of net income payable to patron members on equal terms with patron members.

7. *Patronage credits for ineligible members.* If a nonmember patron with patronage credits is not qualified or eligible for membership, a refund due may be credited to the nonmember patron's individual account. The board may issue a certificate of interest to reflect the credited amount. After the nonmember patron is issued a certificate of interest, the nonmember patron may participate in the distribution of net income on the same basis as a patron member.

2005 Acts, ch 135, §78; 2006 Acts, ch 1030, §60

Referred to in §501A.903, 501A.1007

**501A.1007 Member control agreements.**

1. *Authorization.* A written agreement among persons who are then members, including a sole member, or who have signed subscription or contribution agreements, relating to the control of any phase of the business and affairs of the cooperative, its liquidation, dissolution and termination, or the relations among members or persons who have signed subscription or contribution agreements is valid as provided in subsection 2. Other than the authorization of nonpatron membership interests as provided in section 501A.901 and nonpatron voting rights as provided in section 501A.810, whenever this chapter provides that a particular result may or must be obtained through a provision in a cooperative's articles or bylaws, the same result can be accomplished through a member control agreement valid under this section or through a procedure established by a member control agreement valid under this section. However, the member control agreement must be authorized by the cooperative's articles or bylaws and cannot conflict with the cooperative's articles or bylaws. Any result accomplished through a membership control agreement under this section must be properly disclosed as provided in section 501A.901.

2. *Valid execution.* Other than patron member voting control under section 501A.810 and patron member allocation and distribution provisions under sections 501A.1005 and 501A.1006, a written agreement among persons described in subsection 1 that relates to the control of or the liquidation, dissolution, and termination of the cooperative, the relations among them, or any phase of the business and affairs of the cooperative is valid if it meets the requirements of this subsection. This includes but is not limited to the management of its business, the declaration and payment of distributions, the sharing of profits and losses,

the election of directors, the employment of members by the cooperative, or the arbitration of disputes. The written agreement must be signed by all persons who are then the members of the cooperative, whether or not the members all have voting power, and all those who have signed contribution agreements, regardless of whether those signatories will, when members, have voting power.

3. *Other agreements not affected.* This section does not apply to, limit, or restrict agreements otherwise valid, nor is the procedure set forth in this section the exclusive method of agreement among members or between the members and the cooperative with respect to any of the matters described.

2005 Acts, ch 135, §79

**501A.1008 Reversion of disbursements.**

1. Once a person's membership interest or other member's equity in a cooperative is deemed abandoned under section 556.5, the cooperative may retain any disbursement held by the cooperative for or owing to the person. The cooperative may also deliver the disbursement to the treasurer of state for disposition as abandoned property pursuant to sections 556.5 and 556.11.

2. If the cooperative elects to retain the disbursement under this section, the disbursement shall be deposited into a reversion fund established by the cooperative.

3. A disbursement having an aggregate value of fifty dollars or more that is retained by the cooperative shall be forfeited to the cooperative only if the cooperative publishes at least one notice of the abandoned property in a publication regularly distributed to its membership or in a newspaper having a general circulation in the county where the cooperative is located. The notice shall include all of the following:

*a.* The name and address of the cooperative.

*b.* The name of the person who has an interest in the disbursement according to the records of the cooperative.

*c.* A brief description of the type of disbursement retained by the cooperative.

*d.* A statement that the disbursement will be forfeited to the cooperative unless the person files a claim for the disbursement within the period provided for in this section.

4. *a.* Subject to this subsection, a person asserting an interest in the disbursement may file a claim for it with the cooperative in a manner and according to procedures required by the cooperative. If a person is entitled to an abandoned membership interest, or other interest as provided in section 556.20 or 556.21, the cooperative shall also pay the person the disbursement deposited in the reversion fund that is realized or accrued from the membership interest or other interest.

*b.* If a person has not filed a claim for the disbursement within six months after the first date that the notice of abandoned property is first published as provided in this section, the disbursement shall be forfeited to the cooperative.

5. The disbursements deposited into the reversion fund that are forfeited to the cooperative shall be used as provided in this subsection. The cooperative may authorize the payment of forfeited disbursements to persons claiming interests in forfeited disbursements as provided in the cooperative's articles of organization or bylaws. Otherwise, forfeited disbursements shall be used as the directors deem suitable for any of the following purposes:

*a.* Teaching and promoting cooperation. The directors may deposit the amounts of disbursements into the education fund as established by the cooperative.

*b.* Economic development including private or joint public and private investments involving the creation of economic opportunities for the cooperative's members or the retention of existing sources of income that would otherwise be lost.

2005 Acts, ch 135, §80; 2006 Acts, ch 1010, §131

Referred to in §556.5

## SUBCHAPTER XI

## MERGER AND CONVERSION

**501A.1101 Merger and consolidation.**

1. *Authorization.* Unless otherwise prohibited, cooperatives organized under the laws of this state, including cooperatives organized under this chapter or traditional cooperatives, may merge or consolidate with each other, an Iowa limited liability company under the provisions of section 489.1015, or other business entities organized under the laws of another state by complying with the provisions of this section and the law of the state where the surviving or new business entity will exist. A cooperative shall not merge or consolidate with a business entity organized under the laws of this state, other than a traditional cooperative, unless the law governing the business entity expressly authorizes merger or consolidation with a cooperative. This subsection does not authorize a foreign business entity to do any act not authorized by the law governing the foreign business entity.

2. *Plan.* To initiate a merger or consolidation of a cooperative, a written plan of merger or consolidation shall be prepared by the board or by a committee selected by the board to prepare a plan. The plan shall state all of the following:

*a.* The names of the constituent domestic cooperative, the name of any Iowa limited liability company that is a party to the merger, to the extent authorized under section 489.1015, and any foreign business entities.

*b.* The name of the surviving or new domestic cooperative, Iowa limited liability company as required by section 489.1015, or other foreign business entity.

*c.* The manner and basis of converting membership or ownership interests of the constituent domestic cooperative, the Iowa limited liability company that is a party as provided in section 489.1015, or foreign business entity into membership or ownership interests in the surviving or new domestic cooperative, the surviving Iowa limited liability company as authorized in section 489.1015, or foreign business entity.

*d.* The terms of the merger or consolidation.

*e.* The proposed effect of the merger or consolidation on the members and patron members of each constituent domestic cooperative.

*f.* For a consolidation, the plan shall contain the articles of the entity or organizational documents to be filed with the state in which the entity is organized or, if the surviving organization is an Iowa limited liability company, the articles of organization.

3. *Notice.* The following shall apply to notice:

*a.* The board shall mail or otherwise transmit or deliver notice of the merger or consolidation to each member. The notice shall contain the full text of the plan, and the time and place of the meeting at which the plan will be considered.

*b.* A cooperative with more than two hundred members may provide the notice in the same manner as a regular members' meeting notice.

4. *Adoption of plan.*

*a.* A plan of merger or consolidation shall be adopted by a domestic cooperative as provided in this subsection.

*b.* The plan of merger or consolidation is adopted if all of the following apply:

(1) A quorum of the members eligible to vote is registered as being present at the meeting or voting by mail ballot or alternative voting method.

(2) The plan is approved by the patron members, or if otherwise provided in the articles or bylaws, is approved by a majority of the votes cast in each class of votes cast. For a domestic cooperative with articles or bylaws requiring more than a majority of the votes cast or other conditions for approval, the plan must be approved by a proportion of the votes cast or a number of total members as required by the articles or bylaws and the conditions for approval in the articles or bylaws have been satisfied.

*c.* After the plan has been adopted, articles of merger or consolidation stating the plan and that the plan was adopted according to this subsection shall be signed by the chairperson, vice chairperson, or records officer of each cooperative merging or consolidating.

*d.* The articles of merger or consolidation shall be filed in the office of the secretary.

*e.* For a merger, the articles of the surviving domestic cooperative subject to this chapter are deemed amended to the extent provided in the articles of merger.

*f.* Unless a later date is provided in the plan, the merger or consolidation is effective when the articles of merger or consolidation are filed in the office of the secretary or the appropriate office of another jurisdiction.

*g.* The secretary shall issue a certificate of organization of the merged or consolidated cooperative.

5. *Effect of merger or consolidation.* For a merger that does not involve an Iowa limited liability company, the following shall apply to the effect of a merger:

*a.* After the effective date, the domestic cooperative, Iowa limited liability company, if party to the plan, and any foreign business entity that is a party to the plan become a single entity. For a merger, the surviving business entity is the business entity designated in the plan. For a consolidation, the new domestic cooperative, the Iowa limited liability company, if any, and any foreign business entity is the business entity provided for in the plan. Except for the surviving or new domestic cooperative, Iowa limited liability company, or foreign business entity, the separate existence of each merged or consolidated domestic or foreign business entity that is a party to the plan ceases on the effective date of the merger or consolidation.

*b.* The surviving or new domestic cooperative, Iowa limited liability company, or foreign business entity possesses all of the rights and property of each of the merged or consolidated business entities and is responsible for all their obligations. The title to property of the merged or consolidated domestic cooperative, Iowa limited liability company, or foreign business entity is vested in the surviving or new domestic cooperative, Iowa limited liability company, or foreign business entity without reversion or impairment of the title caused by the merger or consolidation.

*c.* If a merger involves an Iowa limited liability company, this subsection is subject to the provisions of section 489.1015.

2005 Acts, ch 135, §81; 2006 Acts, ch 1010, §132; 2007 Acts, ch 126, §86; 2008 Acts, ch 1162, §140 – 142, 154, 155; 2011 Acts, ch 23, §25

Referred to in §489.1015, 501A.1102

**501A.1102 Merger of subsidiary.**

1. *Definition.* For purposes of this section, "*subsidiary*" means a domestic cooperative, an Iowa limited liability company, or a foreign cooperative.

2. *When authorized — contents of plan.* An Iowa limited liability company may only participate in a merger under this section to the extent authorized under section 489.1015. A parent domestic cooperative or a subsidiary that is a domestic cooperative may complete the merger of a subsidiary as provided in this section. However, if either the parent cooperative or the subsidiary is a business entity organized under the laws of this state, the merger of the subsidiary is not authorized under this section unless the law governing the business entity expressly authorizes merger with a cooperative.

*a.* A parent cooperative owning at least ninety percent of the outstanding ownership interests of each class and series of a subsidiary directly, or indirectly through related organizations, other than classes or series that, absent this section, would otherwise not be entitled to vote on the merger, may merge the subsidiary into itself or into any other subsidiary at least ninety percent of the outstanding ownership interests of each class and series of which is owned by the parent cooperative directly, or indirectly through related organizations, other than classes or series that, absent this section, would otherwise not be entitled to vote on the merger, without a vote of the members of itself or any subsidiary or may merge itself, or itself and one or more of the subsidiaries, into one of the subsidiaries under this section. A resolution approved by the affirmative vote of a majority of the directors of the parent cooperative present shall set forth a plan of merger that contains all of the following:

(1) The name of the subsidiary or subsidiaries, the name of the parent cooperative, and the name of the surviving cooperative.

(2) The manner and basis of converting the membership interests of the subsidiary or

subsidiaries or parent cooperative into securities of the parent cooperative, subsidiary, or of another cooperative or, in whole or in part, into money or other property.

(3) If the parent cooperative is a constituent cooperative but is not the surviving cooperative in the merger, a provision for the pro rata issuance of membership interests of the surviving cooperative to the holders of membership interests of the parent on surrender of any certificates for shares or membership interests of the parent cooperative.

(4) If the surviving cooperative is a subsidiary, a statement of any amendments to the articles of the surviving cooperative that will be part of the merger.

*b.* If the parent is a constituent cooperative and the surviving cooperative in the merger, the parent cooperative may change its cooperative name, without a vote of its members, by the inclusion of a provision to that effect in the resolution of merger setting forth the plan of merger that is approved by the affirmative vote of a majority of the directors of the parent cooperative present. Upon the effective date of the merger, the name of the parent cooperative shall be changed.

*c.* If the parent cooperative is a constituent cooperative but is not the surviving cooperative in the merger, the resolution is not effective unless the resolution is also approved by the affirmative vote of the holders of a majority of the voting power of all membership interests of the parent entitled to vote at a regular or special meeting if the parent is a cooperative, or in accordance with the laws under which the parent is organized if the parent is a foreign business entity or foreign cooperative.

3. *Notice to members of subsidiary.* Notice of the action, including a copy of the plan of merger, shall be delivered to each member, other than the parent cooperative and any subsidiary of each subsidiary that is a constituent cooperative in the merger before, or within ten days after, the effective date of the merger.

4. *Articles of merger — contents of articles.* Articles of merger shall be prepared that contain all of the following:

*a.* The plan of merger.

*b.* The number of outstanding membership interests of each series and class of each subsidiary that is a constituent cooperative in the merger, other than the series or classes that, absent this section, would otherwise not be entitled to vote on the merger, and the number of membership interests of each series and class of the subsidiary or subsidiaries, other than series or classes that, absent this section, would otherwise not be entitled to vote on the merger, owned by the parent directly, or indirectly through related organizations.

*c.* A statement that the plan of merger has been approved by the parent under this section.

5. *Articles signed, filed.* The articles of merger shall be signed on behalf of the parent and filed with the secretary.

6. *Certificate.* The secretary shall issue a certificate of merger to the parent or its legal representative or, if the parent is a constituent cooperative but is not the surviving cooperative in the merger, to the surviving cooperative or its legal representative.

7. *Nonexclusivity.* A merger among a parent and one or more subsidiaries or among two or more subsidiaries of a parent may be accomplished under section 501A.1101 instead of this section, in which case this section does not apply.

2005 Acts, ch 135, §82; 2008 Acts, ch 1162, §143, 154, 155

**501A.1103 Abandonment.**

1. *Abandonment by members of plan.* After a plan of merger has been approved by the members entitled to vote on the approval of the plan and before the effective date of the plan, the plan may be abandoned by the same vote that approved the plan.

2. *Abandonment of merger.*

*a.* A merger may be abandoned upon any of the following:

(1) The members of each of the constituent domestic cooperatives entitled to vote on the approval of the plan have approved the abandonment at a meeting by the affirmative vote of the holders of a majority of the voting power of the membership interests entitled to vote.

(2) The merger is with a domestic cooperative and an Iowa limited liability company or foreign business entity.

(3) The abandonment is approved in such manner as may be required by section 489.1015

for the involvement of an Iowa limited liability company, or for a foreign business entity by the laws of the state under which the foreign business entity is organized.

(4) The members of a constituent domestic cooperative are not entitled to vote on the approval of the plan, and the board of the constituent domestic cooperative has approved the abandonment by the affirmative vote of a majority of the directors present.

(5) The plan provides for abandonment and all conditions for abandonment set forth in the plan are met.

(6) The plan is abandoned before the effective date of the plan by a resolution of the board of any constituent domestic cooperative abandoning the plan of merger approved by the affirmative vote of a majority of the directors present, subject to the contract rights of any other person under the plan. If a plan of merger is with a domestic business entity or foreign business entity, the plan of merger may be abandoned before the effective date of the plan by a resolution of the foreign business entity adopted according to the laws of the state under which the foreign business entity is organized, subject to the contract rights of any other person under the plan. If the plan of merger is with an Iowa limited liability company, the plan of merger may be abandoned by the Iowa limited liability company as provided in section 489.1015, subject to the contractual rights of any other person under the plan.

*b.* If articles of merger have been filed with the secretary, but have not yet become effective, the constituent organizations, in the case of abandonment under paragraph "*a*", subparagraphs (1) through (4), the constituent organizations or any one of them, in the case of abandonment under paragraph "*a*", subparagraph (5), or the abandoning organization in the case of abandonment under paragraph "*a*", subparagraph (6), shall file with the secretary articles of abandonment that include all of the following:

(1) The names of the constituent organizations.

(2) The provisions of this section under which the plan is abandoned.

(3) If the plan is abandoned under paragraph "*a*", subparagraph (6), the text of the resolution abandoning the plan.

2005 Acts, ch 135, §83; 2008 Acts, ch 1162, §144, 154, 155

Referred to in §489.1015

**501A.1104 Conversion — amendment of organizational documents to be governed by this chapter.**

1. *Authority.*

*a.* A traditional cooperative may convert to a cooperative and become subject to this chapter by amending its organizational documents to conform to the requirements of this chapter.

*b.* A traditional cooperative becoming a converted cooperative must provide its members with a disclosure statement of the rights and obligations of the members and the capital structure of the cooperative before becoming subject to this chapter. A traditional cooperative, upon distribution of the disclosure required in this subsection and approval of its members as necessary for amending its articles under the respective chapter of its organization, may amend its articles to comply with this chapter.

*c.* A traditional cooperative becoming a converted cooperative must prepare a certificate stating all of the following:

(1) The date on which the traditional cooperative was first organized.

(2) The name of the traditional cooperative and, if the name is changed, the name of the cooperative becoming converted.

(3) The future effective date and time, which must be a date and time certain, that the traditional cooperative will be governed by this chapter, if the effective date and time is not to be the date and time of filing.

*d.* Upon filing with the secretary of the articles for compliance with this chapter and the certificate required under paragraph "*c*", a traditional cooperative is converted and governed by this chapter unless a later date and time is specified in the certificate under paragraph "*c*".

*e.* In connection with a conversion under which a traditional cooperative becomes governed by this chapter, the rights, securities, or interests of the traditional cooperative

as provided in chapter 497, 498, 499, or 501 may be exchanged or converted into rights, property, securities, or interests in the converted cooperative.

2. *Effect of being governed by this chapter.* The conversion of a traditional cooperative to a cooperative governed by this chapter does not affect any obligations or liabilities of the cooperative before the conversion or the personal liability of any person incurred before the conversion.

*a.* When the conversion is effective, the rights, privileges, and powers of the cooperative, real and personal property of the cooperative, debts due to the cooperative, and causes of action belonging to the traditional cooperative remain vested in the converted cooperative and are the property of the converted cooperative and governed by this chapter. Title to real property vested by deed or otherwise in the traditional cooperative does not revert and is not impaired by reason of the cooperative being converted and governed by this chapter.

*b.* Rights of creditors and liens upon property of the traditional cooperative are preserved unimpaired, and debts, liabilities, and duties of the traditional cooperative remain attached to the converted cooperative and may be enforced against the converted cooperative to the same extent as if the debts, liabilities, and duties had originally been incurred or contracted by the cooperative as organized under this chapter.

*c.* The rights, privileges, powers, and interests in property of the traditional cooperative as well as the debts, liabilities, and duties of the traditional cooperative are not deemed, as a consequence of the conversion, to have been transferred for any purpose by the laws of this state.

2005 Acts, ch 135, §84; 2006 Acts, ch 1010, §133

## SUBCHAPTER XII

## DISSOLUTION

Referred to in §501A.505

**501A.1201 Methods of dissolution.**

A cooperative may be dissolved by the members or by administrative or court order as provided in this chapter.

2005 Acts, ch 135, §85

**501A.1202 Winding up.**

1. *Collection and payment of debts.* After the notice of intent to dissolve has been filed with the secretary, the board, or the officers acting under the direction of the board, shall proceed as soon as possible to do all of the following:

*a.* Collect or make provision for the collection of all debts due or owing to the cooperative, including unpaid subscriptions for membership interests.

*b.* Pay or make provision for the payment of all debts, obligations, and liabilities of the cooperative according to their priorities.

2. *Transfer of assets.* After the notice of intent to dissolve has been filed with the secretary, the board may sell, lease, transfer, or otherwise dispose of all or substantially all of the property and assets of the dissolving cooperative without a vote of the members.

3. *Distribution to members.* Tangible and intangible property, including money, remaining after the discharge of the debts, obligations, and liabilities of the cooperative shall be distributed to the members and former members as provided in the cooperative's articles or bylaws, unless otherwise provided by law. If previously authorized by the members, the tangible and intangible property of the cooperative may be liquidated and disposed of at the discretion of the board.

2005 Acts, ch 135, §86

**501A.1203 Revocation of dissolution proceedings.**

1. *Authority to revoke.* Dissolution proceedings may be revoked before the articles of dissolution are filed with the secretary.

2. *Revocation by members.* The chairperson may call a members' meeting to consider the advisability of revoking the dissolution proceedings. The question of the proposed revocation shall be submitted to the members at the members' meeting called to consider the revocation. The dissolution proceedings are revoked if the proposed revocation is approved at the members' meeting by a majority of the members of the cooperative or, for a cooperative with articles or bylaws requiring a greater number of members, the number of members required by the articles or bylaws.

3. *Filing with the secretary.* Revocation of dissolution proceedings is effective when a notice of revocation is filed with the secretary. After the notice is filed, the cooperative may resume business.

2005 Acts, ch 135, §87

**501A.1204 Statute of limitations.**

The claim of a creditor or claimant against a dissolving cooperative is barred if the claim has not been enforced by initiating legal, administrative, or arbitration proceedings concerning the claim by two years after the date the notice of intent to dissolve is filed with the secretary.

2005 Acts, ch 135, §88

Barring of claims, §501A.1215

**501A.1205 Articles of dissolution.**

1. *Conditions to file.* Articles of dissolution of a cooperative shall be filed with the secretary after payment of the claims of all known creditors and claimants has been made or provided for and the remaining property has been distributed by the board. The articles of dissolution shall state all of the following:

*a.* The name of the cooperative.

*b.* All debts, obligations, and liabilities of the cooperative have been paid or discharged or adequate provisions have been made for them or time periods allowing claims have run and other claims are not outstanding.

*c.* The remaining property, assets, and claims of the cooperative have been distributed among the members or under a liquidation authorized by the members.

*d.* Legal, administrative, or arbitration proceedings by or against the cooperative are not pending or adequate provision has been made for the satisfaction of a judgment, order, or decree that may be entered against the cooperative in a pending proceeding.

2. *Dissolution effective on filing.* The cooperative is dissolved when the articles of dissolution have been filed with the secretary.

3. *Certificate.* The secretary shall issue to the dissolved cooperative or its legal representative a certificate of dissolution that contains all of the following:

*a.* The name of the dissolved cooperative.

*b.* The date the articles of dissolution were filed with the secretary.

*c.* A statement that the cooperative is dissolved.

2005 Acts, ch 135, §89

**501A.1206 Application for court-supervised voluntary dissolution.**

After a notice of intent to dissolve has been filed with the secretary and before a certificate of dissolution has been issued, the cooperative or, for good cause shown, a member or creditor may apply to a court within the county where the registered address is located to have the dissolution conducted or continued under the supervision of the court.

2005 Acts, ch 135, §90

**501A.1207 Court-ordered remedies for dissolution.**

1. *Conditions for relief.* A court may grant equitable relief that the court deems just and reasonable in the circumstances or may dissolve a cooperative and liquidate its assets and business as follows:

*a.* In a supervised voluntary dissolution that is applied for by the cooperative.

*b.* In an action by a member when it is established that any of the following apply:

(1) The directors or the persons having the authority otherwise vested in the board are

deadlocked in the management of the cooperative's affairs and the members are unable to break the deadlock.

(2) The directors or those in control of the cooperative have acted fraudulently, illegally, or in a manner unfairly prejudicial toward one or more members in their capacities as members, directors, or officers.

(3) The members of the cooperative are so divided in voting power that, for a period that includes the time when two consecutive regular members' meetings were held, they have failed to elect successors to directors whose terms have expired or would have expired upon the election and qualification of their successors.

(4) The cooperative assets are being misapplied or wasted.

(5) The period of duration as provided in the articles has expired and has not been extended as provided in this chapter.

*c.* In an action by a creditor when any of the following applies:

(1) The claim of the creditor against the cooperative has been reduced to judgment and an execution on the judgment has been returned unsatisfied.

(2) The cooperative has admitted in writing that the claim of the creditor against the cooperative is due and owing and it is established that the cooperative is unable to pay its debts in the ordinary course of business.

(3) In an action by the attorney general to dissolve the cooperative in accordance with this chapter when it is established that a decree of dissolution is appropriate.

2. *Condition of cooperative or association.* In determining whether to order equitable relief or dissolution, the court shall take into consideration the financial condition of the cooperative, but shall not refuse to order equitable relief or dissolution solely on the grounds that the cooperative has accumulated operating net income or current operating net income.

3. *Dissolution as remedy.* In deciding whether to order dissolution of the cooperative, the court shall consider whether lesser relief suggested by one or more parties, such as a form of equitable relief or a partial liquidation, would be adequate to permanently relieve the circumstances established under subsection 1, paragraph *"b"*, subparagraph (1) or (2). Lesser relief may be ordered if it would be appropriate under the facts and circumstances of the case.

4. *Expenses.* If the court finds that a party to a proceeding brought under this section has acted arbitrarily, vexatiously, or otherwise not in good faith, the court may in its discretion award reasonable expenses, including attorney fees and disbursements, to any of the other parties.

5. *Venue.* Proceedings under this section shall be brought in a court within the county where the registered address of the cooperative is located.

6. *Parties.* It is not necessary to make members parties to the action or proceeding unless relief is sought against them personally.

2005 Acts, ch 135, §91

**501A.1208 Procedure in involuntary or court-supervised voluntary dissolution.**

1. *Action before hearing.* Before a hearing is completed in dissolution proceedings, a court may do any of the following:

*a.* Issue injunctions.

*b.* Appoint receivers with all powers and duties that the court directs.

*c.* Take actions required to preserve the cooperative's assets, wherever located.

*d.* Carry on the business of the cooperative.

2. *Action after hearing.* After a hearing is completed, upon notice to parties to the proceedings and to other parties in interest designated by the court, the court may appoint a receiver to collect the cooperative's assets, including amounts owing to the cooperative by subscribers on account of an unpaid portion of the consideration for the issuance of membership interests. A receiver has authority, subject to the order of the court, to continue the business of the cooperative and to sell, lease, transfer, or otherwise dispose of the property and assets of the cooperative, either at public or private sale.

3. *Discharge of obligations.* The assets of the cooperative or the proceeds resulting from a sale, lease, transfer, or other disposition shall be applied in the following order of priority:

*a.* The costs and expense of the proceedings, including attorney fees and disbursements.

*b.* Debts, taxes, and assessments due the United States, this state, and other states in that order.

*c.* Claims duly proved and allowed to employees under the provisions of the workers' compensation law, except that claims under this paragraph shall not be allowed if the cooperative carried workers' compensation insurance, as provided by law, at the time the injury was sustained.

*d.* Claims, including the value of all compensation paid in a medium other than money, proved and allowed to employees for services performed within three months preceding the appointment of the receiver.

*e.* Other claims that are proved and allowed by the court.

4. *Remainder to members.* After payment of the expenses of receivership and claims of creditors are proved, the remaining assets, if any, may be distributed to the members or distributed under an approved liquidation plan.

2005 Acts, ch 135, §92

**501A.1209 Receiver qualifications and powers.**

1. *Qualifications.* A receiver shall be a natural person or a domestic business entity or a foreign business entity authorized to transact business in this state. A receiver shall give a bond as directed by the court with the sureties required by the court.

2. *Powers.* A receiver may sue and defend in all courts as receiver of the cooperative. The court appointing the receiver has exclusive jurisdiction of the cooperative and its property.

2005 Acts, ch 135, §93

**501A.1210 Dissolution action by attorney general — administrative dissolution.**

1. *Conditions to begin action.* A cooperative may be dissolved involuntarily by a decree of a court in this state in an action filed by the attorney general if it is established that any of the following applies:

*a.* The articles and certificate of organization were procured through fraud.

*b.* The cooperative was organized for a purpose not permitted by this chapter or prohibited by state law.

*c.* The cooperative has flagrantly violated a provision of this chapter, has violated a provision of this chapter more than once, or has violated more than one provision of this chapter.

*d.* The cooperative has acted, or failed to act, in a manner that constitutes surrender or abandonment of the cooperative's franchise, privileges, or enterprise.

2. *Notice to cooperative.* An action shall not be commenced under subsection 1 until thirty days after notice to the cooperative by the attorney general of the reason for the filing of the action. If the reason for filing the action is an act that the cooperative has done, or omitted to do, and the act or omission may be corrected by an amendment of the articles or bylaws or by performance of or abstention from the act, the attorney general shall give the cooperative thirty additional days to make the correction before filing the action.

2005 Acts, ch 135, §94

**501A.1211 Filing claims in court-supervised dissolution proceedings.**

1. *Filing under oath.* In proceedings to dissolve a cooperative, the court may require all creditors and claimants of the cooperative to file their claims under oath with the clerk of court or with the receiver in a form prescribed by the court.

2. *Date to file a claim.* If the court requires the filing of claims, the court shall do all of the following:

*a.* Set a date, by order, at least one hundred twenty days after the date the order is filed as the last day for the filing of claims.

*b.* Prescribe the notice of the fixed date that shall be given to creditors and claimants.

3. *Fixed date or extension for filing.* Before the fixed date, the court may extend the time for filing claims. Creditors and claimants failing to file claims on or before the fixed date may

be barred, by order of court, from claiming an interest in or receiving payment out of the property or assets of the cooperative.

2005 Acts, ch 135, §95

**501A.1212 Discontinuance of court-supervised dissolution proceedings.**

The involuntary or supervised voluntary dissolution of a cooperative may be discontinued at any time during the dissolution proceedings if it is established that cause for dissolution does not exist. The court shall dismiss the proceedings and direct the receiver, if any, to redeliver to the cooperative its remaining property and assets.

2005 Acts, ch 135, §96

**501A.1213 Court-supervised dissolution order.**

1. *Conditions for dissolution order.* In an involuntary or supervised voluntary dissolution the court shall enter an order dissolving the cooperative upon the following conditions:

*a.* After the costs and expenses of the proceedings and all debts, obligations, and liabilities of the cooperative have been paid or discharged and the remaining property and assets have been distributed to its members.

*b.* If the property or other assets are not sufficient to satisfy and discharge the costs, expenses, debts, obligations, and liabilities, when all the property and assets have been applied so far as they will go to their payment according to their priorities.

2. *Dissolution effective on filing order.* When the order dissolving the cooperative has been entered, the cooperative is dissolved.

2005 Acts, ch 135, §97

**501A.1214 Filing court's dissolution order.**

After the court enters an order dissolving a cooperative, the clerk of court shall cause a certified copy of the dissolution order to be filed with the secretary. The secretary shall not charge a fee for filing the dissolution order.

2005 Acts, ch 135, §98

**501A.1215 Barring of claims.**

1. *Claims barred.* A person who is or becomes a creditor or claimant before, during, or following the conclusion of dissolution proceedings, who does not file a claim or pursue a remedy in a legal, administrative, or arbitration proceeding during the pendency of the dissolution proceeding or has not initiated a legal, administrative, or arbitration proceeding before the commencement of the dissolution proceedings and all those claiming through or under the creditor or claimant are forever barred from suing on that claim or otherwise realizing upon or enforcing it, except as provided in this section.

2. *Certain unfiled claims allowed.* Within one year after articles of dissolution have been filed with the secretary under this chapter or a dissolution order has been entered, a creditor or claimant who shows good cause for not having previously filed the claim may apply to a court in this state to allow a claim for any of the following:

*a.* Against the cooperative to the extent of undistributed assets.

*b.* If the undistributed assets are not sufficient to satisfy the claim, the claim may be allowed against a member to the extent of the distributions to members in dissolution received by the member.

3. *Omitted claims allowed.* Debts, obligations, and liabilities incurred during dissolution proceedings shall be paid or provided for by the cooperative before the distribution of assets to a member. A person to whom this kind of debt, obligation, or liability is owed but is not paid may pursue any remedy against the offenders, directors, or members of the cooperative before the expiration of the applicable statute of limitations. This subsection does not apply to dissolution under the supervision or order of a court.

2005 Acts, ch 135, §99

Statute of limitations, see §501A.1204

**501A.1216 Right to sue or defend after dissolution.**

After a cooperative has been dissolved, any of its former officers, directors, or members may assert or defend, in the name of the cooperative, a claim by or against the cooperative.

2005 Acts, ch 135, §100

# CHAPTER 501B

## REVISED UNIFORM UNINCORPORATED NONPROFIT ASSOCIATION ACT

Referred to in §558.72, 669.14

This chapter takes effect July 1, 2010, and does not affect an action or proceeding commenced or right accrued before that date; 2010 Acts, ch 1112, §33


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**501B.1 Short title.**

This Act shall be known and may be cited as the *"Revised Uniform Unincorporated Nonprofit Association Act"*.

2010 Acts, ch 1112, §1, 33

**501B.2 Definitions.**

As used in this chapter:

1. *"Established practices"* means the practices used by an unincorporated nonprofit association without material change during the most recent five years of its existence, or if it has existed for less than five years, during its entire existence.

2. *"Governing principles"* means the agreements, whether oral, in a record, or implied from its established practices, that govern the purpose or operation of an unincorporated nonprofit association and the rights and obligations of its members and managers. *"Governing principles"* includes any amendment or restatement of the agreements constituting the governing principles.

3. *"Manager"* means a person that is responsible, alone or in concert with others, for the management of an unincorporated nonprofit association and includes but is not limited to

persons who may be designated as directors and officers or some other designation indicating that such persons would perform the duties of a manager.

4. *"Member"* means a person that, under the governing principles, may participate in the selection of persons authorized to manage the affairs of the unincorporated nonprofit association or in the development of the policies and activities of the association.

5. *"Person"* means an individual, corporation, business trust, statutory entity trust, estate, trust, partnership, limited liability company, cooperative, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

6. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

7. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

8. "*Unincorporated nonprofit association*" or "*association*" means an unincorporated organization consisting of two or more members joined under an agreement that is oral, in a record, or implied from conduct, for one or more common, nonprofit purposes. "*Unincorporated nonprofit association*" does not include any of the following:

*a.* A trust.

*b.* A marriage, domestic partnership, common law domestic relationship, civil union, or other domestic living arrangement.

*c.* An organization formed under any other statute that governs the organization and operation of unincorporated associations.

*d.* A joint tenancy or tenancy in common even if the co-owners share use of the property for a nonprofit purpose.

*e.* A relationship under an agreement in a record that expressly provides that the relationship between the parties does not create an unincorporated nonprofit association.

2010 Acts, ch 1112, §2, 33

Referred to in §9H.1

**501B.3 Relation to other law.**

1. Principles of law and equity supplement this chapter unless displaced by a particular provision of this chapter.

2. A statute governing a specific type of unincorporated nonprofit association prevails over an inconsistent provision in this chapter, to the extent of the inconsistency.

3. This chapter supplements the law of this state that applies to nonprofit associations operating in this state. If a conflict exists, that law applies.

2010 Acts, ch 1112, §3, 33

**501B.4 Governing law.**

1. Except as otherwise provided in subsection 2, this chapter governs the operation in this state of all unincorporated nonprofit associations formed or operating in this state.

2. Unless the governing principles specify a different jurisdiction, the law of the jurisdiction in which an unincorporated nonprofit association has its main place of activities governs the internal affairs of the association.

2010 Acts, ch 1112, §4, 33

**501B.5 Legal entity — perpetual existence — powers.**

1. An unincorporated nonprofit association is a legal entity distinct from its members and managers.

2. An unincorporated nonprofit association has perpetual duration unless the governing principles specify otherwise.

3. An unincorporated nonprofit association has the same powers as an individual to do all things necessary or convenient to carry on its purposes.

4. An unincorporated nonprofit association may engage in profit-making activities but profits from any activities must be used or set aside for the association's nonprofit purposes.
2010 Acts, ch 1112, §5, 33

**501B.6 Ownership and transfer of property.**
1. An unincorporated nonprofit association may acquire, hold, encumber, or transfer in its name an interest in real or personal property.
2. An unincorporated nonprofit association may be a beneficiary of a trust or contract, a legatee, or a devisee.
2010 Acts, ch 1112, §6, 33

**501B.7 Statement of authority as to real property.**
1. For purposes of this section, "*statement of authority*" means a statement authorizing a person to transfer an interest in real property held in the name of an unincorporated nonprofit association.
2. An interest in real property held in the name of an unincorporated nonprofit association may be transferred by a person authorized to do so in a statement of authority filed by the association in the office of the county recorder in which a transfer of the property would be recorded.
3. A statement of authority must set forth all of the following:
*a.* The name of the unincorporated nonprofit association.
*b.* The address in this state, including the street address, if any, of the association or, if the association does not have an address in this state, its out-of-state address.
*c.* That the association is an unincorporated nonprofit association.
*d.* The name, title, or position of a person authorized to transfer an estate or interest in real property held in the name of the association.
4. A statement of authority must be executed in the same manner as an affidavit by a person other than the person authorized in the statement to transfer the interest.
5. The county recorder may collect a fee as provided in sections 331.604 and 331.605 for filing a statement of authority in the amount authorized for filing a transfer of real property.
6. A document amending, revoking, or canceling a statement of authority or stating that the statement is unauthorized or erroneous must meet the requirements for executing and filing an original statement.
7. A statement of authority filed by the county recorder as provided in subsection 2 is effective until amended or canceled, unless an earlier cancellation date is specified in the statement.
8. If the record title to real property is in the name of an unincorporated nonprofit association and the statement of authority is filed in the office of the county recorder in which a transfer of the property would be filed, the authority of the person named in the statement to transfer is conclusive in favor of a person that gives value without notice that the person lacks authority.
2010 Acts, ch 1112, §7, 33; 2013 Acts, ch 108, §3
Subsection 7 amended

**501B.8 Liability.**
1. For a debt, obligation, or other liability of an unincorporated nonprofit association, whether arising in contract, tort, or otherwise, all of the following apply:
*a.* It is solely the debt, obligation, or other liability of the association.
*b.* It does not become a debt, obligation, or other liability of a member, manager, employee, or volunteer solely because the member acts as a member, the manager acts as a manager, the employee acts as an employee, or a volunteer acts as a volunteer.
2. A person's status as a member, manager, employee, or volunteer does not prevent or restrict law other than this chapter from imposing liability on the person or the association because of the person's conduct.
3. A person who is a manager, member, employee, or volunteer is not personally liable in that capacity to the unincorporated nonprofit association or any of its members for any action

taken or failure to take any action in the discharge of the person's duties except liability for any of the following:

*a.* The amount of any financial benefit to which the person is not entitled.

*b.* An intentional infliction of harm on the unincorporated nonprofit association or the members.

*c.* An intentional violation of criminal law.

*d.* Improper distributions.

2010 Acts, ch 1112, §8, 33

**501B.9 Assertion and defense of claims.**

1. An unincorporated nonprofit association may sue or be sued in its own name.

2. A member or manager may assert a claim the member or manager has against the unincorporated nonprofit association. An association may assert a claim it has against a member or manager.

2010 Acts, ch 1112, §9, 33

**501B.10 Effect of judgment or order.**

A judgment or order against an unincorporated nonprofit association is not by itself a judgment or order against a member or manager.

2010 Acts, ch 1112, §10, 33

**501B.11 Appointment of agent to receive service of process.**

1. An unincorporated nonprofit association may file in the office of the secretary of state a statement appointing an agent authorized to receive service of process.

2. A statement appointing an agent must set forth all of the following:

*a.* The name of the unincorporated nonprofit association.

*b.* The name of the person in this state authorized to receive service of process and the person's address, including the street address, in this state.

3. A statement appointing an agent must be signed and acknowledged by a person authorized to manage the affairs of the unincorporated nonprofit association and by the person appointed as the agent. By signing and acknowledging the statement the person becomes the agent.

4. An amendment to or cancellation of a statement appointing an agent to receive service of process must meet the requirements for executing an original statement. An agent may resign by filing a resignation in the office of the secretary of state and giving notice to the association.

5. The secretary of state may collect a fee for filing a statement appointing an agent to receive service of process, an amendment, a cancellation, or a resignation in the amount charged for filing similar documents.

2010 Acts, ch 1112, §11, 33

Referred to in §501B.12

**501B.12 Service of process.**

In an action or proceeding against an unincorporated nonprofit association, process may be served on an agent authorized by appointment to receive service of process pursuant to section 501B.11, on a manager of the association, or in any other manner authorized by the law of this state.

2010 Acts, ch 1112, §12, 33

**501B.13 Action or proceeding not abated by change.**

An action or proceeding against an unincorporated nonprofit association does not abate merely because of a change in its members or managers.

2010 Acts, ch 1112, §13, 33

**501B.14 Venue.**

Unless otherwise provided by law other than this chapter, venue of an action against an unincorporated nonprofit association brought in this state is determined under the statutes applicable to an action brought in this state against a corporation under chapter 504.

2010 Acts, ch 1112, §14, 33

**501B.15 Member not agent.**

A member is not an agent of an unincorporated nonprofit association solely by reason of being a member.

2010 Acts, ch 1112, §15, 33

**501B.16 Approval by members.**

1. Except as otherwise provided in the governing principles, an unincorporated nonprofit association must have the approval of its members to do any of the following:

*a.* Admit, suspend, dismiss, or expel a member.

*b.* Select or dismiss a manager.

*c.* Adopt, amend, or repeal the governing principles.

*d.* Sell, lease, exchange, or otherwise dispose of all, or substantially all, of the association's property, with or without the association's goodwill, outside the ordinary course of its activities.

*e.* Dissolve under section 501B.28 or merge under section 501B.30.

*f.* Undertake any other act outside the ordinary course of the association's activities.

*g.* Determine the policy and purposes of the association.

2. An unincorporated nonprofit association must have the approval of the members to do any other act or exercise a right that the governing principles require to be approved by members.

2010 Acts, ch 1112, §16, 33

Referred to in §501B.22

**501B.17 Meetings of members — voting, notice, and quorum requirements.**

1. Unless the governing principles provide otherwise all of the following apply:

*a.* Approval of a matter by members requires an affirmative majority of the votes cast at a meeting of members.

*b.* Each member is entitled to one vote on each matter that is submitted for approval by members.

2. Notice and quorum requirements for member meetings and the conduct of meetings of members are determined by the governing principles.

2010 Acts, ch 1112, §17, 33

**501B.18 Duties of member.**

1. A member does not have a fiduciary duty to an unincorporated nonprofit association or to another member solely by being a member.

2. A member shall discharge the duties to the unincorporated nonprofit association and the other members and exercise any rights under this chapter consistent with the governing principles and the obligation of good faith and fair dealing.

2010 Acts, ch 1112, §18, 33

Referred to in §501B.27

**501B.19 Admission, suspension, dismissal, or expulsion of members.**

1. A person becomes a member and may be suspended, dismissed, or expelled in accordance with the association's governing principles. If there are no applicable governing principles, a person may become a member or be suspended, dismissed, or expelled from an association only by a vote of its members. A person may not be admitted as a member without the person's consent.

2. Unless the governing principles provide otherwise, the suspension, dismissal, or expulsion of a member does not relieve the member from any unpaid capital contribution,

dues, assessments, fees, or other obligation incurred or commitment made by the member before the suspension, dismissal, or expulsion.

2010 Acts, ch 1112, §19, 33

**501B.20 Member's resignation.**

1. A member may resign as a member in accordance with the governing principles. In the absence of applicable governing principles, a member may resign at any time.

2. Unless the governing principles provide otherwise, resignation of a member does not relieve the member from any unpaid capital contribution, dues, assessments, fees, or other obligation incurred or commitment made by the member before resignation.

2010 Acts, ch 1112, §20, 33

**501B.21 Membership interest not transferable.**

Except as otherwise provided in the governing principles, a member's interest or any right under the governing principles is not transferable.

2010 Acts, ch 1112, §21, 33

**501B.22 Selection of managers — management rights of managers.**

Except as otherwise provided in this chapter or the governing principles, all of the following apply:

1. Only the members may select a manager or managers.

2. A manager may be a member or a nonmember.

3. If a manager is not selected, all members are managers.

4. Each manager has equal rights in the management and conduct of the association's activities.

5. All matters relating to the association's activities shall be decided by its managers except for matters reserved for approval by members pursuant to section 501B.16.

6. A difference among managers is decided by a majority of the managers.

2010 Acts, ch 1112, §22, 33

**501B.23 Duties of managers.**

1. A manager owes to the unincorporated nonprofit association and to its members the fiduciary duties of loyalty and care.

2. A manager shall manage the unincorporated nonprofit association in good faith, in a manner the manager reasonably believes to be in the best interests of the association, and with such care, including reasonable inquiry, as a prudent person would reasonably exercise in a similar position and under similar circumstances. A manager may rely in good faith upon any opinion, report, statement, or other information provided by another person that the manager reasonably believes is a competent and reliable source for the information.

3. After full disclosure of all material facts, a specific act or transaction that would otherwise violate the duty of loyalty by a manager may be authorized or ratified by a majority of the members that are not interested directly or indirectly in the act or transaction.

4. A manager that makes a business judgment in good faith satisfies the duties specified in subsection 1 if all of the following conditions apply:

*a.* The manager is not interested, directly or indirectly, in the subject of the business judgment and is otherwise able to exercise independent judgment.

*b.* The manager is informed with respect to the subject of the business judgment to the extent the manager reasonably believes to be appropriate under the circumstances.

*c.* The manager believes that the business judgment is in the best interests of the unincorporated nonprofit association and in accordance with its purposes.

2010 Acts, ch 1112, §23, 33

Referred to in §501B.27

**501B.24 Notice and quorum requirements for meetings of managers.**

Notice and quorum requirements for meetings of managers and the conduct of meetings of managers are determined by the governing principles.

2010 Acts, ch 1112, §24, 33

**501B.25 Right of member or manager to information.**

1. On reasonable notice, a member or manager of an unincorporated nonprofit association may inspect and copy during the unincorporated nonprofit association's regular operating hours, at a reasonable location specified by the association, any record maintained by the association regarding its activities, financial condition, or other circumstances, to the extent the information is material to the member's or manager's rights or duties under the governing principles.

2. An unincorporated nonprofit association may impose reasonable restrictions on access to and use of information to be furnished under this section, including designating the information confidential and imposing obligations of nondisclosure and safeguarding on the recipient.

3. An unincorporated nonprofit association may charge a person that makes a demand under this section reasonable copying costs, limited to the costs of labor and materials.

4. A former member or manager is entitled to information to which the member or manager was entitled while a member or manager if the information pertains to the period during which the person was a member or manager, the former member or manager seeks the information in good faith, and the former member or manager satisfies subsections 1 through 3.

2010 Acts, ch 1112, §25, 33

**501B.26 Distributions prohibited — compensation and other permitted payments.**

1. Except as otherwise provided in subsection 2, an unincorporated nonprofit association may not pay dividends or make distributions to a member or manager.

2. An unincorporated nonprofit association may do any of the following:

*a.* Pay reasonable compensation or reimburse reasonable expenses to a member or manager for services rendered.

*b.* Confer benefits on a member or manager in conformity with its nonprofit purposes.

*c.* Repurchase a membership and repay a capital contribution made by a member to the extent authorized by its governing principles.

*d.* Make distributions of property to members upon winding up and termination to the extent permitted by section 501B.29.

2010 Acts, ch 1112, §26, 33

Referred to in §501B.30

**501B.27 Reimbursement — indemnification — advancement of expenses.**

1. Except as otherwise provided in the governing principles, an unincorporated nonprofit association shall reimburse a member, manager, employee, or volunteer for authorized expenses reasonably incurred in the course of the member's, manager's, employee's, or volunteer's activities on behalf of the association.

2. An unincorporated nonprofit association may indemnify a member, manager, employee, or volunteer for any debt, obligation, or other liability incurred in the course of the member's, manager's, employee's, or volunteer's activities on behalf of the association if the person seeking indemnification has complied with section 501B.18 or 501B.23, or other law, as applicable. Governing principles in a record may broaden or limit indemnification.

3. If a person is made or threatened to be made a party in an action based on that person's activities on behalf of an unincorporated nonprofit association and the person makes a request in a record to the association, a majority of the disinterested managers may approve in a record advance payment, or reimbursement, by the association, of all or a part of the reasonable expenses, including attorney fees and costs, incurred by the person before the final disposition of the proceeding. To be entitled to an advance payment or reimbursement, the person must state in a record that the person has a good faith belief

that the criteria for indemnification in subsection 2 have been satisfied and that the person will repay the amounts advanced or reimbursed if the criteria for payment have not been satisfied. Governing principles in a record may broaden or limit the advance payments or reimbursements.

4. An unincorporated nonprofit association may purchase insurance on behalf of a member, manager, employee, or volunteer for liability asserted against or incurred by the member, manager, employee, or volunteer in the capacity of a member, manager, employee, or volunteer whether or not the association has authority under this chapter to reimburse, indemnify, or advance expenses to the member, manager, employee, or volunteer against the liability.

5. The rights of reimbursement, indemnification, and advancement of expenses under this section apply to a former member, manager, employee, or volunteer for an activity undertaken on behalf of the unincorporated nonprofit association while a member, manager, employee, or volunteer.

2010 Acts, ch 1112, §27, 33

**501B.28 Dissolution.**

1. An unincorporated nonprofit association may be dissolved pursuant to any of the following:

*a.* If the governing principles provide a time or method for dissolution, at that time or by that method.

*b.* If the governing principles do not provide a time or method for dissolution, upon approval by the members.

*c.* If no member can be located and the association's operations have been discontinued for at least three years, by the managers or, if the association has no current manager, by its last manager.

*d.* By court order.

*e.* Under law other than this chapter.

2. After dissolution, an unincorporated nonprofit association continues in existence until its activities have been wound up and it is terminated pursuant to section 501B.29.

2010 Acts, ch 1112, §28, 33

Referred to in §501B.16

**501B.29 Winding up and termination.**

Winding up and termination of an unincorporated nonprofit association shall proceed in accordance with all of the following rules:

1. All known debts and liabilities must be paid or adequately provided for.

2. Any property subject to a condition requiring return to the person designated by the donor must be transferred to that person.

3. Any property subject to a trust must be distributed in accordance with the trust agreement.

4. Any remaining property must be distributed as follows:

*a.* As required by law other than this chapter that requires assets of an association to be distributed to another person with similar nonprofit purposes.

*b.* In accordance with the association's governing principles or in the absence of applicable governing principles, to the members of the association per capita or as the members direct.

*c.* If neither paragraph "*a*" nor "*b*" applies, under chapter 556.

2010 Acts, ch 1112, §29, 33

Referred to in §501B.26, 501B.28, 501B.30

**501B.30 Mergers.**

1. For purposes of this section all of the following definitions apply:

*a.* "*Constituent organization*" means an organization that is merged with one or more other organizations including the surviving organization.

*b.* "*Nonsurviving organization*" means a constituent organization that is not the surviving organization.

*c.* "*Organization*" means an unincorporated nonprofit association; a general partnership, including a limited liability partnership; limited partnership, including a limited liability limited partnership; limited liability company; business or statutory trust; corporation; or any other legal or commercial entity having a statute governing its formation and operation. "*Organization*" includes a for-profit or nonprofit organization.

*d.* "*Surviving organization*" means an organization into which one or more other organizations are merged.

2. An unincorporated nonprofit association may merge with any organization that is authorized by law to merge with an unincorporated nonprofit association.

3. A merger involving an unincorporated nonprofit association is subject to the following rules:

*a.* Each constituent organization shall comply with its governing law.

*b.* Each party to the merger shall approve a plan of merger. The plan, which must be in a record, must include all of the following provisions:

(1) The name and form of each organization that is a party to the merger.

(2) The name and form of the surviving organization and, if the surviving organization is to be created by the merger, a statement to that effect.

(3) If the surviving organization is to be created by the merger, the surviving organization's organizational documents that are proposed to be in a record.

(4) If the surviving organization is not to be created by the merger, any amendments to be made by the merger to the surviving organization's organizational documents that are, or are proposed to be, in a record.

(5) The terms and conditions of the merger, including the manner and basis for converting the interests in each constituent organization into any combination of money, interests in the surviving organization, and other consideration except that the plan of merger may not permit members of an unincorporated nonprofit association to receive merger consideration if a distribution of such consideration would not be permitted in the absence of a merger under section 501B.26 or 501B.29.

*c.* The plan of merger must be approved by the members of each unincorporated nonprofit association that is a constituent organization in the merger. If a plan of merger would impose personal liability for an obligation of a constituent or surviving organization on a member of an association that is a party to the merger, the plan may not take effect unless it is approved in a record by the member.

*d.* Subject to the contractual rights of third parties, after a plan of merger is approved and at any time before the merger is effective, a constituent organization may amend the plan or abandon the merger as provided in the plan, or except as otherwise prohibited in the plan, with the same consent as was required to approve the plan.

*e.* Following approval of the plan, a merger under this section is effective as follows:

(1) If a constituent organization is required to give notice to or obtain the approval of a governmental agency or officer in order to be a party to a merger, when the notice has been given and the approval has been obtained.

(2) For the surviving organization the following apply:

(a) If the surviving organization is an unincorporated nonprofit association, as specified in the plan of merger and upon compliance by any constituent organization that is not an association with any requirements, including any required filings in the office of the secretary of state, of the organization's governing statute.

(b) If the surviving organization is not an unincorporated nonprofit association, as provided by the statute governing the surviving organization.

4. When a merger becomes effective all of the following apply:

*a.* The surviving organization continues or comes into existence.

*b.* Each constituent organization that merges into the surviving organization ceases to exist as a separate entity.

*c.* All property owned by each constituent organization that ceases to exist vests in the surviving organization.

*d.* All debts, obligations, or other liabilities of each nonsurviving organization continue as debts, obligations, or other liabilities of the surviving organization.

*e.* An action or proceeding pending by or against any nonsurviving organization may be continued as if the merger had not occurred.

*f.* Except as prohibited by law other than this chapter, all of the rights, privileges, immunities, powers, and purposes of each constituent organization that ceases to exist vest in the surviving organization.

*g.* Except as otherwise provided in the plan of merger, the terms and conditions of the plan of merger take effect.

*h.* The merger does not affect the personal liability, if any, of a member or manager of a constituent organization for a debt, obligation, or other liability incurred before the merger is effective.

*i.* A surviving organization that is not organized in this state is subject to the jurisdiction of the courts of this state to enforce any debt, obligation, or other liability owed by a constituent organization, if before the merger the constituent organization was subject to suit in this state for the debt, obligation, or other liability.

5. Property held for a charitable purpose under the law of this state by a constituent organization immediately before a merger under this section becomes effective may not, as a result of the merger, be diverted from the objects for which it was given, unless, to the extent required by or pursuant to the law of this state concerning cy pres or other law dealing with nondiversion of charitable assets, the organization obtains an appropriate order from the district court specifying the disposition of the property.

6. A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance that is made to a nonsurviving organization and that takes effect or remains payable after the merger inures to the surviving organization. A trust obligation that would govern property if transferred to the nonsurviving organization applies to property that is transferred to the surviving organization under this section.

2010 Acts, ch 1112, §30, 33

Referred to in §501B.16

**501B.31 Uniformity of application and construction.**

In applying and construing this chapter, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact the revised uniform unincorporated nonprofit association Act as recommended by the national conference of commissioners on uniform state laws.

2010 Acts, ch 1112, §31, 33

**501B.32 Relation to Electronic Signatures in Global and National Commerce Act.**

This chapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001, et seq., but does not modify, limit, or supersede section 101(c) of that Act, 15 U.S.C. § 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that Act, 15 U.S.C. § 7003(b).

2010 Acts, ch 1112, §32, 33

# SUBTITLE 4

## SECURITIES

Referred to in §491.39

# CHAPTER 502

## UNIFORM SECURITIES ACT
## (Blue Sky Law)

Referred to in §12.28, 15E.66, 15E.204, 331.301, 331.402, 364.4, 384.24A, 455G.14, 476B.9, 476C.6, 489.1108, 491.114, 502A.8, 505.1, 505.28, 505.29, 506.11, 524.825, 535.2, 536A.22, 546.8, 551A.4, 669.14

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## ARTICLE 1

## GENERAL PROVISIONS

**502.101 Short title.**

This chapter may be cited as the *"Iowa Uniform Securities Act"*.

[C31, 35, §8581-c1; C39, §**8581.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.1; C77, 79, 81, §502.101]

**502.102 Definitions.**

In this chapter, unless the context otherwise requires:

1. *"Administrator"* means the commissioner of insurance or the deputy appointed pursuant to section 502.601.

2. *"Agent"* means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. But a partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions, is an agent only if the individual otherwise comes within the term. The term does not include an individual excluded by rule adopted or order issued under this chapter.

2A. *"Agricultural cooperative association"* means an entity which is structured and operated on a cooperative basis pursuant to 26 U.S.C. § 1381(a) and which meets the definitional requirement of an association as provided in 12 U.S.C. § 1141j(c) or 7 U.S.C. § 291, if the association is organized as any one of the following:

*a.* A farmers cooperative association as defined in section 10.1.

*b.* An association of persons organized pursuant to chapter 497 for purposes of conducting an agricultural or dairy business on a cooperative plan, as described in section 497.1.

*c.* A cooperative association organized pursuant to chapter 498 for purposes of conducting an agricultural, livestock, horticultural, or dairy business on a cooperative plan and acting as a cooperative selling agency, as described in section 498.2.

*d.* An agricultural association as defined in section 499.2 and organized pursuant to chapter 499.

*e.* A cooperative organized under chapter 501 which may acquire or otherwise obtain or lease agricultural land in this state as provided in section 501.103.

*f.* Any other entity which is organized on a cooperative basis under the laws of this state for the purpose of engaging in the activities of an agricultural association as defined in section 499.2.

3. *"Bank"* means any of the following:

*a.* A banking institution organized under the laws of the United States.

*b.* A member bank of the United States federal reserve system.

*c.* Any other banking institution, whether incorporated or not, doing business under the laws of a state or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the office of the comptroller of the currency of the United States pursuant to Pub. L. No. 87-722, § 1, 12 U.S.C. § 92a, and which is supervised and examined by a state or federal agency having supervision over banks, and which is not operated for the purpose of evading this chapter.

*d.* A receiver, conservator, or other liquidating agent of any institution or firm included in paragraph *"a"*, *"b"*, or *"c"*.

4. *"Broker-dealer"* means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account. The term does not include any of the following:

*a.* An agent.

*b.* An issuer.

*c.* A bank or savings institution if its activities as a broker-dealer are limited to those specified in section 3(a)(4)(B)(i) through (vi), section 3(a)(4)(B)(vii) if the offer and sale of private securities offerings are limited to nonconsumer transactions that are not primarily for personal, family, or household purposes, section 3(a)(4)(B)(viii) through (x), or section 3(a)(4)(B)(xi) if limited to unsolicited transactions all as provided in the Securities Exchange Act of 1934, 15 U.S.C. § 78c(a)(4); in section 3(a)(5)(B), and 3(a)(5)(C) of the Securities Exchange Act of 1934, 15 U.S.C. § 78c(a)(4) and (5); or a bank that satisfies the conditions described in section 3(a)(4)(E) of the Securities Exchange Act of 1934, 15 U.S.C. § 78c(a)(4).

*d.* An international banking institution.

*e.* A person excluded by rule adopted or order issued under this chapter.

5. *"Depository institution"* means any of the following:

*a.* A bank.

*b.* A savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the federal deposit insurance corporation, the national credit union share insurance fund, or a successor authorized by federal law. The term does not include any of the following:

(1) An insurance company or other organization primarily engaged in the business of insurance.

(2) A Morris plan bank.

(3) An industrial loan company that is not an "insured depository institution" as defined in section 3(c)(2) of the Federal Deposit Insurance Act, 12 U.S.C. § 1813(c)(2), or any successor federal statute.

6. *"Federal covered investment adviser"* means a person registered under the Investment Advisers Act of 1940.

7. *"Federal covered security"* means a security that is, or upon completion of a transaction

will be, a covered security under section 18(b) of the Securities Act of 1933, 15 U.S.C. § 77r(b), or rules or regulations adopted pursuant to that provision.

8. *"Filing"* means the receipt under this chapter of a record by the administrator or a designee of the administrator.

9. *"Fraud"*, *"deceit"*, and *"defraud"* are not limited to common law deceit.

10. *"Guaranteed"* means guaranteed as to payment of all principal and all interest.

11. *"Institutional investor"* means any of the following, whether acting for itself or for others in a fiduciary capacity:

*a.* A depository institution or international banking institution.

*b.* An insurance company.

*c.* A separate account of an insurance company.

*d.* An investment company as defined in the Investment Company Act of 1940.

*e.* A broker-dealer registered under the Securities Exchange Act of 1934.

*f.* An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of five million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company.

*g.* A plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of five million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company.

*h.* A trust, if it has total assets in excess of five million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in paragraph *"f"* or *"g"*, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans.

*i.* An organization described in section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of five million dollars.

*j.* A small business investment company licensed by the small business administration under section 301(c) of the Small Business Investment Act of 1958, 15 U.S.C. § 681(c), with total assets in excess of five million dollars.

*k.* A private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-2(a)(22), with total assets in excess of five million dollars.

*l.* A federal covered investment adviser acting for its own account.

*m.* A *"qualified institutional buyer"* as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted by the securities and exchange commission under the Securities Act of 1933, 17 C.F.R. § 230.144A.

*n.* A *"major U. S. institutional investor"* as defined in Rule 15a-6(b)(4)(i) adopted by the securities and exchange commission under the Securities Exchange Act of 1934, 17 C.F.R. § 240.15a-6.

*o.* Any other person, other than an individual, of institutional character with total assets in excess of five million dollars not organized for the specific purpose of evading this chapter.

*p.* Any other person specified by rule adopted or order issued under this chapter.

12. *"Insurance company"* means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

13. *"Insured"* means insured as to payment of all principal and all interest.

13A. *"Interest at the legal rate"* means the interest rate for judgments specified in section 535.3.

14. *"International banking institution"* means an international financial institution of which the United States is a member and whose securities are exempt from registration under the Securities Act of 1933.

15. *"Investment adviser"* means a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation. The term does not include any of the following:

*a.* An investment adviser representative.

*b.* A lawyer, accountant, engineer, or teacher whose performance of investment advice is solely incidental to the practice of the person's profession.

*c.* A broker-dealer or its agents whose performance of investment advice is solely incidental to the conduct of business as a broker-dealer and who does not receive special compensation for the investment advice.

*d.* A publisher of a bona fide newspaper, news magazine, or business or financial publication of general and regular circulation.

*e.* A federal covered investment adviser.

*f.* A bank or savings institution.

*g.* Any other person that is excluded by the Investment Advisers Act of 1940 from the definition of investment adviser.

*h.* Any other person excluded by rule adopted or order issued under this chapter.

16. *"Investment adviser representative"* means an individual employed by or associated with an investment adviser or federal covered investment adviser and who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds oneself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing. The term does not include an individual who does or is any of the following:

*a.* Performs only clerical or ministerial acts.

*b.* Is an agent whose performance of investment advice is solely incidental to the individual acting as an agent and who does not receive special compensation for investment advisory services.

*c.* Is employed by or associated with a federal covered investment adviser, unless the individual has a "place of business" in this state as that term is defined by rule adopted by the administrator pursuant to chapter 17A and is any of the following:

(1) An "investment adviser representative" as that term is defined by rule adopted under section 203A of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-3a.

(2) Not a "supervised person" as that term is defined by rule adopted by the administrator pursuant to chapter 17A.

*d.* Is excluded by rule adopted or order issued under this chapter.

17. *"Issuer"* means a person that issues or proposes to issue a security, subject to all of the following:

*a.* The issuer of a voting trust certificate, collateral trust certificate, certificate of deposit for a security, or share in an investment company without a board of directors or individuals performing similar functions is the person performing the acts and assuming the duties of depositor or manager pursuant to the trust or other agreement or instrument under which the security is issued.

*b.* The issuer of an equipment trust certificate or similar security serving the same purpose is the person by which the property is or will be used or to which the property or equipment

is or will be leased or conditionally sold or that is otherwise contractually responsible for assuring payment of the certificate.

*c.* The issuer of a fractional undivided interest in an oil, gas, or other mineral lease or in payments out of production under a lease, right, or royalty is the owner of an interest in the lease or in payments out of production under a lease, right, or royalty, whether whole or fractional, that creates fractional interests for the purpose of sale.

*d.* With respect to a viatical settlement investment contract, *"issuer"* means a person involved in creating, transferring, or selling to an investor any interest in such a contract, including but not limited to fractional or pooled interests, but does not include an agent or a broker-dealer.

18. *"Nonissuer transaction"* or *"nonissuer distribution"* means a transaction or distribution not directly or indirectly for the benefit of the issuer.

19. *"Offer to purchase"* includes an attempt or offer to obtain, or solicitation of an offer to sell, a security or interest in a security for value. The term does not include a tender offer that is subject to section 14(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78n(d).

20. *"Person"* means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; cooperative; joint venture; government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.

21. *"Place of business"* of a broker-dealer, an investment adviser, or a federal covered investment adviser means any of the following:

*a.* An office at which the broker-dealer, investment adviser, or federal covered investment adviser regularly provides brokerage or investment advice or solicits, meets with, or otherwise communicates with customers or clients.

*b.* Any other location that is held out to the general public as a location at which the broker-dealer, investment adviser, or federal covered investment adviser provides brokerage or investment advice or solicits, meets with, or otherwise communicates with customers or clients.

22. *"Predecessor chapter"* means this chapter as it existed on December 31, 2004.

23. *"Price amendment"* means the amendment to a registration statement filed under the Securities Act of 1933 or, if an amendment is not filed, the prospectus or prospectus supplement filed under the Securities Act of 1933 that includes a statement of the offering price, underwriting and selling discounts or commissions, amount of proceeds, conversion rates, call prices, and other matters dependent upon the offering price.

24. *"Principal place of business"* of a broker-dealer or an investment adviser means the executive office of the broker-dealer or investment adviser from which the officers, partners, or managers of the broker-dealer or investment adviser direct, control, and coordinate the activities of the broker-dealer or investment adviser.

25. *"Record"*, except in the phrases "of record", "official record", and "public record", means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

26. *"Sale"* includes every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and *"offer to sell"* includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value. Both terms include all of the following:

*a.* A security given or delivered with, or as a bonus on account of, a purchase of securities or any other thing constituting part of the subject of the purchase and having been offered and sold for value.

*b.* A gift of assessable stock involving an offer and sale.

*c.* A sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer and a sale or offer of a security that gives the holder a present or future right or privilege to convert the security into another security of the same or another issuer, including an offer of the other security.

27. *"Securities and exchange commission"* means the United States securities and exchange commission.

27A. *"Securities and regulated industries bureau"* means the securities and regulated industries bureau of the insurance division of the department of commerce.

28. *"Security"* means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. All of the following shall apply to the term:

*a.* It includes both a certificated and an uncertificated security.

*b.* It does not include an insurance or endowment policy or annuity contract under which an insurance company promises to pay a fixed or variable sum of money either in a lump sum or periodically for life or other specified period.

*c.* It does not include any of the following:

(1) An interest in a contributory or noncontributory pension or welfare plan subject to the Employee Retirement Income Security Act of 1974.

(2) A certificate or tax credit issued or transferred pursuant to chapter 15E, division VII.

*d.* It includes an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a *"common enterprise"* means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.

*e.* It includes as a security an interest in a limited liability company or in a limited liability partnership or any class or series of such interest, including any fractional or other interest in such interest, provided *"security"* does not include an interest in a limited liability company or a limited liability partnership if the person claiming that such an interest is not a security proves that all of the members of the limited liability company or limited liability partnership are actively engaged in the management of the limited liability company or limited liability partnership; provided that the evidence that members vote or have the right to vote, or the right to information concerning the business and affairs of the limited liability company or limited liability partnership, or the right to participate in management, shall not establish, without more, that all members are actively engaged in the management of the limited liability company or limited liability partnership.

*f.* It includes a viatical settlement investment contract.

29. *"Self-regulatory organization"* means a national securities exchange registered under the Securities Exchange Act of 1934, a national securities association of broker-dealers registered under the Securities Exchange Act of 1934, a clearing agency registered under the Securities Exchange Act of 1934, or the municipal securities rulemaking board established under the Securities Exchange Act of 1934.

30. *"Sign"* means, with present intent to authenticate or adopt a record, to do any of the following:

*a.* To execute or adopt a tangible symbol.

*b.* To attach or logically associate with the record an electronic symbol, sound, or process.

31. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

31A. *"Viatical settlement investment contract"* means a contract entered into by a viatical settlement purchaser, to which the viator is not a party, to purchase a life insurance policy or

an interest in the death benefits of a life insurance policy, which contract is entered into for the purpose of deriving economic benefit.

[C31, 35, §8581-c3; C39, §**8581.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.3; C77, 79, 81, §502.102; 81 Acts, ch 163, §1; 82 Acts, ch 1100, §24]

83 Acts, ch 169, §2; 85 Acts, ch 155, §23; 87 Acts, ch 53, §1, 2; 87 Acts, ch 181, §1; 91 Acts, ch 40, §3 – 5; 91 Acts, ch 230, §4, 5; 94 Acts, ch 1031, §6; 96 Acts, ch 1025, §1; 97 Acts, ch 114, §1 – 4; 98 Acts, ch 1106, §1, 2, 24; 99 Acts, ch 134, §1 – 3; 2001 Acts, ch 16, §5, 37; 2001 Acts, ch 55, §31, 38; 2001 Acts, ch 118, §1, 2; 2002 Acts, ch 1111, §2, 3; 2003 Acts, ch 44, §89; 2003 Acts, ch 108, §130; 2004 Acts, ch 1161, §1, 68; 2005 Acts, ch 19, §74; 2005 Acts, ch 135, §115; 2006 Acts, ch 1117, §5, 6; 2013 Acts, ch 124, §3

Referred to in §252I.1, 421.17A, 508.31A, 508.32, 508.32A, 521A.14, 633D.2

Subsection 16, paragraph c amended

**502.103 References to federal statutes.**

*"Securities Act of 1933"*, 15 U.S.C. § 77a et seq.; *"Securities Exchange Act of 1934"*, 15 U.S.C. § 78a et seq.; *"Public Utility Holding Company Act of 1935"*, 15 U.S.C. § 79 et seq.; *"Investment Company Act of 1940"*, 15 U.S.C. § 80a-1 et seq.; *"Investment Advisers Act of 1940"*, 15 U.S.C. § 80b-1 et seq.; *"Employee Retirement Income Security Act of 1974"*, 29 U.S.C. § 1001 et seq.; *"National Housing Act"*, 12 U.S.C. § 1701; *"Commodity Exchange Act"*, 7 U.S.C. § 1 et seq.; *"Internal Revenue Code"*, 26 U.S.C. § 1 et seq.; *"Securities Investor Protection Act of 1970"*, 15 U.S.C. § 78aaa et seq.; *"Securities Litigation Uniform Standards Act of 1998"*, 112 Stat. 3227; *"Small Business Investment Act of 1958"*, 15 U.S.C. § 661 et seq.; and *"Electronic Signatures in Global and National Commerce Act"*, 15 U.S.C. § 7001 et seq. mean those federal statutes and the rules and regulations adopted under those federal statutes, as in effect on January 1, 2005.

2004 Acts, ch 1161, §2, 68

**502.104 References to federal agencies.**

A reference in this chapter to an agency or department of the United States is also a reference to a successor agency or department.

2004 Acts, ch 1161, §3, 68

**502.105 Electronic records and signatures.**

This chapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, but does not modify, limit, or supersede § 101(c) of that Act, 15 U.S.C. § 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that Act, 15 U.S.C. § 7003(b). This chapter authorizes the filing of records and signatures, when specified by provisions of this chapter or by a rule adopted or order issued under this chapter, in a manner consistent with section 104(a) of that Act, 15 U.S.C. § 7004(a).

2004 Acts, ch 1161, §4, 68

## ARTICLE 2

## EXEMPTIONS FROM REGISTRATION OF SECURITIES

**502.201 Exempt securities.**

All of the following securities are exempt from the requirements of sections 502.301 through 502.306 and 502.504:

1. *United States government and municipal securities.* A security, including a revenue obligation or a separate security as defined in rule 131, 17 C.F.R. § 230.131, adopted by the securities and exchange commission under the Securities Act of 1933, issued, insured, or guaranteed by the United States; by a state; by a political subdivision of a state; by a public authority, agency, or instrumentality of one or more states; by a political subdivision of one or more states; or by a person controlled or supervised by and acting as an instrumentality

of the United States under authority granted by the Congress; or a certificate of deposit for any of the foregoing.

2. *Foreign government securities.* A security issued, insured, or guaranteed by a foreign government with which the United States maintains diplomatic relations, or any of its political subdivisions, if the security is recognized as a valid obligation by the issuer, insurer, or guarantor.

3. *Depository institution and international banking institution securities.* A security issued by and representing or that will represent an interest in or a direct obligation of, or be guaranteed by any of the following:

*a.* An international banking institution.

*b.* A banking institution organized under the laws of the United States; a member bank of the United States federal reserve system; or a depository institution, a substantial portion of the business of which consists or will consist of receiving deposits or share accounts that are insured to the maximum amount authorized by statute by the federal deposit insurance corporation, the national credit union share insurance fund, or a successor authorized by federal law or exercising fiduciary powers that are similar to those permitted for national banks under the authority of the comptroller of the currency pursuant to Pub. L. No. 87-722, § 1, 12 U.S.C. § 92a.

*c.* Any other depository institution, unless by rule or order the administrator proceeds under section 502.204.

4. *Insurance company securities.* A security issued by and representing an interest in, or a debt of, or insured or guaranteed by, an insurance company authorized to do business in this state.

5. *Common carrier and public utility securities.* A security issued or guaranteed by a railroad, other common carrier, public utility, or public utility holding company that is any of the following:

*a.* Regulated in respect to its rates and charges by the United States or a state.

*b.* Regulated in respect to the issuance or guarantee of the security by the United States, a state, Canada, or a Canadian province or territory.

*c.* A public utility holding company registered under the Public Utility Holding Company Act of 1935 or a subsidiary of such a registered holding company within the meaning of that Act.

6. *Certain options and rights.* A federal covered security specified in section 18(b)(1) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(1), or by rule adopted under that provision or a security listed or approved for listing on another securities market specified by rule under this chapter; a put or a call option contract; a warrant; a subscription right on or with respect to such securities; or an option or similar derivative security on a security or an index of securities or foreign currencies issued by a clearing agency registered under the Securities Exchange Act of 1934 and listed or designated for trading on a national securities exchange, a facility of a national securities exchange, or a facility of a national securities association registered under the Securities Exchange Act of 1934 or an offer or sale, of the underlying security in connection with the offer, sale, or exercise of an option or other security that was exempt when the option or other security was written or issued; or an option or a derivative security designated by the securities and exchange commission under section 9(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78i(b).

7. *Nonprofit securities.* A security issued by a person organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, social, athletic, or reformatory purposes, or as a chamber of commerce, and not for pecuniary profit, no part of the net earnings of which inures to the benefit of a private stockholder or other person, or a security of a company that is excluded from the definition of an investment company under section 3(c)(10)(B) of the Investment Company Act of 1940, 15 U.S.C. § 80a-3(c)(10)(B); except that with respect to the offer or sale of a note, bond, debenture, or other evidence of indebtedness issued by such a person, a rule may be adopted under this chapter limiting the availability of this exemption by classifying securities, persons, and transactions, imposing different requirements for different classes, specifying with respect to paragraph *"b"* the scope of the

exemption and the grounds for denial or suspension, and requiring an issuer to do any of the following:

*a.* File a notice specifying the material terms of the proposed offer or sale and copies of any proposed sales and advertising literature to be used and provide that the exemption becomes effective if the administrator does not disallow the exemption within the period established by the rule.

*b.* File a request for exemption authorization for which a rule under this chapter may specify the scope of the exemption, the requirement of an offering statement, the filing of sales and advertising literature, the filing of consent to service of process complying with section 502.611, and grounds for denial or suspension of the exemption.

*c.* Register under section 502.304.

8. Reserved.

8A. *Cooperative associations.* A stock or similar security, including a patronage refund certificate, issued by any of the following:

*a.* A cooperative housing corporation described in paragraph 1 of subsection *"b"* of section 216 of the Internal Revenue Code, if its activities are limited to the ownership, leasing, management, or construction of residential properties for its members, and activities incidental thereto.

*b.* A mutual or cooperative organization, including a cooperative association organized in good faith under and for any of the purposes enumerated in chapter 497, 498, 499, 501, or 501A, that deals in commodities or supplies goods or services in transactions primarily with and for the benefit of its members, if all of the following apply:

(1) Such stock or similar security is part of a class issuable only to persons who deal in commodities with, or obtain goods or services from, the issuer.

(2) Such stock or similar security is transferable only to the issuer or a successor in interest of the transferor who qualifies for membership in such mutual or cooperative organization.

(3) No dividends other than patronage refunds are payable to holders of such stock or similar security except on a complete or partial liquidation.

8B. *Agricultural cooperative associations.* A security issued by an agricultural cooperative association, provided all of the following conditions are satisfied:

*a.* A commission or remuneration must not be paid or provided either directly or indirectly for the sale, except as permitted by the administrator by rule or by order issued upon written application showing good cause for allowance of a commission or other remuneration.

*b.* If the securities to be issued are notes or other evidences of indebtedness and are issued after July 1, 1991, the issuer must file with the administrator a written notice specifying the name of the issuer, the date of the issuer's organization, the name of a contact person, a copy of the issuer's current audited financial statement, the types of security or securities to be offered, and the class of persons to whom the offer will be made in accordance with such rules as prescribed by the administrator.

9. *Equipment trust certificate.* An equipment trust certificate with respect to equipment leased or conditionally sold to a person, if any security issued by the person would be exempt under this section or would be a federal covered security under section 18(b)(1) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(1).

9A. *Economic development corporations.* Any security issued by a corporation formed under chapter 496B.

9B. *Iowa finance authority.* Any security issued by the Iowa finance authority under chapter 175.

9C. *Membership campgrounds.* Any security representing a membership camping contract which is registered pursuant to section 557B.2 or exempt under section 557B.4.

9D. *Time-shares.* Any security representing a time-share interval as defined in section 557A.2.

9E. *Viatical settlement investment contracts.* A viatical settlement investment contract, or fractional or pooled interest in such contract, provided any of the following conditions are satisfied:

*a.* The assignment, transfer, sale, devise, or bequest of a death benefit of a life insurance

policy or contract is made by the viator to an insurance company as provided under Title XIII, subtitle 1.

*b.* The assignment, transfer, sale, devise, or bequest of a life insurance policy or contract, for any value less than the expected death benefit, is made by the viator to a family member or other person who enters into no more than one such agreement in a calendar year.

*c.* A life insurance policy or contract is assigned to a bank, savings bank, savings and loan association, credit union, or other licensed lending institution as collateral for a loan.

*d.* Accelerated benefits are exercised as provided in the life insurance policy or contract and consistent with applicable law.

*e.* The assignment, transfer, sale, devise, or bequest of the death benefit or ownership of a life insurance policy or contract made by the policyholder or contract owner to a viatical settlement provider, if the viatical settlement transaction complies with chapter 508E, including rules adopted pursuant to that chapter.

[C31, 35, §8581-c6; C39, §**8581.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.6; C77, 79, 81, §502.201]

97 Acts, ch 114, §5; 2004 Acts, ch 1161, §5, 68; 2006 Acts, ch 1117, §7; 2008 Acts, ch 1123, §1; 2013 Acts, ch 100, §26, 27

Referred to in §502.203, 502.204, 502.301, 502.302, 502.504, 557B.14

Subsection 9B amended

**502.202 Exempt transactions.**

The following transactions are exempt from the requirements of sections 502.301 through 502.306 and 502.504:

1. *Isolated nonissuer transactions.* An isolated nonissuer transaction, whether effected by or through a broker-dealer or not.

2. *Nonissuer transactions in specified outstanding securities.* A nonissuer transaction by or through a broker-dealer registered, or exempt from registration, under this chapter, and a resale transaction by a sponsor of a unit investment trust registered under the Investment Company Act of 1940, provided that for either transaction, the security is of a class that has been outstanding in the hands of the public for at least ninety days, if, at the date of the transaction, all of the following apply:

*a.* The issuer of the security is engaged in business, the issuer is not in the organizational stage or in bankruptcy or receivership, and the issuer is not a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person.

*b.* The security is sold at a price reasonably related to its current market price.

*c.* The security does not constitute the whole or part of an unsold allotment to, or a subscription or participation by, the broker-dealer as an underwriter of the security or a redistribution.

*d.* A nationally recognized securities manual or its electronic equivalent designated by rule adopted or order issued under this chapter or a record filed with the securities and exchange commission that is publicly available contains all of the following:

(1) A description of the business and operations of the issuer.

(2) The names of the issuer's executive officers and the names of the issuer's directors, if any.

(3) An audited balance sheet of the issuer as of a date within eighteen months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had an audited balance sheet, and a pro forma balance sheet for the combined organization.

(4) An audited income statement for each of the issuer's two immediately previous fiscal years or for the period of existence of the issuer, whichever is shorter, or, in the case of a reorganization or merger when each party to the reorganization or merger had audited income statements, and a pro forma income statement.

*e.* Any one of the following requirements is met:

(1) The issuer of the security has a class of equity securities listed on a national securities

exchange registered under section 6 of the Securities Exchange Act of 1934 or designated for trading on the national association of securities dealers automated quotation system.

(2) The issuer of the security is a unit investment trust registered under the Investment Company Act of 1940.

(3) The issuer of the security, including its predecessors, has been engaged in continuous business for at least three years.

(4) The issuer of the security has total assets of at least two million dollars based on an audited balance sheet as of a date within eighteen months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had such an audited balance sheet, and a pro forma balance sheet for the combined organization.

3. *Nonissuer transactions in specified foreign transactions.* A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in a security of a foreign issuer that is a margin security defined in regulations or rules adopted by the board of governors of the United States federal reserve system.

4. *Nonissuer transactions in securities subject to securities exchange act reporting.* A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in an outstanding security if the guarantor of the security files reports with the securities and exchange commission under the reporting requirements of section 13 or 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78m or 78o(d).

5. *Nonissuer transactions in specified fixed income securities.* A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in a security if any of the following apply:

*a.* It is rated at the time of the transaction by a nationally recognized statistical rating organization in one of its four highest rating categories.

*b.* It has a fixed maturity or a fixed interest or dividend, if all of the following apply:

(1) A default has not occurred during the current fiscal year or within the three previous fiscal years or during the existence of the issuer and any predecessor if less than three fiscal years, in the payment of principal, interest, or dividends on the security.

(2) The issuer is engaged in business, is not in the organizational stage or in bankruptcy or receivership, and is not and has not been within the previous twelve months a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person.

6. *Unsolicited brokerage transactions.* A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter effecting an unsolicited order or offer to purchase.

7. *Nonissuer transaction by pledgees.* A nonissuer transaction executed by a bona fide pledgee without the purpose of evading this chapter.

8. *Nonissuer transactions with federal covered investment advisers.* A nonissuer transaction by a federal covered investment adviser with investments under management in excess of one hundred million dollars acting in the exercise of discretionary authority in a signed record for the account of others.

9. *Specified exchange transactions.* A transaction in a security, whether or not the security or transaction is otherwise exempt, in exchange for one or more bona fide outstanding securities, claims, or property interests, or partly in such exchange and partly for cash, if the terms and conditions of the issuance and exchange or the delivery and exchange and the fairness of the terms and conditions have been approved after a hearing by a court; by an official or agency of the United States; by a state securities, banking, or insurance agency; or by any other government authority expressly authorized by law to grant such approvals.

10. *Underwriter transactions.* A transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters.

11. *Unit secured transactions.* A transaction in a note, bond, debenture, or other evidence of indebtedness secured by a mortgage or other security agreement if all of the following apply:

*a.* The note, bond, debenture, or other evidence of indebtedness is offered and sold with the mortgage or other security agreement as a unit.

*b.* A general solicitation or general advertisement of the transaction is not made.

*c.* A commission or other remuneration is not paid or given, directly or indirectly, to a person not registered under this chapter as a broker-dealer or as an agent.

12. *Bankruptcy, guardian, or conservator transactions.* A transaction by an executor, administrator of an estate, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator.

13. *Transactions with specified investors.* A sale or offer to sell to any of the following:

*a.* An institutional investor.

*b.* A federal covered investment adviser.

*c.* Any other person exempted by rule adopted or order issued under this chapter.

*d.* A person or class of persons who are granted this exemption by the administrator. The administrator, by rule or order, may grant this exemption to a person or class of persons based upon the factors of financial sophistication, net worth, and the amount of assets under investment.

14. *Limited offering transactions.* A sale or an offer to sell securities by or on behalf of an issuer, if the transaction is part of a single issue in which all of the following apply:

*a.* Not more than thirty-five purchasers are present in this state during any twelve consecutive months, other than those designated in subsection 13.

*b.* A general solicitation or general advertising is not made in connection with the offer to sell or sale of the securities.

*c.* A commission or other remuneration is not paid or given, directly or indirectly, to a person other than a broker-dealer registered under this chapter or an agent registered under this chapter for soliciting a prospective purchaser in this state.

*d.* The issuer reasonably believes that all the purchasers in this state, other than those designated in subsection 13, are purchasing for investment.

15. *Transactions with existing security holders.* A transaction under an offer to existing security holders of the issuer, including persons that at the date of the transaction are holders of convertible securities, options, or warrants, if a commission or other remuneration, other than a standby commission, is not paid or given, directly or indirectly, for soliciting a security holder in this state.

16. *Offerings registered under this chapter and the Securities Act of 1933.* An offer to sell, but not a sale, of a security not exempt from registration under the Securities Act of 1933 if all of the following apply:

*a.* A registration or offering statement or similar record as required under the Securities Act of 1933 has been filed, but is not effective, or the offer is made in compliance with rule 165 adopted under the Securities Act of 1933, 17 C.F.R. § 230.165.

*b.* A stop order of which the offeror is aware has not been issued against the offeror by the administrator or the securities and exchange commission, and an audit, inspection, or proceeding that is public and that may culminate in a stop order is not known by the offeror to be pending.

17. *Offerings when registration has been filed, but is not effective under this chapter and exempt from the Securities Act of 1933.* An offer to sell, but not a sale, of a security exempt from registration under the Securities Act of 1933 if all of the following apply:

*a.* A registration statement has been filed under this chapter, but is not effective.

*b.* A solicitation of interest is provided in a record to offerees in compliance with a rule adopted by the administrator under this chapter.

*c.* A stop order of which the offeror is aware has not been issued by the administrator under this chapter and an audit, inspection, or proceeding that may culminate in a stop order is not known by the offeror to be pending.

18. *Control transactions.* A transaction involving the distribution of the securities of an issuer to the security holders of another person in connection with a merger, consolidation, exchange of securities, sale of assets, or other reorganization to which the issuer, or its parent or subsidiary and the other person, or its parent or subsidiary, are parties.

19. *Recision offers.* A recision offer, sale, or purchase under section 502.510.

20. *Out-of-state offers or sales.* An offer or sale of a security to a person not a resident of this state and not present in this state if the offer or sale does not constitute a violation of the laws of the state or foreign jurisdiction in which the offeree or purchaser is present and is not part of an unlawful plan or scheme to evade this chapter.

21. *Employee benefit plans.* Employees' stock purchase, savings, option, profit-sharing, pension, or similar employees' benefit plan, including any securities, plan interests, and guarantees issued under a compensatory benefit plan or compensation contract, contained in a record, established by the issuer, its parents, its majority-owned subsidiaries, or the majority-owned subsidiaries of the issuer's parent for the participation of their employees including offers or sales of such securities to any of the following:

*a.* Directors; general partners; trustees, if the issuer is a business trust; officers; consultants; and advisers.

*b.* Family members who acquire such securities from those persons through gifts or domestic relations orders.

*c.* Former employees, directors, general partners, trustees, officers, consultants, and advisers if those individuals were employed by or providing services to the issuer when the securities were offered.

*d.* Insurance agents who are exclusive insurance agents of the issuer, or the issuer's subsidiaries or parents, or who derive more than fifty percent of their annual income from those organizations.

22. *Specified dividends and tender offers and judicially recognized reorganizations.* A transaction involving any of the following:

*a.* A stock dividend or equivalent equity distribution, whether the corporation or other business organization distributing the dividend or equivalent equity distribution is the issuer or not, if nothing of value is given by stockholders or other equity holders for the dividend or equivalent equity distribution other than the surrender of a right to a cash or property dividend if each stockholder or other equity holder may elect to take the dividend or equivalent equity distribution in cash, property, or stock.

*b.* An act incident to a judicially approved reorganization in which a security is issued in exchange for one or more outstanding securities, claims, or property interests, or partly in such exchange and partly for cash.

*c.* The solicitation of tenders of securities by an offeror in a tender offer in compliance with rule 162 adopted under the Securities Act of 1933, 17 C.F.R. § 230.162.

23. *Nonissuer transactions involving specified foreign issuer securities traded on designated security exchanges.* A nonissuer transaction in an outstanding security by or through a broker-dealer registered or exempt from registration under this chapter, if the issuer is a reporting issuer in a foreign jurisdiction designated by this subsection or by rule adopted or order issued under this chapter; has been subject to continuous reporting requirements in the foreign jurisdiction for not less than one hundred eighty days before the transaction; and the security is listed on the foreign jurisdiction's securities exchange that has been designated by this subsection or by rule adopted or order issued under this chapter, or is a security of the same issuer that is of senior or substantially equal rank to the listed security or is a warrant or right to purchase or subscribe to any of the foregoing. For purposes of this subsection, Canada, together with its provinces and territories, is a designated foreign jurisdiction and the Toronto stock exchange, inc., is a designated securities exchange. After an administrative hearing in compliance with chapter 17A, the administrator, by rule adopted or order issued under this chapter, may revoke the designation of a securities exchange under this subsection, if the administrator finds that revocation is necessary or appropriate in the public interest and for the protection of investors.

[SS15, §1920-u1; C24, 27, §8526; C31, 35, §8581-c4; C39, §**8581.04;** C46, 50, 54, 58, 62, §502.4; C66, 71, 73, 75, §496B.18, 502.4; C77, 79, §496B.18, 502.202; C81, §502.202]

83 Acts, ch 95, §1, 2; 83 Acts, ch 169, §3; 87 Acts, ch 181, §2; 88 Acts, ch 1020, §1; 91 Acts, ch 40, §6 – 9; 91 Acts, ch 230, §6, 7; 96 Acts, ch 1025, §2, 3; 97 Acts, ch 114, §6; 98 Acts, ch 1119, §2; 99 Acts, ch 134, §4; 99 Acts, ch 166, §1; 2000 Acts, ch 1147, §34; 2003 Acts, ch 44, §90; 2004 Acts, ch 1161, §6, 68; 2008 Acts, ch 1123, §2

Referred to in §502.203, 502.204, 502.301, 502.302, 502.304, 502.402, 502.504

**502.203 Additional exemptions and waivers.**

A rule adopted or order issued under this chapter may exempt a security, transaction, or offer; a rule under this chapter may exempt a class of securities, transactions, or offers from any or all of the requirements of sections 502.301 through 502.306 and 502.504; and an order under this chapter may waive, in whole or in part, any or all of the conditions for an exemption or offer under sections 502.201 and 502.202.

[SS15, §1920-u1, -u13; C24, 27, §8526, 8554; C31, 35, §8581-c5; C39, §**8581.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.5; C77, 79, 81, §502.203]

83 Acts, ch 169, §4 – 7; 91 Acts, ch 40, §10 – 14; 96 Acts, ch 1025, §4, 5; 2001 Acts, ch 118, §3; 2004 Acts, ch 1161, §7, 68

Referred to in §502.204, 502.301, 502.302, 502.504, 502.608

**502.204 Denial, suspension, revocation, condition, or limitation of exemptions.**

1. *Enforcement-related powers.* Except with respect to a federal covered security or a transaction involving a federal covered security, an order under this chapter may deny, suspend application of, condition, limit, or revoke an exemption created under section 502.201, subsection 3, paragraph "c", or subsection 7, 8A, or 8B, or section 502.202, or an exemption or waiver created under section 502.203 with respect to a specific security, transaction, or offer. An order under this section may be issued only pursuant to the procedures in section 502.306, subsection 4, or section 502.604, and only prospectively.

2. *Knowledge of order required.* A person does not violate section 502.301, 502.303 through 502.306, 502.504, or 502.510 by an offer to sell, offer to purchase, sale, or purchase effected after the entry of an order issued under this section if the person did not know, and in the exercise of reasonable care could not have known, of the order.

[C31, 35, §8581-c4; C39, §**8581.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.4(5); C77, 79, 81, §502.204]

2004 Acts, ch 1161, §8, 68; 2005 Acts, ch 19, §75

Referred to in §502.201, 502.604

**502.205 through 502.207A** Repealed by 2004 Acts, ch 1161, § 63, 68. See § 502.302 – 502.304A, 502.503.

**502.207B** Repealed by 2001 Acts, ch 118, § 58.

**502.208 and 502.209** Repealed by 2004 Acts, ch 1161, § 63, 68. See § 502.305, 502.306.

**502.210** Repealed by 91 Acts, ch 40, § 36.

**502.211 through 502.218** Repealed by 2004 Acts, ch 1161, § 63, 68. See § 502.321B – 502.321I.

## ARTICLE 3

## REGISTRATION OF SECURITIES AND NOTICE FILING OF FEDERAL COVERED SECURITIES

**502.301 Securities registration requirement.**

It is unlawful for a person to offer or sell a security in this state unless one of the following applies:

1. The security is a federal covered security.
2. The security, transaction, or offer is exempted from registration under sections 502.201 through 502.203.

3. The security is registered under this chapter.

[SS15, §1920-u15; C24, 27, §8561, 8563; C31, 35, §8581-c11; C39, §**8581.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.11; C77, 79, 81, §502.301]

83 Acts, ch 169, §9; 91 Acts, ch 40, §19; 96 Acts, ch 1025, § 7; 98 Acts, ch 1106, §3, 4, 24; 2004 Acts, ch 1161, §9, 68

Referred to in §502.201, 502.202, 502.203, 502.204, 502.509, 502.607, 502.608, 502.610, 502.701, 536A.22

**502.302 Notice filing.**

1. *Required filing of records.* With respect to a federal covered security, as defined in section 18(b)(2) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(2), that is not otherwise exempt under sections 502.201 through 502.203, a rule adopted or order issued under this chapter may require the filing of any or all of the following records:

*a.* Before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the securities and exchange commission under the Securities Act of 1933 and a consent to service of process complying with section 502.611 signed by the issuer.

(1) A person who is the issuer of a federal covered security under section 18(b)(2) of the Securities Act of 1933 shall initially make a notice filing and annually renew a notice filing in this state for an indefinite amount or a fixed amount. The fixed amount must be for two hundred fifty thousand dollars.

(2) A notice filer shall pay a filing fee when the notice is filed. If the amount covered by the notice is indefinite, the notice filer shall pay a filing fee of one thousand dollars. If the amount covered by the notice is fixed, the notice filer shall pay a filing fee of two hundred fifty dollars, and all of the following shall apply:

(a) The notice filer shall file a sales report with the administrator or pay an additional filing fee of one thousand two hundred fifty dollars within ninety days after the notice filing's annual renewal date. If the notice filer files a sales report with the administrator, the notice filer shall pay an additional filing fee of one-tenth of one percent of the amount of securities sold in excess of two hundred fifty thousand dollars. The additional filing fee must be paid within ninety days after the notice filing's annual renewal date.

(b) The notice filing covering the additional securities shall be effective retroactively as of the effective date of the notice filing that is being amended.

*b.* After the initial offer of the federal covered security in this state, all records that are part of an amendment to a federal registration statement filed with the securities and exchange commission under the Securities Act of 1933.

2. *Notice filing effectiveness and renewal.* A notice filing under subsection 1 is effective for one year commencing on the later of the notice filing or the effectiveness of the offering filed with the securities and exchange commission. On or before expiration, the issuer may renew a notice filing by filing a copy of those records filed by the issuer with the securities and exchange commission that are required by rule or order under this chapter to be filed and by paying the renewal fee required by subsection 1, paragraph "*a*". A previously filed consent to service of process complying with section 502.611 may be incorporated by reference in a renewal. A renewed notice filing becomes effective upon the expiration of the filing being renewed.

3. *Notice filings for federal covered securities under section 18(b)(4)(D).* With respect to a security that is a federal covered security under section 18(b)(4)(D) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(4)(D), a rule under this chapter may require a notice filing by or on behalf of an issuer to include a copy of form D, including the appendix, as promulgated by the securities and exchange commission, and a consent to service of process complying with section 502.611 signed by the issuer not later than fifteen days after the first sale of the federal covered security in this state and the payment of a fee of one hundred dollars; and the payment of a fee of two hundred fifty dollars for any late filing.

4. *Stop orders.* Except with respect to a federal security under section 18(b)(1) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(1), if the administrator finds that there is a failure to comply with a notice or fee requirement of this section, the administrator may issue a stop order suspending the offer and sale of a federal covered security in this state. If the

deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the administrator.

5. *Deposit of fees.* Fees collected under this section shall be deposited as provided in section 505.7.

[SS15, §1920-u15, -u16; C24, 27, §8561, 8563, 8571; C31, 35, §8581-c11, -c14; C39, §**8581.11, 8581.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.11, 502.18; C77, 79, 81, §502.302; 82 Acts, ch 1003, §2]

83 Acts, ch 169, §10, 18; 91 Acts, ch 40, §20 – 22; 94 Acts, ch 1031, §14; 96 Acts, ch 1025, §8; 97 Acts, ch 114, §10; 98 Acts, ch 1106, §5, 24; 99 Acts, ch 166, §2; 2001 Acts, ch 118, §5; 2004 Acts, ch 1161, §10, 68; 2009 Acts, ch 181, §57

Referred to in §502.201, 502.202, 502.203, 502.305, 502.307, 502.610

**502.303 Securities registration by coordination.**

1. *Registration permitted.*

*a.* A security for which a registration statement has been filed under the Securities Act of 1933 in connection with the same offering may be registered by coordination under this section.

*b.* A proposed sale pursuant to the exemption contained in "Regulation A" as adopted under section 3(b) of the Securities Act of 1933 where such registration statement has not become effective or notification of proposed sale has not been qualified may be registered by coordination under this section.

2. *Required records.* A registration statement and accompanying records under this section must contain or be accompanied by all of the following records in addition to the information specified in section 502.305 and a consent to service of process complying with section 502.611:

*a.* A copy of the latest form of prospectus filed under the Securities Act of 1933.

*b.* A copy of the articles of incorporation and bylaws or their substantial equivalents currently in effect; a copy of any agreement with or among underwriters; a copy of any indenture or other instrument governing the issuance of the security to be registered; and a specimen, copy, or description of the security that is required by rule adopted or order issued under this chapter.

*c.* Copies of any other information or any other records filed by the issuer under the Securities Act of 1933 requested by the administrator.

*d.* An undertaking to forward each amendment to the federal prospectus, other than an amendment that delays the effective date of the registration statement, promptly after it is filed with the securities and exchange commission.

3. *Conditions for effectiveness of registration statement.* A registration statement under this section becomes effective simultaneously with or subsequent to the federal registration statement when all the following conditions are satisfied:

*a.* A stop order under subsection 4 or section 502.306 or issued by the securities and exchange commission is not in effect and a proceeding is not pending against the issuer under section 502.306.

*b.* The registration statement has been on file for at least twenty days or a shorter period provided by rule adopted or order issued under this chapter.

4. *Notice of federal registration statement effectiveness.* The registrant shall promptly notify the administrator in a record of the date when the federal registration statement becomes effective and the content of any price amendment and shall promptly file a record containing the price amendment. If the notice is not timely received, the administrator may issue a stop order, without prior notice or hearing, retroactively denying effectiveness to the registration statement or suspending its effectiveness until in compliance with this section. The administrator shall promptly notify the registrant of an order by telegram, telephone, or electronic means and promptly confirm this notice by a record. If the registrant subsequently complies with the notice requirements of this section, the stop order is void as of the date of its issuance.

5. *Effectiveness of registration statement.* If the federal registration statement becomes effective before each of the conditions in this section is satisfied or is waived by the

administrator, the registration statement is automatically effective under this chapter when all the conditions are satisfied or waived. If the registrant notifies the administrator of the date when the federal registration statement is expected to become effective, the administrator shall promptly notify the registrant by telegram, telephone, or electronic means and promptly confirm this notice by a record, indicating whether all the conditions are satisfied or waived and whether the administrator intends the institution of a proceeding under section 502.306. The notice by the administrator does not preclude the institution of such a proceeding.

[C31, §8581-c11, -c12; C35, §8581-c11, -c12, -f3; C39, §**8581.11, 8581.12, 8581.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.11, 502.12, 502.15; C77, 79, 81, §502.303]

83 Acts, ch 169, §11; 91 Acts, ch 40, §23; 97 Acts, ch 114, §11; 98 Acts, ch 1106, §6, 24; 2004 Acts, ch 1161, §11, 68

Referred to in §502.201, 502.202, 502.203, 502.204, 502.305, 502.306, 502.307, 502.607

**502.304 Securities registration by qualification.**

1. *Registration permitted.* A security may be registered by qualification under this section.

2. *Required records.* A registration statement under this section must contain the information or records specified in section 502.305, a consent to service of process complying with section 502.611, and, if required by rule adopted under this chapter, all of the following information or records:

*a.* With respect to the issuer and any significant subsidiary, its name, address, and form of organization; the state or foreign jurisdiction and date of its organization; the general character and location of its business; a description of its physical properties and equipment; and a statement of the general competitive conditions in the industry or business in which it is or will be engaged.

*b.* With respect to each director and officer of the issuer, and other person having a similar status or performing similar functions, the person's name, address, and principal occupation for the previous five years; the amount of securities of the issuer held by the person as of the thirtieth day before the filing of the registration statement; the amount of the securities covered by the registration statement to which the person has indicated an intention to subscribe; and a description of any material interest of the person in any material transaction with the issuer or a significant subsidiary effected within the previous three years or proposed to be effected.

*c.* With respect to persons covered by paragraph *"b"*, the aggregate sum of the remuneration paid to those persons during the previous twelve months and estimated to be paid during the next twelve months, directly or indirectly, by the issuer, and all predecessors, parents, subsidiaries, and affiliates of the issuer.

*d.* With respect to a person owning of record or owning beneficially, if known, ten percent or more of the outstanding shares of any class of equity security of the issuer, the information specified in paragraph *"b"* other than the person's occupation.

*e.* With respect to a promoter, if the issuer was organized within the previous three years, the information or records specified in paragraph *"b"*, any amount paid to the promoter within that period or intended to be paid to the promoter, and the consideration for the payment.

*f.* With respect to a person on whose behalf any part of the offering is to be made in a nonissuer distribution, the person's name and address; the amount of securities of the issuer held by the person as of the date of the filing of the registration statement; a description of any material interest of the person in any material transaction with the issuer or any significant subsidiary effected within the previous three years or proposed to be effected; and a statement of the reasons for making the offering.

*g.* The capitalization and long-term debt, on both a current and pro forma basis, of the issuer and any significant subsidiary, including a description of each security outstanding or being registered or otherwise offered, and a statement of the amount and kind of consideration, whether in the form of cash, physical assets, services, patents, goodwill, or anything else of value, for which the issuer or any subsidiary has issued its securities within the previous two years or is obligated to issue its securities.

*h.* The kind and amount of securities to be offered; the proposed offering price or the method by which it is to be computed; any variation at which a proportion of the offering is to be made to a person or class of persons other than the underwriters, with a specification of the person or class; the basis on which the offering is to be made if otherwise than for cash; the estimated aggregate underwriting and selling discounts or commissions and finders' fees, including separately cash, securities, contracts, or anything else of value to accrue to the underwriters or finders in connection with the offering or, if the selling discounts or commissions are variable, the basis of determining them and their maximum and minimum amounts; the estimated amounts of other selling expenses, including legal, engineering, and accounting charges; the name and address of each underwriter and each recipient of a finder's fee; a copy of any underwriting or selling group agreement under which the distribution is to be made or the proposed form of any such agreement whose terms have not yet been determined; and a description of the plan of distribution of any securities that are to be offered otherwise than through an underwriter.

*i.* The estimated monetary proceeds to be received by the issuer from the offering; the purposes for which the proceeds are to be used by the issuer; the estimated amount to be used for each purpose; the order or priority in which the proceeds will be used for the purposes stated; the amounts of any funds to be raised from other sources to achieve the purposes stated; the sources of the funds; and, if a part of the proceeds is to be used to acquire property, including goodwill, otherwise than in the ordinary course of business, the names and addresses of the vendors, the purchase price, the names of any persons that have received commissions in connection with the acquisition, and the amounts of the commissions and other expenses in connection with the acquisition, including the cost of borrowing money to finance the acquisition.

*j.* A description of any stock options or other security options outstanding, or to be created in connection with the offering, and the amount of those options held or to be held by each person required to be named in paragraph *"b"*, *"d"*, *"e"*, *"f"*, or *"h"* and by any person that holds or will hold ten percent or more in the aggregate of those options.

*k.* The dates of, parties to, and general effect concisely stated of each managerial or other material contract made or to be made otherwise than in the ordinary course of business to be performed in whole or in part at or after the filing of the registration statement or that was made within the previous two years, and a copy of the contract.

*l.* A description of any pending litigation, action, or proceeding to which the issuer is a party and that materially affects its business or assets, and any litigation, action, or proceeding known to be contemplated by governmental authorities.

*m.* A copy of any prospectus, pamphlet, circular, form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering and any solicitation of interest used in compliance with section 502.202, subsection 17, paragraph *"b"*.

*n.* A specimen or copy of the security being registered, unless the security is uncertificated; a copy of the issuer's articles of incorporation and bylaws or their substantial equivalents, in effect; and a copy of any indenture or other instrument covering the security to be registered.

*o.* A signed or conformed copy of an opinion of counsel concerning the legality of the security being registered, with an English translation if it is in a language other than English, which states whether the security when sold will be validly issued, fully paid, and nonassessable and, if a debt security, a binding obligation of the issuer.

*p.* A signed or conformed copy of a consent of any accountant, engineer, appraiser, or other person whose profession gives authority for a statement made by the person, if the person is named as having prepared or certified a report or valuation, other than an official record, that is public, which is used in connection with the registration statement.

*q.* A balance sheet of the issuer as of a date within four months before the filing of the registration statement; a statement of income and a statement of cash flows for each of the three fiscal years preceding the date of the balance sheet and for any period between the close of the immediately previous fiscal year and the date of the balance sheet, or for the period of the issuer's and any predecessor's existence if less than three years; and, if any part of the

proceeds of the offering is to be applied to the purchase of a business, the financial statements that would be required if that business were the registrant.

*r.* Any additional information or records required by rule adopted or order issued under this chapter.

2A. *Reports and examinations.* The administrator may by rule or order require as a condition of registration by qualification, and at the expense of the applicant or registrant, that a report by an accountant, engineer, appraiser, or other professional person be filed. The administrator may also designate one or more employees of the securities and regulated industries bureau to make an examination of the business and records of an issuer of securities for which a registration statement has been filed by qualification, at the expense of the applicant or registrant.

3. *Conditions for effectiveness of registration statement.* A registration statement under this section becomes effective thirty days, or any shorter period provided by rule adopted or order issued under this chapter, after the date the registration statement or the last amendment other than a price amendment is filed, if any of the following applies:

*a.* A stop order is not in effect and a proceeding is not pending under section 502.306.

*b.* The administrator has not issued an order under section 502.306 delaying effectiveness.

*c.* The applicant or registrant has not requested that effectiveness be delayed.

4. *Delay of effectiveness of registration statement.* The administrator may delay effectiveness once for not more than ninety days if the administrator determines the registration statement is not complete in all material respects and promptly notifies the applicant or registrant of that determination. The administrator may also delay effectiveness for a further period of not more than thirty days if the administrator determines that the delay is necessary or appropriate.

5. *Prospectus distribution may be required.* A rule adopted or order issued under this chapter may require as a condition of registration under this section that a prospectus containing a specified part of the information or record specified in subsection 2 be sent or given to each person to whom an offer is made, before or concurrently, with the earliest of any of the following:

*a.* The first offer made in a record to the person otherwise than by means of a public advertisement, by or for the account of the issuer or another person on whose behalf the offering is being made or by an underwriter or broker-dealer that is offering part of an unsold allotment or subscription taken by the person as a participant in the distribution.

*b.* The confirmation of a sale made by or for the account of the person.

*c.* Payment pursuant to such a sale.

*d.* Delivery of the security pursuant to such a sale.

[SS15, §1920-u15; C24, 27, §8562; C31, 35, §8581-c13; C39, §**8581.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.14; C77, 79, 81, §502.304]

83 Acts, ch 169, §12, 13; 91 Acts, ch 40, §24 – 30; 94 Acts, ch 1031, §15; 96 Acts, ch 1025, §9 – 12; 97 Acts, ch 114, §12; 98 Acts, ch 1106, §7 – 12, 24; 99 Acts, ch 166, §3, 4; 2000 Acts, ch 1147, §16; 2001 Acts, ch 16, §6, 37; 2001 Acts, ch 118, §6 – 8; 2002 Acts, ch 1111, §4; 2004 Acts, ch 1161, §12, 68; 2006 Acts, ch 1117, §8

Referred to in §502.201, 502.202, 502.203, 502.204, 502.305, 502.307, 502.607

**502.304A Expedited registration by filing for small issuers.**

1. *Registration permitted.* A security meeting the conditions set forth in this section may be registered by filing as provided in this section.

2. *Conditions of the issuer.* In order to register under this section, the issuer must meet all of the following conditions:

*a.* The issuer must be a corporation, limited liability company, or partnership organized under the laws of one of the states or possessions of the United States which engages in or proposes to engage in a business other than petroleum exploration or production mining or other extractive industries.

*b.* The securities must be offered and sold only on behalf of the issuer, and must not be used by any selling security holder to register securities for resale.

3. *Conditions for effectiveness of registration — required records and fee.* In order to register under this section, all of the following conditions must be satisfied:

*a.* The offering price for common stock, the exercise price if the securities are options, warrants, or rights for common stock, or the conversion price if the securities are convertible into common stock must be equal to or greater than one dollar per share. The issuer must not split its common stock, or declare a stock dividend, for two years after effectiveness of the registration, except that in connection with a subsequent registered public offering, the issuer may upon application and consent of the administrator take such action.

*b.* A commission, fee, or other remuneration shall not be paid or given, directly or indirectly, for the sale of the securities, except for a payment to a broker-dealer or agent registered under this chapter, or except for a payment as permitted by the administrator by rule or by order issued upon written application showing good cause for allowance of a commission, fee, or other remuneration.

*c.* The issuer or a broker-dealer offering or selling the securities is not or would not be disqualified under rule 505, 17 C.F.R. § 230.505(2)(iii), adopted under the Securities Act of 1933.

*d.* The aggregate offering price of the offering of securities by the issuer within or outside this state must not exceed one million dollars, less the aggregate offering price for all securities sold within twelve months before the start of, and during the offering of, the securities under rule 504, 17 C.F.R. § 230.504, in reliance on any exemption under section 3(b) of the Securities Act of 1933 or in violation of section 5(a) of that Act; provided, that if rule 504, 17 C.F.R. § 230.504, adopted under the Securities Act of 1933, is amended, the administrator may by rule increase the limit under this paragraph to conform to amendments to federal law, including but not limited to modification in the amount of the aggregate offering price.

*e.* An offering document meeting the disclosure requirements of rule 502(b)(2), 17 C.F.R. § 230.502(b)(2), adopted under the Securities Act of 1933, must be delivered to each purchaser in the state prior to the sale of the securities, unless the administrator by rule or order provides for disclosure different from that rule.

*f.* The issuer must file with the administrator an application for registration and the offering document to be used in connection with the offer and sale of securities.

*g.* The issuer must pay to the administrator a fee of one hundred dollars and is not required to pay the filing fee set forth in section 502.305, subsection 2.

*h.* The fees collected under this subsection shall be deposited as provided in section 505.7.

4. *Effectiveness of registration.* Unless the administrator issues a stop order denying the effectiveness of the registration, as provided in section 502.306, the registration becomes effective on the fifth business day after the registration has been filed with the administrator, or earlier if the administrator permits a shorter time period between registration and effectiveness.

5. *Agent registration.* In connection with an offering registered under this section, a person may be registered as an agent of the issuer under section 502.402 by the filing of an application by the issuer with the administrator for the registration of the person as an agent of the issuer and the paying of a fee of ten dollars. Notwithstanding any other provision of this chapter, the registration of the agent shall be effective until withdrawn by the issuer or until the securities registered pursuant to the registration statement have all been sold, whichever occurs first. The registration of an agent shall become effective when ordered by the administrator or on the fifth business day after the agent's application has been filed with the administrator, whichever occurs first, and the administrator shall not impose further conditions upon the registration of the agent. However, the administrator may deny, revoke, suspend, or withdraw the registration of the agent at any time as provided in section 502.412. An agent registered solely pursuant to this section is entitled to sell only securities registered under this section.

6. *Inapplicable issuers.* This section is not applicable to any of the following issuers:

*a.* An investment company, including a mutual fund.

*b.* An issuer subject to the reporting requirements of section 13 or 15(d) of the Securities Exchange Act of 1934.

*c.* A direct participation program, unless otherwise permitted by the administrator by rule or order for good cause.

*d.* A blind pool or other offering for which the specific business or properties cannot now be described, unless the administrator determines that the blind pool is a community development, seed, or venture capital fund for which the administrator permits a waiver.

7. *Limits on stop orders.* Notwithstanding any other provision of this chapter, the administrator shall not deny effectiveness to or suspend or revoke the effectiveness of a registration under this section on the basis of section 502.306, subsection 1, paragraph "*h*".

2004 Acts, ch 1161, §13, 68; 2005 Acts, ch 3, §76; 2009 Acts, ch 181, §58

Referred to in §502.201, 502.202, 502.203, 502.204, 502.305, 502.607

**502.305 Securities registration filings.**

1. *Who may file.* A registration statement may be filed by the issuer, a person on whose behalf the offering is to be made, or a broker-dealer registered under this chapter.

2. *Filing.* Except as provided in subsection 10 and section 502.304A, subsection 3, paragraph "*g*", a person who files a registration statement or a notice filing shall pay a filing fee of one-tenth of one percent of the proposed aggregate sales price of the securities to be offered to persons in this state pursuant to the registration statement or notice filing. However, except as provided in subsection 10, section 502.302, subsection 1, paragraph "*a*", and section 502.304A, subsection 3, paragraph "*g*", the annual filing fee shall not be less than fifty dollars or more than one thousand dollars. The administrator shall retain the filing fee even if the notice filing is withdrawn or the registration is withdrawn, denied, suspended, revoked, or abandoned. The fees collected under this subsection shall be deposited as provided in section 505.7. The administrator may adopt rules requiring a filing to be made electronically. The rules may provide for such electronic filing either directly with the administrator or with a designee of the administrator. The rules may require that the filer pay any reasonable costs charged by the designee of the administrator for processing the filings and that the filer submit any fees paid through the designee.

3. *Status of offering.* A registration statement filed under section 502.303 or 502.304 must specify all of the following:

*a.* The amount of securities to be offered in this state.

*b.* The states in which a registration statement or similar record in connection with the offering has been or is to be filed.

*c.* Any adverse order, judgment, or decree issued in connection with the offering by a state securities regulator, the securities and exchange commission, or a court.

4. *Incorporation by reference.* A record filed under this chapter or its predecessor chapter within five years preceding the filing of a registration statement may be incorporated by reference in the registration statement to the extent that the record is currently accurate.

5. *Nonissuer distribution.* In the case of a nonissuer distribution, information or a record shall not be required under subsection 9 or section 502.304, unless it is known to the person filing the registration statement or to the person on whose behalf the distribution is to be made or unless it can be furnished by those persons without unreasonable effort or expense.

6. *Escrow and impoundment.* A rule adopted or order issued under this chapter may require as a condition of registration that a security issued within the previous five years or to be issued to a promoter for a consideration substantially less than the public offering price or to a person for a consideration other than cash be deposited in escrow; and that the proceeds from the sale of the registered security in this state be impounded until the issuer receives a specified amount from the sale of the security either in this state or elsewhere. The conditions of any escrow or impoundment required under this subsection may be established by rule adopted or order issued under this chapter, but the administrator shall not reject a depository institution solely because of its location in another state.

7. *Form of subscription.* A rule adopted or order issued under this chapter may require as a condition of registration that a security registered under this chapter be sold only on a specified form of subscription or sale contract and that a signed or conformed copy of each contract be filed under this chapter or preserved for a period specified by the rule or order, which shall not be longer than five years.

8. *Effective period.* Except while a stop order is in effect under section 502.306, a registration statement is effective for one year after its effective date, or for any longer period designated in an order issued under this chapter during which the security is being offered or distributed in a nonexempted transaction by or for the account of the issuer or other person on whose behalf the offering is being made or by an underwriter or broker-dealer that is still offering part of an unsold allotment or subscription taken as a participant in the distribution. For the purposes of a nonissuer transaction, all outstanding securities of the same class identified in the registration statement as a security registered under this chapter are considered to be registered while the registration statement is effective. If any securities of the same class are outstanding, a registration statement shall not be withdrawn until one year after its effective date. A registration statement may be withdrawn only with the approval of the administrator.

9. *Periodic reports.* While a registration statement is effective, a rule adopted or order issued under this chapter may require the person that filed the registration statement to file reports, not more often than quarterly, to keep the information or other record in the registration statement reasonably current and to disclose the progress of the offering.

10. *Posteffective amendments.*

*a.* A registrant who sold securities to persons in this state in excess of the amount of securities registered in this state at the time of the sale may file an amendment to its registration statement to register the additional securities. All of the following requirements shall apply:

(1) If a registrant proposes to sell securities to persons in this state pursuant to a registration statement that is currently effective in this state in an amount that exceeds the amount registered in this state, the registrant must do all of the following:

(a) File an amendment to register the additional securities.

(b) Pay an additional filing fee in the same amount as specified by subsection 2 as though the amendment constitutes a separate issue.

(2) If a registrant sold securities to persons in this state in excess of the amount registered in this state at that time, the registrant must do all of the following:

(a) File an amendment to register the additional securities.

(b) Pay an additional filing fee that is three times the amount specified in subsection 2 as though the amendment constitutes a separate issue.

*b.* The administrator may order the amendment effective retroactively as of the effective date of the registration statement that is being amended.

98 Acts, ch 1106, §13, 24; 99 Acts, ch 166, §5; 2004 Acts, ch 1161, §14, 68; 2009 Acts, ch 181, §59; 2010 Acts, ch 1121, §3

Referred to in §502.201, 502.202, 502.203, 502.204, 502.303, 502.304, 502.304A, 502.306, 502.307, 502.607

**502.306 Denial, suspension, and revocation of securities registration.**

1. *Stop orders.* The administrator may issue a stop order denying effectiveness to, or suspending or revoking the effectiveness of, a registration statement if the administrator finds that the order is in the public interest and that any of the following apply:

*a.* The registration statement as of its effective date or before the effective date in the case of an order denying effectiveness, an amendment under section 502.305, subsection 10, as of its effective date, or a report under section 502.305, subsection 9, is incomplete in a material respect or contains a statement that, in the light of the circumstances under which it was made, was false or misleading with respect to a material fact.

*b.* This chapter or a rule adopted or order issued under this chapter or a condition imposed under this chapter has been willfully violated, in connection with the offering, by the person filing the registration statement; by the issuer, a partner, officer, or director of the issuer or a person having a similar status or performing a similar function; a promoter of the issuer; or a person directly or indirectly controlling or controlled by the issuer; but only if the person filing the registration statement is directly or indirectly controlled by or acting for the issuer; or by an underwriter.

*c.* The security registered or sought to be registered is the subject of a permanent or temporary injunction of a court of competent jurisdiction or an administrative stop order or

similar order issued under any federal, foreign, or state law other than this chapter applicable to the offering, but the administrator shall not institute a proceeding against an effective registration statement under this paragraph more than one year after the date of the order or injunction on which it is based, and the administrator shall not issue an order under this paragraph on the basis of an order or injunction issued under the securities act of another state unless the order or injunction was based on conduct that would constitute, as of the date of the order, a ground for a stop order under this section.

*d.* The issuer's enterprise or method of business includes or would include activities that are unlawful where performed.

*e.* With respect to a security sought to be registered under section 502.303, there has been a failure to comply with the undertaking required by section 502.303, subsection 2, paragraph "*d*".

*f.* The applicant or registrant has not paid the filing fee, but the administrator shall void the order if the deficiency is corrected.

*g.* The offering is subject to any of the following:

(1) Will work or tend to work a fraud upon purchasers or would so operate.

(2) Has been or would be made with unreasonable amounts of underwriters' and sellers' discounts, commissions, or other compensation, or promoters' profits or participations, or unreasonable amounts or kinds of options.

*h.* The financial condition of the issuer affects or would affect the soundness of the securities, except that applications for registration of securities by companies which are in the development stage shall not be denied based solely upon the financial condition of the company. For purposes of this paragraph, a "*development stage company*" is defined as a company which has been in existence for five years or less.

*i.* A person who is an issuer, correspondent, or applicant, as listed on the uniform application to register securities form known as "Form U-1", has abandoned the registration statement. The administrator may enter an order pursuant to this paragraph if a notice of abandonment is sent to the last known address of each person, and the person fails to take corrective action within the time specified by the administrator. The notice of abandonment shall state the reasons for the administrator's action, specify the corrective action required, and specify the time period for submitting a response. However, the time specified shall not be less than fifteen days.

2. *Enforcement of subsection 1, paragraph "g".* To the extent practicable, the administrator by rule adopted or order issued under this chapter shall publish standards that provide notice of conduct that violates subsection 1, paragraph "*g*".

3. *Institution of stop order.* The administrator shall not institute a stop order proceeding against an effective registration statement on the basis of conduct or a transaction known to the administrator when the registration statement became effective unless the proceeding is instituted within thirty days after the registration statement became effective.

4. *Summary process.* The administrator may summarily revoke, deny, postpone, or suspend the effectiveness of a registration statement pending final determination of an administrative proceeding. Upon the issuance of the order, the administrator shall promptly notify each person specified in subsection 5 that the order has been issued, the reasons for the revocation, denial, postponement, or suspension, and that within fifteen days after the receipt of a request in a record from the person the matter will be scheduled for a hearing. If a hearing is not requested and none is ordered by the administrator, within thirty days after the date of service of the order, the order becomes final. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing for each person subject to the order, may modify or vacate the order or extend the order until final determination.

5. *Procedural requirements for stop order.* A stop order shall not be issued under this section without all of the following:

*a.* An appropriate notice to the applicant or registrant, the issuer, and the person on whose behalf the securities are to be or have been offered.

*b.* An opportunity for hearing.

*c.* Findings of fact and conclusions of law in a record in accordance with chapter 17A.

6. *Modification or vacation of stop order.* The administrator may modify or vacate a stop

order issued under this section if the administrator finds that the conditions that caused its issuance have changed or that it is necessary or appropriate in the public interest or for the protection of investors.

2004 Acts, ch 1161, §15, 68; 2013 Acts, ch 90, §148

Referred to in §502.201, 502.202, 502.203, 502.204, 502.303, 502.304, 502.304A, 502.305

Subsection 1, paragraph h amended

**502.307 Waiver and modification.**

The administrator may waive or modify, in whole or in part, any or all of the requirements of sections 502.302, 502.303, and 502.304, subsection 2, or the requirement of any information or record in a registration statement or in a periodic report filed pursuant to section 502.305, subsection 9.

2004 Acts, ch 1161, §16, 68

## ARTICLE 3A

## TAKEOVER PROVISIONS

Referred to in §502.509

**502.321A Special definitions.**

For the purposes of this article, unless the context otherwise requires:

1. *"Associate"* means a person acting jointly or in concert with another for the purpose of acquiring, holding or disposing of, or exercising any voting rights attached to the equity securities of a target company.

2. *"Beneficial owner"* includes, but is not limited to, any person who directly or indirectly, through any contract, arrangement, understanding, or relationship, has or shares the power to vote or direct the voting of a security or has or shares the power to dispose of or otherwise direct the disposition of the security. A person is the beneficial owner of securities beneficially owned by any relative or spouse or relative of the spouse residing in the home of the person, any trust or estate in which the person owns ten percent or more of the total beneficial interest or serves as trustee or executor, any corporation or entity in which the person owns ten percent or more of the equity, and any affiliate or associate of the person.

3. *"Beneficial ownership"* includes, but is not limited to, the right, exercisable within sixty days, to acquire securities through the exercise of options, warrants, or rights or the conversion of convertible securities. The securities subject to these options, warrants, rights, or conversion privileges held by a person are outstanding for the purpose of computing the percentage of outstanding securities of the class owned by the person, but are not outstanding for the purpose of computing the percentage of the class owned by any other person.

4. *"Equity security"* means any stock or similar security and includes any of the following:

*a.* Any security convertible, with or without consideration, into a stock or similar security.

*b.* Any warrant or right to subscribe to or purchase a stock or similar security.

*c.* Any security carrying a warrant or right to subscribe to or purchase a stock or similar security.

*d.* Any other security which the administrator deems to be of a similar nature and considers necessary or appropriate, according to rules prescribed by the administrator for the public interest and protection of investors, to be treated as an equity security.

5. *"Offeree"* means the beneficial owner, who is a resident of this state, of equity securities which an offeror offers to acquire in connection with a takeover offer.

6. *"Offeror"* means a person who makes or in any manner participates in making a takeover offer. It does not include a supervised financial institution or broker-dealer loaning funds to an offeror in the ordinary course of its business, or any supervised financial institution, broker-dealer, attorney, accountant, consultant, employee, or other person furnishing information or advice to or performing ministerial duties for an offeror, and who does not otherwise participate in the takeover offer.

7. *"Principal place of business"* means the executive office of a target company from which

the officers, partners, or managers of the target company direct, control, and coordinate the activities of the target company.

8. *a.* *"Takeover offer"* means the offer to acquire any equity securities of a target company from a resident of this state pursuant to a tender offer or request or invitation for tenders, if after the acquisition of all securities acquired pursuant to the offer any of the following are true:

(1) The offeror would be directly or indirectly a beneficial owner of more than ten percent of any class of the outstanding equity securities of the target company.

(2) The beneficial ownership by the offeror of any class of the outstanding equity securities of the target company would be increased by more than five percent. However, this subparagraph does not apply if after the acquisition of all securities acquired pursuant to the offer, the offeror would not be directly or indirectly a beneficial owner of more than ten percent of any class of the outstanding equity securities of the target company.

*b.* *"Takeover offer"* does not include any of the following:

(1) An offer in connection with the acquisition of a security which, together with all other acquisitions by the offeror of securities of the same class of equity securities of the target company, would not result in the offeror having acquired more than two percent of this class of securities during the preceding twelve-month period.

(2) An offer by the target company to acquire its own equity securities if such offer is subject to section 13(e) of the Securities Exchange Act of 1934.

(3) An offer in which the target company is an insurance company or insurance holding company subject to regulation by the commissioner of insurance, a financial institution subject to regulation by the superintendent of banking or the superintendent of savings and loan associations, or a public utility subject to regulation by the utilities division of the department of commerce.

9. *"Target company"* means an issuer of publicly traded equity securities that has at least twenty percent of its equity securities beneficially held by residents of this state and has substantial assets in this state. For the purposes of this chapter, an equity security is publicly traded if a trading market exists for the security. A trading market exists if the security is traded on a national securities exchange, whether or not registered pursuant to the Securities Exchange Act of 1934, or on the over-the-counter market.

2004 Acts, ch 1161, §17, 68

**502.321B Registration requirements — hearing.**

1. *Takeover filing required.* It is unlawful for a person to make a takeover offer or to acquire any equity securities pursuant to the offer unless the offer is valid under this article. A takeover offer is effective when the offeror files with the administrator a registration statement containing the information prescribed in subsection 6. Not later than the date of filing of the registration statement, the offeror shall deliver a copy of the registration statement by certified mail to the target company at its principal place of business and publicly disclose the material terms of the proposed offer. Public disclosure shall require, at a minimum, that a copy of the registration statement be supplied to all broker-dealers maintaining an office in this state currently quoting the security.

2. *Registration statement filing.* The registration statement shall be filed on forms prescribed by the administrator, and shall be accompanied by a consent by the offeror to service of process and filing fee specified in section 502.321G, and contain all of the following information:

*a.* All information specified in subsection 6.

*b.* Two copies of all solicitation materials intended to be used in the takeover offer, and in the form proposed to be published, sent, or delivered to offerees.

*c.* Additional information as prescribed by the administrator by rule, pursuant to chapter 17A, prior to the making of the offer.

3. *Registration not approval.* Registration shall not be considered approval by the administrator, and any representation to the contrary is unlawful.

4. *Suspension authorized.* Within three calendar days of the date of filing of the registration statement, the administrator may, by order, summarily suspend the effectiveness

of the takeover offer if the administrator determines that the registration does not contain all of the information specified in subsection 6 or that the takeover offer materials provided to offerees do not provide full disclosure to offerees of all material information concerning the takeover offer. The suspension shall remain in effect only until the determination following a hearing held pursuant to subsection 5.

5. *Hearing procedures.*

*a.* A hearing shall be scheduled by the administrator for each suspension provided under this section. The hearing shall be held within ten calendar days of the date of the suspension. The administrator's determination following the hearing shall be made within three calendar days after the hearing has been completed, but not more than sixteen days after the date of the suspension. However, the administrator may prescribe different time periods than those specified in this subsection by rule or order.

*b.* If, based upon the record of the hearing, the administrator finds that the registration statement fails to provide for full and fair disclosure of all material information concerning the offer, or that the takeover is in violation of any of the provisions of this article, the administrator shall permanently suspend the effectiveness of the takeover offer. The administrator may provide an opportunity for the offeror to correct disclosure and other deficiencies identified by the administrator and to reinstate the takeover offer by filing a new or amended registration statement pursuant to this section.

6. *Required information.* The form required to be filed by subsection 2, paragraph "*a*", shall contain all of the following information:

*a.* The identity and background of all persons on whose behalf the acquisition of any equity security of the target company has been or is to be effected.

*b.* The source and amount of funds or other consideration used or to be used in acquiring any equity security including, if applicable, a statement describing any securities which are being offered in exchange for the equity securities of the target company. If any part of the acquisition price is or will be represented by borrowed funds or other consideration, the information shall also include a description of the material terms of any financing arrangements and the names of the parties from whom the funds were or are to be borrowed.

*c.* If the offeror is other than a natural person, information concerning its organization and operations, including all of the following:

(1) The year, form, and jurisdiction of its organization.

(2) A description of each class of equity security and long-term debt.

(3) A description of the business conducted by the offeror and its subsidiaries and any material changes in the offeror or subsidiaries during the past three years.

(4) A description of the location and character of the principal properties of the offeror and its subsidiaries.

(5) A description of any pending and material legal or administrative proceedings in which the offeror or any of its affiliates is a party.

(6) The names of all directors and executive officers of the offeror and their material business activities and affiliations during the past five years.

(7) The financial statements of the offeror in a form and for periods of time as the administrator may prescribe by rule pursuant to section 17A.4, subsection 1.

*d.* If the offeror is a natural person, information concerning the offeror's identity and background, including business activities and affiliations during the past five years and a description of any pending and material legal or administrative proceedings in which the offeror is a party.

*e.* If the purpose of the acquisition is to gain control of the target company, the material terms of any plans or proposals which the offeror has, upon gaining control, to do any of the following:

(1) Liquidate the target company.

(2) Sell its assets.

(3) Effect its merger or consolidation.

(4) Change the location of its principal place of business or of a material portion of its business activities.

(5) Change its management or policies of employment.

(6) Materially alter its relationship with suppliers or customers or the community in which it operates.

(7) Make any other major changes in its business, corporate structure, management, or personnel.

(8) Other information which would materially affect the shareholders' evaluation of the acquisition.

*f.* The number of shares or units of any equity security of the target company owned beneficially by the offeror and any affiliate or associate of the offeror, together with the name and address of each affiliate or associate.

*g.* The material terms of any contract, arrangement, or understanding with any other person with respect to the equity securities of the target company by which the offeror has or will acquire any interest in additional equity securities of the target company, or is or will be obligated to transfer any interest in the equity securities to another.

*h.* Information required to be included in a tender offer statement pursuant to section 14(d) of the Securities Exchange Act of 1934 and the rules and regulations of the securities and exchange commission issued pursuant to the Act.

2004 Acts, ch 1161, §18, 68; 2012 Acts, ch 1023, §157

Referred to in §502.321D, 502.509

**502.321C Filing of solicitation materials.**

Copies of all advertisements, circulars, letters, or other materials disseminated by the offeror or the target company, soliciting or requesting the acceptance or rejection of a takeover offer, shall be filed with the administrator and sent to the target company or offeror not later than the time the solicitation or request materials are first published, sent, or given to the offerees. The administrator may prohibit the use of any materials deemed false or misleading.

2004 Acts, ch 1161, §19, 68

**502.321D Fraudulent, deceptive, or manipulative acts and practices prohibited.**

An offeror, target company, affiliate or associate of an offeror or target company, or broker-dealer acting on behalf of an offeror or target company shall not engage in a fraudulent, deceptive, or manipulative act or practice in connection with a takeover offer. For purposes of this section, a fraudulent, deceptive, or manipulative act or practice includes, but is not limited to, any of the following:

1. The publication or use in connection with a takeover offer of a false statement of a material fact, or the omission of a material fact which renders the statements made misleading.

2. The purchase of any of the equity securities of an officer, director, or beneficial owner of five percent or more of the equity securities of the target company by the offeror or the target company for a consideration greater than that to be paid to other shareholders, unless the terms of the purchase are disclosed in a registration statement filed pursuant to section 502.321B.

3. The refusal by a target company to permit an offeror who is a shareholder of record to examine or copy its list of shareholders, pursuant to the applicable corporation statutes, for the purpose of making a takeover offer.

4. The refusal by a target company to mail any solicitation materials published by the offeror to its security holders with reasonable promptness after receipt from the offeror of the materials, together with the reasonable expenses of postage and handling.

5. The solicitation of any offeree for acceptance or rejection of a takeover offer, or acquisition of any equity security pursuant to a takeover offer, when the offer is suspended under section 502.321B, provided, however, that the target company may communicate during a suspension with its equity security holders to the extent required to respond to the takeover offer made pursuant to the Securities Exchange Act of 1934.

2004 Acts, ch 1161, §20, 68

**502.321E Limitations on offers and offerors.**

1. *Same terms required.* A takeover offer shall contain substantially the same terms for shareholders residing within and outside this state.

2. *Offeree withdrawal of securities.* An offeror shall provide that any equity securities of a target company deposited or tendered pursuant to a takeover offer may be withdrawn by or on behalf of an offeree within seven days after the date the offer has become effective and after sixty days from the date the offer has become effective, or as otherwise determined by the administrator pursuant to a rule or order issued for the protection of the shareholders.

3. *Pro rata acceptance.* If an offeror makes a takeover offer for less than all the outstanding equity securities of any class and, within ten days after the offer has become effective and copies of the offer, or notice of any increase in the consideration offered, are first published or sent or given to equity security holders, the number of securities deposited or tendered pursuant to the offer is greater than the number of securities that the offeror has offered to accept and pay for, the securities shall be accepted pro rata, disregarding fractions, according to the number of securities deposited or tendered for each offeree.

4. *Increased consideration.* If an offeror varies the terms of a takeover offer before the offer's expiration date by increasing the consideration offered to equity security holders, the offeror shall pay the increased consideration for all equity securities accepted, whether the securities have been accepted by the offeror before or after the variation in the terms of the offer.

5. *Proceedings — stop offers or acquisitions.* An offeror shall not make a takeover offer or acquire any equity securities in this state pursuant to a takeover offer during the period of time that an administrator's proceeding alleging a violation of this chapter is pending against the offeror.

6. *Proceedings — halt moving of target company assets.* An offeror shall not acquire, remove, or exercise control, directly or indirectly, over any target company assets located in this state pursuant to a takeover offer during the period of time that an administrator's proceeding alleging a violation of this chapter is pending against the offeror.

7. *Acquisitions subsequent to takeover purchases.* An offeror shall not acquire from a resident of this state an equity security of any class of a target company at any time within two years following the last purchase of securities pursuant to a takeover offer with respect to that class, including, but not limited to, acquisitions made by purchase, exchange, merger, consolidation, partial or complete liquidation, redemption, reverse stock split, recapitalization, reorganization, or any other similar transaction, unless the holders of the equity securities are afforded, at the time of the acquisition, a reasonable opportunity to dispose of the securities to the offeror upon substantially equivalent terms as those provided in the earlier takeover offer.

2004 Acts, ch 1161, §21, 68

**502.321F Administration — rules and orders.**

1. *Exemption authority.* The administrator may by rule or order exempt from any provision of this article the following:

*a.* A proposed takeover offer or a category or type of takeover offer which the administrator determines does not have the purpose or effect of changing or influencing the control of a target company.

*b.* A proposed takeover offer for which the administrator determines that compliance with the sections is not necessary for the protection of the offerees.

*c.* A person from the requirement of filing statements.

2. *Conflicts with chapter 17A.* In the event of a conflict between the provisions of chapter 17A and the provisions of this article, the provisions of this article shall prevail.

2004 Acts, ch 1161, §22, 68

**502.321G Fees.**

The administrator shall charge a nonrefundable filing fee of two hundred fifty dollars for a registration statement filed by an offeror. The fee shall be deposited as provided in section 505.7.

2004 Acts, ch 1161, §23, 68; 2009 Acts, ch 181, §60

Referred to in §502.321B

**502.321H Nonapplication of corporate takeover law.**

If the target company is a public utility, public utility holding company, national banking association, bank holding company, or savings and loan association which is subject to regulation by a federal agency and the takeover of such company is subject to approval by the federal agency, this article does not apply.

2004 Acts, ch 1161, §24, 68

**502.321I Application of securities law.**

All of the provisions of this chapter which are not in conflict with this article apply to any takeover offer involving a target company.

2004 Acts, ch 1161, §25, 68

Referred to in §502.701

## ARTICLE 4

## BROKER-DEALERS, AGENTS, INVESTMENT ADVISERS, INVESTMENT ADVISER REPRESENTATIVES, AND FEDERAL COVERED INVESTMENT ADVISERS

**502.401 Broker-dealer registration requirement and exemptions.**

1. *Registration requirement.* It is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under this chapter as a broker-dealer or is exempt from registration as a broker-dealer under subsection 2 or 4.

2. *Exemptions from registration.* The following persons are exempt from the registration requirement of subsection 1:

*a.* A broker-dealer without a place of business in this state if its only transactions effected in this state are with any of the following:

(1) The issuer of the securities involved in the transactions.

(2) A broker-dealer registered as a broker-dealer under this chapter or not required to be registered as a broker-dealer under this chapter.

(3) An institutional investor.

(4) A nonaffiliated federal covered investment adviser with investments under management in excess of one hundred million dollars acting for the account of others pursuant to discretionary authority in a signed record.

(5) A bona fide preexisting customer whose principal place of residence is not in this state and the broker-dealer is registered as a broker-dealer under the Securities Exchange Act of 1934 or not required to be registered under the Securities Exchange Act of 1934 and is registered under the securities Act of the state in which the customer maintains a principal place of residence.

(6) A bona fide preexisting customer whose principal place of residence is in this state but was not present in this state when the customer relationship was established, if all of the following apply:

(a) The broker-dealer is registered under the Securities Exchange Act of 1934 or not required to be registered under the Securities Exchange Act of 1934 and is registered under the securities laws of the state in which the customer relationship was established and where the customer had maintained a principal place of residence.

(b) Within forty-five days after the customer's first transaction in this state, the broker-dealer files an application for registration as a broker-dealer in this state and a further

transaction is not effected more than seventy-five days after the date on which the application is filed, or, if earlier, the date on which the administrator notifies the broker-dealer that the administrator has denied the application for registration or has stayed the pendency of the application for good cause.

(7) Not more than three customers in this state during the previous twelve months, in addition to those customers specified in this paragraph *"a"*, if the broker-dealer is registered under the Securities Exchange Act of 1934 or not required to be registered under the Securities Exchange Act of 1934 and is registered under the securities Act of the state in which the broker-dealer has its principal place of business.

(8) Any other person exempted by rule adopted or order issued under this chapter.

*b.* A person that deals solely in United States government securities and is supervised as a dealer in government securities by the board of governors of the federal reserve system, the comptroller of the currency, the federal deposit insurance corporation, or the office of thrift supervision.

3. *Limits on employment or association.* It is unlawful for a broker-dealer, or for an issuer engaged in offering, offering to purchase, purchasing, or selling securities in this state, directly or indirectly, to employ or associate with an individual to engage in an activity related to securities transactions in this state if the registration of the individual is suspended or revoked or the individual is barred from employment or association with a broker-dealer, an issuer, an investment adviser, or a federal covered investment adviser by an order of the administrator under this chapter, the securities and exchange commission, or a self-regulatory organization. A broker-dealer or issuer does not violate this subsection if the broker-dealer or issuer did not know, and in the exercise of reasonable care could not have known, of the suspension, revocation, or bar. Upon request from a broker-dealer or issuer and for good cause, an order under this chapter may modify or waive, in whole or in part, the application of the prohibitions of this subsection to the broker-dealer or issuer.

4. *Foreign transactions.* A rule adopted or order issued under this chapter may permit any of the following:

*a.* A broker-dealer that is registered in Canada or other foreign jurisdiction and that does not have a place of business in this state to effect transactions in securities with or for, or attempt to effect the purchase or sale of any securities by, any of the following:

(1) An individual from Canada or other foreign jurisdiction who is temporarily present in this state and with whom the broker-dealer had a bona fide customer relationship before the individual entered the United States.

(2) An individual from Canada or other foreign jurisdiction who is present in this state and whose transactions are in a self-directed tax advantaged retirement plan of which the individual is the holder or contributor in that foreign jurisdiction.

(3) An individual who is present in this state, with whom the broker-dealer customer relationship arose while the individual was temporarily or permanently residing in Canada or the other foreign jurisdiction.

*b.* An agent who represents a broker-dealer that is exempt under this subsection to effect transactions in securities or attempt to effect the purchase or sale of securities in this state as permitted for a broker-dealer described in paragraph *"a"*.

[C31, 35, §8581-c17; C39, §**8581.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.21; C77, 79, 81, §502.401]

2004 Acts, ch 1161, §26, 68

Referred to in §502.402, 502.407, 502.509, 502.604, 502.608, 502.610

**502.402 Agent registration requirement and exemptions.**

1. *Registration requirement.* It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration as an agent under subsection 2.

2. *Exemptions from registration.* The following individuals are exempt from the registration requirement of subsection 1:

*a.* An individual who represents a broker-dealer in effecting transactions in this state

limited to those described in section 15(h)(2) of the Securities Exchange Act of 1934, 15 U.S.C. § 78(h)(2).

*b.* An individual who represents a broker-dealer that is exempt under section 502.401, subsection 2 or 4.

*c.* An individual who represents an issuer with respect to an offer or sale of the issuer's own securities or those of the issuer's parent or any of the issuer's subsidiaries, and who is not compensated in connection with the individual's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities.

*d.* An individual who represents an issuer and who effects transactions in the issuer's securities exempted by section 502.202, other than section 502.202, subsection 11 or 14.

*e.* An individual who represents an issuer that effects transactions solely in federal covered securities of the issuer, but an individual who effects transactions in a federal covered security under section 18(b)(3) or 18(b)(4)(D) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(3) or 77r(b)(4)(D), is not exempt if the individual is compensated in connection with the agent's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities.

*f.* An individual who represents a broker-dealer registered in this state under section 502.401, subsection 1, or exempt from registration under section 502.401, subsection 2, in the offer and sale of securities for an account of a nonaffiliated federal covered investment adviser with investments under management in excess of one hundred million dollars acting for the account of others pursuant to discretionary authority in a signed record.

*g.* An individual who represents an issuer in connection with the purchase of the issuer's own securities.

*h.* An individual who represents an issuer and who restricts participation to performing clerical or ministerial acts.

*i.* Any other individual exempted by rule adopted or order issued under this chapter.

3. *Registration effective only while employed or associated.* The registration of an agent is effective only while the agent is employed by or associated with a broker-dealer registered under this chapter or an issuer that is offering, selling, or purchasing its securities in this state.

4. *Limit on employment or association.* It is unlawful for a broker-dealer, or an issuer engaged in offering, selling, or purchasing securities in this state, to employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection 1 or exempt from registration under subsection 2.

5. *Limit on affiliations.* An individual shall not act as an agent for more than one broker-dealer or one issuer at a time, unless the broker-dealer or the issuer for which the agent acts is affiliated by direct or indirect common control or is authorized by rule or order under this chapter.

[C77, 79, 81, §502.402]

2004 Acts, ch 1161, §27, 68; 2008 Acts, ch 1123, §3

Referred to in §502.304A, 502.411, 502.412, 502.509, 502.608, 502.610

**502.403 Investment adviser registration requirement and exemptions.**

1. *Registration requirement.* It is unlawful for a person to transact business in this state as an investment adviser unless the person is registered under this chapter as an investment adviser or is exempt from registration as an investment adviser under subsection 2.

2. *Exemptions from registration.* All of the following persons are exempt from the registration requirement of subsection 1:

*a.* A person without a place of business in this state that is registered under the securities Act of the state in which the person has its principal place of business if its only clients in this state are any of the following:

(1) Federal covered investment advisers, investment advisers registered under this chapter, or broker-dealers registered under this chapter.

(2) Institutional investors.

(3) Bona fide preexisting clients whose principal places of residence are not in this state

if the investment adviser is registered under the securities Act of the state in which the clients maintain principal places of residence.

(4) Any other client exempted by rule adopted or order issued under this chapter.

*b.* A person without a place of business in this state if the person has had, during the preceding twelve months, not more than five clients that are resident in this state in addition to those specified under paragraph *"a"*.

*c.* Any other person exempted by rule adopted or order issued under this chapter.

3. *Limits on employment or association.* It is unlawful for an investment adviser, directly or indirectly, to employ or associate with an individual to engage in an activity related to investment advice in this state if the registration of the individual is suspended or revoked or the individual is barred from employment or association with an investment adviser, federal covered investment adviser, or broker-dealer by an order under this chapter, the securities and exchange commission, or a self-regulatory organization, unless the investment adviser did not know, and in the exercise of reasonable care could not have known, of the suspension, revocation, or bar. Upon request from the investment adviser and for good cause, the administrator, by order, may waive, in whole or in part, the application of the prohibitions of this subsection to the investment adviser.

4. *Investment adviser representative registration required.* It is unlawful for an investment adviser to employ or associate with an individual required to be registered under this chapter as an investment adviser representative who transacts business in this state on behalf of the investment adviser unless the individual is registered under section 502.404, subsection 1, or is exempt from registration under section 502.404, subsection 2.

[C77, 79, 81, §502.403]

2004 Acts, ch 1161, §28, 68

Referred to in §502.404, 502.407, 502.509, 502.604, 502.608, 502.610

**502.404 Investment adviser representative registration requirement and exemptions.**

1. *Registration requirement.* It is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this chapter as an investment adviser representative or is exempt from registration as an investment adviser representative under subsection 2.

2. *Exemptions from registration.* All of the following individuals are exempt from the registration requirement of subsection 1:

*a.* An individual who is employed by or associated with an investment adviser that is exempt from registration under section 502.403, subsection 2, or a federal covered investment adviser that is excluded from the notice filing requirements of section 502.405.

*b.* Any other individual exempted by rule adopted or order issued under this chapter.

3. *Registration effective only while employed or associated.* The registration of an investment adviser representative is not effective while the investment adviser representative is not employed by or associated with an investment adviser registered under this chapter or a federal covered investment adviser that has made or is required to make a notice filing under section 502.405.

4. *Limit on affiliations.* An individual may transact business as an investment adviser representative for more than one investment adviser or federal covered investment adviser unless a rule adopted or order issued under this chapter prohibits or limits an individual from acting as an investment adviser representative for more than one investment adviser or federal covered investment adviser.

5. *Limits on employment or association.* It is unlawful for an individual acting as an investment adviser representative, directly or indirectly, to conduct business in this state on behalf of an investment adviser or a federal covered investment adviser if the registration of the individual as an investment adviser representative is suspended or revoked or the individual is barred from employment or association with an investment adviser or a federal covered investment adviser by an order under this chapter, the securities and exchange commission, or a self-regulatory organization. Upon request from a federal covered investment adviser and for good cause, the administrator, by order issued, may waive, in

whole or in part, the application of the requirements of this subsection to the investment adviser representative.

6. *Referral fees.* An investment adviser registered under this chapter, a federal covered investment adviser that has filed a notice under section 502.405, or a broker-dealer registered under this chapter is not required to employ or associate with an individual as an investment adviser representative if the only compensation paid to the individual for a referral of investment advisory clients is paid to an investment adviser registered under this chapter, a federal covered investment adviser who has filed a notice under section 502.405, or a broker-dealer registered under this chapter with whom the individual is employed or associated as an investment adviser representative.

[C77, 79, 81, §502.404]

83 Acts, ch 169, §14; 97 Acts, ch 23, §60; 2004 Acts, ch 1161, §29, 68; 2006 Acts, ch 1030, §61; 2007 Acts, ch 126, §87

Referred to in §502.403, 502.411, 502.412, 502.509, 502.608, 502.610

**502.405 Federal covered investment adviser notice filing requirement.**

1. *Notice filing requirement.* Except with respect to a federal covered investment adviser described in subsection 2, it is unlawful for a federal covered investment adviser to transact business in this state as a federal covered investment adviser unless the federal covered investment adviser complies with subsection 3.

2. *Notice filing requirement not required.* The following federal covered investment advisers are not required to comply with subsection 3:

*a.* A federal covered investment adviser without a place of business in this state if its only clients in this state are any of the following:

(1) Federal covered investment advisers, investment advisers registered under this chapter, and broker-dealers registered under this chapter.

(2) Institutional investors.

(3) Bona fide preexisting clients whose principal places of residence are not in this state.

(4) Other clients specified by rule adopted or order issued under this chapter.

*b.* A federal covered investment adviser without a place of business in this state if the person has had, during the preceding twelve months, not more than five clients that are resident in this state in addition to those specified under paragraph "*a*".

*c.* Any other person excluded by rule adopted or order issued under this chapter.

3. *Notice filing procedure.* A person acting as a federal covered investment adviser, not excluded under subsection 2, shall file a notice, a consent to service of process complying with section 502.611, and such records as have been filed with the securities and exchange commission under the Investment Advisers Act of 1940 required by rule adopted or order issued under this chapter and pay the fees specified in section 502.410, subsection 5.

4. *Effectiveness of filing.* The notice under subsection 3 becomes effective upon its filing.

[SS15, §1920-u19; C24, 27, §8577; C31, 35, §8581-c21; C39, §**8581.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.26; C77, 79, 81, §502.405]

2004 Acts, ch 1161, §30, 68

Referred to in §502.404, 502.407, 502.408, 502.410, 502.610

**502.406 Registration by broker-dealer, agent, investment adviser, and investment adviser representative.**

1. *Application for initial registration.* A person shall register as a broker-dealer, agent, investment adviser, or investment adviser representative by filing an application and a consent to service of process complying with section 502.611, and paying the fee specified in section 502.410 and any reasonable fees charged by the designee of the administrator for processing the filing. The application must contain all of the following:

*a.* The information or record required for the filing of a uniform application.

*b.* Upon request by the administrator, any other financial or other information or record that the administrator determines is appropriate.

2. *Amendment.* If the information or record contained in an application filed under

subsection 1 is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

3. *Effectiveness of registration.* If an order is not in effect and a proceeding is not pending under section 502.412, registration becomes effective at noon on the forty-fifth day after a completed application is filed, unless the registration is denied. A rule adopted or order issued under this chapter may set an earlier effective date or may defer the effective date until noon on the forty-fifth day after the filing of any amendment completing the application.

4. *Registration renewal.* A registration is effective until midnight on December 31 of the year for which the application for registration is filed. Unless an order is in effect under section 502.412, a registration may be automatically renewed each year by filing such records as are required by rule adopted or order issued under this chapter, by paying the fee specified in section 502.410, and by paying costs charged by the designee of the administrator for processing the filings.

5. *Additional conditions or waivers.* A rule adopted or order issued under this chapter may impose such other conditions, not inconsistent with the National Securities Markets Improvement Act of 1996. An order issued under this chapter may waive, in whole or in part, specific requirements in connection with registration as are in the public interest and for the protection of investors.

[C24, 27, §8580; C31, 35, §8581-c24; C39, §**8581.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.29; C77, 79, 81, §502.406]

97 Acts, ch 114, §13; 98 Acts, ch 1106, §14, 24; 2004 Acts, ch 1161, §31, 68

Referred to in §502.408

**502.407 Succession and change in registration of broker-dealer or investment adviser.**

1. *Succession.* A broker-dealer or investment adviser may succeed to the current registration of another broker-dealer or investment adviser or a notice filing of a federal covered investment adviser, and a federal covered investment adviser may succeed to the current registration of an investment adviser or notice filing of another federal covered investment adviser, by filing as a successor an application for registration pursuant to section 502.401 or 502.403 or a notice pursuant to section 502.405 for the unexpired portion of the current registration or notice filing.

2. *Organizational change.* A broker-dealer or investment adviser that changes its form of organization or state of incorporation or organization may continue its registration by filing an amendment to its registration if the change does not involve a material change in its financial condition or management. The amendment becomes effective when filed or on a date designated by the registrant in its filing. The new organization is a successor to the original registrant for the purposes of this chapter. If there is a material change in financial condition or management, the broker-dealer or investment adviser shall file a new application for registration. A predecessor registered under this chapter shall stop conducting its securities business other than winding down transactions and shall file for withdrawal of broker-dealer or investment adviser registration within forty-five days after filing its amendment to effect succession.

3. *Name change.* A broker-dealer or investment adviser that changes its name may continue its registration by filing an amendment to its registration. The amendment becomes effective when filed or on a date designated by the registrant.

4. *Change of control.* A change of control of a broker-dealer or investment adviser may be made in accordance with a rule adopted or order issued under this chapter.

[SS15, §1920-u21; C24, 27, §8579; C31, 35, §8581-c23; C39, §**8581.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.28; C77, 79, 81, §502.407]

87 Acts, ch 53, §11; 2004 Acts, ch 1161, §32, 68

**502.408 Termination of employment or association of agent and investment adviser representative and transfer of employment or association.**

1. *Notice of termination.* If an agent registered under this chapter terminates employment by or association with a broker-dealer or issuer, or if an investment adviser representative registered under this chapter terminates employment by or association with

an investment adviser or federal covered investment adviser, or if either registrant terminates activities that require registration as an agent or investment adviser representative, the broker-dealer, issuer, investment adviser, or federal covered investment adviser shall promptly file a notice of termination. If the registrant learns that the broker-dealer, issuer, investment adviser, or federal covered investment adviser has not filed the notice, the registrant may do so.

2. *Transfer of employment or association.* If an agent registered under this chapter terminates employment by or association with a broker-dealer registered under this chapter and begins employment by or association with another broker-dealer registered under this chapter, or if an investment adviser representative registered under this chapter terminates employment by or association with an investment adviser registered under this chapter or a federal covered investment adviser that has filed a notice under section 502.405 and begins employment by or association with another investment adviser registered under this chapter or a federal covered investment adviser that has filed a notice under section 502.405, then upon the filing by or on behalf of the registrant, within thirty days after the termination, of an application for registration that complies with the requirement of section 502.406, subsection 1, and payment of the filing fee required under section 502.410, the registration of the agent or investment adviser representative is one of the following:

*a.* Immediately effective as of the date of the completed filing, if the agent's central registration depository record or successor record or the investment adviser representative's investment adviser registration depository record or successor record does not contain a new or amended disciplinary disclosure within the previous twelve months.

*b.* Temporarily effective as of the date of the completed filing, if the agent's central registration depository record or successor record or the investment adviser representative's investment adviser registration depository record or successor record contains a new or amended disciplinary disclosure within the preceding twelve months.

3. *Withdrawal of temporary registration.* The administrator may withdraw a temporary registration if there are or were grounds for discipline as specified in section 502.412 and the administrator does so within thirty days after the filing of the application. If the administrator does not withdraw the temporary registration within the thirty-day period, registration becomes automatically effective on the thirty-first day after filing.

4. *Power to prevent registration.* The administrator may prevent the effectiveness of a transfer of an agent or investment adviser representative under subsection 2, paragraph "*a*" or "*b*", based on the public interest and the protection of investors.

5. *Termination of registration or application for registration.* If the administrator determines that a registrant or applicant for registration is no longer in existence or has ceased to act as a broker-dealer, agent, investment adviser, or investment adviser representative, or is the subject of an adjudication of incapacity or is subject to the control of a committee, conservator, or guardian, or cannot reasonably be located, a rule adopted or order issued under this chapter may require that the registration be canceled or terminated or the application denied. The administrator may reinstate a canceled or terminated registration, with or without hearing, and may make the registration retroactive.

98 Acts, ch 1106, §15, 24; 2004 Acts, ch 1161, §33, 68

**502.409 Withdrawal of registration of broker-dealer, agent, investment adviser, and investment adviser representative — cessation of business — abandoned filings.**

1. *Withdrawal of registration.* Withdrawal of registration by a broker-dealer, agent, investment adviser, or investment adviser representative becomes effective sixty days after the filing of the application to withdraw or within any shorter period as provided by rule adopted or order issued under this chapter unless a revocation or suspension proceeding is pending when the application is filed. If a proceeding is pending, withdrawal becomes effective when and upon such conditions as required by rule adopted or order issued under this chapter. The administrator may institute a disciplinary action under section 502.412, including an action to revoke, suspend, condition, or limit the registration of a registrant, censure, impose a bar, or impose a civil penalty, within one year after the withdrawal became

effective automatically and issue a disciplinary order as of the last date on which registration was effective if a proceeding is not pending.

2. *Ceasing to do business and abandoned filings.* If the administrator finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a broker-dealer, agent, investment adviser, or investment adviser representative, or is subject to an adjudication of mental incompetence or to the control of a committee, conservator, or guardian, or cannot be located after search, the administrator may by order revoke the registration or application. If the administrator finds that the applicant for registration or registrant has abandoned the application or registration, the administrator may enter an order of abandonment, and limit or eliminate further consideration of the application or registration, as provided by the administrator. The administrator may enter an order under this subsection if notice is sent to the applicant or registrant, and either the administrator does not receive a response by the applicant or registrant within forty-five days from the date that the notice was delivered, or action is not taken by the applicant or registrant within the time specified by the administrator in the notice, whichever is later.

2004 Acts, ch 1161, §34, 68; 2009 Acts, ch 145, §2

**502.410 Filing fees.**

1. *Broker-dealers.* A person shall pay a fee of two hundred dollars when initially filing an application for registration as a broker-dealer and a fee of two hundred dollars when filing a renewal of registration as a broker-dealer. If the filing results in a denial or withdrawal, the administrator shall retain the fee.

2. *Agents.* The fee for an individual is forty dollars when filing an application for registration as an agent, a fee of forty dollars when filing a renewal of registration as an agent, and a fee of forty dollars when filing for a change of registration as an agent. Of each forty-dollar fee collected, ten dollars is appropriated to the securities investor education and financial literacy training fund established under section 502.601, subsection 5. If the filing results in a denial or withdrawal, the administrator shall retain the fee.

3. *Investment advisers.* A person shall pay a fee of one hundred dollars when filing an application for registration as an investment adviser and a fee of one hundred dollars when filing a renewal of registration as an investment adviser. If the filing results in a denial or withdrawal, the administrator shall retain the fee.

4. *Investment adviser representatives.*

*a.* The fee for an individual is thirty dollars when filing an application for registration as an investment adviser representative, a fee of thirty dollars when filing a renewal of registration as an investment adviser representative, and a fee of thirty dollars when filing a change of registration as an investment adviser representative. If the filing results in a denial or withdrawal, the administrator shall retain the fee.

*b.* However, an investment adviser representative is not required to pay a filing fee if the investment adviser is a sole proprietorship or the substantial equivalent and the investment adviser representative is the same individual as the investment adviser.

5. *Federal covered investment advisers.* A federal covered investment adviser required to file a notice under section 502.405 shall pay an initial fee of one hundred dollars and an annual notice fee of one hundred dollars.

6. *Payment.* A person required to pay a filing or notice fee under this section may transmit the fee through or to a designee as a rule or order provides under this chapter.

7. *Deposit of fees.* Except as otherwise provided in subsection 2, fees collected under this section shall be deposited as provided in section 505.7.

2004 Acts, ch 1161, §35, 68; 2008 Acts, ch 1123, §4; 2009 Acts, ch 181, §61

Referred to in §502.405, 502.406, 502.408, 502.601

**502.411 Postregistration requirements.**

1. *Financial requirements.* Subject to section 15(h) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(h), or section 222 of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-22, a rule adopted or order issued under this chapter may establish minimum financial

requirements for broker-dealers registered or required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

2. *Financial reports.* Subject to section 15(h) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(h), or section 222(b) of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-22, a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall file such financial reports as are required by a rule adopted or order issued under this chapter. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment. The administrator may, by rule, assess a reasonable charge for the late filing of a financial report under this subsection.

3. *Recordkeeping.* Subject to section 15(h) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(h), or section 222 of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-22, all of the following apply:

*a.* A broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this chapter.

*b.* Broker-dealer records required to be maintained under paragraph *"a"* may be maintained in any form of data storage acceptable under section 17(a) of the Securities Exchange Act of 1934, 15 U.S.C. § 78q(a), if they are readily accessible to the administrator.

*c.* Investment adviser records required to be maintained under paragraph *"a"* may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

4. *Audits or inspections.* The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be registered under this chapter are subject to such reasonable periodic, special, or other audits or inspections by a representative of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The administrator may copy, and remove for audit or inspection copies of, all records the administrator reasonably considers necessary or appropriate to conduct the audit or inspection. The administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

5. *Custody and discretionary authority bond or insurance.* Subject to section 15(h) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(h), or section 222 of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-22, a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount the administrator shall prescribe. The administrator may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security shall not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 502.509, subsection 10, paragraph *"b"*.

6. *Requirements for custody.* Subject to section 15(h) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(h), or section 222 of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-22, an agent shall not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative shall not have custody of funds or securities of a client except under the supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or

securities of a customer and on an investment adviser regarding custody of securities or funds of a client.

7. *Investment adviser brochure rule.* With respect to an investment adviser registered or required to be registered under this chapter, a rule adopted or order issued under this chapter may require that information or other records be furnished or disseminated to clients or prospective clients in this state as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

8. *Continuing education.* A rule adopted or order issued under this chapter may require an individual registered under section 502.402 or 502.404 to participate in a continuing education program approved by the securities and exchange commission and administered by a self-regulatory organization or, in the absence of such a program, a rule adopted or order issued under this chapter may require continuing education for an individual registered under section 502.404.

2004 Acts, ch 1161, §36, 68
Referred to in §502.412, 502.509, 502.607

**502.412 Denial, revocation, suspension, withdrawal, restriction, condition, or limitation of registration.**

1. *Disciplinary conditions — applicants.* If the administrator finds that the order is in the public interest and subsection 4 authorizes the action, an order issued under this chapter may deny an application, or may condition or limit registration of an applicant to be a broker-dealer, agent, investment adviser, or investment adviser representative, and, if the applicant is a broker-dealer or investment adviser, of a partner, officer, director, or person having a similar status or performing similar functions, or a person directly or indirectly in control, of the broker-dealer or investment adviser.

2. *Disciplinary conditions — registrants.* If the administrator finds that the order is in the public interest and subsection 4 authorizes the action, an order issued under this chapter may revoke, suspend, condition, or limit the registration of a registrant and, if the registrant is a broker-dealer or investment adviser, of a partner, officer, director, or person having a similar status or performing similar functions, or a person directly or indirectly in control, of the broker-dealer or investment adviser. However, the administrator shall not do any of the following:

*a.* Institute a revocation or suspension proceeding under this subsection based solely on an order issued under a law of another state that is reported to the administrator or a designee of the administrator more than one year after the date of the order on which it is based.

*b.* Under subsection 4, paragraph "*e*", subparagraph (1) or (2), issue an order on the basis of an order issued under the securities Act of another state unless the other order was based on conduct for which subsection 4 would authorize the action had the conduct occurred in this state.

3. *Disciplinary penalties — registrants.* If the administrator finds that the order is in the public interest and subsection 4, paragraphs "*a*" through "*f*", "*h*", "*i*", "*j*", "*l*", or "*m*", authorizes the action, an order under this chapter may censure, impose a bar, or impose a civil penalty in an amount not to exceed a maximum of ten thousand dollars for a single violation or one million dollars for more than one violation, or in an amount as agreed to by the parties, on a registrant, and, if the registrant is a broker-dealer or investment adviser, a partner, officer, director, or person having a similar status or performing similar functions, or a person directly or indirectly in control, of the broker-dealer or investment adviser.

4. *Grounds for discipline.* A person may be disciplined under subsections 1 through 3 if any of the following applies:

*a.* The person has filed an application for registration in this state under this chapter or chapter 502, Code 2003 and Code Supplement 2003, within the previous ten years, which, as of the effective date of registration or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained a statement that, in light of the circumstances under which it was made, was false or misleading with respect to a material fact.

*b.* The person willfully violated or willfully failed to comply with this chapter or chapter

502, Code 2003 and Code Supplement 2003, or a rule adopted or order issued under this chapter or chapter 502, Code 2003 and Code Supplement 2003, within the previous ten years.

*c.* The person has been convicted of a felony or within the previous ten years has been convicted of a misdemeanor involving a security, a commodity future or option contract, or an aspect of a business involving securities, commodities, investments, franchises, insurance, banking, or finance.

*d.* The person is enjoined or restrained by a court of competent jurisdiction in an action instituted by the administrator under this chapter or chapter 502, Code 2003 and Code Supplement 2003, a state, the securities and exchange commission, or the United States from engaging in or continuing an act, practice, or course of business involving an aspect of a business involving securities, commodities, investments, franchises, insurance, banking, or finance.

*e.* The person is the subject of an order, issued after notice and opportunity for hearing, by any of the following:

(1) The securities or other financial services regulator of a state or the securities and exchange commission or other federal agency denying, revoking, barring, or suspending registration as a broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative.

(2) The securities regulator of a state or the securities and exchange commission against a broker-dealer, agent, investment adviser, investment adviser representative, or federal covered investment adviser.

(3) The securities and exchange commission or a self-regulatory organization suspending or expelling the registrant from membership in the self-regulatory organization.

(4) A court adjudicating a United States postal service fraud order.

(5) The insurance regulator of a state denying, suspending, or revoking registration as an insurance agent or insurance producer.

(6) A depository institution regulator or financial services regulator suspending or barring the person from the depository institution or other financial services business.

*f.* The person is the subject of an adjudication or determination, after notice and opportunity for hearing, by the securities and exchange commission, the commodity futures trading commission, the federal trade commission, a federal depository institution regulator, or a depository institution, insurance, or other financial services regulator of a state that the person willfully violated the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or the Commodity Exchange Act, the securities or commodities law of a state, or a federal or state law under which a business involving investments, franchises, insurance, banking, or finance is regulated.

*g.* The person is insolvent, either because the person's liabilities exceed the person's assets or because the person cannot meet the person's obligations as they mature, but the administrator shall not enter an order against an applicant or registrant under this paragraph without a finding of insolvency as to the applicant or registrant.

*h.* The person refuses to allow or otherwise impedes the administrator from conducting an audit or inspection under section 502.411, subsection 4, or refuses access to a registrant's office to conduct an audit or inspection under section 502.411, subsection 4.

*i.* The person has failed to reasonably supervise an agent, investment adviser representative, or other individual, if the agent, investment adviser representative, or other individual was subject to the person's supervision and committed a violation of this chapter or chapter 502, Code 2003 and Code Supplement 2003, or a rule adopted or order issued under this chapter or chapter 502, Code 2003 and Code Supplement 2003, within the previous ten years.

*j.* The person has not paid the proper filing fee within thirty days after having been notified by the administrator of a deficiency, but the administrator shall vacate an order under this paragraph when the deficiency is corrected.

*k.* The person after notice and opportunity for a hearing has been found within the previous ten years to have done any of the following:

(1) By a court of competent jurisdiction to have willfully violated the laws of a foreign

jurisdiction under which the business of securities, commodities, investment, franchises, insurance, banking, or finance is regulated.

(2) To have been the subject of an order of a securities regulator of a foreign jurisdiction denying, revoking, or suspending the right to engage in the business of securities as a broker-dealer, agent, investment adviser, investment adviser representative, or similar person.

(3) To have been suspended or expelled from membership by or participation in a securities exchange or securities association operating under the securities laws of a foreign jurisdiction.

*l.* The person is the subject of a cease and desist order issued by the securities and exchange commission or issued under the securities, commodities, investment, franchise, banking, finance, or insurance laws of a state.

*m.* The person has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous ten years.

*n.* The person is not qualified on the basis of factors such as training, experience, and knowledge of the securities business. However, in the case of an application by an agent for a broker-dealer that is a member of a self-regulatory organization or by an individual for registration as an investment adviser representative, a denial order shall not be based on this paragraph if the individual has successfully completed all examinations required by subsection 5. The administrator may require an applicant for registration under section 502.402 or 502.404 who has not been registered in a state within the two years preceding the filing of an application in this state to successfully complete an examination.

5. *Examinations.* A rule adopted or order issued under this chapter may require that an examination, including an examination developed or approved by an organization of securities regulators, be successfully completed by a class of individuals or all individuals. An order issued under this chapter may waive, in whole or in part, an examination as to an individual and a rule adopted under this chapter may waive, in whole or in part, an examination as to a class of individuals if the administrator determines that the examination is not necessary or appropriate in the public interest and for the protection of investors.

6. *Summary process.* The administrator may suspend or deny an application summarily; restrict, condition, limit, or suspend a registration; or censure, bar, or impose a civil penalty on a registrant before final determination of an administrative proceeding. Upon the issuance of an order, the administrator shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that within fifteen days after the receipt of a request in a record from the person the matter will be scheduled for a hearing. If a hearing is not requested and none is ordered by the administrator within thirty days after the date of service of the order, the order becomes final by operation of law. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination. Section 17A.18A is inapplicable to a summary order issued under this subsection.

7. *Procedural requirements.* An order issued shall not be issued under this section, except under subsection 6, without all of the following:

*a.* Appropriate notice to the applicant or registrant.

*b.* Opportunity for hearing.

*c.* Findings of fact and conclusions of law in a record in accordance with chapter 17A.

8. *Control person liability.* A person that controls, directly or indirectly, a person not in compliance with this section may be disciplined by order of the administrator under subsections 1 through 3 to the same extent as the noncomplying person, unless the controlling person did not know, and in the exercise of reasonable care could not have known, of the existence of conduct that is a ground for discipline under this section.

9. *Limit on investigation or proceeding.* The administrator shall not institute a proceeding under subsection 1, 2, or 3 based solely on material facts actually known by the

administrator unless an investigation or the proceeding is instituted within one year after the administrator actually acquires knowledge of the material facts.

2004 Acts, ch 1161, §37, 68; 2005 Acts, ch 3, §77; 2006 Acts, ch 1117, §9, 10; 2013 Acts, ch 124, §4

Referred to in §502.304A, 502.406, 502.408, 502.409

Subsection 3 amended

## ARTICLE 5

## FRAUD AND LIABILITIES

**502.501 General fraud.**

It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

1. To employ a device, scheme, or artifice to defraud;

2. To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

3. To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

[C77, 79, 81, §502.501]

87 Acts, ch 53, §12; 97 Acts, ch 114, §14; 98 Acts, ch 1106, §16, 24; 2004 Acts, ch 1161, §38, 68

Referred to in §502.508, 502.610

**502.501A Prohibited transactions of broker-dealers and agents.**

A broker-dealer or agent shall not effect a transaction in, or induce or attempt to induce the purchase or sale of, any security in this state by means of any manipulative, deceptive, or other fraudulent scheme, device, or contrivance, fictitious quotation, or in violation of this chapter. A broker-dealer or agent shall not recommend to a customer the purchase, sale, or exchange of a security without reasonable grounds to believe that the transaction or recommendation is suitable for the customer based upon reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and other relevant information known by the broker-dealer.

2004 Acts, ch 1161, §39, 68

**502.502 Prohibited conduct in providing investment advice.**

1. *Fraud in providing investment advice.* It is unlawful for a person that advises others for compensation, either directly or indirectly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities to do any of the following:

*a.* Employ a device, scheme, or artifice to defraud another person.

*b.* Engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

2. *Rules defining fraud.* A rule adopted under this chapter may define an act, practice, or course of business of an investment adviser or an investment adviser representative, other than a supervised person of a federal covered investment adviser, as fraudulent, deceptive, or manipulative, and prescribe means reasonably designed to prevent investment advisers and investment adviser representatives, other than supervised persons of a federal covered investment adviser, from engaging in acts, practices, and courses of business defined as fraudulent, deceptive, or manipulative.

3. *Rules specifying contents of advisory contract.* A rule adopted under this chapter may

specify the contents of an investment advisory contract entered into, extended, or renewed by an investment adviser.

[C31, 35, §8581-c18; C39, §**8581.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.23; C77, 79, 81, §502.502]

96 Acts, ch 1025, §13; 2004 Acts, ch 1161, §40, 68

Referred to in §502.508, 502.610

**502.502A** Repealed by 2004 Acts, ch 1161, § 63, 68. See § 502.509.

**502.503 Evidentiary burden.**

1. *Civil.* In a civil action or administrative proceeding under this chapter, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the claim.

2. *Criminal.* In a criminal proceeding under this chapter, a person claiming an exemption, exception, preemption, or exclusion has the burden of going forward with evidence of the claim.

[C77, 79, 81, §502.503]

98 Acts, ch 1106, §18, 19, 24; 99 Acts, ch 166, §6; 2004 Acts, ch 1161, §41, 68

**502.504 Filing of sales and advertising literature.**

1. *Filing requirement.* Except as otherwise provided in subsection 2, a rule adopted or order issued under this chapter may require the filing of a prospectus, pamphlet, circular, form letter, advertisement, sales literature, or other advertising record relating to a security or investment advice, addressed or intended for distribution to prospective investors, including clients or prospective clients of a person registered or required to be registered as an investment adviser under this chapter.

2. *Excluded communications.* This section does not apply to sales and advertising literature specified in subsection 1 which relates to a federal covered security, a federal covered investment adviser, or a security or transaction exempted by section 502.201, 502.202, or 502.203 except as required pursuant to section 502.201, subsection 7.

2A. *Authority to prohibit false advertising.* The administrator may by rule or order prohibit the publication, circulation, or use of any advertising deemed false or misleading.

[C77, 79, 81, §502.504]

99 Acts, ch 166, §7; 2004 Acts, ch 1161, §42, 68

Referred to in §502.201, 502.202, 502.203, 502.204, 536A.22

**502.505 Misleading filings.**

It is unlawful for a person to make or cause to be made, in a record that is used in an action or proceeding or filed under this chapter, a statement that, at the time and in the light of the circumstances under which it is made, is false or misleading in a material respect, or, in connection with the statement, to omit to state a material fact necessary to make the statement made, in the light of the circumstances under which it was made, not false or misleading.

[C77, 79, 81, §502.505]

2004 Acts, ch 1161, §43, 68

Referred to in §502.610

**502.506 Misrepresentations concerning registration or exemption — official endorsements prohibited.**

1. *Certain representations not allowed.* The filing of an application for registration, a registration statement, a notice filing under this chapter, the registration of a person, the notice filing by a person, or the registration of a security under this chapter does not constitute a finding by the administrator that a record filed under this chapter is true, complete, and not misleading. The filing or registration or the availability of an exemption, exception, preemption, or exclusion for a security or a transaction does not mean that the administrator has passed upon the merits or qualifications of, or recommended or given approval to, a person, security, or transaction. It is unlawful to make, or cause to be made, to

a purchaser, customer, client, or prospective customer or client a representation inconsistent with this section.

1A. *Official endorsement prohibited.* A state official or employee of the state shall not use such person's name in an official capacity in connection with the endorsement or recommendation of the organization or the promotion of any issuer or in the sale to the public of its securities, and no one shall use the stationery of the state or of any official thereof in connection with any such transaction.

[C77, 79, 81, §502.506]

2004 Acts, ch 1161, §44, 68

Referred to in §502.509, 502.610

**502.506A Misstatements in publicity prohibited.**

It is unlawful for any person to make or cause to be made, in any public report or press release, or in other information which is either made generally available to the public or used in opposition to a tender offer, any statement of a material fact relating to a target company or made in connection with a takeover offer which is, at the time and in the light of the circumstances under which it is made, false or misleading, if it is reasonably foreseeable that such statement will induce other persons to buy, sell, or hold securities of the target company.

2004 Acts, ch 1161, §45, 68

**502.507 Qualified immunity.**

A broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative is not liable to another broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative for defamation relating to a statement that is contained in a record required by the administrator, or designee of the administrator, the securities and exchange commission, or a self-regulatory organization, unless the person knew, or should have known at the time that the statement was made, that it was false in a material respect or the person acted in reckless disregard of the statement's truth or falsity.

[C77, 79, 81, §502.507]

2004 Acts, ch 1161, §46, 68

**502.508 Criminal penalties.**

1. *Criminal penalties.*

*a.* Except as provided in paragraph *"b"*, a person who willfully violates any provision of this chapter, or any rule adopted or order issued under this chapter, is guilty of a class "D" felony.

*b.* A person who willfully violates section 502.501 or section 502.502, subsection 1, resulting in a loss of more than ten thousand dollars is guilty of a class "C" felony.

2. *Criminal reference not required.* The attorney general or the proper county attorney, with or without a reference from the administrator, may institute criminal proceedings under this chapter.

3. *No limitation on other criminal enforcement.* This chapter does not limit the power of this state to punish a person for conduct that constitutes a crime under other laws of this state.

2004 Acts, ch 1161, §47, 68; 2005 Acts, ch 19, §76

**502.509 Civil liability.**

1. *Securities Litigation Uniform Standards Act.* Enforcement of civil liability under this section is subject to the Securities Litigation Uniform Standards Act of 1998.

2. *Liability of seller to purchaser.* A person is liable to the purchaser if the person sells a security in violation of section 502.301 or, by means of an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading, the purchaser not knowing the untruth or omission and the seller not sustaining the burden of proof that the seller did

not know and, in the exercise of reasonable care, could not have known of the untruth or omission. An action under this subsection is governed by the following:

*a.* The purchaser may maintain an action to recover the consideration paid for the security, less the amount of any income received on the security, and interest at the legal rate from the date of the purchase, costs, and reasonable attorney fees determined by the court, upon the tender of the security, or for actual damages as provided in paragraph "*c*".

*b.* The tender referred to in paragraph "*a*" may be made any time before entry of judgment. Tender requires only notice in a record of ownership of the security and willingness to exchange the security for the amount specified. A purchaser that no longer owns the security may recover actual damages as provided in paragraph "*c*".

*c.* Actual damages in an action arising under this subsection are the amount that would be recoverable upon a tender less the value of the security when the purchaser disposed of it, and interest at the legal rate from the date of the purchase, costs, and reasonable attorney fees determined by the court.

3. *Liability of purchaser to seller.* A person is liable to the seller if the person buys a security by means of an untrue statement of a material fact or omission to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading, the seller not knowing of the untruth or omission, and the purchaser not sustaining the burden of proof that the purchaser did not know, and in the exercise of reasonable care, could not have known of the untruth or omission. An action under this subsection is governed by all of the following:

*a.* The seller may maintain an action to recover the security, and any income received on the security, costs, and reasonable attorney fees determined by the court, upon the tender of the purchase price, or for actual damages as provided in paragraph "*c*".

*b.* The tender referred to in paragraph "*a*" may be made any time before entry of judgment. Tender requires only notice in a record of the present ability to pay the amount tendered and willingness to take delivery of the security for the amount specified. If the purchaser no longer owns the security, the seller may recover actual damages as provided in paragraph "*c*".

*c.* Actual damages in an action arising under this subsection are the difference between the price at which the security was sold and the value the security would have had at the time of the sale in the absence of the purchaser's conduct causing liability, and interest at the legal rate from the date of the sale of the security, costs, and reasonable attorney fees determined by the court.

4. *Liability of unregistered broker-dealer and agent.* A person acting as a broker-dealer or agent that sells or buys a security in violation of section 502.401, subsection 1, section 502.402, subsection 1, or section 502.506 is liable to the customer. The customer, if a purchaser, may maintain an action for recovery of actual damages as specified in subsection 2, paragraphs "*a*" through "*c*", or, if a seller, for a remedy as specified in subsection 3, paragraphs "*a*" through "*c*".

5. *Liability of unregistered investment adviser and investment adviser representative.* A person acting as an investment adviser or investment adviser representative that provides investment advice for compensation in violation of section 502.403, subsection 1, section 502.404, subsection 1, or section 502.506 is liable to the client. The client may maintain an action to recover the consideration paid for the advice, interest at the legal rate from the date of payment, costs, and reasonable attorney fees determined by the court and taxed as court costs.

6. *Liability for investment advice.* A person that receives directly or indirectly any consideration for providing investment advice to another person and that employs a device, scheme, or artifice to defraud the other person or engages in an act, practice, or course of business that operates or would operate as a fraud or deceit on the other person is liable to the other person. An action under this subsection is governed by all of the following:

*a.* The person defrauded may maintain an action to recover the consideration paid for the advice and the amount of any actual damages caused by the fraudulent conduct, interest at the legal rate from the date of the fraudulent conduct, costs, and reasonable attorney fees determined by the court, less the amount of any income received as a result of the fraudulent conduct.

*b.* This subsection does not apply to a broker-dealer or its agents if the investment advice provided is solely incidental to transacting business as a broker-dealer and no special compensation is received for the investment advice.

7. *Joint and several liability.* The following persons are liable jointly and severally with and to the same extent as persons liable under subsections 2 through 6:

*a.* A person that directly or indirectly controls a person liable under subsections 2 through 6, unless the controlling person sustains the burden of proof that the person did not know, and in the exercise of reasonable care could not have known, of the existence of conduct by reason of which the liability is alleged to exist.

*b.* An individual who is a managing partner, executive officer, or director of a person liable under subsections 2 through 6, including an individual having a similar status or performing similar functions, unless the individual sustains the burden of proof that the individual did not know and, in the exercise of reasonable care could not have known, of the existence of conduct by reason of which the liability is alleged to exist.

*c.* An individual who is an employee of or associated with a person liable under subsections 2 through 6 or a person, whether an employee of such person or otherwise, who materially aids in the act or transaction constituting the violation, and who materially aids the conduct giving rise to the liability, unless the individual sustains the burden of proof that the individual did not know and, in the exercise of reasonable care could not have known, of the existence of conduct by reason of which the liability is alleged to exist.

*d.* A person that is a broker-dealer, agent, investment adviser, or investment adviser representative that materially aids the conduct giving rise to the liability under subsections 2 through 6, unless the person sustains the burden of proof that the person did not know and, in the exercise of reasonable care could not have known, of the existence of conduct by reason of which liability is alleged to exist.

8. *Right of contribution.* A person liable under this section has a right of contribution as in cases of contract against any other person liable under this section for the same conduct.

9. *Survival of cause of action.* A cause of action under this section survives the death of an individual who might have been a plaintiff or defendant.

10. *Statute of limitations.* A person shall not obtain relief under any of the following:

*a.* Under subsection 2 for violation of section 502.301, or under subsection 4 or 5, unless the action is instituted within one year after the violation occurred.

*b.* Under subsection 2, other than for violation of section 502.301, or under subsection 3 or 6, unless the action is instituted within the earlier of two years after discovery of the facts constituting the violation or five years after the violation.

11. *No enforcement of violative contract.* A person that has made, or has engaged in the performance of, a contract in violation of this chapter or a rule adopted or order issued under this chapter, or that has acquired a purported right under the contract with knowledge of conduct by reason of which its making or performance was in violation of this chapter, shall not base an action on the contract.

12. *No contractual waiver.* A condition, stipulation, or provision binding a person purchasing or selling a security or receiving investment advice to waive compliance with this chapter or a rule adopted or order issued under this chapter is void.

13. *Survival of other rights or remedies.* The rights and remedies provided by this chapter are in addition to any other rights or remedies that may exist, but this chapter does not create a cause of action not specified in this section or section 502.411, subsection 5.

13A. *Informational filing with the administrator.* A copy of any suit or arbitration action filed under this section shall be served upon the administrator within twenty days of the filing in the form and manner prescribed by the administrator by rule or order, provided that all of the following apply:

*a.* The failure to comply with this provision shall not invalidate the action which is the subject of the suit.

*b.* The suit or arbitration action has not been filed in a record with the central registration depository or the investment adviser registration depository.

13B. *Liability for takeover violations.*

*a.* Any person who violates section 502.321B shall be liable to the person selling the

security to such violator, which seller may sue either at law or in equity to recover the security, costs, and reasonable attorney fees, plus any income or distributions, in cash or in kind, received by the purchaser thereon, upon tender of the consideration received, or for damages if the purchaser no longer owns the security. Damages shall be the excess of the value of the security when the purchaser disposed of it, plus interest at the legal rate from the date of disposition, over the consideration paid for the security. Tender requires only notice of willingness to pay the amount specified in exchange for the security. Any notice may be given by service as in civil actions or by certified mail to the last known address of the person liable.

*b.* In addition to other remedies provided in this chapter, in a proceeding alleging a violation of article 3A, the court may provide that all shares acquired from a resident of this state in violation of any provision of this chapter or rule or order issued pursuant to this chapter be denied voting rights for one year after acquisition, that the shares be nontransferable on the books of the target company, or that during this one-year period the target company have the option to call the shares for redemption either at the price at which the shares were acquired or at book value per share as of the last day of the fiscal quarter ended prior to the date of the call for redemption, which redemption shall occur on the date set in the call notice but not later than sixty days after the call notice is given.

2004 Acts, ch 1161, §48, 68; 2012 Acts, ch 1023, §157

Referred to in §502.411, 502.510, 502.610

**502.510 Recision offers.**

A purchaser, seller, or recipient of investment advice may not maintain an action under section 502.509 if all of the following apply:

1. The purchaser, seller, or recipient of investment advice receives in a record, before the action is instituted, any of the following:

*a.* An offer stating the respect in which liability under section 502.509 may have arisen and fairly advising the purchaser, seller, or recipient of investment advice of that person's rights in connection with the offer, and any financial or other information necessary to correct all material misrepresentations or omissions in the information that was required by this chapter to be furnished to that person at the time of the purchase, sale, or investment advice.

*b.* If the basis for relief under this section may have been a violation of section 502.509, subsection 2, an offer to repurchase the security for cash, payable on delivery of the security, equal to the consideration paid, and interest at the legal rate from the date of the purchase, less the amount of any income received on the security; or, if the purchaser no longer owns the security, an offer to pay the purchaser upon acceptance of the offer damages in an amount that would be recoverable upon a tender, less the value of the security when the purchaser disposed of it, and interest at the legal rate from the date of the purchase in cash equal to the damages computed in the manner provided in this subsection.

*c.* If the basis for relief under this section may have been a violation of section 502.509, subsection 3, an offer to tender the security, on payment by the seller of an amount equal to the purchase price paid, less income received on the security by the purchaser and interest at the legal rate from the date of the sale; or if the purchaser no longer owns the security, an offer to pay the seller upon acceptance of the offer, in cash, damages in the amount of the difference between the price at which the security was purchased and the value the security would have had at the time of the purchase in the absence of the purchaser's conduct that may have caused liability and interest at the legal rate of interest from the date of the sale.

*d.* If the basis for relief under this section may have been a violation of section 502.509, subsection 4; and if the customer is a purchaser, an offer to pay as specified in paragraph "*b*"; or, if the customer is a seller, an offer to tender or to pay as specified in paragraph "*c*".

*e.* If the basis for relief under this section may have been a violation of section 502.509, subsection 5, an offer to reimburse in cash the consideration paid for the advice and interest at the legal rate from the date of payment.

*f.* If the basis for relief under this section may have been a violation of section 502.509, subsection 6, an offer to reimburse in cash the consideration paid for the advice, the amount

of any actual damages that may have been caused by the conduct, and interest at the legal rate from the date of the violation causing the loss.

2. The offer under subsection 1 states that it must be accepted by the purchaser, seller, or recipient of investment advice within thirty days after the date of its receipt by the purchaser, seller, or recipient of investment advice or any shorter period, of not less than three days, that the administrator, by order, specifies.

3. The offeror has the present ability to pay the amount offered or to tender the security under subsection 1.

4. The offer under subsection 1 is delivered to the purchaser, seller, or recipient of investment advice, or sent in a manner that ensures receipt by the purchaser, seller, or recipient of investment advice.

5. The purchaser, seller, or recipient of investment advice that accepts the offer under subsection 1 in a record within the period specified under subsection 2 is paid in accordance with the terms of the offer.

6. If the basis for relief under this section alleges a violation of section 502.509 which employed a device, scheme, or artifice to defraud, made an untrue statement of a material fact necessary in order to make the statement made, in light of the circumstances under which it was made, not misleading, or engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit on another person, the offer is filed with the administrator ten business days before the offering and conforms in form and content with a rule prescribed by the administrator.

2004 Acts, ch 1161, §49, 68; 2006 Acts, ch 1117, §11

Referred to in §502.202, 502.204, 502.610

## ARTICLE 6

## ADMINISTRATION AND JUDICIAL REVIEW

**502.601 Administration.**

1. *Administration.* This chapter shall be administered by the commissioner of insurance of this state. The administrator shall appoint a deputy administrator who shall be exempt from the merit system provisions of chapter 8A, subchapter IV. The deputy administrator is the principal operations officer of the securities and regulated industries bureau of the insurance division of the department of commerce. The deputy administrator is responsible to the administrator for the routine administration of this chapter and the management of the securities and regulated industries bureau. In the absence of the administrator, whether because of vacancy in the office, by reason of absence, physical disability, or other cause, the deputy administrator shall be the acting administrator and shall, for that period, have and exercise the authority conferred upon the administrator. The administrator may by order delegate to the deputy administrator any or all of the functions assigned to the administrator under this chapter. The administrator shall employ officers, attorneys, accountants, and other employees as needed for the administration of this chapter.

2. *Unlawful use of records or information.* It is unlawful for the administrator or an officer, employee, or designee of the administrator to use for personal benefit or the benefit of others records or other information obtained by or filed with the administrator that are not public under section 502.607, subsection 2. This chapter does not authorize the administrator or an officer, employee, or designee of the administrator to disclose the record or information, except in accordance with section 502.602, section 502.607, subsection 3, or section 502.608.

3. *No privilege or exemption created or diminished.* This chapter does not create or diminish a privilege or exemption that exists at common law, by statute or rule, or otherwise.

4. *Investor education and financial literacy.* The administrator may develop and implement investor education and financial literacy initiatives to inform the public about investing in securities, with particular emphasis on the prevention and detection of

securities fraud. In developing and implementing these initiatives, the administrator may collaborate with public and nonprofit organizations with an interest in investor education and financial literacy. The administrator may accept a grant or donation from a person who is not affiliated with the securities industry or from a nonprofit organization, regardless of whether the organization is affiliated with the securities industry, to develop and implement investor education and financial literacy initiatives. This subsection does not authorize the administrator to require participation or monetary contributions of a registrant in an investor education or financial literacy program.

5. *The securities investor education and financial literacy training fund.* A securities investor education and financial literacy training fund is created in the state treasury under the control of the administrator to provide moneys for the purposes specified in subsection 4. All moneys received by the state by reason of civil penalties pursuant to this chapter and the moneys appropriated to the fund pursuant to section 502.410, subsection 2, shall be deposited in the securities investor education and financial literacy training fund. Notwithstanding section 12C.7, interest or earnings on moneys deposited into the fund shall be credited to the fund. Notwithstanding section 8.33, unencumbered or unobligated moneys remaining in the fund shall not revert but shall be available for expenditure for the following fiscal year. However, if, on June 30, unencumbered or unobligated moneys remaining in the fund exceed five hundred thousand dollars, moneys in excess of that amount shall revert to the general fund of the state in the same manner as provided in section 8.33.

[SS15, §1920-u, -u10; C24, 27, §8525, 8550; C31, 35, §8581-c2; C39, §**8581.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.2; C77, 79, 81, §502.601]

83 Acts, ch 169, §15; 91 Acts, ch 258, §55; 2003 Acts, ch 145, §268; 2004 Acts, ch 1161, §50, 68; 2005 Acts, ch 3, §78; 2006 Acts, ch 1117, §12; 2008 Acts, ch 1123, §5, 6

Referred to in §502.102, 502.410, 516E.1, 516E.19, 523D.1

**502.602 Investigations and subpoenas.**

1. *Authority to investigate.* The administrator may do any of the following:

*a.* Conduct public or private investigations within or outside of this state which the administrator considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate this chapter or a rule adopted or order issued under this chapter, or to aid in the enforcement of this chapter or in the adoption of rules and forms under this chapter.

*b.* Require or permit a person to testify, file a statement, or produce a record, under oath or otherwise as the administrator determines, as to all the facts and circumstances concerning a matter to be investigated or about which an action or proceeding is to be instituted.

*c.* Notwithstanding section 502.607, subsection 2, publish a record concerning an action, proceeding, or an investigation under, or a violation of, this chapter or a rule adopted or order issued under this chapter if the administrator determines it is necessary or appropriate in the public interest and for the protection of investors.

2. *Administrator powers to investigate.* For the purpose of an investigation under this chapter, the administrator or the administrator's designated officer may administer oaths and affirmations, subpoena witnesses, seek compulsion of attendance, take evidence, require the filing of statements, and require the production of any records that the administrator considers relevant or material to the investigation, all of which may be enforced pursuant to chapter 17A.

3. *Procedure and remedies for noncompliance.* If a person does not appear or refuses to testify, file a statement, or produce records, or otherwise does not obey a subpoena as required by the administrator under this chapter, the administrator may apply to the Polk county district court or the district court for the county in which the person resides or is located or a court of another state to enforce compliance. The court may do any of the following:

*a.* Hold the person in contempt.

*b.* Order the person to appear before the administrator.

*c.* Order the person to testify about the matter under investigation or in question.

*d.* Order the production of records.

*e.* Grant injunctive relief, including restricting or prohibiting the offer or sale of securities or the providing of investment advice.

*f.* Impose a civil penalty of an amount not to exceed a maximum of five thousand dollars for a single violation or five hundred thousand dollars for more than one violation.

*g.* Grant any other necessary or appropriate relief.

4. *Application for relief.* This section does not preclude a person from applying to district court or a court of another state for relief from a request to appear, testify, file a statement, produce records, or obey a subpoena.

5. *Use immunity procedure.* An individual is not excused from attending, testifying, filing a statement, producing a record or other evidence, or obeying a subpoena of the administrator under this chapter or in an action or proceeding instituted by the administrator under this chapter on the ground that the required testimony, statement, record, or other evidence, directly or indirectly, may tend to incriminate the individual or subject the individual to a criminal fine, penalty, or forfeiture. If the individual refuses to testify, file a statement, or produce a record or other evidence on the basis of the individual's privilege against self-incrimination, the administrator may apply to the district court to compel the testimony, the filing of the statement, the production of the record, or the giving of other evidence. The testimony, record, or other evidence compelled under such an order shall not be used, directly or indirectly, against the individual in a criminal case, except in a prosecution for perjury or contempt or otherwise failing to comply with the order.

6. *Assistance to securities regulator of another jurisdiction.* At the request of the securities regulator of another state or a foreign jurisdiction, the administrator may provide assistance if the requesting regulator states that it is conducting an investigation to determine whether a person has violated, is violating, or is about to violate a law or rule of the other state or foreign jurisdiction relating to securities matters that the requesting regulator administers or enforces. The administrator may provide the assistance by using the authority to investigate and the powers conferred by this section as the administrator determines is necessary or appropriate. The assistance may be provided without regard to whether the conduct described in the request would also constitute a violation of this chapter or other law of this state if occurring in this state. In deciding whether to provide the assistance, the administrator may consider whether the requesting regulator is permitted and has agreed to provide assistance reciprocally within its state or foreign jurisdiction to the administrator on securities matters when requested, whether compliance with the request would violate or prejudice the public policy of this state, and the availability of resources and employees of the administrator to carry out the request for assistance.

[SS15, §1590-u2; C24, 27, §8527; C31, 35, §8581-c8; C39, §**8581.07(4);** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.7(2, d); C77, 79, 81, §502.602]

97 Acts, ch 114, §15; 98 Acts, ch 1106, §20, 24; 2004 Acts, ch 1161, §51, 68; 2007 Acts, ch 137, §3; 2009 Acts, ch 133, §167

Referred to in §502.601, 502.607

**502.603 Civil enforcement.**

1. *Civil action instituted by administrator.* If the administrator believes that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has, is, or is about to engage in an act, practice, or course of business that materially aids a violation of this chapter or a rule adopted or order issued under this chapter, the administrator may maintain an action in the county in which the person against whom the action is being brought resides, has a principal place of business, or is doing business, or in the county where the transaction or any substantial portion of the transaction which is the subject of the action occurred, or in the county in which one or more of the victims of the transaction which is the subject of the action resides, to enjoin the act, practice, or course of business and to enforce compliance with this chapter or a rule adopted or order issued under this chapter.

2. *Relief available.* In an action under this section and on a proper showing, the court may do any of the following:

*a.* Issue a permanent or temporary injunction, restraining order, or declaratory judgment.

*b.* Order other appropriate or ancillary relief, which may include any of the following:

(1) Ordering an asset freeze, accounting, writ of attachment, writ of general or specific execution, and appointment of a receiver or conservator, that may be the administrator, for the defendant or the defendant's assets.

(2) Ordering the administrator to take charge and control of a defendant's property, including investment accounts and accounts in a depository institution, rents, and profits; to collect debts; and to acquire and dispose of property.

(3) Imposing a civil penalty not to exceed a maximum of five thousand dollars for a single violation or five hundred thousand dollars for more than one violation; an order of recision, restitution, or disgorgement directed to a person that has engaged in an act, practice, or course of business constituting a violation of this chapter or the predecessor chapter or a rule adopted or order issued under this chapter or the predecessor chapter.

(4) Ordering the payment of prejudgment and postjudgment interest.

*c.* Order such other relief as the court considers appropriate.

3. *No bond required.* The administrator shall not be required to post a bond in an action or proceeding under this chapter.

[C31, 35, §8581-c17; C39, §**8581.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.21(1 – 4); C77, 79, 81, §502.603]

83 Acts, ch 169, §16; 91 Acts, ch 40, §31; 94 Acts, ch 1031, §16; 2001 Acts, ch 118, §9; 2004 Acts, ch 1161, §52, 68; 2007 Acts, ch 137, §4

Referred to in §502.604A

**502.603A** Repealed by 2004 Acts, ch 1161, § 63, 68. See § 502.608.

**502.604 Administrative enforcement.**

1. *Issuance of an order or notice.* If the administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter, the administrator may do any of the following:

*a.* Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter.

*b.* Issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under section 502.401, subsection 2, paragraph "*a*", subparagraph (4) or (6), or an investment adviser under section 502.403, subsection 2, paragraph "*a*", subparagraph (3).

*c.* Issue an order under section 502.204.

2. *Summary process.* An order under subsection 1 is effective on the date of issuance. Upon issuance of the order, the administrator shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement of any restitution order, civil penalty, or costs of investigation the administrator will seek, a statement of the reasons for the order, and notice that, within thirty days after receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a person subject to the order does not request a hearing and none is ordered by the administrator within thirty days after the date of service of the order, the order, including an order for restitution, the imposition of a civil penalty, or a requirement for payment of costs of investigation sought in the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

3. *Procedure for final order.* If a hearing is requested or ordered pursuant to subsection 2, a hearing must be held pursuant to chapter 17A. A final order shall not be issued unless the administrator makes findings of fact and conclusions of law in a record in accordance

with chapter 17A. The final order may make final, vacate, or modify the order issued under subsection 1.

4. *Civil penalty — restitution — corrective action.* In a final order under subsection 3, the administrator may impose a civil penalty up to an amount not to exceed a maximum of ten thousand dollars for a single violation or one million dollars for more than one violation, or in an amount as agreed to by the parties, order restitution, or take other corrective action as the administrator deems necessary and appropriate to accomplish compliance with the laws of the state relating to all securities business transacted in the state.

5. *Costs.* In a final order, the administrator may charge the actual cost of an investigation or proceeding for a violation of this chapter or a rule adopted or order issued under this chapter.

5A. *Failure to obey cease and desist order.* A person who fails to obey a valid cease and desist order issued by the administrator under this section may, after notice and opportunity for a hearing, be subject to a civil penalty in an amount of not less than one thousand dollars and not to exceed ten thousand dollars for violating the order. Each day the failure to obey the cease and desist order occurs or continues constitutes a separate violation of the order. The penalties provided in this subsection are in addition to, and not exclusive of, other remedies that may be available.

6. *Filing of certified final order with court — effect of filing.* If a petition for judicial review of a final order is not filed in accordance with section 502.609, the administrator may file a certified copy of the final order with the clerk of a court of competent jurisdiction. The order so filed has the same effect as a judgment of the court and may be recorded, enforced, or satisfied in the same manner as a judgment of the court.

7. *Enforcement by court — further civil penalty.* If a person does not comply with an order under this section, the administrator may petition the Polk county district court or the district court for the county in which the person resides or is located to enforce the order. The court shall not require the administrator to post a bond in an action or proceeding under this section. If the court finds, after service and opportunity for hearing, that the person was not in compliance with the order, the court may adjudge the person in civil contempt of the order. The court may impose a further civil penalty against the person for contempt in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation and may grant any other relief the court determines is just and proper in the circumstances.

[C31, 35, §8581-c17; C39, §**8581.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.21(5); C77, 79, 81, §502.604]

91 Acts, ch 40, §33; 96 Acts, ch 1025, §14; 99 Acts, ch 166, §8; 2000 Acts, ch 1147, §17; 2001 Acts, ch 118, §10, 11; 2004 Acts, ch 1161, §53, 68; 2007 Acts, ch 137, §5; 2011 Acts, ch 70, §1; 2013 Acts, ch 124, §5, 6

Referred to in §502.204, 502.604A
Subsection 4 amended
NEW subsection 5A

**502.604A Limited law enforcement authority.**

The administrator or the administrator's designee, when carrying out the provisions of section 502.603 or 502.604, may develop, share, and receive information related to any law enforcement purpose, including any criminal investigation. The administrator or designee shall not have the authority to issue criminal subpoenas or make arrests. The administrator or designee shall not be considered a peace officer, including as provided in chapter 801.

91 Acts, ch 40, §34; 94 Acts, ch 1031, §17; 2004 Acts, ch 1161, §54, 68

**502.604B** Repealed by 2004 Acts, ch 1161, § 63, 68. See § 502.604A.

**502.605 Rules, forms, orders, interpretative opinions, and hearings.**

1. *Issuance and adoption of forms, orders, and rules.* Pursuant to chapter 17A, the administrator may do any of the following:

*a.* Issue forms and orders and, after notice and comment, may adopt and amend rules necessary or appropriate to carry out this chapter and may repeal rules, including rules

and forms governing registration statements, applications, notice filings, reports, and other records.

*b.* Define terms, whether or not used in this chapter, but those definitions shall not be inconsistent with this chapter.

*c.* Classify securities, persons, and transactions and adopt different requirements for different classes.

2. *Findings and cooperation.* Under this chapter, a rule or form shall not be adopted or amended, or an order issued or amended, unless the administrator finds that the rule, form, order, or amendment is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes intended by this chapter. In adopting, amending, and repealing rules and forms, section 502.608 applies in order to achieve uniformity among the states and coordination with federal laws in the form and content of registration statements, applications, reports, and other records, including the adoption of uniform rules, forms, and procedures.

3. *Financial statements.* Subject to section 15(h) of the Securities Exchange Act and section 222 of the Investment Advisers Act of 1940, the administrator may require that a financial statement filed under this chapter be prepared in accordance with generally accepted accounting principles in the United States and comply with other requirements specified by rule adopted or order issued under this chapter. A rule adopted or order issued under this chapter may establish any of the following:

*a.* Subject to section 15(h) of the Securities Exchange Act and section 222 of the Investment Advisers Act of 1940, the form and content of financial statements required under this chapter.

*b.* Whether unconsolidated financial statements must be filed.

*c.* Whether required financial statements must be audited by an independent certified public accountant.

4. *Interpretative opinions.* The administrator may provide interpretative opinions or issue determinations that the administrator will not institute a proceeding or an action under this chapter against a specified person for engaging in a specified act, practice, or course of business if the determination is consistent with this chapter. A rule adopted or order issued under this chapter may establish a reasonable charge for interpretative opinions or determinations that the administrator will not institute an action or a proceeding under this chapter.

5. *Effect of compliance.* A penalty under this chapter shall not be imposed for, and liability does not arise from, conduct that is engaged in or omitted in good faith believing it conforms to a rule, form, or order of the administrator under this chapter.

6. *Presumption for public hearings.* A hearing in an administrative proceeding under this chapter must be conducted in public unless the administrator for good cause consistent with this chapter determines that the hearing will not be so conducted.

[SS15, §1920-u19, -u20, -u21; C24, 27, §8577 – 8579; C31, 35, §8581-c21, -c22, -c23; C39, §**8581.26 – 8581.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.26 – 502.28; C77, 79, 81, §502.605]

2000 Acts, ch 1147, §18; 2001 Acts, ch 118, §13, 14; 2004 Acts, ch 1161, §55, 68

**502.606 Administrative files and opinions.**

1. *Public register of filings.* The administrator shall maintain, or designate a person to maintain, a register of applications for registration of securities; registration statements; notice filings; applications for registration of broker-dealers, agents, investment advisers, and investment adviser representatives; notice filings by federal covered investment advisers that are or have been effective under this chapter or the predecessor chapter; notices of claims of exemption from registration or notice filing requirements contained in a record; orders issued under this chapter or the predecessor chapter; and interpretative opinions or no action determinations issued under this chapter.

2. *Public availability.* The administrator shall make all rules, forms, interpretative opinions, and orders available to the public.

3. *Copies of public records.* The administrator shall furnish a copy of a record that is a public record or a certification that the public record does not exist to a person that so

requests. A rule adopted under this chapter may establish a reasonable charge for furnishing the record or certification. A copy of the record certified or a certificate by the administrator of a record's nonexistence is prima facie evidence of a record or its nonexistence.

[SS15, §1920-u17; C24, 27, §8575; C31, 35, §8581-c19; C39, §**8581.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.24; C77, 79, 81, §502.606]

2004 Acts, ch 1161, §56, 68

**502.607 Public records — confidentiality.**

1. *Presumption of public records.* Except as otherwise provided in subsection 2, records obtained by the administrator or filed under this chapter, including a record contained in or filed with a registration statement, application, notice filing, or report, are public records and are available for public examination.

2. *Nonpublic records.* Notwithstanding chapter 22, the following records are not public records and are not available for public examination under subsection 1:

*a.* A record obtained by the administrator in connection with an audit or inspection under section 502.411, subsection 4, or an investigation under section 502.602.

*b.* A part of a record filed in connection with a registration statement under sections 502.301 and 502.303 through 502.305 or a record under section 502.411, subsection 4, that contains trade secrets or confidential information if the person filing the registration statement or report has asserted a claim of confidentiality or privilege that is authorized by law.

*c.* A record that is not required to be provided to the administrator or filed under this chapter and is provided to the administrator only on the condition that the record will not be subject to public examination or disclosure.

*d.* A nonpublic record received from a person specified in section 502.608, subsection 1.

*e.* Any social security number, residential address unless used as a business address, and residential telephone number unless used as a business telephone number, contained in a record that is filed.

*f.* A record obtained by the administrator through a designee that the administrator determines by rule or order has been appropriately expunged from its own records by that designee, if the administrator finds that such expungement is in the public interest and does not impair investor protection.

3. *Administrator discretion to disclose.* If disclosure is for the purpose of a civil, administrative, or criminal investigation, action, or proceeding or to a person specified in section 502.608, subsection 1, the administrator may disclose a record obtained in connection with an audit or inspection under section 502.411, subsection 4, or a record obtained in connection with an investigation under section 502.602.

[C35, §8581-f6; C39, §**8581.22;** C46, 50, 54, 58, 62, §502.22; C66, 71, 73, 75, §502.2, 502.22; C77, 79, 81, §502.607]

97 Acts, ch 114, §16; 2004 Acts, ch 1161, §57, 68

Referred to in §22.7, 502.601, 502.602, 502.608

**502.608 Uniformity and cooperation with other agencies.**

1. *Objective of uniformity.* The administrator shall, in its discretion, cooperate, coordinate, consult, and, subject to section 502.607, share records and information with the securities regulator of another state, Canada, a Canadian province or territory, a foreign jurisdiction, the securities and exchange commission, the United States department of justice, the commodity futures trading commission, the federal trade commission, the securities investor protection corporation, a self-regulatory organization, a national or international organization of securities regulators, a federal or state banking and insurance regulator, and a governmental law enforcement agency to effectuate greater uniformity in securities matters among the federal government, self-regulatory organizations, states, and foreign governments.

2. *Policies to consider.* In cooperating, coordinating, consulting, and sharing records and information under this section and in acting by rule, order, or waiver under this chapter,

the administrator shall, in its discretion, take into consideration in carrying out the public interest, all of the following general policies:

*a.* Maximizing effectiveness of regulation for the protection of investors.

*b.* Maximizing uniformity in federal and state regulatory standards.

*c.* Minimizing burdens on the business of capital formation, without adversely affecting essentials of investor protection.

3. *Subjects for cooperation.* The cooperation, coordination, consultation, and sharing of records and information authorized by this section includes all of the following:

*a.* Establishing or employing one or more designees as a central depository for registration and notice filings under this chapter and for records required or allowed to be maintained under this chapter.

*b.* Developing and maintaining uniform forms.

*c.* Conducting a joint examination or investigation.

*d.* Holding a joint administrative hearing.

*e.* Instituting and prosecuting a joint civil or administrative proceeding.

*f.* Sharing and exchanging personnel.

*g.* Coordinating registrations under sections 502.301 and 502.401 through 502.404 and exemptions under section 502.203.

*h.* Sharing and exchanging records, subject to section 502.607.

*i.* Formulating rules, statements of policy, guidelines, forms, and interpretative opinions and releases.

*j.* Formulating common systems and procedures.

*k.* Notifying the public of proposed rules, forms, statements of policy, and guidelines.

*l.* Attending conferences and other meetings among securities regulators, which may include representatives of governmental and private sector organizations involved in capital formation, deemed necessary or appropriate to promote or achieve uniformity.

*m.* Developing and maintaining a uniform exemption from registration for small issuers, and taking other steps to reduce the burden of raising investment capital by small businesses.

[C31, 35, §8581-c11, -c26; C39, §**8581.11, 8581.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.11, 502.31; C77, 79, 81, §502.608]

83 Acts, ch 169, §17; 97 Acts, ch 114, §17; 98 Acts, ch 1106, §21, 24; 2002 Acts, ch 1111, §5; 2004 Acts, ch 1161, §58, 68

Referred to in §502.601, 502.605, 502.607

**502.609 Judicial review of orders.**

A final order issued by the administrator under this chapter is subject to judicial review in accordance with chapter 17A.

[SS15, §1920-u5; C24, 27, §8534, 8535; C31, 35, §8581-c9; C39, §**8581.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.9; C77, 79, 81, §502.609]

91 Acts, ch 40, §35; 97 Acts, ch 114, §18; 2000 Acts, ch 1147, §19; 2004 Acts, ch 1161, §59, 68

Referred to in §502.604

**502.610 Jurisdiction.**

1. *Sales and offers to sell.* Sections 502.301, 502.302, section 502.401, subsection 1, section 502.402, subsection 1, section 502.403, subsection 1, section 502.404, subsection 1, and sections 502.501, 502.506, 502.509, and 502.510 do not apply to a person that sells or offers to sell a security unless the offer to sell or the sale is made in this state or the offer to purchase or the purchase is made and accepted in this state.

2. *Purchases and offers to purchase.* Section 502.401, subsection 1, section 502.402, subsection 1, section 502.403, subsection 1, section 502.404, subsection 1, and sections 502.501, 502.506, 502.509, and 502.510 do not apply to a person that purchases or offers to purchase a security unless the offer to purchase or the purchase is made in this state or the offer to sell or the sale is made and accepted in this state.

3. *Offers in this state.* For the purpose of this section, an offer to sell or to purchase a

security is made in this state, whether or not either party is then present in this state, if any of the following apply to the offer:

*a.* The offer originates from within this state.

*b.* The offer is directed by the offeror to a place in this state and received at the place to which it is directed.

4. *Acceptances in this state.* For the purpose of this section, an offer to purchase or to sell is accepted in this state, whether or not either party is then present in this state, if all of the following apply to the acceptance:

*a.* The acceptance is communicated to the offeror in this state and the offeree reasonably believes the offeror to be present in this state and the acceptance is received at the place in this state to which it is directed.

*b.* The acceptance has not previously been communicated to the offeror, orally or in a record, outside this state.

5. *Publications, radio, television, or electronic communications.* An offer to sell or to purchase is not made in this state when a publisher circulates or there is circulated on the publisher's behalf in this state a bona fide newspaper or other publication of general, regular, and paid circulation that is not published in this state, or that is published in this state but has had more than two-thirds of its circulation outside this state during the previous twelve months or when a radio or television program or other electronic communication originating outside this state is received in this state. A radio or television program, or other electronic communication, is considered as having originated in this state if either the broadcast studio or the originating source of transmission is located in this state, unless any of the following apply:

*a.* The program or communication is syndicated and distributed from outside this state for redistribution to the general public in this state.

*b.* The program or communication is supplied by a radio, television, or other electronic network with the electronic signal originating from outside this state for redistribution to the general public in this state.

*c.* The program or communication is an electronic communication that originates outside this state and is captured for redistribution to the general public in this state by a community antenna or cable, radio, cable television, or other electronic system.

*d.* The program or communication consists of an electronic communication that originates in this state, but which is not intended for distribution to the general public in this state.

6. *Investment advice and misrepresentations.* Section 502.403, subsection 1, section 502.404, subsection 1, section 502.405, subsection 1, and sections 502.502, 502.505, and 502.506 apply to a person if the person engages in an act, practice, or course of business instrumental in effecting prohibited or actionable conduct in this state, whether or not either party is then present in this state.

[C77, 79, 81, §502.610]

98 Acts, ch 1106, §22, 24; 2004 Acts, ch 1161, §60, 68; 2013 Acts, ch 30, §118

Subsections 1, 2, and 6 amended

**502.611 Service of process.**

1. *Signed consent to service of process.* A consent to service of process required by this chapter must be signed and filed in the form required by a rule or order under this chapter. A consent appointing the administrator the person's agent for service of process in a noncriminal action or proceeding against the person, or the person's successor or personal representative under this chapter or a rule adopted or order issued under this chapter after the consent is filed, has the same force and validity as if the service were made personally on the person filing the consent. A person that has filed a consent complying with this subsection in connection with a previous application for registration or notice filing need not file an additional consent.

2. *Conduct constituting appointment of agent for service.* If a person, including a nonresident of this state, engages in an act, practice, or course of business prohibited or made actionable by this chapter or a rule adopted or order issued under this chapter and the person has not filed a consent to service of process under subsection 1, the act, practice, or

course of business constitutes the appointment of the administrator as the person's agent for service of process in a noncriminal action or proceeding against the person or the person's successor or personal representative.

3. *Procedure for service of process.* Service under subsection 1 or 2 may be made by providing a copy of the process to the office of the administrator, but it is not effective unless all of the following apply:

*a.* The plaintiff, which may be the administrator, promptly sends notice of the service and a copy of the process, return receipt requested, to the defendant or respondent at the address set forth in the consent to service of process or, if a consent to service of process has not been filed, at the last known address, or takes other reasonable steps to give notice.

*b.* The plaintiff files an affidavit of compliance with this subsection in the action or proceeding on or before the return day of the process, if any, or within the time that the court, or the administrator in a proceeding before the administrator, allows.

4. *Service in administrative proceedings or civil actions by administrator.* Service pursuant to subsection 3 may be used in a proceeding before the administrator or by the administrator in a civil action in which the administrator is the moving party.

5. *Opportunity to defend.* If process is served under subsection 3, the court, or the administrator in a proceeding before the administrator, shall order continuances as are necessary or appropriate to afford the defendant or respondent reasonable opportunity to defend.

[C77, 79, 81, §502.611]

90 Acts, ch 1196, §5; 2004 Acts, ch 1161, §61, 68

Referred to in §502.201, 502.302, 502.303, 502.304, 502.405, 502.406

**502.612 Severability clause.**

If any provision of this chapter or its application to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of this chapter that can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

2004 Acts, ch 1161, §62, 68

## ARTICLE 7

## JOINT INVESTMENT TRUSTS

**502.701 Public joint investment trusts.**

1. A joint investment trust organized pursuant to chapter 28E for the purposes of joint investment of public funds is subject to the jurisdiction and authority of the administrator, including all requirements of this chapter, except the registration provisions of sections 502.301 and 502.321I.

2. The administrator may make examinations within or without the state, of the business and records of each joint investment trust, at the times and in the scope as the administrator determines. The administrator shall have the authority to contract for outside professional services in the conduct of examinations. The examinations may be made without prior notice to the joint investment trust or the trust's investment advisor. The administrator may copy all records the administrator feels are necessary to conduct the examination. The expense reasonably attributable to the examination shall be paid by the joint investment trusts whose business is examined. For the purpose of avoiding unnecessary duplication of examinations, the administrator may cooperate with other regulatory authorities.

92 Acts, ch 1156, §41; 2005 Acts, ch 19, §124, 126

# CHAPTER 502A

## COMMODITIES CODE

Referred to in §505.28, 505.29, 669.14

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## SUBCHAPTER I

**502A.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Administrator"* means the administrator of the securities and regulated industries bureau of the insurance division of the department of commerce.

2. *"Board of trade"* means a person or group of persons engaged in buying or selling any commodity or receiving the same for sale on consignment, whether the person or group of persons is characterized as a board of trade, exchange, or other form of marketplace.

3. *"CFTC rule"* means a regulation or order of the commodity futures trading commission in effect on July 1, 1990, and all subsequent amendments, additions or other revisions to the regulation or order, unless the administrator, within ten days following the effective date of the amendment, addition, or revision, disallows the application to this chapter in whole or in part by rule or order.

4. *a.* *"Commodity"* means, except as otherwise specified by the administrator by rule or order: an agricultural, grain, or livestock product or by-product; a metal or mineral, including a precious metal; a gem or gemstone, whether characterized as precious, semiprecious or otherwise; a fuel, whether liquid, gaseous or otherwise; a foreign currency; and all other goods, articles, products, or items of any kind.

*b.* The term *"commodity"* does not include any of the following:

(1) A numismatic coin whose fair market value is at least fifteen percent higher than the value of the metal it contains.

(2) Real property or any timber, agricultural, or livestock product grown or raised on real property and offered or sold by the owner or lessee of such real property.

(3) Any work of art offered or sold by art dealers, at public auction, or offered or sold through a private sale by the owner of the work of art.

5. *"Commodity contract"* means an account, agreement, or contract for the purchase or sale, primarily for speculation or investment purposes and not for use or consumption by the offeree or purchaser, of one or more commodities, whether for immediate or subsequent delivery or whether delivery is intended by the parties, and whether characterized as a cash contract, deferred shipment or deferred delivery contract, forward contract, futures contract, installment or margin contract, leverage contract, or otherwise. A commodity contract offered or sold, in the absence of evidence to the contrary, shall be presumed to be offered or sold for speculation or investment purposes. A commodity contract does not include a contract or agreement which requires, and under which the purchaser receives, within twenty-eight days from the payment in good funds of any portion of the purchase

price, physical delivery of the total amount of each commodity to be purchased under the contract or agreement.

6. *"Commodity Exchange Act"* means the federal Commodity Exchange Act, as amended to July 1, 1990, codified at 7 U.S.C. § 1 et seq., and all subsequent amendments, additions, or other revisions to the Act, unless the administrator, within ten days following the effective date of the amendment, addition, or revision, disallows its application to this chapter in whole or in part by rule or order.

7. *"Commodity futures trading commission"* or *"CFTC"* means the independent regulatory agency established by the United States Congress to administer the Commodity Exchange Act.

8. *"Commodity merchant"* means any of the following as defined or described in the Commodity Exchange Act or by CFTC rule:

*a.* A futures commission merchant.

*b.* A commodity pool operator.

*c.* A commodity trading adviser.

*d.* An introducing broker.

*e.* A leverage transaction merchant.

*f.* An associated person of any of the persons listed in paragraphs *"a"* through *"e"*.

*g.* A floor broker.

*h.* Any other person, other than a futures association, required to register with the commodity futures trading commission.

9. *"Commodity option"* means an account, agreement, or contract giving a party to the account, agreement, or contract the right but not the obligation to purchase or sell one or more commodities or one or more commodity contracts, whether characterized as an option, privilege, indemnity, bid, offer, put, call, advance guaranty, decline guaranty or otherwise, but shall not include an option traded on a national securities exchange registered with the United States securities and exchange commission.

10. *"Financial institution"* means a bank, savings institution, or trust company organized under, or supervised pursuant to, the laws of the United States or of any state.

11. *"Offer"* includes every offer to sell, offer to purchase, or offer to enter into a commodity contract or commodity option.

12. *"Person"* means a person as defined in section 4.1, but does not include a contract market designated by the commodity futures trading commission or any clearinghouse of the CFTC or a national securities exchange registered with the securities and exchange commission, or any employee, officer, or director of a contract market, clearinghouse, or exchange acting solely in that capacity.

13. *"Precious metal"* means one or more of the following in either coin, bullion, or other form:

*a.* Silver.

*b.* Gold.

*c.* Platinum.

*d.* Palladium.

*e.* Copper.

*f.* Such other items as the administrator may specify by rule or order.

14. *"Sale"* or *"sell"* includes every sale, contract of sale, contract to sell, or disposition, for value.

90 Acts, ch 1169, §1; 2006 Acts, ch 1117, §13; 2012 Acts, ch 1023, §157
Referred to in §502A.22

**502A.2 Unlawful commodity transactions.**

Except as otherwise provided in section 502A.3 or 502A.4, a person shall not sell or purchase, or offer to sell or purchase, a commodity under a commodity contract, or under a commodity option, or offer to enter into, or enter into as seller or purchaser, a commodity contract or commodity option.

90 Acts, ch 1169, §2
Referred to in §502A.3, 502A.4, 502A.6, 502A.19, 502A.22

**502A.3 Exempt person transactions.**

1. The prohibitions in section 502A.2 do not apply to a transaction in which any of the following persons, or any employee, officer, or director of a listed person acting solely in that capacity, is the purchaser or seller:

*a.* A person registered with the commodity futures trading commission as a futures commission merchant or as a leverage transaction merchant whose activities require such registration.

*b.* A person registered with the securities and exchange commission as a broker-dealer whose activities require such registration.

*c.* A person affiliated with, and whose obligations and liabilities under the transaction are guaranteed by, a person referred to in paragraph "*a*" or "*b*".

*d.* A person who is a member of a contract market designated by the commodity futures trading commission, or any CFTC clearinghouse.

*e.* A financial institution.

*f.* A person registered under the laws of this state as a securities broker-dealer whose activities require such registration.

2. This exemption provided by this section does not apply to any transaction or activity which is prohibited by the Commodity Exchange Act or CFTC rule.

90 Acts, ch 1169, §3; 2012 Acts, ch 1023, §100

Referred to in §502A.2, 502A.4, 502A.6

**502A.4 Exempt transactions.**

1. Section 502A.2 does not apply to any of the following:

*a.* An account, agreement, or transaction within the exclusive jurisdiction of the commodity futures trading commission as granted under the Commodity Exchange Act.

*b.* A commodity contract, offered or sold by a qualified seller as defined in subsection 2, for the purchase of one or more precious metals which requires, and under which the purchaser receives, within twenty-eight days from the payment in good funds of any portion of the purchase price, physical delivery of the quantity of the precious metals purchased by the payment. For purposes of this paragraph, physical delivery shall be deemed to have occurred if both of the following conditions are satisfied:

(1) Within twenty-eight days, the required quantity of precious metals purchased by the payment is delivered, whether in specifically segregated or fungible bulk form, into the possession of a depository, other than the seller, which is any of the following:

(a) A financial institution.

(b) A depository the warehouse receipts of which are recognized for delivery purposes for any commodity on a contract market designated by the commodity futures trading commission.

(c) A storage facility licensed or regulated by the United States or any agency of the United States.

(d) A depository designated by the administrator.

(2) The depository or a qualified seller issues and the purchaser receives, a certificate, document of title, confirmation, or other instrument evidencing that the required quantity of precious metals has been delivered to the depository and is being and will continue to be held by the depository on the purchaser's behalf, free and clear of all liens and encumbrances, other than liens of the purchaser, tax liens, liens agreed to by the purchaser, or liens of the depository for fees and expenses, which have previously been disclosed to the purchaser.

*c.* For the purposes of paragraph "*b*", a depository other than the seller shall not include a financial institution which makes loans to enable the borrower to finance the purchase of one or more precious metals if any of the following apply:

(1) The financial institution knows that the seller arranged for a commission, brokerage, or referral fee for the extension of credit by the financial institution.

(2) The financial institution is a person related to the seller, unless the relationship is remote or is not a factor in the transaction.

(3) The seller guarantees the loan or otherwise assumes the risk of loss by the financial institution upon the loan.

(4) The financial institution directly supplies the seller with the contract document used by the borrower to evidence the loan, and the seller has knowledge of the credit terms and participates in the preparation of the document.

(5) The loan is conditioned upon the borrower's purchase of the precious metals from a particular seller, but the financial institution's payment of proceeds of the loan to the seller does not in itself establish that the loan was so conditioned.

(6) The financial institution otherwise knowingly participates with the seller in the sale. The fact that the financial institution takes a security interest in the precious metals sold or makes the proceeds of the loan payable to the seller does not in itself constitute knowing participation in the sale.

*d.* A commodity contract solely between persons engaged in producing, processing, using commercially or handling as merchants, the commodity which is the subject of the contract, or any by-product of the commodity.

*e.* A commodity contract under which the offeree or the purchaser is a person under section 502A.3, an insurance company, an investment company as defined in the federal Investment Company Act of 1940, or an employee pension and profit sharing or benefit plan other than a self-employed individual retirement plan, or individual retirement account.

2. For the purposes of subsection 1, paragraph *"b"*, a qualified seller is a person who satisfies all of the following conditions:

*a.* Is a seller of precious metals and has a tangible net worth of at least five million dollars, or has an affiliate who has unconditionally guaranteed the obligations and liabilities of the seller and the affiliate has a tangible net worth of at least five million dollars.

*b.* Has stored precious metals with one or more depositories on behalf of customers for at least the previous three years.

*c.* Prior to any offer, files with the administrator a sworn notice of intent to act as a qualified seller under subsection 1, paragraph *"b"*, and annually files a new notice. A notice of intent to act as a qualified seller must contain all of the following:

(1) The seller's name and address, names of its directors, officers, controlling shareholders, partners, principals, and other controlling persons.

(2) The address of its principal place of business, state and date of incorporation or organization, and the name and address of seller's registered agent in this state.

(3) A statement that the seller, or a person affiliated with the seller who has guaranteed the obligations and liabilities of the seller, has a tangible net worth of at least five million dollars.

(4) Depository information including all of the following:

(a) The name and address of the depository or depositories that the seller intends to use.

(b) The name and address of each and every depository where the seller has stored precious metals on behalf of customers for the previous three years.

(c) Independent verification from each and every depository named in subparagraph division (b) that the seller has in fact stored precious metals on behalf of the seller's customers for the previous three years and a statement of total deposits made during this period.

(5) Financial statements for the seller, or the person affiliated with the seller who has guaranteed the obligations and liabilities of the seller, for the past three years, audited by an independent certified public accountant, together with the accountant's reports.

(6) A statement describing the details of all civil, criminal, or administrative proceedings currently pending or adversely resolved against the seller or its directors, officers, controlling shareholders, partners, principals, or other controlling persons during the past ten years including all of the following in subparagraph divisions (a) through (d), or if not applicable, subparagraph division (e):

(a) Civil litigation and administrative proceedings involving securities or commodities violations, or fraud.

(b) Criminal proceedings.

(c) Denials, suspensions, or revocations of securities or commodities, licenses, or registrations.

(d) Suspensions or expulsions from membership in, or associations with, self-regulatory

organizations registered under the Securities Exchange Act of 1934, or the Commodities Exchange Act.

(e) A statement that there were no such proceedings.

*d.* Notifies the administrator within fifteen days of any material changes in the information provided in the notice of intent.

*e.* Annually furnishes to each purchaser for whom the seller is then storing precious metals, and to the administrator, a report by an independent certified public accountant of the accountant's examination of the seller's precious metals storage program.

3. The administrator may, upon request by the seller, waive any of the exempt transaction requirements of this section, conditionally or unconditionally.

4. The administrator may, by order, deny, suspend, revoke, or place limitations on the authority to engage in business as a qualified seller under subsection 1, paragraph *"b"* if the administrator finds that the order is in the public interest and that the person, the person's officers, directors, partners, agents, servants or employees, a person occupying a similar status or performing similar functions, a person who directly or indirectly controls or is controlled by the seller, or any of them, the seller's affiliates or subsidiaries meets any of the following conditions:

*a.* Has filed a notice of intention under subsection 2 with the administrator or the designee of the administrator which was incomplete in any material respect or contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact.

*b.* Has, within the last ten years, pled guilty or nolo contendere to, or been convicted of any crime indicating a lack of fitness to engage in the investment commodity business.

*c.* Has been permanently or temporarily enjoined by any court of competent jurisdiction from engaging in, or continuing, any conduct or practice which injunction indicates a lack of fitness to engage in the investment commodities business.

*d.* Is the subject of an order of the administrator denying, suspending, or revoking the person's license as a securities broker-dealer, sales representative, or investment adviser.

*e.* Is the subject of any of the following orders which are currently effective and which were issued within the last five years:

(1) An order by the securities agency or administrator of another state, Canadian province or territory, the securities and exchange commission, or the commodity futures trading commission, entered after notice and opportunity for hearing, denying, suspending, or revoking the person's registration as a futures commission merchant, commodity trading adviser, commodity pool operator, securities broker-dealer, sales representative, or investment adviser, or the substantial equivalent of those terms.

(2) Suspension or expulsion from membership in, or association with, a self-regulatory organization registered under the federal Securities Exchange Act of 1934 or the Commodity Exchange Act.

(3) A United States postal service fraud order.

(4) A cease and desist order entered after notice and opportunity of hearing by the administrator or the securities agency or administrator of any other state, Canadian province or territory, the United States securities and exchange commission, or the commodity futures trading commission.

(5) An order entered by the commodity futures trading commission denying, suspending, or revoking registration under the Commodity Exchange Act.

*f.* Has engaged in an unethical or dishonest act or practice in the investment commodities or securities business.

*g.* Has failed reasonably to supervise sales representatives or employees.

5. If the public interest or the protection of investors so requires, the administrator may, by order, summarily deny or suspend the exemption for a qualified seller. Upon the entry of the order, the administrator shall promptly notify the person claiming such status that an order has been entered and the reasons for the order and that within thirty days after the receipt of a written request the matter will be set for hearing. Section 502A.20 applies with respect to all subsequent proceedings.

6. If the administrator finds that any applicant or qualified seller is no longer in existence

or has ceased to do business or is subject to an adjudication of mental incompetence or to the control of a committee, conservator, or guardian, or cannot be located after reasonable search, the administrator may, by order, deny or revoke the exemption for a qualified seller.

7. The administrator may issue rules or orders prescribing the terms and conditions of all transactions and contracts covered by this chapter which are not within the exclusive jurisdiction of the commodity futures trading commission as granted by the Commodity Exchange Act, exempting and conditionally or unconditionally and otherwise implementing this chapter for the protection of purchasers and sellers of commodities.

90 Acts, ch 1169, §4; 2009 Acts, ch 41, §263
Referred to in §502A.2, 502A.6, 502A.22

**502A.5 Unlawful commodity activities.**

1. A person shall not engage in a trade or business or otherwise act as a commodity merchant unless the person is either of the following:

*a.* Registered or temporarily licensed with the commodity futures trading commission for each activity constituting the person as a commodity merchant and the registration or temporary license has not expired, been suspended, or revoked.

*b.* Exempt from such registration by virtue of the Commodity Exchange Act or of a CFTC rule.

2. A board of trade shall not trade, or provide a place for the trading of, any commodity contract or commodity option required to be traded on or subject to the rules of a contract market designated by the commodity futures trading commission unless the board of trade has been so designated for the commodity contract or commodity option and the designation has not been vacated, suspended, or revoked.

90 Acts, ch 1169, §5
Referred to in §502A.19

**502A.6 Fraudulent conduct.**

A person shall not directly or indirectly do any of the following in or in connection with the purchase or sale of, the offer to sell, the offer to purchase, the offer to enter into, or the entry into of, a commodity contract or commodity option subject to section 502A.2, 502A.3, 502A.4, subsection 1, paragraph "*b*", or section 502A.4, subsection 1, paragraph "*d*":

1. Cheat or defraud, or attempt to cheat or defraud, another person or employ any device, scheme, or artifice to defraud another person.

2. Make a false report or enter a false record.

3. Make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

4. Engage in a transaction, act, practice, or course of business, including, without limitation, any form of advertising or solicitation, which operates or would operate as a fraud or deceit upon any person.

5. Misappropriate or convert the funds, security, or property of another person.

90 Acts, ch 1169, §6
Referred to in §502A.19

**502A.7 Liability of principals, controlling persons, and others.**

1. The act, omission, or failure of an official, agent, or other person acting for an individual, association, partnership, corporation, or trust within the scope of the person's employment or office shall be deemed the act, omission, or failure of the individual, association, partnership, corporation, or trust, as well as of the person.

2. A person who directly or indirectly controls another person liable under this chapter, a partner, officer, or director of the other person, a person occupying a similar status or performing similar functions, and an employee of such other person who materially aids in the violation, is liable jointly and severally with and to the same extent as the other person, unless the person who is liable by virtue of this provision sustains the burden of proof that

the person did not know, and in exercise of reasonable care could not have known, of the existence of the facts by reason of which the liability is alleged to exist.
90 Acts, ch 1169, §7

**502A.8 Securities laws unaffected.**
This chapter does not impair, derogate, or otherwise affect the authority or powers of the administrator under chapter 502 or the application of any provision of chapter 502 to a person or transaction subject to that chapter.
90 Acts, ch 1169, §8

**502A.9 Purpose.**
This chapter may be construed and implemented to effectuate its general purpose to protect investors, to prevent and prosecute illegal and fraudulent schemes involving commodity contracts and to maximize coordination with federal and other states' laws and the administration and enforcement of those laws. This chapter is not intended to create any rights or remedies upon which actions may be brought by private persons against persons who violate this chapter.
90 Acts, ch 1169, §9

**502A.10** Reserved.

SUBCHAPTER II

**502A.11 Investigations.**
1. The administrator may make investigations, within or without this state, as the administrator finds necessary or appropriate to do either or both of the following:
*a.* Determine whether any person has violated, or is about to violate this chapter or any rule or order of the administrator.
*b.* Aid in enforcement of this chapter.
2. The administrator may publish information concerning a violation of this chapter or any rule or order of the administrator.
3. For purposes of an investigation or proceeding under this chapter, the administrator or any officer or employee designated by rule or order, may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the administrator finds to be relevant or material to the inquiry.
4. *a.* If a person does not give testimony or produce the documents required by the administrator or a designated employee pursuant to an administrative subpoena, the administrator or designated employee may apply for a court order compelling compliance with the subpoena or the giving of the required testimony.
*b.* The request for order of compliance may be addressed to either of the following:
(1) The Polk county district trial court or the district court where service may be obtained on the person refusing to testify or produce, if the person is within this state.
(2) The appropriate court of the state having jurisdiction over the person refusing to testify or produce, if the person is outside this state.
90 Acts, ch 1169, §10
Referred to in §502A.12, 502A.15

**502A.12 Enforcement of chapter.**
1. If the administrator believes, whether or not based upon an investigation conducted under section 502A.11, that a person has engaged or is about to engage in an act or practice constituting a violation of this chapter or a rule or order issued under this chapter, the administrator may do any or all of the following:
*a.* Issue a cease and desist order.
*b.* Issue an order imposing a civil penalty in amount which may not exceed ten thousand

dollars for a single violation or one hundred thousand dollars for multiple violations in a single proceeding or a series of related proceedings.

*c.* Initiate any of the actions specified in subsection 2.

2. The administrator may institute any or all of the following actions in the appropriate courts of this state, or in the appropriate courts of another state, in addition to any legal or equitable remedies otherwise available:

*a.* A declaratory judgment.

*b.* An action for a prohibitory or mandatory injunction to enjoin the violation and to ensure compliance with this chapter or a rule or order of the administrator.

*c.* An action for disgorgement.

*d.* An action for appointment of a receiver or conservator for the defendant or the defendant's assets.

*e.* An action for restitution.

90 Acts, ch 1169, §11

**502A.13 Power of court to grant relief.**

1. *a.* Upon a proper showing by the administrator that a person has violated, or is about to violate, this chapter or a rule or order of the administrator, a court of competent jurisdiction may grant appropriate legal or equitable remedies.

*b.* Upon showing of violation of this chapter or a rule or order of the administrator, the court, in addition to traditional legal and equitable remedies, including temporary restraining orders, permanent or temporary prohibitory or mandatory injunctions, and writs of prohibition or mandamus, may grant any or all of the following special remedies:

(1) Imposition of a civil penalty in amount which may not exceed ten thousand dollars for any single violation or one hundred thousand dollars for multiple violations in a single proceeding or a series of related proceedings.

(2) Disgorgement.

(3) Declaratory judgment.

(4) Restitution to investors wishing restitution.

(5) Appointment of a receiver or conservator for the defendant or the defendant's assets.

*c.* Appropriate remedies when the defendant is shown only about to violate this chapter or a rule or order of the administrator shall be limited to any or all of the following:

(1) A temporary restraining order.

(2) A temporary or permanent injunction.

(3) A writ of prohibition or mandamus.

(4) An order appointing a receiver or conservator for the defendant or the defendant's assets.

2. The court shall not require the administrator to post a bond in any official action under this chapter.

3. *a.* Upon a proper showing by the administrator or securities or commodity agency of another state that a person, other than a government or governmental agency or instrumentality, has violated, or is about to violate, the commodity code of that state or a rule or order of the administrator or securities or commodity agency of that state, the district court may grant appropriate legal and equitable remedies.

*b.* Upon showing of a violation of the securities or commodity act of the foreign state or a rule or order of the administrator or securities or commodity agency of the foreign state, the court, in addition to traditional legal or equitable remedies including temporary restraining orders, permanent or temporary prohibitory or mandatory injunctions and writs of prohibition or mandamus, may grant either or both of the following special remedies:

(1) Disgorgement.

(2) Appointment of a receiver, conservator, or ancillary receiver or conservator for the defendant or the defendant's assets located in this state.

*c.* Appropriate remedies when the defendant is shown only about to violate the securities or commodity act of the foreign state or a rule or order of the administrator or securities or commodity agency of the foreign state shall be limited to any or all of the following:

(1) A temporary restraining order.

(2) A temporary or permanent injunction.
(3) A writ of prohibition or mandamus.
(4) An order appointing a receiver, conservator, or ancillary receiver or conservator for the defendant or the defendant's assets located in this state.
90 Acts, ch 1169, §12

**502A.14 Criminal penalties.**
1. A person who willfully violates either of the following shall, upon conviction, be fined not more than twenty thousand dollars or be imprisoned not more than ten years, or both, for each violation.
*a.* This chapter.
*b.* A rule or order of the administrator under this chapter.
2. A person convicted of violating a rule or order under this chapter may be fined, but may not be imprisoned, if the person proves the person had no knowledge of the rule or order.
3. The administrator may refer such evidence as is available concerning violations of this chapter or any rule or order of the administrator to the attorney general or the proper county attorney, who may, with or without such a reference from the administrator, institute the appropriate criminal proceedings under this chapter.
4. This chapter does not limit the power of the state to proceed against a person for conduct which constitutes a breach of duty, a crime, or a violation under common law, rule, or another statute. An action pursuant to this chapter is not an election of remedies, and an aggrieved person or the state retains any other common law or statutory causes of action which may exist against a person alleged to have violated this chapter or against a person convicted of such a violation.
90 Acts, ch 1169, §13

**502A.15 Administration of chapter.**
1. This chapter shall be administered by the administrator of the securities and regulated industries bureau of the insurance division of the department of commerce.
2. The administrator or any employees of the administrator shall not use any information which is filed with or obtained by the administrator which is not public information for personal gain or benefit, and the administrator or any employees of the administrator shall not conduct any securities or commodity dealings based upon any such information, even though public, if there has not been a sufficient period of time for the securities or commodity markets to assimilate such information.
3. *a.* Except as provided in paragraph *"b"*, all information collected, assembled, or maintained by the administrator is public information and is available for the examination of the public as provided by chapter 22.
*b.* The following are exceptions to paragraph *"a"* and are confidential:
(1) Information obtained in an investigation pursuant to section 502A.11, unless published pursuant to section 502A.11, subsection 2.
(2) Information made confidential by chapter 22.
(3) Information obtained from federal agencies which cannot be disclosed under federal law.
*c.* The administrator in the administrator's discretion may disclose any information made confidential under paragraph *"b"* to persons identified in section 502A.16, subsection 1.
*d.* This chapter does not create or derogate any privilege which exists at common law, by statute or otherwise when documentary or other evidence is sought under subpoena directed to the administrator or any employee of the administrator.
90 Acts, ch 1169, §14; 2006 Acts, ch 1117, §14

**502A.16 Cooperation with other agencies.**
1. To encourage uniform application and interpretation of this chapter and securities regulation and enforcement in general, the administrator and the employees of the administrator may cooperate, including bearing the expense of the cooperation, with the securities agencies or administrator of another jurisdiction, Canadian province or territory or

such other agencies administering this chapter, the commodity futures trading commission, the United States securities and exchange commission, any self-regulatory organization established under the Commodity Exchange Act or the federal Securities Exchange Act of 1934, any national or international organization of commodities or securities officials or agencies, and any governmental law enforcement agency.

2. The cooperation authorized by subsection 1 shall include, but need not be limited to, any or all of the following:

*a.* Making joint examinations or investigations.

*b.* Holding joint administrative hearings.

*c.* Filing and prosecuting joint litigation.

*d.* Sharing and exchanging personnel.

*e.* Sharing and exchanging information and documents.

*f.* Formulating and adopting mutual regulations, statements of policy, guidelines, proposed statutory changes, and releases.

*g.* Issuing and enforcing subpoenas at the request of the agency administering this chapter in another jurisdiction, the securities agency of another jurisdiction, the commodity futures trading commission or the United States securities and exchange commission if the information sought would also be subject to lawful subpoena for conduct occurring in this state.

90 Acts, ch 1169, §15

Referred to in §502A.15

**502A.17 General authority to adopt rules, forms, and orders.**

1. In addition to specific authority granted elsewhere in this chapter, the administrator may adopt rules and forms, pursuant to chapter 17A, and issue orders as are necessary to administer this chapter. Rules or forms to be adopted shall include, but need not be limited to, the following:

*a.* Rules defining any terms, whether or not used in this chapter, insofar as the definitions are not inconsistent with the provisions of this chapter.

*b.* For the purpose of rules or forms, the administrator may classify commodities and commodity contracts, persons, and matters within the administrator's jurisdiction.

2. Unless specifically provided in this chapter, a rule, form, or order shall not be adopted or issued unless the administrator finds that the action is both of the following:

*a.* Necessary or appropriate in the public interest or for the protection of investors.

*b.* Consistent with the purposes fairly intended by the policy of this chapter.

3. All rules and forms of the administrator shall be published as provided in chapter 17A.

4. A provision of this chapter imposing any liability shall not apply to an act done or omitted in good faith in conformity with a rule or form adopted or order issued by the administrator, notwithstanding that the rule, order, or form may later be amended, or rescinded, or be determined by judicial or other authority to be invalid for any reason.

90 Acts, ch 1169, §16

**502A.18 Consent to service of process.**

When a person, including a nonresident of this state, engages in conduct prohibited or made actionable by this chapter or any rule or order of the administrator, the conduct shall constitute the appointment of the administrator as the person's attorney to receive service of any lawful process in a noncriminal proceeding against the person, a successor, or personal representative, which grows out of that conduct and which is brought under this chapter or any rule or order of the administrator with the same force and validity as if served personally.

90 Acts, ch 1169, §17

**502A.19 Chapter scope.**

1. Sections 502A.2, 502A.5, and 502A.6 apply to a person who sells or offers to sell when either of the following occurs:

*a.* An offer to sell is made in this state.

*b.* An offer to buy is made and accepted in this state.

2. Sections 502A.2, 502A.5, and 502A.6 apply to a person who buys or offers to buy when either of the following occur:

*a.* An offer to buy is made in this state.

*b.* An offer to sell is made and accepted in this state.

3. For the purpose of this section, an offer to sell or to buy is made in this state, whether or not either party is then present in this state, when either of the following occurs:

*a.* The offer originates from this state.

*b.* The offer is directed by the offeror to this state and received at the place to which it is directed, or at any post office in this state in the case of a mailed offer.

4. For the purpose of this section, an offer to buy or to sell is accepted in this state when the acceptance satisfies both of the following conditions:

*a.* The acceptance is communicated to the offeror in this state.

*b.* The acceptance has not previously been communicated to the offeror, orally or in writing, outside this state; and acceptance is communicated to the offeror in this state, whether or not either party is then present in this state, when the offeree directs it to the offeror in this state, reasonably believing the offeror to be in this state and it is received at the place to which it is directed, or at any post office in this state in the case of a mailed acceptance.

5. An offer to sell or to buy is not made in this state when either of the following occurs:

*a.* The publisher circulates or there is circulated on the publisher's behalf in this state any bona fide newspaper or other publication of general, regular, and paid circulation which is not published in this state, or which is published in this state but has had more than two-thirds of its circulation outside this state during the past twelve months.

*b.* A radio or television program originating outside this state is received in this state.

90 Acts, ch 1169, §18

**502A.20 Effect of pending judicial review.**

The filing of a petition for judicial review pursuant to chapter 17A does not, unless specifically ordered by the court, operate as a stay of the administrator's order, and the administrator may enforce or ask the court to enforce the order pending the outcome of the review proceedings.

90 Acts, ch 1169, §19

Referred to in §502A.4

**502A.21 Pleading exemptions.**

It is not necessary for the state to plead the absence of an exemption under this chapter in a complaint, information, or indictment, or a writ or proceeding brought under this chapter. The burden of proof of a claimed exemption is upon the party claiming the exemption.

90 Acts, ch 1169, §20

**502A.22 Affirmative defense.**

It is an affirmative defense in a complaint, information, indictment, writ, or proceeding brought under this chapter alleging a violation of section 502A.2 based solely on the failure in an individual case to make physical delivery within the applicable time period under section 502A.1, subsection 5, or section 502A.4, subsection 1, paragraph "*b*" if both of the following apply:

1. Failure to make physical delivery was due solely to factors beyond the control of the seller, the seller's officers, directors, partners, agents, servants, or employees, every person occupying a similar status or performing similar functions, every person who directly or indirectly controls or is controlled by the seller, or any of them, the seller's affiliates, subsidiaries, or successors.

2. Physical delivery was completed within a reasonable time under the applicable circumstances.

90 Acts, ch 1169, §21

# CHAPTER 503

RESERVED

# SUBTITLE 5

## NONPROFIT CORPORATIONS

Referred to in §491.39

# CHAPTER 504

## REVISED IOWA NONPROFIT CORPORATION ACT

Referred to in §7D.15, 9H.1, 9H.4, 10B.1, 10B.4, 10B.7, 10D.1, 15.106B, 15.107, 15E.64, 84A.1C, 123.173A, 190C.6, 217.41, 225C.13, 303.3, 306.46, 331.427, 331.441, 357A.2, 357A.11, 357A.15, 357A.20, 357A.21, 357A.22A, 357A.23, 357A.24, 423.3, 423.4, 425.11, 476.1, 476.27, 480.3, 490.1701, 497.22, 498.24, 499.5, 499.5A, 499.49, 500.3, 501A.102, 501B.14, 504B.1, 504B.6, 504C.1, 509.1, 513C.10, 514.1, 514.2, 514.5, 514.19, 514.23, 515.1, 547.1, 558.72, 616.10, 633.63, 669.14, 716.6B, 717F.7


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## SUBCHAPTER I

## GENERAL PROVISIONS

### PART 1

### SHORT TITLE AND APPLICATIONS

**504.101 Short title.**

This chapter shall be known and may be cited as the *"Revised Iowa Nonprofit Corporation Act"*.

2004 Acts, ch 1049, §1, 192

**504.102 Reservation of power to amend or repeal.**

The general assembly has power to amend or repeal all or part of this chapter at any time and all domestic and foreign corporations subject to this chapter are governed by the amendment or repeal.

2004 Acts, ch 1049, §2, 192

**504.103 through 504.110** Reserved.

### PART 2

### FILING DOCUMENTS

**504.111 Filing requirements.**

1. A document must satisfy the requirements of this section, and of any other section that adds to or varies these requirements, to be entitled to filing by the secretary of state.

2. This chapter must require or permit filing the document in the office of the secretary of state.

3. The document must contain the information required by this chapter. It may contain other information as well.

4. The document must be typewritten or printed. If the document is electronically transmitted, it must be in a format that can be retrieved or reproduced in typewritten or printed form.

5. The document must be in the English language. However, a corporate name need not be in English if written in English letters or Arabic or Roman numerals. The certificate of existence required of foreign corporations need not be in English if accompanied by a reasonably authenticated English translation.

6. The document must be executed by one of the following:

*a.* The presiding officer of the board of directors of a domestic or foreign corporation, its president, or by another of its officers.

*b.* If directors have not been selected or the corporation has not been formed, by an incorporator.

*c.* If the corporation is in the hands of a receiver, trustee, or other court-appointed fiduciary, by that fiduciary.

7. The person executing a document shall sign it and state beneath or opposite the signature the person's name and the capacity in which the person signs. The document may contain a corporate seal, an attestation, an acknowledgment, or a verification.

8. If the secretary of state has prescribed a mandatory form for a document under section 504.112, the document must be in or on the prescribed form.

9. The document must be delivered to the office of the secretary of state for filing. Delivery may be made by electronic transmission if and to the extent permitted by the secretary of state. If it is filed in typewritten or printed form and not transmitted electronically, the secretary of state may require one exact or conformed copy to be delivered with the document, except as provided in sections 504.503 and 504.1509.

10. When the document is delivered to the office of the secretary of state for filing, the correct filing fee, and any franchise tax, license fee, or penalty, shall be paid in a manner permitted by the secretary of state.

11. The secretary of state may adopt rules for the electronic filing of documents and the certification of electronically filed documents.

2004 Acts, ch 1049, §3, 192; 2005 Acts, ch 19, §77
Referred to in §504.116

**504.112 Forms.**

1. The secretary of state may prescribe and furnish on request forms for an application for a certificate of existence, a foreign corporation's application for a certificate of authority to transact business in this state, a foreign corporation's application for a certificate of withdrawal, and the biennial report. If the secretary of state so requires, use of these forms is mandatory.

2. The secretary of state may prescribe and furnish on request forms for other documents required or permitted to be filed by this chapter, but their use is not mandatory.

2004 Acts, ch 1049, §4, 192
Referred to in §504.111

**504.113 Filing, service, and copying fees.**

1. The secretary of state shall collect the following fees, as provided by the secretary of state, when the documents described in this subsection are delivered for filing:

| DOCUMENT | FEE |
|---|---|
| *a.* Articles of incorporation | $ __ |
| *b.* Application for use of indistinguishable name | $ __ |
| *c.* Application for reserved name | $ __ |
| *d.* Notice of transfer of reserved name | $ __ |
| *e.* Application for registered name | $ __ |
| *f.* Application for renewal of registered name | $ __ |
| *g.* Corporation's statement of change of registered agent or registered office or both | $ __ |
| *h.* Agent's statement of change of registered office for each affected corporation not to exceed a total of | $ __ |
| *i.* Agent's statement of resignation | No fee |
| *j.* Amendment of articles of incorporation | $ __ |
| *k.* Restatement of articles of incorporation with amendments | $ __ |
| *l.* Articles of merger | $ __ |
| *m.* Articles of dissolution | $ __ |
| *n.* Articles of revocation of dissolution | $ __ |
| *o.* Certificate of administrative dissolution | $ __ |
| *p.* Application for reinstatement following administrative dissolution | $ __ |
| *q.* Certificate of reinstatement | No fee |

*r.* Certificate of judicial dissolution ..... No fee
*s.* Application for certificate of authority ..... $ __
*t.* Application for amended certificate of authority ..... $ __
*u.* Application for certificate of withdrawal ..... $ __
*v.* Certificate of revocation of authority to transact business ..... No fee
*w.* Biennial report ..... $ __
*x.* Articles of correction ..... $ __
*y.* Application for certificate of existence or authorization ..... $ __
*z.* Any other document required or permitted to be filed by this chapter ..... $ __

2. The secretary of state shall collect a fee upon being served with process under this chapter. The party to a proceeding causing service of process is entitled to recover the fee paid the secretary of state as costs if the party prevails in the proceeding.

3. The secretary of state shall collect fees for copying and certifying the copy of any filed document relating to a domestic or foreign corporation.

2004 Acts, ch 1049, §5, 192
Authority to refund fees; 2012 Acts, ch 1131, §28; 2013 Acts, ch 135, §24, 52
Section not amended; footnote revised

**504.114 Effective date of document.**

1. Except as provided in subsection 2 and section 504.115, a document is effective at the later of the following times:

*a.* At the date and time of filing, as evidenced by such means as the secretary of state may use for the purpose of recording the date and time of filing.

*b.* At the time specified in the document as its effective time on the date it is filed.

2. A document may specify a delayed effective time and date, and if it does so the document becomes effective at the time and date specified. If a delayed effective date but no time is specified, the document is effective at the close of business on that date. A delayed effective date for a document shall not be later than the ninetieth day after the date filed.

2004 Acts, ch 1049, §6, 192
Referred to in §504.1613

**504.115 Correcting filed document.**

1. A domestic or foreign corporation may correct a document filed by the secretary of state if the document satisfies one of the following:

*a.* The document contains an inaccuracy.

*b.* The document was defectively executed, attested, sealed, verified, or acknowledged.

*c.* The electronic transmission was defective.

2. A document is corrected by doing both of the following:

*a.* By preparing articles of correction that satisfy all of the following requirements:

(1) Describe the document, including its filing date, or attach a copy of the document to the articles.

(2) Specify the inaccuracy or defect to be corrected.

(3) Correct the incorrect statement or defective execution.

*b.* By delivering the articles of correction to the secretary of state for filing.

3. Articles of correction are effective on the effective date of the document they correct except as to persons relying on the uncorrected document and adversely affected by the correction. As to those persons, articles of correction are effective when filed.

2004 Acts, ch 1049, §7, 192; 2005 Acts, ch 3, §79
Referred to in §504.114

**504.116 Filing duty of secretary of state.**

1. If a document delivered to the office of the secretary of state for filing satisfies the requirements of section 504.111, the secretary of state shall file it.

2. The secretary of state files a document by recording the document as filed on the date and the time of receipt. After filing a document, except as provided in sections 504.504, 504.1510, and 504.1613, the secretary of state shall deliver to the domestic or foreign corporation or its representative a copy of the document with an acknowledgment of the date and time of filing.

3. Upon refusing to file a document, the secretary of state shall return it to the domestic or foreign corporation or its representative, together with a brief, written explanation of the reason or reasons for the refusal.

4. The secretary of state's duty to file documents under this section is ministerial. Filing or refusal to file a document does not do any of the following:

*a.* Affect the validity or invalidity of the document in whole or in part.

*b.* Relate to the correctness or incorrectness of information contained in the document.

*c.* Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

2004 Acts, ch 1049, §8, 192

**504.117 Appeal from secretary of state's refusal to file document.**

1. If the secretary of state refuses to file a document delivered for filing to the secretary of state's office, the domestic or foreign corporation may appeal the refusal to the district court in the county where the corporation's principal office, or if there is none in this state, its registered office, is or will be located. The appeal is commenced by petitioning the court to compel filing the document and by attaching to the petition the document and the secretary of state's explanation of the refusal to file.

2. The court may summarily order the secretary of state to file the document or take other action the court considers appropriate.

3. The court's final decision may be appealed as in other civil proceedings.

2004 Acts, ch 1049, §9, 192

**504.118 Evidentiary effect of copy of filed document.**

A certificate from the secretary of state delivered with a copy of a document filed by the secretary of state is conclusive evidence that the original document is on file with the secretary of state.

2004 Acts, ch 1049, §10, 192

**504.119 Certificate of existence.**

1. Any person may apply to the secretary of state to furnish a certificate of existence for a domestic or foreign corporation.

2. The certificate of existence shall set forth all of the following:

*a.* The domestic corporation's corporate name or the foreign corporation's corporate name used in this state.

*b.* That the domestic corporation is duly incorporated under the laws of this state, the date of its incorporation, and the period of its duration if less than perpetual; or that the foreign corporation is authorized to transact business in this state.

*c.* That all fees have been paid.

*d.* That its most recent biennial report required by section 504.1613 has been delivered to the secretary of state.

*e.* That articles of dissolution have not been filed.

*f.* Other facts of record in the office of the secretary of state that may be requested by the applicant.

3. Subject to any qualification stated in the certificate, a certificate of existence issued by the secretary of state may be relied upon as conclusive evidence that the domestic or foreign corporation is in good standing in this state.

2004 Acts, ch 1049, §11, 192

**504.120 Penalty for signing false document.**

1. A person commits an offense by signing a document the person knows is false in any material respect with intent that the document be delivered to the secretary of state for filing.

2. An offense under this section is a serious misdemeanor punishable by a fine not to exceed one thousand dollars.

2004 Acts, ch 1049, §12, 192

**504.121 through 504.130** Reserved.

PART 3

SECRETARY OF STATE

**504.131 Powers.**

The secretary of state has all powers reasonably necessary to perform the duties required of the secretary of state's office by this chapter.

2004 Acts, ch 1049, §13, 192

**504.132 Secretary of state — internet site.**

The secretary of state shall place on the secretary of state's internet site a link to a free internet site with completed internal revenue service forms 990 and 990EZ.

2008 Acts, ch 1184, §72

**504.133 through 504.140** Reserved.

PART 4

DEFINITIONS

**504.141 Chapter definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Approved by the members"* or *"approval by the members"* means approved or ratified by the affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present, which affirmative votes also constitute a majority of the required quorum, or by a written ballot or written consent in conformity with this chapter or by the affirmative vote, written ballot, or written consent of such greater proportion, including the votes of all the members of any class, unit, or grouping as may be provided in the articles, bylaws, or this chapter for any specified member action.

2. *"Articles of incorporation"* or *"articles"* includes amended and restated articles of incorporation and articles of merger.

3. *"Board"* or *"board of directors"* means the board of directors of a corporation except that no person or group of persons are the board of directors because of powers delegated to that person or group pursuant to section 504.801.

4. *"Bylaws"* means the code or codes of rules other than the articles adopted pursuant to this chapter for the regulation or management of the affairs of a corporation irrespective of the name or names by which such rules are designated.

5. *"Class"* means a group of memberships which have the same rights with respect to voting, dissolution, redemption, and transfer. For purposes of this section, rights shall be considered the same if they are determined by a formula applied uniformly.

6. *"Corporation"* means a public benefit, mutual benefit, or religious corporation.

7. *"Delegates"* means those persons elected or appointed to vote in a representative assembly for the election of a director or directors or on other matters.

8. *"Deliver"* or *"delivery"* means any method of delivery used in conventional commercial

practice, including delivery in person, by mail, commercial delivery, and electronic transmission.

9. *"Directors"* means individuals, designated in the articles or bylaws or elected by the incorporators, and their successors and individuals elected or appointed by any other name or title to act as members of the board.

10. *"Distribution"* means the payment of a dividend or any part of the income or profit of a corporation to its members, directors, or officers.

11. *"Domestic corporation"* means a corporation.

12. *"Domestic unincorporated entity"* means an unincorporated entity whose internal affairs are governed by the laws of this state.

13. *"Effective date of notice"* is defined in section 504.142.

14. *"Electronic transmission"* or *"electronically transmitted"* means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient.

15. *"Employee"* does not include an officer or director of a corporation who is not otherwise employed by the corporation.

16. *"Entity"* includes a domestic or foreign business corporation; domestic or foreign nonprofit corporation; domestic or foreign unincorporated entity; estate; trust; state; the United States; governmental subdivision; and foreign government.

17. *"File"*, *"filed"*, or *"filing"* means filed in the office of the secretary of state.

18. *"Foreign corporation"* means a corporation organized under laws other than the laws of this state which would be a nonprofit corporation if formed under the laws of this state.

19. *"Foreign unincorporated entity"* means an unincorporated entity whose internal affairs are governed by an organic law of a jurisdiction other than this state.

20. *"Governmental subdivision"* includes an authority, county, district, and municipality.

21. *"Includes"* denotes a partial definition.

22. *"Individual"* includes the estate of an incompetent individual.

23. *"Means"* denotes a complete definition.

24. *"Member"* means a person who on more than one occasion, pursuant to the provisions of a corporation's articles or bylaws, has a right to vote for the election of a director or directors of a corporation, irrespective of how a member is defined in the articles or bylaws of the corporation. A person is not a member because of any of the following:

*a.* The person's rights as a delegate.

*b.* The person's rights to designate a director.

*c.* The person's rights as a director.

25. *"Membership"* refers to the rights and obligations a member or members have pursuant to a corporation's articles, bylaws, and this chapter.

26. *"Mutual benefit corporation"* means a domestic or foreign corporation that is required to be a mutual benefit corporation pursuant to section 504.1705.

27. *"Notice"* is defined in section 504.142.

28. *"Organic law"* means a statute principally governing the internal affairs of a domestic or foreign business corporation, nonprofit corporation, or unincorporated entity.

29. *"Organic record"* means a public organic record or private organic record.

30. *"Person"* includes any individual or entity.

31. *"Principal office"* means the office in or out of this state so designated in the biennial report filed pursuant to section 504.1613 where the principal offices of a domestic or foreign corporation are located.

32. *"Private organic record"* means any record, other than a public organic record, if any, that determines the internal governance of an unincorporated entity. Where a private organic record has been amended or restated, *"private organic record"* means the private organic record as last amended or restated.

33. *"Proceeding"* includes a civil suit and criminal, administrative, or investigatory actions.

34. *"Public benefit corporation"* means a domestic or foreign corporation that is required to be a public benefit corporation pursuant to section 504.1705.

35. *"Public organic record"* means the record, if any, that is filed of public record, to create

an unincorporated entity. Where a public organic record has been amended or restated, *"public organic record"* means the public organic record as last amended or restated.

36. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

37. *"Record date"* means the date established under subchapter VI or VII on which a corporation determines the identity of its members for the purposes of this chapter.

38. *"Religious corporation"* means a domestic or foreign corporation that engages in religious activity as one of the corporation's principal purposes.

39. *"Secretary"* means the corporate officer to whom the board of directors has delegated responsibility under section 504.841, subsection 2, for custody of the minutes of the directors' and members' meetings and for authenticating the records of the corporation.

40. *"Sign"* or *"signature"* includes a manual, facsimile, conformed, or electronic signature.

41. *"State"*, when referring to a part of the United States, includes a state and commonwealth and their agencies and governmental subdivisions, and a territory and insular possession and their agencies and governmental subdivisions of the United States.

42. *a.* *"Unincorporated entity"* means an organization or other legal entity that is not a corporation and that either has a separate legal existence or has the power to acquire an estate in real property in the entity's own name. *"Unincorporated entity"* includes a general partnership, limited liability company, limited partnership, business or statutory trust, joint stock association, and unincorporated nonprofit association.

*b.* *"Unincorporated entity"* does not include a domestic or foreign business corporation, a nonprofit corporation, an estate, a trust, a governmental subdivision, a state, the United States, or a foreign government.

43. *"United States"* includes a district, authority, bureau, commission, department, and any other agency of the United States.

44. *"Vote"* includes authorization by written ballot and written consent.

45. *"Voting power"* means the total number of votes entitled to be cast for the election of directors at the time the determination of voting power is made, excluding a vote that is contingent upon the happening of a condition or event that has not occurred at the time. When a class is entitled to vote as a class for directors, the determination of voting power of the class shall be based on the percentage of the number of directors the class is entitled to elect out of the total number of authorized directors.

2004 Acts, ch 1049, §14, 192; 2005 Acts, ch 19, §78; 2012 Acts, ch 1049, §1, 2
Referred to in §123.173A, 504.611

**504.142 Notice.**

1. Notice under this chapter must be in writing unless oral notice is reasonable under the circumstances. Notice by electronic transmission is written notice.

2. Subject to subsection 1, notice may be communicated in person, by mail, or other method of delivery; or by telephone, voice mail, or other electronic means. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published or by radio, television, or other form of public broadcast communication.

3. Oral notice is effective when communicated if communicated in a comprehensible manner.

4. Written notice by a domestic or foreign corporation to its member, if in a comprehensible form, is effective according to one of the following:

*a.* Upon deposit in the United States mail, if mailed postpaid and correctly addressed to the member's address shown in the corporation's current record of members.

*b.* When electronically transmitted to the member in a manner authorized by the member.

5. Except as provided in subsection 4, written notice, if in a comprehensible form, is effective at the earliest of the following:

*a.* When received.

*b.* Five days after its deposit in the United States mail, if mailed correctly addressed and with first class postage affixed.

*c.* On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

*d.* Thirty days after its deposit in the United States mail, if mailed correctly addressed and with other than first class, registered, or certified postage affixed.

6. Written notice is correctly addressed to a member of a domestic or foreign corporation if addressed to the member's address shown in the corporation's current list of members.

7. A written notice or report delivered as part of a newsletter, magazine, or other publication regularly sent to members shall constitute a written notice or report if addressed or delivered to the member's address shown in the corporation's current list of members, or in the case of members who are residents of the same household and who have the same address in the corporation's current list of members, if addressed or delivered to one of such members, at the address appearing on the current list of members.

8. Written notice is correctly addressed to a domestic or foreign corporation authorized to transact business in this state, other than in its capacity as a member, if addressed to its registered agent or to its secretary at its principal office shown in its most recent biennial report or, in the case of a foreign corporation that has not yet delivered a biennial report, in its application for a certificate of authority.

9. If section 504.705, subsection 2, or any other provision of this chapter prescribes notice requirements for particular circumstances, those requirements govern. If articles or bylaws prescribe notice requirements not inconsistent with this section or other provisions of this chapter, those requirements govern.

2004 Acts, ch 1049, §15, 192; 2005 Acts, ch 19, §79, 80

Referred to in §504.141

**504.143 through 504.150** Reserved.

## PART 5

## JUDICIAL RELIEF

**504.151 Judicial relief.**

1. If for any reason it is impractical or impossible for a corporation to call or conduct a meeting of its members, delegates, or directors, or otherwise obtain their consent, in the manner prescribed by its articles, bylaws, or this chapter, then upon petition of a director, officer, delegate, member, or the attorney general, the district court may order that such a meeting be called or that a written ballot or other form of obtaining the vote of members, delegates, or directors be authorized, in such a manner as the court finds fair and equitable under the circumstances.

2. The court shall, in an order issued pursuant to this section, provide for a method of notice reasonably designed to give actual notice to all persons who would be entitled to notice of a meeting held pursuant to the articles, bylaws, and this chapter, whether or not the method results in actual notice to all such persons or conforms to the notice requirements that would otherwise apply. In a proceeding under this section, the court may determine who the members or directors are.

3. An order issued pursuant to this section may dispense with any requirement relating to the holding of or voting at meetings or obtaining votes, including any requirement as to quorums or as to the number or percentage of votes needed for approval, that would otherwise be imposed by the articles, bylaws, or this chapter.

4. Whenever practical, an order issued pursuant to this section shall limit the subject matter of meetings or other forms of consent authorized to items, including amendments to the articles or bylaws, the resolution of which will or may enable the corporation to continue managing its affairs without further resort to this section; provided, however, that an order under this section may also authorize the obtaining of whatever votes and approvals are necessary for the dissolution, merger, or sale of assets.

5. A meeting or other method of obtaining the vote of members, delegates, or directors

conducted pursuant to an order issued under this section, and which complies with all the provisions of such order, is for all purposes a valid meeting or vote, as the case may be, and shall have the same force and effect as if it complied with every requirement imposed by the articles, bylaws, and this chapter.

2004 Acts, ch 1049, §16, 192

**504.152 through 504.200** Reserved.

SUBCHAPTER II

ORGANIZATION

**504.201 Incorporators.**

One or more persons may act as the incorporator or incorporators of a corporation by delivering articles of incorporation to the secretary of state for filing.

2004 Acts, ch 1049, §17, 192

Referred to in §15E.64

**504.202 Articles of incorporation.**

1. The articles of incorporation shall set forth all of the following:

*a.* A corporate name for the corporation that satisfies the requirements of section 504.401.

*b.* The address of the corporation's initial registered office and the name of its initial registered agent at that office.

*c.* The name and address of each incorporator.

*d.* Whether the corporation will have members. A corporation incorporated prior to January 1, 2005, may state whether it will have members in either the articles of incorporation or in the corporate bylaws.

*e.* For corporations incorporated after January 1, 2005, provisions not inconsistent with law regarding the distribution of assets on dissolution.

2. The articles of incorporation may set forth any of the following:

*a.* The purpose for which the corporation is organized, which may be, either alone or in combination with other purposes, the transaction of any lawful activity.

*b.* The names and addresses of the individuals who are to serve as the initial directors.

*c.* Provisions not inconsistent with law regarding all of the following:

(1) Managing and regulating the affairs of the corporation.

(2) Defining, limiting, and regulating the powers of the corporation, its board of directors, and members, or any class of members.

(3) The characteristics, qualifications, rights, limitations, and obligations attaching to each or any class of members.

*d.* (1) A provision eliminating or limiting the liability of a director to the corporation or its members for money damages for any action taken, or any failure to take any action, as a director, except liability for any of the following:

(a) The amount of a financial benefit received by a director to which the director is not entitled.

(b) An intentional infliction of harm on the corporation or its members.

(c) A violation of section 504.835.

(d) An intentional violation of criminal law.

(2) A provision set forth in the articles of incorporation pursuant to this paragraph shall not eliminate or limit the liability of a director for an act or omission that occurs prior to the date when the provision becomes effective. The absence of a provision eliminating or limiting the liability of a director pursuant to this paragraph shall not affect the applicability of section 504.901.

*e.* A provision permitting or requiring a corporation to indemnify a director for liability, as defined in section 504.851, subsection 5, to a person for any action taken, or any failure to take any action, as a director except liability for any of the following:

(1) Receipt of a financial benefit to which the person is not entitled.
(2) Intentional infliction of harm on the corporation or its members.
(3) A violation of section 504.835.
(4) Intentional violation of criminal law.

*f.* Any provision that under this chapter is required or permitted to be set forth in the bylaws.

3. An incorporator named in the articles must sign the articles.

4. The articles of incorporation need not set forth any of the corporate powers enumerated in this chapter.

2004 Acts, ch 1049, §18, 192; 2005 Acts, ch 19, §81, 82; 2012 Acts, ch 1023, §157
Referred to in §504.832, 504.852, 504.854, 504.901

**504.203 Incorporation.**

1. Unless a delayed effective date is specified, the corporate existence begins when the articles of incorporation are filed.

2. The secretary of state's filing of the articles of incorporation is conclusive proof that the incorporators satisfied all conditions precedent to incorporation except in a proceeding by the state to cancel or revoke the incorporation or involuntarily dissolve the corporation.

2004 Acts, ch 1049, §19, 192

**504.204 Liability for preincorporation transactions.**

All persons purporting to act as or on behalf of a corporation, knowing there was no incorporation under this chapter, are jointly and severally liable for all liabilities created while so acting.

2004 Acts, ch 1049, §20, 192

**504.205 Organization of corporation.**

1. After incorporation:

*a.* If initial directors are named in the articles of incorporation, the initial directors shall hold an organizational meeting, at the call of a majority of the directors, to complete the organization of the corporation by appointing officers, adopting bylaws, and carrying on any other business brought before the meeting.

*b.* If initial directors are not named in the articles, the incorporator or incorporators shall hold an organizational meeting at the call of a majority of the incorporators to do one of the following:

(1) Elect directors and complete the organization of the corporation.
(2) Elect a board of directors who shall complete the organization of the corporation.

2. Action required or permitted by this chapter to be taken by incorporators at an organizational meeting may be taken without a meeting if the action taken is evidenced by one or more written consents describing the action taken and signed by each incorporator.

3. An organizational meeting may be held in or out of this state in accordance with section 504.821.

2004 Acts, ch 1049, §21, 192

**504.206 Bylaws.**

1. The incorporators or board of directors of a corporation shall adopt bylaws for the corporation.

2. The bylaws may contain any provision for regulating and managing the affairs of the corporation that is not inconsistent with law or the articles of incorporation.

2004 Acts, ch 1049, §22, 192

**504.207 Emergency bylaws and powers.**

1. Unless the articles provide otherwise, the directors of a corporation may adopt, amend, or repeal bylaws to be effective only in an emergency as described in subsection 4. The emergency bylaws, which are subject to amendment or repeal by the members, may provide

special procedures necessary for managing the corporation during the emergency, including all of the following:

*a.* How to call a meeting of the board.

*b.* Quorum requirements for the meeting.

*c.* Designation of additional or substitute directors.

2. All provisions of the regular bylaws consistent with the emergency bylaws remain effective during the emergency. The emergency bylaws are not effective after the emergency ends.

3. Corporate action taken in good faith in accordance with the emergency bylaws does both of the following:

*a.* Binds the corporation.

*b.* Shall not be used to impose liability on a corporate director, officer, employee, or agent.

4. An emergency exists for purposes of this section if a quorum of the corporation's directors cannot readily be assembled because of some catastrophic event.

2004 Acts, ch 1049, §23, 192

See also §504.303

**504.208 through 504.300** Reserved.

## SUBCHAPTER III

## PURPOSES AND POWERS

**504.301 Purposes.**

1. Every corporation incorporated under this chapter has the purpose of engaging in any lawful activity unless a more limited purpose is set forth in the articles of incorporation.

2. A corporation engaging in an activity that is subject to regulation under another statute of this state may incorporate under this chapter only if incorporation under this chapter is not prohibited by the other statute. The corporation shall be subject to all limitations of the other statute.

2004 Acts, ch 1049, §24, 192

Referred to in §504.401

**504.302 General powers.**

Unless its articles of incorporation provide otherwise, every corporation has perpetual duration and succession in its corporate name and has the same powers as an individual to do all things necessary or convenient to carry out its affairs, including without limitation all of the following powers:

1. Sue and be sued, complain, and defend in its corporate name.

2. Have a corporate seal, which may be altered at will, and to use it, or a facsimile of it, by impressing, affixing, or in any other manner reproducing it.

3. Make and amend bylaws not inconsistent with its articles of incorporation or with the laws of this state, for regulating and managing the affairs of the corporation.

4. Purchase, receive, lease, or otherwise acquire, and own, hold, improve, use, and otherwise deal with real or personal property, or any legal or equitable interest in property, wherever located.

5. Sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property.

6. Purchase, receive, subscribe for, or otherwise acquire, own, hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of, and deal in and with, shares or other interests in, or obligations of, any entity.

7. Make contracts and guarantees, incur liabilities, borrow money, issue notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, franchises, or income.

8. Lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment, except as limited by section 504.833.

9. Be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other entity.

10. Conduct its activities, locate offices, and exercise the powers granted by this chapter in or out of this state.

11. Elect or appoint directors, officers, employees, and agents of the corporation, define their duties, and fix their compensation.

12. Pay pensions and establish pension plans, pension trusts, and other benefit and incentive plans for any or all of its current or former directors, officers, employees, and agents.

13. Make donations not inconsistent with law for the public welfare or for charitable, religious, scientific, or educational purposes and for other purposes that further the corporate interest.

14. Impose dues, assessments, and admission and transfer fees upon its members.

15. Establish conditions for admission of members, admit members, and issue memberships.

16. Carry on a business.

17. Do all things necessary or convenient, not inconsistent with law, to further the activities and affairs of the corporation.

2004 Acts, ch 1049, §25, 192

**504.303 Emergency powers.**

1. In anticipation of or during an emergency as described in subsection 4, the board of directors of a corporation may do both of the following:

*a.* Modify lines of succession to accommodate the incapacity of any director, officer, employee, or agent.

*b.* Relocate the principal office, designate alternative principal offices or regional offices, or authorize an officer to do so.

2. During an emergency described in subsection 4, unless emergency bylaws provide otherwise, all of the following shall apply:

*a.* Notice of a meeting of the board of directors need be given only to those directors whom it is practicable to reach and such notice may be given in any practicable manner, including by publication and radio.

*b.* One or more officers of the corporation present at a meeting of the board of directors may be deemed to be directors for the meeting, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum.

3. Corporate action taken in good faith during an emergency under this section to further the ordinary affairs of the corporation does both of the following:

*a.* Binds the corporation.

*b.* Shall not be used to impose liability on a corporate director, officer, employee, or agent.

4. An emergency exists for purposes of this section if a quorum of the corporation's directors cannot readily be assembled because of some catastrophic event.

2004 Acts, ch 1049, §26, 192

See also §504.207

**504.304 Ultra vires.**

1. Except as provided in subsection 2, the validity of corporate action shall not be challenged on the ground that the corporation lacks or lacked power to act.

2. A corporation's power to act may be challenged in a proceeding against the corporation to enjoin an act when a third party has not acquired rights. The proceeding may be brought by the attorney general, a director, or by a member or members in a derivative proceeding.

3. A corporation's power to act may be challenged in a proceeding against an incumbent or former director, officer, employee, or agent of the corporation. The proceeding may be brought by a director, the corporation, directly, derivatively, or through a receiver, a trustee

or other legal representative, or in the case of a public benefit corporation, by the attorney general.

2004 Acts, ch 1049, §27, 192; 2004 Acts, ch 1175, §384

**504.305 through 504.400** Reserved.

SUBCHAPTER IV

NAMES

**504.401 Corporate name.**

1. A corporate name shall not contain language stating or implying that the corporation is organized for a purpose other than that permitted by section 504.301 and its articles of incorporation.

2. Except as authorized by subsections 3 and 4, a corporate name must be distinguishable upon the records of the secretary of state from:

*a.* The corporate name of any other nonprofit or business corporation incorporated or authorized to do business in this state.

*b.* A name reserved, registered, or protected as follows:

(1) For a limited liability partnership, section 486A.1001 or 486A.1002.

(2) For a limited partnership, section 488.108, 488.109, or 488.810.

(3) For a business corporation, section 490.401, 490.402, 490.403, or 490.1422.

(4) For a limited liability company under chapter 489, section 489.108, 489.109, or 489.706.

(5) For a nonprofit corporation, this section or section 504.402, 504.403, or 504.1423.

*c.* The fictitious name of a foreign business or nonprofit corporation authorized to transact business in this state because its real name is unavailable.

3. A corporation may apply to the secretary of state for authorization to use a name that is not distinguishable upon the secretary of state's records from one or more of the names described in subsection 2. The secretary of state shall authorize use of the name applied for if either of the following applies:

*a.* The other corporation consents to the use of the name in writing and submits an undertaking in a form satisfactory to the secretary of state to change its name to a name that is distinguishable upon the records of the secretary of state from the name of the applying corporation.

*b.* The applicant delivers to the secretary of state a certified copy of a final judgment from a court of competent jurisdiction establishing the applicant's right to use the name applied for in this state.

4. A corporation may use the name, including the fictitious name, of another domestic or foreign business or nonprofit corporation that is being used in this state if the other corporation is incorporated or authorized to do business in this state and the proposed user corporation submits documentation to the satisfaction of the secretary of state establishing any of the following conditions:

*a.* The user corporation has merged with the other corporation.

*b.* The user corporation has been formed by reorganization of the other corporation.

*c.* The user corporation has acquired all or substantially all of the assets, including the corporate name, of the other corporation.

5. This chapter does not control the use of fictitious names; however, if a corporation or a foreign corporation uses a fictitious name in this state, it shall deliver to the secretary of state for filing a copy of the resolution of its board of directors, certified by its secretary, adopting the fictitious name.

2004 Acts, ch 1049, §28, 192; 2004 Acts, ch 1049, §191; 2005 Acts, ch 19, §83, 84; 2006 Acts, ch 1089, §46; 2008 Acts, ch 1162, §145, 154, 155

Referred to in §488.108, 490.401, 504.202, 504.403, 504.1423, 504.1506

**504.402 Reserved name.**

1. A person may reserve the exclusive use of a corporate name, including a fictitious name for a foreign corporation whose corporate name is not available by delivering an application to the secretary of state for filing. Upon finding that the corporate name applied for is available, the secretary of state shall reserve the name for the applicant's exclusive use for a nonrenewable one hundred twenty-day period.

2. The owner of a reserved corporate name may transfer the reservation to another person by delivering to the secretary of state a signed notice of the transfer that states the name and address of the transferee.

2004 Acts, ch 1049, §29, 192

Referred to in §488.108, 490.401, 504.401, 504.403, 504.1506, 524.310

**504.403 Registered name.**

1. A foreign corporation may register its corporate name, or its corporate name with any change required by section 504.1506, if the name is distinguishable upon the records of the secretary of state from both of the following:

*a.* The corporate name of a nonprofit or business corporation incorporated or authorized to do business in this state.

*b.* A name reserved, registered, or protected as follows:

(1) For a limited liability partnership, section 486A.1001 or 486A.1002.

(2) For a limited partnership, section 488.108, 488.109, or 488.810.

(3) For a business corporation, section 490.401, 490.402, 490.403, or 490.1422.

(4) For a limited liability company under chapter 489, section 489.108, 489.109, or 489.706.

(5) For a nonprofit corporation, this section or section 504.401, 504.402, or 504.1423.

2. A foreign corporation shall register its corporate name, or its corporate name with any change required by section 504.1506, by delivering to the secretary of state an application that does both of the following:

*a.* Sets forth its corporate name, or its corporate name with any change required by section 504.1506, the state or country and date of its incorporation, and a brief description of the nature of the activities in which it is engaged.

*b.* Is accompanied by a certificate of existence, or a document of similar import, from the state or country of incorporation.

3. The name is registered for the applicant's exclusive use upon the effective date of the application.

4. A foreign corporation whose registration is effective may renew it for successive years by delivering to the secretary of state for filing a renewal application which complies with the requirements of subsection 2, between October 1 and December 31 of the preceding year. The renewal application renews the registration for the following calendar year.

5. A foreign corporation whose registration is effective may thereafter qualify as a foreign corporation under that name or consent in writing to the use of that name by a corporation thereafter incorporated under this chapter or by another foreign corporation thereafter authorized to transact business in this state. The registration terminates when the domestic corporation is incorporated or the foreign corporation qualifies or consents to the qualification of another foreign corporation under the registered name.

2004 Acts, ch 1049, §30, 192; 2004 Acts, ch 1049, §191; 2005 Acts, ch 19, §85; 2006 Acts, ch 1089, §47; 2008 Acts, ch 1162, §146, 154, 155

Referred to in §488.108, 490.401, 504.401, 504.1506, 524.310

**504.404 through 504.500** Reserved.

## SUBCHAPTER V

## OFFICE AND AGENT

**504.501 Registered office and registered agent.**

A corporation shall continuously maintain both of the following in this state:

1. A registered office with the same address as that of the registered agent.

2. A registered agent, who may be any of the following:

*a.* An individual who resides in this state and whose business office is identical with the registered office.

*b.* A domestic business or nonprofit corporation whose business office is identical to the registered office.

*c.* A foreign business or nonprofit corporation authorized to transact business in this state whose business office is identical to the registered office.

2004 Acts, ch 1049, §31, 192

**504.502 Change of registered office or registered agent.**

1. A corporation may change its registered office or registered agent by delivering to the secretary of state for filing a statement of change that sets forth all of the following:

*a.* The name of the corporation.

*b.* If the current registered office is to be changed, the address of the new registered office.

*c.* If the current registered agent is to be changed, the name of the new registered agent and the new agent's written consent, either on the statement or attached to it, to the change.

*d.* That after the change or changes are made, the addresses of its registered office and the office of its registered agent will be identical.

2. If the address of a registered agent's business office is changed, the registered agent may change the address of the registered office of any corporation for which the registered agent is the registered agent by notifying the corporation in writing of the change and by signing, either manually or in facsimile, and delivering to the secretary of state for filing, a statement that complies with the requirements of subsection 1 and recites that the corporation has been notified of the change.

3. If a registered agent changes the registered agent's business address to another place, the registered agent may change the address of the registered office of any corporation for which the registered agent is the registered agent by filing a statement as required in subsection 2 for each corporation, or by filing a single statement for all corporations named in the notice, except that it need be signed, either manually or in facsimile, only once by the registered agent and must recite that a copy of the statement has been mailed to each corporation named in the notice.

2004 Acts, ch 1049, §32, 192

Referred to in §504.1613

**504.503 Resignation of registered agent.**

1. *a.* A registered agent may resign as registered agent by signing and delivering to the secretary of state for filing a signed original statement of resignation. The statement may include a statement that the registered office is also discontinued.

*b.* The registered agent shall send a copy of the statement of resignation by certified mail to the corporation at its principal office and to the registered office, if not discontinued. The registered agent shall certify to the secretary of state that copies have been sent to the corporation, including the date the copies were sent.

2. The agency appointment is terminated, and the registered office discontinued if so provided, on the date the statement was filed.

2004 Acts, ch 1049, §33, 192; 2012 Acts, ch 1023, §157

Referred to in §504.111, 504.1613

**504.504 Service on corporation.**

1. A corporation's registered agent is the corporation's agent for service of process, notice, or demand required or permitted by law to be served on the corporation.

2. If a corporation has no registered agent, or the agent cannot with reasonable diligence be served, the corporation may be served by registered or certified mail, return receipt requested, addressed to the secretary of the corporation at its principal office shown in the most recent biennial report filed pursuant to section 504.1613. Service is perfected under this subsection on the earliest of any of the following:

*a.* The date the corporation receives the mail.

*b.* The date shown on the return receipt, if signed on behalf of the corporation.

*c.* Five days after its deposit in the United States mail, if mailed and correctly addressed with first class postage affixed.

3. This section does not prescribe the only means, or necessarily the required means, of serving a corporation. A corporation may also be served in any other manner permitted by law.

2004 Acts, ch 1049, §34, 192

Referred to in §504.116, 504.1422, 504.1423, 504.1424

**504.505 through 504.600** Reserved.

## SUBCHAPTER VI

## MEMBERS AND MEMBERSHIPS

Referred to in §504.141

## PART 1

## ADMISSION OF MEMBERS

**504.601 Admission.**

1. The articles or bylaws may establish criteria or procedures for admission of members.

2. A person shall not be admitted as a member without the person's consent or affirmative action evidencing consent.

2004 Acts, ch 1049, §35, 192

**504.602 Consideration.**

Except as provided in its articles or bylaws, a corporation may admit members for no consideration or for such consideration as is determined by the board.

2004 Acts, ch 1049, §36, 192

**504.603 No requirement of members.**

A corporation is not required to have members.

2004 Acts, ch 1049, §37, 192

**504.604 through 504.610** Reserved.

## PART 2

## TYPES OF MEMBERSHIPS — MEMBERS' RIGHTS AND OBLIGATIONS

**504.611 Differences in rights and obligations of members.**

All members shall have the same rights and obligations with respect to voting, dissolution, redemption, and transfer, unless the articles or bylaws establish classes of membership with

different rights or obligations. All members shall have the same rights and obligations with respect to any other matters, except as set forth in or authorized by the articles or bylaws. A person that does not meet the qualifications for a member under section 504.141, subsection 24, and is identified as a member in the articles or bylaws of the corporation shall have only those rights set forth for such a member in the articles or bylaws of the corporation.
2004 Acts, ch 1049, §38, 192

**504.612 Transfers.**
1. Except as set forth in or authorized by the articles or bylaws, a member of a mutual benefit corporation shall not transfer a membership or any right arising therefrom.
2. A member of a public benefit or religious corporation shall not transfer a membership or any right arising therefrom.
3. Where transfer rights have been provided, a restriction on them shall not be binding with respect to a member holding a membership issued prior to the adoption of the restriction unless the restriction is approved by the members and the affected member.
2004 Acts, ch 1049, §39, 192

**504.613 Member's liability to third parties.**
A member of a corporation is not, as such, personally liable for the acts, debts, liabilities, or obligations of the corporation.
2004 Acts, ch 1049, §40, 192

**504.614 Member's liability for dues, assessments, and fees.**
A member may become liable to the corporation for dues, assessments, or fees. However, an article or bylaw provision or a resolution adopted by the board authorizing or imposing dues, assessments, or fees does not, of itself, create liability.
2004 Acts, ch 1049, §41, 192

**504.615 Creditor's action against member.**
1. A proceeding shall not be brought by a creditor to reach the liability, if any, of a member to the corporation unless final judgment has been rendered in favor of the creditor against the corporation and execution has been returned unsatisfied in whole or in part or unless such proceeding would be useless.
2. All creditors of the corporation, with or without reducing their claims to judgment, may intervene in any creditor's proceeding brought under subsection 1 to reach and apply unpaid amounts due the corporation. Any or all members who owe amounts to the corporation may be joined in such proceeding.
2004 Acts, ch 1049, §42, 192

**504.616 through 504.620** Reserved.

## PART 3

## RESIGNATION AND TERMINATION

**504.621 Resignation.**
1. A member may resign at any time.
2. The resignation of a member does not relieve the member from any obligations the member may have to the corporation as a result of obligations incurred or commitments made prior to resignation.
2004 Acts, ch 1049, §43, 192

**504.622 Termination, expulsion, or suspension.**
1. A membership in a public benefit or mutual benefit corporation may be terminated or

suspended for the reasons and in the manner provided in the articles of incorporation or bylaws.

2. To the extent the articles of incorporation or bylaws do not address the termination or suspension of a member, a member of a public benefit or mutual benefit corporation shall not be expelled or suspended, and a membership or memberships in such a corporation shall not be terminated or suspended except pursuant to a procedure which is fair and reasonable and is carried out in good faith.

3. A procedure is fair and reasonable when either of the following occurs:

*a.* The articles or bylaws set forth a procedure which provides both of the following:

(1) Not less than fifteen days' prior written notice of the expulsion, suspension, or termination and the reasons therefor.

(2) An opportunity for the member to be heard, orally or in writing, not less than five days before the effective date of the expulsion, suspension, or termination by a person or persons authorized to decide that the proposed expulsion, termination, or suspension not take place.

*b.* The procedure requires consideration of all relevant facts and circumstances surrounding the expulsion, suspension, or termination by a person or persons authorized to make a decision regarding the proposed expulsion, termination, or suspension.

4. Any written notice given by mail pursuant to this section must be given by first class or certified mail sent to the last address of the member shown on the corporation's records.

5. A proceeding challenging an expulsion, suspension, or termination, including a proceeding alleging defective notice, must be commenced within one year after the effective date of the expulsion, suspension, or termination.

6. A member who has been expelled or suspended may be liable to the corporation for dues, assessments, or fees as a result of obligations incurred or commitments made prior to expulsion or suspension.

2004 Acts, ch 1049, §44, 192; 2012 Acts, ch 1049, §3, 4

Referred to in §504.1032

**504.623 Purchase of memberships.**

1. A public benefit or religious corporation shall not purchase any of its memberships or any right arising therefrom.

2. A mutual benefit corporation may purchase the membership of a member who resigns or whose membership is terminated for the amount and pursuant to the conditions set forth in or authorized by its articles or bylaws. A payment shall not be made in violation of subchapter XIII.

2004 Acts, ch 1049, §45, 192

**504.624 through 504.630** Reserved.

## PART 4

## DERIVATIVE PROCEEDINGS

**504.631 Derivative proceedings — definition.**

In this part, unless the context otherwise requires, "*derivative proceeding*" means a civil suit in the right of a domestic corporation or, to the extent provided in section 504.638, in the right of a foreign corporation.

2004 Acts, ch 1049, §46, 192

Referred to in §504.810

**504.632 Standing.**

A derivative proceeding may be brought by any of the following persons:

1. A member or members of the corporation representing five percent or more of the voting power of the corporation or by fifty members, whichever is less.

2. A director of the corporation.

2004 Acts, ch 1049, §47, 192

**504.633 Demand.**

A derivative proceeding shall not be commenced until both of the following have occurred:

1. A written demand has been made upon the corporation to take suitable action.

2. Ninety days have expired from the date the demand was made, unless the member or director has earlier been notified that the demand has been rejected by the corporation or unless irreparable injury to the corporation would result by waiting for the expiration of the ninety-day period.

2004 Acts, ch 1049, §48, 192

Referred to in §504.810

**504.634 Stay of proceedings.**

If a corporation commences an inquiry into the allegations made in a demand or complaint, the court may stay any derivative proceeding for a period of time as the court deems appropriate.

2004 Acts, ch 1049, §49, 192

Referred to in §504.638, 504.810

**504.635 Dismissal.**

1. A derivative proceeding shall be dismissed by the court on motion by the corporation if one of the groups specified in subsection 2 or 6 has determined in good faith after conducting a reasonable inquiry upon which its conclusions are based that the maintenance of the derivative proceeding is not in the best interests of the corporation. A corporation moving to dismiss on this basis shall submit in support of the motion a short and concise statement of the reasons for its determination.

2. Unless a panel is appointed pursuant to subsection 6, the determination in subsection 1 shall be made by one of the following:

*a.* A majority vote of independent directors present at a meeting of the board of directors if the independent directors constitute a quorum.

*b.* A majority vote of a committee consisting of two or more independent directors appointed by majority vote of independent directors present at a meeting of the board of directors, whether or not such independent directors constitute a quorum.

3. None of the following shall by itself cause a director to be considered not independent for purposes of this section:

*a.* The nomination or election of the director by persons who are defendants in the derivative proceeding or against whom action is demanded.

*b.* The naming of the director as a defendant in the derivative proceeding or as a person against whom action is demanded.

*c.* The approval by the director of the act being challenged in the derivative proceeding or demand if the act resulted in no personal benefit to the director.

4. *a.* If a derivative proceeding is commenced after a determination has been made rejecting a demand by a member or director, the complaint shall allege with particularity facts establishing one of the following:

(1) That a majority of the board of directors did not consist of independent directors at the time the determination was made.

(2) That the requirements of subsection 1 have not been met.

*b.* All discovery and other proceedings shall be stayed during the pendency of any motion to dismiss unless the court finds upon the motion of any party that particularized discovery is necessary to preserve evidence or prevent undue prejudice to that party.

5. If a majority of the board of directors does not consist of independent directors at the time the determination is made, the corporation shall have the burden of proving that the requirements of subsection 1 have been met. If a majority of the board of directors consists of independent directors at the time the determination is made, the plaintiff shall have the burden of proving that the requirements of subsection 1 have not been met.

6. The court may appoint a panel of one or more independent persons upon motion by the corporation to make a determination whether the maintenance of the derivative proceeding

is in the best interests of the corporation. In such case, the plaintiff shall have the burden of proving that the requirements of subsection 1 have not been met.

2004 Acts, ch 1049, §50, 192; 2012 Acts, ch 1023, §157
Referred to in §504.810

**504.636 Discontinuance or settlement.**

A derivative proceeding shall not be discontinued or settled without the court's approval. If the court determines that a proposed discontinuance or settlement will substantially affect the interests of a corporation's member or class of members or director, the court shall direct that notice be given to the members or director affected.

2004 Acts, ch 1049, §51, 192
Referred to in §504.638, 504.810

**504.637 Payment of expenses.**

On termination of a derivative proceeding, the court may do either of the following:

1. Order the corporation to pay the plaintiff's reasonable expenses, including attorney fees incurred in the proceeding, if it finds that the proceeding has resulted in a substantial benefit to the corporation.

2. Order the plaintiff to pay any defendant's reasonable expenses, including attorney fees incurred in defending the proceeding, if it finds that the proceeding was commenced or maintained without reasonable cause or for an improper purpose.

2004 Acts, ch 1049, §52, 192
Referred to in §504.638, 504.810

**504.638 Applicability to foreign corporations.**

In any derivative proceeding in the right of a foreign corporation, the matters covered by this part shall be governed by the laws of the jurisdiction of incorporation of the foreign corporation except that sections 504.634, 504.636, and 504.637 shall apply.

2004 Acts, ch 1049, §53, 192
Referred to in §504.631, 504.810

**504.639 and 504.640** Reserved.

## PART 5

## DELEGATES

**504.641 Delegates.**

1. A corporation may provide in its articles or bylaws for delegates having some or all of the authority of members.

2. The articles or bylaws may set forth provisions relating to all of the following:

*a.* The characteristics, qualifications, rights, limitations, and obligations of delegates including their selection and removal.

*b.* Calling, noticing, holding, and conducting meetings of delegates.

*c.* Carrying on corporate activities during and between meetings of delegates.

2004 Acts, ch 1049, §54, 192

**504.642 through 504.700** Reserved.

## SUBCHAPTER VII

## MEMBERS' MEETINGS AND VOTING

Referred to in §504.141

## PART 1

## MEETINGS AND ACTION WITHOUT MEETINGS

**504.701 Annual and regular meetings.**

1. A corporation with members shall hold a membership meeting annually at a time stated in or fixed in accordance with the bylaws.

2. A corporation with members may hold regular membership meetings at the times stated in or fixed in accordance with the bylaws.

3. Annual or regular membership meetings may be held in or out of this state at the place stated in or fixed in accordance with the bylaws. If a place is not stated in or fixed in accordance with the bylaws, annual and regular meetings shall be held at the corporation's principal office.

4. At the annual meeting all of the following shall occur:

*a.* The president and chief financial officer shall report on the activities and financial condition of the corporation.

*b.* The members shall consider and act upon such other matters as may be raised consistent with the notice requirements of sections 504.705 and 504.713, subsection 4.

5. At regular meetings, the members shall consider and act upon such matters as may be raised consistent with the notice requirements of sections 504.705 and 504.713, subsection 4.

6. The failure to hold an annual or regular meeting at a time stated in or fixed in accordance with a corporation's bylaws does not affect the validity of any corporate action.

7. The articles of incorporation or bylaws may provide that an annual or regular meeting of members is not required to be held at a geographic location if the meeting is held by means of the internet or other electronic communications technology in a manner pursuant to which the members have the opportunity to read or hear the proceedings substantially concurrent with the occurrence of the proceedings, vote on matters submitted to the members, pose questions, and make comments.

2004 Acts, ch 1049, §55, 192; 2012 Acts, ch 1049, §5

**504.702 Special meeting.**

1. A corporation with members shall hold a special meeting of members when either of the following occurs:

*a.* At the call of its board or the person or persons authorized to do so by the corporation's articles or bylaws.

*b.* Except as provided in the articles or bylaws of a corporation, if the holders of at least five percent of the voting power of any corporation sign, date, and deliver to any corporate officer one or more written demands for the meeting describing the purpose for which it is to be held. Unless otherwise provided in the articles of incorporation, a written demand for a special meeting may be revoked by a writing to that effect received by the corporation prior to the receipt by the corporation of demands sufficient in number to require the holding of a special meeting.

2. The close of business on the thirtieth day before delivery of the demand for a special meeting to any corporate officer is the record date for the purpose of determining whether the five percent requirement of subsection 1, paragraph "*b*", has been met.

3. If a notice for a special meeting demanded under subsection 1, paragraph "*b*", is not given pursuant to section 504.705 within thirty days after the date the written demand or demands are delivered to a corporate officer, regardless of the requirements of subsection

4, a person signing the demand may set the time and place of the meeting and give notice pursuant to section 504.705.

4. Special meetings of members may be held in or out of this state at a place stated in or fixed in accordance with the bylaws. If a place is not stated or fixed in accordance with the bylaws, special meetings shall be held at the corporation's principal office.

5. Only those matters that are within the purpose described in the meeting notice required by section 504.705 may be considered at a special meeting of members.

6. The articles of incorporation or bylaws may provide that a special meeting of members is not required to be held at a geographic location if the meeting is held by means of the internet or other electronic communications technology in a manner pursuant to which the members have the opportunity to read or hear the proceedings substantially concurrent with the occurrence of the proceedings, vote on matters submitted to the members, pose questions, and make comments.

2004 Acts, ch 1049, §56, 192; 2006 Acts, ch 1089, §48; 2012 Acts, ch 1049, §6
Referred to in §504.703

**504.703 Court-ordered meeting.**

1. The district court of the county where a corporation's principal office is located or, if none is located in this state, where its registered office is located, may summarily order a meeting to be held when any of the following occurs:

*a.* On application of any member or other person entitled to participate in an annual or regular meeting of the corporation, if an annual meeting was not held within the earlier of six months after the end of the corporation's fiscal year or fifteen months after its last annual meeting.

*b.* On application of any member or other person entitled to participate in a regular meeting of the corporation, if a regular meeting was not held within forty days after the date it was required to be held.

*c.* On application of a member who signed a demand for a special meeting valid under section 504.702, or a person entitled to call a special meeting, if any of the following applies:

(1) The notice of the special meeting was not given within thirty days after the date the demand was delivered to a corporate officer.

(2) The special meeting was not held in accordance with the notice.

2. The court may fix the time and place of the meeting, specify a record date for determining members entitled to notice of and to vote at the meeting, prescribe the form and content of the meeting notice, fix the quorum required for specific matters to be considered at the meeting or direct that the votes represented at the meeting constitute a quorum for action on those matters, and enter other orders necessary to accomplish the purpose of the meeting.

3. If the court orders a meeting, it may also order the corporation to pay the member's costs, including reasonable attorney fees, incurred to obtain the order.

2004 Acts, ch 1049, §57, 192
Referred to in §504.704

**504.704 Action by written consent.**

1. Unless limited or prohibited by the articles or bylaws of the corporation, action required or permitted by this chapter to be approved by the members of a corporation may be approved without a meeting of members if the action is approved by members holding at least eighty percent of the voting power. The action must be evidenced by one or more written consents describing the action taken, signed by those members representing at least eighty percent of the voting power, and delivered to the corporation for inclusion in the minutes or filing with the corporate records. A written consent may be revoked by a writing to that effect received by the corporation prior to the receipt by the corporation of unrevoked written consents sufficient in number to take corporation action.

2. If not otherwise determined under section 504.703 or 504.707, the record date for determining members entitled to take action without a meeting is the date the first member signs the consent under subsection 1.

3. A consent signed under this section has the effect of a meeting vote and may be described as such in any document filed with the secretary of state.

4. Written notice of member approval pursuant to this section shall be given to all members who have not signed the written consent. If written notice is required, member approval pursuant to this section shall be effective ten days after such written notice is given.

2004 Acts, ch 1049, §58, 192; 2005 Acts, ch 19, §86

**504.705 Notice of meeting.**

1. A corporation shall give notice consistent with its bylaws of meetings of members in a fair and reasonable manner.

2. Any notice which conforms to the requirements of subsection 3 is fair and reasonable, but other means of giving notice may also be fair and reasonable when all the circumstances are considered. However, notice of matters referred to in subsection 3, paragraph "*b*", must be given as provided in subsection 3.

3. Notice is fair and reasonable if all of the following occur:

*a.* The corporation notifies its members of the place, date, and time of each annual, regular, and special meeting of members not more than sixty days and not less than ten days, or if notice is mailed by other than first class or registered mail, not less than thirty days, before the date of the meeting.

*b.* The notice of an annual or regular meeting includes a description of any matter or matters which must be considered for approval by the members under sections 504.833, 504.859, 504.1003, 504.1022, 504.1104, 504.1202, and 504.1402.

*c.* The notice of a special meeting includes a description of the purpose for which the meeting is called.

4. Unless the bylaws require otherwise, if an annual, regular, or special meeting of members is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under section 504.707, however, notice of the adjourned meeting must be given under this section to the members of record as of the new record date.

5. When giving notice of an annual, regular, or special meeting of members, a corporation shall give notice of a matter a member intends to raise at the meeting if requested in writing to do so by a person entitled to call a special meeting and if the request is received by the secretary or president of the corporation at least ten days before the corporation gives notice of the meeting.

2004 Acts, ch 1049, §59, 192; 2005 Acts, ch 19, §87

Referred to in §504.142, 504.701, 504.702, 504.1003, 504.1022, 504.1103, 504.1202, 504.1402

**504.706 Waiver of notice.**

1. A member may waive any notice required by this chapter, the articles, or bylaws before or after the date and time stated in the notice. The waiver must be in writing, be signed by the member entitled to the notice, and be delivered to the corporation for inclusion in the minutes or filing with the corporate records.

2. A member's attendance at a meeting does all of the following:

*a.* Waives objection to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

*b.* Waives objection to consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the member objects to considering the matter when it is presented.

2004 Acts, ch 1049, §60, 192; 2005 Acts, ch 19, §88

**504.707 Record date — determining members entitled to notice and vote.**

1. The bylaws of a corporation may fix or provide the manner of fixing a date as the record date for determining the members entitled to notice of a members' meeting. If the bylaws do not fix or provide for fixing such a record date, the board may fix a future date as such a

record date. If a record date is not fixed, members at the close of business on the business day preceding the day on which notice is given, or if notice is waived, at the close of business on the business day preceding the day on which the meeting is held, are entitled to notice of the meeting.

2. The bylaws of a corporation may fix or provide the manner of fixing a date as the record date for determining the members entitled to vote at a members' meeting. If the bylaws do not fix or provide for fixing such a record date, the board may fix a future date as such a record date. If a record date is not fixed, members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

3. The bylaws may fix or provide the manner for determining a date as the record date for the purpose of determining the members entitled to exercise any rights in respect of any other lawful action. If the bylaws do not fix or provide for fixing such a record date, the board may fix in advance such a record date. If a record date is not fixed, members at the close of business on the day on which the board adopts the resolution relating thereto, or the sixtieth day prior to the date of such other action, whichever is later, are entitled to exercise such rights.

4. A record date fixed under this section shall not be more than seventy days before the meeting or action requiring a determination of members occurs.

5. A determination of members entitled to notice of or to vote at a membership meeting is effective for any adjournment of the meeting unless the board fixes a new date for determining the right to notice or the right to vote, which it must do if the meeting is adjourned to a date more than seventy days after the record date for determining members entitled to notice of the original meeting.

6. If a court orders a meeting adjourned to a date more than one hundred twenty days after the date fixed for the original meeting, it may provide that the original record date for notice or voting continues in effect or it may fix a new record date for notice or voting.

2004 Acts, ch 1049, §61, 192

Referred to in §504.704, 504.705

**504.708 Action by written ballot.**

1. Unless prohibited or limited by the articles or bylaws, any action which may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the corporation delivers a written ballot to every member entitled to vote on the matter.

2. A written ballot shall do both of the following:

*a.* Set forth each proposed action.

*b.* Provide an opportunity to vote for or against each proposed action.

3. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

4. All solicitations for votes by written ballot shall do all of the following:

*a.* Indicate the number of responses needed to meet the quorum requirements.

*b.* State the percentage of approvals necessary to approve each matter other than election of directors.

*c.* Specify the time by which a ballot must be received by the corporation in order to be counted.

5. Except as otherwise provided in the articles or bylaws, a written ballot shall not be revoked.

6. Unless prohibited by the articles or bylaws, a written ballot may be delivered and a vote may be cast on that ballot by electronic transmission. An electronic transmission of a written ballot shall contain or be accompanied by information indicating that a member, a member's agent, or a member's attorney authorized the electronic transmission of the ballot.

2004 Acts, ch 1049, §62, 192

**504.709 Conduct of meetings.**

1. At each meeting of members, an individual shall preside as chair. The chair shall be appointed as follows:

*a.* As provided in the articles of incorporation or bylaws.

*b.* In the absence of a provision in the articles of incorporation or bylaws, by the board of directors.

*c.* In the absence of both a provision in the articles of incorporation or bylaws and an appointment of the chair by the board, by the members at the meeting.

2. Except as provided in the articles of incorporation or bylaws, the chair shall determine the order of business and shall have the authority to establish rules for the conduct of the meeting.

3. Any rules adopted for, and the conduct of, the meeting shall be fair to the members.

4. The chair of the meeting shall announce at the meeting when the polls close for each matter voted upon. If no announcement is made, the polls shall be deemed to have closed upon the final adjournment of the meeting. After the polls are closed, no ballots, proxies, or votes, or any otherwise permissible revocations or changes thereto may be accepted.

2012 Acts, ch 1049, §7

**504.710** Reserved.

PART 2

VOTING

**504.711 Members' list for meeting.**

1. After fixing a record date for a notice of a meeting, a corporation shall prepare an alphabetical list of the names of all its members who are entitled to notice of the meeting. The list must show the address of each member and number of votes each member is entitled to cast at the meeting. The corporation shall prepare on a current basis through the time of the membership meeting a list of members, if any, who are entitled to vote at the meeting, but not entitled to notice of the meeting. This list shall be prepared on the same basis as and be part of the list of members.

2. Except as set forth in section 504.1602, subsection 6, the list of members must be available for inspection by any member for the purpose of communication with other members concerning the meeting, beginning two business days after notice is given of the meeting for which the list was prepared and continuing through the meeting, at the corporation's principal office or at a reasonable place identified in the meeting notice in the city where the meeting will be held. Except as set forth in section 504.1602, subsection 6, a member, a member's agent, or a member's attorney is entitled on written demand to inspect and, subject to the limitations of section 504.1602, subsection 3, and section 504.1605, to copy the list, at a reasonable time and at the member's expense, during the period it is available for inspection.

3. Except as set forth in section 504.1602, subsection 6, a corporation shall make the list of members available at the meeting, and any member, a member's agent, or a member's attorney is entitled to inspect the list at any time during the meeting or any adjournment.

4. Except as set forth in section 504.1602, subsection 6, if a corporation refuses to allow a member, a member's agent, or a member's attorney to inspect the list of members before or at the meeting or copy the list as permitted by subsection 2, the district court of the county where a corporation's principal office is located or, if none is located in this state, where its registered office is located, on application of the member, may summarily order the inspection or copying of the membership list at the corporation's expense, may postpone the meeting for which the list was prepared until the inspection or copying is complete, and may order the corporation to pay the member's costs, including reasonable attorney fees incurred to obtain the order.

5. Unless a written demand to inspect and copy a membership list has been made under

subsection 2 prior to the membership meeting and a corporation improperly refuses to comply with the demand, refusal or failure to comply with this section does not affect the validity of action taken at the meeting.

6. The articles or bylaws of a religious corporation may limit or abolish the rights of a member under this section to inspect and copy any corporate record.

2004 Acts, ch 1049, §63, 192

Referred to in §504.1602

**504.712 Voting entitlement generally.**

1. The right of the members of a corporation, or any class or classes of members, to vote may be limited, enlarged, or denied to the extent specified in the articles of incorporation or, if the articles of incorporation so provide, by the bylaws. Unless so limited, enlarged, or denied, each member, regardless of class, shall be entitled to one vote on each matter submitted to a vote of members.

2. Unless the articles or bylaws provide otherwise, if a membership stands of record in the names of two or more persons, the persons' acts with respect to voting shall have the following effect:

*a.* If only one votes, such act binds all.

*b.* If more than one votes, the vote shall be divided on a pro rata basis.

2004 Acts, ch 1049, §64, 192

**504.713 Quorum requirements.**

1. Unless this chapter or the articles or bylaws of a corporation provide for a higher or lower quorum, ten percent of the votes entitled to be cast on a matter must be represented at a meeting of members to constitute a quorum on that matter.

2. A bylaw amendment to decrease the quorum for any member action may be approved by the members or, unless prohibited by the bylaws, by the board.

3. A bylaw amendment to increase the quorum required for any member action must be approved by the members.

4. Unless one-third or more of the voting power is present in person or by proxy, the only matters that may be voted upon at an annual or regular meeting of members are those matters that are described in the meeting notice.

2004 Acts, ch 1049, §65, 192; 2005 Acts, ch 19, §89

Referred to in §504.701

**504.714 Voting requirements.**

1. Unless this chapter or the articles or bylaws of a corporation require a greater vote or voting by class, if a quorum is present, the affirmative vote of the votes represented and voting, which affirmative votes also constitute a majority of the required quorum, is the act of the members.

2. A bylaw amendment to increase or decrease the vote required for any member action must be approved by the members.

2004 Acts, ch 1049, §66, 192; 2005 Acts, ch 19, §90

**504.715 Proxies.**

1. Unless the articles or bylaws of a corporation prohibit or limit proxy voting, a member or the member's agent or attorney in fact may appoint a proxy to vote or otherwise act for the member by signing an appointment form or by an electronic transmission. An electronic transmission must contain or be accompanied by information from which it can be determined that the member, the member's agent, or the member's attorney in fact authorized the electronic transmission.

2. An appointment of a proxy is effective when a signed appointment form or an electronic transmission of an appointment form is received by the secretary or other officer or agent authorized to tabulate votes. An appointment is valid for eleven months unless a different period is expressly provided for in the appointment. However, a proxy shall not be valid for more than three years from its date of execution.

3. An appointment of a proxy is revocable by the member.

4. The death or incapacity of the member appointing a proxy does not affect the right of the corporation to accept the proxy's authority unless notice of the death or incapacity is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises authority under the appointment.

5. Appointment of a proxy is revoked by the person appointing the proxy if either of the following occurs:

*a.* The person appointing the proxy attends any meeting and votes in person.

*b.* The person appointing the proxy signs and delivers or sends through electronic transmission to the secretary or other officer or agent authorized to tabulate proxy votes either a writing or electronic transmission stating that the appointment of the proxy is revoked or a subsequent appointment form.

6. Subject to section 504.718 and any express limitation on the proxy's authority appearing on the face of the appointment form, a corporation is entitled to accept the proxy's vote or other action as that of the member making the appointment.

2004 Acts, ch 1049, §67, 192

**504.716 Cumulative voting for directors.**

1. If the articles or bylaws of a corporation provide for cumulative voting by members, members may so vote, by multiplying the number of votes the members are entitled to cast by the number of directors for whom they are entitled to vote, and casting the product for a single candidate or distributing the product among two or more candidates.

2. A director elected by cumulative voting may be removed by the members without cause if the requirements of section 504.808 are met unless the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such director if voted cumulatively at an election at which the same total number of votes were cast or, if such action is taken by written ballot, all memberships entitled to vote were voted, and the entire number of directors authorized at the time of the director's most recent election were then being elected.

3. Members shall not cumulatively vote if the directors and members are identical.

2004 Acts, ch 1049, §68, 192

**504.717 Other methods of electing directors.**

A corporation may provide in its articles or bylaws for election of directors by members or delegates on the basis of chapter or other organizational unit, by region or other geographic unit, by preferential voting, or by any other reasonable method.

2004 Acts, ch 1049, §69, 192

**504.718 Corporation's acceptance of votes.**

1. If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a member, the corporation if acting in good faith is entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the member.

2. If the name signed on a vote, consent, waiver, or proxy appointment does not correspond to the record name of a member, the corporation if acting in good faith is nevertheless entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the member if any of the following is applicable:

*a.* The member is an entity and the name signed purports to be that of an officer or agent of the entity.

*b.* The name signed purports to be that of an attorney in fact of the member, and if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the member has been presented with respect to the vote, consent, waiver, or proxy appointment.

*c.* Two or more persons hold the membership as cotenants or fiduciaries and the name signed purports to be the name of at least one of the coholders and the person signing appears to be acting on behalf of all the coholders.

*d.* In the case of a mutual benefit corporation:

(1) The name signed purports to be that of an administrator, executor, guardian, or

conservator representing the member, and if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment.

(2) The name signed purports to be that of a receiver or trustee in bankruptcy of the member, and if the corporation requests, evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment.

3. The corporation is entitled to reject a vote, consent, waiver, or proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the member.

4. The corporation and its officer or agent who accepts or rejects a vote, consent, waiver, or proxy appointment in good faith and in accordance with the standards of this section are not liable in damages to the member for the consequences of the acceptance or rejection.

5. Corporate action based on the acceptance or rejection of a vote, consent, waiver, or proxy appointment under this section is valid unless a court of competent jurisdiction determines otherwise.

2004 Acts, ch 1049, §70, 192

Referred to in §504.715

**504.719 Inspectors of election.**

1. A corporation with members may appoint one or more inspectors to act at a meeting of members and to make a report in the form of a record of the inspectors' determinations. Each inspector shall execute the duties of inspector impartially and according to the best of the inspector's ability.

2. The inspectors shall do all of the following:

*a.* Ascertain the number of members and their voting power.

*b.* Determine the members present at the meeting.

*c.* Determine the validity of proxies and ballots.

*d.* Count all votes.

*e.* Determine the result of the voting.

3. An inspector may, but is not required to, be a director, member, officer, or employee of the corporation. A person who is a candidate for an office to be filled at the meeting shall not be an inspector at that meeting.

2012 Acts, ch 1049, §8; 2012 Acts, ch 1138, §71

**504.720** Reserved.

## PART 3

## VOTING AGREEMENTS

**504.721 Voting agreements.**

1. Two or more members of a corporation may provide for the manner in which they will vote by signing an agreement for that purpose. For public benefit corporations, such agreements must have a reasonable purpose not inconsistent with the corporation's public or charitable purposes.

2. A voting agreement created under this section is specifically enforceable.

2004 Acts, ch 1049, §71, 192

**504.722 through 504.800** Reserved.

## SUBCHAPTER VIII

## DIRECTORS AND OFFICERS

Referred to in §504.1405

## PART 1

## BOARD OF DIRECTORS

**504.801 Requirement for and duties of board.**

1. Each corporation must have a board of directors.

2. Except as otherwise provided in this chapter or subsection 3, all corporate powers shall be exercised by or under the authority of, and the affairs of the corporation managed under the direction of, and subject to the oversight of, its board of directors.

3. The articles of incorporation may authorize a person or persons to exercise some or all of the powers which would otherwise be exercised by a board. To the extent so authorized, any such person or persons shall have the duties and responsibilities of the directors, and the directors shall be relieved to that extent from such duties and responsibilities.

2004 Acts, ch 1049, §72, 192; 2007 Acts, ch 126, §88; 2012 Acts, ch 1049, §9

Referred to in §504.141, 504.826

**504.802 Qualifications of directors.**

All directors of a corporation must be individuals. The articles or bylaws may prescribe other qualifications for directors.

2004 Acts, ch 1049, §73, 192

**504.803 Number of directors.**

1. The board of directors of a corporation must consist of one or more individuals, with the number specified in or fixed in accordance with the articles or bylaws.

2. The number of directors may be increased or decreased from time to time by amendment to or in the manner prescribed in the articles or bylaws.

2004 Acts, ch 1049, §74, 192

**504.804 Election, designation, and appointment of directors.**

1. If the corporation has members, all the directors, except the initial directors, shall be elected at the first annual meeting of members, and at each annual meeting thereafter, unless the articles or bylaws provide some other time or method of election, or provide that some of the directors are appointed by some other person or designated.

2. If a corporation does not have members, all the directors, except the initial directors, shall be elected, appointed, or designated as provided in the articles or bylaws. If no method of designation or appointment is set forth in the articles or bylaws, the directors other than the initial directors shall be elected by the board.

2004 Acts, ch 1049, §75, 192

**504.805 Terms of directors generally.**

1. The articles or bylaws of a corporation must specify the terms of directors. Except for designated or appointed directors, and except as otherwise provided in the articles or bylaws, the terms of directors shall not exceed five years. In the absence of any term specified in the articles or bylaws, the term of each director shall be one year. Directors may be elected for successive terms.

2. A decrease in the number or term of directors does not shorten an incumbent director's term.

3. Except as provided in the articles or bylaws, both of the following apply:

*a.* The term of a director filling a vacancy in the office of a director elected by members expires at the next election of directors by members.

*b.* The term of a director filling any other vacancy expires at the end of the unexpired term which such director is filling.

4. Despite the expiration of a director's term, the director continues to serve until the director's successor is elected, designated, or appointed, and qualifies, or until there is a decrease in the number of directors.

2004 Acts, ch 1049, §76, 192

**504.806 Staggered terms for directors.**

The articles or bylaws of a corporation may provide for staggering the terms of directors by dividing the total number of directors into groups. The terms of the several groups need not be uniform.

2004 Acts, ch 1049, §77, 192

**504.807 Resignation of directors.**

1. A director of a corporation may resign at any time by delivering written notice to the board of directors, its presiding officer, or the president or secretary.

2. A resignation is effective when the notice is effective unless the notice specifies a later effective date. If a resignation is made effective at a later date, the board may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date.

2004 Acts, ch 1049, §78, 192

Referred to in §504.811

**504.808 Removal of directors elected by members or directors.**

1. The members of a corporation may remove one or more directors elected by the members without cause.

2. If a director is elected by a class, chapter, or other organizational unit or by region or other geographic grouping, the director may be removed only by the members of that class, chapter, unit, or grouping.

3. Except as provided in subsection 9, a director may be removed under subsection 1 or 2 only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors.

4. If cumulative voting is authorized, a director shall not be removed if the number of votes, or if the director was elected by a class, chapter, unit, or grouping of members, the number of votes of that class, chapter, unit, or grouping, sufficient to elect the director under cumulative voting is voted against the director's removal.

5. A director elected by members may be removed by the members only at a meeting called for the purpose of removing the director and the meeting notice must state that the purpose, or one of the purposes, of the meeting is the removal of the director.

6. For the purpose of computing whether a director is protected from removal under subsections 2 through 4, it should be assumed that the votes against removal are cast in an election for the number of directors of the group to which the director to be removed belonged on the date of that director's election.

7. An entire board of directors may be removed under subsections 1 through 5.

8. A director elected by the board may be removed without cause by the vote of two-thirds of the directors then in office or such greater number as is set forth in the articles or bylaws. However, a director elected by the board to fill the vacancy of a director elected by the members may be removed without cause by the members, but not by the board.

9. If at the beginning of a director's term on the board the articles or bylaws provide that a director may be removed for missing a specified number of board meetings, the board may remove the director for failing to attend the specified number of meetings. The director may be removed only if a majority of the directors then in office votes for the removal.

10. The articles or bylaws of a corporation may do both of the following:

*a.* Limit the application of this section.

*b.* Set forth the vote and procedures by which the board or any person may remove with or without cause a director elected by the members or the board.

2004 Acts, ch 1049, §79, 192; 2006 Acts, ch 1089, §49

Referred to in §504.716

**504.809 Removal of designated or appointed directors.**

1. A designated director of a corporation may be removed by an amendment to the articles or bylaws deleting or changing the designation.

2. *a.* Except as otherwise provided in the articles or bylaws, an appointed director may be removed without cause by the person appointing the director.

*b.* The person removing the appointed director shall do so by giving written notice of the removal to the director and either the presiding officer of the board or the corporation's president or secretary.

*c.* A removal of an appointed director is effective when the notice is effective unless the notice specifies a future effective date.

2004 Acts, ch 1049, §80, 192

**504.810 Removal of directors by judicial proceeding.**

1. The district court of the county where a corporation's principal office is located or if there is no principal office located in this state, where the registered office is located, may remove a director of the corporation from office in a proceeding commenced by or in the right of the corporation by a member or director if the court finds both of the following apply:

*a.* A director engaged in fraudulent conduct with respect to the corporation or its members, grossly abused the position of director, or intentionally inflicted harm on the corporation.

*b.* Upon consideration of the director's course of conduct and the inadequacy of other available remedies, the court determines that removal is in the best interest of the corporation.

2. A member or a director who proceeds by or in the right of a corporation pursuant to subsection 1 shall comply with all of the requirements of section 504.631 and sections 504.633 through 504.638.

3. The court, in addition to removing a director, may bar the director from serving on the board for a period of time prescribed by the court.

4. This section does not limit the equitable powers of the court to order other relief that the court determines is appropriate.

5. The articles or bylaws of a religious corporation may limit or prohibit the application of this section.

2004 Acts, ch 1049, §81, 192; 2005 Acts, ch 19, §122, 126

**504.811 Vacancy on board.**

1. Unless the articles or bylaws of a corporation provide otherwise, and except as provided in subsections 2 and 3, if a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors, any of the following may occur:

*a.* The members, if any, may fill the vacancy. If the vacant office was held by a director elected by a class, chapter, or other organizational unit or by region or other geographic grouping, only members of the class, chapter, unit, or grouping are entitled to vote to fill the vacancy if it is filled by the members.

*b.* The board of directors may fill the vacancy.

*c.* If the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

2. Unless the articles or bylaws provide otherwise, if a vacant office was held by an appointed director, only the person who appointed the director may fill the vacancy.

3. If a vacant office was held by a designated director, the vacancy shall be filled as provided in the articles or bylaws. In the absence of an applicable article or bylaw provision, the vacancy shall be filled by the board.

4. A vacancy that will occur at a specific later date by reason of a resignation effective at a

later date under section 504.807, subsection 2, or otherwise, may be filled before the vacancy occurs, but the new director shall not take office until the vacancy occurs.

2004 Acts, ch 1049, §82, 192

**504.812 Compensation of directors.**

Unless the articles or bylaws of a corporation provide otherwise, a board of directors may fix the compensation of directors.

2004 Acts, ch 1049, §83, 192

**504.813 through 504.820** Reserved.

## PART 2

## MEETINGS AND ACTION OF THE BOARD

**504.821 Regular and special meetings.**

1. If the time and place of a directors' meeting is fixed by the bylaws or the board, the meeting is a regular meeting. All other meetings are special meetings.

2. A board of directors may hold regular or special meetings in or out of this state.

3. Unless the articles or bylaws provide otherwise, a board may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

2004 Acts, ch 1049, §84, 192

Referred to in §504.205, 504.826

**504.822 Action without meeting.**

1. Except to the extent the articles or bylaws of a corporation require that action by the board of directors be taken at a meeting, action required or permitted by this chapter to be taken by the board of directors may be taken without a meeting if each director signs a consent describing the action to be taken and delivers it to the corporation.

2. Action taken under this section is the act of the board of directors when one or more consents signed by all the directors are delivered to the corporation. The consent may specify the time at which the action taken is to be effective. A director's consent may be withdrawn by revocation signed by the director and delivered to the corporation prior to the delivery to the corporation of unrevoked written consents signed by all of the directors.

3. A consent signed under this section has the effect of action taken at a meeting of the board of directors and may be described as such in any document.

2004 Acts, ch 1049, §85, 192; 2005 Acts, ch 19, §91

Referred to in §504.826

**504.823 Call and notice of meetings.**

1. Unless the articles or bylaws of a corporation, or subsection 3, provide otherwise, regular meetings of the board may be held without notice.

2. Unless the articles, bylaws, or subsection 3 provide otherwise, special meetings of the board must be preceded by at least two days' notice to each director of the date, time, and place, but not the purpose, of the meeting.

3. In corporations without members, any board action to remove a director or to approve a matter which would require approval by the members if the corporation had members shall not be valid unless each director is given at least seven days' written notice that the matter will be voted upon at a directors' meeting or unless notice is waived pursuant to section 504.824.

4. Unless the articles or bylaws provide otherwise, the presiding officer of the board,

the president, or twenty percent of the directors then in office may call and give notice of a meeting of the board.

2004 Acts, ch 1049, §86, 192

Referred to in §504.826, 504.1002, 504.1021, 504.1103, 504.1202, 504.1401, 504.1402

**504.824 Waiver of notice.**

1. A director may at any time waive any notice required by this chapter, the articles, or bylaws. Except as provided in subsection 2, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records.

2. A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director, upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with this chapter, the articles, or bylaws, objects to lack of notice and does not thereafter vote for or assent to the objected-to action.

2004 Acts, ch 1049, §87, 192; 2005 Acts, ch 19, §92

Referred to in §504.823, 504.826

**504.825 Quorum and voting.**

1. Except as otherwise provided in this chapter, or the articles or bylaws of a corporation, a quorum of a board of directors consists of a majority of the directors in office immediately before a meeting begins. The articles or bylaws shall not authorize a quorum of fewer than one-third of the number of directors in office.

2. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board unless this chapter, the articles, or bylaws require the vote of a greater number of directors.

2004 Acts, ch 1049, §88, 192; 2005 Acts, ch 19, §93

Referred to in §504.826, 504.854

**504.826 Committees of the board.**

1. Unless prohibited or limited by the articles or bylaws of a corporation, the board of directors may create one or more committees of the board and appoint members of the board to serve on them. Each committee shall have two or more directors, who serve at the pleasure of the board.

2. The creation of a committee and appointment of members to it must be approved by the greater of either of the following:

*a.* A majority of all the directors in office when the action is taken.

*b.* The number of directors required by the articles or bylaws to take action under section 504.825.

3. Sections 504.821 through 504.825, which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the board, apply to committees of the board and their members as well.

4. To the extent specified by the board of directors or in the articles or bylaws, each committee of the board may exercise the board's authority under section 504.801.

5. A committee of the board shall not, however, do any of the following:

*a.* Authorize distributions.

*b.* Approve or recommend to members dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the corporation's assets.

*c.* Elect, appoint, or remove directors or fill vacancies on the board or on any of its committees.

*d.* Adopt, amend, or repeal the articles or bylaws.

6. The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a director with the standards of conduct described in section 504.831.

7. A corporation may create or authorize the creation of one or more advisory committees whose members are not required to be directors. An advisory committee is not a committee of the board of directors and shall not exercise any powers of the board.

2004 Acts, ch 1049, §89, 192; 2012 Acts, ch 1049, §10

Referred to in §504.1601

**504.827 through 504.830** Reserved.

## PART 3

## STANDARDS OF CONDUCT

**504.831 General standards for directors.**

1. Each member of the board of directors of a corporation, when discharging the duties of a director, shall act in conformity with all of the following:

*a.* In good faith.

*b.* In a manner the director reasonably believes to be in the best interests of the corporation.

2. The members of the board of directors or a committee of the board, when becoming informed in connection with their decision-making functions or when devoting attention to their oversight functions, shall discharge their duties with the care that a person in a like position would reasonably believe appropriate under similar circumstances.

3. In discharging board or committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on the performance by any of the persons specified in subsection 5, paragraph "*a*", to whom the board may have delegated, formally or informally by course of conduct, the authority or duty to perform one or more of the board's functions that are delegable under applicable law.

4. In discharging board or committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the persons specified in subsection 5.

5. A director is entitled to rely, in accordance with subsection 3 or 4, on any of the following:

*a.* One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided by the officer or employee.

*b.* Legal counsel, public accountants, or other persons as to matters involving skills or expertise the director reasonably believes are either of the following:

(1) Matters within the particular person's professional or expert competence.

(2) Matters as to which the particular person merits confidence.

*c.* A committee of the board or advisory committee of which the director is not a member, as to matters within the committee's or advisory committee's jurisdiction, if the director reasonably believes the committee or advisory committee merits confidence.

*d.* In the case of religious corporations, religious authorities and ministers, priests, rabbis, or other persons whose position or duties in the religious organization the director believes justify reliance and confidence and whom the director believes to be reliable and competent in the matters presented.

6. A director shall not be deemed to be a trustee with respect to the corporation or with respect to any property held or administered by the corporation, including without limit, property that may be subject to restrictions imposed by the donor or transferor of such property.

2004 Acts, ch 1049, §90, 192; 2007 Acts, ch 15, §1; 2012 Acts, ch 1049, §11

Referred to in §347.13, 504.826, 504.835

**504.832 Standards of liability for directors.**

1. A director shall not be liable to the corporation or its members for any decision to take or not to take action, or any failure to take any action, as director, unless the party asserting liability in a proceeding establishes both of the following:

*a.* That section 504.202, subsection 2, paragraph "*d*", or section 504.901 or the protection afforded by section 504.833, if interposed as a bar to the proceeding by the director, does not preclude liability.

*b.* That the challenged conduct consisted or was the result of one of the following:

(1) Action not in good faith.

(2) A decision that satisfies one of the following:

(a) That the director did not reasonably believe to be in the best interests of the corporation.

(b) As to which the director was not informed to an extent the director reasonably believed appropriate in the circumstances.

(3) A lack of objectivity due to the director's familial, financial, or business relationship with, or lack of independence due to the director's domination or control by, another person having a material interest in the challenged conduct which also meets both of the following criteria:

(a) Which relationship or which domination or control could reasonably be expected to have affected the director's judgment respecting the challenged conduct in a manner adverse to the corporation.

(b) After a reasonable expectation to such effect has been established, the director shall not have established that the challenged conduct was reasonably believed by the director to be in the best interests of the corporation.

(4) A sustained failure of the director to devote attention to ongoing oversight of the business and affairs of the corporation, or a failure to devote timely attention, by making, or causing to be made, appropriate inquiry, when particular facts and circumstances of significant concern materialize that would alert a reasonably attentive director to the need therefor.

(5) Receipt of a financial benefit to which the director was not entitled or any other breach of the director's duties to deal fairly with the corporation and its members that is actionable under applicable law.

2. *a.* A party seeking to hold a director liable for money damages shall also have the burden of establishing both of the following:

(1) That harm to the corporation or its members has been suffered.

(2) The harm suffered was proximately caused by the director's challenged conduct.

*b.* A party seeking to hold a director liable for other money payment under a legal remedy, such as compensation for the unauthorized use of corporate assets, shall also have whatever burden of persuasion that may be called for to establish that the payment sought is appropriate in the circumstances.

*c.* A party seeking to hold a director liable for other money payment under an equitable remedy, such as profit recovery by or disgorgement to the corporation, shall also have whatever burden of persuasion that may be called for to establish that the equitable remedy sought is appropriate in the circumstances.

3. This section shall not do any of the following:

*a.* In any instance where fairness is at issue, such as consideration of the fairness of a transaction to the corporation under section 504.833, alter the burden of proving the fact or lack of fairness otherwise applicable.

*b.* Alter the fact or lack of liability of a director under another section of this chapter, such as the provisions governing the consequences of a transactional interest under section 504.833 or an unlawful distribution under section 504.835.

*c.* Affect any rights to which the corporation or a member may be entitled under another statute of this state or the United States.

2004 Acts, ch 1049, §91, 192; 2005 Acts, ch 19, §94, 95

Referred to in §504.843

**504.833 Director conflict of interest.**

1. A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable by the corporation on the basis of the director's interest in the transaction if the transaction was fair at the time it was entered into or is approved as provided in subsection 2.

2. A transaction in which a director of a corporation has a conflict of interest may be approved if either of the following occurs:

*a.* The material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board and the board or committee of the board authorized, approved, or ratified the transaction.

*b.* The material facts of the transaction and the director's interest were disclosed or known to the members and they authorized, approved, or ratified the transaction.

3. For the purposes of this section, a director of the corporation has an indirect interest in a transaction under either of the following circumstances:

*a.* If another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction.

*b.* If another entity of which the director is a director, officer, or trustee is a party to the transaction.

4. For purposes of subsection 2, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board or on a committee of the board who have no direct or indirect interest in the transaction, but a transaction shall not be authorized, approved, or ratified under this section by a single director. If a majority of the directors on the board who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection 2, paragraph "*a*", if the transaction is otherwise approved as provided in subsection 2.

5. For purposes of subsection 2, paragraph "*b*", a conflict of interest transaction is authorized, approved, or ratified by the members if it receives a majority of the votes entitled to be counted under this subsection. Votes cast by or voted under the control of a director who has a direct or indirect interest in the transaction, and votes cast by or voted under the control of an entity described in subsection 3, paragraph "*a*", shall not be counted in a vote of members to determine whether to authorize, approve, or ratify a conflict of interest transaction under subsection 2, paragraph "*b*". The vote of these members, however, is counted in determining whether the transaction is approved under other sections of this chapter. A majority of the voting power, whether or not present, that is entitled to be counted in a vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this section.

6. The articles, bylaws, or a resolution of the board may impose additional requirements on conflict of interest transactions.

2004 Acts, ch 1049, §92, 192; 2005 Acts, ch 19, §96, 97
Referred to in §504.302, 504.705, 504.832, 504.836

**504.834 Loans to or guarantees for directors and officers.**

1. A corporation shall not lend money to or guarantee the obligation of a director or officer of the corporation.

2. The fact that a loan or guarantee is made in violation of this section does not affect the borrower's liability on the loan.

2004 Acts, ch 1049, §93, 192

**504.835 Liability for unlawful distributions.**

1. Unless a director complies with the applicable standards of conduct described in section 504.831, a director who votes for or assents to a distribution made in violation of this chapter is personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating this chapter.

2. A director held liable for an unlawful distribution under subsection 1 is entitled to contribution from both of the following:

*a.* Every other director who voted for or assented to the distribution without complying with the applicable standards of conduct described in section 504.831.

*b.* Each person who received an unlawful distribution for the amount of the distribution

whether or not the person receiving the distribution knew it was made in violation of this chapter.

2004 Acts, ch 1049, §94, 192; 2005 Acts, ch 19, §98, 99

Referred to in §504.202, 504.832, 504.901

**504.836 Business opportunities.**

1. A director's taking advantage, directly or indirectly, of a business opportunity shall not be the subject of equitable relief, or give rise to an award of damages or other sanctions against the director, in a proceeding by or in the right of a corporation on the ground that such opportunity should have first been offered to the corporation, if before becoming legally obligated respecting the business opportunity, the director brings the opportunity to the attention of the corporation and action is taken by the directors, a committee of the directors, or the members disclaiming the corporation's interest in the opportunity in compliance with the procedures set forth in section 504.833, as if the decision being made concerned a conflict of interest transaction.

2. In any proceeding seeking equitable relief or other remedy, based upon an alleged improper taking advantage of a business opportunity by a director, the fact that the director did not employ the procedure described in subsection 1 before taking advantage of the opportunity shall not create an inference that the opportunity should have first been presented to the corporation, or alter the burden of proof otherwise applicable to establish that the director breached a duty to the corporation under the circumstances.

2012 Acts, ch 1049, §12

**504.837 through 504.840** Reserved.

PART 4

OFFICERS

**504.841 Required officers.**

1. Unless otherwise provided in the articles or bylaws of a corporation, a corporation shall have a president, a secretary, a treasurer, and such other officers as are appointed by the board. An officer may appoint one or more officers if authorized by the bylaws or the board of directors.

2. The bylaws or the board shall delegate to one of the officers responsibility for preparing minutes of the directors' and members' meetings and for authenticating records of the corporation.

3. The same individual may simultaneously hold more than one office in a corporation.

2004 Acts, ch 1049, §95, 192

Referred to in §504.141

**504.842 Duties and authority of officers.**

Each officer of a corporation has the authority and shall perform the duties set forth in the bylaws or, to the extent consistent with the bylaws, the duties and authority prescribed in a resolution of the board or by direction of an officer authorized by the board to prescribe the duties and authority of other officers.

2004 Acts, ch 1049, §96, 192

**504.843 Standards of conduct for officers.**

1. An officer, when performing in such capacity, shall act in conformity with all of the following:

*a.* In good faith.

*b.* With the care that a person in a like position would reasonably exercise under similar circumstances.

*c.* In a manner the officer reasonably believes to be in the best interests of the corporation and its members, if any.

2. In discharging the officer's duties, an officer who does not have knowledge that makes reliance unwarranted is entitled to rely on any of the following:

*a.* The performance of properly delegated responsibilities by one or more employees of the corporation whom the officer reasonably believes to be reliable and competent in performing the responsibilities delegated.

*b.* Information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the corporation whom the officer reasonably believes to be reliable and competent in the matters presented.

*c.* Legal counsel, public accountants, or other persons retained by the corporation as to matters involving the skills or expertise the officer reasonably believes are within the person's professional or expert competence, or as to which the particular person merits confidence.

*d.* In the case of religious corporations, religious authorities and ministers, priests, rabbis, or other persons whose position or duties in the religious organization the officer believes justify reliance and confidence and whom the officer believes to be reliable and competent in the matters presented.

3. An officer shall not be liable as an officer to the corporation or its members for any decision to take or not to take action, or any failure to take any action, if the duties of the officer are performed in compliance with this section. Whether an officer who does not comply with this section shall have liability will depend in such instance on applicable law, including those principles of sections 504.832 and 504.901 that have relevance.

2004 Acts, ch 1049, §97, 192

**504.844 Resignation and removal of officers.**

1. An officer of a corporation may resign at any time by delivering notice to the corporation. A resignation is effective when the notice is effective unless the notice specifies a future effective time. If a resignation is made effective at a future time and the board or appointing officer accepts the future effective time, its board or appointing officer may fill the pending vacancy before the effective time if the board or appointing officer provides that the successor does not take office until the effective time.

2. An officer may be removed at any time with or without cause by any of the following:

*a.* The board of directors.

*b.* The officer who appointed such officer, unless the bylaws or the board of directors provide otherwise.

*c.* Any other officer if authorized by the bylaws or the board of directors.

*d.* In this section, "*appointing officer*" means the officer, including any successor to that officer, who appointed the officer resigning or being removed.

2004 Acts, ch 1049, §98, 192

**504.845 Contract rights of officers.**

1. The appointment of an officer of a corporation does not itself create contract rights.

2. An officer's removal does not affect the officer's contract rights, if any, with the corporation. An officer's resignation does not affect the corporation's contract rights, if any, with the officer.

2004 Acts, ch 1049, §99, 192

**504.846 Officers' authority to execute documents.**

1. A contract or other instrument in writing executed or entered into between a corporation and any other person is not invalidated as to the corporation by any lack of authority of the signing officers in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the contract or other instrument if it is signed by any two officers in category 1 or by one officer in category 1 and one officer in category 2 as set out in subsection 2.

2. *a.* Category 1 officers include the presiding officer of the board and the president.

*b.* Category 2 officers include a vice president and the secretary, treasurer, and executive director.

2004 Acts, ch 1049, §100, 192

**504.847 through 504.850** Reserved.

PART 5

INDEMNIFICATION

**504.851 Definitions.**

As used in this part, unless the context otherwise requires:

1. *"Corporation"* includes any domestic or foreign predecessor entity of a corporation in a merger.

2. *"Director"* or *"officer"* means an individual who is or was a director or officer of a corporation or an individual who, while a director or officer of a corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other entity. A *"director"* or *"officer"* is considered to be serving an employee benefit plan at the corporation's request if the director's or officer's duties to the corporation also impose duties on, or otherwise involve services by, the director or officer to the plan or to participants in or beneficiaries of the plan. *"Director"* or *"officer"* includes, unless the context otherwise requires, the estate or personal representative of a director or officer.

3. *"Disinterested director"* means a director who at the time of a vote referred to in section 504.854, subsection 3, or a vote or selection referred to in section 504.856, subsection 2 or 3, is not either of the following:

*a.* A party to the proceeding.

*b.* An individual having a familial, financial, professional, or employment relationship with the director whose indemnification or advance for expenses is the subject of the decision being made, which relationship would, in the circumstances, reasonably be expected to exert an influence on the director's judgment when voting on the decision being made.

4. *"Expenses"* includes attorney fees.

5. *"Liability"* means the obligation to pay a judgment, settlement, penalty, or fine including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses actually incurred with respect to a proceeding.

6. *"Official capacity"* means either of the following:

*a.* When used with respect to a director, the office of director in a corporation.

*b.* When used with respect to an officer, as contemplated in section 504.857, the office in a corporation held by the officer. *"Official capacity"* does not include service for any other foreign or domestic business or nonprofit corporation or any partnership, joint venture, trust, employee benefit plan, or other entity.

7. *"Party"* means an individual who was, is, or is threatened to be made a defendant or respondent in a proceeding.

8. *"Proceeding"* means any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative and whether formal or informal.

2004 Acts, ch 1049, §101, 192; 2005 Acts, ch 19, §123, 126

Referred to in §504.202

**504.852 Permissible indemnification.**

1. Except as otherwise provided in this section, a corporation may indemnify an individual who is a party to a proceeding because the individual is a director against liability incurred in the proceeding if all of the following apply:

*a.* The individual acted in good faith.

*b.* The individual reasonably believed either of the following:

(1) In the case of conduct in the individual's official capacity, that the individual's conduct was in the best interests of the corporation.

(2) In all other cases, that the individual's conduct was at least not opposed to the best interests of the corporation.

*c.* In the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.

*d.* The individual engaged in conduct for which broader indemnification has been made permissible or obligatory under a provision of the articles of incorporation as authorized by section 504.202, subsection 2, paragraph *"e"*.

2. A director's conduct with respect to an employee benefit plan for a purpose the director reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirements of subsection 1, paragraph *"b"*, subparagraph (2).

3. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the relevant standard of conduct described in this section.

4. Unless ordered by a court under section 504.855, subsection 1, paragraph *"b"*, a corporation shall not indemnify a director under this section under either of the following circumstances:

*a.* In connection with a proceeding by or in the right of the corporation, except for reasonable expenses incurred in connection with the proceeding if it is determined that the director has met the relevant standard of conduct under subsection 1.

*b.* In connection with any proceeding with respect to conduct for which the director was adjudged liable on the basis that the director received a financial benefit to which the director was not entitled, whether or not involving action in the director's official capacity.

2004 Acts, ch 1049, §102, 192; 2005 Acts, ch 19, §100

Referred to in §504.854, 504.855, 504.856, 504.859, 504.1612

**504.853 Mandatory indemnification.**

A corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because the director is or was a director of the corporation against reasonable expenses actually incurred by the director in connection with the proceeding.

2004 Acts, ch 1049, §103, 192

Referred to in §504.854, 504.855, 504.857, 504.1612

**504.854 Advance for expenses.**

1. A corporation may, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding because the person is a director if the person delivers all of the following to the corporation:

*a.* A written affirmation of the director's good faith belief that the director has met the relevant standard of conduct described in section 504.852 or that the proceeding involved conduct for which liability has been eliminated under a provision of the articles of incorporation as authorized by section 504.202, subsection 2, paragraph *"d"*.

*b.* The director's written undertaking to repay any funds advanced if the director is not entitled to mandatory indemnification under section 504.853 and it is ultimately determined under section 504.855 or 504.856 that the director has not met the relevant standard of conduct described in section 504.852.

2. The undertaking required by subsection 1, paragraph *"b"*, must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to the financial ability of the director to make repayment.

3. Authorizations under this section shall be made according to one of the following:

*a.* By the board of directors as follows:

(1) If there are two or more disinterested directors, by a majority vote of all the disinterested directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more disinterested directors appointed by such vote.

(2) If there are fewer than two disinterested directors, by the vote necessary for action by the board in accordance with section 504.825, subsection 2, in which authorization directors who do not qualify as disinterested directors may participate.

*b.* By the members, but the director, who at the time does not qualify as a disinterested director, shall not vote as a member or on behalf of a member.

2004 Acts, ch 1049, §104, 192; 2004 Acts, ch 1175, §385

Referred to in §504.851, 504.855, 504.859, 504.1612

**504.855 Court-ordered indemnification.**

1. A director who is a party to a proceeding because the person is a director may apply for indemnification or an advance for expenses to the court conducting the proceeding or to another court of competent jurisdiction. After receipt of an application, and after giving any notice the court considers necessary, the court shall do one of the following:

*a.* Order indemnification if the court determines that the director is entitled to mandatory indemnification under section 504.853.

*b.* Order indemnification or advance for expenses if the court determines that the director is entitled to indemnification or advance for expenses pursuant to a provision authorized by section 504.859, subsection 1.

*c.* Order indemnification or advance for expenses if the court determines, in view of all the relevant circumstances, that it is fair and reasonable to do one of the following:

(1) To indemnify the director.

(2) To indemnify or advance expenses to the director, even if the director has not met the relevant standard of conduct set forth in section 504.852, subsection 1, failed to comply with section 504.854, or was adjudged liable in a proceeding referred to in section 504.852, subsection 4, paragraph "*a*" or "*b*", but if the director was adjudged so liable the director's indemnification shall be limited to reasonable expenses incurred in connection with the proceeding.

2. If the court determines that the director is entitled to indemnification under subsection 1, paragraph "*a*", or to indemnification or advance for expenses under subsection 1, paragraph "*b*", it shall also order the corporation to pay the director's reasonable expenses incurred in connection with obtaining court-ordered indemnification or advance for expenses. If the court determines that the director is entitled to indemnification or advance for expenses under subsection 1, paragraph "*c*", it may also order the corporation to pay the director's reasonable expenses to obtain court-ordered indemnification or advance for expenses.

2004 Acts, ch 1049, §105, 192

Referred to in §504.852, 504.854, 504.857, 504.1612

**504.856 Determination and authorization of indemnification.**

1. A corporation shall not indemnify a director under section 504.852 unless authorized for a specific proceeding after a determination has been made that indemnification of the director is permissible because the director has met the standard of conduct set forth in section 504.852.

2. The determination shall be made by any of the following:

*a.* If there are two or more disinterested directors, by the board of directors by a majority vote of all the disinterested directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more disinterested directors appointed by such vote.

*b.* By special legal counsel under one of the following circumstances:

(1) Selected in the manner prescribed in paragraph "*a*".

(2) If there are fewer than two disinterested directors, selected by the board in which selection directors who do not qualify as disinterested directors may participate.

*c.* By the members of a corporation, but directors who are at the time parties to the proceeding shall not vote on the determination.

3. Authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible, except that if there are fewer than two disinterested directors or if the determination is made by special legal counsel, authorization

of indemnification shall be made by those entitled under subsection 2, paragraph *"b"*, to select special legal counsel.

2004 Acts, ch 1049, §106, 192; 2005 Acts, ch 19, §101
Referred to in §504.851, 504.854, 504.859

**504.857 Indemnification of officers.**

1. A corporation may indemnify and advance expenses under this part to an officer of the corporation who is a party to a proceeding because the person is an officer, according to all of the following:

*a.* To the same extent as to a director.

*b.* If the person is an officer but not a director, to such further extent as may be provided by the articles of incorporation, the bylaws, a resolution of the board of directors, or contract, except for either of the following:

(1) Liability in connection with a proceeding by or in the right of the corporation other than for reasonable expenses incurred in connection with the proceeding.

(2) Liability arising out of conduct that constitutes any of the following:

(a) Receipt by the officer of a financial benefit to which the officer is not entitled.

(b) An intentional infliction of harm on the corporation or the members.

(c) An intentional violation of criminal law.

2. The provisions of subsection 1, paragraph *"b"*, shall apply to an officer who is also a director if the basis on which the officer is made a party to a proceeding is an act or omission solely as an officer.

3. An officer of a corporation who is not a director is entitled to mandatory indemnification under section 504.853, and may apply to a court under section 504.855 for indemnification or an advance for expenses, in each case to the same extent to which a director may be entitled to indemnification or advance for expenses under those provisions.

2004 Acts, ch 1049, §107, 192; 2005 Acts, ch 19, §102
Referred to in §504.851

**504.858 Insurance.**

A corporation may purchase and maintain insurance on behalf of an individual who is a director or officer of the corporation, or who, while a director or officer of the corporation, serves at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other entity, against liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a director or officer, whether or not the corporation would have power to indemnify or advance expenses to that individual against the same liability under this part.

2004 Acts, ch 1049, §108, 192

**504.859 Application of part.**

1. A corporation may, by a provision in its articles of incorporation or bylaws or in a resolution adopted or a contract approved by its board of directors or members, obligate itself in advance of the act or omission giving rise to a proceeding to provide indemnification in accordance with section 504.852 or advance funds to pay for or reimburse expenses in accordance with section 504.854. Any such obligatory provision shall be deemed to satisfy the requirements for authorization referred to in section 504.854, subsection 3, and in section 504.856, subsection 2 or 3. Any such provision that obligates the corporation to provide indemnification to the fullest extent permitted by law shall be deemed to obligate the corporation to advance funds to pay for or reimburse expenses in accordance with section 504.854 to the fullest extent permitted by law, unless the provision specifically provides otherwise.

2. Any provision pursuant to subsection 1 shall not obligate the corporation to indemnify or advance expenses to a director of a predecessor of the corporation, pertaining to conduct with respect to the predecessor, unless otherwise specifically provided. Any provision for indemnification or advance for expenses in the articles of incorporation, bylaws, or a resolution of the board of directors or members of a predecessor of the corporation in a

merger or in a contract to which the predecessor is a party, existing at the time the merger takes effect, shall be governed by section 504.1104.

3. A corporation may, by a provision in its articles of incorporation, limit any of the rights to indemnification or advance for expenses created by or pursuant to this part.

4. This part does not limit a corporation's power to pay or reimburse expenses incurred by a director or an officer in connection with the director's or officer's appearance as a witness in a proceeding at a time when the director or officer is not a party.

5. This part does not limit a corporation's power to indemnify, advance expenses to, or provide or maintain insurance on behalf of an employee or agent.

2004 Acts, ch 1049, §109, 192

Referred to in §504.705, 504.855

**504.860 Exclusivity of part.**

A corporation may provide indemnification or advance expenses to a director or an officer only as permitted by this part.

2004 Acts, ch 1049, §110, 192

**504.861 through 504.900** Reserved.

## SUBCHAPTER IX

## PERSONAL LIABILITY

**504.901 Personal liability.**

1. Except as otherwise provided in this chapter, a director, officer, employee, or member of a corporation is not liable for the corporation's debts or obligations and a director, officer, member, or other volunteer is not personally liable in that capacity to any person for any action taken or failure to take any action in the discharge of the person's duties except liability for any of the following:

*a.* The amount of any financial benefit to which the person is not entitled.

*b.* An intentional infliction of harm on the corporation or the members.

*c.* A violation of section 504.835.

*d.* An intentional violation of criminal law.

2. A provision set forth in the articles of incorporation eliminating or limiting the liability of a director to the corporation or its members for money damages for any action taken, or any failure to take any action, pursuant to section 504.202, subsection 2, paragraph "*d*", shall not affect the applicability of this section.

2004 Acts, ch 1049, §111, 192; 2005 Acts, ch 19, §103; 2006 Acts, ch 1089, §50

Referred to in §504.202, 504.832, 504.843

**504.902 through 504.1000** Reserved.

## SUBCHAPTER X

## AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS

## PART 1

## ARTICLES OF INCORPORATION

**504.1001 Authority to amend.**

A corporation may amend its articles of incorporation at any time to add or change a provision that is required or permitted in the articles as of the effective date of the

amendment or to delete a provision that is not required to be contained in the articles of incorporation.

2004 Acts, ch 1049, §112, 192; 2006 Acts, ch 1089, §51

**504.1002 Amendment by directors.**

1. Unless the articles of incorporation provide otherwise, a corporation's board of directors may adopt amendments to the corporation's articles of incorporation without member approval for any of the following purposes:

*a.* To extend the duration of the corporation if it was incorporated at a time when limited duration was required by law.

*b.* To delete the names and addresses of the initial directors.

*c.* To delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the secretary of state.

*d.* To change the corporate name by substituting the word "corporation", "incorporated", "company", "limited", or the abbreviation "corp.", "inc.", "co.", or "ltd.", for a similar word or abbreviation in the name, or by adding, deleting, or changing a geographical attribution to the name.

*e.* To make any other change expressly permitted by this subchapter to be made by director action.

2. If a corporation has no members, its incorporators, until directors have been chosen, and thereafter its board of directors, may adopt one or more amendments to the corporation's articles subject to any approval required pursuant to section 504.1031. The corporation shall provide notice of any meeting at which an amendment is to be voted upon. The notice shall be in accordance with section 504.823, subsection 3. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the articles and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. The amendment must be approved by a majority of the directors in office at the time the amendment is adopted.

2004 Acts, ch 1049, §113, 192; 2006 Acts, ch 1089, §52

Referred to in §504.1003

**504.1003 Amendment by directors and members.**

1. Unless this chapter, the articles or bylaws of a corporation, the members acting pursuant to subsection 2, or the board of directors acting pursuant to subsection 3 require a greater vote or voting by class, or unless the articles or bylaws impose other requirements, an amendment to the corporation's articles must be approved by all of the following to be adopted:

*a.* The board if the corporation is a public benefit or religious corporation and the amendment does not relate to the number of directors, the composition of the board, the term of office of directors, or the method or way in which directors are elected or selected.

*b.* Except as provided in section 504.1002, subsection 1, by the members by two-thirds of the votes cast by the members or a majority of the members' voting power that could be cast, whichever is less.

*c.* In writing by any person or persons whose approval is required by a provision of the articles authorized by section 504.1031.

2. The members may condition the adoption of an amendment on receipt of a higher percentage of affirmative votes or on any other basis.

3. If the board initiates an amendment to the articles or board approval is required by subsection 1 to adopt an amendment to the articles, the board may condition the amendment's adoption on receipt of a higher percentage of affirmative votes or any other basis.

4. If the board or the members seek to have the amendment approved by the members at a membership meeting, the corporation shall give notice to its members of the proposed membership meeting in writing in accordance with section 504.705. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment.

5. If the board or the members seek to have the amendment approved by the members

by written consent or written ballot, the material soliciting the approval shall contain or be accompanied by a copy or summary of the amendment.

2004 Acts, ch 1049, §114, 192

Referred to in §504.705, 504.1006

**504.1004 Class voting by members on amendments.**

1. Unless the articles or bylaws of the corporation provide otherwise, the members of a class in a public benefit corporation are entitled to vote as a class on a proposed amendment to the articles if the amendment would change the rights of that class as to voting in a manner different than such amendment affects another class or members of another class.

2. Unless the articles or bylaws of the corporation provide otherwise, the members of a class in a mutual benefit corporation are entitled to vote as a class on a proposed amendment to the articles if the amendment would do any of the following:

*a.* Affect the rights, privileges, preferences, restrictions, or conditions of that class as to voting, dissolution, redemption, or transfer of memberships in a manner different than such amendment would affect another class.

*b.* Change the rights, privileges, preferences, restrictions, or conditions of that class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class.

*c.* Increase or decrease the number of memberships authorized for that class.

*d.* Increase the number of memberships authorized for another class.

*e.* Effect an exchange, reclassification, or termination of the memberships of that class.

*f.* Authorize a new class of memberships.

3. The members of a class of a religious corporation are entitled to vote as a class on a proposed amendment to the articles only if a class vote is provided for in the articles or bylaws.

4. Unless the articles or bylaws of the corporation provide otherwise, if a class is to be divided into two or more classes as a result of an amendment to the articles of a public benefit or mutual benefit corporation, the amendment must be approved by the members of each class that would be created by the amendment.

5. Except as provided in the articles or bylaws of a religious corporation, if a class vote is required to approve an amendment to the articles of the corporation, the amendment must be approved by the members of the class by two-thirds of the votes cast by the class or a majority of the voting power of the class, whichever is less.

2004 Acts, ch 1049, §115, 192

Referred to in §504.1103

**504.1005 Articles of amendment.**

After an amendment to the articles of incorporation has been adopted and approved in the manner required by this chapter and by the articles of incorporation or bylaws, the corporation amending its articles shall deliver to the secretary of state, for filing, articles of amendment setting forth:

1. The name of the corporation.

2. The text of each amendment adopted.

3. The date of each amendment's adoption.

4. If approval by members was not required, a statement that the amendment was duly approved by the incorporators or by the board of directors, as the case may be, and that member approval was not required.

5. If approval by members was required, a statement that the amendment was duly approved by the members in the manner required by this chapter, the articles of incorporation, and bylaws.

6. If approval of the amendment by some person or persons other than the members, the board, or the incorporators is required pursuant to section 504.1031, a statement that the approval was obtained.

2004 Acts, ch 1049, §116, 192; 2006 Acts, ch 1089, §53, 54

Referred to in §504.1006

**504.1006 Restated articles of incorporation.**

1. A corporation's board of directors may restate the corporation's articles of incorporation at any time with or without approval by members or any other person, to consolidate all amendments into a single document.

2. If the restated articles include one or more new amendments that require approval by the members or any other person, the amendments must be adopted as provided in section 504.1003.

3. If the restatement includes an amendment requiring approval pursuant to section 504.1031, the board must submit the restatement for such approval.

4. A corporation that restates its articles of incorporation shall deliver to the secretary of state for filing articles of restatement setting forth the name of the corporation and the text of the restated articles of incorporation together with a certificate stating that the restated articles consolidate all amendments into a single document. If a new amendment is included in the restated articles, the corporation shall include the statement required in section 504.1005.

5. Duly adopted restated articles of incorporation supersede the original articles of incorporation and all amendments to the original articles of incorporation.

6. The secretary of state may certify restated articles of incorporation as the articles of incorporation currently in effect without including the certificate information required by subsection 4.

2004 Acts, ch 1049, §117, 192; 2006 Acts, ch 1089, §55

**504.1007 Amendment pursuant to judicial reorganization.**

1. A corporation's articles may be amended without board approval or approval by the members or approval required pursuant to section 504.1031 to carry out a plan of reorganization ordered or decreed by a court of competent jurisdiction under the authority of law of the United States.

2. An individual or individuals designated by the court shall deliver to the secretary of state articles of amendment setting forth all of the following:

*a.* The name of the corporation.

*b.* The text of each amendment approved by the court.

*c.* The date of the court's order or decree approving the articles of amendment.

*d.* The title of the reorganization proceeding in which the order or decree was entered.

*e.* A statement that the court had jurisdiction of the proceeding under federal statute.

3. This section does not apply after entry of a final decree in the reorganization proceeding even though the court retains jurisdiction of the proceeding for limited purposes unrelated to consummation of the reorganization plan.

2004 Acts, ch 1049, §118, 192; 2006 Acts, ch 1089, §56

**504.1008 Effect of amendment and restatement.**

An amendment to the articles of incorporation does not affect a cause of action existing against or in favor of the corporation, a proceeding to which the corporation is a party, any requirement or limitation imposed upon the corporation, or any property held by it by virtue of any trust upon which such property is held by the corporation, or the existing rights of persons other than members of the corporation. An amendment changing a corporation's name does not abate a proceeding brought by or against the corporation in its former name.

2004 Acts, ch 1049, §119, 192; 2005 Acts, ch 19, §104; 2006 Acts, ch 1089, §57

**504.1009 through 504.1020** Reserved.

## PART 2

## BYLAWS

**504.1021 Amendment by directors.**

If a corporation has no members, its incorporators, until directors have been chosen, and thereafter its board of directors, may adopt one or more amendments to the corporation's bylaws subject to any approval required pursuant to section 504.1031. The corporation shall provide notice of any meeting of directors at which an amendment is to be approved. The notice must be given in accordance with section 504.823, subsection 3. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. The amendment must be approved by a majority of the directors in office at the time the amendment is adopted.

2004 Acts, ch 1049, §120, 192

**504.1022 Amendment by directors and members.**

1. Unless this chapter, the articles, bylaws, the members acting pursuant to subsection 2, or the board of directors acting pursuant to subsection 3, require a greater vote or voting by class, or the articles or bylaws provide otherwise, an amendment to a corporation's bylaws must be approved by all of the following to be adopted:

*a.* By the board if the corporation is a public benefit or religious corporation and the amendment does not relate to the number of directors, the composition of the board, the term of office of directors, or the method or way in which directors are elected or selected.

*b.* By the members by two-thirds of the votes cast or a majority of the voting power, whichever is less.

*c.* In writing by any person or persons whose approval is required by a provision of the articles authorized by section 504.1031.

2. The members may condition the amendment's adoption on its receipt of a higher percentage of affirmative votes or on any other basis.

3. If the board initiates an amendment to the bylaws or board approval is required by subsection 1 to adopt an amendment to the bylaws, the board may condition the amendment's adoption on receipt of a higher percentage of affirmative votes or on any other basis.

4. If the board or the members seek to have the amendment approved by the members at a membership meeting, the corporation shall give notice to its members of the proposed membership meeting in writing in accordance with section 504.705. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment.

5. If the board or the members seek to have the amendment approved by the members by written consent or written ballot, the material soliciting the approval shall contain or be accompanied by a copy or summary of the amendment.

2004 Acts, ch 1049, §121, 192

Referred to in §504.705

**504.1023 Class voting by members on amendments.**

1. Unless the articles or bylaws of the corporation provide otherwise, the members of a class in a public benefit corporation are entitled to vote as a class on a proposed amendment to the bylaws if the amendment would change the rights of that class as to voting in a manner different than such amendment affects another class or members of another class.

2. Unless the articles or bylaws of the corporation provide otherwise, members of a class in a mutual benefit corporation are entitled to vote as a class on a proposed amendment to the bylaws if the amendment would do any of the following:

*a.* Affect the rights, privileges, preferences, restrictions, or conditions of that class as to voting, dissolution, redemption, or transfer of memberships in a manner different than such amendment would affect another class.

*b.* Change the rights, privileges, preferences, restrictions, or conditions of that class as to

voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class.

*c.* Increase or decrease the number of memberships authorized for that class.

*d.* Increase the number of memberships authorized for another class.

*e.* Effect an exchange, reclassification, or termination of all or part of the memberships of that class.

*f.* Authorize a new class of memberships.

3. The members of a class of a religious corporation are entitled to vote as a class on a proposed amendment to the bylaws only if a class vote is provided for in the articles or bylaws.

4. Unless the articles or bylaws of the corporation provide otherwise, if a class is to be divided into two or more classes as a result of an amendment to the bylaws, the amendment must be approved by the members of each class that would be created by the amendment.

5. Unless the articles or bylaws of the corporation provide otherwise, if a class vote is required to approve an amendment to the bylaws, the amendment must be approved by the members of the class by two-thirds of the votes cast by the class or a majority of the voting power of the class, whichever is less.

2004 Acts, ch 1049, §122, 192

Referred to in §504.1103

**504.1024 through 504.1030** Reserved.

## PART 3

## ARTICLES OF INCORPORATION AND BYLAWS

**504.1031 Approval by third persons.**

The articles of a corporation may require that an amendment to the articles or bylaws be approved in writing by a specified person or persons other than the board. Such a provision in the articles may only be amended with the approval in writing of the person or persons specified in the provision.

2004 Acts, ch 1049, §123, 192

Referred to in §504.1002, 504.1003, 504.1005, 504.1006, 504.1007, 504.1021, 504.1022, 504.1103, 504.1202, 504.1402

**504.1032 Amendment terminating members or redeeming or canceling memberships.**

1. Unless the articles or bylaws provide otherwise, an amendment to the articles or bylaws of a public benefit or mutual benefit corporation which would terminate all members or any class of members or redeem or cancel all memberships or any class of memberships must meet the requirements of this chapter and this section.

2. Before adopting a resolution proposing such an amendment, the board of a mutual benefit corporation shall give notice of the general nature of the amendment to the members.

3. After adopting a resolution proposing such an amendment, the notice to members proposing such amendment shall include one statement of up to five hundred words opposing the proposed amendment, if such statement is submitted by any five members or members having three percent or more of the voting power, whichever is less, not later than twenty days after the board has voted to submit such amendment to the members for their approval. In public benefit corporations, the production and mailing costs of the statement opposing the proposed amendment shall be paid by the requesting members. In mutual benefit corporations, the production and mailing costs of the statement opposing the proposed amendment shall be paid by the corporation.

4. Any such amendment shall be approved by the members by two-thirds of the votes cast by each class.

5. The provisions of section 504.622 shall not apply to any amendment meeting the requirements of this chapter and this section.

2004 Acts, ch 1049, §124, 192

**504.1033 through 504.1100** Reserved.

## SUBCHAPTER XI

## MERGER

**504.1101 Approval of plan of merger.**

1. Subject to the limitations set forth in section 504.1102, one or more nonprofit corporations may merge with or into any one or more business corporations or nonprofit corporations or unincorporated entities, if the plan of merger is approved as provided in section 504.1103.

2. The plan of merger shall set forth all of the following:

*a.* The name of each corporation or unincorporated entity planning to merge and the name of the surviving corporation or unincorporated entity into which each plans to merge.

*b.* The terms and conditions of the planned merger.

*c.* The manner and basis, if any, of converting the memberships of each public benefit or religious corporation into memberships of the surviving corporation or unincorporated entity.

*d.* If the merger involves a mutual benefit corporation, the manner and basis, if any, of converting memberships of each merging corporation into memberships, obligations, or securities of the surviving or any other corporation or unincorporated entity or into cash or other property in whole or in part.

3. The plan of merger may set forth any of the following:

*a.* Any amendments to the articles of incorporation or bylaws of the surviving corporation or organic record of the surviving unincorporated entity to be effected by the planned merger.

*b.* Other provisions relating to the planned merger.

2004 Acts, ch 1049, §125, 192; 2005 Acts, ch 19, §105; 2012 Acts, ch 1049, §13 – 15; 2013 Acts, ch 90, §149

Referred to in §504.1106

Subsection 2, paragraph a amended

**504.1102 Limitations on mergers by public benefit or religious corporations.**

1. Without the prior approval of the district court, a public benefit or religious corporation may merge only with one of the following:

*a.* A public benefit or religious corporation.

*b.* A foreign corporation which would qualify under this chapter as a public benefit or religious corporation.

*c.* A wholly owned foreign or domestic business or mutual benefit corporation, provided the public benefit or religious corporation is the surviving corporation and continues to be a public benefit or religious corporation after the merger.

*d.* A business or mutual benefit corporation or an unincorporated entity, provided that all of the following apply where the public benefit or religious corporation is not the surviving entity in the merger:

(1) On or prior to the effective date of the merger, assets with a value equal to the greater of the fair market value of the net tangible and intangible assets, including goodwill, of the public benefit or religious corporation or the fair market value of the public benefit or religious corporation if it were to be operated as a business concern are transferred or conveyed to one or more persons who would have received its assets under section 504.1405, subsection 1, paragraphs *"e"* and *"f"*, had it dissolved.

(2) The business or mutual benefit corporation or unincorporated entity shall return, transfer, or convey any assets held by it upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the merger, in accordance with such condition.

(3) The merger is approved by a majority of directors of the public benefit or religious corporation who are not and will not become members or shareholders in or officers, employees, agents, or consultants of the surviving entity.

2. Without the prior approval of the district court in a proceeding in which a guardian ad

litem has been appointed to represent the interests of the corporation, a member of a public benefit or religious corporation shall not receive or keep anything as a result of a merger other than a membership in the surviving public benefit or religious corporation. The court shall approve the transaction if it is in the public interest.

2004 Acts, ch 1049, §126, 192; 2005 Acts, ch 19, §106; 2012 Acts, ch 1049, §16, 17
Referred to in §504.1101, 504.1106

**504.1103 Action on plan by board, members, and third persons.**

1. Unless this chapter, the articles, bylaws, or the board of directors or members acting pursuant to subsection 3 require a greater vote or voting by class, or the articles or bylaws impose other requirements, a plan of merger for a corporation must be approved by all of the following to be adopted:

*a.* The board.

*b.* The members, if any, by two-thirds of the votes cast or a majority of the voting power, whichever is less.

*c.* In writing by any person or persons whose approval is required by a provision of the articles authorized by section 504.1031 for an amendment to the articles or bylaws.

2. If the corporation does not have members, the merger must be approved by a majority of the directors in office at the time the merger is approved. In addition, the corporation shall provide notice of any directors' meeting at which such approval is to be obtained in accordance with section 504.823, subsection 3. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider the proposed merger.

3. The board may condition its submission of the proposed merger, and the members may condition their approval of the merger, on receipt of a higher percentage of affirmative votes or on any other basis.

4. If the board seeks to have the plan approved by the members at a membership meeting, the corporation shall give notice to its members of the proposed membership meeting in accordance with section 504.705. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider the plan of merger and contain or be accompanied by a copy or summary of the plan. The copy or summary of the plan for members of the surviving corporation shall include any provision that, if contained in a proposed amendment to the articles of incorporation or bylaws, would entitle members to vote on the provision. The copy or summary of the plan for members of the disappearing corporation shall include a copy or summary of the articles and bylaws which will be in effect immediately after the merger takes effect.

5. If the board seeks to have the plan approved by the members by written consent or written ballot, the material soliciting the approval shall contain or be accompanied by a copy or summary of the plan. The copy or summary of the plan for members of the surviving corporation shall include any provision that, if contained in a proposed amendment to the articles of incorporation or bylaws, would entitle members to vote on the provision. The copy or summary of the plan for members of the disappearing corporation shall include a copy or summary of the articles and bylaws which will be in effect immediately after the merger takes effect.

6. Voting by a class of members is required on a plan of merger if the plan contains a provision that, if contained in a proposed amendment to articles of incorporation or bylaws, would entitle the class of members to vote as a class on the proposed amendment under section 504.1004 or 504.1023. The plan must be approved by a class of members by two-thirds of the votes cast by the class or a majority of the voting power of the class, whichever is less.

7. After a merger is adopted, and at any time before articles of merger are filed, the planned merger may be abandoned subject to any contractual rights without further action by members or other persons who approved the plan in accordance with the procedure set forth in the plan of merger or, if none is set forth, in the manner determined by the board of directors.

2004 Acts, ch 1049, §127, 192
Referred to in §504.1101, 504.1104, 504.1106

**504.1104 Articles of merger.**

After a plan of merger is approved by the board of directors, and if required by section 504.1103, by the members and any other persons, the surviving or acquiring corporation shall deliver to the secretary of state articles of merger setting forth all of the following, as applicable:

1. The plan of merger.

2. If approval of members was not required, a statement to that effect and a statement that the plan was approved by a sufficient vote of the board of directors.

3. If approval by members was required, both of the following:

*a.* The designation, number of memberships outstanding, number of votes entitled to be cast by each class entitled to vote separately on the plan, and number of votes of each class indisputably voting on the plan.

*b.* Either the total number of votes cast for and against the plan by each class entitled to vote separately on the plan or the total number of undisputed votes cast for the plan by each class and a statement that the number of votes cast for the plan by each class was sufficient for approval by that class.

4. If approval of the plan by some person or persons other than the members of the board is required pursuant to section 504.1103, subsection 1, paragraph "*c*", a statement that the approval was obtained.

2004 Acts, ch 1049, §128, 192

Referred to in §504.705, 504.859, 504.1106

**504.1105 Effect of merger.**

When a merger takes effect, all of the following occur:

1. Every other corporation party to the merger merges into the surviving corporation and the separate existence of every corporation except the surviving corporation ceases.

2. The title to all real estate and other property owned by each corporation party to the merger is vested in the surviving corporation without reversion or impairment subject to any and all conditions to which the property was subject prior to the merger.

3. The surviving corporation has all the liabilities and obligations of each corporation party to the merger.

4. A proceeding pending against any corporation party to the merger may be continued as if the merger did not occur or the surviving corporation may be substituted in the proceeding for the corporation whose existence ceased.

5. The articles of incorporation and bylaws of the surviving corporation are amended to the extent provided in the plan of merger.

2004 Acts, ch 1049, §129, 192

**504.1106 Merger with foreign corporation or foreign unincorporated entity.**

1. Except as provided in section 504.1102, one or more foreign business or nonprofit corporations or foreign unincorporated entities may merge with one or more domestic nonprofit corporations if all of the following conditions are met:

*a.* The merger is permitted by the law of the state or country under whose law each foreign corporation is incorporated or foreign unincorporated entity is organized and each foreign corporation or foreign unincorporated entity complies with that law in effecting the merger.

*b.* The foreign corporation or foreign unincorporated entity complies with section 504.1104 if it is the surviving corporation of the merger.

*c.* Each domestic nonprofit corporation complies with the applicable provisions of sections 504.1101 through 504.1103 and, if it is the surviving corporation of the merger, with section 504.1104.

2. Upon the merger taking effect, the surviving foreign business or nonprofit corporation, or foreign unincorporated entity, is deemed to have irrevocably appointed the secretary of state as its agent for service of process in any proceeding brought against it.

2004 Acts, ch 1049, §130, 192; 2012 Acts, ch 1049, §18, 19

**504.1107 Bequests, devises, and gifts.**

Any bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance, that is made to a constituent corporation and which takes effect or remains payable after the merger, inures to the surviving corporation unless the will or other instrument otherwise specifically provides.

2004 Acts, ch 1049, §131, 192

**504.1108 Conversion.**

A corporation organized under this chapter that is an insurance company may voluntarily elect to be organized as a mutual insurance company under chapter 490 or 491 pursuant to the procedures set forth in section 514.23.

2004 Acts, ch 1049, §132, 192

**504.1109 through 504.1200** Reserved.

## SUBCHAPTER XII

## SALE OF ASSETS

**504.1201 Sale of assets in regular course of activities and mortgage of assets.**

1. A corporation may, on the terms and conditions and for the consideration determined by the board of directors, do either of the following:

*a.* Sell, lease, exchange, or otherwise dispose of all, or substantially all, of its property in the usual and regular course of its activities.

*b.* Mortgage, pledge, dedicate to the repayment of indebtedness, whether with or without recourse, or otherwise encumber any or all of its property, whether or not in the usual and regular course of its activities.

2. Unless the articles require it, approval of the members or any other persons of a transaction described in subsection 1 is not required.

2004 Acts, ch 1049, §133, 192

**504.1202 Sale of assets other than in regular course of activities.**

1. A corporation may sell, lease, exchange, or otherwise dispose of all, or substantially all, of its property, with or without the goodwill, other than in the usual and regular course of its activities on the terms and conditions and for the consideration determined by the corporation's board if the proposed transaction is authorized by subsection 2.

2. Unless this chapter, the articles, bylaws, or the board of directors or members acting pursuant to subsection 4 require a greater vote or voting by a class or the articles or bylaws impose other requirements, the proposed transaction to be authorized must be approved by all of the following:

*a.* The board.

*b.* The members by two-thirds of the votes cast or a majority of the voting power, whichever is less.

*c.* In writing by any person or persons whose approval is required by a provision of the articles authorized by section 504.1031 for an amendment to the articles or bylaws.

3. If the corporation does not have members, the transaction must be approved by a vote of a majority of the directors in office at the time the transaction is approved. In addition, the corporation shall provide notice of any directors' meeting at which such approval is to be obtained in accordance with section 504.823, subsection 3. The notice shall also state that the purpose, or one of the purposes, of the meeting is to consider the sale, lease, exchange, or other disposition of all, or substantially all, of the property or assets of the corporation and contain or be accompanied by a copy or summary of a description of the transaction.

4. The board may condition its submission of the proposed transaction, and the members may condition their approval of the transaction, on receipt of a higher percentage of affirmative votes or on any other basis.

5. If the corporation seeks to have the transaction approved by the members at a membership meeting, the corporation shall give notice to its members of the proposed membership meeting in accordance with section 504.705. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider the sale, lease, exchange, or other disposition of all, or substantially all, of the property or assets of the corporation and contain or be accompanied by a copy or summary of a description of the transaction.

6. If the board is required to have the transaction approved by the members by written consent or written ballot, the material soliciting the approval shall contain or be accompanied by a copy or summary of a description of the transaction.

7. After a sale, lease, exchange, or other disposition of property is authorized, the transaction may be abandoned, subject to any contractual rights, without further action by the members or any other person who approved the transaction in accordance with the procedure set forth in the resolution proposing the transaction or, if none is set forth, in the manner determined by the board of directors.

2004 Acts, ch 1049, §134, 192

Referred to in §504.705

**504.1203 through 504.1300** Reserved.

## SUBCHAPTER XIII

## DISTRIBUTIONS

Referred to in §504.623

**504.1301 Prohibited distributions.**

Except as authorized by section 504.1302, a corporation shall not make any distributions.

2004 Acts, ch 1049, §135, 192

**504.1302 Authorized distributions.**

1. A mutual benefit corporation may purchase its memberships if, after the purchase is completed, both of the following apply:

*a.* The corporation will be able to pay its debts as they become due in the usual course of its activities.

*b.* The corporation's total assets will at least equal the sum of its total liabilities.

2. Corporations may make distributions upon dissolution in conformity with subchapter XIV.

2004 Acts, ch 1049, §136, 192

Referred to in §504.1301

**504.1303 through 504.1400** Reserved.

## SUBCHAPTER XIV

## DISSOLUTION

Referred to in §504.1302

### PART 1

### VOLUNTARY DISSOLUTION

**504.1401 Dissolution by incorporators or directors and third persons.**

1. A majority of the incorporators of a corporation that has no directors and no members or a majority of the directors of a corporation that has no members may, subject to any

approval required by the articles or bylaws, dissolve the corporation by delivering articles of dissolution to the secretary of state.

2. The corporation shall give notice of any meeting at which dissolution will be approved. The notice must be in accordance with section 504.823, subsection 3. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider dissolution of the corporation.

3. The incorporators or directors in approving dissolution shall adopt a plan of dissolution indicating to whom the assets owned or held by the corporation will be distributed after all creditors have been paid.

2004 Acts, ch 1049, §137, 192

**504.1402 Dissolution by directors, members, and third persons.**

1. Unless this chapter, the articles, bylaws, or the board of directors or members acting pursuant to subsection 3 require a greater vote or voting by class or the articles or bylaws impose other requirements, dissolution is authorized if it is approved by all of the following:

*a.* The board.

*b.* The members, if any, by two-thirds of the votes cast or a majority of the voting power, whichever is less.

*c.* In writing by any person or persons whose approval is required by a provision of the articles authorized by section 504.1031 for an amendment to the articles or bylaws.

2. If the corporation does not have members, dissolution must be approved by a vote of a majority of the directors in office at the time the transaction is approved. In addition, the corporation shall provide notice of any directors' meeting at which such approval is to be obtained in accordance with section 504.823, subsection 3. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider dissolution of the corporation and contain or be accompanied by a copy or summary of the plan of dissolution.

3. The board may condition its submission of the proposed dissolution, and the members may condition their approval of the dissolution, on receipt of a higher percentage of affirmative votes or on any other basis.

4. If the board seeks to have dissolution approved by the members at a membership meeting, the corporation shall give notice to its members of the proposed membership meeting in accordance with section 504.705. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider dissolving the corporation and must contain or be accompanied by a copy or summary of the plan of dissolution.

5. If the board seeks to have the dissolution approved by the members by written consent or written ballot, the material soliciting the approval shall contain or be accompanied by a copy or summary of the plan of dissolution.

6. The plan of dissolution shall indicate to whom the assets owned or held by the corporation will be distributed after all creditors have been paid.

2004 Acts, ch 1049, §138, 192

Referred to in §504.705, 504.1403

**504.1403 Articles of dissolution.**

1. At any time after dissolution is authorized, a corporation may dissolve by delivering articles of dissolution to the secretary of state setting forth all of the following:

*a.* The name of the corporation.

*b.* The date dissolution was authorized.

*c.* A statement that dissolution was approved by a sufficient vote of the board.

*d.* If approval of members was not required, a statement to that effect and a statement that dissolution was approved by a sufficient vote of the board of directors or incorporators.

*e.* If approval by members was required, both of the following:

(1) The designation, number of memberships outstanding, number of votes entitled to be cast by each class entitled to vote separately on dissolution, and number of votes of each class indisputably voting on dissolution.

(2) Either the total number of votes cast for and against dissolution by each class entitled to vote separately on dissolution or the total number of undisputed votes cast for dissolution

by each class and a statement that the number cast for dissolution by each class was sufficient for approval by that class.

*f.* If approval of dissolution by some person or persons other than the members, the board, or the incorporators is required pursuant to section 504.1402, subsection 1, paragraph "*c*", a statement that the approval was obtained.

2. A corporation is dissolved upon the effective date of its articles of dissolution.

2004 Acts, ch 1049, §139, 192

Referred to in §504.1404

**504.1404 Revocation of dissolution.**

1. A corporation may revoke its dissolution within one hundred twenty days of its effective date.

2. Revocation of dissolution must be authorized in the same manner as the dissolution was authorized unless that authorization permitted revocation by action of the board of directors alone, in which event the board of directors may revoke the dissolution without action by the members or any other person.

3. After the revocation of dissolution is authorized, the corporation may revoke the dissolution by delivering to the secretary of state for filing, articles of revocation of dissolution, together with a copy of its articles of dissolution, that set forth all of the following:

*a.* The name of the corporation.

*b.* The effective date of the dissolution that was revoked.

*c.* The date that the revocation of dissolution was authorized.

*d.* If the corporation's board of directors or incorporators revoked the dissolution, a statement to that effect.

*e.* If the corporation's board of directors revoked a dissolution authorized by the members alone or in conjunction with another person or persons, a statement that revocation was permitted by action of the board of directors alone pursuant to that authorization.

*f.* If member or third-person action was required to revoke the dissolution, the information required by section 504.1403, subsection 1, paragraphs "*e*" and "*f*".

4. Revocation of dissolution is effective upon the effective date of the articles of revocation of dissolution.

5. When the revocation of dissolution is effective, it relates back to and takes effect as of the effective date of the dissolution and the corporation resumes carrying on its activities as if dissolution had never occurred.

2004 Acts, ch 1049, §140, 192

**504.1405 Effect of dissolution.**

1. A dissolved corporation continues its corporate existence but shall not carry on any activities except those appropriate to wind up and liquidate its affairs, including all of the following:

*a.* Preserving and protecting its assets and minimizing its liabilities.

*b.* Discharging or making provision for discharging its liabilities and obligations.

*c.* Disposing of its properties that will not be distributed in kind.

*d.* Returning, transferring, or conveying assets held by the corporation upon a condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, in accordance with such condition.

*e.* Transferring, subject to any contractual or legal requirements, its assets as provided in or authorized by its articles of incorporation or bylaws.

*f.* If the corporation is a public benefit or religious corporation, and a provision has not been made in its articles or bylaws for distribution of assets on dissolution, transferring, subject to any contractual or legal requirement, its assets to one or more persons described in section 501(c)(3) of the Internal Revenue Code, or if the dissolved corporation is not described in section 501(c)(3) of the Internal Revenue Code, to one or more public benefit or religious corporations.

*g.* If the corporation is a mutual benefit corporation and a provision has not been made

in its articles or bylaws for distribution of assets on dissolution, transferring its assets to its members or, if it has no members, those persons whom the corporation holds itself out as benefiting or serving.

*h.* Doing every other act necessary to wind up and liquidate its assets and affairs.

2. Dissolution of a corporation does not do any of the following:

*a.* Transfer title to the corporation's property.

*b.* Subject its directors or officers to standards of conduct different from those prescribed in subchapter VIII.

*c.* Change quorum or voting requirements for its board or members; change provisions for selection, resignation, or removal of its directors or officers or both; or change provisions for amending its bylaws.

*d.* Prevent commencement of a proceeding by or against the corporation in its corporate name.

*e.* Abate or suspend a proceeding pending by or against the corporation on the effective date of dissolution.

*f.* Terminate the authority of the registered agent.

2004 Acts, ch 1049, §141, 192

Referred to in §504.1102, 504.1422, 504.1434

**504.1406 Known claims against dissolved corporation.**

1. A dissolved corporation may dispose of the known claims against it by following the procedure described in this section.

2. The dissolved corporation shall notify its known claimants in writing of the dissolution at any time after the effective date of the dissolution. The written notice must do all of the following:

*a.* Describe information that must be included in a claim.

*b.* Provide a mailing address where a claim may be sent.

*c.* State the deadline, which shall not be fewer than one hundred twenty days from the effective date of the written notice, by which the dissolved corporation must receive the claim.

*d.* State that the claim will be barred if not received by the deadline.

3. A claim against the dissolved corporation is barred if either of the following occurs:

*a.* A claimant who was given written notice under subsection 2 does not deliver the claim to the dissolved corporation by the deadline.

*b.* A claimant whose claim was rejected by the dissolved corporation does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejection notice.

4. For purposes of this section, "*claim*" does not include a contingent liability or a claim based on an event occurring after the effective date of dissolution.

2004 Acts, ch 1049, §142, 192

Referred to in §504.1407, 504.1422, 504.1434

**504.1407 Unknown claims against dissolved corporation.**

1. A dissolved corporation may also publish notice of its dissolution and request that persons with claims against the corporation present them in accordance with the notice.

2. The notice must do all of the following:

*a.* Be published one time in a newspaper of general circulation in the county where the dissolved corporation's principal office is located or, if none is located in this state, where its registered office is or was last located.

*b.* Describe the information that must be included in a claim and provide a mailing address where the claim may be sent.

*c.* State that a claim against the corporation will be barred unless a proceeding to enforce the claim is commenced within five years after publication of the notice.

3. If the dissolved corporation publishes a newspaper notice in accordance with subsection 2, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved corporation within five years after the publication date of the newspaper notice:

*a.* A claimant who did not receive written notice under section 504.1406.

*b.* A claimant whose claim was timely sent to the dissolved corporation but not acted on.

*c.* A claimant whose claim is contingent or based on an event occurring after the effective date of dissolution.

4. A claim may be enforced under this section to the following extent, as applicable:

*a.* Against the dissolved corporation, to the extent of its undistributed assets.

*b.* If the assets have been distributed in liquidation, against any person, other than a creditor of the corporation, to whom the corporation distributed its property to the extent of the distributee's pro rata share of the claim or the corporate assets distributed to such person in liquidation, whichever is less, but the distributee's total liability for all claims under this section shall not exceed the total amount of assets distributed to the distributee.

2004 Acts, ch 1049, §143, 192
Referred to in §504.1422, 504.1434

**504.1408 through 504.1420** Reserved.

## PART 2

## ADMINISTRATIVE DISSOLUTION

**504.1421 Grounds for administrative dissolution.**

The secretary of state may commence a proceeding under section 504.1422 to administratively dissolve a corporation if any of the following occurs:

1. The corporation does not deliver its biennial report to the secretary of state, in a form that meets the requirements of section 504.1613, within sixty days after the report is due.

2. The corporation is without a registered agent or registered office in this state for sixty days or more.

3. The corporation does not notify the secretary of state within sixty days that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.

4. The corporation's period of duration, if any, stated in its articles of incorporation expires.

2004 Acts, ch 1049, §144, 192
Referred to in §504.1422

**504.1422 Procedure for and effect of administrative dissolution.**

1. Upon determining that one or more grounds exist under section 504.1421 for dissolving a corporation, the secretary of state shall serve the corporation with written notice of that determination under section 504.504.

2. If the corporation does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the secretary of state that each ground determined by the secretary of state does not exist within at least sixty days after service of notice is perfected under section 504.504, the secretary of state may administratively dissolve the corporation by signing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. The secretary of state shall file the original of the certificate of dissolution and serve a copy on the corporation under section 504.504.

3. A corporation that is administratively dissolved continues its corporate existence but shall not carry on any activities except those necessary to wind up and liquidate its affairs pursuant to section 504.1405 and notify its claimants pursuant to sections 504.1406 and 504.1407.

4. The administrative dissolution of a corporation does not terminate the authority of its registered agent.

5. The secretary of state's administrative dissolution of a corporation pursuant to this section appoints the secretary of state as the corporation's agent for service of process in any proceeding based on a cause of action which arose during the time the corporation was

authorized to transact business in this state. Service of process on the secretary of state under this subsection is service on the corporation. Upon receipt of process, the secretary of state shall serve a copy of the process on the corporation as provided in section 504.504. This subsection does not preclude service on the corporation's registered agent, if any.

2004 Acts, ch 1049, §145, 192; 2004 Acts, ch 1175, §386
Referred to in §504.1421, 504.1423

**504.1423 Reinstatement following administrative dissolution.**

1. A corporation administratively dissolved under section 504.1422 may apply to the secretary of state for reinstatement at any time after the effective date of dissolution. The application must state all of the following:

*a.* The name of the corporation and the effective date of its administrative dissolution.

*b.* That the ground or grounds for dissolution either did not exist or have been eliminated.

*c.* If the application is received more than five years after the effective date of dissolution, state the corporation's name satisfies the requirements of section 504.401.

*d.* The federal tax identification number of the corporation.

2. *a.* The secretary of state shall refer the federal tax identification number contained in the application for reinstatement to the departments of revenue and workforce development. The departments of revenue and workforce development shall report to the secretary of state the tax status of the corporation. If either department reports to the secretary of state that a filing delinquency or liability exists against the corporation, the secretary of state shall not cancel the certificate of dissolution until the filing delinquency or liability is satisfied.

*b.* (1) If the secretary of state determines that the application contains the information required by subsection 1, that a delinquency or liability reported pursuant to paragraph "*a*" has been satisfied, and that all of the application information is correct, the secretary of state shall cancel the certificate of dissolution and prepare a certificate of reinstatement reciting that determination and the effective date of reinstatement, file the document, and deliver a copy to the corporation under section 504.504.

(2) If the corporate name in subsection 1, paragraph "*c*", is different from the corporate name in subsection 1, paragraph "*a*", the certificate of reinstatement shall constitute an amendment to the articles of incorporation insofar as it pertains to the corporate name. A corporation shall not relinquish the right to retain its corporate name if the reinstatement is effective within five years of the effective date of the corporation's dissolution.

3. When reinstatement is effective, it relates back to and takes effect as of the effective date of the administrative dissolution and the corporation shall resume carrying on its activities as if the administrative dissolution had never occurred.

2004 Acts, ch 1049, §146, 192; 2006 Acts, ch 1089, §58 – 60; 2010 Acts, ch 1040, §5
Referred to in §488.108, 490.401, 504.401, 504.403

**504.1424 Appeal from denial of reinstatement.**

1. The secretary of state, upon denying a corporation's application for reinstatement following administrative dissolution, shall serve the corporation under section 504.504 with a written notice that explains the reason or reasons for denial.

2. The corporation may appeal the denial of reinstatement to the district court within ninety days after service of the notice of denial is perfected by petitioning to set aside the dissolution and attaching to the petition copies of the secretary of state's certificate of dissolution, the corporation's application for reinstatement, and the secretary of state's notice of denial of reinstatement.

3. The court may summarily order the secretary of state to reinstate the dissolved corporation or may take other action the court considers appropriate.

4. The court's final decision may be appealed as in other civil proceedings.

2004 Acts, ch 1049, §147, 192

**504.1425 through 504.1430** Reserved.

## PART 3

## JUDICIAL DISSOLUTION

**504.1431 Grounds for judicial dissolution.**

1. The district court may dissolve a corporation in any of the following ways:

*a.* In a proceeding brought by the attorney general, if any of the following is established:

(1) The corporation obtained its articles of incorporation through fraud.

(2) The corporation has continued to exceed or abuse the authority conferred upon it by law.

*b.* Except as provided in the articles or bylaws of a religious corporation, in a proceeding brought by fifty members or members holding five percent of the voting power, whichever is less, or by a director or any person specified in the articles, if any of the following is established:

(1) The directors are deadlocked in the management of the corporate affairs, and the members, if any, are unable to break the deadlock.

(2) The directors or those in control of the corporation have acted, are acting, or will act in a manner that is illegal, oppressive, or fraudulent.

(3) The members are deadlocked in voting power and have failed, for a period that includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have, or would otherwise have, expired.

(4) The corporate assets are being misapplied or wasted.

*c.* In a proceeding brought by a creditor, if either of the following is established:

(1) The creditor's claim has been reduced to judgment, the execution on the judgment is returned unsatisfied, and the corporation is insolvent.

(2) The corporation has admitted in writing that the creditor's claim is due and owing and the corporation is insolvent.

*d.* In a proceeding brought by the corporation to have its voluntary dissolution continued under court supervision.

2. Prior to dissolving a corporation, the court shall consider whether:

*a.* There are reasonable alternatives to dissolution.

*b.* Dissolution is in the public interest, if the corporation is a public benefit corporation.

*c.* Dissolution is the best way of protecting the interests of members, if the corporation is a mutual benefit corporation.

2004 Acts, ch 1049, §148, 192

Referred to in §504.1432, 504.1434

**504.1432 Procedure for judicial dissolution.**

1. Venue for a proceeding brought by the attorney general to dissolve a corporation lies in Polk county. Venue for a proceeding brought by any other party named in section 504.1431 lies in the county where a corporation's principal office is located or, if none is located in this state, where its registered office is or was last located.

2. It is not necessary to make directors or members parties to a proceeding to dissolve a corporation unless relief is sought against them individually.

3. A court in a proceeding brought to dissolve a corporation may issue injunctions, appoint a receiver or custodian pendente lite with all powers and duties the court directs, take other action required to preserve the corporate assets wherever located, or carry on the activities of the corporation until a full hearing can be held.

2004 Acts, ch 1049, §149, 192

**504.1433 Receivership or custodianship.**

1. A court in a judicial proceeding brought to dissolve a public benefit or mutual benefit corporation may appoint one or more receivers to wind up and liquidate, or one or more custodians to manage, the affairs of the corporation. The court shall hold a hearing, after notifying all parties to the proceeding and any interested persons designated by the court,

before appointing a receiver or custodian. The court appointing a receiver or custodian has exclusive jurisdiction over the corporation and all of its property wherever located.

2. The court may appoint an individual, or a domestic or foreign business or nonprofit corporation authorized to transact business in this state, as a receiver or custodian. The court may require the receiver or custodian to post bond, with or without sureties, in an amount the court directs.

3. The court shall describe the powers and duties of the receiver or custodian in its appointing order, which may be amended, including the following:

*a.* The receiver or custodian may dispose of all or any part of the assets of the corporation wherever located, at a public or private sale, if authorized by the court. However, the receiver's or custodian's power to dispose of the assets of the corporation is subject to any trust and other restrictions that would be applicable to the corporation. The receiver or custodian may sue and defend in the receiver's or custodian's name as receiver or custodian of the corporation, as applicable, in all courts of this state.

*b.* The custodian may exercise all of the powers of the corporation, through or in place of its board of directors or officers, to the extent necessary to manage the affairs of the corporation in the best interests of its members and creditors.

4. The court during a receivership may redesignate the receiver a custodian, and during a custodianship may redesignate the custodian a receiver, if doing so is in the best interests of the corporation, its members, and creditors.

5. The court during the receivership or custodianship may order compensation paid and expense disbursements or reimbursements made to the receiver or custodian and to the receiver's or custodian's attorney from the assets of the corporation or proceeds from the sale of the assets.

2004 Acts, ch 1049, §150, 192

**504.1434 Decree of dissolution.**

1. If after a hearing the court determines that one or more grounds for judicial dissolution described in section 504.1431 exist, the court may enter a decree dissolving the corporation and specifying the effective date of the dissolution, and the clerk of the court shall deliver a certified copy of the decree to the secretary of state, who shall file it.

2. After entering the decree of dissolution, the court shall direct the winding up of the corporation's affairs and liquidation of the corporation in accordance with section 504.1405 and the notification of its claimants in accordance with sections 504.1406 and 504.1407.

2004 Acts, ch 1049, §151, 192
Referred to in §602.8102(70)

**504.1435 through 504.1440** Reserved.

## PART 4

## MISCELLANEOUS

**504.1441 Deposit with state treasurer.**

Assets of a dissolved corporation which should be transferred to a creditor, claimant, or member of the corporation who cannot be found or who is not competent to receive them shall be reduced to cash subject to known trust restrictions and deposited with the treasurer of state for safekeeping. However, in the treasurer of state's discretion, property may be received and held in kind. When the creditor, claimant, or member furnishes satisfactory proof of entitlement to the amount deposited or property held in kind, the treasurer of state shall deliver to the creditor, member, or other person or to the representative of the creditor, member, or other person that amount or property.

2004 Acts, ch 1049, §152, 192

**504.1442 through 504.1500** Reserved.

## SUBCHAPTER XV

## FOREIGN CORPORATIONS

## PART 1

## CERTIFICATE OF AUTHORITY

**504.1501 Authority to transact business required.**

1. A foreign corporation shall not transact business in this state until it obtains a certificate of authority from the secretary of state.

2. The following activities, among others, do not constitute transacting business within the meaning of subsection 1:

*a.* Maintaining, defending, or settling any proceeding.

*b.* Holding meetings of the board of directors or members or carrying on other activities concerning internal corporate affairs.

*c.* Maintaining bank accounts.

*d.* Maintaining offices or agencies for the transfer, exchange, or registration of memberships or securities or maintaining trustees or depositaries with respect to those securities.

*e.* Selling through independent contractors.

*f.* Soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if the orders require acceptance outside this state before they become contracts.

*g.* Creating or acquiring indebtedness, mortgages, or security interests in real or personal property.

*h.* Securing or collecting debts or enforcing mortgages or security interests in property securing the debts.

*i.* Owning, without more, real or personal property.

*j.* Conducting an isolated transaction that is completed within thirty days and that is not one in the course of repeated transactions of a like nature.

*k.* Transacting business in interstate commerce.

2004 Acts, ch 1049, §153, 192

**504.1502 Consequences of transacting business without authority.**

1. A foreign corporation transacting business in this state without a certificate of authority shall not maintain a proceeding in any court in this state until it obtains a certificate of authority.

2. The successor to a foreign corporation that transacted business in this state without a certificate of authority and the assignee of a cause of action arising out of that business shall not maintain a proceeding on that cause of action in any court in this state until the foreign corporation or its successor obtains a certificate of authority.

3. A court may stay a proceeding commenced by a foreign corporation, its successor, or assignee until the court determines whether the foreign corporation or its successor requires a certificate of authority. If it so determines, the court may further stay the proceeding until the foreign corporation or its successor obtains the certificate.

4. A foreign corporation is liable for a civil penalty of an amount not to exceed a total of one thousand dollars if it transacts business in this state without a certificate of authority. The attorney general may collect all penalties due under this subsection.

5. Notwithstanding subsections 1 and 2, the failure of a foreign corporation to obtain a certificate of authority does not impair the validity of its corporate acts or prevent it from defending any proceeding in this state.

2004 Acts, ch 1049, §154, 192

**504.1503 Application for certificate of authority.**

1. A foreign corporation may apply for a certificate of authority to transact business in

this state by delivering an application to the secretary of state. The application must set forth all of the following:

*a.* The name of the foreign corporation or, if its name is unavailable for use in this state, a corporate name that satisfies the requirements of section 504.1506.

*b.* The name of the state or country under whose law it is incorporated.

*c.* The date of incorporation and period of duration.

*d.* The address of its principal office.

*e.* The address of its registered office in this state and the name of its registered agent at that office.

*f.* The names and usual business or home addresses of its current directors and officers.

*g.* Whether the foreign corporation has members.

2. The foreign corporation shall deliver the completed application to the secretary of state, and shall also deliver to the secretary of state a certificate of existence or a document of similar import duly authenticated by the secretary of state or other official having custody of corporate records in the state or country under whose law it is incorporated which is dated no earlier than ninety days prior to the date the application is filed with the secretary of state.

2004 Acts, ch 1049, §155, 192

Referred to in §504.1504

**504.1504 Amended certificate of authority.**

1. A foreign corporation authorized to transact business in this state shall obtain an amended certificate of authority from the secretary of state if it changes any of the following:

*a.* Its corporate name.

*b.* The period of its duration.

*c.* The state or country of its incorporation.

2. The requirements of section 504.1503 for obtaining an original certificate of authority apply to obtaining an amended certificate under this section.

2004 Acts, ch 1049, §156, 192

Referred to in §504.1506

**504.1505 Effect of certificate of authority.**

1. A certificate of authority authorizes the foreign corporation to which it is issued to transact business in this state subject, however, to the right of the state to revoke the certificate as provided in this chapter.

2. A foreign corporation with a valid certificate of authority has the same rights and has the same privileges as and, except as otherwise provided by this chapter, is subject to the same duties, restrictions, penalties, and liabilities now or later imposed on a domestic corporation of like character.

3. This chapter does not authorize this state to regulate the organization or internal affairs of a foreign corporation authorized to transact business in this state.

2004 Acts, ch 1049, §157, 192

**504.1506 Corporate name of foreign corporation.**

1. If the corporate name of a foreign corporation does not satisfy the requirements of section 504.401, the foreign corporation, to obtain or maintain a certificate of authority to transact business in this state, may use a fictitious name to transact business in this state if the corporation's real name is unavailable and it delivers to the secretary of state for filing a copy of the resolution of its board of directors, certified by its secretary, adopting the fictitious name.

2. Except as authorized by subsections 3 and 4, the corporate name of a foreign corporation, including a fictitious name, must be distinguishable upon the records of the secretary of state from all of the following:

*a.* The corporate name of a nonprofit or business corporation incorporated or authorized to transact business in this state.

*b.* A corporate name reserved, registered, or protected as provided in section 490.402 or 490.403 or section 504.402 or 504.403.

*c.* The fictitious name of another foreign business or nonprofit corporation authorized to transact business in this state.

3. A foreign corporation may apply to the secretary of state for authorization to use in this state the name of another corporation incorporated or authorized to transact business in this state that is not distinguishable upon the records of the secretary of state from the name applied for. The secretary of state shall authorize use of the name applied for if either of the following applies:

*a.* The other corporation consents to the use in writing and submits an undertaking in a form satisfactory to the secretary of state to change its name to a name that is distinguishable upon the records of the secretary of state from the name of the applying corporation.

*b.* The applicant delivers to the secretary of state a certified copy of a final judgment of a court of competent jurisdiction establishing the applicant's right to use the name applied for in this state.

4. A foreign corporation may use in this state the name, including the fictitious name, of another domestic or foreign business or nonprofit corporation that is used in this state if the other corporation is incorporated or authorized to transact business in this state and the foreign corporation has filed documentation satisfactory to the secretary of state of the occurrence of any of the following:

*a.* The foreign corporation has merged with the other corporation.

*b.* The foreign corporation has been formed by reorganization of the other corporation.

*c.* The foreign corporation has acquired all or substantially all of the assets, including the corporate name, of the other corporation.

5. If a foreign corporation authorized to transact business in this state changes its corporate name to one that does not satisfy the requirements of section 504.401, it shall not transact business in this state under the changed name until it adopts a name satisfying the requirements of section 504.401 and obtains an amended certificate of authority under section 504.1504.

2004 Acts, ch 1049, §158, 192; 2006 Acts, ch 1089, §61

Referred to in §504.403, 504.1503

**504.1507 Registered office and registered agent of foreign corporation.**

Each foreign corporation authorized to transact business in this state shall continuously maintain in this state both of the following:

1. A registered office with the same address as that of its registered agent.

2. A registered agent, who may be any of the following:

*a.* An individual who resides in this state and whose office is identical to the registered office.

*b.* A domestic business or nonprofit corporation whose office is identical to the registered office.

*c.* A foreign business or nonprofit corporation authorized to transact business in this state whose office is identical to the registered office.

2004 Acts, ch 1049, §159, 192

**504.1508 Change of registered office or registered agent of foreign corporation.**

1. A foreign corporation authorized to transact business in this state may change its registered office or registered agent by delivering to the secretary of state for filing a statement of change that sets forth all of the following that apply:

*a.* The name of its registered office or registered agent.

*b.* If the current registered office is to be changed, the address of its new registered office.

*c.* If the current registered agent is to be changed, the name of its new registered agent and the new agent's written consent to the appointment, either on the statement or attached to it.

*d.* That after the change or changes are made, the addresses of its registered office and the office of its registered agent will be identical.

2. If a registered agent changes the address of its business office, the agent may change the address of the registered office of any foreign corporation for which the agent is the registered

agent by notifying the corporation in writing of the change and signing either manually or in facsimile and delivering to the secretary of state for filing a statement of change that complies with the requirements of subsection 1 and recites that the corporation has been notified of the change.

3. If a registered agent changes the registered agent's business address to another place, the registered agent may change the address of the registered office of any corporation for which the registered agent is the registered agent by filing a statement as required in subsection 2 for each corporation, or by filing a single statement for all corporations named in the notice, except that it must be signed either manually or in facsimile only by the registered agent and must recite that a copy of the statement has been mailed to each corporation named in the notice.

4. A corporation may also change its registered office or registered agent in its biennial report as provided in section 504.1613.

2004 Acts, ch 1049, §160, 192
Referred to in §504.1531

**504.1509 Resignation of registered agent of foreign corporation.**

1. *a.* The registered agent of a foreign corporation may resign as agent by signing and delivering to the secretary of state for filing the original statement of resignation. The statement of resignation may include a statement that the registered office is also discontinued.

*b.* The registered agent shall send a copy of the statement of resignation by certified mail to the corporation at its principal office and to the registered office, if not discontinued. The registered agent shall certify to the secretary of state that the copies have been sent to the corporation, including the date the copies were sent.

2. The agency appointment is terminated, and the registered office discontinued if so provided, on the date on which the statement is filed with the secretary of state.

2004 Acts, ch 1049, §161, 192; 2012 Acts, ch 1023, §157
Referred to in §504.111, 504.1531

**504.1510 Service on foreign corporation.**

1. The registered agent of a foreign corporation authorized to transact business in this state is the corporation's agent for service of process, notice, or demand required or permitted by law to be served on the foreign corporation.

2. A foreign corporation may be served by registered or certified mail, return receipt requested, addressed to the secretary of the foreign corporation at its principal office shown in its application for a certificate of authority or in its most recent biennial report filed under section 504.1613 if any of the following conditions apply:

*a.* The foreign corporation has no registered agent or its registered agent cannot with reasonable diligence be served.

*b.* The foreign corporation has withdrawn from transacting business in this state under section 504.1521.

*c.* The foreign corporation has had its certificate of authority revoked under section 504.1532.

3. Service is perfected under subsection 2 at the earliest of any of the following:

*a.* The date the foreign corporation receives the mail.

*b.* The date shown on the return receipt, if signed on behalf of the foreign corporation.

*c.* Five days after its deposit in the United States mail, as evidenced by the postmark, if mailed postpaid and correctly addressed.

4. This section does not prescribe the only means, or necessarily the required means, of serving a foreign corporation. A foreign corporation may also be served in any other manner permitted by law.

2004 Acts, ch 1049, §162, 192
Referred to in §504.116, 504.1532, 504.1533

**504.1511 through 504.1520** Reserved.

## PART 2

## WITHDRAWAL

**504.1521 Withdrawal of foreign corporation.**

1. A foreign corporation authorized to transact business in this state shall not withdraw from this state until it obtains a certificate of withdrawal from the secretary of state.

2. A foreign corporation authorized to transact business in this state may apply for a certificate of withdrawal by delivering an application to the secretary of state for filing. The application shall set forth all of the following:

*a.* The name of the foreign corporation and the name of the state or country under whose law it is incorporated.

*b.* That it is not transacting business in this state and that it surrenders its authority to transact business in this state.

*c.* That it revokes the authority of its registered agent to accept service on its behalf and appoints the secretary of state as its agent for service of process in any proceeding based on a cause of action arising during the time it was authorized to do business in this state.

*d.* A mailing address to which the secretary of state may mail a copy of any process served on the secretary of state under paragraph "*c*".

3. After the withdrawal of the corporation is effective, service of process on the secretary of state under this section is service on the foreign corporation. Upon receipt of process, the secretary of state shall mail a copy of the process to the foreign corporation at the mailing address set forth in its application for withdrawal.

2004 Acts, ch 1049, §163, 192

Referred to in §504.1510

**504.1522 through 504.1530** Reserved.

## PART 3

## REVOCATION OF CERTIFICATE OF AUTHORITY

**504.1531 Grounds for revocation.**

1. The secretary of state may commence a proceeding under section 504.1532 to revoke the certificate of authority of a foreign corporation authorized to transact business in this state if any of the following applies:

*a.* The foreign corporation does not deliver the biennial report to the secretary of state in a form that meets the requirements of section 504.1613 within sixty days after it is due.

*b.* The foreign corporation is without a registered agent or registered office in this state for sixty days or more.

*c.* The foreign corporation does not inform the secretary of state under section 504.1508 or 504.1509 that its registered agent or registered office has changed, that its registered agent has resigned, or that its registered office has been discontinued within ninety days of the change, resignation, or discontinuance.

*d.* An incorporator, director, officer, or agent of the foreign corporation signed a document that such person knew was false in any material respect with intent that the document be delivered to the secretary of state for filing.

*e.* The secretary of state receives a duly authenticated certificate from the secretary of state or other official having custody of corporate records in the state or country under whose law the foreign corporation is incorporated, stating that it has been dissolved or disappeared as the result of a merger.

2. The attorney general may commence a proceeding under section 504.1532 to revoke the certificate of authority of a foreign corporation authorized to transact business in this

state if the corporation has continued to exceed or abuse the authority conferred upon it by law.

2004 Acts, ch 1049, §164, 192
Referred to in §504.1532

**504.1532 Procedure for and effect of revocation.**

1. The secretary of state, upon determining that one or more grounds exist under section 504.1531 for revocation of a certificate of authority, shall serve the foreign corporation with written notice of that determination under section 504.1510.

2. The attorney general, upon determining that one or more grounds exist under section 504.1531, subsection 2, for revocation of a certificate of authority, shall request the secretary of state to serve, and the secretary of state shall serve, the foreign corporation with written notice of that determination under section 504.1510.

3. If the foreign corporation does not correct each ground for revocation or demonstrate to the reasonable satisfaction of the secretary of state or attorney general that each ground for revocation determined by the secretary of state or attorney general does not exist within sixty days after service of the notice is perfected under section 504.1510, the secretary of state may revoke the foreign corporation's certificate of authority by signing a certificate of revocation that recites the ground or grounds for revocation and its effective date. The secretary of state shall file the original of the certificate and serve a copy on the foreign corporation under section 504.1510.

4. The authority of a foreign corporation to transact business in this state ceases on the date shown on the certificate revoking its certificate of authority.

5. The secretary of state's revocation of a foreign corporation's certificate of authority appoints the secretary of state the foreign corporation's agent for service of process in any proceeding based on a cause of action that arose during the time the foreign corporation was authorized to transact business in this state. Service of process on the secretary of state under this subsection is service on the foreign corporation. Upon receipt of process, the secretary of state shall mail a copy of the process to the secretary of the foreign corporation at its principal office shown in its most recent biennial report or in any subsequent communications received from the corporation stating the current mailing address of its principal office or, if none are on file, in its application for a certificate of authority.

6. Revocation of a foreign corporation's certificate of authority does not terminate the authority of the registered agent of the corporation.

2004 Acts, ch 1049, §165, 192
Referred to in §504.1510, 504.1531

**504.1533 Appeal from revocation.**

1. A foreign corporation may appeal the secretary of state's revocation of its certificate of authority to the district court within thirty days after the service of the certificate of revocation is perfected under section 504.1510 by petitioning to set aside the revocation and attaching to the petition copies of its certificate of authority and the secretary of state's certificate of revocation.

2. The court may summarily order the secretary of state to reinstate the certificate of authority or may take any other action the court considers appropriate.

3. The court's final decision may be appealed as in other civil proceedings.

2004 Acts, ch 1049, §166, 192

**504.1534 through 504.1600** Reserved.

## SUBCHAPTER XVI
## RECORDS AND REPORTS

## PART 1
## RECORDS

**504.1601 Corporate records.**

1. A corporation shall keep as permanent records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or directors without a meeting, and a record of all actions taken by committees of the board of directors as authorized by section 504.826, subsection 4.

2. A corporation shall maintain appropriate accounting records.

3. A corporation or its agent shall maintain a record of its members in a form that permits preparation of a list of the names and addresses of all members, in alphabetical order by class, showing the number of votes each member is entitled to vote.

4. A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

5. A corporation shall keep a copy of all of the following records:

*a.* Its articles or restated articles of incorporation and all amendments to them currently in effect.

*b.* Its bylaws or restated bylaws and all amendments to them currently in effect.

*c.* Resolutions adopted by its board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members.

*d.* The minutes of all meetings of members and records of all actions approved by the members for the past three years.

*e.* All written communications to members generally within the past three years, including the financial statements furnished for the past three years under section 504.1611.

*f.* A list of the names and business or home addresses of its current directors and officers.

*g.* Its most recent biennial report delivered to the secretary of state under section 504.1613.

2004 Acts, ch 1049, §167, 192

Referred to in §504.1602

**504.1602 Inspection of records by members.**

1. Subject to subsection 5, a member is entitled to inspect and copy, at a reasonable time and location specified by the corporation, any of the records of the corporation described in section 504.1601, subsection 5, if the member gives the corporation written notice or a written demand at least five business days before the date on which the member wishes to inspect and copy.

2. Subject to subsections 5 and 6, a member is entitled to inspect and copy, at a reasonable time and reasonable location specified by the corporation, any of the following records of the corporation if the member meets the requirements of subsection 3 and gives the corporation written notice at least ten business days before the date on which the member wishes to inspect and copy:

*a.* Excerpts from any records required to be maintained under section 504.1601, subsection 1, to the extent not subject to inspection under subsection 1 of this section.

*b.* Accounting records of the corporation.

*c.* The membership list.

3. A member may inspect and copy the records identified in subsection 2 only if all of the following apply:

*a.* The member's demand is made in good faith and for a proper purpose.

*b.* The member describes with reasonable particularity the purpose of the demand and the records the member desires to inspect.

*c.* The records are directly connected to the purpose described.

*d.* The board consents, if consent is required by section 504.1605.

4. This section does not affect either of the following:

*a.* The right of a member to inspect records under section 504.711 or, if the member is in litigation with the corporation, to the same extent as any other litigant.

*b.* The power of a court, independently of this chapter, to compel the production of corporate records for examination.

5. The articles or bylaws of a religious corporation may limit or abolish the right of a member under this section to inspect and copy any corporate record.

6. A corporation may, within ten business days after receiving a demand for inspection of a membership list under section 504.711 or subsection 2 of this section, respond to the demand with a written proposal offering a reasonable alternative to the demand for inspection that will achieve the purpose of the demand without providing access to or a copy of the membership list. A proposal offering an alternative that reasonably and in a timely manner accomplishes a proper purpose identified in a demand for inspection shall be considered to offer a reasonable alternative. A proposal for a reasonable alternative that has been accepted by the person making the demand for inspection shall cease to be considered a reasonable alternative if the terms of the proposal are not carried out by the corporation within a reasonable time after acceptance of the proposal. For the purposes of this subsection, a reasonable alternative may include, but is not limited to, a communication prepared by a member and mailed by the corporation at the expense of the member.

2004 Acts, ch 1049, §168, 192

Referred to in §504.711, 504.1603, 504.1604

**504.1603 Scope of inspection right.**

1. A member's agent or attorney has the same inspection and copying rights as the member the agent or attorney represents.

2. The right to copy records under section 504.1602 includes, if reasonable, the right to receive copies made by photographic, xerographic, or other means.

3. The corporation may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. The charge shall not exceed the estimated cost of production or reproduction of the records.

4. The corporation may comply with a member's demand to inspect the record of members under section 504.1602, subsection 2, paragraph "*c*", by providing the member with a list of its members that was compiled no earlier than the date of the member's demand.

2004 Acts, ch 1049, §169, 192

**504.1604 Court-ordered inspection.**

1. If a corporation does not allow a member who complies with section 504.1602, subsection 1, to inspect and copy any records required by that subsection to be available for inspection, the district court in the county where the corporation's principal office is located or, if none is located in this state, where its registered office is located, may summarily order inspection and copying of the records demanded at the corporation's expense upon application of the member.

2. If a corporation does not within a reasonable time allow a member to inspect and copy any other records, or propose a reasonable alternative to such inspection and copying, the member who complies with section 504.1602, subsections 2 and 3, may apply to the district court in the county where the corporation's principal office is located or, if none is located in this state, where its registered office is located, for an order to permit inspection and copying of the records demanded. The court shall dispose of an application under this subsection on an expedited basis.

3. If the court orders inspection and copying of the records demanded or other relief deemed appropriate by the court, it shall also order the corporation to pay the member's costs, including reasonable attorney fees incurred, to obtain the order unless the corporation proves that it refused inspection in good faith because it had a reasonable basis for doubt about the right of the member to inspect the records demanded.

4. If the court orders inspection and copying of the records demanded or other relief

deemed appropriate by the court, it may impose reasonable restrictions on the use or distribution of the records by the demanding member.

2004 Acts, ch 1049, §170, 192

**504.1605 Limitations on use of corporate records.**

Without consent of the board, no corporate record may be obtained or used by any person for any purpose unrelated to a member's interest as a member. Without limiting the generality of the foregoing, without the consent of the board, corporate records, including without limitation a membership list or any part thereof, shall not be used for any of the following:

1. To solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the corporation.
2. For any commercial purpose.
3. For sale to or purchase by any person.
4. For any purpose that is detrimental to the interests of the corporation.

2004 Acts, ch 1049, §171, 192

Referred to in §504.711, 504.1602

**504.1606 Inspection of records by directors.**

1. A director of a corporation is entitled to inspect and copy the books, records, and documents of the corporation at any reasonable time to the extent reasonably related to the performance of the director's duties as a director, including duties as a member of a committee, but not for any other purpose or in any manner that would violate any duty to the corporation.
2. The district court of the county where the corporation's principal office, or if none in this state, its registered office, is located may order inspection and copying of the books, records, and documents at the corporation's expense, upon application of a director who has been refused such inspection rights, unless the corporation establishes that the director is not entitled to such inspection rights. The court shall dispose of an application under this subsection on an expedited basis.
3. If an order is issued, the court may include provisions protecting the corporation from undue burden or expense and prohibiting the director from using information obtained upon exercise of the inspection rights in a manner that would violate a duty to the corporation, and may also order the corporation to reimburse the director for the director's costs, including reasonable counsel fees, incurred in connection with the application.

2004 Acts, ch 1049, §172, 192

**504.1607 Exception to notice requirement.**

1. Whenever notice is required to be given under any provision of this chapter to any member, such notice shall not be required to be given if notice of two consecutive annual meetings, and all notices of meetings during the period between such two consecutive annual meetings, have been sent to the member at the member's address as shown on the records of the corporation and have been returned as undeliverable.
2. If the member delivers to the corporation a written notice setting forth the member's then-current address, the requirement that notice be given to the member shall be reinstated.

2006 Acts, ch 1089, §62

**504.1608 through 504.1610** Reserved.

## PART 2

## REPORTS

**504.1611 Financial statements for members.**

1. Except as provided in the articles or bylaws of a religious corporation, a corporation

upon written demand from a member shall furnish that member the corporation's latest annual financial statements, which may be consolidated or combined statements of the corporation and one or more of its subsidiaries or affiliates, as appropriate, that include a balance sheet as of the end of the fiscal year and a statement of operations for that year.

2. If annual financial statements are reported upon by a public accountant, the accountant's report must accompany them.

2004 Acts, ch 1049, §173, 192

Referred to in §504.1601

**504.1612 Report of indemnification to members.**

If a corporation indemnifies or advances expenses to a director under section 504.852, 504.853, 504.854, or 504.855 in connection with a proceeding by or in the right of the corporation, the corporation shall report the indemnification or advance in writing to the members with or before the notice of the next meeting of members.

2004 Acts, ch 1049, §174, 192

**504.1613 Biennial report for secretary of state.**

1. Each domestic corporation, and each foreign corporation authorized to transact business in this state, shall deliver to the secretary of state for filing a biennial report on a form prescribed and furnished by the secretary of state that sets forth all of the following:

*a.* The name of the corporation and the state or country under whose law it is incorporated.

*b.* The address of the corporation's registered office and the name of the corporation's registered agent at that office in this state, together with the consent of any new registered agent.

*c.* The address of the corporation's principal office.

*d.* The names and addresses of the president, secretary, treasurer, and one member of the board of directors.

*e.* Whether or not the corporation has members.

2. The information in the biennial report must be current on the date the biennial report is executed on behalf of the corporation.

3. The first biennial report shall be delivered to the secretary of state between January 1 and April 1 of the first odd-numbered year following the calendar year in which a domestic corporation was incorporated or a foreign corporation was authorized to transact business. Subsequent biennial reports must be delivered to the secretary of state between January 1 and April 1 of the following odd-numbered calendar years.

4. *a.* If a biennial report does not contain the information required by this section, the secretary of state shall promptly notify the reporting domestic or foreign corporation in writing and return the report to the corporation for correction.

*b.* A filing fee for the biennial report shall be determined by the secretary of state.

*c.* For purposes of this section, each biennial report shall contain information related to the two-year period immediately preceding the calendar year in which the report is filed.

5. The secretary of state may provide for the change of registered office or registered agent on the form prescribed by the secretary of state for the biennial report, provided that the form contains the information required in section 504.502 or 504.503. If the secretary of state determines that a biennial report does not contain the information required by this section but otherwise meets the requirements of section 504.502 or 504.503 for the purpose of changing the registered office or registered agent, the secretary of state shall file the statement of change of registered office or registered agent, effective as provided in section 504.114, before returning the biennial report to the corporation as provided in this section. A statement of change of registered office or agent pursuant to this subsection shall be executed by a person authorized to execute the biennial report.

2004 Acts, ch 1049, §175, 192

Referred to in §497.22, 498.24, 499.49, 504.116, 504.119, 504.141, 504.504, 504.1421, 504.1508, 504.1510, 504.1531, 504.1601

**504.1614 through 504.1700** Reserved.

## SUBCHAPTER XVII

## TRANSITION PROVISIONS

**504.1701 Application to existing domestic corporations.**

1. A domestic corporation that is incorporated under chapter 504A, Code 2005, is subject to this chapter beginning on July 1, 2005.

2. Prior to July 1, 2005, only the following corporations are subject to the provisions of this chapter:

*a.* A corporation formed on or after January 1, 2005.

*b.* A corporation incorporated under chapter 504A, Code 2005, that voluntarily elects to be subject to the provisions of this chapter in accordance with the procedures set forth in subsection 3.

3. A corporation incorporated under chapter 504A, Code 2005, may voluntarily elect to be subject to the provisions of this chapter by doing all of the following:

*a.* The corporation shall amend or restate its articles of incorporation to indicate that the corporation voluntarily elects to be subject to the provisions of this chapter.

*b.* The corporation shall deliver a copy of the amended or restated articles of incorporation to the secretary of state for filing and recording in the office of the secretary of state.

4. After the amended or restated articles of incorporation have been filed with the secretary of state all of the following shall occur:

*a.* The corporation shall be subject to all provisions of this chapter.

*b.* The secretary of state shall issue a certificate of filing of the corporation's amended or restated articles of incorporation indicating that the corporation has made a voluntary election to be subject to the provisions of this chapter and shall deliver the certificate to the corporation or to the corporation's representative.

*c.* The secretary of state shall not file the amended or restated articles of incorporation of a corporation pursuant to this subsection unless at the time of filing the corporation is validly organized under the chapter under which it is incorporated, and has filed all biennial reports that are required and paid all fees that are due in connection with such reports.

5. The voluntary election of a corporation to be subject to the provisions of this chapter that is made pursuant to this section does not affect any right accrued or established, or any liability or penalty incurred by the corporation pursuant to the chapter under which the corporation was organized prior to such voluntary election.

2004 Acts, ch 1049, §176, 192; 2005 Acts, ch 3, §80 – 82

**504.1702 Application to qualified foreign corporations.**

A foreign corporation authorized to transact business in this state prior to January 1, 2005, is subject to this chapter beginning on July 1, 2005, but is not required to obtain a new certificate of authority to transact business under this chapter.

2004 Acts, ch 1049, §177, 192

**504.1703 Savings provisions.**

1. Except as provided in subsection 2, the repeal of a statute by 2004 Acts, ch 1049, does not affect any of the following:

*a.* The operation of the statute or any action taken under it before its repeal.

*b.* Any ratification, right, remedy, privilege, obligation, or liability acquired, accrued, or incurred under the statute before its repeal.

*c.* Any violation of the statute or any penalty, forfeiture, or punishment incurred because of the violation, before its repeal.

*d.* Any proceeding, reorganization, or dissolution commenced under the statute before its repeal, and the proceeding, reorganization, or dissolution may be completed in accordance with the statute as if it had not been repealed.

2. If a penalty or punishment imposed for violation of a statute repealed by 2004 Acts, ch

1049, is reduced by this chapter, the penalty or punishment, if not already imposed, shall be imposed in accordance with this chapter.

2004 Acts, ch 1049, §178, 192

**504.1704 Severability.**

If any provision of this chapter or its application to any person or circumstance is held invalid by a court of competent jurisdiction, the invalidity does not affect other provisions or applications of the chapter that can be given effect without the invalid provision or application, and to this end the provisions of the chapter are severable.

2004 Acts, ch 1049, §179, 192

**504.1705 Public benefit, mutual benefit, and religious corporations.**

For the purposes of this chapter, each domestic corporation shall be deemed a public benefit, mutual benefit, or religious corporation as follows:

1. A corporation designated by statute as a public benefit corporation, a mutual benefit corporation, or a religious corporation is deemed to be the type of corporation designated by that statute.

2. A corporation that does not come within subsection 1 but is organized primarily or exclusively for religious purposes is a religious corporation.

3. A corporation that does not come within subsection 1 or 2 but which is recognized as exempt under section 501(c)(3) of the Internal Revenue Code, or any successor section, is a public benefit corporation.

4. A corporation that does not come within subsection 1, 2, or 3, but which is organized for a public or charitable purpose and which upon dissolution must distribute its assets to a public benefit corporation, the United States, a state, or a person recognized as exempt under section 501(c)(3) of the Internal Revenue Code, or any successor section, is a public benefit corporation.

5. A corporation that does not come within subsection 1, 2, 3, or 4 is a mutual benefit corporation.

2004 Acts, ch 1049, §180, 192

Referred to in §504.141

# CHAPTER 504A

## IOWA NONPROFIT CORPORATION ACT

Repealed by 2004 Acts, ch 1049, §190; see chapter 504

# CHAPTER 504B

## NONPROFIT CORPORATIONS AND FEDERAL TAX LIABILITY

Referred to in §669.14


| | | | |
|---|---|---|---|
| 504B.1 | Corporations applicable. | 504B.4 | Construction. |
| 504B.2 | Articles of incorporation — contents. | 504B.5 | Internal Revenue Code references. |
| 504B.3 | Avoiding tax liability. | 504B.6 | Certain powers not limited. |


**504B.1 Corporations applicable.**

This chapter shall apply to every corporation organized under chapter 504, Code 1989, or current chapter 504, which corporation is deemed to be a private foundation as defined in section 509 of the Internal Revenue Code, which is incorporated in the state of Iowa after

December 31, 1969, and as to any such corporation organized in this state before January 1, 1970, it shall apply only for its federal taxable years beginning on or after January 1, 1972.

[C73, 75, 77, 79, 81, §504B.1]

2003 Acts, ch 108, §94; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394

**504B.2 Articles of incorporation — contents.**

The articles of incorporation of every such corporation shall be deemed to contain provisions forbidding the corporation to:

1. Engage in any act of self-dealing, as defined in section 4941(d) of the Internal Revenue Code, which would give rise to any liability for the tax imposed by section 4941(a) of the Internal Revenue Code;

2. Retain any excess business holdings, as defined in section 4943(c) of the Internal Revenue Code, which would give rise to any liability for the tax imposed by section 4943(a) of the Internal Revenue Code;

3. Make any investment which would jeopardize the carrying out of any of its exempt purposes, within the meaning of section 4944 of the Internal Revenue Code, so as to give rise to any liability for the tax imposed by section 4944(a) of the Internal Revenue Code; and

4. Make any taxable expenditures, as defined in section 4945(d) of the Internal Revenue Code, which would give rise to any liability for the tax imposed by section 4945(a) of the Internal Revenue Code.

[C73, 75, 77, 79, 81, §504B.2]

Referred to in §504B.6

**504B.3 Avoiding tax liability.**

The articles of incorporation of every such corporation shall be deemed to contain a provision requiring such corporation to distribute, for the purposes specified in its articles of incorporation, for each taxable year, amounts at least sufficient to avoid liability for the tax imposed by section 4942(a) of the Internal Revenue Code.

[C73, 75, 77, 79, 81, §504B.3]

Referred to in §504B.6

**504B.4 Construction.**

Nothing in this chapter shall impair the rights and powers of the courts or the attorney general of this state with respect to any corporation.

[C73, 75, 77, 79, 81, §504B.4]

**504B.5 Internal Revenue Code references.**

All references to sections of the Internal Revenue Code shall mean the Code as defined in section 422.3.

[C73, 75, 77, 79, 81, §504B.5]

2006 Acts, ch 1140, §8, 10, 11

Internal Revenue Code definition is updated regularly; for applicable definition in a prior tax year, refer to Iowa Acts and Code for that year

**504B.6 Certain powers not limited.**

Nothing in this chapter shall limit the power of any nonprofit corporation organized under chapter 504, Code 1989, or organized under current chapter 504:

1. To at any time amend its articles of incorporation or other instrument governing such corporation by any amendment process allowable under the laws of this state to provide that some or all provisions of sections 504B.2 and 504B.3 shall have no application to such corporation, or

2. In the case of any such corporation formed after July 1, 1971, to include any specific provisions in its original articles of incorporation, which provide that some or all provisions of sections 504B.2 and 504B.3 shall have no application to such corporation.

[C73, 75, 77, 79, 81, §504B.6]

2003 Acts, ch 108, §95; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394

# CHAPTER 504C

## NONPROFIT CORPORATIONS — HOUSING FOR PERSONS WITH DISABILITIES

Referred to in §335.32, 414.30, 669.14

504C.1 Housing — persons with disabilities.

**504C.1 Housing — persons with disabilities.**

1. For the purposes of this chapter, "*disability*" means a physical impairment that results in significant functional limitations in one or more areas of major life activity and in the need for specialized care, treatment, or training services of extended duration.

2. Individuals with disabilities may form nonprofit corporations pursuant to chapter 504 for the sole purpose of establishing homes for persons with disabilities which are intended to serve two to five residents who are members of the nonprofit corporation.

3. A nonprofit corporation formed under this section may do any of the following:

*a.* Design, modify, or construct a specific housing facility to provide appropriate services and support to the residents of the specific housing facility. Local requirements shall not be more restrictive than the rules adopted for a family home, as defined in section 335.25 or 414.22, and the state building code requirements for single-family or multiple-family housing, as adopted pursuant to section 103A.7.

*b.* Contract for or employ staff for personal attendant needs and for the management and operation of the housing facility.

*c.* Purchase, modify, maintain, and operate transportation services for the use of the housing facility residents.

4. Residents of housing facilities established under this chapter shall be eligible to apply for or continue to receive funding provided through federal, state, and county funding sources, and assets of the members of the nonprofit corporation used in the establishment, management, and operation of the housing facility, including but not limited to provision of services to the residents of the facility, shall not be considered in determining a resident's eligibility for funding provided through sources otherwise available to the resident.

93 Acts, ch 90, §1; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1086, §85; 2004 Acts, ch 1175, §393; 2010 Acts, ch 1079, §18

# TITLE XIII

## COMMERCE

Referred to in §8F.2, 29A.105, 714H.4

# SUBTITLE 1

## INSURANCE AND RELATED REGULATION

Referred to in §216.10, 455G.14, 491.39, 502.201, 508.15A, 513A.5, 514F.1, 514F.2, 515.144, 524.802, 524.1808, 546.8, 547A.1, 714.16B, 715A.8

# CHAPTER 505

## INSURANCE DIVISION

Referred to in §87.4, 296.7, 331.301, 364.4, 535A.2, 669.14, 670.7


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505.30 Service of process — fee.
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**505.1 Insurance division created.**

An insurance division is created within the department of commerce to regulate and supervise the conducting of the business of insurance in the state. The commissioner of insurance is the chief executive officer of the division. As used in this subtitle and chapter 502, *"division"* means the insurance division.

[S13, §1683-r, -r1; C24, 27, 31, 35, 39, §**8604;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.1]

86 Acts, ch 1245, §745; 93 Acts, ch 60, §6; 94 Acts, ch 1023, §113

Referred to in §516E.1

**505.2 Appointment and term of commissioner.**

The governor shall appoint subject to confirmation by the senate, a commissioner of insurance, who shall be selected solely with regard to qualifications and fitness to discharge the duties of this position, devote the entire time to such duties, and serve for four years beginning and ending as provided by section 69.19. The governor may remove the commissioner for malfeasance in office, or for any cause that renders the commissioner ineligible, incapable, or unfit to discharge the duties of the office.

[S13, §1683-r; C24, 27, 31, 35, 39, §**8605;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.2]

86 Acts, ch 1245, §1989

Referred to in §522A.2, 546.8

Confirmation, see §2.32

**505.3 Vacancies.**

Vacancies shall be filled as regular appointments are made for the unexpired portion of the regular term.

[S13, §1683-r; C24, 27, 31, 35, 39, §**8607;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.3]

**505.4 Deputy — assistants — bond.**

The commissioner of insurance shall appoint a first and second deputy commissioner and such other clerks and assistants as shall be needed to assist the commissioner in the performance of the commissioner's duty, all of whom shall serve during the pleasure of the commissioner. Before entering upon the duties of their respective offices, deputy commissioners shall give a bond in the penal sum of ten thousand dollars.

The commissioner may appoint a deputy commissioner for supervision whom the commissioner may appoint as supervisory or special deputy pursuant to chapter 507C and who shall perform such other duties as may be assigned by the commissioner. The deputy commissioner for supervision shall receive a salary to be fixed by the commissioner. The deputy commissioner for supervision shall be exempt from the merit system provisions of chapter 8A, subchapter IV, under section 8A.412, subsection 17.

[S13, §1683-r2; C24, 27, 31, 35, 39, §**8608;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.4]

91 Acts, ch 26, §31; 2003 Acts, ch 145, §269

**505.5 Expenses — salary.**

The commissioner shall be entitled to reimbursement of actual necessary expenses in attending meetings of insurance commissioners of other states, and in the performance of the duties of the office. The commissioner's salary shall be as fixed by the general assembly.

[S13, §1683-r2; C24, 27, 31, 35, 39, §**8610;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.5]

**505.6 Documents and records.**

All books, records, files, documents, reports, and securities, and all papers of every kind and character relating to the business of insurance shall be delivered to, and filed or deposited with, the said commissioner of insurance.

[S13, §1683-r4; C24, 27, 31, 35, 39, §**8611;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.6]

**505.7 Fees — expenses of division.**

1. All fees and charges which are required by law to be paid by insurance companies, associations, and other regulated entities shall be payable to the commissioner of the insurance division of the department of commerce or department of revenue, as provided by law, whose duty it shall be to account for and pay over the same to the treasurer of state at the time and in the manner provided by law for deposit in the department of commerce revolving fund created in section 546.12.

2. The commissioner shall account for receipts and disbursements according to the

separate inspection and examination duties imposed upon the commissioner by the laws of this state and each separate inspection and examination duty shall be fiscally self-sustaining.

3. Forty percent of the nonexamination revenues payable to the division of insurance or the department of revenue in connection with the regulation of insurance companies or other entities subject to the regulatory jurisdiction of the division shall be deposited in the department of commerce revolving fund created in section 546.12 and shall be subject to annual appropriation to the division for its operations and is also subject to expenditure under subsection 6. The remaining nonexamination revenues payable to the division of insurance or the department of revenue shall be deposited in the general fund of the state.

4. Except as otherwise provided in subsection 6, the insurance division may expend additional funds if those additional expenditures are actual expenses which exceed the funds budgeted for statutory duties of the division and directly result from the statutory duties of the division. The amounts necessary to fund the excess division expenses shall be collected from additional fees and other moneys collected by the division. The division shall notify in writing the legislative services agency and the department of management when hiring additional personnel. The written notification shall include documentation that any additional expenditure related to such hiring will be totally reimbursed to the general fund, and shall also include the division's justification for hiring such personnel. The division must obtain the approval of the department of management only if the number of additional personnel to be hired exceeds the number of full-time equivalent positions authorized by the general assembly.

5. The insurance division may transfer moneys between budgeted line items of its appropriation, but such transfers may not reduce moneys budgeted for examinations or professional services, including but not limited to actuarial and legal services.

6. *a.* The insurance division may expend additional funds, including funds for additional personnel if those additional expenditures are actual expenses which exceed the funds budgeted for insurance solvency oversight under the following conditions:

(1) The division may exceed the line item budgets for examinations and professional services, including but not limited to legal and actuarial services, provided that the division funds the increased expenditures through assessments or increased nonexamination revenues payable to the division under subsection 1 or otherwise. The amounts necessary to fund the excess expenses may be collected from those regulated entities or classes of entities which either cause or benefit from the expenditure or encumbrance.

(2) Before the division expends or encumbers an amount in excess of the funds budgeted for line items other than examinations and professional services, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the expenses can be paid from nonexamination revenues payable to the division under subsection 1 or otherwise. Upon the approval of the director of the department of management the division may expend and encumber funds for the excess expenses. The amounts necessary to fund the excess expenses may be collected from those regulated entities or classes of entities which either cause or benefit from the expenditure or encumbrance.

*b.* The annual salaries of the deputy commissioner for supervision and the chief examiner appointed pursuant to section 507.5 shall be expenses of examination of insurance companies and shall be charged to insurance companies examined on a proportionate basis as provided by rule adopted by the commissioner. Insurance companies examined shall pay the proportion of the salaries of the deputy commissioner for supervision and the chief examiner charged to them as part of the costs of examination as provided in section 507.8.

7. The insurance division shall, by January 15 of each year, prepare estimates of projected receipts, refunds, and reimbursements to be generated by the examinations function of the division during the calendar year in which the report is due, and such receipts, refunds, and reimbursements shall be treated in the same manner as repayment receipts, as defined in section 8.2, subsection 8, and shall be available to the division to pay the expenses of the division's examination function.

8. The commissioner may assess the costs of an audit or examination to a health insurance purchasing cooperative, in the same manner as provided for insurance companies under

sections 507.7 through 507.9, and may establish by rule reasonable filing fees to fund the cost of regulatory oversight.

9. The commissioner may retain funds collected during the fiscal year beginning July 1, 2003, pursuant to any settlement, enforcement action, or other legal action authorized under federal or state law for the purpose of reimbursing costs and expenses of the division.

10. *a.* The commissioner shall assess the costs of carrying out the insurance division's duties pursuant to section 505.8, subsection 18, section 505.17, subsection 2, and sections 505.18 and 505.19 that are directly attributable to the performance of the division's duties involving specific health insurance carriers licensed to do business in this state. Such expenses shall be charged to and paid by the specific health insurance carrier to whom the expenses are attributable and upon failure or refusal of any such carrier to pay such expenses, the same may be recovered in an action brought in the name of the state. In addition, the commissioner may revoke the certificate of authority of a health insurance carrier licensed to do business in this state that fails to pay such expenses attributable to that carrier.

*b.* The commissioner shall assess the costs of carrying out the insurance division's duties generally pursuant to section 505.8, subsection 18, section 505.17, subsection 2, and sections 505.18 and 505.19, and for implementation and maintenance of health insurance information for consumers on the insurance division's internet site, that are not attributable to a specific health insurance carrier, to all health insurance carriers that are licensed to do business in this state on a proportionate basis as provided by rules adopted by the commissioner.

[S13, §1683-r5; C24, 27, 31, 35, 39, §**8612;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.7]

86 Acts, ch 1246, §615; 87 Acts, ch 234, §433; 90 Acts, ch 1247, §12, 13; 91 Acts, ch 26, §32; 91 Acts, ch 260, §1239; 93 Acts, ch 88, §3; 94 Acts, ch 1176, §1, 2; 2002 Acts, 2nd Ex, ch 1003, §32, 35; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §135; 2009 Acts, ch 181, §62, 63; 2010 Acts, ch 1121, §4, 33

Referred to in §87.11E, 502.302, 502.304A, 502.305, 502.321G, 502.410, 507.9, 507B.7, 508.13, 508.14, 508.15, 508E.3, 508E.16, 512B.25, 514.9A, 514B.3B, 514B.12, 514G.113, 515.42, 515.146, 515.147, 515A.17, 515F.19, 516E.2, 518.15, 518A.18, 518A.40, 520.10, 520.12, 521A.10, 522A.5, 522B.5, 523A.204, 523A.501, 523A.502, 523A.502A, 523A.504, 523A.807, 523A.812, 523C.3, 523C.13, 523D.2A, 523I.205, 523I.813

Deposit of fees, §12.10

**505.7A Civil penalties.**

Unless specifically provided for in this subtitle, penalties imposed under this subtitle by order of the commissioner of insurance after hearing shall not exceed one thousand dollars for each act or violation of this subtitle, up to an aggregate of ten thousand dollars, unless the person knew or reasonably should have known the person was in violation of this subtitle, in which case the penalty shall not exceed five thousand dollars for each act or violation, up to an aggregate of fifty thousand dollars in any one six-month period.

2004 Acts, ch 1110, §5

Referred to in §505.8, 507.16, 522C.6

**505.8 General powers and duties.**

1. The commissioner of insurance shall be the head of the division, and shall have general control, supervision, and direction over all insurance business transacted in the state, and shall enforce all the laws of the state relating to federal and state insurance business transacted in the state.

2. The commissioner shall, subject to chapter 17A, establish, publish, and enforce rules not inconsistent with law for the enforcement of this subtitle and for the enforcement of the laws, the administration and supervision of which are imposed on the division, including rules to establish fees sufficient to administer the laws, where appropriate fees are not otherwise provided for in rule or statute.

3. The commissioner shall supervise all transactions relating to the organization, reorganization, liquidation, and dissolution of domestic insurance corporations, and all transactions leading up to the organization of such corporations.

4. The commissioner shall also supervise the sale in the state of all stock, certificates,

or other evidences of interest, either by domestic or foreign insurance companies or organizations proposing to engage in any insurance business.

5. The commissioner shall supervise all health insurance purchasing cooperatives providing services or operating within the state and the organization of domestic cooperatives. The commissioner may admit nondomestic health insurance purchasing cooperatives under the same standards as domestic cooperatives.

6. The commissioner shall provide assistance to the public and to consumers of insurance products and services in this state.

*a.* The commissioner shall accept inquiries and complaints from the public regarding the business of insurance. The commissioner or the commissioner's designee may respond to inquiries and complaints, and may examine or investigate such inquiries and complaints to determine whether laws in this subtitle and rules adopted pursuant to such laws have been violated.

*b.* The commissioner shall establish a bureau, to be known as the "consumer advocate bureau", which shall be responsible for ensuring fair treatment of consumers and for preventing unfair or deceptive trade practices in the marketplace and by persons under the jurisdiction of the commissioner.

(1) The commissioner, with the advice of the governor, shall appoint a consumer advocate who shall be knowledgeable in the area of insurance and particularly in the area of consumer protection. The consumer advocate shall be the chief administrator of the consumer advocate bureau.

(2) The consumer advocate bureau may receive and may investigate consumer complaints and inquiries from the public, and may conduct investigations to determine whether any person has violated any provision of the insurance code, including chapters 507B and 522B, and any provisions related to the establishment of insurance rates.

(3) The consumer advocate bureau shall perform other functions as may be assigned to it by the commissioner related to consumer advocacy.

(4) The consumer advocate bureau shall work in conjunction with other areas of the insurance division on matters of mutual interest. The insurance division shall cooperate with the consumer advocate in fulfilling the duties of the consumer advocate bureau. The consumer advocate may also seek assistance from other federal or state agencies or private entities for the purpose of assisting consumers.

(5) When necessary or appropriate to protect the public interest or consumers, the consumer advocate may request that the commissioner conduct rate filing reviews as provided in section 505.15 or administrative hearings as provided in section 505.29.

(6) The commissioner, in cooperation with the consumer advocate, shall prepare and deliver a report to the general assembly by January 15 of each year that contains findings and recommendations regarding the activities of the consumer advocate bureau including but not limited to all of the following:

(a) An overview of the functions of the bureau.

(b) The structure of the bureau including the number and type of staff positions.

(c) Statistics showing the number of complaints handled by the bureau, the nature of the complaints including the line of business involved and their disposition, and the disposition of similar issues in other states.

(d) Actions commenced by the consumer advocate.

(e) Studies performed by the consumer advocate.

(f) Educational and outreach efforts of the consumer advocate bureau.

(g) Recommendations from the commissioner and the consumer advocate about additional consumer protection functions that would be appropriate and useful for the bureau or the insurance division to fulfill based on observations and analysis of trends in complaints and information derived from national or other sources.

(h) Recommendations from the commissioner and the consumer advocate about any needs for additional funding, staffing, legislation, or administrative rules.

*c.* When necessary or appropriate to protect the public interest or consumers, the commissioner may conduct, or the commissioner's designee may request that the commissioner conduct, administrative hearings as provided in this subtitle.

*d.* The commissioner may adopt rules for the administration of this subsection.

7. The commissioner shall have regulatory authority over health benefit plans and adopt rules under chapter 17A as necessary, to promote the uniformity, cost efficiency, transparency, and fairness of such plans for physicians and osteopathic physicians licensed under chapter 148 and hospitals licensed under chapter 135B, for the purpose of maximizing administrative efficiencies and minimizing administrative costs of health care providers and health insurers.

8. *a.* Notwithstanding chapter 22, the commissioner shall keep confidential the information submitted to the insurance division or obtained by the insurance division in the course of an investigation or inquiry pursuant to subsection 6, including all notes, work papers, or other documents related to the investigation. Information obtained by the commissioner in the course of investigating a complaint or inquiry may, in the discretion of the commissioner, be provided to the insurance company or insurance producer that is the subject of the complaint or inquiry, to the consumer who filed the complaint or inquiry, and to the individual insured who is the subject of the complaint or inquiry, without waiving the confidentiality afforded to the commissioner or to other persons by this subsection. The commissioner may disclose or release information that is otherwise confidential under this subsection, in the course of an administrative or judicial proceeding.

*b.* Notwithstanding chapter 22, the commissioner shall keep confidential both information obtained by or submitted to the insurance division pursuant to chapters 514J and 515D.

*c.* The commissioner shall adopt rules protecting the privacy of information held by an insurer or an agent consistent with the federal Gramm-Leach-Bliley Act, Pub. L. No. 106-102.

*d.* Notwithstanding paragraphs "*a*", "*b*", and "*c*", if the commissioner determines that it is necessary or appropriate in the public interest or for the protection of the public, the commissioner may share information with other regulatory authorities or governmental agencies or may publish information concerning a violation of this chapter or a rule or order under this chapter. Such information may be redacted so that personally identifiable information is not made available.

*e.* The commissioner may adopt rules protecting the privacy of information submitted to the insurance division consistent with this section.

9. Notwithstanding chapter 22, the commissioner may keep confidential any social security number, residence address, and residence telephone number that is contained in a record filed as part of a licensing, registration, or filing process if disclosure is not required in the performance of any duty or is not otherwise required under law.

10. The commissioner may, after a hearing conducted pursuant to chapter 17A, assess fines or penalties; assess costs of an examination, investigation, or proceeding; order restitution; or take other corrective action as the commissioner deems necessary and appropriate to accomplish compliance with the laws of the state relating to all insurance business transacted in the state.

11. The commissioner may do any of the following:

*a.* Conduct public or private investigations within or outside of this state which the commissioner deems necessary or appropriate to determine whether a person has violated, is violating, or is about to violate a provision of any chapter of this subtitle or a rule adopted or order issued under any chapter of this subtitle, or to aid in the enforcement of any chapter of this subtitle or in the adoption of rules and forms under any chapter of this subtitle.

*b.* Require or permit a person to testify, file a statement, or produce a record under oath or otherwise as the commissioner determines, concerning facts and circumstances relating to a matter being investigated or about which an action or proceeding will be instituted.

*c.* Notwithstanding subsection 8, publish a record concerning an action, proceeding, or investigation under, or a violation of, any chapter of this subtitle or a rule adopted or order issued under any chapter of this subtitle, if the commissioner determines that such publication is in the public interest and is necessary and appropriate for the protection of the public.

12. For the purpose of an investigation made under any chapter of this subtitle, the commissioner or the commissioner's designee may administer oaths and affirmations, subpoena witnesses, seek compulsory attendance, take evidence, require the filing of statements, and require the production of any records that the commissioner considers relevant or material to the investigation, pursuant to rules adopted under chapter 17A. The

confidentiality provisions of subsection 8 shall apply to information and material obtained pursuant to this subsection.

13. If a person does not appear or refuses to testify, or does not file a statement or produce records, or otherwise does not obey a subpoena or order issued by the commissioner under any chapter of this subtitle, the commissioner may, in addition to assessing the penalties contained in sections 505.7A, 507B.6A, 507B.7, 522B.11, and 522B.17, make application to a district court of this state or another state to enforce compliance with the subpoena or order. A court to whom application is made to enforce compliance with a subpoena or order pursuant to this subtitle may do any of the following:

*a.* Hold the person in contempt.

*b.* Order the person to appear before the commissioner.

*c.* Order the person to testify about the matter under investigation.

*d.* Order the production of records.

*e.* Grant injunctive relief, including restricting or prohibiting the offer or sale of insurance or insurance advice.

*f.* Impose a civil penalty as set forth in section 505.7A.

*g.* Grant any other necessary or appropriate relief.

14. This section shall not be construed to prohibit a person from applying to a district court of this state or another state for relief from a subpoena or order issued by the commissioner under any chapter of this subtitle.

15. An individual shall not be relieved of an order to appear, testify, file a statement, produce a record or other evidence, or obey a subpoena or other order of the commissioner made under any chapter of this subtitle on the grounds that fulfillment of the requirement may, directly or indirectly, tend to incriminate the individual or subject the individual to a criminal fine, penalty, or forfeiture. If an individual refuses to obey a subpoena or order by asserting that individual's privilege against self-incrimination, the commissioner may apply to the district court to compel the individual to obey the subpoena or order of the commissioner. Testimony, records, or other evidence that is compelled by a court enforcing an order of the commissioner shall not be used, directly or indirectly, against that individual in a criminal case, except in a prosecution for perjury or contempt or for otherwise failing to comply with the order.

16. Upon request of the insurance regulator of another state or foreign jurisdiction, the commissioner may provide assistance in conducting an investigation to determine whether a person has violated, is violating, or is about to violate an insurance law or rule of the other state or foreign jurisdiction administered or enforced by that insurance regulator. The commissioner may provide such assistance pursuant to the powers conferred under this section as the commissioner determines is necessary or appropriate under the circumstances. Such assistance may be provided regardless of whether the conduct being investigated would constitute a violation of this subtitle or any other law of this state if the conduct occurred in this state. In determining whether to provide such assistance the commissioner may consider whether the insurance regulator requesting the assistance is permitted to and has agreed to reciprocate in providing assistance to the commissioner upon request, whether compliance with the request would violate or prejudice the public policy of this state, and the availability of division commissioner resources and employees to provide such assistance.

17. The commissioner shall utilize the senior health insurance information program to assist in the dissemination of objective and noncommercial educational material and to raise awareness of prudent consumer choices in considering the purchase of various insurance products designed for the health care needs of older Iowans.

18. The commissioner shall annually convene a work group composed of the consumer advocate, health insurance carriers, health care providers, small employers that purchase health insurance under chapter 513B, and individual consumers in the state for the purpose of considering ways to reduce the cost of providing health insurance coverage and health care services, including but not limited to utilization of uniform billing codes, improvements to provider credentialing procedures, reducing out-of-state care expenses, annually assessing the impact of federal health care reform legislation on health care

costs in the state and determining whether such legislation has reduced the cost of health insurance in the state, and the electronic delivery of explanation of benefits statements. The recommendations made by the work group shall be included in the annual report filed with the general assembly pursuant to section 505.18.

19. The commissioner may propose and promulgate administrative rules to effectuate the insurance provisions of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and any amendments thereto, or other applicable federal law.

[S13, §1683-r3; C24, 27, 31, 35, 39, §**8613;** C46, 50, 54, §505.8; C58, 62, §505.8, 522.3; C66, 71, 73, §505.8, 515.150, 522.3; C75, 77, 79, 81, §505.8]

83 Acts, ch 27, §10; 88 Acts, ch 1159, §2; 90 Acts, ch 1234, §2; 94 Acts, ch 1176, §3; 97 Acts, ch 23, §61; 98 Acts, ch 1119, §3; 99 Acts, ch 114, §41; 2000 Acts, ch 1023, §4, 5; 2002 Acts, ch 1111, §6; 2003 Acts, ch 91, §2; 2007 Acts, ch 137, §6; 2007 Acts, ch 215, §117; 2008 Acts, ch 1123, §7 – 9; 2008 Acts, ch 1175, §1; 2008 Acts, ch 1188, §21; 2009 Acts, ch 133, §168; 2009 Acts, ch 145, §3; 2010 Acts, ch 1121, §5, 33; 2011 Acts, ch 70, §2, 3; 2013 Acts, ch 124, §7

Referred to in §505.7, 505.18, 508E.10, 514G.110, 515D.10
See also §523A.801 and 523I.201
Subsection 10 amended

**505.9 Ex officio receiver.**

The commissioner of insurance henceforth shall be the receiver and liquidating officer for any insurance company, association, or insurance carrier, and shall serve without compensation other than the stated compensation as commissioner of insurance, but the commissioner shall be allowed clerical and other expenses necessary for the conduct of such receivership.

[C31, 35, §8613-c1; C39, §**8613.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.9]

Referred to in §521A.11

**505.10 Expenses attending liquidation.**

All expenses of supervision and liquidation shall be fixed by the commissioner of insurance, subject to approval by the court or a judge thereof, and shall, upon the commissioner's order, be paid out of the funds of such company, association, or insurance carrier in the commissioner's hands.

[C31, 35, §8613-c2; C39, §**8613.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.10]

**505.11 Refunds.**

Whenever it appears to the satisfaction of the commissioner of insurance that, because of error, mistake, or erroneous interpretation of statute, a foreign or domestic insurance corporation has paid to the state of Iowa taxes, fines, penalties, or license fees in excess of the amount legally chargeable against it, the commissioner of insurance shall have power to refund to such corporation any such excess by applying the amount of the excess payment toward the payment of taxes, fines, penalties, or license fees already due or which may become due, until such excess payments have been fully refunded.

[C31, 35, §8613-c3; C39, §**8613.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.11]

2001 Acts, ch 69, §2; 2002 Acts, ch 1050, §44

**505.12 Life insurance — annual report.**

Before the first day of September the commissioner of insurance shall make an annual report to the governor of the general conduct and condition of the life insurance companies doing business in the state, and include therein an aggregate of the estimated value of all outstanding policies in each of the companies; and in connection therewith prepare a separate abstract thereof as to each company, and of all the returns and statements made to the commissioner by them.

[C73, §1176; C97, §1781; C24, 27, 31, 35, 39, §**8614;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.12]

88 Acts, ch 1112, §101

**505.13 Other insurance — annual report by the division.**

The commissioner shall annually cause the preparation and printing of a report to be delivered to the governor. The report shall contain information from the statements required of insurance companies, other than life insurance companies, organized or doing business in the state. The reports shall be delivered on or before the first day of September each year.

[C73, §1158; C97, §1720; S13, §1720-a; C24, 27, 31, 35, 39, §**8615;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §505.13]

87 Acts, ch 132, §1; 88 Acts, ch 1112, §102; 98 Acts, ch 1119, §4

**505.14 Foreign insurers — reciprocal provisions.**

When by the laws of any other state a premium or income or other taxes, or fees, fines, penalties, licenses, deposit requirements or other obligations, prohibitions or restrictions are imposed upon Iowa insurance companies actually doing business in the other state, or upon the agents of the Iowa companies, which in the aggregate are in excess of the aggregate of the taxes, fees, fines, penalties, licenses, deposit requirements or other obligations, prohibitions or restrictions directly imposed upon insurance companies of the other state under the statutes of this state, the same obligations, prohibitions or restrictions of whatever kind are in the same manner and for the same purpose imposed upon insurance companies of the other state doing business in Iowa. Insurance premium taxes paid which were not paid under protest shall not be refunded if the refund claim is based upon an alleged error or mistake of law or erroneous interpretation of statute regarding the validity or legality of this section under the laws or constitutions of the United States or this state. For the purpose of this section, an alien insurer is deemed domiciled in a state designated by it wherein it has established its principal office or agency in the United States, or maintains the largest amount of its assets held in trust or on deposit for the security of its policyholders or policyholders and creditors in the United States, or in which it was admitted to do business in the United States. This section does not apply to ad valorem taxes on real or personal property or to personal income taxes.

[C46, 50, 54, §432.2; C58, 62, 66, 71, 73, 75, 77, 79, 81, §505.14; 81 Acts, ch 164, §1]

Referred to in §508E.7, 511.40

**505.15 Actuarial, professional, and specialist staff.**

1. The commissioner may appoint a staff of actuaries as necessary to carry out the duties of the division. The actuarial staff shall do all of the following:

*a.* Perform analyses of rate filings.

*b.* Perform audits of submitted loss data.

*c.* Conduct rate hearings and serve as expert witnesses.

*d.* Prepare, review, and dispense data on the insurance business.

*e.* Assist in public education concerning the insurance business.

*f.* Identify any impending problem areas in the insurance business.

*g.* Assist in examinations of insurance companies.

2. The commissioner may retain, or the commissioner's designee may request that the commissioner retain, attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals or specialists to assist the division or the consumer advocate bureau in carrying out its duties in regard to rate filing reviews. The reasonable cost of retaining such professionals and specialists shall be borne by the insurer which is the subject of the rate filing review.

87 Acts, ch 132, §2; 2008 Acts, ch 1123, §10; 2009 Acts, ch 145, §4

Referred to in §505.8

**505.16 Applications for insurance — test restrictions — duties of commissioner.**

1. A person engaged in the business of insurance shall not require a test of an individual in connection with an application for insurance for the presence of an antibody to the human immunodeficiency virus unless the individual provides a written release on a form approved by the insurance commissioner. The form shall include information regarding the purpose, content, use, and meaning of the test, disclosure of test results including information explaining the effect of releasing the information to a person engaged in

the business of insurance, the purpose for which the test results may be used, and other information approved by the insurance commissioner. The form shall also authorize the person performing the test to provide the results of the test to the insurance company subject to rules of confidentiality, consistent with section 141A.9, approved by the insurance commissioner. As used in this section, *"a person engaged in the business of insurance"* includes hospital service corporations organized under chapter 514 and health maintenance organizations subject to chapter 514B.

2. The insurance commissioner shall approve rules for carrying out this section including rules relating to the preparation of information to be provided before and after a test and the protection of confidentiality of personal and medical records of insurance applicants and policyholders. The rules shall require a person engaged in the business of insurance who receives results of a positive human immunodeficiency virus test of an insurance applicant or policyholder to report those results to a physician or alternative testing site of the applicant's or policyholder's choice, or if the applicant or policyholder does not choose a physician or alternative testing site to receive the results, to the Iowa department of public health.

88 Acts, ch 1234, §7; 99 Acts, ch 181, §17; 2006 Acts, ch 1117, §15
Referred to in §141A.7

**505.17 Confidential information.**

1. *a.* Information, records, and documents utilized for the purpose of, or in the course of, investigation, regulation, or examination of an insurance company or insurance holding company, received by the division from some other governmental entity which treats such information, records, and documents as confidential, are confidential and shall not be disclosed by the division and are not subject to subpoena. Such information, records, and documents do not constitute a public record under chapter 22.

*b.* The disclosure of confidential information, administrative or judicial orders which contain confidential information, or information regarding other action of the division which is not a public record subject to disclosure, to other insurance and financial regulatory officials may be permitted by the commissioner provided that those officials are subject to, or agree to comply with, standards of confidentiality comparable to those imposed on the commissioner.

2. Notwithstanding subsection 1, an application for a rate increase filed by a health insurance carrier and all information, records, and documents accompanying such an application or utilized for the purpose of, or in the course of consideration of the application by the commissioner, shall constitute a public record under chapter 22 except as provided in this subsection.

*a.* The commissioner shall consider the written request of a health insurance carrier to keep confidential certain details of an application or accompanying information, records, and documents. If the request includes a sufficient explanation as to why public disclosure of such details would give an unfair advantage to competitors, the commissioner shall keep such details confidential. If the commissioner elects to keep certain details confidential, the commissioner shall release only the nonconfidential details in response to a request for records made pursuant to chapter 22. If confidential details are withheld from a request for records made pursuant to chapter 22, the commissioner shall release an explanation of why the information was deemed confidential and a summary of the nature of the information withheld and the reasons for withholding the information.

*b.* In considering requests for confidential treatment, the commissioner shall narrowly construe the provisions of this subsection in order to appropriately balance an applicant's need for confidentiality against the public's right to information about the application.

94 Acts, ch 1176, §4; 99 Acts, ch 165, §1; 2010 Acts, ch 1121, §6, 33
Referred to in §505.7

**505.18 Annual report.**

1. Consumers deserve to know the quality and cost of their health care insurance. Health care insurance transparency provides consumers with the information necessary, and the incentive, to choose health plans based on cost and quality. Reliable cost and quality

information about health care insurance empowers consumer choice and consumer choice creates incentives at all levels, and motivates the entire health care delivery system to provide better health care and health care benefits at a lower cost. It is the purpose of this section to make information regarding the costs of health care insurance readily available to consumers through the consumer advocate bureau of the insurance division.

2. The commissioner in collaboration with the consumer advocate shall prepare and deliver a report to the governor and to the general assembly no later than November 15 of each year that provides findings regarding health spending costs for health insurance carriers in the state for the previous calendar year. The commissioner may contract with outside vendors or entities to assist in providing the information contained in the annual report. The report shall provide, at a minimum, the following information:

*a.* Aggregate health insurance data concerning loss ratios of health insurance carriers licensed to do business in the state.

*b.* Rate increase data.

*c.* Health care expenditures in the state and the effect of such expenditures on health insurance premium rates.

*d.* A ranking and quantification of those factors that result in higher costs and those factors that result in lower costs for each health insurance carrier in the state.

*e.* The current capital and surplus and reserve amounts held in reserve by each health insurance carrier licensed to do business in the state.

*f.* A listing of any apparent medical trends affecting health insurance costs in the state.

*g.* Any additional data or analysis deemed appropriate by the commissioner to provide the general assembly with pertinent health insurance cost information.

*h.* Recommendations made by the work group convened pursuant to section 505.8, subsection 18.

2010 Acts, ch 1121, §7, 33; 2011 Acts, ch 70, §4, 5
Referred to in §505.7, 505.8

**505.19 Health insurance rate increase applications — public hearing and comment.**

1. All health insurance carriers licensed to do business in the state shall immediately notify policyholders of any application for a rate increase exceeding the average annual health spending growth rate stated in the most recent national health expenditure projection published by the centers for Medicare and Medicaid services of the United States department of health and human services, that is filed with the insurance division. Such notice shall specify the rate increase proposed that is applicable to each policyholder and shall include the ranking and quantification of those factors that are responsible for the amount of the rate increase proposed. The notice shall include information about how the policyholder can contact the consumer advocate for assistance.

2. The commissioner shall hold a public hearing at the time a carrier files for proposed health insurance rate increases exceeding the average annual health spending growth rate as provided in subsection 1, prior to approval or disapproval of the proposed rate increases for that carrier by the commissioner.

3. The consumer advocate shall solicit public comments on each proposed health insurance rate increase application if the increase exceeds the average annual health spending growth rate as provided in subsection 1, and shall post without delay during the normal business hours of the division, all comments received on the insurance division's internet site prior to approval, disapproval, or modification of the proposed rate increase by the commissioner.

4. The consumer advocate shall present the public testimony, if any, and public comments received for consideration by the commissioner in determining whether to approve, disapprove, or modify such health insurance rate increase proposals.

5. *a.* For the purposes of this section, *"health insurance"* does not include any of the following:

(1) Coverage for accident-only, or disability income insurance.

(2) Coverage issued as a supplement to liability insurance.

(3) Liability insurance, including general liability insurance and automobile liability insurance.

(4) Workers' compensation or similar insurance.

(5) Automobile medical-payment insurance.

(6) Credit-only insurance.

(7) Coverage for on-site medical clinic care.

(8) Other similar insurance coverage, specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance coverage or benefits.

*b.* For the purposes of this section, *"health insurance"* does not include benefits provided under a separate policy as follows:

(1) Limited scope dental or vision benefits.

(2) Benefits for long-term care, nursing home care, home health care, or community-based care.

(3) Any other similar limited benefits as provided by rule of the commissioner.

*c.* For the purposes of this section, *"health insurance"* does not include benefits offered as independent noncoordinated benefits as follows:

(1) Coverage only for a specified disease or illness.

(2) A hospital indemnity or other fixed indemnity insurance.

*d.* For the purposes of this section, *"health insurance"* does not include Medicare supplemental health insurance as defined under section 1882(g)(1) of the federal Social Security Act, coverage supplemental to the coverage provided under 10 U.S.C. ch. 55, and similar supplemental coverage provided to coverage under group health insurance coverage.

6. The commissioner shall adopt rules pursuant to chapter 17A to implement the provisions of this section.

2010 Acts, ch 1121, §8, 33; 2011 Acts, ch 70, §6

Referred to in §505.7

**505.20** Repealed by 99 Acts, ch 114, § 54.

**505.21 Health care access — duties of commissioner — penalties.**

1. The commissioner shall adopt rules establishing a requirement that an employer provide access to health care to the employees of the employer. The rules shall provide that an employer doing business within this state shall offer each employee, at a minimum, access to health insurance. The requirement contained in this section may be satisfied by offering any of the following:

*a.* Health care coverage through an insurer or health maintenance organization authorized to do business in this state.

*b.* Access to health benefits through a health benefits plan qualified under the federal Employee Retirement Income Security Act of 1974.

2. An employer may financially contribute toward the employee's health benefit plan. The employer shall offer payroll deduction of employee contributions and direct deposit of premium payments related to a health insurance purchasing cooperative or other health care coverage.

3. A violation of this section may be reported to the consumer and legal affairs bureau in the insurance division. The division may issue, upon a finding that an employer has failed to offer an employee access to health insurance, any of the following:

*a.* A cease and desist order instructing the employer to cure the failure and desist from future violations of this section.

*b.* An order requiring an employer who has previously been the subject of a cease and desist order to pay an employee's reasonable health insurance premiums necessary to prevent or cure a lapse in health care coverage arising out of the employer's failure to offer as required.

*c.* An order upon the employer assessing the reasonable costs of the division's investigation and enforcement action.

94 Acts, ch 1176, §6; 98 Acts, ch 1217, §38

**505.22 Certain religious organization activities exempt from regulation.**

A religious organization which, through its publication to subscribers, solicits funds for the payment of medical expenses of other subscribers, shall not be considered to be engaging in the business of insurance for purposes of this chapter or any other provision of this title, and shall not be subject to the jurisdiction of the commissioner of insurance, if all of the following apply:

1. The religious publication is provided by a nonprofit charitable organization described in section 501(c)(3) of the Internal Revenue Code.
2. Participation is limited to subscribers who are members of the same denomination or religion.
3. The publication is registered with the United States postal service and acts as an organizational clearinghouse for information between subscribers who have financial, physical, or medical needs, and subscribers who choose to assist with those needs, matching subscribers with the present ability to pay with subscribers with a present financial or medical need.
4. The organization, through its publication, provides for the payment for subscriber financial or medical needs through direct payments from one subscriber to another.
5. The organization, through its publication, suggests amounts to contribute that are voluntary among the subscribers, with no assumption of risk or promise to pay either among the subscribers or between the subscribers and the publication.

95 Acts, ch 185, §3

**505.23 Hearings.**

If an evidentiary hearing is conducted in a proceeding pursuant to section 508B.7, 515G.7, 521A.3, or 521A.14, or in a proceeding with respect to a merger or consolidation pursuant to chapter 521, the proceeding is a contested case subject to chapter 17A.

2000 Acts, ch 1023, §6

**505.24 Sale of policy term information by consumer reporting agency.**

1. For purposes of this section, unless the context otherwise requires, "*consumer reporting agency*" means any person that for monetary fees, dues, or on a cooperative nonprofit basis regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties and that uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.
2. A consumer reporting agency shall not provide or sell data or lists that include any information that in whole or in part was submitted in conjunction with an insurance inquiry about a consumer's credit information or a request for a credit report or insurance score. Information submitted in conjunction with an insurance inquiry about a consumer includes, but is not limited to, the expiration dates of an insurance policy or any other information that may identify time periods during which a consumer's insurance may expire and the terms and conditions of the consumer's insurance coverage.
3. The restrictions provided in subsection 2 do not apply to data or lists supplied by a consumer reporting agency to an insurance producer from whom information was received, the insurer on whose behalf such producer acted, or such insurer's affiliates or holding companies.
4. This section shall not be construed to restrict any insurer from being able to obtain a claims history report or a motor vehicle report.

2003 Acts, ch 91, §3

**505.25 Information provided to medical assistance program, hawk-i program, and child support recovery unit.**

A carrier, as defined in section 514C.13, shall enter into a health insurance data match program with the department of human services for the sole purpose of comparing the names of the carrier's insureds with the names of recipients of the medical assistance program under

chapter 249A, individuals under the purview of the child support recovery unit pursuant to chapter 252B, or enrollees of the hawk-i program under chapter 514I.

2004 Acts, ch 1175, §153, 162; 2005 Acts, ch 175, §123; 2006 Acts, ch 1119, §6

Referred to in §249A.37, 252B.9

**505.26 Prescription drug assistance clearinghouse program.** Repealed by 2007 Acts, ch 137, § 30.

**505.27 Medical malpractice insurance — reports required.**

1. An insurer providing medical malpractice insurance coverage to Iowa health care providers shall file annually on or before June 1 with the commissioner a report of all medical malpractice insurance claims, both open claims and closed claims filed during the reporting period, against any such Iowa insureds during the preceding calendar year.

2. The report shall be in writing and contain all of the following information aggregated by specialty area and paid loss and paid expense categories established by the commissioner:

*a.* The total number of claims in the reporting period and the nature and substance of such claims.

*b.* The total amounts paid within six months after final disposition of the claims.

*c.* The total amount reserved for the payment of claims incurred and reported but not disposed.

*d.* The expenses, as set forth by rule, related to the claims.

*e.* Any other additional information as required by the commissioner by rule.

3. The commissioner shall compile annually the data included in reports filed by insurers pursuant to this section into an aggregate form by insurer, except that such data shall not include information that directly or indirectly identifies any individual, including a patient, an insured, or a health care provider. The commissioner shall submit a written report summarizing such data along with any recommendations to the general assembly and the governor by December 1, 2007, with subsequent reports submitted to the general assembly and the governor annually thereafter.

4. A report prepared pursuant to subsection 1 or 3 shall be open to the public and shall be made available to a requesting party by the commissioner at no charge, except that any identifying information of any individual, including a patient, an insured, or health care provider, shall remain confidential.

5. For purposes of this section, *"health care provider"* means the same as defined in section 135.61, a hospital licensed pursuant to chapter 135B, or a health care facility licensed pursuant to chapter 135C, and *"insurer"* means an insurance company authorized to transact insurance business in this state. *"Insurer"* does not include a health care provider who maintains professional liability insurance coverage through a self-insurance plan, an unauthorized insurance company transacting business with an insured person in this state, or a person not authorized to transact insurance business in this state.

2006 Acts, ch 1128, §3

**505.27A Sale of life insurance to military personnel.**

Notwithstanding any other provision of this title, the commissioner of insurance shall have the authority to adopt such rules related to the sale of life insurance, other than the servicemembers' group life insurance program under 38 U.S.C. pt. II, ch. 19, subch. III, as may be necessary to protect military personnel located either on a United States military installation or elsewhere in this state and to carry out the provisions of this title.

2007 Acts, ch 137, §7

**505.28 Consent to jurisdiction.**

A person committing any act governed by chapter 502, 502A, this chapter, chapters 505A through 523G, or 523I constitutes consent by that person to the jurisdiction of the commissioner of insurance and the district courts of this state.

2006 Acts, ch 1117, §16; 2011 Acts, ch 25, §61

**505.29 Administrative hearings.**

The commissioner of insurance shall have the authority to appoint as a hearing officer a designee or an independent administrative law judge. Duties of a hearing officer shall include hearing contested cases arising from conduct governed by chapters 502, 502A, this chapter, chapters 505A through 523G, and 523I. Sections 10A.801 and 17A.11 do not apply to the appointment of a designee or an administrative law judge pursuant to this section.

2006 Acts, ch 1117, §17; 2011 Acts, ch 25, §62

Referred to in §505.8, 507B.7A

**505.30 Service of process — fee.**

The commissioner of insurance, pursuant to rules adopted pursuant to chapter 17A, may collect a reasonable fee each time process is served on the commissioner as allowed by law. Fees collected by the commissioner under this section shall be used and are appropriated to the insurance division to offset the costs of receiving such service of process. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.

2006 Acts, ch 1117, §18

**505.31 Reimbursement accounts.**

The commissioner of insurance shall assist employers with twenty-five or fewer employees with implementing and administering plans under section 125 of the Internal Revenue Code, including medical expense reimbursement accounts and dependent care accounts. The commissioner shall provide information about the assistance available to small employers on the insurance division's internet site.

2008 Acts, ch 1188, §37, 43

Section applies to policies or contracts of accident and health insurance delivered or issued for delivery, continued, or renewed on or after July 1, 2008; 2008 Acts, ch 1188, §43

**505.32 Iowa insurance information exchange.**

1. *Purpose.* The purpose of this section is to establish an information clearinghouse where all Iowans can obtain information about health care coverage that is available in this state including availability of care delivered by safety-net providers and comparisons of benefits, premiums, and out-of-pocket costs.

2. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Carrier"* means an insurer providing accident and sickness insurance under chapter 509, 514, or 514A and includes a health maintenance organization established under chapter 514B if payments received by the health maintenance organization are considered premiums pursuant to section 514B.31 and are taxed under chapter 432. *"Carrier"* also includes a corporation which becomes a mutual insurer pursuant to section 514.23 and any other person as defined in section 4.1, subsection 20, who is or may become liable for the tax imposed by chapter 432.

*b.* *"Commissioner"* means the commissioner of insurance.

*c.* *"Creditable coverage"* means the same as defined in section 513B.2.

*d.* *"Exchange"* means the Iowa insurance information exchange.

*e.* *"Health insurance"* means accident and sickness insurance authorized by chapter 509, 514, or 514A.

*f.* (1) *"Health insurance coverage"* means health insurance coverage offered to individuals.

(2) *"Health insurance coverage"* does not include any of the following:

(a) Coverage for accident-only, or disability income insurance.

(b) Coverage issued as a supplement to liability insurance.

(c) Liability insurance, including general liability insurance and automobile liability insurance.

(d) Workers' compensation or similar insurance.

(e) Automobile medical-payment insurance.

(f) Credit-only insurance.

(g) Coverage for on-site medical clinic care.

(h) Other similar insurance coverage, specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance coverage or benefits.

(3) *"Health insurance coverage"* does not include benefits provided under a separate policy as follows:

(a) Limited-scope dental or vision benefits.

(b) Benefits for long-term care, nursing home care, home health care, or community-based care.

(c) Any other similar limited benefits as provided by rule of the commissioner.

(4) *"Health insurance coverage"* does not include benefits offered as independent noncoordinated benefits as follows:

(a) Coverage only for a specified disease or illness.

(b) A hospital indemnity or other fixed indemnity insurance.

(5) *"Health insurance coverage"* does not include Medicare supplemental health insurance as defined under section 1882(g)(1) of the federal Social Security Act, coverage supplemental to the coverage provided under 10 U.S.C. ch. 55 and similar supplemental coverage provided to coverage under group health insurance coverage.

*g.* *"Legislative health care coverage commission"* or *"commission"* means the legislative health care coverage commission created in 2009 Iowa Acts, ch. 118, section 1.

*h.* *"Medicare"* means the federal government health insurance program established under Tit. XVIII of the federal Social Security Act.

*i.* *"Organized delivery system"* means an organized delivery system as licensed by the director of public health.

3. *Iowa insurance information exchange established.* An Iowa insurance information exchange is established in the insurance division of the department of commerce under the authority of the commissioner of insurance.

*a.* The commissioner, in collaboration with the legislative health care coverage commission, shall develop a plan of operation for the exchange within one hundred eighty days from the effective date of this section. The plan shall create an information clearinghouse that provides resources where Iowans can obtain information about health care coverage that is available in the state.

*b.* The commissioner shall keep records of all financial transactions related to the establishment and operation of the exchange and shall deliver an annual fiscal report of the costs of administering the exchange to the general assembly by December 15 of each year.

4. *Powers and duties of exchange.*

*a.* The commissioner shall report on the status of the exchange at all regular meetings of the legislative health care coverage commission, including progress in developing and implementing the exchange operationally, resources available through the exchange, information about utilization of the resources offered by the exchange, including demographic information that illustrates how and by whom the exchange is being utilized, and the costs of implementing and operating the exchange. The commissioner may make recommendations to the commission for including but not limited to the following:

(1) Promotion of greater transparency in providing quality data on health care providers and health care coverage plans and in providing data on the cost of medical care that is easily accessible to the public.

(2) Statutory options that improve seamlessness in the health care system in this state.

(3) Funding opportunities to increase health care coverage in the state, particularly for individuals who have been denied access to health insurance coverage.

*b.* The commissioner shall implement and maintain information on the insurance division's internet site that is easily accessible and available to consumers and purchasers of health insurance coverage regarding each carrier licensed to do business in this state. The information provided shall be understandable to consumers and purchasers of health insurance coverage and shall include but is not limited to information regarding plan design, premium rate filings and approvals, health care cost information, and any other information specific to this state that the commissioner determines may be beneficial to consumers and purchasers of health insurance coverage. The commissioner may contract with outside vendors and entities to assist in providing this information on the internet site.

*c.* The exchange shall provide information about all public and private health care coverage that is available in this state including the cost to the public, and comparisons of benefits, premiums, and out-of-pocket costs.

(1) The commissioner may establish methodologies to provide uniform and consistent side-by-side comparisons of the health care coverage options that are offered by carriers, organized delivery systems, and public programs in this state including but not limited to benefits covered and not covered, the amount of coverage for each service, including copays and deductibles, administrative costs, and any prior authorization requirements for coverage.

(2) The commissioner may require each carrier, organized delivery system, and public program in this state to describe each health care coverage option offered by that carrier, organized delivery system, or public program in a manner so that the various options can be compared as provided in subparagraph (1).

*d.* The commissioner shall provide ongoing information to taxpayers about the costs of public health care programs to the state, including the administrative costs of the programs and the percentage and source of state and federal funding for the programs, utilizing information provided by the department of human services and the department of public health.

*e.* The exchange may provide information to assist Iowans with making an informed choice when selecting health care coverage.

*f.* The commissioner may utilize independent consultants, as deemed necessary, to assist in carrying out the powers and duties of the exchange.

*g.* The commissioner may periodically advertise the general availability of health care coverage information available from the exchange.

5. *Rules.* The commissioner shall adopt rules pursuant to chapter 17A to implement the provisions of this section.

2010 Acts, ch 1134, §7

# CHAPTER 505A

## INTERSTATE INSURANCE PRODUCT REGULATION COMPACT

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

505A.1 Interstate insurance product regulation compact.

**505A.1 Interstate insurance product regulation compact.**

The interstate insurance product regulation compact is hereby entered into and enacted into law with all jurisdictions legally joining therein, in the form substantially as follows:

1. *Article I — Purposes.* The purposes of this compact are, through means of joint and cooperative action among the compacting states:

*a.* To promote and protect the interest of consumers of individual and group annuity, life insurance, disability income and long-term care insurance products.

*b.* To develop uniform standards for insurance products covered under this compact.

*c.* To establish a central clearinghouse to receive and provide prompt review of insurance products covered under the compact and, in certain cases, advertisements related thereto, submitted by insurers authorized to do business in one or more compacting states.

*d.* To give appropriate regulatory approval to those product filings and advertisements satisfying the applicable uniform standard.

*e.* To improve coordination of regulatory resources and expertise between state insurance departments regarding the setting of uniform standards and review of insurance products covered under this compact.

*f.* To create the interstate insurance product regulation commission.

*g.* To perform these and such other related functions as may be consistent with the state regulation of the business of insurance.

2. *Article II — Definitions.* For purposes of this compact, unless the context otherwise requires:

*a.* *"Advertisement"* means any material designed to create public interest in a product, or induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy, as more specifically defined in the rules and operating procedures of the commission.

*b.* *"Bylaws"* means those bylaws established by the commission for its governance, or for directing or controlling the commission's actions or conduct.

*c.* *"Commission"* means the interstate insurance product regulation commission established by this compact.

*d.* *"Commissioner"* means the chief insurance regulatory official of a state including, but not limited to, commissioner, superintendent, director, or administrator.

*e.* *"Compacting state"* means any state that has enacted this compact legislation and that has not withdrawn pursuant to article XIV, paragraph *"a"*, or been terminated pursuant to article XIV, paragraph *"b"*.

*f.* *"Domiciliary state"* means the state in which an insurer is incorporated or organized, or, in the case of an alien insurer, its state of entry.

*g.* *"Insurer"* means any entity licensed by a state to issue contracts of insurance for any of the lines of insurance covered by this compact.

*h.* *"Member"* means the person chosen by a compacting state as its representative to the commission, or the person's designee. The commissioner of insurance shall be the representative member of the compact for the state of Iowa.

*i.* *"Noncompacting state"* means any state which is not at the time a compacting state.

*j.* *"Operating procedures"* means procedures promulgated by the commission implementing a rule, uniform standard, or a provision of this compact.

*k.* *"Product"* means the form of a policy or contract, including any application, endorsement, or related form which is attached to and made a part of the policy or contract, and any evidence of coverage or certificate, for an individual or group annuity, life insurance, disability income, or long-term care insurance product that an insurer is authorized to issue.

*l.* *"Rule"* means a statement of general or particular applicability and future effect promulgated by the commission, including a uniform standard developed pursuant to article VII, designed to implement, interpret, or prescribe law or policy, or describing the organization, procedure, or practice requirements of the commission, which shall have the force and effect of law in the compacting states.

*m.* *"State"* means any state, district, or territory of the United States of America.

*n.* *"Third-party filer"* means an entity that submits a product filing to the commission on behalf of an insurer.

*o.* *"Uniform standard"* means a standard adopted by the commission for a product line, pursuant to article VII, and shall include all of the product requirements in aggregate, provided that each uniform standard shall be construed, whether express or implied, to prohibit the use of any inconsistent, misleading, or ambiguous provisions in a product, and the form of the product made available to the public shall not be unfair, inequitable, or against public policy as determined by the commission.

3. *Article III — Establishment of the commission and venue.*

*a.* The compacting states hereby create and establish a joint public agency known as the interstate insurance product regulation commission. Pursuant to article IV, the commission has the power to develop uniform standards for product lines, receive and provide prompt review of products filed therewith, and give approval to those product filings satisfying applicable uniform standards, provided it is not intended for the commission to be the exclusive entity for receipt and review of insurance product filings. Nothing herein shall prohibit any insurer from filing its product in any state wherein the insurer is licensed to conduct the business of insurance, and any such filing shall be subject to the laws of the state where filed.

*b.* The commission is a body corporate and politic, and an instrumentality of the compacting state.

*c.* The commission is solely responsible for its liabilities except as otherwise specifically provided in this compact.

*d.* Venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located.

4. *Article IV — Powers of the commission.* The commission shall have the following powers:

*a.* To promulgate rules, pursuant to article VII, which shall have the force and effect of law and shall be binding in the compacting states to the extent and in the manner provided in this compact.

*b.* To exercise its rulemaking authority and establish reasonable uniform standards for products covered under this compact, and advertisement related thereto, which shall have the force and effect of law and shall be binding in the compacting states, but only for those products filed with the commission, provided that a compacting state shall have the right to opt out of such uniform standard pursuant to article VII, to the extent and in the manner provided in this compact, and, provided further, that any uniform standard established by the commission for long-term care insurance products may provide the same or greater protections for consumers as, but shall not provide less than, those protections set forth in the national association of insurance commissioners' long-term care insurance model act and long-term care insurance model regulation, respectively, adopted as of 2001. The commission shall consider whether any subsequent amendments to the long-term care insurance model act or long-term care insurance model regulation adopted by the national association of insurance commissioners require amending of the uniform standards established by the commission for long-term care insurance products.

*c.* To receive and review in an expeditious manner products filed with the commission, and rate filings for disability income and long-term care insurance products, and give approval of those products and rate filings that satisfy the applicable uniform standard, where such approval shall have the force and effect of law, and be binding on the compacting states to the extent and in the manner provided in the compact.

*d.* To receive and review in an expeditious manner advertisement relating to long-term care insurance products for which uniform standards have been adopted by the commission, and give approval to all advertisement that satisfies the applicable uniform standard. For any product covered under this compact, other than long-term care insurance products, the commission shall have the authority to require an insurer to submit all or any part of its advertisement with respect to that product for review or approval prior to use, if the commission determines that the nature of the product is such that an advertisement of the product could have the capacity or tendency to mislead the public. The actions of the commission as provided in this article shall have the force and effect of law and shall be binding in the compacting states to the extent and in the manner provided in this compact.

*e.* To exercise its rulemaking authority and designate products and advertisement that may be subject to a self-certification process without the need for prior approval by the commission.

*f.* To promulgate operating procedures, pursuant to article VII, which shall be binding in the compacting states to the extent and in the manner provided in this compact.

*g.* To bring and prosecute legal proceedings or actions in its name as the commission, provided that the standing of any state insurance department to sue or be sued under applicable law shall not be affected.

*h.* To issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence.

*i.* To establish and maintain offices.

*j.* To purchase and maintain insurance and bonds.

*k.* To borrow, accept, or contract for services of personnel, including, but not limited to, employees of a compacting state.

*l.* To hire employees, professionals, or specialists, and elect or appoint officers, and to

fix their compensation, define their duties, and give them appropriate authority to carry out the purposes of this compact, and determine their qualifications, and to establish the commission's personnel policies and programs relating to, among other things, conflicts of interest, rates of compensation, and qualifications of personnel.

*m.* To accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of the same, provided that at all times the commission shall strive to avoid any appearance of impropriety.

*n.* To lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use, any property, real, personal, or mixed, provided that at all times the commission shall strive to avoid any appearance of impropriety.

*o.* To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed.

*p.* To remit filing fees to compacting states as may be set forth in the bylaws, rules, or operating procedures.

*q.* To enforce compliance by compacting states with rules, uniform standards, operating procedures, and bylaws.

*r.* To provide for dispute resolution among compacting states.

*s.* To advise compacting states on issues relating to insurers domiciled or doing business in noncompacting jurisdictions, consistent with the purposes of this compact.

*t.* To provide advice and training to those personnel in state insurance departments responsible for product review, and to be a resource for state insurance departments.

*u.* To establish a budget and make expenditures.

*v.* To borrow money.

*w.* To appoint committees, including advisory committees comprising members, state insurance regulators, state legislators or their representatives, insurance industry and consumer representatives, and such other interested persons as may be designated in the bylaws.

*x.* To provide and receive information from, and to cooperate with, law enforcement agencies.

*y.* To adopt and use a corporate seal.

*z.* To perform such other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of the business of insurance.

5. *Article V — Organization of the commission.*

*a. Membership, voting, and bylaws.*

(1) Each compacting state shall have and be limited to one member. Each member shall be qualified to serve in that capacity pursuant to applicable law of the compacting state. Any member may be removed or suspended from office as provided by the law of the state from which the member is appointed. Any vacancy occurring in the commission shall be filled in accordance with the laws of the compacting state wherein the vacancy exists. Nothing herein shall be construed to affect the manner in which a compacting state determines the election or appointment and qualification of its own commissioner.

(2) Each member shall be entitled to one vote and shall have an opportunity to participate in the governance of the commission in accordance with the bylaws. Notwithstanding any provision herein to the contrary, no action of the commission with respect to the promulgation of a uniform standard shall be effective unless two-thirds of the members vote in favor thereof.

(3) The commission shall, by a majority of the members, prescribe bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes, and exercise the powers, of the compact, including, but not limited to:

(a) Establishing the fiscal year of the commission.

(b) Providing reasonable procedures for appointing and electing members, as well as holding meetings, of the management committee.

(c) Providing reasonable standards and procedures:

(i) For the establishment and meetings of other committees.

(ii) Governing any general or specific delegation of any authority or function of the commission.

(d) Providing reasonable procedures for calling and conducting meetings of the

commission that consists of a majority of commission members ensuring reasonable advance notice of each such meeting, and providing for the right of citizens to attend each such meeting with enumerated exceptions designed to protect the public's interest, the privacy of individuals, and insurers' proprietary information, including trade secrets. The commission may meet in camera only after a majority of the entire membership votes to close a meeting en toto or in part. As soon as practicable, the commission shall make public:

(i) A copy of the vote to close the meeting, revealing the vote of each member, with no proxy votes allowed.

(ii) Votes taken during such meeting.

(e) Establishing the titles, duties, and authority, and reasonable procedures for the election of the officers of the commission.

(f) Providing reasonable standards and procedures for the establishment of the personnel policies and programs of the commission. Notwithstanding any civil service or other similar laws of any compacting state, the bylaws shall exclusively govern the personnel policies and programs of the commission.

(g) Providing a mechanism for winding up the operations of the commission and the equitable disposition of any surplus funds that may exist after the termination of this compact after the payment or reserving of all of its debts and obligations.

(h) Promulgating a code of ethics to address permissible and prohibited activities of commission members and employees.

(4) The commission shall publish its bylaws in a convenient form and file a copy of the bylaws, along with any amendments, with the appropriate agency or officer in each of the compacting states.

*b. Management committee, officers, and personnel.*

(1) A management committee comprising no more than fourteen members shall be established as follows:

(a) One member from each of the six compacting states with the largest premium volume for individual and group annuities, life, disability income, and long-term care insurance products, determined from the records of the national association of insurance commissioners for the prior year.

(b) Four members from those compacting states with at least two percent of the market based on the premium volume described in subparagraph division (a), other than the six compacting states with the largest premium volume, selected on a rotating basis as provided in the bylaws.

(c) Four members from those compacting states with less than two percent of the market, based on the premium volume described in subparagraph division (a), with one selected from each of the four zone regions of the national association of insurance commissioners as provided in the bylaws.

(2) The management committee shall have such authority and duties as may be set forth in the bylaws, including but not limited to:

(a) Managing the affairs of the commission in a manner consistent with the bylaws and purposes of the commission.

(b) Establishing and overseeing an organizational structure within, and appropriate procedures for, the commission to provide for the creation of uniform standards and other rules, receipt and review of product filings, administrative and technical support functions, review of decisions regarding the disapproval of a product filing, and the review of elections made by a compacting state to opt out of a uniform standard, provided that a uniform standard shall not be submitted to the compacting states for adoption unless approved by two-thirds of the members of the management committee.

(c) Overseeing the offices of the commission.

(d) Planning, implementing, and coordinating communications and activities with other state, federal, and local government organizations in order to advance the goals of the commission.

(3) The commission shall elect annually officers from the management committee, with each having such authority and duties, as may be specified in the bylaws.

(4) The management committee may, subject to the approval of the commission, appoint

or retain an executive director for such period, upon such terms and conditions and for such compensation as the commission may deem appropriate. The executive director shall serve as secretary to the commission, but shall not be a member of the commission. The executive director shall hire and supervise such other staff as may be authorized by the commission.

*c. Legislative and advisory committees.*

(1) A legislative committee comprising state legislators or their designees shall be established to monitor the operations of, and make recommendations to, the commission, including the management committee, provided that the manner of selection and term of any legislative committee member shall be as set forth in the bylaws. Prior to the adoption by the commission of any uniform standard, revision to the bylaws, annual budget, or other significant matter as may be provided in the bylaws, the management committee shall consult with and report to the legislative committee.

(2) The commission shall establish two advisory committees, one of which shall comprise consumer representatives independent of the insurance industry, and the other comprising insurance industry representatives.

(3) The commission may establish additional advisory committees as its bylaws may provide for the carrying out of its functions.

*d. Corporate records of the commission.* The commission shall maintain its corporate books and records in accordance with the bylaws.

*e. Qualified immunity, defense, and indemnification.*

(1) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to, or loss of, property, personal injury, or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities, provided that nothing in this subparagraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of that person.

(2) The commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that nothing herein shall be construed to prohibit that person from retaining the person's own counsel; and, provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful and wanton misconduct.

(3) The commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful and wanton misconduct of that person.

6. *Article VI — Meetings and acts of the commission.*

*a.* The commission shall meet and take such actions as are consistent with the provisions of this compact and the bylaws.

*b.* Each member of the commission shall have the right and power to cast a vote to which that compacting state is entitled and to participate in the business and affairs of the commission. A member shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for members' participation in meetings by telephone or other means of communication.

*c.* The commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

7. *Article VII — Rules and operating procedures — rulemaking functions of the commission and opting out of uniform standards.*

*a. Rulemaking authority.* The commission shall promulgate reasonable rules, including uniform standards and operating procedures, in order to effectively and efficiently achieve the purposes of this compact. Notwithstanding the foregoing, in the event the commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of this compact, or the powers granted hereunder, such an action by the commission shall be invalid and have no force and effect.

*b. Rulemaking procedure.* Rules and operating procedures shall be made pursuant to a rulemaking process that conforms to the model state administrative procedure act of 1981 as amended, as may be appropriate to the operations of the commission. Before the commission adopts a uniform standard, the commission shall give written notice to the relevant state legislative committee or committees in each compacting state responsible for insurance issues of its intention to adopt the uniform standard. The commission, in adopting a uniform standard, shall consider fully all submitted materials and issue a concise explanation of its decision.

*c. Effective date and opt out of a uniform standard.* A uniform standard shall become effective ninety days after its promulgation by the commission or such later date as the commission may determine, provided, however, that a compacting state may opt out of a uniform standard as provided in this article. *"Opt out"* means any action by a compacting state to decline to adopt or participate in a promulgated uniform standard. All other rules and operating procedures, and amendments thereto, shall become effective as of the date specified in each rule, operating procedure, or amendment.

*d. Opt-out procedure.*

(1) A compacting state may opt out of a uniform standard, either by legislation or regulation duly promulgated by the insurance department under the compacting state's administrative procedure act. If a compacting state elects to opt out of a uniform standard by regulation, it must do all of the following:

(a) Give written notice to the commission no later than ten business days after the uniform standard is promulgated, or at the time the state becomes a compacting state.

(b) Find that the uniform standard does not provide reasonable protections to the citizens of the state, given the conditions in the state.

(2) The commissioner shall make specific findings of fact and conclusions of law, based on a preponderance of the evidence, detailing the conditions in the state which warrant a departure from the uniform standard and determining that the uniform standard would not reasonably protect the citizens of the state. The commissioner must consider and balance the following factors and find that the conditions in the state and needs of the citizens of the state outweigh both of the following:

(a) The intent of the legislature to participate in, and the benefits of, an interstate agreement to establish national uniform consumer protections for the products subject to this compact.

(b) The presumption that a uniform standard adopted by the commission provides reasonable protections to consumers of the relevant product.

(3) Notwithstanding the foregoing, a compacting state may, at the time of its enactment of this compact, prospectively opt out of all uniform standards involving long-term care insurance products by expressly providing for such opt out in the enacted compact, and such an opt out shall not be treated as a material variance in the offer or acceptance of any state to participate in this compact. Such an opt out shall be effective at the time of enactment of this compact by the compacting state and shall apply to all existing uniform standards involving long-term care insurance products and those subsequently promulgated.

*e. Effect of opt out.*

(1) If a compacting state elects to opt out of a uniform standard, the uniform standard shall remain applicable in the compacting state electing to opt out until such time the opt-out legislation is enacted into law or the regulation opting out becomes effective.

(2) Once the opt out of a uniform standard by a compacting state becomes effective, as provided under the laws of that state, the uniform standard shall have no further force and

effect in that state unless and until the legislation or regulation implementing the opt out is repealed or otherwise becomes ineffective under the laws of the state. If a compacting state opts out of a uniform standard after the uniform standard has been made effective in that state, the opt out shall have the same prospective effect as provided under article XIV for withdrawals.

8. *Article VIII — Commission records and enforcement.*

*a.* The commission shall promulgate rules establishing conditions and procedures for public inspection and copying of its information and official records, except such information and records involving the privacy of individuals and insurers' trade secrets. The commission may promulgate additional rules under which it may make available to federal and state agencies, including law enforcement agencies, records, and information otherwise exempt from disclosure, and may enter into agreements with such agencies to receive or exchange information or records subject to nondisclosure and confidentiality provisions.

*b.* Except as to privileged records, data, and information, the laws of any compacting state pertaining to confidentiality or nondisclosure shall not relieve any compacting state commissioner of the duty to disclose any relevant records, data, or information to the commission, provided that disclosure to the commission shall not be deemed to waive or otherwise affect any confidentiality requirement, and further provided that, except as otherwise expressly provided in this compact, the commission shall not be subject to the compacting state's laws pertaining to confidentiality and nondisclosure with respect to records, data, and information in its possession. Confidential information of the commission shall remain confidential after such information is provided to any commissioner.

*c.* The commission shall monitor compacting states for compliance with duly adopted bylaws, rules, including uniform standards, and operating procedures. The commission shall notify any noncomplying compacting state in writing of its noncompliance with commission bylaws, rules, or operating procedures. If a noncomplying compacting state fails to remedy its noncompliance within the time specified in the notice of noncompliance, the compacting state shall be deemed to be in default as set forth in article XIV.

*d.* The commissioner of any state in which an insurer is authorized to do business, or is conducting the business of insurance, shall continue to exercise the commissioner's authority to oversee the market regulation of the activities of the insurer in accordance with the provisions of the state's law. The commissioner's enforcement of compliance with the compact is governed by the following provisions:

(1) With respect to the commissioner's market regulation of a product or advertisement that is approved or certified to the commission, the content of the product or advertisement shall not constitute a violation of the provisions, standards, or requirements of this compact except upon a final order of the commission, issued at the request of a commissioner after prior notice to the insurer and an opportunity for hearing before the commission.

(2) Before a commissioner may bring an action for violation of any provision, standard, or requirement of this compact relating to the content of an advertisement not approved or certified to the commission, the commission, or an authorized commission officer or employee, must authorize the action. However, authorization pursuant to this subparagraph does not require notice to the insurer, opportunity for hearing, or disclosure of requests for authorization or records of the commission's action on such requests.

*e. Stay of uniform standard.* If a compacting state has formally initiated the process of opting out of a uniform standard by regulation, and while the regulatory opt out is pending, the compacting state may petition the commission, at least fifteen days before the effective date of the uniform standard, to stay the effectiveness of the uniform standard in that state. The commission may grant a stay if it determines the regulatory opt out is being pursued in a reasonable manner and there is a likelihood of success. If a stay is granted or extended by the commission, the stay or extension thereof may postpone the effective date by up to ninety days, unless affirmatively extended by the commission, provided a stay may not be permitted to remain in effect for more than one year unless the compacting state can show extraordinary circumstances which warrant a continuance of the stay, including, but not limited to, the existence of a legal challenge which prevents the compacting state from opting out. A stay

may be terminated by the commission upon notice that the rulemaking process has been terminated.

*f.* Not later than thirty days after a rule or operating procedure is adopted, any person may file a petition for judicial review of the rule or operating procedure, provided that the filing of such a petition shall not stay or otherwise prevent the rule or operating procedure from becoming effective unless the court finds that the petitioner has a substantial likelihood of success. The court shall give deference to the actions of the commission consistent with applicable law and shall not find the rule or operating procedure to be unlawful if the rule or operating procedure represents a reasonable exercise of the commission's authority.

9. *Article IX — Dispute resolution.* The commission shall attempt, upon the request of a member, to resolve any disputes or other issues which are subject to this compact and which may arise between two or more compacting states, or between compacting states and noncompacting states, and the commission shall promulgate an operating procedure providing for resolution of such disputes.

10. *Article X — Product filing and approval.*

*a.* Insurers and third-party filers seeking to have a product approved by the commission shall file the product with, and pay applicable filing fees to, the commission. Nothing in this compact shall be construed to restrict or otherwise prevent an insurer from filing its product with the insurance department in any state wherein the insurer is licensed to conduct the business of insurance, and such filing shall be subject to the laws of the states where filed.

*b.* The commission shall establish appropriate filing and review processes and procedures pursuant to commission rules and operating procedures. Notwithstanding any provision herein to the contrary, the commission shall promulgate rules to establish conditions and procedures under which the commission will provide public access to product filing information. In establishing such rules, the commission shall consider the interests of the public in having access to such information, as well as protection of personal medical and financial information and trade secrets, that may be contained in a product filing or supporting information.

*c.* Any product approved by the commission may be sold or otherwise issued in those compacting states in which the insurer is legally authorized to do business.

11. *Article XI — Review of commission decisions regarding filings.*

*a.* Not later than thirty days after the commission has given notice of a disapproved product or advertisement filed with the commission, the insurer or third-party filer whose filing was disapproved may appeal the determination to a review panel appointed by the commission. The commission shall adopt rules to establish procedures for appointing such review panels and provide for notice and hearing. An allegation that the commission, in disapproving a product or advertisement filed with the commission, acted arbitrarily, capriciously, or in a manner that is an abuse of discretion or otherwise not in accordance with the law, is subject to judicial review in accordance with article III, paragraph *"d"*.

*b.* The commission shall have authority to monitor, review, and reconsider products and advertisement subsequent to their filing or approval upon a finding that the product does not meet the relevant uniform standard. Where appropriate, the commission may withdraw or modify its approval after proper notice and hearing, subject to the appeal process in paragraph *"a"*.

12. *Article XII — Finance.*

*a.* The commission shall pay or provide for the payment of the reasonable expenses of its establishment and organization. To fund the cost of its initial operations, the commission may accept contributions and other forms of funding from the national association of insurance commissioners, compacting states, and other sources. Contributions and other forms of funding from other sources shall be of such a nature that the independence of the commission concerning the performance of its duties shall not be compromised.

*b.* The commission shall collect a filing fee from each insurer and third-party filer filing a product with the commission to cover the cost of the operations and activities of the commission and its staff in a total amount sufficient to cover the commission's annual budget.

*c.* The commission's budget for a fiscal year shall not be approved until it has been subject to notice and comment as set forth in article VII.

*d.* The commission shall be exempt from all taxation in and by the compacting states.

*e.* The commission shall not pledge the credit of any compacting state, except by and with the appropriate legal authority of that compacting state.

*f.* The commission shall keep complete and accurate accounts of all its internal receipts, including grants and donations, and disbursements of all funds under its control. The internal financial accounts of the commission shall be subject to the accounting procedures established under its bylaws. The financial accounts and reports, including the system of internal controls and procedures of the commission, shall be audited annually by an independent certified public accountant. Upon the determination of the commission, but no less frequently than every three years, the review of the independent auditor shall include a management and performance audit of the commission. The commission shall make an annual report to the governor and legislature of the compacting states, which shall include a report of the independent audit. The commission's internal accounts shall not be confidential and such materials may be shared with the commissioner of any compacting state upon request; provided, however, that any work papers related to any internal or independent audit and any information regarding the privacy of the individuals and insurers' proprietary information, including trade secrets, shall remain confidential.

*g.* A compacting state shall not have any claim to or ownership of any property held by or vested in the commission or to any commission funds held pursuant to the provisions of this compact.

13. *Article XIII — Compacting states, effective date, and amendment.*

*a.* Any state is eligible to become a compacting state.

*b.* This compact shall become effective and binding upon legislative enactment of this compact into law by two compacting states, provided the commission shall become effective for purposes of adopting uniform standards for reviewing, and giving approval or disapproval of, products filed with the commission that satisfy applicable uniform standards only after twenty-six states are compacting states or, alternatively, by states representing greater than forty percent of the premium volume for life insurance, annuity, disability income, and long-term care insurance products, based on records of the national association of insurance commissioners for the prior year. Thereafter, it shall become effective and binding as to any other compacting state upon enactment of this compact into law by that state.

*c.* Amendments to this compact may be proposed by the commission for enactment by the compacting states. An amendment shall not become effective and binding upon the commission and the compacting states unless and until all compacting states enact the amendment into law.

14. *Article XIV — Withdrawal, default, and termination.*

*a. Withdrawal.*

(1) Once effective, this compact shall continue in force and remain binding upon each and every compacting state, provided that a compacting state may withdraw from this compact by enacting a statute specifically repealing the statute which enacted the compact into law.

(2) The effective date of withdrawal is the effective date of the repealing statute. However, the withdrawal shall not apply to any product filings approved or self-certified, or any advertisement of such products, on the date the repealing statute becomes effective, except by mutual agreement of the commission and the withdrawing state unless the approval is rescinded by the withdrawing state as provided in subparagraph (5).

(3) The commissioner of the withdrawing state shall immediately notify the management committee in writing upon the introduction of legislation repealing this compact in the withdrawing state.

(4) The commission shall notify the other compacting states of the introduction of such legislation within ten days after its receipt of notice.

(5) The withdrawing state is responsible for all obligations, duties, and liabilities incurred through the effective date of withdrawal, including any obligations, the performance of which extend beyond the effective date of withdrawal, except to the extent those obligations

may have been released or relinquished by mutual agreement of the commission and the withdrawing state. The commission's approval of products and advertisement prior to the effective date of withdrawal shall continue to be effective and be given full force and effect in the withdrawing state, unless formally rescinded by the withdrawing state in the same manner as provided by the laws of the withdrawing state for the prospective disapproval of products or advertisement previously approved under state law.

(6) Reinstatement following withdrawal of any compacting state shall occur upon the effective date of the withdrawing state reenacting the compact.

*b. Default.*

(1) If the commission determines that any compacting state has at any time defaulted in the performance of any of its obligations or responsibilities under this compact, the bylaws or duly promulgated rules or operating procedures, then, after notice and hearing as set forth in the bylaws, all rights, privileges, and benefits conferred by this compact on the defaulting state shall be suspended from the effective date of default as fixed by the commission. The grounds for default include, but are not limited to, failure of a compacting state to perform its obligations or responsibilities, and any other grounds designated in commission rules. The commission shall immediately notify the defaulting state in writing of the defaulting state's suspension, pending a cure of the default. The commission shall stipulate the conditions and the time period within which the defaulting state must cure its default. If the defaulting state fails to cure the default within the time period specified by the commission, the defaulting state shall be terminated from this compact and all rights, privileges, and benefits conferred by this compact shall be terminated from the effective date of termination.

(2) Product approvals by the commission or product self-certifications, or any advertisement in connection with such product, that are in force on the effective date of termination shall remain in force in the defaulting state in the same manner as if the defaulting state had withdrawn voluntarily pursuant to paragraph "*a*".

(3) Reinstatement following termination of any compacting state requires a reenactment of this compact.

*c. Dissolution of compact.*

(1) This compact dissolves effective upon the date of the withdrawal or default of the compacting state which reduces membership in this compact to one compacting state.

(2) Upon the dissolution of this compact, this compact becomes null and void and shall be of no further force or effect, and the business and affairs of the commission shall be wound up and any surplus funds shall be distributed in accordance with the bylaws.

15. *Article XV — Severability and construction.*

*a.* The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of this compact shall be enforceable.

*b.* The provisions of this compact shall be liberally construed to effectuate its purposes.

16. *Article XVI — Binding effect of compact and other laws.*

*a. Other laws.*

(1) Nothing herein prevents the enforcement of any other law of a compacting state, except as provided in subparagraph (2).

(2) For any product approved or certified to the commission, the rules, uniform standards, and any other requirements of the commission shall constitute the exclusive provisions applicable to the content, approval, and certification of such products. For advertisement that is subject to the commission's authority, any rule, uniform standard, or other requirement of the commission which governs the content of the advertisement shall constitute the exclusive provision that a commissioner may apply to the content of the advertisement. Notwithstanding the foregoing, action taken by the commission shall not abrogate or restrict:

(a) The access of any person to state courts.

(b) Remedies available under state law related to breach of contract, tort, general consumer protection laws, or general consumer protection regulations that apply to the sale or advertisement of the product or other laws not specifically directed to the content of the product.

(c) State law relating to the construction of insurance contracts.

(d) The authority of the attorney general of the state, including but not limited to maintaining any actions or proceedings, as authorized by law.

(3) All insurance products filed with individual states shall be subject to the laws of those states.

*b. Binding effect of this compact.*

(1) All lawful actions of the commission, including all rules and operating procedures adopted by the commission, are binding upon the compacting states.

(2) All agreements between the commission and the compacting states are binding in accordance with their terms.

(3) Upon the request of a party to a conflict over the meaning or interpretation of commission actions, and upon a majority vote of the compacting states, the commission may issue advisory opinions regarding the meaning or interpretation in dispute.

(4) In the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any compacting state, the obligations, duties, powers, or jurisdiction sought to be conferred by that provision upon the commission shall be ineffective as to that compacting state, and those obligations, duties, powers, or jurisdiction shall remain in the compacting state and shall be exercised by the agency thereof to which those obligations, duties, powers, or jurisdiction are delegated by law in effect at the time this compact becomes effective.

2003 Acts, ch 91, §54; 2003 Acts, ch 179, §74; 2004 Acts, ch 1110, §6 – 16; 2005 Acts, ch 70, §3; 2008 Acts, ch 1032, §201; 2009 Acts, ch 41, §263

# CHAPTER 506

## DOMESTIC INSURANCE COMPANIES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


506.1 Rules — limitations.
506.2 Sale of securities restricted.
506.3 Certificate of compliance.
506.4 Maximum promotion expense allowed.
506.5 Regulation by commissioner.
506.6 Promoters restricted.
506.7 Penalty. Repealed by 2004 Acts, ch 1110, §71.
506.8 Liability to stockholders.
506.9 Judicial review.
506.10 Sale of stock as inducement to insurance.
506.11 Securities law applicable.
506.12 Principal executive office.
506.13 New officers or directors — biographical affidavit required.
506.14 Voluntary dissolution of domestic mutual insurance companies.


**506.1 Rules — limitations.**

The commissioner of insurance shall promulgate such reasonable rules and regulations as the commissioner deems necessary to assure the proper operation of newly organized insurance companies but in no event shall the commissioner:

1. Require that more than twenty percent of the original capital and surplus of a stock corporation subject to the provisions of this chapter be invested by the organizers; or

2. Restrict the alienation of securities issued to organizers for a period of more than:

*a.* Five years, or

*b.* Until the operation of the insurance company produces earned surplus for two successive years.

[C66, 71, 73, 75, 77, 79, 81, §506.1]

**506.2 Sale of securities restricted.**

Neither the securities in a domestic insurance company, nor securities in a holding company, one of the purposes of which is to organize, purchase, or otherwise acquire control of a domestic insurance company, nor membership in an association in process

of organization shall be sold or solicited until such company or association, and the promoters thereof, shall have first complied with all of the statutory provisions regulating the organization of such companies and associations, and also have secured from the commissioner of insurance a certificate indicating full compliance with the provisions of this chapter.

[S13, §1683-r3; C24, 27, 31, 35, 39, §**8616;** C46, 50, 54, 58, 62, §506.1; C66, 71, 73, 75, 77, 79, 81, §506.2]

88 Acts, ch 112, §501

**506.3 Certificate of compliance.**

Before the commissioner of insurance shall issue such certificate of compliance, the commissioner shall first be satisfied with the general plan of such organization and the character of the advertising to be used; the commissioner shall also see that all rules and regulations promulgated under this chapter have been complied with and fix the time within which such organization shall be completed; the commissioner shall also prescribe the method of keeping books and accounts of insurance companies and those of fiscal agents of corporations subject to the provisions of this chapter.

[S13, §1683-r3; C24, 27, 31, 35, 39, §**8617;** C46, 50, 54, 58, 62, §506.2; C66, 71, 73, 75, 77, 79, 81, §506.3]

**506.4 Maximum promotion expense allowed.**

The maximum promotion expense which may be incurred shall in no case exceed fifteen percent of the sale price of said stock, and no portion of such amount shall be used in the payment of salaries for officers and directors before the issuance, by the commissioner of insurance, of authority to transact an insurance business. Any amount paid to the company for stock above the par value of the stock shall constitute a contributed surplus but no dividends shall be paid by the company except from the earned profits arising from their business, which shall not include contributed capital or contributed surplus.

[C24, 27, 31, 35, 39, §**8618;** C46, 50, 54, 58, 62, §506.3; C66, 71, 73, 75, 77, 79, 81, §506.4]

Referred to in §506.6, 515.10

**506.5 Regulation by commissioner.**

The commissioner of insurance shall have power to regulate all other matters in connection with the organization of such domestic corporations, and the sale of stock or the issuing of certificates by all insurance corporations within the state, to the end that fraud may be prevented in the organization of such companies and the sale of their stocks and securities.

[S13, §1683-r3; C24, 27, 31, 35, 39, §**8619;** C46, 50, 54, 58, 62, §506.4; C66, 71, 73, 75, 77, 79, 81, §506.5]

Referred to in §515.10

**506.6 Promoters restricted.**

No company shall enter into any contract with any promoter, officer, director, or agent of the company or any other person to pay the person's expenses or to pay the person any commission or any compensation for the person's services in promoting or organizing such company, or in selling its stock in excess of the amount authorized in section 506.4; nor shall it contract with any such person to pay the person any part of the premiums arising from the insurance it has written or may write as compensation, directly or indirectly, for aiding in the promotion or for aiding or effecting any consolidation of such company with any other company, without the approval of the commissioner of insurance.

[C24, 27, 31, 35, 39, §**8620;** C46, 50, 54, 58, 62, §506.5; C66, 71, 73, 75, 77, 79, 81, §506.6]

Referred to in §515.10

**506.7 Penalty.** Repealed by 2004 Acts, ch 1110, § 71.

**506.8 Liability to stockholders.**

Any person, association, or corporation who sells or aids in selling or causes to be sold any stock, certificate of membership, or evidence of interest in any such corporation or

association, in violation of law, shall be personally liable to any person to whom the person, association or certificate of membership or evidence of interest, in an amount equal to the price paid therefor by such person with legal interest, and suit to recover the same may be brought by such purchasers, jointly or severally, in any court of competent jurisdiction.

[C24, 27, 31, 35, 39, §**8622;** C46, 50, 54, 58, 62, §506.7; C66, 71, 73, 75, 77, 79, 81, §506.8]

**506.9 Judicial review.**

Judicial review of the acts of commissioner of insurance may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C24, 27, 31, 35, 39, §**8623;** C46, 50, 54, 58, 62, §506.8; C66, 71, 73, 75, 77, 79, 81, §506.9]

2003 Acts, ch 44, §114

**506.10 Sale of stock as inducement to insurance.**

No insurance company shall issue in this state, or permit its agents, officers, or employees to issue in this state its own stock, agency company stock or other stock or securities, or any special or advisory board or other contract of any kind promising returns and profits as an inducement to insurance.

No insurance company shall be authorized to do business in this state which issues or permits its agents, officers, or employees to issue in this state or in any other state or territory, agency company stock or other stock or securities, or any special advisory board or other contract of any kind promising returns and profits as an inducement to insurance.

No corporation or stock company, acting as an agent of an insurance company, or any of its agents, officers, or employees, shall be permitted to agree to sell, offer to sell, or give or offer to give, directly or indirectly, in any manner whatsoever, any share of stock, securities, bonds, or agreement of any form or nature, promising returns and profits as an inducement to insurance, or in connection therewith.

Nothing herein contained shall impair or affect in any manner any such contracts issued or made as an inducement to insurance prior to the enactment of this section, or prevent the payment of the dividends or returns therein stipulated to be paid.

It shall be the duty of the commissioner upon being satisfied that any insurance company, or any agent thereof, has violated any of the provisions of this section, to revoke the certificate of authority of the company or agent so offending.

[C24, 27, 31, 35, 39, §**8624;** C46, 50, 54, 58, 62, §506.9; C66, 71, 73, 75, 77, 79, 81, §506.10]

**506.11 Securities law applicable.**

Nothing contained in this chapter shall be construed to exempt any corporation from the requirements of chapter 502.

[C66, 71, 73, 75, 77, 79, 81, §506.11]

**506.12 Principal executive office.**

An insurance company incorporated under the laws of this state for the purpose of engaging in the business of insurance shall maintain a principal executive office in this state unless otherwise allowed by the commissioner of insurance. The location of the principal executive office in this state of an insurance company incorporated under chapter 490 shall be identified in the insurance company's articles of incorporation.

92 Acts, ch 1162, §2

**506.13 New officers or directors — biographical affidavit required.**

Within thirty days after a quarterly or annual statement of an insurance company domiciled in this state first names an individual as an officer or director of the company on the jurat page of the quarterly or annual statement, the new officer or director shall file a biographical affidavit with the commissioner. The affidavit shall be prepared on the current template for biographical affidavits prescribed by the national association of insurance commissioners.

2007 Acts, ch 137, §8

**506.14 Voluntary dissolution of domestic mutual insurance companies.**

1. Any plan for voluntary dissolution of a domestic mutual insurance company licensed to transact the business of insurance under chapter 508, 515, 518, or 518A shall be presented for approval by the commissioner not less than ninety days in advance of notice of the plan to policyholders.

2. The commissioner shall approve the plan if the commissioner finds that the plan complies with all applicable provisions of law and is fair and equitable to the domestic mutual insurance company and its policyholders.

2013 Acts, ch 124, §8
NEW section

# CHAPTER 507

## EXAMINATION OF INSURANCE COMPANIES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 507C.12, 514.10, 521A.6, 669.14, 670.7


507.1 Purpose — definitions.
507.2 Authority, scope, and scheduling of examinations.
507.3 Conduct of examinations.
507.4 Examiners — salaries.
507.5 Chief examiner.
507.6 Conflict of interest.
507.7 Expenses.
507.8 Payment by company.
507.9 Fees — accounting.
507.10 Examination reports.
507.11 Repealed by 91 Acts, ch 26, §61.
507.12 Procedure against life companies.
507.13 Repealed by 92 Acts, ch 1117, §42.
507.14 Confidential documents — exceptions.
507.15 Transfer pending examination.
507.16 Unlawful solicitation of business.
507.17 Immunity from liability.


**507.1 Purpose — definitions.**

1. The purpose of this chapter is to provide an effective and efficient system for examining the activities, operations, financial condition, and affairs of all persons transacting the business of insurance in this state and all persons otherwise subject to the jurisdiction of the commissioner. The chapter is intended to enable the commissioner to adopt a flexible system of examinations which directs resources as deemed appropriate and necessary for the administration of the insurance and insurance-related laws of this state.

2. As used in this chapter, unless the context otherwise requires:

*a.* *"Commissioner"* means the commissioner of insurance of this state.

*b.* *"Company"* means any person engaging in or proposing or attempting to engage in any transaction or kind of insurance or surety business and any person or group of persons who may otherwise be subject to the administrative, regulatory, or taxing authority of the commissioner.

*c.* *"Division"* means the division of insurance of the department of commerce.

*d.* *"Examiner"* means any individual or firm authorized by the commissioner to conduct an examination pursuant to this chapter.

*e.* *"Insurer"* includes all companies or associations organized under chapter 508, 511, 512A, 512B, 514, 514B, 515, 515C, or 518A, associations subject to chapters 518 and 520, and companies or associations admitted or seeking to be admitted to this state under any of those chapters.

*f.* *"Person"* means any individual, aggregation of individuals, trust, association, partnership, or corporation or an affiliate of any of these.

[S13, §1821-i; C24, 27, 31, 35, 39, §**8625;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.1]
88 Acts, ch 1112, §301; 92 Acts, ch 1117, §1
Referred to in §515I.2

**507.2 Authority, scope, and scheduling of examinations.**

1. The commissioner or any of the commissioner's examiners may conduct an examination under this chapter of any company as often as the commissioner deems

appropriate, but at a minimum, shall conduct an examination of any domestic insurer licensed in this state no less than once every five years. In scheduling and determining the nature, scope, and frequency of the examinations, the commissioner shall consider such matters as the results of financial statement analyses and ratios, changes in management or ownership, actuarial opinions, reports of independent certified public accountants, and other criteria as set forth in the examiners' handbook adopted by the national association of insurance commissioners and in effect when the commissioner exercises discretion under this section.

2. For purposes of completing an examination of any company pursuant to this chapter, the commissioner may examine or investigate any person, or the business of any person, insofar as the examination or investigation is, in the sole discretion of the commissioner, necessary or material to the examination of the company.

3. In lieu of an examination under this chapter of any foreign or alien insurer licensed in this state, the commissioner may accept an examination report on the company as prepared by the regulatory authority for insurance for the company's state of domicile or port-of-entry state.

[C97, §1753; S13, §1821-a, -h; C24, 27, 31, 35, 39, §**8626, 8642, 9009, 9061;** C46, §507.2, 507.18, 515.130, 518.36; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.2]

92 Acts, ch 1117, §2; 95 Acts, ch 185, §4

**507.3 Conduct of examinations.**

1. Upon determining that an examination should be conducted, the commissioner or the commissioner's designee may appoint one or more examiners to perform the examination and instruct them as to the scope of the examination. In conducting the examination, the examiner shall observe those guidelines and procedures set forth in the examiners' handbook adopted by the national association of insurance commissioners. The commissioner may also employ other guidelines as the commissioner deems appropriate.

2. A company or person from whom information is sought and its officers, directors, and agents shall provide to the examiners appointed under subsection 1, timely, convenient, and free access at all reasonable hours at its offices to all books, records, accounts, papers, documents, and any or all computer or other recordings relating to the property, assets, business, and affairs of the company being examined. The officers, directors, employees, and agents of the company or person shall facilitate the examination and aid in the examination so far as it is in their power to do so. The refusal of any company, by its officers, directors, employees, or agents, to submit to examinations or to comply with any reasonable written request of the examiners is grounds for suspension or revocation of, or nonrenewal of, any license or authority held by the company to engage in the business of insurance or other business subject to the commissioner's jurisdiction. Should a company decline or refuse to submit to an examination as provided in this chapter, the commissioner shall immediately revoke its certificate of authority, and if the company is organized under the laws of this state, the commissioner shall report the commissioner's action to the attorney general, who shall immediately apply to the district court for the appointment of a receiver to administer the final affairs of the company.

3. The commissioner or any of the commissioner's examiners may issue subpoenas, administer oaths, and examine under oath any person as to any matter pertinent to the examination. Upon the failure or refusal of any person to obey a subpoena, the commissioner may petition a court of competent jurisdiction, and upon proper showing, the court may enter an order compelling the witness to appear and testify or produce documentary evidence. Failure to obey the court order is punishable as contempt of court.

4. When making an examination under this chapter, the commissioner may retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialists as examiners, the reasonable cost of which shall be borne by the company which is the subject of the examination.

5. This chapter does not limit the commissioner's authority to terminate or suspend any examination in order to pursue other legal or regulatory action pursuant to the insurance

laws of this state. Findings of fact and conclusions made pursuant to any examination are deemed to be prima facie evidence in any legal or regulatory action.

[S13, §1821-b; C24, 27, 31, 35, 39, §**8627;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.3]

92 Acts, ch 1117, §3; 97 Acts, ch 186, §2

**507.4 Examiners — salaries.**

1. The commissioner of insurance may appoint insurance examiners, at least one of whom shall be an experienced actuary, and at least one of whom shall be an experienced and competent fire insurance accountant, and who, while conducting examinations, shall possess all the powers conferred upon the commissioner of insurance for such purposes. The entire time of the examiners shall be under the control of the commissioner, and shall be employed as the commissioner may direct.

2. The commissioner may, when in the commissioner's judgment it is advisable, appoint assistants to aid in conducting examinations. The commissioner shall employ rates of compensation consistent with current standards in the industry for certified public accountants, attorneys, and skilled insurance examiners. The commissioner may use compensation rates suggested by the national association of insurance commissioners. Insurance examiners employed under this section shall be exempt from the merit system provisions of chapter 8A, subchapter IV, under section 8A.412, subsection 17. Compensation shall be paid from appropriations for such purposes upon certification of the commissioner, which shall be reimbursed as provided in sections 507.8 and 507.9.

[S13, §1821-c; C24, 27, 31, 35, 39, §**8628;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.4]

2008 Acts, ch 1123, §11

Referred to in §87.11C

**507.5 Chief examiner.**

The commissioner may appoint a chief examiner who shall supervise insurance company examinations and perform such other duties as may be assigned by the commissioner. The chief examiner shall receive a salary to be fixed by the commissioner. The chief examiner shall be exempt from the merit system provisions of chapter 8A, subchapter IV, under section 8A.412, subsection 17.

91 Acts, ch 26, §33; 2003 Acts, ch 145, §270

Referred to in §87.11C, 505.7

**507.6 Conflict of interest.**

1. An examiner shall not be appointed by the commissioner if the examiner, either directly or indirectly, has a conflict of interest or is affiliated with the management of or owns a pecuniary interest in any person subject to examination under this chapter. This section shall not be construed to automatically preclude an examiner from being any of the following:

*a.* A policyholder or claimant under an insurance policy.

*b.* A grantor of a mortgage or similar instrument on the examiner's residence to a regulated entity if done under customary terms and in the ordinary course of business.

*c.* An investment owner in shares of regulated diversified investment companies.

*d.* A settlor or beneficiary of a blind trust into which any otherwise impermissible holdings have been placed.

2. Notwithstanding the requirements of subsection 1, the commissioner may retain from time to time, on an individual basis, qualified actuaries, certified public accountants, or other similar individuals who are independently practicing their professions, even though the persons may from time to time be similarly employed or retained by persons subject to examination under this chapter.

[C24, 27, 31, 35, 39, §**8630;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.6]

92 Acts, ch 1117, §4

Referred to in §87.11C

**507.7 Expenses.**

Said examiners and assistants and the said commissioner shall receive actual and necessary traveling, hotel, and other expenses while engaged in conducting examinations away from their respective places of residence.

[S13, §1821-c; C24, 27, 31, 35, 39, §**8631;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.7]

Referred to in §87.11C, 505.7, 521A.6

**507.8 Payment by company.**

The commissioner shall upon the completion of an examination, or at such regular intervals prior to completion as the commissioner determines, prepare an account of the costs incurred in performing and preparing the report of such examinations which shall be charged to and paid by the companies examined, and upon failure or refusal of any company examined to pay such bill or bills, the same may be recovered in an action brought in the name of the state, and the commissioner may also revoke the certificate of authority of such company to transact business within this state.

[S13, §1821-c; C24, 27, 31, 35, 39, §**8632;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.8]

88 Acts, ch 1112, §302

Referred to in §505.7, 507.4, 508E.7

**507.9 Fees — accounting.**

All fees collected under the provisions of this chapter shall be paid to the commissioner of insurance and shall be turned in to the state treasury for deposit as provided in section 505.7.

[S13, §1821-c; C24, 27, 31, 35, 39, §**8633;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.9]

2009 Acts, ch 181, §64

Referred to in §505.7, 507.4, 508E.7

Deposit of fees, §12.10

**507.10 Examination reports.**

1. *General description.* All examination reports shall be comprised only of facts appearing upon the books, records, or other documents of the company, its agents, or other persons examined, or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs, and such conclusions and recommendations as the examiners find reasonably warranted from the facts.

2. *Filing of examination report.* No later than sixty days following completion of the examination, the examiner in charge shall file with the division a verified written report of examination. Upon receipt of the verified report and after administrative review, the division shall transmit the report to the company examined, together with a notice which shall afford the company examined a reasonable opportunity of not more than thirty days to make a written submission or rebuttal with respect to any matters contained in the examination report.

3. *Adoption of report on examination.* Within twenty days of the end of the period allowed for the receipt of written submissions or rebuttals, the commissioner shall fully consider and review the report, together with any written submissions or rebuttals and any relevant portions of the examiner's work papers and enter an order which does one of the following:

*a.* Adopts the examination report as filed or with modification or corrections. If the examination report reveals that the company is operating in violation of any law or a rule or prior order of the commissioner, the commissioner may order the company to take any action the commissioner considers necessary and appropriate to cure the violation.

*b.* Rejects the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation, or information, and refiling pursuant to subsection 1 above.

*c.* Calls for an investigatory hearing with no less than twenty days' notice to the company for purposes of obtaining additional documentation, data, information, and testimony.

4. *Orders and procedures.*

*a.* All orders entered pursuant to subsection 3, paragraph *"a"*, shall be accompanied by findings and conclusions resulting from the commissioner's consideration and review of the examination report, relevant examiner work papers, and any written submissions or rebuttals. Any such order is a final administrative decision and may be appealed pursuant to chapter 17A, and shall be served upon the company by certified mail, together with a copy of the adopted examination report. The board of directors of the company shall timely review the adopted report. The minutes of the meeting of the board at which the adopted report is considered shall reflect that each member of the board has reviewed the adopted report.

*b.* Any hearing conducted under subsection 3, paragraph *"c"*, by the commissioner or an authorized representative, shall be conducted as a nonadversarial, confidential, investigatory proceeding as necessary for the resolution of any inconsistencies, discrepancies, or disputed issues apparent upon the face of the filed examination report or indicated as a result of the commissioner's review of relevant work papers or by the written submission or rebuttal of the company. Within twenty days of the conclusion of any such hearing, the commissioner shall enter an order pursuant to subsection 3, paragraph *"a"*.

(1) (a) The commissioner shall not appoint an examiner as an authorized representative to conduct the hearing. The hearing shall proceed expeditiously with discovery by the company limited to the examiner's work papers which tend to substantiate any assertions set forth in any written submission or rebuttal. The commissioner or a representative acting on the commissioner's behalf may issue subpoenas for the attendance of any witnesses or the production of any documents deemed relevant to the investigation whether under the control of the division of insurance, the company, or other persons. The documents produced shall be included in the record and testimony taken by the commissioner or a representative acting on the commissioner's behalf shall be under oath and preserved for the record.

(b) This section does not require the division of insurance to disclose any information or records which would indicate or show the existence of any investigation or activity of a criminal or juvenile justice agency.

(2) The hearing shall proceed with the commissioner or the commissioner's representative posing questions to the persons subpoenaed. Thereafter the company and the division may present testimony relevant to the investigation. Cross-examination shall be conducted only by the commissioner or the commissioner's representative. The company and the division shall be permitted to make closing statements and may be represented by counsel.

5. *Publication and use.*

*a.* Upon the adoption of the preliminary examination report under subsection 3, paragraph *"a"*, the commissioner shall hold the content of the final examination report as private and confidential information not subject to disclosure and it is not a public record under chapter 22, for a period of twenty days except to the extent provided in subsection 2. After the twenty-day period has elapsed, the commissioner may open the final report for public inspection so long as no court of competent jurisdiction has stayed its publication.

*b.* The commissioner is not prevented from disclosing the content of an examination report, preliminary examination report or results, or any matter relating to the report, to an insurance department of any other state or country, to the national association of insurance commissioners, or to law enforcement officials of this or any other state or an agency of the federal government at any time, so long as such agency or office receiving the report, or matters relating to the report, agrees in writing to maintain the confidentiality of the report or such matters in a manner consistent with this chapter.

*c.* If the commissioner determines that regulatory action is appropriate as a result of any examination, the commissioner may initiate any proceeding or action as provided by law.

[S13, §1821-d; C24, 27, 31, 35, 39, §**8634;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.10]

92 Acts, ch 1117, §5; 95 Acts, ch 191, §25; 2001 Acts, ch 69, §3; 2006 Acts, ch 1117, §19; 2012 Acts, ch 1023, §157; 2013 Acts, ch 124, §9

Referred to in §511.23

Subsection 4, paragraph a amended

**507.11** Repealed by 91 Acts, ch 26, § 61.

**507.12 Procedure against life companies.**

In case of companies organized under the provisions of chapter 508, the officers shall proceed as provided in sections 508.18 and 508.19.

[S13, §1821-d; C24, 27, 31, 35, 39, §**8636;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.12]

91 Acts, ch 26, §57

Referred to in §511.23

**507.13** Repealed by 92 Acts, ch 1117, § 42.

**507.14 Confidential documents — exceptions.**

1. A preliminary report of an examination of a domestic or foreign insurer, and all notes, work papers, or other documents related to an examination of an insurer are confidential records under chapter 22 except when sought by the insurer to whom they relate, an insurance regulator of another state, or the national association of insurance commissioners, and shall be privileged and confidential in any judicial or administrative proceeding except any of the following:

*a.* An action commenced by the commissioner under chapter 507C.

*b.* An administrative proceeding brought by the insurance division under chapter 17A.

*c.* A judicial review proceeding under chapter 17A brought by an insurer to whom the records relate.

*d.* An action or proceeding which arises out of the criminal provisions of the laws of this state or the United States.

*e.* An action brought in a shareholders' derivative suit against an insurer.

*f.* An action brought to recover moneys or to recover upon an indemnity bond for embezzlement, misappropriation, or misuse of insurer funds.

2. A report of an examination of a domestic or foreign insurer which is preliminary under the rules of the division is a confidential record under chapter 22 except when sought by the insurer to which the report relates or an insurance regulator of another state, and is privileged and confidential in any judicial or administrative proceeding.

3. All work papers, notes, recorded information, documents, market conduct annual statements, and copies thereof that are produced or obtained by or disclosed to the commissioner or any other person in the course of analysis by the commissioner of the financial condition or market conduct of an insurer are confidential records under chapter 22 and shall be privileged and confidential in any judicial or administrative proceeding except any of the following:

*a.* An action commenced by the commissioner under chapter 507C.

*b.* An administrative proceeding brought by the insurance division under chapter 17A.

*c.* A judicial review proceeding under chapter 17A brought by an insurer to whom the records relate.

*d.* An action or proceeding which arises out of the criminal provisions of the laws of this state or the United States.

4. Confidential documents, materials, information, administrative or judicial orders, or other actions may be disclosed to a regulatory official of any state, federal agency, or foreign country provided that the recipients are required, under the law of the recipients' jurisdiction, to maintain confidentiality of the documents, materials, information, orders, or other actions. Confidential records may be disclosed to the national association of insurance commissioners, the international association of insurance supervisors, and the bank for international settlements provided that the associations and bank certify by written statement that the confidentiality of the records will be maintained.

5. A financial statement filed by an employer self-insuring workers' compensation liability pursuant to section 87.11, or the working papers of an examiner or the division in connection with calculating appropriate security and reserves for the self-insured employer are confidential records under chapter 22 except when sought by the employer to which

the financial statement or working papers relate or an insurance or workers' compensation self-insurance regulator of another state, and are privileged and confidential in any judicial or administrative proceeding. The financial information of a nonpublicly traded employer which self-insures for workers' compensation liability pursuant to section 87.11 is protected as proprietary trade secrets to the extent consistent with the commissioner's duties to oversee the security of self-insured workers' compensation liability.

6. Analysis notes, work papers, or other documents related to the analysis of an insurer are confidential records under chapter 22.

[S13, §1821-d; C24, 27, 31, 35, 39, §**8638;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.14]

90 Acts, ch 1234, §3; 91 Acts, ch 26, §34; 92 Acts, ch 1117, §6; 2004 Acts, ch 1110, §17; 2006 Acts, ch 1117, §20; 2012 Acts, ch 1138, §34; 2013 Acts, ch 90, §150

Referred to in §22.7, 508E.7, 515H.3, 616.15

Documents in support of statements of actuarial opinion, see §515H.3

Subsection 4 amended

**507.15 Transfer pending examination.**

Any transfer of stock of any company, pending an investigation, shall not release the party making the transfer from any liability for losses that may have occurred previous to such transfer.

[S13, §1821-e; C24, 27, 31, 35, 39, §**8639;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.15]

**507.16 Unlawful solicitation of business.**

It shall be unlawful for any officer, manager, agent, or representative of any insurance company contemplated by this chapter, who, with knowledge that its certificate of authority has been suspended or revoked, or that it is insolvent, or is doing an unlawful or unauthorized business, to solicit or receive applications for insurance for the company, or to do any other act or thing toward receiving or procuring any new business for the company. The provisions of sections 505.7A and 511.17 are extended to all companies contemplated by this chapter.

[S13, §1821-f; C24, 27, 31, 35, 39, §**8640;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.16]

2004 Acts, ch 1110, §18; 2007 Acts, ch 126, §89

**507.17 Immunity from liability.**

1. A cause of action does not arise nor shall any liability be imposed against the commissioner, the commissioner's authorized representative, or any examiner appointed by the commissioner for any statements made or conduct performed in good faith while carrying out the provisions of this chapter.

2. A cause of action does not arise, nor shall any liability be imposed against any person for the act of communicating or delivering information or data to the commissioner or the commissioner's authorized representative, or an examiner pursuant to an examination made under this chapter, if the act of communication or delivery was performed in good faith and without fraudulent intent or the intent to deceive.

3. This section does not abrogate or modify in any way any common law or statutory privilege or immunity enjoyed by any person identified in subsection 1.

4. A person identified in subsection 1 is entitled to an award of attorney's fees and costs if the person is the prevailing party in a civil cause of action for libel, slander, or any other relevant tort arising out of activities in carrying out the provisions of this chapter and the party bringing the action was not substantially justified in doing so. For purposes of this section, a proceeding is substantially justified if the proceeding has a reasonable basis in law or fact at the time that it is initiated.

[S13, §1821-g; C24, 27, 31, 35, 39, §**8641;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507.17]

92 Acts, ch 1117, §7

# CHAPTER 507A

## UNAUTHORIZED INSURERS

Referred to in §87.4, 296.7, 331.301, 364.4, 432.5, 505.28, 505.29, 508F.6, 522B.17, 522C.6, 669.14, 670.7


507A.1 Title.
507A.2 Purpose.
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**507A.1 Title.**

This chapter may be cited as the *"Iowa Unauthorized Insurers Act"*.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507A.1]

**507A.2 Purpose.**

The purpose of this chapter is to subject certain persons and insurers to the jurisdiction of the insurance commissioner and the courts of this state in suits by or on behalf of the state and insureds or beneficiaries under insurance contracts. The general assembly hereby declares that it is a subject of concern that many residents of this state hold policies of insurance issued by persons and insurers not authorized to do insurance business in this state, thus presenting to such residents the often insuperable obstacle of asserting their legal rights under such policies in forums foreign to them under laws and rules of practice with which they are not familiar. The general assembly further declares that it is also concerned with the protection of residents of this state against acts by persons and insurers not authorized to do an insurance business in this state, by the maintenance of fair and honest insurance markets, by protecting the premium tax revenues of this state, by protecting authorized persons and insurers which are subject to regulation from unfair competition by unauthorized persons and insurers, and by protecting against the evasion of the insurance regulatory laws of this state.

In furtherance of such state interest, the general assembly herein provides methods for substituted service of process upon such persons or insurers in any proceeding, suit or action in any court and substitute service of any notice, order, pleading, or process upon such persons or insurers in any proceeding before the commissioner of insurance to enforce or effect full compliance with the insurance and tax laws of this state. In so doing, the state exercises its powers to protect residents of this state and to define what constitutes doing an insurance business in this state, and also exercises powers and privileges available to this state by virtue of Pub. L. No. 79-15, 79th Congress of the United States, Ch. 20, 1st Sess., S. 340, 59 Stat. 33, codified at 15 U.S.C. § 1011 – 1015, which declares that the business of insurance and every person engaged therein shall be subject to the laws of the several states.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §507A.2]

2006 Acts, ch 1010, §134

**507A.3 Definitions — scope.**

1. Unless otherwise indicated, *"insurer"* as used in this section includes all corporations, associations, partnerships and individuals engaged in the business of insurance. Any of the following acts in this state, effected by mail or otherwise, by an unauthorized insurer is defined to be doing an insurance business in this state:

*a.* The making of or proposing to make, as an insurer, an insurance contract.

*b.* The taking or receiving of any application for insurance.

*c.* The receiving or collection of any premiums, membership fees, assessments, dues or other considerations for any insurance.

*d.* The issuance or delivery of contracts of insurance to residents of this state or to corporations or persons authorized to do business in this state.

*e.* The doing of any kind of insurance business specifically recognized as constituting the doing of an insurance business within the meaning of the statutes relating to insurance.

*f.* The doing or proposing to do any insurance business in substance equivalent to any of the foregoing in a manner designed to evade the provisions of the insurance laws of this state.

*g.* Any other transactions of business relating directly to insurance in this state by an insurer.

2. The venue of an act committed by mail is at the point where the matter transmitted by mail is delivered and takes effect.

[C50, 54, 58, 62, 66, §507A.3(1); C71, 73, 75, 77, 79, 81, §507A.3; 81 Acts, ch 165, §1]
2012 Acts, ch 1023, §157
Referred to in §507A.7

**507A.4 Transactions where law not applicable.**

The provisions of this chapter shall not apply to:

1. The lawful transaction of surplus lines insurance as permitted by chapter 515I.

2. The lawful transaction of reinsurance by insurers.

3. Attorneys acting in the ordinary relation of attorney and client in the adjustment of claims or losses.

4. Transactions in this state involving a policy lawfully solicited, written, and delivered outside of this state, covering subjects of insurance not resident located, or expressly to be performed in this state at the time of issue, and which transactions are subsequent to the issuance of the policy.

5. Transactions in this state involving group or blanket insurance and group annuities where the master policy of such groups was lawfully issued and delivered in a state in which the company was authorized to do an insurance business.

6. Transactions in this state involving any policy of insurance issued prior to July 1, 1967.

7. Insurance on vessels, craft or hulls, cargoes, marine builder's risk, marine protection and indemnity or other risk including strikes and war risks commonly insured under ocean or wet marine forms of policy.

8. Transactions involving risks located in this state where the policy or contract of insurance for such risk was principally negotiated and delivered outside this state and was lawfully issued in a state or foreign country in which the foreign or alien insurer was authorized to do an insurance business, and where such insurer has no contact with this state except in connection with inspections or losses required by virtue of the contract or policy of insurance covering the risk located in this state.

9. *a.* Transactions involving a multiple employer welfare arrangement, as defined in section 3 of the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002, paragraph 40, if the multiple employer welfare arrangement meets all of the following conditions:

(1) The arrangement is administered by an authorized insurer or an authorized third-party administrator.

(2) The arrangement has been in existence and provided health insurance in Iowa for at least five years prior to July 1, 1997.

(3) The arrangement was established by a trade, industry, or professional association of employers that has a constitution or bylaws, and has been organized and maintained in good faith for at least ten continuous years prior to July 1, 1997.

(4) The arrangement registers with and obtains a certificate of registration issued by the commissioner of insurance.

(5) The arrangement is subject to the jurisdiction of the commissioner of insurance, including regulatory oversight and solvency standards as established by rules adopted by the commissioner of insurance pursuant to chapter 17A.

*b.* A multiple employer welfare arrangement registered with the commissioner of insurance that does not meet the solvency standards established by rule adopted by the commissioner of insurance is subject to chapter 507C.

*c.* A multiple employer welfare arrangement that meets all of the conditions of paragraph *"a"* shall not be considered any of the following:

(1) An insurance company or association of any kind or character under section 432.1.

(2) A member of the Iowa individual health benefit reinsurance association under section 513C.10.

(3) A member insurer of the Iowa life and health insurance guaranty association under section 508C.5, subsection 12.

*d.* A multiple employer welfare arrangement registered with the commissioner of insurance shall file with the commissioner of insurance on or before March 1 of each year a copy of the report required to be filed with the United States department of labor pursuant to 29 C.F.R. § 2520.101-2.

*e.* When not otherwise provided, a foreign or domestic multiple employer welfare arrangement doing business in this state shall pay to the commissioner of insurance the fees as required in section 511.24.

10. *a.* A self-funded health benefit plan sponsored by an employer in this state under the federal Employee Retirement Income Security Act of 1974, as codified in 29 U.S.C. § 1169, which provides health benefits to independent contractors of the employer and to spouses and dependents of the independent contractors, if the plan is granted a waiver from the provisions of this chapter by the commissioner and meets all of the following conditions:

(1) There is a written contract between the sponsor of the health benefit plan and the independent contractor which establishes the relationship between the parties to the contract and provides for the personal services to be provided by the independent contractor to the sponsor of the health benefit plan pursuant to the contract.

(2) The personal services to be provided by the independent contractor pursuant to the contract are directly related to the principal business of the sponsor of the health benefit plan.

(3) The contract provides that the independent contractor will provide services to the sponsor of the health benefit plan on an exclusive basis.

(4) The inclusion of the independent contractor in the sponsor's health benefit plan is incidental to the contractual relationship between the sponsor of the health benefit plan and the independent contractor.

(5) Independent contractors and their spouses and dependents included in an employer-sponsored health benefit plan do not in total equal more than forty-nine percent of the total persons covered by the health benefit plan.

(6) The health benefit plan is administered by an authorized insurer or an authorized third-party administrator.

*b.* The sponsor of the health benefit plan shall file an application for waiver from the provisions of this chapter with the commissioner as prescribed by the commissioner and shall file periodic statements and information as required by the commissioner. The commissioner shall adopt rules pursuant to chapter 17A implementing this subsection. All statements and information filed with or disclosed to the commissioner pursuant to this subsection are confidential records pursuant to chapter 22.

*c.* If at any time the commissioner determines that a health benefit plan for which a waiver has been granted does not meet all of the conditions of paragraph *"a"*, and the rules adopted by the commissioner under paragraph *"b"*, the commissioner may terminate the waiver granted to the health benefit plan.

*d.* A self-funded employer-sponsored health benefit plan which has a valid waiver from the provisions of this chapter shall not be considered any of the following:

(1) An insurance company or association of any kind or character under section 432.1.

(2) A member insurer of the Iowa life and health insurance guaranty association as defined in section 508C.5, subsection 12.

(3) A carrier under chapter 513B.

(4) A member of the Iowa individual health benefit reinsurance association under section 513C.10.

(5) An entity subject to chapter 514C.

(6) A multiple employer welfare arrangement as defined in subsection 9.

*e.* A self-funded employer-sponsored health benefit plan which has received a waiver from

the provisions of this chapter shall be considered to be a self-funded employer-sponsored health benefit plan under the federal Employee Retirement Income Security Act of 1974, as codified in 29 U.S.C. § 1169, and not subject to this title so long as the waiver is in effect.

*f.* The provision of health benefits to an independent contractor by a self-funded employer-sponsored health benefit plan which meets all of the conditions of paragraph *"a"* shall not in and of itself create an employer-employee relationship between the independent contractor and the sponsor of the health benefit plan.

[C71, 73, 75, 77, 79, 81, §507A.4]

94 Acts, ch 1038, §1, 3; 95 Acts, ch 33, §1; 96 Acts, ch 1024, §1; 97 Acts, ch 67, §1, 2; 98 Acts, ch 1012, §1; 2001 Acts, ch 13, §1, 3 – 5; 2001 Acts, ch 69, §4, 39; 2003 Acts, ch 91, §4; 2003 Acts, 1st Ex, ch 2, §39, 209; 2006 Acts, ch 1117, §21; 2007 Acts, ch 152, §52; 2012 Acts, ch 1025, §18, 22

Referred to in §509.19

**507A.5 Proscribed acts binding on insurer.**

1. No person or insurer shall directly or indirectly perform any of the acts of doing an insurance business as defined in this chapter except as provided by and in accordance with the specific authorization by statute. However, should any unauthorized person or insurer perform any act of doing an insurance business as set forth in this chapter, it shall be equivalent to and shall constitute an irrevocable appointment by such person or insurer, binding upon the person, the person's executor or administrator, or successor in interest if a corporation, of the commissioner of insurance or the commissioner's successor in office, to be the true and lawful attorney upon whom may be served all lawful process in any action, suit or proceeding in any court arising out of doing an insurance business in this state or instituted by or on behalf of an insured or beneficiary arising out of any such acts of doing an insurance business, except in an action, suit or proceeding by the commissioner of insurance or by the state. Any act of doing an insurance business by any unauthorized person or insurer shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such person or insurer.

2. Service of process shall be made by delivering to and leaving with the commissioner of insurance or some person in apparent charge of the commissioner's office two copies thereof and the payment to the commissioner of such fees as may be prescribed by law. The commissioner of insurance shall forthwith forward by certified mail one of the copies of such process to the defendant at the last known principal place of business and shall keep a record of all process so served. Such service of process shall be sufficient to provide notice if:

*a.* A copy of the process is sent within ten days thereafter by certified mail by plaintiff or plaintiff's attorney to the defendant at the last known principal place of business.

*b.* The defendant's receipt or receipt issued by the post office showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed and an affidavit by the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the clerk of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

3. Service of process in any such action, suit, or proceeding shall in addition to the manner as provided in this chapter be valid if served upon any person within this state who, in this state on behalf of such insurer, is soliciting insurance, making, issuing, or delivering any contract of insurance, or collecting or receiving any premium, membership fee, assessment, or other consideration for insurance, and if:

*a.* A copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant.

*b.* The defendant's receipt, or the receipt issued by the post office showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and an affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the clerk of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

4. No plaintiff shall be entitled to a judgment by default under this chapter until the expiration of thirty days from date of the filing of the affidavit of compliance.

5. Nothing in this section shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

[C50, 54, 58, 62, 66, §507A.3; C71, 73, 75, 77, 79, 81, §507A.5]

Referred to in §507A.7

**507A.6 Secretary of state as process agent.**

1. Any act of doing an insurance business as set forth in this chapter by any unauthorized person or insurer is equivalent to and shall constitute an irrevocable appointment by such person and insurer, binding upon the person or insurer, the person's or insurer's executor or administrator, or successor in interest if a corporation, of the secretary of state or the secretary of state's successor in office, to be the true and lawful attorney of such person or insurer upon whom may be served all legal process in any action, suit, or proceeding in any court by the commissioner of insurance or by the state and upon whom may be served any notice, order, pleading or process in any proceeding before the commissioner of insurance and which arises out of doing an insurance business in this state by such person or insurer. Any act of doing an insurance business in this state by any unauthorized person or insurer shall be signification of its agreement that any such legal process in such court action, suit, or proceeding and any such notice, order, pleading, or process in such administrative proceeding before the commissioner of insurance so served shall be of the same legal force and validity as personal service of process in this state upon such person or insurer.

2. Service of process in such action shall be made by delivering to and leaving with the secretary of state or some person in apparent charge of the secretary of state's office, two copies thereof. Service upon the secretary of state as such attorney shall be service upon the principal.

3. The secretary of state shall forthwith forward by certified mail one of the copies of such process or such notice, order, pleading, or process in proceedings before the commissioner to the defendant in such court proceeding or to whom the notice, order, pleading, or process in such administrative proceeding is addressed or directed at the last known principal place of business and shall keep a record of all process so served on the secretary of state which shall show the day and hour of service. Such service is sufficient, provided:

*a.* Notice of such service and a copy of the court process or the notice, order, pleading, or process in such administrative proceeding is sent within ten days thereafter by certified mail by the plaintiff or the plaintiff's attorney in the court proceeding or by the commissioner of insurance in the administrative proceeding to the defendant in the court proceeding or to whom the notice, order, pleading, or process in such administrative proceeding is addressed or directed at the last known principal place of business of the defendant in the court or administrative proceeding.

*b.* The defendant's receipt or receipts issued by the post office with which the letter is registered, showing the name of the sender of the letter and the name and address of the person or insurer to whom the letter is addressed, and an affidavit of the plaintiff or the plaintiff's attorney in court proceeding or of the commissioner of insurance in administrative proceeding, showing compliance therewith are filed with the clerk of the court in which such action, suit, or proceeding is pending or with the commissioner in administrative proceedings, on or before the date the defendant in the court or administrative proceeding is required to appear or respond thereto, or within such further time as the court or commissioner of insurance may allow.

4. No plaintiff shall be entitled to a judgment or a determination by default in any court or administrative proceeding in which court process or notice, order, pleading, or process in proceedings before the commissioner of insurance is served under this section until the expiration of forty-five days from the date of filing of the affidavit of compliance.

5. Nothing in this section shall limit or abridge the right to serve any process, notice, order,

or demand upon any person or insurer in any other manner now or hereafter permitted by law.

[C50, 54, 58, 62, 66, §507A.3; C71, 73, 75, 77, 79, 81, §507A.6]

Referred to in §507A.7

**507A.7 Proceedings before commissioner — indemnifying bond.**

1. Before any unauthorized person or insurer files or causes to be filed any pleading or process in an administrative proceeding before the commissioner of insurance, instituted against such person or insurer, by service made as provided in this chapter, such person or insurer shall either:

*a.* Deposit with the clerk of the court in which such action, suit, or proceeding is pending, or with the commissioner of insurance in administrative proceedings before the commissioner, cash or securities, or file with such clerk or commissioner a bond with good and sufficient sureties, to be approved by the clerk or commissioner in an amount to be fixed by the court or commissioner sufficient to secure the payment of any final judgment which may be rendered in such action or administrative proceeding.

*b.* Procure a certificate of authority to transact the business of insurance in this state.

2. The court in any action, suit, or proceeding in which service is made as provided in section 507A.6, subsections 2 and 3, or the commissioner of insurance in any administrative proceeding before the commissioner in which service is made as provided in section 507A.6, subsections 2 and 3, may in the court's or commissioner's discretion, order such postponement as may be necessary to afford the defendant reasonable opportunity to comply with the provisions of subsection 1 of this section and to defend such action.

3. Nothing in subsection 1 of this section shall be construed to prevent an unauthorized person or foreign or alien insurer from filing a motion to quash a writ or to set aside service thereof made in the manner provided in sections 507A.5 and 507A.6, on the ground that such unauthorized person or insurer has not done any of the acts enumerated in section 507A.3.

4. In an action against an unauthorized person or insurer upon a contract of insurance issued or delivered in this state to a resident thereof or to a corporation authorized to do business therein, if the person or insurer has failed for thirty days after demand prior to the commencement of the action to make payment in accordance with the terms of the contract, and it appears to the court that such refusal was without reasonable cause, the court may allow to the plaintiff a reasonable attorney fee and include such fee in any judgment that may be rendered in such action. Failure of the person or insurer to defend any such action shall be deemed prima facie evidence that its failure to make payment was without reasonable cause.

[C50, 54, 58, 62, 66, §507A.4, 507A.5; C71, 73, 75, 77, 79, 81, §507A.7]

2013 Acts, ch 30, §119

Referred to in §602.8102(69)

Subsection 2 amended

**507A.8 Order by commissioner to produce contracts.**

1. Whenever the commissioner of insurance has reason to believe that insurance has been effectuated by or for any person in this state with an unauthorized insurer the commissioner shall in writing order such person to produce for examination all insurance contracts and other documents evidencing insurance with both authorized and unauthorized insurers and to disclose to the commissioner the amount of insurance, name and address of each insurer, gross amount of premium paid or to be paid and the name and address of the person or persons assisting or aiding in the solicitation, negotiation, or effectuation of such insurance.

2. Every person investigating or adjusting any loss or claim on a subject of insurance in this state shall immediately report to the commissioner every insurance policy or contract which has been entered into by any insurer not authorized to transact such insurance in this state.

3. Every person who, for thirty days after receipt of written order pursuant to subsection 1 of this section, neglects to comply with the requirements of such order or who willfully makes a disclosure that is untrue, deceptive, or misleading shall forfeit fifty dollars.

[C71, 73, 75, 77, 79, 81, §507A.8]

**507A.9 Premium tax on unauthorized insurers.**

1. For all premiums collected during the calendar year, except premiums on lawfully procured surplus lines insurance, every unauthorized insurer shall pay to the commissioner of insurance before March 1, next succeeding the calendar year in which the insurance was so effectuated, continued, or renewed a premium tax on gross premiums charged for such insurance on subjects resident, located, or to be performed in this state equal to the applicable percent, as provided in section 432.1. Such insurance whether procured through negotiation or an application, in whole or in part occurring or made within or outside of this state, or for which premiums in whole or in part are remitted directly or indirectly from within or outside of this state, shall be deemed to be insurance procured or continued in this state. The term *"premium"* includes all premiums, membership fees, assessments, dues, and any other consideration for insurance. If the tax prescribed by this section is not paid within the time stated, the tax shall be increased by a penalty of twenty-five percent and by the amount of an additional penalty computed at the rate of one percent per month or any part thereof from the date such payment was due to the date paid.

2. If the policy covers risks or exposures only partly in the state, the tax payable shall be computed on the portions of the premium which are properly allocable to the risks or exposures located in the state. In determining the amount of premiums taxable in this state, all premiums written, procured, or received in this state and all premiums on policies negotiated in this state shall be deemed written on property or risks located or resident in this state, except such premiums as are properly allocated or apportioned and reported as taxable premiums of any other state or states.

3. The attorney general, upon request of the commissioner of insurance, shall proceed in the courts of this state or any other state or in any federal court or agency to recover such tax not paid within the time prescribed in this section.

[C71, 73, 75, 77, 79, 81, §507A.9]

2006 Acts, ch 1117, §22

Referred to in §515I.10, 515I.11

**507A.10 Cease and desist orders — civil and criminal penalties.**

1. Upon a determination by the commissioner, after a hearing conducted pursuant to chapter 17A, that a person or insurer has violated a provision of this chapter, the commissioner shall reduce the findings of the hearing to writing and deliver a copy of the findings to the person or insurer, may issue an order requiring the person or insurer to cease and desist from engaging in the conduct resulting in the violation, and may assess a civil penalty of not more than fifty thousand dollars against the person or insurer.

2. *a.* Upon a determination by the commissioner that a person or insurer has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or a rule adopted or order issued under this chapter, the commissioner may issue a summary order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the decision, and directing the person or insurer to cease and desist from engaging in the act or practice or to take other affirmative action as is in the judgment of the commissioner necessary to comply with the requirements of this chapter.

*b.* A person to whom a summary order has been issued under this subsection may contest the order by filing a request for a contested case proceeding and hearing as provided in chapter 17A and in accordance with rules adopted by the commissioner. However, the person shall have at least thirty days from the date that the order is issued in order to file the request. Section 17A.18A is inapplicable to a summary order issued under this subsection. If a hearing is not timely requested, the summary order becomes final by operation of law. The order shall remain effective from the date of issuance until the date the order becomes final by operation of law or is overturned by a presiding officer or court following a request for hearing.

*c.* A person or insurer violating a summary order issued under this subsection shall be deemed in contempt of that order. The commissioner may petition the district court to enforce the order as certified by the commissioner. The district court shall find the person in contempt of the order if the court finds after hearing that the person or insurer is not in compliance with

the order. The court may assess a civil penalty against the person or insurer and may issue further orders as it deems appropriate.

3. A person acting as an insurance producer, as defined in chapter 522B, without proper licensure, or an insurer who willfully violates any provision of this chapter, or any rule adopted or order issued under this chapter, is guilty of a class "D" felony.

4. A person acting as an insurance producer, as defined in chapter 522B, without proper licensure, or an insurer who willfully violates any provision of this chapter, or any rule adopted or order issued under this chapter, and when such violation results in a loss of more than ten thousand dollars, is guilty of a class "C" felony.

5. The commissioner may refer such evidence as is available concerning violations of this chapter or of any rule adopted or order issued under this chapter, or of the failure of a person to comply with the licensing requirements of chapter 522B, to the attorney general or the proper county attorney who may, with or without such reference, institute the appropriate criminal proceedings under this chapter.

6. This chapter does not limit the power of the state to punish any person for any conduct that constitutes a crime under any other statute.

[C71, 73, 75, 77, 79, 81, §507A.10; 81 Acts, ch 165, §2]
95 Acts, ch 185, §5; 2004 Acts, ch 1110, §19
Referred to in §515I.11

**507A.11 Reciprocal enforcement of court orders.**

The attorney general upon request of the commissioner of insurance may proceed in the courts of this state or any reciprocal state to enforce an order or decision in any court proceeding or in any administrative proceeding before the commissioner of insurance.

1. As used in this section, unless the context otherwise requires:

*a.* *"Reciprocal state"* means any state or territory of the United States the laws of which contain procedures substantially similar to those specified in this section for the enforcement of decrees or orders in equity issued by courts located in other states or territories of the United States, against any insurer incorporated or authorized to do business in said state or territory.

*b.* *"Foreign decree"* means any decree or order in equity of a court located in a reciprocal state, including a court of the United States located therein, against any insurer incorporated or authorized to do business in this state.

*c.* *"Qualified party"* means a state regulatory agency acting in its capacity to enforce the insurance laws of its state.

2. The commissioner of insurance shall determine which states and territories qualify as reciprocal states and shall maintain at all times an up-to-date list of such states.

3. A copy of any foreign decree authenticated in accordance with the statutes of this state may be filed in the office of the clerk of any district court of this state. The clerk, upon verifying with the insurance commissioner that the decree or order qualifies as a foreign decree, shall treat the foreign decree in the same manner as a decree of a district court of this state. A foreign decree so filed has the same effect and shall be deemed as a decree of a district court of this state, and is subject to the same procedures, defenses and proceedings for reopening, vacating, or staying as a decree of a district court of this state and may be enforced or satisfied in like manner.

4. *a.* At the time of the filing of the foreign decree, the attorney general shall make and file with the clerk of the court an affidavit setting forth the name and last known post office address of the defendant.

*b.* Promptly upon the filing of the foreign decree and the affidavit, the clerk shall mail notice of the filing of the foreign decree to the defendant at the address given and to the insurance commissioner of this state and shall make a note of the mailing in the docket. In addition, the attorney general may mail a notice of the filing of the foreign decree to the defendant and to the insurance commissioner of this state and may file proof of mailing with the clerk. Lack of mailing notice of filing by the clerk shall not affect the enforcement proceedings if proof of mailing by the attorney general has been filed.

*c.* No execution or other process for enforcement of a foreign decree filed under this section shall issue until thirty days after the date the decree is filed.

5. *a.* If the defendant shows the district court that an appeal from the foreign decree is pending or will be taken, or that a stay of execution has been granted, the court shall stay enforcement of the foreign decree until the appeal is concluded, the time for appeal expires, or the stay of execution expires or is vacated, upon proof that the defendant has furnished the security for the satisfaction of the decree required by the state in which it was rendered.

*b.* If the defendant shows the district court any ground upon which enforcement of a decree of any district court of this state would be stayed, the court shall stay enforcement of the foreign decree for an appropriate period, upon requiring the same security for satisfaction of the decree which is required in this state.

6. Any person filing a foreign decree shall pay to the clerk of court twenty-five dollars. Fees for docketing, transcription or other enforcement proceedings shall be as provided for decrees of the district court.

[C71, 73, §507A.6(6); C75, 77, 79, 81, §507A.11]

Referred to in §602.8102(71)

# CHAPTER 507B

## INSURANCE TRADE PRACTICES

Referred to in §87.4, 87.24, 225C.29, 296.7, 331.301, 364.4, 505.8, 505.28, 505.29, 508.15A, 508E.17, 508F.6, 508F.7, 510.5A, 510.23, 512B.32, 513A.7, 513C.9, 514B.18, 514B.32, 514J.119, 515.144, 515A.13, 515E.10, 515I.11, 521E.8, 522A.3, 522B.11, 522B.12, 522B.17, 522D.7, 668.9, 669.14, 670.7


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### 507B.1 Declaration of purpose.

The purpose of this chapter is to regulate trade practices in the business of insurance in accordance with the intent of Congress as expressed in the Act of Congress of March 9, 1945, Pub. L. No. 79-15, 59 Stat. 33, codified at 15 U.S.C. § 1011 – 1015, by defining, or providing for the determination of, all such practices in this state which constitute unfair methods of competition or unfair or deceptive acts or practices and by prohibiting the trade practices so defined or determined.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §507B.1]

2006 Acts, ch 1010, §135

### 507B.2 Definitions.

When used in this chapter:

1. *"Person"* shall mean any individual, corporation, association, partnership, reciprocal exchange, interinsurer, fraternal beneficiary association, and any other legal entity engaged in the business of insurance, including insurance producers and adjusters. *"Person"* shall also mean any corporation operating under the provisions of chapter 514 and any benevolent

association as defined and operated under chapter 512A. For purposes of this chapter, corporations operating under the provisions of chapter 514 and chapter 512A shall be deemed to be engaged in the business of insurance.

2. *"Commissioner"* shall mean the commissioner of insurance of this state.

3. *"Insurance policy"* or *"insurance contract"* shall mean any contract of insurance, indemnity, subscription, membership, suretyship, or annuity issued, proposed for issuance, or intended for issuance by any person.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §507B.2]

2004 Acts, ch 1110, §20

Referred to in §507B.7

**507B.3 Unfair competition or unfair and deceptive acts or practices prohibited.**

A person shall not engage in this state in any trade practice which is defined in this chapter as, or determined pursuant to section 507B.6 to be, an unfair method of competition, or an unfair or deceptive act or practice in the business of insurance.

1. A person who violates a provision in chapter 508E shall be deemed to have committed an unfair trade practice under this chapter.

2. The issuance of a qualified charitable gift annuity as provided in chapter 508F does not constitute a trade practice in violation of this chapter.

[C58, 62, 66, 71, §507B.3, 507B.5; C73, 75, 77, 79, 81, §507B.3]

2001 Acts, ch 28, §1; 2003 Acts, ch 91, §5; 2004 Acts, ch 1110, §21; 2008 Acts, ch 1123, §12; 2008 Acts, ch 1155, §20

Referred to in §515E.4

**507B.4 Unfair methods of competition and unfair or deceptive acts or practices defined.**

1. For purposes of subsection 3, paragraph *"p"*, *"insurer"* means an entity providing a plan of health insurance, health care benefits, or health care services, or an entity subject to the jurisdiction of the commissioner performing utilization review, including an insurance company offering sickness and accident plans, a health maintenance organization, an organized delivery system authorized under 1993 Iowa Acts, ch. 158, and licensed by the department of public health, a nonprofit health service corporation, a plan established pursuant to chapter 509A for public employees, or any other entity providing a plan of health insurance, health care benefits, or health care services. However, *"insurer"* does not include an entity that sells disability income or long-term care insurance.

2. For purposes of subsection 3, paragraphs *"k"*, *"l"*, and *"m"*, *"personal lines property and casualty insurance"* means insurance sold to individuals and families primarily for noncommercial purposes as provided in chapter 522B.

3. The following are hereby defined as unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

*a. Misrepresentations and false advertising of insurance policies.* Making, issuing, circulating, or causing to be made, issued or circulated, any estimate, illustration, circular, statement, sales presentation, omission, or comparison which does any of the following:

(1) Misrepresents the benefits, advantages, conditions, or terms of any insurance policy.

(2) Misrepresents the dividends or share of the surplus to be received on any insurance policy.

(3) Makes any false or misleading statements as to the dividends or share of surplus previously paid on any insurance policy.

(4) Is misleading or is a misrepresentation as to the financial condition of any person, or as to the legal reserve system upon which any life insurer operates.

(5) Uses any name or title of any insurance policy or class of insurance policies misrepresenting the true nature thereof.

(6) Is a misrepresentation for the purpose of inducing or tending to induce the lapse, forfeiture, exchange, conversion, or surrender of any insurance policy.

(7) Is a misrepresentation for the purpose of effecting a pledge or assignment of or effecting a loan against any insurance policy.

(8) Misrepresents any insurance policy as being shares of stock.

(9) Misrepresents any insurance policy to consumers by using the terms "burial insurance", "funeral insurance", "burial plan", or "funeral plan" in its names or titles, unless the policy is made with a funeral provider as beneficiary who specifies and fixes a price under contract with an insurance company. This subparagraph does not prevent insurers from stating or advertising that insurance benefits may provide cash for funeral or burial expenses.

(10) Is a misrepresentation, including any intentional misquote of premium rate, for the purpose of inducing or tending to induce the purchase of an insurance policy.

*b. False information and advertising.*

(1) *Generally.* Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other way, an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to the business of insurance or with respect to any person in the conduct of the person's insurance business, which is untrue, deceptive, or misleading.

(2) *False statement of assets.* In the case of a company transacting the business of fire insurance within the state, stating or representing by advertisement in any newspaper, magazine, or periodical, or by any sign, circular, card, policy of insurance, or renewal certificate thereof or otherwise, that any funds or assets are in its possession and held available for the protection of holders of its policies unless so held, except the policy of insurance or certificate of renewal thereof may state, as a single item, the amount of capital set forth in the charter, or articles of incorporation, or association, or deed of settlement under which it is authorized to transact business.

(3) *Statement of capital and surplus.* In the case of a foreign company transacting the business of casualty insurance in the state, or an officer, producer, or representative of such a company, issuing or publishing an advertisement, public announcement, sign, circular, or card that purports to disclose the company's financial standing and fails to exhibit: the capital actually paid in cash, and the amount of net surplus of assets over all the company's liabilities actually held and available for the payment of losses by fire and for the protection of holders of fire policies; and the amount of net surplus of assets over all liabilities in the United States actually available for the payment of losses by fire and held in the United States for the protection of holders of fire policies in the United States, including in such liabilities the fund reserved for reinsurance of outstanding risks. The amounts stated for capital and net surplus shall correspond with the latest verified statement made by the company or association to the commissioner of insurance.

*c. Defamation.* Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting or encouraging the making, publishing, disseminating, or circulating of any oral or written statement or any pamphlet, circular, article or literature which is false, or maliciously critical of or derogatory to the financial condition of any person, and which is calculated to injure such person.

*d. Boycott, coercion and intimidation.* Entering into any agreement to commit, or by any concerted action committing, any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance.

*e. False statements and entries.*

(1) Knowingly filing with any supervisory or other public official, or knowingly making, publishing, disseminating, circulating or delivering to any person, or placing before the public, or knowingly causing directly or indirectly, to be made, published, disseminated, circulated, delivered to any person, or placed before the public, any false material statement of fact as to the financial condition of a person.

(2) Knowingly making any false entry of a material fact in any book, report or statement of any person or knowingly omitting to make a true entry of any material fact pertaining to the business of such person in any book, report or statement of such person.

*f. Stock operations and advisory board contracts.* Issuing or delivering or permitting agents, officers or employees to issue or deliver, agency company stock or other capital

stock, or benefit certificates or shares in any common law corporation, or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to insurance.

*g. Unfair discrimination.*

(1) Making or permitting any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract.

(2) Making or permitting any unfair discrimination between insureds of the same class for essentially the same hazard in the amount of premium, policy fees, or rates charged for any policy or contract of insurance other than life or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatever.

(3) Making or permitting any discrimination in the sale of insurance solely on the basis of domestic abuse as defined in section 236.2.

*h. Release or use of genetic information.* Failure of a person to comply with section 729.6, subsection 4.

*i. Rebates.*

(1) Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of life insurance, life annuity or accident and health insurance, or agreement as to such contract other than as plainly expressed in the contract issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract; or giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance or annuity or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation, association, or partnership, or any dividends or profits accrued thereon, or any thing of value whatsoever not specified in the contract.

(2) Nothing in paragraph "*g*" or subparagraph (1) of this paragraph "*i*" shall be construed as including within the definition of discrimination or rebates any of the following practices:

(a) In the case of any contract of life insurance or life annuity, paying bonuses to policyholders or otherwise rebating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any such bonuses or rebatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders.

(b) In the case of life insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expenses.

(c) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experienced thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year.

(3) (a) Paying, allowing, or giving, or offering to pay, allow, or give, directly or indirectly, as an inducement to purchase or acquire insurance other than life insurance, life annuity, or accident and health insurance, or after insurance has been effected, any rebate, discount, abatement, credit, or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue on the policy, or any valuable consideration or inducement, not specified in the policy, except to the extent provided for in an applicable filing. An insured named in a policy, or an employee of the insured, shall not knowingly receive or accept, directly or indirectly, any rebate, discount, abatement, credit, or reduction of premium, or any such special favor or advantage or valuable consideration or inducement.

(b) This subparagraph (3) shall not be construed to prohibit the payment of commissions or other compensation to duly licensed producers, or to prohibit any insurer from allowing or returning to its participating policyholders, members, or subscribers, dividends, savings,

or unabsorbed premium deposits. As used in this subparagraph (3), *"insurance"* includes suretyship and *"policy"* includes bond.

*j. Unfair claim settlement practices.* Committing or performing with such frequency as to indicate a general business practice any of the following:

(1) Misrepresenting pertinent facts or insurance policy provisions relating to coverages of issue.

(2) Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies.

(3) Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies.

(4) Refusing to pay claims without conducting a reasonable investigation based upon all available information.

(5) Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed.

(6) Not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear, or failing to include interest on the payment of claims when required under paragraph *"p"* or section 511.38.

(7) Compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds.

(8) Attempting to settle a claim for less than the amount to which a reasonable person would have believed the person was entitled by reference to written or printed advertising material accompanying or made part of an application.

(9) Attempting to settle claims on the basis of an application which was altered without notice to, or knowledge or consent of the insured.

(10) Making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which payments are being made.

(11) Making known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration.

(12) Delaying the investigation or payment of claims by requiring an insured, claimant, or the physician of either to submit a preliminary claim report and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information.

(13) Failing to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage.

(14) Failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement.

(15) Failing to comply with the procedures for auditing claims submitted by health care providers as set forth by rule of the commissioner. However, this subparagraph shall have no applicability to liability insurance, workers' compensation or similar insurance, automobile or homeowners' medical payment insurance, disability income, or long-term care insurance.

*k. Use of inquiries.* Considering either of the following events for purposes of surcharging, declining, nonrenewing, or canceling personal lines property and casualty insurance coverage or a binder for personal lines property and casualty insurance coverage:

(1) An applicant's or insured's inquiry into the type or level of coverage of a policy, or an inquiry into whether a policy will cover a loss.

(2) An insured's inquiry regarding coverage of a policy for a loss if the insured does not file a claim.

*l. History of a property.* Declining to insure a property not previously owned by an applicant for personal lines property and casualty insurance, based solely on the loss history of a previous owner of the property, unless the insurer can provide evidence that the previous owner did not repair damage to the property.

*m. Disclosure of use of claims history.* Failing to inform an applicant at the time that an

application for personal lines property and casualty insurance is made, in writing or in the same medium as the application is made, that the insurer will consider the applicant's or insured's claims history in determining whether to decline, cancel, nonrenew, or surcharge such a policy, and that a claim made by an insured will be reported to an insurance support organization.

*n. Misrepresentation in insurance applications.* Making false or fraudulent statements or representations on or relative to an application for an insurance policy, for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, or individual.

*o. Omission from insurance application.* Failing to designate on an insurance policy application the licensee who has solicited and written the policy.

*p. Payment of interest.* Failure of an insurer to pay interest at the rate of ten percent per annum on all health insurance claims that the insurer fails to timely accept and pay pursuant to section 507B.4A, subsection 2, paragraph *"d"*. Interest shall accrue commencing on the thirty-first day after receipt of all properly completed proof of loss forms.

*q. Rating organizations.* Any violation of section 515F.16.

*r. Minor traffic violations.* Failure of a person to comply with section 516B.3.

*s. Information.* Failing or refusing to furnish any policyholder or applicant, upon reasonable request, information to which that individual is entitled.

[C97, §1782; S13, §1782, 1820-b; SS15, §1758-f; C24, 27, 31, 35, 39, §**8666, 8759, 9022;** C46, 50, 54, §508.23, 511.20, 515.144; C58, 62, 66, 71, 73, 75, 77, 79, 81, §507B.4]

85 Acts, ch 229, §1; 87 Acts, ch 65, §2; 87 Acts, ch 120, §7; 89 Acts, ch 321, §32; 90 Acts, ch 1234, §64; 92 Acts, ch 1162, §3; 93 Acts, ch 88, §4; 95 Acts, ch 185, §6; 2001 Acts, ch 69, §5 – 7, 39; 2001 Acts, ch 118, §15, 56; 2006 Acts, ch 1117, §23, 24; 2007 Acts, ch 152, §53, 54; 2008 Acts, ch 1074, §1; 2010 Acts, ch 1153, §1; 2012 Acts, ch 1023, §101

Referred to in §225C.28B, 225C.29, 507B.6, 507B.7, 507B.12, 515E.4, 729.6

**507B.4A Duty to respond to inquiries and prompt payment of claim.**

1. A person shall promptly respond to inquiries from the commissioner.

*a.* A person's actions are deemed untimely under this subsection if the person fails to respond to an inquiry from the commissioner within thirty days of the receipt of the inquiry, unless good cause exists for delay.

*b.* Failure to respond to inquiries from the commissioner pursuant to this subsection with such frequency as to indicate a general business practice shall subject the person to penalty under this chapter.

2. *a.* An insurer providing accident and sickness insurance under chapter 509, 514, or 514A; a health maintenance organization; an organized delivery system authorized under 1993 Iowa Acts, ch. 158, and licensed by the department of public health; or another entity providing health insurance or health benefits subject to state insurance regulation shall either accept and pay or deny a clean claim.

*b.* For purposes of this subsection, *"clean claim"* means a properly completed paper or electronic billing instrument containing all reasonably necessary information, that does not involve coordination of benefits for third-party liability, preexisting condition investigations, or subrogation, and that does not involve the existence of particular circumstances requiring special treatment that prevents a prompt payment from being made.

*c.* The commissioner shall adopt rules establishing processes for timely adjudication and payment of claims by insurers for health care benefits. The rules shall be consistent with the time frames and other procedural standards for claims decisions by group health plans established by the United States department of labor pursuant to 29 C.F.R. pt. 2560 in effect on January 1, 2002.

*d.* Payment of a clean claim shall include interest at the rate of ten percent per annum when an insurer or other entity as defined in this subsection that administers or processes claims on behalf of the insurer or other entity fails to timely pay a claim.

*e.* This subsection shall not apply to liability insurance, workers' compensation or similar

insurance, automobile or homeowners' medical payment insurance, disability income, or long-term care insurance.

2001 Acts, ch 69, §8, 39; 2001 Acts, ch 176, §71

Referred to in §507B.4, 507B.6, 507B.12, 514F.6

**507B.4B Suitability.**

1. A person shall not recommend to any individual the purchase, sale, or exchange of any annuity contract, or any rider, endorsement, or amendment thereto, unless the person has reasonable grounds to believe that the recommendation is suitable for the individual based on a reasonable inquiry into the individual's financial status, investment objectives, and other relevant information.

2. A person engaged in the business of annuities shall establish and maintain a system to monitor recommendations made that is reasonably designed to achieve compliance with subsection 1.

3. The commissioner shall adopt rules pursuant to chapter 17A establishing procedures and standards for implementation of the suitability requirements of subsection 1.

2006 Acts, ch 1117, §25

**507B.5 Favored agent or insurer — coercion of debtors.**

1. No person may do any of the following:

*a.* Require, as a condition precedent to the lending of money or extension of credit, or any renewal thereof, that the person to whom such money or credit is extended or whose obligation the creditor is to acquire or finance, negotiate any policy or contract of insurance through a particular insurer or group of insurers or agent or broker or group of agents or brokers.

*b.* Unreasonably disapprove the insurance policy provided by a borrower for the protection of the property securing the credit or lien.

*c.* Require directly or indirectly that any borrower, mortgagor, purchaser, insurer, broker, or agent pay a separate charge, in connection with the handling of any insurance policy required as security for a loan on real estate, or pay a separate charge to substitute the insurance policy of one insurer for that of another.

*d.* Use or disclose information resulting from a requirement that a borrower, mortgagor or purchaser furnish insurance of any kind on real property being conveyed or used as collateral security to a loan, when such information is to the advantage of the mortgagee, vendor, or lender, or is to the detriment of the borrower, mortgagor, purchaser, insurer, or the agent or broker complying with such a requirement.

2. Subsection 1, paragraph *"c"* of this section does not include the interest which may be charged on premium loans or premium advancements in accordance with the security instrument.

3. For purposes of subsection 1, paragraph *"b"* of this section, such disapproval shall be deemed unreasonable if it is not based solely on reasonable standards uniformly applied, relating to the extent of coverage required and the financial soundness and the services of an insurer. Such standards shall not discriminate against any particular type of insurer, nor shall such standards call for the disapproval of an insurance policy because such policy contains coverage in addition to that required.

4. If a violation of this section is found, the person in violation shall be subject to the same procedures and penalties as are applicable to other provisions of this chapter.

5. For purposes of this section, *"person"* includes any individual, corporation, association, partnership, or other legal entity.

[C73, 75, 77, 79, 81, §507B.5]

Referred to in §507B.6, 507B.12, 535.8

**507B.6 Hearings, witnesses appearances, production of books and service of process.**

1. Whenever the commissioner believes that any person has been engaged or is engaging in this state in any unfair method of competition or any unfair or deceptive act or practice whether or not defined in section 507B.4, 507B.4A, or 507B.5 and that a proceeding by the commissioner in respect to such method of competition or unfair or deceptive act or practice

would be in the public interest, the commissioner shall issue and serve upon such person a statement of the charges in that respect and a notice of a hearing on such charges to be held at a time and place fixed in the notice, which shall not be less than ten days after the date of the service of such notice.

2. At the time and place fixed for such hearing, such person shall have an opportunity to be heard and to show cause why an order should not be made by the commissioner requiring such person to cease and desist from the acts, methods or practices so complained of. Upon good cause shown, the commissioner shall permit any person to intervene, appear and be heard at such hearing by counsel or in person.

3. Nothing contained in this chapter shall require the observance at any such hearing of formal rules of pleading or evidence.

4. The commissioner, upon such hearing, may administer oaths, examine and cross-examine witnesses, receive oral and documentary evidence, and shall have the power to subpoena witnesses, compel their attendance, and require the production of books, papers, records, correspondence, or other documents which the commissioner deems relevant to the inquiry. The commissioner, upon such hearing, may, and upon the request of any party shall, cause to be made a stenographic record of all the evidence and all the proceedings had at such hearing. If no stenographic record is made and if a judicial review is sought, the commissioner shall prepare a statement of the evidence and proceeding for use on review. In case of a refusal of any person to comply with any subpoena issued hereunder or to testify with respect to any matter concerning which the person may be lawfully interrogated, the district court of Polk county or the county where such party resides, on application of the commissioner, may issue an order requiring such person to comply with such subpoena and to testify; and any failure to obey any such order of the court may be punished by the court as a contempt thereof.

5. Statements of charges, notices, orders, subpoenas, and other processes of the commissioner under this chapter may be served by anyone authorized by the commissioner, either in the manner provided by law for service of process in civil actions, or by mailing a copy by restricted certified mail to the person affected by the statement, notice, order, subpoena, or other process at the person's residence or principal office or place of business. The verified return by the person serving the statement, notice, order, subpoena, or other process, setting forth the manner of such service, shall be proof of service, and the return receipt for the statement, notice, order, subpoena, or other process, mailed by restricted certified mail, shall be proof of the service.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §507B.6]
2001 Acts, ch 69, §9, 39; 2004 Acts, ch 1110, §22
Referred to in §507B.3, 507B.7A, 514B.26, 522A.3, 522B.11, 522D.7

**507B.6A Summary cease and desist orders.**

1. Upon a determination by the commissioner that a person or insurer has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or a rule adopted or order issued under this chapter, the commissioner may issue a summary order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the decision, and directing the person or insurer to cease and desist from engaging in the act or practice or to take other affirmative action as is in the judgment of the commissioner necessary to comply with the requirements of this chapter.

2. A person who has been issued a summary order under this section may contest the order by filing a request for a contested case proceeding and hearing as provided in chapter 17A and in accordance with the rules adopted by the commissioner. However, the person shall have at least thirty days from the date that the order is issued in order to file the request. Section 17A.18A is inapplicable to a summary order issued under this section. The order shall remain effective from the date of issuance unless overturned by a presiding officer or court following a request for hearing. If a hearing is not timely requested, the summary order becomes final by operation of law.

3. A person or insurer violating a summary order issued under this section shall be deemed in contempt of that order. The commissioner may petition the district court to enforce the

order as certified by the commissioner. The district court shall adjudge the person in contempt of the order if the court finds after hearing that the person or insurer is not in compliance with the order. The court may assess a civil penalty against the person or insurer and may issue further orders as it deems appropriate.

2004 Acts, ch 1110, §23

Referred to in §505.8, 507B.7A, 508E.7

**507B.7 Cease and desist orders and penalties.**

1. If, after hearing, the commissioner determines that a person has engaged in an unfair method of competition or an unfair or deceptive act or practice, the commissioner shall reduce the findings to writing and shall issue and cause to be served upon the person charged with the violation a copy of such findings, an order requiring such person to cease and desist from engaging in such method of competition, act, or practice, and the commissioner may at the commissioner's discretion order any one or more of the following:

*a.* Payment of a civil penalty of not more than one thousand dollars for each act or violation of this subtitle, but not to exceed an aggregate of ten thousand dollars, unless the person knew or reasonably should have known the person was in violation of this subtitle, in which case the penalty shall be not more than five thousand dollars for each act or violation, but not to exceed an aggregate penalty of fifty thousand dollars in any one six-month period. If the commissioner finds that a violation of this subtitle was directed, encouraged, condoned, ignored, or ratified by the employer of the person or by an insurer, the commissioner shall also assess a penalty to the employer or insurer.

*b.* Suspension or revocation of the license of a person as defined in section 507B.2, subsection 1, if the person knew or reasonably should have known the person was in violation of this subtitle.

*c.* Payment of interest at the rate of ten percent per annum if the commissioner finds that the insurer failed to pay interest as required under section 507B.4, subsection 3, paragraph "*p*".

2. Until the expiration of the time allowed under section 507B.8 for filing a petition for review if no such petition has been duly filed within such time, or, if a petition for review has been filed within such time, then until the transcript of the record in the proceeding has been filed in the district court, as hereinafter provided, the commissioner may at any time, upon such notice and in such manner as the commissioner may deem proper, modify or set aside in whole or in part any order issued by the commissioner under this section.

3. After the expiration of the time allowed for filing such a petition for review if no such petition has been duly filed within such time, the commissioner may at any time, after notice and opportunity for hearing, reopen and alter, modify, or set aside, in whole or in part, any order issued by the commissioner under this section, whenever in the commissioner's opinion conditions of fact or of law have so changed as to require such action, or if the public interest shall so require.

4. Any person who violates a cease and desist order of the commissioner, and while such order is in effect, may, after notice and hearing and upon order of the commissioner, be subject at the discretion of the commissioner to any one or more of the following:

*a.* A monetary penalty of not more than ten thousand dollars for each and every act or violation. A penalty collected under this lettered paragraph shall be deposited as provided in section 505.7.

*b.* Suspension or revocation of such person's license.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §507B.7; 81 Acts, ch 165, §3]

2001 Acts, ch 69, §10, 39; 2004 Acts, ch 1110, §24; 2009 Acts, ch 181, §65; 2012 Acts, ch 1021, §97; 2012 Acts, ch 1023, §152

Referred to in §505.8, 507B.7A, 510.21

**507B.7A Administrative hearings.**

Section 505.29 is applicable to hearings required by sections 507B.6, 507B.6A, and 507B.7.

2006 Acts, ch 1117, §26

**507B.8 Judicial review of cease and desist orders.**

Judicial review of the actions of the commissioner may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. To the extent that an order of the commissioner is affirmed in any judicial review proceeding, the court shall thereupon issue its own order commanding obedience to the terms of such order of the commissioner.

After the period for judicial review of an order of the commissioner has expired and no petition for judicial review has been filed, the attorney general upon request of the commissioner of insurance shall proceed in the Iowa district court to enforce an order of the commissioner. The court shall enter its order commanding obedience to the terms of the commissioner's order.

No order of the commissioner under this chapter or order of a court to enforce the same shall in any way relieve or absolve any person affected by such order from any liability under any other laws of this state.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §507B.8; 82 Acts, ch 1003, §3]

2003 Acts, ch 44, §114

Referred to in §507B.7

**507B.9 Sale of duplicate coverage prohibited.**

1. A person shall not knowingly engage in the sale of duplicate Medicare supplement insurance coverage, as defined by rule of the commissioner.

2. The commissioner of insurance shall adopt rules pursuant to chapter 17A which define the sale of duplicate Medicare supplement insurance coverage.

[C81, §507B.9]

**507B.10** Repealed by 74 Acts, ch 1090, § 211.

**507B.11 Penalty.** Repealed by 2004 Acts, ch 1110, § 71.

**507B.12 Rules.**

The commissioner may, after notice and hearing, promulgate reasonable rules, as are necessary or proper to identify specific methods of competition or acts or practices which are prohibited by section 507B.4, 507B.4A, or 507B.5, but the rules shall not enlarge upon or extend the provisions of such sections. Such rules shall be subject to review in accordance with chapter 17A.

The powers vested in the commissioner by this chapter shall be additional to any other powers to enforce any penalties, fines or forfeitures authorized by law with respect to the methods, acts and practices hereby declared to be unfair or deceptive.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §507B.12]

2001 Acts, ch 69, §11, 39

**507B.13 Immunity from prosecution.**

If any person shall ask to be excused from attending and testifying or from producing any books, papers, records, correspondence or other documents at any hearing on the ground that the testimony or evidence required of the person may tend to incriminate the person or subject the person to a penalty or forfeiture, and shall notwithstanding be directed to give such testimony or produce such evidence, the person must nonetheless comply with such direction, but the person shall not thereafter be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which the person may testify or produce evidence pursuant thereto, and no testimony so given or evidence produced shall be received against the person upon any criminal action, investigation or proceeding, provided, however, that no such individual so testifying shall be exempt from prosecution or punishment for any perjury committed by the individual while so testifying and the testimony or evidence so given or produced shall be admissible against the individual upon any criminal action, investigation or proceeding concerning such perjury, nor shall the individual be exempt from the refusal, revocation or suspension of any license, permission or authority conferred, or to be conferred, pursuant to the insurance law of this state. Any such

individual may execute, acknowledge and file in the office of the commissioner a statement expressly waiving such immunity or privilege in respect to any transaction, matter or thing specified in such statement and thereupon the testimony of such person or such evidence in relation to such transaction, matter or thing may be received or produced before any judge or justice, court, tribunal, grand jury or otherwise, and if so received or produced such individual shall not be entitled to any immunity or privilege on account of any testimony the individual may so give or evidence so produced.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §507B.13]

**507B.14 Transfer of insurance stock.**

When a controlling interest in two or more corporations, at least one of which is an insurance company domiciled in this state, is held by any person, group of persons, firm, or corporation, no exchange of stock, transfer or sale of securities, or loan based upon securities of any such corporation shall take place between such corporations, or between such person, group of persons, firm or corporation and such corporations, without first securing the approval of the insurance commissioner. If, in the opinion of the insurance commissioner, such sale, transfer, exchange, or loan would be improper and would work to the detriment of any such insurance company, the commissioner shall have the power to prohibit the transaction. A person, firm, or corporate officer or director shall not aid such transaction without approval of the insurance commissioner. A person, firm, or other corporate officer or director who willfully violates this provision is guilty of a class "D" felony. A person, firm, or corporate officer or director who willfully violates this provision, and when such violation results in a loss of more than ten thousand dollars, is guilty of a class "C" felony.

For purposes of this section, controlling interest means actual control or the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a firm, partnership, corporation, association, or trust, whether through the ownership of voting securities, by contract, or otherwise.

[C66, 71, 73, 75, 77, 79, 81, §507B.14]

2004 Acts, ch 1161, §66, 68

# CHAPTER 507C

## INSURERS SUPERVISION, REHABILITATION, AND LIQUIDATION

Referred to in §87.4, 296.7, 331.301, 364.4, 505.4, 505.28, 505.29, 507.14, 507A.4, 508D.6, 510A.6, 514B.25, 515E.3A, 521A.14, 521C.11, 521E.5, 521E.6, 521E.9, 521E.10, 521F.6, 521F.7, 521F.10, 521F.11, 669.14, 670.7


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## DIVISION I

## GENERAL PROVISIONS

**507C.1 Short title — construction — purpose.**

1. This chapter shall be cited as the *"Insurers Supervision, Rehabilitation, and Liquidation Act"*.

2. This chapter shall not be interpreted to limit the powers granted the commissioner by any other law.

3. This chapter shall be liberally construed to effect the purpose stated in subsection 4.

4. The purpose of this chapter is the protection of the interests of insureds, claimants, creditors, and the public, with minimum interference with the normal prerogatives of the owners and managers of insurers, through all of the following:

*a.* Early detection of a potentially dangerous condition in an insurer and prompt application of appropriate corrective measures.

*b.* Improved methods for rehabilitating insurers, involving the cooperation and management expertise of the insurance industry.

*c.* Enhanced efficiency and economy of liquidation, through clarification of the law, to minimize legal uncertainty and litigation.

*d.* Equitable apportionment of any unavoidable loss.

*e.* Lessening the problems of interstate rehabilitation and liquidation by facilitating

cooperation between states in the liquidation process, and by extending the scope of personal jurisdiction over debtors of the insurer outside this state.

*f.* Regulation of the insurance business by the impact of the law relating to delinquency procedures and substantive rules on the entire insurance business.

*g.* Providing for a comprehensive scheme for the rehabilitation and liquidation of insurance companies and those subject to this chapter as part of the regulation of the business of insurance, the insurance industry, and insurers in this state. Proceedings in cases of insurer insolvency and delinquency are deemed an integral aspect of the business of insurance and are of vital public interest and concern.

84 Acts, ch 1175, §1; 92 Acts, ch 1117, §8, 9

**507C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Affiliate"* of or *"affiliated"* with a specific person, means a person that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

2. *"Ancillary state"* means a state other than a domiciliary state.

3. *"Commissioner"* means the commissioner of insurance and any successor in office.

4. *"Commodity contract"* means any of the following:

*a.* A contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a board of trade designated as a contract market by the commodity futures trading commission under the federal Commodity Exchange Act, 7 U.S.C. § 1 et seq., or a board of trade outside the United States.

*b.* An agreement that is subject to regulation under section 19 of the federal Commodity Exchange Act, 7 U.S.C. § 1 et seq., and that is commonly known to the commodities trade as a margin account, margin contract, leverage account, or leverage contract.

*c.* An agreement or transaction that is subject to regulation under section 4c(b) of the federal Commodity Exchange Act, 7 U.S.C. § 1 et seq., and that is commonly known to the commodities trade as a commodity option.

5. *"Control"* means the same as defined in section 521A.1, subsection 3.

6. *"Creditor"* is a person having a claim against an insurer, whether the claim is matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed or contingent.

7. *"Delinquency proceeding"* means a proceeding instituted against an insurer for the purpose of liquidating, rehabilitating, reorganizing or conserving the insurer, and a summary proceeding under section 507C.9 or 507C.10. *"Formal delinquency proceeding"* means any liquidation or rehabilitation proceeding.

8. *"Doing business"* means any of the following acts, whether effected by mail or otherwise:

*a.* The issuance or delivery of contracts of insurance to persons resident in this state.

*b.* The solicitation of applications for the contracts, or other negotiations preliminary to the execution of the contracts.

*c.* The collection of premiums, membership fees, assessments, or other consideration for the contracts.

*d.* The transaction of matters subsequent to execution of the contracts and arising out of them.

*e.* Operating as an insurer under a license or certificate of authority issued by the division.

9. *"Domiciliary state"* means the state in which an insurer is incorporated or organized, or, in the case of an alien insurer, its state of entry.

10. *"Fair consideration"* is given for property or obligation when either of the following is present:

*a.* When in good faith property is conveyed or services are rendered or an obligation is incurred or an antecedent debt is satisfied in exchange for the property or obligation, as a fair equivalent therefor, and in good faith.

*b.* When the property or obligation is received in good faith to secure a present advance or antecedent debt in amount not disproportionately small as compared to the value of the property or obligation obtained.

11. *"Foreign country"* means another jurisdiction not in a state.

12. *"Forward contract"* means a contract for the purchase, sale, or transfer of a commodity, as defined in section 1 of the federal Commodity Exchange Act, 7 U.S.C. § 1 et seq., or any similar good, article, service, right, or interest that is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date more than two days after the date the contract is entered into, including, but not limited to, a repurchase transaction, reverse repurchase transaction, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or a combination of them or option on any of them. *"Forward contract"* does not include a commodity contract.

13. *"General assets"* means all real, personal, or other property, not specifically mortgaged, pledged, deposited, or otherwise encumbered for the security or benefit of specified persons or classes of persons. As to specifically encumbered property, *"general assets"* includes all property or its proceeds in excess of the amount necessary to discharge the sum or sums secured by the property or its proceeds. Assets held in trust and on deposit for the security or benefit of all policyholders or all policyholders and creditors, in more than a single state, shall be treated as general assets.

*"General assets"* does not include that portion of the assets of the insurer allocated to and accumulated in a separate account established pursuant to section 508A.1, unless otherwise provided by the applicable policy, annuity, agreement, instrument, or contract. However, if any assets allocated to and accumulated in a separate account, after the satisfaction of any liabilities with regard to the operation of the separate account, are in excess of an amount equal to the reserves and other liabilities with respect to the separate account, the excess shall be treated as part of the general assets of the insurer.

14. *"Guaranty association"* means the Iowa insurance guaranty association created in chapter 515B, the Iowa life and health insurance guaranty association created in chapter 508C, and any other similar entity either presently existing or to be created by the general assembly for the payment of claims of insolvent insurers. *"Foreign guaranty association"* means a similar entity presently existing in or to be created in the future by the legislature of any other state.

15. *a.* *"Insolvency"* or *"insolvent"* means any of the following:

(1) For an insurer issuing only assessable fire insurance policies, either of the following:

(a) The inability to pay any obligation within thirty days after it becomes payable.

(b) If an assessment is made, the inability to pay the assessment within thirty days following the date specified in the first assessment notice issued after the date of loss.

(2) For any other insurer that it is unable to pay its obligations when they are due, or when its admitted assets do not exceed its liabilities plus the greater of:

(a) Any capital and surplus required by law for its organization.

(b) The total par or stated value of its authorized and issued capital stock.

(3) As to an insurer licensed to do business in this state as of July 1, 1984, which does not meet the standard established under subparagraph (2), the term *"insolvency"* or *"insolvent"* shall mean, for a period not to exceed three years from July 1, 1984, that it is unable to pay its obligations when they are due or that its admitted assets do not exceed its liabilities plus any required capital contribution ordered by the commissioner under provisions of the insurance law.

*b.* For purposes of this subsection *"liabilities"* includes but is not limited to reserves required by statute or by the division's rules or specific requirements imposed by the commissioner upon a company at the time of or subsequent to admission.

16. *"Insurer"* means a person who has done, purports to do, is doing or is licensed to do insurance business, and is or has been subject to the authority of, or to liquidation, rehabilitation, reorganization, supervision, or conservation by an insurance commissioner. For purposes of this chapter, any other person included under section 507C.3 is an insurer.

17. *"Netting agreement"* means an agreement, including terms and conditions incorporated by reference therein, including a master agreement, which master agreement, together with all schedules, confirmations, definitions, and addenda thereto and transactions under any thereof, shall be treated as one netting agreement, that documents one or more

transactions between parties to the agreement for or involving one or more qualified financial contracts and that provides for the netting or liquidation of qualified financial contracts or present or future payment obligations or payment entitlements thereunder, including liquidation or closeout values relating to such obligations or entitlements among the parties to the netting agreement.

18. *"Preferred claim"* means a claim with respect to which the terms of this chapter accord priority of payment from the general assets of the insurer.

19. *"Qualified financial contract"* means a commodity contract, forward contract, repurchase agreement, securities contract, swap agreement, and any similar agreement that the commissioner determines by regulation, resolution, or order to be a qualified financial contract for the purposes of this chapter.

20. *"Receiver"* means receiver, liquidator, rehabilitator, or conservator as the context requires.

21. *"Reciprocal state"* means a state other than this state in which section 507C.18, subsection 1, sections 507C.52 and 507C.53 and sections 507C.55 through 507C.57 are in force, and in which provisions are in force requiring that the commissioner or equivalent official be the receiver of a delinquent insurer, and in which some provision exists for the avoidance of fraudulent conveyances and preferential transfers.

22. *"Repurchase agreement"* means an agreement, including related terms, that provides for the transfer of certificates of deposit, eligible bankers' acceptances, or securities that are direct obligations of, or that are fully guaranteed as to principal and interest by, the United States or an agency of the United States against the transfer of funds by the transferee of the certificates of deposit, eligible bankers' acceptances or securities, with a simultaneous agreement by the transferee to transfer to the transferor certificates of deposit, eligible bankers' acceptances, or securities as described above, at a date certain not later than one year after the transfers or on demand against the transfer of funds. For the purposes of this definition, the items that may be subject to a repurchase agreement include, but are not limited to, mortgage-related securities, a mortgage loan, and an interest in a mortgage loan, but shall not include any participation in a commercial mortgage loan, unless the commissioner determines by rule, resolution, or order to include the participation within the meaning of the term. Repurchase agreement also applies to a reverse repurchase agreement.

23. *"Secured claim"* means a claim secured by mortgage, trust deed, pledge, deposit as security, escrow, or otherwise, but not including special deposit claims or claims against general assets. The term also includes claims which have become liens upon specific assets by reason of judicial process.

24. *"Securities contract"* means a contract for the purchase, sale, or loan of a security, including an option for the repurchase or sale of a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof, or an option entered into on a national securities exchange relating to foreign currencies, or the guarantee of a settlement of cash or securities by or to a securities clearing agency. For the purposes of this definition, the term *"security"* includes a mortgage loan, mortgage-related securities, and an interest in any mortgage loan or mortgage-related security.

25. *"Special deposit claim"* means a claim secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons, but not including a claim secured by general assets.

26. *"State"* means a state, district, or territory of the United States and the Panama Canal Zone.

27. *"Swap agreement"* means an agreement, including the terms and conditions incorporated by reference in an agreement, that is a rate swap agreement, basis swap, commodity swap, forward rate agreement, interest rate future, interest rate option, forward foreign exchange agreement, spot foreign exchange agreement, rate cap agreement, rate floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency future, or currency option or any other similar agreement, and includes any combination of agreements and an option to enter into an agreement.

28. *"Transfer"* shall include the sale and every other and different mode, direct or indirect, of disposing of or of parting with property or with an interest in the property, or

with the possession of the property or of fixing a lien upon the property or upon an interest in the property, absolutely or conditionally, voluntarily, by or without judicial proceedings. The retention of a security title to property delivered to a debtor shall be deemed a transfer suffered by a debtor.

84 Acts, ch 1175, §2; 92 Acts, ch 1117, §10; 2005 Acts, ch 70, §4; 2006 Acts, ch 1117, §27; 2012 Acts, ch 1023, §102

Referred to in §515B.2

**507C.3 Applicability.**

This chapter may be applied to any of the following:

1. Insurers who are doing or have done insurance business in this state, and against whom claims arising from that business may exist now or in the future.
2. Insurers who purport to do insurance business in this state.
3. Insurers who have insureds who are residents in this state.
4. Other persons organized or in the process of organizing with the intent to do insurance business in this state.
5. Nonprofit health service corporations and all fraternal benefit societies and beneficial societies subject to chapters 512A, 512B, and 514.
6. Prepaid health care delivery plans which are regulated by the commissioner.

84 Acts, ch 1175, §3; 93 Acts, ch 88, §5

Referred to in §507C.2

**507C.4 Jurisdiction and venue.**

1. A delinquency proceeding shall not be commenced under this chapter by a person other than the commissioner. A court shall not have jurisdiction over a proceeding under this chapter commenced by a person other than the commissioner.

2. A court shall not have jurisdiction over a petition praying for the dissolution, liquidation, rehabilitation, sequestration, conservation or receivership of an insurer, or praying for an injunction or restraining order or other relief preliminary to, incidental to or relating to such proceedings other than pursuant to this chapter.

3. A court having jurisdiction of the subject matter has jurisdiction over a person served pursuant to the Iowa rules of civil procedure or other applicable provisions in an action brought by the receiver of a domestic insurer or an alien insurer domiciled in this state for any of the following:

*a.* In an action on or incident to an obligation if the person served is obligated to the insurer in any way as an incident to an agency or brokerage arrangement that may exist or has existed between the insurer and the agent or broker.

*b.* In an action on or incident to a reinsurance contract, if the person served is a reinsurer who has at any time written a policy of reinsurance for an insurer against which a delinquency proceeding has been instituted, or is an agent or broker of or for the reinsurer and the action results from or is incident to the relationship with the reinsurer.

*c.* In an action resulting from a relationship with the insurer, if the person served is or has been an officer, manager, trustee, organizer, promoter, or person in a position of comparable authority or influence in an insurer against which a rehabilitation or liquidation order is in effect when the action is commenced.

*d.* In an action if the person served is or was at the time of the institution of the delinquency proceeding against the insurer holding assets which are the subject of the proceeding and in which the receiver claims an interest on behalf of the insurer.

*e.* If the person served is obligated to the insurer in any way whatsoever, in an action on or incident to the obligation.

4. If the court on motion of a party finds that an action should as a matter of substantial justice be tried in a forum outside this state, the court may enter an order to stay the proceedings on the action in this state.

5. All action authorized in this chapter shall be brought in the district court in Polk county.

84 Acts, ch 1175, §4; 92 Acts, ch 1117, §11, 12

**507C.5 Injunctions and orders.**

1. A receiver appointed in a proceeding under this chapter may at any time apply for, and any court of general jurisdiction may grant, restraining orders, preliminary and permanent injunctions, and other orders as necessary to prevent any of the following:

*a.* The transaction of further business.

*b.* The transfer of property.

*c.* Interference with the receiver or with a proceeding under this chapter.

*d.* Waste of the insurer's assets.

*e.* Dissipation and transfer of bank accounts.

*f.* The institution or further prosecution of any actions or proceedings.

*g.* The obtaining of preferences, judgments, attachments, garnishments, or liens against the insurer, its assets or its policyholders.

*h.* The levying of execution against the insurer, its assets or its policyholders.

*i.* The making of a sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the insurer.

*j.* The withholding from the receiver of books, accounts, documents, or other records relating to the business of the insurer.

*k.* Any other threatened or contemplated action that might lessen the value of the insurer's assets or prejudice the rights of policyholders, creditors, or shareholders, or the administration of a proceeding under this chapter.

2. A receiver may apply to a court outside of the state for the relief described in subsection 1.

84 Acts, ch 1175, §5

**507C.6 Cooperation of officers, owners, and employees — penalty.**

1. An officer, manager, director, trustee, owner, employee, or agent of an insurer, or any other person with authority over or in charge of any segment of the insurer's affairs, shall cooperate with the commissioner in any proceeding under this chapter or any investigation preliminary to the proceeding. The term *"person"* as used in this section, shall include any person who exercises control directly or indirectly over activities of the insurer through any holding company or other affiliate of the insurer. *"To cooperate"* shall include, but shall not be limited to, the following:

*a.* To reply promptly in writing to any inquiry from the commissioner requesting a reply.

*b.* To make available to the commissioner any books, accounts, documents, or other records, information, or property of or pertaining to the insurer and in the person's possession, custody, or control.

2. A person shall not obstruct or interfere with the commissioner in the conduct of a delinquency proceeding or an investigation preliminary or incidental to a delinquency proceeding.

3. This section does not abridge otherwise existing legal rights, including the right to resist a petition for liquidation, other delinquency proceedings, or other orders.

4. It shall be unlawful for a person as defined in subsection 1 to fail to cooperate with the commissioner, or to obstruct or interfere with the commissioner in the conduct of a delinquency proceeding or an investigation preliminary or incidental to a delinquency proceeding, or to violate a valid order of the commissioner.

84 Acts, ch 1175, §6; 90 Acts, ch 1234, §4; 2004 Acts, ch 1110, §25

**507C.7 Bonds.**

In a proceeding under this chapter, the commissioner and the commissioner's deputies shall be responsible on their official bonds for the faithful performance of their duties. If the court deems it desirable for the protection of the assets, it may require an additional bond from the commissioner or the commissioner's deputies. The bonds shall be paid for out of the assets of the insurer as a cost of administration.

84 Acts, ch 1175, §7

**507C.8 Continuation of delinquency proceedings.**

A proceeding commenced before July 1, 1984 shall be deemed to have commenced under this chapter for the purpose of conducting the proceeding thereafter. However, in the discretion of the commissioner the proceeding may be continued, in whole or in part, as it would have continued had this chapter not been enacted.

84 Acts, ch 1175, §8

**507C.8A Condition on release from delinquency proceedings.**

An insurer subject to a delinquency proceeding shall not be released from the delinquency proceeding unless the proceeding is converted into a rehabilitation or liquidation proceeding; shall not be permitted to solicit or accept new business, or request or accept the restoration of any suspended or revoked license or certificate of authority; and shall not be returned to the control of the insurer's shareholders or private management, or have any of the insurer's assets returned to the control of its shareholders or private management, until all payments of or on account of the insurer's contractual obligations by all guaranty associations, along with all expenses of such obligations and interest on all such payments and expenses, have been repaid to the guaranty association or a plan of repayment by the insurer is approved by the guaranty association.

92 Acts, ch 1117, §13

## DIVISION II

## SUMMARY PROCEEDINGS

**507C.9 Summary orders and supervision proceedings — penalty.**

1. If after a hearing held under subsection 5, the commissioner determines that a domestic insurer has committed or engaged in, or is about to commit or engage in, an act, practice, or transaction that would subject it to delinquency proceedings under this chapter, the commissioner may make and serve upon the insurer and any other persons involved orders as are reasonably necessary to correct, eliminate, or remedy the conduct, condition, or ground.

2. If the commissioner upon reasonable cause determines that a domestic insurer is in a condition as to render the continuance of its business hazardous to the public or to holders of its policies or certificates of insurance or if the domestic insurer gives its consent then the commissioner shall do both of the following:

*a.* Notify the insurer of the determination.

*b.* Furnish to the insurer a written list of the commissioner's requirements to abate the determination.

3. If the commissioner makes a determination to supervise an insurer subject to an order under subsection 1 or 2, the commissioner shall notify the insurer that it is under the supervision of the commissioner. During the period of supervision, the commissioner may appoint a supervisor to supervise the insurer. The order appointing a supervisor shall direct the supervisor to enforce orders issued under subsections 1 and 2 and may also require that during the period of supervision, the insurer shall not do any of the following without the prior approval of the commissioner or the commissioner's supervisor:

*a.* Dispose of, convey or encumber its assets or its business in force.

*b.* Withdraw from its bank accounts.

*c.* Lend its funds.

*d.* Invest its funds.

*e.* Transfer its property.

*f.* Incur any debt, obligation or liability.

*g.* Merge or consolidate with another company.

*h.* Enter into a new reinsurance contract or treaty.

*i.* Write new or renewal business.

4. An insurer subject to an order under this section shall comply with the lawful

requirements of the commissioner and, if placed under supervision, shall have sixty days from the date the supervision order is served within which to comply with the requirements of the commissioner. If the insurer fails to comply, the commissioner may institute proceedings under section 507C.12 or 507C.17 to have a rehabilitator or liquidator appointed or extend the period of supervision.

5. The notice of hearing and any order issued pursuant to subsection 1 shall be served upon the insurer pursuant to chapter 17A. The notice of hearing shall state the time and place of hearing, and the conduct, condition or ground upon which the commissioner would base an order. Unless mutually agreed between the commissioner and the insurer, the hearing shall occur not less than ten days nor more than thirty days after notice is served and shall be either in Polk county or in some other place convenient to the parties to be designated by the commissioner. All hearings under subsection 1 shall be confidential unless the insurer requests a public hearing.

6. *a.* An insurer subject to an order under subsection 2 may request a hearing to review that order. The hearing shall be held as provided in subsection 5. The request for a hearing shall not stay the effect of the order.

*b.* If the commissioner issues an order under subsection 2, the insurer may waive a commissioner's hearing and apply for immediate judicial relief by means of any remedy afforded by law without first exhausting administrative remedies. Subsequent to a hearing, a party to the proceedings whose interests are substantially affected is entitled to judicial review of any order issued by the commissioner.

7. During the period of supervision the insurer may request the commissioner to review an action taken or proposed to be taken by the supervisor by specifying the reasons the action complained of is believed not to be in the best interest of the insurer.

8. If a person has violated a supervision order issued under this section which was in effect, the person is liable to pay a civil penalty imposed by the district court not to exceed ten thousand dollars.

9. The commissioner may apply for and any court of general jurisdiction may grant restraining orders, preliminary and permanent injunctions, and other orders as necessary to enforce a supervision order.

84 Acts, ch 1175, §9

Referred to in §507C.2, 507C.11, 507C.12, 507C.54, 508C.12

**507C.10 Seizure order.**

1. With respect to a domestic insurer the commissioner may file in the district court a petition alleging all of the following:

*a.* That there exist grounds that would justify a court order for a formal delinquency proceeding against an insurer under this chapter.

*b.* That the interests of policyholders, creditors, or the public will be endangered by delay.

*c.* The contents of an order deemed necessary by the commissioner.

2. Upon a filing under subsection 1, the court may issue, ex parte and without a hearing, the requested order which shall direct the commissioner to take possession and control of all or a part of the property, books, accounts, documents, and other records of an insurer, and of the premises occupied by it for transaction of its business, and until further order of the court enjoin the insurer and its officers, managers, agents, and employees from disposing of the insurer's property and from transacting of the insurer's business, except with the written consent of the commissioner.

3. The court shall specify in the order the duration of the order. The duration shall be the time the court deems necessary for the commissioner to ascertain the condition of the insurer. Upon motion or on its own, the court may from time to time hold hearings as it deems desirable after notice as it deems appropriate, and may extend, shorten, or modify the terms of the seizure order. The court shall vacate the seizure order if the commissioner fails to commence a formal proceeding under this chapter after having had a reasonable opportunity to do so. An order of the court pursuant to a formal proceeding under this chapter shall automatically vacate the seizure order.

4. Entry of a seizure order under this section is not an anticipatory breach of a contract of the insurer.

5. An insurer subject to an ex parte order under this section may petition the court after the issuance of the order for a hearing and review of the order. The court shall hold the hearing and review not more than fifteen days after the request. A hearing under this subsection may be held privately in chambers. Upon request of the insurer the hearing shall be held privately in chambers.

6. If at any time after the issuance of an order under this section it appears to the court that a person whose interest is or will be substantially affected by the order did not appear at the hearing and has not been served, the court may order that notice be given. An order that notice be given shall not stay the effect of any order previously issued by the court.

84 Acts, ch 1175, §10
Referred to in §507C.2, 507C.11, 507C.54

**507C.11 Confidentiality of hearings.**

Notwithstanding chapter 22, in all administrative proceedings pursuant to sections 507C.9 and 507C.10 all orders, records, and documents pertaining to or a part of the record of the proceedings are confidential except as is necessary to obtain compliance with a proceeding. However, the records may be released if either of the following occurs:

1. The insurer requests that the records be made public.

2. After a hearing on the issue with the parties to the proceeding, the court orders that the records be made public. Until such court order, the clerk of court shall hold all papers filed in a confidential file.

84 Acts, ch 1175, §11; 92 Acts, ch 1117, §14; 2004 Acts, ch 1110, §26
Referred to in §507C.54

## DIVISION III

## FORMAL PROCEEDINGS

**507C.12 Grounds for rehabilitation.**

1. The commissioner may petition the district court for an order to rehabilitate a domestic insurer or an alien insurer domiciled in this state on any of the following grounds:

*a.* The insurer is in a condition that the further transaction of business would be financially hazardous to its policyholders, creditors, or the public.

*b.* There is reasonable cause to believe that there has been embezzlement from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer, or other illegal conduct in, by, or with respect to the insurer that, if established, would endanger assets in an amount threatening the solvency of the insurer.

*c.* The insurer has failed to remove a person, whether an officer, manager, general agent, employee, or other person, who in fact has executive authority in the insurer, if the person has been found after notice and hearing by the commissioner to be dishonest or untrustworthy in a way affecting the insurer's business.

*d.* Control of the insurer is in a person or persons found after notice and hearing to be untrustworthy. Control may be by stock ownership or by other means and may be direct or indirect.

*e.* A person who in fact has executive authority in the insurer, whether an officer, manager, general agent, director or trustee, employee, or other person has refused to be examined under oath by the commissioner concerning the insurer's affairs, in this state or elsewhere, and after reasonable notice of the fact the insurer has failed promptly and effectively to terminate the employment and status of the person and all the person's influence on management.

*f.* After demand by the commissioner under chapter 507 or under this chapter, the insurer has failed to promptly make available for examination any of its property, books, accounts, documents, or other records, or those of a subsidiary or related company within the control

of the insurer, or those of a person having executive authority in the insurer so far as they pertain to the insurer.

*g.* Without first obtaining the written consent of the commissioner, the insurer has transferred, or attempted to transfer, in a manner contrary to chapter 521 or 521A, substantially its entire property or business, or has entered into a transaction the effect of which is to merge, consolidate, or reinsure substantially its entire property or business in or with the property or business of any other person.

*h.* The insurer or its property has been or is the subject of an application for the appointment of a receiver, trustee, custodian, conservator or sequestrator or similar fiduciary of the insurer of its property other than as authorized under the insurance laws of this state, and the appointment has been made or is imminent, and the appointment might oust the court of this state of jurisdiction or might prejudice orderly delinquency proceedings under this chapter.

*i.* Within the previous three years the insurer has willfully violated its charter or articles of incorporation, its bylaws, an insurance law of this state, or a valid order of the commissioner under section 507C.9.

*j.* The insurer has failed to pay within sixty days after the due date an obligation to a state or any subdivision of a state or a judgment entered in a state, if the court in which the judgment was entered had jurisdiction over the subject matter. However, nonpayment shall not be a ground until sixty days after a good faith effort by the insurer to contest the obligation has been terminated whether the effort is before the commissioner or in the courts, or the insurer has systematically attempted to compromise or renegotiate previously agreed settlements with its creditors on the ground that it is financially unable to pay its obligations in full.

*k.* The insurer has failed to file its annual report or other financial report required within the time allowed and, after written demand by the commissioner, has failed to immediately give an adequate explanation.

*l.* The board of directors or the holders of a majority of the shares entitled to vote, or a majority of those individuals entitled to the control of those entities request or consent to rehabilitation under this chapter.

2. If the petition alleges that extraordinary circumstances exist and that there is imminent substantial risk to the insurer's solvency if the insurer is not immediately placed into rehabilitation, the court may issue, ex parte and without a hearing, the requested order of rehabilitation. An insurer subject to an ex parte order under this section may petition the court after the issuance of the order for a hearing and review of the order. The court shall hold the hearing and review not more than fifteen days after the request. A hearing under this section may be held privately in chambers. Upon the request of the insurer, the hearing shall be held privately in chambers.

84 Acts, ch 1175, §12; 91 Acts, ch 26, §35; 2012 Acts, ch 1023, §157
Referred to in §507C.9, 507C.16, 507C.17, 507C.50, 507C.51

**507C.13 Rehabilitation orders.**

1. An order to rehabilitate the business of a domestic insurer or an alien insurer domiciled in this state shall appoint the commissioner as the rehabilitator. The order shall direct the rehabilitator to take possession of the assets of the insurer, and to administer them under the general supervision of the court. The filing or recording of the order with the clerk of the district court or recorder of deeds of the county in which the principal business of the insurer is conducted, or the county in which its principal office or place of business is located, is the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that recorder of deeds. The order to rehabilitate the insurer shall vest title to all assets of the insurer in the rehabilitator.

2. An order issued under this section requires accounting to the court by the rehabilitator. Accountings shall be at intervals the court specifies in the order. Each accounting must include a report concerning the rehabilitator's opinion as to whether a plan pursuant to section 507C.14, subsection 4, will be prepared. If the rehabilitator includes in any

accounting that such a plan is likely, the accounting shall also include a proposed timetable for the preparation and implementation of the plan.

3. Entry of an order of rehabilitation is not an anticipatory breach of a contract of the insurer.

84 Acts, ch 1175, §13; 92 Acts, ch 1117, §15
Referred to in §507C.15, 507C.37

**507C.14 Powers and duties of the rehabilitator.**

1. The commissioner as rehabilitator may appoint one or more special deputies. The special deputies shall have the powers and responsibilities of the rehabilitator granted under this section. The commissioner may employ counsel, clerks, and assistants as necessary. The compensation of the special deputy, counsel, clerks, and assistants and all expenses of taking possession of the insurer and of conducting the proceedings shall be fixed by the commissioner with the approval of the court and shall be paid out of the funds or assets of the insurer. The persons appointed under this section shall serve at the pleasure of the commissioner. If the property of the insurer does not contain sufficient cash or liquid assets to defray the costs incurred, the commissioner may advance the costs so incurred out of any appropriation for the maintenance of the division. Amounts so advanced for expenses of administration shall be repaid to the commissioner for the use of the division out of the first available money of the insurer.

2. The rehabilitator may take action as the rehabilitator deems necessary or appropriate to reform and revitalize the insurer. The rehabilitator shall have the powers of the directors, officers, and managers of the insurer, whose authority shall be suspended, except as the powers are redelegated by the rehabilitator. The rehabilitator shall have power to direct and manage, to hire and discharge employees subject to contract rights the employees may have, and to deal with the property and business of the insurer.

3. If it appears to the rehabilitator that there has been criminal or tortious conduct, or breach of a contractual or fiduciary obligation by any person detrimental to the insurer, the rehabilitator may pursue appropriate legal remedies on behalf of the insurer.

4. If the rehabilitator determines that reorganization, consolidation, conversion, reinsurance, merger, or other transformation of the insurer is appropriate, the rehabilitator shall prepare a plan to effect the changes. Upon application of the rehabilitator for approval of the plan, and after notice and hearings as the court may prescribe, the court may either approve, disapprove or modify the plan proposed. Before approving a plan, the court shall find that it is fair and equitable to all parties concerned. If the plan is approved, the rehabilitator shall carry out the plan. In the case of a life insurer, if all rights of shareholders are first relinquished, the plan proposed may include the imposition of liens upon the policies of the company. A plan for a life insurer may also propose imposition of a moratorium upon loan and cash surrender rights under policies.

5. The rehabilitator shall have the power under sections 507C.26 and 507C.27 to avoid fraudulent transfers.

84 Acts, ch 1175, §14; 92 Acts, ch 1117, §16; 93 Acts, ch 88, §6
Referred to in §507C.13, 507C.16

**507C.15 Actions by and against rehabilitator.**

1. A court in this state, before which an action or proceeding in which the insurer is a party or is obligated to defend a party is pending when a rehabilitation order against the insurer is entered, shall stay the action or proceeding for ninety days and any additional time as necessary for the rehabilitator to obtain proper representation and prepare for further proceedings. The rehabilitator shall take action respecting the pending litigation as necessary in the interests of justice and for the protection of creditors, policyholders, and the public. The rehabilitator shall immediately consider all litigation pending outside this state and shall petition the courts having jurisdiction over that litigation for stays whenever necessary to protect the estate of the insurer.

2. A statute of limitations or defense of laches shall not run in an action by or against an insurer between the filing of a petition for appointment of a rehabilitator for that insurer and

the order granting or denying that petition. An action by or against the insurer that might have been commenced when the petition was filed may be commenced for at least sixty days after the order of rehabilitation is entered or the petition is denied. The rehabilitator, upon the issuance of an order for rehabilitation pursuant to section 507C.13, may institute an action or proceeding on behalf of the insurer based upon a cause of action for which the period of limitation has not expired at the time of the filing of the petition for an order to rehabilitate. The action or proceeding by the rehabilitator may be instituted within one year or a longer period if provided by applicable law, of the issuance of the order for rehabilitation.

3. A guaranty association or foreign guaranty association covering life or health insurance or annuities shall have standing to appear in a court proceeding concerning the rehabilitation of a life or health insurer if the association is or may become liable to act as a result of the rehabilitation.

84 Acts, ch 1175, §15; 92 Acts, ch 1117, §17

**507C.16 Termination of rehabilitation.**

1. Whenever the commissioner determines that further attempts to rehabilitate an insurer would substantially increase the risk of loss to creditors, policyholders, or the public, or would be futile, the commissioner may petition the district court for an order of liquidation. A petition under this subsection shall have the same effect as a petition under section 507C.17. The court shall permit the directors of the insurer to take actions as are reasonably necessary to defend against the petition and may order payment from the estate of the insurer of costs and other expenses of defense as justice may require.

2. The rehabilitator may at any time petition the district court for an order terminating rehabilitation of an insurer. The directors of the insurer may petition the court for an order terminating rehabilitation of the insurer and the court may order payment from the estate of the insurer of costs and other expenses of the petition as justice may require. If the court finds that rehabilitation has been accomplished and that grounds for rehabilitation under section 507C.12 no longer exist, it shall order that the insurer be restored to possession of its property and the control of its business. The court may also terminate the rehabilitation at any time upon its own motion.

3. If the payment of obligations pursuant to a policy issued by the insurer is suspended in substantial part for a period of six months at any time after the appointment of the rehabilitator, and the rehabilitator has not filed an application for a plan pursuant to section 507C.14, subsection 4, the rehabilitator shall petition the court for an order of liquidation on grounds of insolvency.

84 Acts, ch 1175, §16; 92 Acts, ch 1117, §18

**507C.17 Grounds for liquidation.**

The commissioner may petition the district court for an order directing the commissioner to liquidate a domestic insurer or an alien insurer domiciled in this state on any of the following grounds:

1. Any ground for an order of rehabilitation specified in section 507C.12 whether or not there has been a prior order directing the rehabilitation of the insurer.

2. That the insurer is insolvent.

3. That the insurer is in a condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public.

84 Acts, ch 1175, §17

Referred to in §507C.9, 507C.16, 507C.51

**507C.17A Rehabilitation or liquidation of certain covered domestic insurers.**

1. The provisions of this section apply in accordance with Tit. II of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 12 U.S.C. § 5301 et seq., with respect to a domestic insurer that is a covered financial company, as that term is defined under 12 U.S.C. § 5381.

2. The commissioner may petition the district court for an order of rehabilitation or liquidation of a domestic insurer pursuant to this section on any of the following grounds:

*a.* Upon a determination and notification given by the secretary of the treasury of the United States, in consultation with the president of the United States, that the insurer is a covered financial company satisfying the requirements of 12 U.S.C. § 5383(b), and the board of directors, or a body performing similar functions of a board of directors, of the insurer acquiesces or consents to the appointment of a receiver pursuant to 12 U.S.C. § 5382(a)(1)(A)(i) with such consent to be considered as consent to an order of rehabilitation or liquidation.

*b.* Upon an order of the United States district court for the District of Columbia under 12 U.S.C. § 5382(a)(1)(A)(iv)(I) granting the petition of the secretary of the treasury of the United States concerning the insurer under 12 U.S.C. § 5382(a)(1)(A)(i).

*c.* A petition by the secretary of the treasury of the United States concerning the insurer is granted by operation of law under 12 U.S.C. § 5382(a)(1)(A)(v).

3. Notwithstanding any other provision of law to the contrary, after notice to the insurer, a district court may grant an order of rehabilitation or liquidation within twenty-four hours after the filing of such a petition pursuant to this section.

4. If the district court does not make a determination on a petition for an order of rehabilitation or liquidation filed by the commissioner pursuant to this section within twenty-four hours after the filing of the petition, the order shall be deemed granted by operation of law upon the expiration of the twenty-four-hour period.

*a.* At the time that an order is deemed granted under this subsection, the provisions of this chapter shall be deemed to be in effect, and the commissioner shall be deemed to be affirmed as receiver and to have all of the applicable powers provided by this chapter, regardless of whether an order has been entered by the district court.

*b.* If an order is deemed granted by operation of law under this subsection, the district court shall expeditiously enter an order of rehabilitation or liquidation that does all of the following:

(1) Is effective as of the date that the order is deemed granted by operation of law.

(2) Conforms to the provisions for rehabilitation or liquidation of an insurer contained in this chapter, as applicable.

5. An order of rehabilitation or liquidation made pursuant to this section shall not be subject to a stay or injunction pending appeal.

6. Nothing in this section shall be construed to supersede or impair any other power or authority of the commissioner or the district court under this chapter.

2013 Acts, ch 124, §10, 31
NEW section

**507C.18 Liquidation orders.**

1. An order to liquidate the business of a domestic insurer shall appoint the commissioner as liquidator and shall direct the liquidator to immediately take possession of the assets of the insurer and to administer them under the general supervision of the court. The liquidator is vested with the title to the property, contracts, and rights of action and the books and records of the insurer ordered liquidated, wherever located, as of the entry of the final order of liquidation. The filing or recording of the order with the clerk of the court and the recorder of deeds of the county in which its principal office or place of business is located, or, in the case of real estate with the recorder of deeds of the county where the property is located, is notice as a deed, bill of sale, or other evidence of title duly filed or recorded with the recorder of deeds.

2. Upon issuance of the order, the rights and liabilities of an insurer and of its creditors, policyholders, shareholders, members, and other persons interested in its estate shall become fixed as of the date of entry of the order of liquidation, except as provided in sections 507C.19 and 507C.37.

3. An order to liquidate the business of an alien insurer domiciled in this state must be in the same terms and have the same legal effect as an order to liquidate a domestic insurer, except that the assets and the business in the United States shall be the only assets and business included in the order.

4. At the time of petitioning for an order of liquidation, or at any time thereafter, the

commissioner, after making appropriate findings of an insurer's insolvency, may petition the court for a declaration of insolvency. After providing notice and hearing as it deems proper, the court may make the declaration.

5. An order issued under this section shall require accounting to the court by the liquidator. Accountings, at a minimum, must include all funds received or disbursed by the liquidator during the current period. An accounting shall be filed within one year of the liquidation order and at such other times as the court may require.

6. *a.* Within five days of July 1, 1992, or, if later, within five days after the initiation of an appeal of an order of liquidation, which order has not been stayed, the commissioner shall present for the court's approval a plan for the continued performance of the defendant company's policy claims obligations, including the duty to defend insureds under liability insurance policies, during the pendency of an appeal. The plan shall provide for the continued performance and payment of policy claims obligations in the normal course of events, notwithstanding the grounds alleged in support of the order of liquidation including the ground of insolvency. If the defendant company's financial condition will not, in the judgment of the commissioner, support the full performance of all policy claims obligations during the appeal pendency period, the plan may prefer the claims of certain policyholders and claimants over creditors and interested parties as well as other policyholders and claimants, as the commissioner finds to be fair and equitable considering the relative circumstances of such policyholders and claimants. The court shall examine the plan submitted by the commissioner and if it finds the plan to be in the best interests of the parties, the court shall approve the plan. No action shall lie against the commissioner or any of the commissioner's deputies, agents, clerks, assistants, or attorneys by any party based on preference in an appeal pendency plan approved by the court.

*b.* The appeal pendency plan shall not supersede or affect the obligations of any insurance guaranty association.

*c.* Any such plans shall provide for equitable adjustments to be made by the liquidator to any distributions of assets to guaranty associations, in the event that the liquidator pays claims from assets of the estate, which would otherwise be the obligations of any particular guaranty association but for the appeal of the order of liquidation, such that all guaranty associations equally benefit on a pro rata basis from the assets of the estate. If an order of liquidation is set aside upon an appeal, the company shall not be released from delinquency proceedings unless and until all funds advanced by a guaranty association, including reasonable administrative expenses in connection therewith relating to obligations of the company, shall be repaid in full, together with interest at the judgment rate of interest, or unless an arrangement for repayment thereof has been made with the consent of all applicable guaranty associations.

84 Acts, ch 1175, §18; 92 Acts, ch 1117, §19

Referred to in §507C.2, 507C.19, 507C.31, 507C.37

Judgment rate of interest, see §535.3

**507C.19 Continuance of coverage.**

1. Except for life or health insurance or annuities, policies in effect at the time of issuance of an order of liquidation shall continue in force only for the lesser of:

*a.* A period of thirty days from the date of entry of the liquidation orders.

*b.* The expiration of the policy coverage.

*c.* The date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy.

*d.* The liquidator has effected a transfer of the policy obligation pursuant to section 507C.21, subsection 1, paragraph "*h*".

2. An order or liquidation under section 507C.18 shall terminate coverages at the time specified in subsection 1 for purposes of any other statute.

3. Policies of life or health insurance or annuities shall continue in force for the period and under terms as is provided for by any applicable guaranty association or foreign guaranty association.

4. Policies of life or health insurance or annuities or any period or coverage of the policies

not covered by a guaranty association or foreign guaranty association shall terminate under subsections 1 and 2.

84 Acts, ch 1175, §19
Referred to in §507C.18, 507C.23

**507C.20 Dissolution or sale of insurer.**

The commissioner may petition for an order dissolving the corporate existence of a domestic insurer or the United States branch of an alien insurer domiciled in this state at the time the commissioner applies for a liquidation order. The court shall order dissolution of the corporation upon petition by the commissioner upon or after the granting of a liquidation order. If the dissolution has not previously been ordered, it shall be effected by operation of law upon the discharge of the liquidator if the insurer is insolvent. However, dissolution may be ordered by the court upon the discharge of the liquidator if the insurer is under a liquidation order for some other reason. Notwithstanding the above, upon application by the commissioner and following notice as prescribed by the court and a hearing, the court may sell the corporation as an entity, together with any of its licenses to do business, despite the entry of an order of liquidation. The sale may be made on terms and conditions the court deems appropriate. However, the order approving the sale shall provide that the proceeds of the sale shall become part of the assets of the liquidation estate, to be distributed in the manner set forth in section 507C.42, and that the corporate entity and its licenses shall thereafter be free and clear from the claims or interests of all claimants, creditors, policyholders, and stockholders of the corporation under liquidation.

84 Acts, ch 1175, §20; 87 Acts, ch 168, §1; 88 Acts, ch 1112, §502
Referred to in §507C.21

**507C.20A Redomestication of foreign insurer.**

The commissioner may petition the court for an ancillary receivership or for an order redomesticating a foreign insurer which is the subject of a liquidation or other delinquency order in a reciprocal state. Only the corporate charter and rights to the licenses under such charter shall be redomesticated to Iowa. All claims against the foreign insurer shall remain a part of and be administered through the reciprocal state liquidation or other delinquency proceeding. Following notice as prescribed by the court and a hearing, the court may sell the corporation as an entity, together with any of its licenses, free and clear from the claims or interests of all claimants, creditors, policyholders, and stockholders of the corporation under liquidation or other delinquency proceedings, wherever located. The sale may be made on terms and conditions the court deems appropriate. The proceeds of the sale, less court costs, attorney fees, broker's fees, and the commissioner's expenses in effectuating the sale, shall become part of the assets of the liquidation or other estate in the reciprocal state.

91 Acts, ch 213, §2

**507C.21 Powers of liquidator.**

1. The liquidator may:

*a.* Appoint a special deputy to act for the liquidator under this chapter, and determine the special deputy's reasonable compensation. The special deputy shall have all powers of the liquidator granted by this section. The special deputy shall serve at the pleasure of the liquidator.

*b.* Hire employees and agents, legal counsel, actuaries, accountants, appraisers, consultants, and other personnel as the commissioner may deem necessary to assist in the liquidation.

*c.* With the approval of the court fix the reasonable compensation of employees and agents, legal counsel, actuaries, accountants, appraisers and consultants.

*d.* Pay reasonable compensation to persons appointed and defray from the funds or assets of the insurer all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of the insurer. If the property of the insurer does not contain sufficient cash or liquid assets to defray the costs incurred, the commissioner may advance the costs so incurred out of an appropriation for the maintenance of the division. Amounts so advanced for expenses of administration shall

be repaid to the commissioner for the use of the division out of the first available moneys of the insurer.

*e.* Hold hearings, subpoena witnesses, and compel their attendance, administer oaths, examine a person under oath, and compel a person to subscribe to the person's testimony after it has been correctly reduced to writing, and in connection to the proceedings require the production of books, papers, records or other documents which the liquidator deems relevant to the inquiry.

*f.* Collect debts and moneys due and claims belonging to the insurer, wherever located. Pursuant to this paragraph, the liquidator may:

(1) Institute timely action in other jurisdictions to forestall garnishment and attachment proceedings against debts.

(2) Perform acts as are necessary or expedient to collect, conserve or protect its assets or property, including the power to sell, compound, compromise or assign debts for purposes of collection upon terms and conditions as the liquidator deems best.

(3) Pursue any creditor's remedies available to enforce claims.

*g.* Conduct public and private sales of the property of the insurer.

*h.* Use assets of the estate of an insurer under a liquidation order to transfer policy obligations to a solvent assuming insurer, if the transfer can be arranged without prejudice to applicable priorities under section 507C.42.

*i.* Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with property of the insurer at its market value or upon terms and conditions as are fair and reasonable. The liquidator shall also have power to execute, acknowledge, and deliver deeds, assignments, releases and other instruments necessary to effectuate a sale of property or other transaction in connection with the liquidation.

*j.* Borrow money on the security of the insurer's assets or without security and execute and deliver documents necessary to that transaction for the purpose of facilitating the liquidation. Money borrowed pursuant to this paragraph shall be repaid as an administrative expense and have priority over any other class 1 claims under the priority of distribution established in section 507C.42.

*k.* Enter into contracts as necessary to carry out the order to liquidate and affirm or disavow contracts to which the insurer is a party.

*l.* Continue to prosecute and to institute in the name of the insurer or in the liquidator's own name any and all suits and other legal proceedings, in this state or elsewhere, and to abandon the prosecution of claims the liquidator deems unprofitable to pursue further. If the insurer is dissolved under section 507C.20, the liquidator may apply to any court in this state or elsewhere for leave to substitute the liquidator for the insurer as plaintiff.

*m.* Prosecute an action on behalf of the creditors, members, policyholders or shareholders of the insurer against an officer of the insurer, or any other person.

*n.* Remove records and property of the insurer to the offices of the commissioner or to other place as may be convenient for the purposes of efficient and orderly execution of the liquidation. A guaranty association or foreign guaranty association shall have reasonable access to the records of the insurer as necessary to carry out the guaranty's statutory obligations.

*o.* Deposit in one or more banks in this state sums as are required for meeting current administration expenses and dividend distributions.

*p.* Unless the court orders otherwise, invest funds not currently needed.

*q.* File necessary documents for record in the office of a recorder of deeds or record office in this state or elsewhere where property of the insurer is located.

*r.* Assert defenses available to the insurer as against third persons including statutes of limitation, statutes of fraud, and the defense of usury. A waiver of a defense by the insurer after a petition in liquidation has been filed shall not bind the liquidator. If a guaranty association or foreign guaranty association has an obligation to defend a suit, the liquidator shall defer to the obligation and may defend only in the absence of a defense by the guaranty association.

*s.* Exercise and enforce the rights, remedies, and powers of a creditor, shareholder,

policyholder, or member, including the power to avoid a transfer or lien that may be given by the general law and that is not included with sections 507C.26 through 507C.28.

*t.* Intervene in a proceeding wherever instituted that might lead to the appointment of a receiver or trustee, and act as the receiver or trustee whenever the appointment is offered.

*u.* Enter into agreements with a receiver or commissioner of insurance of any other state relating to the rehabilitation, liquidation, conservation or dissolution of an insurer doing business in both states.

*v.* Exercise powers now held or hereafter conferred upon receivers by the laws of this state not inconsistent with this chapter.

*w.* Audit the books and records of all agents of the insurer which relate to the business of the insurer.

2. This section does not limit the liquidator or exclude the liquidator from exercising a power not listed in subsection 1 that may be necessary or appropriate to accomplish the purposes of this chapter.

84 Acts, ch 1175, §21; 85 Acts, ch 67, §48; 92 Acts, ch 1117, §20, 21
Referred to in §507C.19

**507C.22 Notice to creditors and others.**

1. Unless the court otherwise directs, the liquidator shall give notice of the liquidation order as soon as possible by doing all of the following:

*a.* By first class mail and either by telegram or telephone to the insurance commissioner of each jurisdiction in which the insurer is doing business.

*b.* By first class mail to a guaranty association or foreign guaranty association which is or may become obligated as a result of the liquidation.

*c.* By first class mail to all insurance agents of the insurer.

*d.* By first class mail to all persons known or reasonably expected to have claims against the insurer, including policyholders, by mailing a notice to their last known address as indicated by the records of the insurer.

*e.* By publication in a newspaper of general circulation in the county in which the insurer has its principal place of business and in other locations as the liquidator deems appropriate.

2. Notice to potential claimants under subsection 1 shall require claimants to file with the liquidator their claims together with proper proofs of the claim under section 507C.36 on or before a date the liquidator shall specify in the notice. The liquidator need not require persons claiming cash surrender values or other investment values in life insurance and annuities to file a claim. Claimants shall keep the liquidator informed of changes of address.

3. *a.* Notice to agents of the insurer and potential claimants who are policyholders under subsection 1, where applicable, shall include notice that coverage by state guaranty associations may be available for all or part of policy benefits in accordance with applicable state guaranty laws.

*b.* The liquidator shall promptly provide to the guaranty associations such information concerning the identities and addresses of the policyholders and their policy coverages as may be within the liquidator's possession or control, and otherwise cooperate with guaranty associations to assist them in providing to the policyholders timely notice of the guaranty associations' coverage of policy benefits including, as applicable, coverage of claims and continuation or termination of coverage.

4. If notice is given pursuant to this section, the distribution of assets of the insurer under this chapter shall be conclusive with respect to claimants, whether or not a claimant actually received notice.

84 Acts, ch 1175, §22; 92 Acts, ch 1117, §22
Referred to in §507C.23, 507C.35, 507C.38

**507C.23 Duties of agents.**

1. A person, who receives notice in the form prescribed in section 507C.22 that an insurer which the person represents as an agent is the subject of a liquidation order, shall within fifteen days of the notice give notice to each policyholder or other person named in a policy issued through the agent by the insurer of the liquidation order. The notice shall be sent by

first class mail to the last address contained in the agent's records if the agent has a record of the address of the policyholder or other person. A policy is issued through an agent if the agent has a property interest in the expiration of the policy, or if the agent has had in the agent's possession a copy of the declarations of the policy at any time during the life of the policy, except where the ownership of the expiration of the policy has been transferred to another. The written notice shall include the name and address of the insurer, the name and address of the agent, identification of the policy impaired and the nature of the impairment including termination of coverage, as described in section 507C.19. Notice by a general agent satisfies the notice requirement for an agent under contract to the general agent. An agent obligated to give notice under this section shall file a report of compliance with the liquidator.

2. An agent failing to provide information as required in subsection 1 may be subject to payment of a penalty of not more than one thousand dollars and may have the agent's license suspended. The penalty is to be imposed only after a hearing held by the commissioner.

3. The liquidator may waive the duties imposed by this section if the liquidator determines that another notice to the policyholders of the insurer under liquidation is adequate.

84 Acts, ch 1175, §23; 92 Acts, ch 1117, §23

**507C.24 Actions by and against liquidator.**

1. After the issuance of an order appointing a liquidator of a domestic insurer or of an alien insurer domiciled in this state, action at law or equity shall not be brought against the insurer or liquidator in this state or elsewhere, nor shall existing actions be maintained or further presented after issuance of the order. The courts of this state shall give full faith and credit to injunctions against the liquidator or the insurer or the continuation of existing actions against the liquidator or the insurer, when the injunctions are included in an order to liquidate an insurer issued pursuant to corresponding provisions in other states. Whenever in the liquidator's judgment, protection of the estate of the insurer necessitates intervention in an action against the insurer that is pending outside this state, the liquidator may intervene in the action. The liquidator may defend, at the expense of the estate of the insurer, an action in which the liquidator intervenes under this section.

2. Within two years or such additional time as applicable law may permit, the liquidator may, after the issuance of an order for liquidation, institute an action or proceeding on behalf of the estate of the insurer upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the petition upon which the order is entered. If a period of limitation is fixed by agreement for instituting a suit or proceeding upon a claim, or for filing a claim, proof of claim, proof of loss, demand, notice, or the like, or if in a proceeding, judicial or otherwise, a period of limitation is fixed in the proceeding or pursuant to applicable law for taking an action, filing a claim or pleading, or doing an act, and if the period had not expired at the date of the filing of the petition, the liquidator may, for the benefit of the estate, take any action or do any act, required of or permitted to the insurer, within a period of one hundred eighty days subsequent to the entry of an order for liquidation, or within a further period as is shown to the satisfaction of the court not to be unfairly prejudicial to the other party.

3. A statute of limitations or defense of laches shall not run with respect to an action against an insurer between the filing of a petition for liquidation against an insurer and the denial of the petition. An action against the insurer that might have been commenced when the petition was filed may be commenced for at least sixty days after the petition is denied.

4. A guaranty association or foreign guaranty association shall have standing to appear in a court proceeding concerning the liquidation of an insurer if the association is or may become liable to act as a result of the liquidation.

84 Acts, ch 1175, §24; 92 Acts, ch 1117, §24

**507C.25 Collection and list of assets.**

1. As soon as practicable after the liquidation order but not later than one hundred twenty days thereafter, the liquidator shall prepare in duplicate a list of the insurer's assets. The list shall be amended or supplemented as the liquidator may determine. One copy shall be filed

in the office of the clerk of the court and one copy shall be retained for the liquidator's files. Amendments and supplements shall be similarly filed.

2. The liquidator shall reduce the assets to a degree of liquidity that is consistent with the effective execution of the liquidation.

3. A submission to the court for disbursement of assets in accordance with section 507C.34 fulfills the requirements of subsection 1.

84 Acts, ch 1175, §25

**507C.26 Fraudulent transfers prior to petition.**

1. A transfer made and an obligation incurred by an insurer within one year prior to the filing of a successful petition for rehabilitation or liquidation under this chapter is fraudulent as to then existing and future creditors if made or incurred without fair consideration, or with actual intent to hinder, delay, or defraud either existing or future creditors. A fraudulent transfer made or an obligation incurred by an insurer ordered to be rehabilitated or liquidated under this chapter may be avoided by the receiver, except as to a person who in good faith is a purchaser, lienor, or obligee for a present fair equivalent value. A purchaser, lienor, or obligee, who in good faith has given a consideration less than fair for such transfer, lien, or obligation, may retain the property, lien or obligation as security for repayment. The court may, on due notice, order any such transfer or obligation to be preserved for the benefit of the estate, and in that event, the receiver shall succeed to and may enforce the rights of the purchaser, lienor, or obligee.

2. *a.* A transfer of property other than real property is made when it becomes perfected so that a subsequent lien obtainable by legal or equitable proceedings on a simple contract could not become superior to the rights of the transferee under section 507C.28, subsection 3.

*b.* A transfer of real property is made when it becomes perfected so that a subsequent bona fide purchaser from the insurer could not obtain rights superior to the rights of the transferee.

*c.* A transfer which creates an equitable lien is not perfected if there are available means by which a legal lien could be created.

*d.* A transfer not perfected prior to the filing of a petition for liquidation shall be deemed to be made immediately before the filing of the successful petition.

*e.* This subsection applies whether or not there are or were creditors who might have obtained a lien or persons who might have become bona fide purchasers.

3. A transaction of the insurer with a reinsurer is fraudulent and may be avoided by the receiver under subsection 1 if both of the following exist:

*a.* The transaction consists of the termination, adjustment, or settlement of a reinsurance contract in which the reinsurer is released from any part of its duty to pay the originally specified share of losses that had occurred prior to the time of the transaction, unless the reinsurer gives a present fair equivalent value for the release.

*b.* Part of the transaction took place within one year prior to the date of filing of the petition through which the receivership was commenced.

4. A person receiving property from an insurer or any benefit from an insurer which is a fraudulent transfer under subsection 1 is personally liable for the property or benefit and shall account to the liquidator.

84 Acts, ch 1175, §26; 93 Acts, ch 88, §7

Referred to in §507C.14, 507C.21, 507C.35

**507C.27 Fraudulent transfer after petition.**

1. After a petition for rehabilitation or liquidation has been filed a transfer of real property of the insurer made to a person acting in good faith is valid against the receiver if made for a present fair equivalent value. If the transfer was not made for a present fair equivalent value, then the transfer is valid to the extent of the present consideration actually paid for which amount the transferee shall have a lien on the property transferred. The commencement of a proceeding in rehabilitation or liquidation is constructive notice upon the recording of a copy of the petition for or order of rehabilitation or liquidation with the recorder of deeds in the

county where any real property in question is located. The exercise by a court of the United States or a state or jurisdiction to authorize a judicial sale of real property of the insurer within a county in a state shall not be impaired by the pendency of a proceeding unless the copy is recorded in the county prior to the consummation of the judicial sale.

2. After a petition for rehabilitation or liquidation has been filed and before either the receiver takes possession of the property of the insurer or an order of rehabilitation or liquidation is granted:

*a.* A transfer of the property, other than real property, of the insurer made to a person acting in good faith is valid against the receiver if made for a present fair equivalent value. If the transfer was not made for a present fair equivalent value, then the transfer is valid to the extent of the present consideration actually paid for which amount the transferee shall have a lien on the property transferred.

*b.* If acting in good faith, a person indebted to the insurer or holding property of the insurer may pay the debt or deliver the property, or any part thereof, to the insurer or upon the insurer's order as if the petition were not pending.

*c.* A person having actual knowledge of the pending rehabilitation or liquidation is not acting in good faith.

*d.* A person asserting the validity of a transfer under this section shall have the burden of proof. Except as provided in this section, a transfer by or on behalf of the insurer after the date of the petition for liquidation by any person other than the liquidator shall not be valid against the liquidator.

3. A person receiving any property from the insurer or any benefit of the insurer which is a fraudulent transfer under subsection 1 is personally liable for the property or benefit and shall account to the liquidator.

4. This chapter shall not impair the negotiability of currency or negotiable instruments.

84 Acts, ch 1175, §27; 92 Acts, ch 1117, §25

Referred to in §507C.14, 507C.21, 507C.35

**507C.28 Voidable preferences and liens.**

1. *a.* A preference is a transfer of the property of an insurer to or for the benefit of a creditor for an antecedent debt made or suffered by the insurer within one year before the filing of a successful petition for liquidation under this chapter, the effect of which transfer may be to enable the creditor to obtain a greater percentage of this debt than another creditor of the same class would receive. If a liquidation order is entered while the insurer is already subject to a rehabilitation order, then the transfers are preferences if made or suffered within one year before the filing of the successful petition for rehabilitation, or within two years before the filing of the successful petition for liquidation, whichever time is shorter.

*b.* A preference may be avoided by the liquidator if any of the following exist:

(1) The insurer was insolvent at the time of the transfer.

(2) The transfer was made within four months before the filing of the petition.

(3) At the time the transfer was made, the creditor receiving it or to be benefited by the transfer or the creditor's agent acting with reference to the transfer had reasonable cause to believe that the insurer was insolvent or was about to become insolvent.

(4) The creditor receiving the transfer was an officer, or an employee, attorney or other person who was in fact in a position of comparable influence in the insurer to an officer whether or not the person held the position of an officer, or a shareholder directly or indirectly holding more than five percent of a class of an equity security issued by the insurer, or other person, firm, corporation, association, or aggregation of persons with whom the insurer did not deal at arm's length.

*c.* Where the preference is voidable, the liquidator may recover the property. If the property has been converted, the liquidator may recover its value from a person who has received or converted the property. However, if a bona fide purchaser or lienor has given less than fair equivalent value, the purchaser or lienor shall have a lien upon the property to the extent of the consideration actually given. Where a preference by way of lien or security interest is voidable, the court may on due notice order the lien or security interest

to be preserved for the benefit of the estate, in which event the lien or title shall pass to the liquidator.

2. *a.* A transfer of property other than real property is made when it becomes perfected so that a subsequent lien obtainable by legal or equitable proceedings on a simple contract could not become superior to the rights of the transferee.

*b.* A transfer of real property is made when it becomes perfected so that a subsequent bona fide purchaser from the insurer could not obtain rights superior to the rights of the transferee.

*c.* A transfer which creates an equitable lien is not perfected if there are available means by which a legal lien could be created.

*d.* A transfer not perfected prior to the filing of a petition for liquidation shall be deemed to be made immediately before the filing of the successful petition.

*e.* This subsection applies whether or not there are or were creditors who might have obtained liens or persons who might have become bona fide purchasers.

3. *a.* A lien obtainable by legal or equitable proceedings upon a simple contract is one arising in the ordinary course of the proceedings upon the entry or docketing of a judgment or decree, or upon attachment, garnishment, execution, or like process, whether before, upon, or after judgment or decree and whether before or upon levy. It does not include liens which under applicable law are given a special priority over other liens which are prior in time.

*b.* A lien obtainable by legal or equitable proceedings could become superior to the rights of a transferee, or a purchaser could obtain rights superior to the rights of a transferee within the meaning of subsection 2, if such consequences would follow only from the lien or purchase itself, or from the lien or purchase followed by a step wholly within the control of the respective lienholder or purchaser, with or without the aid of ministerial action by public officials. However, a lien could not become superior and a purchase could not create superior rights for the purpose of subsection 2 through an act subsequent to the obtaining of a lien or subsequent to a purchase which requires the agreement or concurrence of any third party or which requires further judicial action or ruling.

4. A transfer of property for or on account of a new and contemporaneous consideration, which is under subsection 2 made or suffered after the transfer because of delay in perfecting it, does not become a transfer for or on account of an antecedent debt if any acts required by the applicable law to be performed in order to perfect the transfer as against liens or bona fide purchasers' rights are performed within twenty-one days or any period expressly allowed by the law, whichever is less. A transfer to secure a future loan, if a loan is actually made, or a transfer which becomes security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration.

5. If a lien voidable under subsection 1, paragraph "*b*" has been dissolved by the furnishing of a bond or other obligation, the surety on which has been indemnified directly or indirectly by the transfer of or the creation of a lien upon property of an insurer before the filing of a petition under this chapter which results in a liquidation order, the indemnifying transfer or lien is also voidable.

6. The property affected by a lien voidable under subsections 1 and 5 is discharged from the lien. The property and any of the indemnifying property transferred to or for the benefit of a surety shall pass to the liquidator. However, the court may on due notice order a lien to be preserved for the benefit of the estate and the court may direct that the conveyance be executed to evidence the title of the liquidator.

7. The court shall have summary jurisdiction of a proceeding by the liquidator to hear and determine the rights of parties under this section. Reasonable notice of hearing in the proceeding shall be given to all parties in interest, including the obligee of a releasing bond or other like obligation. Where an order is entered for the recovery of indemnifying property in kind or for the avoidance of an indemnifying lien, upon application of any party in interest, the court shall in the same proceeding ascertain the value of the property or lien. If the value is less than the amount for which the property is indemnity or than the amount of the lien, the transferee or lienholder may elect to retain the property or lien upon payment of its value, as ascertained by the court, to the liquidator within time as the court shall fix.

8. The liability of a surety under a releasing bond or other like obligation shall be

discharged to the extent of the value of the indemnifying property recovered or the indemnifying lien nullified and avoided by the liquidator. Where the property is retained under subsection 7, the liability of the surety shall be discharged to the extent of the amount paid to the liquidator.

9. If a creditor has been preferred for property which becomes a part of the insurer's estate, and afterward in good faith gives the insurer further credit without security of any kind, the amount of the new credit remaining unpaid at the time of the petition may be set off against the preference which would otherwise be recoverable from the creditor.

10. If within four months before the filing of a successful petition for liquidation under this chapter, or at any time in contemplation of a proceeding to liquidate an insurer directly or indirectly, pays money or transfers property to an attorney for services rendered or to be rendered, the transaction may be examined by the court on its own motion or shall be examined by the court on petition of the liquidator. The payment or transfer shall be held valid only to the extent of a reasonable amount to be determined by the court. The excess may be recovered by the liquidator for the benefit of the estate. However, where the attorney is in a position of influence in the insurer or an affiliate, payment of any money or the transfer of any property to the attorney for services rendered or to be rendered shall be governed by the provision of subsection 1, paragraph "*b*", subparagraph (4).

11. *a.* An officer, manager, employee, shareholder, member, subscriber, attorney, or any other person acting on behalf of the insurer who knowingly participates in giving any preference when the person has reasonable cause to believe the insurer is or is about to become insolvent at the time of the preference is personally liable to the liquidator for the amount of the preference. There is an inference that reasonable cause exists if the transfer was made within four months before the date of filing of this successful petition for liquidation.

*b.* A person receiving property from the insurer or the benefit thereof as a preference voidable under subsection 1 is personally liable for the property and shall account to the liquidator.

*c.* This subsection shall not prejudice any other claim by the liquidator against any person.

84 Acts, ch 1175, §28; 2013 Acts, ch 30, §120

Referred to in §507C.21, 507C.26, 507C.28A, 507C.35

Subsection 1, paragraph b, subparagraph (4) amended

**507C.28A Qualified financial contracts.**

1. Notwithstanding any other provision of this chapter to the contrary, including any other provision of this chapter permitting the modification of contracts, or other law of a state, a person shall not be stayed or prohibited from exercising any of the following:

*a.* A contractual right to terminate, liquidate, or close out any netting agreement or qualified financial contract with an insurer because of any of the following:

(1) The insolvency, financial condition, or default of the insurer at any time, provided that the right is enforceable under applicable law other than this chapter.

(2) The commencement of a formal delinquency proceeding under this chapter.

*b.* Any right under a pledge, security, collateral, or guarantee agreement or any other similar security arrangement or credit support document relating to a netting agreement or qualified financial contract.

*c.* Subject to any provision of section 507C.30, subsection 2, any right to set off or net out any termination value, payment amount, or other transfer obligation arising under or in connection with a netting agreement or qualified financial contract where the counterparty or its guarantor is organized under the laws of the United States or a state or foreign jurisdiction approved by the securities valuation office or the national association of insurance commissioners as eligible for netting.

2. Upon termination of a netting agreement, the net or settlement amount, if any, owed by a nondefaulting party to an insurer against which an application or petition has been filed under this chapter shall be transferred to or on the order of the receiver for the insurer, even if the insurer is the defaulting party, notwithstanding any provision in the netting agreement that may provide that the nondefaulting party is not required to pay any net or settlement

amount due to the defaulting party upon termination. Any limited two-way payment provision in a netting agreement with an insurer that has defaulted shall be deemed to be a full two-way payment provision as against the defaulting insurer. Any such amount shall, except to the extent it is subject to one or more secondary liens or encumbrances, be a general asset of the insurer.

3. In making any transfer of a netting agreement or qualified financial contract of an insurer subject to a proceeding under this chapter, the receiver shall do either of the following:

*a.* Transfer to one party, other than an insurer subject to a proceeding under this chapter, all netting agreements and qualified financial contracts between a counterparty or any affiliate of the counterparty and the insurer that is the subject of the proceeding, including all of the following:

(1) All rights and obligations of each party under each such netting agreement and qualified financial contract.

(2) All property, including any guarantees or credit support documents, securing any claims of each party under each such netting agreement and qualified financial contract.

*b.* Transfer none of the netting agreements, qualified financial contracts, rights, obligations, or property referred to in paragraph *"a"* with respect to the counterparty and any affiliate of the counterparty.

4. If a receiver for an insurer makes a transfer of one or more netting agreements or qualified financial contracts, the receiver shall use the receiver's best efforts to notify any person who is a party to the netting agreements or qualified financial contracts of the transfer by noon of the receiver's local time on the business day following the transfer. For purposes of this subsection, *"business day"* means a day other than a Saturday, Sunday, or any day on which either the New York stock exchange or the federal reserve bank of New York is closed.

5. Notwithstanding any other provision of this chapter to the contrary, a receiver shall not avoid a transfer of money or other property arising under or in connection with a netting agreement or qualified financial contract, or any pledge security, collateral, or guarantee agreement or any other similar security arrangement or credit support document relating to a netting agreement or qualified financial contract, that is made before the commencement of a formal delinquency proceeding under this chapter. However, a transfer may be avoided under section 507C.28 if the transfer was made with actual intent to hinder, delay, or defraud the insurer, a receiver appointed for the insurer, or existing or future creditors.

6. In exercising any of its powers under this chapter to disaffirm or repudiate a netting agreement or qualified financial contract, the receiver must take action with respect to each netting agreement or qualified financial contract and all transactions entered into in connection therewith, in its entirety. Notwithstanding any other provision of this chapter to the contrary, any claim of a counterparty against the estate arising from the receiver's disaffirmance or repudiation of a netting agreement or qualified financial contract that has not been previously affirmed in the liquidation or in the immediately preceding rehabilitation case shall be determined and shall be allowed or disallowed as if the claim had arisen before the date of the filing of the petition for liquidation or, if a rehabilitation proceeding is converted to a liquidation proceeding, as if the claim had arisen before the date of filing the petition for rehabilitation. The amount of the claim shall be the actual direct compensatory damages determined as of the date of the disaffirmance or repudiation of the netting agreement or qualified financial contract. The term *"actual direct compensatory damages"* does not include punitive or exemplary damages, damages for lost profit or lost opportunity, or damages for pain and suffering, but does include normal and reasonable costs of cover or other reasonable measures of damages utilized in the derivatives market for the contract and agreement claims.

7. The term *"contractual right"* as used in this section includes any right, whether or not evidenced in writing, arising under statutory or common law, a rule or bylaw of a national securities exchange, national securities clearing organization or securities clearing agency, a rule or bylaw, or a resolution of the governing body of a contract market or its clearing organization, or under law merchant.

8. This section shall not apply to persons who are affiliates of the insurer that is the subject of the proceeding.

9. All rights of a counterparty under this chapter shall apply to netting agreements and qualified financial contracts entered into on behalf of the general account or separate accounts, provided that the assets of each separate account are available only to counterparties to netting agreements and qualified financial contracts entered into on behalf of that separate account.

2005 Acts, ch 70, §5

**507C.29 Claims of holders of void or voidable rights.**

1. A claim of a creditor who has received or acquired a preference, lien, conveyance, transfer, assignment, or encumbrance, voidable under this chapter shall not be allowed unless the creditor surrenders the preference, lien, conveyance, transfer, assignment, or encumbrance. If the avoidance is effected by a proceeding in which a final judgment has been entered, the claim shall not be allowed unless the money is paid or the property is delivered to the liquidator within thirty days from the date of the entering of the final judgment. However, the court having jurisdiction over the liquidation may allow further time if there is an appeal or other continuation of the proceeding.

2. A claim allowable under subsection 1 by reason of a voluntary or involuntary avoidance, preference, lien, conveyance, transfer, assignment, or encumbrance may be filed as an excused late filing under section 507C.35 if filed within thirty days from the date of the avoidance or within the further time allowed by the court under subsection 1.

84 Acts, ch 1175, §29

Referred to in §507C.35

**507C.30 Setoffs.**

1. Except as provided in subsection 2 and section 507C.33 mutual debts or mutual credits between the insurer and another person in connection with an action or proceeding under this chapter shall be set off and the balance only shall be allowed or paid.

2. *a.* A setoff shall not be allowed in favor of a person where any of the following are found:

(1) At the date of the filing of a petition for liquidation, the obligation of the insurer to the person would not entitle the person to share as a claimant in the assets of the insurer.

(2) The obligation of the insurer to the person was purchased by or transferred to the person with a view to its being used as a setoff.

(3) The obligation of the insurer is owed to the affiliate of such person, or any other entity or association other than the person.

(4) The obligation of the person is owed to the affiliate of the insurer, or any other entity or association other than the insurer.

(5) The obligation of the person is to pay an assessment levied against the members or subscribers of the insurer, or is to pay a balance upon a subscription to the capital stock of the insurer, or is in any other way in the nature of a capital contribution.

(6) The obligation of the person is to pay earned premiums to the insurer.

*b.* Nothing in paragraph "*a*", however, restricts the right of a person to set off premium due to or from the insurer pursuant to a reinsurance contract.

84 Acts, ch 1175, §30; 92 Acts, ch 1117, §26; 96 Acts, ch 1045, §1; 2005 Acts, ch 70, §6

Referred to in §507C.28A

**507C.31 Assessments.**

1. As soon as practicable but not more than two years from the date of an order of liquidation under section 507C.18 of an insurer issuing assessable policies, the liquidator shall make a report to the court setting forth all of the following:

*a.* The reasonable value of the assets of the insurer.

*b.* The insurer's probable total liabilities.

*c.* The probable aggregate amount of the assessment necessary to pay claims of creditors and expenses in full, including expenses of administration and costs of collecting the assessment.

*d.* A recommendation as to whether an assessment should be made and, if so, in what amount.

2. *a.* Upon the basis of the report provided in subsection 1 and any supplement or amendment to the report, the court may levy one or more assessments against all members of the insurer who are subject to assessment.

*b.* Subject to any applicable legal limits on assessability, the aggregate assessment shall be for the amount that the sum of the probable liabilities, the expenses of administration, and the estimated cost of collection of the assessment, exceeds the value of existing assets. Due regard shall be given to assessments that cannot be collected economically.

3. After levy of assessment under subsection 2, the liquidator shall issue an order directing a member who has not paid the assessment pursuant to the order to show cause why the liquidator should not pursue a judgment for the assessment.

4. The liquidator shall give notice of the order to show cause by publication and by first class mail to a member liable under the order. The notice shall be mailed to the member's last known address as it appears on the insurer's records at least twenty days before the return day of the order to show cause.

5. *a.* If a member does not appear and serve duly verified objections upon the liquidator on or before the return day of the order to show cause under subsection 3, the court shall order the adjudging member to be liable for the amount of the assessment plus costs. The liquidator shall have a judgment against the member for the amount entered in the order.

*b.* If on or before the return day, the member appears and serves duly verified objections upon the liquidator, the commissioner may hear and determine the matter or may appoint a referee to hear it and make such order as the facts warrant. If the commissioner determines that the objections do not warrant relief from assessment, the member may request the court to review the matter and vacate the order to show cause.

6. The liquidator may enforce an order or collect a judgment under subsection 5 by any lawful means.

84 Acts, ch 1175, §31

**507C.32 Reinsurer's liability.**

Notwithstanding a provision in the reinsurance contract or other agreement, the amount recoverable by the liquidator from reinsurers shall not be reduced as a result of delinquency proceedings. Payment made directly to an insured or other creditor shall not diminish the reinsurer's obligation to the insurer's estate except when either of the following applies:

1. The contract or other written agreement specifically provides for another payee of the reinsurance in the event of the insolvency of the ceding insurer.

2. The assuming insurer, with the consent of the direct insured, has assumed the policy obligations of the ceding insurer as direct obligations of the assuming insurer to the payees under the policies and in substitution for the obligations of the ceding insurer to the payees.

84 Acts, ch 1175, §32; 98 Acts, ch 1057, §2

**507C.33 Recovery of premiums owed.**

1. *a.* An agent, broker, premium finance company or any other person responsible for the payment of a premium is obligated to pay an unpaid premium for the full policy term due the insurer at the time of the declaration of insolvency, whether earned or unearned, as shown on the records of the insurer. The liquidator shall also have the right to recover from the person any part of an unearned premium that represents commission of the person. Credits or setoffs or both shall not be allowed to an agent, broker, or premium finance company for amounts advanced to the insurer by the agent, broker, or premium finance company on behalf of, but in the absence of a payment by, the insured.

*b.* Notwithstanding paragraph "*a*", the agent, broker, premium finance company, or other person, is not liable for uncollected unearned premium of the insurer. A presumption exists that the premium as shown on the books of the insurer is collected and the burden is upon the agent, broker, premium finance company, or other person to demonstrate by a preponderance of the evidence that the unearned premium was not actually collected. For purposes of this paragraph, "*unearned premium*" means that portion of an insurance premium covering the unexpired term of the policy or the unexpired period of the policy period.

*c.* An insured is obligated to pay an unpaid earned premium due the insurer as shown on the records of the insurer at the time of the declaration of insolvency.

2. Upon satisfactory evidence of a violation of this section, the commissioner may pursue either one or both of the following courses of action:

*a.* Suspend or revoke or refuse to renew the licenses of the offending party or parties.

*b.* Impose a penalty of not more than one thousand dollars for each act in violation of this section by the party or parties.

3. Before the commissioner shall take any action as set forth in subsection 2, the commissioner shall give written notice to the person, company, association, or exchange accused of violating the law, stating specifically the nature of the alleged violation, and fixing a time and place, at least ten days thereafter, when a hearing on the matter shall be held. After such hearing, or upon failure of the accused to appear at the hearing, if a violation is found the commissioner shall impose those penalties under subsection 2 as deemed advisable.

4. When the commissioner shall take action in any or all of the ways set out in subsection 2, the party aggrieved may appeal from the action to court.

84 Acts, ch 1175, §33; 91 Acts, ch 213, §3
Referred to in §507C.30

**507C.34 Domiciliary liquidator's proposal to distribute assets.**

1. Within one hundred twenty days of a final determination of insolvency under this chapter as assets become available, the liquidator shall make application to the court for approval of a proposal to disburse assets out of marshaled assets to a guaranty association or foreign guaranty association having obligations because of the insolvency. An application and disbursement of assets shall be made from time to time as assets become available. If the liquidator determines that there are insufficient assets to disburse, the application required by this section shall be considered satisfied by a filing by the liquidator stating the reasons for this determination.

2. The proposal shall at least include provisions for all of the following:

*a.* Reserving amounts for the payment of all the following:

(1) Expenses of administration.

(2) To the extent of the value of the security held, the payment of claims of secured creditors.

(3) Claims falling within the priorities established in section 507C.42, subsection 1.

*b.* Disbursement of the assets marshaled to date and subsequent disbursement of assets as they become available.

*c.* Equitable allocation of disbursements to each of the guaranty associations and foreign guaranty associations entitled to disbursements.

*d.* The securing by the liquidator from each of the associations entitled to disbursements of an agreement to return to the liquidator the assets, together with income earned on assets previously disbursed, as may be required to pay claims of secured creditors and claims falling within the priorities established in section 507C.42 in accordance with the priorities. A bond shall not be required of an association.

*e.* A full report to be made by each association to the liquidator accounting for assets so disbursed to the association, all disbursements made from the assets, interest earned by the association on the assets and any other matter as the court may direct.

3. The liquidator's proposal shall provide for disbursements to the associations in amounts estimated at least equal to the claim payments made or to be made for which the associations could assert a claim against the liquidator. The proposal shall provide that if the assets available for disbursement do not equal or exceed the amount of the claim payments made or to be made by the association then disbursements shall be in the amount of available assets.

4. With respect to an insolvent insurer writing life or health insurance or annuities, the liquidator's proposal shall provide for disbursements of assets to a guaranty association or a foreign guaranty association covering life or health insurance or annuities or to any

other entity or organization reinsuring, assuming, or guaranteeing policies or contracts of insurance under the acts creating the associations.

5. Notice of the application shall be given to the association in and to the commissioners of insurance of each of the states. Notice is given when deposited in the United States certified mails, first class postage prepaid, at least thirty days prior to submission of the application to the court. Action on the application may be taken by the court provided the required notice has been given and that the liquidator's proposal complies with subsection 2, paragraphs *"a"* and *"b"*.

84 Acts, ch 1175, §34; 92 Acts, ch 1117, §27; 97 Acts, ch 186, §3
Referred to in §507C.25, 508C.8

**507C.35 Filing of claims.**

1. Proof of all claims shall be filed with the liquidator in the form required by section 507C.36 on or before the last day for filing specified in the notice required under section 507C.22. However, proof of claims for cash surrender values or other investment values in life insurance and annuities need not be filed unless the liquidator expressly so requires.

2. The liquidator may permit a claimant making a late filing to share in distributions, whether past or future, as if the claimant were not late, to the extent that the payment will not prejudice the orderly administration of the liquidation under any of the following circumstances:

*a.* The existence of the claim was not known to the claimant and that the claimant filed the claim as promptly thereafter as reasonably possible after learning of it.

*b.* A transfer to a creditor was avoided under sections 507C.26 through 507C.28, or was voluntarily surrendered under section 507C.29, and that the filing satisfies the conditions of section 507C.29.

*c.* The valuation under section 507C.41 of security held by a secured creditor shows a deficiency, which is filed within thirty days after the valuation.

3. The liquidator shall permit late filing claims to share in distributions, whether past or future, as if they were not late, if the claims are claims of a guaranty association or foreign guaranty association for reimbursement of covered claims paid or expenses incurred, or both, subsequent to the last day for filing where the payments were made and expenses incurred as provided by law.

4. The liquidator may consider any claim filed late which is not covered by subsection 2, and permit it to receive distributions which are subsequently declared on any claims of the same or lower priority if the payment does not prejudice the orderly administration of the liquidation. The late-filing claimant shall receive at each distribution the same percentage of the amount allowed on the claim as is then being paid to claimants of any lower priority. This shall continue until the claim has been paid in full.

84 Acts, ch 1175, §35
Referred to in §507C.29, 507C.37, 507C.56

**507C.36 Proof of claim.**

1. Proof of claim shall consist of a statement signed by the claimant that includes all of the following that are applicable:

*a.* The particulars of the claim including the consideration given for it.

*b.* The identity and amount of the security on the claim.

*c.* The payments, if any, made on the debt.

*d.* A statement that the sum claimed is justly owing and that there is no setoff, counterclaim, or defense to the claim.

*e.* Any right of priority of payment or other specific right asserted by the claimant.

*f.* A copy of the written instrument which is the foundation of the claim.

*g.* The name and address of the claimant and the attorney who represents the claimant, if any.

2. A claim need not be considered or allowed if it does not contain all the information in subsection 1 which is applicable. The liquidator may require that a prescribed form be used and may require that other information and documents be included.

3. At any time the liquidator may request the claimant to present information or evidence supplementary to that required under subsection 1 and may take testimony under oath, require production of affidavits or depositions, or otherwise obtain additional information or evidence.

4. A judgment or order against an insured or the insurer entered after the date of filing of a successful petition for liquidation, or a judgment or order against an insured or the insurer entered at any time by default or by collusion need not be considered as evidence of liability or of quantum of damages. A judgment or order against an insured or the insurer entered within four months before the filing of the petition need not be considered as evidence of liability or of the quantum of damages.

5. Claims of a guaranty association or foreign guaranty association shall be in the form and contain the substantiation as may be agreed to by the association and the liquidator.

84 Acts, ch 1175, §36
Referred to in §507C.22, 507C.35, 507C.56

**507C.37 Special claims.**

1. The claim of a third party which is contingent only on the third party first obtaining a judgment against the insured shall be considered and allowed as if there were no such contingency.

2. A claim may be allowed even if contingent, if it is filed in accordance with section 507C.35. It may be allowed and the claimant may participate in all distributions declared after it is filed to the extent that it does not prejudice the orderly administration of the liquidation.

3. Claims that are due except for the passage of time shall be treated as absolute claims are treated. However, the claims may be discounted at the legal rate of interest.

4. Claims made under employment contracts by directors, principal officers, or persons in fact performing similar functions or having similar powers are limited to payment for services rendered prior to the issuance of an order of rehabilitation or liquidation under section 507C.13 or 507C.18.

84 Acts, ch 1175, §37
Referred to in §507C.18, 507C.45

**507C.38 Special provisions for third-party claims.**

1. If a third party asserts a cause of action against an insured of an insurer in liquidation, the third party may file a claim with the liquidator.

2. Whether or not the third party files a claim, the insured may file a claim on the insured's own behalf in the liquidation. If the insured fails to file a claim by the date for filing claims specified in the order of liquidation or within sixty days after mailing of the notice required by section 507C.22, whichever is later, the insured is an unexcused late filer.

3. The liquidator shall make recommendations to the court under section 507C.42, for the allowance of an insured's claim under subsection 2 after consideration of the probable outcome of a pending action against the insured on which the claim is based, the probable damages recoverable in the action and the probable costs and expenses of defense. After allowance by the court, the liquidator shall withhold dividends payable on the claim, pending the outcome of litigation and negotiation with the insured. If it seems appropriate, the liquidator shall reconsider the claim on the basis of additional information and amend the recommendations to the court. The insured shall be afforded the same notice and opportunity to be heard on all changes in the recommendation as in its initial determination. The court may amend its allowance as it finds appropriate. As claims against the insured are settled or barred, the insured shall be paid from the amount withheld the same percentage dividend as was paid on other claims of like property, based on the lesser of:

*a.* The amount actually recovered from the insured by action or paid by agreement plus the reasonable costs and expenses of defense.

*b.* The amount allowed on the claims by the court. After all claims are settled or barred, any sum remaining from the amount withheld shall revert to the undistributed assets of the insurer. Delay in final payment under this subsection shall not be a reason for unreasonable delay of final distribution and discharge of the liquidator.

4. If several claims founded upon one policy are filed, whether by third parties or as claims by the insured under this section, and the aggregate allowed amount of the claims to which the same limit of liability in the policy is applicable exceeds that limit, each claim as allowed shall be reduced in the same proportion so that the total equals the policy limit. Claims by the insured shall be evaluated as in subsection 3. If any insured's claim is subsequently reduced under subsection 3, the amount thus freed shall be apportioned ratably among the claims which have been reduced under this subsection.

5. A claim may not be presented under this section if it is or may be covered by any guaranty association or foreign guaranty association.

84 Acts, ch 1175, §38

**507C.39 Disputed claims.**

1. If a claim is denied in whole or in part by the liquidator, written notice of the determination shall be given to the claimant or the claimant's attorney by first class mail at the address shown in the proof of claim. Within sixty days from the mailing of the notice, the claimant may file objections with the liquidator. Unless a filing is made, the claimant may not further object to the determination.

2. If objections are filed with the liquidator and the liquidator does not alter the denial of the claim as a result of the objections, the liquidator shall ask the court for a hearing as soon as practicable and give notice of the hearing by first class mail to the claimant or the claimant's attorney and to any other persons directly affected. The notice shall be given not less than ten nor more than thirty days before the date of the hearing. The matter shall be heard by the court or by a court-appointed referee. The referee shall submit findings of fact along with a recommendation.

84 Acts, ch 1175, §39

Referred to in §507C.43, 507C.56

**507C.40 Claims of other person.**

If a creditor, whose claim against an insurer is secured in whole or in part by the undertaking of another person, fails to prove and file that claim, then the other person may do so in the creditor's name and shall be subrogated to the rights of the creditor, whether the claim has been filed by the creditor or by the other person in the creditor's name to the extent that the other person discharges the undertaking. However, in the absence of an agreement with the creditor to the contrary, the other person is not entitled to any distribution until the amount paid to the creditor on the undertaking plus the distributions paid on the claim from the insurer's estate to the creditor equal the amount of the entire claim of the creditor. An excess received by the creditor shall be held by the creditor in trust for the other person. As used in this section, "*other person*" is not intended to apply to a guaranty association or foreign guaranty association.

84 Acts, ch 1175, §40; 92 Acts, ch 1117, §28

**507C.41 Secured creditor's claims.**

1. The value of security held by a secured creditor shall be determined in one of the following ways, as the court may direct:

*a.* By converting the security into money according to the terms of the agreement pursuant to which the security was delivered to the creditors.

*b.* By agreement, arbitration, compromise or litigation between the creditor and the liquidator.

2. The determination shall be under the supervision and control of the court with due regard for the recommendation of the liquidator. The amount so determined shall be credited upon the secured claim. A deficiency shall be treated as an unsecured claim. If the claimant surrenders the security to the liquidator, the entire claim shall be allowed as if unsecured.

84 Acts, ch 1175, §41

Referred to in §507C.35, 507C.58

**507C.42 Priority of distribution.**

The priority of distribution of claims from the insurer's estate shall be in accordance with the order in which each class of claims is set forth. Claims in each class shall be paid in full or adequate funds retained for the payment before the members of the next class receive any payment. Subclasses shall not be established within a class. As used in this section, *"insurer's estate"* means the general assets of the insurer. The order of distribution of claims is:

1. *Class 1.* The costs and expenses of administration, including but not limited to the following:

*a.* The actual and necessary costs of preserving or recovering the assets of the insurer.

*b.* Compensation for all authorized services rendered in the liquidation.

*c.* Necessary filing fees.

*d.* The fees and mileage payable to witnesses.

*e.* Authorized reasonable attorney's fees and other professional services rendered in the liquidation.

*f.* The reasonable expenses of a guaranty association or foreign guaranty association in handling claims.

2. *Class 2.* Claims under policies, including claims of the federal or any state or local government, for losses incurred, including third-party claims, claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property which are not under policies, claims of a guaranty association or foreign guaranty association, claims under funding agreements as provided in section 508.31A, subsection 3, claims for an insufficiency in the assets allocated to and accumulated in a separate account as provided in section 508A.1, subsection 8, and claims for unearned premium. Claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. That portion of a loss, indemnification for which is provided by other benefits or advantages recovered by the claimant, shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. A payment by an employer to an employee is not a gratuity.

3. *Class 3.* Claims of the federal government except those under class 2.

4. *Class 4.* Reasonable compensation to employees for services performed to the extent that they do not exceed two months of monetary compensation and represent payment for services performed within one year before the filing of the petition for liquidation or, if the rehabilitation preceded liquidation, within one year before the filing of the petition for rehabilitation. Officers and directors are not entitled to the benefit of this priority. The priority is in lieu of other similar priority which may be authorized by law as to wages or compensation of employees.

5. *Class 5.* Claims of general creditors, including claims of ceding and assuming reinsurers in their capacity as such, and subrogation claims.

6. *Class 6.* Claims of any state or local government except those under class 2. Claims, including those of a governmental body for a penalty or forfeiture, are allowed in this class only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs incurred. The remainder of such claims shall be postponed to the class of claims under subsection 9.

7. *Class 7.* Claims filed late or any other claims other than claims under subsections 8 and 9.

8. *Class 8.* Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Payments to members of domestic mutual insurance companies are limited in accordance with law.

9. *Class 9.* The claims of shareholders or other owners.

84 Acts, ch 1175, §42; 92 Acts, ch 1117, §29; 93 Acts, ch 88, §8; 94 Acts, ch 1023, §114; 97 Acts, ch 186, §4; 2006 Acts, ch 1117, §28, 29

Referred to in §507C.20, 507C.21, 507C.34, 507C.38, 507C.45, 507C.55, 507C.59, 508.31A, 508A.1

**507C.43 Liquidator's recommendations to the court.**

1. The liquidator shall review claims duly filed in the liquidation and shall make further

investigation as necessary. The liquidator may compound, compromise or in any other manner negotiate the amount for which claims will be recommended to the court except where the liquidator is required by law to accept claims as settled by a person or organization, including a guaranty association or foreign guaranty association. Unresolved disputes shall be determined under section 507C.39. As soon as practicable, the liquidator shall present to the court a report of the claims against the insurer with the liquidator's recommendations. The report shall include the name and address of each claimant and the amount of the claim finally recommended. If the insurer has issued annuities or life insurance policies, the liquidator shall report the persons to whom, according to the records of the insurer, amounts are owed as cash surrender values or other investment value and the amounts owed.

2. The court may approve, disapprove, or modify the report on claims by the liquidator. Reports not modified by the court within sixty days following submission by the liquidator shall be treated by the liquidator as allowed claims, subject to later modification or to rulings made by the court pursuant to section 507C.39. A claim under a policy of insurance shall not be allowed for an amount in excess of the applicable policy limits.

84 Acts, ch 1175, §43

Referred to in §507C.56

**507C.44 Distribution of assets.**

Under the direction of the court, the liquidator shall pay distributions in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims, including third-party claims. Distribution of assets in kind may be made at valuations set by agreement between the liquidator and the creditor and approved by the court.

84 Acts, ch 1175, §44

**507C.45 Unclaimed and withheld funds.**

1. Unclaimed funds subject to distribution remaining in the liquidator's hands when the liquidator is ready to apply to the court for discharge, including the amount distributable to a creditor, shareholder, member, or other person who is unknown or cannot be found, shall be deposited with the state treasurer, and shall be paid without interest, except in accordance with section 507C.42, to the person entitled or the person's legal representative upon proof satisfactory to the state treasurer of the right to the funds. An amount on deposit not claimed within six years from the discharge of the liquidator is deemed to have been abandoned and shall become the property of the state without formal escheat proceedings and be deposited with the general fund.

2. Funds withheld under section 507C.37 and not distributed shall upon discharge of the liquidator be deposited with the state treasurer and paid in accordance with section 507C.42. Sums remaining which under section 507C.42 would revert to the undistributed assets of the insurer shall be transferred to the state treasurer and become the property of the state under subsection 1, unless the commissioner in the commissioner's discretion petitions the court to reopen the liquidation under section 507C.47.

3. Notwithstanding any other provision of this chapter, funds as identified in subsection 1, with the approval of the court, shall be made available to the commissioner for use in the detection and prevention of future insolvencies. The commissioner shall hold these funds and shall pay without interest, except as provided in section 507C.42, to the person entitled to the funds or the person's legal representative upon proof satisfactory to the commissioner of the person's right to the funds. The funds shall be held by the commissioner for a period of two years at which time the rights and duties to the unclaimed funds shall vest in the commissioner.

84 Acts, ch 1175, §45; 92 Acts, ch 1117, §30

**507C.46 Termination of proceedings.**

1. When all assets justifying the expense of collection and distribution have been collected and distributed under this chapter, the liquidator shall apply to the court for discharge. The

court may grant the discharge and make any other orders, including an order to transfer remaining funds that are uneconomical to distribute, as appropriate.

2. Any other person may apply to the court at any time for an order under subsection 1. If the application is denied, the applicant shall pay the costs and expenses of the liquidator in resisting the application including a reasonable attorney fee.

84 Acts, ch 1175, §46; 92 Acts, ch 1117, §31

**507C.47 Reopening liquidation.**

At any time after the liquidation proceeding has been terminated and the liquidator discharged, the commissioner or other interested party may petition the court to reopen the proceedings for good cause including the discovery of additional assets. The court shall order the proceeding reopened if it is satisfied that there is justification for the reopening.

84 Acts, ch 1175, §47

Referred to in §507C.45

**507C.48 Disposition of records during and after termination of liquidation.**

If it appears to the commissioner that the records of an insurer in process of liquidation or completely liquidated are no longer useful, the commissioner may recommend to the court and the court shall direct what records shall be retained for future reference and what shall be destroyed.

84 Acts, ch 1175, §48

**507C.49 External audit of the receiver's books.**

The court may order audits to be made of the books of the commissioner relating to a receivership established under this chapter, and a report of each audit shall be filed with the commissioner and with the court. The books, records, and other documents of the receivership shall be made available to the auditor at any time without notice. The expense of an audit shall be considered a cost of administration of the receivership.

84 Acts, ch 1175, §49

## DIVISION IV

## INTERSTATE RELATIONS

**507C.50 Conservation of property of foreign or alien insurers found in this state.**

1. If a domiciliary liquidator has not been appointed, the commissioner may apply to the court by verified petition for an order directing the commissioner to act as conservator to conserve the property of an alien insurer not domiciled in this state or a foreign insurer on any of the following grounds:

*a.* Any of the grounds in section 507C.12.

*b.* That property has been sequestered by official action in the insurer's domiciliary state, or in any other state.

*c.* That enough of its property has been sequestered in a foreign country to give reasonable cause to fear that the insurer is or may become insolvent.

*d.* That both of the following are found:

(1) That its certificate of authority to do business in this state has been revoked or that no certificate was ever issued.

(2) That there are residents of this state with outstanding claims or outstanding policies.

2. When an order is sought under subsection 1, the court shall cause the insurer to be given notice and time to respond to the petition as is reasonable under the circumstances.

3. The court may issue the order in whatever terms it deems appropriate. The filing or recording of the order with the clerk of court or the recorder of deeds of the county in which the principal business of the company is located or the county in which its principal office or place of business is located is the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that recorder of deeds.

4. The conservator may at any time petition for and the court may grant an order under section 507C.51 to liquidate assets of a foreign or alien insurer under conservation, or, for an order under section 507C.53, to be appointed ancillary receiver.

5. The conservator may at any time petition the court for an order terminating conservation of an insurer. If the court finds that the conservation is no longer necessary, it shall order that the insurer be restored to possession of its property and the control of its business. The court may also make such finding and issue such order at any time upon motion of any interested party, but if the motion is denied costs shall be assessed against the party.

84 Acts, ch 1175, §50; 85 Acts, ch 67, §49
Referred to in §507C.51, 507C.52

**507C.51 Liquidation of property of foreign or alien insurers found in this state.**

1. If a domiciliary receiver has not been appointed, the commissioner may apply to the court by verified petition for an order directing the commissioner to liquidate the assets found in this state of a foreign insurer or an alien insurer not domiciled in this state on any of the following grounds:

*a.* Any of the grounds in section 507C.12 or 507C.17.

*b.* Any of the grounds specified in section 507C.50, subsection 1, paragraphs *"b"* through *"d"*.

2. When an order is sought under subsection 1, the court shall cause the insurer to be given notice and time to respond to the petition as is reasonable under the circumstances.

3. If it appears to the court that the best interests of creditors, policyholders, and the public require, the court may issue an order to liquidate in whatever terms it deems appropriate. The filing or recording of the order with the clerk of the court or the recorder of deeds of the county in which the principal business of the company is located or the county in which its principal office or place of business is located, is same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that recorder of deeds.

4. If a domiciliary liquidator is appointed in a reciprocal state while a liquidation is proceeding under this section, the liquidator under this section shall act as ancillary receiver under section 507C.53. If a domiciliary liquidator is appointed in a nonreciprocal state while a liquidation is proceeding under this section, the liquidator under this section may petition the court for permission to act as ancillary receiver under section 507C.53.

5. On the same grounds as are specified in subsection 1, the commissioner may petition an appropriate federal district court to be appointed receiver to liquidate that portion of the insurer's assets and business over which the court will exercise jurisdiction, or any lesser part that the commissioner deems desirable for the protection of the policyholders and creditors in this state.

6. When the commissioner has liquidated the assets of a foreign or alien insurer under this section, the court may order the commissioner to pay claims of residents of this state against the insurer under rules as to the liquidation of insurers under this chapter as are otherwise compatible with this section.

84 Acts, ch 1175, §51
Referred to in §507C.50, 507C.52

**507C.52 Domiciliary liquidators in other states.**

1. Except as to special deposits and security on secured claims under section 507C.53, subsection 3, the domiciliary liquidator of an insurer domiciled in a reciprocal state shall be vested with the title to the assets, property, contracts, rights of action, agents' balances, books, accounts, and other records of the insurer located in this state. The date of vesting is the date of the filing of the petition, if that date is specified by the domiciliary law for the vesting of property in the domiciliary state. Otherwise, the date of vesting is the date of entry of the order directing possession to be taken. The domiciliary liquidator may immediately recover balances due from agents and obtain possession of the books, accounts, and other records of the insurer located in this state. The domiciliary liquidator may also have the right to recover all other assets of the insurer located in this state, subject to section 507C.53.

2. If a domiciliary liquidator is appointed for an insurer not domiciled in a reciprocal state, the commissioner of this state shall be vested with the title to the property, contracts and rights of action, books, accounts and other records of the insurer located in this state, at the same time that the domiciliary liquidator is vested with title in the domicile. The commissioner of this state may petition for a conservation or liquidation order under section 507C.50 or 507C.51, or for an ancillary receivership under section 507C.53, or after approval by the court may transfer title to the domiciliary liquidator, as the interests of justice and the equitable distribution of the assets require.

3. Claimants residing in this state may file claims with the liquidator or ancillary receiver in this state or with the domiciliary liquidator, if the domiciliary law permits. The claims shall be filed on or before the last date fixed for the filing of claims in the domiciliary liquidation proceedings.

84 Acts, ch 1175, §52; 92 Acts, ch 1117, §32
Referred to in §507C.2

**507C.53 Ancillary formal proceedings.**

1. If a domiciliary liquidator has been appointed for an insurer not domiciled in this state, the commissioner may file a petition with the court requesting appointment as ancillary receiver in this state if both of the following exist:

*a.* If the domiciliary liquidator finds that there are sufficient assets of the insurer located in this state to justify the appointment of an ancillary receiver.

*b.* If the protection of creditors or policyholders in this state so requires.

2. The court may issue an order appointing an ancillary receiver in whatever terms it deems appropriate. The filing or recording of the order with the recorder of deeds in this state is the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that recorder of deeds.

3. When a domiciliary liquidator has been appointed in a reciprocal state, then the ancillary receiver appointed in this state may aid and assist the domiciliary liquidator in recovering assets of the insurer located in this state. As soon as practicable, the ancillary receiver shall liquidate from their respective securities those special deposit claims and secured claims which are proved and allowed in the ancillary proceedings in this state. The ancillary receiver shall pay the necessary expenses of the proceedings and shall promptly transfer all remaining assets, books, accounts and records to the domiciliary liquidator. Subject to this section, the ancillary receiver and any deputies have the same powers and are subject to the same duties with respect to the administration of assets as a liquidator of an insurer domiciled in this state.

4. As to assets and books, accounts, and other records in their respective states, when a domiciliary liquidator has been appointed in this state, ancillary receivers appointed in reciprocal states shall have corresponding rights, duties and powers to those provided in subsection 3 for ancillary receivers appointed in this state.

84 Acts, ch 1175, §53
Referred to in §507C.2, 507C.50, 507C.51, 507C.52

**507C.54 Ancillary summary proceedings.**

In the sole discretion of the commissioner, the commissioner may institute proceedings under sections 507C.9 through 507C.11 at the request of the commissioner or other appropriate insurance official of the domiciliary state of a foreign or alien insurer having property located in this state.

84 Acts, ch 1175, §54

**507C.55 Claims of nonresidents against insurers domiciled in this state.**

1. In a liquidation proceeding begun in this state against an insurer domiciled in this state, claimants residing in foreign countries or in nonreciprocal states shall file claims in this state, and claimants residing in reciprocal states shall file claims either with the ancillary receivers in their respective states or with the domiciliary liquidator. Claims shall be filed on or before the last date fixed for the filing of claims in the domiciliary liquidation proceeding.

2. Claims belonging to claimants residing in reciprocal states shall be proved either in the

liquidation proceeding in this state as provided in this chapter or in ancillary proceedings in the reciprocal states, if a claim filing procedure is established in the ancillary proceeding. If notice of the claims and opportunity to appear and be heard is afforded the domiciliary liquidator of this state as provided in section 507C.56, subsection 2, with respect to ancillary proceedings, the final allowance of claims by the courts in ancillary proceedings in reciprocal states shall be conclusive as to amount and as to priority against special deposits or other security located in such ancillary states, but shall not be conclusive with respect to priorities against general assets under section 507C.42.

84 Acts, ch 1175, §55; 92 Acts, ch 1117, §33
Referred to in §507C.2

**507C.56 Claims of residents against insurers domiciled in reciprocal states.**

1. Promptly after the appointment of the commissioner as ancillary receiver for an insurer not domiciled in this state, the commissioner shall determine whether there are claimants residing in this state who are not protected by guaranty funds and whether the protection of such claimants requires the establishing of a claim filing procedure in the ancillary proceeding. If a claim filing procedure is established, claimants against the insurer who reside within this state may file claims either with the ancillary receiver in this state, or with the domiciliary liquidator. Claims shall be filed on or before the last dates fixed for the filing of claims in the domiciliary liquidation proceeding.

2. Claims belonging to claimants residing in this state may be proved either in the domiciliary state under the law of that state, or in ancillary proceedings in this state, provided a claim filing procedure is established in the ancillary proceeding. If a claimant elects to prove the claim in this state, the claimant shall file the claim with the liquidator in the manner provided in sections 507C.35 and 507C.36. The ancillary receiver shall make a recommendation to the court as under section 507C.43. The ancillary receiver shall also arrange a date for hearing if necessary under section 507C.39 and shall give notice to the liquidator in the domiciliary state, either by certified mail or by personal service at least forty days prior to the date set for hearing. Within thirty days after the giving of the notice, if the domiciliary liquidator gives notice in writing either by certified mail or by personal service to the ancillary receiver and to the claimant of an intention to contest the claim, the domiciliary liquidator is entitled to appear or to be represented in a proceeding in this state involving the adjudication of the claim.

3. The final allowance of the claim by the courts of this state shall be accepted as conclusive as to amount and as to priority against special deposits or other security located in this state.

84 Acts, ch 1175, §56; 92 Acts, ch 1117, §34
Referred to in §507C.2, 507C.55

**507C.57 Attachment, garnishment, and levy of execution.**

An action or proceeding in the nature of an attachment, garnishment, or levy of execution shall not be commenced or maintained in this state against the delinquent insurer or its assets during the pendency in this or any other state of a liquidation proceeding, whether called by that name or not.

84 Acts, ch 1175, §57
Referred to in §507C.2

**507C.58 Interstate priorities.**

1. In a liquidation proceeding in this state involving one or more reciprocal states, the order of distribution of the domiciliary state shall control as to claims of residents of this and reciprocal states. Claims of residents of reciprocal states shall be given equal priority of payment from general assets regardless of where the assets are located.

2. The owners of special deposit claims against an insurer for which a liquidator is appointed in this or any other state is given priority against the special deposits in accordance with the statutes governing the creation and maintenance of the deposits. If there is a deficiency in a deposit so that the claims secured by it are not fully discharged from it, the claimants may share in the general assets. However, the sharing shall be deferred until

general creditors and claimants against other special deposits who have received smaller percentages from their respective special deposits have been paid percentages of their claims equal to the percentage paid from the special deposit.

3. The owner of a secured claim against an insurer for which a liquidator has been appointed in this or any other state may surrender the security and file the claim as a general creditor, or the claim may be discharged by resort to the security in accordance with section 507C.41, in which case the deficiency shall be treated as a claim against the general assets of the insurer on the same basis as claims of unsecured creditors.

84 Acts, ch 1175, §58

**507C.59 Subordination of claims for noncooperation.**

If an ancillary receiver in another state or foreign country, whether called by that name or not, fails to transfer to the domiciliary liquidator in this state assets within the ancillary receiver's control other than special deposits, diminished only by the expenses of the ancillary receivership, the claims filed in the ancillary receivership, other than special deposit claims or secured claims, shall be placed in the class of claims under section 507C.42, subsection 8.

84 Acts, ch 1175, §59; 97 Acts, ch 186, §5

**507C.60 Suspension of certificate of authority.**

Without advance notice or a hearing, the commissioner may suspend immediately the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation, or other delinquency proceedings have been commenced in any state by the public insurance supervisory official of that state.

2002 Acts, ch 1111, §7

# CHAPTER 507D

## INSURANCE ASSISTANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


507D.1 Short title.
507D.2 Collection and analysis of information.
507D.3 Authorized assistance programs.
507D.4 Financing of assistance programs.
507D.5 Rate adjustment review.
507D.6 Continuing studies.


**507D.1 Short title.**

This chapter shall be known as the *"Insurance Assistance Act"*.

86 Acts, ch 1211, §26

**507D.2 Collection and analysis of information.**

The commissioner of insurance may adopt rules pursuant to chapter 17A for the collection of necessary additional information relating to the availability, obtainability, costs, profits, and losses associated with the provision of property, casualty, product, professional, or other liability insurance within the state, and relating to the feasibility and implementation of market assistance programs, mandatory risk allocation programs, risk-sharing programs, risk management programs, or any other authorized program under section 507D.3.

The commissioner shall provide for the analysis of such information gathered pursuant to this or any other section and shall make such analysis available to the general assembly on an annual basis.

86 Acts, ch 1211, §27

Referred to in §507D.4

**507D.3 Authorized assistance programs.**

The commissioner of insurance is authorized to institute programs, order the institution of programs within the private sector, or to contract with or delegate authority to the department

of administrative services for the institution of programs relating to insurance assistance including, but not limited to, the following:

1. The development and implementation of a market assistance program to facilitate, arrange, or provide for the acquisition of property, casualty, product, professional, or other liability insurance coverage for all persons or entities seeking such coverage but for which the coverage is presently unavailable or unobtainable to the person or entity.

2. The development and implementation of a mandatory risk allocation system for property, casualty, product, professional, or other liability insurance, except asbestos and environmental impairment liability, in order to assure that all persons or entities for which such insurance is essential may obtain such insurance from insurers authorized to do business within this state.

3. The development and implementation of a risk-sharing program to assist and advise persons or entities seeking property, casualty, product, professional, or other liability insurance, except asbestos and environmental impairment liability, on the most efficient manner in which to share or pool similar risks in order to obtain essential insurance coverage at the minimum cost.

4. The development and implementation of a risk management program for persons or entities to which property, casualty, product, professional, or other liability insurance is essential, such program to include at a minimum the following:

*a.* Assistance in developing and maintaining loss and loss exposure data on such liability risks.

*b.* Recommendations regarding risk reduction and risk elimination programs.

*c.* Recommendations of those practices which will permit protection against such losses at the lowest costs, consistent with good underwriting practices and sound risk management techniques.

5. Subsections 2 and 3 shall have no application or effect after July 1, 1991.

6. An assistance program for the facilitation of insurance and financial responsibility coverage for owners and operators of underground storage tanks which store petroleum shall not be affected by the exceptions of subsections 2 and 3.

86 Acts, ch 1211, §28; 87 Acts, ch 225, §601; 88 Acts, ch 1134, §94; 89 Acts, ch 76, §9; 2003 Acts, ch 145, §286

Referred to in §507D.2, 507D.4

**507D.4 Financing of assistance programs.**

The insurance commissioner may, by rule, provide for the financing, as necessary, for any or all programs under sections 507D.2 and 507D.3 by the assessment of fees to insurers authorized to write property, casualty, product, professional, or other liability insurance within this state. The commissioner of insurance may assess fees and charges against persons or entities for costs incurred in providing assistance to the person or entity pursuant to section 507D.3. Fees collected pursuant to such rules shall be used solely for the purposes of the program for which assessed, and are not to be transmitted to the general fund or used for any other purposes.

86 Acts, ch 1211, §29

**507D.5 Rate adjustment review.**

The commissioner of insurance shall conduct a rate adjustment review for all insurers authorized to write property, casualty, product, professional, or other liability insurance within this state and who make a request for rate adjustment regarding such insurance. The commissioner of insurance may employ or contract with actuarial consultants as necessary to review the request. The person conducting the review shall report to the commissioner as to the advisability of the adjustment requested.

The reasonable fees and expenses of an actuarial consultant employed or contracted by the commissioner of insurance for purposes of a rate adjustment review shall be assessed against and paid by the person requesting such rate adjustment.

86 Acts, ch 1211, §30

**507D.6 Continuing studies.**

The commissioner of insurance is authorized to conduct such further surveys, market reviews, data collection and analysis, studies of a mandatory risk allocation system and a risk-sharing program and such other studies as the commissioner deems necessary for the proper implementation of this chapter.

86 Acts, ch 1211, §31

# CHAPTER 507E

## INSURANCE FRAUD

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


507E.1 Title.
507E.2 Purpose.
507E.3 Fraudulent submissions — penalty.
507E.4 Examination of information outside the state.
507E.5 Confidentiality.
507E.6 Duties of insurer.
507E.7 Immunity from liability.
507E.8 Law enforcement officer status.


**507E.1 Title.**

This chapter may be cited as the *"Iowa Insurance Fraud Act"*.

94 Acts, ch 1072, §1, 9; 95 Acts, ch 185, §46

**507E.2 Purpose.**

An insurance fraud bureau is created within the insurance division. Upon a reasonable determination by the division, by its own inquiries or as a result of complaints filed with the division, that a person has engaged in, is engaging in, or may be engaging in an act or practice that violates this chapter or any other provision of the insurance code, the division may administer oaths and affirmations, serve subpoenas ordering the attendance of witnesses, and collect evidence related to such act or practice.

94 Acts, ch 1072, §2

**507E.3 Fraudulent submissions — penalty.**

1. For purposes of this chapter, *"statement"* includes, but is not limited to, any notice, statement, proof of loss, bill of lading, receipt for payment, invoice, account, estimate of property damage, bill for services, diagnosis, prescription, hospital or physician record, X ray, test result, or other evidence of loss, injury, or expense.

2. A person commits a class "D" felony if the person, with the intent to defraud an insurer, does any of the following:

*a.* Presents or causes to be presented to an insurer, any written document or oral statement, including a computer-generated document, as part of, or in support of, a claim for payment or other benefit pursuant to an insurance policy, knowing that such document or statement contains any false information concerning a material fact.

*b.* Assists, abets, solicits, or conspires with another to present or cause to be presented to an insurer, any written document or oral statement, including a computer-generated document, that is intended to be presented to any insurer in connection with, or in support of, any claim for payment or other benefit pursuant to an insurance policy, knowing that such document or statement contains any false information concerning a material fact.

*c.* Presents or causes to be presented to an insurer, any written document or oral statement, including a computer-generated document, as part of, or in, an application for insurance coverage, knowing that such document or statement contains false information concerning a material fact.

94 Acts, ch 1072, §3, 9; 95 Acts, ch 185, §46; 96 Acts, ch 1045, §2

Referred to in §507E.6

**507E.4 Examination of information outside the state.**

The bureau shall seek to obtain by request, any information related to the enforcement of this chapter in the possession of a person located outside the state. The bureau may designate a representative, including an official of the state where the information is located, to inspect the information on behalf of the bureau at the place where the information is located. The bureau may respond to similar requests from an official from another state.

94 Acts, ch 1072, §4

**507E.5 Confidentiality.**

1. All investigation files, investigation reports, and all other investigative information in the possession of the bureau are confidential records under chapter 22 except as specifically provided in this section and are not subject to discovery, subpoena, or other means of legal compulsion for their release until opened for public inspection by the bureau, or upon the consent of the bureau, or until a court of competent jurisdiction determines, after notice to the bureau and hearing, that the bureau will not be unnecessarily hindered in accomplishing the purposes of this chapter by their opening for public inspection. However, investigative information in the possession of the bureau may be disclosed, in the commissioner's discretion, to appropriate licensing authorities within this state, another state or the District of Columbia, or a territory or country in which a licensee is licensed or has applied for a license.

2. The commissioner may share documents, materials, or other information, including confidential and privileged documents, materials, or other information, with other state, federal, and international regulatory agencies, with the national association of insurance commissioners and its affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees to maintain the confidential and privileged status of the document, material, or other information, pursuant to Iowa law.

3. The commissioner may receive documents, materials, or other information, including otherwise confidential and privileged documents, materials, or other information, from other local, state, federal, and international regulatory agencies, the national association of insurance commissioners and its affiliates or subsidiaries, and local, state, federal, and international law enforcement authorities, and shall maintain as confidential and privileged any document, material, or other information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or other information.

4. The commissioner may enter into agreements governing the sharing and use of documents, materials, or other information consistent with this section.

5. An investigator or other staff member of the bureau is not subject to subpoena in a civil action concerning any matter of which the investigator or other staff member has knowledge pursuant to a pending or continuing investigation being conducted by the bureau pursuant to this chapter.

94 Acts, ch 1072, §5; 2006 Acts, ch 1117, §30

Referred to in §22.7

**507E.6 Duties of insurer.**

An insurer which believes that a claim or application for insurance coverage is being made which is a violation of section 507E.3 shall provide, within sixty days of the receipt of such claim or application, written notification to the bureau of the claim or application on a form prescribed by the bureau, including any additional information requested by the bureau related to the claim or application or the party making the claim or application. The fraud bureau shall review each notification and determine whether further investigation is warranted. If the bureau determines that further investigation is warranted, the bureau shall conduct an independent investigation of the facts surrounding the claim or application for insurance coverage to determine the extent, if any, to which fraud occurred in the submission of the claim or application. The bureau shall report any alleged violation of law

disclosed by the investigation to the appropriate licensing agency or prosecuting authority having jurisdiction with respect to such violation.

94 Acts, ch 1072, §6; 2008 Acts, ch 1123, §13

**507E.7 Immunity from liability.**

1. A person acting without malice, fraudulent intent, or bad faith is not liable civilly as a result of filing a report or furnishing, orally or in writing, other information concerning alleged acts in violation of this chapter, if the report or information is provided to or received from any of the following:

*a.* Law enforcement officials, their agents and employees.

*b.* The national association of insurance commissioners, the insurance division, a federal or state governmental agency or bureau established to detect and prevent fraudulent insurance acts, or any other organization established for such purpose, and their agents, employees, or designees.

*c.* An authorized representative of an insurer.

2. This section does not affect in any way any common law or statutory privilege or immunity applicable to such person or entity.

94 Acts, ch 1072, §7, 9; 95 Acts, ch 185, §46; 96 Acts, ch 1045, §3; 2002 Acts, ch 1111, §9

**507E.8 Law enforcement officer status.**

1. Bureau investigators shall have the power and status of law enforcement officers who by the nature of their duties may be required to perform the duties of a peace officer when making arrests for criminal violations established as a result of their investigations pursuant to this chapter.

2. The general laws applicable to arrests by law enforcement officers of the state also apply to bureau investigators. Bureau investigators shall have the power to execute arrest warrants and search warrants for the same criminal violations, serve subpoenas issued for the examination, investigation, and trial of all offenses identified through their investigations, and arrest upon probable cause without warrant a person found in the act of committing a violation of the provisions of this chapter.

94 Acts, ch 1072, §8; 2011 Acts, ch 70, §7

# CHAPTER 508

## LIFE INSURANCE COMPANIES

Referred to in §87.4, 296.7, 331.301, 364.4, 423.3, 505.28, 505.29, 506.14, 507.1, 507.12, 508A.1, 508A.5, 508B.1, 509.5, 510.11, 511.8, 511.26, 514A.1, 514G.103, 515.1, 515B.2, 515B.9, 518C.10, 521.1, 521A.1, 521A.14, 521E.1, 521F.2, 521G.2, 521G.3, 522B.1, 533C.103, 535.8, 669.14, 670.7


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**508.1 Level premium and natural premium plan companies.**

Every life insurance company upon the level premium or the natural premium plan, created under the laws of this or any other state or country, shall, before issuing policies in the state, comply with the provisions of this chapter applicable to such companies.

[C73, §1161; C97, §1768; S13, §1768; C24, 27, 31, 35, 39, §**8643;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.1]

**508.2 Articles — approval — bylaws.**

The articles of incorporation, and any subsequent amendments, of a company shall be filed with and approved by the commissioner of insurance before filing with the secretary of state. A company shall file with the commissioner bylaws and subsequent amendments to the bylaws within thirty days of adoption of the bylaws and amendments.

[S13, §1768; C24, 27, 31, 35, 39, §**8644;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.2]
2009 Acts, ch 145, §5

**508.3 Requirements of articles.**

Such articles shall show the name, location of principal place of business, object, amount of capital, if a stock company, and shall contain such other provisions as may be necessary to a full understanding of the nature of the business to be transacted and the plan upon which the same is to be conducted.

[S13, §1768; C24, 27, 31, 35, 39, §**8645;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.3]

**508.4 Approval of amendments to articles — bylaws.**

All amendments to the articles of incorporation of companies already organized under the laws of this state shall be approved in like manner.

A company shall file with the commissioner bylaws and subsequent amendments to such bylaws within thirty days of the adoption of such bylaws and amendments.

[C97, §1768; C24, 27, 31, 35, 39, §**8646;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.4]
2000 Acts, ch 1023, §7

**508.5 Capital and surplus required.**

1. A stock life insurance company shall not be authorized to transact business under this chapter with less than five million dollars of capital and surplus paid in cash or invested as provided by law. A stock life insurance company shall not increase its capital stock unless the amount of the increase is fully paid in cash. A stock life insurance company authorized to do business in Iowa that undergoes a change of control as defined under chapter 521A shall maintain the minimum capital and surplus requirements mandated by this section.

2. Notwithstanding subsection 1, a stock life insurance company, or any other life insurance company authorized to transact business under this chapter, shall comply with

the minimum capital and surplus requirements of this chapter or chapter 521E, whichever is greater.

[C73, §1162; C97, §1769; C24, 27, 31, 35, 39, §**8647;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.5]

90 Acts, ch 1234, §5; 95 Acts, ch 185, §7; 96 Acts, ch 1046, § 1, 21; 98 Acts, ch 1057, §3

Referred to in §508.6, 508.9, 508.33A

**508.6 Deposit of securities — certificate.**

Securities in the amount of the capital and surplus required under section 508.5 shall be deposited with the commissioner of insurance or at such places as the commissioner may designate. When the deposit is made and evidence furnished, by affidavit or otherwise, satisfactory to the commissioner, that the capital stock is all fully paid and the company possessed of the surplus required and that the company is the actual and unqualified owner of the securities representing the paid-up capital stock or other funds of the company, and all laws have been complied with, the commissioner shall issue the company the certificate provided for in this chapter.

[C73, §1162; C97, §1769; C24, 27, 31, 35, 39, §**8648;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.6; 82 Acts, ch 1095, §1]

85 Acts, ch 228, §1

Referred to in §508.33A

**508.7 Loans to officers.**

Except as permitted in sections 508.8 and 508.8A, the capital or other funds shall not be loaned directly or indirectly to an officer, director, stockholder, or employee of the company or directly or indirectly to a relative of an officer or director of the company.

[C73, §1162; C97, §1769; C24, 27, 31, 35, 39, §**8649;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.7; 81 Acts, ch 166, §1]

91 Acts, ch 213, §4

**508.8 Insurance company officers — conflicts of interest — exceptions.**

1. As used in this section, *"employee"* includes but is not limited to the officers of a life insurance company.

2. A director or officer of a life insurance company shall not receive, in addition to fixed salary or compensation, money or other valuable thing, either directly or indirectly, or through a substantial interest in another corporation or business unit, for negotiating, procuring, recommending or aiding in the purchase or sale of property, or loan, made by the insurer or an affiliate or subsidiary of the insurer; nor shall a director or officer be pecuniarily interested, either as principal, coprincipal, agent or beneficiary, either directly or indirectly, or through a substantial interest in another corporation or business unit, in the purchase, sale or loan. However, a life insurance company, in connection with the relocation of the place of employment of an employee including relocation upon the initial employment of the employee, may do either of the following:

*a.* Make a mortgage loan on real property owned by the employee which is to serve as the employee's dwelling.

*b.* Acquire at not more than fair market value the dwelling which the employee vacates upon relocation.

[C24, 27, 31, 35, 39, §**8650;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.8; 81 Acts, ch 166, §2]

2012 Acts, ch 1023, §103

Referred to in §508.7

**508.8A Loans to employees.**

1. A life insurance company having a ratio of statutory surplus to admitted assets of at least four percent may make, acquire, and hold loans to employees, officers, and directors under the following terms and conditions:

*a.* The company may make a mortgage loan on real property owned by an employee of

the company which is to serve as the employee's dwelling, provided the company is regularly and actively involved in making residential mortgage loans to the public.

*b.* The company may acquire a mortgage loan on real property owned by an employee of the company which is to serve as the employee's dwelling, provided the company acquiring such loan is regularly and actively involved in acquiring residential mortgage loans not involving employees from sources in the secondary market.

*c.* The company may acquire a mortgage loan on real property owned by an employee, officer, or director which is included in a portfolio of mortgages initiated by others and acquired by the life insurance company. The mortgage loans in any such acquired portfolio of mortgage loans must satisfy both of the following conditions:

(1) More than seventy-five percent of the dollar value of the mortgage loans must be for real property that is owned by persons who are not employees, officers, or directors of the company.

(2) More than seventy-five percent of the mortgage loans must be for real property that is owned by persons who are not employees, officers, or directors of the company.

*d.* The company may continue to hold a mortgage loan on real estate which is assumed by an employee, officer, or director if the mortgage was originally properly made or acquired by the life insurance company, provided that all terms and conditions of the mortgage loan remain unchanged and the mortgage loan is serviced in accordance with customary servicing practices of prudent lending institutions.

*e.* The company may continue to hold a mortgage on real estate owned by an officer or director which was properly made or acquired by the company before the officer or director became an officer or director of the company, provided that all terms and conditions of the mortgage loan remain unchanged and the mortgage loan is serviced in accordance with customary servicing practices of prudent lending institutions.

2. As used in this section, "*employee*" does not include officers or directors of a life insurance company.

91 Acts, ch 213, §5
Referred to in §508.7

**508.9 Mutual companies — conditions.**

1. Level premium and natural premium life insurance companies organized under the laws of this state upon the mutual plan shall, before issuing policies, have actual applications on at least two hundred and fifty lives for an average amount of one thousand dollars each. A list of the applications giving the name, age, residence, amount of insurance, and annual premium of each applicant shall be filed with the commissioner of insurance, and a deposit made with the commissioner of an amount equal to three-fifths of the whole annual premium on the applications, in cash or the securities required by section 508.5. In addition, a deposit of cash or securities of the character provided by law for the investment of funds for life insurance companies in the sum of five million dollars shall be made with the commissioner, which shall constitute a security fund for the protection of policyholders. The contribution to the security fund shall not give to contributors to the fund or to other persons any voting or other power in the management of the affairs of the company. The security fund may be repaid to the contributors to the security fund with interest at six percent from the date of contribution, at any time, in whole or in part, if the repayment does not reduce the surplus of the company below the amount of five million dollars and then only if consent in writing for the repayment is obtained from the commissioner of insurance. Upon compliance with this section, the commissioner shall issue to the mutual company the certificate prescribed in this chapter. A mutual insurance company authorized to do business in Iowa that undergoes a change of control as defined in chapter 521A shall maintain the minimum surplus requirement mandated by this section.

2. Notwithstanding subsection 1, a mutual insurance company authorized to transact

business under this chapter shall comply with the minimum surplus requirements of this section or chapter 521E, whichever is greater.

[C73, §1163; C97, §1770; C24, 27, 31, 35, 39, §**8651;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.9]

90 Acts, ch 1234, §6; 92 Acts, ch 1162, §4; 95 Acts, ch 185, §8; 96 Acts, ch 1046, §2

**508.10 Foreign companies — capital or surplus — investments.**

1. A company incorporated by or organized under the laws of any other state or government shall not transact business in this state unless it is possessed of the actual amount of capital and surplus required of any company organized by the laws of this state, or, if it be a mutual company, of surplus equal in amount thereto.

2. An alien insurer, with the approval of the commissioner, may be treated as a domestic insurer of this state in whole or in part, and if so approved is deemed to be organized under the laws of this state and is an Iowa domestic insurer as provided by rules adopted by the commissioner. The approval of the commissioner may be based upon such factors as:

*a.* Maintenance of an appropriate trust account, surplus account, or other financial mechanism in this state.

*b.* Maintenance of all books and records of United States operations in this state.

*c.* Maintenance of a separate financial reporting system for its United States operations.

*d.* Any other provisions deemed necessary by the commissioner.

3. A foreign company authorized to do business in this state shall not assumptively reinsure a block of business which includes policyholders residing in this state to a company not authorized to do business in this state without the prior written approval of the commissioner.

[C73, §1164; C97, §1772; C24, 27, 31, 35, 39, §**8652;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.10]

90 Acts, ch 1234, §69; 92 Acts, ch 1244, §47; 97 Acts, ch 186, §6; 2003 Acts, ch 145, §286; 2007 Acts, ch 137, §9

**508.11 Annual statement.**

The president or vice president and secretary or actuary, or a majority of the directors of each company organized under this chapter, shall annually, on or before the first day of March, prepare under oath and file in the office of the commissioner of insurance or a depository designated by the commissioner a statement of its affairs for the year terminating on the thirty-first day of December preceding, showing:

1. The name of the company and where located.
2. The names of officers.
3. The amount of capital, if a stock company.
4. The amount of capital paid in, if a stock company.
5. The value of real estate owned by the company.
6. The amount of cash on hand.
7. The amount of cash deposited in banks, giving the name of the bank or banks.
8. The amount of cash in the hands of agents, and in the course of transmission.
9. The amount of bank stock, with the name of each bank, giving par and market value of the same.
10. The amount of bonds of the United States, and all other bonds and securities, giving names and amounts, with the par and market value of each kind.
11. The amount of loans secured by first mortgage on real estate, and where such real estate is situated.
12. The amount of all other bonds, loans, how secured, and the rate of interest.
13. The amount of premium notes and their value on policies in force, if a mutual company.
14. The amount of notes given for unpaid stock, and their value in detail, if a stock company.
15. The amount of assessments unpaid on stock or premium notes.
16. The amount of interest due and unpaid.
17. The amount of all other securities.

18. The amount of losses due and unpaid.
19. The amount of losses adjusted but not due.
20. The amount of losses unadjusted.
21. The amount of claims for losses resisted.
22. The amount of money borrowed and evidences thereof.
23. The amount of dividends unpaid on stock.
24. The amount of dividends unpaid on policies.
25. The amount required to safely reinsure all outstanding risks.
26. The amount of all other claims against the company.
27. The amount of net cash premiums received.
28. The amount of notes received for premiums.
29. The amount of interest received from all sources.
30. The amount received from all other sources.
31. The amount paid for losses.
32. The amount of dividends paid to policyholders, and the amount to stockholders, if a stock company.
33. The amount of commissions and salaries paid to agents.
34. The amount paid to officers for salaries and other compensation.
35. The amount paid for taxes.
36. The amount of all other payments and expenditures.
37. The greatest amount insured on any one life.
38. The amount deposited in other states or territories as security for policyholders therein, stating the amount in each state or territory.
39. The amount of premiums received in this state during the year.
40. The amount paid for losses in this state during the year.
41. The whole number of policies issued during the year, with the amount of insurance effected thereby, and total amount of risk.
42. All other items of information necessary to enable the commissioner of insurance to correctly estimate the cash value of policies, or to judge of the correctness of the valuation thereof.
43. All other information as required by the national association of insurance commissioners' annual statement blank. The annual statement blank shall be prepared in accordance with instructions prescribed by the commissioner. All financial information reflected in the annual report shall be kept and prepared in accordance with accounting practices and procedures prescribed by the commissioner. The commissioner may adopt by reference the annual statement handbook and the accounting practices and procedures manual of the national association of insurance commissioners.

[C73, §1167; C97, §1773; C24, 27, 31, 35, 39, §**8653;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.11]

91 Acts, ch 26, §36; 2003 Acts, ch 91, §6

**508.12 Redomestication of insurers.**

1. An insurer which is organized under the laws of any state and has created or will create jobs in this state or which is an affiliate or subsidiary of a domestic insurer, and is admitted to do business in this state for the purpose of writing insurance authorized by this chapter may become a domestic insurer by complying with section 490.902 or 491.33 and with all of the requirements of law relative to the organization and licensing of a domestic insurer of the same type and by designating its principal place of business in this state may become a domestic corporation and be entitled to like certificates of its corporate existence and license to transact business in this state, and be subject in all respects to the authority and jurisdiction thereof.

2. The certificates of authority, agent's appointments and licenses, rates, and other items which are in existence at the time any insurer transfers its corporate domicile to this state, pursuant to this section, shall continue in full force and effect upon such transfer. For purposes of existing authorizations and all other corporate purposes, the insurer is deemed the same entity as it was prior to the transfer of its domicile. All outstanding policies of any

transferring insurer shall remain in full force and effect and need not be endorsed as to any new name of the company or its new location unless so ordered by the commissioner of insurance.

[C75, 77, 79, 81, §508.12]

88 Acts, ch 1112, §503; 89 Acts, ch 288, §191; 2011 Acts, ch 66, §1

Referred to in §508B.1

**508.13 Annual certificate of authority.**

1. On receipt of an application for a certificate of authority or renewal of a certificate of authority, fees, the deposit provided in section 511.8, subsection 16, and the statement, and the statement and evidence of investment of foreign companies, the commissioner of insurance shall issue a certificate or a renewal of a certificate setting forth the corporate name of the company, its home office, that it has fully complied with the laws of the state and is authorized to transact the business of life insurance for the ensuing year, which certificate shall expire on the first day of June of the ensuing year, or sooner upon thirty days' notice given by the commissioner, of the next annual valuation of its policies.

2. A company shall submit annually on or before March 1 a completed application for renewal of its certificate of authority. A certificate of authority shall expire on the first day of June next succeeding its issue and shall be renewed annually so long as the company transacts business in accordance with all legal requirements of the state.

3. A company that fails to timely file an application for renewal of its certificate of authority shall pay an administrative penalty of five hundred dollars to the treasurer of state for deposit as provided in section 505.7.

4. A copy of a certificate of authority, when certified by the commissioner, shall be admissible in evidence for or against a company, with the same effect as the original.

[C73, §1170; C97, §1775; C24, 27, 31, 35, 39, §**8657;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.13]

88 Acts, ch 1112, §103; 2006 Acts, ch 1117, §31; 2009 Acts, ch 181, §66

**508.14 Violation by domestic company — dissolution — administrative penalties.**

1. Upon a failure of a company organized under the laws of this state to make the deposit provided in section 511.8, subsection 16, or file the statement in the time herein stated, or to file in a timely manner any financial statement required by rule of the commissioner of insurance, the commissioner of insurance shall notify the attorney general of the default, who shall at once apply to the district court of the county where the home office of the company is located for an order requiring the company to show cause, upon reasonable notice to be fixed by the court, why its business shall not be discontinued. If, upon the hearing, sufficient cause is not shown, the court shall decree its dissolution.

2. In lieu of a district court action authorized by this section, the commissioner may impose an administrative penalty of five hundred dollars upon the company. The right of the company to transact further new business in this state shall immediately cease until the requirements of this chapter have been fully complied with.

3. The commissioner may give notice to a company, which has failed to file evidence of deposit and all delinquent statements within the time fixed, that the company is in violation of this section. If the company fails to file evidence of deposit and all delinquent statements within ten days of the date of the notice, the company is subject to an additional administrative penalty of one hundred dollars for each day the failure continues.

4. Amounts received by the commissioner pursuant to subsections 2 and 3 shall be paid to the treasurer of state for deposit as provided in section 505.7.

[C73, §1171; C97, §1776; C24, 27, 31, 35, 39, §**8658;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.14]

89 Acts, ch 321, §33; 97 Acts, ch 186, §7; 2009 Acts, ch 181, §67

**508.15 Violation by foreign company.**

Companies organized and chartered by the laws of a foreign state or country, failing to file the evidence of investment and statement within the time fixed, or failing to timely file any

financial statement required by rule of the commissioner of insurance, shall forfeit and pay five hundred dollars, to be collected in an action in the name of the state and paid to the treasurer of state for deposit as provided in section 505.7, and their right to transact further new business in this state shall immediately cease until the requirements of this chapter have been fully complied with. The commissioner may give notice to a company which has failed to file within the time fixed that the company is in violation of this section and if the company fails to file the evidence of investment and statement within ten days of the date of the notice the company shall forfeit and pay the additional sum of one hundred dollars for each day the failure continues, to be paid to the treasurer of state for deposit as provided in section 505.7.

[C73, §1171; C97, §1776; C24, 27, 31, 35, 39, §**8659;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.15]

83 Acts, ch 185, §48, 62; 83 Acts, ch 186, §10105, 10201, 10204; 89 Acts, ch 321, §34; 91 Acts, ch 213, §6; 2009 Acts, ch 181, §68

**508.15A Suspension and summary suspension.**

The commissioner may do one or more of the following:

1. For a violation of Title XIII, subtitle 1, after a hearing provided pursuant to chapter 17A, order the suspension of the license or authority to transact the business of insurance within the state.

2. Upon three days' notice, if the commissioner has reason to believe that there is imminent substantial risk to an insurer's solvency, order the insurer to appear before the commissioner and show cause why its license or authority to do insurance business within the state should not be suspended. At the hearing to show cause, the commissioner may summarily suspend the license or authority of the insurer to do business within the state.

3. Summarily order an insurer to cease and desist from a violation, anticipated violation, or suspected violation of chapter 507B, 510, or 513A, if a hearing is provided pursuant to chapter 17A within thirty days of the summary cease and desist order.

91 Acts, ch 213, §7

**508.16 Examination.**

The commissioner of insurance at any time may make a personal examination of the books, papers, securities, and business of any life insurance company doing business in this state, or authorize any other suitable person to make the same, and the commissioner or the person so authorized may examine under oath any officer or agent of the company, or others, relative to its business and management.

[C73, §1172; C97, §1777; C24, 27, 31, 35, 39, §**8660;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.16]

**508.17** Repealed by 91 Acts, ch 26, § 61.

**508.18 Decree.**

The court, on the final hearing, may make decree subject to the provisions of section 508.19 as to the appointment of a receiver, the disposition of the deposits of the company in the hands of the commissioner, and its dissolution, if a domestic company.

[C73, §1172; C97, §1777; C24, 27, 31, 35, 39, §**8662;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.18]

Referred to in §507.12, 508.19, 511.8(16b, 16d, 21b, 22b, 22c, 22d, 22e)

**508.19 Securities.**

The securities that are on deposit of a defaulting or insolvent company, or a company against which proceedings are pending under section 508.18, shall vest in the state for the benefit of all policyholders of the company.

[C73, §1173; C97, §1778; C24, 27, 31, 35, 39, §**8663;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.19]

85 Acts, ch 228, §2; 91 Acts, ch 26, §58

Referred to in §507.12, 508.18

**508.20 Reinsurance securities — title vested in commissioner.**
The title to all securities deposited with the commissioner of insurance by any domestic life insurance company or association which has been, or hereafter shall be, reinsured by a foreign life insurance company, shall be vested in the commissioner for the use and benefit of only the policies of the company reinsured in force at the date of such reinsurance agreement.
[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.20]

**508.21 Amount to be deposited.**
The reinsuring company shall at all times maintain such deposits in at least the amount of the net reserve, as determined by the commissioner of insurance, on all policies reinsured.
[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.21]

**508.22 Insolvency of company — procedure.**
In the event of insolvency or receivership of such reinsuring company or its successors, the commissioner shall be appointed by the district court of the state in and for Polk county as receiver of said insolvent reinsuring company, and shall proceed, subject to the court's approval, to reinsure said policies in another life insurance company or to liquidate the deposits for the sole benefit of the reinsured policies, and pending liquidation or reinsurance, shall have the sole right to collect premiums due on such policies.
[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.22]

**508.23 and 508.24** Reserved.

**508.25 Policy forms — approval.**
It shall be unlawful for any insurance company transacting business within this state, under the provisions of this chapter, to write or use any form of policy or contract of insurance, on the life of any individual in this state, until a copy of such form of policy or contract has been filed with and approved by the commissioner of insurance.
[S13, §1783-a; C24, 27, 31, 35, 39, §**8668;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.25]

**508.26 Failure to file copy.**
Should any company decline to file a copy of its form of policies or contracts, the commissioner of insurance shall suspend its authority to transact business within the state until such forms of policies or contracts have been so filed and approved.
[S13, §1783-c; C24, 27, 31, 35, 39, §**8669;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.26]

**508.27 Violations.** Repealed by 2004 Acts, ch 1110, § 71.

**508.28 Approval by commissioner — contestability of policy.**
The commissioner of insurance shall decline to approve any such form of policy or contract of insurance unless the same shall, in all respects, conform to the laws of this state applicable thereto. The policy shall be incontestable after it shall have been in force during the lifetime of the insured for two years from its date, except for nonpayment of premiums.
[SS15, §1783-b; C24, 27, 31, 35, 39, §**8671;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.28]
Referred to in §514G.106

**508.29 Authority to write other insurance.**
Any life insurance company organized on the stock or mutual plan and authorized by its charter or articles of incorporation so to do, may in addition to such life insurance, insure, either individually or on the group plan, the health of persons and against personal injuries, disablement or death, resulting from traveling or general accidents by land or water, and insure employers against loss in consequence of accidents or casualties of any kind to employees or other persons, or to property resulting from any act of the employee or any

accident or casualty to persons or property, or both, occurring in or connected with the transaction of their business, or from the operation of any machinery connected therewith, but nothing herein contained shall be construed to authorize any life insurance company to insure against loss or injury to person, or property, or both, growing out of explosion or rupture of steam boilers. An insurer may contract with health care service providers and offer different levels of benefits to policyholders based upon the provider contracts.

A company insuring risks authorized by this section shall invest or hold in cash, funds equal to seventy-five percent of the aggregate reserves and policy and contract claims for such risks. Investments required by this paragraph shall only be made in securities enumerated in section 511.8, and are subject to the same limitations as provided for the investment of legal reserve, and are subject to section 511.8, subsections 16, 17, and 21.

[S13, §1783-d; C24, 27, 31, 35, 39, §**8672;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.29]

85 Acts, ch 239, §2; 92 Acts, ch 1162, §5

Referred to in §508.31A

**508.30 Liability.** Repealed by 2008 Acts, ch 1123, § 56.

**508.31 Annuities.**

Any life insurance company organized on the stock or mutual plan may grant and sell annuities.

[C35, §8673-e1; C39, §**8673.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.31]

**508.31A Funding agreements.**

1. A life insurance company organized under this chapter may issue funding agreements. The issuance of a funding agreement under this section is deemed to be doing insurance business. For purposes of this section, *"funding agreement"* means an agreement for an insurer to accept and accumulate funds and to make one or more payments at future dates in amounts that are not based on mortality or morbidity contingencies of the person to whom the funding agreement is issued. A funding agreement does not constitute life insurance, an annuity, or other insurance authorized by section 508.29, and does not constitute a security as defined in section 502.102.

2. *a.* Funding agreements may be issued to the following:

(1) A person authorized by a state or foreign country to engage in an insurance business or a subsidiary of such business.

(2) A person for the purpose of funding any of the following:

(a) Benefits under an employee benefit plan as defined in the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq., maintained in the United States or in a foreign country.

(b) Activities of an organization exempt from taxation pursuant to section 501(c) of the Internal Revenue Code, or any similar organization in any foreign country.

(c) A program of the United States government, another state government or political subdivision of such state, or of a foreign country, or any agency or instrumentality of any such government, political subdivision, or foreign country.

(d) An agreement providing for periodic payments in satisfaction of a claim.

(e) A program of an institution which has assets in excess of twenty-five million dollars.

(3) A person other than a natural person that has assets of at least twenty-five million dollars.

(4) A person other than a natural person for the purpose of providing collateral security for securities registered with the federal securities and exchange commission.

*b.* A funding agreement issued pursuant to paragraph *"a"*, subparagraph (1), (2), or (3), shall be for a total amount of not less than one million dollars.

*c.* An amount under a funding agreement shall not be guaranteed or credited except upon reasonable assumptions as to investment income and expenses and on a basis equitable to all holders of funding agreements of a given class. Such funding agreements shall not provide for payments to the insurer based on mortality or morbidity contingencies.

*d.* Amounts paid to the insurer pursuant to a funding agreement, and proceeds applied under optional modes of settlement, may be allocated by the insurer to one or more separate accounts pursuant to section 508A.1.

3. A funding agreement is a class 2 claim under section 507C.42, subsection 2.

4. The commissioner may adopt rules to implement funding agreements.

98 Acts, ch 1057, §4; 99 Acts, ch 3, §1, 2; 2002 Acts, ch 1111, §8; 2003 Acts, ch 91, §7; 2003 Acts, ch 179, §75; 2003 Acts, 1st Ex, ch 2, §28, 209; 2004 Acts, ch 1086, §86

Referred to in §507C.42, 508C.3

**508.32 Proceeds of policy held in trust.**

Any life insurance company organized under the provisions of this chapter and doing business in this state, shall have the power to hold in trust the premiums or consideration paid for, or the proceeds of any life insurance policy or annuity contract, either individual or group, issued by it, upon such terms and subject to such limitations as to revocation or control by the policyholder or beneficiary thereunder, as shall have been agreed to in writing by such company and the policyholder; provided that the trust provisions herein contemplated shall in no manner subject said corporation to any of the provisions of the laws of Iowa relating to banks or trust companies; and provided further, that the trust or trusts for premiums or considerations may be invested by such company in the manner specified in the trust instruments or agreements and held in a separate or segregated account; and provided further, that the forms of such trust agreements for beneficiaries shall be first submitted to and approved by the commissioner of insurance. The word "*trust*" shall include, but not be limited to settlement options and contracts issued pursuant to policies or contracts, and funds held in a separate or segregated account in connection with pension or profit-sharing plans pursuant to agreements with the policyholders.

As used in this section, life insurance policies and annuity contracts include accident and health insurance policies and contracts, and include undertakings, duties, and obligations incidental to or in furtherance of any such policies or contracts. As used in this section, proceeds include additions and contributions. Funds held by an insurance company as authorized by this section may be held in a separate account established pursuant to section 508A.1, except that section 508A.1, subsection 5, shall not be applicable to such account. However, funds held by an insurance company as authorized in this section shall not be chargeable with liabilities arising out of any other business the company may conduct.

An instrument or agreement issued or used by an insurance company as authorized by this section does not constitute a security as defined in section 502.102.

[C24, 27, 31, 35, 39, §**8674;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §508.32]

97 Acts, ch 5, §1

**508.32A Funds held in custodial or similar account.**

A life insurance company organized under this chapter and doing business in this state may hold funds, including additions and contributions, as custodian in a custodial or similar account in conjunction with an accident and health insurance policy. Funds held by an insurance company as authorized by this section may be invested by such company in the manner specified in the account instrument or agreement, and may be held in a separate account established pursuant to section 508A.1. Funds held by an insurance company as authorized by this section shall not be chargeable with liabilities arising out of any other business the company may conduct.

An instrument or agreement issued or used by an insurance company as authorized by this section does not constitute a security as defined in section 502.102.

97 Acts, ch 5, §2

**508.33 Subsidiary companies acquired.**

Any life insurance company incorporated in this state may organize, or acquire by purchase, in whole or in part subsidiary insurance and investment companies in which it owns not less than fifty-one percent of the common stock, and notwithstanding any other provisions of this subtitle inconsistent herewith may do all of the following:

1. Invest funds from surplus for such purpose.
2. Make loans to such subsidiaries.
3. Permit all or part of its officers and directors to serve as officers or directors of such subsidiary companies.

[C66, 71, 73, 75, 77, 79, 81, §508.33]
2011 Acts, ch 34, §116
Referred to in §511.8(18b)

**508.33A Limited purpose subsidiary life insurance companies.**

1. As used in this section unless the context otherwise requires:

*a.* *"Affiliated company"* means a domestic life insurance company that is a directly or indirectly wholly owned subsidiary of the same parent.

*b.* *"Parent"* means a person as defined in section 521A.1 who directly or indirectly through one or more intermediaries wholly owns the organizing life insurance company.

*c.* *"Risks"* means risks associated with the life insurance policies and contracts written by the ceding domestic life insurance company or assumed by the ceding domestic life insurance company from an affiliated company, which were written by the affiliated company and for which the ceding domestic life insurance company holds direct statutory reserves for those policies and contracts as required by section 508.36.

2. *a.* A domestic life insurance company organized pursuant to the provisions of this chapter may organize a domestic limited purpose subsidiary life insurance company pursuant to the provisions of this chapter that is wholly owned by the organizing life insurance company. The limited purpose subsidiary life insurance company may reinsure risks of the organizing life insurance company, reinsure risks of affiliated companies, and access alternative forms of financing.

*b.* A limited purpose subsidiary life insurance company shall submit a plan of operation to the commissioner, and the commissioner shall approve the plan of operation with such amendments as the commissioner requires, before the limited purpose subsidiary life insurance company assumes any risks under a reinsurance contract. The plan of operation and any records, books, documents, reports, or other information that the commissioner requires a limited purpose subsidiary life insurance company to produce or disclose pursuant to rules adopted under subsection 6 or pursuant to an order of the commissioner shall be treated the same as information obtained by or disclosed to the commissioner pursuant to section 521A.6 and the commissioner shall have the powers enumerated in section 521A.6 as to that insurer.

3. The organizing life insurance company may invest funds from its surplus in a limited purpose subsidiary life insurance company organized pursuant to this section.

4. The organizing life insurance company's officers and directors may serve as officers and directors of a limited purpose subsidiary life insurance company organized pursuant to this section.

5. A limited purpose subsidiary life insurance company organized pursuant to this section shall be deemed to be licensed to transact the business of reinsurance for the purposes of section 521B.102, subsection 1, but may only reinsure risks of its organizing life insurance company and of affiliated companies. A limited purpose subsidiary life insurance company organized pursuant to this section may, upon approval of the commissioner, purchase reinsurance to cede the reinsurance risks assumed by the limited purpose subsidiary life insurance company.

6. The commissioner shall adopt rules pursuant to chapter 17A concerning limited purpose subsidiary life insurance companies, including but not limited to the organization, plans of operation, capital requirements including risk-based capital requirements, reserves, authorized investments, reinsurance assumed, material transaction restrictions and requirements, dividends and distributions, operations, and the conditions, forms, and approval of financing of limited purpose subsidiary life insurance companies organized pursuant to this section.

7. Admitted assets of a limited purpose subsidiary life insurance company shall include

assets approved by the commissioner which shall be deemed to be, and reported as, admitted assets of the limited purpose subsidiary life insurance company.

8. The provisions of sections 508.5, 508.6, and 511.8, section 521.2, subsection 4, sections 521A.4 and 521A.5, and chapter 521E shall not be applicable to a limited purpose subsidiary life insurance company organized pursuant to this section.

9. A limited purpose subsidiary life insurance company shall not be organized pursuant to this section prior to the effective date of rules adopted by the commissioner regulating the organization and operation of limited purpose subsidiary life insurance companies as provided in subsection 6.

2010 Acts, ch 1121, §9; 2013 Acts, ch 39, §9, 11
2013 amendment to subsection 5 takes effect January 1, 2014; 2013 Acts, ch 39, §11
Subsection 5 amended

**508.34 Required to be separate company.**

Any subsidiary company shall be a separate and distinct company, with neither the organizing or acquiring life company nor such subsidiary having any liability to the creditors, policyholders or stockholders, if any, of the other. The organizing or acquiring company may be either a mutual or stock company.

[C66, 71, 73, 75, 77, 79, 81, §508.34]

**508.35 Qualifications to do business.**

Any such subsidiary company organized by any such life insurance company shall comply with all the laws of the state of its incorporation pertaining to the organization and qualification to do business of its class or kind, and if incorporated outside of the state of Iowa shall be admitted to do business in this state only upon qualification under the laws of the state of Iowa relating to such foreign corporations.

[C66, 71, 73, 75, 77, 79, 81, §508.35]

**508.36 Standard valuations.**

This section shall be known as the "*Standard Valuation Law*".

1. *Reserve valuation.* The commissioner shall annually value, or cause to be valued, the reserve liabilities, referred to in this section as reserves, for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurance company doing business in this state, and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest, and the net level premium method or other methods used in the calculation of such reserves. In calculating the reserves, the commissioner may use group methods and approximate averages for fractions of a year or otherwise. In lieu of the valuation of the reserves required in this section of any foreign or alien company, the commissioner may accept any valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when such valuation complies with the minimum standard provided for in this section and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the commissioner when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that state or jurisdiction.

2. *Actuarial opinion of reserves.* This subsection is effective January 1, 1996.

*a. General.* A life insurance company doing business in this state shall annually submit the written opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the commissioner by regulation are computed appropriately, are based on assumptions which satisfy contractual provisions, are consistent with prior reported amounts, and are in compliance with applicable laws of this state. The commissioner shall define by rule the requirements and content of this opinion and add any other items deemed to be necessary.

*b. Actuarial analysis of reserves and assets supporting such reserves.*

(1) Unless exempted by rule, a life insurance company shall also annually include in the opinion required by paragraph "*a*", an opinion of the same qualified actuary as to whether the reserves and related actuarial items held in support of policies and contracts specified by

the commissioner by rule, when considered with respect to the assets held by the company associated with the reserves and related actuarial items, including, but not limited to, the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, are sufficient for the company's obligations under the policies and contracts, including but not limited to the benefits under and expenses associated with the policies and contracts.

(2) The commissioner may provide by rule for a transition period for establishing any higher reserves which the qualified actuary may deem necessary in order to render the opinion required by this section.

*c. Requirements for actuarial analysis.* An opinion required by paragraph *"b"* shall be governed by the following provisions:

(1) A memorandum, in form and substance acceptable to the commissioner as specified by rule, shall be prepared to support each actuarial opinion.

(2) If the insurance company fails to provide a supporting memorandum at the request of the commissioner within a period specified by rule or the commissioner determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the rules or is otherwise unacceptable to the commissioner, the commissioner may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare such supporting memorandum as is required by the commissioner.

*d. Requirement for all opinions.* An opinion required under this section is governed by the following provisions:

(1) The opinion shall be submitted with the annual statement reflecting the valuation of such reserve liabilities for each year ending on or after December 31, 1995.

(2) The opinion shall apply to all business in force, including individual and group health insurance plans, in form and substance acceptable to the commissioner as specified by rule.

(3) The opinion shall be based on standards adopted from time to time by the actuarial standards board and on such additional standards as the commissioner may by rule prescribe.

(4) In the case of an opinion required to be submitted by a foreign or alien company, the commissioner may accept the opinion filed by that company with the insurance supervisory official of another state if the commissioner determines that the opinion reasonably meets the requirements applicable to a company domiciled in this state.

(5) For the purposes of this section, *"qualified actuary"* means a member in good standing of the American academy of actuaries who meets the requirements of the commissioner as specified by rule.

(6) Except in cases of fraud or willful misconduct, a qualified actuary is not liable for damages to any person, other than to the insurance company and the commissioner, for any act, error, omission, decision, or conduct with respect to the actuary's opinion.

(7) Disciplinary action which may be taken by the commissioner against the company or the qualified actuary shall be defined in rules adopted by the commissioner.

(8) (a) Any memorandum in support of the opinion, and any other material provided by the company to the commissioner in connection with the opinion, shall be kept confidential by the commissioner and shall not be made public and shall not be subject to subpoena, other than for the purpose of defending an action seeking damages from any person by reason of any action required by this section or by rules adopted pursuant to this section. Notwithstanding this subparagraph, the memorandum or other material may be released by the commissioner if either of the following applies:

(i) The commissioner receives the written consent of the company with which the opinion is associated.

(ii) The American academy of actuaries requests that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the commissioner for preserving the confidentiality of the memorandum or other material.

(b) Once any portion of the confidential memorandum is cited by the company in its marketing, is cited before any governmental agency other than a state insurance

department, or is released by the company to the news media, all portions of the confidential memorandum are no longer confidential.

3. *Computations of minimum standards.* Except as otherwise provided in subsections 4, 5, and 12, the minimum standard for the valuation of all such policies and contracts issued prior to July 1, 1994, shall be that provided by the laws in effect immediately prior to such date. Except as otherwise provided in subsections 4, 5, and 12, the minimum standard for the valuation of all such policies and contracts shall be the commissioner's reserve valuation methods defined in subsections 6, 7, 10, and 11, five percent interest for group annuity and pure endowment contracts and three and one-half percent interest for all other policies and contracts, or in the case of policies and contracts, other than annuity and pure endowment contracts, issued on or after July 1, 1974, four percent interest for such policies issued prior to January 1, 1980, five and one-half percent interest for single premium life insurance policies and four and one-half percent interest for all other such policies issued on and after January 1, 1980, and the following tables:

*a.* For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in the policies, the following:

(1) The commissioners 1941 standard ordinary mortality table for policies issued prior to the operative date of section 508.37, subsection 5, paragraph "*a*".

(2) The commissioners 1958 standard ordinary mortality table for such policies issued on or after the operative date of section 508.37, subsection 5, paragraph "*c*", provided that for any category of policies issued on female risks, all modified net premiums and present values referred to in this section may be calculated according to an age not more than six years younger than the actual age of the insured.

(3) For policies issued on or after the operative date of section 508.37, subsection 5, paragraph "*c*", any of the following:

(a) The commissioners 1980 standard ordinary mortality table.

(b) At the election of the company for any one or more specified plans of life insurance, the commissioners 1980 standard ordinary mortality table with ten-year select mortality factors.

(c) Any ordinary mortality table, adopted after 1980 by the national association of insurance commissioners, that is approved by rule adopted by the commissioner for use in determining the minimum standard of valuation for such policies.

*b.* For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in the policies, the following:

(1) For policies issued prior to the operative date of section 508.37, subsection 5, paragraph "*b*", the 1941 standard industrial mortality table.

(2) For policies issued on or after the operative date of section 508.37, subsection 5, paragraph "*b*", the commissioners 1961 standard industrial mortality table, or any industrial mortality table adopted after 1980 by the national association of insurance commissioners, that is approved by rule adopted by the commissioner for use in determining the minimum standard of valuation for such policies.

*c.* For individual annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies, the 1937 standard annuity mortality table or, at the option of the company, the annuity mortality table for 1949, ultimate, or any modification of either of these tables approved by the commissioner.

*d.* For group annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies, the group annuity mortality table for 1951, or a modification of the table approved by the commissioner, or at the option of the company, any of the tables or modifications of tables specified for individual annuity and pure endowment contracts.

*e.* (1) For total and permanent disability benefits in or supplementary to ordinary policies or contracts, the following:

(a) For policies or contracts issued on or after January 1, 1966, the tables of period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 disability study of the society of actuaries, with due regard to the type of benefit, or any tables of disablement rates and termination rates adopted after 1980 by the national association of insurance

commissioners and approved by rule adopted by the commissioner for use in determining the minimum standard of valuation for such policies.

(b) For policies or contracts issued on or after January 1, 1961, and prior to January 1, 1966, either of the tables identified under subparagraph division (a), or at the option of the company, the class (3) disability table (1926).

(c) For policies issued prior to January 1, 1961, the class (3) disability table (1926).

(2) A table used under this paragraph *"e"* shall, for active lives, be combined with a mortality table permitted for calculating the reserves for life insurance policies.

*f.* (1) For accidental death benefits in or supplementary to policies, the following:

(a) For policies issued on or after January 1, 1966, the 1959 accidental death benefits table, or any accidental death benefits table adopted after 1980 by the national association of insurance commissioners and approved by rule adopted by the commissioner for use in determining the minimum standard of valuation for such policies.

(b) For policies issued on or after January 1, 1961, and prior to January 1, 1966, either of the tables identified under subparagraph division (a), or at the option of the company, the intercompany double indemnity mortality table.

(c) For policies issued prior to January 1, 1961, the intercompany double indemnity mortality table.

(2) A table used under this paragraph *"f"* shall be combined with a mortality table for calculating the reserves for life insurance policies.

*g.* For group life insurance, life insurance issued on the substandard basis, and other special benefits, tables approved by the commissioner.

4. *Computation for minimum standards for annuities.*

*a.* Except as provided in subsection 5, the minimum standard for the valuation of all individual annuity and pure endowment contracts issued on or after the operative date of this subsection, and for all annuities and pure endowments purchased on or after the operative date of this subsection under group annuity and pure endowment contracts, shall be the commissioner's reserve valuation methods defined in subsections 6 and 7, and the following tables and interest rates:

(1) For individual annuity and pure endowment contracts issued prior to January 1, 1980, excluding any disability and accidental death benefits in such contracts, both of the following:

(a) The 1971 individual annuity mortality table, or any modification of this table approved by the commissioner.

(b) Six percent interest for single premium immediate annuity contracts, and four percent interest for all other individual annuity and pure endowment contracts.

(2) For individual single premium immediate annuity contracts issued on or after January 1, 1980, excluding any disability and accidental death benefits in such contracts, both of the following:

(a) One of the following tables:

(i) The 1971 individual annuity mortality table.

(ii) An individual annuity mortality table, adopted after 1980 by the national association of insurance commissioners and approved by rule adopted by the commissioner for use in determining the minimum standard of valuation for such contracts.

(iii) A modification of the tables identified in subparagraph subdivisions (i) and (ii) approved by the commissioner.

(b) Seven and one-half percent interest.

(3) For individual annuity and pure endowment contracts issued on or after January 1, 1980, other than single premium immediate annuity contracts, excluding any disability and accidental death benefits in such contracts, both of the following:

(a) One of the following tables:

(i) The 1971 individual annuity mortality table.

(ii) An individual annuity mortality table adopted after 1980 by the national association of insurance commissioners and approved by rule adopted by the commissioner for use in determining the minimum standard of valuation for such contracts.

(iii) A modification of the tables identified in subparagraph subdivisions (i) and (ii) approved by the commissioner.

(b) Five and one-half percent interest for single premium deferred annuity and pure endowment contracts and four and one-half percent interest for all other such individual annuity and pure endowment contracts.

(4) For all annuities and pure endowments purchased prior to January 1, 1980, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts, both of the following:

(a) The 1971 group annuity mortality table or any modification of this table approved by the commissioner.

(b) Six percent interest.

(5) For all annuities and pure endowments purchased on or after January 1, 1980, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts, both of the following:

(a) One of the following tables:

(i) The 1971 group annuity mortality table.

(ii) A group annuity mortality table adopted after 1980 by the national association of insurance commissioners and approved by rule adopted by the commissioner for use in determining the minimum standard of valuation for such annuities and pure endowments.

(iii) A modification of the tables identified in subparagraph subdivisions (i) and (ii) approved by the commissioner.

(b) Seven and one-half percent interest.

*b.* After July 1, 1973, a company may file with the commissioner a written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1979, which shall be the operative date of this section for such company, provided, if a company makes no election, the effective date of this section for a company is January 1, 1979.

5. *Computation of minimum standard by calendar year of issue.*

*a. Applicability of this subsection.* The calendar year statutory valuation interest rates, as defined in this subsection, shall be used in determining the minimum standard for the valuation of all of the following:

(1) All life insurance policies issued in a particular calendar year, on or after the operative date of section 508.37, subsection 5, paragraph "*c*".

(2) All individual annuity and pure endowment contracts issued in a particular calendar year on or after January 1, 1995.

(3) All annuities and pure endowments purchased in a particular calendar year on or after January 1, 1995, under group annuity and pure endowment contracts.

(4) The net increase, if any, in a particular calendar year on or after January 1, 1995, in amounts held under guaranteed interest contracts.

*b. Calendar year statutory valuation interest rates.*

(1) The calendar year statutory valuation interest rates, referred to in this paragraph as "I", shall be determined as follows and the results rounded to the nearer one-quarter of one percent:

(a) For life insurance,

$$I \text{ equals } .03 + W\left(R1 - \frac{W}{.03}\right) + 2\ (R2 - .09),$$

where R1 is the lesser of R and .09, R2 is the greater of R and .09, R is the reference interest rate defined in paragraph "*d*" of this subsection, and W is the weighting factor defined in paragraph "*c*" of this subsection.

(b) For single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and from guaranteed interest contracts with cash settlement options,

I equals .03 + W(R – .03),

where R1 is the lesser of R and .09, R2 is the greater of R and .09, R is the reference interest rate defined in paragraph *"d"* of this subsection, and W is the weighting factor defined in paragraph *"c"* of this subsection.

(c) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on an issue-year basis, except as stated in subparagraph division (b), the formula for life insurance stated in subparagraph division (a) applies to annuities and guaranteed interest contracts with guarantee durations in excess of ten years, and the formula for single premium immediate annuities stated in subparagraph division (b) applies to annuities and guaranteed interest contracts with guarantee durations of ten years or less.

(d) For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the formula for single premium immediate annuities stated in subparagraph division (b) applies.

(e) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change-in-fund basis, the formula for single premium immediate annuities stated in subparagraph division (b) applies.

(2) However, if the calendar year statutory valuation interest rate for any life insurance policies issued in any calendar year determined under subparagraph (1), subparagraph division (a), without reference to this sentence differs from the corresponding actual rate for similar policies issued in the immediately preceding calendar year by less than one-half of one percent, the calendar year statutory valuation interest rate for the life insurance policies is equal to the corresponding actual rate for the immediately preceding calendar year. For purposes of applying the immediately preceding sentence, the calendar year statutory valuation interest rate for life insurance policies issued in a calendar year shall be determined for 1980, using the reference interest rate defined in 1979, and shall be determined for each subsequent calendar year regardless of the operative date of section 508.37, subsection 5, paragraph *"c"*.

*c. Weighting factors.*

(1) The weighting factors referred to in paragraph *"b"* are given in the following tables:

(a) (i) Weighting Factors for Life Insurance:

| Guarantee Duration (Years) | Weighting Factors |
|---|---|
| 10 or less | .50 |
| More than 10, but not more than 20 | .45 |
| More than 20 | .35 |

(ii) For life insurance, the guarantee duration is the maximum number of years the life insurance can remain in force on a basis guaranteed in the policy or under options to convert to plans of life insurance with premium rates or nonforfeiture values or both which are guaranteed in the original policy.

(b) The weighting factors for single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options is .80.

(c) Weighting factors for other annuities and for guaranteed interest contracts, except as stated in subparagraph division (b), shall be as specified in subparagraph subdivisions (i), (ii), and (iii) of this subparagraph division, according to the rules and definitions in subparagraph subdivisions (iv), (v), and (vi) of this subparagraph division:

(i) For annuities and guaranteed interest contracts valued on an issue-year basis:

| Guarantee Duration (Years) | Weighting Factor for Plan Type A | B | C |
|---|---|---|---|
| 5 or less | .80 | .60 | .50 |
| More than 5, but not more than 10 | .75 | .60 | .50 |
| More than 10, but not more than 20 | .65 | .50 | .45 |
| More than 20 | .45 | .35 | .35 |

(ii) For annuities and guaranteed interest contracts valued on a change-in-fund basis, the factors shown in subparagraph subdivision (i) of this subparagraph division increased by:

| Plan Type A | B | C |
|---|---|---|
| .15 | .25 | .05 |

(iii) For annuities and guaranteed interest contracts valued on an issue-year basis, other than those with no cash settlement options, which do not guarantee interest on considerations received more than one year after issue or purchase and for annuities and guaranteed interest contracts valued on a change-in-fund basis which do not guarantee interest rates on considerations received more than twelve months beyond the valuation date, the factors shown in subparagraph subdivision (i) of this subparagraph division or derived in subparagraph subdivision (ii) of this subparagraph division increased by:

| Plan Type A | B | C |
|---|---|---|
| .05 | .05 | .05 |

(iv) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the guarantee duration is the number of years for which the contract guarantees interest rates in excess of the calendar year statutory valuation interest rate for life insurance policies with guarantee durations in excess of twenty years. For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the guarantee duration is the number of years from the date of issue or date of purchase to the date annuity benefits are scheduled to commence.

(v) *"Plan type"*, as used in subparagraph subdivisions (i), (ii), and (iii) of this subparagraph division, is defined as follows:

(A) *"Plan Type A"*: At any time, the policyholder may withdraw funds only with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or may withdraw funds without that adjustment but in installments over five years or more, or may withdraw funds as in immediate life annuity; or no withdrawal is permitted.

(B) *"Plan Type B"*: Before expiration of the interest rate guarantee, the policyholder may withdraw funds only with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or may withdraw funds without that adjustment but in installments over five years or more; or no withdrawal is permitted. At the end of interest rate guarantee, funds may be withdrawn without adjustment in a single sum or installments over less than five years.

(C) *"Plan Type C"*: The policyholder may withdraw funds before expiration of interest rate guarantee in a single sum or installments over less than five years either without adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company, or subject only to a fixed surrender charge stipulated in the contract as a percentage of the fund.

(vi) A company may elect to value guaranteed interest contracts with cash settlement

options and annuities with cash settlement options on either an issue-year basis or on a change-in-fund basis. Guaranteed interest contracts with no cash settlement options and other annuities with no cash settlement options must be valued on an issue-year basis. As used in this section, an issue-year basis of valuation refers to a valuation basis under which the interest rate used to determine the minimum valuation standard for the entire duration of the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of issue or year of purchase of the annuity or guaranteed interest contract, and the change-in-fund basis of valuation refers to a valuation basis under which the interest rate used to determine the minimum valuation standard applicable to each change in the fund held under the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of the change in the fund.

*d. Reference interest rate.* The reference interest rate referred to in paragraph "*b*" is defined as follows:

(1) For all life insurance, the lesser of the average over a period of thirty-six months and the average over a period of twelve months, ending on June 30 of the calendar year next preceding the year of issue, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's investors service, inc.

(2) For single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the average over a period of twelve months, ending on June 30 of the calendar year of issue or year of purchase, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's investors service, inc.

(3) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on an issue-year basis, except as stated in subparagraph (2), with guarantee duration in excess of ten years, the lesser of the average over a period of thirty-six months and the average over a period of twelve months, ending on June 30 of the calendar year of issue or purchase, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's investors service, inc.

(4) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on an issue-year basis, except as stated in subparagraph (2), with guarantee duration of ten years or less, the average over a period of twelve months, ending on June 30 of the calendar year of issue or purchase, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's investors service, inc.

(5) For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the average over a period of twelve months, ending on June 30 of the calendar year of issue or purchase, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's investors service, inc.

(6) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change-in-fund basis, except as stated in subparagraph (2), the average over a period of twelve months, ending on June 30 of the calendar year of the change in the fund, of the monthly average of the composite yield on seasoned corporate bonds, as published by Moody's investors service, inc.

*e. Alternative method for determining reference interest rates.* In the event that the monthly average of the composite yield on seasoned corporate bonds is no longer published by Moody's investors service, inc., or in the event that the national association of insurance commissioners determines that the monthly average of the composite yield on seasoned corporate bonds as published by Moody's investors service, inc. is no longer appropriate for the determination of the reference interest rate, an alternative method for determination of the reference interest rate, which is adopted by the national association of insurance commissioners and approved by rule adopted by the commissioner, may be substituted.

6. *Reserve valuation method — life insurance and endowment benefits.*

*a.* Except as otherwise provided in subsections 7, 10, and 12, reserves calculated according to the commissioner's reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring

the payment of uniform premiums, shall be the excess, if any, of the present value, at the date of valuation, of future guaranteed benefits provided for by such policies, over the present value, at the date of valuation, of any future modified net premiums for such policies. The modified net premiums for such policy is the uniform percentage of the respective contract premiums for the benefits such that the present value, at the date of issue of the policy, of all modified net premiums shall be equal to the sum of the present value, at the date of valuation, of such benefits provided for by the policy and the excess of the amount determined in subparagraph (1) over the amount determined in subparagraph (2), as follows:

(1) A net level annual premium equal to the present value at the date of issue, of the benefits provided for after the first policy year, divided by the present value at the date of issue, of an annuity of one per annum payable on the first, and each subsequent, anniversary of the policy on which a premium falls due. However, the net level annual premium shall not exceed the net level annual premium on the nineteen-year premium whole life plan for insurance of the same amount at an age one year more than the age of the insured at issue of the policy.

(2) A net one-year term premium for the benefits provided for in the first policy year.

*b.* (1) However, for a life insurance policy issued on or after January 1, 1998, for which the contract premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such additional premium and which provides an endowment benefit or a cash surrender value or a combination of such benefit or value in an amount greater than the additional premium, the reserve according to the commissioner's reserve valuation method as of any policy anniversary occurring on or before the assumed ending date defined as the first policy anniversary on which the sum of any endowment benefit and any cash surrender value then available is greater than such additional premium shall be, except as otherwise provided in subsection 10, the greater of the reserve as of such policy anniversary calculated as described in paragraph "*a*" and the reserve as of such policy anniversary calculated as described in paragraph "*a*", but with the following modifications:

(a) The value defined in paragraph "*a*" being reduced by fifteen percent of the amount of such excess first year premium.

(b) All present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date.

(c) The policy being assumed to mature on such date as an endowment.

(d) The cash surrender value provided on such date being considered as an endowment benefit.

(2) In making the above comparison the mortality and interest bases stated in subsections 4 and 5 shall be used.

*c.* Reserves according to the commissioner's reserve valuation method shall be calculated pursuant to a method consistent with this subsection for all of the following:

(1) Life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums.

(2) Group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation established or maintained by an employer, including a partnership or sole proprietorship, or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code.

(3) Disability and accidental death benefits in all policies and contracts.

(4) All other benefits, except life insurance and endowment benefits in life insurance policies and benefits provided by all other annuity and pure endowment contracts.

7. *Reserve valuation method — annuity and pure endowment benefits.*

*a.* This subsection applies to all annuity and pure endowment contracts other than group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation established or maintained by an employer, including a partnership or sole proprietorship, or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code.

*b.* Reserves according to the commissioner's annuity reserve method for benefits under annuity or pure endowment contracts, excluding any disability and accidental death benefits in such contracts, shall be the greatest of the respective excesses of the present values, at the date of valuation, of the future guaranteed benefits, including guaranteed nonforfeiture benefits, provided for by such contracts at the end of each respective contract year, over the present value, at the date of valuation, of any future valuation considerations derived from future gross considerations, required by the terms of such contract, that become payable prior to the end of such respective contract year. The future guaranteed benefits shall be determined by using the mortality table, if any, and the interest rate or rates, specified in such contracts for determining guaranteed benefits. The valuation considerations are the portions of the respective gross considerations applied under the terms of such contracts to determine nonforfeiture values.

8. *Minimum reserves.*

*a.* A company's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits, issued on or after the operative date of section 508.37, shall not be less than the aggregate reserves calculated in accordance with the methods set forth in subsections 6, 7, 10, and 11, and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for such policies.

*b.* A company's aggregate reserves for all policies, contracts, and benefits shall not be less than the aggregate reserves determined by the qualified actuary to be necessary to render the opinion required by subsection 2.

9. *Optional reserve calculation.*

*a.* Reserves for all policies and contracts issued prior to the operative date of section 508.37, may be calculated, at the option of the company, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required prior to July 1, 1994.

*b.* Reserves for any category of policies, contracts, or benefits, as established by the commissioner, issued on or after the operative date of section 508.37, may be calculated, at the option of the company, according to any standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard as provided in this section, but the rate or rates of interest used for policies and contracts, other than annuity and pure endowment contracts, shall not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits as provided in this section.

*c.* A company which at any time adopts a standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard as provided in this section may adopt, with the approval of the commissioner, any lower standard of valuation, not to be lower than the minimum as provided in this section, provided, however, that, for purposes of this section, the holding of additional reserves previously determined by a qualified actuary to be necessary to render the opinion required by subsection 2 shall not be deemed to be the adoption of a higher standard of valuation.

10. *Reserve calculation — valuation net premium exceeding the gross premium charge.*

*a.* If in any contract year the gross premium charged by a life insurance company on a policy or contract is less than the valuation net premium for the policy or contract, as calculated by the method used in calculating the reserve for such policy or contract but using the minimum valuation standards of mortality and rate of interest, the minimum reserve required for such policy or contract is the greater of either the reserve calculated according to the mortality table, rate of interest, and method actually used for such policy or contract, or the reserve calculated by the method actually used for such policy or contract but using the minimum valuation standards of mortality and rate of interest and replacing the valuation net premium by the actual gross premium in each contract year for which the valuation net premium exceeds the actual gross premium. The minimum valuation standards of mortality and rate of interest referred to in this section are those standards established in subsections 4 and 5.

*b.* However, for any life insurance policy issued on or after January 1, 1998, for which the gross premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such excess and which provides

an endowment benefit or a cash surrender value, or a combination of such benefit and value, in an amount greater than the excess premium, the provisions of paragraph *"a"* apply as if the method actually used in calculating the reserve for such policy is the method established in subsection 6, excluding paragraph *"b"* of that subsection. The minimum reserve of the policy at each policy anniversary shall be the greater of the minimum reserve calculated pursuant to subsection 6 and the minimum reserve calculated in accordance with this subsection.

11. *Reserve calculation — indeterminate premium plans.* In the case of any plan of life insurance which provides for future premium determination, the amounts of such premium which are to be determined by the insurance company based on estimates of future experience, or in the case of any plan of life insurance or annuity, the minimum reserves of which cannot be determined by the methods established in subsections 6, 7, and 10, the reserves which are held under the plan must be appropriate in relation to the benefits and the pattern of premiums for that plan, and shall be computed by a method which is consistent with this section, as determined by rules adopted by the commissioner.

12. *Minimum standards for health (disability, accident, and sickness) plans.* The commissioner shall adopt rules containing the minimum standards applicable to the valuation of health, disability, and sickness and accident plans.

[C73, §1169; C97, §1774; C24, 27, 31, 35, 39, §**8654;** C46, 50, 54, 58, 62, §508.12; C66, 71, 73, 75, 77, 79, 81, §508.36; 82 Acts, ch 1072, §1, 2]

94 Acts, ch 1176, §7, 8; 95 Acts, ch 67, §36; 2009 Acts, ch 41, §148 – 156; 2012 Acts, ch 1023, §104, 157; 2013 Acts, ch 30, §121 – 123

Referred to in §508.33A, 508.37, 511.8(10a)
Subsection 4 amended
Subsection 5, paragraph c, subparagraph (1), subparagraph division (a) amended
Subsection 6, paragraph b amended

**508.37 Standard nonforfeitures — life insurance.**

This section shall be known as the *"Standard Nonforfeiture Law for Life Insurance"*.

1. In the case of policies issued on or after the operative date of this section as defined in subsection 11, a policy of life insurance shall not, except as stated in subsection 10, be delivered or issued for delivery in this state unless it contains in substance the following provisions, or corresponding provisions which in the opinion of the commissioner are at least as favorable to the defaulting or surrendering policyholder as the following provisions and are essentially in compliance with subsection 9:

*a.* That, in the event of default in any premium payment, the company will grant, upon proper request not later than sixty days after the due date of the premium in default, a paid-up nonforfeiture benefit on a plan stipulated in the policy, effective as of the due date of the premium in default, and of an amount as specified in this section. In lieu of the stipulated paid-up nonforfeiture benefit, the company may substitute, upon proper request not later than sixty days after the due date of the premium in default, an actuarially equivalent alternative paid-up nonforfeiture benefit which provides a greater amount or longer period of death benefits or, if applicable, a greater amount or earlier payment of endowment benefits.

*b.* That, upon surrender of the policy within sixty days after the due date of any premium payment in default after premiums have been paid for at least three full years in the case of ordinary insurance or five full years in the case of industrial insurance, the company will pay, in lieu of any paid-up nonforfeiture benefit, a cash surrender value of an amount as may be specified in this section.

*c.* That a specified paid-up nonforfeiture benefit shall become effective as specified in the policy unless the person entitled to make an election elects another available option not later than sixty days after the due date of the premium in default.

*d.* That, if the policy has become paid up by completion of all premium payments or if it is continued under any paid-up nonforfeiture benefit which became effective on or after the third policy anniversary in the case of ordinary insurance or the fifth policy anniversary in the case of industrial insurance, the company will pay, upon surrender of the policy within thirty days after any policy anniversary, a cash surrender value of an amount as specified in this section.

*e.* In the case of policies which cause on a basis guaranteed in the policy unscheduled

changes in benefits or premiums, or which provide an option for changes in benefits or premiums other than a change to a new policy, a statement of the mortality table, interest rate, and method used in calculating cash surrender values and the paid-up nonforfeiture benefits available under the policy. In the case of all other policies, a statement of the mortality table and interest rate used in calculating the cash surrender values and the paid-up nonforfeiture benefits available under the policy, together with a table showing the cash surrender value, if any, and paid-up nonforfeiture benefit, if any, available under the policy on each policy anniversary, either during the first twenty policy years or during the term of the policy, whichever is shorter, the values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the company on the policy.

*f.* A statement that the cash surrender values and the paid-up nonforfeiture benefits available under the policy are not less than the minimum values and benefits required by or pursuant to the insurance law of the state in which the policy is delivered; an explanation of the manner in which the cash surrender values and the paid-up nonforfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the company on the policy; if a detailed statement of the method of computation of the values and benefits shown in the policy is not stated in the policy, a statement that the method of computation has been filed with the insurance supervisory official of the state in which the policy is delivered; and a statement of the method to be used in calculating the cash surrender value and paid-up nonforfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy.

2. Any of the provisions or portions of provisions set forth in subsection 1 which are not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy. The company shall reserve the right to defer the payment of any cash surrender value for a period of six months after demand with surrender of the policy.

3. *a.* Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary, whether or not required by subsection 1, shall be an amount not less than the excess, if any, of the present value, on that anniversary, of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no default, over the sum of the then present value of the adjusted premiums as defined in subsections 5 and 6, corresponding to premiums which would have fallen due on and after that anniversary, plus the amount of any indebtedness to the company on the policy.

*b.* However, for a policy issued on or after the operative date of subsection 6 as defined in paragraph *"k"* of that subsection, which provides supplemental life insurance or annuity benefits at the option of the insured and for an identifiable additional premium by rider or supplemental policy provision, the cash surrender value referred to in paragraph *"a"* shall be an amount not less than the sum of the cash surrender value as defined in that paragraph for an otherwise similar policy issued at the same age without such rider or supplemental policy provision and the cash surrender value as defined in that paragraph for a policy which provides only the benefits otherwise provided by such rider or supplemental policy provision.

*c.* Provided further that for a family policy issued on or after the operative date of subsection 6 as defined in paragraph *"k"* of that subsection, which defines a primary insured and provides term insurance on the life of the spouse of the primary insured expiring before the spouse's age seventy-one, the cash surrender value referred to in paragraph *"a"* shall be an amount not less than the sum of the cash surrender value as defined in paragraph *"a"* for an otherwise similar policy issued at the same age without term insurance on the life of the spouse and the cash surrender value as defined in paragraph *"a"* for a policy which provides only the benefits otherwise provided by the term insurance on the life of the spouse.

*d.* Any cash surrender value available within thirty days after any policy anniversary under any policy paid up by completion of all premium payments or any policy continued under any paid-up nonforfeiture benefit, whether or not required by subsection 1, shall be an amount not less than the present value, on the anniversary, of the future guaranteed

benefits provided for by the policy, including any existing paid-up additions, decreased by any indebtedness to the company on the policy.

4. Any paid-up nonforfeiture benefit available under the policy in the event of default in a premium payment due on any policy anniversary shall be such that its present value as of that anniversary shall be at least equal to the cash surrender value then provided for by the policy or, if none is provided for, that cash surrender value which would have been required by this section in the absence of the condition that premiums shall have been paid for at least a specified period.

5. *a.* (1) This subsection does not apply to policies issued on or after the operative date of subsection 6 as defined in paragraph "*k*" of that subsection. Except as provided in paragraph "*c*", the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding any extra premiums charged because of impairments or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums is equal to the sum of the following:

(a) The then present value of the future guaranteed benefits provided for by the policy.

(b) Two percent of the amount of the insurance, if the insurance is uniform in amount, or of the equivalent uniform amount, as defined in paragraph "*b*", if the amount of insurance varies with duration of the policy.

(c) Forty percent of the adjusted premium for the first policy year.

(d) Twenty-five percent of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less.

(2) However, in applying the percentages specified in subparagraph (1), subparagraph divisions (c) and (d), no adjusted premium shall be deemed to exceed four percent of the amount of insurance or an equivalent uniform amount. The date of issue of a policy for the purpose of this subsection is the date as of which the rated age of the insured is determined.

*b.* In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent uniform amount for the purpose of this subsection shall be deemed to be the uniform amount of insurance provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the date of issue as the benefits under the policy, provided that in the case of a policy providing a varying amount of insurance issued on the life of a child under age ten, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age ten were the amount provided by the policy at age ten.

*c.* The adjusted premiums for a policy providing term insurance benefits by rider or supplemental policy provision shall be equal to (1) the adjusted premiums for an otherwise similar policy issued at the same age without such term insurance benefits, increased during the period for which premiums for such term insurance benefits are payable, by (2) the adjusted premiums for such term insurance, the foregoing items (1) and (2) being calculated separately and as specified in paragraphs "*a*" and "*b*" of this subsection except that, for the purposes of paragraph "*a*", subparagraph (1), subparagraph divisions (b), (c), and (d), the amount of insurance or equivalent uniform amount of insurance used in the calculation of the adjusted premiums referred to in item (2) in this paragraph shall be equal to the excess of the corresponding amount determined for the entire policy over the amount used in the calculation of the adjusted premiums in item (1) in this paragraph.

*d.* (1) All adjusted premiums and present values referred to in this section shall for policies of ordinary insurance be calculated on the basis of the Commissioners 1958 Standard Ordinary Mortality Table, provided that for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than six years younger than the actual age of the insured. The calculations for all policies of industrial insurance issued before January 1, 1968, shall be made on the basis of the 1941 Standard Industrial Mortality Table, except that a company may file with the

commissioner a written notice of its election that the adjusted premiums and present values shall be calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table, after a specified date before January 1, 1968. Whether or not any election has been made, the Commissioners 1961 Standard Industrial Mortality Table shall be the basis for these calculations as to all policies of industrial insurance issued on or after January 1, 1968. All calculations shall be made on the basis of the rate of interest specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, provided that the rate of interest shall not exceed three and one-half percent per annum, except that a rate of interest not exceeding four percent per annum may be used for policies issued on or after July 1, 1974, and prior to January 1, 1980, and a rate of interest not exceeding five and one-half percent per annum may be used for policies issued on or after January 1, 1980.

(2) However, in calculating the present value under subparagraph (1) of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed in the case of policies of ordinary insurance, may be not more than those shown in the Commissioners 1958 Extended Term Insurance Table, and in the case of policies of industrial insurance, may be not more than one hundred thirty percent of the rates of mortality according to the 1941 Standard Industrial Mortality Table, except that when the Commissioners 1961 Standard Industrial Mortality Table becomes applicable as specified in this paragraph, the rates of mortality assumed may be not more than those shown in the Commissioners 1961 Industrial Extended Term Insurance Table. In addition, for insurance issued on a substandard basis, the calculation under subparagraph (1) of adjusted premiums and present values may be based on any other table of mortality that is specified by the company and approved by the commissioner.

6. *a.* (1) This subsection applies to all policies issued on or after the operative date of this subsection, as defined in paragraph "*k*". Except as provided in paragraph "*g*", the adjusted premiums for a policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments or special hazards and also excluding any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits, that the present value, at the date of issue of the policy, of all adjusted premiums is equal to the sum of the following:

(a) The then present value of the future guaranteed benefits provided for by the policy.

(b) One percent of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first ten policy years.

(c) One hundred twenty-five percent of the nonforfeiture net level premium, as defined in paragraph "*b*". However, in applying this percentage a nonforfeiture net level premium shall not be deemed to exceed four percent of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first ten policy years.

(2) The date of issue of a policy for the purpose of this subsection is the date as of which the rated age of the insured is determined.

*b.* The nonforfeiture net level premium shall be equal to the present value, at the date of issue of the policy, of the guaranteed benefits provided for by the policy divided by the present value, at the date of issue of the policy, of an annuity of one per annum payable on the date of issue of the policy and on each anniversary of the policy on which a premium falls due.

*c.* In the case of policies which on a basis guaranteed in the policy cause unscheduled changes in benefits or premiums, or which provide an option for changes in benefits or premiums other than a change to a new policy, the adjusted premiums and present values shall initially be calculated on the assumption that future benefits and premiums do not change from those stipulated at the date of issue of the policy. At the time of a change in the benefits or premiums, the future adjusted premiums, nonforfeiture net level premiums, and present values shall be recalculated on the assumption that future benefits and premiums do not change from those stipulated by the policy immediately after the change.

*d.* Except as otherwise provided in paragraph "*g*", the recalculated future adjusted premiums for a policy shall be such uniform percentage of the respective future premiums

specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments and special hazards, and also excluding any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits, that the present value, at the time of change to the newly defined benefits or premiums, of all future adjusted premiums is equal to the excess of the sum of the then present value of the then future guaranteed benefits provided for by the policy plus the additional expense allowance, if any, over the then cash surrender value, if any, or present value of any paid-up nonforfeiture benefit under the policy.

*e.* The additional expense allowance, at the time of the change to the newly defined benefits or premiums, shall be the sum of one percent of the excess, if positive, of the average amount of insurance at the beginning of each of the first ten policy years subsequent to the change over the average amount of insurance prior to the change at the beginning of each of the first ten policy years subsequent to the time of the most recent previous change, or, if there has been no previous change, the date of issue of the policy, plus one hundred twenty-five percent of the increase, if positive, in the nonforfeiture net level premium.

*f.* The recalculated nonforfeiture net level premium shall be equal to the result obtained by dividing (1) by (2), where (1) and (2) are as follows:

(1) The sum of the nonforfeiture net level premium applicable prior to the change times the present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of the change on which a premium would have fallen due had the change not occurred, plus the present value of the increase in future guaranteed benefits provided for by the policy.

(2) The present value of an annuity of one per annum payable on each anniversary of the policy on or subsequent to the date of change on which a premium falls due.

*g.* Notwithstanding any contrary provision of this subsection, in the case of a policy issued on a substandard basis which provides reduced graded amounts of insurance so that, in each policy year, the policy has the same tabular mortality cost as an otherwise similar policy issued on the standard basis which provides higher uniform amounts of insurance, adjusted premiums and present values for the substandard policy may be calculated as if it were issued to provide those higher uniform amounts of insurance on the standard basis.

*h.* Adjusted premiums and present values referred to in this section shall for all policies of ordinary insurance be calculated on the basis of either the Commissioners 1980 Standard Ordinary Mortality Table or, at the election of the company for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors; shall for all policies of industrial insurance be calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table; and shall for all policies issued in a particular calendar year be calculated on the basis of a rate of interest not exceeding the nonforfeiture interest rate as defined in paragraph "*i*" for policies issued in that calendar year. However:

(1) At the option of the company, calculations for all policies issued in a particular calendar year may be made on the basis of a rate of interest not exceeding the nonforfeiture interest rate, as defined in paragraph "*i*", for policies issued in the immediately preceding calendar year.

(2) Under any paid-up nonforfeiture benefit, including any paid-up dividend additions, any cash surrender value available, whether or not required by subsection 1, shall be calculated on the basis of the mortality table and rate of interest used in determining the amount of the paid-up nonforfeiture benefit and paid-up dividend additions, if any.

(3) A company may calculate the amount of any guaranteed paid-up nonforfeiture benefit including any paid-up additions under the policy on the basis of an interest rate no lower than that specified in the policy for calculating cash surrender values.

(4) In calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1980 Extended Term Insurance Table for policies of ordinary insurance and not more than the Commissioners 1961 Industrial Extended Term Insurance Table for policies of industrial insurance.

(5) For insurance issued on a substandard basis, the calculation of adjusted premiums and present values may be based on appropriate modifications of the tables referred to in this paragraph.

(6) Any ordinary mortality tables adopted after 1980 by the national association of insurance commissioners and approved by rule adopted by the commissioner for use in determining the minimum nonforfeiture standard may be substituted for the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioners 1980 Extended Term Insurance Table.

(7) Any industrial mortality tables adopted after 1980 by the national association of insurance commissioners and approved by rule adopted by the commissioner for use in determining the minimum nonforfeiture standard may be substituted for the Commissioners 1961 Standard Industrial Mortality Table or the Commissioners 1961 Industrial Extended Term Insurance Table.

*i.* The nonforfeiture interest rate per annum for any policy issued in a particular calendar year shall be equal to one hundred twenty-five percent of the calendar year statutory valuation interest rate for the policy as defined in section 508.36, rounded to the nearest one quarter of one percent.

*j.* Notwithstanding any contrary provision of the insurance laws of this state, any refiling of nonforfeiture values or their methods of computation for any previously approved policy form which involves only a change in the interest rate or mortality table used to compute nonforfeiture values shall not require refiling of any other provisions of that policy form.

*k.* After the effective date of this subsection, a company may file with the commissioner a written notice of its election to comply with this subsection after a specified date before January 1, 1989, which shall be the operative date of this subsection for that company. If a company makes no election, the operative date of this subsection for the company is January 1, 1989.

7. In the case of any plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurance company based on then estimates of future experience, or in the case of any plan of life insurance which is of such a nature that minimum values cannot be determined by the methods described in subsection 1, 2, 3, 4, 5, or 6, then all of the following conditions must be met:

*a.* The commissioner must be satisfied that the benefits provided under the plan are substantially as favorable to policyholders and insureds as the minimum benefits otherwise required by subsection 1, 2, 3, 4, 5, or 6.

*b.* The commissioner must be satisfied that the benefits and the pattern of premiums of that plan are not misleading to prospective policyholders or insureds.

*c.* The cash surrender values and paid-up nonforfeiture benefits provided by the plan must not be less than the minimum values and benefits required for the plan computed by a method consistent with the principles of this section, as determined by rules adopted by the commissioner.

8. Any cash surrender value and any paid-up nonforfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional premiums beyond the last preceding policy anniversary. All values referred to in subsections 3, 4, 5, and 6 may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the amounts used to provide the additions. Notwithstanding subsection 3, additional benefits payable in the event of death or dismemberment by accident or accidental means, or in the event of total and permanent disability, or as reversionary annuity or deferred reversionary annuity benefits, or as term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply, or as term insurance on the life of a child or on the lives of children provided in a policy on the life of a parent of the child, if the term insurance expires before the child's age is twenty-six, is uniform in amount after the child's age is one, and has not become paid up by reason of the death of a parent of the child, or as other policy benefits additional to life insurance and endowment benefits, and the premiums

for all of these additional benefits, shall be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by this section, and none of these additional benefits shall be required to be included in any paid-up nonforfeiture benefits.

9. *a.* This subsection, in addition to all other applicable subsections of this section, applies to all policies issued on or after January 1, 1985. Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary shall be in an amount which does not differ by more than two-tenths of one percent of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first ten policy years, from the sum of the greater of zero and the basic cash value specified in paragraph *"b"* plus the present value of any existing paid-up additions less the amount of any indebtedness to the company under the policy.

*b.* The basic cash value shall be equal to the present value, on the anniversary, of the future guaranteed benefits which would have been provided for by the policy, excluding any existing paid-up additions and before deduction of any indebtedness to the company, if there had been no default, less the then present value of the nonforfeiture factors, as defined in paragraph "*c*", corresponding to premiums which would have fallen due on and after the anniversary. However, the effects on the basic cash value of supplemental life insurance or annuity benefits or of family coverage, as described in subsection 3 or 5, whichever is applicable, shall be the same as the effects specified in subsection 3 or 5, whichever is applicable, on the cash surrender values defined in that subsection.

*c.* (1) The nonforfeiture factor for each policy year shall be an amount equal to a percentage of the adjusted premium for the policy year, as defined in subsection 5 or 6, whichever is applicable. Except as is required by subparagraph (2) of this paragraph, this percentage must satisfy both of the following requirements:

(a) It must be the same percentage for each policy year between the second policy anniversary and the later of the fifth policy anniversary or the first policy anniversary at which there is available under the policy a cash surrender value in an amount, before including any paid-up additions and before deducting any indebtedness, of at least two-tenths of one percent of either the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first ten policy years.

(b) It must be such that no percentage after the later of the two policy anniversaries specified in division (a) of this subparagraph may apply to fewer than five consecutive policy years.

(2) A basic cash value shall not be less than the value which would be obtained if the adjusted premiums for the policy, as defined in subsection 5 or 6, whichever is applicable, were substituted for the nonforfeiture factors in the calculation of the basic cash value.

*d.* Adjusted premiums and present values referred to in this subsection shall for a particular policy be calculated on the same mortality and interest bases as are used in demonstrating the policy's compliance with the other subsections of this section. The cash surrender values referred to in this subsection shall include any endowment benefits provided for by the policy.

*e.* Any cash surrender value available other than in the event of default in a premium payment due on a policy anniversary, and the amount of any paid-up nonforfeiture benefit available under the policy in the event of default in a premium payment, shall be determined in manners consistent with the manners specified for determining the analogous minimum amounts in subsections 1, 2, 3, 4, 6, and 8. The amounts of any cash surrender values and of any paid-up nonforfeiture benefits granted in connection with additional benefits such as those described in subsection 8 shall conform with the principles of this subsection.

10. *a.* This section does not apply to any of the following:

(1) Reinsurance.

(2) Group insurance.

(3) Pure endowment contracts.

(4) Annuity or reversionary annuity contracts.

(5) A term policy of uniform amount which provides no guaranteed nonforfeiture or endowment benefits, or a renewal thereof of twenty years or less expiring before age seventy-one, for which uniform premiums are payable during the entire term of the policy.

(6) A term policy of decreasing amount, which provides no guaranteed nonforfeiture or endowment benefits, on which each adjusted premium, calculated as specified in subsections 5 and 6, is less than the adjusted premium so calculated, on a term policy of uniform amount, or renewal thereof, which provides no guaranteed nonforfeiture or endowment benefits, issued at the same age and for the same initial amount of insurance and for a term of twenty years or less expiring before age seventy-one, for which uniform premiums are payable during the entire term of the policy.

(7) A policy, which provides no guaranteed nonforfeiture or endowment benefits, for which no cash surrender value, if any, or present value of any paid-up nonforfeiture benefit, at the beginning of any policy year, calculated as specified in subsections 3, 4, 5, and 6, exceeds two and one-half percent of the amount of insurance at the beginning of the same policy year.

(8) A policy delivered outside this state through an agent or other representative of the company issuing the policy.

*b.* For purposes of determining the applicability of this section, the age at expiry for a joint term life insurance policy shall be the age at expiry of the oldest life.

11. After July 4, 1963, a company may file with the commissioner a written notice of its election to comply with this section after a specified date before January 1, 1966. The date specified by the company in the notice shall be the operative date of this section for the company, and this section shall apply to policies issued after that date by the company. If a company makes no election, the operative date of this section for the company is January 1, 1966.

[C66, 71, 73, 75, 77, 79, 81, §508.37; 82 Acts, ch 1072, §3 – 7]
2012 Acts, ch 1023, §105, 157; 2012 Acts, ch 1138, §72
Referred to in §508.36, 508A.5

**508.38 Standard nonforfeitures — deferred annuities.**

This section shall be known as the *"Standard Nonforfeiture Law for Individual Deferred Annuities"*.

1. This section does not apply to any reinsurance, group annuity purchased under a retirement plan or plan of deferred compensation established or maintained by an employer (including a partnership or sole proprietorship) or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the United States Internal Revenue Code, as now or hereafter amended, premium deposit fund, variable annuity, investment annuity, immediate annuity, any deferred annuity contract after annuity payments have commenced, or reversionary annuity, nor to any contract which is delivered outside this state through an agent or other representative of the company issuing the contract.

2. *a.* In the case of contracts issued on or after the operative date of this section as defined in subsection 11, no contract of annuity, except as stated in subsection 1, shall be delivered or issued for delivery in this state unless it contains in substance the following provisions, or corresponding provisions that in the opinion of the commissioner are at least as favorable to the contract holder, upon cessation of payment of considerations under the contract:

(1) That upon cessation of payment of considerations under a contract or upon the written request of the contract owner, the company shall grant a paid-up annuity benefit on a plan stipulated in the contract of such value as is specified in subsections 4, 5, 6, 7, and 9.

(2) If a contract provides for a lump sum settlement at maturity, or at any other time, that upon surrender of the contract at or prior to the commencement of any annuity payments, the company shall pay in lieu of a paid-up annuity benefit a cash surrender benefit of such amount as is specified in subsections 4, 5, 7, and 9. The company may reserve the right to defer the payment of such cash surrender benefit for a period not to exceed six months after demand therefore with surrender of the contract after making written request and receiving written approval of the commissioner. The request shall address the necessity and equitability to all policyholders of the deferral.

(3) A statement of the mortality table, if any, and interest rates used in calculating any

minimum paid-up annuity, cash surrender or death benefits that are guaranteed under the contract, together with sufficient information to determine the amounts of such benefits.

(4) A statement that any paid-up annuity, cash surrender or death benefits that may be available under the contract are not less than the minimum benefits required by any statute of the state in which the contract is delivered and an explanation of the manner in which such benefits are altered by the existence of any additional amounts credited by the company to the contract, any indebtedness to the company on the contract or any prior withdrawals from or partial surrenders of the contract.

*b.* Notwithstanding the requirements of this subsection 2, any deferred annuity contract may provide that if no considerations have been received under a contract for a period of two full years and the portion of the paid-up annuity benefit at maturity on the plan stipulated in the contract arising from considerations paid prior to such period would be less than twenty dollars monthly, the company may at its option terminate such contract by payment in cash of the then present value of such portion of the paid-up annuity benefit, calculated on the basis of the mortality table, if any, and interest rate specified in the contract for determining the paid-up annuity benefit, and by such payment shall be relieved of any further obligation under such contract.

3. The minimum values as specified in subsections 4, 5, 6, 7, and 9 of any paid-up annuity, cash surrender, or death benefits available under an annuity contract shall be based upon minimum nonforfeiture amounts as defined in this section.

*a.* (1) The minimum nonforfeiture amount at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to such time at rates of interest as indicated in paragraph *"b"* of the net considerations (as hereinafter defined) paid prior to such time, decreased by the sum of all of the following:

(a) Any prior withdrawals from or partial surrenders of the contract accumulated at rates of interest as indicated in paragraph *"b"*.

(b) An annual contract charge of fifty dollars, accumulated at rates of interest as indicated in paragraph *"b"*.

(c) The amount of any indebtedness to the company on the contract, including interest due and accrued.

(2) The net considerations for a given contract year used to define the minimum nonforfeiture amount shall be an amount equal to eighty-seven and one-half percent of the gross considerations credited to the contract during the contract year.

*b.* (1) The interest rate used in determining minimum nonforfeiture amounts shall be an annual rate of interest determined as the lesser of three percent per annum and all of the following, which shall be specified in the contract if the interest rate will be reset:

(a) The five-year constant maturity treasury rate reported by the federal reserve as of a date, or average over a period, rounded to the nearest one-twentieth of one percent, specified in the contract no longer than fifteen months prior to the contract issue date or redetermination date under subparagraph division (d).

(b) The result of subparagraph division (a) shall be reduced by one hundred twenty-five basis points.

(c) The resulting interest guarantee shall not be less than one percent.

(d) The interest rate shall apply for an initial period and may be redetermined for additional periods. The redetermination date, basis, and period, if any, shall be stated in the contract. The basis is the date or average over a specified period that produces the value of the five-year constant maturity treasury rate to be used at each redetermination date.

(2) During the period or term that a contract provides substantive participation in an equity indexed benefit, it may increase the reduction described in subparagraph (1), subparagraph division (b), by up to an additional one hundred basis points to reflect the value of the equity index benefit. The present value at the contract issue date and at each redetermination date thereafter of the additional reduction shall not exceed the market value of the benefit. The commissioner may require a demonstration that the present value of the reduction does not exceed the market value of the benefit. Lacking such a demonstration that is acceptable to the commissioner, the commissioner may disallow or limit the additional reduction.

(3) The commissioner may adopt rules to implement the provisions of subparagraph (1), subparagraph division (d), and to provide for further adjustments to the calculation of minimum nonforfeiture amounts for contracts that provide substantive participation in an equity index benefit and for other contracts that the commissioner determines adjustments are justified.

4. Any paid-up annuity benefit available under a contract shall be such that its present value on the date annuity payments are to commence is at least equal to the minimum nonforfeiture amount on that date. Such present value shall be computed using the mortality table, if any, and the interest rate specified in the contract for determining the minimum paid-up annuity benefits guaranteed in the contract.

5. For contracts which provide cash surrender benefits, such cash surrender benefits available prior to maturity shall not be less than the present value as of the date of surrender of that portion of the maturity value of the paid-up annuity benefit which would be provided under the contract at maturity arising from considerations paid prior to the time of cash surrender reduced by the amount appropriate to reflect any prior withdrawals from or partial surrenders of the contract, such present value being calculated on the basis of an interest rate not more than one percent higher than the interest rate specified in the contract for accumulating the net considerations to determine such maturity value, decreased by the amount of any indebtedness to the company on the contract, including interest due and accrued, and increased by any existing additional amounts credited by the company to the contract. In no event shall any cash surrender benefit be less than the minimum nonforfeiture amount at that time. The death benefit under such contracts shall be at least equal to the cash surrender benefit.

6. For contracts which do not provide cash surrender benefits, the present value of any paid-up annuity benefit available as a nonforfeiture option at any time prior to maturity shall not be less than the present value of that portion of the maturity value of the paid-up annuity benefit provided under the contract arising from considerations paid prior to the time the contract is surrendered in exchange for or changed to, a deferred paid-up annuity, such present value being calculated for the period prior to the maturity date on the basis of the interest rate specified in the contract for accumulating the net considerations to determine such maturity value, and increased by any existing additional amounts credited by the company to the contract. For contracts which do not provide any death benefits prior to the commencement of any annuity payments, such present values shall be calculated on the basis of such interest rate and the mortality table specified in the contract for determining the maturity value of the paid-up annuity benefit. However, in no event shall the present value of a paid-up annuity benefit be less than the minimum nonforfeiture amount at that time.

7. For the purpose of determining the benefits calculated under subsections 5 and 6, in the case of annuity contracts under which an election may be made to have annuity payments commence at optional maturity dates, the maturity date shall be deemed to be the latest date for which election shall be permitted by the contract, but shall not be deemed to be later than the anniversary of the contract next following the annuitant's seventieth birthday or the tenth anniversary of the contract, whichever is later.

8. Any contract which does not provide cash surrender benefits or does not provide death benefits at least equal to the minimum nonforfeiture amount prior to the commencement of any annuity payments shall include a statement in a prominent place in the contract that such benefits are not provided.

9. Any paid-up annuity, cash surrender or death benefits available at any time, other than on the contract anniversary under any contract with fixed scheduled considerations, shall be calculated with allowance for the lapse of time and the payment of any scheduled considerations beyond the beginning of the contract year in which cessation of payment of considerations under the contract occurs.

10. *a.* For any contract which provides, within the same contract by rider or supplemental contract provision, both annuity benefits and life insurance benefits that are in excess of the greater of cash surrender benefits or a return of the gross considerations with interest, the minimum nonforfeiture benefits shall be equal to the sum of the minimum nonforfeiture

benefits for the annuity portion and the minimum nonforfeiture benefits, if any, for the life insurance portion computed as if each portion were a separate contract. Notwithstanding the provisions of subsections 4, 5, 6, 7, and 9, additional benefits shall be disregarded in ascertaining the minimum nonforfeiture amounts, paid-up annuity, cash surrender and death benefits that may be required by this section, if the additional benefits are payable:

(1) In the event of total and permanent disability.

(2) As reversionary annuity or deferred reversionary annuity benefits.

(3) As other policy benefits additional to life insurance, endowment, and annuity benefits, and considerations for all such additional benefits.

*b.* The inclusion of such additional benefits shall not be required in any paid-up benefits, unless such additional benefits separately would require minimum nonforfeiture amounts, paid-up annuity, cash surrender and death benefits.

11. After July 1, 2003, a company may elect either to apply the provisions of this section as it existed prior to July 1, 2003, or to apply the provisions of this section as amended by 2003 Acts, ch 91, § 8 – 10, to annuity contracts on a contract form-by-form basis before July 1, 2005. In all other instances, this section shall become operative with respect to annuity contracts issued by the company two years after July 1, 2003.

[C81, §508.38]

2002 Acts, ch 1111, §10; 2003 Acts, ch 91, §8 – 10; 2004 Acts, ch 1086, §103, 107; 2004 Acts, ch 1101, §70; 2012 Acts, ch 1023, §106, 157; 2013 Acts, ch 90, §151

Subsection 10 amended

**508.39 Dividends.**

The directors or managers of a stock company, incorporated under the laws of this state, shall make no dividends except from the earned profits arising from their business, which shall not include contributed capital or contributed surplus.

88 Acts, ch 1112, §603

# CHAPTER 508A

## VARIABLE ANNUITIES AND LIFE INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 510.11, 669.14, 670.7

508A.1 Basic requirements.
508A.2 Statement of variables.
508A.3 License requirements.
508A.4 Authority of commissioner.
508A.5 Other provisions applicable.

**508A.1 Basic requirements.**

A domestic life insurance company organized under chapter 508 may establish one or more separate accounts, and may allocate to such accounts amounts, including without limitation proceeds applied under optional modes of settlement or under dividend options, to provide for life insurance or annuities, and benefits incidental to such life insurance or annuities, payable in fixed or variable amounts or both, and may hold and accumulate funds pursuant to funding agreements, subject to the following:

1. The income, gains and losses, realized or unrealized, from assets allocated to a separate account shall be credited to or charged against the account, without regard to other income, gains or losses of the company.

2. Except as may be provided with respect to reserves for guaranteed benefits and funds referred to in subsection 3:

*a.* Amounts allocated to any separate account and accumulations thereon may be invested and reinvested without regard to any requirements or limitations prescribed by the laws of this state governing the investments of such life insurance companies; and

*b.* The investments in such separate account or accounts shall not be taken into account in applying the investment limitations otherwise applicable to the investments of such company.

3. Except with the approval of the commissioner of insurance and under such conditions as to investments and other matters as the commissioner may prescribe, which shall recognize the guaranteed nature of the benefits provided, reserves for benefits guaranteed as to dollar amount and duration and funds guaranteed as to principal amount or stated rate of interest shall not be maintained in a separate account.

4. Unless otherwise approved by the commissioner of insurance, assets allocated to a separate account shall be valued at their market value on the date of valuation, or if there is no readily available market, then as provided under the terms of the contract or the rules or other written agreement applicable to such separate account; however, unless otherwise approved by the commissioner of insurance, the portion, if any, of the assets of such separate account equal to the company's reserve liability with regard to the guaranteed benefits and funds referred to in subsection 3 shall be valued in accordance with the rules otherwise applicable to the company's assets.

5. Amounts allocated to a separate account in the exercise of the power granted by this chapter shall be owned by the company, and the company shall not be, nor hold itself out to be, a trustee with respect to such amounts. Unless it is provided to the contrary under the applicable contracts, that portion of the assets of any such separate account equal to the reserves and other contract liabilities with respect to such account shall not be chargeable with liabilities arising out of any other business the company may conduct.

6. No sale, exchange or other transfer of assets may be made by such company between any of its separate accounts or between any other investment account and one or more of its separate accounts unless, in case of a transfer into a separate account, such transfer is made solely to establish the account or to support the operation of the contracts with respect to the separate account to which the transfer is made, and unless such transfer, whether into or from a separate account, is made by a transfer of cash, or by a transfer of securities having a readily determinable market value, provided that such transfer of securities is approved by the commissioner of insurance. The commissioner of insurance may approve other transfers among such accounts if, in the commissioner's opinion, such transfers would not be inequitable.

7. To the extent such company deems it necessary to comply with any applicable federal or state laws, such company, with respect to any separate account, including without limitation any separate account which is a management investment company or a unit investment trust, may provide for persons having an interest therein appropriate voting and other rights and special procedures for the conduct of the business of such account, including without limitation special rights and procedures relating to investment policy, investment advisory services, selection of independent public accountants, and the selection of a committee, the members of which need not be otherwise affiliated with such company, to manage the business of such account.

8. If the assets of an insurer allocated to and accumulated in a separate account in connection with any policy, annuity, agreement, instrument, or contract, after the satisfaction of any liabilities with regard to the operation of the separate account, are insufficient to fully satisfy the insurer's express obligations under the policy, annuity, agreement, instrument, or contract, then claims for the unsatisfied portions of the insurer's obligations shall be class 2 claims under section 507C.42, subsection 2.

[C75, 77, 79, 81, §508A.1]

98 Acts, ch 1057, §5; 2006 Acts, ch 1117, §32

Referred to in §507C.2, 507C.42, 508.31A, 508.32, 508.32A

**508A.2 Statement of variables.**

Any contract providing benefits payable in variable amounts delivered or issued for delivery in this state shall contain a statement of the essential features of the procedures to be followed by the insurance company in determining the dollar amount of such variable benefits. Any such contract under which the benefits vary to reflect investment experience, including a group contract and any certificate in evidence of variable benefits issued thereunder, shall

state that such dollar amount will so vary and shall contain on its first page a statement to the effect that the benefits thereunder are on a variable basis.

[C75, 77, 79, 81, §508A.2]

**508A.3 License requirements.**

No company shall deliver or issue for delivery within this state variable contracts unless it is licensed or organized to do a life insurance or annuity business in this state, and the commissioner of insurance is satisfied that its condition or method of operation in connection with the issuance of such contracts will not render its operation hazardous to the public or its policyholders in this state. In this connection, the commissioner of insurance shall consider among other things:

1. The history and financial condition of the company;
2. The character, responsibility and fitness of the officers and directors of the company; and
3. The law and regulation under which the company is authorized in the state of domicile to issue variable contracts. The state of entry of an alien company shall be deemed its place of domicile for that purpose. If the company is a subsidiary of an admitted life insurance company, or affiliated with such company through common management or ownership, it may be deemed by the commissioner of insurance to have met the provisions of this section if either it or the parent or the affiliated company meets the requirements hereof.

[C75, 77, 79, 81, §508A.3]

**508A.4 Authority of commissioner.**

Notwithstanding any other provision of law, the commissioner of insurance shall have sole authority to regulate the issuance and sale of variable contracts, and to issue such reasonable rules and regulations as may be appropriate to carry out the purposes and provisions of this chapter.

[C75, 77, 79, 81, §508A.4]

**508A.5 Other provisions applicable.**

Except for section 508.37 and section 509.2, subsection 1, and except as otherwise provided in this chapter, all pertinent provisions of chapters 508, 509, 511, and 522B shall apply to separate accounts and contracts relating thereto. Any individual variable life insurance contract, delivered or issued for delivery in this state, shall contain nonforfeiture provisions appropriate to such a contract. Any group variable life insurance contract, delivered or issued for delivery in this state, shall contain a grace provision appropriate to such a contract. The reserve liability for variable contracts shall be established in accordance with actuarial procedures that recognize the variable nature of the benefits provided and any mortality guarantees.

[C75, 77, 79, 81, §508A.5]

2001 Acts, ch 16, §7, 37

# CHAPTER 508B

## CONVERSION FROM MUTUAL COMPANY TO STOCK COMPANY

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 521.2, 521A.14, 669.14, 670.7

Applies to plans of conversion established after July 1, 1985;
85 Acts, ch 127, §16


508B.1 Definitions.
508B.2 Mutual company becoming stock company — authorization.
508B.3 Conversion plans to be fair and equitable — alternative procedures and requirements.
508B.4 Eligible policyholders participation.
508B.5 Appointment of consultant.
508B.6 Approval of plan by policyholders — notice of election — effective date.
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508B.8 Payment of fees, salaries and costs.
508B.9 Act of conversion — continuation of company.
508B.10 Continuation of officers.
508B.11 Rules.
508B.12 Amendments — withdrawal.
508B.13 Prohibitions on certain offers to acquire shares.
508B.14 Limitation of actions — security for attorney fees.
508B.15 Duties of secretary of state.


**508B.1 Definitions.**

As used in this chapter, unless the context clearly indicates otherwise:

1. *"Commissioner"* means the commissioner of insurance.

2. *"Mutual life insurance company"* or *"mutual company"* means a level premium and natural premium life insurance company authorized under chapter 508 upon the mutual plan and includes a domestic company which meets the requirements of section 508.12.

3. *a. "Plan of conversion"* or *"conversion plan"* means a plan authorized by section 508B.3 and, in the case of plans authorized by section 508B.3, subsections 1 and 3, includes a procedure by which the mutual company's participating policies and contracts in force on the effective date of the conversion plan are operated by the reorganized company as a closed block of participating business for the exclusive benefit of the policies and contracts included, for dividend purposes only; to which are allocated assets of the mutual company in an amount which together with anticipated revenue from the business is reasonably expected to be sufficient to support the business; and which includes, but is not limited to, provisions for payment of claims and reasonable expenses, and provisions for continuation of current payable dividend scales if the experience underlying the scales continues, and a procedure for appropriate adjustments in the scales if the experience changes. However, at the option of the mutual company, some or all classes of group policies and contracts shall not be placed in the closed block but shall continue to be eligible to receive dividends based on the experience of the class or classes.

*b.* If any amount of the policyholders' consideration as specified in section 508B.3, subsection 3, paragraph *"b"*, for certain classes of policies or contracts is to be paid in the form of increased annual dividends to the policyholders in those classes, that amount is to be added to the assets allocated as provided in paragraph *"a"* and is to be paid to those classes.

4. *"Policyholder"* means a person, determined by the mutual company, who is the holder of a policy or annuity contract for the purposes of section 508B.3, subsection 1, 2, or 3.

5. *"Policyholders' membership interest"* means all policyholders' rights as members of the mutual company including, but not limited to, rights to vote and participate in any distribution of surplus whether or not incident to liquidation of the mutual company.

6. *"Reorganized company"* means the domestic stock company into which a mutual company has been converted, converted and merged, or converted and consolidated.

7. *"Stock life insurance company"* or *"stock company"* means a life insurance company authorized under chapter 508 upon the stock plan and includes a domestic company which meets the requirements of section 508.12.

85 Acts, ch 127, §1; 86 Acts, ch 1237, §30; 90 Acts, ch 1234, §7; 99 Acts, ch 165, §2

**508B.2 Mutual company becoming stock company — authorization.**

A mutual life insurance company may become a stock life insurance company pursuant to a plan of conversion established and approved in the manner provided by this chapter.

A plan of conversion may provide that a mutual company may convert into a domestic stock company, convert and merge, or convert and consolidate with a domestic stock company, as provided in chapter 490 or 491, whichever is applicable. However, the mutual company is not required to comply with sections 491.102 through 491.105 or sections 490.1102 and 490.1104 relating to approval of merger or consolidation plans by boards of directors and shareholders, if at the time of approval of the plan of conversion the board of directors approves the merger or consolidation and if at the time of approval of the plan by policyholders as provided in section 508B.6, the policyholders approve the merger or consolidation. This chapter supersedes any conflicting provisions of chapters 521 and 521A. A mutual company may convert, merge, or consolidate as part of a plan of conversion in which a majority or all of the common shares of the stock company are acquired by another corporation, which may be a corporation organized for that purpose, or in which the new stock company consolidates with a stock company to form another stock company.

In lieu of selecting a plan of conversion provided for in this chapter, a mutual company may convert to a stock company pursuant to a plan approved by the commissioner. The commissioner or the mutual company may use any provisions or combination of provisions provided for a plan in this chapter and may adopt any other provisions which are not unfair or inequitable to the policyholders of the mutual company. If a mutual company selects this procedure for conversion purposes, the mutual company shall reimburse the state for expenses incurred by the division in connection with the conversion plan except for expenses that are normal operating expenses of the division.

85 Acts, ch 127, §2; 86 Acts, ch 1237, §31; 90 Acts, ch 1205, §35; 90 Acts, ch 1234, §8; 2002 Acts, ch 1154, §108, 125

**508B.3 Conversion plans to be fair and equitable — alternative procedures and requirements.**

A plan of conversion shall be fair and equitable to policyholders. A plan of conversion is fair and equitable if it satisfies the conditions of subsection 1, 2, or 3. The commissioner may determine whether any other plan proposed by a mutual company is fair and equitable to its policyholders.

1. Subject to paragraph *"b"*, a plan of conversion under this subsection shall provide all of the following:

*a.* The policyholders' membership interest shall be exchanged, in a manner which takes into account the estimated proportionate contribution of surplus of each class of participating policies and contracts, for all of the common shares of the reorganized company or its parent company, if any, or for either or a combination of the common shares of the reorganized company or its parent company, if any, and consideration equal to the proceeds of the sale of the common shares by the issuer or by a trust or other entity existing for the exclusive benefit of policyholders and established solely for the purpose of effecting the conversion, to which trust or other entity the common shares, or the options to acquire or securities convertible into the common shares, shall be issued by the issuer on the effective date of the conversion. The consideration shall be distributed to policyholders during a process of conversion specified in the plan which shall not last more than ten years after the effective date of conversion or until the death of the policyholder, whichever occurs first.

*b.* Unless the anticipated issuance within a shorter period is disclosed, the issuer of common shares shall not, within two years after the effective date of reorganization, issue either of the following:

(1) Any of its common shares or any securities convertible with or without consideration into the common shares or carrying any warrant to subscribe to or purchase common shares.

(2) Any warrant, right or option to subscribe to or purchase the common shares or other securities described in subparagraph (1), except for the issue of common shares to or for the benefit of policyholders pursuant to the plan of conversion and the issue of stock in anticipation of options for the purchase of common shares being granted to officers

or employees of the reorganized company or its parent company, if any, pursuant to this chapter.

*c.* Unless the common shares have a public market when issued, the issuer shall use its best efforts to encourage and assist in the establishment of a public market for the common shares within two years of the effective date of the conversion or a longer period as disclosed in the plan of conversion. Within one year after the offering of stock other than the initial distribution, but no later than six years after the effective date of the conversion, the reorganized company shall offer to make available to policyholders who received and retained shares of stock with minimal values on conversion, a procedure to dispose of those shares of stock at market value without brokerage commissions or similar fees.

2. A plan of conversion under this subsection shall provide all of the following:

*a.* The mutual company's participating business, comprised of its participating policies and contracts in force on the effective date of the conversion, shall be operated by the reorganized insurer as a closed block of participating business. However, at the option of the mutual company, group policies and group contracts may be omitted from the closed block.

*b.* Assets of the mutual company shall be allocated to the closed block of participating business in an amount equal to the reserves and liabilities for the mutual life insurer's participating policies and contracts in force on the effective date of the conversion.

*c.* The consideration to be given in exchange for the policyholders' membership interest consists of aggregate consideration in a form or forms selected by the mutual company having a value equal to the amount of the statutory surplus of the mutual life insurer.

*d.* The consideration is allocated among the policyholders in a manner which is fair and equitable to the policyholders.

*e.* The reorganized company or its parent corporation shall issue and sell shares of one or more classes having a total price equal to the estimated value in the market on the initial offering date of the shares.

*f.* The estimated value shall take into account all of the following:

(1) The consideration to be given to policyholders pursuant to paragraph "*c*".

(2) The proceeds of the sale of the shares.

(3) Any additional value attributable to the shares as a result of a purchaser or a group of purchasers who acted in concert to obtain shares in the initial offering, attaining, through such purchase, control of the reorganized company or its parent corporation.

*g.* If a purchaser or a group of purchasers acting in concert is to attain such control in the initial offering, the mutual company shall not, directly or indirectly, pay for any of the costs or expenses of conversion of the mutual company, whether or not the conversion is effected.

*h.* The reorganized company may share in the profits of the closed block of participating business for the benefit of stockholders.

3. A plan of conversion under this subsection shall satisfy all of paragraphs "*a*" through "*j*" and may add or substitute, as applicable, the options provided in paragraphs "*k*" and "*l*".

*a.* The reorganized company or its parent corporation shall issue and sell shares of one or more classes having a total price equal to the estimated market value on the initial offering taking into account the value to be given to participating policyholders pursuant to paragraph "*b*" and the proceeds of the sale.

*b.* The participating policyholders' consideration shall be based on the latest annual statement, updated to the effective date of the conversion plan, and filed prior to the effective date of the adoption by the board of directors of the plan of conversion. The policyholders' consideration shall be equal to the sum of the total amount of assets allocated to the participating business and an amount equal to reserves and other liabilities attributable to any group participating policies and contracts not included in the closed block of participating business.

*c.* The consideration to be given in exchange for the policyholders' membership interest shall consist of the participating policyholders' consideration and nontransferable preemptive subscription rights to purchase all of the common shares of the issuer and the establishment of a liquidation account for the benefit of the policyholders in the event of a subsequent complete liquidation of the reorganized company having the terms described in paragraph "*j*".

*d.* The consideration and the preemptive subscription rights to purchase the common shares shall be allocated among the participating policyholders in a manner determined by the reorganized company which takes into account the estimated contribution of each class of participating policies and contracts to the total amount of the policyholders' consideration.

*e.* The number of the common shares which any person, together with any affiliates or group of persons acting in concert, may subscribe for or purchase in the reorganization shall be limited to not more than five percent of the common shares. For this purpose, neither the members of the board of directors of the reorganized company nor of its parent corporation, if any, shall be deemed to be affiliates or a group of persons acting in concert solely by reason of their board membership.

*f.* Unless the common shares have a public market when issued, officers and directors of the issuer and their affiliates shall not, for at least ninety days after the date of conversion, purchase common shares of the issuer, except in negotiated transactions involving more than ten percent of the outstanding common shares.

*g.* Unless the common shares have a public market when issued, the issuer shall use its best efforts to encourage and assist in the establishment of a public market for the common shares.

*h.* The issuer shall not, for at least three years following the conversion, repurchase any of its common shares except pursuant to a pro rata tender offer to all shareholders.

*i.* Until the liquidation account has been reduced to zero, the issuer shall not declare or pay a cash dividend on, or repurchase any of, its common shares in an amount in excess of its cumulative earned surplus generated after the conversion determined in accordance with generally accepted accounting principles, if the effect would be to cause the amount of the statutory surplus of the reorganized company to be reduced below the then amount of the liquidation account.

*j.* The liquidation account referred to in paragraph "*c*" must be equal to the excess of the total amount of the assets of the mutual company as of the effective date of the conversion over the sum of the total amount of assets allocated to the closed block of participating business and the policyholders' consideration and other reserves and liabilities attributed to policies and contracts not included in the amount attributable to policies and contracts in force on that effective date. The determinations shall be based on the latest annual statement of the mutual company, updated to the effective date, and filed before the effective date of the conversion plan. The function of the liquidation account is solely to establish a priority on liquidation and its existence does not restrict the use or application of the surplus of the reorganized company except as specified in paragraph "*i*". The liquidation account shall be allocated equally as of the effective date of conversion among the then participating policyholders. The amount allocated to a policy or contract shall not increase and shall be reduced to zero when the policy or contract terminates. In the event of a complete liquidation of the reorganized company, the policyholders among which the liquidation account is allocated are entitled to receive a liquidation distribution in the then amount of the liquidation account before any liquidation distribution is made with respect to shares.

*k.* At the option of the mutual company, the consideration to be given in exchange for the policyholders' membership interests may consist of cash, securities of the reorganized company, securities of another institution, a certificate of contribution, additional life insurance, annuity benefits, increased dividends, or other consideration or any combination of forms of consideration. The consideration, if any, given to a class or category of policyholders may differ from the consideration given to another class or category of policyholders. The certificate of contribution shall be repayable in ten years, equal to one hundred percent of the value of the policyholders' membership interest, and bear interest at the highest rate charged by the reorganized company for policy loans on the effective date of the conversion.

*l.* At the option of the mutual company, a plan may provide that any shares of the stock of the reorganized company or its parent corporation included in the policyholders' consideration shall be placed on the effective date of the conversion in a trust or other entity existing for the exclusive benefit of the participating policyholders and established solely for the purpose of effecting the reorganization. Under this option, the shares placed in trust

shall be sold over a period of not more than ten years and the proceeds of the shares shall be distributed using the distribution priorities prescribed in the plan.

85 Acts, ch 127, §3; 90 Acts, ch 1234, §9 – 14; 2000 Acts, ch 1023, §8, 60
Referred to in §508B.1, 508B.5, 508B.13

**508B.4 Eligible policyholders participation.**

The policyholders who are entitled to notice of and to vote upon approval of a plan of conversion and entitled to notice of a public hearing are the policyholders whose policies or contracts are in force on the date of adoption of the plan of conversion. Each policyholder whose policy has been in force for at least one year prior to the date is entitled to the consideration, if any, provided for the policyholder in the plan based on the policyholder's membership interest determined pursuant to this chapter, but only if the policyholder's membership interest arose from a policy or contract in force on the effective date of the conversion and such membership interest has been held continuously for at least one year prior to the date of adoption of the plan. For this purpose, any changes in status of, or premiums in excess of, those required on the policies or contracts occurring or made after the date one year prior to the date of adoption of the plan shall be disregarded.

85 Acts, ch 127, §4; 2000 Acts, ch 1023, §9

**508B.5 Appointment of consultant.**

A plan may provide for the appointment by the mutual company of a person as defined in section 4.1, subsection 20, who is qualified to act as a consultant. The appointment of the consultant shall be reviewed by the commissioner and unless the commissioner finds the consultant unqualified, the consultant shall carry out the duties required by the mutual company and this chapter.

The consultant may assist in determining the equity of the policyholders or value of the mutual company. The consultant may consider the value of the consideration to be given to the participating policyholders in exchange for their membership interests and may consider the valuations necessary to carry out the plans provided for in section 508B.3. Valuations shall be made taking into account the latest filed annual statement of the mutual company, updated to the effective date of the conversion plan, and any significant developments occurring subsequent to the date of the statement.

The findings of the consultant may be modified by the mutual company at any time so long as the results are not unfair or inequitable to policyholders.

If it can be shown by the mutual company to the commissioner that an underwriter of the shares is a qualified person, the underwriter may be appointed as the consultant.

85 Acts, ch 127, §5; 90 Acts, ch 1234, §15

**508B.6 Approval of plan by policyholders — notice of election — effective date.**

The plan of conversion shall be submitted to and shall not take effect until approved by two-thirds of the policyholders of the mutual company voting on the plan. Notice of a meeting for the purpose of voting on the conversion plan shall be provided by mail to each policyholder entitled to vote in accordance with the articles of incorporation or bylaws of the mutual company. Each policyholder entitled to vote may cast one vote unless otherwise provided in the articles of incorporation or bylaws of the mutual company. Voting shall be by ballot, in person or by proxy. A quorum shall consist of a quorum as defined in the articles of incorporation or bylaws of the mutual company. A copy of the plan of conversion, or a summary of the plan of conversion, shall accompany the notice of meeting and election. The notice of meeting may contain the notice of any planned public hearing. An approved plan of conversion shall take effect on the date specified in the plan.

85 Acts, ch 127, §6; 99 Acts, ch 165, §3
Referred to in §508B.2

**508B.7 Review of plan by commissioner — hearing authorized — approval.**

The commissioner of insurance shall review the plan. The commissioner shall approve the plan if the commissioner finds the plan complies with all provisions of law, the plan is fair and equitable to the mutual company and its policyholders, and that the reorganized

company will have the amount of capital and surplus deemed by the commissioner to be reasonably necessary for its future solvency. The commissioner may order a hearing on the fairness and equity of the terms of the plan after giving written notice of the hearing to the mutual company, its policyholders, and other interested persons, all of whom have the right to appear at the hearing. Costs incurred in connection with the notice shall be paid by the company.

85 Acts, ch 127, §7; 90 Acts, ch 1234, §16; 2000 Acts, ch 1023, §10, 60
Referred to in §505.23

**508B.8 Payment of fees, salaries and costs.**

A director, officer, agent or employee of the mutual company shall not receive a fee, commission or other valuable consideration, other than regular salary and compensation, for aiding, promoting or assisting in the conversion except as set forth in the plan approved by the commissioner. This section does not prohibit the payment of reasonable fees and compensation to a consultant, attorneys at law, accountants, actuaries or other persons specifically employed for services performed in the practice of their professions while completing the plan of conversion, even if these persons are directors of the mutual company.

85 Acts, ch 127, §8

**508B.9 Act of conversion — continuation of company.**

When the commissioner and the policyholders approve the conversion plan as provided in this chapter, the commissioner shall issue a new certificate of authority to the reorganized company effective on the effective date of the conversion as provided in the plan. The reorganized company is a continuation of the mutual life insurance company and the conversion shall not annul or modify any of the mutual company's existing suits, contracts, or liabilities except as provided in the approved conversion plan. All rights, franchises, and interests of the mutual company in and to property, assets, and other interests shall be transferred to and shall vest in the reorganized company and the reorganized company shall assume all obligations and liabilities of the mutual company.

The reorganized company shall exercise all rights and powers and perform all duties conferred or imposed by law on life insurance companies writing the classes of insurance written by it, and shall retain the rights and contracts existing before conversion, subject to provisions of the plan.

85 Acts, ch 127, §9; 86 Acts, ch 1237, §32; 2000 Acts, ch 1023, §11

**508B.10 Continuation of officers.**

The directors and officers of the mutual company shall serve the reorganized company until new directors and officers are elected and qualify pursuant to the articles of incorporation and bylaws of the reorganized company.

85 Acts, ch 127, §10

**508B.11 Rules.**

The commissioner shall issue rules pursuant to chapter 17A to carry out the provisions of this chapter.

85 Acts, ch 127, §11

**508B.12 Amendments — withdrawal.**

At any time before the conversion, if done pursuant to rules issued by the commissioner or as may otherwise be required by the commissioner, the board of directors of a mutual company may amend the conversion plan. An amendment to a conversion plan is subject to the prior approval of the commissioner. The board of directors of a mutual company may withdraw the plan of conversion at any time prior to the conversion.

85 Acts, ch 127, §12; 99 Acts, ch 165, §4

**508B.13 Prohibitions on certain offers to acquire shares.**

Prior to and for a period of five years following the effective date of the conversion, and in the case of the plans of conversion specified in section 508B.3, subsections 1 and 3, five years following the date of distribution of consideration to the policyholders in exchange for their membership interests, a person, other than the reorganized company, other than an employee benefit plan or employee benefit trust sponsored by the reorganized company, or as otherwise specifically provided for in the plan of conversion, shall not directly or indirectly acquire or offer to acquire the beneficial ownership of more than five percent of any class of voting security of the reorganized company, and a person, other than the reorganized company or other than an employee benefit plan or employee benefit trust sponsored by the reorganized company, who acquires five percent or more of any class of voting security of the reorganized company prior to the conversion or as specifically provided for in the plan of conversion, shall not directly or indirectly acquire or offer to acquire the beneficial ownership of additional voting securities of the reorganized company, unless the acquisition is approved by the commissioner as not being contrary to the interests of the policyholders of the reorganized company or its life insurance company subsidiary and by the board of directors of the reorganized company. The commissioner and the board of directors may consider the factors set forth in section 490.1108A. The provisions of section 521A.3, except section 521A.3, subsection 4, paragraph *"a"*, shall be applicable to a proposed acquisition subject to this section. An approved plan of conversion may include a stock option plan. As used in this section, *"beneficial ownership"* means, with respect to a security, the sole or shared power to vote or direct the voting of the security or the sole power to dispose or direct the disposition of the security.

85 Acts, ch 127, §13; 90 Acts, ch 1234, §17; 99 Acts, ch 165, §5; 2002 Acts, ch 1154, §110, 125

**508B.14 Limitation of actions — security for attorney fees.**

The commissioner's order approving or disapproving a plan of conversion shall be considered final agency action under chapter 17A.

An action challenging the validity of a conversion plan, or any part of a conversion plan, shall not be commenced more than thirty days following the date of approval by the commissioner, unless an application for rehearing is filed pursuant to section 17A.16, subsection 2. If an application for rehearing is filed, then such action must be filed within thirty days after that application is denied or deemed denied or, if the application is granted, within thirty days after the issuance of the commissioner's final decision on rehearing.

The reorganized company or a defendant may petition the court in such an action to give security for the reasonable attorney fees which may be incurred by any party to the action. The amount of the security may be increased or decreased in the discretion of the court having jurisdiction if a showing is made that the security provided is or may become inadequate or excessive.

85 Acts, ch 127, §14; 90 Acts, ch 1234, §18; 99 Acts, ch 165, §6; 2000 Acts, ch 1023, §12

**508B.15 Duties of secretary of state.**

After approval of the conversion plan by the commissioner and the policyholders, the secretary of state shall accept for filing a verified copy of the amended articles of incorporation.

85 Acts, ch 127, §15; 86 Acts, ch 1237, §33

# CHAPTER 508C

## IOWA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 507C.2, 508D.3, 669.14, 670.7


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508C.17 Stay of proceedings — reopening default judgments.
508C.18 Prohibited advertisements.
508C.18A Notice to policyholders — summary of chapter and disclosure.
508C.19 Credits for assessments paid.


**508C.1 Title.**

This chapter shall be cited as the *"Iowa Life and Health Insurance Guaranty Association Act"*.

87 Acts, ch 223, §1

**508C.2 Purpose.**

1. The purpose of this chapter is to protect, subject to certain limitations, the persons specified in section 508C.3, subsection 1, against failure in the performance of contractual obligations under life and health insurance policies and annuity contracts specified in section 508C.3, subsection 2, because of the impairment or insolvency of the member insurer which issued the policies or contracts.

2. To provide this protection, an association of insurers is created to enable the guaranty of payments of benefits and of continuation of coverages as limited in this chapter. Members of the association are subject to assessment to provide funds to carry out the purpose of this chapter.

87 Acts, ch 223, §2

Referred to in §508C.4

**508C.3 Scope.**

1. This chapter shall provide coverage under the policies and contracts specified in subsection 2 to all of the following:

*a.* Except for nonresident certificate holders under group policies or contracts, persons who are the beneficiaries, assignees, or payees of the persons covered under paragraph *"b"*.

*b.* Persons who are owners of the policies or contracts specified in subsection 2, other than unallocated annuity contracts and structured settlement annuities, or are insureds or annuitants under the policies or contracts, and who are either of the following:

(1) Residents of this state.

(2) Nonresidents of this state if all of the following conditions are met:

(a) The state in which the person resides has an association similar to the association created in this chapter.

(b) The person is not eligible for coverage by an association described in subparagraph division (a) in any other state due to the fact that the insurer was not licensed in the state at the time specified in that state's guaranty association law.

(c) The insurer is domiciled in this state.

*c.* Persons who are the owners of unallocated annuity contracts if the contracts are issued to or in connection with a specific benefit plan whose plan sponsor has its principal place of business in this state.

*d.* (1) A payee, or the beneficiary of a payee if the payee is deceased, of a structured settlement annuity, if the payee or beneficiary of the structured settlement annuity is either of the following:

(a) The payee or beneficiary of the structured settlement annuity is a resident of this state regardless of where the owner of the structured settlement annuity resides.

(b) The payee or beneficiary of the structured settlement annuity is not a resident of this state and either of the following conditions is met:

(i) The owner of the structured settlement annuity is a resident of this state.

(ii) The owner of the structured settlement annuity is not a resident of this state and both of the following are applicable:

(A) The insurer that issued the structured settlement annuity is domiciled in this state.

(B) The state in which the owner of the structured settlement annuity resides has an association similar to the association created by this chapter.

(2) Subparagraph (1), subparagraph division (b) shall not be applicable if either the payee or beneficiary of the payee if the payee is deceased, or the owner of the structured settlement annuity is eligible for coverage by the association of the state in which the payee, beneficiary, or owner resides.

*e.* Coverage under this chapter shall not be provided to any of the following:

(1) A person who is a payee, or the beneficiary of a payee if the payee is deceased, of a contract owner who is a resident of this state, if the payee or the beneficiary of the payee is provided any coverage by the association of another state.

(2) A person who is covered pursuant to paragraph "*c*" if that person is provided any coverage by the association of another state.

*f.* Coverage under this chapter shall be provided to a person who is a resident of this state and, only in special circumstances, to a nonresident. In order to avoid duplicate coverage, if a person who would otherwise receive coverage under this chapter is provided coverage under the laws of any other state, that person shall not be provided coverage under this chapter. In determining the application of the provisions of this paragraph in situations where a person could be provided coverage by the association of more than one state, whether as an owner, payee, beneficiary, or assignee, this chapter shall be construed in conjunction with other state laws to result in coverage by the association of only one state.

2. This chapter shall provide coverage to the persons specified in subsection 1 under direct life insurance policies, health insurance policies including long-term care insurance and disability insurance policies, annuity contracts, supplemental contracts, certificates under group policies or contracts, and unallocated annuity contracts issued by member insurers.

3. This chapter does not apply to:

*a.* Any portion of a policy or contract to the extent that the rate of interest on which it is based or the interest rate, crediting rate, or similar factor determined by use of an index or other external reference stated in the policy or contract and employed in calculating returns or changes in value, averaged over the period of four years prior to the date on which the association becomes obligated with respect to the policy or contract, exceeds a rate of interest determined by subtracting two percentage points from Moody's corporate bond yield average for the same four-year period or over such lesser period if the policy or contract was issued less than four years before the association became obligated; and on or after the date on which the association becomes obligated with respect to the policy or contract, exceeds the rate of interest determined by subtracting three percentage points from Moody's corporate bond yield average as most recently available.

*b.* That portion or part of a policy or contract not guaranteed by the insurer, or under which the risk is borne by the policyholder.

*c.* A policy or contract or part of a policy or contract assumed by the impaired or insolvent insurer under a contract of reinsurance, other than reinsurance for which assumption certificates have been issued.

*d.* An unallocated annuity contract issued to an employee benefit plan protected under the federal pension benefit guaranty corporation regardless of whether the federal pension benefit guaranty corporation has yet become liable to make any payments with respect to

the benefit plan, or a portion of an unallocated annuity contract which is not issued to or in connection with a specific employee, union, or association of natural persons, or any portion of a financial guarantee.

*e.* A policy or contract issued by a company which is licensed under chapter 509A, 512A, 512B, 514, 514B, 518, 518A, or 520.

*f.* Except for a policy issued pursuant to section 515.48, subsection 5, paragraph "*a*", a policy or contract issued by a company which is licensed under chapter 515.

*g.* A charitable gift annuity under chapter 508F.

*h.* An annuity contract issued to a government lottery.

*i.* A funding agreement under section 508.31A.

*j.* An obligation that does not arise under the express written terms of a covered policy or contract issued by the insurer to the policy or contract owner including without limitation all of the following:

(1) Claims based on marketing materials.

(2) Claims based on side letters, riders, or other documents that were issued by the insurer without meeting applicable policy form filing or approval requirements.

(3) Misrepresentation of or regarding policy benefits.

(4) Extra-contractual claims.

(5) Claims for penalties, consequential, or incidental damages.

*k.* A contractual agreement that establishes a member insurer's obligations to provide a book value accounting guaranty for defined contribution benefit plan participants by reference to a portfolio of assets that is owned by the benefit plan or its trustee, which in each case is not an affiliate of the member insurer.

*l.* A portion of a covered policy to the extent it provides for interest or other change in value to be determined by the use of an index or other external reference stated in the covered policy, but which has not been credited to the covered policy, or as to which the covered policy owner's rights are subject to forfeiture, as of the date the member insurer becomes an impaired or insolvent insurer under this chapter, whichever is earlier. If a covered policy's interest or change in value is credited less frequently than annually, then for purposes of determining the values that have been credited and are not subject to forfeiture under the covered policy, the interest or change in value determined by using the procedures defined in the covered policy will be credited as if the contractual date of crediting interest or changing values was the date of impairment or insolvency, whichever is earlier, and will not be subject to forfeiture.

*m.* A policy or contract issued in this state by a member insurer at a time the insurer was not licensed or did not have a certificate of authority to issue the policy or contract in this state.

*n.* A portion of a policy or contract issued to a plan or program of an employer, association, or other person to provide life, health, or annuity benefits to employees, members, or others, to the extent that the plan or program is self-funded or uninsured, including but not limited to benefits payable by an employer, association, or other person under any of the following:

(1) A multiple employer welfare arrangement as defined in section 3 of the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002, paragraph 40.

(2) A minimum premium group insurance plan.

(3) A stop-loss group insurance plan.

(4) An administrative services-only contract.

*o.* A portion of a policy or contract to the extent that it provides for any of the following:

(1) Dividends of experience rating credits.

(2) Voting rights.

(3) Payment of any fees or allowances to any person, including the policy or contract owner, in connection with service to or administration of the policy or contract.

*p.* A portion of a policy or contract to the extent that the assessments authorized by section 508C.9 with respect to the policy or contract are preempted by federal or state law.

*q.* A policy or contract providing any hospital, medical, prescription drug, or other health care benefits pursuant to 42 U.S.C. ch. 7, subch. XVIII, Part C or Part D, commonly known

as Medicare Part C and D pursuant to Tit. XVIII of the federal Social Security Act, or any regulations issued pursuant thereto.

4. In performing its obligations to provide coverage under this chapter, the association shall not be required to guarantee, assume, reinsure, or perform, or cause to be guaranteed, assumed, reinsured, or performed, the contractual obligations of an insolvent or impaired insurer under a covered policy or contract that do not materially affect the economic values or economic benefits of the covered policy or contract.

87 Acts, ch 223, §3; 88 Acts, ch 1135, §1 – 3; 89 Acts, ch 83, §67; 92 Acts, ch 1162, §6, 7; 98 Acts, ch 1057, §6; 2000 Acts, ch 1023, §13; 2008 Acts, ch 1123, §14; 2010 Acts, ch 1063, §1 – 7; 2010 Acts, ch 1193, §60

Referred to in §508C.2, 508C.5, 508C.8

**508C.4 Construction.**

This chapter shall be liberally construed to effect its purpose as provided under section 508C.2.

87 Acts, ch 223, §4

**508C.5 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Account"* means any of the four accounts created under section 508C.6.

2. *"Association"* means the Iowa life and health insurance guaranty association created in section 508C.6.

3. *"Authorized assessment"*, or the term *"authorized"* when used in the context of an assessment, means that a resolution has been passed by the board of directors of the association whereby an assessment will be called immediately or in the future from member insurers for a specified amount. An assessment is authorized when the resolution is passed.

4. *"Benefit plan"* means a specific employee, union, or association of natural persons benefit plan.

5. *"Called assessment"*, or the term *"called"* when used in the context of an assessment, means that a notice has been issued by the association to member insurers requiring that an authorized assessment be paid within the time frame set forth within the notice. An authorized assessment becomes a called assessment when notice is mailed by the association to member insurers.

6. *"Commissioner"* means the commissioner of insurance.

7. *"Contractual obligation"* means an obligation under a covered policy or contract or a certificate under a group policy or contract, or a portion thereof for which coverage is provided under section 508C.3.

8. *"Covered policy"* means a policy or contract or a portion of a policy or contract for which coverage is provided under section 508C.3.

9. *"Extra-contractual claim"* means, without limitation, a claim relating to bad faith in the payment of claims, punitive or exemplary damages, or attorney fees and costs.

10. *"Impaired insurer"* means a member insurer which, after July 1, 1987, is not an insolvent insurer but is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

11. *"Insolvent insurer"* means a member insurer which, after July 1, 1987, is placed under an order of liquidation with a finding of insolvency by a court of competent jurisdiction.

12. *"Member insurer"* means a person licensed or who holds a certificate of authority to transact in this state any kind of insurance for which coverage is provided under section 508C.3, including a person whose license or certificate of authority in this state has been suspended, revoked, not renewed, or voluntarily withdrawn but not including any of the following:

*a.* An entity which is a licensed company specified in section 508C.3, subsection 3, paragraph *"e"* or *"f"*.

*b.* A mandatory state pooling plan.

*c.* A mutual assessment company or other person which operates on an assessment basis.

*d.* An insurance exchange.

*e.* An entity which issues a charitable gift annuity under chapter 508F.

*f.* An entity similar to any of the entities enumerated in this subsection.

13. *"Moody's corporate bond yield average"* means the monthly average corporate bond yields published by Moody's investors service, inc., or any successor thereto.

14. *"Owner"* of a policy of contract, *"policy owner"*, or *"contract owner"* means the person who is identified as the legal owner of a policy or contract under the terms of the policy or contract or who is otherwise vested with legal title to the policy or contract through a valid assignment completed in accordance with the terms of the policy or contract and properly recorded as the owner on the books of the insurer. *"Owner"*, *"policy owner"*, or *"contract owner"* does not include a person with a mere beneficial interest in a policy or contract.

15. *"Person"* means an individual, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, or any other legal entity.

16. *"Plan sponsor"* means any of the following:

*a.* The employer in the case of a benefit plan established or maintained by a single employer.

*b.* The employee organization in the case of a benefit plan established or maintained by an employee organization.

*c.* In the case of a benefit plan established or maintained by two or more employers or jointly by one or more employers and one or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the benefit plan.

17. *"Premium"* means amounts or consideration, by whatever name called, received on covered policies or contracts less returned premiums, considerations, and deposits and less dividends and experience credits. *"Premium"* does not include amounts for consideration received for policies or contracts or for the portions of policies or contracts for which coverage is not provided under section 508C.3, subsection 3, except that assessable premium shall not be reduced on account of the provisions of section 508C.3, subsection 3, paragraph *"a"*, relating to interest limitations and section 508C.8, subsection 8, paragraph *"a"*, subparagraph (2), subparagraph division (a), relating to limitations with respect to one individual, one participant, and one owner. *"Premium"* also does not include any of the following:

*a.* Premiums in excess of five million dollars on an unallocated annuity contract not issued under a governmental retirement plan, or its trustee, established under section 401, 403(b), or 457 of the United States Internal Revenue Code.

*b.* With respect to multiple nongroup policies of life insurance owned by one owner, whether the policy owner is an individual, firm, corporation, or other person, and whether the persons insured are officers, managers, employees, or other persons, premiums in excess of five million dollars with respect to those polices or contracts, regardless of the number of policies or contracts held by the owner.

18. *"Principal place of business"* of a plan sponsor or a person other than a natural person means the single state in which the natural persons who establish policy for the direction, control, and coordination of the operations of the entity as a whole primarily exercise that function as determined pursuant to section 508C.8A.

19. *"Receivership court"* means a court in an insolvent or impaired insurer's state having jurisdiction over the conservation, rehabilitation, or liquidation of the insurer.

20. *"Resident"* means a person to whom a contractual obligation is owed and who resides in a state on the date of entry of a court order that determines a member insurer is an impaired insurer or a court order that determines a member insurer is an insolvent insurer. A person may be a resident of only one state, which in the case of a person other than a natural person shall be the state of that person's principal place of business. A citizen of the United States who is a resident of a foreign country, or is a resident of a United States possession, territory, or protectorate that does not have an association similar to the association created by this chapter, shall be deemed a resident of the state or domicile of the insurer that issued the policy or contract.

21. *"State"* means a state, the District of Columbia, Puerto Rico, or a United States possession, territory, or protectorate.

22. *"Structured settlement annuity"* means an annuity purchased in order to fund periodic payments for a plaintiff or other claimant in payment for or with respect to personal injuries suffered by the plaintiff or other claimant.

23. *"Supplemental contract"* means a written agreement entered into for the distribution of proceeds under a life, health, or annuity policy or contract.

24. *"Unallocated annuity contract"* means a guaranteed investment contract, deposit administration contract, or any other annuity contract which is not issued to and owned by an individual, except to the extent of any annuity benefits guaranteed to an individual by an insurer under such a contract or certificate.

87 Acts, ch 223, §5; 88 Acts, ch 1135, §4 – 6; 90 Acts, ch 1234, §19, 20; 98 Acts, ch 1057, §7; 2010 Acts, ch 1063, §8 – 15; 2011 Acts, ch 70, §8 – 11

Referred to in §507A.4

**508C.6 Creation of the association.**

1. A nonprofit legal entity is created to be known as the Iowa life and health insurance guaranty association. All member insurers shall be and shall remain members of the association as a condition of their authority to transact insurance business in this state. The association shall perform its functions under the plan of operation established and approved under section 508C.10 and shall exercise its powers through the board of directors established in section 508C.7. For purposes of administration and assessment, the association shall maintain all of the following accounts:

*a.* A health insurance account.

*b.* A life insurance account.

*c.* An annuity account. A plan established under section 401, 403(b), or 457 of the United States Internal Revenue Code shall be covered by the annuity account.

*d.* An unallocated annuity contract account, excluding plans established under section 401, 403(b), or 457 of the United States Internal Revenue Code.

2. The association is subject to the immediate supervision of the commissioner and the applicable provisions of the insurance laws of this state.

87 Acts, ch 223, §6; 88 Acts, ch 1135, §7, 8; 2008 Acts, ch 1123, §15

Referred to in §508C.5, 508C.9

**508C.7 Board of directors.**

1. The board of directors of the association shall consist of not less than five nor more than nine member insurers serving terms as established in the plan of operation. The members of the board shall be selected by member insurers, subject to the approval of the commissioner. Vacancies on the board shall be filled for the remaining period of the term by a majority vote of the remaining board members, subject to the approval of the commissioner. To select the initial board of directors, and initially organize the association, the commissioner shall give notice to all member insurers of the time and place of the organizational meeting. In determining voting rights at the organizational meeting each member insurer is entitled to one vote in person or by proxy. If the board of directors is not selected within sixty days after notice of the organizational meeting, the commissioner may appoint the initial members.

2. In approving selections or in appointing members to the board, the commissioner shall consider, among other factors, whether all member insurers are fairly represented.

3. At the option of the association, members of the board may be reimbursed from the assets of the association for expenses incurred by them as members of the board of directors. However, members of the board shall not otherwise be compensated by the association for their services.

87 Acts, ch 223, §7

Referred to in §508C.6, 508C.10

**508C.8 Powers and duties of the association.**

1. If a domestic, foreign, or alien insurer is an impaired insurer, the association, subject

to conditions imposed by the association and approved by the impaired insurer and the commissioner, may:

*a.* Guarantee, assume, reinsure, or cause to be guaranteed, assumed, or reinsured, any or all of the covered policies of the impaired insurer.

*b.* Provide moneys, pledges, notes, guarantees, or other means as proper to effectuate paragraph "*a*" and assure payment of the contractual obligations of the impaired insurer pending action under paragraph "*a*".

*c.* Loan money to the impaired insurer and guarantee borrowings by the impaired insurer, provided the association has concluded, based on reasonable assumptions, that there is a likelihood of repayment of the loan and a probability that unless a loan is made the association would incur substantial liabilities under subsection 2.

2. If a member insurer is an insolvent insurer, the association may in its discretion do any of the following:

*a.* The association may do either of the following:

(1) Guarantee, assume, or reinsure, or cause to be guaranteed, assumed, or reinsured the covered policies or contracts of an insolvent insurer.

(2) Assure payment of the contractual obligations of the insolvent insurer.

*b.* Provide moneys, pledges, notes, guarantees, or other means as reasonably necessary to discharge the duties described in this subsection.

*c.* Provide benefits and coverages in accordance with all of the following provisions:

(1) With respect to life and health insurance policies or contracts and annuity contracts, assure payment of benefits for premiums identical to the premiums and benefits, except for conversion and renewability, that would have been payable under the policies or contracts of the insolvent insurer for the following claims incurred as follows:

(a) With respect to group policies or contracts, not later than the earlier of the next renewal date under those policies or contracts or forty-five days, but in no event less than thirty days, after the date on which the association becomes obligated with respect to those policies or contracts.

(b) With respect to nongroup policies or contracts not later than the earlier of the next renewal date, if any, under those policies or contracts or one year, but in no event less than thirty days, from the date on which the association becomes obligated with respect to the policies or contracts.

(2) Make diligent efforts to provide all known insureds or annuitants, for nongroup policies or contracts, or group policy owners, with respect to group policies or contracts, thirty days' notice of the termination of the benefits provided pursuant to subparagraph (1).

(3) With respect to nongroup life and health insurance policies or contracts covered by the association, make available to each known insured or annuitant, or owner if other than the insured or annuitant, and with respect to an individual formerly insured or formerly an annuitant under a group policy or contract who is not eligible for replacement group coverage, substitute coverage on an individual basis in accordance with the provisions of subparagraph (4), if the insureds or annuitants had a right under law or under the terminated policy or contract to convert coverage to individual coverage or to continue an individual policy or contract in force until a specified age or for a specified time, during which the insurer had no right to unilaterally make changes in any provision of the policy or contract or had a right only to make changes in premium by class.

(4) In providing the substitute coverage required under subparagraph (3), the association may offer either to reissue the terminated coverage or to issue an alternative policy or contract.

(a) Reissued or alternative policies or contracts shall be offered without requiring evidence of insurability, and shall not provide for any waiting period or exclusion that would not have applied under the terminated policy or contract.

(b) The association may reinsure any reissued or alternative policy or contract.

(5) Alternative policies or contracts adopted by the association shall be subject to the approval of the domiciliary insurance commissioner and the receivership court. The association may adopt alternative policies or contracts of various types for future issuance without regard to any particular impairment or insolvency of an insurer.

(a) Alternative policies or contracts shall contain at least the minimum statutory provisions required in this state and shall provide benefits that are not unreasonable in relation to the premium charged. The association shall set the premium in accordance with a table of rates that the association shall adopt. The premium shall reflect the amount of insurance to be provided and the age and class of risk of each insured, but shall not reflect any changes in the health of the insured after the original policy or contract was last underwritten.

(b) Any alternative policy or contract issued by the association shall provide coverage of a type similar to that of the policy or contract issued by the impaired or insolvent insurer, as determined by the association.

(6) If the association elects to reissue terminated coverage at a premium rate different from that charged under the terminated policy or contract the premium shall be set by the association in accordance with the amount of insurance provided and the age and class of risk, subject to approval of the domiciliary insurance commissioner and the receivership court.

(7) The association's obligations with respect to coverage under any policy or contract of an impaired or insolvent insurer or under any reissued or alternative policy or contract, shall cease on the date the coverage, or policy or contract, is replaced by another similar policy or contract by the policy or contract owner, or the association.

(8) When proceeding under this paragraph *"c"* with respect to a policy or contract carrying guaranteed minimum interest rates, the association shall assure the payment or crediting of a rate of interest consistent with section 508C.3, subsection 3, paragraph *"a"*.

3. *a.* In carrying out its duties under subsection 2, permanent policy liens or contract liens may be imposed in connection with a guarantee, assumption, or reinsurance agreement, if the court does both of the following:

(1) Finds either that the amounts which can be assessed under this chapter are less than the amounts needed to assure full and prompt performance of the insolvent insurer's contractual obligations, or that the economic or financial conditions as they affect member insurers are sufficiently adverse to the public interest to justify the imposition of policy or contract liens.

(2) Approves the specific policy liens or contract liens to be used.

*b.* Before being obligated under subsection 2, the association may request the imposition of a temporary moratorium, not exceeding three years, or liens on payments of cash values, termination values, and policy loans in addition to any contractual provisions for deferral of cash values, termination values, or policy loans. The temporary moratoriums and liens may be imposed by the court as a condition of the association's liability with respect to the insolvent insurer.

*c.* The obligations of the association under subsection 2 regarding a covered policy shall be reduced to the extent that the person entitled to the obligations has received payment of all or any part of the contractual benefits payable under the covered policy from any other source.

*d.* The association may offer modifications to the owners of policies or contracts or classes of policies or contracts issued by the insolvent insurer, if the association finds that under the policies or contracts the benefits provided, provisions pertaining to renewal, or the premiums charged or which may be charged are not reasonable. If the owner of a policy or contract to be modified fails or refuses to accept the modification as approved by the court, the association may terminate the policy or contract as of a date not less than one hundred eighty days after the modification is sent to the owner. The association shall have no liability under the policy or contract for any claim incurred or continuing beyond the termination date. However, this paragraph does not apply to interest adjustments made pursuant to section 508C.3, subsection 3, paragraph *"a"*.

4. If the association fails to act within a reasonable period of time as provided in subsection 2, the commissioner shall have the powers and duties of the association under this chapter with respect to insolvent insurers.

5. Upon request the association may give assistance and advice to the commissioner concerning the rehabilitation, payment of claims, continuance of coverage, or the performance of other contractual obligations of an impaired or insolvent insurer.

6. *a.* The association shall have standing to appear or intervene before any court or agency in this state with jurisdiction over an impaired or insolvent insurer concerning which the association is or may become obligated under this chapter or with jurisdiction over any person or property against which the association may have rights through subrogation or otherwise. Standing shall extend to all matters germane to the powers and duties of the association including but not limited to proposals for reinsuring, modifying, or guaranteeing the covered policies or contracts of the impaired or insolvent insurer and the determination of the covered policies or contracts, and contractual obligations. The association shall also have the right to appear or intervene before any court or agency in another state with jurisdiction over an impaired or insolvent insurer for which the association is or may become obligated or with jurisdiction over any person or property against whom the association may have rights through subrogation or otherwise.

*b.* As a creditor of an impaired or insolvent insurer as provided under section 508C.13, subsection 3, and consistent with the provisions of section 507C.34, the association and other similar associations shall be entitled to receive a disbursement of assets out of the marshaled assets, from time to time as the assets become available to reimburse the association or similar associations, as a credit against contractual obligations under this chapter. If the liquidator has not, within one hundred twenty days of a final determination of insolvency of an insurer by the receivership court, made an application to the court for the approval of a proposal to disburse assets out of marshaled assets to guaranty associations having obligations because of the insolvency, the association or similar associations shall be entitled to make application to the receivership court for approval of its own proposal to disburse these assets.

7. *a.* A person receiving benefits under this chapter is deemed to have assigned the rights under any causes of action against any person for losses arising under, resulting from, or otherwise relating to the covered policy or contract to the association to the extent of the benefits received under this chapter, whether the benefits are payments of or on account of contractual obligations, a continuation of coverage, or the provision of substitute or alternative coverages. The association may require an assignment to the association of the rights and causes of action by any payee, policyholder or contract owner, beneficiary, insured, or annuitant as a condition precedent to the receipt of any rights or benefits conferred by this chapter upon the person. The association shall be subrogated to these rights against the assets of the impaired or insolvent insurer.

*b.* The subrogation rights of the association under this subsection have the same priority against the assets of the impaired or insolvent insurer as that possessed by the person entitled to receive benefits under this chapter.

*c.* In addition to the rights pursuant to subsection 3, paragraphs *"a"* and *"b"*, the association shall have all common law rights of subrogation and any other equitable or legal remedy which would have been available to the impaired or insolvent insurer or owner, beneficiary, or payee of a covered policy or contract with respect to the policy or contract, including without limitation, in the case of a structured settlement annuity, any rights of the owner, beneficiary, or payee of the annuity, to the extent of benefits received pursuant to this chapter, against the person originally or by succession responsible for the losses arising from the personal injury relating to the annuity or payment for the annuity, excepting any such person responsible solely by reason of serving as an assignee in respect of a qualified assignment under section 130 of the Internal Revenue Code.

*d.* If the provisions of paragraphs *"a"* through *"c"* are invalid or ineffective with respect to any person or claim for any reason, the amount payable by the association with respect to the related covered obligations shall be reduced by the amount realized by any other person with respect to the person or claim that is attributable to the policies or contracts, or portion thereof, covered by the association.

*e.* If the association has provided benefits with respect to a covered obligation and a person recovers amounts as to which the association has rights as described in paragraphs *"a"* through *"d"*, the person shall pay to the association the portion of the recovery attributable to the policies or contracts, or portion thereof, covered by the association.

8. *a.* The benefits that the association may become obligated to cover shall in no event exceed the lesser of either of the following:

(1) The contractual obligations for which the insurer is liable or would have been liable if it were not an impaired or insolvent insurer.

(2) Any of the following:

(a) With respect to one life, regardless of the number of policies or contracts:

(i) Three hundred thousand dollars in life insurance death benefits, but not more than one hundred thousand dollars in net cash surrender and net cash withdrawal values for life insurance.

(ii) Five hundred thousand dollars for health insurance benefits which are basic hospital expense coverage, basic medical-surgical expense coverage, or major medical expense coverage as defined by the commissioner by rule pursuant to section 514D.4; three hundred thousand dollars for health insurance benefits which are disability income protection as defined by the commissioner by rule pursuant to section 514D.4; three hundred thousand dollars for long-term care insurance as defined in section 514G.103; or one hundred thousand dollars for other health insurance benefits including any net cash surrender and net cash withdrawal values.

(iii) Two hundred fifty thousand dollars in the present value of annuity benefits, including net cash surrender and net cash withdrawal values.

(iv) With respect to each payee of a structured settlement annuity, or the beneficiary or beneficiaries of the payee if the payee is deceased, two hundred fifty thousand dollars in present value annuity benefits, in the aggregate, including net cash surrender and net cash withdrawal values.

(b) (i) With respect to each individual participating in a benefit plan established under section 401, 403(b), or 457 of the United States Internal Revenue Code, or each unallocated annuity contract account, excluding a plan established under section 401, 403(b), or 457 of the United States Internal Revenue Code, not more than two hundred fifty thousand dollars in the aggregate, in present value annuity benefits, including net cash surrender and net cash withdrawal values for the beneficiaries of the deceased individual.

(ii) However, the association shall not in any event be obligated to cover more than an aggregate of three hundred fifty thousand dollars in benefits with respect to any one life under subparagraph division (a) and this subparagraph division (b), except with respect to benefits for basic hospital expense coverage, basic medical-surgical expense coverage, or major medical expense coverage under subparagraph division (a), subparagraph subdivision (ii), in which case the aggregate liability of the association shall not exceed five hundred thousand dollars with respect to any one individual, or more than five million dollars in benefits to one owner of multiple nongroup policies of life insurance regardless of whether the policy owner is an individual, firm, corporation, or other person, and whether the persons insured are officers, managers, employees, or other persons, and regardless of the number of policies and contracts held by the owner.

(c) With respect to a plan sponsor whose plan owns, directly or in trust, one or more unallocated annuity contracts not included under subparagraph division (b), not more than five million dollars in benefits, regardless of the number of contracts held by the plan sponsor. However, where one or more such unallocated annuity contracts are covered contracts under this chapter and are owned by a trust or other entity for the benefit of two or more plan sponsors, the association shall provide coverage if the largest interest in the trust or entity owning the contract is held by a plan sponsor whose principal place of business is in the state but in no event shall the association be obligated to cover more than five million dollars in benefits in the aggregate with respect to all such unallocated contracts.

*b.* The limitations on the association's obligation to cover benefits that are set forth under this subsection do not take into account the association's subrogation and assignment rights or the extent to which such benefits could be provided out of the assets of the impaired or insolvent insurer that are attributable to covered policies. The association's obligations under this chapter may be met by the use of assets attributable to covered policies or reimbursed to the association pursuant to the association's subrogation and assignment rights.

9. The association has no obligation to issue a group conversion policy of any nature to a person or to continue a group coverage in force for more than sixty days following the date the member insurer was adjudicated to be insolvent.

10. The association may do any of the following:

*a.* Enter into contracts as necessary or proper to carry out this chapter.

*b.* Sue or be sued, including taking any legal actions necessary or proper for recovery of any unpaid assessments under section 508C.9.

*c.* Borrow money to effect the purposes of this chapter. Any notes or other evidence of indebtedness of the association held by domestic insurers and not in default qualify as investments eligible for deposit under section 511.8, subsection 16.

*d.* Employ or retain persons as necessary to handle the financial transactions of the association, and to perform other functions as necessary or proper under this chapter.

*e.* Negotiate and contract with a liquidator, rehabilitator, conservator, or ancillary receiver to carry out the powers and duties of the association.

*f.* Take legal action as necessary to avoid payment of improper claims.

*g.* For the purposes of this chapter and to the extent approved by the commissioner, exercise the powers of a domestic life or health insurer. However, the association shall not issue insurance policies or annuity contracts other than those issued to perform the contractual obligations of the impaired or insolvent insurer.

*h.* Join an organization of one or more other state associations of similar purposes to further the purposes and administer the powers and duties of the association.

11. *a.* (1) At any time within one hundred eighty days of the date of an order of liquidation, the association may elect to succeed to the rights and obligations of a ceding member insurer that relate to policies or contracts covered, in whole or in part, by the association in each case under any reinsurance contract entered into by the insolvent insurer and its reinsurers, selected by the association. Any such assumption of rights and obligations shall be effective as of the date of the order of liquidation. The election shall be effected by the association or by the national organization of life and health insurance guaranty associations on its behalf by sending written notices, return receipt requested, to the affected reinsurers. As used in this subsection, "*date of election*" means the date of the election of the association to succeed to the rights and obligations of the ceding member insurer as provided in this subparagraph.

(2) To facilitate the earliest practicable decision about whether to assume any of the contracts of reinsurance of the ceding member insurer, and in order to protect the financial position of the state, the receiver and each reinsurer of the ceding member insurer shall make available upon request to the association, or to the national organization of life and health insurance guaranty associations on its behalf, as soon as possible after commencement of formal delinquency proceedings all of the following:

(a) Copies of in-force contracts of reinsurance and all related files and records relevant to the determination of whether such contracts should be assumed.

(b) Notices of any defaults under the reinsurance contracts or any known event or condition which with the passage of time could become a default under the reinsurance contract.

(3) The following provisions shall apply to reinsurance contracts so assumed by the association:

(a) The association shall be responsible for all unpaid premiums due under the reinsurance contracts for periods both before and after the date of the order of liquidation and shall be responsible for the performance of all other obligations to be performed after the date of the order of liquidation, in each case which relate to policies or contracts covered, in whole or in part, by the association. The association may charge policies or contracts covered in part by the association, through reasonable allocation methods, the cost for reinsurance in excess of the obligations of the association and shall provide notice and an accounting of these charges to the liquidator.

(b) The association shall be entitled to any amounts payable by the reinsurer under the reinsurance contracts with respect to losses or events that occur in periods after the date of the order of liquidation and that relate to policies or contracts covered, in whole or in part, by the association, provided that, upon receipt of any such amounts, the association shall be obliged to pay to the beneficiary under the policy or contract on account of which the amounts were paid, a portion of the amount equal to the lesser of any of the following:

(i) The amount received by the association.

(ii) The excess of the amount received by the association over the amount equal to the benefits paid by the association on account of the policy or contract less the retention of the insurer applicable to the loss or event.

(c) Within thirty days following the date of election, the association and each reinsurer under reinsurance contracts assumed by the association shall calculate the net balance due to or from the association under each reinsurance contract as of the date of election with respect to policies or contracts covered, in whole or in part, by the association, which calculation shall give full credit to all items paid by either the insurer or its receiver or the reinsurer prior to the date of election. The reinsurer shall pay the receiver any amounts due for losses or events prior to the date of the order of liquidation, subject to any setoff for premiums unpaid for periods prior to the date, and the association or reinsurer shall pay any remaining balance due the other, in each case within five days of the completion of the aforementioned calculation. Any disputes over the amounts due to either the association or the reinsurer shall be resolved by arbitration pursuant to the terms of the affected reinsurance contracts or, if the contract contains no arbitration clause, as otherwise provided by law. If the receiver has received any amounts due the association pursuant to subparagraph division (b), the receiver shall remit the same to the association as promptly as practicable.

(d) If the association or receiver, on the association's behalf, within sixty days of the date of election, pays the unpaid premiums due for periods both before and after the date of election that relate to policies or contracts covered, in whole or in part, by the association, the reinsurer shall not be entitled to terminate the reinsurance contracts for failure to pay premiums insofar as the reinsurance contracts relate to policies or contracts covered, in whole or in part, by the association, and shall not be entitled to set off any unpaid amounts due under other policies or contracts, or unpaid amounts due from parties other than the association, against amounts due the association.

*b.* During the period from the date of the order of liquidation, until the date of election or, if the association does not elect to succeed to the rights and obligations of the ceding member insurer as provided in paragraph "*a*", subparagraph (1), until one hundred eighty days after the date of the order of liquidation all of the following provisions are applicable:

(1) The association and the reinsurer shall not have any rights or obligations under reinsurance contracts that the association has the right to assume under paragraph "*a*", whether for periods prior to or after the date of liquidation.

(2) The reinsurer, the receiver, and the association shall, to the extent practicable, provide each other with data and records reasonably requested.

(3) Once the association elects to assume a reinsurance contract, the parties' rights and obligations shall be governed by the provisions of paragraph "*a*".

*c.* If the association does not elect to assume the rights and obligations under a reinsurance contract, the association shall have no rights or obligations in each case for periods both before and after the date of the order of liquidation, with respect to the reinsurance contract.

*d.* When policies or contracts, or covered obligations with respect thereto, are transferred to an assuming insurer, reinsurance on the policies or contracts may also be transferred by the association, in the case of rights and obligations under reinsurance contracts assumed under paragraph "*a*", subject to the following provisions:

(1) Unless the reinsurer and the assuming insurer agree otherwise, the reinsurance contracts transferred shall not cover any new policies or contracts of insurance in addition to those transferred.

(2) The obligations described in paragraph "*a*" shall no longer apply with respect to matters arising after the effective date of the transfer.

(3) Notice shall be given in writing, return receipt requested, by the transferring party to the affected reinsurer not less than thirty days prior to the effective date of the transfer.

*e.* This subsection shall supersede the provisions of any state law or of any affected reinsurance contract that provides for or requires any payment of reinsurance proceeds, on account of losses or events that occur in periods after the date of the order of liquidation, to the receiver of the insolvent insurer or any other person. The receiver shall remain entitled

to any amounts payable by the reinsurer under the reinsurance contract with respect to losses or events that occur in periods prior to the date of the order of liquidation, subject to applicable setoff provisions.

*f.* Except as otherwise provided in this subsection, this subsection shall not be construed to do any of the following:

(1) Alter or modify the terms and conditions of any reinsurance contract.

(2) Abrogate or limit any rights of any reinsurer to claim that the reinsurer is entitled to rescind a reinsurance contract.

(3) Give a policyholder or beneficiary an independent cause of action against a reinsurer that is not otherwise set forth in the reinsurance contract.

(4) Limit or affect the association's rights as a creditor of the state against the assets of this state.

(5) Apply to reinsurance agreements covering property or casualty risks.

12. The board of directors of the association shall have discretion and may exercise reasonable business judgment to determine the means by which the association will provide the benefits of this chapter in an economical and efficient manner.

13. Where the association has arranged or offered to provide the benefits of this chapter to a covered person under a plan or arrangement that fulfills the association's obligations under this chapter, the person shall not be entitled to benefits from the association in addition to or other than those provided under the plan or arrangement.

14. Venue in a suit against the association arising under this chapter shall be in the district court of Polk county. The association shall not be required to give an appeal bond in an appeal that relates to a cause of action arising under this chapter.

15. In carrying out its duties in connection with guaranteeing, assuming, or reinsuring policies or contracts under subsections 2 and 3, the association may, subject to approval of the receivership court, issue substitute coverage for a policy or contract that provides an interest rate, crediting rate, or similar factor determined by the use of an index or other external reference stated in the policy or contract employed in calculating returns or changes in value by issuing an alternative policy or contract in accordance with the following provisions:

*a.* In lieu of the index or other external reference provided for in the original policy or contract the alternative policy or contract provides for one of the following:

(1) A fixed interest rate.

(2) Payment of dividends with minimum guarantees.

(3) A different method for calculating interest or changes in value.

*b.* There is no requirement for evidence of insurability, waiting period, or other exclusion that would not have applied under the replaced policy or contract.

*c.* The alternative policy or contract is substantially similar to the replaced policy or contract in all other material terms.

87 Acts, ch 223, §8; 88 Acts, ch 1135, §9; 90 Acts, ch 1234, §21, 22; 91 Acts, ch 26, §37; 92 Acts, ch 1162, §8; 2008 Acts, ch 1123, §16, 17; 2009 Acts, ch 41, §157, 158; 2010 Acts, ch 1063, §16 – 22

Referred to in §508C.5, 508C.9, 508C.10, 508C.13

**508C.8A Principal place of business — determination.**

1. The principal place of business of a plan sponsor or a person other than a natural person shall be determined by the association in its reasonable judgment by considering all of the following factors:

*a.* The state in which the primary executive and administrative headquarters of the entity is located.

*b.* The state in which the principal office of the chief executive officer of the entity is located.

*c.* The state in which the board of directors or similar governing person or persons of the entity conducts the majority of its meetings.

*d.* The state in which the executive or management committee of the board of directors or similar governing person or persons of the entity conducts the majority of its meetings.

*e.* The state from which the management of the overall operations of the entity is directed.

2. In the case of a benefit plan sponsored by affiliated companies comprising a consolidated corporation, the principal place of business of the entity shall be deemed to be the state in which the holding company or controlling affiliate has its principal place of business as determined by the association using the factors enumerated in subsection 1. However, if more than fifty percent of the participants in the benefit plan are employed in a single state, that state shall be determined to be the principal place of business of the entity.

3. In the case of a benefit plan established or maintained by two or more employers, or jointly by one or more employers and one or more employee organizations, the principal place of business of the entity shall be deemed to be the principal place of business of the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the benefit plan. In lieu of a specific or clear designation of the principal place of business of the entity under this subsection, the principal place of business of the entity shall be deemed to be the principal place of business of the employer or employee organization that has the largest investment in the benefit plan in question.

2011 Acts, ch 70, §12

Referred to in §508C.5

**508C.9 Assessments.**

1. For the purpose of providing the funds necessary to carry out the powers and duties of the association, the board of directors shall assess the member insurers, separately for each account established pursuant to section 508C.6, at the time and for the amounts the board finds necessary. An assessment is due not less than thirty days after prior written notice has been sent to the member insurers and accrues interest at ten percent per annum commencing on the due date.

2. There are two classes of assessments as follows:

*a.* Class A assessments shall be authorized and called for the purpose of meeting administrative and legal costs and other expenses. Class A assessments may be authorized and called whether or not related to a particular impaired or insolvent insurer.

*b.* Class B assessments shall be authorized and called to the extent necessary to carry out the powers and duties of the association under section 508C.8 with regard to an impaired or an insolvent insurer.

3. *a.* The amount of a class A assessment shall be determined by the board and may be authorized and called on a pro rata or non-pro rata basis. If pro rata, the board may provide that the assessment be credited against future class B assessments. The total of all non-pro rata assessments shall not exceed three hundred dollars per member insurer in any one calendar year. The amount of a class B assessment shall be allocated for assessment purposes among the accounts pursuant to an allocation formula which may be based on the premiums or reserves of the impaired or insolvent insurer or on any other standard deemed by the board in its sole discretion as being fair and reasonable under the circumstances.

*b.* Class B assessments against member insurers for each account shall be in the proportion that the average of the aggregate premiums received on business in this state by each assessed member insurer on policies or contracts covered by each account for the three most recent calendar years for which information is available, preceding the year in which the insurer became insolvent, or, in the case of an assessment with respect to an impaired insurer, the three most recent calendar years for which information is available preceding the year in which the insurer became impaired, bears to the premiums received on business in this state for those calendar years by all assessed member insurers.

*c.* Assessments for funds to meet the requirements of the association with respect to an impaired or insolvent insurer shall not be authorized or called until necessary to implement the purposes of this chapter. Classification of assessments under subsection 2 and computation of assessments under this subsection shall be made with a reasonable degree of accuracy, recognizing that exact determinations may not always be possible. The association shall notify each member insurer of its anticipated pro rata share of an authorized assessment not yet called within one hundred eighty days after the assessment is authorized.

4. The association may abate or defer, in whole or in part, the assessment of a member

insurer if, in the opinion of the board, payment of the assessment would endanger the ability of the member insurer to fulfill its contractual obligations. If an assessment against a member insurer is abated or deferred, in whole or in part, the amount by which the assessment is abated or deferred may be assessed against the other member insurers in a manner consistent with the basis for assessments set forth in this section. Once the conditions that caused an abatement or deferral have been removed or rectified, the member insurer shall pay all assessments that were abated or deferred pursuant to a repayment plan approved by the association.

5. *a.* (1) Subject to the provisions of subparagraph (2) of this paragraph "*a*", the total of all assessments authorized by the association with respect to a member insurer for each of the accounts established pursuant to section 508C.6, and designated as the health insurance account, the life insurance account, the annuity account, and the unallocated annuity contract account, shall not in any one calendar year exceed two percent of that member insurer's average annual premiums received in this state on the policies and contracts covered by the account during the three calendar years preceding the year in which the insurer becomes impaired or insolvent.

(2) If two or more assessments are authorized in one calendar year with respect to insurers that become impaired or insolvent in different calendar years, the average annual premiums for purposes of the aggregate assessment percentage limitation referred to in subparagraph (1) of this paragraph "*a*" shall be equal and limited to the higher of the three-year average annual premiums for the applicable account as calculated pursuant to this section.

(3) If the maximum assessment, together with the other assets of the association in the account, does not provide in one year in either account an amount sufficient to carry out the responsibilities of the association, the necessary additional funds shall be assessed for the account in succeeding years as soon as permitted by this chapter.

*b.* The board may provide in its plan of operation a method of allocating funds among claims, whether relating to one or more impaired or insolvent insurers, when the maximum assessment will be insufficient to cover anticipated claims.

*c.* If the maximum assessment for either the life insurance account, the annuity account, or the unallocated annuity contract account in one year does not provide an amount sufficient to carry out the responsibilities of the association, the board, pursuant to subsection 3, paragraph "*b*", shall access any of the other said accounts for the necessary additional amount, subject to the maximum assessments stated in paragraph "*a*" of this subsection.

6. By an equitable method as established in the plan of operation, the board may refund to member insurers, in proportion to the contribution of each insurer to that account, the amount by which the assets of the account, including assets accruing from assignment, subrogation, net realized gains, and income from investments, exceed the amount the board finds is necessary to carry out during the coming year the obligations of the association with regard to that account. A reasonable amount may be retained in any account to provide funds for the continuing expenses of the association and for future claims.

7. In determining its premium rates and policyowner dividends as to any kind of insurance within the scope of this chapter, it is proper for a member insurer to consider the amount reasonably necessary to meet its assessment obligations under this chapter.

8. The association shall issue to each insurer paying a class B assessment under this chapter, a certificate of contribution in a form prescribed by the commissioner for the amount of the assessment so paid. All outstanding certificates shall be of equal dignity and priority without reference to amounts or dates of issue. A certificate of contribution may be shown by the insurer in its financial statement as an asset in the form, for the amount and for a period of time as the commissioner may approve.

9. *a.* A member insurer that wishes to protest all or part of an assessment shall pay when due the full amount of the assessment as set forth in the notice provided by the association. The payment shall be made available to meet association obligations during the pendency of the protest or any subsequent appeal. The payment shall be accompanied by a statement in writing that the payment is made under protest and setting forth a brief statement of the grounds for the protest.

*b.* Within sixty days following the payment of an assessment under protest by a member

insurer, the association shall either notify the protesting member insurer in writing of its determination with respect to the protest or notify the protesting member insurer that additional time is required to resolve the issues raised by the protest.

*c.* Within thirty days after a final decision has been made, the association shall notify the protesting member insurer in writing of that final decision. Within sixty days of receipt of notice of the final decision, the protesting member insurer may appeal that final decision to the commissioner.

*d.* As an alternative to rendering a final decision with respect to a protest of an assessment, the association may refer the protest to the commissioner for a final decision, with or without a recommendation from the association.

*e.* If a protest or subsequent appeal of an assessment is upheld in favor of the protesting member insurer, the amount paid in error or the excess shall be refunded to the member insurer. Interest on a refund due a protesting member insurer shall be paid at the rate actually earned by the association during the pendency of the protest or any subsequent appeal.

10. The association may request information from member insurers in order to aid in the exercise of the association's power under this section, and the member insurers shall promptly comply with such a request.

87 Acts, ch 223, §9; 88 Acts, ch 1135, §10; 90 Acts, ch 1234, §23 – 25; 92 Acts, ch 1162, §9, 10; 2000 Acts, ch 1023, §14; 2011 Acts, ch 70, §13, 14

Referred to in §508C.3, 508C.8, 508C.10, 508C.19

**508C.10 Plan of operation.**

1. *a.* The association shall submit to the commissioner a plan of operation and any amendments to the plan of operation necessary or suitable to assure the fair, reasonable, and equitable administration of the association. The plan of operation and any amendments to the plan are effective upon the commissioner's written approval.

*b.* If the association fails to submit a suitable plan of operation within one hundred eighty days following July 1, 1987, or if at any time the association fails to submit suitable amendments to the plan, the commissioner shall, after notice and hearing, adopt rules pursuant to chapter 17A as necessary or advisable to effectuate this chapter. The rules shall continue in force until modified by the commissioner or superseded by a plan submitted by the association and approved by the commissioner.

2. All member insurers shall comply with the plan of operation.

3. In addition to other requirements established in this chapter the plan of operation shall establish all of the following:

*a.* Procedures for handling the assets of the association.

*b.* The amount and method of reimbursing members of the board of directors under section 508C.7.

*c.* Regular places and times for meetings of the board of directors.

*d.* Procedures for records to be kept of all financial transactions of the association, its agents, and the board of directors.

*e.* Procedures for selecting the board of directors and submitting the selections to the commissioner.

*f.* Any additional procedures for assessments under section 508C.9.

*g.* Additional provisions necessary or proper for the execution of the powers and duties of the association.

4. The plan of operation may provide that any powers and duties of the association, except those under section 508C.8, subsection 10, paragraph "*c*" and section 508C.9 are delegated to a corporation, association, or other organization which performs or will perform functions similar to those of this association, or its equivalent, in two or more states. Such a corporation, association, or organization shall be reimbursed for any payments made on behalf of the association and shall be paid for its performance of any function of the association. A delegation under this subsection shall take effect only with the approval of both the board of directors and the commissioner. The delegation shall be made only to a

corporation, association, or organization which extends protection at least as favorable and effective as that provided by this chapter.

87 Acts, ch 223, §10

Referred to in §508C.6

**508C.11 Duties and powers of the commissioner.**

1. The commissioner shall:

*a.* Upon request of the board of directors, provide the association with a statement of the premiums for each member insurer.

*b.* When an impairment is declared and the amount of the impairment is determined, serve a demand upon the impaired insurer to make good the impairment within a reasonable time. Notice to the impaired insurer constitutes notice to its shareholders, if any. The failure of the insurer to promptly comply with the demand shall not excuse the association from the performance of its powers and duties under this chapter.

2. After notice and hearing, the commissioner may suspend or revoke the certificate of authority to transact insurance in this state of a member insurer which fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative, the commissioner may levy an administrative penalty on any member insurer which fails to pay an assessment when due. The administrative penalty shall not exceed five percent of the unpaid assessment per month. However, an administrative penalty shall not be less than one hundred dollars per month.

3. A final action of the board of directors or the association may be appealed to the commissioner by a member insurer if the appeal is taken within sixty days of the member insurer's receipt of notice of the final action being appealed. A final action or order of the commissioner is subject to judicial review pursuant to chapter 17A in a court of competent jurisdiction.

4. The liquidator, rehabilitator, or conservator of an impaired insurer may notify all interested persons of the effect of this chapter.

87 Acts, ch 223, §11; 88 Acts, ch 1112, §203; 2011 Acts, ch 70, §15, 16

**508C.12 Prevention of insolvencies.**

1. To aid in the detection and prevention of insurer insolvencies or impairments the commissioner shall:

*a.* (1) Notify the commissioners or insurance departments of other states or territories of the United States and the District of Columbia when any of the following actions against a member insurer is taken:

(a) A license is revoked.

(b) A license is suspended.

(c) A formal order is made that a company restrict its premium writing, obtain additional contributions to surplus, withdraw from the state, reinsure all or any part of its business, or increase capital, surplus, or any other account for the security of policyholders or creditors.

(2) Notice shall be mailed to the commissioners or departments within thirty days following the earlier of when the action was taken or the date on which the action occurs. This subparagraph does not supersede section 507C.9, subsection 5.

*b.* Report to the board of directors when the commissioner has taken any of the actions set forth in paragraph "*a*" or has received a report from any other commissioner indicating that such action has been taken in another state. Reports to the board of directors shall contain all significant details of the action taken or the report received from another commissioner.

*c.* Report to the board of directors when there is reasonable cause to believe from an examination, whether completed or in process, of a member insurer that the insurer may be an impaired or insolvent insurer.

*d.* Furnish to the board of directors the national association of insurance commissioners' insurance regulatory information system ratios, and listing of insurers not included in the ratios, developed by the national association of insurance commissioners, and the board may use the information in carrying out its duties and responsibilities under this section. The

report and the information contained in the report shall be kept confidential by the board of directors until such time as it is made public by the commissioner or other lawful authority.

2. The commissioner may seek the advice and recommendations of the board of directors concerning any matter affecting the commissioner's duties and responsibilities regarding the financial condition of member insurers and companies seeking admission to transact insurance business in this state.

3. The board of directors may upon majority vote make reports and recommendations to the commissioner upon any matter germane to the solvency, liquidation, rehabilitation or conservation of a member insurer or germane to the solvency of a company seeking to transact insurance business in this state. These reports and recommendations are not public records pursuant to chapter 22.

4. Upon majority vote, the board of directors shall notify the commissioner of any information indicating that a member insurer may be an impaired or insolvent insurer.

5. Upon majority vote, the board of directors may request that the commissioner order an examination of a member insurer which the board in good faith believes may be an impaired or insolvent insurer. The examination may be conducted as a national association of insurance commissioners examination or may be conducted by persons designated by the commissioner. The cost of the examination shall be paid by the association and the examination report shall be treated as are other examination reports. The examination report shall not be released to the board of directors prior to its release to the public, but this shall not preclude the commissioner from complying with subsection 1. The commissioner shall notify the board of directors when the examination is completed. The request for an examination shall be kept on file by the commissioner but it is not a public record pursuant to chapter 22 until the release of the examination report to the public.

6. Upon majority vote, the board of directors may make recommendations to the commissioner for the detection and prevention of insurer insolvencies.

87 Acts, ch 223, §12; 88 Acts, ch 1112, §204; 2011 Acts, ch 70, §17 – 19; 2012 Acts, ch 1023, §107

Referred to in §22.7

**508C.13 Miscellaneous provisions.**

1. This chapter does not reduce the liability for unpaid assessments of the insureds on an impaired or insolvent insurer operating under a plan with assessment liability other than the plan of this chapter.

2. Records shall be kept of all negotiations and meetings in which the association or its representatives are involved to discuss the activities of the association in carrying out its powers and duties under section 508C.8. Records of the negotiations or meetings shall be made public pursuant to chapter 22 only upon the termination of a liquidation, rehabilitation, or conservation proceeding involving the impaired or insolvent insurer, upon the termination of the impairment or insolvency of the insurer, or upon the order of a court of competent jurisdiction. This subsection does not limit the duty of the association to render a report of its activities under section 508C.14.

3. For the purpose of carrying out its obligations under this chapter, the association shall be deemed to be a creditor of the impaired or insolvent insurer to the extent of assets attributable to covered policies reduced by any amounts to which the association is entitled pursuant to its subrogation rights under section 508C.8, subsection 7. Assets of the impaired or insolvent insurer attributable to covered policies shall be used to continue all covered policies and pay all contractual obligations of the impaired or insolvent insurer as required by this chapter. As used in this subsection, "*assets attributable to covered policies*" means that proportion of the assets which the reserves that should have been established for the policies bear to the reserves that should have been established for all policies of insurance written by the impaired or insolvent insurer.

4. *a.* Prior to the termination of a liquidation, rehabilitation, or conservation proceeding, the court may take into consideration the contributions of the respective parties, including the association, similar associations of other states, the shareholders and policyowners of the insolvent insurer, and any other party with a bona fide interest, in making an

equitable distribution of the ownership rights of the insolvent insurer. When considering the contributions, consideration shall be given to the welfare of the policyholders of the continuing or successor insurer.

*b.* A distribution to stockholders, if any, of an impaired or insolvent insurer shall not be made until the total amount of valid claims of the association and of similar associations of other states for funds expended in carrying out its powers and duties under section 508C.8 with respect to the insurer have been fully recovered by the association and the similar associations.

5. *a.* Subject to the limitations of paragraphs "*b*", "*c*", and "*d*", if an order for liquidation or rehabilitation of an insurer domiciled in this state has been entered, the receiver appointed under the order may recover, on behalf of the insurer, from any affiliate that controlled it, the amount of distributions other than stock dividends paid by the insurer on its capital stock made at any time during the five years preceding the petition for liquidation or rehabilitation.

*b.* Distributions are not recoverable if the insurer shows that when paid the distributions were lawful and reasonable and that the insurer did not know and could not reasonably have known that the distributions might adversely affect the ability of the insurer to fulfill its contractual obligations.

*c.* A person who was an affiliate that controlled the insurer at the time the distributions were paid is liable up to the amount of distributions received. A person who was an affiliate that controlled the insurer at the time the distributions were declared is liable up to the amount of distributions that would have been received if they had been paid immediately. If two persons are liable with respect to the same distributions, they are jointly and severally liable.

*d.* The maximum amount recoverable under this subsection is the amount needed in excess of all other available assets of the insolvent insurer to pay the contractual obligations of the insolvent insurer.

*e.* If a person liable under paragraph "*c*" is insolvent, all its affiliates that controlled it at the time the dividend was paid are jointly and severally liable for a resulting deficiency in the amount recovered from the insolvent affiliate.

87 Acts, ch 223, §13; 90 Acts, ch 1234, §26

Referred to in §22.7, 508C.8

**508C.14 Examination of the association — annual report.**

The association is subject to examination and regulation by the commissioner. The board of directors shall submit to the commissioner by May 1 of each year, a financial report for the preceding calendar year and a report of its activities during the preceding calendar year. The financial report shall be in a form approved by the commissioner.

87 Acts, ch 223, §14

Referred to in §508C.13

**508C.15 Tax exemptions.**

The association is exempt from payment of all fees and all taxes levied by this state or any of its subdivisions except taxes levied on the association's real property.

87 Acts, ch 223, §15

**508C.16 Immunity — indemnification.**

1. A member insurer and its agents and employees, the association and its agents and employees, members of the board of directors, and the commissioner and the commissioner's representatives are not liable for any action taken by them or omission by them while acting within the scope of their employment and in the performance of their powers and duties under this chapter and such immunity granted under this section shall extend to their participation in any organization of one or more state associations of similar purposes and to that organization and its agents and employees.

2. Sections 490.850 through 490.859 apply to the association.

87 Acts, ch 223, §16; 88 Acts, ch 1170, §9; 91 Acts, ch 97, §55; 2002 Acts, ch 1154, §111, 125; 2011 Acts, ch 70, §20

**508C.17 Stay of proceedings — reopening default judgments.**

Proceedings in which the insolvent insurer is a party in a court in this state shall be stayed one hundred eighty days from the date an order of liquidation, rehabilitation, or conservation is final to permit proper legal action by the association on matters germane to its powers or duties. The association may apply to have a judgment under a decision, order, verdict, or finding based on default, set aside by the same court that entered the judgment, and shall be permitted to defend against the suit on the merits.

87 Acts, ch 223, §17; 2011 Acts, ch 70, §21

**508C.18 Prohibited advertisements.**

A person, including an insurer, agent or affiliate of an insurer, shall not make, publish, disseminate, circulate, or place before the public, or cause directly or indirectly, to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over a radio station or television station, or in any other way, an advertisement, announcement, or statement, written or oral, which uses the existence of the insurance guaranty association of this state for the purpose of sales, solicitation, or inducement to purchase any form of insurance covered by this chapter. However, this section does not apply to the association or any other entity which does not sell or solicit insurance.

87 Acts, ch 223, §18; 2011 Acts, ch 70, §22

**508C.18A Notice to policyholders — summary of chapter and disclosure.**

1. *a.* On or after March 1, 2012, an insurer shall not deliver an insurance policy or contract in Iowa to the owner of the policy or contract unless a summary document describing the general purposes and current provisions of this chapter and containing a disclosure in compliance with subsection 2 is delivered to the policy or contract owner at the same time.

*b.* The summary document shall also be available upon request by an insurance policy or contract owner.

*c.* The distribution, delivery, contents, or interpretation of this summary document does not guarantee that either the insurance policy or contract or the owner of the policy or contract is covered in the event of the impairment or insolvency of a member insurer.

*d.* The summary document shall be revised by the association and approved by the commissioner as amendments to this chapter may require. Failure to receive a summary document does not give the insurance policy or contract owner, certificate holder, or insured any greater rights than those stated in this chapter.

2. The summary document prepared pursuant to this section shall contain a clear and conspicuous disclosure on its face. The commissioner shall establish the form and content of the disclosure which shall do all of the following:

*a.* State the name and address of the association and the Iowa insurance division.

*b.* Prominently warn the insurance policy or contract owner that the association may not cover the policy or contract or, if coverage is available, it will be subject to substantial limitations and exclusions and conditioned on continued residence in this state.

*c.* State the types of insurance policies and contracts for which the association will provide coverage.

*d.* State that the insurer and its agents are prohibited by law from using the existence of the association for the purpose of sales, solicitation, or inducement to purchase any form of insurance.

*e.* State that the insurance policy or contract owner should not rely on coverage from the association when selecting an insurer.

*f.* Explain rights available and procedures for filing a complaint to allege a violation of any provisions of this chapter.

*g.* Provide other information as directed by the commissioner, including but not limited to sources for information about the financial condition of an insurer provided that the information is not proprietary and is subject to disclosure under chapter 22.

3. A member insurer shall retain evidence of compliance with the provisions of this section for as long as the insurance policy or contract for which the notice is given remains in effect.
2011 Acts, ch 70, §23

**508C.19 Credits for assessments paid.**
1. An insurer may offset an assessment made pursuant to section 508C.9 against its premium tax liability pursuant to chapter 432 to the extent of twenty percent of the amount of the assessment for each of the five calendar years following the year in which the assessment was paid. If an insurer ceases doing business, all uncredited assessments may be credited against its premium tax liability for the year it ceases doing business.
2. Sums acquired by refund from the association which have been written off by contributing insurers and offset against premium taxes as provided in subsection 1 and are not then needed for purposes of this chapter shall be paid by the association to the commissioner. The commissioner shall remit the moneys to the treasurer of state to deposit in the state general fund.
87 Acts, ch 223, §19

# CHAPTER 508D

## MULTISTATE LIFE AND HEALTH INSURANCE RESOLUTION FACILITY

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


508D.1 Title.
508D.2 Purpose.
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508D.6 Powers and duties of the facility.
508D.7 Plan of operation.
508D.8 Costs and assessments.
508D.9 Miscellaneous provisions.


**508D.1 Title.**
This chapter shall be cited as the *"Multistate Life and Health Insurance Resolution Facility Act"*.
94 Acts, ch 1011, §1

**508D.2 Purpose.**
The purpose of this chapter is to authorize the formation of an entity by one or more state life and health insurance guaranty associations for the purpose of administering and disposing of the business of impaired or insolvent insurance companies assumed by or assigned to the entity by its member guaranty associations, or by impaired or insolvent insurers through the impaired or insolvent insurer's duly appointed receiver, liquidator, or rehabilitator, and to establish the conditions under which such an entity shall do business.
94 Acts, ch 1011, §2
Referred to in §508D.3, 508D.4

**508D.3 Definitions.**
As used in this chapter, unless the context otherwise requires:
1. *"Facility"* means the multistate life and health insurance resolution facility created pursuant to section 508D.4 as a legal entity domiciled in Iowa with its principal place of business and other business offices either within or without the state of Iowa as the board of directors may designate or as the business of the entity may require and established for the purpose set out in section 508D.2.
2. *"Member guaranty association"* means the Iowa life and health insurance guaranty association created pursuant to chapter 508C or any other state life and health insurance guaranty association which is or becomes a member of the facility pursuant to the plan of operation.
3. *"Oversight organization"* means the Iowa commissioner of insurance and the state

insurance commissioner, or other state official charged with the responsibility of regulating the insurance industry in the same or similar manner as the Iowa commissioner of insurance, from the state of domicile of each member guaranty association.

94 Acts, ch 1011, §3

**508D.4 Facility established.**

The facility may be created by one or more life and health insurance guaranty associations for the purpose set out in section 508D.2. The name of the facility shall be the multistate life and health insurance resolution facility. A life and health insurance guaranty association or other entity as approved by the board may elect to become a member of the association. The facility shall perform its functions under a plan of operation established and approved under section 508D.7 and shall exercise its powers through a board of directors established under section 508D.5. Only one facility shall be established pursuant to this chapter.

94 Acts, ch 1011, §4

Referred to in §508D.3

**508D.5 Board of directors.**

1. The members of the board of directors shall be selected by the member guaranty associations. The number of members of the board and their terms shall be established in the plan of operation. Vacancies on the board shall be filled for the remaining period of the term by a majority vote of the remaining board members. In determining voting rights, each member guaranty association shall be entitled to one vote in person or by proxy.

2. The initial board of directors of the facility shall be established by the Iowa life and health insurance guaranty association and shall consist of not less than five nor more than nine members. The initial board of directors shall adopt a plan of operation for the facility as provided in section 508D.7.

3. Members of the board of directors are entitled to reasonable compensation for expenses incurred in attending meetings of the board or while on business conducted on behalf of the facility. Members of the board may also be compensated by the facility for their services provided as members of the board as provided in the plan of operation.

94 Acts, ch 1011, §5

Referred to in §508D.4

**508D.6 Powers and duties of the facility.**

1. The facility shall perform those duties of the member guaranty associations which are delegated to the facility as permitted under the enabling legislation of each member guaranty association and which are consistent with the plan of operation.

2. Except as otherwise provided in this chapter, the facility is granted specific authority to exercise the powers of a domestic life or health insurer.

3. The facility is not authorized to solicit, advertise, market, sell, underwrite, issue, insure, administer, or reinsure new insurance business or insurance business of insurance companies which are not impaired or insolvent according to the laws of their state of domicile.

4. The board of directors of the facility may enter into agreements with any interstate compact organization established for the purpose of administering impaired or insolvent insurance companies in this or any other state.

5. An activity involving the authority of the facility derived from chapter 507C or other law related to insurer supervision, rehabilitation, and liquidation shall be performed in compliance with the requirements of such law.

6. The facility established under this chapter is not subject to any insurance licensing requirements and an employee of the facility is not subject to any insurance licensing requirements for activities performed within the employee's scope of duties. All regulatory oversight of the facility shall be conducted by the oversight organization.

94 Acts, ch 1011, §6

Referred to in §508D.9

**508D.7 Plan of operation.**

1. The facility shall submit to the oversight organization a plan of operation and any

amendments to the plan of operation necessary or suitable to assure the fair, reasonable, and equitable administration of the facility's business. The plan of operation and any amendments to the plan are effective upon the oversight organization's written approval.

2. The plan of operation, in addition to other requirements established in this chapter, shall establish all of the following:

*a.* Procedures for administering the assets under the control of the facility.

*b.* Regular places and times for meetings of the board of directors.

*c.* Procedures for records to be kept of all financial transactions engaged in by the facility, the agents of the facility, and the board of directors.

*d.* Procedures for selecting the board of directors and submitting the selections to the oversight organization.

*e.* Procedures for permitting life and health insurance guaranty associations to become members of the facility.

*f.* Procedures for the assumption of the insurance business or the assignment of the insurance business to the facility by member guaranty associations.

*g.* Procedures for determining and making assessments against member guaranty associations by the board of directors.

*h.* Additional provisions necessary and proper for the execution of the powers and duties of the facility.

*i.* A description of staffing requirements and qualifications for positions within the facility.

3. The plan of operation may provide that any powers and duties of the facility, except the power to borrow money and the power to make assessments, may be delegated to a corporation, association, or other organization or individual which performs or will perform those functions. Such corporation, association, or other organization or individual shall be reimbursed for any payments made on behalf of the facility and shall be compensated for the performance of any permissible function, as directed by the facility. A delegation of any power or duty pursuant to this subsection takes effect only with the approval of the board of directors.

94 Acts, ch 1011, §7

Referred to in §508D.4, 508D.5

**508D.8 Costs and assessments.**

1. Costs of administration shall be recorded separately for each impaired or insolvent company and those costs shall be reimbursed from the assets of such company.

2. The board of directors of the facility shall assess the member guaranty associations at the time and for the amounts the board finds necessary to reimburse the facility for any additional costs not reimbursed from assets managed by the facility. Assessments made pursuant to this subsection shall be allocated among member guaranty associations pursuant to a formula adopted by the board and consistent with each individual guaranty association's liability for the facility's insurance business which is the subject of the assessment. An assessment is due not less than ninety days after prior written notice has been sent to the member guaranty association and accrues interest at ten percent per annum commencing on the due date.

3. The total of all assessments upon a member guaranty association shall not exceed in any one calendar year the limit set by the enabling legislation of the member guaranty association's state of domicile for assessments against insurance companies. If a maximum assessment in any one year does not provide an amount sufficient to carry out the responsibilities of the facility, the necessary additional funds shall be assessed in succeeding years as soon as permitted by this chapter and by the enabling legislation of the member guaranty association's state of domicile.

4. Notwithstanding subsection 3, the Iowa life and health insurance guaranty association shall levy additional assessments not to exceed one hundred dollars per company per year if necessary to fund organizational expenses of the facility.

94 Acts, ch 1011, §8

**508D.9 Miscellaneous provisions.**

1. Records shall be kept of all negotiations and meetings in which the facility or the facility's representatives are involved to discuss the activities of the facility in carrying out the powers and duties set out under section 508D.6. Records of negotiations or meetings shall be made public pursuant to chapter 22 only upon the termination of a liquidation, rehabilitation, or conservation proceeding involving the impaired or insolvent insurance company whose business was assumed by or assigned to the facility, upon the termination of the impairment or insolvency of the insurance company, or upon the order of a court of competent jurisdiction. This subsection does not limit the duty of the association to render a report of its activities under subsection 2.

2. The facility is subject to examination and regulation by the oversight organization. The board of directors shall submit to the oversight organization by June 1 of each year a financial report for the preceding calendar year and a report of its activities during the preceding calendar year. The financial report shall be in a form approved by the oversight organization.

3. The facility is exempt from payment of all fees and taxes levied by this state or any of its subdivisions on insurance companies, except taxes levied on the real property of the facility.

4. A member guaranty association and its agents and employees, the facility and its agents and employees, members of the board of directors, and the oversight organization and its representatives are not liable for any acts or omissions while acting within the scope of their employment and in the performance of their powers and duties under this chapter, except for acts or omissions not in good faith which involve intentional misconduct or which involve a knowing violation of law.

94 Acts, ch 1011, §9

# CHAPTER 508E

## VIATICAL SETTLEMENT CONTRACTS

Referred to in §87.4, 296.7, 331.301, 364.4, 502.201, 505.28, 505.29, 507B.3, 669.14, 670.7


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**508E.1 Short title.**

This Act may be cited as the "*Viatical Settlements Act*".

2008 Acts, ch 1155, §1, 21

Former §508E.1 transferred to §508E.1A; 2008 Acts, ch 1155, §21

**508E.1A Authority of the commissioner.**

The commissioner shall regulate, but not prohibit, the sale of viatical settlements as provided in this chapter.

2000 Acts, ch 1147, §35

C2001, §508E.1

2008 Acts, ch 1155, §21
C2009, §508E.1A

**508E.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advertising"* means any written, electronic, or printed communication or any communication by means of recorded telephone messages or transmitted on radio, television, the internet, or similar communications media, including film strips, motion pictures, and videos, published, disseminated, circulated, or placed directly before the public in this state, for the purpose of creating an interest in or inducing a person to sell, assign, devise, bequest, or transfer the death benefit or ownership of a life insurance policy pursuant to a viatical settlement contract.

2. *"Business of viatical settlements"* means an activity involved in but not limited to the offering, soliciting, negotiating, procuring, effectuating, purchasing, investing, financing, monitoring, tracking, underwriting, selling, transferring, assigning, pledging, hypothecating, or in any other manner acquiring an interest in a life insurance policy by means of a viatical settlement contract.

3. *"Chronically ill"* means any of the following:

*a.* Being unable to perform or maintain at least two activities of daily living, including but not limited to eating, toileting, transferring, bathing, dressing, or continence.

*b.* Requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment.

*c.* Having a level of disability similar to that described in paragraph *"a"* as determined by the United States secretary of health and human services.

4. *"Commissioner"* means the commissioner of insurance.

5. *a.* *"Financing entity"* means an underwriter, placement agent, lender, purchaser of securities, purchaser of a policy or certificate from a viatical settlement provider, credit enhancer, or any entity that has a direct ownership in a policy or certificate that is the subject of a viatical settlement contract, but subject to all of the following:

(1) Whose principal activity related to the transaction is providing funds to effect the viatical settlement or purchase of one or more viaticated policies.

(2) Who has an agreement in writing with one or more licensed viatical settlement providers to finance the acquisition of viatical settlement contracts.

*b.* *"Financing entity"* does not include a nonaccredited investor or a viatical settlement purchaser.

6. *"Fraudulent viatical settlement act"* includes any of the following:

*a.* An act or omission committed by any person who, knowingly or with intent to defraud, for the purpose of depriving another of property or for pecuniary gain, commits or permits its employees or its agents to engage in acts including any of the following:

(1) Presenting, causing to be presented, or preparing with knowledge or belief that it will be presented to or by a viatical settlement provider, viatical settlement broker, viatical settlement purchaser, financing entity, insurer, insurance producer, or any other person, false material information, or concealing material information, as part of, in support of, or concerning a fact material to one or more of the following:

(a) An application for the issuance of a viatical settlement contract or insurance policy.

(b) The underwriting of a viatical settlement contract or insurance policy.

(c) A claim for payment or benefit pursuant to a viatical settlement contract or insurance policy.

(d) Premiums paid on an insurance policy.

(e) Payments and changes in ownership or beneficiary made in accordance with the terms of a viatical settlement contract or insurance policy.

(f) The reinstatement or conversion of an insurance policy.

(g) In the solicitation, offer, effectuation, or sale of a viatical settlement contract or insurance policy.

(h) The issuance of written evidence of viatical settlement contract or insurance policy.

(i) A financing transaction.

(2) Employing any plan, financial structure, device, scheme, or artifice to defraud related to viaticated policies.

(3) Entering into any practice or plan which involves stranger-originated life insurance.

(4) Failing to disclose to the insurer when requested by the insurer that the prospective insured has undergone a life expectancy evaluation by any person or entity other than the insurer or its authorized representative in connection with the issuance of the policy.

*b.* In the furtherance of a fraud or to prevent the detection of a fraud to do, or permit an employee or agent to do, any of the following:

(1) Remove, conceal, alter, destroy, or sequester from the commissioner the assets or records of a licensee or other person engaged in the business of viatical settlements.

(2) Misrepresent or conceal the financial condition of a licensee, financing entity, insurer, or other person.

(3) Transact the business of viatical settlements in violation of laws requiring a license, certificate of authority, or other legal authority for the transaction of the business of viatical settlements.

(4) File with the commissioner or the equivalent chief insurance regulatory official of another jurisdiction a document containing false information or otherwise conceal information about a material fact from the commissioner.

*c.* Embezzlement, theft, misappropriation, or conversion of moneys, funds, premiums, credits, or other property of a viatical settlement provider, insurer, insured, viator, insurance policyowner, or any other person engaged in the business of viatical settlements or insurance.

*d.* Recklessly entering into, negotiating, brokering, or otherwise dealing in a viatical settlement contract, the subject of which is a life insurance policy that was obtained by presenting false information concerning any fact material to the policy or by concealing, for the purpose of misleading another, information concerning any fact material to the policy, where the person or the persons intended to defraud the policy's issuer, the viatical settlement provider, or the viator. As used in this paragraph, "*recklessly*" means engaging in the conduct in conscious and clearly unjustifiable disregard of a substantial likelihood of the existence of the relevant facts or risks, such disregard involving a gross deviation from acceptable standards of conduct.

*e.* Facilitating the change of state of ownership of a policy or certificate or the state of residency of a viator to a state or jurisdiction that does not have a law similar to this chapter for the express purposes of evading or avoiding the provisions of this chapter.

*f.* Attempting to commit, assisting, aiding or abetting in the commission of, or conspiracy to commit the acts or omissions specified in this subsection.

7. "*Life insurance producer*" means any person licensed in this state as a resident or nonresident insurance producer who has received qualification or authority for life insurance coverage or a life line of coverage pursuant to chapter 522B.

8. "*Person*" means a natural person or a legal entity, including, without limitation, an individual, partnership, limited liability company, association, trust, or corporation.

9. "*Policy*" means an individual or group policy, group certificate, contract, or arrangement of life insurance owned by a resident of this state, regardless of whether delivered or issued for delivery in this state.

10. "*Related provider trust*" means a titling trust or other trust established by a licensed viatical settlement provider or a financing entity for the sole purpose of holding the ownership or beneficial interest in purchased policies in connection with a financing transaction. The trust shall have a written agreement with the licensed viatical settlement provider under which the licensed viatical settlement provider is responsible for ensuring compliance with all statutory and regulatory requirements and under which the trust agrees to make all records and files related to viatical settlement transactions available to the commissioner as if those records and files were maintained directly by the licensed viatical settlement provider.

11. "*Special purpose entity*" means a corporation, partnership, trust, limited liability company, or other similar entity formed solely to provide either directly or indirectly access to institutional capital markets for or in connection with any of the following:

*a.* For a financing entity or licensed viatical settlement provider.

*b.* (1) In connection with a transaction in which the securities in the special purpose entity

are acquired by the viator or by qualified institutional buyers as defined in 17 C.F.R. § 230.144 promulgated by the United States securities and exchange commission under the federal Securities Act of 1933, as amended, 15 U.S.C. § 77a et seq.

(2) In connection with a transaction in which the securities pay a fixed rate of return commensurate with established asset-backed institutional capital markets.

12. *"Stranger-originated life insurance"* means a practice or an act to initiate a life insurance policy for the benefit of a third-party investor who, at the time of policy origination, has no insurable interest in the insured.

*a.* Stranger-originated life insurance practices include cases in which life insurance is purchased with resources or guarantees from or through a person or entity who, at the time of the policy inception, could not lawfully initiate the policy by the person or entity, and where, at the time of the policy's inception, there is an arrangement or agreement, whether verbal or written, to directly or indirectly transfer the ownership of the policy or the policy benefits to a third party. Trusts that are created to give the appearance of an insurable interest, and are used to initiate policies for investors, violate insurable interest laws and the prohibition against wagering on life.

*b.* Stranger-originated life insurance arrangements do not include those practices set forth in subsection 15, paragraph *"d"*.

13. *"Terminally ill"* means having an illness or sickness that can reasonably be expected to result in death in twenty-four months or less.

14. *"Viatical settlement broker"* means a person, including a life insurance producer as provided for in section 508E.3, who, working exclusively on behalf of a viator and for a fee, commission, or other valuable consideration, offers or attempts to negotiate viatical settlement contracts between a viator and one or more viatical settlement providers or one or more viatical settlement brokers. Notwithstanding the manner in which the viatical settlement broker is compensated, a viatical settlement broker is deemed to represent only the viator, and not the insurer or the viatical settlement provider, and owes a fiduciary duty to the viator to act according to the viator's instructions and in the best interest of the viator. *"Viatical settlement broker"* does not include an attorney, certified public accountant, or a financial planner accredited by a nationally recognized accreditation agency who is retained to represent the viator and whose compensation is not paid directly or indirectly by the viatical settlement provider or purchaser.

15. *a.* *"Viatical settlement contract"* means a written agreement entered into between a viator and a viatical settlement provider or any affiliate of the viatical settlement provider establishing the terms under which compensation or anything of value is or will be paid, which compensation or value is less than the expected death benefits of the policy in return for the viator's present or future assignment, transfer, sale, devise, or bequest of the death benefit or ownership of any portion of the insurance policy or certificate of insurance.

*b.* *"Viatical settlement contract"* includes a premium finance loan made for a life insurance policy by a lender to a viator on, before, or after the date of issuance of the policy where any of the following applies:

(1) The viator or the insured receives on the date of the premium finance loan a guarantee of a future viatical settlement value of the policy.

(2) The viator or the insured agrees on the date of the premium finance loan to sell the policy or any portion of its death benefit on any date following the issuance of the policy.

*c.* *"Viatical settlement contract"* also includes the transfer for compensation or value of ownership or beneficial interest in a trust or other entity that owns a life insurance policy if the trust or other entity was formed or availed of for the principal purpose of acquiring one or more life insurance policies, which life insurance policy insures the life of a person residing in this state.

*d.* *"Viatical settlement contract"* does not include any of the following:

(1) A policy loan or accelerated death benefit made by the insurer pursuant to the policy's terms.

(2) Loan proceeds that are used solely to pay any of the following:

(a) Premiums for the policy.

(b) The costs of the loan, including, without limitation, interest, arrangement fees,

utilization fees and similar fees, closing costs, legal fees and expenses, trustee fees and expenses, and third-party collateral provider fees and expenses, including fees payable to letter of credit issuers.

(3) A loan made by a bank or other licensed financial institution in which the lender takes an interest in a life insurance policy solely to secure repayment of a loan or, if there is a default on the loan and the policy is transferred, the transfer of such a policy by the lender, provided that neither the default itself nor the transfer of the policy in connection with such default is pursuant to an agreement or understanding with any other person for the purpose of evading regulation under this chapter.

(4) A loan made by a lender that does not violate insurance premium finance law, provided that the premium finance loan is not described in paragraph *"b"*.

(5) An agreement where all the parties are closely related to the insured by blood or law; have a lawful substantial economic interest in the continued life, health, and bodily safety of the person insured; or are trusts established primarily for the benefit of such parties.

(6) Any designation, consent, or agreement by an insured who is an employee of an employer in connection with the purchase by the employer, or trust established by the employer, of life insurance on the life of the employee.

(7) A bona fide business succession planning arrangement between one or more of the following:

(a) Shareholders in a corporation or between a corporation and one or more of its shareholders or one or more trusts established by its shareholders.

(b) Partners in a partnership or between a partnership and one or more of its partners or one or more trusts established by its partners.

(c) Members in a limited liability company or between a limited liability company and one or more of its members or one or more trusts established by its members.

(8) An agreement entered into by a service recipient, or a trust established by the service recipient, and a service provider, or a trust established by the service provider, who performs significant services for the service recipient's trade or business.

(9) Any other contract, transaction, or arrangement exempted from the definition of viatical settlement contract by the commissioner based on a determination that the contract, transaction, or arrangement is not of the type intended to be regulated by this chapter.

16. *a.* *"Viatical settlement provider"* means a person, other than a viator, that enters into or effectuates a viatical settlement contract with a viator resident in this state.

*b.* *"Viatical settlement provider"* does not include any of the following:

(1) A bank, savings bank, savings and loan association, credit union, or other licensed lending institution that takes an assignment of a life insurance policy solely as collateral for a loan.

(2) The issuer of the life insurance policy.

(3) An authorized or eligible insurer that provides stop-loss coverage or financial guaranty insurance to a viatical settlement provider, purchaser, financing entity, special purpose entity, or related provider trust.

(4) A natural person who enters into or effectuates no more than one agreement in a calendar year for the transfer of life insurance policies for any value less than the expected death benefit.

(5) A financing entity.

(6) A special purpose entity.

(7) A related provider trust.

(8) A viatical settlement purchaser.

(9) Any other person that the commissioner determines is not the type of person intended to be covered by the definition of viatical settlement provider.

17. *a.* *"Viatical settlement purchaser"* means a person who provides a sum of money as consideration for a life insurance policy or an interest in the death benefits of a life insurance policy, or a person who owns or acquires or is entitled to a beneficial interest in a trust that owns a viatical settlement contract or is the beneficiary of a life insurance policy that has been or will be the subject of a viatical settlement contract, for the purpose of deriving an economic benefit.

*b.* *"Viatical settlement purchaser"* does not include any of the following:

(1) A licensee under this chapter.

(2) An accredited investor or qualified institutional buyer as defined, respectively, in 17 C.F.R. § 230.501(a) or 17 C.F.R. § 230.144A as promulgated by the United States securities and exchange commission under the federal Securities Act of 1933, as amended, 15 U.S.C. § 77a et seq.

(3) A financing entity.

(4) A special purpose entity.

(5) A related provider trust.

18. *"Viaticated policy"* means a life insurance policy or certificate that has been acquired by a viatical settlement provider pursuant to a viatical settlement contract.

19. *a.* *"Viator"* means the owner of a life insurance policy or a certificate holder under a group policy who resides in this state and enters or seeks to enter into a viatical settlement contract. *"Viator"* includes but is not limited to an owner of a life insurance policy or a certificate holder under a group policy insuring the life of an individual with a terminal or chronic illness or condition except where specifically addressed. If there is more than one viator on a single policy and the viators are residents of different states, the transaction shall be governed by the law of the state in which the viator having the largest percentage ownership resides or, if the viators hold equal ownership, the state of residence of one viator agreed upon in writing by all the viators.

*b.* *"Viator"* does not include any of the following:

(1) A licensee under this chapter, including a life insurance producer acting as a viatical settlement broker pursuant to this chapter.

(2) A qualified institutional buyer as defined in 17 C.F.R. § 230.144-144A as promulgated by the United States securities and exchange commission under the federal Securities Act of 1933, as amended, 15 U.S.C. § 77a et seq.

(3) A financing entity.

(4) A special purpose entity.

(5) A related provider trust.

2000 Acts, ch 1147, §36; 2008 Acts, ch 1155, §2

Referred to in §508E.12

**508E.3 License requirements.**

1. *a.* A person shall not operate as a viatical settlement provider or viatical settlement broker without first obtaining a license from the commissioner of the state of residence of the viator.

*b.* (1) A life insurance producer who has been duly licensed as a resident insurance producer with a life line of authority in this state or the life insurance producer's home state for at least one year immediately prior to operating as a viatical settlement broker and is licensed as a nonresident producer in this state shall be deemed to meet the licensing requirements of this section and shall be permitted to operate as a viatical settlement broker.

(2) Not later than thirty days from the first day of operating as a viatical settlement broker, the life insurance producer shall notify the commissioner that the life insurance producer is acting as a viatical settlement broker on a form prescribed by the commissioner, and shall pay any applicable fee of up to one hundred dollars as provided by rules adopted by the commissioner. The notification shall include an acknowledgment by the life insurance producer that the life insurance producer will operate as a viatical settlement broker in accordance with this chapter. The notification shall also include proof that the life insurance producer is covered by an errors and omissions policy for an amount of not less than one hundred thousand dollars per occurrence and not less than one hundred thousand dollars total annual aggregate for all claims during the policy period.

(3) The insurer that issued the policy being viaticated shall not be responsible for any act or omission of a viatical settlement broker or viatical settlement provider arising out of or in connection with the viatical settlement transaction, unless the insurer receives compensation for the placement of a viatical settlement contract from the viatical settlement provider or viatical settlement broker in connection with the viatical settlement contract.

*c.* A person licensed as an attorney, certified public accountant, or financial planner accredited by a nationally recognized accreditation agency who is retained to represent the viator, whose compensation is not paid directly or indirectly by the viatical settlement provider, may negotiate viatical settlement contracts on behalf of the viator without having to obtain a license as a viatical settlement broker.

2. An application for a viatical settlement provider or viatical settlement broker license shall be made to the commissioner by the applicant on a form prescribed by the commissioner, and the application shall be accompanied by a fee of not more than one hundred dollars as provided by rules adopted by the commissioner.

3. The license term shall be three years and the license may be renewed upon payment of the renewal fee of not more than one hundred dollars as provided by rules adopted by the commissioner. A failure to pay the fee by the renewal date results in expiration of the license.

4. An applicant shall provide information on forms required by the commissioner. The commissioner shall have authority, at any time, to require the applicant to fully disclose the identity of all stockholders, partners, officers, members, and employees, and the commissioner may, in the exercise of the commissioner's discretion, refuse to issue a license in the name of a legal entity if not satisfied that any officer, employee, stockholder, partner, or member thereof who may materially influence the applicant's conduct meets the standards of this chapter.

5. A license issued to a legal entity authorizes all partners, officers, members, and designated employees to act as viatical settlement providers or viatical settlement brokers, as applicable, under the license, and all those persons shall be named in the application and any supplements to the application.

6. Upon the filing of an application and the payment of the license fee, the commissioner shall make an investigation of each applicant and issue a license if the commissioner finds that the applicant complies with all of the following:

*a.* If a viatical settlement provider, has provided a detailed plan of operation.

*b.* Is competent and trustworthy and intends to act in good faith in the capacity involved by the license applied for.

*c.* Has a good business reputation and has had experience, training, or education so as to be qualified in the business for which the license is applied for.

*d.* If a legal entity, provides a certificate of good standing from the state of its domicile.

*e.* If a viatical settlement provider or viatical settlement broker, has provided an antifraud plan that meets the requirements of section 508E.15, subsection 7.

7. The commissioner shall not issue a license to a nonresident applicant unless a written designation of an agent for service of process is filed and maintained with the commissioner or the applicant has filed with the commissioner the applicant's written irrevocable consent that any action against the applicant may be commenced against the applicant by service of process on the commissioner.

8. A viatical settlement provider or viatical settlement broker shall provide to the commissioner new or revised information about officers, ten-percent-or-more stockholders, partners, directors, members, or designated employees within thirty days of the change.

9. An individual licensed as a viatical settlement broker shall complete on a triennial basis running concurrent with the license term twenty credits of training related to viatical settlements and viatical settlement transactions, as required by the commissioner; provided, however, that a life insurance producer who is operating as a viatical settlement broker pursuant to subsection 1, paragraph *"b"*, shall not be subject to the requirements of this subsection. Any person failing to meet the requirements of this subsection shall be subject to the penalties imposed by the commissioner.

10. Fees collected pursuant to this section shall be deposited as provided in section 505.7.

2000 Acts, ch 1147, §37; 2008 Acts, ch 1155, §3; 2009 Acts, ch 145, §6, 7; 2009 Acts, ch 181, §69

Referred to in §508E.2, 508E.7, 508E.10, 508E.18

**508E.3A Immunity from liability.** Repealed by 2008 Acts, ch 1155, § 22. See § 508E.15.

**508E.4 License revocation and denial.**

1. The commissioner may refuse to issue, suspend, revoke, or refuse to renew the license of a viatical settlement provider or viatical settlement broker if the commissioner finds that any of the following applies:

*a.* There was any material misrepresentation in the application for the license.

*b.* The licensee or any officer, partner, member, or key management personnel has been convicted of fraudulent or dishonest practices, is subject to a final administrative action, or is otherwise shown to be untrustworthy or incompetent.

*c.* The viatical settlement provider demonstrates a pattern of unreasonable payments to viators.

*d.* The licensee or any officer, partner, member, or key management personnel has been found guilty of, or has pleaded guilty or nolo contendere to, any felony, or to a misdemeanor involving fraud or moral turpitude, regardless of whether a judgment of conviction has been entered by the court.

*e.* The viatical settlement provider has entered into any viatical settlement contract form that has not been approved pursuant to this chapter.

*f.* The viatical settlement provider has failed to honor contractual obligations set out in a viatical settlement contract.

*g.* The licensee no longer meets the requirements for initial licensure.

*h.* The viatical settlement provider has assigned, transferred, or pledged a viaticated policy to a person other than a viatical settlement provider licensed in this state, viatical settlement purchaser, an accredited investor, or qualified institutional buyer as defined respectively in 17 C.F.R. § 230.501(a) or 17 C.F.R. § 230.144A as promulgated by the United States securities and exchange commission under the federal Securities Act of 1933, as amended, 15 U.S.C. § 77a et seq., a financing entity, special purpose entity, or related provider trust.

*i.* The licensee or any officer, partner, member, or key management personnel has violated any provision of this chapter.

2. The commissioner may suspend, revoke, or refuse to renew the license of a viatical settlement broker or a life insurance producer operating as a viatical settlement broker pursuant to this chapter if the commissioner finds that the viatical settlement broker or life insurance producer has violated the provisions of this chapter or has otherwise engaged in bad faith conduct with one or more viators.

3. If the commissioner denies a license application or suspends, revokes, or refuses to renew the license of a viatical settlement provider or viatical settlement broker, or suspends, revokes, or refuses to renew a license of a life insurance producer operating as a viatical settlement broker pursuant to this chapter, the commissioner shall conduct a hearing in accordance with chapter 17A.

2000 Acts, ch 1147, §38; 2008 Acts, ch 1155, §4

**508E.5 Approval of viatical settlement contracts and disclosure statements.**

A person shall not use a viatical settlement contract form or provide to a viator a disclosure statement form in this state unless first filed with and approved by the commissioner. The commissioner shall disapprove a viatical settlement contract form or disclosure statement form if, in the commissioner's opinion, the contract or provisions contained therein fail to meet the requirements of sections 508E.8, 508E.10, 508E.14, and 508E.15, subsection 2, or are unreasonable, contrary to the interests of the public, or otherwise misleading or unfair to the viator. At the commissioner's discretion, the commissioner may require the submission of advertising material. The commissioner's approval of any of the materials shall not be a defense or otherwise preclude a civil action for fraud.

2008 Acts, ch 1155, §5

**508E.6 Reporting requirements and privacy.**

1. For any policy settled within five years of policy issuance, each viatical settlement provider shall file with the commissioner on or before March 1 of each year an annual statement containing such information as the commissioner may adopt by rule. In addition

to any other requirements, the annual statement shall specify the total number, aggregate face amount, and life settlement proceeds of policies settled during the immediately preceding calendar year, together with a breakdown of the information by policy issue year. The annual statement shall also include the names of the insurance companies whose policies have been settled and the viatical settlement brokers that have settled said policies. Such information shall be limited to only those transactions where the viator is a resident of this state. Notwithstanding chapter 22, individual transaction data regarding the business of viatical settlements or data that could compromise the privacy of personal, financial, and health information of the viator or insured shall be filed with the commissioner on a confidential basis.

2. Except as otherwise allowed or required by law, a viatical settlement provider, viatical settlement broker, insurance company, insurance producer, information bureau, rating agency or company, or any other person with actual knowledge of an insured's identity shall not disclose that identity as an insured, or the insured's financial or medical information to any other person unless the disclosure is any of the following:

*a.* Necessary to effect a viatical settlement between the viator and a viatical settlement provider and the viator and insured have provided prior written consent to the disclosure.

*b.* Provided in response to an investigation or examination by the commissioner or any other governmental officer or agency or pursuant to the requirements of section 508E.15, subsection 3.

*c.* A term of or condition to the transfer of a policy by one viatical settlement provider to another viatical settlement provider.

*d.* Necessary to permit a financing entity, related provider trust, or special purpose entity to finance the purchase of policies by a viatical settlement provider and the viator and insured have provided prior written consent to the disclosure.

*e.* Necessary to allow the viatical settlement provider, viatical settlement broker, or their authorized representatives to make contacts for the purpose of determining health status.

*f.* Required to purchase stop-loss coverage or financial guaranty insurance.

2008 Acts, ch 1155, §6

**508E.7 Examination or investigations.**

1. *Authority, scope, and scheduling of examinations.*

*a.* (1) The commissioner may conduct an examination under this chapter of a licensee as often as the commissioner in the commissioner's discretion deems appropriate after considering the factors set forth in this paragraph *"a"*.

(2) In scheduling and determining the nature, scope, and frequency of the examinations, the commissioner shall consider such matters as the consumer complaints, results of financial statement analyses and ratios, changes in management or ownership, actuarial opinions, reports of independent certified public accountants, and other relevant criteria as determined by the commissioner.

*b.* For purposes of completing an examination of a licensee under this chapter, the commissioner may examine or investigate any person, or the business of any person, insofar as the examination or investigation is, in the sole discretion of the commissioner, necessary or material to the examination of the licensee.

*c.* In lieu of an examination under this chapter of any foreign or alien licensee licensed in this state, the commissioner may, at the commissioner's discretion, accept an examination report on the licensee as prepared by the commissioner for the licensee's state of domicile or port-of-entry state.

*d.* As far as practical, the examination of a foreign or alien licensee shall be made in cooperation with the insurance supervisory officials of other states in which the licensee transacts business.

2. *Record retention requirements.*

*a.* A person required to be licensed pursuant to section 508E.3 shall for five years retain copies of all of the following:

(1) Proposed, offered, or executed contracts, purchase agreements, underwriting

documents, policy forms, and applications from the date of the proposal, offer, or execution of the contract or purchase agreement, whichever is later.

(2) All checks, drafts, or other evidence and documentation related to the payment, transfer, deposit, or release of funds from the date of the transaction.

(3) All other records and documents related to the requirements of this chapter.

*b.* This section does not relieve a person of the obligation to produce documents described in paragraph *"a"* to the commissioner after the retention period has expired if the person has retained the documents.

*c.* Records required to be retained by paragraph *"a"* must be legible and complete and may be retained in paper, photograph, microprocess, magnetic, mechanical, or electronic media, or by any process that accurately reproduces or forms a durable medium for the reproduction of a record.

3. *Conduct of examinations.*

*a.* Upon determining that an examination should be conducted, the commissioner shall issue an examination warrant appointing one or more examiners to perform the examination and instructing them as to the scope of the examination. In conducting the examination, the examiner shall observe those guidelines and procedures set forth in the examiners handbook adopted by the national association of insurance commissioners. The commissioner may also adopt rules for such other guidelines or procedures as the commissioner may deem appropriate.

*b.* Every licensee or person from whom information is sought, its officers, directors, and agents shall provide to the examiners timely, convenient, and free access at all reasonable hours at its offices to all books, records, accounts, papers, documents, assets, and computer or other recordings relating to the property, assets, business, and affairs of the licensee being examined. The officers, directors, employees, and agents of the licensee or person shall facilitate the examination and aid in the examination so far as it is in their power to do so. The refusal of a licensee, by its officers, directors, employees, or agents, to submit to examination or to comply with any reasonable written request of the commissioner shall be grounds for suspension or refusal of, or nonrenewal of, any license or authority held by the licensee to engage in the viatical settlement business or other business subject to the commissioner's jurisdiction. Any proceedings for suspension, revocation, or refusal of any license or authority shall be conducted pursuant to section 507B.6A.

*c.* The commissioner shall have the power to issue subpoenas, to administer oaths, and to examine under oath any person as to any matter pertinent to the examination. Upon the failure or refusal of a person to obey a subpoena, the commissioner may petition a court of competent jurisdiction, and upon proper showing, the court may enter an order compelling the witness to appear and testify or produce documentary evidence. A failure to obey the court order shall be punishable as contempt of court.

*d.* When making an examination under this chapter, the commissioner may retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialists as examiners, the reasonable cost of which shall be borne by the licensee that is the subject of the examination.

*e.* Nothing contained in this chapter shall be construed to limit the commissioner's authority to terminate or suspend an examination in order to pursue other legal or regulatory action pursuant to the insurance laws of this state. Findings of fact and conclusions made pursuant to any examination shall be prima facie evidence in any legal or regulatory action.

*f.* The commissioner's authority to use and, if appropriate, to make public any final or preliminary examination report, any examiner or licensee workpapers, or other documents, or any other information discovered or developed during the course of any examination in the furtherance of any legal or regulatory action shall be permitted consistent with section 507.14.

4. *Examination reports.*

*a.* Examination reports shall be comprised of only facts appearing upon the books, records, or other documents of the licensee, its agents, or other persons examined, or as ascertained from the testimony of its officers, agents, or other persons examined concerning

its affairs, and such conclusions and recommendations as the examiners find reasonably warranted from the facts.

*b.* Not later than sixty days following completion of the examination, the examiner in charge shall file with the commissioner a verified written report of examination under oath. Upon receipt of the verified report, the commissioner shall transmit the report to the licensee examined, together with a notice that shall afford the licensee examined a reasonable opportunity of not more than thirty days to make a written submission or rebuttal with respect to any matters contained in the examination report.

*c.* In the event the commissioner determines that regulatory action is appropriate as a result of an examination, the commissioner may initiate any proceedings or actions provided by law.

5. *Confidentiality of examination information.*

*a.* Notwithstanding chapter 22, the names and individual identification data for all viators shall be considered private and confidential information and shall not be disclosed by the commissioner, unless required by law.

*b.* Except as otherwise provided in this chapter, all examination reports, working papers, recorded information, documents, and copies thereof produced by, obtained by, or disclosed to the commissioner or any other person in the course of an examination made under this chapter, or in the course of an analysis or investigation by the commissioner of the financial condition or market conduct of a licensee, shall be confidential by law and privileged, shall not be subject to chapter 22, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. The commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as part of the commissioner's official duties. All examination reports, working papers, recorded information, documents, and their copies produced by, obtained by, or disclosed to the commissioner or any other person in the course of an examination made under this chapter, or in the course of an analysis or investigation by the commissioner of the financial condition or market conduct of a licensee shall be privileged and confidential in any judicial or administrative proceeding except for any of the following:

(1) An administrative proceeding brought by the insurance division under chapter 17A.

(2) A judicial review proceeding under chapter 17A brought by an insurer to whom the records relate.

(3) An action or proceeding which arises out of the criminal provisions of the laws of this state or the United States.

*c.* Documents, materials, or other information, including but not limited to all working papers and copies, in the possession or control of the national association of insurance commissioners and its affiliates and subsidiaries shall be confidential by law and privileged, shall not be subject to chapter 22, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action if they are any of the following:

(1) Created, produced, or obtained by or disclosed to the national association of insurance commissioners and its affiliates and subsidiaries in the course of assisting an examination made under this chapter, or assisting the commissioner in the analysis or investigation of the financial condition or market conduct of a licensee.

(2) Disclosed to the national association of insurance commissioners and its affiliates and subsidiaries under paragraph *"d"* by the commissioner.

(3) For the purposes of paragraph *"b"*, *"chapter"* includes the law of another state or jurisdiction that is substantially similar to this chapter.

*d.* In order to assist in the performance of the commissioner's duties, the commissioner may do all of the following:

(1) Share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to paragraph *"a"*, with other state, federal, and international regulatory agencies, with the national association of insurance commissioners and its affiliates and subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees to maintain the confidentiality and privileged status of the documents, materials, communications, or other information.

(2) Receive documents, materials, communications, or information, including otherwise confidential and privileged documents, materials, or information, from the national association of insurance commissioners and its affiliates and subsidiaries, notwithstanding chapter 22, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any documents, materials, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the documents, materials, or information.

(3) Enter into agreements governing sharing and use of information consistent with section 507.14, subsection 4.

*e.* No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the commissioner under this section or as a result of sharing as authorized in paragraph *"c"*.

*f.* A privilege established under the law of any state or jurisdiction that is substantially similar to the privilege established under this subsection shall be available and enforced in any proceeding in, and in any court of, this state.

*g.* Nothing contained in this chapter shall prevent or be construed as prohibiting the commissioner from disclosing the content of an examination report, preliminary examination report or results, or any matter relating thereto, to the commissioner of any other state or country, or to law enforcement officials of this or any other state or agency of the federal government at any time or to the national association of insurance commissioners, so long as such agency or office receiving the report or matters relating thereto agrees in writing to hold it confidential and in a manner consistent with this chapter.

6. *Conflict of interest.*

*a.* An examiner may not be appointed by the commissioner if the examiner, either directly or indirectly, has a conflict of interest or is affiliated with the management of or owns a pecuniary interest in any person subject to examination under this chapter. This section shall not be construed to automatically preclude an examiner from being any of the following:

(1) A viator.

(2) An insured in a viaticated insurance policy.

(3) A beneficiary in an insurance policy that is proposed to be viaticated.

*b.* Notwithstanding the requirements of paragraph *"a"*, the commissioner may retain from time to time, on an individual basis, qualified actuaries, certified public accountants, or other similar individuals who are independently practicing their professions, even though these persons may from time to time be similarly employed or retained by persons subject to examination under this chapter.

7. *Cost of examinations.*

*a.* The commissioner may appoint insurance examiners who, while conducting examinations, shall possess all the powers conferred upon the commissioner for such purposes. The entire time of the examiners shall be under the control of the commissioner, and shall be employed as the commissioner may direct.

*b.* The commissioner may, when in the commissioner's judgment it is advisable, appoint assistants to aid in making examinations. The examiners shall be compensated on the basis of the normal workweek of the insurance division at a salary to be fixed by the commissioner subject, however, to the provisions of section 505.14. The compensation shall be paid from appropriations for such purposes upon certification of the commissioner, which shall be reimbursed as provided in sections 507.8 and 507.9.

*c.* When making an examination under this chapter, the commissioner may retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialists as examiners, the reasonable cost of which shall be borne by the company which is the subject of the examination.

*d.* The commissioner shall, upon the completion of an examination, or at such regular intervals prior to completion as the commissioner determines, prepare an account of the costs incurred in performing and preparing the report of such examinations which shall be charged to and paid by the company examined, and upon failure or refusal of a company examined to pay such costs, the same may be recovered by the commissioner or the attorney general in an

action brought in the name of the state, and the commissioner may also revoke the certificate of authority of such company to transact business within this state.

8. *Immunity from liability.*

*a.* No cause of action shall arise, nor shall any liability be imposed, against the commissioner, the commissioner's authorized representatives, or any examiner appointed by the commissioner for any statements made or conduct performed reasonably and in good faith while carrying out the provisions of this chapter.

*b.* No cause of action shall arise, nor shall any liability be imposed, against any person for the act of communicating or delivering information or data to the commissioner or the commissioner's authorized representative or examiner pursuant to an examination made under this chapter, if the act of communication or delivery was performed reasonably and in good faith and without fraudulent intent or the intent to deceive. This paragraph does not abrogate or modify in any way any common law or statutory privilege or immunity heretofore enjoyed by any person identified in paragraph *"a"*.

9. *Investigative authority of the commissioner.* The commissioner may investigate suspected fraudulent viatical settlement acts and persons engaged in the business of viatical settlements.

2008 Acts, ch 1155, §7

**508E.8 Disclosure to viator.**

1. With each application for a viatical settlement, a viatical settlement provider or viatical settlement broker shall provide the viator with at least the following disclosures no later than the time the application for the viatical settlement contract is signed by all parties. The disclosures shall be provided in a separate document that is signed by the viator and the viatical settlement provider or viatical settlement broker, and shall provide all of the following information:

*a.* There are possible alternatives to viatical settlement contracts including any accelerated death benefits or policy loans offered under the viator's life insurance policy.

*b.* That a viatical settlement broker represents exclusively the viator, and not the insurer or the viatical settlement provider, and owes a fiduciary duty to the viator, including a duty to act according to the viator's instructions and in the best interest of the viator.

*c.* Some or all of the proceeds of the viatical settlement may be taxable under federal income tax and state franchise and income taxes, and assistance should be sought from a professional tax advisor.

*d.* Proceeds of the viatical settlement could be subject to the claims of creditors.

*e.* Receipt of the proceeds of a viatical settlement may adversely affect the viator's eligibility for Medicaid or other government benefits or entitlements, and advice should be obtained from the appropriate government agencies.

*f.* The viator has the right to rescind a viatical settlement contract before the earlier of thirty days after the date upon which the viatical settlement contract is executed by all parties or fifteen days after the viatical settlement proceeds have been paid to the viator, as provided in section 508E.10, subsection 3. Recision, if exercised by the viator, is effective only if both notice of the recision is given, and the viator repays all proceeds and any premiums, loans, and loan interest paid on account of the viatical settlement within the recision period. If the insured dies during the recision period, the viatical settlement contract shall be deemed to have been rescinded, subject to repayment by the viator or the viator's estate of all viatical settlement proceeds and any premiums, loans, and loan interest that have been paid by the viatical settlement provider or purchaser within sixty days of the insured's death.

*g.* Funds will be sent to the viator within three business days after the viatical settlement provider has received the insurer's or group administrator's written acknowledgment that ownership of the policy or interest in the certificate has been transferred and the beneficiary has been designated.

*h.* Entering into a viatical settlement contract may cause other rights or benefits, including conversion rights and waiver of premium benefits, that may exist under the policy or certificate, to be forfeited by the viator. Assistance should be sought from a financial adviser.

*i.* Disclosure to a viator shall include distribution of a brochure describing the process of viatical settlements. The national association of insurance commissioners form for the brochure shall be used unless another form is developed and approved by the commissioner.

*j.* The disclosure document shall contain the following language:

All medical, financial, or personal information solicited or obtained by a viatical settlement provider or viatical settlement broker about an insured, including the insured's identity or the identity of family members, a spouse, or a significant other may be disclosed as necessary to effect the viatical settlement between the viator and the viatical settlement provider. If you are asked to provide this information, you will be asked to consent to the disclosure. The information may be provided to someone who buys the policy or provides funds for the purchase. You may be asked to renew your permission to share information every two years.

*k.* Following execution of a viatical contract, the insured may be contacted for the purpose of determining the insured's health status and to confirm the insured's residential or business street address and telephone number, or as otherwise provided in this chapter. This contact shall be limited to once every three months if the insured has a life expectancy of more than one year, and no more than once per month if the insured has a life expectancy of one year or less. All such contacts shall be made only by a duly licensed viatical settlement provider or by the authorized representative of a duly licensed viatical settlement provider.

2. A viatical settlement provider shall provide the viator with at least the following disclosures no later than the date the viatical settlement contract is signed by all parties. The disclosures shall be conspicuously displayed in the viatical settlement contract or in a separate document signed by the viator and provide all of the following information:

*a.* The affiliation, if any, between the viatical settlement provider and the issuer of the insurance policy to be viaticated.

*b.* The name, business address, and telephone number of the viatical settlement provider.

*c.* If an insurance policy to be viaticated has been issued as a joint policy or involves family riders or any coverage of a life other than the insured under the policy to be viaticated, a notice of the viator's possible loss of coverage on the other lives under the policy and to consult with the viator's insurance producer or the insurer issuing the policy for advice on the proposed viatical settlement.

*d.* The dollar amount of the current death benefit payable to the viatical settlement provider under the policy or certificate. If known, the viatical settlement provider shall also disclose the availability of any additional guaranteed insurance benefits, the dollar amount of any accidental death and dismemberment benefits under the policy or certificate, and the extent to which the viator's interest in those benefits will be transferred as a result of the viatical settlement contract.

*e.* Whether the funds will be escrowed with an independent third party during the transfer process, and if so, provide the name, business address, and telephone number of the independent third-party escrow agent, and the fact that the viator or owner may inspect or receive copies of the relevant escrow or trust agreements or documents.

3. A viatical settlement broker shall provide the viator with at least the following disclosures no later than the date the viatical settlement contract is signed by all parties. The disclosures shall be conspicuously displayed in the viatical settlement contract or in a separate document signed by the viator and provide all of the following information:

*a.* The name, business address, and telephone number of the viatical settlement broker.

*b.* A full, complete, and accurate description of all offers, counteroffers, acceptances, and rejections relating to the proposed viatical settlement contract.

*c.* Any affiliations or contractual arrangements between the viatical settlement broker and any person making an offer in connection with the proposed viatical settlement contracts.

*d.* The amount and method of calculating the broker's compensation. As used in this paragraph, "*compensation*" includes anything of value paid or given to a viatical settlement broker for the placement of a policy.

*e.* Where any portion of the viatical settlement broker's compensation, as defined in

paragraph *"d"*, is taken from a proposed viatical settlement offer, the broker shall disclose the total amount of the viatical settlement offer and the percentage of the viatical settlement offer comprised by the viatical settlement broker's compensation.

4. If the viatical settlement provider transfers ownership or changes the beneficiary of the insurance policy, the viatical settlement provider shall communicate in writing the change in ownership or beneficiary to the insured within twenty days after the change.

5. A viatical settlement provider shall provide the viatical settlement purchaser with at least the following disclosures prior to the date the viatical settlement purchase agreement is signed by all parties. The disclosures shall be conspicuously displayed in any viatical purchase contract or in a separate document signed by the viatical settlement purchaser and viatical settlement provider or viatical settlement investment agent, and shall make the following disclosure to the viatical settlement purchaser:

*a.* The viatical settlement purchaser will receive no returns including dividends and interest, until the insured dies and a death claim payment is made.

*b.* The actual annual rate of return on a viatical settlement contract is dependent upon an accurate projection of the insured's life expectancy, and the actual date of the insured's death. An annual "guaranteed" rate of return is not determinable.

*c.* The viaticated life insurance contract should not be considered a liquid purchase since it is impossible to predict the exact timing of its maturity and the funds probably are not available until the death of the insured. There is no established secondary market for resale of these products by the viatical settlement purchaser.

*d.* The viatical settlement purchaser may lose all benefits or may receive substantially reduced benefits if the insurer goes out of business during the term of the viatical investment.

*e.* The viatical settlement purchaser is responsible for payment of the insurance premium or other costs related to the policy, if required by the terms of the viatical purchase agreement. These payments may reduce the viatical settlement purchaser's return. If a party other than the viatical settlement purchaser is responsible for the payment, the name and address of that party also shall be disclosed.

*f.* The viatical settlement purchaser is responsible for payment of the insurance premiums or other costs related to the policy if the insured returns to health. The viatical settlement provider shall disclose the amount of such premiums, if applicable.

*g.* The name, business address, and telephone number of the independent third party providing escrow services and the relationship to the viatical settlement broker.

*h.* The amount of any trust fees or other expenses to be charged to the viatical settlement purchaser shall be disclosed.

*i.* Whether the viatical settlement purchaser is entitled to a refund of all or part of the viatical settlement purchaser's investment under the viatical settlement contract if the policy is later determined to be null and void.

*j.* That group policies may contain limitations or caps in the conversion rights, that additional premiums may have to be paid if the policy is converted, the name of the party responsible for the payment of the additional premiums, and, if a group policy is terminated and replaced by another group policy, that there may be no right to convert the original coverage.

*k.* The risks associated with policy contestability including but not limited to the risk that the viatical settlement purchaser will have no claim or only a partial claim to death benefits should the insurer rescind the policy within the contestability period.

*l.* Whether the viatical settlement purchaser will be the owner of the policy in addition to being the beneficiary, and if the viatical settlement purchaser is the beneficiary only and not also the owner, the special risks associated with that status, including but not limited to the risk that the beneficiary may be changed or the premium may not be paid.

*m.* The experience and qualifications of the person who determines the life expectancy of the insured, including in-house staff, independent physicians, and specialty firms that weigh medical and actuarial data; the information this projection is based on; and the relationship of the projection maker to the viatical settlement provider, if any.

*n.* A brochure describing the process of investment in viatical settlements. The national

association of insurance commissioners form for the brochure shall be used unless another form is developed and approved by the commissioner.

6. A viatical settlement provider shall provide the viatical settlement purchaser with at least the following disclosures no later than at the time of the assignment, transfer, or sale of all or a portion of an insurance policy. The disclosures shall be contained in a document signed by the viatical settlement purchaser and viatical settlement provider, and shall make all of the following disclosures to the viatical settlement purchaser:

*a.* All the life expectancy certifications obtained by the provider in the process of determining the price paid to the viator.

*b.* Whether premium payments or other costs related to the policy have been escrowed. If escrowed, state the date upon which the escrowed funds will be depleted and whether the viatical settlement purchaser will be responsible for payment of premiums thereafter and, if so, the amount of the premiums.

*c.* Whether premium payments or other costs related to the policy have been waived. If waived, disclose whether the viatical settlement purchaser will be responsible for payment of the premiums if the insurer that wrote the policy terminates the waiver after purchase and the amount of those premiums.

*d.* The type of policy offered or sold, i.e., whole life, term life, universal life, or a group policy certificate, any additional benefits contained in the policy, and the current status of the policy.

*e.* If the policy is term insurance, the special risks associated with term insurance including but not limited to the viatical settlement purchaser's responsibility for additional premiums if the viator continues the term policy at the end of the current term.

*f.* Whether the policy is contestable.

*g.* Whether the insurer that wrote the policy has any additional rights that could negatively affect or extinguish the viatical settlement purchaser's rights under the viatical settlement contract, what these rights are, and under what conditions these rights are activated.

*h.* The name and address of the person responsible for monitoring the insured's condition. The viatical settlement provider shall describe how often the monitoring of the insured's condition is done, how the date of death is determined, and how and when this information will be transmitted to the viatical settlement purchaser.

2008 Acts, ch 1155, §8; 2008 Acts, ch 1191, §130

Referred to in §508E.5, 508E.10

**508E.9 Disclosure to insurer.**

A viatical settlement broker, or viatical settlement provider, shall fully disclose to an insurer a transaction or series of transactions to which the viatical settlement broker or viatical settlement provider is a party to originate, renew, continue, or finance a life insurance policy with the insurer for the purpose of engaging in the business of viatical settlements at any time prior to, or during the first five years after, issuance of the policy.

2008 Acts, ch 1155, §9

**508E.10 General rules.**

1. *a.* A viatical settlement provider entering into a viatical settlement contract shall first obtain all of the following:

(1) If the viator is the insured, a written statement from a licensed attending physician that the viator is of sound mind and under no constraint or undue influence to enter into a viatical settlement contract.

(2) A document in which the insured consents to the release of the insured's medical records to a licensed viatical settlement provider, viatical settlement broker, and, if the policy was issued less than two years from the date of application for a viatical settlement contract, the insurance company that issued the life insurance policy covering the life of the insured.

*b.* Within twenty days after a viator executes documents necessary to transfer any rights under an insurance policy or within twenty days of entering any agreement, option, promise, or any other form of understanding, expressed or implied, to viaticate the policy, the viatical settlement provider shall give written notice to the insurer that issued that insurance policy

that the policy has or will become a viaticated policy. The notice shall be accompanied by the documents required by paragraph *"c"*.

*c.* The viatical provider shall deliver a copy of the medical release required under paragraph *"a"*, subparagraph (2), a copy of the viator's application for the viatical settlement contract, the notice required under paragraph *"b"*, and a request for verification of coverage to the insurer that issued the life policy that is the subject of the viatical transaction. The national association of insurance commissioners form for verification of coverage shall be used unless another form is developed and approved by the commissioner.

*d.* The insurer shall respond to a request for verification of coverage submitted on an approved form by a viatical settlement provider or viatical settlement broker within thirty days of the date the request is received and shall indicate whether, based on the medical evidence and documents provided, the insurer intends to pursue an investigation at this time regarding the validity of the insurance contract or possible fraud. The insurer shall accept a request for verification of coverage made on a national association of insurance commissioners form or any other form developed and approved by the commissioner. The insurer shall accept an original, facsimile, or electronic copy of such request and any accompanying authorization signed by the viator. A failure by the insurer to meet its obligations under this subsection shall be a violation of sections 508E.11 and 508E.17.

*e.* Prior to or at the time of execution of the viatical settlement contract, the viatical settlement provider shall obtain a witnessed document in which the viator consents to the viatical settlement contract, represents that the viator has a full and complete understanding of the viatical settlement contract, that the viator has a full and complete understanding of the benefits of the life insurance policy, acknowledges that the viator is entering into the viatical settlement contract freely and voluntarily, and, for persons with a terminal or chronic illness or condition, acknowledges that the insured has a terminal or chronic illness or condition and that the terminal or chronic illness or condition was diagnosed after the life insurance policy was issued.

*f.* If a viatical settlement broker performs any of these activities required of the viatical settlement provider, the viatical settlement provider is deemed to have fulfilled the requirements of this section.

2. All medical information solicited or obtained by any licensee shall be subject to the applicable provisions of state law relating to confidentiality of medical information, including section 505.8.

3. All viatical settlement contracts entered into in this state shall provide the viator with an absolute right to rescind the contract before the earlier of thirty days after the date upon which the viatical settlement contract is executed by all parties or fifteen days after the viatical settlement proceeds have been sent to the viator as provided in subsection 4. Recision by the viator may be conditioned upon the viator both giving notice and repaying to the viatical settlement provider within the recision period all viatical settlement proceeds, and any premiums, loans, and loan interest paid by or on behalf of the viatical settlement provider in connection with or as a consequence of the viatical settlement. If the insured dies during the recision period, the viatical settlement contract shall be deemed to have been rescinded, subject to repayment to the viatical settlement provider or purchaser of all viatical settlement proceeds, and any premiums, loans, and loan interest that have been paid by the viatical settlement provider or purchaser, which shall be paid within sixty days of the death of the insured. In the event of any recision, if the viatical settlement provider has paid commissions or other compensation to a viatical settlement broker in connection with the rescinded transaction, the viatical settlement broker shall refund all such commissions and compensation to the viatical settlement provider within five business days following receipt of written demand from the viatical settlement provider, which demand shall be accompanied by either the viator's notice of recision if rescinded at the election of the viator, or a notice of the death of the insured if rescinded by reason of the death of the insured within the applicable recision period.

4. The viatical settlement provider shall instruct the viator to send the executed documents required to effect the change in ownership, assignment, or change in beneficiary directly to the independent escrow agent. Within three business days after the date the

escrow agent receives the document, or from the date the viatical settlement provider receives the documents, if the viator erroneously provides the documents directly to the viatical settlement provider, the viatical settlement provider shall pay or transfer the viatical settlement proceeds into an escrow or trust account maintained in a state or federally chartered financial institution whose deposits are insured by the federal deposit insurance corporation. Upon payment of the viatical settlement proceeds into the escrow account, the escrow agent shall deliver the original change in ownership, assignment, or change in beneficiary forms to the viatical settlement provider or related provider trust, or other designated representative of the viatical settlement provider. Upon the escrow agent's receipt of the acknowledgment of the properly completed transfer of ownership, assignment, or designation of beneficiary from the insurance company, the escrow agent shall pay the viatical settlement proceeds to the viator.

5. A failure to tender consideration to the viator for the viatical settlement contract within the time set forth in the disclosure pursuant to section 508E.8, subsection 1, paragraph "*g*", renders the viatical settlement contract voidable by the viator for lack of consideration until the time consideration is tendered to and accepted by the viator. Funds shall be deemed sent by a viatical settlement provider to a viator as of the date that the escrow agent either releases funds for wire transfer to the viator or places a check for delivery to the viator via the United States postal service or other nationally recognized delivery service.

6. A contact with the insured for the purpose of determining the health status of the insured by the viatical settlement provider or viatical settlement broker after the viatical settlement has occurred shall only be made by the viatical settlement provider or viatical settlement broker licensed pursuant to section 508E.3 or its authorized representatives and shall be limited to once every three months for insureds with a life expectancy of more than one year, and to no more than once per month for insureds with a life expectancy of one year or less. The viatical settlement provider or viatical settlement broker shall explain the procedure for these contacts at the time the viatical settlement contract is entered into. The limitations set forth in this subsection shall not apply to any contact with an insured for reasons other than determining the insured's health status. A viatical settlement provider and a viatical settlement broker shall be responsible for the actions of their authorized representatives.

2008 Acts, ch 1155, §10
Referred to in §508E.5, 508E.8, 508E.12

**508E.11 Prohibited practices.**

1. Except as provided in section 508E.12, it is a violation of this chapter for any person to enter into a viatical settlement contract at any time prior to the application or issuance of a policy which is the subject of a viatical settlement contract or within a five-year period commencing with the date of issuance of the insurance policy or certificate.

2. An insurer shall not, as a condition of responding to a request for verification of coverage or effecting the transfer of a policy pursuant to a viatical settlement contract, require that the viator, insured, viatical settlement provider, or viatical settlement broker sign any form, disclosure, consent, or waiver form that has not been expressly approved by the commissioner for use in connection with viatical settlement contracts in this state.

3. Upon receipt of a properly completed request for change of ownership or beneficiary of a policy, the insurer shall respond in writing within twenty days, with written acknowledgment confirming that the change has been effected or specifying the reasons why the requested change cannot be processed. The insurer shall not unreasonably delay effecting a change of ownership or beneficiary and shall not otherwise seek to interfere with any viatical settlement contract lawfully entered into in this state.

2008 Acts, ch 1155, §11
Referred to in §508E.10, 508E.12

**508E.12 Permitted practices.**

1. Notwithstanding section 508E.11, at any time subsequent to the issuance of the policy, a person may enter into a viatical settlement contract if the viator certifies to the viatical

settlement provider that one or more of the following conditions have been met within the five-year period:

*a.* The policy was issued upon the viator's exercise of conversion rights arising out of a group or individual policy, provided the total of the time covered under the conversion policy plus the time covered under the prior policy is at least sixty months. The time covered under a group policy shall be calculated without regard to any change in insurance carriers, provided the coverage has been continuous and under the same group sponsorship.

*b.* The viator submits an affidavit to the viatical settlement provider that one or more of the following conditions exists:

(1) The viator or insured is terminally or chronically ill.

(2) The viator's spouse or child dies.

(3) The viator divorces the viator's spouse.

(4) The viator retires from full-time employment.

(5) The viator becomes physically or mentally disabled and a physician determines that the disability prevents the viator from maintaining full-time employment.

(6) The viator has filed for bankruptcy or sought reorganization in a court of competent jurisdiction, or a court of competent jurisdiction has appointed a receiver, trustee, or liquidator to all or a substantial part of the viator's assets.

(7) Other circumstances as established as eligible exemptions by the commissioner by rule, including but not limited to substantial adverse financial circumstances or other factors substantially affecting the viator.

2. Notwithstanding section 508E.11, a person may enter into a viatical settlement contract if at all times prior to the date that is two years after policy issuance, all of the following conditions are met with respect to the policy:

*a.* Policy premiums have been funded exclusively with any of the following:

(1) Unencumbered assets, including an interest in the life insurance policy being financed only to the extent of its net cash surrender value, provided by a person described in section 508E.2, subsection 15, paragraph "*d*", subparagraph (5).

(2) Fully recourse liability incurred by the insured or a person described in section 508E.2, subsection 15, paragraph "*d*", subparagraph (5).

*b.* There is no agreement or understanding with any other person to guarantee any such liability or to purchase, or stand ready to purchase, the policy, including through an assumption or forgiveness of the loan.

*c.* Neither the insured nor the policy has been evaluated for settlement.

3. Copies of the affidavits described in this section and documents required by section 508E.10, subsection 1, shall be submitted to the insurer when the viatical settlement provider or viatical settlement broker submits a request to the insurer for verification of coverage. The copies shall be accompanied by a letter of attestation from the viatical settlement provider that the copies are true and correct copies of the documents received by the viatical settlement provider.

4. If the viatical settlement provider submits to the insurer a copy of the owner's or insured's or insurer's affidavit described in this section when the provider submits a request to the insurer to effect the transfer of the policy or certificate to the viatical settlement provider, the copy shall be deemed to conclusively establish that the viatical settlement contract satisfies the requirement of this section and the insurer shall timely respond to the request.

2008 Acts, ch 1155, §12; 2010 Acts, ch 1069, §62

Referred to in §508E.11

**508E.13 Prohibited practices and conflicts of interest.**

1. With respect to any viatical settlement contract or insurance policy, a viatical settlement broker shall not knowingly solicit an offer from, effectuate a viatical settlement with, or make a sale to any viatical settlement provider, viatical settlement purchaser, financing entity, or related provider trust that is controlling, controlled by, or under common control with such viatical settlement broker unless such relationship is disclosed to the viator.

2. With respect to any viatical settlement contract or insurance policy, a viatical

settlement provider shall not knowingly enter into a viatical settlement contract with a viator, if, in connection with such viatical settlement contract, anything of value will be paid to a viatical settlement broker that is controlling, controlled by, or under common control with such viatical settlement provider or the viatical settlement purchaser, financing entity, or related provider trust that is involved in such viatical settlement contract unless such relationship is disclosed to the viator.

3. A viatical settlement provider shall not enter into a premium finance agreement with any person or agency, or any person affiliated with such person or agency, pursuant to which such person or agency shall receive any proceeds, fees, or other consideration, directly or indirectly, from the policy or owner of the policy or any other person with respect to the premium finance agreement or any viatical settlement contract or other transaction related to such policy that are in addition to the amounts required to pay the principal, interest, and service charges related to policy premiums pursuant to the premium finance agreement or subsequent sale of such agreement. Any payments, charges, fees, normal insurance commissions, or other amounts in addition to the amounts required to pay the principal, interest, and service charges related to policy premiums paid under the premium finance agreement shall be remitted to the original owner of the policy or to the original owner's estate if the original owner is not living at the time of the determination of the overpayment.

4. A violation of subsection 1, 2, or 3 shall be deemed a fraudulent viatical settlement act.

5. A person shall not issue, solicit, market, or otherwise promote the purchase of an insurance policy for the sole purpose of or with a primary emphasis on settling the policy.

6. A person providing premium financing shall not receive any proceeds, fees, or other consideration from the policy or owner of the policy that are in addition to the amounts required to pay principal, interest, and any costs or expenses incurred by the lender or borrower in connection with the premium finance agreement, except for the event of a default, unless either the default on such loan or transfer of the policy occurs pursuant to an agreement or understanding with any other person for the purpose of evading regulation under this chapter. Any payments, charges, fees, or other amounts received by a person providing premium financing in violation of this subsection shall be remitted to the original owner of the policy or to the original owner's estate if the original owner is not living at the time of the determination of overpayment.

7. In the solicitation, application for, or issuance of a life insurance policy, a person shall not employ any device, scheme, or artifice to create an insurable interest in the life of a person except as provided in sections 511.39 and 511.40.

8. No viatical settlement provider shall enter into a viatical settlement contract unless the viatical settlement promotional, advertising, and marketing materials, as may be prescribed by rules adopted by the commissioner, have been filed with the commissioner. In no event shall any marketing materials expressly reference that the insurance is free for any period of time. The inclusion of any reference in the marketing materials that would cause a viator to reasonably believe that the insurance is free for any period of time shall be considered a violation of this chapter.

9. No life insurance producer, insurance company, viatical settlement broker, or viatical settlement provider shall make any statement or representation to the applicant or policyholder in connection with the sale or financing of a life insurance policy to the effect that the insurance is free or without cost to the policyholder for any period of time unless provided in the policy.

2008 Acts, ch 1155, §13

**508E.14 Advertising for viatical settlements.**

The purpose of this section is to provide prospective viators with clear and unambiguous statements in the advertisement of viatical settlements and to assure the clear, truthful, and adequate disclosure of the benefits, risks, limitations, and exclusions of any viatical settlement contract. This purpose is intended to be accomplished by rules adopted by the commissioner for the establishment of guidelines and standards of permissible and impermissible conduct in the advertising of viatical settlements to assure that product descriptions are presented in a manner that prevents unfair, deceptive, or misleading

advertising, and is conducive to accurate presentation and description of viatical settlements through the advertising media and materials used by viatical settlement licensees.

1. This section shall apply to any advertising of viatical settlement contracts or related products or services intended for dissemination in this state, including internet advertising viewed by persons located in this state. Where disclosure requirements are established pursuant to federal regulation, this section shall be interpreted so as to minimize or eliminate conflict with federal regulation wherever possible.

2. Every viatical settlement licensee shall establish and at all times maintain a system of control over the content, form, and method of dissemination of all advertisements of its contracts, products, and services. All advertisements, regardless of by whom written, created, designed, or presented, shall be the responsibility of the viatical settlement licensees, as well as the individual who created or presented the advertisement. A system of control shall include regular, routine notification, at least once a year, to agents and others authorized by the viatical settlement licensee who disseminate advertisements of the requirements and procedures for approval prior to the use of any advertisements not furnished by the viatical settlement licensee.

3. An advertisement shall be truthful and not misleading in fact or by implication. The form and content of an advertisement of a viatical settlement contract shall be sufficiently complete and clear so as to avoid deception. It shall not have the capacity or tendency to mislead or deceive. Whether an advertisement has the capacity or tendency to mislead or deceive shall be determined by the commissioner from the overall impression that the advertisement may be reasonably expected to create upon a person of average education or intelligence within the segment of the public to which it is directed.

4. The information required to be disclosed under this section shall not be minimized, rendered obscure, or presented in an ambiguous fashion or intermingled with the text of the advertisement so as to be confusing or misleading.

*a.* An advertisement shall not omit material information or use words, phrases, statements, references, or illustrations if the omission or use has the capacity, tendency, or effect of misleading or deceiving viators as to the nature or extent of any benefit, loss covered, premium payable, or state or federal tax consequence. The fact that the viatical settlement contract offered is made available for inspection prior to consummation of the sale, or an offer is made to refund the payment if the viator is not satisfied or that the viatical settlement contract includes a free-look period that satisfies or exceeds legal requirements, does not remedy a misleading statement.

*b.* An advertisement shall not use the name or title of a life insurance company or a life insurance policy unless the advertisement has been approved by the insurer.

*c.* An advertisement shall not state or imply that interest charged on an accelerated death benefit or a policy loan is unfair, inequitable, or in any manner an incorrect or improper practice.

*d.* The words “free”, “no cost”, “without cost”, “no additional cost”, “at no extra cost”, or words of similar import shall not be used with respect to any benefit or service unless true. An advertisement may specify the charge for a benefit or a service or may state that a charge is included in the payment or use other appropriate language.

*e.* Testimonials, appraisals, analyses, or endorsements used in advertisements must be genuine; represent the current opinion of the author; be applicable to the viatical settlement contract product or service advertised, if any; and be accurately reproduced with sufficient completeness to avoid misleading or deceiving prospective viators as to the nature or scope of the testimonials, appraisal, analysis, or endorsement. In using a testimonial, appraisal, analysis, or endorsement, a licensee under this chapter makes as its own all the statements contained therein, and the statements are subject to all of the provisions of this section.

(1) If the individual making a testimonial, appraisal, analysis, or an endorsement has a financial interest in the party making use of the testimonial, appraisal, analysis, or endorsement, either directly or through a related entity as a stockholder, director, officer, employee, or otherwise, or receives any benefit directly or indirectly other than required union scale wages, that fact shall be prominently disclosed in the advertisement.

(2) An advertisement shall not state or imply that a viatical settlement contract benefit

or product or service has been approved or endorsed by a group of individuals, society, association, or other organization unless that is the fact and unless any relationship between an organization and the viatical settlement licensee is disclosed. If the entity making the endorsement or testimonial is owned, controlled, or managed by the viatical settlement licensee, or receives any payment or other consideration from the viatical settlement licensee for making an endorsement or testimonial, that fact shall be disclosed in the advertisement.

(3) When an endorsement refers to benefits received under a viatical settlement contract, all pertinent information shall be retained by the viatical settlement licensee for a period of five years after its use.

5. An advertisement shall not contain statistical information unless it accurately reflects recent and relevant facts. The source of all statistics used in an advertisement shall be identified.

6. An advertisement shall not disparage an insurer, viatical settlement provider, viatical settlement broker, insurance producer, policy, services, or methods of marketing.

7. The name of the viatical settlement licensee shall be clearly identified in all advertisements about the viatical settlement licensee or its viatical settlement contract, products, or services, and if any specific viatical settlement contract is advertised, the viatical settlement contract shall be identified either by form number or some other appropriate description. If an application is part of the advertisement, the name of the viatical settlement provider shall be shown on the application.

8. An advertisement shall not use a trade name, group designation, name of the parent company of a viatical settlement licensee, name of a particular division of the viatical settlement licensee, service mark, slogan, symbol or other device, or reference without disclosing the name of the viatical settlement licensee, if the advertisement would have the capacity or tendency to mislead or deceive as to the true identity of the viatical settlement licensee, or to create the impression that a company other than the viatical settlement licensee would have any responsibility for the financial obligation under a viatical settlement contract.

9. An advertisement shall not use any combination of words, symbols, or physical materials that by their content, phraseology, shape, color, or other characteristics are so similar to a combination of words, symbols, or physical materials used by a government program or agency or otherwise appear to be of such a nature that they tend to mislead prospective viators into believing that the solicitation is in some manner connected with a government program or agency.

10. An advertisement may state that a viatical settlement licensee is licensed in the state where the advertisement appears, provided it does not exaggerate that fact or suggest or imply that a competing viatical settlement licensee may not be so licensed. The advertisement may ask the audience to consult the viatical settlement licensee's internet site or contact the commissioner to find out if the state requires licensing and, if so, whether the viatical settlement provider or viatical settlement broker is licensed.

11. An advertisement shall not create the impression that the viatical settlement provider, its financial condition or status, the payment of its claims or the merits, desirability, or advisability of its viatical settlement contracts are recommended or endorsed by any government entity.

12. The name of the actual viatical settlement licensee shall be stated in each of its advertisements. An advertisement shall not use a trade name, any group designation, name of any affiliate, or controlling entity of the viatical settlement licensee, service mark, slogan, symbol, or other device in a manner that would have the capacity or tendency to mislead or deceive as to the true identity of the actual viatical settlement licensee or create the false impression that an affiliate or controlling entity would have any responsibility for the financial obligation of the viatical settlement licensee.

13. An advertisement shall not directly or indirectly create the impression that any division or agency of the state or of the United States government endorses, approves, or favors any of the following:

*a.* A viatical settlement licensee or its business practices or methods of operation.

*b.* The merits, desirability, or advisability of any viatical settlement contract.

*c.* Any viatical settlement contract.

*d.* Any life insurance policy or life insurance company.

14. If the advertiser emphasizes the speed with which the viatication will occur, the advertising must disclose the average time frame from completed application to the date of offer and from acceptance of the offer to receipt of the funds by the viator.

15. If the advertising emphasizes the dollar amounts available to viators, the advertising shall disclose the average purchase price as a percent of face value obtained by viators contracting with the licensee during the past six months.

2008 Acts, ch 1155, §14

Referred to in §508E.5

**508E.15 Fraud prevention and control.**

1. *Fraudulent viatical settlement acts — interference, and participation of convicted felons prohibited.*

*a.* A person shall not commit a fraudulent viatical settlement act.

*b.* A person shall not knowingly or intentionally interfere with the enforcement of the provisions of this chapter or investigations of suspected or actual violations of this chapter.

*c.* A person in the business of viatical settlements shall not knowingly or intentionally permit any person convicted of a felony involving dishonesty or breach of trust to participate in the business of viatical settlements.

2. *Fraud warning required.*

*a.* A viatical settlement contract and application for a viatical settlement, regardless of the form of transmission, shall contain the following statement or a substantially similar statement:

Any person who knowingly presents false information in an application for insurance or viatical settlement contract is guilty of a crime and may be subject to fines and confinement in prison.

*b.* The lack of a statement as required in paragraph "*a*" does not constitute a defense in any prosecution for a fraudulent viatical settlement act.

3. *Mandatory reporting of fraudulent viatical settlement acts.*

*a.* Any person engaged in the business of viatical settlements having knowledge or a reasonable suspicion that a fraudulent viatical settlement act is being, will be, or has been committed shall provide to the commissioner such information as required by and in a manner prescribed by rules adopted by the commissioner.

*b.* Any other person having knowledge or a reasonable belief that a fraudulent viatical settlement act is being, will be, or has been committed may provide to the commissioner the information required by and in a manner prescribed by rules adopted by the commissioner.

4. *Immunity from liability.*

*a.* No civil liability shall be imposed on and no cause of action shall arise from a person who, acting reasonably and in good faith, furnishes information concerning suspected, anticipated, or completed fraudulent viatical settlement acts or suspected or completed fraudulent insurance acts, if the information is provided to or received from any of the following:

(1) The commissioner or the commissioner's employees, agents, or representatives.

(2) A federal, state, or local law enforcement or regulatory official or the official's employees, agents, or representatives.

(3) A person involved in the prevention and detection of fraudulent viatical settlement acts or that person's agents, employees, or representatives.

(4) The national association of insurance commissioners; the national association of securities dealers; the North American securities administrators association; their employees, agents, or representatives; or other regulatory body overseeing life insurance, viatical settlements, securities, or investment fraud.

(5) A life insurer that issued the life insurance policy covering the life of the insured.

*b.* Paragraph "*a*" does not apply to a statement made in bad faith or with actual malice.

In an action brought against a person for filing a report or furnishing other information concerning a fraudulent viatical settlement act, the party bringing the action shall plead specifically any allegation that paragraph *"a"* does not apply because the person filing the report or furnishing the information did so in bad faith or with actual malice.

*c.* A person furnishing information as identified in paragraph *"a"* shall be entitled to an award of attorney fees and costs if the person is the prevailing party in a civil cause of action for libel, slander, or any other relevant tort arising out of an activity in carrying out the provisions of this chapter and the party bringing the action was not substantially justified in doing so. For purposes of this paragraph, a proceeding is substantially justified if it had a reasonable basis in law or fact at the time that it was initiated. However, such an award does not apply to any person furnishing information concerning the person's own fraudulent viatical settlement act.

*d.* This section does not abrogate or modify a common law or statutory privilege or immunity enjoyed by a person described in paragraph *"a"*.

5. *Confidentiality.*

*a.* A document or evidence provided pursuant to subsection 4 or obtained by the commissioner in an investigation of a suspected or actual fraudulent viatical settlement act shall be privileged and confidential, notwithstanding chapter 22, shall not be a public record, and shall not be subject to discovery or subpoena in a civil or criminal action.

*b.* Paragraph *"a"* does not prohibit the release by the commissioner of a document or evidence obtained in an investigation of a suspected or actual fraudulent viatical settlement act if any of the following applies:

(1) In an administrative or judicial proceeding to enforce laws administered by the commissioner.

(2) To a federal, state, or local law enforcement or regulatory agency, to an organization established for the purpose of detecting and preventing fraudulent viatical settlement acts, or to the national association of insurance commissioners.

(3) At the discretion of the commissioner, to a person in the business of viatical settlements that is aggrieved by a fraudulent viatical settlement act.

*c.* Release of a document or evidence under paragraph *"b"* does not abrogate or modify the privilege granted in paragraph *"a"*.

6. *Other law enforcement or regulatory authority.* This chapter shall not do any of the following:

*a.* Preempt the authority or relieve the duty of other law enforcement or regulatory agencies to investigate, examine, and prosecute suspected violations of law.

*b.* Prevent or prohibit a person from disclosing voluntarily information concerning viatical settlement fraud to a law enforcement or regulatory agency other than the commissioner.

*c.* Limit the powers granted elsewhere by the laws of this state to the commissioner or an insurance fraud unit to investigate and examine possible violations of law and to take appropriate action against wrongdoers.

7. *Viatical settlement antifraud initiatives.*

*a.* A viatical settlement provider or viatical settlement broker shall have in place antifraud initiatives reasonably calculated to detect, prosecute, and prevent fraudulent viatical settlement acts. At the discretion of the commissioner, the commissioner may order, or a licensee may request and the commissioner may grant, such modifications of the following required initiatives as necessary to ensure an effective antifraud program. The modifications may be more or less restrictive than the required initiatives so long as the modifications may reasonably be expected to accomplish the purpose of this section.

*b.* Antifraud initiatives shall include all of the following:

(1) A fraud investigator, who may be a viatical settlement provider, viatical settlement broker, a viatical settlement provider's or viatical settlement broker's employee, or an independent contractor.

(2) An antifraud plan, which shall be submitted to the commissioner. The antifraud plan shall include, but is not limited to all of the following:

(a) A description of the procedures for detecting and investigating possible fraudulent

viatical settlement acts and procedures for resolving material inconsistencies between medical records and insurance applications.

(b) A description of the procedures for reporting possible fraudulent viatical settlement acts to the commissioner.

(c) A description of the plan for antifraud education and training of underwriters and other personnel.

(d) A description or chart outlining the organizational arrangement of the antifraud personnel who are responsible for the investigation and reporting of possible fraudulent viatical settlement acts and investigating unresolved material inconsistencies between medical records and insurance applications.

*c.* An antifraud plan submitted to the commissioner shall be privileged and confidential, notwithstanding chapter 22, shall not be a public record, and shall not be subject to discovery or subpoena in a civil or criminal action.

2008 Acts, ch 1155, §15
Referred to in §508E.3, 508E.5, 508E.6

**508E.16 Injunctions — civil remedies — cease and desist orders — civil penalty.**

1. In addition to the penalties and other enforcement provisions of this chapter, if any person violates this chapter or any rule implementing this chapter, the commissioner may seek an injunction in a court of competent jurisdiction and may apply for a temporary or permanent order that the commissioner determines is necessary to restrain the person from committing the violation.

2. A person damaged by the act of a person in violation of this chapter may bring a civil action against the person committing the violation in a court of competent jurisdiction.

3. The commissioner may issue, in accordance with chapter 17A, a cease and desist order upon a person that violates any provision of this chapter, any rule or order adopted by the commissioner, or any written agreement entered into with the commissioner.

4. When the commissioner finds that an activity in violation of this chapter presents an immediate danger to the health, safety, or welfare of the public requiring immediate agency action, the commissioner may proceed under section 17A.18A.

5. In addition to the penalties and other enforcement provisions of this chapter, any person who violates this chapter is subject to a civil penalty of up to five thousand dollars for each violation of this chapter. The civil penalty shall be deposited as provided in section 505.7. If a person has not been ordered to pay restitution by a court, the commissioner's order may require a person found to be in violation of this chapter to make restitution to a person aggrieved by a violation of this chapter.

6. Except for a fraudulent viatical settlement act committed by a viator, the enforcement provisions and penalties of this section shall not apply to a viator.

2008 Acts, ch 1155, §16; 2009 Acts, ch 181, §70

**508E.17 Unfair trade practices.**

A violation of this chapter, including the commission of a fraudulent viatical settlement act, is an unfair trade practice under chapter 507B and a person convicted of the violation is subject to the penalties contained in that chapter.

2008 Acts, ch 1155, §17
Referred to in §508E.10

**508E.18 Criminal penalties.**

1. *a.* A person acting in this state as a viatical settlement provider or viatical settlement broker, without being licensed pursuant to section 508E.3, who willfully violates any provision of this chapter or any rule adopted or order issued under this chapter, is guilty of a class "D" felony.

*b.* A person acting in this state as a viatical settlement provider or viatical settlement broker, without proper licensure, who willfully violates any provision of this chapter, or any rule adopted or order issued under this chapter, and when such violation results in a loss of more than ten thousand dollars, is guilty of a class "C" felony.

2. The commissioner may refer such evidence as is available concerning violations of this

chapter or of any rule adopted or order issued under this chapter, or of the failure of a person to comply with the licensing requirements of this chapter, to the attorney general or the proper county attorney who may, with or without such reference, institute the appropriate criminal proceedings under this chapter.

2008 Acts, ch 1155, §18

**508E.19 Authority to promulgate rules.**

The commissioner shall have the authority to do all of the following:

1. Adopt rules implementing and administering this chapter.

2. Establish standards for evaluating reasonableness of payments under viatical settlement contracts for persons who are terminally or chronically ill. This authority includes but is not limited to regulation of discount rates used to determine the amount paid in exchange for assignment, transfer, sale, devise, or bequest of a benefit under a life insurance policy insuring the life of a person who is chronically or terminally ill.

3. Establish appropriate licensing requirements, fees, and standards for continued licensure for viatical settlement providers and brokers.

4. Require a bond or other mechanism for financial accountability for viatical settlement providers and viatical settlement brokers.

5. Adopt rules governing the relationship and responsibilities of both insurers and viatical settlement providers and viatical settlement brokers during the viatication of a life insurance policy or certificate.

2008 Acts, ch 1155, §19

**508E.20 Public records.**

All information filed with the commissioner pursuant to the requirements of this chapter and its implementing rules shall constitute a public record that is open for public inspection except as otherwise provided in this chapter.

2008 Acts, ch 1123, §18; 2008 Acts, ch 1191, §135

# CHAPTER 508F

## CHARITABLE GIFT ANNUITIES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 507B.3, 508C.3, 508C.5, 669.14, 670.7


508F.1 Definitions.
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508F.8 Rules.


**508F.1 Definitions.**

As used in this chapter, unless the context clearly indicates otherwise:

1. *"Charitable gift annuity"* means a transfer of property by a donor to a charitable organization in return for an annuity payable over one or two lives, if the actuarial value of the annuity is less than the value of the property transferred and the difference in value constitutes a charitable deduction for federal tax purposes.

2. *"Charitable organization"* means an entity described by any of the following:

*a.* Section 501(c)(3) of the Internal Revenue Code.

*b.* Section 170(c) of the Internal Revenue Code.

3. *"Commissioner"* means the commissioner of insurance.

4. *"Internal Revenue Code"* means the Internal Revenue Code of 1986 as designated by the Tax Reform Act of 1986, as amended to a date designated by rules adopted by the commissioner.

5. *"Property"* means anything of value that is subject to ownership, and includes but is not limited to property classified as real, personal, mixed, tangible or intangible, or any present or future interest in such property.

6. *"Qualified charitable gift annuity"* means a charitable gift annuity that is described by section 501(m)(5) or 514(c)(5) of the Internal Revenue Code, if all of the following apply:

*a.* The annuity agreement is issued by a charitable organization.

*b.* On the date that the annuity agreement is issued, the charitable organization has a minimum value of the lesser of three hundred thousand dollars or five times the face amount of total outstanding annuities in unrestricted cash, cash equivalents, or publicly traded securities. However, the total outstanding annuities as provided in this paragraph do not include assets funding the annuity agreement.

*c.* The charitable organization has been in continuous operation for at least three years or is a successor or affiliate of a charitable organization that has been in continuous operation for at least three years.

2001 Acts, ch 28, §2

**508F.2 Qualified charitable gift annuity is not insurance.**

1. The issuance of a qualified charitable gift annuity does not constitute engaging in the business of insurance in this state.

2. A charitable gift annuity that meets the requirements of a qualified charitable gift annuity shall be deemed to be a qualified charitable gift annuity for purposes of this chapter, regardless of whether the charitable gift annuity was issued prior to July 1, 2001. The issuance of that charitable gift annuity shall not be construed as engaging in the business of insurance in this state.

2001 Acts, ch 28, §3

**508F.3 Annuity agreement — notice to donor.**

An agreement for a qualified charitable gift annuity executed by a charitable organization and a donor shall be in writing. The annuity agreement shall include a notice stating that a qualified charitable gift annuity is not insurance under the laws of this state and is not subject to regulation by the commissioner or protected by an insurance guaranty fund or an insurance guaranty association. The notice required by this section shall be in a separate paragraph and in a type size no smaller than that generally used in the annuity agreement.

2001 Acts, ch 28, §4

Referred to in §508F.5

**508F.4 Notice filed with the commissioner.**

1. A charitable organization that issues qualified charitable gift annuities in this state on and after July 1, 2001, shall file a notice with the commissioner in writing not later than the date on which it executes the organization's first qualified charitable annuity agreement. All of the following shall apply:

*a.* The notice must be signed by an officer or director of the charitable organization.

*b.* The notice must identify the name and address of the charitable organization.

*c.* The notice must include a copy of the determination letter issued by the internal revenue service.

*d.* The notice must certify that the charitable organization is a bona fide charitable organization and that the annuities issued by the charitable organization are qualified charitable gift annuities.

2. The charitable organization is not required to submit additional information, unless the information is to be used to determine appropriate penalties that may be applicable under section 508F.5.

2001 Acts, ch 28, §5

Referred to in §508F.5

**508F.5 Failure to comply with requirements.**

1. The failure of a charitable organization to comply with the requirements of sections

508F.3 and 508F.4 does not prevent a charitable gift annuity that otherwise meets the requirements of this chapter from constituting a qualified charitable gift annuity.

2. The commissioner shall enforce performance of the requirements of sections 508F.3 and 508F.4. The commissioner may do any of the following:

*a.* Send a letter by restricted certified mail to the charitable organization demanding that the charitable organization comply with this chapter.

*b.* Establish and impose civil penalties on the charitable organization in an amount not to exceed one thousand dollars for each qualified charitable gift annuity issued until the charitable organization complies with the requirements of this chapter.

2001 Acts, ch 28, §6

Referred to in §508F.4

**508F.6 Penalties.**

The commissioner may determine, after hearing, that the issuance of an annuity is not in compliance with this chapter and that the entity issuing the annuity is subject to the provisions and penalties of chapters 507A and 507B.

2001 Acts, ch 28, §7

**508F.7 Not unfair or deceptive trade practice.**

The issuance of a qualified charitable gift annuity does not constitute a violation of chapter 507B.

2001 Acts, ch 28, §8

**508F.8 Rules.**

The commissioner may adopt rules pursuant to chapter 17A necessary to administer and enforce this chapter.

2001 Acts, ch 28, §9

# CHAPTER 509

## GROUP INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 505.32, 507B.4A, 508A.5, 509B.1, 510.11, 513C.10, 514C.1, 514C.2, 514C.3A, 514C.4, 514C.6, 514C.10, 514C.11, 514C.12, 514C.18, 514C.19, 514C.20, 514C.21, 514C.23, 514C.24, 514C.25, 514C.26, 514C.29, 514E.1, 514E.2, 514F.4, 514L.1, 669.14, 670.7


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**509.1 Form of policy.**

No policy of group life, accident or health insurance shall be delivered in this state unless it conforms to one of the following descriptions:

1. A policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustee shall be deemed the policyholder, to insure employees of the employer for the benefit of persons other than the employer, subject to the following requirements:

*a.* The employees eligible for insurance under the policy shall be all of the employees

of the employer, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term *"employees"* shall include the employees of one or more subsidiary corporations, and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietors or partnerships if the business of the employer and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract, or otherwise. The policy may provide that the term *"employees"* shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The policy may provide that the term *"employees"* shall include retired employees. The policy may also provide that the term *"employees"* shall include the board of directors if the employer is a corporation.

*b.* The premium for the group policy shall be paid by the policyholder, either from the employer's funds or funds contributed by the insured employees, or from both. A policy of group accident and health insurance on which part of the premium is to be derived from funds contributed by the insured employees may be placed in force only if at least seventy-five percent of the then eligible employees, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employees must insure all eligible employees, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer. As used in this paragraph, *"accident and health insurance"* does not include disability income insurance.

*c.* The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the employees or by the employer or trustees.

*d.* Group policies may include dependents of the employee, including the spouse.

*e.* The policy shall not exclude from coverage an employee or an employee's spouse or dependents on the basis of the eligibility of the employee or the employee's spouse or dependents for medical assistance under chapter 249A.

2. *a.* A policy issued to any one of the following to be considered the policyholder:

(1) An advisory, supervisory, or governing body or bodies of a regularly organized religious denomination to insure its clergy, priests, or ministers of the gospel.

(2) A teachers' association, to insure its members.

(3) A lawyers' association, to insure its members.

(4) A volunteer fire company, to insure all of its members.

(5) A fraternal society or association, or any subordinate lodge or branch thereof, to insure its members.

(6) A common principal of any group of persons similarly engaged between whom there exists a contractual relationship, to insure the members of such group.

(7) An association, the members of which are students, teachers, administrators or officials of any elementary or secondary school or of any college, to insure the members thereof. For the purpose of this subparagraph, the students, teachers, administrators or officials of or for any such school or college shall constitute an association.

*b.* The provisions and requirements of subsection 1 shall apply to the policy and the policyholder and insured in the same manner as subsection 1 applies to employers and employees, except that if a policy is issued to a volunteer fire company or an association, the members of which are students, teachers, administrators or officials of any elementary or secondary school or of any college, the requirement for twenty-five members shall not apply, and, if issued to a teachers' association or lawyers' association, not less than sixty-five percent of the members thereof may be insured.

3. A policy issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor, subject to the following requirements:

*a.* The debtors eligible for insurance under the policy shall be all of the debtors of the creditor, or all of any class or classes thereof determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness. The policy may provide that the term *"debtors"* shall include the debtors of one or more subsidiary corporations, and the debtors of one or more affiliated corporations, proprietors or partnerships if the business of the policyholder and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract, or otherwise.

*b.* The premium for the policy shall be paid by the policyholder, either from the creditor's funds, or from charges collected from the insured debtors, or from both. A policy on which part or all of the premium is to be derived from the collection from the insured debtors of identifiable charges not required of uninsured debtors shall not include, in the class or classes of debtors eligible for insurance, debtors under obligations outstanding at its date of issue without evidence of individual insurability unless at least seventy-five percent of the then eligible debtors elect to pay the required charges. A policy on which no part of the premium is to be derived from the collection of such identifiable charges must insure all eligible debtors, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

*c.* The policy may be issued only if the group of eligible debtors is then receiving new entrants at the rate of at least one hundred persons yearly, or may reasonably be expected to receive at least one hundred new entrants during the first policy year, and only if the policy reserves to the insurer the right to require evidence of individual insurability if less than seventy-five percent of the new entrants become insured.

*d.* The amount of insurance on the life of a debtor shall not exceed the amount owed by the debtor to the creditor, or the face amount of a totally or partially executed loan or loan commitment creating personal liability and made in good faith for general agricultural or horticultural purposes to a debtor with seasonal income. However, in no event shall the amount of insurance exceed two hundred thousand dollars.

*e.* The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment. Provided that in the case of a debtor for agricultural or horticultural purposes of the type described in paragraph *"d"*, the insurance in excess of indebtedness to the creditor, if any, shall be payable to a named beneficiary, to the estate of the debtor or under the provision of a facility of payment clause.

4. A policy issued to a labor union, which shall be deemed the policyholder, to insure members of such union for the benefit of persons other than the union or any of its officials, representatives, or agents, subject to the following requirements:

*a.* The members eligible for insurance under the policy shall be all of the members of the union or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the union, or both.

*b.* The premium for the group life policy shall be paid by the policyholder, either wholly from the union's funds, or partly from such funds and partly from funds contributed by the insured members specifically for their insurance. No policy, except accident and health, may be issued on which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance. A policy on which part of the premium is to be derived from funds contributed by the insured members specifically for their insurance may be placed in force only if at least sixty-five percent of the then eligible members, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

*c.* The policy must cover at least ten members at date of issue.

*d.* The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the union.

*e.* Policies may include dependents of the insured, including the spouse.

*f.* The policy shall not exclude from coverage a member or a member's spouse or dependents on the basis of the eligibility of the member or the member's spouse or dependents for medical assistance under chapter 249A.

5. A policy issued to the trustees of a fund established by two or more employers in the same industry or by two or more labor unions or by one or more employers and by one or more labor unions which trustees shall be deemed the policyholder, to insure employees of the employers or members of the unions for the benefit of persons other than the employers or the unions, subject to the following requirements:

*a.* The persons eligible for insurance shall be all of the employees of the employers or all of the members of the unions, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the unions, or both. The policy may provide that the term *"employees"* shall include the individual proprietor or partners if an employer is an individual proprietor or a partnership. The policy may provide that the term *"employees"* shall include the trustees or their employees, or both, if their duties are principally connected with such trusteeship. The policy may provide that the term *"employees"* shall include retired employees. The policy may also provide that the term *"employees"* shall include the board of directors if the employer is a corporation.

*b.* The premium for the policy shall be paid by the trustees wholly from funds established by the employers of the insured persons. The policy must insure all eligible persons, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer, if the funds are contributed wholly by the employer or unions.

*c.* The policy must cover at least one hundred persons at date of issue.

*d.* The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured persons or by the policyholder, employers, or unions.

*e.* Policies may include dependents of the insured, including the spouse.

*f.* The policy shall not exclude from coverage an employee or member or an employee's or member's spouse or dependents on the basis of the eligibility of the employee or member or employee's or member's spouse or dependents for medical assistance under chapter 249A.

6. A policy issued to any nonprofit industrial association (to be deemed the policyholder) incorporated for a period of at least ten years and organized for purposes other than obtaining insurance, subject to the following requirements:

*a.* If two or more members of the association, or any class or classes of members thereof determined by conditions pertaining to insurance, elect to insure their employees or any class or classes of employees determined by conditions pertaining to employment; and

*b.* The total number of insured employees must not be less than one thousand, and of these not less than seventy-five percent must be employees of members with at least twenty insured employees each, and further, not more than ten percent may be employees of members with less than ten insured employees each; and

*c.* The insurance premiums are paid by such members to the association; each member, insofar as applicable to the member's own employees, may collect part of the premium from insured employees, and the method of apportionment of the premium payment between the member and the member's employees may be varied as among individual members; and

*d.* Not less than seventy-five percent of the eligible employees of each participating member may be insured where the employees pay a part of the premium. The word "employees" as used in this subsection shall also include the individual members and employees of such association.

*e.* Policies may include dependents of the employees, including the spouse.

*f.* The policy shall not exclude from coverage an employee or an employee's spouse or dependents on the basis of the eligibility of the employee or the employee's spouse or dependents for medical assistance under chapter 249A. This paragraph shall also apply to corporations operating within the state who provide insurance coverage for their employees directly, and the commissioner shall have the authority to enforce the provisions of this paragraph.

7. A policy issued to the department of human services, which shall be deemed the policyholder, to insure eligible persons for medical assistance, or for both mandatory medical assistance and optional medical assistance, as defined by chapter 249A as hereafter amended.

8. A policy of group health insurance coverage, as defined in section 513B.2, issued by a small employer carrier, as defined in section 513B.2, to a bona fide association, subject to the following requirements:

*a.* The policy provides group health insurance coverage to eligible employees of members of a bona fide association that are small employers as defined in section 513B.2, and to the spouses and dependents of such employees.

*b.* The policy is issued to a bona fide association. For the purposes of this subsection, a bona fide association is an association which meets all of the following requirements:

(1) The association is a trade, industry, or professional association which is organized in good faith as a nonprofit corporation under chapter 504 for purposes other than obtaining insurance and has been in existence and actively maintained for at least five continuous years at the time the policy is issued.

(2) The association does not condition membership in the association on the health status of employees of its members or the health status of the spouses and dependents of such employees.

(3) Group health insurance coverage offered by the association is available to all eligible employees of its members that are small employers as defined in section 513B.2 who choose to participate in the health insurance coverage offered, and to the spouses and dependents of such employees, regardless of the health status of such employees or their spouses and dependents.

(4) Group health insurance coverage offered by the association is available only to persons who are eligible employees of a small employer as defined in section 513B.2 that is a member of the association, or to the spouses or dependents of such employees.

9. A policy issued to a resident of this state under a group life, accident, or health insurance policy issued to a group other than one described in subsections 1 through 8, subject to the following requirements:

*a.* The commissioner determines that all of the following apply:

(1) The issuance of the group policy is not contrary to the best interest of the public.

(2) The issuance of the group policy will result in economies of acquisition or administration.

(3) The benefits under the group policy are reasonable in relation to the premium charged.

*b.* The commissioner need not make a determination under paragraph "*a*" if the commissioner determines that the group insurance coverage offered in this state by an insurer or other person is offered under a policy issued in another state and that state or another state in which the policy is offered, having requirements substantially similar to those in paragraph "*a*", has determined that the policy meets those requirements.

*c.* The premium for the policy shall be paid either from the policyholder's funds, or from funds contributed by the covered person, or both.

*d.* The insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

*e.* If compensation of any kind will or may be paid to the policyholder in connection with the group policy, the insurer shall provide to the prospective insured written notice that compensation will or may be paid. Notice shall be provided whether the compensation is direct or indirect, and whether the compensation is paid to or retained by the policyholder, or paid to or retained by a third party at the direction of the policyholder or any entity affiliated with the policyholder by ownership, contract, or employment. The notice shall be placed on or accompany any document designed for the enrollment of prospective insureds.

[C24, 27, 31, §8675, 8676; C35, §8684-e1 – 8684-e3; C39, §**8684.01 – 8684.03;** C46, §509.1 – 509.3; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.1]

83 Acts, ch 96, §157, 159; 85 Acts, ch 69, §1; 87 Acts, ch 63, §1; 91 Acts, ch 244, §25; 92 Acts, ch 1162, §11; 2006 Acts, ch 1117, §33; 2007 Acts, ch 57, §1, 2, 8; 2012 Acts, ch 1023, §108; 2013 Acts, ch 138, §75

Referred to in §513B.2

Subsection 7 amended

**509.2 Provisions as part of group life policy.**

No policy of group life insurance shall be delivered in this state unless it contains in substance the following provisions, or provisions which in the opinion of the commissioner are more favorable to the persons insured or at least as favorable to the persons insured, and more favorable to the policyholder, provided, however, that provisions of subsections 6 to 10, inclusive, of this section shall not apply to policies issued to a creditor to insure debtors of such creditor; that the standard provisions required for individual life insurance

policies shall not apply to group life insurance policies; and that if the group life insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture provision or provisions which in the opinion of the commissioner is or are equitable to the insured persons and to the policyholder, but nothing herein shall be construed to require that group life insurance policies contain the same nonforfeiture provisions as are required for individual life insurance policies:

1. A provision that the policyholder is entitled to a grace period of thirty-one days for the payment of any premium due except that first, during which grace period the death benefit coverage shall continue in force, unless the policyholder shall have given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a pro rata premium for the time the policy was in force during such grace period.

2. A provision that the validity of the policy shall not be contested, except for nonpayment of premiums, after it has been in force for two years from its date of issue; and that no statement made by any person insured under the policy relating to the person's insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two years during such person's lifetime, nor unless it is contained in a written instrument signed by the person.

3. A provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued, that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or to the person's beneficiary.

4. A provision setting forth the conditions, if any, under which the insurer reserves the right to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of the person's coverage.

5. A provision specifying an equitable adjustment of premiums or benefits or of both to be made in the event the age of a person insured has been misstated, such provision to contain a clear statement of the method of adjustment to be used.

6. A provision that any sum becoming due by reason of the death of the person insured shall be payable to the beneficiary designated by the person insured, subject to the provisions of the policy in the event there is no designated beneficiary, as to all or any part of such sum, living at the death of the person insured, and subject to any right reserved by the insurer in the policy and set forth in the certificate to pay at its option a part of such sum, not exceeding five hundred dollars, to any person appearing to the insurer to be equitably entitled thereto by reason of having incurred funeral or other expenses incident to the last illness or death of the person insured.

7. A provision that the insurer will issue to the policyholder for delivery to each person insured an individual certificate setting forth a statement as to the insurance protection to which the person is entitled, to whom the insurance benefits are payable, and the rights and conditions set forth in subsections 8 to 10, inclusive, following if applicable.

8. A provision that if the insurance, or any portion of it, on a person covered under the policy ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such person shall be entitled to have issued to the person by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one days after such termination, and provided further that,

*a.* The individual policy shall, at the option of such person, be on any one of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;

*b.* The individual policy shall be in an amount not in excess of the amount of life insurance which ceases because of such termination, provided that any amount of insurance which matures on the date of such termination, or has matured prior thereto as an endowment

payable to the person insured, whether in one sum or in installments or in the form of an annuity, shall not, for the purposes of this provision, be included in the amount which is considered to cease because of such termination, and

*c.* The premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such person then belongs, and to the person's age attained on the effective date of the individual policy.

9. A provision that if the group policy terminates or is amended so as to terminate the insurance of any class of insured persons, every person insured thereunder at the date of such termination whose insurance terminates and who has been so insured for at least five years prior to such termination date shall be entitled to have issued to the person by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided by subsection 8 above, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of the amount of the person's life insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which the person is or becomes eligible under any group policy issued or reinstated by the same or another insurer within thirty-one days after such termination, and two thousand dollars.

10. A provision that if a person insured under the group policy dies during the period within which the person would have been entitled to have an individual policy issued to the person in accordance with subsection 8 or 9 above and before such an individual policy shall have become effective, the amount of life insurance which the person would have been entitled to have issued to the person under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

[C24, 27, 31, §8677, 8678; C35, §8684-e4, -e5; C39, §**8684.04, 8684.05;** C46, §509.4, 509.5; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.2]

Referred to in §508A.5, 509.4, 509.10, 509.14

**509.3 Provisions as part of accident or health policy.**

1. All policies of group accident or health insurance or combination thereof issued in this state shall contain in substance the following provisions:

*a.* The policy shall have a provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued or shall be furnished to the policyholder within thirty days after the policy is issued, that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person.

*b.* A provision that the company will issue to the policyholder for delivery to each person insured under such policy an individual certificate setting forth a statement as to the insurance protection to which the person is entitled, to whom the insurance benefits are payable, and such provisions of the policy as are, in the opinion of the commissioner of insurance, necessary to inform the holder thereof as to the holder's rights under the policy.

*c.* A provision that to the group or class thereof originally insured shall be added, from time to time, all new persons eligible to insurance in such group or class.

*d.* A provision that if the insurance on a person or insurance on a person and the person's dependents covered by the policy ceases because of termination of employment or of membership in the class, the person and the person's dependents may continue their accident or health insurance under the group policy.

*e.* A provision shall be made available to policyholders, under group policies covering vision care services or procedures, for payment of necessary medical or surgical care and treatment provided by an optometrist licensed under chapter 154 if the care and treatment are provided within the scope of the optometrist's license and if the policy would pay for the care and treatment if the care and treatment were provided by a person engaged in the practice of medicine or surgery or osteopathic medicine and surgery as licensed under chapter 148. The policy shall provide that the policyholder may reject the coverage or provision if the

coverage or provision for services which may be provided by an optometrist is rejected for all providers of similar vision care services as licensed under chapter 148 or 154. This paragraph applies to group policies delivered or issued for delivery after July 1, 1983, and to existing group policies on their next anniversary or renewal date, or upon expiration of the applicable collective bargaining contract, if any, whichever is later. This paragraph does not apply to blanket, short-term travel, accident-only, limited or specified disease, or individual or group conversion policies, or policies designed only for issuance to persons for coverage under Tit. XVIII of the Social Security Act, or any other similar coverage under a state or federal government plan.

*f.* A provision shall be made available to policyholders under group policies covering diagnosis and treatment of human ailments for payment or reimbursement for necessary diagnosis or treatment provided by a chiropractor licensed under chapter 151, if the diagnosis or treatment is provided within the scope of the chiropractor's license and if the policy would pay or reimburse for the diagnosis or treatment by a person licensed under chapter 148 of the human ailment, irrespective of and disregarding variances in terminology employed by the various licensed professions in describing the human ailment or its diagnosis or its treatment. The policy shall provide that the policyholder may reject the coverage or provision if the coverage or provision for diagnosis or treatment of a human ailment by a chiropractor is rejected for all providers of diagnosis or treatment for similar human ailments licensed under chapter 148 or 151. A policy of group health insurance may limit or make optional the payment or reimbursement for lawful diagnostic or treatment service by all licensees under chapters 148 and 151 on any rational basis which is not solely related to the license under or the practices authorized by chapter 151 or is not dependent upon a method of classification, categorization, or description based directly or indirectly upon differences in terminology used by different licensees in describing human ailments or their diagnosis or treatment. This paragraph applies to group policies delivered or issued for delivery after July 1, 1986, and to existing group policies on their next anniversary or renewal date, or upon expiration of the applicable collective bargaining contract, if any, whichever is later. This paragraph does not apply to blanket, short-term travel, accident-only, limited or specified disease, or individual or group conversion policies, or policies under Tit. XVIII of the Social Security Act, or any other similar coverage under a state or federal government plan.

*g.* A provision shall be made available to policyholders, under group policies covering hospital, medical, or surgical expenses, for payment of covered services determined to be medically necessary provided by registered nurses certified by a national certifying organization, which organization shall be identified by the Iowa board of nursing pursuant to rules adopted by the board, if the services are within the practice of the profession of a registered nurse as that practice is defined in section 152.1, under terms and conditions agreed upon between the insurer and the policyholder, subject to utilization controls. This paragraph shall not require payment for nursing services provided by a certified nurse practicing in a hospital, nursing facility, health care institution, physician's office, or other noninstitutional setting if the certified nurse is an employee of the hospital, nursing facility, health care institution, physician, or other health care facility or health care provider. This paragraph applies to group policies delivered or issued for delivery in this state on or after July 1, 1989, and to existing group policies on their next anniversary or renewal dates, or upon expiration of the applicable collective bargaining contract, if any, whichever is later. This paragraph does not apply to blanket, short-term travel, accident-only, limited or specified disease, or individual or group conversion policies, policies rated on a community basis, or policies designed only for issuance to persons for eligible coverage under Tit. XVIII of the federal Social Security Act, or any other similar coverage under a state or federal government plan.

*h.* A provision that the insurer will permit continuation of existing coverage or reenrollment in previously existing coverage for an individual who meets the requirements of section 513B.2, subsection 14, paragraph "*a*", "*b*", "*c*", "*d*", or "*e*", and who is an unmarried child of an insured or enrollee who so elects, at least through the policy anniversary date on or after the date the child marries, ceases to be a resident of this state, or attains the age of

twenty-five years old, whichever occurs first, or so long as the unmarried child maintains full-time status as a student in an accredited institution of postsecondary education.

2. In addition to the provisions required in subsection 1, paragraphs *"a"* through *"h"*, the commissioner shall require provisions through the adoption of rules implementing the federal Health Insurance Portability and Accountability Act, Pub. L. No. 104-191.

[C24, 27, 31, §8677, 8678; C35, §8684-e4, -e6; C39, §**8684.04, 8684.06;** C46, §509.4, 509.6; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.3]

83 Acts, ch 166, §1; 84 Acts, ch 1290, §1; 86 Acts, ch 1124, §8; 86 Acts, ch 1180, §2; 89 Acts, ch 164, §2; 97 Acts, ch 103, §1; 99 Acts, ch 75, §2; 2005 Acts, ch 70, §7; 2008 Acts, ch 1088, §125; 2008 Acts, ch 1188, §38, 43; 2009 Acts, ch 118, §7, 11; 2012 Acts, ch 1021, §98

Referred to in §509.10, 509.14, 514.21, 514.23

2009 amendment to subsection 1, paragraph h applies to policies, contracts, or plans of accident and health insurance delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2009; 2009 Acts, ch 118, §11

**509.3A Creditable coverage.**

For the purposes of any policies of group accident or health insurance or combination of such policies issued in this state, *"creditable coverage"* means health benefits or coverage provided to an individual under any of the following:

1. A group health plan.
2. Health insurance coverage.
3. Part A or Part B Medicare pursuant to Tit. XVIII of the federal Social Security Act.
4. Medicaid pursuant to Tit. XIX of the federal Social Security Act, other than coverage consisting solely of benefits under section 1928 of that Act.
5. 10 U.S.C. ch. 55.
6. A health or medical care program provided through the Indian health service or a tribal organization.
7. A state health benefits risk pool.
8. A health plan offered under 5 U.S.C. ch. 89.
9. A public health plan as defined under federal regulations.
10. A health benefit plan under section 5(e) of the federal Peace Corps Act, 22 U.S.C. § 2504(e).
11. An organized delivery system licensed by the director of public health.
12. A short-term limited duration policy.
13. The hawk-i program authorized by chapter 514I.

2009 Acts, ch 118, §19

Organized delivery systems, see 93 Acts, ch 158, §3

**509.4 Number insured.**

An insurer may issue policies of individual life, accident, health, hospital, medical or surgical insurance or any combination thereof at reduced rates to employees of a common employer including the state, a county, school district, city or institution supported in whole or in part by public funds, but the number of employees to be insured must be more than one. The premium for such policies may be paid wholly or in part by the employer. If such policies shall provide term life insurance renewable only during the continuance of employment with the employer they shall also provide for conversion to a level premium life policy substantially in accordance with the provisions of subsection 8 of section 509.2.

[C24, 27, 31, §8675, 8678; C35, §8684-e1, -e5; C39, §**8684.01, 8684.05;** C46, §509.1, 509.5; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.4]

**509.5 Authorized companies.**

1. Any level premium life insurance company, organized on the stock or mutual plan and authorized to transact business under the provisions of chapter 508 may, upon complying with the provisions of said chapter and of this chapter, issue contracts providing for group life, or health, or accident insurance, or combinations thereof as defined in this chapter.

2. A casualty company organized on the stock or mutual plan, or accident and health association authorized to transact business under chapter 515, or a reciprocal or interinsurance exchange organized under chapter 520, may, by complying with those

chapters and this chapter, issue contracts providing for health or accident insurance, or combinations of health and accident insurance, as defined in this chapter.

[C24, 27, 31, §8677; C35, §8684-e4; C39, §**8684.04;** C46, §509.4; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.5]

89 Acts, ch 83, §68

**509.6 Approval of commissioner.**

No policy or certificate of group insurance shall be issued in this state until the form thereof has been filed with the commissioner of insurance and approved by the commissioner.

[C24, 27, 31, §8678; C35, §8684-e7; C39, §**8684.07;** C46, §509.7; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.6]

Referred to in §509.7, 509.8

**509.7 Grounds for revocation of authority.**

Failure to comply with section 509.6 shall be deemed sufficient grounds for revocation of the certificate of authority of any company so violating.

[C35, §8684-e8; C39, §**8684.08;** C46, §509.8; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.7]

**509.8 Foreign policies.**

Policies of group insurance issued in other states or countries by companies organized in this state may contain any provision required by the laws of the state, territory, district, or country in which the same are issued, anything in section 509.6 to the contrary notwithstanding.

[C24, 27, 31, §8679; C35, §8684-e9; C39, §**8684.09;** C46, §509.9; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.8]

**509.9 Foreign companies.**

Policies of group insurance, when issued in this state by any company not organized under the laws of this state, may contain when issued any provision required by the law of the state, territory, or district of the United States under which the company is organized.

[C24, 27, 31, §8680; C35, §8684-e10; C39, §**8684.10;** C46, §509.10; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.9]

**509.10 Other provisions in policies.**

Any group policy may contain any other provisions which meet the approval of the commissioner of insurance, provided such provisions are not in conflict with the standard provisions of section 509.2 or 509.3.

[C24, 27, 31, §8681; C35, §8684-e11; C39, §**8684.11;** C46, §509.11; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.10]

**509.11 Voting by policyholders.**

If policyholders are entitled to vote at meetings of a domestic insurance company, each policyholder of a group policy shall be entitled to one vote.

[C24, 27, 31, §8682; C35, §8684-e12; C39, §**8684.12;** C46, §509.12; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.11]

**509.12 Proceeds exempt from execution.**

A policy of group insurance and the proceeds of the policy are exempt from execution and attachment to the same extent as provided in chapter 627.

[C24, 27, 31, §8683; C35, §8684-e13; C39, §**8684.13;** C46, §509.13; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.12]

88 Acts, ch 1255, §1

**509.13 Rules.**

The commissioner of insurance shall issue rules establishing minimum standards for group Medicare supplement policies and minimum standards for benefits under coverages contained in group Medicare supplement policies. These rules shall be consistent with those

rules established for individual Medicare supplement policies pursuant to chapter 514D. The commissioner also shall establish by rule reasonable and creditable anticipated minimum loss ratios for group Medicare supplement policies. Rules issued by the commissioner shall give issuers of group Medicare supplement policies a reasonable time to achieve compliance.

[81 Acts, ch 167, §1]

**509.14 Group insurance on franchise plan.**

It shall be lawful for an authorized insurer to issue life, accident and sickness insurance policies on a franchise plan at reduced rates, covering the members of an association, subject to the following:

1. An "*association*" as referred to herein shall consist of a labor union, trade association, association of employees, industrial association or professional association, which has been organized and operating more than two years for purposes other than procuring insurance.

2. A "*franchise plan*" as referred to herein shall consist of an insurance policy or policies covering the insurable members of an association, but in no case less than ten. Such policies may be written in the name of the association or may be written individually for the insured members, subject to the following:

*a.* A life insurance policy written in the name of the association, shall conform to the provisions of section 509.2.

*b.* An individual policy on the life of a member of an association, providing for term insurance renewable only during the continuation of membership, shall also provide in the event of termination of membership the same provision for conversion as set out in subsection 8 of section 509.2.

*c.* An individual life policy written on any basis other than term shall provide that the policyholder may elect to continue it in force upon the policyholder's termination of membership in the association by giving the insurer a notice in writing of such election within thirty days thereafter and paying therefor the renewal premium, which the insurer may increase to reflect the normal individual rate for the policyholder as determined by the policyholder's age and class at the date of issue of the policy.

*d.* If an accident and sickness policy is written in the name of the association, it shall conform to the provisions of section 509.3.

*e.* An individual accident and sickness policy shall be subject to the provisions of chapter 514A.

*f.* Premiums for such policies may be paid entirely from the funds of the association, entirely from the funds of the members or partly from the funds of each.

*g.* Accident and sickness policies may include the spouse and dependents of the insured.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §509.14]

Referred to in §509.19, 514D.3, 514D.4

**509.15 Assignment of policy.**

Any person insured under a group life insurance policy may assign the rights, benefits and all other incidents of ownership conferred on the person by any provision of such policy or by law, including specifically and not by way of limitation the right, if any, to have issued to the person an individual policy and the right to name a beneficiary. Subject to the terms of the policy or agreement between the insured, the group policyholder and the insurer, any such assignment, whether made before or after July 1, 1971, is valid for the purpose of vesting in the assignee, in accordance with any provisions included therein as to the time at which it is to be effective, all rights, benefits and incidents of ownership conferred upon the insured under the policy and shall entitle the insurer to deal with the assignee as the owner of such rights, benefits and incidents of ownership, provided the insurer shall not be affected by any assignment until the insurer has received written notice thereof. This section shall be construed as declaring the law as it existed prior to July 1, 1971 and not modifying it.

[C73, 75, 77, 79, 81, §509.15]

**509.16 Premium rates approved.**

An individual policy of credit life or credit accident and health insurance or certificate under a policy of group credit life or credit accident and health insurance shall not be issued for delivery or delivered in this state unless the premium rates charged for the insurance are approved by the commissioner of insurance.

The commissioner of insurance, after notice and hearing, may adopt rules as are necessary to identify specific methods of competition or acts or practices within the business of credit life and credit accident and health insurance which are unfair or deceptive.

[C75, 77, 79, 81, §509.16]

90 Acts, ch 1234, §27

**509.17 Guidelines for rates.**

Rates shall be made in accordance with the following provisions:

1. Rates shall not be excessive, inadequate or unfairly discriminatory.

2. Due consideration shall be given to past and prospective loss experience within and outside this state, to a reasonable margin for underwriting profit and contingencies, to past and prospective expenses both countrywide and those especially applicable to this state, and to all other relevant factors within and outside this state.

3. The commissioner shall, after a public hearing, approve a reasonable charge or premium for credit accident and health insurance and for credit life insurance as the commissioner deems appropriate and necessary for the implementation of this section.

[C71, 73, §535.2; C75, 77, 79, 81, §509.17]

90 Acts, ch 1234, §28, 29

**509.17A** Repealed by 91 Acts, ch 244, § 27. See chapter 513B.

**509.18 Prohibited deposit in financial institution.**

A company or its agent licensed to sell a policy of credit life or credit accident and health insurance or certificate under a policy of group credit life or credit accident and health insurance shall not deposit or offer to deposit funds in a financial institution of this state in exchange for the privilege of selling such insurance to or on behalf of the financial institution.

[C75, 77, 79, 81, §509.18]

2004 Acts, ch 1110, §27

**509.19 Claims and premium disclosure.**

1. *a.* A person issuing a policy or contract providing group health benefit coverages to a group of fifty-one or more eligible employees as defined in chapter 513B shall provide to the policyholder, contract holder, or sponsor of the group health benefit plan, upon request, annually, but not more than three months prior to the policy renewal date, the total amount of actual claims identified as paid or incurred and paid, and the total amount of premiums by line of coverage. If premiums are not billed for each line of coverage, it is not necessary to artificially separate premiums for each line of coverage and will be acceptable to supply total premiums for the period.

*b.* For purposes of this section, *"line of coverage"* includes medical, prescription drug card program, dental, vision, long-term disability, and short-term disability.

*c.* The information required by paragraph *"a"* shall be provided by the carrier for two separate years, either policy years or rolling twelve-month periods.

*d.* The information required by paragraph *"a"* shall not disclose any confidential information or otherwise disclose the identity of an individual insured, subscriber, or enrollee, who has submitted a claim within the time frame of the report.

2. For purposes of this section, *"person issuing a policy or contract providing group health benefit coverages"* includes all of the following:

*a.* A person issuing a group policy of accident or health insurance pursuant to this chapter.

*b.* A person issuing a group contract of a nonprofit health service corporation pursuant to chapter 514.

*c.* A person issuing a group contract of a health maintenance organization pursuant to chapter 514B.

*d.* An organized delivery system authorized under 1993 Iowa Acts, ch. 158, licensed by the director of public health.

*e.* A multiple employer welfare arrangement, as defined in section 3 of the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002, paragraph 40, that meets the requirements of section 507A.4, subsection 9, paragraph *"a"*.

*f.* A plan for public employees established pursuant to chapter 509A.

*g.* A person issuing or sponsoring an association group policy under section 509.14.

90 Acts, ch 1159, §1; 2002 Acts, ch 1111, §12; 2003 Acts, ch 91, §11

# CHAPTER 509A

## GROUP INSURANCE FOR PUBLIC EMPLOYEES

Referred to in §2.40, 87.4, 99G.4, 173.1, 296.7, 331.301, 364.4, 505.28, 505.29, 507B.4, 508C.3, 509.19, 510.11, 514C.12, 514C.14, 514C.15, 514C.16, 514C.17, 514C.18, 514C.19, 514C.20, 514C.22, 514C.23, 514C.24, 514C.25, 514C.26, 514C.27, 514C.28, 514C.29, 514F.4, 514F.5, 514J.102, 514L.1, 669.14, 670.7


509A.1 Authority of governing body.
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**509A.1 Authority of governing body.**

The governing body of the state, school district, or any institution supported in whole or in part by public funds may establish plans for and procure group insurance, health or medical service, or health flexible spending accounts as described in section 125 of the Internal Revenue Code of 1986 for the employees of the state, school district, or tax-supported institution.

[C50, 54, 58, 62, §365A.1; C66, §509.15; C71, 73, 75, 77, 79, 81, S81, §509A.1; 81 Acts, ch 117, §1085]

99 Acts, ch 200, §20

**509A.2 Sources of funds.**

The funds for such plans shall be created solely from the contributions of employees, or from contributions wholly or in part by the governing body.

[C50, 54, 58, 62, §365A.2; C66, §509.16; C71, 73, 75, 77, 79, 81, §509A.2]

Referred to in §509A.3

**509A.3 Assessment of employees.**

All employees participating in any such plan the fund of which is created under the provisions of section 509A.2 shall be assessed and required to pay an amount to be fixed by the governing body not to exceed the two percent which shall be contributed by the public body according to the plan adopted, and the amount so assessed shall be deducted and retained out of the wages or salaries of such employees.

Any employee may authorize deductions from the employee's wages or salary in payment for plans authorized in this chapter in the manner provided in section 514.16.

[C50, 54, 58, 62, §365A.3; C66, §509.17; C71, 73, 75, 77, 79, 81, §509A.3]

**509A.4 Participation optional.**

Participation in any such plan shall be optional with all employees eligible to the benefits thereof as provided by the rules adopted by the governing body pursuant thereto. Election to participate therein shall be in writing signed by the employee and filed with the governing body.

[C50, 54, 58, 62, §365A.4; C66, §509.18; C71, 73, 75, 77, 79, 81, §509A.4]

**509A.5 Fund under control of governing body — interest earnings of certain funds.**

The fund for each plan shall be under the control and shall be expended under the directions of the governing body and shall be used solely for the purpose of administering and carrying out the provisions of the plan adopted by the governing body.

Any interest earnings from investments or time deposits of the funds under the control of the state executive council shall be deposited to the credit of these funds.

[C50, 54, 58, 62, §365A.5; C66, §509.19; C71, 73, 75, 77, 79, 81, §509A.5]

84 Acts, ch 1071, §1; 85 Acts, ch 266, §2

Referred to in §8A.454

**509A.6 Contract with insurance carrier, health maintenance organization, or organized delivery system.**

The governing body may contract with a nonprofit corporation operating under the provisions of this chapter or chapter 514 or with any insurance company having a certificate of authority to transact an insurance business in this state with respect of a group insurance plan, which may include life, accident, health, hospitalization and disability insurance during period of active service of such employees, with the right of any employee to continue such life insurance in force after termination of active service at such employee's sole expense; may contract with a nonprofit corporation operating under and governed by the provisions of this chapter or chapter 514 with respect of any hospital or medical service plan; and may contract with a health maintenance organization or an organized delivery system authorized to operate in this state with respect to health maintenance organization or organized delivery system activities.

[C50, 54, 58, 62, §365A.6; C66, §509.20; C71, 73, 75, 77, 79, 81, §509A.6]

95 Acts, ch 162, §10

Limitation on additional coverage benefits, lower costs, or other enhancements of group health insurance coverage provided to general assembly members and employees on or after March 7, 2011; 2011 Acts, ch 122, §1, 5

**509A.7 Employee defined.**

The word "*employee*" as used in this chapter does not include temporary or retired employees except as otherwise provided in this chapter. However, this section does not prevent a retired employee sixty-five years of age or older from voluntarily continuing in force, at the employee's own expense, an existing contract.

[C50, 54, 58, 62, §365A.7; C66, §509.21; C71, 73, 75, 77, 79, 81, §509A.7; 82 Acts, ch 1101, §2]

84 Acts, ch 1285, §24

**509A.8 Rules.**

The governing body of public bodies establishing any such plan under this chapter shall administer such plan and formulate and establish rules for the operation thereof, not inconsistent with the provisions of this chapter.

[C50, 54, 58, 62, §365A.8; C66, §509.22; C71, 73, 75, 77, 79, 81, §509A.8]

**509A.9 Exemption from debts.**

All amounts payable to employees under and pursuant to the plan of group insurance established as herein provided shall be exempt from liability for debts of the person to or on

account of whom the same is payable and shall not be subject to seizure upon execution or other process.

[C50, 54, 58, 62, §365A.9; C66, §509.23; C71, 73, 75, 77, 79, 81, §509A.9]

**509A.10 Decisions of governing body final.**

The decisions of the governing body upon all matters upon which the said governing body is empowered to act, under and pursuant to the provisions hereof, shall be final and conclusive, in the absence of fraud, and no appeal shall be allowed therefrom nor shall such decisions of the governing body, in the absence of fraud, be reviewed, enjoined or set aside by any court.

[C50, 54, 58, 62, §365A.10; C66, §509.24; C71, 73, 75, 77, 79, 81, §509A.10]

**509A.11 Definitions.**

For purposes of this chapter:

1. *"Governing body"* means the executive council of the state, the school boards of school districts, and the superintendent or other person in charge of an institution supported in whole or in part by public funds.

2. *"Public body"* means the state, a school district or an institution supported in whole or in part by public funds.

[C58, 62, §365A.11; C66, §509.25; C71, 73, 75, 77, 79, 81, S81, §509A.11; 81 Acts, ch 117, §1086]

**509A.12 Deferred compensation program for governmental employees.**

A governing body, county board of supervisors, or other public entity, to the extent allowed by law, may establish a deferred compensation program under this section. The contributions made on behalf of an employee who chooses to participate in the program shall be invested at the direction of the employee in a life insurance contract, annuity contract, mutual fund, security, or any other deferred payment contract offered as an investment option under the program. The contract acquired for an employee shall be in accordance with the plan document and shall be acquired from a company, or a salesperson for that company, that is authorized to do business in this state. When the state of Iowa acquires an investment product pursuant to the plan document the state does not become a shareholder, stockholder, or owner of a corporation in violation of Article VIII, section 3, of the Constitution of the State of Iowa or any other provision of law.

This section is in addition to any benefit program provided by law for employees of the state or its political subdivisions.

[C73, 75, 77, 79, 81, S81, §509A.12; 81 Acts, ch 117, §1087]

94 Acts, ch 1183, §80; 95 Acts, ch 162, §11; 97 Acts, ch 185, §10

Referred to in §8A.433, 8A.434, 8A.435, 8F.2, 12B.10, 12B.10A, 12B.10B, 12B.10C, 12C.1, 331.324

**509A.13 Continuation of group insurance.**

If a governing body, a county board of supervisors, or a city council has procured for its employees accident, health, or hospitalization insurance, or a medical service plan, or has contracted with a health maintenance organization authorized to do business in this state, the governing body, county board of supervisors, or city council shall allow its employees who retired before attaining sixty-five years of age to continue participation in the group plan or under the group contract at the employee's own expense until the employee attains sixty-five years of age.

This section applies to employees who retired on or after January 1, 1981.

84 Acts, ch 1285, §25; 86 Acts, ch 1243, §32

For provisions relating to continuation of coverage for state employee retirement incentive program participants, see 2010 Acts, ch 1005, §1, 2

**509A.13A Continuation of group insurance covering spouses.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Eligible retired state employee"* means a former employee of the government of the state of Iowa, including but not limited to any departments, agencies, boards, bureaus, or commissions of the state of Iowa, who is receiving the minimum level of retirement benefits

for eligibility under this section and who is participating in a state health or medical group insurance plan which covers the former employee and the former employee's spouse at the time of the death of the former employee.

*b. "Minimum level of retirement benefits for eligibility under this section"* means any of the following:

(1) The eligible retired state employee has received retirement benefits under the retirement system established in chapter 97A based upon the completion of at least twenty-two years of membership service.

(2) The eligible retired state employee has received retirement benefits under the retirement system established in chapter 97B.

(3) The eligible retired state employee has received retirement benefits under the retirement system established in chapter 602, article 9.

*c. "State health or medical group insurance plan"* means a health or medical group insurance plan for employees of the state.

2. Notwithstanding any provision of law to the contrary, in the event of the death of an eligible retired state employee, the surviving spouse of the eligible retired state employee whose insurance would otherwise terminate because of the death of the eligible retired state employee may elect to continue to be a member of the state health or medical group insurance plan by requesting continuation in writing to the department of administrative services within thirty-one days after the death of the eligible retired state employee. The surviving spouse shall pay the total premium for the state health or medical group insurance plan and shall have the same rights to change programs or coverage as state employees.

94 Acts, ch 1183, §81; 98 Acts, ch 1183, §71, 79; 99 Acts, ch 200, §21; 2003 Acts, ch 145, §286

For provisions relating to continuation of coverage for state employee retirement incentive program participants, see 2010 Acts, ch 1005, §1, 2

**509A.13B Coverage of children — continuation or reenrollment.**

If a governing body, a county board of supervisors, or a city council has procured accident or health care coverage for its employees under this chapter, such coverage shall permit continuation of existing coverage or reenrollment in previously existing coverage for an individual who meets the requirements of section 513B.2, subsection 14, paragraph "*a*", "*b*", "*c*", "*d*", or "*e*", and who is an unmarried child of an insured or enrollee who so elects, at least through the policy anniversary date on or after the date the child marries, ceases to be a resident of this state, or attains the age of twenty-five years old, whichever occurs first, or so long as the unmarried child maintains full-time status as a student in an accredited institution of postsecondary education.

2008 Acts, ch 1188, §39, 43; 2009 Acts, ch 118, §8, 11

2009 amendment to this section applies to policies, contracts, or plans of accident and health insurance delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2009; 2009 Acts, ch 118, §11

**509A.14 Approval of self-insurance plans.**

The commissioner of insurance shall adopt rules for self-insurance plans for life insurance and accident and health insurance for a political subdivision of the state or a school corporation. The rules adopted shall include, but are not limited to, the following:

1. A requirement that the plan shall include all coverages and provisions that are required by law in insurance policies for the type of risk that the self-insurance plan is intended to cover.

2. A requirement that if the resources of the plan are inadequate to fully cover a claim under the plan, then the public body is liable for any portion of the claim that is left unpaid.

85 Acts, ch 251, §2; 92 Acts, ch 1162, §12; 93 Acts, ch 88, §9

Referred to in §296.7, 331.301, 364.4

**509A.15 Certification of self-insurance plans — exemption.**

1. *a.* Within ninety days following the end of a fiscal year, the governing body of a self-insurance plan of a political subdivision or a school corporation shall file with the commissioner of insurance a certificate of compliance, actuarial opinion, and an annual financial report. The filing shall be accompanied by a fee of one hundred dollars. A penalty of fifteen dollars per day shall be assessed for failure to comply with the ninety-day filing

requirement, except that the commissioner may waive the penalty upon a showing that special circumstances exist which justify the waiver. The certificate shall be signed and dated by the appropriate public official representing the governing body, and shall certify the following:

(1) That the plan meets the requirements of this chapter and the applicable provisions of the Iowa administrative code.

(2) That an actuarial opinion has been attached to the certificate which attests to the adequacy of reserves, rates, and financial condition of the plan.

(3) That a written complaint procedure has been implemented. The certificate shall also list the number of complaints filed by participants under the written complaint procedure, and the percentage of participants filing written complaints, in the prior fiscal year.

(4) That the governing body has contracted or otherwise arranged with a third-party administrator who holds a current certificate of registration issued by the commissioner pursuant to section 510.21, or with a person not required to obtain the certificate as a third-party administrator as defined in section 510.11, subsection 2.

*b.* The actuarial opinion must include but is not limited to a brief commentary about the adequacy of the reserves, rates, and the financial condition of the plan, a test of the prior year claim reserve, a brief description of how the reserves were calculated, and whether or not the plan is able to cover all reasonably anticipated expenses. The actuarial opinion shall be prepared, signed, and dated by a person who is a member of the American academy of actuaries.

*c.* If necessary, the actuary should assist the public body in preparing the annual financial report. The annual financial report shall be in a format as prescribed by the commissioner.

2. The commissioner shall by rule require the maintenance of confidentiality of information held by the plan administrator.

3. The failure of the governing body to provide the certificate of compliance required by subsection 1, or the failure of the governing body or plan administrator to abide by a requirement of the plan, this chapter, or applicable rule, is grounds for action against the plan, including cause for disapproval or discontinuance of the plan.

4. *a.* One or more political subdivisions of the state or one or more school corporations maintaining self-insured plans with yearly claims that do not exceed two percent of each entity's general fund budget shall be exempt from the requirements of this section where the plan insures employees for all or part of a deductible, coinsurance payments, drug costs, short-term disability benefits, vision benefits, or dental benefits.

*b.* The yearly claim amount shall be determined annually on the policy renewal date, or an alternative date established by rule, by a plan administrator or political subdivision or school corporation employee to be designated by the plan administrator. The exemption shall not apply for the year following a year in which yearly claims are determined to exceed two percent of the political subdivision's or school corporation's general fund budget.

88 Acts, ch 1112, §104; 92 Acts, ch 1162, §14; 93 Acts, ch 88, §10; 2000 Acts, ch 1200, §1; 2003 Acts, ch 91, §12; 2006 Acts, ch 1117, §34, 35; 2012 Acts, ch 1023, §109

# CHAPTER 509B

## CONTINUATION OF GROUP HEALTH INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

509B.1 Definitions.
509B.2 Persons included in this chapter.
509B.3 Continuation of benefits.
509B.4 Conversion of group policies. Repealed by 2006 Acts, ch 1117, §127.
509B.5 Notice of termination of membership or modification of coverage.

**509B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Accident or health insurance"* means hospital, surgical, or major medical insurance, or a combination of these.

2. *"Commissioner"* means the state commissioner of insurance.

3. *"Group policy"* means a group accident or health insurance policy issued by an insurance company under chapter 509, a group accident or health contract issued by a health service corporation under chapter 514, or a plan for health care services provided by a health maintenance organization under chapter 514B, or issued or provided by any similar corporation or organization.

4. *"Insurance"*, *"insures"*, and *"insured"* refer to coverage under a group policy, individual policy, or converted policy on a premium-paying basis, and do not include coverage provided solely as an accrued liability or by reason of a disability extension.

5. *"Insurer"* means the entity issuing a group policy or an individual or converted policy.

6. *"Medicare"* means Tit. XVIII of the United States Social Security Act.

7. *"Premium"* includes any premium or payment or other consideration payable for coverage under a group or individual policy.

86 Acts, ch 1124, §1; 2006 Acts, ch 1117, §36; 2012 Acts, ch 1023, §78

Referred to in §514C.3

**509B.2 Persons included in this chapter.**

1. As used in this chapter, *"termination of employment or membership"* includes but is not limited to termination because of permanent or temporary layoff or approved leave of absence. A provision in this chapter which relates to termination of insurance under a group policy of an employee or member and the employee's or member's covered dependents includes termination of insurance with respect to the surviving or former spouse or children of an employee or member whose insurance would terminate because of dissolution or annulment of the marriage of the employee or member, or would terminate because of death of the employee or member.

2. A provision in this chapter which relates to an employee or member includes the surviving or former spouse or children if termination occurs because of dissolution or annulment of a marriage or death of an employee or member.

86 Acts, ch 1124, §2

**509B.3 Continuation of benefits.**

A group policy delivered or issued for delivery in this state which insures employees or members for accident or health insurance on an expense-incurred or service basis, other than for specific diseases or for accidental injuries only, shall provide that employees or members whose coverage under the group policy would otherwise terminate because of termination of employment or membership may continue their accident or health insurance under that group policy, for themselves and their eligible dependents, subject to all of the group policy's terms and conditions applicable to those forms of insurance and subject to all of the following conditions:

1. Continuation shall only be available to an employee or member if the employee or member was continuously insured under the group policy, and for similar benefits under any group policy which it replaced, during the entire three months' period immediately preceding the termination.

2. Continuation shall not be available for a person who is or could be covered by Medicare. Continuation shall not be available for a person who is or is eligible to be covered by another group insured or uninsured arrangement which provides accident or health coverage, unless the person was covered by that other group policy immediately prior to the termination.

3. Continuation may exclude dental care, vision care, or prescription drug benefits or other benefits provided under the group policy which benefits are in addition to accident or health benefits.

4. *a.* An employee or member who wishes continuation of coverage must request

continuation in writing to the employer or group policyholder within the ten-day period following the later of either of the following:

(1) The date of the termination.

(2) The date the employee is given notice of the right of continuation as provided in section 509B.5 by either the employer or the group policyholder.

*b.* If proper notice is given, the employee or member is not eligible to elect continuation more than thirty-one days after the date of termination.

5. An employee or member electing continuation shall pay monthly to the employer or group policyholder, in advance, the amount of contribution required by the employer or group policyholder, but not more than the group rate otherwise due for the insurance being continued under the group policy. If proper notice is given, the election of continuation by the employee or member together with the first contribution required to establish contributions on a monthly basis in advance, shall be given to the employer or group policyholder within thirty-one days of the date the group insurance would otherwise terminate.

6. Continuation of insurance under the group policy for any person shall terminate when the person becomes eligible for Medicare or another group insured or uninsured accident or health arrangement, or earlier, when any of the following first occurs:

*a.* Nine months after the date the employee's or member's insurance under the policy would otherwise have terminated because of termination of employment or membership.

*b.* At the end of the period for which contributions were made if the employee or member fails to make timely payment of a required contribution and if proper notice is given as provided in section 509B.5, subsection 2.

*c.* If the person covered is a former spouse, upon the former spouse's remarriage.

*d.* The date on which the group policy is terminated or, in the case of an employee, the date the employer terminates participation under the group policy. However, if this paragraph applies and the coverage which would cease because of the employer's termination is replaced by similar coverage under a different group policy, all of the following apply:

(1) The employee, member, spouse, or eligible dependent may become covered under the different group policy, for the balance of the period that the employee or member would have remained covered under the prior group policy had a termination of the group policy as specified in paragraph *"d"* not occurred.

(2) The minimum level of benefits to be provided by the different group policy shall be the applicable level of benefits of the prior group policy, reduced by any benefits payable under the prior group policy.

(3) The prior group policy shall continue to provide benefits to the extent of its accrued liabilities and extensions of benefits as if the prior group policy had not been replaced by the different group policy.

7. A notification of the continuation privilege shall be included with or in each certificate of coverage and as otherwise provided in section 509B.5 and shall contain the time limits for requesting the continued coverage.

8. The spouse of an employee or member, and any covered dependent children of the employee or member, whose coverage under the group policy would otherwise terminate because of dissolution or annulment of marriage or death of the employee or member shall have the same contribution and notice responsibilities and privileges as provided under this chapter to the employee or member upon termination of employment or membership.

86 Acts, ch 1124, §3; 87 Acts, ch 115, §62; 2012 Acts, ch 1023, §157

**509B.4 Conversion of group policies.** Repealed by 2006 Acts, ch 1117, § 127.

**509B.5 Notice of termination of membership or modification of coverage.**

1. Employers or group policyholders shall notify all employees or members of their continuation rights within ten days of termination of employment or membership. The notice shall be in writing and delivered in person or mailed to the person's last known address. However, continuation rights shall not be denied because of failure to provide proper notice. After receiving proper notice the employee or member may request and shall receive continuation coverage in accordance with this chapter within ten days of the

request, notwithstanding any other time limitation provided by this chapter. Notification as provided in this section supersedes section 515.125 as that section relates to accident and health insurance.

2. If an employer or group policyholder terminates or substantially modifies an agreement to provide accident or health insurance for employees or members or if accident or health insurance for employees or members is terminated for failure to pay premiums or for another reason, the employer or group policyholder shall notify the employees or members, including persons being continued under the policy's continuation provisions, of the termination or substantial modification of their coverage. The notice shall be in writing and delivered in person to the entitled persons or mailed to their last known addresses at least ten days prior to the termination or substantial modification of the accident or health insurance coverage. The employer or group policyholder is solely liable for benefits, including extended benefits, other than extended benefits for which the insurer is liable in accordance with the provisions of the group policy, which would have been payable had the accident or health insurance remained in force or not been terminated or substantially modified during the period of time following the termination or substantial modification until the person entitled to notice is given notice by the employer or group policyholder as required by this subsection.

3. The employer or group policyholder is also solely liable for benefits, including extended benefits, which would have been payable had the accident or health insurance been in force and the employees or members been covered during the period of time the employer or group policyholder failed to implement the plan for accident or health insurance which the employer or group policyholder had agreed to provide, until the employer or group policyholder gives notice of its failure or inability to provide the agreed plan. The notice shall be in writing and delivered in person to the employees or members or mailed to their last known addresses.

4. The employer or group policyholder is also solely liable for benefits, including extended benefits, which would have been payable had the accident or health insurance been in force and the employees or members been covered by the accident or health insurance during a period of time for which the employer or group policyholder has collected contributions through payroll, withholding, or otherwise, but has failed to enroll the employees or members, unless the employer or group policyholder has given actual notice that enrollment in the plan will not become effective until a later date or until the employee's or member's application for enrollment has been approved.

86 Acts, ch 1124, §5; 2006 Acts, ch 1117, §37; 2007 Acts, ch 152, §55

Referred to in §509B.3, 514B.17

# CHAPTER 510

## MANAGING GENERAL AGENTS AND THIRD-PARTY ADMINISTRATORS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 508.15A, 510B.2, 515.144, 669.14, 670.7

MANAGING GENERAL AGENTS

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510.2 Contracts with managing general agents.
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510.23 Unfair competition or unfair and deceptive acts or practices prohibited.

## MANAGING GENERAL AGENTS

**510.1** Repealed by 91 Acts, ch 26, § 61.

**510.1A Short title.**
This chapter may be cited as the *"Managing General Agents Act."*
91 Acts, ch 26, §1
Referred to in §510.10

**510.1B Definitions.**
As used in this chapter, unless the context otherwise requires:
1. *"Actuary"* means a person who is a member in good standing of the American academy of actuaries.
2. *"Commissioner"* means the commissioner of insurance.
3. *"Insurer"* means a person duly licensed in this state as an insurance company pursuant to this subtitle.
4. *a.* *"Managing general agent"* means any person who engages in all of the following:
(1) Negotiates and binds ceding reinsurance contracts on behalf of an insurer or manages all or part of the insurance business of an insurer, including the management of a separate division, department, or underwriting office, and who acts as an agent for such insurer whether known as a managing general agent, manager, or other similar term or title.
(2) With or without authority and either separately or together with affiliates, directly or indirectly produces, and underwrites, an amount of gross direct written premium equal to or greater than five percent of the policyholder surplus in any one quarter or year as reported in the last annual statement of the insurer.
(3) Engages in either or both of the following:
(a) Adjusts or pays claims in excess of an amount determined by the commissioner.
(b) Negotiates reinsurance on behalf of the insurer.
*b.* Managing general agent does not include any of the following:
(1) An employee of the insurer.
(2) A manager of a United States branch of an alien insurer who resides in this country.

(3) An underwriting manager who, pursuant to contract, manages all insurance operations of the insurer, who is under common control with the insurer, subject to chapter 521A relating to the regulation of insurance holding company systems, and who is not compensated based upon the volume of premiums written.

(4) An insurance company, in connection with the acceptance or rejection of reinsurance on a block of business.

(5) The attorney-in-fact authorized by or acting for the subscribers of a reciprocal insurer or interinsurance exchange under power of attorney.

5. *"Underwrite"* means the authority to accept or reject risk on behalf of the insurer.

91 Acts, ch 26, §2

Referred to in §510.6, 510.10

**510.2 Contracts with managing general agents.**

1. A domestic insurer shall not enter into a contract with a managing general agent unless the domestic insurer notifies the commissioner in writing of its intention to enter into the contract at least thirty days prior to entering into the contract or within a shorter time permitted by the commissioner and the commissioner has not disapproved of the contracts within the time period. The commissioner shall not approve the contracts if the commissioner finds any of the following:

*a.* The service or management charges in the contract are based upon criteria unrelated either to the insurer's profits or to the reasonable, customary, and usual charges for such services to the company.

*b.* Management personnel or other employees of the insurance company are to be performing management functions and receiving any remuneration for those management functions through the contract in addition to the compensation received directly from the insurance company for their services.

*c.* The contract would transfer substantial control of the insurer or any of the powers vested in the board of directors, by statute, articles of incorporation, or bylaws, or substantially all of the basic functions of the insurer's management to the managing general agent.

*d.* The contract contains provisions which would be clearly detrimental to the best interest of policyholders, stockholders, or members of the company.

*e.* The officers and directors of the managing general agent firm are of known bad character or have been affiliated, directly or indirectly, through ownership, control, management, reinsurance transactions, or other insurance or business relations with any person known to have been involved in the improper manipulation of assets, accounts, or reinsurance.

2. If the commissioner disapproves of a contract, notice of the disapproval shall be given to the insurer, specifying the reasons in writing. The commissioner shall grant any party to the contract a hearing on the disapproval upon request pursuant to chapter 17A.

89 Acts, ch 227, §2; 2012 Acts, ch 1023, §157

Referred to in §510.10

Contracts; see also §510.5

**510.3 Liability of managing general agents.**

Notwithstanding any obligation of a director or officer of an insolvent insurer to the liquidator of the insolvent insurer, a managing general agent of a domestic insurer against whom an order of liquidation has been entered is liable for fees paid to the managing general agent prior to the entry of the order of liquidation upon a finding that the rendering of services, or failure to render services contracted for, substantially caused or contributed to the insolvency of the domestic insurer, and was pursuant to a contract which had not been submitted to the commissioner, or which had been submitted to the commissioner and disapproved, or the services did not meet accepted standards for such services.

89 Acts, ch 227, §3

Referred to in §510.10

**510.4 Licensure required — bond.**

1. A person shall not act in the capacity of a managing general agent with respect to risks located in this state for an insurer licensed in this state unless the person is a licensed producer in this state.

2. A person shall not act in the capacity of a managing general agent representing an insurer domiciled in this state with respect to risks located outside this state unless the person is licensed as a resident or nonresident producer in this state pursuant to the provisions of this chapter.

3. The commissioner may require a bond for each company represented by a managing general agent in an amount acceptable to the commissioner for the protection of the insurer.

4. The commissioner may require a managing general agent to maintain an errors and omissions policy.

91 Acts, ch 26, §3
Referred to in §510.10

**510.5 Required contract provisions — limitations.**

1. A person acting in the capacity of a managing general agent shall not place business with an insurer unless a written contract is in force between the parties which sets forth the responsibilities of each party. If both parties share responsibility for a particular function, the contract must specify the division of such responsibilities, and must contain, at a minimum, all of the following provisions:

*a.* The insurer may terminate the contract for cause upon written notice to the managing general agent. The insurer may suspend the underwriting authority of a managing general agent during the pendency of any dispute regarding the cause for termination. The insurer shall advise the commissioner of a termination or a suspension pursuant to this paragraph.

*b.* A managing general agent shall render accounts to the insurer detailing all transactions and remit all funds due under the contract to the insurer on not less than a monthly basis.

*c.* All funds collected for the account of an insurer shall be held by a managing general agent in a fiduciary capacity in a bank which is a member of the federal reserve system. This account shall be used for all payments on behalf of the insurer. A managing general agent may retain no more than three months' estimated claims payments and allocated loss adjustment expenses.

*d.* Separate records of business written by a managing general agent shall be maintained. An insurer shall have access and a right to copy all accounts and records related to the insurer's business in a form usable by the insurer and the commissioner shall have access to all books, bank accounts, and records of a managing general agent in a form usable by the commissioner. Such records shall be retained at least until after completion by the insurance division of the next examination of the insurer.

*e.* Appropriate underwriting guidelines including but not limited to the following:

(1) The maximum annual premium volume.
(2) The basis of the rates to be charged.
(3) The types of risks which may be written.
(4) Maximum limits of liability.
(5) Applicable exclusions.
(6) Territorial limitations.
(7) Policy cancellation provisions.
(8) The maximum length or duration of the policy period.

*f.* The insurer may cancel or refuse to renew any policy of insurance produced or underwritten by a managing general agent, subject to the applicable laws and rules concerning the cancellation and nonrenewal of insurance policies.

2. Permissible provisions in a contract and their requirements include the following:

*a.* If the contract permits a managing general agent to settle claims on behalf of the insurer all of the following requirements apply:

(1) All claims reported must be reported by the managing general agent to the insurer in a timely manner.

(2) A copy of the claim file must be sent to the insurer at its request or as soon as the managing general agent knows that the claim meets one or more of the following conditions:

(a) The claim has the potential to exceed an amount determined by the commissioner or exceeds the limit set by the insurer, whichever is less.

(b) The claim involves a coverage dispute.

(c) The claim may exceed the claims settlement authority of the managing general agent.

(d) The claim is open for more than six months.

(e) The claim is closed by payment of an amount set by the commissioner or an amount set by the insurer, whichever is less.

(3) All claim files shall be the joint property of the insurer and the managing general agent. However, upon an order of liquidation of the insurer the files become the sole property of the insurer or its estate. The managing general agent shall have reasonable access to and the right to copy the files on a timely basis.

(4) Any settlement authority granted to the managing general agent may be terminated for cause upon the insurer's written notice to the managing general agent or upon the termination of the contract. The insurer may suspend the settlement authority during the pendency of any dispute regarding the cause for termination.

*b.* If electronic claims files are in existence, the contract must address the timely transmission or transfer of the data contained in the files.

*c.* If the contract provides for a sharing of interim profits by the managing general agent, and the managing general agent has the authority to determine the amount of interim profits by establishing loss reserves, by controlling claim payments, or by determining the amount of interim profits in any other manner, interim profits shall not be paid to the managing general agent until one year after they are earned for property insurance business and five years after they are earned for casualty insurance business, and not until the interim profits have been verified pursuant to section 510.6.

3. A managing general agent shall not do any of the following:

*a.* Bind reinsurance or retrocessions on behalf of the insurer, except that a managing general agent may bind facultative reinsurance contracts pursuant to obligatory facultative agreements if the contract with the insurer contains reinsurance underwriting guidelines including, for both reinsurance assumed and ceded, a list of reinsurers with which such automatic agreements are in effect, the coverages and amounts or percentages that may be reinsured, and commission schedules.

*b.* Commit the insurer to participate in insurance or reinsurance syndicates.

*c.* Appoint any producer without assuring that the producer is lawfully licensed to transact the type of insurance for which the producer is appointed.

*d.* Without prior approval of the insurer, pay or commit the insurer to pay a claim over a specified amount, net of reinsurance, which exceeds one percent of the policyholder's surplus of the insurer as of December 31 of the previous calendar year.

*e.* Collect any payment from a reinsurer or commit the insurer to any claim settlement with a reinsurer without prior approval of the insurer. If prior approval is given, a report must be promptly forwarded by the managing general agent to the insurer.

*f.* Permit its subproducer to serve on the insurer's board of directors.

*g.* Jointly employ an individual who is employed by the insurer.

*h.* Appoint a submanaging general agent.

91 Acts, ch 26, §4; 2008 Acts, ch 1123, §19; 2013 Acts, ch 30, §124

Referred to in §510.10

Contracts; see also §510.2

Subsection 1, paragraph e, unnumbered paragraph 2 redesignated as paragraph f

**510.5A Unfair competition or unfair and deceptive acts or practices prohibited.**

A managing general agent is subject to chapter 507B relating to unfair insurance trade practices.

93 Acts, ch 88, §11

Referred to in §510.10

**510.6 Duties of insurers.**

1. An insurer shall have on file an independent financial examination, in a form acceptable to the commissioner, of each managing general agent with which the insurer does or has done business.

2. If a managing general agent establishes loss reserves, the insurer shall annually obtain the opinion of an actuary attesting to the adequacy of loss reserves established for losses incurred and outstanding on business produced by a managing general agent. This is in addition to any other required loss reserve certification.

3. An insurer shall periodically, but at least semiannually, conduct an on-site review of the underwriting and claims processing operations of each managing general agent with which the insurer is currently doing business.

4. Binding authority for all reinsurance contracts or participation in insurance or reinsurance syndicates shall rest with an officer of the insurer, who is not affiliated with the managing general agent.

5. Within thirty days of entering into or termination of a contract with a managing general agent, the insurer shall provide written notification of the appointment or termination to the commissioner. A notice of appointment of a managing general agent must include a statement of duties which the applicant is expected to perform on behalf of the insurer, the lines of insurance for which the applicant is to be authorized to act, and any other information the commissioner may request.

6. An insurer shall review its books and records each quarter and determine if any insurance producer, as defined by section 510A.2, has become, by operation of section 510.1B, subsection 4, a managing general agent as defined in that section. If the insurer determines that an insurance producer has become a managing general agent by operation of section 510.1B, subsection 4, the insurer shall promptly notify the insurance producer and the commissioner of such determination and the insurer and insurance producer shall fully comply with the provisions of this chapter within thirty days.

7. An insurer shall not appoint to its board of directors an officer, director, employee, insurance producer, or controlling shareholder of a managing general agent of the insurer. This subsection shall not apply to relationships governed by chapter 521A relating to the regulation of insurance company holding systems, or, if applicable, by chapter 510A relating to the regulation of insurance producer controlled property and casualty insurers.

91 Acts, ch 26, §5; 91 Acts, ch 258, §56; 2004 Acts, ch 1101, §71
Referred to in §510.5, 510.10

**510.7 Examination authority.**

The acts of a managing general agent are considered to be the acts of the insurer on whose behalf a managing general agent is acting. A managing general agent may be examined as if it were the insurer.

91 Acts, ch 26, §6
Referred to in §510.10

**510.8 Penalties and liabilities.**

1. If the commissioner finds, after a hearing conducted in accordance with chapter 17A, that any person has violated one or more provisions of this chapter, the commissioner may do one or more of the following:

*a.* For each separate violation, order the imposition of an administrative penalty of not more than ten thousand dollars.

*b.* Order the revocation or suspension of the producer's license.

*c.* Bring a civil suit seeking reimbursement by the managing general agent of the insurer, the rehabilitator, or the liquidator of the insurer for any losses incurred by the insurer caused by a violation of this chapter committed by the managing general agent.

2. The decision, determination, or order of the commissioner pursuant to subsection 1 is subject to judicial review pursuant to chapter 17A.

3. This section does not affect the right of the commissioner to impose any other penalties provided for under this subtitle.

4. This chapter is not intended to and shall not in any manner limit or restrict the rights of policyholders, claimants, and auditors.

91 Acts, ch 26, §7; 91 Acts, ch 213, §8
Referred to in §510.10

**510.9 Rules.**

The commissioner may adopt rules, pursuant to chapter 17A, as necessary or convenient for the implementation and administration of this chapter.

91 Acts, ch 26, §8
Referred to in §510.10

**510.10 Exemption.**

A managing general agent who complies with sections 510.1A through 510.9 for a block of business, shall not also be required to comply with sections 510.20 and 510.21 with regard to the same block of business.

91 Acts, ch 26, §9; 91 Acts, ch 258, §57

THIRD-PARTY ADMINISTRATORS

**510.11 Definitions.**

1. *"Life or health insurance"* includes but is not limited to the following:

*a.* Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

*b.* An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

*c.* An individual or group health maintenance organization contract regulated under chapter 514B.

*d.* An individual or group Medicare supplemental policy.

*e.* A long-term care policy.

*f.* An individual or group life insurance policy or annuity issued pursuant to chapter 508, 508A, or 509A.

2. *"Third-party administrator"* means a person who collects charges or premiums from, or who adjusts or settles claims on, residents of this state in connection with life or health insurance coverage or annuities other than any of the following:

*a.* A union or association on behalf of its members.

*b.* An insurance company which is either licensed in this state or acting as an insurer with respect to a policy lawfully issued and delivered by it in and pursuant to the laws of a state in which the insurer was authorized to do insurance business.

*c.* An entity licensed under chapter 514, including its sales representatives licensed in this state when engaged in the performance of their duties as sales representatives.

*d.* A life or health agent or broker licensed in this state, whose activities are limited exclusively to the sale of insurance.

*e.* A creditor on behalf of its debtors with respect to insurance covering a debt between the creditor and its debtors.

*f.* A trust, its trustees, agents, and employees acting under the trust, established in conformity with 29 U.S.C. § 186.

*g.* A trust exempt from taxation under section 501(a) of the Internal Revenue Code, its trustees, and employees acting under the trust.

*h.* A custodian, its agents, and employees acting pursuant to a custodial account which meets the requirements of section 401(f) of the Internal Revenue Code.

*i.* A bank, credit union, or other financial institution which is subject to supervision or examination by federal or state banking authorities.

*j.* A credit card-issuing company which advances for and collects premiums or charges from its credit card holders who have authorized it to do so, if the company does not adjust or settle claims.

*k.* A person who adjusts or settles claims in the normal course of the person's practice or employment as an attorney, and who does not collect charges or premiums in connection with life or health insurance coverage or annuities.

89 Acts, ch 227, §4; 2006 Acts, ch 1117, §38
Referred to in §509A.15, 510.12, 729.6

**510.12 Written agreement necessary.**

A person shall not act as a third-party administrator without a written agreement between the third-party administrator and the insurer, and the written agreement shall be retained as part of the official records of both the insurer and the third-party administrator for the duration of the agreement plus five years. The written agreement shall contain provisions which include the requirements of sections 510.11 through 510.16, except insofar as those requirements do not apply to the functions performed by the third-party administrator.

When a policy is issued to a trustee, a copy of the trust agreement and any amendments to the trust agreement shall be furnished to the insurer by the third-party administrator and shall be retained as part of the official records of both the insurer and the third-party administrator for the duration of the policy plus five years.

89 Acts, ch 227, §5; 2006 Acts, ch 1117, §39
Referred to in §510.13, 510.14, 510.21

**510.13 Payment to third-party administrator.**

If an insurer uses the services of a third-party administrator under the terms of a written contract as required in section 510.12, payment to the third-party administrator of any premiums or charges for insurance by or on behalf of the insured shall be deemed to have been received by the insurer, and the payment of return premiums or claims by the insurer to the third-party administrator shall not be deemed payment to the insured or claimant until the payments are received by the insured or claimant. This section does not limit any right of the insurer against the third-party administrator resulting from the third-party administrator's failure to make payments to the insurer, insureds, or claimants.

89 Acts, ch 227, §6; 2006 Acts, ch 1117, §40
Referred to in §510.12, 510.21

**510.14 Maintenance of information.**

A third-party administrator shall maintain at its principal administrative office for the duration of the written agreement referred to in section 510.12 plus five years, adequate books and records of all transactions between it, insurers, and insured persons. The third-party administrator's books and records shall be maintained in accordance with prudent standards of insurance recordkeeping. The commissioner shall have access to such books and records for the purpose of examination, audit, and inspection. Trade secrets contained in a third-party administrator's books and records, including but not limited to the identity and addresses of policyholders and certificate holders, shall be confidential, except the commissioner may use trade secret information in any proceeding instituted against the third-party administrator. The insurer retains the right to continuing access to the third-party administrator's books and records sufficient to permit the insurer to fulfill all of its contractual obligations to insured persons, subject to any restrictions in the written agreement between the insurer and third-party administrator on the proprietary rights of the parties in the third-party administrator's books and records.

89 Acts, ch 227, §7; 2006 Acts, ch 1117, §41
Referred to in §510.12, 510.21

**510.15 Approval of advertising.**

A third-party administrator may use only such advertising pertaining to the business underwritten by an insurer as has been approved by the insurer in advance of its use.

89 Acts, ch 227, §8; 2006 Acts, ch 1117, §42
Referred to in §510.12, 510.21

**510.16 Underwriting provision.**

The agreement shall provide for the underwriting or other standards pertaining to the business underwritten by the insurer.

89 Acts, ch 227, §9
Referred to in §510.12, 510.21

**510.17 Premium collection.**

1. All insurance charges or premiums collected by a third-party administrator on behalf of or for an insurer, and return premiums received from the insurer, shall be held by the third-party administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled to them, or shall be deposited promptly in a fiduciary bank account established and maintained by the third-party administrator. If charges or premiums so deposited have been collected on behalf of or for more than one insurer, the third-party administrator shall cause the bank in which the fiduciary account is maintained to keep records clearly recording the deposits in and withdrawals from the account on behalf of or for each insurer. The third-party administrator shall promptly obtain and keep copies of all such records and, upon request of an insurer, shall furnish the insurer with copies of the records pertaining to deposits and withdrawals on behalf of or for that insurer.

2. The third-party administrator shall not pay a claim by withdrawal from the fiduciary account. Withdrawals from the fiduciary account shall be made, as provided in the written agreement between the third-party administrator and the insurer, for any of the following:

*a.* Remittance to an insurer entitled thereto.

*b.* Deposit in an account maintained in the name of the insurer.

*c.* Transfer to and deposit in a claims-paying account, with claims to be paid as provided in section 510.18.

*d.* Payment to a group policyholder for remittance to the insurer entitled thereto.

*e.* Payment to the third-party administrator of its commission, fees, or charges.

*f.* Remittance of return premiums to the persons entitled thereto.

89 Acts, ch 227, §10; 2006 Acts, ch 1117, §43
Referred to in §510.21

**510.18 Payment of claims.**

A claim paid by the third-party administrator from funds collected on behalf of the insurer shall be paid only on a draft, check, or by electronic funds transfer as authorized by the insurer.

89 Acts, ch 227, §11; 96 Acts, ch 1122, §1; 2006 Acts, ch 1117, §44
Referred to in §510.17, 510.21

**510.19 Claim adjustment and settlement.**

The compensation paid to a third-party administrator shall not be contingent on claim experience on policies for which the third-party administrator adjusts or settles claims. This section does not prevent the compensation of a third-party administrator from being based on premiums or charges collected or number of claims paid or processed.

89 Acts, ch 227, §12; 2006 Acts, ch 1117, §45
Referred to in §510.21

**510.20 Notification required.**

When the services of a third-party administrator are used, the third-party administrator shall provide a written notice, approved by the insurer, to insured individuals, advising them of the identity of and relationship among the third-party administrator, the policyholder, and the insurer. When a third-party administrator collects funds, it shall identify and state separately in writing to the person paying to the third-party administrator any charge or premium for insurance coverage the amount of any such charge or premium specified by the insurer for such insurance coverage.

89 Acts, ch 227, §13; 2006 Acts, ch 1117, §46
Referred to in §510.10, 510.21

**510.21 Certificate of registration required.**

A person shall not act as or represent oneself to be a third-party administrator in this state, other than an adjuster licensed in this state for the kinds of business for which the person is acting as a third-party administrator, unless the person holds a current certificate of registration as a third-party administrator issued by the commissioner of insurance. A certificate of registration as a third-party administrator is renewable every three years. Failure to hold a certificate subjects the third-party administrator to the sanctions set out in section 507B.7. The certificate shall be issued by the commissioner to a third-party administrator unless the commissioner, after due notice and hearing, determines that the third-party administrator is not competent, trustworthy, financially responsible, or of good personal and business reputation, or has had a previous application for an insurance license denied for cause within the preceding five years.

An application for registration shall be accompanied by a filing fee of one hundred dollars. After notice and hearing, the commissioner may impose any or all of the sanctions set out in section 507B.7, upon finding that either the third-party administrator violated any of the requirements of sections 510.12 through 510.20 and this section, or the third-party administrator is not competent, trustworthy, financially responsible, or of good personal and business reputation.

89 Acts, ch 227, §14; 2006 Acts, ch 1117, §47; 2007 Acts, ch 152, §56; 2008 Acts, ch 1074, §2

Referred to in §509A.15, 510.10, 510.22

**510.22 Waiving of requirements.**

The commissioner may waive the requirements of section 510.21 for any person or class of persons. The factors taken into account in granting a waiver shall include, but are not limited to whether:

1. The person acting as a third-party administrator is primarily in a business other than that of a third-party administrator.
2. The financial strength and history of the organization indicates stability in its continuity of doing business.
3. The regular duties being performed as a third-party administrator are such that the covered persons are not likely to be injured by a waiver of such requirements.

89 Acts, ch 227, §15; 2006 Acts, ch 1117, §48

**510.23 Unfair competition or unfair and deceptive acts or practices prohibited.**

A third-party administrator is subject to chapter 507B relating to unfair insurance trade practices.

93 Acts, ch 88, §12; 2006 Acts, ch 1117, §49

# CHAPTER 510A

## BUSINESS PRODUCER CONTROLLED PROPERTY AND CASUALTY INSURERS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 510.6, 521C.9, 669.14, 670.7


510A.1 Short title.
510A.2 Definitions.
510A.3 Applicability.
510A.4 Minimum standards.
510A.5 Disclosure.
510A.6 Penalties.


**510A.1 Short title.**

This chapter shall be known and may be cited as the *"Business Producer Controlled Property and Casualty Insurer Act."*

91 Acts, ch 26, §10; 92 Acts, ch 1117, §35

**510A.2 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Accredited state"* means a state in which the insurance department or regulatory agency has qualified as meeting the minimum financial regulatory standards promulgated and established by the national association of insurance commissioners.

2. *"Control"* or *"controlled"* has the meaning ascribed in section 521A.1, subsection 3.

3. *"Controlled insurer"* means a licensed insurer that is controlled, directly or indirectly, by an insurance producer.

4. *"Controlling producer"* means an insurance producer who, directly or indirectly, controls an insurer.

5. *"Independent casualty actuary"* means a casualty actuary who is a member of the American academy of actuaries and who is not an employee, principal, the direct or indirect owner of, affiliated with, or in any way controlled by the insurer or insurance producer.

6. *"Insurance producer"* means a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance.

7. *"Licensed insurer"* or *"insurer"* means any person duly licensed to transact a property and casualty insurance business in this state. The following are not licensed property and casualty insurers for the purposes of this chapter:

*a.* All risk retention groups as defined in the Superfund Amendments Reauthorization Act of 1986, Pub. L. No. 99-499, 100 Stat. 1613 (1986) and the Risk Retention Act, 15 U.S.C. § 3901 et seq. (1982 & Supp. 1986), or chapter 515E.

*b.* All residual market pools and joint underwriting authorities or associations.

*c.* All captive insurers. For the purposes of this chapter, captive insurers are insurance companies owned by another organization whose exclusive purpose is to insure risks of the parent organization and affiliated companies or, in the case of groups and associations, insurance organizations owned by the insureds whose exclusive purpose is to insure risks of any group and association members and any affiliates.

91 Acts, ch 26, §11; 92 Acts, ch 1117, §36; 2003 Acts, ch 91, §13 – 15
Referred to in §510.6, 510A.3

**510A.3 Applicability.**

This chapter applies to licensed insurers as defined in section 510A.2, either domiciled in this state or domiciled in a state that is not an accredited state and having a substantially similar law. All provisions of the insurance holding company Act, to the extent those provisions are not superseded by this chapter, continue to apply to all persons associated with holding companies subject to this chapter.

91 Acts, ch 26, §12; 92 Acts, ch 1117, §37

**510A.4 Minimum standards.**

1. *Applicability of section.*

*a.* This section applies if, in any calendar year, the aggregate amount of gross written premium on business placed with a controlled insurer by a controlling producer is equal to or greater than five percent of the admitted assets of the controlled insurer, as reported in the controlled insurer's quarterly statement filed as of September 30 of the preceding year.

*b.* Notwithstanding paragraph *"a"*, this section does not apply if both of the following apply:

(1) The controlling producer does all of the following:

(a) Places insurance only with the controlled insurer, or only with the controlled insurer and members of the controlled insurer's holding company system, or the controlled insurer's parent, affiliate, or subsidiary, and receives no compensation based upon the amount of premiums written in connection with such insurance.

(b) Accepts insurance placements only from nonaffiliated subproducers and not directly from insureds.

(2) The controlled insurer, except for insurance business written through a residual market facility, accepts insurance business only from the controlling producer, an insurance producer controlled by the controlled insurer, or an insurance producer that is a subsidiary of the controlled insurer.

2. *Required contract provisions.* A controlled insurer shall not accept business from a

controlling producer and a controlling producer shall not place business with a controlled insurer unless there is a written contract between the controlling producer and the controlled insurer specifying the responsibilities of each party which has been approved by the board of directors of the controlled insurer and filed with the commissioner. The contract must contain, at a minimum, the following provisions:

*a.* The controlled insurer may terminate the contract for cause, upon written notice to the controlling producer. The controlled insurer shall suspend the authority of the controlling producer to write business during the pendency of any dispute regarding the cause for the termination.

*b.* The controlling producer shall render accounts to the controlled insurer detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by, or owing to, the controlling producer.

*c.* The controlling producer shall remit all funds due under the terms of the contract to the controlled insurer on at least a monthly basis. The due date shall be fixed so that premiums or installments of premiums collected shall be remitted no later than ninety days after the effective date of any policy placed with the controlled insurer under this contract.

*d.* All funds collected for the controlled insurer's account shall be held by the controlling producer in a fiduciary capacity, in one or more appropriately identified bank accounts in banks that are members of the federal reserve system, in accordance with the provisions of the insurance law as applicable. However, funds of a controlling producer not required to be licensed in this state shall be maintained in compliance with the requirements of the controlling producer's domiciliary jurisdiction.

*e.* The controlling producer shall maintain separately identifiable records of business written for the controlled insurer.

*f.* The contract shall not be assigned in whole or in part by the controlling producer.

*g.* The controlled insurer shall provide the controlling producer with its underwriting standards, rules, and procedures manuals setting forth the rates to be charged, and the conditions for the acceptance or rejection of risks. The controlling producer shall adhere to the standards, rules, procedures, rates, and conditions. The standards, rules, procedures, rates, and conditions shall be the same as those applicable to comparable business placed with the controlled insurer by an insurance producer other than the controlling producer.

*h.* The rates and terms of the controlling producer's commissions, charges, or other fees and the purposes for those charges or fees. The rates of the commissions, charges, and other fees shall be no greater than those applicable to comparable business placed with the controlled insurer by producers other than controlling producers. For purposes of this paragraph and paragraph "*g*" of this subsection, "*comparable business*" includes the same lines of insurance, same kinds of insurance, same kinds of risks, similar policy limits, and similar quality of business.

*i.* If the contract provides that the controlling producer, on insurance business placed with the controlled insurer, is to be compensated contingent upon the insurer's profits on that business, then such compensation shall not be determined and paid until at least five years after the premiums on liability insurance are earned and at least one year after the premiums are earned on any other insurance. In no event shall the commissions be paid until the adequacy of the controlled insurer's reserves on remaining claims has been independently verified pursuant to subsection 4, paragraph "*a*".

*j.* A limit on the controlling producer's writings in relation to the controlled insurer's surplus and total writings. The insurer may establish a different limit for each line or subline of business. The controlled insurer shall notify the controlling producer when the applicable limit is approached and shall not accept business from the controlling producer which would exceed the limit. The controlling producer shall not place business with the controlled insurer if it has been notified by the controlled insurer that the limit has been reached.

*k.* The controlling producer may negotiate but shall not bind reinsurance on behalf of the controlled insurer on business the controlling producer places with the controlled insurer, except that the controlling producer may bind facultative reinsurance contracts pursuant to obligatory facultative agreements if the contract with the controlled insurer contains underwriting guidelines including, for both reinsurance assumed and ceded, a

list of reinsurers with which such automatic agreements are in effect, the coverages and amounts or percentages that may be reinsured, and commission schedules.

3. *Audit committee.* A controlled insurer must establish an audit committee of the board of directors composed of independent directors. Prior to approval of the annual financial statement, the audit committee shall meet with management, the insurer's independent certified public accountants, and an independent casualty actuary or other independent loss reserve specialist acceptable to the commissioner, to review the adequacy of the insurer's loss reserves.

4. *Reporting requirements.*

*a.* In addition to any other required loss reserve certification, the controlled insurer shall annually, on April 1 of each year, file with the commissioner an opinion of an independent casualty actuary, or another independent loss reserve specialist acceptable to the commissioner, reporting loss ratios for each line of business written and attesting to the adequacy of loss reserves established for losses incurred and outstanding as of year-end on business placed by the insurance producer, including incurred but not reported losses.

*b.* The controlled insurer shall annually report to the commissioner the amount of commissions paid to the insurance producer, the percentage such amount represents of the net premiums written, and comparable amounts and percentage paid to noncontrolling producers for placements of the same kinds of insurance.

91 Acts, ch 26, §13; 91 Acts, ch 213, §9; 92 Acts, ch 1117, §38; 2003 Acts, ch 91, §16 – 18; 2004 Acts, ch 1101, §72

**510A.5 Disclosure.**

The insurance producer, prior to the effective date of the policy, shall deliver written notice to the prospective insured disclosing the relationship between the insurance producer and the controlled insurer; except that, if the business is placed through a subproducer who is not a controlling producer, the controlling producer shall retain in the producer's records a signed commitment from the subproducer that the subproducer is aware of the relationship between the insurer and the insurance producer and that the subproducer has notified or will notify the insured.

92 Acts, ch 1117, §39; 2003 Acts, ch 91, §19

**510A.6 Penalties.**

1. If the commissioner believes that a controlling producer or any other person subject to this chapter has not materially complied with this chapter, or any rule adopted or order issued pursuant to this chapter, after notice and opportunity to be heard, the commissioner may order the controlling producer to cease placing business with the controlled insurer. Additionally, if the commissioner finds that because of such noncompliance the controlled insurer or any policyholder of the controlled insurer has suffered any loss or damage, the commissioner may maintain a civil action or intervene in an action brought by or on behalf of the insurer or policyholder for recovery of compensatory damages for the benefit of the insurer or policyholder, or for other appropriate relief.

2. If an order for liquidation or rehabilitation of the controlled insurer has been entered pursuant to chapter 507C, and the receiver appointed under that order believes that the controlling producer or any other person has not materially complied with this chapter, or any rule adopted or order issued pursuant to this chapter, and that the insurer suffered any loss or damage as a result of the noncompliance, the receiver may maintain a civil action for recovery of damages or other appropriate sanctions for the benefit of the insurer.

3. This section shall not be construed to affect or limit the right of the commissioner to impose any other penalties, as appropriate, which the commissioner is authorized to impose.

4. This section shall not be construed to affect or limit the rights of policyholders, claimants, creditors, or other third parties.

93 Acts, ch 88, §13

# CHAPTER 510B

## REGULATION OF PHARMACY BENEFITS MANAGERS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


510B.1 Definitions.
510B.2 Certification as a third-party administrator required.
510B.3 Enforcement — rules.
510B.4 Performance of duties — good faith — conflict of interest.
510B.5 Contacting covered individual — requirements.
510B.6 Dispensing of substitute prescription drug for prescribed drug.
510B.7 Duties to pharmacy network providers.


**510B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commissioner"* means the commissioner of insurance.

2. *"Covered entity"* means a nonprofit hospital or medical services corporation, health insurer, health benefit plan, or health maintenance organization; a health program administered by a department or the state in the capacity of provider of health coverage; or an employer, labor union, or other group of persons organized in the state that provides health coverage. *"Covered entity"* does not include a self-funded health coverage plan that is exempt from state regulation pursuant to the federal Employee Retirement Income Security Act of 1974 (ERISA), as codified at 29 U.S.C. § 1001 et seq.; a plan issued for health coverage for federal employees; or a health plan that provides coverage only for accidental injury, specified disease, hospital indemnity, Medicare supplemental, disability income, or long-term care, or other limited benefit health insurance policy or contract.

3. *"Covered individual"* means a member, participant, enrollee, contract holder, policyholder, or beneficiary of a covered entity who is provided health coverage by the covered entity, and includes a dependent or other person provided health coverage through a policy, contract, or plan for a covered individual.

4. *"Generic drug"* means a chemically equivalent copy of a brand-name drug with an expired patent.

5. *"Labeler"* means a person that receives prescription drugs from a manufacturer or wholesaler and repackages those drugs for later retail sale and that has a labeler code from the federal food and drug administration pursuant to 21 C.F.R. § 207.20.

6. *"Pharmacy"* means pharmacy as defined in section 155A.3.

7. *"Pharmacy benefits management"* means the administration or management of prescription drug benefits provided by a covered entity under the terms and conditions of the contract between the pharmacy benefits manager and the covered entity.

8. *"Pharmacy benefits manager"* means a person who performs pharmacy benefits management services. *"Pharmacy benefits manager"* includes a person acting on behalf of a pharmacy benefits manager in a contractual or employment relationship in the performance of pharmacy benefits management services for a covered entity. *"Pharmacy benefits manager"* does not include a health insurer licensed in the state if the health insurer or its subsidiary is providing pharmacy benefits management services exclusively to its own insureds, or a public self-funded pool or a private single employer self-funded plan that provides such benefits or services directly to its beneficiaries.

9. *"Prescription drug"* means prescription drug as defined in section 155A.3.

10. *"Prescription drug order"* means prescription drug order as defined in section 155A.3.

2007 Acts, ch 193, §1, 9

**510B.2 Certification as a third-party administrator required.**

A pharmacy benefits manager doing business in this state shall obtain a certificate as a third-party administrator under chapter 510, and the provisions relating to a third-party administrator pursuant to chapter 510 shall apply to a pharmacy benefits manager.

2007 Acts, ch 193, §2, 9

**510B.3 Enforcement — rules.**

1. The commissioner shall enforce the provisions of this chapter.

2. The commissioner shall adopt rules pursuant to chapter 17A to administer this chapter including rules relating to all of the following:

*a.* Timely payment of pharmacy claims.

*b.* A process for adjudication of complaints and settlement of disputes between a pharmacy benefits manager and a licensed pharmacy related to pharmacy auditing practices, termination of pharmacy agreements, and timely payment of pharmacy claims.

2007 Acts, ch 193, §3, 9

**510B.4 Performance of duties — good faith — conflict of interest.**

1. A pharmacy benefits manager shall perform the pharmacy benefits manager's duties exercising good faith and fair dealing in the performance of its contractual obligations toward the covered entity.

2. A pharmacy benefits manager shall notify the covered entity in writing of any activity, policy, practice ownership interest, or affiliation of the pharmacy benefits manager that presents any conflict of interest.

2007 Acts, ch 193, §4, 9

**510B.5 Contacting covered individual — requirements.**

A pharmacy benefits manager, unless authorized pursuant to the terms of its contract with a covered entity, shall not contact any covered individual without the express written permission of the covered entity.

2007 Acts, ch 193, §5, 9

**510B.6 Dispensing of substitute prescription drug for prescribed drug.**

1. The following provisions shall apply when a pharmacy benefits manager requests the dispensing of a substitute prescription drug for a prescribed drug to a covered individual:

*a.* The pharmacy benefits manager may request the substitution of a lower priced generic and therapeutically equivalent drug for a higher priced prescribed drug.

*b.* If the substitute drug's net cost to the covered individual or covered entity exceeds the cost of the prescribed drug, the substitution shall be made only for medical reasons that benefit the covered individual.

2. A pharmacy benefits manager shall obtain the approval of the prescribing practitioner prior to requesting any substitution under this section.

3. A pharmacy benefits manager shall not substitute an equivalent prescription drug contrary to a prescription drug order that prohibits a substitution.

2007 Acts, ch 193, §6, 9

**510B.7 Duties to pharmacy network providers.**

1. A pharmacy benefits manager shall not mandate basic recordkeeping that is more stringent than that required by state or federal law or regulation.

2. If a pharmacy benefits manager receives notice from a covered entity of termination of the covered entity's contract, the pharmacy benefits manager shall notify, within ten working days of the notice, all pharmacy network providers of the effective date of the termination.

3. Within three business days of a price increase notification by a manufacturer or supplier, a pharmacy benefits manager shall adjust its payment to the pharmacy network provider consistent with the price increase.

2007 Acts, ch 193, §7, 9

# CHAPTER 511

## PROVISIONS APPLICABLE TO LIFE INSURANCE COMPANIES AND ASSOCIATIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 507.1, 508A.5, 521A.2, 669.14, 670.7


511.1 Annual statement of foreign companies.
511.2 Amended forms of statement.
511.3 Repealed by 85 Acts, ch 228, §9.
511.4 Advertisements — who deemed agent.
511.5 Repealed by 82 Acts, ch 1003, §15.
511.6 Repealed by 84 Acts, ch 1067, §51.
511.7 Recovery of penalties.
511.8 Investment of funds.
511.8A Agricultural land.
511.9 Violations.
511.10 Rule of valuation.
511.11 Prohibited loans.
511.12 Officers not to profit by investments.
511.13 Disbursements — vouchers — affidavit.
511.14 Taxes — from what funds payable.
511.15 Repealed by 89 Acts, ch 83, §87.
511.16 Illegal business.
511.17 Contracts void — recovery — damages — attorney fees.
511.18 Fraud in procuring insurance. Repealed by 2004 Acts, ch 1110, §71.
511.19 Repealed by 76 Acts, ch 1245(4), §525.
511.20 and 511.21 Reserved.
511.22 May not advertise authorized capital.
511.23 Penalties.
511.24 Fees from domestic and foreign companies.
511.25 Repealed by 82 Acts, ch 1003, §15.
511.26 Fee statute — applicability.
511.27 Commissioner as process agent.
511.28 Service of process.
511.29 Interpretation.
511.30 Intoxication as defense. Repealed by 2003 Acts, ch 91, §51.
511.31 Physician's certificate — estoppel.
511.32 Misrepresentation of age.
511.33 Application for insurance — duty to attach to policy.
511.34 Failure to attach — defenses — estoppel.
511.35 Limitation on proofs of loss.
511.36 Interest rates on policy loans.
511.37 Repealed by 88 Acts, ch 1255, §8.
511.38 Interest on delayed claims payments.
511.39 Charitable organizations — insurable interest.
511.40 Employer — insurable interest in employees.


**511.1 Annual statement of foreign companies.**

Every company or association organized under the laws of any other state or country and doing business in this state shall annually, by the first day of March, file with the commissioner of insurance a statement of its affairs for the year terminating on the thirty-first day of December preceding, in the same manner and form provided for similar companies or associations organized in this state.

[C73, §1166; C97, §1799; C24, 27, 31, 35, 39, §**8728;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.1]

**511.2 Amended forms of statement.**

The commissioner may amend the form of the annual statement required to be made by companies or associations doing business in this state, and propose and require such additional matter to be covered therein as the commissioner may think necessary to elicit a full exhibit of the standing of any such company or association.

[C73, §1168; C97, §1799; C24, 27, 31, 35, 39, §**8729;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.2]

**511.3** Repealed by 85 Acts, ch 228, § 9.

**511.4 Advertisements — who deemed agent.**

The provisions of section 515.105 shall apply to life insurance companies and associations.

[C97, §1815; C24, 27, 31, 35, 39, §**8731;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.4]
2001 Acts, ch 16, §8, 37; 2001 Acts, ch 69, §12; 2007 Acts, ch 152, §57

**511.5** Repealed by 82 Acts, ch 1003, § 15.

**511.6** Repealed by 84 Acts, ch 1067, § 51.

**511.7 Recovery of penalties.**

Actions brought to recover any of the penalties provided for in this chapter shall be instituted in the name of the state by the county attorney of the county, under the direction and authority of the commissioner of insurance, and may be brought in the district court of any county in which the company or association proceeded against is engaged in the transaction of business, or in which the offending person resides, if it is against the person. The penalties, when recovered, shall be paid to the treasurer of state for deposit in the general fund of the state.

[C73, §1178; C97, §1802; C24, 27, 31, 35, 39, §**8734;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.7]

83 Acts, ch 185, §49, 62; 83 Acts, ch 186, §10106, 10201, 10204

Referred to in §331.756(70)

**511.8 Investment of funds.**

A company organized under chapter 508 shall, at all times, have invested in the securities provided in this section, funds equivalent to its legal reserve. Legal reserve is the net present value of all outstanding policies and contracts involving life contingencies. This section does not prohibit a company or association from holding a portion of its legal reserve in cash. The investment programs developed by companies shall take into account the safety of the company's principal, investment yield and return, stability in the value of the investment, and liquidity necessary to meet the company's expected business needs and investment diversification.

1. *United States government obligations.*

*a.* Bonds or other evidences of indebtedness issued, assumed, or guaranteed by the United States of America, or by any agency or instrumentality of the United States of America.

*b.* Bonds or other evidences of indebtedness issued, assumed, or guaranteed by the United States of America, or by any agency or instrumentality of the United States of America include investments in an open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7, the portfolio of which is limited to the United States government obligations described in paragraph "*a*", and which are included in the national association of insurance commissioners' securities valuation office's United States direct obligations – full faith and credit exempt list.

2. *State, District of Columbia, territorial and municipal obligations.* Bonds or other evidences of indebtedness issued, assumed, or guaranteed by the District of Columbia, or by any state, insular or territorial possession of the United States of America, or by any county, city, town, school, road, drainage, or other district located within any state, or insular or territorial possession of the United States of America, or by any civil subdivision or governmental authority of any such state, or insular or territorial possession, or by any instrumentality of any such state, or insular or territorial possession, civil subdivision, or governmental authority; provided that the obligations are valid, legally authorized and issued.

3. *Canadian government, provincial and municipal obligations.* Bonds or other evidences of indebtedness issued, assumed, or guaranteed by the Dominion of Canada, or by any province thereof, or by any municipality or district therein, provided that the obligations are valid, legally authorized and issued.

4. *International Bank bonds.* Bonds or other evidence of indebtedness issued, assumed or guaranteed by the International Bank for reconstruction and development, in an amount not to exceed two percent of its total assets as shown by the last annual report, or by the Inter-American Development Bank in an amount not to exceed two percent of its total assets as shown by the last annual report, by the Asian Development Bank in an amount not to exceed two percent of its total assets as shown by the last annual report or by the African

Development Bank in an amount not to exceed two percent of its total assets as shown by the last annual report. However, the combined investment in bonds or evidences of indebtedness permitted by this subsection shall not exceed four percent of its total assets as shown by the last annual report.

5. *Corporate obligations.* Subject to the restrictions contained in subsection 8, bonds or other evidences of indebtedness issued, assumed, or guaranteed by a corporation incorporated under the laws of the United States of America, or of any state, district, or insular or territorial possession thereof; or of the Dominion of Canada, or any province thereof; and which meet the following qualifications:

*a.* (1) If fixed interest-bearing obligations, the net earnings of the issuing, assuming, or guaranteeing corporation available for its fixed charges for a period of five fiscal years next preceding the date of acquisition of the obligations by such insurance company shall have averaged per year not less than one and one-half times such average annual fixed charges of the issuing, assuming, or guaranteeing corporation applicable to such period, and, during at least one of the last two years of such period, its net earnings shall have been not less than one and one-half times its fixed charges for such year; or if, at the date of acquisition, the obligations are adequately secured and have investment qualities and characteristics wherein the speculative elements are not predominant.

(2) However, with respect to fixed interest-bearing obligations which are issued, assumed, or guaranteed by a financial company, the net earnings by the financial company available for its fixed charges for the period of five fiscal years preceding the date of acquisition of the obligations by the insurance company shall have averaged per year not less than one and one-fourth times such average annual fixed charges of the issuing, assuming, or guaranteeing financial company applicable to such period, and, during at least one of the last two years of the period, its net earnings shall have been not less than one and one-fourth times its fixed charges for such year; or if, at the date of acquisition, the obligations are adequately secured and speculative elements are not predominant in their investment qualities and characteristics. As used in this subparagraph (2), *"financial company"* means a corporation which on the average over its last five fiscal years preceding the date of acquisition of its obligations by the insurer, has had at least fifty percent of its net income, including income derived from subsidiaries, derived from the business of wholesale, retail, installment, mortgage, commercial, industrial or consumer financing, or from banking or factoring, or from similar or related lines of business.

*b.* If adjustment, income, or other contingent interest obligations, the net earnings of the issuing, assuming, or guaranteeing corporation available for its fixed charges for a period of five fiscal years next preceding the date of acquisition of the obligations by such insurance company shall have averaged per year not less than one and one-half times such average annual fixed charges of the issuing, assuming, or guaranteeing corporation and its average annual maximum contingent interest applicable to such period and, during at least one of the last two years of such period, its net earnings shall have been not less than one and one-half times the sum of its fixed charges and maximum contingent interest for such year, or if, at the date of acquisition, the obligations are adequately secure and have investment qualities and characteristics and speculative elements are not predominant.

*c.* Are securities that at the date of acquisition are rated three by the securities valuation office of the national association of insurance commissioners or have the equivalent rating by a rating organization that is approved by the national association of insurance commissioners as an acceptable rating organization and are listed or admitted to trading on a securities exchange in the United States or are publicly held and actively traded in the over-the-counter market and market quotations are readily available. If a security acquired under this paragraph is subsequently downgraded from a three rating by the securities valuation office of the national association of insurance commissioners or from the equivalent rating by a national association of insurance commissioners' acceptable rating organization, the security no longer qualifies as a legal reserve investment.

*d.* The term *"net earnings available for fixed charges"* as used in this section means the net income after deducting all operating and maintenance expenses, taxes other than any

income taxes, depreciation, and depletion, but nonrecurring items of income or expense may be excluded.

*e.* The term "*fixed charges*" as used in this section includes interest on unfunded debt and funded debt on a parity with or having a priority to the obligation under consideration.

*f.* The term "*corporation*" as used in this chapter includes a joint stock association, a limited liability company, a partnership, or a trust.

*g.* The securities, real estate, and mortgages described in this section include participations, which means instruments evidencing partial or undivided collective interests in such securities, real estate, and mortgages.

6. *Preferred and guaranteed stocks.*

*a.* Subject to the restrictions contained in subsection 8 hereof, preferred stocks of, or stocks guaranteed by, a corporation incorporated under the laws of the United States of America, or of any state, district, insular or territorial possession thereof; or of the Dominion of Canada, or any province thereof; and which meet the following qualifications:

(1) Preferred stocks.

(a) All of the obligations and preferred stocks of the issuing corporation, if any, prior to the preferred stock acquired must be eligible as investments under this section as of the date of acquisition; and

(b) The net earnings available for fixed charges and preferred dividends of the issuing corporation shall have been, for each of the five fiscal years immediately preceding the date of acquisition, not less than one and one-half times the sum of the annual fixed charges and contingent interest, if any, and the annual preferred dividend requirements as of the date of acquisition; or at the date of acquisition the preferred stock has investment qualities and characteristics wherein speculative elements are not predominant.

(i) The term "*preferred dividend requirements*" shall mean cumulative or noncumulative dividends whether paid or not.

(ii) The term "*fixed charges*" shall be construed in accordance with subsection 5.

(iii) The term "*net earnings available for fixed charges and preferred dividends*" as used herein shall mean the net income after deducting all operating and maintenance expenses, taxes, including any income taxes, depreciation and depletion, but nonrecurring items may be excluded.

(2) Guaranteed stocks.

(a) All of the fixed interest-bearing obligations of the guaranteeing corporation, if any, must be eligible under this section as of the date of acquisition; and

(b) The net earnings available for fixed charges of the guaranteeing corporation shall meet the requirements outlined in paragraph "*a*" of subsection 5, except that all guaranteed dividends shall be included in "*fixed charges*".

*b.* Any investments in preferred stocks or guaranteed stocks made under the provisions of this subsection shall be considered as moneys and credits for purposes of taxation and their assessment shall be subject to deductions for indebtedness as provided by law in the case of assessment of moneys and credits in general. This provision shall be effective as to assessments made during the year 1947 and thereafter.

7. *Equipment trust obligations.* Subject to the restrictions contained in subsection 8, bonds, certificates, or other evidences of indebtedness secured by any transportation equipment used wholly or in part in the United States of America or Canada, that provide a right to receive determined rental, purchase or other fixed obligatory payments adequate to retire the obligations within twenty years from date of issue, and also provide:

*a.* For vesting of title to such equipment free from encumbrance in a corporate trustee, or

*b.* For creation of a first lien on such equipment.

8. *Further restrictions.* Securities included under subsections 5, 6, and 7 shall not be eligible:

*a.* If the corporation is in default on fixed obligations as of the date of acquisition. Securities provided in subsection 6, paragraph "*a*", subparagraph (1), shall not be eligible if the issuing corporation is in arrears with respect to the payment of any preferred dividends as of the date of acquisition.

*b.* The investments of any company or association in such securities shall not be eligible in excess of the following percentages of the legal reserve of such company or association:

(1) With the exception of public securities, two percent of the legal reserve in the securities of any one corporation. Five percent of the legal reserve in the securities of any one public utility corporation.

(2) Seventy-five percent of the legal reserve in the securities described in subsection 5 issued by other than public utility corporations. Fifty percent of the legal reserve in the securities described in subsection 5 issued by public utility corporations.

(3) Ten percent of the legal reserve in the securities described in subsection 6.

(4) Ten percent of the legal reserve in the securities described in subsection 7.

*c.* Statements adjusted to show the actual condition at the time of acquisition or the effect of new financing, known commercially as pro forma statements, may be used in determining whether investments under subsections 5 and 6 are in compliance with requirements. Statements so adjusted or consolidated statements may be used in order to include the earnings of all predecessor, merged, consolidated, or purchased companies.

*d.* In addition to the restrictions contained in paragraphs "*a*" and "*b*", the investments of any company or association in securities included under subsection 5, paragraph "*c*", are not eligible in excess of two percent of the legal reserve, but not more than one-eighth of one percent of the legal reserve shall be invested in the securities of any one corporation.

9. *Real estate bonds and mortgages.*

*a.* (1) Bonds, notes, obligations, or other evidences of indebtedness secured by mortgages or deeds of trust which are a first or second lien upon otherwise unencumbered real property and appurtenances thereto within the United States of America, or any insular or territorial possession of the United States, or the Dominion of Canada, and upon leasehold estates in real property where fifty years or more of the term including renewals is unexpired, provided that at the date of acquisition the total indebtedness secured by the first or second lien shall not exceed ninety percent of the value of the property upon which it is a lien. However, a company or organization shall not acquire an indebtedness secured by a first or second lien upon a single parcel of real property, or upon a leasehold interest in a single parcel of real property, in excess of two percent of its legal reserve. These limitations do not apply to obligations described in paragraphs "*b*", "*c*", "*d*", "*e*", "*f*", and "*g*" of this subsection.

(2) Improvements and appurtenances to real property shall not be considered in estimating the value of the property unless the owner contracts to keep the property adequately insured during the life of the loan in some reliable fire insurance companies, or associations, the insurance to be made payable in case of loss to the mortgagee, trustee, or assignee as its interest appears at the time of the loss.

(3) For the purpose of this subsection a mortgage or deed of trust is not other than a first or second lien upon property by reason of the existence of taxes or assessments that are not delinquent, instruments creating or reserving mineral, oil, or timber rights, rights-of-way, joint driveways, sewer rights, rights in walls or by reason of building restrictions or other like restrictive covenants, or when the real estate is subject to lease in whole or in part whereby rents or profits are reserved to the owner.

*b.* Bonds, notes, or other evidences of indebtedness representing loans and advances of credit that have been issued, guaranteed, or insured, in accordance with the terms and provisions of an Act of Congress of the United States of America approved June 27, 1934, entitled the "National Housing Act", 48 Stat. 1246, 12 U.S.C. § 1701 et seq., as amended to and including January 1, 2008, or of an Act of Congress of the United States of America approved July 24, 1970, entitled the "Federal Home Loan Mortgage Corporation Act", 84 Stat. 451, 12 U.S.C. § 1451 et seq., as amended to and including January 1, 2008.

*c.* Bonds, notes, or other evidences of indebtedness representing loans and advances of credit that have been issued or guaranteed, in whole or in part, in accordance with the terms and provisions of Tit. III of an Act of Congress of the United States of America approved June 22, 1944, known as Public Law 346, Pub. L. No. 78-268, cited as the "Servicemen's Readjustment Act of 1944", 58 Stat. 284, recodified at 72 Stat. 1105, 1273, 38 U.S.C. § 3701 et seq., as amended to and including January 1, 2008.

*d.* Contracts of sale, purchase money mortgages or deeds of trust secured by property

obtained through foreclosure, or in settlement or satisfaction of any indebtedness, or in the acquisition or disposition of real property acquired pursuant to subsection 14.

*e.* Bonds, notes, or other evidences of indebtedness representing loans and advances of credit that have been issued or guaranteed, in whole or in part, in accordance with Tit. I of the Bankhead-Jones Farm Tenant Act, an Act of the Congress of the United States, cited as the "Farmers Home Administration Act of 1946", 60 Stat. 1062, as amended to and including the effective date or dates of its repeal as set forth in 76 Stat. 318, or with Tit. III of an Act of Congress of the United States of America approved August 8, 1961, entitled the "Consolidated Farm and Rural Development Act", 75 Stat. 307, 7 U.S.C. § 1921 et seq., as amended to and including January 1, 2008.

*f.* Bonds, notes, obligations or other evidences of indebtedness secured by mortgages or deeds of trust which are a first lien upon unencumbered personal or real property or both personal and real property, including a leasehold of real estate, within the United States of America, or any insular or territorial possession of the United States of America, or the Dominion of Canada, under lease, purchase contract, or lease purchase contract to any governmental body or instrumentality whose obligations qualify under subsection 1, 2 or 3 of this section, or to a corporation whose obligations qualify under paragraph "*a*" of subsection 5 of this section, if the terms of the bond, note or other evidence of indebtedness provide for the amortization during the initial, fixed period of the lease or contract of one hundred percent of the indebtedness and there is pledged or assigned, as additional security for the loan, sufficient of the rentals payable under the lease, or of contract payments, to provide the required payments on the loan necessary to permit such amortization, including but not limited to payments of principal, interest, ground rents and taxes other than the income taxes of the borrower; provided, however, that where the security consists of a first mortgage or deed of trust lien on a fee interest in real property only, the bond, note or other evidence of indebtedness may provide for the amortization during the initial, fixed period of the lease or contract of less than one hundred percent of the indebtedness if there is to be left unamortized at the end of such period an amount not greater than the appraised value of the land only, exclusive of all improvements, and if there is pledged or assigned, as additional security for the loan, sufficient of the rentals payable under the lease, or of contract payments, to provide the required payments on the loan necessary to permit such amortization, including but not limited to payments of principal, interest, and taxes other than the income taxes of the borrower. Investments made in accordance with the provisions of this paragraph shall not be eligible in excess of twenty-five percent of the legal reserve, nor shall any one such investment in excess of five percent of the legal reserve be eligible.

*g.* Bonds, notes or other evidences of indebtedness representing loans and advances of credit that have been issued, guaranteed, or insured, in accordance with the terms and provisions of an Act of the federal Parliament of the Dominion of Canada, cited as the "National Housing Act", R.S.C. 1985, c. N-11 as amended to and including January 1, 2008.

10. *Real estate.*

*a.* Real estate in this state which is necessary for the accommodation of the company or association as a home office or in the transaction of its business. In the erection of buildings for such purposes, there may be added rooms for rent. Before the company or association invests any of its funds in accordance with this paragraph it shall first obtain the consent of the commissioner. The maximum amount which a company or association shall be permitted to invest in accordance with these provisions shall not exceed ten percent of the legal reserve. However, a stock company may invest such portion of its paid-up capital, in addition to ten percent of the legal reserve, as is not held to constitute a part of its legal reserve, under section 508.36, and the total legal reserve of the company shall be equal to or exceed the amount of its paid-up capital stock.

*b.* Any real estate acquired through foreclosure, or in settlement or satisfaction of any indebtedness. Any company or association may improve real estate so acquired or remodel existing improvements and exchange such real estate for other real estate or securities, and real estate acquired by such exchange may be improved or the improvements remodeled.

11. *Certificates of sale.* Certificates of sale obtained through foreclosure of liens on real estate.

12. *Policy loans.* Loans upon the security of the policies of the company or association and constituting a lien thereon in an amount not exceeding the legal reserve thereon.

13. *Collateral loans.* Loans secured by collateral consisting of any securities qualified in this section, provided the amount of the loan is not in excess of ninety percent of the value of the securities. Provided further that subsection 8 shall apply to the collateral securities pledged to the payment of loans authorized in this subsection.

14. *Urban real estate and personal property.*

*a.* Personal or real property or both located within the United States or the Dominion of Canada, other than real property used or to be used primarily for agricultural, horticultural, ranching or mining purposes, which produces income or which by suitable improvement will produce income. However, personal property acquired under this subsection shall be acquired for the purpose of entering into a contract for the sale or for a use under which the contractual payments may reasonably be expected to result in the recovery of the investment and an investment return within the anticipated useful life of the property. Legal title to the real property may be acquired subject to a contract of sale.

*b.* *"Real property"* as used in this subsection includes all of the following:

(1) A leasehold of real estate.

(2) An undivided interest in a leasehold of real estate.

(3) An undivided interest in the fee title of real estate.

(4) A controlling membership, partnership, shareholder, or trust interest in any entity created solely for the purpose of owning and operating any of the interests described in subparagraph (1), (2), or (3), if the entity is expressly limited to that purpose within its organizational documents.

*c.* Investments under this subsection are not eligible in excess of ten percent of the legal reserve.

15. *Railroad obligations.*

*a.* Bonds or other evidences of indebtedness which carry a fixed rate of interest and are issued, assumed or guaranteed by any railroad company incorporated under the laws of the United States of America, or of any state, district, insular or territorial possessions thereof, not in reorganization or receivership at the time of such investment, provided that the railroad company:

(1) Shall have had for the three-year period immediately preceding investment, for which the necessary data for the railroad company shall have been published, a balance of income available for fixed charges which shall have averaged per year not less than one and one-quarter times the fixed charges for the latest year of the period; and

(2) Shall have had for the three-year period immediately preceding investment, for which the necessary data for both the railroad company and all class I railroads shall have been published:

(a) A balance of income available for the payment of fixed charges at least as many times greater than the fixed charges for the latest year of the period as the balance of income available for the payment of fixed charges of all class I railroads for the same three-year period is times greater than the amount of all fixed charges for such class I railroads for the latest year of the period; and

(b) An amount of railway operating revenues remaining after deduction of three times the fixed charges for the latest year of the period from the balance of income available for the payment of fixed charges for the three-year period, which amount is as great a proportion of its railway operating revenues for the same three-year period as is the proportion of railway operating revenues remaining for all class I railroads, determined in the same manner and for the same period as for the railroad.

*b.* The terms *"class I railroads"*, *"balance of income available for the payment of fixed charges"*, *"fixed charges"* and *"railway operating revenues"* when used in this subsection, are to be given the same meaning as in the accounting reports filed by a railroad company in accordance with the regulations for common carriers by rail of the Interstate Commerce Act, 24 Stat. 379, codified at 49 U.S.C. § 1 – 40, 1001 – 1100, provided that the *"balance of income available for the payment of fixed charges"* and *"railway operating revenues remaining"*, as the terms are used in this subsection, shall be computed before deduction of federal income or

excess profits taxes; and that in computing *"fixed charges"* there shall be excluded interest and amortization charges applicable to debt called for redemption or which will otherwise mature within six months from the time of investment and for the payment of which funds have been or currently are being specifically set aside.

*c.* The eligibility of railroad obligations described in paragraph *"a"*, unnumbered paragraph 1, shall be determined exclusively as provided herein, without regard to the provisions for qualification contained in subsections 5 and 8. Provisions for qualification contained in this section shall not be construed as applying to equipment trust obligations, guaranteed stocks, or contingent interest bonds of railroad companies. Investments made in accordance with the provisions of this subsection shall not be eligible in excess of ten percent of the legal reserve.

16. *Deposit of securities.*

*a.* Securities in an amount not less than the legal reserve as defined in this section shall be deposited and the deposit maintained with the commissioner of insurance or at such places as the commissioner may designate as will properly safeguard them. There may be included in the deposit an amount of cash on hand not in excess of five percent of the deposit required, that deposit to be evidenced by a certified check, certificate of deposit, or other evidence satisfactory to the commissioner of insurance. Deposits of securities may be made in excess of the amounts required by this section. A stock company organized under the laws of this state shall not be required to make a deposit until the legal reserve, as ascertained by the commissioner, exceeds the amount deposited by it as capital. Real estate may be made a part of the deposit by furnishing evidence of ownership satisfactory to the commissioner and by conveying the real estate to the commissioner or the commissioner's successors in office by warranty deed. The commissioner and the successors in office shall hold the real estate in trust for the benefit of the policyholders of the company or members of the association. Real estate mortgage loans and policy loans may be made a part of the deposit by filing a verified statement of the loans with the commissioner, which statement is subject to check at the discretion of the commissioner.

*b.* The securities comprising the deposit of a company or association against which proceedings are pending under section 508.18 shall vest in the state for the benefit of all policyholders of the company or association.

*c.* Securities or title to real estate on deposit may be withdrawn at any time and other eligible securities may be substituted, provided the amount maintained on deposit is equal to the sum of the legal reserve and twenty-five thousand dollars. In the case of real estate the commissioner shall execute and deliver to the company or association a quitclaim deed to the real estate. Any company or association shall, if requested by the commissioner, at the time of withdrawing any securities on deposit, designate for what purpose the securities are being withdrawn.

*d.* Companies or associations having securities or title to real estate on deposit with the commissioner of insurance shall have the right to collect all dividends, interest, rent, or other income from the deposit unless proceedings against the company or association are pending under section 508.18, in which event the commissioner shall collect such interest, dividends, rent, or other income and add the same to the deposit.

*e.* Any company or association receiving payments or partial payments of principal on any securities deposited with the commissioner of insurance shall notify the commissioner of such fact at such times and in such manner as the commissioner may prescribe, giving the amount and date of payment.

*f.* The commissioner of insurance may receive on deposit securities or title to real estate of alien companies authorized to do business in the state of Iowa, for the purpose of securing its policyholders in the state of Iowa and the United States. The provisions of this subsection not inconsistent with the deposit agreement shall apply to the deposits of such alien companies.

*g.* Common stocks or shares issued by any federal home loan bank eligible for inclusion in the legal reserve under subsection 18, paragraph *"c"*, may be made a part of a deposit by filing a verified statement of the common stocks or shares issued by a federal home loan bank that are held in the legal reserve. Attached to the statement shall be the annual capital stock

statement of the respective federal home loan bank showing membership stock balance and activity-based stock balance.

*h.* Financial instruments used in hedging transactions and securities pledged as collateral for financial instruments used in highly effective hedging transactions eligible for inclusion in the legal reserve under subsection 22 may be made a part of the deposit by filing a verified statement of the financial instruments used or securities pledged pursuant to the terms and conditions of the applicable hedging transaction agreement or the applicable collateral or other credit support agreement.

17. *Rules of valuation.*

*a.* (1) All bonds or other evidences of debt having a fixed term and rate of interest, if amply secured and not in default as to principal or interest, may be valued as follows:

(a) If purchased at par, at the par value.

(b) If purchased above or below par, on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield in the meantime the effective rate of interest at which the purchase was made.

(2) In applying the rule contained in subparagraph (1), the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase.

*b.* Certificates of sale obtained by foreclosure of liens on real estate shall be valued in an amount not greater than the unpaid principal of the defaulted indebtedness plus any amounts actually expended for taxes and acquisition costs.

*c.* (1) All investments, except those for which a specific rule is provided in this subsection, shall be valued at their market value, or at their appraised value, or at prices determined by the commissioner of insurance as representing their fair market value, or at a value as determined under rules adopted by the national association of insurance commissioners.

(2) The commissioner of insurance shall have full discretion in determining the method of calculating values according to the foregoing rules, but no company or association shall be prevented from valuing any asset at an amount less than that provided by this subsection.

18. *Common stocks or shares.*

*a.* Common stocks or shares issued by solvent corporations or institutions are eligible if the total investment in stocks or shares in the corporations or institutions does not exceed ten percent of legal reserve, provided not more than one-half percent of the legal reserve is invested in stocks or shares of any one corporation. However, the stocks or shares shall be listed or admitted to trading on an established foreign securities exchange or a securities exchange in the United States or shall be publicly held and traded in the "over-the-counter market" and market quotations shall be readily available, and further, the investment shall not create a conflict of interest for an officer or director of the company between the insurance company and the corporation whose stocks or shares are purchased.

*b.* Common stocks or shares in a subsidiary corporation, the acquisition or purchase of which is authorized by section 508.33 are eligible if the total investment in these stocks or shares does not exceed five percent of the legal reserve; provided, however, that common stocks or shares of stock in a direct or indirect subsidiary insurance company which is domiciled in the United States are eligible up to an additional two percent of the legal reserve upon application by the insurer to and upon approval by the commissioner. Stocks or shares of the insurer's subsidiary corporations are not eligible in total in excess of seven percent of the legal reserve and the stock or shares of any one subsidiary corporation are not eligible in excess of five percent of the legal reserve. These stocks or shares are eligible even if the stocks or shares are not listed or admitted to trading on a securities exchange in the United States and are not publicly held and have not been traded in the "over-the-counter market". The stocks or shares shall be valued at their book value; provided, however, that stocks or shares of a direct or indirect subsidiary insurance company held in the legal reserve of up to an additional two percent of the legal reserve shall be valued at their statutory book value, excluding approved permitted practices.

*c.* Common stocks or shares issued by any federal home loan bank under the Federal Home Loan Bank Act, 12 U.S.C. § 1421 et seq., and the Acts amendatory thereof, are eligible if the total investment in those stocks or shares does not exceed one-half of one percent of the legal reserve.

19. *Other foreign government or corporate obligations.*

*a.* Bonds or other evidences of indebtedness, not to include currency, issued, assumed, or guaranteed by a foreign government other than Canada, or by a corporation incorporated under the laws of a foreign government other than Canada. Such governmental obligations must be valid, legally authorized and issued, and on the date of acquisition have predominantly investment qualities and characteristics as provided by rule. Such corporate obligations must meet the qualifications established in subsection 5 for bonds and other evidences of indebtedness issued, assumed, or guaranteed by a corporation incorporated under the laws of the United States or Canada. Foreign investments authorized by this subsection are not eligible in excess of twenty-five percent of the legal reserve of the life insurance company or association. Investments in obligations of a foreign government, other than Canada, the United Kingdom, and foreign governments rated AAA by Standard and Poor's division of McGraw-Hill companies, inc., or Aaa by Moody's investors services, inc., are not eligible in excess of two percent of the legal reserve in the securities of foreign governments of any one foreign nation. Investments in obligations of the United Kingdom are not eligible in excess of four percent of the legal reserve. Investments in obligations of foreign governments rated either AAA by Standard and Poor's division of McGraw-Hill companies, inc., or Aaa by Moody's investors services, inc., are not eligible in excess of five percent of the legal reserve. Investments in a corporation incorporated under the laws of a foreign government other than Canada are not eligible in excess of two percent of the legal reserve in the securities of any one foreign corporation.

*b.* Eligible investments in foreign obligations under this subsection are limited to the types of obligations specifically referred to in this subsection. This subsection in no way limits or restricts investments in Canadian obligations and securities specifically authorized in other subsections of this section.

*c.* This subsection shall not authorize investment in evidences of indebtedness issued, assumed, or guaranteed by a foreign government which engages in a consistent pattern of gross violations of human rights.

20. *Venture capital funds.*

*a.* Shares or equity interests in venture capital funds which agree to invest an amount equal to at least fifty percent of the funds in small businesses having their principal offices within this state and having either more than one half of their assets within this state or more than one half of their employees employed within this state. A company shall not invest more than five percent of its legal reserve under this subsection.

*b.* For purposes of this subsection, "*venture capital fund*" means a corporation, partnership, proprietorship, or other entity formed under the laws of the United States, or a state, district, or territory of the United States, whose principal business is or will be the making of investments in, and the provision of significant managerial assistance to, small businesses which meet the small business administration definition of small business. "*Equity interests*" means limited partnership interests and other equity interests in which liability is limited to the amount of the investment, but does not mean general partnership interests or other interests involving general liability. "*Venture capital fund*" includes an equity interest in the Iowa fund of funds as defined in section 15E.62.

21. *Use of custodian banks, clearing corporations, and the federal reserve book-entry system.*

*a.* As used in this subsection:

(1) "*Clearing corporation*" means a corporation as defined in section 554.8102.

(2) "*Custodian bank*" means a federal or state bank or trust company regulated under the Iowa banking laws or the federal reserve system, which maintains an account in its name in a clearing corporation and acts as custodian of securities owned by a domestic insurer.

(3) "*Federal reserve book-entry system*" means the computerized system sponsored by the United States department of the treasury and certain agencies and instrumentalities of the United States for holding and transferring securities of the United States government and its agencies and instrumentalities, in the federal reserve banks through national banks, state banks, or trust companies, which either are members of the federal reserve system or otherwise have access to the computerized systems.

*b.* Securities deposited by a domestic insurance company with a custodian bank, or redeposited by a custodian bank with a clearing corporation, or held in the federal reserve book-entry system may be used to meet the deposit requirements of subsection 16. The commissioner shall adopt rules necessary to implement this section which:

(1) Establish guidelines on which the commissioner determines whether a custodian bank qualifies as a bank in which securities owned by an insurer may be deposited for the purpose of satisfying the requirements of subsection 16.

(2) Designate those clearing corporations in which securities owned by insurers may be deposited.

(3) Set forth provisions that custodian agreements executed between custodian banks and insurers shall contain. These shall include provisions stating that minimum deposit levels shall be maintained and that the parties agree securities in deposits with custodian banks shall vest in the state in accordance with section 508.18 whenever proceedings under that section are instituted.

(4) Establish other safeguards applicable to the use of custodian banks and clearing corporations by insurers which the commissioner believes necessary to protect the policyholders of the insurers.

*c.* A security owned by a domestic insurer and deposited in a custodian bank or clearing corporation does not qualify for purposes of its legal reserve deposit unless the custodian bank and clearing corporation are approved by the commissioner for that purpose.

22. *Financial instruments used in hedging transactions.*

*a.* As used in this subsection, unless the context otherwise requires:

(1) "*Financial instrument*" means an agreement, option, instrument, or any series or combination agreement, option, or instrument that provides for either of the following:

(a) To make or take delivery of, or assume or relinquish, a specified amount of one or more underlying interests, or to make a cash settlement in lieu of such delivery or relinquishment.

(b) Which has a price, performance, value, or cash flow based primarily upon the actual or expected price, level, performance, value, or cash flow of one or more underlying interests.

(2) "*Financial instrument transaction*" means a transaction involving the use of one or more financial instruments.

(3) "*Hedging transaction*" means a financial instrument transaction which is entered into and maintained to reduce either of the following:

(a) The risk of a change in the value, yield, price, cash flow, or quality of assets or liabilities which the domestic insurer has acquired and maintains as qualified assets in its legal reserve deposit or which liabilities the domestic insurer has incurred and form the basis for calculation of its legal reserve.

(b) The currency exchange-rate risk or the degree of exposure as to assets or liabilities which the domestic insurer has acquired or incurred.

(4) "*United States government-sponsored enterprise*" means the federal national mortgage corporation under 12 U.S.C. § 1716 – 1723i of the National Housing Act and the federal home loan marketing association under the Federal Home Loan Mortgage Act, 12 U.S.C. § 1451 – 1459.

*b.* To be eligible as investments, financial instruments used in hedging transactions shall be either of the following:

(1) Be between an insurer and a counterparty that meets the qualifications established in subsection 5 for an issuer, obligor, or guarantor of bonds or other evidences of indebtedness issued, assumed, or guaranteed by a corporation incorporated under the laws of the United States or of any state, district, or insular or territorial possession thereof, or Canada, or that meets the qualifications established in subsection 19 for an issuer, obligor, or guarantor of bonds or other evidences of indebtedness issued, assumed, or guaranteed by a corporation incorporated under the laws of a foreign government other than Canada.

(2) Be between an insurer and a conduit and be collateralized by cash or obligations which are eligible under subsection 1, 2, 3, 5, 19, or 24, are deposited with a custodian bank as defined in subsection 21, and are held under a written agreement with the custodian bank that complies with subsection 21 and provides for the proceeds of the collateral, subject to the terms and conditions of the applicable collateral or other credit support agreement, to be

remitted to the legal reserve deposit of the company or association and to vest in the state in accordance with section 508.18 whenever proceedings under that section are instituted. Paragraphs *"c"*, *"d"*, and *"e"* of this subsection are not applicable to investments in financial instruments used in hedging transactions eligible pursuant to this subparagraph. As used in this subparagraph, *"conduit"* means a person within an insurer's insurance holding company system, as defined in section 521A.1, subsection 5, which aggregates hedging transactions by other persons within the insurance holding company system and replicates them with counterparties.

(a) Financial instruments used in hedging transactions between an insurer and a conduit which are collateralized by obligations eligible under subsection 5, 19, or 24 are eligible only to the extent that such securities deposited as collateral are not in excess of two percent of the legal reserve in the securities of any one corporation, less any securities of that corporation owned by the insurer or which are the subject of hedging transactions by the insurer, that are included in the insurer's legal reserve.

(b) Financial instruments used in hedging transactions between an insurer and a conduit which are collateralized by obligations eligible under subsection 5 or by cash equivalents eligible under subsection 24, other than a class one money market fund, are eligible only to the extent that such securities deposited as collateral are not in excess of ten percent of the legal reserve, less any obligations eligible under subsection 5 or cash equivalents eligible under subsection 24, other than a class one money market fund, owned by the insurer or which are the subject of hedging transactions by the insurer, that are included in the insurer's legal reserve.

(c) Financial instruments used in hedging transactions between an insurer and a conduit which are collateralized by obligations eligible under subsection 19 are eligible only to the extent that such securities deposited as collateral are not in excess of twenty percent of the legal reserve, less any securities eligible under subsection 19 owned by the insurer or which are the subject of hedging transactions by the insurer, that are included in the insurer's legal reserve.

(3) Financial instruments used in hedging transactions shall be eligible only as provided by this paragraph *"b"* and rules adopted by the commission pursuant to chapter 17A setting standards for hedging transactions between an insurer and a conduit as authorized under section 521A.5, subsection 1, paragraph *"b"*.

*c.* Investments in financial instruments used in hedging transactions are not eligible in excess of two percent of the legal reserve in the financial instruments of any one corporation, less any securities of that corporation owned by the company or association and in which its legal reserve is invested, except insofar as the financial instruments are collateralized by cash, United States government obligations as authorized by subsection 1, or obligations of or guaranteed by a United States government-sponsored enterprise which on the date they are pledged as collateral are adequately secured and have investment qualities and characteristics wherein the speculative elements are not predominant, which are deposited with a custodian bank as defined in subsection 21, and held under a written agreement with the custodian bank that complies with subsection 21 and provides for the proceeds of the collateral, subject to the terms and conditions of the applicable collateral or other credit support agreement, to be remitted to the legal reserve deposit of the company or association and to vest in the state in accordance with section 508.18 whenever proceedings under that section are instituted.

*d.* Investments in financial instruments used in hedging transactions are not eligible in excess of ten percent of the legal reserve, except insofar as the financial instruments are collateralized by cash, United States government obligations as authorized by subsection 1, or obligations of or guaranteed by a United States government-sponsored enterprise which on the date they are pledged as collateral are adequately secured and have investment qualities and characteristics wherein the speculative elements are not predominant, which are deposited with a custodian bank as defined in subsection 21, and held under a written agreement with the custodian bank that complies with subsection 21 and provides for the proceeds of the collateral, subject to the terms and conditions of the applicable collateral or other credit support agreement, to be remitted to the legal reserve deposit of the company or

association and to vest in the state in accordance with section 508.18 whenever proceedings under that section are instituted.

*e.* (1) Investments in financial instruments of foreign governments or foreign corporate obligations, other than Canada, used in hedging transactions shall be included in the limitation contained in subsection 19 that allows only twenty percent of the legal reserve of the company or association to be invested in such foreign investments, except insofar as the financial instruments are collateralized by cash, United States government obligations as authorized by subsection 1, or obligations of or guaranteed by a United States government-sponsored enterprise which on the date they are pledged as collateral are adequately secured and have investment qualities and characteristics wherein the speculative elements are not predominant, which are deposited with a custodian bank as defined in subsection 21, and held under a written agreement with the custodian bank that complies with subsection 21 and provides for the proceeds of the collateral, subject to the terms and conditions of the applicable collateral or other credit support agreement, to be remitted to the legal reserve deposit of the company or association and to vest in the state in accordance with section 508.18 whenever proceedings under that section are instituted.

(2) This paragraph *"e"* does not authorize the inclusion of financial instruments used in hedging transactions in an insurer's legal reserve that are in excess of the eligibility limitation provided in paragraph *"d"* unless the financial instruments are collateralized as provided in this paragraph *"e"*.

*f.* Prior to engaging in hedging transactions under this subsection, a domestic insurer shall develop and adequately document policies and procedures regarding hedging transaction strategies and objectives. Such policies and procedures shall address authorized hedging transactions, limitations, internal controls, documentation, and authorization and approval procedures. Such policies and procedures shall also provide for review of hedging transactions by the domestic insurer's board of directors or the board of directors' designee.

*g.* A domestic insurer shall be able to demonstrate to the commissioner the intended hedging characteristics of hedging transactions under this subsection and the ongoing effectiveness of each hedging transaction or combination of hedging transactions.

*h.* Financial instruments used in hedging transactions shall only be eligible in accordance with this subsection after the commissioner has adopted rules pursuant to chapter 17A regulating hedging transactions under this subsection.

*i.* Securities held in the legal reserve of a life insurance company or association pledged as collateral for financial instruments used in highly effective hedging transactions as defined in the national association of insurance commissioners' statement of statutory accounting principles no. 86 shall continue to be eligible for inclusion in the legal reserve of the life insurance company or association subject to all of the following:

(1) The life insurance company or association does not include the financial instruments used in highly effective hedging transactions for which the securities are pledged as collateral in the legal reserve of the life insurance company or association, provided, however, that this subparagraph shall not exclude securities pledged to a counterparty, clearing organization, or clearinghouse on an upfront basis in the form of initial margin, independent amount, or other securities pledged as a precondition of entering into financial instruments used in highly effective hedging transactions from inclusion in the legal reserve of the life insurance company or association.

(2) Securities pledged as collateral for financial instruments used in highly effective hedging transactions together with securities pledged to a counterparty, clearing organization, or clearinghouse on an upfront basis in the form of initial margin, independent amount, or other securities pledged as a precondition of entering into financial instruments used in highly effective hedging transactions pursuant to subparagraph (1), are not eligible in excess of ten percent of the legal reserve of the life insurance company or association, less any financial instruments used in hedging transactions held in the legal reserve under this subsection.

23. *Security loans.*

*a.* A life insurance company or association may loan securities held by it in its legal reserve to a broker-dealer registered under the Securities Exchange Act of 1934, a national bank, or

a state bank, foreign bank, or trust company that is a member of the United States federal reserve system, and the loaned securities shall continue to be eligible for inclusion in the legal reserve of the life insurance company or association.

*b.* The loan shall be fully collateralized by cash, cash equivalents, or obligations issued or guaranteed by the United States or an agency or instrumentality of the United States. The life insurance company or association shall take delivery of the collateral either directly or through an authorized custodian.

*c.* If the loan is collateralized by cash or cash equivalents, the cash or cash equivalent collateral may be reinvested by the life insurance company or association in class one money market funds as defined in subsection 24, individual securities which are eligible for inclusion in the legal reserve of the life insurance company or association, or in repurchase agreements fully collateralized by such securities if the life insurance company or association takes delivery of the collateral either directly or through an authorized custodian or pooled fund comprised of individual securities which are eligible for inclusion in the legal reserve of the life insurance company or association. If such reinvestment is made in individual securities or in repurchase agreements, the individual securities or the securities which collateralize the repurchase agreements shall mature in less than two hundred seventy days. If such reinvestment is made in a pooled fund, the average maturity of the securities comprising such pooled fund must be one hundred eighty days or less and the individual maturities of the securities comprising such pooled fund must be three hundred ninety-seven days or less. Individual securities and securities comprising the pooled fund shall be investment grade. As used in this paragraph, "*maturity*" means the earlier of the fixed date on which the holder of the security is unconditionally entitled to receive principal and interest in full or the date on which the holder of the security is unconditionally entitled upon demand to receive principal and interest in full.

*d.* The loan shall be evidenced by a written agreement which provides all of the following:

(1) That the loan will be fully collateralized at all times during the term of the loan, and that the collateral will be adjusted as necessary each business day during the term of the loan to maintain the required collateralization in the event of market value changes in the loaned securities or collateral.

(2) If the loan is fully collateralized by cash or cash equivalents, the cash or cash equivalent may be reinvested by the life insurance company or association as provided in paragraph "*c*".

(3) That the loan may be terminated by the life insurance company or association at any time, and that the borrower shall return the loaned stocks or obligations or equivalent stocks or obligations within five business days after termination.

(4) That the life insurance company or association has the right to retain the collateral or use the collateral to purchase investments equivalent to the loaned securities if the borrower defaults under the terms of the agreement, and that the borrower remains liable for any losses and expenses incurred by the life insurance company or association due to default that are not covered by the collateral.

*e.* Securities loaned pursuant to this subsection are not eligible for inclusion in the legal reserve of the life insurance company or association in excess of ten percent of the legal reserve.

*f.* A life insurance company or association may continue to hold in the legal reserve of the life insurance company or association securities which are the subject of a reverse repurchase agreement. If such securities are held in the legal reserve of a life insurance company or association, the securities shall be subject to the limitations of paragraph "*e*" as if they were securities loaned pursuant to this subsection.

*g.* For securities loaned pursuant to this subsection that are included in the legal reserve of the life insurance company or association, the collateral received for the loaned securities shall not be eligible for inclusion in the legal reserve.

24. *Cash equivalents.*

*a.* As used in this subsection, unless the context otherwise requires:

(1) "*Cash equivalents*" means highly liquid investments with an original term to maturity of ninety days or less that are all of the following:

(a) Readily convertible to a known amount of cash without penalty.

(b) So near maturity that the investment presents an insignificant risk of change in value.

(c) Rated any of the following:

(i) "P-1" by Moody's investors services, inc.

(ii) "A-1" by Standard and Poor's division of McGraw-Hill companies, inc., or by the national association of insurance commissioners' securities valuation office.

(iii) Equivalent by a nationally recognized statistical rating organization that is recognized by the national association of insurance commissioners' securities valuation office.

(2) *"Class one money market fund"* means investments in an open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7, that qualifies for investment using the bond class one reserve factor under the purposes and procedures of the national association of insurance commissioners' securities valuation office.

*b.* Cash equivalents include a class one money market fund.

*c.* Cash equivalents, other than a class one money market fund, are not eligible in excess of two percent of the legal reserve in the obligations of any one corporation, and are not eligible in excess of ten percent of the legal reserve.

[C73, §1179 – 1181; C97, §1791 – 1793, 1803, 1804, 1806, 1807; SS15, §1806; C24, 27, 31, 35, 39, §**8698 – 8701, 8735 – 8739, 8741, 8742, 8744, 8747;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.8; 81 Acts, ch 168, §1; 82 Acts, ch 1095, §2 – 5]

84 Acts, ch 1067, §40; 85 Acts, ch 136, §1; 85 Acts, ch 228, §4; 85 Acts, ch 252, §31; 87 Acts, ch 64, §1 – 4; 88 Acts, ch 1112, §205; 89 Acts, ch 83, §69; 89 Acts, ch 311, §29; 91 Acts, ch 26, §38, 59, 60; 96 Acts, ch 1013, §1; 96 Acts, ch 1138, §1, 84; 98 Acts, ch 1014, §1; 2000 Acts, ch 1023, §15 – 18, 60; 2002 Acts, ch 1119, §179; 2003 Acts, ch 91, §20; 2004 Acts, ch 1110, §28 – 31; 2006 Acts, ch 1010, §136, 137; 2006 Acts, ch 1117, §50 – 54; 2008 Acts, ch 1123, §20 – 23; 2009 Acts, ch 145, §8; 2010 Acts, ch 1121, §10 – 14; 2011 Acts, ch 70, §24, 25; 2011 Acts, ch 131, §70, 158; 2012 Acts, ch 1023, §110, 111; 2012 Acts, ch 1138, §35; 2013 Acts, ch 30, §125; 2013 Acts, ch 90, §152; 2013 Acts, ch 124, §11 – 14

Referred to in §508.13, 508.14, 508.29, 508.33A, 508C.8, 511.8A, 511.9, 512B.21, 514B.15, 521A.2, 521G.6
Similar provisions, §515.35
Subsection 5, paragraph c amended
Subsection 14 amended
Subsection 22, paragraph a, subparagraph (4) amended
Subsection 22, paragraph i, subparagraph (2) amended
Subsection 22, paragraph i, subparagraph (3) stricken
Subsection 23, NEW paragraph g

**511.8A Agricultural land.**

Agricultural land, as defined in section 9H.1, acquired as provided in section 511.8, subsection 10, paragraph *"b"*, by a life insurance company or association incorporated by or organized under the laws of this or any other state, shall be sold or otherwise disposed of by the company or association within five years after title is vested in the company or association. A life insurance company or association is a corporation for purposes of chapter 9H.

89 Acts, ch 311, §30

**511.9 Violations.**

The commissioner shall have authority to suspend or revoke the certificate of authority of any company or association failing to comply with any of the provisions of section 511.8, or for violating the same.

[SS15, §1806; C24, 27, 31, 35, 39, §**8745;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.9]

**511.10 Rule of valuation.**

1. All bonds or other evidences of debt having a fixed term and rate, held by any fraternal beneficiary association authorized to do business in this state may, if amply secured and not in default as to principal and interest, be valued as follows:

*a.* If purchased at par, at the par value.

*b.* If purchased above or below par, on the basis of the purchase price adjusted so as to

bring the value to par at maturity and so as to yield in the meantime the effective rate of interest at which the purchase was made.

2. Provided that the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase.

3. The commissioner of insurance shall have full discretion in determining the method of calculating values according to the foregoing rule.

[C24, 27, 31, 35, 39, §**8746;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.10]

2012 Acts, ch 1023, §157

**511.11 Prohibited loans.**

No insurance company or association organized under the statutes of this state to transact an insurance business, shall invest its capital, surplus funds, or other assets, in or loan the same on property owned by any officer or director of such company or by any of the immediate members of the family of any such officer or director.

[C24, 27, 31, 35, 39, §**8748;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.11]

**511.12 Officers not to profit by investments.**

No such officer or director shall gain through the investment of funds of any such company.

[C24, 27, 31, 35, 39, §**8749;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.12]

**511.13 Disbursements — vouchers — affidavit.**

No domestic life insurance company shall make any disbursement of one hundred dollars or more unless the same be evidenced by a voucher signed by or on behalf of the person, firm, or corporation receiving the money and correctly describing the consideration for the payment. If the expenditure be for both services and disbursements the voucher shall set forth the services rendered and an itemized statement of the disbursements made. When such voucher cannot be obtained the expenditure shall be evidenced by an affidavit of some officer or agent of said company describing the character and object of the expenditure and stating the reason for not obtaining such voucher.

[S13, §1820-a; C24, 27, 31, 35, 39, §**8750;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.13]

**511.14 Taxes — from what funds payable.**

In case this or any other state shall impose or levy any tax on any company or association, the same may be paid from any surplus or emergency fund of such company or association.

[C97, §1821; C24, 27, 31, 35, 39, §**8751;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.14]

**511.15** Repealed by 89 Acts, ch 83, § 87.

**511.16 Illegal business.**

It shall be unlawful for any officer, manager, or agent of any life insurance company or association, with knowledge that it is doing business in an unlawful manner or is insolvent, to solicit or receive applications for insurance with the company or association, or to do any other act or thing toward procuring or receiving any new business for the company or association.

[C97, §1814; C24, 27, 31, 35, 39, §**8755;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.16]

2004 Acts, ch 1110, §32

**511.17 Contracts void — recovery — damages — attorney fees.**

All contracts, promises, and agreements made by any person to or with any such company or association concerning any premium, policy, or certificate of new business, after the revocation of its certificates or denial of authority to do business, shall be null and void, and all payments of premium or assessments advanced or made by any person on account of any such policy, certificate of new business, or upon any arrangement therefor, may be recovered from such company or association, or its agent to whom payment was advanced or made, or from both of them, and in addition thereto plaintiff may recover an equal amount

as liquidated damages, together with a reasonable fee to plaintiff's attorney for services in the case.

[C97, §1814; C24, 27, 31, 35, 39, §**8756;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.17]

Referred to in §507.16

**511.18 Fraud in procuring insurance.** Repealed by 2004 Acts, ch 1110, § 71.

**511.19** Repealed by 76 Acts, ch 1245(4), § 525.

**511.20 and 511.21** Reserved.

**511.22 May not advertise authorized capital.**

No insurance company shall be permitted to advertise or publish an authorized capital, or to represent in any manner itself as possessed of any greater capital than that actually paid up and invested.

[S13, §1783-g; C24, 27, 31, 35, 39, §**8761;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.22]

Referred to in §511.23

**511.23 Penalties.**

Any person, firm, or corporation violating any of the provisions of section 511.22, or sections 515.8 to 515.11 or failing to comply with any of the provisions therein, shall be subjected to the penalties provided in sections 507.10 and 507.12.

[S13, §1783-h; C24, 27, 31, 35, 39, §**8762;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.23]

**511.24 Fees from domestic and foreign companies.**

When not otherwise provided, a foreign or domestic life insurance company doing business in this state shall pay to the commissioner of insurance the following fees:

1. For filing an application to do business, or an application to renew a certificate of authority, fifty dollars.
2. For issuing a certificate of authority to do business in this state, or for renewing a certificate, fifty dollars.
3. For filing amended articles of incorporation, fifty dollars.
4. For issuing an amended certificate of authority, twenty-five dollars.
5. For affixing the official seal to any paper filed with the division, ten dollars.

[C73, §1183; C97, §1818; C24, 27, 31, 35, 39, §**8763, 8764;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.24, 511.25; 82 Acts, ch 1003, §5]

88 Acts, ch 1112, §206, 303

Referred to in §507A.4, 511.26, 514B.22, 514B.33

**511.25** Repealed by 82 Acts, ch 1003, § 15.

**511.26 Fee statute — applicability.**

The provisions of the chapter on insurance other than life apply as to fees under this chapter and chapter 508 except as modified by section 511.24.

[C97, §1818; C24, 27, 31, 35, 39, §**8765;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.26]

83 Acts, ch 101, §107; 89 Acts, ch 83, §70

Insurance other than life, chapter 515

**511.27 Commissioner as process agent.**

Every life insurance company and association shall, before receiving a certificate to do business in this state or any renewal of a certificate to do business in this state, file in the office of the commissioner of insurance a power of attorney and an agreement in writing that service of notice or process of any kind may be made on the commissioner that shall be as valid, binding, and effective for all purposes as if served upon the company according to the

laws of this or any other state, and waiving all claim or right of error due to the filing of the power of attorney and the agreement regarding service of notice or process.

[C73, §1165; C97, §1808; C24, 27, 31, 35, 39, §**8766;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.27]

2003 Acts, ch 91, §21

Referred to in §511.29

**511.28 Service of process.**

Any notice or process, with three copies of the notice or process, may be mailed to the commissioner at Des Moines, Iowa, in a certified mail letter addressed to the commissioner by the commissioner's official title. The commissioner shall acknowledge service on behalf of the defendant foreign insurance company by writing, giving the date of receipt of the notice or process, and shall return the notice or process in a certified mail letter to the clerk of the court in which the suit is pending, addressed to the clerk by the clerk's official title, and shall also mail a copy, with a copy of the commissioner's acknowledgment of service written thereon, in a certified mail letter addressed to the person or corporation named or designated by such company in the written instrument. Notice or process received prior to 10 a.m. shall be forwarded the same working day. Notice or process received after 10 a.m. shall be forwarded the next working day. A fee of fifteen dollars must accompany the request for notice or process.

[C73, §1165; C97, §1808; C24, 27, 31, 35, 39, §**8767;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.28]

92 Acts, ch 1162, §15; 99 Acts, ch 165, §7

Referred to in §511.29

**511.29 Interpretation.**

The provisions of sections 511.27 and 511.28 are merely additions to the general provisions of law on the subjects therein referred to, and are not to be construed to be exclusive.

[C97, §1809; C24, 27, 31, 35, 39, §**8768;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.29]

Service generally, chapter 617

**511.30 Intoxication as defense.** Repealed by 2003 Acts, ch 91, § 51.

**511.31 Physician's certificate — estoppel.**

In any case where the medical examiner, or physician acting as such, of any life insurance company or association doing business in the state shall issue a certificate of health or declare the applicant a fit subject for insurance, or so report to the company or association or its agent under the rules and regulations of such company or association, it shall be thereby estopped from setting up in defense of the action on such policy or certificate that the assured was not in the condition of health required by the policy at the time of the issuance or delivery thereof, unless the same was procured by or through the fraud or deceit of the assured.

[C97, §1812; C24, 27, 31, 35, 39, §**8770;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.31]

**511.32 Misrepresentation of age.**

In all cases where it shall appear that the age of the person insured has been understated in the proposal, declaration or other instrument upon which a policy of life insurance has been founded or issued, then the amount payable under the policy shall be such as the premium paid would have purchased at the correct age; provided, however, that one who, by misstating one's age, obtains life insurance not otherwise obtainable shall be entitled to recover from the insurer on account of such policy only the aggregate premiums paid.

[C97, §1813; C24, 27, 31, 35, 39, §**8771;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.32]

**511.33 Application for insurance — duty to attach to policy.**

All life insurance companies or associations organized or doing business in this state under the provisions of the preceding chapters shall, upon the issue of any policy, attach to such policy, or endorse thereon, a true copy of any application or representation of the assured which by the terms of such policy are made a part thereof, or of the contract of insurance,

or referred to therein, or which may in any manner affect the validity of such policy, or, upon reinstatement of a lapsed policy, shall attach to the renewal receipt a true copy of all representations made by the assured upon which the renewal or reinstatement is made.

[C97, §1819; C24, 27, 31, 35, 39, §**8772;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.33]

Referred to in §511.34

Similar provisions, §515.133

**511.34 Failure to attach — defenses — estoppel.**

The omission so to do shall not render the policy invalid, but if any company or association neglects to comply with the requirements of section 511.33, it shall forever be precluded from pleading, alleging, or proving such application or representations, or any part thereof, or the falsity thereof, or any part thereof, in any action upon such policy, and the plaintiff in any such action shall not be required, in order to recover against such company or association, either to plead or prove such application or representation, but may do so at the plaintiff's option.

[C97, §1819; C24, 27, 31, 35, 39, §**8773;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.34]

Similar provisions, §515.134

**511.35 Limitation on proofs of loss.**

No stipulation or condition in any policy or contract of insurance or beneficiary certificate issued by any company or association mentioned or referred to in this chapter, limiting the time to a period of less than one year after knowledge by the beneficiary within which notice or proofs of death or the occurrence of other contingency insured against must be given, shall be valid.

[C97, §1820; S13, §1820; C24, 27, 31, 35, 39, §**8774;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §511.35]

**511.36 Interest rates on policy loans.**

1. Life insurance policies issued after July 1, 1984 may provide interest rates on policy loans in accordance with either of the following:

*a.* A maximum interest rate of not more than eight percent per annum.

*b.* An adjustable maximum interest rate established as permitted under this section.

2. The rate of interest charged on a policy loan made under subsection 1, paragraph *"b"*, shall not exceed the greater of the following:

*a.* The published monthly average for the calendar month ending two months before the date on which the rate is determined. For purposes of this subsection, *"published monthly average"* means one of the following:

(1) Moody's corporate bond yield average-monthly average corporates as published in Moody's investors service, inc., or any successor to the investors service.

(2) If Moody's corporate bond yield average-monthly average corporates is no longer published, a substantially similar average established by rule issued by the commissioner of insurance.

*b.* The rate used to compute the cash surrender values under the policy during the applicable period plus one percent per annum.

3. If the maximum rate of interest is determined under subsection 1, paragraph *"b"*, the policy shall state the frequency at which the rate is to be determined for that policy.

4. The maximum rate for the policy shall be determined at established intervals at least once every twelve months, but not more frequently than once every three months. At the intervals established in the policy the rate:

*a.* May be increased when an increase as determined under subsection 2 would increase the charged rate by one-half percent or more per annum.

*b.* Shall be reduced when a reduction as determined under subsection 2 would decrease the charged rate by one-half percent or more per annum.

5. When a cash loan is made, the insurer shall notify the policyholder of the initial interest rate on the loan. With respect to premium loans, the insurer shall notify the policyholder of the initial interest rate as soon as the insurer can reasonably do so after making the loan. An insurer need not inform the policyholder of the interest rate when an additional premium

loan is made unless the interest rate increases. However, policyholders with either cash or premium loans shall receive reasonable advance notice of any increase in the interest rate. Notices required under this subsection shall also contain the following information:

*a.* The maximum interest rate on the loan if the loan is a fixed rate loan.

*b.* The fact that the interest rate is adjustable if the loan is an adjustable rate loan.

*c.* The frequency at which the rate is to be determined for that policy or if an adjustable interest rate, the established intervals at which the rate may be adjusted.

6. A policy shall not terminate in a policy year solely as the result of change in the interest rate during that year. The life insurer shall maintain coverage during that policy year until the time at which it would otherwise have terminated if there had been no change during that policy year.

7. Policies of insurance upon which a loan can be made shall state the following:

*a.* Whether fixed rate loans or adjustable rate loans are permitted.

*b.* If fixed rate loans are permitted, the maximum rate of interest on those loans.

*c.* If adjustable rate loans are permitted, the established intervals at which the rate may be adjusted.

8. Unless the context otherwise requires, for purposes of this section:

*a.* The rate of interest on policy loans includes the interest rate charged on reinstatement of policy loans for the period during and after a lapse of the policy.

*b.* *"Policy loan"* includes a premium loan made under a policy to pay a premium that was not paid to the insurer when due.

*c.* *"Policyholder"* includes the owner of the policy or the person designated, on the records of the insurer, to pay premiums.

*d.* *"Policy"* includes certificates issued by a fraternal benefit society and annuity contracts which provide for policy loans.

9. Other provisions of law do not apply to policy loan interest rates unless made specifically applicable to the rates.

84 Acts, ch 1017, §1; 97 Acts, ch 186, §8

Referred to in §511.38

**511.37** Repealed by 88 Acts, ch 1255, § 8.

**511.38 Interest on delayed claims payments.**

1. When an insurance policy provides for the payment of its proceeds to a beneficiary upon the death of an individual and, without the written consent of the beneficiary, the company fails or refuses to pay the proceeds within thirty days after receipt of satisfactory proof of death, the company shall pay interest on the proceeds or any amount of the proceeds not paid within the thirty days, provided, however, if the policy requires a beneficiary to survive for a designated period after the death of the insured, the company shall pay interest on the proceeds or any amount of the proceeds not paid within thirty days after the designated period.

2. The interest owed on any amount of the proceeds of a policy under this section shall be computed from the date of receipt of the proof of death. The rate of interest shall be the higher of the following:

*a.* The effective rate of interest charged by the company on policy loans under section 511.36 on the date of receipt of proof of death.

*b.* The effective rate of interest paid by the company on death proceeds left on deposit with the company.

3. A payment of interest shall not be required under this section in any case in which the beneficiary elects to receive the proceeds under the policy by any means other than a lump sum payment.

89 Acts, ch 321, §35

Referred to in §507B.4

**511.39 Charitable organizations — insurable interest.**

A charitable organization described in section 501(c)(3) of the Internal Revenue Code, as defined in section 422.3, has an insurable interest in the life of a person who, when

purchasing a life insurance policy, makes a donation to the charitable organization or makes the charitable organization the beneficiary of all or a part of the proceeds of the policy or joins with a charitable organization in applying for an insurance policy which when issued will insure that person's life and name the organization as owner or beneficiary of all or any portion of the benefits of the life insurance policy.

92 Acts, ch 1162, §16
Referred to in §508E.13

**511.40 Employer — insurable interest in employees.**

1. As used in this section, *"employees"* includes officers, managers, and directors of an employer, and the shareholders, partners, members, proprietors, or other owners of the employer.

2. An employer and a trust established by the employer for the benefit of the employer or for the benefit of the employer's active or retired employees has an insurable interest in each of the lives of the employer's active or retired employees and may insure their lives on an individual or group basis.

3. The amount of coverage on the lives of nonmanagement or nonkey employees shall be reasonably related to the benefit provided to the employees.

4. On and after July 1, 2003, an employer or trust shall obtain the written consent of each employee being insured by an employer and trust pursuant to this section before insuring the employee's life. The consent shall include an acknowledgment by the employee that the employer or trust may maintain the life insurance after the employee is no longer employed by the employer. An employer shall not retaliate in any manner against an employee who refuses to consent.

5. *a.* The gross amount of premiums received by a life insurance company or association for an employer-owned life insurance contract which has not been allocated to another state shall be allocated to this state for purposes of section 432.1, subsection 1, if either of the following is applicable:

(1) The contract is issued or delivered in this state.

(2) The company or association is domiciled in this state.

*b.* To the extent that premiums are allocated to this state pursuant to paragraph *"a"*, the provisions of section 505.14 are not applicable to those premiums.

*c.* As used in this subsection, *"employer-owned life insurance contract"* means a policy which provides coverage on a life for which the employer has an insurable interest under this section or a similar provision of the laws of another state and the policy is owned by either the employer or a trust established by the employer for the benefit of the employer or the employer's active or retired employees.

2003 Acts, ch 91, §22; 2013 Acts, ch 124, §15
Referred to in §508E.13
NEW subsection 5

# CHAPTER 512

RESERVED

# CHAPTER 512A

## BENEVOLENT ASSOCIATIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 507.1, 507B.2, 507C.3, 508C.3, 669.14, 670.7

Benevolent associations not to be incorporated
on or after July 1, 1988; §512A.9


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512A.9 Incorporation of benevolent associations prohibited.
512A.10 Articles, amendments to articles, and bylaws.


**512A.1 Definitions.**

When used in this chapter:

1. A *"benevolent association"* shall mean any person, firm, company, partnership, association or corporation, organized to enroll persons as members of a group for the purpose of providing an agency by which persons so enrolled may in the event of the death of any other member of the group make voluntary contributions to be distributed in whole or in part by the benevolent association to the beneficiary of the deceased member, or to members as contribution towards expense incurred by accident or sickness.

2. A *"member"* shall be any person who participates in a plan or agreement to make voluntary contribution through a benevolent association.

3. *"Commissioner"* when used in this chapter shall mean the commissioner of insurance.

[C71, 73, 75, 77, 79, 81, §512A.1]

**512A.2 Rules promulgated.**

The commissioner shall promulgate such reasonable rules as the commissioner deems necessary to assure the proper operation of benevolent associations.

[C71, 73, 75, 77, 79, 81, §512A.2]

**512A.3 Incorporation mandatory.**

Before a benevolent association shall operate in this state it shall first incorporate in accordance with the laws of this state, and the articles of incorporation and bylaws shall be submitted to the commissioner. If the commissioner finds they conform to the requirements of the law and all rules and regulations promulgated under this chapter, the commissioner shall approve the articles of incorporation and file them with the secretary of state. Every benevolent association at the time of its incorporation shall submit its general plan of operation to the commissioner and if the commissioner finds it conforms to the requirements of the law and all reasonable rules and regulations promulgated under this chapter, the commissioner shall issue a license to expire on the first day of June after issuance. The license shall be renewed from year to year upon application of the association, if the commissioner finds from examination that it has conformed to the requirements of all laws and regulations applicable thereto.

[C71, 73, 75, 77, 79, 81, §512A.3]

88 Acts, ch 1112, §106

**512A.4 Records of transactions.**

The association shall keep a record of all its transactions and shall file an annual report thereof for the preceding calendar year on or before the first day of March on a form prescribed by the commissioner. The commissioner shall also prescribe the method of keeping books and accounts of benevolent associations.

[C71, 73, 75, 77, 79, 81, §512A.4]

**512A.5 Fees to commissioner.**

The following fees shall be paid to the commissioner for services required under this chapter, which shall be accounted for by the commissioner in the same manner as other fees received in the discharge of the duties of the office:

1. For filing and examination of amendments to the articles of incorporation in this state and the accompanying general plan of operation of any benevolent association, and the issuing of the permission to do business, twenty dollars.

2. For filing an annual statement of a benevolent association, and issuing the renewal of the permission required by law to authorize continuance in business, twenty-five dollars per existing unit, not to exceed three hundred dollars in the aggregate.

[C71, 73, 75, 77, 79, 81, §512A.5]

91 Acts, ch 213, §10

**512A.6 Contributions for expenses.**

Such associations may operate without the establishment of reserves or surplus except for current expenses. Contributions for expenses shall be added as a separate item to contributions for membership benefits. A reasonable membership fee to cover initial expenses may be charged.

[C71, 73, 75, 77, 79, 81, §512A.6]

**512A.7 Certificate of membership.**

Within thirty days after acceptance to membership a certificate, the form of which has been approved by the commissioner, shall be delivered to each member. The certificate shall set forth the name of the association, the name of the member, a statement as to the benefits of membership, to whom such benefits are payable, and such other provisions as are, in the opinion of the commissioner, necessary to inform the member of the member's rights in the association. The commissioner before approving any certificate shall be satisfied that any benefits to be paid a member or the beneficiary of a member are reasonable in relationship to any and all charges made or assessed against the membership. The certificate shall not indicate therein that the plan or benefits constitute an insurance policy.

[C71, 73, 75, 77, 79, 81, §512A.7]

**512A.8 Violation.**

Except as otherwise provided by law, it shall be unlawful for any person or corporation to operate a benevolent association in this state except as provided for in this chapter.

[C71, 73, 75, 77, 79, 81, §512A.8]

2004 Acts, ch 1110, §33

**512A.9 Incorporation of benevolent associations prohibited.**

Notwithstanding any provision of this chapter to the contrary, a benevolent association shall not be incorporated or reincorporated in this state on or after July 1, 1988. A benevolent association incorporated before July 1, 1988, continues to be subject to the provisions of this chapter.

88 Acts, ch 1111, §1

**512A.10 Articles, amendments to articles, and bylaws.**

1. The articles of incorporation, and any subsequent amendments, of an organization shall be filed with and approved by the commissioner of insurance before filing with the secretary of state. An organization shall file bylaws and subsequent amendments to bylaws with the commissioner within thirty days of adoption of the bylaws and amendments.

2. The directors of a benevolent association shall have the authority to enact such bylaws and regulations not inconsistent with law as they consider necessary for the regulation and conduct of the business. A change in the bylaws shall not limit coverage under

existing certificates. A benevolent association shall file with the commissioner bylaws and amendments to the bylaws within thirty days of adoption of such bylaws or amendments.

2000 Acts, ch 1023, §19; 2006 Acts, ch 1010, §138; 2009 Acts, ch 145, §9

See §512A.3

# CHAPTER 512B

## FRATERNAL BENEFIT SOCIETIES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 507.1, 507C.3, 508C.3, 513C.10, 514A.1, 514G.103, 515.1, 515B.2, 521A.1, 521E.1, 522B.1, 669.14, 670.7


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## SUBCHAPTER I

## STRUCTURE AND PURPOSE

**512B.1 Scope of chapter.**

Except as otherwise provided in this chapter, societies are governed by this chapter and are exempt from all other insurance laws of this state unless expressly included in this chapter, or unless specifically made applicable by this chapter.

90 Acts, ch 1148, §1

**512B.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Alien society"* means an association organized under the laws of another country.
2. *"Benefit contract"* means the agreement for provision of benefits authorized by section 512B.16, as that agreement is described in section 512B.19, subsection 1.
3. *"Benefit member"* means an adult member who is designated by the laws or rules of the society to be a benefit member under a benefit contract.
4. *"Certificate"* means the document issued as written evidence of the benefit contract.
5. *"Commissioner"* means the commissioner of insurance or the commissioner's designee.
6. *"Domestic society"* means an association organized under the laws of this state.
7. *"Foreign society"* means an association organized under the laws of another state or territory of the United States.
8. *"Laws"* means the society's articles of incorporation, constitution, and bylaws, however designated.
9. *"Lodge"* means a subordinate member unit of the society, whether known as a camp, court, council, branch, or by any other designation.
10. *"Premium"* means a premium, rate, dues, or other required contribution by whatever name known, which is payable under the certificate.
11. *"Regulations"* means all regulations, or resolutions adopted by the supreme governing body or board of directors which are intended to have general application to the members of the society.
12. *"Society"* means a fraternal benefit society, unless otherwise indicated.

90 Acts, ch 1148, §2

**512B.3 Fraternal benefit societies — defined.**

An incorporated society, order, or supreme lodge, without capital stock, including one exempted under section 512B.36, subsection 1, paragraph *"b"*, whether incorporated or not, conducted solely for the benefit of its members and their beneficiaries and not for profit, operated on a lodge system with a ritualistic form of work, having a representative form of government, and which provides benefits in accordance with this chapter, is a fraternal benefit society.

90 Acts, ch 1148, §3

**512B.4 Lodge system.**

1. A society is operating on the lodge system if it has a supreme governing body and subordinate lodges into which members are elected, initiated, or admitted in accordance with its laws, regulations, and ritual. Subordinate lodges shall be required by the laws of the society to hold regular meetings at least once in each month in furtherance of the purposes of the society.
2. A society may organize and operate lodges for children under the minimum age for adult membership. Membership and initiation in local lodges shall not be required of children, nor shall children have a voice or vote in the management of the society.

90 Acts, ch 1148, §4

**512B.5 Representative form of government.**

A society has a representative form of government if all of the following apply:

1. It has a supreme governing body constituted in one of the following ways:

*a. Assembly.* The supreme governing body is an assembly composed of delegates elected directly by the members or at intermediate assemblies or conventions of members or their representatives, together with other delegates as prescribed in the society's laws. A society may provide for election of delegates by mail. The elected delegates must constitute a majority of the delegates in number and have not less than two-thirds of the votes and not less than the number of votes required to amend the society's laws. The assembly must be elected and meet at least once every four years and must elect a board of directors to conduct the business of the society between meetings of the assembly. Vacancies on the board of directors between elections may be filled in the manner prescribed by the society's laws. The board of directors may appoint the officers of the society if authorized to do so by the articles or bylaws of the society. A board of directors elected by an assembly shall have such powers authorized the board by the articles or bylaws of the society, and may or may not be a supreme governing body as described in paragraph *"b"*, depending upon the powers authorized by the articles or bylaws.

*b. Direct election.* The supreme governing body is a board of directors composed of persons elected by the members, either directly or by their representatives in intermediate assemblies, and any other persons prescribed in the society's laws. A society may provide for election of the board by mail. Each term of a board member must not exceed four years. Vacancies on the board between elections may be filled in the manner prescribed by the society's laws. The elected board members must constitute a majority of the board members in number and have not less than the number of votes required to amend the society's laws. A person filling the unexpired term of an elected board member shall be considered to be an elected member. The board must meet at least quarterly to conduct the business of the society.

2. The officers of the society are elected by the supreme governing body or board of directors.

3. Only benefit members are eligible for election to the supreme governing body, board of directors, or any intermediate assembly.

4. Each voting member has one vote.

5. A voting member is not entitled to cast a vote by proxy.

90 Acts, ch 1148, §5

**512B.6 Purposes and powers.**

1. *a.* A society shall operate for the benefit of members and their beneficiaries by fulfilling both of the following purposes:

(1) Providing benefits as specified in section 512B.16.

(2) Operating for one or more social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic, or religious purposes for the benefit of its members, which may also be extended to others.

*b.* The purposes listed in this subsection may be carried out directly by the society, or indirectly through subsidiary corporations or affiliated organizations.

2. A society may adopt laws and regulations for the government of the society, the admission of its members, and the management of its affairs. A society may amend its laws and regulations, and has other powers as necessary and incidental to carrying into effect the objects and purposes of the society.

90 Acts, ch 1148, §6; 2012 Acts, ch 1023, §112

Referred to in §512B.13

## SUBCHAPTER II

## MEMBERSHIP

**512B.7 Qualifications for membership.**

1. In its laws or regulations, a society shall at minimum specify all of the following:

*a.* Eligibility standards for each membership class. If benefits are provided on the lives of children, the minimum age for adult membership shall be set at not less than age fifteen and not greater than age twenty-one.

*b.* The process for admission to membership for each membership class.

*c.* The rights and privileges of each membership class. Only benefit members shall have the right to vote on the management of the insurance affairs of the society.

2. A society may also admit social members. A social member shall have no voice or vote in the management of the insurance affairs of the society.

3. Membership rights in a society are personal to the member and are not assignable.

90 Acts, ch 1148, §7

**512B.8 Location of office, meetings, communications to members, grievance procedures.**

1. The principal office of a domestic society shall be located in this state. The meetings of its supreme governing body may be held anywhere the society has at least one subordinate lodge, or in another location as determined by the supreme governing body, and all business transacted at a meeting held out of state shall be as valid in all respects as if the meeting were held in this state. The minutes of the proceedings of the supreme governing body and of the board of directors shall be in the English language.

2. *a.* A society may provide in its laws for an official publication in which any notice, report, or statement required by law to be given to members, including notice of election, may be published. Such required reports, notices, and statements shall be printed conspicuously in the publication. If the records of a society show that two or more members have the same mailing address, an official publication mailed to one member is deemed to be mailed to all members at the same address unless a member requests a separate copy.

*b.* Not later than June 1 of each year, a synopsis of the society's annual statement providing an explanation of the facts concerning the condition of the society disclosed in the annual statement shall be printed and mailed to each benefit member of the society or, in lieu of mailing, the synopsis may be published in the society's official publication.

3. A society may provide in its laws or regulations for grievance or complaint procedures for members.

90 Acts, ch 1148, §8

**512B.9 Personal liability.**

1. The officers and members of the supreme governing body or any subordinate body of a society are not personally liable for any benefits provided by a society.

2. *a.* A person may be indemnified and reimbursed by a society for expenses reasonably incurred by, and liabilities imposed upon, the person in connection with or arising out of a proceeding, whether civil, criminal, administrative, or investigative, or a threat of action in which the person is or may be involved by reason of the person being a director, officer, employee, or agent of the society or of any other legal entity or position which the person served in any capacity at the request of the society.

*b.* However, a person shall not be so indemnified or reimbursed for either of the following:

(1) In relation to any matter to which the person is finally adjudged to be or have been guilty of breach of a duty as a director, officer, employee, or agent of the society.

(2) In relation to any matter which has been made the subject of a compromise settlement.

*c.* However, if the person acted in good faith for a purpose the person reasonably believed to be in or not opposed to the best interests of the society and, in addition, in a criminal proceeding, had no reasonable cause to believe that the conduct was unlawful, paragraph "*b*", subparagraphs (1) and (2), do not apply. The determination whether the conduct of the person met the standard required in order to justify indemnification and reimbursement in relation to any matter described in paragraph "*b*", subparagraph (1) or (2), may only be made by the supreme governing body by a majority vote of a quorum consisting of persons who were not parties to the proceeding or by a court of competent jurisdiction. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of no contest, as to a person, does not in itself create a conclusive presumption that the person met or did not

meet the standard of conduct required in order to justify indemnification and reimbursement. The right of indemnification and reimbursement is not exclusive of other rights to which a person may be entitled as a matter of law and shall inure to the benefit of the person's heirs, executors, and administrators.

3. A society may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the society, or who is or was serving at the request of the society as a director, officer, employee, or agent of any other legal entity affiliated with the society against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status in relation to the society, whether or not the society would have the power to indemnify the person against such liability under this section.

4. A volunteer serving without compensation, a director, officer, employee, or member of a society, is not liable, and no cause of action may be brought, for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of that person for the society unless the act or omission alleged to be an exercise of judgment or discretion involved willful or wanton misconduct.

90 Acts, ch 1148, §9; 2008 Acts, ch 1032, §66

**512B.10 Waiver.**

The laws of the society may provide that a subordinate body, or any of its subordinate officers or members, do not have the power or authority to waive any of the provisions of the laws of the society. A waiver prohibition provision is binding on the society and every member and beneficiary of a member.

90 Acts, ch 1148, §10

## SUBCHAPTER III

## GOVERNANCE

**512B.11 Organization.**

A domestic society organized on or after January 1, 1991, shall be formed as follows:

1. Seven or more citizens of the United States, a majority of whom are citizens of this state, who desire to form a fraternal benefit society, may sign and file with the secretary of state and commissioner of insurance an original or copy of a document containing, at minimum, the following:

*a.* The proposed corporate name of the society, which shall not so closely resemble the name of any other society or insurance company as to be misleading or confusing.

*b.* The purposes for which the society is being formed and the mode in which its corporate powers are to be exercised. The purposes shall not include more liberal powers than are granted by this chapter.

*c.* The names and residences of the incorporators.

*d.* The names, residences, and official titles of all the officers, trustees, directors, or other persons who are to have and exercise the general control of the management of the affairs and funds of the society for the first year or until the ensuing election at which officers shall be elected by the supreme governing body, or board of directors, which election shall be held not later than one year from the date of issuance of the permanent certificate of authority.

2. The articles of incorporation, duly certified copies of the society's regulations and laws, copies of all proposed forms of certificates, applications, and circulars to be issued by the society, and a bond conditioned upon the return to applicants of the advance premiums if the organization is not completed within one year shall be filed with the commissioner of insurance, who may require further information as the commissioner deems necessary. The bond with sureties approved by the commissioner shall be in an amount, not less than three hundred thousand dollars nor more than one million five hundred thousand dollars, as required by the commissioner. All documents filed are to be in the English language. If the purposes of the society conform to the requirements of this chapter and all provisions

of the law have been complied with, the commissioner shall so certify, retain and file the articles of incorporation, and furnish the incorporators a preliminary certificate of authority authorizing the society to solicit members as provided in this chapter.

3. A preliminary certificate of authority granted under this section is not valid after one year from its date or after a further period, not exceeding one year, as may be authorized by the commissioner upon cause shown, unless the five hundred applicants required in this section have been secured and the organization has been completed as provided in this chapter. The articles of incorporation and all other proceedings become void in one year from the date of the preliminary certificate of authority, or at the expiration of the extended period, unless the society has completed its organization and received a certificate of authority to do business as provided in this chapter.

4. Upon receipt of a preliminary certificate of authority from the commissioner, the society may solicit members for the purpose of completing its organization, shall collect from each applicant the amount of not less than one regular monthly premium in accordance with its table of rates, and shall issue to each applicant a receipt for the amount so collected. A society shall not incur a liability other than for the return of advance premiums, shall not issue a certificate, nor pay, allow, offer, or promise to pay or allow, a benefit to any person until all of the following conditions are satisfied:

*a.* Actual bona fide applications for benefits have been secured on not less than five hundred applicants, and any necessary evidence of insurability has been furnished to and approved by the society.

*b.* At least ten subordinate lodges have been established into which the five hundred applicants have been admitted.

*c.* A list of the applicants has been submitted to the commissioner, under oath of the president or secretary, or corresponding officer of the society, giving the applicants' names and addresses, the date each applicant was admitted, the name and number of the subordinate lodge of which each applicant is a member, the amount of benefits to be granted, and the premiums for the benefits.

*d.* It has been shown to the commissioner, by sworn statement of the treasurer, or corresponding officer of the society, that at least one thousand applicants have each paid in cash at least one regular monthly premium, which premiums in the aggregate shall amount to at least three hundred thousand dollars. Advance premiums shall be held in trust during the period of organization and if the society has not qualified for a certificate of authority within the time permitted by this section, each premium shall be returned to the respective applicant.

5. The commissioner may make an examination and require further information as the commissioner deems advisable. Upon presentation of satisfactory evidence that the society has complied with all applicable provisions of law, the commissioner shall issue to the society a certificate of authority and the society is then authorized to transact business pursuant to this chapter. A certificate of authority is prima facie evidence of the existence of the society at the date of the certificate. The commissioner shall cause a record of each certificate of authority to be made. A certified copy of the record shall be accepted in evidence with like effect as the original certificate of authority.

6. An incorporated society authorized to transact business in this state on January 1, 1991, is not required to reincorporate. A certified copy of the current articles of incorporation of an existing society shall be filed with the commissioner and the commissioner may request additional records as the commissioner deems necessary before issuing a certificate of authority to an existing society.

90 Acts, ch 1148, §11; 2013 Acts, ch 90, §153
Unnumbered paragraph 1 amended

**512B.12 Amendments to laws.**

1. A domestic society may amend its laws in accordance with the provisions of its laws by action of its supreme governing body at any regular or special meeting or, if its laws so provide, by referendum. A referendum may be held in accordance with the provisions of the society's laws by the vote of the voting members of the society, by the vote of delegates or

representatives of voting members, or by the vote of local lodges. A society may provide for voting by mail. An amendment submitted for adoption by referendum shall not be adopted unless, within six months from the date of submission of the referendum, a majority of the members voting have signified their consent to the amendment by one of the methods specified in this subsection.

2. An amendment to the laws of a domestic society shall not take effect unless approved by the commissioner. The commissioner shall approve an amendment if the commissioner finds that it has been duly adopted and is not inconsistent with the laws of this state or with the character, objects, and purposes of the society. An amendment shall be considered approved, unless the commissioner disapproves the amendment in writing, within thirty days after the filing of the amendment. The disapproval of the commissioner shall be in writing and mailed to the secretary or corresponding officer of the society at its principal office. If the commissioner disapproves an amendment, the reasons for disapproval shall be stated in the written notice.

3. Within ninety days from the approval of an amendment by the commissioner, the amendment, or a synopsis of it, shall be furnished to all members of the society either by mail or by publication in full in the official publication of the society. The affidavit of an officer of the society or of anyone authorized by the society to mail an amendment or synopsis of an amendment, stating facts which demonstrate compliance with this subsection, is prima facie evidence that the amendment or synopsis has been furnished to the addressees.

4. A foreign or alien society authorized to do business in this state shall file with the commissioner a duly certified copy of all amendments of its laws within ninety days after their enactment.

5. Printed copies of the laws as amended, certified by the secretary, or corresponding officer of the society, are prima facie evidence of the legal adoption of the laws and amendments.

90 Acts, ch 1148, §12

**512B.13 Institutions.**

A society may create, maintain, and operate, or may establish organizations to operate, not-for-profit institutions to further the purposes permitted by section 512B.6, subsection 1, paragraph *"a"*, subparagraph (2). The institutions may furnish services free or at a reasonable charge. Any real or personal property owned, held, or leased by the society for this purpose shall be reported in every annual statement. A not-for-profit institution so established is a charitable institution with all the rights, benefits, and privileges given to charitable institutions under the Constitution and laws of the State of Iowa. The commissioner may adopt appropriate rules and reporting requirements.

90 Acts, ch 1148, §13; 2006 Acts, ch 1010, §139; 2012 Acts, ch 1023, §153

**512B.14 Reinsurance.**

1. A domestic society may, by a reinsurance agreement, cede any individual risk or risks in whole or in part to an insurer, other than another fraternal benefit society, having the power to make such reinsurance agreements and authorized to do business in this state, or if not so authorized, one which is approved by the commissioner; but a society shall not reinsure substantially all of its insurance in force without the written permission of the commissioner. It may take credit for the reserves on ceded risks to the extent reinsured, but credit shall not be allowed as an admitted asset or as a deduction from liability, to a ceding society for reinsurance made, ceded, renewed, or otherwise becoming effective after January 1, 1991, unless the reinsurance is payable by the assuming insurer on the basis of the liability of the ceding society under the contract or contracts reinsured without diminution because of the insolvency of the ceding society.

2. Notwithstanding the limitation in subsection 1, a society may reinsure the risks of another society in a consolidation or merger approved by the commissioner under section 512B.15.

90 Acts, ch 1148, §14

**512B.15 Consolidations and mergers.**

1. A domestic society may consolidate or merge with a domestic society, foreign society, or society chartered under the laws of Canada or a Canadian province or territory, by complying with this section. The society shall file with the commissioner all of the following:

*a.* A certified copy of the written contract containing in full the terms and conditions of the consolidation or merger.

*b.* A sworn statement by the president and secretary, or corresponding officers of each society, showing the financial condition of the society on a date fixed by the commissioner.

*c.* A certificate of each officer submitting a sworn statement pursuant to paragraph *"b"*, duly verified, that the consolidation or merger contract has been approved by a two-thirds vote of the supreme governing body of each society, the vote having been conducted at a regular or special meeting of each such body, or, if the society's laws so permit, by mail.

*d.* Evidence that at least sixty days prior to the action of the supreme governing body of each society to approve the consolidation or merger contract, the text of the contract has been furnished to all members of each society either by mail or by publication in full in the official publication of each society.

2. If the commissioner finds that the contract is in conformity with this section, that the financial statements are correct, and that the consolidation or merger is just and equitable to the members of each society, the commissioner shall approve the contract and issue a certificate to that effect. Upon the commissioner's approval, the contract shall be in full force and effect unless a society which is a party to the contract is incorporated under the laws of another state. In that event the consolidation or merger shall not become effective unless and until it has been approved as provided by the laws of the other state and a certificate of approval has been filed with the commissioner of this state or, if the laws of the other state contain no equivalent provision for issuing a certificate of consolidation or merger, then the consolidation or merger shall not become effective unless and until it has been approved by the commissioner of the other state and a certificate conforming with the laws of this state has been filed with the commissioner. If the contract is not approved it shall be inoperative, and the fact of submission and its contents shall not be disclosed by the commissioner. For the purposes of this subsection, *"state"* includes Canada and Canadian provinces and territories.

3. Upon the consolidation or merger becoming effective, all the rights, franchises, and interests of the consolidated or merged societies in and to every kind of property, real, personal, or mixed, belonging to the societies shall be vested in the successor society without any other instrument, except that conveyances of real property may be evidenced by proper deeds. The title to real property or an interest in real property, vested under the laws of this state in any of the societies consolidated or merged, shall not revert or be in any way impaired by reason of the consolidation or merger, but shall vest absolutely in the successor society.

4. The affidavit of an officer of the society or of a person authorized by the society to mail a notice or document, stating that the notice or document has been duly addressed and mailed, is prima facie evidence that the notice or document has been furnished the addressees.

90 Acts, ch 1148, §15; 91 Acts, ch 97, §56

Referred to in §512B.14

**512B.15A Conversion of fraternal benefit society into a mutual life insurance company.**

A domestic fraternal benefit society may be converted and licensed as a mutual life insurance company by compliance with all the requirements of the general insurance laws for mutual life insurance companies. A plan of conversion shall be prepared in writing by the board of directors setting forth in full the terms and conditions of conversion. The affirmative vote of two-thirds of all members of the supreme governing body at a regular or special meeting is necessary for the approval of the plan of conversion. A conversion shall not take effect unless and until approved by the commissioner. The commissioner may give approval for the conversion if the commissioner finds that the proposed change is in conformity with the requirements of law and not prejudicial to the certificate holders of the society.

90 Acts, ch 1148, §16

## SUBCHAPTER IV

## CONTRACTUAL BENEFITS

**512B.16 Benefits.**

1. A society may provide any or all of the following contractual benefits in any form:

*a.* Death benefits.

*b.* Endowment benefits.

*c.* Annuity benefits.

*d.* Temporary or permanent disability benefits.

*e.* Hospital, medical, or nursing benefits.

*f.* Monument or tombstone benefits to the memory of deceased members.

*g.* Other benefits authorized for life insurers and which are not inconsistent with this chapter.

2. A society shall specify in its regulations those persons who may be issued, or covered by, the contractual benefits in subsection 1, consistent with providing benefits to members and their dependents. A society may provide benefits on the lives of children under the minimum age for adult membership upon application of an adult person.

90 Acts, ch 1148, §17

Referred to in §512B.2, 512B.6

**512B.17 Beneficiaries.**

1. The owner of a benefit contract may change the beneficiary or beneficiaries in accordance with the laws or regulations of the society unless the owner waives this right by specifically requesting in writing that the beneficiary designation be irrevocable. A society may, through its laws or regulations, limit the scope of beneficiary designations and shall provide that a revocable beneficiary shall not have or obtain a vested interest in the proceeds of a certificate until the certificate has become due and payable in conformity with the benefit contract.

2. A society may make provision for the payment of funeral benefits to the extent of the portion of a payment under a certificate which reasonably appears to be due to a person equitably entitled to the benefit by reason of having incurred expense occasioned by the burial of the member. However, the portion so paid shall not exceed the sum of one thousand dollars.

3. If, at the death of a person insured under a benefit contract, there is no lawful beneficiary to whom the proceeds are payable, the amount of the benefit, except to the extent that funeral benefits may be paid pursuant to subsection 2, shall be payable to the estate of the deceased insured the same as other property not exempt. However, if the owner of the certificate is other than the insured, the proceeds are payable to the owner.

90 Acts, ch 1148, §18

**512B.18 Benefits not attachable.**

Money or other benefit, charity, relief, or aid to be paid, provided, or rendered by a society, is not liable to attachment, garnishment, or other process, or to be seized, taken, appropriated, or applied by any legal or equitable process or operation of law to pay a debt or liability of a member or beneficiary, or any other person who may have a derivative right, either before or after payment by the society, except as provided in sections 627.11 and 627.12.

90 Acts, ch 1148, §19

**512B.19 The benefit contract.**

1. A society authorized to do business in this state shall issue to each owner of a benefit contract a certificate specifying the amount of benefits provided pursuant to the benefit contract. The certificate, together with any riders or endorsements attached to the certificate, the laws of the society, the application for membership, the application for insurance and declaration of insurability, if any, signed by the applicant, and all amendments, constitute the benefit contract, as of the date of issuance, between the society and the owner, and the certificate shall so state. A copy of the application for insurance and declaration of

insurability, if any, shall be endorsed upon or attached to the certificate. Statements on the application are representations and not warranties. A waiver of this provision is void.

2. Additions or amendments to the laws of a society duly made or enacted subsequent to the issuance of the certificate, bind the owner and the beneficiaries, and govern and control the benefit contract in all respects the same as though the additions or amendments had been made before and were in force at the time of the application for insurance, except that an addition or amendment shall not destroy or diminish benefits which the society contracted to give the owner as of the date of issuance.

3. A person upon whose life a benefit contract is issued before the person attains the age of majority is bound by the terms of the application and certificate and by all the laws and regulations of the society to the same extent as though the person had attained the age of majority at the time of application.

4. *a.* A society shall provide in its laws that if its reserves as to all or any class of certificates become impaired, its supreme governing body or board of directors may require that there be paid by the owners to the society the amount of the owners' equitable proportion of the deficiency as ascertained by its governing body or board, and that if the payment is not made either of the following will apply:

(1) The required payment or assessment shall stand as an indebtedness against the certificate and draw interest not to exceed the rate specified for certificate loans under the certificates.

(2) In lieu of or in combination with subparagraph (1), the owner may accept a proportionate reduction in benefits under the certificate.

*b.* The society may specify the manner of the election and which alternative is to be presumed if no election is made.

5. Copies of any of the documents mentioned in this section, certified by the secretary or corresponding officer of the society, shall be received in evidence of the terms and conditions of the documents.

6. A certificate shall not be delivered or issued for delivery in this state unless a copy of the form has been filed with the commissioner in the manner provided for like policies issued by life insurers in this state. A life, accident, health, or disability insurance certificate and an annuity certificate issued on or after one year from January 1, 1991, shall meet the standard contract provision requirements not inconsistent with this chapter for like policies issued by life insurers in this state, except that a society may provide for a grace period for payment of premiums of one full month in its certificates. The certificate shall also contain a provision stating the amount of premiums which are payable under the certificate and a provision reciting or setting forth the substance of any sections of the society's laws or regulations in force at the time of issuance of the certificate which, if violated, will result in the termination or reduction of benefits payable under the certificate. If the laws of the society provide for expulsion or suspension of a member, the certificate shall also contain a provision that any member expelled or suspended, except for nonpayment of a premium or within the contestable period for material misrepresentation in the application for membership or insurance, may maintain the certificate in force by continuing payment of the required premium.

7. A benefit contract issued on the life of a person below the society's minimum age for adult membership may provide for transfer of control of ownership to the insured at an age specified in the certificate. A society may require approval of an application for membership in order to effect this transfer, and may provide in all other respects for the regulation, government, and control of such certificates and the rights, obligations, and liabilities incident to, or connected with, the benefit contract. Ownership rights prior to a transfer shall be specified in the certificate.

8. A society may specify the terms and conditions on which benefit contracts may be assigned.

90 Acts, ch 1148, §20; 2012 Acts, ch 1023, §113

Referred to in §512B.2, 512B.22

**512B.20 Nonforfeiture benefits, cash surrender values, certificate loans, and other options.**

1. For certificates issued before January 1, 1991, the value of every paid-up nonforfeiture benefit and the amount of any cash surrendered value, loan, or other option granted shall comply with chapter 512, Code 1989.

2. For certificates issued on or after January 1, 1991, for which reserves are computed on the commissioner's 1980 standard mortality table, or any more recent table made applicable to life insurers, every paid-up nonforfeiture benefit and the amount of any cash surrender value, loan, or other option granted shall not be less than the corresponding amount ascertained in accordance with the laws of this state applicable to life insurers issuing policies containing like benefits based upon the same tables.

90 Acts, ch 1148, §21

## SUBCHAPTER V

## FINANCIAL REQUIREMENTS

**512B.21 Investments.**

A society shall invest its funds only as authorized by the laws of this state for the investment of assets of life insurers and subject to the same limitations. A foreign or alien society permitted or seeking to do business in this state which invests its funds in accordance with the laws of the state or nation in which it is incorporated, shall be held to meet the requirements of this section for the investment of funds. A society organized under the laws of this state shall deposit securities as required of life insurance companies pursuant to section 511.8, subsection 16.

90 Acts, ch 1148, §22

Referred to in §512B.21A

**512B.21A Required reserves.**

A society incorporated on or after July 1, 1993, shall have in cash, or in securities which are authorized for investment purposes for insurance companies pursuant to section 512B.21, surplus in an amount not less than five million dollars.

93 Acts, ch 88, §14

**512B.22 Funds.**

1. All assets shall be held, invested, and disbursed for the use and benefit of the society and a member or beneficiary shall not have or acquire individual rights in the society's assets or become entitled to an apportionment on the surrender of any part of the society's assets, except as provided in the benefit contract.

2. A society may create, maintain, invest, disburse, and apply any special fund or funds necessary to carry out any purpose permitted by the laws of the society.

3. A society may, pursuant to resolution of its supreme governing body, establish and operate one or more separate accounts and issue contracts on a variable basis, subject to the law regulating life insurers establishing equivalent accounts and issuing equivalent contracts. To the extent the society deems it necessary in order to comply with any applicable federal or state laws, regulations, or rules, the society may adopt special procedures for the conduct of the business and affairs of a separate account; may, for persons having beneficial interests in the account, provide special voting and other rights, including without limitation, special rights and procedures relating to investment policy, investment advisory services, selection of certified public accountants, and selection of a committee to manage the business and affairs of the account; and may issue contracts on a variable basis to which section 512B.19, subsections 2 and 4 shall not apply.

90 Acts, ch 1148, §23

SUBCHAPTER VI

REGULATION

**512B.23 Valuation.**

1. Standards of valuation for certificates issued before January 1, 1991, are those provided by chapter 512, Code 1989.

2. *a.* The minimum standards of valuation for certificates issued on or after January 1, 1991, shall be based on the following tables:

(1) For certificates of life insurance, the commissioner's 1980 standard ordinary mortality table or any more recent table made applicable to life insurers.

(2) For annuity and pure endowment certificates, for total and permanent disability benefits, for accidental death benefits and for noncancelable accident and health benefits, the tables authorized for use by life insurers in this state.

*b.* Paragraph "*a*", subparagraphs (1) and (2) are under valuation methods and standards, including interest assumptions, in accordance with the laws of this state applicable to life insurers issuing policies containing like benefits.

3. The commissioner may, in the commissioner's discretion, accept another standard for valuation if the commissioner finds that the reserves produced by the other standard will not be less in the aggregate than reserves computed in accordance with the minimum valuation standards prescribed by subsection 2. The commissioner may, in the commissioner's discretion, vary the standards of mortality applicable to all benefit contracts on substandard lives or other extra hazardous lives by any society authorized to do business in this state.

4. A society, with the consent of the commissioner of insurance of the state of domicile of the society and under conditions which the commissioner may impose, may establish and maintain reserves on its certificates in excess of the reserves otherwise required, but the contractual rights of a benefit member shall not be affected by the excess reserves.

90 Acts, ch 1148, §24; 2012 Acts, ch 1023, §114

Referred to in §512B.24

**512B.24 Reports.**

Reports shall be filed in accordance with this section.

1. A society transacting business in this state, on or before March 1 annually, unless for cause shown the time has been extended by the commissioner, shall file with the commissioner a true statement of its financial condition, transactions, and affairs for the preceding calendar year and shall pay a fee of fifty dollars. The statement may be in general form and content as approved by the national association of insurance commissioners for fraternal benefit societies and shall be supplemented by additional information as adopted by rule of the commissioner.

2. As part of the annual statement, a society shall, on or before March 1, file with the commissioner of insurance a valuation of its certificates in force on the last preceding December 31. However, the commissioner may, for cause shown, extend the time for filing the valuation for not more than two calendar months. The valuation shall be done in accordance with the standards specified in section 512B.23. The valuation and underlying data shall be certified by a qualified actuary or, at the expense of the society, verified by the actuary of the department of insurance of the state of domicile of the society.

3. A society failing to file the annual statement in the form and within the time provided by this section shall forfeit one hundred dollars for each day during which the default continues, and, upon notice by the commissioner to that effect, the society's authority to do business in this state shall cease while the default continues.

90 Acts, ch 1148, §25; 92 Acts, ch 1162, §17

**512B.25 Annual license — renewal.**

The authority of a society to transact business in this state may be renewed annually. A license terminates on the first day of June following issuance or renewal. A society shall submit annually on or before March 1 a completed application for renewal of its license. For

each license or renewal the society shall pay the commissioner a fee of fifty dollars. A society that fails to timely file an application for renewal shall pay an administrative penalty of five hundred dollars to the treasurer of state for deposit as provided in section 505.7. A duly certified copy or duplicate of the license is prima facie evidence that the licensee is a fraternal benefit society within the meaning of this chapter.

90 Acts, ch 1148, §26; 92 Acts, ch 1162, §18; 2006 Acts, ch 1117, §55; 2007 Acts, ch 126, §90; 2009 Acts, ch 181, §71

**512B.26 Examination of societies — no adverse publications.**

1. The commissioner, or the commissioner's designee, may examine a domestic, foreign, or alien society transacting or applying for admission to transact business in this state in the same manner as authorized for examination of a domestic, foreign, or alien insurer. Requirements of notice and an opportunity to respond before findings are made public as provided in the laws regulating insurers are also applicable to the examination of a society.

2. The expense of each examination and of each valuation, including compensation and actual expense of examiners, shall be paid by the society examined or whose certificates are valued, upon statements furnished by the commissioner.

90 Acts, ch 1148, §27

**512B.27 Foreign or alien society — admission.**

A foreign or alien society shall not transact business in this state without a license issued by the commissioner. A society desiring admission to this state shall substantially comply with the requirements and limitations of this chapter applicable to domestic societies. A society may be licensed to transact business in this state upon filing with the commissioner all of the following:

1. A duly certified copy of its articles of incorporation.
2. A copy of its bylaws, certified by its secretary or a corresponding officer.
3. A power of attorney to the commissioner of insurance as prescribed in section 512B.33.
4. A statement of its business under oath of its president and secretary or corresponding officers in a form prescribed by the commissioner, duly verified by an examination made by the supervising insurance official of its state of domicile, satisfactory to the commissioner.
5. Certification from the proper official of its state of domicile that the society is legally incorporated and licensed to transact business in that state.
6. Copies of its certificate forms.
7. Other information the commissioner requires.
8. A showing that its assets are invested in accordance with this chapter.

90 Acts, ch 1148, §28

**512B.28 Injunction — liquidation — receivership of domestic society.**

1. When the commissioner upon investigation finds that a domestic society has exceeded its powers; failed to comply with a provision of this chapter; failed to fulfill a contract in good faith; failed to maintain a membership of not less than four hundred after an existence of one year or more; or conducted business fraudulently or in a manner hazardous to its members, creditors, the public, or the business, the commissioner shall notify the society of the deficiency or deficiencies and state in writing the reasons for the commissioner's dissatisfaction. The commissioner shall at once issue a written notice to the society requiring that the deficiency or deficiencies which exist be corrected. After the notice of deficiency the society has a thirty-day period in which to comply with the commissioner's request for correction, and if the society fails to comply the commissioner shall notify the society of a finding of noncompliance and require the society to show cause on or before a date named why it should not be enjoined from carrying on any business until the violation complained of has been corrected, or why an action seeking other legal or equitable relief should not be commenced against the society.

2. If by the date named to show cause the society does not present good and sufficient reasons why it should not be so enjoined or why an action should not be commenced, the commissioner may present the facts relating to the society to the attorney general who shall

commence an action to enjoin the society from transacting business or other action requested by the commissioner.

3. The court in which an action is commenced pursuant to subsection 2 shall notify the officers of the society of a hearing. If after a full hearing it appears that the society should be enjoined or liquidated or a receiver appointed, or other legal or equitable relief awarded, the court shall enter the necessary order. A society so enjoined does not have the authority to do business unless and until all of the following conditions are satisfied:

*a.* The commissioner finds that the violation complained of has been corrected.

*b.* The costs of the action, including reasonable attorney fees for the state's attorneys and expenses related to the case in which the injunction was entered, have been paid by the society if the court finds that the society was in default as alleged.

*c.* The court has dissolved its injunction.

*d.* The commissioner has reinstated the certificate of authority of the society.

4. If the court orders the society liquidated, it shall be enjoined from carrying on any further business, and the receiver of the society shall proceed at once to take possession of the books, papers, money, and other assets of the society and, under the direction of the court, proceed to close the affairs of the society and to distribute its funds to those entitled to them.

5. If a receiver is to be appointed for a domestic society, the court shall appoint the commissioner of insurance as the receiver.

6. The provisions of this section relating to hearing by the commissioner, action by the attorney general at the request of the commissioner, hearing by the court, injunction, and receivership are applicable to a society which voluntarily determines to discontinue business.

90 Acts, ch 1148, §29

**512B.29 Suspension, revocation, or refusal of license of foreign or alien society.**

1. When the commissioner upon investigation finds that a foreign or alien society transacting or applying to transact business in this state has exceeded its powers; failed to comply with a provision of this chapter; failed to fulfill a contract in good faith; or conducted its business fraudulently or in a manner hazardous to its members or creditors or the public, the commissioner shall notify the society of the deficiency or deficiencies and state in writing the alleged facts or circumstances constituting a deficiency. The commissioner shall at once issue a written notice to the society requiring that the deficiency or deficiencies which exist be corrected on or before thirty days from entry of the notice of deficiency. After notice the society has a thirty-day period in which to comply with the commissioner's request for correction, and if the society fails to comply the commissioner shall notify the society of a finding of noncompliance and require the society to show cause on or before a date named why its license should not be suspended, revoked, or refused. If, on or before the date named, the society does not present good and sufficient reason why its license to do business in this state should not be suspended, revoked, or refused, the commissioner may suspend or refuse the license of the society to do business in this state until evidence satisfactory to the commissioner is furnished to the commissioner that the suspension or refusal should be withdrawn or the commissioner may revoke the license of the society to do business in this state.

2. A society whose license to do business in this state is suspended, revoked, or refused pursuant to subsection 1 shall continue in good faith all contracts made in this state during the time the society was legally authorized to transact business in this state. Lack of authority to transact business within the state is not a defense to an action by a person against the society to enforce a contract entered into by the society without compliance with this chapter, or prior applicable law.

90 Acts, ch 1148, §30

**512B.30 Standing.**

A petition or complaint for injunction against a domestic, foreign, or alien society, or lodge shall not be recognized in a court of this state unless made by the attorney general upon request of the commissioner.

90 Acts, ch 1148, §31

**512B.31 Licensing of agents.** Repealed by 2001 Acts, ch 16, § 36, 37. See chapter 522B.

**512B.32 Unfair methods of competition and unfair and deceptive acts and practices.**
A society is subject to chapter 507B relating to unfair insurance trade practices. However, chapter 507B does not apply to or affect the right of a society to determine its eligibility requirements for membership, and does not apply to or affect the offering of benefits exclusively to members or persons eligible for membership in the society by a subsidiary corporation or affiliated organization of a society.
90 Acts, ch 1148, §33

SUBCHAPTER VII

MISCELLANEOUS

**512B.33 Service of process.**
1. A society authorized to do business in this state shall file in the office of the commissioner a power of attorney and an agreement in writing that service of process in any action or proceeding against the society may be served on the commissioner and shall be of the same legal force and validity as if served upon the society, and that the authority shall continue in force so long as any liability remains outstanding in this state. Copies of the power of attorney, certified by the commissioner, shall be deemed sufficient evidence of the appointment and shall be admitted in evidence with the same force and effect as the original.
2. Service of process shall only be made upon the commissioner, or if absent, upon the person in charge of the commissioner's office. Service shall be made in triplicate and shall constitute sufficient service upon the society. When legal process against a society is served upon the commissioner, the commissioner shall promptly forward one of the duplicate copies by registered mail, prepaid, directed to the secretary or corresponding officer of the society. A society shall not be required to file its answer, pleading, or defense in less than thirty days from the date of mailing the copy of the service to a society. Legal process shall not be served upon a society except in the manner provided in this section.
90 Acts, ch 1148, §34; 2003 Acts, ch 91, §23
Referred to in §512B.27

**512B.34 Review.**
All decisions and findings of the commissioner made under this chapter are subject to review pursuant to chapter 17A.
90 Acts, ch 1148, §35

**512B.35 False or fraudulent statements.**
1. It shall be unlawful for a person knowingly to make a false or fraudulent statement or representation in or relating to an application for membership or for the purpose of obtaining money from or a benefit in a society.
2. It shall be unlawful for a person to willfully make a false or fraudulent statement in a verified report or declaration under oath required or authorized by this chapter, or of a material fact or thing contained in a sworn statement concerning the death or disability of an insured for the purpose of procuring payment of a benefit named in the certificate.
3. It shall be unlawful for a person to solicit membership for, or in any manner to assist in procuring membership in, a society not licensed to do business in this state.
90 Acts, ch 1148, §36; 2004 Acts, ch 1110, §34

**512B.36 Exemption of certain societies.**
1. This chapter does not affect or apply to any of the following:
*a.* Grand or subordinate lodges of societies, orders, or associations now doing business in this state which provide benefits exclusively through local or subordinate lodges.
*b.* Orders, societies, or associations which admit to membership only persons engaged in

one or more crafts or hazardous occupations, in the same or similar lines of business, insuring only their own members and their families, and the spouses' societies or spouses' auxiliaries to such orders, societies, or associations.

*c.* Domestic societies which limit their membership to employees of a particular city or town, designated firm, business house, or corporation which provide for a death benefit of not more than four hundred dollars or disability benefits of not more than three hundred fifty dollars to any person in any one year, or both.

*d.* Domestic societies or associations of a purely religious, charitable, or benevolent description, which provide for a death benefit of not more than four hundred dollars or for disability benefits of not more than three hundred fifty dollars to any one person in any one year, or both.

2. A society or association described in subsection 1, paragraph *"a"* or *"d"*, which provides for death or disability benefits for which benefit certificates are issued, and any such society or association included in paragraph *"d"* which has more than one thousand members, is not exempt from this chapter but shall comply with all requirements of this chapter.

3. A society which is exempt from the requirements of this chapter, except a society described in subsection 1, paragraph *"b"*, shall not give or allow, or promise to give or allow to any person any compensation for procuring new members.

4. A society which provides for benefits in case of death or disability resulting solely from accident, and which does not obligate itself to pay natural death or sick benefits, has all of the privileges and is subject to all the applicable provisions of this chapter and rules adopted by the commission pursuant to this chapter except that the provisions relating to medical examination, valuations of benefit certificates, and incontestability, do not apply to such a society.

5. The commissioner may require from a society, by examination or otherwise, information that will enable the commissioner to determine whether the society is exempt from this chapter.

6. A society exempt under this section, is also exempt from all other provisions of the general insurance laws of this state.

90 Acts, ch 1148, §37

Referred to in §512B.3

# CHAPTER 513

## EMPLOYEES MUTUAL INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

513.1 Exemption.
513.2 Power of commissioner.

**513.1 Exemption.**

Unless specific reference is made thereto, no provision of this subtitle shall include or apply to domestic societies which limit their membership to the employees of:

1. A particular city or
2. A designated firm, business house, or corporation.

[C24, 27, 31, 35, 39, §**8894;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §513.1]

**513.2 Power of commissioner.**

The commissioner of insurance may require from any society such information as will enable the commissioner to determine whether such society is exempt from the provisions of the laws relating to insurance or to fraternal benefit societies.

[C24, 27, 31, 35, 39, §**8895;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §513.2]

# CHAPTER 513A

## THIRD-PARTY PAYORS OF HEALTH CARE BENEFITS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 508.15A, 515.144, 669.14, 670.7


513A.1 Purpose.
513A.2 Authority and jurisdiction of commissioner.
513A.3 How to show jurisdiction.
513A.4 Examination.
513A.5 Subject to state laws.
513A.6 Production agency or administrator — disclosure.
513A.7 Unfair competition or unfair and deceptive acts or practices prohibited.
513A.8 Repealed by 97 Acts, ch 67, §3, 4.


**513A.1 Purpose.**

The purpose of this chapter is to give the commissioner jurisdiction over third-party payors of health care benefits, to indicate how a third-party payor of health care benefits may show the jurisdiction to which the third-party payor is subject, to allow for examinations by the commissioner if the third-party payor of health care benefits is unable to establish that a third-party payor is subject to another jurisdiction, to make a third-party payor of health care benefits subject to the laws of this state if the third-party payor cannot show that it is subject to another jurisdiction, and to disclose to purchasers of such health care benefits whether or not the plans are fully insured.

91 Acts, ch 213, §11

**513A.2 Authority and jurisdiction of commissioner.**

Except as provided in this chapter, a third-party payor providing coverage in this state for medical, surgical, chiropractic, physical therapy, speech pathology, audiology, professional mental health, dental, hospital, or optometric expenses, whether the coverage is by direct payment, reimbursement, or otherwise, is presumed to be subject to the jurisdiction of the commissioner of insurance, unless the person shows that while providing such services the person is subject to the jurisdiction of another agency of the state or the federal government.

91 Acts, ch 213, §12

Referred to in §513A.6

**513A.3 How to show jurisdiction.**

A third-party payor may establish that the third-party payor is subject to the jurisdiction of another agency of the state, any subdivision of the state, or the federal government, by providing to the insurance commissioner the appropriate certificate, license, or other document issued by the agency which permits or qualifies the third-party payor to provide those services.

91 Acts, ch 213, §13

Referred to in §513A.4

**513A.4 Examination.**

A third-party payor unable to establish under section 513A.3 that the third-party payor is subject to the jurisdiction of another agency of the state, any subdivision of the state, or the federal government, shall submit to an examination by the insurance commissioner to determine the organization and solvency of the third-party payor or the entity, and to determine whether or not the third-party payor complies with the applicable provisions of state law.

91 Acts, ch 213, §14

Referred to in §513A.6

**513A.5 Subject to state laws.**

A third-party payor unable to establish that the third-party payor is subject to the jurisdiction of another agency of the state, any subdivision of the state, or the federal government, is subject to all appropriate provisions of Title XIII, subtitle 1, regarding the

conduct of the business of the third-party payor including, but not limited to, filing with and approval by the commissioner of the form of the health benefit policy, contract, or certificate.
91 Acts, ch 213, §15; 92 Acts, ch 1162, §19

**513A.6 Production agency or administrator — disclosure.**
A production agency or administrator which advertises, sells, transacts, or administers the coverage in this state as defined in section 513A.2 and which is required to submit to an examination by the insurance commissioner under section 513A.4, shall, if the coverage is not fully insured or otherwise fully covered by an admitted life or disability insurer, nonprofit hospital service plan, or nonprofit health care plan, advise every purchaser, prospective purchaser, and covered person of the lack of insurance or other coverage.
An administrator which advertises or administers the coverage in this state as defined in section 513A.2 and which is required to submit to an examination by the insurance commissioner under section 513A.4, shall advise any production agency of the elements of the coverage, including the amount of stop-loss insurance in effect.
91 Acts, ch 213, §16

**513A.7 Unfair competition or unfair and deceptive acts or practices prohibited.**
A third-party payor of health care benefits is subject to chapter 507B relating to unfair insurance trade practices.
93 Acts, ch 88, §15

**513A.8** Repealed by 97 Acts, ch 67, § 3, 4.

# CHAPTER 513B

## SMALL GROUP HEALTH COVERAGE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.8, 505.28, 505.29, 507A.4, 509.19, 513C.11, 514I.3, 669.14, 670.7

SUBCHAPTER I

RATING PRACTICES — AVAILABILITY


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SUBCHAPTER II

BASIC BENEFIT COVERAGE


513B.31 through 513B.43 Repealed by 2001 Acts, ch 69, §38, 39.

## SUBCHAPTER I

## RATING PRACTICES — AVAILABILITY

**513B.1 Title — purpose.**

1. This subchapter shall be known and may be cited as the *"Model Small Group Rating Law"*.

2. The intent of this subchapter is to promote the availability of health insurance coverage to small employers, to prevent abusive rating practices, to require disclosure of rating practices to purchasers, to establish rules for continuity of coverage for employers and covered individuals, and to improve the efficiency and fairness of the small group health insurance marketplace.

91 Acts, ch 244, §1; 93 Acts, ch 80, §1

**513B.2 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Actuarial certification"* means a written statement by a member of the American academy of actuaries or other individual acceptable to the commissioner that a small employer carrier is in compliance with the provisions of section 513B.4, based upon the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods utilized by the small employer carrier in establishing premium rates for applicable health insurance coverages.

2. *"Base premium rate"* means, for each class of business as to a rating period, the lowest premium rate charged or which could have been charged under a rating system for that class of business, by the small employer carrier to small employers for health insurance plans with the same or similar coverage.

3. *"Basic health benefit plan"* means a plan established by the board of the small employer health reinsurance program pursuant to section 513B.13, subsection 8, paragraph *"a"*.

4. *"Carrier"* means an entity subject to the insurance laws and regulations of this state, or subject to the jurisdiction of the commissioner, that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services, including an insurance company offering sickness and accident plans, a health maintenance organization, a nonprofit health service corporation, or any other entity providing a plan of health insurance, health benefits, or health services.

5. *"Case characteristics"* means demographic or other relevant characteristics of a small employer, as determined by a small employer carrier, which are considered by the insurer in the determination of premium rates for the small employer. Claim experience, health status, and duration of coverage since issue are not case characteristics for the purpose of this subchapter.

6. *"Class of business"* means all or a distinct grouping of small employers as shown on the records of the small employer carrier.

*a.* A distinct grouping may only be established by the small employer carrier on the basis that the applicable health insurance coverages meet one or more of the following requirements:

(1) The coverages are marketed and sold through individuals and organizations which are not participating in the marketing or sales of other distinct groupings of small employers for the small employer carrier.

(2) The coverages have been acquired from another small employer carrier as a distinct grouping of plans.

(3) The coverages are provided by a policy of group health insurance coverage through a bona fide association as provided in section 509.1, subsection 8, which meets the requirements for a class of business under section 513B.4. A small employer carrier may condition coverages under such a policy of group health insurance coverage on any of the following requirements:

(a) Minimum levels of participation by employees of each member of a bona fide association that offers the coverage to its employees.

(b) Minimum levels of contribution by each member of a bona fide association that offers the coverage to its employees.

(c) A specified policy term, subject to annual premium rate adjustments as permitted by section 513B.4.

(4) The coverages are provided by a policy of group health insurance coverage through two or more bona fide associations as provided in section 509.1, subsection 8, which a small employer carrier has aggregated as a distinct grouping that meets the requirements for a class of business under section 513B.4. After a distinct grouping of bona fide associations is established as a class of business, the small employer carrier shall not remove a bona fide association from the class based on the claims experience of that association. A small employer carrier may condition coverages under such a policy of group health insurance coverage on any of the following requirements:

(a) Minimum levels of participation by employees of each member of a bona fide association in the class that offers the coverage to its employees.

(b) Minimum levels of contribution by each member of a bona fide association in the class that offers the coverage to its employees.

(c) A specified policy term, subject to annual premium rate adjustments as permitted by section 513B.4.

*b.* A small employer carrier may establish additional groupings under each of the subparagraphs in paragraph *"a"* on the basis of underwriting criteria which are expected to produce substantial variation in the health care costs.

*c.* The commissioner may approve the establishment of additional distinct groupings upon application to the commissioner and a finding by the commissioner that such action would enhance the efficiency and fairness of the small employer insurance marketplace.

7. *"Commissioner"* means the commissioner of insurance.

8. *"Creditable coverage"* means health benefits or coverage provided to an individual under any of the following:

*a.* A group health plan.

*b.* Health insurance coverage.

*c.* Part A or Part B Medicare pursuant to Tit. XVIII of the federal Social Security Act.

*d.* Medicaid pursuant to Tit. XIX of the federal Social Security Act, other than coverage consisting solely of benefits under section 1928 of that Act.

*e.* 10 U.S.C. ch. 55.

*f.* A health or medical care program provided through the Indian health service or a tribal organization.

*g.* A state health benefits risk pool.

*h.* A health plan offered under 5 U.S.C. ch. 89.

*i.* A public health plan as defined under federal regulations.

*j.* A health benefit plan under section 5(e) of the federal Peace Corps Act, 22 U.S.C. § 2504(e).

*k.* An organized delivery system licensed by the director of public health.

*l.* A short-term limited duration policy.

*m.* The hawk-i program authorized by chapter 514I.

9. *"Division"* means the division of insurance.

10. *"Eligible employee"* means an employee who works on a full-time basis and has a normal workweek of thirty or more hours. The term includes a sole proprietor, a partner of a partnership, and an independent contractor, if the sole proprietor, partner, or independent contractor is included as an employee under health insurance coverage of a small employer, but does not include an employee who works on a part-time, temporary, or substitute basis.

11. *a.* *"Group health plan"* means an employee welfare benefit plan as defined in section 3(1) of the federal Employee Retirement Income Security Act of 1974, to the extent that the plan provides medical care including items and services paid for as medical care to employees or their dependents as defined under the terms of the plan directly or through insurance, reimbursement, or otherwise.

*b.* For purposes of this subsection, *"medical care"* means amounts paid for any of the following:

(1) The diagnosis, cure, mitigation, treatment, or prevention of disease, or amounts paid for the purpose of affecting a structure or function of the body.

(2) Transportation primarily for and essential to medical care referred to in subparagraph (1).

(3) Insurance covering medical care referred to in subparagraph (1) or (2).

*c.* For purposes of this subsection, a partnership which establishes and maintains a plan, fund, or program to provide medical care to present or former partners in the partnership or to their dependents directly or through insurance, reimbursement, or other method, which would not be an employee benefit welfare plan but for this paragraph, shall be treated as an employee benefit welfare plan which is a group health plan.

(1) For purposes of a group health plan, an employer includes the partnership in relation to any partner.

(2) For purposes of a group health plan, the term *"participant"* also includes both of the following:

(a) An individual who is a partner in relation to a partnership which maintains a group health plan.

(b) An individual who is a self-employed individual in connection with a group health plan maintained by the self-employed individual where one or more employees are participants, if the individual is or may become eligible to receive a benefit under the plan or the individual's beneficiaries may be eligible to receive a benefit.

12. *a.* *"Health insurance coverage"* means benefits consisting of health care provided directly, through insurance or reimbursement, or otherwise and including items and services paid for as health care under a hospital or health service policy or certificate, hospital or health service plan contract, or health maintenance organization contract offered by a carrier.

*b.* *"Health insurance coverage"* does not include any of the following:

(1) Coverage for accident-only, or disability income insurance.

(2) Coverage issued as a supplement to liability insurance.

(3) Liability insurance, including general liability insurance and automobile liability insurance.

(4) Workers' compensation or similar insurance.

(5) Automobile medical-payment insurance.

(6) Credit-only insurance.

(7) Coverage for on-site medical clinic care.

(8) Other similar insurance coverage, specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance coverage or benefits.

*c.* *"Health insurance coverage"* does not include benefits provided under a separate policy as follows:

(1) Limited scope dental or vision benefits.

(2) Benefits for long-term care, nursing home care, home health care, or community-based care.

(3) Any other similar limited benefits as provided by rule of the commissioner.

*d.* *"Health insurance coverage"* does not include benefits offered as independent noncoordinated benefits as follows:

(1) Coverage only for a specified disease or illness.

(2) A hospital indemnity or other fixed indemnity insurance.

*e.* *"Health insurance coverage"* does not include Medicare supplemental health insurance as defined under section 1882(g)(1) of the federal Social Security Act, coverage supplemental to the coverage provided under 10 U.S.C. ch. 55, and similar supplemental coverage provided to coverage under group health insurance coverage.

*f.* *"Group health insurance coverage"* means health insurance coverage offered in connection with a group health plan.

13. *"Index rate"* means, for each class of business for small employers, the average of the applicable base premium rate and the corresponding highest premium rate.

14. *"Late enrollee"* means an eligible employee or dependent who requests enrollment in a health benefit plan of a small employer following the initial enrollment period for which such individual is entitled to enroll under the terms of the health benefit plan, provided the initial enrollment period is a period of at least thirty days. An eligible employee or dependent shall not be considered a late enrollee if any of the following apply:

*a.* The individual meets all of the following:

(1) The individual was covered under creditable coverage at the time of the initial enrollment.

(2) The individual lost creditable coverage as a result of termination of the individual's employment or eligibility, the involuntary termination of the creditable coverage, death of the individual's spouse, or the individual's divorce.

(3) The individual requests enrollment within thirty days after termination of the creditable coverage.

*b.* The individual is employed by an employer that offers multiple health insurance coverages and the individual elects a different coverage during an open enrollment period.

*c.* A court has ordered that coverage be provided for a spouse or minor or dependent child under a covered employee's health insurance coverage and the request for enrollment is made within thirty days after issuance of the court order.

*d.* The individual changes status and becomes an eligible employee and requests enrollment within sixty-three days after the date of the change in status.

*e.* The individual was covered under a mandated continuation of group health plan or group health insurance coverage plan until the coverage under that plan was exhausted.

15. *"New business premium rate"* means, for each class of business as to a rating period, the lowest premium rate charged or offered by the small employer carrier to small employers for newly issued health insurance coverages with the same or similar coverage.

16. *"Preexisting conditions exclusion"* means, with respect to health insurance coverage, a limitation or exclusion of benefits relating to a condition based on the fact that the condition was present before the date of enrollment for such coverage, whether or not any medical advice, diagnosis, care, or treatment was recommended or received before such date.

17. *"Rating period"* means the calendar period for which premium rates established by a small employer carrier are assumed to be in effect, as determined by the small employer carrier.

18. *"Small employer"* means a person actively engaged in business who, on at least fifty percent of the employer's working days during the preceding year, employed at least one and not more than fifty full-time equivalent eligible employees. In determining the number of eligible employees, companies which are affiliated companies or which are eligible to file a combined tax return for purposes of state taxation are considered one employer.

19. *"Small employer carrier"* means any carrier which offers health benefit plans covering the employees of a small employer.

20. *"Standard health benefit plan"* means a plan established by the board of the small employer health reinsurance program pursuant to section 513B.13, subsection 8, paragraph *"a"*.

91 Acts, ch 244, §2; 92 Acts, ch 1167, §1; 93 Acts, ch 80, §2, 3; 94 Acts, ch 1176, §9; 95 Acts, ch 185, §9; 97 Acts, ch 103, §2 – 11; 98 Acts, ch 1057, §8; 2000 Acts, ch 1023, §20; 2001 Acts, ch 69, §13, 39; 2007 Acts, ch 57, §3 – 5, 8; 2007 Acts, ch 215, §255; 2009 Acts, ch 118, §20; 2011 Acts, ch 70, §26, 49

Referred to in §135H.3, 505.32, 509.1, 509.3, 509A.13B, 514A.3B, 514B.9A, 514C.14, 514C.15, 514C.16, 514C.17, 514C.22, 514C.27, 514F.5, 729.6

Organized delivery systems, see 93 Acts, ch 158, §3

2011 amendment to subsection 18 takes effect January 1, 2014; 2011 Acts, ch 70, §49

Subsection 18 amended

**513B.3 Applicability and scope.**

This subchapter applies to a health benefit plan providing coverage to the employees of a small employer in this state if any of the following apply:

1. Any portion of the premium or benefits is paid by or on behalf of the small employer.

2. An eligible employee or dependent is reimbursed in any manner by or on behalf of the small employer for any portion of the premium or benefits.

3. The health insurance coverage is treated by the employer or any of the eligible employees or dependents as part of a coverage or program for the purposes of section 106, 125, or 162 of the Internal Revenue Code as defined in section 422.3.

4. *a.* Except as provided in paragraph *"b"*, for purposes of this subchapter, carriers that are affiliated companies or that are eligible to file a consolidated tax return shall be treated as one carrier and any restrictions or limitations imposed by this subchapter shall apply as if all health insurance coverages delivered or issued for delivery to small employers in this state by such carriers were issued by one carrier.

*b.* An affiliated carrier which is a health maintenance organization possessing a certificate of authority issued pursuant to chapter 514B shall be considered to be a separate carrier for the purposes of this subchapter.

*c.* Unless otherwise authorized by the commissioner, a small employer carrier shall not enter into one or more ceding arrangements with respect to health insurance coverages delivered or issued for delivery to small employers in this state if the arrangements would result in less than fifty percent of the insurance obligation or risk for such health insurance coverages being retained by the ceding carrier.

91 Acts, ch 244, §3; 92 Acts, ch 1167, §2; 97 Acts, ch 103, §12, 13

**513B.4 Restrictions relating to the premium rates.**

1. Premium rates for health benefit plans subject to this subchapter are subject to the following requirements:

*a.* The index rate for a rating period for any class of business shall not exceed the index rate for any other class of business by more than twenty percent.

*b.* For a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage, or the rates which could be charged to such employers under the rating system for that class of business, shall not vary from the index rate by more than twenty-five percent of the index rate.

*c.* The percentage increase in the premium rate charged to a small employer for a new rating period shall not exceed the sum of the following:

(1) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a class of business for which the small employer carrier is not issuing new policies, the small employer carrier shall use the percentage change in the base premium rate, provided that the change does not exceed, on a percentage basis, the change in the new business premium rate for the most similar health insurance coverage into which the small employer carrier is actively enrolling new insureds who are small employers.

(2) An adjustment, not to exceed fifteen percent annually and adjusted pro rata for rating periods of less than one year, due to the claim experience, health status, or duration of coverage of the employees or dependents of the small employer as determined from the small employer carrier's rate manual for the class of business.

(3) Any adjustment due to change in coverage or change in the case characteristics of the small employer as determined from the small employer carrier's rate manual for the class of business.

*d.* Any adjustment in rates for claims experience, health status, and duration of coverage shall not be charged to individual employees or dependents. Any such adjustment shall be applied uniformly to the rates charged for all employees and dependents of the small employer.

2. *a.* This section does not affect the use by a small employer carrier of legitimate rating factors other than claim experience, health status, or duration of coverage in the determination of premium rates. Small employer carriers shall apply rating factors, including case characteristics, consistently with respect to all small employers in a class of business.

*b.* Case characteristics other than age, geographic area, family composition, and group

size shall not be used by a small employer carrier without the prior approval of the commissioner.

*c.* Rating factors shall produce premiums for identical groups which differ only by amounts attributable to coverage design and do not reflect differences due to the nature of the groups assumed to select particular health benefit plans. A small employer carrier shall treat all health insurance coverages issued or renewed in the same calendar month as having the same rating period.

3. For purposes of this section, a health insurance coverage that contains a restricted network provision shall not be considered similar coverage to a health insurance coverage that does not contain such a provision, if the restriction of benefits to network providers results in substantial differences in claims costs.

4. A small employer shall not be involuntarily transferred by a small employer carrier into or out of a class of business. A small employer carrier shall not offer to transfer a small employer into or out of a class of business unless the offer is made to transfer all small employers in the class of business without regard to case characteristics, claim experience, health status, or duration since issue.

5. Notwithstanding subsection 1, the commissioner, with the concurrence of the board of the Iowa small employer health reinsurance program established in section 513B.13, may by order reduce or eliminate the allowed rating bands provided under subsection 1, paragraphs *"a"*, *"b"*, and *"c"*, or otherwise limit or eliminate the use of experience rating.

6. Notwithstanding subsection 4, a small employer carrier may offer to transfer a small employer into a different class of business with a lower index rate based upon claims experience, implementation of managed care or wellness programs, or health status improvement of the small employer since issue.

91 Acts, ch 244, §4; 92 Acts, ch 1167, §3 – 7; 93 Acts, ch 80, §4; 94 Acts, ch 1176, §10 – 12; 97 Acts, ch 103, §14 – 17; 2001 Acts, ch 69, §14, 15, 39; 2002 Acts, ch 1111, §13; 2007 Acts, ch 57, §6, 8; 2012 Acts, ch 1023, §157

Referred to in §513B.2, 513B.4A, 513B.13, 513B.17

**513B.4A Exemption from premium rate restrictions.**

A Taft-Hartley trust or a carrier with the written authorization of such a trust may make a written request to the commissioner for an exemption from the application of any provisions of section 513B.4 with respect to health insurance coverage provided to such a trust. The commissioner may grant an exemption if the commissioner finds that application of section 513B.4 with respect to the trust would have a substantial adverse effect on the participants and beneficiaries of such trust, and would require significant modifications to one or more collective bargaining arrangements under which the trust is established or maintained. An exemption granted under this section shall not apply to an individual if the individual participates in a trust as an associate member of an employee organization.

93 Acts, ch 80, §5; 97 Acts, ch 103, §18

**513B.4B Small employer incentives — suspension or modification of premium rate restrictions.**

1. In order to encourage voluntary participation in wellness or disease management programs, a small employer carrier may offer premium credits or discounts to a small employer for the benefit of eligible employees of that small employer who participate in such a program. An employee shall not be penalized in any way for not participating in such a program.

2. The commissioner shall adopt, by rule or order, provisions allowing suspension or modification of premium rate restrictions to enable a small employer carrier to provide premium credits or discounts to a small employer based on measurable reductions in costs of that small employer, including but not limited to tobacco use cessation, participation in established wellness or disease management programs, and economies of acquisition or administration.

2007 Acts, ch 57, §7, 8

**513B.5 Provisions on renewability of coverage.**

1. Health insurance coverage subject to this chapter is renewable with respect to all eligible employees or their dependents, at the option of the small employer, except for one or more of the following reasons:

*a.* The health insurance coverage sponsor fails to pay, or to make timely payment of, premiums or contributions pursuant to the terms of the health insurance coverage.

*b.* The health insurance coverage sponsor performs an act or practice constituting fraud or makes an intentional misrepresentation of a material fact under the terms of the coverage.

*c.* Noncompliance with the carrier's or organized delivery system's minimum participation requirements.

*d.* Noncompliance with the carrier's or organized delivery system's employer contribution requirements.

*e.* A decision by the carrier or organized delivery system to discontinue offering a particular type of health insurance coverage in the state's small employer market. Health insurance coverage may be discontinued by the carrier or organized delivery system in that market only if the carrier or organized delivery system does all of the following:

(1) Provides advance notice of its decision to discontinue such plan to the commissioner or director of public health. Notice to the commissioner or director, at a minimum, shall be no less than three days prior to the notice provided for in subparagraph (2) to affected small employers, participants, and beneficiaries.

(2) Provides notice of its decision not to renew such plan to all affected small employers, participants, and beneficiaries no less than ninety days prior to the nonrenewal of the plan.

(3) Offers to each plan sponsor of the discontinued coverage, the option to purchase any other coverage currently offered by the carrier or organized delivery system to other employers in this state.

(4) Acts uniformly, in opting to discontinue the coverage and in offering the option under subparagraph (3), without regard to the claims experience of the sponsors under the discontinued coverage or to a health status-related factor relating to any participants or beneficiaries covered or new participants or beneficiaries who may become eligible for the coverage.

*f.* A decision by the carrier or organized delivery system to discontinue offering and to cease to renew all of its health insurance coverage delivered or issued for delivery to small employers in this state. A carrier or organized delivery system making such decision shall do all of the following:

(1) Provide advance notice of its decision to discontinue such coverage to the commissioner or director of public health. Notice to the commissioner or director, at a minimum, shall be no less than three days prior to the notice provided for in subparagraph (2) to affected small employers, participants, and beneficiaries.

(2) Provide notice of its decision not to renew such coverage to all affected small employers, participants, and beneficiaries no less than one hundred eighty days prior to the nonrenewal of the coverage.

(3) Discontinue all health insurance coverage issued or delivered for issuance to small employers in this state and cease renewal of such coverage.

*g.* The membership of an employer in an association, which is the basis for the coverage which is provided through such association, ceases, but only if the termination of coverage under this paragraph occurs uniformly without regard to any health status-related factor relating to any covered individual.

*h.* The commissioner or director of public health finds that the continuation of the coverage is not in the best interests of the policyholders or certificate holders, or would impair the carrier's or organized delivery system's ability to meet its contractual obligations.

*i.* At the time of coverage renewal, a carrier or organized delivery system may modify the health insurance coverage for a product offered under group health insurance coverage in the small group market, for coverage that is available in such market other than only through one or more bona fide associations, if such modification is consistent with the laws of this state, and is effective on a uniform basis among group health insurance coverage with that product.

2. A carrier or organized delivery system that elects not to renew health insurance coverage under subsection 1, paragraph *"f"*, shall not write any new business in the small employer market in this state for a period of five years after the date of notice to the commissioner or director of public health.

3. This section, with respect to a carrier or organized delivery system doing business in one established geographic service area of the state, applies only to such carrier's or organized delivery system's operations in that service area.

91 Acts, ch 244, §5; 92 Acts, ch 1167, §8, 9; 93 Acts, ch 80, §6; 97 Acts, ch 103, §19
Referred to in §513B.10

**513B.6 Disclosure of rating practices and renewability provisions.**

A small employer carrier or organized delivery system shall make reasonable disclosure in solicitation and sales materials provided to small employers of all of the following:

1. The extent to which premium rates for a specific small employer are established or adjusted due to the claim experience, health status, or duration of coverage of the employees or dependents of the small employer.

2. The provisions concerning the small employer carrier's or organized delivery system's right to change premium rates and factors, including case characteristics, which affect changes in premium rates.

3. The provisions relating to any preexisting condition provision.

4. The provisions relating to renewability of coverage.

91 Acts, ch 244, §6; 92 Acts, ch 1167, §10; 97 Acts, ch 103, §20, 21

**513B.7 Maintenance of records.**

1. A small employer carrier or organized delivery system shall maintain at its principal place of business a complete and detailed description of its rating practices and renewal underwriting practices, including information and documentation which demonstrate that its rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

2. A small employer carrier or organized delivery system shall file each March 1 with the commissioner or the director of public health an actuarial certification that the small employer carrier or organized delivery system is in compliance with this section and that the rating methods of the small employer carrier or organized delivery system are actuarially sound. A copy of the certification shall be retained by the small employer carrier or organized delivery system at its principal place of business.

3. A small employer carrier or organized delivery system shall make the information and documentation described in subsection 1 available to the commissioner or the director of public health upon request. The information is not a public record or otherwise subject to disclosure under chapter 22, and is considered proprietary and trade secret information and is not subject to disclosure by the commissioner or the director of public health to persons outside of the division or department except as agreed to by the small employer carrier or organized delivery system or as ordered by a court of competent jurisdiction.

91 Acts, ch 244, §7; 97 Acts, ch 103, §22; 98 Acts, ch 1100, §68

**513B.8** Transferred to § 513B.17.

**513B.9** Reserved.

**513B.9A Eligibility to enroll.**

1. A carrier or organized delivery system offering group health insurance coverage shall not establish rules for eligibility, including continued eligibility, of an individual to enroll under the terms of the coverage based on any of the following health status-related factors in relation to the individual or a dependent of the individual:

*a.* Health status.

*b.* Medical condition, including both physical and mental conditions.

*c.* Claims experience.

*d.* Receipt of health care.

*e.* Medical history.

*f.* Genetic information.

*g.* Evidence of insurability, including conditions arising out of acts of domestic violence.

*h.* Disability.

2. Subsection 1 does not require group health insurance coverage to provide particular benefits other than those provided under the terms of the coverage, and does not prevent a coverage from establishing limitations or restrictions on the amount, level, extent, or nature of the benefits or coverage for similarly situated individuals enrolled in the coverage.

3. Rules for eligibility to enroll under group health insurance coverage include rules defining any applicable waiting periods for such enrollment.

4. *a.* A carrier or organized delivery system offering health insurance coverage shall not require an individual, as a condition of enrollment or continued enrollment under the coverage, to pay a premium or contribution which is greater than a premium or contribution for a similarly situated individual enrolled in the coverage on the basis of a health status-related factor in relation to the individual or to a dependent of an individual enrolled under the coverage.

*b.* Paragraph "*a*" shall not be construed to do either of the following:

(1) Restrict the amount that an employer may be charged for health insurance coverage.

(2) Prevent a carrier or organized delivery system offering group health insurance coverage from establishing premium discounts or rebates or modifying otherwise applicable copayments or deductibles in return for adherence to programs of health promotion and disease prevention.

97 Acts, ch 103, §23

**513B.10 Availability of coverage.**

1. *a.* A carrier or an organized delivery system that offers health insurance coverage in the small group market shall accept every small employer that applies for health insurance coverage and shall accept for enrollment under such coverage every eligible individual who applies for enrollment during the period in which the individual first becomes eligible to enroll under the terms of the health insurance coverage and shall not place any restriction which is inconsistent with eligibility rules established under this chapter.

*b.* A carrier or organized delivery system that offers health insurance coverage in the small group market through a network plan may do either of the following:

(1) Limit employers that may apply for such coverage to those with eligible individuals who live, work, or reside in the service area for such network plan.

(2) Deny such coverage to such employers within the service area of such plan if the carrier or organized delivery system has demonstrated to the applicable state authority both of the following:

(a) The carrier or organized delivery system will not have the capacity to deliver services adequately to enrollees of any additional groups because of its obligations to existing group contract holders and enrollees.

(b) The carrier or organized delivery system is applying this subparagraph uniformly to all employers without regard to the claims experience of those employers and their employees and their dependents, or any health status-related factor relating to such employees or dependents.

*c.* A carrier or organized delivery system, upon denying health insurance coverage in any service area pursuant to paragraph "*b*", subparagraph (2), shall not offer coverage in the small group market within such service area for a period of one hundred eighty days after the date such coverage is denied.

*d.* A carrier or organized delivery system may deny health insurance coverage in the small group market if the issuer has demonstrated to the commissioner or director of public health both of the following:

(1) The carrier or organized delivery system does not have the financial reserves necessary to underwrite additional coverage.

(2) The carrier or organized delivery system is applying the provisions of this paragraph

uniformly to all employers in the small group market in this state consistent with state law and without regard to the claims experience of those employers and the employees and dependents of such employers, or any health status-related factor relating to such employees and their dependents.

*e.* A carrier or organized delivery system, upon denying health insurance coverage pursuant to paragraph *"d"*, shall not offer coverage in connection with health insurance coverages in the small group market in this state for a period of one hundred eighty days after the date such coverage is denied or until the carrier or organized delivery system has demonstrated to the commissioner or director of public health that the carrier or organized delivery system has sufficient financial reserves to underwrite additional coverage, whichever is later. The commissioner or director may provide for the application of this paragraph on a service area-specific basis.

*f.* Paragraph *"a"* shall not be construed to preclude a carrier or organized delivery system from establishing employer contribution rules or group participation rules for the offering of health insurance coverage in the small group market.

2. A carrier or organized delivery system, subject to subsection 1, shall issue health insurance coverage to an eligible small employer that applies for the coverage and agrees to make the required premium payments and satisfy the other reasonable provisions of the health insurance coverage not inconsistent with this chapter. A carrier or organized delivery system is not required to issue health insurance coverage to a self-employed individual who is covered by, or is eligible for coverage under, health insurance coverage offered by an employer.

3. Health insurance coverage for small employers shall satisfy all of the following:

*a.* A carrier or organized delivery system offering group health insurance coverage, with respect to a participant or beneficiary, may impose a preexisting condition exclusion only as follows:

(1) The exclusion relates to a condition, whether physical or mental, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within the six-month period ending on the enrollment date. However, genetic information shall not be treated as a condition under this subparagraph in the absence of a diagnosis of the condition related to such information.

(2) The exclusion extends for a period of not more than twelve months, or eighteen months in the case of a late enrollee, after the enrollment date.

(3) The period of any such preexisting condition exclusion is reduced by the aggregate of the periods of creditable coverage applicable to the participant or beneficiary as of the enrollment date.

*b.* A carrier or organized delivery system offering group health insurance coverage shall not impose any preexisting condition exclusion as follows:

(1) In the case of a child who is adopted or placed for adoption before attaining eighteen years of age and who, as of the last day of the thirty-day period beginning on the date of the adoption or placement for adoption, is covered under creditable coverage. This subparagraph shall not apply to coverage before the date of such adoption or placement for adoption.

(2) In the case of an individual who, as of the last day of the thirty-day period beginning with the date of birth, is covered under creditable coverage.

(3) Relating to pregnancy as a preexisting condition.

*c.* A carrier or organized delivery system shall waive any waiting period applicable to a preexisting condition exclusion or limitation period with respect to particular services under health insurance coverage for the period of time an individual was covered by creditable coverage, provided that the creditable coverage was continuous to a date not more than sixty-three days prior to the effective date of the new coverage. Any period that an individual is in a waiting period for any coverage under group health insurance coverage, or is in an affiliation period, shall not be taken into account in determining the period of continuous coverage. A health maintenance organization that does not use preexisting condition limitations in any of its health insurance coverage may impose an affiliation period. For purposes of this section, *"affiliation period"* means a period of time not to exceed sixty days for new entrants and not to exceed ninety days for late enrollees during which no premium

shall be collected and coverage issued is not effective, so long as the affiliation period is applied uniformly, without regard to any health status-related factors. This paragraph does not preclude application of a waiting period applicable to all new enrollees under the health insurance coverage, provided that any carrier or organized delivery system-imposed waiting period is no longer than sixty days and is used in lieu of a preexisting condition exclusion.

*d.* Health insurance coverage may exclude coverage for late enrollees for preexisting conditions for a period not to exceed eighteen months.

*e.* (1) Requirements used by a carrier or organized delivery system in determining whether to provide coverage to a small employer shall be applied uniformly among all small employers applying for coverage or receiving coverage from the carrier or organized delivery system.

(2) In applying minimum participation requirements with respect to a small employer, a carrier or organized delivery system shall not consider employees or dependents who have other creditable coverage in determining whether the applicable percentage of participation is met.

(3) A carrier or organized delivery system shall not increase any requirement for minimum employee participation or modify any requirement for minimum employer contribution applicable to a small employer at any time after the small employer has been accepted for coverage.

*f.* (1) If a carrier or organized delivery system offers coverage to a small employer, the carrier or organized delivery system shall offer coverage to all eligible employees of the small employer and the employees' dependents. A carrier or organized delivery system shall not offer coverage to only certain individuals or dependents in a small employer group or to only part of the group.

(2) Except as provided under paragraphs "*a*" and "*d*", a carrier or organized delivery system shall not modify health insurance coverage with respect to a small employer or any eligible employee or dependent through riders, endorsements, or other means, to restrict or exclude coverage or benefits for certain diseases, medical conditions, or services otherwise covered by the health insurance coverage.

*g.* A carrier or organized delivery system offering coverage through a network plan shall not be required to offer coverage or accept applications pursuant to subsection 1 with respect to a small employer where any of the following apply:

(1) The small employer does not have eligible individuals who live, work, or reside in the service area for the network plan.

(2) The small employer does have eligible individuals who live, work, or reside in the service area for the network plan, but the carrier or organized delivery system, if required, has demonstrated to the commissioner or the director of public health that it will not have the capacity to deliver services adequately to enrollees of any additional groups because of its obligations to existing group contract holders and enrollees and that it is applying the requirements of this lettered paragraph uniformly to all employers without regard to the claims experience of those employers and their employees and the employees' dependents, or any health status-related factor relating to such employees and dependents.

(3) A carrier or organized delivery system, upon denying health insurance coverage in a service area pursuant to subparagraph (2), shall not offer coverage in the small employer market within such service area for a period of one hundred eighty days after the coverage is denied.

4. A carrier or organized delivery system shall not be required to offer coverage to small employers pursuant to subsection 1 for any period of time where the commissioner or director of public health determines that the acceptance of the offers by small employers in accordance with subsection 1 would place the carrier or organized delivery system in a financially impaired condition.

5. A carrier or organized delivery system shall not be required to provide coverage to small employers pursuant to subsection 1 if the carrier or organized delivery system elects not to offer new coverage to small employers in this state. However, a carrier or organized delivery system that elects not to offer new coverage to small employers under this subsection shall

be allowed to maintain its existing policies in the state, subject to the requirements of section 513B.5.

6. A carrier or organized delivery system that elects not to offer new coverage to small employers pursuant to subsection 5 shall provide notice to the commissioner or director of public health and is prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner or director.

92 Acts, ch 1167, §11; 93 Acts, ch 80, §7 – 9, 20; 97 Acts, ch 103, §24; 98 Acts, ch 1100, §69; 2001 Acts, ch 69, §16, 17, 39

Referred to in §513B.12

**513B.11 Notice of intent to operate as a risk-assuming carrier or reinsuring carrier.**

1. *a.* Upon the approval of a plan of operation by the commissioner under section 513B.13, subsection 4, a small employer carrier authorized to transact the business of insurance in this state shall notify the commissioner of the carrier's intention to operate as a risk-assuming carrier or a reinsuring carrier. The notification shall be made as deemed appropriate by the commissioner. A small employer carrier seeking to operate as a risk-assuming carrier shall make an application pursuant to section 513B.12.

*b.* The notification of the commissioner concerning the carrier's intention pursuant to paragraph "*a*" is binding for a five-year period from the date notification is given, except that the initial notification given by carriers after July 1, 1992, is binding for a two-year period. The commissioner may permit a carrier to modify the carrier's decision at any time for good cause.

*c.* The commissioner shall establish an application process for small employer carriers seeking to change their status pursuant to this subsection. If a small employer carrier has been acquired by another such carrier, the commissioner may waive or modify the time periods established in paragraph "*b*".

2. A reinsuring carrier that applies and is approved to operate as a risk-assuming carrier shall not be permitted to continue to reinsure any health insurance coverage with the program. The carrier shall pay a prorated assessment based upon business issued as a reinsuring carrier for any portion of the year that the business was reinsured.

92 Acts, ch 1167, §12; 93 Acts, ch 80, §10; 97 Acts, ch 103, §25

**513B.12 Application to become a risk-assuming carrier.**

1. A small employer carrier may apply to become a risk-assuming carrier by filing an application with the commissioner in a form and manner prescribed by the commissioner.

2. In evaluating an application made pursuant to this section, the commissioner shall consider the following factors:

*a.* The carrier's financial condition.

*b.* The carrier's history of rating and underwriting small employer groups.

*c.* The carrier's commitment to market fairly to all small employers in the state or the carrier's established geographic service area, as applicable.

*d.* The carrier's experience with managing the risk of small employer groups.

3. The commissioner shall provide public notice of an application by a small employer carrier to be a risk-assuming carrier and shall provide at least a sixty-day period for public comment prior to making a decision on the application. If the application is not acted upon within ninety days of the receipt of the application by the commissioner, the carrier may request a hearing.

4. The commissioner may rescind the approval granted to a risk-assuming carrier under this section if the commissioner finds any of the following:

*a.* The carrier's financial condition will no longer support the assumption of risk from issuing coverage to small employers in compliance with section 513B.10 without the protection provided by the program.

*b.* The carrier has failed to market fairly to all small employers in the state or the carrier's established geographic service area, as applicable.

*c.* The carrier has failed to provide coverage to eligible small employers as required under section 513B.10.

5. A small employer carrier electing to be a risk-assuming carrier shall not be subject to the provisions of section 513B.13.

6. During the period of time that the operation of the small employer carrier reinsurance program is suspended pursuant to section 513B.13, subsection 14, a small employer carrier is not required to make an application to become a risk-assuming carrier pursuant to this section.

92 Acts, ch 1167, §13; 2005 Acts, ch 70, §8
Referred to in §513B.11

**513B.13 Small employer carrier reinsurance program.**

1. A nonprofit corporation is established to be known as the Iowa small employer health reinsurance program.

2. A reinsuring carrier is subject to this program.

3. *a.* The program shall operate subject to the supervision and control of a board. Subject to the provisions of paragraph "*b*", the board shall consist of nine members appointed by the commissioner, and the commissioner or the commissioner's designee, who shall serve as an ex officio member and as chairperson of the board.

*b.* In appointing the members of the board, the commissioner shall include representatives of small employers and small employer carriers and such other individuals as determined to be qualified by the commissioner. At least five of the members of the board shall be representatives of carriers and shall be selected from individuals nominated by small employer carriers in this state pursuant to procedures and guidelines provided by rule of the commissioner.

*c.* Members shall be appointed for terms of three years. A board member's term shall continue until the member's successor is appointed.

*d.* A vacancy in the board shall be filled by the commissioner for the remainder of the term. A member of the board may be removed by the commissioner for cause.

*e.* During the period of time that the program is suspended pursuant to subsection 14, the size of the board may be reduced with the approval of the commissioner.

4. The board may submit a plan of operation to the commissioner. The commissioner, after notice and hearing, may approve a plan of operation if the commissioner determines that the plan is suitable to assure the fair, reasonable, and equitable administration of the program, and provides for the sharing of program gains and losses on an equitable and proportionate basis in accordance with the provisions of this section. A plan of operation is effective upon written approval of the commissioner.

5. The board may submit to the commissioner any amendments to the plan necessary or suitable to assure the fair, reasonable, and equitable administration of the program. The amendments shall be effective upon the written approval of the commissioner.

6. The plan of operation shall do all of the following:

*a.* Establish procedures for the handling and accounting of program assets and moneys, and for an annual fiscal reporting to the commissioner.

*b.* Establish procedures for selecting an administering carrier and setting forth the powers and duties of the administering carrier.

*c.* Establish procedures for reinsuring risks in accordance with the provisions of this section.

*d.* Establish procedures for collecting assessments from reinsuring carriers to fund claims and administrative expenses incurred or estimated to be incurred by the program.

*e.* Establish a methodology for applying the dollar thresholds contained in this section for carriers that pay or reimburse health care providers through capitation or a salary.

*f.* Provide for any additional matters necessary to implement and administer the program.

7. The same general powers and authority granted under the laws of this state to insurance companies and health maintenance organizations licensed to transact business in this state may be exercised by the board under the program, except the power to issue health insurance coverages directly to either groups or individuals. Additionally, the board is granted the specific authority to do all or any of the following:

*a.* Enter into contracts as necessary or proper to administer the provisions and purposes of

this subchapter, including the authority, with the approval of the commissioner, to enter into contracts with similar programs in other states for the joint performance of common functions or with persons or other organizations for the performance of administrative functions.

*b.* Sue or be sued, including taking any legal action necessary or proper to recover any assessments and penalties for, on behalf of, or against the program or any reinsuring carriers.

*c.* Take any legal action necessary to avoid the payment of improper claims made against the program.

*d.* Define the health insurance coverages for which reinsurance will be provided, and issue reinsurance policies, pursuant to this subchapter.

*e.* Establish rules, conditions, and procedures for reinsuring risks under the program.

*f.* Establish and implement actuarial functions as appropriate for the operation of the program.

*g.* Assess reinsuring carriers in accordance with the provisions of subsection 11, and make advance interim assessments as may be reasonable and necessary for organizational and interim operating expenses. Any interim assessments shall be credited as offsets against any regular assessments due following the close of the calendar year.

*h.* Appoint appropriate legal, actuarial, and other committees as necessary to provide technical assistance in the operation of the program, policy and other contract design, and any other function within the authority of the program.

*i.* Borrow money to effect the purposes of the program. Any notes or other evidence of indebtedness of the program not in default are legal investments for carriers and may be carried as admitted assets.

8. A reinsuring carrier may reinsure with the program as provided in this section.

*a.* The program shall reinsure up to the level of coverage provided in either a basic health benefit plan or standard health benefit plan established by the board.

*b.* A small employer carrier may reinsure an entire employer group within sixty days of the commencement of the group's coverage under health insurance coverage.

*c.* A reinsuring carrier may reinsure an eligible employee or dependent within a period of sixty days following the commencement of the coverage with the small employer. A newly eligible employee or dependent of a reinsured small employer may be reinsured within sixty days of the commencement of such person's coverage.

*d.* (1) The program shall not reimburse a reinsuring carrier with respect to the claims of a reinsured employee or dependent until the small employer carrier has incurred an initial level of claims for such employee or dependent of five thousand dollars in a calendar year for benefits covered by the program. In addition, the reinsuring carrier is responsible for ten percent of the next fifty thousand dollars of incurred claims during a calendar year and the program shall reinsure the remainder. A reinsuring carrier's liability under this subparagraph shall not exceed a maximum limit of ten thousand dollars in any one calendar year with respect to any reinsured individual.

(2) The board annually shall adjust the initial level of claims and the maximum limit to be retained by the small employer carrier to reflect increases in costs and utilization within the standard market for health benefit plans within the state. The adjustment shall not be less than the annual change in the medical component of the "consumer price index for all urban consumers" of the United States department of labor, bureau of labor statistics, unless the board proposes and the commissioner approves a lower adjustment factor.

*e.* A small employer carrier may terminate reinsurance for one or more of the reinsured employees or dependents of a small employer on any plan anniversary date.

*f.* Premium rates charged for reinsurance by the program to a health maintenance organization that is federally qualified under 42 U.S.C. § 300c(c)(2)(A), and is thereby subject to requirements that limit the amount of risk that may be ceded to the program that are more restrictive than those specified in paragraph *"d"*, shall be reduced to reflect that portion of the risk above the amount set forth in paragraph *"d"* that may not be ceded to the program, if any.

9. *a.* The board, as part of the plan of operation, shall establish a methodology for determining premium rates to be charged by the program for reinsuring small employers and individuals pursuant to this section. The methodology shall include a system for

classification of small employers that reflects the types of case characteristics commonly used by small employer carriers in the state. The methodology shall provide for the development of base reinsurance premium rates, which shall be multiplied by the factors set forth in paragraph "*b*" to determine the premium rates for the program. The base reinsurance premium rates shall be established by the board, subject to the approval of the commissioner, and shall be set at levels which reasonably approximate gross premiums charged to small employers by small employer carriers for health insurance coverages with benefits similar to the standard health benefit plan.

*b.* Premiums for the program shall be as follows:

(1) An entire small employer group may be reinsured for a rate that is one and one-half times the base reinsurance premium rate for the group established pursuant to this subsection.

(2) An eligible employee or dependent may be reinsured for a rate that is five times the base reinsurance premium rate for the individual established pursuant to this subsection.

*c.* The board periodically shall review the methodology established under paragraph "*a*", including the system of classification and any rating factors, to assure that it reasonably reflects the claims experience of the program. The board may propose changes to the methodology which shall be subject to the approval of the commissioner.

10. If health insurance coverage for a small employer is entirely or partially reinsured with the program, the premium charged to the small employer for any rating period for the coverage issued shall meet the requirements relating to premium rates set forth in section 513B.4.

11. *a.* Prior to March 1 of each year, the board shall determine and report to the commissioner the program net loss for the previous calendar year, including administrative expenses and incurred losses for the year, taking into account investment income and other appropriate gains and losses.

*b.* Any net loss for the year shall be recouped by assessments of reinsuring carriers.

(1) The board shall establish, as part of the plan of operation, a formula by which to make assessments against reinsuring carriers. The assessment formula shall be based on both of the following:

(a) Each reinsuring carrier's share of the total premiums earned in the preceding calendar year from health insurance coverages delivered or issued for delivery to small employers in this state by reinsuring carriers.

(b) Each reinsuring carrier's share of the premiums earned in the preceding calendar year from newly issued health insurance coverages delivered or issued for delivery during such calendar year to small employers in this state by reinsuring carriers.

(2) The formula established pursuant to subparagraph (1) shall not result in any reinsuring carrier having an assessment share that is less than fifty percent nor more than one hundred fifty percent of an amount which is based on the proportion of the reinsuring carrier's total premiums earned in the preceding calendar year from health insurance coverages delivered or issued for delivery to small employers in this state by reinsuring carriers to total premiums earned in the preceding calendar year from health insurance coverages delivered or issued for delivery to small employers in this state by all reinsuring carriers.

(3) The board, with approval of the commissioner, may change the assessment formula established pursuant to subparagraph (1) from time to time as appropriate. The board may provide for the shares of the assessment base attributable to premiums from all health insurance coverages and to premiums from newly issued health insurance coverages to vary during a transition period.

(4) Subject to the approval of the commissioner, the board shall make an adjustment to the assessment formula for reinsuring carriers that are approved health maintenance organizations which are federally qualified under 42 U.S.C. § 300 et seq., to the extent, if any, that restrictions are placed on them that are not imposed on other small employer carriers.

(5) Premiums and benefits paid by a reinsuring carrier that are less than an amount determined by the board to justify the cost of collection shall not be considered for purposes of determining assessments.

*c.* (1) Prior to March 1 of each year, the board shall determine and file with the commissioner an estimate of the assessments needed to fund the losses incurred by the program in the previous calendar year.

(2) If the board determines that the assessments needed to fund the losses incurred by the program in the previous calendar year will exceed the amount specified in subparagraph (3), the board shall evaluate the operation of the program and report its findings, including any recommendations for changes to the plan of operation, to the commissioner within ninety days following the end of the calendar year in which the losses were incurred. The evaluation shall include: an estimate of future assessments, the administrative costs of the program, the appropriateness of the premiums charged, and the level of insurer retention under the program and the costs of coverage for small employers. If the board fails to file the report with the commissioner within ninety days following the end of the applicable calendar year, the commissioner may evaluate the operations of the program and implement such amendments to the plan of operation the commissioner deems necessary to reduce future losses and assessments.

(3) For any calendar year, the amount specified in this subparagraph is five percent of total premiums earned in the previous year from health insurance coverages delivered or issued for delivery to small employers in this state by reinsuring carriers.

(4) If assessments in each of two consecutive calendar years exceed by ten percent the amount specified in subparagraph (3), the commissioner may relieve carriers from any or all of the regulations of this subchapter or take such other actions as the commissioner deems equitable and necessary to spread the risk of loss and assure portability of coverages and continuity of benefits so as to reduce assessments to ten percent or less of that amount specified in subparagraph (3).

*d.* If assessments exceed net losses of the program, the excess shall be held in an interest-bearing account and used by the board to offset future losses or to reduce program premiums. As used in this paragraph, *"future losses"* includes reserves for incurred but not reported claims.

*e.* Each reinsuring carrier's proportion of the assessment shall be determined annually by the board based on annual statements and other reports deemed necessary by the board and filed by the reinsuring carriers with the board.

*f.* The plan of operation shall provide for the imposition of an interest penalty for late payment of assessments.

*g.* A reinsuring carrier may seek from the commissioner a deferment from all or part of an assessment imposed by the board. The commissioner may defer all or part of the assessment of a reinsuring carrier if the commissioner determines that the payment of the assessment would place the reinsuring carrier in a financially impaired condition. If all or part of an assessment against a reinsuring carrier is deferred, the amount deferred shall be assessed against the other participating carriers in a manner consistent with the basis for assessment set forth in this subsection. The reinsuring carrier receiving such deferment shall remain liable to the program for the amount deferred and shall be prohibited from reinsuring any individuals or groups in the program until such time as it pays such assessments.

12. The participation in the program as reinsuring carriers, the establishment of rates, forms, or procedures, or any other joint or collective action required by this subchapter shall not be the basis of any legal action, criminal or civil liability, or penalty against the program or any of its reinsuring carriers either jointly or separately.

13. The program is exempt from any and all state or local taxes.

14. The board of the Iowa small employer health reinsurance program, on an ongoing basis, shall review the program and make recommendations as to the continued cost effectiveness of the program to the commissioner, which recommendations may include proposed modifications or suspension of operation of the program. In making such a review, the board shall consider such factors as the population reinsured by the program, the premiums and assessments paid to the program, the number and percentage of carriers electing to utilize the program, health care reform measures implemented in the state, as well as other factors deemed relevant by the board. The commissioner, upon finding that

the program is not cost effective, may make modifications to the program or suspend the operation of the program by rule.

92 Acts, ch 1167, §14; 93 Acts, ch 80, §11, 12; 97 Acts, ch 103, §26 – 32; 99 Acts, ch 165, §8; 2001 Acts, ch 69, §18 – 22, 39; 2005 Acts, ch 70, §9

Referred to in §513B.2, 513B.4, 513B.11, 513B.12

**513B.14** Repealed by 2001 Acts, ch 69, § 38, 39.

**513B.15 Periodic market evaluation.**

The board shall study and report at least every three years to the commissioner on the effectiveness of this subchapter. The report shall analyze the effectiveness of the subchapter in promoting rate stability, product availability, and coverage affordability. The report may contain recommendations for actions to improve the overall effectiveness, efficiency, and fairness of the small group health insurance marketplace. The report shall address whether carriers and producers are fairly and actively marketing or issuing health insurance coverages to small employers in fulfillment of the purposes of this subchapter. The report may contain recommendations for market conduct or other regulatory standards or action.

92 Acts, ch 1167, §16; 97 Acts, ch 103, §33

**513B.16** Repealed by 2001 Acts, ch 69, § 38, 39.

**513B.17 Discretion of the commissioner.**

1. The commissioner may suspend all or any part of section 513B.4 as to the premium rates applicable to one or more small employers for one or more rating periods upon a filing by the small employer carrier and a finding by the commissioner that the suspension is reasonable in light of the financial condition of the carrier or that the suspension would enhance the efficiency and fairness of the marketplace for small employer health insurance.

2. The commissioner may suspend or modify the normal workweek requirement of thirty or more hours under the definition of eligible employee upon a finding by the commissioner that the suspension would enhance the availability of health insurance to employees of small employers.

3. The commissioner may adopt, by rule or order, transition provisions to facilitate the implementation and administration of this chapter.

91 Acts, ch 244, §8
CS91, §513B.8
92 Acts, ch 1167, §18
C93, §513B.17
93 Acts, ch 80, §14; 97 Acts, ch 103, §34; 2005 Acts, ch 70, §10

**513B.17A** Repealed by 2001 Acts, ch 69, § 38, 39.

**513B.18 Uniform application form.**

The commissioner shall develop, by rule, a uniform application form for use by small employers applying for new health insurance coverage under group health plans offered by small employer carriers. Small employer carriers shall be required to use the uniform application form not less than six months after the rules developing the form become effective under chapter 17A.

2007 Acts, ch 169, §1

**513B.19 through 513B.30** Reserved.

## SUBCHAPTER II

## BASIC BENEFIT COVERAGE

**513B.31 through 513B.43** Repealed by 2001 Acts, ch 69, § 38, 39.

# CHAPTER 513C

## INDIVIDUAL HEALTH INSURANCE MARKET REFORM

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 514E.2, 514E.7, 514I.3, 669.14, 670.7


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513C.11 Self-funded employer-sponsored health benefit plan participation in reinsurance association.
513C.12 Commissioner's duties.


**513C.1 Short title.**

This chapter shall be known and may be cited as the *"Individual Health Insurance Market Reform Act"*.

95 Acts, ch 5, §3

**513C.2 Purpose.**

The purpose and intent of this chapter is to promote the availability of health insurance coverage to individuals regardless of their health status or claims experience, to prevent abusive rating practices, to require disclosure of rating practices to purchasers, to establish rules regarding the renewal of coverage, to establish limitations on the use of preexisting condition exclusions, to assure fair access to health plans, and to improve the overall fairness and efficiency of the individual health insurance market.

95 Acts, ch 5, §4

**513C.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Actuarial certification"* means a written statement by a member of the American academy of actuaries or other individual acceptable to the commissioner that an individual carrier is in compliance with the provisions of section 513C.5 which is based upon the actuary's or individual's examination, including a review of the appropriate records and the actuarial assumptions and methods used by the carrier in establishing premium rates for applicable individual health benefit plans.

2. *"Affiliate"* or *"affiliated"* means any entity or person who directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, a specified entity or person.

3. *"Basic or standard health benefit plan"* means the core group of health benefits developed pursuant to section 513C.8.

4. *"Block of business"* means all the individuals insured under the same individual health benefit plan.

5. *"Carrier"* means any entity that provides individual health benefit plans in this state. For purposes of this chapter, carrier includes an insurance company, a group hospital or medical service corporation, a fraternal benefit society, a health maintenance organization, and any other entity providing an individual plan of health insurance or health benefits subject to state insurance regulation. *"Carrier"* does not include an organized delivery system.

6. *"Commissioner"* means the commissioner of insurance.

7. *"Director"* means the director of public health appointed pursuant to section 135.2.

8. *"Eligible individual"* means an individual who is a resident of this state and who either has qualifying existing coverage or has had qualifying existing coverage within the immediately preceding thirty days, or an individual who has had a qualifying event occur within the immediately preceding thirty days.

9. *"Established service area"* means a geographic area, as approved by the commissioner

and based upon the carrier's certificate of authority to transact business in this state, within which the carrier is authorized to provide coverage or a geographic area, as approved by the director and based upon the organized delivery system's license to transact business in this state, within which the organized delivery system is authorized to provide coverage.

10. *"Filed rate"* means, for a rating period related to each block of business, the rate charged to all individuals with similar rating characteristics for individual health benefit plans.

11. *"Individual health benefit plan"* means any hospital or medical expense incurred policy or certificate, hospital or medical service plan, or health maintenance organization subscriber contract sold to an individual, or any discretionary group trust or association policy, whether issued within or outside of the state, providing hospital or medical expense incurred coverage to individuals residing within this state. Individual health benefit plan does not include a self-insured group health plan, a self-insured multiple employer group health plan, a group conversion plan, an insured group health plan, accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, or disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

12. *"Organized delivery system"* means an organized delivery system licensed by the director.

13. *"Premium"* means all moneys paid by an individual and eligible dependents as a condition of receiving coverage from a carrier or an organized delivery system, including any fees or other contributions associated with an individual health benefit plan.

14. *"Qualifying event"* means any of the following:

*a.* Loss of eligibility for medical assistance provided pursuant to chapter 249A or Medicare coverage provided pursuant to Tit. XVIII of the federal Social Security Act.

*b.* Loss or change of dependent status under qualifying previous coverage.

*c.* The attainment by an individual of the age of majority.

*d.* Loss of eligibility for the hawk-i program authorized in chapter 514I.

15. *a.* *"Qualifying existing coverage"* or *"qualifying previous coverage"* means benefits or coverage provided under any of the following:

(1) Any group health insurance that provides benefits similar to or exceeding benefits provided under the standard health benefit plan, provided that such policy has been in effect for a period of at least one year.

(2) An individual health insurance benefit plan, including coverage provided under a health maintenance organization contract, a hospital or medical service plan contract, or a fraternal benefit society contract, that provides benefits similar to or exceeding the benefits provided under the standard health benefit plan, provided that such policy has been in effect for a period of at least one year.

(3) An organized delivery system that provides benefits similar to or exceeding the benefits provided under the standard health benefit plan, provided that the benefits provided by the organized delivery system have been in effect for a period of at least one year.

*b.* For purposes of this subsection, an association policy under chapter 514E is not considered *"qualifying existing coverage"* or *"qualifying previous coverage"*.

16. *"Rating characteristics"* means demographic characteristics of individuals which are considered by the carrier in the determination of premium rates for the individuals and which are approved by the commissioner.

17. *"Rating period"* means the period for which premium rates established by a carrier are in effect.

18. *"Restricted network provision"* means a provision of an individual health benefit plan that conditions the payment of benefits, in whole or in part, on the use of health care providers

that have entered into a contractual arrangement with the carrier or the organized delivery system to provide health care services to covered individuals.

95 Acts, ch 5, §5; 2002 Acts, ch 1111, §14; 2003 Acts, ch 108, §131; 2004 Acts, ch 1110, §35; 2004 Acts, ch 1158, §1; 2012 Acts, ch 1023, §79, 157

Referred to in §514A.3B, 514C.13

Organized delivery systems authorized; see 93 Acts, ch 158, §3

**513C.4 Applicability and scope.**

1. Except as provided in subsection 2, for purposes of this chapter, carriers that are affiliated companies or that are eligible to file a consolidated tax return shall be treated as one carrier and any restrictions or limitations imposed by this chapter shall apply as if all individual health benefit plans delivered or issued for delivery to residents of this state by such affiliated carriers were issued by one carrier.

2. An affiliated carrier that is a health maintenance organization having a certificate of authority under section 514B.5 shall be considered to be a separate carrier for the purposes of this chapter.

95 Acts, ch 5, §6; 96 Acts, ch 1034, §48

**513C.5 Restrictions relating to premium rates.**

1. Premium rates for any block of individual health benefit plan business issued on or after January 1, 1996, or the date rules are adopted by the commissioner of insurance and the director of public health and become effective, whichever date is later, by a carrier subject to this chapter shall be limited to the composite effect of allocating costs among the following:

*a.* After making actuarial adjustments based upon benefit design and rating characteristics, the filed rate for any block of business shall not exceed the filed rate for any other block of business by more than twenty percent.

*b.* The filed rate for any block of business shall not exceed the filed rate for any other block of business by more than thirty percent due to factors relating to rating characteristics.

*c.* The filed rate for any block of business shall not exceed the filed rate for any other block of business by more than thirty percent due to any other factors approved by the commissioner.

*d.* Premium rates for individual health benefit plans shall comply with the requirements of this section notwithstanding any assessments paid or payable by the carrier pursuant to any reinsurance program or risk adjustment mechanism.

*e.* An adjustment applied to a single block of business shall not exceed the adjustment applied to all blocks of business by more than fifteen percent due to the claim experience or health status of that block of business.

*f.* For purposes of this subsection, an individual health benefit plan that contains a restricted network provision shall not be considered similar coverage to an individual health benefit plan that does not contain such a provision, provided that the differential in payments made to network providers results in substantial differences in claim costs.

2. Notwithstanding subsection 1, the commissioner, with the concurrence of the board established under chapter 514E, may by order reduce or eliminate the allowed rating bands provided under subsection 1, paragraphs "*a*", "*b*", "*c*", and "*e*", or otherwise limit or eliminate the use of experience rating.

3. A carrier shall not transfer an individual involuntarily into or out of a block of business.

4. The commissioner may suspend for a specified period the application of subsection 1, paragraph "*a*", as to the premium rates applicable to one or more blocks of business of a carrier for one or more rating periods upon a filing by the carrier requesting the suspension and a finding by the commissioner that the suspension is reasonable in light of the financial condition of the carrier.

5. A carrier shall make a reasonable disclosure at the time of the offering for sale of any individual health benefit plan of all of the following:

*a.* The extent to which premium rates for a specified individual are established or adjusted based upon rating characteristics.

*b.* The carrier's right to change premium rates, and the factors, other than claim experience, that affect changes in premium rates.

*c.* The provisions relating to the renewal of policies and contracts.

*d.* Any provisions relating to any preexisting condition.

*e.* All plans offered by the carrier, the prices of such plans, and the availability of such plans to the individual.

6. A carrier shall maintain at its principal place of business a complete and detailed description of its rating practices, including information and documentation that demonstrate that its rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

7. A carrier shall file with the commissioner annually on or before March 15, an actuarial certification certifying that the carrier is in compliance with this chapter and that the rating methods of the carrier are actuarially sound. The certification shall be in a form and manner and shall contain information as specified by the commissioner. A copy of the certification shall be retained by the carrier at its principal place of business. Rate adjustments made in order to comply with this section are exempt from loss ratio requirements.

8. A carrier shall make the information and documentation maintained pursuant to subsection 6 available to the commissioner upon request. The information and documentation shall be considered proprietary and trade secret information and shall not be subject to disclosure by the commissioner to persons outside of the division except as agreed to by the carrier or as ordered by a court of competent jurisdiction.

95 Acts, ch 5, §7; 2001 Acts, ch 125, §2; 2002 Acts, ch 1119, §65

Referred to in §513C.3

**513C.6 Provisions on renewability of coverage.**

1. An individual health benefit plan subject to this chapter is renewable with respect to an eligible individual or dependents, at the option of the individual, except for one or more of the following reasons:

*a.* The individual fails to pay, or to make timely payment of, premiums or contributions pursuant to the terms of the individual health benefit plan.

*b.* The individual performs an act or practice constituting fraud or makes an intentional misrepresentation of a material fact under the terms of the individual health benefit plan.

*c.* A decision by the individual carrier or organized delivery system to discontinue offering a particular type of individual health benefit plan in the state's individual insurance market. An individual health benefit plan may be discontinued by the carrier or organized delivery system in that market with the approval of the commissioner or the director and only if the carrier or organized delivery system does all of the following:

(1) Provides advance notice of its decision to discontinue such plan to the commissioner or director. Notice to the commissioner or director, at a minimum, shall be no less than three days prior to the notice provided for in subparagraph (2) to affected individuals.

(2) Provides notice of its decision not to renew such plan to all affected individuals no less than ninety days prior to the nonrenewal date of any discontinued individual health benefit plans.

(3) Offers to each individual of the discontinued plan the option to purchase any other health plan currently offered by the carrier or organized delivery system to individuals in this state.

(4) Acts uniformly in opting to discontinue the plan and in offering the option under subparagraph (3), without regard to the claims experience of any affected eligible individual or beneficiary under the discontinued plan or to a health status-related factor relating to any covered individuals or beneficiaries who may become eligible for the coverage.

*d.* A decision by the carrier or organized delivery system to discontinue offering and to cease to renew all of its individual health benefit plans delivered or issued for delivery to individuals in this state. A carrier or organized delivery system making such decision shall do all of the following:

(1) Provide advance notice of its decision to discontinue such plan to the commissioner

or director. Notice to the commissioner or director, at a minimum, shall be no less than three days prior to the notice provided for in subparagraph (2) to affected individuals.

(2) Provide notice of its decision not to renew such plan to all individuals and to the commissioner or director in each state in which an individual under the discontinued plan is known to reside, no less than one hundred eighty days prior to the nonrenewal of the plan.

*e.* The commissioner or director finds that the continuation of the coverage is not in the best interests of the individuals, or would impair the carrier's or organized delivery system's ability to meet its contractual obligations.

2. At the time of coverage renewal, a carrier or organized delivery system may modify the health insurance coverage for a policy form offered to individuals in the individual market so long as such modification is consistent with state law and effective on a uniform basis among all individuals with that policy form.

3. An individual carrier or organized delivery system that elects not to renew an individual health benefit plan under subsection 1, paragraph *"d"*, shall not write any new business in the individual market in this state for a period of five years after the date of notice to the commissioner or director.

4. This section, with respect to a carrier or organized delivery system doing business in one established geographic service area of the state, applies only to such carrier's or organized delivery system's operations in that service area.

5. A carrier or organized delivery system offering coverage through a network plan is not required to renew or continue in force coverage or to accept applications from an individual who no longer resides or lives in, or is no longer employed in, the service area of such carrier or organized delivery system, or no longer resides or lives in, or is no longer employed in, a service area for which the carrier is authorized to do business, but only if coverage is not offered or terminated uniformly without regard to health status-related factors of a covered individual.

6. A carrier or organized delivery system offering coverage through a bona fide association is not required to renew or continue in force coverage or to accept applications from an individual through an association if the membership of the individual in the association on which the basis of coverage is provided ceases, but only if the coverage is not offered or terminated under this paragraph uniformly without regard to health status-related factors of a covered individual.

7. An individual who has coverage as a dependent under a basic or standard health benefit plan may, when that individual is no longer a dependent under such coverage, elect to continue coverage under the basic or standard health benefit plan if the individual so elects immediately upon termination of the coverage under which the individual was covered as a dependent.

95 Acts, ch 5, §8; 97 Acts, ch 103, §36; 2005 Acts, ch 70, §11, 51

**513C.7 Availability of coverage.**

1. *a.* (1) A carrier shall file with the commissioner, in a form and manner prescribed by the commissioner, the basic or standard health benefit plan. A basic or standard health benefit plan filed pursuant to this paragraph may be used by a carrier beginning thirty days after it is filed unless the commissioner disapproves of its use.

(2) The commissioner may at any time, after providing notice and an opportunity for a hearing to the carrier, disapprove the continued use by a carrier of a basic or standard health benefit plan on the grounds that the plan does not meet the requirements of this chapter.

*b.* (1) An organized delivery system shall file with the director, in a form and manner prescribed by the director, the basic or standard health benefit plan to be used by the organized delivery system. A basic or standard health benefit plan filed pursuant to this paragraph may be used by the organized delivery system beginning thirty days after it is filed unless the director disapproves of its use.

(2) The director may at any time, after providing notice and an opportunity for a hearing to the organized delivery system, disapprove the continued use by an organized delivery system of a basic or standard health benefit plan on the grounds that the plan does not meet the requirements of this chapter.

2. The individual basic or standard health benefit plan shall not deny, exclude, or limit benefits for a covered individual for losses incurred more than twelve months following the effective date of the individual's coverage due to a preexisting condition. A preexisting condition shall not be defined more restrictively than any of the following:

*a.* A condition that would cause an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment during the twelve months immediately preceding the effective date of coverage.

*b.* A condition for which medical advice, diagnosis, care, or treatment was recommended or received during the twelve months immediately preceding the effective date of coverage.

*c.* A pregnancy existing on the effective date of coverage.

3. A carrier or an organized delivery system shall not modify a basic or standard health benefit plan with respect to an individual or dependent through riders, endorsements, or other means to restrict or exclude coverage for certain diseases or medical conditions otherwise covered by the health benefit plan.

95 Acts, ch 5, §9; 97 Acts, ch 103, §37 – 39; 99 Acts, ch 165, §9, 10; 2003 Acts, ch 91, §24; 2004 Acts, ch 1158, §2, 21; 2008 Acts, ch 1188, §40, 41, 43; 2012 Acts, ch 1023, §157

2008 amendments to subsection 2 apply to policies or contracts of accident and health insurance delivered or issued for delivery, continued, or renewed on or after July 1, 2008; 2008 Acts, ch 1188, §43

**513C.8 Health benefit plan standards.**

The board of directors of the Iowa comprehensive health insurance association, with the approval of the commissioner, shall adopt the form and level of coverage of the basic health benefit plan and the standard health benefit plan for the individual market which shall provide benefits substantially similar to the current state of the individual market.

95 Acts, ch 5, §10; 2001 Acts, ch 125, §3; 2004 Acts, ch 1110, §36; 2004 Acts, ch 1158, §3

Referred to in §513C.3

**513C.9 Standards to assure fair marketing.**

1. A carrier, an organized delivery system, or an agent shall not do either of the following:

*a.* Encourage or direct individuals to refrain from filing an application for coverage with the carrier or the organized delivery system because of the health status, claims experience, industry, occupation, or geographic location of the individuals.

*b.* Encourage or direct individuals to seek coverage from another carrier or another organized delivery system because of the health status, claims experience, industry, occupation, or geographic location of the individuals.

2. Subsection 1, paragraph "*a*", shall not apply with respect to information provided by a carrier or an organized delivery system or an agent to an individual regarding the established geographic service area of the carrier or the organized delivery system, or the restricted network provision of the carrier or the organized delivery system.

3. A carrier or an organized delivery system shall not, directly or indirectly, enter into any contract, agreement, or arrangement with an agent that provides for, or results in, the compensation paid to an agent for a sale of a basic or standard health benefit plan to vary because of the health status or permitted rating characteristics of the individual or the individual's dependents.

4. Notwithstanding subsection 3, a commission shall be paid to an agent related to the sale of a basic or standard health benefit plan under this chapter. A commission paid pursuant to this subsection shall not be considered by the board for purposes of section 513C.10, subsection 5.

5. Subsection 3 does not apply with respect to the compensation paid to an agent on the basis of percentage of premium, provided that the percentage shall not vary because of the health status or other permitted rating characteristics of the individual or the individual's dependents.

6. Denial by a carrier or an organized delivery system of an application for coverage from an individual shall be in writing and shall state the reason or reasons for the denial.

7. A violation of this section by a carrier or an agent is an unfair trade practice under chapter 507B.

8. If a carrier or an organized delivery system enters into a contract, agreement, or other

arrangement with a third-party administrator to provide administrative, marketing, or other services related to the offering of individual health benefit plans in this state, the third-party administrator is subject to this section as if it were a carrier or an organized delivery system.

95 Acts, ch 5, §11; 97 Acts, ch 103, §40; 2006 Acts, ch 1117, §56

**513C.10 Iowa individual health benefit reinsurance association.**

1. The Iowa individual health benefit reinsurance association is established as a nonprofit corporation.

*a.* All persons that provide health benefit plans in this state including insurers providing accident and sickness insurance under chapter 509, 514, or 514A, whether on an individual or group basis; fraternal benefit societies providing hospital, medical, or nursing benefits under chapter 512B; and health maintenance organizations, organized delivery systems, other entities providing health insurance or health benefits subject to state insurance regulation, and all other insurers as designated by the board of directors of the Iowa comprehensive health insurance association with the approval of the commissioner shall be members of the association.

*b.* The association shall be incorporated under chapter 504, shall operate under a plan of operation established and approved pursuant to chapter 504, and shall exercise its powers through the board of directors established under chapter 514E.

2. *a.* Rates for basic and standard coverages as provided in this chapter shall be determined by each carrier or organized delivery system as the product of a basic and standard factor and the lowest rate available for issuance by that carrier or organized delivery system adjusted for rating characteristics and benefits. Basic and standard factors shall be established annually by the Iowa comprehensive health insurance association board with the approval of the commissioner. Multiple basic and standard factors for a distinct grouping of basic and standard policies may be established. A basic and standard factor is limited to a minimum value defined as the ratio of the average of the lowest rate available for issuance and the maximum rate allowable by law divided by the lowest rate available for issuance. A basic and standard factor is limited to a maximum value defined as the ratio of the maximum rate allowable by law divided by the lowest rate available for issuance. The maximum rate allowable by law and the lowest rate available for issuance is determined based on the rate restrictions under this chapter. For policies written after January 1, 2002, rates for the basic and standard coverages as provided in this chapter shall be calculated using the basic and standard factors and shall be no lower than the maximum rate allowable by law. However, to maintain assessable loss assessments at or below one percent of total health insurance premiums or payments as determined in accordance with subsection 6, the Iowa comprehensive health insurance association board with the approval of the commissioner may increase the value for any basic and standard factor greater than the maximum value.

*b.* The Iowa individual health benefit reinsurance association may, with the approval of the commissioner, increase cost-sharing provisions including, but not limited to, basic and standard plan deductibles, coinsurance, or copayments.

3. Following the close of each calendar year, the association, in conjunction with the commissioner, shall require each carrier or organized delivery system to report the amount of earned premiums and the associated paid losses for all basic and standard plans issued by the carrier or organized delivery system. The reporting of these amounts must be certified by an officer of the carrier or organized delivery system.

4. The board shall develop procedures and assessment mechanisms and make assessments and distributions as required to equalize the individual carrier and organized delivery system gains or losses so that each carrier or organized delivery system receives the same ratio of paid claims to ninety percent of earned premiums as the aggregate of all basic and standard plans insured by all carriers and organized delivery systems in the state.

5. If the statewide aggregate ratio of paid claims to ninety percent of earned premiums is greater than one, the dollar difference between ninety percent of earned premiums and the paid claims shall represent an assessable loss.

6. The assessable loss plus necessary operating expenses for the association, plus any

additional expenses as provided by law, shall be assessed by the association to all members in proportion to their respective shares of total health insurance premiums or payments for subscriber contracts received in Iowa during the second preceding calendar year, or with paid losses in the year, coinciding with or ending during the calendar year, or on any other equitable basis as provided in the plan of operation. In sharing losses, the association may abate or defer any part of the assessment of a member, if, in the opinion of the board, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations. The association may also provide for an initial or interim assessment against the members of the association to meet the operating expenses of the association until the next calendar year is completed. For purposes of this subsection, *"total health insurance premiums"* and *"payments for subscriber contracts"* include, without limitation, premiums or other amounts paid to or received by a member for individual and group health plan care coverage provided under any chapter of the Code or Acts, and *"paid losses"* includes, without limitation, claims paid by a member operating on a self-funded basis for individual and group health plan care coverage provided under any chapter of the Code or Acts. For purposes of calculating and conducting the assessment, the association shall have the express authority to require members to report on an annual basis each member's total health insurance premiums and payments for subscriber contracts and paid losses. A member is liable for its share of the assessment calculated in accordance with this section regardless of whether it participates in the individual insurance market.

7. The board shall develop procedures for distributing the assessable loss assessments to each carrier and organized delivery system in proportion to the carrier's and organized delivery system's respective share of premium for basic and standard plans to the statewide total premium for all basic and standard plans.

8. The board shall ensure that procedures for collecting and distributing assessments are as efficient as possible for carriers and organized delivery systems. The board may establish procedures which combine, or offset, the assessment from, and the distribution due to, a carrier or organized delivery system.

9. A carrier or an organized delivery system may petition the association board to seek remedy from writing a significantly disproportionate share of basic and standard policies in relation to total premiums written in this state for health benefit plans. Upon a finding that a carrier or organized delivery system has written a disproportionate share, the board may agree to compensate the carrier or organized delivery system either by paying to the carrier or organized delivery system an additional fee not to exceed two percent of earned premiums from basic and standard policies for that carrier or organized delivery system or by petitioning the commissioner or director, as appropriate, for remedy.

10. *a.* The commissioner, upon a finding that the acceptance of the offer of basic and standard coverage by individuals pursuant to this chapter would place the carrier in a financially impaired condition, shall not require the carrier to offer coverage or accept applications for any period of time the financial impairment is deemed to exist.

*b.* The director, upon a finding that the acceptance of the offer of basic and standard coverage by individuals pursuant to this chapter would place the organized delivery system in a financially impaired condition, shall not require the organized delivery system to offer coverage or accept applications for any period of time the financial impairment is deemed to exist.

95 Acts, ch 5, §12; 2000 Acts, ch 1023, §21; 2001 Acts, ch 125, §4 – 6; 2002 Acts, ch 1119, §66; 2003 Acts, ch 91, §25, 26, 53; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1110, §37, 38; 2004 Acts, ch 1158, §4, 5; 2004 Acts, ch 1175, §394; 2012 Acts, ch 1023, §157

Referred to in §507A.4, 513C.9, 513C.11

**513C.11 Self-funded employer-sponsored health benefit plan participation in reinsurance association.**

1. A self-funded employer-sponsored health benefit plan qualified under the federal Employee Retirement Income Security Act of 1974 may voluntarily elect to participate in the Iowa individual health benefit reinsurance association established in section 513C.10 in accordance with the plan of operation and subject to such terms and conditions adopted

by the board of the association established in section 514E.2 to provide portability and continuity to its covered employees and their covered spouses and dependents subject to the same terms and conditions as a participating insurer.

2. If the federal Employee Retirement Income Security Act of 1974 is amended such that the state may require the participation of a self-funded employer, the individual reinsurance requirements shall apply equally to such employers.

3. When and if the federal government imposes conditions of portability and continuity on self-funded employers qualified under the federal Employee Retirement Income Security Act of 1974 that the commissioner deems are substantially similar to those required of Iowa insurers, coverage under such qualified plans shall be deemed qualified prior coverage for purposes of chapter 513B and this chapter.

95 Acts, ch 5, §13; 2002 Acts, ch 1119, §67

**513C.12 Commissioner's duties.**

The commissioner shall adopt rules administering this chapter.

97 Acts, ch 103, §41

# CHAPTER 514

## NONPROFIT HEALTH SERVICE CORPORATIONS

Referred to in §87.4, 135.120, 135B.30, 249A.4, 296.7, 331.301, 364.4, 423.3, 432.2, 505.16, 505.28, 505.29, 505.32, 507.1, 507B.2, 507B.4A, 507C.3, 508C.3, 509.19, 509A.6, 509B.1, 510.11, 513C.10, 514B.5, 514B.6, 514B.9, 514B.20, 514B.31, 514B.32, 514C.1, 514C.2, 514C.3, 514C.3A, 514C.4, 514C.6, 514C.10, 514C.11, 514C.12, 514C.18, 514C.19, 514C.20, 514C.21, 514C.23, 514C.24, 514C.25, 514C.26, 514C.29, 514D.1, 514D.2, 514D.6, 514E.1, 514E.2, 514F.4, 514G.103, 514L.1, 515.1, 515B.2, 515B.9, 518C.10, 521A.1, 521A.14, 521E.1, 521F.2, 521F.10, 533C.103, 669.14, 670.7


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514.22 Reserved.
514.23 Mutualization plan.


**514.1 Applicability — definitions.**

1. A corporation organized under chapter 504, Code 1989, or current chapter 504 for the purpose of establishing, maintaining, and operating a nonprofit hospital service plan, whereby hospital service may be provided by the corporation or by a hospital with which it has a contract for service, to the public who become subscribers to this plan under a contract which entitles each subscriber to hospital service; or a corporation organized for the purpose of establishing, maintaining, and operating a plan whereby health care service may be provided at the expense of this corporation, by licensed physicians and surgeons, dentists, podiatric physicians, osteopathic physicians, osteopathic physicians and surgeons or chiropractors, to subscribers under contract, entitling each subscriber to health care service, as provided in the contract; or a corporation organized for the purpose of establishing, maintaining, and operating a nonprofit pharmaceutical service plan or optometric service plan, whereby pharmaceutical or optometric service may be provided by this corporation or by a licensed pharmacy with which it has a contract for service, to the

public who become subscribers to this plan under a contract which entitles each subscriber to pharmaceutical or optometric service; shall be governed by this chapter and is exempt from all other provisions of the insurance laws of this state, unless specifically designated in this chapter, not only in governmental relations with the state but for every other purpose, and additions enacted after July 1, 1939, shall not apply to these corporations unless they are expressly designated in the additions.

2. For the purposes of this chapter, *"subscriber"* means an individual who enters into a contract for health care services with a corporation subject to this chapter and includes a person eligible for mandatory medical assistance or optional medical assistance as defined under chapter 249A, with respect to whom the department of human services has entered into a contract with a firm operating under this chapter. For purposes of this chapter, *"provider"* means a person as defined in section 4.1, subsection 20, which is licensed or authorized in this state to furnish health care services. *"Health care"* means that care necessary for the purpose of preventing, alleviating, curing, or healing human physical or mental illness, injury, or disability.

[C39, §**8895.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.1]

83 Acts, ch 27, §11; 83 Acts, ch 96, §157, 159; 84 Acts, ch 1122, §3; 86 Acts, ch 1180, §3; 96 Acts, ch 1034, §68; 2003 Acts, ch 108, §96; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394; 2007 Acts, ch 22, §86; 2013 Acts, ch 138, §76

Subsection 2 amended

**514.2 Incorporation.**

Persons desiring to form a nonprofit hospital service corporation, or a nonprofit medical service corporation, or a nonprofit pharmaceutical or optometric service corporation shall have been incorporated under the provisions of chapter 504, Code 1989, or shall incorporate under the provisions of current chapter 504.

[C39, §**8895.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.2]

2003 Acts, ch 108, §97; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1086, §87; 2004 Acts, ch 1175, §394; 2006 Acts, ch 1030, §62

**514.2A Service of process.**

A nonprofit health service corporation authorized to do business in this state shall file in the office of the commissioner a power of attorney and an agreement in writing that service of process in any action or proceeding against the corporation may be served on the commissioner and shall be of the same legal force and validity as if served upon the corporation, and that the authority shall continue in force so long as any liability remains outstanding in this state. Copies of the power of attorney, certified by the commissioner, shall be deemed sufficient evidence of the appointment and shall be admitted in evidence with the same force and effect as the original.

2003 Acts, ch 91, §27

**514.3 Approval by commissioner.**

The articles of incorporation, and any subsequent amendments, of a corporation shall have endorsed on or annexed to those articles or amendments the approval of the commissioner of insurance before the same shall be filed for record. A corporation shall file with the commissioner bylaws and subsequent amendments to the bylaws within thirty days of the adoption of the bylaws and amendments.

[C39, §**8895.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.3]

2000 Acts, ch 1023, §22; 2002 Acts, ch 1119, §180

**514.4 Directors.**

At least two-thirds of the directors of a hospital service corporation, medical service corporation, dental service corporation, or pharmaceutical or optometric service corporation subject to this chapter shall be at all times subscribers and not more than one-third of the directors shall be providers as provided in this section. The board of directors of each corporation shall consist of at least nine members.

A subscriber director is a director of the board of a corporation who is a subscriber and who is not a provider of health care pursuant to section 514B.1, subsection 7, a person who has material financial or fiduciary interest in the delivery of health care services or a related industry, an employee of an institution which provides health care services, or a spouse or a member of the immediate family of such a person. However, a subscriber director of a dental service corporation may be an employee, officer, director, or trustee of a hospital that does not contract with the dental service corporation. A subscriber director of a hospital or medical service corporation shall be a subscriber of the services of that corporation.

A provider director of a corporation subject to this chapter shall be at all times a person who has a material financial interest in or is a fiduciary to or an employee of or is a spouse or member of the immediate family of a provider having a contract with such corporation to render to its subscribers the services of such corporation or who is a hospital trustee.

A director may serve on a board of only one corporation at a time subject to this chapter.

The commissioner of insurance shall adopt rules pursuant to chapter 17A to implement the process of the election of subscriber directors of the board of directors of a corporation to ensure the representation of a broad spectrum of subscriber interest on each board and establish criteria for the selection of nominees. The rules shall provide for an independent subscriber nominating committee to serve until the composition of the board of directors meets the percentage requirements of this section. Once the composition requirements of this section are met, the nominations for subscriber directors shall be made by the subscriber directors of the board under procedures the board establishes which shall also permit nomination by a petition of at least fifty subscribers. The board shall also establish procedures to permit nomination of provider directors by petition of at least fifty participating providers. A member of the board of directors of a corporation subject to this chapter shall not serve on the independent subscriber nominating committee. The nominating committee shall consist of subscribers as defined in this section. The rules of the commissioner of insurance shall also permit nomination of subscriber directors by a petition of at least fifty subscribers, and nomination of provider directors by a petition of at least fifty participating providers. These petitions shall be considered only by the independent nominating committee during the duration of the committee. Following the discontinuance of the committee, the petition process shall be continued and the board of directors of the corporation shall consider the petitions. The independent subscriber nominating committee is not subject to chapter 17A. The nominating committee shall not receive per diem or expenses for the performance of their duties.

Population factors, representation of different geographic regions, and the demography of the service area of the corporation subject to this chapter shall be considered when making nominations for the board of directors of a corporation subject to this chapter.

A corporation serving states in addition to Iowa shall be required to implement this section only for directors who are residents of Iowa and elected as board members from Iowa.

[C39, §**8895.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.4]

83 Acts, ch 27, §12, 15; 84 Acts, ch 1282, §1; 91 Acts, ch 258, §58; 2000 Acts, ch 1023, §23; 2007 Acts, ch 137, §10

**514.5 Contracts for service.**

A hospital service corporation organized under chapter 504, Code 1989, or current chapter 504 may enter into contracts for the rendering of hospital service to any of its subscribers with hospitals maintained and operated by the state or any of its political subdivisions, or by any corporation, association, or individual. Such hospital service corporation may also contract with an ambulatory surgical facility to provide surgical services to the corporation's subscribers. Hospital service is meant to include bed and board, general nursing care, use of the operating room, use of the delivery room, ordinary medications and dressings and other customary routine care. *"Ambulatory surgical facility"* means a facility constructed and operated for the specific purpose of providing surgery to patients admitted to and discharged from the facility within the same day.

A medical service corporation organized under this chapter may enter into contracts with subscribers to furnish health care service through physicians and surgeons, dentists,

podiatric physicians, osteopathic physicians, osteopathic physicians and surgeons, or chiropractors.

Any pharmaceutical or optometric service corporation organized under the provisions of said chapter may enter into contracts for the rendering of pharmaceutical or optometric service to any of its subscribers. Membership in any pharmaceutical service corporation shall be open to all pharmacies licensed under chapter 155A.

A hospital service corporation or medical service corporation organized under this chapter may enter into contracts with subscribers and providers to furnish health care services not otherwise allocated by this section.

[C39, §**8895.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.5]

83 Acts, ch 27, §13; 84 Acts, ch 1122, §4; 86 Acts, ch 1180, §4; 87 Acts, ch 215, §48; 96 Acts, ch 1034, §68; 2003 Acts, ch 108, §98; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394

**514.6 Rates — approval by commissioner.** Repealed by 2004 Acts, ch 1110, § 71, 72.

**514.7 Contracts — approval by commissioner — provisions to be available.**

1. The contracts by any such corporation with the subscribers for health care service shall at all times be subject to the approval of the commissioner of insurance. The commissioner shall require that participating pharmacies be reimbursed by the pharmaceutical service corporation at rates or prices equal to rates or prices charged nonsubscribers, unless the commissioner determines otherwise to prevent loss to subscribers.

2. A provision shall be available in approved contracts with hospital and medical service corporate subscribers under group subscriber contracts or plans covering vision care services or procedures, for payment of necessary medical or surgical care and treatment provided by an optometrist licensed under chapter 154, if the care and treatment are provided within the scope of the optometrist's license and if the subscriber contract would pay for the care and treatment if it were provided by a person engaged in the practice of medicine or surgery as licensed under chapter 148. The subscriber contract shall also provide that the subscriber may reject the coverage or provision if the coverage or provision for services which may be provided by an optometrist is rejected for all providers of similar vision care services as licensed under chapter 148 or 154. This subsection applies to group subscriber contracts delivered after July 1, 1983, and to group subscriber contracts on their anniversary or renewal date, or upon the expiration of the applicable collective bargaining contract, if any, whichever is the later. This subsection does not apply to contracts designed only for issuance to subscribers eligible for coverage under Tit. XVIII of the Social Security Act, or any other similar coverage under a state or federal government plan.

3. A provision shall be made available in approved contracts with hospital and medical subscribers under group subscriber contracts or plans covering diagnosis and treatment of human ailments, for payment or reimbursement for necessary diagnosis or treatment provided by a chiropractor licensed under chapter 151 if the diagnosis or treatment is provided within the scope of the chiropractor's license and if the subscriber contract would pay or reimburse for the diagnosis or treatment of the human ailments, irrespective of and disregarding variances in terminology employed by the various licensed professions in describing the human ailments or their diagnosis or treatment, if it were provided by a person licensed under chapter 148. The subscriber contract shall also provide that the subscriber may reject the coverage or provision if the coverage or provision for diagnosis or treatment of a human ailment by a chiropractor is rejected for all providers of diagnosis or treatment for similar human ailments licensed under chapter 148 or 151. A group subscriber contract may limit or make optional the payment or reimbursement for lawful diagnostic or treatment service by all licensees under chapters 148 and 151 on any rational basis which is not solely related to the license under or the practices authorized by chapter 151 or is not dependent upon a method of classification, categorization, or description based upon differences in terminology used by different licensees in describing human ailments or their diagnosis or treatment. This subsection applies to group subscriber contracts delivered after July 1, 1986, and to group subscriber contracts on their anniversary or renewal date, or upon the expiration of the applicable collective bargaining contract, if any, whichever is the later.

This subsection does not apply to contracts designed only for issuance to subscribers eligible for coverage under Tit. XVIII of the Social Security Act, or any other similar coverage under a state or federal government plan.

4. A provision shall be available in approved contracts with hospital and medical service corporate subscribers under group subscriber contracts or plans covering medical and surgical service, for payment of covered services determined to be medically necessary provided by certified registered nurses certified by a national certifying organization, which organization shall be identified by the Iowa board of nursing pursuant to rules adopted by the board, if the services are within the practice of the profession of a registered nurse as that practice is defined in section 152.1, under terms and conditions agreed upon between the corporation and subscriber group, subject to utilization controls. This subsection shall not require payment for nursing services provided by a certified registered nurse practicing in a hospital, nursing facility, health care institution, a physician's office, or other noninstitutional setting if the certified registered nurse is an employee of the hospital, nursing facility, health care institution, physician, or other health care facility or health care provider. This subsection applies to group subscriber contracts delivered in this state on or after July 1, 1989, and to group subscriber contracts on their anniversary or renewal date, or upon the expiration of the applicable collective bargaining contract, if any, whichever is the later. This subsection does not apply to limited or specified disease or individual contracts or contracts designed only for issuance to subscribers eligible for coverage under Tit. XVIII of the federal Social Security Act, contracts which are rated on a community basis, or any other similar coverage under a state or federal government plan.

[C39, §**8895.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.7]

83 Acts, ch 166, §2; 84 Acts, ch 1122, §6; 84 Acts, ch 1290, §2; 86 Acts, ch 1180, §5; 89 Acts, ch 164, §3; 99 Acts, ch 75, §3; 2000 Acts, ch 1058, §46; 2008 Acts, ch 1088, §126; 2010 Acts, ch 1061, §180

Referred to in §514.21, 514.23

**514.8 Contracts with providers — approval.**

The contracts by any such corporation with participating hospitals for hospital service or with participating physicians and surgeons, dentists, podiatric physicians, osteopathic physicians, or osteopathic physicians and surgeons for medical and surgical service, or with participating pharmacies for pharmaceutical service, or with participating optometrists for optometric service, or with other providers shall at all times be subject to the approval of the commissioner of insurance.

[C39, §**8895.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.8]

84 Acts, ch 1122, §7; 96 Acts, ch 1034, §68

**514.9 Annual report.**

Every such corporation shall annually, on or before the first day of March, file in the office of the commissioner of insurance a statement verified by at least two of the principal officers of said corporation showing its condition on the thirty-first day of December then next preceding, which shall be in such form and shall contain such matters as the commissioner of insurance shall prescribe.

[C39, §**8895.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.9]

**514.9A Certificate of authority — renewal.**

A certificate of authority of a corporation formed under this chapter expires on June 1 succeeding its issue and shall be renewed annually so long as the corporation transacts its business in accordance with all legal requirements. A corporation shall submit annually, on or before March 1, a completed application for renewal of its certificate of authority. A corporation that fails to timely file an application for renewal shall pay an administrative penalty of five hundred dollars to the treasurer of state for deposit as provided in section 505.7. A duly certified copy or duplicate of the certificate is admissible in evidence for or against the corporation with the same effect as the original.

2006 Acts, ch 1117, §57; 2009 Acts, ch 181, §72

**514.10 Examination.**

Every such corporation shall be subject to examination under the provisions of chapter 507 and any acts amendatory thereto, so far as the chapter may be applicable.

[C39, §**8895.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.10]

**514.11 Costs approved.**

All acquisition costs in connection with the solicitation of subscribers to such hospital service plan or medical service plan or pharmaceutical or optometric service plan, and administration costs including salaries paid its officers, if any, shall at all times be subject to the approval of the commissioner of insurance.

[C39, §**8895.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.11]

**514.12 Investment of funds.**

The funds of any corporation subject to the provisions of this chapter shall be invested only in securities permitted by the laws of this state for the investment of funds of life insurance companies.

[C39, §**8895.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.12]

**514.13 Arbitration of disputes.**

Any dispute arising between a corporation organized under this chapter and a provider may be submitted to the commissioner of insurance for a decision. All decisions and findings of the commissioner of insurance may be judicially reviewed in accordance with the terms of chapter 17A.

[C39, §**8895.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.13]

84 Acts, ch 1122, §8

**514.14 Dissolution or merger.**

Any dissolution, merger, or liquidation of a corporation organized under the provisions of said chapter shall be under the supervision of the commissioner of insurance who shall have all powers with respect thereto granted to the commissioner under the insurance laws of this state.

[C39, §**8895.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.14]

**514.15 Nonexempt from taxation.**

Every corporation organized under the provisions of this chapter is hereby declared to be a charitable and benevolent institution but its property and funds, including subscribers' contracts, shall not be exempt from taxation. For purposes of this section, the term "*subscriber contract*" shall mean only those benefit contracts issued or delivered in Iowa by corporations subject to this chapter, including certificates issued under such contracts, and which provide coverage to residents of Iowa on a risk basis.

[C39, §**8895.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.15; 82 Acts, ch 1003, §6]

85 Acts, ch 239, §3

Rate of tax; §432.2

Section not amended; editorial change applied

**514.16 Governmental employees included.**

An employee or employees of the state, or of any county, city or of any institution supported in whole or in part by public funds, or any subdivisions thereof, may authorize the deduction from their salary or wages of the amount of their subscription payments to any corporation operating a nonprofit hospital service plan or medical service plan or pharmaceutical or optometric service plan, as provided in this chapter. The governing body of the state, or of the county, city or of any institution supported in whole or in part by public funds, or any subdivisions thereof, may authorize deductions from the salaries or wages of employees subscribing to such nonprofit hospital service plan or medical service plan or pharmaceutical or optometric service plan. The authorization by an employee or employees for deductions from the employee's or employees' salaries or wages shall be evidenced by a written request signed by the employee directed to and filed with the treasurer of the

state, county, city or of any institution supported in whole or in part by public funds, or any subdivisions thereof, and said treasurer is authorized to draw and deliver checks in favor of the hospital service corporation or medical service corporation or pharmaceutical or optometric service corporation stipulated in such authorization for the amount covering the sum total of the deductions authorized. The foregoing provisions are not to be deemed an assignment of salaries or wages.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.16]

Referred to in §509A.3, 514B.21

**514.17 Physicians and surgeons, podiatric physicians, or dentists — number required.**

No nonprofit medical service corporation shall be permitted to operate until it shall have entered into contracts with at least one hundred fifty physicians and surgeons licensed to practice medicine and surgery pursuant to chapter 148, or one hundred fifty dentists licensed to practice dentistry pursuant to chapter 153, or at least one hundred fifty osteopathic physicians and surgeons licensed to practice osteopathic medicine and surgery pursuant to chapter 148, or at least twenty-five podiatric physicians licensed to practice podiatry pursuant to chapter 149, who agree to furnish medical and surgical, podiatric, or dental service and be governed by the bylaws of the corporation.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514.17]

96 Acts, ch 1034, §68; 2008 Acts, ch 1088, §127

**514.18 Podiatric physicians.**

Medical or surgical services or procedures constituting the practice of podiatry, also known as chiropody, as defined by chapter 149, and covered by the terms of any individual, group, blanket, or franchise policy providing accident or health benefits hereafter delivered or hereafter issued for delivery in Iowa and covering an Iowa risk may be performed by any practitioner, selected by the insured, licensed under chapter 149 to perform such medical or surgical services or procedures. Any provision of such policy or exclusion or limitation denying an insured the free choice of such licensed podiatric physician, also known as chiropodist, shall to the extent of the denial, be void, but such voidance shall not affect the validity of the other provisions of the policy.

[C66, 71, 73, 75, 77, 79, 81, §514.18]

95 Acts, ch 108, §18

**514.19 Combined service corporations.**

A corporation subject to this chapter may combine with any other corporation subject to this chapter as permitted under chapter 504 and upon the approval by the commissioner of insurance. Each corporation shall comply with chapter 504, the corporation's articles of incorporation, and the corporation's bylaws. The combined service corporation shall continue the service benefits previously provided by each corporation and may, subject to the approval of the commissioner of insurance, offer other service benefits not previously provided by the corporations before combining, which are permitted under this chapter.

83 Acts, ch 27, §14; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2007 Acts, ch 22, §87

**514.20** Reserved.

**514.21 Utilization review program.**

A utilization review program shall be established for purposes of health care cost control, according to usual and customary third-party insurance payment or reimbursement procedures, by a corporation subject to this chapter and by physician providers as defined in section 135.1 and registered nurse providers licensed under chapter 152. This utilization review program shall not be used directly or indirectly to circumvent the provisions for payment or reimbursement to providers of health care services as provided in section 509.3, subsection 1, paragraphs "*f*" and "*g*", and section 514.7.

86 Acts, ch 1180, §9; 89 Acts, ch 164, §4

Utilization and cost control; see also chapter 514F

**514.22** Reserved.

**514.23 Mutualization plan.**

1. A corporation organized and governed by this chapter may become a mutual insurer under a plan which is approved by the commissioner of insurance. The plan shall state whether the insurer will be organized as a for-profit corporation pursuant to chapter 490 or 491 or a nonprofit corporation pursuant to chapter 504. Upon consummation of the plan, the corporation shall fully comply with the requirements of the law that apply to a mutual insurance company. If the insurer is to be organized under chapter 504, then at least seventy-five percent of the initial board of directors of the mutual insurer so formed shall be policyholders who are also nonproviders of health care. All directors comprising this initial board of directors shall be selected by an independent committee appointed by the state commissioner of insurance. This independent committee shall consist of seven to eleven persons who are current policyholders, who are nonproviders of health care, and who are not directors of a corporation subject to this chapter. For purposes of this subsection, a *"nonprovider of health care"* is an individual who is not any of the following:

*a.* A "provider" as defined in section 514B.1, subsection 7.

*b.* A person who has material financial or fiduciary interest in the delivery of health care services or a related industry.

*c.* An employee of an institution which provides health care services.

*d.* A spouse or a member of the immediate family of a person described in paragraphs *"a"* through *"c"*.

2. A corporation organized and governed by this chapter which becomes a mutual insurer under this section shall continue as a mutual insurer to be governed by the provisions of section 514.7 and shall also be governed by section 509.3, subsection 1, paragraph *"f"*.

85 Acts, ch 239, §4; 86 Acts, ch 1180, §6; 90 Acts, ch 1205, §36; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393

Referred to in §504.1108, 505.32, 514E.1

# CHAPTER 514A

## ACCIDENT AND HEALTH INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 505.32, 507B.4A, 509.14, 510.11, 513C.10, 514C.1, 514C.2, 514C.3, 514C.3A, 514C.4, 514C.6, 514C.10, 514C.11, 514C.12, 514C.18, 514C.19, 514C.20, 514C.21, 514C.23, 514C.24, 514C.25, 514C.26, 514C.29, 514D.1, 514D.2, 514E.1, 514E.2, 514F.4, 514L.1, 669.14, 670.7


514A.1 Definition of accident and sickness insurance policy.
514A.2 Form of policy.
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514A.3A Refund of unearned premium upon death of insured.
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514A.11 Inconsistent acts not applicable.
514A.12 Title and effective date of chapter.
514A.13 Filing requirement — prior approval.
514A.14 Disapproval of filing.
514A.15 Withdrawal of approval.


**514A.1 Definition of accident and sickness insurance policy.**

1. As used in this chapter, *"policy of accident and sickness insurance"* includes a policy or contract covering insurance against loss resulting from sickness, or from bodily injury or death by accident, or both. For the purposes of this chapter the words *"policy of accident and sickness insurance"* are interchangeable without deviation of meaning with the words *"policy of accident and health insurance"* or the words *"policy of accident or health insurance"*.

2. This chapter applies to all individual policies of such accident and sickness insurance

written by Iowa or non-Iowa companies or associations duly licensed under chapter 508, 515, or 520 and, societies, orders, or associations licensed under chapter 512B writing sickness and accident policies providing benefits for loss of time.

3. Orders, societies or associations which admit to membership only persons engaged in one or more crafts or hazardous occupations in the same or similar lines of business and the societies or auxiliaries to such orders shall not be subject to the provisions of this chapter nor shall any religious order be subject to the provisions of this chapter.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.1]
89 Acts, ch 83, §72, 73; 2012 Acts, ch 1023, §115
Referred to in §514D.2, 514D.3, 514D.7

**514A.2 Form of policy.**

1. No policy of accident and sickness insurance shall be delivered or issued for delivery to any person in this state unless:

*a.* The entire money and other considerations therefor are expressed therein; and

*b.* The time at which the insurance takes effect and terminates is expressed therein; and

*c.* It purports to insure only one person, except that a policy may insure, originally or by subsequent amendment, upon the application of an adult member of a family who shall be deemed the policyholder, any two or more eligible members of that family, including husband, wife, dependent children or any children under a specified age which shall not exceed nineteen years and any other person dependent upon the policyholder; and

*d.* The style, arrangement and over-all appearance of the policy give no undue prominence to any portion of the text, and unless every printed portion of the text of the policy and of any endorsements or attached papers is plainly printed in light-faced type of a style in general use, the size of which shall be uniform and not less than ten point with a lower-case unspaced alphabet length not less than one hundred and twenty point (the "text" shall include all printed matter except the name and address of the insurer, name or title of the policy, the brief description if any, and captions and subcaptions); and

*e.* The exceptions and reductions of indemnity are set forth in the policy and, except those which are set forth in section 514A.3, are printed, at the insurer's option, either included with the benefit provision to which they apply, or under an appropriate caption such as "exceptions", or "exceptions and reductions", provided that if an exception or reduction specifically applies only to a particular benefit of the policy, a statement of such exception or reduction shall be included with the benefit provision to which it applies; and

*f.* Each such form, including riders and endorsements, shall be identified by a form number in the lower left-hand corner of the first page thereof; and

*g.* It contains no provision purporting to make any portion of the charter, rules, constitution, or bylaws of the insurer a part of the policy unless such portion is set forth in full in the policy, except in the case of the incorporation of, or reference to, a statement of rates or classification of risks, or short-rate table filed with the commissioner.

2. If any policy is issued by an insurer domiciled in this state for delivery to a person residing in another state, and if the official having responsibility for the administration of the insurance laws of such other state shall have advised the commissioner that any such policy is not subject to approval or disapproval by such official, the commissioner may by ruling require that such policy meet the standards set forth in subsection 1 of this section and in section 514A.3.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.2]
Referred to in §514A.12, 514D.3, 514D.7

**514A.3 Accident and sickness policy provisions.**

1. *Required provisions.* Except as provided in subsection 3 of this section, each such policy delivered or issued for delivery to any person in this state shall contain the provisions specified in this subsection in the words in which the same appear in this section; provided, however, that the insurer may, at its option, substitute for one or more of such provisions corresponding provisions of different wording approved by the commissioner which are in each instance not less favorable in any respect to the insured or the beneficiary. Such

provisions shall be preceded individually by the caption appearing in this subsection or, at the option of the insurer, by such appropriate individual or group captions or subcaptions as the commissioner may approve.

*a.* A provision as follows:

*Entire contract — changes:* This policy, including the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid until approved by an executive officer of the insurer and unless such approval be endorsed hereon or attached hereto. No agent has authority to change this policy or to waive any of its provisions.

*b.* A provision as follows:

*Time limit on certain defenses:* (1) After two years from the date of issue of this policy no misstatements, except fraudulent misstatements, made by the applicant in the application for such policy shall be used to void the policy or to deny a claim for loss incurred or disability (as defined in the policy) commencing after the expiration of this two-year period.

(The foregoing policy provision shall not be so construed as to affect any legal requirement for avoidance of a policy or denial of a claim during such initial two-year period, nor to limit the application of subsection 2, paragraphs *"a", "b", "c", "d"* and *"e"*, in the event of misstatement with respect to age or occupation or other insurance.)

(A policy which the insured has the right to continue in force subject to its terms by the timely payment of premium *(a)* until at least age fifty or, *(b)* in the case of a policy issued after age forty-four, for at least five years from its date of issue, may contain in lieu of the foregoing the following provision (from which the clause in parentheses may be omitted at the insurer's option) under the caption "incontestable":

After this policy has been in force for a period of two years during the lifetime of the insured, (excluding any period during which the insured is disabled), it shall become incontestable as to the statements contained in the application.)

(2) No claim for loss incurred or disability (as defined in the policy) commencing after two years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

*c.* A provision as follows:

*Grace period:* A grace period of ..... (insert a number not less than "7" for weekly premium policies, "10" for monthly premium policies and "31" for all other policies) days will be granted for the payment of each premium falling due after the first premium, during which grace period the policy shall continue in force.

(A policy which contains a cancellation provision may add, at the end of the above provision, subject to the right of the insurer to cancel in accordance with the cancellation provision hereof.

A policy in which the insurer reserves the right to refuse any renewal shall have, at the beginning of the above provision,

Unless not less than five days prior to the premium due date the insurer has delivered to the insured or has mailed to the insured's last address as shown by the records of the insurer written notice of its intention not to renew this policy beyond the period for which the premium has been accepted.)

*d.* A provision as follows:

*Reinstatement:* If any renewal premium be not paid within the time granted the insured for payment, a subsequent acceptance of premium by the insurer or by any agent duly authorized by the insurer to accept such premium, without requiring in connection therewith an application for reinstatement, shall reinstate the policy; provided, however, that if the insurer or such agent requires an application for reinstatement and issues a conditional receipt for the premium tendered, the policy will be reinstated upon approval of such application by the insurer or, lacking such approval, upon the forty-fifth day following the date of such conditional receipt unless the insurer has previously notified the insured in writing of its disapproval of such application. The reinstated policy shall cover only loss resulting from such accidental injury as may be sustained after the date of reinstatement and loss due to such sickness as may begin more than ten days after such date. In all other

respects the insured and insurer shall have the same rights thereunder as they had under the policy immediately before the due date of the defaulted premium, subject to any provisions endorsed hereon or attached hereto in connection with the reinstatement. Any premium accepted in connection with a reinstatement shall be applied to a period for which premium has not been previously paid, but not to any period more than sixty days prior to the date of reinstatement.

(The last sentence of the above provision may be omitted from any policy which the insured has the right to continue in force subject to its terms by the timely payment of premiums (1) until at least age fifty or, (2) in the case of a policy issued after age forty-four, for at least five years from its date of issue.)

*e.* A provision as follows:

*Notice of claim:* Written notice of claim must be given to the insurer within twenty days after the occurrence or commencement of any loss covered by the policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the insured or the beneficiary to the insurer at ..... (insert the location of such office as the insurer may designate for the purpose), or to any authorized agent of the insurer, with information sufficient to identify the insured, shall be deemed notice to the insurer.

(In a policy providing a loss-of-time benefit which may be payable for at least two years, an insurer may at its option insert the following between the first and second sentences of the above provision:

Subject to the qualifications set forth below, if the insured suffers loss of time on account of disability for which indemnity may be payable for at least two years, the insured shall, at least once in every six months after having given notice of claim, give to the insurer notice of continuance of said disability, except in the event of legal incapacity. The period of six months following any filing of proof by the insured or any payment by the insurer on account of such claim or any denial of liability in whole or in part by the insurer shall be excluded in applying this provision. Delay in the giving of such notice shall not impair the insured's right to any indemnity which would otherwise have accrued during the period of six months preceding the date on which such notice is actually given.)

*f.* A provision as follows:

*Claim forms:* The insurer, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within fifteen days after the giving of such notice the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

*g.* A provision as follows:

*Proofs of loss:* Written proof of loss must be furnished to the insurer at its said office in case of claim for loss for which this policy provides any periodic payment contingent upon continuing loss within ninety days after the termination of the period for which the insurer is liable and in case of claim for any other loss within ninety days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

*h.* A provision as follows:

*Time of payment of claims:* Indemnities payable under this policy for any loss other than loss for which this policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this policy provides periodic payment will be paid ..... (insert period for payment which must not be less frequently than monthly) and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

*i.* A provision as follows:

*Payment of claims:* Indemnity for loss of life will be payable in accordance with the beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision

is then effective, such indemnity shall be payable to the estate of the insured. Any other accrued indemnities unpaid at the insured's death may, at the option of the insurer, be paid either to such beneficiary or to such estate. All other indemnities will be payable to the insured.

(The following provisions, or either of them, may be included with the foregoing provision at the option of the insurer:

If any indemnity of this policy shall be payable to the estate of the insured, or to an insured or beneficiary who is a minor or otherwise not competent to give a valid release, the insurer may pay such indemnity, up to an amount not exceeding $..... (insert an amount which shall not exceed one thousand dollars), to any relative by blood or connection by marriage of the insured or beneficiary who is deemed by the insurer to be equitably entitled thereto. Any payment made by the insurer in good faith pursuant to this provision shall fully discharge the insurer to the extent of such payment.

Subject to any written direction of the insured in the application or otherwise all or a portion of any indemnities provided by this policy on account of hospital, nursing, medical, or surgical services may, at the insurer's option and unless the insured requests otherwise in writing not later than the time of filing proofs of such loss, be paid directly to the hospital or person rendering such services; but it is not required that the service be rendered by a particular hospital or person.)

*j.* A provision as follows:

*Physical examinations and autopsy:* The insurer at its own expense shall have the right and opportunity to examine the person of the insured when and as often as it may reasonably require during the pendency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law.

*k.* A provision as follows:

*Legal actions:* No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

*l.* A provision as follows:

*Change of beneficiary:* Unless the insured makes an irrevocable designation of beneficiary, the right to change of beneficiary is reserved to the insured and the consent of the beneficiary or beneficiaries shall not be requisite to surrender or assignment of this policy or to any change of beneficiary or beneficiaries, or to any other changes in this policy.

(The first clause of this provision, relating to the irrevocable designation of beneficiary, may be omitted at the insurer's option.)

*m.* A provision as follows:

*Right to return policy:* The insured has the right, within ten days after receipt of this policy, to return it to the company at its home office or branch office or to the agent through whom it was purchased, and if so returned the premium paid will be refunded and the policy will be void from the beginning and the parties shall be in the same position as if a policy had not been issued.

The foregoing provision shall be prominently printed on the first page of the policy or attached to the policy.

The provisions of this paragraph "*m*" shall apply to any insurance policy which is delivered or issued for delivery or renewed in this state on or after July 1, 1978.

2. *Other provisions.* Except as provided in subsection 3 of this section, no such policy delivered or issued for delivery to any person in this state shall contain provisions respecting the matters set forth below unless such provisions are in the words in which the same appear in this section; provided, however, that the insurer may, at its option, use in lieu of any such provision a corresponding provision of different wording approved by the commissioner which is not less favorable in any respect to the insured or the beneficiary. Any such provision contained in the policy shall be preceded individually by the appropriate caption appearing in this subsection or, at the option of the insurer, by such appropriate individual or group captions or subcaptions as the commissioner may approve.

*a.* A provision as follows:

*Change of occupation:* If the insured be injured or contract sickness after having changed the insured's occupation to one classified by the insurer as more hazardous than that stated in this policy or while doing for compensation anything pertaining to an occupation so classified, the insurer will pay only such portion of the indemnities provided in this policy as the premium paid would have purchased at the rates and within the limits fixed by the insurer for such more hazardous occupation. If the insured changes the insured's occupation to one classified by the insurer as less hazardous than that stated in this policy, the insurer, upon receipt of proof of such change of occupation, will reduce the premium rate accordingly, and will return the excess pro rata unearned premium from the date of change of occupation or from the policy anniversary date immediately preceding receipt of such proof, whichever is the more recent. In applying this provision, the classification of occupational risk and the premium rates shall be such as have been last filed by the insurer prior to the occurrence of the loss for which the insurer is liable or prior to date of proof of change in occupation with the state official having supervision of insurance in the state where the insured resided at the time this policy was issued; but if such filing was not required, then the classification of occupational risk and the premium rates shall be those last made effective by the insurer in such state prior to the occurrence of the loss or prior to the date of proof of change in occupation.

*b.* A provision as follows:

*Misstatement of age:* If the age of the insured has been misstated, all amounts payable under this policy shall be such as the premium paid would have purchased at the correct age.

*c.* A provision as follows:

*Other insurance in this insurer:* If an accident or sickness or accident and sickness policy or policies previously issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity for ..... (insert type of coverage or coverages) in excess of $..... (insert maximum limit of indemnity or indemnities) the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured or to the insured's estate.

Or, in lieu thereof:

Insurance effective at any one time on the insured under a like policy or policies in this insurer is limited to the one such policy elected by the insured, or the insured's beneficiary or estate, as the case may be, and the insurer will return all premiums paid for all other such policies.

*d.* A provision as follows:

*Insurance with other insurers:* If there be other valid coverage, not with this insurer, providing benefits for the same loss on a provision of service basis or on an expense incurred basis and of which this insurer has not been given written notice prior to the occurrence or commencement of loss, the only liability under any expense incurred coverage of this policy shall be for such proportion of the loss as the amount which would otherwise have been payable hereunder plus the total of the like amounts under all such other valid coverages for the same loss of which this insurer had notice bears to the total like amounts under all valid coverages for such loss, and for the return of such portion of the premiums paid as shall exceed the pro rata portion for the amount so determined. For the purpose of applying this provision when other coverage is on a provision of service basis, the "like amount" of such other coverage shall be taken as the amount which the services rendered would have cost in the absence of such coverage.

(If the foregoing policy provision is included in a policy which also contains the next following policy provision there shall be added to the caption of the foregoing provision the phrase " — expense incurred benefits". The insurer may, at its option, include in this provision a definition of "other valid coverage", approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, and by hospital or medical service organizations, and to any other coverage the inclusion of which may be approved by the commissioner. In the absence of such definition such term shall not include group insurance, automobile medical payments insurance, or coverage provided by hospital or medical service

organizations or by union welfare plans or employer or employee benefit organizations. For the purpose of applying the foregoing policy provision with respect to any insured, any amount of benefit provided for such insured pursuant to any compulsory benefit statute (including any workers' compensation or employer's liability statute) whether provided by a governmental agency or otherwise shall in all cases be deemed to be "other valid coverage" of which the insurer has had notice. In applying the foregoing policy provision no third party liability coverage shall be included as "other valid coverage".)

*e.* A provision as follows:

*Insurance with other insurers:* If there be other valid coverage, not with this insurer, providing benefits for the same loss on other than an expense incurred basis and of which this insurer has not been given written notice prior to the occurrence or commencement of loss, the only liability for such benefits under this policy shall be for such proportion of the indemnities otherwise provided hereunder for such loss as the like indemnities of which the insurer had notice (including the indemnities under this policy) bear to the total amount of all like indemnities for such loss, and for the return of such portion of the premium paid as shall exceed the pro rata portion for the indemnities thus determined.

(If the foregoing policy provision is included in a policy which also contains the next preceding policy provision there shall be added to the caption of the foregoing provision the phrase " — other benefits". The insurer may, at its option, include in this provision a definition of "other valid coverage", approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, and to any other coverage the inclusion of which may be approved by the commissioner. In the absence of such definition such term shall not include group insurance, or benefits provided by union welfare plans or by employer or employee benefit organizations. For the purpose of applying the foregoing policy provision with respect to any insured, any amount of benefit provided for such insured pursuant to any compulsory benefit statute (including any workers' compensation or employer's liability statute) whether provided by a governmental agency or otherwise shall in all cases be deemed to be "other valid coverage" of which the insurer has had notice. In applying the foregoing policy provision no third party liability coverage shall be included as "other valid coverage".)

*f.* A provision as follows:

*Relation of earnings to insurance:* If the total monthly amount of loss of time benefits promised for the same loss under all valid loss of time coverage upon the insured, whether payable on a weekly or monthly basis, shall exceed the monthly earnings of the insured at the time disability commenced or the insured's average monthly earnings for the period of two years immediately preceding a disability for which claim is made, whichever is the greater, the insurer will be liable only for such proportionate amount of such benefits under this policy as the amount of such monthly earnings or such average monthly earnings of the insured bears to the total amount of monthly benefits for the same loss under all such coverage upon the insured at the time such disability commences and for the return of such part of the premiums paid during such two years as shall exceed the pro rata amount of the premiums for the benefits actually paid hereunder; but this shall not operate to reduce the total monthly amount of benefits payable under all such coverage upon the insured below the sum of two hundred dollars or the sum of the monthly benefits specified in such coverages, whichever is the lesser, nor shall it operate to reduce benefits other than those payable for loss of time.

(The foregoing policy provision may be inserted only in a policy which the insured has the right to continue in force subject to its terms by the timely payment of premiums (1) until at least age fifty or, (2) in the case of a policy issued after age forty-four, for at least five years from its date of issue. The insurer may, at its option, include in this provision a definition of "valid loss of time coverage", approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by governmental agencies or by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, or to any other coverage the inclusion of which may be approved by the commissioner or any combination

of such coverages. In the absence of such definition such term shall not include any coverage provided for such insured pursuant to any compulsory benefit statute (including any workers' compensation or employer's liability statute), or benefits provided by union welfare plans or by employer or employee benefit organizations.)

*g.* A provision as follows:

*Unpaid premium:* Upon the payment of a claim under this policy, any premium then due and unpaid or covered by any note or written order may be deducted therefrom.

*h.* A provision as follows:

*Cancellation:* The insurer may cancel this policy at any time by written notice delivered to the insured, or mailed to the insured's last address as shown by the records of the insurer, stating when, not less than five days thereafter, such cancellation shall be effective; and after the policy has been continued beyond its original term the insured may cancel this policy at any time by written notice delivered or mailed to the insurer, effective upon receipt or on such later date as may be specified in such notice. In the event of cancellation, the insurer will return promptly the unearned portion of any premium paid. If the insured cancels, the earned premium shall be computed by the use of the short-rate table last filed with the state official having supervision of insurance in the state where the insured resided when the policy was issued. If the insurer cancels, the earned premium shall be computed pro rata. Cancellation shall be without prejudice to any claim originating prior to the effective date of cancellation.

*i.* A provision as follows:

*Conformity with state statutes:* Any provision of this policy which, on its effective date, is in conflict with the statutes of the state in which the insured resides on such date is hereby amended to conform to the minimum requirements of such statutes.

*j.* A provision as follows:

*Illegal occupation:* The insurer shall not be liable for any loss to which a contributing cause was the insured's commission of or attempt to commit a felony or to which a contributing cause was the insured's being engaged in an illegal occupation.

*k.* A provision as follows:

*Intoxicants and narcotics:* The insurer shall not be liable for any loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any narcotic unless administered on the advice of a physician. This provision shall not be used with respect to a medical expense policy. For purposes of this provision, "*medical expense policy*" means an accident and sickness insurance policy that provides hospital, medical, and surgical expense coverage.

3. *Inapplicable or inconsistent provisions.* If any provision of this section is in whole or in part inapplicable to or inconsistent with the coverage provided by a particular form of policy, the insurer, with the approval of the commissioner, shall omit from such policy any inapplicable provision or part of a provision, and shall modify any inconsistent provision or part of the provision in such manner as to make the provision as contained in the policy consistent with the coverage provided by the policy.

4. *Order of certain policy provisions.* The provisions which are the subject of subsections 1 and 2 of this section, or any corresponding provisions which are used in lieu thereof in accordance with such subsections, shall be printed in the consecutive order of the provisions in such subsections or, at the option of the insurer, any such provision may appear as a unit in any part of the policy, with other provisions to which it may be logically related, provided the resulting policy shall not be in whole or in part unintelligible, uncertain, ambiguous, abstruse, or likely to mislead a person to whom the policy is offered, delivered or issued.

5. *Third party ownership.* The word "*insured*", as used in this chapter, shall not be construed as preventing a person other than the insured with a proper insurable interest from making application for and owning a policy covering the insured or from being entitled under such a policy to any indemnities, benefits and rights provided therein.

6. *Requirements of other jurisdictions.*

*a.* Any policy of a foreign or alien insurer, when delivered or issued for delivery to any person in this state, may contain any provision which is not less favorable to the insured or the beneficiary than the provisions of this chapter and which is prescribed or required by the law of the state under which the insurer is organized.

*b.* Any policy of a domestic insurer may, when issued for delivery in any other state or country, contain any provision permitted or required by the laws of such other state or country.

7. *Filing procedure.* The commissioner may make such reasonable rules and regulations concerning the procedure for the filing or submission of policies subject to this chapter as are necessary, proper or advisable to the administration of this chapter. This provision shall not abridge any other authority granted the commissioner by law.

[S13, §1820; C24, 27, 31, 35, 39, §**8775;** C46, 50, §511.36; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.3]

90 Acts, ch 1234, §31; 2002 Acts, ch 1111, §15; 2002 Acts, ch 1119, §68

Referred to in §514A.2, 514A.4, 514A.12, 514D.3, 514D.6, 514D.7

**514A.3A Refund of unearned premium upon death of insured.**

In the event of the death of the insured of any policy covered by this chapter, the insurer, upon receipt of notice of the insured's death supported by a certified copy of a valid death certificate and a request for a pro rata refund by a party entitled to claim such a refund, shall refund the unearned premium prorated to the month of the insured's death. Refund of the premium and termination of the coverage shall be without prejudice to any claim originating prior to the date of the insured's death. The commissioner of insurance shall adopt by rule the minimum amount required for issuance of a refund.

2004 Acts, ch 1110, §39

Referred to in §514D.3, 514D.7

**514A.3B Additional requirements.**

1. An insurer which accepts an individual for coverage under an individual policy or contract of accident and health insurance shall waive any time period applicable to a preexisting condition exclusion or limitation period requirement of the policy or contract with respect to particular services in an individual health benefit plan for the period of time the individual was previously covered by qualifying previous coverage as defined in section 513C.3, by chapter 249A or 514I, or by Medicare coverage provided pursuant to Tit. XVIII of the federal Social Security Act that provided benefits with respect to such services, provided that the coverage was continuous to a date not more than sixty-three days prior to the effective date of the new policy or contract.

2. An insurer issuing an individual policy or contract of accident and health insurance which provides coverage for children of the insured shall permit continuation of existing coverage or reenrollment in previously existing coverage for an individual who meets the requirements of section 513B.2, subsection 14, paragraph "*a*", "*b*", "*c*", "*d*", or "*e*", and who is an unmarried child of an insured or enrollee who so elects, at least through the policy anniversary date on or after the date the child marries, ceases to be a resident of this state, or attains the age of twenty-five years old, whichever occurs first, or so long as the unmarried child maintains full-time status as a student in an accredited institution of postsecondary education.

3. For the purposes of any policies of accident and sickness insurance issued in this state, "*creditable coverage*" means health benefits or coverage provided to an individual under any of the following:

*a.* A group health plan.

*b.* Health insurance coverage.

*c.* Part A or Part B Medicare pursuant to Tit. XVIII of the federal Social Security Act.

*d.* Medicaid pursuant to Tit. XIX of the federal Social Security Act, other than coverage consisting solely of benefits under section 1928 of that Act.

*e.* 10 U.S.C. ch. 55.

*f.* A health or medical care program provided through the Indian health service or a tribal organization.

*g.* A state health benefits risk pool.

*h.* A health plan offered under 5 U.S.C. ch. 89.

*i.* A public health plan as defined under federal regulations.

*j.* A health benefit plan under section 5(e) of the federal Peace Corps Act, 22 U.S.C. § 2504(e).

*k.* An organized delivery system licensed by the director of public health.

*l.* A short-term limited duration policy.

*m.* The hawk-i program authorized by chapter 514I.

2008 Acts, ch 1188, §42, 43; 2009 Acts, ch 118, §9, 11, 21, 22

Referred to in §514D.3, 514D.7

Organized delivery systems, see 93 Acts, ch 158, §3

2009 amendment to subsection 2 applies to policies, contracts, or plans of accident and health insurance delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2009; 2009 Acts, ch 118, §11

**514A.4 Conforming to statute.**

1. *Other policy provisions.* No policy provision which is not subject to section 514A.3 shall make a policy, or any portion thereof, less favorable in any respect to the insured or the beneficiary than the provisions thereof which are subject to this chapter.

2. *Policy conflicting with this chapter.* A policy delivered or issued for delivery to any person in this state in violation of this chapter shall be held valid but shall be construed as provided in this chapter. When any provision in a policy subject to this chapter is in conflict with any provision of this chapter, the rights, duties and obligations of the insurer, the insured and the beneficiary shall be governed by the provisions of this chapter.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.4]

Referred to in §514A.12, 514D.3, 514D.7

**514A.5 Application.**

1. The insured shall not be bound by any statement made in an application for a policy unless a copy of such application is endorsed on the policy when issued as a part thereof or is furnished to the policyholder within thirty days after the policy is issued. If any such policy delivered or issued for delivery to any person in this state shall be reinstated or renewed, and the insured or the beneficiary or assignee of such policy shall make written request to the insurer for a copy of the application, if any, for such reinstatement or renewal, the insurer shall within fifteen days after the receipt of such request at its home office or any branch office of the insurer, deliver or mail to the person making such request, a copy of such application. If such copy shall not be so delivered or mailed, the insurer shall be precluded from introducing such application as evidence in any action or proceeding based upon or involving such policy or its reinstatement or renewal.

2. No alteration of any written application for any such policy shall be made by any person other than the applicant without the applicant's written consent, except that insertions may be made by the insurer, for administrative purposes only, in such manner as to indicate clearly that such insertions are not to be ascribed to the applicant.

3. The falsity of any statement in the application for any policy covered by this chapter may not bar the right to recovery thereunder unless such false statement materially affected either the acceptance of the risk or the hazard assumed by the insurer.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.5]

2005 Acts, ch 70, §12

Referred to in §514D.3, 514D.7

**514A.6 Notice — waiver.**

The acknowledgment by any insurer of the receipt of notice given under any policy covered by this chapter, or the furnishing of forms for filing proofs of loss, or the acceptance of such proofs, or the investigation of any claim thereunder shall not operate as a waiver of any of the rights of the insurer in defense of any claim arising under such policy.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.6]

Referred to in §514D.3, 514D.7

**514A.7 Age limit.**

If any such policy contains a provision establishing, as an age limit or otherwise, a date after which the coverage provided by the policy will not be effective, and if such date falls within a period for which premium is accepted by the insurer or if the insurer accepts a premium after

such date, the coverage provided by the policy will continue in force subject to any right of cancellation until the end of the period for which premium has been accepted. In the event the age of the insured has been misstated and if, according to the correct age of the insured, the coverage provided by the policy would not have become effective, or would have ceased prior to the acceptance of such premium or premiums, then the liability of the insurer shall be limited to the refund, upon request, of all premiums paid for the period not covered by the policy.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.7]
Referred to in §514D.3, 514D.7

**514A.8 Nonapplication to certain policies.**

Nothing in this chapter shall apply to or affect (1) any policy of workers' compensation insurance or any policy of liability insurance with or without supplementary expense coverage therein; or (2) any policy or contract of reinsurance; or (3) any blanket or group policy of insurance; or (4) life insurance, endowment or annuity contracts, or contracts supplemental thereto which contain only such provisions relating to accident and sickness insurance as *(a)* provide additional benefits in case of death or dismemberment or loss of sight by accident, or as *(b)* operate to safeguard such contracts against lapse, or to give a special surrender value or special benefit or an annuity in the event that the insured or annuitant shall become totally and permanently disabled, as defined by the contract or supplemental contract.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.8]
Referred to in §514D.3, 514D.7

**514A.9 Violation.** Repealed by 2004 Acts, ch 1110, § 71.

**514A.10 Judicial review.**

Judicial review of the actions of the commissioner may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.10]
2003 Acts, ch 44, §114
Referred to in §514D.3, 514D.7

**514A.11 Inconsistent acts not applicable.**

All Acts or parts of Acts inconsistent with this chapter shall not apply to the provisions hereof to the extent of said inconsistency.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.11]
Referred to in §514D.3, 514D.7

**514A.12 Title and effective date of chapter.**

This chapter may be cited as the *"Uniform Individual Accident and Sickness Act."* This chapter shall take effect on the fourth day of July, 1951. A policy, filed with and approved by the insurance commissioner prior to the effective date of this chapter for use, delivery, or issue for delivery to any person in this state, may continue to be used, or delivered, or issued for delivery to any person in this state for a period of five years from and after said effective date without being subject to the provisions of sections 514A.2, 514A.3 and 514A.4; and any rider or endorsement filed with and approved by the insurance commissioner at any time may be used, or delivered, or issued for delivery to any person holding such a policy without being subject to the provisions of sections 514A.2, 514A.3 and 514A.4.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §514A.12]
Referred to in §514D.3, 514D.7

**514A.13 Filing requirement — prior approval.**

A policy of insurance against loss or expense from sickness or from the bodily injury or death by accident of the insured shall not be issued or delivered to any person in this state and an application, rider, or endorsement shall not be used in connection with the policy until a copy of the policy form and of the classification of risks and the premium rates, or, in the

case of cooperatives or assessment companies the estimated costs pertaining to the policy, have been filed with and approved by the commissioner.

A filing is deemed to be approved unless disapproved by the commissioner within thirty days of receipt of the filing by the commissioner. Subsequent rate changes are also subject to this section.

91 Acts, ch 213, §17; 92 Acts, ch 1162, §20
Referred to in §514A.14

**514A.14 Disapproval of filing.**

1. The commissioner shall notify an insurer which has filed a policy form pursuant to section 514A.13 that does not comply with this chapter or chapter 514D, or rules adopted pursuant to those chapters. The notice shall inform the insurer that it is unlawful for the insurer to issue the form or use it in connection with any policy, if the commissioner finds upon review of the form, either of the following:

*a.* The benefits provided are unreasonable in relation to the premium charged.

*b.* The form contains a provision which is unjust, unfair, inequitable, misleading, deceptive, or which encourages misrepresentation of the policy.

2. In a notice provided under subsection 1, the commissioner shall specify the reasons for disapproval and state that a hearing will be granted within twenty days after request in writing by the insurer.

91 Acts, ch 213, §18
Referred to in §514A.15

**514A.15 Withdrawal of approval.**

The commissioner may at any time, after opportunity for hearing, withdraw the commissioner's previously given approval of any such form on any of the grounds stated in section 514A.14. It shall be unlawful for the insurer to issue a form or use the form in connection with any policy after the effective date of the withdrawal of approval. The notice of any hearing granted under this section shall specify the matters to be considered at the hearing. Any decision affirming disapproval or directing withdrawal of approval under this section shall be in writing and shall specify the reasons for the disapproval or withdrawal of approval.

91 Acts, ch 213, §19

# CHAPTER 514B

## HEALTH MAINTENANCE ORGANIZATIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.16, 505.28, 505.29, 505.32, 507.1, 508C.3, 509.19, 509B.1, 510.11, 513B.3, 514C.2, 514C.3, 514C.4, 514C.6, 514C.9, 514C.10, 514C.11, 514C.12, 514C.18, 514C.19, 514C.20, 514C.21, 514C.23, 514C.24, 514C.25, 514C.26, 514C.29, 514D.7, 514E.1, 514E.11, 514F.4, 514G.103, 514L.1, 515.1, 521.1, 521.2, 521A.1, 521E.1, 521F.2, 533C.103, 669.14, 670.7


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**514B.1 Definitions — services required or available.**

As provided in this chapter, unless the context otherwise requires:

1. *"Basic health care services"* means services which an enrollee might reasonably require in order to be maintained in good health, including as a minimum, emergency care, inpatient hospital and physician care, and outpatient medical services rendered within or outside of a hospital.

2. *"Commissioner"* means the commissioner of insurance.

3. *"Enrollee"* means an individual who is enrolled in a health maintenance organization.

4. *"Evidence of coverage"* means any certificate, agreement or contract issued to an enrollee setting out the coverage to which the enrollee is entitled.

5. *a.* *"Health care services"* means services included in the furnishing to any individual of medical or dental care, or hospitalization, or incident to the furnishing of such care or hospitalization, as well as the furnishing to any person of all other services for the purposes of preventing, alleviating, curing, or healing human illness, injury, or physical disability.

*b.* The health care services available to enrollees under prepaid group plans covering vision care services or procedures shall include a provision for payment of necessary medical or surgical care and treatment provided by an optometrist licensed under chapter 154, if performed within the scope of the optometrist's license, and the plan would pay for the care and treatment when the care and treatment were provided by a person engaged in the practice of medicine or surgery as licensed under chapter 148. The plan shall provide that the plan enrollees may reject the coverage for services which may be provided by an optometrist if the coverage is rejected for all providers of similar vision care services as licensed under chapter 148 or 154. This paragraph applies to services provided under plans made after July 1, 1983, and to existing group plans on their next anniversary or renewal date, or upon the expiration of the applicable collective bargaining contract, if any, whichever is the later. This paragraph does not apply to enrollees eligible for coverage under Tit. XVIII of the Social Security Act or any other similar coverage under a state or federal government plan.

*c.* The health care services available to enrollees under prepaid group plans covering diagnosis and treatment of human ailments shall include a provision for payment of necessary diagnosis or treatment provided by a chiropractor licensed under chapter 151 if the diagnosis or treatment is provided within the scope of the chiropractor's license and if the plan would pay or reimburse for the diagnosis or treatment of human ailment, irrespective of and disregarding variances in terminology employed by the various licensed professions in describing the human ailment or its diagnosis or its treatment, if it were provided by a person licensed under chapter 148. The plan shall also provide that the plan enrollees may reject the coverage for diagnosis or treatment of a human ailment by a chiropractor if the coverage is rejected for all providers of diagnosis or treatment for similar human ailments licensed under chapter 148 or 151. A prepaid group plan of health care services may limit or make optional the payment or reimbursement for lawful diagnostic or treatment service by all licensees under chapters 148 and 151 on any rational basis which is not solely related to the license under or the practices authorized by chapter 151 or is not dependent upon a method of classification, categorization, or description based upon differences in terminology used by different licensees in describing human ailments or their diagnosis or treatment. This paragraph applies to services provided under plans made after July 1, 1986, and to existing group plans on their next anniversary or renewal date, or upon

the expiration of the applicable collective bargaining contract, if any, whichever is the later. This paragraph does not apply to enrollees eligible for coverage under Tit. XVIII of the Social Security Act, or any other similar coverage under a state or federal government plan.

*d.* The health care services available to enrollees under prepaid group plans covering hospital, medical, or surgical expenses, may include, at the option of the employer purchaser, a provision for payment of covered services determined to be medically necessary provided by a certified registered nurse certified by a national certifying organization, which organization shall be identified by the Iowa board of nursing pursuant to rules adopted by the board, if the services are within the practice of the profession of a registered nurse as that practice is defined in section 152.1, under terms and conditions agreed upon between the employer purchaser and the health maintenance organization, subject to utilization controls. This paragraph shall not require payment for nursing services provided by a certified registered nurse practicing in a hospital, nursing facility, health care institution, a physician's office, or other noninstitutional setting if the certified registered nurse is an employee of the hospital, nursing facility, health care institution, physician, or other health care facility or health care provider. This paragraph applies to services provided under plans within this state made on or after July 1, 1989, and to existing group plans on their next anniversary or renewal date, or upon the expiration of the applicable collective bargaining contract, if any, whichever is later. This paragraph does not apply to enrollees eligible for coverage under an individual contract or coverage designed only for issuance to enrollees eligible for coverage under Tit. XVIII of the federal Social Security Act, or under coverage which is rated on a community basis, or any other similar coverage under a state or federal government plan.

6. *"Health maintenance organization"* means any person, who:

*a.* Provides either directly or through arrangements with others, health care services to enrollees on a fixed prepayment basis;

*b.* Provides either directly or through arrangements with other persons for basic health care services; and,

*c.* Is responsible for the availability, accessibility and quality of the health care services provided or arranged.

7. *"Provider"* means any physician, hospital, or person as defined in chapter 4 which is licensed or otherwise authorized in this state to furnish health care services.

[C75, 77, 79, 81, §514B.1]

83 Acts, ch 166, §3; 84 Acts, ch 1290, §3; 86 Acts, ch 1180, §7; 89 Acts, ch 164, §5; 99 Acts, ch 75, §4; 2008 Acts, ch 1088, §128; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1193, §71

Referred to in §135.61, 514.4, 514.23

**514B.2 Establishment of health maintenance organizations.**

Any person may apply to the commissioner for and obtain a certificate of authority to establish and operate a health maintenance organization in compliance with this chapter. A person shall not establish or operate a health maintenance organization in this state, nor sell, offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health maintenance organization without obtaining a certificate under this chapter.

[C75, 77, 79, 81, §514B.2]

**514B.3 Application for a certificate of authority.**

1. An application for a certificate of authority shall be verified by an officer or authorized representative of the health maintenance organization, shall be in a form prescribed by the commissioner, and shall set forth or be accompanied by the following:

*a.* A copy of the basic organizational document, if any, of the applicant such as the articles of incorporation, articles of association, partnership agreement, trust agreement, or other applicable documents, and all of its amendments.

*b.* A copy of the bylaws, rules or similar document, if any, regulating the conduct of the internal affairs of the applicant.

*c.* A list of the names, addresses and official positions of the persons who are to be

responsible for the conduct of the affairs of the applicant, including all members of the board of directors, board of trustees, executive committee, or other governing board or committee, the principal officers if a corporation and the partners or members if a partnership or association.

*d.* A copy of any contract made or to be made between any providers or persons listed in paragraph "*c*" and the applicant.

*e.* A statement generally describing the health maintenance organization including, but not limited to, a description of its facilities and personnel.

*f.* A copy of the form of evidence of coverage.

*g.* A copy of the form of the group contract, if any, which is to be issued to employers, unions, trustees or other organizations.

*h.* Financial statements showing the applicant's assets, liabilities and sources of financial support. If the applicant's financial affairs are audited by an independent certified public accountant, a copy of the applicant's most recent regular certified financial statement shall satisfy this requirement unless the commissioner directs that additional financial information is required for the proper administration of this chapter.

*i.* A description of the proposed method of marketing the plan, a financial plan which includes a three-year projection of operating results anticipated, and a statement as to the sources of funding.

*j.* A power of attorney executed by any applicant appointing the commissioner, the commissioner's successors in office, and deputies to receive process in any legal action or proceeding against the health maintenance organization on a cause of action arising in this state.

*k.* A statement reasonably describing the geographic area to be served.

*l.* A description of the complaint procedures to be utilized as required under section 514B.14.

*m.* A description of the procedures and programs to be implemented to meet the requirements for quality of health care as determined by the director of public health under section 514B.4.

*n.* A description of the mechanism by which enrollees shall be allowed to participate in matters of policy and operation as required by section 514B.7.

*o.* Other information the commissioner finds reasonably necessary to make the determinations required in section 514B.5.

2. A health maintenance organization shall, unless otherwise provided for in this chapter, file notice with the commissioner and receive approval from the commissioner before modifying the operations described in the information required by this section.

3. Upon receipt of an application for a certificate of authority, the commissioner shall immediately transmit copies of the application and accompanying documents to the director of public health and the affected regional health planning council, as authorized by Pub. L. No. 89-749, 42 U.S.C. § 246(b)2b, for their nonbinding consultation and advice.

[C75, 77, 79, 81, §514B.3]

2003 Acts, ch 91, §28; 2006 Acts, ch 1010, §140; 2012 Acts, ch 1023, §116

Referred to in §514B.5, 514B.12

**514B.3A Articles — approval — bylaws.**

The articles of incorporation, and any subsequent amendments, of a corporation shall be filed with and approved by the commissioner of insurance before filing with the secretary of state. A corporation shall file bylaws and subsequent amendments to the bylaws with the commissioner within thirty days of adoption of the bylaws and amendments.

2000 Acts, ch 1023, §24; 2009 Acts, ch 145, §10

**514B.3B Certificate of authority — renewal.**

A certificate of authority of a health maintenance organization formed under this chapter expires on June 1 succeeding its issue and shall be renewed annually so long as the organization transacts its business in accordance with all legal requirements. A health maintenance organization shall submit annually, on or before March 1, a completed

application for renewal of its certificate of authority. A health maintenance organization that fails to timely file an application for renewal shall pay an administrative penalty of five hundred dollars to the treasurer of state for deposit as provided in section 505.7. A duly certified copy or duplicate of the certificate is admissible in evidence for or against the organization with the same effect as the original.

2006 Acts, ch 1117, §58; 2009 Acts, ch 181, §73

Referred to in §514B.33

**514B.4 Applicant for certificate of authority.**

1. The commissioner shall determine whether the applicant for a certificate of authority, with respect to health care services to be furnished:

*a.* Has demonstrated the willingness and potential ability to assure the availability, accessibility, and continuity of service through adequate personnel and facilities.

*b.* Has arrangements established in accordance with rules adopted by the commissioner for a continuous review of health care processes and outcomes. If a health maintenance organization is accredited by the national committee on quality assurance, or another accreditation entity approved by the commissioner, an external peer review under rules of the commissioner shall not be applicable. However, at the discretion of the commissioner, an on-site inspection of the health maintenance organization may be conducted.

*c.* Has a procedure established in accordance with rules adopted by the commissioner to develop, compile, evaluate, and report statistics relating to the cost of its operations, the pattern of utilization of its services, the availability and accessibility of its services, and other matters as may be reasonably required by the commissioner.

2. The commissioner, in administering this section and sections 514B.25 and 514B.26, may contract with qualified persons to make recommendations concerning the determinations required to be made by the commissioner. Such recommendations may be accepted in full or in part by the commissioner.

[C75, 77, 79, 81, §514B.4]

92 Acts, ch 1162, §21; 99 Acts, ch 165, §11; 2012 Acts, ch 1023, §157

Referred to in §514B.3, 514B.5

**514B.4A Direct provision of health care services.**

1. An application for a certificate of authority to provide health care services, directly, shall be forwarded by the commissioner to the director of public health for review, comment, and recommendation, with respect to the health care services to be provided directly, to assure that the applicant has demonstrated the willingness and potential ability to provide the health care services through adequate personnel and facilities.

2. Rules proposed by the commissioner for adoption for the direct provision of health care services by a health maintenance organization, shall be forwarded by the commissioner to the director of public health for review, comment, and recommendation, prior to submission to the administrative rules coordinator pursuant to section 17A.4.

3. The director of public health shall respond to the commissioner, with respect to an application or proposed rule, with any comments or recommendations within thirty days of the forwarding of the application or proposed rules to the director of public health.

92 Acts, ch 1237, §12

**514B.5 Issuance and denial of a certificate of authority.**

1. The commissioner shall issue or deny a certificate of authority to any person filing an application pursuant to section 514B.3 within a reasonable period of time. Issuance of a certificate of authority shall be granted upon payment of the application fee prescribed in section 514B.22 if the commissioner is satisfied that the following conditions are met:

*a.* The persons responsible for the conduct of the affairs of the applicant are competent and trustworthy.

*b.* The commissioner finds that the health maintenance organization's proposed plan of operation meets the requirements of section 514B.4.

*c.* The health maintenance organization provides or arranges for the provision of basic health care services on a prepaid basis, except that the health maintenance organization may

impose deductible and coinsurance charges subject to approval by the commissioner. The commissioner has the authority to promulgate rules pursuant to chapter 17A establishing reasonable maximum deductible and coinsurance charges which may be imposed by health maintenance organizations.

*d.* The health maintenance organization is fiscally sound and may reasonably be expected to meet its obligations to enrollees. In making this determination, the commissioner may consider:

(1) The financial soundness of the health maintenance organization's arrangements for health care services in relation to its schedule of charges.

(2) The adequacy of the health maintenance organization's working capital.

(3) Any agreement made by the health maintenance organization with an insurer, a corporation authorized under chapter 514 or any other organization for insuring the payment of the cost of health care services or for providing immediate alternative coverage in the event of discontinuance of the health maintenance organization.

(4) Any agreement made with providers for the provision of health care services.

(5) Any surety bond or deposit of cash or securities submitted in accordance with section 514B.16.

*e.* The enrollees may participate in matters of policy and operation pursuant to section 514B.7.

*f.* Nothing in the proposed method of operation as shown by the information submitted pursuant to section 514B.3 or by independent investigation is contrary to the public interest.

2. A certificate of authority shall be denied only after compliance with the requirements of section 514B.26.

[C75, 77, 79, 81, §514B.5]

92 Acts, ch 1162, §22, 23; 2012 Acts, ch 1023, §117

Referred to in §513C.4, 514B.3, 514B.9

**514B.6 Powers of health maintenance organizations.**

1. The powers of a health maintenance organization include, but are not limited to, the following:

*a.* The purchase, lease, construction, renovation, operation or maintenance of hospitals, medical facilities, or both, and their ancillary equipment, and such property as may reasonably be required for transacting the business of the organization.

*b.* The making of loans to a medical group under contract with it or to a corporation under its control for the purpose of acquiring or constructing medical facilities and hospitals or in furtherance of a program providing health care services to enrollees.

*c.* The furnishing of health care services to the public through providers which are under contract with or employed by the health maintenance organization.

*d.* The contracting with any person for the performance on its behalf of certain functions such as marketing, enrollment and administration.

*e.* The contracting with an insurance company authorized to insure groups or individuals in this state for the cost of health care or with a corporation authorized under chapter 514 for the provision of insurance, indemnity, or reimbursement against the cost of health care services provided by the health maintenance organization.

*f.* The offering, in addition to basic health care services, of health care services and indemnity benefits to enrollees or groups of enrollees.

*g.* The acceptance from any person of payments covering all or part of the charges made to enrollees of the health maintenance organization.

2. A health maintenance organization shall file notice with the commissioner before the exercise of any power granted in subsection 1, paragraphs "*a*" and "*b*". The commissioner shall disapprove the exercise of power if in the commissioner's opinion it would substantially and adversely affect the financial soundness of the health maintenance organization and

endanger its ability to meet its obligations. The commissioner may adopt rules exempting from the filing requirement of this section those activities having a minimum effect.

[C75, 77, 79, 81, §514B.6]

92 Acts, ch 1162, §24; 2012 Acts, ch 1023, §118

Referred to in §514B.15

**514B.7 Governing body.**

The governing body of a health maintenance organization may include providers, other individuals, or both, but it shall establish a mechanism to allow a reasonable representation of enrollees to participate in matters of policy and operation. The commissioner shall establish guidelines to implement this section.

[C75, 77, 79, 81, §514B.7]

86 Acts, ch 1180, §8

Referred to in §514B.3, 514B.5

**514B.8 Fiduciary responsibilities.**

Any director, officer or partner of a health maintenance organization who receives, collects, disburses or invests funds in connection with the activities of a health maintenance organization shall be responsible for these funds in a fiduciary relationship to the enrollees.

[C75, 77, 79, 81, §514B.8]

**514B.9 Evidence of coverage.**

1. Every enrollee shall receive an evidence of coverage and any amendments. If the enrollee obtains coverage through an insurance policy or a contract issued by a corporation authorized under chapter 514, the insurer or the corporation shall issue the evidence of coverage. No evidence of coverage or amendment shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or amendment has been filed with and approved by the commissioner.

2. An evidence of coverage shall contain a clear and complete statement of:

*a.* The health care services and the insurance or other benefits, if any, to which the enrollee is entitled in the total context of the organizational structure of the health maintenance organization.

*b.* Any limitations on the services or benefits to be provided, including any deductible or coinsurance charges permitted under section 514B.5, subsection 1, paragraph "*c*".

*c.* The manner in which information is available on the method of obtaining health care services.

*d.* The total amount of payment for health care services and indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan offered through the health maintenance organization is contributory or noncontributory with respect to group contracts.

*e.* The health maintenance organization's method for resolving enrollee complaints.

*f.* The mechanism by which enrollees shall be allowed to participate in matters of policy and operation.

3. A copy of the form of the evidence of coverage to be used in this state and any amendment shall be subject to the filing and approval requirements of this section unless it is subject to the jurisdiction of the commissioner under the laws governing health insurance or corporations authorized under chapter 514 in which event the filing and approval provisions of such laws apply. To the extent, however, that those provisions are less strict than those provided under this section, then the requirements of this section shall apply.

4. Enrollees shall be entitled to receive the most recent annual statement of the financial condition of the health maintenance organization in which they are enrolled, which statement shall include a balance sheet and summary of receipts and disbursements.

[C75, 77, 79, 81, §514B.9]

2012 Acts, ch 1023, §119

Referred to in §514B.11

**514B.9A Coverage of children — continuation or reenrollment.**

A health maintenance organization which provides health care coverage pursuant to an individual or group health maintenance organization contract regulated under this chapter for children of an enrollee shall permit continuation of existing coverage or reenrollment in previously existing coverage for an individual who meets the requirements of section 513B.2, subsection 14, paragraph *"a"*, *"b"*, *"c"*, *"d"*, or *"e"*, and who is an unmarried child of an enrollee who so elects, at least through the policy anniversary date on or after the date the child marries, ceases to be a resident of this state, or attains the age of twenty-five years old, whichever occurs first, or so long as the unmarried child maintains full-time status as a student in an accredited institution of postsecondary education.

2009 Acts, ch 118, §10, 11

Section applies to policies, contracts, or plans of accident and health insurance delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2009; 2009 Acts, ch 118, §11

**514B.10 Charges.**

Charges to enrollees may be established in accordance with actuarial principles for various categories of enrollees, but the charges shall not be determined according to the status of an individual enrollee's health or sex and shall not be excessive, inadequate, or unfairly discriminatory.

[C75, 77, 79, 81, §514B.10]

95 Acts, ch 185, §10

Referred to in §514B.11, 514B.17

**514B.11 Disapproval of filings.**

If the commissioner disapproves a filing made pursuant to sections 514B.9 and 514B.10, the commissioner shall notify the filer and in the notice specify the reasons for the disapproval. A hearing shall be granted by the commissioner within a reasonable period of time from the request for the hearing, which request must be made within thirty days after receipt by the filer of the notice of disapproval. The commissioner may require the submission of whatever relevant information the commissioner deems necessary in determining whether to disapprove a filing.

[C75, 77, 79, 81, §514B.11]

**514B.12 Annual report.**

1. A health maintenance organization shall annually on or before the first day of March file with the commissioner or a depository designated by the commissioner a report verified by at least two of the principal officers of the health maintenance organization and covering the preceding calendar year. The report shall be on forms prescribed by the commissioner and shall include:

*a.* Financial statements of the organization including a balance sheet as of the end of the preceding calendar year and statement of profit and loss for the year then ended, certified by a certified public accountant or an independent public accountant.

*b.* Any material changes in the information submitted pursuant to section 514B.3.

*c.* The number of persons enrolled during the year, the number of enrollees as of the end of the year and the number of enrollments terminated during the year.

*d.* Other information relating to the performance of the health maintenance organization as is necessary to enable the commissioner to carry out the commissioner's duties under this chapter.

2. The commissioner shall refuse to renew a certificate of authority of a health maintenance organization that fails to comply with the provisions of this section and the organization's right to transact new business in this state shall immediately cease until the organization has so complied.

3. A health maintenance organization that fails to timely file the report required under subsection 1 is in violation of this section and shall pay an administrative penalty of five hundred dollars to the treasurer of state for deposit as provided in section 505.7.

4. The commissioner may give notice to a health maintenance organization that the organization has not timely filed the report required under subsection 1 and is in violation

of this section. If the organization fails to file the required report and comply with this section within ten days of the date of the notice, the organization shall pay an additional administrative penalty of one hundred dollars for each day that the failure continues to the treasurer of state for deposit as provided in section 505.7.

[C75, 77, 79, 81, §514B.12]

92 Acts, ch 1162, §25; 2003 Acts, ch 91, §29; 2004 Acts, ch 1101, §73; 2006 Acts, ch 1117, §59; 2009 Acts, ch 181, §74

Referred to in §514B.33

**514B.13 Open enrollment.**

After a health maintenance organization has been in operation twenty-four months, it shall have an annual open enrollment period of at least one month during which it accepts enrollees up to the limits of its capacity, as determined by the health maintenance organization, in the order in which they apply for enrollment. A health maintenance organization may apply to the commissioner for authorization to impose such underwriting restrictions upon enrollment as are necessary to preserve its financial stability, to prevent excessive adverse selection by prospective enrollees, or to avoid unreasonably high or unmarketable charges for enrollee coverage for health care services. The commissioner shall approve or deny the application made pursuant to this section within a reasonable period of time from the receipt of the application.

Health maintenance organizations providing services exclusively on a group contract basis may limit the open enrollment provided for in this section to all members of the group covered by the contract, including those members of the group who previously waived coverage.

[C75, 77, 79, 81, §514B.13]

2005 Acts, ch 70, §13

**514B.14 Complaint system.**

1. A health maintenance organization shall establish and maintain a complaint system which has been approved by the commissioner and which shall provide for the resolution of written complaints initiated by enrollees concerning health care services. A health maintenance organization shall submit to the commissioner an annual report in a form prescribed by the commissioner which shall include:

*a.* A description of the procedures of the complaint system.

*b.* The total number of complaints handled through the complaint system and a compilation of causes underlying the complaints filed.

*c.* The number, amount and disposition of malpractice claims settled during the year by the health maintenance organization and any of its providers.

2. The health maintenance organization shall maintain statistical information of written complaints filed with it concerning benefits over which the health maintenance organization does not have control and shall submit to the commissioner a summary report at the time and in the format that the commissioner may require. Complaints involving other persons shall be referred to those persons and a copy of the complaint sent to the commissioner.

[C75, 77, 79, 81, §514B.14]

92 Acts, ch 1162, §26; 2012 Acts, ch 1023, §157

Referred to in §514B.3

**514B.15 Investments.**

With the exception of investments made in accordance with section 514B.6, the investable funds of a health maintenance organization shall be invested only in securities or other investments permitted by section 511.8 for the investment of assets constituting the legal reserves of life insurance companies or such other securities or investments as the commissioner may permit. For purposes of this section, investable funds of a health maintenance organization are all moneys held in trust for the purpose of fulfilling the obligations incurred by a health maintenance organization in providing health care services to enrollees.

[C75, 77, 79, 81, §514B.15]

**514B.16 Protection against insolvency.**

A health maintenance organization shall furnish a surety bond in an amount satisfactory to the commissioner, or deposit with the commissioner cash or securities acceptable to the commissioner in at least the same amount, as a guarantee that its obligations to enrollees will be performed. The commissioner may waive this requirement when satisfied that the assets of the organization or its contracts with other organizations are sufficient to reasonably assure the performance of its obligations.

[C75, 77, 79, 81, §514B.16]

Referred to in §514B.5

**514B.17 Cancellation of enrollees.**

1. An enrollee enrolled in a prepaid individual plan shall not be canceled except for the failure to pay the charges permitted under section 514B.10 or for other reasons stated in the rules adopted by the commissioner and subject to review in accordance with chapter 17A. Except as provided in subsection 2 concerning prepaid group plans, notice of cancellation to an enrollee shall not be effective unless delivered to the enrollee by the health maintenance organization in a manner prescribed by the commissioner and at least thirty days before the effective date of cancellation and unless accompanied by a statement of reason for cancellation. At any time before cancellation of the policy for nonpayment, the enrollee may pay to the health maintenance organization the full amount due, including court costs if any, and from the date of payment by the enrollee or the collection of the judgment, coverage shall revive and be in full force and effect.

2. The effect of cancellation of a prepaid group plan providing health care services to enrollees, and the duty to provide notice and liability for benefits, is the same as provided under section 509B.5, subsection 2, for the termination of accident or health insurance for employees or members.

[C75, 77, 79, 81, §514B.17]

95 Acts, ch 185, §11

**514B.17A Recision.**

1. A health maintenance organization may rescind an enrollee's membership in the health maintenance organization if the enrollee makes a material false statement or misrepresentation in the enrollee's application for membership. A written notice of recision shall be sent to the enrollee by certified mail addressed to the enrollee and sent to the enrollee's last address known to the health maintenance organization and shall state the reason for the recision. The enrollee may appeal the recision to the commissioner as provided by the commissioner by rules adopted under chapter 17A.

2. An enrollee's membership in a health maintenance organization shall not be rescinded as provided in subsection 1 more than two years after the date of the enrollee's enrollment in the health maintenance organization.

2008 Acts, ch 1123, §24

**514B.18 False representation.**

A health maintenance organization, unless licensed as an insurer, shall not use in its name, contracts, or literature any words descriptive of an insurance, casualty, or surety business or deceptively similar to the name or description of any insurance or surety corporation doing business in this state. No health maintenance organization or any person on its behalf shall advertise or merchandise its services in a manner to misrepresent its services or capacity for service, nor shall it engage in misleading, deceptive or unfair practices with respect to advertising or merchandising. This section does not exempt health maintenance organizations which are engaged in the business of insurance from regulation under the provisions of chapter 507B.

[C75, 77, 79, 81, §514B.18]

**514B.19 Regulation of insurance producers.**

The commissioner may, after notice and hearing, promulgate such reasonable rules under the provisions of chapter 522B that are necessary to provide for the licensing of insurance producers who engage in solicitation or enrollment for a health maintenance organization.

[C75, 77, 79, 81, §514B.19]

2001 Acts, ch 16, §14, 37

**514B.20 Powers of insurers and hospital and medical service corporations.**

1. An insurance company authorized to engage in insuring individuals or groups for the cost of health care in this state or a corporation authorized under chapter 514 may either directly or through a subsidiary or affiliate do one or more of the following:

*a.* Organize and operate a health maintenance organization under the provisions of this chapter.

*b.* Contract with a health maintenance organization to provide insurance or similar protection against the cost of care provided through the health maintenance organization.

*c.* Contract with a health maintenance organization to provide coverage in the event of the failure of the health maintenance organization to meet its obligations.

2. Any two or more insurance companies, corporations, or their subsidiaries or affiliates may jointly organize and operate a health maintenance organization.

[C75, 77, 79, 81, §514B.20]

2012 Acts, ch 1023, §157

**514B.21 Public employees included.**

Any employee of the state, political subdivision of the state, or of any institution supported in whole or in part by public funds may authorize the deduction from the employee's salary or wages of the amount charged to the employee for any health care services provided through health maintenance organizations under this chapter in the manner provided in section 514.16.

[C75, 77, 79, 81, §514B.21]

**514B.22 Fees.**

When not otherwise provided, a foreign or domestic health maintenance organization doing business in this state shall pay the commissioner of insurance the fees as required in section 511.24.

[C75, 77, 79, 81, §514B.22]

2006 Acts, ch 1117, §60

Referred to in §514B.5

**514B.23 Rules.**

The commissioner shall adopt rules, pursuant to chapter 17A, as are necessary to administer this chapter.

[C75, 77, 79, 81, §514B.23]

92 Acts, ch 1162, §27

**514B.24 Examinations permitted.**

The commissioner shall make an examination of the affairs of a health maintenance organization and its providers as often as the commissioner deems necessary for the protection of the interests of the people of this state, but not less frequently than once every five years.

Every health maintenance organization and provider shall submit its books and records to the commissioner and in every way facilitate the examination. For the purpose of examinations, the commissioner may administer oaths to and examine the officers and agents of the health maintenance organization and the principals of its providers concerning their business. The expenses of examinations under this section shall be assessed against the organization being examined and remitted to the commissioner.

In lieu of the examination required by this section, the commissioner may accept the report of an examination made by the appropriate departments in other states.

[C75, 77, 79, 81, §514B.24]

92 Acts, ch 1162, §28; 2000 Acts, ch 1023, §25

Referred to in §514B.30

**514B.25 Financially impaired or insolvent health maintenance organizations.**

The provisions of chapter 507C shall apply to health maintenance organizations, which shall be considered insurers for the purposes of chapter 507C.

[C75, 77, 79, 81, §514B.25]

91 Acts, ch 26, §39

Referred to in §514B.4

**514B.25A Insolvency protection — assessment.**

1. Upon a health maintenance organization or organized delivery system authorized to do business in this state and licensed by the director of public health being declared insolvent by the district court, the commissioner may levy an assessment on each health maintenance organization or organized delivery system doing business in this state and licensed by the director of public health, as applicable, to pay claims for uncovered expenditures for enrollees. The commissioner shall not assess an amount in any one calendar year which is more than two percent of the aggregate premium written by each health maintenance organization or organized delivery system.

2. The commissioner may use funds obtained through an assessment under subsection 1 to pay claims for uncovered expenditures for enrollees of an insolvent health maintenance organization or organized delivery system and administrative costs. The commissioner, by rule, may prescribe the time, manner, and form for filing claims under this section. The commissioner may require claims to be allowed by an ancillary receiver or the domestic receiver or liquidator.

3. *a.* A receiver or liquidator of an insolvent health maintenance organization or organized delivery system shall allow a claim in the proceeding in an amount equal to uncovered expenditures and administrative costs paid under this section.

*b.* A person receiving benefits under this section for uncovered expenditures is deemed to have assigned the rights under the covered health care plan certificates to the commissioner to the extent of the benefits received. The commissioner may require an assignment of such rights by a payee, enrollee, or beneficiary, to the commissioner as a condition precedent to the receipt of such benefits. The commissioner is subrogated to these rights against the assets of the insolvent health maintenance organization or organized delivery system that are held by a receiver or liquidator of a foreign jurisdiction.

*c.* The assigned subrogation rights of the commissioner and allowed claims under this subsection have the same priority against the assets of the insolvent health maintenance organization or organized delivery system as those claims of persons entitled to receive benefits under this section or for similar expenses in the receivership or liquidation.

4. If funds assessed under subsection 1 are unused following the completion of the liquidation of an insolvent health maintenance organization or organized delivery system, the commissioner shall distribute the remaining amounts, if such amounts are not de minimis, to the health maintenance organizations or organized delivery systems that were assessed.

5. The aggregate coverage of uncovered expenditures under this section shall not exceed three hundred thousand dollars with respect to one individual. Continuation of coverage shall cease after the lesser of one year after the health maintenance organization or organized delivery system is terminated by insolvency or the remaining term of the contract. The commissioner may provide continuation of coverage on a reasonable basis, including, but not limited to, continuation of the health maintenance organization or organized delivery system contract or substitution of indemnity coverage in a form as determined by the commissioner.

6. The commissioner may waive an assessment of a health maintenance organization or

organized delivery system if such organization or system is impaired financially or would be impaired financially as a result of such assessment. A health maintenance organization or organized delivery system that fails to pay an assessment within thirty days after notice of the assessment is subject to a civil forfeiture of not more than one thousand dollars for each day the failure continues, and suspension or revocation of its certificate of authority. An action taken by the commissioner to enforce an assessment under this section may be appealed by the health maintenance organization or organized delivery system pursuant to chapter 17A.

2000 Acts, ch 1023, §26

**514B.26 Administrative procedures.**

When the commissioner has cause to believe that grounds for the denial, suspension, or revocation of a certificate of authority exist, the commissioner shall notify the health maintenance organization in writing of the particular grounds for denial, suspension, or revocation and shall issue a notice of a time fixed for a hearing, which shall be held not less than ten days after the receipt by the health maintenance organization of the notice.

At the time and place fixed for a hearing, the person charged shall have an opportunity to be heard and to show cause why the order should not be made by the commissioner. Upon good cause shown, the commissioner may permit any person to intervene, appear and be heard at the hearing by counsel or in person. Nothing contained in this chapter shall require the observance at any hearing of formal rules of pleading or evidence. The provisions of section 507B.6, subsections 4 and 5, relating to the powers and duties of the commissioner in relation to the hearing and relating to the rights and obligations of persons upon whom the commissioner has served notice shall apply to this chapter.

After the hearing, or upon the failure of the health maintenance organization to appear at the hearing, the commissioner shall take action as the commissioner deems advisable and which is permitted by the commissioner under the provisions of this chapter and shall reduce the findings to writing. Copies of the written findings shall be mailed to the health maintenance organization charged with violation of this chapter.

[C75, 77, 79, 81, §514B.26]

92 Acts, ch 1162 §29

Referred to in §514B.4, 514B.5, 514B.27

**514B.27 Judicial review.**

The action of the commissioner under section 514B.26 is subject to judicial review in accordance with chapter 17A.

[C75, 77, 79, 81, §514B.27]

92 Acts, ch 1162, §30

**514B.28 Injunction.**

The commissioner may, in the manner provided by law, maintain an action in the name of the state for injunction or other process against the person violating any provision of this chapter.

[C75, 77, 79, 81, §514B.28]

**514B.29 Penalty.** Repealed by 2004 Acts, ch 1110, § 71.

**514B.30 Communications in professional confidence.**

An officer, director, trustee, partner, or employee of a health maintenance organization shall not testify as to or make other public disclosure of any communication made to a provider and deemed privileged under section 622.10, and which communication has come into the knowledge or possession of such officer, director, trustee, partner, or employee by reason of employment with the health maintenance organization. To the extent necessary to effectuate the examinations provided in section 514B.24 only, the commissioner may examine medical or hospital records of a person receiving basic health care services under the provisions of this chapter but shall not testify as to such confidential communications or make other public disclosure thereof without the express consent of the person or the person's legal

representative, if the person is deceased or incompetent. The provisions of section 622.10 respecting waiver shall apply to this section.

A health maintenance organization is hereby prohibited from releasing the names of its membership list of enrollees, whether or not for value or consideration, except to the extent necessary to effectuate the provisions of this chapter or to conduct research or analyses regarding cost or quality issues.

[C75, 77, 79, 81, §514B.30]

92 Acts, ch 1162, §31; 92 Acts, ch 1206, §6

**514B.31 Taxation.**

Payments received by a health maintenance organization for health care services, insurance, indemnity, or other benefits to which an enrollee is entitled through a health maintenance organization authorized under this chapter and payments by a health maintenance organization to providers for health care services, to insurers, or corporations authorized under chapter 514 for insurance, indemnity, or other service benefits authorized under this chapter are not premiums received and taxable under the provisions of section 432.1 for the first five years of the existence of the health maintenance organization, its successors or assigns. After the first five years, the payments received shall be considered premiums received and shall be taxable under the provisions of section 432.1, subsection 1. However, payments made by the United States secretary of health and human services under contracts issued under section 1833 or 1876 of the federal Social Security Act, section 4015 of the federal Omnibus Budget Reconciliation Act of 1987, or chapter 249A for enrolled members shall not be considered premiums received and shall not be taxable under section 432.1.

[C75, 77, 79, 81, §514B.31]

90 Acts, ch 1173, §1; 2002 Acts, ch 1158, §8

Referred to in §505.32, 514E.1

**514B.32 Construction.**

1. Except as otherwise provided in this chapter, laws regulating the insurance business in this state and the operations of corporations authorized under chapter 514 shall not be applicable to any health maintenance organization granted a certificate of authority under this chapter with respect to its health maintenance organization activities authorized and regulated pursuant to this chapter.

2. Solicitation of enrollees by a health maintenance organization granted a certificate of authority or its representatives does not violate any provision of law prohibiting solicitation or advertising by health professionals. Upon a prospective enrollee's request, a list of locations of services and a list of providers who have current agreements with the health maintenance organization shall be made available.

3. Any health maintenance organization authorized under this chapter is not practicing medicine and shall not be subject to the limitations provided in section 135B.26 on types of contracts entered into between doctors and hospitals.

4. A health maintenance organization authorized under this chapter shall be considered a person for purposes of chapter 507B.

[C75, 77, 79, 81, §514B.32]

83 Acts, ch 28, §1; 93 Acts, ch 88, §16

**514B.33 Establishment of limited service organizations.**

1. A person may apply to the commissioner for and obtain a certificate of authority to establish and operate a limited service organization in compliance with this chapter. A person shall not establish or operate a limited service organization in this state, or sell, offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a limited service organization without obtaining a certificate of authority under this chapter.

2. When not otherwise provided, a foreign or domestic limited service organization doing business in this state shall pay the commissioner the fees as required in section 511.24.

3. The commissioner shall adopt rules pursuant to chapter 17A establishing a certification process for limited service organizations.

4. Sections 514B.3B and 514B.12 apply to all foreign and domestic limited service organizations authorized to do business in this state.

5. *a.* For purposes of this section, *"limited service organization"* means an organization providing dental care services, vision care services, mental health services, substance abuse services, pharmaceutical services, podiatric care services, or such other services as may be determined by the commissioner.

*b.* *"Limited service organization"* does not include an organization providing hospital, medical, surgical, or emergency services, except as such services are provided incident to those services identified in paragraph *"a"*.

97 Acts, ch 186, §9; 2003 Acts, ch 91, §30; 2006 Acts, ch 1117, §61

# CHAPTER 514C

## SPECIAL HEALTH AND ACCIDENT INSURANCE COVERAGES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 507A.4, 669.14, 670.7


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514C.29 Services provided by a doctor of chiropractic.


**514C.1 Supplemental coverage for adopted or newly born children.**

1. Any policy of individual or group accident and sickness insurance providing coverage on an expense incurred basis, and any individual or group hospital or medical service contracts issued pursuant to chapters 509, 514, and 514A, which provide coverage for a family member of the insured or subscriber shall also provide that the health insurance benefits applicable for children shall, subject to the enrollment requirements of this section, be payable with respect to a newly born child of the insured or subscriber from the moment

of birth, or, in the situation of a newly adopted child of a covered person, such child shall be covered from the earlier of any of the following:

*a.* The date of placement of the child for the purpose of adoption and continuing in the same manner as for other dependents of the covered person, unless the placement is disrupted prior to legal adoption and the child is removed from placement.

*b.* The date of entry of an order granting the covered person custody of the child for purposes of adoption.

*c.* The effective date of adoption.

2. The coverage for adopted or newly born children shall consist of coverage for injury or sickness including the necessary care and treatment of medically diagnosed congenital defects and birth abnormalities and is not subject to any preexisting condition exclusion.

3. If payment of a specific premium or subscription fee is required to provide coverage for a newly born child, the policy or contract may require that notification of birth of a newly born child and payment of the required premium or fees must be furnished to the insurer or nonprofit service or indemnity corporation within sixty days after the date of birth.

4. If payment of a specific premium or subscription fee is not required to provide coverage for a newly born child, the policy or contract may require that notification of birth of a newly born child must be furnished to the insurer or nonprofit service or indemnity corporation within sixty days after the date of birth in order for coverage to be provided for the child from the date of birth.

5. *a.* If payment of a specific premium or subscription fee is required to provide coverage for a newly adopted child or child placed for adoption, the policy or contract may require that notification of the adoption or placement for adoption and payment of the required premium or fees must be furnished to the insurer or nonprofit service or indemnity corporation within sixty days after the coverage is required to begin under this section.

*b.* If payment of a specific premium or subscription fee is not required to provide coverage for a newly adopted child or child placed for adoption, the policy or contract may require that notification of the adoption or placement for adoption must be furnished to the insurer or nonprofit service or indemnity corporation within sixty days after the coverage is required to begin under this section.

*c.* If a covered person fails to provide the required notice or to make payment of premium or subscription fees within the sixty-day period required in this subsection, the newly adopted child or child placed for adoption shall be treated no less favorably by a health carrier than other dependents of the covered person, other than newly born children, who seek coverage under a policy or contract at a time other than the time when the dependent is first eligible to apply for coverage.

[C75, 77, 79, 81, §514C.1]

2006 Acts, ch 1117, §62

Referred to in §514E.7

**514C.2 Skilled nursing care covered in hospitals.**

An insurer, a hospital service corporation, or a medical service corporation, which covers the costs of skilled nursing care under an individual or group policy of accident and health insurance regulated under chapter 509 or 514A, a nonprofit hospital or medical and surgical service plan regulated under chapter 514, or a health care service contract regulated under chapter 514B, shall also cover the costs of skilled nursing care in a hospital if the level of care needed by the insured or subscriber has been reclassified from acute care to skilled nursing care and no designated skilled nursing care beds or swing beds are available in the hospital or in another hospital or health care facility within a thirty-mile radius of the hospital. The insurer or corporation shall reimburse the insured or subscriber based on the skilled nursing care rate.

84 Acts, ch 1034, §1; 95 Acts, ch 185, §12

**514C.3 Dentist's services under accident and sickness insurance policies.**

A policy of accident and sickness insurance issued in this state which provides payment or reimbursement for any service which is within the lawful scope of practice of a licensed

dentist shall provide benefits for the service whether the service is performed by a licensed physician or a licensed dentist. As used in this section, *"licensed physician"* includes persons licensed under chapter 148, and *"policy of accident and sickness insurance"* includes individual policies or contracts issued pursuant to chapter 514, 514A, or 514B, and group policies as defined in section 509B.1, subsection 3.

88 Acts, ch 1127, §1; 2006 Acts, ch 1117, §63; 2008 Acts, ch 1088, §129

**514C.3A Disclosures relating to dental coverage reimbursement rates.**

1. An individual or group policy of accident or health insurance or individual or group hospital or health care service contract issued pursuant to chapter 509, 514, or 514A, and delivered, amended, or renewed on or after July 1, 1995, that provides dental care benefits with a base payment for those benefits determined upon a usual and customary fee charged by licensed dentists, shall disclose all of the following:

*a.* The frequency of the determination of the usual and customary fee.

*b.* A general description of the methodology used to determine usual and customary fees, including geographic considerations.

*c.* The percentile that determines the maximum benefit that the insurer or nonprofit health service corporation will pay for any dental procedure, if the usual and customary fee is determined by taking a sample of fees submitted on actual claims from licensed dentists and then determining the benefit by selecting a percentile of those fees.

2. The disclosure shall be provided upon request to all group and individual policyholders and subscribers. All proposals for dental care benefits shall inform the prospective policyholder or subscriber that information regarding usual and customary fee determinations is available from the insurer or nonprofit health service corporation. All employee benefit descriptions or supplemental documents shall notify the employee that information regarding reimbursement rates is available from the employer.

95 Acts, ch 78, §1; 95 Acts, ch 209, §26

**514C.3B Dental coverage — fee schedules.**

1. A contract between a dental plan and a dentist for the provision of services to covered individuals under the plan shall not require that a dentist provide services to those covered individuals at a fee set by the dental plan unless such services are covered services under the dental plan.

2. A person or entity providing third-party administrator services shall not make available any dentists in its dentist network to a dental plan that sets fees for dental services that are not covered services.

3. For the purposes of this section:

*a.* *"Covered services"* means services reimbursed under the dental plan.

*b.* *"Dental plan"* means any policy or contract of insurance which provides for coverage of dental services not in connection with a medical plan that provides for the coverage of medical services.

4. Nothing in this section shall be construed as limiting the ability of an insurer or a third-party administrator to restrict any of the following as they relate to covered services:

*a.* Balance billing.

*b.* Waiting periods.

*c.* Frequency limitations.

*d.* Deductibles.

*e.* Maximum annual benefits.

2010 Acts, ch 1179, §1

**514C.4 Mandated coverage for mammography.**

1. *a.* A policy or contract providing for third-party payment or prepayment of health or medical expenses shall provide minimum mammography examination coverage, including, but not limited to, the following classes of third-party payment provider contracts or policies delivered, issued for delivery, continued, or renewed in this state.

(1) Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

(2) An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

(3) An individual or group health maintenance organization contract regulated under chapter 514B.

(4) An individual or group Medicare supplemental policy, unless coverage pursuant to such policy is preempted by federal law.

*b.* A long-term care policy or contract is specifically excluded from regulation under this section.

2. As used in this section, "*minimum mammography examination coverage*" means benefits which are better than or equal to the following minimum requirements:

*a.* One baseline mammogram for any woman who is thirty-five through thirty-nine years of age, or more frequent mammograms if recommended by the woman's physician.

*b.* A mammogram every two years for any woman who is forty through forty-nine years of age, or more frequently if recommended by the woman's physician.

*c.* A mammogram every year for any woman who is fifty years of age or older, or more frequently if recommended by the woman's physician.

3. Mammogram benefits may be subject to any policy or contract provisions which apply generally to other services covered by the policy or contract.

4. The commissioner of insurance shall adopt rules under chapter 17A necessary to implement this section.

89 Acts, ch 289, §1; 92 Acts, ch 1162, §32, 33; 2003 Acts, ch 135, §1 – 3; 2012 Acts, ch 1023, §157

**514C.5 Prescription drug benefit restrictions.**

1. A group policy or contract providing for third-party payment or prepayment for prescription drugs shall not require a person covered under the policy or contract to obtain prescription drugs from a mail order pharmacy as a condition of obtaining benefits for prescription drugs if the pharmacy selected by the covered person agrees to provide pharmaceutical services under the same terms and conditions as those provided by the mail order pharmacy.

2. Group third-party payor policies or contracts delivered, issued for delivery, continued, or renewed in this state on or after July 1, 1990, are subject to this section, including but not limited to the following classes:

*a.* A group accident and sickness insurance policy.

*b.* A group hospital or medical service contract.

*c.* A group health maintenance organization contract.

*d.* A group Medicare supplemental policy.

90 Acts, ch 1130, §1

**514C.6 Uniformity of treatment — employee welfare benefit plans.**

1. A statutory provision to mandate a health care coverage or service, or to mandate the offering of a health care coverage or service, applies to all state-regulated third-party payors and to employee welfare benefit plans described in 29 U.S.C. § 1001 et seq. However, if an employee welfare benefit plan subject to federal regulation is not subject to a substantially similar requirement, the statutory provision does not apply to a state-regulated third-party payor until the employee welfare benefit plans are subject to a substantially similar standard under federal regulations as determined by the commissioner.

2. For purposes of this section unless the context otherwise requires, a third-party payor means:

*a.* An accident and sickness insurer, subject to chapter 509 or 514A.

*b.* A nonprofit health service corporation, subject to chapter 514.

*c.* A health maintenance organization, subject to chapter 514B.

*d.* Any other entity engaged in the business of insurance, risk transfer, or risk retention, which is subject to the jurisdiction of the commissioner.

91 Acts, ch 213, §20

Referred to in §514C.7, 514C.11, 514C.12, 514C.18, 514C.19, 514C.20, 514C.22, 514C.23, 514C.24, 514C.25, 514C.26, 514C.27, 514C.28, 514C.29

**514C.7 Prohibition on restricting coverage in certain instances involving a diagnosis of a fibrocystic condition.**

Notwithstanding the uniformity of treatment requirements of section 514C.6, a third-party payor as defined in that section shall not deny or fail to renew, or include an exception to or exclusion of benefits in, a policy or contract of individual or group accident and sickness insurance solely based upon an insured being diagnosed as having a fibrocystic condition.

92 Acts, ch 1046, §1

**514C.8 Coordination of health care benefits with state medical assistance.**

1. An insurer, health maintenance organization, or hospital and medical service plan providing health care coverage to individuals in this state shall not consider the availability of or eligibility for medical assistance under Tit. XIX of the federal Social Security Act and chapter 249A, when determining eligibility of the individual for coverage or calculating payments to the individual under the health care coverage plan.

2. The state acquires the rights of an individual to payment from an insurer, health maintenance organization, or hospital or medical service plan to the extent payment for covered expenses is made pursuant to chapter 249A for health care items or services provided to the individual. Upon presentation of proof that payment was made pursuant to chapter 249A for covered expenses, the insurer, health maintenance organization, or hospital or medical service plan shall make payment to the state medical assistance program to the extent of the coverage provided in the policy or contract.

3. An insurer shall not impose requirements on the state with respect to the assignment of rights pursuant to this section that are different from the requirements applicable to an agent or assignee of a covered individual.

4. For purposes of this section, *"insurer"* means an entity which offers a health benefit plan, including a group health plan under the federal Employee Retirement Income Security Act of 1974.

95 Acts, ch 185, §13; 2010 Acts, ch 1061, §180

**514C.9 Medical support — insurance requirements.**

1. An insurer shall not deny coverage or enrollment of a child under the health plan of the obligor upon any of the following grounds:

*a.* The child is born out of wedlock.

*b.* The child is not claimed as a dependent on the obligor's federal income tax return.

*c.* The child does not reside with the obligor or in the insurer's service area. This section shall not be construed to require a health maintenance organization regulated under chapter 514B to provide any services or benefits for treatment outside of the geographic area described in its certificate of authority which would not be provided to a member outside of that geographic area pursuant to the terms of the health maintenance organization's contract.

2. An insurer of an obligor providing health care coverage to the child for which the obligor is legally responsible to provide support shall do all of the following:

*a.* Provide information to the obligee or other legal custodian of the child as necessary for the child to obtain benefits through the coverage of the insurer.

*b.* Allow the obligee or other legal custodian of the child, or the provider with the approval of the obligee or other legal custodian of the child, to submit claims for covered services without the approval of the obligor.

*c.* Make payment on a claim submitted in paragraph *"b"* directly to the obligee or other legal custodian of the child, the provider, or the state medical assistance agency for claims submitted by the obligee or other legal custodian of the child, by the provider with

the approval of the obligee or other legal custodian of the child, or by the state medical assistance agency.

3. If an obligor is required by a court order or administrative order to provide health coverage for a child and the obligor is eligible for dependent health coverage, the insurer shall do all of the following:

*a.* Allow the obligor to enroll under dependent coverage a child who is eligible for coverage pursuant to the applicable terms and conditions of the health benefit plan and the standard enrollment guidelines of the insurer without regard to an enrollment season restriction.

*b.* Enroll a child who is eligible for coverage under the applicable terms and conditions of the health benefit plan and the standard enrollment guidelines of the insurer, without regard to any time of enrollment restriction, under dependent coverage upon application by the obligee or other legal custodian of the child or by the department of human services in the event an obligor required by a court order or administrative order fails to apply for coverage for the child.

*c.* Maintain coverage and not cancel the child's enrollment unless the insurer obtains satisfactory written evidence of any of the following:

(1) The court order or administrative order is no longer in effect.

(2) The child is eligible for or will enroll in comparable health coverage through an insurer which shall take effect not later than the effective date of the cancellation of enrollment of the original coverage.

(3) The employer has eliminated dependent health coverage for its employees.

(4) The obligor is no longer paying the required premium because the employer no longer owes the obligor compensation, or because the obligor's employment has terminated and the obligor has not elected to continue coverage.

4. A group health plan shall establish reasonable procedures to determine whether a child is covered under a qualified medical child support order issued pursuant to chapter 252E. The procedures shall be in writing, provide for prompt notice of each person specified in the medical child support order as eligible to receive benefits under the group health plan upon receipt by the plan of the medical child support order, and allow an obligee or other legal custodian of the child under chapter 252E to designate a representative for receipt of copies of notices in regard to the medical child support order that are sent to the obligee or other legal custodian of the child and the department of human services' child support recovery unit.

5. For purposes of this section, unless the context otherwise requires:

*a.* *"Child"* means a person, other than an obligee's spouse or former spouse, who is recognized under a qualified medical child support order as having a right to enrollment under a group health plan as the obligor's dependent.

*b.* *"Court order"* or *"administrative order"* means a ruling by a court or administrative agency in regard to the support an obligor shall provide to the obligor's child.

*c.* *"Insurer"* means an entity which offers a health benefit plan.

*d.* *"Obligee"* means an obligee as defined in section 252E.1.

*e.* *"Obligor"* means an obligor as defined in section 252E.1.

*f.* *"Qualified medical child support order"* means a child support order which creates or recognizes a child's right to receive health benefits for which the child is eligible under a group health benefit plan, describes or determines the type of coverage to be provided, specifies the length of time for which the order applies, and specifies the plan to which the order applies.

95 Acts, ch 185, §14

**514C.10 Coverage for adopted child.**

1. *Definitions.* For purposes of this section, unless the context otherwise requires:

*a.* *"Child"* means, with respect to an adoption or a placement for adoption of a child, an individual who has not attained age eighteen as of the date of the issuance of a final adoption decree, or upon an interlocutory adoption decree becoming a final adoption decree, as provided in chapter 600, or as of the date of the placement for adoption.

*b.* *"Placement for adoption"* means the assumption and retention of a legal obligation for

the total or partial support of the child in anticipation of the adoption of the child. The child's placement with a person terminates upon the termination of such legal obligation.

2. *Coverage required.* A policy or contract providing for third-party payment or prepayment of health or medical expenses shall provide coverage benefits to a dependent child adopted by, or placed for adoption with, an insured or enrollee under the same terms and conditions as apply to a biological, dependent child of the insured or enrollee. The issuer of the policy or contract shall not restrict coverage under the policy or contract for a dependent child adopted by, or placed for adoption with, the insured or enrollee solely on the basis of a preexisting condition of such dependent child at the time that the child would otherwise become eligible for coverage under the plan, if the adoption or placement occurs while the insured or enrollee is eligible for coverage under the policy or contract. This section applies to the following classes of third-party payment provider contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after July 1, 1995:

*a.* Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

*b.* An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

*c.* An individual or group health maintenance organization contract regulated under chapter 514B.

*d.* An individual or group Medicare supplemental policy, unless coverage pursuant to such policy is preempted by federal law.

*e.* An organized delivery system licensed by the director of public health.

95 Acts, ch 185, §15

**514C.11 Services provided by licensed physician assistants and licensed advanced registered nurse practitioners.**

Notwithstanding section 514C.6, a policy or contract providing for third-party payment or prepayment of health or medical expenses shall include a provision for the payment of necessary medical or surgical care and treatment provided by a physician assistant licensed pursuant to chapter 148C, or provided by an advanced registered nurse practitioner licensed pursuant to chapter 152 and performed within the scope of the license of the licensed physician assistant or the licensed advanced registered nurse practitioner if the policy or contract would pay for the care and treatment if the care and treatment were provided by a person engaged in the practice of medicine and surgery or osteopathic medicine and surgery under chapter 148. The policy or contract shall provide that policyholders and subscribers under the policy or contract may reject the coverage for services which may be provided by a licensed physician assistant or licensed advanced registered nurse practitioner if the coverage is rejected for all providers of similar services. A policy or contract subject to this section shall not impose a practice or supervision restriction which is inconsistent with or more restrictive than the restriction already imposed by law. This section applies to services provided under a policy or contract delivered, issued for delivery, continued, or renewed in this state on or after July 1, 1996, and to an existing policy or contract, on the policy's or contract's anniversary or renewal date, or upon the expiration of the applicable collective bargaining contract, if any, whichever is later. This section does not apply to policyholders or subscribers eligible for coverage under Tit. XVIII of the federal Social Security Act or any similar coverage under a state or federal government plan. For the purposes of this section, third-party payment or prepayment includes an individual or group policy of accident or health insurance or individual or group hospital or health care service contract issued pursuant to chapter 509, 514, or 514A, an individual or group health maintenance organization contract issued and regulated under chapter 514B, an organized delivery system contract regulated under rules adopted by the director of public health, or a preferred provider organization contract regulated pursuant to chapter 514F. Nothing in this section shall be interpreted to require an individual or group health maintenance organization, an organized delivery system, or a preferred provider organization or arrangement to provide payment or prepayment for services provided by a licensed physician assistant or licensed advanced registered nurse practitioner unless

the physician assistant's supervising physician, the physician-physician assistant team, the advanced registered nurse practitioner, or the advanced registered nurse practitioner's collaborating physician has entered into a contract or other agreement to provide services with the individual or group health maintenance organization, the organized delivery system, or the preferred provider organization or arrangement.

96 Acts, ch 1169, §1; 2008 Acts, ch 1088, §130

**514C.12 Postdelivery benefits and care.**

1. Notwithstanding section 514C.6, a person who provides an individual or group policy of accident or health insurance or individual or group hospital or health care service contract issued pursuant to chapter 509, 509A, 514, or 514A or an individual or group health maintenance organization contract issued and regulated under chapter 514B, which is delivered, amended, or renewed on or after July 1, 1996, and which provides maternity benefits, which are not limited to complications of pregnancy, or newborn care benefits, shall not terminate inpatient benefits or require discharge of a mother or the newborn from a hospital following delivery earlier than determined to be medically appropriate by the attending physician after consultation with the mother and in accordance with guidelines adopted by rule by the commissioner. The guidelines adopted by rule shall be consistent with or may adopt by reference the guidelines for perinatal care established by the American academy of pediatrics and the American college of obstetricians and gynecologists which provide that when complications are not present, the postpartum hospital stay ranges from a minimum of forty-eight hours for a vaginal delivery to a minimum of ninety-six hours for a cesarean birth, excluding the day of delivery. The guidelines adopted by rule by the commissioner shall also provide that in the event of a discharge from the hospital prior to the minimum stay established in the guidelines, a postdischarge follow-up visit shall be provided to the mother and newborn by providers competent in postpartum care and newborn assessment if determined medically appropriate as directed by the attending physician, in accordance with the guidelines.

2. When performing utilization review of inpatient hospital services related to maternity and newborn care, including but not limited to length of postdelivery stay and postdischarge follow-up care, any person who provides an individual or group policy of accident or health insurance or individual or group hospital or health care service contract issued pursuant to chapter 509, 509A, 514, or 514A, or an individual or group health maintenance organization contract issued and regulated under chapter 514B, shall use the guidelines adopted by rule by the commissioner, and shall not deselect, require additional documentation, require additional utilization review, terminate services to, reduce payment to, or in any manner provide a disincentive to an attending physician solely on the basis that the attending physician provided or directed the provision of services in compliance with the guidelines adopted by rule.

3. Preauthorization or precertification for a hospital stay or for a postdischarge follow-up visit in accordance with the guidelines adopted by rule by the commissioner shall not be required.

96 Acts, ch 1202, §1

**514C.13 Group managed care health plans — requirements attached to limited provider network plan offers.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Carrier"* means an entity that provides health benefit plans in this state. *"Carrier"* includes an insurance company, group hospital or medical service corporation, health maintenance organization, multiple employer welfare arrangement, and any other person providing health benefit plans in this state subject to regulation by the commissioner of insurance.

*b.* *"Health benefit plan"* means a policy, certificate, or contract providing hospital or medical coverage, benefits, or services rendered by a health care provider. *"Health benefit plan"* does not include a group conversion plan, accident-only, specific-disease, short-term hospital or medical hospital confinement indemnity, credit, dental, vision, Medicare

supplement, long-term care, or disability income insurance, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

*c.* *"Health care provider"* means a hospital licensed pursuant to chapter 135B, a person licensed under chapter 148, 148C, 149, 151, or 154, or a person licensed as an advanced registered nurse practitioner under chapter 152.

*d.* *"Indemnity plan"* means a hospital or medical expense-incurred policy, certificate, or contract, major medical expense insurance, or hospital or medical service plan contract.

*e.* *"Large employer"* means a person actively engaged in business who, during at least fifty percent of the employer's working days during the preceding calendar year, employed more than fifty full-time equivalent employees.

*f.* *"Limited provider network plan"* means a managed care health plan which limits access to or coverage for services to selected health care providers who are under contract with the managed care health plan.

*g.* *"Managed care health plan"* means a health benefit plan that selects and contracts with health care providers; manages and coordinates health care delivery; monitors necessity, appropriateness, and quality of health care delivered by health care providers; and performs utilization review and cost control.

*h.* *"Organized delivery system"* means an organized delivery system as defined in section 513C.3.

*i.* *"Point of service plan option"* means a provision in a managed care health plan that permits insureds, enrollees, or subscribers access to health care from health care providers who have not contracted with the managed care health plan.

*j.* *"Small employer"* means a person actively engaged in business who, during at least fifty percent of the employer's working days during the preceding calendar year, employed at least one and not more than fifty full-time equivalent employees.

2. A carrier or organized delivery system which offers to a small employer a limited provider network plan to provide health care services or benefits to the small employer's employees shall also offer to the small employer a point of service option to the limited provider network plan.

3. A carrier or organized delivery system which offers to a large employer a limited provider network plan to provide health care services or benefits to the large employer's employees shall also offer to the large employer one or more of the following:

*a.* A point of service plan option to the limited provider network plan. The price of the point of service plan option shall be actuarially determined.

*b.* A managed care health plan that is not a limited provider network plan.

*c.* An indemnity plan.

4. A large employer that offers a limited provider network plan to its employees shall also offer to its employees one or more of the following:

*a.* A point of service plan option to the limited provider network plan.

*b.* A managed care health plan that is not a limited provider network plan.

*c.* An indemnity plan.

97 Acts, ch 88, §1; 2008 Acts, ch 1088, §131; 2011 Acts, ch 70, §27, 49
Referred to in §505.25, 514I.6
2011 amendment to subsection 1, paragraph j, takes effect January 1, 2014; 2011 Acts, ch 70, §49
Subsection 1, paragraph j amended

**514C.14 Continuity of care — pregnancy.**

1. Except as provided under subsection 2 or 3, a carrier, as defined in section 513B.2, an organized delivery system authorized under 1993 Iowa Acts, ch. 158, or a plan established pursuant to chapter 509A for public employees, which terminates its contract with a participating health care provider, shall continue to provide coverage under the contract to a covered person in the second or third trimester of pregnancy for continued care from such health care provider. Such persons may continue to receive such treatment or care through postpartum care related to the child birth and delivery. Payment for covered benefits and benefit levels shall be according to the terms and conditions of the contract.

2. A covered person who makes an involuntary change in health plans may request that

the new health plan cover the services of the covered person's physician specialist who is not a participating health care provider under the new health plan, if the covered person is in the second or third trimester of pregnancy. Continuation of such coverage shall continue through postpartum care related to the child birth and delivery. Payment for covered benefits and benefit levels shall be according to the terms and conditions of the new health plan contract.

3. A carrier, organized delivery system, or plan established under chapter 509A, which terminates the contract of a participating health care provider for cause shall not be liable to pay for health care services provided by the health care provider to a covered person following the date of termination.

99 Acts, ch 41, §1

**514C.15 Treatment options.**

A carrier, as defined in section 513B.2; an organized delivery system authorized under 1993 Iowa Acts, ch. 158, and licensed by the director of public health; or a plan established pursuant to chapter 509A for public employees, shall not prohibit a participating provider from, or penalize a participating provider for, doing either of the following:

1. Discussing treatment options with a covered individual, notwithstanding the carrier's, organized delivery system's, or plan's position on such treatment option.

2. Advocating on behalf of a covered individual within a review or grievance process established by the carrier, organized delivery system, or chapter 509A plan, or established by a person contracting with the carrier, organized delivery system, or chapter 509A plan.

99 Acts, ch 41, §2

**514C.16 Emergency room services.**

1. A carrier, as defined in section 513B.2; an organized delivery system authorized under 1993 Iowa Acts, ch. 158, and licensed by the director of public health; or a plan established pursuant to chapter 509A for public employees, which provides coverage for emergency services, is responsible for charges for emergency services provided to a covered individual, including services furnished outside any contractual provider network or preferred provider network. Coverage for emergency services is subject to the terms and conditions of the health benefit plan or contract.

2. Prior authorization for emergency services shall not be required. All services necessary to evaluate and stabilize an emergency medical condition shall be considered covered emergency services.

3. For purposes of this section, unless the context otherwise requires:

*a.* "*Emergency medical condition*" means a medical condition that manifests itself by symptoms of sufficient severity, including but not limited to severe pain, that an ordinarily prudent person, possessing average knowledge of medicine and health, could reasonably expect the absence of immediate medical attention to result in one of the following:

(1) Placing the health of the individual, or with respect to a pregnant woman, the health of the woman or her unborn child, in serious jeopardy.

(2) Serious impairment to bodily function.

(3) Serious dysfunction of a bodily organ or part.

*b.* "*Emergency services*" means covered inpatient and outpatient health care services that are furnished by a health care provider who is qualified to provide the services that are needed to evaluate or stabilize an emergency medical condition.

99 Acts, ch 41, §3

**514C.17 Continuity of care — terminal illness.**

1. Except as provided under subsection 2 or 3, if a carrier, as defined in section 513B.2, an organized delivery system authorized under 1993 Iowa Acts, ch. 158, or a plan established pursuant to chapter 509A for public employees, terminates its contract with a participating health care provider, a covered individual who is undergoing a specified course of treatment for a terminal illness or a related condition, with the recommendation of the covered individual's treating physician licensed under chapter 148 may continue to receive coverage for treatment received from the covered individual's physician for the terminal illness or a

related condition, for a period of up to ninety days. Payment for covered benefits and benefit levels shall be according to the terms and conditions of the contract.

2. A covered person who makes a change in health plans involuntarily may request that the new health plan cover services of the covered person's treating physician licensed under chapter 148 who is not a participating health care provider under the new health plan, if the covered person is undergoing a specified course of treatment for a terminal illness or a related condition. Continuation of such coverage shall continue for up to ninety days. Payment for covered benefits and benefit levels shall be according to the terms and conditions of the contract.

3. Notwithstanding subsections 1 and 2, a carrier, organized delivery system, or plan established under chapter 509A which terminates the contract of a participating health care provider for cause shall not be required to cover health care services provided by the health care provider to a covered person following the date of termination.

99 Acts, ch 41, §4; 2008 Acts, ch 1088, §132

**514C.18 Diabetes coverage.**

1. Notwithstanding the uniformity of treatment requirements of section 514C.6, a policy or contract providing for third-party payment or prepayment of health or medical expenses shall provide coverage benefits for the cost associated with equipment, supplies, and self-management training and education for the treatment of all types of diabetes mellitus when prescribed by a physician licensed under chapter 148. Coverage benefits shall include coverage for the cost associated with all of the following:

*a.* Equipment and supplies.

*b.* Payment for diabetes self-management training and education only under all of the following conditions:

(1) The physician managing the individual's diabetic condition certifies that such services are needed under a comprehensive plan of care related to the individual's diabetic condition to ensure therapy compliance or to provide the individual with necessary skills and knowledge to participate in the management of the individual's condition.

(2) The diabetes self-management training and education program is certified by the Iowa department of public health. The department shall consult with the American diabetes association, Iowa affiliate, in developing the standards for certification of diabetes education programs that cover at least ten hours of initial outpatient diabetes self-management training within a continuous twelve-month period and up to two hours of follow-up training for each subsequent year for each individual diagnosed by a physician with any type of diabetes mellitus.

2. *a.* This section applies to the following classes of third-party payment provider contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after July 1, 1999:

(1) Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

(2) An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

(3) An individual or group health maintenance organization contract regulated under chapter 514B.

(4) Any other entity engaged in the business of insurance, risk transfer, or risk retention, which is subject to the jurisdiction of the commissioner.

(5) A plan established pursuant to chapter 509A for public employees.

(6) An organized delivery system licensed by the director of public health.

*b.* This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to

liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

99 Acts, ch 75, §1; 99 Acts, ch 208, §58; 2008 Acts, ch 1088, §133; 2009 Acts, ch 139, §1, 2; 2011 Acts, ch 70, §28

2009 amendment takes effect May 22, 2009, and applies to the classes of third-party payment provider contracts or policies that are delivered, issued for delivery, continued, or renewed on or after July 1, 2009; 2009 Acts, ch 139, §2

**514C.19 Prescription contraceptive coverage.**

1. Notwithstanding the uniformity of treatment requirements of section 514C.6, a group policy or contract providing for third-party payment or prepayment of health or medical expenses shall not do either of the following:

*a.* Exclude or restrict benefits for prescription contraceptive drugs or prescription contraceptive devices which prevent conception and which are approved by the United States food and drug administration, or generic equivalents approved as substitutable by the United States food and drug administration, if such policy or contract provides benefits for other outpatient prescription drugs or devices.

*b.* Exclude or restrict benefits for outpatient contraceptive services which are provided for the purpose of preventing conception if such policy or contract provides benefits for other outpatient services provided by a health care professional.

2. A person who provides a group policy or contract providing for third-party payment or prepayment of health or medical expenses which is subject to subsection 1 shall not do any of the following:

*a.* Deny to an individual eligibility, or continued eligibility, to enroll in or to renew coverage under the terms of the policy or contract because of the individual's use or potential use of such prescription contraceptive drugs or devices, or use or potential use of outpatient contraceptive services.

*b.* Provide a monetary payment or rebate to a covered individual to encourage such individual to accept less than the minimum benefits provided for under subsection 1.

*c.* Penalize or otherwise reduce or limit the reimbursement of a health care professional because such professional prescribes contraceptive drugs or devices, or provides contraceptive services.

*d.* Provide incentives, monetary or otherwise, to a health care professional to induce such professional to withhold from a covered individual contraceptive drugs or devices, or contraceptive services.

3. This section shall not be construed to prevent a third-party payor from including deductibles, coinsurance, or copayments under the policy or contract, as follows:

*a.* A deductible, coinsurance, or copayment for benefits for prescription contraceptive drugs shall not be greater than such deductible, coinsurance, or copayment for any outpatient prescription drug for which coverage under the policy or contract is provided.

*b.* A deductible, coinsurance, or copayment for benefits for prescription contraceptive devices shall not be greater than such deductible, coinsurance, or copayment for any outpatient prescription device for which coverage under the policy or contract is provided.

*c.* A deductible, coinsurance, or copayment for benefits for outpatient contraceptive services shall not be greater than such deductible, coinsurance, or copayment for any outpatient health care services for which coverage under the policy or contract is provided.

4. This section shall not be construed to require a third-party payor under a policy or contract to provide benefits for experimental or investigational contraceptive drugs or devices, or experimental or investigational contraceptive services, except to the extent that such policy or contract provides coverage for other experimental or investigational outpatient prescription drugs or devices, or experimental or investigational outpatient health care services.

5. This section shall not be construed to limit or otherwise discourage the use of generic equivalent drugs approved by the United States food and drug administration, whenever available and appropriate. This section, when a brand name drug is requested by a covered individual and a suitable generic equivalent is available and appropriate, shall not be construed to prohibit a third-party payor from requiring the covered individual to pay a

deductible, coinsurance, or copayment consistent with subsection 3, in addition to the difference of the cost of the brand name drug less the maximum covered amount for a generic equivalent.

6. A person who provides an individual policy or contract providing for third-party payment or prepayment of health or medical expenses shall make available a coverage provision that satisfies the requirements in subsections 1 through 5 in the same manner as such requirements are applicable to a group policy or contract under those subsections. The policy or contract shall provide that the individual policyholder may reject the coverage provision at the option of the policyholder.

7. *a.* This section applies to the following classes of third-party payment provider contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2000:

(1) Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

(2) An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

(3) An individual or group health maintenance organization contract regulated under chapter 514B.

(4) Any other entity engaged in the business of insurance, risk transfer, or risk retention, which is subject to the jurisdiction of the commissioner.

(5) A plan established pursuant to chapter 509A for public employees.

(6) An organized delivery system licensed by the director of public health.

*b.* This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

2000 Acts, ch 1120, §1

**514C.20 Mandated coverage for dental care — anesthesia and certain hospital charges.**

1. Notwithstanding section 514C.6, and subject to the terms and conditions of the policy or contract, a policy or contract providing for third-party payment or prepayment of health or medical expenses shall provide coverage for the administration of general anesthesia and hospital or ambulatory surgical center charges related to the provision of dental care services provided to any of the following covered individuals:

*a.* A child under five years of age upon a determination by a licensed dentist and the child's treating physician licensed pursuant to chapter 148, that such child requires necessary dental treatment in a hospital or ambulatory surgical center due to a dental condition or a developmental disability for which patient management in the dental office has proved to be ineffective.

*b.* Any individual upon a determination by a licensed dentist and the individual's treating physician licensed pursuant to chapter 148, that such individual has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment or surgery if not rendered in a hospital or ambulatory surgical center.

2. Prior authorization of hospitalization or ambulatory surgical center for dental care procedures may be required in the same manner that prior authorization is required for hospitalization for other coverages under the contract or policy.

3. This section applies to the following classes of third-party payment provider contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2000:

*a.* Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

*b.* An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

*c.* An individual or group health maintenance organization contract regulated under chapter 514B.

*d.* Any other entity engaged in the business of insurance, risk transfer, or risk retention, which is subject to the jurisdiction of the commissioner.

*e.* A plan established pursuant to chapter 509A for public employees.

*f.* An organized delivery system licensed by the director of public health.

4. This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

2000 Acts, ch 1193, §1; 2008 Acts, ch 1088, §134

**514C.21 Coverage for immunizations — mercury.**

1. Third-party payment provider contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2006, that provide reimbursement for immunizations shall provide reimbursement for immunizations containing no more than trace amounts of mercury at the acquisition cost rate for immunizations containing no more than trace amounts of mercury. For the purposes of this section, *"trace amounts"* means trace amounts as defined by the United States food and drug administration.

2. For the purposes of this section, *"third-party payment provider contracts or policies"* includes:

*a.* Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

*b.* An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

*c.* An individual or group health maintenance organization contract regulated under chapter 514B.

*d.* An organized delivery system licensed by the director of public health.

2004 Acts, ch 1159, §2

Organized delivery systems authorized; see 93 Acts, ch 158, §3

**514C.22 Biologically based mental illness coverage.**

1. Notwithstanding the uniformity of treatment requirements of section 514C.6, a group policy, contract, or plan providing for third-party payment or prepayment of health, medical, and surgical coverage benefits issued by a carrier, as defined in section 513B.2, or by an organized delivery system authorized under 1993 Iowa Acts, ch. 158, shall provide coverage benefits for treatment of a biologically based mental illness if either of the following is satisfied:

*a.* The policy, contract, or plan is issued to an employer who on at least fifty percent of the employer's working days during the preceding calendar year employed more than fifty full-time equivalent employees. In determining the number of full-time equivalent employees of an employer, employers who are affiliated or who are able to file a consolidated tax return for purposes of state taxation shall be considered one employer.

*b.* The policy, contract, or plan is issued to a small employer as defined in section 513B.2, and such policy, contract, or plan provides coverage benefits for the treatment of mental illness.

2. Notwithstanding the uniformity of treatment requirements of section 514C.6, a plan established pursuant to chapter 509A for public employees shall provide coverage benefits for treatment of a biologically based mental illness.

3. For purposes of this section, *"biologically based mental illness"* means the following psychiatric illnesses:

*a.* Schizophrenia.

*b.* Bipolar disorders.

*c.* Major depressive disorders.

*d.* Schizo-affective disorders.

*e.* Obsessive-compulsive disorders.

*f.* Pervasive developmental disorders.

*g.* Autistic disorders.

4. The commissioner, by rule, shall define the biologically based mental illnesses identified in subsection 3. Definitions established by the commissioner shall be consistent with definitions provided in the most recent edition of the American psychiatric association's diagnostic and statistical manual of mental disorders, as such definitions may be amended from time to time. The commissioner may adopt the definitions provided in such manual by reference.

5. This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance, or individual accident and sickness policies issued to individuals or to individual members of a member association.

6. A carrier, organized delivery system, or plan established pursuant to chapter 509A may manage the benefits provided through common methods including, but not limited to, providing payment of benefits or providing care and treatment under a capitated payment system, prospective reimbursement rate system, utilization control system, incentive system for the use of least restrictive and least costly levels of care, a preferred provider contract limiting choice of specific providers, or any other system, method, or organization designed to assure services are medically necessary and clinically appropriate.

7. *a.* A group policy, contract, or plan covered under this section shall not impose an aggregate annual or lifetime limit on biologically based mental illness coverage benefits unless the policy, contract, or plan imposes an aggregate annual or lifetime limit on substantially all health, medical, and surgical coverage benefits.

*b.* A group policy, contract, or plan covered under this section that imposes an aggregate annual or lifetime limit on substantially all health, medical, and surgical coverage benefits shall not impose an aggregate annual or lifetime limit on biologically based mental illness coverage benefits that is less than the aggregate annual or lifetime limit imposed on substantially all health, medical, and surgical coverage benefits.

8. A group policy, contract, or plan covered under this section shall at a minimum allow for thirty inpatient days and fifty-two outpatient visits annually. The policy, contract, or plan may also include deductibles, coinsurance, or copayments, provided the amounts and extent of such deductibles, coinsurance, or copayments applicable to other health, medical, or surgical services coverage under the policy, contract, or plan are the same. It is not a violation of this section if the policy, contract, or plan excludes entirely from coverage benefits for the cost of providing the following:

*a.* Marital, family, educational, developmental, or training services.

*b.* Care that is substantially custodial in nature.

*c.* Services and supplies that are not medically necessary or clinically appropriate.

*d.* Experimental treatments.

9. This section applies to third-party payment provider policies or contracts and to plans established pursuant to chapter 509A that are delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2006.

2005 Acts, ch 91, §1

Referred to in §135H.3, 514C.28

**514C.23 Human papilloma virus vaccinations — coverage.**

1. Notwithstanding the uniformity of treatment requirements of section 514C.6, a contract, policy, or plan providing for third-party payment or prepayment of health or medical expenses that provides coverage benefits for any vaccination or immunization shall provide coverage benefits for a vaccination for human papilloma virus, including but not

limited to the following classes of third-party payment provider contracts, policies, or plans delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2009:

*a.* Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

*b.* An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

*c.* An individual or group health maintenance organization contract regulated under chapter 514B.

*d.* An individual or group Medicare supplemental policy, unless coverage pursuant to such policy is preempted by federal law.

*e.* A plan established pursuant to chapter 509A for public employees.

2. This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

3. As used in this section, *"human papilloma virus"* means the human papilloma virus as defined by the centers for disease control and prevention of the United States department of health and human services.

4. The commissioner of insurance shall adopt rules pursuant to chapter 17A as necessary to administer this section.

2008 Acts, ch 1108, §1

**514C.24 Cancer treatment — coverage.**

1. Notwithstanding the uniformity of treatment requirements of section 514C.6, a contract, policy, or plan providing for third-party payment or prepayment for cancer treatment shall not discriminate between coverage benefits for prescribed, orally administered anticancer medication used to kill or slow the growth of cancerous cells and intravenously administered or injected cancer medications that are covered, regardless of formulation or benefit category determination by the contract, policy, or plan.

2. The provisions of this section shall apply to all of the following classes of third-party payment provider contracts, policies, or plans delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2009:

*a.* Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

*b.* An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

*c.* An individual or group health maintenance organization contract regulated under chapter 514B.

*d.* An individual or group Medicare supplemental policy, unless coverage pursuant to such policy is preempted by federal law.

*e.* A plan established pursuant to chapter 509A for public employees.

3. This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, long-term care, basic hospital, and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

4. The commissioner of insurance shall adopt rules pursuant to chapter 17A as necessary to administer this section.

2009 Acts, ch 179, §183

**514C.25 Coverage for prosthetic devices.**

1. *a.* Notwithstanding the uniformity of treatment requirements of section 514C.6, a policy, contract, or plan providing for third-party payment or prepayment of health or medical expenses shall provide coverage benefits for medically necessary prosthetic devices when prescribed by a physician licensed under chapter 148. Such coverage benefits for

medically necessary prosthetic devices shall provide coverage for medically necessary prosthetic devices that, at a minimum, equals the coverage and payment for medically necessary prosthetic devices provided under the most recent federal laws for health insurance for the aged and disabled pursuant to 42 U.S.C. § 1395k, 13951, and 1395m, and 42 C.F.R. § 410.100, 414.202, 414.210, and 414.228, as applicable.

*b.* For the purposes of this section, *"prosthetic device"* means an artificial limb device to replace, in whole or in part, an arm or leg.

2. *a.* This section applies to the following classes of third-party payment provider policies, contracts, or plans delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2009:

(1) Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

(2) An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

(3) An individual or group health maintenance organization contract regulated under chapter 514B.

(4) A plan established pursuant to chapter 509A for public employees.

(5) An organized delivery system licensed by the director of public health.

*b.* This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

3. Notwithstanding subsection 1, paragraph *"a"*, a policy, contract, or plan providing for third-party payment or prepayment of health or medical expenses that is issued for use in connection with a health savings account as authorized under Tit. XII of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Pub. L. No. 108-173, may impose the same deductibles and out-of-pocket limits on the prosthetics coverage benefits required in this section that apply to substantially all health, medical, and surgical coverage benefits under the policy, contract, or plan.

2009 Acts, ch 89, §1

**514C.26 Approved cancer clinical trials coverage.**

1. *Definitions.* For purposes of this section, unless the context otherwise requires:

*a.* *"Approved cancer clinical trial"* means a scientific study of a new therapy for the treatment of cancer in human beings that meets the requirements set forth in subsection 3 and consists of a scientific plan of treatment that includes specified goals, a rationale and background for the plan, criteria for patient selection, specific directions for administering therapy and monitoring patients, a definition of quantitative measures for determining treatment response, and methods for documenting and treating adverse reactions.

*b.* *"Institutional review board"* means a board, committee, or other group formally designated by an institution and approved by the national institutes of health, office for protection from research risks, to review, approve the initiation of, and conduct periodic review of biomedical research involving human subjects. *"Institutional review board"* means the same as "institutional review committee" as used in section 520(g) of the federal Food, Drug, and Cosmetic Act, as codified in 21 U.S.C. § 301 et seq.

*c.* (1) *"Routine patient care costs"* means medically necessary services or treatments that are a benefit under a contract or policy providing for third-party payment or prepayment of health or medical expenses that would be covered if the patient were receiving standard cancer treatment.

(2) *"Routine patient care costs"* does not include any of the following:

(a) Costs of any treatments, procedures, drugs, devices, services, or items that are the subject of the approved cancer clinical trial or any other investigational treatments, procedures, drugs, devices, services, or items.

(b) Costs of nonhealth care services that the patient is required to receive as a result of participation in the approved cancer clinical trial.

(c) Costs associated with managing the research that is associated with the approved cancer clinical trial.

(d) Costs that would not be covered by the third-party payment provider if noninvestigational treatments were provided.

(e) Costs of any services, procedures, or tests provided solely to satisfy data collection and analysis needs that are not used in the direct clinical management of the patient participating in an approved cancer clinical trial.

(f) Costs paid for, or not charged for, by the approved cancer clinical trial providers.

(g) Costs for transportation, lodging, food, or other expenses for the patient, a family member, or a companion of the patient that are associated with travel to or from a facility where an approved cancer clinical trial is conducted.

(h) Costs for services, items, or drugs that are eligible for reimbursement from a source other than a patient's contract or policy providing for third-party payment or prepayment of health or medical expenses, including the sponsor of the approved cancer clinical trial.

(i) Costs associated with approved cancer clinical trials designed exclusively to test toxicity or disease pathophysiology.

(j) Costs of extra treatments, services, procedures, tests, or drugs that would not be performed or administered except for participation in the cancer clinical trial. Nothing in this subparagraph division shall limit payment for treatments, services, procedures, tests, or drugs that are otherwise a covered benefit under subparagraph (1).

*d.* *"Therapeutic intent"* means that a treatment is aimed at improving a patient's health outcome relative to either survival or quality of life.

2. *Coverage required.* Notwithstanding the uniformity of treatment requirements of section 514C.6, a policy or contract providing for third-party payment or prepayment of health or medical expenses shall provide coverage benefits for routine patient care costs incurred for cancer treatment in an approved cancer clinical trial to the same extent that such policy or contract provides coverage for treating any other sickness, injury, disease, or condition covered under the policy or contract, if the insured has been referred for such cancer treatment by two physicians who specialize in oncology and the cancer treatment is given pursuant to an approved cancer clinical trial that meets the criteria set forth in subsection 3. Services that are furnished without charge to a participant in the approved cancer clinical trial are not required to be covered as routine patient care costs pursuant to this section.

3. *Criteria.* Routine patient care costs for cancer treatment given pursuant to an approved cancer clinical trial shall be covered pursuant to this section if all of the following requirements are met:

*a.* The treatment is provided with therapeutic intent and is provided pursuant to an approved cancer clinical trial that has been authorized or approved by one of the following:

(1) The national institutes of health.

(2) The United States food and drug administration.

(3) The United States department of defense.

(4) The United States department of veterans affairs.

*b.* The proposed treatment has been reviewed and approved by the applicable qualified institutional review board.

*c.* The available clinical or preclinical data indicate that the treatment that will be provided pursuant to the approved cancer clinical trial will be at least as effective as the standard therapy and is anticipated to constitute an improvement in therapeutic effectiveness for the treatment of the disease in question.

4. *Notice.* As soon as practical after the insured provides written consent to participate in an approved cancer clinical trial, the physician shall provide notice to the third-party payment provider of the insured's intent to participate in an approved cancer clinical trial. Failure to provide such notice to the third-party payment provider shall not be the basis for denying the coverage required under subsection 2.

5. *Applicability.*

*a.* This section applies to the following classes of third-party payment provider contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2010:

(1) Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

(2) An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

(3) An individual or group health maintenance organization contract regulated under chapter 514B.

(4) Any other entity engaged in the business of insurance, risk transfer, or risk retention, which is subject to the jurisdiction of the commissioner.

(5) A plan established pursuant to chapter 509A for public employees.

(6) An organized delivery system licensed by the director of public health.

*b.* This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

2010 Acts, ch 1013, §1; 2010 Acts, ch 1193, §61

**514C.27 Mental illness and substance abuse treatment coverage for veterans.**

1. Notwithstanding the uniformity of treatment requirements of section 514C.6, a group policy or contract providing for third-party payment or prepayment of health or medical expenses issued by a carrier, as defined in section 513B.2, or by an organized delivery system authorized under 1993 Iowa Acts, chapter 158, shall provide coverage benefits to an insured who is a veteran for treatment of mental illness and substance abuse if either of the following is satisfied:

*a.* The policy or contract is issued to an employer who on at least fifty percent of the employer's working days during the preceding calendar year employed more than fifty full-time equivalent employees. In determining the number of full-time equivalent employees of an employer, employers who are affiliated or who are able to file a consolidated tax return for purposes of state taxation shall be considered one employer.

*b.* The policy or contract is issued to a small employer as defined in section 513B.2, and such policy or contract provides coverage benefits for the treatment of mental illness and substance abuse.

2. Notwithstanding the uniformity of treatment requirements of section 514C.6, a plan established pursuant to chapter 509A for public employees shall provide coverage benefits to an insured who is a veteran for treatment of mental illness and substance abuse as defined in subsection 3.

3. For purposes of this section:

*a.* *"Mental illness"* means mental disorders as defined by the commissioner by rule.

*b.* *"Substance abuse"* means a pattern of pathological use of alcohol or a drug that causes impairment in social or occupational functioning, or that produces physiological dependency evidenced by physical tolerance or by physical symptoms when the alcohol or drug is withdrawn.

*c.* *"Veteran"* means the same as defined in section 35.1.

4. The commissioner, by rule, shall define *"mental illness"* consistent with definitions provided in the most recent edition of the American psychiatric association's diagnostic and statistical manual of mental disorders, as the definitions may be amended from time to time. The commissioner may adopt the definitions provided in such manual by reference.

5. This section shall not apply to accident only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical

payment insurance, or individual accident and sickness policies issued to individuals or to individual members of a member association.

6. A carrier, organized delivery system, or plan established pursuant to chapter 509A may manage the benefits provided through common methods including but not limited to providing payment of benefits or providing care and treatment under a capitated payment system, prospective reimbursement rate system, utilization control system, incentive system for the use of least restrictive and least costly levels of care, a preferred provider contract limiting choice of specific providers, or any other system, method, or organization designed to assure services are medically necessary and clinically appropriate.

7. *a.* A group policy or contract or plan covered under this section shall not impose an aggregate annual or lifetime limit on mental illness or substance abuse coverage benefits unless the policy or contract or plan imposes an aggregate annual or lifetime limit on substantially all medical and surgical coverage benefits.

*b.* A group policy or contract or plan covered under this section that imposes an aggregate annual or lifetime limit on substantially all medical and surgical coverage benefits shall not impose an aggregate annual or lifetime limit on mental illness or substance abuse coverage benefits which is less than the aggregate annual or lifetime limit imposed on substantially all medical and surgical coverage benefits.

8. A group policy or contract or plan covered under this section shall at a minimum allow for thirty inpatient days and fifty-two outpatient visits annually. The policy or contract or plan may also include deductibles, coinsurance, or copayments, provided the amounts and extent of such deductibles, coinsurance, or copayments applicable to other medical or surgical services coverage under the policy or contract or plan are the same. It is not a violation of this section if the policy or contract or plan excludes entirely from coverage benefits for the cost of providing the following:

*a.* Care that is substantially custodial in nature.

*b.* Services and supplies that are not medically necessary or clinically appropriate.

*c.* Experimental treatments.

9. This section applies to third-party payment provider policies or contracts and plans established pursuant to chapter 509A delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2011.

2010 Acts, ch 1121, §15

**514C.28 Autism spectrum disorders coverage.**

1. Notwithstanding the uniformity of treatment requirements of section 514C.6, a group plan established pursuant to chapter 509A for employees of the state providing for third-party payment or prepayment of health, medical, and surgical coverage benefits shall provide coverage benefits to covered individuals under twenty-one years of age for the diagnostic assessment of autism spectrum disorders and for the treatment of autism spectrum disorders.

2. As used in this section, unless the context otherwise requires:

*a. "Applied behavioral analysis"* means the design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior or to prevent loss of attained skill or function, including the use of direct observation, measurement, and functional analysis of the relations between environment and behavior.

*b. "Autism service provider"* means a person, or group providing treatment of autism spectrum disorders. An autism service provider that provides treatment of autism spectrum disorders that includes applied behavioral analysis shall be certified as a behavior analyst by the behavior analyst certification board or shall be a health professional licensed under chapter 147.

*c. "Autism spectrum disorders"* means any of the pervasive developmental disorders including autistic disorder, Asperger's disorder, and pervasive developmental disorders not otherwise specified. The commissioner, by rule, shall define *"autism spectrum disorders"* consistent with definitions provided in the most recent edition of the American psychiatric association's diagnostic and statistical manual of mental disorders, as such definitions may

be amended from time to time. The commissioner may adopt the definitions provided in such manual by reference.

*d. "Diagnostic assessment of autism spectrum disorders"* means medically necessary assessment, evaluations, or tests performed by a licensed physician, licensed physician assistant, licensed psychologist, or licensed registered nurse practitioner to diagnose whether an individual has an autism spectrum disorder.

*e. "Pharmacy care"* means medications prescribed by a licensed physician, licensed physician assistant, or licensed registered nurse practitioner and any assessment, evaluation, or test prescribed or ordered by a licensed physician, licensed physician assistant, or licensed registered nurse practitioner to determine the need for or effectiveness of such medications.

*f. "Psychiatric care"* means direct or consultative services provided by a licensed physician who specializes in psychiatry.

*g. "Psychological care"* means direct or consultative services provided by a licensed psychologist.

*h. "Rehabilitative care"* means professional services and treatment programs, including applied behavioral analysis, provided by an autism service provider to produce socially significant improvement in human behavior or to prevent loss of attained skill or function.

*i. "Therapeutic care"* means services provided by a licensed speech pathologist, licensed occupational therapist, or licensed physical therapist.

*j. "Treatment of autism spectrum disorders"* means treatment that is identified in a treatment plan and includes medically necessary pharmacy care, psychiatric care, psychological care, rehabilitative care, and therapeutic care that is one of the following:

(1) Prescribed, ordered, or provided by a licensed physician, licensed physician assistant, licensed psychologist, licensed social worker, or licensed registered nurse practitioner.

(2) Provided by an autism service provider.

(3) Provided by a person, entity, or group that works under the direction of an autism service provider.

*k. "Treatment plan"* means a plan for the treatment of autism spectrum disorders developed by a licensed physician or licensed psychologist pursuant to a comprehensive evaluation or reevaluation performed in consultation with the patient and the patient's representative.

3. Coverage is required pursuant to this section in a maximum benefit amount of not more than thirty-six thousand dollars per year but shall not be subject to any limits on the number of visits to an autism service provider for treatment of autism spectrum disorders. Beginning in 2014, the commissioner shall, on or before April 1 of each calendar year, publish an adjustment to the maximum benefit required equal to the percentage change in the United States department of labor consumer price index for all urban consumers in the preceding year, and the published adjusted maximum benefit shall be applicable to group policies, contracts, or plans subject to this section that are issued or renewed on or after January 1 of the following calendar year. Payments made under a group plan subject to this section on behalf of a covered individual for treatment of a health condition unrelated to or distinguishable from the individual's autism spectrum disorder shall not be applied toward any maximum benefit established under this subsection.

4. Coverage required pursuant to this section shall be subject to copayment, deductible, and coinsurance provisions, and any other general exclusions or limitations of a group plan to the same extent as other medical or surgical services covered by the group plan.

5. Coverage required by this section shall be provided in coordination with coverage required for the treatment of autistic disorders pursuant to section 514C.22.

6. This section shall not be construed to limit benefits which are otherwise available to an individual under a group plan.

7. This section shall not be construed to require coverage by a group plan of any service solely based on inclusion of the service in an individualized education program. Consistent with federal or state law and upon consent of the parent or guardian of a covered individual, the treatment of autism spectrum disorders may be coordinated with any services included in an individualized education program. However, coverage for the treatment of

autism spectrum disorders shall not be contingent upon coordination of services with an individualized education program.

8. This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance, or individual accident and sickness policies issued to individuals or to individual members of a member association.

9. A plan established pursuant to chapter 509A for employees of the state may manage the benefits provided through common methods including but not limited to providing payment of benefits or providing care and treatment under a capitated payment system, prospective reimbursement rate system, utilization control system, incentive system for the use of least restrictive and costly levels of care, a preferred provider contract limiting choice of specific providers, or any other system, method, or organization designed to assure services are medically necessary and clinically appropriate.

10. An insurer may review a treatment plan for treatment of autism spectrum disorders once every six months, subject to its utilization review requirements, including case management, concurrent review, and other managed care provisions. A more or less frequent review may be agreed upon by the insured and the licensed physician or licensed psychologist developing the treatment plan.

11. For the purposes of this section, the results of a diagnostic assessment of autism spectrum disorder shall be valid for a period of not less than twelve months, unless a licensed physician or licensed psychologist determines that a more frequent assessment is necessary.

12. The commissioner shall adopt rules pursuant to chapter 17A to implement and administer this section.

13. This section applies to plans established pursuant to chapter 509A for employees of the state that are delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2011.

2010 Acts, ch 1193, §131
Referred to in §225D.1, 225D.2

**514C.29 Services provided by a doctor of chiropractic.**

1. Notwithstanding the uniformity of treatment requirements of section 514C.6, a policy, contract, or plan providing for third-party payment or prepayment of health or medical expenses shall not impose a copayment or coinsurance amount on an insured for services provided by a doctor of chiropractic licensed pursuant to chapter 151 that is greater than the copayment or coinsurance amount imposed on the insured for services provided by a person engaged in the practice of medicine and surgery or osteopathic medicine and surgery under chapter 148 for the same or a similar diagnosed condition even if a different nomenclature is used to describe the condition for which the services are provided.

2. This section applies to the following classes of third-party payment provider policies, contracts, or plans delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2012:

*a.* Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

*b.* An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

*c.* An individual or group health maintenance organization contract regulated under chapter 514B.

*d.* A plan established pursuant to chapter 509A for public employees.

*e.* An organized delivery system licensed by the director of public health.

3. This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to

liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

2012 Acts, ch 1138, §36

# CHAPTER 514D

## ACCIDENT AND SICKNESS INSURANCE POLICIES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 509.13, 514A.14, 669.14, 670.7


514D.1 Purpose.
514D.2 Definitions.
514D.3 Standards for policies established.
514D.4 Standards for benefits established.
514D.5 Disclosure, Medicare information, and advertising.
514D.6 Limitation on defenses.
514D.7 Exclusions.
514D.8 Title and effective date of chapter.
514D.9 Regulations regarding limitation on compensation.


**514D.1 Purpose.**

The purpose of this chapter is to provide reasonable standardization, simplification, and disclosure of the terms and coverages of individual accident and sickness insurance policies issued under chapter 514A and individual subscriber contracts issued under chapter 514, in order to facilitate public understanding and comparison and to eliminate provisions which may be misleading or unreasonably confusing in connection with the purchase of coverage or the settlement of claims.

[C81, §514D.1]

**514D.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Accident and sickness insurance"* means individual accident and sickness insurance within the meaning of section 514A.1. *"Accident and sickness insurance"* also means individual subscriber contracts for hospital service, or medical and surgical service, or individual pharmaceutical or optometric service issued under chapter 514, and for purposes of this chapter, corporations issuing contracts under chapter 514 are deemed to be engaged in the business of insurance.

2. *"Form"* means and includes policies, contracts, riders, endorsements and applications used in connection with the sale of accident and sickness insurance under chapter 514 or chapter 514A.

3. *"Medicare"* means the Health Insurance for the Aged Act, Tit. XVIII of the United States Social Security Act added by the amendment of 1965 as amended on or before July 1, 1980.

4. *"Policy"* means the entire contract between the insurer and the insured, including the policy riders, endorsements, and the application, if attached, and includes individual subscriber contracts issued under chapter 514.

[C81, §514D.2]

2013 Acts, ch 90, §154

Subsection 1 amended

**514D.3 Standards for policies established.**

1. The commissioner shall issue rules to establish specific standards, including standards of full and fair disclosure, that set forth the manner, content, and required disclosure for the sale of policies of individual accident and sickness insurance and individual subscriber contracts which shall be in addition to and in accordance with applicable laws of this state, including but not limited to sections 514A.1 to 514A.12. These rules may include, but shall not be limited to, any of the following subjects:

*a.* Terms of renewability.

*b.* Initial and subsequent conditions of eligibility.

*c.* Nonduplication of coverage provisions.
*d.* Coverage of dependents.
*e.* Coverage of persons eligible for Medicare by reason of age.
*f.* Preexisting conditions.
*g.* Termination of insurance.
*h.* Probationary periods.
*i.* Limitations.
*j.* Exceptions.
*k.* Reductions.
*l.* Elimination periods.
*m.* Requirements for replacement.
*n.* Recurrent conditions.
*o.* The definition of terms, including but not limited to the following: Hospital, accident, sickness, injury, physician, accidental means, total disability, partial disability, nervous disorder, guaranteed renewable, and noncancelable.

2. The commissioner may issue rules with respect to policies of individual accident and sickness insurance and individual subscriber contracts that specify prohibited policies or subscriber contracts, or prohibited policy or contract provisions which the commissioner finds to be unjust, unfair, or unfairly discriminatory to the policyholder or any person insured under the policy or any beneficiary. This subsection does not authorize the commissioner to prohibit a policy or policy provision or subscriber contract or contract provision which is specifically authorized by statute.

3. A rule issued by the commissioner under this section shall not apply to a conversion policy issued pursuant to a contractual conversion privilege under a group or individual policy of accident and sickness insurance when such group or individual contract contains provisions that are inconsistent with the requirements of this chapter or any rule issued under this chapter.

4. A rule issued by the commissioner under this section shall not apply to policies being issued to employees or members being added to a franchise plan, as defined in section 509.14, which is in existence on the effective date of the rule.

[C81, §514D.3]

**514D.4 Standards for benefits established.**

1. The commissioner shall issue rules to establish minimum standards for benefits under each of the following categories of coverage contained in policies of individual accident and sickness insurance or subscriber contracts:
*a.* Basic hospital expense coverage.
*b.* Basic medical-surgical expense coverage.
*c.* Hospital confinement indemnity coverage.
*d.* Major medical expense coverage.
*e.* Disability income protection coverage.
*f.* Accident-only coverage.
*g.* Specified disease or specified accident coverage.
*h.* Medicare supplement coverage.
*i.* Limited benefit health coverage.

2. This section does not prohibit the issuance of a policy which combines two or more of the categories of coverage enumerated in paragraphs "*a*" to "*f*" of subsection 1. A category of coverage referred to in paragraph "*g*", "*h*" or "*i*" of subsection 1 shall not be combined in a policy or contract either with another category of coverage referred to in paragraph "*g*", "*h*" or "*i*" of subsection 1 or with a category of coverage referred to in any of paragraphs "*a*" to "*f*" of subsection 1 unless a rule issued by the commissioner specifically authorizes that combination of coverages.

3. The commissioner shall prescribe the method of identification of policies and contracts based upon coverages provided.

4. A policy of accident and sickness insurance or subscriber contract shall not be delivered

or issued for delivery in this state unless the policy or contract meets the minimum standards prescribed under this section.

5. The commissioner may upon notice and hearing at any time after the initial filing or approval of any individual accident and sickness policy or subscriber contract form, withdraw approval or suspend further sale of the form if the benefits provided are unreasonable in relation to the premium charge. The commissioner shall establish reasonable and creditable anticipated minimum loss ratios for Medicare supplement and other accident and sickness insurance policies.

6. A rule issued by the commissioner under this section shall not apply to a conversion policy issued pursuant to a contractual conversion privilege under a group or individual policy of accident and sickness insurance when such group or individual contract contains provisions which are inconsistent with the requirements of this chapter or any rule issued under this chapter.

7. A rule issued by the commissioner under this section shall not apply to policies being issued to employees or members being added to a franchise plan, as defined in section 509.14, which is in existence on the effective date of the rule.

[C81, §514D.4; 81 Acts, ch 167, §2]
92 Acts, ch 1162, §34
Referred to in §508C.8, 514D.5

**514D.5 Disclosure, Medicare information, and advertising.**

1. Except as otherwise provided in subsection 3, in order to provide for full and fair disclosure in the sale of individual accident and sickness insurance policies or subscriber contracts a policy or contract shall not be delivered or issued for delivery in this state unless the outline of coverage described in subsection 2 either accompanies the policy or contract or is delivered to the applicant at the time application is made and unless an acknowledgment of receipt or certificate of delivery of the outline is provided the insurer. In the event the policy or contract is issued on a basis other than that applied for, the outline of coverage properly describing the policy or contract must accompany the policy or contract when it is delivered and must clearly state that it is not the policy or contract for which application was made.

2. *a.* The commissioner shall prescribe the format and content of the outline of coverage required by subsection 1. *"Format"* means style, arrangement, and overall appearance, including such items as the size, color, and prominence of type and the arrangement of text and captions. The outline of coverage shall include all of the following:

(1) A statement identifying the applicable category or categories of coverage provided by the policy or contract as prescribed in section 514D.4.

(2) A description of the principal benefits and coverage provided in the policy or contract.

(3) A statement of the exceptions, reductions, and limitations contained in the policy or contract.

(4) A statement of the renewal provisions including any reservation by the insurer of a right to change premiums.

(5) A statement that the outline is a summary of the policy or contract issued or applied for and that the policy or contract should be consulted to determine governing contractual provisions.

*b.* If payment will not be made for services performed by a chiropractor acting within the scope of the chiropractor's license when those services would be compensable if performed by a medical doctor, then a statement that services performed by a chiropractor are not compensable shall be included in the outline of coverage.

3. The commissioner shall prescribe disclosure rules for Medicare supplement coverage which are determined to be in the public interest and which are designed to adequately inform the prospective insured of the need for and extent of coverage offered as Medicare supplement coverage. For Medicare supplement coverage, the outline of coverage required by subsection 2 shall be furnished to the prospective insured with the application form.

4. The commissioner shall further prescribe by rule a standard form for and the contents of an informational brochure for persons eligible for Medicare by reason of age, which is

intended to improve the buyer's ability to select the most appropriate coverage and to improve the buyer's understanding of Medicare. Except in the case of direct response insurance policies, the commissioner may require by rule that this informational brochure be provided to prospective insureds eligible for Medicare concurrently with delivery of the outline of coverage. With respect to direct response insurance policies, the commissioner may require by rule that this brochure must be provided to prospective insureds eligible for Medicare by reason of age upon request, but not later than at the time of delivery of the policy or contract.

5. The commissioner shall adopt rules prohibiting the advertising of forms titled as "nursing home" forms or inferring coverage for custodial care in a nursing facility as defined in section 135C.1 unless such forms provide coverage for custodial care in a nursing facility as defined in section 135C.1.

[C81, §514D.5]

86 Acts, ch 1045, §2; 90 Acts, ch 1039, §17; 2003 Acts, ch 141, §15; 2012 Acts, ch 1023, §157

**514D.6 Limitation on defenses.**

Notwithstanding section 514A.3, subsection 1, paragraph *"b"*, subparagraph 2, or any contrary provision of chapter 514, if the issuer of the policy of accident and sickness insurance or subscriber contract elects to use a simplified application form, with or without a question as to the applicant's health at the time of application, but without any questions concerning the insured's health history or medical treatment history, the policy or contract must cover any loss occurring after twelve months from the date of issue of the policy or contract from any preexisting condition not specifically excluded from coverage by terms of the policy or contract, and, except as so provided, the policy or contract shall not include wording that would permit a defense based upon preexisting conditions.

[C81, §514D.6]

**514D.7 Exclusions.**

This chapter does not apply to any of the following:

1. A policy of credit accident and health or credit accident and sickness insurance.
2. A policy of accident and sickness insurance which is exempt from the provisions of sections 514A.1 to 514A.12 by virtue of an exemption set forth in section 514A.1 or 514A.8.
3. Any evidence of coverage issued to an enrollee of a health maintenance organization under chapter 514B.

[C81, §514D.7]

**514D.8 Title and effective date of chapter.**

This chapter may be cited as the *"Uniform Individual Accident and Health Insurance Minimum Standards Act"*. This chapter takes effect July 1, 1980. Rules issued by the commissioner of insurance pursuant to this chapter shall be subject to the provisions of chapter 17A, and all rules issued by the commissioner of insurance shall give the issuers of policies and contracts a reasonable time to achieve compliance.

[C81, §514D.8]

**514D.9 Regulations regarding limitation on compensation.**

The commissioner shall issue rules to establish minimum standards to assure fair and reasonable benefits, claim payment, marketing practices, and compensation arrangements and reporting practices for the following classes of policies:

1. Medicare supplement insurance.
2. Nursing home insurance.
3. Long-term care insurance.

90 Acts, ch 1234, §32

# CHAPTER 514E

## IOWA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION

Referred to in §87.4, 252C.1, 252E.1, 296.7, 331.301, 364.4, 505.28, 505.29, 513C.3, 513C.5, 513C.10, 669.14, 670.7


514E.1 Definitions.
514E.2 Iowa comprehensive health insurance association.
514E.3 Repealed by 97 Acts, ch 103, §56.
514E.4 Association policy — coverage and benefit requirements — deductibles — coinsurance.
514E.5 Iowa choice health care coverage. Repealed by 2009 Acts, ch 118, §4, 5.
514E.6 Iowa choice health care coverage advisory council. Repealed by 2009 Acts, ch 118, §4, 5.
514E.7 Policies — eligible persons — dependent coverage — preexisting conditions.
514E.8 Policies — renewal provisions — election to continue coverage upon death of policyholder.
514E.9 Rules.
514E.10 Collective action — immunity.
514E.11 Notice of association policy.


**514E.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Association"* means the Iowa comprehensive health insurance association established by section 514E.2.

2. *"Association policy"* means an individual or group policy issued by the association that provides the coverage as set forth in the benefit plans adopted by the association's board of directors and approved by the commissioner.

3. *"Carrier"* means an insurer providing accident and sickness insurance under chapter 509, 514, 514A and includes a health maintenance organization established under chapter 514B if payments received by the health maintenance organization are considered premiums pursuant to section 514B.31 and are taxed under chapter 432. *"Carrier"* also includes a corporation which becomes a mutual insurer pursuant to section 514.23 and any other person as defined in section 4.1, subsection 20, who is or may become liable for the tax imposed by chapter 432.

4. *"Church plan"* means the same as defined in the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. § 3(33).

5. *"Commissioner"* means the commissioner of insurance.

6. *"Creditable coverage"* means health benefits or coverage provided to an individual under any of the following:

*a.* A group health plan.

*b.* Health insurance coverage.

*c.* Part A or Part B Medicare pursuant to Tit. XVIII of the federal Social Security Act.

*d.* Medicaid pursuant to Tit. XIX of the federal Social Security Act, other than coverage consisting solely of benefits under section 1928 of that Act.

*e.* 10 U.S.C. ch. 55.

*f.* A health or medical care program provided through the Indian health service or a tribal organization.

*g.* A state health benefits risk pool.

*h.* A health plan offered under 5 U.S.C. ch. 89.

*i.* A public health plan as defined under federal regulations.

*j.* A health benefit plan under section 5(e) of the federal Peace Corps Act, 22 U.S.C. § 2504(e).

*k.* An organized delivery system licensed by the director of public health.

*l.* The hawk-i program authorized by chapter 514I.

7. *"Federally eligible individual"* means an individual who satisfies the following:

*a.* For whom, as of the date on which the individual seeks coverage under this chapter, the aggregate of the periods of creditable coverage is eighteen or more months with no more than a sixty-three day lapse of coverage, and whose most recent prior creditable coverage was

under a group health plan, governmental plan, or church plan, or health insurance coverage offered in connection with any such plan.

*b.* Who is not eligible for coverage under a group health plan, Part A or Part B of Tit. XVIII of the federal Social Security Act, or a state plan under Tit. XIX of that Act, or any successor program, and does not have other health insurance coverage.

*c.* With respect to whom the most recent coverage within the coverage period described in paragraph *"a"* was not terminated based on a nonpayment of premiums or fraud.

*d.* If the individual had been offered the option of continuation coverage under a COBRA continuation provision or under a similar state program, and elected such coverage.

*e.* Who, if the individual elected continuation coverage as provided in paragraph *"d"*, has exhausted the continuation coverage under the provision or program.

*f.* Who has been confirmed eligible under the federal Trade Adjustment Act of 2002, Pub. L. No. 107-210, as a recipient under that Act, by the department of workforce development and the federal internal revenue service.

8. *"Governmental plan"* means as defined under section 3(32) of the federal Employee Retirement Income Security Act of 1974 and any federal governmental plan.

9. *a.* *"Group health plan"* means an employee welfare benefit plan as defined in section 3(1) of the federal Employee Retirement Income Security Act of 1974, to the extent that the plan provides medical care including items and services paid for as medical care to employees or their dependents as defined under the terms of the plan directly or through insurance, reimbursement, or otherwise.

*b.* For purposes of this subsection, *"medical care"* means amounts paid for any of the following:

(1) The diagnosis, cure, mitigation, treatment, or prevention of disease, or amounts paid for the purpose of affecting a structure or function of the body.

(2) Transportation primarily for and essential to medical care referred to in subparagraph (1).

(3) Insurance covering medical care referred to in subparagraph (1) or (2).

*c.* For purposes of this chapter, the following apply:

(1) A plan, fund, or program established or maintained by a partnership which, but for this subsection, would not be an employee welfare benefit plan, shall be treated as an employee welfare benefit plan which is a group health plan to the extent that the plan, fund, or program provides medical care, including items and services paid for as medical care for present or former partners in the partnership or to the dependents of such partners, as defined under the terms of the plan, fund, or program, either directly or through insurance, reimbursement, or otherwise.

(2) With respect to a group health plan, the term *"employer"* includes a partnership with respect to a partner.

(3) With respect to a group health plan, the term *"participant"* includes the following:

(a) With respect to a group health plan maintained by a partnership, an individual who is a partner in the partnership.

(b) With respect to a group health plan maintained by a self-employed individual under which one or more of the self-employed individual's employees are participants, the self-employed individual, if that individual is, or may become, eligible to receive benefits under the plan or the individual's dependents may be eligible to receive benefits under the plan.

10. *"Health care services"* means services, the coverage of which is authorized under chapter 509, chapter 514, chapter 514A, or chapter 514B as limited by benefit plans established by the association's board of directors, with the approval of the commissioner and includes services for the purposes of preventing, alleviating, curing, or healing human illness, injury or physical disability.

11. *"Health insurance"* means accident and sickness insurance authorized by chapter 509, 514, or 514A.

12. *a.* *"Health insurance coverage"* means health insurance coverage offered to individuals, including group conversion coverage.

*b.* *"Health insurance coverage"* does not include any of the following:

(1) Coverage for accident-only, or disability income insurance.

(2) Coverage issued as a supplement to liability insurance.

(3) Liability insurance, including general liability insurance and automobile liability insurance.

(4) Workers' compensation or similar insurance.

(5) Automobile medical-payment insurance.

(6) Credit-only insurance.

(7) Coverage for on-site medical clinic care.

(8) Other similar insurance coverage, specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance coverage or benefits.

*c.* *"Health insurance coverage"* does not include benefits provided under a separate policy as follows:

(1) Limited-scope dental or vision benefits.

(2) Benefits for long-term care, nursing home care, home health care, or community-based care.

(3) Any other similar limited benefits as provided by rule of the commissioner.

*d.* *"Health insurance coverage"* does not include benefits offered as independent noncoordinated benefits as follows:

(1) Coverage only for a specified disease or illness.

(2) A hospital indemnity or other fixed indemnity insurance.

*e.* *"Health insurance coverage"* does not include Medicare supplemental health insurance as defined under section 1882(g)(1) of the federal Social Security Act, coverage supplemental to the coverage provided under 10 U.S.C. ch. 55 and similar supplemental coverage provided to coverage under group health insurance coverage.

13. *"Insured"* means an individual who is provided qualified comprehensive health insurance under an association policy, which policy may include dependents and other covered persons.

14. *"Involuntary termination"* includes but is not limited to termination of group conversion coverage or where benefits under a state or federal law providing for continuation of coverage upon termination of employment will cease or have ceased.

15. *"Medicaid"* means the federal-state assistance program established under Tit. XIX of the federal Social Security Act.

16. *"Medicare"* means the federal government health insurance program established under Tit. XVIII of the Social Security Act.

17. *"Organized delivery system"* means an organized delivery system as licensed by the director of the department of public health.

18. *"Policy"* means a contract, policy, or plan of health insurance.

19. *"Policy year"* means a consecutive twelve-month period during which a policy provides or obligates the carrier to provide health insurance.

20. *"Preexisting condition exclusion"*, with respect to coverage, means a limitation or exclusion of benefits relating to a condition based on the fact that the condition was present before the date of enrollment for such coverage, whether or not any medical advice, diagnosis, care, or treatment was recommended or received before such date.

86 Acts, ch 1156, §1; 89 Acts, ch 304, §1003; 97 Acts, ch 103, §42, 43; 98 Acts, ch 1100, §70; 2000 Acts, ch 1058, §47; 2001 Acts, ch 69, §23; 2002 Acts, ch 1111, §16; 2003 Acts, ch 108, §131; 2004 Acts, ch 1110, §40 – 43; 2004 Acts, ch 1158, §6 – 9; 2008 Acts, ch 1123, §25, 26; 2008 Acts, ch 1188, §17; 2009 Acts, ch 118, §2, 5

Referred to in §514E.2

Organized delivery systems authorized, see 93 Acts, ch 158, §3

**514E.2 Iowa comprehensive health insurance association.**

1. The Iowa comprehensive health insurance association is established as a nonprofit corporation. The association shall assure that benefit plans as authorized in section 514E.1, subsection 2, for an association policy, are made available to each eligible Iowa resident and each federally eligible individual applying to the association for coverage. The association

shall also be responsible for administering the Iowa individual health benefit reinsurance association pursuant to all of the terms and conditions contained in chapter 513C.

*a.* All carriers and all organized delivery systems licensed by the director of public health providing health insurance or health care services in Iowa, whether on an individual or group basis, and all other insurers designated by the association's board of directors and approved by the commissioner shall be members of the association.

*b.* The association shall operate under a plan of operation established and approved under subsection 3 and shall exercise its powers through a board of directors established under this section.

2. *a.* The board of directors of the association shall consist of all of the following:

(1) Two members who shall be representatives of the two largest domestic carriers of individual health insurance in the state as of the calendar year ending December 31, 2000, based on earned premium standards.

(2) Three members who shall be representatives of the three largest carriers of health insurance in the state, based on earned premium standards, excluding Medicare supplement coverage premiums, that are not otherwise represented.

(3) Two members selected by the members of the association, one of whom shall be a representative from a corporation operating pursuant to chapter 514 on July 1, 1989, or any successor in interest, and one of whom shall be a representative of an organized delivery system or an insurer providing coverage pursuant to chapter 509 or 514A.

(4) Four public members selected by the governor.

(5) The commissioner or the commissioner's designee from the division of insurance.

(6) Four members of the general assembly, one of whom shall be appointed by the speaker of the house of representatives, one of whom shall be appointed by the minority leader of the house of representatives, one of whom shall be appointed by the president of the senate after consultation with the majority leader, and one of whom shall be appointed by the minority leader of the senate, who shall be ex officio, nonvoting members.

*b.* The composition of the board of directors shall be in compliance with sections 69.16 and 69.16A. The governor's appointees shall be chosen from a broad cross-section of the residents of this state.

*c.* Members of the board may be reimbursed from the moneys of the association for expenses incurred by them as members, but shall not be otherwise compensated by the association for their services.

3. The association shall submit to the commissioner a plan of operation for the association and any amendments necessary or suitable to assure the fair, reasonable, and equitable administration of the association. The plan of operation becomes effective upon approval in writing by the commissioner prior to the date on which the coverage under this chapter must be made available. After notice and hearing, the commissioner shall approve the plan of operation if the plan is determined to be suitable to assure the fair, reasonable, and equitable administration of the association, and provides for the sharing of association losses, if any, on an equitable and proportionate basis among the member carriers. If the association fails to submit a suitable plan of operation within one hundred eighty days after the appointment of the board of directors, or if at any later time the association fails to submit suitable amendments to the plan, the commissioner shall adopt, pursuant to chapter 17A, rules necessary to implement this section. The rules shall continue in force until modified by the commissioner or superseded by a plan submitted by the association and approved by the commissioner. In addition to other requirements, the plan of operation shall provide for all of the following:

*a.* The handling and accounting of assets and moneys of the association.

*b.* The amount and method of reimbursing members of the board.

*c.* Regular times and places for meeting of the board of directors.

*d.* Records to be kept of all financial transactions, and the annual fiscal reporting to the commissioner.

*e.* Procedures for selecting the board of directors and submitting the selections to the commissioner for approval.

*f.* The periodic advertising of the general availability of health insurance coverage from the association.

*g.* Additional provisions necessary or proper for the execution of the powers and duties of the association.

4. The plan of operation may provide that the powers and duties of the association may be delegated to a person who will perform functions similar to those of the association. A delegation under this section takes effect only upon the approval of both the board of directors and the commissioner. The commissioner shall not approve a delegation unless the protections afforded to the insured are substantially equivalent to or greater than those provided under this chapter.

5. The association has the general powers and authority enumerated by this subsection and executed in accordance with the plan of operation approved by the commissioner under subsection 3. The association has the general powers and authority granted under the laws of this state to carriers licensed to issue health insurance. In addition, the association may do any of the following:

*a.* Enter into contracts as necessary or proper to carry out this chapter.

*b.* Sue or be sued, including taking any legal action necessary or proper for recovery of any assessments for, on behalf of, or against participating carriers.

*c.* Take legal action necessary to avoid the payment of improper claims against the association or the coverage provided by or through the association.

*d.* Establish or utilize a medical review committee to determine the reasonably appropriate level and extent of health care services in each instance.

*e.* Establish appropriate rates, scales of rates, rate classifications, and rating adjustments, which rates shall not be unreasonable in relation to the coverage provided and the reasonable operations expenses of the association.

*f.* Pool risks among members.

*g.* Issue association policies on an indemnity or provision of service basis providing the coverage required by this chapter.

*h.* Administer separate pools, separate accounts, or other plans or arrangements considered appropriate for separate members or groups of members.

*i.* Operate and administer any combination of plans, pools, or other mechanisms considered appropriate to best accomplish the fair and equitable operation of the association.

*j.* Appoint from among members appropriate legal, actuarial, and other committees as necessary to provide technical assistance in the operation of the association, policy and other contract design, and any other functions within the authority of the association.

*k.* Hire independent consultants as necessary.

*l.* Develop a method of advising applicants of the availability of other coverages outside the association.

*m.* Include in its policies a provision providing for subrogation rights by the association in a case in which the association pays expenses on behalf of an individual who is injured or suffers a disease under circumstances creating a liability upon another person to pay damages to the extent of the expenses paid by the association but only to the extent the damages exceed the policy deductible and coinsurance amounts paid by the insured. The association may waive its subrogation rights if it determines that the exercise of the rights would be impractical, uneconomical, or would work a hardship on the insured.

6. Rates for coverages issued by the association shall reflect rating characteristics used in the individual insurance market. The rates for a given classification shall not be more than one hundred fifty percent of the average premium or payment rate for the classification charged by the five carriers with the largest health insurance premium or payment volume in the state during the preceding calendar year. In determining the average rate of the five largest carriers, the rates or payments charged by the carriers shall be actuarially adjusted to determine the rate or payment that would have been charged for benefits similar to those issued by the association.

7. *a.* Following the close of each calendar year, the association shall determine the net premiums and payments, the expenses of administration, and the incurred losses of the association for the year. The association shall certify the amount of any net loss for the

preceding calendar year to the commissioner of insurance and director of revenue. Any loss shall be assessed by the association to all members in proportion to their respective shares of total health insurance premiums or payments for subscriber contracts received in Iowa during the second preceding calendar year, or with paid losses in the year, coinciding with or ending during the calendar year or on any other equitable basis as provided in the plan of operation. In sharing losses, the association may abate or defer in any part the assessment of a member, if, in the opinion of the board, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations. The association may also provide for an initial or interim assessment against members of the association if necessary to assure the financial capability of the association to meet the incurred or estimated claims expenses or operating expenses of the association until the next calendar year is completed. Net gains, if any, must be held at interest to offset future losses or allocated to reduce future premiums.

*b.* For purposes of this subsection, *"total health insurance premiums"* and *"payments for subscriber contracts"* include, without limitation, premiums or other amounts paid to or received by a member for individual and group health plan care coverage provided under any chapter of the Code or Acts, and *"paid losses"* includes, without limitation, claims paid by a member operating on a self-funded basis for individual and group health plan care coverage provided under any chapter of the Code or Acts. For purposes of calculating and conducting the assessment, the association shall have the express authority to require members to report on an annual basis each member's total health insurance premiums and payments for subscriber contracts and paid losses. A member is liable for its share of the assessment calculated in accordance with this section regardless of whether it participates in the individual insurance market.

8. The association shall conduct periodic audits to assure the general accuracy of the financial data submitted to the association, and the association shall have an annual audit of its operations, made by an independent certified public accountant.

9. The association is subject to examination by the commissioner of insurance. Not later than April 30 of each year, the board of directors shall submit to the commissioner a financial report for the preceding calendar year in a form approved by the commissioner.

10. The association is subject to oversight by the legislative fiscal committee of the legislative council. Not later than April 30 of each year, the board of directors shall submit to the legislative fiscal committee a financial report for the preceding year in a form approved by the committee.

11. All policy forms issued by the association must be filed with and approved by the commissioner before their use.

12. The association is exempt from payment of all fees and all taxes levied by this state or any of its political subdivisions.

13. An insurer may offset an assessment made pursuant to this chapter against its premium tax liability pursuant to chapter 432 to the extent of twenty percent of the amount of the assessment for each of the five calendar years following the year in which the assessment was paid. If an insurer ceases doing business, all uncredited assessments may be credited against its premium tax liability for the year it ceases doing business.

86 Acts, ch 1156, §2; 89 Acts, ch 304, §1004 – 1006; 90 Acts, ch 1223, §28; 97 Acts, ch 103, §44 – 48; 2001 Acts, ch 125, §7; 2003 Acts, ch 145, §286; 2004 Acts, ch 1110, §44 – 46; 2004 Acts, ch 1158, §10 – 13, 21; 2005 Acts, ch 70, §14 – 16, 51; 2008 Acts, ch 1156, §50, 58; 2008 Acts, ch 1188, §18; 2009 Acts, ch 118, §3, 5

Referred to in §513C.11, 514E.1

**514E.3** Repealed by 97 Acts, ch 103, § 56.

**514E.4 Association policy — coverage and benefit requirements — deductibles — coinsurance.**

The association policy shall pay for medically necessary eligible health care services as established in the benefit plans adopted by the association's board of directors and approved by the commissioner. The plans shall provide benefits, deductibles, and coinsurance that reflect the current state of the individual insurance market. The board may modify the

benefits provided under the plans to reflect the current state of the individual insurance market with the approval of the commissioner.

86 Acts, ch 1156, §4; 90 Acts, ch 1039, §18; 2004 Acts, ch 1110, §47; 2004 Acts, ch 1158, §14

**514E.5 Iowa choice health care coverage.** Repealed by 2009 Acts, ch 118, § 4, 5.

**514E.6 Iowa choice health care coverage advisory council.** Repealed by 2009 Acts, ch 118, § 4, 5.

**514E.7 Policies — eligible persons — dependent coverage — preexisting conditions.**

1. *a.* An individual who is and continues to be a resident is eligible for plan coverage if evidence is provided of any of the following:

(1) A notice of rejection or refusal to issue substantially similar insurance for health reasons by one carrier or organized delivery system.

(2) A refusal by a carrier or organized delivery system to issue insurance except at a rate exceeding the plan rate.

(3) That the individual is a federally defined eligible individual.

(4) That the individual has a health condition that is established by the association's board of directors, with the approval of the commissioner, to be eligible for plan coverage.

(5) That the individual has coverage under a basic or standard health benefit plan under chapter 513C.

*b.* A rejection or refusal by a carrier or organized delivery system offering only stoploss, excess of loss, or reinsurance coverage with respect to an applicant under subparagraphs (1) and (2) is not sufficient evidence for purposes of this subsection.

*c.* The association shall rescind coverage for an individual who no longer resides in the state.

2. *a.* An association policy shall provide that coverage of a dependent unmarried person terminates when the person becomes nineteen years of age or, if the person is enrolled full time in an accredited educational institution, terminates at twenty-five years of age. The policy shall also provide in substance that attainment of the limiting age does not operate to terminate coverage when the person is and continues to be both of the following:

(1) Incapable of self-sustaining employment by reason of an intellectual disability or physical disability.

(2) Primarily dependent for support and maintenance upon the person in whose name the contract is issued.

*b.* Proof of incapacity and dependency must be furnished to the carrier within one hundred twenty days of the person's attainment of the limiting age, and subsequently as may be required by the carrier, but not more frequently than annually after the two-year period following the person's attainment of the limiting age.

3. An association policy that provides coverage for a family member of the person in whose name the contract is issued shall also provide, as to the family member's coverage, that the health insurance benefits applicable for children include the coverage required under section 514C.1.

4. *a.* A preexisting condition exclusion shall not apply to a federally defined eligible individual.

*b.* Plan coverage shall not impose any preexisting condition exclusion as follows:

(1) In the case of a child who is adopted or placed for adoption before attaining eighteen years of age and who, as of the last day of the thirty-day period beginning on the date of the adoption or placement for adoption, is covered under creditable coverage. This subparagraph shall not apply to coverage before the date of such adoption or placement for adoption.

(2) In the case of an individual who, as of the last day of the thirty-day period beginning with the date of birth, is covered under creditable coverage.

(3) Relating to pregnancy as a preexisting condition.

(4) In the case of an individual transferring to an association policy from a basic or standard health benefit plan under chapter 513C beginning on or after January 1, 2005.

*c.* Plan coverage shall exclude charges or expenses incurred during the first six months

following the effective date of coverage for preexisting conditions. Such preexisting condition exclusions shall be waived to the extent that similar exclusions, if any, have been satisfied under any prior health insurance coverage which was involuntarily terminated, provided both of the following apply:

(1) Application for association coverage is made no later than sixty-three days following such involuntary termination and, in such case, coverage under the plan is effective from the date on which such prior coverage was terminated.

(2) The applicant is not eligible for continuation rights that would provide coverage substantially similar to plan coverage.

*d.* This subsection does not prohibit preexisting conditions coverage in an association policy that is more favorable to the insured than that specified in this subsection.

*e.* If the association policy contains a waiting period for preexisting conditions, an insured may retain any existing coverage the insured has under an insurance plan that has coverage equivalent to the association policy for the duration of the waiting period only.

5. An individual is not eligible for coverage by the association if any of the following apply:

*a.* The individual is at the time of application eligible for health care benefits under chapter 249A.

*b.* The individual has terminated coverage by the association within the past twelve months, except that this paragraph does not apply to an applicant who is a federally eligible individual.

*c.* The individual is an inmate of a public institution, except that this paragraph does not apply to an applicant who is a federally defined eligible individual.

*d.* The individual premiums are paid for or reimbursed under any government sponsored program or by any government agency or health care provider, except as an otherwise qualifying full-time employee, or dependent of the employee, of a government agency or health care provider.

*e.* The individual, on the effective date of the coverage applied for, has not been rejected for, already has, or will have coverage similar to an association policy as an insured or covered dependent. This paragraph does not apply to an applicant who is a federally eligible individual.

*f.* The individual is eligible for Medicare based upon age.

6. The association is not required to make plan coverage available to an individual who is covered or is eligible for any continued group coverage under Internal Revenue Code § 4980B, the federal Employee Retirement Income Security Act of 1974, codified at 29 U.S.C. § 1001 et seq., the federal Public Health Service Act of July 1, 1944, codified at 42 U.S.C. § 201 et seq., or any continued group coverage required by the state. For purposes of this subsection, an individual who would have been eligible for such continuation of group coverage, but is not eligible solely because the individual or other responsible party failed to make the required election of coverage during the applicable time period, or terminated such coverage prior to the end of such applicable time period, shall be deemed to be eligible for such group coverage until the date on which the individual's continuing group coverage would have expired had an election been made or a termination not occurred.

86 Acts, ch 1156, §7; 90 Acts, ch 1163, §1 – 3; 96 Acts, ch 1129, §113; 97 Acts, ch 103, §52, 53; 98 Acts, ch 1100, §71; 2004 Acts, ch 1110, §48, 49; 2004 Acts, ch 1158, §15 – 17; 2005 Acts, ch 70, §17, 51; 2006 Acts, ch 1117, §64; 2008 Acts, ch 1123, §27; 2012 Acts, ch 1019, §136

**514E.8 Policies — renewal provisions — election to continue coverage upon death of policyholder.**

1. An association policy shall contain provisions under which the association is obligated to renew the coverage for an individual until the day the individual becomes eligible for Medicare coverage based on age, provided that any individual who is covered by an association policy and is eligible for Medicare coverage based on age prior to January 1, 2005, may continue to renew the coverage under the association policy.

2. The association shall not change the rates for association policies except on a class basis with a clear disclosure in the policy of the association's right to do so.

3. An association policy shall provide that upon the death of the individual in whose name

the policy is issued, every other individual then covered under the contract may elect, within a period specified in the policy, to continue coverage under the same or a different policy until such time as the person would have ceased to be entitled to coverage had the individual in whose name the policy was issued lived.

86 Acts, ch 1156, §8; 2004 Acts, ch 1110, §50; 2004 Acts, ch 1158, §18; 2005 Acts, ch 70, §18, 51; 2006 Acts, ch 1030, §84

**514E.9 Rules.**

Pursuant to chapter 17A, the commissioner and the director of public health shall adopt rules to provide for disclosure by carriers and organized delivery systems of the availability of insurance coverage from the association, and to otherwise implement this chapter.

86 Acts, ch 1156, §9; 97 Acts, ch 103, §54

**514E.10 Collective action — immunity.**

Neither the participation by carriers or members in the association, the establishment of rates, forms, or procedures for coverage issued by the association, nor any joint or collective action required by this chapter shall be the basis of any legal civil action, or criminal liability against the association or members of it either jointly or separately.

86 Acts, ch 1156, §10

**514E.11 Notice of association policy.**

Every carrier, including a health maintenance organization subject to chapter 514B and an organized delivery system, authorized to provide health care insurance or coverage for health care services in Iowa, shall provide a notice of the availability of coverage by the association to any person who receives a rejection of coverage for health insurance or health care services, or a rate for health insurance or coverage for health care services that will exceed the rate of an association policy, and that person is eligible to apply for health insurance provided by the association. Application for the health insurance shall be on forms prescribed by the association's board of directors and made available to the carriers and organized delivery systems and other entities providing health care insurance or coverage for health care services regulated by the commissioner.

86 Acts, ch 1156, §11; 97 Acts, ch 103, §55; 2004 Acts, ch 1110, §51; 2004 Acts, ch 1158, §19

# CHAPTER 514F

## UTILIZATION AND COST CONTROL

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 514C.11, 514L.1, 669.14, 670.7

514F.1 Utilization and cost control review committees.
514F.2 Utilization and cost control.
514F.3 Preferred providers.
514F.4 Utilization review requirements.
514F.5 Experimental treatment review.
514F.6 Credentialing — retrospective payment.

**514F.1 Utilization and cost control review committees.**

The licensing boards under chapters 148, 149, 151, and 152 shall establish utilization and cost control review committees of licensees under the respective chapters, selected from licensees who have practiced in Iowa for at least the previous five years, or shall accredit and designate other utilization and cost control organizations as utilization and cost control committees under this section, for the purposes of utilization review of the appropriateness of levels of treatment and of giving opinions as to the reasonableness of charges for diagnostic or treatment services of licensees. Persons governed by the various chapters of Title XIII, subtitle 1, of the Code and self-insurers for health care benefits to employees may utilize the services of the utilization and cost control review committees upon the payment of a reasonable fee for the services, to be determined by the respective boards. The respective

boards under chapters 148, 149, 151, and 152 shall adopt rules necessary and proper for the administration of this section pursuant to chapter 17A. It is the intent of this general assembly that conduct of the utilization and cost control review committees authorized under this section shall be exempt from challenge under federal or state antitrust laws or other similar laws in regulation of trade or commerce.

86 Acts, ch 1180, §10; 87 Acts, ch 115, §63; 88 Acts, ch 1199, §6; 89 Acts, ch 164, §6; 90 Acts, ch 1233, §32; 2007 Acts, ch 10, §177; 2008 Acts, ch 1088, §135

**514F.2 Utilization and cost control.**

Nothing contained in the chapters of Title XIII, subtitle 1, of the Code shall be construed to prohibit or discourage insurers, nonprofit service corporations, health maintenance organizations, or self-insurers for health care benefits to employees from providing payments of benefits or providing care and treatment under capitated payment systems, prospective reimbursement rate systems, utilization control systems, incentive systems for the use of least restrictive and least costly levels of care, preferred provider contracts limiting choice of specific provider, or other systems, methods or organizations designed to contain costs without sacrificing care or treatment outcome, provided these systems do not limit or make optional payment or reimbursement for health care services on a basis solely related to the license under or the practices authorized by chapter 151 or on a basis that is dependent upon a method of classification, categorization, or description based upon differences in terminology used by different licensees under the chapters of Title IV, subtitle 3, of the Code in describing human ailments or their diagnosis or treatment.

86 Acts, ch 1180, §10

**514F.3 Preferred providers.**

The commissioner of insurance shall adopt rules for preferred provider contracts and organizations, both those that limit choice of specific provider and those that do not. The rules adopted shall include, but not be limited to, the following subjects: preferred provider arrangements and participation requirements, health benefit plans, and civil penalties.

88 Acts, ch 1112, §604

**514F.4 Utilization review requirements.**

1. A third-party payor which provides health benefits to a covered individual residing in this state shall not conduct utilization review, either directly or indirectly, under a contract with a third-party who does not meet the requirements established for accreditation by the utilization review accreditation commission, national committee on quality assurance, or another national accreditation entity recognized and approved by the commissioner.

2. This section does not apply to any utilization review performed solely under contract with the federal government for review of patients eligible for services under any of the following:

*a.* Tit. XVIII of the federal Social Security Act.

*b.* The civilian health and medical program of the uniformed services.

*c.* Any other federal employee health benefit plan.

3. For purposes of this section, unless the context otherwise requires:

*a.* *"Third-party payor"* means:

(1) An insurer subject to chapter 509 or 514A.

(2) A health service corporation subject to chapter 514.

(3) A health maintenance organization subject to chapter 514B.

(4) A preferred provider arrangement.

(5) A multiple employer welfare arrangement.

(6) A third-party administrator.

(7) A fraternal benefit society.

(8) A plan established pursuant to chapter 509A for public employees.

(9) Any other benefit program providing payment, reimbursement, or indemnification for health care costs for an enrollee or an enrollee's eligible dependents.

*b.* *"Utilization review"* means a program or process by which an evaluation is made of

the necessity, appropriateness, and efficiency of the use of health care services, procedures, or facilities given or proposed to be given to an individual within this state. Such evaluation does not apply to requests by an individual or provider for a clarification, guarantee, or statement of an individual's health insurance coverage or benefits provided under a health insurance policy, nor to claims adjudication. Unless it is specifically stated, verification of benefits, preauthorization, or a prospective or concurrent utilization review program or process shall not be construed as a guarantee or statement of insurance coverage or benefits for any individual under a health insurance policy.

99 Acts, ch 41, §5; 2010 Acts, ch 1061, §180

**514F.5 Experimental treatment review.**

1. A carrier, as defined in section 513B.2, an organized delivery system authorized under 1993 Iowa Acts, ch. 158, or a plan established pursuant to chapter 509A for public employees, that limits coverage for experimental medical treatment, drugs, or devices, shall develop and implement a procedure to evaluate experimental medical treatments and shall submit a description of the procedure to the division of insurance. The procedure shall be in writing and must describe the process used to determine whether the carrier, organized delivery system, or chapter 509A plan will provide coverage for new medical technologies and new uses of existing technologies. The procedure, at a minimum, shall require a review of information from appropriate government regulatory agencies and published scientific literature concerning new medical technologies, new uses of existing technologies, and the use of external experts in making decisions. A carrier, organized delivery system, or chapter 509A plan shall include appropriately licensed or qualified professionals in the evaluation process. The procedure shall provide a process for a person covered under a plan or contract to request a review of a denial of coverage because the proposed treatment is experimental. A review of a particular treatment need not be reviewed more than once a year.

2. A carrier, organized delivery system, or chapter 509A plan that limits coverage for experimental treatment, drugs, or devices shall clearly disclose such limitations in a contract, policy, or certificate of coverage.

99 Acts, ch 41, §6

**514F.6 Credentialing — retrospective payment.**

1. The commissioner shall adopt rules to provide for the retrospective payment of clean claims for covered services provided by a physician, advanced registered nurse practitioner, or physician assistant during the credentialing period, once the physician, advanced registered nurse practitioner, or physician assistant is credentialed.

2. For purposes of this section:

*a.* *"Advanced registered nurse practitioner"* means a licensed nurse who is also registered to practice in an advanced role.

*b.* *"Clean claim"* means the same as defined in section 507B.4A, subsection 2, paragraph *"b"*.

*c.* *"Credentialing"* means a process through which a health insurer makes a determination based on criteria established by the health insurer concerning whether a physician, advanced registered nurse practitioner, or physician assistant is eligible to provide health care services to an insured and to receive reimbursement for the health care services provided under an agreement entered into between the physician, advanced registered nurse practitioner, or physician assistant and the health insurer.

*d.* *"Credentialing period"* means the time period between the health insurer's receipt of a physician's, advanced registered nurse practitioner's, or physician assistant's application for credentialing and approval of that application by the health insurer.

*e.* *"Physician"* means a licensed doctor of medicine and surgery or a licensed doctor of osteopathic medicine and surgery.

*f.* *"Physician assistant"* means a person who is licensed to practice as a physician assistant under the supervision of one or more physicians.

2008 Acts, ch 1123, §28; 2010 Acts, ch 1121, §16; 2013 Acts, ch 90, §155

Subsection 2 amended

# CHAPTER 514G

## LONG-TERM CARE INSURANCE ACT

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


514G.1 through 514G.8 Repealed by 2008 Acts, ch 1175, §16.
514G.9 Reserved.
514G.10 Long-term care consumer guide. Repealed by 2008 Acts, ch 1175, §16.
514G.101 Title and purpose.
514G.102 Scope.
514G.103 Definitions.
514G.104 Extraterritorial jurisdiction — group long-term care insurance.
514G.105 Disclosure and performance standards for long-term care insurance.
514G.106 Incontestability period.
514G.107 Nonforfeiture benefits.
514G.108 Prompt payment of claims — requirements.
514G.109 Benefit trigger determinations — notice — appeals.
514G.110 Independent review of benefit trigger determinations.
514G.111 Authority to promulgate rules.
514G.112 Severability.
514G.113 Penalties.


**514G.1 through 514G.8** Repealed by 2008 Acts, ch 1175, § 16.

**514G.9** Reserved.

**514G.10 Long-term care consumer guide.** Repealed by 2008 Acts, ch 1175, § 16.

**514G.101 Title and purpose.**

This chapter may be known and cited as the *"Long-term Care Insurance Act"*. The purpose of this chapter is to promote the public interest, to promote the availability of long-term care insurance, to protect applicants for long-term care insurance from unfair or deceptive sales or enrollment practices, to establish standards for long-term care insurance, to facilitate public understanding and comparison of long-term care insurance policies, and to facilitate flexibility and innovation in the development of long-term care insurance coverage.

2008 Acts, ch 1175, §2

**514G.102 Scope.**

The requirements of this chapter apply to policies delivered or issued for delivery in this state on or after July 1, 2008. The requirements of this chapter related to independent review of benefit trigger determinations apply to all claims made on or after January 1, 2009. This chapter is not intended to supersede the obligations of entities subject to this chapter to comply with the substance of other applicable insurance laws not in conflict with this chapter, except that laws and regulations designed and intended to apply to Medicare supplement insurance policies shall not be applied to long-term care insurance.

2008 Acts, ch 1175, §3; 2009 Acts, ch 145, §11, 55

**514G.103 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Activities of daily living"* means at least bathing, continence, dressing, eating, toileting, and transferring.

2. *"Applicant"* means either of the following:

*a.* In the case of an individual long-term care insurance policy, the person who seeks to contract for benefits.

*b.* In the case of a group long-term care insurance policy, the proposed certificate holder.

3. *"Benefit trigger"* means a contractual provision in a policy of long-term care insurance that conditions the payment of benefits on a determination of the insured's ability to perform activities of daily living and on cognitive impairment, or on other conditions of the insured as specified in the policy. For purposes of a qualified long-term care insurance contract, *"benefit trigger"* means a determination by a licensed health care practitioner that an insured is a

chronically ill individual. For purposes of this definition, *"licensed health care practitioner"* means the same as defined in section 7702B(c)(4) of the Internal Revenue Code.

4. *"Certificate"* means any certificate issued under a group long-term care insurance policy, which policy has been delivered or issued for delivery in this state.

5. *"Chronically ill individual"* means the same as defined in section 7702B(c)(2) of the Internal Revenue Code.

6. *"Claim"* means a request for payment of benefits under an in-force long-term care insurance policy, regardless of whether the benefit claimed is covered under the policy or any terms or conditions of the policy have been met.

7. *"Cognitive impairment"* means a deficiency in a person's short-term or long-term memory; orientation as to person, place, and time; deductive or abstract reasoning; or judgment as it relates to safety awareness.

8. *"Commissioner"* means the commissioner of insurance.

9. *"Group long-term care insurance"* means a long-term care insurance policy that is delivered or issued for delivery in this state to any of the following:

*a.* One or more employers or labor organizations, or to a trust or to the trustee or trustees of a fund established, created, or maintained by one or more employers or labor organizations or a combination thereof, for the benefit of employees or former employees or a combination thereof, or for members or former members or a combination thereof, of the employers or labor organizations.

*b.* Any professional, trade, or occupational association for its members or former or retired members, or a combination thereof, if the association meets both of the following requirements:

(1) Is composed of individuals all of whom are or were actively engaged in the same profession, trade, or occupation.

(2) Has been maintained in good faith for purposes other than obtaining insurance.

*c.* (1) An association or associations, or to a trust or to the trustee or trustees of a fund established, created, or maintained for the benefit of members of one or more associations, which files evidence with the commissioner prior to advertising, marketing, or offering a policy within this state by the association or associations, or their insurer, that the following organizational requirements have been met:

(a) At the outset, there is a minimum of one hundred members of the association or associations.

(b) The association or associations have been organized and maintained in good faith for purposes other than that of obtaining insurance.

(c) The association or associations have been in active existence for at least one year at the time of filing.

(d) The association or associations have a constitution and bylaws that require all of the following:

(i) The association or associations have regular meetings, not less than annually, to further the purposes of the members.

(ii) Except for credit unions, the association or associations collect dues or solicit contributions from members.

(iii) The members have voting privileges and representation on a governing board and committees.

(2) Thirty days after the required evidentiary filings have been made, the association or associations shall be deemed to satisfy the organizational requirements, unless the commissioner makes a finding that the association or associations do not satisfy those requirements.

*d.* A group other than those described in paragraphs *"a"* through *"c"*, subject to a finding by the commissioner that all of the following are true:

(1) The issuance of the group policy is not contrary to the best interests of the public.

(2) The issuance of the group policy would result in economies of acquisition or administration.

(3) The benefits are reasonable in relation to the premiums charged.

10. *"Independent review entity"* means a review entity certified by the commissioner pursuant to section 514G.110, subsection 5.

11. *"Insurer"* means an entity qualified and licensed by the insurance division to transact the business of insurance in this state by a certificate issued pursuant to chapter 508, 512B, 514, or 514B.

12. *"Licensed health care professional"* means a qualified professional in an appropriate field for determining an insured's functional or cognitive impairment as it relates to the insured's specific diagnosis. Licensed health care professionals include but are not limited to physical therapists, occupational therapists, neurologists, physical medicine specialists, and rehabilitation medicine specialists.

13. *a.* *"Long-term care insurance"* means any insurance policy or rider advertised, marketed, offered, or designed to provide coverage for not less than twelve consecutive months for each covered person on an expense-incurred, indemnity, prepaid, or other basis, for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services that are provided in a setting other than an acute care unit of a hospital. *"Long-term care insurance"* includes group and individual annuities and life insurance policies or riders that directly provide or supplement long-term care insurance. The term also includes a policy or rider that provides for payment of benefits based upon cognitive impairment or the loss of functional capacity. The term also includes a qualified long-term care insurance contract. Long-term care insurance may be issued by an insurer.

*b.* *"Long-term care insurance"* does not include any insurance policy that is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income or related asset-protection coverage, accident-only coverage, specified disease or specified accident coverage, or limited benefit health coverage. With regard to life insurance, *"long-term care insurance"* does not include life insurance policies that accelerate the death benefit specifically for one or more of the qualifying events of terminal illness, medical conditions requiring extraordinary medical intervention or permanent institutional confinement, and that provide the option of a lump-sum payment for those benefits, where neither the benefits nor the eligibility for the benefits is conditioned upon the receipt of long-term care.

*c.* Notwithstanding any other provision of this chapter, any product advertised, marketed, or offered as long-term care insurance shall be subject to the provisions of this chapter.

14. *"Policy"* means any policy, contract, subscriber agreement, rider, or endorsement delivered or issued for delivery in this state by an insurer; fraternal benefit society; nonprofit health, hospital, or medical service corporation; prepaid health plan; or health maintenance organization or any similar organization.

15. *"Preexisting condition"* means a condition for which medical advice or treatment was recommended by, or received from, a provider of health care services within six months preceding the effective date of coverage of an individual.

16. *"Qualified long-term care insurance contract"* or *"federally tax-qualified long-term care insurance contract"* means any of the following:

*a.* An individual or group insurance contract that meets the requirements of section 7702B(b) of the Internal Revenue Code, as follows:

(1) The only insurance protection provided under the contract is coverage of qualified long-term care services. A contract does not fail to satisfy the requirements of this subparagraph because payments are made on a per diem or other periodic basis without regard to the expenses incurred during the period to which the payments relate.

(2) The contract does not pay or reimburse expenses incurred for services or items to the extent that the expenses are reimbursable under Tit. XVIII of the federal Social Security Act, as amended, or would be reimbursable but for the application of a deductible or coinsurance amount. The requirements of this subparagraph do not apply to expenses that are reimbursable under Tit. XVIII of the federal Social Security Act only as a secondary payor. A contract does not fail to satisfy the requirements of this subparagraph because

payments are made on a per diem or other periodic basis without regard to the expenses incurred during the period to which the payments relate.

(3) The contract is guaranteed renewable within the meaning of section 7702B(b)(1)(C) of the Internal Revenue Code.

(4) The contract does not provide for a cash surrender value or for other money that can be paid, assigned or pledged as collateral for a loan, or borrowed except as provided in subparagraph (5).

(5) All refunds of premiums and all policyholder dividends or similar accounts under the contract are to be applied as a reduction in future premiums or to increase future benefits, except that a refund in the event of the death of the insured or a complete surrender or cancellation of the contract shall not exceed the aggregate premiums paid under the contract.

(6) The contract meets the consumer protection provisions set forth in section 7702B(g) of the Internal Revenue Code.

*b.* The portion of a life insurance contract that provides long-term care insurance coverage by rider or as part of the contract and that satisfies the requirements of section 7702B(b) and (e) of the Internal Revenue Code.

2008 Acts, ch 1175, §4; 2012 Acts, ch 1023, §80

Referred to in §508C.8, 514G.104, 514G.105, 514G.107, 514G.110, 514H.1

**514G.104 Extraterritorial jurisdiction — group long-term care insurance.**

Group long-term care insurance coverage shall not be offered to a resident of this state under a group policy issued in another state unless either this state or another state with statutory and regulatory requirements for long-term care insurance that are substantially similar to those adopted in this state has made a determination that the group to which the policy is issued meets the requirements of section 514G.103, subsection 9, paragraph *"d"*.

2008 Acts, ch 1175, §5; 2009 Acts, ch 145, §12

**514G.105 Disclosure and performance standards for long-term care insurance.**

1. *Prohibited policy practices.* A long-term care insurance policy shall not:

*a.* Be canceled, nonrenewed, or otherwise terminated on the grounds of the age or deterioration of the mental or physical health of the insured individual or certificate holder.

*b.* Contain a provision establishing a new waiting period in the event that existing coverage is converted to or replaced by a new or other policy form within the same company, except with respect to an increase in benefits voluntarily selected by the insured individual, the certificate holder, or the group policyholder.

*c.* Provide coverage for skilled nursing care only, or provide significantly more coverage for skilled nursing care in a facility than coverage for lower levels of care.

2. *Preexisting conditions.*

*a.* A long-term care insurance policy or certificate, other than a policy or certificate issued to a group as described in section 514G.103, subsection 9, shall not use a definition of *"preexisting condition"* that is more restrictive than the definition contained in section 514G.103, subsection 15.

*b.* A long-term care insurance policy or certificate, other than a policy or certificate issued to a group as described in section 514G.103, subsection 9, shall not exclude coverage for a loss or confinement that is the result of a preexisting condition unless the loss or confinement begins within six months following the effective date of coverage of an insured individual.

*c.* The commissioner may extend the limitation periods set forth in paragraphs *"a"* and *"b"* as to specific age group categories in specific policy forms upon finding that such an extension is in the best interest of the public.

*d.* The requirements of paragraph *"a"* do not prohibit an insurer from using an application form designed to elicit the complete health history of an applicant, and on the basis of the answers on that application, underwriting in accordance with that insurer's established underwriting standards. Unless otherwise provided in the policy or certificate, a preexisting condition, regardless of whether it is disclosed on the application, is not required to be covered until the waiting period described in paragraph *"b"* expires. A long-term care insurance policy or certificate shall not exclude, or use waivers or riders of any kind to

exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions beyond the waiting period described in paragraph *"b"*.

3. *Prior hospitalization or institutionalization.*

*a.* A long-term care insurance policy shall not be delivered or issued for delivery in this state if the policy does any of the following:

(1) Conditions eligibility for any benefits on a prior hospitalization requirement.

(2) Conditions eligibility for any benefits provided in an institutional care setting on the receipt of a higher level of institutional care.

(3) Conditions eligibility for any benefits other than waiver of premium, post-confinement, post-acute care, or recuperative benefits on a prior institutionalization requirement.

*b.* A long-term care insurance policy that contains post-confinement, post-acute care, or recuperative benefits shall contain, in a clearly visible, separate paragraph or the policy or certificate entitled *"limitations or conditions on eligibility for benefits"*, a description of such limitations or conditions, including any required number of days of confinement.

*c.* A long-term care insurance policy or rider that conditions eligibility for noninstitutional benefits on the prior receipt of institutional care shall not require a prior institutional stay of more than thirty days.

*d.* A long-term care insurance policy or rider that provides benefits only following institutionalization shall not condition such benefits upon admission to a facility for the same or related conditions within a period of less than thirty days after discharge from the institution.

4. *Right to return — free look — refund.*

*a.* A long-term care insurance applicant shall have the right to return the long-term care insurance policy or certificate within thirty days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the applicant is not satisfied for any reason.

*b.* A long-term care insurance policy or certificate delivered or issued for delivery in this state shall have a notice prominently displayed on the first page of the policy or certificate, or attached thereto, which states in substance that the applicant has the right to return the policy or certificate within thirty days of its delivery and to have the premium refunded if, after examination of the policy or certificate, other than a certificate issued pursuant to a policy issued to a group as described in section 514G.103, subsection 9, paragraph *"a"*, the applicant is not satisfied for any reason.

*c.* Any premium refund shall be made to the applicant within thirty days of the return.

5. *Denials — refund.* If an application is denied by an insurer, any premium refund shall be made to the applicant within thirty days of the denial.

6. *Outline of coverage.*

*a.* A written outline of coverage shall be delivered to a prospective applicant for long-term care insurance at the time of the initial solicitation for coverage which prominently directs the attention of the applicant to the document and its purpose.

*b.* The commissioner shall prescribe, by rule, a standard format, including style, arrangement, and overall appearance, and content of the outline of coverage.

*c.* In the case of producer solicitations, a producer shall deliver the outline of coverage to a prospective applicant prior to the presentation of an application or enrollment form.

*d.* In the case of direct response solicitations, the outline of coverage shall be presented in conjunction with any application or enrollment form.

*e.* In the case of a policy issued to a group as described in section 514G.103, subsection 9, paragraph *"a"*, an outline of coverage is not required to be delivered to the applicant, provided that the information described in subsection 7 of this section, paragraphs *"a"* through *"f"*, is contained in other enrollment materials provided. Upon request, such other enrollment materials shall be made available to the commissioner.

7. *Contents of outline of coverage.* An outline of coverage of long-term care insurance shall include all of the following:

*a.* A description of the principal benefits and coverage provided in the policy.

*b.* A statement of the principal exclusions, reductions, and limitations contained in the policy.

*c.* A statement of the terms under which the policy or certificate, or both, may be continued in force or discontinued, including any reservation in the policy of a right to change the premium. Continuation or conversion provisions of group coverage shall be specifically described.

*d.* A statement that the outline of coverage is a summary of coverage only, not a contract of insurance, and that the policy or group master policy contains governing contractual provisions.

*e.* A description of the terms under which the policy or certificate may be returned and the premium refunded.

*f.* A brief description of the relationship of cost of care and benefits.

*g.* A statement that discloses to the policyholder or certificate holder whether the policy is intended to be a federally tax-qualified long-term care insurance contract under section 7702B(b) of the Internal Revenue Code.

8. *Contents of group certificate.* A certificate issued pursuant to a group long-term care insurance policy which policy is delivered or issued for delivery in this state shall include all of the following:

*a.* A description of the principal benefits and coverage provided in the policy.

*b.* A statement of the principal exclusions, reductions, and limitations contained in the policy.

*c.* A statement that the group master policy determines governing contractual provisions.

9. *Time for delivery.* If an application for a long-term care insurance policy or certificate is approved, the issuer shall deliver the policy or certificate of insurance to the applicant no later than thirty days after the date of approval.

10. *Individual life insurance — policy summary.*

*a.* A written policy summary shall accompany the delivery of an individual life insurance policy that provides long-term care benefits within the policy or by rider. In the case of direct response solicitations, the insurer shall deliver a policy summary upon the applicant's request or at the time of policy delivery, whichever occurs first.

*b.* A policy summary shall include all of the following:

(1) An explanation of how the long-term care benefit interacts with other components of the policy, including deductions from death benefits.

(2) An illustration of the amount of benefits, the length of benefits, and the guaranteed lifetime benefits if any, for each covered person.

(3) Any exclusions, reductions, or limitations on long-term care benefits.

(4) A statement that a long-term care inflation protection option required by 191 IAC 39.10 is not available under this policy.

(5) If applicable to the policy type, the summary shall also include all of the following:

(a) A disclosure of the effect of exercising other rights under the policy.

(b) A disclosure of guarantees related to long-term care costs of insurance charges.

(c) Current and projected maximum lifetime benefits.

*c.* The requirements of a policy summary set forth in paragraph *"b"* may be incorporated into the basic illustration required to be delivered in accordance with 191 IAC 14, or into the life insurance policy summary required to be delivered in accordance with 191 IAC 15.4.

11. *Monthly report.* If a long-term care benefit, funded through a life insurance vehicle by the acceleration of the death benefit, is in benefit payment status, a monthly report shall be provided to the policyholder. The report shall include all of the following:

*a.* Any long-term care benefits paid out during the month.

*b.* An explanation of any changes in the policy, including but not limited to changes in death benefits or cash values due to long-term care benefits being paid out.

*c.* The amount of long-term care benefits existing or remaining.

12. *Claim denial.* If a claim made under a long-term care insurance policy is denied, the issuer, within sixty days of the date of receipt of a written request by the policyholder, certificate holder, or a representative thereof, shall provide a written explanation of the reasons for the denial, and shall make all information directly related to the denial available to the requestor.

13. *Compliance.* Any policy or rider advertised, marketed, or offered as long-term care insurance or nursing home insurance shall comply with the provisions of this chapter.

2008 Acts, ch 1175, §6; 2011 Acts, ch 34, §117

Referred to in §514H.1

**514G.106 Incontestability period.**

1. An insurer may rescind a long-term care insurance policy or certificate or deny an otherwise valid long-term care insurance claim if the policy or certificate has been in force for less than six months upon a showing of misrepresentation that is material to the insurer's acceptance for coverage.

2. An insurer may rescind a long-term care insurance policy or certificate or deny an otherwise valid long-term care insurance claim if the policy or certificate has been in force for at least six months but less than two years, upon a showing of misrepresentation that is both material to the acceptance for coverage and pertains to the condition for which benefits are sought.

3. An insurer shall not contest a long-term care insurance policy or certificate that has been in force for two or more years solely upon the grounds of misrepresentation. Such a policy or certificate may be contested only upon a showing that the insured knowingly and intentionally misrepresented relevant facts relating to the insured's health.

4. A long-term care insurance policy or certificate may be field-issued if the compensation paid to the field issuer is not based on the number of policies or certificates issued. For the purposes of this subsection, a *"field-issued"* policy means a policy or certificate issued by a producer or third-party administrator pursuant to the underwriting authority granted to the producer or third-party administrator by an insurer and using the insurer's underwriting guidelines.

5. An insurer that has paid benefits under a long-term care insurance policy or certificate shall not recover such benefit payments if the policy or certificate is rescinded.

6. The provisions of this section are applicable to life insurance policies or certificates that accelerate benefits for long-term care. However, if an insured dies, the remaining death benefits of a life insurance policy that accelerates benefits for long-term care are not governed by this section but by the provisions of section 508.28. In all other situations, this section shall apply to life insurance policies that accelerate benefits for long-term care.

2008 Acts, ch 1175, §7

**514G.107 Nonforfeiture benefits.**

1. Except as otherwise provided in subsection 2, a long-term care insurance policy or certificate shall not be delivered or issued for delivery in this state unless the policyholder or certificate holder has been offered the option of purchasing a policy or certificate that includes a nonforfeiture benefit. A nonforfeiture benefit may be offered in the form of a rider that is attached to the policy or certificate. If the policyholder or certificate holder declines the nonforfeiture benefit, the insurer shall provide a contingent benefit upon lapse that is available for a specified period of time following a substantial increase in premium rates.

2. When a group long-term care insurance policy or certificate is delivered or issued for delivery in this state, an offer of benefits shall be made to the group policyholder that meets the requirements of subsection 1. However, if the policy is delivered or issued for delivery to a group as described in section 514G.103, subsection 9, paragraph *"d"*, that is not a continuing care retirement community or other similar entity, the offer of benefits shall be made to each proposed certificate holder.

3. The commissioner shall, by rule, specify the type or types of nonforfeiture benefits to be offered as part of long-term care insurance policies and certificates, the standards for such nonforfeiture benefits, and the standards for contingent benefit upon lapse including a specified period of time during which a contingent benefit upon lapse will be available and what constitutes a substantial premium rate increase that will trigger a contingent benefit upon lapse as provided in subsection 1.

2008 Acts, ch 1175, §8

**514G.108 Prompt payment of claims — requirements.**

1. An insurer providing long-term care insurance under this chapter and subject to state insurance regulation shall either accept and pay or deny a clean claim. For the purposes of this section, *"clean claim"* means a properly completed paper or electronic request for payment that contains all necessary information for the insurer to timely adjudicate and pay claims for long-term care benefits under the policy, does not involve coordination of benefits for third-party liability or subrogation, and does not involve the existence of particular circumstances requiring special treatment that prevents a prompt payment from being made.

2. The commissioner shall adopt rules establishing processes for timely adjudication and payment of claims for long-term care benefits by insurers.

3. Payment of a clean claim shall include interest at the rate of ten percent per annum when an insurer or other entity that administers or processes claims on behalf of the insurer fails to timely pay a clean claim.

2008 Acts, ch 1175, §9

**514G.109 Benefit trigger determinations — notice — appeals.**

1. *Notice.* When a long-term care insurer determines that the benefit trigger in an insured's long-term care insurance policy has not been met, the insurer shall provide a clear, written notice to the insured of all of the following:

*a.* The reason that the insurer determined that the insured's benefit trigger has not been met.

*b.* The insurer's internal appeal process provided under the insured's long-term care insurance policy.

*c.* The insured's right, after exhaustion of the insurer's internal appeal process, to have the benefit trigger determination reviewed under the independent review process set forth in section 514G.110.

2. *Internal appeal.*

*a.* An insured may request an internal appeal of a benefit trigger determination by sending a written request to the insurer, along with any additional supporting information, within sixty days after the insured receives the notice described in subsection 1. The internal appeal shall be considered by an individual or group of individuals designated by the insurer, provided that the individual or individuals making the internal appeal decision shall not be the same individual or individuals who made the initial benefit trigger determination. All internal appeals shall be completed and written notice of the internal appeal decision sent to the insured within sixty days of the insurer's receipt of all necessary information upon which a final determination can be made.

*b.* If the determination that the benefit trigger was not met is upheld upon internal appeal, the notice of the appeal decision shall describe additional internal appeal rights that are offered by the insurer, if any. Nothing in this paragraph shall require an insurer to offer any internal appeal rights other than those described in paragraph "*a*".

*c.* If the determination that the benefit trigger was not met is upheld after the internal appeal process has been exhausted and there is no new information not previously provided to the insurer for consideration, the insurer shall provide the insured with a written description of the insured's right to request an independent review of the benefit trigger determination.

3. *Receipt of notice.* Notices required by this section shall be deemed received within five days after the date of mailing.

2008 Acts, ch 1175, §10, 18

Referred to in §514G.110

**514G.110 Independent review of benefit trigger determinations.**

1. *Request.* An insured may file a written request for independent review of a benefit trigger determination with the commissioner after the internal appeal process has been exhausted. The request shall be filed within sixty days after the insured receives written notice of the insurer's internal appeal decision.

2. *Fee.* A request for independent review shall be accompanied by a twenty-five dollar

filing fee. The commissioner may waive the filing fee for good cause. The filing fee shall be refunded if the insured prevails in the independent review process.

3. *Eligibility for review.* The commissioner shall certify that the request is eligible for independent review if all of the following criteria are satisfied:

*a.* The insured was covered by a long-term care insurance policy issued by the insurer at the time the benefit trigger determination was made.

*b.* The sole reason for requesting an independent review is to review the insurer's determination that the benefit trigger was not met.

*c.* The insured has exhausted all internal appeal procedures provided under the insured's long-term care insurance policy.

*d.* The written request for independent review was filed by the insured within sixty days from the date of receipt of the insurer's internal appeal decision.

4. *Notice of eligibility.* The commissioner shall provide written notice regarding eligibility of a request for independent review to the insured and the insurer within two business days from the date of receipt of the request.

*a.* If the commissioner decides that the request is not eligible for independent review, the written notice shall indicate the reasons for that decision.

*b.* If the commissioner certifies that the request is eligible for independent review, the insurer may appeal that certification by filing a written notice of appeal with the commissioner within three business days from the date of receipt of the notice of certification. If upon further review, the commissioner upholds the certification, the commissioner shall promptly notify the insured and the insurer in writing of the reasons for that decision.

5. *Qualifications of independent review entities.* The commissioner shall maintain a list of qualified independent review entities that are certified by the commissioner. Independent review entities shall be recertified by the commissioner every two years in order to remain on the list. In order to be certified, an independent review entity shall meet all of the following criteria:

*a.* Have on staff, or contract with, a qualified, licensed health care professional in an appropriate field for determining an insured's functional or cognitive impairment who can conduct an independent review.

(1) In order to be qualified, a licensed health care professional who is a physician shall hold a current certification by a recognized American medical specialty board in a specialty appropriate for determining an insured's functional or cognitive impairment.

(2) In order to be qualified, a licensed health care professional who is not a physician shall hold a current certification in the specialty in which that person is licensed, by a recognized American specialty board in a specialty appropriate for determining an insured's functional or cognitive impairment.

*b.* Ensure that any licensed health care professional who conducts an independent review has no history of disciplinary actions or sanctions, including but not limited to the loss of staff privileges or any participation restrictions taken or pending by any hospital or state or federal government regulatory agency.

*c.* Ensure that the independent review entity or any of its employees, agents, or licensed health care professionals utilized does not receive compensation of any type that is dependent on the outcome of a review.

*d.* Ensure that the independent review entity or any of its employees, agents, or licensed health care professionals utilized are not in any manner related to, employed by, or affiliated with the insured or with a person who previously provided medical care to the insured.

*e.* Ensure that an independent review entity or any of its employees, agents, or licensed health care professionals utilized is not a subsidiary of, or owned or controlled by, an insurer or by a trade association of insurers of which the insurer is a member.

*f.* Have a quality assurance program on file with the commissioner that ensures the timeliness and quality of reviews performed, the qualifications and independence of the licensed health care professionals who perform the reviews, and the confidentiality of the review process.

*g.* Have on staff or contract with a licensed health care practitioner, as defined in section

514G.103, subsection 3, who is qualified to certify that an individual is chronically ill for purposes of a qualified long-term care insurance contract.

6. *Independent review process.* The independent review process shall be conducted as follows:

*a.* Within three business days of receiving a notice from the commissioner of the certification of a request for independent review or receipt of a denial of an insurer's appeal from such a certification, the insurer shall do all of the following:

(1) Select an independent review entity from the list certified by the commissioner and notify the insured in writing of the name, address, and telephone number of the independent review entity selected. The independent review entity selected shall utilize a licensed health care professional with qualifications appropriate to the benefit trigger determination that is under review.

(2) Notify the independent review entity that it has been selected to conduct an independent review of a benefit trigger determination and provide sufficient descriptive information to enable the independent review entity to provide licensed health care professionals who will be qualified to conduct the review.

(3) Provide the commissioner with a copy of the notices sent to the insured and to the independent review entity selected.

*b.* Within three business days of receiving a notice from an insurer that it has been selected to conduct an independent review, the independent review entity shall do one of the following:

(1) Accept its selection as the independent review entity, designate a qualified licensed health care professional to perform the independent review, and provide notice of that designation to the insured and the insurer, including a brief description of the health care professional's qualifications and the reasons that person is qualified to determine whether the insured's benefit trigger has been met. A copy of this notice shall be sent to the commissioner via facsimile. The independent review entity is not required to disclose the name of the health care professional selected.

(2) Decline its selection as the independent review entity or, if the independent review entity does not have a licensed health care professional who is qualified to conduct the independent review available, request additional time from the commissioner to have a qualified licensed health care professional certified, and provide notice to the insured, the insurer, and the commissioner. The commissioner shall notify the review entity, the insured, and the insurer of how to proceed within three business days of receipt of such notice from the independent review entity.

*c.* An insured may object to the independent review entity selected by the insurer or to the licensed health care professional designated by the independent review entity to conduct the review by filing a notice of objection along with reasons for the objection, with the commissioner within ten days of receipt of a notice sent by the independent review entity pursuant to paragraph "*b*". The commissioner shall consider the insured's objection and shall notify the insured, the insurer, and the independent review entity of the commissioner's decision to sustain or deny the objection within two business days of receipt of the objection.

*d.* Within five business days of receiving a notice from the independent review entity accepting its selection or within five business days of receiving a denial of an objection to the review entity selected, whichever is later, the insured may submit any information or documentation in support of the insured's claim to both the independent review entity and the insurer.

*e.* Within fifteen days of receiving a notice from the independent review entity accepting its selection or within three business days of receipt of a denial of an objection to the independent review entity selected, whichever is later, an insurer shall do all of the following:

(1) Provide the independent review entity with any information submitted to the insurer by the insured in support of the insured's internal appeal of the insurer's benefit trigger determination.

(2) Provide the independent review entity with any other relevant documents used by the insurer in making its benefit trigger determination.

(3) Provide the insured and the commissioner with confirmation that the information

required under subparagraphs (1) and (2) has been provided to the independent review entity, including the date the information was provided.

*f.* The independent review entity shall not commence its review until fifteen days after the selection of the independent review entity is final including the resolution of any objection made pursuant to paragraph "*c*". During this time period, the insurer may consider any information provided by the insured pursuant to paragraph "*d*" and overturn or affirm the insurer's benefit trigger determination based on such information. If the insurer overturns its benefit trigger determination, the independent review process shall immediately cease.

*g.* In conducting a review, the independent review entity shall consider only the information and documentation provided to the independent review entity pursuant to paragraphs "*d*" and "*e*".

*h.* The independent review entity shall submit its decision as soon as possible, but not later than thirty days from the date the independent review entity receives the information required under paragraphs "*d*" and "*e*", whichever is received later. The decision shall include a description of the basis for the decision and the date of the benefit trigger determination to which the decision relates. The independent review entity, for good cause, may request an extension of time from the commissioner to file its decision. A copy of the decision shall be mailed to the insured, the insurer, and the commissioner.

*i.* All medical records submitted for use by the independent review entity shall be maintained as confidential records as required by applicable state and federal laws. The commissioner shall keep all information obtained during the independent review process confidential pursuant to section 505.8, subsection 8, except that the commissioner may share some information obtained as provided under section 505.8, subsection 8, and as required by this chapter and rules adopted pursuant to this chapter.

*j.* If an insured dies before completion of the independent review, the review shall continue to completion if there is potential liability of an insurer to the estate of the insured or to a provider for rendering qualified long-term care services to the insured.

7. *Costs.* All reasonable fees and costs of the independent review entity incurred in conducting an independent review under this section shall be paid by the insurer.

8. *Immunity.* An independent review entity that conducts a review under this section is not liable for damages arising from determinations made during the review. Immunity does not apply to any act or omission made by an independent review entity in bad faith or that involves gross negligence.

9. *Effect of independent review decision.*

*a.* The review decision by the independent review entity conducting the review is binding on the insurer.

*b.* The independent review process set forth in this section shall not be considered a contested case under chapter 17A.

*c.* An insured may appeal the review decision by the independent review entity conducting the review by filing a petition for judicial review in the district court in the county in which the insured resides. The petition for judicial review shall be filed within fifteen business days after the issuance of the review decision. The petition shall name the insured as the petitioner and the insurer as the respondent. The petitioner shall not name the independent review entity as a party. The commissioner shall not be named as a respondent unless the insured alleges action or inaction by the commissioner under the standards articulated under section 17A.19, subsection 10. Allegations made against the commissioner under section 17A.19, subsection 10, must be stated with particularity. The commissioner may, upon motion, intervene in a judicial review proceeding brought pursuant to this paragraph. The findings of fact by the independent review entity conducting the review are conclusive and binding on appeal.

*d.* An insurer shall not be subject to any penalties, sanctions, or damages for complying in good faith with a review decision rendered by an independent review entity pursuant to this section.

*e.* Nothing contained in this section or in section 514G.109 shall be construed to limit the right of an insurer to assert any rights an insurer may have under a long-term care insurance policy related to:

(1) An insured's misrepresentation.

(2) Changes in the insured's benefit eligibility.

(3) Terms, conditions, and exclusions contained in the policy, other than failure to meet the benefit trigger.

*f.* The requirements of this section and section 514G.109 are not applicable to a group long-term care insurance policy that is governed by the federal Employee Retirement Income Security Act of 1974, as codified at 29 U.S.C. § 100 et seq.

*g.* The provisions of this section and section 514G.109 are in lieu of and supersede any other third-party review requirement contained in chapter 514J or in any other provision of law.

*h.* The insured may bring an action in the district court in the county in which the insured resides to enforce the review decision of the independent review entity conducting the review or the decision of the court on appeal.

10. *Receipt of notice.* Notice required by this section shall be deemed received within five days after the date of mailing.

2008 Acts, ch 1175, §11, 18; 2011 Acts, ch 34, §118

Referred to in §514G.103, 514G.109

**514G.111 Authority to promulgate rules.**

The commissioner may adopt rules pursuant to chapter 17A related to long-term care insurance and to the administration and enforcement of this chapter, including but not limited to the following:

1. Promoting adequate premiums and protecting policyholders in the event of substantial rate increases.

2. Establishing minimum standards for producer education, compensation, and testing; marketing practices; reporting practices; and penalties related to the sale of long-term care insurance in this state.

3. Establishing loss ratio standards for long-term care insurance policies with specific reference to such policies.

4. Providing standards for full and fair disclosure by setting forth the manner and content of disclosures required for the sale of long-term care insurance policies including terms of renewability; initial and subsequent conditions of eligibility; nonduplication of coverage provisions; coverage of dependents; effect of preexisting conditions; termination, continuation, or conversion of policies; probationary periods; limitations, exceptions, and reductions; elimination periods; requirements for replacement; recurrent conditions; and definitions of terms.

5. Requiring certain remedial actions necessitated by changes in the long-term care insurance market to provide fair and reasonable protections for long-term care insurance purchasers and beneficiaries.

6. Ensuring the prompt payment of clean claims.

7. Administering the independent review process of insurers' benefit trigger determinations.

2008 Acts, ch 1175, §12

**514G.112 Severability.**

If any provision of this chapter or the application of this chapter to any person or circumstance is for any reason held to be invalid, the remainder of the chapter and the application of the provision to other persons or circumstances shall not be affected.

2008 Acts, ch 1175, §13

**514G.113 Penalties.**

In addition to any other penalties provided by the laws of this state, any insurer or any producer found to have violated a provision of this chapter or any other requirement of this state relating to the regulation of long-term care insurance or the marketing of such insurance shall be subject to a fine of up to three times the amount of any commission paid for each

policy involved in the violation, or up to ten thousand dollars, whichever is greater. A fine collected under this section shall be deposited as provided in section 505.7.

2008 Acts, ch 1175, §14; 2009 Acts, ch 181, §75

# CHAPTER 514H

## LONG-TERM CARE ASSET DISREGARD INCENTIVES

Referred to in §87.4, 249A.35, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


514H.1 Definitions.
514H.2 Iowa long-term care asset disregard incentive program — establishment and administration.
514H.3 Eligibility.
514H.4 Insurer requirements.
514H.5 Asset disregard adjustment.
514H.6 Application of asset disregard to determination of individual's assets.
514H.7 Prior program — discontinuation of program.
514H.8 Reciprocal agreements to extend asset disregard.
514H.9 Rules.


**514H.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Deficit Reduction Act of 2005"* means section 6021(a)(1)(A) of Pub. L. No. 109-171 as it pertains to the expansion of state long-term care insurance partnership programs.

2. *"Long-term care facility"* means a facility licensed under chapter 135C or an assisted living program certified under chapter 231C.

3. *"Long-term care insurance"* means long-term care insurance as defined in section 514G.103 and regulated in section 514G.105.

4. *"Qualified long-term care insurance policy"* means a long-term care insurance contract that is issued by an insurer or other person who complies with section 514H.4.

5. *"Qualified long-term care services"* means qualified long-term care services as defined in section 7702B(c) of the Internal Revenue Code.

6. *"Qualified state long-term care insurance partnership"* means an approved state plan amendment, according to the Deficit Reduction Act of 2005 that provides for the disregard of any assets or resources in an amount equal to the insurance benefit payments that are made to or on behalf of an individual who is a beneficiary.

2005 Acts, ch 166, §2, 13; 2008 Acts, ch 1175, §15; 2009 Acts, ch 145, §13, 14

**514H.2 Iowa long-term care asset disregard incentive program — establishment and administration.**

1. The Iowa long-term care asset disregard incentive program is established to do all of the following:

*a.* Provide incentives for individuals to insure against the costs of providing for their long-term care needs.

*b.* Provide a mechanism for individuals to qualify for coverage of the costs of their long-term care needs under the medical assistance program without first being required to substantially exhaust all their resources.

*c.* Assist in developing methods for increasing access to and the affordability of long-term care insurance.

*d.* Alleviate the financial burden on the state's medical assistance program by encouraging the pursuit of private initiatives.

2. The insurance division of the department of commerce shall administer the program in cooperation with the division responsible for medical services within the department of human services. Each agency shall take all necessary actions, including filing an appropriate medical assistance state plan amendment to the state Medicaid plan to take full advantage of the benefits and features of the Deficit Reduction Act of 2005.

2005 Acts, ch 166, §3, 13; 2009 Acts, ch 145, §15

**514H.3 Eligibility.**

An individual who is the beneficiary of a qualified long-term care insurance policy approved by the insurance division may be eligible for assistance under the medical assistance program using the asset disregard provisions pursuant to section 514H.5.

2005 Acts, ch 166, §4, 13; 2009 Acts, ch 145, §16

Referred to in §514H.5

**514H.4 Insurer requirements.**

An insurer or other person who wishes to issue a qualified long-term care insurance policy in Iowa shall conform with all policy guidelines as expressed in the Deficit Reduction Act of 2005 and in Iowa law and rules.

2005 Acts, ch 166, §5, 13; 2009 Acts, ch 145, §17

Referred to in §514H.1

**514H.5 Asset disregard adjustment.**

1. As used in this section, *"asset disregard"* means a one dollar increase in the amount of assets an individual who is the beneficiary of a qualified long-term care insurance policy and meets the requirements of section 514H.3 may retain under section 249A.35 for each one dollar of benefit paid out under the individual's qualified long-term care insurance policy for qualified long-term care services.

2. When the division responsible for medical services within the department of human services determines whether an individual is eligible for medical assistance under chapter 249A, the division shall make an asset disregard adjustment for any individual who meets the requirements of section 514H.3. The asset disregard shall be available after benefits of the qualified long-term care insurance policy have been applied to the cost of qualified long-term care services as required under this chapter.

2005 Acts, ch 166, §6, 13; 2009 Acts, ch 145, §18

Referred to in §249A.35, 514H.3, 514H.6, 514H.7, 514H.8

**514H.6 Application of asset disregard to determination of individual's assets.**

A public program administered by the state that provides long-term care services and bases eligibility upon the amount of the individual's assets shall apply the asset disregard under section 514H.5 in determining the amount of the individual's assets.

2005 Acts, ch 166, §7, 13

**514H.7 Prior program — discontinuation of program.**

1. If the Iowa long-term care asset disregard incentive program is discontinued, an individual who is covered by a qualified long-term care insurance policy prior to the date the program is discontinued is eligible to continue to receive an asset disregard as defined under section 514H.5.

2. An individual who is covered by a long-term care insurance policy under the long-term care asset preservation program established pursuant to chapter 249G, Code 2005, on or before November 17, 2005, is eligible to continue to receive the asset adjustment as defined under that chapter.

3. The insurance division, in cooperation with the department of human services, shall adopt rules to provide an asset disregard to individuals who are covered by a long-term care insurance policy prior to November 17, 2005, consistent with the Iowa long-term care asset disregard incentive program.

2005 Acts, ch 166, §8, 13; 2009 Acts, ch 145, §19

**514H.8 Reciprocal agreements to extend asset disregard.**

The division responsible for medical services within the department of human services may enter into reciprocal agreements with other states to extend the asset disregard under section 514H.5 to Iowa residents who had purchased or were covered by qualified long-term care insurance policies in other states.

2005 Acts, ch 166, §9, 13; 2009 Acts, ch 145, §20

**514H.9 Rules.**

The insurance division of the department of commerce in cooperation with the department of human services shall adopt rules pursuant to chapter 17A as necessary to administer this chapter.

2005 Acts, ch 166, §10, 13; 2009 Acts, ch 145, §21

# CHAPTER 514I

## HEALTHY AND WELL KIDS IN IOWA PROGRAM

Referred to in §87.4, 135.22B, 217.36, 252E.2A, 283A.2, 296.7, 331.301, 364.4, 422.12M, 432.13, 505.25, 505.28, 505.29, 509.3A, 513B.2, 513C.3, 514A.3B, 514E.1, 669.14, 670.7

Establishment of hawk-i trust fund in state treasury; 98 Acts, ch 1218, §48

514I.1 Intent of the general assembly.
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**514I.1 Intent of the general assembly.**

1. It is the intent of the general assembly to provide health care coverage to eligible children that improves access to preventive, diagnostic, and treatment health services which result in improved health status using in part resources made available from the passage of Tit. XXI of the federal Social Security Act.

2. It is the intent of the general assembly that the program be implemented and administered in compliance with Tit. XXI of the federal Social Security Act. If, as a condition of receiving federal funds for the program, federal law requires implementation and administration of the program in a manner not provided in this chapter, during a period when the general assembly is not in session, the department, with the approval of the hawk-i board, shall proceed to implement and administer those provisions, subject to review by the next regular session of the general assembly.

3. It is the intent of the general assembly, recognizing the importance of outreach to the successful utilization of the program by eligible children, that within the limitations of funding allowed for outreach and administration expenses, the maximum amount possible be used for outreach.

4. It is the intent of the general assembly that the hawk-i program be an integral part of the continuum of health insurance coverage and that the program be developed and implemented in such a manner as to facilitate movement of families between health insurance providers and to facilitate the transition of families to private sector health insurance coverage.

5. It is the intent of the general assembly that if federal reauthorization of the state children's health insurance program provides sufficient federal allocations to the state and authorization to cover such children as an option under the state children's health insurance program, the department shall expand coverage under the state children's health insurance program to cover children with family incomes at or below three hundred percent of the federal poverty level.

98 Acts, ch 1196, §2, 16; 2003 Acts, ch 108, §131; 2008 Acts, ch 1188, §5, 6; 2009 Acts, ch 118, §23

**514I.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrative contractor"* means the person with whom the department enters a contract to administer the hawk-i program under this chapter.

2. *"Benchmark benefit package"* means any of the following:

*a.* The standard blue cross/blue shield preferred provider option service benefit plan, described in and offered under 5 U.S.C. § 8903(1).

*b.* A health benefits coverage plan that is offered and generally available to state employees in this state.

*c.* The plan of a health maintenance organization as defined in 42 U.S.C. § 300e, with the largest insured commercial, nonmedical assistance enrollment of covered lives in the state.

3. *"Cost sharing"* means the payment of a premium or copayment as provided for by Tit. XXI of the federal Social Security Act and section 514I.10.

4. *"Department"* means the department of human services.

5. *"Director"* means the director of human services.

6. *"Eligible child"* means an individual who meets the criteria for participation in the program under section 514I.8.

7. *"Hawk-i board"* or *"board"* means the entity which adopts rules and establishes policy for, and directs the department regarding, the hawk-i program.

8. *"Hawk-i program"* or *"program"* means the healthy and well kids in Iowa program created in this chapter to provide health insurance coverage to eligible children.

9. *"Health insurance coverage"* means health insurance coverage as defined in 42 U.S.C. § 300gg(91).

10. *"Participating insurer"* means any entity licensed by the division of insurance of the department of commerce to provide health insurance in Iowa or an organized delivery system licensed by the director of public health that has contracted with the department to provide health insurance coverage to eligible children under this chapter.

11. *"Qualified child health plan"* or *"plan"* means health insurance coverage provided by a participating insurer under this chapter.

98 Acts, ch 1196, §3, 16; 2003 Acts, ch 108, §131; 2008 Acts, ch 1188, §7; 2009 Acts, ch 118, §24

**514I.3 Hawk-i program — established.**

1. The hawk-i program, a statewide program designed to improve the health of children and to provide health insurance coverage to eligible children on a regional basis which complies with Tit. XXI of the federal Social Security Act, is established and shall be implemented January 1, 1999.

2. Health insurance coverage under the program shall be provided by participating insurers and through qualified child health plans.

3. The department of human services is designated to receive the state and federal funds appropriated or provided for the program, and to submit and maintain the state plan for the program, which is approved by the centers for Medicare and Medicaid services of the United States department of health and human services.

4. Nothing in this chapter shall be construed or is intended as, or shall imply, a grant of entitlement for services to persons who are eligible for participation in the program based upon eligibility consistent with the requirements of this chapter. Any state obligation to provide services pursuant to this chapter is limited to the extent of the funds appropriated or provided for this chapter.

5. Participating insurers under this chapter are not subject to the requirements of chapters 513B and 513C.

6. Health care coverage provided under this chapter in accordance with Tit. XXI of the federal Social Security Act shall be recognized as prior creditable coverage for the purposes of private individual and group health insurance coverage.

98 Acts, ch 1196, §4, 16; 2002 Acts, ch 1050, §45; 2003 Acts, ch 108, §131; 2009 Acts, ch 118, §25

**514I.4 Director and department — duties — powers.**

1. The director, with the approval of the hawk-i board, shall implement this chapter. The director shall do all of the following:

*a.* At least every six months, evaluate the scope of the program currently being provided under this chapter, project the probable cost of continuing the program, and compare the probable cost with the remaining balance of the state appropriation made for payment of assistance under this chapter during the current appropriation period. The director shall report the findings of the evaluation to the board and shall annually report findings to the governor and the general assembly by January 1.

*b.* Establish premiums to be paid to participating insurers for provision of health insurance coverage.

*c.* Contract with participating insurers to provide health insurance coverage under this chapter.

*d.* Recommend to the board proposed rules necessary to implement the program.

*e.* Recommend to the board individuals to serve as members of the clinical advisory committee.

2. *a.* The director, with the approval of the board, may contract with participating insurers to provide dental-only services.

*b.* The director, with the approval of the board, may contract with participating insurers to provide the supplemental dental-only coverage to otherwise eligible children who have private health care coverage as specified in the federal Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. No. 111-3.

3. The director, with the concurrence of the board, shall enter into a contract with an administrative contractor. Such contract shall be entered into in accordance with the criteria established by the board.

4. The department may enter into contracts with other persons whereby the other person provides some or all of the functions, pursuant to rules adopted by the board, which are required of the director or the department under this section. All contracts entered into pursuant to this section shall be made available to the public.

5. The department shall do or shall provide for all of the following:

*a.* (1) Establish the family cost sharing amounts for children of families with incomes of one hundred fifty percent or more but not exceeding two hundred percent of the federal poverty level, of not less than ten dollars per individual and twenty dollars per family, if not otherwise prohibited by federal law, with the approval of the board.

(2) Establish for children of families with incomes exceeding two hundred percent but not exceeding three hundred percent of the federal poverty level, family cost sharing amounts, and graduated premiums based on a rationally developed sliding fee schedule, in accordance with federal law, with the approval of the board.

*b.* Perform annual, random reviews of enrollee applications to ensure compliance with program eligibility and enrollment policies. Quality assurance reports shall be made to the board and the department based upon the data maintained by the administrative contractor.

*c.* Perform other duties as determined by the department with the approval of the board.

98 Acts, ch 1196, §5, 16; 2003 Acts, ch 108, §131; 2003 Acts, ch 124, §1; 2003 Acts, ch 175, §38; 2009 Acts, ch 118, §26, 27; 2013 Acts, ch 138, §95

Subsection 5, paragraph a stricken and former paragraphs b – d redesignated as a – c

**514I.5 Hawk-i board.**

1. A hawk-i board for the hawk-i program is established. The board shall meet not less than six and not more than twelve times annually, for the purposes of establishing policy for, directing the department on, and adopting rules for the program. The board shall consist of seven voting members and four ex officio, nonvoting members, including all of the following:

*a.* The commissioner of insurance, or the commissioner's designee.

*b.* The director of the department of education, or the director's designee.

*c.* The director of public health, or the director's designee.

*d.* Four public members appointed by the governor and subject to confirmation by the

senate. The public members shall be members of the general public who have experience, knowledge, or expertise in the subject matter embraced within this chapter.

*e.* Two members of the senate and two members of the house of representatives, serving as ex officio, nonvoting members. The legislative members of the board shall be appointed one each by the majority leader of the senate, after consultation with the president of the senate, and by the minority leader of the senate, and by the speaker of the house of representatives, after consultation with the majority leader of the house of representatives, and by the minority leader of the house of representatives. Legislative members shall receive compensation pursuant to section 2.12.

2. A public member shall not have a conflict of interest with the administrative contractor.

3. Members appointed by the governor shall serve two-year staggered terms as designated by the governor, and legislative members of the board shall serve two-year terms. The filling of positions reserved for the public representatives, vacancies, membership terms, payment of compensation and expenses, and removal of the members are governed by chapter 69. Members of the board are entitled to receive reimbursement of actual expenses incurred in the discharge of their duties. Public members of the board are also eligible to receive compensation as provided in section 7E.6. A majority of the voting members constitutes a quorum and the affirmative vote of a majority of the voting members is necessary for any substantive action to be taken by the board. The members shall select a chairperson on an annual basis from among the membership of the board.

4. The board shall approve any contract entered into pursuant to this chapter. All contracts entered into pursuant to this chapter shall be made available to the public.

5. The department of human services shall act as support staff to the board.

6. The board may receive and accept grants, loans, or advances of funds from any person and may receive and accept from any source contributions of money, property, labor, or any other thing of value, to be held, used, and applied for the purposes of the program.

7. The hawk-i board shall do all of the following:

*a.* Develop the criteria to be included in a request for proposals for the selection of any administrative contractor for the program.

*b.* Define, in consultation with the department, the regions of the state for which plans are offered in a manner as to ensure access to services for all children participating in the program.

*c.* Approve the benefit package design, review the benefit package design on a periodic basis, and make necessary changes in the benefit design to reflect the results of the periodic reviews.

*d.* Develop, with the assistance of the department, an outreach plan, and provide for periodic assessment of the effectiveness of the outreach plan. The plan shall provide outreach to families of children likely to be eligible for assistance under the program, to inform them of the availability of and to assist the families in enrolling children in the program. The outreach efforts may include, but are not limited to, solicitation of cooperation from programs, agencies, and other persons who are likely to have contact with eligible children, including but not limited to those associated with the educational system, and the development of community plans for outreach and marketing. Other state agencies shall assist the department in data collection related to outreach efforts to potentially eligible children and their families.

*e.* In consultation with the clinical advisory committee, assess the initial health status of children participating in the program, establish a baseline for comparison purposes, and develop appropriate indicators to measure the subsequent health status of children participating in the program.

*f.* Review, in consultation with the department, and take necessary steps to improve interaction between the program and other public and private programs which provide services to the population of eligible children.

*g.* By January 1, annually, prepare, with the assistance of the department, and submit a report to the governor, the general assembly, and the council on human services, concerning the board's activities, findings, and recommendations.

*h.* Solicit input from the public regarding the program and related issues and services.

*i.* Establish and consult with a clinical advisory committee to make recommendations to the board regarding the clinical aspects of the hawk-i program.

*j.* Prescribe the elements to be included in a health improvement program plan required to be developed by a participating insurer. The elements shall include but are not limited to health maintenance and prevention and health risk assessment.

*k.* Establish an advisory committee to make recommendations to the board and to the general assembly by January 1 annually concerning the provision of health insurance coverage to children with special health care needs. The committee shall include individuals with experience in, knowledge of, or expertise in this area. The recommendations shall address, but are not limited to, all of the following:

(1) The definition of the target population of children with special health care needs for the purposes of determining eligibility under the program.

(2) Eligibility options for and assessment of children with special health care needs for eligibility.

(3) Benefit options for children with special health care needs.

(4) Options for enrollment of children with special health care needs in and disenrollment of children with special health care needs from qualified child health plans utilizing a capitated fee form of payment.

(5) The appropriateness and quality of care for children with special health care needs.

(6) The coordination of health services provided for children with special health care needs under the program with services provided by other publicly funded programs.

*l.* Develop options and recommendations to allow children eligible for the hawk-i program to participate in qualified employer-sponsored health plans through a premium assistance program. The options and recommendations shall ensure reasonable alignment between the benefits and costs of the hawk-i program and the employer-sponsored health plans consistent with federal law. In addition, the board shall implement the premium assistance program options described under the federal Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. No. 111-3, for the hawk-i program.

8. The hawk-i board, in consultation with the department of human services, shall adopt rules which address, but are not limited to addressing, all of the following:

*a.* Implementation and administration of the program.

*b.* Criteria for the selection of an administrative contractor for the program.

*c.* Qualifying standards for selecting participating insurers for the program.

*d.* The benefits to be included in a qualified child health plan which are those included in a benchmark or benchmark equivalent plan and which comply with Tit. XXI of the federal Social Security Act. Benefits covered shall include but are not limited to all of the following:

(1) Inpatient hospital services including medical, surgical, intensive care unit, mental health, and substance abuse services.

(2) Nursing care services including skilled nursing facility services.

(3) Outpatient hospital services including emergency room, surgery, lab, and x-ray services and other services.

(4) Physician services, including surgical and medical, and including office visits, newborn care, well-baby and well-child care, immunizations, urgent care, specialist care, allergy testing and treatment, mental health visits, and substance abuse visits.

(5) Ambulance services.

(6) Physical therapy.

(7) Speech therapy.

(8) Durable medical equipment.

(9) Home health care.

(10) Hospice services.

(11) Prescription drugs.

(12) Dental services including preventive services.

(13) Medically necessary hearing services.

(14) Vision services including corrective lenses.

(15) Translation and interpreter services as specified pursuant to the federal Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. No. 111-3.

(16) Chiropractic services.

*e.* Presumptive eligibility criteria for the program. Beginning January 1, 2010, presumptive eligibility shall be provided for eligible children.

*f.* The amount of any cost sharing under the program which shall be assessed based on family income and which complies with federal law.

*g.* The reasons for disenrollment including, but not limited to, nonpayment of premiums, eligibility for medical assistance or other insurance coverage, admission to a public institution, relocation from the area, and change in income.

*h.* Conflict of interest provisions applicable to the administrative contractor and participating insurers, and between public members of the board and the administrative contractor and participating insurers.

*i.* Penalties for breach of contract or other violations of requirements or provisions under the program.

*j.* A mechanism for participating insurers to report any rebates received to the department.

*k.* The data to be maintained by the administrative contractor including data to be collected for the purposes of quality assurance reports.

*l.* The use of provider guidelines in assessing the well-being of children, which may include the use of the bright futures for infants, children, and adolescents program as developed by the federal maternal and child health bureau and the American academy of pediatrics guidelines for well-child care.

9. *a.* The hawk-i board may provide approval to the director to contract with participating insurers to provide dental-only services. In determining whether to provide such approval to the director, the board shall take into consideration the impact on the overall program of single source contracting for dental services.

*b.* The hawk-i board may provide approval to the director to contract with participating insurers to provide the supplemental dental-only coverage to otherwise eligible children who have private health care coverage as specified in the federal Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. No. 111-3.

98 Acts, ch 1196, §6, 16; 99 Acts, ch 208, §38; 2002 Acts, ch 1175, §37; 2003 Acts, ch 108, §131; 2003 Acts, ch 124, §2 – 7; 2003 Acts, ch 175, §39; 2007 Acts, ch 218, §106; 2008 Acts, ch 1156, §51, 58; 2008 Acts, ch 1188, §8, 9; 2009 Acts, ch 118, §28 – 31; 2010 Acts, ch 1133, §1; 2011 Acts, ch 34, §119; 2011 Acts, ch 120, §11; 2013 Acts, ch 138, §96, 97

Confirmation, see §2.32

Subsection 7, paragraph f amended

Subsection 8, paragraph b stricken and former paragraphs c – e redesignated as b – d

Subsection 8, paragraph f stricken and former paragraphs g – n redesignated as e – l

**514I.6 Participating insurers.**

Participating insurers shall meet the qualifying standards established by rule under this chapter and shall perform all of the following functions:

1. Provide plan cards and membership booklets to qualifying families.

2. Provide or reimburse accessible, quality medical or dental services.

3. Require that any plan provided by the participating insurer establishes and maintains a conflict management system that includes methods for both preventing and resolving disputes involving the health or dental care needs of eligible children, and a process for resolution of such disputes.

4. Provide the administrative contractor with all of the following information pertaining to the participating insurer's plan:

*a.* A list of providers of medical or dental services under the plan.

*b.* Information regarding plan rules relating to referrals to specialists.

*c.* Information regarding the plan's conflict management system.

*d.* Other information as directed by the board.

5. Submit a plan for a health improvement program to the department, for approval by the board.

6. Develop a plan for provider network development including criteria for access to pediatric subspecialty services.

7. Permit any chiropractor licensed under chapter 151 who is located in the geographic

coverage area served by the plan and who agrees to abide by the plan's terms, conditions, reimbursement rates, and quality standards to serve as a participating provider in any plan offered to eligible children under this chapter, including but not limited to a limited provider network plan as defined in section 514C.13.

98 Acts, ch 1196, §7, 16; 2003 Acts, ch 108, §131; 2003 Acts, ch 124, §8; 2009 Acts, ch 118, §32, 33; 2010 Acts, ch 1133, §2

**514I.7 Administrative contractor.**

1. An administrative contractor shall be selected by the hawk-i board through a request for proposals process.

2. The administrative contractor shall do all of the following:

*a.* Determine eligibility for program enrollment as prescribed by federal law and regulation, using policies and procedures adopted by rule of the department pursuant to chapter 17A. The administrative contractor shall not enroll a child who has group health coverage, unless expressly authorized by such rules.

*b.* Enroll qualifying children in the program with maintenance of a supporting eligibility file or database.

*c.* Utilize the department's eligibility system to maintain eligibility files with pertinent eligibility determination and ongoing enrollment information including but not limited to data regarding beneficiaries, enrollment dates, disenrollments, and annual financial redeterminations.

*d.* Provide electronic access to the administrative contractor's database to the department.

*e.* Provide periodic reports to the department for administrative oversight and monitoring of federal requirements.

*f.* Perform annual financial reviews of eligibility for each beneficiary.

*g.* Collect and track monthly family premiums to assure that payments are current.

*h.* Notify each participating insurer of new program enrollees who are enrolled by the administrative contractor in that participating insurer's plan.

*i.* Verify the number of program enrollees with each participating insurer for determination of the amount of premiums to be paid to each participating insurer.

*j.* Maintain data for the purpose of quality assurance reports as required by rule of the board.

98 Acts, ch 1196, §8, 16; 99 Acts, ch 208, §39; 2003 Acts, ch 108, §131; 2003 Acts, ch 124, §9, 10; 2008 Acts, ch 1188, §10; 2009 Acts, ch 118, §34; 2013 Acts, ch 138, §98, 99

Subsection 2, paragraph a amended
Subsection 2, paragraphs c – f stricken and former paragraphs g – j redesignated as c – f
Subsection 2, paragraph c amended
Subsection 2, paragraph k stricken and former paragraphs l – o redesignated as g – j

**514I.8 Eligible child.**

1. *a.* Effective July 1, 1998, and notwithstanding any medical assistance program eligibility criteria to the contrary, medical assistance shall be provided to, or on behalf of, an eligible child under the age of nineteen whose family income does not exceed one hundred thirty-three percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

*b.* Effective July 1, 2000, and notwithstanding any medical assistance program eligibility criteria to the contrary, medical assistance shall be provided to, or on behalf of, an eligible infant whose family income does not exceed two hundred percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

*c.* Effective July 1, 2009, and notwithstanding any medical assistance program eligibility criteria to the contrary, medical assistance shall be provided to, or on behalf of, a pregnant woman or an eligible child who is an infant and whose family income is at or below three hundred percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

2. A child may participate in the hawk-i program if the child meets all of the following criteria:

*a.* Is less than nineteen years of age.

*b.* Is a resident of this state.

*c.* Is a member of a family whose income does not exceed three hundred percent of the federal poverty level, as defined in 42 U.S.C. § 9902(2), including any revision required by such section, and in accordance with the federal Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. No. 111-3. The modified adjusted gross income methodology prescribed in section 2101 of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148,* to determine family income under this paragraph.

*d.* Is not eligible for medical assistance pursuant to chapter 249A.

*e.* Is not currently covered under a group health plan as defined in 42 U.S.C. § 300gg-91(a)(1) unless allowed by rule of the board.

*f.* Is not a member of a family that is eligible for health benefits coverage under a state health benefits plan on the basis of a family member's employment with a public agency in this state.

*g.* Is not an inmate of a public institution or a patient in an institution for mental diseases.

3. In accordance with the rules adopted by the board, a child may be determined to be presumptively eligible for the program pending a final eligibility determination. Following final determination of eligibility, a child shall be eligible for a twelve-month period. At the end of the twelve-month period, a review of the circumstances of the child's family shall be conducted to establish eligibility and cost sharing for the subsequent twelve-month period.

4. Once an eligible child is enrolled in a plan, the enrollee may request to change plans within ninety days of initial enrollment for any reason and at any time for cause, as defined in 42 C.F.R. § 438.56(d)(2). Otherwise, an enrollee may change plan enrollment once a year on the enrollee's anniversary date.

98 Acts, ch 1196, §9, 16; 98 Acts, ch 1223, §34; 2000 Acts, ch 1221, §8, 9; 2003 Acts, ch 108, §131; 2003 Acts, ch 124, §11; 2008 Acts, ch 1188, §11; 2009 Acts, ch 118, §17, 35; 2013 Acts, ch 138, §100 – 103

Referred to in §514I.2

*Inclusion of the words "shall be used" probably intended; corrective legislation is pending

Subsection 1 amended

Subsection 2, paragraph c amended

Subsections 3 and 4 amended

Subsections 5 and 6 stricken

**514I.8A Hawk-i — all income-eligible children.**

The department shall provide coverage to individuals under nineteen years of age who meet the income eligibility requirements for the hawk-i program and for whom federal financial participation is or becomes available for the cost of such coverage.

2009 Acts, ch 118, §14

**514I.9 Program benefits.**

1. The hawk-i board shall review the benefits package annually and shall determine additions to or deletions from the benefits package offered. The hawk-i board shall submit the recommendations to the general assembly for any amendment to the benefits package.

2. Benefits, in addition to those required by rule, may be provided to eligible children by a participating insurer if the benefits are provided at no additional cost to the state.

98 Acts, ch 1196, §10, 16; 2003 Acts, ch 108, §131; 2010 Acts, ch 1061, §180; 2013 Acts, ch 138, §104

Section amended

**514I.10 Cost sharing.**

1. Cost sharing for eligible children whose family income is below one hundred fifty percent of the federal poverty level shall not exceed the standards permitted under 42 U.S.C. § 1396(o)(a)(3) or § 1396(o)(b)(1).

2. Cost sharing for eligible children whose family income equals one hundred fifty percent but does not exceed two hundred percent of the federal poverty level may include a premium

or copayment amount which does not exceed five percent of the annual family income. The amount of any premium or the copayment amount shall be based on family income and size.

3. Cost sharing for an eligible child whose family income exceeds two hundred percent but does not exceed three hundred percent of the federal poverty level may include copayments and graduated premium amounts which do not exceed the limitations of federal law.

4. The payment to and acceptance by an automated case management system or the department of the premium required under this section shall not automatically confer initial or continuing program eligibility on an individual. A premium paid to and accepted through the department's premium payment process that is subsequently determined to be untimely or to have been paid on behalf of an individual ineligible for the program shall be refunded to the remitter in accordance with rules adopted by the department.

98 Acts, ch 1196, §11, 16; 2000 Acts, ch 1221, §10; 2003 Acts, ch 124, §12; 2008 Acts, ch 1014, §4; 2008 Acts, ch 1188, §12; 2009 Acts, ch 118, §36

Referred to in §514I.2

**514I.11 Hawk-i trust fund.**

1. A hawk-i trust fund is created in the state treasury under the authority of the department of human services, in which all appropriations and other revenues of the program such as grants, contributions, and participant payments shall be deposited and used for the purposes of the program. The moneys in the fund shall not be considered revenue of the state, but rather shall be funds of the program.

2. The trust fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the trust fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except to provide for the purposes of this chapter and except as provided in subsection 4. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the trust fund shall be credited to the trust fund.

3. Moneys in the fund are appropriated to the department and shall be used to offset any program costs.

4. The department may transfer moneys appropriated from the fund to be used for the purpose of expanding health care coverage to children under the medical assistance program.

5. The department shall provide periodic updates to the general assembly regarding expenditures from the fund.

99 Acts, ch 203, §52; 2003 Acts, ch 108, §131; 2005 Acts, ch 175, §124, 125; 2008 Acts, ch 1188, §13; 2009 Acts, ch 118, §37

**514I.12 Hawk-i expansion program.** Repealed by 2009 Acts, ch 118, § 41.

# CHAPTER 514J

## EXTERNAL REVIEW OF HEALTH CARE COVERAGE DECISIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.8, 505.28, 505.29, 514G.110, 669.14, 670.7


514J.1 through 514J.15 Repealed by 2011 Acts, ch 101, §21.
514J.101 Purpose — applicability.
514J.102 Definitions.
514J.103 Applicability and scope.
514J.104 Notice of right to external review.
514J.105 Request for external review.
514J.106 Exhaustion of internal grievance process — exceptions — expedited external review request.
514J.107 External review — standard.
514J.108 External review — expedited.
514J.109 External review of experimental or investigational treatment adverse determinations.
514J.110 Effect of external review decision.
514J.111 Approval of independent review organizations.
514J.112 Minimum qualifications for independent review organizations.
514J.113 Immunity for independent review organizations.
514J.114 External review reporting requirements.
514J.115 Expenses of external review.
514J.116 Disclosure requirements.
514J.117 Rulemaking authority.
514J.118 Severability.
514J.119 Penalties.
514J.120 Applicability.


**514J.1 through 514J.15** Repealed by 2011 Acts, ch 101, §21.
Application of former sections 514J.1 through 514J.15 to requests for external review filed prior to July 1, 2011; 2011 Acts, ch 101, §22

**514J.101 Purpose — applicability.**

The purpose of this chapter is to provide uniform standards for the establishment and maintenance of external review procedures to assure that covered persons have the opportunity for an independent review of an adverse determination or final adverse determination made by a health carrier as required by the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, which amends the Public Health Service Act and adopts, in part, new 42 U.S.C. § 300gg-19, and to address issues which are unique to the external review process in this state.

2011 Acts, ch 101, §1

**514J.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Adverse determination"* means a determination by a health carrier that an admission, availability of care, continued stay, or other health care service that is a covered benefit has been reviewed and, based upon the information provided, does not meet the health carrier's requirements for medical necessity, appropriateness, health care setting, level of care, or effectiveness, and the requested service or payment for the service is therefore denied, reduced, or terminated. *"Adverse determination"* does not include a denial of coverage for a service or treatment specifically listed in plan or evidence of coverage documents as excluded from coverage.

2. *"Authorized representative"* means any of the following:

*a.* A person to whom a covered person has given express written consent to represent the covered person in an external review.

*b.* A person authorized by law to provide substituted consent for a covered person.

*c.* A family member of the covered person when the covered person is unable to provide consent.

*d.* The covered person's treating health care professional when the covered person is unable to provide consent.

3. *"Best evidence"* means evidence based on randomized clinical trials. If randomized clinical trials are not available, *"best evidence"* means evidence based on cohort studies or case-control studies. If randomized clinical trials, cohort studies, or case-control studies are

not available, *"best evidence"* means evidence based on case-series studies. If none of these are available, *"best evidence"* means evidence based on expert opinion.

4. *"Case-control study"* means a retrospective evaluation of two groups of patients with different outcomes to determine which specific interventions the patients received.

5. *"Case-series study"* means an evaluation of a series of patients with a particular outcome, without the use of a control group.

6. *"Certification"* means a determination by a health carrier that an admission, availability of care, continued stay, or other health care service has been reviewed and, based on the information provided, satisfies the health carrier's requirements for medical necessity, appropriateness, health care setting, level of care, and effectiveness.

7. *"Clinical review criteria"* means the written screening procedures, decision abstracts, clinical protocols, and practice guidelines used by a health carrier to determine the necessity and appropriateness of health care services.

8. *"Cohort study"* means a prospective evaluation of two groups of patients with only one group of patients receiving a specific intervention.

9. *"Commissioner"* means the commissioner of insurance.

10. *"Covered benefits"* or *"benefits"* means those health care services to which a covered person is entitled under the terms of a health benefit plan.

11. *"Covered person"* means a policyholder, subscriber, enrollee, or other individual participating in a health benefit plan.

12. *"Disclose"* means to release, transfer, or otherwise divulge protected health information to any person other than the individual who is the subject of the protected health information.

13. *"Emergency medical condition"* means the sudden and, at the time, unexpected onset of a health condition or illness that requires immediate medical attention, where failure to provide medical attention would result in a serious impairment to bodily functions, serious dysfunction of a bodily organ or part, or would place the person's health in serious jeopardy.

14. *"Emergency services"* means health care items and services furnished or required to evaluate and treat an emergency medical condition.

15. *"Evidence-based standard"* means the conscientious, explicit, and judicious use of the current best evidence based on the overall systematic review of the research in making decisions about the care of individual patients.

16. *"Expert opinion"* means a belief or an interpretation by specialists with experience in a specific area about the scientific evidence pertaining to a particular service, intervention, or therapy.

17. *"Facility"* means an institution providing health care services or a health care setting, including but not limited to hospitals and other licensed inpatient centers, ambulatory surgical or treatment centers, skilled nursing centers, residential treatment centers, diagnostic, laboratory and imaging centers, and rehabilitation and other therapeutic health settings.

18. *"Final adverse determination"* means an adverse determination involving a covered benefit that has been upheld by a health carrier at the completion of the health carrier's internal grievance process.

19. *"Health benefit plan"* means a policy, contract, certificate, or agreement offered or issued by a health carrier to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services.

20. *"Health care professional"* means a physician or other health care practitioner licensed, accredited, registered, or certified to perform specified health care services consistent with state law.

21. *"Health care provider"* or *"provider"* means a health care professional or a facility.

22. *"Health care services"* means services for the diagnosis, prevention, treatment, cure, or relief of a health condition, illness, injury, or disease.

23. *"Health carrier"* means an entity subject to the insurance laws and regulations of this state, or subject to the jurisdiction of the commissioner, including an insurance company offering sickness and accident plans, a health maintenance organization, a nonprofit health service corporation, a plan established pursuant to chapter 509A for public employees, or any

other entity providing a plan of health insurance, health care benefits, or health care services. "*Health carrier*" includes, for purposes of this chapter, an organized delivery system.

24. "*Health information*" means information or data, whether oral or recorded in any form or medium, and personal facts or information about events or relationships that relates to any of the following:

*a.* The past, present, or future physical, mental, or behavioral health or condition of a covered person or a member of the covered person's family.

*b.* The provision of health care services to a covered person.

*c.* Payment to a health care provider for the provision of health care services to a covered person.

25. "*Independent review organization*" means an entity that conducts independent external reviews of adverse determinations and final adverse determinations.

26. "*Medical or scientific evidence*" means evidence found in any of the following sources:

*a.* Peer-reviewed scientific studies published in or accepted for publication by medical journals that meet nationally recognized requirements for scientific manuscripts and that submit most of their published articles for review by experts who are not part of the editorial staff.

*b.* Peer-reviewed medical literature, including literature relating to therapies reviewed and approved by a qualified institutional review board, biomedical compendia, and other medical literature that meet the criteria of the national institutes of health's national library of medicine for indexing in index medicus or medline, or of elsevier science ltd. for indexing in excerpta medicus or embase.

*c.* Medical journals recognized by the United States secretary of health and human services under section 1861(t)(2) of the federal Social Security Act.

*d.* The following standard reference compendia:

(1) American hospital formulary service drug information.

(2) Drug facts and comparisons.

(3) American dental association accepted dental therapeutics.

(4) United States pharmacopoeia drug information.

*e.* Findings, studies, or research conducted by or under the auspices of federal government agencies and nationally recognized federal research institutes, including any of the following:

(1) Federal agency for health care research and quality.

(2) National institutes of health.

(3) National cancer institute.

(4) National academy of sciences.

(5) Centers for Medicare and Medicaid services.

(6) Federal food and drug administration.

(7) Any national board recognized by the national institutes of health for the purpose of evaluating the medical value of health care services.

*f.* Any other medical or scientific evidence that is comparable to the sources listed in paragraphs "*a*" through "*e*".

27. "*NAIC*" means the national association of insurance commissioners.

28. "*Organized delivery system*" means an entity system authorized under 1993 Iowa Acts, ch. 158, and licensed by the director of public health, and performing utilization review.

29. "*Person*" means an individual, a corporation, a partnership, an association, a joint venture, a joint stock company, a trust, an unincorporated organization, any similar entity, or any combination of the foregoing.

30. "*Protected health information*" means health information that meets either of the following descriptions:

*a.* Health information that identifies a covered person who is the subject of the information.

*b.* Health information with respect to which there is a reasonable basis to believe that the information could be used to identify a covered person.

31. "*Randomized clinical trial*" means a controlled, prospective study of patients that have been randomized into an experimental group and a control group at the beginning of the

study with only the experimental group of patients receiving a specific intervention, which includes study of the groups for variables and anticipated outcomes over time.

2011 Acts, ch 101, §2

**514J.103 Applicability and scope.**

1. Except as provided in subsection 2, this chapter shall apply to all health carriers.

2. This chapter shall not apply to any of the following:

*a.* A policy or certificate that provides coverage only for a specified disease, specified accident or accident-only, credit, disability income, hospital indemnity, long-term care, dental care, vision care, or any other limited supplemental benefit.

*b.* A Medicare supplement policy of insurance, as defined by the commissioner by rule.

*c.* Coverage under a plan through Medicare, Medicaid, or the federal employees health benefits program, any coverage issued under 10 U.S.C. ch. 55, and any coverage issued as supplemental to that coverage.

*d.* Any coverage issued as supplemental to liability insurance.

*e.* Workers' compensation or similar insurance.

*f.* Automobile medical-payment insurance or any insurance under which benefits are payable with or without regard to fault, whether written on a group blanket or individual basis.

2011 Acts, ch 101, §3

Application of former sections 514J.1 through 514J.15 to requests for external review filed prior to July 1, 2011; 2011 Acts, ch 101, §22

**514J.104 Notice of right to external review.**

1. A health carrier shall notify a covered person or the covered person's authorized representative, if known, in writing of the covered person's right to request an external review and include the appropriate statements and information set forth in this chapter at the time the health carrier sends written notice of a final adverse determination.

2. *a.* The notice shall include the following, or substantially equivalent, language:

We have denied your request for the provision of or payment for a health care service or course of treatment. You may have the right to have our decision reviewed by health care professionals who have no association with us if our decision involved making a judgment as to the medical necessity, appropriateness, health care setting, level of care, or effectiveness of the health care service or treatment you requested by submitting a request for external review to the commissioner of insurance.

*b.* The notice shall include the current address and contact information for the commissioner as specified in administrative rule.

3. The health carrier shall include in the notice a statement informing the covered person or the covered person's authorized representative, if known, of the following:

*a.* If the covered person has a medical condition pursuant to which the time frame for completion of a standard external review would seriously jeopardize the life or health of the covered person or would jeopardize the covered person's ability to regain maximum function, the covered person or the covered person's authorized representative may file a request for an expedited external review.

*b.* If the final adverse determination concerns an admission, availability of care, continued stay, or health care service for which the covered person received emergency services, but has not been discharged from a facility, the covered person or the covered person's authorized representative may request an expedited external review.

*c.* If the final adverse determination concerns a denial of coverage based on a determination that the recommended or requested health care service or treatment is experimental or investigational as provided in section 514J.109, the covered person may file a request for external review pursuant to section 514J.109. In addition, if the covered person's treating health care professional certifies in writing that the recommended or requested health care service or treatment that is the subject of the recommendation or request would be significantly less effective if not promptly initiated, the covered person or

the covered person's authorized representative may request an expedited external review pursuant to section 514J.109, subsection 18.

4. The health carrier shall include with the notice a copy of the descriptions of both the standard and expedited external review procedures the health carrier is required to provide pursuant to section 514J.116, highlighting the provisions in the external review procedures that give the covered person or the covered person's authorized representative the opportunity to submit additional information and including any forms used to process an external review.

5. The health carrier shall also include with the notice an authorization form, or other document approved by the commissioner that complies with the requirements of 45 C.F.R. § 164.508 and with Tit. I of the federal Genetic Information Nondiscrimination Act of 2008, Pub. L. No. 110-233, 122 Stat. 881, by which the covered person or the covered person's authorized representative authorizes the health carrier and the covered person's treating health care provider to disclose protected health information, including medical records, concerning the covered person that is pertinent to the external review.

2011 Acts, ch 101, §4

**514J.105 Request for external review.**

A covered person or the covered person's authorized representative may make a request for an external review of a final adverse determination. Except for a request for an expedited external review, all requests for external review shall be made in writing to the commissioner. The commissioner may prescribe by rule the form and content of external review requests.

2011 Acts, ch 101, §5

**514J.106 Exhaustion of internal grievance process — exceptions — expedited external review request.**

1. Except as otherwise provided in this section, a request for an external review shall not be made until the covered person or the covered person's authorized representative has exhausted the health carrier's internal grievance process and received a final adverse determination.

2. A covered person or the covered person's authorized representative shall be considered to have exhausted the health carrier's internal grievance process if the covered person or the covered person's authorized representative has filed a grievance involving an adverse determination and, except to the extent the covered person or the covered person's authorized representative requested or agreed to a delay, has not received a written decision on the grievance from the health carrier within thirty days following the date the covered person or the covered person's authorized representative filed the grievance with the health carrier.

3. A covered person or the covered person's authorized representative may file a request for an expedited external review of an adverse determination without exhausting the health carrier's internal grievance process under either of the following circumstances:

*a.* The covered person has a medical condition pursuant to which the time frame for completion of an internal review of the grievance involving an adverse determination would seriously jeopardize the life or health of the covered person or would jeopardize the covered person's ability to regain maximum function as provided in section 514J.108.

*b.* The adverse determination involves a denial of coverage based on a determination that the recommended or requested health care service or treatment is experimental or investigational and the covered person's treating physician certifies in writing that the recommended or requested health care service or treatment that is the subject of the adverse determination would be significantly less effective if not promptly initiated as provided in section 514J.109.

4. A request for an external review of an adverse determination may be made before the covered person or the covered person's authorized representative has exhausted the health carrier's internal grievance procedures whenever the health carrier agrees to waive the exhaustion requirement. If the requirement to exhaust the health carrier's internal grievance

procedures is waived, the covered person or the covered person's authorized representative may file a request with the commissioner in writing for a standard external review.

2011 Acts, ch 101, §6

Referred to in §514J.107, 514J.109

**514J.107 External review — standard.**

1. A covered person or the covered person's authorized representative may file a written request for an external review with the commissioner within four months after any of the following events:

*a.* The date of receipt of a final adverse determination.

*b.* The failure of a health carrier to issue a written decision within thirty days following the date the covered person or the covered person's authorized representative filed a grievance involving an adverse determination as provided in section 514J.106, subsection 2.

*c.* The agreement of the health carrier to waive the requirement that the covered person or the covered person's authorized representative exhaust the health carrier's internal grievance procedures before filing a request for external review of an adverse determination as provided in section 514J.106, subsection 4.

2. Within one business day after the date of receipt of a request for external review, the commissioner shall send a copy of the request to the health carrier.

3. Within five business days following the date of receipt of the external review request from the commissioner, the health carrier shall complete a preliminary review of the request to determine whether:

*a.* The individual is or was a covered person under the health benefit plan at the time the health care service was recommended or requested.

*b.* The health care service that is the subject of the adverse determination or of the final adverse determination, is a covered service under the covered person's health benefit plan, but for a determination by the health carrier that the health care service is not covered because it does not meet the health carrier's requirements for medical necessity, appropriateness, health care setting, level of care, or effectiveness.

*c.* The covered person or the covered person's authorized representative has exhausted the health carrier's internal grievance process, unless the covered person or the covered person's authorized representative is not required to exhaust the health carrier's internal grievance process pursuant to section 514J.106 or this section.

*d.* The covered person or the covered person's authorized representative has provided all the information and forms required to process an external review request.

4. Within one business day after completion of a preliminary review pursuant to subsection 3, the health carrier shall notify the commissioner and the covered person or the covered person's authorized representative in writing whether the request is complete and whether the request is eligible for external review.

*a.* If the health carrier determines that the request is not complete, the health carrier shall notify the covered person or the covered person's authorized representative and the commissioner in writing that the request is not complete and what information or materials are needed to make the request complete.

*b.* If the health carrier determines that the request is not eligible for external review, the health carrier shall issue a notice of initial determination in writing informing the covered person or the covered person's authorized representative and the commissioner of that determination and the reasons the request is not eligible for review. The health carrier shall also include a statement in the notice informing the covered person or the covered person's authorized representative that the health carrier's initial determination of ineligibility may be appealed to the commissioner.

5. The commissioner may specify by rule the form required for the health carrier's notice of initial determination and any supporting information to be included in the notice.

6. The commissioner may determine that a request is eligible for external review, notwithstanding a health carrier's initial determination that the request is not eligible, and refer the request for external review. In making this determination, the commissioner's

decision shall be made in accordance with the terms of the covered person's health benefit plan and shall be subject to all applicable provisions of this chapter.

7. Within one business day after receipt of notice from a health carrier that a request for external review is eligible for external review or upon a determination by the commissioner that a request is eligible for external review, the commissioner shall do all of the following:

*a.* Assign an independent review organization from the list of approved independent review organizations maintained by the commissioner and notify the health carrier of the name of the assigned independent review organization. The assignment of an independent review organization shall be done on a random basis among those approved independent review organizations qualified to conduct the particular external review based on the nature of the health care service that is the subject of the adverse determination or final adverse determination and other circumstances, including conflict of interest concerns.

*b.* Notify the covered person or the covered person's authorized representative in writing that the request is eligible and has been accepted for external review including the name of the assigned independent review organization and that the covered person or the covered person's authorized representative may submit in writing to the independent review organization within five business days following receipt of such notice from the commissioner, additional information that the independent review organization shall consider when conducting the external review. The independent review organization may, in the organization's discretion, accept and consider additional information submitted by the covered person or the covered person's authorized representative after five business days.

8. Within five business days after receipt of notice from the commissioner pursuant to subsection 7, the health carrier shall provide to the independent review organization the documents and any information considered in making the adverse determination or final adverse determination. Failure by the health carrier to provide the documents and information within the time specified shall not delay the conduct of the external review.

9. If the health carrier fails to provide the documents and information within the time specified, the independent review organization may terminate the external review and make a decision to reverse the adverse determination or final adverse determination. Within one business day after making such a decision, the independent review organization shall notify the covered person or the covered person's authorized representative, the health carrier, and the commissioner of its decision.

10. The independent review organization shall review all of the information and documents received pursuant to subsection 8 and any other information submitted in writing to the independent review organization by the covered person or the covered person's authorized representative pursuant to subsection 7, paragraph "*b*". Upon receipt of any information submitted by the covered person or the covered person's authorized representative, the independent review organization shall, within one business day, forward the information to the health carrier. In reaching a decision the independent review organization is not bound by any decisions or conclusions reached during the health carrier's internal grievance process.

11. Upon receipt of information forwarded pursuant to subsection 10, a health carrier may reconsider its adverse determination or final adverse determination that is the subject of the external review.

*a.* Reconsideration by the health carrier of its determination shall not delay or terminate the external review. The external review shall only be terminated if the health carrier decides, upon completion of its reconsideration, to reverse its determination and provide coverage or payment for the health care service that is the subject of the adverse determination or final adverse determination.

*b.* Within one business day after making a decision to reverse its adverse determination or final adverse determination, the health carrier shall notify the covered person or the covered person's authorized representative, the independent review organization, and the commissioner in writing of its decision. The independent review organization shall terminate the external review upon receipt of notice of the health carrier's decision to reverse its adverse determination or final adverse determination.

12. In addition to the documents and information provided to the independent review

organization pursuant to this section, the independent review organization shall, to the extent the information or documents are available and the independent review organization considers them appropriate, consider the following in reaching a decision:

*a.* The covered person's pertinent medical records.

*b.* The treating health care professional's recommendation.

*c.* Consulting reports from appropriate health care professionals and other documents submitted by the health carrier, covered person, or the covered person's treating physician or other health care professional.

*d.* The terms of coverage under the covered person's health benefit plan with the health carrier, to ensure that the independent review organization's decision is not contrary to the terms of coverage under the covered person's health benefit plan with the health carrier.

*e.* The most appropriate practice guidelines, which shall include applicable evidence-based standards and may include any other practice guidelines developed by the federal government, national or professional medical societies, boards, and associations.

*f.* Any applicable clinical review criteria developed and used by the health carrier.

*g.* The opinion of the independent review organization's clinical reviewer after considering the information or documents described in paragraphs "*a*" through "*f*" to the extent the information or documents are available and the clinical reviewer considers them relevant.

13. *a.* Within forty-five days after the date of receipt of a request for an external review, the independent review organization shall provide written notice of its decision to uphold or reverse the adverse determination or final adverse determination of the health carrier to the covered person or the covered person's authorized representative, the health carrier, and the commissioner.

*b.* The independent review organization shall include in its decision all of the following:

(1) A general description of the reason for the request for external review.

(2) The date the independent review organization received the assignment from the commissioner to conduct the external review.

(3) The date the external review was conducted.

(4) The date of the decision.

(5) The principal reason or reasons for its decision, including what applicable evidence-based standards, if any, were a basis for its decision.

(6) The rationale for its decision.

(7) References to evidence or documentation, including evidence-based standards, considered in reaching its decision.

14. Upon receipt of notice of a decision reversing the adverse determination or final adverse determination of the health carrier, the health carrier shall immediately approve the coverage that was the subject of the determination.

2011 Acts, ch 101, §7

Referred to in §514J.108

**514J.108 External review — expedited.**

1. Notwithstanding section 514J.107, a covered person or the covered person's authorized representative may make an oral or written request to the commissioner for an expedited external review at the time the covered person or the covered person's authorized representative receives any of the following:

*a.* An adverse determination that involves a medical condition of the covered person for which the time frame for completion of an internal review of a grievance involving an adverse determination would seriously jeopardize the life or health of the covered person or would jeopardize the covered person's ability to regain maximum function.

*b.* A final adverse determination that involves a medical condition where the time frame for completion of a standard external review would seriously jeopardize the life or health of the covered person or would jeopardize the covered person's ability to regain maximum function.

*c.* A final adverse determination that concerns an admission, availability of care,

continued stay, or health care service for which the covered person received emergency services, and the covered person has not been discharged from a facility.

2. *a.* Upon receipt of a request for an expedited external review, the commissioner shall immediately send written notice of the request to the health carrier.

*b.* Immediately upon receipt of notice of a request for expedited external review, the health carrier shall complete a preliminary review of the request to determine whether the request meets the eligibility requirements for external review set forth in section 514J.107, subsection 3, and this section.

*c.* The health carrier shall then immediately issue a notice of initial determination informing the commissioner and the covered person or the covered person's authorized representative of its eligibility determination including a statement informing the covered person or the covered person's authorized representative of the right to appeal that determination to the commissioner.

*d.* The commissioner may specify by rule the form required for the health carrier's notice of initial determination and any supporting information to be included in the notice.

3. The commissioner may determine that a request is eligible for expedited external review, notwithstanding a health carrier's initial determination that the request is not eligible. In making a determination, the commissioner's decision shall be made in accordance with the terms of the covered person's health benefit plan and shall be subject to all applicable provisions of this chapter. The commissioner shall make a determination pursuant to this subsection as expeditiously as possible.

4. *a.* Upon receipt of notice from a health carrier that a request is eligible for expedited external review or upon a determination by the commissioner that a request is eligible for expedited external review, the commissioner shall immediately assign an independent review organization from the list of approved independent review organizations maintained by the commissioner to conduct the expedited external review. The commissioner shall then immediately notify the health carrier and the covered person or the covered person's authorized representative of the name of the assigned independent review organization.

*b.* The assignment of an independent review organization shall be done on a random basis among those approved independent review organizations qualified to conduct the particular external review based on the nature of the health care service that is the subject of the adverse determination or final adverse determination and other circumstances, including conflict of interest concerns.

5. Upon receiving notice of the independent review organization assigned to conduct the expedited external review, the health carrier shall provide or transmit all necessary documents and information considered in making the adverse determination or final adverse determination to the independent review organization electronically or by telephone or facsimile or any other available expeditious method.

6. The independent review organization is not bound by any decisions or conclusions reached during the health carrier's internal grievance process. The independent review organization shall consider the documents and information provided by the health carrier, and to the extent the information or documents are available and the independent review organization considers them appropriate, shall consider the following in reaching a decision:

*a.* The covered person's pertinent medical records.

*b.* The treating health care professional's recommendation.

*c.* Consulting reports from appropriate health care professionals and other documents submitted by the health carrier, covered person or the covered person's authorized representative, or the covered person's treating physician or other health care professional.

*d.* The terms of coverage under the covered person's health benefit plan with the health carrier, to ensure that the independent review organization's decision is not contrary to the terms of coverage under the covered person's health benefit plan with the health carrier.

*e.* The most appropriate practice guidelines, which shall include applicable evidence-based standards and may include any other practice guidelines developed by the federal government, national or professional medical societies, boards, and associations.

*f.* Any applicable clinical review criteria developed and used by the health carrier.

*g.* The opinion of the independent review organization's clinical reviewer after

considering the information or documents described in paragraphs *"a"* through *"f"* to the extent the information or documents are available and the clinical reviewer considers them relevant.

7. *a.* As expeditiously as the covered person's medical condition or circumstances require, but in no event more than seventy-two hours after the date of receipt of an eligible request for expedited external review, the assigned independent review organization shall do all of the following:

(1) Make a decision to uphold or reverse the adverse determination or final adverse determination of the health carrier.

(2) Notify the covered person or the covered person's authorized representative, the health carrier, and the commissioner of its decision.

*b.* If the notice given by the independent review organization pursuant to paragraph *"a"* was not in writing, within forty-eight hours after providing that notice, the independent review organization shall provide written confirmation of the decision to the covered person or the covered person's authorized representative, the health carrier, and the commissioner that includes the information set forth in section 514J.107, subsection 13, paragraph *"b"*.

*c.* Upon receipt of the notice of decision by an independent review organization pursuant to paragraph *"a"* reversing the adverse determination or final adverse determination, the health carrier shall immediately approve the coverage that was the subject of the adverse determination or final adverse determination.

2011 Acts, ch 101, §8; 2012 Acts, ch 1021, §99
Referred to in §514J.106, 514J.109

**514J.109 External review of experimental or investigational treatment adverse determinations.**

1. Within four months after the date of receipt of a notice of an adverse determination or final adverse determination that involves a denial of coverage based on a determination that the health care service or treatment recommended or requested is experimental or investigational, a covered person or the covered person's authorized representative may file a request for external review with the commissioner.

2. Within one business day after the date of receipt of the request, the commissioner shall notify the health carrier of the request.

3. Within five business days following the date of receipt of notice of a request for external review pursuant to this section, the health carrier shall complete a preliminary review of the request to determine whether:

*a.* The individual is or was a covered person under the health benefit plan at the time the health care service or treatment was recommended or requested.

*b.* The recommended or requested health care service or treatment that is the subject of the adverse determination or final adverse determination meets the following conditions:

(1) Is a covered benefit under the covered person's health benefit plan except for the health carrier's determination that the service or treatment is experimental or investigational for a particular medical condition.

(2) Is not explicitly listed as an excluded benefit under the covered person's health benefit plan with the health carrier.

*c.* The covered person's treating physician has certified that one of the following situations is applicable:

(1) Standard health care services or treatments have not been effective in improving the condition of the covered person.

(2) Standard health care services or treatments are not medically appropriate for the covered person.

(3) There is no available standard health care service or treatment covered by the health carrier that is more beneficial than the recommended or requested health care service or treatment sought.

*d.* The covered person's treating physician has certified in writing one of the following:

(1) That the recommended or requested health care service or treatment that is the subject of the adverse determination or final adverse determination is likely to be more beneficial

to the covered person, in the physician's opinion, than any available standard health care services or treatments.

(2) The physician is a licensed, board-certified, or board-eligible physician qualified to practice in the area of medicine appropriate to treat the covered person's condition, and that scientifically valid studies using accepted protocols demonstrate that the health care service or treatment recommended or requested that is the subject of the adverse determination or final adverse determination is likely to be more beneficial to the covered person than any available standard health care services or treatments.

*e.* The covered person or the covered person's authorized representative has exhausted the health carrier's internal grievance process, unless the covered person or the covered person's authorized representative is not required to exhaust the health carrier's internal grievance process pursuant to section 514J.106 or 514J.108.

*f.* The covered person or the covered person's authorized representative has provided all the information and forms required by the commissioner that are necessary to process an external review request pursuant to this section.

4. Within one business day after completion of the preliminary review pursuant to subsection 3, the health carrier shall notify the commissioner and the covered person or the covered person's authorized representative in writing whether the request is complete and whether the request is eligible for external review pursuant to this section. If the request is not complete, the health carrier shall notify the commissioner and the covered person or the covered person's authorized representative in writing and include in the notice what information or materials are needed to make the request complete. If the request is not eligible for external review, the health carrier shall notify the covered person or the covered person's authorized representative and the commissioner in writing and include in the notice the reasons for its ineligibility.

5. The commissioner may specify by rule the form required for the health carrier's notice of initial determination and any supporting information to be included in the notice. The notice of initial determination shall include a statement informing the covered person or the covered person's authorized representative that a health carrier's initial determination that the external review request is ineligible for review may be appealed to the commissioner.

6. The commissioner may determine that a request is eligible for external review pursuant to this section, notwithstanding a health carrier's initial determination that the request is ineligible, and require that it be referred for external review. In making this determination, the commissioner's decision shall be made in accordance with the terms of the covered person's health benefit plan and shall be subject to all applicable provisions of this chapter.

7. Within one business day after receipt of the notice from the health carrier that the external review request is eligible for external review or upon a determination by the commissioner that a request is eligible for external review, the commissioner shall do all of the following:

*a.* Assign an independent review organization from the list of approved independent review organizations maintained by the commissioner and notify the health carrier of the name of the assigned independent review organization.

*b.* Notify the covered person or the covered person's authorized representative in writing of the request's eligibility and acceptance for external review and the name of the assigned independent review organization and that the covered person or the covered person's authorized representative may submit in writing to the independent review organization, within five business days following the date of receipt of such notice, additional information that the independent review organization shall consider when conducting the external review. The independent review organization may, in the organization's discretion, accept and consider additional information submitted by the covered person or the covered person's authorized representative after five business days.

8. Within one business day after receipt of the notice of assignment to conduct the external review, the assigned independent review organization shall select one or more clinical reviewers, as it determines is appropriate pursuant to subsection 9 to conduct the external review.

9. In selecting clinical reviewers, the independent review organization shall select physicians or other health care professionals who meet the minimum qualifications described in this chapter and, through clinical experience in the past three years, are experts in the treatment of the covered person's condition and knowledgeable about the recommended or requested health care service or treatment that is the subject of the adverse determination or the final adverse determination. Neither the covered person or the covered person's authorized representative nor the health carrier shall choose or control the choice of the clinical reviewers selected to conduct the external review.

10. Each clinical reviewer selected shall provide a written opinion to the independent review organization regarding whether the recommended or requested health care service or treatment should be covered. Each clinical reviewer shall review all of the information and documents received and any other information submitted in writing by the covered person or the covered person's authorized representative. In reaching an opinion, a clinical reviewer is not bound by any decisions or conclusions reached during the health carrier's internal grievance process.

11. Within five business days after receipt of notice of the assignment of the independent review organization, the health carrier shall provide to the independent review organization the documents and any information considered in making the adverse determination or the final adverse determination. Failure by the health carrier to provide the documents and information within the time specified shall not delay the conduct of the external review.

12. If the health carrier fails to provide the documents and information within the time specified, the independent review organization may terminate the external review and make a decision to reverse the adverse determination or final adverse determination. Within one business day after making such a decision, the independent review organization shall notify the covered person or the covered person's authorized representative, the health carrier, and the commissioner.

13. Within one business day after the receipt of any information submitted by the covered person or the covered person's authorized representative, the independent review organization shall forward the information to the health carrier. Upon receipt of the forwarded information, the health carrier may reconsider its adverse determination or final adverse determination that is the subject of the external review.

*a.* Reconsideration by the health carrier of its adverse determination or final adverse determination shall not delay or terminate the external review. The external review shall only be terminated if the health carrier decides, upon completion of its reconsideration, to reverse its determination and provide coverage or payment for the recommended or requested health care service or treatment that is the subject of the determination.

*b.* Within one business day after making a decision to reverse its determination, the health carrier shall notify the covered person or the covered person's authorized representative, the independent review organization, and the commissioner in writing of its decision. The independent review organization shall terminate the external review upon receipt of such notice from the health carrier.

14. *a.* Within twenty days after being selected to conduct the external review, each clinical reviewer shall provide an opinion to the assigned independent review organization regarding whether the recommended or requested health care service or treatment should be covered pursuant to this section.

*b.* Each clinical reviewer's opinion shall be in writing and include the following information:

(1) A description of the covered person's medical condition.

(2) A description of the indicators relevant to determining whether there is sufficient evidence to demonstrate that the recommended or requested health care service or treatment is likely to be more beneficial to the covered person than any available standard health care services or treatments and that the adverse risks of the recommended or requested health care service or treatment would not be substantially increased over those of available standard health care services or treatments.

(3) A description and analysis of any medical or scientific evidence considered in reaching the opinion.

(4) A description and analysis of any applicable evidence-based standards.

(5) Information on whether the reviewer's rationale for the opinion is based on either of the factors described in subsection 15, paragraph "*e*".

15. In addition to the documents and information provided, each clinical reviewer, to the extent the information or documents are available and the reviewer considers them appropriate, shall consider all of the following in reaching an opinion:

*a.* The covered person's pertinent medical records.

*b.* The treating physician's recommendation or request.

*c.* Consulting reports from appropriate health care professionals and other documents submitted by the health carrier, the covered person or the covered person's authorized representative, or the covered person's treating physician or other health care professional.

*d.* The terms of coverage under the covered person's health benefit plan with the health carrier to ensure that, but for the health carrier's determination that the recommended or requested health care service or treatment that is the subject of the opinion is experimental or investigational, the reviewer's opinion is not contrary to the terms of coverage under the covered person's health benefit plan with the health carrier.

*e.* Whether either of the following factors is applicable:

(1) The recommended or requested health care service or treatment has been approved by the federal food and drug administration, if applicable, for the condition.

(2) Medical or scientific evidence or evidence-based standards demonstrate that the expected benefits of the recommended or requested health care service or treatment is likely to be more beneficial to the covered person than any available standard health care service or treatment and the adverse risks of the recommended or requested health care service or treatment would not be substantially increased over those of available standard health care services or treatments.

16. *a.* If a majority of the clinical reviewers opine that the recommended or requested health care service or treatment should be covered, the independent review organization shall make a decision to reverse the health carrier's adverse determination or final adverse determination.

*b.* If a majority of the clinical reviewers opine that the recommended or requested health care service or treatment should not be covered, the independent review organization shall make a decision to uphold the health carrier's adverse determination or final adverse determination.

*c.* If the clinical reviewers are evenly split as to whether the recommended or requested health care service or treatment should be covered, the independent review organization shall obtain the opinion of an additional clinical reviewer in order for the independent review organization to make a decision based on the opinions of a majority of the clinical reviewers.

*d.* The additional clinical reviewer selected shall use the same information to reach an opinion as the clinical reviewers who have already submitted their opinions.

*e.* The selection of an additional clinical reviewer under this subsection shall not extend the time within which the assigned independent review organization is required to make a decision based on the opinions of the clinical reviewers for the external review.

17. Within twenty days after it receives the opinion of each clinical reviewer, the assigned independent review organization shall make a decision based on the opinions of the clinical reviewer or reviewers, to uphold or reverse the adverse determination or final adverse determination of the health carrier and provide written notice of the decision to the covered person or the covered person's authorized representative, the health carrier, and the commissioner.

18. *a.* A covered person or the covered person's authorized representative may make a written or oral request to the commissioner for an expedited external review of the adverse determination or final adverse determination pursuant to this subsection if the covered person's treating physician certifies, in writing, that the recommended or requested health care service or treatment that is the subject of the request would be significantly less effective if not promptly initiated.

(1) Upon receipt of a request for an expedited external review pursuant to this subsection, the commissioner shall immediately notify the health carrier.

(2) Upon receipt of notice of the request for expedited external review, the health carrier shall immediately determine whether the request is eligible for external review as provided in subsection 3, paragraphs "*a*" through "*f*", and shall immediately issue a notice of initial determination informing the commissioner and the covered person or the covered person's authorized representative of its eligibility determination. The notice of initial determination of eligibility issued by a health carrier shall include a statement informing the covered person or the covered person's authorized representative that the health carrier's initial determination that the external review request is ineligible for expedited external review may be appealed to the commissioner.

(3) The commissioner may determine that a request is eligible for external review, notwithstanding a health carrier's initial determination that the request is not eligible, and refer the request for external review. In making this determination, the commissioner's decision shall be made in accordance with the terms of the covered person's health benefit plan and shall be subject to all applicable provisions of this chapter.

*b.* (1) Upon receipt of the notice of initial determination that the request is eligible for expedited external review or upon a determination by the commissioner that the request is eligible for expedited external review, the commissioner shall immediately assign an independent review organization to conduct the expedited external review, from the list of approved independent review organizations maintained by the commissioner, and notify the health carrier of the name of the assigned independent review organization.

(2) Upon receipt of notice of the independent review organization assigned to conduct an expedited external review, the health carrier shall provide or transmit all necessary documents and information considered in making the adverse determination or final adverse determination to the independent review organization electronically or by telephone or facsimile or any other available expeditious method.

(3) A clinical reviewer or clinical reviewers shall be selected immediately by the independent review organization and shall provide an opinion orally or in writing to the assigned independent review organization as expeditiously as the covered person's medical condition or circumstances require, but in no event more than five calendar days after being selected. If the opinion provided was not in writing, within forty-eight hours following the date the opinion was provided, the clinical reviewer shall provide written confirmation of the opinion to the assigned independent review organization and include all required information in support of the opinion.

*c.* Within forty-eight hours after the date of receipt of the opinion of each clinical reviewer, the assigned independent review organization shall make a decision based on the opinions of the clinical reviewer or reviewers as to whether to reverse or uphold the adverse determination or final adverse determination and provide notice of the decision orally or in writing to the covered person or the covered person's authorized representative, the health carrier, and the commissioner. If the notice was provided orally, within forty-eight hours after the date of providing that notice, the independent review organization shall provide written confirmation of the decision to the covered person or the covered person's authorized representative, the health carrier, and the commissioner.

*d.* The independent review organization shall include in the notice of its decision all of the following:

(1) A general description of the reason for the request for an expedited external review.

(2) The written opinion of each clinical reviewer, including the recommendation of each clinical reviewer as to whether the recommended or requested health care service or treatment should be covered and the rationale for the reviewer's recommendation.

(3) The date the independent review organization was assigned by the commissioner to conduct the expedited external review.

(4) The date the expedited external review was conducted.

(5) The date of its decision.

(6) The principal reason or reasons for its decision.

(7) The rationale for its decision.

19. Upon receipt of notice of a decision of the independent review organization reversing an adverse determination or final adverse determination, the health carrier shall immediately

approve coverage of the recommended or requested health care service or treatment that was the subject of the determination.

2011 Acts, ch 101, §9; 2011 Acts, ch 131, §71, 158

Referred to in §514J.104, 514J.106

**514J.110 Effect of external review decision.**

1. An external review decision pursuant to this chapter is binding on the health carrier except to the extent the health carrier has other remedies available under applicable Iowa law. The external review process shall not be considered a contested case under chapter 17A.

2. *a.* A covered person or the covered person's authorized representative may appeal the external review decision made by an independent review organization by filing a petition for judicial review either in Polk county district court or in the district court in the county in which the covered person resides. The petition for judicial review must be filed within fifteen business days after the issuance of the review decision. The petition shall name the covered person or the covered person's authorized representative, or the person's health care provider as the petitioner. The respondent shall be the health carrier. The petition shall not name the independent review organization as a party.

*b.* The commissioner shall not be named as a respondent unless the petitioner alleges action or inaction by the commissioner under the standards articulated in section 17A.19, subsection 10. Allegations against the commissioner under section 17A.19, subsection 10, shall be stated with particularity. The commissioner may, upon motion, intervene in the judicial review proceeding. The findings of fact by the independent review organization conducting the external review are conclusive and binding on appeal.

3. The health carrier shall follow and comply with the decision of the court on appeal. The health carrier or treating health care provider shall not be subject to any penalties, sanctions, or award of damages for following and complying in good faith with the external review decision of the independent review organization or the decision of the court on appeal.

4. The covered person or the covered person's authorized representative may bring an action in Polk county district court or in the district court in the county in which the covered person resides to enforce the external review decision of the independent review organization or the decision of the court on appeal.

5. A covered person or the covered person's authorized representative shall not file a subsequent request for external review involving any determination for which the covered person or the covered person's authorized representative has already received an external review decision.

6. If a covered person dies before the completion of the external review process, the process shall continue to completion if there is potential liability of a health carrier to the estate of the covered person.

7. *a.* If a covered person who has already received health care services under a health benefit plan requests external review of the plan's adverse determination or final adverse determination and changes to another health benefit plan before the external review process is completed, the health carrier whose coverage was in effect at the time the health care service was received is responsible for completing the external review process.

*b.* If a covered person who has not yet received health care services requests external review of a health benefit plan's adverse determination or final adverse determination and then changes to another plan prior to receipt of the health care services and completion of the external review process, the external review process shall begin anew with the covered person's current health carrier. In this instance, the external review process shall be conducted as an expedited external review.

2011 Acts, ch 101, §10

**514J.111 Approval of independent review organizations.**

1. The commissioner shall approve applications submitted by independent review organizations to conduct external reviews under this chapter. The commissioner may retain an outside expert to perform reviews of such applications.

2. In order to be eligible for approval by the commissioner to conduct external reviews, an independent review organization shall meet all of the following requirements:

*a.* Be accredited by a nationally recognized private accrediting entity that the commissioner determines has independent review organization accreditation standards that are equivalent to or exceed the minimum qualifications for independent review organizations established in this chapter.

*b.* Submit an application in a form and format as directed by the commissioner.

*c.* Meet the minimum qualifications contained in section 514J.112.

3. The commissioner may approve independent review organizations that are not accredited by a nationally recognized private accrediting entity if there are no acceptable nationally recognized private accrediting entities providing independent review organization accreditation.

4. The commissioner shall develop an application form for initially approving and for reapproving independent review organizations to conduct external reviews.

5. The commissioner may charge an initial application fee and a renewal fee as specified by rule.

6. The approval of an independent review organization to conduct external reviews by the commissioner pursuant to this chapter is effective for two years, unless the commissioner determines that the independent review organization is not satisfying the minimum qualifications of this chapter. If the commissioner determines that an independent review organization has lost its accreditation or no longer satisfies the minimum requirements established under this chapter, the commissioner shall terminate approval of the independent review organization to conduct external reviews and remove the independent review organization from the list of independent review organizations approved to conduct external reviews that is maintained by the commissioner.

7. The commissioner shall maintain a list of currently approved independent review organizations.

2011 Acts, ch 101, §11

**514J.112 Minimum qualifications for independent review organizations.**

1. To be approved to conduct external reviews pursuant to this chapter, an independent review organization shall have and maintain written policies and procedures that govern all aspects of both the standard external review process and the expedited external review process and that include, at a minimum, all of the following:

*a.* A quality assurance mechanism that does all of the following:

(1) Ensures that external reviews are conducted within the specified time frames and that required notices are provided in a timely manner.

(2) Ensures the selection of qualified and impartial clinical reviewers to conduct external reviews on behalf of the independent review organization and suitable matching of reviewers to specific cases and that the independent review organization employs or contracts with an adequate number of clinical reviewers to meet this objective.

(3) Ensures the confidentiality of medical and treatment records and clinical review criteria.

(4) Establishes and maintains written procedures to ensure that the independent review organization is unbiased in addition to any other procedures required under this section.

(5) Ensures that any person employed by or under contract with the independent review organization adheres to the requirements of this chapter.

*b.* A toll-free telephone service to receive information related to external reviews twenty-four hours a day, seven days a week, that is capable of accepting, recording, or providing appropriate instruction to incoming telephone callers outside normal business hours.

*c.* An agreement and a system to maintain required records and provide access to those records by the commissioner.

2. Each clinical reviewer assigned by an independent review organization to conduct external reviews shall be a physician or other appropriate health care professional who meets all of the following minimum qualifications:

*a.* Is an expert in the treatment of the covered person's medical condition that is the subject of the external review.

*b.* Is knowledgeable about the recommended or requested health care service or treatment through recent or current actual clinical experience treating patients with the same or similar medical condition as the covered person.

*c.* Holds a nonrestricted license in a state of the United States and, for physicians, a current certification by a recognized American medical specialty board in the area or areas appropriate to the subject of the external review.

*d.* Has no history of disciplinary actions or sanctions, including loss of staff privileges or participation restrictions, that have been taken or are pending by any hospital, governmental agency or unit, or regulatory body that raise a substantial question as to the clinical reviewer's physical, mental, or professional competence or moral character.

3. An independent review organization shall not own or control, be a subsidiary of, or in any way be owned or controlled by, or exercise control with, a health benefit plan, a national, state, or local trade association of health benefit plans, or a national, state, or local trade association of health care providers.

4. Neither the independent review organization selected to conduct an external review nor any clinical reviewer assigned by the independent organization to conduct an external review shall have a material professional, familial, or financial conflict of interest with any of the following:

*a.* The health carrier that is the subject of the external review.

*b.* The covered person whose health care service or treatment is the subject of the external review or the covered person's authorized representative.

*c.* Any officer, director, or management employee of the health carrier that is the subject of the external review.

*d.* The health care professional or the health care professional's medical group or independent practice association recommending the health care service or treatment that is the subject of the external review.

*e.* The facility at which the recommended health care service or treatment would be provided.

*f.* The developer or manufacturer of the principal drug, device, procedure, or other therapy being recommended for the covered person whose health care service treatment is the subject of the external review.

5. In determining whether an independent review organization or a clinical reviewer of the independent review organization has a material professional, familial, or financial conflict of interest as provided in subsection 4, the commissioner shall take into consideration situations where the independent review organization to be assigned to conduct an external review of a specified case or a clinical reviewer to be assigned by the independent review organization to conduct an external review of a specified case may have an apparent professional, familial, or financial relationship or connection with a person described in subsection 4, but the characteristics of that relationship or connection are such that they do not constitute a material professional, familial, or financial conflict of interest that would prohibit selection of the independent review organization or the clinical reviewer to conduct the external review.

6. *a.* An independent review organization that is accredited by a nationally recognized private accrediting entity that has independent review accreditation standards that the commissioner has determined are equivalent to or exceed the minimum qualifications of this section shall be presumed to be in compliance with the requirements of this section.

*b.* The commissioner shall initially and periodically review the standards of each nationally recognized private accrediting entity that provides accreditation to independent review organizations to determine whether the accrediting entity's standards are, and continue to be, equivalent to or exceed the minimum qualifications established under this section. The commissioner may accept a review of those standards conducted by the national association of insurance commissioners for the purpose of making a determination under this subsection.

*c.* Upon request, a nationally recognized private accrediting entity shall make its current

independent review organization accreditation standards available to the commissioner or to the national association of insurance commissioners in order for the commissioner to determine if the accrediting entity's standards are equivalent to or exceed the minimum qualifications established under this section. The commissioner may exclude consideration of accreditation of independent review organizations by any private accrediting entity whose standards have not been reviewed by the national association of insurance commissioners.

2011 Acts, ch 101, §12

Referred to in §514J.111

**514J.113 Immunity for independent review organizations.**

An independent review organization, a clinical reviewer working on behalf of an independent review organization, or an employee, agent, or contractor of an independent review organization shall not be liable in damages to any person for any opinions rendered or acts or omissions performed within the scope of the duties of the organization, the clinical reviewer, or an employee, agent, or contractor of the organization under this chapter during, or upon completion of, an external review conducted pursuant to this chapter, unless the opinion was rendered or the act or omission was performed in bad faith or involved gross negligence.

2011 Acts, ch 101, §13

**514J.114 External review reporting requirements.**

1. *a.* An independent review organization assigned to conduct an external review shall maintain written records in the aggregate by state and by health carrier of all requests for external review for which it conducted an external review during a calendar year.

*b.* Each independent review organization required to maintain written records pursuant to this section shall submit to the commissioner, upon request, a report in the format specified by the commissioner. The report shall include in the aggregate by state and by health carrier all of the following:

(1) The total number of requests for external review assigned to the independent review organization.

(2) The average length of time for resolution of each request for external review assigned to the independent review organization.

(3) A summary of the types of coverages or cases for which an external review was requested, in the format required by the commissioner by rule.

(4) Any other information required by the commissioner.

*c.* The independent review organization shall retain the written records for at least three years.

2. *a.* Each health carrier shall maintain written records in the aggregate by state and by type of health benefit plan offered by the health carrier of all requests for external review that the health carrier receives notice of from the commissioner pursuant to this chapter.

*b.* Each health carrier required to maintain written records of requests for external review pursuant to this subsection shall submit to the commissioner, upon request, a report in the format specified by the commissioner. The report shall include in the aggregate by state and by type of health benefit plan offered all of the following:

(1) The total number of requests for external review of the health carrier's adverse determinations and final adverse determinations.

(2) Of the total number of requests for external review, the number of requests determined eligible for external review.

(3) The number of requests for external review resolved and, of those resolved, the number resolved upholding the adverse determination or final adverse determination of the health carrier and the number resolved reversing the adverse determination or final adverse determination of the health carrier.

(4) The number of external reviews that were terminated as the result of a reconsideration by the health carrier of its adverse determination or final adverse determination after the receipt of additional information from the covered person or the covered person's authorized representative.

(5) Any other information the commissioner may request or require.

*c.* The health carrier shall retain the written records for at least three years.

2011 Acts, ch 101, §14

**514J.115 Expenses of external review.**

The health carrier against which a request for a standard external review or an expedited external review is filed shall pay the costs of retaining an independent review organization to conduct the external review.

2011 Acts, ch 101, §15

**514J.116 Disclosure requirements.**

1. Each health carrier shall include a description of the external review procedures contained in this chapter in or attached to any policy, certificate, membership booklet, outline of coverage, or other evidence of coverage that is provided to a covered person. The description shall be in a format prescribed by the commissioner by rule.

2. The description required by subsection 1 shall include a statement that informs the covered person of the right of the covered person to file a request for an external review of an adverse determination or final adverse determination of the health carrier with the commissioner. The statement shall explain that external review is available when the adverse determination or final adverse determination involves an issue of medical necessity, appropriateness, health care setting, level of care, or effectiveness. The statement shall include the telephone number and address of the commissioner. The statement shall also inform the covered person that when filing a request for external review, the covered person will be required to authorize the release of any medical records of the covered person that may be required to be reviewed for the purpose of reaching a decision on the request for external review.

2011 Acts, ch 101, §16

Referred to in §514J.104, 514J.120

**514J.117 Rulemaking authority.**

The commissioner may adopt rules pursuant to chapter 17A to carry out the provisions of this chapter.

2011 Acts, ch 101, §17

**514J.118 Severability.**

If any provision of this chapter, or the application of the provision to any person or circumstance is held invalid, the remainder of the chapter, and the application of the provision to persons or circumstances other than those to which it is held invalid, shall not be affected.

2011 Acts, ch 101, §18

**514J.119 Penalties.**

A person who fails to comply with the provisions of this chapter or the rules adopted pursuant to this chapter is subject to the penalties provided under chapter 507B.

2011 Acts, ch 101, §19

**514J.120 Applicability.**

1. This chapter applies to all requests for external review filed on or after July 1, 2011.

2. Section 514J.116 applies to all health benefit plans delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2011.

2011 Acts, ch 101, §20

Application of former sections 514J.1 through 514J.15 to requests for external review filed prior to July 1, 2011; 2011 Acts, ch 101, §22

# CHAPTER 514K

## HEALTH CARE PLAN INFORMATION

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

514K.1 Health care plan disclosures — information to enrollees.

**514K.1 Health care plan disclosures — information to enrollees.**

1. A health maintenance organization, an organized delivery system, or an insurer using a preferred provider arrangement shall provide to each of its enrollees at the time of enrollment, and shall make available to each prospective enrollee upon request, written information as required by rules adopted by the commissioner and the director of public health. The information required by rule shall include, but not be limited to, all of the following:

*a.* A description of the plan's benefits and exclusions.

*b.* Enrollee cost-sharing requirements.

*c.* A list of participating providers.

*d.* Disclosure of the existence of any drug formularies used and, upon request, information about the specific drugs included in the formulary.

*e.* An explanation for accessing emergency care services.

*f.* Any policies addressing investigational or experimental treatments.

*g.* The methodologies used to compensate providers.

*h.* Performance measures as determined by the commissioner and the director.

*i.* Information on how to access internal and external grievance procedures.

2. The commissioner and the director shall annually publish a consumer guide providing a comparison by plan on performance measures, network composition, and other key information to enable consumers to better understand plan differences.

99 Acts, ch 41, §21

# CHAPTER 514L

## UNIFORM PRESCRIPTION DRUG INFORMATION CARD

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

514L.1 Definitions.
514L.2 Uniform prescription drug information cards.
514L.3 Application — enforcement.

**514L.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Guide"* means the most recent national council for prescription drug programs pharmacy identification card implementation guide, or its successor.

2. *"Prescription drug"* means prescription drug as defined in section 155A.3 and includes a device as defined in section 155A.3.

3. *"Provider of third-party payment or prepayment of prescription drug expenses"* or *"provider"* means a provider of an individual or group policy of accident or health insurance or an individual or group hospital or health care service contract issued pursuant to chapter 509, 514, or 514A, a provider of a plan established pursuant to chapter 509A for public employees, a provider of an individual or group health maintenance organization contract issued and regulated under chapter 514B, a provider of an organized delivery system contract regulated under rules adopted by the director of public health, a provider of a preferred provider contract issued pursuant to chapter 514F, a provider of a self-insured multiple employer welfare arrangement, and any other entity providing health insurance

or health benefits which provide for payment or prepayment of prescription drug expenses coverage subject to state insurance regulation.

2001 Acts, ch 77, §1

**514L.2 Uniform prescription drug information cards.**

1. *a.* A provider of third-party payment or prepayment of prescription drug expenses, including the provider's agents or contractors and pharmacy benefits managers, that issues a card or other technology for claims processing and an administrator of the payor, excluding administrators of self-funded employer sponsored health benefit plans qualified under the federal Employee Retirement Income Security Act of 1974, shall issue to its insureds a card or other technology containing uniform prescription drug information. The commissioner of insurance shall adopt rules for the uniform prescription drug information card or technology applicable to those entities subject to regulation by the commissioner of insurance. The director of public health shall adopt rules for the uniform prescription drug information card or technology applicable to organized delivery systems. The rules shall require at least both of the following regarding the card or technology:

(1) With respect to the information required, be consistent with the guide, except that the address of the pharmacy benefits manager shall not be required.

(2) With respect to the location of the information required, be substantially consistent with the guide.

*b.* Any information on the card shall be formatted and arranged in a manner that corresponds to the current content and format required by the provider for processing of claims.

2. A new uniform prescription drug information card or technology, as required pursuant to subsection 1, shall be issued by a provider of third-party payment or prepayment or the provider's agents or contractors or pharmacy benefits managers upon enrollment and reissued upon any change in the insured's coverage that impacts data contained on the card or technology. The commissioner of insurance shall review the national council for prescription drug programs implementation guide or successor document on an ongoing basis to determine changes, and shall modify or adopt rules as determined appropriate.

3. The card or other technology may be used for any health insurance or health benefits coverage and nothing in this chapter shall require a provider to issue a separate card for prescription drug coverage if the card or other technology can accommodate the information necessary to process claims.

4. This chapter shall not apply to prescription drug coverage provided through or in conjunction with any of the following:

*a.* Accident-only or disability income insurance coverage.

*b.* Hospital confinement indemnity coverage.

*c.* Coverage issued as a supplement to liability insurance.

*d.* Basic hospital and medical-surgical expense coverage.

*e.* Liability insurance, including general liability insurance and automobile liability insurance.

*f.* Workers' compensation or similar insurance.

*g.* Automobile medical payment insurance.

*h.* Credit only insurance.

*i.* Coverage for on-site medical clinic care.

*j.* Dental or vision coverage.

*k.* Benefits for long-term care, nursing home care, or community-based care.

*l.* Short-term hospital, medical, or major medical coverage.

*m.* Medicare supplemental as defined pursuant to 42 U.S.C. § 1395ss(g)(1), coverage supplemental to the coverage provided under 10 U.S.C. § 1071 – 1109, and similar coverage that is supplemental to coverage under group health insurance coverage as defined by the commissioner of insurance.

*n.* Any other similar limited benefits as defined by the commissioner of insurance.

2001 Acts, ch 77, §2

**514L.3 Application — enforcement.**

1. A health insurance or health benefits policy or contract issued and delivered, amended, or renewed on or after July 1, 2003, shall comply with this chapter.

2. The commissioner of insurance shall enforce this chapter and shall adopt rules necessary to implement this chapter.

2001 Acts, ch 77, §3

# CHAPTER 515

## INSURANCE OTHER THAN LIFE

Referred to in §87.4, 296.7, 331.301, 364.4, 423.3, 490.902, 491.33, 505.28, 505.29, 506.14, 507.1, 508C.3, 509.5, 514A.1, 515B.1, 515B.2, 515B.9, 515C.10, 515F.32, 515G.1, 518.15, 518A.40, 519.9, 521.1, 521A.1, 521A.2, 521A.14, 521E.1, 521F.2, 521G.2, 521G.3, 522B.1, 533C.103, 535.8, 537.7103, 636.14, 636.16, 669.14, 670.7


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515.132 Right of insured to cancel.
515.133 Copy of application — duty to provide.
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515.135 Presumption as to value. Repealed by 2011 Acts, ch 70, §48.
515.136 Value of building — liability.
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## INCORPORATION — RESTRICTIONS

**515.1 Applicability.**

Corporations formed for the purpose of insurance, other than life insurance, shall be governed by the provisions of chapter 490, chapter 491, or chapter 504, except as modified by the provisions of this chapter. The provisions of this chapter relative to insurance companies shall apply to all such companies, partnerships, associations, or individuals, except those associations governed by the provisions of chapter 518 or 518A, companies governed by the provisions of chapter 508 or 514, societies governed by the provisions of chapter 512B, and organizations governed by the provisions of chapter 514B, whether incorporated or not.

[C73, §1122; C97, §1684; C24, 27, 31, 35, 39, §**8896;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.1]

85 Acts, ch 239, §5; 89 Acts, ch 288, §192; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393; 2008 Acts, ch 1074, §3

Referred to in §515.10

**515.2 Articles — approval — bylaws.**

The articles of incorporation, and any subsequent amendments, of an organization shall be filed with and approved by the commissioner of insurance before filing with the secretary of

state. An organization shall file with the commissioner bylaws and subsequent amendments to the bylaws within thirty days of adoption of the bylaws and amendments.

[C73, §1122; C97, §1685; C24, 27, 31, 35, 39, §**8897;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.2]

2000 Acts, ch 1023, §27; 2009 Acts, ch 145, §22

Referred to in §515.10

**515.3 Certificate — recording.**

If the commissioner of insurance approves them, the commissioner shall so certify, and the articles with the certificates of approval shall be recorded in the office of the secretary of state as articles of other corporations are, who shall endorse thereon the secretary of state's certificate thereof, as is required in case of other corporations for pecuniary profit.

[C73, §1123; C97, §1686; C24, 27, 31, 35, 39, §**8898;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.3]

Recording, §491.5

**515.4 Name.**

If the commissioner of insurance finds the name of the company to be so similar to one already appropriated by a corporation of the same character as to be likely to mislead the public or to cause inconvenience, the commissioner shall refuse the commissioner's certificate to its articles on that ground.

[C73, §1122; C97, §1687; C24, 27, 31, 35, 39, §**8899;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.4]

**515.5 Filing with commissioner.**

The articles, when thus certified by the secretary of state as recorded in the secretary of state's office, or a copy thereof certified by the secretary of state as such, shall be filed in the office of the commissioner of insurance and remain therein.

[C73, §1123; C97, §1688; C24, 27, 31, 35, 39, §**8900;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.5]

**515.6 Nature of organization entered on policy.** Transferred to § 515.100; 2007 Acts, ch 152, § 1.

**515.7 Stock and mutual plan distinguished.**

No company shall be organized to do business upon both stock and mutual plans; nor shall a company organized as a stock company do business upon the plan of a mutual company; nor shall a company organized upon the mutual plan do business or take risks upon the stock plan.

[C73, §1159; C97, §1690; C24, 27, 31, 35, 39, §**8902;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.7]

## STOCK COMPANIES

**515.8 Paid-up capital and surplus required.**

1. An insurance company other than a life insurance company shall not be incorporated to transact business upon the stock plan with less than five million dollars of capital and surplus, the entire amount of which shall be fully paid up in cash and invested as provided by law. An insurance company other than a life insurance company shall not increase its capital stock unless the amount of the increase is fully paid up in cash. An insurance company authorized to do business in Iowa that undergoes a change of control as defined under chapter 521A shall maintain the minimum capital and surplus requirements mandated by this section.

2. Notwithstanding subsection 1, an insurance company, other than a life insurance

company, authorized to transact business under this chapter shall comply with the minimum capital requirements of this section or chapter 521E, whichever is greater.

[C73, §1124; C97, §1691; S13, §1783-e; C24, 27, 31, 35, 39, §**8903;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.8]

90 Acts, ch 1234, §33; 95 Acts, ch 185, §19; 96 Acts, ch 1046, §3; 98 Acts, ch 1057, §9

Referred to in §511.23, 515C.2

**515.9 Reduction of capital or shares.**

Any insurance company, other than life, may, upon the vote of a majority of its shares of stock represented at a meeting legally called for that purpose, reduce its capital stock and the number of shares thereof or the par value of the shares thereof, provided that the total amount of capital shall not be reduced to an amount less than the minimum required by law, but no part of its assets and property shall be distributed to its stockholders without the consent of the insurance commissioner.

[C27, 31, 35, §8903-b1; C39, §**8903.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.9]

Referred to in §511.23

**515.10 Subscriptions of stock — applications.**

After compliance by the incorporators with sections 515.1 and 515.2, the secretary of state shall certify the articles of incorporation to the commissioner of insurance. When the commissioner of insurance is satisfied that all provisions of law in relation to the promotion and organization of said corporation, including sections 506.4 to 506.6, have been complied with, the commissioner shall issue a certificate to that effect, and thereupon such corporation may open books for subscriptions to the stock of stock companies or if a mutual company take applications and receive premiums for insurance at such times and places as it may find convenient, and may keep such books open until the full amount required is subscribed or taken, or the time granted therefor has expired, or until an order is issued by the commissioner of insurance to desist for failure to comply with the provisions of law in reference thereto.

[C73, §1125; C97, §1694; C24, 27, 31, 35, 39, §**8917;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.25]

2007 Acts, ch 152, §2

CS2007, §515.10

Referred to in §511.23

**515.11 Prohibited loans.**

Capital, surplus, funds, or other assets, or any part of any or all of the foregoing, shall not be directly or indirectly loaned to an officer, director, stockholder, or employee of a company or to a relative of an officer or director of a company.

[S13, §1783-e; C24, 27, 31, 35, 39, §**8905;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.11]

88 Acts, ch 1112, §401; 90 Acts, ch 1234, §35

Referred to in §511.23

**515.11A Transfer of stock.**

Transfers of stock made by any stockholder or the stockholder's legal representative shall be subject to the provisions of chapters 491 and 492 relative to transfer of shares, and to such restrictions as the directors shall establish in their bylaws, except as hereinafter provided.

2008 Acts, ch 1074, §4

## MUTUAL COMPANIES

**515.12 Mutual companies — conditions.**

No mutual company shall issue policies or transact any business of insurance unless it shall hold a certificate of authority from the commissioner of insurance authorizing the

transaction of such business, which certificate of authority shall not be issued until and unless the company shall comply with the following conditions:

1. It shall hold bona fide applications for insurance upon which it shall issue simultaneously, or it shall have in force, at least two hundred policies issued to at least two hundred members for the same kind of insurance upon not less than two hundred separate risks, each within the maximum single risk described herein; provided that not more than one hundred members shall be required for employer's liability and workers' compensation insurance.

2. The maximum single risk shall not exceed twenty percent of the admitted assets, or three times the average risk, or one percent of the insurance in force, whichever is the greater, any reinsurance taking effect simultaneously with the policy being deducted in determining such maximum single risk.

3. It shall have collected a premium upon each application, which premium shall be held in cash or securities in which insurance companies are authorized to invest, which shall be equal, in case of fire insurance, to not less than twice the maximum single risk assumed subject to one fire nor less than ten thousand dollars; and in any other kind of insurance, to not less than five times the maximum single risk assumed; and, in case of employer's liability and workers' compensation insurance, to not less than fifty thousand dollars.

4. For the purpose of transacting employer's liability and workers' compensation insurance, the applications shall cover not less than one thousand five hundred employees, each such employee being considered a separate risk for determining the maximum single risk.

5. *a.* The mutual company shall have in cash or in securities in which insurance companies are authorized to invest, surplus in an amount not less than five million dollars. The surplus so required may be advanced in accordance with section 515.19. A mutual company authorized to do business in Iowa that undergoes a change of control as defined under chapter 521A shall maintain the minimum surplus requirements mandated by this section.

*b.* However, the surplus requirements do not apply to a company which establishes and maintains a guaranty fund as provided by section 515.20.

[C73, §1124; C97, §1692; C24, 27, 31, 35, 39, §**8906;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.12]

90 Acts, ch 1234, §36; 95 Acts, ch 185, §21; 2012 Acts, ch 1023, §157

Referred to in §515.12A, 515.13

**515.12A Alternative minimum surplus levels.**

A mutual company authorized to transact business under this chapter shall comply with the minimum surplus requirements of section 515.12 or chapter 521E, whichever is greater.

96 Acts, ch 1046, §7

**515.13 Reservation.**

None of the provisions of section 515.12, subsection 5, shall apply to any company heretofore organized and approved by the commissioner of insurance, but which had not completed its organization on May 28, 1937, nor shall section 515.12, subsection 5, apply to any company already licensed to issue policies.

[C39, §**8906.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.13]

2013 Acts, ch 30, §126

Section amended

**515.14 Membership in mutuals.**

Any public or private corporation, board, or association in this state, or elsewhere, may make applications, enter into agreements for and hold policies in any such mutual insurance company. Any officer, stockholder, trustee, or local representative of any such corporation, board, association, or estate may be recognized as acting for, or on its behalf for the purpose of such membership, but shall not be personally liable upon such contract of insurance by reason of acting in such representative capacity. The right of any corporation organized under the laws of this state to participate as a member of any such mutual insurance company is

hereby declared to be incidental to the purpose for which such corporation is organized and as much granted as the rights and powers expressly conferred.

[C73, §1124; C97, §1693; C24, 27, 31, 35, 39, §**8907;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.14]

**515.15 Voting power.**

Every policyholder of such mutual company shall be a member of the company and shall be entitled to one vote, and such member may vote in person or by proxy as may be provided in the bylaws.

[C24, 27, 31, 35, 39, §**8908;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.15]

**515.16 Maximum premium.**

The maximum premium payable by any member of a mutual company shall be expressed in the policy and in the application for the insurance. Such maximum may be a cash premium and an additional contingent premium not less than the cash premium, or may be solely a cash premium, which premium may be made payable in installments or regular assessments. No policy shall be issued for a cash premium without an additional contingent premium unless the company has a surplus which is not less in amount than the capital stock required, at the time of the organization of such mutual insurance company, of domestic stock insurance companies writing the same kind of insurance; but said surplus shall not be less than one hundred thousand dollars.

[C24, 27, 31, 35, 39, §**8909;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.16]

**515.17 Unearned premiums.**

Such mutual company shall maintain unearned premium and other reserves separately for each kind of insurance, upon the same basis as that required of domestic insurance companies transacting the same kind of insurance; provided that any reserve for losses or claims based upon the premium income shall be computed upon the net premium income, after deducting any so-called dividend or premium returned or credited to the member.

[C24, 27, 31, 35, 39, §**8910;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.17]

**515.18 Assessments.**

Any such mutual company not possessed of assets at least equal to the unearned premium reserve and other liabilities shall make an assessment upon its members liable to assessment to provide for such deficiency, such assessment to be against each member in proportion to such liability as expressed in the member's policy; provided the commissioner may by written order, relieve the company from an assessment or other proceedings to restore such assets during the time fixed in such order.

[C24, 27, 31, 35, 39, §**8911;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.18]

Referred to in §515.20

**515.19 Advancement of funds.**

Any director, officer, or member of any such mutual company, or any other person, may advance to such company, any sum or sums of money necessary for the purpose of its business, or to enable it to comply with any of the requirements of the law, and such moneys and such interest thereon as may have been agreed upon, not exceeding the maximum statutory rate of interest, shall not be a liability or claim against the company or any of its assets, except as herein provided, and upon approval of the commissioner of insurance may be repaid, but only out of the surplus earnings of such company. No commission or promotion expenses shall be paid in connection with the advance of any such money to the company. The amount of such advance shall be reported in each annual statement.

[C24, 27, 31, 35, 39, §**8912;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.19]

2013 Acts, ch 90, §156

Referred to in §515.12, 515.20

Section amended

**515.20 Guaranty capital.**

A mutual company organized under this chapter may establish and maintain guaranty capital of at least fifty thousand dollars made up of multiples of ten thousand dollars, divided into shares of not less than fifty dollars each, to be invested as provided for the investment of insurance capital and funds by section 515.35. Guaranty shareholders shall be members of the corporation, and provision may be made for representation of the shareholders of the guaranty capital on the board of directors of the corporation. The representation shall not exceed one-third of the membership of the board. Guaranty shareholders in a mutual company are subject to the same regulations of law relative to their right to vote as apply to its policyholders. The guaranty capital shall be applied to the payment of the legal obligations of the corporation only when the corporation has exhausted its assets in excess of the unearned premium reserve and other liabilities. If the guaranty capital is thus impaired, the directors may restore the whole, or any part of the capital, by assessment on the corporation's policyholders as provided for in section 515.18. By a legal vote of the policyholders of the corporation at any regular or special meeting of the policyholders of the corporation, the guaranty capital may be fully retired or may be reduced to an amount of not less than fifty thousand dollars, if the net surplus of the corporation together with the remaining guaranty capital is equal to or exceeds the amount of minimum assets required by this chapter for such companies, and if the commissioner of insurance consents to the action. Due notice of the proposed action on the part of the corporation shall be included in the notice given to policyholders and shareholders of any annual or special meeting and notice of the meeting shall also be given in accordance with the corporation's articles of incorporation. A company with guaranty capital, which has ceased to do business, shall not distribute among its shareholders or policyholders any part of its assets, or guaranty capital, until it has fully performed, or legally canceled, all of its policy obligations. Shareholders of the guaranty capital are entitled to interest on the par value of their shares at a rate to be fixed by the board of directors and approved by the commissioner, cumulative, payable semiannually, and payable only out of the surplus earnings of the company. However, the surplus account of the company shall not be reduced by the payment of the interest below the figure maintained at the time the guaranty capital was established. In addition, the interest payment shall not be made unless the surplus assets remaining after the payment of the interest at least equal the amount required by the statutes of Iowa to permit the corporation to continue in business. In the event of the dissolution and liquidation of a corporation having guaranty capital under this section, the shareholders of the capital are entitled, after the payment of all valid obligations of the company, to receive the par value of their respective shares, together with any unpaid interest on their shares, before there may be any distribution of the assets of the corporation among its policyholders. These provisions are in addition to and independent of the provisions contained in section 515.19.

[C35, §8912-f1; C39, §**8912.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.20]

86 Acts, ch 1038, §1; 87 Acts, ch 115, §64

Referred to in §515.12, 515G.1

**515.21 Additional policy provisions.**

Such mutual company may insert in any form of policy prescribed by the law of this state any additional provisions or conditions required by its plan of insurance if not inconsistent or in conflict with any law of this state.

[C24, 27, 31, 35, 39, §**8913;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.21]

**515.22** Repealed by 98 Acts, ch 1057, § 13.

GENERAL PROVISIONS

**515.23** Repealed by 91 Acts, ch 213, § 36.

**515.24 Tax — computation.**

For the purpose of determining the basis of any tax upon the *"gross amount of premiums"*, or *"gross receipts from premiums, assessments, fees, and promissory obligations"*, now or hereafter imposed upon any fire or casualty insurance company under any law of this state, such gross amount or gross receipts shall consist of the gross written premiums or receipts for direct insurance, without including or deducting any amounts received or paid for reinsurance except that any company reinsuring windstorm or hail risks written by county mutual insurance associations shall be required to pay as a tax the applicable percent provided in section 432.1, calculated upon the gross amount of reinsurance premiums received upon such risks, but with such other deductions as provided by law, and in addition deducting any so-called dividend or return of savings or gains to policyholders; provided that as to any deposits or deposit premiums received by any such company, the taxable premiums shall be the portion of such deposits or deposit premiums earned during the year with such deductions therefrom as provided by law.

[C24, 27, 31, 35, 39, §**8916;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.24]

2002 Acts, ch 1119, §181; 2006 Acts, ch 1117, §66

**515.25 Subscriptions of stock — applications.** Transferred to § 515.10; 2007 Acts, ch 152, § 2.

**515.26 Directors.**

The affairs of a company organized as provided by this chapter shall be managed by a number of directors of not less than five nor more than twenty-one.

[C73, §1126; C97, §1695; C24, 27, 31, 35, 39, §**8918;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.26]

91 Acts, ch 213, §25; 99 Acts, ch 165, §12; 2013 Acts, ch 124, §16

Section amended

**515.27 Election.**

The annual meetings for the election of directors shall be held at such time as the articles of incorporation or bylaws of the company provide; but if for any cause no election is held, or there is a failure to elect at any annual meeting, then a special meeting for that purpose shall be held on the call of a majority of the directors, or of those persons holding a majority of the stock, or of a majority of policyholders if a mutual company, by giving thirty days' notice thereof in some newspaper of general circulation in the county in which the principal office of the company is located.

[C73, §1127; C97, §1696; C24, 27, 31, 35, 39, §**8919;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.27]

**515.28 Term of office.**

The directors chosen at any such annual or special meeting shall continue in office until the next annual meeting, and until their successors are elected and have accepted.

[C73, §1127; C97, §1696; C24, 27, 31, 35, 39, §**8920;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.28]

**515.29 Classification of directors.**

A company may in its articles of incorporation provide that the board of directors be divided into classes holding for a term of not to exceed five years and providing for the election of the members of one class at each annual meeting.

[C24, 27, 31, 35, 39, §**8921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.29]

96 Acts, ch 1045, §4

**515.30 Election of officers.**

The directors shall elect a president, a secretary, and such other officers as may be necessary for transacting the business of the company.

[C73, §1128, 1129; C97, §1697, 1698; C24, 27, 31, 35, 39, §**8922, 8923;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §515.30, 515.31; C77, 79, 81, §515.30]

**515.31 Filling of vacancies.**

The directors shall have authority to fill vacancies occurring on the board of directors, and shall fill vacancies of officers occurring between regular elections.

[C73, §1128; C97, §1697; C24, 27, 31, 35, 39, §**8922;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §515.30; C77, 79, 81, §515.31]

**515.32 Bylaws.**

It may adopt such bylaws and regulations not inconsistent with law as shall appear to them necessary for the regulation and conduct of the business.

[C73, §1129; C97, §1698; C24, 27, 31, 35, 39, §**8924;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.32]

**515.33 Record and inspection.**

The directors shall keep full and correct entries of their transactions, which shall at all times be open to the inspection of the stockholders if a stock company, or policyholders if a mutual company, and to the inspection of persons invested by law with the right thereof.

[C73, §1129; C97, §1698; C24, 27, 31, 35, 39, §**8925;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.33]

**515.34** Repealed by 82 Acts, ch 1051, § 7.

**515.35 Investments.**

1. *General considerations.* The following considerations apply in the interpretation of this section:

*a.* This section applies to the investments of insurance companies other than life insurance companies.

*b.* The purpose of this section is to protect and further the interests of policyholders, claimants, creditors, and the public by providing standards for the development and administration of programs for the investment of the assets of companies organized under this chapter. These standards, and the investment programs developed by companies, shall take into account the safety of the company's principal, investment yield and growth, stability in the value of the investment, and liquidity necessary to meet the company's expected business needs, and investment diversification.

*c.* Financial terms relating to insurance companies have the meanings assigned to them under statutory accounting methods. Financial terms relating to companies other than insurance companies have the meanings assigned to them under generally accepted accounting principles.

*d.* Investments shall be valued in accordance with the valuation procedures established by the national association of insurance commissioners, unless the commissioner requires or finds another method of valuation reasonable under the circumstances.

*e.* If an investment qualifies under more than one subsection, a company may elect to hold the investment under the subsection of its choice. This section does not prevent a company from electing to hold an investment under a subsection different from the one under which it previously held the investment.

2. *Definitions.* For purposes of this section:

*a.* *"Admitted assets"*, for purposes of computing percentage limitations on particular types of investments, means the assets which are authorized to be shown on the national association of insurance commissioner's annual statement blank as admitted assets as of the December 31 immediately preceding the date the company acquires the investment.

*b.* *"Capital and surplus"*, for purposes of computing percentage limitations on particular

types of investments, means the capital and surplus that is authorized to be shown as capital and surplus on the national association of insurance commissioners' annual statement blank as of the December 31 immediately preceding the date the company acquires the investment.

*c.* *"Clearing corporation"* means as defined in section 554.8102.

*d.* *"Custodian bank"* means a bank or trust company that is supervised and examined by state or federal authority having supervision over banks and is acting as custodian for a clearing corporation.

*e.* *"Issuer"* means as defined in section 554.8201.

*f.* *"Member bank"* means a national bank, state bank, or trust company which is a member of the United States federal reserve system.

*g.* *"National securities exchange"* means an exchange registered under section 6 of the Securities Exchange Act of 1934 or an exchange regulated under the laws of the Dominion of Canada.

*h.* *"Obligations"* includes bonds, notes, debentures, transportation equipment certificates, domestic repurchase agreements, and obligations for the payment of money not in default as to payments of principal and interest on the date of investment, which constitute general obligations of the issuer or payable only out of certain revenues or certain funds pledged or otherwise dedicated for payment of principal and interest on the obligations. A lease is an obligation if the lease is assigned to the insurer and is nonterminable by the lessee upon foreclosure of any lien upon the leased property, and if rental payments are sufficient to amortize the investment over the primary lease term.

3. *Investments in name of company or nominee and prohibitions.*

*a.* A company's investments shall be held in its own name or the name of its nominee, except as follows:

(1) Investments may be held in the name of a clearing corporation or of a custodian bank or in the name of the nominee of either on the following conditions:

(a) The clearing corporation, custodian bank, or nominee must be legally authorized to hold the particular investment for the account of others.

(b) When the investment is evidenced by a certificate and held in the name of a custodian bank or the nominee of a custodian bank, a written agreement shall provide that certificates so deposited shall at all times be kept separate and apart from other deposits with the depository, so that at all times they may be identified as belonging solely to the company making the deposit.

(c) If a clearing corporation is to act as depository, the investment may be merged or held in bulk in the name of the clearing corporation or its nominee with other investments deposited with the clearing corporation by any other person, if a written agreement between the clearing corporation and the company provides that adequate evidence of the deposit is to be obtained and retained by the company or a custodian bank.

(2) A company may loan securities held by it to a broker-dealer registered under the Securities Exchange Act of 1934, a national bank, or a state bank, foreign bank, or trust company that is a member of the United States federal reserve system, and the loaned securities shall continue to be allowable investments of the company.

(a) The loan shall be fully collateralized by cash, cash equivalents, or obligations issued or guaranteed by the United States or an agency or instrumentality of the United States. The company shall take delivery of the collateral either directly or through an authorized custodian.

(b) If the loan is collateralized by cash or cash equivalents, the cash or cash equivalent collateral may be reinvested by the company in either individual securities which are allowable investments of the company or in repurchase agreements fully collateralized by such securities if the company takes delivery of the collateral either directly or through an authorized custodian or a pooled fund comprised of individual securities which are allowable investments of the company. If such reinvestment is made in individual securities or in repurchase agreements, the individual securities or the securities which collateralize the repurchase agreements shall mature in less than two hundred seventy days. If such reinvestment is made in a pooled fund, the average maturity of the securities comprising

such pooled fund must be less than two hundred seventy days. Individual securities and securities comprising the pooled fund shall be investment grade.

(c) The loan shall be evidenced by a written agreement which provides all of the following:

(i) That the loan will be fully collateralized at all times during the term of the loan, and that the collateral will be adjusted as necessary each business day during the term of the loan to maintain the required collateralization in the event of market value changes in the loaned securities or collateral.

(ii) If the loan is fully collateralized by cash or cash equivalents, the cash or cash equivalent collateral may be reinvested by the company as provided in subparagraph division (b).

(iii) That the loan may be terminated by the company at any time, and that the borrower shall return the loaned stocks and obligations or equivalent stocks or obligations within five business days after termination.

(iv) That the company has the right to retain the collateral or use the collateral to purchase investments equivalent to the loaned securities if the borrower defaults under the terms of the agreement, and that the borrower remains liable for any losses and expenses incurred by the company due to default that are not covered by the collateral.

(d) Securities loaned pursuant to this subparagraph (2) are not eligible for investment of the company in excess of twenty percent of admitted assets.

(3) A company may participate through a member bank in the United States federal reserve book-entry system, and the records of the member bank shall at all times show that the investments are held for the company or for specific accounts of the company.

(4) An investment may consist of an individual interest in a pool of obligations or a fractional interest in a single obligation if the certificate of participation or interest or the confirmation of participation or interest in the investment is issued in the name of the company or the name of the custodian bank or the nominee of either and if the interest as evidenced by the certificate or confirmation is, if held by a custodian bank, kept separate and apart from the investments of others so that at all times the participation may be identified as belonging solely to the company making the investment.

(5) Transfers of ownership of investments held as described in paragraph "*a*", subparagraph (1), subparagraph division (c), and subparagraphs (3) and (4) may be evidenced by bookkeeping entry on the books of the issuer of the investment, its transfer or recording agent, or the clearing corporation without physical delivery of certificate, if any, evidencing the company's investment.

*b*. Except as provided in paragraph "*a*", subparagraph (5), if an investment is not evidenced by a certificate, adequate evidence of the company's investment shall be obtained from the issuer or its transfer or recording agent and retained by the company, a custodian bank, or clearing corporation. Adequate evidence, for purposes of this paragraph, means a written receipt or other verification issued by the depository or issuer or a custodian bank which shows that the investment is held for the company.

4. *Investments*. Except as otherwise permitted by this section, a company organized under this chapter may invest in the following and no other:

*a. United States government obligations*. Obligations issued or guaranteed by the United States or an agency or instrumentality of the United States. Bonds or other evidences of indebtedness issued, assumed, or guaranteed by the United States of America, or by any agency or instrumentality of the United States of America include investments in an open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, and operated in accordance with 17 C.F.R. § 270.2a-7, the portfolio of which is limited to the United States government obligations described in this paragraph "*a*", and which are included in the national association of insurance commissioners' securities valuation office's United States direct obligation – full faith and credit list.

*b. Certain development bank obligations*. Obligations issued or guaranteed by the international bank for reconstruction and development, the Asian development bank, the inter-American development bank, the export-import bank, the world bank, or any United States government-sponsored organization of which the United States is a member, if the

principal and interest is payable in United States dollars. A company shall not invest more than five percent of its total admitted assets in the obligations of any one of these banks or organizations, and shall not invest more than a total of ten percent of its total admitted assets in the obligations authorized by this paragraph.

*c. State obligations.* Obligations issued or guaranteed by a state of the United States, or a political subdivision of a state, or an instrumentality of a state or political subdivision of a state.

*d. Canadian government obligations.* Obligations issued or guaranteed by the Dominion of Canada, or by an agency or province of Canada, or by a political subdivision of a province, or by an instrumentality of any of those provinces or political subdivisions.

*e. Corporate and business trust obligations.* Obligations issued, assumed, or guaranteed by a corporation or business trust organized under the laws of the United States or a state of the United States, or the laws of Canada or a province of Canada, provided that a company shall not invest more than five percent of its admitted assets in the obligations of any one corporation or business trust. Aggregate investments in below investment grade bonds shall not exceed five percent of assets.

*f. Stocks, limited partnership interests, and limited liability company interests.*

(1) A company may invest in common stocks, common stock equivalents, mutual fund shares, securities convertible into common stocks or common stock equivalents, or preferred stocks issued or guaranteed by a corporation incorporated under the laws of the United States or a state of the United States, or the laws of Canada or a province of Canada.

(a) Stocks purchased under this section shall not exceed one hundred percent of capital and surplus. With the approval of the commissioner, a company may invest any amount in common stocks, preferred stocks, or other securities of one or more subsidiaries provided that after such investments the insurer's surplus as regards policyholders will be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(b) A company shall not invest more than ten percent of its capital and surplus in the stocks of any one corporation.

(2) In addition to those investments permitted under subparagraph (1), a company may invest in or otherwise acquire and hold a limited partnership interest in any limited partnership formed under the laws of any state, commonwealth, or territory of the United States, or under the laws of the United States. A company may invest in or otherwise acquire and hold a member interest in any limited liability company formed under the laws of any state, commonwealth, or territory of the United States or under the laws of the United States. A limited partnership or limited liability company interest shall not be acquired if the investment, valued at cost, exceeds two percent of the capital and surplus of the company or if the investment, plus the book value on the date of the investment of all limited partnership or limited liability company interests then held by the company and held under the authority of this subparagraph, exceeds ten percent of the capital and surplus of the company. A limited partnership or limited liability company interest shall not be acquired under this subparagraph unless the limited partnership or limited liability company is audited annually by an independent auditor.

*g. Real estate mortgages.* Mortgages and other interest-bearing securities that are first liens upon real estate located within this state or any other state of the United States. However, a mortgage or other security does not qualify as an investment under this paragraph if at the date of acquisition the total indebtedness secured by the lien exceeds seventy-five percent of the value of the property that is subject to the lien. Improvements shall not be considered in estimating value unless the owner contracts to keep them insured during the life of the loan in one or more reliable fire insurance companies authorized to transact business in this state and for a sum at least equal to the excess of the loan above seventy-five percent of the value of the ground, exclusive of improvements, and unless this insurance is payable in case of loss to the company investing its funds as its interest may appear at the time of loss. For the purpose of this section, a lien upon real estate shall not be held or construed to be other than a first lien by reason of the fact that drainage or other improvement assessments have been levied against the real estate covered by the lien, whether or not the installment of the assessments have matured, but in determining the

value of the real estate for loan purposes the amount of drainage or other assessment tax that is unpaid shall be first deducted.

*h. Real estate.*

(1) (a) Except as provided in subparagraphs (2), (3), and (4) of this paragraph, a company may acquire, hold, and convey real estate only as follows:

(i) Real estate mortgaged to it in good faith as security for loans previously contracted, or for moneys due.

(ii) Real estate conveyed to it in satisfaction of debts previously contracted in the course of its dealings.

(iii) Real estate purchased at sales on judgments, decrees, or mortgages obtained or made for debts previously contracted in the course of its dealings.

(iv) Real estate subject to a contract for deed under which the company holds the vendor's interest to secure the payments the vendee is required to make under the contract.

(b) All real estate specified in subparagraph division (a), subparagraph subdivisions (i), (ii), and (iii) shall be sold and disposed of within three years after the company acquires title to it, or within three years after the real estate ceases to be necessary for the accommodation of the company's business, and the company shall not hold any of those properties for a longer period unless the company elects to hold the property under another paragraph of this section, or unless the company procures a certificate from the commissioner of insurance that its interest will suffer materially by the forced sale of those properties and that the time for the sale is extended to the time the commissioner directs in the certificate.

(2) A company may acquire, hold, and convey real estate as required for the convenient accommodation and transaction of its business.

(3) A company may acquire real estate or an interest in real estate as an investment for the production of income, and may hold, improve, or otherwise develop, subdivide, lease, sell, and convey real estate so acquired directly or as a joint venture or through a limited or general partnership in which the company is a partner.

(4) A company may also acquire and hold real estate if the purpose of the acquisition is to enhance the sale value of real estate previously acquired and held by the company under this paragraph, and if the company expects the real estate so acquired to qualify under subparagraph (2) or (3) of this paragraph within three years after acquisition.

(5) A company may, after securing the written approval of the commissioner, acquire and hold real estate for the purpose of providing necessary living quarters for its employees. However, the company shall dispose of the real estate within three years after it has ceased to be necessary for that purpose unless the commissioner agrees to extend the holding period upon application by the company.

(6) A company shall not invest more than twenty-five percent of its total admitted assets in real estate. The cost of a parcel of real estate held for both the accommodation of business and for the production of income shall be allocated between the two uses annually. A company shall not invest more than ten percent of its total admitted assets in real estate held under subparagraph (3) of this paragraph.

(7) A company is not required to divest itself of real estate assets owned or contracted for prior to July 1, 1982, in order to comply with the limitations established under this paragraph.

*i. Foreign investments.* Obligations of and investments in foreign countries, as follows:

(1) A company may acquire and hold other investments in foreign countries that are required to be held as a condition of doing business in those countries, so long as such investments are of substantially the same types as those eligible for investment under this section.

(2) A company shall not invest more than two percent of its admitted assets in the stocks or stock equivalents of foreign corporations or business trusts, other than the stocks or stock equivalents of foreign corporations or business trusts incorporated or formed under the laws of Canada, and then only if the stocks or stock equivalents of such foreign corporations or business trusts are regularly traded on the New York, London, Paris, Zurich, Hong Kong, Toronto, or Tokyo stock exchange, or a similar exchange approved by the commissioner by rule or order.

(3) A company may invest in the obligations of a foreign government other than Canada

or of a corporation incorporated under the laws of a foreign government other than Canada. Any such governmental obligation must be valid, legally authorized and issued, and on the date of acquisition have predominantly investment qualities and characteristics as provided by rule. Any such corporate obligation must on the date of acquisition have investment qualities and characteristics, and must not have speculative elements which are predominant, as provided by rule. A company shall not invest more than two percent of its admitted assets in the obligations of a foreign government other than Canada and the United Kingdom. Investments in obligations of the United Kingdom are not eligible in excess of four percent of admitted assets. A company shall not invest more than two percent of its admitted assets in the obligations of a corporation incorporated under the laws of a foreign government other than a corporation incorporated under the laws of Canada.

(4) A company shall not invest more than twenty percent of its admitted assets in foreign investments pursuant to this paragraph.

*j. Personal property under lease.* Personal property for intended lease or rental by the company in the United States or Canada. A company shall not invest more than five percent of its admitted assets under this paragraph.

*k. Collateral loans.* Obligations secured by the pledge of an investment authorized by paragraphs *"a"* through *"j"*, subject to the following conditions:

(1) The pledged investment shall be legally assigned or delivered to the company.

(2) The pledged investment shall at the time of purchase have a market value of at least one hundred ten percent of the amount of the unpaid balance of the obligations.

(3) The company shall reserve the right to declare the obligation immediately due and payable if at any time after purchase the security depreciates to the point where the investment would not qualify under subparagraph (2) of this paragraph. However, additional qualifying security may be pledged to allow the investment to remain qualified.

*l. Options transactions.*

(1) A domestic fire and casualty company may only engage in the following transactions in options on an exchange and only when in accordance with the rules of the exchange on which the transactions take place:

(a) The sale of exchange-traded covered options.

(b) The purchase of exchange-traded covered options solely in closing purchase transactions.

(2) The commissioner shall adopt rules pursuant to chapter 17A regulating option sales under this subparagraph.

*m. Venture capital funds.* Shares or equity interests in venture capital funds which agree to invest an amount equal to at least fifty percent of the investments by a company in small businesses having their principal offices within this state and having either more than one-half of their assets within this state or more than one-half of their employees employed within this state. A company shall not invest more than five percent of its capital and surplus under this paragraph. For purposes of this paragraph, *"venture capital fund"* means a corporation, partnership, proprietorship, or other entity formed under the laws of the United States, or a state, district, or territory of the United States, whose principal business is or will be the making of investments in, and the provision of significant managerial assistance to, small businesses which meet the small business administration definition of small business. *"Equity interests"* means limited partnership interests and other equity interests in which liability is limited to the amount of the investment, but does not mean general partnership interests or other interests involving general liability. *"Venture capital fund"* includes an equity interest in the Iowa fund of funds as defined in section 15E.62.

*n. Other investments.*

(1) A company organized under this chapter may invest up to five percent of its admitted assets in securities or property of any kind, without restrictions or limitations except those imposed on business corporations in general.

(2) A company organized under this chapter may invest its assets in any additional forms not specifically included in paragraphs *"a"* through *"o"* when authorized by rules adopted by the commissioner.

*o. Rules.* The commissioner may adopt rules pursuant to chapter 17A to carry out the purposes and provisions of this section.

[C73, §1130, 1137; C97, §1699, 1703; S13, §1699; C24, 27, 31, 35, 39, §**8926, 8927;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.34, 515.35; 81 Acts, ch 169, §1; 82 Acts, ch 1051, §1]

85 Acts, ch 136, §2; 88 Acts, ch 1112, §402; 91 Acts, ch 26, §40; 96 Acts, ch 1138, §2, 84; 97 Acts, ch 186, §10; 98 Acts, ch 1014, §2; 99 Acts, ch 165, §13; 2001 Acts, ch 69, §29; 2003 Acts, ch 91, §34; 2004 Acts, ch 1110, §52 – 54; 2007 Acts, ch 137, §12; 2009 Acts, ch 41, §159 – 161; 2012 Acts, ch 1023, §120 – 122; 2013 Acts, ch 124, §17

Referred to in §515.20, 518.14, 518A.12, 521G.6
Similar provisions, §511.8
Subsection 4, paragraph f amended

**515.36 Financial statements — mutual companies.**

After complying with the requirements of the preceding sections of this chapter, the company shall file with the commissioner of insurance a satisfactory detailed statement showing the financial condition of the company, including all transactions had during its organization, together with a record of all moneys received and disbursed, a list of the stockholders, the amount of stock purchased by each, and the price paid. The incorporators or officers of such mutual company shall file the statement under oath required of stock companies.

[C73, §1131; C97, §1700; C24, 27, 31, 35, 39, §**8928, 8929;** C46, 50, 54, 58, 62, 66, §515.36, 515.37; C71, 73, 75, 77, 79, 81, §515.36]

**515.37 Subsidiary companies.**

Any insurance company incorporated in this state may organize, or acquire by purchase, in whole or in part, subsidiary insurance and investment companies in which it owns not less than fifty-one percent of the common stock, and, subject to the approval of the insurance commissioner and provided that no company invest an amount in excess of thirty percent of its capital and surplus in the stock of such subsidiary companies, may:

1. Invest funds from surplus for each purpose.
2. Make loans to such subsidiaries.
3. Permit all or part of its officers and directors to serve as officers or directors of any such subsidiary companies.

[C71, 73, 75, 77, 79, 81, §515.37]

**515.38 Examination — certificate of compliance.**

Such commissioner may appoint in writing some disinterested person to make an examination and if it shall be found that the capital or assets herein required of the company named, according to the nature of the business proposed to be transacted by such company, have been paid in, and are now possessed by it in money or such stock, bonds, and mortgages as are required by the preceding sections of this chapter, the commissioner shall so certify; but if the examination is made by another than the commissioner, the certificate shall be by that person, and under that person's oath.

[C73, §1131; C97, §1700; C24, 27, 31, 35, 39, §**8930;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.38]

**515.39 Ownership of assets — oath.**

The incorporators or officers of any such company, or proposed company, shall be required to state to the commissioner of insurance under oath that the capital or assets exhibited to the person making the examination are actually and in good faith the property of the company examined, and free and clear of any lien or claim on the part of any other person.

[C73, §1131; C97, §1700; C24, 27, 31, 35, 39, §**8931;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.39]

**515.40 Form of certificate.**

The certificate of examination of a mutual company shall be to the effect that it has received and has in its actual possession:

1. The cash premiums.
2. Actual contracts of insurance upon property, belonging to the signers thereof, and upon which the insurance applied for can properly be issued.
3. Other securities, as the case may be, to the extent and value hereinbefore required.
[C97, §1700; C24, 27, 31, 35, 39, §**8932;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.40]

**515.41 Certificate of authority.**
The certificate and statements above contemplated shall be filed in the division and the commissioner of insurance shall deliver to the company a copy of the report of the examination, in the event one is made, together with the commissioner's written permission for it to commence the business proposed in its articles of incorporation, which permission shall be its authority to commence business and issue policies.
[C73, §1131; C97, §1700; C24, 27, 31, 35, 39, §**8933;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.41]

**515.42 Tenure of certificate — renewal — evidence.**
A certificate of authority shall expire on the first day of June next succeeding its issue, and shall be renewed annually so long as such company shall transact business in accordance with the requirements of law; a copy of which certificate, when certified to by the commissioner of insurance, shall be admissible in evidence for or against a company with the same effect as the original. A company shall submit annually, on or before March 1, a completed application for renewal of its certificate of authority. A company that fails to timely file an application for renewal shall pay an administrative penalty of five hundred dollars to the treasurer of state for deposit as provided in section 505.7.
[C73, §1131; C97, §1700; C24, 27, 31, 35, 39, §**8934;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.42]
88 Acts, ch 1112, §107; 2006 Acts, ch 1117, §67; 2009 Acts, ch 181, §76

**515.43** Repealed by 88 Acts, ch 1112, § 207.

**515.44 Dividends.**
The directors or managers of a stock company, incorporated under the laws of this state shall make no dividends except from the earned profits arising from their business, which shall not include contributed capital or contributed surplus.
[C73, §1136; C97, §1702; C24, 27, 31, 35, 39, §**8936;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.44]
Referred to in §515.46

**515.45** Repealed by 2000 Acts, ch 1023, § 59, 60.

**515.46 Forfeiture of certificate of authority.**
Any dividend made contrary to the provisions of section 515.44 or rules adopted by the commissioner shall subject the company making it to forfeiture of its certificate of authority.
[C73, §1136; C97, §1702; C24, 27, 31, 35, 39, §**8938;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.46]
2000 Acts, ch 1023, §28, 60

**515.47** Repealed by 2000 Acts, ch 1023, § 59, 60.

**515.48 Kinds of insurance.**
Any company organized under this chapter or authorized to do business in this state may:
1. *a.* Insure dwelling houses, stores and all kinds of buildings and household furniture, and other property against direct or indirect or consequential loss or damage, including loss of use or occupancy and the depreciation of property lost or damaged by fire, smoke, smudge, lightning and other electrical disturbances, collision, falls, wind, tornado, cyclone, volcanic eruptions, earthquake, hail, frost, snow, sleet, ice, weather or climatic conditions, including excess or deficiency of moisture, flood, rain, or drought, rising of the waters

of the ocean or its tributaries, bombardment invasion, insurrection, riot, strikes, labor disturbances, sabotage, civil war or commotion, military or usurped power, any order of a civil authority made to prevent the spread of a conflagration, epidemic or catastrophe, vandalism or malicious mischief, and by explosion whether fire ensues or not, except explosion on risks specified in subsection 6 of this section, provided, however, that there may be insured hereunder the following:

(1) Explosion of pressure vessels (not including steam boilers of more than fifteen pounds pressure) in buildings designed and used solely for residential purposes by not more than four families;

(2) Explosion of any kind originating outside of the insured building or outside of the building containing the property insured; and

(3) Explosion of pressure vessels which do not contain steam or which are not operated with steam coils or steam jackets; and also against loss or damage by insects or disease to farm crops or products, and loss of rental value of land used in producing such crops or products; and against accidental injury to sprinklers, pumps, water pipes, elevator tanks and cylinders, steam pipes and radiators, plumbing and its fixtures, ventilating, refrigerating, heating, lighting or cooking apparatus, or their connections, or conduits or containers of any gas, fluid or other substance; and against loss or damage to property of the insured caused by the breakage or leakage thereof; or by water, hail, rain, sleet or snow seeping or entering through water pipes, leaks or openings in buildings; and against loss of and damage to glass, including lettering and ornamentation thereon, and against loss or damage caused by the breakage of glass; and against loss or damage caused by railroad equipment, motor vehicles, airplanes, seaplanes, dirigibles or other aircraft.

(4) Risks under a multiple peril nonassessable policy reasonably related to the ownership, use or occupancy of a private dwelling or dwellings.

*b.* Loss by depreciation as herein referred to may include the cost of repair and replacement.

2. Insure the fidelity of persons holding places of private or public trust, or execute any bond or other obligation whenever the performance or refraining from any contract, act, duty or obligation is required or permitted by law to be made, given, or filed, including all bonds in criminal causes, and insure the maker, drawer, drawee, or endorser of checks, drafts, bills of exchange, or other commercial paper against loss by reason of any alteration of such instruments.

3. Insure the safekeeping of books, papers, moneys, stocks, bonds and all kinds of personal property from loss, damage or destruction from any cause, and receive them on deposit.

4. Insure against loss or damage by theft, injury, sickness, or death of animals and to furnish veterinary service.

5. *a.* Insure any person, the person's family or dependents, against bodily injury or death by accident, or against disability on account of sickness, or accident, including the granting of hospital, medical, surgical and sick care benefits, but such benefits shall not include the furnishing or replacing in kind of whole human blood or blood products of any kind; however, this provision shall not prohibit payments of indemnity for human blood or blood products. An insurer may contract with health care services providers and offer different levels of benefits to policyholders based upon the provider contracts.

*b.* Insure against legal liability, and against loss, damage, or expense incident to a claim of such liability, arising out of the death or injury of any person, or arising out of injury to the economic interests of any person as the result of error or negligence in rendering expert, fiduciary or professional service.

*c.* Insure against loss or damage to property caused by the accidental discharge or leakage of water from automatic sprinkler system and against loss or damage by water or other fluid or substance to any property resulting from the breakage or leakage of other apparatus or of water pipes or other conduits or containers or resulting from casual water entering into cracks or openings in buildings or by seepage through building walls, but not including loss or damage resulting from flood; and including insurance against accidental injury of such sprinklers, pumps, apparatus, conduits or containers.

*d.* Insure against loss in consequence of accidents or casualties of any kind to employees, including workers' compensation, or to persons or property resulting from any act of an employee, or any accident or casualty to person or property, or both, occurring in or connected with the transaction of insured's business, or from the operation of any machinery connected therewith; or to persons or property for which loss the insured is legally liable including an obligation of the insurer to pay medical, hospital, surgical, funeral or other benefits irrespective of legal liability of insured.

*e.* Insure against liability for loss or expense arising or resulting from accidents occurring by reason of the ownership, maintenance, or use of automobiles or other conveyances including aircraft, resulting in personal injuries or death, or damage to property belonging to others, or both, and for damages to assured's own automobile or aircraft when sustained through collision with another object, and insure the assured's own automobile or aircraft against loss or damage, including the loss of use thereof, by fire, lightning, windstorm, tornado, cyclone, hail, burglary or theft, vandalism, malicious mischief, or the wrongful conversion, disposal, or concealment thereof, or any one or more of such hazards, whether said automobile or aircraft is held under conditional sale, contract, or subject to chattel mortgages.

*f.* Insure against loss of or damage to any property of the insured resulting from collision of any object with such property.

6. Insure against loss or injury to person or property, or both, and against loss of rents or use of buildings, and other property growing out of explosion or rupture of boilers, pipes, flywheels, engines, pressure containers, machinery, and similar apparatus of any kind including equipment used for creating, transmitting, or applying power, light, heat, steam, air conditioning or refrigeration.

7. Insure against loss or damage resulting from burglary or robbery, or attempt thereat, or larceny.

8. Insure or guarantee and indemnify merchants, traders, and those engaged in business and giving credit from loss and damage by reason of giving and extending credit to their customers and those dealing with them, which business shall be known as credit insurance.

*a.* Such insurance may cover losses, less a deduction of an agreed percentage, not to exceed ten percent, representing anticipated profits, and a further deduction not to exceed thirty-three and one-third percent, on losses on credits extended to risks who have inferior ratings, and less an agreed deduction for normal loss.

*b.* Such coinsurance percentages shall be deducted in advance of the agreed normal loss from the gross covered loss sustained by the insured.

9. Insure vessels, boats, cargoes, goods, merchandise, freights, specie, bullion, jewelry, jewels, profits, commissions, bank notes, bills of exchange, and other evidence of debt, bottomry, and respondentia interest and every insurance appertaining to or connected with any or all risks or perils of navigation, transit, or transportation, including war risks, on or under any seas or other waters, on land or in the air, or while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting the same or during any delays, storage, transshipment, or reshipment, incident thereto, including marine builder's risks; and for loss or damage for which the insured is legally liable to persons or property in connection with or appertaining to marine, inland marine, transit, or transportation insurance, including liability for loss of or damage arising out of or in connection with the construction, repair, maintenance, storage or use of the subject matter of such insurance; and insure against loss or damage to silverware, musical instruments, furs, garments, fine arts, precious stones, jewels, jewelry, gold, silver, and other precious metals or valuable items whether used in business, transportation, trade or otherwise; and insure automobiles, airplanes, seaplanes, dirigibles or other aircraft, whether stationary or being operated under their own power, which include all or any of the hazards of fire, explosion, transportation, collision, loss by legal liability for damage to property resulting from the maintenance and use of automobiles, airplanes, seaplanes, dirigibles, or other aircraft, and loss by burglary or theft, vandalism, malicious mischief, or the wrongful conversion, disposal or concealment of automobiles whether held under conditional sale, contract, or subject to chattel mortgage, or any one or more of such hazards, including insurance against loss

by reason of bodily injury to the person including medical, hospital and surgical expense irrespective of legal liability of insured.

10. Insure any additional risk not specifically included within any of the foregoing classes, which is a proper subject for insurance, is not prohibited by law or contrary to sound public policy, and which, after public notice and hearing, is specifically approved by the commissioner of insurance, except title insurance or insurance against loss or damage by reason of defective title, encumbrances or otherwise. When such additional kind of insurance is approved by the commissioner, the commissioner shall designate within which classification of risks provided for in section 515.49 it shall fall.

[C73, §1132; C97, §1709; S13, §1709; C24, 27, 31, 35, 39, §**8940;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.48]

85 Acts, ch 239, §6; 2012 Acts, ch 1023, §157

Referred to in §321.1, 432.1, 432A.1, 508C.3, 517.1, 535.8, 811.3

Action on liability policy, chapter 516

**515.49 Limitation on risks.**

A company shall not expose itself to loss on any one risk or hazard to an amount exceeding ten percent of its surplus to policyholders unless one of the following applies:

1. The excess is reinsured in some other good and reliable company licensed to sell insurance in this state.

2. The excess is reinsured by a group of individual unincorporated insurers who are authorized to sell insurance in at least one state of the United States and who possess assets which are held in trust for the benefit of the American policyholders in the sum of not less than fifty million dollars, and a certificate of such reinsurance shall be furnished to the insured.

3. The excess is reinsured with a company which has, with respect to the ceding insurer, created a trust fund, made a deposit, or obtained letters of credit, on terms satisfactory to the commissioner.

[C73, §1132; C97, §1710; S13, §1710; C24, 27, 31, 35, 39, §**8941;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.49]

88 Acts, ch 1112, §403

Referred to in §515.48, 521.13

**515.50 Loans — reinsurance.** Repealed by 2007 Acts, ch 152, § 84.

**515.51 Policies — execution — requirements.**

All policies or contracts of insurance except surety bonds made or entered into by the company may be made either with or without the seal of the company, but shall be subscribed by the president, or such other officer as may be designated by the directors for that purpose, and be attested to by the secretary or the secretary's designee of the company. A group motor vehicle or group homeowners policy shall not be written or delivered within this state unless such policy is an individual policy or contract form.

[C73, §1133; C97, §1712; C24, 27, 31, 35, 39, §**8943;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.51]

96 Acts, ch 1045, §5; 97 Acts, ch 186, §11; 2001 Acts, ch 69, §30

**515.52 through 515.61** Repealed by 98 Acts, ch 1057, §13.

**515.62 Transfer of stock.** Repealed by 2008 Acts, ch 1074, § 18. See § 515.11A.

**515.63 Annual statement.**

The president or the vice president and secretary of each company organized or authorized to do business in the state shall annually on or before the first day of March of each year prepare under oath and file with the commissioner of insurance or a depository designated by the commissioner a full, true, and complete statement of the condition of such company on the last day of the preceding year, which shall exhibit the following items and facts:

1. First — The amount of capital stock of the company.

2. Second — The names of the officers.
3. Third — The name of the company and where located.
4. Fourth — The amount of its capital stock paid up.
5. Fifth — The property or assets held by the company, specifying:
*a.* The value of real estate owned by the company.
*b.* The amount of cash on hand and deposited in banks to the credit of the company, and in what bank deposited.
*c.* The amount of cash in the hands of agents and in the course of transmission.
*d.* The amount of loans secured by first mortgage on real estate, with the rate of interest thereon.
*e.* The amount of all other bonds and loans and how secured, with the rate of interest thereon.
*f.* The amount due the company on which judgment has been obtained.
*g.* The amount of bonds of the state, of the United States, of any county or municipal corporation of the state, and of any other bonds owned by the company, specifying the amount and number thereof, and par and market value of each kind.
*h.* The amount of bonds, stock, and other evidences of indebtedness held by such company as collateral security for loans, with amount loaned on each kind, and its par and market value.
*i.* The amount of assessments on stock and premium notes, paid and unpaid.
*j.* The amount of interest actually due and unpaid.
*k.* All other securities and their value.
*l.* The amount for which premium notes have been given on which policies have been issued.
6. Sixth — Liabilities of such company, specifying:
*a.* Losses adjusted and due.
*b.* Losses adjusted and not due.
*c.* Losses unadjusted.
*d.* Losses in suspense and the cause thereof.
*e.* Losses resisted and in litigation.
*f.* Dividends in scrip or cash, specifying the amount of each, declared but not due.
*g.* Dividends declared and due.
*h.* The amount required to reinsure all outstanding risks on the basis of the unearned premium reserve as required by law.
*i.* The amount due banks or other creditors.
*j.* The amount of money borrowed and the security therefor.
*k.* All other claims against the company.
7. Seventh — The income of the company during the previous year, specifying:
*a.* The amount received for premiums, exclusive of premium notes.
*b.* The amount of premium notes received.
*c.* The amount received for interest.
*d.* The amount received for assessments or calls on stock notes, or premium notes.
*e.* The amount received from all other sources.
8. Eighth — The expenditures during the preceding year, specifying:
*a.* The amount of losses paid during said term, stating how much of the same accrued prior, and how much subsequent, to the date of the preceding statement, and the amount at which such losses were estimated in such statement.
*b.* The amount paid for dividends.
*c.* The amount paid for commissions, salaries, expenses, and other charges of agents, clerks, and other employees.
*d.* The amount paid for salaries, fees, and other charges of officers and directors.
*e.* The amount paid for local, state, national and other taxes and duties.
*f.* The amount paid for all other expenses, including printing, stationery, rents, furniture, or otherwise.
9. Ninth — The largest amount insured in any one risk.
10. Tenth — The amount of risks written during the year then ending.

11. Eleventh — The amount of risks in force having less than one year to run.

12. Twelfth — The amount of risks in force having more than one and not over three years to run.

13. Thirteenth — The amount of risks having more than three years to run.

14. Fourteenth — The dividends, if any, declared on premiums received for risks not terminated.

15. Fifteenth — All other information as required by the national association of insurance commissioners' annual statement blank. The annual statement blank shall be prepared in accordance with instructions prescribed by the commissioner. All financial information reflected in the annual report shall be kept and prepared in accordance with accounting practices and procedures prescribed by the commissioner. The commissioner may adopt by reference the annual statement handbook and the accounting practices and procedures manual of the national association of insurance commissioners.

[C73, §1141; C97, §1714; C24, 27, 31, 35, 39, §**8945;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.63]

91 Acts, ch 26, §41; 2003 Acts, ch 91, §35

Referred to in §515.146, 515H.2

**515.64 Accident insurance — record.** Repealed by 2008 Acts, ch 1074, § 18.

**515.65 Certificate refused — administrative penalty.** Transferred to § 515.146; 2007 Acts, ch 152, § 3.

**515.66 Annual statement of foreign company.**

The annual statement of foreign companies doing business in this state shall also show, in addition to the foregoing matters, the amount of losses incurred and premiums received in the state during the preceding period, so long as such company continues to do business in this state.

[C73, §1146; C97, §1716; C24, 27, 31, 35, 39, §**8948;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.66]

**515.67 Inquiry by commissioner.** Repealed by 2007 Acts, ch 152, § 84.

**515.68 Changes in forms of statements.**

The commissioner may from time to time make changes in the forms of statements required by this chapter which seem to the commissioner best adapted to elicit from the companies a true exhibit of their condition in respect to the several points enumerated in this chapter.

[C73, §1157; C97, §1719; C24, 27, 31, 35, 39, §**8950;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.68]

85 Acts, ch 228, §7

**515.68A Foreign companies — reinsurance.**

A foreign company authorized to do business in this state shall not assumptively reinsure a block of business which includes policyholders residing in this state to a company not authorized to do business in this state without the prior written approval of the commissioner.

97 Acts, ch 186, §12

**515.69 Foreign companies — capital and surplus required.**

1. A stock insurance company organized under or by the laws of any other state or foreign government for the purpose specified in this chapter, shall not, directly or indirectly, take risks or transact business of insurance in this state unless the company possesses the actual amount of capital and surplus required of any company organized pursuant to this chapter, or if the company is a mutual insurance company, the actual amount of surplus required of any mutual insurance company organized pursuant to this chapter, exclusive of assets deposited in a state, territory, district, or country for the special benefit or security of those insured in that state, territory, district, or country.

2. Notwithstanding subsection 1, a stock insurance company authorized to transact

business under this section shall comply with the minimum capital and surplus requirements of this section or chapter 521E, whichever is greater.

[C73, §1144; C97, §1721; SS15, §1721; C24, 27, 31, 35, 39, §**8951;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.69]

92 Acts, ch 1162, §36; 96 Acts, ch 1046, §5; 2013 Acts, ch 124, §18
Referred to in §515.143
Subsection 1 amended

**515.70 Alien insurer defined.**

1. An "*alien insurer*" is hereby defined to mean an insurance company incorporated or organized under the laws of any country other than the United States.

2. An alien insurer, with the approval of the commissioner, may be treated as a domestic insurer of this state in whole or in part. The approval of the commissioner may be based upon such factors as:

*a.* Maintenance of an appropriate trust account, surplus account, or other financial mechanism in this state.

*b.* Maintenance of all books and records of United States operations in this state.

*c.* Maintenance of a separate financial reporting system for its United States operations.

*d.* Any other provisions deemed necessary by the commissioner.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.70]

90 Acts, ch 1234, §37; 2012 Acts, ch 1023, §157

**515.71 Deposit of securities — amount.**

Every alien insurer authorized to transact business in this state shall at all times maintain a deposit with the commissioner of insurance in cash or in securities in which insurance companies are authorized to invest, of a sum equal to the greater of the reserve on all policies covering risks located in this state or one million dollars. The securities shall be approved, and the amount of the deposit shall be determined, by the commissioner. The commissioner, in the commissioner's discretion, may permit the withdrawal of interest earnings.

In lieu of the deposit provided in this section, an alien insurer may file with the commissioner a bond of equal amount executed by a licensed United States surety company, so conditioned for the protection of Iowa creditors and policyholders.

An alien insurer shall not be granted a certificate of authority to transact business in this state, or a renewal of the certificate, until such deposit is made, and the commissioner may revoke the certificate of authority of an alien insurer which fails to make the deposit within a reasonable period of time.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.71]

92 Acts, ch 1162, §37; 2000 Acts, ch 1023, §29, 60

**515.72 Insolvency of company — procedure.**

In the event of insolvency or receivership of any such alien insurer the title to the cash or securities so deposited shall vest in the commissioner of insurance for the use and benefit of the policies issued by said insurer and outstanding in this state, and in such event the commissioner shall be appointed receiver of said insurer by the district court, in and for Polk county, with the right, subject to the court's approval, to reinsure said policies in some insurance company or association authorized to do business in this state, or to liquidate said deposit for the sole benefit of the policies for which said deposit was made.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.72]

**515.73 Additional statements — impaired capital.**

Any company desiring to transact the business of insurance under this chapter shall also file with the commissioner a certified copy of its charter or deed of settlement, together with a statement under oath of the president or vice president or other chief officer and the secretary of the company for which they may act, stating the name of the company, the place where located, the amount of its capital, with a detailed statement of the facts and items required from companies organized under the laws of this state, and a copy of the last annual report, if any, made under any law of the state by which such company was incorporated; and no agent

shall be allowed to transact business for any company whose capital is impaired by liabilities as specified in this chapter to the extent of twenty percent thereof, while such deficiency shall continue.

[C73, §1144; C97, §1722; C24, 27, 31, 35, 39, §**8954;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.75]

2007 Acts, ch 152, §6

CS2007, §515.73

2008 Acts, ch 1074, §5

Former §515.73 transferred to §515.76; 2007 Acts, ch 152, §4

**515.74 Foreign mutual companies — surplus.**

1. Any mutual insurance company organized outside of this state and authorized to transact the business of insurance on the mutual plan in any other state of the United States or in the District of Columbia, may be admitted to this state and authorized to transact herein any of the kinds of insurance authorized by its charter or articles of incorporation, when so permitted by the provisions of this chapter, with the powers and privileges and subject to the conditions and limitations specified in said chapter; provided, however, such company has complied with all the statutory provisions which require stock companies to file papers and to furnish information and to submit to examination, and is also solvent according to the requirements of this chapter and is possessed of a surplus safely invested as follows:

*a.* In case of a mutual company issuing policies for a cash premium without an additional contingent liability equal to or greater than the cash premium, the surplus shall be at least two million dollars.

*b.* In case of any other such mutual company issuing policies for a cash premium or payment with an additional contingent liability equal to or greater than the cash premium or payment, the surplus shall be such an amount as the commissioner of insurance of Iowa may require, but in no case less than three hundred thousand dollars, provided that the provisions of this section fixing a minimum surplus of three hundred thousand dollars shall not apply to companies now admitted to do business in Iowa; provided, further, that no such mutual company shall be authorized to transact compensation insurance without a surplus of at least three hundred thousand dollars unless all liability for each adjusted claim in this state, the payment of any part of which is deferred for more than one year, shall be provided for by a special deposit, in a trust company or a bank having fiduciary powers, located in this state, which shall be a trust fund applicable solely and exclusively to the payment of the compensation benefits for which such deposit is made, or shall be reinsured in an authorized stock company, or in an authorized mutual company with a surplus of at least three hundred thousand dollars.

2. Notwithstanding subsection 1, a mutual insurance company authorized to transact business under this section shall comply with the minimum surplus requirements of this section or chapter 521E, whichever is greater.

[C73, §1144; C97, §1723; C24, 27, 31, 35, 39, §**8955;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.76]

96 Acts, ch 1046, §6; 2007 Acts, ch 152, §7

CS2007, §515.74

Former §515.74 transferred to §515.77; 2007 Acts, ch 152, §5

**515.75 Certificate to foreign company.**

When a foreign company has fully complied with the requirements of law and become entitled to do business, the commissioner of insurance shall issue to the company a certificate of that fact, which certificate shall be renewed annually on the first day of June, if the commissioner is satisfied that the capital, securities, and investments of the company remain unimpaired, and the company has complied with the provisions of law applicable to the company. However, the commissioner shall not grant or continue authority to transact insurance in this state to an insurer the management of which is found by the commissioner, after a hearing is provided, in which the commissioner shall establish and consider any prior criminal records or any other matters, to be untrustworthy or so lacking in insurance

experience as to make the proposed operation hazardous to the insurance-buying public; or which, after a hearing is provided, the commissioner has good reason to believe is affiliated directly or indirectly through ownership, control, reinsurance transactions, or other insurance or business relations, with a person whose business operations are or have been marked, to the detriment of policyholders or stockholders or investors or creditors or of the public, by manipulation or dissipation of assets, or manipulation of accounts, or of reinsurance, or by similar injurious actions.

[C73, §1146; C97, §1724; C24, 27, 31, 35, 39, §**8956;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.77]

91 Acts, ch 213, §27; 2007 Acts, ch 152, §8

CS2007, §515.75

Former §515.75 transferred to §515.73; 2007 Acts, ch 152, §6

**515.76 Commissioner as process agent.**

Any company desiring to transact the business of insurance under this chapter shall file with the commissioner of insurance a power of attorney and a signed written instrument authorizing the commissioner to accept service of notice or process on behalf of such company that shall be as valid as if served upon the company according to the laws of this or any other state, and waiving all claim or right of error due to the filing of the power of attorney and the agreement regarding service of notice or process.

[C73, §1144; C97, §1722; C24, 27, 31, 35, 39, §**8952;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.73]

2003 Acts, ch 91, §36; 2007 Acts, ch 152, §4

CS2007, §515.76

Former §515.76 transferred to §515.74; 2007 Acts, ch 152, §7

**515.77 Service of process.**

Any notice or process, with three copies of the notice or process, may be mailed to the commissioner at Des Moines, Iowa, in a certified mail letter addressed to the commissioner by the commissioner's official title. The commissioner shall acknowledge service on behalf of the defendant foreign insurance company by writing, giving the date of receipt of the notice or process, and shall return the notice or process in a certified mail letter to the clerk of the court in which the suit is pending, addressed to the clerk by the clerk's official title, and shall also mail a copy, with a copy of the commissioner's acknowledgment of service written thereon, in a certified mail letter addressed to the person or corporation named or designated by such company in the written instrument. Notice or process received prior to 10:00 a.m. shall be forwarded the same working day. Notice or process received after 10:00 a.m. shall be forwarded the next working day. A fee of fifteen dollars must accompany the request for notice or process.

[C97, §1722; C24, 27, 31, 35, 39, §**8953;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.74]

92 Acts, ch 1162, §38; 99 Acts, ch 165, §14; 2007 Acts, ch 152, §5

CS2007, §515.77

Former §515.77 transferred to §515.75; 2007 Acts, ch 152, §8

**515.78 Foreign companies may become domestic.**

1. An insurer which is organized under the laws of any state and has created or will create jobs in this state or which is an affiliate or subsidiary of a domestic insurer, and is admitted to do business in this state for the purpose of writing insurance authorized by this chapter may become a domestic insurer by complying with section 490.902 or 491.33 and with all of the requirements of law relative to the organization and licensing of a domestic insurer of the same type and by designating its principal place of business in this state may become a domestic corporation and be entitled to like certificates of its corporate existence and license to transact business in this state, and be subject in all respects to the authority and jurisdiction thereof.

2. The certificates of authority, agent's appointments and licenses, rates, and other items which are in existence at the time any insurer transfers its corporate domicile to this state, pursuant to this section, shall continue in full force and effect upon such transfer. For

purposes of existing authorizations and all other corporate purposes, the insurer is deemed the same entity as it was prior to the transfer of its domicile. All outstanding policies of any transferring insurer shall remain in full force and effect and need not be endorsed as to any new name of the company or its new location unless so ordered by the commissioner of insurance.

[81 Acts, ch 161, §2]
C83, §515.99
89 Acts, ch 288, §193; 2007 Acts, ch 152, §25
CS2007, §515.78
2011 Acts, ch 66, §2

**515.79 Notes taken for insurance.** Repealed by 2007 Acts, ch 152, § 84.

**515.80 Forfeiture of policies — notice.** Transferred to § 515.125; 2007 Acts, ch 152, § 9.

**515.81 Cancellation of policy — notice to insured or mortgagee.** Transferred to § 515.126; 2007 Acts, ch 152, § 10.

**515.81A Cancellation of commercial lines policies or contracts.** Transferred to § 515.127; 2007 Acts, ch 152, § 11.

**515.81B Nonrenewal of commercial lines policies or contracts.** Transferred to § 515.128; 2007 Acts, ch 152, § 12.

**515.81C Cancellation or nonrenewal of commercial umbrella or excess policies or contracts.** Transferred to § 515.129; 2007 Acts, ch 152, § 13.

**515.82 Short rates.** Transferred to § 515.130; 2007 Acts, ch 152, § 14.

**515.83 Policy restored.** Transferred to § 515.131; 2007 Acts, ch 152, § 15.

**515.84 Right of insured to cancel.** Transferred to § 515.132; 2007 Acts, ch 152, § 16.

**515.85 through 515.87** Reserved.

**515.88 Transfers pending investigation.** Transferred to § 515.142; 2007 Acts, ch 152, § 17.

**515.89 Revocation of certificate of foreign company.** Transferred to § 515.143; 2007 Acts, ch 152, § 18.

**515.90 Suspension and summary suspension.** Transferred to § 515.144; 2007 Acts, ch 152, § 19.

**515.91 False statement of assets.** Repealed by 2007 Acts, ch 152, § 84. See § 507B.4.

**515.92 Statement of capital and surplus.** Repealed by 2007 Acts, ch 152, § 84. See § 507B.4.

**515.93 Violations.** Repealed by 2007 Acts, ch 152, § 84.

**515.94 Copy of application — duty to provide.** Transferred to § 515.133; 2007 Acts, ch 152, § 20.

**515.95 Failure to attach — effect.** Transferred to § 515.134; 2007 Acts, ch 152, § 21.

**515.96 Reserved.**

**515.97 Value of building — liability.** Transferred to § 515.136; 2007 Acts, ch 152, § 23.

**515.98 Prima facie right of recovery.** Transferred to § 515.137; 2007 Acts, ch 152, § 24.

**515.99 Foreign companies may become domestic.** Transferred to § 515.78; 2007 Acts, ch 152, § 25.

POLICY PROVISIONS AND RATES

**515.100 Nature of organization entered on policy.**

Every domestic and foreign insurance company organized and doing business under this chapter shall indicate upon the first page of every policy and renewal receipt that the policy is issued by a mutual company in case of a mutual company, and by a stock company in case of a stock company.

[C73, §1140; C97, §1689; S13, §1689; C24, 27, 31, 35, 39, §**8901;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.6]

2007 Acts, ch 152, §1

CS2007, §515.100

Former §515.100 transferred to §515.138; 2007 Acts, ch 152, §26

**515.101 Conditions and stipulations invalidating policy — avoidance — pleadings — applicability.**

1. Any condition or stipulation in an application, policy, or contract of insurance making the policy void before the loss occurs shall not prevent recovery on the policy by the insured, if the plaintiff shows that the failure to observe such provision or the violation thereof did not contribute to the loss.

2. Any such condition or stipulation in an application, policy, or contract of insurance that refers to any of the following shall not be changed or affected by the provisions of subsection 1:

*a.* Any other insurance, valid or invalid.

*b.* Vacancy of the insured premises.

*c.* The title or ownership of the property insured.

*d.* Liens or encumbrances on the property insured created by the voluntary act of the insured and within the insured's control.

*e.* Suspension or forfeiture of the policy during default or failure to pay any written obligation given to the insurance company for the premium.

*f.* The assignment or transfer of such policy of insurance before the loss occurs without the consent of the insurance company.

*g.* The removal of the property insured.

*h.* A change in the occupancy or use of the property insured, if such change or use makes the risk more hazardous.

*i.* Fraud, concealment, or misrepresentation of an insured.

3. Subsections 1 and 2 shall not be construed to change limitations or restrictions related to the pleading or proving of any defense by any insurance company to which the company is subject by law.

4. The provisions of subsections 1, 2, and 3 apply to all contracts of insurance on real and personal property.

[C97, §1743; S13, §1743; C24, 27, 31, 35, 39, §**8980;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.101]

2007 Acts, ch 152, §64; 2009 Acts, ch 145, §23

**515.102 Forms of policies and endorsements — approval.**

1. The form of all policies, and of applications, and of agreements or endorsements modifying the provisions of policies, and of all permits and riders used generally throughout the state, that are issued or proposed to be issued by any insurance company doing business

in this state under the provisions of this chapter, shall first be examined and approved by the commissioner of insurance.

2. The commissioner, upon a determination that the examination required under subsection 1 is unnecessary to achieve the purpose of this section, may exempt either of the following:

*a.* Any specified person by order, or any class of persons by rule.

*b.* Any specified risk by order, or any line or kind of insurance, or subdivision of insurance, or any class of risk or combination of classes of risks by rule.

3. Forms of policies issued or proposed to be issued shall provide for the cancellation of the policy at the request of the insured upon equitable terms, and the return to the insured of any premium paid in excess of the customary short rates for the insurance up to the time of cancellation, or the release of the insured from any liability beyond such short rates, or for losses after the cancellation of the policy if the insurance is issued or proposed to be issued by a mutual company.

2007 Acts, ch 152, §65

Referred to in §515.109

Former §515.102 repealed by 2007 Acts, ch 152, §84; see §515.101

**515.103 Use of credit information — personal insurance.**

1. *Definitions.* As used in this section unless the context otherwise requires:

*a.* *"Adverse action"* means a denial of issuance, cancellation, or refusal to renew, an increase in any charge for, or a reduction or other unfavorable change in the terms of coverage or amount of any personal insurance existing or applied for, or in connection with the underwriting of personal insurance.

*b.* *"Affiliate"* means any company that controls, is controlled by, or is under common control with another company.

*c.* *"Applicant"* means an individual who has applied to be covered by a personal insurance policy with an insurer.

*d.* *"Consumer"* means an insured whose credit information is used or whose insurance score is calculated in the underwriting or rating of a personal insurance policy or an applicant for such a personal insurance policy.

*e.* *"Consumer reporting agency"* means any person that, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information concerning consumers for the purpose of furnishing consumer credit reports to third parties.

*f.* *"Credit information"* means any information related to credit that is contained in or derived from a credit report, or provided in an application for personal insurance. Information that is not related to credit shall not be considered "credit information" regardless of whether the information is contained in or derived from a credit report or an application for credit or is used to calculate an insurance score.

*g.* *"Credit report"* means any written, oral, or other communication of information by a consumer reporting agency that relates to a consumer's creditworthiness, credit standing, or credit capacity and that is used or expected to be used or is collected, in whole or in part, for the purpose of serving as a factor in determining personal insurance premiums, eligibility for personal insurance coverage, or tier placement.

*h.* *"Insurance score"* means a number or rating that is derived from an algorithm, computer application, model, or other process that is based in whole or in part on credit information for the purposes of predicting the future insurance loss exposure of a consumer.

*i.* *"Insured"* means an individual who is covered by a personal insurance policy.

*j.* *"Personal insurance"* means personal insurance and not commercial insurance and is limited to private passenger automobile, homeowners, farm owners, personal farm liability, motorcycle, mobile home owners, noncommercial dwelling fire, boat, personal watercraft, snowmobile, and recreational vehicle insurance policies, that are individually underwritten for personal, family, farm, or household use. No other type of insurance is included as personal insurance for the purposes of this section.

2. *Use of credit information.* An insurer authorized to do business in Iowa that uses credit

information to underwrite or rate risks for a policy of personal insurance shall not do any of the following:

*a.* Use an insurance score that is calculated using income, gender, address, zip code, ethnic group, religion, marital status, race, or nationality of a consumer as a factor.

*b.* Deny issuance, cancel, or refuse to renew a policy of personal insurance solely on the basis of credit information, without consideration of any other applicable underwriting factors independent of credit information that are not otherwise prohibited under paragraph "*a*".

*c.* Base a consumer's renewal rates for personal insurance solely on the basis of credit information, without consideration of any other applicable underwriting factors independent of credit information that are not otherwise prohibited under paragraph "*a*".

*d.* Take adverse action against a consumer solely because the consumer does not have a credit card account, without consideration of any other applicable underwriting factors independent of credit information that are not otherwise prohibited under paragraph "*a*".

*e.* Consider an absence of credit information or an inability to calculate an insurance score in underwriting or rating personal insurance unless the insurer does one of the following:

(1) Treats the consumer as if the consumer has neutral credit information, as defined by the insurer.

(2) Excludes the use of credit information as an underwriting factor and only uses other underwriting criteria.

*f.* Take adverse action against a consumer based on credit information, unless the insurer obtains and uses a credit report issued or an insurance score calculated within ninety days before the date a personal insurance policy is first written or a renewal is issued.

*g.* Use credit information unless not later than every thirty-six months following the last time that the insurer obtained current credit information for the insured, the insurer recalculates the insurance score or obtains an updated credit report for the insured. Regardless of the requirements of this paragraph:

(1) At annual renewal, upon the request of the consumer or the consumer's agent, the insurer shall re-underwrite and re-rate the personal insurance policy based upon a current credit report or insurance score. An insurer is not required to recalculate an insurance score or obtain a current credit report more than once in a twelve-month period.

(2) The insurer shall have the discretion to obtain current credit information for a consumer more frequently than every thirty-six months, if consistent with the insurer's underwriting guidelines.

(3) Notwithstanding subparagraph (1), an insurer is not required to obtain current credit information for a consumer if any of the following applies:

(a) The insurer is treating the consumer as otherwise approved by the commissioner of insurance.

(b) The consumer is in the most favorably priced tier of the insurer, within a group of affiliated insurers. However, the insurer shall have the discretion to obtain current credit information, if consistent with the insurer's underwriting guidelines.

(c) Credit information was not used for underwriting or rating the insured when the personal insurance policy was initially written. However, the insurer shall have the discretion to use current credit information for underwriting or rating the insured upon renewal of the policy, if consistent with the insurer's underwriting guidelines.

(d) The insurer reevaluates the insured beginning no later than thirty-six months after the personal insurance policy was initially written and thereafter, based on other underwriting or rating factors, excluding credit information.

*h.* Use any of the following as a negative factor in any insurance scoring methodology or in reviewing credit information for the purpose of underwriting or rating a personal insurance policy:

(1) Credit inquiries not initiated by the consumer or inquiries requested by the consumer for the consumer's own credit information.

(2) Inquiries relating to insurance coverage, if so identified on a consumer's credit report.

(3) Collection accounts with a medical industry code, if so identified on a consumer's credit report.

(4) Multiple lender inquiries, if coded by a consumer reporting agency on the consumer's credit report as being from the home mortgage industry and made within thirty days of one another, unless only one inquiry is considered.

(5) Multiple lender inquiries, if coded by a consumer reporting agency on the consumer's credit report as being from the automobile lending industry and made within thirty days of one another, unless only one inquiry is considered.

3. *Dispute resolution and error correction.* If it is determined through the dispute resolution process set forth under the federal Fair Credit Reporting Act, 15 U.S.C. § 1681i(a)(5), that the credit information of a current insured is incorrect or incomplete and the insurer receives notice of such determination from either the consumer reporting agency or from the insured, the insurer shall re-underwrite and re-rate the insured within thirty days of receiving the notice. After re-underwriting or re-rating the insured, the insurer shall make any adjustments necessary, consistent with the insurer's underwriting and rating guidelines. If an insurer determines that an insured has overpaid the premium on a personal insurance policy, the insurer shall refund the amount of the overpayment to the insured, calculated for either the last twelve months of coverage or the actual policy period, whichever is shorter.

4. *Initial notification.*

*a.* If an insurer writing personal insurance uses credit information in underwriting or rating a consumer, the insurer or the insurer's agent shall disclose, either on the insurance application or at the time that the insurance application is taken, that the insurer may obtain credit information of the consumer in connection with the application. Such disclosure to a consumer shall either be written or provided in the same medium as the application for insurance. An insurer is not required to provide the disclosure statement required under this subsection to a consumer in connection with the renewal of a personal insurance policy if the consumer has previously been provided with such a disclosure statement.

*b.* An insurer that uses the following statement of disclosure shall be deemed to be in compliance with this subsection:

In connection with this application for insurance, we may review your credit report or obtain or use a credit-based insurance score based on the information contained in that credit report. We may use a third party in connection with the development of your insurance score.

5. *Notification of adverse action.* If an insurer takes adverse action against a consumer based on credit information, the insurer shall do all of the following:

*a.* Provide notification to the consumer that adverse action has been taken, in accordance with the requirements of the federal Fair Credit Reporting Act, 15 U.S.C. § 1681m(a).

*b.* Provide notification to the consumer explaining the reasons for the adverse action taken. Such notice shall give reasons for the adverse action taken in language that is sufficiently clear and specific so that a person can identify the basis for the insurer's decision to take adverse action. Such notification shall include a description of up to four factors that were the primary influences for the adverse action taken. The use of generalized terms such as "poor credit history", "poor credit rating", or "poor insurance score" does not meet the explanation requirements of this paragraph. Standardized credit explanations that are provided by consumer reporting agencies or other third-party vendors are deemed to comply with this paragraph.

6. *Extraordinary life circumstances.*

*a.* An insurer authorized to do business in Iowa that uses credit information to underwrite or rate risks for a policy of personal insurance shall, on written request from a consumer, provide reasonable exceptions to the insurer's rates, rating classifications, company or tier placement, or underwriting rules or guidelines for a consumer who has experienced and whose credit information has been directly influenced by any of the following events:

(1) Catastrophic event, as declared by the federal or a state government.

(2) Serious illness or injury, or serious illness or injury to an immediate family member.

(3) Death of a spouse, child, or parent.

(4) Divorce or involuntary interruption of legally owed alimony or support payments.

(5) Identity theft.

(6) Temporary loss of employment for a period of three months or more, if such loss results from involuntary termination of employment.

(7) Military deployment overseas.

(8) Other events, as determined by the insurer.

*b.* If a consumer submits a request for an exception as set forth in paragraph "*a*", an insurer may, in its sole discretion, but is not required to, do any of the following:

(1) Require the consumer to provide reasonable written and independently verifiable documentation of the event.

(2) Require the consumer to demonstrate that the event had direct and meaningful impact on the consumer's credit information.

(3) Require such request to be made no more than sixty days from the date of the application for insurance or the policy renewal.

(4) Grant an exception despite the fact that the consumer did not provide the initial request for an exception in writing.

(5) Grant an exception where the consumer asks for consideration of repeated events or the insurer has considered this event previously.

*c.* An insurer is not out of compliance with any law or rules relating to underwriting, rating, or rate-filing as a result of granting an exception under this subsection. Nothing in this subsection shall be construed to provide a consumer or other insured with a cause of action that does not exist in the absence of this subsection.

*d.* An insurer shall provide notice to consumers that reasonable exceptions are available pursuant to this subsection and information about how the consumer may inquire further about such exceptions.

*e.* Within thirty days of the insurer's receipt of sufficient documentation of an event described in paragraph "*a*" from a consumer, the insurer shall inform the consumer of the outcome of the consumer's request for a reasonable exception. Such communication shall be in writing or provided to a consumer using the same medium as the request.

7. *Information filed with the commissioner of insurance.*

*a.* An insurer that uses insurance scores to underwrite and rate risks for personal insurance shall file the insurer's scoring models or other scoring processes with the commissioner of insurance. A third party may file scoring models on behalf of an insurer. Information filed with the commissioner that includes insurance scoring models may include information including loss experience that justifies the insurer's use of credit information.

*b.* Information filed with the commissioner of insurance pursuant to this subsection shall be considered a confidential record and be recognized and protected as a trade secret pursuant to section 22.7, subsection 3.

8. *Indemnification.* An insurer shall indemnify, defend, and hold harmless agents or producers of the insurer from and against all liability, fees, and costs, arising out of or relating to the actions, errors, or omissions of an agent or producer who obtains or uses credit information or insurance scores on behalf of an insurer, provided that the agent or producer follows the instructions or procedures established by the insurer and complies with any applicable law or regulation. This subsection shall not be construed to provide a consumer or other insured with a cause of action that does not exist in the absence of this subsection.

9. *Consumer reporting agency — sale of credit information.*

*a.* A consumer reporting agency shall not provide or sell data or lists that include any information that was submitted, in whole or in part, in conjunction with an insurance inquiry about a consumer's credit information or a request for a credit report or insurance score. Such information includes, but is not limited to, the expiration dates of an insurance policy or any other information that can be used to identify the expiration date of a consumer's insurance policy or the terms and conditions of the consumer's insurance coverage.

*b.* This subsection does not apply to the provision of information, including data or lists, by a consumer reporting agency to the agent or producer from whom the information was received, to the insurer on whose behalf the agent or producer acted, or to the insurer's affiliates or holding companies.

*c.* This subsection shall not be construed to restrict an insurer from obtaining a claims history report or a motor vehicle report of a consumer.

10. *Severability.* If any subsection, paragraph, sentence, clause, phrase, or any other part of this section is declared invalid due to an interpretation of or a future change in the federal Fair Credit Reporting Act, the remaining subsections, paragraphs, sentences, clauses, phrases, or parts thereof shall be in no manner affected thereby but shall remain in full force and effect.

11. *Applicability date.* This section* applies to personal insurance contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after October 1, 2004.

2004 Acts, ch 1039, §1; 2004 Acts, ch 1175, §341
C2005, §515.109A
2005 Acts, ch 3, §83, 84; 2007 Acts, ch 152, §28
CS2007, §515.103
2010 Acts, ch 1056, §1, 2
*Subsection 6, however, applies to personal insurance contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2010; 2010 Acts, ch 1056, §2

**515.104 Coinsurance or contribution clause.**

Contracts of insurance against loss or damage by fire or other perils may contain a coinsurance or contribution clause or clause having similar effect, provided the form setting up the terms of the same has been approved by the commissioner of insurance.

[C97, §1746; S13, §1746; C24, 27, 31, 35, 39, §**8990 – 8995, 8997;** C46, 50, 54, §515.111 – 515.116, 515.118; C58, 62, 66, 71, 73, 75, 77, 79, 81, §515.111]

2007 Acts, ch 152, §29
CS2007, §515.104

**515.105 Agency relationship.**

Any officer, insurance producer, or representative of an insurance company doing business in this state who may solicit insurance, procure applications, issue policies, adjust losses, or transact the business generally of such companies, shall be held to be the agent of such insurance company with authority to transact all business within the scope of the agency relationship, anything in the application, policy, contract, bylaws, or articles of incorporation of such company to the contrary notwithstanding.

[C97, §1750; C24, 27, 31, 35, 39, §**9004;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.125]

2001 Acts, ch 16, §9, 37; 2007 Acts, ch 152, §33
CS2007, §515.105
Referred to in §511.4
Applicable to life companies, §511.4
Former §515.105 repealed by 2007 Acts, ch 152, §84; see §515.101

**515.106 Limitation on termination of independent producers.**

An insurance company organized under this chapter or authorized to do business in this state shall not terminate a contract of an insurance producer who is an independent contractor but who is not an exclusive insurance producer as defined in section 522B.1 without at least one hundred eighty days' notice, except for loss of license, fraud, nonpayment of company premiums that are due and not in dispute by the producer, or the withdrawal of operations in the state by the insurance company. This section does not apply to insurance producers or a business entity whose contract with an insurer authorized to do business in this state contains a written provision expressly reserving to the insurer all right, title, and interest to the ownership or the use of insurance business written by such an insurance producer or business entity.

2002 Acts, ch 1111, §19
C2003, §515.125A
2007 Acts, ch 152, §34
CS2007, §515.106
Former §515.106 repealed by 2007 Acts, ch 152, §84; see §515.101

**515.107 Applicability to organizations and individuals.** Repealed by 2008 Acts, ch 1074, § 19. See § 515.1.

**515.108 Insurance in unauthorized companies.**

No action shall be maintained in any court in the state upon any policy or contract of fire insurance issued upon any property situated in the state by any company, association, partnership, individual, or individuals that have not been authorized by the commissioner of insurance to transact such insurance business, unless it shall be shown that the insurer or insured, within six months after the issuing of such policy or contract of insurance, has paid into the state treasury two percent of the gross premium paid or agreed to be paid for such policy or contract of insurance.

[C97, §1758; C24, 27, 31, 35, 39, §**9016;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.137]

2007 Acts, ch 152, §43

CS2007, §515.108

Former §515.108 transferred to §515.110; 2007 Acts, ch 152, §27

**515.109 Fire insurance contract — standard policy provisions — permissible variations.**

1. The printed form of a policy of fire insurance as set forth in subsection 6 shall be known and designated as the "standard policy" to be used in the state of Iowa.

2. *Standard policy, additions, riders, and clauses.*

*a.* It shall be unlawful for any insurance company to issue any policy of fire insurance upon any property in this state except upon automobiles, airplanes, seaplanes, dirigibles, or other aircraft, farm crops until stored, marine and inland marine risks other or different from the standard form of fire insurance policy herein set forth.

*b.* There shall be printed at the head of said policy the name of the insurer or insurers issuing the policy; the location of the home office thereof; a statement whether said insurer or insurers are stock or mutual corporations or are reciprocal insurers; and subject to the approval of the commissioner of insurance, there may be added thereto such device or devices as the insurer or insurers issuing said policy shall desire. Provided, however, that any company organized under special charter provisions may so indicate upon its policy, and may add a statement of the plan under which it operates in this state.

*c.* The standard policy provided for herein need not be used for effecting reinsurance between insurers.

*d.* If the policy is issued by a mutual, cooperative, or reciprocal insurer having special regulations with respect to the payment by the policyholder of assessments, such regulations shall be printed upon the policy, and any such insurer may print upon the policy such regulations as may be required by its home state or appropriate to its form of organization.

3. Binders or other contracts for temporary insurance may be made and shall be deemed to include all the terms of such standard policy and all such applicable endorsements as may be designated in such contract of temporary insurance; except that the cancellation clause of such standard policy, and the clause thereof specifying the hour of the day at which the insurance shall commence, may be superseded by the express terms of such contract of temporary insurance.

4. Two or more insurers authorized to do in this state the business of fire insurance, may, with the approval of the commissioner of insurance, issue a combination standard form of policy which shall contain the following:

*a.* A provision substantially to the effect that the insurers executing such policy shall be severally liable for the full amount of any loss or damage, according to the terms of the policy, or for specified percentages or amounts thereof, aggregating the full amount of such insurance under such policy.

*b.* A provision substantially to the effect that service of process, or of any notice or proof of loss required by such policy, upon any of the insurers executing such policy, shall be deemed to be service upon all such insurers.

5. Appropriate forms of other contracts or endorsements, insuring against one or more of the perils incident to the ownership, use or occupancy of said property, other than fire

and lightning, which the insurer is empowered to assume, may be used in connection with the standard policy. Such forms of other contracts or endorsements attached or printed thereon may contain provisions and stipulations inconsistent with the standard policy if applicable only to such other perils. The pages of the standard policy may be renumbered and rearranged to provide space for the listing of rates and premiums for coverages insured thereunder or under endorsements attached or printed thereon, and such other data as may be included for duplication on daily reports for office records. An insurer may issue a policy, either on an unspecified basis as to coverage or for an indivisible premium, which contains coverage against the peril of fire and substantial coverage against other perils, if such policy includes provisions with respect to the peril of fire which are the substantial equivalent of the minimum provisions of such standard policy, provided further the policy is complete as to all its terms of coverage without reference to any other document and is approved in accordance with section 515.102, subsections 1 and 2.

6. The form of the standard policy (with permission to substitute for the word "company" a more accurate descriptive term for the type of insurer) shall be as follows:

FIRST PAGE OF STANDARD FIRE POLICY

No. .....

(Space for insertion of name of company or companies issuing the policy and other matter permitted to be stated at the head of the policy.)

(Space for listing amounts of insurance, rates and premiums for the basic coverages insured under the standard form of policy and for additional coverages or perils insured under endorsements attached.)

IN CONSIDERATION OF THE PROVISIONS AND STIPULATIONS HEREIN OR ADDED HERETO AND OF ..... DOLLARS PREMIUM this company, for the term of ..... from the ..... day of ..... (month), ..... (year), to the ..... day of ..... (month), ..... (year), at noon, Standard Time, at location of property involved, to an amount not exceeding ..... Dollars, does insure ..... and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described hereinafter while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this company. This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

IN WITNESS WHEREOF, this company has executed and attested these presents; but this policy shall not be valid unless

countersigned by the duly authorized agent of this company at .....

.....
Secretary.

.....
President.

Countersigned this .....
day of ..... (month), ..... (year).

.....
Agent.

SECOND PAGE OF STANDARD FIRE POLICY

*Concealment — fraud.* This entire policy shall be void if, whether before or after a loss, an insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of an insured therein, or in case of any fraud or false swearing by an insured relating thereto.

*Uninsurable and excepted property.* This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

*Perils not included.* This company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) Enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of an insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this company be liable for loss by theft.

*Other insurance.* Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

*Conditions suspending or restricting insurance.* Unless otherwise provided in writing added hereto this company shall not be liable for loss occurring under any of the following circumstances:

*a.* While the hazard is created or increased by any means within the control or knowledge of an insured.

*b.* While a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days.

*c.* As a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

*Other perils or subjects.* Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

*Added provisions.* The extent of the application of insurance under this policy and of the contribution to be made by this company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for

in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

*Waiver provisions.* No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this company relating to appraisal or to any examination provided for herein.

*Cancellation of policy.* This policy shall be canceled at any time at the request of the insured, in which case this company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be canceled at any time by this company by giving to the insured a five days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.

*Mortgagee interests and obligations.* If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be canceled by giving to such mortgagee a ten days' written notice of cancellation.

If the insured fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing.

*Pro rata liability.* This company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

*Requirements in case loss occurs.* The insured shall give immediate written notice to this company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amounts of loss claimed; AND WITHIN SIXTY DAYS AFTER THE LOSS, UNLESS SUCH TIME IS EXTENDED IN WRITING BY THIS COMPANY, THE INSURED SHALL RENDER TO THIS COMPANY A PROOF OF LOSS, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: The time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not

it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this company all that remains of any property herein described, and submit to examinations under oath by any person named by this company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this company or its representative, and shall permit extracts and copies thereof to be made.

*Appraisal.* In case the insured and this company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting the appraiser and the expenses of appraisal and umpire shall be paid by the parties equally.

*Company's options.* It shall be optional with this company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention so to do within thirty days after the receipt of the proof of loss herein required.

*Abandonment.* There can be no abandonment to this company of any property.

*When loss payable.* The amount of loss for which this company may be liable shall be payable sixty days after proof of loss, as herein provided, is received by this company and ascertainment of the loss is made either by agreement between the insured and this company expressed in writing or by the filing with this company of an award as herein provided.

*Suit.* No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within twelve months next after inception of the loss.

*Subrogation.* This company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this company.

THIRD PAGE OF STANDARD FIRE POLICY
ATTACH FORM BELOW THIS LINE
FOURTH PAGE OF STANDARD FIRE POLICY
STANDARD FIRE INSURANCE POLICY

Expires . . . . . .
Property . . . . . .
Amount $ . . . . . .
Total
Premium $ . . . . . .
Insured . . . . . .

SEE INSIDE OF POLICY FOR PERILS COVERED
NO.

(Space of approximately two (2) inches for use of Agent or Insurer.)

(Space of approximately two (2) inches for use of Agent or Insurer.)

It is important that the written portions of all policies covering the same property read exactly alike. If they do not, they should be made uniform at once.

[C97, §1743, 1744, 1746; S13, §1742-a, 1743, 1744, 1746, 1758-a, 1758-b; C24, §8979, 8982, 8983, 8986, 8996, 9017, 9018; C27, 31, 35, §8979, 8982, 8983, 8986, 8996, 9017, 9018, 9021-a1; C39, §**8979, 8982, 8983, 8986, 8996, 9017, 9018, 9021.1;** C46, §515.99, 515.103, 515.104, 515.107, 515.117, 515.138, 515.139, 515.143; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.138]

2000 Acts, ch 1058, §56; 2005 Acts, ch 3, §85; 2005 Acts, ch 70, §19 – 21; 2007 Acts, ch 152, §44, 73

CS2007, §515.109

2012 Acts, ch 1023, §157

Referred to in §515.110, 515.111, 515.112, 515.113

Former §515.109 repealed by 2007 Acts, ch 152, §84; see §515.102

**515.109A Use of credit information — personal insurance.** Transferred to § 515.103; 2007 Acts, ch 152, § 28.

**515.110 More favorable conditions.**

Nothing contained in section 515.109 shall be so construed as to prohibit any insurance company not required by the statutes of Iowa to issue a standard form of policy, from embodying, with the approval of the commissioner of insurance, in any insurance contract issued by it, provisions or conditions which are more favorable to the insured than those authorized in said statutes.

[C24, 27, 31, 35, 39, §**8987;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.108]

2007 Acts, ch 152, §27, 66

CS2007, §515.110

Former §515.110 repealed by 2007 Acts, ch 152, §84; see §515.102

**515.111 Nuclear loss or damage excluded.**

Insurers issuing the standard policy pursuant to section 515.109 are authorized to affix thereto or include therein a written statement that the policy does not cover loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from an insured peril under said policy; provided, however, that nothing herein contained shall be construed to prohibit the attachment to any such policy of

an endorsement or endorsements specifically assuming coverage for loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination.

[C62, 66, 71, 73, 75, 77, 79, 81, §515.139]

2007 Acts, ch 152, §45, 74

CS2007, §515.111

Former §515.111 transferred to §515.104; 2007 Acts, ch 152, §29

**515.112 Violations — status of policy.**

It shall be unlawful for any insurance company, its officers or agents, or either of them, to violate any of the provisions of section 515.109 by issuing, delivering, or offering to issue or deliver any policy of fire insurance on property in this state other than the standard form as provided in statute, but any policy so issued or delivered shall, nevertheless, be binding upon the company issuing or delivering the policy. The company shall, until the payment of a penalty assessed by order after hearing, be disqualified from doing any insurance business in this state.

[S13, §1758-c; C24, 27, 31, 35, 39, §**9019;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.140]

2004 Acts, ch 1110, §57; 2007 Acts, ch 152, §46, 75

CS2007, §515.112

Referred to in §515.113

**515.113 Existing statutes — waiver.**

Nothing contained in sections 515.109 and 515.112, nor any provisions or conditions in the standard form of policy provided for in section 515.109, shall be deemed to repeal or in any way modify any existing statutes or to prevent any insurance company issuing such policy, from waiving any of the provisions or conditions contained therein, if the waiver of such provisions or conditions shall be in the interest of the insured.

[S13, §1758-d; C24, 27, 31, 35, 39, §**9020;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.141]

2007 Acts, ch 152, §47, 76

CS2007, §515.113

**515.114 Policy — formal execution.**

1. Every fire insurance company and association authorized to transact business in this state shall conduct its business in the name under which it is incorporated, and the policies issued by it shall be headed or entitled only by such name. There shall not appear on the face of the policy or on its filing back anything that would indicate that it is the obligation of any other than the company responsible for the payment of losses under the policy, though it is permissible to stamp or print on the bottom of the filing back the name or names of the department or general agency issuing the same, and the group of companies with which the company is financially affiliated.

2. Nothing contained in subsection 1 shall be construed to prevent any representative of an insurance company from advertising the representative's own individual business without specific mention of the name of the company or companies which the person may represent.

2007 Acts, ch 152, §67

**515.115 through 515.118** Reserved.

**515.119 Compliance with law.** Transferred to § 515.149; 2007 Acts, ch 152, § 30.

SURPLUS LINES INSURANCE

**515.120 through 515.122** Repealed by 2012 Acts, ch 1025, § 21, 22. See chapter 515I.

**515.123 and 515.124** Repealed by 2001 Acts, ch 16, § 36, 37.

DUTIES OF INSURERS

**515.125 Forfeiture of policies — notice.**

1. Unless otherwise provided in section 515.127, 515.128, 515.129, 515.129A, 515.129B, or 515.129C, a policy or contract of insurance provided for in this chapter shall not be forfeited, suspended, or canceled except by notice to the insured as provided in this chapter. A notice of cancellation is not effective unless mailed or delivered by the insurer to the named insured at least thirty days before the effective date of cancellation or, where cancellation is for nonpayment of a premium, assessment, or installment provided for in the policy, or in a note or contract for the payment thereof, at least ten days prior to the date of cancellation. The notice may be made in person, or by sending by mail a letter addressed to the insured at the insured's address as given in or upon the policy, anything in the policy, application, or a separate agreement to the contrary notwithstanding.

2. An insurer shall not fail to renew a policy except by notice to the insured as provided in this chapter. A notice of intention not to renew is not effective unless mailed or delivered by the insurer to the named insured at least thirty days prior to the expiration date of the policy. A notice of intention not to renew is not required if the insured is transferred from an insurer to an affiliate for future coverage as a result of a merger, acquisition, or company restructuring and if the transfer results in the same or broader coverage.

3. If the reason does not accompany the notice of cancellation or nonrenewal, the insurer shall, upon receipt of a timely request by the named insured, state in writing the reason for cancellation or nonrenewal.

[C97, §1727; C24, 27, 31, 35, 39, §**8959;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.80]

87 Acts, ch 132, §3; 88 Acts, ch 1112, §404; 90 Acts, ch 1234, §38; 2002 Acts, ch 1111, §17; 2007 Acts, ch 152, §9, 58

CS2007, §515.125

2008 Acts, ch 1074, §9; 2010 Acts, ch 1121, §18; 2011 Acts, ch 70, §29

Referred to in §509B.5, 515.126, 515D.7

Continuation rights and notice under group accident and health insurance, see §509B.5

See §515D.5, 515D.7

Former §515.125 transferred to §515.105; 2007 Acts, ch 152, §33

**515.125A Limitation on termination of independent producers.** Transferred to § 515.106; 2007 Acts, ch 152, § 34.

**515.126 Cancellation of policy — notice to insured or mortgagee.**

1. Unless otherwise provided in section 515.127, 515.128, 515.129, 515.129A, 515.129B, or 515.129C, at any time after the maturity of a premium, assessment, or installment provided for in the policy, or a note or contract for the payment thereof, or after the suspension, forfeiture, or cancellation of a policy or contract of insurance, the insured may pay to the company the customary short rates and costs of action, if one has been commenced or judgment rendered thereon, and may, if the insured so elects, have the policy and all contracts or obligations connected with the policy, whether in judgment or otherwise, canceled, and all such policy and contracts shall be void; and in case of suspension, forfeiture, or cancellation of a policy or contract of insurance, the insured is not liable for a greater amount than the short rates earned at the date of the suspension, forfeiture, or cancellation and the costs of action provided for in this section.

2. If the policy is canceled by the insurance company, the insurer may retain only the pro rata premium, and if the initial cash premium, or any part of the premium, has not been paid, the policy may be canceled by the insurance company by giving notice to the insured as provided in section 515.125 and ten days' notice to the mortgagee, or other person to whom the policy is made payable, if any, without tendering any part of the premium, anything to the contrary in the policy notwithstanding.

[C97, §1728; S13, §1728; C24, 27, 31, 35, 39, §**8960;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.81]

87 Acts, ch 132, §4; 88 Acts, ch 1112, §405; 90 Acts, ch 1234, §39; 2007 Acts, ch 152, §10, 59

CS2007, §515.126
2011 Acts, ch 70, §30
See §515D.5, 515D.7

**515.127 Cancellation of commercial lines policies or contracts.**

1. A commercial line policy or contract of insurance, except a policy or contract for crop hail or multiperil crop insurance, which has not been previously renewed may be canceled by the insurer if it has been in effect for less than sixty days at the time notice of cancellation is mailed or delivered.

2. A commercial line policy or contract of insurance, except a policy or contract for crop hail or multiperil crop insurance, which has been renewed or which has been in effect for more than sixty days shall not be canceled unless at least one of the following conditions occurs:

*a.* Nonpayment of premium.

*b.* Misrepresentation or fraud made by or with the knowledge of the insured in obtaining the policy or contract, when renewing the policy or contract, or in presenting a claim under the policy or contract.

*c.* Actions by the insured which substantially change or increase the risk insured.

*d.* Determination by the commissioner that the continuation of the policy will jeopardize the insurer's solvency or will constitute a violation of the law of this or any other state.

*e.* The insured has acted in a manner which the insured knew or should have known was in violation or breach of a policy or contract term or condition.

3. A commercial line policy or contract of insurance, except a policy or contract for crop hail or multiperil crop insurance, may be canceled at any time if the insurer loses reinsurance coverage which provides coverage to the insurer for a significant portion of the underlying risk insured and if the commissioner determines that cancellation because of loss of reinsurance coverage is justified. In determining whether a cancellation because of loss of reinsurance coverage is justified, the commissioner shall consider all of the following factors:

*a.* The volatility of the premiums charged for reinsurance in the market.

*b.* The number of reinsurers in the market.

*c.* The variance in the premiums for reinsurance offered by the reinsurers in the market.

*d.* The attempt by the insurer to obtain alternate reinsurance.

*e.* Any other factors deemed necessary by the commissioner.

4. A commercial line policy or contract of insurance, except a policy or contract for crop hail or multiperil crop insurance, shall not be canceled except by notice to the insured as provided in this subsection. A notice of cancellation shall include the reason for cancellation of the policy or contract. A notice of cancellation is not effective unless mailed or delivered to the named insured and a loss payee at least ten days prior to the effective date of cancellation, or if the cancellation is because of loss of reinsurance, at least thirty days prior to the effective date of cancellation. A post office department certificate of mailing to the named insured at the address shown in the policy or contract is proof of receipt of the mailing; however, such a certificate of mailing is not required if cancellation is for nonpayment of premium.

88 Acts, ch 1112, §406
C89, §515.81A
93 Acts, ch 88, §17; 2007 Acts, ch 152, §11
CS2007, §515.127
Referred to in §515.125, 515.126, 515.129
See §515D.5, 515D.7

**515.128 Nonrenewal of commercial lines policies or contracts.**

1. An insurer shall not fail to renew a commercial line policy or contract of insurance except by notice to the named insured as provided in this section.

2. A notice of nonrenewal is not effective unless mailed or delivered by the insurer to the named insured and any loss payee at least forty-five days prior to the expiration date of the policy. If the insurer fails to meet the notice requirements of this section, the insured has the option of continuing the policy for the remainder of the notice period plus an additional

thirty days at the premium rate of the existing policy or contract. A post office department certificate of mailing to the named insured at the address shown in the policy or contract is proof of receipt of the mailing.

3. This section applies to all forms of commercial property and casualty insurance written pursuant to this chapter. It does not apply if the insurer has offered to renew or if the insured fails to pay a premium due or any advance premium required by the insurer for renewal. A notice of nonrenewal is not required if the insured is transferred from an insurer to an affiliate for future coverage as a result of a merger, acquisition, or company restructuring and if the transfer results in the same or broader coverage.

88 Acts, ch 1112, §407
C89, §515.81B
2002 Acts, ch 1111, §18; 2007 Acts, ch 152, §12
CS2007, §515.128
2013 Acts, ch 124, §19
Referred to in §515.125, 515.126, 515.129, 515D.7
See §515D.7
Former §515.128 transferred to §515.147; 2007 Acts, ch 152, §36
Subsection 1 amended

**515.128A Material changes in commercial lines policies or contracts — notice required.**

1. If an insurer has an increase in the premium rates of twenty-five percent or more, an increase in the deductible of twenty-five percent or more, or a material reduction in the limits or coverage of the policy or contract, the insurer shall notify the named insured by a letter of explanation of the changes by mail at least forty-five days prior to the expiration date of the policy or contract. However, a premium charge that is assessed after the beginning date of the policy or contract period for which the premium is due shall not be deemed a premium increase for the purposes of this section.

2. If the insurer fails to meet the notice requirements of this section, the named insured has the option of continuing the policy or contract for the remainder of the notice period plus an additional thirty days at the premium rate of the existing policy or contract. A post office department certificate of mailing to the named insured at the address shown in the policy or contract is proof of receipt of the mailing.

2013 Acts, ch 124, §20
NEW section

**515.129 Cancellation or nonrenewal of commercial umbrella or excess policies or contracts.**

1. As used in this section, "*umbrella or excess insurance policy*" means a commercial line policy or contract of insurance providing liability or property coverage over one or more underlying policies or over a specified amount of self-insured retention. Umbrella or excess insurance policy includes policies or contracts written over an umbrella or excess insurance policy or policies.

2. An umbrella or excess insurance policy which has not previously been renewed may be canceled by the insurer if it has been in effect for less than sixty days at the time notice of cancellation is mailed or delivered.

3. An umbrella or excess insurance policy which has been renewed or which has been in effect for sixty or more days shall not be canceled by the insurer, except as provided in section 515.127, subsections 2 and 3, unless notice has been mailed or delivered to the insured as required by this section or unless at least one of the following conditions occurs:

*a.* A material change in the limits, scope of coverage, or exclusions in one or more of the underlying policies.

*b.* Cancellation or nonrenewal of one or more of the underlying policies where the policies are not replaced without lapse.

*c.* A reduction in the financial rating or grade of one or more of the insurers insuring one or more of the underlying policies based on an evaluation by a recognized financial rating organization.

4. A notice of cancellation is not effective unless mailed by certified mail or delivered to the

named insured and any loss payee at least ten days prior to the effective date of cancellation. A notice of cancellation shall include the reason for cancellation of the umbrella or excess insurance policy. A post office department certificate of mailing to the named insured at the address shown in the umbrella or excess policy is proof of receipt of the mailing; however, such a certificate of mailing is not required if cancellation is for nonpayment of premium.

5. An insurer shall not fail to renew an umbrella or excess insurance policy except by notice to the insured as provided in this section; however, an insurer may condition renewal of an umbrella or excess insurance policy upon requirements relating to the underlying policy or policies. If the requirements are not satisfied as of the expiration date of the umbrella or excess insurance policy, or thirty days after mailing or delivery of the notice, whichever is later, the conditional renewal notice shall be deemed to be an effective notice of nonrenewal. This subsection does not apply if the insurer has offered to renew or if the insured fails to pay a premium due or any advance premium required by the insurer for renewal.

6. A notice of nonrenewal is not effective unless mailed by certified mail or delivered to the named insured and any loss payee at least forty-five days prior to the expiration date of the umbrella or excess insurance policy. If the insurer fails to meet the notice requirements of this subsection the insured has the option of continuing the policy for the remainder of the notice period plus an additional thirty days at the premium rate of the existing umbrella or excess policy.

7. Sections 515.127 and 515.128 are not applicable to umbrella or excess insurance policies except as provided in subsection 3.

90 Acts, ch 1234, §40
C91, §515.81C
2007 Acts, ch 152, §13, 60
CS2007, §515.129
2008 Acts, ch 1074, §10
Referred to in §515.125, 515.126
Former §515.129 transferred to §515.148; 2007 Acts, ch 152, §37

**515.129A Cancellation of personal lines policies or contracts.**

1. After a personal lines policy or contract of insurance has been in effect for sixty days or more, the policy or contract shall not be canceled except by notice to the insured as provided in this chapter.

2. Notice of cancellation of a personal lines policy or contract of insurance is not effective unless the cancellation is based on one or more of the following reasons:

*a.* Nonpayment of premium.

*b.* Failure to pay dues or fees where payment of dues or fees is a prerequisite to obtaining or continuing insurance coverage in force.

*c.* Discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining, continuing, or presenting a claim under the policy.

*d.* Actions by the insured which substantially change or increase the risk insured.

*e.* The insured has acted in a manner which the insured knew or should have known was in violation or breach of a term or condition of the insurance policy or contract.

*f.* The occurrence of a change in the risk that substantially increases a hazard insured against after insurance coverage has been issued or renewed.

2010 Acts, ch 1121, §19; 2011 Acts, ch 70, §31
Referred to in §515.125, 515.126, 515D.5
See §515D.5

**515.129B Nonrenewal of personal lines policies or contracts.**

1. An insurer shall not refuse to renew a personal lines policy or contract of insurance unless at least thirty days before the end of the policy or contract period the insurer delivers, mails, or electronically transmits to the first named insured, at the last known address of the first named insured, written notice of the insurer's intention not to renew the policy or contract upon expiration of the current policy or contract period as provided in section 515.129C. Proof of such mailing, electronic transmission, or delivery to the first named insured's last known address shall be maintained by the insurer.

2. The notice of intention not to renew shall include or be accompanied by a written explanation of the insurer's specific reason or reasons for the nonrenewal.

3. The transfer of a policy between affiliates of an insurance company shall not be considered a nonrenewal.

2010 Acts, ch 1121, §20
Referred to in §515.125, 515.126, 515D.7
See §515D.7

**515.129C Notice of renewal or nonrenewal of personal lines policies or contracts.**

1. At least thirty days before the end of the policy or contract term, an insurer shall mail or deliver to the last known address of the first named insured a renewal policy or contract, an offer to renew the current policy or contract, or a notice of nonrenewal of the policy or contract. Information concerning the renewal policy or contract, the offer to renew the policy or contract, or the notice of nonrenewal of the policy or contract shall also be mailed, delivered, or transmitted electronically to the last known address of the producer of record of the policy or contract.

*a.* An offer to renew the policy or contract shall state the renewal premium and the date that the premium is due. The renewal premium shall be based on the known exposure as of the date of the offer to renew.

*b.* If the renewal premium is not received by the due date or the policy or contract expiration date, whichever is later, the policy or contract lapses.

2. If an insurer fails to comply with the notice requirements of this section, the policy or contract shall be extended on the same terms and conditions for another policy or contract term or until the effective date of similar insurance procured by the insured, whichever is earlier. The insurer may make continued coverage contingent upon the payment of premium.

3. Renewal of a policy or contract does not constitute a waiver or estoppel with respect to grounds for cancellation that existed before the effective date of the renewal.

2010 Acts, ch 1121, §21
Referred to in §515.125, 515.126, 515.129B, 515D.7
See §515D.7

**515.130 Short rates.**

The commissioner of insurance shall prepare and promulgate tables of the short rates provided for in section 515.132, for the various kinds and classes of insurance governed by the provisions of this chapter, which, when promulgated, shall be for the guidance of all companies covered in this chapter and shall be the rate to be given in any notice therein required. No company shall discriminate unfairly between like assureds in the rate or rates so provided.

[C97, §1729; C24, 27, 31, 35, 39, §**8961;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.82]
2007 Acts, ch 152, §14, 61; 2007 Acts, ch 215, §256
CS2007, §515.130
2008 Acts, ch 1074, §11
Former §515.130 repealed by 2007 Acts, ch 152, §84; see §507B.4

**515.131 Policy restored.**

At any time before cancellation of the policy for nonpayment of any premium, assessment, or installment provided for therein, or in any note or contract for the payment thereof, or after action commenced or judgment rendered thereon, the insured may pay to the insurer the full amount due, including court costs if any, and from the date of such payment, or the collection of the judgment, the policy shall revive and be in full force and effect, provided such payment is made during the term of the policy and before a loss occurs.

[C97, §1730; C24, 27, 31, 35, 39, §**8962;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.83]
2007 Acts, ch 152, §15
CS2007, §515.131
Former §515.131 transferred to §515.140; 2007 Acts, ch 152, §38

**515.132 Right of insured to cancel.**

No provision, stipulation, or agreement to the contrary in or independent of the policy or contract of insurance shall avoid or defeat the right of any insured to pay short rates and costs of action, if any, and have the policy and all contracts connected therewith, including judgments rendered thereon, canceled.

[C97, §1730; C24, 27, 31, 35, 39, §**8963;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.84]
2007 Acts, ch 152, §16
CS2007, §515.132
Referred to in §515.130

**515.133 Copy of application — duty to provide.**

All insurance companies or associations shall, upon the issue or renewal of any policy, provide to the insured, a true copy of any application or representation of the insured which, by the terms of such policy, is made a part of the policy, or of the contract of insurance, or referred to in the contract of insurance, or which may in any manner affect the validity of such policy.

[C97, §1741; C24, 27, 31, 35, 39, §**8974;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.94]
95 Acts, ch 185, §22; 2007 Acts, ch 152, §20
CS2007, §515.133
Referred to in §515.134
Similar provision, §511.33
Former §515.133 transferred to §515.141; 2007 Acts, ch 152, §39

**515.134 Failure to attach — effect.**

The omission so to do shall not render the policy invalid, but if any company or association neglects to comply with the requirements of section 515.133 it shall forever be precluded from pleading, alleging, or proving any such application or representations, or any part thereof, or falsity thereof, or any parts thereof, in any action upon such policy, and the plaintiff in any such action shall not be required, in order to recover against such company or association, either to plead or prove such application or representation, but may do so at the plaintiff's option.

[C97, §1741; C24, 27, 31, 35, 39, §**8975;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.95]
2007 Acts, ch 152, §21, 62
CS2007, §515.134
Similar provision, §511.34
Former §515.134 transferred to §515.145; 2007 Acts, ch 152, §40

**515.135 Presumption as to value.** Repealed by 2011 Acts, ch 70, § 48.

**515.136 Value of building — liability.**

An insurance company or association shall be liable for the actual cash value of the property insured at the date of the loss, unless such value exceeds the amount stated in the policy.

[C97, §1742; C24, 27, 31, 35, 39, §**8977;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.97]
2007 Acts, ch 152, §23
CS2007, §515.136
2013 Acts, ch 124, §21
Similar provision, §518A.24
Former §515.136 transferred to §515.153; 2007 Acts, ch 152, §42
Section amended

**515.137 Prima facie right of recovery.**

In an action on such policy it shall only be necessary for the insured to prove the loss of the building insured, and that the insured has given the company or association notice in writing

of such loss, accompanied by an affidavit stating the facts as to how the loss occurred, so far as they are within the insured's knowledge, and the extent of the loss.

[C97, §1742; C24, 27, 31, 35, 39, §**8978;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.98]

2007 Acts, ch 152, §24, 63

CS2007, §515.137

Former §515.137 transferred to §515.108; 2007 Acts, ch 152, §43

**515.138 Notice of loss of or damage to personal property by hail.**

In case of loss or damage to growing crops by hail, notice of such loss or damage must be given to the company by the insured by mailing a certified mail letter within ten days from the time such loss or damage occurs.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.100]

2007 Acts, ch 152, §26

CS2007, §515.138

2008 Acts, ch 1074, §12

Former §515.138 transferred to §515.109; 2007 Acts, ch 152, §44

**515.139 Demolition reserve on fire and casualty claims on property.**

1. An insurer shall reserve ten thousand dollars or ten percent, whichever amount is greater, of the payment for damages to the property excluding personal property on which the insurer has issued a fire and casualty insurance policy as demolition cost reserve if the following are applicable:

*a.* The property is located within the corporate limits of a city.

*b.* The damage to the property renders it uninhabitable or unfit for the purpose for which it was intended, without repair.

*c.* Proof of loss has been submitted by the policyholder for a sum in excess of seventy-five percent of the face value of the policy covering the building or other insured structure.

2. An insurer which has received a proof of loss in excess of seventy-five percent of the face value of the policy covering a building or other insured structure, shall notify the city council of the city within which the property is located. The notice shall be made by certified mail within five working days after receipt of the proof of loss.

3. The city shall release all interest in the demolition cost reserve within one hundred eighty days after receiving notice of the existence of the demolition cost reserve unless the city has instituted legal proceedings for the demolition of the building or other insured structure, and has notified the insurer in writing of the institution of the legal proceedings. Failure of the city to notify the insurer of the legal proceedings terminates the city's claim to any proceeds from the reserve.

4. A reserve for demolition costs is no longer required if either of the following is true:

*a.* The insurer has received notice from both the insured and the city council that the insured has completed repairs to the property or has completed demolition of the property in compliance with all applicable statutes and local ordinances.

*b.* The city has failed to notify the insurer as provided under subsection 3.

5. If the city has instituted legal proceedings, undertaken emergency action, or is required to demolish the damaged property at city expense, the city shall present to the insurer costs incurred, since the date of the fire or other occurrence, including but not limited to legal costs, engineering costs, and demolition costs related directly to the enforcement of any local ordinance, and the insurer shall compensate the city for the incurred costs up to the amount in the demolition cost reserve. Any amount left from the demolition cost reserve after the cost of demolition of the property is paid to the city shall be paid to the insured if the insured is entitled to the remaining proceeds under the policy.

6. The insurer is not liable for any amount in excess of the limits of liability set out by the policy.

7. Insurers complying with this section or attempting in good faith to comply with this section shall be immune from civil and criminal liability.

88 Acts, ch 1176, §1

C89, §515.150

89 Acts, ch 16, §1; 91 Acts, ch 59, §1; 92 Acts, ch 1163, §100; 2007 Acts, ch 152, §50
CS2007, §515.139
Former §515.139 transferred to §515.111; 2007 Acts, ch 152, §45

## VIOLATIONS — INVESTIGATIONS — FEES — PENALTIES

**515.140 Unlawful combinations — exceptions.**

It shall be unlawful for two or more insurance companies doing business in this state, or for the officers, agents, or employees of such companies, to make or enter into any combination or agreement relating to the rates to be charged for insurance, the amount of commissions to be allowed agents for procuring the same, or the manner of transacting the insurance business within this state, but any number of insurance companies may appoint the same person or persons, who shall be residents of the state of Iowa, as their common agent or agents for the purpose of filing, in the manner prescribed by the insurance commissioner of Iowa, the forms of policies and of all permits and riders used generally throughout the state, as required by the laws of this state to be examined and approved by the said commissioner.

[C97, §1754; C24, 27, 31, 35, 39, §**9010;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.131]

2007 Acts, ch 152, §38
CS2007, §515.140
Referred to in §515.141, 515.145, 515A.19
Former §515.140 transferred to §515.112; 2007 Acts, ch 152, §46

**515.141 Examination of officers and employees.**

1. The commissioner of insurance is authorized to issue a subpoena for examination under oath, to any officer, agent, or employee of any company suspected of violating any of the provisions of section 515.140.

2. Upon the filing of a written, verified complaint with the commissioner by two or more residents of this state alleging that a company has violated section 515.140, the commissioner shall issue a subpoena for examination under oath to any officer, agent, or employee of the company.

[C97, §1755; C24, 27, 31, 35, 39, §**9012;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.133]

2003 Acts, ch 91, §38; 2007 Acts, ch 152, §39, 69
CS2007, §515.141
2008 Acts, ch 1074, §13
Referred to in §515.153
Former §515.141 transferred to §515.113; 2007 Acts, ch 152, §47

**515.142 Transfers pending investigation.**

Any transfer of the stock of any company organized under this chapter, made pending any investigation, shall not release the party making the transfer from any liability for losses which may have accrued previous to such transfer.

[C73, §1151; C97, §1734; C24, 27, 31, 35, 39, §**8967;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.88]

2007 Acts, ch 152, §17
CS2007, §515.142
2008 Acts, ch 1074, §14
Former §515.142 repealed by 2007 Acts, ch 152, §84; see §515.114

**515.143 Revocation of certificate of foreign company.**

The commissioner of insurance may examine the condition and affairs of any insurance company, as provided for in this chapter, doing business in this state, not organized under its laws, or cause such examination to be made by a person appointed by the commissioner having no interest in any insurance company; and if it appears to the commissioner's satisfaction that the affairs of a company are in an unsound condition or that a company has

failed to maintain the capital and surplus required by section 515.69, the commissioner shall revoke or suspend the certificates granted in its behalf.

[C73, §1152; C97, §1735; C24, 27, 31, 35, 39, §**8968;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.89]

91 Acts, ch 213, §28; 2007 Acts, ch 152, §18

CS2007, §515.143

**515.144 Suspension and summary suspension.**

The commissioner may do one or more of the following:

1. For a violation of Title XIII, subtitle 1, after a hearing provided pursuant to chapter 17A, order the suspension of the license or authority to transact the business of insurance within the state.

2. Upon three days' notice, if the commissioner has reason to believe that there is imminent substantial risk to an insurer's solvency, order the insurer to appear before the commissioner and show cause why its license or authority to do insurance business within the state should not be suspended. At the hearing to show cause, the commissioner may summarily suspend the license or authority of the insurer to do business within the state.

3. Summarily order an insurer to cease and desist from a violation, anticipated violation, or suspected violation of chapter 507B, 510, or 513A, if a hearing is provided pursuant to chapter 17A within thirty days of the summary cease and desist order.

91 Acts, ch 213, §29

CS91, §515.90

2007 Acts, ch 152, §19

CS2007, §515.144

**515.145 Revocation of authority.**

If upon any examination, or upon information obtained from any witness produced or examined, the commissioner determines that a company has violated section 515.140, or if any officer, agent, or employee fails to appear or submit to examination after receiving a subpoena, the commissioner shall promptly issue an order revoking the authority of the company to transact business within this state, and the company shall not be permitted to do the business of insurance in this state for one year.

[C97, §1755; C24, 27, 31, 35, 39, §**9013;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.134]

2003 Acts, ch 91, §39; 2007 Acts, ch 152, §40, 70

CS2007, §515.145

2008 Acts, ch 1074, §15

Referred to in §515.152, 515.153

**515.146 Certificate refused — administrative penalty.**

The commissioner of insurance shall withhold the commissioner's certificate or permission of authority to do business from a company neglecting or failing to comply with this chapter. In addition, a company organized or authorized under this chapter which fails to file the annual statement referred to in section 515.63 in the time required shall pay and forfeit an administrative penalty in an amount of five hundred dollars to be collected in the name of the state for deposit as provided in section 505.7. The company's right to transact further new business in this state shall immediately cease until the company has fully complied with this chapter. The commissioner may give notice to a company which has failed to file within the time required that the company is in violation of this section and, if the company fails to file the evidence of investment and statement within ten days of the date of the notice, the company shall forfeit and pay the additional sum of one hundred dollars for each day the failure continues, to be paid to the treasurer of state for deposit as provided in section 505.7.

[C97, §1715; C24, 27, 31, 35, 39, §**8947;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.65]

85 Acts, ch 228, §6; 91 Acts, ch 213, §26; 2007 Acts, ch 152, §3

CS2007, §515.146

2008 Acts, ch 1074, §16; 2009 Acts, ch 181, §78

Former §515.146 repealed by 2007 Acts, ch 152, §84; see §515.114

**515.147 Fees.**

Fees shall be paid to the commissioner of insurance for deposit as provided in section 505.7 as follows:

1. For filing an application to do business, including all documents submitted in connection with the application, by a foreign or domestic company, or for filing an application for renewed authority, fifty dollars.
2. For issuing to a foreign or domestic company a certificate of authority to do business or a renewed certificate of authority, fifty dollars.
3. For filing amended articles of incorporation, fifty dollars.
4. For issuing an amended certificate of authority, twenty-five dollars.
5. For affixing the official seal to any paper filed with the division, ten dollars.

[C73, §1153; C97, §1752; S13, §1752; C24, 27, 31, 35, 39, §**9007;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.128; 82 Acts, ch 1003, §7]

88 Acts, ch 1112, §304; 2007 Acts, ch 152, §36

CS2007, §515.147

2009 Acts, ch 181, §79

Deposit of fees, §12.10

**515.147A Reserved.**

**515.148 Expenses of examination.**

The necessary expenses of any examination of any insurance company made or ordered to be made by the commissioner of insurance under this chapter shall be certified to by the commissioner, and paid on the commissioner's requisition by the company so examined; and in case of failure of the company to make such payment, the commissioner shall suspend such company from doing business in this state until such expenses are paid. If such expenses are not paid by the company, they shall be audited by the director of the department of administrative services and paid out of the state treasury.

[C73, §1156; C97, §1753; C24, 27, 31, 35, 39, §**9008;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.129]

2003 Acts, ch 145, §286; 2007 Acts, ch 152, §37

CS2007, §515.148

**515.149 Compliance with law.**

An insurance company organized under this chapter, or doing business in this state, or any foreign or alien company doing business in this state, shall conform to the provisions of this chapter and all other laws of this state applicable to the insurance company.

[C73, §1147; C97, §1747; C24, 27, 31, 35, 39, §**8998;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.119]

91 Acts, ch 26, §42; 91 Acts, ch 258, §59; 2007 Acts, ch 152, §30

CS2007, §515.149

**515.150 Violations.**

It shall be unlawful for any officer, manager, or agent of any insurance company or association who, with knowledge that it is doing business in an unlawful manner, or is insolvent, to solicit or receive applications for insurance with the company or association, or to do any other act or thing toward procuring or receiving any new business for such company or association.

[C73, §1147; C97, §1747; C24, 27, 31, 35, 39, §**8999;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.120]

2004 Acts, ch 1110, §55; 2007 Acts, ch 152, §31

CS2007, §515.150

Former §515.150 transferred to §515.139; 2007 Acts, ch 152, §50

**515.151 Officers punished.**

It shall be unlawful for any of the following to fail to comply with or to violate any of the requirements of this chapter:

1. The president, secretary, or other officer of any company organized under the laws of this state.

2. Any officer or person doing or attempting to do business in this state for any insurance company organized either within or without this state.

[C73, §1147; C97, §1748; C24, 27, 31, 35, 39, §**9000;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.121]

2004 Acts, ch 1110, §56; 2007 Acts, ch 152, §32

CS2007, §515.151

**515.152 Judicial review.**

Judicial review of the actions of the commissioner of insurance may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A, upon filing with the clerk of court a good and sufficient bond for the payment of all costs adjudged against the petitioner. Notwithstanding the terms of chapter 17A, petitions for judicial review may be filed in the district court of the county where the decision of the commissioner, pursuant to section 515.145, was made.

[C97, §1756; C24, 27, 31, 35, 39, §**9014;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.135]

2003 Acts, ch 44, §114; 2007 Acts, ch 152, §41, 71

CS2007, §515.152

Referred to in §515.153

Presumption of approval of bonds, §636.10

**515.153 Incrimination.**

The statements and declarations made or testimony given by any officer, agent, or employee in the investigation before the commissioner of insurance, or upon the hearing on the petition for judicial review, as provided in sections 515.141, 515.145, and 515.152, shall not be used against the person making the same in any criminal prosecution against the person.

[C97, §1757; C24, 27, 31, 35, 39, §**9015;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515.136]

2007 Acts, ch 152, §42, 72

CS2007, §515.153

2008 Acts, ch 1074, §17

# CHAPTER 515A

## WORKERS' COMPENSATION LIABILITY INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 518B.7, 669.14, 670.7

REGULATION OF RATES

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RATE FILINGS IN COMPETITIVE MARKETS

515A.20 through 515A.25 Transferred to sections 515F.20 through 515F.25; 90 Acts, ch 1234, §77.

## REGULATION OF RATES

**515A.1 Purpose of chapter.**

The purpose of this chapter is to promote the public welfare by regulating insurance rates to the end that they shall not be excessive, inadequate or unfairly discriminatory, and to authorize and regulate cooperative action among insurers in rate making and in other matters within the scope of this chapter. Nothing in this chapter is intended to prohibit or discourage reasonable competition, or to prohibit, or encourage except to the extent necessary to accomplish the aforementioned purpose, uniformity in insurance rates, rating systems, rating plans or practices. This chapter shall be liberally interpreted to carry into effect the provisions of this section.

[C50, 54, 58, 62, §515A.1, 515B.1; C66, 71, 73, 75, 77, 79, 81, §515A.1]

**515A.2 Definitions — scope of chapter.**

1. As used in this chapter:

*a.* *"Insurance"* means workers' compensation liability insurance.

*b.* *"Insurer"* means an insurer which issues a policy of workers' compensation liability insurance.

*c.* *"Policy"* means a policy of workers' compensation liability insurance.

*d.* *"Rate"* means a rate for workers' compensation liability insurance.

*e.* *"Rating organization"* means a workers' compensation rating organization licensed pursuant to this chapter.

*f.* *"Rate filing"* means a rate filing by a rating organization or an insurer.

*g.* *"Schedule rating plan"* means a rating plan by which an insurer increases or decreases workers' compensation rates to reflect the individual risk characteristics of the subject of the insurance.

2. This chapter applies only to workers' compensation liability insurance.

[C50, 54, 58, 62, §515A.2, 515B.2; C66, 71, 73, 75, 77, 79, 81, §515A.2]

90 Acts, ch 1234, §43; 2008 Acts, ch 1123, §29

Referred to in §515A.15

**515A.3 Making of rates.**

1. Rates shall be made in accordance with the following provisions:

*a.* Rates shall not be excessive, inadequate, or unfairly discriminatory.

*b.* Due consideration shall be given to past and prospective loss experience within and outside this state; to catastrophe hazards; to a reasonable margin for underwriting profit and contingencies; to dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members, or subscribers; to past and prospective expenses both countrywide and those specially applicable to this state; and to all other relevant factors within and outside this state.

*c.* The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or group of insurers to reflect the requirements of the operating methods of any such insurer or group of insurers with respect to any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable.

*d.* Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks that can be demonstrated to have a probable effect upon losses or expenses.

2. Except to the extent necessary to meet the provisions of paragraph "*a*" of subsection 1 of this section, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

[C50, 54, 58, 62, §515A.3, 515B.3; C66, 71, 73, 75, 77, 79, 81, §515A.3]

2008 Acts, ch 1123, §30

Referred to in §515A.4, 515A.7, 515A.8, 515A.13

**515A.4 Rate filings.**

1. *a.* Every insurer shall file with the commissioner every manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date thereof, and shall indicate the character and extent of the coverage contemplated.

*b.* When a filing is not accompanied by the information upon which the insurer supports such filing, and the commissioner does not have sufficient information to determine whether such filing meets the requirements of this chapter, the commissioner shall require such insurer to furnish the information upon which it supports such filing and in such event the waiting period shall commence as of the date such information is furnished. Until the required information is furnished, the filing shall not be deemed complete or available for use by the insurer.

*c.* The information furnished in support of a filing may include the experience or judgment of the insurer or rating organization making the filing, its interpretation of any statistical data it relies upon, the experience of other insurers or rating organizations, or any other relevant factors. When a filing is deemed complete, the filing and any supporting information shall be open to public inspection.

2. An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings, and by authorizing the commissioner to accept such filings on its behalf; provided that nothing contained in this chapter shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

3. The commissioner shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the requirements of this chapter.

4. Each complete filing shall be on file for a waiting period of thirty days before it becomes effective, which period may be extended by the commissioner for an additional period not to exceed fifteen days if the commissioner gives written notice within the waiting period to the insurer or rating organization which made the filing that the commissioner needs additional time for the consideration of the filing. Upon written application by the insurer or rating organization, the commissioner may authorize a filing which the commissioner has reviewed

to become effective before the expiration of the waiting period or any extension of the period. A filing shall be deemed to meet the requirements of this chapter unless disapproved by the commissioner before the expiration of the waiting period or an extension of the waiting period.

5. Under such rules and regulations as the commissioner shall adopt the commissioner may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes of risks, the rates for which cannot practicably be filed before they are used. Such order, rules and regulations shall be made known to insurers and rating organizations affected thereby. The commissioner may make such examination as the commissioner may deem advisable to ascertain whether any rates affected by such order meet the standards set forth in paragraph *"b"* of subsection 1 of section 515A.3.

6. Upon the written application of the insured, stating the insured's reasons therefor, filed with and approved by the commissioner a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

7. No insurer shall make or issue a contract or policy except in accordance with the filings which are in effect for the insurer as provided in this chapter or in accordance with subsection 5 or 6.

8. If a hearing is requested pursuant to section 515A.6, subsection 7, a filing shall not take effect until thirty days after formal approval is given by the commissioner.

[C50, 54, 58, 62, §515A.4, 515B.4; C66, 71, 73, 75, 77, 79, 81, §515A.4]

87 Acts, ch 132, §5; 92 Acts, ch 1162, §39; 93 Acts, ch 88, §20; 2008 Acts, ch 1123, §31

Referred to in §515A.5

**515A.5 Disapproval of filings.**

1. If within the waiting period or any extension thereof as provided in subsection 4 of section 515A.4, the commissioner finds that a filing does not meet the requirements of this chapter, the commissioner shall send to the insurer or rating organization which made such filing, written notice in a printed or electronic format of disapproval of such filing specifying therein in what respects the commissioner finds such filing fails to meet the requirements of this chapter and stating that such filing shall not become effective.

2. At any time subsequent to the applicable review period provided for in subsection 1, the commissioner may hold a hearing to determine whether a filing meets the requirements of this chapter. The commissioner shall provide notice of a hearing not less than ten days prior to the hearing to every insurer and rating organization which made the filing, specifying the matters to be considered at the hearing. If the commissioner finds that a filing does not meet the requirements of this chapter, the commissioner shall issue an order specifying in what respects the commissioner finds that the filing fails to meet the requirements of this chapter, and stating when, within a reasonable period thereafter, the filing shall be deemed no longer effective. Copies of the order shall be sent to every insurer and rating organization which made the filing. The order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in the order.

3. *a.* Any person or organization aggrieved with respect to any filing which is in effect may make written application to the commissioner for a hearing thereon, provided, however, that the insurer or rating organization that made or uses the filing shall not be authorized to proceed under this subsection. Such application shall specify the grounds to be relied upon by the applicant and such application must show that the person or organization making such application has a specific economic interest affected by the filing. If the commissioner finds that the application is made in good faith, that the applicant has a specific economic interest, that the applicant would be so aggrieved if the applicant's grounds are established, and that such grounds otherwise justify holding such a hearing, the commissioner shall within thirty days after receipt of such application hold a hearing, upon not less than ten days' written notice to the applicant and to every insurer and rating organization which made the filing. No rating or advisory organization shall have any status under this chapter to make application for a hearing on any filing made by an insurer with the commissioner.

*b.* If, after such hearing, the commissioner finds that the filing does not meet the

requirements of this chapter, the commissioner shall issue an order specifying in what respects the commissioner finds that such filing fails to meet the requirements of this chapter, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of the order shall be sent to the applicant and to every such insurer and rating organization. The order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in the order.

4. No filing shall be disapproved if the rates thereby produced meet the requirements of this chapter.

[C50, 54, 58, 62, §515A.5, 515B.5; C66, 71, 73, 75, 77, 79, 81, §515A.5]

2008 Acts, ch 1123, §32

**515A.6 Rating organizations.**

1. *a.* A corporation, an unincorporated association, a partnership, or an individual, whether located within or outside this state, may make application to the commissioner for a license as a rating organization for such kinds of insurance, or subdivision or class of risk or a part or combination thereof as are specified in its application and shall file with the application all of the following:

(1) A copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its bylaws, rules and regulations governing the conduct of its business.

(2) A list of its members and subscribers.

(3) The name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such rating organization may be served.

(4) A statement of its qualifications as a rating organization.

*b.* If the commissioner finds that the applicant is competent, trustworthy, and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business conform to the requirements of law, the commissioner shall issue a license specifying the kinds of insurance, or subdivisions or classes of risks or parts or combinations thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within sixty days of the date of its filing with the commissioner.

*c.* Licenses issued pursuant to this section shall remain in effect for three years unless sooner suspended or revoked by the commissioner. The fee for the license shall be one hundred dollars.

*d.* Licenses issued pursuant to this section may be suspended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this subsection.

*e.* Every rating organization shall notify the commissioner promptly of every change in any of the following:

(1) Its constitution, its articles of agreement or association, or its certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business.

(2) Its list of members and subscribers.

(3) The name and address of the resident of this state designated by it upon whom notices or orders of the commissioner or process affecting such rating organization may be served.

2. Subject to rules and regulations which have been approved by the commissioner as reasonable, each rating organization shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance, subdivision, or class of risk or a part or combination thereof for which it is authorized to act as a rating organization. Notice of proposed changes in such rules and regulations shall be given to subscribers. Each rating organization shall furnish its rating services without discrimination to its members and subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner at a hearing held upon at least ten days' written notice to such rating organization and to such subscriber or insurer. If the commissioner finds that such rule or regulation is unreasonable in its application to subscribers, the commissioner shall order that such rule or regulation shall

not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If the commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, the commissioner shall order the rating organization to admit the insurer as a subscriber. If the commissioner finds that the action of the rating organization was justified the commissioner shall make an order affirming its action.

3. No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

4. Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this chapter is hereby authorized, provided the filings resulting from such cooperation are subject to all the provisions of this chapter which are applicable to filings generally. The commissioner may review such cooperative activities and practices and if, after a hearing, the commissioner finds that any such activity or practices is unfair or unreasonable or otherwise inconsistent with the provisions of this chapter, the commissioner may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this chapter, and requiring the discontinuance of such activity or practice.

5. Any rating organization may provide for the examination of policies, daily reports, binders, renewal certificates, endorsements or other evidences of insurance, or the cancellation thereof, and may make reasonable rules governing their submission. Such rules shall contain a provision that in the event any insurer does not within sixty days furnish satisfactory evidence to the rating organization of the correction of any error or omission previously called to its attention by the rating organization, it shall be the duty of the rating organization to notify the commissioner thereof. All information so submitted for examination shall be confidential.

6. Any rating organization may subscribe for or purchase actuarial, technical or other services, and such services shall be available to all members and subscribers without discrimination.

7. Notwithstanding any other provision of the Code, the commissioner of insurance shall provide for a hearing in a proceeding involving a workers' compensation insurance rate filing by a licensed rating organization in accordance with the provisions of this subsection and rules promulgated by the commissioner of insurance pursuant to chapter 17A. Except as otherwise provided herein, the provisions of this subsection shall not be subject to the requirements of chapter 17A. The procedures for such hearing shall be as follows:

*a.* The commissioner shall provide notice of the filing of the proposed rates at least thirty days before the effective date of the proposed rates by publishing a notice on the internet site of the insurance division of the department of commerce.

*b.* A public hearing shall be held on the proposed rates by the commissioner of insurance if within fifteen days of the date of publication a workers' compensation policyholder or an established organization with one or more workers' compensation policyholders among its members files a written demand with the commissioner of insurance for a hearing on the proposed rates.

*c.* The commissioner of insurance shall hold the hearing within twenty days after receipt of the written demand for a hearing and shall give not less than ten days written notice of the time and place of the hearing to the person or association filing the demand, to the rating organization, and to any other person requesting such notice.

*d.* At any such hearing, the rating organization shall bear the burden of proof to support the proposed rates by a preponderance of the evidence. The person or association requesting the hearing, and any other person admitted as a party to the proceeding, shall be given the opportunity to respond and introduce evidence and arguments on all the issues involved.

*e.* Within fifteen days after the start of the hearing, the commissioner of insurance will approve or disapprove the proposed rates and specify the reasons therefor. The commissioner of insurance may suspend or postpone the effective date of the proposed rates pending the hearing and written decision thereon.

*f.* Judicial review of the decision of the commissioner of insurance on such rates may be sought in accordance with the provisions of chapter 17A.

*g.* Absent a request for a hearing as provided in paragraph "*b*", the commissioner shall issue an order approving or disapproving the proposed rates.

*h.* The waiting period for a workers' compensation insurance rate filing shall commence no earlier than the date that notice of the insurance rate filing is published.

[C50, 54, 58, 62, §515A.6, 515B.6; C66, 71, 73, 75, 77, 79, 81, §515A.6]

2006 Acts, ch 1117, §69; 2007 Acts, ch 22, §89; 2008 Acts, ch 1123, §33 – 35; 2013 Acts, ch 90, §257

Referred to in §515A.4, 515A.12

Code editor directive applied

**515A.7 Uniform rating plans and deviations.**

1. *a.* Every insurer shall adhere to the filings made on its behalf by a rating organization except that any such insurer may file a deviation from the class rates, schedules, rating plans, or rules, or a combination thereof for approval by the commissioner. The deviation filed shall specify the basis for the modification and a copy shall also be sent simultaneously to such rating organization. In considering the deviation filed, the commissioner shall give consideration to the available statistics and the principles for rate making as provided in section 515A.3. The commissioner shall approve the deviation filed for such insurer if the commissioner finds it to be justified and it shall thereupon become effective. The commissioner shall disapprove the deviation filed if the commissioner finds that the deviation does not meet the requirements of this chapter.

*b.* A deviation may be filed for approval by the commissioner as follows:

(1) An insurer may file for approval by the commissioner of a uniform percentage rate deviation to be applied to the class rates of the rating organization's filing subject to limitations as set forth by the commissioner by rule. A rate deviation from the approved class rates of a rating organization shall not cause the rate charged a policyholder to exceed the approved assigned risk rates.

(2) A rating organization or insurer may offer retrospective plans in policies which generate at least one hundred thousand dollars in annual countrywide premiums on workers' compensation liability insurance.

(3) An insurer may offer large deductible programs on policies which generate at least one hundred thousand dollars in annual countrywide premiums on workers' compensation liability insurance. The minimum large deductible which may be offered is twenty-five thousand dollars, which may be applied to indemnity and medical losses.

(4) An insurer may offer small deductible programs with deductibles in a range of up to ten thousand dollars and which apply only to medical losses. Losses shall be reported on a net basis in accordance with the statistical plan filed by a rating organization.

(5) An insurer may adopt a schedule rating plan providing for credits or debits in an amount not exceeding the maximum modification allowed as set forth by the commissioner by rule. This amount shall be in addition to the permitted deviations set forth in subparagraphs (1) through (4).

(6) The commissioner may authorize other types of deviations by rule when there is no approved rate, schedule, rating plan, or rule applicable to the deviation filed, on file with the insurance division for a rating organization.

2. The commissioner may adopt rules pursuant to chapter 17A to limit deviations and maximum schedule or rating plan modifications.

3. All dividends shall be paid based upon loss sensitivity. Dividends are deemed a return of profit to insureds. Accordingly, dividends shall not be guaranteed by an insurer without regard to profits. Dividends may be offered in conjunction with deviated rates or with scheduled rates or in combination therewith. For the purposes of this subsection, "*loss sensitivity*" means the profitability of the policyholder individually or as a member of a homogenous group.

[C50, 54, 58, 62, §515A.7, 515B.7; C66, 71, 73, 75, 77, 79, 81, §515A.7]

2008 Acts, ch 1123, §36, 57; 2013 Acts, ch 124, §22

Subsection 1, paragraph b, subparagraph (5) amended

**515A.8 Appeal by member or subscriber.**

1. Any member or subscriber to a rating organization may appeal to the commissioner from the action or decision of such rating organization in approving or rejecting any proposed change in or addition to the filings of such rating organization and the commissioner shall, after a hearing held upon not less than ten days' written notice to the appellant, and to such rating organization, issue an order approving the action or decision of such rating organization or directing it to give further consideration to such proposal, or, if such appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, the commissioner may, in the event the commissioner finds that such action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its members and subscribers, in a manner consistent with the findings, within a reasonable time after the issuance of such order.

2. If such appeal is based upon the failure of the rating organization to make a filing on behalf of such member or subscriber, which is based on a system of expense provisions which differs, in accordance with the right granted in paragraph "*c*" of subsection 1 of section 515A.3, from the system of expense provisions included in a filing made by the rating organization, the commissioner shall, if the commissioner grants the appeal, order the rating organization to make the requested filing for use by the appellant. In deciding such appeal the commissioner shall apply the standards set forth in section 515A.3.

[C50, 54, 58, 62, §515A.8, 515B.8; C66, 71, 73, 75, 77, 79, 81, §515A.8]

2008 Acts, ch 1123, §37

**515A.9 Information to be furnished insureds — hearings and appeals of insureds.**

Every rating organization and every insurer which makes its own rate shall, within a reasonable time after receiving written request therefor and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate. Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by the person's authorized representative, on the person's written request to review the manner in which such rating system has been applied in connection with the insurance afforded the person. Such review of the manner in which a rating system has been applied is not a contested case under chapter 17A. If the rating organization or insurer fails to grant or reject such request within thirty days after it is made, the applicant may proceed in the same manner as if the application had been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within thirty days after written notice of such action, appeal to the commissioner, who, after a hearing held upon not less than ten days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action. Such appeal to the commissioner of the manner in which a rating system has been applied is not a contested case under chapter 17A.

[C50, 54, 58, 62, §515A.9, 515B.9; C66, 71, 73, 75, 77, 79, 81, §515A.9]

2006 Acts, ch 1117, §70; 2007 Acts, ch 22, §90

**515A.10 Advisory organizations.**

1. Every group, association or other organization of insurers, whether located within or outside of this state, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under this chapter, shall be known as an advisory organization.

2. Every advisory organization shall file with the commissioner all of the following:

*a.* A copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its bylaws, rules and regulations governing its activities.

*b.* A list of its members.

*c.* The name and address of a resident of this state upon whom notices or orders of the commissioner or process issued at the commissioner's direction may be served.

*d.* An agreement that the commissioner may examine such advisory organization in accordance with the provisions of section 515A.12.

3. If, after a hearing, the commissioner finds that the furnishing of such information or assistance involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of this chapter, the commissioner may issue a written order specifying in what respects such act or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this chapter, and requiring the discontinuance of such act or practice.

4. No insurer which makes its own filings nor any rating organization shall support its filings by statistics or adopt rate making recommendations, furnished to it by an advisory organization which has not complied with this section or with an order of the commissioner involving such statistics or recommendations issued under subsection 3 of this section. If the commissioner finds such insurer or rating organization to be in violation of this subsection the commissioner may issue an order requiring the discontinuance of such violation.

[C50, 54, 58, 62, §515A.10, 515B.10; C66, 71, 73, 75, 77, 79, 81, §515A.10]

2006 Acts, ch 1117, §71

Referred to in §515A.12

**515A.11 Joint underwriting or joint reinsurance.**

1. Every group, association or other organization of insurers which engages in joint underwriting or joint reinsurance, shall be subject to regulation with respect thereto as herein provided, subject, however, with respect to joint underwriting, to all other provisions of this chapter and, with respect to joint reinsurance, to sections 515A.12 and 515A.16 to 515A.19.

2. If, after a hearing, the commissioner finds that any activity or practice of any such group, association or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of this chapter, the commissioner may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this chapter, and requiring the discontinuance of such activity or practice.

[C50, 54, 58, 62, §515A.11, 515B.11; C66, 71, 73, 75, 77, 79, 81, §515A.11]

Referred to in §515A.12

**515A.12 Examinations.**

The commissioner shall, at least once in five years, make or cause to be made an examination of each rating organization licensed in this state as provided in section 515A.6 and the commissioner may, as often as the commissioner may deem it expedient, make or cause to be made an examination of each advisory organization referred to in section 515A.10 and of each group, association or other organization referred to in section 515A.11. The reasonable costs of any such examination shall be paid by the rating organization, advisory organization or group, association or other organization examined upon presentation to it of a detailed account of such costs. The officers, manager, agents and employees of such rating organization, advisory organization, or group, association or other organization may be examined at any time under oath and shall exhibit all books, records, accounts, documents, or agreements governing its method of operation. In lieu of any such examination the commissioner may accept the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of such state.

[C50, 54, 58, 62, §515A.12, 515B.12; C66, 71, 73, 75, 77, 79, 81, §515A.12]

Referred to in §515A.10, 515A.11

**515A.13 Rate administration.**

1. The commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with the commissioner, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid the commissioner in determining whether rating systems comply with the standards

set forth in section 515A.3. Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countywide expense experience. In promulgating such rules and plans, the commissioner shall give due consideration to the rating systems on file and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it. The commissioner may designate one or more rating organizations or other agencies to assist in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the commissioner, to insurers and rating organizations.

2. Reasonable rules and plans may be promulgated by the commissioner for the interchange of data necessary for the application of rating plans.

3. In order to further uniform administration of rate regulatory laws, the commissioner and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers, and rating organizations in other states and may consult with them with respect to rate making and the application of rating systems.

4. The commissioner may make reasonable rules necessary to effect the purposes of this chapter.

5. A person other than the commissioner or the commissioner's designee shall not release to another person, other than to the servicing insurer of the policy or to the commissioner or the commissioner's designee, experience, payroll, loss data, expiration date of a policy, or classification information without the prior written approval of the policyholder. A violation of this section shall be considered an unfair trade practice pursuant to chapter 507B.

[C50, 54, 58, 62, §515A.13, 515B.13; C66, 71, 73, 75, 77, 79, 81, §515A.13]

94 Acts, ch 1176, §13; 2008 Acts, ch 1123, §38

**515A.14 False or misleading information.**

No person or organization shall willfully withhold information from, or knowingly give false or misleading information to, the commissioner, any statistical agency designated by the commissioner, any rating organization, or any insurer, which will affect the rates or premiums chargeable under this chapter. A violation of this section shall subject the one guilty of such violation to the penalties provided in section 515A.17.

[C50, 54, 58, 62, §515A.14, 515B.14; C66, 71, 73, 75, 77, 79, 81, §515A.14]

**515A.15 Assigned risks.**

Agreements shall be made among insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods and such insurers may agree among themselves on the use of reasonable rate modifications for such insurance, the agreements and rate modifications to be subject to the approval of the commissioner.

For purposes of this section, "*insurer*" includes, in addition to insurers defined pursuant to section 515A.2, a self-insurance association formed on or after July 1, 1995, pursuant to section 87.4 except for an association comprised of cities or counties, or both, or an association comprised of community colleges as defined in section 260C.2, which have entered into an agreement pursuant to chapter 28E for the purpose of establishing a self-insured program for the payment of workers' compensation benefits.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §515A.15]

95 Acts, ch 185, §24

Referred to in §87.4

**515A.15A Deductible policies in workers' compensation.**

The commissioner may enter an order under section 515A.18 to assure availability within this state of a policy under this chapter which provides as part of the policy, or as an endorsement to the policy, an option for a deductible related to benefits payable under

a policy issued pursuant to this chapter. The order may make provisions for changes in experience ratings, premium surcharges, or any other modification, as a result of issuance of a policy, or of an endorsement to the policy, pursuant to the order. Under an order entered pursuant to this section, the commissioner shall provide that if the policyholder selects a deductible option, the insured employer is liable for all of the amount of the deductible for benefits paid for each compensable claim of an employee under the policy.

92 Acts, ch 1053, §1

**515A.15B Applicants unable to procure insurance through ordinary methods.**

An agreement among licensed insurers to offer workers' compensation insurance for applicants unable to procure workers' compensation insurance through ordinary methods shall be administered by a rating organization licensed under this chapter.

98 Acts, ch 1057, §10

**515A.16 Premiums.**

An agent shall not knowingly charge, demand, or receive a premium for any policy of insurance except in accordance with the provisions of this chapter.

[C50, 54, 58, 62, §515A.16, 515B.15; C66, 71, 73, 75, 77, 79, 81, §515A.16]

93 Acts, ch 88, §21

Referred to in §515A.11

**515A.17 Penalties.**

1. The commissioner may, if the commissioner finds that any person or organization has violated any provision of this chapter, impose a penalty of not more than one thousand dollars for each such violation, but if the commissioner finds such violation to be willful the commissioner may impose a penalty of not more than five thousand dollars for each such violation. Such penalties may be in addition to any other penalty provided by law. A penalty collected under this subsection shall be deposited as provided in section 505.7.

2. The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order of the commissioner within the time limited by such order, or any extension thereof which the commissioner may grant. The commissioner shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or if an appeal has been taken, until such order has been affirmed. The commissioner may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by the commissioner, unless the commissioner modifies or rescinds such suspension, or until the order upon which such suspension is based is modified, rescinded, or reversed.

3. A penalty shall not be imposed and a license shall not be suspended or revoked except upon a written order of the commissioner, stating the commissioner's findings, made after a hearing held upon not less than ten days' written notice to such person or organization specifying the alleged violation.

[C50, 54, 58, 62, §515A.17, 515B.16; C66, 71, 73, 75, 77, 79, 81, §515A.17]

2008 Acts, ch 1123, §39; 2009 Acts, ch 181, §80

Referred to in §515A.11, 515A.14

**515A.18 Hearing procedure and judicial review.**

1. Any person, insurer or rating organization to which the commissioner has directed an order made without a hearing may, within thirty days after notice to it of such order, make written request to the commissioner for a hearing thereon. The commissioner shall hear such party or parties within twenty days after receipt of such request and shall give not less than ten days' written notice of the time and place of the hearing. Within fifteen days after such hearing the commissioner shall affirm, reverse or modify the previous action, specifying the commissioner's reasons therefor. Pending such hearing and decision thereon the commissioner may suspend or postpone the effective date of the commissioner's previous action.

2. Nothing contained in this chapter shall require the observance at any hearing of formal rules of pleading or evidence.

3. *a.* Judicial review of the actions of the commissioner may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

*b.* The court shall determine whether the filing of the petition for such writ shall operate as a stay of any such order or decision of the commissioner. The court may, in disposing of the issue before it, modify, affirm or reverse the order or decision of the commissioner in whole or in part.

[C50, 54, 58, 62, §515A.18, 515B.17; C66, 71, 73, 75, 77, 79, 81, §515A.18]

2003 Acts, ch 44, §114; 2012 Acts, ch 1023, §157

Referred to in §515A.11, 515A.15A

**515A.19 Laws affected.**

Compliance with this chapter shall not be deemed to be a violation of section 515.140.

[C50, 54, 58, 62, §515A.19, 515B.18; C66, 71, 73, 75, 77, 79, 81, §515A.19]

2007 Acts, ch 152, §78

Referred to in §515A.11

**515A.19A Rules.**

The commissioner may adopt rules pursuant to chapter 17A as necessary and convenient to administer this chapter.

2008 Acts, ch 1123, §40

RATE FILINGS IN
COMPETITIVE MARKETS

**515A.20 through 515A.25** Transferred to sections 515F.20 through 515F.25; 90 Acts, ch 1234, §77.

# CHAPTER 515B

## INSURANCE GUARANTY ASSOCIATION

Referred to in §87.4, 296.7, 331.301, 364.4, 455G.15, 505.28, 505.29, 507C.2, 669.14, 670.7


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**515B.1 Scope.**

This chapter shall apply to all kinds of direct insurance authorized to be written by an insurer licensed to operate in this state under chapter 515 or chapter 520, but shall not be applicable to the following:

1. Life, annuity, health, or disability insurance.

2. Mortgage guaranty, financial guaranty, residual value, or other forms of insurance offering protection against investment risks.

3. Fidelity or surety bonds, or any other bonding obligations.

4. Credit insurance, vendors' single interest insurance, or collateral protection insurance

or any similar insurance protecting the interests of a creditor arising out of a creditor-debtor transaction.

5. Insurance warranties or service contracts, including insurance that provides for the repair, replacement, or service of goods or property, or indemnification for repair, replacement, or service, for the operational or structural failure of the goods or property due to a defect in materials, workmanship, or normal wear and tear, or provides reimbursement for the liability incurred by the issuer of agreements or service contracts that provide such benefits.

6. Title insurance.

7. Ocean marine insurance.

8. A transaction or combination of transactions between a person, including affiliates of such person, and an insurer, including affiliates of such insurer, which involves the transfer of investment or credit risk unaccompanied by transfer of insurance risk.

9. Insurance provided by, guaranteed by, or reinsured by government.

[C71, 73, 75, 77, 79, 81, §515B.1]

86 Acts, ch 1184, §2; 88 Acts, ch 1112, §504; 97 Acts, ch 186, §13; 2001 Acts, ch 69, §31; 2009 Acts, ch 145, §24

**515B.2 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Association"* means the Iowa insurance guaranty association created pursuant to section 515B.3.

2. *"Claimant"* means an insured making a first party claim or any person instituting a liability claim against the insured of an insolvent insurer. *"Claimant"* does not include a person who is an affiliate of an insolvent insurer.

3. *"Commissioner"* means the commissioner of insurance of this state.

4. *a. "Covered claim"* means an unpaid claim, including one for unearned premiums, which arises out of and is within the coverage and is subject to the applicable limits of an insurance policy to which this chapter applies issued by an insurer, if such insurer becomes an insolvent insurer after July 1, 1970, and one of the following conditions exists:

(1) The claimant or insured is a resident of this state at the time of the insured event. Other than an individual, the residence of the claimant or insured is the state in which its principal place of business is located.

(2) The claim is a first party claim by an insured for damage to property permanently located in this state.

*b.* (1) *"Covered claim"* does not include any amount as follows:

(a) That is due any reinsurer, insurer, insurance pool, underwriting association, or other group assuming insurance risks, as subrogation, contribution, or indemnity recoveries, or otherwise.

(b) That constitutes the portion of a claim that is within an insured's deductible or self-insured retention.

(c) That is a claim for unearned premium calculated on a retrospective basis, experience-rated plan, or premium subject to adjustment after termination of the policy.

(d) That is a fee or other amount relating to goods or services sought by or on behalf of an attorney, adjuster, witness, or other provider of goods or services retained by the insolvent insurer or by an insured prior to the date the insurer was declared insolvent.

(e) That is a fine, penalty, interest, or punitive or exemplary damages.

(f) That is a fee or other amount sought by or on behalf of any attorney, adjuster, witness, or other provider of goods or services retained by the insured or claimant in connection with the assertion of any claim, covered or otherwise, against the association.

(g) That is a claim filed with the association or a liquidator for protection afforded under the insured's policy or contract for incurred but not reported losses or expenses.

(h) That constitutes a claim under a policy issued by an insolvent insurer with a deductible or self-insured retention of two hundred thousand dollars or more. However, such a claim shall be considered a covered claim, if as of the deadline set for the filing of claims against the insolvent insurer of its liquidator, the insured is a debtor under 11 U.S.C. § 701 et seq.

(i) That would otherwise be a covered claim, but is an obligation to or on behalf of a person who has a net worth greater than that allowed by the guarantee fund law of the state of residence of the person, and which state has denied coverage to that person on that basis.

(j) That is an obligation owed to or on behalf of an affiliate of, as defined in section 521A.1, an insolvent insurer.

(2) Notwithstanding the subparagraph divisions of subparagraph (1), a person is not prevented from presenting a noncovered claim to the insolvent insurer or its liquidator, but the noncovered claim shall not be asserted against any other person, including the person to whom benefits were paid or the insured of the insolvent insurer, except to the extent that the claim is outside the coverage of the policy issued by the insolvent insurer.

5. *"Insurer"* means an insurer licensed to transact insurance business in this state under either chapter 515 or chapter 520, either at the time the policy was issued or when the insured event occurred. It does not include county or state mutual insurance associations licensed under chapter 518 or chapter 518A, or fraternal benefit societies, orders, or associations licensed under chapter 512B, or corporations operating nonprofit service plans under chapter 514, or life insurance companies or life, accident, or health associations licensed under chapter 508, or those professions under chapter 519.

6. *"Insolvent insurer"* means an insurer against which a final order of liquidation with a finding of insolvency has been entered on or after July 1, 1980, by a court of competent jurisdiction of this state or of the state of the insurer's domicile.

7. *"Liquidator"* means a receiver as defined in section 507C.2, or a comparable person appointed by the courts of the domiciliary state of a foreign insurer.

8. *"Net direct written premiums"* means direct gross premiums written in this state on insurance policies to which this chapter applies, less return premiums and dividends paid or credited to policyholders on such direct business. Such term does not include premiums on contracts between insurers or reinsurers.

9. *"Person"* means any individual, corporation, partnership, association, or voluntary organization.

[C71, 73, 75, 77, 79, 81, §515B.2; 82 Acts, ch 1137, §2]

86 Acts, ch 1184, §3 – 5; 88 Acts, ch 1112, §505, 506; 89 Acts, ch 83, §74; 91 Acts, ch 26, §43; 93 Acts, ch 88, §22; 97 Acts, ch 186, §14; 2000 Acts, ch 1023, §30; 2001 Acts, ch 24, §55; 2003 Acts, ch 91, §40; 2005 Acts, ch 70, §22; 2009 Acts, ch 145, §25; 2010 Acts, ch 1063, §23 – 25

Referred to in §515B.3

**515B.3 Creation of the association.**

There is created a nonprofit unincorporated legal entity to be known as the Iowa insurance guaranty association. All insurers as defined in section 515B.2, subsection 5 shall be and remain members of the association as a condition of their authority to transact insurance in this state. The association shall perform its functions under a plan of operation established and approved pursuant to section 515B.6 and shall exercise its powers through a board of directors established under section 515B.4. Except as otherwise provided in such plan of operation, annual or special meetings of members of the association may be held on call as directed by the association's board of directors or by the commissioner of insurance, upon not less than ten days' written notice by ordinary mail to each member at the member's principal office as shown by the records in the commissioner's office, specifying the time and place, and in the case of a special meeting, the purpose of the meeting. Members may vote in person or by proxy and ten members present in person or by proxy shall constitute a quorum for the transaction of any business.

[C71, 73, 75, 77, 79, 81, §515B.3]

Referred to in §515B.2

**515B.4 Board of directors.**

The board of directors of the association shall consist of not less than five nor more than nine persons serving terms as established in the plan of operation. The members of the board shall be selected by member insurers subject to the approval of the commissioner.

Vacancies on the board shall be filled for the remaining period of the term by majority vote of the remaining directors, subject to the approval of the commissioner.

In approving selections to the board the commissioner shall consider among other things whether all member insurers are fairly represented.

Members of the board may be reimbursed from the assets of the association for expenses incurred by them as members of the board of directors.

[C71, 73, 75, 77, 79, 81, §515B.4]

Referred to in §515B.3, 515B.6

**515B.5 Duties and powers of the association.**

1. The association shall:

*a.* Be obligated to pay covered claims existing prior to the final order of liquidation and arising within thirty days after the final order of liquidation, or before the policy expiration date if less than thirty days after the final order of liquidation, or before the insured replaces the policy or causes its cancellation, if the insured does so within thirty days of the final order of liquidation. Such obligation shall be satisfied by paying to the claimant an amount as follows:

(1) The full amount of a covered claim for benefits under a workers' compensation insurance coverage.

(2) An amount in excess of one hundred dollars but not exceeding ten thousand dollars per policy for a covered claim for the return of unearned premium.

(3) An amount not exceeding the lesser of the policy limits or five hundred thousand dollars per claim for all covered claims for all damages arising out of any one or series of accidents, occurrences, or incidents, regardless of the number of persons making claims or the number of applicable policies.

*b.* Be obligated to pay covered claims subject to a limitation as established by the rights, duties, and obligations under the policy of the insolvent insurer. However, the association is not obligated to pay a claimant an amount in excess of the obligation under the policy of the insolvent insurer, regardless of whether such claim is based on contract or tort.

*c.* (1) Assess member insurers amounts necessary to pay the obligations of the association under paragraph "*a*" of this subsection subsequent to an insolvency, the expenses of handling covered claims subsequent to an insolvency, the cost of examinations under section 515B.10, and other expenses authorized by this chapter. The assessment of each member insurer shall be in the proportion that the net direct written premiums of the member insurer for the preceding calendar year bear to the net direct written premiums of all member insurers for the preceding calendar year. Each member insurer shall be notified of the assessment not later than thirty days before it is due. No member insurer may be assessed in any year an amount greater than two percent of that member insurer's net direct written premiums for the preceding calendar year. If the maximum assessment, together with the other assets of the association, does not provide in any one year an amount sufficient to make all necessary payments, the funds available shall be prorated and the unpaid portion shall be paid as soon as funds become available. The association may exempt or defer, in whole or in part, the assessment of any member insurer if the assessment would cause the member insurer's financial statement to reflect amounts of capital or surplus less than the minimum amounts required for a certificate of authority by any jurisdiction in which the member insurer is authorized to transact insurance. Each member insurer serving as a servicing facility pursuant to this section may set off against any assessment, authorized payments made on covered claims and expenses incurred in the payment of such claims by the member insurer. In addition, the association shall have the authority to levy an administrative assessment of not more than fifty dollars per year per member insurer on a non pro rata basis, which assessment shall be credited against any future insolvency assessment. Such assessment shall be used to pay authorized expenses not directly attributable to any particular insolvency or insolvent insurer. All overdue and unpaid assessments shall draw interest at the rate of seven percent per annum.

(2) The association shall also have the right to pursue and retain for its own account salvage and subrogation recoverable on paid covered claim obligations. An obligation of the

association to defend an insured shall cease upon the association's payment or tender to an excess insurer of an amount equal to the lesser of the association's covered claim obligation or the applicable policy limits.

*d.* Investigate claims brought against the association and adjust, compromise, settle, and pay covered claims to the extent of the association's obligations on covered claims and deny all other claims. The association may review settlements, releases, and judgments to which the insolvent insurer or its insureds were parties to determine the extent to which settlements, releases, and judgments may properly be contested, and, to that end, any uncontested or default judgment against the insolvent insurer or its insured shall not be binding on the association. The association shall have the right to appoint or substitute legal counsel retained to defend insureds on covered claims.

*e.* Notify such persons as the commissioner directs under section 515B.7, subsection 2, paragraph "*a*".

*f.* Process claims through its employees or through one or more member insurers or other persons designated as servicing facilities. Designation of a servicing facility is subject to the approval of the commissioner, but such designation may be declined by a member insurer.

*g.* Reimburse each servicing facility for obligations of the association paid by the facility and for expenses incurred by the facility while handling claims on behalf of the association, and pay the other expenses of the association authorized by this chapter.

2. The association may:

*a.* Appear in, defend, and appeal any action on a claim brought against the association.

*b.* Employ or retain persons necessary to handle claims and perform other duties of the association.

*c.* Borrow funds necessary to effect the purposes of this chapter in accord with the plan of operation.

*d.* Sue or be sued.

*e.* Negotiate and become a party to contracts necessary to carry out the purpose of this chapter.

*f.* Perform such other acts necessary or proper to effectuate the purposes of this chapter.

*g.* The board of directors, in its discretion, may from time to time refund excess amounts to member insurers that are not needed for current or projected liabilities of a particular insolvency. The amount of each refund is equal to the net direct written premiums of the member insurer for the preceding calendar year divided by the net written premiums of all member insurers for the preceding calendar year, multiplied by the total amount to be refunded to all members. Any assessments or refunds of any member insurer in amounts not to exceed twenty-five dollars may, at the discretion of the board of directors, be waived.

*h.* Request that all future payments of workers' compensation weekly benefits, medical expenses, or other payments under chapter 85, 85A, 85B, 86, or 87 be commuted to a present lump sum and upon the payment of which, either to the claimant or to a licensed insurer for purchase of an annuity or other periodic payment plan for the benefit of the claimant, the employer and the association shall be discharged from all further liability for the workers' compensation claim. Notwithstanding the provisions of section 85.45, any future payment of medical expenses, weekly compensation benefits, or other payment by the association under this chapter pursuant to chapter 85, 85A, 85B, 86, or 87, is deemed an undue expense, hardship, or inconvenience upon the employer for purposes of a full commutation pursuant to section 85.45, subsection 1, paragraph "*b*", and the workers' compensation commissioner shall fix the lump sum of the probable future medical expenses and weekly compensation benefits capitalized at their present value upon the basis of interest at the rate provided in section 535.3 for court judgments and decrees.

[C71, 73, 75, 77, 79, 81, §515B.5; 82 Acts, ch 1051, §2]

86 Acts, ch 1184, §6; 88 Acts, ch 1112, §507; 91 Acts, ch 26, §44; 92 Acts, ch 1162, §40, 41; 97 Acts, ch 186, §15, 16; 98 Acts, ch 1061, §11; 2001 Acts, ch 69, §32; 2002 Acts, ch 1111, §20, 21; 2008 Acts, ch 1032, §200; 2010 Acts, ch 1063, §26; 2012 Acts, ch 1023, §157

Referred to in §515B.6, 515B.9

**515B.6 Plan of operation.**

1. *a.* The association shall submit a plan of operation to the commissioner, together with any amendments necessary or suitable to assure the fair, reasonable, and equitable administration of the association. The plan of operation and any amendments shall become effective upon approval in writing by the commissioner.

*b.* If the association fails to submit a suitable plan of operation within ninety days following the effective date of this chapter or if at any time thereafter the association fails to submit suitable amendments to the plan, the commissioner shall, after notice and opportunity for hearing, adopt and promulgate reasonable rules necessary or advisable to effectuate the provisions of this chapter. Such rules shall continue in force until modified by the commissioner or superseded by a plan submitted by the association and approved by the commissioner.

2. All member insurers shall comply with the plan of operation.

3. The plan of operation shall:

*a.* Establish the procedures for performance of all the duties and powers of the association under section 515B.5.

*b.* Establish procedures for managing assets of the association.

*c.* Establish the amount and method of reimbursing members of the board of directors under section 515B.4.

*d.* Establish procedures by which claims may be filed with the association and establish acceptable forms of proof of covered claims. Notice of claims to the receiver or liquidator of the insolvent insurer shall be deemed notice to the association or its agent and a list of such claims shall be periodically submitted to the association or similar organization in another state by the receiver or liquidator.

*e.* Establish regular places and times for meetings of the board of directors.

*f.* Establish procedures for keeping records of all financial transactions of the association, its agents, and the board of directors.

*g.* Provide that any member insurer aggrieved by any final action or decision of the association may appeal to the commissioner within thirty days after the action or decision.

*h.* Establish procedures for submission to the commissioner of selections for the board of directors.

*i.* Contain additional provisions necessary or proper for the execution of the duties and powers of the association.

4. The plan of operation may provide that any or all duties and powers of the association, except those under section 515B.5, subsection 1, paragraph "*c*", and section 515B.5, subsection 2, paragraph "*c*", are delegated to a person which performs or will perform functions similar to those of this association in two or more states. Such person shall be reimbursed as a servicing facility and shall be paid for performance of any other functions of the association. A delegation under this subsection shall take effect only with the approval of both the board of directors and the commissioner, and may be made only to a person which extends protection not substantially less favorable and effective than that provided by this chapter.

[C71, 73, 75, 77, 79, 81, §515B.6]

2012 Acts, ch 1023, §157

Referred to in §515B.3

**515B.7 Duties and powers of the commissioner.**

1. The commissioner shall:

*a.* Notify the association of the existence of an insolvent insurer not later than three days after the commissioner receives notice of the determination of the insolvency.

*b.* Upon request of the board of directors, provide the association with a statement of the net direct written premiums of each member insurer.

2. The commissioner may:

*a.* Require that the association notify the insureds of the insolvent insurer and any other interested parties of the determination of insolvency and of their rights under this chapter. Such notification shall be by mail at their last known address, but if sufficient information

for notification by mail is not available, notice by publication in a newspaper of general circulation is sufficient.

*b.* Suspend or revoke, after notice and opportunity for hearing, the certificate of authority to transact insurance in this state of any member insurer which fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative, the commissioner may levy a fine on any member insurer which fails to pay an assessment when due. Such fine shall not exceed five percent of the unpaid assessment per month, except that no fine shall be less than one hundred dollars per month.

*c.* Revoke the designation of any servicing facility if the commissioner finds claims are being processed unsatisfactorily.

3. Judicial review of actions of the commissioner may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C71, 73, 75, 77, 79, 81, §515B.7]

2003 Acts, ch 44, §114

Referred to in §515B.5

**515B.8 Effect of paid claims.**

1. Any person recovering under this chapter shall be deemed to have assigned the person's rights under the policy to the association to the extent of the person's recovery from the association. Every insured or claimant seeking the protection of this chapter shall cooperate with the association to the same extent as such person would have been required to cooperate with the insolvent insurer. The association shall have no cause of action against the insured of the insolvent insurer for any sums it has paid out except causes of action the insolvent insurer would have had if the sums had been paid by the insolvent insurer.

2. The association and any similar entity in another state shall be recognized as claimants in the liquidation of an insolvent insurer for any amounts paid by them on covered claim obligations as determined under this chapter or under similar law in another state, and shall receive dividends and any other distributions at the priority set forth under the applicable liquidation law. The receiver, liquidator, or statutory successor of an insolvent insurer shall be bound by determinations of covered claim eligibility under this chapter and by settlements of covered claims made by the association or a similar organization in another state. The court having jurisdiction shall grant such claims priority equal to that which the claimant would have been entitled in the absence of this chapter against the assets of the insolvent insurer. The expenses of the association or similar organization in handling claims shall be accorded the same priority as the liquidator's expenses.

3. The association shall periodically file with the receiver or liquidator of the insolvent insurer statements of the covered claims paid by the association and estimates of anticipated claims on the association, which statements shall preserve the rights of the association against the assets of the insolvent insurer.

[C71, 73, 75, 77, 79, 81, §515B.8]

97 Acts, ch 186, §17; 2003 Acts, ch 91, §41

**515B.9 Nonduplication of recovery.**

1. *a.* Any person having a claim under an insurance policy, and the claim under such other policy alleges the same damages or arises from the same facts, injury, or loss that gives rise to a covered claim against the association, shall be required to first exhaust all coverage provided by that policy, whether such coverage is on a primary, excess, or pro rata basis and any obligation of the association shall not be considered other insurance.

(1) Any amount payable on a covered claim shall be reduced by the full applicable limits of such other insurance policy and the association shall receive full credit for such limits or where there are no applicable limits, the claim shall be reduced by the total recovery.

(2) A policy providing liability coverage to a person who may be jointly and severally liable with, or a joint tortfeasor with, the person covered under the policy of the insolvent insurer shall be first exhausted before any claim is made against the association and the association shall receive credit for the same as provided above.

*b.* For purposes of this section, an insurance policy means a policy issued by an insurance

company, whether or not a member insurer, which policy insures any of the types of risks insured by an insurance company authorized to write insurance under chapter 515, 516A, or 520, or comparable statutes of another state, except those types of risks set forth in chapters 508 and 514.

2. A person having a claim which may be recovered under more than one insurance guaranty association or its equivalent shall seek recovery first from the association of the place of residence of the insured. However, if the claim is a first party claim for damage to property with a permanent location, recovery shall be first sought from the association of the location of the property. If the claim is a workers' compensation claim, recovery shall be first sought from the association of the residence of the claimant. Any sums recovered from any other guaranty association or equivalent organization shall be subtracted from the maximum liability of the association under section 515B.5, subsection 1, paragraph *"a"*.

[C71, 73, 75, 77, 79, 81, §515B.9]

86 Acts, ch 1184, §7; 88 Acts, ch 1112, §508; 91 Acts, ch 26, §45; 2003 Acts, ch 91, §42; 2012 Acts, ch 1023, §123

**515B.10 Prevention of insolvencies.**

1. *a.* To aid in the detection and prevention of insurer insolvencies the board of directors, upon majority vote, may do either of the following:

(1) Make recommendations to the commissioner for the detection and prevention of insurer insolvencies.

(2) Respond to a request by the commissioner to discuss and make recommendations regarding the status of member insurers whose financial condition may be hazardous to policyholders or the public.

*b.* At the conclusion of a domestic insurer insolvency, the board of directors may prepare a report based on the information available to the association on the history and causes of the insolvency. The report may be submitted to the commissioner.

2. Recommendations and reports made pursuant to subsection 1, paragraph *"a"*, subparagraph (2), are not public records under chapter 22.

[C71, 73, 75, 77, 79, 81, §515B.10]

86 Acts, ch 1184, §8

Referred to in §22.7, 515B.5

**515B.11 Examination of the association.**

The association is subject to examination and regulation by the commissioner. The board of directors shall submit, not later than March 30 of each year, a financial report for the preceding calendar year in a form approved by the commissioner.

[C71, 73, 75, 77, 79, 81, §515B.11]

**515B.12 Tax exemption.**

The association is exempt from payment of all fees and all taxes levied by this state or any of its subdivisions, except taxes levied on property.

[C71, 73, 75, 77, 79, 81, §515B.12]

89 Acts, ch 296, §73

**515B.13 Recognition of assessments in rates.**

The rates and premiums charged for insurance policies to which this chapter applies shall include amounts sufficient to recoup a sum equal to the amounts paid to the association by the member insurer less any amounts returned to the member insurer by the association, and such rates shall not be deemed excessive as a result of containing such recoupment allowances.

[C71, 73, 75, 77, 79, 81, §515B.13]

**515B.14 Immunity.**

There shall be no liability on the part of, and no cause of action of any nature shall arise against a member insurer, the association or its agents or employees, the board of directors

or any person serving as an alternate or substitute representative of any director, or the commissioner or the commissioner's representatives, for any action taken or any failure to act by them in the performance of their duties and powers under this chapter.

[C71, 73, 75, 77, 79, 81, §515B.14]

2010 Acts, ch 1063, §27

**515B.15 Stay of proceedings.**

All proceedings to which the insolvent insurer is a party or in which it is obligated to defend a party shall be stayed from the date of the insolvency to and including the date set as the deadline for the filing of claims against the insolvent insurer or its receiver. However, upon application, the court having jurisdiction of the receivership, may lengthen or shorten the period, either as to all claims or as to any particular claim. The association may, at the option of the association, waive such stay as to specific cases involving covered claims.

As to any covered claims based on the default of an insurer who is or who becomes insolvent, or based on the failure of an insurer to defend an insured, the association, on its own behalf or on behalf of the insured, is entitled to set the default aside and defend such claim on its merits.

[C71, 73, 75, 77, 79, 81, §515B.15]

92 Acts, ch 1162, §42; 97 Acts, ch 186, §18

**515B.16 Actions against the association.**

Any action against the association shall be brought against the association in the association's own name. The Polk county district court shall have exclusive jurisdiction and venue of such actions. Service of the original notice in actions against the association may be made on any officer of the association or upon the commissioner of insurance on behalf of the association. The commissioner shall promptly transmit any notice so served upon the commissioner to the association. Any action against the association shall be commenced within three years after the date of the order of liquidation.

[C73, 75, 77, 79, 81, §515B.16]

97 Acts, ch 186, §19; 2001 Acts, ch 69, §33; 2003 Acts, ch 91, §43

**515B.17 Timely filing of claims.**

Notwithstanding any other provision of this chapter, a covered claim shall not include any claim filed with the association after twenty-four months from the date of the order of liquidation or after the final date set by the court for the filing of claims against the insolvent insurer or its receiver, whichever occurs first.

[C77, 79, 81, §515B.17]

93 Acts, ch 88, §23; 2005 Acts, ch 70, §23

**515B.18 Prohibited advertising.**

A person shall not advertise or publish, in connection with the sale of an insurance policy, that claims under the insurance policy are subject to this chapter or will be paid by the Iowa insurance guaranty association.

88 Acts, ch 1112, §509

**515B.19 Coordination among guaranty associations.**

1. The association may join one or more organizations of other state associations of similar purpose, to further the purposes and administer the powers and duties of the association. The association may designate one or more of these organizations to act as a liaison for the association and, to the extent the association authorizes, to bind the association in agreements or settlements with receivers of insolvent insurance companies or their designated representatives.

2. The association, in cooperation with other obligated or potentially obligated guaranty associations or their designated representatives, shall make all reasonable efforts to coordinate and cooperate with receivers or their designated representatives, in the most

efficient and uniform manner, including the use of uniform data standards as promulgated or approved by the national association of insurance commissioners.
2010 Acts, ch 1063, §28

**515B.20 through 515B.24** Reserved.

**515B.25** Repealed by 97 Acts, ch 186, § 27.

**515B.26 Title.**
This chapter shall be known and may be cited as the *"Iowa Insurance Guaranty Association Act"*.
[C71, §515B.16; C73, 75, §515B.17; C77, 79, 81, §515B.18]

# CHAPTER 515C

## MORTGAGE GUARANTY INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 507.1, 669.14, 670.7


515C.1 Definition.
515C.2 Eligibility for insurance.
515C.3 Bases for computations.
515C.4 Contingency reserve.
515C.5 Limit of outstanding liability.
515C.6 Determination of loss reserves.
515C.7 Rate-making provisions.
515C.8 Policy forms approved.
515C.9 Restrictions on advertising.
515C.10 Law applicable.
515C.11 Mortgages secured by first lien on real estate.


**515C.1 Definition.**
*"Mortgage guaranty insurance"* means insurance against financial loss by reason of nonpayment of principal, interest and other sums agreed to be paid under the terms of any note or bond or other evidence of indebtedness secured by a mortgage, deed of trust, or other instrument constituting a lien or charge on real estate or on an owner-occupied manufactured or mobile home.
[C66, 71, 73, 75, 77, 79, 81, §515C.1]
95 Acts, ch 67, §37; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80

**515C.2 Eligibility for insurance.**
Eligibility for mortgage guaranty insurers shall be as follows:
1. An insurer, in order to qualify for writing mortgage guaranty insurance, must have the same surplus to policyholders as that required of a multiple line company by section 515.8.
2. An insurer transacting any class of insurance other than mortgage guaranty insurance is not eligible for the issuance of a certificate of authority to transact mortgage guaranty insurance in this state, nor the renewal thereof.
3. A foreign or alien insurer writing mortgage guaranty insurance shall not be eligible for the issuance of a certificate of authority in Iowa unless it has demonstrated a satisfactory operating experience in its state of domicile.
[C66, 71, 73, 75, 77, 79, 81, §515C.2]
2012 Acts, ch 1021, §100

**515C.3 Bases for computations.**
The unearned premium reserve shall be computed pursuant to rules adopted by the commissioner of insurance.
[C66, 71, 73, 75, 77, 79, 81, §515C.3]
2000 Acts, ch 1023, §31, 60

**515C.4 Contingency reserve.**

For the protection of the people of this state and for the purpose of protecting against the effect of adverse economic cycles, the company shall establish a contingency reserve. The company shall annually contribute fifty percent of the earned premiums to this reserve. The earned premiums so reserved may be released annually after the period of time required by the commissioner, provided that said time shall not be less than one hundred twenty months. However, subject to the approval of the commissioner, this reserve may be available only for loss payments, when the loss ratio (incurred losses to premiums earned) exceeds twenty percent. This amount so used shall reduce the next subsequent annual release to surplus from the established contingency reserve.

[C66, 71, 73, 75, 77, 79, 81, §515C.4]

**515C.5 Limit of outstanding liability.**

1. Unless a request to suspend the requirements of this section is granted by the commissioner as set forth in subsection 2, a mortgage guaranty insurer shall not at any time have outstanding a total liability, net of reinsurance, in excess of twenty-five times its capital, unassigned funds, and contingency reserve. A mortgage guaranty insurer shall not insure loans secured by properties in a single housing tract or in a contiguous tract which is not separated by more than one-half mile in excess of ten percent of its capital, unassigned funds, and contingency reserve. Coverage may be provided only if the properties in such tract are residential buildings, buildings designed for occupancy by not more than four families, or owner-occupied mobile homes.

2. Upon request of a mortgage guaranty insurer, the commissioner may suspend the requirements contained in subsection 1 for such time and under such conditions as the commissioner may order. The commissioner may adopt rules as necessary relating to the consideration of such requests for suspension of those requirements.

[C66, 71, 73, 75, 77, 79, 81, §515C.5]

2010 Acts, ch 1121, §22

Referred to in §515C.11

**515C.6 Determination of loss reserves.**

The case basis method shall be used to determine the loss reserves, which shall include a reserve for claims reported and unpaid and a reserve for claims incurred but not reported.

[C66, 71, 73, 75, 77, 79, 81, §515C.6]

**515C.7 Rate-making provisions.**

Mortgage guaranty insurance shall be subject to the provisions of chapter 515F, for the purposes of rate making.

[C66, 71, 73, 75, 77, 79, 81, §515C.7]

93 Acts, ch 88, §24

**515C.8 Policy forms approved.**

All policy forms and endorsements shall be filed with and be subject to the approval of the commissioner of insurance. With respect to owner-occupied single family dwellings and owner-occupied mobile homes, the mortgage insurance policy shall provide that the borrower shall not be liable to the insurance company for any deficiency arising from a foreclosure sale.

[C66, 71, 73, 75, 77, 79, 81, §515C.8]

**515C.9 Restrictions on advertising.**

No bank, savings association, insurance company, or other lending institution, any of whose authorized real estate securities are insured by mortgage guaranty insurance companies, may state in any brochure, pamphlet, report, or any form of advertising that the real estate loans of the bank, savings association, insurance company, or other lending institution are “insured loans” unless the brochure, pamphlet, report, or advertising also clearly states that the loans are insured by private insurers and the names of the private insurers are given and shall not

make any such statement at all unless such insurance is by an insurer authorized to write this coverage in this state.

[C66, 71, 73, 75, 77, 79, 81, §515C.9]

2012 Acts, ch 1017, §99

**515C.10 Law applicable.**

All companies writing insurance as authorized by this chapter shall, in addition to the provisions herein, comply with and be subject to all of the provisions of chapter 515 not inconsistent herewith.

[C66, 71, 73, 75, 77, 79, 81, §515C.10]

**515C.11 Mortgages secured by first lien on real estate.**

A mortgage guaranty insurer in addition to coverage provided under section 515C.5 may insure mortgages secured by first lien upon improved real estate which is used for commercial purposes, except for those types of commercial properties specifically excluded by the commissioner of insurance.

[C71, 73, 75, 77, 79, 81, §515C.11]

# CHAPTER 515D

## AUTOMOBILE INSURANCE CANCELLATION CONTROL

Referred to in §87.4, 296.7, 331.301, 364.4, 505.8, 505.28, 505.29, 669.14, 670.7


515D.1 Title.
515D.2 Definitions.
515D.3 When not applicable.
515D.4 Notice of cancellation — reasons.
515D.5 Delivery of notice.
515D.6 Prohibited reasons.
515D.7 Notice of intent.
515D.8 Duplicate coverage.
515D.9 Renewal not a waiver or estoppel.
515D.10 Hearing before commissioner.
515D.11 Insured told of alternate coverage.
515D.12 Immunity of liability.


**515D.1 Title.**

This chapter shall be known as the *"Iowa Automobile Insurance Cancellation Control Act"*.

[C71, 73, 75, 77, 79, 81, §515D.1]

**515D.2 Definitions.**

As used in this chapter, unless otherwise required by the context:

1. *"Policy"* means an automobile insurance policy providing bodily injury liability, property damage liability, medical payments, uninsured motorist coverage, physical damage coverage, or any combination thereof, delivered or issued for delivery in this state, insuring a single individual or one or more related individuals resident in the same household, as named insured, and insuring vehicles of the following types only:

*a.* Motor vehicles of the private passenger or station wagon type which are not used as public conveyances nor rented to others.

*b.* Any other four-wheel motor vehicles with a load capacity of one thousand five hundred pounds or less which are not used in the business or profession of the insured.

2. *"Renewal"* or *"to renew"* means the issuance and delivery by an insurer of a policy replacing at the end of the previous policy term a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the coverage of the policy beyond its original term.

*a.* Any renewal policy, other than a replacement policy for an unfinished term, with a term of six months or less shall be considered written, for the purposes of this chapter, for a term of six months.

*b.* Any policy written for a term longer than one year or with no fixed expiration date shall be considered written for successive policy terms of one year.

3. *"Nonpayment of premium"* means failure of the named insured to discharge when due any of the named insured's obligations in connection with the payment of premiums on the policy, or any installment of a premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

[C71, 73, 75, 77, 79, 81, §515D.2]

2012 Acts, ch 1023, §157

**515D.3 When not applicable.**

This chapter shall not apply to any policy:

1. Issued under an automobile assigned risk plan.

2. Covering garage, automobile sales agency, repair shop, service station, or public parking place operation hazards.

3. Insuring more than four automobiles.

4. Issued principally to cover personal or premises liability of an insured even though such insurance may also provide some incidental coverage for liability arising out of the ownership, maintenance, or use of a motor vehicle on the premises of such insured or on the ways immediately adjoining the premises.

[C71, 73, 75, 77, 79, 81, §515D.3]

**515D.4 Notice of cancellation — reasons.**

1. A policy shall not be canceled except by notice to the insured as provided in this chapter. Notice of cancellation of a policy is not effective unless it is based on one or more of the following reasons:

*a.* Nonpayment of premium.

*b.* Nonpayment of dues to an association or organization other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing insurance in force and the dues payment requirement was in effect prior to January 1, 1969.

*c.* Fraud or material misrepresentation affecting the policy or the presentation of a claim.

*d.* Violation of terms or conditions of the policy.

*e.* Any reason permitted in subsection 2 for exclusion of a person from the policy.

2. A person shall not be excluded from the policy unless the exclusion is based on one or more of the following reasons, or is agreed upon by both the named insured and the insurer:

*a.* The named insured or any operator who either resides in the same household or customarily operates an automobile insured under the policy has that person's driver's license suspended or revoked during the policy term or, if the policy is a renewal, during its term or the one hundred eighty days immediately preceding its effective date.

*b.* The named insured or any operator who either resides in the same household or customarily operates an automobile insured under the policy has during the term of the policy engaged in a competitive speed contest while operating an automobile insured under the policy.

*c.* The named insured or any operator who either resides in the same household or customarily operates an automobile insured under the policy, during the thirty-six months immediately preceding the notice of cancellation or nonrenewal, has been convicted of or forfeited bail for any of the following:

(1) Criminal negligence resulting in death, homicide, or assault and arising out of the operation of a motor vehicle.

(2) Operating a motor vehicle while intoxicated or while under the influence of a drug.

(3) A violation of section 321.261.

3. This section shall not apply to any policy or coverage which has been in effect less than sixty days at the time notice of cancellation is mailed or delivered by the insurer unless it is a renewal policy. This section shall not apply to the nonrenewal of a policy.

4. During the policy period, a modification of automobile physical damage coverage, other than coverage for loss caused by collision, where provision is made for the application of a

deductible amount not exceeding one hundred dollars, shall not be deemed a cancellation of the coverage or of the policy.

[C71, 73, 75, 77, 79, 81, §515D.4]

96 Acts, ch 1045, §6; 97 Acts, ch 186, §20; 2002 Acts, ch 1111, §22

Referred to in §515D.5

**515D.5 Delivery of notice.**

1. *a.* Notwithstanding the provisions of section 515.129A, a notice of cancellation of a policy shall not be effective unless mailed or delivered by the insurer to the named insured at least thirty days prior to the effective date of cancellation, or, where the cancellation is for nonpayment of premium notwithstanding the provisions of section 515.129A, at least ten days prior to the date of cancellation. A post office department certificate of mailing to the named insured at the address shown in the policy shall be proof of receipt of such mailing. Unless the reason accompanies the notice of cancellation, the notice shall state that upon written request of the named insured, mailed or delivered to the insurer not less than fifteen days prior to the date of cancellation, the insurer will state the reason for cancellation together with notification of the right to a hearing before the commissioner within fifteen days as provided in this chapter.

*b.* When the reason does not accompany the notice of cancellation, the insurer shall, upon receipt of a timely request by the named insured, state in writing the reason for cancellation. A statement of reason shall be mailed or delivered to the named insured within five days after receipt of a request.

2. A notice of exclusion of a person under a policy pursuant to section 515D.4, is not effective unless written notice is mailed or delivered to the named insured at least twenty days prior to the effective date of the exclusion. The written notice shall state the reason for the exclusion, together with notification of the right to a hearing before the commissioner pursuant to section 515D.10 within fifteen days of receipt or delivery of a statement of reason as provided in this section.

[C71, 73, 75, 77, 79, 81, §515D.5]

88 Acts, ch 1112, §601; 97 Acts, ch 186, §21; 2003 Acts, ch 91, §44; 2007 Acts, ch 152, §79; 2011 Acts, ch 70, §32

**515D.6 Prohibited reasons.**

No insurer shall refuse to renew a policy solely because of age, residence, sex, race, color, creed, or occupation of an insured.

No insurer shall require a physical examination of a policyholder as a condition for renewal solely on the basis of age or other arbitrary reason. In the event that an insurer requires a physical examination of a policyholder, the burden of proof in establishing reasonable and sufficient grounds for such requirement shall rest with the insurer and the expenses incident to such examination shall be borne by the insurer.

[C71, 73, 75, 77, 79, 81, §515D.6]

**515D.7 Notice of intent.**

1. Notwithstanding the provisions of sections 515.125, 515.128, 515.129B, and 515.129C, an insurer shall not fail to renew a policy except by notice to the insured as provided in this chapter. A notice of intention not to renew shall not be effective unless mailed or delivered by the insurer to the named insured at least thirty days prior to the expiration date of the policy. A post office department certificate of mailing to the named insured at the address shown in the policy shall be proof of receipt of such mailing. Unless the reason accompanies the notice of intent not to renew, the notice shall state that, upon written request of the named insured, mailed or delivered to the insurer not less than thirty days prior to the expiration date of the policy, the insurer will state the reason for nonrenewal.

2. When the reason does not accompany the notice of intent not to renew, the insurer shall, upon receipt of a timely request by the named insured, state in writing the reason for nonrenewal, together with notification of the right to a hearing before the commissioner

within fifteen days as provided herein. A statement of reason shall be mailed or delivered to the named insured within ten days after receipt of a request.

3. This section shall not apply:

*a.* If the insurer has manifested its willingness to renew.

*b.* If the insured fails to pay any premium due or any advance premium required by the insurer for renewal.

*c.* If the insured is transferred from an insurer to an affiliate for future coverage as a result of a merger, acquisition, or company restructuring and if the transfer results in the same or broader coverage.

[C71, 73, 75, 77, 79, 81, §515D.7]

88 Acts, ch 1112, §602; 2002 Acts, ch 1111, §23; 2007 Acts, ch 152, §80; 2011 Acts, ch 70, §33

Referred to in §515D.8

**515D.8 Duplicate coverage.**

If an insured obtains a second policy which provides equal or more extensive coverage for any vehicle designated in both policies, the first policy's coverage of such vehicle may be terminated by failure to renew as of the effective time and date of the second policy, whether or not the first policy insurer complies with all provisions of section 515D.7.

[C71, 73, 75, 77, 79, 81, §515D.8]

**515D.9 Renewal not a waiver or estoppel.**

Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of renewal.

[C71, 73, 75, 77, 79, 81, §515D.9]

**515D.10 Hearing before commissioner.**

Any named insured who has received a statement of reason for cancellation, or of reason for an insurer's intent not to renew a policy, may, within fifteen days of the receipt or delivery of a statement of reason, request a hearing before the commissioner of insurance. The purpose of this hearing shall be limited to establishing the existence of the proof or evidence used by the insurer in its reason for cancellation or intent not to renew. The burden of proof of the reason for cancellation or intent not to renew shall be upon the insurer. Other than the sharing of information required by this chapter and the rules adopted pursuant to the provisions of this chapter, the commissioner shall keep confidential the information obtained from the insured or in the hearing process, pursuant to section 505.8, subsection 8. The commissioner of insurance shall adopt rules for carrying out the provisions of this section.

[C71, 73, 75, 77, 79, 81, §515D.10]

2003 Acts, ch 91, §45

Referred to in §515D.5

**515D.11 Insured told of alternate coverage.**

When automobile bodily injury and property damage liability coverage is canceled or not renewed, other than for nonpayment of premium, the insurer shall notify the named insured of the insured's possible eligibility for automobile liability insurance through the Iowa automobile insurance plan. Such notice shall accompany the notice of cancellation or intent not to renew.

[C71, 73, 75, 77, 79, 81, §515D.11]

**515D.12 Immunity of liability.**

There shall be no liability on the part of, and no cause of action of any nature shall arise against the commissioner of insurance or any employee of the division or against any insurer, its authorized representatives, its agents, its employees, or against any firm, person, or corporation furnishing to the insurer information as to reasons for cancellation or intent not to renew, for any statement made by any of them in any written notice of cancellation or notice of intent not to renew or in any other communication, oral or written, specifying the reasons for cancellation or intent not to renew, or for any information provided or evidence

submitted at any hearings conducted in connection with reasons for cancellation or intent not to renew.

[C71, 73, 75, 77, 79, 81, §515D.12]

# CHAPTER 515E

## RISK RETENTION GROUPS AND PURCHASING GROUPS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 510A.2, 515I.2, 521A.1, 669.14, 670.7


515E.1 Purpose.
515E.2 Definitions.
515E.3 Risk retention groups organized in this state.
515E.3A Foreign risk retention group may become domestic.
515E.4 Risk retention groups not organized in this state.
515E.5 Compulsory associations.
515E.6 Repealed by 98 Acts, ch 1057, §13.
515E.7 Purchasing groups exemptions.
515E.8 Purchasing groups — requirements.
515E.9 Purchasing group restrictions.
515E.10 Commissioner's administrative and procedural authority.
515E.11 Penalties.
515E.12 License required for agents and brokers.
515E.13 Effect of federal district court orders.
515E.14 Rules.


**515E.1 Purpose.**

The purpose of this chapter is to regulate the formation and operation in this state of risk retention groups formed pursuant to the Product Liability Risk Retention Act of 1981, 15 U.S.C. § 3901 et seq., or the Risk Retention Amendments of 1986, Pub. L. No. 99-563. As used in this chapter, *"federal Act"* means the Product Liability Risk Retention Act of 1981 as amended.

88 Acts, ch 1111, §2

**515E.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commissioner"* means the commissioner of insurance or the commissioner, director, superintendent of insurance, or similar public official, in any other state.

2. *a.* *"Completed operations liability"* means liability arising out of the installation, maintenance, or repair of any product at a site which is not owned or controlled by either of the following:

(1) A person who performs that work.

(2) A person who hires an independent contractor to perform that work.

*b.* However, liability for activities which are completed or abandoned before the date of the occurrence giving rise to the liability is included.

3. *"Domicile"*, for purposes of determining the state in which a purchasing group is domiciled, means either of the following:

*a.* For a corporation, the state in which the purchasing group is incorporated.

*b.* For an unincorporated entity, the state of its principal place of business.

4. *"Hazardous financial condition"* means a risk retention group not yet financially impaired or insolvent, which, based on its present or reasonably anticipated financial condition, is unlikely to be able to do one of the following:

*a.* Meet obligations to policyholders with respect to known claims and reasonably anticipated claims.

*b.* Pay other obligations in the normal course of business.

5. *"Insurance"* means primary insurance, excess insurance, reinsurance, surplus lines insurance, and any other arrangement for shifting and distributing risk which is determined to be insurance under the laws of this state.

6. *a.* *"Liability"* means legal liability for damages, including costs of defense, legal costs

and fees, and other claims expenses, because of injuries to other persons, damage to their property, or other damage or loss to other persons resulting from or arising out of either of the following:

(1) A business, whether profit or nonprofit, trade, product, services, including professional services, premises, or operations.

(2) An activity of a state or local government, or an agency or political subdivision of state or local government.

*b.* *"Liability"* does not include personal risk liability and an employer's liability with respect to its employees other than an employer's legal liability under the federal Employers' Liability Act, 45 U.S.C. § 51 et seq.

7. *"Personal risk liability"* means liability for damages because of injury to a person, damage to property, or other loss or damage resulting from personal, familial, or household responsibilities or activities, rather than from responsibilities or activities referred to in subsection 6, paragraph *"a"*, subparagraphs (1) and (2).

8. *"Plan of operation or a feasibility study"* means an analysis which presents the expected activities and results of a risk retention group including, at a minimum, all of the following:

*a.* Information sufficient to verify that its members are engaged in businesses or activities similar or related with respect to the liability to which such members are exposed by virtue of any related, similar, or common business, trade, product, services, premises, or operations.

*b.* For each state in which it intends to operate, the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the group intends to offer.

*c.* Historical and expected loss experience of the proposed members and national experience of similar exposures.

*d.* Pro forma financial statements and projections.

*e.* Appropriate opinions by a qualified, independent casualty actuary, including a determination of minimum premium or participation levels required to commence operations and to prevent a hazardous financial condition.

*f.* Identification of management, underwriting and claim procedures, marketing methods, managerial oversight methods, investment policies, and reinsurance agreements.

*g.* Identification of each state in which the risk retention group has obtained, or sought to obtain, a charter and license, and a description of its status in each such state.

*h.* Other matters prescribed by the commissioner for liability insurance companies of the state in which the risk retention group is chartered or authorized by its insurance laws.

9. *"Product liability"* means liability for damages because of personal injury, death, emotional harm, consequential economic damage, or property damage, including damages resulting from the loss of use of property, arising out of the manufacture, design, importation, distribution, packaging, labeling, lease, or sale of a product, but does not include the liability of a person for those damages if the product involved was in the possession of the person when the incident giving rise to the claim occurred.

10. *"Purchasing group"* means a group to which all of the following apply:

*a.* It has as one of its purposes the purchase of liability insurance on a group basis.

*b.* It purchases such insurance only for its group members and only to cover their similar or related liability exposure, as described in paragraph *"c"*.

*c.* It is composed of members whose businesses or activities are similar or related with respect to the liability to which members are exposed by virtue of any related, similar, or common business, trade, product, services, premises, or operations.

*d.* It is domiciled in any state.

11. *"Risk retention group"* means a corporation or other limited liability association formed under the laws of any state, Bermuda, or the Cayman Islands and to which all of the following apply:

*a.* Its primary activity consists of assuming and spreading all, or any portion, of the liability exposure of its group members.

*b.* It is organized for the primary purpose of conducting the activity described under paragraph *"a"*.

*c.* One of the following applies:

(1) It is chartered and licensed as a liability insurance company and authorized to engage in the business of insurance under the laws of any state.

(2) Before January 1, 1985, it was chartered or licensed and authorized to engage in the business of insurance under the laws of Bermuda or the Cayman Islands and, before that date, had certified to the commissioner of at least one state that it satisfied the capitalization requirements of that state, except that any such group is a risk retention group only if it has been engaged in business continuously since that date and only for the purpose of continuing to provide insurance to cover product liability or completed operations liability, as those terms were defined in the Product Liability Risk Retention Act of 1981, 15 U.S.C. § 3901, before the date of the enactment of the Risk Retention Amendments of 1986, Pub. L. No. 99-563.

*d.* It does not exclude any person from membership in the group solely to provide for members of the group a competitive advantage over such a person.

*e.* One of the following applies:

(1) It has as its members only persons who have an ownership interest in the group, and as its owners only persons who are members and are provided insurance by the risk retention group.

(2) It has as its sole member and sole owner an organization which is owned by persons who are provided insurance by the risk retention group.

(3) It has as its sole owner an organization which has as its members only persons who comprise the membership of the risk retention group, and the organization members are the only persons who comprise the membership of the risk retention group and who are provided insurance by the group.

*f.* Its members are engaged in businesses or activities similar or related with respect to the liability to which the members are exposed by virtue of a related, similar, or common business trade, product, services, premises, or operations.

*g.* Its activities do not include the provision of insurance other than the following:

(1) Liability insurance for assuming and spreading all or any portion of the liability of its group members.

(2) Reinsurance with respect to the liability of any other risk retention group, or any members of another such group, which is engaged in businesses or activities so that the group or member meets the requirement described in paragraph *"f"* from membership in the risk retention group which provides the reinsurance.

*h.* Its name includes the phrase "risk retention group".

12. *"State"* means a state of the United States or the District of Columbia.

88 Acts, ch 1111, §3; 2012 Acts, ch 1023, §124

Referred to in §515E.4, 515E.8

**515E.3 Risk retention groups organized in this state.**

To be organized as a risk retention group in this state, the group must be organized and licensed as a liability insurance company authorized by the insurance laws of this state. Except as provided elsewhere in this chapter, a risk retention group organized in this state must comply with all of the laws, rules, and requirements applicable to liability insurers organized in this state. Additionally, a risk retention group organized in this state must comply with section 515E.4. These requirements do not exempt risk retention groups from a duty imposed by any other law or rule of the state. Before it may offer insurance in any state, each risk retention group shall also submit for approval to the commissioner of insurance of this state a plan of operation or a feasibility study, and revisions of the plan or study, within ten days of any change. The name under which a risk retention group may be chartered and licensed shall be a brief description of its membership followed by the phrase "risk retention group" and, unless its membership consists solely of insurers, shall not include the terms "insurance", "mutual", "reciprocal", or any similar term. All risk retention groups chartered in this state shall file with the division and the national association of insurance commissioners an annual statement blank prepared in accordance with instructions prescribed by the commissioner. All financial information reflected in the annual statement shall be kept and prepared in accordance with accounting practices and procedures prescribed by the commissioner. The commissioner may adopt by reference the

annual statement handbook and the accounting practices and procedures manual of the national association of insurance commissioners.

A risk retention group organized in this state shall file in the office of the commissioner a power of attorney and an agreement in writing that service of process in any action or proceeding against the society may be served on the commissioner and shall be of the same legal force and validity as if served upon the society, and that the authority shall continue in force so long as any liability remains outstanding in this state. Copies of the power of attorney, certified by the commissioner, shall be deemed sufficient evidence of the appointment and shall be admitted in evidence with the same force and effect as the original.

88 Acts, ch 1111, §4; 92 Acts, ch 1162, §43; 2003 Acts, ch 91, §46
Referred to in §515E.4

**515E.3A Foreign risk retention group may become domestic.**

1. A risk retention group that is organized under the laws of any other state for the purpose of writing insurance, as authorized by this chapter, may redomesticate to this state by doing all of the following:

*a.* Complying with section 490.902.

*b.* Complying with all of the requirements of law relative to the organization and licensing of a domestic risk retention group and the capital and surplus requirement set forth in subsection 4.

*c.* Designating its principal place of business in this state.

2. A risk retention group that meets the requirements of subsection 1 shall be entitled to a certificate of its corporate existence and a license to transact business in this state, and be subject in all respects to the authority and jurisdiction of this state.

3. The certificate of authority, producer appointments and licenses, rates, and other items which are in existence at the time a risk retention group transfers its corporate domicile to this state pursuant to this section shall continue in full force and effect upon such transfer. For purposes of existing authorizations and all other corporate purposes, the risk retention group is deemed to be the same entity as it was prior to the transfer of its domicile. All outstanding policies of any transferring risk retention group shall remain in full force and effect.

4. A risk retention group redomesticating to this state pursuant to this chapter shall comply with the minimum capital and surplus requirements of chapter 521E or five million dollars, whichever is greater. If the risk retention group's prior domestic regulator allowed the use of letters of credit to meet that regulator's surplus requirements, the risk retention group may continue to use the letters of credit to meet this state's minimum surplus requirements for up to five years from the date of redomestication in this state. The risk retention group shall eliminate a minimum of twenty percent of the letters of credit being used each year based upon the aggregate amount of letters of credit being used to meet surplus requirements at the time of redomestication in this state.

5. Letters of credit used by a risk retention group to meet surplus requirements shall be clean, irrevocable, and unconditionally issued or confirmed by a qualified United States financial institution as defined in section 521B.104, subsection 2. The beneficiary of each letter of credit being used shall be the commissioner.

6. If a risk retention group redomesticating to this state fails to comply with the provisions of this section, the commissioner shall take action as prescribed in chapter 507C.

7. The commissioner shall adopt rules pursuant to chapter 17A to implement this section.

2006 Acts, ch 1117, §72; 2013 Acts, ch 39, §10, 11
2013 amendment to subsection 5 takes effect January 1, 2014; 2013 Acts, ch 39, §11
Subsection 5 amended

**515E.4 Risk retention groups not organized in this state.**

Risk retention groups chartered in other states and seeking to do business as a risk retention group in this state must observe and abide by the laws of this state as provided in this section. However, a risk retention group failing to qualify under the definitional requirement of the federal Act, will not benefit from this exemption from state law. The commissioner, therefore, may apply any of the laws that otherwise may be preempted by the federal Act because the nonexempt group will not qualify for the preemption.

1. *Notice of operations and designation of commissioner as agent.* Before offering insurance in this state, a risk retention group shall submit to the commissioner all of the following:

*a.* A statement identifying the state or states in which the risk retention group is chartered and licensed as a liability insurance company, date of chartering, its principal place of business, and other information, including information on its membership, as the commissioner of this state requires to verify that the risk retention group is qualified under section 515E.2, subsection 11.

*b.* A copy of its plan of operations or a feasibility study and revisions of the plan or study submitted to its state of domicile. However, the provision relating to the submission of a plan of operation or a feasibility study does not apply with respect to a line or classification of liability insurance which was defined in the Product Liability Risk Retention Act of 1981 before October 27, 1986, and was offered before that date by a risk retention group which had been organized and operating for not less than three years before that date.

*c.* A statement of registration which designates the commissioner as its agent for the purpose of receiving service of legal documents or process for which a filing fee set by the commissioner shall be paid.

*d.* The risk retention group shall submit a copy of any revision to its plan of operation or feasibility study required by section 515E.3 at the same time that such revision is submitted to the commissioner of its chartering state.

2. *Financial condition.* A risk retention group doing business in this state shall submit to the commissioner all of the following:

*a.* A copy of the group's financial statement submitted to its state of domicile, which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American academy of actuaries or a qualified loss reserve specialist under criteria established by the national association of insurance commissioners.

*b.* A copy of each examination of the risk retention group as certified by the commissioner or public official conducting the examination.

*c.* Upon request by the commissioner, a copy of any audit performed with respect to the risk retention group.

*d.* Information required to verify its continuing qualification as a risk retention group under section 515E.2, subsection 11.

3. *Taxation.*

*a.* Premiums paid for coverages within this state to risk retention groups are subject to taxation as provided in section 432.5.

*b.* To the extent agents or brokers are used, they shall report and pay the taxes for the premiums for risks which they have placed with or on behalf of a risk retention group not chartered in this state.

*c.* To the extent agents or brokers are not used or fail to pay the tax, each risk retention group shall pay the tax for risks insured within the state. Each risk retention group shall report all premiums paid to it for risks insured within the state.

4. *Compliance with unfair claim settlement practices law.* A risk retention group, its agents, and representatives, shall comply with the unfair claim settlement practices law in section 507B.4, subsection 3, paragraph "*j*".

5. *Deceptive, false, or fraudulent practices.* A risk retention group shall comply with sections 507B.3 and 507B.4 regarding deceptive, false, or fraudulent acts or practices. However, if the commissioner seeks an injunction regarding such conduct, the injunction must be obtained from a court of competent jurisdiction.

6. *Examination regarding financial condition.* A risk retention group shall submit to an examination by the commissioner to determine its financial condition if the commissioner of the jurisdiction in which the group is chartered has not initiated an examination or does not initiate an examination within sixty days after a request by the commissioner of this state. Any such examination shall be coordinated to avoid unjustified repetition and conducted in an expeditious manner and in accordance with the national association of insurance commissioners' examiner handbook.

7. *Notice to purchasers.* Every application form for insurance from a risk retention agency and every policy issued by a risk retention group shall contain in ten point type on the front page and the declaration page, the following notice:

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

8. *Prohibited acts regarding solicitation or sale.* The following acts by a risk retention group are prohibited:

*a.* The solicitation or sale of insurance by a risk retention group to a person who is not eligible for membership in the group.

*b.* The solicitation or sale of insurance by, or operation of, a risk retention group that is in a hazardous financial condition or is financially impaired.

9. *Prohibition against ownership by an insurance company.* A risk retention group shall not be allowed to do business in this state if an insurance company is directly or indirectly a member or owner of the risk retention group, other than in the case of a risk retention group all of whose members are insurance companies.

10. *Prohibited coverage.* A risk retention group shall not offer insurance policy coverage prohibited by law or declared unlawful by the highest court of this state.

11. *Delinquency proceedings.* A risk retention group not chartered in this state and doing business in this state shall comply with a lawful order issued in a voluntary dissolution proceeding or in a delinquency proceeding commenced by a state insurance commissioner if there has been a finding of financial impairment after an examination under subsection 6.

88 Acts, ch 1111, §5; 2011 Acts, ch 25, §63; 2012 Acts, ch 1023, §125, 154

Referred to in §515E.3

**515E.5 Compulsory associations.**

A risk retention group shall not join or contribute financially to an insurance insolvency guaranty fund, or similar mechanism, in this state, nor shall a risk retention group, or its insureds, receive any benefit from an insurance insolvency guaranty fund, or similar mechanism, in this state, for claims arising out of the operations of the risk retention group.

88 Acts, ch 1111, §6

**515E.6** Repealed by 98 Acts, ch 1057, § 13.

**515E.7 Purchasing groups exemptions.**

A purchasing group which meets the criteria established under the federal Act is exempt from any law of this state relating to the creation of groups for the purchase of insurance, the prohibition of group purchasing, or any law that would discriminate against a purchasing group or its members. An insurer is exempt from any law of this state which prohibits providing, or offering to provide, to a purchasing group or its members advantages based on their loss and expense experience not afforded to other persons with respect to rates, policy forms, coverages, or other matters. A purchasing group is subject to all other applicable laws.

88 Acts, ch 1111, §8; 98 Acts, ch 1057, §11

**515E.8 Purchasing groups — requirements.**

1. A purchasing group which intends to do business in this state shall, prior to doing business, furnish notice to the commissioner which notice shall include all of the following:

*a.* The state in which the group is domiciled and all states in which the group does or intends to do business.

*b.* The lines and classifications of liability insurance which the purchasing group intends to purchase.

*c.* The insurance company from which the group intends to purchase its insurance and the domicile of that company.

*d.* The principal place of business of the group.

*e.* The method by which, and the person or persons, if any, through whom insurance will be offered to its members whose risks are resident or located in this state.

*f.* Other information as required by the commissioner to verify that the purchasing group is qualified under section 515E.2, subsection 10.

*g.* The commissioner may require the notice to be in a form prescribed by the national association of insurance commissioners.

2. A purchasing group, within ten days of any changes in any of the items set forth in subsection 1, shall notify the commissioner of the changes.

3. The purchasing group shall register with and designate the commissioner as its agent solely for the purpose of receiving service of legal documents or process, for which a filing fee determined by the commissioner shall be paid, except that the requirements do not apply in the case of a purchasing group to which all of the following apply:

*a.* It was domiciled before April 2, 1986, and is domiciled on and after October 27, 1986, in any state of the United States.

*b.* Before and since October 27, 1986, it purchased insurance from an insurance carrier licensed in any state.

*c.* It was a purchasing group under the requirements of the Product Liability Risk Retention Act of 1981 before October 27, 1986.

*d.* It does not purchase insurance that was not authorized for purposes of an exemption under that Act, as in effect before October 27, 1986.

88 Acts, ch 1111, §9; 92 Acts, ch 1162, §44

**515E.9 Purchasing group restrictions.**

A purchasing group shall not purchase insurance from an insurer not admitted in this state unless the purchase is effected through a duly licensed insurance producer acting pursuant to chapter 515I.

88 Acts, ch 1111, §10; 90 Acts, ch 1234, §44; 2007 Acts, ch 152, §81; 2012 Acts, ch 1025, §19, 22

**515E.10 Commissioner's administrative and procedural authority.**

The commissioner may make use of any of the powers established under the laws of this state to enforce the laws of this state so long as those powers are not specifically preempted by the federal Act, including but not limited to, the commissioner's authority to investigate, issue subpoenas, conduct depositions and hearings, issue orders, impose penalties, and seek injunctive relief. With regard to an investigation, administrative proceeding, or litigation, the commissioner may rely on the procedural law and rules of the state.

A risk retention group or purchasing group operating under this chapter shall be considered a person for purposes of chapter 507B.

88 Acts, ch 1111, §11; 93 Acts, ch 88, §25

**515E.11 Penalties.**

A risk retention group which violates a provision of this chapter is subject to fines and penalties applicable to licensed insurers generally, including revocation of the group's license and of the right to do business in this state.

88 Acts, ch 1111, §12

**515E.12 License required for agents and brokers.**

A person acting, or offering to act, as an agent or broker for a risk retention group or purchasing group, which solicits members, sells or procures insurance coverage, purchases coverage for its members located within the state, or otherwise does business in this state shall, before commencing any such activity, obtain a license from the commissioner.

88 Acts, ch 1111, §13

**515E.13 Effect of federal district court orders.**

An order issued by a district court of the United States enjoining a risk retention group from soliciting or selling insurance, or operating, in any state, or in all states, or in any territory or possession of the United States, upon a finding that such a group is in a hazardous or impaired financial condition, is enforceable in the courts of this state.

88 Acts, ch 1111, §14

**515E.14 Rules.**

The commissioner may establish and from time to time amend rules relating to risk retention groups as necessary or desirable to carry out the provisions of this chapter.

88 Acts, ch 1111, §15

# CHAPTER 515F

## CASUALTY INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 515C.7, 669.14, 670.7

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## DIVISION I

## REGULATION OF RATES

**515F.1 Purpose of chapter.**

1. The purpose of this chapter is to promote the public welfare by regulating insurance rates so they are not excessive, inadequate, or unfairly discriminatory, and to authorize and regulate limited cooperative action among insurers in ratemaking-related activities and in other matters within the scope of this chapter. This chapter is not intended to:

*a.* Prohibit or discourage reasonable competition.

*b*. Prohibit or encourage, except to the extent necessary to accomplish its purpose, uniformity in rating systems, rating plans, or practices.

2. This chapter shall be liberally interpreted to carry into effect the provisions of this section.

90 Acts, ch 1234, §45
Referred to in §515F.23

**515F.2 Definitions.**

1. *"Advisory organization"* means an entity, including its affiliates or subsidiaries, which either has two or more member insurers or is controlled either directly or indirectly by two or more insurers, and which assists insurers in ratemaking-related activities such as enumerated in sections 515F.10 and 515F.11. Two or more insurers having a common ownership or operating in this state under common management or control constitute a single insurer for purposes of this definition.

2. *"Commercial risk"* means any kind of risk which is not a personal risk.

3. *"Developed losses"* means losses (including loss adjustment expenses) adjusted, using standard actuarial techniques, to eliminate the effect of differences between current payment or reserve estimates and those needed to provide actual ultimate loss (including loss adjustment expense) payments.

4. *"Expenses"* means that portion of a rate attributable to acquisition, field supervision, collection expenses, general expenses, taxes, licenses, and fees.

5. *"Joint underwriting"* means a voluntary arrangement established on an ad hoc basis to provide insurance coverage for a commercial risk pursuant to which two or more insurers jointly contract with the insured at a price and under policy terms agreed upon between the insurers.

6. *"Loss trending"* means a procedure for projecting developed losses to the average date of loss for the period during which the policies are to be effective.

7. *"Personal risk"* means insurance covering homeowners, tenants, private passenger nonfleet automobiles, and mobile homes, and other property and casualty insurance for personal, family, or household needs.

8. *"Pool"* means a voluntary arrangement, established on an ongoing basis, pursuant to which two or more insurers participate in the sharing of risks on a predetermined basis. The pool may operate through an association, syndicate, or other pooling agreement.

9. *"Prospective loss costs"* means that portion of a rate that does not include provisions for expenses (other than loss adjustment expenses) or profit, and is based on historical aggregate losses and loss adjustment expenses adjusted through development to their ultimate value and projected through trending to a future point in time.

10. *"Rate"* means the cost of insurance per exposure unit whether expressed as a single number or as a prospective loss cost with an adjustment to account for the treatment of expenses, profit, and individual insurer variation in loss experience, prior to any application of individual risk variations based on loss or expense considerations, and does not include minimum premium.

11. *"Residual market mechanism"* means an arrangement, either voluntary or mandated by law, involving participation by insurers in the equitable apportionment among them of insurance which may be offered to applicants who are unable to obtain insurance through ordinary methods.

12. *"Supplementary rating information"* includes a manual or plan of rates, classification, rating schedule, minimum premium, policy fee, rating rule, underwriting rule, statistical plan, and any other similar information needed to determine the applicable rate in effect or to be in effect.

13. *"Supporting information"* means the experience and judgment of the filer and the experience or data of other insurers or advisory organizations relied upon by the filer, the interpretation of any other data relied upon by the filer, descriptions of methods used in making the rates, and any other information required by the commissioner to be filed.

90 Acts, ch 1234, §46
Referred to in §515F.23

**515F.3 Scope of chapter.**

1. This chapter applies to all forms of casualty insurance, including fidelity, surety, and guaranty bonds, including but not limited to all forms of fire and inland marine insurance, and to any combination of any of the foregoing, on risks or operations located in this state.

2. Except as otherwise provided in specific divisions of this chapter, this chapter does not apply to:

*a.* Reinsurance, other than statutorily authorized joint reinsurance mechanisms to the extent stated in section 515F.13.

*b.* Accident and health insurance.

*c.* Insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, excluding inland marine insurance, as determined by the commissioner.

*d.* Workers' compensation insurance.

*e.* Surplus lines insurance.

*f.* Insurance written by a county or state mutual insurance association as provided in chapter 518 or 518A.

90 Acts, ch 1234, §47; 2000 Acts, ch 1023, §32; 2002 Acts, ch 1111, §24; 2003 Acts, ch 119, §10, 11; 2012 Acts, ch 1023, §157

Referred to in §515F.21, 515F.23

**515F.4 Rate standards.**

Rates shall be made in accordance with the following:

1. Rates shall not be excessive, inadequate, or unfairly discriminatory.

2. Due consideration may be given to past and prospective loss experience within and outside this state; to the conflagration and catastrophe hazards; to a reasonable margin for profit and contingencies; to dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members, or subscribers; to past and prospective expenses both within and outside this state; and to all other relevant factors within and outside this state; and in the case of fire insurance rates, consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent five-year period for which experience data is available.

3. Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Standards may measure any differences among risks that can be demonstrated to have a probable effect upon losses or expenses. A risk classification, however, shall not be based upon race, creed, national origin, or the religion of the insured.

4. The expense provisions included in the rates to be used by an insurer shall reflect to the extent possible the operating methods of the insurer and its anticipated expenses.

5. The rates may contain a provision for contingencies and an allowance permitting a reasonable profit. In determining the reasonableness of the profit, consideration shall be given to investment income attributable to unearned premium and loss reserves.

90 Acts, ch 1234, §48; 2006 Acts, ch 1117, §73

Referred to in §515F.5, 515F.15, 515F.23, 515F.24, 515F.25

**515F.4A Reasonableness of benefits in relation to premium charged.**

Benefits provided by credit personal property insurance shall be reasonable in relation to the premium charged. This requirement is satisfied if the premium rate charged develops or may reasonably be expected to develop a loss ratio of not less than fifty percent or such lower loss ratio as designated by the commissioner to afford a reasonable allowance for actual and expected loss experience including a reasonable catastrophe provision, general and administrative expenses, reasonable acquisition expenses, reasonable creditor compensation, investment income, premium taxes, licenses, fees, assessments, and reasonable insurer profit.

2001 Acts, ch 69, §34, 39

Referred to in §515F.23

**515F.5 Rate filings.**

1. *a.* An insurer shall file with the commissioner, except as to inland marine risks which are not written according to manual rates or rating plans, every manual, minimum premium, class rate, rating schedule, rating plan, and every other rating rule, and every modification of any of the foregoing which it proposes to use. A filing shall state its proposed effective date, and shall indicate the character and extent of the coverage contemplated.

*b.* An insurer shall file or incorporate by reference to material which has been approved by the commissioner, at the same time as the filing of the rate, all supplementary rating and supporting information to be used in support of or in conjunction with a rate. The information furnished in support of a filing may include or consist of a reference to any of the following:

(1) The experience or judgment of the insurer or rating information filed by the advisory organization on behalf of the insurer as permitted by section 515F.11.

(2) An interpretation of any statistical data the insurer relies upon.

(3) The experience of other insurers or rating advisory organizations.

(4) Any other relevant factors. A filing and any supporting information shall be open to public inspection after the filing becomes effective.

*c.* When a filing is not accompanied by the information upon which the insurer supports the filing, the commissioner may require the insurer to furnish the supporting information and the waiting period commences on the date the information is furnished. Until the required information is furnished, the filing shall not be deemed complete or filed or available for use by the insurer. If the requested information is not furnished within a reasonable time period, the filing may be returned to the insurer as not filed and not available for use.

*d.* After reviewing an insurer's filing, the commissioner may require that the insurer's rates be based upon the insurer's own loss and expense information. If an insurer's loss or allocated loss adjustment expense information is not actuarially credible, as determined by the commissioner, the insurer may supplement its experience with information filed with the commissioner by an advisory organization.

*e.* Insurers using the services of an advisory organization shall, at the request of the commissioner, provide with a rate filing, a description of the rationale for that use, including its own information and method of using the advisory organization's information.

2. The commissioner shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the requirements of this chapter.

3. Subject to the exception in subsection 4, a filing shall be on file for a waiting period of thirty days before it becomes effective, which period may be extended by the commissioner for an additional period not to exceed fifteen days if written notice is given within the waiting period to the insurer or advisory organization which made the filing that additional time is needed for the consideration of the filing. Upon written application by the insurer, the commissioner may authorize a filing which has been reviewed to become effective before the expiration of the waiting period or an extension of the waiting period. A filing is deemed to meet the requirements of this chapter unless disapproved by the commissioner within the waiting period or an extension of the waiting period.

4. Under rules adopted under chapter 17A, the commissioner may, by written order, suspend or modify the requirement of filing as to any kind of insurance, or subdivision or combination of insurance, or as to classes of risks, which are unnecessary to achieve the purposes of this chapter and the rates for which cannot practicably be filed before they are used. The commissioner may make an examination as the commissioner deems advisable to ascertain whether rates affected by the order meet the standards set forth in section 515F.4.

5. Upon the written application of the insured stating the insured's reasons, filed with and approved by the commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on a specific risk.

6. An insurer shall not make or issue a contract or policy except in accordance with the filings which have been approved and are in effect for the insurer as provided in this chapter. This subsection does not apply to contracts or policies for inland marine risks as to which filings are not required.

90 Acts, ch 1234, §49; 92 Acts, ch 1162, §45; 95 Acts, ch 185, §25; 2012 Acts, ch 1023, §157

Referred to in §515F.6, 515F.12, 515F.23, 515F.24, 515F.25

**515F.5A Collateral insurance and forced placement.**

1. The commissioner shall review all collateral insurance forms and rates to assure that the rates are not excessive in comparison to the benefits provided to consumers.

2. The commissioner may adopt by rule procedures and restrictions to protect consumers from abusive practices in forced placement or collateral insurance. Rules may include, but are not limited to, the following:

*a.* Notice requirements, to assure that consumers have an opportunity to exercise reasonable choice in the placement, of a collateral insurance policy.

*b.* A prohibition or limitation on the receipt of a sales commission or other fee by the person making a forced placement, or the person's employer.

3. For purposes of this section, unless the context otherwise requires:

*a.* *"Collateral insurance"* means an insurance policy solely or primarily intended to provide security for a loan or to insure collateral for a loan.

*b.* *"Forced placement"* means the purchase of an insurance policy by a third person when the law or a contract obligates another person to pay the insurance premium.

92 Acts, ch 1162, §13
Referred to in §515F.23

**515F.6 Disapproval of filings.**

1. If, within the waiting period or any extension of it as provided in section 515F.5, subsection 3, the commissioner finds that a filing does not meet the requirements of this chapter, written notice of disapproval shall be sent to the insurer or advisory organization which made the filing, specifying in what respects the filing fails to meet the requirements of this chapter and stating that the filing shall not become effective. If a filing is disapproved by the commissioner, the insurer or advisory organization, may request a hearing on the disapproval within thirty days. The insurer bears the burden of proving compliance with the standards established by this chapter.

2. If, at any time after a rate has been approved, the commissioner finds that the rate no longer meets the requirements of this chapter, the commissioner may order the discontinuance of use of the rate. The order of discontinuance may be issued only after a hearing with at least ten days' prior notice for all insurers affected by the order. The order must be in writing and state the grounds for the order. The order shall state when, within a reasonable period after the order is issued, the order of discontinuance shall be effective. The order shall not affect a contract or policy made or issued prior to the expiration of the period set forth in the order.

3. An insured which is aggrieved with respect to a filing which is in effect may make written application to the commissioner for a hearing on that filing. The application shall specify the grounds to be relied upon by the applicant. If the commissioner finds that the application is made in good faith, that the applicant would be so aggrieved if the applicant's grounds are established, and that the grounds otherwise justify holding a hearing, a hearing shall be held within thirty days after receipt of the application, upon not less than ten days' written notice to the applicant and to every insurer and advisory organization which made that filing.

4. If, after hearing, the commissioner finds that the filing does not meet the requirements of this chapter, the commissioner shall issue an order specifying in what respects the filing fails to meet the requirements of this chapter, and stating when, within a reasonable period after the order is issued, the filing shall no longer be in effect. Copies of the order shall be sent to the applicant and to every insurer and advisory organization which made that filing. The order shall not affect a contract or policy made or issued prior to the expiration of the period set forth in the order.

90 Acts, ch 1234, §50; 2012 Acts, ch 1023, §126
Referred to in §515F.12, 515F.23

**515F.7 Information to be furnished insureds — hearings and appeals of insureds.**

An insurer shall, within a reasonable time after receiving written request and upon payment of reasonable charges set by the commissioner, furnish to an insured affected by a rate made

by the insurer, or to the authorized representative of the insured, all pertinent information as to the rate. An insurer shall provide within this state reasonable means for the insured aggrieved by the application of its rating system to be heard, in person or by the insured's authorized representative, on written request to review the manner in which the rating system has been applied in connection with the insurance afforded the insured. If the insurer fails to grant or reject a request for hearing and review within thirty days after it is made, the applicant may proceed in the same manner as if the application had been rejected. The insured affected by the action of the insurer on a request may, within thirty days after written notice of the action, appeal to the commissioner, who, after a hearing held upon not less than ten days' written notice to the appellant and to the insurer, may affirm or reverse the action.

90 Acts, ch 1234, §51

Referred to in §515F.23

**515F.8 Licensing advisory organizations.**

1. *License required.* An advisory organization shall not provide a service relating to the rates of insurance subject to this chapter, and an insurer shall not utilize the services of an advisory organization for such purposes unless the advisory organization has obtained a license under subsection 3.

2. *Availability of services.* An advisory organization shall not refuse to supply any services for which it is licensed in this state to an insurer authorized to do business in this state and offering to pay the fair and usual compensation for the services.

3. *Licensing.*

*a. Application.* An advisory organization applying for a license shall include with its application all of the following:

(1) A copy of its constitution, charter, articles of organization, agreement, association, or incorporation, and a copy of its bylaws, plan of operation, and any other rules or regulations governing the conduct of its business.

(2) A list of its members and subscribers.

(3) The name and address of one or more residents of this state upon whom notices, process affecting it, or orders of the commissioner may be served.

(4) A statement showing its technical qualifications for acting in the capacity for which it seeks a license.

(5) A biography of the ownership and management of the organization.

(6) Any other relevant information and documents that the commissioner may require.

*b. Change of circumstances.* An advisory organization which has applied for a license shall notify the commissioner of every material change in the facts or in the documents on which its application was based. An amendment to a document filed under this section shall be filed at least thirty days before it becomes effective.

*c. Granting of license.* If the commissioner finds that the applicant and the natural persons through whom it acts are competent, trustworthy, and technically qualified to provide the services proposed, and that all requirements of the law are met, the commissioner shall issue a license specifying the authorized activity of the applicant. The commissioner shall not issue a license if the proposed activity would tend to create a monopoly or to substantially lessen the competition in any market.

*d. Duration.* A license issued under this section shall remain in effect for one year unless the license is suspended or revoked. The commissioner may, at any time after hearing, revoke or suspend the license of an advisory organization which does not comply with the requirements and standards of this chapter.

90 Acts, ch 1234, §52

Referred to in §515F.14, 515F.23

**515F.9 Insurers and advisory organizations — prohibited activity.**

1. An insurer or advisory organization shall not:

*a.* Attempt to monopolize, or combine or conspire with any other person to monopolize, an insurance market.

*b.* Engage in a boycott, on a concerted basis, of an insurance market.

2. *a.* An insurer shall not agree with any other insurer or with an advisory organization to mandate adherence to or to mandate use of a rate, rating plan, rating schedule, rating rule, policy or bond form, rate classification, rate territory, underwriting rule, survey, inspection, or similar material, except as needed to develop statistical plans permitted by section 515F.11, subsection 1. The fact that two or more insurers, whether or not members or subscribers of an advisory organization, use consistently or intermittently, the same rates, rating plans, rating schedules, rating rules, policy or bond forms, rate classifications, rate territories, underwriting rules, surveys or inspections or similar materials is not sufficient in itself to support a finding that an agreement exists.

*b.* Two or more insurers having a common ownership or operating in this state under common management or control may act in concert between or among themselves with respect to any matters pertaining to those activities authorized in this chapter as if they constituted a single insurer.

3. An insurer or advisory organization shall not make an arrangement with any other insurer, advisory organization, or other person which has the purpose or effect of restraining trade unreasonably or of substantially lessening competition in the business of insurance.

90 Acts, ch 1234, §53
Referred to in §515F.13, 515F.23

**515F.10 Advisory organizations — prohibited activity.**

In addition to the other prohibitions contained in this chapter, except as specifically permitted under section 515F.11, an advisory organization shall not compile or distribute recommendations relating to rates that include profit or expenses, other than loss adjustment expenses.

90 Acts, ch 1234, §54
Referred to in §515F.2, 515F.23

**515F.11 Advisory organizations — permitted activity.**

An advisory organization, in addition to other activities not prohibited, may, on behalf of its members and subscribers, do any or all of the following:

1. Develop statistical plans including territorial and class definitions.
2. Collect statistical data from members, subscribers, or any other source.
3. Prepare and distribute prospective loss costs.
4. Prepare and distribute factors, calculations, or formulas pertaining to classifications, territories, increased limits, and other variables.
5. Prepare and distribute manuals of rating rules and rating schedules that do not include final rates, expense provisions, profit provisions, or minimum premiums.
6. Distribute information that is required or directed to be filed with the commissioner.
7. Conduct research and on-site inspections in order to prepare classifications of public fire defenses.
8. Consult with public officials regarding public fire protection as it would affect members, subscribers, and others.
9. Conduct research and collect statistics in order to discover, identify, and classify information relating to causes or prevention of losses.
10. Prepare policy forms and endorsements and consult with members, subscribers, and others relative to their use and application.
11. Conduct research and on-site inspections for the purpose of providing risk information relating to individual structures.
12. Collect, compile, and distribute past and current prices of individual insurers and publish such information.
13. File final rates, at the direction of the commissioner, for residual market mechanisms.
14. Collect, compile, and distribute historical expense information.
15. Furnish any other services, as approved or directed by the commissioner, related to those enumerated in this section.

90 Acts, ch 1234, §55
Referred to in §515F.2, 515F.5, 515F.9, 515F.10, 515F.23

**515F.12 Advisory organizations — filing requirements.**

An advisory organization shall file with the commissioner for approval all prospective loss costs and all supplementary rating information and every change or amendment or modification of any of the foregoing proposed for use in this state. The filings are subject to sections 515F.5 and 515F.6 and other provisions of this chapter relating to filings made by insurers.

90 Acts, ch 1234, §56
Referred to in §515F.23

**515F.13 Pool and residual market activities.**

1. *Authorization.* Notwithstanding section 515F.9, rating organizations, advisory organizations, and insurers participating in joint underwriting, joint reinsurance pools, or residual market mechanisms may in connection with such activity act in cooperation with each other in the making of rates, rating systems, policy forms, underwriting rules, surveys, inspections, and investigations, the furnishing of loss and expense statistics or other information, or carrying on research. Joint underwriting, joint reinsurance pools, and residual market mechanisms shall not be deemed advisory organizations.

2. *Regulation.*

*a.* Except to the extent modified by this section, insurers, and joint underwriting, joint reinsurance pool, and residual market mechanism activities are subject to the other provisions of this chapter.

*b.* If, after hearing, the commissioner finds that an activity or practice of an insurer participating in joint underwriting or a pool is unfair, is unreasonable, will tend to lessen competition in a market, or is otherwise inconsistent with the provisions or purposes of this chapter, the commissioner may issue a written order and require the discontinuance of that activity or practice.

*c.* A pool shall file with the commissioner a copy of its constitution; its articles of incorporation, agreement, or association; its bylaws, rules, and regulations governing its activities; its members; the name and address of a resident of this state upon whom notices or orders of the commissioner or process may be served; and any changes in amendments or changes in the foregoing.

*d.* (1) A residual market mechanism, or plan or agreement to implement such a mechanism, and any changes or amendments thereto, shall be submitted in writing to the commissioner for consideration and approval, together with information as reasonably required by the commissioner. The commissioner shall only approve agreements found to contemplate both of the following:

(a) The use of rates which meet the standards prescribed by this chapter.

(b) Activities and practices that are not unfair, unreasonable, or otherwise inconsistent with this chapter.

(2) At any time after the agreements are in effect, the commissioner may review the practices and activities of the adherents to the agreements and if, after a hearing, the commissioner finds that any such practice or activity is unfair or unreasonable, or is otherwise inconsistent with this chapter, the commissioner may issue a written order to the parties and either require the discontinuance of the acts or revoke approval of the agreement.

90 Acts, ch 1234, §57; 2012 Acts, ch 1023, §157
Referred to in §515F.3, 515F.14, 515F.23

**515F.14 Examinations.**

The commissioner may, as often as deemed expedient, make or cause to be made an examination of each advisory organization referred to in section 515F.8 and of each group, association, or other organization referred to in section 515F.13. The reasonable costs of an examination shall be paid by the advisory organization or group, association, or other organization examined. The officers, manager, agents, and employees of the advisory organization, or group, association, or other organization may be examined at any time under oath and shall exhibit all books, records, accounts, documents, or agreements governing its method of operation. In lieu of an examination, the commissioner may accept

the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of that state.

90 Acts, ch 1234, §58
Referred to in §515F.23

**515F.15 Rate administration.**

1. *Recording and reporting of loss and expense experience.*

*a.* The commissioner may adopt reasonable rules for use by companies to record and report to the commissioner their rates and other information determined by the commissioner to be necessary or appropriate for the administration of this chapter and the effectuation of its purposes.

*b.* The commissioner may adopt reasonable rules and statistical plans, which shall then be used by each insurer in the recording and reporting of its loss and expense experience, in order that the experience of all insurers may be made available at least annually in the form and detail necessary to aid the commissioner in determining whether rating systems comply with the standards set forth in section 515F.4. The commissioner may designate one or more advisory organizations or other agencies to assist in gathering the experience and making compilations, and the compilations shall be public documents.

2. *Interchange of rating plan data.* Reasonable rules and plans may be adopted by the commissioner for the interchange of data necessary for the application of rating plans.

3. *Consultation with other states.* In order to further uniform administration of rate regulatory laws, the commissioner and every insurer and advisory organization may exchange information and experience data with insurance supervisory officials, insurers, and advisory organizations in other states and may consult with them with respect to the application of rating systems.

4. *Rules.* The commissioner may make reasonable rules necessary, including definitions of the rate standards contained in section 515F.4, to effect the purposes of this chapter.

90 Acts, ch 1234, §59
Referred to in §515F.23

**515F.16 False or misleading information.**

A person, including an insurer, or advisory organization, shall not willfully withhold information which will affect the rates or premiums chargeable under this chapter from, or knowingly give false or misleading information to, the commissioner, a statistical agency designated by the commissioner, an advisory organization, or an insurer. A violation of this section subjects the one guilty of the violation to the penalties provided in section 515F.19.

90 Acts, ch 1234, §60
Referred to in §507B.4, 515F.23

**515F.17 Assigned risks.**

Agreements may be made among insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith entitled to, but who are unable to procure, the insurance through ordinary methods, and the insurers may agree among themselves on the use of reasonable rate modifications for such insurance, the agreements and rate modifications to be subject to the approval of the commissioner.

90 Acts, ch 1234, §61
Referred to in §515F.23

**515F.18 Exemptions.**

The commissioner may, upon the commissioner's own initiative or upon request of any person, by rule, exempt a market from any or all of the provisions of this chapter, if and to the extent that the exemption is necessary to achieve the purposes of this chapter.

90 Acts, ch 1234, §62
Referred to in §515F.23

**515F.19 Penalties.**

1. The commissioner may, upon a finding that a person or organization has violated a provision of this chapter, impose a civil penalty of not more than ten thousand dollars for

each violation, but if the violation is found to be willful, a penalty of not more than twenty-five thousand dollars may be imposed for each violation.

*a.* The civil penalties may be in addition to any other penalty provided by law.

*b.* For purposes of this section, an insurer using a rate for which the insurer has failed to file the rate, supplementary rate information, underwriting rules or guides, or supporting information as required by this chapter, has committed a separate violation for each day the failure continues.

2. *a.* The commissioner may suspend or revoke the license of an advisory organization or insurer which fails to comply with an order of the commissioner within the time limit set by the order, or an extension of the order.

*b.* The commissioner may determine when a suspension of license becomes effective and it shall remain in effect for the period fixed by the commissioner, unless the commissioner modifies or rescinds the suspension, or until the order upon which the suspension is based is modified, rescinded, or reversed.

3. A penalty shall not be imposed and a license shall not be suspended or revoked except upon a written order of the commissioner stating the commissioner's findings, made after hearing.

4. A penalty collected under this section shall be deposited as provided in section 505.7.

90 Acts, ch 1234, §63; 2009 Acts, ch 181, §81

Referred to in §515F.16, 515F.23

## DIVISION II

## RATE FILINGS IN COMPETITIVE MARKETS

**515F.20 Definitions.**

As used in sections 515F.21 through 515F.25 unless the context otherwise requires:

1. *"Competitive market"* means a market for which an order is in effect pursuant to section 515F.22 that a reasonable degree of competition does exist.

2. *"Market"* means the interaction between buyers and sellers consisting of a product market component and a geographic market component. A product market component consists of identical or readily substitutable products including, but not limited to, consideration of coverage, policy terms, rate classifications, and underwriting. A geographic component is a geographical area in which buyers have a reasonable degree of access to the insurance product through sales outlets or other marketing mechanisms.

3. *"Noncompetitive market"* means a market which has not been found to be competitive pursuant to section 515F.22.

87 Acts, ch 132, §6

CS87, §515A.20

90 Acts, ch 1234, §77

C91, §515F.20

Referred to in §515F.21

**515F.21 Scope of application.**

Section 515F.20 and sections 515F.22 through 515F.25 apply to all forms of casualty insurance except joint underwriting and joint reinsurance, assigned risks, and those excluded by section 515F.3.

87 Acts, ch 132, §7

CS87, §515A.21

90 Acts, ch 1234, §65, 77

C91, §515F.21

Referred to in §515F.20

**515F.22 Competitive market.**

1. A noncompetitive market is presumed to exist unless the commissioner determines after a hearing that a reasonable degree of competition exists in the market and the

commissioner issues an order to that effect. Such an order shall not become effective until sixty days after the date of the order and shall expire not later than one year thereafter unless the commissioner renews the order. Any affected insurer or insured may petition for a hearing on the renewal of an order relating to competitive status.

2. In determining whether a reasonable degree of competition exists, the commissioner shall consider relevant factors of workable competition pertaining to the market structure, market performance, and market conduct, and the practical opportunities available to consumers in the market to obtain pricing and other consumer information and to compare and obtain insurance from competing insurers. Such factors may include, but are not limited to, the following:

*a.* The size and number of insurers actually engaged in the market.

*b.* The profitability for insurers generally in the market segment and whether that profitability is unreasonably high.

*c.* The price variance on premiums offered in the market.

*d.* The availability of consumer information concerning the product and sales outlets or other sales mechanisms.

*e.* The efforts of insurers to provide consumer information.

*f.* Consumer complaints regarding the market generally.

87 Acts, ch 132, §8
CS87, §515A.22
90 Acts, ch 1234, §77
C91, §515F.22
Referred to in §515F.20, 515F.21

**515F.23 Noncompetitive market.**

Unless the commissioner has determined a market to be competitive, the provisions of sections 515F.1 through 515F.19 apply.

87 Acts, ch 132, §9
CS87, §515A.23
90 Acts, ch 1234, §66, 77
C91, §515F.23
Referred to in §515F.20, 515F.21

**515F.24 Filing of rates in a competitive market.**

1. Subject to the inland marine exception specified in section 515F.5, subsection 1, a competitive filing shall become effective when filed and shall be deemed to meet the requirements of section 515F.4 as long as the filing remains in effect unless it is disapproved upon review by the commissioner.

2. In a competitive market, every insurer shall file with the commissioner all rates and supplementary rate information which are used in this state. The rates and supplementary rate information shall be filed not later than fifteen days after the effective date of the rates.

3. In a competitive market, if the commissioner finds that an insurer's rates require closer supervision because of the insurer's financial condition or unfairly discriminatory rating practices, the insurer shall file with the commissioner at least thirty days prior to the effective date of the rates all the rates and supplementary rate information and supporting information as prescribed by the commissioner. Upon application by the filer, the commissioner may authorize an earlier effective date.

87 Acts, ch 132, §10
CS87, §515A.24
90 Acts, ch 1234, §67, 77
C91, §515F.24
Referred to in §515F.20, 515F.21

**515F.25 Disapproval of a rate filing in a competitive market.**

1. If the commissioner believes that an insurer's rate filing in a competitive market violates the requirements of sections 515F.4 and 515F.5, the commissioner may require the insurer to file supporting information. If after reviewing the supporting information the commissioner

continues to believe that the filing violates sections 515F.4 and 515F.5, the commissioner shall notify the insurer of the insurer's right to petition for a hearing on any subsequent order relating to the filing.

2. The commissioner may disapprove prefiled rates that have not become effective. However, the commissioner shall notify the insurer whose rates have been disapproved of the insurer's right to petition for a hearing on the disapproval within thirty days after the disapproval.

3. If the commissioner disapproves a filing in a competitive market, the commissioner shall issue an order specifying the reasons the filing fails to meet the requirements of sections 515F.4 and 515F.5. For rates in effect at the time of disapproval, the commissioner shall inform the insurer within a reasonable period of time the date when further use of the rates for policies or contracts of insurance is prohibited. The order shall be issued within thirty days of disapproval, or within thirty days of a hearing on the disapproval if a hearing is held. The order may include a provision for premium adjustment for the period after the effective date of the order for policies or contracts in effect on the date of the order.

4. Whenever an insurer has filed no legally effective rates as a result of the commissioner's disapproval of a filing, the commissioner shall on request of the insurer work with the insurer to develop interim rates for the insurer that are sufficient to protect the interest of all parties and the commissioner may order that a specified portion of the premium be placed in an escrow account approved by the commissioner. When new rates become legally effective, the commissioner shall order the escrowed funds or any overcharge in the interim rates to be distributed appropriately. The commissioner may waive distribution if the commissioner determines that the amount involved would not warrant such action.

87 Acts, ch 132, §11
CS87, §515A.25
90 Acts, ch 1234, §68, 77
C91, §515F.25
Referred to in §515F.20, 515F.21

**515F.26 through 515F.29** Reserved.

## DIVISION III

## FAIR ACCESS TO INSURANCE REQUIREMENTS PLAN

**515F.30 Short title.**

This division may be cited as the *"Fair Access to Insurance Requirements Plan Act"*, or the *"FAIR Plan Act"*.

2003 Acts, ch 119, §1, 11

**515F.31 Purpose.**

The purposes of this division include all of the following:

1. To make basic property insurance available to qualified applicants with the least possible administrative detail and expense.

2. To establish a plan, an industry placement facility, and a joint reinsurance association for the equitable distribution and placement of risks among insurers.

3. To utilize fully the voluntary insurance market as a source of essential property insurance.

4. To encourage the delivery of basic property insurance at the most reasonable cost possible, provided that insurance pricing by the FAIR plan is actuarially self-supporting and does not actively compete with insurance pricing in the voluntary insurance market.

2003 Acts, ch 119, §2, 11

**515F.32 Definitions.**

1. *"Basic property insurance"* means insurance against direct loss to property as defined in the standard fire policy and extended coverage, vandalism, and malicious mischief endorsements; homeowners insurance; and such other coverage or classes of insurance as may be added to the FAIR plan by the commissioner. *"Basic property insurance"* does not include any of the following:

*a.* Automobile insurance.

*b.* Inland marine insurance.

2. *"FAIR plan"* means the plan to assure fair access to insurance requirements established pursuant to section 515F.33.

3. *"Insurer"* includes all companies or associations licensed to transact insurance business in this state under chapters 515, 518, and 518A, and companies or associations admitted or seeking to be admitted to do business in this state under any of those chapters, notwithstanding any provision of the Code to the contrary.

2003 Acts, ch 119, §3, 11; 2004 Acts, ch 1101, §74

**515F.33 FAIR plan established.**

The FAIR plan to assure fair access to insurance requirements is established. The plan shall operate subject to the provisions and conditions of this division.

2003 Acts, ch 119, §4, 11

Referred to in §515F.32

**515F.34 Membership.**

1. Eligibility for membership in the FAIR plan and its underwriting association requires all of the following:

*a.* The insurer must be licensed to write property insurance in this state.

*b.* The insurer is engaged in writing property insurance in this state, including the property insurance components of multiperil on a direct basis.

2. Each insurer that meets the eligibility requirements in subsection 1 shall be required to do all of the following:

*a.* Automatically subscribe to the articles of agreement for the FAIR plan and the underwriting association as a prerequisite to authority to transact property insurance business in this state.

*b.* Become and remain a member both of the FAIR plan and the underwriting association.

*c.* Comply with the requirements of the FAIR plan and the underwriting association as a condition of the insurer's authority to transact property insurance business in this state.

2003 Acts, ch 119, §5, 11

**515F.35 Status of plan.**

1. The FAIR plan is not and shall not be deemed a department, unit, agency, or instrumentality of the state.

2. All debts, claims, obligations, and liabilities incurred by the FAIR plan shall be the debts, claims, obligations, and liabilities of the FAIR plan only, and are not the debts or pledges of credit of the state, or the state's agencies, instrumentalities, officers, or employees.

3. The moneys of the FAIR plan are not part of the general fund of the state, and the state shall not budget for or provide general fund appropriations to the plan.

4. The records, reports, and communications of the FAIR plan, the governing committee, the committees of the FAIR plan, and their representatives, producers, and employees are not public records.

2003 Acts, ch 119, §6, 11

**515F.36 Administration.**

1. A governing committee shall administer the FAIR plan, subject to the supervision of the commissioner. The FAIR plan shall be operated by a manager appointed by the committee.

2. The committee shall consist of seven members.

*a.* Five of the members shall be elected to the committee, with one member from each of the following:

(1) American insurance association.

(2) Property casualty insurers association of America.

(3) Iowa insurance institute.

(4) Mutual insurance association of Iowa.

(5) Independent insurance agents of Iowa.

*b.* Two of the members shall be elected to the committee by other insurer members of the plan.

3. Not more than one insurer in a group under the same management or ownership shall serve on the committee at the same time.

4. The plan of operation and articles of association shall make provision for an underwriting association having authority on behalf of its members to cause to be issued property insurance policies, to reinsure in whole or in part any such policies, and to cede any such reinsurance. The plan of operation and articles of association shall provide, among other things, for the perils to be covered, limits of coverage, geographical area of coverage, compensation and commissions, assessments of members, the sharing of expenses, income, and losses on an equitable basis, cumulative weighted voting for the governing committee of the association, the administration of the FAIR plan, and any other matter necessary or convenient for the purpose of assuring fair access to insurance requirements.

2003 Acts, ch 119, §7, 11; 2004 Acts, ch 1101, §75; 2005 Acts, ch 70, §24

**515F.37 Rules.**

The commissioner shall adopt rules necessary to administer this division.

2003 Acts, ch 119, §8, 11

**515F.38 Retroactive applicability.**

This division applies retroactively to October 7, 1968, to validate action taken under the Iowa basic property insurance inspection and placement program adopted by the commissioner of insurance.

2003 Acts, ch 119, §9, 11

# CHAPTER 515G

## MUTUAL INSURANCE COMPANY CONVERSIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 521.2, 521A.14, 669.14, 670.7


515G.1 Definitions.
515G.2 Mutual insurer becoming stock company — authorization.
515G.3 Plan of conversion.
515G.4 Policyholders — voting rights.
515G.5 Appointment of consultant.
515G.6 Approval of plan by policyholders — notice of election — effective date.
515G.7 Review of plan by commissioner — hearing authorized — approval.
515G.8 Payment of fees, salaries, and costs.
515G.9 Act of conversion — continuation of company.
515G.10 Continuation of officers.
515G.11 Rules.
515G.12 Amendments — withdrawal.
515G.13 Prohibitions on certain offers to acquire shares.
515G.14 Limitation of actions — security for attorney fees.
515G.15 Duties of secretary of state.


**515G.1 Definitions.**

As used in this chapter, unless the context clearly requires otherwise:

1. *"Affiliate"* of a mutual insurer means a person who controls, is controlled by, or is under common control with, the mutual insurer being converted.

2. *"Control"* has the meaning assigned to it in section 521A.1, subsection 3.

3. *"Eligible policyholder"* means a policyholder who had a policy in force with a mutual insurer at any time during the three-year period immediately preceding the date of the adoption of a plan of conversion by the mutual insurer's board of directors, including the date of adoption of the plan of conversion, and who, therefore, is eligible to receive an equitable share of the remaining statutory surplus of the mutual insurer, after provision for the base value for voting policyholders, as a result of the conversion.

4. *"Holder of a surplus note agreement"* means the holder of a guaranty fund or contribution certificate issued pursuant to section 515.20 or its equivalent which has been approved by the commissioner of insurance.

5. *"Mutual insurer"* means a domestic mutual property and casualty insurance company organized and licensed under chapter 515.

6. *"Voting policyholder"* means a policyholder who had a policy in force as provided in section 515G.4.

90 Acts, ch 1083, §1; 2006 Acts, ch 1117, §74

**515G.2 Mutual insurer becoming stock company — authorization.**

1. A mutual insurer may become a stock insurance company pursuant to a plan of conversion established and approved in the manner provided by this chapter. The plan of conversion shall be adopted by the board of directors of the insurer to become effective on a future stated date.

2. A plan of conversion may provide that a mutual insurance company may convert into a domestic stock insurance company, convert and merge, or convert and consolidate with a domestic stock insurance company, as provided in chapter 490 or chapter 491, whichever is applicable. However, a mutual insurance company is not required to comply with sections 490.1102 and 490.1104 or sections 491.102 through 491.105 relating to approval of merger or consolidation plans by boards of directors and shareholders.

3. If conversion from a mutual insurer to a stock company is to be undertaken by a transaction which would be governed by chapter 521 or 521A, but the plan of conversion adopted by the board of directors of the insurer includes approval of an acquisition of control, merger, consolidation, or reinsurance, then chapter 521 or 521A shall not be applicable to the transaction. However, in that case, the commissioner may require any information from the person or persons acquiring control of the insurer as could be required under chapter 521 or 521A, and may disapprove the transaction on any basis on which it could be disapproved under chapter 521 or 521A.

90 Acts, ch 1083, §2; 2006 Acts, ch 1117, §75

**515G.3 Plan of conversion.**

1. A plan of conversion shall include all of the following:

*a.* The proposed articles of incorporation and bylaws of the mutual insurer as a stock company.

*b.* The manner of treating a holder of a surplus note agreement, if any. The holder of a surplus note agreement, if otherwise qualified, may, at its option, exchange the agreement for an equitable share of the securities or other consideration, or both, of the corporation into which the insurer is to be converted.

*c.* The manner and basis of exchanging the rights of each voting policyholder and each eligible policyholder of the mutual insurer to be converted to a stock company pursuant to this chapter. Such exchange may include a base value for each voting policyholder in recognition of the voting policyholder's voting rights as a mutual policyholder as well as consideration to be provided to each eligible policyholder in exchange for the eligible policyholder's rights as a mutual policyholder of the mutual insurer to be converted. After determining the base value to be provided to each voting policyholder in recognition of the voting rights of the voting policyholder, the equitable share of each eligible policyholder in the remaining statutory surplus of the mutual insurer, plus any adjustments for nonadmitted assets or additional value permitted by the commissioner, to be provided to each eligible policyholder shall be determined by the ratio which the net earned premiums the eligible policyholder has properly and timely paid to the mutual insurer on insurance policies

in effect during the three-year period immediately preceding the adoption of the plan of conversion, including the date of the adoption of the plan of conversion, bears to the total net earned premiums received by the mutual insurer from all eligible policyholders during that three-year period. The base value to be provided to each voting policyholder in recognition of voting rights and the equitable share of each eligible policyholder may be exchanged, without additional payment, for securities or other consideration, or both, of the stock corporation or an affiliate into which the mutual insurer is to be converted. If the base value for each voting policyholder or the equitable share of each eligible policyholder entitles the policyholder to the purchase of a fractional share of stock, the policyholder has the option to receive the value of the fractional share in cash or purchase a full share by paying the balance in cash. However, policyholders due a de minimus amount, as established by the commissioner, need not be offered the value of the fractional share or the option to purchase a full share. The plan shall also provide for the disposition of any unclaimed shares.

*d.* The number of voting common shares proposed to be authorized for the stock corporation, their par value, and the price at which they shall be offered.

2. A plan of conversion for an insurer organized on the mutual plan under chapter 491, shall also provide for conversion to a stock company as follows: the insurer organized on the mutual plan under chapter 491 shall amend its articles pursuant to chapter 491 as necessary to become a stock company, and shall immediately convert to a chapter 490 corporation as provided in section 490.1701 upon becoming a stock company.

90 Acts, ch 1083, §3; 2006 Acts, ch 1117, §76; 2012 Acts, ch 1023, §157
Referred to in §515G.5

**515G.4 Policyholders — voting rights.**

The policyholders who are entitled to notice of and to vote upon approval of a plan of conversion and entitled to notice of a public hearing are the policyholders whose policies are in force on the date of the adoption of the plan by the board of directors.

90 Acts, ch 1083, §4
Referred to in §515G.1

**515G.5 Appointment of consultant.**

A plan may provide for the appointment by the mutual insurer of a person as defined in section 4.1, subsection 20, who is qualified to act as a consultant. The appointment of the consultant shall be reviewed by the commissioner and unless the commissioner finds the consultant unqualified, the consultant shall carry out the duties required by the mutual insurer and this chapter.

The consultant may assist in determining the equity or value of the policyholders and the mutual insurer. The consultant may consider the value of the consideration to be given to the participating policyholders in exchange for their membership interests or into which the membership interest is to be converted and may consider any valuations necessary to carry out the plans provided for in section 515G.3. Valuations shall be made taking into account the latest filed annual statement of the mutual insurer and any significant developments occurring subsequent to the date of the statement.

The findings of the consultant may be modified by the mutual insurer at any time so long as the results are not unfair or inequitable to policyholders.

If it can be shown by the mutual insurer to the commissioner that an underwriter of the shares is a qualified person, the underwriter may be appointed as the consultant.

90 Acts, ch 1083, §5

**515G.6 Approval of plan by policyholders — notice of election — effective date.**

After the plan has been approved by the commissioner as provided in section 515G.7, the plan of conversion shall be submitted to and shall not take effect until approved by two-thirds of the policyholders of the mutual insurer voting on the plan or such greater vote, if any, as is required by the articles of incorporation or bylaws of the mutual insurer. Notice of a meeting for the purpose of voting on the conversion plan shall be provided by mail to each policyholder entitled to vote in accordance with notice provisions in the articles of incorporation or bylaws of the mutual insurer. Each policyholder entitled to vote may cast one vote unless otherwise

provided in the articles of incorporation or bylaws of the mutual insurer. Voting shall be by ballot, in person, or by proxy. A quorum consists of a quorum as defined in the articles of incorporation or bylaws of the mutual insurer. A copy of the plan of conversion, or a summary of the plan of conversion, shall accompany the notice of meeting and election. An approved plan of conversion shall take effect on the date specified in the plan.

90 Acts, ch 1083, §6

**515G.7 Review of plan by commissioner — hearing authorized — approval.**

The commissioner of insurance shall review the plan. The commissioner shall approve the plan if the commissioner finds the plan complies with all provisions of law, the plan is fair and equitable to the mutual insurer and its policyholders, and that the reorganized company will have the amount of capital and surplus deemed by the commissioner to be reasonably necessary for its future solvency. The commissioner may order a hearing on the fairness and equity of the terms of the plan after giving written notice of the hearing to the mutual insurer, and its policyholders, all of whom have the right to appear at the hearing.

90 Acts, ch 1083, §7; 2000 Acts, ch 1023, §33

Referred to in §505.23, 515G.6

**515G.8 Payment of fees, salaries, and costs.**

A director, officer, agent, or employee of the mutual insurer shall not receive a fee, commission, or other valuable consideration, other than regular salary and compensation, for aiding, promoting, or assisting in the conversion except as set forth in the plan approved by the commissioner. However, this section does not prohibit the payment of reasonable fees and compensation to a consultant, attorneys at law, accountants, actuaries, or other persons specifically employed for services performed in the practice of their professions while completing the plan of conversion, even if these persons are directors of the mutual insurer.

90 Acts, ch 1083, §8

**515G.9 Act of conversion — continuation of company.**

When the commissioner and the policyholders approve the conversion plan as provided in this chapter, the commissioner shall issue a new certificate of authority to the successor stock company effective on the date specified in the plan. The successor stock company is a continuation of the mutual insurer and the conversion does not annul or modify any of the mutual insurer's existing suits, contracts, or liabilities except as provided in the approved conversion plan. All rights, franchises, and interests of the mutual insurer in and to property, assets, and other interests shall be transferred to and shall vest in the successor stock company and the successor stock company shall assume all obligations and liabilities of the mutual insurer.

The successor stock company shall exercise all rights and powers and perform all duties conferred or imposed by law on insurance companies writing the classes of insurance written by it, and shall retain the rights and contracts existing before conversion, subject to provisions of the plan.

90 Acts, ch 1083, §9

**515G.10 Continuation of officers.**

The directors and officers of the mutual insurer shall serve the reorganized company until new directors and officers are elected and qualify pursuant to the articles of incorporation and bylaws of the reorganized company.

90 Acts, ch 1083, §10

**515G.11 Rules.**

The commissioner may issue rules pursuant to chapter 17A to carry out the provisions of this chapter.

90 Acts, ch 1083, §11

**515G.12 Amendments — withdrawal.**

At any time before approval of the plan of conversion and pursuant to rules issued by the commissioner, the board of directors of a mutual insurer may amend the conversion plan. The board of directors of a mutual insurer may withdraw the plan of conversion at any time prior to the approval of the plan of conversion by either the commissioner or the policyholders.

90 Acts, ch 1083, §12

**515G.13 Prohibitions on certain offers to acquire shares.**

Prior to and for a period of five years following the effective date of the conversion, and five years following the date of distribution of consideration to the policyholders in exchange for their membership interests, an officer or director, including family members and their spouses, of the mutual insurer or the successor stock company, shall not directly or indirectly offer to acquire or acquire control of the successor stock company unless the acquisition is made pursuant to a stock option or other plan approved by the commissioner, made pursuant to the plan of conversion, or made after the initial public offering from a broker or dealer of registered securities with the securities and exchange commission at the quoted price on the date of purchase, or made in connection with the defense against an acquisition of control of the reorganized company pursuant to any proposal not approved by the board of directors. As used in this section, *"family member"* includes a brother, sister, spouse, parent, grandparent, ancestor, or descendant of the officer or director.

90 Acts, ch 1083, §13

**515G.14 Limitation of actions — security for attorney fees.**

An action challenging the validity of a conversion plan, or any part of a conversion plan, shall not be commenced more than thirty days following the date of approval by the commissioner, unless an application for rehearing is filed pursuant to section 17A.16, subsection 2. If an application for rehearing is filed, then such action must be filed within thirty days after that application is denied or deemed denied or, if the application is granted, within thirty days after the issuance of the commissioner's final decision on rehearing.

The successor stock company or any defendant may require the plaintiff in such an action to give security for the reasonable attorney fees which may be incurred by any party to the action. The amount of the security may be increased or decreased in the discretion of the court having jurisdiction if a showing is made that the security provided is or may become inadequate or excessive.

90 Acts, ch 1083, §14; 2000 Acts, ch 1023, §34

[Unnumbered paragraph 2 was inadvertently omitted from Code 2001 through Code 2007]

**515G.15 Duties of secretary of state.**

After approval of the conversion plan by the commissioner and the policyholders, the secretary of state shall accept for filing a verified copy of the amended articles of incorporation.

90 Acts, ch 1083, §15

# CHAPTER 515H

## PROPERTY AND CASUALTY ACTUARIAL OPINIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

515H.1 Short title.
515H.2 Actuarial opinion of reserves — supporting documentation.
515H.3 Confidentiality.

**515H.1 Short title.**

This chapter shall be known and may be cited as the *"Property and Casualty Actuarial Opinions Act"*.

2007 Acts, ch 137, §13

**515H.2 Actuarial opinion of reserves — supporting documentation.**

1. *Statement of actuarial opinion.* Every property and casualty insurance company doing business in this state, unless otherwise exempted from this requirement by the commissioner, shall annually submit the opinion of an appointed actuary entitled "statement of actuarial opinion" with the company's annual statement in accordance with the provisions of section 515.63 and with the requirements of the national association of insurance commissioners' property and casualty annual statement instructions.

2. *Actuarial opinion summary.*

*a.* Every property and casualty insurance company domiciled in this state that is required to submit a statement of actuarial opinion shall annually submit an actuarial opinion summary, prepared and signed by the company's appointed actuary. The actuarial opinion summary shall be filed in accordance with the requirements of the national association of insurance commissioners' property and casualty company annual statement instructions and shall be considered a document in support of the statement of actuarial opinion required under subsection 1.

*b.* A property and casualty insurance company that is licensed but not domiciled in this state shall provide an actuarial opinion summary upon request of the commissioner.

3. *Actuarial report and work papers.*

*a.* An actuarial report and supporting work papers shall be prepared to support each statement of actuarial opinion in accordance with the requirements of the national association of insurance commissioners' property and casualty company annual statement instructions.

*b.* If an insurance company fails to provide a supporting actuarial report and work papers as requested by the commissioner or the commissioner determines that the actuarial report or work papers provided are unacceptable, the commissioner may engage a qualified actuary at the company's expense to review the statement of actuarial opinion and the basis for the opinion and to prepare a supporting actuarial report or work papers.

4. An appointed actuary shall not be liable for damages to any person, except the company and the insurance commissioner, for any act, error, omission, decision, or misconduct of the appointed actuary in conducting the actuary's duties pursuant to this section except in cases of fraud or willful misconduct on the part of the appointed actuary.

2007 Acts, ch 137, §14

Referred to in §515H.3

**515H.3 Confidentiality.**

1. A statement of actuarial opinion filed pursuant to section 515H.2, subsection 1, is a public record subject to examination and copying.

2. Documents in the possession or control of the insurance division that are provided to the division in support of a statement of actuarial opinion, that are considered an actuarial report, work papers, an actuarial opinion summary, or any other material provided by the company in connection with the actuarial report, work papers, or actuarial opinion summary are confidential records under section 507.14 and shall not be subject to subpoena or discovery or be admissible in evidence in any private civil action.

3. Disclosure of any documents, materials, or information to the division in compliance with the requirements of this chapter shall not be considered a waiver of any applicable privilege or claim of confidentiality.

2007 Acts, ch 137, §15

# CHAPTER 515I

## SURPLUS LINES INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 432.1, 505.28, 505.29, 507A.4, 515E.9, 522B.6, 669.14, 670.7


515I.1 Purpose.
515I.2 Definitions.
515I.3 Placement of surplus lines insurance business with nonadmitted insurers.
515I.4 Requirements for eligible surplus lines insurers.
515I.5 Duties of surplus lines insurance producers.
515I.6 Actions against eligible surplus lines insurers.
515I.7 Effect of payment to surplus lines insurance producer.
515I.8 Referrals to surplus lines insurance producers.
515I.9 Exempt commercial purchasers.
515I.10 Independently procured surplus lines insurance — premium tax — penalty.
515I.11 Violations and penalties.
515I.12 Cease and desist orders — civil and criminal penalties.
515I.13 Insurance policy or contract remains valid.
515I.13A Scope of operation.
515I.14 Severability.
515I.15 Rulemaking authority.


**515I.1 Purpose.**

1. The purposes of this chapter are to do all of the following:

*a.* Establish a system of regulation which will permit orderly access to surplus lines insurance in this state.

*b.* Encourage admitted insurers to make new and innovative types of insurance available to consumers in this state.

*c.* Protect persons seeking insurance in this state.

*d.* Permit surplus lines insurance to be placed with reputable and financially sound nonadmitted insurers.

*e.* Provide a system through which persons may independently procure surplus lines insurance.

*f.* Protect revenues of this state.

*g.* Foster a national system of regulation of surplus lines insurance by collaborating with other state insurance commissioners.

*h.* Provide a system which subjects surplus lines insurance activities in this state to the jurisdiction of the insurance commissioner and state and federal courts in suits by or on behalf of the state.

*i.* Ensure compliance with the federal Nonadmitted and Reinsurance Reform Act of 2010, Tit. V, subtit. B, of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act.

2. This chapter shall be liberally construed to promote these purposes.

2012 Acts, ch 1025, §1, 22; 2012 Acts, ch 1138, §73, 86, 87

**515I.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Admitted insurer"* means an insurer licensed to do insurance business in this state.

2. *"Affiliate"* means, with respect to an insurer, any entity that controls, is controlled by, or is under common control with the insurer.

3. *"Affiliated group"* means any group of entities that are affiliates.

4. *"Commercial insurance"* means insurance for businesses or professionals.

5. *"Commissioner"* means the commissioner of insurance, or the commissioner's designees.

6. *"Control"* means either of the following:

*a.* That an entity directly or indirectly, or acting through one or more other persons, owns, controls, or has the power to vote twenty-five percent or more of any class of voting securities of another entity.

*b.* That an entity controls in any manner the election of a majority of the directors or trustees of another entity.

7. *"Eligible surplus lines insurer"* means either of the following:

*a.* A nonadmitted insurer that has filed an application with the commissioner and been approved for placement of surplus lines insurance and appears on the Iowa listing of nonadmitted companies.

*b.* A nonadmitted insurer domiciled outside of the United States that is listed on the quarterly listing of alien insurers maintained by the national association of insurance commissioners.

8. *"Exempt commercial purchaser"* means any person purchasing commercial insurance that, at the time of placement, meets all of the following requirements:

*a.* The person employs or retains a qualified risk manager to negotiate insurance coverage.

*b.* The person has paid aggregate nationwide commercial property and casualty insurance premiums in excess of one hundred thousand dollars in the immediately preceding twelve months.

*c.* The person meets at least one of the following criteria:

(1) The person possesses a net worth in excess of twenty million dollars except that beginning on January 1, 2015, and on January 1 every five years thereafter, this amount shall be adjusted to reflect the percentage change in the consumer price index for all urban consumers for the most recent available five-year period published by the United States department of labor, bureau of labor statistics.

(2) The person generates annual revenues in excess of fifty million dollars except that beginning on January 1, 2015, and on January 1 every five years thereafter, this amount shall be adjusted to reflect the percentage change in the consumer price index for all urban consumers for the most recent available five-year period published by the United States department of labor, bureau of labor statistics.

(3) The person employs more than five hundred full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than one thousand employees in the aggregate.

(4) The person is a nonprofit organization or public entity generating annual budgeted expenditures of at least thirty million dollars except that beginning on January 1, 2015, and on January 1 every five years thereafter, this amount shall be adjusted to reflect the percentage change in the consumer price index for all urban consumers for the most recent available five-year period published by the United States department of labor, bureau of labor statistics.

(5) The person is a municipality with a population in excess of fifty thousand persons.

9. *"Home state"* means:

*a.* Except as provided in paragraph *"b"*, with respect to an insured either of the following:

(1) The state in which an insured maintains its principal place of business or, in the case of an individual, the individual's principal residence.

(2) If one hundred percent of the insured risk is located out of the state described in subparagraph (1), the state to which the greatest percentage of the insured's taxable premium for that insurance policy or contract is allocated.

*b.* If more than one insured from an affiliated group is a named insured on a single surplus lines insurance policy or contract, the home state, as determined pursuant to paragraph *"a"*, subparagraph (1), of the member of the affiliated group that has the largest percentage of premium attributed to it under such insurance policy or contract.

10. *"Independently procured insurance"* means insurance obtained by a person directly from a nonadmitted insurer.

11. *"Insurer"* means the same as defined in section 507.1, subsection 2.

12. *"Nonadmitted insurer"* means an insurer not licensed to do insurance business in this state. *"Nonadmitted insurer"* does not include a risk retention group as defined in chapter 515E.

13. *"Person"* means the same as defined in section 507.1, subsection 2, or any government or governmental entity.

14. *"Placement"* or *"placed"* means that an eligible surplus lines insurer has accepted a premium and issued an insurance policy or contract for a particular risk.

15. *"Premium tax"* means the tax imposed by the state on a contract of insurance equal to the applicable percent, as provided in section 432.1.

16. *"Qualified risk manager"* means a person who meets all of the following requirements:

*a.* The person is an employee of, or third party consultant retained by a commercial insurance policyholder.

*b.* The person provides skilled services in loss prevention, loss reduction, or risk and insurance coverage analysis, and purchase of insurance.

*c.* The person meets one of the following requirements:

(1) The person has a bachelor's degree from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by the commissioner to demonstrate minimum competence in risk management; and meets both of the following requirements:

(a) Has three years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance.

(b) Has one of the following designations:

(i) Chartered property and casualty underwriter.

(ii) Associate in risk management.

(iii) Certified risk manager.

(iv) Risk and insurance management society fellow.

(v) Any other designation, certification, or license determined by the commissioner to demonstrate minimum competency in risk management.

(2) The person has at least seven years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance; and has any one of the designations specified in subparagraph (1), subparagraph division (b).

(3) The person has at least ten years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance.

(4) The person has a graduate degree from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by the commissioner to demonstrate minimum competence in risk management.

17. *"Surplus lines insurance"* means any property and casualty insurance in this state on properties, risks, or exposures, located or to be performed in this state, that is placed through a surplus lines insurance producer with an eligible surplus lines insurer. For purposes of this chapter only, *"surplus lines insurance"* also includes disability insurance that is in excess of policy limits available from an admitted insurer.

18. *"Surplus lines insurance producer"* means a person licensed pursuant to chapter 522B to sell, solicit, or negotiate surplus lines insurance.

2012 Acts, ch 1025, §2, 22

**515I.3 Placement of surplus lines insurance business with nonadmitted insurers.**

1. Surplus lines insurance may be placed by a surplus lines insurance producer with a nonadmitted insurer only if all of the following requirements are met:

*a.* The proposed nonadmitted insurer is an eligible surplus lines insurer.

*b.* The proposed nonadmitted insurer is authorized to write the type of insurance sought in this state in its domiciliary jurisdiction.

*c.* Unless otherwise exempt from this requirement, after a diligent search the full amount or type of insurance cannot be obtained from an admitted insurer.

*d.* All other requirements of this chapter are met.

2. *a.* In addition to the full amount of gross premiums charged by the nonadmitted insurer for the insurance on which a premium tax is imposed for surplus lines insurance for which the insured's home state is Iowa, a surplus lines insurance producer shall collect and pay to the state of Iowa the appropriate amount of premium tax as provided in section 432.1 for surplus lines insurance. The commissioner shall adopt rules to specify the use of credits or deductions that may be applied to the premium tax.

*b.* The tax on any portion of the premium unearned at the termination of the surplus lines insurance that has been credited by the state shall be returned to the policyholder directly

by the surplus lines insurance producer. The surplus lines insurance producer is prohibited from rebating, for any reason, any part of the tax.

3. This section shall not apply to a person properly licensed as an insurance producer, who, for a fee and pursuant to a written agreement, is engaged solely to offer advice, counsel, opinion, or service to an insured with respect to the benefits, advantages, or disadvantages promised under any proposed or in-force policy of insurance if the person does not, directly or indirectly, participate in the sale, solicitation, or negotiation of insurance on behalf of the insured.

4. Insurance placed under this section shall be valid and enforceable as to all parties.

2012 Acts, ch 1025, §3, 22

**515I.4 Requirements for eligible surplus lines insurers.**

1. When this state is the home state of the insured, a nonadmitted insurer shall not place any surplus lines insurance business in this state unless the insurer has been approved for such activity by the commissioner. A nonadmitted insurer seeking to qualify as an eligible surplus lines insurer shall submit a request to so qualify in a form and format as directed by the commissioner which demonstrates all of the following:

*a.* Capital and surplus or its equivalent under the laws of the insurer's domiciliary jurisdiction which equals the greater of either of the following:

(1) The minimum capital and surplus requirements under the laws of this state.

(2) Fifteen million dollars.

*b.* Evidence that the nonadmitted insurer is in good standing with its domiciliary regulator.

2. The commissioner may waive the requirements of this section or set specific requirements on a case-by-case basis upon an affirmative finding of acceptability by the commissioner that the placement of insurance with the nonadmitted insurer is necessary and will not be detrimental to the public and to policyholders. In determining whether business may be placed with a nonadmitted insurer, the commissioner shall consider all of the following:

*a.* The interests of the public and policyholders.

*b.* The length of time the insurer has been licensed to do insurance business in its domiciliary jurisdiction and elsewhere.

*c.* The unavailability of particular coverages from other admitted insurers or eligible surplus lines insurers in this state.

*d.* The size of the nonadmitted insurer as measured by the insurer's assets, capital and surplus, reserves, premium writings, insurance in force, or other appropriate criteria.

*e.* The kinds of business the nonadmitted insurer writes, the insurer's net exposure, and the extent to which the insurer's business is diversified among several lines of insurance and geographic locations.

*f.* The past and projected trend in the size of the nonadmitted insurer's capital and surplus considering such factors as premium growth, operating history, loss and expense ratios, or other appropriate criteria.

3. Eligible surplus lines insurers shall not be required to file or seek approval of their forms and rates.

2012 Acts, ch 1025, §4, 22

**515I.5 Duties of surplus lines insurance producers.**

1. A surplus lines insurance producer shall not issue or deliver any evidence of insurance or purport to insure or represent that insurance will be or has been written by an eligible surplus lines insurer, unless the producer has authority from the insurer to bind the risk to be insured, or has received information from the insurer in the regular course of business that the coverage has been granted.

2. Upon placement of surplus lines insurance, the surplus lines insurance producer shall promptly deliver to the insured the policy or contract, or if the policy or contract is not then available, a certificate cover note, binder, or other evidence of insurance. The certificate cover note, binder, or other evidence of insurance shall contain information as specified by the commissioner by rule.

3. As soon as is reasonably possible after the placement of the insurance, the surplus lines insurance producer shall deliver a copy of the policy or contract or, if not available, a certificate of insurance to the insured to replace any evidence of insurance previously issued. Each policy or contract or certificate of insurance shall contain or have attached a complete record of all policy or contract insuring agreements, conditions, exclusions, clauses, endorsements, or any other material facts that would regularly be included in the policy or contract.

4. If, after delivery of any evidence of insurance, there is any change in the identity of the eligible surplus lines insurer, or the proportion of the risk assumed by such insurer, or any other material change in coverage as stated in the original evidence of insurance, or in any other material change as to the insurance coverage so evidenced, the surplus lines insurance producer shall promptly issue and deliver to the insured an appropriate substitute for, or endorsement of the original document, accurately showing the current status of the coverage and the surplus lines insurer responsible for the coverage.

5. Each surplus lines insurance producer shall keep a full and true record of each surplus lines insurance policy or contract placed by an eligible surplus lines insurer and issued or delivered by that person which covers risks wholly or partly located or to be performed in this state. These records and any other records deemed reasonably necessary by the commissioner shall be made available to the commissioner for examination upon request. Records shall be maintained for a period of not less than five years following termination of the surplus lines insurance policy or contract.

6. A surplus lines insurance producer shall file a report and remit all premium taxes due to this state for all surplus lines insurance placed by an eligible surplus lines insurer and issued or delivered by that person during the reporting period established by the commissioner. The specific requirements for the timing of and content of the report and the manner of filing shall be specified by the commissioner by rule.

2012 Acts, ch 1025, §5, 22

**515I.6 Actions against eligible surplus lines insurers.**

An eligible surplus lines insurer may be sued upon a cause of action arising in this state under a surplus lines insurance policy or contract placed by the insurer or upon evidence of insurance placed by the insurer and issued or delivered in this state by a surplus lines insurance producer. A policy or contract issued by an eligible surplus lines insurer shall contain a provision stating the substance of this section and designating the person upon whom service of process can be made on behalf of the insurer.

2012 Acts, ch 1025, §6, 22

**515I.7 Effect of payment to surplus lines insurance producer.**

A payment of premium to a surplus lines insurance producer acting for a person other than the producer in procuring, continuing, or renewing any policy or contract of surplus lines insurance procured under this chapter shall be deemed to be payment to the eligible surplus lines insurer, notwithstanding any other conditions or stipulations that are inserted in the policy or contract of insurance.

2012 Acts, ch 1025, §7, 22

**515I.8 Referrals to surplus lines insurance producers.**

A surplus lines insurance producer may accept referrals to place surplus lines insurance from any other licensed insurance producer and the surplus lines insurance producer may compensate the referring insurance producer for the referral.

2012 Acts, ch 1025, §8, 22

**515I.9 Exempt commercial purchasers.**

A surplus lines insurance producer seeking to procure or place surplus lines insurance in this state for an exempt commercial purchaser is not required to make a diligent search to determine whether the full amount or type of insurance sought by such exempt commercial

purchaser can be obtained from an admitted insurer if both of the following requirements are met:

1. The surplus lines insurance producer has disclosed to the exempt commercial purchaser that such insurance may be available from an admitted insurer that may provide the purchaser with greater protection and with more regulatory oversight.

2. The exempt commercial purchaser has subsequently requested in writing that the surplus lines insurance producer place such insurance with an eligible surplus lines insurer.

2012 Acts, ch 1025, §9, 22

**515I.10 Independently procured surplus lines insurance — premium tax — penalty.**

1. When this state is the home state of the insured, a person who directly procures, continues, or renews a surplus lines insurance policy or contract independently and without using a surplus lines insurance producer on properties, risks, or exposures located or to be performed in whole or in part in this state shall file a written report regarding the transaction with the commissioner, in a manner and method as directed by the commissioner by rule.

2. When this state is the home state of the insured, each person who has independently procured a surplus lines insurance policy or contract shall pay a premium tax at a rate appropriate to the amount of premium tax equal to the applicable percent, as provided in section 432.1. The tax shall be remitted via a method and schedule and in a manner as directed by the commissioner by rule.

3. The commissioner may assess a penalty of one percent of the delinquent amount of taxes owed per month as specified in section 507A.9.

2012 Acts, ch 1025, §10, 22

**515I.11 Violations and penalties.**

1. The commissioner may, after notice and a hearing, declare a surplus lines insurer ineligible to place surplus lines insurance in the state if at any time the commissioner has reason to believe that a surplus lines insurer meets any of the following conditions:

*a.* Is in unsound financial condition or has acted in an untrustworthy manner.

*b.* No longer meets the standards set forth in this chapter.

*c.* Has willfully violated the laws of this state.

*d.* Does not conduct its claims settlement practices in a fair and reasonable manner.

*e.* Has committed an unfair or deceptive insurance trade practice under chapter 507B.

2. The commissioner may suspend, revoke, or refuse to renew the license of a surplus lines insurance producer or impose any sanction or penalty allowed under chapter 507B after notice and hearing for one or more of the following grounds:

*a.* Removal of the resident surplus lines insurance producer's principal place of business from this state without notice to the commissioner.

*b.* Removal of the resident surplus lines insurance producer's office accounts and records from this state during the period for which the accounts and records are required to be maintained.

*c.* Closure of the surplus lines insurance producer's office for a period of more than thirty business days, unless permission is granted by the commissioner.

*d.* Failure to file required reports with the commissioner or the commissioner's designee.

*e.* Failure to remit surplus lines insurance premium taxes to this state as directed by the commissioner.

*f.* Violating any provision of this chapter.

*g.* For any cause for which an insurance producer license could be denied, revoked, or suspended, or renewal refused or a civil penalty imposed under chapter 522B.

3. The commissioner may initiate an administrative proceeding against a surplus lines insurance producer for the collection of unpaid premium taxes. The commissioner may assess a penalty of one percent of the delinquent amount of taxes owed per month as specified in section 507A.9 and any other penalties allowed by law.

4. A person that represents or aids a nonadmitted insurer in violation of this chapter shall be subject to criminal penalties as set forth in section 507A.10.

2012 Acts, ch 1025, §11, 22

**515I.12 Cease and desist orders — civil and criminal penalties.**

1. Upon a determination by the commissioner, after a hearing conducted pursuant to chapter 17A, that a surplus lines insurance producer, an eligible surplus lines insurer, or a nonadmitted insurer has violated a provision of this chapter, the commissioner shall reduce the findings of the hearing to writing and deliver a copy of the findings to the producer or insurer. The commissioner may issue an order requiring the producer or insurer to cease and desist from engaging in the conduct resulting in the violation and may assess a civil penalty of not more than fifty thousand dollars against the producer or insurer.

2. *a.* Upon a determination by the commissioner that a surplus lines insurance producer, an eligible surplus lines insurer, or a nonadmitted insurer has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or a rule adopted or order issued under this chapter, the commissioner may issue a summary order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the decision, and directing the producer or insurer to cease and desist from engaging in the act or practice or to take other affirmative action as is in the judgment of the commissioner necessary to comply with the requirements of this chapter.

*b.* A surplus lines insurance producer, an eligible surplus lines insurer, or a nonadmitted insurer to whom a summary order has been issued under this subsection may contest the order by filing a request for a contested case proceeding and hearing as provided in chapter 17A and in accordance with rules adopted by the commissioner. However, the producer or insurer shall have at least thirty days from the date that the order is issued in order to file the request. Section 17A.18A is inapplicable to a summary order issued under this subsection. If a hearing is not timely requested, the summary order becomes final by operation of law. The order shall remain effective from the date of issuance until the date the order becomes final by operation of law or is overturned by a presiding officer or court following a request for hearing.

*c.* A surplus lines insurance producer, an eligible surplus lines insurer, or a nonadmitted insurer violating a summary order issued under this subsection shall be deemed in contempt of that order. The commissioner may petition the district court to enforce the order as certified by the commissioner. The district court shall find the producer or insurer in contempt of the order if the court finds after hearing that the producer or insurer is not in compliance with the order. The court may assess a civil penalty against the producer or insurer and may issue further orders as it deems appropriate.

3. A person acting as a surplus lines insurance producer, an eligible surplus lines insurer, or nonadmitted insurer who willfully violates any provision of this chapter, or any rule adopted or order issued under this chapter, is guilty of a class "D" felony.

4. A person acting as a surplus lines insurance producer, an eligible surplus lines insurer, or nonadmitted insurer who willfully violates any provision of this chapter, or any rule adopted or order issued under this chapter, when such violation results in a loss of more than ten thousand dollars, is guilty of a class "C" felony.

5. The commissioner may refer such evidence as is available concerning violations of this chapter or of any rule adopted or order issued under this chapter, or of the failure of a person to comply with the licensing requirements of chapter 522B, to the attorney general or the proper county attorney who may, with or without such reference, institute the appropriate criminal proceedings under this chapter.

6. This chapter does not limit the power of the state to punish any person for any conduct that constitutes a crime under any other statute.

2012 Acts, ch 1025, §12, 22

**515I.13 Insurance policy or contract remains valid.**

A policy or contract of insurance issued or delivered by an eligible surplus lines insurer or a nonadmitted insurer which is otherwise valid and contains a condition or provision not in compliance with the requirements of this chapter is not thereby rendered invalid but shall be construed and applied in accordance with the conditions and provisions which would

have applied had the policy or contract been issued or delivered in full compliance with this chapter.

2012 Acts, ch 1025, §13, 22

**515I.13A Scope of operation.**

This chapter applies only to transactions when this state is the home state of the applicant or the insured.

2012 Acts, ch 1025, §14, 22

**515I.14 Severability.**

If any provision of this chapter, or the application of the provision of this chapter to any person or circumstance, is held invalid, the remainder of the chapter and the application of the provision to persons or circumstances other than those as to which it is held invalid, shall not be affected by that holding.

2012 Acts, ch 1025, §15, 22

**515I.15 Rulemaking authority.**

The commissioner shall adopt rules pursuant to chapter 17A to implement the purposes of this chapter.

2012 Acts, ch 1025, §16, 22

# CHAPTER 516

## LIABILITY POLICIES — UNSATISFIED JUDGMENTS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

516.1 Inurement of policy.
516.2 Settlement.
516.3 Limitation on action.

**516.1 Inurement of policy.**

All policies insuring the legal liability of the insured, issued in this state by any company, association or reciprocal exchange shall, notwithstanding any other provision of the statutes, contain a provision providing that, in event an execution on a judgment against the insured be returned unsatisfied in an action by a person who is injured or whose property is damaged, the judgment creditor shall have a right of action against the insurer to the same extent that such insured could have enforced the insured's claim against such insurer had such insured paid such judgment.

[C35, §9024-g1; C39, §**9024.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §516.1]

**516.2 Settlement.**

No settlement between said insurer and insured, after loss, shall bar said action unless consented to by said judgment plaintiff.

[C35, §9024-g2; C39, §**9024.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §516.2]

**516.3 Limitation on action.**

Said action may be brought against said insurer within one hundred eighty days from the entry of judgment in case no appeal is taken, and, in case of appeal, within one hundred eighty days after the judgment is affirmed on appeal, anything in the policy or statutes to the contrary notwithstanding.

[C35, §9024-g3; C39, §**9024.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §516.3]

# CHAPTER 516A

## UNINSURED, UNDERINSURED, OR HIT-AND-RUN MOTORISTS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 515B.9, 669.14, 670.7


516A.1 Coverage included in every liability policy — rejection by insured.
516A.2 Construction — minimum coverage — stacking.
516A.3 Definition.
516A.4 Insurer making payment — reimbursement.
516A.5 Tolling of statute.


**516A.1 Coverage included in every liability policy — rejection by insured.**

No automobile liability or motor vehicle liability insurance policy insuring against liability for bodily injury or death arising out of the ownership, maintenance, or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state, unless coverage is provided in such policy or supplemental thereto, for the protection of persons insured under such policy who are legally entitled to recover damages from the owner or operator of an uninsured motor vehicle or a hit-and-run motor vehicle or an underinsured motor vehicle because of bodily injury, sickness, or disease, including death resulting therefrom, caused by accident and arising out of the ownership, maintenance, or use of such uninsured or underinsured motor vehicle, or arising out of physical contact of such hit-and-run motor vehicle with the person insured or with a motor vehicle which the person insured is occupying at the time of the accident. Both the uninsured motor vehicle or hit-and-run motor vehicle coverage, and the underinsured motor vehicle coverage shall include limits for bodily injury or death at least equal to those stated in section 321A.1, subsection 11. The form and provisions of such coverage shall be examined and approved by the commissioner of insurance.

However, the named insured may reject all of such coverage, or reject the uninsured motor vehicle (hit-and-run motor vehicle) coverage, or reject the underinsured motor vehicle coverage, by written rejections signed by the named insured. If rejection is made on a form or document furnished by an insurance company or insurance producer, it shall be on a separate sheet of paper which contains only the rejection and information directly related to it. Such coverage need not be provided in or supplemental to a renewal policy if the named insured has rejected the coverage in connection with a policy previously issued to the named insured by the same insurer.

[C71, 73, 75, 77, 79, 81, §516A.1]

83 Acts, ch 101, §108; 90 Acts, ch 1233, §33; 2001 Acts, ch 16, §10, 37

Referred to in §516A.2, 516A.5

**516A.2 Construction — minimum coverage — stacking.**

1. *a.* Except with respect to a policy containing both underinsured motor vehicle coverage and uninsured or hit-and-run motor vehicle coverage, nothing contained in this chapter shall be construed as requiring forms of coverage provided pursuant hereto, whether alone or in combination with similar coverage afforded under other automobile liability or motor vehicle liability policies, to afford limits in excess of those that would be afforded had the insured thereunder been involved in an accident with a motorist who was insured under a policy of liability insurance with the minimum limits for bodily injury or death prescribed in subsection 11 of section 321A.1. Such forms of coverage may include terms, exclusions, limitations, conditions, and offsets which are designed to avoid duplication of insurance or other benefits.

*b.* To the extent that *Hernandez v. Farmers Insurance Company*, 460 N.W.2d 842 (Iowa 1990), provided for interpolicy stacking of uninsured or underinsured coverages in contravention of specific contract or policy language, the general assembly declares such decision abrogated and declares that the enforcement of the antistacking provisions contained in a motor vehicle insurance policy does not frustrate the protection given to an insured under section 516A.1.

2. Pursuant to chapter 17A, the commissioner of insurance shall, by January 1, 1992, adopt rules to assure the availability, within the state, of motor vehicle insurance policies, riders,

endorsements, or other similar forms of coverage, the terms of which shall provide for the stacking of uninsured and underinsured coverages with any similar coverage which may be available to an insured.

3. It is the intent of the general assembly that when more than one motor vehicle insurance policy is purchased by or on behalf of an injured insured and which provides uninsured, underinsured, or hit-and-run motor vehicle coverage to an insured injured in an accident, the injured insured is entitled to recover up to an amount equal to the highest single limit for uninsured, underinsured, or hit-and-run motor vehicle coverage under any one of the above described motor vehicle insurance policies insuring the injured person which amount shall be paid by the insurers according to any priority of coverage provisions contained in the policies insuring the injured person.

[C71, 73, 75, 77, 79, 81, §516A.2]

91 Acts, ch 213, §30; 2012 Acts, ch 1023, §157

**516A.3 Definition.**

For the purpose of this chapter, the term *"uninsured motor vehicle"* shall, subject to the terms and conditions of the coverage herein required, be deemed to include an insured motor vehicle with respect to which insolvency proceedings have been instituted against the liability insurer thereof by the insurance regulatory official of this or any other state or territory of the United States or of the District of Columbia.

An insurer's insolvency protection is applicable only to accidents occurring during a policy period in which its insured's uninsured motorist coverage is in effect and only if the liability insurer of the tortfeasor is insolvent at the time of such an accident or becomes insolvent after the accident.

[C71, 73, 75, 77, 79, 81, §516A.3]

91 Acts, ch 26, §46; 92 Acts, ch 1162, §46

**516A.4 Insurer making payment — reimbursement.**

In the event of payment to any person under the coverage required by this chapter and subject to the terms and conditions of such coverage, the insurer making such payment shall, to the extent thereof, be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer. The person to whom said payment is made under the insolvency protection required by this chapter shall to the extent thereof, be deemed to have waived any right to proceed to enforce such a judgment against the assets of the judgment debtor who was insured by the insolvent insurer whose insolvency resulted in said payment being made, other than assets recovered or recoverable by such judgment debtor from such insolvent insurer.

[C71, 73, 75, 77, 79, 81, §516A.4]

**516A.5 Tolling of statute.**

Commencement of an action by an insured under a provision included in an automobile liability or motor vehicle liability insurance policy pursuant to section 516A.1 tolls the statute of limitations for purposes of the insurer's subrogated cause of action against a party, as defined in section 668.2. Section 668.8 is also applicable to an action commenced as described in this section.

98 Acts, ch 1057, §12

# CHAPTER 516B

## AUTOMOBILE LIABILITY POLICIES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

516B.1 Definitions.
516B.2 Reduction in premiums to reflect reductions in losses.
516B.3 Minor traffic violations not considered in establishing rates.

**516B.1 Definitions.**

As used in this chapter, unless otherwise required by the context:

1. *"Automobile liability policy"* means an insurance policy issued by an insurance carrier authorized to do business in this state to or for the benefit of the person named in the policy as insured against loss from liability imposed by law for damages arising out of ownership, maintenance, or use of an insured automobile.

2. *"Commissioner"* means the commissioner of insurance.

86 Acts, ch 1218, §1

**516B.2 Reduction in premiums to reflect reductions in losses.**

The commissioner shall require that insurance companies transacting business in this state reduce the automobile liability insurance premiums charged insureds in this state for liability insurance renewed or issued on or after July 1, 1987. The reduction in insurance premiums, on a statewide basis, shall be at whatever amount the commissioner of insurance deems appropriate as reflecting the reduction in annual losses incurred by the insurance companies with the enactment of 1986 Iowa Acts, chapter 1009. The commissioner of insurance may annually make adjustments to the reduction in insurance premiums as the commissioner deems appropriate considering the latest statistics available to the commissioner.

In making the determination on the amount of reduction of automobile liability insurance premiums which takes effect July 1, 1987, the commissioner may employ or contract with actuarial consultants as necessary in making the determination. The reasonable fees and expenses of an actuarial consultant employed or contracted by the commissioner for the purpose of determining the amount of the July 1, 1987 reduction shall be assessed against and paid by the affected insurance companies.

86 Acts, ch 1218, §2

**516B.3 Minor traffic violations not considered in establishing rates.**

1. The commissioner shall require that insurance companies transacting business in this state not consider speeding violations occurring on or after July 1, 1986, but before May 12, 1987, which are for speeding violations for ten miles per hour or less over the legal speed limit in speed zones that have a legal speed limit greater than thirty-five miles per hour or speeding violations occurring on or after May 12, 1987, which are for speeding violations for ten miles per hour or less over the legal speed limit in speed zones that have a legal speed limit equal to or greater than thirty-five miles per hour but not greater than fifty-five miles per hour for the purpose of establishing rates for motor vehicle insurance charged by the insurer and shall require that insurance companies not cancel or refuse to renew any such policy for such violations. In any twelve-month period, this section applies only to the first two such violations which occur.

2. If the rate for motor vehicle insurance is based on an operating record of a period longer than twelve months in length, the twelve-month periods under subsection 1 shall not overlap.

87 Acts, ch 120, §8; 88 Acts, ch 1158, §78; 88 Acts, ch 1214, §3

Referred to in §507B.4

# CHAPTER 516C

## RESERVED

# CHAPTER 516D

## RENTAL OF MOTOR VEHICLES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7, 714H.3


| | | | |
|---|---|---|---|
| 516D.1 | Title. | 516D.5 | Recovery for damage or loss. |
| 516D.2 | Scope. | 516D.6 | Disclosures. |
| 516D.3 | Definitions. | 516D.7 | Prohibitions. |
| 516D.4 | Damage or loss — collision damage waiver. | 516D.8 | Rules. |
| | | 516D.9 | Enforcement. |


**516D.1 Title.**

This chapter shall be known and may be cited as the *"Iowa Car Rental and Collision Damage Waiver Act"*.

91 Acts, ch 204, §1

**516D.2 Scope.**

This chapter applies to advertising and business practices relating to vehicle rental agreements entered into in this state.

91 Acts, ch 204, §2

**516D.3 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Authorized driver"* means any of the following:

*a.* A customer to whom a vehicle is rented.

*b.* A person expressly listed by a rental company on a rental agreement as an authorized driver.

*c.* A customer's spouse, if the spouse is a licensed driver and satisfies the rental company's minimum age requirement.

*d.* A customer's employer or coworker, if the employer or coworker is engaged in a business activity with the customer to whom the vehicle is rented, is a licensed driver, and satisfies the rental company's minimum age requirement.

2. *"Collision damage waiver"* means a contract or contractual provision, whether separate from or a part of a rental agreement, whereby the rental company agrees, for a charge, to waive claims against an authorized driver for all, or any portion of, damages to the rental vehicle, loss due to theft of the rental vehicle, or damages resulting from the loss of use of the rental vehicle.

3. *"Customer"* means a person entering into a rental agreement and obtaining the use of a rental vehicle from a rental company under the terms of the rental agreement.

4. *"Estimated time for repair"* means a good faith estimate of the reasonable number of hours of labor, or fraction of an hour, needed to repair a damaged vehicle or damaged vehicle parts.

5. *"Estimated time for replacement"* means the number of hours of labor, or fraction of an hour, needed to replace damaged vehicle parts as set forth in collision damage estimating guides generally used in the vehicle repair business and commonly known as crash books.

6. *"Mandatory charge"* means any charge, fee differential, or surcharge that all or a majority of customers must pay in order to obtain or operate a rental vehicle except as follows:

*a.* *"Mandatory charge"* does not include an airport-imposed fee if the existence and amount of the fee are clearly and conspicuously disclosed immediately adjacent to any advertised rental price. The customer must be informed of the amount of the fee when the reservation is made. When an advertisement encompasses more than one rental location, the fee may be expressed as the maximum fee or range of fees.

*b.* *"Mandatory charge"* does not include taxes imposed directly upon the rental transaction by an authorized taxing authority.

*c.* *"Mandatory charge"* does not include mileage fees as long as the existence of any

mileage limitation and cost per mile for excess mileage is clearly and conspicuously disclosed immediately adjacent to the advertised price.

7. *"Material restriction"* means a restriction, limitation, or other requirement which significantly affects the price of, normal anticipated use of, or a customer's financial responsibility for, a rental vehicle. Restrictions against any or all of the following activities in connection with the acquisition or use of a rental vehicle are not material restrictions:

*a.* Obtaining a rental vehicle by use of false or misleading information.

*b.* Operating a rental vehicle while intoxicated or under the influence of any drug.

*c.* Using a rental vehicle to transport persons or property for hire.

*d.* Using a rental vehicle to engage in a race, training activity, contest, or use for an illegal purpose.

*e.* Using a rental vehicle to push or tow a vehicle or other object.

*f.* Operating a rental vehicle in an abusive or reckless manner.

*g.* Operating a rental vehicle other than on regularly maintained hard surface roadways, including private driveways and parking lots. For purposes of this chapter, *"hard surface roadways"* includes, but is not limited to, all regularly maintained gravel-covered surfaces.

*h.* Operating a rental vehicle outside the continental United States unless specifically authorized by the rental agreement.

8. *"Placing a block"* means any procedure or mechanism which reserves a specified amount of the customer's otherwise available credit on the customer's credit or charge card account so that the amount is not available for future credit purchases.

9. *"Rental agreement"* means a written contract containing the terms and conditions for the use of a rental vehicle by a customer for a term of sixty days or less.

10. *"Rental company"* means a person in the business of providing rental vehicles to customers.

11. *"Rental vehicle"* means a private passenger type vehicle which, upon the execution of a rental agreement, is made available to a customer for the customer's use or other authorized driver's use.

91 Acts, ch 204, §3; 92 Acts, ch 1163, §101; 2002 Acts, ch 1151, §29
Referred to in §321.484

**516D.4 Damage or loss — collision damage waiver.**

1. *a.* A rental company shall not hold, or attempt to hold, an authorized driver liable for physical damage to a rental vehicle, loss due to theft of a rental vehicle, or damages resulting from the loss of use of a rental vehicle, unless the rental company offers the customer a collision damage waiver under the terms and conditions described in subsection 2 , or unless one or more of the following applies:

(1) The damage or loss is caused intentionally by an authorized driver or is a result of the authorized driver's willful, abusive, reckless, or wanton misconduct.

(2) The damage or loss arises out of the authorized driver's operation of the rental vehicle while intoxicated or under the influence of a drug.

(3) The damage or loss is caused while the authorized driver is engaged in a race, training activity, contest, or use of the rental vehicle for an illegal purpose.

(4) The rental agreement is based on false or misleading information supplied by the customer or an authorized driver.

(5) The damage or loss is caused by operating the rental vehicle other than on regularly maintained hard surface roadways, including private driveways and parking lots.

(6) The damage or loss arises out of the use of the rental vehicle to transport persons or property for hire or to push or tow anything.

(7) The damage or loss occurs while the rental vehicle is operated by a driver other than an authorized driver.

(8) The damage or loss arises out of the use of the rental vehicle outside the continental United States unless such use is specifically authorized by the rental agreement.

(9) The damage or loss is attributable to theft which occurs with the prior knowledge or knowing participation of an authorized driver, or which is attributable to the authorized driver leaving the rental vehicle unattended with the keys in the rental vehicle.

*b.* This section does not alter the liability of a customer or authorized driver for bodily injury or the death of another and for property damage other than to the rental vehicle in accordance with the rental agreement. This section does not prohibit a rental company from accepting or negotiating master contracts with companies or government entities in advance of need whereby the companies or government entities specifically agree to assume liability in exchange for rate concessions. This section does not prohibit a rental company from entering into agreements with insurance companies to provide replacement vehicles to insurance company customers whereby the insurance company agrees to assume the risk of loss.

*c.* If the rental vehicle is not repaired, damages shall not exceed the fair market value of the vehicle, as determined in the customary market for that vehicle, less salvage or actual sale value, plus additional license and tax fees incurred because of the sale, plus administrative fees. A claim shall not be made for loss of use if the rental vehicle is not repaired.

2. *a.* A rental company may offer a collision damage waiver under the following terms and conditions:

(1) All restrictions, conditions, and exclusions must be printed in the rental agreement, or on a separate sheet or document, in ten point type, or larger; or written in pen and ink or typewritten in or on the face of the rental agreement in a blank space provided for such restrictions, conditions, and exclusions. The rental agreement may provide that the collision damage waiver may be voided under the conditions set forth in subsection 1, paragraph "*a*", subparagraphs (1) through (9).

(2) The rental agreement, separate sheet, or document must clearly and conspicuously state both the daily and estimated total charge for the collision damage waiver.

(3) (a) The rental agreement, separate sheet, or document given to the customer prior to entering into the rental agreement must display in ten point type, or larger, the following notice:

NOTICE: THIS CONTRACT OFFERS, FOR AN ADDITIONAL CHARGE, A COLLISION DAMAGE WAIVER TO COVER ALL OR PART OF YOUR RESPONSIBILITY FOR DAMAGE TO THE RENTAL VEHICLE.

BEFORE DECIDING WHETHER TO PURCHASE THE COLLISION DAMAGE WAIVER, YOU MAY WISH TO DETERMINE WHETHER YOUR OWN AUTOMOBILE INSURANCE AFFORDS YOU COVERAGE FOR DAMAGE TO THE RENTAL VEHICLE AND THE AMOUNT OF THE DEDUCTIBLE UNDER YOUR OWN INSURANCE COVERAGE. THE PURCHASE OF THIS COLLISION DAMAGE WAIVER IS NOT MANDATORY AND MAY BE DECLINED.

(b) The customer must separately acknowledge that the customer received the above notice, that the customer desires to purchase the collision damage waiver, and the terms of the collision damage waiver to which the customer agrees.

(4) The car rental company shall not pay commissions to a rental counter agent or representative for selling collision damage waivers and is prohibited from considering volume of sales of collision damage waivers in an employee evaluation or determination of promotion.

*b.* However, notwithstanding whether a rental company offers a collision damage waiver under the provisions of this subsection, the rental company shall not hold an authorized driver liable for damage or loss due to theft except where subsection 1, paragraph "*a*", subparagraph (9) applies.

91 Acts, ch 204, §4; 2012 Acts, ch 1023, §127

**516D.5 Recovery for damage or loss.**

A claim against an authorized driver resulting from damage to a rental vehicle, loss due to theft of a rental vehicle, or damages resulting from the loss of use of a rental vehicle, must be reasonably and rationally related to the actual loss incurred. A rental company shall mitigate damages where possible and shall not assert or collect any claim for physical damage

which exceeds the actual cost of the repair, including all discounts or price reductions. Administrative fees shall be limited to the reasonable administrative costs associated with processing the damage claim. A claim made for loss of use shall not exceed the daily rental rate stated in the customer's contract, excluding optional charges, multiplied by the total of the estimated time for replacement and the estimated time for repair, divided by eight.

91 Acts, ch 204, §5

**516D.6 Disclosures.**

1. All material restrictions on an advertised rate or on the use of the rental vehicle must be clearly and conspicuously disclosed in any price advertisement.

2. A rental company shall only advertise, quote, and charge a rental rate that includes all mandatory charges. A rental company shall not impose any mandatory charges in addition to the advertised or quoted rental rate.

91 Acts, ch 204, §6

**516D.7 Prohibitions.**

Unfair or deceptive acts or practices in the advertisement or rental of vehicles are prohibited. Unfair or deceptive acts or practices include, but are not limited to, the following:

1. A representation connected with the advertisement or rental of a vehicle that the purchase of a collision damage waiver is mandatory.

2. Failure to provide disclosures as required by this chapter.

3. Failure to disclose in a manner likely to be noticed and comprehended in an advertisement, as defined in section 714.16, subsection 1, paragraph "*a*", the availability of a collision damage waiver, and the cost of the waiver.

4. Misrepresentation of a customer's need for a collision damage waiver, personal accident insurance, or personal effects insurance.

5. Misrepresentation of the characteristics or availability of a reserved rental vehicle in order to rent a customer a more expensive vehicle than the one reserved.

6. Failure to provide a vehicle in the class reserved, or, if the reserved vehicle is out of stock, failure to provide another vehicle in the class reserved or a more expensive vehicle. A replacement vehicle for an out-of-stock reserved vehicle may be provided from the stock of the rental company or from another rental company but, in any event, must be provided at the rate quoted for the vehicle reserved.

7. Failure to disclose the following material restrictions, where applicable, in response to direct consumer inquiries regarding the price of renting a vehicle, when the rental company discloses a vehicle rental rate, and at the time the reservation is accepted:

*a.* Specific geographic restrictions and limitations, other than travel outside the continental United States.

*b.* Advance reservation and payment requirements.

*c.* The existence of penalties or higher rates that may apply for early or late returns.

*d.* Cost of an additional driver fee.

*e.* Credit or cash deposit requirements.

*f.* Extent of liability for damage or loss and price range of collision damage waiver.

*g.* Mileage limitations and charges.

8. Placement of a block against a customer's credit limit or charge against a customer's credit card in the following manner:

*a.* Placing a block or charge against a customer's credit limit without disclosing in the rental agreement in a clear and conspicuous manner the fact that a block or charge will be placed against the customer's credit card, and the amount of the block or charge. Such disclosure shall also be made orally whenever possible.

*b.* Placing a block or charge against a portion or the entirety of the credit limit of the card or otherwise placing a block or charge against the card in excess of the estimated total daily or weekly charges, including taxes and charges of optional services accepted by the customer, stated in the rental agreement multiplied by the number of days of the estimated rental if rented on a daily basis or, if rented on a weekly basis, multiplied by the number of weeks of the estimated rental.

*c.* Placing a block or charge against a customer's credit card and then failing to clear the unused amount of the block or charge against the customer's credit card after the customer returns the rental vehicle in the same amount of time, subject to credit card company or charge card company availability, as it took the rental company to place the block or charge against the customer's card when the customer rented the vehicle.

*d.* Placing or threatening to place a block or charge on a customer's credit card when seeking to recover any portion of a claim arising out of damage to, or loss of use of, the rental vehicle, unless, after the rental vehicle is damaged or lost, the rental company determines the exact amount of the repair or replacement costs and the customer authorizes the charge.

*e.* Charging an amount to a customer's credit card for damage to, or loss of use of, a rental vehicle after the customer has left the location where the rental vehicle was returned, unless the customer has authorized the specific charge, in a specific amount, to be charged to the customer's credit card. This subsection does not apply to a block in the amount of one dollar obtained for authorized charge amounts.

9. Assessment of additional driver fees for licensed drivers who are spouses or business associates engaged in business activities with the customer to whom the vehicle is rented, other than charges for a person who does not satisfy the rental company's minimum age requirement, if applicable.

91 Acts, ch 204, §7

**516D.8 Rules.**

The attorney general shall prescribe forms and adopt rules pursuant to chapter 17A as necessary to administer this chapter.

91 Acts, ch 204, §8

**516D.9 Enforcement.**

A violation of this chapter or any rules adopted by the attorney general pursuant to this chapter is a violation of section 714.16, subsection 2, paragraph "*a*". The provisions of section 714.16, including, but not limited to, provisions relating to investigation, injunctive relief, and penalties, apply to violations of this chapter.

91 Acts, ch 204, §9

# CHAPTER 516E

## MOTOR VEHICLE SERVICE CONTRACTS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

Chapter transferred from chapter 321I in Code 2001 pursuant to directive in 2000 Acts, ch 1147, §15


516E.1 Definitions.
516E.2 Requirements for doing business — registration — fee.
516E.3 Filing and fee requirements.
516E.4 Reimbursement insurance policy requirements — insurer qualifications.
516E.5 Disclosure to service contract holders — contract provisions.
516E.6 Commissioner may prohibit certain sales — injunction.
516E.7 Rules.
516E.8 Exemption.
516E.9 Misrepresentations of state approval.
516E.10 Prohibited acts — unfair or deceptive trade practices.
516E.11 Records — explanation of reasons for denial of claims.
516E.12 Service of process.
516E.13 Orders, investigations, examinations, and subpoenas.
516E.14 Audits.
516E.15 Violations — penalties.
516E.16 Court action for failure to cooperate.
516E.17 Net worth requirement. Repealed by 2006 Acts, ch 1117, §128.
516E.18 Public access to records.
516E.19 Administration.
516E.20 Application of insurance laws.
516E.21 Financial responsibility and security requirements in lieu of reimbursement insurance policy.


**516E.1 Definitions.**

For the purposes of this chapter:

1. *"Administrator"* means the deputy administrator appointed pursuant to section 502.601.

2. *"Commissioner"* means the commissioner of insurance as provided in section 505.1.

3. *"Financial institution"* means an institution that is all of the following:

*a.* Organized or, in the case of the office of a foreign banking organization located in the United States, licensed, under the laws of the United States or any state, and granted authority to operate with fiduciary powers.

*b.* Regulated, supervised, and examined by federal or state authorities empowered to regulate banks and trust companies.

4. *"Maintenance agreement"* means a contract of limited duration that provides for scheduled maintenance only.

5. *"Mechanical breakdown insurance"* means a policy, contract, or agreement that undertakes to perform or provide repair or replacement service, or indemnification for that service, for the operational or structural failure of a motor vehicle due to a defect in materials or skill of work or normal wear and tear, and that is issued by an insurance company authorized to do business in this state.

6. *"Motor vehicle"* means any self-propelled vehicle subject to registration under chapter 321.

7. *"Premium"* means the consideration paid to an insurer for a reimbursement insurance policy.

8. *"Provider"* means a person who sells or offers to sell a service contract.

9. *"Record"* means information stored or preserved in any medium, including in an electronic or paper format. A record includes but is not limited to documents, books, publications, accounts, correspondence, memoranda, agreements, computer files, film, microfilm, photographs, and audio or visual tapes.

10. *"Reimbursement insurance policy"* means a contractual liability insurance policy issued to a service company that either provides reimbursement to a service company under the terms of insured service contracts issued or sold by the service company or, in the event of nonperformance by the service company, pays, on behalf of the service company, all covered contractual obligations incurred by the service company under the terms of the insured service contracts issued or sold by the service company.

11. *"Service company"* means a person who issues and is obligated to perform, or arrange for the performance of, services pursuant to a service contract.

12. *"Service company fee"* means the consideration paid for a service contract.

13. *"Service contract"* means a contract or agreement given for consideration over and above the lease or purchase price of a new or used motor vehicle having a gross vehicle weight rating of less than sixteen thousand pounds, that undertakes to perform or provide repair or replacement service, or indemnification for that service, for the operation or structural failure of a motor vehicle due to a defect in materials or skill of work or normal wear and tear, but does not include mechanical breakdown insurance or maintenance agreements.

14. *"Service contract holder"* means a person who purchases a service contract.

15. *"Third-party administrator"* means a person who contracts with a service company to be responsible for the administration of the service company's service contracts, including processing and adjudicating claims pursuant to a service contract.

85 Acts, ch 45, §1
CS85, §321I.1
90 Acts, ch 1145, §1; 92 Acts, ch 1163, §77; 2000 Acts, ch 1147, §1, 2, 15
C2001, §516E.1
2005 Acts, ch 70, §25; 2006 Acts, ch 1117, §77, 78
Referred to in §163.51, 322.19, 523C.1, 551A.1

**516E.2 Requirements for doing business — registration — fee.**

1. A service contract shall not be issued, sold, or offered for sale in this state unless the service company does all of the following:

*a.* Provides a receipt for the purchase of the service contract to the service contract holder.

*b.* Provides a copy of the service contract to the service contract holder within a reasonable period of time after the date of purchase of the service contract.

2. A service company shall not issue a service contract or arrange to perform services pursuant to a service contract unless the service company is registered with the commissioner. A service company shall file a registration with the commissioner annually, on a form prescribed by the commissioner, accompanied by a registration fee in the amount of five hundred dollars. Fees collected under this subsection shall be deposited as provided in section 505.7.

3. In order to assure the faithful performance of a service company's obligations to its service contract holders, service contracts shall be secured by a reimbursement insurance policy in compliance with the requirements set forth in section 516E.4 or the service company shall comply with the financial responsibility and security standards set forth in section 516E.21.

4. *a.* The commissioner may issue an order denying, suspending, or revoking any registration if the commissioner finds that the order is in the public interest and finds any of the following:

(1) The registration is incomplete in any material respect or contains any statement which, in light of the circumstances under which the registration was made, is determined by the commissioner to be false or misleading with respect to any material fact.

(2) A provision of this chapter or a rule, order, or condition lawfully imposed under this chapter, has been willfully violated in connection with the sale of service contracts by any of the following persons:

(a) The person filing the registration, but only if the person filing the registration is directly or indirectly controlled by or acting for the service company.

(b) The service company, any partner, officer, or director of the service company or any person occupying a similar status or performing similar functions for the service company, or any person directly or indirectly controlling or controlled by the service company.

(3) The service company has not filed a document or information required under this chapter.

(4) The service company's literature or advertising is misleading, incorrect, incomplete, or deceptive.

(5) The service company has failed to pay the proper filing fee. However, the

commissioner shall vacate an order issued pursuant to this paragraph when the proper fee has been paid.

*b.* The commissioner may vacate or modify an order issued under this subsection if the commissioner finds that the conditions which prompted the entry of the order have changed or that it is otherwise in the public interest to do so.

85 Acts, ch 45, §2
CS85, §321I.2
90 Acts, ch 1145, §2; 2000 Acts, ch 1147, §3, 15
C2001, §516E.2
2005 Acts, ch 70, §26; 2006 Acts, ch 1117, §79, 80; 2009 Acts, ch 181, §82
Referred to in §516E.21

**516E.3 Filing and fee requirements.**

1. *Service companies.*

*a.* A service contract shall not be issued, sold, or offered for sale in this state unless a true and correct copy of the service contract, and the service company's reimbursement insurance policy, if applicable, have been filed with the commissioner by the service company.

*b.* A service company shall file a consent to service of process on the commissioner, and such other information as the commissioner requires, annually with the commissioner no later than the first day of August. If the first day of August falls on a weekend or a holiday, the date for filing shall be the next business day. In addition to the annual filing, the service company shall promptly file copies of any amended documents if material amendments have been made in the materials on file with the commissioner. If an annual filing is made after the first of August and sales have occurred during the period when the service company was in noncompliance with this section, the commissioner shall assess an additional filing fee that is two times the amount normally required for an annual filing. A fee shall not be charged for interim filings made to keep the materials filed with the division current and accurate. The annual filing shall be accompanied by a filing fee determined by the commissioner which shall be sufficient to defray the costs of administering this chapter.

*c.* (1) A service company shall promptly file the following information with the commissioner:

(a) A change in the name or ownership of the service company.

(b) The termination of the service company's business.

(2) The service company is not required to submit a fee as part of this filing.

2. *Providers.*

*a.* A provider shall file a consent to service of process on the commissioner, a notice with the name and ownership of the provider, and such other information as the commissioner requires, annually with the commissioner no later than August 1. If August 1 falls on a weekend or a holiday, the date for filing shall be the next business day. In addition to the annual filing, the provider shall promptly file copies of any amended documents if material amendments have been made in the materials on file with the commissioner. If an annual filing is made after August 1 and sales have occurred during the period when the provider was in noncompliance with this section, the commissioner shall assess an additional filing fee that is two times the amount normally required for an annual filing. A fee shall not be charged for interim filings made to keep the materials filed with the division current and accurate. The annual filing shall be accompanied by a filing fee in the amount of one hundred dollars.

*b.* (1) A provider shall promptly file the following information with the commissioner:

(a) A change in the name or ownership of the provider.

(b) The termination of the provider's business.

(2) A provider is not required to submit a fee as part of this filing.

85 Acts, ch 45, §3
CS85, §321I.3
90 Acts, ch 1145, §3; 98 Acts, ch 1189, §1; 2000 Acts, ch 1147, §4, 5, 15

C2001, §516E.3
2005 Acts, ch 70, §27; 2006 Acts, ch 1117, §81, 82; 2007 Acts, ch 137, §16; 2012 Acts, ch 1023, §157
Referred to in §516E.15

**516E.4 Reimbursement insurance policy requirements — insurer qualifications.**

1. *Requirements.* A reimbursement insurance policy insuring a service contract issued, sold, or offered for sale in this state shall provide for all of the following:

*a.* The reimbursement insurance policy shall, in the event of the service company's failure to perform under the service contract or otherwise, either reimburse or pay on behalf of the service company any covered amounts that the service company is legally obligated to pay under the service contract, including the return of any unearned service company fee owed by the service company to the service contract holder.

*b.* An insurer that issues a reimbursement insurance policy shall assume full responsibility for the administration of claims made pursuant to a service contract in the event that the service company is unable to do so.

*c.* If a service covered under a service contract is not provided by the service company within sixty days of proof of loss by the service contract holder, the service contract holder is entitled to apply directly against the reimbursement insurance policy of the service company.

2. *Termination.* As applicable, an insurer that issued a reimbursement insurance policy shall not terminate the policy unless a written notice has been received by the commissioner and by each applicable provider, service company, or third-party administrator. The notice shall fix the date of termination at a date no earlier than ten days after receipt of the notice by the commissioner and by the applicable provider, service company, or third-party administrator. The notice may be delivered in person or sent by mail, and a restricted certified mail return receipt shall be deemed proof of receipt of notice. The termination of a reimbursement insurance policy shall not reduce the issuer's responsibility for a service contract issued by a service company prior to the date of termination.

3. *Indemnification or subrogation.* This section does not prevent or limit the right of an insurer that issued a reimbursement insurance policy to seek indemnification from or subrogation against a service company if the insurer pays or is obligated to pay a service contract holder sums that the service company was obligated to pay pursuant to the provisions of a service contract or pursuant to a contractual agreement.

4. *Obligations insured.* If a service company secures its service contracts with a reimbursement insurance policy, the reimbursement insurance policy shall insure one hundred percent of the obligations of all service contracts sold by the service company.

5. *Qualifications of insurer.* An insurer issuing a reimbursement insurance policy under this chapter shall be authorized, registered, or otherwise permitted to transact business in this state, or shall be an excess and surplus lines insurer authorized, registered, or otherwise permitted to transact business in this state, and shall meet one of the following requirements:

*a.* At the time the policy is filed with the commissioner, and continuously thereafter, the insurer maintains surplus as to policyholders and paid-in capital of at least fifteen million dollars and annually files copies of the insurer's financial statements, national association of insurance commissioners annual statement, and actuarial certification, if required and filed in the insurer's state of domicile.

*b.* At the time the policy is filed with the commissioner and continuously thereafter, the insurer does all of the following:

(1) Maintains surplus as to policyholders and paid-in capital of less than fifteen million dollars but at least ten million dollars.

(2) Demonstrates to the satisfaction of the commissioner that the insurer maintains a ratio of net written premiums, wherever written, to surplus as to policyholders and paid-in capital of not greater than three to one.

(3) Files copies annually of the insurer's financial statements, national association of insurance commissioners annual statement, and actuarial certification, if required and filed in the insurer's state of domicile.

85 Acts, ch 45, §4

CS85, §321I.4
2000 Acts, ch 1147, §15
C2001, §516E.4
2005 Acts, ch 70, §28; 2006 Acts, ch 1117, §83, 84
Referred to in §516E.2

**516E.5 Disclosure to service contract holders — contract provisions.**

1. *a.* A service contract insured by a reimbursement insurance policy shall not be issued, sold, or offered for sale in this state unless the contract conspicuously states that the obligations of the service company to the service contract holder are guaranteed under a reimbursement insurance policy, including a statement in substantially the following form:

Obligations of the service company under this service contract are guaranteed under a reimbursement insurance policy. If the service company fails to pay or provide service on a claim within sixty days after proof of loss has been filed with the service company, the service contract holder is entitled to make a claim directly against the reimbursement insurance policy.

*b.* A claim against a reimbursement insurance policy shall also include a claim for return of the unearned service company fee paid for the service contract. A service contract shall conspicuously state the name and address of the issuer of the reimbursement insurance policy for that service contract.

*c.* A service contract issued, sold, or offered for sale in this state that is not insured under a reimbursement insurance policy shall contain a statement in substantially the following form:

Obligations of the service company under this service contract are backed by the full faith and credit of the service company.

2. A service contract shall be written in clear, understandable language and the entire contract shall be printed or typed in easy-to-read type, size, and style, and shall not be issued, sold, or offered for sale in this state unless the contract does all of the following:

*a.* Clearly and conspicuously states the name and address of the service company and describes the service company's obligations to perform services or to arrange for the performance of services under the service contract.

*b.* Clearly and conspicuously states the name and address of the issuer of the reimbursement insurance policy, if applicable.

*c.* Identifies the service company obligated to perform the service under the service contract, any third-party administrator, and the service contract holder to the extent that the name and address of the service contract holder has been furnished by the service contract holder.

*d.* Sets forth the total purchase price of the service contract and the terms under which the purchase price of the service contract is to be paid.

*e.* Sets forth the procedure for making a claim, including a telephone number.

*f.* Clearly and conspicuously states the dates that coverage starts and ends and the existence, terms, and conditions of a deductible amount, if any.

*g.* Specifies the merchandise or services, or both, to be provided and clearly states any and all limitations, exceptions, or exclusions.

*h.* Sets forth the conditions on which substitution of services will be allowed.

*i.* Sets forth all of the obligations and duties of the service contract holder, including but not limited to the duty to protect against any further damage to the motor vehicle, and the obligation to notify the service company in advance of any repair, if any.

*j.* Sets forth any and all terms, restrictions, or conditions governing transferability of the service contract, if any.

*k.* Describes or references any and all applicable provisions of the Iowa consumer credit code, chapter 537.

*l.* States the name and address of the commissioner.

*m.* Sets forth any and all conditions on which the service contract may be canceled, the terms and conditions for the refund of any portion of the purchase price, the identity of the person primarily liable to provide any refund, and the identity of any other person liable to provide any portion of the refund. If the service contract holder cancels the service contract, the service company shall mail a written notice of termination to the service contract holder within fifteen days of the date of the termination.

*n.* Permits the service contract holder to cancel and return the service contract within at least twenty days of the date of mailing the service contract to the service contract holder or within at least ten days after delivery of the service contract if the service contract is delivered at the time of sale of the service contract, or within a longer period of time as permitted under the service contract. If no claim has been made under the service contract prior to its return, the service contract is void and the full purchase price of the service contract shall be refunded to the service contract holder. A ten percent penalty shall be added each month to a refund that is not paid to a service contract holder within thirty days of the return of the service contract to the service company. The applicable time period for cancellation of a service contract shall apply only to the original service contract holder that purchased the service contract.

3. A complete copy of the terms of the service contract shall be delivered to the prospective service contract holder at or before the time that the prospective service contract holder makes application for the service contract. If there is no separate application procedure, then a complete copy of the service contract shall be delivered to the service contract holder at or before the time the service contract holder becomes bound under the contract.

85 Acts, ch 45, §5
CS85, §321I.5
90 Acts, ch 1145, §4; 94 Acts, ch 1031, §1; 98 Acts, ch 1189, §2, 3; 2000 Acts, ch 1147, §15
C2001, §516E.5
2005 Acts, ch 70, §29; 2006 Acts, ch 1117, §85, 86
Referred to in §714H.3

**516E.6 Commissioner may prohibit certain sales — injunction.**

The commissioner shall issue an order instructing a provider, service company, or third-party administrator to cease and desist from selling or offering for sale service contracts if the commissioner determines that the provider, service company, or third-party administrator has failed to comply with a provision of this chapter. Upon the failure of a provider, service company, or third-party administrator to obey a cease and desist order issued by the commissioner, the commissioner may give notice in writing of the failure to the attorney general, who shall immediately commence an action against the provider, service company, or third-party administrator to enjoin the provider, service company, or third-party administrator from selling or offering for sale service contracts until the provider, service company, or third-party administrator complies with the provisions of this chapter, and the district court may issue the injunction.

85 Acts, ch 45, §6
CS85, §321I.6
98 Acts, ch 1189, §4; 2000 Acts, ch 1147, §15
C2001, §516E.6
2005 Acts, ch 70, §30

**516E.7 Rules.**

The commissioner may adopt rules as provided in chapter 17A to administer and enforce the provisions of this chapter and to establish minimum standards for disclosure of service contract coverage limitations and exclusions.

85 Acts, ch 45, §7
CS85, §321I.7
2000 Acts, ch 1147, §15

C2001, §516E.7
2005 Acts, ch 70, §31

**516E.8 Exemption.**

This chapter does not apply to a service contract issued by the manufacturer or importer of the motor vehicle covered by the service contract or to any third party acting in an administrative capacity on the manufacturer's behalf in connection with that service contract.

85 Acts, ch 45, §8
CS85, §321I.8
90 Acts, ch 1145, §5; 94 Acts, ch 1031, §2; 2000 Acts, ch 1147, §15
C2001, §516E.8
2005 Acts, ch 70, §32

**516E.9 Misrepresentations of state approval.**

A service company shall not represent or imply in any manner that the service company has been sponsored, recommended, or approved or that the service company's abilities or qualifications have in any respect been passed upon by the state of Iowa, including the commissioner, the insurance division, or the division's securities and regulated industries bureau.

90 Acts, ch 1145, §7
C91, §321I.10
92 Acts, ch 1163, §78; 2000 Acts, ch 1147, §6, 15
C2001, §516E.9
2005 Acts, ch 70, §33; 2006 Acts, ch 1117, §87
Referred to in §714H.3

**516E.10 Prohibited acts — unfair or deceptive trade practices.**

1. *Misrepresentations, false advertising, and unfair practices.*

*a.* Unless licensed as an insurance company, a service company shall not use in its name, contracts, or literature, the words "insurance", "casualty", "surety", "mutual", or any other words descriptive of the insurance, casualty, or surety business or deceptively similar to the name or description of any insurance or surety corporation, or any other service company.

*b.* A service company shall not, without the written consent of the purchaser, knowingly charge a purchaser for duplication of coverage or duties required by state or federal law, a warranty expressly issued by a manufacturer or seller of a product, or an implied warranty enforceable against the lessor, seller, or manufacturer of a product.

*c.* A provider, service company, or third-party administrator shall not make, permit, or cause a false or misleading statement, either oral or written, in connection with the sale, offer to sell, or advertisement of a service contract.

*d.* A provider, service company, or third-party administrator shall not permit or cause the omission of a material statement in connection with the sale, offer to sell, or advertisement of a service contract, which under the circumstances should have been made in order to make the statement not misleading.

*e.* A provider, service company, or third-party administrator shall not make, permit, or cause to be made a false or misleading statement, either oral or written, about the benefits or services available under the service contract.

*f.* A provider, service company, or third-party administrator shall not make, permit, or cause to be made a statement of practice which has the effect of creating or maintaining a fraud.

*g.* A provider, service company, or third-party administrator shall not make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over a radio or television station, or in any other way, an advertisement, announcement, or statement containing an assertion, representation, or statement with respect to the

service contract industry or with respect to a provider, service company, or third-party administrator which is untrue, deceptive, or misleading. It is deceptive or misleading to use any combination of words, symbols, or physical materials which by their content, phraseology, shape, color, or other characteristics are so similar to a combination of words, symbols, or physical materials used by a manufacturer or of such a nature that the use would tend to mislead a person into believing that the solicitation is in some manner connected with the manufacturer, unless actually authorized or issued by the manufacturer.

*h.* A bank, savings association, credit union, insurance company, or other lending institution shall not require the purchase of a service contract as a condition of a loan.

2. *Defamation.* A provider, service company, or third-party administrator shall not make, publish, disseminate, or circulate, directly or indirectly, or aid, abet, or encourage the making, publishing, disseminating, or circulating of an oral or written statement or a pamphlet, circular, article, or literature which is false or maliciously critical of or derogatory to the financial condition of a person, and which is calculated to injure the person.

3. *Boycott, coercion, and intimidation.* A provider, service company, or third-party administrator shall not enter into an agreement to commit, or by a concerted action commit, an act of boycott, coercion, or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the service contract industry.

4. *False statements.* A provider, service company, or third-party administrator shall not knowingly file with a supervisory or other public official, or knowingly make, publish, disseminate, circulate, or deliver to a person, or place before the public, or knowingly cause directly or indirectly to be made, published, disseminated, circulated, delivered to a person, or placed before the public, a false material statement of fact as to the financial condition of a person.

5. *False entries.* A provider, service company, or third-party administrator shall not knowingly make a false entry of a material fact in a book, report, or statement of a person or knowingly fail to make a true entry of a material fact pertaining to the business of the person in a book, report, or statement of the person.

6. *Used or rebuilt parts.* A service company shall not repair a motor vehicle covered by a service contract with any of the following:

*a.* Used parts, unless the service company receives prior written authorization by the vehicle owner.

*b.* Rebuilt parts, unless the parts are rebuilt according to national standards recognized by the insurance division.

7. *Marketing.* A provider, service company, or third-party administrator shall not market, advertise, offer to sell, or sell a service contract by using personal information obtained in violation of the federal Driver's Privacy Protection Act, 18 U.S.C. § 2721 et seq.

8. *Violations of section 714.16.*

*a.* A violation of this chapter or rules adopted by the commissioner pursuant to this chapter is an unfair practice as defined in section 714.16.

*b.* An enforcement agreement between the commissioner and a provider, service company, or third-party administrator does not bar the attorney general from bringing an action against the provider, service company, or third-party administrator under section 714.16 as to allegations that a violation of this chapter constitutes a violation of section 714.16.

90 Acts, ch 1145, §8
C91, §321I.11
98 Acts, ch 1189, §5; 2000 Acts, ch 1147, §7, 15
C2001, §516E.10
2005 Acts, ch 70, §34; 2006 Acts, ch 1030, §63; 2012 Acts, ch 1017, §100
Referred to in §714H.3

**516E.11 Records — explanation of reasons for denial of claims.**

1. A provider, service company, or third-party administrator shall keep accurate records concerning transactions regulated under this chapter.

*a.* Records of a provider, service company, or third-party administrator shall include all of the following:

(1) Copies of each type of service contract issued or sold.

(2) The name and address of each service contract holder.

(3) Claim files which shall contain, at a minimum, the dates, amounts, and descriptions of all receipts, claims, and expenditures related to service contracts.

(4) Copies of all materials relating to claims which have been denied.

*b.* A provider, service company, or third-party administrator shall retain all required records pertaining to a service contract holder for at least two years after the specified period of coverage has expired. A provider, service company, or third-party administrator discontinuing business in this state shall maintain its records until the provider, service company, or third-party administrator furnishes the commissioner satisfactory proof that the provider, service company, or third-party administrator has discharged all obligations to contract holders in this state.

*c.* A provider, service company, or third-party administrator shall make all records concerning transactions regulated under the chapter available to the commissioner for the purpose of examination.

*d.* A provider, service company, or third-party administrator may keep all records required under this chapter in an electronic form. If an administrator maintains records in a form other than a printed copy, the records shall be accessible from a computer terminal available to the commissioner and shall be capable of duplication to a legible printed copy.

2. A provider, service company, or third-party administrator shall promptly deliver a written explanation to the service contract holder, describing the reasons for denying a claim or for the offer of a compromise settlement, based on all relevant facts or legal requirements and referring to applicable provisions of the service contract.

3. A provider, service company, or third-party administrator shall keep accurate records concerning transactions regulated under this chapter, including a list of the locations where service contracts are marketed, sold, offered for sale, or performed.

90 Acts, ch 1145, §9
C91, §321I.12
94 Acts, ch 1031, §3; 98 Acts, ch 1189, §6; 2000 Acts, ch 1147, §8 – 10, 15
C2001, §516E.11
2005 Acts, ch 70, §35

**516E.12 Service of process.**

The commissioner shall be the agent for service of process upon a provider, service company, or third-party administrator and an issuer of a reimbursement insurance policy.

90 Acts, ch 1145, §10
C91, §321I.13
2000 Acts, ch 1147, §15
C2001, §516E.12
2005 Acts, ch 70, §36

**516E.13 Orders, investigations, examinations, and subpoenas.**

1. The commissioner may take actions which are necessary or appropriate for the protection of service contract holders or for the effective administration of this chapter. The commissioner may make private and public investigations and examinations as the commissioner deems necessary to determine whether any person has violated or is about to violate this chapter or a rule or order adopted or issued pursuant to this chapter.

2. In an investigation or proceeding under this chapter, the commissioner or any officer designated by the commissioner may administer oaths and affirmations, subpoena witnesses and compel their attendance, take evidence, and require the production of records which the commissioner deems relevant or material to an inquiry, all of which may be enforced in accordance with chapter 17A.

3. A person is not excused from attending and testifying or from producing a document or record before the administrator or in obedience to a subpoena of the administrator or an

officer designated by the administrator, or in a proceeding instituted by the administrator, on the grounds that the testimony or evidence, documentary or otherwise, required of the person may tend to incriminate or subject the person to a penalty or forfeiture. However, a person shall not be prosecuted or subjected to any penalty or forfeiture due to a transaction or matter about which the person is compelled, after claiming privilege against self-incrimination, to testify or produce evidence, documentary or otherwise. The person testifying, however, is not exempt from prosecution and punishment for perjury or contempt committed while testifying.

4. Upon the commissioner's determination that a provider, service company, or third-party administrator has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or a rule adopted pursuant to this chapter, the commissioner may issue a summary order directing the person to cease and desist from engaging in the act or practice resulting in the violation or to take other affirmative action as in the judgment of the commissioner is necessary to comply with the requirements of this chapter.

*a.* If a hearing is not timely requested, the summary order becomes final by operation of law. The order shall remain effective from the date of issuance until the date the order becomes final by operation of law or is overturned by a presiding officer or court following a request for hearing. A person who has been issued a summary order under this subsection may contest the order by filing a request for a contested case proceeding as provided in chapter 17A and in accordance with rules adopted by the commissioner. However, the person shall have at least thirty days from the date that the order is issued in order to file the request. Section 17A.18A is inapplicable to a summary order issued under this subsection.

*b.* A person violating a summary order issued under this subsection shall be deemed in contempt of that order. The commissioner may petition the district court to enforce the order as certified by the commissioner. The district court shall adjudge the person in contempt of the order if the court finds after hearing that the person is not in compliance with the order. The court shall assess a civil penalty against the person in an amount not less than three thousand dollars but not greater than ten thousand dollars per violation, and may issue further orders as it deems appropriate.

90 Acts, ch 1145, §11
C91, §321I.14
94 Acts, ch 1031, §4; 2000 Acts, ch 1147, §11, 15
C2001, §516E.13
2005 Acts, ch 70, §37

**516E.14 Audits.**

The commissioner may examine or cause to be examined the records of a provider, service company, or third-party administrator for the purpose of verifying compliance with this chapter. The commissioner may require, by a subpoena, the attendance of the provider, service company, or third-party administrator, or a representative thereof, and any other witness whom the commissioner deems necessary or expedient, and the production of records relating in any manner to compliance with this chapter if a provider, service company, third-party administrator, or witness fails or refuses to produce the documents for examination when requested by the commissioner.

90 Acts, ch 1145, §12
C91, §321I.15
2000 Acts, ch 1147, §12, 15
C2001, §516E.14
2005 Acts, ch 70, §38

**516E.15 Violations — penalties.**

1. *a.* Except as provided in paragraph "*b*", all of the following shall apply:

(1) A violation of this chapter or a rule adopted pursuant to this chapter is a violation of section 714.16, subsection 2, paragraph "*a*". The remedies and penalties provided by section 714.16, including but not limited to injunctive relief and civil penalties, apply to violations of this chapter.

(2) A person who willfully and knowingly violates this chapter or a rule adopted pursuant to this chapter is, upon conviction, guilty of a class "D" felony.

*b.* A provider or service company that fails to file documents and information with the commissioner as required pursuant to section 516E.3 may be subject to a civil penalty. The amount of the civil penalty shall not be more than four hundred dollars plus two dollars for each service contract that the person executed prior to satisfying the filing requirement. However, a person who fails to file information regarding a change in the name or the termination of the business of a provider or service company as required pursuant to section 516E.3 is subject to a civil penalty of not more than five hundred dollars.

2. If the commissioner believes that grounds exist for the criminal prosecution of a provider, service company, or third-party administrator for violating this chapter or any other law of this state, the commissioner may forward to the attorney general or the county attorney the grounds for the belief, including all evidence in the commissioner's possession for action deemed appropriate by the attorney general or county attorney. At the request of the attorney general, the county attorney shall appear and prosecute the action when brought in the county served by the county attorney.

94 Acts, ch 1031, §5
C95, §321I.16
2000 Acts, ch 1147, §13, 15
C2001, §516E.15
2005 Acts, ch 70, §39, 40; 2006 Acts, ch 1117, §88

**516E.16 Court action for failure to cooperate.**

1. If a person fails or refuses to file a statement or report or to produce any books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records, or to obey a subpoena issued by the commissioner, the commissioner may refer the matter to the attorney general, who may apply to a district court to enforce compliance. The court may order any of the following:

*a.* Injunctive relief restricting or prohibiting the offer or sale of service contracts.

*b.* Production of documents or records including but not limited to books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records.

*c.* Such other relief as may be appropriate.

2. A court order issued pursuant to subsection 1 is effective until the person who is subject to the order files the statement or report, produces the documents requested, or obeys the subpoena.

2005 Acts, ch 70, §41

**516E.17 Net worth requirement.** Repealed by 2006 Acts, ch 1117, § 128. See § 516E.21.

**516E.18 Public access to records.**

1. The administrator shall keep a register of all filings and orders which have been entered. The register shall be open for public inspection.

2. Upon request and for a reasonable fee, the administrator shall furnish to any person copies of any register entry or any document which is a matter of public record and not confidential. Copies shall be available during normal business hours and may be certified upon request. In any administrative, civil, or criminal proceeding, a certified copy is prima facie evidence of the contents of the document certified.

3. Pursuant to chapter 22, the administrator may maintain the confidentiality of information obtained during an investigation or audit.

2005 Acts, ch 70, §43

**516E.19 Administration.**

1. This chapter shall be administered by the commissioner. The deputy administrator appointed pursuant to section 502.601 shall be the principal operations officer responsible to the commissioner for the routine administration of this chapter and management of the

administrative staff. In the absence of the commissioner, whether because of vacancy in the office, by reason of absence, physical disability, or other cause, the deputy administrator shall be the acting administrator and shall, for the time being, have and exercise the authority conferred upon the commissioner. The commissioner may from time to time delegate to the deputy administrator any or all of the functions assigned to the commissioner in this chapter. The deputy administrator shall employ officers, attorneys, accountants, auditors, investigators, and other employees as shall be needed for the administration of this chapter.

2. Upon request, the commissioner may honor requests from interested persons for interpretive opinions.

2005 Acts, ch 70, §44

**516E.20 Application of insurance laws.**

The sale of a service contract under this chapter shall not be deemed to include the sale of insurance. Unless a service company, third-party administrator, or provider is otherwise engaged in the sale of insurance, the insurance laws of this state are not applicable to the service company, third-party administrator, or provider of such a service contract.

2006 Acts, ch 1117, §89

**516E.21 Financial responsibility and security requirements in lieu of reimbursement insurance policy.**

1. In lieu of obtaining a reimbursement insurance policy as provided in section 516E.2, subsection 3, a service company may secure its service contracts by maintaining a funded reserve account which complies with all of the following:

*a.* The reserve account shall be in a custodial account at a financial institution that is dedicated to the service company's outstanding obligations under service contracts issued and outstanding in this state.

*b.* The reserve account shall comply with rules adopted by the commissioner pursuant to chapter 17A establishing requirements for reserve accounts, reserve account agreements, or the method of valuing marketable securities as necessary to protect holders of service contracts issued and outstanding in this state. The commissioner may require amendments to reserve account agreements that are not in compliance with the provisions of this section.

*c.* The reserve account shall not be an amount that is less than forty percent of the gross consideration received, less claims paid, on the sale of service contracts issued and outstanding by the service company in this state.

*d.* The reserve account shall be subject to examination and review by the commissioner or a designee on the premises of the financial institution where the account is located and the financial institution shall, upon request, produce documents or records as necessary to allow the commissioner or a designee to verify the value and safety of the assets of the reserve account.

2. The service company shall annually provide the commissioner with one of the following:

*a.* A copy of the service company's financial statements.

*b.* If the service company's financial statements are consolidated with those of its parent company, a copy of the parent company's most recent form 10-K or form 20-F filed with the federal securities and exchange commission within the last calendar year, or if the parent company does not file with the federal securities and exchange commission, a copy of the parent company's audited financial statements showing a net worth of at least one hundred million dollars. If the service company's financial statements are consolidated with those of its parent company, the service company shall also provide a copy of a written agreement by the parent company guaranteeing the obligations of the service company under service contracts issued and outstanding by the service company in this state.

3. If a service company secures its contracts by maintaining a funded reserve account as provided in subsection 1 but does not have or maintain a minimum net worth or stockholders' equity of one hundred million dollars or more, the service company shall also meet one of the following requirements:

*a.* Maintain a security deposit trust fund which complies with all of the following:

(1) The security deposit trust fund shall be in an account at a financial institution.

(2) The security deposit trust fund shall be held, invested, and administered for the benefit and protection of service contract holders in this state in the event of nonperformance of the service contract by the service company.

(3) The security deposit trust fund shall comply with rules adopted by the commissioner pursuant to chapter 17A, establishing the form, terms, and conditions of security deposit trust fund agreements established pursuant to this paragraph *"a"*.

(4) The security deposit trust fund shall be subject to recovery by any service contract holder sustaining actionable injury due to the failure of the service company to perform its obligations under the service contract. A holder of a service contract issued in this state may, in the event of nonperformance by the service company, maintain an action and file a claim against the security deposit trust fund maintained by the service company.

(5) The security deposit trust fund shall not be commingled with other funds of the service company.

(6) The security deposit trust fund shall have a value of not less than five percent of the gross consideration received by the service company, less claims paid, for the sale of all service contracts issued and in force in this state, but not less than twenty-five thousand dollars, and consist of one or more of the following:

(a) Cash.

(b) Securities of the type eligible for deposit by insurers authorized to transact business in this state.

(c) Certificates of deposit.

(d) Another form of security as prescribed by the commissioner by rule.

*b*. File a surety bond with the commissioner that is issued by a surety company authorized to do business in this state, and that complies with all of the following:

(1) The surety bond is conditioned upon the service company's faithful performance of service contracts subject to this chapter.

(2) The surety bond is for the benefit of and subject to recovery by any service contract holder sustaining actionable injury due to the failure of the service company to perform its obligations under a service contract. The surety's liability shall extend to all service contracts issued by the service company and outstanding in this state. A holder of a service contract issued in this state may, in the event of nonperformance of the contract by the service company, maintain an action and file a claim against the surety bond filed by the service company.

(3) The surety bond is for an amount that is not less than five percent of the gross consideration received by the service company, less claims paid, for the sale of all service contracts issued and in force in this state, but not less than twenty-five thousand dollars.

(4) The surety bond cannot be canceled by the surety except upon written notice of cancellation by the surety to the commissioner by restricted certified mail, and not prior to the expiration of sixty days after receipt of the notice by the commissioner.

2006 Acts, ch 1117, §90

Referred to in §516E.2

# CHAPTER 517

## EMPLOYERS LIABILITY INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


517.1 Reserve required.

517.2 Terms defined.

517.3 Distribution of unallocated payments.

517.4 Reports required.

517.5 Inspection not basis for civil liability.

517.6 Issuance of employers' liability coverage.

**517.1 Reserve required.**

Every corporation, association, company, or reciprocal exchange writing any of the several classes of insurance authorized by paragraph *"d"* of subsection 5 of section 515.48 shall maintain reserves for outstanding losses under insurance against loss or damage from accident to or injuries suffered by an employee or other person and for which the insured is liable computed as follows:

1. For all liability suits being defended under policies written more than:

*a.* Ten years prior to the date as of which the statement is made, one thousand five hundred dollars for each suit.

*b.* Five and less than ten years prior to the date as of which the statement is made, one thousand dollars for each suit.

*c.* Three and less than five years prior to the date as of which the statement is made, eight hundred fifty dollars for each suit.

2. For all liability policies written during the three years immediately preceding the date as of which the statement is made, such reserve shall be sixty percent of the earned liability premiums of each of such three years less all loss and loss expense payments made under liability policies written in the corresponding years; but in any event, such reserve shall, for the first of such three years, be not less than seven hundred fifty dollars for each outstanding liability suit on said year's policies.

3. For all compensation claims under policies written more than three years prior to the date as of which the statement is made, the present values at four percent interest of the determined and the estimated future payments.

4. For all compensation claims under policies written in the three years immediately preceding the date as of which the statement is made, such reserve shall be sixty-five percent of the earned compensation premiums of each of such three years, less all loss and loss expense payments in connection with such claims under policies written in the corresponding years; but in any event, in the case of the first year of any of such three-year period such reserve shall be not less than the present value at four percent interest of the determined and the estimated unpaid compensation claims under policies written during such year.

[C24, 27, 31, 35, 39, §**9025;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §517.1]

**517.2 Terms defined.**

The term *"earned premiums"* as used herein shall include gross premiums charged on all policies written, including all determined excess and additional premiums, less returned premiums, other than premiums returned to policyholders as dividends, and less reinsurance premiums and premiums on policies canceled, and less unearned premiums on policies in force.

Any participating company which has charged in its premiums a loading solely for dividends shall not be required to include such loading in its earned premiums, provided a statement of the amount of such loading has been filed with and approved by the commissioner of insurance.

The term *"compensation"* as used in this chapter shall relate to all insurances affected by virtue of statutes providing compensation to employees for personal injuries irrespective of fault of the employer.

The term *"liability"* shall relate to all insurance, except compensation insurance, against loss or damage from accident to or injuries suffered by an employee or other person and for which the insured is liable.

The terms *"loss payments"* and *"loss expense payments"* as used herein shall include all payments to claimants, including payments for medical and surgical attendance, legal expenses, salaries and expenses of investigators, and field personnel, rents, stationery, telegraph and telephone charges, postage, salaries and expenses of office employees, home office expenses, and all other payments made on account of claims, whether such payments shall be allocated to specific claims or unallocated.

[C24, 27, 31, 35, 39, §**9026;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §517.2]

**517.3 Distribution of unallocated payments.**

All unallocated liability loss expense payments made in a given calendar year subsequent to the first four years in which an insurer has been issuing liability policies shall be distributed as follows: Thirty-five percent shall be charged to the policies written in that year, forty percent to the policies written in the preceding year, ten percent to the policies written in the second year preceding, ten percent to the policies written in the third year preceding, and five percent to the policies written in the fourth year preceding, and such payments made in each of the first four calendar years in which an insurer issues liability policies shall be distributed as follows: In the first calendar year one hundred percent shall be charged to the policies written in that year, in the second calendar year fifty percent shall be charged to the policies written in that year and fifty percent to the policies written in the preceding year, in the third calendar year forty percent shall be charged to the policies written in that year, forty percent to the policies written in the preceding year, and twenty percent to the policies written in the second year preceding, and in the fourth calendar year thirty-five percent shall be charged to the policies written in that year, forty percent to the policies written in the preceding year, fifteen percent to the policies written in the second year preceding, and ten percent to the policies written in the third year preceding, and a schedule showing such distribution shall be included in the annual statement.

All unallocated compensation loss expense payments made in a given calendar year subsequent to the first three years in which an insurer has been issuing compensation policies shall be distributed as follows:

Forty percent shall be charged to the policies written in that year, forty-five percent to the policies written in the preceding year, ten percent to the policies written in the second year preceding and five percent to the policies written in the third year preceding, and such payments made in each of the first three calendar years in which an insurer issues compensation policies shall be distributed as follows: In the first calendar year one hundred percent shall be charged to the policies written in that year, in the second calendar year fifty percent shall be charged to the policies written in that year and fifty percent to the policies written in the preceding year, in the third calendar year forty-five percent shall be charged to the policies written in that year, forty-five percent to the policies written in the preceding year and ten percent to the policies written in the second year preceding, and a schedule showing such distribution shall be included in the annual statement.

Whenever, in the judgment of the commissioner of insurance, the liability or compensation loss reserves of any insurer under the commissioner's supervision, calculated in accordance with the foregoing provisions, are inadequate, the commissioner may, in the commissioner's discretion, require such insurer to maintain additional reserves based upon estimated individual claims or otherwise.

[C24, 27, 31, 35, 39, §**9027;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §517.3]

**517.4 Reports required.**

Each insurer that writes liability or compensation policies shall include in the annual statement required by law a schedule of its experience thereunder in such form as the commissioner of insurance may prescribe.

[C24, 27, 31, 35, 39, §**9028;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §517.4]

Annual statement, §515.63

**517.5 Inspection not basis for civil liability.**

No inspection of any place of employment made by insurance company inspectors or other inspectors inspecting for group self-insurance purposes shall be the basis for the imposition of civil liability upon the inspector or upon the insurance company employing the inspector or upon any group organized for self-insurance purposes which employs an inspector and is regulated by the insurance departments; but this provision refers only to liability arising out of the making of an inspection and shall not be construed to deny or limit the liability of any employer to the employer's employees or the liability of any insurance carrier on its insurance policy.

[C79, 81, §517.5]

**517.6 Issuance of employers' liability coverage.**

An insurer intending to issue a policy providing employers' liability insurance only and covering a corporate officer excluded from workers' compensation coverage by the signing of a written rejection of workers' compensation coverage under section 87.22, shall file the policy with and obtain the approval of the commissioner of insurance. The filing shall include the premium rates which will apply to the employers' liability coverage.

83 Acts, ch 36, §6, 8

# CHAPTER 517A

## LIABILITY INSURANCE FOR PUBLIC EMPLOYEES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

See chapter 669 for tort liability of state
See chapter 670 for tort liability of governmental subdivisions

517A.1 Authority to purchase.

**517A.1 Authority to purchase.**

All state commissions, departments, boards and agencies and all commissions, departments, boards, districts, municipal corporations and agencies of all political subdivisions of the state of Iowa not otherwise authorized are hereby authorized and empowered to purchase and pay the premiums on liability, personal injury and property damage insurance covering all officers, proprietary functions and employees of such public bodies, including volunteer fire fighters, while in the performance of any or all of their duties including operating an automobile, truck, tractor, machinery or other vehicles owned or used by said public bodies, which insurance shall insure, cover and protect against individual personal, corporate or quasi corporate liability that said bodies or their officers or employees may incur.

The form and liability limits of any such liability insurance policy purchased by any commission, department, board, or agency of the state of Iowa shall be subject to the approval of the attorney general.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §517A.1]

# CHAPTER 518

## COUNTY MUTUAL INSURANCE ASSOCIATIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 423.3, 505.28, 505.29, 506.14, 507.1, 508C.3, 515.1, 515B.2, 515F.3, 515F.32, 518C.2, 518C.3, 518C.5, 518C.10, 521.1, 521E.1, 533C.103, 537.7103, 669.14, 670.7

Memorandum of intent, 61 GA (1965), Senate Journal, page 1612; House Journal, page 1785


518.1 Incorporation.
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518.31 Rulemaking.


**518.1 Incorporation.**

Corporations formed to operate as county mutual insurance associations shall be governed by the provisions of chapter 491, except as modified by the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §518.1]

**518.2 Articles — approval — bylaws.**

The articles of incorporation, and any subsequent amendments, of an organization shall be filed with and approved by the commissioner of insurance before filing with the secretary of state. The organization shall file with the commissioner bylaws and subsequent amendments to the bylaws within thirty days of adoption of the bylaws or amendments.

[C66, 71, 73, 75, 77, 79, 81, §518.2]

99 Acts, ch 165, §15; 2009 Acts, ch 145, §26

**518.3 Certificate — recording.**

If the commissioner of insurance approves the articles of incorporation, the commissioner shall so certify and the articles with the certificates of approval shall then be recorded and certified by the secretary of state.

[C66, 71, 73, 75, 77, 79, 81, §518.3]

**518.4 Identification as to type of insurer.**

Any association incorporated under the laws of this state for the purpose of furnishing insurance as provided for in this chapter shall be known as a county mutual insurance association. The words "mutual" and "association" shall be incorporated in and become a part of its name.

[C97, §1760; S13, §1759-b; C24, 27, 31, 35, 39, §**9030;** C46, 50, 54, 58, 62, §518.2; C66, 71, 73, 75, 77, 79, 81, §518.4]

**518.5 Commencement of business — conditions.**

A county mutual insurance association formed on or after July 1, 2009, shall not issue policies until applications for insurance of not less than one hundred thousand dollars, representing at least two hundred applicants, have been received, and no application

for insurance during the period of organization shall exceed two percent of the amount required for organization, any reinsurance taking effect simultaneously with the policy being deducted in determining such maximum single risk.

[C66, 71, 73, 75, 77, 79, 81, §518.5]

2009 Acts, ch 145, §27

**518.6 Powers of the members.**

Members of the association shall have the power to make or amend articles of incorporation at any membership meeting, provided that notice of such addition or amendment has been mailed to each member at least ten days in advance of the meeting in which such proposed action is to be considered, and provided that no amendment shall become effective until approved by the commissioner of insurance and recorded in the office of the secretary of state.

[C66, 71, 73, 75, 77, 79, 81, §518.6]

**518.7 Officers and directors — election.**

Officers or directors shall be elected in the manner and for the length of time prescribed in the articles of incorporation. The same person shall not simultaneously hold the offices of president and secretary. A director shall be a member of the association.

[C66, 71, 73, 75, 77, 79, 81, §518.7]

97 Acts, ch 186, §22; 2000 Acts, ch 1023, §35

**518.8 Bylaws.**

The directors of the association shall have the authority to enact such bylaws and regulations not inconsistent with law as they consider necessary for the regulation and conduct of the business. No change in the bylaws shall have the effect of limiting coverage under existing policies of insurance. An association shall file with the commissioner bylaws and subsequent amendments to the bylaws within thirty days of the adoption of the bylaws and amendments.

[C66, 71, 73, 75, 77, 79, 81, §518.8]

2000 Acts, ch 1023, §36

**518.9 Eligibility for membership.**

The members of the association shall consist of those persons or organizations insured therein. The words *"persons"* and *"members"* as used in this chapter shall be construed to mean trustees, administrators, and all other individuals, public or private corporations or associations. Insurance on the property of one or more minors may be granted on application of an adult parent, friend or guardian who consents to become a member as representing such minor.

[C66, 71, 73, 75, 77, 79, 81, §518.9]

**518.10 Territorial limitations.**

The territory of any association shall be limited to the county in which its principal place of business is located, and to the counties contiguous thereto, and no coverage shall be placed on property located outside of this territory; provided, however, that the insurance may be extended, if the policy so provides, to cover personal property while temporarily removed to other locations.

[C97, §1760; S13, §1759-b; C24, 27, 31, 35, 39, §**9030;** C46, 50, 54, 58, 62, §518.2; C66, 71, 73, 75, 77, 79, 81, §518.10]

**518.11 Kinds of insurance.**

1. Any association organized under this chapter is authorized to insure or to accept reinsurance against loss or damage by:

*a.* Any peril or perils resulting in physical loss or damage to property;

*b.* Theft of personal property;

*c.* Injury, sickness or death of animals and the furnishing of veterinary service.

2. Such contracts of insurance shall be subject only to such provisions as are contained in this chapter and shall consist of:

*a.* An application on blanks furnished by the association and signed by the insured or the insured's representatives;

*b.* A policy issued by the association in accordance with its rules, and approved by the commissioner of insurance.

[C66, 71, 73, 75, 77, 79, 81, §518.11]

2012 Acts, ch 1023, §157

Referred to in §518.17

**518.12 Properties to be insured.**

County mutual insurance associations are permitted to insure only the following classes of property:

1. Farm property, including residences and other farm buildings and all classes of personal property in connection therewith;

2. Buildings and personal property used in the processing of agricultural products in conjunction with a farming operation;

3. City and suburban residences, including household and personal effects;

4. Churches, schools and community buildings.

[C66, 71, 73, 75, 77, 79, 81, §518.12]

**518.13 Premium charges.**

Any association may by action of its board of directors establish premium charges for the purpose of payment of losses and expenses and for the establishment or maintenance of a reserve fund.

[C66, 71, 73, 75, 77, 79, 81, §518.13]

2009 Acts, ch 145, §28

**518.13A Assessments prohibited.**

An association doing business under this chapter shall not levy an assessment on any member of the association.

2000 Acts, ch 1023, §37

**518.14 Investments.**

1. *General considerations.* The following considerations apply in the interpretation of this section:

*a.* This section applies to the investments of county mutual insurance associations.

*b.* (1) The purpose of this section is to protect and further the interests of policyholders, claimants, creditors, and the public by providing standards for the development and administration of programs for the investment of the assets of associations organized under this chapter. These standards, and the investment programs developed by associations, shall take into account the safety of the association's principal, investment yield and growth, stability in the value of the investment, and liquidity necessary to meet the association's expected business needs, and investment diversification.

(2) All investments made pursuant to this section shall have investment qualities and characteristics such that the speculative elements of the investments are not predominant.

*c.* Financial terms relating to county mutual insurance associations have the meanings assigned to them under statutory accounting methods. Financial terms relating to companies or associations other than county mutual insurance associations have the meanings assigned to them under generally accepted accounting principles.

*d.* Investments shall be valued in accordance with the valuation procedures established by the national association of insurance commissioners, unless the commissioner requires or finds another method of valuation reasonable under the circumstances.

*e.* If an investment qualifies under more than one subsection, an association may elect to hold the investment under the subsection of its choice. This section does not prevent an

association from electing to hold an investment under a subsection different from the one under which it previously held the investment.

2. *Definitions.* For purposes of this section:

*a.* *"Admitted assets"*, for purposes of computing percentage limitations on particular types of investments, means the assets which are authorized to be shown on the commissioner's annual statement blank as admitted assets as of the December 31 immediately preceding the date the association acquires the investment.

*b.* *"Clearing corporation"* means as defined in section 554.8102.

*c.* *"Custodian bank"* means as defined in section 515.35.

*d.* *"Issuer"* means as defined in section 554.8201.

*e.* *"Member bank"* means a national bank, state bank, or trust company which is a member of the United States federal reserve system.

*f.* *"National securities exchange"* means an exchange registered under section 6 of the federal Securities Exchange Act of 1934 or an exchange regulated under the laws of Canada.

*g.* *"Obligations"* includes bonds, notes, debentures, transportation equipment certificates, domestic repurchase agreements, and obligations for the payment of money not in default as to payments of principal and interest on the date of investment, which constitute general obligations of the issuer or payable only out of certain revenues or certain funds pledged or otherwise dedicated for payment of principal and interest on the obligations. A lease is an obligation if the lease is assigned to the insurer and is nonterminable by the lessee upon foreclosure of any lien upon the leased property, and if rental payments are sufficient to amortize the investment over the primary lease term.

*h.* *"Surplus"*, for purposes of computing percentage limitations on particular types of investments, means the surplus that is authorized to be shown on the commissioner's annual statement blank as surplus as of the December 31 immediately preceding the date the association acquires the investment.

3. *Investments in name of association or nominee and prohibitions.*

*a.* An association's investments shall be held in its own name or the name of its nominee, except as follows:

(1) Investments may be held in the name of a clearing corporation or of a custodian bank or in the name of the nominee of either on the following conditions:

(a) The clearing corporation, custodian bank, or nominee must be legally authorized to hold the particular investment for the account of others.

(b) When the investment is evidenced by a certificate and held in the name of a custodian bank or the nominee of a custodian bank, a written agreement shall provide that certificates so deposited shall at all times be kept separate and apart from other deposits with the depository, so that at all times they may be identified as belonging solely to the association making the deposit.

(c) If a clearing corporation is to act as depository, the investment may be merged or held in bulk in the name of the clearing corporation or its nominee with other investments deposited with the clearing corporation by any other person, if a written agreement between the clearing corporation and the association provides that adequate evidence of the deposit is to be obtained and retained by the association or a custodian bank.

(2) An association may participate through a member bank in the United States federal reserve book entry system, and the records of the member bank shall at all times show that the investments are held for the association or for specific accounts of the association.

(3) An investment may consist of an individual interest in a pool of obligations or a fractional interest in a single obligation if the certificate of participation or interest or the confirmation of participation or interest in the investment is issued in the name of the association, the name of the custodian bank, or the nominee of either, and, if the interest as evidenced by the certificate or confirmation is, if held by a custodian bank, kept separate and apart from the investments of others so that at all times the participation may be identified as belonging solely to the association making the investment.

(4) Transfers of ownership of investments held as described in paragraph *"a"*, subparagraph (1), subparagraph division (c), and subparagraphs (2) and (3), may be evidenced by bookkeeping entry on the books of the issuer of the investment, its transfer

or recording agent, or the clearing corporation without physical delivery of a certificate evidencing the association's investment.

*b.* Except as provided in paragraph "*a*", subparagraph (4), if an investment is not evidenced by a certificate, adequate evidence of the association's investment shall be obtained from the issuer or its transfer or recording agent and retained by the association, a custodian bank, or clearing corporation. Adequate evidence, for purposes of this paragraph, means a written receipt or other verification issued by the depository or issuer or a custodian bank which shows that the investment is held for the association.

4. *Investments.* Except as otherwise permitted by this section, an association organized under this chapter shall only invest in the following:

*a. United States government obligations.* Bonds or other evidences of indebtedness issued, assumed, or guaranteed by the United States of America, or by any agency or instrumentality of the United States of America, including investments in an open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a and operated in accordance with 17 C.F.R. § 270.2a-7, the portfolio of which is limited to the United States obligations described in this paragraph, and which are included in the national association of insurance commissioners' securities valuation office's United States direct obligation – full faith and credit list.

*b. Certain development bank obligations.* Obligations issued or guaranteed by the international bank for reconstruction and development, the Asian development bank, the inter-American development bank, the export-import bank, the world bank, or any United States government-sponsored organization of which the United States is a member, if the principal and interest is payable in United States dollars. An association shall not invest more than five percent of its total admitted assets in the obligations of any one of these banks or organizations, and shall not invest more than a total of ten percent of its total admitted assets in the obligations authorized by this paragraph.

*c. State obligations.* Obligations issued or guaranteed by a state, a political subdivision of a state, or an instrumentality of a state.

*d. Canadian government obligations.* Obligations issued or guaranteed by Canada, by an agency or province of Canada, by a political subdivision of such province, or by an instrumentality of any of those provinces or political subdivisions.

*e. Corporate and business trust obligations.* Obligations issued, assumed, or guaranteed by a corporation or business trust organized under the laws of the United States or a state, or the laws of Canada or a province of Canada, provided that an association shall not invest more than five percent of its admitted assets in the obligations of any one corporation or business trust. Investments shall be made only in investment grade bonds.

*f. Stocks.* Common stocks, common stock equivalents, mutual fund shares, securities convertible into common stocks or common stock equivalents, or preferred stocks issued or guaranteed by a corporation incorporated under the laws of the United States or a state, or the laws of Canada or a province of Canada, or limited partnerships publicly traded on a nationally established stock exchange in the United States. Aggregate investments in nondividend paying stocks shall not exceed five percent of surplus.

(1) Stocks purchased under this lettered paragraph shall not exceed fifty percent of surplus.

(2) With the approval of the commissioner, an association may invest in common stocks, preferred stocks, or other securities of one or more subsidiaries provided that both of the following occur:

(a) After such investments the association's surplus as regards policyholders will be reasonable in relation to the association's outstanding liabilities and adequate to its financial needs.

(b) The association owns one hundred percent of the stock of the subsidiary.

(3) An association shall not invest more than ten percent of its surplus in the stocks of any one corporation.

*g. Home office real estate.* With the prior approval of the commissioner, funds may be invested in home office real estate for the association or a subsidiary, at the direction

of the board of directors. The association or subsidiary shall obtain the approval of the commissioner prior to the sale or disposition of home office real estate owned by the association or subsidiary. Effective as to home office real estate acquired on or after July 1, 2009, an association shall not invest more than twenty percent of its total admitted assets in such real estate. With the prior approval of the commissioner, an association may exceed the real estate investment limitation to effectuate a merger with, or the acquisition of, another association.

[C66, 71, 73, 75, 77, 79, 81, §518.14]

95 Acts, ch 185, §26; 96 Acts, ch 1138, §3, 84; 2005 Acts, ch 70, §45; 2006 Acts, ch 1010, §141; 2007 Acts, ch 137, §17; 2009 Acts, ch 41, §263; 2009 Acts, ch 145, §29 – 31; 2010 Acts, ch 1061, §67; 2013 Acts, ch 124, §23

Subsection 4, paragraph f, unnumbered paragraph 1 amended

**518.15 Reports, examinations, and renewals.**

1. The president or the vice president and secretary of each association authorized to do business under this chapter shall annually before the first day of March prepare under oath and file with the commissioner of insurance a full, true, and complete statement of the condition of such association on the last day of the preceding year. The commissioner of insurance shall prescribe the report forms and shall determine the information and data to be reported.

2. Such associations shall pay the same expenses of any examination made or ordered to be made by the commissioner of insurance and the same fees for the annual reports and annual certificates of authority as are required to be paid by domestic companies organized and doing business under chapter 515.

3. A certificate of authority of an association formed under this chapter expires on June 1 succeeding its issue and shall be renewed annually so long as the association transacts its business in accordance with all legal requirements. An association shall submit annually, on or before March 1, a completed application for renewal of its certificate of authority.

4. The commissioner shall refuse to renew the certificate of authority of an association that fails to comply with the provisions of this chapter.

5. An association formed under this chapter that fails to timely file the statement required under subsection 1 or the application for renewal required under subsection 3 is in violation of this section and shall pay an administrative penalty of five hundred dollars to the treasurer of state for deposit as provided in section 505.7. The association's right to transact new business in this state shall immediately cease until the association has fully complied with this chapter.

6. The commissioner may give notice to an association that the association has not timely filed the statement required under subsection 1 or an application for renewal under subsection 3 and is in violation of this section. If the association fails to file the required statement or application and comply with this section within ten days of the date of the notice, the association shall pay an additional administrative penalty of one hundred dollars for each day that the failure continues to the treasurer of state for deposit as provided in section 505.7.

[C66, 71, 73, 75, 77, 79, 81, §518.15]

88 Acts, ch 1112, §108; 2006 Acts, ch 1117, §91; 2009 Acts, ch 181, §83

**518.16 Soliciting application for insurance — license required.**

A person shall not solicit any application for insurance for an association in this state without having procured from the commissioner of insurance a license authorizing the person to act as an insurance producer pursuant to chapter 522B.

[C66, 71, 73, 75, 77, 79, 81, §518.16; 82 Acts, ch 1003, §8]

95 Acts, ch 185, §27; 2001 Acts, ch 118, §16

**518.16A Limitation on termination of independent insurance producers.**

A county mutual insurance association authorized to do business in this state shall not terminate a contract of an insurance producer who is an independent contractor but who is not an exclusive insurance producer as defined in section 522B.1 without at least one hundred

eighty days' notice, except for loss of license, fraud, nonpayment of association premiums that are due and not in dispute by the producer, or the withdrawal of operations in the state by the association.

2002 Acts, ch 1111, §25

**518.17 Reinsurance.**

1. A county mutual insurance association may reinsure a part or all of its coverages written pursuant to this chapter with an association operating under this chapter, or with any other association or company licensed in this state and authorized to write the kinds of insurance enumerated in section 518.11.

2. Reinsurance sufficient to protect the financial stability of the county mutual insurance association is also required. In general, reinsurance coverage obtained by a county mutual insurance association shall not expose the association to losses from coverages written pursuant to this chapter of more than fifteen percent from surplus in any calendar year. The commissioner of insurance may require additional reinsurance if necessary to protect the policyholders of the association.

[C66, 71, 73, 75, 77, 79, 81, §518.17]

91 Acts, ch 26, §47; 99 Acts, ch 165, §16; 2000 Acts, ch 1023, §38; 2002 Acts, ch 1111, §26; 2002 Acts, ch 1119, §183; 2009 Acts, ch 145, §32

Referred to in §521.13

**518.18 Premium tax.**

After January 1, 1966, every association doing business under this chapter shall be required to pay to the director of the department of revenue, or a depository designated by the director, as taxes an amount equal to the following:

1. The applicable percent of the gross amount of premiums received during the preceding calendar year, after deducting the amount returned upon the canceled policies, certificates, and rejected applications; and after deducting premiums paid for windstorm or hail reinsurance on properties specifically reinsured. However, the reinsurer of such windstorm or hail risks shall pay the applicable percent of the gross amount of reinsurance premiums received upon such risks after deducting the amounts returned upon canceled policies, certificates, and rejected applications. For purposes of this section, *"applicable percent"* means the same as specified in section 432.1, subsection 4.

2. Except as provided in subsection 3, the premium tax shall be paid on or before March 1 of the year following the calendar year for which the tax is due. The commissioner of insurance may suspend the certificate of authority of a county mutual insurance association that fails to pay its premium tax on or before the due date.

3. *a.* Each county mutual insurance association transacting business in this state whose Iowa premium tax liability for the preceding calendar year was one thousand dollars or more shall remit on or before June 1, on a prepayment basis, an amount equal to one-half of the premium tax liability for the preceding calendar year.

*b.* In addition to the prepayment amount in paragraph *"a"*, each association shall remit on or before August 15, on a prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

(1) For prepayment in the 2003 and 2004 calendar years, eleven percent.

(2) For prepayment in the 2005 calendar year, twenty-six percent.

(3) For prepayment in the 2006 and subsequent calendar years, fifty percent.

*c.* The sums prepaid by a county mutual insurance association under this subsection shall be allowed as credits against its premium tax liability for the calendar year during which the payments are made. If a prepayment made under this subsection exceeds the annual premium tax liability, the excess shall be allowed as a credit against subsequent prepayment or tax liabilities. The commissioner of insurance may suspend the certificate of authority of an association that fails to make a prepayment on or before the due date.

[C66, 71, 73, 75, 77, 79, 81, §518.18]

2003 Acts, ch 145, §286; 2003 Acts, ch 179, §136, 159; 2004 Acts, ch 1175, §339, 348

Referred to in §432.1

**518.19 Proof of loss.**

A proof of loss shall contain such information as is required by the policy provisions of the association, which information shall be signed and sworn to by the insured.

[C66, 71, 73, 75, 77, 79, 81, §518.19]

2009 Acts, ch 145, §33

**518.20 Reporting of livestock losses.**

In the event of loss of livestock, the insured shall give notice to the association in sufficient time to permit the performance by a licensed veterinarian of a postmortem examination of the livestock for which claim is made, but in no event later than forty-eight hours from the time of occurrence.

[C66, 71, 73, 75, 77, 79, 81, §518.20]

**518.21 Reporting of losses of crops by hail.**

In the event of loss to growing crops by hail, notice of such loss must be given by mailing to the association a certified letter within ten days from the time such loss or damage occurred.

[C66, 71, 73, 75, 77, 79, 81, §518.21]

**518.22 Limitation of action.**

A suit or action on a policy for the recovery of any claim shall not be sustainable in any court of law or equity unless all requirements of the policy have been complied with, and unless commenced within twelve months next after the inception of the loss.

[C66, 71, 73, 75, 77, 79, 81, §518.22]

2009 Acts, ch 145, §34

**518.23 Cancellation or nonrenewal of policies — notice.**

1. *Cancellation by insured.* A policy shall be canceled at any time at the request of the insured.

2. *Cancellation by association.*

*a.* Except as provided in paragraph *"b"*, notice of cancellation is not effective unless mailed or delivered by the association to the named insured at least thirty days before the effective date of cancellation.

*b.* Notice of cancellation resulting from nonpayment of a premium or installment provided for in the policy, or provided for in a note or contract for the payment of such premium or installment, is not effective unless mailed or delivered by the association to the named insured at least ten days prior to the date of cancellation.

*c.* If a notice of cancellation under paragraph *"a"* or *"b"* fails to include the reason for such cancellation, the association, upon receipt of a timely request by the named insured, shall provide in writing the reason for the cancellation.

3. *Nonrenewal by association.* A notice of intention not to renew is not effective unless mailed or delivered by the insurer to the named insured at least thirty days prior to the expiration date of the policy. If the reason does not accompany the notice of nonrenewal, the association, upon receipt of a timely request by the named insured, shall provide the reason for the nonrenewal in writing.

4. *Notice.* Service of notice under subsection 2 or 3 may be delivered in person or mailed to the insured at the insured's post office address as given in or upon the policy, or to such other address as the insured shall have given to the association in writing. A post office department certificate of mailing shall be deemed proof of receipt of such mailing. If in either case the cash payments exceed the amount properly chargeable, the excess shall be refunded to the insured.

[C66, 71, 73, 75, 77, 79, 81, §518.23]

2000 Acts, ch 1023, §39; 2001 Acts, ch 69, §35; 2003 Acts, ch 91, §47; 2009 Acts, ch 145, §35

**518.24** Reserved.

**518.25 Surplus.**

An association organized under this chapter before July 1, 2009, shall at all times maintain a surplus of not less than fifty thousand dollars or one-tenth of one percent of the gross risk in force, whichever is greater. An association organized under this chapter on or after July 1, 2009, shall at all times maintain a surplus of not less than one hundred thousand dollars or one-tenth of one percent of the gross risk in force, whichever is greater.

90 Acts, ch 1234, §70; 99 Acts, ch 165, §17; 2002 Acts, ch 1111, §27; 2009 Acts, ch 145, §36

**518.26 Loans to officers prohibited.**

Assets or other funds shall not be loaned directly or indirectly to an officer, director, or employee of the association, or directly or indirectly to a relative of an officer, director, or an employee of the association.

95 Acts, ch 185, §28

**518.27 Form — approval.**

The form of all policies, applications, agreements, and endorsements modifying the provisions of policies, and all permits and riders used in this state, issued or proposed to be issued by a county mutual insurance association doing business in this state under the provisions of this chapter, shall first be examined and approved by the commissioner of insurance.

95 Acts, ch 185, §29

Referred to in §518.28

**518.28 Failure to file copy.**

Upon the failure of a county mutual insurance association to file a copy of its forms of policies or contracts pursuant to section 518.27, the commissioner of insurance may suspend its authority to transact business within the state until such forms of policies or contracts have been filed and approved.

95 Acts, ch 185, §30; 2001 Acts, ch 24, §56

**518.29 Disapproval of filings.**

If the commissioner finds that a filing does not meet the requirements of this chapter, written notice of disapproval shall be sent to the county mutual insurance association specifying in what respect the filing fails to meet the requirements of this chapter and stating that the filing is not effective. If a filing is disapproved by the commissioner, the association may request a hearing on the disapproval within thirty days. The association bears the burden of proving compliance with the standards established by this chapter.

If, at any time after a form has been approved, the commissioner finds that the form no longer meets the requirements of this chapter, the commissioner may order the discontinuance of the use of the form. The order of discontinuance shall be in writing and may be issued only after a hearing with at least ten days' prior notice to all county mutuals affected by the order. The order shall state the grounds upon which the order is based and when the order of discontinuance is effective.

95 Acts, ch 185, §31

**518.30 Certificate suspension.**

The commissioner of insurance may suspend a county mutual insurance association's certificate of authority to do business if the association neglects or fails to comply with this chapter.

95 Acts, ch 185, §32

**518.31 Rulemaking.**

The commissioner may adopt rules pursuant to chapter 17A as necessary for the administration of this chapter.

2009 Acts, ch 145, §37

# CHAPTER 518A

## STATE MUTUAL INSURANCE ASSOCIATIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 423.3, 505.28, 505.29, 506.14, 507.1, 508C.3, 515.1, 515B.2, 515F.3, 515F.32, 518C.2, 518C.3, 518C.5, 518C.10, 519.10, 521.1, 521A.2, 521E.1, 533C.103, 537.7103, 616.11, 669.14, 670.7

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**518A.1 Organization — purpose and powers.**

1. Any number of persons may, by incorporating under chapter 491, enter into contracts with each other for the following kinds of insurance from loss or damage by:

*a.* Any peril or perils resulting in physical loss of or damage to property.

*b.* Theft of personal property.

*c.* Injury, sickness, or death of animals and the furnishing of veterinary service.

*d.* Any vehicle, excluding automobile or aircraft, including loss and expense resulting from the ownership, maintenance, or use thereof, but shall not include insurance against bodily injury to the person.

2. For the purpose of this protection these contracts of insurance shall be subject only to such provisions as are contained in this chapter and shall consist of:

*a.* An application on blanks furnished by the association and signed by the insured or the insured's representative, which may contain in addition to other provisions: the value of the property, the proper description thereof, the amount of other insurance and the encumbrance thereon, and agreement to be governed by the articles of incorporation and bylaws in force at the time the policy is issued, a representation that the foregoing statements are true as far as the same are known to the insured or material to the risk, and that the insurance shall take effect when approved by the secretary.

*b.* A policy issued by the association in accordance with its rules, and approved by the commissioner of insurance.

3. Such associations may insure risks of their members or may reinsure risks of other associations or companies.

4. The words *"persons"* and *"members"* as used in this chapter shall be construed to mean trustees, administrators, and all other individuals, public or private corporations or associations.

5. Insurance on the property of one or more minors may be granted on application of an adult parent, friend, or guardian who consents to become a member as representing such minor.

[C73, §1160; C97, §1759; S13, §1759-a; C24, 27, 31, 35, 39, §**9029;** C46, 50, 54, 58, 62, §518.1; C66, 71, 73, 75, 77, 79, 81, §518A.1]

88 Acts, ch 1112, §510; 2007 Acts, ch 137, §18

Referred to in §518A.44

**518A.1A Plan of organization.**

An entity seeking to organize as or convert to a state mutual insurance association shall submit a plan of organization to the commissioner for approval.

99 Acts, ch 165, §18

**518A.2 State mutual insurance associations.**

Any association incorporated under the laws of this state for the purpose of furnishing insurance as provided for in this chapter is authorized to do business in the county in which its principal place of business is located, the counties contiguous thereto, and the next tier of contiguous counties and in other states where they are legalized and authorized to do business. Each association seeking to modify its authorized writing territory shall file with the commissioner a plan for controlled expansion demonstrating that provisions have been made adequately to service and protect policyholders. The expansion plan shall not be modified without the prior written approval of the commissioner, which approval shall not be unreasonably withheld. The words "mutual" and "association" shall be incorporated in and become a part of their name.

[C97, §1760; S13, §1759-b; C24, 27, 31, 35, 39, §**9030;** C46, 50, 54, 58, 62, §518.2; C66, 71, 73, 75, 77, 79, 81, §518A.2]

2002 Acts, ch 1111, §28

**518A.3 Meetings.**

Unless the time and place of holding the annual meeting of the members of any association transacting business under the provisions of this chapter are plainly stated in their articles of incorporation or bylaws, twenty days' notice of the time and place of holding of said meetings shall be given to all members of the association. Annual meetings may adjourn from time to time.

[S13, §1759-o; C24, 27, 31, 35, 39, §**9031;** C46, 50, 54, 58, 62, §518.3; C66, 71, 73, 75, 77, 79, 81, §518A.3]

**518A.4 Amendments to articles.** Repealed by 2009 Acts, ch 145, § 54. See § 518A.57.

**518A.5 Articles and bylaws part of policy.**

When such articles of incorporation and bylaws are printed on the policy they become a part thereof and are binding upon the association and the insured alike.

[C24, 27, 31, 35, 39, §**9033;** C46, 50, 54, 58, 62, §518.5; C66, 71, 73, 75, 77, 79, 81, §518A.5]

**518A.6 Officers — election.**

Officers or directors shall be elected in the manner and for the length of time prescribed in the articles of incorporation or bylaws. The same person shall not simultaneously hold the offices of president and secretary. A director shall be a member of the association.

[C24, 27, 31, 35, 39, §**9034;** C46, 50, 54, 58, 62, §518.6; C66, 71, 73, 75, 77, 79, 81, §518A.6]

97 Acts, ch 186, §23; 2000 Acts, ch 1023, §40

**518A.6A Bylaws.**

The directors of the association may enact the bylaws and regulations not inconsistent with law as they consider necessary for the regulation and conduct of the business. A change in the bylaws shall not limit coverage under existing policies of insurance. An association shall file with the commissioner bylaws and amendments to bylaws within thirty days of adoption.

2000 Acts, ch 1023, §41

**518A.7 Policies — issuance — conditions.** Repealed by 2009 Acts, ch 145, § 54.

**518A.8 Articles — approval — bylaws.**

The articles of incorporation, and any subsequent amendments, to the articles of an organization shall be filed with and approved by the commissioner of insurance before filing with the secretary of state. The organization shall file with the commissioner bylaws and subsequent amendments to the bylaws within thirty days of adoption of the bylaws or amendments.

[C97, §1761; S13, §1759-c; C24, 27, 31, 35, 39, §**9036;** C46, 50, 54, 58, 62, §518.8; C66, 71, 73, 75, 77, 79, 81, §518A.8]

99 Acts, ch 165, §19; 2009 Acts, ch 145, §38

**518A.9 Premium charges.**

An association, by action of its board of directors, may establish premium charges for the purpose of payment of losses and expenses and for the establishment or maintenance of a reserve fund.

[C97, §1765; S13, §1759-h; C24, 27, 31, 35, 39, §**9037;** C46, 50, 54, 58, 62, §518.9; C66, 71, 73, 75, 77, 79, 81, §518A.9]

2000 Acts, ch 1023, §43; 2009 Acts, ch 145, §39

Referred to in §519.11

**518A.9A Assessments prohibited.**

An association doing business under this chapter shall not levy an assessment on any member of the association.

2000 Acts, ch 1023, §44

**518A.10** Repealed by 99 Acts, ch 165, § 23.

**518A.11** Repealed by 2000 Acts, ch 1023, § 59.

**518A.12 Investments.**

1. *General considerations.* The following considerations apply in the interpretation of this section:

*a.* This section applies to the investments of state mutual insurance associations.

*b.* (1) The purpose of this section is to protect and further the interests of policyholders, claimants, creditors, and the public by providing standards for the development and administration of programs for the investment of the assets of associations organized under this chapter. These standards, and the investment programs developed by companies, shall take into account the safety of the association's principal, investment yield and growth, stability in the value of the investment, and liquidity necessary to meet the association's expected business needs, and investment diversification.

(2) All investments made pursuant to this section shall have investment qualities and characteristics such that the speculative elements of the investments are not predominant.

*c.* Financial terms relating to state mutual insurance associations have the meanings assigned to them under statutory accounting methods. Financial terms relating to companies other than state mutual insurance associations have the meanings assigned to them under generally accepted accounting principles.

*d.* Investments shall be valued in accordance with the valuation procedures established by the national association of insurance commissioners, unless the commissioner requires or finds another method of valuation reasonable under the circumstances.

*e.* If an investment qualifies under more than one subsection, an association may elect to hold the investment under the subsection of its choice. This section does not prevent an association from electing to hold an investment under a subsection different from the one under which it previously held the investment.

2. *Definitions.* For purposes of this section:

*a.* *"Admitted assets"*, for purposes of computing percentage limitations on particular types of investments, means the assets which are authorized to be shown on the national association of insurance commissioner's annual statement blank as admitted assets as of the December 31 immediately preceding the date the association acquires the investment.

*b.* *"Clearing corporation"* means as defined in section 554.8102.

*c.* *"Custodian bank"* means as defined in section 515.35.

*d.* *"Issuer"* means as defined in section 554.8201.

*e.* *"Member bank"* means a national bank, state bank, or trust company which is a member of the United States federal reserve system.

*f.* *"National securities exchange"* means an exchange registered under section 6 of the federal Securities Exchange Act of 1934 or an exchange regulated under the laws of Canada.

*g.* *"Obligations"* includes bonds, notes, debentures, transportation equipment certificates, domestic repurchase agreements, and obligations for the payment of money not in default as to payments of principal and interest on the date of investment, which constitute general obligations of the issuer or payable only out of certain revenues or certain funds pledged or otherwise dedicated for payment of principal and interest on the obligations. A lease is an obligation if the lease is assigned to the insurer and is nonterminable by the lessee upon foreclosure of any lien upon the leased property, and if rental payments are sufficient to amortize the investment over the primary lease term.

*h.* *"Surplus"*, for purposes of computing percentage limitations on particular types of investments, means the surplus that is authorized to be shown on the commissioner's annual statement blank as surplus as of the December 31 immediately preceding the date the association acquires the investment.

3. *Investments in name of association or nominee and prohibitions.*

*a.* An association's investments shall be held in its own name or the name of its nominee, except as follows:

(1) Investments may be held in the name of a clearing corporation or of a custodian bank or in the name of the nominee of either on the following conditions:

(a) The clearing corporation, custodian bank, or nominee must be legally authorized to hold the particular investment for the account of others.

(b) When the investment is evidenced by a certificate and held in the name of a custodian bank or the nominee of a custodian bank, a written agreement shall provide that certificates so deposited shall at all times be kept separate and apart from other deposits with the depository, so that at all times they may be identified as belonging solely to the association making the deposit.

(c) If a clearing corporation is to act as depository, the investment may be merged or held in bulk in the name of the clearing corporation or its nominee with other investments deposited with the clearing corporation by any other person, if a written agreement between the clearing corporation and the association provides that adequate evidence of the deposit is to be obtained and retained by the association or a custodian bank.

(2) An association may participate through a member bank in the United States federal reserve book entry system, and the records of the member bank shall at all times show that the investments are held for the association or for specific accounts of the association.

(3) An investment may consist of an individual interest in a pool of obligations or a

fractional interest in a single obligation if the certificate of participation or interest or the confirmation of participation or interest in the investment is issued in the name of the association, the name of the custodian bank, or the nominee of either, and, if the interest as evidenced by the certificate or confirmation is, if held by a custodian bank, kept separate and apart from the investments of others so that at all times the participation may be identified as belonging solely to the association making the investment.

(4) Transfers of ownership of investments held as described in paragraph *"a"*, subparagraph (1), subparagraph division (c), and subparagraphs (2) and (3), may be evidenced by bookkeeping entry on the books of the issuer of the investment, its transfer or recording agent, or the clearing corporation without physical delivery of a certificate evidencing the association's investment.

*b.* Except as provided in paragraph *"a"*, subparagraph (4), if an investment is not evidenced by a certificate, adequate evidence of the association's investment shall be obtained from the issuer or its transfer or recording agent and retained by the association, a custodian bank, or clearing corporation. Adequate evidence, for purposes of this paragraph, means a written receipt or other verification issued by the depository or issuer or a custodian bank which shows that the investment is held for the association.

4. *Investments.* Except as otherwise permitted by this section, an association organized under this chapter shall only invest in the following:

*a. United States government obligations.* Bonds or other evidences of indebtedness issued, assumed, or guaranteed by the United States of America, or by any agency or instrumentality of the United States of America, including investments in an open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a and operated in accordance with 17 C.F.R. § 270.2a-7, the portfolio of which is limited to the United States obligations described in this paragraph, and which are included in the national association of insurance commissioners' securities valuation office's United States direct obligation – full faith and credit list.

*b. Certain development bank obligations.* Obligations issued or guaranteed by the international bank for reconstruction and development, the Asian development bank, the inter-American development bank, the export-import bank, the world bank, or any United States government-sponsored organization of which the United States is a member, if the principal and interest is payable in United States dollars. An association shall not invest more than five percent of its total admitted assets in the obligations of any one of these banks or organizations, and shall not invest more than a total of ten percent of its total admitted assets in the obligations authorized by this paragraph.

*c. State obligations.* Obligations issued or guaranteed by a state, a political subdivision of a state, or an instrumentality of a state.

*d. Canadian government obligations.* Obligations issued or guaranteed by Canada, by an agency or province of Canada, by a political subdivision of such province, or by an instrumentality of any of those provinces or political subdivisions.

*e. Corporate and business trust obligations.* Obligations issued, assumed, or guaranteed by a corporation or business trust organized under the laws of the United States or a state, or the laws of Canada or a province of Canada, provided that an association shall not invest more than five percent of its admitted assets in the obligations of any one corporation or business trust. Investments shall be made only in investment grade bonds.

*f. Stocks.* Common stocks, common stock equivalents, mutual fund shares, securities convertible into common stocks or common stock equivalents, or preferred stocks issued or guaranteed by a corporation incorporated under the laws of the United States or a state, or the laws of Canada or a province of Canada, or limited partnerships publicly traded on a nationally established stock exchange in the United States. Aggregate investments in nondividend paying stocks shall not exceed five percent of surplus.

(1) Stocks purchased under this lettered paragraph shall not exceed fifty percent of surplus.

(2) With the approval of the commissioner, an association may invest in common stocks,

preferred stocks, or other securities of one or more subsidiaries provided that both of the following occur:

(a) After such investments the association's surplus as regards policyholders will be reasonable in relation to the association's outstanding liabilities and adequate to its financial needs.

(b) The association owns one hundred percent of the stock of the subsidiary.

(3) An association shall not invest more than ten percent of its surplus in the stocks of any one corporation.

*g. Home office real estate.* With the prior approval of the commissioner, funds may be invested in home office real estate for the association or a subsidiary, at the direction of the board of directors. The association or subsidiary shall obtain the approval of the commissioner prior to the sale or disposition of home office real estate owned by the association or subsidiary. Effective as to home office real estate acquired on or after July 1, 2009, an association shall not invest more than twenty percent of its total admitted assets in such real estate. With the prior approval of the commissioner, an association may exceed the real estate investment limitation to effectuate a merger with, or the acquisition of, another association.

[C24, 27, 31, 35, 39, §**9040;** C46, 50, 54, 58, 62, §518.12; C66, 71, 73, 75, 77, 79, 81, §518A.12]

95 Acts, ch 185, §33; 96 Acts, ch 1138, §4, 84; 2000 Acts, ch 1023, §45; 2005 Acts, ch 70, §46; 2006 Acts, ch 1010, §142; 2007 Acts, ch 137, §19; 2009 Acts, ch 41, §263; 2009 Acts, ch 145, §40 – 42; 2010 Acts, ch 1061, §68; 2013 Acts, ch 124, §24

Subsection 4, paragraph f, unnumbered paragraph 1 amended

**518A.13** Repealed by 99 Acts, ch 165, § 23.

**518A.14 and 518A.15** Repealed by 2000 Acts, ch 1023, § 59.

**518A.16** Repealed by 65 Acts, ch 401, § 26.

**518A.17** Repealed by 99 Acts, ch 165, § 23.

**518A.18 Annual report — penalties.**

1. An association doing business under this chapter, on or before March 1 of each year, shall prepare under oath and file with the commissioner of insurance an accurate and complete statement of the condition of the association as of the last day of the preceding calendar year. The statement shall conform to the annual statement blank prepared pursuant to instructions prescribed by the commissioner. All financial information reflected in the annual report shall be kept and prepared pursuant to accounting practices and procedures prescribed by the commissioner. Statements filed with the commissioner pursuant to this section shall be tabulated and published by the commissioner of insurance in the annual report of insurance.

2. An association that fails to timely file the statement required under subsection 1 is in violation of this section and shall pay an administrative penalty of five hundred dollars for each violation to the treasurer of state for deposit as provided in section 505.7.

3. The commissioner may give notice to an association that the association has not timely filed the statement required under subsection 1 and is in violation of this section. If the association fails to file the required statement and comply with this section within ten days of the date of the notice, the association shall pay an additional administrative penalty of one hundred dollars for each day that each failure continues to the treasurer of state for deposit as provided in section 505.7.

4. The association's right to transact new business in this state shall immediately cease until the association has fully complied with this chapter.

[C73, §1160; C97, §1762, 1763; S13, §1759-d, -e; C24, 27, 31, 35, 39, §**9044;** C46, 50, 54, 58, 62, §518.18; C66, 71, 73, 75, 77, 79, 81, §518A.18]

85 Acts, ch 228, §8; 2000 Acts, ch 1023, §46; 2006 Acts, ch 1117, §92; 2009 Acts, ch 181, §84

**518A.19 Proof of loss.**

A proof of loss shall contain such information as is required by the policy provisions of the association, which information shall be signed and sworn to by the insured.

[C24, 27, 31, 35, 39, §**9045;** C46, 50, 54, 58, 62, §518.19; C66, 71, 73, 75, 77, 79, 81, §518A.19]
2009 Acts, ch 145, §43

**518A.20 Five-day limit.**

In case of damage or loss to livestock by fire or lightning or loss or damage to automobiles or aircraft by theft or fire, notice of such loss must be given the association by mailing written notice within five days from the time such loss or damage occurred.

[C24, 27, 31, 35, 39, §**9046;** C46, 50, 54, 58, 62, §518.20; C66, 71, 73, 75, 77, 79, 81, §518A.20]

**518A.21 Ten-day limit.**

In case of loss to growing crops by hail, notice of such loss must be given the association by mailing a certified mail letter within ten days from the time such loss or damage occurred.

[C24, 27, 31, 35, 39, §**9047;** C46, 50, 54, 58, 62, §518.21; C66, 71, 73, 75, 77, 79, 81, §518A.21]

**518A.22 Limitation of action.**

A suit or action on a policy for the recovery of any claim shall not be sustainable in any court of law or equity unless all requirements of the policy have been complied with, and unless commenced within twelve months next after the inception of the loss.

[C24, 27, 31, 35, 39, §**9048;** C46, 50, 54, 58, 62, §518.22; C66, 71, 73, 75, 77, 79, 81, §518A.22]
2009 Acts, ch 145, §44

**518A.23 Presumption as to value.** Repealed by 2009 Acts, ch 145, § 54.

**518A.24 Value of building — liability.**

The association issuing such policy may show the actual value of said property at date of policy, and any depreciation in the value thereof before the loss occurred; but the said association shall be liable for the actual value of the property insured at the date of the loss, unless such value exceeds the amount of insurance stated in the policy.

[C24, 27, 31, 35, 39, §**9050;** C46, 50, 54, 58, 62, §518.24; C66, 71, 73, 75, 77, 79, 81, §518A.24]
Similar provision, §515.136

**518A.25 Value of personal property — value of crops.**

In any action on a policy to recover loss or damage on personal property, the association shall not be liable in excess of the amount of damage or loss at the time the loss or damage occurs; provided that the value of growing crops may be stated in the policy or contract.

[C24, 27, 31, 35, 39, §**9051;** C46, 50, 54, 58, 62, §518.25; C66, 71, 73, 75, 77, 79, 81, §518A.25]

**518A.26 Arbitration.**

No recovery on a policy or contract of insurance shall be defeated for failure of the insured to comply, after a loss occurs, with any arbitration or appraisement stipulation as to fixing the value of property. No arbitration shall take place except substantially where the property was situated at the time of loss. Contracts of insurance to indemnify against loss by hail to growing crops which stipulate for arbitration shall provide that the decision of the majority of the arbitrators shall be final only as to the arbitration.

[C31, 35, §9051-c1; C39, §**9051.1;** C46, 50, 54, 58, 62, §518.26; C66, 71, 73, 75, 77, 79, 81, §518A.26]

**518A.27 Reinsurance — quo warranto.**

The commissioner of insurance may address inquiries to any association in relation to its doings and condition and any association so addressed shall promptly reply thereto in writing. If the commissioner of insurance is then satisfied that the association has failed to comply with any provisions of this law, or is exceeding its powers, or is not carrying out its contracts in good faith; or is transacting business fraudulently or soliciting insurance in territories where it is not legally admitted to do business, or is in such condition as to render the further

transaction of business by it hazardous to the public or its policyholders, the business under the commissioner's supervision and with the consent of the association may be reinsured in some mutual association, or the commissioner may present the facts relating thereto to the attorney general and if the circumstances warrant the attorney general may commence an action in quo warranto in a court of competent jurisdiction.

[C97, §1766; S13, §1759-g; C24, 27, 31, 35, 39, §**9052;** C46, 50, 54, 58, 62, §518.27; C66, 71, 73, 75, 77, 79, 81, §518A.27]

**518A.28** Repealed by 99 Acts, ch 165, § 23.

**518A.29 Cancellation or nonrenewal by association — notice.**

1. *Cancellation by insured.* A policy shall be canceled at any time at the request of the insured.

2. *Cancellation by association.*

*a.* Except as provided in paragraph *"b"*, notice of cancellation is not effective unless mailed or delivered by the association to the named insured at least thirty days before the effective date of cancellation.

*b.* Notice of cancellation resulting from nonpayment of a premium or installment provided for in the policy, or provided for in a note or contract for the payment of such premium or installment, is not effective unless mailed or delivered by the association to the named insured at least ten days prior to the date of cancellation.

*c.* If a notice of cancellation under paragraph *"a"* or *"b"* fails to include the reason for such cancellation, the association, upon receipt of a timely request by the named insured, shall provide the reason for the cancellation in writing.

3. *Nonrenewal by association.* A notice of intention not to renew is not effective unless mailed or delivered by the insurer to the named insured at least thirty days prior to the expiration date of the policy. If the reason does not accompany the notice of nonrenewal, the association, upon receipt of a timely request by the named insured, shall provide in writing the reason for the nonrenewal.

4. *Notice.* Service of notice under subsection 2 or 3 may be delivered in person or mailed to the insured at the insured's post office address as given in or upon the policy, or to such other address as the insured shall have given to the association in writing. A post office department certificate of mailing shall be deemed proof of receipt of such mailing. If in either case the cash payments exceed the amount properly chargeable, the excess shall be refunded to the insured.

[S13, §1759-m; C24, 27, 31, 35, 39, §**9054;** C46, 50, 54, 58, 62, §518.29; C66, 71, 73, 75, 77, 79, 81, §518A.29]

2000 Acts, ch 1023, §47; 2001 Acts, ch 69, §36; 2003 Acts, ch 91, §48; 2009 Acts, ch 145, §45

**518A.30 through 518A.32** Repealed by 2000 Acts, ch 1023, § 59. See § 518A.29.

**518A.33 and 518A.34** Repealed by 95 Acts, ch 185, § 47.

**518A.35 Annual tax.**

1. A state mutual insurance association doing business under this chapter shall on or before the first day of March, each year, pay to the director of revenue, or a depository designated by the director, a sum equivalent to the applicable percent of the gross receipts from premiums and fees for business done within the state, including all insurance upon property situated in the state without including or deducting any amounts received or paid for reinsurance. However, a company reinsuring windstorm or hail risks written by county mutual insurance associations is required to pay the applicable percent tax on the gross amount of reinsurance premiums written upon such risks, but after deducting the amount returned upon canceled policies and rejected applications covering property situated within the state, and dividends returned to policyholders on property situated within the state. For purposes of this section, *"applicable percent"* means the same as specified in section 432.1, subsection 4.

2. Except as provided in subsection 3, the premium tax shall be paid on or before March 1 of the year following the calendar year for which the tax is due. The commissioner of insurance may suspend the certificate of authority of a state mutual insurance association that fails to pay its premium tax on or before the due date.

3. *a.* Each state mutual insurance association transacting business in this state whose Iowa premium tax liability for the preceding calendar year was one thousand dollars or more shall remit on or before June 1, on a prepayment basis, an amount equal to one-half of the premium tax liability for the preceding calendar year.

*b.* In addition to the prepayment amount in paragraph *"a"*, each association shall remit on or before August 15, on a prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

(1) For prepayment in the 2003 and 2004 calendar years, eleven percent.

(2) For prepayment in the 2005 calendar year, twenty-six percent.

(3) For prepayment in the 2006 and subsequent calendar years, fifty percent.

*c.* The sums prepaid by a state mutual insurance association under this subsection shall be allowed as credits against its premium tax liability for the calendar year during which the payments are made. If a prepayment made under this subsection exceeds the annual premium tax liability, the excess shall be allowed as a credit against subsequent prepayment or tax liabilities. The commissioner of insurance may suspend the certificate of authority of an association that fails to make a prepayment on or before the due date.

[C24, 27, 31, 35, 39, §**9060;** C46, 50, 54, 58, 62, §518.35; C66, 71, 73, 75, 77, 79, 81, §518A.35]

2000 Acts, ch 1023, §48; 2001 Acts, ch 24, §57; 2002 Acts, ch 1050, §46; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §137, 159; 2004 Acts, ch 1175, §340, 348; 2006 Acts, ch 1117, §93

**518A.36** Reserved.

**518A.37 Surplus.**

An association organized under this chapter before July 1, 2009, shall at all times maintain a surplus of not less than one hundred thousand dollars, or one-tenth of one percent of the gross risk in force, whichever is greater. An association organized under this chapter on or after July 1, 2009, shall at all times maintain a surplus of not less than two hundred thousand dollars or one-tenth of one percent of the gross risk in force, whichever is greater.

90 Acts, ch 1234, §71; 99 Acts, ch 165, §20; 2002 Acts, ch 1111, §29; 2009 Acts, ch 145, §46

**518A.38** Repealed by 76 Acts, ch 1056, § 45.

**518A.39 "Debt" defined.**

In ascertaining such corporate indebtedness, a debt shall be deemed to exist, on account of its liabilities on the policy certificates or contracts of insurance issued by it equal to the amount of surplus or other funds accumulated by such corporation for the purpose of fulfilling its policy contracts of insurance and which can be used for no other purpose.

[C24, 27, 31, 35, 39, §**9064;** C46, 50, 54, 58, 62, §518.39; C66, 71, 73, 75, 77, 79, 81, §518A.39]

**518A.40 Annual fees — renewals — penalties.**

1. Such associations shall pay the same fees for annual reports and annual certificates of authority as are required to be paid by domestic companies organized and doing business under chapter 515, which certificates shall expire June 1 of the year following the date of issue.

2. A certificate of authority of an association formed under this chapter shall be renewed annually so long as the organization transacts its business in accordance with all legal requirements. Such an association shall submit annually, on or before March 1, a completed application for renewal of its certificate of authority.

3. The commissioner shall refuse to renew the certificate of authority of a state mutual insurance association that fails to comply with the provisions of this chapter and the association's right to transact new business in this state shall immediately cease until the association has so complied.

4. An association that fails to timely file the application for renewal required under subsection 2 is in violation of this section and shall pay an administrative penalty of five hundred dollars to the treasurer of state for deposit as provided in section 505.7.

[C73, §1160; C97, §1764; S13, §1759-f; C24, 27, 31, 35, 39, §**9065;** C46, 50, 54, 58, 62, §518.40; C66, 71, 73, 75, 77, 79, 81, §518A.40]

2006 Acts, ch 1117, §94; 2009 Acts, ch 145, §47; 2009 Acts, ch 181, §85

**518A.41 Insurance producers to be licensed.**

A person or corporation shall not solicit an application for insurance for any association in this state without having procured from the commissioner of insurance a license authorizing the person or corporation to act as an insurance producer.

[C24, 27, 31, 35, 39, §**9066;** C46, 50, 54, 58, 62, §518.41; C66, 71, 73, 75, 77, 79, 81, §518A.41]

2002 Acts, ch 1119, §73; 2004 Acts, ch 1110, §58

**518A.42 Limitation on termination of independent insurance producers.**

A state mutual insurance association authorized to do business in this state shall not terminate a contract of an insurance producer who is an independent contractor but who is not an exclusive insurance producer as defined in section 522B.1 without at least one hundred eighty days' notice, except for loss of license, fraud, nonpayment of association premiums that are due and not in dispute by the producer, or the withdrawal of operations in the state by the association.

2002 Acts, ch 1111, §30

**518A.43 Cancellation of license.** Repealed by 2003 Acts, ch 91, § 51.

**518A.44 Reinsurance.**

A state mutual insurance association may reinsure a part or all of its coverages written pursuant to this chapter with an association operating under this chapter, or with any other association or company licensed in this state and authorized to write the kinds of insurance enumerated in section 518A.1.

Reinsurance sufficient to protect the financial stability of the state mutual insurance association is required. In general, reinsurance coverage obtained by an association shall not expose the association to losses from coverages written pursuant to this chapter of more than fifteen percent from surplus in any calendar year. The commissioner of insurance may require additional reinsurance if necessary to protect the policyholders of the association.

95 Acts, ch 185, §35; 99 Acts, ch 165, §21; 2000 Acts, ch 1023, §49; 2002 Acts, ch 1111, §31

Referred to in §521.13

**518A.45 through 518A.50** Reserved.

**518A.51 Loans to officers prohibited.**

Assets or other funds shall not be loaned directly or indirectly to an officer, director, or employee of the association, or directly or indirectly to a relative of an officer, director, or employee of the association.

95 Acts, ch 185, §36

**518A.52 Form — approval.**

The form of all policies, applications, agreements, and endorsements modifying the provisions of policies, and all permits and riders used in this state, issued or proposed to be issued by a state mutual insurance association doing business in this state under this chapter, shall first be examined and approved by the commissioner of insurance.

95 Acts, ch 185, §37; 2000 Acts, ch 1023, §50

Referred to in §518A.53

**518A.53 Failure to file copy.**

Upon the failure of a state mutual insurance association to file a copy of its forms of policies or contracts pursuant to section 518A.52, the commissioner of insurance may suspend its

authority to transact business within the state until such forms of policies or contracts have been filed and approved.

95 Acts, ch 185, §38; 2000 Acts, ch 1023, §51

**518A.54 Disapproval of filings.**

If the commissioner finds that a filing does not meet the requirements of this chapter, written notice of disapproval shall be sent to the state mutual insurance association specifying in what respect the filing fails to meet the requirements of this chapter and stating that the filing is not effective. If a filing is disapproved by the commissioner, the association may request a hearing on the disapproval within thirty days. The association bears the burden of proving compliance with the standards established by this chapter.

If, at any time after a form has been approved, the commissioner finds that the form no longer meets the requirements of this chapter, the commissioner may order the discontinuance of the use of the form. The order of discontinuance shall be in writing and may be issued only after a hearing with at least ten days' prior notice to all state mutual insurance associations affected by the order. The order shall state the grounds upon which the order is based and when the order of discontinuance is effective.

95 Acts, ch 185, §39; 2000 Acts, ch 1023, §52

**518A.55 Certificate suspension.**

The commissioner of insurance may suspend a state mutual insurance association's certificate of authority to do business if the association neglects or fails to comply with this chapter.

95 Acts, ch 185, §40; 2000 Acts, ch 1023, §53

**518A.56 Rulemaking authority.**

The commissioner may adopt rules, pursuant to chapter 17A, as necessary for the administration of this chapter.

2009 Acts, ch 145, §48

**518A.57 Powers of members.**

Members of the association shall have the power to make or amend articles of incorporation at any membership meeting, provided that notice of such proposed addition or amendment has been mailed to each member of the association at least ten days in advance of the meeting in which such proposed action is to be considered, and provided that no such addition or amendment shall become effective until approved by the commissioner of insurance and recorded in the office of the secretary of state.

2009 Acts, ch 145, §49

# CHAPTER 518B

## RIOT REINSURANCE PROGRAM

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


| | | | |
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| 518B.1 | Definitions. | 518B.5 | Warrants issued — overage fund. |
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| 518B.3 | Secretary reimbursed. | | |
| 518B.4 | Insurers assessed. | 518B.7 | Recovery factor included. |


**518B.1 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"The secretary"* means the secretary of the United States department of housing and urban development.

2. *"Farm property"* means the residence, personal effects, other farm buildings and other personal property used in conjunction with a farming operation.

3. *"The Act"* means Section 1223 of the Housing and Urban Development Act of 1968, Pub. L. No. 90-448, 90th Congress approved August 1, 1968.

4. *"The fund"* or *"fund"* means the federal riot reinsurance reimbursement fund referred to in this chapter.

5. *"Commissioner"* means the commissioner of insurance.

[C71, 73, 75, 77, 79, 81, §518B.1]
2006 Acts, ch 1010, §143

**518B.2 Reimbursement fund created.**

There is hereby created the federal riot reinsurance reimbursement fund in the office of the treasurer of state which shall be operated under the joint control of the director of the department of administrative services and the commissioner. The fund shall consist of all payments made by insurers in accordance with the provisions of this chapter. The director of the department of administrative services shall have the same power to enforce the collection of the assessments provided hereunder as any other obligation due the state.

[C71, 73, 75, 77, 79, 81, §518B.2]
2003 Acts, ch 145, §286

**518B.3 Secretary reimbursed.**

The commissioner shall reimburse the secretary in an amount up to five percent of the aggregate property, except farm property insurance premiums earned in this state during the calendar year immediately preceding the calendar year with respect to which the secretary paid losses on lines of insurance reinsured by the secretary in this state during that year and for which the secretary claims reimbursement from the fund in accordance with the Act.

[C71, 73, 75, 77, 79, 81, §518B.3]

**518B.4 Insurers assessed.**

Whenever the secretary shall, in accordance with the Act, present to the state a request for reimbursement under the Act, the commissioner shall immediately assess all insurers which, during the calendar year with respect to which reimbursement is requested by the secretary, were licensed to write and engaged in writing property insurance business, including the property insurance components of multiperil policies on a direct basis, in this state. The amount of each such insurer's assessment shall be calculated by multiplying the amount of the reimbursement requested by the secretary by a fraction the numerator of which is the insurer's premium actually written in this state in that calendar year on habitational and commercial property, except farm property, risks and the denominator of which is the aggregate premiums written by all licensed insurers on such property risks. In no event shall any insurer's assessment be less than one hundred dollars.

[C71, 73, 75, 77, 79, 81, §518B.4]
Referred to in §518B.6, 518B.7

**518B.5 Warrants issued — overage fund.**

The secretary shall be reimbursed up to the amount requested by warrants issued against the fund by the director of the department of administrative services upon vouchers approved by the director of the department of administrative services and the commissioner. If the assessment produces a fund greater than the amount requested by the secretary, the overage shall be placed in a special fund in the office of the treasurer of state under the control of the commissioner and the director of the department of administrative services and shall be applied to any subsequent requests by the secretary for reimbursement of losses paid on lines of insurance reinsured by the secretary in this state in accordance with the Act.

In the event that the provisions of this chapter and the assessments made thereunder are no

longer needed in order to effectuate the program for which they were intended, the amounts remaining in the special fund shall inure to the general fund of the state.

[C71, 73, 75, 77, 79, 81, §518B.5]

2003 Acts, ch 145, §286

**518B.6 Insolvent insurers.**

In the event any insurer fails, by reason of insolvency, to pay any assessment, the commissioner shall cause the reimbursement ratios computed under section 518B.4 to be immediately recalculated excluding therefrom the insolvent insurer, so that its assessment is in effect assumed and redistributed among the remaining insurers.

[C71, 73, 75, 77, 79, 81, §518B.6]

**518B.7 Recovery factor included.**

Insurers shall include in filings submitted pursuant to chapter 515A, a factor, applicable to the line or lines of insurance on which the assessment is levied, sufficient to recover within not more than three years after the date of assessment any amounts so assessed under section 518B.4 during the preceding calendar year together with the amount of costs and expenses reasonably attributable to such assessment and recovery thereof.

[C71, 73, 75, 77, 79, 81, §518B.7]

# CHAPTER 518C

## COUNTY AND STATE MUTUAL INSURANCE GUARANTY ASSOCIATION

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


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518C.16 Stay of proceedings.
518C.17 Actions against the association.
518C.18 Timely filing of claims.
518C.19 Prohibited advertising.


**518C.1 Title.**

This chapter shall be known and may be cited as the *"Iowa County and State Mutual Insurance Guaranty Association Act"*.

2000 Acts, ch 1035, §1

**518C.2 Scope.**

This chapter applies to direct insurance authorized to be written by an insurer licensed to transact insurance business in this state under chapter 518 or 518A.

2000 Acts, ch 1035, §2

**518C.3 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Association"* means the Iowa county and state mutual insurance guaranty association established pursuant to section 518C.4.

2. *"Claimant"* means an insured making a first-party claim or a person instituting a liability claim against an insolvent insurer. *"Claimant"* does not include a person who is an affiliate of an insolvent insurer.

3. *"Commissioner"* means the commissioner of insurance.

4. *a.* *"Covered claim"* means an unpaid claim, including one for unearned premiums, which arises out of and is within the coverage and subject to the applicable limits of an insurance policy subject to this chapter which is issued by an insurer, if the insurer becomes an insolvent insurer on or after July 1, 2000, and one of the following conditions exists:

(1) The claimant is a resident of this state at the time of the event giving rise to the covered claim. For a claimant other than an individual, the residence of the claimant is the state in which its principal place of business is located.

(2) The claim is a first-party claim by the claimant for damage to property permanently located in this state.

*b.* (1) *"Covered claim"* does not include any of the following:

(a) An amount due a reinsurer, insurer, insurance pool, underwriting association, or other group assuming insurance risks, as subrogation, contribution, indemnity recoveries, or otherwise.

(b) An amount that constitutes the portion of a claim that is within an insured's deductible or self-insured retention.

(c) A fee or other amount relating to goods or services sought by or on behalf of an attorney, adjuster, witness, or other provider of goods or services retained by the insolvent insurer or by an insured prior to the date the insurer was declared insolvent.

(d) An amount that constitutes a fine, penalty, interest, or punitive or exemplary damages.

(e) A fee or other amount sought by or on behalf of an attorney, adjuster, witness, or other provider of goods or services retained by the insured or claimant in connection with the assertion of any claim, covered or otherwise, against the association.

(f) A claim filed with the association or with a liquidator for protection afforded under the insured's policy or contract for incurred but not reported losses or expenses.

(g) An amount that is an obligation owed to or on behalf of an affiliate of, as defined in section 521A.1, an insolvent insurer.

(2) Notwithstanding subparagraph (1), subparagraph divisions (a) through (g), a person is not prevented from presenting a noncovered claim to the insolvent insurer or its liquidator. However, the noncovered claim shall not be asserted against any other person, including the person to whom benefits were paid or the insured of the insolvent insurer, except to the extent that the claim is outside the coverage of the policy issued by the insolvent insurer.

5. *"Insolvent insurer"* means an insurer against which a final order of liquidation with a finding of insolvency has been entered on or after July 1, 2000, by a court of competent jurisdiction of this state.

6. *"Insurer"* means a person licensed to transact insurance business in this state under either chapter 518 or chapter 518A either at the time the policy was issued or when the insured event occurred.

7. *"Net direct written premiums"* means direct gross premiums written in this state on insurance policies subject to this chapter, less return premiums and dividends paid or credited to policyholders on such direct business. *"Net direct written premiums"* does not include premiums on a contract between insurers or reinsurers.

8. *"Person"* means an individual, corporation, partnership, association, or voluntary organization.

2000 Acts, ch 1035, §3; 2011 Acts, ch 70, §34, 35; 2012 Acts, ch 1023, §128

**518C.4 Association established.**

An Iowa county and state mutual insurance guaranty association is established as a nonprofit unincorporated legal entity. An insurer shall be a member of the association as a condition of the insurer's authority to transact insurance business in this state. The association shall perform its functions under a plan of operation established and approved pursuant to section 518C.7 and shall exercise its powers through a board of directors established under section 518C.5. Except as otherwise provided in such plan of operation, an annual or special meeting of members of the association may be held on call as directed by the association's board of directors or by the commissioner of insurance. Written notice shall be given not less than ten days prior to the meeting by ordinary mail to each member

at the member's principal office as shown by the records in the commissioner's office. The notice shall state the time and place, and in the case of a special meeting, the purpose of the meeting. Members may vote in person and ten members present in person shall constitute a quorum for the transaction of any business.

2000 Acts, ch 1035, §4
Referred to in §518C.3

**518C.5 Board of directors.**

1. The board of directors of the association shall consist of the officers and directors of the mutual insurance association of Iowa or its successor association, but only if such officers and directors are employed by a corporation organized as a county mutual insurance association pursuant to chapter 518 or a state mutual insurance association pursuant to chapter 518A.

2. An officer and director of the mutual insurance association of Iowa shall serve in the same capacity on the association board as the officer or director serves the mutual insurance association of Iowa or its successor association, but only if the officer and director is employed by a corporation organized as a county mutual insurance association pursuant to chapter 518 or a state mutual insurance association pursuant to chapter 518A.

2000 Acts, ch 1035, §5; 2011 Acts, ch 70, §36
Referred to in §518C.4

**518C.6 Duties and powers of the association.**

1. The association is subject to all of the following:

*a.* (1) The association is obligated to pay a covered claim as follows:

(a) A covered claim existing prior to the final order of liquidation and arising within thirty days after the final order of liquidation.

(b) A covered claim existing before the policy expiration date if the expiration date is less than thirty days after the final order of liquidation.

(c) A covered claim existing before the insured replaces the policy or causes its cancellation, if the insured replaces or cancels the policy within thirty days of the final order of liquidation.

(2) An obligation under subparagraph (1) is satisfied by paying to the claimant an amount as follows:

(a) An amount not exceeding ten thousand dollars per policy for a covered claim for the return of unearned premium.

(b) An amount not exceeding the lesser of the policy limits or five hundred thousand dollars per claim for all covered claims for all damages arising out of any one or a series of accidents, occurrences, or incidents, regardless of the number of persons making claims or the number of applicable policies.

*b.* The association is obligated to pay covered claims subject to a limitation as established by the rights, duties, and obligations under the policy issued by the insolvent insurer.

*c.* (1) The association shall assess member insurers amounts necessary to pay the obligations of the association under paragraphs *"a"* and *"b"* subsequent to an insolvency, the expenses of handling covered claims subsequent to an insolvency, the cost of examinations under section 518C.12, and other expenses as authorized by this chapter. The assessment of each member insurer shall be in the proportion that the net direct written premiums of the member insurer for the preceding calendar year bear to the net direct written premiums of all member insurers for the preceding calendar year. Each member insurer shall be notified of the assessment not less than thirty days before it is due. A member insurer shall not be assessed in any year an amount greater than two percent of that member insurer's net direct written premiums for the preceding calendar year. If the maximum assessment, together with the other assets of the association, do not provide in any one year an amount sufficient to make all necessary payments, the funds available shall be prorated and the unpaid portion shall be paid as soon as funds become available. The association may exempt or defer, in whole or in part, the assessment of any member insurer if the assessment would cause the member insurer's financial statement to reflect amounts of surplus less than the minimum amounts required for a certificate of authority to transact insurance business. A

member insurer serving as a servicing facility pursuant to this section may set off against any assessment authorized payments made on covered claims and expenses incurred in the payment of such claims by the member insurer. All overdue and unpaid assessments shall draw interest at the rate of seven percent per annum.

(2) The association may pursue and retain for its own account salvage and subrogation recoverable on paid covered claim obligations. An obligation of the association to defend an insured shall cease upon the association's payment of an amount equal to the lesser of the association's covered claim obligation or the applicable policy limits.

*d.* The association shall investigate claims filed with the association and adjust, compromise, settle, defend, and pay covered claims to the extent of the association's obligation and deny all other claims.

*e.* The association shall notify such persons as the commissioner directs under section 518C.8, subsection 2, paragraph *"a"*.

*f.* The association shall process claims through its employees or through one or more member insurers or other persons designated as servicing facilities. Designation of a servicing facility is subject to the approval of the commissioner, but such designation may be declined by a member insurer.

*g.* The association shall reimburse each servicing facility for obligations of the association paid by the facility and for expenses incurred by the facility while handling claims on behalf of the association, and pay the other expenses of the association authorized by this chapter.

2. The association may do any of the following:

*a.* Appear in, defend, and appeal an action on a claim brought against the association.

*b.* Employ or retain persons necessary to handle claims and perform other duties of the association.

*c.* Borrow funds necessary to effect the purposes of this chapter in accord with the plan of operation.

*d.* Sue or be sued.

*e.* Negotiate and become a party to contracts necessary to carry out the purposes of this chapter.

*f.* Perform such other acts necessary or proper to effectuate the purposes of this chapter.

3. The board of directors, in its discretion, may from time to time refund excess amounts to member insurers that are not needed for current or projected liabilities of a particular insolvency. The amount of each refund is equal to the net direct written premiums of the member insurer for the preceding calendar year divided by the net written premiums of all member insurers for the preceding calendar year, multiplied by the total amount to be refunded to all members. At the discretion of the board of directors, an assessment or refund of any member insurer in an amount not to exceed twenty-five dollars may be waived.

2000 Acts, ch 1035, §6; 2011 Acts, ch 70, §37; 2012 Acts, ch 1023, §157

Referred to in §518C.7, 518C.10

**518C.7 Plan of operation.**

1. *a.* The association shall submit a plan of operation to the commissioner, together with any amendments necessary or suitable to ensure the fair, reasonable, and equitable administration of the association. The plan of operation and any amendment become effective upon written approval by the commissioner.

*b.* If the association fails to submit a suitable plan of operation within ninety days following July 1, 2000, or if at any time after submission of a suitable plan the association fails to submit suitable amendments to the plan, the commissioner, after notice and opportunity for hearing, shall adopt rules necessary or advisable to effectuate the provisions of this chapter. Such rules shall continue in force until modified by the commissioner or superseded by a plan submitted by the association and approved by the commissioner.

2. A member insurer shall comply with the association's plan of operation.

3. The plan of operation shall provide for all of the following:

*a.* Procedures for the performance of the duties and execution of the powers of the association under section 518C.6.

*b.* Procedures for managing the assets of the association.

*c.* Procedures by which claims may be filed with the association and acceptable forms of proof of covered claims. Notice of claims to the receiver or liquidator of the insolvent insurer constitutes notice to the association or its agent, and a list of such claims shall be periodically submitted to the association or similar organization in another state by the receiver or liquidator.

*d.* The place and time for meetings of the board of directors, as necessary.

*e.* Procedures for keeping records of all financial transactions of the association, its agents, and the board of directors.

*f.* That any member insurer aggrieved by a final action or decision of the association may appeal the action or decision to the commissioner within thirty days after the action or decision.

*g.* Additional provisions necessary or proper for the performance of the duties and execution of the powers of the association.

4. The plan of operation may delegate any or all duties and powers of the association, except those under section 518C.6, subsection 1, paragraph "*c*", and section 518C.6, subsection 2, paragraph "*c*", to a person with the approval of both the board of directors and the commissioner. Such delegation shall only be made to a person extending protection which is not substantially less favorable and effective than that provided by this chapter. Such person shall be reimbursed as a servicing facility and shall be paid for the performance of any other functions of the association.

2000 Acts, ch 1035, §7; 2012 Acts, ch 1023, §157; 2013 Acts, ch 30, §127
Referred to in §518C.4
Subsection 4 amended

**518C.8 Duties and powers of the commissioner.**

1. The commissioner shall do both of the following:

*a.* Notify the association of the existence of an insolvent insurer not later than three days after the commissioner receives notice of the determination of the insolvency.

*b.* Upon request of the board of directors, provide the association with a statement of the net direct written premiums of each member insurer.

2. The commissioner may do any of the following:

*a.* Require that the association notify the insureds of the insolvent insurer and any other interested parties of the determination of insolvency and of their rights under this chapter. The notification shall be by regular mail at their last known address, but, if sufficient information for notification by mail is not available, notice by publication in a newspaper of general circulation is sufficient.

*b.* Suspend or revoke, after notice and opportunity for hearing, the certificate of authority to transact insurance business in this state of any member insurer which fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative, the commissioner may levy a penalty on any member insurer which fails to pay an assessment when due. Such penalty shall not exceed five percent of the unpaid assessment per month, except that a penalty shall not be less than one hundred dollars per month.

*c.* Revoke the designation of any servicing facility if the commissioner finds claims are being processed unsatisfactorily.

3. Judicial review of an action of the commissioner may be sought pursuant to chapter 17A.

2000 Acts, ch 1035, §8
Referred to in §518C.6

**518C.9 Effect of paid claims.**

1. A person recovering under a claim made pursuant to this chapter is deemed to have assigned the person's rights under the policy to the association to the extent of the person's recovery from the association. A claimant seeking the protection of this chapter shall cooperate with the association to the same extent as such claimant would have been required to cooperate with the insolvent insurer. The association has no cause of action against a claimant for any sums the association has paid out.

2. The association or a similar entity in another state shall be recognized as a claimant

in the liquidation of an insolvent insurer for any amounts paid by the association or similar entity on covered claim obligations as determined under this chapter or under similar law in another state. The association or similar entity shall receive dividends and any other distributions at the priority set forth under the applicable liquidation law. The receiver, liquidator, or statutory successor of an insolvent insurer is bound by determinations of covered claim eligibility under this chapter and by settlements of covered claims made by the association or a similar organization in another state. The court having jurisdiction shall grant such claims priority equal to that which the claimant would have been entitled in the absence of this chapter against the assets of the insolvent insurer. The expenses of the association or similar organization in handling claims shall be accorded the same priority as the liquidator's expenses.

3. The association shall periodically file with the receiver, liquidator, or statutory successor of the insolvent insurer statements of the covered claims paid by the association and estimates of anticipated claims on the association, which statements shall preserve the rights of the association against the assets of the insolvent insurer.

2000 Acts, ch 1035, §9

**518C.10 Nonduplication of recovery.**

1. A person having a claim under another policy, which claim arises out of the same facts which give rise to a covered claim, is first required to exhaust the person's rights under the other policy. An amount recovered or recoverable by a person under another insurance policy shall be credited against the liability of the association under section 518C.6, subsection 1, paragraph "*a*". For purposes of this section, "*another insurance policy*" means a policy issued by an insurance company, whether a member insurer or not, which policy insures against any of the types of risks insured by an insurance company authorized to transact insurance business under chapter 518 or 518A, or comparable statutes of another state, except those types of risks set forth in chapters 508 and 514.

2. A person having a claim which may be recovered under more than one insurance guaranty association or an equivalent entity shall seek recovery first from the association of the place of residence of the insured. However, if the claim is a first-party claim for damage to property with a permanent location, recovery shall be first sought from the association or equivalent entity of the state in which the property is permanently located. An amount recovered from any other guaranty association or equivalent entity shall be subtracted from the maximum liability of the Iowa county and state mutual insurance guaranty association under section 518C.6, subsection 1, paragraph "*a*".

2000 Acts, ch 1035, §10

**518C.11 Prevention of insolvencies.**

1. *a.* The board of directors, upon majority vote and for purposes of detecting and preventing insurer insolvencies, may do either of the following:

(1) Make recommendations to the commissioner for the detection and prevention of insurer insolvencies.

(2) Respond to a request by the commissioner to discuss and make recommendations regarding the status of a member insurer whose financial condition may be hazardous to policyholders or the public.

*b.* The board of directors, at the conclusion of a domestic insurer insolvency, may prepare a report based on the information available to the association on the history and causes of the insolvency. The report may be submitted to the commissioner.

2. Recommendations and reports made pursuant to subsection 1, paragraph "*a*", subparagraph (2), are not public records under chapter 22.

2000 Acts, ch 1035, §11

**518C.12 Examination of the association.**

The association is subject to examination and regulation by the commissioner. The board of directors, not later than March 30 of each year, shall submit a financial report for the preceding calendar year in a form approved by the commissioner.

2000 Acts, ch 1035, §12

Referred to in §518C.6

**518C.13 Tax exemption.**

The association is exempt from the payment of fees and taxes levied by this state or a subdivision of the state except for taxes levied on property.

2000 Acts, ch 1035, §13

**518C.14 Recognition of assessments in rates.**

The rates and premiums charged for insurance policies to which this chapter applies shall include amounts sufficient to recoup a sum equal to the amounts paid to the association by the member insurer less any amounts returned to the member insurer by the association. Such rates and premiums shall not be deemed excessive as a result of including such recoupment allowances.

2000 Acts, ch 1035, §14

**518C.15 Immunity.**

There shall be no liability on the part of, and no cause of action of any nature shall arise against, any member insurer, the association or its agents or employees, the board of directors, any committee established for the purpose of administering the affairs of the association, or any person serving as an alternate or substitute representative director of the association, or the commissioner, or the commissioner's representatives, for any reasonable action taken or any reasonable failure to act by them in the performance of their duties and powers under this chapter.

2000 Acts, ch 1035, §15; 2011 Acts, ch 70, §38

**518C.16 Stay of proceedings.**

A proceeding to which the insolvent insurer is a party or in which the insolvent insurer is obligated to defend a party shall be stayed from the date of the insolvency to and including the date set as the deadline for the filing of claims against the insolvent insurer or its receiver. However, upon application, the court having jurisdiction of the receivership may lengthen or shorten the period, either as to all claims or as to any particular claim. The association may waive such stay as to specific cases involving covered claims.

The association, on its own behalf or on behalf of the insured, with respect to a covered claim based on the default of an insurer who is or who becomes insolvent, or based on the failure of an insurer to defend an insured, is entitled to set the default aside and defend such claim on its merits.

2000 Acts, ch 1035, §16

**518C.17 Actions against the association.**

An action against the association shall be brought against it in the association's own name and only in the Polk county district court. Service of original notice in an action against the association shall be made on any officer of the association or upon the commissioner of insurance on its behalf. The commissioner shall promptly transmit any notice served upon the commissioner to the association.

2000 Acts, ch 1035, §17; 2006 Acts, ch 1117, §95

**518C.18 Timely filing of claims.**

Notwithstanding any other provision of this chapter, a covered claim shall not include a claim filed with the association after the final date set by the court for the filing of claims against the insolvent insurer or its receiver.

2000 Acts, ch 1035, §18

**518C.19 Prohibited advertising.**

A person, in connection with the sale of an insurance policy, shall not advertise or publish that claims under the insurance policy are subject to this chapter or that such claims will be paid by the association.

2000 Acts, ch 1035, §19

# CHAPTER 519

## LIABILITY INSURANCE — CERTAIN PROFESSIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 423.3, 505.28, 505.29, 515B.2, 669.14, 670.7


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**519.1 Authorization.**

Any number of physicians and surgeons, osteopathic physicians and surgeons, podiatric physicians, chiropractors, pharmacists, dentists, and graduate nurses, licensed to practice their profession in this state, and hospitals licensed under chapter 135B, may, by complying with the provisions of this chapter and without regard to other statutory provisions, enter into contracts with each other for the purpose of protecting themselves by insurance against loss by reason of actions at law on account of their alleged error, mistake, negligence, or carelessness in the treatment and care of patients, including the performance of surgical operations, or in the prescribing and dispensing of drugs and medicines, or for loss by reason of damages in other respects, and to reimburse any member in case of such loss.

[C24, 27, 31, 35, 39, §**9069;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.1]

95 Acts, ch 108, §19; 2008 Acts, ch 1088, §141

Action on liability policy, chapter 516

**519.2 Incorporation — powers.**

All corporations, organized for the purpose of transacting such insurance business under the provisions of this chapter, shall incorporate under the provisions of chapter 491, and be known as mutual corporations; and are hereby empowered to collect such assessments, or premium payments, provided for in their articles of incorporation or bylaws, as are required to pay losses and expenses incurred in the conduct of their business and to cede reinsurance. Such mutual insurance corporations may issue certificates of membership, or policies; and may provide that all assessments, or premium payments, payable thereunder, be made in cash, or on the installment, or assessment plan.

[C24, 27, 31, 35, 39, §**9070;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.2]

**519.3 Articles — approval — bylaws.**

The articles of incorporation, and any subsequent amendments, of such mutual insurance corporation shall be filed with and approved by the commissioner of insurance before being filed with the secretary of state. A mutual insurance corporation shall file with the commissioner bylaws and subsequent amendments to the bylaws within thirty days of adoption of the bylaws or amendments.

[C24, 27, 31, 35, 39, §**9072;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.3]

2009 Acts, ch 145, §50

**519.4 Approval of policy — certificate of authority.**

No such mutual insurance corporation shall issue membership certificates, or policies, until its form of certificate or policy, shall have been submitted to, and approved by, the commissioner of insurance and until it has secured from such commissioner of insurance a certificate authorizing it to transact such an insurance business.

[C24, 27, 31, 35, 39, §**9073;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.4]

**519.5 Conditions.**

No such certificate shall be issued by the commissioner of insurance until two hundred fifty individual applications or ten or more applications from a hospital group, have been received, and until the commissioner of insurance is satisfied that such mutual insurance corporation has bona fide applications representing the number of applicants required, and that there is in the possession of such mutual insurance corporation cash assets amounting to not less than ten times the maximum single retained risk.

[C24, 27, 31, 35, 39, §**9074;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.5]

**519.6 Reports.**

Such mutual insurance corporations doing business under the provisions of this chapter shall, annually, before the first day of March, report to the commissioner of insurance, upon blanks furnished by the commissioner, the same facts, so far as applicable, as are required to be furnished by mutual insurance associations under the statutes of Iowa, which report shall be tabulated by the commissioner of insurance and published by the commissioner in the annual report on insurance.

[C24, 27, 31, 35, 39, §**9075;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.6]

Annual report, §505.13

**519.7 Reinsurance reserve.**

Such mutual insurance corporations shall, annually, set aside and maintain as a reinsurance reserve, an amount equal to ten percent of the receipts from assessments, or premium payments, during the year until the total amount thus accumulated shall equal forty percent, but not to exceed fifty percent of the amount of the annual assessment, or premium payment, at the rate charged for such insurance on all policies in force. The reserve thus accumulated may be used for the payment of losses and expenses, and when so used shall be restored and maintained in like manner as originally accumulated.

[C24, 27, 31, 35, 39, §**9076;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.7]

**519.8 Cancellation of policy.**

Any certificate of membership, or policy, issued by such a mutual insurance corporation may be canceled by the corporation by giving thirty days' written notice thereof to the insured; or such cancellation may be upon demand of the insured; and such cancellation, when so made, either by the corporation or by the insured, shall be upon a pro rata basis, and the cancellation of such certificate or policy shall release the member from all other future obligations to such corporation.

[C24, 27, 31, 35, 39, §**9077;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.8]

**519.9 Fees.**

Such a mutual insurance corporation shall pay the same fees for admission into the state, for annual reports, and for annual certificates of authority as are required to be paid by domestic mutual companies organized and doing business under chapter 515; such certificate shall expire June 1 of the year following the date of its issue.

[C24, 27, 31, 35, 39, §**9078;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.9]

88 Acts, ch 1112, §109

**519.10 Powers of commissioner.**

The commissioner of insurance shall have and exercise the same control over such corporations as the commissioner now has over state mutual insurance associations organized and doing business under chapter 518A.

[C24, 27, 31, 35, 39, §**9079;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.10]

2000 Acts, ch 1023, §54

**519.11 Liability to assessments.**

The provisions as to maximum liability of members to assessments when assets are insufficient and to assessments when the corporation is insolvent, found in section 518A.9, shall apply to all mutual insurance corporations organized under this chapter.

[C24, 27, 31, 35, 39, §**9080;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.11]

99 Acts, ch 165, §22; 2000 Acts, ch 1023, §55

**519.12 Foreign companies.**

Any mutual insurance association organized under the laws of any other state, for the purpose of transacting the kind of business described in this chapter, and which has on hand surplus amounting to not less than ten times the maximum single retained risk, and has not less than two hundred fifty members, may upon application, be admitted to do business in this state if the commissioner finds such admission is in the public interest; and shall thereafter make all reports and be subject to taxation, examination, and supervision by the commissioner of insurance to the same extent and in the same manner as are domestic corporations organized under the provisions of this chapter.

[C24, 27, 31, 35, 39, §**9081;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.12]

**519.13 Construction.**

All laws, or parts of laws, in conflict herewith shall be so construed as not to include corporations regulated by this chapter.

[C24, 27, 31, 35, 39, §**9082;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §519.13]

# CHAPTER 519A

## MEDICAL MALPRACTICE INSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


519A.1 Intent.
519A.2 Definitions.
519A.3 Temporary joint underwriting association.
519A.4 Plan of operation.
519A.5 Policy forms and rates.
519A.6 Stabilization reserve fund.
519A.7 Procedures.
519A.8 Participation.
519A.9 Governing board.
519A.10 Appeals and judicial review.
519A.11 Annual statements.
519A.12 Examinations.
519A.13 Privileged communications.


**519A.1 Intent.**

The general assembly finds that a critical situation exists because of the high cost and impending unavailability of medical malpractice insurance. The purposes of sections 519A.2 to 519A.13 are to assure that the public is adequately protected against losses arising out of medical malpractice by providing licensed health care providers with medical malpractice insurance through the requirement that certain liability insurance carriers write medical malpractice insurance for a period of two years upon a finding of an emergency by the commissioner of insurance that either such insurance is not available through normal channels or that it is not available on a reasonable basis because of lack of competition for such insurance, or otherwise; to establish an association to equitably spread the risks for such insurance; and to provide for recoupment of losses resulting from the operation of the

association through a stabilization reserve fund contributed to by insureds, a surcharge on future liability insurance policies, or a favorable premium tax treatment.

It is the intent of this chapter to provide only an interim solution to the impending unavailability of medical malpractice insurance. It is not anticipated that this chapter will resolve the underlying causes of the unavailability and high cost which extend beyond the insurance mechanism. It is anticipated that future legislation will be required to deal on a more permanent basis with the underlying causes of the current situation.

[C77, 79, 81, §519A.1]

**519A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Association"* means the joint underwriting association established pursuant to this section and sections 519A.3 to 519A.13.

2. *"Commissioner"* means the commissioner of insurance or a designee.

3. *"Licensed health care provider"* means and includes a physician and surgeon, osteopathic physician and surgeon, dentist, podiatric physician, optometrist, pharmacist, chiropractor, or nurse licensed pursuant to chapter 147, a hospital licensed pursuant to chapter 135B, and a nursing facility licensed pursuant to chapter 135C.

4. *"Medical malpractice insurance"* means insurance coverage against the legal liability of the insured and against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in rendering professional service by any licensed health care provider.

5. *"Net direct premiums"* means gross direct premiums written on liability insurance as reported in the annual statements filed by the insurers with the commissioner, including the liability component of multiple peril package policies as computed by the commissioner, less return premiums for the unused or unabsorbed portions of premium deposits.

[C77, 79, 81, §519A.2]

95 Acts, ch 108, §20; 2002 Acts, ch 1111, §32; 2008 Acts, ch 1088, §141

Referred to in §519A.1, 519A.3, 519A.4, 519A.5, 519A.10, 519A.13

**519A.3 Temporary joint underwriting association.**

1. A temporary joint underwriting association is created, consisting of all insurers authorized to write and engaged in writing on a direct basis within this state liability insurance, including insurers covering such peril in multiple peril policies. Every such insurer shall be a member of the association and shall remain a member as a condition of its authority to continue to write liability insurance in this state.

2. The purpose of the association shall be to provide, for a period not exceeding two years, a market for medical malpractice insurance on a self-supporting basis without subsidy from its members.

3. *a.* The association shall not commence underwriting operations for health care providers until the commissioner, after notice and opportunity for hearing, has determined that medical malpractice insurance is not available at a reasonable cost for a specific type of licensed health care provider in the voluntary market. Upon such determination the association shall be authorized to issue policies of medical malpractice insurance for such specific type of health care provider but need not be the exclusive agency through which such insurance may be written on a primary basis in this state.

*b.* If the commissioner determines at any time that medical malpractice insurance can be made available in the voluntary market at a reasonable price for any specific type of licensed health care provider, the association shall thereby cease underwriting medical malpractice insurance for that type of licensed health care provider.

4. The association shall, subject to the terms and conditions of sections 519A.2 to 519A.13, have and exercise the following powers on behalf of its members:

*a.* To issue, or to cause to be issued, policies of insurance to applicants, including incidental coverages and subject to limits as specified in the plan of operation but not to exceed one million dollars for each claimant under one policy and three million dollars for all claimants under one policy in any one year.

*b.* To underwrite such insurance and to adjust and pay losses with respect thereto, or to appoint service companies to perform those functions.

*c.* To assume reinsurance from its members.

*d.* To cede reinsurance.

[C77, 79, 81, §519A.3]

2012 Acts, ch 1023, §157

Referred to in §519A.1, 519A.2, 519A.4, 519A.5, 519A.10, 519A.13

**519A.4 Plan of operation.**

1. *a.* The association shall submit a plan of operation to the commissioner, together with any amendments necessary or suitable to assure the fair, reasonable, and equitable administration of the association consistent with sections 519A.2 to 519A.13. The plan of operation and any amendments thereto shall become effective only after promulgation of the plan or amendment by the commissioner as a rule pursuant to section 17A.4: Provided that the initial plan may in the discretion of the commissioner become effective immediately upon filing with the secretary of state pursuant to section 17A.5, subsection 2, paragraph *"b"*, subparagraph (1).

*b.* If the association fails to submit a suitable plan of operation within twenty-five days following the effective date of this chapter or if at any time thereafter the association fails to submit suitable amendments to the plan, the commissioner shall adopt rules necessary to effectuate sections 519A.2 to 519A.13. Such rules shall continue in force until modified by the commissioner or superseded by a plan submitted by the association and approved by the commissioner.

2. The plan of operation shall provide for economic, fair and nondiscriminatory administration, and for the prompt and efficient provision of medical malpractice insurance. The plan shall contain other provisions including, but not limited to, preliminary assessment of all members for initial expenses necessary to commence operations, establishment of necessary facilities, management of the association, assessment of members to defray losses and expenses, commission arrangements, reasonable and objective underwriting standards, acceptance and cession of reinsurance, appointment of servicing carriers or other servicing arrangements and procedures for determining amounts of insurance to be provided by the association.

3. All member insurers shall comply with the plan of operation.

[C77, 79, 81, §519A.4]

2012 Acts, ch 1023, §157

Referred to in §519A.1, 519A.2, 519A.3, 519A.5, 519A.10, 519A.13

**519A.5 Policy forms and rates.**

1. The rates, rating plans, rating classifications, and policy forms and endorsements applicable to insurance written by the association and the statistical and experience data relating thereto shall be subject to sections 519A.2 to 519A.13 and to the provisions of the general insurance code which are not inconsistent with the purposes and provisions of this chapter.

2. All policies issued by the association shall provide for a continuous period of coverage beginning with their respective effective dates. All policies shall terminate at 12:01 a.m. two years from the date of finding of an emergency by the commissioner, or earlier in accordance with sections 519A.2 through 519A.13; or because of failure of the policyholder to pay any premium or stabilization reserve fund charge or portion of either when due. All policies shall be issued subject to the group retrospective rating plan and the stabilization reserve fund authorized by this chapter. No policy form shall be used by the association unless it has been filed with and approved by the commissioner.

3. The commissioner shall specify whether policy forms and the rate structure shall be on a "claims-made" or "occurrence" basis and coverage shall be provided by the association only on the basis specified by the commissioner. The commissioner shall specify the "claims-made" basis only if the contract makes provision for residual "occurrence" coverage upon the retirement, death, disability or removal from this state of the insured. Provision

may be made for a premium charge allocable to any such residual "occurrence" coverage and such premium charges for such residual coverage shall be segregated and separately maintained for such purpose which may include the reinsurance of all or a part of that portion of the risk.

4. The rates, rating plans, rating rules, and rating classifications applicable to the insurance written by the association shall be on an actuarially sound basis, giving due consideration to the group retrospective rating plan and the stabilization reserve fund, and shall be calculated to be self-supporting.

5. All policies issued by the association shall be subject to a nonprofit group retrospective rating plan to be approved by the commissioner under which the final premium for all policyholders of the association, as a group, will be equal to the administrative expenses, loss and loss adjustment expenses and taxes, plus a reasonable allowance for contingencies and servicing. Policyholders shall be given full credit for all investment income, net of expenses and a reasonable management fee, on policyholder supplied funds. The standard premium, before retrospective adjustment, for each policy issued by the association shall be established for portions of the policy period coinciding with the association's fiscal year on the basis of the association's rates, rating plans, rating rules, and rating classifications then in effect. The maximum final premium for all policyholders of the association, as a group, shall be limited as provided in section 519A.6, subsection 5. Since the business of the association is subject to the nonprofit group retrospective rating plan required by this subsection, there shall be a presumption that the rates filed and premiums imposed by the association are not unreasonable or excessive.

6. The association shall certify to the commissioner the estimated amount of any deficit remaining after the stabilization reserve fund has been exhausted in payment of the maximum final premium for all policyholders of the association. Within sixty days after that certification the commissioner shall authorize the members of the association to commence recoupment of their respective shares of the deficit by deducting their share of the deficit from past or future premium taxes due the state of Iowa. The association shall amend the amount of its certification of deficit to the commissioner as the values of its incurred losses become finalized and the members of the association shall amend their recoupment procedure accordingly.

7. In the event that sufficient funds are not available for the sound financial operation of the association, all members shall contribute to the financial requirements of the association in the manner provided for in section 519A.8. Any contribution shall be reimbursed to the members by recoupment as provided in subsection 6.

[C77, 79, 81, §519A.5]

2002 Acts, ch 1111, §33

Referred to in §519A.1, 519A.2, 519A.3, 519A.4, 519A.10, 519A.13

**519A.6 Stabilization reserve fund.**

1. There is created a stabilization reserve fund. The fund shall be administered by three directors, one of whom shall be the commissioner. The remaining two directors shall be appointed by the commissioner: One shall be a representative of the association and the other a representative of its policyholders.

2. The directors shall act by majority vote with two directors constituting a quorum for the transaction of any business or the exercise of any power of the fund. The directors shall serve without salary, but each director other than the commissioner shall be reimbursed for actual and necessary expenses incurred in the performance of official duties as a director. The directors shall not be subject to any personal liability with respect to the administration of the fund for acts or decisions made in good faith pursuant to the provisions of this chapter.

3. Each policyholder shall pay to the association a stabilization reserve fund charge determined by the directors which shall not exceed the amount of one annual premium due for insurance through the association. Such charge shall be separately stated in the policy. The association shall cancel the policy of any policyholder who fails to pay the stabilization reserve fund charge.

4. The association shall promptly pay to the fund all stabilization reserve fund charges

which it collects from its policyholders and any retrospective premium refunds payable under any group retrospective rating plan approved by the commissioner under the provisions of this chapter.

5. All moneys received by the fund shall be held in trust by a corporate trustee selected by the directors. The corporate trustee may invest the moneys held in trust, subject to the approval of the directors. All investment income shall be credited to the fund, and all expenses of administration of the fund shall be charged against the fund. The moneys held in trust shall be used solely for the purpose of discharging when due any retrospective premium charges payable by policyholders of the association under the group retrospective rating plan approved by the commissioner. Payment of retrospective premium charges shall be made by the directors upon certification to them by the association of the amount due. If all moneys accruing to the fund are finally exhausted in payment of retrospective premium charges, all liability and obligations of the association's policyholders with respect to the payment of retrospective premium charges shall there upon terminate and shall be conclusively presumed to have been discharged. Any moneys remaining in the fund after all such retrospective premium charges have been paid shall be returned to policyholders pursuant to procedures authorized by the directors.

[C77, 79, 81, §519A.6]

Referred to in §519A.1, 519A.2, 519A.3, 519A.4, 519A.5, 519A.10, 519A.13

**519A.7 Procedures.**

1. Upon a finding by the commissioner, after notice and opportunity for hearing, that medical malpractice insurance is not available at a reasonable cost for a specific type of licensed health care provider in the voluntary market and upon notification of that finding to the association, any licensed health care provider of the type specified in the commissioner's finding shall be entitled to apply to the association for medical malpractice insurance coverage. The application may be made on behalf of a licensed health care provider by an authorized agent.

2. If the association determines that the applicant meets the underwriting standards of the association as prescribed in the plan of operation, then the association, upon receipt of the premium or such portion thereof as is prescribed in the plan of operation, shall cause to be issued a policy of medical malpractice insurance.

[C77, 79, 81, §519A.7]

Referred to in §519A.1, 519A.2, 519A.3, 519A.4, 519A.5, 519A.10, 519A.13

**519A.8 Participation.**

All members of the association shall participate in its writings, expenses, servicing allowance, management fees and losses in the proportion that the net direct premiums of each member, excluding that portion of premiums attributable to the operation of the association, written during the preceding calendar year bears to the aggregate net direct premiums written in this state by all members of the association. Each member's proportion shall be determined annually on the basis of the annual statements and other reports filed by the insurer with the commissioner.

[C77, 79, 81, §519A.8]

Referred to in §519A.1, 519A.2, 519A.3, 519A.4, 519A.5, 519A.10, 519A.13

**519A.9 Governing board.**

1. The association shall be governed by a board of eleven directors of whom three shall be appointed annually by the commissioner to represent the licensed health care providers. Eight members shall be elected annually, except as provided in subsection 2, by the members of the association. Vacancies on the board shall be filled for the remaining period of the term by majority vote of the remaining directors subject to approval of the commissioner.

2. *a.* The commissioner shall designate a time and place for a meeting of the members of the association at which the eight elected members serving on the board shall be elected. The commissioner shall appoint the appointive members of the board on or before the date of the meeting.

*b.* The commissioner may, prior to the first meeting of the members of the association,

appoint an interim governing board of the association consisting of eight member insurers and three representatives of the licensed health care providers. The eight member insurers of that interim governing board shall serve until their successors are elected by the members of the association. In appointing members of the association to the interim governing board, the commissioner shall consider among other things whether all member insurers are fairly represented.

[C77, 79, 81, §519A.9]

2002 Acts, ch 1111, §34; 2012 Acts, ch 1023, §157

Referred to in §519A.1, 519A.2, 519A.3, 519A.4, 519A.5, 519A.10, 519A.13

**519A.10 Appeals and judicial review.**

1. Any applicant or any person insured pursuant to section 519A.7, or a legal representative, or any affected insurer, may appeal to the commissioner within thirty days after any ruling, action or decision by or on behalf of the association, with respect to those items the plan of operation defines as appealable matters.

2. All orders of the commissioner made pursuant to sections 519A.2 to 519A.13 shall be subject to judicial review as provided in the Iowa administrative procedure Act, chapter 17A.

[C77, 79, 81, §519A.10]

2003 Acts, ch 44, §114

Referred to in §519A.1, 519A.2, 519A.3, 519A.4, 519A.5, 519A.13

**519A.11 Annual statements.**

The association shall file in the office of the commissioner on or before the first day of March each year, a statement as prescribed by the commissioner. The statement shall contain matters and information required by the commissioner including, but not limited to, information with respect to its transactions, condition, operations and affairs during the preceding year, and shall be in a form approved by the commissioner. The commissioner may, at any time, require the association to furnish additional information with respect to matters considered to be material to the scope, operation and experience of the association.

[C77, 79, 81, §519A.11]

Referred to in §519A.1, 519A.2, 519A.3, 519A.4, 519A.5, 519A.10, 519A.13

**519A.12 Examinations.**

The commissioner shall make an examination of the association at least annually. The expenses of each examination shall be paid by the association.

[C77, 79, 81, §519A.12]

Referred to in §519A.1, 519A.2, 519A.3, 519A.4, 519A.5, 519A.10, 519A.13

**519A.13 Privileged communications.**

There shall be no liability on the part of, and no cause of action of any nature shall arise against the association, the commissioner, or any other person or organization, for any statements made in good faith by any of them in any report or communication concerning risks insured or to be insured by the association, or during any proceedings within the scope of sections 519A.2 to 519A.12 and this section.

[C77, 79, 81, §519A.13]

Referred to in §519A.1, 519A.2, 519A.3, 519A.4, 519A.5, 519A.10

# CHAPTER 520

## RECIPROCAL OR INTERINSURANCE CONTRACTS

Referred to in §87.4, 296.7, 331.301, 364.4, 423.3, 505.28, 505.29, 507.1, 508C.3, 509.5, 514A.1, 515B.1, 515B.2, 515B.9, 521.1, 521A.1, 521A.2, 521E.1, 521F.2, 522B.1, 533C.103, 537.7103, 669.14, 670.7


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520.19 Annual tax — fees.
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520.21 Reinsurance.
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520.23 Deposit of securities by reciprocal or interinsurance exchanges.


**520.1 Authorization.**

Individuals, partnerships, and corporations, and cities, counties, townships, school districts and any other units of local government of this state, hereby designated subscribers, are hereby authorized to exchange reciprocal or interinsurance contracts with each other, and with individuals, partnerships, and corporations of other states, territories, districts, and countries, providing insurance among themselves from any loss which may be insured against under the law, except life insurance.

[C24, 27, 31, 35, 39, §**9083;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.1]

**520.2 Execution of contract.**

Such contracts may be executed by an attorney, agent, or other representative herein designated attorney, duly authorized and acting for such subscribers under powers of attorney, and such attorney may be a corporation. Such attorney shall have the power and authority to execute any and all instruments, papers, and documents incident to and a part of the business of the reciprocal or interinsurance exchange, including deeds for the conveyance of real estate, and acquisition and sale of securities. Such attorney shall have the power and authority to do all things necessary and incident to the management and operation of such business. The certificate of the commissioner of insurance certifying the name of the attorney for any reciprocal or interinsurance exchange shall be sufficient proof of the authority of any such attorney.

[C24, 27, 31, 35, 39, §**9084;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.2]

Referred to in §520.14

**520.3 Office of attorney — foreign office.**

The principal office of such attorney shall be maintained at such place as is designated by the subscribers in the power of attorney; provided that, where the principal office of such attorney is located in another state, the commissioner of insurance shall not issue a certificate of authority, or license, as provided in this chapter unless such attorney shall hold a license or certificate of authority from the insurance department of such other state.

[C24, 27, 31, 35, 39, §**9085;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.3]

Referred to in §520.14

**520.4 Preliminary declaration.**

Such subscribers so contracting among themselves, shall, through their attorney, file with the commissioner of insurance a declaration verified by the oath of such attorney, or, where

such attorney is a corporation, by the oath of the duly authorized officers thereof, setting forth:

1. The name of the attorney and the name or designation under which such contracts are issued, which name or designation shall not be so similar to any name or designation adopted by any attorney or by any insurance organization in the United States prior to the adoption of such name or designation by the attorney, as to confuse or deceive.
2. The location of the principal office.
3. The kind or kinds of insurance to be effected.
4. A copy of each form of policy, contract, or agreement under or by which insurance is to be effected.
5. A copy of the form of power of attorney under which such insurance is to be effected.
6. That applications have been made for indemnity or insurance upon at least one hundred separate risks aggregating not less than one and one-half million dollars represented by executed contracts or bona fide applications to become concurrently effective; or in case of employers liability or workers' compensation insurance, covering a total payroll of not less than two and one-half million dollars.
7. That there is in the possession of such attorney and available for the payment of losses, assets amounting to not less than three hundred thousand dollars.
8. A financial statement under oath in form prescribed for the annual statement.
9. The instrument authorizing service of process as provided for in this chapter.
10. Certificate showing deposit of funds.

[C24, 27, 31, 35, 39, §**9086;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.4]
Referred to in §85.65A, 520.5, 520.9, 520.14, 520.18

**520.5 Actions — venue — commissioner as process agent.**

Concurrently with the filing of the declaration provided for by the terms of section 520.4, the attorney shall file with the commissioner of insurance, an instrument in writing executed by the attorney for said subscribers, conditioned that, upon the issuance of certificate of authority provided for in this chapter, action may be brought in the county in which the property or person insured thereunder is located, and that service of process shall be had upon the commissioner of insurance or upon the attorney in fact in all suits in this state, whether arising out of such policies, contracts, agreements or otherwise, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal or interinsurance contracts through such attorney. All suits of every kind and description brought against such reciprocal exchange or the subscribers thereto on account of their connection therewith, must be brought against the attorney in fact therefor or the exchange as such, and shall not be brought against any of the subscribers thereto individually on account of their connection with or membership in such reciprocal exchange, and must be brought in the manner and method above provided.

[C24, 27, 31, 35, 39, §**9087;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.5]
Referred to in §520.14

**520.6 Manner of service.**

Three copies of such process shall be served and the commissioner of insurance shall file one copy, forward one copy to said attorney, and return one copy with the commissioner's admission of service.

[C24, 27, 31, 35, 39, §**9088;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.6]
Referred to in §520.14

**520.7 Judgment — satisfaction.**

A judgment rendered in any such case where service of process has been so had upon the commissioner of insurance, shall be valid and binding against any and all such subscribers as their interests appear and such judgment may be satisfied out of the funds in the possession of the attorney belonging to such subscribers.

[C24, 27, 31, 35, 39, §**9089;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.7]
Referred to in §520.14

**520.8 Reports — limitations on risks.**

There shall be filed with the commissioner of insurance by such attorney whenever the commissioner of insurance shall so require, a statement under oath of such attorney showing the maximum amount of indemnity upon a single risk, and, except as to workers' compensation insurance, no subscriber shall assume on any single risk an amount greater than ten percent of the net worth of such subscriber.

[C24, 27, 31, 35, 39, §**9090;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.8]

Referred to in §520.14

**520.9 Standard of solvency.**

1. There shall at all times be maintained as assets a sum in cash, or in securities of the kind designated by the laws of the state where the principal office is located for the investment of funds of insurance companies, equal to one hundred percent of the net unearned premiums or deposits collected and credited to the account of subscribers, or assets equal to fifty percent of the net annual deposits collected and credited to the account of subscribers on policies having one year or less to run and pro rata on those for longer periods; in addition to which there shall be maintained in cash, or in such securities, assets sufficient to discharge all liabilities on all outstanding losses arising under policies issued, the same to be calculated in accordance with the laws of the state relating to similar reserves for companies insuring similar risks; provided that where the assets on hand available for the payment of losses other than determined losses, do not equal five million dollars, all liability for each determined loss or claim deferred for more than one year, shall be provided for by a special deposit in a trust company or bank having fiduciary powers of the state in which the principal office is located, to be used in payment of compensation benefits for disability; such deposit to be a trust fund and applicable only to the purposes stated, or such liability may be reinsured in authorized companies with a surplus of at least five million dollars. For the purpose of such reserves, net deposits shall be construed to mean the advance payments of subscribers after deducting the amount specifically provided in the subscribers' agreements for expenses. If at any time the assets so held in cash or such securities shall be less than required above, or less than five million dollars, the subscribers or their attorney for them shall make up the deficiency within thirty days after notice from the commissioner of insurance to do so. In computing the assets required by this section, the amount specified in section 520.4, subsection 7, shall be included.

2. Notwithstanding subsection 1, a person issuing reciprocal contracts and authorized to transact business under this chapter shall comply with the minimum surplus requirements of this section or chapter 521E, whichever is greater.

[C24, 27, 31, 35, 39, §**9091;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.9]

88 Acts, ch 1111, §16; 96 Acts, ch 1046, §8; 2007 Acts, ch 137, §20

Referred to in §85.65A, 520.9A, 520.14

**520.9A Solvency standard — transition.**

Notwithstanding section 520.9, a reciprocal or interinsurance insurer authorized to transact business in this state prior to July 1, 1988, may continue in operation provided that the insurer contributes an additional ten percent of the previous year ending capital and surplus to capital and surplus each year. If an insurer fails to contribute the additional ten percent, the commissioner of insurance may revoke the insurer's authorization to do business in this state. The insurance commissioner may waive this requirement for just cause shown.

88 Acts, ch 1111, §17

Referred to in §520.14

**520.10 Annual report — examination — penalties.**

1. Such attorney shall, within the time limited for filing the annual statement by insurance companies transacting the same kind of business, make a report, under oath, to the commissioner of insurance for each calendar year, showing the financial condition of affairs at the office where such contracts are issued and shall, at any and all times, furnish such additional information and reports as may be required; provided, however, that the attorney

shall not be required to furnish the names and addresses of any subscribers except in case of an unpaid final judgment. The business affairs, records, and assets of any such organization shall be subject to examination by the commissioner of insurance at any reasonable time, and such examination shall be at the expense of the organization examined.

2. A certificate of authority of a reciprocal or interinsurance insurer authorized under this chapter shall be renewed annually in accordance with section 520.12 so long as the insurer transacts its business in accordance with all legal requirements.

3. The commissioner shall refuse to renew the certificate of authority of a reciprocal or interinsurance insurer that fails to comply with the provisions of this chapter and the insurer's right to transact new business in this state shall immediately cease until the insurer has so complied.

4. A reciprocal or interinsurance insurer that fails to timely file the report required under subsection 1 is in violation of this section and shall pay an administrative penalty of five hundred dollars to the treasurer of state for deposit as provided in section 505.7.

5. The commissioner may give notice to a reciprocal or interinsurance insurer that the insurer has not timely filed the report required under subsection 1 and is in violation of this section. If the insurer fails to file the required report and comply with this section within ten days of the date of the notice, the insurer shall pay an additional administrative penalty of one hundred dollars for each day that the failure continues to the treasurer of state for deposit as provided in section 505.7.

[C24, 27, 31, 35, 39, §**9092;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.10]
2006 Acts, ch 1117, §96; 2009 Acts, ch 181, §86
Referred to in §520.14

**520.11 Implied powers of corporations.**

Any corporation now or hereafter organized under the laws of this state shall, in addition to the rights, powers, and franchises specified in its articles of incorporation, have full power and authority to exchange insurance contracts of the kind and character herein mentioned. The right to exchange such contracts is hereby declared to be incidental to the purposes for which such corporations are organized and as fully granted as the rights and powers expressly conferred.

[C24, 27, 31, 35, 39, §**9093;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.11]
Referred to in §520.14

**520.12 Certificate of authority — renewal — penalties.**

1. Upon compliance with the requirements of this chapter, the commissioner of insurance shall issue a certificate of authority or a license to the attorney, authorizing the attorney to make such contracts of insurance, which license shall specify the kind or kinds of insurance and shall contain the name of the attorney, the location of the principal office and the name or designation under which such contracts of insurance are issued. The certificate of authority shall expire on the first day of June next succeeding its issue, and shall be renewed annually as long as the company transacts business in accordance with the requirements of law. A copy of the certificate, when certified by the commissioner of insurance, shall be admissible in evidence for or against a company with the same effect as the original.

2. A reciprocal or interinsurance insurer shall submit annually, on or before March 1, a completed application for renewal of the insurer's certificate of authority. An insurer that fails to timely file an application for renewal shall pay an administrative fee of five hundred dollars to the treasurer of state for deposit as provided in section 505.7.

[C24, 27, 31, 35, 39, §**9094;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.12]
88 Acts, ch 1112, §110; 2006 Acts, ch 1117, §97; 2009 Acts, ch 181, §87
Referred to in §520.10, 520.14

**520.13 Fidelity or surety bonds executed.**

Fidelity or surety bonds executed by a reciprocal or interinsurance exchange pursuant to authority given by the commissioner of insurance shall be received and accepted as company or corporate bonds, provided, however, that such reciprocal companies before

being permitted to qualify for writing fidelity or surety bonds shall be required to maintain a surplus of three hundred thousand dollars.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.13]

Referred to in §520.14

**520.14 Violations — exceptions.**

It shall be unlawful for an attorney to exchange contracts of insurance of the kind and character specified in this chapter, or for an attorney or representative of the attorney to solicit or negotiate any applications for the same without the attorney having first complied with the provisions of sections 520.2 through 520.13. For the purpose of organization and upon issuance of permit by the commissioner of insurance, powers of attorney and applications for such contracts may be solicited without compliance with the provisions of this chapter, but an attorney, agent, or other person shall not make any such contracts of indemnity until all of the provisions of this chapter shall have been complied with.

[C24, 27, 31, 35, 39, §**9095;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.14]

2004 Acts, ch 1110, §59; 2009 Acts, ch 133, §169

**520.15 Refusal or revocation of certificate.**

In addition to the foregoing penalties and where not otherwise provided, the penalty for failure or refusal to comply with any of the terms and provisions of this chapter, upon the part of the attorney, shall be the refusal, suspension, or revocation of certificate of authority or license by the commissioner of insurance and the public announcement of the commissioner's act, after due notice and opportunity for hearing has been given such attorney so that the attorney may appear and show cause why such action should not be taken.

[C24, 27, 31, 35, 39, §**9096;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.15]

**520.16 Bonds.**

Where the principal office of the attorney in fact is located in this state the attorney shall give a fidelity bond to the subscribers thereof, personal or surety, in such sum as the commissioner of insurance shall deem sufficient, no less, however, than ten thousand dollars, which bond shall be approved by and deposited with the commissioner of insurance.

[C24, 27, 31, 35, 39, §**9097;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.16]

**520.17 Additional security — refusal.**

Should the commissioner of insurance consider the surety on said bond, or the amount thereof, insufficient, the commissioner may require additional security or an increase in the amount of the bond. If such additional security or increase be not furnished within thirty days after notice to furnish the same, the commissioner of insurance may revoke the certificate of authority.

[C24, 27, 31, 35, 39, §**9098;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.17]

**520.18 Foreign attorney — bonds.**

Where the principal office of the attorney is located in another state, there shall be filed with the commissioner of insurance, in connection with the declaration, provided for by section 520.4, certified copies of all such bonds given by such attorney as security for the funds of subscribers.

[C24, 27, 31, 35, 39, §**9099;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.18]

**520.19 Annual tax — fees.**

In lieu of all other taxes, licenses, charges, and fees whatsoever, such attorney shall annually pay to the commissioner the same fees as are paid by mutual companies transacting the same kind of business, and an annual tax based upon the applicable percentage stated in section 432.1, subsection 4, calculated upon the gross premiums or deposits collected from subscribers in this state during the preceding calendar year, after deducting therefrom returns, or cancellations, and all amounts returned to subscribers or credited to

their accounts as savings, and the amount returned upon canceled policies and rejected applications covering property situated or on business done within this state.

[C24, 27, 31, 35, 39, §**9100;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.19]

88 Acts, ch 1112, §305; 2005 Acts, ch 70, §47

**520.20 Form of policy — construction.**

The attorney may insert in any form of policy prescribed by the laws of this state any provisions or conditions required by the plan of reciprocal or interinsurance, provided the same shall not be inconsistent with or in conflict with any law of this state. Such policy, in lieu of conforming to the language and form prescribed by such law, shall be held to conform thereto in substance if such policy includes a provision or endorsement reciting that the policy shall be construed as if in the language and form prescribed by such law. Any such policy or endorsement shall first be filed with and approved by the commissioner of insurance.

[C24, 27, 31, 35, 39, §**9101;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.20]

**520.21 Reinsurance.**

Such attorney shall not effect any reinsurance on risks in this state unless the insurance carrier granting such reinsurance shall be licensed in this state.

[C24, 27, 31, 35, 39, §**9102;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.21]

Referred to in §521.13

**520.22** Repealed by 88 Acts, ch 1111, § 18.

**520.23 Deposit of securities by reciprocal or interinsurance exchanges.**

If the commissioner of insurance or chief insurance officer of any other state or territory of the United States, claiming to proceed under existing or future laws of any such state or territory, shall require reciprocal or interinsurance exchanges of this state or the agents thereof to make any deposit of securities in such other state or territory for the protection of policyholders or otherwise or to make payment of taxes, fines, penalties, certificates of authority, license fees or otherwise or subject them to any restrictions, obligations, conditions, or penalties, greater than are required or imposed by the laws of the state of Iowa relating to reciprocal or interinsurance exchanges, from such exchanges of such other states or territories by the then existing laws of this state, then and in every such case all such reciprocal or interinsurance exchanges of such other states or territories shall be and they are hereby required to make like deposits for like purposes with the insurance division of this state and to pay to the commissioner of insurance taxes, fines, penalties, certificates of authority, license fees and otherwise in an amount equal to the amount of such charges and payments, and shall be subjected to the same restrictions, obligations, conditions, or penalties imposed by the commissioner of insurance or chief insurance officer of such other states under and by virtue of law, upon reciprocal or interinsurance exchanges of this state and the agents thereof.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §520.23]

# CHAPTER 521

## CONSOLIDATION, MERGER, AND REINSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.23, 505.28, 505.29, 507C.12, 508B.2, 515G.2, 521A.14, 669.14, 670.7

Securities to be deposited by foreign companies, §508.20 – 508.22, 515.70 – 515.72


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521.10 Election called.
521.11 Approval and filing with commissioner. Repealed by 2006 Acts, ch 1117, §127.
521.12 Companies other than life — approval of plan. Repealed by 2006 Acts, ch 1117, §127.
521.13 Reinsurance transactions — exemption.
521.14 Expenses and costs — how paid.
521.15 Violations. Repealed by 2004 Acts, ch 1110, §71.
521.16 Applicability of section 521A.3.
521.17 Additional filing requirements — plans and articles of merger or consolidation.
521.18 Articles of merger or consolidation — filing fees and approval.


**521.1 Definitions.**

For the purposes of this chapter:

1. *"Affected company"* or *"affected mutual company"* means the company being merged with and into the surviving company.

2. *"Commission"* means the commission created in section 521.5.

3. *"Commissioner"* means the commissioner of insurance.

4. *"Company"* means a company or association organized under chapter 508, 514B, 515, 518, 518A, or 520, and includes a mutual insurance holding company organized pursuant to section 521A.14.

[S13, §1821-m; C24, 27, 31, 35, 39, §**9104;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.1]

89 Acts, ch 83, §75; 95 Acts, ch 185, §41; 2006 Acts, ch 1117, §98; 2007 Acts, ch 22, §91; 2011 Acts, ch 70, §39

Referred to in §521.2

**521.2 Consolidation, merger, and reinsurance.**

1. One or more domestic mutual insurance companies organized under chapter 491 may merge or consolidate with a domestic or foreign mutual insurance company as provided in this chapter.

2. One or more domestic insurance companies organized under chapter 490 may merge with a domestic or foreign insurance company as provided in chapter 490 with the approval of the commission pursuant to this chapter.

3. The provisions of this chapter shall not be applicable to the merger or consolidation of a domestic mutual company with a stock company pursuant to chapter 508B or chapter 515G.

4. A domestic insurance company shall not assume or reinsure the whole or any part of the risks of any other company, except as provided in this chapter. However, this chapter shall not be construed to prevent any company, as defined in section 521.1, from reinsuring a fractional part of any risk.

5. One or more foreign or domestic stock insurance companies may merge into a domestic mutual insurance company organized under chapter 491 as provided in this chapter.

6. One or more domestic health maintenance organizations or limited service organizations formed under chapter 514B may merge into a domestic insurance company organized under chapter 490 or chapter 491 as provided in this chapter.

7. Sections 491.102 through 491.105 shall not be applicable to a merger or consolidation of a domestic mutual insurance company pursuant to this chapter.

[S13, §1821-n; C24, 27, 31, 35, 39, §**9105;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.2]

95 Acts, ch 185, §42; 2006 Acts, ch 1117, §99; 2007 Acts, ch 137, §21; 2009 Acts, ch 145, §51; 2011 Acts, ch 70, §40, 41

Referred to in §508.33A

**521.3 Submission of plan and application to commissioner of insurance.**

Any company proposing to consolidate, merge, or enter into any reinsurance contract with another company shall file a plan and an application in support of the plan with the commissioner. The plan shall set forth the terms of the proposed contract of consolidation, merger, or reinsurance, along with any other information requested by the commissioner.

[S13, §1821-o; C24, 27, 31, 35, 39, §**9106;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.3]

2006 Acts, ch 1117, §100

Referred to in §521.4

**521.4 Procedure — notice.**

The commission may hear and determine an application, and approve, disapprove, or require modification of a plan submitted under section 521.3 without notice and without public hearing. The commission may require a public hearing when necessary to conserve the interests of the members, policyholders, or shareholders of the affected company. In such cases the commission shall require the affected company to mail to all of its members, policyholders, or shareholders written notice of the public hearing stating that an application and plan have been filed with the commission, the nature of the plan, and the date, time, and place of the public hearing on the application and plan. The commission shall determine the number of days prior to the public hearing that notice is required to be given to the members or shareholders, which shall be no fewer than ten nor more than sixty days.

[S13, §1821-p; C24, 27, 31, 35, 39, §**9107;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.4]

2006 Acts, ch 1117, §101

Referred to in §521.7

**521.5 Commission created.**

A commission consisting of the commissioner of insurance and the attorney general is hereby created to hear and determine the application and to approve, disapprove, or require modification of the plan prior to approval.

[S13, §1821-q; C24, 27, 31, 35, 39, §**9108;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.5]

88 Acts, ch 1112, §702; 2006 Acts, ch 1117, §102

Referred to in §521.1

**521.6 Examination.**

The commission may examine the affairs and condition of any company as it deems proper. The commission shall have the power to summon and compel the attendance and testimony of witnesses. The commission shall have the power to compel the production of books and papers before the commission, and may administer oaths.

[S13, §1821-q; C24, 27, 31, 35, 39, §**9109;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.6]

2006 Acts, ch 1117, §103; 2007 Acts, ch 22, §92

**521.7 Appearance by members, policyholders, or shareholders.**

When notice is given as provided in section 521.4, any member, policyholder, or shareholder of the affected company shall have the right to appear before the commission and be heard regarding the application and plan.

[S13, §1821-q; C24, 27, 31, 35, 39, §**9110;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.7]

2006 Acts, ch 1117, §104

**521.8 Authorization.**

The commission, if satisfied that the interests of the members, policyholders, or shareholders of the affected company are properly protected and no reasonable objection to the application and plan exists, may approve, disapprove, or require modification of the proposed plan of consolidation, merger, or reinsurance prior to approval. The commission may make such order and disposition of the assets of any such company thereafter remaining as shall be just and equitable.

[S13, §1821-q; C24, 27, 31, 35, 39, §**9111;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.8]

2006 Acts, ch 1117, §105

**521.9 Unanimous decision required.** Repealed by 2006 Acts, ch 1117, § 127.

**521.10 Election called.**

1. The commission may require an affected company to submit the plan of consolidation, merger, or reinsurance to a vote by its members. The plan shall be submitted at a meeting called for that purpose, upon not less than thirty days' notice. Member approval of the plan requires the affirmative vote of two-thirds of all members voting in person, by ballot, or by proxy.

2. Approval by the members of a mutual company of a plan of merger or reinsurance is not required if all of the following conditions are satisfied:

*a.* The company will survive the merger or is the reinsurer.

*b.* At the time of the merger or reinsurance, the number of members of the surviving company is greater than the number of members of the affected company.

*c.* At the time of the merger or reinsurance, the surplus of the surviving company is greater than the surplus of the affected company.

[S13, §1821-q; C24, 27, 31, 35, 39, §**9113;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.10]

2006 Acts, ch 1117, §106

**521.11 Approval and filing with commissioner.** Repealed by 2006 Acts, ch 1117, § 127.

**521.12 Companies other than life — approval of plan.** Repealed by 2006 Acts, ch 1117, § 127.

**521.13 Reinsurance transactions — exemption.**

Reinsurance as provided in sections 515.49, 518.17, 518A.44, and 520.21 is exempt from the requirements of this chapter.

[S13, §1821-s; C24, 27, 31, 35, 39, §**9116;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.13]

97 Acts, ch 186, §24; 2006 Acts, ch 1117, §107

**521.14 Expenses and costs — how paid.**

All expenses and costs incident to proceedings under this chapter shall be paid by the company filing the application and plan.

[S13, §1821-t; C24, 27, 31, 35, 39, §**9117;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §521.14]

2006 Acts, ch 1117, §108

**521.15 Violations.** Repealed by 2004 Acts, ch 1110, § 71.

**521.16 Applicability of section 521A.3.**
For an insurer subject to chapter 521A, the provisions of section 521A.3 shall also be applicable to a merger or consolidation subject to this chapter. As used in this section, "*insurer*" means the same as defined in section 521A.1.
95 Acts, ch 185, §43; 2006 Acts, ch 1117, §109; 2008 Acts, ch 1123, §41

**521.17 Additional filing requirements — plans and articles of merger or consolidation.**
A company filing a plan to merge or consolidate shall, in addition to and after meeting the requirements of this chapter, make all appropriate filings with and pay appropriate fees to the secretary of state required under chapter 490 or 491.
2006 Acts, ch 1117, §110

**521.18 Articles of merger or consolidation — filing fees and approval.**
A company filing a plan to merge or consolidate under the provisions of this chapter shall file its articles of merger or consolidation with the commission for its approval. The fee for filing articles of merger or consolidation with the commission is fifty dollars.
2006 Acts, ch 1117, §111

# CHAPTER 521A

## INSURANCE HOLDING COMPANY SYSTEMS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 507C.12, 508.5, 508.9, 508B.2, 510.1B, 510.6, 515.8, 515.12, 515G.2, 521.16, 521C.2, 521C.6, 521C.9, 669.14, 670.7

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MUTUAL INSURANCE HOLDING COMPANIES

521A.14 Mutual insurance holding companies.

## GENERAL PROVISIONS

**521A.1 Definitions.**
For the purpose of this chapter, unless the context otherwise requires:
1. "*Affiliate of*", or a person affiliated with, a specific person, shall mean a person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.
2. The term "*commissioner*" shall mean the insurance commissioner, the commissioner's deputies, or the insurance division, as appropriate.
3. "*Control*", including controlling, controlled by, and under common control with, shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or

otherwise, unless the power is solely the result of an official position with or a corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by showing that control does not exist in fact.

4. *"Domestic insurer"* means an insurer organized or created under the laws of this state except an insurer excluded under subsection 6.

5. *"Insurance holding company system"* shall consist of two or more affiliated persons, one or more of which is an insurer.

6. *"Insurer"* means a company qualified and licensed by the insurance division to transact the business of insurance in this state by certificate issued pursuant to chapters 508, 512B, 514, 514B, 515, 515E, and 520, except that it shall not include agencies, authorities, or instrumentalities of the United States, its possessions and territories, the commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

7. A *"person"* is an individual, a corporation, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert, but does not include a joint venture partnership exclusively engaged in owning, managing, leasing, or developing real or tangible personal property.

8. A *"securityholder"* of a specified person is one who owns any security of such person, including common stock, preferred stock, debt obligations, and any other security convertible into or evidencing the right to acquire any of the foregoing.

9. A *"subsidiary"* of a specified person is an affiliate controlled by such person directly, or indirectly through one or more intermediaries.

10. The term *"voting security"* shall include any security convertible into or evidencing a right to acquire a voting security.

[C71, 73, 75, 77, 79, 81, §521A.1]

86 Acts, ch 1102, §1, 2; 90 Acts, ch 1234, §72; 97 Acts, ch 186, §25; 2006 Acts, ch 1117, §112

Referred to in §507C.2, 508.33A, 510A.2, 511.8(22b), 515B.2, 515G.1, 518C.3, 521.16

**521A.2 Subsidiaries of insurers.**

1. *Authorization.* Any domestic insurer, either by itself or in cooperation with one or more persons, subject to the limitations set forth herein or elsewhere in this chapter, may organize or acquire one or more subsidiaries engaged or registered to engage in one or more of the following businesses or activities:

*a.* Any kind of insurance business authorized by the jurisdiction in which it is incorporated.

*b.* Acting as an insurance producer for its parent or for any of its parent's insurer subsidiaries or intermediate insurer subsidiaries.

*c.* Investing, reinvesting, or trading in securities and financial instruments as defined in section 511.8, subsection 22, for its own account, that of its parent, any subsidiary of its parent, or any affiliate or subsidiary.

*d.* Management of any investment company subject to or registered pursuant to the Investment Company Act of 1940, as amended, including related sales and services.

*e.* Acting as a broker dealer subject to or registered pursuant to the Securities Exchange Act of 1934 as amended.

*f.* Rendering financial services or advice to individuals, governments, government agencies, corporations, or other organizations or groups.

*g.* Rendering other services related to the operations of an insurance business including, but not limited to, actuarial, loss prevention, safety engineering, data processing, accounting, claims, appraisal, and collection services.

*h.* Ownership and management of assets which the parent corporation could itself own and manage. However, the aggregate investment by the insurer and its subsidiaries acquired or organized pursuant to this paragraph shall not exceed the limitations applicable to the investments by the insurer.

*i.* Acting as administrative agent for a government instrumentality which is performing an insurance function.

*j.* Financing of insurance premiums, agents and other forms of consumer financing.

*k.* Any other business or service activity reasonably ancillary to an insurance business.

*l.* Owning a corporation or corporations engaged or organized to engage exclusively in one or more of the businesses specified in paragraphs "*a*" to "*k*" inclusive.

2. *Exception.* Nothing contained in subsection 1 of this section shall prohibit a domestic insurer, either by itself or in cooperation with one or more persons, from investing amounts up to a total of ten percent of surplus in one or more subsidiaries or affiliates organized to do any lawful business.

3. *Additional investment authority.* In addition to investments in common stock, preferred stock, debt obligations and other securities permitted under all other sections of this subtitle, a domestic insurer may also:

*a.* Invest, in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries, amounts which do not exceed the lesser of ten percent of the insurer's assets or fifty percent of the insurer's surplus as regards policyholders, if after the investments the insurer's surplus as regards policyholders will be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the amount of the investments, investments in domestic or foreign insurance subsidiaries shall be excluded and both of the following shall be included:

(1) Total net moneys or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of such subsidiary whether or not represented by the purchase of capital stock or issuance of other securities.

(2) All amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities and all contributions to the capital or surplus, of a subsidiary subsequent to its acquisition or formation.

*b.* Invest any amount in common stock, preferred stock, debt obligations and other securities of one or more subsidiaries provided that each such subsidiary agrees to limit its investments in any asset so that such investments will not cause the amount of the total investment of the insurer to exceed any of the investment limitations specified in paragraph "*a*" of this subsection or in chapters 511, 515, 518A, and 520 applicable to the insurer. For the purpose of this paragraph, "*total investment of the insurer*" shall include both:

(1) Any direct investment by the insurer in an asset.

(2) The insurer's proportionate share of any investment in an asset by any subsidiary of the insurer, which shall be calculated by multiplying the amount of the subsidiary's investment by the percentage of the insurer's ownership of such subsidiary.

*c.* With the approval of the commissioner, invest any greater amount in common stock, preferred stock, debt obligations, or other securities of one or more subsidiaries, if after the investment the insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

*d.* Invest, reinvest, and trade in financial instruments as defined in section 511.8, subsection 22, for its own account, that of its parent, any subsidiary of its parent, or any affiliate or subsidiary.

4. *Exemption from investment restrictions.* Investments in common stock, preferred stock, debt obligations or other securities of subsidiaries made pursuant to subsection 3 of this section hereof shall not be subject to any of the otherwise applicable restrictions or prohibitions contained in the Code applicable to such investments of insurers.

5. *Qualification of investment — when determined.* Whether any investment pursuant to subsection 3 meets the applicable requirements of the subsection is to be determined before the investment is made by calculating the applicable investment limitations as though the investment had already been made, taking into account the then outstanding principal balance on all previous investments in debt obligations, and the value of all previous investments in equity securities as of the day they were made, net of any return of capital invested, excluding dividends.

6. *Cessation of control.* If an insurer ceases to control a subsidiary, it shall dispose of any investment therein made pursuant to this section within three years from the time of the cessation of control or within such further time as the commissioner may prescribe, unless

at any time after such investment shall have been made, such investment shall have met the requirements for investment under any other section of the Code, and the insurer has notified the commissioner thereof.

[C71, 73, 75, 77, 79, 81, §521A.2; 82 Acts, ch 1051, §3]

86 Acts, ch 1102, §3 – 8; 87 Acts, ch 115, §65; 91 Acts, ch 26, §48; 2001 Acts, ch 16, §11, 37; 2006 Acts, ch 1117, §113, 114

Referred to in §521A.5

**521A.3 Acquisition of control of or merger with domestic insurer.**

1. *Filing requirements.*

*a.* No person other than the issuer shall make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, such person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of such insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer unless, at the time any such offer, request, or invitation is made or any such agreement is entered into, or prior to the acquisition of such securities if no offer or agreement is involved, such person has filed with the commissioner and has sent to such insurer, and such insurer has sent to its shareholders, a statement containing the information required by this section and such offer, request, invitation, agreement or acquisition has been approved by the commissioner in the manner hereinafter prescribed.

*b.* For purposes of this section a *"domestic insurer"* shall include any other person controlling a domestic insurer unless the other person is either directly or through its affiliates primarily engaged in business other than the business of insurance. However, for purposes of this section *"person"* does not include a securities broker holding, in the usual and customary broker's function, less than twenty percent of the voting securities of an insurance company or of a person which controls an insurance company.

2. *Content of statement.*

*a.* The statement to be filed with the commissioner hereunder shall be made under oath or affirmation and shall contain the following information:

(1) The name and address of each person by whom or on whose behalf the merger or other acquisition of control referred to in subsection 1 is to be effected, hereinafter called "acquiring party".

(a) If such person is an individual, the individual's principal occupation and all offices and positions held during the past five years, and any conviction of crimes other than minor traffic violations during the past ten years.

(b) If such person is not an individual, a report of the nature of its business operations during the past five years or for such lesser period as such person and any predecessors thereof shall have been in existence; an informative description of the business intended to be done by such person and such person's subsidiaries; and a list of all individuals who are or who have been selected to become directors or executive officers of such person, or who perform or will perform functions appropriate to such positions. Such list shall include for each such individual the information required by subparagraph division (a).

(2) The source, nature and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction in which funds were or are to be obtained for any such purpose including a pledge of the insurer's stock, or the stock of any of its subsidiaries or controlling affiliates, and the identity of persons furnishing the consideration. However, if a source of the consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential, if the person filing the statement so requests.

(3) Fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding five fiscal years of each such acquiring party, or for such lesser period as such acquiring party and any predecessors thereof shall have been in existence, and similar unaudited information as of a date not earlier than ninety days prior to the filing of the statement.

(4) Any plans or proposals which each acquiring party may have to liquidate such insurer, to sell its assets or merge or consolidate it with any person, or to make any other material change in its business or corporate structure or management.

(5) The number of shares of any security referred to in subsection 1 which each acquiring party proposes to acquire, and the terms of the offer, request, invitation, agreement, or acquisition referred to in subsection 1, and a statement as to the method by which the fairness of the proposal was arrived at.

(6) The amount of each class of any security referred to in subsection 1 which is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party.

(7) A full description of any contracts, arrangements or understandings with respect to any security referred to in subsection 1 in which any acquiring party is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom such contracts, arrangements or understandings have been entered into.

(8) A description of the purchase of any security referred to in subsection 1 during the twelve calendar months preceding the filing of the statement, by any acquiring party, including the dates of purchase, names of the purchasers, and consideration paid or agreed to be paid therefor.

(9) A description of any recommendations to purchase any security referred to in subsection 1 made during the twelve calendar months preceding the filing of the statement, by any acquiring party, or by anyone based upon interview or at the suggestion of such acquiring party.

(10) Copies of all tender offers for, requests or invitations for tenders of, exchange offers for, and agreements to acquire or exchange any securities referred to in subsection 1, and, if distributed, of additional soliciting material relating thereto.

(11) The terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of securities referred to in subsection 1 for tender, and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

(12) Additional information as the commissioner may by rule prescribe as necessary or appropriate for the protection of policyholders of the insurer or in the public interest.

*b*. If the person required to file the statement referred to in subsection 1 is a partnership, limited partnership, syndicate or other group, the commissioner may require that the information called for by paragraph "*a*", subparagraphs (1) through (12) shall be given with respect to each partner of such partnership or limited partnership, each member of such syndicate or group, and each person who controls such partner or member. If any such partner, member or person is a corporation or the person required to file the statement referred to in subsection 1 is a corporation, the commissioner may require that the information called for by paragraph "*a*", subparagraphs (1) through (12) shall be given with respect to such corporation, each officer and director of such corporation, and each person who is directly or indirectly the beneficial owner of more than ten percent of the outstanding voting securities of such corporation. If any material change occurs in the facts set forth in the statement filed with the commissioner and sent to such insurer pursuant to this section, an amendment setting forth such change, together with copies of all documents and other material relevant to such change, shall be filed with the commissioner and sent to such insurer within two business days after the person learns of such change. Such insurer shall send such amendment to its shareholders.

3. *Alternative filing materials*. If any offer, request, invitation, agreement or acquisition referred to in subsection 1 of this section is proposed to be made by means of a registration statement under the Securities Act of 1933 or in circumstances requiring the disclosure of similar information under the Securities Exchange Act of 1934, or under a state law requiring similar registration, or disclosure, the person required to file the statement referred to in subsection 1 of this section may utilize such documents in furnishing the information called for by that statement.

4. *Approval by the commissioner — hearings*.

*a.* The commissioner shall approve any merger or other acquisition of control referred to in subsection 1 if, after a public hearing on such merger or acquisition, the applicant has demonstrated to the commissioner all of the following:

(1) After the change of control the domestic insurer referred to in subsection 1 will be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed.

(2) The effect of the merger or other acquisition of control will not substantially lessen competition in insurance in this state.

(3) The financial condition of any acquiring party will not jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders.

(4) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are not unfair or unreasonable to policyholders of the insurer and are not contrary to the public interest.

(5) The competence, experience, and integrity of those persons who would control the operation of the insurer are sufficient to indicate that the interests of policyholders of the insurer and of the public will not be jeopardized by the merger or other acquisition of control.

*b.* The public hearing referred to in paragraph "*a*" shall be held within thirty days after the statement required by subsection 1 is filed, and at least twenty days' notice of the public hearing shall be given by the commissioner to the person filing the statement. Not less than seven days' notice of the public hearing shall be given by the person filing the statement to the insurer and to such other persons as may be designated by the commissioner. The commissioner shall make a determination within thirty days after the conclusion of the hearing. At the hearing, the person filing the statement, the insurer, any person to whom notice of hearing was sent, and any other person whose interests may be affected shall have the right to present evidence, examine and cross-examine witnesses, and offer oral and written arguments and in connection therewith shall be entitled to conduct discovery proceedings in the same manner as is presently allowed in the district court of this state. All discovery proceedings shall be concluded not later than three days prior to the commencement of the public hearing.

*c.* The commissioner may retain any attorneys, actuaries, accountants, and other experts not otherwise a part of the commissioner's staff as may be reasonably necessary to assist the commissioner in reviewing the proposed merger or acquisition of control, the reasonable cost of which shall be paid by the acquiring party.

5. *Exemptions.* The provisions of this section shall not apply to any offer, request, invitation, agreement or acquisition which the commissioner by order shall exempt therefrom for one of the following reasons:

*a.* It has not been made or entered into for the purpose and does not have the effect of changing or influencing the control of a domestic insurer.

*b.* It is otherwise not comprehended within the purposes of this section.

6. *Violations.* The following shall be violations of this section:

*a.* The failure to file any statement, amendment, or other material required to be filed pursuant to subsection 1 or 2 of this section.

*b.* The effectuation or any attempt to effectuate an acquisition of control of, or merger with, a domestic insurer unless the commissioner has given approval thereto.

7. *Jurisdiction — consent to service of process.* The district court is hereby vested with jurisdiction over every person not resident, domiciled, or authorized to do business in this state who files a statement with the commissioner under this section, and over all actions involving such person arising out of violations of this section, and each such person shall be deemed to have performed acts equivalent to and constituting an appointment by such a person of the commissioner to be the person's true and lawful attorney upon whom may be served all lawful process, notice or demand in any action, suit or proceeding arising out of violations of this section. Copies of all such lawful process, notice or demand shall be served

on the commissioner and transmitted by registered or certified mail by the commissioner to such person at the person's last known address.

[C71, 73, 75, 77, 79, 81, §521A.3; 82 Acts, ch 1051, §4 – 6]

86 Acts, ch 1102, §9 – 11; 91 Acts, ch 26, §49, 50; 93 Acts, ch 88, §26; 97 Acts, ch 186, §26; 2012 Acts, ch 1023, §129

Referred to in §505.23, 508B.13, 521.16, 521A.9, 521A.14

**521A.4 Registration of insurers.**

1. *Registration.* An insurer which is authorized to do business in this state and which is a member of an insurance holding company system shall register with the commissioner, except a foreign insurer subject to registration requirements and standards which are substantially similar to those contained in this section and section 521A.5, subsection 1, paragraph "*a*", and are adopted by statute or regulation in the jurisdiction of its domicile. The insurer shall also file a copy of the summary of its registration statement as required by subsection 4 in each state in which that insurer is authorized to do business if requested to do so by the commissioner of that state. An insurer which is subject to registration under this section shall register within fifteen days after it becomes subject to registration and annually thereafter by March 31 of each year for the previous calendar year unless the commissioner for good cause shown extends the time for registration, and then within the extended time. The commissioner may require any authorized insurer which is a member of a holding company system which is not subject to registration under this section to furnish a copy of the registration statement or other information filed by the insurance company with the insurance regulatory authority of the company's domiciliary jurisdiction.

2. *Information and form required.* Every insurer subject to registration shall file a registration statement on a form prescribed by the commissioner, which may be a form provided by the national association of insurance commissioners, which shall contain current information about:

*a.* The capital structure, general financial condition, ownership and management of the insurer and any person controlling the insurer.

*b.* The identity and relationship of every member of the insurance holding company system.

*c.* The following agreements in force, relationships subsisting, and transactions currently outstanding or which have occurred during the last calendar year between the insurer and its affiliates:

(1) Loans, other investments, or purchases, sales, or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates.

(2) Purchases, sales, or exchanges of assets.

(3) Transactions not in the ordinary course of business.

(4) Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered into in the ordinary course of the insurer's business.

(5) All management and service contracts and all cost-sharing arrangements, other than cost allocation arrangements based upon generally accepted accounting principles.

(6) Reinsurance agreements.

(7) Dividends and other distributions to shareholders.

(8) Consolidated tax allocation agreements.

*d.* A pledge of the insurer's stock, including stock of a subsidiary or controlling affiliate, for a loan made to a member of the insurance holding company system.

*e.* Other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the commissioner.

3. *Materiality.* Information need not be disclosed on the registration statement filed pursuant to subsection 2 if the information is not material for the purposes of this section. Unless the commissioner by rule or order provides otherwise, sales, purchases, exchanges, loans or extensions of credit, or investments or guarantees involving one-half of one percent

or less of an insurer's admitted assets as of the next preceding December 31 are not material for purposes of this section.

4. *Reporting of dividends to shareholders.* Subject to section 521A.5, subsection 3, a registered insurer shall report to the commissioner all dividends and other distributions to shareholders within fifteen days following the declaration of the dividends or distributions.

5. *Summary of registration statement.* All registration statements shall contain a summary outlining all items in the current registration statement representing changes from the next preceding registration statement.

6. *Information of insurers.* Any person within an insurance holding company system subject to registration is required to provide complete and accurate information to an insurer if the information is reasonably necessary to enable the insurer to comply with this chapter.

7. *Termination of registration.* The commissioner shall terminate the registration of any insurer which demonstrates that it no longer is a member of an insurance holding company system.

8. *Consolidated filing.* The commissioner may require or allow two or more affiliated insurers subject to registration hereunder to file a consolidated registration statement or consolidated reports amending their consolidated registration statement or their individual registration statements.

9. *Alternative registration.* The commissioner may allow an insurer which is authorized to do business in this state and which is part of an insurance holding company system to register on behalf of any affiliated insurer which is required to register under subsection 1 of this section and to file all information and material required to be filed under this section.

10. *Exemptions.* The provisions of this section shall not apply to any insurer, information or transaction if and to the extent that the commissioner by rule, regulation, or order shall exempt the same from the provisions of this section.

11. *Disclaimer.* Any person may file with the commissioner a disclaimer of affiliation with any authorized insurer or such a disclaimer may be filed by such insurer or any member of an insurance holding company system. The disclaimer shall fully disclose all material relationships and basis for affiliation between such person and such insurer as well as the basis for disclaiming such affiliation. After a disclaimer has been filed, the insurer shall be relieved of any duty to register or report under this section which may arise out of the insurer's relationship with such person unless and until the commissioner disallows such a disclaimer. The commissioner shall disallow such a disclaimer only after furnishing all parties in interest with notice and opportunity to be heard and after making specific findings of fact to support such disallowance.

12. *Violations.* The failure to file a registration statement or a summary of the registration statement required by this section within the time specified for the filing is a violation of this section.

[C71, 73, 75, 77, 79, 81, §521A.4]

86 Acts, ch 1102, §12 – 18; 87 Acts, ch 115, §66; 91 Acts, ch 26, §51 – 53

Referred to in §508.33A, 521A.5, 521A.6, 521A.7, 521A.10

**521A.5 Standards.**

1. *Transactions within a holding company system affecting domestic insurers.*

*a.* Material transactions by registered insurers with their affiliates are subject to the following standards:

(1) The terms shall be fair and reasonable.

(2) Charges or fees for services performed shall be reasonable.

(3) Expenses incurred and payment received shall be allocated to the insurer in conformity with customary and consistently applied insurance accounting practices.

(4) The books, accounts, and records of each party shall be so maintained as to clearly and accurately disclose the precise nature and details of the transactions.

(5) After any material transaction with an affiliate and after any dividends or distributions to shareholder affiliates, the insurer's surplus as regards policyholders shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

*b.* A domestic insurer and a person in its holding company system shall not enter into any

of the following transactions between each other involving amounts equal to or exceeding the lesser of three percent of a nonlife insurer's admitted assets or twenty-five percent of the surplus as regards policyholders with respect to nonlife insurers, and equal to or exceeding three percent of the insurer's admitted assets with respect to life insurers, each as of the next preceding December 31, unless the domestic insurer notifies the commissioner in writing of its intention to enter into the transaction at least thirty days prior to entering into the transaction or within a shorter time permitted by the commissioner and the commissioner has not disapproved of the transaction within the time period:

(1) Sales.

(2) Purchases.

(3) Exchanges.

(4) Loans or extensions of credit.

(5) Guarantees.

(6) Investments.

(7) Loans or extensions of credit to a person who is not an affiliate, if the domestic insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, an affiliate of the domestic insurer making the loans or extensions of credit.

*c.* A domestic insurer and a person in its holding company system shall not enter into any of the following transactions, unless the domestic insurer notifies the commissioner in writing of its intention to enter into the transaction at least thirty days prior to entering into the transaction or within a shorter time permitted by the commissioner and the commissioner has not disapproved of the transaction within the time period:

(1) All reinsurance agreements or modifications to such agreements in which the reinsurance premium or a change in the insurer's liabilities equals or exceeds five percent of the insurer's surplus as regards policyholders, as of the next preceding December 31, including those agreements which may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of such assets will be transferred to one or more affiliates of the insurer.

(2) All management agreements, service contracts, and all other cost-sharing arrangements involving at least one-half of one percent of the insurer's surplus as of the next preceding December 31.

(3) Any material transactions specified by rule which the commissioner determines may adversely affect the interests of the domestic insurer's policyholders.

*d.* This subsection does not authorize or permit any transactions which in the case of an insurer would be otherwise contrary to law.

*e.* A domestic insurer shall not enter into transactions which are part of a plan or series of like transactions with a person or persons within the holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise. If the commissioner determines that such separate transactions were entered into over a twelve-month period for that purpose, the commissioner may exercise the authority under section 521A.10.

*f.* The commissioner, in reviewing transactions pursuant to paragraphs "*b*" and "*c*", shall consider whether the transactions comply with the standards set forth in paragraph "*a*".

*g.* A domestic insurer shall notify the commissioner within thirty days of an investment of the insurer in a corporation if the total investment in the corporation by the insurance holding company system exceeds ten percent of the corporation's voting securities.

2. *Adequacy of surplus.* For purposes of this chapter in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, the following factors, among others, shall be considered:

*a.* The size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force and other appropriate criteria.

*b.* The extent to which the insurer's business is diversified among the several lines of insurance.

*c.* The number and size of risks insured in each line of business.

*d.* The extent of the geographical dispersion of the insurer's insured risks.

*e.* The nature and extent of the insurer's reinsurance program.

*f.* The quality, diversification, and liquidity of the insurer's investment portfolio.

*g.* The recent past and projected future trend in the size of the insurer's surplus as regards policyholders.

*h.* The surplus as regards policyholders maintained by other comparable insurers.

*i.* The adequacy of the insurer's reserves.

*j.* The quality and liquidity of investments in subsidiaries made pursuant to section 521A.2. The commissioner may treat any such investment as a disallowed asset for purposes of determining the adequacy of surplus as regards policyholders whenever in the commissioner's judgment such investment so warrants.

*k.* The quality of the company's earnings and the extent to which the reported earnings include extraordinary items.

3. *Dividends and other distributions.*

*a.* (1) A domestic insurer may declare and pay dividends to its shareholders only from earned surplus.

(2) For the purposes of this paragraph, "*earned surplus*" means surplus as regards policyholders less paid-in and contributed surplus, and may include a fair revaluation of assets by the board of directors that is reasonable under the circumstances. Assets revalued by the board of directors cannot be included in earned surplus until thirty days after the commissioner has received notice of the revaluation and has approved the revaluation. The commissioner shall approve or disapprove the revaluation within thirty days after receiving notice of the revaluation unless for good cause the commissioner extends the approval period for an additional thirty days.

*b.* (1) A domestic insurer shall not pay any extraordinary dividend or make any other extraordinary distribution to its shareholders until thirty days after the commissioner has received notice of the declaration of the dividend or distribution and has not disapproved such payment within the period, or until the time the commissioner has approved the payment within the thirty-day period.

(2) For purposes of this paragraph, an "*extraordinary dividend or distribution*" includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding twelve months exceeds the greater of the following:

(a) Ten percent of insurer's surplus as regards policyholders as of the thirty-first day of December next preceding.

(b) The net gain from operations of the insurer, if the insurer is a life insurer, or the net income, if the insurer is not a life insurer, for the twelve-month period ending the thirty-first day of December next preceding.

(3) An extraordinary dividend or distribution does not include pro rata distributions of any class of the insurer's own securities.

*c.* A domestic insurer subject to registration under section 521A.4 shall report to the commissioner all dividends to shareholders within five business days following the declaration of the dividends and not less than fourteen days prior to the payment of the dividends. This report shall also include a schedule setting forth all dividends or other distributions made within the previous twelve months.

*d.* Notwithstanding any other provision of law, a domestic insurer may declare an extraordinary dividend or distribution which is conditional upon the commissioner's approval of the dividend or distribution. Such declaration does not confer any rights upon shareholders until the commissioner has approved the payment of the dividend or

distribution or the commissioner has not disapproved the payment within the thirty-day period as provided in paragraph *"b"*.

[C71, 73, 75, 77, 79, 81, §521A.5]

86 Acts, ch 1102, §19, 20; 91 Acts, ch 26, §54; 92 Acts, ch 1117, §40, 43; 93 Acts, ch 88, §27 – 30; 94 Acts, ch 1006, §1; 94 Acts, ch 1023, §125; 2012 Acts, ch 1023, §157

Referred to in §508.33A, 511.8(22b), 521A.4, 521A.7, 521A.10

**521A.6 Examination.**

1. *Power of commissioner.* Subject to the limitation contained in this section and in addition to the powers which the commissioner has under chapter 507 relating to the examination of insurers, the commissioner may also order an insurer registered under section 521A.4 to produce records, books, or other information papers in the possession of the insurer or its affiliates as reasonably necessary to ascertain the financial condition of the insurer or to determine compliance with this chapter. If the insurer fails to comply with the order, the commissioner may examine the affiliates to obtain the information.

2. *Use of consultants.* The commissioner may retain at the registered insurer's expense such attorneys, actuaries, accountants and other experts not otherwise a part of the commissioner's staff as shall be reasonably necessary to assist in the conduct of the examination under subsection 1 of this section. Any persons so retained shall be under the direction and control of the commissioner and shall act in a purely advisory capacity.

3. *Expenses.* Each registered insurer producing for examination records, books and papers pursuant to subsection 1 of this section shall be liable for and shall pay the expense of such examination in accordance with section 507.7.

[C71, 73, 75, 77, 79, 81, §521A.6]

86 Acts, ch 1102, §21, 22

Referred to in §508.33A, 521A.7

**521A.7 Confidential treatment.**

All information, documents and copies thereof obtained by or disclosed to the commissioner or any other person in the course of an examination or investigation made pursuant to section 521A.6 and all information reported pursuant to sections 521A.4 and 521A.5, shall be given confidential treatment and shall not be subject to subpoena and shall not be made public by the commissioner or any other person, except to insurance departments of other states, without the prior written consent of the insurer to which it pertains unless the commissioner, after giving the insurer and its affiliates who would be affected thereby, notice and opportunity to be heard, determines that the interests of policyholders, shareholders or the public will be served by the publication thereof, in which event the commissioner may publish all or any part thereof in such manner as the commissioner may deem appropriate.

[C71, 73, 75, 77, 79, 81, §521A.7]

93 Acts, ch 88, §31

**521A.8 Rules.**

The commissioner may, upon notice and opportunity for all interested persons to be heard, issue such rules and orders as shall be necessary to carry out the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §521A.8]

**521A.9 Injunctions — prohibitions against voting securities — sequestration of voting securities.**

1. *Injunctions.* Whenever it appears to the commissioner that any insurer or any director, officer, employee or agent thereof has committed or is about to commit a violation of this chapter or any rule, regulation, or order issued by the commissioner hereunder, the commissioner may apply to the district court of the county in which the principal office of the insurer is located or if such insurer has no such office in this state then to the district court of Polk county for an order enjoining such insurer or such director, officer, employee or agent thereof from violating or continuing to violate this chapter or any such rule, regulation

or order, and for such other equitable relief as the nature of the case and the interests of the insurer's policyholders, creditors and shareholders or the public may require.

2. *Voting of securities — when prohibited.* No security which is the subject of any agreement or arrangement regarding acquisition, or which is acquired or to be acquired, in contravention of the provisions of this chapter or of any rule, regulation or order issued by the commissioner hereunder may be voted at any shareholders' meeting, or may be counted for quorum purposes, and any action of shareholders requiring the affirmative vote of a percentage of shares may be taken as though such securities were not issued and outstanding; but no action taken at any such meeting shall be invalidated by the voting of such securities, unless the action would materially affect control of the insurer or unless the district court has so ordered. If any insurer or the commissioner has reason to believe that any security of the insurer has been or is about to be acquired in contravention of the provisions of this chapter or of any rule, regulation or order issued by the commissioner hereunder the insurer or the commissioner may apply to the district court of Polk county or to the district court for the county in which the insurer has its principal place of business to enjoin any offer, request, invitation, agreement or acquisition made in contravention of section 521A.3 or any rule, regulation, or order issued by the commissioner thereunder to enjoin the voting of any security so acquired, to void any vote of such security already cast at any meeting of shareholders, and for such other equitable relief as the nature of the case and the interests of the insurer's policyholders, creditors and shareholders or the public may require.

3. *Sequestration of voting securities.* In any case where a person has acquired or is proposing to acquire any voting securities in violation of this chapter or any rule, regulation or order issued by the commissioner hereunder, the district court of Polk county or the district court for the county in which the insurer has its principal place of business may, on such notice as the court deems appropriate, upon the application of the insurer or the commissioner seize or sequester any voting securities of the insurer owned directly or indirectly by such person, and issue such orders with respect thereto as may be appropriate to effectuate the provisions of this chapter. Notwithstanding any other provisions of law, for the purposes of this chapter the situs of the ownership of the securities of domestic insurers shall be deemed to be in this state.

[C71, 73, 75, 77, 79, 81, §521A.9]

**521A.10 Sanctions and penalties.**

1. If the commissioner finds after notice and hearing that a person subject to registration under section 521A.4 failed without just cause to file a registration statement as required in this chapter, the person shall be required to pay a penalty of one thousand dollars for each day's delay. The penalty shall be recovered by the commissioner and deposited as provided in section 505.7. The maximum penalty under this section is ten thousand dollars. The commissioner may reduce the penalty if the person demonstrates that the imposition of the penalty would constitute a financial hardship to the person.

2. *a.* A director or officer of an insurance holding company system who does any of the following is subject to the civil penalty imposed under paragraph *"b"*:

(1) Knowingly participates in or assents to transactions or investments which have not been properly reported or submitted pursuant to section 521A.4 or section 521A.5, subsection 1, paragraph *"b"*.

(2) Knowingly permits any of the officers or agents of an insurer to engage in transactions or make investments which have not been properly reported or submitted pursuant to section 521A.4 or section 521A.5, subsection 1, paragraph *"b"*.

(3) Knowingly violates any other provision of this chapter.

*b.* An officer or director of an insurance holding company system who commits any of the acts or omissions listed in paragraph *"a"* shall pay, in the person's individual capacity, a civil penalty of not more than one thousand dollars per violation, after notice and hearing before the commissioner. In determining the amount of the civil penalty, the commissioner shall take into account the appropriateness of the penalty with respect to the gravity of the violation, the history of previous violations, and such other matters as justice may require.

3. If it appears to the commissioner that an insurer subject to this chapter has engaged in a transaction or entered into a contract which is subject to section 521A.5 and which would not have been approved had approval been requested, the commissioner may order the insurer to immediately cease and desist any further activity under that transaction or contract. After notice and hearing, the commissioner may also order the insurer to void any contracts and restore the status quo if the commissioner finds that action is in the best interest of the policyholders, creditors, or the public.

4. If it appears to the commissioner that an insurer or a director, officer, agent, or employee of an insurer has committed a willful violation of this chapter, the commissioner may institute criminal proceedings against the insurer or the responsible director, officer, agent, or employee in the district court for the county in which the principal office of the insurer is located, or if the insurer has no office in this state, then in the district court for Polk county. An insurer or individual who willfully violates this chapter is guilty of a class "D" felony.

5. A director or officer, or employee of an insurance holding company system who willfully and knowingly subscribes to or makes or causes to be made any false statements, false reports, or false filings with the intent to deceive the commissioner in the performance of the commissioner's duties under this chapter is guilty of a class "D" felony. Any fines imposed shall be paid by the director, officer, or employee in the person's individual capacity.

[C71, 73, 75, 77, 79, 81, §521A.10]

86 Acts, ch 1102, §23; 91 Acts, ch 26, §55, 56; 2009 Acts, ch 181, §88

Referred to in §521A.5

**521A.11 Receivership.**

Whenever it appears to the commissioner that any person has committed a violation of this chapter which so impairs the financial condition of a domestic insurer as to threaten insolvency or make the further transaction of business by it hazardous to its policyholders, creditors, shareholders or the public, then the commissioner may proceed as provided in section 505.9 to take possession of the property of such domestic insurer and to conduct the business thereof.

[C71, 73, 75, 77, 79, 81, §521A.11]

**521A.11A Recovery.**

1. Subject to subsections 2 through 4, if an order for liquidation, conservation, or rehabilitation of a domestic insurer has been entered, the receiver appointed under the order may recover on behalf of the insurer either of the following if made within one year preceding the filing of the petition for liquidation, conservation, or rehabilitation:

*a.* From a parent corporation, holding company, affiliate, or other person who otherwise controlled the insurer, the amount of distributions, other than distributions of shares of the same class of stock, paid by the insurer on its capital stock.

*b.* Any payment in the form of a bonus, termination settlement, or extraordinary lump sum salary adjustment made by the insurer or a subsidiary of the insurer to a director, officer, agent, or employee.

2. A distribution is not recoverable if the parent holding company, affiliate, or other person shows that when the distribution was paid it was lawful and reasonable, and that the insurer did not know and could not reasonably have known that the distribution might adversely affect the ability of the insurer to fulfill its contractual obligations.

3. A parent corporation, holding company, affiliate, or other person who otherwise controlled the insurer or affiliate at the time the distributions were paid is liable only up to the amount of distributions or payments under subsection 1 that the person received. A person who otherwise controlled the insurer at the time the distributions were declared is liable only up to the amount of distributions the person would have received if the person had been paid immediately. If two or more persons are liable with respect to the same distributions, each shall be separately liable for their distributive share.

4. The maximum amount recoverable under this section shall be the amount needed in

excess of all other available assets of the impaired or insolvent insurer to pay the contractual obligations of the impaired or insolvent insurer and to reimburse any guaranty funds.

5. To the extent that a person liable under subsection 3 is insolvent or otherwise fails to pay claims due from the person pursuant to this section, the person's parent corporation, holding company, affiliate, or other person who otherwise controlled it at the time the distribution was paid, is separately liable for its share of any resulting deficiency in the amount recovered from the parent corporation, holding company, affiliate, or other person who otherwise controlled it.

86 Acts, ch 1102, §24; 87 Acts, ch 115, §67

**521A.12 Revocation, suspension, or nonrenewal of insurer's license.**

Whenever it appears to the commissioner that any person has committed a violation of this chapter which makes the continued operation of an insurer contrary to the interest of policyholders or the public, the commissioner may, after giving notice and an opportunity to be heard, determine to suspend, revoke or refuse to renew such insurer's license or authority to do business in this state for such period as the commissioner finds is required for the protection of policyholders or the public. Any such determination shall be accompanied by specific findings of fact and conclusions of law.

[C71, 73, 75, 77, 79, 81, §521A.12]

**521A.13 Judicial review.**

Judicial review of the actions of the commissioner may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C71, 73, 75, 77, 79, 81, §521A.13]

2003 Acts, ch 44, §114

## MUTUAL INSURANCE HOLDING COMPANIES

**521A.14 Mutual insurance holding companies.**

1. *a.* A domestic mutual insurance company, upon approval of the commissioner, may reorganize by forming an insurance holding company based upon a mutual plan and continuing the corporate existence of the reorganizing insurance company as a stock insurance company. The commissioner, after a public hearing as provided in section 521A.3, subsection 4, paragraph "*b*", if satisfied that the interests of the policyholders are properly protected and that the plan of reorganization is fair and equitable to the policyholders, may approve the proposed plan of reorganization and may require as a condition of approval such modifications of the proposed plan of reorganization as the commissioner finds necessary for the protection of the policyholders' interests. The commissioner may retain consultants as provided in section 521A.3, subsection 4, paragraph "*c*". A reorganization pursuant to this section is subject to section 521A.3, subsections 1, 2, and 3. The commissioner shall retain jurisdiction over a mutual insurance holding company organized pursuant to this section to assure that policyholder interests are protected.

*b.* All of the initial shares of the capital stock of the reorganized insurance company shall be issued to the mutual insurance holding company. The membership interests of the policyholders of the reorganized insurance company shall become membership interests in the mutual insurance holding company. Policyholders of the reorganized insurance company shall be members of the mutual insurance holding company in accordance with the articles of incorporation and bylaws of the mutual insurance holding company. The mutual insurance holding company shall at all times own a majority of the voting shares of the capital stock of the reorganized insurance company.

2. *a.* A domestic mutual insurance company, upon the approval of the commissioner, may reorganize by merging its policyholders' membership interests into a mutual insurance holding company formed pursuant to subsection 1 and continuing the corporate existence of the reorganizing insurance company as a stock insurance company subsidiary of the

mutual insurance holding company. The commissioner, after a public hearing as provided in section 521A.3, subsection 4, paragraph *"b"*, if satisfied that the interests of the policyholders are properly protected and that the merger is fair and equitable to the policyholders, may approve the proposed merger and may require as a condition of approval such modifications of the proposed merger as the commissioner finds necessary for the protection of the policyholders' interests. The commissioner may retain consultants as provided in section 521A.3, subsection 4, paragraph *"c"*. A merger pursuant to this section is subject to section 521A.3, subsections 1, 2, and 3. The commissioner shall retain jurisdiction over the mutual insurance holding company organized pursuant to this section to assure that policyholder interests are protected.

*b.* All of the initial shares of the capital stock of the reorganized insurance company shall be issued to the mutual insurance holding company. The membership interests of the policyholders of the reorganized insurance company shall become membership interests in the mutual insurance holding company. Policyholders of the reorganized insurance company shall be members of the mutual insurance holding company in accordance with the articles of incorporation and bylaws of the mutual insurance holding company. The mutual insurance holding company shall at all times own a majority of the voting shares of the capital stock of the reorganized insurance company. A merger of policyholders' membership interests in a mutual insurance company into a mutual insurance holding company shall be deemed to be a merger of insurance companies pursuant to chapter 521 and chapter 521 is also applicable.

*c.* A foreign mutual insurance company, or a foreign health service corporation, which if a domestic corporation would be organized under chapter 514, may reorganize upon the approval of the commissioner and in compliance with the requirements of any law or regulation which is applicable to the foreign mutual insurance company or foreign health service corporation by merging its policyholders' or subscribers' membership interests into a mutual insurance holding company formed pursuant to subsection 1 and continuing the corporate existence of the reorganizing foreign mutual insurance company or reorganizing foreign health service corporation as a foreign stock insurance company subsidiary of the mutual insurance holding company. The commissioner, after a public hearing as provided in section 521A.3, subsection 4, paragraph *"b"*, may approve the proposed merger. The commissioner may retain consultants as provided in section 521A.3, subsection 4, paragraph *"c"*. A merger pursuant to this paragraph is subject to section 521A.3, subsections 1, 2, and 3. The reorganizing foreign mutual insurance company or reorganizing foreign health service corporation may remain a foreign company or foreign corporation after the merger, and may be admitted to do business in this state. A foreign mutual insurance company or foreign mutual health service corporation which is a party to the merger may at the same time redomesticate in this state by complying with the applicable requirements of this state and its state of domicile. The provisions of paragraph *"b"* shall apply to a merger authorized under this paragraph, except that a reference to policyholders in that paragraph is also deemed to include subscribers in the case of a health service corporation.

3. A mutual insurance holding company resulting from the reorganization of a domestic mutual insurance company organized under chapter 491 shall be incorporated pursuant to chapter 491. This requirement shall supersede any conflicting provisions of section 491.1. The articles of incorporation and any amendments to such articles of the mutual insurance holding company shall be subject to approval of the commissioner in the same manner as those of an insurance company.

4. A mutual insurance holding company is deemed to be an insurer subject to chapter 507C and shall automatically be a party to any proceeding under chapter 507C involving an insurance company which as a result of a reorganization pursuant to subsection 1 or 2 is a subsidiary of the mutual insurance holding company. In any proceeding under chapter 507C involving the reorganized insurance company, the assets of the mutual insurance holding company are deemed to be assets of the estate of the reorganized insurance company for purposes of satisfying the claims of the reorganized insurance company's policyholders. A mutual insurance holding company shall not dissolve or liquidate without the approval of the commissioner or as ordered by the district court pursuant to chapter 507C.

5. *a.* Chapters 508B and 515G are not applicable to a reorganization or merger pursuant to this section.

*b.* Chapter 508B is applicable to demutualization of a mutual insurance holding company which resulted from the reorganization of a domestic mutual life insurance company organized under chapter 508 as if it were a mutual life insurance company.

*c.* Chapter 515G is applicable to demutualization of a mutual insurance holding company which resulted from the reorganization of a domestic mutual property and casualty insurance company organized under chapter 515 as if it were a mutual property and casualty insurance company.

6. A membership interest in a domestic mutual insurance holding company shall not constitute a security as defined in section 502.102.

7. *a.* The majority of the voting shares of the capital stock of the reorganized insurance company, which is required by this section to be at all times owned by a mutual insurance holding company, shall not be conveyed, transferred, assigned, pledged, subjected to a security interest or lien, encumbered, or otherwise hypothecated or alienated by the mutual insurance holding company or intermediate holding company. Any conveyance, transfer, assignment, pledge, security interest, lien, encumbrance, or hypothecation or alienation of, in or on the majority of the voting shares of the reorganized insurance company which is required by this section to be at all times owned by a mutual insurance holding company, is in violation of this section and shall be void in inverse chronological order of the date of such conveyance, transfer, assignment, pledge, security interest, lien, encumbrance, or hypothecation or alienation, as to the shares necessary to constitute a majority of such voting shares. The majority of the voting shares of the capital stock of the reorganized insurance company which is required by this section to be at all times owned by a mutual insurance holding company shall not be subject to execution and levy as provided in chapter 626. The shares of the capital stock of the surviving or new company resulting from a merger or consolidation of two or more reorganized insurance companies or two or more intermediate holding companies which were subsidiaries of the same mutual insurance holding company are subject to the same requirements, restrictions, and limitations as provided in this section to which the shares of the merging or consolidating reorganized insurance companies or intermediate holding companies were subject by this section prior to the merger or consolidation.

*b.* As used in this section, "*majority of the voting shares of the capital stock of the reorganized insurance company*" means shares of the capital stock of the reorganized insurance company which carry the right to cast a majority of the votes entitled to be cast by all of the outstanding shares of the capital stock of the reorganized insurance company for the election of directors and on all other matters submitted to a vote of the shareholders of the reorganized insurance company. The ownership of a majority of the voting shares of the capital stock of the reorganized insurance company which are required by this section to be at all times owned by a parent mutual insurance holding company includes indirect ownership through one or more intermediate holding companies in a corporate structure approved by the commissioner. However, indirect ownership through one or more intermediate holding companies shall not result in the mutual insurance holding company owning less than the equivalent of a majority of the voting shares of the capital stock of the reorganized insurance company. The commissioner shall have jurisdiction over an intermediate holding company as if it were a mutual insurance holding company. As used in this section, "*intermediate holding company*" means a holding company which is a subsidiary of a mutual insurance holding company, and which either directly or through a subsidiary intermediate holding company has one or more subsidiary reorganized insurance companies of which a majority of the voting shares of the capital stock would otherwise have been required by this section to be at all times owned by the mutual insurance holding company.

95 Acts, ch 185, §44, 48; 96 Acts, ch 1014, §1, 2; 2009 Acts, ch 145, §52; 2012 Acts, ch 1023, §157

Referred to in §505.23, 521.1

# CHAPTER 521B

## CREDIT FOR REINSURANCE

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

Former sections 521B.1 through 521B.5, Code 2013, apply to all cessions under reinsurance agreements that occur prior to January 1, 2014; 2013 Acts, ch 39, §8


521B.1 through 521B.5 Repealed by 2013 Acts, ch 39, §7, 8, 11.
521B.101 Purpose — legislative intent.
521B.102 Credit allowed certain domestic ceding insurers.
521B.103 Limited credit allowed other domestic ceding insurers.
521B.104 Qualified United States financial institutions.
521B.105 Rules.
521B.106 Applicability.


**521B.1 through 521B.5** Repealed by 2013 Acts, ch 39, § 7, 8, 11.

Former sections 521B.1 through 521B.5, Code 2013, apply to all cessions under reinsurance agreements that occur prior to January 1, 2014; 2013 Acts, ch 39 §8

Section repeals take effect January 1, 2014; 2013 Acts, ch 39, §11

**521B.101 Purpose — legislative intent.**

1. The purpose of this chapter is to protect the interests of insureds, claimants, ceding insurers, assuming insurers, and the public generally.

2. The general assembly declares its intent to ensure adequate regulation of insurers and reinsurers and adequate protection for those to whom insurers and reinsurers owe obligations.

3. The general assembly declares that the matters contained in this chapter are fundamental to the business of insurance in accordance with 15 U.S.C. § 1011 – 1012.

2013 Acts, ch 39, §1, 11

Former sections 521B.1 through 521B.5, Code 2013, apply to all cessions under reinsurance agreements that occur prior to January 1, 2014; 2013 Acts, ch 39, §8

Section takes effect January 1, 2014; 2013 Acts, ch 39, §11

NEW section

**521B.102 Credit allowed certain domestic ceding insurers.**

Credit for reinsurance shall be allowed a domestic ceding insurer as either an asset or a reduction from liability on account of reinsurance ceded only when the reinsurer meets the requirements of subsection 1, 2, 3, 4, 5, or 6. Credit shall be allowed under subsection 1, 2, or 3 only respecting cessions of those kinds or classes of business which the assuming insurer is licensed or otherwise permitted to write or assume in the insurer's state of domicile or, in the case of a United States branch of an alien assuming insurer, in the state through which the insurer is entered and licensed to transact insurance or reinsurance. Credit shall be allowed under subsection 3 or 4 only if the applicable requirements of subsection 7 have been satisfied.

1. Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is licensed to transact insurance or reinsurance in this state.

2. Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is accredited by the commissioner as a reinsurer in this state. In order to be eligible for accreditation, an assuming insurer must do all of the following:

*a.* File with the commissioner evidence of the assuming insurer's submission to this state's jurisdiction.

*b.* Submit to this state's authority to examine the assuming insurer's books and records.

*c.* Be licensed to transact insurance or reinsurance in at least one state, or in the case of a United States branch of an alien assuming insurer, be entered through and licensed to transact insurance or reinsurance in at least one state.

*d.* File annually with the commissioner a copy of the assuming insurer's annual statement filed with the insurance department of the assuming insurer's state of domicile and a copy of the assuming insurer's most recent audited financial statement.

*e.* Demonstrate to the satisfaction of the commissioner that the assuming insurer has adequate financial capacity to meet the assuming insurer's reinsurance obligations and is

otherwise qualified to assume reinsurance from domestic insurers. An assuming insurer is deemed to meet this requirement as of the time of the assuming insurer's application if the assuming insurer maintains a surplus as regards policyholders in an amount of not less than twenty million dollars and the assuming insurer's accreditation has not been denied by the commissioner within ninety days after submission of the assuming insurer's application.

3. *a.* Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is domiciled in, or in the case of a United States branch of an alien assuming insurer, is entered through, a state that employs standards regarding credit for reinsurance that are substantially similar to those applicable under this chapter and the assuming insurer or United States branch of an alien assuming insurer does all of the following:

(1) Maintains a surplus as regards policyholders in an amount of not less than twenty million dollars.

(2) Submits to the authority of this state to examine the assuming insurer's books and records.

*b.* The requirement of paragraph *"a"*, subparagraph (1) does not apply to reinsurance ceded and assumed pursuant to pooling arrangements among insurers in the same holding company system.

4. *a.* Credit shall be allowed when the reinsurance is ceded to an assuming insurer that maintains a trust fund in a qualified United States financial institution, as defined in section 521B.104, subsection 2, for payment of the valid claims of the assuming insurer's United States ceding insurers, their assigns, and successors in interest. To enable the commissioner to determine the sufficiency of the trust fund, the assuming insurer shall report annually to the commissioner information substantially the same as that required to be reported on the national association of insurance commissioners' annual statement form by licensed insurers. The assuming insurer shall submit to examination of the assuming insurer's books and records by the commissioner and bear the expense of examination.

*b.* Credit for reinsurance shall not be granted under this subsection unless all of the following conditions are satisfied:

(1) The form of the trust and any amendments to the trust have been approved by either of the following:

(a) The commissioner of the state where the trust is domiciled.

(b) The commissioner of another state who, pursuant to the terms of the trust instrument, has accepted principal regulatory oversight of the trust.

(2) The form of the trust and any trust amendments are filed with the commissioner of every state in which the ceding insurer's beneficiaries of the trust are domiciled. The trust instrument shall provide that contested claims are valid and enforceable upon the final order of any court of competent jurisdiction in the United States. The trust shall vest legal title to the trust's assets in its trustees for the benefit of the assuming insurer's United States ceding insurers, their assigns, and successors in interest. The trust and the assuming insurer shall be subject to examination as determined by the commissioner.

(3) The trust remains in effect for as long as the assuming insurer has outstanding obligations due under the reinsurance agreements subject to the trust. No later than February 28 of each year, the trustee of the trust shall report to the commissioner in writing the balance of the trust and list the trust's investments at the preceding year-end, and shall certify the date of termination of the trust, if so planned, or certify that the trust will not expire prior to the following December 31.

*c.* The following requirements apply to the following categories of assuming insurer:

(1) The trust fund for a single assuming insurer shall consist of funds in trust in an amount not less than the assuming insurer's liabilities attributable to reinsurance ceded by United States ceding insurers, and in addition, the assuming insurer shall maintain a trusteed surplus of not less than twenty million dollars, except as provided in subparagraph (2).

(2) At any time after an assuming insurer has permanently discontinued underwriting new business secured by the trust for at least three full years, the commissioner with principal regulatory oversight of the trust may authorize a reduction in the required trusteed surplus, but only after a finding, based on an assessment of the risk, that the new required trusteed surplus level is adequate for the protection of United States ceding insurers,

policyholders, and claimants in light of reasonably foreseeable adverse loss development. The risk assessment may involve an actuarial review, including an independent analysis of reserves and cash flows, and shall consider all material risk factors, including, when applicable, the lines of business involved, the stability of the incurred loss estimates, and the effect of the surplus requirements on the assuming insurer's liquidity or solvency. The minimum required trusteed surplus shall not be reduced to an amount less than thirty percent of the assuming insurer's liabilities attributable to reinsurance ceded by United States ceding insurers covered by the trust.

(3) In the case of a group including incorporated and individual unincorporated underwriters, all of the following requirements are met:

(a) For reinsurance ceded under reinsurance agreements with an inception, amendment, or renewal date on or after January 1, 1993, the trust shall consist of a trusteed account in an amount not less than the respective underwriters' several liabilities attributable to business ceded by United States domiciled ceding insurers to any underwriter of the group.

(b) For reinsurance ceded under reinsurance agreements with an inception date on or before December 31, 1992, and not amended or renewed after that date, notwithstanding the other provisions of this chapter, the trust shall consist of a trusteed account in an amount not less than the respective underwriters' several insurance and reinsurance liabilities attributable to business written in the United States.

(c) In addition to the trusts described in subparagraph divisions (a) and (b), the group shall maintain in trust a trusteed surplus of which one hundred million dollars shall be held jointly for the benefit of the United States domiciled ceding insurers of any member of the group for all years of account.

(d) The incorporated members of the group shall not be engaged in any business other than underwriting as a member of the group and shall be subject to the same level of regulation and solvency control by the group's domiciliary regulator as are the unincorporated members of the group.

(e) Within ninety days after its financial statements are due to be filed with the group's domiciliary regulator, the group shall provide to the commissioner an annual certification by the group's domiciliary regulator of the solvency of each underwriter member, or if a certification is unavailable, financial statements, prepared by independent public accountants, of each underwriter member of the group.

(4) In the case of a group of incorporated underwriters under common administration, the group shall meet all of the following requirements:

(a) Have continuously transacted an insurance business outside the United States for at least three years immediately prior to making application for accreditation.

(b) Maintain aggregate policyholders' surplus of at least ten billion dollars.

(c) Maintain a trust fund in an amount not less than the group's several liabilities attributable to business ceded by United States domiciled ceding insurers to any member of the group pursuant to reinsurance contracts issued in the name of the group.

(d) In addition, maintain a joint trusteed surplus of which one hundred million dollars shall be held jointly for the benefit of United States domiciled ceding insurers of any member of the group as additional security for these liabilities.

(e) Within ninety days after the group's financial statements are due to be filed with the group's domiciliary regulator, make available to the commissioner an annual certification of each underwriter member's solvency by the member's domiciliary regulator and financial statements of each underwriter member of the group prepared by the group's independent public accountant.

5. Credit shall be allowed when the reinsurance is ceded to an assuming insurer that has been certified by the commissioner as a reinsurer in this state and the assuming reinsurer secures its obligations in accordance with the following requirements:

*a.* In order to be eligible for certification, the assuming insurer shall meet all of the following requirements:

(1) The assuming insurer shall be domiciled and licensed to transact insurance or reinsurance in a qualified jurisdiction, as determined by the commissioner pursuant to paragraph "*c*".

(2) The assuming insurer shall maintain minimum capital and surplus, or its equivalent, in an amount to be determined by the commissioner pursuant to rule.

(3) The assuming insurer shall maintain financial strength ratings from two or more rating agencies deemed acceptable by the commissioner pursuant to rule.

(4) The assuming insurer shall agree to submit to the jurisdiction of this state, appoint the commissioner as the assuming insurer's agent for service of process in this state, and agree to provide security for one hundred percent of the assuming insurer's liabilities attributable to reinsurance ceded by United States ceding insurers, if the assuming insurer resists enforcement of a final United States judgment.

(5) The assuming insurer shall agree to meet applicable information filing requirements as determined by the commissioner, both with respect to an initial application for certification and on an ongoing basis.

(6) The assuming insurer shall satisfy any other requirements for certification deemed relevant by the commissioner.

*b.* An association including incorporated and individual unincorporated underwriters may be a certified reinsurer. In order to be eligible for certification, the association shall satisfy the requirements of paragraph "*a*" and in addition satisfy all of the following requirements:

(1) The association shall satisfy the association's minimum capital and surplus requirements through the capital and surplus equivalents (net of liabilities) of the association and its members, which shall include a joint central fund that may be applied to any unsatisfied obligation of the association or any of its members, in an amount determined by the commissioner to provide adequate protection.

(2) The incorporated members of the association shall not be engaged in any business other than underwriting as a member of the association and shall be subject to the same level of regulation and solvency control by the association's domiciliary regulator as are the unincorporated members of the association.

(3) Within ninety days after the association's financial statements are due to be filed with the association's domiciliary regulator, the association shall provide to the commissioner an annual certification by the association's domiciliary regulator, of the solvency of each underwriter member, or if a certification is unavailable, financial statements, prepared by an independent public accountant, of each underwriter member of the association.

*c.* The commissioner shall create and publish a list of qualified jurisdictions under which an assuming insurer licensed and domiciled in such jurisdiction is eligible to be considered for certification by the commissioner as a certified reinsurer.

(1) In order to determine whether the domiciliary jurisdiction of a non-United States insurer is eligible to be recognized as a qualified jurisdiction, the commissioner shall evaluate the appropriateness and effectiveness of the reinsurance supervisory system of the jurisdiction, both initially and on an ongoing basis, and consider the rights, benefits, and the extent of reciprocal recognition afforded by the non-United States jurisdiction to reinsurers licensed and domiciled in the United States. In order to be recognized as a qualified jurisdiction, a jurisdiction must agree to share information and to cooperate with the commissioner with respect to all certified reinsurers domiciled within that jurisdiction. A jurisdiction shall not be recognized as a qualified jurisdiction if the commissioner has determined that the jurisdiction does not adequately and promptly enforce final United States judgments and arbitration awards. Additional factors may be considered in the discretion of the commissioner.

(2) A list of qualified jurisdictions shall be published through the national association of insurance commissioners' committee process. The commissioner shall consider this list in determining qualified jurisdictions. If the commissioner recognizes a jurisdiction as qualified that does not appear on the list of qualified jurisdictions, the commissioner shall provide thoroughly documented justification for the recognition in accordance with criteria to be developed by rule.

(3) United States jurisdictions that meet the requirements for accreditation under the national association of insurance commissioners' financial standards and accreditation program shall be recognized as qualified jurisdictions.

(4) If a certified reinsurer's domiciliary jurisdiction ceases to be a qualified jurisdiction,

the commissioner may, in the commissioner's discretion, suspend the reinsurer's certification indefinitely, in lieu of revocation.

*d.* The commissioner shall assign a rating to each certified reinsurer, giving due consideration to the financial strength ratings that have been assigned by rating agencies deemed acceptable to the commissioner pursuant to rule. The commissioner shall publish a list of all certified reinsurers and their ratings.

*e.* A certified reinsurer shall secure obligations assumed from United States ceding insurers under this subsection at a level consistent with the certified reinsurer's rating, as specified in rules adopted by the commissioner.

(1) In order for a domestic ceding insurer to qualify for full financial statement credit for reinsurance ceded to a certified reinsurer, the certified reinsurer shall maintain security in a form acceptable to the commissioner and consistent with the provisions of section 521B.103, or in a multibeneficiary trust in accordance with subsection 4, except as otherwise provided in this subsection.

(2) If a certified reinsurer maintains a trust to fully secure its obligations subject to subsection 4, and chooses to secure its obligations incurred as a certified reinsurer in the form of a multibeneficiary trust, the certified reinsurer shall maintain separate trust accounts for its obligations incurred under reinsurance agreements issued or renewed as a certified reinsurer with reduced security as permitted by this subsection or comparable laws of other United States jurisdictions and for its obligations subject to subsection 4. It shall be a condition to the grant of certification under this subsection that the certified reinsurer shall bind itself, by the language of the trust and by agreement with the commissioner which has principal regulatory oversight of each such trust account, to fund, upon termination of any such trust account, any deficiency of any other trust account out of the remaining surplus of the terminated trust account.

(3) The minimum trusteed surplus requirements provided in subsection 4 are not applicable with respect to a multibeneficiary trust maintained by a certified reinsurer for the purpose of securing obligations under this subsection, except that such a multibeneficiary trust shall maintain a minimum trusteed surplus of ten million dollars.

(4) With respect to obligations incurred by a certified reinsurer under this subsection, if the security is insufficient, the commissioner shall reduce the allowable credit by an amount proportionate to the deficiency, and the commissioner has the discretion to impose further reductions in allowable credit upon finding that there is a material risk that the certified reinsurer's obligations will not be paid in full when due.

(5) For purposes of this subsection, a certified reinsurer whose certification has been terminated for any reason shall be treated as a certified reinsurer required to secure all of its obligations.

(a) As used in this subsection, the term *"terminated"* includes revocation, suspension, voluntary surrender, and inactive status.

(b) If the commissioner continues to assign a higher rating to a certified reinsurer as permitted by other provisions of this subsection, this requirement does not apply to a certified reinsurer in inactive status or to a reinsurer whose certification has been suspended.

*f.* If an assuming insurer applying for certification as a reinsurer in this state has been certified as a reinsurer in another jurisdiction accredited by the national association of insurance commissioners, the commissioner has the discretion to defer to that jurisdiction's certification, and has the discretion to defer to the rating assigned by that jurisdiction, and the assuming insurer shall be considered to be a certified reinsurer in this state.

*g.* A certified reinsurer that ceases to assume new business in this state may request to maintain the reinsurer's certification in inactive status in order to qualify for a reduction in the amount of security required for the reinsurer's in-force business. An inactive certified reinsurer shall continue to comply with all applicable requirements of this subsection, and the commissioner shall assign the reinsurer a rating that takes into account, if relevant, the reasons why the reinsurer is not assuming new business.

6. Credit shall be allowed when reinsurance is ceded to an assuming insurer that does not meet the requirements of subsection 1, 2, 3, 4, or 5, but only as to the insurance of risks

located in jurisdictions where the reinsurance is required by applicable law or regulation of that jurisdiction.

7. *a.* If the assuming insurer is not licensed, accredited, or certified to transact insurance or reinsurance in this state, the credit permitted by subsections 3 and 4 shall not be allowed unless the assuming insurer agrees in the reinsurance agreements to do all of the following:

(1) In the event of the failure of the assuming insurer to perform its obligations under the terms of the reinsurance agreement, the assuming insurer, at the request of the ceding insurer, will submit to the jurisdiction of any court of competent jurisdiction in any state of the United States, will comply with all requirements necessary to give the court jurisdiction, and will abide by the final decision of the court or of any appellate court in the event of any appeal, concerning such failure.

(2) The assuming insurer will designate the commissioner or a designated attorney as its true and lawful attorney to receive lawful process in any action, suit, or proceeding instituted by or on behalf of the ceding insurer.

*b.* This subsection is not intended to conflict with or override the obligation of the parties to a reinsurance agreement to arbitrate their disputes if the obligation to arbitrate is created in the agreement.

8. If the assuming insurer does not meet the requirements of subsection 1, 2, or 3, the credit permitted by subsection 4 or 5 shall not be allowed unless the assuming insurer agrees in a trust agreement to satisfy the following conditions:

*a.* Notwithstanding any other provisions contained in the trust instrument, if the trust fund is inadequate because the trust fund contains an amount less than the amount required by subsection 4, paragraph "*c*", or if the grantor of the trust has been declared insolvent or has been placed into receivership, rehabilitation, liquidation, or similar proceedings under the laws of the trust's state or country of domicile, the trustee shall comply with an order of the commissioner with regulatory oversight over the trust or with an order of a court of competent jurisdiction directing the trustee to transfer all of the assets of the trust fund to the commissioner with regulatory oversight over the trust.

*b.* The assets of the trust shall be distributed, and claims shall be filed and valued, by the commissioner with regulatory oversight over the trust in accordance with the laws of the state in which the trust is domiciled that are applicable to the liquidation of domestic insurance companies.

*c.* If the commissioner with regulatory oversight over the trust determines that the assets of the trust fund or any part of the trust fund are not necessary to satisfy the claims of the United States ceding insurers of the grantor of the trust, the assets of the trust or any part of those assets shall be returned by the commissioner with regulatory oversight over the trust to the trustee for distribution in accordance with the trust agreement.

*d.* The grantor shall waive any right otherwise available to the grantor under United States law that is inconsistent with the provisions of this subsection.

9. If an accredited or certified reinsurer ceases to meet the requirements of this section for accreditation or certification, the commissioner may suspend or revoke the reinsurer's accreditation or certification.

*a.* The commissioner shall give the reinsurer notice and opportunity for hearing prior to such suspension or revocation. The suspension or revocation shall not take effect until after the commissioner's order on hearing unless one of the following applies:

(1) The reinsurer waives its right to hearing.

(2) The commissioner's order is based on regulatory action by the reinsurer's domiciliary jurisdiction or by the voluntary surrender or termination of the reinsurer's eligibility to transact insurance or reinsurance business in the reinsurer's domiciliary jurisdiction or in the primary certifying state of the reinsurer under subsection 5, paragraph "*f*".

(3) The commissioner finds that an emergency requires immediate action and a court of competent jurisdiction has not stayed the commissioner's action.

*b.* While a reinsurer's accreditation or certification is suspended, a reinsurance contract issued or renewed after the effective date of the suspension does not qualify for credit except to the extent that the reinsurer's obligations under the reinsurance contract are secured in accordance with section 521B.103. If a reinsurer's accreditation or certification is revoked,

credit for reinsurance shall not be granted after the effective date of the revocation except to the extent that the reinsurer's obligations under the contract are secured in accordance with subsection 5, paragraph *"e"*, or section 521B.103.

10. *a.* A domestic ceding insurer shall take steps to manage its reinsurance recoverables proportionate to its own book of business. A domestic ceding insurer shall notify the commissioner within thirty days after reinsurance recoverables from any single assuming insurer, or group of affiliated assuming insurers, exceeds fifty percent of the domestic ceding insurer's last reported surplus to policyholders, or after it is determined that reinsurance recoverables from any single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the domestic ceding insurer.

*b.* A domestic ceding insurer shall take steps to diversify its reinsurance program. A domestic ceding insurer shall notify the commissioner within thirty days after ceding to any single assuming insurer, or group of affiliated assuming insurers, more than twenty percent of the domestic ceding insurer's gross written premium in the prior calendar year, or after the domestic ceding insurer has determined that the reinsurance ceded to any single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the domestic ceding insurer.

2013 Acts, ch 39, §2, 11

Referred to in §508.33A, 521B.103

Former sections 521B.1 through 521B.5, Code 2013, apply to all cessions under reinsurance agreements that occur prior to January 1, 2014; 2013 Acts, ch 39, §8

Section takes effect January 1, 2014; 2013 Acts, ch 39, §11

NEW section

**521B.103 Limited credit allowed other domestic ceding insurers.**

1. An asset or a reduction from liability for reinsurance ceded by a domestic insurer to an assuming insurer not meeting the requirements of section 521B.102, shall be allowed in an amount not exceeding the liabilities carried by the ceding insurer. The reduction shall be in the amount of funds held by or on behalf of the ceding insurer, including funds held in trust for the ceding insurer, under a reinsurance contract with the assuming insurer as security for the payment of obligations under the contract, if the security is held in the United States subject to withdrawal solely by, and under the exclusive control of, the ceding insurer, or in the case of a trust, held in a qualified United States financial institution as defined in section 521B.104, subsection 2.

2. The security may be in the form of any of the following:

*a.* Cash.

*b.* A security listed by the securities valuation office of the national association of insurance commissioners, including those securities deemed exempt from filing as defined by the purposes and procedures manual of the securities valuation office and those securities qualifying as admitted assets.

*c.* (1) Clean, irrevocable, unconditional letters of credit, issued or confirmed by a qualified United States financial institution, as defined in section 521B.104, subsection 1, effective no later than December 31 of the year for which the filing is being made, and in the possession of, or in trust for, the ceding insurer on or before the filing date of the ceding insurer's annual statement.

(2) A letter of credit meeting applicable standards of issuer acceptability as of the date of the letter of credit's issuance or confirmation shall, notwithstanding the issuing or confirming institution's subsequent failure to meet applicable standards of issuer acceptability, continue to be acceptable as security until the expiration, extension, renewal, modification, or amendment of the letter of credit, whichever occurs first.

*d.* Any other form of security acceptable to the commissioner.

2013 Acts, ch 39, §3, 11

Referred to in §521B.102, 521B.104

Former sections 521B.1 through 521B.5, Code 2013, apply to all cessions under reinsurance agreements that occur prior to January 1, 2014; 2013 Acts, ch 39, §8

Section takes effect January 1, 2014; 2013 Acts, ch 39, §11

NEW section

**521B.104 Qualified United States financial institutions.**

1. For purposes of section 521B.103, subsection 2, paragraph "*c*", a "*qualified United States financial institution*" means an institution that meets all of the following requirements:

*a.* Is organized, or in the case of a United States office of a foreign banking organization is licensed, under the laws of the United States or of any state of the United States.

*b.* Is regulated, supervised, and examined by United States federal or state authorities having regulatory authority over banks and trust companies.

*c.* Has been determined by either the commissioner or the securities valuation office of the national association of insurance commissioners to meet the standards of financial condition and standing as are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the commissioner.

2. For purposes of those provisions of this chapter specifying the institutions that are eligible to act as a fiduciary of a trust, a "*qualified United States financial institution*" means an institution that meets all of the following requirements:

*a.* Is organized, or in the case of a United States branch or agency office of a foreign banking organization is licensed, under the laws of the United States or of any state of the United States, and has been granted authority to operate with fiduciary powers.

*b.* Is regulated, supervised, and examined by federal or state authorities having regulatory authority over banks and trust companies.

2013 Acts, ch 39, §4, 11

Referred to in §515E.3A, 521B.102, 521B.103

Former sections 521B.1 through 521B.5, Code 2013, apply to all cessions under reinsurance agreements that occur prior to January 1, 2014; 2013 Acts, ch 39, §8

Section takes effect January 1, 2014; 2013 Acts, ch 39, §11

NEW section

**521B.105 Rules.**

The commissioner may adopt rules, pursuant to chapter 17A, as necessary or convenient to administer this chapter.

2013 Acts, ch 39, §5, 11

Former sections 521B.1 through 521B.5, Code 2013, apply to all cessions under reinsurance agreements that occur prior to January 1, 2014; 2013 Acts, ch 39, §8

Section takes effect January 1, 2014; 2013 Acts, ch 39, §11

NEW section

**521B.106 Applicability.**

This chapter applies to all cessions under reinsurance agreements that occur on or after January 1, 2014.

2013 Acts, ch 39, §6, 11

Former sections 521B.1 through 521B.5, Code 2013, apply to all cessions under reinsurance agreements that occur prior to January 1, 2014; 2013 Acts, ch 39, §8

Section takes effect January 1, 2014; 2013 Acts, ch 39, §11

NEW section

# CHAPTER 521C

## REINSURANCE INTERMEDIARIES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


521C.1 Short title.
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521C.9 Duties of reinsurers utilizing the services of a reinsurance intermediary-manager.
521C.10 Examination authority.
521C.11 Penalties and liabilities.
521C.12 Rules.

**521C.1 Short title.**

This chapter shall be known and may be cited as the *"Reinsurance Intermediary Model Act."*

91 Acts, ch 26, §19

**521C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Actuary"* means a person who is a member in good standing of the American academy of actuaries.

2. *"Controlling person"* means a person who directly or indirectly has the power to direct or cause to be directed, the management, control, or activities of the reinsurance intermediary.

3. *"Insurer"* means a person licensed to transact the business of insurance in this state.

4. *"Licensed producer"* means an agent, broker, or reinsurance intermediary licensed pursuant to the applicable provision of the insurance law of any jurisdiction.

5. *"Qualified United States financial institution"* means an institution that satisfies all of the following conditions:

*a.* The financial institution is organized or licensed under the laws of the United States or any state of the United States.

*b.* The financial institution is regulated, supervised, and examined by federal or state authorities having regulatory authority over banks and trust companies.

*c.* The financial institution has been determined by either the commissioner, or the securities valuation office of the national association of insurance commissioners, to meet such standards of financial condition and standing as are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the commissioner.

6. *"Reinsurance intermediary"* means a reinsurance intermediary-broker or a reinsurance intermediary-manager.

7. *"Reinsurance intermediary-broker"* means a person, other than an officer or employee of the ceding insurer, who solicits, negotiates, or places reinsurance cessions or retrocessions on behalf of a ceding insurer without the authority or power to bind reinsurance on behalf of the ceding insurer.

8. *"Reinsurance intermediary-manager"* means a person who has authority to bind or manage all or part of the assumed reinsurance business of a reinsurer, including the management of a separate division, department, or underwriting office, and acts as an agent for the reinsurer whether known as a reinsurance intermediary-manager or manager, or known by any other similar term or title. However, for the purposes of this chapter, the following persons shall not be considered a reinsurance intermediary-manager, with respect to the reinsurer:

*a.* An employee of the reinsurer.

*b.* A manager of a United States branch of an alien reinsurer who resides in this country.

*c.* An underwriting manager who, pursuant to contract, manages all or part of the reinsurance operations of the reinsurer, who is under common control with the reinsurer, subject to chapter 521A relating to the regulation of insurance holding company systems, and who is not compensated based upon the volume of premiums written.

*d.* The manager of a group, association, pool, or organization of insurers who engages in joint underwriting or joint reinsurance and who is subject to examination by the insurance commissioner of the state in which the manager's principal business office is located.

9. *"Reinsurer"* means a person licensed in this state as a reinsurer with the authority to assume reinsurance.

10. *"To be in violation"* means that the reinsurance intermediary, insurer, or reinsurer for whom the reinsurance intermediary was acting failed to substantially comply with the provisions of this chapter.

91 Acts, ch 26, §20; 94 Acts, ch 1176, §14

Referred to in §521C.7

**521C.3 Licensure.**

1. A person shall not act as a reinsurance intermediary-broker in this state if the person

maintains an office in this state or another state individually or as a member or employee of a firm or association, or as an officer, director, or employee of a corporation, unless the person is a licensed producer in this state or another state having a law substantially similar to this law, or the person is licensed in this state as a nonresident reinsurance intermediary.

2. A person shall not act as a reinsurance intermediary-manager in any of the following circumstances:

*a.* Where the reinsurer is domiciled in this state, unless the person is a licensed producer in this state.

*b.* Where the person maintains an office in this state individually or as a member or employee of a firm or association, or as an officer, director, or employee of a corporation in this state, unless the person is a licensed producer in this state.

*c.* Where the person would be acting in another state for a nondomestic insurer, unless the person is a licensed producer in this state or in another state having a law substantially similar to this law, or is licensed in this state as a nonresident reinsurance intermediary.

3. The commissioner may require a reinsurance intermediary-manager subject to subsection 2 to do one or more of the following:

*a.* File a bond in an amount determined by the commissioner from an insurer acceptable to the commissioner for the protection of each reinsurer represented by the reinsurance intermediary-manager.

*b.* Maintain an errors and omissions policy in an amount acceptable to the commissioner.

4. *a.* The commissioner may issue a reinsurance intermediary license to a person who has complied with the requirements of this chapter. Any such license issued to a firm or association will authorize all the members of the firm or association and any designated employees to act as reinsurance intermediaries under the license, and all such persons shall be named in the application and any supplements to the application. A license issued to a corporation shall authorize all of the officers, and any designated employees and directors of the corporation to act as reinsurance intermediaries on behalf of the corporation, and all such persons shall be named in the application and any supplements to the application.

*b.* A reinsurance intermediary license applicant, as a condition precedent to receiving or holding a license, shall designate the commissioner as agent for service of process, and also shall furnish the commissioner with the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such nonresident reinsurance intermediary may be served. The licensee shall promptly notify the commissioner in writing of a change of the designated agent for service of process, and the change becomes effective upon acknowledgment by the commissioner.

5. *a.* The commissioner may refuse to issue a reinsurance intermediary license if, in the commissioner's judgment, any of the following conditions are present:

(1) The applicant, anyone named in the application, or any member, principal, officer, or director of the applicant, is not trustworthy.

(2) A controlling person of such applicant is not trustworthy to act as a reinsurance intermediary.

(3) Conditions present in subparagraph (1) or (2) have given cause for revocation or suspension of a license, or a person referred to in subparagraph (1) or (2) has failed to comply with any prerequisite for the issuance of a license.

*b.* Upon written request, the commissioner shall furnish a written summary of the basis for refusal to issue a license, which document is privileged and not subject to disclosure under chapter 22.

6. A licensed attorney in this state when acting in a professional capacity as an attorney is exempt from the requirements of this section.

91 Acts, ch 26, §21; 2003 Acts, ch 91, §49; 2012 Acts, ch 1023, §132

Referred to in §521C.6, 521C.9

**521C.4 Required contract provisions — reinsurance intermediary-brokers.**

Transactions between a reinsurance intermediary-broker and the insurer that the reinsurance intermediary-broker represents in such capacity shall only be entered into pursuant to a written authorization, specifying the responsibilities of each party. The

authorization shall, at a minimum, contain provisions that satisfy all of the following requirements:

1. The insurer may terminate the authority of the reinsurance intermediary-broker at any time.

2. The reinsurance intermediary-broker shall render accounts to the insurer accurately detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by or owing to the reinsurance intermediary-broker, and shall remit all funds due to the insurer within thirty days of receipt.

3. All funds collected for the account of the insurer shall be held by the reinsurance intermediary-broker in a fiduciary capacity in a bank, as defined in section 524.103.

4. The reinsurance intermediary-broker shall comply with section 521C.5.

5. The reinsurance intermediary-broker shall comply with the written standards established by the insurer for the cession or retrocession of all risks.

6. The reinsurance intermediary-broker shall disclose to the insurer any relationship with any reinsurer to which business will be ceded or retroceded.

91 Acts, ch 26, §22

**521C.5 Books and records — reinsurance intermediary-brokers.**

1. For a minimum of ten years after expiration of each contract of reinsurance transacted by the reinsurance intermediary-broker, the reinsurance intermediary-broker shall keep a complete record for each transaction showing all of the following:

*a.* The type of contract, limits, underwriting restrictions, classes or risks, and territory.

*b.* The period of coverage, including effective and expiration dates, cancellation provisions, and notice required of cancellation.

*c.* The reporting and settlement requirements of balances.

*d.* The rate used to compute the reinsurance premium.

*e.* The names and addresses of assuming reinsurers.

*f.* The rates of all reinsurance commissions, including the commissions on any retrocessions handled by the reinsurance intermediary-broker.

*g.* All related correspondence and memoranda.

*h.* Proof of placement.

*i.* The details regarding retrocessions handled by the reinsurance intermediary-broker including the identity of retrocessionaires and percentage of each contract assumed or ceded.

*j.* Financial records, including but not limited to premium and loss accounts.

*k.* If the reinsurance intermediary-broker procures a reinsurance contract on behalf of a licensed ceding insurer one or both of the following shall be included in the record:

(1) Directly from any assuming reinsurer, written evidence that the assuming reinsurer has agreed to assume the risk.

(2) If placed through a representative of the assuming reinsurer, other than an employee, written evidence that the assuming reinsurer has delegated binding authority to the representative.

2. The insurer has a right of access and the right to copy and audit all accounts and records maintained by the reinsurance intermediary-broker related to its business in a form usable by the insurer.

91 Acts, ch 26, §23

Referred to in §521C.4

**521C.6 Duties of insurers utilizing the services of a reinsurance intermediary-broker.**

1. An insurer shall not engage the services of a person, firm, association, or corporation to act as a reinsurance intermediary-broker on its behalf unless the person is licensed as required by section 521C.3, subsection 1.

2. An insurer shall not employ an individual who is employed by a reinsurance intermediary-broker with which the insurer transacts business, unless such reinsurance intermediary-broker is under common control with the insurer and subject to chapter 521A relating to the regulation of insurance company holding systems.

3. The insurer shall annually obtain a copy of statements of the financial condition of each reinsurance intermediary-broker with which the insurer transacts business.

91 Acts, ch 26, §24

**521C.7 Required contract provisions — reinsurance intermediary-managers.**

Transactions between a reinsurance intermediary-manager and the reinsurer that the reinsurance intermediary-manager represents in such capacity shall only be entered into pursuant to a written contract, specifying the responsibilities of each party, which shall be approved by the reinsurer's board of directors. At least thirty days before the reinsurer assumes or cedes business through a reinsurance intermediary-manager, a true copy of the approved contract shall be filed with the commissioner for approval by the commissioner. The contract, at a minimum, shall contain the following provisions:

1. The reinsurer may terminate the contract for cause upon written notice to the reinsurance intermediary-manager. The reinsurer may suspend the authority of the reinsurance intermediary-manager to assume or cede business during the pendency of any dispute regarding the cause for termination.

2. The reinsurance intermediary-manager shall render accounts to the reinsurer accurately detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by, or owing to the reinsurance intermediary-manager, and shall remit all funds due under the contract to the reinsurer on not less than a monthly basis.

3. All funds collected for the reinsurer's account shall be held by the reinsurance intermediary-manager in a fiduciary capacity in a bank which is a qualified United States financial institution, as defined in section 521C.2. The reinsurance intermediary-manager may retain no more than three months' estimated claims payments and allocated loss adjustment expenses. The reinsurance intermediary-manager shall maintain a separate bank account for each reinsurer that the reinsurance intermediary-manager represents.

4. For at least ten years after expiration of each contract of reinsurance transacted by the reinsurance intermediary-manager, the reinsurance intermediary-manager shall keep a complete record for each transaction showing all of the following:

*a.* The type of contract, limits, underwriting restrictions, classes or risks, and territory.

*b.* The period of coverage, including effective and expiration dates, cancellation provisions and notice required of cancellation, and disposition of outstanding reserves on covered risks.

*c.* The reporting and settlement requirements of balances.

*d.* The rate used to compute the reinsurance premium.

*e.* The names and addresses of reinsurers.

*f.* The rates of all reinsurance commissions, including the commissions on any retrocessions handled by the reinsurance intermediary-manager.

*g.* Any related correspondence and memoranda.

*h.* Proof of placement.

*i.* The details regarding retrocessions handled by the reinsurance intermediary-manager, as permitted by section 521C.9, subsection 4, including the identity of retrocessionaires and percentage of each contract assumed or ceded.

*j.* Financial records, including but not limited to premium and loss accounts.

*k.* If the reinsurance intermediary-manager places a reinsurance contract on behalf of a ceding insurer one or both of the following shall be included in the record:

(1) Directly from any assuming reinsurer, written evidence that the assuming reinsurer has agreed to assume the risk.

(2) If placed through a representative of the assuming reinsurer, other than an employee, written evidence that the assuming reinsurer has delegated binding authority to the representative.

5. The reinsurer has a right of access and the right to copy all accounts and records maintained by the reinsurance intermediary-manager related to its business in a form usable by the reinsurer.

6. The contract cannot be assigned in whole or in part by the reinsurance intermediary-manager.

7. The reinsurance intermediary-manager shall comply with the written underwriting and rating standards established by the insurer for the acceptance, rejection, or cession of all risks.

8. The contract shall set forth the rates, terms, and purposes of commissions, charges, and other fees which the reinsurance intermediary-manager may levy against the reinsurer.

9. If the contract permits the reinsurance intermediary-manager to settle claims on behalf of the reinsurer, all of the following apply:

*a.* All claims shall be reported to the reinsurer in a timely manner.

*b.* A copy of the claim file shall be sent to the reinsurer at its request or as soon as it becomes known that the claim meets any or all of the following conditions:

(1) The claim has the potential to exceed the lesser of an amount determined by the commissioner or the limit set by the reinsurer.

(2) The claim involves a coverage dispute.

(3) The claim may exceed the claims settlement authority of the reinsurance intermediary-manager.

(4) The claim is open for more than six months.

(5) The claim is closed by payment of the lesser of an amount set by the commissioner or an amount set by the reinsurer.

*c.* All claim files shall be the joint property of the reinsurer and reinsurance intermediary-manager. However, upon an order of liquidation of the reinsurer the files shall become the sole property of the reinsurer or its estate. The reinsurance intermediary-manager shall have reasonable access to and the right to copy the files on a timely basis.

*d.* Any settlement authority granted to the reinsurance intermediary-manager may be terminated for cause upon the reinsurer's written notice to the reinsurance intermediary-manager or upon the termination of the contract. The reinsurer may suspend the settlement authority during the pendency of the dispute regarding the cause of termination.

10. If the contract provides for a sharing of interim profits by the reinsurance intermediary-manager, interim profits shall not be paid until one year after the end of each underwriting period for property insurance business and five years after the end of each underwriting period for casualty insurance business, or a later period as determined by the commissioner for each type of insurance, but in no case until the adequacy of reserves on remaining claims has been verified pursuant to section 521C.9, subsection 3.

11. The reinsurance intermediary-manager shall annually provide the reinsurer with a statement of its financial condition prepared by an independent certified accountant.

12. The reinsurer shall periodically, but not less than semiannually, conduct an on-site review of the underwriting and claims processing operations of the reinsurance intermediary-manager.

13. The reinsurance intermediary-manager shall disclose to the reinsurer any relationship the reinsurance intermediary-manager has with any insurer prior to ceding or assuming any business with the insurer pursuant to this contract.

14. The acts of the reinsurance intermediary-manager are deemed to be the acts of the reinsurer on whose behalf the reinsurance intermediary-manager is acting.

91 Acts, ch 26, §25

**521C.8 Prohibited acts.**

The reinsurance intermediary-manager shall not do any of the following:

1. Bind retrocessions on behalf of the reinsurer, except that the reinsurance intermediary-manager may bind facultative retrocessions pursuant to obligatory facultative agreements if the contract with the reinsurer contains reinsurance underwriting guidelines for such retrocessions. The guidelines shall include a list of reinsurers with which the automatic agreements are in effect, and for each reinsurer, the coverages and amounts or percentages that may be reinsured, and commission schedules.

2. Commit the reinsurer to participate in reinsurance syndicates.

3. Appoint any producer without assuring that the producer is licensed to transact the type of reinsurance for which the producer is appointed.

4. Without prior approval of the reinsurer, pay or commit the reinsurer to pay a claim, or a net amount of retrocessions, that exceeds the lesser of an amount specified by the reinsurer or one percent of the reinsurer's policyholder's surplus as of December 31 of the last complete calendar year.

5. Collect any payment from a retrocessionaire or commit the reinsurer to any claim settlement with a retrocessionaire, without prior approval of the reinsurer. If prior approval is given, a report must be promptly forwarded to the reinsurer.

6. Jointly employ an individual who is employed by the reinsurer.

7. Appoint an agent of a reinsurance intermediary-manager.

91 Acts, ch 26, §26

**521C.9 Duties of reinsurers utilizing the services of a reinsurance intermediary-manager.**

1. A reinsurer shall not engage the services of a person to act as a reinsurance intermediary-manager on its behalf unless the person is licensed as required by section 521C.3, subsection 2.

2. The reinsurer shall annually obtain a copy of statements of the financial condition of each reinsurance intermediary-manager whom the reinsurer has engaged pursuant to subsection 1. The statements of financial condition shall be prepared by an independent certified accountant in a form acceptable to the commissioner.

3. If a reinsurance intermediary-manager establishes loss reserves, the reinsurer shall annually obtain the opinion of an actuary attesting to the adequacy of loss reserves established for losses incurred and outstanding on business produced by the reinsurance intermediary-manager. This opinion shall be in addition to any other required loss reserve certification.

4. Binding authority for all retrocessional contracts or participation in reinsurance syndicates shall rest with an officer of the reinsurer who shall not be affiliated with the reinsurance intermediary-manager.

5. Within thirty days of termination of a contract with a reinsurance intermediary-manager, the reinsurer shall provide written notification of the termination to the commissioner.

6. A reinsurer shall not appoint to its board of directors any officer, director, employee, controlling shareholder, or an agent of a producer of its reinsurance intermediary-manager. This subsection shall not apply to relationships governed by chapter 521A relating to the regulation of insurance company holding systems or, if applicable, governed by chapter 510A relating to the regulation of producer controlled property and casualty insurers.

91 Acts, ch 26, §27

Referred to in §521C.7

**521C.10 Examination authority.**

1. A reinsurance intermediary is subject to examination by the commissioner. The commissioner shall have access to all books, bank accounts, and records of the reinsurance intermediary in a form usable to the commissioner.

2. A reinsurance intermediary-manager may be examined as if it were the reinsurer.

91 Acts, ch 26, §28

**521C.11 Penalties and liabilities.**

1. *a.* A reinsurance intermediary or other person found by the commissioner, after a hearing conducted in accordance with chapter 17A, to have not materially complied with a provision of this chapter is subject to one or more of the following:

(1) For each separate violation, a civil penalty in an amount not exceeding five thousand dollars.

(2) Revocation or suspension of the license of the reinsurance intermediary.

*b.* If the commissioner finds that such noncompliance has resulted in a loss or damage to the insurer or reinsurer, the commissioner may bring a civil action on behalf of the insurer or reinsurer, and the policyholders and creditors of the insurer or reinsurer, seeking the recovery of compensatory damages for the benefit of the insurer or reinsurer, and the policyholders and creditors of the insurer or reinsurer, or seeking other relief as appropriate.

*c.* If an order of rehabilitation or liquidation has been entered pursuant to chapter 507C, and the receiver appointed under the order determines that the reinsurance intermediary or any other person has not materially complied with a provision of this chapter and such noncompliance has resulted in a loss or damage to the insurer or reinsurer, the receiver may bring a civil action on behalf of the insurer or reinsurer seeking the recovery of damages for the benefit of the insurer or reinsurer, or seeking other appropriate sanction or relief.

2. A decision, determination, or order of the commissioner made or entered pursuant to subsection 1 is subject to judicial review pursuant to chapter 17A.

3. This section does not affect the right of the commissioner to impose any other penalties provided in this subtitle.

4. This chapter shall not in any manner limit or restrict the rights of policyholders, claimants, creditors, or other third parties, or confer any rights to such persons.

91 Acts, ch 26, §29; 91 Acts, ch 213, §31; 94 Acts, ch 1176, §15; 2012 Acts, ch 1023, §157

**521C.12 Rules.**

The commissioner may adopt rules, pursuant to chapter 17A, as necessary or convenient for the administration of this chapter.

91 Acts, ch 26, §30

# CHAPTER 521D

## DISCLOSURE OF MATERIAL TRANSACTIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

521D.1 Title.
521D.2 Report.
521D.3 Report of acquisition and disposition of assets — information required — scope.
521D.4 Report of nonrenewal, cancellation, revision of ceded reinsurance agreements — information required — scope.

**521D.1 Title.**

This chapter shall be known and may be cited as the *"Disclosure of Material Transactions Act"*.

94 Acts, ch 1176, §16

**521D.2 Report.**

1. An insurer domiciled in this state shall file a report with the commissioner disclosing material acquisitions and dispositions of assets, or material nonrenewals, cancellations, or revisions of ceded reinsurance agreements unless such acquisitions and dispositions of assets, or material nonrenewals, cancellations, or revisions of ceded reinsurance agreements have been submitted to the commissioner for review, approval, or information purposes pursuant to other provisions of this subtitle or pursuant to other requirements. The report shall be filed not later than fifteen days after the end of the calendar year in which the material acquisition or disposition of assets, or material nonrenewal, cancellation, or revision of ceded reinsurance agreements occurs.

2. The insurer shall also file a copy of the report required to be filed with the commissioner pursuant to subsection 1, including any exhibits or other attachments filed as part of the report, with the national association of insurance commissioners.

3. *a.* All reports obtained by or disclosed to the commissioner and the national association

of insurance commissioners pursuant to this chapter are confidential and shall not be subject to subpoena and shall not be made public by the commissioner, the national association of insurance commissioners, or any other person without the prior written consent of the insurer to which it pertains, unless the commissioner, after giving such insurer notice and providing an opportunity to be heard, determines that the interest of policyholders, shareholders, or the public will be served by the publication or disclosure of the report, in which event the commissioner may publish or disclose all or any part of the report as deemed appropriate.

*b.* Notwithstanding this subsection, the commissioner or the national association of insurance commissioners may provide the report to the insurance regulatory agencies of other states.

94 Acts, ch 1176, §17; 2012 Acts, ch 1023, §157
Referred to in §521D.3, 521D.4

**521D.3 Report of acquisition and disposition of assets — information required — scope.**

1. An acquisition or disposition of assets need not be reported pursuant to section 521D.2 if the acquisition or disposition is not material. For purposes of this chapter, a material acquisition, or the aggregate of any series of related acquisitions, or a disposition, or the aggregate of any series of related dispositions, during any thirty-day period, is one that is nonrecurring, is not in the ordinary course of business, and involves more than five percent of the reporting insurer's total admitted assets as reported in its most recent statutory statement filed with the insurance division of the insurer's state of domicile.

2. For purposes of this chapter, an asset acquisition includes every purchase, lease, exchange, merger, consolidation, succession, or other acquisition, other than the construction or development of real property by or for the reporting insurer or the acquisition of materials for such purpose. For purposes of this chapter, an asset disposition includes every sale, lease, exchange, merger, consolidation, mortgage, hypothecation, assignment, whether for the benefit of creditors or otherwise, abandonment, destruction, or other disposition.

3. A report of a material acquisition or disposition of assets shall include all of the following:

*a.* Date of the transaction.

*b.* Manner of the acquisition or disposition.

*c.* Description of the assets involved.

*d.* Nature and amount of the consideration given or received.

*e.* Purpose of, or reason for, the transaction.

*f.* Manner by which the amount of consideration was determined.

*g.* Gain or loss recognized or realized as a result of the transaction.

*h.* Name or names of the person or persons from whom the assets were acquired or to whom they were disposed.

4. An insurer is required to report material acquisitions and dispositions on a nonconsolidated basis unless the insurer is part of a consolidated group of insurers which utilizes a pooling arrangement or one hundred percent reinsurance agreement that affects the solvency and integrity of the insurer's reserves, and such insurer ceded substantially all of its direct and assumed business to the pool. An insurer is deemed to have ceded substantially all of its direct and assumed business to a pool if the insurer has less than one million dollars total direct plus assumed written premiums during a calendar year that are not subject to a pooling arrangement, and the net income of the business not subject to the pooling arrangement represents less than five percent of the insurer's capital and surplus.

94 Acts, ch 1176, §18

**521D.4 Report of nonrenewal, cancellation, revision of ceded reinsurance agreements — information required — scope.**

1. A nonrenewal, cancellation, or revision of a ceded reinsurance agreement need not be reported pursuant to section 521D.2 if the nonrenewal, cancellation, or revision is not material. For purposes of this chapter, a material nonrenewal, cancellation, or revision of a ceded reinsurance agreement is one that does the following:

*a.* For property and casualty business including accident and health business when

written as such, affects more than fifty percent of an insurer's ceded written premium on an annualized basis as indicated in the insurer's most recently filed statutory statement.

*b.* For life, annuity, and accident and health business, affects more than fifty percent of the total reserve credit taken for business ceded on an annualized basis as indicated in the insurer's most recently filed statutory statement.

2. Notwithstanding subsection 1, a filing is not required if the insurer's ceded written premium represents, on an annualized basis, less than ten percent of direct plus assumed written premium, or the total reserve credit taken for business ceded represents, on an annualized basis, less than ten percent of the statutory reserve requirement prior to any cession.

3. *a.* A report required to be filed pursuant to this chapter is to be filed regardless of who has initiated the nonrenewal, cancellation, or revision of the ceded reinsurance agreement whenever one or more of the following conditions exist:

(1) The entire cession has been canceled, nonrenewed, or revised and ceded indemnity and loss adjustment expense reserves, after any nonrenewal, cancellation, or revision, represent less than fifty percent of the comparable reserves that would have been ceded had the nonrenewal, cancellation, or revision not occurred.

(2) An authorized or accredited reinsurer has been replaced on an existing cession by an unauthorized reinsurer.

(3) Collateral requirements previously established for unauthorized reinsurers have been reduced.

*b.* Subject to the materiality criteria, for purposes of paragraph "*a*", subparagraphs (2) and (3), a report shall be filed if the result of the revision affects more than ten percent of the cession.

4. A report of a material nonrenewal, cancellation, or revision of a ceded reinsurance agreement required to be filed shall include all of the following:

*a.* The effective date of the nonrenewal, cancellation, or revision.

*b.* The description of the transaction including the identification of the initiator of the transaction.

*c.* The purpose of, or reason for, the transaction.

*d.* The identity of the replacement reinsurers, if applicable.

5. Insurers are required to report all material nonrenewals, cancellations, or revisions of ceded reinsurance agreements on a nonconsolidated basis unless the insurer is part of a consolidated group of insurers which utilizes an intercompany pooling agreement or arrangement or a one hundred percent reinsurance agreement under which the ceding company has ceded substantially one hundred percent of its direct and assumed business to a pool. An insurer is deemed to have ceded substantially one hundred percent of its direct and assumed business to a pool if the insurer has less than one million dollars of total direct plus assumed written premiums during a calendar year that are not subject to the pooling agreement or arrangement and the net income of the business not subject to the pooling agreement or arrangement represents less than five percent of the insurer's capital and surplus. If a group of insurers reports on a consolidated basis, the report shall identify the individual insurers that are members of the group.

94 Acts, ch 1176, §19; 2012 Acts, ch 1023, §133

# CHAPTER 521E

## RISK-BASED CAPITAL REQUIREMENTS FOR INSURERS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 508.5, 508.9, 508.33A, 515.8, 515.12A, 515.69, 515.74, 515E.3A, 520.9, 521F.2, 669.14, 670.7


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**521E.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Adjusted risk-based capital report"* means a risk-based capital report adjusted by the commissioner pursuant to section 521E.2, subsection 5.

2. *"Commissioner"* means the commissioner of insurance.

3. *"Corrective order"* means an order issued by the commissioner of insurance specifying corrective actions which the commissioner has determined are required.

4. *"Domestic insurer"* means an insurance company domiciled in this state and licensed to transact the business of insurance under chapter 508, 512B, 515, or 520, except that it shall not include any of the following:

*a.* An agency, authority, or instrumentality of the United States, its possessions and territories, the commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

*b.* A nonprofit medical, hospital, or dental service corporation organized under chapter 514.

*c.* A county mutual insurance association organized under chapter 518.

*d.* A state mutual insurance association organized under chapter 518A.

*e.* A health maintenance organization organized under chapter 514B.

5. *"Filing date"* means March 1 of each year.

6. *"Foreign insurer"* means an insurance company not domiciled in this state which is licensed to transact the business of insurance in this state under chapter 508, 512B, 515, or 520.

7. *"Life and health insurer"* means an insurance company licensed under chapter 508, a fraternal benefit society organized under chapter 512B, or a licensed property and casualty insurer writing only accident and health insurance under chapter 515.

8. *"Negative trend"* means a negative trend over a period of time as determined in accordance with the trend test calculation included in the risk-based capital instructions.

9. *"Property and casualty insurer"* means an insurance company licensed under chapter 515 but does not include monoline mortgage guaranty insurers, financial guaranty insurers, or title insurers.

10. *"Revised risk-based capital plan"* is a risk-based capital plan which has been rejected by the commissioner and has been revised by the insurer, with or without the commissioner's recommendation.

11. *"Risk-based capital instructions"* means the instructions included in the risk-based capital report as adopted by the national association of insurance commissioners, as such risk-based capital instructions may be amended by the national association of insurance commissioners from time to time in accordance with the procedures adopted by the national association of insurance commissioners.

12. *"Risk-based capital level"* means an insurer's company-action-level risk-based capital, regulatory-action-level risk-based capital, authorized-control-level risk-based capital, or mandatory-control-level risk-based capital as follows:

*a.* *"Company-action-level risk-based capital"* means, with respect to any insurer, the product of two and the insurer's authorized-control-level risk-based capital.

*b.* *"Regulatory-action-level risk-based capital"* means the product of one and one-half and the insurer's authorized-control-level risk-based capital.

*c.* *"Authorized-control-level risk-based capital"* means the number determined under the risk-based capital formula in accordance with the risk-based capital instructions.

*d.* *"Mandatory-control-level risk-based capital"* means the product of seven-tenths and the insurer's authorized-control-level risk-based capital.

13. *"Risk-based capital plan"* means a comprehensive financial plan containing the elements identified in section 521E.3, subsection 2.

14. *"Risk-based capital report"* means the report required to be prepared and submitted to the commissioner pursuant to section 521E.2.

15. *"Total adjusted capital"* means the sum of the following:

*a.* An insurer's statutory capital and surplus.

*b.* Such other items, if any, as identified in the risk-based capital instructions.

96 Acts, ch 1046, §9; 2000 Acts, ch 1023, §56; 2013 Acts, ch 124, §25 – 27
Subsection 4, unnumbered paragraph 1 amended
Subsection 4, paragraph b stricken and former paragraphs c – f redesignated as b – e
Subsections 6 and 7 amended

**521E.2 Risk-based capital reports.**

1. A domestic insurer, on or prior to the filing date, shall prepare and submit to the commissioner a report of the insurer's risk-based capital level as of the end of the calendar year immediately preceding the filing date, in a form and containing the information required by the risk-based capital instructions. A domestic insurer shall also file its risk-based capital report with both of the following:

*a.* The national association of insurance commissioners.

*b.* The insurance commissioner in each state in which the insurer is authorized to do business, if such insurance commissioner has notified the insurer of its request in writing. Upon receipt of the written request, the insurer shall file its risk-based capital report with the requesting commissioner by no later than the later of the following:

(1) Fifteen days from the receipt of the written request.

(2) The filing date.

2. A life and health insurer's risk-based capital shall be determined pursuant to the formula set forth in the risk-based capital instructions. The formula shall take into account all of the following, and may be adjusted, as deemed appropriate by the commissioner, for the covariance between the following:

*a.* The risk with respect to the insurer's assets.

*b.* The risk of adverse insurance experience with respect to the insurer's liabilities and obligations.

*c.* The interest rate risk with respect to the insurer's business.

*d.* All other business risks and other relevant risks as identified in the risk-based capital instructions, determined in each case by applying the factors in the manner provided for in the risk-based capital instructions.

3. A property and casualty insurer's risk-based capital shall be determined pursuant to the formula set forth in the risk-based capital instructions. The formula shall take into account all of the following, and may be adjusted, as deemed appropriate by the commissioner, for the covariance between the following:

*a.* Asset risk.

*b.* Credit risk.

*c.* Underwriting risk.

*d.* All other business risks and other relevant risks as identified in the risk-based capital instructions, determined in each case by applying the factors in the manner provided for in the risk-based capital instructions.

4. An insurer shall seek to maintain capital above the risk-based capital levels required by this chapter.

5. A risk-based capital report filed by a domestic insurer which in the judgment of the

commissioner is inaccurate, shall be adjusted by the commissioner to correct the inaccuracy. The commissioner shall notify the insurer of the adjustment. The notice shall contain a statement of the reason for the adjustment.

96 Acts, ch 1046, §10
Referred to in §521E.1, 521E.10

**521E.3 Company-action-level event.**

1. *"Company-action-level event"* means any of the following:

*a.* The filing of a risk-based capital report by an insurer which indicates any of the following:

(1) For an insurer other than a life and health insurer, the insurer's total adjusted capital is greater than or equal to its regulatory-action-level risk-based capital but less than its company-action-level risk-based capital.

(2) For a life and health insurer, the insurer's total adjusted capital is greater than or equal to its company-action-level risk-based capital but less than the product of its authorized-control-level risk-based capital and three, and has a negative trend.

(3) For a property and casualty insurer, the insurer's total adjusted capital is greater than or equal to its company-action-level risk-based capital but less than the product of its authorized-control-level risk-based capital and three and triggers the trend test determined in accordance with the trend test calculation included in the property and casualty risk-based capital instructions.

*b.* Notification by the commissioner to the insurer of an adjusted risk-based capital report that indicates an event in paragraph *"a"*, provided the insurer does not challenge the adjusted risk-based capital report and request a hearing pursuant to section 521E.7.

*c.* If a hearing is requested pursuant to section 521E.7, notification by the commissioner to the insurer after the hearing that the commissioner has rejected the insurer's challenge of the adjusted risk-based capital report indicating an event in paragraph *"a"*.

2. Upon the occurrence of a company-action-level event, the insurer shall prepare and submit to the commissioner a risk-based capital plan which shall include all of the following:

*a.* Identification of the conditions which contributed to the company-action-level event.

*b.* Proposed corrective actions which the insurer intends to implement and which are expected to result in the elimination of the company-action-level event.

*c.* Projections of the insurer's financial results for the current year and at least the four succeeding years, including projections of statutory operating income, net income, capital, and surplus. Projections shall be provided assuming the absence of the proposed corrective actions and assuming the implementation of the proposed corrective actions. The projections for both new and renewal business may include separate projections for each major line of business and separately identify each significant income, expense, and benefit component.

*d.* Identification of the primary assumptions impacting the insurer's projections and the sensitivity of the projections to the assumptions.

*e.* Identification of the quality of, and problems associated with, the insurer's business, including but not limited to its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business, and use of reinsurance, if any, in each case.

3. The risk-based capital plan shall be submitted within forty-five days of the company-action-level event, or, if the insurer requests a hearing pursuant to section 521E.7 for the purpose of challenging the adjusted risk-based capital report, within forty-five days after notification to the insurer that the commissioner, after hearing, has rejected the insurer's challenge.

4. Within sixty days after the submission by an insurer of a risk-based capital plan to the commissioner, the commissioner shall notify the insurer whether the risk-based capital plan shall be implemented or, in the judgment of the commissioner, is unsatisfactory. If the commissioner determines the risk-based capital plan is unsatisfactory, the notification to the insurer shall set forth the reasons for the determination, and may set forth proposed revisions which in the judgment of the commissioner will render the risk-based capital plan satisfactory. Upon the receipt of notification from the commissioner pursuant to

this subsection, the insurer shall prepare a revised risk-based capital plan, which may incorporate by reference any revisions proposed by the commissioner, and submit the revised risk-based capital plan to the commissioner within forty-five days of the receipt of notification from the commissioner of the commissioner's determination that the risk-based capital plan is unsatisfactory, or, if the insurer requests a hearing pursuant to section 521E.7 for the purpose of challenging the commissioner's determination, within forty-five days after notification to the insurer that the commissioner, after hearing, has rejected the insurer's challenge.

5. After notification of the insurer by the commissioner that the insurer's risk-based capital plan or revised risk-based capital plan is unsatisfactory, the commissioner, at the commissioner's discretion and subject to the insurer's right to a hearing pursuant to section 521E.7, may specify in the notification that the notification constitutes a regulatory-action-level event.

6. A domestic insurer that files a risk-based capital plan or revised risk-based capital plan with the commissioner shall file a copy of the risk-based capital plan or revised risk-based capital plan with the insurance commissioner in a state in which the insurer is authorized to do business if both of the following apply:

*a.* The other state has a provision substantially similar to section 521E.8, subsection 1, with respect to the confidentiality and availability of such plans.

*b.* The insurance commissioner of that state has notified the insurer in writing of its request to receive a copy of the risk-based capital plan or revised risk-based capital plan. Upon receipt of the written request, the insurer shall file a copy of the risk-based capital plan or revised risk-based capital plan with the requesting commissioner by no later than the later of the following:

(1) Fifteen days from the receipt of the written request.

(2) The date on which the risk-based capital plan or revised risk-based capital plan is filed pursuant to subsection 3 or 4, as applicable.

96 Acts, ch 1046, §11; 2011 Acts, ch 70, §42, 43; 2013 Acts, ch 124, §28
Referred to in §521E.1, 521E.4
Subsection 1, paragraph a, subparagraph (2) amended

**521E.4 Regulatory-action-level event.**

1. "*Regulatory-action-level event*" means any of the following:

*a.* The filing of a risk-based capital report by the insurer which indicates that the insurer's total adjusted capital is greater than or equal to its authorized-control-level risk-based capital but less than its regulatory-action-level risk-based capital.

*b.* Notification by the commissioner to an insurer of an adjusted risk-based capital report that indicates the event in paragraph "*a*", provided the insurer does not challenge the adjusted risk-based capital report and request a hearing pursuant to section 521E.7.

*c.* After a hearing pursuant to section 521E.7, notification by the commissioner to the insurer that the commissioner has rejected the insurer's challenge of the adjusted risk-based capital report indicating the event in paragraph "*a*".

*d.* Failure of the insurer to file a risk-based capital report by the filing date, unless the insurer has provided an explanation for the failure which is satisfactory to the commissioner and has cured the failure within ten days after the filing date.

*e.* Failure of the insurer to submit a risk-based capital plan to the commissioner within the time period set forth in section 521E.3, subsection 3.

*f.* Notification by the commissioner to the insurer of both of the following:

(1) The risk-based capital plan or revised risk-based capital plan submitted by the insurer, in the judgment of the commissioner, is unsatisfactory.

(2) Notification pursuant to this paragraph constitutes a regulatory-action-level event with respect to the insurer, provided the insurer has not challenged the determination pursuant to section 521E.7.

*g.* After a hearing pursuant to section 521E.7, notification by the commissioner to the insurer that the commissioner has rejected the insurer's challenge of the determination made by the commissioner pursuant to paragraph "*f*".

*h.* Notification by the commissioner to the insurer that the insurer has failed to adhere to the insurer's risk-based capital plan or revised risk-based capital plan, but only if the failure has a substantial adverse effect on the ability of the insurer to eliminate the company-action-level event pursuant to the insurer's risk-based capital plan or revised risk-based capital plan and the commissioner has so stated in the notification. However, notification by the commissioner pursuant to this paragraph does not constitute a company-action-level event if the insurer has challenged the determination of the commissioner pursuant to section 521E.7.

*i.* After a hearing pursuant to section 521E.7, notification by the commissioner to the insurer that the commissioner has rejected the insurer's challenge of the commissioner's determination pursuant to paragraph "*h*".

2. In the event of a regulatory-action-level event the commissioner shall do all of the following:

*a.* Require the insurer to prepare and submit a risk-based capital plan or a revised risk-based capital plan, as applicable.

*b.* Perform an examination or analysis of the assets, liabilities, and operations of the insurer, including a review of its risk-based capital plan or revised risk-based capital plan, as deemed necessary by the commissioner.

*c.* Subsequent to the examination or analysis pursuant to paragraph "*b*", issue a corrective order.

3. In determining the corrective actions to be specified, the commissioner shall take into account factors the commissioner deems to be relevant with respect to the insurer based upon the commissioner's examination or analysis of the assets, liabilities, and operations of the insurer, including, but not limited to, the results of any sensitivity tests undertaken pursuant to the risk-based capital instructions. The risk-based capital plan or revised risk-based capital plan shall be submitted within forty-five days after the occurrence of the regulatory-action-level event, except as follows:

*a.* If the insurer challenges an adjusted risk-based capital report pursuant to section 521E.7, and in the judgment of the commissioner the challenge is not frivolous, within forty-five days after the notification to the insurer that the commissioner, after a hearing pursuant to section 521E.7, has rejected the insurer's challenge.

*b.* If the insurer challenges a revised risk-based capital plan pursuant to section 521E.7, and in the judgment of the commissioner the challenge is not frivolous, within forty-five days after the notification to the insurer that the commissioner, after a hearing pursuant to section 521E.7, has rejected the insurer's challenge.

4. The commissioner may retain actuaries, investment experts, and other consultants as deemed necessary by the commissioner to review the insurer's risk-based capital plan or revised risk-based capital plan; examine or analyze the assets, liabilities, and operations of the insurer; and assist in the formulation of the corrective order with respect to the insurer. Fees of the actuaries, investment experts, or other consultants retained by the commissioner shall be paid by the insurer subject to the review or examination.

96 Acts, ch 1046, §12

Referred to in §521E.5

**521E.5 Authorized-control-level event.**

1. *"Authorized-control-level event"* means any of the following:

*a.* The filing of a risk-based capital report by the insurer which indicates that the insurer's total adjusted capital is greater than or equal to its mandatory-control-level risk-based capital but less than its authorized-control-level risk-based capital.

*b.* Notification by the commissioner to an insurer of an adjusted risk-based capital report that indicates the event in paragraph "*a*", provided the insurer does not challenge the adjusted risk-based capital report and request a hearing pursuant to section 521E.7.

*c.* After a hearing pursuant to section 521E.7, notification by the commissioner to the insurer that the commissioner has rejected the insurer's challenge of the adjusted risk-based capital report indicating the event in paragraph "*a*".

*d.* Failure of the insurer to respond to a corrective order in a manner satisfactory to the

commissioner, unless the insurer has challenged the corrective order pursuant to section 521E.7.

*e.* Failure of the insurer to respond to the corrective order in a manner satisfactory to the commissioner after the insurer has challenged the corrective order pursuant to section 521E.7, and the commissioner, after a hearing pursuant to section 521E.7, has rejected the challenge or modified the corrective order.

2. In the event of an authorized-control-level event the commissioner shall do either of the following:

*a.* Take action as required pursuant to section 521E.4 in the same manner as if a regulatory-action-level event has occurred.

*b.* Take action as necessary to cause the insurer to be placed under supervision or other regulatory control under chapter 507C, if the commissioner deems such action to be in the best interests of the policyholders and creditors of the insurer and of the public. If the commissioner takes action pursuant to this paragraph, the authorized-control-level event is deemed sufficient grounds for the commissioner to take action pursuant to chapter 507C, and the commissioner has the rights, powers, and duties with respect to the insurer as set forth in chapter 507C. If the commissioner takes action under this paragraph pursuant to an adjusted risk-based capital report, the insurer is entitled to the protections afforded to insurers under the provisions of chapter 17A relating to summary proceedings.

96 Acts, ch 1046, §13

**521E.6 Mandatory-control-level event.**

1. *"Mandatory-control-level event"* means any of the following events:

*a.* The filing of a risk-based capital report which indicates that an insurer's total adjusted capital is less than its mandatory-control-level risk-based capital.

*b.* Notification by the commissioner to an insurer of an adjusted risk-based capital report that indicates the event in paragraph *"a"*, provided the insurer does not challenge the adjusted risk-based capital report and request a hearing pursuant to section 521E.7.

*c.* After a hearing pursuant to section 521E.7, notification by the commissioner to the insurer that the commissioner has rejected the insurer's challenge of the adjusted risk-based capital report indicating the event in paragraph *"a"*.

2. In the event of a mandatory-control-level event the commissioner shall do the following:

*a.* With respect to a life insurer, take action as necessary to place the insurer under supervision or other regulatory control under chapter 507C. If the commissioner takes action pursuant to this paragraph, the mandatory-control-level event is deemed sufficient grounds for the commissioner to take action pursuant to chapter 507C, and the commissioner shall have the rights, powers, and duties with respect to the insurer as set forth in chapter 507C. If the commissioner takes action pursuant to an adjusted risk-based capital report, the insurer is entitled to the protections of chapter 17A pertaining to summary proceedings. Notwithstanding the provisions of this paragraph, the commissioner may forego any action pursuant to this paragraph for up to ninety days after the mandatory-control-level event if the commissioner finds a reasonable expectation exists that the mandatory-control-level event may be eliminated within the ninety-day period.

*b.* With respect to a property and casualty insurer, take action as necessary to place the insurer under supervision or other regulatory control under chapter 507C, or, in the case of an insurer which is no longer writing business and which is running off its existing business, the commissioner may allow the insurer to continue its run-off under the supervision of the commissioner. In either event, the mandatory-control-level event is deemed sufficient grounds for the commissioner to take action under chapter 507C and the commissioner shall have the rights, powers, and duties with respect to the insurer as set forth in chapter 507C. If the commissioner takes action pursuant to an adjusted risk-based capital report, the insurer is entitled to the protections of chapter 17A pertaining to summary proceedings. Notwithstanding the provisions of this paragraph, the commissioner may forego action for up to ninety days after the mandatory-control-level event if the commissioner finds a

reasonable expectation exists that the mandatory-control-level event may be eliminated within the ninety-day period.

96 Acts, ch 1046, §14

**521E.7 Confidential hearings.**

1. An insurer shall notify the commissioner of the insurer's request for a confidential hearing within five days after the occurrence of any of the following:

*a.* Notification to an insurer by the commissioner of an adjusted risk-based capital report.

*b.* Notification to an insurer by the commissioner of both of the following:

(1) The insurer's risk-based capital plan or revised risk-based capital plan is unsatisfactory.

(2) That the notification pursuant to this paragraph constitutes a regulatory-action-level event with respect to the insurer.

*c.* Notification to an insurer by the commissioner that the insurer has failed to adhere to its risk-based capital plan or revised risk-based capital plan and that the failure has a substantial adverse effect on the ability of the insurer to eliminate the company-action-level event in accordance with its risk-based capital plan or revised risk-based capital plan.

*d.* Notification to an insurer by the commissioner of a corrective order with respect to the insurer.

2. An insurer receiving a notification pursuant to subsection 1 is entitled to a confidential hearing before the insurance division, at which the insurer may challenge a determination or action by the commissioner. Upon receipt of the insurer's request for a hearing, the commissioner shall set a date for the hearing, which shall be not less than ten or more than thirty days after the date of the insurer's request.

96 Acts, ch 1046, §15

Referred to in §521E.3, 521E.4, 521E.5, 521E.6

**521E.8 Confidentiality — use of reports and information — prohibition on announcements — prohibition on use in ratemaking.**

1. A risk-based capital report, to the extent the information in the report is not required to be set forth in a publicly available annual statement schedule, or a risk-based capital plan, including the results or report of any examination or analysis of an insurer performed pursuant to this chapter, and any corrective order issued by the commissioner pursuant to an examination or analysis, with respect to a domestic insurer or foreign insurer, which are filed with the commissioner, are deemed not to be public records under chapter 22 and are privileged and confidential. This information shall not be made public and is not subject to subpoena, other than by the commissioner, and then only for the purpose of enforcement actions taken by the commissioner pursuant to this chapter or any other provision of the insurance laws of this state.

2. The comparison of an insurer's total adjusted capital to any of its risk-based capital levels is a regulatory tool which may indicate the need for possible corrective action with respect to the insurer, and is not to be used as a means to rank insurers generally.

3. Except as otherwise required under this chapter or as required of a publicly held company by the United States securities and exchange commission or other regulatory agency, the publication or dissemination in any manner of an announcement or statement which contains an assertion, representation, or statement with regard to the risk-based capital levels of an insurer, or of a component derived in the calculation, by an insurer, agent, broker, or other person engaged in any manner in the business of insurance which would be misleading, is prohibited. However, if a materially false statement comparing an insurer's total adjusted capital to its risk-based capital levels or a misleading comparison of any other amount to the insurer's risk-based capital levels is published or disseminated in any manner and if the insurer is able to demonstrate to the commissioner with substantial proof that the statement is false, misleading, or inappropriate, as the case may be, the insurer may publish an announcement in a written publication for the sole purpose of rebutting the materially false, misleading, or inappropriate statement.

4. The risk-based capital instructions, risk-based capital reports, adjusted risk-based

capital reports, risk-based capital plans, and revised risk-based capital plans shall be solely used by the commissioner in monitoring the solvency of insurers and the need for possible corrective action with respect to insurers. The risk-based capital instructions, risk-based capital reports, adjusted risk-based capital reports, risk-based capital plans, and revised risk-based capital plans shall not be used by the commissioner for ratemaking and shall not be considered or introduced as evidence in any rate proceeding or used by the commissioner to calculate or derive any elements of an appropriate premium level or rate of return for any line of insurance which an insurer or any affiliate is authorized to write.

5. A violation of this section by an insurer, agent, broker, or other person engaged in any manner in the business of insurance constitutes an unfair trade practice under chapter 507B.

96 Acts, ch 1046, §16
Referred to in §521E.3

**521E.9 Supplemental provisions — rules — exemption.**

1. The provisions of this chapter are supplemental to any other provisions of the laws of this state, and shall not preclude or limit any other powers or duties of the commissioner under such laws, including, but not limited to, chapter 507C.

2. The commissioner may adopt rules pursuant to chapter 17A necessary for the administration of this chapter.

3. The commissioner may exempt from the application of this chapter any domestic property and casualty insurer which satisfies all of the following:

*a.* Writes direct business only in this state.

*b.* Writes direct annual premiums of one million dollars or less.

*c.* Does not assume reinsurance in excess of five percent of direct premiums written.

96 Acts, ch 1046, §17

**521E.10 Foreign insurers.**

1. *a.* A foreign insurer, upon the written request of the commissioner, shall submit to the commissioner a risk-based capital report as of the end of the calendar year just ended by the later of the following:

(1) The filing date.

(2) Fifteen days after the request is received by the foreign insurer.

*b.* A foreign insurer, upon the written request of the commissioner, shall promptly submit to the commissioner a copy of any risk-based capital plan that is filed with the insurance commissioner of any other state.

2. In the event of a company-action-level event, regulatory-action-level event, or authorized-control-level event with respect to a foreign insurer as determined under the risk-based capital statute applicable in the state of domicile of the insurer, or, if no risk-based capital statute is in force in that state, under the provisions of this chapter, and if the insurance commissioner of the state of domicile of the foreign insurer fails to require the foreign insurer to file a risk-based capital plan in the manner specified under that state's risk-based capital statute, or, if no risk-based capital statute is in force in that state, pursuant to section 521E.2, the commissioner may require the foreign insurer to file a risk-based capital plan with the commissioner. The failure of the foreign insurer to file a risk-based capital plan with the commissioner shall be sufficient grounds for the commissioner to order the insurer to cease and desist from writing new insurance business in this state.

3. In the event of a mandatory-control-level event with respect to a foreign insurer, if a domiciliary receiver has not been appointed with respect to the foreign insurer under the rehabilitation and liquidation statute applicable in the state of domicile of the foreign insurer, the commissioner may make application to the district court as permitted under chapter 507C with respect to the liquidation of property of foreign insurers found in this state, and the occurrence of the mandatory-control-level event shall be considered adequate grounds for the application.

96 Acts, ch 1046, §18; 2012 Acts, ch 1023, §157

**521E.11 Immunity.**

No liability shall arise on the part of, and no cause of action shall arise against, the commissioner or the insurance division or its employees or agents for an action taken in the exercise of powers or performance of duties under this chapter.

96 Acts, ch 1046, §19

**521E.12 Effect of notices.**

Notice by the commissioner to an insurer which may result in regulatory action under this chapter is effective upon being sent if transmitted by certified mail, or in the case of any other transmission is effective upon the insurer's receipt of the notice.

96 Acts, ch 1046, §20

# CHAPTER 521F

## RISK-BASED CAPITAL REQUIREMENTS FOR HEALTH ORGANIZATIONS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


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**521F.1 Purpose.**

The purpose of this chapter is to establish minimum capital requirements for health organizations that will provide protection related to the risks to which an individual health organization may be subject including, but not limited to, the health organization's assets risk, underwriting risk, credit risk, and other business risk.

2000 Acts, ch 1050, §1

**521F.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Adjusted risk-based capital report"* means a risk-based capital report adjusted by the commissioner pursuant to section 521F.3, subsection 4.

2. *"Commissioner"* means the commissioner of insurance.

3. *"Corrective order"* means an order issued by the commissioner specifying corrective actions which the commissioner has determined are required.

4. *"Domestic health organization"* means a health organization domiciled in this state.

5. *"Filing date"* means March 1 of each year.

6. *"Foreign health organization"* means a health organization that is not domiciled in this state.

7. *"Health organization"* means a health maintenance organization, limited service organization, dental or vision plan, hospital, medical and dental indemnity or service corporation or other managed care organization licensed under chapter 514, 514B, or 1993 Iowa Acts, ch. 158, or any other entity engaged in the business of insurance, risk transfer, or risk retention, that is subject to the jurisdiction of the commissioner of insurance or the director of public health. *"Health organization"* does not include an insurance company licensed to transact the business of insurance under chapter 508, 515, or 520, and which is otherwise subject to chapter 521E.

8. *"Revised risk-based capital plan"* means a risk-based capital plan that has been rejected

by the commissioner and has been revised by the health organization, with or without the commissioner's recommendation.

9. *"Risk-based capital instructions"* means the instructions included in the risk-based capital report as adopted by the national association of insurance commissioners, as such risk-based capital instructions may be amended by the national association of insurance commissioners from time to time in accordance with the procedures adopted by the national association of insurance commissioners.

10. *"Risk-based capital level"* means a health organization's company-action-level risk-based capital, regulatory-action-level risk-based capital, authorized-control-level risk-based capital, or mandatory-control-level risk-based capital as follows:

*a.* *"Company-action-level risk-based capital"* means the product of two and the health organization's authorized-control-level risk-based capital.

*b.* *"Regulatory-action-level risk-based capital"* means the product of one and one-half and the health organization's authorized-control-level risk-based capital.

*c.* *"Authorized-control-level risk-based capital"* means the number determined under the risk-based capital formula in accordance with the risk-based capital instructions.

*d.* *"Mandatory-control-level risk-based capital"* means the product of seven-tenths and the health organization's authorized-control-level risk-based capital.

11. *"Risk-based capital plan"* means a comprehensive financial plan containing the elements identified in section 521F.4, subsection 2.

12. *"Risk-based capital report"* means the report required in section 521F.3.

13. *"Total adjusted capital"* means the sum of the following:

*a.* A health organization's statutory capital and surplus.

*b.* Such other items, if any, as identified in the risk-based capital instructions.

2000 Acts, ch 1050, §2

**521F.3 Risk-based capital reports.**

1. A domestic health organization, on or prior to the filing date, shall prepare and submit to the commissioner a report of the health organization's risk-based capital levels as of the end of the calendar year immediately preceding the filing date, in a form and containing the information required by the risk-based capital instructions. A domestic health organization shall also file its risk-based capital report with the insurance commissioner in each state in which the health organization is authorized to do business, if such insurance commissioner has notified the health organization of its request in writing. Upon receipt of the written request, the health organization shall file its risk-based capital report with the requesting commissioner by no later than the later of the following:

*a.* Fifteen days from the receipt of the written request.

*b.* The filing date.

2. *a.* A health organization's risk-based capital shall be determined pursuant to the formula set forth in the risk-based capital instructions. The formula shall take into account all of the following, and may be adjusted, as deemed appropriate by the commissioner, for the covariance between the following:

(1) Assets risk.

(2) Credit risk.

(3) Underwriting risk.

(4) All other business risks and other relevant risks as identified in the risk-based capital instructions.

*b.* The risk factors shall be applied in the manner set forth in the risk-based capital instructions.

3. A health organization shall seek to maintain capital above the risk-based capital levels required by this chapter.

4. A risk-based capital report filed by a domestic health organization which in the judgment of the commissioner is inaccurate shall be adjusted by the commissioner to correct

the inaccuracy. The commissioner shall notify the health organization of the adjustment. The notice shall contain a statement of the reason for the adjustment.

2000 Acts, ch 1050, §3; 2000 Acts, ch 1232, §79

Referred to in §521F.2

**521F.4 Company-action-level event.**

1. *"Company-action-level event"* means any of the following:

*a.* The filing of a risk-based capital report by a health organization which indicates that the health organization's total adjusted capital is greater than or equal to its regulatory-action-level risk-based capital but less than its company-action-level risk-based capital.

*b.* The filing of a risk-based capital report by a health organization which indicates that the health organization has total adjusted capital which is greater than or equal to its company-action-level risk-based capital but less than the product of its authorized-control-level risk-based capital and three and triggers the trend test determined in accordance with the trend test calculation included in the health risk-based capital instructions.

*c.* Notification by the commissioner to a health organization of an adjusted risk-based capital report that indicates an event in paragraph *"a"* or *"b"*, provided the health organization does not challenge the adjusted risk-based capital report and request a hearing pursuant to section 521F.8.

*d.* If a hearing is requested pursuant to section 521F.8, notification by the commissioner to the health organization after the hearing that the commissioner has rejected the health organization's challenge of the adjusted risk-based capital report indicating the event in paragraph *"a"* or *"b"*.

2. Upon the occurrence of a company-action-level event, the health organization shall prepare and submit to the commissioner a risk-based capital plan that includes all of the following:

*a.* Identification of the conditions which contributed to the company-action-level event.

*b.* Proposed corrective actions which the health organization intends to implement and which are expected to result in the elimination of the company-action-level event.

*c.* Projections of the health organization's financial results for the current year and at least the two succeeding years, including projections of statutory balance sheets, operating income, net income, capital and surplus, and risk-based capital levels. Projections shall be provided assuming the absence of the proposed corrective actions and assuming the implementation of the proposed corrective actions. Projections shall be provided for each major line of business and separately identify each significant income, expense, and benefit component.

*d.* Identification of the primary assumptions impacting the health organization's projections and the sensitivity of the projections to the assumptions.

*e.* Identification of the quality of, and problems associated with, the health organization's business, including but not limited to its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business, and use of reinsurance, if any, in each case.

3. The risk-based capital plan shall be filed within forty-five days of the company-action-level event, or, if the health organization requests a hearing pursuant to section 521F.8 for the purpose of challenging the adjusted risk-based capital report, within forty-five days after notification to the health organization that the commissioner, after hearing, has rejected the health organization's challenge.

4. Within sixty days after the submission by a health organization of a risk-based capital plan to the commissioner, the commissioner shall notify the health organization whether the risk-based capital plan shall be implemented or, in the judgment of the commissioner, is unsatisfactory. If the commissioner determines the risk-based capital plan is unsatisfactory, the notification to the health organization shall set forth the reasons for the determination, and may set forth proposed revisions which in the judgment of the commissioner will render the risk-based capital plan satisfactory. Upon the receipt of the notification from

the commissioner, the health organization shall prepare a revised risk-based capital plan, which may incorporate by reference any revisions proposed by the commissioner, and file the revised risk-based capital plan with the commissioner.

5. The revised risk-based capital plan shall be filed within forty-five days of the receipt of notification from the commissioner of the commissioner's determination that the risk-based capital plan is unsatisfactory, or, if the health organization requests a hearing pursuant to section 521F.8 for the purpose of challenging the commissioner's determination, within forty-five days after notification to the health organization that the commissioner, after hearing, has rejected the health organization's challenge.

6. After notification of the health organization by the commissioner that the health organization's risk-based capital plan or revised risk-based capital plan is unsatisfactory, the commissioner, pursuant to section 521F.8, may specify in the notification that the notification constitutes a regulatory-action-level event.

7. *a.* A domestic health organization that files a risk-based capital plan or revised risk-based capital plan with the commissioner shall file a copy of the risk-based capital plan or revised risk-based capital plan with the insurance commissioner in a state in which the health organization is authorized to do business if both of the following apply:

(1) The other state has a risk-based capital provision substantially similar to section 521F.9, with respect to the confidentiality and availability of such plans.

(2) The insurance commissioner of that state has notified the health organization in writing of its request to receive a copy of the risk-based capital plan or revised risk-based capital plan.

*b.* Upon receipt of the written request under paragraph "*a*", subparagraph (2), the health organization shall file a copy of the risk-based capital plan or revised risk-based capital plan with the requesting commissioner by no later than the later of the following:

(1) Fifteen days after the receipt of the written request.

(2) The date on which the risk-based capital plan or revised risk-based capital plan is filed under subsection 3 or 5, as applicable.

2000 Acts, ch 1050, §4; 2000 Acts, ch 1232, §80; 2011 Acts, ch 70, §44; 2011 Acts, ch 131, §72, 158

Referred to in §521F.2, 521F.5

**521F.5 Regulatory-action-level event.**

1. "*Regulatory-action-level event*" means any of the following:

*a.* The filing of a risk-based capital report by the health organization that indicates that the health organization's total adjusted capital is greater than or equal to its authorized-control-level risk-based capital but less than its regulatory-action-level risk-based capital.

*b.* Notification by the commissioner to a health organization of an adjusted risk-based capital report that indicates the event in paragraph "*a*", provided the health organization does not challenge the adjusted risk-based capital report and request a hearing pursuant to section 521F.8.

*c.* After a hearing pursuant to section 521F.8, notification by the commissioner to the health organization that the commissioner has rejected the health organization's challenge of the adjusted risk-based capital report indicating the event in paragraph "*a*".

*d.* Failure of the health organization to file a risk-based capital report by the filing date, unless the health organization has provided an explanation for the failure which is satisfactory to the commissioner and has cured the failure within ten days after the filing date.

*e.* Failure of the health organization to submit a risk-based capital plan to the commissioner within the time period set forth in section 521F.4, subsection 3.

*f.* Notification by the commissioner to the health organization of both of the following:

(1) The risk-based capital plan or revised risk-based capital plan filed by the health organization, in the judgment of the commissioner, is unsatisfactory.

(2) Notification pursuant to this paragraph constitutes a regulatory-action-level event with

respect to the health organization, provided the health organization has not challenged the determination pursuant to section 521F.8.

*g.* After a hearing pursuant to section 521F.8, notification by the commissioner to the health organization that the commissioner has rejected the health organization's challenge of the determination made by the commissioner pursuant to paragraph *"f"*.

*h.* Notification by the commissioner to the health organization that the health organization has failed to adhere to its risk-based capital plan or revised risk-based capital plan, but only if the failure has a substantial adverse effect on the ability of the health organization to eliminate the company-action-level event pursuant to the health organization's risk-based capital plan or revised risk-based capital plan and the commissioner has so stated in the notification. However, notification by the commissioner pursuant to this paragraph does not constitute a company-action-level event if the health organization has challenged the determination of the commissioner pursuant to section 521F.8.

*i.* After a hearing pursuant to section 521F.8, notification by the commissioner to the health organization that the commissioner rejected the health organization's challenge of the commissioner's determination pursuant to paragraph *"h"*.

2. Upon the occurrence of a regulatory-action-level event, the commissioner shall do all of the following:

*a.* Require the health organization to prepare and submit a risk-based capital plan or revised risk-based capital plan, as applicable.

*b.* Perform an examination or analysis of the assets, liabilities, and operations of the health organization, including a review of its risk-based capital plan or revised risk-based capital plan.

*c.* Subsequent to the examination or analysis pursuant to paragraph *"b"*, issue a corrective order.

3. The commissioner, in determining the corrective actions to be ordered, may take into account factors the commissioner deems relevant with respect to the health organization based upon the commissioner's examination or analysis of the assets, liabilities, and operations of the health organization, including, but not limited to, the results of any sensitivity tests undertaken pursuant to the risk-based capital instructions. The risk-based capital plan or revised risk-based capital plan shall be submitted within forty-five days after the occurrence of the regulatory-action-level event, except as follows:

*a.* If the health organization challenges a risk-based capital report pursuant to section 521F.8, and in the judgment of the commissioner the challenge is not frivolous, within forty-five days after the notification to the health organization that the commissioner, after a hearing pursuant to section 521F.8, has rejected the health organization's challenge.

*b.* If the health organization challenges a revised risk-based capital plan pursuant to section 521F.8, and in the judgment of the commissioner the challenge is not frivolous, within forty-five days after the notification to the health organization that the commissioner, after a hearing pursuant to section 521F.8, has rejected the health organization's challenge.

4. The commissioner may retain actuaries, investment experts, and other consultants as deemed necessary by the commissioner to review the health organization's risk-based capital plan or revised risk-based capital plan; examine or analyze the assets, liabilities, and operations of the health organization; and assist in the formulation of the corrective order with respect to the health organization. Fees of the actuaries, investment experts, or other consultants retained by the commissioner shall be paid by the health organization subject to the review or examination.

2000 Acts, ch 1050, §5

Referred to in §521F.6

**521F.6 Authorized-control-level event.**

1. *"Authorized-control-level event"* means any of the following:

*a.* The filing of a risk-based capital report by the health organization which indicates that the health organization's total adjusted capital is greater than or equal to its mandatory-control-level risk-based capital but less than its authorized-control-level risk-based capital.

*b.* Notification by the commissioner to a health organization of an adjusted risk-based capital report that indicates the event in paragraph "*a*", provided the health organization does not challenge the adjusted risk-based capital report and request a hearing pursuant to section 521F.8.

*c.* After a hearing pursuant to section 521F.8, notification by the commissioner to the health organization that the commissioner has rejected the health organization's challenge of the adjusted risk-based capital report indicating the event in paragraph "*a*".

*d.* Failure of the health organization to respond to a corrective order in a manner satisfactory to the commissioner, unless the health organization has challenged the corrective order pursuant to section 521F.8.

*e.* Failure of the health organization to respond to a corrective order in a manner satisfactory to the commissioner after the health organization has challenged the corrective order pursuant to section 521F.8, and the commissioner, after a hearing pursuant to section 521F.8, has rejected the challenge or modified the corrective order.

2. In the event of an authorized-control-level event, the commissioner shall do either of the following:

*a.* Take action as required pursuant to section 521F.5 in the same manner as if a regulatory-action-level event has occurred.

*b.* Take action as necessary to cause the health organization to be placed under supervision or other regulatory control under chapter 507C, if the commissioner deems such action to be in the best interests of the policyholders and creditors of the health organization and of the public. If the commissioner takes such action pursuant to this paragraph, the authorized-control-level event is deemed sufficient grounds for the commissioner to take action pursuant to chapter 507C and the commissioner has the rights, powers, and duties with respect to the health organization as set forth in chapter 507C. If the commissioner takes action under this paragraph pursuant to an adjusted risk-based capital report, the health organization is entitled to the protections of chapter 17A pertaining to summary proceedings.

2000 Acts, ch 1050, §6

**521F.7 Mandatory-control-level event.**

1. "*Mandatory-control-level event*" means any of the following:

*a.* The filing of a risk-based capital report which indicates that a health organization's total adjusted capital is less than its mandatory-control-level risk-based capital.

*b.* Notification by the commissioner to a health organization of an adjusted risk-based capital report that indicates the event in paragraph "*a*", provided the health organization does not challenge the adjusted risk-based capital report and request a hearing pursuant to section 521F.8.

*c.* After a hearing pursuant to section 521F.8, notification by the commissioner to the health organization that the commissioner has rejected the health organization's challenge of the adjusted risk-based capital report indicating the event in paragraph "*a*".

2. In the event of a mandatory-control-level event, the commissioner shall take action as necessary to place the health organization under supervision or other regulatory control pursuant to chapter 507C. If the commissioner takes action pursuant to this subsection, the mandatory-control-level event is deemed sufficient grounds for the commissioner to take action pursuant to chapter 507C, and the commissioner has the rights, powers, and duties with respect to the health organization as are set forth in chapter 507C. If the commissioner takes action pursuant to an adjusted risk-based capital report, the health organization is entitled to the protections of chapter 17A pertaining to summary proceedings. Notwithstanding this subsection, the commissioner may forego action for up to ninety days after the mandatory-control-level event if the commissioner finds a reasonable expectation exists that the mandatory-control-level event may be eliminated within the ninety-day period.

2000 Acts, ch 1050, §7

**521F.8 Confidential hearings.**

1. A health organization receiving a notification pursuant to subsection 2 is entitled

to a confidential hearing before the insurance division, at which the health organization may challenge a determination or action by the commissioner. Upon receipt of the health organization's request for a hearing, the commissioner shall set a date for the hearing, which shall be not less than ten and not more than thirty days after the date of the health organization's request.

2. A health organization shall notify the commissioner of the health organization's request for a confidential hearing within five days after the occurrence of any of the following:

*a.* Notification to a health organization by the commissioner of an adjusted risk-based capital report.

*b.* Notification to a health organization by the commissioner of both of the following:

(1) That the health organization's risk-based capital plan or revised risk-based capital plan is unsatisfactory.

(2) That the notification pursuant to this paragraph constitutes a regulatory-action-level event with respect to the health organization.

*c.* Notification to a health organization by the commissioner that the health organization has failed to adhere to its risk-based capital plan or revised risk-based capital plan and that the failure has a substantial adverse effect on the ability of the health organization to eliminate the company-action-level event in accordance with its risk-based capital plan or revised risk-based capital plan.

*d.* Notification to a health organization by the commissioner of a corrective order with respect to the health organization.

2000 Acts, ch 1050, §8; 2000 Acts, ch 1232, §81

Referred to in §521F.4, 521F.5, 521F.6, 521F.7

**521F.9 Confidentiality — use of reports and information — prohibition on announcements — prohibition on use in ratemaking.**

1. A risk-based capital report, to the extent the information in the report is not required to be set forth in a publicly available annual statement schedule, a risk-based capital plan, including the results or report of any examination or analysis of a health organization performed pursuant to this chapter, and any corrective order issued by the commissioner pursuant to an examination or analysis, which are filed with the commissioner, are deemed not to be public records under chapter 22 and are privileged and confidential. This information shall not be made public and is not subject to subpoena, other than by the commissioner, and then only for the purpose of enforcement actions taken by the commissioner pursuant to this chapter or any other provision of the insurance laws of this state.

2. The comparison of a health organization's total adjusted capital to any of its risk-based capital levels is a regulatory tool which may indicate the need for possible corrective action with respect to the health organization, and is not to be used as a means to rank health organizations generally.

3. Except as otherwise required under this chapter, the publication or dissemination in any manner of an announcement or statement which contains an assertion, representation, or statement with regard to the risk-based capital levels of a health organization, or of a component derived in the calculation, by a health organization, agent, broker, or other person engaged in any manner in the business of insurance, is prohibited. However, if a materially false statement comparing a health organization's total adjusted capital to its risk-based capital levels or a misleading comparison of any other amount to the health organization's risk-based capital levels is published or disseminated in any manner and if the health organization is able to demonstrate to the commissioner with substantial proof that the statement is false, misleading, or inappropriate, as the case may be, the health organization may publish an announcement in a written publication for the sole purpose of rebutting the materially false, misleading, or inappropriate statement.

4. The risk-based capital instructions, risk-based capital reports, adjusted risk-based capital reports, risk-based capital plans, and revised risk-based capital plans shall be solely used by the commissioner in monitoring the solvency of health organizations and the need for possible corrective action with respect to health organizations. The risk-based capital

instructions, risk-based capital reports, adjusted risk-based capital reports, risk-based capital plans, and revised risk-based capital plans shall not be used by the commissioner for ratemaking and shall not be considered or introduced as evidence in any rate proceeding or used by the commissioner to calculate or derive any elements of an appropriate premium level or rate of return for any line of insurance which a health organization or any affiliate is authorized to write.

2000 Acts, ch 1050, §9

Referred to in §521F.4

**521F.10 Supplemental provisions — rules — exemption.**

1. This chapter shall not preclude or limit any other powers or duties of the commissioner under insurance laws including but not limited to chapter 507C.

2. The commissioner may adopt rules pursuant to chapter 17A as are necessary for the administration of this chapter.

3. The commissioner may exempt from filing a risk-based capital report a domestic health organization which writes direct business only in this state and satisfies any of the following:

*a.* Writes direct annual premiums of one hundred thousand dollars or less, and does not assume reinsurance in excess of five percent of direct annual premiums written.

*b.* Is authorized to do business pursuant to chapter 514 and writes direct annual premiums of one hundred thousand dollars or less.

*c.* Is a limited health service organization that covers fewer than five hundred lives.

2000 Acts, ch 1050, §10

**521F.11 Foreign health organizations.**

1. A foreign health organization, upon the written request of the commissioner, shall submit to the commissioner a risk-based capital report for the previous calendar year just ended by the later of the following:

*a.* The filing date.

*b.* Fifteen days after the request is received by the foreign health organization.

2. A foreign health organization, upon the written request of the commissioner, shall promptly submit to the commissioner a copy of any risk-based capital plan that is filed with the insurance commissioner of any other state.

3. The commissioner may require a foreign health organization to file a risk-based capital plan under either of the following circumstances:

*a.* In the event of a company-action-level event, regulatory-action-level event, or authorized-control-level event as determined under the risk-based capital statute applicable in the state of domicile of the foreign health organization, or, if no risk-based capital statute is in force in that state, under this chapter.

*b.* The insurance commissioner of the state of domicile of the foreign health organization fails to require the foreign health organization to file a risk-based capital plan in the manner specified under that state's risk-based capital statute, or, if no risk-based capital statute is in force in that state, pursuant to this chapter.

4. The failure of the foreign health organization to file a risk-based capital plan is sufficient grounds to order the health organization to cease and desist from writing new insurance business in this state.

5. In the event of a mandatory-control-level event with respect to a foreign health organization, if a domiciliary receiver has not been appointed with respect to the foreign health organization under the rehabilitation and liquidation statute applicable in the state of domicile of the foreign health organization, the commissioner may make application to the district court as permitted under chapter 507C with respect to the liquidation of property of foreign health organizations found in this state, and the occurrence of the mandatory-control-level event shall be considered adequate grounds for the application.

2000 Acts, ch 1050, §11

**521F.12 Immunity.**

Liability shall not arise on the part of and a cause of action shall not arise against the commissioner or the insurance division or its employees or agents for an action taken in the exercise of powers or performance of duties under this chapter.

2000 Acts, ch 1050, §12

**521F.13 Notices.**

Notice by the commissioner to a health organization which may result in regulatory action under this chapter is effective upon being sent if transmitted by certified mail, or, in the case of any other transmission, is effective upon the health organization's receipt of the notice.

2000 Acts, ch 1050, §13

# CHAPTER 521G

## PROTECTED CELL COMPANIES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


521G.1 Short title.
521G.2 Purpose.
521G.3 Definitions.
521G.4 Determination of fair value — valuation technique.
521G.5 Establishment of protected cells.
521G.6 Use and operation of protected cells.
521G.7 Creditors and other claimants of protected cell companies.
521G.8 Supervision, rehabilitation, or liquidation of a protected cell company.
521G.9 Securitization transactions not insurance.
521G.10 Rules.


**521G.1 Short title.**

This chapter shall be known and may be cited as the *"Protected Cell Company Act"*.

2000 Acts, ch 1046, §1

**521G.2 Purpose.**

The purpose of this chapter is to authorize the establishment of protected cells by a domestic insurer authorized to transact the business of insurance under chapter 508 or 515, as a means of accessing alternative sources of capital and achieving the benefits of insurance securitization. Investors in fully funded insurance securitization transactions provide funds that are available to pay the insurer's insurance obligations or to repay the investors, or both. Protected cells are intended to achieve more efficiencies with respect to such insurance securitization.

2000 Acts, ch 1046, §2

**521G.3 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Domestic insurer"* means an insurer domiciled in this state and organized under chapter 508 or 515.

2. *"Fair value"* of an asset or liability means the amount at which that asset or liability could be bought or incurred, or sold or settled, in a current transaction between willing parties, other than in a forced or liquidation sale, and as determined under section 521G.4.

3. *"Fully funded"* means, with respect to any exposure attributed to a protected cell, that the fair value of the protected cell assets, on the date on which the insurance securitization is effected, equals or exceeds the maximum possible exposure attributable to the protected cell with respect to such exposures.

4. *"General account"* means the assets and liabilities of a protected cell company other than protected cell assets and protected cell liabilities.

5. *"Indemnity trigger"* means a transaction term by which relief of the issuer's obligation

to repay investors is triggered by its incurring a specified level of losses under its insurance or reinsurance contracts.

6. *"Nonindemnity trigger"* means a transaction term by which relief of the issuer's obligation to repay investors is triggered solely by some event or condition other than the individual protected cell company incurring a specified level of losses under its insurance or reinsurance contracts.

7. *"Protected cell"* means an identified pool of assets and liabilities of a protected cell company segregated and insulated as provided under this chapter from the remainder of the protected cell company's assets and liabilities.

8. *"Protected cell account"* means a specifically identified bank or custodial account established by a protected cell company for the purpose of segregating the protected cell assets of one protected cell from the protected cell assets of other protected cells and from the assets of the protected cell company's general account.

9. *"Protected cell assets"* means all assets, contract rights, and general intangibles, identified with and attributable to a specific protected cell of a protected cell company.

10. *"Protected cell company"* means a domestic insurer that has one or more protected cells.

11. *"Protected cell company insurance securitization"* means the issuance of a debt instrument, the proceeds from which support the exposures attributed to a protected cell, by a protected cell company where repayment of principal or interest, or both, to investors pursuant to the transaction terms is contingent upon the occurrence or nonoccurrence of an event with respect to which the protected cell company is exposed to loss under insurance or reinsurance contracts which the protected cell company has issued.

12. *"Protected cell liabilities"* means all liabilities and other obligations identified with and attributable to a specific protected cell of a protected cell company.

2000 Acts, ch 1046, §3

**521G.4 Determination of fair value — valuation technique.**

A quoted market price in an active market is deemed to be the best evidence of fair value of an asset and shall be used as the basis for the measurement of fair value, if available. If a quoted market price is available, the fair value is the product of the number of trading units times the quoted market price. If a quoted market price is not available, the estimate of fair value shall be based on the best information available. The estimate of fair value shall consider the price for similar assets and liabilities and the results of a valuation technique to the extent available in the circumstances. For purposes of this section, *"valuation technique"* includes, but is not limited to, the present value of estimated expected future cash flows using a discount rate commensurate with the risks involved, option-pricing models, matrix pricing, option-adjusted spread models, and fundamental analysis. A valuation technique for measuring financial assets and liabilities and servicing assets and liabilities shall be consistent with the objective of measuring fair value. A valuation technique shall incorporate assumptions that a market participant would use in estimating value, future revenue, and future expenses, including assumptions about interest rates, default, prepayment, and volatility. In measuring financial liabilities and servicing liabilities at fair value by discounting estimated future cash flows, discount rates shall be used at which those liabilities could be settled in an open and competitive transaction. An estimate of expected future cash flow, if used to estimate fair value, shall be the best estimate based on reasonable and supportable assumptions and projections. All available evidence shall be considered in developing an estimate of expected future cash flow. The weight given to the evidence shall be commensurate with the extent to which the evidence can be verified objectively. If a range is estimated for either the amount or timing of possible cash flows, the likelihood of possible outcomes shall be considered in determining the best estimate of such future cash flows.

2000 Acts, ch 1046, §4

Referred to in §521G.3

**521G.5 Establishment of protected cells.**

1. A protected cell company may establish one or more protected cells with the prior

written approval of the commissioner of a plan of operation or amendments to such plan submitted by the protected cell company with respect to each protected cell related to an insurance securitization. The plan shall include, but not be limited to, the specific business objectives and investment guidelines of the protected cell company. Upon the written approval of the commissioner of the plan of operation, the protected cell company, consistent with the approved plan of operation, may attribute to the protected cell insurance obligations with respect to its insurance business and obligations relating to the insurance securitization and assets to fund the obligations. A protected cell shall have its own distinct name or designation, which shall include the words "protected cell". The protected cell company shall transfer all assets attributable to a protected cell to one or more separately established and identified protected cell accounts bearing the name or designation of that protected cell. Protected cell assets shall be held in the protected cell accounts for the purpose of satisfying the obligations of that protected cell.

2. Attribution of assets and liabilities between a protected cell and the general account shall be pursuant to the plan of operation. Other attribution of assets or liabilities shall not be made by a protected cell company between the protected cell company's general account and its protected cells. The attribution of assets and liabilities between the general account and a protected cell, or from investors in the form of principal on a debt instrument issued by a protected cell company in connection with a protected cell company insurance securitization transaction, shall be in cash or in readily marketable securities with established market values.

3. The creation of a protected cell does not create, with respect to that protected cell, a legal person separate from the protected cell company. An amount attributed to a protected cell under this chapter, including assets transferred to a protected cell account, is owned by the protected cell company and the protected cell company shall not be, or hold itself out to be, a trustee with respect to those protected cell assets of that protected cell account. Notwithstanding this subsection, a protected cell company may permit a security interest to attach to protected cell assets or a protected cell account which is in favor of a creditor of the protected cell company and otherwise allowed under applicable law.

4. This chapter shall not be construed to prohibit the protected cell company from contracting with or arranging for an investment advisor, commodity trading advisor, or other third party to manage the protected cell assets of a protected cell, provided that all remuneration, expenses, and other compensation of the third-party advisor or manager are payable from the protected cell assets of that protected cell and not from the protected cell assets of other protected cells or the assets of the protected cell company's general account.

5. *a.* A protected cell company shall establish administrative and accounting procedures necessary to properly identify the protected cells of the protected cell company and the protected cell assets and protected cell liabilities attributable to the protected cells. The board of directors of a protected cell company shall do both of the following:

(1) Keep protected cell assets and protected cell liabilities separate and separately identifiable from the assets and liabilities of the protected cell company's general account.

(2) Keep protected cell assets and protected cell liabilities attributable to one protected cell separate and separately identifiable from protected cell assets and protected cell liabilities attributable to other protected cells.

*b.* Tracing shall be applicable to protected cell assets when commingled with protected cell assets of other protected cells or the assets of the protected cell company's general account. The remedy of tracing shall not be construed as an exclusive remedy.

6. A protected cell company, when establishing a protected cell, shall attribute to the protected cell assets a value at least equal to the reserves and other insurance liabilities attributed to that protected cell.

2000 Acts, ch 1046, §5

**521G.6 Use and operation of protected cells.**

1. The protected cell assets of a protected cell shall not be charged with liabilities arising out of any other business the protected cell company may conduct. A contract or other documentation reflecting protected cell liabilities shall clearly indicate that only the protected

cell assets of a protected cell are available for the satisfaction of the protected cell liabilities attributed to that same protected cell.

2. The income, gains, and losses, realized or unrealized, from protected cell assets and protected cell liabilities shall be credited to or charged against the protected cell without regard to other income, gains, or losses of the protected cell company, including income, gains, or losses of another protected cell. An amount attributed to a protected cell and accumulations on the attributed amount may be invested and reinvested without regard to the requirements and limitations of section 511.8 or 515.35, and the investments in a protected cell shall not be taken into account in applying the investment limitations otherwise applicable to the investments of the protected cell company.

3. Assets and liabilities attributed to a protected cell shall be valued at their fair value on the date of valuation.

4. *a.* A protected cell company, with respect to its protected cells, shall engage in fully funded indemnity triggered insurance securitization to support in full the protected cell exposures attributable to that protected cell. A protected cell company insurance securitization that is nonindemnity triggered qualifies as an insurance securitization under this chapter only after the commissioner adopts rules providing for all of the following:

(1) The methods of funding of the portion of the risk that is not indemnity based.

(2) Accounting requirements.

(3) Disclosure requirements.

(4) Risk-based capital treatment.

(5) Assessment of risks associated with such securitizations.

*b.* A protected cell company insurance securitization that is not fully funded, whether indemnity triggered or nonindemnity triggered, is prohibited. Protected cell assets may be used to pay interest or other consideration on an outstanding debt or other obligation attributable to that protected cell. This subsection shall not be construed or interpreted to prevent a protected cell company from entering into a swap agreement or other transaction for the account of the protected cell that has the effect of guaranteeing interest or other consideration.

5. In a protected cell company insurance securitization, a contract or other documentation affecting the transaction shall contain provisions identifying the protected cell to which the transaction is attributed. In addition, the contract or other documentation shall clearly disclose that the assets of the protected cell, and only those assets, are available to pay the obligations of that protected cell. Notwithstanding this subsection, the failure to include such language in a contract or other documentation shall not be used as the sole basis by a creditor, reinsurer, or other claimant to circumvent this chapter.

6. A protected cell company shall only attribute to a protected cell account the insurance obligations relating to the protected cell company's general account. A protected cell shall not issue an insurance or reinsurance contract directly to a policyholder or reinsured, and shall not have an obligation to a policyholder or reinsured of the protected cell company's general account.

7. At the cessation of business of a protected cell pursuant to the plan approved by the commissioner, the protected cell company shall close the protected cell account.

2000 Acts, ch 1046, §6; 2007 Acts, ch 137, §22

**521G.7 Creditors and other claimants of protected cell companies.**

1. *a.* Protected cell assets shall only be available to a creditor of the protected cell company that is a creditor with respect to that protected cell. Such a creditor shall have recourse to the protected cell assets attributable to that protected cell, to the exclusion of other creditors of the protected cell company that are not creditors with respect to that protected cell. Such other creditors shall have no recourse to the protected cell assets attributable to that protected cell. A creditor with respect to a protected cell does not have recourse against the protected cell assets of other protected cells or the assets of the protected cell company's general account.

*b.* Protected cell assets shall only be available to creditors of a protected cell company

after all protected cell liabilities have been extinguished or otherwise provided for pursuant to the plan of operation relating to that protected cell.

2. An obligation of a protected cell company to a person which arises from a transaction, or is otherwise imposed, with respect to a protected cell, is subject to both of the following:

*a.* The obligation to a person shall extend only to the protected cell assets attributable to that protected cell, and with respect to that obligation, such person is entitled to recourse only against the protected cell assets attributable to that protected cell.

*b.* The obligation to a person shall not extend to the protected cell assets of another protected cell or the assets of the protected cell company's general account, and with respect to that obligation, such person is not entitled to recourse against the protected cell assets of any other protected cell or the assets of the protected cell company's general account.

3. An obligation of a protected cell company that relates solely to the general account shall extend only to the assets of the protected cell company's general account, and the creditor, with respect to that obligation, is entitled to recourse against only the assets of the protected cell company's general account.

4. A protected cell is not subject to any requirements relating to a guaranty fund or guaranty association, and shall not be assessed by or otherwise be required to contribute to any guaranty fund or guaranty association in this state with respect to the activities, assets, or obligations of a protected cell. This section does not affect the activities or obligations of a protected cell company's general account.

5. The establishment of one or more protected cells, by itself, does not constitute any of the following:

*a.* A fraudulent conveyance.

*b.* An intent by the protected cell company to defraud creditors.

*c.* The transaction of business by the protected cell company for a fraudulent purpose.

2000 Acts, ch 1046, §7

**521G.8 Supervision, rehabilitation, or liquidation of a protected cell company.**

Upon an order of supervision, rehabilitation, or liquidation of a protected cell company, a receiver shall manage a protected cell company's assets and liabilities, including protected cell assets and protected cell liabilities, as provided in this chapter.

An amount recoverable by a receiver under a protected cell company insurance securitization shall not be reduced or diminished as a result of the entry of an order of supervision, rehabilitation, or liquidation with respect to the protected cell company, notwithstanding contrary provisions in a contract or other document governing the protected cell company insurance securitization.

2000 Acts, ch 1046, §8

**521G.9 Securitization transactions not insurance.**

A protected cell company insurance securitization is not an insurance or reinsurance contract. An investor in a protected cell company insurance securitization, by sole means of this investment, is not deemed to be transacting an insurance business in this state. An underwriter or selling agent, or a partner, director, officer, member, manager, employee, or agent of such underwriter or selling agent, participating in a protected cell company insurance securitization, is not deemed to be conducting an insurance or reinsurance agency, brokerage, intermediary, advisory, or consulting business as a result of such participation.

2000 Acts, ch 1046, §9

**521G.10 Rules.**

The commissioner shall adopt rules pursuant to chapter 17A as are necessary to administer this chapter.

2000 Acts, ch 1046, §10

# CHAPTER 522

## INSURER RISK AND SOLVENCY ASSESSMENTS

Chapter applies on and after January 1, 2015; 2013 Acts, ch 40, §11


522.1 Purpose and scope — legislative intent.
522.2 Definitions.
522.3 Risk management framework.
522.4 Own risk and solvency assessment requirement.
522.5 Own risk and solvency assessment summary report.
522.6 Exemption.
522.7 Contents of own risk and solvency assessment summary report.
522.8 Confidentiality.
522.9 Penalties.
522.10 Severability.


**522.1 Purpose and scope — legislative intent.**

1. The purpose of this chapter is to require insurers to maintain a risk management framework and complete an own risk and solvency assessment and to provide guidance and instructions for the filing of own risk and solvency assessment reports with the commissioner.

2. The general assembly finds and declares that own risk and solvency assessment summary reports will contain confidential and sensitive information related to an insurer's or insurance group's identification of risks material and relevant to the insurer or insurance group filing the report. This information will include proprietary and trade secret information that has the potential for harm and competitive disadvantage to the insurer or insurance group if the information is made public. It is the intent of the general assembly that own risk and solvency assessment summary reports filed with the commissioner are confidential documents, shall be shared only as provided in this chapter and to assist the commissioner in the performance of the commissioner's duties, and shall not be subject to public disclosure.

2013 Acts, ch 40, §1, 11
Section applies on and after January 1, 2015; 2013 Acts, ch 40, §11
NEW section

**522.2 Definitions.**

1. *"Affiliate"*, or a person affiliated with a specific person, means the same as defined in section 521A.1.

2. *"Commissioner"* means the Iowa commissioner of insurance.

3. *"Insurance group"* means the insurers and affiliates included within an insurance holding company system as defined in section 521A.1.

4. *"Insurer"* means the same as defined in section 521A.1.

5. *"Own risk and solvency assessment"* or *"assessment"* means a confidential internal assessment, appropriate to the nature, scale, and complexity of an insurer or insurance group, that is conducted by that insurer or insurance group, of the material and relevant risks associated with the insurer or insurance group's current business plan, and the sufficiency of capital resources to support those risks.

6. *"Own risk and solvency assessment guidance manual"* or *"guidance manual"* means the current version of the own risk and solvency assessment guidance manual developed and adopted by the national association of insurance commissioners and amended from time to time. A change in the guidance manual is effective and applicable to this chapter on January 1 following the calendar year in which the change was adopted by the national association of insurance commissioners.

7. *"Own risk and solvency assessment summary report"* or *"summary report"* means a confidential high-level summary of the own risk and solvency assessment conducted by an insurer or insurance group.

8. *"Supervisory college"* means a temporary or permanent forum for communication and cooperation between regulators charged with supervision of an insurer or its affiliates.

2013 Acts, ch 40, §2, 11
Section applies on and after January 1, 2015; 2013 Acts, ch 40, §11
NEW section

**522.3 Risk management framework.**

An insurer shall maintain a risk management framework to assist the insurer with identifying, assessing, monitoring, managing, and reporting on the insurer's material and relevant risks. This requirement is satisfied if the insurance group of which the insurer is a member maintains a risk management framework applicable to the operations of the insurer.

2013 Acts, ch 40, §3, 11
Section applies on and after January 1, 2015; 2013 Acts, ch 40, §11
NEW section

**522.4 Own risk and solvency assessment requirement.**

1. Subject to section 522.6, an insurer, or the insurance group of which the insurer is a member, shall regularly conduct an own risk and solvency assessment consistent and comparable with the assessment process contained in the own risk and solvency assessment guidance manual.

2. An own risk and solvency assessment shall be conducted at least annually, but an assessment shall also be conducted at any time when there are significant changes to the risk profile of an insurer or the insurance group of which the insurer is a member.

2013 Acts, ch 40, §4, 11
Section applies on and after January 1, 2015; 2013 Acts, ch 40, §11
NEW section

**522.5 Own risk and solvency assessment summary report.**

1. *a.* Beginning in 2015, an insurer shall annually submit to the commissioner an own risk and solvency assessment summary report or any combination of reports that together contain the information described in the own risk and solvency assessment guidance manual that is applicable to the insurer or the insurance group of which the insurer is a member.

*b.* If the insurer is a member of an insurance group, the insurer shall submit the report or reports required by this section to the state commissioner that is the lead state commissioner of the insurance group of which the insurer is a member, as determined by the procedures contained in the financial analysis handbook adopted by the national association of insurance commissioners.

*c.* The own risk and solvency assessment summary report shall be filed after the insurer or the insurance group of which the insurer is a member conducts the insurer's or insurance group's strategic planning process. The insurer or insurance group shall notify the commissioner as to the date that the summary report will be filed.

2. The own risk and solvency assessment summary report shall include the signature of the insurer's or insurance group's chief risk officer or another executive having responsibility for the oversight of the insurer's enterprise risk management process, attesting that to the best of that person's belief and knowledge the insurer applies the enterprise risk management process described in the summary report and that a copy of the summary report has been provided to the insurer's or insurance group's board of directors or the appropriate committee of that board.

3. An insurer may comply with subsection 1 by submitting the most recent and substantially similar report provided by the insurer or another member of the insurance group of which the insurer is a member to the commissioner of insurance of another state or to a supervisor or regulator of a foreign jurisdiction, if that report provides information that is comparable to the information described in the own risk and solvency assessment guidance manual. Any such report that is submitted in a language other than English must be accompanied by a translation of that report into the English language.

2013 Acts, ch 40, §5, 11
Section applies on and after January 1, 2015; 2013 Acts, ch 40, §11
NEW section

**522.6 Exemption.**

1. An insurer is exempt from the requirements of this chapter if both of the following apply:

*a.* The insurer has annual direct written and unaffiliated assumed premium, including international direct and assumed premium, but excluding premiums reinsured with the

federal crop insurance corporation and the federal flood program, of less than five hundred million dollars.

*b.* The insurance group of which the insurer is a member has annual direct written and unaffiliated assumed premium, including international direct and assumed premium, but excluding premiums reinsured with the federal crop insurance corporation and the federal flood program, of less than one billion dollars.

2. If an insurer qualifies for exemption from the requirements of this chapter pursuant to subsection 1, paragraph *"a"*, but the insurance group of which the insurer is a member does not qualify for exemption pursuant to subsection 1, paragraph *"b"*, then the own risk and solvency assessment summary report that is required pursuant to section 522.5 shall include information concerning every insurer in the insurance group. This requirement may be satisfied by the submission of more than one summary report for any combination of insurers in the insurance group provided that the combination of reports submitted includes every insurer in the insurance group.

3. If an insurer does not qualify for exemption pursuant to subsection 1, paragraph *"a"*, but the insurance group of which the insurer is a member qualifies for exemption pursuant to subsection 1, paragraph *"b"*, then the only own risk and solvency assessment summary report that is required pursuant to section 522.5 is the report applicable to that insurer.

4. An insurer that does not qualify for exemption pursuant to subsection 1 may apply to the commissioner for a waiver from the requirements of this chapter based upon unique circumstances. In deciding whether to grant the insurer's request for a waiver, the commissioner may consider the type and volume of business written, ownership and organizational structure, and any other factors the commissioner considers relevant to the insurer or the insurance group of which the insurer is a member. If the insurer is part of an insurance group with insurers domiciled in more than one state, the commissioner shall coordinate with the state commissioner that is the lead state commissioner of the insurance group, as determined pursuant to section 522.5, and with the other domiciliary commissioners in considering whether to grant the insurer's request for a waiver.

5. Notwithstanding the exemptions provided in this section, the commissioner may do the following:

*a.* Require that an insurer maintain a risk management framework, conduct an own risk and solvency assessment, and file an own risk and solvency assessment summary report based on unique circumstances including but not limited to the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

*b.* Require that an insurer maintain a risk management framework, conduct an own risk and solvency assessment, and file an own risk and solvency assessment summary report if the insurer has a risk-based capital level that is a company-action-level event as set forth in section 521E.3 for insurers and section 521F.4 for health organizations or that would cause the insurer to be in hazardous financial condition as set forth in 191 IAC 110, or if the insurer otherwise exhibits qualities of a troubled insurer as determined by the commissioner.

6. If an insurer that qualifies for an exemption pursuant to subsection 1 subsequently no longer qualifies for that exemption due to changes in premium as reflected in the insurer's most recent annual statement or in the most recent annual statements of the other insurers in the insurance group of which the insurer is a member, the insurer shall have one year following the year the threshold is exceeded to comply with the requirements of this chapter.

2013 Acts, ch 40, §6, 11; 2013 Acts, ch 140, §73
Section applies on and after January 1, 2015; 2013 Acts, ch 40, §11
NEW section

**522.7 Contents of own risk and solvency assessment summary report.**

1. The own risk and solvency assessment summary report shall be prepared consistent with the own risk and solvency assessment guidance manual, subject to the requirements of subsection 2. Documentation and supporting information shall be maintained and made available upon examination of an insurer or upon request of the commissioner.

2. The review of an own risk and solvency assessment summary report, and any additional

requests for information, shall be made using procedures similar to the procedures currently used in the analysis and examination of multistate or global insurers and insurance groups.

2013 Acts, ch 40, §7, 11
Section applies on and after January 1, 2015; 2013 Acts, ch 40, §11
NEW section

**522.8 Confidentiality.**

1. Documents, materials, or other information, including an own risk and solvency assessment summary report, in the possession or control of the insurance division of the department of commerce, that are obtained by, created by, or disclosed to the commissioner or to any other person pursuant to this chapter, are recognized in this state as being proprietary and containing trade secrets. All such documents, materials, or other information, including the summary report, shall be confidential and privileged, shall not be subject to chapter 22, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the commissioner is authorized to use such documents, materials, or other information, including the summary report, in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties. The commissioner shall not otherwise make the documents, materials, or other information, including the summary report, public without the prior written consent of the insurer that provided the documents, materials, or other information, including the summary report.

2. The commissioner or any person who received documents, materials, or other information related to own risk and solvency assessments, through examination or otherwise, while acting under the authority of the commissioner or with whom such documents, materials, or other information are shared pursuant to this chapter, shall not be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information, including summary reports, subject to subsection 1.

3. In order to assist in the performance of the commissioner's regulatory duties, the commissioner may do any of the following:

*a.* Upon request, share documents, materials, or other own risk and solvency assessment-related information, including the confidential and privileged documents, materials, or information subject to subsection 1, and including proprietary and trade secret documents, materials, or information, with other state, federal, or international financial regulatory agencies, including members of any supervisory college, with the national association of insurance commissioners, and with any third-party consultants designated by the commissioner, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials, or other assessment-related information and verifies in writing the legal authority to maintain such confidentiality and privilege.

*b.* Receive documents, materials, or other own risk and solvency assessment-related information, including otherwise confidential and privileged documents, materials, or information, and proprietary and trade secret documents, materials, and information, from regulatory officials of other foreign or domestic jurisdictions, including members of any supervisory college, and from the national association of insurance commissioners, and shall maintain as confidential or privileged any documents, materials, or information received with notice or the understanding that the documents, materials, or other information received are confidential and privileged under the laws of the jurisdiction that is the source of the documents, materials, or information.

4. In order to assist in the performance of the commissioner's regulatory duties, the commissioner shall enter into a written agreement with the national association of insurance commissioners or with a third-party consultant that is consistent with subsection 3, governing the sharing and use of information provided pursuant to this chapter, and that does all of the following:

*a.* Specifies procedures and protocols regarding the confidentiality and security of information shared with the national association of insurance commissioners or with a third-party consultant pursuant to this chapter, including procedures and protocols of the national association of insurance commissioners for sharing information with other state

regulators from states in which an insurance group has domiciled insurers. The agreement shall require that the recipient of such information must agree in writing to maintain the confidentiality and privileged status of the own risk and solvency assessment-related documents, materials, or other information and verify in writing the legal authority to maintain confidentiality and privilege.

*b.* Specifies that ownership of information shared with the national association of insurance commissioners or with a third-party consultant pursuant to this chapter remains with the commissioner and that use of the information by the national association of insurance commissioners or by a third-party consultant is subject to the direction of the commissioner.

*c.* Prohibits the national association of insurance commissioners or a third-party consultant from storing the information shared pursuant to this chapter in a permanent database after the underlying analysis is completed.

*d.* Requires that prompt notice be given to an insurer whose confidential information is in the possession of the national association of insurance commissioners or a third-party consultant pursuant to this chapter, that the information is subject to a request or subpoena to the national association of insurance commissioners or the third-party consultant for disclosure or production.

*e.* Requires the national association of insurance commissioners or a third-party consultant to consent to intervention by an insurer in any judicial or administrative action in which the national association of insurance commissioners or the third-party consultant may be required to disclose confidential information about the insurer that was shared with the association or consultant pursuant to this chapter.

*f.* In the case of an agreement involving a third-party consultant, provides for the insurer's written consent to the agreement.

5. The sharing of documents, materials, or information by the commissioner pursuant to this chapter shall not constitute a delegation of regulatory authority or rulemaking, and the commissioner is solely responsible for the administration, execution, and enforcement of the provisions of this chapter.

6. No waiver of any applicable privilege or claim of confidentiality in the documents, proprietary and trade secret materials, or other own risk and solvency assessment-related information shall occur as a result of the disclosure of such documents, materials, or information to the commissioner under this section or as a result of the sharing of those documents, materials, or information as authorized in this chapter.

7. Documents, materials, or other information in the possession or control of the national association of insurance commissioners or a third-party consultant pursuant to this chapter shall be confidential and privileged, shall not be subject to chapter 22, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action.

2013 Acts, ch 40, §8, 11
Section applies on and after January 1, 2015; 2013 Acts, ch 40, §11
NEW section

**522.9 Penalties.**

1. If an insurer fails, without just cause, to file an own risk and solvency assessment summary report by the filing date stipulated to the commissioner pursuant to section 522.5, subsection 1, the commissioner shall, after notice and hearing, impose a penalty of five hundred dollars for each day after the stipulated date that the summary report is not filed. The penalties shall be collected by the commissioner and deposited in the general fund of the state. The maximum penalty which may be imposed under this section is fifty thousand dollars.

2. The commissioner may reduce the penalty to be imposed if the insurer demonstrates to the commissioner that imposition of the penalty would constitute a financial hardship to the insurer.

2013 Acts, ch 40, §9, 11
Section applies on and after January 1, 2015; 2013 Acts, ch 40, §11
NEW section

**522.10 Severability.**

If any provision of this chapter, or the application of this chapter to any person or circumstance, is held invalid, such holding shall not affect the provisions or applications of this chapter which can be given effect without the invalid provision or application, and to that end the provisions of this chapter are severable.

2013 Acts, ch 40, §10, 11

Section applies on and after January 1, 2015; 2013 Acts, ch 40, §11

NEW section

# CHAPTER 522A

## SALE OF INSURANCE BY VEHICLE RENTAL COMPANIES

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


| | | | |
|---|---|---|---|
| 522A.1 | Purpose. | 522A.5 | Fees. |
| 522A.2 | Definitions. | 522A.6 | Vendor qualifications. |
| 522A.3 | Limited licenses. | | |
| 522A.4 | Term of limited license. | 522A.7 | Rules. |


**522A.1 Purpose.**

The purpose of this chapter is to provide for the limited licensing of rental companies when a motor vehicle rental company sells travel or automobile-related insurance products or coverage in connection with and incidental to the rental of vehicles.

99 Acts, ch 143, §1

**522A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commissioner"* means the commissioner of insurance appointed pursuant to section 505.2.

2. *"Counter employee"* means any employee at least eighteen years of age employed by a rental company that offers the products described in this chapter.

3. *"Limited licensee"* means a person at least eighteen years of age or an entity authorized to sell certain insurance coverages relating to the rental of vehicles.

4. *"Rental agreement"* means any written agreement setting forth the terms and conditions governing the use of a vehicle provided by a rental company for rental.

5. *"Rental company"* means any person or entity in the business of primarily providing vehicles intended for the private transportation of passengers to the public under a rental agreement for a period not to exceed ninety days.

6. *"Rental period"* means the term of the rental agreement.

7. *"Renter"* means any person obtaining the use of a vehicle from a rental company under the terms of a rental agreement for a period not to exceed ninety days.

8. *"Vehicle"* means a motor vehicle under section 321.1 used for the private transportation of passengers, including passenger vans, minivans, and sport utility vehicles, or used for the transportation of cargo with a gross vehicle weight of less than twenty-six thousand and one pounds and not requiring the operator to possess a commercial driver's license, including cargo vans, pickup trucks, and trucks.

99 Acts, ch 143, §2

**522A.3 Limited licenses.**

1. Notwithstanding the provisions of chapter 522B, the commissioner may issue a limited license to a rental company that has complied with the requirements of this chapter. The limited license shall authorize the limited licensee to offer or sell insurance with the rental of vehicles.

2. As a prerequisite for issuance of a limited license under this section, a written application for a limited license, which is signed by an officer of the applicant, shall be

filed with the commissioner. The application shall be in a form and contain information prescribed by the commissioner. The application shall include a list of all rental locations where the rental company intends to conduct business. An updated list shall be provided to the commissioner within thirty business days from any date on which the list is amended.

3. If a provision of this section is violated by a limited licensee, the commissioner may, after notice and a hearing, revoke or suspend a limited license issued under this section, or impose any other penalties, including suspending permission for the transaction of insurance offers or sales at specific rental locations where violations of this section have occurred, as the commissioner deems to be necessary or convenient to carry out the purposes of this section.

4. A rental company licensed pursuant to this section may offer or sell insurance issued by an insurance carrier authorized to do business in this state and only in connection with and incidental to the rental of a vehicle. A renter shall not be required to purchase coverage in order to rent a vehicle. The type of insurance offered or sold by a limited licensee, whether at the rental office or by preselection of coverage in a master, corporate, group rental, or individual agreement, may be in any of the following general categories:

*a.* Personal accident insurance covering the risks of travel, including, but not limited to, accident and health insurance that provides coverage, as applicable, to a renter and other rental vehicle occupants for accidental death or dismemberment and reimbursement for medical expenses resulting from an accident that occurs during the rental period.

*b.* Liability insurance that provides coverage, as applicable, to a renter and other authorized drivers of rental vehicles for liability arising from the operation of the rental vehicle.

*c.* Personal effects insurance that provides coverage, as applicable, to a renter and other vehicle occupants for the loss of, or damage to, personal effects that occurs during the rental period.

*d.* Roadside assistance and emergency sickness protection programs.

5. Insurance shall only be sold by a limited licensee pursuant to this section if all of the following apply:

*a.* The rental period of the rental agreement does not exceed ninety consecutive days.

*b.* At every rental location where a rental agreement is executed, brochures or other written materials are readily available to a prospective renter that include all of the following information:

(1) A clear and correct summary of the material terms of coverage offered to renters, including the identity of the insurer.

(2) A disclosure that the coverage offered by the rental company may provide a duplication of coverage already provided by a renter's personal automobile insurance policy, homeowner's insurance policy, personal liability insurance policy, or other source of coverage.

(3) A statement that the purchase by a renter of the types of coverage specified in this section is not required in order to rent a vehicle.

(4) A description of the process for filing a claim in the event a renter elects to purchase coverage and in the event of a claim.

*c.* Evidence of coverage in the rental agreement is provided to every renter who elects to purchase such coverage.

*d.* A fee, compensation, or commission is not paid to an employee by a rental company dependent solely on the sale of insurance under any limited license issued pursuant to this section.

6. Any limited license issued under this section shall authorize a counter employee of the limited licensee to act individually on behalf, and under the supervision, of the limited licensee with respect to the offer and sale of coverage specified in this section.

7. A rental company counter employee must successfully pass an examination covering the insurance products offered for sale by the rental company in connection with and incidental to the rental of vehicles by the rental company. The examination shall be approved and administered by the insurance division or a vendor approved by the insurance division pursuant to section 522A.6. The counter employee shall file an application with the commissioner for an individual license. Any application shall be deemed approved unless

the commissioner notifies the rental company of the denial or rejection of the application within thirty days of receiving the application. An application shall not include requirements greater in scope than defined in this section.

8. A limited licensee pursuant to this section shall not be required to treat moneys collected from renters purchasing insurance when renting vehicles as moneys received in a fiduciary capacity, provided that the charges for coverage are itemized and are ancillary to a rental agreement. The offer or sale of insurance not in conjunction with a rental agreement shall not be permitted.

9. A limited licensee under this section shall not advertise, represent, or otherwise hold itself out or hold any of its employees out as licensed insurers, insurance agents, or insurance brokers.

10. A limited licensee shall not engage in this state in any of the following:

*a.* A trade practice defined in chapter 507B as, or determined pursuant to section 507B.6 to be, an unfair method of competition or an unfair or deceptive act or practice in the business of insurance.

*b.* An illegal sales practice or unfair trade practice as defined in rules adopted pursuant to chapter 17A by the commissioner.

11. An individual license, authorization, and certification to offer or sell insurance products under this chapter shall expire when the counter employee's employment terminates with the rental company.

99 Acts, ch 143, §3; 2000 Acts, ch 1058, §48; 2001 Acts, ch 16, §12, 37
Referred to in §522A.6

**522A.4 Term of limited license.**

A limited license issued pursuant to this chapter is valid for three years and may be renewed without examination if the renewal application is received in a timely manner.

99 Acts, ch 143, §4

**522A.5 Fees.**

The fee for a counter employee license shall be fifty dollars per counter employee. In no case shall any combined fees exceed one thousand dollars in any calendar year for any one rental company or limited license or licensee or renewal license. The fees collected under this section shall be deposited as provided in section 505.7.

99 Acts, ch 143, §5; 2009 Acts, ch 181, §89

**522A.6 Vendor qualifications.**

If a qualified vendor is available, the commissioner shall utilize the qualified vendor closest in proximity to where the counter employee is employed to meet the requirements in section 522A.3. A vendor shall have at least two years teaching experience relating to the topic of the products described in this chapter. For purposes of this section, the commissioner may approve a rental company that meets the requirements of this section as a qualifying vendor to administer the requirements in section 522A.3.

99 Acts, ch 143, §6
Referred to in §522A.3

**522A.7 Rules.**

The commissioner shall adopt rules necessary for the administration of this chapter.

99 Acts, ch 143, §7

# CHAPTER 522B

## LICENSING OF INSURANCE PRODUCERS

Referred to in §87.4, 296.7, 321A.3, 331.301, 364.4, 423.3, 505.8, 505.28, 505.29, 507A.10, 507B.4, 508A.5, 508E.2, 514B.19, 515I.2, 515I.11, 515I.12, 518.16, 522A.3, 522D.3, 523A.502, 523H.1, 537A.10, 669.14, 670.7, 714H.4


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**522B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Business entity"* means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity.

2. *"Commissioner"* means the commissioner of insurance.

3. *"Exclusive insurance producer"* means a licensed insurance producer whose contract with an insurer requires the insurance producer to act as an agent only for that insurer or a group of insurers under common ownership or control or other insurers authorized by that insurer.

4. *"Home state"* means the District of Columbia and any state or territory of the United States in which an insurance producer maintains the producer's principal place of residence or principal place of business and is licensed to act as an insurance producer.

5. *"Insurance"* means any of the lines of authority an insurer is authorized to sell in this state.

6. *"Insurance producer"* means a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance.

7. *"Insurer"* means a person engaged in the business of insurance who is regulated under chapter 508, 512B, 515, or 520.

8. *"License"* means a document issued pursuant to this chapter by the commissioner authorizing a person to act as an insurance producer for the lines of authority specified in the document. A license by itself does not create any authority, actual, apparent, or inherent, in the holder to represent or commit an insurer.

9. *"Limited lines insurance"* means any authority granted by the home state which restricts the authority of the license to less than the total authority prescribed in the associated major lines pursuant to section 522B.6, subsection 2, paragraphs *"a"* through *"f"*, and any other line of insurance that the commissioner may deem it necessary to recognize for the purposes of complying with section 522B.7, subsection 4.

10. *"Limited lines producer"* means a person licensed by the commissioner to sell, solicit, or negotiate limited lines insurance.

11. *"Negotiate"* means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.

12. *"Person"* means an individual or a business entity.

13. *"Producer database"* means the national database of insurance producers maintained by the national association of insurance commissioners, its affiliates, or subsidiaries.

14. *"Sell"* means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.

15. *"Solicit"* or *"solicitation"* means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

16. *"Terminate"* means the cancellation of the relationship between an insurance producer and the insurer or the termination of an insurance producer's authority to transact insurance.

17. *"Uniform application"* means the current version of the national association of insurance commissioners uniform application for resident and nonresident insurance producer licensing.

18. *"Uniform business entity application"* means the current version of the national association of insurance commissioners uniform business entity application for resident and nonresident business entities.

2001 Acts, ch 16, §15, 37; 2002 Acts, ch 1111, §35; 2002 Acts, ch 1119, §75
Referred to in §515.106, 518.16A, 518A.42, 533C.103

**522B.2 License required.**

1. A person shall not sell, solicit, or negotiate insurance in this state for any line of insurance unless the person is licensed as an insurance producer for that line of insurance as provided in this chapter.

2. A person offering to the public, for a fee or commission, to engage in the business of offering any advice, counsel, or service with respect to the benefits, advantages, or disadvantages promised under any policy of insurance must also be licensed as an insurance producer.

2001 Acts, ch 16, §16, 37
Referred to in §522B.17A

**522B.3 Exceptions to licensing.**

1. Nothing in this chapter shall be construed to require an insurer to obtain an insurance producer license. For the purposes of this section, *"insurer"* does not mean an officer, director, employee, subsidiary, or affiliate of the insurer.

2. A license as an insurance producer shall not be required of any of the following:

*a.* An officer, director, or employee of an insurer or of an insurance producer, provided that the officer, director, or employee does not receive any commission on policies written or sold to insure risks residing, located, or to be performed in this state, and one of the following applies:

(1) The activities of the officer, director, or employee are executive, administrative, managerial, clerical, or a combination of these, and are only indirectly related to the sale, solicitation, or negotiation of insurance.

(2) The function of the officer, director, or employee relates to underwriting, loss control, inspection, or the processing, adjusting, investigating, or settling of a claim on a contract of insurance.

(3) The officer, director, or employee is acting in the capacity of a special agent or agency supervisor assisting insurance producers where the person's activities are limited to providing technical advice and assistance to licensed insurance producers and do not include the sale, solicitation, or negotiation of insurance.

*b.* A person who performs any of the following services and who is not paid a commission for the performance of such service:

(1) Secures and furnishes information for the purpose of group life insurance, group property and casualty insurance, group annuities, or group or blanket accident and health insurance.

(2) Secures and furnishes information for the purpose of enrolling individuals under plans, issuing certificates under plans, or otherwise assisting in administering plans.

(3) Performs administrative services related to mass marketed property and casualty insurance.

*c.* An employer or association, or an officer, director, or employee of such employer or association, or the trustees of an employee trust plan, to the extent that such employer,

association, officer, director, employee, or trustee is engaged in the administration or operation of a program of employee benefits for the employer's or association's own employees or the employees of its subsidiaries or affiliates, which program involves the use of insurance issued by an insurer, as long as such employer, association, officer, director, employee, or trustee is not in any manner compensated, directly or indirectly, by the insurer issuing the contracts.

*d.* An employee of an insurer, or an organization employed by an insurer, who engages in the inspection, rating, or classification of risks or in the supervision of the training of insurance producers and who is not individually engaged in the sale, solicitation, or negotiation of insurance.

*e.* A person whose activities in this state are limited to advertising without the intent to solicit insurance in this state through communications in printed publications or other forms of electronic mass media whose distribution is not limited to residents of the state, provided that the person does not sell, solicit, or negotiate insurance that would insure risks residing, located, or to be performed in this state.

*f.* A person who is not a resident of this state who sells, solicits, or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one state insured under that contract, provided that that person is otherwise licensed as an insurance producer to sell, solicit, or negotiate that insurance in the state where the insured maintains its principal place of business and the contract of insurance insures risks located in that state.

*g.* A salaried full-time employee who counsels or advises the employee's employer relative to the insurance interests of the employer or of the subsidiaries or business affiliates of the employer, provided that the employee does not sell or solicit insurance or receive a commission.

*h.* A licensed attorney providing surety bonds incident to the attorney's practice.

*i.* A person selling transportation tickets of a common carrier of persons or property when that person also sells, in connection with and related to the transportation ticket, a trip and accident insurance policy or an insurance policy on personal effects being carried as baggage.

2001 Acts, ch 16, §17, 37; 2002 Acts, ch 1050, §47; 2002 Acts, ch 1119, §76

See also §522A.3

**522B.4 Application for examination.**

1. A resident individual applying for an insurance producer license shall pass a written examination unless exempt pursuant to section 522B.8. The examination shall test the knowledge of the individual concerning the lines of authority for which application is made, the duties and responsibilities of an insurance producer, and the insurance laws and regulations of this state. The commissioner shall adopt rules pursuant to chapter 17A related to development and conduct of the examination.

2. The commissioner may make arrangements, including contracting with an outside testing service or other appropriate entity, for administering examinations and collecting fees.

3. An individual applying for an examination shall remit a nonrefundable fee as established by rule of the commissioner.

4. An individual who fails to appear for the examination as scheduled or fails to pass the examination shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.

2001 Acts, ch 16, §18, 37

Referred to in §522B.6

**522B.5 Application for license.**

1. A person applying for a resident insurance producer license shall make application to the commissioner on the uniform application and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the commissioner shall find all of the following:

*a.* The individual is at least eighteen years of age.

*b.* The individual has not committed any act that is a ground for denial, suspension, or revocation as set forth in section 522B.11.

*c.* The individual has paid the license fee of fifty dollars.

*d.* The individual has successfully passed the examinations for the lines of authority for which the person has applied.

*e.* In order to protect the public interest, the individual has the requisite character and competence to receive a license as an insurance producer.

2. A business entity acting as an insurance producer may elect to obtain an insurance producer license. Application shall be made using the uniform business entity application. Prior to approving the application, the commissioner shall find both of the following:

*a.* The business entity has paid the appropriate fees.

*b.* The business entity has designated a licensed producer responsible for the business entity's compliance with the insurance laws and rules of this state.

3. The commissioner may require any documents reasonably necessary to verify the information contained in an application.

4. Fees collected under this section shall be deposited as provided in section 505.7.

2001 Acts, ch 16, §19, 37; 2009 Acts, ch 181, §90

Referred to in §522B.6, 522B.8

**522B.6 License.**

1. A person who meets the requirements of sections 522B.4 and 522B.5, unless otherwise denied licensure pursuant to section 522B.11, shall be issued an insurance producer license. An insurance producer license is valid for three years.

2. An insurance producer may qualify for a license in one or more of the following lines of authority:

*a.* Life insurance providing coverage on human lives, including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income.

*b.* Accident and health or sickness insurance providing coverage for sickness, bodily injury, or accidental death, and may include benefits for disability income.

*c.* Property insurance providing coverage for the direct or consequential loss or damage to property of any kind.

*d.* Casualty insurance providing coverage against legal liability, including that for death, injury, or disability, or damage to real or personal property.

*e.* Variable life and variable annuity products insurance coverage provided under variable life insurance contracts and variable annuities.

*f.* Personal lines property and casualty insurance sold to individuals and families primarily for noncommercial purposes.

*g.* Excess and surplus lines insurance provided by certain nonadmitted insurers pursuant to chapter 515I.

*h.* Credit insurance, including credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing a credit obligation and that the commissioner determines should be designated a form of credit insurance.

*i.* Any other line of insurance permitted under state law or by rule.

3. An insurance producer license remains in effect unless revoked or suspended as long as all required fees are paid and continuing education requirements for resident individual insurance producers are met by any applicable due date. Resident individual insurance producers are required to complete continuing education requirements in order to be eligible for license renewal unless exempted from such requirements under this chapter or by rule.

4. An individual insurance producer who allows the producer's license to lapse, within twelve months from the due date of the renewal fee, may have the same license reinstated without the necessity of passing a written examination upon the payment of a reinstatement

fee as specified by rule of the commissioner. Such reinstatement fee shall be in addition to the required renewal fee.

5. A licensed insurance producer who is unable to comply with license renewal procedures due to military service or some other extenuating circumstance may request a waiver of those procedures. Such insurance producer may also request a waiver of any examination requirement or any other penalty or sanction imposed for failure to comply with renewal procedures.

6. The license shall contain the licensee's name, address, personal identification number, and the date of issuance, the lines of authority, the expiration date, and any other information the commissioner deems necessary.

7. A licensee shall inform the commissioner by any means acceptable to the commissioner of a change of legal name or address within thirty days of the change. Failure to timely inform the commissioner of a change in legal name or address may result in a penalty as specified in section 522B.17.

8. In order to assist with the commissioner's duties, the commissioner may contract with a nongovernmental entity, including the national association of insurance commissioners or any affiliate or subsidiary the national association of insurance commissioners oversees, to perform any ministerial functions, including the collection of fees, related to producer licensing that the commissioner deems appropriate.

2001 Acts, ch 16, §20, 37; 2002 Acts, ch 1050, §48; 2002 Acts, ch 1119, §77; 2007 Acts, ch 137, §23; 2007 Acts, ch 152, §82; 2012 Acts, ch 1025, §20, 22

Referred to in §522B.1

**522B.7 Nonresident licensing.**

1. Unless denied licensure pursuant to section 522B.11, a nonresident person shall receive a nonresident insurance producer license if all of the following apply:

*a.* The person is currently licensed as an insurance producer and is in good standing in the person's home state.

*b.* The person has submitted the proper request for licensure and has paid the required fees.

*c.* The person has submitted or transmitted to the commissioner the application for licensure that the person submitted to the person's home state, or in lieu of such application, a completed uniform application.

*d.* The person's home state awards nonresident insurance producer licenses to residents of this state on the same basis.

2. The commissioner may verify the insurance producer's licensing status through the producer database.

3. A nonresident insurance producer who moves from one state to another state or a resident insurance producer who moves from this state to another state shall file a change of address and provide certification from the new resident state within thirty days of the change of legal residence. No fee or license application is required. The certification may be obtained through the producer database.

4. Notwithstanding any other provision of this chapter, a person licensed as a limited lines insurance producer in the person's home state shall receive a nonresident limited lines insurance producer license, pursuant to subsection 1, granting the same scope of authority as granted under the license issued by such person's home state.

2001 Acts, ch 16, §21, 37

Referred to in §522B.1, 522B.15

**522B.8 Exemption from examination.**

1. An individual who applies for an insurance producer license in this state who was previously licensed for the same lines of authority in another state shall not be required to complete an examination. This exemption is only available if the person is currently licensed in that other state or if the request for licensure is received within ninety days of the cancellation of the applicant's previous license and if the prior state issues a certification

that, at the time of cancellation, the applicant was in good standing in that state. The certification may be obtained through the producer database.

2. A person licensed as an insurance producer in another state who moves to this state shall make application within ninety days of establishing legal residence to become a resident licensee pursuant to section 522B.5. An examination shall not be required of that person to obtain an insurance producer license for any line of authority previously held in the prior state except where the commissioner determines otherwise by regulation.

2001 Acts, ch 16, §22, 37

Referred to in §522B.4

**522B.9 Assumed names.**

An insurance producer doing business under any name other than the insurance producer's legal name is required to notify the commissioner prior to using the assumed name.

2001 Acts, ch 16, §23, 37

**522B.10 Temporary licensing.**

1. The commissioner may issue a temporary insurance producer license for a period not to exceed one hundred eighty days without requiring an examination if the commissioner deems that the temporary license is necessary for the servicing of an insurance business in the following cases:

*a.* To the surviving spouse or court-appointed personal representative of a licensed insurance producer who dies or becomes mentally or physically disabled, to allow adequate time for the sale of the insurance business owned by the insurance producer, for the recovery or return of the insurance producer to the business, or for the training and licensing of new personnel to operate the insurance producer's business.

*b.* To a member or employee of a business entity licensed as an insurance producer, upon the death or disability of an individual designated in the business entity application or the license.

*c.* To the designee of a licensed insurance producer entering active service in the armed forces of the United States.

*d.* In any other circumstance where the commissioner deems that the public interest will best be served by the issuance of a temporary license.

2. The commissioner may by order limit the authority of any temporary licensee in any way deemed necessary to protect insureds and the public. The commissioner may require the temporary licensee to have a suitable sponsor who is a licensed insurance producer or insurer and who assumes responsibility for all acts of the temporary licensee and may impose other similar requirements designed to protect insureds and the public. The commissioner may by order revoke a temporary license if the interest of insureds or the public is endangered. A temporary license shall not continue after the owner or the personal representative disposes of the business.

2001 Acts, ch 16, §24, 37

**522B.11 License denial, nonrenewal, or revocation — limitation on duties and responsibilities of insurance producers.**

1. The commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or may levy a civil penalty as provided in section 522B.17 for any one or more of the following causes:

*a.* Providing incorrect, misleading, incomplete, or materially untrue information in the license application.

*b.* Violating any insurance laws, or violating any regulation, subpoena, or order of the commissioner or of a commissioner of another state.

*c.* Obtaining or attempting to obtain a license through misrepresentation or fraud.

*d.* Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business.

*e.* Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

*f.* Having been convicted of a felony.

*g.* Having admitted or been found to have committed any unfair insurance trade practice or fraud.

*h.* Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

*i.* Having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory.

*j.* Forging another's name to an application for insurance or to any document related to an insurance transaction.

*k.* Improperly using notes or any other reference material to complete an examination for an insurance license.

*l.* Knowingly accepting insurance business from an individual who is not licensed.

*m.* Failing to comply with an administrative or court order imposing a child support obligation.

*n.* Failing to comply with an administrative or court order related to repayment of loans to the college student aid commission.

*o.* Failing to pay state income tax or comply with any administrative or court order directing payment of state income tax.

*p.* Failing or refusing to cooperate in an investigation by the commissioner.

*q.* Is the subject of an order of the securities administrator of this state or any other state, province, district, or territory, denying, suspending, revoking, or otherwise taking action against a registration as a broker-dealer, agent, investment adviser, or investment adviser representative.

*r.* Using an insurance producer's license for the principal purpose of procuring, receiving, or forwarding applications for insurance of any kind, or placing, or effecting such insurance directly or indirectly upon or in connection with the property of the licensee or the property of a relative, employer, or employee of the licensee, or upon or in connection with property for which the licensee or a relative, employer, or employee of the licensee is an agent, custodian, vendor, bailee, trustee, or payee.

2. If the commissioner does not renew a license or denies an application for a license, the commissioner shall notify the applicant or licensee and advise, in writing, the licensee or applicant of the reason for the nonrenewal of the license or denial of the application for a license. The licensee or applicant may request a hearing on the nonrenewal or denial. A hearing shall be conducted according to section 507B.6.

3. The license of a business entity may be suspended, revoked, or refused if the commissioner finds, after hearing, that an individual licensee's violation was known or should have been known by a partner, officer, or manager acting on behalf of the business entity and the violation was not reported to the commissioner and corrective action was not taken.

4. In addition to, or in lieu of, any applicable denial, suspension, or revocation of a license, a person, after hearing, may be subject to a civil penalty as provided in section 522B.17.

5. The commissioner may conduct an investigation of any suspected violation of this chapter pursuant to section 507B.6 and may enforce the provisions and impose any penalty or remedy authorized by this chapter and chapter 507B against any person who is under investigation for, or charged with, a violation of either chapter even if the person's license has been surrendered or has lapsed by operation of law.

6. *a.* In order to assure a free flow of information for accomplishing the purposes of this section, all complaint files, investigation files, other investigation reports, and other investigative information in the possession of the commissioner or the commissioner's employees or agents that relates to licensee discipline are privileged and confidential, and are not subject to discovery, subpoena, or other means of legal compulsion for their release to a person other than the licensee, and are not admissible in evidence in a judicial or administrative proceeding other than the proceeding involving licensee discipline. A final written decision of the commissioner in a disciplinary proceeding is a public record.

*b.* Investigative information in the possession of the commissioner or the commissioner's

employees or agents that relates to licensee discipline may be disclosed, in the commissioner's discretion, to appropriate licensing authorities within this state, the appropriate licensing authority in another state, the District of Columbia, or a territory or country in which the licensee is licensed or has applied for a license.

*c.* If the investigative information in the possession of the commissioner or the commissioner's employees or agents indicates a crime has been committed, the information shall be reported to the proper law enforcement agency.

*d.* Pursuant to the provisions of section 17A.19, subsection 6, upon an appeal by the licensee, the commissioner shall transmit the entire record of the contested case to the reviewing court.

*e.* Notwithstanding the provisions of section 17A.19, subsection 6, if a waiver of privilege has been involuntary and evidence has been received at a disciplinary hearing, the court shall issue an order to withhold the identity of the individual whose privilege was waived.

7. *a.* Unless an insurance producer holds oneself out as an insurance specialist, consultant, or counselor and receives compensation for consultation and advice apart from commissions paid by an insurer, the duties and responsibilities of an insurance producer are limited to those duties and responsibilities set forth in Sandbulte v. Farm Bureau Mut. Ins. Co., 343 N.W.2d 457 (Iowa 1984).

*b.* The general assembly declares that the holding of Langwith v. Am. Nat'l Gen. Ins. Co., (No. 08-0778) (Iowa 2010) is abrogated to the extent that it overrules Sandbulte and imposes higher or greater duties and responsibilities on insurance producers than those set forth in Sandbulte.

2001 Acts, ch 16, §25, 37; 2004 Acts, ch 1110, §60 – 62; 2008 Acts, ch 1123, §42; 2011 Acts, ch 70, §45

Referred to in §505.8, 522B.5, 522B.6, 522B.7, 522B.14, 522B.16A

**522B.12 Commissions.**

1. An insurer or insurance producer shall not pay a commission, service fee, brokerage, or other valuable consideration to a person for selling, soliciting, or negotiating insurance in this state if that person is required to be licensed under this chapter and is not so licensed.

2. A person shall not accept a commission, service fee, brokerage, or other valuable consideration for selling, soliciting, or negotiating insurance in this state if that person is required to be licensed under this chapter and is not so licensed.

3. Renewal or other deferred commissions may be paid to a person for selling, soliciting, or negotiating insurance in this state if the person was required to be licensed under this chapter at the time of the sale, solicitation, or negotiation and was so licensed at that time.

4. An insurer or insurance producer may pay or assign a commission, service fee, brokerage, or other valuable consideration to an insurance agency or to a person who does not sell, solicit, or negotiate insurance in this state, unless the payment would violate chapter 507B.

2001 Acts, ch 16, §26, 37; 2007 Acts, ch 152, §83

**522B.13 Appointments.**

1. An individual insurance producer who acts as an agent of an insurer must be appointed by that insurer. An insurance producer who is not acting as an agent of an insurer need not be appointed. A business entity is not required to be appointed.

2. The appointing insurer, for the purpose of appointing an insurance producer as its agent, shall file, in a format approved by the commissioner, a notice of appointment within thirty days from the date the agency contract is executed or the first insurance application is submitted.

3. An insurer shall pay an appointment fee, in the amount and method of payment set forth by rule of the commissioner, for each insurance producer appointed by the insurer.

4. An insurer shall remit a renewal appointment fee in the manner and amount as set forth by rule of the commissioner.

2001 Acts, ch 16, §27, 37

**522B.14 Notification to commissioner of termination — penalties.**

1. An insurer or authorized representative of the insurer that terminates the appointment, employment, contract, or other insurance business relationship with an insurance producer shall notify the commissioner within thirty days following the effective date of the termination, using a format prescribed by the commissioner, if the reason for termination is one of the reasons set forth in section 522B.11, or the insurer has knowledge the insurance producer was found by a court, government body, or self-regulatory organization authorized by law to have engaged in any of the activities set forth in section 522B.11. Upon request of the commissioner, the insurer or authorized representative of the insurer shall provide additional information, documents, records, or other data pertaining to the termination or activity of the insurance producer.

2. An insurer or authorized representative of the insurer that terminates the appointment, employment, contract, or other insurance business relationship with an insurance producer for any reason not set forth in section 522B.11 shall notify the commissioner within thirty days following the effective date of the termination, using a format prescribed by the commissioner. Upon request of the commissioner, the insurer shall provide additional information, documents, records, or other data pertaining to the termination.

3. The insurer or the authorized representative of the insurer shall promptly notify the commissioner using a format prescribed by the commissioner if, upon further review or investigation, the insurer or authorized representative of the insurer discovers additional information that would have been reportable to the commissioner pursuant to subsection 1, had the insurer then known of its existence.

4. Within fifteen days after making the notification required by this section, the insurer shall mail a copy of the notification to the insurance producer at the insurance producer's last known address. If the insurance producer is terminated for any of the reasons set forth in section 522B.11, the insurer shall provide a copy of the notification to the insurance producer at the insurance producer's last known address by restricted certified mail, as defined in section 618.15, or by overnight delivery using a nationally recognized carrier.

5. Within thirty days after the insurance producer has received the original or additional notification, the insurance producer may file written comments concerning the substance of the notification with the commissioner. The insurance producer, by the same means, shall simultaneously send a copy of the comments to the reporting insurer, and the comments shall become a part of the commissioner's record and accompany every copy of a report distributed or disclosed for any reason about the insurance producer, as permitted under subsection 8.

6. *a.* In the absence of actual malice, an insurer, the authorized representative of the insurer, an insurance producer, the commissioner, or an organization of which the commissioner is a member and that compiles the information and makes it available to other commissioners or regulatory or law enforcement agencies shall not be subject to civil liability. A civil cause of action of any nature shall not arise against any of these entities or their respective agents or employees, as a result of any statement or information required by or provided pursuant to this section or any information relating to any statement that may be requested in writing by the commissioner from an insurer or insurance producer; or a statement by a terminating insurer or insurance producer to an insurer or insurance producer limited solely and exclusively to whether a termination for cause under subsection 1 was reported to the commissioner, provided that the propriety of any termination for cause under subsection 1 is certified in writing by an officer or authorized representative of the insurer or insurance producer terminating the relationship.

*b.* In any action brought against a person that may have immunity under this section for making any statement required by this section or providing any information relating to any statement that may be requested by the commissioner, the party bringing the action shall plead specifically in any allegation that this section does not apply because the person making the statement or providing the information did so with actual malice. This section shall not abrogate or modify any existing statutory or common law privileges or immunities.

7. *a.* Any document, material, or other information in the control or possession of the insurance division that is furnished by an insurer, insurance producer, or an employee or agent of such insurer or insurance producer acting on behalf of the insurer or insurance

producer, or obtained by the commissioner in an investigation pursuant to this section is considered a confidential record and shall not be subject to subpoena, or subject to discovery, or admissible in evidence in any private civil action. However, the commissioner is authorized to use such document, material, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's duties.

*b.* Neither the commissioner nor any person who received any document, material, or other information while acting under the authority of the commissioner shall be permitted or required to testify in any private civil action concerning any confidential document, material, or information subject to this section.

8. *a.* The commissioner may share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subsection 7, with other state, federal, and international regulatory agencies, with the national association of insurance commissioners, its affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees to maintain the confidentiality and privileged status of the document, material, or other information.

*b.* The commissioner may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the national association of insurance commissioners, its affiliates or subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information.

*c.* The commissioner may enter into agreements governing sharing and use of information consistent with this subsection.

9. A waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall not occur as a result of disclosure to the commissioner or sharing of information received under this section.

10. Nothing in this chapter shall prohibit the commissioner from releasing information regarding final, adjudicated actions that are considered public records subject to examination and copying under chapter 22 to a database or other clearinghouse service maintained by the national association of insurance commissioners, or an affiliate or subsidiary of the national association of insurance commissioners.

11. An insurer, the authorized representative of the insurer, or an insurance producer that fails to report as required under this section, or that is found to have reported with actual malice by a court of competent jurisdiction, after notice and hearing, may have its license or certificate of authority suspended or revoked and may be penalized as provided in section 522B.17.

2001 Acts, ch 16, §28, 37; 2001 Acts, ch 176, §72; 2012 Acts, ch 1023, §157

**522B.15 Reciprocity.**

1. The commissioner shall waive any requirements for a nonresident license applicant with a valid license from such applicant's home state, except for the requirements imposed by section 522B.7, if the applicant's home state awards nonresident licenses to residents of this state on the same basis.

2. A nonresident insurance producer's satisfaction of the producer's home state's continuing education requirements for licensed insurance producers shall constitute satisfaction of this state's continuing education requirements if the nonresident insurance producer's home state recognizes the satisfaction of its continuing education requirements imposed upon insurance producers from this state on the same basis.

2001 Acts, ch 16, §29, 37

**522B.16 Reporting of actions.**

An insurance producer shall report to the commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent to the order, and other relevant legal documents.

Within thirty days of the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

2001 Acts, ch 16, §30, 37; 2002 Acts, ch 1050, §49

**522B.16A Duties of licensees.**

1. An insurance producer has a continuing duty and obligation to keep, at the insurance producer's place of business, usual and customary records pertaining to transactions undertaken by the insurance producer. All such records shall be kept available and open for inspection by the commissioner or the commissioner's representative at any time during regular business hours, provided that the commissioner or the commissioner's representative is not entitled to inspect any records prepared in anticipation of litigation or that are subject to any privilege recognized in chapter 622. Such records shall be maintained for a minimum of three years following the completion of an insurance transaction.

2. An insurance producer who willfully fails to comply with this section commits a violation of this chapter and is subject to sanctions under section 522B.11.

2004 Acts, ch 1110, §63

**522B.16B Written consent to engage or participate in business of insurance.**

1. A person who is prohibited by 18 U.S.C. § 1033 from engaging or participating in the business of insurance because that person has been convicted of a crime under that statute or of a felony involving dishonesty or breach of trust may apply to the commissioner for written consent to engage or participate in the business of insurance in this state.

2. The commissioner, by rule, shall establish a procedure and standards for issuing such a written consent.

3. The commissioner shall not issue an insurance producer license to an applicant who has been convicted of a crime as set forth in subsection 1 unless the applicant has first obtained a written consent from the commissioner to engage or participate in the business of insurance in this state.

4. The commissioner shall not renew or issue an insurance producer license to an insurance producer licensee who has been convicted of a crime as set forth in subsection 1 unless that licensee has first obtained a written consent from the commissioner to engage or participate in the business of insurance in this state.

2006 Acts, ch 1117, §115

**522B.17 Cease and desist orders — penalties.**

1. An insurer or insurance producer who, after hearing, is found to have violated this chapter may be ordered to cease and desist from engaging in the conduct resulting in the violation and may be assessed a civil penalty pursuant to chapter 507B.

2. A person who, after hearing, is found to have violated this chapter by acting as an agent of an insurer or otherwise selling, soliciting, or negotiating insurance in this state, or offering to the public advice, counsel, or services with regard to insurance, who is not properly licensed may be ordered to cease and desist from engaging in the conduct resulting in the violation and may be assessed a civil penalty according to the provisions of chapter 507A.

3. If a person does not comply with an order issued pursuant to this section, the commissioner may petition a court of competent jurisdiction to enforce the order. The court shall not require the commissioner to post a bond in an action or proceeding under this section. If the court finds, after notice and opportunity for hearing, that the person is not in compliance with an order, the court may adjudge the person to be in civil contempt of the order. The court may impose a civil penalty against the person for contempt in an amount not less than three thousand dollars but not greater than ten thousand dollars for each

violation and may grant any other relief that the court determines is just and proper in the circumstances.

2001 Acts, ch 16, §31, 37; 2005 Acts, ch 70, §48

Referred to in §505.8, 522B.6, 522B.11, 522B.14, 522B.17A

**522B.17A Injunctive relief.**

1. An association with at least twenty-five insurance producer members may bring an action in district court to enjoin a person from selling, soliciting, or negotiating insurance in violation of section 522B.2. However, before bringing an action in district court to enjoin a person pursuant to this section, an association shall file a complaint with the insurance division alleging that the person is selling, soliciting, or negotiating insurance in violation of section 522B.2.

2. If the division makes a determination to proceed administratively against the person for a violation of section 522B.2, the complainant shall not bring an action in district court against the person pursuant to this section based upon the allegations contained in the complaint filed with the division.

3. If the division does not make a determination to proceed administratively against the person for a violation of section 522B.2, the division shall issue, on or before ninety days from the date of filing of the complaint, a release to the complainant that permits the complainant to bring an action in district court pursuant to this section.

4. The filing of a complaint with the division pursuant to this section tolls the statute of limitations pursuant to section 614.1 as to the alleged violation for a period of one hundred twenty days from the date of filing the complaint.

5. Any action brought in district court by a complainant against a person pursuant to this section, based upon the allegations contained in the complaint filed with the division, shall be brought within one year after the ninety-day period following the filing of the complaint with the division, or the date of the issuance of a release by the division, whichever is earlier.

6. If the court finds that the person is in violation of section 522B.2 and enjoins the person from selling, soliciting, or negotiating insurance in violation of that section, the court's findings of fact and law, and the judgment and decree, when final, shall be admissible in any proceeding initiated pursuant to section 522B.17 by the commissioner against the person enjoined and the person enjoined shall be precluded from contesting in that proceeding the court's determination that the person sold, solicited, or negotiated insurance in violation of section 522B.2.

2005 Acts, ch 70, §49

**522B.18 Rules.**

The commissioner may adopt reasonable rules according to chapter 17A as are necessary or proper to carry out the purposes of this chapter.

2001 Acts, ch 16, §32, 37

# CHAPTER 522C

## LICENSING OF PUBLIC ADJUSTERS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


| | | | |
|---|---|---|---|
| 522C.1 | Purpose. | 522C.4 | License required. |
| 522C.2 | Definitions. | 522C.5 | Application for license. |
| 522C.3 | Authority of the commissioner. | 522C.6 | Penalties. |


**522C.1 Purpose.**

The purpose of this chapter is to govern the qualifications and procedures for licensing public adjusters in this state, and to specify the duties of and restrictions on public adjusters, including limitation of such licensure to assisting insureds only with first-party claims.

2007 Acts, ch 137, §24

**522C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Business entity"* means a corporation, association, partnership, limited liability company, limited liability partnership, or any other legal entity.

2. *"Commissioner"* means the commissioner of insurance.

3. *"Fingerprints"* means an impression of the lines on a human finger taken for the purposes of identification. The impression may be electronic or in ink converted to an electronic format.

4. *"First-party claim"* means a claim filed by a person insured under the insurance policy against which the claim is made.

5. *"Individual"* means a natural person.

6. *"Person"* means an individual or a business entity.

7. *"Public adjuster"* means any person who for compensation or any other thing of value acts on behalf of an insured by doing any of the following:

*a.* Acting for or aiding an insured in negotiating for or effecting the settlement of a first-party claim for loss or damage to real or personal property of the insured.

*b.* Advertising for employment as a public adjuster of first-party insurance claims or otherwise soliciting business or representing to the public that the person is a public adjuster of first-party insurance claims for loss or damage to real or personal property of an insured.

*c.* Directly or indirectly soliciting business investigating or adjusting losses, or advising an insured about first-party claims for loss or damage to real or personal property of the insured.

8. *"Uniform business entity application"* means the current version of the national association of insurance commissioners' uniform business entity application for resident and nonresident business entities.

9. *"Uniform individual application"* means the current version of the national association of insurance commissioners' uniform individual application for resident and nonresident individuals.

2007 Acts, ch 137, §25

**522C.3 Authority of the commissioner.**

1. The commissioner shall adopt rules pursuant to chapter 17A as necessary to administer and enforce this chapter.

2. The commissioner shall adopt rules including but not limited to all of the following:

*a.* Advertising standards.

*b.* Continuing education requirements for licensees.

*c.* Contracts between public adjusters and insureds.

*d.* Required disclosures by licensees.

*e.* Examinations for licensure.

*f.* Exemptions.

*g.* License bonds and errors and omissions insurance requirements.

*h.* License requirements and exclusions.

*i.* Prohibited practices.

*j.* Record retention requirements.

*k.* Reporting requirements.

*l.* Requirements and limitations on fees charged by public adjusters.

*m.* Standards for reasonableness of payment.

*n.* Standards of conduct.

*o.* Penalties.

2007 Acts, ch 137, §26

**522C.4 License required.**

A person shall not operate as or represent that the person is a public adjuster in this state unless the person is licensed by the commissioner in accordance with this chapter.

2007 Acts, ch 137, §27

**522C.5 Application for license.**

1. A person applying for a public adjuster license shall make application on a uniform individual application or uniform business entity application as prescribed by the commissioner pursuant to rules adopted under chapter 17A.

2. In determining eligibility for licensure under this chapter, the commissioner shall require each individual applying for a public adjuster license to submit a full set of fingerprints with the application. The commissioner shall also require each business entity applying for licensure under this chapter to submit a full set of fingerprints for each individual who will be acting as a public adjuster on behalf of the business entity. The commissioner shall conduct a state and national criminal history record check on each applicant. The commissioner is authorized to submit fingerprints and any required fees to the state department of public safety, the state attorney general, and the federal bureau of investigation for the performance of such criminal record checks.

*a.* The commissioner may contract for the collection, transmission, and resubmission of fingerprints required under this section and may contract for a reasonable fingerprinting fee to be charged by the contractor for these services. Any fees for the collection, transmission, and retention of fingerprints submitted pursuant to this subsection shall be paid directly to the contractor by the applicant.

*b.* The commissioner may waive submission of fingerprints by any person who has previously furnished fingerprints if those fingerprints are on file with the central repository of the national association of insurance commissioners, its affiliates, or subsidiaries.

*c.* The commissioner may receive criminal history record information concerning an applicant that was requested by the state department of justice directly from the federal bureau of investigation.

*d.* The commissioner may submit electronic fingerprint records and necessary identifying information to the national association of insurance commissioners, its affiliates, or subsidiaries for permanent retention in a centralized repository whose purpose is to provide state insurance commissioners with access to fingerprint records in order to perform criminal history record checks.

2007 Acts, ch 137, §28

**522C.6 Penalties.**

1. The commissioner may place on probation, suspend, revoke, or refuse to issue or renew a public adjuster's license or may levy a civil penalty as provided in section 505.7A if a licensed public adjuster is found after hearing to be in violation of the requirements of this chapter or rules adopted or orders issued pursuant to this chapter.

2. A person acting as a public adjuster without proper licensure or a public adjuster who willfully violates any provision of this chapter or any rule adopted or order issued under this chapter is guilty of a serious misdemeanor.

3. *a.* A licensed public adjuster who, after hearing, is found to have violated this chapter or any rule adopted or order issued pursuant to this chapter, may be ordered to cease and desist from engaging in the conduct resulting in the violation and may be assessed a civil penalty as provided in section 505.7A.

*b.* A person who, after hearing, is found to have violated this chapter by acting as a public adjuster without proper licensure may be ordered to cease and desist from engaging in the conduct resulting in the violation and may be assessed a civil penalty according to the provisions of chapter 507A.

*c.* If a person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or any rule adopted or order issued pursuant to this chapter, the commissioner may issue a summary order that includes a brief statement of findings of fact, conclusions of law, and policy reasons for the order, and that directs the person to cease and desist from engaging in the act or practice constituting the violation and that may assess a civil penalty or take other affirmative action as in the judgment of the commissioner is necessary to assure that the person complies with the requirements of this chapter as provided in chapter 507A.

*d.* If a person does not comply with an order issued pursuant to this subsection, the

commissioner may petition a court of competent jurisdiction to enforce the order. The court shall not require the commissioner to post a bond in an action or proceeding under this subsection. If the court finds, after notice and opportunity for hearing, that the person is not in compliance with an order, the court may adjudge the person to be in civil contempt of the order. The court may impose a civil penalty against the person for contempt in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation and may grant any other relief that the court determines is just and proper in the circumstances.

2007 Acts, ch 137, §29; 2013 Acts, ch 124, §29
NEW subsection 3

# CHAPTER 522D

## LICENSING OF HEALTH PLAN NAVIGATORS

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7

For future contingent repeal of chapter, see §522D.12


522D.1 Definitions.
522D.2 License required.
522D.3 Actions prohibited.
522D.4 Written examination.
522D.5 Application for license.
522D.6 License.
522D.7 License denial, nonrenewal, or revocation.
522D.8 Cease and desist orders — penalties.
522D.9 Injunctive relief.
522D.10 Rules.
522D.11 Severability.
522D.12 Future repeal.


**522D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commissioner"* means the commissioner of insurance.

2. *"Navigator"* means a public or private entity or an individual that is qualified and licensed, if appropriate, to engage in the activities and meet the standards described in 45 C.F.R. § 155.210.

2012 Acts, ch 1138, §121

**522D.2 License required.**

A person shall not act as a navigator in this state unless the person is licensed by the commissioner as required in this chapter.

2012 Acts, ch 1138, §122
Referred to in §522D.9

**522D.3 Actions prohibited.**

A navigator shall not perform the functions of a person required to be licensed as an insurance producer under chapter 522B unless the navigator is licensed as a navigator pursuant to this chapter and as an insurance producer pursuant to chapter 522B.

2012 Acts, ch 1138, §123

**522D.4 Written examination.**

1. An individual applying for a navigator license shall pass a written examination. The examination shall test the knowledge of the individual concerning the duties and responsibilities of a navigator and the insurance laws and regulations of this state. The commissioner shall adopt rules pursuant to chapter 17A related to the development and conduct of the examination.

2. The commissioner may make arrangements, including contracting with an outside testing service or other appropriate entity, for administering examinations and collecting fees.

3. An individual applying for an examination shall remit a nonrefundable fee as established by rule of the commissioner.

4. An individual who fails to appear for the examination as scheduled or fails to pass the examination shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.

2012 Acts, ch 1138, §124
Referred to in §522D.5, 522D.6

**522D.5 Application for license.**

1. A person applying for a navigator license shall make application to the commissioner on an application form approved by the commissioner and declare under penalty of refusal, suspension, or revocation of the license that the statements made on the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the commissioner shall find all of the following:

*a.* The individual is at least eighteen years of age.

*b.* The individual has not committed any act that is a ground for denial, suspension, or revocation as set forth in section 522D.7.

*c.* The individual has paid the license fee, as established by the commissioner by rule.

*d.* The individual has successfully completed the initial training and education program for a license as established by the commissioner by rule.

*e.* The individual has successfully passed the examination as provided in section 522D.4.

*f.* In order to protect the public interest, the individual has the requisite character and competence to receive a license as a navigator.

2. A public or private entity acting as a navigator may elect to obtain a navigator license. Application shall be made using the application form approved by the commissioner. Prior to approving the application, the commissioner shall find both of the following:

*a.* The entity has paid the appropriate fees.

*b.* The entity has designated a licensed navigator responsible for the entity's compliance with this chapter.

2012 Acts, ch 1138, §125
Referred to in §522D.6

**522D.6 License.**

1. A person who meets the requirements of sections 522D.4 and 522D.5, unless otherwise denied licensure pursuant to section 522D.7, shall be issued a navigator license. A navigator license is valid for three years.

2. A navigator license remains in effect unless revoked or suspended as long as all required fees are paid and continuing education requirements are met by any applicable due date. A navigator is required to complete continuing education requirements required by law in order to be eligible for license renewal.

3. A licensed navigator who is unable to comply with license renewal procedures due to military service or other extenuating circumstances may request a waiver of those procedures. The licensed navigator may also request a waiver of any examination requirement or any other penalty or sanction imposed for failure to comply with renewal procedures.

4. The license shall contain the licensee's name, address, personal identification number, the date of issuance, the expiration date, and any other information the commissioner deems necessary.

5. A licensee shall inform the commissioner by any means acceptable to the commissioner of a change of legal name or address within thirty days of the change. Failure to timely inform the commissioner of a change of legal name or address may result in a penalty as specified in section 522D.7.

6. The commissioner shall require by rule that a licensed navigator furnish a surety bond or other evidence of financial responsibility that protects all persons against wrongful acts, misrepresentations, errors, omissions, or negligence of the navigator.

7. In order to assist with the commissioner's duties, the commissioner may contract with

a nongovernmental entity, including the national association of insurance commissioners or any affiliate or subsidiary the national association of insurance commissioners oversees, to perform any ministerial functions, including the collection of fees, related to navigator licensing that the commissioner deems appropriate.

2012 Acts, ch 1138, §126

**522D.7 License denial, nonrenewal, or revocation.**

1. The commissioner may place on probation, suspend, revoke, or refuse to issue or renew a navigator's license or may levy a civil penalty as provided in section 522D.8 for any one or more of the following causes:

*a.* Providing incorrect, misleading, incomplete, or materially untrue information in the license application.

*b.* Violating any insurance laws, or violating any regulation, subpoena, or order of the commissioner or of a commissioner of another state.

*c.* Obtaining or attempting to obtain a license through misrepresentation or fraud.

*d.* Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business.

*e.* Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

*f.* Having been convicted of a felony.

*g.* Having admitted or been found to have committed any unfair insurance trade practice or fraud.

*h.* Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

*i.* Having a navigator license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory.

*j.* Forging another's name to an application for insurance or to any document related to an insurance transaction.

*k.* Improperly using notes or any other reference material to complete an examination for a navigator license.

*l.* Failing to comply with an administrative or court order imposing a child support obligation.

*m.* Failing to comply with an administrative or court order related to repayment of loans to the college student aid commission.

*n.* Failing to pay state income tax or comply with any administrative or court order directing payment of state income tax.

*o.* Failing or refusing to cooperate in an investigation by the commissioner.

2. If the commissioner does not renew a license or denies an application for a license, the commissioner shall notify the applicant or licensee and advise, in writing, the licensee or applicant of the reason for the nonrenewal of the license or denial of the application for a license. The licensee or applicant may request a hearing on the nonrenewal or denial. A hearing shall be conducted according to section 507B.6.

3. The license of a public or private entity operating as a navigator may be suspended, revoked, or refused if the commissioner finds, after hearing, that an individual navigator licensee's violation was known or should have been known by a partner, officer, or manager acting on behalf of the entity and the violation was not reported to the commissioner and corrective action was not taken.

4. In addition to, or in lieu of, any applicable denial, suspension, or revocation of a license, a person, after hearing, may be subject to a civil penalty as provided in section 522D.8.

5. The commissioner may conduct an investigation of any suspected violation of this chapter pursuant to section 507B.6 and may enforce the provisions and impose any penalty or remedy authorized by this chapter and chapter 507B against any person who is under investigation for, or charged with, a violation of either chapter even if the person's license has been surrendered or has lapsed by operation of law.

6. *a.* In order to assure a free flow of information for accomplishing the purposes of

this section, all complaint files, investigation files, other investigation reports, and other investigative information in the possession of the commissioner or the commissioner's employees or agents that relates to licensee discipline are privileged and confidential, and are not subject to discovery, subpoena, or other means of legal compulsion for their release to a person other than the licensee, and are not admissible in evidence in a judicial or administrative proceeding other than the proceeding involving licensee discipline. A final written decision of the commissioner in a disciplinary proceeding is a public record.

*b.* Investigative information in the possession of the commissioner or the commissioner's employees or agents that relates to licensee discipline may be disclosed, in the commissioner's discretion, to appropriate licensing authorities within this state, the appropriate licensing authority in another state, the District of Columbia, or a territory or country in which the licensee is licensed or has applied for a license.

*c.* If the investigative information in the possession of the commissioner or the commissioner's employees or agents indicates a crime has been committed, the information shall be reported to the proper law enforcement agency.

*d.* Pursuant to the provisions of section 17A.19, subsection 6, upon an appeal by the licensee, the commissioner shall transmit the entire record of the contested case to the reviewing court.

*e.* Notwithstanding the provisions of section 17A.19, subsection 6, if a waiver of privilege has been involuntary and evidence has been received at a disciplinary hearing, the court shall issue an order to withhold the identity of the individual whose privilege was waived.

2012 Acts, ch 1138, §127
Referred to in §522D.5, 522D.6

**522D.8 Cease and desist orders — penalties.**

1. A navigator who, after hearing, is found to have violated this chapter, may be ordered to cease and desist from engaging in the conduct resulting in the violation and may be assessed a civil penalty pursuant to chapter 507B.

2. If a person does not comply with an order issued pursuant to this section, the commissioner may petition a court of competent jurisdiction to enforce the order. The court shall not require the commissioner to post a bond in an action or proceeding under this section. If the court finds, after notice and opportunity for hearing, that the person is not in compliance with an order, the court may adjudge the person to be in civil contempt of the order. The court may impose a civil penalty against the person for contempt in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation and may grant any other relief that the court determines is just and proper in the circumstances.

2012 Acts, ch 1138, §128
Referred to in §522D.7, 522D.9

**522D.9 Injunctive relief.**

1. A person may bring an action in district court to enjoin another person from acting as a navigator in violation of section 522D.2. However, before bringing an action in district court to enjoin a person pursuant to this section, the person shall file a complaint with the insurance division alleging that another person is acting as a navigator in violation of section 522D.2.

2. If the division makes a determination to proceed administratively against the person for a violation of section 522D.2, the complainant shall not bring an action in district court against the person pursuant to this section based upon the allegations contained in the complaint filed with the division.

3. If the division does not make a determination to proceed administratively against the person for a violation of section 522D.2, the division shall issue, by ninety days from the date of filing of the complaint, a release to the complainant that permits the complainant to bring an action in district court pursuant to this section.

4. The filing of a complaint with the division pursuant to this section tolls the statute of

limitations pursuant to section 614.1 as to the alleged violation for a period of one hundred twenty days from the date of filing the complaint.

5. Any action brought in district court by a complainant against a person pursuant to this section, based upon the allegations contained in the complaint filed with the division, shall be brought within one year after the ninety-day period following the filing of the complaint with the division, or the date of the issuance of a release by the division, whichever is earlier.

6. If the court finds that the person is in violation of section 522D.2 and enjoins the person from acting as a navigator in violation of that section, the court's findings of fact and law, and the judgment and decree, when final, shall be admissible in any proceeding initiated pursuant to section 522D.8 by the commissioner against the person enjoined and the person enjoined shall be precluded from contesting in that proceeding the court's determination that the person acted as a navigator in violation of section 522D.2.

2012 Acts, ch 1138, §129

**522D.10 Rules.**

The commissioner may adopt rules pursuant to chapter 17A as are necessary or proper to carry out the purposes of this chapter.

2012 Acts, ch 1138, §130

**522D.11 Severability.**

If any provision of this chapter or its application to any person or circumstance is held invalid by a court of competent jurisdiction or by federal law, the invalidity does not affect other provisions or applications of the chapter that can be given effect without the invalid provision or application, and to this end the provisions of the chapter are severable and the valid provisions or applications shall remain in full force and effect.

2012 Acts, ch 1138, §131

**522D.12 Future repeal.**

If the federal law providing for the sale of qualified health benefit plans of the state is repealed by federal legislation or is ruled invalid by a decision of the United States supreme court, the commissioner shall notify the Iowa Code editor of the effective date of the repeal or the date of the ruling. This chapter is repealed on the effective date of such federal legislation or the date of the United States supreme court decision.

2012 Acts, ch 1138, §132

# CHAPTER 523

## ELECTIONS AND INSIDER TRADING

Referred to in §87.4, 296.7, 331.301, 364.4, 505.28, 505.29, 669.14, 670.7


523.1 Proxies authorized.
523.2 Conditions.
523.3 and 523.4 Repealed by 65 Acts, ch 402, §1.
523.5 Proportionate representation. Repealed by 2007 Acts, ch 137, §30.
523.6 Amendment of articles. Repealed by 2007 Acts, ch 137, §30.
523.7 Statement of stock ownership filed with commissioner.
523.8 Profit in trading stock to inure to company.
523.9 Penalty for selling stock not directly owned by seller.
523.10 Exceptions — rules by commissioner.
523.11 Arbitrage transactions excepted.
523.12 Equity security defined.
523.13 Exceptions as to domestic stock companies.
523.14 Rules.


**523.1 Proxies authorized.**

Any insurance company or association organized under the laws of this state, may provide in its articles of incorporation, that its members or stockholders may vote by proxies,

voluntarily given, upon all matters of business coming before the stated or called meetings of the stockholders or members, including the election of directors.

[S13, §1821-x; C24, 27, 31, 35, 39, §**9124;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §523.1]

**523.2 Conditions.**

The commissioner of insurance shall promulgate such rules with respect to the solicitation and voting of proxies as will in the commissioner's opinion best protect the interests of all stockholders or policyholders from whom they are solicited. Any violation of any rule promulgated hereunder shall be deemed a simple misdemeanor.

[S13, §1821-x; C24, 27, 31, 35, 39, §**9125;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §523.2]

**523.3 and 523.4** Repealed by 65 Acts, ch 402, § 1.

**523.5 Proportionate representation.** Repealed by 2007 Acts, ch 137, § 30.

**523.6 Amendment of articles.** Repealed by 2007 Acts, ch 137, § 30.

**523.7 Statement of stock ownership filed with commissioner.**

1. Every person who is directly or indirectly the beneficial owner of more than ten percent of any class of any equity security of a domestic stock insurance company, or who is a director or an officer of such company, shall file in the office of the commissioner of insurance as prescribed by rule a statement, in a form as the commissioner may prescribe, of the amount of all equity securities of the company of which the person is the beneficial owner.

2. Within the time frame prescribed by rule, if there has been a change in the ownership during a time period prescribed by rule, a person who is directly or indirectly the beneficial owner of more than ten percent of any class of any equity security of a domestic stock insurance company, or who is a director or an officer of such company, shall file in the office of the commissioner a statement, in a form as the commissioner may prescribe, indicating the person's ownership at the close of the time period prescribed by rule and any changes in the person's ownership as have occurred during the time period prescribed by rule.

[C66, 71, 73, 75, 77, 79, 81, §523.7]

2003 Acts, ch 91, §50

Referred to in §523.11, 523.12, 523.13, 523.14

**523.8 Profit in trading stock to inure to company.**

For the purpose of preventing the unfair use of information which may have been obtained by such beneficial owner, director or officer by reason of the relationship to such company, any profit realized by the beneficial owner, director or officer from any purchase and sale, or any sale and purchase, of any equity security of such company within any period of less than six months, unless such security was acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the company, irrespective of any intention on the part of such beneficial owner, director or officer in entering into such transaction of holding the security purchase or of not repurchasing the security sold for a period exceeding six months. Suit to recover such profit may be instituted at law or in equity in any court of competent jurisdiction by the company, or by the owner of any security of the company in the name and in behalf of the company if the company shall fail or refuse to bring such suit within sixty days after request or shall fail diligently to prosecute the same thereafter; but no such suit shall be brought more than two years after the date such profit was realized. This section shall not be construed to cover any transaction where such beneficial owner was not such both at the time of the purchase and sale, or the sale and purchase, of the security involved, or any transaction or transactions which the commissioner by rules and regulations may exempt as not comprehended within the purpose of this section.

[C66, 71, 73, 75, 77, 79, 81, §523.8]

Referred to in §523.10, 523.11, 523.12, 523.13, 523.14

**523.9 Penalty for selling stock not directly owned by seller.**

It shall be unlawful for any such beneficial owner, director or officer, directly or indirectly, to sell any equity security of such company if the person selling the security or the person's principal does not own the security sold, or if owning the security, does not deliver it against such sale within twenty days thereafter, or does not within five days after such sale deposit it in the mails or other usual channels of transportation; but no person shall be deemed to have violated this section if the person proves that notwithstanding the exercise of good faith the person was unable to make such delivery or deposit within such time, or that to do so would cause undue inconvenience or expense.

[C66, 71, 73, 75, 77, 79, 81, §523.9]

Referred to in §523.10, 523.11, 523.12, 523.13, 523.14

**523.10 Exceptions — rules by commissioner.**

The provisions of section 523.8 shall not apply to any purchase and sale, or sale and purchase, and the provisions of section 523.9 shall not apply to any sale, of an equity security of a domestic stock insurance company not then or theretofore held in an investment account by a dealer in the ordinary course of the dealer's business and incident to the establishment or maintenance by the dealer of a primary or secondary market (otherwise than on an exchange as defined in the Securities Exchange Act of 1934) for such security. The commissioner may, by such rules and regulations as the commissioner deems necessary or appropriate in the public interest, define and prescribe terms and conditions with respect to securities held in an investment account and transactions made in the ordinary course of business and incident to the establishment or maintenance of a primary or secondary market.

[C66, 71, 73, 75, 77, 79, 81, §523.10]

Referred to in §523.11, 523.12, 523.14

**523.11 Arbitrage transactions excepted.**

The provisions of sections 523.7, 523.8, and 523.9 shall not apply to foreign or domestic arbitrage transactions unless made in contravention of such rules and regulations as the commissioner may adopt in order to carry out the purposes of sections 523.7 to 523.14.

[C66, 71, 73, 75, 77, 79, 81, §523.11]

Referred to in §523.12, 523.14

**523.12 Equity security defined.**

The term *"equity security"* when used in sections 523.7 to 523.14 means any stock or similar security; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the commissioner shall deem to be of similar nature and consider necessary or appropriate, by such rules and regulations as the commissioner may prescribe in the public interest or for the protection of investors, to treat as an equity security.

[C66, 71, 73, 75, 77, 79, 81, §523.12]

Referred to in §523.11, 523.14

**523.13 Exceptions as to domestic stock companies.**

The provisions of sections 523.7, 523.8, and 523.9 shall not apply to equity securities of a domestic stock insurance company if either of the following apply:

1. The securities are registered, or are required to be registered, pursuant to section 12 of the Securities Exchange Act of 1934, 48 Stat. 881, 15 U.S.C. § 77b et seq., as amended.

2. The domestic stock insurance company does not have any class of its equity securities held of record by one hundred or more persons on the last business day of the year next preceding the year in which equity securities of the company would be subject to the provisions of sections 523.7, 523.8, and 523.9 except for the provisions of this subsection 2.

[C66, 71, 73, 75, 77, 79, 81, §523.13]

2006 Acts, ch 1010, §144

Referred to in §523.11, 523.12, 523.14

**523.14 Rules.**

The commissioner shall have the power to make such rules and regulations as may be necessary for the execution of the functions vested in the commissioner by sections 523.7 to 523.13, and may for such purpose classify domestic stock insurance companies, securities, and other persons or matters, within the commissioner's jurisdiction. No provisions of sections 523.7, 523.8 and 523.9 imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation of the commissioner, notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or determined by judicial or other authority to be invalid for any reason.

[C66, 71, 73, 75, 77, 79, 81, §523.14]

Referred to in §523.11, 523.12

# CHAPTER 523A

## CEMETERY AND FUNERAL MERCHANDISE AND FUNERAL SERVICES

Referred to in §87.4, 144C.4, 144C.6, 156.12, 296.7, 331.301, 364.4, 505.28, 505.29, 523I.212, 523I.306, 523I.312, 523I.314, 555A.1, 669.14, 670.7

This chapter replaces former chapter 523A, repealed effective July 1, 2001; 2001 Acts, ch 118, §17 – 54, 57

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## SUBCHAPTER I

## SHORT TITLE AND DEFINITIONS

**523A.101 Short title.**

This chapter may be cited as the *"Iowa Cemetery and Funeral Merchandise and Funeral Services Act"*.

2001 Acts, ch 118, §17

**523A.102 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Authorized to do business within this state"* means a person licensed, registered, or subject to regulation by an agency of the state of Iowa or who has filed a consent to service of process with the commissioner for purposes of this chapter.

2. *"Beneficiary"* means any natural person specified or included in a purchase agreement, upon whose future death cemetery merchandise, funeral merchandise, funeral services, or a combination thereof are to be provided under the purchase agreement.

3. *"Burial account"* means an account established by a person with a financial institution for the purpose of funding the future purchase of cemetery merchandise, funeral merchandise, funeral services, or a combination thereof without any related trust agreement.

4. *"Burial trust fund"* means an irrevocable burial trust fund established by a person with a financial institution for the purpose of funding the future purchase of cemetery merchandise, funeral merchandise, funeral services, or a combination thereof upon the death of the person named in the burial trust fund's records or a related purchase agreement. *"Burial trust fund"* does not include or imply the existence of any oral or written purchase agreement for cemetery merchandise, funeral merchandise, funeral services, or a combination thereof between the person and a seller.

5. *"Cemetery merchandise"* means foundations, grave markers, tombstones, ornamental merchandise, memorials, and monuments sold under a purchase agreement that does not require installation within twelve months of the purchase.

6. *"Commissioner"* means the commissioner of insurance or the commissioner's designee.

7. *"Common business enterprise"* means a group of two or more business entities that share common ownership in excess of fifty percent.

8. *"Credit sale"* means a sale of goods, services, or an interest in land in which all of the following are applicable:

*a.* Credit is granted either under a seller credit card or by a seller who regularly engages as a seller in credit transactions of the same kind.

*b.* The buyer is a person other than an organization.

*c.* The goods, services, or interest in land are purchased primarily for a personal, family, or household purpose.

*d.* Either the debt is payable in installments or a finance charge is made.

*e.* For goods and services, the amount financed does not exceed twenty-five thousand dollars.

9. *"Delivery"* occurs when:

*a.* The cemetery merchandise, funeral merchandise, or the title document establishing an easement for burial rights is physically delivered to the purchaser or installed, except that burial of any item at the site of its ultimate use shall not constitute delivery for purposes of this chapter.

*b.* If authorized by a purchaser under a purchase agreement, cemetery merchandise has been permanently identified with the name of the purchaser or the beneficiary and delivered to a bonded warehouse or storage facility approved by the commissioner and both title to the merchandise and a warehouse receipt have been delivered to the purchaser or beneficiary and a copy of the warehouse receipt has been delivered to the seller for retention in its files.

*c.* If authorized by a purchaser under a purchase agreement, a polystyrene or polypropylene outer burial container has been permanently identified with the name of the purchaser or the beneficiary and delivered to a bonded warehouse or storage facility approved by the commissioner and both title to the merchandise and a warehouse receipt have been delivered to the purchaser or beneficiary and a copy of the warehouse receipt has been delivered to the seller for retention in its files.

10. *"Doing business in this state"* means issuing or performing wholly or in part any term of a purchase agreement executed within the state of Iowa.

11. *"Financial institution"* means a state or federally insured bank, savings association, credit union, trust department thereof, or a trust company authorized to do business within this state and which has been granted trust powers under the laws of this state or the United States, which holds funds under a trust agreement. *"Financial institution"* does not include:

*a.* A seller.

*b.* Anyone employed by or directly involved with the seller in the seller's cemetery merchandise, funeral merchandise, or funeral services business.

12. *"Funeral merchandise"* means personal property used for the final disposition of a dead human body, including but not limited to clothing, caskets, vaults, urns, and interment receptacles. *"Funeral merchandise"* does not include easements for burial rights in a completed space or cemetery merchandise.

13. *"Funeral services"* means services provided for the final disposition of a dead human body, including but not limited to services necessarily or customarily provided for a funeral, or for the interment, entombment, or cremation of a dead human body, or any combination thereof. *"Funeral services"* does not include perpetual care or maintenance.

14. *"Inner burial container"* means a container in which human remains are placed for burial or entombment. Where only one container is used for burial or entombment, *"inner burial container"* includes a container serving as a burial vault, urn vault, grave box, grave liner, or lawn crypt.

15. *"Insolvent"* means the inability to pay debts as they become due in the usual course of business.

16. *"Interest or income"* means unrealized net appreciation or loss in the fair value of cemetery merchandise, funeral merchandise, and funeral services trust assets for which a market value may be determined with reasonable certainty, plus the return in money or property derived from the use of trust principal or income, net of investment losses, taxes, and expenses incurred in the sale of trust assets, any cost of the operation of the trust, and any annual audit fee. *"Interest or income"* includes but is not limited to:

*a.* Rent of real or personal property, including sums received for cancellation or renewal of a lease and any royalties.

*b.* Interest on money lent, including sums received as consideration for prepayment of principal.

*c.* Cash dividends paid on corporate stock.

*d.* Interest paid on deposit funds or debt obligations.

*e.* Gain realized from the sale of trust assets.

17. *"Next of kin"* means the surviving spouse and heirs at law of the deceased.

18. *"Nonguaranteed"* means that the price of the merchandise and services selected has not been fixed or guaranteed and will be determined by existing prices at the time the merchandise and services are delivered or provided.

19. *"Outer burial container"* means a container used for the burial of human remains that is used exclusively to surround or enclose an inner burial container and to support the earth above the container, commonly known as a burial vault, urn vault, grave box, or grave liner, but not including a lawn crypt.

20. *"Parent company"* means a corporation that has a controlling interest in a seller.

21. *"Personal representative"* means a personal representative as defined in section 633.3.

22. *"Provider"* means a person that provides funeral services, funeral merchandise, or cemetery merchandise purchased in a purchase agreement.

23. *"Purchase agreement"* means an agreement to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof when performance or delivery may be more than one hundred twenty days following the initial payment on the account.

24. *"Purchase price"* means the negotiated price for the item of merchandise or service, if itemized in the purchase agreement, or the price of the item listed in the seller's general price list at the time the purchase agreement is signed.

25. *"Purchaser"* means a person who purchases cemetery merchandise, funeral merchandise, funeral services, or a combination thereof. The purchaser need not be a beneficiary of the agreement.

26. *"Sales agent"* means a person, including an employee, who is authorized by a seller to sell cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, on behalf of the seller.

27. *"Seller"* or *"preneed seller"* means a person doing business within this state, including a person doing business within this state who sells insurance, who advertises, sells, promotes, or offers to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof when performance or delivery may be more than one hundred twenty days following the initial payment on the account whether the transaction is completed or offered in person, through the mail, over the telephone, by the internet, or through any other means of commerce. *"Seller"* or *"preneed seller"* includes any person performing any term of a purchase agreement executed within this state, and any person identified under a burial account as the provider of cemetery merchandise, funeral merchandise, funeral services, or a combination thereof. *"Seller"* or *"preneed seller"* does not include a person who has an ownership interest in a seller or preneed seller but who is not actively engaged in advertising, selling, promoting, or offering to furnish such cemetery merchandise, funeral merchandise, funeral services, or a combination thereof.

28. *"Total purchase price"* means the aggregate amount the purchaser is obligated to pay for merchandise or services pursuant to the purchase agreement, excluding any taxes, administrative charges, or financing charges.

2001 Acts, ch 118, §18; 2002 Acts, ch 1119, §78; 2004 Acts, ch 1104, §1; 2007 Acts, ch 175, §2 – 5, 51, 52; 2008 Acts, ch 1103, §1; 2012 Acts, ch 1017, §101

## SUBCHAPTER II

## ESTABLISHMENT OF TRUSTS — DEPOSIT, INVESTMENT, AND REPORTING REQUIREMENTS

**523A.201 Establishment of trust funds.**

Unless proceeding under section 523A.401, 523A.402, or 523A.403, a seller must establish a trust fund prior to advertising, selling, promoting, or offering cemetery merchandise, funeral merchandise, funeral services, or a combination thereof in this state as follows:

1. The trust fund must be established at a financial institution.

2. If a seller agrees to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof and performance or delivery may be more than one hundred twenty days following the initial payment on the account, a minimum of eighty percent of all payments made under a guaranteed purchase agreement or a minimum of one hundred percent of all payments made under a nonguaranteed purchase agreement shall be placed and remain in trust until the person for whose benefit the funds were paid dies.

3. If a purchase agreement for cemetery merchandise, funeral merchandise, funeral services, or a combination thereof provides that payments are to be made in installments, the seller shall deposit eighty percent of each payment made under a guaranteed purchase agreement and one hundred percent of each payment made under a nonguaranteed purchase agreement in the trust fund until the full amount required to be placed in trust has been deposited. If the purchase agreement is financed with or sold to a financial institution, the purchase agreement shall be considered paid in full and the trust requirements shall be satisfied within fifteen days after the seller receives funds from the financial institution.

4. A seller shall not invade the trust principal for any purpose.

5. Unless a seller deposits all of each payment in a trust fund that meets the requirements of this section and section 523A.202, the seller shall have a fidelity bond or similar insurance in an amount of not less than fifty thousand dollars to protect against the loss of purchaser payments not placed in trust within the time period required by this section and section 523A.202. The commissioner may require a greater amount as the commissioner determines is necessary. If the seller changes ownership, the fidelity bond or similar insurance shall continue in force for at least one year after the transfer of ownership.

6. Payments otherwise subject to this section are not exempt merely because they are held in certificates of deposit.

7. Commingling of trust funds with other funds of the seller is prohibited.

8. Interest or income earned on amounts deposited in trust shall remain in trust under the same terms and conditions as payments made under the purchase agreement, except that a seller may withdraw so much of the interest or income as represents the difference between the amount needed to adjust the trust funds for inflation as set by the commissioner based on the consumer price index and the interest or income earned during the preceding year not to exceed fifty percent of the total interest or income on a calendar-year basis. The early withdrawal of interest or income under this provision does not affect the purchaser's right to a credit of such interest or income in the event of a nonguaranteed price agreement, cancellation, or nonperformance by such a seller.

9. The commissioner may require amendments to a trust agreement not in accord with the provisions of this chapter.

10. If a seller voluntarily or involuntarily ceases doing business and the seller's obligation to provide merchandise or services has not been assumed by another seller holding a current preneed seller's license, all trust funds, including accrued interest or income, shall be repaid to the purchaser within thirty days following the seller's cessation of business. A seller may petition the commissioner, upon a showing of good cause, for a longer period of time for repayment. A seller shall notify the commissioner at least thirty days prior to ceasing business.

2001 Acts, ch 118, §19; 2007 Acts, ch 175, §6 – 8; 2011 Acts, ch 62, §1, 2

Referred to in §523A.202, 523A.203, 523A.405, 523A.503, 523A.807, 523A.811, 523A.901

**523A.202 Trust fund deposit requirements.**

1. All funds held in trust pursuant to section 523A.201 shall be deposited in a financial institution within fifteen days following receipt of the funds. The financial institution shall hold the funds for the designated beneficiary until released.

2. All funds required to be deposited by the purchaser or the seller for a purpose described in section 523A.201 shall be deposited consistent with one of the following methods:

*a.* The payments shall be deposited directly into an interest-bearing burial account in the purchaser's name.

*b.* The purchaser or the seller shall deposit payments directly into a separate trust account in the purchaser's name. The account may be made payable to the seller upon the death of

the purchaser or the designated beneficiary, provided that, until death, the purchaser retains the exclusive power to hold, manage, pledge, and invest the trust account funds and may revoke the trust and withdraw the funds, in whole or in part, at any time during the term of the agreement.

*c.* The purchaser or the seller shall deposit payments directly into a separate trust account in the name of the purchaser, as trustee, for the named beneficiary, to be held, invested, and administered as a trust account for the benefit and protection of the beneficiary. The depositor shall notify the financial institution of the existence and terms of the trust, including at a minimum, the name of each party to the agreement, the name and address of the trustee, and the name and address of the beneficiary. The account may be made payable to the seller upon the beneficiary's death.

*d.* The payments shall be deposited in the name of the trustee, as trustee, under the terms of a master trust agreement and the trustee may invest, reinvest, exchange, retain, sell, and otherwise manage the trust fund for the benefit and protection of the named beneficiary.

3. The commissioner may by rule authorize other methods of deposit upon a finding that such methods provide equivalent safety of the principal and interest or income and the seller lacks access to the proceeds prior to performance.

4. This section does not prohibit moving trust funds from one financial institution to another if the commissioner is notified of the change within thirty days of the transfer of the trust funds.

2001 Acts, ch 118, §20; 2002 Acts, ch 1119, §79; 2007 Acts, ch 175, §9; 2009 Acts, ch 145, §53

Referred to in §523A.201, 523A.405, 523A.807

**523A.203 Financial institution trustees — qualification and investment requirements.**

1. A financial institution may serve as a trustee if granted those powers under the laws of this state or of the United States. A financial institution acting as a trustee of trust funds under this chapter shall invest the funds in accordance with applicable law.

2. A financial institution acting as a trustee of trust funds under this chapter has a fiduciary duty to make reasonable investment decisions and to properly oversee and manage the funds entrusted to it. The trustee shall use the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. The commissioner may take enforcement action against a financial institution in its capacity as trustee for a breach of fiduciary duty proven under this chapter.

3. Moneys deposited under a master trust agreement may be commingled by the financial institution for investment purposes if each deposit includes a detailed listing of the amount deposited in trust for each beneficiary and maintenance of a separate accounting of each purchaser's principal, interest, and income.

4. Subject to a master trust agreement, the seller may appoint an independent investment adviser to advise the financial institution about investment of the trust funds.

5. Subject to agreement between the parties, the financial institution may receive a reasonable fee from the trust funds for services rendered as trustee. The trust shall pay the trust operation costs and any annual audit fees.

6. A financial institution acting as a trustee of trust funds under this chapter shall notify each purchaser within sixty days from the date of deposit confirming that a deposit has been made establishing a trust fund for the purchaser's payments made under the purchase agreement.

7. The seller or any officer, director, agent, employee, or affiliate of the seller shall not serve as trustee. A financial institution holding trust funds shall not do any of the following:

*a.* Be owned, under the control of, or affiliated with a seller.

*b.* Use any funds required to be held in trust under this chapter to purchase an interest in any contract or agreement to which a seller is a party.

*c.* Otherwise invest, directly or indirectly, in a seller's business operations.

*d.* Use any funds required to be held in trust pursuant to section 523A.201 to purchase an insurance policy or annuity.

8. Unless proceeding under section 523A.403, investment and management decisions for all trust funds shall be made in accordance with the provisions of section 633A.4302.

2001 Acts, ch 118, §21; 2005 Acts, ch 128, §3; 2007 Acts, ch 175, §10; 2008 Acts, ch 1103, §2, 3

Referred to in §523A.807

**523A.204 Preneed seller annual reporting requirements — penalty.**

1. A preneed seller shall file with the commissioner not later than April 1 of each year an annual report on a form prescribed by the commissioner.

2. A preneed seller filing an annual report shall pay a filing fee of ten dollars per purchase agreement sold during the year covered by the report. Duplicate fees are not required for the same purchase agreement. If a purchase agreement has multiple sellers, the fee shall be paid by the preneed seller actually providing the merchandise and services.

3. All records maintained by the commissioner under this section shall be confidential pursuant to section 22.7, subsection 58, and shall not be made available for inspection or copying except upon the approval of the commissioner or the attorney general.

4. The commissioner shall levy an administrative penalty in the amount of up to five hundred dollars against a preneed seller that fails to file the annual report when due, payable to the state for deposit as provided in section 505.7. However, the commissioner may waive the administrative penalty upon a showing of good cause or financial hardship.

5. A preneed seller that fails to file the annual report when due shall immediately cease soliciting or executing purchase agreements until the annual report is filed and any administrative penalty assessed has been paid.

2001 Acts, ch 118, §22; 2007 Acts, ch 175, §11; 2009 Acts, ch 102, §1, 3; 2009 Acts, ch 181, §91; 2010 Acts, ch 1121, §23

Referred to in §22.7, 523A.404, 523A.812, 523A.814

See also §523A.814

**523A.205 Financial institution annual reporting requirements.**

1. A financial institution shall file with the commissioner not later than March 1 of each year an annual report on a form prescribed by the commissioner showing all funds deposited by a seller under a trust agreement during the previous year. Each report shall contain all information requested.

2. Forms may be obtained from the commissioner upon request. The commissioner may accept annual reports submitted in an electronic format, including but not limited to computer diskettes.

3. Notwithstanding chapter 22, all records maintained by the commissioner under this section shall be confidential and shall not be made available for inspection or copying except upon approval of the commissioner or the attorney general.

2001 Acts, ch 118, §23; 2007 Acts, ch 175, §53

**523A.206 Examinations — authority and scope.**

1. The commissioner may conduct an examination under this chapter of any seller as often as the commissioner deems appropriate. If a seller has a trust arrangement, the commissioner shall conduct an examination of such seller doing business in this state not less than once every five years unless the seller has provided to the commissioner, on an annual basis, a certified copy of an audit conducted by an independent certified public accountant verifying compliance with this chapter. The commissioner may require an audit of a seller, or other person by a certified public accountant to verify compliance with the requirements of this chapter, including rules adopted and orders issued pursuant to this chapter.

2. A seller shall reimburse the division for the expense of conducting the examination, including an audit conducted by a certified public accountant, unless the commissioner waives this requirement, or the seller has previously provided to the commissioner a certified copy of an audit conducted by an independent certified public accountant verifying compliance with this chapter for each year in question and the examination conducted by

the commissioner does not disclose that the seller has not complied with this chapter for the years in question. The expense of an examination involving multiple sellers or other persons shall be prorated among them upon any reasonable basis as determined by the commissioner.

3. For purposes of completing an examination under this chapter, the commissioner may examine or investigate any person, or the business of any person, if the examination or investigation is, in the sole discretion of the commissioner, necessary or material to the examination of the seller.

4. Upon determining that an examination should be conducted, the commissioner may appoint one or more examiners to perform the examination and instruct those examiners as to the scope of the examination.

5. A seller, or other person from whom information is sought, and its officers, directors, employees, and agents shall provide to the examiners appointed under subsection 4, timely, convenient, and free access at their offices, at all reasonable hours, to all books, records, accounts, papers, documents, and all electronic or other recordings related to the property, assets, business, and affairs of the seller being examined and shall facilitate the examination as much as possible.

*a.* The refusal of a seller, by its officers, directors, employees, or agents, to submit to an examination or to comply with a reasonable written request of an examiner shall constitute grounds for the suspension, revocation, or denial of an application to renew any license held by the seller to engage in business subject to the commissioner's jurisdiction.

*b.* If a seller declines or refuses to submit to an examination as provided in this chapter, the commissioner shall immediately suspend, revoke, or deny an application to renew any license held by the seller or business to engage in business subject to the commissioner's jurisdiction, and shall report the commissioner's action to the attorney general, who shall immediately apply to the district court for the appointment of a receiver to administer the final affairs of the seller.

6. The commissioner shall not make information obtained in the course of an examination public, except when a duty under this chapter requires the commissioner to take action against a seller or to cooperate with another law enforcement agency, or when the commissioner is called as a witness in a civil or criminal proceeding.

7. This section shall not be construed to limit the commissioner's authority to terminate or suspend any examination in order to pursue other legal or regulatory actions pursuant to this chapter. Findings of fact and conclusions made pursuant to an examination are deemed to be prima facie evidence in any legal or regulatory action.

2001 Acts, ch 118, §24; 2007 Acts, ch 175, §12; 2008 Acts, ch 1123, §43; 2011 Acts, ch 70, §46

Referred to in §523A.405

**523A.207 Audits by certified public accountants — penalty.**

A purchase agreement shall not be sold or transferred, as part of the sale of a business or the assets of a business, until an audit has been performed by a certified public accountant and filed with the commissioner that expresses the auditor's opinion of the adequacy of funding related to the purchase agreements to be sold or transferred. If the buyer of a purchase agreement sold or transferred as part of the sale of a business or the assets of a business, fails to file such an audit, the commissioner shall suspend the preneed seller's license of the buyer and the preneed sales license of any sales agent in the employ of the buyer until the audit is filed. In addition, the commissioner shall assess a penalty against the buyer in an amount up to one hundred dollars for each day that the audit remains unfiled. The commissioner shall allow a thirty-day grace period after the date that a purchase agreement is sold or transferred before suspension of a license or assessment of a penalty for failure to file an audit pursuant to this section.

2007 Acts, ch 175, §13; 2010 Acts, ch 1067, §2

Referred to in §523A.807

## SUBCHAPTER III

## DISBURSEMENT OF REMAINING BURIAL TRUST FUNDS OR INSURANCE OR ANNUITY PROCEEDS — MEDICAL ASSISTANCE DEBTS

**523A.301 Definition.**

As used in sections 523A.302 and 523A.303, *"director"* means the director of human services.

2001 Acts, ch 118, §25

**523A.302 Identification of merchandise and service provider.**

If a burial trust fund identifies, either in the trust fund records or in a related purchase agreement, the seller who will provide the cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, the trust fund records or the related purchase agreements must contain a statement signed by an authorized representative of the seller agreeing to furnish the cemetery merchandise, funeral merchandise, funeral services, or a combination thereof upon the death of the beneficiary. The burial trust fund shall not identify a specific seller as payee unless the trust fund records or the related purchase agreements, if any, contain the signature of an authorized representative of the seller and, if the agreement is for mortuary science services as mortuary science is defined in section 156.1, the name of a funeral director licensed to deliver those services. A person may enter into agreements authorizing the establishment of more than one burial trust fund and agreeing to furnish the applicable merchandise and services.

2001 Acts, ch 118, §26; 2002 Acts, ch 1119, §80

Referred to in §523A.301

**523A.303 Disbursement of remaining funds.**

1. If funds remain in a nonguaranteed irrevocable burial trust fund or from the proceeds of an insurance policy or annuity made payable or assigned to the seller or a provider after the payment of funeral and burial expenses in accordance with the conditions and terms of the purchase agreement for cemetery merchandise, funeral merchandise, or funeral services, the seller shall comply with all of the following:

*a.* The seller shall provide written notice by mail to the director under subsection 2.

*b.* At least sixty days after mailing notice to the director, the seller shall disburse any remaining funds from the burial trust fund as follows:

(1) If within the sixty-day period the seller receives a claim from the personal representative of the deceased, any remaining funds shall be disbursed to the personal representative, notwithstanding any claim by the director.

(2) If within the sixty-day period the seller has not received a claim from the personal representative of the deceased but receives a claim from the director, the seller shall disburse the remaining funds up to the amount of the claim to the director.

(3) Any remaining funds not disposed of pursuant to subparagraphs (1) and (2) shall be disbursed to any person who is identified as the next of kin of the deceased in an affidavit submitted in accordance with subsection 5.

2. The notice mailed to the director shall meet all of the following requirements and is subject to all of the following conditions:

*a.* The notice shall be mailed with postage prepaid.

*b.* If the notice is sent by regular mail, the sixty-day period for receipt of a response is deemed to commence three days following the date of mailing.

*c.* If the notice is sent by certified mail, the sixty-day period for receipt of a response is deemed to commence on the date of mailing.

*d.* The notice shall provide all of the following information:

(1) Current name, address, and telephone number of the seller.

(2) Full name of the deceased.

(3) Date of the deceased's death.

(4) Amount of funds remaining in the burial trust fund.

(5) Statement that any claim by the director must be received by the seller within sixty days after the date of mailing of the notice.

*e.* A notice in substantially the following form complies with this subsection:

TO: THE DIRECTOR OF HUMAN SERVICES

FROM: (SELLER'S NAME, CURRENT ADDRESS, AND TELEPHONE NUMBER)

YOU ARE HEREBY NOTIFIED THAT (NAME OF DECEASED), WHO HAD AN IRREVOCABLE BURIAL TRUST FUND, HAS DIED, THAT FINAL PAYMENT FOR CEMETERY MERCHANDISE, FUNERAL MERCHANDISE, AND FUNERAL SERVICES HAS BEEN MADE, AND THAT (REMAINING AMOUNT) REMAINS IN THE IRREVOCABLE BURIAL TRUST FUND.

THE ABOVE-NAMED SELLER MUST RECEIVE A WRITTEN RESPONSE REGARDING ANY CLAIM BY THE DIRECTOR WITHIN SIXTY DAYS AFTER THE MAILING OF THIS NOTICE TO THE DIRECTOR.

IF THE ABOVE-NAMED SELLER DOES NOT RECEIVE A WRITTEN RESPONSE REGARDING A CLAIM BY THE DIRECTOR WITHIN SIXTY DAYS AFTER THE MAILING OF THIS NOTICE, THE SELLER MAY DISPOSE OF THE REMAINING FUNDS IN ACCORDANCE WITH SECTION 523A.303, CODE OF IOWA.

3. Upon receipt of the seller's written notice, the director shall determine if a debt is due the department of human services pursuant to section 249A.53. If the director determines that a debt is owing, the director shall provide a written response to the seller within sixty days after the mailing of the seller's notice. If the director does not respond with a claim within the sixty-day period, any claim made by the director shall not be enforceable against the seller, the trust, or a trustee.

4. A personal representative who wishes to make a claim shall send written notice of the claim to the seller. If the seller does not receive any claim from a personal representative within the sixty-day period provided for response by the director regarding a claim, the claim of the personal representative shall not be enforceable against the seller, the trust, or a trustee.

5. Any person other than a personal representative or the director claiming an interest in the remaining funds shall submit an affidavit claiming an interest which provides the following information:

*a.* Full name, current address, and telephone number of the claimant.

*b.* Claimant's relationship to the deceased.

*c.* Name of any surviving next of kin of the deceased, and the relationship of any named surviving next of kin.

*d.* That the claimant has no knowledge of the existence of a personal representative for the deceased's estate.

6. The seller may retain not more than fifty dollars of the remaining funds in the burial trust fund for the administrative expenses associated with the requirements of this section.

7. If the funds remaining in a burial trust fund are disbursed under the requirements of this section, the seller, the provider, the burial trust fund, and any trustee shall not be liable to the director, the estate of the deceased, any personal representative, or any other interested person for the remaining funds and any lien imposed by the director shall be unenforceable against the seller, the burial trust fund, or any trustee.

2001 Acts, ch 118, §27

Referred to in §523A.301

Section not amended; internal reference change applied

## SUBCHAPTER IV

## TRUSTING ALTERNATIVES

**523A.401 Purchase agreements funded by insurance proceeds.**

1. A purchase agreement may be funded by insurance proceeds derived from a new or existing insurance policy issued by an insurance company authorized to do business and doing business within this state.

2. Such funding may be in lieu of the trusting requirements of this chapter when the purchaser assigns the proceeds of an existing insurance policy.

3. Such funding may be in lieu of the trusting requirements of this chapter when a new insurance policy is purchased to fund the purchase agreement, with a face amount equal to or greater than the current retail price of the cemetery merchandise, funeral merchandise, and funeral services to be delivered under the purchase agreement or, if less, a face amount equal to the total of all payments to be submitted by the purchaser pursuant to the purchase agreement.

4. The premiums of any new insurance policy shall be fully paid within thirty days after execution of the purchase agreement or, with respect to a purchase agreement that provides for periodic payments, the premiums shall be paid directly by the purchaser to the insurance company issuing the policy.

5. Any new insurance policy shall satisfy the following conditions:

*a.* Except as necessary and appropriate to satisfy the requirements regarding burial trust funds under Tit. XIX of the federal Social Security Act, the policy shall not be owned by the seller, the policy shall not be irrevocably assigned to the seller, and the assignment of proceeds from the insurance policy to the seller shall be limited to the seller's interests as they appear in the purchase agreement, and conditioned on the seller's delivery of cemetery merchandise, funeral merchandise, and funeral services pursuant to a purchase agreement.

*b.* The policy shall provide that any assignment of benefits is contingent upon the seller's delivery of cemetery merchandise, funeral merchandise, and funeral services pursuant to a purchase agreement.

*c.* The policy shall have an increasing death benefit or similar feature that provides some means for increasing the funding as the cost of cemetery merchandise, funeral merchandise, and funeral services increases.

6. With the written consent of the purchaser, an existing prepaid purchase agreement with trust-funded benefits may be converted to a prepaid purchase agreement with insurance-funded benefits provided the seller and the insurance benefits comply with the following provisions:

*a.* The transfer of the trust funds to the insurance company must be at least equal to the full sum required to be deposited as trust principal under the trust-funded prepaid purchase agreement plus all net earnings accumulated with respect thereto, as of the transfer date. Commissions, allowances, surrender charges or other forms of compensation or expense loads, premium expense, administrative charges or expenses, or policy fees shall not be deducted from the trust funds transferred pursuant to the conversion.

*b.* The face amount of any insurance policy issued on an individual must be no less than the amount of principal and interest transferred for that individual to the insurance company, and any supplemental insurance policy issued to cover the unfunded portion of the purchase agreement must have a face amount that is at least as great as the unfunded principal balance. The face amount of the insurance purchased shall not, under any circumstances, be less than the total of all payments made by the purchaser pursuant to the agreement plus all net earnings accumulated with respect thereto, as of the transfer date.

*c.* The insurance policy shall not be contestable, or limit death benefits in the case of suicide, with respect to that portion of the face amount of the policy that is required by paragraph "*b*". The policy shall not refer to physical examination, or otherwise operate as an exclusion, limitation, or condition other than requiring submission of proof of death or

surrender of policy at the time the prepaid purchase agreement is funded, matures, or is canceled, as the case may be.

*d.* The seller shall maintain a copy of any prepaid trust-funded purchase agreement that was converted to a prepaid insurance-funded purchase agreement and retain the payment history records for each converted purchase agreement prior to conversion until the cemetery merchandise, funeral merchandise, and funeral services have been delivered.

7. The seller of a purchase agreement subject to this chapter which is to be funded by insurance proceeds shall obtain all licenses required to be obtained and comply with all reporting requirements under this chapter. A parent company, provider, or seller shall not pledge, borrow from, or otherwise encumber an insurance policy funding a purchase agreement.

8. An insurance company issuing policies funding purchase agreements subject to this chapter shall file an annual report with the commissioner on a form prescribed by the commissioner. The report shall list the applicable insurance policies outstanding for each seller. Computer printouts may be submitted so long as each legibly provides the same information required in the prescribed form.

9. The commissioner, by rule, may require written trust agreements and establish conditions for trusts holding insurance policies or maintaining ownership rights under insurance policies. The seller or any officer, director, agent, employee, or affiliate of the seller shall not serve as a trustee. The commissioner may require amendments to a trust agreement that is not in accord with the provisions of this chapter or rules adopted under this chapter.

2001 Acts, ch 118, §28; 2001 Acts, ch 176, §73; 2004 Acts, ch 1110, §64; 2007 Acts, ch 175, §54 – 57; 2008 Acts, ch 1123, §44; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1121, §24

Referred to in §523A.201, 523A.807

**523A.402 Purchase agreements funded by annuity proceeds.**

1. A purchase agreement may be funded by proceeds derived from a new or existing annuity issued by an insurance company authorized to do business and doing business within this state.

2. Such funding may be in lieu of the trust requirements of this chapter when the purchaser assigns the proceeds of an existing annuity.

3. Such funding may be in lieu of the trust requirements of this chapter when a new annuity is purchased to fund the purchase agreement, with a face amount equal to or greater than the current retail price of the cemetery merchandise, funeral merchandise, and funeral services to be delivered under the purchase agreement or, if less, a face amount equal to the total of all payments to be submitted by the purchaser pursuant to the purchase agreement.

4. The premiums of any new annuity shall be fully paid within thirty days after execution of the purchase agreement or, with respect to a purchase agreement that provides for periodic payments, the premiums shall be paid directly by the purchaser to the insurance company issuing the annuity.

5. The annuity shall satisfy the following conditions:

*a.* Except as necessary and appropriate to satisfy the requirements regarding burial trust funds under Tit. XIX of the federal Social Security Act, the annuity shall not be owned by the seller or irrevocably assigned to the seller and any designation of the seller as a beneficiary shall not be made irrevocable.

*b.* The annuity shall provide that any assignment of benefits is contingent upon the seller's delivery of cemetery merchandise, funeral merchandise, and funeral services pursuant to a purchase agreement.

*c.* The annuity shall have an increasing death benefit or similar feature that provides some means for increasing the funding as the cost of cemetery merchandise, funeral merchandise, and funeral services increases.

6. With the written consent of the purchaser, an existing prepaid purchase agreement with trust-funded benefits may be converted to a prepaid purchase agreement with annuity-funded benefits provided the seller and the annuity benefits comply with the following provisions:

*a.* The transfer of the trust funds to the insurance company must be at least equal to the

full sum required to be deposited as trust principal under the trust-funded prepaid purchase agreement plus all net earnings accumulated with respect thereto, as of the transfer date. Commissions, allowances, surrender charges or other forms of compensation or expense loads, premium expense, administrative charges or expenses, or fees shall not be deducted from the trust funds transferred pursuant to the conversion.

*b.* The face amount of any annuity issued on an individual must be no less than the amount of principal and interest transferred for that individual to the insurance company, and any supplemental annuity issued to cover the unfunded portion of the purchase agreement must have a face amount that is at least as great as the unfunded principal balance. The face amount of the annuity purchased shall not, under any circumstances, be less than the total of all payments made by the purchaser pursuant to the agreement plus all net earnings accumulated with respect thereto, as of the transfer date.

*c.* The annuity shall not be contestable, or limit death benefits in the case of suicide, with respect to that portion of the face amount of the annuity which is required by paragraph "*b*". The annuity shall not refer to physical examination, or otherwise operate as an exclusion, limitation, or condition other than requiring submission of proof of death or surrender of the annuity at the time the prepaid purchase agreement is funded, matures, or is canceled, as the case may be.

*d.* The seller shall maintain a copy of any prepaid trust-funded purchase agreement that was converted to a prepaid annuity-funded purchase agreement and retain the payment history records for each converted purchase agreement prior to conversion until the cemetery merchandise, funeral merchandise, and funeral services have been delivered.

7. The seller of a purchase agreement subject to this chapter which is to be funded by annuity proceeds shall obtain all licenses required to be obtained and comply with all reporting requirements under this chapter. A parent company, provider, or seller shall not pledge, borrow from, or otherwise encumber an annuity funding a purchase agreement.

8. An insurance company issuing annuities funding purchase agreements subject to this chapter shall file an annual report with the commissioner on a form prescribed by the commissioner. The report shall list the applicable annuities outstanding for each seller. Computer printouts may be submitted so long as each legibly provides the same information required in the prescribed form.

9. The commissioner, by rule, may require written trust agreements and establish conditions for trusts holding annuities or maintaining ownership rights under annuities. The seller or any officer, director, agent, employee, or affiliate of the seller shall not serve as a trustee. The commissioner may require amendments to a trust agreement that is not in accord with the provisions of this chapter or rules adopted under this chapter.

2001 Acts, ch 118, §29; 2002 Acts, ch 1119, §81; 2004 Acts, ch 1110, §65; 2005 Acts, ch 19, §107; 2005 Acts, ch 70, §50; 2007 Acts, ch 175, §58 – 61; 2008 Acts, ch 1123, §45; 2010 Acts, ch 1061, §180; 2010 Acts, ch 1121, §25

Referred to in §523A.201, 523A.807

**523A.403 Purchase agreements funded by certificates of deposit.**

1. A purchase agreement may be funded by proceeds derived from a certificate of deposit in the name of the purchaser made payable to the seller upon the purchaser's death.

2. The seller of a purchase agreement subject to this chapter which is to be funded by a certificate of deposit shall obtain all permits required to be obtained and comply with all reporting requirements under this chapter, implementing rules, and orders.

2001 Acts, ch 118, §30

Referred to in §523A.201, 523A.203, 523A.807

**523A.404 Merchandise delivered to the purchaser or warehoused.**

1. Trust requirements do not apply to payments made pursuant to a purchase agreement executed prior to July 1, 2007, for outer burial containers made of either polystyrene or polypropylene or cemetery merchandise delivered to the purchaser or stored in an independent third-party storage facility not owned or controlled by the seller when approved

by the commissioner. The seller or the storage facility must demonstrate that they will do all of the following:

*a.* Issue a receipt of ownership in the name of the purchaser and deliver it to the purchaser.

*b.* Insure the merchandise against loss.

*c.* Protect the merchandise against damage.

*d.* Transfer title to the purchaser.

*e.* Appropriately identify and describe the merchandise in a manner that it can be distinguished from other similar items.

*f.* Use a method of storage that allows for visual examinations of the merchandise.

*g.* Have adequate, computerized recordkeeping systems in place to identify, describe, and count each item in storage, including the ownership of each item, and provide an aggregate listing with numerical totals.

*h.* File a consent to be examined and inspected by the commissioner.

*i.* Provide reports to the commissioner, annually, by an independent certified public accountant, which shall include a physical count of merchandise held in storage and a review of information, including the seller's revenue and sales records, as necessary to verify the adequacy of the number of items held at the storage facility.

*j.* Satisfy the annual reporting requirements of section 523A.204.

2. Lawn crypts may be delivered in lieu of trusting. For this purpose, delivery means installation in a grave owned by the purchaser. The seller shall do all of the following:

*a.* Notify the administrator before the lawn crypts are installed.

*b.* Identify the intended location of the lawn crypts within the cemetery.

*c.* Provide documentation adequately demonstrating delivery has occurred. Adequate documentation includes but is not limited to photographs and third-party certifications.

3. Cemetery merchandise and funeral merchandise shall not be deemed delivered to the purchaser or warehoused if the merchandise is subject to a lien or security interest by any party other than the seller.

4. A seller is prohibited from requiring delivery as a condition of the sale.

5. A seller shall provide services necessary for the installation or burial of outer burial containers sold by the seller. This subsection shall not require the seller to provide for the opening or closing of the interment or entombment space, unless the purchase agreement provides otherwise.

2001 Acts, ch 118, §31; 2007 Acts, ch 175, §14, 15, 62

Referred to in §523A.405, 523A.503, 523A.807

**523A.405 Bond in lieu of trust fund.**

1. In lieu of trust requirements, a seller may file with the commissioner a surety bond issued by a surety company authorized to do business and doing business within this state. The bond must be conditioned upon the seller's faithful performance of purchase agreements subject to this chapter. The surety's liability extends to each such agreement executed while the bond is in force and until performance or recision of the purchase agreement. The aggregate liability of the surety for any and all breaches of the conditions of the bond shall not exceed the penal sum of the bond. To the extent expressly agreed to in writing by the surety, the surety's liability extends to each such agreement subject to this chapter executed prior to the time the bond was in force and until performance or recision of the agreement. A purchaser aggrieved by a breach of a condition of the bond covering the purchaser's agreement may maintain an action against the bond. If, at the time of the breach, the purchaser is aware of the purchaser's rights under the bond and how to file a claim against the bond, the surety shall not be liable for any breach of condition unless the surety receives notice of a claim within sixty days following discovery of the acts, omissions, or conditions constituting the breach of condition, except as otherwise provided in this section. A surety bond shall not be canceled by a surety except upon a written notice of cancellation given by the surety to the commissioner by restricted certified mail, and not prior to the expiration of sixty days after receipt of the notice by the commissioner. The surety's liability shall extend to each purchase agreement subject to this chapter executed prior to cancellation of the surety bond until the seller has complied with subsection 3.

2. If a seller becomes insolvent or otherwise ceases to engage in business prior to or within sixty days after cancellation of a bond, the seller shall be deemed to have breached the bond conditions for outstanding agreements under this chapter as of the day prior to cancellation of the bond. The commissioner shall mail written notice by restricted certified mail to the purchaser under each outstanding purchase agreement of the seller that a claim against the bond must be filed with the surety company within sixty days after the mailing date of the notice. The surety shall cease to be liable for all purchase agreements except those for which claims are filed with the surety company within sixty days after the date the commissioner mails the notices.

3. If a surety bond is canceled by a surety under any conditions other than those specified in subsection 2, the seller shall comply with all of the following:

*a.* The seller shall comply with the trust requirements of section 523A.201 for all purchase agreements subject to this chapter executed on or after the effective date of cancellation of the surety bond. In the alternative, the seller may submit a substitute surety bond meeting the requirements of subsection 1, but the seller must comply with section 523A.201 for any purchase agreements executed on or after the effective cancellation date of the earlier surety bond and prior to the effective date of the later surety bond.

*b.* Within sixty days after the effective cancellation date of the surety bond, the seller shall submit to the commissioner an undertaking by another surety company that a substitute surety bond meeting the requirements of subsection 1 is in effect and that the liability of the substitute surety bond extends to all outstanding purchase agreements of the seller that were executed but not performed or extinguished prior to the effective date of the substitute surety bond, or the seller shall submit to the commissioner a financial statement accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state certifying the total amount of outstanding liabilities of the seller on purchase agreements subject to this chapter and proof of deposit by the seller in trust under section 523A.201 of either the amount specified in section 523A.201, including interest as set by the commissioner based on the interest which would have been earned had the funds been maintained in trust, with respect to all of those outstanding purchase agreements or, where applicable, that delivery of merchandise has been made in compliance with section 523A.404. The surety may require such security as is necessary to comply with this section. Upon compliance by the seller with this paragraph, the surety company canceling the surety bond shall cease to be liable with respect to any outstanding purchase agreements of the seller except those purchase agreements with respect to which a breach of condition occurred prior to cancellation and for which timely claims were filed.

4. Section 523A.202 and, to the extent it is applicable, section 523A.206, apply to sellers whose purchase agreements are covered by a surety bond maintained under this section, and section 523A.202 continues to apply to any purchase agreements of those sellers that are not covered by a surety bond maintained under this section.

5. Upon receiving a notice of cancellation of a surety bond, the commissioner shall notify the seller of the requirements of this chapter resulting from cancellation of the bond. The notice may be in the form of a copy of this section and sections 523A.201 and 523A.202.

6. Upon receiving a notice of cancellation, unless the seller has complied with the requirements of this section, the attorney general shall seek an injunction to prohibit the seller from making further purchase agreements subject to this chapter. The attorney general shall commence an action to attach and levy execution upon property of the seller when the seller fails to perform a purchase agreement subject to this chapter, to the extent necessary to secure compliance with this chapter. The county attorney may bring criminal charges under subchapter VII.

7. The surety under this section shall not be owned, under the control of, or affiliated with the seller.

8. The amount of the surety bond shall equal eighty percent of the payments received pursuant to guaranteed purchase agreements and one hundred percent of the payments received pursuant to nonguaranteed purchase agreements, or the applicable portion thereof, for cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, and the amount needed to adjust the amount of the surety bond for inflation as set by the

commissioner based on the consumer price index. The seller shall review the amount of the surety bond no less than annually and shall increase the bond as necessary to reflect additional payments. The amount needed to adjust for inflation shall be added annually to the surety bond during the first quarter of the seller's fiscal year.

9. With the consent of the purchaser, an existing prepaid purchase agreement with trust-funded benefits may be converted to a prepaid purchase agreement funded by a surety bond provided the seller and the surety bond comply with the following provisions:

*a.* The amount of the trust funds transferred to the surety company must be at least equal to the full sum required to be deposited as trust principal under the trust-funded prepaid purchase agreement plus all net earnings accumulated with respect thereto, as of the transfer date. Commissions, allowances, surrender charges or other forms of compensation or expense loads, premium expense, administrative charges or expenses, or fees shall not be deducted from the trust funds transferred pursuant to the conversion.

*b.* The face amount of the surety bond issued on an individual must be no less than the amount of principal and interest transferred for that individual to the surety company, and any supplemental surety bond issued to cover the unfunded portion of the purchase agreement must have a face amount that is at least as great as the unfunded principal balance. The face amount of the surety bond purchased shall not, under the circumstances, be less than the total of all payments made by the purchaser pursuant to the agreement plus all net earnings accumulated with respect thereto, as of the transfer date.

*c.* The seller shall maintain a copy of any prepaid trust-funded agreement that was converted to a prepaid purchase agreement funded by a surety bond and retain the payment history records for each converted purchase agreement prior to conversion until the cemetery merchandise, funeral merchandise, and funeral services have been delivered.

2001 Acts, ch 118, §32; 2001 Acts, ch 176, §74; 2007 Acts, ch 175, §63, 64; 2008 Acts, ch 1103, §4; 2008 Acts, ch 1123, §46; 2011 Acts, ch 62, §3

Referred to in §523A.807

## SUBCHAPTER V

## PRENEED SELLER AND SALES LICENSES

**523A.501 Preneed sellers — licenses.**

1. A person shall not advertise, sell, promote, or offer to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof when performance or delivery may be more than one hundred twenty days following the initial payment on the account without a preneed seller's license.

2. An application for a preneed seller's license shall be filed on a form prescribed by the commissioner and be accompanied by a fifty dollar filing fee.

3. *a.* The commissioner shall request and obtain, notwithstanding section 692.2, subsection 5, criminal history data for any director of, or person with a financial interest in, a preneed seller who is an applicant for an initial license issued pursuant to this section, an applicant for reinstatement of a license issued pursuant to this section, or a licensee who is being monitored as a result of an order of the commissioner or agreement resolving an administrative disciplinary action, for the purpose of evaluating the applicant's or licensee's eligibility for licensure or suitability for continued practice as a preneed seller, as required by the commissioner by rules adopted pursuant to chapter 17A. The commissioner may limit this requirement to those persons who have the ability to control or direct control of trust funds under this chapter. The commissioner shall inform an applicant or licensee to whom the criminal history requirement applies and obtain a signed waiver from the applicant or licensee prior to submitting a criminal history data request.

*b.* A request for criminal history data shall be submitted to the department of public safety, division of criminal investigation, pursuant to section 692.2, subsection 1. The commissioner may also require such applicants or licensees to provide a full set of fingerprints, in a form and

manner prescribed by the commissioner. Such fingerprints may be submitted to the federal bureau of investigation through the state criminal history repository for a national criminal history check. The commissioner may authorize alternate methods or sources for obtaining criminal history record information. The commissioner may, in addition to any other fees, charge and collect such amounts as may be incurred by the commissioner, the department of public safety, or the federal bureau of investigation in obtaining criminal history information. Amounts collected shall be considered repayment receipts as defined in section 8.2.

*c.* Criminal history information relating to an applicant or licensee obtained by the commissioner pursuant to this section is confidential. The commissioner may, however, use such information in a license denial proceeding.

4. The commissioner shall request and obtain a financial history for any director of, or person with a financial interest in, a preneed seller who is an applicant for an initial license issued pursuant to this section, an applicant for reinstatement of a license issued pursuant to this section, or a licensee who is being monitored as a result of an order of the commissioner or agreement resolving an administrative disciplinary action, for the purpose of evaluating the applicant's or licensee's eligibility for licensure or suitability for continued practice as a preneed seller, as required by the commissioner by rules adopted pursuant to chapter 17A. The commissioner may limit this requirement to those persons who have the ability to control or direct control of trust funds under this chapter. *"Financial history"* means the record of a person's current loans, the date of a person's loans, the amount of the loans, the person's payment record on the loans, current liens against the person's property, and the person's most recent financial statement setting forth the assets, liabilities, and the net worth of the person.

5. A preneed seller's license is not assignable or transferable. A licensee selling all or part of a business entity that has a preneed seller's license shall cancel the license, and the purchaser shall apply for a new license in the purchaser's name within thirty days of the sale.

6. If no denial order is in effect and no proceeding is pending under section 523A.503, the application becomes effective at noon of the thirtieth day after a completed application or an amendment completing the application is filed, unless waived by the applicant. The commissioner may specify an earlier effective date. Automatic effectiveness under this subsection shall not be deemed approval of the application. If the commissioner does not grant the license, the commissioner shall notify the person in writing of the reasons for the denial.

7. A preneed seller's license shall be renewed every four years by filing the form prescribed by the commissioner under subsection 2, accompanied by a renewal fee in an amount set by the commissioner by rule.

8. The commissioner may by rule create or accept a multijurisdiction preneed seller's license. If the preneed seller's license is issued by another jurisdiction, the rules shall require the filing of an application or notice form and payment of the applicable filing fee of fifty dollars for an application. The application or notice form utilized and the effective dates and terms of the license may vary from the provisions set forth in this section.

9. Fees collected under this section shall be deposited as provided in section 505.7.

2001 Acts, ch 118, §33; 2002 Acts, ch 1119, §82; 2004 Acts, ch 1104, §2; 2004 Acts, ch 1110, §66; 2007 Acts, ch 175, §16; 2008 Acts, ch 1103, §5, 6; 2008 Acts, ch 1123, §47, 48; 2009 Acts, ch 181, §92

Referred to in §523A.503, 523A.704, 523A.807

**523A.502 Sales agents — licenses.**

1. A person shall not advertise, sell, promote, or offer to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof when performance or delivery may be more than one hundred twenty days following initial payment on the account unless the person has a sales license and is a sales agent of a person holding a preneed seller's license. The preneed seller licensee is liable for the acts of its sales agents performed in advertising, selling, promoting, or offering to furnish, upon the future death of a person named or implied in a purchase agreement, cemetery merchandise, funeral merchandise, funeral services, or a combination thereof.

2. This chapter does not permit a person to practice mortuary science without a license. A person holding a current sales license may advertise, sell, promote, or offer to furnish a funeral director's services as an employee or agent of a funeral establishment furnishing the funeral services under chapter 156.

3. An application for a sales license shall be filed on a form prescribed by the commissioner and be accompanied by a filing fee in an amount set by the commissioner by rule. The fees collected under this subsection shall be deposited as provided in section 505.7.

4. *a.* The commissioner shall request and obtain, notwithstanding section 692.2, subsection 5, criminal history data for any applicant for an initial license issued pursuant to this section, any applicant for reinstatement of a license issued pursuant to this section, or any licensee who is being monitored as a result of an order of the commissioner or agreement resolving an administrative disciplinary action, for the purpose of evaluating the applicant's or licensee's eligibility for licensure or suitability for continued practice as a sales agent. The commissioner shall adopt rules pursuant to chapter 17A to implement this section. The commissioner shall inform the applicant or licensee of the criminal history requirement and obtain a signed waiver from the applicant or licensee prior to submitting a criminal history data request.

*b.* A request for criminal history data shall be submitted to the department of public safety, division of criminal investigation, pursuant to section 692.2, subsection 1. The commissioner may also require such applicants or licensees, to provide a full set of fingerprints, in a form and manner prescribed by the commissioner. Such fingerprints may be submitted to the federal bureau of investigation through the state criminal history repository for a national criminal history check. The commissioner may authorize alternate methods or sources for obtaining criminal history record information. The commissioner may, in addition to any other fees, charge and collect such amounts as may be incurred by the commissioner, the department of public safety, or the federal bureau of investigation in obtaining criminal history information. Amounts collected shall be considered repayment receipts as defined in section 8.2.

*c.* Criminal history information relating to an applicant or licensee obtained by the commissioner pursuant to this section is confidential. The commissioner may, however, use such information in a license denial proceeding.

5. A sales license shall be renewed every four years by filing the form prescribed by the commissioner under subsection 3, accompanied by a renewal fee in an amount set by the commissioner by rule.

6. A sales agent licensed pursuant to this section shall satisfactorily fulfill continuing education requirements for the license as prescribed by the commissioner by rule. However, this continuing education requirement is not applicable to a sales agent who is also a licensed insurance producer under chapter 522B or a licensed funeral director under chapter 156.

7. A sales licensee shall inform the commissioner of changes in the information required to be provided in the application within thirty days of the change.

8. A sales license is not assignable or transferable.

9. If no denial order is in effect and no proceeding is pending under section 523A.503, the application becomes effective at noon of the thirtieth day after a completed application or an amendment completing the application is filed, unless waived by the applicant. The commissioner may specify an earlier effective date. Automatic effectiveness under this subsection shall not be deemed approval of the application. If the commissioner does not grant the license, the commissioner shall notify the applicant in writing of the reasons for the denial.

10. The commissioner may by rule create or accept a multijurisdiction sales license. If the sales license is issued by another jurisdiction, the rules shall require the filing of an application or notice form and payment of the applicable filing fee. The application or notice form utilized and the effective dates and terms of the license may vary from the provisions set forth in subsections 3 and 5.

2001 Acts, ch 118, §34; 2002 Acts, ch 1119, §83; 2004 Acts, ch 1104, §3; 2007 Acts, ch 175, §17; 2008 Acts, ch 1103, §7; 2008 Acts, ch 1123, §49, 50; 2009 Acts, ch 181, §93

Referred to in §523A.503, 523A.504, 523A.704, 523A.807

**523A.502A Sales agent annual reporting requirements — penalty.**

1. A sales agent shall file with the commissioner not later than April 1 of each year an annual report on a form prescribed by the commissioner describing each purchase agreement sold by the sales agent during the year.

2. All records maintained by the commissioner under this section shall be confidential pursuant to section 22.7, subsection 58, and shall not be made available for inspection or copying except upon the approval of the commissioner or the attorney general.

3. The commissioner shall levy an administrative penalty in the amount of up to five hundred dollars against a sales agent who fails to file an annual report when due, payable to the state for deposit as provided in section 505.7. However, the commissioner may waive the administrative penalty upon a showing of good cause or financial hardship.

4. A sales agent who fails to file the annual report when due shall immediately cease soliciting or executing purchase agreements until the annual report is filed and any administrative penalty assessed has been paid.

2007 Acts, ch 175, §18; 2009 Acts, ch 102, §2, 3; 2009 Acts, ch 181, §94; 2010 Acts, ch 1121, §26

Referred to in §22.7

**523A.503 Denial, suspension, revocation, and surrender of licenses.**

1. The commissioner may, pursuant to chapter 17A, deny any license application, or immediately suspend, revoke, or otherwise impose disciplinary action related to any license issued under section 523A.501 or 523A.502 for several reasons, including but not limited to:

*a.* Committing a fraudulent act, engaging in a fraudulent practice, or violating any provision of this chapter or any implementing rule or order issued under this chapter.

*b.* Violating any other state or federal law applicable to the conduct of the applicant's or licensee's business.

*c.* Insolvency or financial condition.

*d.* The licensee, for the purpose of avoiding the trust requirement for funeral services, attributes amounts paid under the purchase agreement to cemetery merchandise or funeral merchandise that is delivered under section 523A.404 rather than to funeral services sold to the purchaser. The sale of funeral services at a lower price when the sale is made in conjunction with the sale of cemetery merchandise or funeral merchandise to be delivered under section 523A.404 than the services are regularly and customarily sold for when not sold in conjunction with cemetery merchandise or funeral merchandise is evidence that the licensee is acting with the purpose of avoiding the trust requirement for funeral services under section 523A.201.

*e.* Engaging in a deceptive act or practice or deliberately misrepresenting or omitting a material fact regarding the sale of cemetery merchandise, funeral merchandise, funeral services, or a combination thereof under this chapter.

*f.* Conviction of a criminal offense involving dishonesty or a false statement including but not limited to fraud, theft, misappropriation of funds, falsification of documents, deceptive acts or practices, or other related offenses.

*g.* Inability to provide the cemetery merchandise, funeral merchandise, funeral services, or a combination thereof which the applicant or licensee purports to sell.

*h.* The applicant or licensee sells the business without filing a prior notice of sale with the commissioner. The license shall be revoked thirty days following such sale.

*i.* Selling by a person who is not a licensed sales agent.

*j.* The applicant or licensee is named in an order issued pursuant to section 523A.807, subsection 3, paragraph "*b*".

2. The commissioner may, for good cause shown, suspend any license for a period not exceeding thirty days, pending investigation.

3. Except as provided in subsection 2, a license shall not be revoked, suspended, or otherwise be the subject of disciplinary action except after notice and hearing under chapter 17A.

4. Any licensee may surrender a license by delivering to the commissioner written notice

that the licensee surrenders the license, but the surrender shall not affect the licensee's civil or criminal liability for acts committed before the surrender.

5. Denial, revocation, suspension, or surrender of a license does not impair or affect the obligation of any preexisting lawful agreement between the licensee and any person.

2001 Acts, ch 118, §35; 2004 Acts, ch 1110, §68 – 70; 2007 Acts, ch 175, §19
Referred to in §523A.501, 523A.502

**523A.504 Appointment of sales agents — fee.**

1. A person shall not sell or offer to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof when performance or delivery may be more than one hundred twenty days following initial payment on the account except through a sales agent who holds a sales license issued pursuant to section 523A.502. If a person holding a preneed seller's license appoints a sales agent to act on behalf of the preneed seller, the person shall file a notice of such appointment with the commissioner within thirty days of the appointment, in a format approved by the commissioner, and annually thereafter.

2. A preneed seller shall pay an annual fee of five dollars for each sales agent appointed by the preneed seller, which fee shall be submitted with the annual report. Fees collected under this subsection shall be deposited as provided in section 505.7.

2007 Acts, ch 175, §20; 2009 Acts, ch 181, §95
Referred to in §523A.807

## SUBCHAPTER VI

## PURCHASE AGREEMENTS

**523A.601 Disclosures.**

1. A purchase agreement for cemetery merchandise, funeral merchandise, funeral services, or a combination thereof shall be written in clear, understandable language, and shall be printed or typed in an easy-to-read font, size, and style, and shall:

*a.* Identify the preneed seller by name and license number, the sales agent by name and license number, the purchaser, and the person for whom the cemetery merchandise, funeral merchandise, funeral services, or a combination thereof is purchased, if other than the purchaser.

*b.* Specify the cemetery merchandise, funeral merchandise, funeral services, or a combination thereof to be provided, and the cost of each merchandise item or service.

*c.* State clearly the conditions upon which substitution will be allowed.

*d.* State the total purchase price and the terms under which it is to be paid.

*e.* State clearly whether the purchase agreement is a guaranteed price agreement or a nonguaranteed price agreement. A nonguaranteed price agreement shall contain in twelve point boldface type an explanation of the consequences of such agreement in substantially the following language:

THE PRICES OF MERCHANDISE AND SERVICES UNDER THIS AGREEMENT ARE SUBJECT TO CHANGE IN THE FUTURE. ANY FUNDS PAID UNDER THIS AGREEMENT ARE ONLY A DEPOSIT TO BE APPLIED, TOGETHER WITH ACCRUED INCOME, TOWARD THE FINAL COSTS OF THE MERCHANDISE OR SERVICES AGREED UPON. ADDITIONAL CHARGES MAY BE INCURRED WHEN ADDITIONAL MERCHANDISE OR SERVICES OR BOTH ARE PROVIDED OR WHEN PRICES HAVE INCREASED MORE THAN ACCRUED INCOME.

*f.* State that the purchase of the cemetery merchandise, funeral merchandise, and funeral services is revocable and specify the damages for cancellation, if any.

*g.* State clearly who has the authority to cancel, amend, or revoke the purchase agreement to purchase cemetery merchandise, funeral merchandise, and funeral services.

*h.* State clearly that the purchaser is entitled to rescind the purchase agreement under terms and conditions specified by section 523A.602.

*i.* Include an explanation of regulatory oversight by the insurance division in twelve point boldface type, in substantially the following language:

THIS AGREEMENT IS SUBJECT TO RULES ADMINISTERED BY THE IOWA INSURANCE DIVISION. YOU MAY CALL THE INSURANCE DIVISION AT (TELEPHONE NUMBER). WRITTEN INQUIRIES OR COMPLAINTS SHOULD BE MAILED TO THE IOWA SECURITIES AND REGULATED INDUSTRIES BUREAU, (STREET ADDRESS), (CITY), IOWA (ZIP CODE).

2. A purchase agreement that is funded by a trust shall also:

*a.* State the percentage of money to be placed in trust.

*b.* Explain the disposition of the income generated from investments and include a statement of the purchaser's responsibility for income taxes owed on the income if applicable.

*c.* State that if, after all payments are made under the conditions and terms of the purchase agreement for cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, any funds remain in the nonguaranteed irrevocable burial trust fund, the seller shall disburse the remaining funds according to law.

*d.* State clearly the terms of the funeral and burial trust agreement and whether it is revocable or irrevocable.

*e.* State clearly that the purchaser is entitled to transfer the trust funding, insurance funding, or other trust assets or select another seller to receive the trust funding, insurance funding, or any other trust assets.

*f.* State clearly who has the authority to amend or revoke the trust agreement, if revocable, and who has the authority to appoint successor trustees if the purchase agreement is canceled.

3. The commissioner may adopt rules establishing disclosure and format requirements to promote consumer understanding of the merchandise and services purchased and the available funding mechanisms for a purchase agreement under this chapter.

4. A purchase agreement shall be signed by the purchaser, the seller, and if the agreement is for mortuary science services as mortuary science is defined in section 156.1, a person licensed to deliver funeral services.

5. The seller shall disclose the following information prior to accepting the initial payment under a purchase agreement:

*a.* The specific method or methods (trust deposits, certificates of deposit, life insurance or an annuity, a surety bond, or warehousing) that will be used to fund the purchase agreement.

*b.* The relationship between the soliciting agent or agents, the provider of the cemetery merchandise, funeral merchandise, or funeral services, or combination thereof, the commissioner, and any other person.

*c.* The relationship of the life insurance policy or other trust assets to the funding of the purchase agreement and the nature and existence of any guarantees regarding the purchase agreement.

*d.* The impact on the purchase agreement of the following:

(1) Changes in the funding, including but not limited to changes in the assignment, beneficiary designation, trustee, or use of proceeds.

(2) Any penalties to be incurred by the purchaser as a result of the failure to make any additional payments required.

(3) Penalties to be incurred upon cancellation.

*e.* A list of cemetery merchandise, funeral merchandise, and funeral services which are agreed upon under the purchase agreement and all relevant information concerning the price of the cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, including a statement that the purchase price is either guaranteed at the time of purchase or to be determined at the time of need.

*f.* All relevant information concerning what occurs and whether any entitlements or

obligations arise if there is a difference between the funding and the amount actually needed to fund the purchase agreement.

*g.* Any penalties or restrictions, including but not limited to geographic restrictions or the inability of the provider to perform, upon delivery of cemetery merchandise, funeral merchandise, or funeral services, or the purchase agreement guarantee.

*h.* If the funding is being transferred from another seller, any material facts related to the revocation of the prior purchase agreement and the transfer of the existing trust funds.

6. *a.* (1) A guaranteed purchase agreement that is funded by a trust shall include a conspicuous statement in language substantially similar to the following language:

For your prearranged funeral agreement, we will deposit not less than eighty percent of your payments in trust at (name of financial institution), (street address), (city), (state) (zip code) within fifteen days following receipt of the funds. For your protection, you will be notified within sixty days from the date of deposit by the financial institution, if acting as a trustee of trust funds under this chapter, to confirm that the deposit of these funds has been made establishing a trust fund as required by law. If you do not receive this notification, you may contact the Iowa insurance division for assistance by calling the insurance division at (telephone number) or by mail at (street address), (city), Iowa (zip code), or you may contact the financial institution by calling the financial institution at (telephone number) or by mail at the address indicated above.

(2) A nonguaranteed purchase agreement that is funded by a trust shall include a conspicuous statement in language substantially similar to the following language:

For your prearranged funeral agreement, we will deposit all of your payments in trust at (name of financial institution), (street address), (city), (state) (zip code) within fifteen days following receipt of the funds. For your protection, you will be notified within sixty days from the date of deposit by the financial institution, if acting as a trustee of trust funds under this chapter, to confirm that the deposit of these funds has been made establishing a trust fund as required by law. If you do not receive this notification, you may contact the Iowa insurance division for assistance by calling the insurance division at (telephone number) or by mail at (street address), (city), Iowa (zip code), or you may contact the financial institution by calling the financial institution at (telephone number) or by mail at the address indicated above.

*b.* A purchase agreement that is funded with an insurance policy or an annuity shall include a conspicuous statement in language substantially similar to the following language:

An (insurance policy or annuity) will be purchased from (name of issuer of the policy or annuity), (street address), (city), (state) (zip code). You should receive confirmation of the purchase of an insurance policy or certificate or an annuity within sixty days of making payment. Delivery of the actual insurance policy or certificate or annuity shall also constitute confirmation. For your protection, you have the right to confirm that the insurance policy or annuity is issued as required by law. If you do not receive confirmation that an insurance policy or certificate or an annuity has been purchased or receive the insurance policy or certificate or the annuity, you should report this fact to the Iowa insurance division by calling the insurance division at (telephone number). Written reports should be mailed to the Iowa insurance division at (street address), (city), Iowa (zip code).

*c.* A purchase agreement that is funded with a surety bond shall include a conspicuous statement in language substantially similar to the following language:

Coverage under a surety bond in the amount of $(amount) will be purchased from (name of issuer of surety bond), (street address), (city), (state) (zip code) to fund your purchase. If you pay pursuant to your purchase agreement with a single payment, you should receive confirmation of the purchase of a surety bond within sixty days of making the payment. If

you pay pursuant to your purchase agreement with multiple, periodic payments, you should receive confirmation of the purchase of a surety bond within sixty days of making the first payment and within sixty days of making the last payment pursuant to the agreement. For your protection, you have the right to confirm that the surety bond is issued as required by law. If you do not receive confirmation of coverage under a surety bond within sixty days of making the first payment and within sixty days of making the last payment, you should report this fact to the Iowa insurance division by calling the insurance division at (telephone number). Written reports should be mailed to the Iowa insurance division at (street address), (city), Iowa (zip code).

2001 Acts, ch 118, §36; 2002 Acts, ch 1119, §84; 2006 Acts, ch 1117, §116; 2007 Acts, ch 175, §21, 22, 65, 66; 2008 Acts, ch 1103, §8; 2008 Acts, ch 1191, §140; 2010 Acts, ch 1121, §27; 2011 Acts, ch 62, §4; 2013 Acts, ch 90, §157
Referred to in §523A.602
Subsection 1, paragraph i amended

**523A.602 Consumer recision, cancellation, and refund rights — purchase agreement compliance with other laws.**

1. A seller shall furnish the purchaser with a completed copy of a purchase agreement pertaining to the sale at the time the purchase agreement is signed. The seller shall comply with the following terms:

*a.* The same language shall be used in both the oral sales representation and the written purchase agreement.

*b.* The seller shall give notice in the purchase agreement of the purchaser's right to rescind after signing the purchase agreement. The recision period must be, but may be greater than, three business days after the date of the purchase agreement. The notice must:

(1) Be located close to the signature line.

(2) Be printed in twelve point boldface type.

(3) State in language that is substantially similar to the following language:

YOU, THE PURCHASER, HAVE THE RIGHT TO RESCIND THIS AGREEMENT AT ANY TIME PRIOR TO MIDNIGHT OF THE (INSERT RELEVANT NUMBER, NOT LESS THAN THREE) BUSINESS DAYS AFTER THE DATE OF THIS AGREEMENT.

*c.* All moneys shall be refunded without penalty within ten days after recision.

2. *Cancellation refund.*

*a.* A purchase agreement must include a statement that the purchaser has the right to cancel the agreement for the purchase of cemetery merchandise, funeral merchandise, and funeral services upon written demand and designate or appoint a trustee to hold, manage, invest, and distribute the trust assets.

*b.* (1) If a purchase agreement is canceled, a purchaser requests a transfer of the trust assets upon cancellation of a purchase agreement, or another seller provides merchandise or services designated in a purchase agreement, the seller shall refund or transfer within thirty days of receiving a written demand no less than the purchase price of the applicable cemetery merchandise, funeral merchandise, and funeral services adjusted for inflation, using the consumer price index amounts announced by the commissioner annually, less any actual expenses incurred by the seller pursuant to the purchase agreement as set forth in the purchase agreement under section 523A.601, subsection 1, paragraph "*f*". The amount of the actual expenses deducted by the seller shall not exceed ten percent of the purchase price of the applicable cemetery merchandise, funeral merchandise, and funeral services. The seller may also deduct the value of the cemetery merchandise, funeral merchandise, and funeral services already received by, delivered to, or warehoused for the purchaser.

(2) If a purchase agreement is canceled before the purchase price is paid in full, a purchaser requests a transfer of the trust assets upon cancellation of a purchase agreement before the purchase price is paid in full, or another seller provides cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, designated in a purchase

agreement before the purchase price is paid in full, the seller shall refund or transfer within thirty days of receiving a written demand no less than the amount paid by the purchaser, less any actual expenses incurred by the seller pursuant to the purchase agreement as set forth in the purchase agreement under section 523A.601, subsection 1, paragraph *"f"*. The amount of the actual expenses deducted by the seller shall not exceed ten percent of the total original purchase price of the applicable cemetery merchandise, funeral merchandise, funeral services, or a combination thereof. The seller may also deduct the value of the cemetery merchandise, funeral merchandise, and funeral services already received by, delivered to, or warehoused for the purchaser.

(3) For the purposes of this paragraph *"b"*, *"actual expenses"* means all reasonable business expenses of a seller that are associated with the sale of cemetery merchandise, funeral merchandise, funeral services, or a combination thereof. *"Actual expenses"* includes but is not limited to the following:

(a) Marketing and promotional expenses.

(b) Investment management fees.

(c) Annual reporting fees related to accounting and regulatory requirements.

(d) Licensing fees of the seller.

(e) Administration, regulatory reporting, and custody expenses related to purchase agreements.

(f) Computer and software expenses.

(g) Expenses related to employees of the seller such as licensing fees, continuing education, and salaries and commissions.

(h) Miscellaneous office expenses.

*c.* A purchase agreement must include a statement that the purchaser is entitled to a refund of the purchase price of the applicable funeral merchandise adjusted for inflation, using the consumer price index amounts announced by the commissioner annually for any item of funeral merchandise that cannot be delivered to the location specified in the purchase agreement within forty-eight hours of notice of the individual's death, unless the delay is caused by weather conditions or a natural disaster. The seller must return such refund to the purchaser within thirty days of receiving the written demand.

3. This section does not prohibit a purchaser who is or may become eligible for benefits under Tit. XIX of the federal Social Security Act from making a guaranteed price purchase agreement irrevocable to the extent that federal law or regulations require that such an agreement be irrevocable for purposes of a purchaser's eligibility for benefits under Tit. XIX of the federal Social Security Act, as permitted under federal law. The seller of credit sale agreements shall comply with the requirements of chapter 537, the Iowa consumer credit code, and is subject to the remedies and penalties provided in that chapter for noncompliance.

2001 Acts, ch 118, §37; 2003 Acts, ch 58, §1; 2006 Acts, ch 1117, §117; 2007 Acts, ch 175, §67 – 69; 2010 Acts, ch 1061, §180; 2013 Acts, ch 90, §158

Referred to in §523A.601

Subsection 1, paragraph b, subparagraph (3) amended

**523A.603 Security and notice requirements.**

1. If a purchase agreement is funded with an insurance policy or an annuity, the purchaser shall receive a notice thereof from the insurance company within sixty days of making payment. The notice shall include the name and address of the insurance company, the policy number of the insurance policy that secures the agreement, the name of the insured under the insurance policy or annuity, and the amount of the accumulated death benefit. Delivery of the insurance policy or certificate or annuity shall satisfy this notice requirement.

2. If a purchase agreement is funded by a surety bond, the purchaser shall receive a notice from the surety company that evidences coverage under the bond, the name of the purchaser or beneficiary, and the amount of coverage. If the purchase agreement is paid with a single payment, the purchaser shall receive notice of the surety bond within sixty days of making the payment. If the purchase agreement is being paid with multiple, periodic payments,

the purchaser shall receive notice of the surety bond within sixty days of making the first payment and within sixty days of making the last payment. Compliance with this notice requirement does not require a seller to purchase individual surety bonds for each purchaser and beneficiary. A seller may file a single bond with the commissioner.

2007 Acts, ch 175, §23; 2008 Acts, ch 1123, §51

**523A.604 Purchase agreements — numbering.**

Purchase agreements for cemetery merchandise, funeral merchandise, funeral services, or a combination thereof shall be sequentially numbered by each seller in compliance with procedures specified by the commissioner by rules adopted under chapter 17A.

2007 Acts, ch 175, §24

## SUBCHAPTER VII

## FRAUDULENT PRACTICES AND OTHER VIOLATIONS

Referred to in §523A.405

**523A.701 Misleading filings.**

It is unlawful for a person to make or cause to be made, in any document filed with the commissioner or in any proceeding under this chapter, any statement of material fact which is, at the time and in the light of the circumstances under which it is made, false or misleading, or in connection with such statement, to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

2001 Acts, ch 118, §38

**523A.702 Misrepresentations of government approval.**

It is unlawful for a seller under this chapter to represent or imply in any manner that the seller has been sponsored, recommended, or approved, or that the seller's abilities or qualifications have in any respect been passed upon, by the commissioner.

2001 Acts, ch 118, §39

**523A.703 Fraudulent practices.**

Except as otherwise provided in section 523A.704, a person who willfully commits any of the following acts commits a fraudulent practice and is punishable as provided in chapter 714:

1. Fails to comply with any requirement of this chapter, or any rule adopted or order issued under this chapter.

2. Makes, causes to be made, or subscribes to a false statement or representation in a report or other document required under this chapter, implementing rules, or orders, or renders such a report or document misleading through the deliberate omission of information properly belonging in the report or document.

3. In connection with the sale of cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, directly or indirectly makes an untrue statement of a material fact or omits to state a material fact that is necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

4. Unless the purchase agreement expressly provides otherwise, excludes in the sale of cemetery merchandise, funeral merchandise, or a combination thereof, funeral services that are necessary for the delivery, use, or installation of the cemetery merchandise or funeral merchandise at the time of the burial or funeral.

2001 Acts, ch 118, §40; 2007 Acts, ch 175, §25

**523A.704 Violations.**

A person who willfully violates section 523A.501, subsection 1, or section 523A.502, subsection 1, is guilty of a class "D" felony.

2007 Acts, ch 175, §26

Referred to in §523A.703

SUBCHAPTER VIII

ADMINISTRATION AND ENFORCEMENT

**523A.801 Administration.**

1. This chapter shall be administered by the commissioner. The commissioner may employ officers, attorneys, accountants, and other employees as needed for administering this chapter.

2. It is unlawful for the commissioner or any administrative staff to use for personal benefit any information which is filed with or obtained by the commissioner and which is not made public. This chapter does not authorize the commissioner or any such staff member to disclose any such information except among themselves or to other cemetery and funeral administrators, regulatory authorities, or governmental agencies, or when necessary and appropriate in a proceeding or investigation under this chapter or as required by chapter 22. This chapter neither creates nor derogates any privileges that exist at common law or otherwise when documentary or other evidence is sought under a subpoena directed to the commissioner or any administrative staff.

3. The commissioner shall submit an annual report to the general assembly's standing committees on government oversight by October 1 of each year reporting on the administration of this chapter. The report shall set forth any recommendations for changes in the law that the commissioner deems necessary or desirable to prevent abuses or evasions of this chapter or rules implementing this chapter or to rectify undesirable conditions in connection with the administration of this chapter or rules implementing this chapter.

2001 Acts, ch 118, §41; 2007 Acts, ch 175, §27, 28; 2009 Acts, ch 86, §5

**523A.802 Scope.**

1. This chapter applies to any advertisement, sale, promotion, or offer made by a person to furnish, upon the future death of a person named or implied in a purchase agreement, cemetery merchandise, funeral merchandise, funeral services, or a combination thereof. Burial accounts and insurance policies are included if the account records or related documents identify the seller that will provide the cemetery merchandise, funeral merchandise, funeral services, or a combination thereof.

2. This chapter applies when a purchase agreement is executed within this state or an advertisement, promotion, or offer to furnish is made or accepted within this state. An offer to furnish is made within this state, whether or not either party is then present in this state, when the offer originates from this state or is directed by the offeror to this state and received by the offeree in this state through the mail, over the telephone, by the internet, or through any other means of commerce.

3. If a foreign person does not have a registered agent or agents in the state of Iowa, doing business within this state shall constitute the person's appointment of the secretary of state of the state of Iowa to be its true and lawful attorney upon whom may be served all lawful process of original notice in actions or proceedings arising or growing out of any contract or tort.

2001 Acts, ch 118, §42; 2007 Acts, ch 175, §70

**523A.803 Investigations and subpoenas.**

1. The commissioner may, for the purpose of discovering violations of this chapter, implementing rules, or orders issued under this chapter:

*a.* Make such public or private investigations within or outside of this state as the

commissioner deems necessary to determine whether any person has violated or is about to violate this chapter, implementing rules, or orders issued under this chapter, or to aid in enforcement of this chapter or in the prescribing of rules and forms under this chapter.

*b.* Require or permit any person to file a statement in writing, under oath or otherwise as the commissioner or attorney general determines, as to all the facts and circumstances concerning the matter to be investigated.

*c.* Notwithstanding chapter 22, keep confidential the information obtained in the course of an investigation. However, if the commissioner determines that it is necessary or appropriate in the public interest or for the protection of the public, the commissioner may share information with other administrators, regulatory authorities, or governmental agencies, or may publish information concerning a violation of this chapter, implementing rules, or orders issued under this chapter.

*d.* Investigate the seller and examine the books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records used by every applicant and licensee under this chapter.

*e.* Administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records which the commissioner deems relevant or material to any investigation or proceeding under this chapter and implementing rules, all of which may be enforced under chapter 17A.

*f.* Apply to the district court for an order requiring a person's appearance before the commissioner or attorney general, or a designee of either or both, in cases where the person has refused to obey a subpoena issued by the commissioner or attorney general. The person may also be required to produce documentary evidence germane to the subject of the investigation. Failure to obey a court order under this subsection constitutes contempt of court.

2. The commissioner may issue and bring an action in district court to enforce subpoenas within this state at the request of an agency or administrator of another state, if the activity constituting an alleged violation for which the information is sought would be a violation of this chapter had the activity occurred in this state.

2001 Acts, ch 118, §43; 2007 Acts, ch 175, §71

**523A.804 Mediation.**

1. The commissioner may order a seller to participate in mediation in any dispute regarding a purchase agreement. Mediation performed under this section shall be conducted by a mediator appointed by the commissioner and shall comply with the provisions of chapter 679C.

2. Mediation of these disputes shall include attendance at a mediation session with the mediator and the parties to the dispute, listening to the mediator's explanation of the mediation process, presentation of one party's view of the dispute, and listening to the response of the other party. Participation in mediation does not require that the parties reach a mediation agreement.

3. Parties to the mediation shall have the right to advice and presence of counsel at all times. The parties to the mediation shall present any mediation agreement reached through the mediation to the commissioner. If a mediation agreement is not reached, the mediator shall file a report with the commissioner. The costs of the mediation shall be approved by the commissioner and shall be borne by the insurance division's regulatory fund.

2001 Acts, ch 118, §44; 2007 Acts, ch 175, §72

**523A.805 Cease and desist orders — injunctions.**

If it appears to the commissioner that a person has engaged or is about to engage in an act or practice constituting a violation of this chapter, implementing rules, or orders issued under this chapter, the commissioner or the attorney general may do either or both of the following:

1. Issue a summary order directed at the person requiring the person to cease and desist from engaging in such act or practice. A person may request a hearing within thirty days of

issuance of the summary order. If a hearing is not timely requested, the summary order shall become final by operation of law. The order shall remain effective from the date of issuance until the date the order becomes final by operation of law or is overturned by a presiding officer following a request for hearing. Section 17A.18A is inapplicable to summary cease and desist orders issued under this section.

2. Bring an action in the district court in any county of the state for an injunction to restrain a person subject to this chapter and any agents, employees, or associates of the person from engaging in conduct or practices deemed contrary to the public interest. In any proceeding for an injunction, the commissioner or attorney general may apply to the court for a subpoena to require the appearance of a defendant and the defendant's agents and for any books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records germane to the hearing upon the petition for an injunction. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted and a receiver may be appointed for the defendant or the defendant's assets. The commissioner or attorney general shall not be required to post a bond.

2001 Acts, ch 118, §45

**523A.806 Court action for failure to cooperate.**

1. If a person fails or refuses to file any statement or report or to produce any books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records, or to obey any subpoena issued by the commissioner, the commissioner may refer the matter to the attorney general, who may apply to a district court to enforce compliance. The court may order any or all of the following:

*a.* Injunctive relief, restricting or prohibiting the offer or sale of cemetery merchandise, funeral merchandise, funeral services, or a combination thereof.

*b.* Revocation or suspension of any license issued under this chapter.

*c.* Production of documents or records including but not limited to books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records.

*d.* Such other relief as may be required.

2. Such an order shall be effective until the person files the statement or report or produces the documents requested, or obeys the subpoena.

2001 Acts, ch 118, §46; 2007 Acts, ch 175, §73

**523A.807 Prosecution for violations of law.**

1. A violation of this chapter or rules adopted or orders issued under this chapter is a violation of section 714.16, subsection 2, paragraph "*a*". The remedies and penalties provided by section 714.16, including but not limited to injunctive relief and penalties, apply to violations of this chapter.

2. If the commissioner believes that grounds exist for the criminal prosecution of persons subject to this chapter for violations of this chapter or any other law of this state, the commissioner may forward to the attorney general or the county attorney the grounds for the belief, including all evidence in the commissioner's possession, so that the attorney general or the county attorney may proceed with the matter as deemed appropriate.

3. If the commissioner finds that a person has violated section 523A.201, 523A.202, 523A.203, 523A.207, 523A.401, 523A.402, 523A.403, 523A.404, 523A.405, 523A.501, 523A.502, or 523A.504 or any rule adopted pursuant thereto, the commissioner may order any or all of the following:

*a.* Payment of a civil penalty of not more than one thousand dollars for each violation, but not exceeding an aggregate of ten thousand dollars during any six-month period, except that if the commissioner finds that the person knew or reasonably should have known that the person was in violation of such provisions or rules adopted pursuant thereto, the penalty shall be not more than five thousand dollars for each violation, but not exceeding an aggregate of fifty thousand dollars during any six-month period. The commissioner shall assess the penalty on the employer of an individual and not on the individual, if

the commissioner finds that the violations committed by the individual were directed, encouraged, condoned, ignored, or ratified by the individual's employer. Any civil penalties collected under this subsection shall be deposited as provided in section 505.7.

*b.* Issuance of an order prohibiting the person committing a violation from selling funeral merchandise, cemetery merchandise, funeral services, or a combination thereof, and from managing, operating, or otherwise exercising control over any business entity that is subject to regulation under this chapter or chapter 523I. A person who has been named in such an order may contest the order by filing a request for a contested case proceeding as provided in chapter 17A and in accordance with rules adopted by the commissioner. The commissioner may, pursuant to chapter 17A, deny any application filed under section 523A.501 or 523A.502 if the applicant, or an officer, director, or owner of the applicant, is named in a final order issued pursuant to this subsection.

4. The commissioner shall post on the internet site of the division of insurance of the department of commerce a list of all persons licensed under this chapter and an index of orders issued by the commissioner pertaining to such persons.

2001 Acts, ch 118, §47; 2007 Acts, ch 175, §29; 2008 Acts, ch 1123, §52; 2009 Acts, ch 181, §96; 2010 Acts, ch 1121, §28; 2013 Acts, ch 90, §257

Referred to in §523A.503

Code editor directive applied

**523A.808 Cooperation with other agencies.**

1. To encourage uniform interpretation and administration of this chapter and effective regulation of the sale of cemetery merchandise, funeral merchandise, and funeral services, the commissioner may cooperate with any governmental law enforcement or regulatory agency.

2. This cooperation includes but is not limited to:

*a.* Making a joint examination or investigation.

*b.* Holding a joint administrative hearing.

*c.* Filing and prosecuting a joint civil or administrative proceeding.

*d.* Sharing and exchanging personnel.

*e.* Sharing and exchanging relevant information and documents.

*f.* Formulating, in accordance with chapter 17A, rules or proposed rules on matters such as statements of policy, regulatory standards, guidelines, and interpretive opinions.

2001 Acts, ch 118, §48

**523A.809 Rules, forms, and orders.**

1. Under chapter 17A, the commissioner may from time to time make, amend, and rescind such rules, forms, and orders as are necessary or appropriate for the protection of purchasers and the public and to administer the provisions of this chapter, its implementing rules, and orders issued under this chapter.

2. A rule, form, or order shall not be made, amended, or rescinded unless the commissioner finds that the action is necessary or appropriate in the public interest or for the protection of purchasers and consistent with the purposes fairly intended by the policies and provisions of this chapter, its implementing rules, and orders issued under this chapter.

3. A provision of this chapter imposing any liability does not apply to any act done or omitted in good faith in conformity with any rule, form, or order of the commissioner, notwithstanding that the rule, form, or order may later be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

2001 Acts, ch 118, §49

**523A.810 Date of filing — interpretive opinions.**

1. A document is filed when it is received by the commissioner.

2. Requests for interpretive opinions may be granted in the commissioner's discretion.

2001 Acts, ch 118, §50

**523A.810A Electronic filing.**

The commissioner shall, by rule, develop a system and procedures and a format for electronic filing of documents required to be filed with the commissioner under this chapter.

2008 Acts, ch 1103, §9

**523A.811 Receiverships.**

1. The commissioner shall notify the attorney general of the potential need for establishment of a receivership if the commissioner finds that a seller subject to this chapter meets one or more of the following conditions:

*a.* Is insolvent.

*b.* Has utilized trust funds for personal or business purposes in a manner inconsistent with this chapter.

*c.* The amount of funds currently held in trust for cemetery merchandise, funeral merchandise, and funeral services is less than the amount required in section 523A.201, subsection 2 or 3, as applicable.

*d.* Has refused to pay any just claim or demand based on a purchase agreement referred to in section 523A.201.

*e.* The commissioner finds upon investigation that a seller is unable to pay any claim or demand based on a purchase agreement which has been legally determined to be just and outstanding.

*f.* A receivership has been established for a cemetery subject to chapter 523I that is owned or operated by a seller who is subject to this chapter.

2. The commissioner or attorney general may apply to the district court in any county of the state for the establishment of a receivership. Upon proof of any of the grounds for a receivership described in this section, the court may grant a receivership.

3. If a seller who is subject to this chapter owns or operates a cemetery subject to chapter 523I, for which a receivership has been established, the receivership provisions of section 523I.212 shall apply to any receivership established under this section.

2001 Acts, ch 118, §51; 2007 Acts, ch 175, §30, 31; 2008 Acts, ch 1103, §10

Referred to in §523A.812

**523A.812 Insurance division regulatory fund.**

The insurance division may authorize the creation of a special revenue fund in the state treasury, to be known as the insurance division regulatory fund. The commissioner shall allocate annually from the fees paid pursuant to section 523A.204, two dollars for each purchase agreement reported on a preneed seller's annual report filed pursuant to section 523A.204 for deposit to the regulatory fund. The remainder of the fees collected pursuant to section 523A.204 shall be deposited as provided in section 505.7. The commissioner shall also allocate annually the examination fees paid pursuant to section 523A.814 and any examination expense reimbursement for deposit to the regulatory fund. The moneys in the regulatory fund shall be retained in the fund. The moneys are appropriated and, subject to authorization by the commissioner, may be used to pay examiners, examination expenses, investigative expenses, the expenses of mediation ordered by the commissioner, consumer education expenses, the expenses of a toll-free telephone line to receive consumer complaints, and the expenses of receiverships established under section 523A.811. If the commissioner determines that funding is not otherwise available to reimburse the expenses of a person who receives title to a cemetery subject to chapter 523I, pursuant to such a receivership, the commissioner shall use moneys in the regulatory fund as necessary to preserve, protect, restore, and maintain the physical integrity of that cemetery and to satisfy claims or demands for cemetery merchandise, funeral merchandise, and funeral services based on purchase agreements which the commissioner determines are just and outstanding. An annual allocation to the regulatory fund shall not be imposed if the current balance of the fund exceeds five hundred thousand dollars.

2001 Acts, ch 118, §52; 2005 Acts, ch 128, §4; 2007 Acts, ch 175, §32; 2009 Acts, ch 181, §97

**523A.813 License revocation — recommendation by commissioner to board of mortuary science.**

Upon a determination by the commissioner that grounds exist for an administrative license revocation or suspension action by the board of mortuary science under chapter 156, the commissioner may forward to the board the grounds for the determination, including all evidence in the possession of the commissioner, so that the board may proceed with the matter as deemed appropriate.

2001 Acts, ch 118, §53; 2007 Acts, ch 10, §178

**523A.814 Examination fee.**

In addition to the filing fee paid pursuant to section 523A.204, subsection 2, a seller filing an annual report shall pay an examination fee in the amount of five dollars for each purchase agreement subject to a filing fee that is sold between July 1, 2005, and December 31, 2007, and in the amount of ten dollars for each purchase agreement subject to a filing fee that is sold after December 31, 2007.

2005 Acts, ch 128, §5; 2007 Acts, ch 175, §33

Referred to in §523A.812

## SUBCHAPTER IX

## LIQUIDATION PROCEDURES

**523A.901 Liquidation.**

1. *Grounds for liquidation.* The commissioner may petition the district court for an order directing the commissioner to liquidate the business of a seller on either of the following grounds:

*a.* The seller did not deposit funds pursuant to section 523A.201 or withdrew funds in a manner inconsistent with this chapter and is insolvent.

*b.* The seller did not deposit funds pursuant to section 523A.201 or withdrew funds in a manner inconsistent with this chapter and the condition of the seller is such that further transaction of business would be hazardous, financially or otherwise, to purchasers or the public.

2. *Liquidation order.*

*a.* An order to liquidate the business of a seller shall appoint the commissioner as liquidator and shall direct the liquidator to immediately take possession of the assets of the seller and to administer them under the general supervision of the court. The liquidator is vested with the title to the property, contracts, and rights of action and the books and records of the seller ordered liquidated, wherever located, as of the entry of the final order of liquidation. The filing or recording of the order with the clerk of court and the recorder of deeds of the county in which its principal office or place of business is located, or in the case of real estate, with the recorder of deeds of the county where the property is located, is notice as a deed, bill of sale, or other evidence of title duly filed or recorded with the recorder of deeds.

*b.* Upon issuance of an order, the rights and liabilities of a seller and of the seller's creditors, purchasers, owners, and other persons interested in the seller's estate shall become fixed as of the date of the entry of the order of liquidation, except as provided in subsection 14.

*c.* At the time of petitioning for an order of liquidation, or at any time after the time of petitioning, the commissioner, after making appropriate findings of a seller's insolvency, may petition the court for a declaration of insolvency. After providing notice and hearing as it deems proper, the court may make the declaration.

*d.* An order issued under this section shall require accounting to the court by the liquidator. Accountings, at a minimum, must include all funds received or disbursed by the liquidator during the current period. An accounting shall be filed within one year of the liquidation order and at such other times as the court may require.

*e.* Within five days after the initiation of an appeal of an order of liquidation, which order has not been stayed, the commissioner shall present for the court's approval a plan for the continued performance of the seller's obligations during the pendency of an appeal. The plan shall provide for the continued performance of purchase agreements in the normal course of events, notwithstanding the grounds alleged in support of the order of liquidation including the ground of insolvency. If the defendant seller's financial condition, in the judgment of the commissioner, will not support the full performance of all obligations during the appeal pendency period, the plan may prefer the claims of certain purchasers and claimants over creditors and interested parties as well as other purchasers and claimants, as the commissioner finds to be fair and equitable considering the relative circumstances of such purchasers and claimants. The court shall examine the plan submitted by the commissioner and if it finds the plan to be in the best interests of the parties, the court shall approve the plan. An action shall not lie against the commissioner or any of the commissioner's deputies, agents, clerks, assistants, or attorneys by any party based on preference in an appeal pendency plan approved by the court.

3. *Powers of liquidator.*

*a.* The liquidator may do any of the following:

(1) Appoint a special deputy to act for the liquidator under this chapter and determine the special deputy's reasonable compensation. The special deputy shall have all the powers of the liquidator granted by this section. The special deputy shall serve at the pleasure of the liquidator.

(2) Hire employees and agents, legal counsel, accountants, appraisers, consultants, and other personnel as the commissioner may deem necessary to assist in the liquidation.

(3) With the approval of the court, fix reasonable compensation of employees and agents, legal counsel, accountants, appraisers, and consultants.

(4) Pay reasonable compensation to persons appointed and defray from the funds or assets of the seller all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of the seller. If the property of the seller does not contain sufficient cash or liquid assets to defray the costs incurred, the commissioner may advance the costs so incurred out of the insurance division regulatory fund. Amounts so advanced for expenses of administration shall be repaid to the insurance division regulatory fund for the use of the division out of the first available moneys of the seller.

(5) Hold hearings, subpoena witnesses and compel their attendance, administer oaths, examine a person under oath, and compel a person to subscribe to the person's testimony after it has been correctly reduced to writing, and in connection to the proceedings require the production of books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records which the liquidator deems relevant to the inquiry.

(6) Collect debts and moneys due and claims belonging to the seller, wherever located. Pursuant to this subparagraph, the liquidator may do any of the following:

(a) Institute timely action in other jurisdictions to forestall garnishment and attachment proceedings against debts.

(b) Perform acts as are necessary or expedient to collect, conserve, or protect its assets or property, including the power to sell, compound, compromise, or assign debts for purposes of collection upon terms and conditions as the liquidator deems best.

(c) Pursue any creditor's remedies available to enforce claims.

(7) Conduct public and private sales of the property of the seller.

(8) Use assets of the seller under a liquidation order to transfer obligations of purchase agreements to a solvent seller, if the transfer can be accomplished without prejudice to the applicable priorities under subsection 18.

(9) Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with property of the seller at its market value or upon terms and conditions as are fair and reasonable. The liquidator shall also have power to execute, acknowledge, and deliver deeds, assignments, releases, and other instruments necessary to effectuate a sale of property or other transaction in connection with the liquidation.

(10) Borrow money on the security of the seller's assets or without security and

execute and deliver documents necessary to that transaction for the purpose of facilitating the liquidation. Money borrowed pursuant to this subparagraph shall be repaid as an administrative expense and shall have priority over any other class 1 claims under the priority of distribution established in subsection 18.

(11) Enter into contracts as necessary to carry out the order to liquidate and affirm or disavow contracts to which the seller is a party.

(12) Continue to prosecute and to institute in the name of the seller or in the liquidator's own name any and all suits and other legal proceedings, in this state or elsewhere, and to abandon the prosecution of claims the liquidator deems unprofitable to pursue further.

(13) Prosecute an action on behalf of the creditors, purchasers, or owners against an officer of the seller or any other person.

(14) Remove records and property of the seller to the offices of the commissioner or to other places as may be convenient for the purposes of efficient and orderly execution of the liquidation.

(15) Deposit in one or more banks in this state sums as are required for meeting current administration expenses and distributions.

(16) Unless the court orders otherwise, invest funds not currently needed.

(17) File necessary documents for recording in the office of the recorder of deeds or record office in this state or elsewhere where property of the seller is located.

(18) Assert defenses available to the seller against third persons including statutes of limitations, statutes of fraud, and the defense of usury. A waiver of a defense by the seller after a petition in liquidation has been filed shall not bind the liquidator.

(19) Exercise and enforce the rights, remedies, and powers of a creditor, purchaser, or owner, including the power to avoid transfer or lien that may be given by the general law and that is not included within subsections 7 through 9.

(20) Intervene in a proceeding wherever instituted that might lead to the appointment of a receiver or trustee, and act as the receiver or trustee whenever the appointment is offered.

(21) Exercise powers now held or later conferred upon receivers by the laws of this state which are not inconsistent with this chapter.

*b.* This subsection does not limit the liquidator or exclude the liquidator from exercising a power not listed in paragraph *"a"* that may be necessary or appropriate to accomplish the purposes of this chapter.

4. *Notice to creditors and others.*

*a.* Unless the court otherwise directs, the liquidator shall give notice of the liquidation order as soon as possible by doing both of the following:

(1) Mailing notice, by first-class mail, to all persons known or reasonably expected to have claims against the seller, including purchasers, at their last known address as indicated by the records of the seller.

(2) Publication of notice in a newspaper of general circulation in the county in which the seller has its principal place of business and in other locations as the liquidator deems appropriate.

*b.* Notice to potential claimants under paragraph *"a"* shall require claimants to file with the liquidator their claims together with proper proofs of the claim under subsection 13 on or before a date the liquidator shall specify in the notice. Claimants shall keep the liquidator informed of their changes of address, if any.

*c.* If notice is given pursuant to this subsection, the distribution of assets of the seller under this chapter shall be conclusive with respect to claimants, whether or not a claimant actually received notice.

5. *Actions by and against liquidator.*

*a.* After issuance of an order appointing a liquidator of the business of a seller, an action at law or equity shall not be brought against the seller within this state or elsewhere, and existing actions shall not be maintained or further presented after issuance of the order. Whenever in the liquidator's judgment, protection of the estate of the seller necessitates intervention in an action against the seller that is pending outside this state, the liquidator may intervene in the action. The liquidator may defend, at the expense of the estate of the seller, an action in which the liquidator intervenes under this section.

*b.* Within two years or such additional time as applicable law may permit, the liquidator, after the issuance of an order for liquidation, may institute an action or proceeding on behalf of the estate of the seller upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the petition upon which the order is entered. If a period of limitation is fixed by agreement for instituting a suit or proceeding upon a claim, or for filing a claim, proof of claim, proof of loss, demand, notice, or the like, or if in a proceeding, judicial or otherwise, a period of limitation is fixed in the proceeding or pursuant to applicable law for taking an action, filing a claim or pleading, or doing an act, and if the period has not expired at the date of the filing of the petition, the liquidator may, for the benefit of the estate, take any action or do any act, required of or permitted to the seller, within a period of one hundred eighty days subsequent to the entry of an order for liquidation, or within a further period as is shown to the satisfaction of the court not to be unfairly prejudicial to the other party.

*c.* A statute of limitations or defense of laches shall not run with respect to an action against a seller between the filing of a petition for liquidation against the business of a seller and the denial of the petition. An action against the seller that might have been commenced when the petition was filed may be commenced within sixty days after the petition is denied.

6. *Collection and list of assets.*

*a.* As soon as practicable after the liquidation order but not later than one hundred twenty days after such order, the liquidator shall prepare in duplicate a list of the seller's assets. The list shall be amended or supplemented as the liquidator may determine. One copy shall be filed in the office of the clerk of court, and one copy shall be retained for the liquidator's files. Amendments and supplements shall be similarly filed.

*b.* The liquidator shall reduce the assets to a degree of liquidity that is consistent with the effective execution of the liquidation.

*c.* A submission of a proposal to the court for distribution of assets in accordance with subsection 11 fulfills the requirements of paragraph *"a"*.

7. *Fraudulent transfers prior to petition.*

*a.* A transfer made and an obligation incurred by a seller whose business is within one year prior to the filing of a successful petition for liquidation under this chapter is fraudulent as to then existing and future creditors if made or incurred without fair consideration, or with actual intent to hinder, delay, or defraud either existing or future creditors. A fraudulent transfer made or an obligation incurred by a seller whose business is ordered to be liquidated under this chapter may be avoided by the liquidator, except as to a person who in good faith is a purchaser, lienor, or obligee for a present fair equivalent value. A purchaser, lienor, or obligee, who in good faith has given a consideration less than present fair equivalent value for such transfer, lien, or obligation, may retain the property, lien, or obligation as security for repayment. The court may, on due notice, order any such transfer, lien, or obligation to be preserved for the benefit of the estate, and in that event, the receiver shall succeed to and may enforce the rights of the purchaser, lienor, or obligee.

*b.* (1) A transfer of property other than real property is made when it becomes perfected so that a subsequent lien obtainable by legal or equitable proceedings on a simple contract could not become superior to the rights of the transferee under subsection 9, paragraph "*c*".

(2) A transfer of real property is made when it becomes perfected so that a subsequent bona fide purchaser from the seller could not obtain rights superior to the rights of the transferee.

(3) A transfer which creates an equitable lien is not perfected if there are available means by which a legal lien could be perfected.

(4) A transfer not perfected prior to the filing of a petition for liquidation is deemed to be made immediately before the filing of the successful petition.

(5) This subsection applies whether or not there are or were creditors who might have obtained a lien or persons who might have become bona fide purchasers.

8. *Fraudulent transfer after petition.*

*a.* After a petition for liquidation has been filed, a transfer of real property of the seller made to a person acting in good faith is valid against the liquidator if made for a present fair equivalent value. If the transfer is not made for a present fair equivalent value, then the

transfer is valid to the extent of the present consideration actually paid for which amount the transferee shall have a lien on the property transferred. The commencement of a proceeding in liquidation is constructive notice upon the recording of a copy of the petition for or order of liquidation with the recorder of deeds in the county where any real property in question is located. The exercise by a court of the United States or a state or jurisdiction to authorize a judicial sale of real property of the seller within a county in a state shall not be impaired by the pendency of a proceeding unless the copy is recorded in the county prior to the consummation of the judicial sale.

*b.* After a petition for liquidation has been filed and before either the liquidator takes possession of the property of the seller or an order of liquidation is granted:

(1) A transfer of the property, other than real property, of the seller made to a person acting in good faith is valid against the liquidator if made for a present fair equivalent value. If the transfer was not made for a present fair equivalent value, then the transfer is valid to the extent of the present consideration actually paid for which amount the transferee shall have a lien on the property transferred.

(2) If acting in good faith, a person indebted to the seller or holding property of the seller may pay the debt or deliver the property, or any part of the property, to the seller or upon the seller's order as if the petition were not pending.

(3) A person having actual knowledge of the pending liquidation is not acting in good faith.

(4) A person asserting the validity of a transfer under this subsection has the burden of proof. Except as provided in this subsection, a transfer by or on behalf of the seller after the date of the petition for liquidation by any person other than the liquidator is not valid against the liquidator.

*c.* A person receiving any property from the seller or any benefit of the property of the seller which is a fraudulent transfer under paragraph *"a"* is personally liable for the property or benefit and shall account to the liquidator.

*d.* This chapter does not impair the negotiability of currency or negotiable instruments.

9. *Voidable preferences and liens.*

*a.* (1) A preference is a transfer of the property of a seller to or for the benefit of a creditor for an antecedent debt made or suffered by the seller within one year before the filing of a successful petition for liquidation under this chapter, the effect of which transfer may be to enable the creditor to obtain a greater percentage of this debt than another creditor of the same class would receive. If a liquidation order is entered while the seller is already subject to a receivership, then the transfers are preferences if made or suffered within one year before the filing of the successful petition for the receivership, or within two years before the filing of the successful petition for liquidation, whichever time is shorter.

(2) A preference may be avoided by the liquidator if any of the following exist:

(a) The seller was insolvent at the time of the transfer.

(b) The transfer was made within four months before the filing of the petition.

(c) At the time the transfer was made, the creditor receiving it or to be benefited by the transfer or the creditor's agent acting with reference to the transfer had reasonable cause to believe that the seller was insolvent or was about to become insolvent.

(d) The creditor receiving the transfer was an officer, or an employee, attorney, or other person who was in fact in a position of comparable influence in the business of the seller to an officer whether or not the person held the position of an officer, owner, or other person, firm, corporation, association, or aggregation of persons with whom the seller did not deal at arm's length.

(3) Where the preference is voidable, the liquidator may recover the property. If the property has been converted, the liquidator may recover its value from a person who has received or converted the property. However, if a bona fide purchaser or lienor has given less than the present fair equivalent value, the purchaser or lienor shall have a lien upon the property to the extent of the consideration actually given. Where a preference by way of lien or security interest is voidable, the court may on due notice order the lien or security interest to be preserved for the benefit of the estate, in which event the lien or title shall pass to the liquidator.

*b.* (1) A transfer of property other than real property is made when it becomes perfected so that a subsequent lien obtainable by legal or equitable proceedings on a simple contract could not become superior to the rights of the transferee.

(2) A transfer of real property is made when it becomes perfected so that a subsequent bona fide purchaser from the seller could not obtain rights superior to the rights of the transferee.

(3) A transfer which creates an equitable lien is not perfected if there are available means by which a legal lien could be created.

(4) A transfer not perfected prior to the filing of a petition for liquidation is deemed to be made immediately before the filing of the successful petition.

(5) This subsection applies whether or not there are or were creditors who might have obtained liens or persons who might have become bona fide purchasers.

*c.* (1) A lien obtainable by legal or equitable proceedings upon a simple contract is one arising in the ordinary course of the proceedings upon the entry or docketing of a judgment or decree, or upon attachment, garnishment, execution, or like process, whether before, upon, or after judgment or decree and whether before or upon levy. It does not include liens which under applicable law are given a special priority over other liens which are prior in time.

(2) A lien obtainable by legal or equitable proceedings may become superior to the rights of a transferee, or a purchaser may obtain rights superior to the rights of a transferee within the meaning of paragraph *"b"*, if such consequences follow only from the lien or purchase itself, or from the lien or purchase followed by a step wholly within the control of the respective lienholder or purchaser, with or without the aid of ministerial action by public officials. However, a lien could not become superior and a purchase could not create superior rights for the purpose of paragraph *"b"* through an act subsequent to the obtaining of a lien or subsequent to a purchase which requires the agreement or concurrence of any third party or which requires further judicial action or ruling.

*d.* A transfer of property for or on account of a new and contemporaneous consideration, which is under paragraph *"b"* made or suffered after the transfer because of delay in perfecting it, does not become a transfer for or on account of an antecedent debt if any acts required by the applicable law to be performed in order to perfect the transfer as against liens or a bona fide purchaser's rights are performed within twenty-one days or any period expressly allowed by the law, whichever is less. A transfer to secure a future loan, if a loan is actually made, or a transfer which becomes security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration.

*e.* If a lien which is voidable under paragraph *"a"*, subparagraph (2), has been dissolved by the furnishing of a bond or other obligation, the surety of which has been indemnified directly or indirectly by the transfer or the creation of a lien upon property of a seller before the filing of a petition under this chapter which results in the liquidation order, the indemnifying transfer or lien is also voidable.

*f.* The property affected by a lien voidable under paragraphs *"a"* and *"e"* is discharged from the lien. The property and any of the indemnifying property transferred to or for the benefit of a surety shall pass to the liquidator. However, the court may on due notice order a lien to be preserved for the benefit of the estate and the court may direct that the conveyance be executed to evidence the title of the liquidator.

*g.* The court shall have summary jurisdiction in a proceeding by a liquidator to hear and determine the rights of the parties under this section. Reasonable notice of hearing in the proceeding shall be given to all parties in interest, including the obligee of a releasing bond or other like obligation. Where an order is entered for the recovery of indemnifying property in kind or for the avoidance of an indemnifying lien, upon application of any party in interest, the court shall in the same proceeding ascertain the value of the property or lien. If the value is less than the amount for which the property is indemnified or less than the amount of the lien, the transferee or lienholder may elect to retain the property or lien upon payment of its value, as ascertained by the court, to the liquidator within the time as fixed by the court.

*h.* The liability of a surety under a releasing bond or other like obligation is discharged to the extent of the value of the indemnifying property recovered or the indemnifying lien

nullified and avoided by the liquidator. Where the property is retained under paragraph "*g*", the liability of the surety is discharged to the extent of the amount paid to the liquidator.

*i.* If a creditor has been preferred for property which becomes a part of the seller's estate, and afterward in good faith gives the seller further credit without security of any kind, the amount of the new credit remaining unpaid at the time of the petition may be set off against the preference which would otherwise be recoverable from the creditor.

*j.* If within four months before the filing of a successful petition for liquidation under this chapter, or at any time in contemplation of a proceeding to liquidate, a seller, directly or indirectly, pays money or transfers property to an attorney for services rendered or to be rendered, the transaction may be examined by the court on its own motion or shall be examined by the court on petition of the liquidator. The payment or transfer shall be held valid only to the extent of a reasonable amount to be determined by the court. The excess may be recovered by the liquidator for the benefit of the estate. However, where the attorney is in a position of influence in the business of the seller or an affiliate, payment of any money or the transfer of any property to the attorney for services rendered or to be rendered shall be governed by the provisions of paragraph "*a*", subparagraph (2), subparagraph division (d).

*k.* (1) An officer, manager, employee, shareholder, subscriber, attorney, or other person acting on behalf of the seller who knowingly participates in giving any preference when the person has reasonable cause to believe the seller is or is about to become insolvent at the time of the preference is personally liable to the liquidator for the amount of the preference. There is an inference that reasonable cause exists if the transfer was made within four months before the date of filing of this successful petition for liquidation.

(2) A person receiving property from the seller or the benefit of the property of the seller as a preference voidable under paragraph "*a*" is personally liable for the property and shall account to the liquidator.

(3) This subsection shall not prejudice any other claim by the liquidator against any person.

10. *Claims of holder of void or voidable rights.*

*a.* A claim of a creditor who has received or acquired a preference, lien, conveyance, transfer, assignment, or encumbrance, voidable under this chapter, shall not be allowed unless the creditor surrenders the preference, lien, conveyance, transfer, assignment, or encumbrance. If the avoidance is effected by a proceeding in which a final judgment has been entered, the claim shall not be allowed unless the money is paid or the property is delivered to the liquidator within thirty days from the date of the entering of the final judgment. However, the court having jurisdiction over the liquidation may allow further time if there is an appeal or other continuation of the proceeding.

*b.* A claim allowable under paragraph "*a*" by reason of a voluntary or involuntary avoidance, preference, lien, conveyance, transfer, assignment, or encumbrance may be filed as an excused late filing under subsection 12, if filed within thirty days from the date of the avoidance or within the further time allowed by the court under paragraph "*a*".

11. *Liquidator's proposal to distribute assets.*

*a.* From time to time as assets become available, the liquidator shall make application to the court for approval of a proposal to disburse assets out of marshaled assets.

*b.* The proposal shall at least include provisions for all of the following:

(1) Reserving amounts for the payment of all the following:

(a) Expenses of administration.

(b) To the extent of the value of the security held, the payment of claims of secured creditors.

(c) Claims falling within the priorities established in subsection 18, paragraphs "*a*" and "*b*".

(2) Disbursement of the assets marshaled to date and subsequent disbursement of assets as they become available.

*c.* Action on the application may be taken by the court provided that the liquidator's proposal complies with paragraph "*b*".

12. *Filing of claims.*

*a.* Proof of all claims shall be filed with the liquidator in the form required by subsection 13 on or before the last day for filing specified in the notice required under subsection 4.

*b.* The liquidator may permit a claimant making a late filing to share in distributions, whether past or future, as if the claimant were not late, to the extent that the payment will not prejudice the orderly administration of the liquidation under any of the following circumstances:

(1) The existence of the claim was not known to the claimant and the claimant filed the claim as promptly as reasonably possible after learning of it.

(2) A transfer to a creditor was avoided under subsections 7 through 9, or was voluntarily surrendered under subsection 10, and the filing satisfies the conditions of subsection 10.

(3) The valuation under subsection 17 of security held by a secured creditor shows a deficiency, which is filed within thirty days after the valuation.

*c.* The liquidator may consider any claim filed late and permit the claimant to receive distributions which are subsequently declared on any claims of the same or lower priority if the payment does not prejudice the orderly administration of the liquidation. The late-filing claimant shall receive at each distribution the same percentage of the amount allowed on the claim as is then being paid to claimants of any lower priority. This shall continue until the claim has been paid in full.

13. *Proof of claim.*

*a.* Proof of claim shall consist of a statement signed by the claimant that includes all of the following that are applicable:

(1) The particulars of the claim, including the consideration given for it.

(2) The identity and amount of the security on the claim.

(3) The payments, if any, made on the debt.

(4) A statement that the sum claimed is justly owing and that there is no setoff, counterclaim, or defense to the claim.

(5) Any right of priority of payment or other specific right asserted by the claimant.

(6) A copy of the written instrument which is the foundation of the claim.

(7) The name and address of the claimant and the attorney who represents the claimant, if any.

*b.* A claim need not be considered or allowed if it does not contain all the information identified in paragraph *"a"* which is applicable. The liquidator may require that a prescribed form be used and may require that other information and documents be included.

*c.* At any time the liquidator may request the claimant to present information or evidence supplementary to that required under paragraph *"a"*, and may take testimony under oath, require production of affidavits or depositions, or otherwise obtain additional information or evidence.

*d.* A judgment or order against a seller entered after the date of filing of a successful petition for liquidation, or a judgment or order against the seller entered at any time by default or by collusion need not be considered as evidence of liability or of the amount of damages. A judgment or order against a seller before the filing of the petition need not be considered as evidence of liability or of the amount of damages.

14. *Special claims.*

*a.* A claim may be allowed even if contingent, if it is filed pursuant to subsection 12. The claim may be allowed and the claimant may participate in all distributions declared after it is filed to the extent that it does not prejudice the orderly administration of the liquidation.

*b.* Claims that are due except for the passage of time shall be treated as absolute claims are treated. However, the claims may be discounted at the legal rate of interest.

*c.* Claims made under employment contracts by directors, principal officers, or persons in fact performing similar functions or having similar powers are limited to payment for services rendered prior to the issuance of an order of liquidation under subsection 2.

15. *Disputed claims.*

*a.* If a claim is denied in whole or in part by the liquidator, written notice of the determination shall be given to the claimant or the claimant's attorney by first-class mail at the address shown in the proof of claim. Within sixty days from the mailing of the notice,

the claimant may file objections with the liquidator. Unless a filing is made, the claimant shall not further object to the determination.

*b.* If objections are filed with the liquidator and the liquidator does not alter the denial of the claim as a result of the objections, the liquidator shall ask the court for a hearing as soon as practicable and give notice of the hearing by first-class mail to the claimant or the claimant's attorney and to any other persons directly affected. The notice shall be given not less than ten nor more than thirty days before the date of hearing. The matter shall be heard by the court or by a court-appointed referee. The referee shall submit findings of fact along with a recommendation.

16. *Claims of other person.* If a creditor, whose claim against a seller is secured in whole or in part by the undertaking of another person, fails to prove and file that claim, then the other person may do so in the creditor's name and shall be subrogated to the rights of the creditor, whether the claim has been filed by the creditor or by the other person in the creditor's name to the extent that the other person discharges the undertaking. However, in the absence of an agreement with the creditor to the contrary, the other person is not entitled to any distribution until the amount paid to the creditor on the undertaking plus the distributions paid on the claim from the seller's estate to the creditor equal the amount of the entire claim of the creditor. An excess received by the creditor shall be held by the creditor in trust for the other person.

17. *Secured creditor's claims.*

*a.* The value of the security held by a secured creditor shall be determined in one of the following ways, as the court may direct:

(1) By converting the security into money according to the terms of the agreement pursuant to which the security was delivered to the creditors.

(2) By agreement, arbitration, compromise, or litigation between the creditor and the liquidator.

*b.* The determination shall be under the supervision and control of the court with due regard for the recommendation of the liquidator. The amount so determined shall be credited upon the secured claim. A deficiency shall be treated as an unsecured claim. If the claimant surrenders the security to the liquidator, the entire claim shall be allowed as if unsecured.

18. The priority of distribution of claims from the seller's estate shall be in accordance with the order in which each class of claims is set forth. Claims in each class shall be paid in full or adequate funds retained for the payment before the members of the next class receive any payment. Subclasses shall not be established within a class. The order of distribution of claims is as follows:

*a. Class 1.* The costs and expenses of administration, including but not limited to the following:

(1) Actual and necessary costs of preserving or recovering the assets of the seller.

(2) Compensation for all authorized services rendered in the liquidation.

(3) Necessary filing fees.

(4) Fees and mileage payable to witnesses.

(5) Authorized reasonable attorney fees and other professional services rendered in the liquidation.

*b. Class 2.* Reasonable compensation to employees for services performed to the extent that they do not exceed two months of monetary compensation and represent payment for services performed within one year before the filing of the petition for liquidation. Officers and directors are not entitled to the benefit of this priority. The priority is in lieu of other similar priority which may be authorized by law as to wages or compensation of employees.

*c. Class 3.* Claims under purchase agreements.

*d. Class 4.* Claims of general creditors.

*e. Class 5.* Claims of the federal or of any state or local government. Claims, including those of a governmental body for a penalty or forfeiture, are allowed in this class only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs incurred. The remainder of such claims shall be postponed to the class of claims under paragraph "*g*".

*f. Class 6.* Claims filed late or any other claims other than claims under paragraph "*g*".

*g.* *Class 7.* The claims of shareholders or other owners.

19. *Liquidator's recommendations to the court.*

*a.* The liquidator shall review claims duly filed in the liquidation and shall make further investigation as necessary. The liquidator may compound, compromise, or in any other manner negotiate the amount for which claims will be recommended to the court except where the liquidator is required by law to accept claims as settled by a person or organization. Unresolved disputes shall be determined under subsection 15. As soon as practicable, the liquidator shall present to the court a report of the claims against the seller with the liquidator's recommendations. The report shall include the name and address of each claimant and the amount of the claim finally recommended.

*b.* The court may approve, disapprove, or modify the report on claims by the liquidator. Reports not modified by the court within sixty days following submission by the liquidator shall be treated by the liquidator as allowed claims, subject to later modification or to rulings made by the court pursuant to subsection 15. A claim under a policy of insurance shall not be allowed for an amount in excess of the applicable policy limits.

20. *Distribution of assets.* Under the direction of the court, the liquidator shall pay distributions in a manner that will ensure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims, including third-party claims. Distribution of assets in kind may be made at valuations set by agreement between the liquidator and the creditor and approved by the court.

21. *Unclaimed and withheld funds.*

*a.* Unclaimed funds subject to distribution remaining in the liquidator's hands when the liquidator is ready to apply to the court for discharge, including the amount distributable to a creditor, owner, or other person who is unknown or cannot be found, shall be deposited with the treasurer of state, and shall be paid without interest, except as provided in subsection 18, to the person entitled or to the person's legal representative upon proof satisfactory to the treasurer of state of the right to the funds. Any amount on deposit not claimed within six years from the discharge of the liquidator is deemed to have been abandoned and shall become the property of the state without formal escheat proceedings and be transferred to the insurance division regulatory fund.

*b.* Funds withheld under subsection 14 and not distributed shall upon discharge of the liquidator be deposited with the treasurer of state and paid pursuant to subsection 18. Sums remaining which under subsection 18 would revert to the undistributed assets of the seller shall be transferred to the insurance division regulatory fund and become the property of the state as provided under paragraph "*a*", unless the commissioner in the commissioner's discretion petitions the court to reopen the liquidation pursuant to subsection 23.

*c.* Notwithstanding any other provision of this chapter, funds as identified in paragraph "*a*", with the approval of the court, shall be made available to the commissioner for use in the detection and prevention of future insolvencies. The commissioner shall hold these funds in the insurance division regulatory fund and shall pay without interest, except as provided in subsection 18, to the person entitled to the funds or to the person's legal representative upon proof satisfactory to the commissioner of the person's right to the funds. The funds shall be held by the commissioner for a period of two years at which time the rights and duties to the unclaimed funds shall vest in the commissioner.

22. *Termination of proceedings.*

*a.* When all assets justifying the expense of collection and distribution have been collected and distributed under this chapter, the liquidator shall apply to the court for discharge. The court may grant the discharge and make any other orders, including an order to transfer remaining funds that are uneconomical to distribute, as appropriate.

*b.* Any other person may apply to the court at any time for an order under paragraph "*a*". If the application is denied, the applicant shall pay the costs and expenses of the liquidator in resisting the application, including a reasonable attorney fee.

23. *Reopening liquidation.* At any time after the liquidation proceeding has been terminated and the liquidator discharged, the commissioner or other interested party may petition the court to reopen the proceedings for good cause including the discovery of

additional assets. The court shall order the proceeding reopened if it is satisfied that there is justification for the reopening.

24. *Disposition of records during and after termination of liquidation.* If it appears to the commissioner that the records of the business of a seller in the process of liquidation or completely liquidated are no longer useful, the commissioner may recommend to the court and the court shall direct what records shall be retained for future reference and what records shall be destroyed.

25. *External audit of liquidator's books.* The court may order audits to be made of the books of the commissioner relating to a liquidation established under this chapter, and a report of each audit shall be filed with the commissioner and with the court. The books, records, and other documents of the liquidation shall be made available to the auditor at any time without notice. The expense of an audit shall be considered a cost of administration of the liquidation.

2001 Acts, ch 118, §54; 2002 Acts, ch 1050, §50; 2002 Acts, ch 1119, §85, 86; 2007 Acts, ch 175, §74 – 94; 2008 Acts, ch 1123, §53; 2009 Acts, ch 41, §263

# CHAPTER 523B

## BUSINESS OPPORTUNITY PROMOTIONS

Transferred to chapter 551A; 2004 Acts, ch 1104, §30, 31

# CHAPTER 523C

## RESIDENTIAL SERVICE CONTRACTS

Referred to in §87.4, 296.7, 331.301, 364.4, 423.2, 423.5, 505.28, 505.29, 669.14, 670.7


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**523C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "*Commissioner*" means the commissioner of insurance.

2. "*Custodial account*" means an account established by agreement between a licensed service company and a custodian under section 523C.5.

3. "*Custodial agreement*" means an agreement entered into between a licensed service company and a custodian under section 523C.5.

4. "*Custodian*" means an institution meeting the requirements established by the commissioner which institution has entered into a custodial agreement or reserve account agreement with a licensed service company.

5. *"Depository"* means an institution designated by the commissioner as an authorized custodian for purposes of sections 523C.5 and 523C.11.

6. *"Licensed service company"* means a service company which is licensed by the commissioner pursuant to this chapter.

7. *"Record"* means the same as defined in section 516E.1.

8. *"Reserve account agreement"* means an agreement entered into between a licensed service company and a depository under section 523C.11.

9. *"Residential service contract"* means a contract or agreement between a residential customer and a service company which undertakes, for a predetermined fee and for a specified period of time, to maintain, repair, or replace all or any part of the structural components, appliances, or electrical, plumbing, heating, cooling, or air-conditioning systems of residential property containing not more than four dwelling units.

10. *"Service company"* means a person who issues and performs, or arranges to perform, services pursuant to a residential service contract.

83 Acts, ch 87, §2; 88 Acts, ch 1112, §703; 2000 Acts, ch 1147, §28; 2006 Acts, ch 1010, §145

**523C.2 License required.**

A person shall not issue a residential service contract or undertake or arrange to perform services pursuant to a residential service contract unless the person is a corporation or other form of organization approved by the commissioner by rule and is a licensed service company.

83 Acts, ch 87, §3; 93 Acts, ch 60, §7

**523C.3 Application for license.**

1. Application for a license as a service company shall be made to and filed with the commissioner on forms approved by the commissioner and shall include all of the following information:

*a.* The name and principal address of the applicant.

*b.* The state of incorporation of the applicant.

*c.* The name and address of the applicant's registered agent for service of process within Iowa.

2. The application shall be accompanied by all of the following:

*a.* A certificate of good standing for the applicant issued by the secretary of state and dated not more than thirty days prior to the date of the application.

*b.* A surety bond, a copy of the receipt from the treasurer of state that a cash deposit has been made, or a copy of a custodial agreement as provided in section 523C.5.

*c.* A copy of the most recent financial statement, including balance sheets and related statements of income, of the applicant, prepared in accordance with generally accepted accounting principles, audited by a certified public accountant and dated not more than twelve months prior to the date of the application.

*d.* An affidavit of an authorized officer of the service company stating the number of contracts issued by the service company in the preceding calendar year, and stating that the net worth of the service company satisfies the requirements of section 523C.6.

*e.* A license fee in the amount of two hundred fifty dollars.

3. If the application contains the required information and is accompanied by the items set forth in subsection 2, and if the net worth requirements of section 523C.6 are satisfied, as evidenced by the audited financial statements, the commissioner shall issue the license. If the form of application is not properly completed or if the required accompanying documents are not furnished or in proper form, the commissioner shall not issue the license and shall give the applicant written notice of the grounds for not issuing the license. A notice of license denial shall be accompanied by a refund of fifty percent of the fee submitted with the application.

4. Fees collected under this section shall be deposited as provided in section 505.7.

83 Acts, ch 87, §4; 88 Acts, ch 1112, §704; 92 Acts, ch 1078, §2; 2009 Acts, ch 181, §98

Referred to in §523C.4, 523C.5

**523C.4 License expiration and renewal.**

Each license issued under this chapter shall expire on June 30 next following the date of issuance. If the service company maintains in force the surety bond described in section 523C.5 and if its license is not subject to or under suspension or revocation under section 523C.9, its license shall be renewed by the commissioner upon receipt by the commissioner on or before the expiration date of a renewal application accompanied by the items required by section 523C.3, subsection 2, paragraphs *"b"*, *"c"*, *"d"*, and *"e"*, and section 523C.15. If the commissioner denies renewal of the license, the denial shall be in writing setting forth the grounds for denial and shall be accompanied by a refund of fifty percent of the license renewal fee.

83 Acts, ch 87, §5

**523C.5 Required bond, cash deposit, or custodial account.**

1. *a.* To assure the faithful performance of obligations under residential service contracts issued and outstanding in this state, a service company shall, prior to the issuance or renewal of a license, file with the commissioner a surety bond in the amount of one hundred thousand dollars, which has been issued by an authorized surety company and approved by the commissioner as to issuer, form, and contents or establish a custodial account in the amount of one hundred thousand dollars at an authorized depository. The bond or custodial account shall not be canceled or be subject to cancellation unless thirty days' advance notice in writing is filed with the commissioner. Notwithstanding chapter 17A, if a bond or custodial account is canceled for any reason and a new bond or notice that a new custodial account has been established in the required amount is not received by the commissioner on or before the effective date of cancellation, the license of the service company is automatically revoked as of the date the bond or custodial account ceases to be in effect. A service company whose license is revoked under this section may file an application for a new license pursuant to section 523C.3.

*b.* The bond or custodial account posted by a service company pursuant to this section shall be for the benefit of, and subject to recovery thereon by any residential service contract holder sustaining actionable injury due to the failure of the service company to faithfully perform its obligations under a residential service contract because of insolvency of the service company.

*c.* If a service company ceases to do business in this state and furnishes to the commissioner satisfactory proof that it has discharged all obligations to contract holders, the surety bond or custodial account shall be released.

*d.* The commissioner may by rule designate institutions authorized to act as a depository under this section and establish requirements for custodians, custodial agreements, custodial accounts, or the method of valuing noncash assets held in a custodial account which the commissioner believes necessary to protect the holders of residential service contracts issued and outstanding in this state.

2. In lieu of the bond or custodial account required by this section, the service company may deposit with the treasurer of state a cash deposit in the same amount. The treasurer of state shall not refund a deposit until sixty days after the service company has ceased doing business in this state, a bond has been filed with the commissioner which complies with this section, or a custodial account is established which complies with this section.

83 Acts, ch 87, §6; 88 Acts, ch 1112, §705; 92 Acts, ch 1078, §3; 2012 Acts, ch 1023, §157

Referred to in §523C.1, 523C.3, 523C.4, 523C.9, 523C.18

**523C.6 Net worth requirement.**

A service company that has issued or renewed in the aggregate one thousand or less residential service contracts during the preceding calendar year shall maintain a minimum net worth of forty thousand dollars, and the minimum net worth to be maintained shall be increased by an additional twenty thousand dollars for each additional five hundred contracts or fraction thereof issued or renewed, up to a maximum required net worth of

four hundred thousand dollars. At least twenty thousand dollars of net worth shall consist of paid-in capital.

83 Acts, ch 87, §7; 88 Acts, ch 1112, §706; 92 Acts, ch 1078, §4; 99 Acts, ch 166, §12
Referred to in §523C.3, 523C.9

**523C.7 Filing of forms of contract — fee.**

1. A residential service contract shall not be issued or used in this state unless it has been filed with and approved by the commissioner. If the commissioner fails to inform the service company of objections to the form of the residential service contract within thirty days after filing, the residential contract shall be deemed to have been approved by the commissioner provided it otherwise complies with this section.

2. Residential service contracts shall:

*a.* Be written in nontechnical, readily understood language, using words with common and everyday meanings.

*b.* Clearly, conspicuously, and plainly specify all of the following:

(1) The services to be performed by the service company, and the terms and conditions of performance.

(2) The fee, if any, to be charged for a service call.

(3) Each of the systems, appliances, and components covered by the contract.

(4) Any exclusions and limitations respecting the extent of coverage.

(5) The period during which the contract will remain in effect.

(6) All limitations respecting the performance of services, including any restrictions as to the time periods when services may be requested or will be performed.

(7) The following statement:

The issuer of this contract is subject to regulation by the insurance division of the department of commerce of the state of Iowa. Complaints which are not settled by the issuer may be sent to the insurance division.

*c.* Provide for the performance of services only. A residential service contract shall not provide for a payment to, or reimbursement or indemnification of the holder of the contract.

*d.* Provide for the performance of services upon a request by telephone to the service company without a requirement that claim forms or applications be filed prior to the rendition of services.

*e.* Provide for the initiation of services by or under the direction of the service company within forty-eight hours of the request for the services by the holder of the contract.

3. Any application for a residential service contract shall notify the purchaser that the person submitting the application to the service company for the purchaser is acting as the representative of the service company and not of the purchaser in that transaction.

4. To the extent necessary to administer the provisions of this chapter, the commissioner may, after notice and hearing, institute a residential service contract form approval or form review fee. If the commissioner establishes a fee, the amount of the fee shall be set by rule adopted pursuant to chapter 17A. The fee may be by dollar amount or based upon a percentage of the sale value of the contract. However, the fee shall not exceed fifty thousand dollars.

5. A complete copy of the terms of the residential service contract shall be delivered to the prospective service contract holder at or before the time that the prospective service contract holder makes application for the service contract. If there is no separate application procedure, then a complete copy of the residential service contract shall be delivered to the service contract holder at or before the time the service contract holder becomes bound under the contract.

83 Acts, ch 87, §8; 87 Acts, ch 234, §434; 98 Acts, ch 1189, §21; 2000 Acts, ch 1147, §29

**523C.8 Rebates and commissions.**

1. Except as provided in subsection 2, a service company shall not pay a commission or

any other consideration to any person as an inducement or compensation for the issuance, purchase, or acquisition of a residential service contract.

2. This section does not prohibit any of the following:

*a.* The payment of an override commission or marketing fee to an employee or commission sales agent who is a marketing or sales representative of the service company or its parent company, subsidiary, or affiliate on the sale or marketing of a residential service contract, provided the employee or commission sales agent is not a real estate licensee sharing in or entitled to share in, or affiliated with, a company or organization which is entitled to share in any real estate commission generated by the underlying real property transaction.

*b.* Fees, payments, or reimbursements for a bona fide inspection, if an inspection of the property to be the subject of a residential service contract is required by a service company and if the inspection fee is reasonably related to the services performed.

3. The division may adopt rules identifying types of fees, payments, or reimbursements that do not constitute an inducement or compensation for the issuance, purchase, or acquisition of a residential service contract.

83 Acts, ch 87, §9; 92 Acts, ch 1078, §5; 93 Acts, ch 60, §8; 99 Acts, ch 166, §13

**523C.8A Issuance of residential service contract without consideration prohibited.**

1. Except as provided in subsection 2, furnishing a residential service contract to any person without charge for the applicable contract fees constitutes a violation of this chapter. A residential service contract providing for listing period coverage shall not be issued or delivered unless it provides for consideration for such coverage. The consideration may consist of a bona fide promise to pay the applicable residential service contract fees at the close of the sale. However, if a contract is subsequently canceled as a result of the failure to close such a sale, including such failure due to cancellation, expiration, or other termination of any real estate listing agreement on the residence, the residential service contract holder shall pay to the service company, at the time of cancellation of the residential service contract, the lesser of the actual costs of such service or a pro rata portion of the applicable annual residential service contract fees based on the number of days the residential service contract remained in effect, together with administrative costs incurred by the service company as a result of the cancellation.

2. *a.* Notwithstanding subsection 1, a service company may offer a residential service contract providing for listing period coverage for consideration which consists of both of the following:

(1) The contract holder's bona fide promise to pay, upon the close of sale, the applicable residential service contract fees for coverage of the residence for at least one year from the close of sale.

(2) Actual payment of the costs of any and all services performed under the residential service contract during the term of the listing period coverage by the contract holder to the service contractor.

*b.* Upon the close of sale and actual payment of the contract fees referred to in paragraph "*a*", subparagraph (1), the service company shall reimburse the listing period coverage contract holder for all legitimate service costs incurred and paid under the residential service contract during the term of the listing period coverage with offset only for any deductible or service call fees remaining due and payable with respect to service performed under the residential service contract during the term of the listing period coverage.

3. For purposes of this section:

*a.* *"Close of sale"* means the time an interest in, or title to, a home to which the interest or title attaches is sold or transferred.

*b.* *"Listing period coverage"* means coverage provided prior to the close of sale.

93 Acts, ch 60, §9

**523C.9 Suspension or revocation of license.**

1. In addition to the license revocation provisions of section 523C.5, the commissioner

may suspend or revoke or refuse to renew the license of a service company for any of the following grounds:

*a.* The service company violated a lawful order of the commissioner or any provision of this chapter.

*b.* The service company failed to pay any final judgment rendered against it in this state within sixty days after the judgment became final.

*c.* The service company has without just cause refused to perform or negligently or incompetently performed services required to be performed under its residential service contracts and the refusal, or negligent or incompetent performance has occurred with such frequency, as the commissioner determines, as to indicate the general business practices of the service company.

*d.* The service company violated section 523C.13.

*e.* The service company failed to maintain the net worth required by section 523C.6.

*f.* The service company failed to maintain the reserve account required by section 523C.11.

*g.* The service company failed to maintain its corporate certificate of good standing with the secretary of state.

2. If the license of a service company is terminated under section 523C.5 because of failure to maintain bond, the commissioner shall give written notice of termination to the service company. The notice shall include the effective date of the termination.

83 Acts, ch 87, §10; 2006 Acts, ch 1010, §146

Referred to in §523C.4

**523C.10 Rules.**

The commissioner may adopt rules under chapter 17A to implement this chapter.

83 Acts, ch 87, §11

**523C.11 Reserve account.**

1. A service company shall maintain in an independent depository a reserve account consisting of unencumbered assets in an amount equal to fifty percent of aggregate annual fees collected on residential service contracts issued and outstanding in this state, if any, less actual expenditures for services rendered under those contracts. The assets shall be held in the form of cash or marketable securities.

2. The depository shall make its records concerning the service company reserve accounts available to the commissioner or a designee for inspection on the premises of the depository and, upon request, shall produce documents and records which the commissioner determines are necessary to verify the value and safety of the assets of the reserve account.

3. The commissioner may by rule designate institutions authorized to act as a depository under this section and may establish requirements for reserve accounts, reserve account agreements, or the method of valuing marketable securities which the commissioner believes necessary to protect the holders of residential service contracts issued and outstanding in this state.

4. For purposes of this section, "*aggregate annual fees*" does not include the annual fees collected on residential service contracts for which the service company has purchased contractual liability insurance which demonstrates to the satisfaction of the commissioner that one hundred percent of the service company's claim exposure related to such service contracts is covered by the insurance. The contractual liability insurance must be obtained from an insurer authorized to do business in this state and shall contain the following provisions:

*a.* If the service company is unable to fulfill its obligations under its contracts issued in this state for any reason, including insolvency, bankruptcy, or dissolution, the contractual liability insurer will pay losses and unearned premiums under such plans directly to the persons making claims under the contracts.

*b.* The insurer issuing the policy shall assume full responsibility for the administration of claims in the event of the inability of the association to do so.

*c.* The insurer shall not cancel or refuse to renew the policy unless sixty days' written

notice has been given to the commissioner by the insurer before the date of the cancellation or nonrenewal.

83 Acts, ch 87, §12; 88 Acts, ch 1112, §707, 708; 92 Acts, ch 1078, §6
Referred to in §523C.1, 523C.9

**523C.12 Optional examination.**

The commissioner or a designee of the commissioner may make an examination of the books and records of a service company, including copies of contracts and records of claims and expenditures, and verify its assets, liabilities, and reserves. The actual costs of the examination shall be borne by the service company.

83 Acts, ch 87, §13; 94 Acts, ch 1031, §18

**523C.13 Prohibited acts or practices — penalty.**

The commissioner shall adopt rules which regulate residential service contracts to prohibit misrepresentation, false advertising, defamation, boycotts, coercion, intimidation, false statements and entries and unfair discrimination or practices. If the commissioner finds that a person has violated the rules adopted under this section, the commissioner may order any or all of the following:

1. Payment of a civil penalty of not more than one thousand dollars for each and every act or violation, but not to exceed an aggregate of ten thousand dollars, unless the person knew or reasonably should have known the person was in violation of this section, in which case the penalty shall be not more than five thousand dollars for each and every act or violation, but not to exceed an aggregate penalty of fifty thousand dollars in any one six-month period. The commissioner shall, if it finds the violations of this section were directed, encouraged, condoned, ignored, or ratified by the employer of such person, assess such penalty to the employer and not such person. Any civil penalties collected under this subsection shall be deposited as provided in section 505.7.

2. Suspension or revocation of the license of a person, if the person knew or reasonably should have known the person was in violation of this section.

83 Acts, ch 87, §14; 92 Acts, ch 1078, §7; 2009 Acts, ch 181, §99; 2012 Acts, ch 1021, §101
Referred to in §523C.9, 523C.17

**523C.14 Rate review.**

Using the information obtained in the annual reports and any additional information requested by the commissioner, the commissioner shall evaluate the fees charged for the residential service contract to determine if they are reasonable in relation to the value of the claims made. The commissioner may order an adjustment of the fees if the commissioner determines that the fees are not reasonable in relation to the value of the claims made.

83 Acts, ch 87, §15

**523C.15 Annual report.**

A licensed service company shall file with the commissioner an annual report within ninety days of the close of its fiscal year. The annual report shall be in a form prescribed by the commissioner and contain all of the following:

1. A current financial statement including a balance sheet and statement of operations prepared in accordance with generally accepted accounting principles and certified by an independent certified public accountant.

2. The number of residential service contracts issued during the preceding fiscal year, the number canceled or expired during the year, the number in effect at year end and the amount of residential service contract fees received.

3. Any other information relating to the performance and solvency of the residential service company required by the commissioner.

83 Acts, ch 87, §16
Referred to in §523C.4

**523C.16 Exclusions.**

This chapter does not apply to any of the following:

1. A performance guarantee given by a builder of a residence or the manufacturer or seller or lessor of residential property if no identifiable charge is made for the guarantee.

2. A service contract, guarantee or warranty between a residential customer and a service company which will perform the work itself and not through subcontractors for the service, repair or replacement of appliances or electrical, plumbing, heating, cooling or air-conditioning systems.

3. A contract between a service company and a person who actually performs the maintenance, repairs, or replacements of structural components, or appliances, or electrical, plumbing, heating, cooling, or air-conditioning systems, if someone other than the service company actually performs these functions.

4. A service contract, guarantee or warranty issued by a retail merchant to a retail customer, guaranteeing or warranting the repair, service or replacement of appliances or electrical, plumbing, heating, cooling or air-conditioning systems sold by said retail merchant.

5. A service contract, guarantee, or warranty issued by a manufacturer, third party, or retail company, covering the repair, maintenance, or replacement of individual appliances and other individual items of merchandise marketed and sold by a retail company, in the ordinary course of business.

83 Acts, ch 87, §17; 96 Acts, ch 1160, §10

**523C.17 Lending institutions, service companies, and insurance companies.**

A bank, savings association, insurance company, or other lending institution shall not require the purchase of a residential service contract as a condition of a loan. A service company or an insurer, either directly or indirectly, as a part of any real property transaction in which a residential service contract will be issued, purchased, or acquired, shall not require that a residential service contract be issued, purchased, or acquired in conjunction with or as a condition precedent to the issuance, purchase, or acquisition, by any person, of a policy of insurance. A lending institution shall not sell a residential service contract to a borrower unless the borrower signs an affidavit acknowledging that the purchase is not required. Violation of this section is punishable as provided in section 523C.13.

83 Acts, ch 87, §18; 93 Acts, ch 60, §10; 2012 Acts, ch 1017, §102

**523C.18 Violations.**

A person who willfully violates section 523C.5 is, upon conviction, guilty of a class "D" felony.

92 Acts, ch 1078, §8

**523C.19 Cease and desist orders.**

1. Upon the commissioner's determination that a person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or any rule adopted pursuant to this chapter, the commissioner may issue an order directing the person to cease and desist from engaging in the act or practice resulting in the violation or to take other affirmative action as in the judgment of the commissioner is necessary to comply with the requirements of this chapter.

2. If a hearing is not timely requested, the summary order becomes final by operation of law. The order shall remain effective from the date of issuance until the date the order becomes final by operation of law or is overturned by a presiding officer or court following a request for hearing. A person who has been issued a summary order under this section may contest it by filing a request for a contested case proceeding as provided in chapter 17A and in accordance with rules adopted by the commissioner. However, the person shall have at least thirty days from the date that the order is issued in order to file the request. Section 17A.18A is inapplicable to a summary order issued under this section.

3. A person violating a summary order issued under this section shall be deemed in contempt of that order. The commissioner may petition the district court to enforce the order as certified by the commissioner. The district court shall adjudge the person in contempt of the order if the court finds after hearing that the person is not in compliance with the order.

The court shall assess a civil penalty against the person in an amount not less than three thousand dollars but not greater than ten thousand dollars per violation, and may issue further orders as it deems appropriate.

92 Acts, ch 1078, §9; 2000 Acts, ch 1147, §30; 2000 Acts, ch 1232, §82
Referred to in §523C.23

**523C.20 Consent to service of process.**

If a person engages in conduct subject to regulation under this chapter, the conduct shall constitute the appointment of the commissioner of insurance as the person's attorney to receive service of any lawful process in a noncriminal proceeding against the person, a successor, or personal representative, which grows out of that conduct, with the same force and validity as if served personally.

93 Acts, ch 60, §11

**523C.21 Service of process.**

The commissioner shall be the agent for service of process upon a service company.

94 Acts, ch 1031, §19

**523C.22 Claim procedures.**

A service company shall promptly provide a written explanation to the residential customer, describing the reasons for denying a claim or for the offer of a compromise settlement, based on all relevant facts or legal requirements and referring to applicable provisions of the residential service contract.

94 Acts, ch 1031, §20

**523C.23 Investigations and subpoenas.**

1. *a.* In enforcing this chapter, the commissioner may conduct a public or private investigation in order to do any of the following:

(1) Determine whether a person has violated or is about to violate a provision of this chapter or a rule or order under this chapter.

(2) Aid in the enforcement of this chapter or in the prescribing of rules and forms under this chapter.

*b.* In carrying out this subsection, the commissioner may do all of the following:

(1) Conduct the investigation within or outside of this state.

(2) Require or allow a person to file a statement in writing regarding the facts or circumstances concerning a matter to be investigated. The commissioner may require that the statement be made under oath.

(3) Apply to the district court for the issuance of an order requiring a person's appearance before the commissioner or the attorney general. The person may also be required to produce documentary evidence germane to the subject of the investigation. The failure to obey an order under this subsection constitutes contempt of court.

*c.* Information obtained in the course of an investigation is confidential as provided in section 22.7. However, upon a determination that disclosure of the information is necessary or appropriate in the public interest or for the protection of consumers, the commissioner may do any of the following:

(1) Share information obtained during the course of the investigation with another regulatory authority or government agency.

(2) Publish information obtained during the course of the investigation which concerns a violation of this chapter or a rule or order under this chapter.

2. Except as provided in section 523C.19, a proceeding instituted under this chapter shall be conducted pursuant to chapter 17A and rules adopted by the commissioner pursuant to chapter 17A.

3. In an investigation or proceeding conducted under this chapter, the commissioner or any designee of the commissioner may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records which the commissioner deems relevant or material to the inquiry.

4. A person is not excused from attending and testifying or from producing a document or record before the commissioner or in obedience to a subpoena of the commissioner or an officer designated by the commissioner, or in a proceeding instituted by the commissioner, on the grounds that the testimony or evidence, documentary or otherwise, required of the person may tend to incriminate or subject the person to a penalty or forfeiture. However, a person shall not be prosecuted or subjected to any penalty or forfeiture due to a transaction or matter about which the person is compelled, after claiming privilege against self-incrimination, to testify or produce evidence, documentary or otherwise. The person testifying, however, is not exempt from prosecution and punishment for perjury or contempt committed while testifying.

2000 Acts, ch 1147, §31

Referred to in §22.7

# CHAPTER 523D

## RETIREMENT FACILITIES

Referred to in §105.11, 505.28, 505.29, 669.14


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**523D.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commissioner"* means the commissioner of insurance or the deputy appointed under section 502.601.

2. *"Continuing care"* means housing together with supportive services, nursing services, medical services, or other health related services, furnished to a resident, regardless of whether or not the lodging and services are provided at the same location, with or without other periodic charges, and pursuant to one or more contracts effective for the life of the resident or a period in excess of one year, including mutually cancelable contracts, and in consideration of an entrance fee.

3. *"Continuing care retirement community"* means a facility which provides continuing care to residents other than residents related by consanguinity or affinity to the person furnishing their care.

4. *"Entrance fee"* means an initial or deferred transfer to a provider of a sum of money or other property made or promised to be made as full or partial consideration for acceptance of a specified individual in a facility if the amount exceeds either of the following:

*a.* Five thousand dollars.

*b.* The sum of the regular periodic charges for six months of residency.

5. *"Facility"* means the place or places in which a provider undertakes to provide continuing care or senior adult congregate living services to an individual.

6. *"Living unit"* means a room, apartment, cottage, or other area within a facility set aside for the exclusive use or control of one or more identified residents.

7. *"New construction"* means construction of a new facility or the expansion of an existing facility if the expansion involves an increase in the number of living units in excess of twenty-five percent.

8. *"Provider"* means a person undertaking through a lease or other type of agreement to provide care in a continuing care retirement community or senior adult congregate living facility, even if that person does not own the facility.

9. *"Resident"* means an individual, sixty years of age or older, entitled to receive care in a continuing care retirement community or a senior adult congregate living facility.

10. *"Senior adult congregate living facility"* means a facility which provides senior adult congregate living services to residents other than residents related by consanguinity or affinity to the person furnishing their care.

11. *"Senior adult congregate living services"* means housing and one or more supportive services furnished to a resident, with or without other periodic charges, in consideration of an entrance fee.

12. *"Supportive services"* includes but is not limited to one or any combination of the following services: laundry, maintenance, housekeeping, emergency nursing care, activity services, security, dining options, transportation, beauty and barber services, health care, and personal care, including personal hygiene, eating, bathing, dressing, and supervised medication administration.

89 Acts, ch 217, §1; 91 Acts, ch 205, §11
Referred to in §231C.17

**523D.2 Application of chapter.**

This chapter applies to a provider who executes a contract to provide continuing care or senior adult congregate living services in a facility, or extend the term of an existing contract to provide continuing care or senior adult congregate living services in a facility, if the contract requires or permits the payment of an entrance fee to a person, and any of the following apply:

1. The facility is or will be located in this state.

2. The provider or a person acting on the provider's behalf solicits the contract within this state for a facility located in this state and the person to be provided with continuing care or senior adult congregate living services under the contract resides within this state at the time of the solicitation.

89 Acts, ch 217, §2; 2004 Acts, ch 1104, §32

**523D.2A Annual certification.**

On or before March 1 of each year, a provider shall file a certification with the commissioner in a manner and according to requirements established by the commissioner. The certification shall be accompanied by a one hundred dollar administrative fee which fee shall be deposited as provided in section 505.7. The certification shall attest that according to the best knowledge and belief of the attesting party, the facility administered by the provider is in compliance with the provisions of this chapter, including rules adopted by the commissioner or orders issued by the commissioner as authorized under this chapter. The attesting person may be any of the following:

1. A person serving as the president or chief executive officer of a corporation.
2. A person acting as the general partner of a limited partnership.
3. A person acting as the general partner of a limited liability partnership.
4. A person acting in a fiduciary capacity or as a trustee on behalf of a provider.
5. A person who is a manager of a limited liability company.

2004 Acts, ch 1104, §33; 2009 Acts, ch 181, §100

**523D.3 Disclosure statement.**

1. At the time of, or prior to, the execution of a contract to provide continuing care or senior adult congregate living services, or at the time of, or prior to the provider's acceptance of part or all of the entrance fee by or on behalf of a prospective resident, whichever occurs first, the provider shall deliver a disclosure statement to the person, and to the person's personal representative if one is appointed, with whom the contract is to be entered into. Unless incorporated by reference, in whole or in part, the disclosure statement shall not constitute part of the contract between the resident and provider. The disclosure statement shall contain all of the following information unless the information is in the contract, a copy of which must be attached to the statement:

*a.* The name and business address of the provider and a statement of whether the provider is a partnership, corporation, or other legal entity.

*b.* The names and business addresses of the officers, directors, trustees, managing or general partners, and any person having a ten percent or greater equity or beneficial interest in the provider and a description of such person's interest in or occupation with the provider.

*c.* With respect to each person covered by paragraph *"b"*, and if the facility will be managed on a day-to-day basis by a person identified pursuant to paragraph *"b"*, or with respect to the proposed manager, the following information:

(1) A description of the business experience of the person, if any, in the operation or management of similar facilities.

(2) The name and address of any professional service, or other entity in which the person has, or which has in the person, a ten percent or greater interest and which has provided goods, leases, or services to the facility of a value of five hundred dollars or more within the prior twelve months or which has contracted to provide goods, leases, or services to the facility of a value of five hundred dollars or more within a year, including a description of the goods, leases, or services and their actual or anticipated cost to the facility or provider.

(3) A description of any matter resulting in the person's conviction of a felony or a plea of nolo contendere to a felony charge, or a description of any matter where the person was found to be liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud, embezzlement, fraudulent conversion, misappropriation of property, or a similar felony involving theft or dishonesty.

(4) A description of any matter in which the person is subject to a currently effective injunctive or restrictive order of a court, or a description of any matter within the past five years where the person has had a state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency of this or any state or the division of insurance, arising out of or relating to business activity or health care, including, without limitation, actions affecting a license to operate a foster care facility, health care facility, retirement home, home for the aged, or facility licensed under this chapter or a similar law of another state.

*d.* A statement, if applicable, containing the following:

(1) Whether the provider is or ever has been affiliated with a for-profit organization or with a religious, charitable, or other nonprofit organization.

(2) The nature of the affiliation.

(3) The extent to which the affiliate organization is responsible for the financial and contractual obligations of the provider.

(4) The provision of the federal Internal Revenue Code, if any, under which the provider or affiliate is exempt from the payment of federal income tax.

*e.* The location and description of the physical property or properties of the facility, existing or proposed, and, to the extent proposed, the estimated completion date or dates, whether or not construction has begun, and the contingencies subject to which construction may be deferred.

*f.* The services provided or proposed to be provided under contracts for continuing care or senior adult congregate living services at the facility, including the extent to which medical care is furnished. The disclosure statement shall clearly state which services are included in basic contracts and which services are made available at or by the facility at extra charge.

*g.* A description of all fees required of residents, including the entrance fee and periodic charges, if any. The description shall include the manner by which the provider may adjust periodic charges or other recurring fees and the limitations on such adjustments, if any.

*h.* The provisions which have been made or will be made, if any, to provide reserve funding or security to enable the provider to fully perform its obligations under contracts to provide continuing care or senior adult congregate living services at the facility, including the establishment of escrow accounts, trusts, or reserve funds, together with the manner in which the funds will be invested and the names and experience of persons who will make the investment decisions.

*i.* Certified financial statements of the provider, for all parts of an operation covered by the contract, including the health center or nursing home portion of the continuing care retirement community, if those services are included in the contract, but the disclosure

statement may exclude services or operations not provided to residents as senior adult congregate living services under the contract, which shall include the following:

(1) A balance sheet as of the end of the two most recent fiscal years.

(2) Income statements of the provider for the two most recent fiscal years or the shorter period of time the provider has been in existence.

*j.* If operation of the facility has not yet commenced, a statement of the anticipated source and application of the funds used or to be used in the purchase or construction of the facility, including the following:

(1) An estimate of the cost of purchasing or constructing and equipping the facility, including related costs such as financing expense, legal expense, land costs, occupancy development costs, and all other similar costs the provider expects to incur or become obligated for prior to the commencement of operations.

(2) A description of any mortgage loan or other long-term financing intended to be used for the financing of the facility, including the anticipated terms and costs of the financing.

(3) An estimate of the total entrance fees to be received from or on behalf of residents at or prior to commencement of operation of the facility.

(4) An estimate of the funds, if any, anticipated to be necessary to fund start-up losses and provide reserve funds to assure full performance of the obligations of the provider under contracts for the provision of continuing care or senior adult congregate living services.

(5) A projection of estimated income from fees and charges other than entrance fees, showing individual rates presently anticipated to be charged and including a description of the assumptions used for calculating the estimated occupancy rate of the facility and the effect on the income of the facility of government subsidies for health care services, if any, to be provided pursuant to contracts for continuing care or senior adult congregate living services.

(6) A projection of estimated operating expenses of the facility, including a description of the assumptions used in calculating the expenses and separate allowances, if any, for the replacement of equipment and furnishings and anticipated major structural repairs or additions.

(7) Identification of any assets pledged as collateral for any purpose.

(8) An estimate of annual payments of principal and interest required by a mortgage loan or other long-term financing.

*k.* Other material information concerning the facility or the provider required by the division of insurance or which the provider wishes to include.

*l.* The cover page of the disclosure statement shall state, in a prominent location and typeface, the date of the disclosure statement.

*m.* A copy of the standard form or forms of contract for continuing care or senior adult congregate living services used by the provider, attached as an exhibit to each disclosure statement.

*n.* (1) A description of transactions in which the provider obtains real or personal property or construction services from any of the following:

(a) The developer of the facility, or a person who is under the control of the developer.

(b) If the provider is a business entity, any person holding an executive position in the business entity, including but not limited to a member of a board of directors or an officer of a corporation, a manager of a limited liability company, a general partner of a limited partnership, or a trustee of a trust.

(c) If the provider is a business entity, any person who holds a ten percent or greater equity or beneficial interest in the business entity.

(d) Any person who directly or indirectly by acting through one or more intermediaries controls management decisions of the facility.

(2) A transaction shall include each purchase or lease of real property or personal property by the provider, and any construction services provided to the provider. The description shall include transactions which have occurred or which are planned to occur. The description shall also include whether the terms of the transaction were or will be on terms which are at least as favorable to the provider as those terms which would be generally available from an unaffiliated third party.

2. The provider shall prepare an annual disclosure statement which shall contain the

information required by this chapter for the initial disclosure statement. The annual disclosure statement shall also be accompanied by a narrative describing:

*a.* Any material differences between the pro forma cash flow projection prepared pursuant to this chapter as part of the most recent annual disclosure statement and the actual results of operations during the fiscal year, if the material differences substantially affect the financial safety or soundness of the community.

*b.* A revised pro forma cash flow projection for the next fiscal year.

3. The provider shall prepare the annual disclosure statement not later than five months following the end of the provider's fiscal year. The provider shall retain a record of each annual disclosure statement prepared under this section for at least five years.

4. If an amendment is prepared pursuant to subsection 5, the provider shall deliver a copy of the amendment or the amended disclosure statement to a prospective resident and to a prospective resident's personal representative if one is appointed prior to the provider's acceptance of part or all of the entrance fee or the execution of the continuing care or senior congregate living services contract by the prospective resident.

5. The provider may amend its current annual disclosure statement at any other time if, in the opinion of the provider, an amendment is necessary to prevent the disclosure statement and annual disclosure statement from containing any material misstatement of fact or omission to state a material fact required to be included in the statement. The amendment or amended disclosure statement shall be kept with the records of the provider's annual disclosure statements. The provider shall deliver a copy of the amendment to a resident or prospective resident and a personal representative of a resident or prospective resident in the same manner as the annual disclosure statement.

89 Acts, ch 217, §3; 90 Acts, ch 1168, §54; 91 Acts, ch 205, §12, 13; 92 Acts, ch 1078, §10; 2004 Acts, ch 1104, §34, 35; 2012 Acts, ch 1023, §157

Referred to in §523D.6

**523D.4 False information.**

1. A provider shall not make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other way, an advertisement, announcement, or statement of any sort containing any assertion, representation, or statement which is untrue, deceptive, or misleading.

2. A provider shall not publish, disseminate, circulate, or deliver to any person or place before the public, or cause, directly or indirectly, to be published, disseminated, circulated, or delivered to any person or placed before the public, a financial statement which does not meet generally accepted accounting principles.

89 Acts, ch 217, §4; 2004 Acts, ch 1104, §36

**523D.5 New construction.**

1. *Prerequisite information.* A provider shall not enter into a contract to provide continuing care or senior adult congregate living services that applies to a living unit that is part of a new facility or proposed expansion that is or will be located in this state unless the provider has prepared or acquired all of the following information:

*a.* A description of the new facility or the proposed expansion, including a description of the goods and services that will be offered to prospective residents.

*b.* A statement of the financial resources of the provider available for this project.

*c.* A statement of the capital expenditures necessary to accomplish this project.

*d.* A statement of financial feasibility for the new facility or proposed expansion which includes a statement of future funding sources and shall identify the qualifications of the person or persons preparing the study.

*e.* A statement of the market feasibility for the new facility or proposed expansion which identifies the qualifications of the person or persons preparing the study.

*f.* If the new facility or proposed expansion offers a promise to provide nursing or health care services to residents in the future pursuant to contracts effective for the life of the

resident or a period in excess of one year in consideration for an entrance fee, an actuarial forecast which identifies the qualifications of the actuary or actuaries preparing the forecast.

*g.* Copies of the escrow agreements executed pursuant to this chapter or proof that an escrow is not required.

2. *Determination of feasibility.*

*a.* For an expansion of an existing facility, the determination of feasibility shall be based on consolidated information for the existing facility and the proposed expansion.

*b.* For a new facility, not part of an existing facility that will be constructed in more than one stage or phase, the initial stage or phase must evidence feasibility independent of any subsequent stage or phase and contain all of the facilities or components necessary to provide residents with all of the services and amenities promised by the provider.

3. *Construction.*

*a.* New construction shall not begin until at least fifty percent of the proposed number of independent living units in the initial stage or phase have been reserved pursuant to executed contracts and at least ten percent of the entrance fees required by those contracts are held in escrow pursuant to this chapter. However, the requirements of this subsection may be waived by the commissioner by rule or order upon a showing of good cause.

*b.* For purposes of this subsection, *"good cause"* includes, but is not limited to, evidence of the following:

(1) Secured financing adequate in an amount and term to complete the project.

(2) Cash reserves adequate in an amount to operate the facility for twenty-four months based upon reasonable projections of income and expenses.

(3) Creation of an escrow account in which a resident's entrance fee or purchase price will be deposited, if the terms of the escrow agreement provide reasonable protection from loss until at least fifty percent of the proposed number of independent living units in the initial stage or phase have been reserved.

4. *Escrow requirements.* Unless conditions for the release of escrowed funds set forth in this section have already been met, the provider shall establish an interest-bearing escrow account at a state or federally regulated financial institution located within this state to receive any deposits or entrance fees or portions of deposits or fees for a living unit which has not been previously occupied by a resident for which an entry fee arrangement is used. The escrow account agreement shall be entered into between the financial institution and the provider with the financial institution as the escrow agent and as a fiduciary for the resident or prospective resident. The agreement shall state that the purpose of the escrow account is to protect the resident or prospective resident and that the funds deposited shall be kept and maintained in an account separate and apart from the provider's business accounts.

5. *Release of escrowed funds.* Funds held in escrow shall be released only as follows:

*a.* If the provider fails to meet the requirements for release of funds held in escrow pursuant to this section within a time period specified in the escrow agreement, which shall not exceed thirty-six months, these funds shall be returned by the escrow agent to the persons who have made payment to the provider.

*b.* Upon notice from the provider that a resident is entitled to a refund, the escrow agent shall refund the amount directly to the resident. The amount of the refund shall be included in the provider's notice to the escrow agent and shall be determined in compliance with this chapter and any applicable terms of the resident's contract.

*c.* Except as provided by paragraphs *"a"* and *"b"*, amounts held in escrow shall not be released unless at least one of the following conditions has been satisfied:

(1) The facility has a minimum of fifty percent of the units reserved for which the provider is charging an entrance fee and the aggregate amount of the entrance fees received by or pledged to the provider, plus anticipated proceeds from any long-term financing commitment, plus funds from all other sources in the actual possession of the provider, equal not less than ninety percent of the aggregate cost of constructing or purchasing, equipping, and furnishing the facility.

(2) The resident has moved into the living unit, the cancellation period required by section 523D.6, subsection 2, has expired, construction of the facility or the portion of the facility under construction is complete, the facility has been adequately equipped and

furnished, a certificate of occupancy or the equivalent has been issued by the appropriate local jurisdiction, and the provider has been issued all the appropriate licenses or permits needed to operate the facility and provide all of the promised services.

*d.* Upon receipt by the escrow agent of a request by the provider for the release of these escrowed funds, the escrow agent shall approve release of the funds within five working days unless the escrow agent finds that the requirements of this section have not been met and notifies the provider of the basis for this finding. The request for release of the escrowed funds shall be accompanied by any documentation the escrow agent requires.

6. *Retention of records.* The provider shall maintain information required by this section for at least five years. The information shall be made available for inspection during normal business hours.

89 Acts, ch 217, §5; 91 Acts, ch 205, §14; 92 Acts, ch 1078, §11; 93 Acts, ch 60, §12; 2004 Acts, ch 1104, §37 – 44; 2012 Acts, ch 1023, §157

**523D.6 Contracts.**

1. *Disclosure.* In addition to any other provisions prescribed by rules adopted under this chapter, each contract providing for continuing care or senior adult congregate living services by a provider shall be written in nontechnical language easily understood by a lay person and shall include all of the following:

*a.* The name and business address of the provider.

*b.* The name and address of the facility or facilities.

*c.* The identification of the living unit which the prospective resident will occupy.

*d.* A description of the total consideration paid by the resident, including the value of all property transferred.

*e.* A list of all of the continuing care or senior adult congregate living services which are to be provided by the provider to each resident. The list shall clearly identify the manner in which continuing care or senior adult congregate living services will be provided, including a statement whether the items will be provided for a designated time period or for life, and shall indicate which continuing care and senior adult congregate living services, if any, will be provided through an affiliate or third party. The description of any service charges or fees shall, in the event of multiple residents, be provided on an individual basis and shall include a description of any additional charges that will be assessed for occupancy by more than one resident.

*f.* A statement of the policy of the facility with regard to any health or financial conditions upon which the provider may require the resident to relinquish the resident's space in the designated facility.

*g.* A statement of the policy of the facility with regard to the health and financial conditions required for a person to continue as a resident.

*h.* A statement of the policy of the facility with regard to the conditions under which the resident is permitted to remain in the facility in the event of financial difficulties affecting the resident.

*i.* A statement of the terms concerning the entry of a person to the living unit and the consequences if a person does not meet the requirements for entry.

*j.* A statement of the policy of the facility with regard to changes in accommodations and a description of the procedures to be followed by the provider when the provider temporarily or permanently changes the resident's accommodations within the facility, transfers the resident from one level of care to another, or transfers the resident to another health facility.

*k.* A description in clear and understandable language, in at least ten point type, of the terms governing the refund of any portion of the entrance fee in the event of discharge by the provider, or cancellation by the resident, and a statement that the provider shall not dismiss or discharge a resident from a facility prior to the expiration of a resident contract without just cause and sixty days written notice of intent to cancel. The notice of dismissal or discharge shall only be given upon a good faith determination that just cause exists, and the notice shall be given in writing, signed by the medical director, if any, and the administrator of the facility. In an emergency situation only such notice as is reasonable under the circumstances is required.

*l.* A description in clear and understandable language, in at least ten point type, whether monthly fees, if charged, are subject to periodic increases.

*m.* A description of the facility's policies and procedures for handling grievances between the provider and residents.

*n.* A statement that residents living in the facility have the right of self-organization.

*o.* A statement that a prospective resident or resident shall be given the opportunity to appoint a personal representative in the prospective resident's or resident's contract. The personal representative shall receive copies of the contract and all notices, disclosures, or forms required by this chapter to be delivered to a prospective resident or resident. A personal representative appointed under this section has no legal authority to make any decision for the prospective resident or resident appointing the person to be a personal representative. The personal representative may advise the prospective resident or resident as to the materials provided. A personal representative shall not be affiliated or associated with a provider or any person identified in section 523D.3, subsection 1, paragraph "*b*" or "*c*", and shall not be a prospective resident or resident.

*p.* A statement that if a resident dies or through illness, injury, or incapacity is precluded from becoming a resident under the terms of the contract before occupying the living unit, the contract is automatically rescinded and the resident or the resident's legal representative shall receive a full refund of all payments of money or transferred property to the facility, except those costs specifically incurred by the facility at the request of the resident and set forth in writing in a separate addendum, signed by both parties to the contract.

*q.* A statement that a resident has the right to rescind a contract for continuing care or senior adult congregate living services, without penalty or forfeiture, within three business days of the date the contract was executed or within thirty days after the date the resident received the disclosure statement required by section 523D.3, whichever is later.

2. *Cancellation.* The contract required by this section shall state the terms under which the contract can be canceled by the provider or the resident, including a statement of the refund rights of a resident, and shall include a completed, easily detachable form in duplicate, captioned "Notice of Cancellation", as an attachment, in ten point boldface type, containing the following information and statements in substantially the following form and language:

NOTICE OF CANCELLATION

.....

Date contract was executed.

.....

Date disclosure statement was provided
to resident.

You may rescind and cancel your contract, without any penalty or obligation, within three business days of the date the contract was executed or within thirty days after the date you received the disclosure statement required by Iowa Code section 523D.3, whichever is later. You are not required to move into the facility before the expiration of this cancellation period. However, if you do, the provider may retain the reasonable value of care and services actually provided to you, the resident, prior to your vacating the provider's facility. If you cancel this contract and you have already moved into the provider's facility, you must vacate your living unit within ten days after receipt by the provider of your cancellation notice.

If you cancel this contract, any payments of money or transfers of property you made to the provider must be returned as soon as reasonably possible by the provider following receipt by the provider of your cancellation notice, and any security interest arising out of the transaction is canceled, except that, as stated above, the provider may retain the reasonable value of care

and services actually provided to you prior to your vacating the provider's facility.

To cancel this contract, mail by certified mail or hand deliver a signed and dated copy of this cancellation notice or any other written notice clearly indicating your intent to cancel the contract, or send a telegram, to ..... (name of provider) at ..... (address of provider's place of business). Your cancellation is effective upon mailing by certified mail, when transmitted by telegraph, or when actual notice is given to the provider, whichever is earlier.

I hereby cancel this contract.

.....
(Date)

.....
(Resident's signature)

89 Acts, ch 217, §6; 90 Acts, ch 1168, §55; 90 Acts, ch 1233, §34; 91 Acts, ch 205, §15; 92 Acts, ch 1163, §102
Referred to in §523D.5

**523D.7 Civil liability.**

1. A provider is liable to the person contracting for continuing care or senior adult congregate living services for damages and repayment of all fees paid to the provider, facility, or person violating this chapter, less the reasonable value of care and lodging provided to the resident by or on whose behalf the contract for continuing care or senior adult congregate living services was entered into prior to discovery of the violation, misstatement, or omission, or the time the violation, misstatement, or omission should reasonably have been discovered, together with interest at the legal rate for judgments and court costs and reasonable attorney fees, if the provider does any of the following:

*a.* Enters into a contract to provide continuing care or senior adult congregate living services at a facility without having first delivered a disclosure statement meeting the requirements of this chapter to the person contracting for continuing care or senior adult congregate living services and to the person's personal representative if one is appointed by the person.

*b.* Enters into a contract to provide continuing care or senior adult congregate living services at a facility with a person who has relied on a disclosure statement which contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

2. Liability under this section exists regardless of whether or not the provider or person liable had actual knowledge of the misstatement or omission.

3. A person shall not file or maintain an action under this section if the person, before filing the action, received an offer to refund, payable upon acceptance, all amounts paid the provider, facility, or person violating this chapter, together with interest from the date of payment, less the reasonable value of care and lodging provided prior to receipt of the offer, and the person failed to accept the offer within thirty days of its receipt. At the time a provider makes a written offer of refund, the provider shall file a copy with the division of insurance. The refund offer shall refer to the provisions of this section.

4. An action shall not be maintained to enforce a liability created under this chapter unless brought before the expiration of six years after the execution of the contract for continuing care or senior adult congregate living services which gave rise to the violation.

5. Except as expressly provided in this chapter, civil liability in favor of a private party shall not arise against a person, by implication, from or as a result of the violation of this

chapter. This chapter does not limit a liability which may exist by virtue of any other statute or under common law if this chapter were not in effect.

89 Acts, ch 217, §7

**523D.8 Criminal penalties.**

1. A person who violates a provision of this chapter or a rule adopted or order entered pursuant to this chapter commits a fraudulent practice as provided in chapter 714.

2. This chapter does not limit the power of the state to punish any person for any conduct which constitutes a crime under any other statute.

89 Acts, ch 217, §8; 2004 Acts, ch 1104, §45

**523D.9 Initial filing.** Repealed by 2004 Acts, ch 1104, § 51.

**523D.10 Rules.**

The division of insurance may adopt rules pursuant to chapter 17A as necessary and appropriate to implement this chapter, and may make further recommendations to the general assembly for the protection of residents and prospective residents of facilities under this chapter.

89 Acts, ch 217, §10; 2004 Acts, ch 1104, §46

**523D.11** Reserved.

**523D.12 Investigations.**

The commissioner may, for the purpose of discovering or investigating violations of this chapter or rules adopted pursuant to this chapter do any or all of the following:

1. Investigate the business and examine the books, accounts, records, and files used by a provider. With the exception of an examination involving new construction, an examination involving a complaint by a resident or a prospective resident or where good cause exists for the lack of prior notice, as determined by the commissioner, the division of insurance shall provide at least seven days' prior notice to the facility before conducting an on-site examination.

2. Administer oaths and affirmations, subpoena witnesses, receive evidence, and require the production of documents and records in connection with an investigation or proceeding being conducted pursuant to this chapter.

3. Apply to the district court for issuance of an order requiring a person's appearance before the commissioner. The person may also be required to produce documentary evidence germane to the subject of the investigation. Failure to obey a court order under this section constitutes contempt of court.

91 Acts, ch 205, §16; 2004 Acts, ch 1104, §47 – 49

**523D.13 Compliance — summary orders.**

1. Upon the commissioner's determination that a provider has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or a rule adopted pursuant to this chapter, the commissioner may issue a summary order directing the provider to cease and desist from engaging in the act or practice resulting in the violation or to take other affirmative action as in the judgment of the commissioner is necessary to comply with the requirements of this chapter.

2. If a hearing is not timely requested, the summary order becomes final by operation of law. The order shall remain effective from the date of issuance until the date the order becomes final by operation of law or is overturned by a presiding officer or court following a request for hearing. A person who has been issued a summary order under this section may contest it by filing a request for a contested case proceeding as provided in chapter 17A and in accordance with rules adopted by the commissioner. However, the person shall have at least thirty days from the date that the order is issued in order to file the request. Section 17A.18A is inapplicable to a summary order issued under this section.

3. A person violating a summary order issued under this section shall be deemed in

contempt of that order. The commissioner may petition the district court to enforce the order as certified by the commissioner. The district court shall adjudge the person in contempt of the order if the court finds after hearing that the person is not in compliance with the order. The court shall assess a civil penalty against the person in an amount not less than three thousand dollars but not greater than ten thousand dollars per violation, and may issue further orders as it deems appropriate.

91 Acts, ch 205, §17; 2000 Acts, ch 1147, §32

**523D.14 Injunctions.**

The commissioner may petition the district court in any county of the state for an injunction to restrain a person subject to this chapter and any agents, employees, or associates of the person from engaging in conduct or practices in violation of this chapter or rules adopted pursuant to this chapter. In a proceeding for an injunction, the commissioner may apply to the court for the issuance of a subpoena to require the appearance of a defendant and the defendant's agents and any documents, books, or records germane to the hearing upon the petition for an injunction. Upon proof of any of the violations described in the petition for injunction, the court may grant the injunction.

91 Acts, ch 205, §18; 2004 Acts, ch 1104, §50

# CHAPTER 523E

## CEMETERY MERCHANDISE

Repealed by 2001 Acts, ch 118, §57; see chapter 523A

# CHAPTER 523F

## LEGAL EXPENSE INSURANCE

Repealed by 2001 Acts, ch 16, §36, 37

# CHAPTER 523G

## INVENTION DEVELOPMENT SERVICES

Referred to in §505.28, 505.29, 669.14

Legislative findings; 92 Acts, ch 1114, §1


523G.1 Short title.
523G.2 Purpose of the chapter.
523G.3 Definitions.
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523G.10 and 523G.11 Repealed by 98 Acts, ch 1119, §6.


**523G.1 Short title.**

This chapter shall be known and may be cited as the "*Invention Development Services Act*".

92 Acts, ch 1114, §2

**523G.2 Purpose of the chapter.**

The general assembly declares that the purpose of this chapter is to safeguard the public against fraud, deceit, imposition, and financial hardship, and to foster and encourage

competition, fair dealing, and prosperity in the field of invention development services by prohibiting or restricting deceptive practices, misleading advertising, onerous contract terms, harmful financial practices, and other unfair, dishonest, deceptive, destructive, unscrupulous, fraudulent, or discriminatory practices which threaten the public welfare.

92 Acts, ch 1114, §3

**523G.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Business record"* means a record maintained by an invention developer relating to invention development services, including but not limited to contracts, files, accounts, books, papers, photographs, and audio or visual tapes.

2. *"Commissioner"* means the commissioner of insurance or a person designated by the commissioner to act on the commissioner's behalf.

3. *"Contract"* means an agreement between an invention developer and a customer under which the invention developer promises to perform invention development services for the customer.

4. *"Customer"* means a person who is solicited by, inquires about, seeks the services of, or enters into a contract with an invention developer.

5. *"Deceptive practice"* means communicating a false or fraudulent statement, providing false pretense, making a false promise or misleading statement, misrepresenting a fact, omitting a material fact, or failing to make all disclosures required by this chapter.

6. *"Fee"* means a payment made by a customer to an invention developer, including reimbursements for expenditures made or costs incurred by the invention developer. However, *"fee"* does not include a payment made from a portion of the income received by the customer which resulted from invention development services performed by the invention developer.

7. *"Invention"* means an original concept which may be rendered into an artistic, educational, or technological expression, including works, compositions, designs, machines, manufacturing or engineering techniques, analyses, or processes.

8. *"Invention developer"* means a person who performs invention development services in this state or offers, through any means of communication, to perform invention development services in this state. However, an invention developer does not include the following:

*a.* A person licensed by a state or the United States to render legal advice, if the person acts within the scope of the license. However, if the person is a corporation, all of its stockholders or members must be licensed. If the person is a partnership, all of its partners must be licensed.

*b.* A department or agency of a federal or state government.

*c.* A political subdivision.

*d.* A nonprofit organization registered pursuant to state law.

*e.* A charitable, scientific, educational, or religious organization registered pursuant to state law.

*f.* A person who does not charge a fee for invention development services.

*g.* A person who provides researching, marketing, surveying, or other kinds of consulting services to professional manufacturers, marketers, publishers, or others purchasing such services as an adjunct to their traditional commercial enterprises.

9. *"Invention development services"* or *"services"* means acts required, promised to be performed, or actually performed by an invention developer for a customer pursuant to a contract which involves facilitating the development, promotion, licensing, publishing, exhibiting, or marketing of an invention.

92 Acts, ch 1114, §4

**523G.4 Initial disclosures.**

1. If an invention developer contemplates entering into a contract or if the invention developer contemplates performance of a phase covered in a contract, the invention developer shall notify the customer by a written statement. The invention developer shall deliver to the customer the written notice together with a copy of each contract or a written

summary of the general terms of each contract, including the total cost or consideration required from the customer, before the customer first executes the contract.

2. The invention developer shall make a written disclosure to the customer of the information required in this section. The disclosure shall be made in either the first written communication from the invention developer to a specific customer or at the first meeting between the invention developer and a customer. The written disclosure shall contain all of the following:

*a.* The median fee based on fees charged to all customers who have executed contracts with the invention developer in the preceding six months, excluding customers who have executed a contract in the preceding thirty days.

*b.* A single statement setting forth both of the following:

(1) The total number of customers who have executed contracts with the invention developer, except that the number need not reflect those customers who have executed contracts within the preceding thirty days.

(2) The number of customers who have received from the invention developer's services an amount of money in excess of the amount of money paid by those customers to the invention developer pursuant to a contract. The amount received by a customer reported on the statement shall only include income earned from the successful development, promotion, licensing, publishing, exhibiting, or marketing of the customer's invention pursuant to the contract executed between the invention developer and the customer.

*c.* A notice appearing in substantially the following form:

WARNING

The following disclosure is required by section 523G.4 of the Iowa Code:

The person you are dealing with is an invention developer regulated under chapter 523G of the Iowa Code. Unless an invention developer is an attorney licensed to practice in this state, the invention developer is prohibited from providing you legal advice concerning patent, copyright, or trademark law or to advise you of whether your creation, idea, or invention may be patentable or may be protected under the patent, copyright, or trademark laws of the United States or any other law. A registered patent agent may give advice as to patentability and protection available under the patent laws.

A patent, copyright, or trademark protection cannot be acquired for you by the invention developer. Your potential patent rights may be adversely affected by any attempt to commercialize your idea or invention before a patent application covering it is filed. Nonconfidential disclosures of your creation, idea, or invention may also trigger a one-year statutory deadline for filing a patent application in the United States, after which you would be banned from receiving any patent protection in the United States, and would prevent you from obtaining valid patent rights in countries whose law provides that patent applications must be filed before there is a public disclosure.

Your failure to identify and investigate existing patents, trademarks, or registered copyrights may place you in jeopardy of infringing the copyright, patent, or trademark rights of other persons if you proceed to make, use, or sell your creation, idea, or invention.

If you assign even a partial interest in the invention to the invention developer, the invention developer may have the right to assign or license its interest in the invention, or make, use, and sell the creation, idea, or invention without your consent and may not have to share the profits with you.

92 Acts, ch 1114, §5; 99 Acts, ch 96, §48
Referred to in §523G.9

**523G.5 Contracts.**

1. A contract shall set forth information required in this section in at least ten point type.

2. The contract shall describe fully and in detail the services that the invention developer contracts to perform for the customer.

3. The contract shall state the following information:

*a.* If the invention developer contracts to construct one or more prototypes, models,

or devices embodying the invention of the customer, the total number of prototypes to be constructed and whether the invention developer contracts to sell or distribute such prototypes, models, or devices.

*b.* If an oral or written estimate of customer earnings is made, the estimate and the data upon which it is based.

*c.* A single statement setting forth both of the following:

(1) The total number of customers who have executed contracts with the invention developer, except that the number need not reflect those customers who have contracted within the preceding thirty days.

(2) The number of customers who have received from the invention developer's services an amount of money in excess of the amount of money paid by those customers to the invention developer pursuant to a contract. The amount received by a customer reported on the statement shall only include payments for services performed by the invention developer involving the development, promotion, licensing, publishing, exhibiting, or marketing of the customer's invention pursuant to their contract.

*d.* The expected date of completion of the invention development services.

*e.* The extent to which the terms of the contract effectuate or make possible the purchase by the invention developer of an interest in the title to an invention.

*f.* A statement explaining that the invention developer is required to maintain all records and correspondence relating to the invention development services performed for that customer for a period not less than three years after expiration of the contract.

*g.* A statement explaining that the records and correspondence required to be maintained pursuant to section 523G.8 shall be made available to the customer or representative for review and copying at the expense of the customer on the premises of the invention developer during normal business hours upon seven days' written notice from the date of delivery sent by certified mail.

*h.* The name of the person contracting to perform the invention development services, all names under which the person is doing or has done business as an invention developer during the previous ten years, the names of all parent and subsidiary entities to the person, and the names of all entities that have a contractual obligation to perform invention development services for the person.

*i.* The principal business address of the invention developer and the name and address of its agent in this state authorized to receive service of process in this state.

4. *a.* The customer has an unconditional right to cancel a contract for invention development services at any time before the third business day following the date the customer receives an executed copy of the contract.

*b.* The customer must notify the invention developer of a cancellation by written notice delivered personally or by certified mail. A notice delivered personally must be delivered to the invention developer's place of business by the end of the third business day following the date that the contract was executed, and the cancellation shall take effect upon delivery. Upon delivery of the personal notice, the invention developer shall return a receipt to the customer acknowledging receipt of the cancellation. A notice delivered by certified mail must be mailed by midnight of the third day following the date that the contract was executed, and the cancellation shall become effective upon the date the receipt is signed. A notice of cancellation may take any form which indicates that the customer no longer intends to be bound by the contract.

*c.* Within ten business days after receipt of the notice of cancellation, the invention developer shall deliver to the customer, personally or by certified mail, all moneys paid, any note or other evidence of indebtedness, and all materials provided by the customer. The invention developer may condition payment upon a receipt by the customer acknowledging personal delivery.

5. The following shall be included in the contract:

*a.* A disclosure statement in substantially the following form shall appear in boldface type and be located conspicuously on a cover sheet that contains no other writing:

NOTICE

The following disclosure is required by section 523G.5 of the Iowa Code and is expressly made a part of this contract:

You have the right to cancel this contract for any reason at any time within three (3) business days from the date you and the invention developer sign the contract and you receive a fully executed copy. To exercise this option you may use certified mail or personally deliver to this invention developer written notice of your cancellation. The method and time for notification is set forth in this contract immediately above the place for your signature. The invention developer must return by certified mail or personal delivery, within ten business days after receipt of the cancellation notice, all money paid and all materials provided either by you or by another party on your behalf.

Unless the invention developer is an attorney, the invention developer is prohibited from giving you legal advice concerning patent, copyright, or trademark law, whether your creation, idea, or invention may be patentable, or protected under the patent, copyright, or trademark laws of the United States or any other law. A registered patent agent may give advice as to patentability and protection available under the patent laws.

A patent, copyright, or trademark protection will not be acquired for you by the invention developer or by this contract. Your potential patent rights may be adversely affected by any attempt to commercialize your idea or invention before a patent application covering it is filed. Nonconfidential disclosures of your idea or invention may also trigger certain statutory deadlines for filing a patent application in the United States and would prevent you from obtaining valid patent rights in countries whose law provides that patent applications must be filed before there is a public disclosure. Your failure to identify and investigate existing patents, trademarks, or registered copyrights may place you in jeopardy of infringing the copyright, patent, or trademark rights of other persons if you proceed to make, use, or sell your idea or invention.

*b.* A disclosure statement in substantially the following form shall appear in ten point boldface type immediately above the place where the customer is to sign:

ATTENTION!
(READ CAREFULLY)

You have three (3) business days during which you may cancel this contract for any reason. You must deliver written notice of the cancellation by certified mail or personally to the invention developer. This opportunity to cancel the contract will expire on the last date that you are allowed to mail or deliver notice. If you choose to use certified mail to deliver your notice, it must be placed in the United States mail addressed to (insert name of invention developer), at (insert address of invention developer's place of business) with first class postage prepaid before midnight of (insert proper date). If you choose to personally deliver your notice to the invention developer, it must be delivered by the end of the normal business day on (insert proper date). You are advised to obtain a written statement from the invention developer acknowledging receipt.

92 Acts, ch 1114, §6

**523G.6 Evidence of financial responsibility.**

1. An invention developer shall maintain as security evidence of financial responsibility as approved by the commissioner. The security shall be either a bond or cash deposit in an amount which is equal to the greater of either ten percent of the invention developer's gross income from the invention development business in this state during the invention developer's preceding fiscal year, or twenty-five thousand dollars. The commissioner shall approve the security before the invention developer renders or offers to render invention development services in this state. The invention developer shall have ninety days beginning on the first day of the invention developer's new fiscal year to change the security as necessary to conform to the requirements of this subsection.

2. A surety who issues a bond must be approved by the commissioner. A copy of the bond shall be filed in a manner and according to procedures approved by the commissioner. A cash deposit shall be filed with the treasurer of state in a manner and according to procedures approved by the treasurer of state in consultation with the commissioner. The treasurer of state shall not refund a deposit until sixty days following either the date that the invention developer has ceased doing business in the state or a bond has been filed with the commissioner in compliance with this section.

3. *a.* The security shall be in favor of the state for the benefit of any person entering into a contract with and damaged by an invention developer, if the damages are caused by one of the following:

(1) A failure by the invention developer to perform the terms of the contract.

(2) The insolvency of the invention developer or the cessation of the invention developer's business.

(3) The intentional violation of a provision of this chapter by the invention developer.

*b.* A person claiming against the security may maintain an action at law against the invention developer. An action against a bond may also include the surety. The aggregate liability of the surety to all persons for all breaches of conditions of the bond shall not exceed the amount of the bond.

92 Acts, ch 1114, §7, 13; 2012 Acts, ch 1023, §157
Implementation contingent upon appropriation; 92 Acts, ch 1114, §13; 94 Acts, ch 1031, §21

**523G.7 Negotiable instruments.**

An invention developer shall not take a negotiable instrument from a customer as part of a contract, unless the negotiable instrument is a check constituting evidence of the customer's obligation. A person in possession of a negotiable instrument is not a holder in due course as defined in section 554.3302, if the person takes a negotiable instrument from a customer in violation of this section.

92 Acts, ch 1114, §8

**523G.8 Records and correspondence.**

An invention developer shall maintain all records and correspondence relating to performance of each invention development contract for not less than three years after expiration of the contract.

92 Acts, ch 1114, §9
Referred to in §523G.5

**523G.9 Compliance with other laws, violations and penalties.**

1. The provisions of this chapter are not exclusive and do not relieve persons or a contract from compliance with other applicable law.

2. A contract which fails to comply with the applicable provisions of this chapter is unenforceable against the customer as contrary to public policy, unless the invention developer proves all of the following:

*a.* The noncompliance resulted from an error.

*b.* The invention developer followed reasonable procedures adopted to avoid such errors.

*c.* The invention developer promptly made an appropriate correction upon discovery of the noncompliance.

3. A contract executed by an invention developer is unenforceable against the customer, if the invention developer used deceptive practices, with an intent to cause reliance, regardless of whether the customer was actually misled, deceived, or damaged.

4. A provision of a contract which waives a provision of this chapter is contrary to public policy and is void and unenforceable.

5. A person may bring a civil action against an invention developer that uses a deceptive practice. The person may be awarded damages together with costs and disbursements, including reasonable attorney fees. The court in its discretion may increase the award of damages to an amount not to exceed three times the damages or two thousand five hundred dollars, whichever is greater.

6. Failure to make an initial disclosure required by section 523G.4 shall render any

contract subsequently entered into between the customer and the invention developer voidable by the customer.

7. A violation of this chapter or a rule adopted by the commissioner pursuant to this chapter is a violation of section 714.16. The remedies and penalties provided by section 714.16, including but not limited to provisions relating to injunctive relief and penalties, apply to violations of this chapter.

92 Acts, ch 1114, §10

**523G.10 and 523G.11** Repealed by 98 Acts, ch 1119, § 6.

# CHAPTER 523H

## FRANCHISES

Referred to in §669.14

Agreements entered into on or after July 1, 2000, are subject to §537A.10; see §523H.2A


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**523H.1 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Affiliate"* means a person controlling, controlled by, or under common control with another person, every officer or director of such a person, and every person occupying a similar status or performing similar functions.

2. *"Business day"* means a day other than a Saturday, Sunday, or federal holiday.

3. *a.* *"Franchise"* means either of the following:

(1) An oral or written agreement, either express or implied, which provides all of the following:

(a) Grants the right to distribute goods or provide services under a marketing plan prescribed or suggested in substantial part by the franchisor.

(b) Requires payment of a franchise fee to a franchisor or its affiliate.

(c) Allows the franchise business to be substantially associated with a trademark, service mark, trade name, logotype, advertisement, or other commercial symbol of or designating the franchisor or its affiliate.

(2) A master franchise.

*b.* *"Franchise"* does not include any business that is operated under a lease or license on the premises of the lessor or licensor as long as such business is incidental to the business conducted by the lessor or licensor on such premises, including, without limitation, leased departments, licensed departments, and concessions and the leased or licensed department operates only under the trademark, trade name, service mark, or other commercial symbol designating the lessor or licensor.

*c.* *"Franchise"* also does not include any contract under which a petroleum retailer or petroleum distributor is authorized or permitted to occupy leased marketing premises, which premises are to be employed in connection with the sale, consignment, or distribution of motor fuel under a trademark which is owned or controlled by a refiner which is regulated by the federal Petroleum Marketing Practices Act, 15 U.S.C. § 2801 et seq. The term *"refiner"*

means any person engaged in the refining of crude oil to produce motor fuel, and includes any affiliate of such person. *"Franchise"* also does not include a contract entered into by any person regulated under chapter 103A, division IV, or chapter 123, 322, 322A, 322C, 322D, 322F, 522B, or 543B, or a contract establishing a franchise relationship with respect to the sale of construction equipment, lawn or garden equipment, or real estate.

4. *"Franchise fee"* means a direct or indirect payment to purchase or operate a franchise. Franchise fee does not include any of the following:

*a.* Payment of a reasonable service charge to the issuer of a credit card by an establishment accepting the credit card.

*b.* Payment to a trading stamp company by a person issuing trading stamps in connection with a retail sale.

*c.* An agreement to purchase at a bona fide wholesale price a reasonable quantity of tangible goods for resale.

*d.* The purchase or agreement to purchase, at a fair market value, any fixtures, equipment, leasehold improvements, real property, supplies, or other materials reasonably necessary to enter into or continue a business.

*e.* Payments by a purchaser pursuant to a bona fide loan from a seller to the purchaser.

*f.* Payment of rent which reflects payment for the economic value of leased real or personal property.

*g.* The purchase or agreement to purchase promotional or demonstration supplies, materials, or equipment furnished at fair market value and not intended for resale.

5. *"Franchisee"* means a person to whom a franchise is granted. Franchisee includes the following:

*a.* A subfranchisor with regard to its relationship with a franchisor.

*b.* A subfranchisee with regard to its relationship with a subfranchisor.

6. *"Franchisor"* means a person who grants a franchise or master franchise, or an affiliate of such a person. Franchisor includes a subfranchisor with regard to its relationship with a franchisee, unless stated otherwise in this chapter.

7. *"Marketing plan"* means a plan or system concerning a material aspect of conducting business. Indicia of a marketing plan include any of the following:

*a.* Price specification, special pricing systems, or discount plans.

*b.* Sales or display equipment or merchandising devices.

*c.* Sales techniques.

*d.* Promotional or advertising materials or cooperative advertising.

*e.* Training regarding the promotion, operation, or management of the business.

*f.* Operational, managerial, technical, or financial guidelines or assistance.

8. *"Master franchise"* means an agreement by which a person pays a franchisor for the right to sell or negotiate the sale of franchises.

9. *"Offer"* or *"offer to sell"* means every attempt to offer or to dispose of, or solicitation of an offer to buy, a franchise or interest in a franchise for value.

10. *"Person"* means a person as defined in section 4.1, subsection 20.

11. *"Sale"* or *"sell"* means every contract or agreement of sale of, contract to sell or disposition of, a franchise or interest in a franchise for value.

12. *"Subfranchise"* means an agreement by which a person pays a franchisor for the right to sell or negotiate the sale of franchises.

13. *"Subfranchisee"* means a person who is granted a franchise from a subfranchisor.

14. *"Subfranchisor"* means a person who is granted a master franchise.

92 Acts, ch 1134, §1; 2001 Acts, ch 16, §13, 37; 2006 Acts, ch 1090, §21, 26

**523H.2 Applicability.**

This chapter applies to a new or existing franchise that is operated in the state of Iowa. For purposes of this chapter, the franchise is operated in this state only if the premises from which the franchise is operated is physically located in this state. For purposes of this chapter, a franchise including marketing rights in or to this state, is deemed to be operated in this state only if the franchisee's principal business office is physically located in this state. This chapter does not apply to a franchise solely because an agreement relating to the franchise

provides that the agreement is subject to or governed by the laws of this state. The provisions of this chapter do not apply to any existing or future contracts between Iowa franchisors and franchisees who operate franchises located out of state.

92 Acts, ch 1134, §2; 95 Acts, ch 117, §1

Referred to in §523H.2A, 537A.10

**523H.2A Applicability — limitation.**

1. Notwithstanding section 523H.2, this chapter does not apply to a franchise agreement which is entered into on or after July 1, 2000. A franchise agreement which is entered into on or after July 1, 2000, shall be subject to section 537A.10.

2. This chapter shall govern all actions with respect to a franchise agreement entered into prior to July 1, 2000, no matter when the occurrence giving rise to such action occurs.

2000 Acts, ch 1093, §2

**523H.3 Jurisdiction and nonjudicial resolution of disputes.**

1. A provision in a franchise agreement restricting jurisdiction to a forum outside this state is void with respect to a claim otherwise enforceable under this chapter.

2. A civil action or proceeding arising out of a franchise may be commenced wherever jurisdiction over the parties or subject matter exists, even if the agreement limits actions or proceedings to a designated jurisdiction.

3. Parties to a franchise may agree to independent arbitration, mediation, or other nonjudicial resolution of an existing or future dispute.

4. Venue for a civil action commenced under this chapter shall be determined in accordance with chapter 616.

92 Acts, ch 1134, §3

**523H.4 Waivers void.**

A condition, stipulation, or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by or a right provided by this chapter or a rule or order under this chapter is void. This section shall not affect the settlement of disputes, claims, or civil lawsuits arising or brought pursuant to this chapter.

92 Acts, ch 1134, §4

**523H.5 Transfer of franchise.**

1. A franchisee may transfer the franchised business and franchise to a transferee, provided that the transferee satisfies the reasonable current qualifications of the franchisor for new franchisees. For the purposes of this section, a reasonable current qualification for a new franchisee is a qualification based upon a legitimate business reason. If the proposed transferee does not meet the reasonable current qualifications of the franchisor, the franchisor may refuse to permit the transfer, provided that the refusal of the franchisor to consent to the transfer is not arbitrary or capricious.

2. Except as otherwise provided in this section, a franchisor may exercise a right of first refusal contained in a franchise agreement after receipt of a proposal from the franchisee to transfer the franchise.

3. A franchisor may require as a condition of a transfer any of the following:

*a.* That the transferee successfully complete a reasonable training program.

*b.* That a reasonable transfer fee be paid to reimburse the franchisor for the franchisor's reasonable and actual expenses directly attributable to the transfer.

*c.* That the franchisee pay or make provision reasonably acceptable to the franchisor to pay any amount due the franchisor or the franchisor's affiliate.

*d.* That the financial terms of the transfer comply at the time of the transfer with the franchisor's current financial requirements for franchisees.

4. A franchisee may transfer the franchisee's interest in the franchise, for the unexpired term of the franchise agreement, and a franchisor shall not require the franchisee or the transferee to enter into a new or different franchise agreement as a condition of the transfer.

5. A franchisee shall give the franchisor no less than sixty days' written notice of a

transfer which is subject to the provisions of this section, and on request from the franchisor shall provide in writing the ownership interests of all persons holding or claiming an equitable or beneficial interest in the franchise subsequent to the transfer or the franchisee, as appropriate. A franchisee shall not circumvent the intended effect of a contractual provision governing the transfer of the franchise or an interest in the franchise by means of a management agreement, lease, profit-sharing agreement, conditional assignment, or other similar device.

6. A franchisor shall not transfer its interest in a franchise unless the franchisor makes reasonable provision for the performance of the franchisor's obligations under the franchise agreement by the transferee. For purposes of this subsection, "*reasonable provision*" means that upon the transfer, the entity assuming the franchisor's obligations has the financial means to perform the franchisor's obligations in the ordinary course of business, but does not mean that the franchisor transferring the franchise is required to guarantee obligations of the underlying franchise agreement.

7. A transfer by a franchisee is deemed to be approved sixty days after the franchisee submits the request for consent to the transfer unless the franchisor withholds consent to the transfer as evidenced in writing, specifying the reason or reasons for withholding the consent. The written notice must be delivered to the franchisee prior to the expiration of the sixty-day period. Any such notice is privileged and is not actionable based upon a claim of defamation.

8. A franchisor shall not discriminate against a proposed transferee of a franchise on the basis of race, color, national origin, religion, sex, or disability.

9. A franchisor, as a condition to a transfer of a franchise, shall not obligate a franchisee to undertake obligations or relinquish any rights unrelated to the franchise proposed to be transferred, or to enter into a release of claims broader than a similar release of claims by the franchisor against the franchisee which is entered into by the franchisor.

10. A franchisor, after a transfer of a franchise, shall not seek to enforce any covenant of the transferred franchise against the transferor which prohibits the transferor from engaging in any lawful occupation or enterprise. However, this subsection does not prohibit the franchisor from enforcing a contractual covenant against the transferor not to exploit the franchisor's trade secrets or intellectual property rights, unless otherwise agreed to by the parties.

11. For purposes of this section, "*transfer*" means any change in ownership or control of a franchise, franchised business, or a franchisee.

12. The following occurrences shall not be considered transfers requiring the consent of the franchisor under a franchise agreement, and shall not result in the imposition of any penalties or make applicable any right of first refusal by the franchisor:

*a.* The succession of ownership of a franchise upon the death or disability of a franchisee, or of an owner of a franchise, to the surviving spouse, heir, or a partner active in the management of the franchisee unless the successor fails to meet within one year the then current reasonable qualifications of the franchisor for franchisees and the enforcement of the reasonable current qualifications is not arbitrary or capricious.

*b.* Incorporation of a proprietorship franchisee, provided that such incorporation does not prohibit a franchisor from requiring a personal guaranty by the franchisee of obligations related to the franchise.

*c.* A transfer within an existing ownership group of a franchise provided that more than fifty percent of the franchise is held by persons who meet the franchisor's reasonable current qualifications for franchisees. If less than fifty percent of the franchise would be owned by persons who meet the franchisor's reasonable current qualifications, the franchisor may refuse to authorize the transfer, provided that enforcement of the reasonable current qualifications is not arbitrary or capricious.

*d.* A transfer of less than a controlling interest in the franchise to the franchisee's spouse or child or children, provided that more than fifty percent of the entire franchise is held by those who meet the franchisor's reasonable current qualifications. If less than fifty percent of the franchise would be owned by persons who meet the franchisor's reasonable current qualifications, the franchisor may refuse to authorize the transfer, provided that enforcement of the reasonable current qualifications is not arbitrary or capricious.

*e.* A transfer of less than a controlling interest in the franchise of an employee stock ownership plan, or employee incentive plan, provided that more than fifty percent of the entire franchise is held by those who meet the franchisor's reasonable current qualifications for franchisees. If less than fifty percent would be owned by persons who meet the franchisor's reasonable current qualifications, the franchisor may refuse to authorize the transfer, provided that enforcement of the reasonable current qualifications is not arbitrary or capricious.

*f.* A grant or retention of a security interest in the franchised business or its assets, or an ownership interest in the franchisee, provided the security agreement establishes an obligation on the part of the secured party enforceable by the franchisor to give the franchisor notice of the secured party's intent to foreclose on the collateral simultaneously with notice to the franchisee, and a reasonable opportunity to redeem the interests of the secured party and recover the secured party's interest in the franchise or franchised business by paying the secured obligation.

13. A franchisor shall not interfere or attempt to interfere with any disposition of an interest in a franchise or franchised business as described in subsection 12, paragraphs "*a*" through "*f*".

92 Acts, ch 1134, §5; 95 Acts, ch 117, §2

**523H.6 Encroachment.**

1. If a franchisor develops, or grants to a franchisee the right to develop, a new outlet or location which sells essentially the same goods or services under the same trademark, service mark, trade name, logotype, or other commercial symbol as an existing franchisee and the new outlet or location has an adverse effect on the gross sales of the existing franchisee's outlet or location, the existing adversely affected franchisee has a cause of action for monetary damages in an amount calculated pursuant to subsection 3, unless any of the following apply:

*a.* The franchisor has first offered the new outlet or location to the existing franchisee on the same basic terms and conditions available to the other potential franchisee, or, if the new outlet or location is to be owned by the franchisor, on the terms and conditions that would ordinarily be offered to a franchisee for a similarly situated outlet or location.

*b.* The adverse impact on the existing franchisee's annual gross sales, based on a comparison to the annual gross sales from the existing outlet or location during the twelve-month period immediately preceding the opening of the new outlet or location, is determined to have been less than five percent during the first twelve months of operation of the new outlet or location.

*c.* The existing franchisee, at the time the franchisor develops, or grants to a franchisee the right to develop, a new outlet or location, is not in compliance with the franchisor's then current reasonable criteria for eligibility for a new franchise. A franchisee determined to be ineligible pursuant to this paragraph shall be afforded the opportunity to seek compensation pursuant to the formal procedure established under paragraph "*d*", subparagraph (2). Such procedure shall be the franchisee's exclusive remedy.

*d.* The franchisor has established both of the following:

(1) A formal procedure for hearing and acting upon claims by an existing franchisee with regard to a decision by the franchisor to develop, or grant to a franchisee the right to develop, a new outlet or location, prior to the opening of the new outlet or location.

(2) A reasonable formal procedure for awarding compensation or other form of consideration to a franchisee to offset all or a portion of the franchisee's lost profits caused by the establishment of the new outlet or location. The procedure shall involve, at the option of the franchisee, one of the following:

(a) A panel, comprised of an equal number of members selected by the franchisee and the franchisor, and one additional member to be selected unanimously by the members selected by the franchisee and the franchisor.

(b) A neutral third-party mediator or an arbitrator with the authority to make a decision or award in accordance with the formal procedure. The procedure shall be deemed reasonable if

approved by a majority of the franchisor's franchisees in the United States, either individually or by an elected representative body.

(c) Arbitration of any dispute before neutral arbitrators pursuant to the rules of the American arbitration association. The award of an arbitrator pursuant to this subparagraph division is subject to judicial review pursuant to chapter 679A.

2. A franchisor shall establish and make available to its franchisees a written policy setting forth its reasonable criteria to be used by the franchisor to determine whether an existing franchisee is eligible for a franchise for an additional outlet or location.

3. *a.* In establishing damages under a cause of action brought pursuant to this section, the franchisee has the burden of proving the amount of lost profits attributable to the compensable sales. In any action brought under this section, the damages payable shall be limited to no more than three years of the proven lost profits. For purposes of this subsection, *"compensable sales"* means the annual gross sales from the existing outlet or location during the twelve-month period immediately preceding the opening of the new outlet or location less both of the following:

(1) Five percent.

(2) The actual gross sales from the operation of the existing outlet or location for the twelve-month period immediately following the opening of the new outlet or location.

*b.* Compensable sales shall exclude any amount attributable to factors other than the opening and operation of the new outlet or location.

4. Any cause of action brought under this section must be filed within eighteen months of the opening of the new outlet or location or within three months after the completion of the procedure under subsection 1, paragraph *"d"*, subparagraph (2), whichever is later.

5. Upon petition by the franchisor or the franchisee, the district court may grant a permanent or preliminary injunction to prevent injury or threatened injury for a violation of this section or to preserve the status quo pending the outcome of the formal procedure under subsection 1, paragraph *"d"*, subparagraph (2).

92 Acts, ch 1134, §6; 95 Acts, ch 117, §3; 2009 Acts, ch 41, §263

**523H.7 Termination.**

1. Except as otherwise provided by this chapter, a franchisor shall not terminate a franchise prior to the expiration of its term except for good cause. For purposes of this section, *"good cause"* is cause based upon a legitimate business reason. *"Good cause"* includes the failure of the franchisee to comply with any material lawful requirement of the franchise agreement, provided that the termination by the franchisor is not arbitrary or capricious when compared to the actions of the franchisor in other similar circumstances. The burden of proof of showing that action of the franchisor is arbitrary or capricious shall rest with the franchisee.

2. Prior to termination of a franchise for good cause, a franchisor shall provide a franchisee with written notice stating the basis for the proposed termination. After service of written notice, the franchisee shall have a reasonable period of time to cure the default, which in no event shall be less than thirty days or more than ninety days. In the event of nonpayment of moneys due under the franchise agreement, the period to cure need not exceed thirty days.

3. Notwithstanding subsection 2, a franchisor may terminate a franchisee upon written notice and without an opportunity to cure if any of the following apply:

*a.* The franchisee or the business to which the franchise relates is declared bankrupt or judicially determined to be insolvent.

*b.* All or a substantial part of the assets of the franchise or the business to which the franchisee relates are assigned to or for the benefit of any creditor which is subject to chapter 681. An assignment for the benefit of any creditor pursuant to this paragraph does not include the granting of a security interest in the normal course of business.

*c.* The franchisee voluntarily abandons the franchise by failing to operate the business for five consecutive business days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the

franchisee does not intend to continue to operate the franchise, unless the failure to operate is due to circumstances beyond the control of the franchisee.

*d.* The franchisor and franchisee agree in writing to terminate the franchise.

*e.* The franchisee knowingly makes any material misrepresentations or knowingly omits to state any material facts relating to the acquisition or ownership or operation of the franchise business.

*f.* After three material breaches of a franchise agreement occurring within a twelve-month period, for which the franchisee has been given notice and an opportunity to cure, the franchisor may terminate upon any subsequent material breach within the twelve-month period without providing an opportunity to cure, provided that the action is not arbitrary and capricious.

*g.* The franchised business or business premises of the franchisee are lawfully seized, taken over, or foreclosed by a government authority or official.

*h.* The franchisee is convicted of a felony or any other criminal misconduct which materially and adversely affects the operation, maintenance, or goodwill of the franchise in the relevant market.

*i.* The franchisee operates the franchised business in a manner that imminently endangers the public health and safety.

92 Acts, ch 1134, §7; 95 Acts, ch 117, §4

**523H.8 Nonrenewal of a franchise.**

1. A franchisor shall not refuse to renew a franchise unless both of the following apply:

*a.* The franchisee has been notified of the franchisor's intent not to renew at least six months prior to the expiration date or any extension of the franchise agreement.

*b.* Any of the following circumstances exist:

(1) Good cause exists, provided that the refusal of the franchisor to renew is not arbitrary or capricious. For purposes of this section, *"good cause"* means cause based on a legitimate business reason.

(2) The franchisor and franchisee agree not to renew the franchise.

(3) The franchisor completely withdraws from directly or indirectly distributing its products or services in the geographic market served by the franchisee, provided that upon expiration of the franchise, the franchisor agrees not to seek to enforce any covenant of the nonrenewed franchisee not to compete with the franchisor or franchisees of the franchisor.

2. As a condition of renewal of the franchise, a franchise agreement may require that the franchisee meet the then current requirements for franchises and that the franchisee execute a new agreement incorporating the then current terms and fees for new franchises.

92 Acts, ch 1134, §8; 95 Acts, ch 117, §5

**523H.9 Franchisee's right to associate.**

A franchisor shall not restrict a franchisee from associating with other franchisees or from participating in a trade association, and shall not retaliate against a franchisee for engaging in these activities.

92 Acts, ch 1134, §9

**523H.10 Duty of good faith.**

A franchise imposes on the parties a duty of good faith in performance and enforcement of the franchise agreement. *"Good faith"* means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade.

92 Acts, ch 1134, §10

**523H.11 Repurchase of assets.**

A franchisor shall not prohibit a franchisee from, or enforce a prohibition against a franchisee, engaging in any lawful business at any location after a termination or refusal to renew by a franchisor, unless it is one which relies on a substantially similar marketing program as the terminated or nonrenewed franchise or unless the franchisor offers in writing no later than ten business days before expiration of the franchise to purchase the

assets of the franchised business for its fair market value as a going concern. The value of the assets shall not include the goodwill of the business attributable to the trademark licensed to the franchisee in the franchise agreement. The offer may be conditioned upon the ascertainment of a fair market value by an impartial appraiser. This section does not apply to assets of the franchised business which the franchisee did not purchase from the franchisor, or the agent of the franchisor.

92 Acts, ch 1134, §11; 95 Acts, ch 117, §6

**523H.12 Independent sourcing.**

1. Except as provided in subsection 2, a franchisor shall allow a franchisee to obtain equipment, fixtures, supplies, and services used in the establishment and operation of the franchised business from sources of the franchisee's choosing, provided that such goods and services meet standards as to their nature and quality promulgated by the franchisor.

2. Subsection 1 of this section does not apply to reasonable quantities of inventory goods or services, including display and sample items, that the franchisor requires the franchisee to obtain from the franchisor or its affiliate, but only if the goods or services are central to the franchised business and either are actually manufactured or produced by the franchisor or its affiliate, or incorporate a trade secret owned by the franchisor or its affiliate.

92 Acts, ch 1134, §12

**523H.13 Private civil action.**

A person who violates a provision of this chapter or order issued under this chapter is liable for damages caused by the violation, including, but not limited to, costs and reasonable attorneys' and experts' fees, and subject to other appropriate relief including injunctive and other equitable relief.

92 Acts, ch 1134, §13

**523H.14 Choice of law.**

A condition, stipulation, or provision requiring the application of the law of another state in lieu of this chapter is void.

92 Acts, ch 1134, §14

**523H.15 Construction with other law.**

This chapter does not limit any liability that may exist under another statute or at common law. Prior law governs all actions based on facts occurring before July 1, 1992.

92 Acts, ch 1134, §15

**523H.16 Construction.**

This chapter shall be liberally construed to effectuate its purposes.

92 Acts, ch 1134, §16

**523H.17 Severability.**

If any provision or clause of this chapter or any application of this chapter to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable.

92 Acts, ch 1134, §17

# CHAPTER 523I

## IOWA CEMETERY ACT

Referred to in §459.102, 505.28, 505.29, 523A.807, 523A.811, 523A.812, 669.14

Former ch 523I repealed effective July 1, 2005;
2005 Acts, ch 128, §74

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## SUBCHAPTER I

## TITLE — DEFINITIONS — APPLICABILITY

**523I.101 Short title.**

This chapter may be cited as the *"Iowa Cemetery Act"*.

2005 Acts, ch 128, §6

**523I.102 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Authorized to do business within this state"* means a person licensed, registered, or subject to regulation by an agency of the state of Iowa or who has filed a consent to service of process with the commissioner for purposes of this chapter.

2. *"Burial site"* means any area, except a cemetery, that is used to inter or scatter remains.

3. *"Capital gains"* means appreciation in the value of trust assets for which a market value may be determined with reasonable certainty after deduction of investment losses, taxes, expenses incurred in the sale of trust assets, any costs of the operation of the trust, examination expenses, and any audit expenses.

4. *"Care fund"* means funds set aside for the care of a perpetual care cemetery, including all of the following:

*a.* Money or real or personal property impressed with a trust by the terms of this chapter.

*b.* Contributions in the form of a gift, grant, or bequest.

*c.* Any accumulated income that the trustee of the fund or the cemetery allocates to principal.

5. *"Casket"* means a rigid container which is designed for the encasement of human remains and which is usually constructed of wood, metal, fiberglass, plastic, or like material and ornamented and lined with fabric.

6. *"Cemetery"* means any area that is or was open to use by the public in general or any segment thereof and is used or is intended to be used to inter or scatter remains. *"Cemetery"* does not include the following:

*a.* A private burial site where use is restricted to members of a family, if the interment rights are conveyed without a monetary payment, fee, charge, or other valuable form of compensation or consideration.

*b.* A private burial site where use is restricted to a narrow segment of the public, if the interment rights are conveyed without a monetary payment, fee, charge, or other valuable form of compensation or consideration.

*c.* A pioneer cemetery.

7. *"Columbarium"* means a structure, room, or space in a mausoleum or other building containing niches or recesses for disposition of cremated remains.

8. *"Commissioner"* means the commissioner of insurance.

9. *"Common business enterprise"* means a group of two or more business entities that share common ownership in excess of fifty percent.

10. *"Disinterment"* means to remove human remains from their place of final disposition.

11. *"Doing business in this state"* means issuing or performing wholly or in part any term of an interment rights agreement executed within the state of Iowa.

12. *"Financial institution"* means a state or federally insured bank, savings association, credit union, trust department thereof, or a trust company that is authorized to do business within this state, that has been granted trust powers under the laws of this state or the United

States, and that holds funds under a trust agreement. *"Financial institution"* does not include a cemetery or any person employed by or directly involved with a cemetery.

13. *"Garden"* means an area within a cemetery established by the cemetery as a subdivision for organizational purposes, not for sale purposes.

14. *"Grave space"* means a space of ground in a cemetery that is used or intended to be used for an in-ground burial.

15. *"Gross selling price"* means the aggregate amount a purchaser is obligated to pay for interment rights, exclusive of finance charges.

16. *"Inactive cemetery"* means a cemetery that is not operating on a regular basis, is not offering to sell or provide interments or other services reasonably necessary for interment, and does not provide or permit reasonable ingress or egress for the purposes of visiting interment spaces.

17. *"Income"* means the return in money or property derived from the use of trust principal after deduction of investment losses, taxes, and expenses incurred in the sale of trust assets, any cost of the operation of the trust, examination expenses or fees, and any audit expenses. *"Income"* includes but is not limited to:

*a.* Rent of real or personal property, including sums received for cancellation or renewal of a lease and any royalties.

*b.* Interest on money lent, including sums received as consideration for prepayment of principal.

*c.* Cash dividends paid on corporate stock.

*d.* Interest paid on deposit funds or debt obligations.

*e.* Gain realized from the sale of trust assets.

18. *"Insolvent"* means the inability to pay debts as they become due in the usual course of business.

19. *"Interment rights"* means the rights to place remains in a specific location for use as a final resting place or memorial.

20. *"Interment rights agreement"* means an agreement to furnish memorials, memorialization, opening and closing services, or interment rights.

21. *"Interment space"* means a space used or intended to be used for the interment of remains including but not limited to a grave space, lawn crypt, mausoleum crypt, and niche.

22. *"Lawn crypt"* means a preplaced enclosed chamber, which is usually constructed of reinforced concrete and poured in place, or a precast unit installed in quantity, either side-by-side or at multiple depths, and covered by earth or sod.

23. *"Lot"* means an area in a cemetery containing more than one interment space which is uniquely identified by an alphabetical, numeric, or alphanumerical identification system.

24. *"Maintenance fund"* means funds set aside for the maintenance of a nonperpetual care cemetery, including all of the following:

*a.* Money or real or personal property impressed with a trust by the terms of this chapter.

*b.* Contributions in the form of a gift, grant, or bequest.

*c.* Any accumulated income that the trustee of the fund or the cemetery allocates to principal.

25. *"Mausoleum"* means an aboveground structure designed for the entombment of human remains.

26. *"Mausoleum crypt"* means a chamber in a mausoleum of sufficient size to contain casketed human remains.

27. *"Memorial"* means any product, including any foundation other than a mausoleum or columbarium, used for identifying an interment space or for commemoration of the life, deeds, or career of a decedent including but not limited to a monument, marker, niche plate, urn garden plaque, crypt plate, cenotaph, marker bench, and vase.

28. *"Memorial care"* means any care provided or to be provided for the general maintenance of memorials including foundation repair or replacement, resetting or straightening tipped memorials, repairing or replacing inadvertently damaged memorials, and any other care clearly specified in the purchase agreement.

29. *"Memorial dealer"* means any person offering or selling memorials retail to the public.

30. *"Memorialization"* means any permanent system designed to mark or record the name and other data pertaining to a decedent.

31. *"Merchandise"* means any personal property offered or sold for use in connection with the funeral, final disposition, memorialization, or interment of human remains, but which is exclusive of interment rights.

32. *"Neglected cemetery"* means a cemetery where there has been a failure to cut grass or weeds or care for graves, memorials or memorialization, walls, fences, driveways, and buildings, or for which proper records of interments have not been maintained.

33. *"Niche"* means a recess or space in a columbarium or mausoleum used for placement of cremated human remains.

34. *"Opening and closing services"* means one or more services necessarily or customarily provided in connection with the interment or entombment of human remains or a combination thereof.

35. *"Operating a cemetery"* means offering to sell or selling interment rights, or any service or merchandise necessarily or customarily provided for a funeral, or for the entombment or cremation of a dead human, or any combination thereof, including but not limited to opening and closing services, caskets, memorials, vaults, urns, and interment receptacles.

36. *"Outer burial container"* means any container which is designed for placement in the ground around a casket or an urn including but not limited to containers commonly known as burial vaults, urn vaults, grave boxes, grave liners, and lawn crypts.

37. *"Perpetual care cemetery"* includes all of the following:

*a.* Any cemetery that was organized or commenced business in this state on or after July 1, 1995.

*b.* Any cemetery that has established a care fund in compliance with section 523I.810.

*c.* Any cemetery that represents that it is a perpetual care cemetery in its interment rights agreement.

*d.* Any cemetery that represents in any other manner that the cemetery provides perpetual, permanent, or guaranteed care.

38. *"Person"* means an individual, firm, corporation, partnership, joint venture, limited liability company, association, trustee, government or governmental subdivision, agency, or other entity, or any combination thereof.

39. *"Pioneer cemetery"* means a cemetery where there were twelve or fewer burials in the preceding fifty years.

40. *"Purchaser"* means a person who purchases memorials, memorialization, opening and closing services, scattering services, interment rights, or a combination thereof. A purchaser need not be a beneficiary of the interment rights agreement.

41. *"Relative"* means a great-grandparent, grandparent, father, mother, spouse, child, brother, sister, nephew, niece, uncle, aunt, first cousin, second cousin, third cousin, or grandchild connected to a person by either blood or affinity.

42. *"Religious cemetery"* means a cemetery that is owned, operated, or controlled by a recognized church or denomination, or a cemetery designated as such in the official Catholic directory on file with the insurance division or in a similar publication of a recognized church or denomination, or a cemetery that the commissioner determines is operating as a religious cemetery upon review of an application by the cemetery that includes a description of the cemetery's affiliation with a recognized church or denomination, the extent to which the affiliate organization is responsible for the financial and contractual obligations of the cemetery, or the provision of the Internal Revenue Code, if any, that exempts the cemetery from the payment of federal income tax.

43. *"Relocation"* means the act of taking remains from the place of interment or the place where the remains are being held to another designated place.

44. *"Remains"* means the body of a deceased human or a body part, or limb that has been removed from a living human, including a body, body part, or limb in any stage of decomposition, or cremated remains.

45. *"Scattering services provider"* means a person in the business of scattering human cremated remains.

46. *"Seller"* means a person doing business within this state, including a person doing business within this state who advertises, sells, promotes, or offers to furnish memorials, memorialization, opening and closing services, scattering services, or interment rights, or a combination thereof, whether the transaction is completed or offered in person, through the mail, over the telephone, by the internet, or through any other means of commerce.

47. *"Special care"* means any care provided or to be provided that supplements or exceeds the requirements of this chapter in accordance with the specific directions of any donor of funds for such purposes.

48. *"Undeveloped space"* means a designated area or building within a cemetery that has been mapped and planned for future development but is not yet fully developed.

49. *"Veterans cemetery"* means a cemetery that is owned or operated by the state of Iowa or by the United States for the burial of veterans.

2005 Acts, ch 128, §7; 2006 Acts, ch 1117, §118; 2007 Acts, ch 175, §34, 35; 2008 Acts, ch 1123, §54; 2009 Acts, ch 132, §5; 2012 Acts, ch 1017, §103

Referred to in §37A.1

**523I.103 Applicability of chapter.**

1. This chapter applies to all of the following:

*a.* All cemeteries, except religious cemeteries that commenced business prior to July 1, 2005, and veterans cemeteries.

*b.* All persons advertising or offering memorials, memorialization, opening and closing services, scattering services at a cemetery, interment rights, or a combination thereof for sale.

*c.* Interments made in areas not dedicated as a cemetery, by a person other than the state archaeologist.

2. This chapter applies when a purchase agreement is executed within this state or an advertisement, promotion, or offer to furnish memorials, memorialization, opening and closing services, scattering services, interment rights, or a combination thereof is made or accepted within this state. An offer to furnish memorials, memorialization, opening and closing services, scattering services, interment rights, or a combination thereof is made within this state, whether or not either party is then present in this state, when the offer originates from this state or is directed by the offeror to this state and received by the offeree in this state through the mail, over the telephone, by the internet, or through any other means of commerce.

3. If a foreign person does not have a registered agent or agents in the state of Iowa, doing business within this state shall constitute the person's appointment of the secretary of state of the state of Iowa to be the person's true and lawful attorney upon whom may be served all lawful process of original notice in actions or proceedings arising or growing out of any contract or tort.

2005 Acts, ch 128, §8; 2006 Acts, ch 1010, §147; 2006 Acts, ch 1117, §119

## SUBCHAPTER II

## ADMINISTRATION AND ENFORCEMENT

**523I.201 Administration.**

1. This chapter shall be administered by the commissioner. The commissioner may employ officers, attorneys, accountants, and other employees as needed for administering this chapter.

2. It is unlawful for the commissioner or any administrative staff to use for personal benefit any information which is filed with or obtained by the commissioner and which is not made public. This chapter does not authorize the commissioner or any staff member to disclose any such information except among themselves or to other cemetery and funeral administrators, regulatory authorities, or governmental agencies, or when necessary and appropriate in a proceeding or investigation under this chapter or as required by chapter 22. This chapter

neither creates nor derogates any privileges that exist at common law or otherwise when documentary or other evidence is sought under a subpoena directed to the commissioner or any administrative staff.

3. The commissioner shall submit an annual report to the general assembly's standing committees on government oversight by October 1 of each year reporting on the administration of this chapter. The report shall set forth any recommendations for changes in the law that the commissioner deems necessary or desirable to prevent abuses or evasions of this chapter or rules implementing this chapter or to rectify undesirable conditions in connection with the administration of this chapter or rules implementing this chapter.

2005 Acts, ch 128, §9; 2006 Acts, ch 1030, §64; 2006 Acts, ch 1117, §120; 2007 Acts, ch 175, §36, 37; 2008 Acts, ch 1123, §55; 2009 Acts, ch 86, §6

**523I.202 Investigations and subpoenas.**

1. The commissioner may, for the purpose of discovering a violation of this chapter or implementing rules or orders issued under this chapter, do any of the following:

*a.* Make such public or private investigations within or outside of this state as the commissioner deems necessary to determine whether any person has violated or is about to violate this chapter, or implementing rules or orders issued under this chapter, or to aid in the enforcement of this chapter, or in the prescribing of rules and forms under this chapter.

*b.* Require or permit any person to file a statement in writing, under oath or otherwise as the commissioner or attorney general determines, as to all the facts and circumstances concerning the matter being investigated.

*c.* Notwithstanding chapter 22, keep confidential the information obtained in the course of an investigation. However, if the commissioner determines that it is necessary or appropriate in the public interest or for the protection of the public, the commissioner may share information with other administrators, regulatory authorities, or governmental agencies, or may publish information concerning a violation of this chapter, or implementing rules or orders issued under this chapter.

*d.* Investigate a cemetery and examine the books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records of the cemetery.

*e.* Administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records which the commissioner deems relevant or material to any investigation or proceeding under this chapter and implement rules, all of which may be enforced under chapter 17A.

*f.* Apply to the district court for an order requiring a person's appearance before the commissioner or attorney general, or a designee of either or both, in cases where the person has refused to obey a subpoena issued by the commissioner or attorney general. The person may also be required to produce documentary evidence germane to the subject of the investigation. Failure to obey a court order under this subsection constitutes contempt of court.

2. The commissioner may issue and bring an action in district court to enforce subpoenas within this state at the request of an agency or administrator of another state, if the activity constituting an alleged violation for which the information is sought would be a violation of this chapter had the activity occurred in this state.

2005 Acts, ch 128, §10

**523I.203 Cease and desist orders — injunctions.**

If it appears to the commissioner that a person has engaged or is about to engage in an act or practice constituting a violation of this chapter, or implementing rules or orders issued under this chapter, the commissioner or the attorney general may do any of the following:

1. Issue a summary order directed to the person that requires the person to cease and desist from engaging in such an act or practice. A person may request a hearing within thirty days of issuance of the summary order. If a hearing is not timely requested, the summary order shall become final by operation of law. The order shall remain effective from the date of issuance until the date the order becomes final by operation of law or is overturned by a

presiding officer following a request for hearing. Section 17A.18A is inapplicable to summary cease and desist orders issued under this section.

2. Bring an action in the district court in any county of the state for an injunction to restrain a person subject to this chapter and any agents, employees, or associates of the person from engaging in conduct or practices deemed contrary to the public interest. In any proceeding for an injunction, the commissioner or attorney general may apply to the court for a subpoena to require the appearance of a defendant and the defendant's agents, employees, or associates and for the production of any books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records germane to the hearing upon the petition for an injunction. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted and a receiver may be appointed for the defendant or the defendant's assets. The commissioner or attorney general shall not be required to post a bond.

2005 Acts, ch 128, §11

**523I.204 Court action for failure to cooperate.**

1. If a person fails or refuses to file a statement or report or to produce any books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records, or to obey a subpoena issued by the commissioner, the commissioner may refer the matter to the attorney general, who may apply to a district court to enforce compliance. The court may order any or all of the following:

*a.* Injunctive relief restricting or prohibiting the offer or sale of memorials, memorialization, opening and closing services, scattering services, interment rights, or a combination thereof.

*b.* Production of documents or records including but not limited to books, accounts, papers, correspondence, memoranda, purchase agreements, files, or other documents or records.

*c.* Such other relief as may be required.

2. A court order issued pursuant to subsection 1 is effective until the person files the statement or report or produces the documents requested, or obeys the subpoena.

2005 Acts, ch 128, §12

**523I.205 Prosecution for violations of law — civil penalties.**

1. A violation of this chapter or rules adopted or orders issued under this chapter is a violation of section 714.16, subsection 2, paragraph "*a*". The remedies and penalties provided by section 714.16, including but not limited to injunctive relief and penalties, apply to violations of this chapter.

2. If the commissioner believes that grounds exist for the criminal prosecution of persons subject to this chapter for violations of this chapter or any other law of this state, the commissioner may forward to the attorney general or the county attorney the grounds for the belief, including all evidence in the commissioner's possession, so that the attorney general or the county attorney may proceed with the matter as deemed appropriate. At the request of the attorney general, the county attorney shall appear and prosecute the action when brought in the county attorney's county.

3. A person who violates a provision of this chapter or rules adopted or orders issued under this chapter may be subject to civil penalties in addition to criminal penalties. The commissioner may impose, assess, and collect a civil penalty not exceeding ten thousand dollars for each violation. For the purposes of computing the amount of each civil penalty, each day of a continuing violation constitutes a separate violation. All civil penalties collected pursuant to this section shall be deposited as provided in section 505.7.

2005 Acts, ch 128, §13; 2009 Acts, ch 181, §101

**523I.206 Cooperation with other agencies.**

1. The commissioner may cooperate with any governmental law enforcement or regulatory agency to encourage uniform interpretation and administration of this chapter

and effective enforcement of this chapter and effective regulation of the sale of memorials, memorialization, and cemeteries.

2. Cooperation with other agencies may include but is not limited to:

*a.* Making a joint examination or investigation.

*b.* Holding a joint administrative hearing.

*c.* Filing and prosecuting a joint civil or administrative proceeding.

*d.* Sharing and exchanging personnel.

*e.* Sharing and exchanging relevant information and documents.

*f.* Formulating, in accordance with chapter 17A, rules or proposed rules on matters such as statements of policy, regulatory standards, guidelines, and interpretive opinions.

2005 Acts, ch 128, §14

**523I.207 Rules, forms, and orders.**

1. Under chapter 17A, the commissioner may from time to time make, amend, and rescind such rules, forms, and orders as are necessary or appropriate for the protection of purchasers and the public and to administer the provisions of this chapter, its implementing rules, and orders issued under this chapter.

2. A rule, form, or order shall not be made, amended, or rescinded unless the commissioner finds that the action is necessary or appropriate to protect purchasers and the public and is consistent with the policies and provisions of this chapter, its implementing rules, and orders issued under this chapter.

3. A provision of this chapter imposing any liability does not apply to an act done or omitted in good faith in conformity with any rule, form, or order of the commissioner.

2005 Acts, ch 128, §15

**523I.208 Date of filing — interpretive opinions.**

1. A document is filed when it is received by the commissioner.

2. Requests for interpretive opinions may be granted in the commissioner's discretion.

2005 Acts, ch 128, §16

**523I.209 Misleading filings.**

It is unlawful for a person to make or cause to be made, in any document filed with the commissioner, or in any proceeding under this chapter, any statement of material fact which is, at the time and in the light of the circumstances under which it is made, false or misleading, or, in connection with such statement, to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

2005 Acts, ch 128, §17

**523I.210 Misrepresentations of government approval.**

It is unlawful for a seller under this chapter to represent or imply in any manner that the seller has been sponsored, recommended, or approved, or that the seller's abilities or qualifications have in any respect been passed upon by the commissioner.

2005 Acts, ch 128, §18

**523I.211 Fraudulent practices.**

A person who commits any of the following acts commits a fraudulent practice which is punishable as provided in chapter 714:

1. Knowingly fails to comply with any requirement of this chapter.

2. Knowingly makes, causes to be made, or subscribes to a false statement or representation in a report or other document required under this chapter, or implementing rules or orders, or renders such a report or document misleading through the deliberate omission of information properly belonging in the report or document.

3. Conspires to defraud in connection with the sale of memorials, memorialization, opening and closing services, scattering services, interment rights, or a combination thereof under this chapter.

4. Fails to deposit funds under this chapter or withdraws funds in a manner inconsistent with this chapter.

5. Knowingly sells memorials, memorialization, opening and closing services, scattering services, interment rights, or a combination thereof without the permits required under this chapter.

6. Deliberately misrepresents or omits a material fact relative to the sale of memorials, memorialization, opening and closing services, scattering services, interment rights, or a combination thereof.

2005 Acts, ch 128, §19

**523I.212 Receiverships.**

1. The commissioner shall notify the attorney general of the potential need for establishment of a receivership if the commissioner finds that a cemetery subject to this chapter meets one or more of the following conditions:

*a.* Is insolvent.

*b.* Has utilized trust funds for personal or business purposes in a manner inconsistent with this chapter.

*c.* The amount held in trust in a maintenance fund or care fund is less than the amount required by this chapter.

*d.* A receivership has been established for a seller subject to chapter 523A who owns or operates a cemetery that is subject to this chapter.

2. The commissioner or attorney general may apply to the district court in any county of the state for the establishment of a receivership. Upon proof that any of the conditions described in this section have occurred, the court may grant a receivership. The commissioner may request that the insurance division be named as a receiver or that the court appoint a third party as a receiver. If the division is appointed as a receiver, the division shall not be subject to the requirements concerning an oath and surety bond contained in section 680.3.

3. In addition to the powers granted to receivers under chapter 680, a receiver appointed under this section shall be granted all powers necessary to locate and to temporarily preserve and protect perpetual care trust funds, consumer and business assets, interment records, records of consumer purchases of interment rights, and records of consumer purchases of funeral services and funeral or cemetery merchandise as defined in chapter 523A. The receiver shall also be granted such powers as are necessary in the course of the receivership to temporarily preserve and protect a cemetery or burial site and to temporarily restore or sustain cemetery operations, including interments, as operating funds or trust funds become available.

4. The commissioner may petition the court to terminate a receivership at any time and to enter such orders as are necessary to transfer the duty to preserve and protect the physical integrity of the cemetery or burial site, the interment records, and other records documenting consumer purchases of interment rights to the applicable governmental subdivision, as provided in section 523I.316, subsection 3. The court shall grant the petition if following the first one hundred twenty days of the receivership such duty to preserve and protect cannot be reasonably assumed by a private entity, association, or by other means.

2005 Acts, ch 128, §20; 2007 Acts, ch 175, §38 – 40

Referred to in §523A.811, 523I.213

**523I.213 Insurance division's enforcement fund.**

A special revenue fund in the state treasury, to be known as the insurance division's enforcement fund, is created under the authority of the commissioner. The commissioner shall allocate annually from the examination fees paid pursuant to section 523I.808, an amount not exceeding fifty thousand dollars, for deposit to the insurance division's enforcement fund. The moneys in the enforcement fund shall be retained in the fund. The moneys are appropriated and, subject to authorization by the commissioner, shall be used to pay examiners, examination expenses, investigative expenses, the expenses of consumer education, compliance, and education programs for filers and other regulated persons, and

educational or compliance program materials, the expenses of a toll-free telephone line for consumer complaints, and the expenses of receiverships of perpetual care cemeteries established under section 523I.212.

2005 Acts, ch 128, §21; 2007 Acts, ch 175, §41

**523I.213A Examinations — authority and scope.**

1. The commissioner or the commissioner's designee may conduct an examination under this chapter of any cemetery as often as the commissioner deems appropriate. If a cemetery has a trust arrangement, the commissioner shall conduct an examination not less than once every five years.

2. A cemetery shall reimburse the division for the expense of conducting the examination unless the commissioner waives this requirement or the seller has previously provided to the commissioner a certified copy of an audit conducted by an independent certified public accountant verifying compliance with this chapter for each year in question and the examination conducted by the commissioner does not disclose that the seller has not complied with this chapter for the years in question. The expense of an examination involving multiple cemeteries or other persons shall be prorated among them upon any reasonable basis as determined by the commissioner.

3. For purposes of completing an examination pursuant to this chapter, the commissioner may examine or investigate any person, or the business of any person, if the examination or investigation is, in the sole discretion of the commissioner, necessary or material to the examination of the cemetery.

4. Upon determining that an examination should be conducted, the commissioner or the commissioner's designee may appoint one or more examiners to perform the examination and instruct them as to the scope of the examination.

5. A cemetery or person from whom information is sought, and its officers, directors, and agents shall provide to the examiners appointed under subsection 4, timely, convenient, and free access at their offices, at all reasonable hours, to all books, records, accounts, papers, documents, and all electronic or other recordings related to the property, assets, business, and affairs of the cemetery being examined and shall facilitate the examination as much as possible. If a cemetery, by its officers, directors, employees, or agents, refuses to submit to an examination as provided in this chapter, the commissioner shall immediately report the refusal to the attorney general, who shall then immediately apply to district court for the appointment of a receiver to administer the final affairs of the cemetery.

6. This section shall not be construed to limit the commissioner's authority to terminate or suspend any examination in order to pursue other legal or regulatory actions pursuant to this chapter. Findings of fact and conclusions made pursuant to an examination are deemed to be prima facie evidence in any legal or regulatory action.

7. Notwithstanding chapter 22, the commissioner shall not make information obtained in the course of an examination public, except when a duty under this chapter requires the commissioner to take action against a cemetery or to cooperate with another law enforcement agency, or when the commissioner is called as a witness in a civil or criminal proceeding.

2007 Acts, ch 175, §42; 2010 Acts, ch 1121, §29; 2011 Acts, ch 70, §47

Referred to in §22.7

**523I.213B Venue.**

All actions relating to the enforcement of this chapter shall be governed by the laws of the state of Iowa. Venue of any action relating to enforcement of this chapter may be in a court of competent jurisdiction in Polk county, at the discretion of the commissioner.

2007 Acts, ch 175, §43

**523I.214 Violations of law — referrals to the Iowa department of public health.**

If the commissioner discovers a violation of a provision of this chapter or any other state law or rule concerning the disposal or transportation of human remains, the commissioner shall forward all evidence in the possession of the commissioner concerning such a violation to

the Iowa department of public health for such proceedings as the Iowa department of public health deems appropriate.

2005 Acts, ch 128, §22

## SUBCHAPTER III

## CEMETERY MANAGEMENT

**523I.301 Disclosure requirements — prices and fees.**

1. A cemetery shall disclose, prior to the sale of interment rights, whether opening and closing of the interment space is included in the purchase of the interment rights. If opening and closing services are not included in the sale and the cemetery offers opening and closing services, the cemetery must disclose that the price for this service is subject to change and disclose the current prices for opening and closing services provided by the cemetery.

2. The cemetery shall fully disclose all fees required for interment, entombment, or inurnment of human remains.

3. A person owning interment rights may sell those rights to third parties. The cemetery shall fully disclose, in the cemetery's rules, any requirements necessary to transfer title of interment rights to a third party.

2005 Acts, ch 128, §23

**523I.302 Installation of outer burial containers.**

A cemetery shall provide services necessary for the installation of outer burial containers or other similar merchandise sold by the cemetery. This section shall not require the cemetery to provide for opening and closing of interment or entombment space, unless an agreement executed by the cemetery expressly provides otherwise.

2005 Acts, ch 128, §24

**523I.303 Access by funeral directors.**

A cemetery shall not deny access to a licensed funeral director who is conducting funeral services or supervising the interment or disinterment of human remains.

2005 Acts, ch 128, §25

**523I.304 Rulemaking and enforcement.**

1. A cemetery may adopt, amend, and enforce rules for the use, care, control, management, restriction, and protection of the cemetery, as necessary for the proper conduct of the business of the cemetery, including but not limited to the use, care, and transfer of any interment space or right of interment.

2. A cemetery may restrict and limit the use of all property within the cemetery by rules that do, but are not limited to doing, all of the following:

*a.* Prohibit the placement of memorials or memorialization, buildings, or other types of structures within any portion of the cemetery.

*b.* Regulate the uniformity, class, and kind of memorials and memorialization and structures within the cemetery.

*c.* Regulate the scattering or placement of cremated remains within the cemetery.

*d.* Prohibit or regulate the placement of nonhuman remains within the cemetery.

*e.* Prohibit or regulate the introduction or care of trees, shrubs, and other types of plants within the cemetery.

*f.* Regulate the right of third parties to open, prepare for interment, and close interment spaces.

*g.* Prohibit interment in any part of the cemetery not designated as an interment space.

*h.* Prevent the use of space for any purpose inconsistent with the use of the property as a cemetery.

3. A cemetery shall not adopt or enforce a rule that prohibits interment because of the race, color, or national origin of a decedent. A provision of a contract or a certificate of

ownership or other instrument conveying interment rights that prohibits interment in a cemetery because of the race, color, or national origin of a decedent is void.

4. A cemetery's rules shall be plainly printed or typewritten and maintained for inspection in the office of the cemetery or, if the cemetery does not have an office, in another suitable place within the cemetery. The cemetery's rules shall be provided to owners of interment spaces upon request.

5. A cemetery's rules shall specify the cemetery's obligations in the event that interment spaces, memorials, or memorialization are damaged or defaced by acts of vandalism. The rules may specify a multiyear restoration of an interment space, or a memorial or memorialization when the damage is extensive or when money available from the cemetery's trust fund is inadequate to complete repairs immediately. The owner of an interment space, or a memorial or memorialization that has been damaged or defaced shall be notified by the cemetery by restricted certified mail at the owner's last known address within sixty days of the discovery of the damage or defacement. The rules shall specify whether the owner is liable, in whole or in part, for the cost to repair or replace an interment space or a damaged or defaced memorial or memorialization.

6. The cemetery shall not approve any rule which unreasonably restricts competition, or which unreasonably increases the cost to the owner of interment rights in exercising these rights.

7. A cemetery owned and controlled by a governmental subdivision shall adopt and enforce a rule allowing any veteran who is a landowner or who lives within the governmental subdivision to purchase an interment space and to be interred within the cemetery. The rule shall also allow any veteran who purchases an interment space within the cemetery to purchase an interment space for interment of the spouse of the veteran if such a space is available and shall allow the surviving spouse of a veteran interred within the cemetery to purchase an interment space and be interred within the cemetery if such a space is available. For the purposes of this section, "*veteran*" means the same as defined in section 35.1.

2005 Acts, ch 128, §26; 2007 Acts, ch 175, §44; 2009 Acts, ch 164, §5, 7; 2012 Acts, ch 1067, §1

**523I.305 Memorials and memorialization.**

1. *Authorization.* A cemetery is entitled to determine whether a person requesting installation of a memorial is authorized to do so, to the extent that this can be determined from the records of the cemetery, as is consistent with the cemetery's rules. The owner of an interment space or the owner's agent may authorize a memorial dealer or independent third party to perform all necessary work related to preparation and installation of a memorial.

2. *Conformity with cemetery rules.* A person selling a memorial shall review the rules of the cemetery where the memorial is to be installed to ensure that the memorial will comply with those rules prior to ordering or manufacturing the memorial.

3. *Specifications.* Upon request, a cemetery shall provide reasonable written specifications and instructions governing installation of memorials, which shall apply to all installations whether performed by the cemetery or another person. The written specifications shall include provisions governing hours of installation or any other relevant administrative requirements of the cemetery. A copy of these specifications and instructions shall be provided upon request, without charge, to the owner of the interment space, next of kin, or a personal representative or agent of the owner, including the person installing the memorial. The person installing the memorial shall comply with the cemetery's written installation specifications and instructions. In order to verify that a memorial is installed on the proper interment space in accordance with cemetery rules and regulations, the cemetery shall mark the place on the interment space where the memorial is to be installed and shall inspect the installation when completed. This subsection shall not be construed to require that a cemetery lay out or engineer an interment space for the installation of a memorial. A cemetery shall not adopt or enforce any rule prohibiting the installation of a memorial by a memorial dealer or independent third party, unless the rule is applicable to all memorials from whatever source obtained and enforced uniformly for all memorials installed in the cemetery.

4. *Written notice.* A memorial dealer or independent third party shall provide the cemetery with at least seven business days' prior written notice of intent to install a memorial at the cemetery, or such lesser notice as the cemetery deems acceptable. The notice shall contain the full name, address, and relationship of the memorial's purchaser to the person interred in the interment space or the owner of the interment space, if different. The notice shall also contain the color, type, and size of the memorial, the material, the inscription, and the full name and interment date of the person interred in the interment space.

5. *Preparation and installation.*

*a.* A person installing a memorial shall be responsible to the cemetery for any damage caused to the cemetery grounds, including roadways, other than normal use during installation of the memorial.

*b.* Installation work shall cease during any nearby funeral procession or committal service.

*c.* Installation work shall be done during the cemetery's normal weekday hours or at such other times as may be arranged with the cemetery.

*d.* A memorial must comply with the cemetery's rules. In the event of noncompliance, the person installing a memorial is responsible for removal of the memorial and shall pay any reasonable expenses incurred by the cemetery in connection with the memorial's removal.

*e.* The cemetery shall, without charge, provide information as described on the cemetery's map or plat necessary to locate the place where a memorial is to be installed and any other essential information the person installing the memorial needs to locate the proper interment space.

*f.* A person installing a memorial shall follow the cemetery's instructions regarding the positioning of the memorial.

*g.* During the excavation, all sod and dirt shall be carefully removed with no sod or dirt left on the interment space except the amount needed to fill the space between the memorial and the adjacent lawn.

*h.* A person installing a memorial shall carefully fill in any areas around the memorial with topsoil or sand, in accordance with the cemetery's written instructions.

*i.* A person installing a memorial shall remove all equipment and any debris which has accumulated during installation of the memorial.

*j.* A person installing a memorial shall check to see if any adjacent memorials have become soiled or dirty during installation of the memorial and, if so, clean the adjacent memorials.

*k.* If the person who is installing a memorial damages any cemetery property, the person shall notify the cemetery immediately. The person installing the memorial shall then repair the damage as soon as possible, upon approval by the cemetery. The cemetery may require a person installing a memorial to provide current proof of workers' compensation insurance as required by state law and current proof of liability insurance, sufficient to indemnify the cemetery against claims resulting from installation of the memorial. Proof of liability insurance in an amount of one million dollars or more shall preclude the cemetery from requiring a person installing a memorial to obtain a performance bond.

*l.* If a cemetery has an office, a person installing a memorial shall immediately leave notice at the cemetery office when the memorial has been installed and all work related to the installation is complete.

6. *Inspection.* A cemetery may inspect the installation site of a memorial at any time. If the cemetery determines that cemetery rules are not being followed during the installation, the cemetery may order the installation to stop until the infraction is corrected. The cemetery shall provide written notice to the installer as soon as possible if the cemetery believes that any of the following have occurred:

*a.* The memorial has not been installed correctly.

*b.* The person installing the memorial has damaged property at the cemetery.

*c.* Other cemetery requirements for installation have not been met, such as removal of debris or equipment.

7. *Location and service charge.* A cemetery may charge a reasonable service charge for allowing the installation of a memorial purchased or obtained from and installed by a person other than the cemetery or its agents. This service charge shall be based on the cemetery's

actual labor costs, including fringe benefits, of those employees whose normal duty is to inspect the installation of memorials, in accordance with generally accepted accounting practices. General administrative and overhead costs and any other functions not related to actual inspection time shall be excluded from the service charge.

8. *Faulty installation.* If a memorial sinks, tilts, or becomes misaligned within twelve months of its installation and the cemetery believes the cause is faulty installation, the cemetery shall notify the person who installed the memorial in writing and the person who installed the memorial shall be responsible to correct the damage, unless the damage is caused by inadequate written specifications and instructions from the cemetery or acts of the cemetery and its agents or employees, including but not limited to running a backhoe over the memorial, carrying a vault or other heavy equipment over the memorial, or opening or closing an interment space adjacent to the memorial.

9. *Perpetual care.* A cemetery may require contributions from the purchaser of a memorial for perpetual care, if a perpetual care fund deposit is uniformly charged on every memorial installed in the cemetery.

2005 Acts, ch 128, §27; 2007 Acts, ch 175, §45

**523I.306 Commission or bonus unlawful.**

It shall be unlawful for any organization subject to the provisions of this chapter to pay or offer to pay to, or for any person, firm, or corporation to receive directly or indirectly, a commission or bonus or rebate or other thing of value, for or in connection with the sale of any interment space, lot, or part thereof, in any cemetery. The provisions of this section shall not apply to a person regularly employed and supervised by such organization or to a person, firm, corporation, or other entity licensed under chapter 523A that contracts with the cemetery to sell interment spaces or lots. The conduct of any person, firm, corporation, or other entity described in this section is the direct responsibility of the cemetery.

2005 Acts, ch 128, §28

**523I.307 Discrimination prohibited.**

It shall be unlawful for any organization subject to the provisions of this chapter to deny the privilege of interment of the remains of any deceased person in any cemetery solely because of the race, color, or national origin of such deceased person. Any contract, agreement, deed, covenant, restriction, or charter provision at any time entered into, or bylaw, rule, or regulation adopted or put in force, either subsequent or prior to July 4, 1953, authorizing, permitting, or requiring any organization subject to the provisions of this chapter to deny such privilege of interment because of race, color, or national origin of such deceased person is hereby declared to be null and void and in conflict with the public policy of this state. An organization subject to the provisions of this chapter or any director, officer, agent, employee, or trustee thereof, shall not be liable for damages or other relief, or be subjected to any action in any court of competent jurisdiction for refusing to commit any act unlawful under this chapter.

2005 Acts, ch 128, §29

**523I.308 Speculation prohibited.**

A cemetery or any person representing a cemetery in a sales capacity shall not advertise or represent, in connection with the sale or attempted sale of any interment space, that the same is or will be a desirable speculative investment for resale purposes.

2005 Acts, ch 128, §30

Similar provision, see §523I.802

**523I.309 Interment, relocation, or disinterment of remains.**

1. A person authorized to control the deceased person's remains under section 144C.5 shall have the right to control the interment, relocation, or disinterment of a decedent's remains within or from a cemetery.

2. A person who represents that the person knows the identity of a decedent and, in order to procure the interment, relocation, or disinterment of the decedent's remains, signs an order

or statement, other than a death certificate, that warrants the identity of the decedent is liable for all damages that result, directly or indirectly, from that representation.

3. In the event of a dispute concerning the right to control the interment, relocation, or disinterment of a decedent's remains, the dispute may be resolved by a court of competent jurisdiction. A cemetery or entity maintaining a columbarium shall not be liable for refusing to accept the decedent's remains, relocate or disinter, inter or otherwise dispose of the decedent's remains, until the cemetery or entity maintaining a columbarium receives a court order or other suitable confirmation that the dispute has been resolved or settled.

4. *a.* If good cause exists to relocate or disinter remains interred in a cemetery, the remains may be removed from the cemetery pursuant to a disinterment permit as required under section 144.34, with the written consent of the cemetery, the current interment rights owner, and the person entitled to control the interment, relocation, or disinterment of the decedent's remains under section 144C.5.

*b.* If the consent required pursuant to paragraph *"a"* is not refused but cannot otherwise be obtained, the remains may be relocated or disinterred by permission of the district court of the county in which the cemetery is located upon a finding by the court that clear and convincing evidence of good cause exists to relocate or disinter the remains. Before the date of application to the court for permission to relocate or disinter remains under this subsection, notice must be given to the cemetery in which the remains are interred, each person whose consent is required for relocation or disinterment of the remains under paragraph *"a"*, and any other person that the court requires to be served.

*c.* For the purposes of this subsection, personal notice must be given not later than the eleventh day before the date of hearing on an application to the court for permission to relocate or disinter the remains, or notice by certified mail or restricted certified mail must be given not later than the sixteenth day before the date of hearing.

*d.* This subsection does not apply to the removal of remains from one interment space to another interment space in the same cemetery to correct an error, or relocation of the remains by the cemetery from an interment space for which the purchase price is past due and unpaid, to another suitable interment space.

5. A person who removes remains from a cemetery shall keep a record of the removal, and provide a copy to the cemetery, that includes all of the following:

*a.* The date the remains are removed.

*b.* The name of the decedent and age at death if those facts can be conveniently obtained.

*c.* The place to which the remains are removed.

*d.* The name of the cemetery and the location of the interment space from which the remains are removed.

6. A cemetery may disinter and relocate remains interred in the cemetery for the purpose of correcting an error made by the cemetery after obtaining a disinterment permit as required by section 144.34. The cemetery shall provide written notice describing the error to the commissioner and to the person who has the right to control the interment, relocation, or disinterment of the remains erroneously interred, by restricted certified mail at the person's last known address and sixty days prior to the disinterment. The notice shall include the location where the disinterment will occur and the location of the new interment space. A cemetery is not civilly or criminally liable for an erroneously made interment that is corrected in compliance with this subsection unless the error was the result of gross negligence or intentional misconduct.

7. Relocations and disinterments of human remains shall be done in compliance with sections 144.32 and 144.34. Relocations of human remains held in a columbarium shall be in compliance with the laws regulating the entity maintaining the columbarium.

2005 Acts, ch 128, §31; 2006 Acts, ch 1117, §121; 2008 Acts, ch 1051, §21, 22

**523I.310 Sale of interment rights.**

1. For sales or transfers of interment rights made on or after July 1, 2005, a cemetery shall issue a certificate of interment rights or other instrument evidencing the conveyance of exclusive rights of interment upon payment in full of the purchase price.

2. The interment rights in an interment space that is conveyed by a certificate of ownership or other instrument shall not be divided without the consent of the cemetery.

3. A conveyance of exclusive rights of interment shall be filed and recorded in the cemetery office. Any transfer of the ownership of interment rights shall be filed and recorded in the cemetery office. The cemetery may charge a reasonable recording fee to record the transfer of interment rights.

2005 Acts, ch 128, §32

**523I.311 Records of interment rights and interment.**

1. For sales or transfers of interment rights made on or after July 1, 2005, a cemetery shall keep complete records identifying the owners of all interment rights sold by the cemetery and historical information regarding any transfers of ownership. The records shall include all of the following:

*a.* The name and last known address of each owner or previous owner of interment rights.

*b.* The date of each purchase or transfer of interment rights.

*c.* A unique numeric or alphanumeric identifier that identifies the location of each interment space sold by the cemetery.

2. For interments made on or after July 1, 2005, a cemetery shall keep a record of each interment in a cemetery. The records shall include all of the following:

*a.* The date the remains are interred.

*b.* The name, date of birth, and date of death of the decedent interred, if those facts can be conveniently obtained.

*c.* A unique numeric or alphanumeric identifier that identifies the location of the interment space where the remains are interred.

2005 Acts, ch 128, §33

**523I.312 Disclosure requirements — interment agreements.**

1. Each nonperpetual care cemetery shall have printed or stamped at the head of all of its contracts, deeds, statements, letterheads, and advertising material, the legend: "This is a nonperpetual care cemetery", and shall not sell any lot or interment space in the cemetery unless the purchaser of the interment space is informed that the cemetery is a nonperpetual care cemetery.

2. An agreement for interment rights under this chapter shall be written in clear, understandable language and do all of the following:

*a.* Identify the seller and purchaser.

*b.* Identify the salesperson.

*c.* Specify the interment rights to be provided and the cost of each item.

*d.* State clearly the conditions on which substitution will be allowed.

*e.* Set forth the total purchase price and the terms under which it is to be paid.

*f.* State clearly whether the agreement is revocable or irrevocable, and if revocable, which parties have the authority to revoke the agreement.

*g.* State the amount or percentage of money to be placed in the cemetery's care or maintenance fund.

*h.* If the cemetery has a care fund, set forth an explanation that the care fund is an irrevocable trust, that deposits cannot be withdrawn even in the event of cancellation, and that the trust's income shall be used by the cemetery for its care.

*i.* Set forth an explanation of any fees or expenses that may be charged.

*j.* Set forth an explanation of whether amounts for perpetual care will be deposited in trust upon payment in full or on an allocable basis as payments are made.

*k.* Set forth an explanation of whether initial payments on agreements for multiple items of funeral and cemetery merchandise or services, or both, will be allocated first to the purchase of an interment space. If such an allocation is to be made, the agreement shall provide for the immediate transfer of such interment rights upon payment in full and prominently state that any applicable trust deposits under chapter 523A will not be made until the cemetery has received payment in full for the interment rights. The transfer of

an undeveloped interment space may be deferred until the interment space is ready for interment.

*l.* If the transfer of an undeveloped interment space will be deferred until the interment space is ready for interment as permitted in paragraph *"k"*, the agreement shall provide for some form of written acknowledgement upon payment in full, specify a reasonable time period for development of the interment space, describe what happens in the event of a death prior to development of the interment space, and provide for the immediate transfer of the interment rights when development of the interment space is complete.

*m.* Specify the purchaser's right to cancel and the damages payable for cancellation, if any.

*n.* Include an explanation of regulatory oversight by the insurance division in twelve point boldface type, in substantially the following language:

THIS AGREEMENT IS SUBJECT TO RULES ADMINISTERED BY THE IOWA INSURANCE DIVISION. YOU MAY CALL THE INSURANCE DIVISION WITH INQUIRIES OR COMPLAINTS AT (515)281–5705. WRITTEN INQUIRIES OR COMPLAINTS SHOULD BE MAILED TO: IOWA SECURITIES AND REGULATED INDUSTRIES BUREAU, 330 MAPLE STREET, DES MOINES, IOWA 50319.

2005 Acts, ch 128, §34; 2006 Acts, ch 1117, §122; 2010 Acts, ch 1121, §30

**523I.313 New cemeteries and gardens and cemetery registry.**

1. A person that dedicates property for a new cemetery on or after July 1, 2005, and a cemetery that dedicates an additional garden on or after July 1, 2005, shall:

*a.* In the case of land, survey and subdivide the property into gardens with descriptive names or numbers and make a map or plat of the cemetery or garden.

*b.* In the case of a mausoleum or a columbarium, make a map or plat of the property delineating sections or other divisions with descriptive names and numbers.

*c.* File the map or plat with the commissioner, including a written certificate or declaration of dedication of the property delineated by the map or plat, dedicating the property for cemetery purposes.

2. A map or plat and a certificate or declaration of dedication that is filed pursuant to this section dedicates the property for cemetery purposes and constitutes constructive notice of that dedication.

3. The commissioner shall maintain a registry of perpetual care and nonperpetual care cemeteries, to the extent that information is available. A cemetery selling interment rights on or after July 1, 2005, shall file a written notice with the commissioner that includes the legal description of the property with boundary lines of the land, the name of the cemetery, the status of the cemetery as either perpetual care or nonperpetual care, the status of the cemetery as either religious or nonreligious, and the cemetery's ownership in a form approved by the commissioner. A cemetery shall notify the commissioner of any changes in this information within sixty days of the change.

2005 Acts, ch 128, §35

**523I.314 New construction.**

1. A person shall not offer to sell interment rights in a mausoleum or columbarium that will be built or completed in the future unless the person has notified the commissioner of the offer to sell on a form prescribed by the commissioner.

2. The notice of an offer to sell interment rights in such a mausoleum or columbarium shall include the following information:

*a.* A description of the new facility or the proposed expansion, including a description of the interment rights to be offered to prospective purchasers.

*b.* A statement of the financial resources available for the project.

*c.* A copy of the proposed interment rights agreement to be used, which shall include the following:

(1) That purchase payments will be held in trust in accordance with the requirements of chapter 523A until construction of the mausoleum or columbarium is complete.

(2) That the purchaser may request a refund of the purchase amount, if construction does not begin within five years of the purchaser's first payment.

(3) That the new facility will operate as a perpetual care cemetery in compliance with this chapter, even if the facility is located at a nonperpetual care cemetery.

(4) That the purchaser will receive an ownership certificate upon payment in full or, if later, when construction is complete.

3. Unless financing has been secured that is adequate in amount and terms to complete the facility proposed, new construction of a mausoleum or columbarium shall not begin until the notice required by this section has been approved by the commissioner.

2005 Acts, ch 128, §36

**523I.314A Standards for interment spaces.**

1. A standard interment space for full body interment developed on or after July 1, 2007, shall measure at least forty inches in width and ninety-six inches in length.

2. Prior to the sale of interment rights in an undeveloped area of a cemetery, internal reference markers shall be installed and maintained no more than one hundred feet apart. The internal reference markers shall be established with reference to survey markers that are no more than two hundred feet apart, have been set by a licensed professional land surveyor, and have been documented in a plat of survey. Both the map and the plat of survey shall be maintained by the cemetery and made available upon request to the commissioner and to members of the public.

2007 Acts, ch 175, §46; 2012 Acts, ch 1009, §9

**523I.315 Unpaid care assessments and unoccupied interment spaces.**

1. *Foreclosure — unpaid assessments.* Unpaid care assessments for an unoccupied interment space not under perpetual care shall create a lien by the cemetery against the applicable interment space. The cemetery may, following notice, foreclose on the interment space if the amount of the lien exceeds the amount paid for the interment space. If the lien is not paid within one year from the date that notice of foreclosure is served on the owner of record or the owner of record's heirs, the ownership in or right to the unoccupied interment space shall revert to the cemetery that owns the cemetery in which the unoccupied interment space is located.

2. *Abandonment — quiet title action.* A cemetery may file an action to quiet title to determine whether an interment space has been abandoned if the interment space is unoccupied and has not been occupied in the preceding seventy-five years. An action to quiet title shall commence when the cemetery serves notice on the owner of record or the owner of record's heirs declaring that the interment space is considered to be abandoned. If the owner of record or the owner of record's heirs do not respond within three years from the date that notice is served, the abandonment is considered to be complete. The ownership in or right to an abandoned interment space shall revert to the cemetery in which the abandoned interment space is located and the cemetery may sell and convey title to the interment space.

3. *Service of notice.* Notice under this section shall be served personally on the owner of record or the owner of record's heirs, or may be served by mailing notice by certified mail to the owner of record or to the owner of record's heirs at the last known address. If the address of the owner of record or the owner of record's heirs cannot be ascertained, notice of abandonment shall be given by one publication of the notice in the official newspaper of the county in which the cemetery is located.

2005 Acts, ch 128, §37

**523I.316 Protection of cemeteries and burial sites.**

1. *Existence of cemetery or burial site — notification.* If a governmental subdivision is notified of the existence of a cemetery, or a marked burial site that is not located in a dedicated cemetery, within its jurisdiction and the cemetery or burial site is not otherwise provided

for under this chapter, the governmental subdivision shall, as soon as is practicable, notify the owner of the land upon which the cemetery or burial site is located of the cemetery's or burial site's existence and location. The notification shall include an explanation of the provisions of this section. If there is a basis to believe that interment may have occurred more than one hundred fifty years earlier, the governmental subdivision shall also notify the state archaeologist.

2. *Disturbance of interment spaces — penalty.* A person who knowingly and without authorization damages, defaces, destroys, or otherwise disturbs an interment space commits criminal mischief in the third degree. Criminal mischief in the third degree is an aggravated misdemeanor.

3. *Duty to preserve and protect.*

*a.* A governmental subdivision having a cemetery, or a burial site that is not located within a dedicated cemetery, within its jurisdiction, for which preservation is not otherwise provided, shall preserve and protect the cemetery or burial site as necessary to restore or maintain its physical integrity as a cemetery or burial site. The governmental subdivision may enter into a written agreement to delegate the responsibility for the preservation and protection of the cemetery or burial site to the owner of the property on which the cemetery or burial site is located or to a public or private organization interested in historical preservation. The governmental subdivision shall not enter into an agreement with a public or private organization to preserve and protect the cemetery or burial site unless the property owner has been offered the opportunity to enter into such an agreement and has declined to do so.

*b.* A governmental subdivision is authorized to expend public funds, in any manner authorized by law, in connection with such a cemetery or burial site.

*c.* If a governmental subdivision proposes to enter into an agreement with a public or private organization pursuant to this subsection to preserve and protect a cemetery or burial site that is located on property owned by another person within the jurisdiction of the governmental subdivision, the proposed agreement shall be written, and the governmental subdivision shall provide written notice by ordinary mail of the proposed agreement to the property owner at least fourteen days prior to the date of the meeting at which such proposed agreement will be authorized. The notice shall include the location of the cemetery or burial site and a copy of the proposed agreement, and explain that the property owner is required to permit members of the public or private organization reasonable ingress and egress for the purposes of preserving and protecting the cemetery or burial site pursuant to the proposed agreement. The notice shall also include the date, time, and place of the meeting and a statement that the property owner has a right to attend the meeting and to comment regarding the proposed agreement.

*d.* (1) Subject to chapter 670, a governmental subdivision that enters into an agreement with a public or private organization pursuant to this subsection is liable for any personal injury or property damage that occurs in connection with the preservation or protection of the cemetery or burial site or access to the cemetery or burial site by the governmental subdivision or the public or private organization.

(2) For the purposes of this paragraph, "*liable*" means liability for every civil wrong which results in wrongful death or injury to a person or injury to property or injury to personal or property rights and includes but is not restricted to actions based upon negligence; error or omission; nuisance; breach of duty, whether statutory or other duty; or denial or impairment of any right under any constitutional provision, statute, or rule of law.

*e.* A property owner who is required to permit members of a public or private organization reasonable ingress and egress for the purpose of preserving or protecting a cemetery or burial site on that owner's property and who acts in good faith and in a reasonable manner pursuant to this subsection is not liable for any personal injury or property damage that occurs in connection with the preservation or protection of the cemetery or burial site or access to the cemetery or burial site.

*f.* For the purposes of this subsection, reasonable ingress and egress to a cemetery or burial site shall include the following:

(1) A member of a public or private organization that has entered into a written agreement

with the governmental subdivision who desires to visit such a cemetery or burial site shall give the property owner at least ten days' written notice of the intended visit.

(2) If the property owner cannot provide reasonable access to the cemetery or burial site on the desired date, the property owner shall provide reasonable alternative dates when the property owner can provide access to the member.

(3) A property owner is not required to make any improvements to that person's property to satisfy the requirement to provide reasonable access to a cemetery or burial site pursuant to this subsection.

4. *Confiscation and return of memorials.* A law enforcement officer having reason to believe that a memorial or memorialization is in the possession of a person without authorization or right to possess the memorial or memorialization may take possession of the memorial or memorialization from that person and turn it over to the officer's law enforcement agency. If a law enforcement agency determines that a memorial or memorialization the agency has taken possession of rightfully belongs on an interment space, the agency shall return the memorial or memorialization to the interment space, or make arrangements with the person having jurisdiction over the interment space for its return.

5. *Burial sites located on private property.* If a person notifies a governmental subdivision that a burial site of the person's relative is located on property owned by another person within the jurisdiction of the governmental subdivision, the governmental subdivision shall notify the property owner of the location of the burial site and that the property owner is required to permit the person reasonable ingress and egress for the purposes of visiting the burial site of the person's relative.

6. *Discovery of human remains.* Any person discovering human remains shall notify the county or state medical examiner or a city, county, or state law enforcement agency as soon as is reasonably possible unless the person knows or has good reason to believe that such notice has already been given or the discovery occurs in a cemetery. If there is reason to believe that interment may have occurred more than one hundred fifty years earlier, the governmental subdivision notified shall also notify the state archaeologist. A person who does not provide notice required pursuant to this subsection commits a serious misdemeanor.

7. *Adverse possession.* A cemetery or a pioneer cemetery is exempt from seizure, appropriation, or acquisition of title under any claim of adverse possession, unless it is shown that all remains in the cemetery or pioneer cemetery have been disinterred and removed to another location.

2005 Acts, ch 128, §38; 2006 Acts, ch 1117, §123; 2009 Acts, ch 179, §144; 2012 Acts, ch 1023, §157

Referred to in §523I.212

**523I.317 Duty to provide public access.**

A cemetery shall provide or permit public access to the cemetery, at reasonable times and subject to reasonable regulations, so that owners of interment rights and other members of the public have reasonable ingress and egress to the cemetery.

2006 Acts, ch 1117, §124

## SUBCHAPTER IV

## COUNTY CEMETERY COMMISSIONS AND NEGLECTED CEMETERIES

**523I.401 Neglected cemeteries.**

The commissioner shall create a form that interested persons may use to report neglected cemeteries to the commissioner. The commissioner shall catalog and review the neglected cemetery reports received on or before December 31, 2007, conduct site visits as warranted

to determine the nature or extent of any neglect, and publish a report of findings on or before December 31, 2008.

2005 Acts, ch 128, §39

**523I.402 Removal of remains.**

1. Upon a showing of good cause, a county cemetery commission may file suit in the district court in that county to have remains interred in a cemetery owned and operated by the commission removed to another cemetery. All persons in interest, known or unknown, other than the plaintiffs, shall be made defendants to the suit. If any parties are unknown, notice may be given by publication. After hearing and a showing of good cause for the removal, the court may order the removal of the remains and the remains shall be properly interred in another cemetery, at the expense of the county. The removal and reinterment of the remains shall be done pursuant to a disinterment permit issued under section 144.34 with due care and decency. In deciding whether to order the removal of interred remains, a court shall consider present or future access to the cemetery, the historical significance of the cemetery, and the wishes of the parties concerned if they are brought to the court's attention, including the desire of any beneficiaries to reserve their rights to waive a reservation of rights in favor of removal, and shall exercise the court's sound discretion in granting or refusing the removal of interred remains.

2. Any heir at law or descendent of a deceased person interred in a neglected cemetery may file suit in the district court in the county where the cemetery is located to have the deceased person's remains interred in the cemetery removed to another cemetery. The owner of the land, any beneficiaries of any reservation of rights, and any other persons in interest, known or unknown, other than the plaintiffs shall be made defendants. If any parties are unknown, notice may be given by publication. After hearing and upon a showing of good cause, the court may order removal and the proper interment of the remains in another cemetery, at the expense of the petitioner. The removal and reinterment shall be done with due care and decency.

2005 Acts, ch 128, §40

## SUBCHAPTER V

## GOVERNMENTAL SUBDIVISIONS

**523I.501 Cemetery authorized.**

The governing body of a governmental subdivision may purchase, establish, operate, enclose, improve, or regulate a cemetery. A cemetery owned or operated by a governmental subdivision may sell interment rights subject to the provisions of this chapter.

2005 Acts, ch 128, §41

**523I.502 Trust for cemetery.**

1. A governmental subdivision that owns or operates a cemetery or has control of cemetery property may act as a permanent trustee for the perpetual maintenance of interment spaces in the cemetery.

2. To act as a trustee, a majority of the governmental subdivision's governing body must adopt an ordinance or resolution stating the governmental subdivision's willingness and intention to act as a trustee for the perpetual maintenance of cemetery property. When the ordinance or resolution is adopted and the trust is accepted, the trust is perpetual.

2005 Acts, ch 128, §42

**523I.503 Authority to receive gifts and deposits for care — certificates.**

1. A governmental subdivision that is a trustee for the perpetual maintenance of a cemetery may adopt reasonable rules governing the receipt of a gift or grant from any source.

2. A governmental subdivision that is a trustee for a person shall accept the amount the

governmental subdivision requires for permanent maintenance of an interment space on behalf of that person or a decedent.

3. A governmental subdivision's acceptance of a deposit for permanent maintenance of an interment space constitutes a perpetual trust for the designated interment space.

4. Upon acceptance of a deposit, a governmental subdivision's secretary, clerk, or mayor shall issue a certificate in the name of the governmental subdivision to the trustee or depositor. The certificate shall state all of the following:

*a.* The depositor's name.

*b.* The amount and purpose of the deposit.

*c.* The location, with as much specificity as possible, of the interment space to be maintained.

*d.* Other information required by the governmental subdivision.

5. An individual, association, foundation, or corporation that is interested in the maintenance of a neglected cemetery in a governmental subdivision's possession and control may donate funds to the cemetery's perpetual trust fund to beautify and maintain the entire cemetery or burial grounds generally.

2005 Acts, ch 128, §43

**523I.504 Appointment of successor trustee.**

A district judge of a county in which a cemetery is located shall appoint a suitable successor or trustee to faithfully execute a trust in accordance with this subchapter if a governmental subdivision renounces a trust assumed under this subchapter, fails to act as its trustee, a vacancy occurs, or the appointment of a successor or trustee is otherwise necessary.

2005 Acts, ch 128, §44

**523I.505 County auditor as trustee.**

1. In the absence of a trustee for care funds, unless otherwise provided by law, the care funds shall be placed in the hands of the county auditor, who shall provide a receipt for, loan, and make annual reports of the care funds.

2. The county auditor shall not be required to post a bond.

3. The county auditor shall serve without compensation, but may, out of the income received, pay all proper items of expense incurred in the performance of the auditor's duties as trustee, if any.

4. The county auditor shall make a full report of the trustee's actions and trust funds annually in January. The net proceeds for care funds received by the county auditor as trustee shall be apportioned and credited to each of any separate care funds assigned to the auditor.

5. The county auditor shall turn over the accrued income from each care fund annually to the person having control of the cemetery.

2005 Acts, ch 128, §45

Referred to in §331.502

**523I.506 Commingling of care funds by governmental subdivisions.**

A governmental subdivision subject to this section may commingle care funds for more than one cemetery for the purposes of investment and administration and may file a single report, if each cemetery is appropriately identified and separate records are maintained for each cemetery.

2005 Acts, ch 128, §46

**523I.507 Investment of care funds by governmental subdivisions.**

Notwithstanding section 12B.10, a perpetual care cemetery owned by a governmental subdivision may invest and reinvest deposits pursuant to the requirements of this chapter. The trustee shall use the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. The

trustee of the trust funds has a fiduciary duty to make reasonable investment decisions and to properly oversee and manage the funds entrusted to the trust fund.

2005 Acts, ch 128, §47

**523I.508 Management by governmental subdivisions.**

1. *Political subdivisions as trustees.* Counties, cities, irrespective of their form of government, boards of trustees of cities to whom the management of municipal cemeteries has been transferred by ordinance, and civil townships wholly outside of any city, are trustees in perpetuity, and are required to accept, receive, and expend all moneys and property donated or left to them by bequest for perpetual care, and that portion of interment space sales or permanent charges made against interment spaces which has been set aside in a perpetual care fund for which there is no other acting trustee, shall be used in caring for the property of the donor or lot owner who by purchase or otherwise has provided for the perpetual care of an interment space in any cemetery, or in accordance with the terms of the donation, bequest, or agreement for sale and purchase of an interment space, and the money or property thus received shall be used for no other purpose.

2. *Authority to invest funds — current care charge payments.*

*a.* The board of supervisors, mayor and council, or other elected governmental body, as the case may be, may receive and invest all moneys and property, donated or bequeathed, and that portion of cemetery lot sales and permanent charges made against cemetery lots which have been set aside in a perpetual care fund, and in so investing, shall use the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. The trustee of the trust funds has a fiduciary duty to make reasonable investment decisions and to properly oversee and manage the funds entrusted to the trust fund. The income from the investment shall be used in caring for the property of the donor in any cemetery, or as provided in the terms of the gift or donations or agreement for sale and purchase of a cemetery lot.

*b.* All current care charge payments received shall be allocated to the perpetual care fund or to the fund paying the costs of cemetery operations. Care charge payments received one year or more after the date they were incurred shall be used to fund the cost of operating the cemetery. Care charge payments received one year or more in advance of their due date shall be deposited in the perpetual care fund. Interest from the perpetual care fund shall be used for the maintenance of both occupied and unoccupied lots or spaces. Any remaining interest may be used for costs of access roads and paths, fencing, and general maintenance of the cemetery. Lots under perpetual care shall be maintained in accordance with the cemetery covenants of sale.

3. *Resolution of acceptance — interest.*

*a.* Before any part of the principal may be invested or used, the county, city, board of trustees of a city to whom the management of a municipal cemetery has been transferred by ordinance, or civil township shall, by resolution, accept the moneys described in subsection 1 and, by resolution, shall provide for the payment of interest annually to the appropriate fund, or to the cemetery, or the person in charge of the cemetery, to be used in caring for or maintaining the individual property of the donor in the cemetery, or interment spaces which have been sold if provision was made for perpetual care, all in accordance with the terms of the donation or bequest, or the terms of the sale or purchase of an interment space.

*b.* If there is no person in charge of the cemetery, the income from the fund shall be expended under the direction of the board of supervisors, city council, board of trustees, or civil township trustees, as the case may be, in accordance with the terms of the donation or bequest, or the terms of the sale or purchase of an interment space.

4. *Delegates to conventions.* A township having one or more cemeteries under its control may designate up to two officials from each cemetery as delegates to attend meetings of cemetery officials, and certain expenses of the delegates not exceeding twenty-five dollars for each delegate, including association dues, may be paid out of the cemetery fund of the township.

5. *Subscribing to publications.* The cemetery officials of every township having a cemetery under its control may subscribe to one or more publications devoted exclusively to cemetery management, and the subscriptions may be paid out of the cemetery fund of the township.

2005 Acts, ch 128, §48; 2006 Acts, ch 1117, §125; 2012 Acts, ch 1023, §157
Referred to in §636.23

## SUBCHAPTER VI

## GENERAL PROVISIONS

**523I.601 Settlement of estates — maintenance fund.**

The court in which the estate of a deceased person is administered, before final distribution, may allow and set apart from the estate a sum sufficient to provide an income adequate to pay for the perpetual care and upkeep of the interment space in which the body of the deceased is buried, except where perpetual care has otherwise been provided for. The sum so allowed and set apart shall be paid to a trustee as provided by this chapter.

2005 Acts, ch 128, §49; 2006 Acts, ch 1010, §148

**523I.602 Management by trustee.**

1. *Trustee appointed — trust funds.* The owners of, or any party interested in, a cemetery may, by petition presented to the district court of the county where the cemetery is situated, have a trustee appointed with authority to receive any and all moneys or property that may be donated for and on account of the cemetery and to invest, manage, and control the moneys or property under the direction of the court. However, the trustee shall not be authorized to receive any gift, except with the understanding that the principal sum is to be a permanent fund, and only the net proceeds therefrom shall be used in carrying out the purpose of the trust created, and all such funds shall be exempt from taxation.

2. *Requisites of petition.* The petition shall state the amount proposed to be placed in such trust fund, the manner of investment thereof, and the provisions made for the disposition of any surplus income not required for the care and upkeep of the property described in such petition.

3. *Approval of court — surplus fund.* Such provisions shall be subject to the approval of the court and when so approved the trust fund and the trustee thereof shall, at all times, be subject to the orders and control of the court and such surplus arising from the trust fund shall not be used except for charitable, eleemosynary, or public purposes under the direction of the court.

4. *Receipt — record.* Every such trustee shall execute and deliver to the donor a receipt showing the amount of money or other property received, and the use to be made of the net proceeds from the same, duly attested by the clerk of the court granting letters of trusteeship, and the trustee shall keep a signed and attested copy of the receipt.

5. *Investments.* Any such trustee may receive and invest all moneys and property, so donated or bequeathed, and that portion of cemetery lot sales and permanent charges made against interment spaces which has been set aside in a perpetual care fund, in such authorized investments and in the manner prescribed in section 636.23.

6. *Bond — approval — oath.* Every such trustee before entering upon the discharge of the trustee's duties or at any time thereafter when required by the court shall give a bond in an amount as may be required by the court, approved by the clerk, and conditioned for the faithful discharge of the trustee's duties, and take and subscribe an oath the same in substance as the condition of the bond, which bond and oath must be filed with the clerk.

7. *Clerk — duty of.* At the time of filing each bond and oath the clerk shall at once advise the court as to the amount of the principal fund in the hands of such trustee, the amount of the bond filed, and whether it is good and sufficient for the amount given.

8. *Compensation — costs.* Such trustee shall serve without compensation, but may, out

of the income received, pay all proper items of expense incurred in the performance of the trustee's duties, including cost of the bond, if any.

9. *Annual report.* Such trustee shall make a full report of the trustee's doings in the month of January following appointment and in January of each successive year. In each report the trustee shall apportion the net proceeds received from the sum total of the permanent funds assigned to the trustee in trust.

10. *Removal — vacancy filled.* Any such trustee may be removed by the court at any time for cause, and in the event of removal or death, the court shall appoint a new trustee and require the new trustee's predecessor or the predecessor's personal representative to make a full accounting.

2005 Acts, ch 128, §50; 2009 Acts, ch 21, §8
Referred to in §602.8102(81)

**523I.603 Owners of interment rights.**

1. An interment space in which exclusive rights of interment are conveyed is presumed to be the separate property of the person named as grantee in the certificate of interment rights or other instrument of conveyance.

2. Two or more owners of interment rights may designate a person to represent the interment space and file notice of the designation of a representative with the cemetery. If notice is not filed, the cemetery may inter or permit an interment in the interment space at the request or direction of a registered co-owner of the interment space.

2005 Acts, ch 128, §51

**523I.604 Lien against cemetery property.**

1. A cemetery, by contract, may incur indebtedness as necessary to conduct its business and may secure the indebtedness by mortgage, deed of trust, or other lien against its property.

2. A mortgage, deed of trust, or other lien placed on dedicated cemetery property, or on cemetery property that is later dedicated with the consent of the holder of the lien, does not affect the dedication and is subject to the dedication. A sale on foreclosure of the lien is subject to the dedication of the property for cemetery purposes.

2005 Acts, ch 128, §52

**523I.605 Private care of graves.**

This subchapter does not affect the right of a person who has an interest in an interment space, or who is a relative of a decedent interred in a cemetery, to beautify or maintain an interment space individually or at the person's own expense in accordance with reasonable rules established by the cemetery.

2005 Acts, ch 128, §53

## SUBCHAPTER VII

## LAWN CRYPTS

**523I.701 Requirements for lawn crypts.**

A lawn crypt shall not be installed unless all of the following apply:

1. The lawn crypt is constructed of concrete and reinforced steel or other comparable durable material.

2. The lawn crypt is installed on not less than six inches of rock, gravel, or other drainage material.

3. The lawn crypt provides a method to drain water out of the lawn crypt.

4. The lawn crypt is capable of withstanding the weight of the soil and sod above the top surface and the weight of machinery and equipment normally used in the maintenance of the cemetery.

5. Except as provided by section 523I.702, the lawn crypt is installed in multiple units of ten or more.

6. The lawn crypt shall be installed in compliance with any applicable law or rule adopted by the Iowa department of public health.

2005 Acts, ch 128, §54

Referred to in §523I.702

**523I.702 Request to install lawn crypts in fewer than ten units.**

1. A lawn crypt may be installed in fewer than ten units if it is installed in an interment space pursuant to a written request to the commissioner signed by the owner or owners of the interment space.

2. The written request shall be filed on a form prescribed by the commissioner and shall contain substantially all of the following information:

*a.* The owner's name and address.

*b.* The name of the cemetery and the owner of the cemetery.

*c.* The number of lawn crypt units to be installed.

*d.* A description of the interment spaces.

*e.* A statement that the lawn crypt meets the requirements of section 523I.701, including all of the following:

(1) A statement that the lawn crypt will be constructed of concrete and reinforced steel or other comparable durable materials.

(2) A statement that the lawn crypt will be installed on not less than six inches of rock, gravel, or other drainage material.

(3) A statement that the lawn crypt will provide a method to drain water out of the lawn crypt.

(4) A statement that the outside top surface of the lawn crypt at the time of installation will be capable of withstanding the weight of the soil and sod above the top surface and the weight of machinery and equipment normally used in the maintenance of the cemetery.

*f.* A statement that the space in which the lawn crypt is to be installed is located in a garden.

*g.* The date on which a representative of the cemetery signed the form.

2005 Acts, ch 128, §55

Referred to in §523I.701

## SUBCHAPTER VIII

## PERPETUAL CARE CEMETERIES — REQUIREMENTS

**523I.801 Applicability and conversion by nonperpetual care cemeteries.**

1. All cemeteries are designated as either "perpetual care cemeteries" or "nonperpetual care cemeteries" for the purposes of this chapter. A cemetery that represents that it is offering perpetual care on or after July 1, 2005, is subject to this subchapter.

2. A cemetery that operates a nonperpetual care cemetery may elect to become a perpetual care cemetery if at all times subsequent to the date of the election, the cemetery complies with the other requirements of this subchapter except section 523I.805.

2005 Acts, ch 128, §56

**523I.802 Advertising.**

1. A cemetery shall not advertise, represent, guarantee, promise, or contract to provide or offer perpetual care or use terms or phrases like permanent care, permanent maintenance, care forever, continuous care, eternal care, or everlasting care to imply that a certain level of care and financial security will be furnished or is guaranteed except in compliance with the provisions of this subchapter.

2. A cemetery or person advertising or selling interment rights shall not represent that

the purchase of the interment rights is or will be a desirable speculative investment for resale purposes.

2005 Acts, ch 128, §57

Similar provision, see §523I.308

**523I.803 Perpetual care registry.**

1. A cemetery that operates a perpetual care cemetery shall maintain a registry of individuals who have purchased interment rights in the cemetery subject to the care fund requirements of this subchapter.

2. The registry shall include the amount deposited in trust for each interment rights agreement entered into on or after July 1, 1995.

2005 Acts, ch 128, §58

**523I.804 Use of gift for special care.**

A trustee may accept and hold money or property transferred to the trustee in trust for the purpose of applying the principal or income of the money or property transferred for a purpose consistent with the purpose of a perpetual care cemetery, including the following:

1. Improvement or embellishment of any part of the cemetery.

2. Erection, renewal, repair, or preservation of a monument, fence, building, or other structure in the cemetery.

3. Planting or cultivation of plants in or around the cemetery.

4. Special care of or embellishment of an interment space, section, or building in the cemetery.

2005 Acts, ch 128, §59

**523I.805 Initial deposit.**

1. A cemetery owned or operated by a political subdivision of this state is not required to make a minimum initial deposit in a care fund. Any other cemetery commencing business in this state on or after July 1, 2005, shall not sell interment spaces unless the cemetery has a care fund of at least twenty-five thousand dollars in cash.

2. If an initial deposit is made by a cemetery to satisfy subsection 1, the initial twenty-five thousand dollar deposit may be withdrawn by the cemetery when the care fund balance reaches one hundred thousand dollars. An affidavit shall be filed with the commissioner providing prior notice of the intended withdrawal of the initial deposit and attesting that the money has not previously been withdrawn. Upon a showing by the cemetery that the initial deposit has not previously been withdrawn, the commissioner shall approve withdrawal of the money and the withdrawal shall take place within one year after the care fund balance reaches one hundred thousand dollars.

2005 Acts, ch 128, §60

Referred to in §523I.801

**523I.806 Irrevocable trust.**

1. A perpetual care cemetery shall establish a care fund as an irrevocable trust to provide for the care of the cemetery, which shall provide for the appointment of a trustee, with perpetual succession.

2. The care fund shall be administered under the jurisdiction of the district court of the county where the cemetery is located. Notwithstanding chapter 633A, annual reports shall not be required unless specifically required by the district court. Reports shall be filed with the court when necessary to receive approval of appointments of trustees, trust agreements and amendments, changes in fees or expenses, and other matters within the court's jurisdiction. A court having jurisdiction over a care fund shall have full jurisdiction to approve the appointment of trustees, the amount of surety bond required, if any, and investment of funds.

2005 Acts, ch 128, §61; 2006 Acts, ch 1030, §65

**523I.807 Care fund deposits.**

1. To continue to operate as a perpetual care cemetery, a cemetery shall set aside and

deposit in the care fund an amount equal to or greater than fifty dollars or twenty percent of the gross selling price received by the cemetery for each sale of interment rights, whichever is more.

2. A cemetery may require a contribution to the care fund for perpetual care of a memorial or memorialization placed in the cemetery. A cemetery may establish a separate care fund for this purpose. The contributions shall be nonrefundable and shall not be withdrawn from the trust fund once deposited. The amount charged shall be uniformly charged on every installation of a memorial, based on the height and width of the memorial or the size of the ground surface area used for the memorial. A fee for special care of a memorial may be collected if the terms of the special care items and arrangements are clearly specified in the interment rights agreement. Except as otherwise provided in an interment rights agreement, a cemetery is not liable for repair or maintenance of memorials or vandalism. A cemetery may use income from a care fund to repair or replace memorials or interment spaces damaged by vandalism or acts of God.

3. Moneys shall be deposited in the care fund no later than the fifteenth day after the close of the month when the cemetery receives the final payment from a purchaser of interment rights.

2005 Acts, ch 128, §62

**523I.808 Examination fee.**

An examination fee shall be submitted with the cemetery's annual report in an amount equal to five dollars for each certificate of interment rights issued during the fiscal year covered by the report. The cemetery may charge the examination fee directly to the purchaser of the interment rights.

2005 Acts, ch 128, §63; 2007 Acts, ch 175, §47

Referred to in §523I.213

**523I.809 Trust agreement provisions.**

1. A trust agreement shall provide for the appointment of at least one trustee, with perpetual succession, in case the cemetery is dissolved or ceases to be responsible for the cemetery's care.

2. A cemetery and the trustee or trustees of the care fund may, by agreement, amend the instrument that established the fund to include any provision that is necessary to comply with the requirements of this chapter.

3. A cemetery is responsible for the deposit of all moneys required to be placed in a care fund.

4. The commissioner may require the amending of a trust agreement that is not in accord with the provisions of this chapter.

2005 Acts, ch 128, §64

**523I.810 Care funds.**

1. A trustee of a care fund shall use the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. The trustee of a care fund has a fiduciary duty to make reasonable investment decisions and to properly oversee and manage the funds entrusted to the care fund.

*a.* A financial institution may serve as a trustee if granted those powers under the laws of this state or of the United States. A financial institution acting as a trustee of a care fund under this chapter shall invest the funds in accordance with applicable law.

*b.* A financial institution acting as a trustee of a care fund under this chapter has a fiduciary duty to make reasonable investment decisions and to properly oversee and manage the funds entrusted to the financial institution. The commissioner may take enforcement action against a financial institution in its capacity as trustee for a breach of fiduciary duty under this chapter.

*c.* Care fund moneys may be deposited pursuant to a master trust agreement, if each

care fund is treated as a separate beneficiary of the trust and each care fund is separable. The master trust shall maintain a separate accounting of principal and income for each care fund. Moneys deposited under a master trust agreement may be commingled by the financial institution for investment purposes.

*d.* Subject to a master trust agreement, the cemetery may appoint an independent investment advisor to advise the financial institution about investment of the care fund.

*e.* Subject to an agreement between the cemetery and the financial institution, the financial institution may receive a reasonable fee from the care fund for services rendered as trustee.

*f.* If the amount of a care fund exceeds two hundred thousand dollars, the cemetery or any officer, director, agent, employee, or affiliate of the cemetery shall not serve as trustee unless the cemetery is a cemetery owned or operated by a governmental subdivision of this state. A financial institution holding care funds shall not do any of the following:

(1) Be owned, under the control of, or affiliated with the cemetery.

(2) Use any funds required to be held in trust under this chapter to purchase an interest in a contract or agreement to which the cemetery is a party.

(3) Otherwise invest care funds, directly or indirectly, in the cemetery's business operations.

2. All moneys required to be deposited in the care fund shall be deposited in the name of the trustee, as trustee, under the terms of a trust agreement and the trustee may invest, reinvest, exchange, retain, sell, and otherwise manage the care fund trust for the benefit and protection of the cemetery.

3. This section does not prohibit a cemetery from moving care funds from one financial institution to another.

4. A care fund may receive and hold as part of the care fund or as an incident to the care fund any property contributed to the care fund.

5. A contribution to a care fund is considered to be for charitable purposes if the care financed by the care fund is for the following purposes:

*a.* The discharge of a duty due from the cemetery to persons interred and to be interred in the cemetery.

*b.* The benefit and protection of the public by preserving and keeping the cemetery in a dignified condition so that the cemetery does not become a nuisance or a place of disorder, reproach, and desolation in the community in which the cemetery is located.

6. A contribution to a care fund is not invalid because of the following:

*a.* Indefiniteness or uncertainty as to the person designated as a beneficiary in the instrument establishing the care fund.

*b.* A violation of the law against perpetuities or the law against the suspension of the power of alienation of title to or use of property.

7. A care fund shall pay the fund's operation costs and any annual audit fees. The principal of a care fund is intended to remain available perpetually as a funding source for care of the cemetery. The principal of a care fund shall not be reduced voluntarily and shall remain inviolable, except as provided in this section. The trustee or trustees of a care fund shall maintain the principal of the care fund separate from all operating funds of the cemetery.

8. In establishing a care fund, the cemetery may adopt plans for the care of the cemetery and installed memorials and memorialization.

9. A cemetery may, by resolution adopted by a vote of at least two-thirds of the members of its board at any authorized meeting of the board, authorize the withdrawal and use of not more than twenty percent of the principal of the care fund to acquire additional land for cemetery purposes, to repair a mausoleum or other building or structure intended for cemetery purposes, to build, improve, or repair roads and walkways in the cemetery, or to purchase recordkeeping software used to maintain ownership records or interment records. The resolution shall establish a reasonable repayment schedule, not to exceed five years, and provide for interest in an amount comparable to the care fund's current rate of return on its investments. However, the care fund shall not be diminished below an amount equal to the greater of twenty-five thousand dollars or five thousand dollars per acre of land in the cemetery. The resolution, and either a bond or proof of insurance to guarantee replenishment

of the care fund, shall be filed with the commissioner thirty days prior to the withdrawal of funds.

2005 Acts, ch 128, §65; 2007 Acts, ch 175, §48

Referred to in §523I.102

**523I.811 Use of distributions from care fund.**

1. Care fund distributions may be used in any manner determined to be in the best interests of the cemetery if authorized by a resolution, bylaw, or other action or instrument establishing the care fund, including but not limited to the general care of memorials, memorialization, and any of the following:

*a.* Cutting and trimming lawns, shrubs, and trees at reasonable intervals.

*b.* Maintaining drains, water lines, roads, buildings, fences, and other structures.

*c.* Maintaining machinery, tools, and equipment.

*d.* Compensating maintenance employees, paying insurance premiums, and making payments to employees' pension and benefit plans.

*e.* Paying overhead expenses incidental to such purposes.

*f.* Paying expenses necessary to maintain ownership, transfer, and interment records of the cemetery.

2. The commissioner may, by rule, establish terms and conditions under which a cemetery may withdraw capital gains from the care fund.

2005 Acts, ch 128, §66

**523I.812 Suit by commissioner.**

1. If the person or persons in control of a cemetery do not care for and maintain the cemetery, the district court of the county in which the cemetery is located may do the following:

*a.* By injunction compel the cemetery to expend the net income of the care fund as required by this chapter.

*b.* Appoint a receiver to take charge of the care fund and expend the net income of the care fund as required by this chapter.

*c.* Grant relief on a petition for relief filed pursuant to this section by the commissioner.

2. *a.* Inadequate care and maintenance of a cemetery includes but is not limited to the following:

(1) Failure to adequately mow grass.

(2) Failure to adequately edge and trim bushes, trees, and memorials.

(3) Failure to keep walkways and sidewalks free of obstructions.

(4) Failure to adequately maintain the cemetery's equipment and fixtures.

*b.* This subsection is not intended to prevent the establishment of a cemetery as a nature park or preserve.

2005 Acts, ch 128, §67; 2012 Acts, ch 1023, §157

**523I.813 Annual report by perpetual care cemeteries.**

1. A perpetual care cemetery shall file an annual report at the end of each fiscal year of the cemetery.

2. The report shall be filed with the commissioner within four months following the end of the cemetery's fiscal year in the form required by the commissioner.

3. The commissioner shall levy an administrative penalty in the amount of up to five hundred dollars against a cemetery that fails to file the annual report when due, payable to the state for deposit as provided in section 505.7. However, the commissioner may waive the administrative penalty upon a showing of good cause or financial hardship.

2005 Acts, ch 128, §68; 2007 Acts, ch 175, §49, 50; 2009 Acts, ch 181, §102; 2010 Acts, ch 1121, §31

**523I.814 Unified annual reports.**

The commissioner shall permit the filing of a unified report in the event of commonly owned or affiliated cemeteries if each cemetery is separately identified and separate records are maintained for each cemetery.

2005 Acts, ch 128, §69

# SUBTITLE 2

## FINANCIAL INSTITUTIONS

Referred to in §491.39

# CHAPTER 524

## BANKS

Referred to in §12C.6A, 12C.13, 216.10, 261A.19, 331.602, 422.11, 423.2, 445.5, 490.1701, 501A.601, 527.4, 533.301, 535.2, 535.8, 535C.2, 536A.24, 536C.3, 537.1301, 537.2301, 537.6105, 537.6201, 546.3, 669.14

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This chapter shall be known and may be cited as the *"Iowa Banking Act"*.

[C71, 73, 75, 77, 79, 81, §524.101]

84 Acts, ch 1067, §41

**524.102 Statement of intent.**

The general assembly declares as its purpose in adopting this chapter to provide for:

1. The safe and sound conduct of the business of banking.
2. The conservation of the assets of state banks.
3. The maintenance of public confidence in state banks.
4. The protection of the interests of depositors, creditors, shareholders and of the interest of the public in a sound and strong banking system.
5. The opportunity for state banks to be competitive with each other and with banks existing under the laws of other states and the United States.
6. The opportunity for state banks to effectively serve the convenience and banking needs of their depositors, borrowers, and other customers and to participate in and promote the economic progress of Iowa and of the United States.
7. The opportunity for the management of a state bank to exercise its business judgment, in conducting the affairs of the state bank, to the extent compatible with, and subject to the purposes of this chapter.
8. The delegation to the superintendent of adequate rulemaking power and administrative discretion, in order that the supervision and regulation of state banks may be flexible and readily responsive to changes in economic conditions and changes in banking and fiduciary practices.
9. The simplification and modernization of the law governing the business of banking and the exercise of certain fiduciary powers.

[C71, 73, 75, 77, 79, 81, §524.102]

**524.103 Definitions.**

As used in this chapter, unless the context otherwise requires, the term:

1. *"Account"* means any account with a state bank and includes a demand, time or savings deposit account or any account for the payment of money to a state bank.
2. *"Administrator"* means the person designated in section 537.6103.
3. *"Aggregate capital"* means the sum of capital, surplus, undivided profits, and reserves as of the most recent calculation date.
4. *"Agreement for the payment of money"* means a monetary obligation, other than an obligation in the form of an evidence of indebtedness or an investment security; including, but not limited to, amounts payable on open book accounts receivable and executory contracts and rentals payable under leases of personal property.
5. *"Agricultural credit corporation"* means as defined in section 535.12, subsection 4.
6. *"Articles of incorporation"* means the original or restated articles of incorporation and all amendments thereto and includes articles of merger. *"Articles of incorporation"* also means the original or restated articles of organization and all amendments including articles of merger if a state bank is organized as a limited liability company under this chapter.
7. *"Assets"* means all the property and rights of every kind of a state bank.
8. *"Bank"* means a corporation or limited liability company organized under this chapter or 12 U.S.C. § 21.
9. *"Bankers' bank"* means a bank which is organized under the laws of any state or under federal law, and whose shares are owned exclusively by other banks or by a bank holding company whose shares are owned exclusively by other banks, except for directors' qualifying shares when required by law, and which engages exclusively in providing

services for depository institutions and officers, directors and employees of those depository institutions.

10. *"Board of directors"* means the board of directors of a state bank as provided in section 524.601. For a state bank organized as a limited liability company under this chapter, *"board of directors"* means a board of directors or board of managers as designated by the limited liability company in its articles of organization or operating agreement.

11. *"Borrower"* means a person named as a borrower or debtor in a loan or extension of credit, or any other person, including a drawer, endorser, or guarantor, deemed to be a borrower under section 524.904, subsection 3.

12. *"Business of banking"* means the business generally done by banks.

13. *"Calculation date"* means the most recent of the following:

*a.* The date the bank's statement of condition is required to be filed pursuant to section 524.220, subsection 2.

*b.* The date an event occurs that reduces or increases the bank's aggregate capital by ten percent or more.

*c.* As the superintendent may direct.

14. *"Capital"* means the sum of the par value of the preferred and common shares of a state bank issued and outstanding.

15. *"Capital structure"* means the capital, surplus, and undivided profits of a state bank and shall include an amount equal to the sum of any capital notes and debentures issued and outstanding pursuant to section 524.404.

16. *"Chief executive officer"* means the person designated by the board of directors to be responsible for the implementation of and adherence to board policies and resolutions by all officers and employees of the bank.

17. *a.* *"Contractual commitment to advance funds"* means a bank's obligation to do either of the following:

(1) Advance funds under a standby letter of credit or other similar arrangement.

(2) Make payment, directly or indirectly, to a third person contingent upon default by a customer of the bank in performing an obligation and to make such payment in keeping with the agreed upon terms of the customer's contract with a third person, or to make payments upon some other stated condition.

*b.* The term does not include commercial letters of credit and similar instruments where the issuing bank expects the beneficiary to draw on the issuer, that do not guarantee payment, and that do not provide for payment in the event of a default by a third person.

18. *"Control"* means when a person, directly or indirectly or acting through or together with one or more persons, satisfies any of the following:

*a.* Owns, controls, or has the power to vote fifty percent or more of any class of voting securities or membership interests of another person.

*b.* Controls, in any manner, the election of a majority of the directors, managers, trustees, or other persons exercising similar functions of another person.

*c.* Has the power to exercise a controlling influence over the management or policies of another person.

19. *"Customer"* means a person with an account or other contractual arrangement with a state bank.

20. *"Director"* means a member of the board of directors and includes a manager of a state bank organized as a limited liability company under this chapter.

21. *"Evidence of indebtedness"* means a note, draft or similar negotiable or nonnegotiable instrument.

22. *"Executive officer"* means a person who participates or has authority to participate, other than in the capacity of a director or manager, in major policymaking functions of a state bank, whether or not the officer has an official title, whether or not such a title designates the officer as an assistant, or whether or not the officer is serving without salary or other compensation. The chief executive officer, chairperson of the board, the president, every vice president, and the cashier of a state bank are deemed to be executive officers, unless such an officer is excluded, by resolution of the board of directors of a state bank or by the bylaws of the state bank, from participation, other than in the capacity of a director, in major

policymaking functions of the state bank, and the officer does not actually participate in the major policymaking functions. All officers who serve on a board of directors are deemed to be executive officers, except as provided for in section 524.701, subsection 3.

23. *"Fiduciary"* means an executor, administrator, guardian, conservator, receiver, trustee or one acting in a similar capacity.

24. *"Insolvent"* means the inability of a state bank to pay its debts and obligations as they become due in the ordinary course of its business. A state bank is also considered to be insolvent if the ratio of its capital, surplus, and undivided profits to assets is at or close to zero or if its assets are of such poor quality that its continued existence is uncertain.

25. *"Insured bank"* means a state bank the deposits of which are insured in accordance with the provisions of the Federal Deposit Insurance Act.

26. *"Manager"* means a person designated by the members to manage a state bank organized as a limited liability company under this chapter as provided in the articles of organization or an operating agreement and may include a member of the board of directors.

27. *"Member"* means a person with a membership interest in a state bank organized as a limited liability company or incorporated as a mutual corporation under this chapter.

28. *"Member vote"* means one vote for each one hundred dollars, or fraction thereof, of the withdrawal value of a member's account with respect to a mutual corporation.

29. *"Membership interest"* means a member's share of the profits and losses, the right to receive distributions of assets, and any right to vote or participate in management of a state bank organized as a limited liability company under this chapter or of a state bank incorporated as a mutual corporation under this chapter.

30. *"Municipal corporation"* means an incorporated city.

31. *"Mutual bank holding company"* means a bank holding company that is a mutual corporation or that owns or controls a mutual corporation.

32. *"Mutual corporation"* means a corporation that is incorporated on a mutual ownership basis under this chapter or converted to become subject to this chapter and is not authorized to issue capital stock.

33. *"Officer"* means chief executive officer, executive officer, or any other administrative official of a bank elected by the bank's board of directors to carry out any of the bank's operating rules and policies.

34. *"Operations subsidiary"* means a wholly owned corporation incorporated and controlled by a bank that performs functions which the bank is authorized to perform.

35. *"Person"* means as defined in section 4.1.

36. *"Reserves"* means the amount of the allowance for loan and lease losses of a state bank.

37. *"Sale of federal funds"* means any transaction between depository institutions involving the transfer of immediately available funds resulting from credits to deposit balances at federal reserve banks, or from credits to new or existing deposit balances due from a correspondent depository institution.

38. *"Shareholder"* means one who is a holder of record of shares in a state bank. If a state bank is organized as a limited liability company under this chapter, *"shareholder"* means a member of the limited liability company. If a state bank is incorporated as a mutual corporation under this chapter, *"shareholder"* means a member of the mutual corporation.

39. *"Shares"* means the units into which the proprietary interests in a state bank incorporated as a stock corporation are divided, including any membership interests of a state bank organized as a limited liability company under this chapter.

40. *"Standby letter of credit"* means a letter of credit, or similar arrangement, that represents an obligation to the beneficiary on the part of the issuer to do any of the following:

*a.* Repay money borrowed by or advanced to or for the account of the account holder.

*b.* Make payment on account of any indebtedness undertaken by the account holder.

*c.* Make payment on account of any default by the account holder in the performance of an obligation.

41. *"State bank"* means any bank incorporated pursuant to the provisions of this chapter after January 1, 1970, and any *"state bank"* incorporated pursuant to the laws of this state and

doing business as such on January 1, 1970, or a bank organized as a limited liability company or a mutual corporation under this chapter.

42. *"Stock corporation"* means a corporation which is authorized to issue capital stock.

43. *"Superintendent"* means the superintendent of banking of this state.

44. *"Supervised financial organization"* as defined and used in the Iowa consumer credit code, chapter 537, includes a person organized pursuant to this chapter.

45. *"Surplus"* means the aggregate of the amount originally paid in as required by section 524.401, subsection 3, any amounts transferred to surplus pursuant to section 524.405 and any amounts subsequently designated as such by action of the board of directors of the state bank.

46. *"Trust company"* means a business organization which is authorized to engage in trust business pursuant to section 524.1005. A bank lawfully exercising trust powers under the laws of this state or of the United States is not a trust company by reason of having authority to engage in trust business in addition to its general business.

47. *"Undivided profits"* means the accumulated undistributed net profits of a state bank, including any residue from the fund established pursuant to section 524.401, subsection 4, after:

*a.* Payment or provision for payment of taxes and expenses of operations.

*b.* Transfers to reserves allocated to a particular asset or class of assets.

*c.* Losses estimated or sustained on a particular asset or class of assets in excess of the amount of reserves allocated therefor.

*d.* Transfers to surplus and capital.

*e.* Amounts declared as dividends to shareholders.

48. *"Unincorporated area"* means a village within which a state bank or national bank has its principal place of business.

[C71, 73, 75, 77, 79, 81, §524.103]

85 Acts, ch 252, §32; 89 Acts, ch 257, §2, 3; 90 Acts, ch 1228, §1; 95 Acts, ch 148, §1 – 3; 96 Acts, ch 1056, §1; 2003 Acts, ch 44, §114; 2004 Acts, ch 1141, §47, 48; 2005 Acts, ch 3, §86; 2007 Acts, ch 88, §2; 2012 Acts, ch 1017, §1 – 4, 18, 104; 2012 Acts, ch 1023, §157

Referred to in §12.61, 12C.13, 252I.1, 421.17A, 422.61, 453A.8, 521C.4, 524.109, 524.904, 535B.6A, 536.7A, 537.7103, 633.89

**524.104 Rules of construction.**

In the interpretation and construction of this chapter:

1. Transactions or acts validly entered into or performed before July 1, 1995, and the rights, duties and interests flowing from them remain valid on and after July 1, 1995, and may be completed or terminated according to their terms and as permitted by any statute repealed or amended by this chapter, as though such repeal or amendment had not occurred.

2. All individuals who, on July 1, 1995, hold any office under a provision of law repealed by this chapter, and which offices are continued by this chapter shall continue to hold such offices according to their former tenure.

[C71, 73, 75, 77, 79, 81, §524.104]

95 Acts, ch 148, §4

**524.105 Effect on existing banks.**

1. The corporate existence of a state bank existing and operating on July 1, 1995, is not affected by the amendment of this chapter.

2. All state banks are subject to the provisions and requirements of this chapter in every particular, and all national banks, now or hereafter doing business in this state, are subject to the provisions of this chapter, to the extent applicable, from July 1, 1995.

[C71, 73, 75, 77, 79, 81, §524.105]

95 Acts, ch 148, §5

Referred to in §680.8

**524.106** Repealed by 95 Acts, ch 148, § 135.

**524.107 Persons authorized to engage in banking business — educational bank.**

1. A person, other than a state bank which is subject to the provisions of this chapter

and a national bank authorized by the laws of the United States to engage in the business of receiving money for deposit, shall not engage in this state in the business of receiving money for deposit, transact the business of banking, or establish in this state a place of business for such purpose.

2. A person doing business in this state shall not use the words "bank" or "trust" or use any derivative, plural, or compound of the words "bank", "banking", "bankers", or "trust" in any manner which would tend to create the impression that the person is authorized to engage in the business of banking or to act in a fiduciary capacity, except a state bank authorized to do so by this chapter, a national bank to the extent permitted by the laws of the United States, a bank holding company as defined in section 524.1801, a savings and loan holding company as defined in 12 U.S.C. § 1467a, or a federal association to the extent permitted by the laws of the United States, or, insofar as the word "trust" is concerned, an individual permissibly serving as a fiduciary in this state, pursuant to section 633.63, or, insofar as the words "trust" and "bank" are concerned, a nonresident corporate fiduciary permissibly serving as a fiduciary in this state pursuant to section 633.64.

3. Notwithstanding subsections 1 and 2, an organization formed for educational purposes in association with an accredited elementary or secondary school which engages in the receipt of deposits may use the words "educational bank", the use of which is otherwise restricted in subsection 2, and such an educational bank is not a bank within the meaning or scope of regulation of this chapter.

[C97, §1862, 1889; S13, §1889, 1889-i; C24, 27, 31, 35, 39, §**9151, 9203, 9258, 9259, 9296;** C46, 50, 54, 58, 62, 66, §524.24, 527.2, 528.50, 528.52, 532.13; C71, 73, 75, 77, 79, 81, §524.107]

89 Acts, ch 257, §4; 89 Acts, ch 319, §80; 95 Acts, ch 148, §6; 96 Acts, ch 1056, §2; 2008 Acts, ch 1160, §1; 2012 Acts, ch 1017, §105

Referred to in §524.1005, 524.1603

**524.108 Applicability of safe deposit provisions.**

The provisions of sections 524.809 to 524.812 shall apply, to the extent applicable, to any person engaged in this state in the business of leasing safe deposit boxes for the storage of property.

[C71, 73, 75, 77, 79, 81, §524.108]

**524.109 Bankers' bank authorized — authority to hold shares of bankers' bank.**

1. A state bank may be organized under this chapter as a bankers' bank. The bankers' bank is subject to all rights, privileges, duties, restrictions, penalties, liabilities, conditions and limitations applicable to a state bank generally, except as limited in the definition of bankers' bank contained in section 524.103, subsection 9. However, a bankers' bank shall have the same powers as those granted by federal law and regulation to a national bank organized as a bankers' bank under 12 U.S.C. § 27.

2. A state bank shall have the power to acquire and hold the shares in one or more bankers' banks or bank holding companies which own a bankers' bank in a total amount not to exceed five percent of the state bank's aggregate capital. A state bank shall not own, directly or indirectly, more than five percent of any class of voting shares of a bankers' bank.

85 Acts, ch 252, §33; 95 Acts, ch 148, §7

## DIVISION II

## DIVISION OF BANKING

**524.201 Superintendent of banking.**

1. The governor shall appoint, subject to confirmation by the senate, a superintendent of banking. The appointee shall be selected solely with regard to qualification and fitness to discharge the duties of office, and a person shall not be appointed who has not had at least five years' experience as an executive officer in a bank.

2. The superintendent shall have an office at the seat of government. The regular term of office shall be four years beginning and ending as provided by section 69.19.

[C24, 27, 31, 35, 39, §**9130, 9131;** C46, 50, 54, 58, 62, 66, §524.1, 524.2; C71, 73, 75, 77, 79, 81, §524.201]

95 Acts, ch 148, §8; 2004 Acts, ch 1141, §2

Referred to in §535D.3, 546.3

Confirmation, see §2.32

**524.202 Superintendent — salary.**

The superintendent shall receive a salary to be fixed by the governor.

[C24, 27, 31, 35, 39, §**9137;** C46, 50, 54, 58, 62, 66, §524.7; C71, 73, 75, 77, 79, 81, §524.202]

95 Acts, ch 148, §9

**524.203 Superintendent — vacancy.**

If the office of the superintendent of banking is vacant, the chief of the bank bureau of the banking division shall be the acting superintendent until the governor appoints a new superintendent or acting superintendent. If the chief of the bank bureau is unable to serve, the chief of the finance bureau of the banking division shall be the acting superintendent until the governor appoints a new superintendent or acting superintendent. If both the chief of the bank bureau and the chief of the finance bureau are unable to serve, the chief of the professional licensing and regulation bureau of the banking division shall be the acting superintendent until the governor appoints a new superintendent or acting superintendent.

[C24, 27, 31, 35, 39, §**9133;** C46, 50, 54, 58, 62, 66, §524.3; C71, 73, 75, 77, 79, 81, §524.203]

2004 Acts, ch 1141, §3; 2008 Acts, ch 1160, §2

**524.204 Deputy superintendent of banking.**

The superintendent may appoint an employee of the division of banking as deputy to perform the duties of the superintendent during the absence or inability of the superintendent to act. Any deputy so appointed shall be removable at the pleasure of the superintendent.

[C24, 27, 31, 35, 39, §**9136, 9137;** C46, 50, 54, 58, 62, 66, §524.6, 524.7; C71, 73, 75, 77, 79, 81, §524.204]

95 Acts, ch 148, §10; 2004 Acts, ch 1141, §4

**524.205 State banking council.**

1. The state banking council shall consist of the superintendent, who shall be an ex officio member and chairperson, and six other members, appointed by the governor, who shall be appointed, where practical, from various parts of the state. Provided, however, that in no event shall more than five members of such council be engaged in the business of banking in any executive capacity.

2. The terms of office for members of the state banking council, other than the superintendent, shall be four-year staggered terms. Each member shall hold office for the term for which the member is appointed or until a successor is appointed.

3. A member of the state banking council, other than the superintendent, shall not receive a salary but is entitled to reimbursement for actual expenses incurred by the member in connection with the member's duties. Each member of the council may also be eligible to receive compensation as provided in section 7E.6.

4. The state banking council shall act in an advisory capacity concerning matters submitted to the council by the superintendent pertaining to the conduct of the administration of this chapter.

5. The state banking council shall meet at least once each calendar quarter on such date and at such place as the council may decide, and shall meet at such other times as may be deemed necessary by the superintendent or a majority of the council members.

[C27, 31, 35, §9154-a1, -a2, -a3, -a4, -a7, -a8; C39, §**9154.04 – 9154.07, 9154.10, 9154.11;** C46, 50, 54, 58, 62, 66, §525.1 – 525.4, 525.7, 525.8; C71, 73, 75, 77, 79, 81, §524.205]

86 Acts, ch 1245, §747; 2004 Acts, ch 1141, §5

**524.206 Banking division created.**

The banking division is created within the department of commerce.

[C71, 73, 75, 77, 79, 81, §524.206]

86 Acts, ch 1245, §748

**524.207 Expenses of the banking division — fees.**

1. Except as otherwise provided by statute, all expenses required in the discharge of the duties and responsibilities imposed upon the banking division of the department of commerce, the superintendent, and the state banking council by the laws of this state shall be paid from fees provided by the laws of this state and appropriated by the general assembly from the department of commerce revolving fund created in section 546.12. All of these fees are payable to the superintendent. The superintendent shall pay all the fees and other moneys received by the superintendent to the treasurer of state within the time required by section 12.10 and the fees and other moneys shall be deposited into the department of commerce revolving fund created in section 546.12.

2. The superintendent shall account for receipts and disbursements according to the separate duties imposed upon the superintendent by the laws of this state and each separate duty shall be fiscally self-sustaining.

3. The banking division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for bank or licensee examinations or investigations and directly result from examinations or investigations of banks or licensees. The amounts necessary to fund the excess examination or investigation expenses shall be collected from banks and licensees being regulated, and the collections shall be treated as repayment receipts as defined in section 8.2. The division shall notify in writing the legislative services agency and the department of management when hiring additional personnel. The written notification shall include documentation that any additional expenditure related to such hiring will be totally reimbursed as provided in section 546.12, subsection 2, and shall also include the division's justification for hiring such personnel. The division must obtain the approval of the department of management only if the number of additional personnel to be hired exceeds the number of full-time equivalent positions authorized by the general assembly.

4. All fees and moneys collected shall be deposited into the department of commerce revolving fund created in section 546.12 and expenses required to be paid under this section shall be paid from moneys in the department of commerce revolving fund and appropriated for those purposes.

[C24, 27, 31, 35, 39, §**9144, 9145, 9149;** C46, 50, 54, 58, 62, 66, §524.16, 524.17, 524.22; C71, 73, 75, 77, 79, 81, §524.207]

86 Acts, ch 1246, §616; 87 Acts, ch 234, §435; 90 Acts, ch 1247, §14; 91 Acts, ch 260, §1243; 93 Acts, ch 131, §22; 94 Acts, ch 1107, §85; 2003 Acts, ch 35, §45, 49; 2004 Acts, ch 1141, §6; 2009 Acts, ch 181, §103

**524.208 Examiners and other employees.**

The superintendent may appoint examiners and other employees as the superintendent deems necessary to the proper discharge of the duties imposed upon the superintendent by the laws of this state. Pay plans shall be established for employees, other than clerical employees or employees of the professional licensing and regulation bureau of the banking division, who examine the accounts and affairs of state banks and who examine the accounts and affairs of other persons, subject to supervision and regulation by the superintendent, which are substantially equivalent to those paid by the federal deposit insurance corporation and other federal supervisory agencies in this area of the United States.

[C24, 27, 31, 35, 39, §**9136, 9137;** C46, 50, 54, 58, 62, 66, §524.6, 524.7; C71, 73, 75, 77, 79, 81, §524.208]

86 Acts, ch 1245, §749; 2004 Acts, ch 1141, §7; 2006 Acts, ch 1177, §32

**524.209 Expenses.**

The superintendent, examiners, and other employees of the banking division shall be entitled to receive reimbursement for expenses incurred in the performance of their duties. The superintendent, and when specifically authorized by the superintendent, examiners and other employees of the banking division, shall be entitled to receive reimbursement for expenses incurred while attending conventions, meetings, conferences, schools, or seminars relating to the performance of their duties, and such expenses shall be paid by the treasurer of state on warrants drawn by the director of the department of administrative services.

[C24, 27, 31, 35, 39, §**9144;** C46, 50, 54, 58, 62, 66, §524.16; C71, 73, 75, 77, 79, 81, §524.209]

2003 Acts, ch 145, §286; 2004 Acts, ch 1141, §8

**524.210 Insurance and surety bonds.**

The superintendent shall acquire good and sufficient bond in a company authorized to do business in this state insuring the faithful performance of examiners and all other employees of the banking division and insuring against any liability which may accrue in the case of the loss of any property of a state bank, of a customer of a state bank, or of any other person in the course of any examination, investigation, or other function required or allowed by the laws of this state. The superintendent shall be bonded in accordance with the provisions of chapter 64.

[C24, 27, 31, 35, 39, §**9138, 9139;** C46, 50, 54, 58, 62, 66, §524.8, 524.9; C71, 73, 75, 77, 79, 81, §524.210]

2004 Acts, ch 1141, §9

**524.211 Prohibitions relating to banking division personnel.**

1. The superintendent, general counsel, examiners, and other employees assigned to the bank bureau of the banking division are prohibited from obtaining a loan of money or property from a state-chartered bank, or any person or entity affiliated with a state-chartered bank, unless they do not personally participate in the examination, oversight, or official review concerning the regulation of the bank.

2. The superintendent, general counsel, examiners, and other employees assigned to the finance bureau of the banking division are prohibited from obtaining a loan of money or property from a person or entity licensed pursuant to chapter 533A, 533D, 536, or 536A, or a person or entity affiliated with such licensee.

3. The superintendent, general counsel, examiners, and other employees of the banking division, who have credit relations with a person or entity licensed or registered pursuant to chapter 535B, 535D, or 536C, are prohibited from participating in decisions, oversight, and official review of matters concerning the regulation of the licensee or registrant.

4. Examiners and other employees assigned to the bank bureau of the banking division who have credit relations with a person or entity licensed pursuant to chapter 533A, 533D, 536, or 536A, or with a person or entity affiliated with such licensee, are prohibited from participating in decisions, oversight, and official review of matters concerning the regulation of the licensee.

5. An employee of the banking division, other than the superintendent or a member of the state banking council or one of the boards in the professional licensing and regulation bureau of the division, shall not perform any services for, and shall not be a shareholder, member, partner, owner, director, officer, or employee of, any enterprise, person, or affiliate subject to the regulatory purview of the banking division.

6. For the purposes of this section and section 524.212, an affiliate of a person other than a state bank shall include any corporation, trust, estate, association or other similar organization:

*a.* Of which such person, directly or indirectly, owns or controls either a majority of the voting shares or more than fifty percent of the number of shares voted for the election of its directors, trustees, or other individuals exercising similar functions at the preceding election, or controls in any manner the election of a majority of its directors, trustees or other individuals exercising similar functions.

*b.* Of which control is held, directly or indirectly, through share ownership or in any other

manner, by the shareholders of such person who own or control either a majority of the shares of such person or more than fifty percent of the number of shares voted for the election of directors of such person at the preceding election or by trustees for the benefit of the shareholders of any such person.

*c.* Of which a majority of its directors, trustees, or other individuals exercising similar functions are directors of any one such person.

*d.* Which owns or controls, directly or indirectly, either a majority of the voting shares of such person or more than fifty percent of the total number of shares voted for the election of directors of such person at the preceding election, or controls in any manner the election of a majority of the directors of such person, or for the benefit of whose shareholders or members all or substantially all of the outstanding voting shares of such person is held by trustees.

7. The superintendent, examiners, or other employees who are convicted of a felony while holding such position shall be immediately discharged from employment and shall be forever disqualified from holding any position in the banking division.

[C97, §1875, 1876; SS15, §1875; C24, 27, 31, 35, 39, §**9146;** C46, 50, 54, 58, 62, 66, §524.18; C71, 73, 75, 77, 79, 81, §524.211; 81 Acts, ch 172, §1]

95 Acts, ch 148, §11 – 13; 96 Acts, ch 1056, §3; 2004 Acts, ch 1141, §10; 2006 Acts, ch 1177, §33; 2007 Acts, ch 88, §3; 2008 Acts, ch 1160, §3; 2011 Acts, ch 102, §1; 2012 Acts, ch 1017, §106

Referred to in §524.1611

**524.212 Prohibition against disclosure of regulatory information.**

1. The superintendent, members of the state banking council, general counsel, examiners, or other employees of the banking division shall not disclose, in any manner, to any person other than the person examined and those regulatory agencies referred to in section 524.217, subsection 2, any information relating specifically to the supervision and regulation of any state bank, persons subject to the provisions of chapter 533A, 533C, 536, or 536A, any affiliate of any state bank, or an affiliate of a person subject to the provisions of chapter 533A, 533C, 536, or 536A, except when ordered to do so by a court of competent jurisdiction and then only in those instances referred to in section 524.215, subsection 2, paragraphs *"a"*, *"b"*, *"c"*, *"e"*, and *"f"*.

2. The superintendent may receive documents, materials, or other information, including otherwise confidential and privileged documents, materials, or other information, from other local, state, federal, and international regulatory agencies, the conference of state bank supervisors and its affiliates or subsidiaries, the American association of mortgage regulators and its affiliates or subsidiaries, and the national association of consumer credit administrators and its affiliates or subsidiaries, and shall maintain as confidential and privileged any such document, material, or other information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or other information. With respect to documents, materials, or other information that is shared or stored electronically, the superintendent is authorized to take any necessary steps to ensure the division's information technology systems comply with the information technology security requirements established by any of the regulatory agencies or associations of state regulatory agencies described in this section.

[C31, 35, §9146-c1; C39, §**9146.1;** C46, 50, 54, 58, 62, 66, §524.19; C71, 73, 75, 77, 79, 81, §524.212]

95 Acts, ch 148, §14; 2003 Acts, ch 96, §40, 42; 2004 Acts, ch 1141, §11; 2008 Acts, ch 1031, §56; 2008 Acts, ch 1160, §4; 2011 Acts, ch 102, §2

Referred to in §524.211, 524.1611

**524.213 Duties and powers of superintendent.**

The superintendent shall have general control, supervision and regulation of all state banks and shall be charged with the administration, interpretation, and execution of the laws, rules, and regulations of this state relating to banks and banking and with such other duties and responsibilities as are imposed upon the superintendent by the laws of this state. The superintendent shall have power to adopt and promulgate such rules and regulations as

necessary to carry out and enforce, properly and effectively, the provisions of this chapter and chapter 12C applicable to banks.

[C24, 27, 31, 35, 39, §**9140;** C46, 50, 54, 58, 62, 66, §524.10; C71, 73, 75, 77, 79, 81, §524.213]

2002 Acts, ch 1096, §15, 17; 2010 Acts, ch 1028, §6

**524.214 Subpoena — contempt.**

1. The superintendent and, upon the approval of the superintendent, any examiner or other employees of the banking division shall have the power to subpoena witnesses, to compel their attendance, to administer an oath, to examine any person under oath and to require the production of any relevant books or papers. Such examination may be conducted on any subject relating to the duties imposed upon, or powers vested in, the superintendent under the provisions of this chapter or any other chapter administered by the superintendent.

2. Whenever any person subpoenaed pursuant to subsection 1 of this section neglects or refuses to obey the terms of such subpoena, to produce books or papers or to give testimony, as required, the superintendent may apply to the district court of Polk county for the enforcement of such subpoena or the issuance of an order compelling such compliance as the court may direct.

3. The refusal of any person to obey an order of the district court, issued pursuant to subsection 2 of this section, without reasonable cause, shall be considered a contempt of that court.

[C97, §1877; S13, §1871; C24, 27, 31, 35, 39, §**9226, 9236;** C46, 50, 54, 58, 62, 66, §528.20, 528.30; C71, 73, 75, 77, 79, 81, §524.214]

2004 Acts, ch 1141, §12; 2007 Acts, ch 88, §4

Referred to in §524.217

**524.215 Records of division of banking.**

1. All records of the division of banking shall be public records subject to the provisions of chapter 22, except that all papers, documents, reports, reports of examinations and other writings relating specifically to the supervision and regulation of any state bank or other person by the superintendent pursuant to the laws of this state shall not be public records and shall not be open for examination or copying by the public or for examination or publication by the news media.

2. The superintendent, members of the state banking council, examiners, or other employees of the banking division shall not be subpoenaed in any cause or proceeding to give testimony concerning information relating specifically to the supervision and regulation of any state bank or other person by the superintendent pursuant to the laws of this state, and the records of the banking division which relate specifically to the supervision and regulation of any such state bank or other such person shall not be offered in evidence in any court or subject to subpoena by any party except, where relevant:

*a.* In such actions or proceedings as are brought by the superintendent.

*b.* In any matter in which an interested and proper party seeks review of a decision of the superintendent.

*c.* In any action or proceeding which arises out of the criminal provisions of the laws of this state or the United States.

*d.* In any action brought as a shareholders derivative suit against a state bank or other entity regulated by the superintendent.

*e.* In an action brought to recover moneys for a loss in connection with an indemnity bond which was a result of embezzlement, misappropriation, or misuse of state bank funds by a director, officer, or employee of the state bank.

*f.* In an action brought to recover moneys for a loss in connection with an indemnity bond which was a result of embezzlement, misappropriation, or misuse of funds, belonging to an entity regulated by the superintendent, by a director, officer, or employee of the entity.

[C31, 35, §9146-c1; C39, §**9146.1;** C46, 50, 54, 58, 62, 66, §524.19; C71, 73, 75, 77, 79, 81, §524.215]

95 Acts, ch 148, §15; 96 Acts, ch 1056, §4; 2004 Acts, ch 1141, §13; 2007 Acts, ch 88, §5, 6

Referred to in §524.212

**524.215A Preservation of division of banking records.**

1. The division of banking may preserve records, papers, or documents kept by the division or in the possession or custody of the division by any of the following means:

*a.* Photographing or microphotographing, or otherwise reproducing upon film.

*b.* Preserving in any electronic medium or format capable of being read or scanned by computer and capable of being reproduced by printing or by any other form of reproduction of electronically stored data.

2. Photographs, microphotographs, or photographic films or copies thereof, or reproductions of electronically stored data, created pursuant to subsection 1 shall be deemed to be an original record for all purposes, including introduction in evidence in all state and federal courts or administrative hearings, and shall be admissible to prove any act, transaction, occurrence, or event therein recorded.

3. Photographs, microphotographs, or photographic films or copies thereof, or reproductions of electronically stored data, created pursuant to subsection 1 shall be preserved in such manner as the division prescribes, and the original photographs, microphotographs, photographic films, copies, and reproductions may be destroyed or otherwise disposed of as the division directs.

4. The division of banking may adopt a record retention policy authorizing the division to destroy communications received by electronic mail that are more than six months old.

2007 Acts, ch 170, §1; 2010 Acts, ch 1028, §7

**524.216 Annual report of superintendent.**

1. The superintendent shall make a report in writing annually to the governor in the manner and within the time required by chapter 7A.

2. In addition to the matters required by chapter 7A, the annual report of the superintendent shall contain:

*a.* A summary of applications approved or denied by the superintendent pursuant to this chapter since the superintendent's last previous report.

*b.* A summary of the assets, liabilities, and capital structure of all state banks as of June 30 of the year for which the report is made.

*c.* A statement of the receipts and disbursements of funds of the superintendent during the fiscal year ending on the preceding June 30 and of the funds on hand on such June 30.

*d.* Such other information as the superintendent may deem appropriate and advisable to fairly disclose the discharge of the duties imposed upon the superintendent by this chapter.

[C97, §1881; C24, 27, 31, 35, 39, §**9148;** C46, 50, 54, 58, 62, 66, §524.21; C71, 73, 75, 77, 79, 81, §524.216]

2004 Acts, ch 1141, §14; 2007 Acts, ch 88, §7; 2008 Acts, ch 1160, §5; 2012 Acts, ch 1017, §107

Annual report, §7A.8

**524.217 Examinations.**

1. The superintendent may do all of the following:

*a.* Make or cause to be made an examination of every state bank and trust company whenever in the superintendent's judgment such examination is necessary or advisable, but in no event less frequently than once during each two-year period by either the banking division or the appropriate federal banking agency. During the course of each examination of a state bank or trust company, inquiry shall be made as to its financial condition, the security afforded to those to whom it is obligated, the policies of its management, whether the requirements of law have been complied with in the administration of its affairs, and such other matters as the superintendent may prescribe.

*b.* Make or cause to be made such limited examinations at such times and with such frequency as the superintendent deems necessary and advisable to determine the condition of any state bank or trust company and whether any person has violated any of the provisions of this chapter.

*c.* Make or cause to be made an examination of any corporation in which the state bank or trust company owns shares.

*d.* Upon application to and order of the district court of Polk county, make or cause to be made an examination of any person having business transactions or a relationship with any state bank or trust company when such examination is deemed necessary and advisable in order to determine whether the capital of the state bank or trust company is impaired or whether the safety of its deposits has been imperiled. The fee for any such examination shall be paid by the state bank or trust company.

*e.* To the extent necessary for the purpose of any examination provided for by this section and section 524.1105, examine all relevant books, records, accounts, and documents and compel the production of the same in the manner prescribed by section 524.214.

2. The superintendent may furnish to the federal deposit insurance corporation, the federal reserve system, the United States department of the treasury, the national credit union administration, the federal home loan bank, and financial institution regulatory authorities of other states, or to any official or supervising examiner of such regulatory authorities, a copy of the report of any or all examinations made of any state bank and of any affiliate of a state bank.

3. A copy of the report of each examination of a state bank or trust company shall be transmitted by the superintendent to the board of directors of the state bank or trust company except to the extent that the report of any such examination may be confidential to the superintendent, and each member of the board of directors shall furnish to the superintendent, on forms to be supplied by the superintendent, a statement that the member has read the report of examination.

4. All reports of examinations, including any copies of such reports, in the possession of any person other than the superintendent or employee of the banking division, including any state bank or any agency to which any report of such examination may be furnished under subsection 2, shall be confidential communications, shall not be subject to subpoena from such persons, and shall not be published or made public by such persons.

5. The report of examination of any affiliate or of any person examined as provided for in subsection 1, paragraph "*c*" or "*d*", shall not be transmitted by the superintendent to any such affiliate or person or to any state bank or trust company or to the board of directors of any state bank or trust company unless authorized or requested by such affiliate or person.

6. The superintendent may enter into contractual agreements with other state regulators of financial institutions to share examiners or to assist in each state's respective examinations. The division of banking shall be reimbursed for any costs incurred when providing services to other states pursuant to this subsection. Any division of banking personnel assisting another state with its examination shall be covered by the provisions of the other state's tort claims act, to the extent permitted by the laws of the other state. If the law of the other state does not extend coverage to the division of banking personnel working on the other state's examination, the provisions of chapter 669 shall apply.

[R60, §1637; C73, §1571; C97, §1873; S13, §1873; C24, 27, 31, 35, §9231, 9283-g4; C39, §**9231, 9283.47;** C46, 50, 54, 58, 62, 66, §528.25, 530.4; C71, 73, 75, 77, 79, 81, §524.217]

89 Acts, ch 257, §5; 90 Acts, ch 1228, §2; 92 Acts, ch 1161, §1; 95 Acts, ch 148, §16; 2004 Acts, ch 1141, §15; 2006 Acts, ch 1015, §2; 2007 Acts, ch 170, §2, 3

Referred to in §524.212, 524.219, 537.2305

**524.218 Regulation and examination of services.**

A state bank shall not cause to be performed by contract or otherwise, any bank services, of a type referred to in section 524.804 for itself or any affiliate, whether on or off its premises, unless the person performing such services will be subject to supervision, regulation, and examination by the superintendent to the same extent as if such services were being performed by the state bank itself on its own premises.

[C71, 73, 75, 77, 79, 81, §524.218; 81 Acts, ch 173, §9]

2004 Acts, ch 1141, §16

**524.219 Fees.**

1. A state bank subject to examination, supervision, and regulation by the superintendent shall pay to the superintendent fees, established by the superintendent, based on the costs

and expenses incurred in the discharge of the duties imposed upon the superintendent by this chapter. The fees shall include, but are not limited to, costs and expenses for salaries, expenses and travel for employees, office facilities, supplies, and equipment.

2. The fees for examination of any affiliate of a state bank as provided for in section 524.1105, and the examinations provided for in section 524.217, subsection 1, paragraphs "*c*" and "*d*", shall be established by the superintendent, based on the time required for the examination and the administrative costs and expenses incurred in the discharge of the duties imposed upon the superintendent by this chapter. The fees shall include, but not be limited to, costs and expenses for salaries, expenses and travel for employees, office facilities, supplies, and equipment.

3. Failure to pay the amount of the fees to the superintendent within ten days after the date of billing shall subject the state bank or any affiliate of a state bank to an additional charge equal to five percent of the amount of the fees for each day the payment is delinquent.

[C97, §1875, 1876, 1877; SS15, §1875; C24, 27, 31, 35, 39, §**9143, 9150, 9237;** C46, 50, 54, 58, 62, 66, §524.15, 524.23, 528.31; C71, 73, 75, 77, 79, 81, §524.219]

86 Acts, ch 1246, §617; 95 Acts, ch 148, §17; 2004 Acts, ch 1141, §17

**524.220 Reports to superintendent.**

1. A state bank shall render a full, clear, and accurate statement of its condition to the superintendent, in a format prescribed by the superintendent, verified by the oath of two of its officers, and attested by at least two of the directors. The superintendent may, in the superintendent's discretion, use any form of statement of condition that is used by the federal deposit insurance corporation or the federal reserve system.

2. The statement shall be transmitted to the superintendent or the superintendent's designee within thirty days after the end of each calendar quarter.

3. The superintendent shall also have power to call for special reports from a state bank whenever in the superintendent's judgment the same are necessary in order to obtain a full and complete knowledge of its condition. Such reports shall be verified and attested in the same manner as required in subsection 1 of this section.

[R60, §1636, 1637; C73, §1570, 1571; C97, §1872, 1873, 1874; S13, §1873, 1889-m; C24, 27, 31, 35, 39, §**9228, 9229, 9231, 9232, 9234, 9305;** C46, 50, 54, 58, §528.22, 528.23, 528.25, 528.26, 528.28, 532.20; C62, 66, §528.22, 528.23, 528.25, 528.26, 528.28; C71, 73, 75, 77, 79, 81, §524.220]

95 Acts, ch 148, §18; 96 Acts, ch 1056, §5; 2006 Acts, ch 1015, §3, 4

Referred to in §524.103, 524.1406

**524.221 Preservation of bank records — statute of limitations.**

1. *a.* A state bank is not required to preserve its records for a period longer than seven years after the first day of January of the year following the time of the making or filing of such records, provided, however, that account records showing unpaid balances due to depositors shall not be destroyed. A copy of an original may be kept in lieu of any such original record. For purposes of this subsection, a copy includes any duplicate, rerecording or reproduction of an original record from any photograph, photostat, microfilm, microcard, miniature or microphotograph, computer printout, electronically stored data or image, or other process which accurately reproduces or forms a durable medium for accurately and legibly reproducing an unaltered image or reproduction of the original record.

*b.* A copy is deemed to be an original and shall be treated as an original record in a judicial or administrative proceeding for purposes of admissibility in evidence. A facsimile, exemplification, or certified copy of any such copy reproduced from a film record is deemed to be a facsimile, exemplification, or certified copy of the original. A printout or other tangible output readable by sight shown to accurately reflect data contained in a promissory note, negotiable instrument, or letter of credit, which contains a signature made or created by electronic or digital means such that it is stored by a computer or similar device, is deemed to be an original of such note, instrument, or letter for purposes of presenting such note, instrument, or letter for payment, acceptance, or honor, or for purposes of a judicial proceeding involving a claim based upon such note, instrument, or letter.

2. All causes of action, other than actions for relief on the grounds of fraud or mistake, against a state bank based upon a claim or claims founded on a written contract, or a claim or claims inconsistent with an entry or entries in a state bank record, made in the regular course of business, shall be deemed to have accrued, and shall accrue for the purpose of the statute of limitations one year after the breach or failure of performance of a written contract, or one year after the date of such entry or entries. No action founded upon such a cause may be brought after the expiration of six years from the date of such accrual.

3. The provisions of this section, insofar as applicable, shall apply to the records of a national bank or a federally chartered savings bank or a federally chartered savings and loan association.

[C50, 54, 58, 62, 66, §528A.1 – 528A.5; C71, 73, 75, 77, 79, 81, §524.221]

91 Acts, ch 95, §1; 99 Acts, ch 34, §1; 2011 Acts, ch 87, §1, 2; 2012 Acts, ch 1023, §81

Referred to in §524.1314

**524.222 Meetings of the board of directors called by superintendent.**

Whenever the superintendent deems it necessary and advisable the superintendent may cause a meeting of the board of directors of a state bank to be held in such manner and at such time and place as the superintendent may direct. Any report of an examination required or allowed by this chapter, any conclusions drawn therefrom by the superintendent, any recommendations made relative thereto and any other matters concerning the operation and condition of the state bank may be presented to the board of directors by the superintendent. The state bank shall cause the recommendations of the superintendent to be recorded in the minutes of the board of directors of the state bank.

Each member of the board of directors shall furnish to the superintendent a statement, on forms to be supplied by the superintendent, that the member has read and is familiar with the recommendations of the superintendent.

[C71, 73, 75, 77, 79, 81, §524.222]

**524.223 Power of superintendent to issue orders.**

1. Whenever it shall appear to the superintendent that a state bank is engaging or has engaged, or the superintendent has reasonable cause to believe that the state bank is about to engage, in an unsafe or unsound practice in conducting the business of such state bank, or is violating or has violated, or the superintendent has reasonable cause to believe that the state bank is about to violate, any provision of this chapter or of any regulation adopted pursuant to this chapter, or any condition imposed in writing by the superintendent in connection with the approval of any matter required by this chapter, or any written agreement entered into with the superintendent, or any provision of chapter 12C or any rules adopted pursuant to chapter 12C, the superintendent may issue and serve upon the state bank a notice containing a statement of the facts constituting the alleged violation or violations, or the unsafe or unsound practice or practices, and fixing a time and place at which a hearing will be held to determine whether an order to cease and desist should be issued to the state bank.

2. If the state bank fails to appear at the hearing it shall be deemed to have consented to the issuance of a cease and desist order. In the event of such consent, or if upon the record made at such hearing, the superintendent shall find that any violation or unsafe or unsound practice specified in the notice has been established, the superintendent may issue and serve upon the bank an order to cease and desist from any such violation or practice. Such order may require the state bank and its directors, officers and employees to cease and desist from any such violation or practice and, further, to take affirmative action to correct the conditions resulting from any such violation or practice. In addition, if the violation or practice involves a failure to comply with chapter 12C or any rules adopted pursuant to chapter 12C, the superintendent may recommend to the committee established under section 12C.6 that the bank be removed from the list of financial institutions eligible to accept public funds under section 12C.6A and may require that during the current calendar quarter and up to the next succeeding eight calendar quarters that the bank do any one or more of the following:

*a.* Not accept public funds deposits.

*b.* Return to the depositors some or all uninsured public funds held in demand deposits

and, when deposit instruments or agreements mature, return to the depositors some or all deposits representing proceeds of such instruments or agreements.

*c.* Pledge collateral to the treasurer of state having a value at all times up to one hundred ten percent of the public funds held by the bank.

*d.* Comply with such other requirements as the superintendent may impose.

3. Any order issued pursuant to this section shall become effective upon service of the order on the state bank and shall remain effective except to such extent that it is stayed, modified, terminated, or set aside by action of the superintendent or of the district court of the county in which the state bank has its principal place of business.

4. The superintendent may apply to the district court of the county in which the state bank has its principal place of business for the enforcement of any order pursuant to this section and such court shall have jurisdiction and power to order and require compliance.

[C73, §1572; C97, §1877; C24, 27, 31, 35, 39, §**9235;** C46, 50, 54, 58, 62, 66, §528.29; C71, 73, 75, 77, 79, 81, §524.223]

2002 Acts, ch 1096, §16, 17

Referred to in §524.228

**524.224 Grounds for management of state bank by superintendent.**

1. The superintendent may take over the management of the property and business of a state bank whenever it appears to the superintendent that:

*a.* The state bank has violated its articles of incorporation or any law of this state.

*b.* The capital of the state bank is impaired.

*c.* The state bank is conducting its business in an unsafe or unsound manner.

*d.* The state bank is in such condition that it is unsound, unsafe or inexpedient for it to transact business.

*e.* The state bank has suspended or refused payment of its deposits or other liabilities contrary to the terms thereof.

*f.* The state bank refuses to make its records available to the superintendent for examination or otherwise refuses to make available, through an officer or employee having knowledge thereof, information required by the superintendent for the proper discharge of the duties of the superintendent's office.

*g.* The state bank neglects or refuses to observe any order of the superintendent made pursuant to the provisions of this chapter, unless the enforcement of such order is stayed in a proceeding brought by the state bank.

*h.* The state bank has not transacted any business or performed any of the duties, contemplated by its authorization to do business, for a period of one year.

*i.* The state bank has failed to renew its corporate existence in the manner provided for in section 524.314 within one hundred eighty days prior to the expiration thereof.

2. The superintendent shall thereafter manage the property and business of the state bank until such time as the superintendent may relinquish to the state bank the management thereof, upon such conditions as the superintendent may prescribe, or until its affairs be finally dissolved as provided in this chapter.

[C73, §1572; C97, §1877; C24, 27, 31, 35, §9283-e1, -e2, -e3, -e4; C39, §**9235, 9285.05 – 9285.08;** C46, 50, 54, 58, 62, 66, §528.29, 528.90 – 528.93; C71, 73, 75, 77, 79, 81, §524.224]

95 Acts, ch 148, §19; 2012 Acts, ch 1023, §157

Referred to in §524.225, 524.226

**524.225 Procedures — judicial review.**

Judicial review of the actions of the superintendent may be sought in accordance with chapter 17A. However, contested case provisions of chapter 17A, the Iowa administrative procedure Act, do not apply to an action by the superintendent to take over the management of or to manage a state bank, as authorized by sections 524.224 and 524.226.

[C71, 73, 75, 77, 79, 81, §524.225]

89 Acts, ch 257, §6

**524.226 Management of state bank by superintendent.**

1. Upon taking over the management of the property and business of a state bank, the

superintendent shall have the authority to operate and direct the affairs of the state bank in its regular course of business. The superintendent shall also have the authority to collect such amounts due to the state bank and to do such other acts as are necessary or expedient to conduct the affairs of the state bank and conserve or protect its assets, property and business.

2. If upon taking over the management of the business and property of the state bank, the superintendent concludes that the state bank is insolvent or should be dissolved for any other reason enumerated in section 524.224, the superintendent may immediately, or at any time within three years, order that the state bank cease to carry on its business and proceed to dissolve the affairs of the state bank in accordance with the provisions of this chapter. If the superintendent has not caused the state bank to cease to carry on its business within three years of taking over the management of the property and business of the state bank, the superintendent shall relinquish the management thereof to the state bank.

3. The superintendent may appoint one or more special deputies as agent or agents, with powers specified in the certificate of appointment, to assist the superintendent in the duty of management, conservation or dissolution and distribution of the business and property of a state bank.

4. The superintendent, during the period of the superintendent's management of the property and business of the state bank, may require reimbursement by the state bank to the extent of the expenses incurred by the superintendent in connection with such management.

[C73, §1572; C97, §1877; C24, 27, 31, 35, §9238, 9283-e2, -e4; C39, §**9238, 9283.06, 9283.08;** C46, 50, 54, 58, 62, 66, §528.32, 528.91, 528.93; C71, 73, 75, 77, 79, 81, §524.226]

2012 Acts, ch 1017, §19, 28

Referred to in §524.225, 524.1310

**524.227 Enforcement of Iowa consumer credit code.**

1. The superintendent shall enforce the Iowa consumer credit code, chapter 537, with respect to banks, as provided in sections 537.2303, 537.2305, and 537.6105.

2. The superintendent shall cooperate with the administrator, and shall assist the administrator whenever necessary to provide for the discharge of the duties of the administrator.

3. Notwithstanding other provisions of this chapter to the contrary, the superintendent shall authorize to be furnished to the administrator, access to or copies of records in the possession of the superintendent or other persons which relate to a bank when necessary to enable the administrator to enforce chapter 537.

4. The superintendent shall make an annual report in writing to the administrator. A copy of the report shall be furnished at cost by the superintendent to each bank or other person upon request. The annual report shall contain:

*a.* A summary of applications to engage in the business of banking approved or denied by the superintendent since the last report.

*b.* An estimate of the disbursements of agency funds for consumer credit protection during the calendar year ending the preceding December 31.

*c.* Information which the superintendent may deem appropriate and advisable to disclose.

*d.* Information which the administrator may require to be included.

[C75, 77, 79, 81, §524.227]

91 Acts, ch 118, §1; 2003 Acts, ch 44, §114

**524.228 Interim cease and desist order — final order — suspension.**

1. If it appears to the superintendent that a state bank, or any director, officer, employee, or substantial shareholder of the state bank is engaging in or is about to engage in an unsafe or unsound practice or dishonest act in conducting the business of the state bank that is likely to cause insolvency or substantial dissipation of assets or earnings of the state bank, or is likely to seriously weaken the condition of the state bank or otherwise seriously prejudice the interests of its depositors prior to the completion of the proceedings conducted pursuant to section 524.223, 524.606, subsection 2, or 524.707, subsection 2, the superintendent may issue an interim order requiring the bank, director, officer, employee, or substantial shareholder to cease and desist from any such practice or act, and to take

affirmative action, including suspension of the director, officer, or employee to prevent such insolvency, dissipation, condition, or prejudice pending completion of the proceedings. The interim order becomes effective upon service upon the state bank, or upon the director, officer, employee, or substantial shareholder of the state bank and, unless set aside, limited, or suspended by a court as provided in this chapter, remains effective and enforceable pending the completion of the administrative proceedings pursuant to the interim order and until such time as the superintendent dismisses the charges specified in the interim order, or, if a final cease and desist order is issued against the state bank or the director, officer, employee, or substantial shareholder until the effective date of the final order.

2. Within ten days after the state bank concerned or any director, officer, employee, or substantial shareholder is served with an interim order, the bank or such director, officer, employee, or substantial shareholder may apply to the district court in the county in which the bank has its principal place of business, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such interim order pending the completion of the administrative proceedings. If serious prejudice to the interests of the superintendent, the state bank, the officer, director, employee, or substantial shareholder would result from such hearing, the court may order the judicial proceeding to be conducted in camera.

3. The interim order shall contain a concise statement of the facts constituting the alleged unsafe or unsound practice or alleged dishonest act, and shall fix a time and place at which a hearing will be held to determine whether a final order to cease and desist should issue against the state bank or any director, officer, employee, or substantial shareholder. The hearing shall be fixed for a date not later than thirty days after service of the interim order unless a later date is set at the request of the party so served. If the state bank, or the director, officer, employee, or substantial shareholder fails to appear at the hearing, the state bank, or the director, officer, employee, or substantial shareholder is deemed to have consented to the issuance of a cease and desist order. In the event of such consent, or if upon the record made at the hearing the superintendent finds that any unsafe or unsound practice or dishonest act specified in the interim order has been established, the superintendent may issue and serve upon the bank, or the director, officer, employee, or substantial shareholder a final order to cease and desist from any such practice or act. The order may require the state bank, or the director, officer, employee, or substantial shareholder to cease and desist from any such practice or act and, further, to take affirmative action, including suspension of the director, officer, or employee.

4. A hearing provided for in this section shall be presided over by an administrative law judge appointed in accordance with section 17A.11. The hearing shall be private, unless the superintendent determines after full consideration of the views of the party afforded the hearing, that a public hearing is necessary to protect the public interest. After the hearing, and within thirty days after the case has been submitted for decision, the superintendent shall review the proposed order of the administrative law judge and render a final decision, including findings of fact upon which the decision is predicated, and issue and serve upon each party to the proceeding an order consistent with this section.

5. Any final order issued by the superintendent pursuant to subsection 3 becomes effective upon service of the final order on the state bank, director, officer, employee, or substantial shareholder and shall remain effective except to the extent that it is stayed, modified, terminated, or set aside by action of the superintendent or of the district court of the county in which the state bank has its principal place of business in accordance with the terms of chapter 17A.

6. In the case of violation or threatened violation of, or failure to obey, an interim order issued pursuant to subsection 1 or a final order issued pursuant to subsection 3, the superintendent may apply to the district court of the county in which the state bank has its principal place of business for the enforcement of the order and such court shall have jurisdiction and power to order and require compliance with the interim order or final order.

7. For purposes of this section, "*substantial shareholder*" means a shareholder exercising a controlling influence over the management or policies of a state bank as determined by the superintendent.

91 Acts, ch 220, §2

**524.229 Emergency powers of superintendent.**

Whenever the superintendent determines that an emergency affecting one or more state-chartered banks or bank offices exists, or is impending, in this state or in any part or parts of this state, the superintendent may temporarily suspend applicable rules or statutes to the extent necessary to allow the affected bank or banks to respond to the emergency.

2008 Acts, ch 1160, §6

## DIVISION III

## INCORPORATION

**524.301 Incorporators — organizers.**

A state bank may be incorporated or organized as a limited liability company under this chapter by one or more individuals eighteen years of age or older, a majority of whom shall be residents of this state and citizens of the United States.

[C97, §1840, 1863; C24, 27, 31, 35, 39, §**9155, 9204;** C46, 50, 54, 58, 62, 66, §526.1, 527.3; C71, 73, 75, 77, 79, 81, §524.301]

95 Acts, ch 148, §20; 2004 Acts, ch 1141, §49

**524.302 Articles of incorporation.**

1. The articles of incorporation of a state bank, in the form prescribed by the superintendent, shall set forth the following:

*a.* The name of the state bank, that it is incorporated for the purpose of conducting the business of banking, and that it is incorporated under the provisions of this chapter.

*b.* The location of its proposed principal place of business including the name of the municipal corporation and county.

*c.* The duration of the state bank which shall be perpetual.

*d.* (1) If the state bank will be a stock corporation, the aggregate number of common and preferred shares which the state bank shall have authority to issue and the par value of such shares. If such shares are to be divided into classes or series, the number of shares of each class or series and a statement of the par value of the shares of each class or series.

(2) If the state bank will be a mutual corporation, that the corporation will be a mutual corporation.

*e.* The number of directors constituting the initial board of directors and the names and addresses of the individuals who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify.

*f.* The name and address of each incorporator.

*g.* The specific month in which the annual meeting of shareholders is to be held.

2. The articles of incorporation may set forth any or all of the following:

*a.* Provisions not inconsistent with law regarding:

(1) Managing the business and regulating the affairs of the corporation.

(2) Defining, limiting, and regulating the affairs of the corporation.

*b.* Any provision required or permitted by this chapter to be set forth in the bylaws.

*c.* A provision eliminating or limiting the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that the provision does not eliminate or limit the liability of a director for any breach of the director's duty of loyalty to the corporation or its shareholders, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, for any transaction from which the director derives an improper personal benefit, or under section 524.605, subsection 1, paragraph "*a*" or "*b*". A provision shall not eliminate or limit the liability of a director for any act or omission occurring prior to the date when the provision in the articles of incorporation becomes effective.

3. The articles of incorporation need not set forth any of the corporate powers enumerated in this chapter. The articles of incorporation shall be signed by all of the incorporators.

[C97, §1842, 1863; S13, §1842; C24, 27, 31, 35, 39, §**9157, 9204;** C46, 50, 54, 58, 62, 66, §526.3, 527.3; C71, 73, 75, 77, 79, 81, §524.302]

84 Acts, ch 1032, §1; 87 Acts, ch 212, §12; 88 Acts, ch 1170, §10; 89 Acts, ch 257, §7, 8; 95 Acts, ch 148, §21; 96 Acts, ch 1056, §6; 2012 Acts, ch 1017, §5, 18; 2012 Acts, ch 1023, §155

Referred to in §524.1411, 524.1508

**524.302A Articles of incorporation — limited liability company.**

1. The articles of incorporation of a state bank organized as a limited liability company under this chapter shall be in the form prescribed by the superintendent, and shall set forth all of the following:

*a.* The name of the state bank, that it is organized for the purpose of conducting the business of banking, and that it is organized under the provisions of this chapter.

*b.* The street address of the limited liability company's initial registered office and the name of its initial registered agent at that office.

*c.* The location of the state bank's proposed principal office of the limited liability company, which may be the same as the registered office, but need not be within this state.

*d.* The duration of the state bank, which shall be perpetual.

*e.* The aggregate number of common and preferred shares which the state bank shall have authority to issue and the par value of such shares. If such shares are to be divided into classes or series, the number of shares of each class or series and a statement of the par value of the shares of each class or series.

*f.* The number of managers constituting the initial board of directors and the names and addresses of the individuals who are to serve as directors until successors are elected and qualify. A statement that the exclusive authority to manage the state bank is vested in a board of directors that is elected or appointed by the members, that operates in substantially the same manner as, and has substantially the same rights, powers, privileges, duties, and responsibilities as, a board of directors of a state bank chartered as a corporation under this chapter.

*g.* A provision that the articles of incorporation, operating agreement, or other organizational documents of the state bank shall not require the consent of any other owner in order for an owner to transfer membership interests in the state bank, including voting rights.

2. The articles of incorporation may set forth any or all of the following:

*a.* Provisions not inconsistent with law regarding management of the business and regulation of the affairs of the state bank.

*b.* Any provision required or permitted by this chapter to be set forth in the operating agreement.

3. The articles of incorporation need not set forth any of the organizational powers enumerated in this chapter.

2004 Acts, ch 1141, §50

**524.303 Application for approval.**

The incorporators or organizers shall make an application to the superintendent for approval of a proposed state bank in the manner prescribed by the superintendent and shall deliver to the superintendent, together with such application:

1. The articles of incorporation.

2. Applicable fees, payable to the secretary of state as specified in section 489.117 or section 490.122, for the filing and recording of the articles of incorporation.

[C97, §1842, 1863; S13, §1842; C24, 27, 31, 35, §9140-c1; C39, §**9140.1, 9158, 9205;** C46, 50, 54, 58, 62, 66, §524.11, 526.4, 527.4; C71, 73, 75, 77, 79, 81, §524.303]

90 Acts, ch 1205, §37; 95 Acts, ch 148, §22; 2004 Acts, ch 1141, §51; 2008 Acts, ch 1162, §147, 154, 155

Referred to in §524.314

**524.304 Publication of notice.**

1. The incorporators or organizers of a state bank shall, within thirty days of the acceptance of the application for processing, publish notice of the proposed incorporation or organization once each week for two successive weeks in a newspaper of general circulation published in the municipal corporation which is proposed as the principal place of business of the state bank, or if there is none, a newspaper of general circulation published in the county, or in a county adjoining the county, in which the proposed state bank is to have its principal place of business. The notice shall set forth all of the following:

*a.* The name of the proposed state bank.

*b.* A statement that it is to be incorporated or organized under this chapter.

*c.* The purpose or purposes of the state bank.

*d.* The names and addresses of the incorporators or organizers and of the members of the initial board of directors or board of directors as they appear, or will appear, in the articles of incorporation.

*e.* The date the application was accepted for processing.

*f.* If the incorporation or organization of the state bank has been approved by the superintendent under section 524.305, subsection 8, the name and address of the bank with which the state bank will have merged, or the assets of which the state bank will have acquired or the condition of which in some other way provided a purpose for the incorporation or organization.

2. Proof of publication of the notice by affidavit of the publisher of the newspaper in which the notice appears shall be filed with the superintendent and is conclusive evidence of the publication.

[C97, §1842, 1863; S13, §1842; C24, 27, 31, 35, 39, §**9159, 9205;** C46, 50, 54, 58, 62, 66, §526.5, 527.4; C71, 73, 75, 77, 79, 81, §524.304]

95 Acts, ch 148, §23; 2004 Acts, ch 1141, §52

Referred to in §524.305, 524.314

**524.305 Approval by superintendent.**

1. Upon receipt of an application for approval of a state bank, the superintendent shall conduct an investigation as the superintendent deems necessary to ascertain whether:

*a.* The articles of incorporation and supporting items satisfy the requirements of this chapter.

*b.* The convenience and needs of the public will be served by the proposed state bank.

*c.* The population density or other economic characteristics of the area primarily to be served by the proposed state bank afford reasonable promise of adequate support for the state bank.

*d.* The character and fitness of the incorporators or organizers and of the members of the initial board of directors are such as to command the confidence of the community and to warrant the belief that the business of the proposed state bank will be honestly and efficiently conducted.

*e.* The capital structure of the proposed state bank is adequate in relation to the amount of the anticipated business of the state bank and the safety of prospective depositors.

*f.* The proposed state bank will have sufficient personnel with adequate knowledge and experience to conduct the business of the state bank, and to administer fiduciary accounts, if the state bank is to be authorized to act in a fiduciary capacity.

2. Within one hundred eighty days after the application is accepted for processing, the superintendent shall approve or disapprove the application on the basis of the investigation.

3. Within thirty days after the date of the second publication of the notice required under section 524.304, any interested person may submit written comments and information to the superintendent concerning the application. Comments challenging the legality of an application must be submitted separately in writing. The superintendent may extend the thirty-day comment period, if, in the judgment of the superintendent, extenuating circumstances which justify the extension exist.

4. Within thirty days after the date of the second publication of the notice required by section 524.304, any interested person may submit a written request of the superintendent

for a hearing on the application. The request shall state the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the superintendent. If the reasons are related to factual disputes, the disputes shall be described. A written request for a hearing shall be evaluated by the superintendent, who may grant or deny the request in whole or in part. A hearing request shall generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the superintendent.

5. If a request for a hearing is denied, the superintendent shall notify the applicant and all interested persons and shall state the reasons for the denial. An interested person may submit additional written comments or information on the application to the superintendent, with copies to the applicant at the time of submission to the superintendent, within fourteen days after the date of the notice of denial. The applicant shall be provided an additional seven days, after the fourteen-day deadline has expired, within which to respond to any comments submitted within the fourteen-day period after the notice of denial. The superintendent may waive this seven-day period if requested by the applicant. A copy of any response submitted by the applicant shall also be mailed by the applicant to the interested persons at the time the response is submitted to the superintendent.

6. If the superintendent approves the application, the superintendent shall notify the incorporators or organizers, and such other persons who requested in writing that they be notified, of the approval. If the superintendent disapproves the application, the superintendent shall notify the incorporators or organizers of the action and the reason for the decision.

7. The actions of the superintendent shall be subject to judicial review in accordance with chapter 17A. The court may award damages to the incorporators or organizers if it finds that review is sought frivolously or in bad faith.

8. Subsections 3, 4, and 5 shall not apply if the superintendent finds that one of the purposes of the proposed state bank is the merger with, or the purchase of some or all of the assets of and assumption of some or all of the liabilities of, a bank for which a receiver has been appointed or which has been ordered, by authorities of this state or the United States, to cease to carry on its business, or if the superintendent finds for any other reason that immediate action on the pending application is advisable in order to protect the interests of depositors or the assets of any other bank.

9. As a condition of receiving the decision of the superintendent with respect to the application, the incorporators or organizers shall reimburse the superintendent for all expenses incurred by the superintendent in connection with the application.

[C24, 27, 31, 35, §9140-c1, 9141, 9142; C39, §**9140.1, 9141, 9142;** C46, 50, 54, 58, 62, 66, §524.11, 524.12, 524.13; C71, 73, 75, 77, 79, 81, §524.305]

92 Acts, ch 1161, §2; 95 Acts, ch 148, §24; 2004 Acts, ch 1141, §53, 54

Referred to in §524.304, 524.312, 524.314, 524.1001, 533.305

**524.306 Incorporation or organization of state bank.**

1. Unless a delayed effective date or time is specified, the corporate or organizational existence of a state bank begins when the articles of incorporation, with the superintendent's approval indicated on the articles of incorporation, are filed with the secretary of state. The secretary of state shall record the articles of incorporation and forward a copy of them to the county recorder of the county in which the state bank is to have its principal place of business.

2. The secretary of state's acknowledgment of filing of the articles of incorporation is conclusive proof that the incorporators or organizers satisfied all conditions precedent to incorporation or organization, except in a proceeding instituted by the superintendent to cancel or revoke the incorporation or involuntarily dissolve the corporation or organization.

[C97, §1842, 1863; S13, §1842; C24, 27, 31, 35, 39, §**9158, 9205;** C46, 50, 54, 58, 62, 66, §526.4, 527.4; C71, 73, 75, 77, 79, 81, §524.306]

90 Acts, ch 1205, §38; 91 Acts, ch 211, §11; 95 Acts, ch 148, §25; 96 Acts, ch 1034, §50; 2004 Acts, ch 1141, §55

Referred to in §524.314

**524.307 Initial organization of state bank.**

Upon incorporation, or organization as a limited liability company, of the state bank, the initial board of directors shall hold an organizational meeting within this state, at the call of a majority of the directors, to complete the organization of the state bank by electing officers, adopting bylaws, if any are to be adopted, and conducting any other business properly brought before the board at the meeting.

[C97, §1845; C24, 27, 31, 35, 39, §**9168;** C46, 50, 54, 58, 62, 66, §526.11; C71, 73, 75, 77, 79, 81, §524.307]

95 Acts, ch 148, §26; 2004 Acts, ch 1141, §56

Referred to in §524.314

**524.308 Issuance of authorization to do business.**

1. The state bank shall not accept deposits or transact any business except such business as is incident to commencement of business, or to the obtaining of subscriptions and payment for its shares until receipt of an authorization to do business from the superintendent. The superintendent shall issue an authorization to do business upon finding that the proposed state bank has complied with all the requirements of this chapter precedent to commencing business and has submitted to the superintendent a statement under oath, in the manner designated by the superintendent, showing that the capital, surplus and undivided profits required by the superintendent in accordance with this chapter have been fully paid in.

2. If a state bank transacts any business before receipt of an authorization to do business in violation of subsection 1, the directors, managers, and officers who willfully authorized or participated in the action are severally liable for the debts and liabilities of the state bank incurred prior to the receipt of the authorization to do business.

[C97, §1843, 1864; S13, §1843, 1864; C24, 27, 31, 35, 39, §**9161, 9207;** C46, 50, 54, 58, 62, 66, §526.6, 527.5; C71, 73, 75, 77, 79, 81, §524.308]

95 Acts, ch 148, §27, 28; 2004 Acts, ch 1141, §57

Referred to in §524.314

**524.309 Publication of authorization to do business.**

1. A state bank shall cause to be published once within two weeks after the issuance by the superintendent of the authorization to do business, in a newspaper of general circulation published in the municipal corporation which is the principal place of business of the state bank, or if there is none, a newspaper of general circulation published in the county, or in a county adjoining the county, in which the state bank has its principal place of business, a notice which shall state all of the following:

*a.* The name of the state bank, the address of its principal place of business, and the date of the issuance of the authorization to do business.

*b.* The names and addresses of the members of the initial board of directors as designated in the articles of incorporation.

*c.* That the shareholders shall not be personally liable for the debts and obligations of the state bank.

2. Proof of publication, by affidavit of the publisher of the newspaper in which it was made, shall be filed with the superintendent, and is conclusive evidence of the fact.

[C97, §1843, 1864; S13, §1843, 1864; C24, 27, 31, 35, 39, §**9161, 9208;** C46, 50, 54, 58, 62, 66, §526.6, 527.6; C71, 73, 75, 77, 79, 81, §524.309]

95 Acts, ch 148, §29

Referred to in §524.314

**524.310 Name of state bank.**

1. The name of a state bank originally incorporated or organized after the effective date of this chapter shall include the word "bank" and may include the word "state" or "trust" in its name. A state bank using the word "trust" in its name must be authorized under this chapter to act in a fiduciary capacity. A national bank or federal savings association shall not use the word "state" in its legally chartered name.

2. The provisions of this section shall not require any state bank existing and operating on January 1, 1970, to add to, modify or otherwise change its corporate or organizational name,

either on January 1, 1970, or upon renewal of its corporate existence pursuant to section 524.314.

3. If a state bank existing and operating on January 1, 1970, causes its corporate or organizational name to be changed, the name as changed shall comply with subsection 1 of this section.

4. *a.* A person may reserve the exclusive use of a corporate or organizational name for a state bank by delivering an application to the secretary of state for filing. The application must set forth the name and address of the applicant and the name proposed to be reserved. If the secretary of state finds that the corporate or organizational name applied for is available, the secretary of state shall reserve the name for the applicant's exclusive use for a nonrenewable one hundred twenty-day period.

*b.* The owner of a reserved corporate or organizational name may transfer the reservation to another person by delivering to the secretary of state a signed notice of the transfer that states the name and address of the transferee.

5. A state bank using a fictitious name to transact business in this state may file its fictitious name with the secretary of state by delivering to the superintendent for filing with the secretary of state a copy of the resolution of its board of directors certified by its secretary, adopting the fictitious name. A state bank using a fictitious name shall comply with the requirements of section 524.1206 and with any other regulatory requirements governing use of its name. The fictitious name must be distinguishable upon the record of the secretary of state from all of the following:

*a.* The corporate name of a business or nonprofit corporation incorporated or authorized to transact business in this state.

*b.* A corporate or company name reserved, registered, or protected as provided in section 489.109, 490.402, 490.403, 504.402, or 504.403.

*c.* The fictitious name of another foreign business or nonprofit corporation authorized to transact business in this state.

[C97, §1861, 1889; S13, §1889, 1889-i; C24, 27, 31, 35, 39, §**9202, 9261, 9295, 9296;** C46, 50, 54, 58, 62, 66, §527.1, 528.54, 532.12, 532.13; C71, 73, 75, 77, 79, 81, §524.310]

84 Acts, ch 1202, §1; 91 Acts, ch 11, §1; 91 Acts, ch 258, §61; 95 Acts, ch 148, §30; 2004 Acts, ch 1141, §18, 58; 2005 Acts, ch 19, §108; 2010 Acts, ch 1028, §8; 2011 Acts, ch 34, §120; 2011 Acts, ch 131, §73, 158

Referred to in §524.1416

**524.311 Commission for organizing state banks.**

No person shall, directly or indirectly, receive or contract to receive any commission or bonus of any kind for organizing any state bank or for securing a subscription to the original capital of any state bank or to any increase thereof; provided that this section shall not be construed as prohibiting the payment of reasonable compensation for legal or accounting services in connection with organization.

[C24, 27, 31, 35, 39, §**9275;** C46, 50, 54, 58, 62, 66, §528.74; C71, 73, 75, 77, 79, 81, §524.311]

Referred to in §524.1610

**524.312 Location of state bank — exceptions.**

1. A state bank originally incorporated or organized pursuant to this chapter shall have its principal place of business within the city limits of a municipal corporation. The existence of a state bank shall not, however, be affected by the subsequent discontinuance of the municipal corporation. A state bank existing and operating on January 1, 1970, which does not have its principal place of business within the city limits of a municipal corporation, may renew its corporate or organizational existence pursuant to section 524.314 without regard to this section and may also operate as a bank or convert to and operate as a bank office when acquired by or merged into another state bank and approved by the superintendent.

2. A state bank may, with the prior written approval of the superintendent, change the location of its principal place of business to a new location within the state.

3. If a change in the location of the principal place of business of a state bank is proposed, application for approval of the superintendent shall be made as required by

the superintendent pursuant to this section. A change in location of the principal place of business of a state bank, including a change from one municipal corporation to another municipal corporation within an urban complex, requires an amendment to the articles of incorporation pursuant to sections 524.1502, 524.1504, and 524.1506. A state bank seeking approval of a change of location pursuant to this subsection shall publish a notice of the proposed change of location in a newspaper of general circulation in the municipal corporation or unincorporated area in which the state bank has its principal place of business, or if there is none, in a newspaper of general circulation in the county, or in a county adjoining the county, in which the state bank has its principal place of business, and in the municipal corporation in which it seeks to establish its principal place of business, or if there is none, in a newspaper of general circulation in the county, or in a county adjoining the county, in which the municipal corporation is located. The notice shall be published within thirty days after the application to the superintendent for approval of the change in location is accepted for processing. The notice shall set forth the name of the state bank, the present location of its principal place of business, the location to which it proposes to move its principal place of business, and the date upon which the application was accepted for processing by the superintendent.

4. Within thirty days after acceptance of an application for approval of a change of location of the principal place of business of a state bank pursuant to subsection 3, the superintendent shall commence an investigation into the circumstances of the application as deemed necessary by the superintendent, giving due consideration to factors substantially similar to those set forth in section 524.305, subsection 1, paragraphs *"c"* through *"f"*. Within one hundred eighty days after the application has been accepted for processing, the superintendent shall approve or disapprove the application on the basis of the investigation. The superintendent shall give written notice of the decision to the state bank, and in the event of disapproval a statement of the reasons for the disapproval. If the superintendent approves the change in location the superintendent shall deliver the articles of amendment to the secretary of state. As a condition of receiving the decision of the superintendent with respect to the application, the state bank shall reimburse the superintendent for all expenses incurred by the superintendent in connection with the application.

5. A state bank approved under the provisions of section 524.305, subsection 8, shall not commence its business at any location other than within a municipal corporation or unincorporated area in which was located the principal place of business or an office of the bank the condition of which was the basis for the superintendent authorizing incorporation or organization of the new state bank.

[C71, 73, 75, 77, 79, 81, §524.312]

85 Acts, ch 13, §1; 95 Acts, ch 148, §31, 32; 2004 Acts, ch 1141, §59; 2006 Acts, ch 1015, §5; 2008 Acts, ch 1160, §7

**524.313 Bylaws.**

A state bank may adopt bylaws. The power to adopt, amend, or repeal bylaws or adopt new bylaws is vested in the board of directors unless reserved to the shareholders by the articles of incorporation. The bylaws may contain any provisions for the regulation and management of the affairs of the state bank not inconsistent with law or the articles of incorporation. For a state bank organized as a limited liability company under this chapter, *"bylaws"* means the operating agreement of the state bank.

[C97, §1844; C24, 27, 31, 35, 39, §**9162;** C46, 50, 54, 58, 62, 66, §526.7; C71, 73, 75, 77, 79, 81, §524.313]

95 Acts, ch 148, §33; 2004 Acts, ch 1141, §60

**524.314 Renewal of corporate existence of existing state bank.**

1. The corporate existence of a state bank existing and operating on January 1, 1970, which expires subsequent to that date, may be renewed prior to the expiration date of the corporate existence, following the affirmative vote of the holders of at least a majority of the shares entitled to vote on the renewal, at a meeting held for that purpose and called as provided by section 524.533, and delivery to the superintendent of the articles

of incorporation together with the applicable filing and recording fees for the filing and recording. If the superintendent finds that the articles of incorporation satisfy the requirements of this section, the superintendent shall deliver them to the secretary of state for filing and recording in the secretary of state's office. Following the receipt of the articles of incorporation, the secretary of state shall proceed as provided in section 524.306.

2. Sections 524.303, 524.304, 524.305, 524.307, 524.308, and 524.309 are not applicable to a state bank existing and operating on January 1, 1970, which renews its corporate existence as provided in subsection 1.

3. The renewal of the corporate existence of a state bank pursuant to this section shall not affect any right accrued or established, or any liability or penalty incurred, under the laws of this state or of the United States, prior to the issuance of a certificate of incorporation by the secretary of state.

95 Acts, ch 148, §34
Referred to in §524.224, 524.310, 524.312

**524.315 State banks as limited liability companies.**

1. A state bank organized as a limited liability company under this chapter shall also be subject to chapter 489, the revised uniform limited liability company Act. If a provision of chapter 489, the revised uniform limited liability company Act, conflicts with a provision of this chapter or any rule of the superintendent adopted pursuant to this chapter, the provisions of this chapter or rule of the superintendent shall control.

2. The superintendent shall possess the exclusive authority to regulate a state bank organized as a limited liability company under this chapter.

3. The superintendent may adopt rules to ensure that a state bank organized as a limited liability company under this chapter is operating in a safe and sound manner and is subject to the superintendent's authority in the same manner as a state bank organized as a corporation.

2004 Acts, ch 1141, §61; 2008 Acts, ch 1162, §148, 154, 155

**524.316 State banks as mutual corporations.**

The superintendent may adopt rules to ensure that a state bank incorporated as a mutual corporation is operating in a safe and sound manner and is subject to the superintendent's authority in the same manner as a state bank incorporated as a stock corporation.

2012 Acts, ch 1017, §6, 18

## DIVISION IV

## CAPITAL STRUCTURE

**524.401 Minimum capital.**

1. The minimum capital structure of a state bank existing and operating on July 1, 1995, shall not be less than the amount required by law prior to that date.

2. The minimum capital structure of a state bank incorporated after July 1, 1995, or organized after July 1, 2004, pursuant to the provisions of this chapter shall not be less than the amount required by the federal deposit insurance corporation, or its successor, or a greater amount which the superintendent may deem necessary in view of the deposit potential of the state bank and current banking standards relating to total capital requirements.

3. A state bank incorporated on or after July 1, 1995, or organized after July 1, 2004, pursuant to this chapter, prior to receiving authorization to do business from the superintendent, shall establish paid-in surplus and undivided profits as required by the superintendent.

4. A state bank originally incorporated or organized pursuant to this chapter shall

establish, prior to receiving authorization to do business from the superintendent, paid-in surplus and undivided profits as required by the superintendent.

[C97, §1843, 1864; S13, §1843, 1864; C24, 27, §9160, 9206; C31, §9217-c1; C35, §9217-c1, 9283-f14; C39, §**9217.1, 9283.42;** C46, 50, 54, 58, 62, 66, §528.1, 528.127; C71, 73, 75, 77, 79, 81, §524.401]

95 Acts, ch 148, §35; 96 Acts, ch 1056, §7; 2004 Acts, ch 1141, §62

Referred to in §524.103

**524.402 and 524.403** Repealed by 95 Acts, ch 148, § 135.

**524.404 Capital notes and debentures.**

1. A state bank, with the prior approval of the superintendent and the affirmative vote of the holders of a majority of the shares entitled to vote, may issue capital notes or debentures. The amounts, maturities, rate of interest, relative rights with other creditors, and other terms and conditions shall be set forth on the face of the capital notes or debentures or in an attendant agreement, and all terms and conditions are subject to the prior approval of the superintendent provided that all such capital notes and debentures shall be subordinated to the rights of other persons to the extent provided for in section 524.1312. The aggregate amount of all capital notes and debentures issued and outstanding pursuant to this section shall not exceed, at any one time, twenty-five percent of the aggregate capital of the state bank.

2. A state bank shall not make any payment of principal on any capital notes or debentures without the prior approval of the superintendent nor shall any payment of principal and interest be made on any such capital or debentures by a state bank when its capital is impaired or which would cause its capital to become impaired. Subject to the provisions of this section a state bank may issue capital notes or debentures with provision for installment or serial payment of capital notes or debentures according to an established schedule which shall be approved by the superintendent prior to issuance.

3. A state bank shall not issue capital notes or debentures within five years after it is originally authorized to do business.

[C71, 73, 75, 77, 79, 81, §524.404]

95 Acts, ch 148, §36

Referred to in §524.103, 524.814, 524.818

**524.405 Increase or decrease of capital structure.**

1. A state bank incorporated as a stock corporation may increase its capital structure or effect an allocation of amounts within its capital structure by the use of any of the following methods:

*a.* Sale of authorized but unissued shares.

*b.* Transfer of surplus or undivided profits to capital for authorized but unissued shares.

*c.* Transfer of undivided profits to surplus.

*d.* Authorization and issuance of common shares, preferred shares, or capital notes or debentures.

2. The superintendent, whenever it appears necessary to do so in the interest of the safety of the deposits of a state bank incorporated as a stock corporation, may require that the capital structure of the state bank be increased by either of the methods provided for in subsection 1, paragraphs "*a*" and "*d*".

3. Capital or surplus shall not be decreased except with the approval of the superintendent.

4. A state bank incorporated as a mutual corporation may raise capital by accepting payments on savings and demand accounts and by any other means authorized by the superintendent. Whenever it appears necessary to do so in the interest of the safety of the deposits of a state bank incorporated as a mutual corporation, the superintendent may

require that the capital structure of the state bank be increased by any means authorized by the superintendent.

[C97, §1856; C24, 27, 31, 35, 39, §**9194, 9262, 9264, 9265;** C46, 50, 54, 58, 62, 66, §526.38, 528.56, 528.59, 528.60; C71, 73, 75, 77, 79, 81, §524.405]

95 Acts, ch 148, §37; 2004 Acts, ch 1141, §19; 2012 Acts, ch 1017, §7, 18

Referred to in §524.103, 524.521, 524.543

## DIVISION V

## SHARES, SHAREHOLDERS, AND DIVIDENDS

**524.501 through 524.517** Transferred to §524.521, 524.523 – 524.525, 524.527, 524.528, 524.531 – 524.533, 524.535 – 524.539, and 524.541 – 524.543 respectively.

**524.518** Repealed by 95 Acts, ch 148, § 135.

**524.519 and 524.520** Transferred to § 524.544 and 524.545.

**524.521 Authorized shares.**

1. The articles of incorporation of a stock corporation must prescribe the classes of shares and the number of shares of each class that the state bank is authorized to issue. If more than one class of shares is authorized, the articles of incorporation must prescribe a distinguishing designation for each class. Prior to the issuance of shares of a class, the preferences, limitations, and relative rights of that class must be described in the articles of incorporation. All shares of a class must have preferences, limitations, and relative rights identical with those of other shares of the same class except to the extent otherwise permitted by section 524.523.

2. The articles of incorporation of a stock corporation must authorize both of the following:

*a.* One or more classes of shares that together have unlimited voting rights.

*b.* One or more classes of shares, which may be the same class or classes as those with voting rights, that together are entitled to receive the net assets of the state bank upon dissolution.

3. The articles of incorporation of a stock corporation may authorize one or more classes of shares that have any of the following qualities:

*a.* Have special, conditional, or limited voting rights, or no right to vote, unless prohibited by this chapter.

*b.* Are redeemable or convertible as specified in the articles of incorporation in any of the following ways:

(1) At the option of the state bank, the shareholders, or another person or upon the occurrence of a designated event.

(2) For cash, indebtedness, securities, or other property.

(3) In a designated amount or in an amount determined in accordance with a designated formula or by reference to extrinsic data or events.

*c.* Preferred shares are redeemable only by resolution of the board of directors with the prior approval of the superintendent. Preferred shares which are redeemable according to the terms of their issuance shall be redeemed only in accordance with such terms. Preferred shares which are redeemed shall be canceled and shall not be reissued. Preferred shares which are not redeemable according to the terms of their issuance are redeemable only pro rata, by lot, or by such other equitable method as determined by the board of directors.

*d.* (1) If preferred shares are redeemed by a state bank, the redemption effects a cancellation of the shares, and a statement of cancellation shall be filed as provided in this paragraph. The filing of the statement of cancellation constitutes an amendment to the articles of incorporation and reduces the number of preferred shares of the class which the state bank is authorized to issue by the number which are canceled.

(2) The statement of cancellation shall be executed by the state bank by its president or

a vice president and by its cashier or an assistant cashier, and acknowledged by one of the officers signing such statement, and shall set forth all of the following:

(a) The name of the state bank and the effective date of its articles of incorporation.

(b) The number of preferred shares canceled through redemption, itemized by classes.

(c) The aggregate number of issued shares, itemized by classes, after giving effect to the cancellation.

(d) The amount, expressed in dollars, of the stated capital of the state bank after giving effect to the cancellation.

(e) The number of shares which the state bank has authority to issue, itemized by classes, after giving effect to the cancellation.

(3) The statement of cancellation, together with the applicable filing and recording fees, shall be delivered to the superintendent who shall, if the superintendent finds the statement of cancellation satisfies the requirements of this section, deliver it to the secretary of state for filing and recording in the secretary of state's office and the statement of cancellation shall also be filed and recorded in the office of the county recorder. The capital of the state bank is deemed to be reduced by the par value of the shares canceled upon the effective date of the redemption.

*e.* Entitle the holders to distributions calculated in any manner, including dividends that may be cumulative, noncumulative, or partially cumulative.

*f.* Have preference over any other class of shares with respect to distributions, including dividends and distributions upon the dissolution of the state bank.

4. The description of the designations, preferences, limitations, and relative rights of share classes in subsection 3 is not all-inclusive.

5. Unless the articles of incorporation or bylaws otherwise provide, the board of directors, by resolution duly adopted and with the approval of the superintendent as provided in section 524.405, may issue from time to time, in whole or in part, the shares authorized by the articles of incorporation.

[C97, §1853, 1865; C24, 27, §9192, 9209; C31, 35, §9192, 9209, 9261-c1; C39, §**9192, 9209, 9261.1;** C46, 50, 54, 58, 62, 66, §526.36, 527.7, 528.55; C71, 73, 75, 77, 79, 81, §524.501]

95 Acts, ch 148, §38

CS 95, §524.521

2012 Acts, ch 1017, §8, 18; 2013 Acts, ch 90, §159

Referred to in §524.522, 524.527

Subsection 3, unnumbered paragraph 1 amended

**524.522 Terms of class or series determined by board of directors.**

1. If the articles of incorporation provide for such, the board of directors may determine, in whole or in part, the preferences, limitations, and relative rights, within the limits set forth in section 524.521, of either of the following:

*a.* A class of shares before the issuance of any shares of that class.

*b.* One or more series within a class before the issuance of any shares of that series.

2. Each series of a class must be given a distinguishing designation.

3. All shares of a series must have preferences, limitations, and relative rights identical with those of other shares of the same series and, except to the extent otherwise provided in the description of the series, with those of other series of the same class.

4. Before issuing any shares of a class or series created under this section, the state bank shall deliver to the superintendent for filing with the secretary of state articles of amendment on forms prescribed by the superintendent, which are effective without shareholder action, that set forth all of the following:

*a.* The name of the state bank and the effective date of its articles of incorporation.

*b.* The text of the amendment determining the terms of the class or series of shares.

*c.* The date it was adopted.

*d.* A statement that the amendment was duly adopted by the board of directors.

95 Acts, ch 148, §39

**524.523 Certificates representing shares.**

1. The shares of a state bank incorporated as a stock corporation shall be represented by certificates signed by such officers, employees, or agents as are authorized by the articles of incorporation or bylaws to sign. If no contrary provisions are made in the articles of incorporation or bylaws, the certificates shall be signed by the president or a vice president and the cashier or an assistant cashier of the state bank.

2. Each share certificate must state on its face, at a minimum, all of the following:

*a.* The name of the issuing state bank and that it is organized under the laws of this state.

*b.* The name of the person to whom issued.

*c.* The number and class of shares and the designation of the series, if any, which the certificate represents.

*d.* The par value of each share represented by the certificate.

3. A state bank which is authorized to issue different classes of shares or different series within a class must do one of the following:

*a.* Summarize on the front or back of each certificate the designations, relative rights, preferences, and limitations applicable to each class; the variations in rights, preferences, and limitations determined for each series; and the authority of the board of directors to determine variations for future series.

*b.* State conspicuously on the front or back of each certificate that the state bank will furnish the shareholder this information on request in writing and without charge.

4. Each share certificate must be signed either manually or in facsimile by two officers as set forth in subsection 1, and may bear the corporate seal or its facsimile.

5. If the person who signed a share certificate no longer holds office when the certificate is issued, the certificate is nevertheless valid.

6. A certificate shall not be issued for any share until such share is fully paid.

[C71, 73, 75, 77, 79, 81, §524.502]

95 Acts, ch 148, §40

CS 95, §524.523

2012 Acts, ch 1017, §9, 18

Referred to in §524.521, 524.526

**524.524 Consideration for shares.**

Except in the case of a distribution of shares authorized by section 524.543 or shares issued upon exchanges or conversion, common or preferred shares of a state bank may be issued only for cash in an amount not less than that determined by the superintendent.

[C97, §1853; C24, 27, 31, 35, 39, §**9192;** C46, 50, 54, 58, 62, 66, §526.36; C71, 73, 75, 77, 79, 81, §524.503]

95 Acts, ch 148, §41

CS 95, §524.524

**524.525 Subscription for shares before incorporation or organization.**

1. A subscription for shares entered into before incorporation or organization of the state bank is irrevocable for six months unless the subscription agreement provides a longer or shorter period, or all subscribers agree to revocation.

2. The board of directors may determine the payment terms of subscriptions for shares that were entered into before incorporation or organization of the state bank unless the subscription agreement specifies the terms. A call for payment by the board of directors must be uniform so far as practicable as to all shares of the same class or series, unless the subscription agreement specifies otherwise.

3. Shares issued pursuant to subscriptions entered into before incorporation or organization of the state bank are fully paid and nonassessable when the state bank receives the consideration specified in the subscription agreement.

4. If a subscriber defaults in payment of money or property under a subscription agreement entered into before incorporation or organization of the state bank, the state bank may do either of the following:

*a.* Collect the amount owed as any other debt.

*b.* Unless the subscription agreement provides otherwise, the state bank may rescind the agreement and may sell the shares if the debt remains unpaid more than twenty days after the state bank sends written demand for payment to the subscriber.

[C71, 73, 75, 77, 79, 81, §524.504]
95 Acts, ch 148, §42
CS 95, §524.525
2004 Acts, ch 1141, §63
Referred to in §524.527

**524.526 Fractional shares.**

1. A state bank incorporated as a stock corporation may do any of the following:

*a.* Issue fractions of a share or pay in money the value of fractions of a share.

*b.* Arrange for disposition of fractional shares by the shareholders of the state bank.

*c.* Issue scrip in registered or bearer form entitling the holder to receive a full share upon surrendering enough scrip to equal a full share.

2. Each certificate representing scrip must be conspicuously labeled "scrip" and must contain the information required by section 524.523, subsection 2.

3. The holder of a fractional share is entitled to exercise the rights of a shareholder, including the right to vote, to receive dividends, and to participate in the assets of the state bank upon liquidation, but only if the scrip provides for such rights.

4. The board of directors may authorize the issuance of scrip subject to any condition considered desirable, including either of the following:

*a.* That the scrip will become void if not exchanged for full shares before a specified date.

*b.* That the shares for which the scrip is exchangeable may be sold and the proceeds paid to the scrip holders.

95 Acts, ch 148, §43; 2012 Acts, ch 1017, §10, 18

**524.527 Liability of shareholders or members.**

1. A purchaser of the shares of a state bank incorporated as a stock corporation is not liable to the bank, its creditors, or depositors with respect to the shares except to pay the consideration for which the shares were authorized to be issued under section 524.521, or the consideration specified in the subscription agreement authorized under section 524.525.

2. Unless otherwise provided in the articles of incorporation, a shareholder of a state bank is not personally liable for the acts or debts of the state bank, its creditors, or depositors.

3. A member of a state bank incorporated as a mutual corporation is not personally liable for the acts or debts of the state bank, its creditors, or depositors.

[C71, 73, 75, 77, 79, 81, §524.505]
95 Acts, ch 148, §44
CS 95, §524.527
2012 Acts, ch 1017, §11, 18

**524.528 Shareholders' preemptive rights.**

1. Unless otherwise provided in section 524.529, the shareholders of a state bank do not have a preemptive right to acquire the state bank's unissued shares except to the extent provided in the articles of incorporation.

2. A statement included in the articles of incorporation that "the state bank elects to have preemptive rights", or words of similar import, means that, except to the extent otherwise expressly provided in the articles of incorporation, the following principles apply:

*a.* A shareholder of a state bank has a preemptive right, granted on uniform terms and conditions prescribed by the board of directors to provide a fair and reasonable opportunity to exercise the right, to acquire a proportional amount of the state bank's unissued shares upon the decision of the board of directors to issue such shares.

*b.* A shareholder may waive the shareholder's preemptive right. A waiver evidenced in writing is irrevocable even though it is not supported by consideration.

*c.* There is no preemptive right with respect to any of the following:

(1) Shares issued as compensation to directors, managers, officers, agents, or employees of the state bank, its subsidiaries, or its affiliates.

(2) Shares issued to satisfy conversion or option rights created to provide compensation to directors, managers, officers, agents, or employees of the state bank, its subsidiaries, or its affiliates.

(3) Shares authorized in articles of incorporation that are issued within six months from the effective date of incorporation or organization.

*d.* A holder of shares of any class without general voting rights but with preferential rights to distributions or assets has no preemptive rights with respect to shares of any class.

*e.* A holder of shares of any class with general voting rights but without preferential rights to distributions or assets has no preemptive rights with respect to shares of any class with preferential rights to distributions or assets unless the shares with preferential rights are convertible into or carry a right to subscribe for or acquire shares without preferential rights.

*f.* Shares subject to preemptive rights that are not acquired by shareholders may be issued to any person for a period of one year after being offered to shareholders at a consideration set by the board of directors that is not lower than the consideration set for the exercise of preemptive rights. An offer at a lower consideration or after the expiration of one year is subject to the shareholders' preemptive rights.

3. For purposes of this section, *"shares"* includes a security convertible into or carrying a right to subscribe for or acquire shares.

[C71, 73, 75, 77, 79, 81, §524.506]
95 Acts, ch 148, §45
CS 95, §524.528
2004 Acts, ch 1141, §64

**524.529 Preemptive rights for existing state banks.**

Notwithstanding contrary provisions of this chapter, a state bank which was incorporated under this chapter prior to July 1, 1995, shall be governed by the following until July 1, 1998:

1. Except to the extent limited or denied by this section or by the articles of incorporation, shareholders have a preemptive right to acquire unissued shares or securities convertible into such shares or carrying a right to subscribe to or acquire shares.

2. Unless otherwise provided in the articles of incorporation:

*a.* No preemptive right exists with respect to either of the following:

(1) Acquiring any shares issued to directors, officers, or employees pursuant to approval by the affirmative vote of the holders of a majority of the shares entitled to vote or when authorized by and consistent with a plan approved by such vote of the shareholders.

(2) Acquiring treasury shares of the state bank pursuant to section 524.530.

*b.* A holder of shares of any class that is preferred or limited as to dividends or assets is not entitled to any preemptive right.

*c.* A holder of shares of common stock is not entitled to any preemptive right to shares of any class that is preferred or limited as to dividends or assets or to any obligations, unless convertible into shares of common stock or carrying a right to subscribe to or acquire shares of common stock.

*d.* A holder of common stock without voting power has no preemptive right to shares of common stock with voting power.

*e.* A preemptive right is only an opportunity to acquire shares or other securities under the terms and conditions as fixed by the board of directors for the purpose of providing a fair and reasonable opportunity for the exercise of the preemptive right.

95 Acts, ch 148, §46
Referred to in §524.528

**524.530 State bank's acquisition of its own shares.**

1. With the prior approval of the superintendent, a state bank may acquire its own shares. Shares acquired pursuant to this section constitute authorized but unissued shares except as provided in subsection 2.

2. If the articles of incorporation prohibit the reissue of acquired shares, the number of

authorized shares is reduced by the number of shares acquired, effective upon amendment of the articles of incorporation.

95 Acts, ch 148, §47

Referred to in §524.529

**524.531 Loaning on its own shares.**

A state bank shall not make any loan or extension of credit on the security of the shares of its own capital, unless such security is necessary to prevent loss upon a debt previously contracted in good faith.

[C97, §1850; S13, §1850; C24, 27, §9184; C31, 35, §9221-c2; C39, §**9221.2;** C46, 50, 54, 58, 62, 66, §528.9; C71, 73, 75, 77, 79, 81, §524.507]

95 Acts, ch 148, §48

CS 95, §524.531

**524.532 Meetings of shareholders.**

Meetings of shareholders may be held at a place, within this state, as provided in the articles of incorporation or the bylaws, or as fixed in accordance with their provisions. In the absence of any such provision, all meetings shall be held at the principal place of business of the state bank. An annual meeting of the shareholders shall be held during the specific month as shall be provided in the articles of incorporation, at the date and time as stated in or fixed in accordance with the bylaws. Failure to hold the annual meeting during the month shall not work a forfeiture or dissolution of the state bank. Special meetings of the shareholders may be called by the president, the board of directors, the holders of not less than one-tenth of all the shares entitled to vote at the meeting, or other officers or persons as provided in the articles of incorporation or the bylaws.

[C71, 73, 75, 77, 79, 81, §524.508]

84 Acts, ch 1032, §2

CS 95, §524.532

**524.533 Notice of shareholder meetings — waiver of notice generally.**

1. Written notice stating the place, day and hour of a meeting of the shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the cashier, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at the meeting. If mailed, the notice is deemed to be delivered when deposited in the United States mail addressed to the shareholder at the shareholder's address as it appears on the stock transfer books of the state bank with postage prepaid.

2. A shareholder may waive any notice required by this chapter, the articles of incorporation, or bylaws before or after the date and time stated in the notice. The waiver must be in writing, be signed by the shareholder entitled to the notice, and be delivered to the state bank for inclusion in the minutes or filing with the corporate records.

3. A shareholder's attendance at a meeting results in both of the following:

*a.* Waives the shareholder's objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly upon the shareholder's arrival objects to holding the meeting or transacting business at the meeting.

*b.* Waives the shareholder's objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

4. Unless the articles of incorporation or bylaws provide otherwise, the shareholders may permit any or all shareholders to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all shareholders participating may simultaneously hear each other during the meeting. A shareholder

participating in a meeting as provided in this subsection is deemed to be present in person at the meeting.

[C71, 73, 75, 77, 79, 81, §524.509]

95 Acts, ch 148, §49

CS 95, §524.533

Referred to in §524.314, 524.1502, 524.1508

**524.534 Action without meeting.**

1. Unless the articles of incorporation or bylaws provide otherwise, action required or permitted to be taken under this chapter at a special shareholders' meeting may be taken without a meeting if the action is consented to by all shareholders. The action must be evidenced by one or more written consents describing the action taken, signed by each shareholder, and included in the minutes or filed with the corporate records reflecting the action taken.

2. Action taken under this section is effective when the last shareholder signs the consent, unless the consent specifies a different effective date.

3. A written consent signed under this section has the effect of a meeting vote and may be described as such in any document.

95 Acts, ch 148, §50

**524.535 Transfer books — fixing record date.**

The board of directors of a state bank shall cause adequate stock transfer books to be maintained.

The bylaws or, in the absence of an applicable bylaw, the board of directors may fix, in advance, a date as the record date for any determination of shareholders entitled to notice of or to vote at a meeting of shareholders, the date to be not more than seventy days and, in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action, requiring the determination of shareholders, is to be taken. If a record date is not fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for the determination of shareholders. If a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, the determination applies to any adjournment of the meeting.

[C97, §1853; C24, 27, 31, 35, 39, §**9192;** C46, 50, 54, 58, 62, 66, §526.36; C71, 73, 75, 77, 79, 81, §524.510]

95 Acts, ch 148, §51

CS 95, §524.535

**524.536 Voting list.**

The officer or agent having charge of the stock transfer books for shares of a state bank shall, at least ten days before each meeting of shareholders, make a complete list of the shareholders entitled to vote at the meeting or any adjournment of the meeting, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for a period of ten days prior to the meeting, shall be kept on file at the principal place of business of the state bank and is subject to inspection by a shareholder, or a shareholder's agent or attorney, at any time during usual business hours. The list of shareholders shall also be produced and kept open at the time and place of the meeting and is subject to the inspection of a shareholder, or a shareholder's agent or attorney, during the whole time of the meeting. The original stock transfer books are prima facie evidence as to who are the shareholders entitled to examine the list or transfer books or to vote at a meeting of shareholders. Failure

to comply with the requirements of this section shall not affect the validity of action taken at a meeting of shareholders.

[C71, 73, 75, 77, 79, 81, §524.511]

95 Acts, ch 148, §52

CS 95, §524.536

**524.537 Quorum of shareholders.**

1. Unless otherwise provided in the articles of incorporation, a majority of the shares entitled to vote, represented in person or by proxy, constitutes a quorum at a meeting of shareholders. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by the laws of this state or of the United States or by the articles of incorporation or bylaws.

2. Once a share is represented for any purpose at a meeting, it is deemed present for the purpose of determining a quorum for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

[C71, 73, 75, 77, 79, 81, §524.512]

95 Acts, ch 148, §53

CS 95, §524.537

**524.538 Voting of shares.**

1. Each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders, except to the extent that the voting rights of the shares of a class or series may be limited or denied by the articles of incorporation.

2. Shares of a state bank purchased or acquired by such state bank pursuant to this chapter shall not be voted at any meeting and shall be excluded in determining whether matters voted upon by the shareholders were adopted by the requisite number of shares.

3. A shareholder may vote either in person or by proxy executed in writing by the shareholder or by the shareholder's duly authorized attorney in fact. A proxy shall not be valid after eleven months from the date of its execution.

4. At each election for directors every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by the shareholder for as many individuals as there are directors to be elected and for whose election the shareholder has a right to vote.

5. In an election of directors, a state bank shall not vote its own shares held by it as sole trustee unless under the terms of the trust the manner in which such shares shall be voted may be determined by a donor or beneficiary of the trust and unless such donor or beneficiary actually directs how the shares shall be voted. However, shares held in trust by a state bank pursuant to an instrument in effect prior to January 1, 1970, under the terms of which the manner in which such shares shall be voted could not be determined by a donor or beneficiary of the trust, may be voted in an election of directors of a state bank upon petition filed by the state bank, to a court of competent jurisdiction, and the appointment by such court of an individual to determine the manner in which the shares shall be voted. When the shares of a state bank are held by such state bank and one or more persons as trustees, the shares may be voted by such other person or persons as trustees, in the same manner as if the person or persons were the sole trustee. Whenever shares cannot be voted by reason of being held by a state bank as sole trustee, the shares shall be excluded in determining whether matters voted upon by the shareholders were adopted by the requisite number of shares.

[C97, §1847; S13, §1889-e; C24, 27, 31, 35, 39, §**9175, 9289;** C46, 50, 54, 58, 62, 66, §526.18, 532.6; C71, 73, 75, 77, 79, 81, §524.513]

95 Acts, ch 148, §54

CS95, §524.538

**524.538A Voting by member of mutual corporation.**

All holders of savings, demand, or other authorized accounts of a bank incorporated as or converted to be a mutual corporation are members of the state bank. In the consideration of

all questions requiring action by the members of the state bank, each holder of an account shall be permitted to cast one vote for each one hundred dollars, or fraction thereof, of the withdrawal value of the member's account. No member, however, shall cast more than one thousand member votes. All accounts shall be nonassessable.

2012 Acts, ch 1017, §12, 18

**524.539 Voting trust.**

Any number of shareholders of a state bank may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, for a period of not to exceed ten years, by entering into a written voting trust agreement specifying the terms and conditions of the voting trust, by depositing a counterpart of the agreement with the state bank at its principal place of business, by delivery of a copy of the voting trust agreement to the superintendent and by transferring their shares to such trustee or trustees for the purposes of the agreement. The counterpart of the voting trust agreement so deposited with the state bank is subject to examination for any proper purpose during usual business hours by a shareholder of the state bank, in person or by agent or attorney, or by any holder of a beneficial interest in the voting trust, in person or by agent or attorney.

This section shall not affect the validity of any agreement, relative to the voting of shares, in effect prior to July 1, 1995.

[C71, 73, 75, 77, 79, 81, §524.514]

95 Acts, ch 148, §55

CS 95, §524.539

Referred to in §524.540

**524.540 Voting agreements.**

1. Two or more shareholders may provide for the manner in which they will vote their shares by signing an agreement for that purpose. A voting agreement created under this section is not subject to section 524.539.

2. A voting agreement created under this section is subject to a judicial order for specific enforcement.

95 Acts, ch 148, §56

**524.541 Lists — filing with superintendent.**

Every state bank shall cause to be kept a full and correct list of the names and addresses of the officers, directors, and shareholders of the state bank, and the number of shares held by each. If an affiliate, as defined in subsection 4 of section 524.1101, is a shareholder in a state bank, such list shall include the names, addresses, and percentage of ownership or interest in the affiliate of the shareholders, members, or other individuals possessing a beneficial interest in said affiliate.

A copy of the list as of the date of the adjournment of each annual meeting of shareholders, in the form of an affidavit signed by the president or cashier of the state bank, shall be transmitted to the superintendent within ten days after such annual meeting.

[C97, §1889; S13, §1889; C24, 27, 31, 35, 39, §**9255, 9256, 9257;** C46, 50, 54, 58, 62, 66, §528.47, 528.48, 528.49; C71, 73, 75, 77, 79, 81, §524.515]

CS 95, §524.541

2003 Acts, ch 4, §1

**524.542 Dividends.**

1. The board of directors of a state bank may, from time to time, declare, and the state bank may pay, dividends on its outstanding shares subject to the restrictions of this chapter and to the restrictions, if any, in its articles of incorporation. Dividends may be declared and paid only out of undivided profits and may be paid in cash or property.

2. A dividend shall not be declared or paid if restricted by the superintendent.

[C97, §1852, 1888; S13, §1850-a, 1852, 1889-l; C24, 27, 31, 35, §9188, 9191, 9262, 9262-c1, 9263, 9283, 9299; C39, §**9188, 9191, 9262, 9262.1, 9263, 9283, 9299;** C46, 50, 54, 58, 62, 66, §526.33, 526.35, 528.56, 528.57, 528.58, 528.85, 532.16; C71, 73, 75, 77, 79, 81, §524.516]

95 Acts, ch 148, §57

CS 95, §524.542

**524.543 Distribution of shares of state bank.**

1. The board of directors of a state bank may, subject to the provisions of section 524.405, distribute pro rata to holders of common shares authorized but unissued common shares of the state bank.

2. A distribution shall not be made in authorized but unissued shares of the state bank unless an amount equal to the total par value of the shares distributed is transferred to capital.

[C71, 73, 75, 77, 79, 81, §524.517]

95 Acts, ch 148, §58

CS 95, §524.543

Referred to in §524.524

**524.544 Change of control — certificate of approval — shares as security — reports.**

1. Whenever any person proposes to purchase or otherwise acquire directly or indirectly any of the outstanding shares of a state bank, and the proposed purchase or acquisition would result in control or in a change in control of the bank, the person proposing to purchase or acquire the shares shall first apply in writing to the superintendent for a certificate of approval for the proposed change of control. The superintendent shall grant the certificate if the superintendent is satisfied that the person who proposes to obtain control of the bank is qualified by character, experience and financial responsibility to control and operate the bank in a sound and legal manner, and that the interests of the depositors, creditors and shareholders of the bank, and of the public generally, will not be jeopardized by the proposed change of control. A person which will become a bank holding company upon completion of an acquisition shall make application to the superintendent for a certificate of approval as provided in this section. Any other bank holding company shall comply with section 524.1804 in lieu of seeking a certificate of approval under this section. In any situation where the president or cashier of a bank has reason to believe any of the foregoing requirements have not been complied with, it shall be the duty of the president or cashier to promptly report in writing such facts to the superintendent upon obtaining knowledge thereof. As used in this section, the term *"control"* means the power, directly or indirectly, to elect the board of directors. If there is any doubt as to whether a change in the ownership of the outstanding shares is sufficient to result in control thereof, or to effect a change in the control thereof, such doubt shall be resolved in favor of reporting the facts to the superintendent.

2. Whenever twenty-five percent or more of the outstanding voting shares of a state bank is used as security for any transaction, the person or persons owning such shares shall promptly report such transaction to the superintendent in writing.

3. The reports required by subsections 1 and 2 of this section shall contain information, to the extent known by the person making the report, relative to the number of shares involved, the names of the sellers and purchasers or transferors and transferees, the purchase price, the name of the borrower, the amount, source, and terms of the loan, or other transaction, the name of the bank issuing the shares used as security, and the number of shares used as security.

4. The superintendent may require, at such times as the superintendent deems appropriate, the submission of a financial statement from a shareholder or shareholders of a state bank possessing, directly or indirectly, control of such state bank.

[C71, 73, 75, 77, 79, 81, §524.519]

CS 95, §524.544

99 Acts, ch 6, §1; 2013 Acts, ch 30, §128

Subsection 3 amended

**524.545 Options for shares.**

A state bank incorporated as a stock corporation may authorize the granting of options to officers and employees to purchase unissued shares of the state bank in accordance with a plan approved by the superintendent.

[C71, 73, 75, 77, 79, 81, §524.520]
95 Acts, ch 148, §59
CS 95, §524.545
2012 Acts, ch 1017, §13, 18

DIVISION VI

DIRECTORS

**524.601 Board of directors.**

1. The business and affairs of a state bank shall be managed by a board of five or more directors eighteen years of age or older, a majority of whom shall be residents of the state of Iowa and citizens of the United States.

2. The number of directors may be increased, or decreased to a number not less than five, by the shareholders at the annual meeting, or at a special meeting called for that purpose, but no decrease shall have the effect of shortening the term of an incumbent director.

[C97, §1845, 1866; C24, 27, §9163, 9164, 9165, 9166, 9210 – 9212, 9213; C31, 35, §9163, 9164, 9165, 9210 – 9212, 9217-c2; C39, §**9163, 9164, 9165, 9210 – 9212, 9217.2;** C46, 50, 54, 58, 62, 66, §526.8, 526.9, 526.10, 527.8 – 527.10, 528.2; C71, 73, 75, 77, 79, 81, §524.601]
95 Acts, ch 148, §60
Referred to in §524.103

**524.602 Board of directors — election.**

1. Except as provided in subsection 2, at the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting. Directors shall hold office for one year or until their successors have been elected and qualified, unless removed in accordance with provisions of section 524.606. When the shareholders determine the number of directors at an annual meeting or at a special meeting, they shall, at the same meeting, elect a director to fill each directorship.

2. The articles of incorporation of a state bank may authorize directors to be elected to staggered terms of three years. At the first meeting of shareholders or at an annual or special meeting where the shareholders adopt staggered terms for directors, and at each annual meeting thereafter, the shareholders shall elect directors to hold office for any vacant position. A director shall hold office until the director's term expires or until the director's successor has been elected and qualified, unless the director is removed in accordance with the provisions of section 524.606.

[C97, §1846; C24, 27, 31, 35, 39, §**9171, 9172;** C46, 50, 54, 58, 62, 66, §526.14, 526.15; C71, 73, 75, 77, 79, 81, §524.602]
95 Acts, ch 148, §61; 2010 Acts, ch 1028, §9

**524.603 Vacancies.**

Unless otherwise provided in the articles of incorporation, the bylaws, or by action of the shareholders, any vacancy occurring in the board of directors may be filled by the affirmative vote of the majority of the directors then in office, even if less than a quorum of the board of directors. A director so elected shall be elected for the unexpired term of the director's predecessor in office.

[C97, §1846; C24, 27, 31, 35, 39, §**9170;** C46, 50, 54, 58, 62, 66, §526.13; C71, 73, 75, 77, 79, 81, §524.603]

**524.604 Duties and responsibilities.**

1. The duties and responsibilities of a director or of the board of directors shall include, but are not limited to, the following:

*a.* Attendance at no less than seventy-five percent of the regular board meetings held during the calendar year.

*b.* Employment of officer personnel, and determination of their compensation.

*c.* Periodic review of the original records of the state bank, or comprehensive summaries thereof prepared by the officers of the state bank, pertaining to loans, discounts, security interests and investments in bonds and securities.

*d.* Review of the adequacy of the bank's internal controls and determination of the most appropriate method to satisfy the bank's audit needs pursuant to section 524.608.

*e.* Periodic review of the utilization of security measures for the protection of the state bank and the maintenance of reasonable insurance coverage.

2. Directors of a state bank shall discharge the duties of their position in good faith and with that diligence, care and skill which ordinarily prudent persons would exercise under similar circumstances in like positions. The directors shall have a continuing responsibility to assure themselves that the bank is being managed according to law and that the practices and policies adopted by the board are being implemented.

[C27, 31, 35, §9283-b23; C39, §**9283.71;** C46, 50, 54, 58, 62, 66, §531.23; C71, 73, 75, 77, 79, 81, §524.604]

95 Acts, ch 148, §62; 2012 Acts, ch 1023, §157

**524.605 Liability of directors in certain cases.**

1. In addition to any other liabilities imposed by law upon directors of a state bank:

*a.* Directors of a state bank who vote for or assent to the declaration of any dividend or other distribution of the assets of a state bank to its shareholders in willful or negligent violation of the provisions of this chapter or of any restrictions contained in the articles of incorporation, shall be jointly and severally liable to the state bank for the amount of such dividend which is paid or the value of such assets which are distributed in excess of the amount of such dividend or distribution which could have been paid or distributed without a violation of the provisions of this chapter or of the restrictions in the articles of incorporation.

*b.* The directors of a state bank who vote for or assent to any distribution of assets of a state bank to its shareholders during the dissolution of the state bank without the payment and discharge of, or making adequate provision for, all known debts, obligations, and liabilities of the state bank shall be jointly and severally liable to the state bank for the value of such assets which are distributed, to the extent that such debts, obligations and liabilities of the state bank are not thereafter paid and discharged.

*c.* The directors of a state bank who, willfully or negligently, vote for or assent to loans or extensions of credit in violation of the provisions of this chapter, shall be jointly and severally liable to the state bank for the total amount of any loss sustained.

*d.* The directors of a state bank who, willfully or negligently, vote for or assent to any investment of funds of the state bank in violation of the provisions of this chapter shall be jointly and severally liable to the state bank for the amount of any loss sustained on such investment.

2. A director of a state bank who is present at a meeting of its board of directors at which action on any matter is taken shall be presumed to have assented to the action taken unless the director's dissent shall be entered in the minutes of the meeting or unless the director shall file the director's written dissent to such action with the individual acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the cashier of the state bank promptly after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

3. A director shall not be liable under subsection 1, paragraph *"a"*, *"b"*, *"c"*, or *"d"* if the director relied and acted in good faith upon information represented to the director to be correct by an officer or officers of such state bank or stated in a written report by a certified public accountant or firm of such accountants. No director shall be deemed to be negligent within the meaning of this section if the director in good faith exercised that diligence, care

and skill which an ordinarily prudent person would exercise as a director under similar circumstances.

4. Any director against whom a claim shall be asserted under or pursuant to this section for the payment of a dividend or other distribution of assets of a state bank and who shall be held liable thereon, shall be entitled to contribution from the shareholders who accepted or received any such dividend or assets, knowing such dividend or distribution to have been made in violation of the provisions of this chapter, in proportion to the amounts received by them respectively. Further, any director against whom a claim shall be asserted pursuant to this section for the payment of any liability imposed by this section shall be entitled to contribution from any director found to be similarly liable.

5. Whenever the superintendent deems it necessary the superintendent may require, after affording an opportunity for a hearing upon adequate notice, that a director or directors whom the superintendent reasonably believes to be liable to a state bank pursuant to subsection 1, paragraph "*a*", "*b*", "*c*", or "*d*", to place in an escrow account in an insured bank located in this state, as directed by the superintendent, an amount sufficient to discharge any liability which may accrue pursuant to subsection 1, paragraph "*a*", "*b*", "*c*", or "*d*". The amount so deposited shall be paid over to the state bank by the superintendent upon final determination of the amount of such liability. Any portion of the escrow account which is not necessary to meet such liability shall be repaid on a pro rata basis to the directors who contributed to the fund.

6. Any action seeking to impose liability under this section, other than liability for contribution, shall be commenced only within five years of the action complained of and not thereafter.

[C71, 73, 75, 77, 79, 81, §524.605]

95 Acts, ch 148, §63; 2012 Acts, ch 1023, §134

Referred to in §524.302, 524.702

**524.606 Removal of directors.**

1. At a meeting of shareholders expressly called for that purpose, individual directors or the entire board of directors may be removed, with or without cause, by the affirmative vote of the holders of a majority of the shares entitled to vote at an election of directors. The vacancies created may be filled at the same meeting at which the removal proceedings take place.

2. *a.* If, in the opinion of the superintendent, any director of a state bank or bank holding company has violated any law relating to such state bank or bank holding company or has engaged in unsafe or unsound practices in conducting the business of such state bank or bank holding company, the superintendent may cause notice to be served upon such director, to appear before the superintendent to show cause why the director should not be removed from office. A copy of such notice shall be sent to each director of the state bank or bank holding company affected, by registered or certified mail. If, after granting the accused director a reasonable opportunity to be heard, the superintendent finds that the director violated any law relating to such state bank or bank holding company or engaged in unsafe or unsound practices in conducting the business of such state bank or bank holding company, the superintendent, in the superintendent's discretion, may order that such director be removed from office, and that such director be prohibited from serving in any capacity in any other bank, bank holding company, bank affiliate, trust company, or an entity licensed under chapter 533A, 533C, 533D, 535B, 536, or 536A. A copy of the order shall be served upon such director and upon the state bank or bank holding company of which the person is a director at which time the person shall cease to be a director of the state bank or bank holding company. The resignation, termination of employment, or separation of such director, including a separation caused by the closing of the state bank or bank holding company at which the person serves as a director, does not affect the jurisdiction and authority of the superintendent to cause notice to be served and proceed under this subsection against the director, if the notice is served before the end of the six-year period beginning on the date the director ceases to be a director with the bank.

*b.* The decision of the superintendent shall be subject to judicial review in accordance

with the terms of the Iowa administrative procedure Act, chapter 17A. No action taken by a director prior to the director's removal shall be subject to attack on the ground of the director's disqualification.

[C31, 35, §9224-c2; C39, §**9224.2;** C46, 50, 54, 58, 62, 66, §528.18; C71, 73, 75, 77, 79, 81, §524.606]

91 Acts, ch 220, §3; 93 Acts, ch 28, §1; 95 Acts, ch 148, §64; 2003 Acts, ch 44, §114; 2006 Acts, ch 1015, §6; 2012 Acts, ch 1023, §157

Referred to in §524.228, 524.602, 524.707

Removal of officers and employees; §524.707

**524.607 Meetings — waiver of notice — quorum.**

The board of directors shall hold at least nine regular meetings each calendar year. No more than one regular meeting shall be held in any one calendar month. Unless the articles of incorporation or bylaws provide otherwise, the board of directors may permit directors to participate in meetings through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present at the meeting.

A special meeting may be called by any executive officer or a director. Notice of a meeting shall be given to each director, either personally or by mail, at least two days in advance of the meeting. Notice of a regular meeting shall not be required if the articles of incorporation, bylaws, or a resolution of the board of directors provide for a regular monthly meeting date.

Attendance of a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Whenever any notice is required to be given to any director of a state bank under the provisions of this chapter or under the provisions of the articles of incorporation or the bylaws of the state bank, a waiver thereof in writing, signed by the individual or individuals entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

A majority of the board of directors shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the bylaws. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the laws of this state or of the United States, the articles of incorporation or the bylaws.

[C97, §1846, 1871; S13, §1871; C24, 27, §9174, 9224; C31, 35, §9174, 9224-c1; C39, §**9174, 9224.1;** C46, 50, 54, 58, 62, 66, §526.17, 528.17; C71, 73, 75, 77, 79, 81, §524.607]

95 Acts, ch 148, §65

**524.607A Action without meeting.**

1. Unless the articles of incorporation or bylaws provide otherwise, action required or permitted to be taken under this chapter at a board of directors' meeting may be taken without a meeting if the action is consented to by all members of the board. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken.

2. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date.

3. A written consent signed under this section has the effect of a meeting vote and may be described as such in any document.

2004 Acts, ch 1141, §20

**524.608 Auditing procedures.**

In addition to any examination made by the banking division or other supervisory agency, the board of directors shall review the adequacy of the bank's internal controls and cause to be made no less frequently than once each calendar year additional auditing procedures that the board deems to be appropriate. The board shall determine the bank's audit needs and record in the board's minutes the extent to which audit procedures are to be employed. A

report which summarizes significant audit findings shall be delivered to the superintendent as soon as practical upon completion.

The superintendent may require that more comprehensive auditing procedures be applied to a bank's account records when deemed necessary. These auditing procedures may range from limited scope agreed-upon procedures to an unqualified audit opinion.

[C97, §1871; S13, §1871; C24, 27, §9224, 9225; C31, 35, §9224-c1, 9225, 9226; C39, §**9224.1, 9225, 9226;** C46, 50, 54, 58, 62, 66, §528.17, 528.19, 528.20; C71, 73, 75, 77, 79, 81, §524.608]

95 Acts, ch 148, §66; 96 Acts, ch 1056, §8

Referred to in §524.604

**524.609 Executive and other committees.**

If the articles of incorporation or the bylaws so provide, the board of directors, by resolution adopted by a majority of the full board of directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution or in the articles of incorporation or the bylaws of the state bank shall have and may exercise all the authority of the board of directors, but no such committee shall have the authority of the board of directors in reference to amending the articles of incorporation, adopting a plan of merger or consolidation, recommending to the shareholders the sale, lease, exchange or other disposition of all or substantially all the property and assets of the state bank, recommending to the shareholders a voluntary dissolution of the state bank or a revocation thereof, or amending the bylaws of the state bank. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed by law.

[C71, 73, 75, 77, 79, 81, §524.609]

**524.610 Compensation of directors.**

The shareholders of a state bank shall fix the reasonable compensation of directors for their services as members of the board of directors. Subject to approval by the shareholders at an annual or special meeting called for that purpose, the shareholders of a state bank may adopt a pension or profit-sharing plan, or both, or other plan of deferred compensation for directors, to which a state bank may contribute.

Directors may be reimbursed for reasonable expenses incurred in the performance of their duties.

[C97, §1869, 1871; S13, §1869, 1871; C24, 27, 31, 35, 39, §**9219, 9227;** C46, 50, 54, 58, 62, 66, §528.5, 528.21; C71, 73, 75, 77, 79, 81, §524.610; 81 Acts, ch 173, §1]

95 Acts, ch 148, §67; 2004 Acts, ch 1141, §21

Referred to in §524.613

**524.611 Oath of directors.**

Each director of a state bank, before acting as a director, shall take an oath that the director will diligently, faithfully and impartially perform the duties imposed upon the director by law, that the director will not knowingly violate or willingly permit a violation of any of the provisions of this chapter, and that the director meets the eligibility requirements of this chapter.

The oath shall be signed by the director, acknowledged before an officer authorized to take acknowledgments of deeds, and delivered to the superintendent.

[C97, §1845; C24, 27, §9167; C31, 35, 39, §**9224;** C46, 50, 54, 58, 62, 66, §528.16; C71, 73, 75, 77, 79, 81, §524.611]

**524.612 Director dealing with state bank.**

1. Subject to the provisions of section 524.904, a director of a state bank may receive loans and extensions of credit from a state bank of which the person is a director. A majority of the board of directors, voting in the absence of the applying director, shall give its prior approval to such loans and extensions of credit. Approval shall be recorded in the minutes.

2. A director shall not be permitted to receive any loan or extension of credit or use any property of a state bank of which the person is a director at a lower rate of interest or on

terms which are more favorable than the terms offered to other customers under similar circumstances.

3. A director shall not receive terms or be paid a rate of interest on deposits, by a state bank of which the person is a director, which are more favorable than that provided to any other customer under similar circumstances.

4. A director shall not purchase or lease any assets from or sell or lease any assets to a state bank of which the person is a director except upon terms not less favorable to the state bank than those offered to or by other persons. All purchases or leases from and sales or leases to a director shall receive the prior approval of a majority of the board of directors voting in the absence of the interested director.

5. For the purpose of this section and section 524.706, loans and extensions of credit, as defined in section 524.904, to the spouse of a director or officer, other than a spouse who is legally separated from the director or officer under a decree of divorce or separate maintenance, or to minor children of a director or officer to the state bank in which the person is a director or officer, are considered loans and extensions of credit of such director or officer. However, loans and extensions of credit of a spouse are not considered loans and extensions of credit of the director or officer if all of the following apply:

*a.* Assets and liabilities of a director or officer are not included in the financial statement of the spouse and are not otherwise relied upon as a basis for loans or extensions of credit to the spouse.

*b.* The guarantee of a director or officer is not relied upon as a basis for loans or extensions of credit to the spouse.

*c.* The proceeds of the loans and extensions of credit to the spouse are not intermingled with or used for a common purpose with the proceeds of loans and extensions of credit to the director or officer.

[C97, §1869; S13, §1869; C24, 27, 31, 35, 39, §**9220;** C46, 50, 54, 58, 62, 66, §528.6; C71, 73, 75, 77, 79, 81, §524.612]

91 Acts, ch 14, §1; 95 Acts, ch 148, §68

Referred to in §524.706, 524.1601, 524.1806

**524.613 Prohibitions applicable to certain financial transactions involving directors.**

1. A director of a state bank shall not receive anything of value, other than compensation and expense reimbursement authorized by section 524.610, for procuring, or attempting to procure, any loan or extension of credit, as defined in section 524.904, to the state bank or for procuring, or attempting to procure, an investment by the state bank.

2. A state bank shall not pay an overdraft of a director of the state bank on an account at the state bank, unless the payment of funds is made in accordance with either of the following:

*a.* A written, preauthorized, interest-bearing extension of credit plan that specifies a method of repayment.

*b.* A written, preauthorized transfer of collected funds from another account of the account holder at the state bank.

[C31, 35, §9221-c3; C39, §**9221.3;** C46, 50, 54, 58, 62, 66, §528.10; C71, 73, 75, 77, 79, 81, §524.613]

95 Acts, ch 148, §69

Referred to in §524.1601, 524.1806

**524.614 Honorary and advisory directors.**

The board of directors of a state bank may appoint an individual as an honorary director, director emeritus, or member of an advisory board. An individual so appointed shall not vote at any meeting of the board of directors, shall not be counted in determining a quorum, and shall not be charged with any responsibilities or be subject to any liabilities imposed upon directors by this chapter.

[C71, 73, 75, 77, 79, 81, §524.614]

95 Acts, ch 148, §70

## DIVISION VII

## OFFICERS AND EMPLOYEES

**524.701 Officers and employees.**

1. A state bank shall have as officers a president, one vice president, and a cashier. No more than two of these positions may be held by the same individual. A state bank may have other officers as prescribed by the articles of incorporation or bylaws.

2. The board of directors shall elect one officer as the chief executive officer, who shall be a member of the board of directors.

3. Upon written notice by the superintendent, an individual who performs active executive or official duties for a state bank may be treated as an executive officer. A state bank may have a chairperson of the board of directors who, if the person does not perform executive or official duties or receive a salary, need not be considered an executive officer of the state bank.

4. An individual employed by a state bank, other than a director or an officer, is considered an employee for the purposes of this chapter.

[C97, §1845; C24, 27, 31, 35, 39, §**9162;** C46, 50, 54, 58, 62, 66, §526.7(4); C71, 73, 75, 77, 79, 81, §524.701]

91 Acts, ch 7, §1; 95 Acts, ch 148, §71

Referred to in §524.103

**524.702 Officers — duties and liability.**

1. All officers of a state bank shall have such authority and perform such duties in the management of the state bank as may be provided for in the articles of incorporation or the bylaws, or as may be determined by a resolution of the board of directors not inconsistent with the bylaws or the articles of incorporation.

2. If an officer willfully or negligently submits any incorrect information to a director or directors, and action by the board of directors contrary to the provisions of this chapter, or of any restrictions in the articles of incorporation, is taken in reliance thereon, the officer shall be liable to the same extent as if the officer were a director voting for or assenting to such action, as provided in section 524.605. An officer shall also be liable to the extent of any loss sustained by the state bank as a result of the officer's willful or negligent violation of any provision of this chapter. The superintendent may require an officer or officers whom the superintendent reasonably believes to be liable to a state bank pursuant to this section, to place in an escrow account an amount sufficient to discharge such liability in the manner provided for in section 524.605. No officer shall be deemed to be negligent within the meaning of this section if the officer exercised that diligence, care and skill which an ordinarily prudent person would exercise as an officer under similar circumstances.

[C97, §1886; C24, 27, 31, 35, 39, §**9281;** C46, 50, 54, 58, 62, 66, §528.83; C71, 73, 75, 77, 79, 81, §524.702]

**524.703 Officers and employees — employment and compensation.**

The board of directors may fix the tenure and provide for the reasonable compensation of officers. The chief executive officer or the chief executive officer's designee shall determine the employees' compensation and tenure. Officers and employees may be reimbursed for reasonable expenses incurred by them on behalf of the state bank.

Subject to approval by the shareholders at an annual or special meeting called for the purpose, the board of directors of a state bank may adopt a pension or profit-sharing plan, or both, or other plan of deferred compensation, for both officers and employees, to which the state bank may contribute.

[C97, §1844, 1869; S13, §1869; C24, 27, 31, 35, 39, §**9162, 9219;** C46, 50, 54, 58, 62, 66, §526.7(4), 528.5; C71, 73, 75, 77, 79, 81, §524.703]

95 Acts, ch 148, §72; 2004 Acts, ch 1141, §22

Referred to in §524.710

**524.704** Repealed by 95 Acts, ch 148, § 135.

**524.705 Bonds of officers and employees.**

The officers and employees of a state bank having the care, custody, or control of any funds or securities for any state bank shall give a good and sufficient bond in a company authorized to do business in this state indemnifying the state bank against losses, which may be incurred by reason of any act or acts of fraud, dishonesty, forgery, theft, larceny, embezzlement, wrongful abstraction, misapplication, misappropriation, or other unlawful act committed by such officer or employee directly or through connivance with others, until all of the officer's or employee's accounts with the state bank are fully settled and satisfied. The amounts and sureties are subject to the approval of the board of directors. The superintendent may require higher amounts as deemed necessary. If the agent of a bonding company issuing a bond under this section is an officer or employee of the state bank upon which the bond was issued, the bond so issued shall contain a provision that the bonding company shall not use, either as a grounds for rescission or as a defense to liability under the terms and conditions of the bond, the knowledge that the agent was so employed, whether or not the agent received any part of the premium for the bond as a commission.

[C97, §1845; C24, 27, §9169; C31, 35, §9169, 9217-c3; C39, §**9169, 9217.3;** C46, 50, 54, 58, 62, 66, §526.12, 528.3; C71, 73, 75, 77, 79, 81, §524.705]

95 Acts, ch 148, §73

**524.706 Officer dealing with state bank.**

1. *a.* An executive officer of a state bank may receive loans and extensions of credit, as defined in section 524.904, subsection 1, from a state bank of which the person is an executive officer, as follows:

(1) For amounts secured by a lien on a dwelling which is expected, after the obligation is incurred, to be owned by the executive officer and used as the officer's principal residence.

(2) For amounts to finance the education of a child or children of the executive officer.

(3) For amounts which in the aggregate do not at any one time exceed the higher of twenty-five thousand dollars or two and one-half percent of the bank's aggregate capital, but in no event more than one hundred thousand dollars.

(4) For amounts which do not, in the aggregate, exceed the principal amounts of segregated deposit accounts which the bank may lawfully set off. An interest in or portion of a segregated deposit account does not satisfy the requirements of this subparagraph if that interest or portion is also pledged to secure the payment of a debt or obligation of any person other than the executive officer. If the deposit is eligible for withdrawal before the secured loan matures, the bank shall establish internal procedures to prevent the release of the security without the bank's prior consent.

(5) For amounts secured by bonds, notes, certificates of indebtedness, or treasury bills of the United States or by other such obligations fully guaranteed by the United States as to principal and interest.

(6) For amounts secured by unconditional takeout commitments or guarantees of any department, agency, bureau, board, commission, or establishment of the United States or any corporation wholly owned directly or indirectly by the United States.

*b.* A state bank shall not loan money or extend credit to an executive officer of the state bank, and an executive officer of a state bank shall not receive a loan or extension of credit from the state bank, exceeding the limitations imposed by this section or for a purpose other than that authorized by this section. Such loans and extensions of credit shall not exceed an amount totaling more than fifteen percent of the aggregate capital of the state bank, except for loans and extensions of credit identified in paragraph "*a*", subparagraphs (4), (5), and (6). Any such loan on real property shall comply with section 524.905. A majority of the board of directors, voting in the absence of the applying executive officer, whether or not the executive officer is also a director, shall give its prior approval to any obligation of an executive officer to the state bank of which the person is an executive officer. Approval shall be recorded in the minutes.

2. Section 524.612, subsection 2, applies to executive officers, and section 524.612, subsections 3 and 4, apply to all officers and employees.

3. Upon the request of the board of directors, an officer or employee of a state bank shall submit to the board of directors a personal financial statement which shall include the names of all persons to whom the officer or employee is obligated, the dates, terms, and amounts of each loan or other obligation, the security for the loan or obligation, and the purpose for which the proceeds of the loan or other obligation has been or is to be used.

4. Upon the request of the superintendent, a director or an officer of a state bank shall submit to the superintendent a personal financial statement which shall show the names of all persons to whom the director or officer is obligated, the dates, terms, and amounts of each loan or other obligation, the security for the loan or obligation, and the purpose for which the proceeds of the loan or other obligation has been or is to be used.

[C97, §1869; S13, §1869; C24, 27, 31, 35, 39, §**9220;** C46, 50, 54, 58, 62, 66, §528.6; C71, 73, 75, 77, 79, 81, §524.706; 82 Acts, ch 1253, §1]

83 Acts, ch 101, §109; 84 Acts, ch 1032, §3; 91 Acts, ch 7, §2; 95 Acts, ch 148, §74; 96 Acts, ch 1056, §9

Referred to in §524.612, 524.1601, 524.1806

**524.707 Removal of officers or employees.**

1. An officer or employee may be removed by the board of directors whenever in its judgment the best interests of the state bank shall be served by such removal, but the removal shall be without prejudice to the contract rights, if any, of the officer or employee so removed. Election of an officer shall not of itself create contract rights.

2. Section 524.606, subsection 2, which provides for the removal of directors by the superintendent, shall have equal application to officers and employees of a bank, bank holding company, bank affiliate, or trust company.

[C71, 73, 75, 77, 79, 81, §524.707]

91 Acts, ch 220, §4; 95 Acts, ch 148, §75; 2006 Acts, ch 1015, §7

Referred to in §524.228

**524.708 Report of change in officer personnel.**

A state bank shall promptly notify the superintendent of any change in the individuals holding the offices of chief executive officer or president.

[C97, §1889; S13, §1889; C24, 27, 31, 35, 39, §**9255, 9257;** C46, 50, 54, 58, 62, 66, §528.47, 528.49; C71, 73, 75, 77, 79, 81, §524.708]

95 Acts, ch 148, §76

**524.709 Duty to make records available to superintendent.**

The officers and employees of a state bank shall make all records of the state bank available to the superintendent for the purpose of examination or for any other reasonable purpose.

[C24, 27, 31, 35, 39, §**9147;** C46, 50, 54, 58, 62, 66, §524.20; C71, 73, 75, 77, 79, 81, §524.709]

Referred to in §524.1604

**524.710 Prohibitions applicable to certain financial transactions involving officers and employees.**

1. An officer or employee of a state bank shall not do any of the following:

*a.* Receive anything of value, other than compensation as authorized by section 524.703, for procuring, or attempting to procure, any loan or extension of credit, as defined in section 524.904, for the state bank or for procuring, or attempting to procure, an investment by the state bank.

*b.* Engage, directly or indirectly, in the sale of any kind of insurance, shares of stock, bonds or other securities, or real property, or procure or attempt to procure for a fee or other compensation, a loan or extension of credit for any person from a person other than the state bank of which the person is an officer or employee, or act in any fiduciary capacity, unless authorized to do so by the board of directors of the state bank which shall also determine the manner in which the profits, fees, or other compensation derived therefrom shall be distributed.

2. A state bank shall not pay an overdraft of an officer or employee of the state bank on an account at the state bank, unless the payment of funds is made in accordance with either of the following:

*a.* A written, preauthorized, interest-bearing extension of credit plan that specifies a method of repayment.

*b.* A written, preauthorized transfer of collected funds from another account of the account holder at the state bank.

[C31, 35, §9221-c3, 9222-c2, 9283-c1; C39, §**9221.3, 9222.2, 9283.01;** C46, 50, 54, 58, 62, 66, §528.10, 528.12, 528.86; C71, 73, 75, 77, 79, 81, §524.710]

95 Acts, ch 148, §77

Referred to in §524.912, 524.1601

## DIVISION VIII

## GENERAL BANKING POWERS

**524.801 General powers.**

1. A state bank, unless otherwise stated in its articles of incorporation, shall have power:

*a.* To sue and be sued, complain and defend, in its corporate or organizational name.

*b.* To have a corporate seal which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

*c.* To purchase, take, receive, lease, or otherwise acquire, own, hold, improve and use real or personal property, or an interest therein, in connection with the exercise of any power granted in this chapter.

*d.* To sell, convey, pledge, mortgage, grant a security interest, lease, exchange, transfer, and release from trust or mortgage or otherwise dispose of all or any part of real or personal property, or an interest therein, in connection with the exercise of any power granted in this chapter.

*e.* To make and alter bylaws, not inconsistent with its articles of incorporation or with the laws of this state, for the administration and regulation of the affairs of the state bank.

*f.* To make donations for the public welfare for religious, charitable, scientific or educational or community development purposes.

*g.* To indemnify a director, officer, or employee, or a former director, officer, or employee of the state bank in the manner and in the instances authorized by sections 490.850 through 490.859.

*h.* To elect officers or appoint agents of the state bank and define their duties and fix their compensation.

*i.* To cease its existence as a state bank in the manner provided for in this chapter.

*j.* To have and exercise all powers necessary and proper to effect any or all of the purposes for which the state bank is organized.

*k.* To contract indebtedness and incur liabilities to effect any or all of the purposes for which the state bank is organized, subject to the provisions of this chapter.

*l.* To set off a customer's account against any of the customer's debts or liabilities owed the state bank pursuant to an agreement entered into between the customer and the state bank.

2. The powers granted in this section shall not be construed as limiting or enlarging any grant of authority made elsewhere in this chapter, or as a limitation on the purposes for which a state bank may be incorporated or organized.

[C97, §1841, 1844; S13, §1889-j; C24, 27, 31, 35, 39, §**9156, 9162, 9267;** C46, 50, 54, 58, 62, 66, §526.2, 526.7, 532.14; C71, 73, 75, 77, 79, 81, §524.801]

83 Acts, ch 71, §5; 90 Acts, ch 1205, §39; 95 Acts, ch 148, §78, 79; 2002 Acts, ch 1154, §112, 125; 2004 Acts, ch 1141, §65, 66; 2012 Acts, ch 1023, §157

**524.802 Additional powers of a state bank.**

A state bank shall have in addition to other powers granted by this chapter, and subject to the limitations and restrictions contained in this chapter, the power to do all of the following:

1. Become an insured bank pursuant to the Federal Deposit Insurance Act and to take action as necessary to maintain the state bank's insured status.

2. Become a member of the federal reserve system, to acquire and hold shares in the appropriate federal reserve bank and to exercise all powers conferred on member banks by the federal reserve system that are not inconsistent with this chapter.

3. Become a member of a clearinghouse association.

4. Act as agent of the United States or of any instrumentality or agency of the United States.

5. Act as agent for a depository institution affiliate.

6. Buy and sell coin, currency, and bullion.

7. Organize, acquire, and hold shares of stock in an operations subsidiary, with the prior approval of the superintendent.

8. Engage in the brokerage of insurance and real estate subject to the prior approval of the superintendent. These activities are subject to regulation, including but not limited to regulation under subtitle 1 and subtitle 4 of this title.

9. Acquire and hold shares of stock in the appropriate federal home loan bank and to exercise all powers conferred on member banks of the federal home loan bank system that are not inconsistent with this chapter. A purchase of federal home loan bank shares which causes the state bank's holdings to exceed fifteen percent of aggregate capital requires the prior approval of the superintendent. In addition, a state bank may own federal home loan bank shares in an amount exceeding fifteen percent of the state bank's aggregate capital, but not exceeding twenty-five percent of the state bank's aggregate capital, if the ownership of shares exceeding fifteen percent is needed to support the state bank's participation in the federal home loan bank's acquired member assets program as provided for in 12 C.F.R. pt. 955.

10. Acquire and hold shares of stock in the federal agricultural mortgage corporation or corporations engaged solely in the pooling of agricultural loans for the federal agricultural mortgage corporation guarantees.

11. Become a member of a bankers' bank.

12. Subject to the prior approval of the superintendent, organize, acquire, or invest in a subsidiary for the purpose of engaging in any of the following:

*a.* Nondepository activities that a state bank is authorized to engage in directly under this chapter.

*b.* Activities that a bank service corporation is authorized to engage in under state or federal law or regulation.

*c.* Activities authorized pursuant to section 524.825.

13. Acquire, hold, and improve real estate for the sole purpose of economic or community development, provided that the state bank's aggregate investment in all acquisitions and improvements of real estate under this subsection shall not exceed fifteen percent of a state bank's aggregate capital and shall be subject to the prior approval of the superintendent.

14. Provide customer financing for wind energy production facilities eligible for production tax credits pursuant to chapter 476B in a manner that maximizes the availability of production tax credits to the state bank, including structuring such financing as a membership investment whereby the state bank as equity investor may take a majority financial position, but not a management position, in each such facility, subject to the following:

*a.* Prior to providing financing, a creditworthiness review shall be conducted pursuant to the state bank's standard loan underwriting criteria.

*b.* The state bank shall not participate in the operation of the facility, the production of wind energy, or the sale of wind energy if such sale is contemplated by the customer.

*c.* If the facility does not perform as projected in the equity investment agreement, the state bank may either sell its interest in the facility or pursue liquidation.

*d.* The state bank shall not share in any appreciation in value of its interest in the facility or in any of the customer's real or personal assets.

*e.* At the end of any applicable holding period, the state bank shall sell at book value its ownership interest in the facility.

15. All other powers determined by the superintendent to be appropriate for a state bank.

[C97, §1841; SS15, §1889-o; C24, 27, 31, §9156, 9269, 9271; C35, §9156, 9269, 9271, 9283-g2, -g3, -g4, -g5; C39, §**9156, 9269, 9271, 9283.45, 9283.46, 9283.47, 9283.48;** C46, 50, 54, 58, 62, 66, §526.2, 528.67, 528.70, 530.2, 530.3, 530.4, 530.5; C71, 73, 75, 77, 79, 81, §524.802]

95 Acts, ch 148, §80; 2004 Acts, ch 1141, §23; 2008 Acts, ch 1128, §1, 15; 2012 Acts, ch 1017, §20

Referred to in §524.825, 524.1007, 524.1008

Subsection 14 is effective May 1, 2008, and applies retroactively to tax years beginning on or after January 1, 2008, for tax credits issued for wind energy production; 2008 Acts, ch 1128, §15

**524.803 Business property of state bank.**

1. A state bank shall have power to do all of the following:

*a.* Acquire and hold, or lease as lessee, such personal property as is used, or is to be used, in its operations.

*b.* Subject to the prior approval of the superintendent, acquire and hold, or lease as lessee, only such real property as is used, or is to be used, wholly or substantially, in its operations or acquired for future use.

*c.* Subject to the prior approval of the superintendent, acquire and hold shares in a corporation engaged solely in holding or operating real property used wholly or substantially by a state bank in its operations or acquired for its future use.

*d.* Subject to the prior approval of the superintendent, acquire and hold shares in a corporation organized solely for the purpose of providing data processing services, as such services are defined in section 524.804.

*e.* Subject to the prior approval of the superintendent, acquire and hold shares in a corporation engaged in providing and operating facilities through which banks and customers may engage, by means of either the direct transmission of electronic impulses to and from a bank or the recording of electronic impulses or other indicia of a transaction for delayed transmission to a bank, in transactions in which such banks are otherwise permitted to engage pursuant to applicable law.

2. The book value of all real and personal property acquired and held pursuant to this section, of all alterations to buildings on real property owned or leased by a state bank, of all shares in corporations acquired pursuant to paragraphs "*c*", "*d*", and "*e*" of subsection 1, and of any and all obligations of such corporations to the state bank, shall not exceed forty percent of the aggregate capital of the state bank or such larger amount as may be approved by the superintendent.

3. Any real property which is held by a state bank pursuant to this section and which it ceases to use for banking purposes, or is acquired for future use but not used within a reasonable period of time, shall be sold or disposed of by the state bank as directed by the superintendent.

[C97, §1851; C24, 27, 31, 35, 39, §**9190;** C46, 50, 54, 58, §526.34; C62, 66, §524.31, 526.34; C71, 73, 75, 77, 79, 81, §524.803]

87 Acts, ch 171, §13; 95 Acts, ch 148, §81

Referred to in §524.804

**524.804 Data processing services.**

A state bank which owns or leases equipment to perform such bank services as check and deposit sorting and posting, computation and posting of interest and other credits and charges, preparation and mailing of checks, statements, notices, and similar items, or other clerical, bookkeeping, accounting, statistical, or other similar functions, may provide similarly related data processing services for others whether or not engaged in the business of banking. If a state bank holds shares in a corporation organized solely for the purpose of providing data processing services, pursuant to the authority granted by section 524.803, subsection 1, paragraph "*d*", other than a bank service corporation as defined by the laws of

the United States, such corporation shall be authorized to perform services for the state bank owning such interest and for others, whether or not engaged in the business of banking.

[C62, 66, §524.31; C71, 73, 75, 77, 79, 81, §524.804]

95 Acts, ch 148, §82

Referred to in §524.218, 524.803, 524.1201

**524.805 Deposits.**

1. A state bank may receive money for deposit and may provide, by resolution of the board of directors, for the payment of interest on such deposit and shall repay the deposit in accordance with the terms and conditions of its acceptance.

2. The terms and conditions attending an agreement to pay interest on deposits shall be furnished to each customer at the time of the acceptance by the state bank of the initial deposit. No change made in the terms and conditions attending an agreement to pay interest which adversely affects the interest of a depositor shall be retroactively effective. Savings account depositors and holders and payees of automatic renewal time certificates of deposit shall be given reasonable notice of any change in the terms and conditions attending an agreement to pay interest prior to the effective date thereof.

3. A state bank may make such charges for the handling or custody of deposits as may be fixed by its board of directors provided that a schedule of the charges shall be furnished to the customer at the time of acceptance by the state bank of the initial deposit. Any change in the charges shall be furnished to the customer within a reasonable period of time before the effective date of the change.

4. A state bank shall not accept deposits or renew certificates of deposit when insolvent.

5. Except as provided in section 524.807, a state bank may receive deposits by or in the name of a minor and may deal with a minor with respect to a deposit account without the consent of a parent, guardian or conservator and with the same effect as though the minor were an adult. Any action of the minor with respect to such deposit account shall be binding on the minor with the same effect as though an adult.

6. A state bank may receive deposits from a person acting as fiduciary or in an official capacity which shall be payable to such person in such capacity.

7. A state bank may receive deposits from a corporation, trust, estate, association or other similar organization which shall be payable to any person authorized by its board of directors or other persons exercising similar functions.

8. A state bank may receive deposits from one or more persons with the provision that upon the death of the depositors the deposit account shall be the property of the person or persons designated by the deceased depositors as shown on the deposit account records of the state bank. After payment by the state bank, the proceeds shall remain subject to the debts of the decedent and the payment of Iowa inheritance tax, if any. A state bank paying the person or persons designated shall not be liable as a result of that action for any debts of the decedent or for any estate, inheritance, or succession taxes which may be due this state.

[C97, §1844, 1848, 1849, 1852, 1854, 1884; S13, §1848, 1852; C24, 27, §9162, 9177, 9178, 9179, 9180, 9181, 9182, 9191, 9193, 9279; C31, 35, §9162, 9177, 9178, 9179, 9180, 9181, 9182, 9191, 9193, 9222-c1, 9279; C39, §**9162, 9177, 9178, 9179, 9180, 9181, 9182, 9191, 9193, 9222.1, 9279;** C46, 50, 54, 58, 62, 66, §526.7, 526.19 – 526.24, 526.35, 526.37, 528.11, 528.81; C71, 73, 75, 77, 79, 81, §524.805; 81 Acts, ch 173, §2]

95 Acts, ch 148, §83, 84; 2002 Acts, ch 1002, §1

Referred to in §524.1608

**524.806 Deposit in the names of two or more individuals.**

When a deposit is made in any state bank in the names of two or more individuals, payable to any one or more of them, or payable to the survivor or survivors, the deposit, including interest, or any part thereof, may be paid to any one or more of the individuals whether the others be living or not, and the receipt or acquittance of the individuals so paid is a valid and sufficient release and discharge to the state bank for any payment so made.

[S13, §1889-b; C24, 27, 31, 35, 39, §**9267;** C46, 50, 54, 58, 62, 66, §528.64; C71, 73, 75, 77, 79, 81, §524.806; 81 Acts, ch 173, §3]

**524.807 Payment of deposited funds.**

When any deposit shall be made by any individual in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given to the state bank, in the event of the death of the trustee, the same or any part thereof, together with interest thereon, may be paid to the individual for whom the deposit was made, or to the individual's legal representatives; provided that the individual for whom the deposit was made, if a minor, shall not draw the same during the individual's minority without the consent of the legal representatives of said trustee.

[SS15, §1889-d; C24, 27, 31, 35, 39, §**9287;** C46, 50, 54, 58, 62, 66, §532.4; C71, 73, 75, 77, 79, 81, §524.807]

Referred to in §524.805

**524.808 Adverse claims to deposits.**

1. A state bank shall not be required, in the absence of a court order or indemnity required by this section, to recognize any claim to, or any claim of authority to exercise control over, a deposit account made by a person or persons other than:

*a.* The customer in whose name the account is held by the state bank.

*b.* An individual or group of individuals who are authorized to draw on or control the account pursuant to certified corporate resolution or other written arrangement with the customer, currently on file with the state bank, which has not been revoked by valid corporate action in the case of a corporation, or by a valid agreement or other valid action appropriate for the form of legal organization of any other customer, of which the state bank has received notice and which is not the subject of a dispute known to the state bank as to its original validity. The deposit account records of a state bank shall be presumptive evidence as to the identity of the customer on whose behalf the money is held.

2. To require a state bank to recognize an adverse claim to, or adverse claim of authority to control, a deposit account, whoever makes the claim must either:

*a.* Obtain and serve on the state bank an appropriate court order or judicial process directed to the state bank, restraining any action with respect to the account until further order of such court or instructing the state bank to pay the balance of the account, in whole or in part, as provided in the order or process; or

*b.* Deliver to the state bank a bond, in form and amount and with sureties satisfactory to the state bank, indemnifying the state bank against any liability, loss or expense which it might incur because of its recognition of the adverse claim or because of its refusal by reason of such claim to honor any check or other order of anyone described in paragraphs *"a"* and *"b"* of subsection 1 of this section.

[C71, 73, 75, 77, 79, 81, §524.808]

**524.809 Authority to lease safe deposit boxes.**

1. A state bank may lease safe deposit boxes for the storage of property on terms and conditions prescribed by the state bank. The terms and conditions shall not bind a customer or the customer's successors or legal representatives to whom the state bank does not give notice of such terms and conditions by delivery of a lease and agreement in writing containing the terms and conditions. A state bank may limit its liability provided such limitations are set forth in the lease and agreement in at least the same size and type as the other substantive provisions of the lease and agreement.

2. The lease and agreement of a safe deposit box may provide that evidence tending to prove that property was left in any such box upon the last entry by the customer or the customer's authorized agent, and that the same or any part thereof was found missing upon subsequent entry, shall not be sufficient to raise a presumption that the same was lost by any negligence or wrongdoing for which such state bank is responsible, or put upon the state bank the burden of proof that such alleged loss was not the fault of the state bank.

3. A state bank may lease a safe deposit box to a minor. A state bank may deal with a minor with respect to a safe deposit lease and agreement without the consent of a parent, guardian or conservator and with the same effect as though the minor were an adult. Any

action of the minor with respect to such safe deposit lease and agreement shall be binding on the minor with the same effect as though an adult.

4. A state bank which has on file a power of attorney of a customer covering a safe deposit lease and agreement, which has not been revoked by the customer, shall incur no liability as a result of continuing to honor the provisions of the power of attorney in the event of the death or incompetence of the donor of the power of attorney until it receives written notice of the death, or written notice of adjudication by a court of the incompetence of the customer and the appointment of a guardian or conservator.

[C31, 35, §9267-c1; C39, §**9267.1;** C46, 50, 54, 58, 62, 66, §528.65; C71, 73, 75, 77, 79, 81, §524.809]

95 Acts, ch 148, §85

Referred to in §524.108

**524.810** Repealed by 97 Acts, ch 60, § 1, 2.

**524.810A Safe deposit box access.**

1. A bank shall permit a person named in and authorized by a court order to open, examine, and remove the contents of a safe deposit box located at the bank. If a court order has not been delivered to the bank, the following persons may access and remove any or all contents of a safe deposit box located at a state bank which box is described in an ownership or rental agreement or lease between the state bank and a deceased owner or lessee:

*a.* A co-owner or co-lessee of the safe deposit box.

*b.* A person designated in the safe deposit box agreement or lease to have access to the safe deposit box upon the death of the lessee, to the extent provided in the safe deposit box agreement or lease.

*c.* An executor or administrator of the estate of a deceased owner or lessee upon delivery to the state bank of a certified copy of letters of appointment.

*d.* A person named as an executor in a copy of a purported will produced by the person, provided such access shall be limited to the removal of a purported will, and no other contents shall be removed.

*e.* A trustee of a trust created by the deceased owner or lessee upon delivery to the state bank of either of the following:

(1) A certification of trust pursuant to section 633A.4604 which certifies that the trust property is reasonably believed to include property in the safe deposit box.

(2) A copy of the trust with an affidavit by the trustee which certifies that a copy of the trust delivered to the state bank with the affidavit is an accurate and complete copy of the trust, that the trustee is the duly authorized and acting trustee under the trust, that the trust property is reasonably believed to include property in the safe deposit box, and that, to the knowledge of the trustee, the trust has not been revoked.

2. A person removing any contents of a safe deposit box pursuant to subsection 1 shall deliver any writing purported to be a will of the decedent to the court having jurisdiction over the decedent's estate.

3. *a.* If a person authorized to have access under subsection 1 does not request access to the safe deposit box within the thirty-day period immediately following the date of death of the owner or lessee of a safe deposit box, and the state bank has knowledge of the death of the owner or lessee of the safe deposit box, the safe deposit box may be opened by or in the presence of two employees of the state bank. If no key is produced, the state bank may cause the safe deposit box to be opened and the state bank shall have a claim against the estate of the deceased owner or lessee and a lien upon the contents of the safe deposit box for the costs of opening and resealing the safe deposit box.

*b.* If a safe deposit box is opened pursuant to paragraph *"a"*, the bank employees present at such opening shall do all of the following:

(1) Remove any purported will of the deceased owner or lessee.

(2) Unseal, copy, and retain in the records of the state bank a copy of a purported will removed from the safe deposit box. An additional copy of such purported will shall be made,

dated, and signed by the bank employees present at the safe deposit box opening and placed in the safe deposit box. The safe deposit box shall then be resealed.

(3) The original of a purported will shall be sent by registered or certified mail or personally delivered to the district court in the county of the last known residence of the deceased owner or lessee, or the court having jurisdiction over the testator's estate. If the residence is unknown or last known and not in this state, the purported will shall be sent by registered or certified mail or personally delivered to the district court in the county where the safe deposit box is located.

4. The state bank may rely upon published information or other reasonable proof of death of an owner or lessee. A state bank has no duty to inquire about or discover, and is not liable to any person for failure to inquire about or discover, the death of the owner or lessee of a safe deposit box. A state bank has no duty to open or cause to be opened, and is not liable to any person for failure to open or cause to be opened, a safe deposit box of a deceased owner or lessee. Upon compliance with the requirements of subsection 1 or 3, the state bank is not liable to any person as a result of the opening of the safe deposit box, removal and delivery of the purported will, or retention of the unopened safe deposit box and contents.

99 Acts, ch 148, §1; 2004 Acts, ch 1102, §1, 2; 2005 Acts, ch 38, §55
Referred to in §524.108

**524.811 Adverse claims to property in safe deposit and safekeeping.**

1. A state bank shall not be required, in the absence of a court order or indemnity required by this section, to recognize any claim to, or claim of authority to exercise control over, property held in safe deposit or property held for safekeeping pursuant to section 524.813 made by a person or persons other than:

*a.* The customer in whose name the property is held by the state bank.

*b.* An individual or group of individuals who are authorized to have access to the safe deposit box, or to the property held for safekeeping, pursuant to a certified corporate resolution or other written arrangement with the customer, currently on file with the state bank, which has not been revoked by valid corporate action in the case of a corporation, or by a valid agreement or other valid action appropriate for the form of legal organization of any other customer, of which the state bank has received notice and which is not the subject of a dispute known to the state bank as to its original validity. The safe deposit and safekeeping account records of a state bank shall be presumptive evidence as to the identity of the customer on whose behalf the money is held.

2. To require a state bank to recognize an adverse claim to, or adverse claim of authority to control, property held in safe deposit or for safekeeping, whoever makes the claim must either:

*a.* Obtain and serve on the state bank an appropriate court order or judicial process directed to the state bank, restraining any action with respect to the property until further order of such court or instructing the state bank to deliver the property, in whole or in part, as provided in the order or process; or

*b.* Deliver to the state bank a bond, in form and amount and with sureties satisfactory to the state bank, indemnifying the state bank against any liability, loss or expense which it might incur because of its recognition of the adverse claim or because of its refusal to deliver the property to any person described in paragraphs "*a*" and "*b*" of subsection 1 of this section.

[C71, 73, 75, 77, 79, 81, §524.811]
Referred to in §524.108

**524.812 Remedies and proceedings for nonpayment of rent on safe deposit box.**

1. A state bank shall have a lien upon the contents of a safe deposit box for past due rentals and any expense incurred in opening the safe deposit box, replacement of the locks thereon, and of any sale made pursuant to this section. If the rental of any safe deposit box is not paid within six months from the day it is due, at any time thereafter and while such rental remains unpaid, the state bank shall mail a notice by certified or registered mail to the customer at the customer's last known address as shown upon the records of the state bank, stating that if the amount due for such rental is not paid on or before a specified day, which shall be at

least thirty days after the date of mailing such notice, the state bank will remove the contents thereof and hold the same for the account of the customer.

2. If the rental for the safe deposit box has not been paid prior to the expiration of the period specified in a notice mailed pursuant to subsection 1 of this section, the state bank may, in the presence of two of its officers, cause the box to be opened and the contents removed. An inventory of the contents of the safe deposit box shall be made by the two officers present and the contents held by the state bank for the account of the customer.

3. If the contents are not claimed within two years after their removal from the safe deposit box, the state bank may proceed to sell so much of the contents as is necessary to pay the past due rentals and the expense incurred in opening the safe deposit box, replacement of the locks thereon and the sale of the contents. The sale shall be held at the time and place specified in a notice published prior to the sale once each week for two successive weeks in a newspaper of general circulation published in the municipal corporation or unincorporated area in which the state bank has its principal place of business, or if there is none, a newspaper of general circulation published in the county, or in a county adjoining the county, in which the state bank has its principal place of business. A copy of the notice so published shall be mailed to the customer at the customer's last known address as shown upon the records of the state bank. The notice shall contain the name of the customer and need only describe the contents of the safe deposit box in general terms. The contents of any number of safe deposit boxes may be sold under one notice of sale and the cost thereof apportioned ratably among the several safe deposit box customers involved. At the time and place designated in said notice the contents taken from each respective safe deposit box shall be sold separately to the highest bidder for cash and the proceeds of each sale applied to the rentals and expenses due to the state bank and the residue from any such sale shall be held by the state bank for the account of the customer or customers. Any amount so held as proceeds from such sale shall be credited with interest at the customary annual rate for savings accounts at said state bank, or in lieu thereof, at the customary rate of interest in the community where such proceeds are held. The crediting of interest shall not activate said account to avoid an abandonment as unclaimed property under chapter 556.

4. Notwithstanding any of the provisions of this section, shares, bonds, or other securities which, at the time of a sale pursuant to subsection 3 of this section, are listed on any established stock exchange in the United States, shall not be sold at public sale but may be sold through an established stock exchange. Upon the making of a sale of any such securities, an officer of the state bank shall execute and attach to the securities so sold an affidavit reciting facts showing that such securities were sold pursuant to this section and that the state bank has complied with the provisions of this section. The affidavit shall constitute sufficient authority to any corporation whose shares are so sold or to any registrar or transfer agent of such corporation to cancel the certificates of shares so sold and to issue a new certificate or certificates representing such shares to the purchaser thereof, and to any registrar, trustee, or transfer agent of registered bonds or other securities, to register any such bonds or other securities in the name of the purchaser thereof.

5. The proceeds of any sale made pursuant to this section, after the payment of any amounts with respect to which the state bank has a lien, any property which was not offered for sale and property which, although offered for sale, was not sold, shall be retained by the state bank until such time as the property is presumed abandoned according to the provisions of section 556.2, and shall thereafter be handled in accordance with the provisions of that chapter.

[C71, 73, 75, 77, 79, 81, §524.812]

95 Acts, ch 148, §86

Referred to in §524.108, 524.813

**524.813 Authority to receive property for safekeeping.**

1. A state bank may accept property for safekeeping if, except in the case of night depositories, it issues a receipt therefor. A state bank accepting property for safekeeping shall purchase and maintain reasonable insurance coverage to insure against loss incurred in

connection with the acceptance of property for safekeeping. Property held for safekeeping shall not be commingled with the property of the state bank or the property of others.

2. A state bank shall have a lien upon any property held for safekeeping for past due charges for safekeeping and for expenses incurred in any sale made pursuant to this subsection. If the charge for the safekeeping of property is not paid within six months from the day it is due, at any time thereafter and while such charge remains unpaid, the state bank may mail a notice to the customer at the customer's last known address as shown upon the records of the state bank, stating that if the amount due is not paid on or before a specified day, which shall be at least thirty days after the date of mailing such notice, the state bank will remove the property from safekeeping and hold the same for the account of the customer. After the expiration of the period specified in such notice, if the charge for safekeeping has not been paid, the state bank may remove the property from safekeeping, cause the property to be inventoried and hold the same for the account of the customer. If the property is not claimed within two years after its removal from safekeeping the state bank may proceed to sell so much thereof as is necessary to pay the charge which remains unpaid and the expense incurred in making the sale in the manner provided for in subsections 3 and 4 of section 524.812. The proceeds of any sale made pursuant to this section, after payment of any amounts with respect to which the state bank has a lien, any property which was not offered for sale and property which, although offered for sale, was not sold, shall be retained by the state bank until such time as the property is presumed abandoned according to the provisions of section 556.2, and shall thereafter be handled in accordance with the provisions of that chapter.

[C71, 73, 75, 77, 79, 81, §524.813]

Referred to in §524.811

**524.814 Loan or pledge of assets.**

Pursuant to a resolution of its board of directors, a state bank may lend or pledge its assets for the following purposes, and for no other purposes:

1. To secure deposits of the state bank or a bank that is an affiliate of the state bank when a customer is required to obtain such security, or a bank is required to provide security, by the laws of the United States, by any agency or instrumentality of the United States, by the laws of the state of Iowa or another state, by the state board of regents, by a resolution or ordinance relating to the issuance of bonds, by the terms of any interstate compact, or by order of any court of competent jurisdiction. The lending of securities to a bank that is an affiliate, or the pledging of securities for the account of a bank that is an affiliate, shall be on terms and conditions that are consistent with safe and sound banking practices.

2. To secure transactions to hedge risks associated with interest rate exposure, subject to the approval of the superintendent.

3. To secure money borrowed by the state bank, provided that capital notes or debentures issued pursuant to section 524.404 shall not in any event be secured by a pledge of assets or otherwise.

4. To secure participations sold to the federal agricultural mortgage corporation.

[S13, §1889-c; C24, 27, §9268; C31, 35, §9222-c2, 9222-c3, 9268; C39, §**9222.2, 9222.3, 9268;** C46, 50, 54, 58, 62, 66, §528.12, 528.13, 528.66; C71, 73, 75, 77, 79, 81, §524.814]

89 Acts, ch 257, §9; 2002 Acts, ch 1175, §92, 103; 2010 Acts, ch 1028, §10; 2010 Acts, ch 1189, §41

Referred to in §524.1601

**524.815 Deposits by a state bank.**

A state bank may deposit its funds in a depository which is selected by, or in a manner authorized by, the directors of a state bank and which is authorized by law to receive deposits and is subject to supervision by banking authorities of the United States or of any state, and, with the prior approval of the superintendent, in any other depository.

[C71, 73, 75, 77, 79, 81, §524.815]

**524.816 Account insurance.**

1. A bank organized under this chapter, as a condition of maintaining its privilege of

organization after July 1, 1984 shall become an insured bank and shall acquire and maintain insurance to protect each depositor against loss of funds held on account by the bank. The insurance shall be obtained from the federal deposit insurance corporation or another insurance plan approved by the superintendent, provided that each bank shall acquire deposit insurance from the appropriate agency of the federal government.

2. The superintendent may furnish to an official of an insurance plan by which the accounts of the bank are insured, any information relating to examinations and reports of the status of that bank for the purpose of determining availability of insurance to that bank.

84 Acts, ch 1196, §1; 91 Acts, ch 16, §1

**524.817** Repealed by 81 Acts, ch 173, § 11.

**524.818 Indebtedness of state bank.**

A state bank may borrow money or otherwise contract indebtedness for necessary expenses in managing and transacting its business, to maintain proper cash reserves, and for other corporate purposes, provided, however, the superintendent may prohibit or place restrictions upon money borrowed or other indebtedness which would, in the superintendent's judgment, constitute an unsafe or unsound practice in view of the condition and circumstances of the state bank. Nothing contained in this section shall limit the right of a state bank to issue capital notes or debentures pursuant and subject to the provisions of section 524.404.

[S13, §1889-j; C24, 27, 31, 35, 39, §**9297;** C46, 50, 54, 58, 62, 66, §532.14; C71, 73, 75, 77, 79, 81, §524.818]

**524.819 Clearing checks at par.**

Checks drawn on a state bank shall be cleared at par by the state bank on which they are drawn. This section shall not be applicable where checks are received by a bank as special collection items.

[C46, 50, 54, 58, 62, 66, §528.63; C71, 73, 75, 77, 79, 81, §524.819]

Referred to in §524.1601

**524.820 Money received for transmission.**

1. A state bank shall have power to receive money for transmission. Upon receiving money for transmission, a state bank shall give the customer a receipt setting forth the date of receipt of the money, the amount of the money in dollars and cents, and if the money is to be transmitted to a foreign country in the currency of such country, the amount of the money in such currency.

2. In an action by a customer against a state bank for recovery of money delivered for transmission, the burden of proof of delivery of the money in accordance with the instructions of the customer shall be on the state bank but an affidavit by an agent or depository of the state bank that the money was delivered in accordance with the instructions of the customer and a receipt for the money signed in the name of the recipient designated by the customer shall be prima facie evidence of the delivery of the money in accordance with the instructions of the customer.

[C71, 73, 75, 77, 79, 81, §524.820]

**524.821 Electronic transmission of funds — restrictions.**

1. A state bank may engage in any transaction incidental to the conduct of the business of banking and otherwise permitted by applicable law, by means of either the direct transmission of electronic impulses to or from customers and banks or the recording of electronic impulses or other indicia of a transaction for delayed transmission to a bank. Subject to the provisions of chapter 527, a state bank may utilize, establish or operate, alone or with one or more other banks, savings and loan associations incorporated under federal law, credit unions incorporated under the provisions of chapter 533 or federal law, corporations licensed under chapter 536A, or third parties, the satellite terminals permitted under chapter 527, by means of which customers and banks may transmit and receive electronic impulses constituting transactions pursuant to this section. However, such utilization, establishment, or operation

shall be lawful only when in compliance with chapter 527. Nothing in this section shall be construed as authority for any person to engage in transactions not otherwise permitted by applicable law, nor shall anything in this section be deemed to repeal, replace or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by any bank.

2. A state bank which offers its customers, or any of them, the opportunity to engage in transactions with or through the bank in the manner authorized by subsection 1 shall not require a customer to deal with or through the bank in that manner in lieu of writing checks in the usual manner upon a conventional checking account, and shall not impose any extraordinary charge upon customers who choose to write checks in the usual manner upon a conventional checking account maintained at that bank. The term *"extraordinary charge"*, as used in this subsection, is a charge in excess of a fair and reasonable charge, based upon the costs to the bank of providing and maintaining checking account services.

[C77, 79, 81, §524.821; 82 Acts, ch 1094, §1]
2012 Acts, ch 1017, §108

**524.822 through 524.824** Reserved.

**524.825 Securities activities.**

1. Subject to the prior approval of the superintendent and as authorized by rules adopted by the superintendent pursuant to chapter 17A, a state bank or a subsidiary of a state bank organized or acquired pursuant to section 524.802, subsection 12, may engage in directly, or may organize, acquire, or invest in a subsidiary for the purpose of engaging in securities activities and any aspect of the securities industry, including, but not limited to, any of the following:

*a.* Issuing, underwriting, selling, or distributing stocks, bonds, debentures, notes, interest in mutual funds or money-market-type mutual funds, or other securities.

*b.* Organizing, sponsoring, and operating one or more mutual funds.

*c.* Acting as a securities broker-dealer licensed under chapter 502. The business relating to securities shall be conducted through, and in the name of, the broker-dealer. The requirements of chapter 502 apply to any business of the broker-dealer transacted in this state.

2. A subsidiary engaging in activities authorized by this section may also engage in any other authorized activities under section 524.802, subsection 12.

87 Acts, ch 171, §14; 95 Acts, ch 148, §87; 2012 Acts, ch 1023, §157
Referred to in §524.802

## DIVISION IX

## INVESTMENT AND LENDING POWERS

**524.901 Investments.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Investment securities"* means marketable obligations in the form of bonds, notes, or debentures which have been publicly offered, are of sound value, or are secured so as to be readily marketable at a fair value, and are within the four highest grades according to a reputable rating service or represent unrated issues of equivalent value. *"Investment securities"* does not include investments which are predominately speculative in nature.

*b.* *"Shares"* means proprietary units of ownership of a corporation.

2. A state bank shall not invest for its own account more than fifteen percent of its aggregate capital in investment securities of any one obligor. The par value of the investment securities shall be used to determine the amount that may be invested under this subsection, and any premium paid by a state bank for any investment securities shall not be included in determining the amount that may be invested under this subsection.

3. Subject only to the exercise of prudent banking judgment, a state bank may invest for its own account without regard to the limitation provided in subsection 2 in any of the following:

*a.* Investment securities of the United States of which the payment of principal and interest is fully and unconditionally guaranteed by the United States.

*b.* Investment securities issued, insured, or guaranteed by a department or an agency of the United States government, provided that the securities, insurance, or guarantee commits the full faith and credit of the United States for the repayment of the securities.

*c.* Investment securities of the federal national mortgage association or the association's successor.

*d.* Investment securities of the federal home loan mortgage corporation or the corporation's successor.

*e.* Investment securities of the student loan marketing association or the association's successor.

*f.* Investment securities of a federal home loan bank.

*g.* Investment securities of a farm credit bank.

*h.* Investment securities representing general obligations of the state of Iowa or of political subdivisions of the state.

4. A state bank may invest without limit in the shares or units of investment companies or investment trusts registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, the portfolio of which is limited to United States investment securities described in subsection 3 or repurchase agreements fully collateralized by United States investment securities described in subsection 3, if delivery of the collateral is taken either directly or through an authorized custodian and the dollar-weighted average maturity of the portfolio is not more than five years. All other investments by a state bank in the shares or units of investment companies or investment trusts registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, whose portfolios exclusively contain investment securities permissible pursuant to subsections 2 and 3, shall not exceed fifteen percent of the state bank's aggregate capital.

5. To the extent necessary to meet minimum membership or participation criteria, a state bank may invest for its own account in the shares of the appropriate federal reserve bank, the appropriate federal home loan bank, the federal national agricultural mortgage corporation or corporations engaged solely in the pooling of agricultural loans for federal agricultural mortgage corporation guarantees, and other similar investments acceptable to the superintendent and approved in writing by the superintendent. The bank's investment in the shares of each of the organizations is limited to fifteen percent of its aggregate capital or a higher amount as approved by the superintendent. Notwithstanding the specific requirements of this section, any shares of government-sponsored entities held by a state bank on or before July 1, 1995, shall be authorized.

6. A state bank, upon the approval of the superintendent, may acquire and hold the shares of any corporation which a state bank is authorized to acquire and hold pursuant to this chapter.

7. *a.* A state bank, upon the approval of the superintendent, may invest up to five percent of its aggregate capital in the shares or equity interests of any of the following:

(1) Economic development corporations organized under chapter 496B to the extent authorized by and subject to the limitations of that chapter.

(2) Community development corporations or community development projects to the same extent a national bank may invest in such corporations or projects pursuant to 12 U.S.C. § 24.

(3) Small business investment companies as defined by the laws of the United States.

(4) Venture capital funds which invest an amount equal to at least fifty percent of a state bank's investment in small businesses having their principal offices within this state and having either more than one-half of their assets within this state or more than one-half of their employees employed within this state.

(5) Small businesses having a principal office within this state and having either more than one-half of their assets within this state or more than one-half of their employees employed within this state. An investment by a state bank in a small business under this subparagraph

shall be included with the obligations of the small business to the state bank that are incurred as a result of the exercise by the state bank of the powers conferred in section 524.902 for the purpose of determining the total obligations of the small business pursuant to section 524.904. A state bank's equity interest investment in a small business, pursuant to this subparagraph, shall not exceed a twenty percent ownership interest in the small business.

(6) Other entities, acceptable to the superintendent, whose sole purpose is to promote economic or civic developments within a community or this state.

*b.* A state bank's total investment in any combination of the shares or equity interests of the entities identified in paragraph *"a"*, subparagraphs (1) through (6) shall be limited to fifteen percent of its aggregate capital.

*c.* For purposes of this subsection:

(1) The term *"equity interests"* means limited partnership interests and other equity interests in which liability is limited to the amount of the investment, but does not mean general partnership interests or other interests involving general liability.

(2) The term *"small business"* means a corporation, partnership, proprietorship, or other entity which meets the appropriate United States small business administration definition of small business and which is principally engaged in the development or exploitation of inventions, technological improvements, new processes, or other products not previously generally available in this state, or other investments which provide an economic benefit to the state.

(3) The term *"venture capital fund"* means a corporation, partnership, proprietorship, or other entity whose principal business is or will be the making of investments in, and the providing of significant managerial assistance to, small businesses.

8. A state bank, in the exercise of the powers granted in this chapter, may purchase cash value life insurance contracts which may include provisions for the lump sum payment of premiums and which may include insurance against the loss of the lump sum payment. The cash value life insurance contracts purchased from any one company shall not exceed fifteen percent of aggregate capital of the state bank, and in the aggregate from all companies, shall not exceed twenty-five percent of aggregate capital of the state bank unless the state bank has obtained the approval of the superintendent prior to the purchase of any cash value life insurance contract in excess of this limitation.

9. A state bank may invest without limitation for its own account in futures, forward, and standby contracts to purchase and sell any of the instruments a state bank is authorized to purchase and sell, subject to the prior approval of the superintendent and pursuant to applicable federal laws and regulations governing such contracts. Purchase and sale of such contracts shall be conducted in accordance with safe and sound banking practices and with the level of the activity being reasonably related to the state bank's business needs and capacity to fulfill its obligations under the contracts.

[C97, §1844, 1850; S13, §1850; SS15, §1889-o; C24, 27, 31, 35, 39, §**9162, 9183, 9269, 9271;** C46, 50, 54, 58, 62, 66, §526.7, 526.25, 528.15, 528.67, 528.70; C71, 73, 75, 77, 79, 81, §524.901; 81 Acts, ch 173, §10; 82 Acts, ch 1017, §1, 2]

83 Acts, ch 124, §14, 15; 83 Acts, ch 152, §1; 85 Acts, ch 136, §3; 85 Acts, ch 252, §35; 87 Acts, ch 171, §15 – 19; 88 Acts, ch 1075, §1; 89 Acts, ch 49, §1; 89 Acts, ch 257, §10 – 15; 91 Acts, ch 220, §5, 6; 94 Acts, ch 1140, §1, 2; 95 Acts, ch 148, §88; 2010 Acts, ch 1028, §11; 2012 Acts, ch 1023, §135

Referred to in §12C.22, 524.904, 524.907, 524.1002, 524.1602, 536A.25

**524.902 General lending powers of a state bank.**

1. A state bank may, subject to any applicable restrictions under other provisions of this chapter, loan money, extend credit and discount or purchase evidences of indebtedness and agreements for the payment of money.

2. Nothing in this chapter is deemed to permit a state bank to purchase a vendee's interest

in a real property sales contract, provided, however, that a state bank may loan or extend credit on the security of such an interest.

[C97, §1844, 1850, 1870; S13, §1850; SS15, §1870; C24, 27, 31, 35, 39, §**9162, 9184, 9223;** C46, 50, 54, 58, 62, 66, §526.7, 526.29, 528.14; C71, 73, 75, 77, 79, 81, §524.902]

92 Acts, ch 1161, §3

Referred to in §524.901

**524.903 Purchase and sale of drafts and bills of exchange.**

1. A state bank shall have power to accept drafts drawn upon it having not more than six months after sight to run, exclusive of days of grace:

*a.* Which grow out of transactions involving the importation or exportation of goods.

*b.* Which grow out of transactions involving the domestic shipment of goods, provided documents of title are attached thereto at the time of acceptance.

*c.* In which a security interest is perfected at the time of acceptance covering readily marketable staples.

2. A state bank shall not accept such drafts in an amount which exceeds at any time in the aggregate for all drawers thirty percent of the state bank's aggregate capital.

3. A state bank may accept drafts, having not more than three months after sight to run, drawn upon it by banks or bankers in foreign countries, or in dependencies or insular possessions of the United States, for the purpose of furnishing dollar exchange as required by the usages of trade where the drafts are drawn in an aggregate amount which shall not at any time exceed for all such acceptance on behalf of a single bank or banker seven and one-half percent of the state bank's aggregate capital, and for all such acceptances, thirty percent of the state bank's aggregate capital.

[C24, 27, 31, 35, 39, §**9272, 9273, 9274;** C46, 50, 54, 58, 62, 66, §528.71, 528.72, 528.73; C71, 73, 75, 77, 79, 81, §524.903]

95 Acts, ch 148, §89; 2004 Acts, ch 1141, §24

Referred to in §524.904, 524.1602

**524.904 Loans and extensions of credit to one borrower.**

1. For purposes of this section, *"loans and extensions of credit"* means a state bank's direct or indirect advance of funds to a borrower based on an obligation of that borrower to repay the funds or repayable from specific property pledged by the borrower and shall include:

*a.* A contractual commitment to advance funds, as defined in section 524.103.

*b.* A maker or endorser's obligation arising from a state bank's discount of commercial paper.

*c.* A state bank's purchase of securities subject to an agreement that the seller will repurchase the securities at the end of a stated period.

*d.* A state bank's purchase of third-party paper subject to an agreement that the seller will repurchase the paper upon default or at the end of a stated period. The amount of the state bank's loan is the total unpaid balance of the paper owned by the state bank less any applicable dealer reserves retained by the state bank and held by the state bank as collateral security. Where the seller's obligation to repurchase is limited, the state bank's loan is measured by the total amount of the paper the seller may ultimately be obligated to repurchase. A state bank's purchase of third-party paper without direct or indirect recourse to the seller is not a loan or extension of credit to the seller.

*e.* An overdraft.

*f.* Amounts paid against uncollected funds.

*g.* Loans or extensions of credit that have been charged off the books of the state bank in whole or in part, unless the loan or extension of credit has become unenforceable by reason of discharge in bankruptcy; or is no longer legally enforceable because of expiration of the statute of limitations or a judicial decision; or forgiven under an executed written agreement by the state bank and the borrower.

*h.* The aggregate rentals payable by the borrower under leases of personal property by the state bank as lessor.

*i.* Loans and extensions of credit to one borrower consisting of investments in which the state bank has invested pursuant to section 524.901.

*j.* Amounts invested by a state bank for its own account in the shares and obligations of a corporation which is a customer of the state bank.

*k.* All other loans and extensions of credit to one borrower of the state bank not otherwise excluded by subsection 7, whether directly or indirectly, primarily or secondarily.

2. A state bank may grant loans and extensions of credit to one borrower in an amount not to exceed fifteen percent of the state bank's aggregate capital as defined in section 524.103, unless the additional lending provisions described in subsection 3 or 4 apply.

3. A state bank may grant loans and extensions of credit to one borrower in an amount not to exceed twenty-five percent of the state bank's aggregate capital if any amount that exceeds the lending limitation described in subsection 2 is fully secured by one or any combination of the following:

*a.* Nonnegotiable bills of lading, warehouse receipts, or other documents transferring or securing title covering readily marketable nonperishable staples when such goods are covered by insurance to the extent that insuring the goods is customary, and when the market value of the goods is not at any time less than one hundred twenty percent of the amount of the loans and extensions of credit.

*b.* Nonnegotiable bills of lading, warehouse receipts, or other documents transferring or securing title covering readily marketable refrigerated or frozen staples when such goods are fully covered by insurance and when the market value of the goods is not at any time less than one hundred twenty percent of the amount of the loans and extensions of credit.

*c.* Shipping documents or instruments that secure title to or give a first lien on livestock. At inception, the current value of the livestock securing the loans must equal at least one hundred percent of the amount of the outstanding loans and extensions of credit. For purposes of this section, *"livestock"* includes dairy and beef cattle, hogs, sheep, and poultry, whether or not held for resale. For livestock held for resale, current value means the price listed for livestock in a regularly published listing or actual purchase price established by invoice. For livestock not held for resale, the value shall be determined by the local slaughter price. The state bank must maintain in its files evidence of purchase or an inspection and valuation for the livestock pledged that is reasonably current, taking into account the nature and frequency of turnover of the livestock to which the documents relate.

*d.* Mortgages, deeds of trust, or similar instruments granting a first lien on farmland or on single-family or two-family residences, subject to the provisions of section 524.905, provided the amount loaned shall not exceed fifty percent of the appraised value of such real property.

*e.* With the prior approval of the superintendent, other readily marketable collateral. The market value of the collateral securing the loans must at all times equal at least one hundred percent of the outstanding loans and extensions of credit.

4. A state bank may grant loans and extensions of credit to one borrower not to exceed thirty-five percent of the state bank's aggregate capital if any amount that exceeds the lending limitations described in subsection 2 or 3 consists of obligations as endorser of negotiable chattel paper negotiated by endorsement with recourse, or as unconditional guarantor of nonnegotiable chattel paper, or as transferor of chattel paper endorsed without recourse subject to a repurchase agreement.

5. *a.* A state bank may grant loans and extensions of credit to a borrowing group in an amount not to exceed twenty-five percent of the state bank's aggregate capital if all loans and extensions of credit to any one borrower within a borrowing group conform to subsection 2 or 3, and the financial strength, assets, guarantee, or endorsement of any one borrowing group member is not relied upon as a basis for loans and extensions of credit to any other borrowing group member. A state bank may grant loans and extensions of credit to a borrowing group in an amount not to exceed thirty-five percent of aggregate capital if all loans and extensions of credit to any one borrower within a borrowing group conform to subsection 2, 3, or 4, and the financial strength, assets, guarantee, or endorsement of any one borrowing group member is not relied upon as a basis for loans and extensions of credit to any other borrowing group member. While not to be construed as an endorsement of the quality of any loan or extension of credit, the superintendent may authorize a state bank to grant loans and extensions of

credit to a borrowing group in an amount not to exceed fifty percent of aggregate capital if all loans and extensions of credit to any one borrower within a borrowing group conform to subsection 2 or 3, and the financial strength, assets, guarantee, or endorsement of any one borrowing group member is not relied upon as a basis for loans and extensions of credit to any other borrowing group member.

*b.* For the purposes of this subsection, a borrowing group includes a person and any legal entity, including but not limited to corporations, limited liability companies, partnerships, trusts, and associations where the following exist:

(1) One or more persons own or control fifty percent or more of the voting securities or membership interests of the borrowing entity or a member of the group.

(2) One or more persons control, in any manner, the election of a majority of the directors, managers, trustees, or other persons exercising similar functions of the borrowing entity or a member of the group.

(3) One or more persons have the power to vote fifty percent or more of any class of voting securities or membership interests of the borrowing entity or a member of the group.

*c.* To demonstrate compliance with this subsection, a state bank shall maintain in its files, at a minimum, all of the following:

(1) Documentation demonstrating the current ownership of the borrowing entity.

(2) Documentation identifying the persons who have voting rights in the borrowing entity.

(3) Documentation identifying the board of directors and senior management of the borrowing entity.

(4) The state bank's assessment of the borrowing entity's means of servicing the loan or extension of credit, including specific reasons in support of that assessment. The assessment shall include an analysis of the borrowing entity's financial history, its present and projected economic and financial performance, and the significance of any financial support provided to the borrowing entity by members of the borrowing group and third parties.

6. For purposes of this section:

*a.* Loans and extensions of credit to one person will be attributed to another person and will be considered one borrower if either of the following apply:

(1) The proceeds, or assets purchased with the proceeds, benefit another person, other than a bona fide arm's length transaction where the proceeds are used to acquire property, goods, or services.

(2) The expected source of repayment for each loan or extension of credit is the same for each borrower and no borrower has another source of income from which the loan may be fully repaid.

*b.* Loans and extensions of credit to a partnership, joint venture, or association are deemed to be loans and extensions of credit to each member of the partnership, joint venture, or association. This provision does not apply to limited partners in limited partnerships or to members of joint ventures or associations if the partners or members, by the terms of the partnership or membership agreement or other written agreement, are not to be held generally liable for the debts or actions of the partnership, joint venture, or association, and those provisions are valid under applicable law.

*c.* Loans and extensions of credit to members of a partnership, joint venture, or association are not attributed to the partnership, joint venture, or association unless loans and extensions of credit are made to the member to purchase an interest in the partnership, joint venture, or association, or the proceeds are used for a common purpose with the proceeds of loans and extensions of credit to the partnership, joint venture, or association.

*d.* Loans and extensions of credit to one borrower which are endorsed or guaranteed by another borrower will not be combined with loans and extensions of credit to the endorser or guarantor unless the endorsement or guaranty is relied upon as a basis for the loans and extensions of credit. A state bank shall not be deemed to have violated this section if the endorsement or guaranty is relied upon after inception of loans and extensions of credit, but the state bank shall, if required by the superintendent, dispose of loans and extensions of credit to one borrower in the amount in excess of the limitations of this section within a reasonable time as fixed by the superintendent.

*e.* When the superintendent determines the interests of a group of more than one

borrower, or any combination of the members of the group, are so interrelated that they should be considered a unit for the purpose of applying the limitations of this section, some or all loans and extensions of credit to that group of borrowers existing at any time shall be combined and deemed loans and extensions of credit to one borrower. A state bank shall not be deemed to have violated this section solely by reason of the fact that loans and extensions of credit to a group of borrowers exceed the limitations of this section at the time of a determination by the superintendent that the indebtedness of that group must be combined, but the state bank shall, if required by the superintendent, dispose of loans and extensions of credit to the group in the amount in excess of the limitations of this section within a reasonable time as fixed by the superintendent.

7. Total loans and extensions of credit to one borrower for the purpose of applying the limitations of this section shall not include any of the following:

*a.* Additional funds advanced for taxes or for insurance if the advance is for the protection of the state bank.

*b.* Accrued and discounted interest on existing loans or extensions of credit.

*c.* Any portion of a loan or extension of credit sold as a participation by a state bank on a nonrecourse basis, provided that the participation results in a pro rata sharing of credit risk proportionate to the respective interests of the originating and participating lenders. Where a participation agreement provides that repayment must be applied first to the portions sold, a pro rata sharing will be deemed to exist only if the agreement also provides that in the event of a default or comparable event defined in the agreement, participants must share in all subsequent repayments and collections in proportion to their percentage participation at the time of the occurrence of the event. If an originating state bank funds the entire loan, it must receive funding from the participants on the same day or the portions funded will be treated as loans by the originating state bank to the borrower.

*d.* Loans and extensions of credit to one borrower to the extent secured by a segregated deposit account which the state bank may lawfully set off. An amount held in a segregated deposit account in the name of more than one customer shall be counted only once with respect to all borrowers. Where the deposit is eligible for withdrawal before the secured loan matures, the state bank must establish internal procedures to prevent release of the security without the state bank's prior consent.

*e.* Loans and extensions of credit to one borrower which is a bank.

*f.* Loans and extensions of credit to one borrower which are fully secured by bonds and securities of the kind in which a state bank is authorized to invest for its own account without limitation under section 524.901, subsection 3.

*g.* Loans and extensions of credit to a federal reserve bank or to the United States, or of any department, bureau, board, commission, agency, or establishment of the United States, or to any corporation owned directly or indirectly by the United States, or loans and extensions of credit to one borrower to the extent that such loans and extensions of credit are fully secured or guaranteed or covered by unconditional commitments or agreements to purchase by a federal reserve bank or by the United States, or any department, bureau, board, commission, agency, or establishment of the United States, or any corporation owned directly or indirectly by the United States. Loans and extensions of credit to one borrower secured by a lease on property under the terms of which the United States, or any department, bureau, board, commission, agency, or establishment of the United States, or any corporation owned directly or indirectly by the United States, or the state of Iowa, or any political subdivision of the state, is lessee and under the terms of which the aggregate rentals payable to the borrower will be sufficient to satisfy the amount loaned are considered to be loans and extensions of credit secured or guaranteed as provided for in this paragraph.

*h.* Loans and extensions of credit to one borrower as the drawer of drafts drawn in good faith against actually existing values in connection with a sale of goods which have been endorsed by the borrower with recourse or which have been accepted.

*i.* Loans and extensions of credit arising out of the discount of commercial paper actually owned by a borrower negotiating the same and endorsed by a borrower without recourse and which is not subject to repurchase by a borrower.

*j.* Loans and extensions of credit drawn by a borrower in good faith against actually existing values and secured by nonnegotiable bills of lading for goods in process of shipment.

*k.* Loans and extensions of credit in the form of acceptances of other banks of the kind described in section 524.903, subsection 3.

*l.* Loans and extensions of credit of the borrower by reason of acceptances by the state bank for the account of the borrower pursuant to section 524.903, subsection 1.

*m.* A renewal or restructuring of a loan as a new loan or extension of credit following the exercise by a state bank of reasonable efforts, consistent with safe and sound banking practices, to bring the loan into conformance with the lending limit, unless new funds are advanced by the state bank to the borrower or unless a new borrower replaces the original borrower or unless the superintendent determines that the renewal or restructuring was undertaken as a means to evade the state bank's lending limit.

[C97, §1870; SS15, §1870; C24, 27, 31, 35, 39, §**9223;** C46, 50, 54, 58, 62, 66, §528.14, 528.15; C71, 73, 75, 77, 79, 81, §524.904; 81 Acts, ch 173, §4]

89 Acts, ch 257, §16; 95 Acts, ch 148, §90; 96 Acts, ch 1056, §10; 99 Acts, ch 6, §2; 2004 Acts, ch 1141, §25; 2011 Acts, ch 102, §3, 4, 10; 2012 Acts, ch 1021, §102 – 104; 2013 Acts, ch 5, §2; 2013 Acts, ch 30, §129, 130

Referred to in §524.103, 524.612, 524.613, 524.706, 524.710, 524.901, 524.907, 524.1602

Subsection 5, paragraph b, subparagraph (1) stricken and former subparagraphs (2) through (4) amended and renumbered as (1) – (3)

Subsection 7, paragraph g amended

**524.905 Loans on real property.**

1. *Rules for loans.* A state bank may make permanent loans, construction loans, or combined construction and permanent loans, secured by liens on real property, as authorized by rules adopted by the superintendent under chapter 17A. The rules shall include provisions as necessary to ensure the safety and soundness of these loans, and to ensure full and fair disclosure to borrowers of the effects of provisions in agreements for these loans, including provisions permitting change or adjustment of any terms of a loan, provisions permitting, requiring, or prohibiting repayment of a loan on a basis other than of equal periodic installments of interest plus principal over a fixed term, provisions imposing penalties for the borrower's noncompliance with requirements of a loan agreement, or provisions allowing or requiring a borrower to choose from alternative courses of action at any time during the effectiveness of a loan agreement.

2. *Protective payments — escrow accounts.* A bank may include in the loan documents signed by the borrower a provision requiring the borrower to pay the bank each month in addition to interest and principal under the note an amount equal to one-twelfth of the estimated annual real estate taxes, special assessments, hazard insurance premium, mortgage insurance premium, or any other payment agreed to by the borrower and the bank in order to better secure the loan. The bank shall be deemed to be acting in a fiduciary capacity with respect to these funds. A bank receiving funds in escrow pursuant to an escrow agreement executed on or after July 1, 1982 in connection with a loan as defined in section 535.8, subsection 1, shall pay interest to the borrower on those funds, calculated on a daily basis, at the rate the bank pays to depositors of funds in ordinary savings accounts. A bank which maintains an escrow account in connection with any loan authorized by this section, whether or not the mortgage has been assigned to a third person, shall each year deliver to the mortgagor a written annual accounting of all transactions made with respect to the loan and escrow account.

3. *Escrow reports.* A state bank may act as an escrow agent with respect to real property, and may receive funds and make disbursements from escrowed funds in that capacity. The state bank shall be deemed to be acting in a fiduciary capacity with respect to these funds. A bank which maintains such an escrow account, whether or not the mortgage has been assigned to a third person, shall deliver to the mortgagor a written summary of all transactions made with respect to the loan and escrow accounts during each calendar year. However, the mortgagor and mortgagee may, by mutual agreement, select a fiscal year reporting period other than the calendar year. The summary shall be delivered or mailed not later than thirty days following the year to which disclosure relates. The summary shall contain all of the following information:

*a.* The name and address of the mortgagee.
*b.* The name and address of the mortgagor.
*c.* A summary of escrow account activity during the year as follows:
(1) The balance of the escrow account at the beginning of the year.
(2) The aggregate amount of deposits to the escrow account during the year.
(3) The aggregate amount of withdrawals from the escrow account for each of the following categories:
(a) Payments against loan principal.
(b) Payments against interest.
(c) Payments against real estate taxes.
(d) Payments for real property insurance premiums.
(e) All other withdrawals.
(4) The balance of the escrow account at the end of the year.
*d.* A summary of loan principal for the year as follows:
(1) The amount of principal outstanding at the beginning of the year.
(2) The aggregate amount of payments against principal during the year.
(3) The amount of principal outstanding at the end of the year.
4. *Marketability reports.* If the bank obtains a report or opinion by an attorney or from another mortgage lender relating to defects in or liens or encumbrances on the title of real property, the unmarketability of the title to real property, or the invalidity or unenforceability of liens or encumbrances upon real property, the bank shall provide a copy of the report or opinion to the mortgagor and the mortgagor's attorney.
[C97, §1850; S13, §1850; C24, 27, 31, §9183, 9185, 9186; C35, §9183, 9183-g1, 9185, 9186; C39, §**9183, 9183.1, 9185, 9186;** C46, 50, 54, 58, 62, 66, §526.25, 526.26, 526.30, 526.31; C71, 73, 75, 77, 79, S79, §524.905; C81, §524.905, 535B.1 – 535B.14; 81 Acts, ch 173, §5, ch 174, §1, 7; 82 Acts, ch 1253, §2, 43]
83 Acts, ch 124, §16
Referred to in §524.706, 524.904, 524.907, 524.1602, 535B.11, 536A.20
Court action required for termination of installment contract, foreclosure of mortgage, or repossession of property during military service; application for relief respecting obligation or liability incurred prior to military service; §29A.102, 29A.103, 29A.104, 29A.105

**524.906** Repealed by 89 Acts, ch 257, § 33.

**524.907 Participations.**
A state bank may purchase and may sell, subject to the provisions of sections 524.901, 524.904, and 524.905, and to such regulations as the superintendent may prescribe, participations in one or more evidences of indebtedness and agreements for the payment of money, and pools of bonds, securities, evidences of indebtedness and agreements for the payment of money.
[C71, 73, 75, 77, 79, 81, §524.907]
89 Acts, ch 257, §17
Referred to in §524.1602

**524.908 Leasing of personal property.**
A state bank may make leases as authorized by rules adopted by the superintendent under chapter 17A.
[C71, 73, 75, 77, 79, 81, §524.908]
95 Acts, ch 148, §91

**524.909 Loans and investments by officer.**
No loan or investment shall be made from the funds of any state bank, directly or indirectly, except by an officer of the state bank who is authorized to do so by the board of directors.
[C97, §1869; S13, §1869; C24, 27, §9220; C31, 35, §9220, 9221-c3; C39, §**9220, 9221.3;** C46, 50, 54, 58, 62, 66, §528.6, 528.10; C71, 73, 75, 77, 79, 81, §524.909]

**524.910 Property acquired to satisfy debts previously contracted.**

A state bank may acquire property of any kind to secure, protect or satisfy a loan or investment previously made in good faith. Property acquired pursuant to this section shall be held and disposed of subject to the following conditions and limitations:

1. Shares in a corporation and other personal property, the acquisition of which is not otherwise authorized by this chapter, shall be sold or otherwise disposed of within six months unless the time is extended by the superintendent.

2. Real property purchased by a state bank at sales upon foreclosure of mortgages or deeds of trust owned by it, or acquired upon judgments or decrees obtained or rendered for debts due it, or real property conveyed to it in satisfaction of debts previously contracted in the course of its business, or real property obtained by it through redemption as a junior mortgagee or judgment creditor, shall be sold or otherwise disposed of by the state bank within five years after title is vested in the state bank, unless the time is extended by the superintendent.

[C97, §1851; C24, 27, 31, 35, 39, §**9190;** C46, 50, 54, 58, 62, 66, §526.34; C71, 73, 75, 77, 79, 81, §524.910]

85 Acts, ch 252, §34; 90 Acts, ch 1245, §1; 92 Acts, ch 1161, §4

**524.911 Letters of credit.**

A state bank shall have the power to issue, advise and confirm letters of credit authorizing a beneficiary thereof to draw on or demand payment of the state bank or its correspondent banks.

[C71, 73, 75, 77, 79, 81, §524.911]

**524.912 Customer shall be free to obtain own insurance and loan.**

In any case in which any kind of insurance is required by the state bank as a condition for lending money or in connection with any other transaction, the customer shall be free to obtain such insurance from a source of the customer's selection. In the case of a sale of shares of stock, bonds, or other securities, or real property by an officer or employee, which is authorized by the board of directors of a state bank in the manner provided for in section 524.710, subsection 1, paragraph *"b"*, the purchaser shall be free to obtain a loan for the purchase of such stock, bonds, or other securities, or real property from a lender of the purchaser's selection.

[C71, 73, 75, 77, 79, 81, §524.912]

98 Acts, ch 1036, §1

**524.913 Consumer loans.**

1. The provisions of the Iowa consumer credit code, chapter 537, shall apply to consumer loans made by a bank, and provisions of that code shall supersede any conflicting provision of this chapter with respect to consumer loans.

2. This section shall not apply to a consumer loan which is a real property improvement loan insured wholly or in part by the federal housing administration of the United States.

3. Notwithstanding subsection 1, a state bank may offer voluntary debt cancellation coverage, whether insurance or debt waiver, to consumers. The amount charged for the coverage shall be included in the amount financed, as defined in section 537.1301. However, the charge for such coverage may be excluded from the finance charge under the federal Truth in Lending Act as defined in section 537.1302.

[C75, 77, 79, 81, §524.913]

2003 Acts, ch 44, §114; 2006 Acts, ch 1039, §1

## DIVISION X

## FIDUCIARY POWERS

Referred to in §633.203

**524.1001 Power to act as fiduciary.**

When approving a proposed state bank, or at any time subsequent thereto upon amendment of its articles of incorporation, the superintendent may authorize a state bank to act in a fiduciary capacity. In determining whether the superintendent shall authorize a state bank to act in a fiduciary capacity, the superintendent may consider any of the relevant criteria referred to in section 524.305, and other appropriate facts and circumstances. In any fiduciary capacity in which a state bank may act pursuant to this section, it shall have all the rights and duties which an individual has in such capacity under applicable law and under the terms upon which the state bank is designated to act in such capacity. In authorizing a state bank to act in a fiduciary capacity, the superintendent may limit such authorization to such capacities as the superintendent deems appropriate.

[S13, §1889-g; SS15, §1889-d; C24, 27, 31, 35, 39, §**9284, 9291;** C46, 50, 54, 58, 62, 66, §532.1, 532.8; C71, 73, 75, 77, 79, 81, §524.1001]

Referred to in §633.63

**524.1002 Actions required, permitted or prohibited in a fiduciary capacity.**

The following rules shall be applicable to a state bank acting in the capacity of fiduciary:

1. A state bank shall segregate from its assets all property held as fiduciary, other than items in the course of collection, and shall keep separate records of all such property for each account for which such property is held.

2. Funds of a fiduciary account may be deposited in the state bank which is acting as fiduciary, either as demand deposits, savings deposits or time deposits having a single or multiple maturity.

3. A state bank may provide any oath or affidavit required of the state bank as fiduciary through an officer acting on behalf of the state bank.

4. A state bank shall not make a loan or extension of credit of any funds held as fiduciary, directly or indirectly, to or for the benefit of a director, officer or employee of the state bank or of an affiliate, a partnership or other unincorporated association of which such director, officer or employee is a partner or member, or a corporation in which such officer, director or employee has a controlling interest, except a loan specifically authorized by the terms upon which the state bank was designated as fiduciary.

5. Unless otherwise authorized by the instrument creating the relationship, court order, or the laws of this state, a state bank, as fiduciary, shall not, directly or indirectly, sell any asset to the state bank for its own account, or to an officer, director, or employee, nor purchase from the state bank, or an officer, director, or employee, any asset or any security issued by the state bank except, in the case of a state bank, any of the following:

*a.* Investments in which a state bank may invest without limitation pursuant to section 524.901, subsection 3.

*b.* Assets purchased by the state bank pursuant to an agreement whereby the state bank is bound to sell, and the state bank as fiduciary is bound to buy, at a date not more than one year from the date of acquisition by the state bank, such assets at a price agreed upon at the time of acquisition by the state bank.

*c.* Any asset sold to the state bank for its own account or purchased in a fiduciary capacity from the state bank with the prior approval of the superintendent.

[S13, §1889-f; C24, 27, 31, 35, 39, §**9290;** C46, 50, 54, 58, 62, 66, §532.7; C71, 73, 75, 77, 79, 81, §524.1002]

98 Acts, ch 1036, §2

Referred to in §524.1601

**524.1003 Removal of fiduciary powers.**

If the superintendent at any time concludes that a state bank authorized to act in a fiduciary capacity is managing its accounts in an unsafe or unsound manner, or in a manner in conflict

with the provisions of this chapter, and such state bank refuses to correct such practices upon notice to do so, the superintendent may forthwith direct that the state bank cease to act as a fiduciary and proceed to resign its fiduciary positions.

In such event the superintendent shall cause to be filed a petition in the district court in which the state bank has its principal place of business setting forth in general terms that the state bank is acting as fiduciary with respect to certain property and that it is necessary and desirable that successor fiduciaries be appointed. Upon the filing of the petition the court shall enter an order requiring all persons interested in all such fiduciary accounts to designate and take all necessary measures to appoint a successor fiduciary within a time to be fixed by the order, or to show cause why a successor fiduciary should not be appointed by the court. The court shall also direct the state bank to mail a copy of the order to each living settlor and each person known by the state bank to have a beneficial interest in the fiduciary accounts with respect to which the state bank is fiduciary and with respect to which it is being asked to resign its position. Such notice shall be mailed to the last known address of each such settlor and person having a beneficial interest as shown by the records of the state bank. The court may also order publication of such order to the extent that it deems necessary to protect the interests of absent or remote beneficiaries.

In any fiduciary account where those interested therein fail to cause a successor fiduciary to be appointed prior to the time fixed in such order, the court shall appoint a successor fiduciary. A successor fiduciary appointed in accordance with the terms of this section shall succeed to all the rights, powers, titles, duties and responsibilities of the state bank, except that the successor fiduciary shall not exercise powers given in the instrument creating the powers that by its express terms are personal to the fiduciary therein designated and except claims or liabilities arising out of the management of the fiduciary account prior to the date of the transfer.

[C39, §**9283.38;** C46, 50, 54, 58, 62, 66, §528.123; C71, 73, 75, 77, 79, 81, §524.1003]

Referred to in §524.1004

**524.1004 Voluntary relinquishment of fiduciary capacity.**

A state bank desiring to surrender its authorization to act in a fiduciary capacity, in order to relieve itself of the necessity of complying with the requirements attendant to such capacity, shall file with the superintendent a certified copy of a resolution signifying such intent. In such event the state bank shall cause to be filed a petition in the district court in which the state bank has its principal place of business setting forth in general terms that the state bank is acting as fiduciary with respect to certain property and that it desires to cease its fiduciary function and resign its fiduciary positions. Upon the filing of the petition the relinquishment of fiduciary capacity and the appointment of a successor fiduciary or fiduciaries shall be handled in the same manner and with the same effect as provided for in section 524.1003, dealing with the removal of fiduciary powers.

After compliance with this section the state bank shall proceed to amend its articles of incorporation, in accordance with the provisions of this chapter, in a manner to indicate that it is no longer authorized to act in a fiduciary capacity. The superintendent shall approve the proposed amendment, in the manner provided for in this chapter, if the superintendent is satisfied that the state bank has properly relieved itself of its fiduciary responsibilities.

[S13, §1889-h; C24, 27, 31, 35, 39, §**9292;** C46, 50, 54, 58, 62, 66, §532.9; C71, 73, 75, 77, 79, 81, §524.1004]

**524.1005 Trust companies operating on January 1, 1970.**

1. A trust company existing and operating on January 1, 1970 and which was authorized to act only as a trust company may continue to act only in a fiduciary capacity according to the terms of its articles of incorporation. The articles of incorporation of the trust company may be renewed in perpetuity. When applicable, this chapter applies to the operations of the trust company. Section 524.107, subsection 2, regarding the use of the word "trust" does not apply to a trust company subject to this section.

2. Notwithstanding subsection 1, a trust company shall have the power to do all of the following:

*a.* Acquire and hold, or lease as lessee, such personal property as is used, or is to be used, in its operations.

*b.* Subject to the prior approval of the superintendent, acquire and hold, or lease as lessee, only such real property as is used, or is to be used, wholly or substantially, in its operations or acquired for future use.

*c.* Subject to the prior approval of the superintendent, acquire and hold shares of a corporation engaged solely in holding and operating real property used wholly or substantially by the trust company in its operation or acquired for its future use.

*d.* Subject to the prior approval of the superintendent, acquire and hold shares of a corporation organized to perform, or performing, functions or activities that may be performed by a trust company, including activities of a fiduciary, agency, or custodial nature, in the manner authorized by federal or state law, as long as the corporation is not a bank and does not make loans and investments or accept deposits other than the following permitted deposits:

(1) Deposits that are generated from trust funds not currently invested and that are properly secured to the extent required by law.

(2) Deposits representing funds received for a special use in the capacity of managing agent or custodian for an owner of, or investor in, real property, securities, or other personal property; or for such owner or investor as agent or custodian of funds held for investment or as escrow agent; or for an issuer of, or broker or dealer in securities, in a capacity such as a paying agent, dividend disbursing agent, or securities clearing agent. However, such deposits shall not be employed by or for the account of the customer in the manner of a general purpose checking account or interest-bearing account.

(3) Making call loans to securities dealers or purchasing money market instruments such as certificates of deposit, commercial paper, government or municipal securities, and bankers acceptances. Such authorized loans and investments, however, shall not be used as a method of channeling funds to nontrust company affiliates of the trust company.

*e.* Subject to the prior approval of the superintendent, acquire and hold shares of a corporation organized to perform, or performing, the collection of charges and premiums from, or adjusting and settling claims on, residents of this state and any other state where authorized or qualified to conduct such activity, in connection with life or health insurance coverage or annuities.

[C97, §1889; S13, §1889; C24, 27, 31, 35, 39, §**9259, 9261;** C46, 50, 54, 58, 62, 66, §528.52, 528.54; C71, 73, 75, 77, 79, 81, §524.1005]

85 Acts, ch 25, §1; 89 Acts, ch 257, §18

Referred to in §524.103, 633.63

**524.1006 Banks depositing securities in federally regulated corporation.**

A bank, either acting as a fiduciary or holding securities as a managing agent or custodian, including a custodian for a fiduciary, may deposit securities in a federally regulated clearing corporation as provided in section 633.89, and in addition may deposit securities, the principal and interest of which the United States or any United States department, agency, or instrumentality either has agreed to pay or has guaranteed, in a federal reserve bank.

The records of a depositing bank at all times must identify the persons on whose behalf securities have been deposited in a federal reserve bank. An interest in deposited securities may be transferred by entry on the books of the federal reserve bank without physical delivery of the securities. A depositing bank is subject to rules adopted by the superintendent of banking, with respect to state banks, and by the comptroller of the currency, with respect to national banking associations. On demand by the owner, a bank acting as a managing agent or as a custodian shall identify in writing the securities deposited in a federal reserve bank for the account of the owner. On demand by any party to the accounting of a bank acting as a fiduciary, the bank shall identify in writing the securities deposited in a federal reserve bank for its account as fiduciary.

This section applies regardless of the date of the agreement, instrument, or court order under which the bank was appointed.

[C75, 77, 79, 81, §524.1006]

**524.1007 Succession of fiduciary accounts to an affiliate.**

1. A state bank authorized to act in a fiduciary capacity may enter into an agreement for the succession of fiduciary accounts with any of its affiliates which are authorized to act in a fiduciary capacity. In the agreement the succeeding affiliate may agree to succeed the relinquishing affiliate as a fiduciary to those fiduciary accounts which are designated in the agreement. The designation of accounts may be by general class or description and may include fiduciary accounts subject and not subject to court administration and fiduciary accounts to arise in the future under wills, trusts, court orders, or other documents under which the relinquishing affiliate is named as a fiduciary or is named to become a fiduciary upon the death of a testator or settlor or upon the happening of any other subsequent event. The agreement shall provide that the succeeding affiliate maintain one or more employees or agents at the office of the relinquishing affiliate in order to facilitate the continued servicing of the designated fiduciary accounts. The relinquishing affiliate shall mail a notice of the succession to all persons having an interest in a fiduciary account at the then last known address, and shall publish a notice of the succession to fiduciary accounts in a newspaper published in the county of the principal place of business of the relinquishing affiliate. After the publication, the succeeding affiliate shall, without further notice, approval or authorization, succeed to the relinquishing affiliate as to the fiduciary accounts and the fiduciary powers, rights, privileges, duties, and liabilities for the fiduciary accounts. On the effective date of the succession to fiduciary accounts, the relinquishing affiliate is released from the fiduciary duties under the fiduciary accounts and shall discontinue its exercise of trust powers to the fiduciary accounts. This subsection does not absolve a bank or affiliate from liabilities arising out of a breach of fiduciary duty occurring prior to the effective date of the succession to fiduciary accounts.

2. Within sixty days after the mailing and publication of the notice, a person with an interest in a fiduciary account included within the notice and agreement required by subsection 1 may apply to the district court in the county in which the notice is published for the appointment of a new fiduciary on the ground that the succeeding fiduciary will adversely affect the administration of the fiduciary account. After notice to all interested parties and a hearing on the issues, the court may appoint a new fiduciary to replace the succeeding fiduciary if it finds that the substitution of the succeeding fiduciary will adversely affect the administration of the account and that the appointment of a new fiduciary would be in the best interests of the beneficiaries of the fiduciary account. This subsection is in addition to section 633.65 governing the removal of a fiduciary.

3. For purposes of subsection 1, *"affiliate"* means a trust company subsidiary authorized by the superintendent pursuant to section 524.802, subsection 12, paragraph *"b"*, and located in this state, a state bank located in this state, or a national bank located in this state and organized under 12 U.S.C. § 21, that are under the common ownership of a bank holding company as defined in section 524.1801.

4. The privilege extended to a state bank by this section is also extended on the same terms and conditions to a national bank located in this state and organized under 12 U.S.C. § 21 et seq. to engage generally in the banking business.

84 Acts, ch 1167, §1; 96 Acts, ch 1056, §11

**524.1008 Succession of fiduciary accounts to an independent bank.**

1. *a.* A state bank authorized to act in a fiduciary capacity may enter into an agreement for the succession of fiduciary accounts with a trust company subsidiary authorized by the superintendent pursuant to section 524.802, subsection 12, paragraph *"b"*, or one or more other state or national banks that are located in this state and authorized to act in a fiduciary capacity. In the agreement, the succeeding bank or trust company subsidiary may agree to succeed the relinquishing bank as a fiduciary with respect to those fiduciary accounts which are designated in the agreement. The designation of accounts may be by general class or description and may include fiduciary accounts subject and not subject to court administration and fiduciary accounts to arise in the future under wills, trusts, court orders, or other documents under which the relinquishing bank is named as a fiduciary or is named

to become a fiduciary upon the death of a testator or settlor or upon the happening of any other subsequent event. The agreement shall provide that one of the following applies:

(1) That the succeeding bank or trust company subsidiary maintain one or more employees or agents at the office of the relinquishing bank in order to facilitate the continued servicing of the designated fiduciary accounts.

(2) That the relinquishing bank act as an agent of the succeeding bank or trust company subsidiary with respect to the fiduciary accounts that are subject to the agreement, and the relinquishing bank as an agent may perform services other than fiduciary services with respect to those accounts.

*b.* If the relinquishing bank is an agent under the alternative specified in paragraph "*a*", subparagraph (2), then the relinquishing bank shall disclose to its customers that it is acting as an agent of the succeeding bank or trust company subsidiary. The relinquishing bank shall mail a notice of the succession to all persons having an interest in a fiduciary account at their last known address, and shall publish a notice of the succession to fiduciary accounts in a newspaper published in the county of the principal place of business of the relinquishing bank. After the publication, the succeeding bank or trust company subsidiary shall, without further notice, approval or authorization succeed the relinquishing bank as to the fiduciary accounts and the fiduciary powers, rights, privileges, duties, and liabilities for the fiduciary accounts. On the effective date of the succession to fiduciary accounts, the relinquishing bank is released from fiduciary duties under the fiduciary accounts and shall discontinue its exercise of trust powers to the fiduciary accounts. This subsection does not absolve a relinquishing bank from liabilities arising out of a breach of fiduciary duty occurring prior to the succession of fiduciary accounts.

2. Within sixty days after the mailing and publication of the notice, a person with an interest in a fiduciary account included within the notice and agreement required by subsection 1 may apply to the district court in the county in which the notice is published for the appointment of a new fiduciary on the ground that the succeeding fiduciary will adversely affect the administration of the fiduciary account. After notice to all interested parties and a hearing on the issues, the court may appoint a new fiduciary to replace the succeeding fiduciary if it finds that the substitution of the succeeding fiduciary will adversely affect the administration of the account and that the appointment of a new fiduciary would be in the best interests of the beneficiaries of the fiduciary account. This subsection is in addition to section 633.65 governing the removal of a fiduciary.

3. A bank shall not agree to relinquish fiduciary accounts to or act as an agent of more than one succeeding fiduciary at any one time.

4. The privilege of succeeding to fiduciary accounts that is extended to a state bank or trust company subsidiary by subsection 1 is also extended on the same terms and conditions to a national bank located in this state and organized under 12 U.S.C. § 21.

84 Acts, ch 1167, §2; 96 Acts, ch 1056, §12; 2013 Acts, ch 90, §160
Subsection 1 amended

**524.1009 Succession to fiduciary accounts and appointments — application for appointment of new fiduciary.**

1. If a party to a plan of merger was authorized to act in a fiduciary capacity and if the resulting state or national bank is similarly authorized, the resulting state or national bank shall be automatically substituted by reason of the merger as fiduciary of all accounts held in that capacity by such party to the plan, without further action and without any order or decree of any court or public officer, and shall have all the rights and be subject to all the obligations of such party as fiduciary.

2. No designation, nomination, or appointment as fiduciary of a party to a plan of merger shall lapse by reason of the merger. The resulting state or national bank, if authorized to act in a fiduciary capacity, shall be entitled to act as fiduciary pursuant to each designation, nomination, or appointment to the same extent as the party to the plan so named could have acted in the absence of the merger.

3. Any person with an interest in an account held in a fiduciary capacity by a party to a plan of merger may, within sixty days after the effective date of the merger, apply to the

district court in the county in which the resulting state or national bank has its principal place of business, for the appointment of a new fiduciary to replace the resulting state or national bank on the ground that the merger will adversely affect the administration of the fiduciary account. The court shall have the discretion to appoint a new fiduciary to replace the resulting state or national bank if it should find, upon hearing after notice to all interested parties, that the merger will adversely affect the administration of the fiduciary account and that the appointment of a new fiduciary will be in the best interests of the beneficiaries of the fiduciary account. This provision is in addition to any other provision of law governing the removal of fiduciaries and is subject to the terms upon which the party to the plan which held the fiduciary account was designated as fiduciary.

95 Acts, ch 148, §92

Referred to in §524.1418

## DIVISION XI

## AFFILIATES

**524.1101 Definitions.**

For the purposes of this chapter, an *"affiliate"* of a state bank shall include any corporation, trust, estate, association, or other similar organization:

1. Of which a state bank, directly or indirectly, owns or controls either a majority of the voting shares or more than fifty percent of the number of shares voted for the election of its directors, trustees, or other individuals exercising similar functions at the preceding election, or controls in any manner the election of a majority of its directors, trustees, or other individuals exercising similar functions.

2. Of which control is held, directly or indirectly, through share ownership or in any other manner, by the shareholders of a state bank who own or control either a majority of the shares of such state bank or more than fifty percent of the number of shares voted for the election of directors of such state bank at the preceding election, or by trustees for the benefit of the shareholders of any such state bank.

3. Of which a majority of its directors, trustees, or other individuals exercising similar functions are directors of any one state bank.

4. Which owns or controls, directly or indirectly, either a majority of the voting shares of a state bank or more than fifty percent of the number of shares voted for the election of directors of a state bank at the preceding election, or controls in any manner the election of a majority of the directors of a state bank, or for the benefit of whose shareholders or members all or substantially all of the outstanding voting shares of a state bank is held by trustees.

5. Which is a bank holding company, as defined by the laws of the United States, of which a state bank is a subsidiary, and any other subsidiary, as defined by the laws of the United States, of a bank holding company.

[C71, 73, 75, 77, 79, 81, §524.1101]

Referred to in §12C.22, 524.541, 537.1301

**524.1102 Loans and other transactions with affiliates.**

1. A state bank shall not make any loan or any extension of credit to, or purchase securities under repurchase agreement from, any of its affiliates, or invest any of its funds in the shares, bonds, capital securities, or other obligations of an affiliate, or accept the shares, bonds, capital securities, or other obligations of an affiliate as collateral security for advances made to any customer, if the aggregate amount of the loans, extensions of credit, repurchase agreements, investments and advances against such collateral security will exceed:

*a.* In the case of any one affiliate, ten percent of the aggregate capital of the state bank.

*b.* In the case of all such affiliates, twenty percent of the aggregate capital of the state bank.

2. Within the foregoing limitations, each loan or extension of credit of any kind or character to an affiliate shall be secured by collateral in the form of shares of stock, bonds, capital securities or other such obligations having a market value at the time of making the

loan or extension of credit of at least twenty percent more than the amount of the loan or extension of credit, or of at least ten percent more than the amount of the loan or extension of credit if it is secured by obligations of any state, or of any political subdivision or agency of the state, or of at least one hundred percent of the amount of the loan or extension of credit if it is secured by a segregated deposit account which the state bank may set off.

3. A loan or extension of credit to a director, officer, clerk, or other employee or any representative of any affiliate is deemed to be a loan to the affiliate to the extent that the proceeds of such loan are used for the benefit of, or transferred to, the affiliate.

4. The provisions of this section shall not apply to loans or extensions of credit fully secured by obligations of the United States, or the farm credit banks, or the federal home loan banks, or obligations fully guaranteed by the United States as to principal and interest. The provisions of this section shall not apply to indebtedness of any affiliate for unpaid balances due a state bank on assets purchased from the state bank.

5. For purposes of this section, the terms *"extension of credit"* and *"extensions of credit"* are deemed to include any purchase of securities under a repurchase agreement, other assets or obligations under a repurchase agreement, and the discount of promissory notes, bills of exchange, conditional sales contracts, or similar paper, whether with or without recourse.

[C71, 73, 75, 77, 79, 81, §524.1102]

89 Acts, ch 257, §19, 20; 91 Acts, ch 20, §1; 95 Acts, ch 148, §93; 2012 Acts, ch 1023, §157

Referred to in §524.1103, 524.1104, 524.1602

**524.1103 Exceptions.**

1. The provisions of section 524.1102 shall not apply to any affiliate:

*a.* Engaged solely in holding or operating real estate used wholly or substantially by the state bank in its operations or acquired for its future use.

*b.* Engaged solely in conducting a safe-deposit business or the business of an agricultural credit corporation eligible to discount loans with a farm credit bank.

*c.* Engaged solely in holding obligations of the United States, the farm credit banks, the federal home loan banks, or obligations fully guaranteed by the United States as to principal and interest.

*d.* Where the affiliate relationship has arisen as a result of shares acquired in satisfaction of a bona fide debt contracted prior to the date of the creation of such relationship provided that such shares shall be sold at public or private sale within one year from the date of the creation of the relationship, unless the time is extended by the superintendent.

*e.* Where the affiliate relationship exists by reason of the ownership or control of any voting shares thereof by a state bank as executor, administrator, trustee, receiver, agent, depository, or in any other fiduciary capacity, except where such shares are held for the benefit of all or a majority of the shareholders of such state bank.

*f.* Which is a bank.

*g.* Which is an operations subsidiary or other subsidiary in which the state bank owns or controls eighty percent or more of the voting shares. However, an operations subsidiary shall not conduct any activity at any location where the state bank itself would not be permitted to conduct that activity without the prior approval of the superintendent.

2. *a.* The superintendent may, in the superintendent's discretion, by regulation or order, exempt transactions or relationships from the requirements of section 524.1102 if the superintendent finds such exemptions to be in the public interest and consistent with the purposes of section 524.1102.

*b.* A state bank may request an exemption from the requirements of section 524.1102 by submitting a written request to the superintendent including all of the following:

(1) A detailed description of the transaction or relationship for which the state bank seeks an exemption.

(2) A statement of the reasons for exemption of the transaction or relationship.

(3) An explanation of how the exemption would be in the public interest and consistent with the purposes of section 524.1102.

[C71, 73, 75, 77, 79, 81, §524.1103]

89 Acts, ch 257, §21, 22; 95 Acts, ch 148, §94; 2012 Acts, ch 1017, §21

**524.1104 Applicability of general loan limitations.**

Any loan or extension of credit to an affiliate, and any investment in the shares, bonds, capital securities or other obligations of an affiliate, excepted by the provisions of section 524.1102 from the requirements of that section, shall continue to be subject to the other provisions of this chapter applicable to loans or extensions of credit by a state bank and investments by a state bank in shares, bonds, capital securities, or other such obligations.

[C71, 73, 75, 77, 79, 81, §524.1104]

Referred to in §524.1602

**524.1105 Examination of affiliates and reports.**

1. For the purpose of determining the condition of a state bank and information concerning the state bank, the superintendent shall have the power to make or cause to be made an examination of any affiliate to the same extent as the superintendent may examine a state bank under this chapter.

2. If the superintendent has reasonable cause to believe that any corporation, trust, estate, association, or other similar organization is an affiliate, the superintendent may require the organization to furnish such information as may enable the superintendent to determine whether the organization is an affiliate.

[C71, 73, 75, 77, 79, 81, §524.1105]

Referred to in §524.217, 524.219

**524.1106 Fees paid to an affiliate — approval by superintendent.**

Any contract or arrangement for management or financial services which involves payment for these services by a state bank to a person who owns shares in that bank, or to any other affiliate, must be approved by the superintendent prior to such contract or arrangement becoming binding upon the state bank, and may also be reviewed at any time after original approval. Any contract or arrangement for consultation or other services which involve payment of those services by a state bank to any person who individually or whose spouse or immediate family or any combination thereof owns fifteen percent or more of the outstanding shares of that bank or is an officer or director thereof, or to an affiliate may be reviewed by the superintendent. The superintendent shall have authority to determine whether or not such fees are reasonable in relation to the services performed, and if the superintendent determines they are unreasonable, to require that they be reduced to a reasonable amount or eliminated and the excess refunded, or that such contract or arrangement not be entered into by the state bank.

[C71, 73, 75, 77, 79, 81, §524.1106]

## DIVISION XII

## OFFICES

**524.1201 General provisions.**

1. A state bank may establish and operate any number of bank offices at any location in this state subject to the approval and regulation of the superintendent. A bank office may furnish all banking services ordinarily furnished to customers and depositors at the principal place of business of the state bank which operates the office, and a bank office manager or an officer of the bank shall be physically present at each bank office during a majority of its business hours. The central executive and official business and principal recordkeeping functions of a state bank shall be exercised only at its principal place of business or at another bank office as authorized by the superintendent for these functions.

2. Notwithstanding subsection 1, data processing services referred to in section 524.804 may be performed for the state bank at some other location. All transactions of a bank office shall be immediately transmitted to the principal place of business or other bank office authorized under subsection 1 of the state bank which operates the office, and no current recordkeeping functions shall be maintained at a bank office other than the bank office authorized under subsection 1, except to the extent the state bank which operates the

office deems it desirable to keep there duplicates of the records kept at the principal place of business or authorized bank office of the state bank.

3. Notwithstanding any of the other provisions of this section, original loan documentation and trust recordkeeping functions may be located at any authorized bank office or at any other location approved by the superintendent.

[C27, 31, 35, §9258-b1; C39, §**9258.1;** C46, 50, 54, 58, 62, 66, §528.51; C71, 73, 75, 77, 79, 81, §524.1201; 81 Acts, ch 173, §6]

89 Acts, ch 257, §23; 91 Acts, ch 72, §1; 95 Acts, ch 32, §1; 96 Acts, ch 1056, §13, 14; 2001 Acts, ch 4, §1, 11; 2004 Acts, ch 1141, §26; 2005 Acts, ch 19, §109; 2006 Acts, ch 1015, §8; 2011 Acts, ch 102, §5

Referred to in §524.1203, 524.1204, 524.1205, 524.1419, 524.1603

**524.1202** Repealed by 2001 Acts, ch 4, § 10, 11.

**524.1203 Cancellation of approval of offices.**

Whenever an examination by the superintendent or other supervisory agencies discloses that the operation of a bank office is being conducted in violation of section 524.1201, the superintendent may forthwith revoke the approval of the bank office.

[C71, 73, 75, 77, 79, 81, §524.1203]

Referred to in §524.1205, 524.1419

**524.1204 Privileges extended to national banks.**

The privileges extended to state banks by sections 524.1201 and 524.1212 and chapter 527 shall be available on the same conditions to national banks to the extent they are so authorized by federal law.

[C71, §524.1201(3); C73, 75, 77, 79, 81, §524.1204]

2001 Acts, ch 4, §3, 11

**524.1205 Establishment of branch or office in other state — superintendent's authority to regulate.**

1. Notwithstanding section 524.1201, subsection 1, upon application to and approval by the superintendent, a state bank may acquire in any manner, establish, maintain, operate, retain, or relocate a branch or office in a state other than this state. Subject to the approval of the superintendent, such branch or office may engage in any activity authorized for a branch or office of a bank organized under the laws of that other state.

2. The superintendent shall supervise and regulate all out-of-state branches and offices of a state bank.

3. Sections 524.1201 and 524.1203 apply to an out-of-state branch or office of a state bank except as otherwise provided by the laws of the state in which a branch or office is located or by the superintendent pursuant to this section.

4. This section does not authorize or permit a state-chartered bank located outside of this state or a national bank located outside of this state to establish a de novo branch or office in this state.

96 Acts, ch 1056, §15; 2001 Acts, ch 4, §4, 5, 11, 12

**524.1206 Identification of legally chartered name of bank — required use of name.**

A state or national bank, at its locations in this state, shall identify its principal place of business, any bank office, or any bank branch in a manner which includes its legally chartered name or a reasonable variation of such name. The legally chartered name of the state or national bank shall be used in all legal documents of such bank.

98 Acts, ch 1036, §3

Referred to in §524.310

**524.1207 through 524.1211** Reserved.

**524.1212 Location of satellite terminals.**

Any state bank may utilize a satellite terminal, as defined in section 527.2, when that satellite terminal is lawfully being operated, at any location within this state. Any transaction engaged in through the use of a satellite terminal shall be deemed to take place at the principal place of business of a bank whose accounts and records are affected by the transaction.

[C77, 79, 81, §524.1212; 81 Acts, ch 173, §8]

2001 Acts, ch 4, §6, 11

Referred to in §524.1204

**524.1213** Repealed by 2001 Acts, ch 4, § 10, 11.

DIVISION XIII

DISSOLUTION

**524.1301 Dissolution by incorporators, organizers, or initial directors.**

A majority of the incorporators, organizers, or initial directors of a state bank that has not issued shares or has not commenced business may dissolve the state bank by delivering articles of dissolution to the superintendent, together with the applicable filing and recording fees, for filing with the secretary of state that set forth all of the following:

1. The name of the state bank.
2. The date of its incorporation or organization.
3. Either of the following:

*a.* That the state bank has not issued any shares.

*b.* That the state bank has not commenced business.

4. That no debt of the state bank remains unpaid.
5. If shares were issued, that the net assets of the state bank remaining after the payment of all necessary expenses have been distributed to the shareholders.
6. That a majority of the incorporators, organizers, or initial directors authorized the dissolution.

[C97, §1857; S13, §1857; C24, 27, 31, 35, 39, §**9277;** C46, 50, 54, 58, 62, 66, §528.76; C71, 73, 75, 77, 79, 81, §524.1301]

90 Acts, ch 1205, §40; 95 Acts, ch 148, §96; 2004 Acts, ch 1141, §67

**524.1302 Involuntary dissolution prior to commencement of business.**

Prior to the issuance of an authorization to do business, the superintendent may cause the dissolution of a state bank if there exists any reason why it should not have been incorporated or organized under this chapter or if an authorization to do business has not been issued within one year after the date of its incorporation or organization, or such longer time as the superintendent may allow for satisfaction of conditions precedent to its issuance. After giving the state bank adequate notice and an opportunity for hearing, the superintendent shall certify the applicable facts by the filing of a statement with the secretary of state, who shall thereafter issue a certificate of dissolution. Upon the issuance of such certificate of dissolution by the secretary of state, the corporate or organizational existence of the state bank shall cease.

[C31, 35, §9142-c1; C39, §**9142.1;** C46, 50, 54, 58, 62, 66, §524.14; C71, 73, 75, 77, 79, 81, §524.1302]

2004 Acts, ch 1141, §68

**524.1303 Voluntary dissolution after commencement of business.**

1. A state bank which has commenced business may propose to voluntarily dissolve upon the affirmative vote of the holders of at least a majority of the shares entitled to vote on the voluntary dissolution, adopting a plan of dissolution involving both a provision for acquisition of its assets and assumption of its liabilities by another state bank, national bank, or other

financial institution insured by the federal deposit insurance corporation and a provision for continuance of its business if acquisition of its assets and assumption of its liabilities is not effected, or any other plan of dissolution providing for full payment of its liabilities.

2. Upon acceptance for processing of an application for approval of a plan of dissolution on forms prescribed by the superintendent, the superintendent shall conduct such investigation as the superintendent may deem necessary to determine whether the plan adequately protects the interests of depositors, other creditors and shareholders and, if the plan involves an acquisition of assets and assumption of liabilities by another state bank, whether such acquisition and assumption would be consistent with adequate and sound banking and in the public interest, on the basis of factors substantially similar to those set forth in section 524.1403, subsection 1, paragraph *"d"*.

3. Within thirty days after the application for dissolution involving a provision of acquisition of the state bank's assets and assumption of its liabilities by another state bank is accepted for processing, the dissolving bank shall publish notice of the proposed transaction in a newspaper of general circulation published in the municipal corporation or unincorporated area in which the dissolving bank has its principal place of business, and in the municipal corporation or unincorporated area in which the acquiring state bank has its principal place of business, or if there is none, a newspaper of general circulation published in the county or counties, or in a county adjoining the county or counties, in which the dissolving bank and the acquiring bank have their principal place of business. The notice shall be on forms provided by the superintendent, and proof of publication of the notice shall be delivered to the superintendent within fourteen days.

4. Within thirty days after the date of the publication of the notice, any interested person may submit to the superintendent written comments and data on the application. The superintendent may extend the thirty-day comment period if, in the superintendent's judgment, extenuating circumstances exist.

5. Within thirty days after the date of the publication of the notice, any interested person may submit to the superintendent a written request for a hearing on the application. The request shall state the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the superintendent. If the reasons are related to factual disputes, the disputes shall be described. Comments challenging the legality of an application shall be submitted separately in writing and shall not be considered at a hearing conducted pursuant to this section. Written requests for hearings shall be evaluated by the superintendent, who may grant or deny such requests in whole or in part. A hearing request shall generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the superintendent.

6. If a request for a hearing has been made and denied, the superintendent shall notify the applicant and all interested persons and shall state the reasons for the denial. Interested persons may submit to the superintendent, with simultaneous copies to the applicant, additional written comments or information on the application within fourteen days after the date of the notice of denial. The applicant shall be provided an additional seven days, after the fourteen-day deadline has expired, within which to respond to any comments submitted within the fourteen-day period. The superintendent may waive this seven-day period upon request by the applicant. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested persons.

[C97, §1857; S13, §1857; C24, 27, 31, 35, 39, §**9277;** C46, 50, 54, 58, 62, 66, §528.76; C71, 73, 75, 77, 79, 81, §524.1303]

92 Acts, ch 1161, §5; 95 Acts, ch 148, §97; 2004 Acts, ch 1141, §27; 2005 Acts, ch 19, §110

Referred to in §524.1309

**524.1304 Voluntary dissolution — approval.**

1. Within ninety days after acceptance of the application for processing, the superintendent shall approve or disapprove the application for voluntary dissolution on the basis of the superintendent's investigation. As a condition of receiving the decision of

the superintendent with respect to the application, the applying state bank shall reimburse the superintendent for all expenses incurred by the superintendent in connection with the application. The superintendent shall give to the applying state bank written notice of the superintendent's decision. The decision of the superintendent shall be subject to judicial review pursuant to chapter 17A.

2. Upon approval of the plan of voluntary dissolution by the superintendent, the superintendent shall file with the secretary of state articles of dissolution prepared by the applicant in conformance with section 524.1304A. Upon filing of the articles of dissolution with the secretary of state, the state bank shall cease to accept deposits or carry on its business, except insofar as may be necessary for the proper winding up of the business of the state bank in accordance with the approved plan of dissolution.

3. If applicable state or federal laws require approval by an appropriate state or federal agency, the superintendent may withhold delivery of the approved articles of dissolution until the superintendent receives notice of the decision of such agency. If the final approval of the agency is not given within six months of the superintendent's approval, then the superintendent shall notify the applying state bank that the approval of the superintendent has been rescinded for that reason.

[C97, §1857; S13, §1857; C24, 27, 31, 35, 39, §**9277;** C46, 50, 54, 58, 62, 66, §528.76; C71, 73, 75, 77, 79, 81, §524.1304]

95 Acts, ch 148, §98

Referred to in §524.1309

**524.1304A Articles of dissolution.**

1. At any time after the dissolution of a state bank is authorized, the state bank may dissolve by delivering to the superintendent for filing with the secretary of state articles of dissolution setting forth all of the following:

*a.* The name of the state bank.

*b.* The date dissolution was authorized.

*c.* The number of votes entitled to be cast by the shareholders on the proposal to dissolve.

*d.* The total number of shareholder votes cast for and against dissolution, or the total number of undisputed votes cast for dissolution and a statement that the number cast for dissolution was sufficient for approval.

*e.* If voting by voting groups was required, the information required by paragraphs "*c*" and "*d*" must be separately provided for each voting group entitled to vote separately on the plan to dissolve.

*f.* That all debts, obligations, and liabilities of the state bank will be paid or otherwise discharged or that adequate provision will be made for such discharge.

*g.* That all the remaining property and assets of the state bank will be distributed among its shareholders in accordance with their respective rights and interests.

*h.* That there are no legal actions pending against the state bank in any court or that adequate provision has been made for the satisfaction of any judgment, order, or decree which may be entered against it in any pending legal action.

2. A state bank is dissolved upon the effective date of its articles of dissolution.

95 Acts, ch 148, §99

Referred to in §524.1304, 524.1309

**524.1305 Voluntary dissolution proceedings — winding up.**

1. The board of directors shall have full power to wind up and settle the affairs of a state bank in voluntary dissolution proceedings, including the power to do all of the following:

*a.* Collecting the assets of the state bank.

*b.* Disposing of its properties that will not be distributed in kind to its shareholders.

*c.* Discharging or making provision for discharging its liabilities.

*d.* Distributing its remaining property among its shareholders according to their interests.

*e.* Doing every other act necessary to wind up and liquidate its business and affairs.

2. Dissolution of a state bank does not result in any of the following:

*a.* Transferring title to the state bank's property.

*b.* Preventing transfer of its shares or securities, although the authorization to dissolve may provide for closing the state bank's share transfer records.

*c.* Subjecting its directors or officers to standards of conduct different from those prescribed by this chapter prior to dissolution.

*d.* Changing quorum or voting requirements for its board of directors or shareholders; changing provisions for selection, resignation, or removal of its directors or officers or both; or changing provisions for amending its bylaws.

*e.* Preventing commencement of a proceeding by or against the state bank in its name.

*f.* Abating or suspending a proceeding pending by or against the state bank on the effective date of dissolution.

3. Within thirty days after filing of the articles of dissolution with the secretary of state, the state bank shall give notice of its dissolution:

*a.* By mail to each depositor and creditor, except those as to whom the liability of the state bank has been assumed by another financial institution insured by the federal deposit insurance corporation pursuant to the plan, at their last address of record as shown upon the books of the bank, including a statement of the amount shown by the books of the state bank to be due to such depositor or creditor and a demand that any claim for a greater amount be filed with the state bank any time before a specified date at least ninety days after the date of the notice.

*b.* By mail to each lessee of a safe-deposit box and each customer for whom property is held in safekeeping, except those as to whom the liability of the state bank has been assumed by another financial institution insured by the federal deposit insurance corporation pursuant to the plan, at their last address of record as shown upon the books of the state bank, including a demand that all property held in a safe-deposit box or held in safekeeping by the state bank be withdrawn by the person entitled to the property before a specified date which is at least ninety days after the date of the notice.

*c.* By mail to each person, at the person's last known address as shown upon the books of the state bank, interested in funds held in a fiduciary account or other representative capacity.

*d.* By a conspicuous posting at each office of the state bank.

*e.* By such publication as the superintendent may prescribe.

4. As soon after the approval of the plan of dissolution and the filing of the articles of dissolution as feasible, the state bank shall resign all fiduciary appointments and take such action as may be necessary to settle its fiduciary accounts.

5. All known depositors and creditors shall be paid promptly after the date specified in the notice given under paragraph *"a"* of subsection 3 of this section. Unearned portions of rentals for safe-deposit boxes shall be rebated to the lessees thereof.

6. Safe-deposit boxes, the contents of which have not been removed by the owners after the date specified in the notice given under paragraph *"b"* of subsection 3 of this section, shall be opened under the supervision of the superintendent and the contents placed in sealed packages which, together with unclaimed property held by the state bank in safekeeping, shall be transmitted to the treasurer of state. Amounts due to depositors who are unknown, or who are under a disability and there is no person legally competent to receive the amount, or who cannot be found after the exercise of reasonable diligence, shall be transmitted to the treasurer of state, together with a statement giving the name of the person, if known, entitled to the amount, the person's last known address, the amount due the person, and other information about the person as the treasurer of state may reasonably require. All property transmitted to the treasurer of state pursuant to this subsection shall be treated as abandoned, retained by the treasurer of state, and subject to claim, in the manner provided for in sections 556.14 to 556.21. All amounts due creditors described in section 490.1440 shall be deposited with the treasurer of state in accordance with that section. Such amounts shall be retained by the treasurer of state and are subject to claim in the manner provided for in section 490.1440.

7. Upon approval by the superintendent, assets remaining after the performance of all obligations of the state bank under subsections 4, 5, and 6 of this section shall be distributed to its shareholders according to their respective rights and preferences. Partial distributions to shareholders may be made prior to such time only if, and to the extent, approved by the superintendent. All amounts due shareholders described in section 490.1440 shall be

deposited with the treasurer of state in accordance with that section. Such amounts shall be retained by the treasurer of state and are subject to claim in the manner provided for in said section 490.1440.

8. During the course of dissolution proceedings the state bank shall make such reports as the superintendent may require, and shall continue to be subject to the provisions of this chapter, including those relating to examination of state banks, until completion of the dissolution of the state bank.

9. If at any time during the course of dissolution proceedings the superintendent finds that the assets of the state bank will not be sufficient to discharge its obligations, the superintendent shall tender to the federal deposit insurance corporation the receivership in the manner required by section 524.1310, and the dissolution shall thereafter be treated as an involuntary dissolution in accordance with the terms of that section and sections 524.1311 and 524.1312.

[C71, 73, 75, 77, 79, 81, §524.1305]

90 Acts, ch 1205, §41; 95 Acts, ch 148, §100; 2012 Acts, ch 1017, §22, 28

Referred to in §524.1309, 524.1310

**524.1306 Revocation of voluntary dissolution proceedings.**

1. A state bank may, at any time prior to the filing of the articles of dissolution with the secretary of state, revoke voluntary dissolution proceedings as provided for in section 490.1404.

2. The statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the state bank, shall be delivered to the superintendent, together with the applicable filing and recording fee, who shall, if the superintendent finds that they satisfy the requirements of this section, deliver them to the secretary of state for filing and recording in the secretary of state's office, and the same shall be filed and recorded in the office of the county recorder.

[C71, 73, 75, 77, 79, 81, §524.1306]

90 Acts, ch 1205, §42; 95 Acts, ch 148, §101

Referred to in §524.1309

**524.1307 and 524.1308** Repealed by 95 Acts, ch 148, § 135.

**524.1308A Known claims against dissolved state bank.**

1. A dissolved state bank may dispose of the known claims against it pursuant to this section.

2. The dissolved state bank shall notify its known claimants in writing of the dissolution at any time after the effective date of the dissolution. The written notice must include all of the following:

*a.* A description of information that must be included in a claim.

*b.* The mailing address where a claim may be sent.

*c.* The deadline for submitting a claim, which may not be fewer than one hundred twenty days from the effective date of the written notice, by which the dissolved state bank must receive the claim.

*d.* A statement that the claim will be barred if not received by the deadline.

3. A claim against the dissolved state bank is barred if either of the following occur:

*a.* A claimant who was given written notice under subsection 2 does not deliver the claim to the dissolved state bank by the deadline.

*b.* A claimant whose claim was rejected by the dissolved state bank does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejection notice.

4. For purposes of this section, "*claim*" does not include a contingent liability or a claim based upon an event occurring after the effective date of dissolution.

95 Acts, ch 148, §102

Referred to in §524.1308B

**524.1308B Unknown claims against dissolved state bank.**

1. A dissolved state bank may publish notice of its dissolution and request that persons with claims against the state bank present them in accordance with the notice.

2. A notice made pursuant to this section must satisfy all of the following requirements:

*a.* Be published at least once in a newspaper of general circulation in the county where the dissolved state bank's principal office is located.

*b.* Include a description of the information that must be included in a claim and provide a mailing address where the claim may be sent.

*c.* Include a statement that a claim against the state bank will be barred unless a proceeding to enforce the claim is commenced within two years after the publication of the notice.

3. If the dissolved state bank publishes a newspaper notice pursuant to subsection 2, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved state bank within two years after the publication date of the newspaper notice:

*a.* A claimant who did not receive written notice under section 524.1308A.

*b.* A claimant whose claim was timely sent to the dissolved state bank but not acted on.

*c.* A claimant whose claim is contingent or based on an event occurring after the effective date of dissolution.

4. A claim may be enforced under this section as follows:

*a.* Against the dissolved state bank, to the extent of its undistributed assets.

*b.* If the assets have been distributed in liquidation, against a shareholder of the dissolved state bank to the extent of the shareholder's pro rata share of the claim or the state bank's assets distributed to the shareholder in liquidation, whichever is less, but a shareholder's total liability for all claims under this section shall not exceed the total amount of assets distributed to the shareholder in liquidation.

95 Acts, ch 148, §103

**524.1309 Becoming subject to chapter 489 or 490.**

In lieu of the dissolution procedure prescribed in sections 524.1303 to 524.1306, a state bank may cease to carry on the business of banking and, after compliance with this section, continue as a corporation subject to chapter 490; or if the state bank is organized as a limited liability company under this chapter, continue as a limited liability company subject to chapter 489.

1. A state bank that has commenced business may propose to voluntarily cease to carry on the business of banking and become a corporation subject to chapter 490, or a limited liability company subject to chapter 489, upon the affirmative vote of the holders of at least a majority of the shares entitled to vote on such proposal, adopting a plan involving both a provision for acquisition of its assets and assumption of its liabilities by another state bank, national bank, or other financial institution insured by the federal deposit insurance corporation, and a provision for continuance of its business if acquisition of its assets and assumption of its liabilities is not effected, or any other plan providing for the cessation of banking business and the payment of its liabilities.

2. The application to the superintendent for approval of a plan described in subsection 1 shall be treated by the superintendent in the same manner as an application for approval of a plan of dissolution under section 524.1303, subsection 2, and shall be subject to section 524.1303, subsection 3.

3. Immediately upon adoption and approval of a plan to voluntarily cease to carry on the business of banking and become a corporation subject to chapter 490, or a limited liability company subject to chapter 489, the state bank shall deliver to the superintendent a plan to cease the business of banking and become a corporation subject to chapter 490, or a limited liability company subject to chapter 489, which shall be signed by two of its duly authorized officers and shall contain the name of the state bank, the post office address of its principal place of business, the name and address of its officers and directors, the number of shares entitled to vote on the plan and the number of shares voted for or against the plan, respectively, the nature of the business to be conducted by the corporation under chapter

490, or by the limited liability company subject to chapter 489, and the general nature of the assets to be held by the corporation or company.

4. Upon approval of the plan by the superintendent, the state bank shall immediately surrender to the superintendent its authorization to do business as a bank and shall cease to accept deposits and carry on the banking business except insofar as may be necessary for it to complete the settlement of its affairs as a state bank in accordance with subsection 5.

5. The board of directors has full power to complete the settlement of the affairs of the state bank. Within thirty days after approval by the superintendent of the plan to cease the business of banking and become a corporation subject to chapter 490, or a limited liability company subject to chapter 489, the state bank shall give notice of its intent to persons identified in section 524.1305, subsection 3, in the manner provided for in that subsection. In completing the settlement of its affairs as a state bank, the state bank shall also follow the procedure prescribed in section 524.1305, subsections 4, 5, and 6.

6. Upon completion of all the requirements of this section, the state bank shall deliver to the superintendent articles of intent to be subject to chapter 490 or 489, together with the applicable filing and recording fees, which shall set forth that the state bank has complied with this section, that it has ceased to carry on the business of banking, and the information required by section 490.202 relative to the contents of articles of incorporation under chapter 490, or articles of organization under chapter 489. If the superintendent finds that the state bank has complied with this section and that the articles of intent to be subject to chapter 490 or 489 satisfy the requirements of this section, the superintendent shall deliver them to the secretary of state for filing and recording in the secretary of state's office, and the superintendent shall file and record them in the office of the county recorder.

7. Upon the filing of the articles of intent to be subject to chapter 490 or 489, the state bank shall cease to be a state bank subject to this chapter, and shall cease to have the powers of a state bank subject to this chapter and shall become a corporation subject to chapter 490 or a limited liability company subject to chapter 489. The secretary of state shall issue a certificate as to the filing of the articles of intent to be subject to chapter 490 or 489 and send the certificate to the corporation or limited liability company or its representative. The articles of intent to be subject to chapter 490 or 489 shall be the articles of incorporation of the corporation or a limited liability company. The provisions of chapter 490 or 489 becoming applicable to a corporation or limited liability company formerly doing business as a state bank shall not affect any right accrued or established, or liability or penalty incurred under this chapter prior to the filing with the secretary of state of the articles of intent to be subject to chapter 490 or 489.

8. A shareholder of a state bank who objects to adoption by the state bank of a plan to cease to carry on the business of banking and to continue as a corporation subject to chapter 490, or a limited liability company subject to chapter 489, is entitled to appraisal rights provided for in chapter 490, division XIII, or in chapter 489, section 489.604.

9. A state bank, at any time prior to the approval of the articles of intent to become subject to chapter 490 or 489, may revoke the proceedings in the manner prescribed by section 524.1306.

[C71, 73, 75, 77, 79, 81, §524.1309]

90 Acts, ch 1205, §43; 95 Acts, ch 148, §104 – 106; 2002 Acts, ch 1154, §114, 125; 2004 Acts, ch 1141, §69; 2005 Acts, ch 19, §111; 2008 Acts, ch 1162, §149, 150, 154, 155

**524.1310 Involuntary dissolution after commencement of business — federal deposit insurance corporation as receiver.**

1. *a.* In a situation in which the superintendent has required, in accordance with section 524.226, that the state bank cease to carry on its business, the superintendent shall tender to the federal deposit insurance corporation the receivership for the state bank. The affairs of the state bank shall thereafter be governed by this section, section 524.1311, and the provisions of federal law, and shall be subject to federal court jurisdiction, and the assets of the state bank shall be distributed in accordance with section 524.1312. If there is a conflict between the provisions of state and federal law, federal law shall govern.

*b.* All amounts due creditors and shareholders described in section 490.1440 shall be

deposited with the treasurer of state in accordance with that section. Such amounts shall be retained by the treasurer of state and subject to claim in the manner provided for in section 490.1440. Amounts due to depositors who are unknown, or who are under a disability and there is no person legally competent to receive the amount, or who cannot be found after the exercise of reasonable diligence, shall be transmitted to the treasurer of state in the manner required by section 524.1305, subsection 6. Such property shall be treated as abandoned, retained by the treasurer of state, and is subject to claim, in the manner provided for in sections 556.14 to 556.21.

2. Under the receivership, the rights of depositors and other creditors of the insured state bank shall be determined in accordance with the laws of this state.

3. The federal deposit insurance corporation as receiver shall possess all the powers, rights, and privileges provided under section 524.1311, except insofar as that section may be in conflict with the laws of the United States.

4. If the federal deposit insurance corporation pays or makes available for payment the insured deposit liabilities of an insured state bank, the federal deposit insurance corporation shall be subrogated by operation of law to all rights against such insured state bank of the owners of such deposits in the same manner and to the same extent as subrogation of the federal deposit insurance corporation is provided for in applicable federal law in the case of a national bank.

[C73, §1572; C97, §1877; C24, 27, 31, §9239, 9240, 9242; C35, §9154-f3, 9239, 9240, 9242; C39, §**9154.03, 9239, 9240, 9242, 9283.35, 9283.36;** C46, 50, 54, 58, 62, 66, §524.30, 528.33, 528.41, 528.43, 528.120, 528.121; C71, 73, 75, 77, 79, 81, §524.1310]

90 Acts, ch 1205, §44; 2012 Acts, ch 1017, §23, 28

Referred to in §524.1305

**524.1311 Involuntary dissolution after commencement of business — receivership procedure.**

1. Under the receivership, a diligent effort shall be made to collect and realize on the assets of the state bank and to make distribution of the proceeds from time to time to those entitled thereto. The federal deposit insurance corporation may execute assignments, releases, and satisfactions to effectuate sales and transfers as receiver or after the receivership has terminated. The federal deposit insurance corporation may sell or compound all bad or doubtful debts, and may sell all the real and personal property of such state bank.

2. After the involuntary dissolution of a state bank, the superintendent shall file notice of the dissolution with the secretary of state and the county recorder of the county in which the state bank is located. No fee shall be charged by the secretary of state or the county recorder for the filing or recording. The corporate existence of the state bank shall cease upon filing of the notice of dissolution with the secretary of state.

[C73, §1572; C97, §1857, 1877; S13, §1857; C24, §9239, 9278; C27, §9239, 9239-a5, 9278; C31, 35, §9239, 9239-a5, 9278, 9278-c1; C39, §**9239, 9239.6, 9278, 9278.1 – 9278.3;** C46, 50, 54, 58, 62, 66, §528.33, 528.39, 528.77 – 528.80; C71, 73, 75, 77, 79, 81, §524.1311]

2012 Acts, ch 1017, §24, 28

Referred to in §524.1305, 524.1310

**524.1312 Distribution of assets upon insolvency.**

In the distribution of the assets of a state bank which is dissolved under this chapter, or by any other method, the order of payment of the liabilities of the state bank, in the event that its assets are insufficient to pay in full all its liabilities for which claims are made, shall be:

1. The payment of costs and expenses of the administration of the dissolution.

2. The payment of claims for public funds deposited pursuant to chapter 12C and the payment of claims which are given priority by applicable statutes. If the assets are insufficient for payment of the claims in full, then priority shall be determined as specified by the statutes or, in the absence of conflicting provisions, on a pro rata basis.

3. Amounts due to depositors.

4. The payment of all other claims pro rata, exclusive of claims on capital notes and debentures.

5. The payment of capital notes and debentures.

[C73, §1572; C97, §1857, 1877; S13, §1857; C24, §9239, 9243, 9278; C27, §9239, 9239-a6, 9243, 9278; C31, 35, §9239, 9239-a6, 9243, 9278, 9278-c1; C39, §**9239, 9239.7, 9243, 9278, 9278.1, 9278.2, 9278.3;** C46, 50, 54, 58, 62, 66, §528.33, 528.40, 528.44, 528.77, 528.78, 528.79, 528.80; C71, 73, 75, 77, 79, 81, §524.1312]

85 Acts, ch 194, §9

Referred to in §12C.23A, 524.404, 524.1305, 524.1310

Claims entitled to priority; §680.7 – 680.9

**524.1313 Involuntary dissolution after commencement of business — tender of receivership to F.D.I.C.** Repealed by 2012 Acts, ch 1017, § 27, 28. See § 524.1311.

**524.1314 Survival of rights and remedies after dissolution or expiration — preservation of records.**

1. The dissolution of a state bank, or the expiration of its period of duration, shall not take away or impair any remedy available to or against such state bank, its directors, officers, or shareholders, for any right or claim existing, or any liability incurred prior to such dissolution or expiration, if action or other proceeding thereon is commenced within two years after the date of such dissolution or expiration. Any such action or proceeding by or against the state bank may be prosecuted or defended by the state bank in its corporate name. The shareholders, directors and officers shall have power to take such corporate or other action as shall be appropriate to protect such remedy, right or claim.

2. Subsequent to the dissolution of a state bank, other than through the adoption of a plan involving a provision for acquisition of its assets and assumption of its liabilities by another state bank, national bank, or other financial institution insured by the federal deposit insurance corporation, the superintendent may assume custody of the records of the state bank and, if so, shall retain them in accordance with the provisions of section 524.221. The superintendent may make copies of such records in accordance with the provisions of section 524.221, subsection 1.

[C71, 73, 75, 77, 79, 81, §524.1314]

95 Acts, ch 148, §107

## DIVISION XIV

## MERGER, CONSOLIDATION, AND CONVERSION

**524.1401 Authority to merge.**

1. Upon compliance with the requirements of this chapter, one or more state banks, one or more national banks, one or more federal associations, one or more corporations, or any combination of these entities, with the approval of the superintendent, may merge into a state bank.

2. Upon compliance with the requirements of this chapter, one or more state banks may merge into a national bank. The authority of a state bank to merge into a national bank is subject to the condition that at the time of the transaction the laws of the United States shall authorize a national bank located in this state, without approval by the comptroller of the currency of the United States, to merge into a state bank under limitations no more restrictive than those contained in this chapter with respect to the merger of a state bank into a national bank.

3. Upon compliance with the requirements of this chapter, one or more state banks may merge with one or more federal associations. The authority of a state bank to merge into a federal association is subject to the conditions the laws of the United States authorize at the time of the transaction.

4. As used in this section, the term *"merger"* or *"merge"* means any plan by which the assets and liabilities of an entity are combined with those of one or more other entities,

including transactions in which one of the corporate entities survives and transactions in which a new corporate entity is created.

[C54, 58, 62, 66, §528B.1 – 528B.3; C71, 73, 75, 77, 79, 81, §524.1401]

95 Acts, ch 148, §108; 2012 Acts, ch 1017, §109

**524.1402 Requirements for a merger.**

The requirements for a merger which must be satisfied by the parties to the merger are as follows:

1. The parties shall adopt a plan stating all of the following:

*a.* The names of the parties proposing to merge and the name of the bank into which they propose to merge, which is the "resulting bank".

*b.* The terms and conditions of the proposed merger.

*c.* The manner and basis of converting the shares of each party into shares, obligations, or other securities of the resulting bank or of any other corporation, or, in whole or in part, into cash or other property.

*d.* The rights of the shareholders of each of the parties.

*e.* An agreement concerning the merger.

*f.* Such other provisions with respect to the proposed merger which are deemed necessary or desirable.

2. In the case of a state bank which is a party to the plan, if the proposed merger will result in a state bank subject to this chapter, adoption of the plan by such state bank requires the affirmative vote of at least a majority of the directors and approval by the shareholders, in the manner and according to the procedures prescribed in section 490.1104, at a meeting called in accordance with the terms of that section. In the case of a national bank, or if the proposed merger will result in a national bank, adoption of the plan by each party to the merger shall require the affirmative vote of at least such directors and shareholders whose affirmative vote on the plan is required under the laws of the United States. Subject to applicable requirements of the laws of the United States in a case in which a national bank is a party to a plan, any modification of a plan which has been adopted shall be made by any method provided in the plan, or in the absence of such provision, by the same vote as required for adoption.

3. If a proposed merger will result in a state bank, application for the required approval by the superintendent shall be made in the manner prescribed by the superintendent. There shall also be delivered to the superintendent, when available, the following:

*a.* Articles of merger.

*b.* Applicable fees payable to the secretary of state, as specified in section 490.122, for the filing and recording of the articles of merger.

*c.* If there is any modification of the plan at any time prior to the approval by the superintendent under section 524.1403, an amendment of the application and, if necessary, of the articles of merger, signed in the same manner as the originals, setting forth the modification of the plan, the method by which the modification was adopted and any related change in the provisions of the articles of merger.

*d.* Proof of publication of the notice required by subsection 4.

4. If a proposed merger will result in a state bank, within thirty days after the application for merger is accepted for processing, the parties to the plan shall publish a notice of the proposed transaction in a newspaper of general circulation published in the municipal corporation or unincorporated area in which each party to the plan has its principal place of business, or if there is none, in a newspaper of general circulation published in the county, or in a county adjoining the county, in which each party to the plan has its principal place of business. The notice shall be on forms prescribed by the superintendent and shall set forth the names of the parties to the plan and the resulting state bank, the location and post office address of the principal place of business of the resulting state bank and of each office to be maintained by the resulting state bank, and the purpose or purposes of the resulting state bank. Proof of publication of the notice shall be delivered to the superintendent within fourteen days.

5. Within thirty days after the date of the publication of the notice required under subsection 4, any interested person may submit to the superintendent written comments

and data on the application. Comments challenging the legality of an application shall be submitted separately in writing. The superintendent may extend the thirty-day comment period if, in the superintendent's judgment, extenuating circumstances exist.

6. Within thirty days after the date of the publication of the notice required under subsection 4, any interested person may submit to the superintendent a written request for a hearing on the application. The request shall state the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the superintendent. If the reasons are related to factual disputes, the disputes shall be described. Written requests for hearings shall be evaluated by the superintendent, who may grant or deny such requests in whole or in part. A hearing request shall generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the superintendent.

7. If a request for a hearing is denied, the superintendent shall notify the applicant and all interested persons and shall state the reasons for the denial. Interested persons may submit to the superintendent, with simultaneous copies to the applicant, additional written comments or data on the application within fourteen days after the date of the notice of denial. The applicant shall be provided an additional seven days, after the fourteen-day deadline has expired, within which to respond to any comments submitted within the fourteen-day period. The superintendent may waive this seven-day period upon request by the applicant. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested persons.

8. The articles of merger shall be signed by two duly authorized officers of each party to the plan and shall contain all of the following:

*a.* The names of the parties to the plan, and of the resulting state bank.

*b.* The location and the post office address of the principal place of business of each party to the plan, and of each additional office maintained by the parties to the plan, and the location and post office address of the principal place of business of the resulting state bank, and of each additional office to be maintained by the resulting state bank.

*c.* The votes by which the plan was adopted, and the date and place of each meeting in connection with such adoption.

*d.* The number of directors constituting the board of directors, and the names and addresses of the individuals who are to serve as directors until the next annual meeting of the shareholders or until their successors be elected and qualify.

*e.* Any amendment of the articles of incorporation of the resulting state bank.

*f.* The plan of merger.

9. If a proposed merger will result in a national bank, a state bank which is a party to the plan shall do all of the following:

*a.* Notify the superintendent of the proposed merger.

*b.* Provide such evidence of the adoption of the plan as the superintendent may request.

*c.* Notify the superintendent of any abandonment or disapproval of the plan.

*d.* File with the superintendent and with the secretary of state evidence of approval of the merger by the comptroller of the currency of the United States.

*e.* Notify the superintendent of the date upon which the merger is to become effective.

[C54, 58, 62, 66, §528B.4, 528B.5; C71, 73, 75, 77, 79, 81, §524.1402]

90 Acts, ch 1076, §1; 90 Acts, ch 1205, §45, 46; 95 Acts, ch 148, §109; 2002 Acts, ch 1154, §115, 125; 2004 Acts, ch 1141, §28; 2005 Acts, ch 19, §112

Referred to in §524.1403

**524.1403 Approval of merger by superintendent.**

1. Upon receipt of an application for approval of a merger and of the supporting items required by section 524.1402, subsection 3, the superintendent shall conduct such investigation as the superintendent deems necessary to ascertain the following:

*a.* The articles of merger and supporting items satisfy the requirements of this chapter.

*b.* The plan and any modification of the plan adequately protects the interests of depositors, other creditors and shareholders.

*c.* The requirements for a merger under all applicable laws have been satisfied and the resulting state bank would satisfy the requirements of this chapter with respect to it.

*d.* The merger would be consistent with adequate and sound banking and in the public interest on the basis of the financial history and condition of the parties to the plan, including the adequacy of the capital structure of the resulting state bank, the character of the management of the resulting state bank, the potential effect of the merger on competition, and the convenience and needs of the area primarily to be served by the resulting state bank.

2. *a.* Within one hundred eighty days after acceptance of the application for processing, or within an additional period of not more than sixty days after receipt of an amendment of the application, the superintendent shall approve or disapprove the application on the basis of the investigation. The plan shall not be modified at any time after approval of the application by the superintendent.

*b.* If the superintendent finds that the superintendent must act immediately on the pending application in order to protect the interests of depositors or the assets of any party to the plan, the superintendent may proceed without requiring publication of the notice required under section 524.1402, subsection 4. As a condition of receiving the decision of the superintendent with respect to the pending application, the parties to the plan shall reimburse the superintendent for all the expenses incurred in connection with the application. The superintendent shall give to the parties to the plan written notice of the decision and, in the event of disapproval, a statement of the reasons for the decision. The decision of the superintendent shall be subject to judicial review pursuant to chapter 17A.

[C54, 58, 62, 66, §528B.4; C71, 73, 75, 77, 79, 81, §524.1403]

92 Acts, ch 1161, §6; 95 Acts, ch 148, §110; 2012 Acts, ch 1023, §157

Referred to in §524.1303, 524.1402

**524.1404 Procedure after approval by the superintendent — issuance of certificate of merger.**

If applicable state or federal laws require the approval of the merger by a federal or state agency, the superintendent may withhold delivery of the approved articles of merger until the superintendent receives notice of the decision of such agency. If the final approval of the agency is not given within six months of the superintendent's approval, the superintendent shall notify the parties to the plan that the approval of the superintendent has been rescinded for that reason. If such agency gives its approval, the superintendent shall deliver the articles of merger, with the superintendent's approval indicated on the articles, to the secretary of state, and shall notify the parties to the plan. The receipt of the approved articles of merger by the secretary of state constitutes filing of the articles of merger with that office. The secretary of state shall record the articles of merger, and the articles shall be filed and recorded in the office of the county recorder in each county in which the parties to the plan had previously maintained a principal place of business. On the date upon which the merger is effective the secretary of state shall issue a certificate of merger and send the same to the resulting state bank and a copy of the certificate of merger to the superintendent.

[C54, 58, 62, 66, §528B.6; C71, 73, 75, 77, 79, 81, §524.1404]

95 Acts, ch 148, §111

**524.1405 Effect of merger.**

1. The merger is effective upon the filing of the articles of merger with the secretary of state, or at any later date and time as specified in the articles of merger. The certificate of merger is conclusive evidence of the performance of all conditions precedent to the merger, and of the existence or creation of the resulting state bank, except as against the state.

2. When a merger takes effect all of the following apply:

*a.* Every other financial institution to the merger merges into the surviving financial institution and the separate existence of every party except the surviving financial institution ceases.

*b.* The title to all real estate and other property owned by each party to the merger is vested in the surviving party without reversion or impairment.

*c.* The surviving party has all liabilities of each party to the merger.

*d.* A proceeding pending against any party to the merger may be continued as if the merger did not occur or the surviving party may be substituted in the proceeding for the party whose existence ceased.

*e.* The articles of incorporation of the surviving party are amended to the extent provided in the articles of merger.

*f.* The shares of each party to the merger that are to be converted into shares, obligations, or other securities of the surviving party or any other corporation or limited liability company or into cash or other property are converted, and the former holders of the shares are entitled only to the rights provided in the articles of merger or to their rights under section 524.1406.

[C54, 58, 62, 66, §528B.6, 528B.8; C71, 73, 75, 77, 79, 81, §524.1405]

95 Acts, ch 148, §112, 113; 98 Acts, ch 1036, §4; 2004 Acts, ch 1141, §70

**524.1406 Appraisal rights of shareholders.**

1. A shareholder of a state bank, which is a party to a proposed merger plan which will result in a state bank subject to this chapter, who objects to the plan is entitled to appraisal rights as provided in chapter 490, division XIII.

2. If a shareholder of a national bank which is a party to a proposed merger plan which will result in a state bank, or a shareholder of a state bank which is a party to a plan which will result in a national bank, objects to the plan and complies with the requirements of the applicable laws of the United States, the resulting state bank or national bank, as the case may be, is liable for the value of the shareholder's shares as determined in accordance with such laws of the United States.

3. *a.* Notwithstanding any contrary provision in chapter 490, division XIII, in determining the fair value of the shareholder's shares of a bank organized under this chapter or a bank holding company as defined in section 524.1801 in a transaction or event in which the shareholder is entitled to appraisal rights, due consideration shall be given to valuation factors recognized for federal and state estate tax purposes, including discounts for minority interests and discounts for lack of marketability. However, any payment made to shareholders under section 490.1324 shall be in an amount not less than the stockholders' equity in the bank disclosed in its last statement of condition filed under section 524.220 or the total equity capital of the bank holding company disclosed in the most recent report filed by the bank holding company with the board of governors of the federal reserve system, divided by the number of shares outstanding.

*b.* Prior to giving notice of a meeting at which a shareholder of a bank organized under this chapter or a bank holding company as defined in section 524.1801 would be entitled to appraisal rights, such bank or bank holding company may seek a declaratory judgment to establish the fair value for purposes of section 490.1301, subsection 4, of shares held by such shareholders. Another cause of action or a counterclaim shall not be joined with such a declaratory action. A declaratory judgment shall be filed in the county where the principal place of business of the bank or bank holding company is located. The court shall appoint an attorney to represent minority shareholders. All shareholders of the bank or bank holding company shall be served with notice of the action and be advised of the name, address, and telephone number of the attorney appointed to represent minority shareholders. The attorney appointed to represent minority shareholders shall select an appraiser to give an opinion of the fair value of such shares. The bank or bank holding company may select an appraiser to give an opinion on the fair value of the shares of the bank or bank holding company. Any shareholder may participate individually and present evidence of the fair value of such shareholder's shares. All court costs, appraiser's fees, and the fees and expenses of the attorney appointed to represent the minority shareholders shall be assessed against the bank or the bank holding company. A judgment in the action shall not determine fair value for a share to be less than the stockholders' equity in the bank disclosed in its last statement of condition filed under section 524.220 or the total equity capital of the bank holding company disclosed in the most recent report filed by the bank holding company with the board of governors of the federal reserve system, divided by the number of shares outstanding. A final judgment in the action shall establish fair value for the purposes of chapter 490, division XIII and shall be disclosed to the shareholders in the notice to shareholders of the meeting

to approve the transaction that gives rise to appraisal rights. If the proposed transaction is approved by the shareholders, upon consummation of the proposed transaction the fair value so established shall be paid to each shareholder entitled to payment for the shareholder's shares upon receipt of such shareholder's share certificates.

[C54, 58, 62, 66, §528B.9; C71, 73, 75, 77, 79, 81, §524.1406]

90 Acts, ch 1205, §47; 95 Acts, ch 148, §114; 99 Acts, ch 162, §1; 99 Acts, ch 208, §59; 2000 Acts, ch 1211, §3; 2002 Acts, ch 1154, §116, 125; 2008 Acts, ch 1119, §11; 2010 Acts, ch 1138, §57; 2011 Acts, ch 34, §121

Referred to in §490.1301, 490.1330, 524.1405

**524.1407** Repealed by 95 Acts, ch 148, § 135.

**524.1408 Merger of corporation or limited liability company substantially owned by a state bank.**

A state bank owning at least ninety percent of the outstanding shares, of each class, of another corporation or limited liability company which it is authorized to own under this chapter may merge the other corporation or limited liability company into itself without approval by a vote of the shareholders of either the state bank or the subsidiary corporation or limited liability company. The board of directors of the state bank shall approve a plan of merger, mail the plan of merger to shareholders of record of the subsidiary corporation or holders of membership interests in the subsidiary limited liability company, and prepare and execute articles of merger in the manner provided for in section 490.1105. The articles of merger, together with the applicable filing and recording fees, shall be delivered to the superintendent who shall, if the superintendent approves of the proposed merger and if the superintendent finds the articles of merger satisfy the requirements of this section, deliver them to the secretary of state for filing and recording in the secretary of state's office, and they shall be filed in the office of the county recorder. The secretary of state upon filing the articles of merger shall issue a certificate of merger and send the certificate to the state bank and a copy of it to the superintendent.

[C71, 73, 75, 77, 79, 81, §524.1408]

90 Acts, ch 1205, §48; 95 Acts, ch 148, §115; 2002 Acts, ch 1154, §117, 125; 2004 Acts, ch 1141, §71; 2005 Acts, ch 3, §87

**524.1409 Conversion of national bank or federal savings association into state bank.**

A national bank or federal savings association, subject to the provisions of this chapter, may convert into a state bank upon authorization by and compliance with the laws of the United States, adoption of a plan of conversion by the affirmative vote of at least a majority of its directors and the holders of two-thirds of each class of its shares at a meeting held upon not less than ten days' notice to all shareholders, and upon approval of the superintendent.

[C54, 58, 62, 66, §528B.3, 528B.7; C71, 73, 75, 77, 79, 81, §524.1409]

98 Acts, ch 1036, §5; 2007 Acts, ch 88, §8; 2012 Acts, ch 1017, §110

**524.1410 Application for approval by superintendent.**

A national bank or federal savings association shall make an application to the superintendent for approval of the conversion in a manner prescribed by the superintendent and shall deliver to the superintendent, when available:

1. Articles of conversion.
2. As soon as available, proof of publication of the notice required by section 524.1412.
3. The applicable fee payable to the secretary of state, under section 490.122, for the filing and recording of the articles of conversion.

[C54, 58, 62, 66, §528B.7; C71, 73, 75, 77, 79, 81, §524.1410]

90 Acts, ch 1205, §49; 98 Acts, ch 1036, §6; 2007 Acts, ch 88, §9; 2012 Acts, ch 1017, §111

**524.1411 Articles of conversion.**

The articles of conversion shall be signed by two duly authorized officers of the national bank or federal savings association and shall contain all of the following:

1. The name of the national bank or federal savings association and the name of the resulting state bank.

2. The location and post office address of its principal place of business and of each additional office, and the location and post office address of the principal place of business of the resulting state bank and of each additional office to be maintained by the resulting state bank.

3. The votes by which the plan of conversion was adopted and the date and place of each meeting in connection with the adoption.

4. The number of directors constituting the board of directors, and the names and addresses of the persons who are to serve as directors until the next annual meeting of shareholders or until successors be elected and qualify.

5. The provisions required in the articles of incorporation by section 524.302, subsection 1, paragraphs "*c*" and "*d*", and section 524.302, subsection 2, paragraph "*b*".

[C54, 58, 62, 66, §528B.4; C71, 73, 75, 77, 79, 81, §524.1411]

95 Acts, ch 148, §116; 98 Acts, ch 1036, §7, 8; 2007 Acts, ch 88, §10; 2012 Acts, ch 1017, §112, 113; 2013 Acts, ch 30, §131

Subsection 5 amended

**524.1412 Publication of notice.**

Within thirty days after the application for conversion has been accepted for processing, the national bank or federal savings association shall publish a notice of the delivery of the articles of conversion to the superintendent in a newspaper of general circulation published in the municipal corporation or unincorporated area in which the national bank or federal savings association has its principal place of business, or if there is none, a newspaper of general circulation published in the county, or in a county adjoining the county, in which the national bank or federal savings association has its principal place of business. Proof of publication of the notice shall be delivered to the superintendent within fourteen days. The notice shall set forth all of the following:

1. The name of the national bank or federal savings association and the name of the resulting state bank.

2. The location and post office address of its principal place of business.

3. A statement that articles of conversion have been delivered to the superintendent.

4. The purpose or purposes of the resulting state bank.

5. The date of delivery of the articles of conversion to the superintendent.

[C54, 58, 62, 66, §528B.6; C71, 73, 75, 77, 79, 81, §524.1412]

95 Acts, ch 148, §117; 98 Acts, ch 1036, §9, 10; 2004 Acts, ch 1141, §29; 2007 Acts, ch 88, §11; 2012 Acts, ch 1017, §114, 115

Referred to in §524.1410

**524.1413 Approval of conversion by superintendent.**

1. Upon acceptance for processing of an application for approval of a conversion, the superintendent shall conduct such investigation as the superintendent deems necessary to ascertain the following:

*a.* The articles of conversion and supporting items satisfy the requirements of this chapter.

*b.* The plan adequately protects the interests of depositors.

*c.* The requirements for a conversion under all applicable laws have been satisfied and the resulting state bank would satisfy the requirements of this chapter applicable to it.

*d.* The resulting state bank will possess an adequate capital structure.

2. Within ninety days after the application has been accepted for processing, the superintendent shall approve or disapprove the application on the basis of the investigation. As a condition of receiving the decision of the superintendent with respect to the application, the national bank or federal savings association shall reimburse the superintendent for all expenses incurred in connection with the application. The superintendent shall give the national bank or federal savings association written notice of the decision and, in the event of disapproval, a statement of the reasons for the decision. If the superintendent approves the application, the superintendent shall deliver the articles of conversion, with the

superintendent's approval indicated on the articles of conversion, to the secretary of state. The decision of the superintendent shall be subject to judicial review pursuant to chapter 17A. Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, a petition for judicial review must be filed within thirty days after the superintendent notifies the national bank or federal savings association of the superintendent's decision.

[C54, 58, 62, 66, §528B.4; C71, 73, 75, 77, 79, 81, §524.1413]

95 Acts, ch 148, §118; 98 Acts, ch 1036, §11; 2007 Acts, ch 88, §12; 2013 Acts, ch 90, §161

Petition for judicial review, see §17A.19

Subsection 2 amended

**524.1414 Receipt by secretary of state — county recorder.**

The receipt of the approved articles of conversion by the secretary of state constitutes filing of the articles of conversion with that office. The secretary of state shall record the articles of conversion and the articles shall be filed and recorded in the office of the county recorder in the county in which the resulting state bank has its principal place of business.

[C54, 58, 62, 66, §528B.6; C71, 73, 75, 77, 79, 81, §524.1414]

95 Acts, ch 148, §119

**524.1415 Effect of filing of articles of conversion with secretary of state.**

1. The conversion is effective upon the filing of the articles of conversion with the secretary of state, or at any later date and time as specified in the articles of conversion. The acknowledgment of filing is conclusive evidence of the performance of all conditions required by this chapter for conversion of a national bank or federal savings association into a state bank, except as against the state.

2. When a conversion becomes effective, the existence of the national bank or federal savings association shall continue in the resulting state bank which shall have all the property, rights, powers, and duties of the national bank or federal savings association, except that the resulting state bank shall have only the authority to engage in such business and exercise such powers as it would have, and shall be subject to the same prohibitions and limitations to which it would be subject, upon original incorporation under this chapter. The articles of incorporation of the resulting state bank shall be the provisions stated in the articles of conversion.

3. A liability of the national bank or federal savings association, or of the national bank's or federal savings association's shareholders, directors, or officers, is not affected by the conversion. A lien on any property of the national bank or federal savings association is not impaired by the conversion. A claim existing or action pending by or against the national bank or federal savings association may be prosecuted to judgment as if the conversion had not taken place, or the resulting state bank may be substituted in its place.

4. The title to all real estate and other property owned by the converting national bank or federal savings association is vested in the resulting state bank without reversion or impairment.

[C54, 58, 62, 66, §528B.6, 528B.8; C71, 73, 75, 77, 79, 81, §524.1415]

95 Acts, ch 148, §120, 121; 96 Acts, ch 1034, §51; 98 Acts, ch 1036, §12; 2007 Acts, ch 88, §13; 2012 Acts, ch 1017, §116

**524.1416 Authority for conversion of state bank into national bank or federal savings association.**

1. A state bank may convert into a national bank or federal savings association by compliance with the laws of the United States, and adoption of a plan of conversion by the affirmative vote of at least a majority of its directors and the holders of two-thirds of each class of its shares at a meeting held upon not less than ten days' notice to all shareholders. The authority of a state bank to convert into a national bank or federal savings association shall be subject to the condition that at the time of the transaction, the laws of the United States shall authorize a national bank or federal savings association located in this state, without approval by the comptroller of the currency of the United States or director of the office of thrift supervision, as applicable, to convert into a state bank under limitations and

conditions no more restrictive than those contained in this section and section 524.1417 with respect to conversion of a state bank into a national bank or federal savings association.

2. A state bank which converts into a national bank or federal savings association shall notify the superintendent of the proposed conversion, provide such evidence of the adoption of the plan as the superintendent may request, notify the superintendent of any abandonment or disapproval of the plan, and file with the superintendent and with the secretary of state a certificate of the approval of the conversion by the comptroller of the currency of the United States or director of the office of thrift supervision, as applicable, and the date upon which such conversion is to become effective. A state bank that converts into a national bank or federal savings association shall comply with the provisions of section 524.310, subsection 1.

[C54, 58, 62, 66, §528B.2; C71, 73, 75, 77, 79, 81, §524.1416]

98 Acts, ch 1036, §13; 2004 Acts, ch 1141, §30; 2006 Acts, ch 1010, §149; 2007 Acts, ch 88, §14; 2012 Acts, ch 1017, §117

**524.1417 Appraisal rights of shareholder of converting state or national bank or federal savings association.**

1. A shareholder of a state bank that converts into a national bank or federal savings association who objects to the plan of conversion is entitled to appraisal rights as provided in chapter 490, division XIII.

2. If a shareholder of a national bank or federal savings association that converts into a state bank objects to the plan of conversion and complies with the requirements of applicable laws of the United States, the resulting state bank is liable for the value of the shareholder's shares as determined in accordance with such laws of the United States.

[C54, 58, 62, 66, §528B.9; C71, 73, 75, 77, 79, 81, §524.1417]

95 Acts, ch 148, §122, 123; 98 Acts, ch 1036, §14; 2002 Acts, ch 1154, §118, 125; 2007 Acts, ch 88, §15; 2012 Acts, ch 1017, §118

Referred to in §524.1416

**524.1418 Succession to fiduciary accounts and appointments — application for appointment of new fiduciary.**

The provisions of section 524.1009 apply to a resulting state or national bank or federal savings association after a conversion with the same effect as though the state or national bank or federal savings association were a party to a plan of merger, and the conversion were a merger, within the provisions of that section.

[C54, 58, 62, 66, §528B.10; C71, 73, 75, 77, 79, 81, §524.1418]

95 Acts, ch 148, §124; 98 Acts, ch 1036, §15; 2007 Acts, ch 88, §16; 2012 Acts, ch 1017, §119

**524.1419 Offices of a resulting state bank.**

If a merger or conversion results in a state bank subject to the provisions of this chapter, the resulting state bank, after the effective date of the merger or conversion, shall be subject to the provisions of sections 524.1201 and 524.1203 relating to the bank offices.

[C71, 73, 75, 77, 79, 81, §524.1419]

89 Acts, ch 257, §25; 95 Acts, ch 148, §125; 2001 Acts, ch 4, §8, 11

**524.1420 Nonconforming assets of resulting state bank.**

If a merger or conversion results in a state bank subject to the provisions of this chapter, and the resulting state bank has assets which do not conform with the provisions of this chapter, the superintendent may allow the resulting state bank a reasonable time to conform with state law.

[C54, 58, 62, 66, §528B.11; C71, 73, 75, 77, 79, 81, §524.1420]

95 Acts, ch 148, §126

**524.1421 Mutual to stock conversions.**

1. A mutual corporation, a mutual holding company, a federal mutual association, or a federal mutual holding company, subject to the provisions of this chapter, may convert into

a stock corporation that is either a state bank or a state bank mutual bank holding company upon approval of the superintendent.

2. A mutual corporation, a mutual holding company, a federal mutual association, or a federal mutual holding company shall make an application to the superintendent for approval of the conversion in a manner prescribed by the superintendent and shall deliver to the superintendent, when available, the following:

*a.* Articles of conversion.

*b.* A business plan addressing factors prescribed by the superintendent.

*c.* Proof of publication of the notice required by section 524.1422.

*d.* The applicable fee payable to the secretary of state, under section 490.122, for the filing and recording of the articles of conversion.

3. The superintendent may adopt rules governing mutual to stock conversions.

2012 Acts, ch 1017, §14, 18

**524.1422 Notice of mutual to stock conversion.**

Within thirty days after an application for conversion has been accepted for processing, the mutual corporation, mutual holding company, federal mutual association, or federal mutual holding company shall publish a notice of the delivery of the articles of conversion to the superintendent in a newspaper of general circulation published in the municipal corporation or unincorporated area in which the mutual corporation, mutual holding company, federal mutual association, or federal mutual holding company has its principal place of business, or if there is none, a newspaper of general circulation published in the county, or in a county adjoining the county, in which the mutual corporation, mutual holding company, federal mutual association, or federal mutual holding company has its principal place of business. The notice shall set forth the information required by the superintendent.

2012 Acts, ch 1017, §15, 18

Referred to in §524.1421

## DIVISION XV

## AMENDMENT TO ARTICLES OF INCORPORATION

**524.1501 Authority to amend.**

A state bank, with the approval of the superintendent and in the manner provided in this chapter, may amend its articles of incorporation in order to make any change in the articles of incorporation so long as the articles of incorporation as amended contain only provisions as might be lawfully contained in the original articles of incorporation at the time of making the amendment.

[C35, §9283-f14; C39, §**9283.42;** C46, 50, 54, 58, 62, 66, §528.127; C71, 73, 75, 77, 79, 81, §524.1501]

95 Acts, ch 148, §127

**524.1502 Procedure to amend.**

1. An amendment of the articles of incorporation shall be proposed by adoption of a resolution by the board of directors, directing that it be submitted to a vote at a meeting of shareholders called in the manner required by section 524.533.

2. The resolution proposing an amendment or amendments shall contain the language of each amendment by setting forth in full the articles of incorporation as they would be amended or any provision thereof as it would be amended or by setting forth in full any matter to be added to or deleted from the articles of incorporation. A copy of the resolution or a summary thereof shall be included with the notice of the meeting required for the vote of the shareholders.

3. Adoption of each amendment shall require the affirmative vote of the holders of a majority of the shares entitled to vote thereon and, if any class is entitled to vote thereon as

a class, the affirmative vote of the holders of a majority of the shares of each class entitled to vote thereon as a class.

[C35, §9283-f11, -f12, -f13; C39, §**9283.39, 9283.40, 9283.41;** C46, 50, 54, 58, 62, 66, §528.124, 528.125, 528.126; C71, 73, 75, 77, 79, 81, §524.1502]

Referred to in §524.312

**524.1503 Voting on amendments by voting groups.**

1. The holders of the outstanding shares of a class are entitled to vote as a separate voting group on a proposed amendment if the amendment does any of the following:

*a.* Increases or decreases the aggregate number of authorized shares of the class.

*b.* Increases or decreases the par value of the shares of the class.

*c.* Effects an exchange or reclassification of all or part of the shares of the class into shares of another class or effects a cancellation of all or part of the shares of the class.

*d.* Effects an exchange or reclassification, or creates the right of exchange, of all or part of the shares of another class into shares of that class.

*e.* Changes the designation, rights, preferences, or limitations of all or part of the shares of the class.

*f.* Changes the shares of all or part of the class into a different number of shares of the same class.

*g.* Creates a new class of shares having rights or preferences with respect to distributions or to dissolution that are prior, superior, or substantially equal to the shares of the class.

*h.* Increases the rights, preferences, or number of authorized shares of any class that, after giving effect to the amendment, have rights or preferences with respect to distributions or to dissolution that are prior, superior, or substantially equal to the shares of the class.

*i.* Limits or denies an existing preemptive right of all or part of the shares of the class.

*j.* Cancels or otherwise affects rights to distributions or dividends that have accumulated but not yet been declared on all or part of the shares of the class.

2. If a proposed amendment would affect a series of a class of shares in one or more of the ways described in subsection 1, the shares of that series are entitled to vote as a separate voting group on the proposed amendment.

3. If a proposed amendment that entitles two or more series of shares to vote as separate voting groups under this section would affect those two or more series in the same or a substantially similar way, the shares of all the series so affected must vote together as a single voting group on the proposed amendment.

4. A class or series of shares is entitled to the voting rights granted by this section although the articles of incorporation provide that the shares are nonvoting shares.

[C71, 73, 75, 77, 79, 81, §524.1503]

95 Acts, ch 148, §128

**524.1504 Articles of amendment.**

1. Upon the adoption of an amendment, articles of amendment shall be prepared on forms prescribed by the superintendent, signed by two duly authorized officers of the state bank and shall contain:

*a.* The name of the state bank.

*b.* The location of its principal place of business.

*c.* The amendment adopted, which shall be set forth in full.

*d.* The place and date of the meeting of shareholders at which the amendment was adopted, and the kind and period of notice given to the shareholders.

*e.* For a stock corporation, the number of shares entitled to vote on the amendment, and if the shares of any class are entitled to vote thereon as a class, the number of shares of each class. For a mutual corporation, the number of member votes entitled to be cast.

*f.* The number of shares or member votes voted for and against such amendment, respectively, and if the shares of any class are entitled to vote thereon as a class, the number of shares of each such class voted for and against such amendment.

2. The articles of amendment shall be delivered to the superintendent together with the applicable fees for the filing and recording of the articles of amendment.

[C71, 73, 75, 77, 79, 81, §524.1504]

95 Acts, ch 148, §129; 2012 Acts, ch 1017, §16, 18

Referred to in §524.312, 524.1505

**524.1505 Approval of articles of amendment.**

1. Upon receipt of the articles of amendment the superintendent shall conduct such investigation as the superintendent may deem necessary to determine whether the articles of amendment satisfy the requirements of section 524.1504 and whether the amendment, if effected, will in any way prejudice the interests of the depositors of the state bank.

2. Within sixty days after receipt of the articles of amendment the superintendent shall approve or disapprove the articles of amendment on the basis of the investigation. If the superintendent shall approve the articles of amendment, the superintendent shall deliver them with the written approval to the secretary of state and notify the state bank of the action. If the superintendent shall disapprove the articles of amendment, the superintendent shall give written notice to the state bank of the disapproval and a statement of the reasons for the decision. The decision of the superintendent shall be subject to judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of said Act, such a petition for judicial review must be filed within thirty days after the superintendent notifies the state bank of the decision.

[C71, 73, 75, 77, 79, 81, §524.1505]

2003 Acts, ch 44, §114

Referred to in §524.1508

**524.1506 Certificate of amendment.**

1. The secretary of state shall record the articles of amendment, and the articles of amendment shall be filed in the office of the county recorder in the county in which the state bank has its principal place of business. The secretary of state upon the filing of the articles of amendment shall issue a certificate of amendment and send the same to the state bank.

2. Upon the issuance of the certificate of amendment by the secretary of state, the amendment becomes effective and the articles of incorporation are deemed to be amended accordingly.

[C71, 73, 75, 77, 79, 81, §524.1506]

95 Acts, ch 148, §130

Referred to in §524.312

**524.1507** Repealed by 95 Acts, ch 148, § 135.

**524.1508 Restated articles of incorporation.**

1. A state bank may at any time restate its articles of incorporation, which may be amended by the restatement, so long as its articles of incorporation as restated contain only such provisions as might be lawfully contained in original articles of incorporation at the time of making the restatement. Restated articles of incorporation shall be adopted in the following manner:

*a.* The board of directors shall adopt a resolution setting forth the proposed restated articles of incorporation, which may include an amendment or amendments to the articles of incorporation of the state bank to be made thereby, and directing that the restated articles, including such amendment or amendments, be submitted to a vote at a meeting of shareholders, which may be either an annual meeting or a special meeting.

*b.* Written or printed notice setting forth the proposed restated articles or a summary of the provisions of the proposed restated articles shall be given to each shareholder of record entitled to vote on the proposed restated articles within the time and in the manner provided in section 524.533. If the meeting be an annual meeting, the proposed restated articles may be included in the notice of such annual meeting. If the restated articles include an amendment or amendments to the articles of incorporation, the notice shall separately set forth such

amendment or amendments or a summary of the changes to be effected by the amendment or amendments.

*c.* At the meeting a vote of the shareholders entitled to vote on the proposed restated articles shall be taken on the proposed restated articles. The proposed restated articles shall be adopted upon receiving the affirmative vote of the holders of a majority of the shares entitled to vote, unless such restated articles include an amendment to the articles of incorporation which, if contained in a proposed amendment to articles of incorporation to be made without restatement of the articles of incorporation, would entitle a class of shares to vote as a class on the proposed restated articles, in which event the proposed restated articles shall be adopted upon receiving the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote on the proposed restated articles as a class, and of the total shares entitled to vote on the proposed restated articles.

2. Upon approval, restated articles of incorporation shall be executed by the state bank by its president or vice president and by its cashier or an assistant cashier, and verified by one of the officers signing the restated articles, and shall set forth, as then stated in the articles of incorporation of the state bank and, if the restated articles of incorporation included an amendment or amendments to the articles of incorporation, as so amended, the material and contents described in section 524.302.

3. The restated articles of incorporation shall set forth also a statement that they correctly set forth the provisions of the articles of incorporation as amended, that they have been duly adopted as required by law and that they supersede the original articles of incorporation and all amendments to the original articles of incorporation.

4. The restated articles of incorporation shall be delivered to the superintendent together with the applicable fees for the filing and recording of the restated articles of incorporation. The superintendent shall conduct such investigation and give approval or disapproval, as provided in section 524.1505. If the superintendent approves the restated articles of incorporation, the superintendent shall deliver them with the written approval on the restated articles of incorporation to the secretary of state for filing, and the restated articles of incorporation shall be filed in the office of the county recorder. The secretary of state upon filing the restated articles of incorporation shall issue a restated certificate of incorporation and send the certificate to the state bank or its representative.

5. Upon the issuance of the restated certificate of incorporation by the secretary of state, the restated articles of incorporation including any amendment or amendments to the articles of incorporation are effective and supersede the original articles of incorporation and all amendments to the original articles of incorporation.

[C71, 73, 75, 77, 79, 81, §524.1508]

95 Acts, ch 148, §131; 2012 Acts, ch 1023, §157

**524.1509 Reverse stock split.**

A state bank may effect a reverse stock split or similar change in capital structure by renewal, amendment, or restatement of existing articles of incorporation, provided the requirements of the superintendent are satisfied.

95 Acts, ch 148, §132

**524.1510 Effect of amendment.**

An amendment to the articles of incorporation does not affect a cause of action existing against or in favor of the state bank, a proceeding to which the state bank is a party, or the existing rights of persons other than shareholders of the state bank. An amendment changing the state bank's name does not abate a proceeding brought by or against the state bank in its former name.

95 Acts, ch 148, §133

DIVISION XVI

PENALTIES

**524.1601 Penalties and criminal provisions applicable to directors, officers, and employees of state banks and bank holding companies.**

1. A director, officer, or employee of a state bank or bank holding company who willfully violates any of the provisions of subsection 4 of section 524.612, section 524.613, subsection 2 of section 524.706, insofar as such subsection incorporates subsection 4 of section 524.612, or section 524.710, shall be guilty of a serious misdemeanor, and, in the following circumstances, shall pay an additional fine or fines equal to:

*a.* The amount of money or the value of the property which the director, officer, or employee received for procuring, or attempting to procure, a loan, extension of credit, or investment by the state bank or bank holding company, upon conviction of a violation of subsection 1 of section 524.613, or of subsection 1 of section 524.710.

*b.* The amount by which the director's, officer's, or employee's deposit account in the state bank or bank holding company is overdrawn, upon conviction of a violation of subsection 2 of section 524.613, or of subsection 2 of section 524.710.

*c.* The amount of any profit which the director, officer, or employee receives on the transaction, upon conviction of a violation of subsection 4 of section 524.612, or of subsection 2 of section 524.706, insofar as each applies to purchases from and sales to a state bank or bank holding company upon terms more favorable to such director, officer, or employee than those offered to other persons.

*d.* The amount of profit, fees, or other compensation received, upon conviction of a violation of section 524.710, subsection 1, paragraph *"b"*.

2. A director or officer who willfully makes or receives a loan in violation of subsection 1 of section 524.612, or subsection 1 of section 524.706, shall be guilty of a serious misdemeanor and shall be subject to an additional fine equal to that amount of the loan in excess of the limitation imposed by such subsections, and shall be forever disqualified from acting as a director or officer of any state bank or bank holding company. For the purpose of this subsection, amounts which are treated as obligations of an officer or director pursuant to subsection 5 of section 524.612 shall be considered in determining whether the loan or extension of credit is in violation of subsection 1 of section 524.612 and subsection 1 of section 524.706.

3. A director, officer, or employee of a state bank or bank holding company who willfully makes or receives a loan or extension of credit of funds held by the state bank or bank holding company as fiduciary, in violation of subsection 4 of section 524.1002 shall be guilty of a serious misdemeanor and shall be subject to a further fine equal to the amount of the loan or extension of credit made in violation of subsection 4 of section 524.1002, and shall be forever disqualified from acting as a director, officer, or employee of any state bank or bank holding company.

4. A director, officer, or employee of a state bank or bank holding company who willfully violates, or participates in the violation of, section 524.814, or section 524.819, shall be guilty of a serious misdemeanor.

[C97, S13, §1869; C24, 27, 31, 35, 39, §**9221;** C46, 50, 54, 58, 62, 66, §528.7, 528.63; C71, 73, 75, 77, 79, 81, §524.1601]

98 Acts, ch 1036, §16; 2006 Acts, ch 1015, §9; 2007 Acts, ch 22, §93

**524.1602 Penalties applicable to state bank.**

The superintendent may impose a penalty on a state bank of up to one thousand dollars for each day:

1. That it holds investments for its own account in bonds or securities in violation of section 524.901.

2. On which it accepts and holds drafts in violation of section 524.903.

3. On which it has money loaned, credit extended or holds discounted or purchased

evidences of indebtedness or agreements for the payment of money, in violation of sections 524.904 to 524.907.

4. On which it has money loaned, invested or is otherwise in violation of section 524.1102 or 524.1104.

5. On which it publishes, disseminates or distributes any advertising containing any false, misleading or deceptive statements concerning rates, terms and conditions on which loans are made or deposits are received, in violation of section 524.1606.

[C71, 73, 75, 77, 79, 81, §524.1602]

84 Acts, ch 1067, §42; 2006 Acts, ch 1015, §10

**524.1603 Engaging in business unlawfully.**

1. Any person who willfully engages in the business of receiving money for deposit or transacts the business generally done by banks, or who willfully establishes a place of business for such purposes, in violation of subsection 1 of section 524.107, shall be guilty of a serious misdemeanor.

2. The superintendent may impose a penalty on a state bank of up to one thousand dollars for each day that it violates the provisions of section 524.1201.

[C97, S13, §1889; C24, 27, 31, 35, 39, §**9151, 9260;** C46, 50, 54, 58, 62, 66, §524.25, 528.53; C71, 73, 75, 77, 79, 81, §524.1603]

2006 Acts, ch 1015, §11

**524.1604 Failure to file report or make statement.**

1. Any person whose duty it is to make statements or file reports as may be required by this chapter, and who willfully neglects or refuses to perform such duty, shall be guilty of a simple misdemeanor.

2. A state bank which fails to furnish to the superintendent the statement of condition required within the time required by this chapter, or fails to furnish the superintendent any report or other information the superintendent is legally authorized to request, within ten days of the superintendent's request therefor, or within the time required by this chapter, shall pay to the superintendent a penalty of fifty dollars for each day of delinquency, unless prior to such delinquency the superintendent has extended the time within which the same may be filed.

3. Any officer or employee who violates section 524.709 shall be guilty of a simple misdemeanor.

[C97, §1886; S13, §1871; C24, 27, 31, 35, 39, §**9226, 9230, 9281;** C46, 50, 54, 58, 62, 66, §528.20, 528.24, 528.83; C71, 73, 75, 77, 79, 81, §524.1604]

**524.1605 False statements, reports and felonious acts.**

1. Any director, officer or employee of a state bank who shall knowingly subscribe or make any false statements or false entries in the books, records, or memoranda of a state bank, or knowingly subscribe or exhibit false papers with intent to deceive any person authorized to examine its condition, or shall knowingly subscribe or make false reports, or shall knowingly divert the funds of the state bank to other purposes than those authorized by law, or who commits any other act with intent to defraud the state bank or any other person shall be guilty of a class "C" felony, and shall be forever disqualified from acting as a director, officer or employee of any state bank.

2. Any officer or employee of a state bank who, with intent to defraud the state bank or any other person, certifies any check when there are not sufficient funds on hand available to the credit of the drawer of said check to pay the same, or who issues any certificate of deposit when funds have not been deposited equal to the amount of such certificate, or who, with intent to defraud the state bank or any other person, draws any draft or bill of exchange, makes any acceptance, or issues, puts forth or assigns any note, debenture, bond or other obligation or instrument, or participates in, or receives directly or indirectly any money, property or other benefit from any transaction, loan, contract or other act of a state

bank shall be guilty of a class "C" felony, and shall, in either event be forever disqualified from acting as an officer or employee of any state bank.

[C97, §1887; C24, 27, §9282; C31, 35, §9282, 9283-c2; C39, §**9282, 9283.02;** C46, 50, 54, 58, 62, 66, §528.84, 528.87; C71, 73, 75, 77, 79, 81, §524.1605]

**524.1606 Fraudulent advertising or notice.**

A state bank shall not publish, disseminate or distribute any advertising or notice containing any false, misleading or deceptive statements concerning the rates, terms or conditions on which loans are made or deposits are received, any charge which the state bank is authorized to impose pursuant to this chapter, or the financial condition of the state bank. Any officer or employee of a state bank who willfully violates the provisions of this section shall be guilty of a fraudulent practice.

[C97, §1859; C24, 27, 31, 35, 39, §**9260;** C46, 50, 54, 58, 62, 66, §526.44, 529.12; C71, 73, 75, 77, 79, 81, §524.1606]

Referred to in §524.1602

**524.1607 False statement for credit.**

1. For the purposes of this section, unless the context otherwise requires:

*a.* *"Financial institution"* means a financial institution as defined in 18 U.S.C. § 20.

*b.* *"Mortgage banker"* means a person who makes or originates mortgage loans on real property located in this state.

*c.* *"Mortgage broker"* means a person who arranges or negotiates, or attempts to arrange or negotiate, mortgage loans on real property located in this state.

2. Any person who knowingly makes or causes to be made, directly or indirectly, any false statement in writing, or who procures, knowing that a false statement in writing has been made concerning the financial condition or means or ability to pay of such person, or any other person in which such person is interested or for whom such person is acting, with the intent that such statement shall be relied upon by a financial institution, a mortgage banker, a mortgage broker, or any other entity licensed by the banking division for the purpose of procuring the delivery of property, the payment of cash or the receipt of credit in any form, for the benefit of such person or of any other person in which such person is interested or for whom such person is acting, shall be guilty of a fraudulent practice.

[C31, 35, §9283-c3; C39, §**9283.03;** C46, 50, 54, 58, 62, 66, §528.88; C71, 73, 75, 77, 79, 81, §524.1607]

2008 Acts, ch 1160, §8

Fraudulent practices, see §714.8 – 714.14

**524.1608 Penalty for accepting deposits while insolvent.**

If a state bank shall accept any deposit or renew any certificate of deposit in violation of subsection 4 of section 524.805, any officer or employee knowing of such insolvency who willfully receives, accepts or renews or is accessory to or otherwise knowingly permits such acceptance shall be guilty of a fraudulent practice and shall, in either event be forever disqualified from acting as an officer or employee of any state bank.

[C97, §1885; C24, 27, 31, 35, 39, §**9280;** C46, 50, 54, 58, 62, 66, §528.82; C71, 73, 75, 77, 79, 81, §524.1608]

**524.1609 False statements concerning state banks.**

Whoever maliciously or with intent to deceive makes, publishes, utters, repeats, or circulates any false statement concerning any state bank which imputes, or tends to impute, insolvency, unsound financial condition or financial embarrassment, or which may tend to cause or provoke, or aid in causing or provoking, a general withdrawal of deposits from such state bank, or which may otherwise injure or tend to injure the business or goodwill of such state bank, shall be guilty of a simple misdemeanor.

[C31, 35, §9283-c4; C39, §**9283.04;** C46, 50, 54, 58, 62, 66, §528.89; C71, 73, 75, 77, 79, 81, §524.1609]

**524.1610 Violation of prohibition against receiving a commission for organizing a state bank.**

Any person violating the provisions of section 524.311 shall be guilty of a simple misdemeanor.

[C24, 27, 31, 35, 39, §**9276;** C46, 50, 54, 58, 62, 66, §528.75; C71, 73, 75, 77, 79, 81, §524.1610]

**524.1611 Offenses involving employees of banking division.**

1. Any person violating the provisions of section 524.211, subsection 1, shall be guilty of a fraudulent practice, and shall be subject to a further fine of a sum equal to the amount of the value of the property given or received or the money so loaned or borrowed. An employee of the division of banking convicted of a violation of such subsection shall be immediately discharged from employment and shall be forever disqualified from holding any position in the banking division.

2. Any examiner violating the provision of section 524.212 shall be guilty of a serious misdemeanor. Any examiner convicted of a violation of section 524.212 shall be immediately discharged from employment and shall be forever disqualified from holding any position in the banking division.

[C71, 73, 75, 77, 79, 81, §524.1611]

2004 Acts, ch 1141, §31

## DIVISION XVII

## PRIVATE BANKS

**524.1701 through 524.1703** Repealed by 95 Acts, ch 148, § 135.

## DIVISION XVIII

## BANK HOLDING COMPANIES

**524.1801 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Bank holding company"* means bank holding company as defined in 12 U.S.C. § 1841(a), and also includes a company that would become a bank holding company upon completion of an acquisition.

2. *"Company"* means company as defined in 12 U.S.C. § 1841(b).

3. *"Control"* means control as provided in 12 U.S.C. § 1841(a).

4. *"Location"* means, for purposes of determining where a bank or bank holding company is located, the following:

*a.* A bank is located in the state in which its principal place of business or main office is physically located.

*b.* A bank holding company is located in the state which is its home state as determined under 12 U.S.C. § 1841(o)(4).

5. *"Out-of-state bank holding company"* means out-of-state bank holding company as defined in 12 U.S.C. § 1841(o).

[C73, 75, 77, 79, 81, §524.1801]

96 Acts, ch 1056, §17

Referred to in §490.1301, 490.1330, 524.107, 524.1007, 524.1406, 524.1802, 524.1806, 524.1807, 527.5

**524.1802 Limitation.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Acquisition"* means any of the following:

(1) Obtaining direct or indirect ownership or control of more than twenty-five percent of any class of the voting shares of a depository institution.

(2) Obtaining the power to directly or indirectly control in any manner the election

of a majority of the directors, trustees, or other persons exercising similar functions of a depository institution.

(3) Obtaining direct or indirect ownership or control of, or acquisition or assumption of, the deposits of a depository institution or the deposits of any branch, office, or other facility of a depository institution.

*b.* *"Affiliate"* of a depository institution or holding company includes a corporation, limited liability company, trust, estate, association, or other similar organization which satisfies any of the following:

(1) The depository institution or holding company directly or indirectly owns or controls either twenty-five percent of the voting shares or more than twenty-five percent of the number of shares voted for the election of such entity's directors, trustees, or other individuals exercising similar functions, or controls in any manner the election of a majority of its directors, trustees, or other individuals exercising similar functions.

(2) Control is held directly or indirectly in such entity through share ownership, or in any other manner, by the shareholders of the depository institution or holding company who own or control either twenty-five percent of the shares of such depository institution or holding company or more than twenty-five percent of the number of shares voted for the election of directors, trustees, or other individuals exercising similar functions of such depository institution or holding company, or by trustees for the benefit of the shareholders of any such depository institution or holding company.

(3) A majority of such entity's directors, trustees, or other individuals exercising similar functions are directors of the depository institution or holding company.

(4) Directly or indirectly owns or controls either twenty-five percent of the voting shares of the depository institution or holding company or more than twenty-five percent of the number of shares voted for the election of directors, trustees, or other individuals exercising similar functions of the depository institution or holding company, or controls in any manner the election of a majority of the directors, trustees, or other individuals exercising similar functions of the depository institution or holding company, or for the benefit of whose shareholders or members all or substantially all of the outstanding voting shares of the depository institution or holding company are held by trustees.

*c.* *"Deposit"* means deposit as defined in 12 U.S.C. § 1813.

*d.* *"Deposit in this state"* means a deposit properly shown in a deposit report or in a statement under subsection 4, paragraph *"c"*, *"d"*, *"h"*, or *"i"*, as a deposit at a depository institution in this state or at a branch, office, or other facility of the depository institution in this state, without regard to the location of the depositor.

*e.* *"Deposit report"* means the annual report that identifies deposits by branch, office, or other facility and that is filed by a depository institution with the federal deposit insurance corporation or the office of thrift supervision. For a depository institution not required to file an annual report that identifies deposits by branch, office, or other facility, *"deposit report"* means the quarterly report of condition filed by the depository institution for the quarter that ends on or nearest to the date as of which deposits are stated in a deposit report that identifies deposits by branch, office, or other facility and that is required to be filed by other depository institutions having the same type of charter. The date of a deposit report means the date as of which deposits are stated in the deposit report.

*f.* *"Depository institution"* means a depository institution as defined in 12 U.S.C. § 1813.

*g.* *"Holding company"* means a bank holding company as defined in section 524.1801 and a savings and loan holding company as defined in 12 U.S.C. § 1467a.

*h.* *"Incorporated in any state"* means a limited liability company organized as a state bank under this chapter and a limited liability company organized as a state bank under the laws of any state as defined in 12 U.S.C. § 1813(a)(3).

*i.* *"Series of acquisitions"* means both of the following:

(1) All acquisitions made at any time after the date of the most recent available deposit report and prior to the date of a statement under subsection 4, and all acquisitions made during such time by any depository institution or holding company that is acquired by the depository institution or holding company making the statement, and all acquisitions made during such time by any such depository institution or holding company so acquired.

(2) All acquisitions made at any time between the dates of the two most recent available deposit reports, that are not shown on the most recent available deposit report, by a depository institution or holding company making a statement under subsection 4, and all acquisitions made during such time by any depository institution or holding company that is acquired by the depository institution or holding company making the statement, and all acquisitions made during such time by any such depository institution or holding company so acquired.

2. A depository institution or holding company shall not directly or indirectly acquire a depository institution or the deposits of a depository institution if any of the following apply:

*a.* The acquirer is a depository institution and, upon the acquisition, the total deposits in this state directly or indirectly controlled by the depository institution would exceed fifteen percent of the total deposits in this state, as determined under this section.

*b.* The acquirer is a holding company and, upon the acquisition, the total deposits in this state directly or indirectly controlled by the holding company would exceed fifteen percent of the total deposits in this state, as determined under this section.

*c.* The acquirer is a depository institution or a holding company which is directly or indirectly owned or controlled by a holding company and, upon the acquisition, the total deposits in this state directly or indirectly controlled by the holding company which owns or controls the acquiring depository institution or holding company would exceed fifteen percent of the total deposits in this state, as determined under this section.

3. On or after January 1, 2000, a depository institution shall not directly or indirectly cause or permit the transfer, assignment, or other disposition of deposits, or the conversion of deposits to nondeposit investments or other nondeposit products, whether by written agreement or otherwise, for the purpose of achieving compliance with the deposit limitation set forth in subsection 2. The following transfers or conversions by a depository institution shall not be deemed to be made for the purpose of achieving such compliance:

*a.* A transfer or conversion in the ordinary course of business, such as compliance with a contract to transfer funds from deposit accounts into repurchase agreements, mutual funds, or other nondeposit investments.

*b.* A transfer or conversion of deposits held in the name of an affiliate as a depositor of the depository institution.

*c.* A transfer of deposits, which are not subject to reacquisition, in an acquisition by an entity that is not an affiliate of the depository institution.

4. If the superintendent determines that an acquisition may involve a question of compliance with the deposit limitation set forth in subsection 2, the superintendent shall require that each depository institution and holding company involved in the acquisition submit to the superintendent a statement certified by its president, chief executive officer, or chief financial officer, which states that a transfer, assignment, or other disposition of deposits prohibited by subsection 3 has not been made. The statement, in sufficient detail to permit the superintendent to make the determinations required under subsections 5 and 6, shall also set forth the following:

*a.* The total amount of deposits in this state directly or indirectly held or controlled by the depository institution making the statement, or the deposits in this state directly or indirectly held or controlled by all depository institutions that are directly or indirectly owned or controlled by the holding company, on the date of the most recent available deposit reports of the depository institutions.

*b.* If all of the deposits of a depository institution making a deposit report were directly or indirectly acquired since the date of the most recent available deposit report in an acquisition or as a result of a series of acquisitions, the statement shall set forth the amount of the deposits in this state acquired from each such other depository institution measured as of the date of the most recent available deposit report of each such depository institution made prior to the acquisition.

*c.* If less than all of the deposits of a depository institution were directly or indirectly acquired since the date of the most recent available deposit report in an acquisition or as a result of a series of acquisitions, the statement shall set forth the total amount of deposits in this state directly or indirectly acquired in such acquisitions.

*d.* The total amount of deposits in this state directly or indirectly owned or controlled by the depository institution or holding company making the statement that have been directly or indirectly transferred or assigned in a transaction since the date of the most recent available deposit report to an entity that is not an affiliate of the depository institution or holding company making the statement, and that are not subject to reacquisition.

*e.* The total amount of deposits in this state set forth in paragraph "*a*" plus the deposits described in paragraphs "*b*" and "*c*", and less the deposits described in paragraph "*d*".

*f.* The total amount of deposits in this state directly or indirectly held or controlled by the depository institution making the statement, or in the case of a statement by a holding company, the total amount of deposits in this state directly or indirectly held or controlled by all depository institutions that are directly or indirectly owned or controlled by the holding company, on the date of the earlier of the two most recent available deposit reports of the depository institutions.

*g.* If all of the deposits of any other depository institution making a deposit report were acquired between the dates of the two most recent available deposit reports in an acquisition or as a result of a series of acquisitions, the statement shall set forth the amount of the deposits in this state acquired from each such other depository institution measured as of the date of the earlier of the two most recent available deposit reports of each such depository institution made prior to the acquisition.

*h.* If less than all of the deposits of any depository institution were directly or indirectly acquired between the dates of the two most recent available deposit reports in an acquisition or as a result of a series of acquisitions, the statement shall set forth the total amount of deposits in this state directly or indirectly acquired in such acquisitions.

*i.* The total amount of deposits in this state directly or indirectly owned or controlled by the depository institution or holding company making the statement that have been directly or indirectly transferred or assigned in a transaction between the dates of the two most recent available deposit reports to an entity that is not an affiliate of the depository institution or holding company making the statement, and that are not subject to reacquisition.

*j.* The total amount of deposits in this state set forth in paragraph "*f*" plus the deposits described in paragraphs "*g*" and "*h*", and less the deposits described in paragraph "*i*".

5. The superintendent may conduct such review as the superintendent considers necessary to verify the statements submitted under subsection 4, paragraphs "*a*", "*b*", "*c*", and "*d*". The superintendent shall calculate the following fraction:

*a.* The numerator is the sum of the deposits in this state directly or indirectly owned or controlled by the depository institutions involved in the acquisition and the deposits in this state directly or indirectly owned or controlled by all other depository institutions directly or indirectly owned or controlled by a holding company involved in the acquisition, as stated in subsection 4, paragraph "*e*".

*b.* The denominator is the deposits in this state of all depository institutions as stated in the most recent available deposit reports.

6. The superintendent may conduct such review as the superintendent considers necessary to verify the statements submitted under subsection 4, paragraphs "*f*", "*g*", "*h*", and "*i*". The superintendent shall calculate the following fraction:

*a.* The numerator is the average of the sum of the deposits in this state directly or indirectly owned or controlled by the depository institutions involved in the acquisition and the deposits in this state directly or indirectly owned or controlled by all other depository institutions directly or indirectly owned or controlled by a holding company involved in the acquisition, as stated in subsection 4, paragraphs "*e*" and "*j*".

*b.* The denominator is the average of the deposits in this state of all depository institutions as stated in the two most recent available deposit reports.

7. If the quotient determined by the calculation in either subsection 5 or 6 exceeds fifteen percent, the proposed acquisition does not comply with the limitation of subsection 2.

[C73, 75, 77, 79, 81, §524.1802; 82 Acts, ch 1253, §3]

84 Acts, ch 1230, §25; 90 Acts, ch 1002, §2; 97 Acts, ch 23, §64; 2000 Acts, ch 1094, §1, 2; 2004 Acts, ch 1141, §72

Referred to in §524.1807

**524.1803 Offer to purchase stock.** Repealed by 2006 Acts, ch 1015, § 22.

**524.1804 Notice of acquisition.**

A bank holding company which proposes to directly or indirectly acquire control of, or directly or indirectly acquire all or substantially all of the assets of, a state bank or national bank, shall provide to the superintendent a copy of the application and any modifications or amendments to the application submitted to the federal reserve board for permission to take such action at the same time the application is transmitted to the federal reserve board. The superintendent may conduct such investigation into and evaluation of the proposed action as the superintendent deems necessary and appropriate, and may submit to the federal reserve board any information so obtained together with the superintendent's own comments or recommendations regarding the proposed acquisition.

[C73, 75, 77, 79, 81, §524.1804]

96 Acts, ch 1056, §18

Referred to in §524.544, 524.1807

**524.1805 Restrictions on acquisitions and mergers.**

1. An out-of-state bank or out-of-state bank holding company shall not directly or indirectly acquire control of, or directly or indirectly acquire all or substantially all of the assets of, a bank located in this state unless the bank has been in continuous existence and operation for at least five years.

2. For purposes of subsection 1, a bank that has been chartered solely for the purpose of, and does not open for business prior to, acquiring control of, or acquiring all or substantially all of the assets of, a bank located in this state is deemed to have been in existence for the same period of time as the bank to be acquired.

3. For purposes of subsection 1, the period of existence and operation of a bank is deemed to be continuous, notwithstanding any of the following:

*a.* Any direct or indirect change in the name, ownership, or control of the bank.

*b.* Any rechartering or merger of the bank.

4. For purposes of subsection 1, a bank that has been chartered solely for the purpose of, and does not open for business prior to, acquiring control of, or acquiring all or substantially all of the assets of, one or more branches owned and operated on January 1, 1997, by a savings association, as defined in 12 U.S.C. § 1813, which association is an affiliate of the bank, is deemed to have been in continuous existence and operation as a bank for the combined periods of continuous existence and operation of the bank and the savings association from which the branch or branches were acquired.

5. For purposes of subsection 1, a bank that resulted from the conversion of a federal savings association, as defined in 12 U.S.C. § 1813, is deemed to have been in continuous existence and operation as a bank for the combined periods of continuous existence and operation of the bank and the association from which it was converted.

6. An out-of-state bank or out-of-state bank holding company that is organized under laws other than those of this state is subject to and shall comply with the provisions of chapter 490, division XV, relating to foreign corporations, and shall immediately provide the superintendent of banking with a copy of each filing submitted to the secretary of state under that division.

[C73, 75, 77, 79, 81, §524.1805]

96 Acts, ch 1056, §19; 97 Acts, ch 50, §2; 2007 Acts, ch 88, §17; 2012 Acts, ch 1017, §120

Referred to in §524.1807

**524.1806 Banks owned or controlled — officers and directors.**

An individual who is a director or an officer of a bank holding company, as specified by section 524.1801, is deemed to be a director or an officer, or both, as the case may be, of each bank so owned or controlled by that bank holding company, for the purposes of sections 524.612, 524.613 and 524.706.

[C73, 75, 77, 79, 81, §524.1806]

95 Acts, ch 148, §134

Referred to in §524.1807

**524.1807 Penalties.**

Any bank holding company which willfully violates any provision of sections 524.1801 to 524.1806 shall, upon conviction, be fined not less than one hundred dollars nor more than one thousand dollars for each day during which the violation continues. Any individual who willfully participates in a violation of any provisions of sections 524.1801 to 524.1806 shall be guilty of a serious misdemeanor.

[C73, 75, 77, 79, 81, §524.1807]

**524.1808 Insurance sales.**

1. Insurance activities in Iowa of an out-of-state bank holding company and its subsidiaries are subject to regulation, including but not limited to regulation under Title XIII, subtitle 1, in the same manner and to the same extent as are the insurance activities of an Iowa bank holding company and its subsidiaries.

2. An authorization for a state bank to engage in activities regulated under Title XIII, subtitle 1, if any, does not grant an out-of-state bank holding company that acquires a state bank or any state bank owned or controlled by such bank holding company or any subsidiary or affiliate the ability or right to engage in such activities outside of this state.

90 Acts, ch 1002, §13; 90 Acts, ch 1266, §57
C91, §524.1912
96 Acts, ch 1056, §20, 23
C97, §524.1808

**524.1809 Mutual bank holding companies.**

1. A state bank may be owned, directly or indirectly, by a mutual bank holding company.

2. A mutual holding company authorized pursuant to 12 U.S.C. § 1467a and regulations promulgated thereunder may convert to a mutual bank holding company authorized under this chapter.

3. A mutual corporation may reorganize as a mutual holding company in the manner provided in 12 U.S.C. § 1467a(o). The resulting mutual holding company shall be a mutual bank holding company authorized under this chapter.

4. A mutual bank holding company authorized under this chapter shall also be subject to chapter 490, the Iowa business corporations Act. If a provision of chapter 490 conflicts with the provisions of this chapter or a rule of the superintendent adopted pursuant to this chapter, the provisions of this chapter or rule of the superintendent shall control.

5. The superintendent may adopt rules pursuant to chapter 17A pertaining to mutual bank holding companies and reorganizations into mutual bank holding companies under this chapter.

2012 Acts, ch 1017, §17, 18

## DIVISION XIX

## REGIONAL BANKING

**524.1901 through 524.1911** Repealed by 96 Acts, ch 1056, § 24.

**524.1912** Transferred to § 524.1808.

**524.1913** Repealed by 90 Acts, ch 1266, § 61(3).

DIVISION XX

APPLICABILITY

**524.2001 Applicability of other chapters.**

Chapters 489, 490, 491, 492, and 493 do not apply to banks except as provided by this chapter.

[C71, §524.1802; C73, 75, 77, 79, 81, §524.1902]
90 Acts, ch 1205, §50
C91, §524.2001
2004 Acts, ch 1141, §73; 2008 Acts, ch 1162, §151, 154, 155

# CHAPTERS 525 and 526

RESERVED

# CHAPTER 527

ELECTRONIC TRANSFER OF FUNDS

Referred to in §524.821, 524.1204, 533.301, 536A.24, 669.14


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**527.1 Statement of intent.**

The general assembly declares as its purpose in adopting this chapter to provide:

1. That electronic funds transfer systems should provide reliable service to the consumer with full protection of privacy of personal financial information.

2. That electronic funds transfer systems should not impair the safety and soundness of a person's funds.

3. That electronic funds transfer systems are essential facilities in the channels of commerce.

4. That regulation of electronic funds transfer systems should be fair and not unduly impede the development of new technologies which benefit the public.

[C77, 79, 81, §527.1]

**527.2 Definitions.**

As used in this chapter, the following definitions shall apply unless the context otherwise requires:

1. *"Access device"* means a card, code, or other mechanism, or any combination thereof, that may be used by a customer for the purpose of initiating a transaction by means of a satellite terminal which will affect a customer asset account.

2. *"Administrator"* means and includes the superintendent of banking and the superintendent of credit unions within the department of commerce and the supervisor of industrial loan companies within the office of the superintendent of banking. However, the powers of administration and enforcement of this chapter shall be exercised only as

provided in sections 527.3, 527.5, subsection 7, sections 527.11, 527.12, and any other pertinent provision of this chapter.

3. *"Batch basis"* means the delivery of an accumulation of messages representing multiple transactions after completion of the transactions.

4. *"Central routing unit"* means any facility where electronic impulses or other indicia of a transaction originating at a satellite terminal are received and are routed and transmitted to a financial institution, or to a data processing center, or to another central routing unit, wherever located.

5. *"Completion of the transaction"* means when the presence of the customer at a satellite terminal is no longer needed to consummate the sale of goods or services, to grant to the seller the right to receive payment for the goods or services, and to issue a receipt to the customer.

6. *"Customer asset account"* or *"account"* means a demand deposit, share, checking, savings, or other customer account, other than an occasional or incidental credit balance in a credit plan, which represents a liability of the financial institution which maintains such account at a business location or office located in this state, either directly or indirectly for the benefit of a customer.

7. *"Data processing center"* means a facility, wherever located, at which electronic impulses or other indicia of a transaction originating at a satellite terminal are received and are processed in order to enable the satellite terminal to perform any function for which it is designed. However, *"data processing center"* does not include a facility which is directly connected to a satellite terminal and which performs only the functions of direct transmission of all requested transactions from that terminal to a data processing facility without performing any review of the requested transactions for the purpose of categorizing, separating, or routing. *"Categorizing"* means the process of reviewing and grouping of requested electronic funds transfer transactions according to the source or nature of the requested transaction. *"Separating"* means the process of interpreting and segregating requested electronic funds transfer transactions, or portions of such transactions, to provide for processing of information relating to such requested transactions or portions of such transactions. *"Routing"* means the process of interpreting and transmitting requested electronic funds transfer transactions to a destination selected at the time of interpretation and transmission from two or more alternative destinations.

8. *"Electronic personal identifier"* means a personal and confidential code or other security mechanism which has been designated by a financial institution issuing an access device to a customer to serve as a supplemental means of access to a customer's account that may be used by the customer in conjunction with an access device for the purpose of initiating a transaction by means of a satellite terminal.

9. *"Financial institution"* means and includes any bank incorporated under the provisions of any state or federal law, any savings and loan association incorporated under the provisions of federal law, any credit union organized under the provisions of any state or federal law, any corporation licensed as an industrial loan company under chapter 536A, and any affiliate of a bank, savings and loan association, credit union, or industrial loan company.

10. *"Limited-function terminal"* means an on-line point-of-sale terminal, an off-line point-of-sale terminal, or a multiple use terminal, which is not operated in a manner to accept an electronic personal identifier. Except as otherwise provided, a limited-function terminal shall not be subject to the requirements imposed upon other satellite terminals pursuant to sections 527.4 and 527.5, subsections 1, 2, 3, 7, and 8.

11. *"Multiple use terminal"* means any machine or device to which all of the following are applicable:

*a.* The machine or device is established and owned or operated by a person who primarily engages in a service, business or enterprise, including but not limited to the retail sale of goods or services, but who is not organized under the laws of this state or under federal law as a bank, savings and loan association, or credit union;

*b.* The machine or device is used by the person by whom it is owned or operated in some capacity other than as a satellite terminal; and

*c.* A financial institution proposes to contract or has contracted to utilize that machine or device as a satellite terminal.

12. *"Municipal corporation"* means an incorporated city.

13. *"Office"* means and includes any business location in this state of a financial institution at which is offered the services of accepting deposits, originating loans, and dispensing cash, by financial institution personnel in the office.

14. *"Off-line point-of-sale terminal"* means a satellite terminal at any location in this state off the premises of the financial institution, other than an on-line point-of-sale terminal, that satisfies all of the following:

*a.* The satellite terminal is not operated to accept deposits or to dispense scrip or other negotiable instruments.

*b.* The satellite terminal is not operated to dispense cash except when operated by a person other than the customer initiating the transaction.

*c.* The satellite terminal is utilized for the purpose of making payment to the provider of goods or services purchased or provided at the location of the satellite terminal.

15. *"On-line point-of-sale terminal"* means a satellite terminal at any location in this state off the premises of the financial institution operated on an on-line real time basis, that satisfies all of the following:

*a.* The satellite terminal is not operated to accept deposits or to dispense scrip or other negotiable instruments.

*b.* The satellite terminal is not operated to dispense cash except when operated by a person other than the customer initiating the transaction.

*c.* The satellite terminal is utilized for the purpose of making payment to the provider of goods or services purchased or provided at the location of the satellite terminal.

16. *"On-line real time basis"* means the delivery or return of a message initiated at a satellite terminal through transmission of electronic impulses to or from a location remote from the location of the satellite terminal prior to completion of the transaction.

17. *"Personal terminal"* means and includes a satellite terminal located in a personal residence and a telephone, wherever located, operated by a customer of a financial institution for the purpose of initiating a transaction affecting a noncommercial account of the customer.

18. *"Premises"* means and includes only those locations where, by applicable law, financial institutions are authorized to maintain a principal place of business and other offices for the conduct of their respective businesses; provided that with respect to an industrial loan company, *"premises"* means only a location where business may be conducted under a single license issued to the industrial loan company.

19. *"Reciprocal basis"* means that a financial institution whose licensed or principal place of business is located in this state has the express authority under the laws of a state other than Iowa to conduct business under qualifications and conditions which are no more restrictive than those imposed by the laws of the other state on financial institutions whose licensed or principal place of business is located in the other state, as determined by the administrator, and the laws of Iowa are no more restrictive of financial institutions whose licensed or principal place of business is located in such other state than they are of financial institutions whose licensed or principal place of business is located in this state.

20. *"Satellite terminal"* means and includes any machine or device located off the premises of a financial institution, and any machine or device located on the premises of a financial institution only if the machine or device is available for use by customers of other financial institutions, whether attended or unattended, by means of which the financial institution and its customers utilizing an access device may engage through either the immediate transmission of electronic impulses to or from the financial institution or the recording of electronic impulses or other indicia of a transaction for delayed transmission to the financial institution, in transactions which affect a customer asset account and which otherwise are specifically permitted by applicable law. However, the term *"satellite terminal"* does not include any such machine or device, wherever located, if that machine or device

is not generally accessible to persons other than employees of a financial institution or an affiliate of a financial institution.

[C77, 79, 81, §527.2]

87 Acts, ch 158, §1, 2; 89 Acts, ch 86, §1 – 7; 91 Acts, ch 216, §1 – 3; 95 Acts, ch 66, §1; 2000 Acts, ch 1232, §99, 107; 2012 Acts, ch 1017, §121

Referred to in §99D.9, 99F.7, 234.12A, 279.30, 423.3, 524.1212, 527.3, 547A.1, 714.16B, 715A.1, 715A.8

**527.3 Enforcement.**

1. For purposes of this chapter the superintendent of banking only has the power to issue rules applicable to, to accept and approve or disapprove applications or informational statements from, to conduct hearings and revoke any approvals relating to, and to exercise all other supervisory authority created by this chapter with respect to banks; the superintendent of credit unions only has such powers and authority with respect to credit unions; and the superintendent of banking or the superintendent's designee only has such powers and authority with respect to industrial loan companies.

2. The administrator shall have the authority to examine any person who operates a multiple use terminal, limited-function terminal, or other satellite terminal, and any other device or facility with which such terminal is interconnected, as to any transaction by, with, or involving a financial institution which affects a customer asset account. Information obtained in the course of such an examination shall not be disclosed, except as provided by law.

3. Nothing contained in this chapter shall authorize the administrator to regulate the conduct of business functions or to obtain access to any business records, data, or information of a person who operates a multiple use terminal, except those pertaining to a financial transaction engaged in through a satellite terminal, or as may otherwise be provided by law.

4. Nothing contained in this chapter shall be construed to prohibit or to authorize the administrator to prohibit an operator of a multiple use terminal, other than a financial institution, or an operator of any other device or facility with which such terminal is interconnected, other than a central routing unit or data processing center (as defined in section 527.2) from using those facilities to perform internal proprietary functions, including the extension of credit pursuant to an open-end credit arrangement.

5. An administrator may conduct hearings and exercise any other appropriate authority conferred by this chapter regarding the operation or control of a satellite terminal upon the written request of a person, including but not limited to, a retailer, financial institution, or consumer.

6. The authority of an administrator pursuant to section 527.5, subsection 2, paragraph "*a*", to approve access cards issued by a financial institution for use as an access device includes the requirement that a registration statement shall be filed with the administrator and be maintained on a current basis by each financial institution issuing access cards within the state. The registration statement shall be in writing on a form prescribed by the administrator, and contain the name and address of the registrant, a depiction of both sides of the access card, and any other information the administrator deems relevant relating to the access card and transactions utilizing the access card which affect a customer asset account.

7. A financial institution shall not be required to join, be a member or shareholder of, or otherwise participate in, any corporation, association, partnership, cooperative, or other enterprise as a condition of the financial institution's utilization of any satellite terminal located within this state.

8. An administrator may issue any order necessary to secure compliance with or prevent a violation of this chapter or the rules adopted pursuant to this chapter, regarding the establishment and operation of a satellite terminal, limited-function terminal, upgraded, altered, modified, or replaced limited-function terminal, and any other device or facility with which such terminal is interconnected. A person who violates a provision of this chapter or any rule or any order issued pursuant to this chapter is subject to a civil penalty not to exceed one thousand dollars for each day the violation continues. A person aggrieved by

an order of an administrator may appeal the order by filing a written notice of appeal with the administrator within thirty days of the issuance of the order. The administrator shall schedule a hearing for the purpose of hearing the arguments of the aggrieved person within thirty days of the filing of the notice of appeal. The provisions of chapter 17A shall apply to all matters related to the appeal. The attorney general, on request of the administrator, shall institute any legal proceedings necessary to obtain compliance with an order of the administrator or to prosecute a person for a violation of the provisions of this chapter or rules adopted pursuant to this chapter.

[C77, 79, 81, §527.3]

87 Acts, ch 158, §3; 91 Acts, ch 92, §1; 91 Acts, ch 216, §4, 5; 95 Acts, ch 66, §2; 2012 Acts, ch 1017, §122

Referred to in §527.2, 527.12

**527.4 Establishment of satellite terminals — restrictions.**

1. A satellite terminal shall not be established within this state except by a financial institution.

2. A financial institution may establish a satellite terminal at any location within this state. This subsection does not amend, modify, or supersede any provision of chapter 524 regulating the number or locations of bank offices of a state or national bank, or authorize the establishment by a financial institution of any offices or other facilities except satellite terminals at locations permitted by this subsection.

3. A financial institution whose licensed or principal place of business is not located in this state may establish, control, maintain, or operate any number of satellite terminals at any location within this state if all satellite terminals, wherever located, that are owned, controlled, maintained, or operated by the financial institution are available for use on a nondiscriminatory basis by any other financial institution which engages in electronic transactions in this state and by all customers who have minimum contact with this state and who have been designated by a financial institution using the satellite terminal and who have been provided with an access device, approved by the administrator, by which to engage in electronic transactions by means of the satellite terminal.

[C77, 79, 81, §527.4]

87 Acts, ch 158, §4; 89 Acts, ch 86, §8 – 11; 91 Acts, ch 216, §6; 2000 Acts, ch 1232, §100 – 103, 107

Referred to in §527.2, 527.5

**527.5 Satellite terminal requirements.**

A satellite terminal may be utilized by a financial institution to the extent permitted in this chapter only if the satellite terminal is utilized and maintained in compliance with the provisions of this chapter and only if all of the following are complied with:

1. A satellite terminal in this state may be established by one or more financial institutions. The establishing financial institutions shall designate a single controlling financial institution which shall maintain the location, use, and operation of the satellite terminal, wherever located, in compliance with this chapter. The use and operation of a satellite terminal shall be governed by a written agreement between the controlling financial institution and the person controlling the physical location at which the satellite terminal is placed. The written agreement shall specify all of the terms and conditions, including any fees and charges, under which the satellite terminal is placed at that location. If the satellite terminal is a multiple use terminal, the written agreement shall specify, and may limit, the specific types of transactions incidental to the conduct of the business of a financial institution which may be engaged in through that terminal.

2. *a.* A satellite terminal shall be available for use on a nondiscriminatory basis by any other financial institution which has its principal place of business within this state, and by all customers who have been designated by a financial institution using the satellite terminal and who have been provided with an access device, approved by the administrator, by which to engage in electronic transactions by means of the satellite terminal.

*b.* For the purposes of complying with paragraph "*a*", an on-line point-of-sale terminal is

not required to be available for use by customers of a financial institution by means of an access device by which an off-line point-of-sale terminal can be used to engage in electronic transactions.

*c.* All off-line point-of-sale terminals located at the retail location or retail locations within this state of a single retailer are exempt from paragraph *"a"* if electronic transactions can be initiated at each of such terminals only by an access device unique to the retailer.

*d.* Paragraph *"a"* applies to a financial institution whose licensed or principal place of business is located in a state other than Iowa, whether or not the financial institution has a business location in this state, if all satellite terminals or other similar type terminals owned, controlled, operated, or maintained by the financial institution, wherever located, are available on a reciprocal basis to each financial institution with a principal place of business in this state and to each financial institution with a business location in this state which complies with this paragraph, and to all customers who have been designated by any such financial institution using the satellite terminal and who have been provided with an access device.

3. *a.* An informational statement shall be filed and shall be maintained on a current basis with the administrator by the financial institution controlling a satellite terminal in this state, which sets forth all of the following:

(1) The name and business address of the controlling financial institution.

(2) The location of the satellite terminal.

(3) A schedule of the charges which will be required to be paid by a financial institution utilizing the satellite terminal.

(4) An agreement with the administrator that the financial institution controlling the satellite terminal will maintain that satellite terminal in compliance with this chapter.

*b.* The informational statement shall be accompanied by a copy of the written agreement required by subsection 1. The informational statement also shall be accompanied by a statement or copy of any agreement, whether oral or in writing, between the controlling financial institution and a data processing center or a central routing unit, unless operated by or solely on behalf of the controlling financial institution, by which transactions originating at that terminal will be received.

4. A satellite terminal in this state shall not be attended or operated at any time by an employee of a financial institution or an affiliate of a financial institution, except for the purpose of instructing customers, on a temporary basis, in the use of the satellite terminal, for the purpose of testing the terminal, or for the purpose of transacting business on the employee's own behalf.

5. A satellite terminal shall bear a sign or label no larger than three inches by two inches identifying the name, address, and telephone number of the owner of the satellite terminal. The administrator may authorize methods of identification the administrator deems necessary to enable the general public to determine the accessibility of a satellite terminal.

6. The charges required to be paid by any financial institution which utilizes the satellite terminal for transactions involving an access device shall not exceed a pro rata portion of the costs, determined in accordance with generally accepted accounting principles, of establishing, operating and maintaining the satellite terminal, plus a reasonable return on these costs to the owner of the satellite terminal.

7. If the administrator deems the informational statement or any amendment to that statement or amendment to be complete and finds no grounds for denying establishment of a satellite terminal, the administrator may notify the person filing the informational statement that the administrator has expressly approved the establishment and operation of the satellite terminal as described in the informational statement or amendment and according to the agreements attached to the statement or amendment. Operation of the satellite terminal may commence immediately upon a person receiving such express approval from the administrator. If the administrator finds grounds, under any applicable law or rule, for denying establishment of a satellite terminal the administrator shall notify the person filing the informational statement or an amendment thereto, within thirty days of the filing thereof, of the existence of such grounds. If such notification is not given by

the administrator, the administrator shall be considered to have expressly approved the establishment and operation of the satellite terminal as described in the informational statement or amendment and according to the agreements attached thereto, and operation of the satellite terminal in accordance therewith may commence on or after the thirtieth day following such filing. However, this subsection shall not be construed to prohibit the administrator from enforcing the provisions of this chapter, nor shall it be construed to constitute a waiver of any prohibition, limitation, or obligation imposed by this chapter.

8. *a.* Satellite terminals located in this state shall be directly connected to either of the following:

(1) A central routing unit approved pursuant to this chapter.

(2) A data processing center which is directly connected to a central routing unit approved pursuant to this chapter.

*b.* If a data processing center which is directly connected to a satellite terminal located in this state does not authorize or reject a transaction originated at that terminal, the transaction shall be immediately transmitted by the data processing center to a central routing unit approved pursuant to this chapter, unless one of the following applies:

(1) The transaction is not authorized because of a mechanical failure of the data processing center or satellite terminal.

(2) The transaction does not affect a customer asset account held by a financial institution.

*c.* This subsection does not limit the authority of a data processing center to authorize or reject transactions requested by customers of a financial institution pursuant to an agreement whereby the data processing center authorizes or rejects requested transactions on behalf of the financial institution and provides to the financial institution, on a batch basis and not on an on-line real time basis, information concerning authorized or rejected transactions of customers of the financial institution.

9. A personal terminal may be utilized by a financial institution to the extent permitted by this chapter if the use and operation of the personal terminal is governed by a written agreement between the controlling financial institution and its customer and if the personal terminal is utilized and maintained in compliance with subsection 8 and all other applicable sections of this chapter. A telephone located at other than a personal residence and used primarily as a personal terminal must be utilized and maintained in compliance with this section.

10. Any person, as defined in section 4.1, subsection 20, establishing a limited-function terminal within this state, except for a multiple use terminal, which is utilized to initiate transactions affecting a customer asset account shall file with the administrator and shall maintain on a current basis a registration statement on a form prescribed by the administrator containing the name and address of the registrant, the location of the limited-function terminal, and any other information the administrator deems relevant. All limited-function terminals established in this state prior to July 1, 1991, shall be registered in a similar manner by the establishing person no later than July 1, 1992.

11. *a.* If at any time, a limited-function terminal at a location in this state off the premises of the financial institution is replaced by a device constituting either an on-line or an off-line point-of-sale terminal which may be utilized to initiate transactions which affect customer asset accounts through the use of an electronic personal identifier, or is upgraded, altered, or modified to be operated in a manner which allows the use of an electronic personal identifier to initiate transactions which affect customer asset accounts, or an on-line or an off-line point-of-sale terminal which may be utilized to initiate transactions which affect customer asset accounts through the use of an electronic personal identifier is newly established at a location in this state off the premises of the financial institution, then such upgraded, altered, or modified limited-function terminal or replacement point-of-sale terminal or such newly established point-of-sale terminal is deemed to be a full-function point-of-sale terminal for purposes of this subsection and all requirements of a satellite terminal in this chapter apply to the full-function point-of-sale terminal with regard to all transactions affecting customer asset accounts which are initiated through the use of an electronic personal identifier, except for section 527.4, subsection 3, and subsections 1, 3, and 7 of this section.

*b.* A full-function point-of-sale terminal, as identified in paragraph "*a*", which is operated

in a manner which permits all access devices to be utilized to initiate transactions which affect customer asset accounts, and where all such transactions can be directly routed for authorization purposes as established in this subsection, is also exempt from the provisions of subsection 8. However, if a data processing center directly connected to such full-function point-of-sale terminal does not authorize or reject a transaction affecting a customer asset account initiated at the terminal through the use of an electronic personal identifier, the transaction shall be immediately transmitted by the data processing center to either of the following:

(1) A central routing unit approved pursuant to this chapter.

(2) An electronic funds transfer processing facility maintained or operated by a national card association and utilized for the processing of transactions initiated through the use of electronic funds transfer transaction cards or access devices depicting a service mark, logo, or trademark associated with the national card association. However, if the national card association's processing facility is unable to immediately authorize or reject a transaction affecting a customer asset account initiated at that terminal through the use of an access device which bears a service mark, logo, or trademark associated with a central routing unit approved pursuant to this chapter but does not bear a service mark, logo, or trademark associated with a national card association, or which bears a service mark, logo, or trademark other than that associated with either a central routing unit approved pursuant to this chapter or a national card association, the transaction shall be immediately transmitted to a central routing unit approved pursuant to this chapter, whether the transaction initiated through the use of such access device was transmitted to the national card association's processing facility by a data processing center directly connected to the full-function point-of-sale terminal, or the national card association's processing facility received the transmission of transaction data directly from the full-function point-of-sale terminal.

*c.* If the national card association's electronic funds transfer processing facility directly or indirectly receives a transaction affecting a customer asset account initiated at a full-function point-of-sale terminal through the use of an electronic personal identifier and an access device bearing a service mark, logo, or trademark associated with a national card association, whether or not the access device also bears the service mark, logo, or trademark of an approved central routing unit, and the national card association's processing facility cannot immediately authorize or reject the transaction, such transaction shall be immediately transmitted to a central routing unit approved pursuant to this chapter, or to a financial institution, or its data processing center, which is capable of immediately authorizing or rejecting the transaction.

*d.* For purposes of this subsection, a national card association must be a membership corporation or organization, wherever incorporated and maintaining a principal place of business, which is engaged in the business of administering for the benefit of the association's members a program involving electronic funds transfer transaction cards or access devices depicting a service mark, logo, or trademark associated with the national card association and which may be utilized to perform transactions at point-of-sale terminals. A national card association must have a membership solely comprised of insured depository financial institutions, organizations directly or indirectly owned or controlled solely by insured depository financial institutions, entities wholly owned by one or more insured depository financial institutions, holding companies having at least two-thirds of their assets consisting of the voting stock of insured depository financial institutions, organizations wholly owned by one or more holding companies having at least two-thirds of their assets consisting of the voting stock of insured depository financial institutions and which are solely engaged in activities related to the programs sponsored by the national card association, or such other entities or organizations which are authorized by the national card association's bylaws to participate in the electronic funds transfer transaction card or access device programs or other services and programs sponsored by the national card association. For purposes of this subsection, a national card association shall not include a financial institution, bank holding company as defined in section 524.1801, or in the federal Bank Holding Company Act of 1956, 12 U.S.C. § 1842(d), as amended to July 1, 1994, or any other financial institution holding company organized under federal or state law, or a subsidiary

or affiliate corporation owned or controlled by a financial institution or financial institution holding company, which has authorized a customer or member to engage in satellite terminal transactions. For purposes of this subsection, a national card association shall also not include a membership corporation or organization which is conducting business as a regional or nationwide network of shared electronic funds transfer terminals which do not constitute point-of-sale terminals, and is engaged in satellite terminal transaction services utilizing a common service mark, logo, or trademark to identify such terminal services.

*e.* This subsection does not apply to satellite terminals located in this state, other than on-line and off-line full-function point-of-sale terminals as identified in this subsection, or multiple use terminals located in this state which are capable of being operated in a manner to initiate transactions affecting customer asset accounts through the use of an electronic personal identifier.

12. Effective July 1, 1994, any transaction engaged in with a retailer through a satellite terminal at a location in this state off the premises of the financial institution by means of an access device which results in a debit to a customer asset account shall be cleared and paid at par during the settlement of such transaction. Notwithstanding the terms of any contractual agreement between a retailer or financial institution and a national card association as described in subsection 11, an electronic funds transfer processing facility of a national card association, a central routing unit approved pursuant to this chapter, or a data processing center, the processing fees and charges for such transactions to the retailer shall be as contractually agreed upon between the retailer and the financial institution which establishes, owns, operates, controls, or processes transactions initiated at the satellite terminal. All accounting documents reflecting such fees and charges imposed on the retailer shall separately identify transactions which have resulted in a debit to a customer asset account and the charges imposed. The provisions of this subsection shall apply to all satellite terminals, including limited-function terminals, full-function point-of-sale terminals as identified in subsection 11, paragraph "*a*", and multiple use terminals.

[C77, 79, 81, §527.5; 82 Acts, ch 1094, §2]

87 Acts, ch 158, §5 – 11; 89 Acts, ch 86, §12 – 14; 91 Acts, ch 216, §7 – 11; 93 Acts, ch 36, §1; 93 Acts, ch 37, §1; 95 Acts, ch 66, §3, 4; 96 Acts, ch 1094, §1, 2; 2000 Acts, ch 1232, §104 – 107; 2012 Acts, ch 1017, §123; 2012 Acts, ch 1023, §157

Referred to in §527.2, 527.3, 527.9

**527.6** Repealed by 95 Acts, ch 66, § 5.

**527.7 Records maintained.**

1. All transactions engaged in through a satellite terminal shall be recorded in a form from which it will be possible to produce a humanly readable record of any transaction, and these recordings shall be retained by the utilizing financial institutions for the periods required by law.

2. The machine receipt provided to a satellite account transaction card user by a satellite terminal shall be admissible as evidence in any legal action or proceeding and shall constitute prima facie proof of the transaction evidence by that receipt.

3. A financial institution shall provide each of its satellite account holders with a periodic account statement that shall contain a brief description of all satellite terminal transactions sufficient to enable the account holder to identify any transaction and to relate it to machine receipts provided by satellite terminals.

4. When a periodic account statement includes both satellite terminal transactions and other nonsatellite terminal transactions, all satellite terminal transactions shall be indicated as such, and shall be accompanied by the description required by subsection 3.

5. The administrator may provide by rule for the recording and maintenance, by any financial institution utilizing a satellite terminal, of amounts involved in a transaction engaged in through the satellite terminal which are of a known tax consequence to the customer initiating the transaction. For the purpose of this subsection, *"known tax consequences"* means and includes but shall not be limited to the following:

*a.* An amount directly or indirectly received from a customer and applied to a loan account of the customer which represents interest paid by the customer to the financial institution.

*b.* In any transaction where the total amount involved is deducted from funds in a customer's account and is simultaneously paid either directly or indirectly by the financial institution to the account of a third party, any portion of the transaction amount which represents a sales or other tax imposed upon or included within the transaction and collected by that third party from the customer, or any portion of the transaction amount which represents interest paid to the third party by the customer.

*c.* Any other transaction which the administrator determines to have direct tax consequences to the customer. The administrator also may provide for the periodic distribution to customers of summaries of transactions having known tax consequences.

[C77, 79, 81, §527.7]

91 Acts, ch 216, §12; 2012 Acts, ch 1023, §136

**527.8** Repealed by 95 Acts, ch 66, § 5.

**527.8A Exemptions.**

Transactions initiated at a satellite terminal which do not involve the use of an access device to directly or indirectly affect a customer asset account are not governed by this chapter.

91 Acts, ch 216, §13

**527.9 Central routing units.**

1. A central routing unit shall not be operated in this state unless written approval for that operation has been obtained from the administrator.

2. *a.* A person desiring to operate a central routing unit shall submit to the administrator an application which shall contain all of the following information:

(1) The name and business address of the owner of the proposed unit.

(2) The name and business address of each data processing center and other central routing unit with which the proposed central routing unit will have direct electronic communication.

(3) The location of the proposed central routing unit.

(4) A schedule of the charges which will be required to be paid to that applicant by each financial institution which utilizes the proposed central routing unit.

(5) An agreement by the applicant that the proposed central routing unit will be capable of accepting and routing, and will be operated to accept and route, transmissions of data originating at any satellite terminal located in this state, except limited-function terminals, whether receiving from that terminal or from a data processing center or other central routing unit.

(6) A representation and undertaking that the proposed central routing unit is directly connected to every data processing center that is directly connected to a satellite terminal located in this state, and that the proposed central routing unit will provide for direct connection in the future with any data processing center that becomes directly connected to a satellite terminal located in this state. This representation and undertaking is not required of a central routing unit with respect to limited-function terminals.

*b.* The application shall be accompanied by all agreements between the proposed central routing unit and all data processing centers and other central routing units respecting the transmission of transaction data; and a copy of any agreement between the proposed central routing unit and any financial institution establishing a satellite terminal unless that agreement theretofore has been filed with the administrator pursuant to section 527.5.

3. The administrator shall approve or disapprove an application for operation of a central routing unit within sixty days after receipt.

4. A central routing unit operating under the approval of the administrator shall be subject to examination by the administrator for the purpose of determining compliance with this chapter.

5. *a.* Effective July 1, 1987, a person owning or operating a central routing unit authorized under this section shall include public representation on any board setting policy for the

central routing unit. Four or five public members shall be appointed to the board in the following manner:

(1) Three members shall be appointed by the superintendent of banking.

(2) One member shall be appointed by the superintendent of credit unions.

(3) If an industrial loan company is connected to the central routing unit, one member shall be appointed by the superintendent of banking.

*b.* The superintendent of banking and superintendent of credit unions shall form a committee to set, in conjunction with the entity owning or operating the central routing unit, the term of office, the rate of compensation, and the rate of reimbursement for each public member. However, the public members shall be entitled to reasonable compensation and reimbursement from the board.

*c.* Each public member is entitled to all the rights of participation and voting as any other member of the board. The public members are to represent the interest of consumers and the business and agricultural communities in establishing policies for the central routing unit.

*d.* It is the intention of the general assembly that the ratio of public members to the overall membership of the board shall not be less than one public member for each seven members of the board. If the number of members on the board is increased, then the number of members appointed pursuant to paragraph "*a*" shall be increased to maintain the minimum ratio. In this event, the superintendent of banking and the superintendent of credit unions shall appoint additional public members in order to maintain the minimum ratio.

*e.* An individual shall not be appointed as a public member pursuant to this subsection if the individual is a director of a financial institution or is directly employed by a financial institution doing business in this state.

[C77, 79, 81, §527.9]

87 Acts, ch 158, §13, 14; 89 Acts, ch 86, §16; 91 Acts, ch 216, §14; 2012 Acts, ch 1017, §124; 2012 Acts, ch 1023, §137

**527.10 Confidentiality.**

A satellite terminal, data processing center, or central routing unit shall not be operated in any manner to permit any person to obtain information concerning the account of any person with a financial institution, unless such information is essential to complete or prevent the completion of a transaction then being engaged in through the use of that facility.

A financial institution, data processing center, central routing unit, or other person shall not disseminate any information relating to the use of a multiple use terminal without the written authorization of the retailer on whose premises the terminal is located, or of the owner or operator of the terminal or the financial institution controlling the terminal. This section shall not, however, prohibit or restrict the use of information received in the processing, authorization, or rejection of a requested electronic funds transfer transaction, where such use is necessary or incidental to the processing, authorization, or rejection, or to reconciling disputes or resolving questions raised by a retailer, financial institution, consumer, or any other person regarding the transaction.

[C77, 79, 81, §527.10]

87 Acts, ch 158, §15

**527.11 Rulemaking.**

The administrator shall have the power to adopt and promulgate rules pursuant to chapter 17A as in the administrator's opinion will be necessary to properly and effectively carry out and enforce the provisions of this chapter.

[C77, 79, 81, §527.11]

Referred to in §527.2

**527.12 Revocation of privilege.**

Whenever the administrator determines, upon notice and hearing pursuant to chapter 17A, that a satellite facility or data processing center or central routing unit is being operated in violation of this chapter, the administrator may revoke the approval to operate that facility. If the administrator does not have any direct authority over the facility because of

the provisions of section 527.3, the administrator may revoke with respect to any financial institution over which the administrator does have direct authority the privilege to engage in transactions through or with that facility. A revocation by the administrator shall be effective when ordered by the administrator, anything in chapter 17A to the contrary notwithstanding. The administrator may bring an action in the district court in the name of the state to enjoin any financial institution or other person who continues to utilize or to operate a satellite terminal or data processing center or central routing unit after the approval has been revoked. The administrator also may bring such an action to enjoin any person who fails to obtain any approval required by this chapter.

[C77, 79, 81, §527.12]

Referred to in §527.2

# CHAPTER 528

## ALTERNATIVE MORTGAGE LOANS

Referred to in §669.14


528.1 Title.
528.2 Definitions.
528.3 Financial institutions allowed to make alternative mortgages.
528.4 Prepayment penalty prohibited.
528.5 Disclosure of alternative mortgage loan information to applicants.
528.6 Prototype plan for alternative mortgage loans — approval by administrator.
528.7 Reduction in installment payments — repayment of mortgage debt.
528.8 Interest on graduated payment mortgage loans.
528.9 Rules.


**528.1 Title.**

This chapter is entitled *"Alternative and Reverse Annuity Mortgage Loan Act"*.

89 Acts, ch 267, §1

**528.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means the superintendent of banking and the superintendent of credit unions within the department of commerce.

2. *"Alternative mortgage loan"* means a mortgage loan which is a reverse annuity mortgage loan or graduated payment mortgage loan.

3. *"Financial institution"* means financial institution as defined in section 535A.1.

4. *"Graduated payment mortgage loan"* means a mortgage loan in which principal and interest payments, if any, and the making of additional advances, if any, are scheduled to reflect the prospective increasing or decreasing income of the mortgagor.

5. *"Mortgage loan"* means a loan secured by a first mortgage on one, two, three, or four family, owner-occupied residential real property.

6. *"Reverse annuity mortgage loan"* means a mortgage loan in which either the loan proceeds are used to purchase an annuity with the annuity proceeds to be advanced to the mortgagors, or the loan proceeds are directly advanced to the mortgagors, in ten or more installments, either directly or indirectly, and which together with unpaid interest, if any, are to be repaid in accordance with section 528.7.

89 Acts, ch 267, §2; 2012 Acts, ch 1017, §125

**528.3 Financial institutions allowed to make alternative mortgages.**

A financial institution may make alternative mortgage loans in accordance with this chapter. General provisions governing a financial institution's mortgage loans apply to alternative mortgage loans unless inconsistent with the provisions of this chapter. This

chapter does not prohibit a financial institution from making any loan which is not an alternative mortgage loan, provided such loan otherwise complies with applicable laws.

89 Acts, ch 267, §3

**528.4 Prepayment penalty prohibited.**

A financial institution making an alternative mortgage loan may contract with the mortgagor for interest to be paid currently or to accrue, and if accrued, for accrued interest to be added to the mortgage debt on which interest may be charged and collected. Accrued interest which is added to the mortgage debt shall be secured by the mortgage to the same extent as the principal of the alternative mortgage loan. An instrument evidencing an alternative mortgage loan shall not contain a provision imposing a penalty for prepayment of the loan.

89 Acts, ch 267, §4

**528.5 Disclosure of alternative mortgage loan information to applicants.**

1. A financial institution that offers or makes an alternative mortgage loan shall include in any disclosure of the rates or availability of mortgage loans, the rates and availability of reverse annuity mortgages or graduated payment mortgage loans, if and when such loans are offered. The administrator may prescribe by rule forms for the required disclosures.

2. A prospective mortgage loan applicant shall have the choice of applying for a mortgage loan or any type of alternative mortgage loan offered by the financial institution.

89 Acts, ch 267, §5

**528.6 Prototype plan for alternative mortgage loans — approval by administrator.**

1. Before a financial institution makes an alternative mortgage loan, it shall submit to the administrator for that type of institution, for the administrator's approval, the prototype plan and subsequent amendments to the plan under which alternative mortgage loans are to be made. A plan submitted shall include a copy of the form of note and mortgage instrument that will be used for that type of alternative mortgage loan, a detailed description of how the plan will function, and other information as the administrator requires. The administrator shall specifically review the mortgage instrument submitted as part of the plan to ensure that any default provisions included in the deed pursuant to section 528.7, subsection 2, paragraph "*c*", are necessary to protect the interests of the mortgagee and are fair and equitable for the mortgagor. A reverse annuity mortgage shall provide that the mortgagor or mortgagors of the property shall retain a life estate in the property until the death of the mortgagor or all of the mortgagors, notwithstanding that the annuity may expire prior to the end of the life estate, depending upon the terms of the annuity.

2. The administrator may approve any plan and amendment to a plan that in the administrator's opinion serves the best interests of prospective mortgagors and mortgagees. The administrator's considerations shall include, without limitation, the flexibility of each plan to serve the differing needs of various persons who may apply for an alternative mortgage loan under the plan.

3. If the administrator approves the plan or amendment, the financial institution may make alternative mortgage loans in accordance with the approved plan and any approved amendments.

4. This section applies to all alternative mortgage loans made on or after January 1, 1990.

89 Acts, ch 267, §6

**528.7 Reduction in installment payments — repayment of mortgage debt.**

1. If the mortgagee or its assignee and the mortgagor agree, any installment payment of either the loan proceeds or an annuity purchased with the loan proceeds of a reverse annuity mortgage loan may be reduced by an amount used for partial repayment of the mortgage debt, except as provided in subsection 2 of this section.

*a.* Notwithstanding any such reduction, each mortgagor shall receive a cash payment in each installment for the term of the annuity or, if no annuity, for the term during which the mortgagee contracted with the mortgagor to advance the loan proceeds.

*b.* Except as provided in subsection 2, no repayments of any part of the mortgage debt shall be required from the mortgagor after termination of the period during which loan proceeds or any annuity purchased with the loan proceeds are advanced to the mortgagor.

2. If the mortgagee or its assignee and the mortgagor agree, and at the option of the mortgagee, advances under a reverse annuity mortgage loan may terminate and the entire unpaid balance of the loan plus accrued interest may become due and payable upon the occurrence of any of the following events:

*a.* The death of the last surviving mortgagor.

*b.* The sale or other transfer of the real estate securing the loan to a person other than any of the original mortgagors.

*c.* Any other occurrence which materially decreases the value of the property securing the loan or which will have the likely effect of causing the loan not to be repaid. Any such additional occurrence shall be clearly described in the note or mortgage instrument.

89 Acts, ch 267, §7

Referred to in §528.2, 528.6

**528.8 Interest on graduated payment mortgage loans.**

A graduated payment mortgage loan offered or made by a financial institution shall provide for interest at a specified rate or a series of specified rates.

89 Acts, ch 267, §8

**528.9 Rules.**

The administrator may adopt rules pursuant to chapter 17A, as the administrator deems necessary and convenient to carry out the provisions of this chapter.

89 Acts, ch 267, §9

# CHAPTERS 528A and 528B

RESERVED

# CHAPTER 529

## IOWA FINANCIAL TRANSACTION REPORTING ACT

Referred to in §669.14, 706B.2

529.1 Definitions.
529.2 Reports.
529.3 Investigations.
529.4 Uniformity of construction and application.

**529.1 Definitions.**

In this chapter, unless the context otherwise requires:

1. *"Authorized delegate"* means a person designated by the licensee.

2. *"Check cashing"* means exchanging for compensation a check, draft, money order, traveler's check, or a payment instrument of a money transmitter for money delivered to the presenter at the time and place of the presentation.

3. *"Compensation"* means any fee, commission, or other benefit.

4. *"Conduct the business"* means engaging in activities of a licensee or money transmitter more than ten times in any calendar year for compensation.

5. *"Foreign money exchange"* means exchanging for compensation money of the United States government or a foreign government to or from money of another government at a conspicuously posted exchange rate at the time and place of the presentation of the money to be exchanged.

6. *"Licensee"* means a person licensed under this chapter.*

7. *"Location"* means a place of business at which activity conducted by a licensee or money transmitter occurs.

8. *"Money"* means a medium of exchange authorized or adopted by a domestic or foreign government as a part of its currency and that is customarily used and accepted as a medium of exchange in the country of issuance.

9. *"Money transmitter"* means a person who is located or doing business in this state, including a check casher and a foreign money exchanger, and who does any of the following:

*a.* Sells or issues payment instruments.

*b.* Conducts the business of receiving money for the transmission of or transmitting money.

*c.* Conducts the business of exchanging payment instruments or money into any form of money or payment instrument.

*d.* Conducts the business of receiving money for obligors for the purpose of paying obligors' bills, invoices, or accounts.

*e.* Meets the definition of a bank, financial agency, or financial institution as prescribed by 31 U.S.C. § 5312 or 31 C.F.R. § 103.11 and any successor provisions.

10. *"Payment instrument"* means a check, draft, money order, traveler's check, or other instrument or order for the transmission or payment of money, sold to one or more persons, whether or not that instrument or order is negotiable. *"Payment instrument"* does not include an instrument that is redeemable by the issuer in merchandise or service, a credit card voucher, or a letter of credit.

11. *"Proceeds"* means property acquired or derived directly or indirectly from, produced through, realized through, or caused by an act or omission and includes any property of any kind.

12. *"Property"* means anything of value, and includes any interest in property, including any benefit, privilege, claim, or right with respect to anything of value, whether real or personal, tangible or intangible, without reduction for expenses incurred for acquisition, maintenance, production, or any other purpose.

13. *"Superintendent"* means the superintendent of banking or the superintendent of credit unions.

14. *"Transaction"* includes a purchase, sale, trade, loan, pledge, investment, gift, transfer, transmission, delivery, deposit, withdrawal, payment, transfer between accounts, exchange of currency, extension of credit, purchase or sale of any monetary instrument, use of a safe deposit box, or any other acquisition or disposition of property by whatever means effected.

15. *"Transmitting money"* includes the transmission of money by any means including transmission within this country or to or from locations abroad by payment instrument, wire, facsimile, or electronic transfer, courier, or otherwise.

16. *"Traveler's check"* means an instrument identified as a traveler's check on its face or commonly recognized as a traveler's check and issued in a money multiple of United States or foreign currency with a provision for a specimen signature of the purchaser to be completed at the time of purchase and a countersignature of the purchaser to be completed at the time of negotiation.

96 Acts, ch 1133, §34; 98 Acts, ch 1074, §30

*This chapter does not include licensing provisions

**529.2 Reports.**

1. A licensee, authorized delegate, or money transmitter required to file a report regarding business conducted in this state pursuant to the federal Currency and Foreign Transactions Reporting Act, 31 U.S.C. § 5311 through 5326 and 31 C.F.R. pt. 103, or 12 C.F.R. § 21.11, shall file a duplicate of that report with the department of public safety.

2. All persons engaged in a trade or business who are required to file a report pursuant to 26 U.S.C. § 6050I and 26 C.F.R. § 1.6050I, and any successor provisions, concerning returns relating to cash received in trade or business, shall file a copy of the report with the department of public safety.

3. A licensee, authorized delegate, or money transmitter that is regulated under the

federal Currency and Foreign Transactions Reporting Act, 31 U.S.C. § 5325 and 31 C.F.R. pt. 103, and that is required to make available prescribed records to the secretary of the United States department of treasury upon request at any time, shall follow the same prescribed procedures and create and maintain the same prescribed records relating to a transaction and shall make these records available to the department of public safety pursuant to a prosecuting attorney subpoena.

4. *a.* The timely filing of a report required by this section with the appropriate federal agency shall be deemed compliance with the reporting requirements of this section, unless the attorney general or the department of public safety has notified the superintendent that reports of that type are not being regularly and comprehensively transmitted by that federal agency to the department of public safety.

*b.* This chapter does not preclude a licensee, authorized delegate, money transmitter, financial institution, or a person engaged in a trade or business, in its discretion, from instituting contact with, and thereafter communicating with and disclosing customer financial records to appropriate state or local law enforcement agencies if the licensee, authorized delegate, money transmitter, financial institution, or person has information that may be relevant to a possible violation of any criminal statute or to the evasion or attempted evasion of any reporting requirement of this chapter.

*c.* A licensee, authorized delegate, money transmitter, financial institution, person engaged in a trade or business, or any officer, employee, agent, or authorized delegate of any of them, or any public official or governmental employee who keeps or files a record pursuant to this section or who communicates or discloses information or records under paragraph *"b"*, is not liable to its customer, to a state or local agency, or to any person for any loss or damage caused in whole or in part by the making, filing, or governmental use of the report, or any information contained in that report.

5. The attorney general or the department of public safety may report any possible violations indicated by analysis of the reports required by this chapter to any appropriate law enforcement agency for use in the proper discharge of its official duties. The attorney general or the department of public safety shall provide copies of the reports required by this chapter to any appropriate prosecutorial or law enforcement agency upon being provided with a written request for records relating to a specific individual or entity and stating that the agency has an articulable suspicion that such individual or entity has committed a felony offense or a violation of this chapter to which the reports are relevant. A person who releases information received pursuant to this subsection except in the proper discharge of the person's official duties is guilty of a serious misdemeanor.

6. It shall be unlawful for any person to do any of the following:

*a.* With intent to disguise the fact that money or a payment instrument is the proceeds of criminal conduct, or with intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on of any criminal conduct, to knowingly furnish or provide to a licensee, authorized delegate, money transmitter, financial institution, person engaged in a trade or business, or any officer, employee, agent, or authorized delegate of any of them, or to the attorney general or department of public safety, any false, inaccurate, or incomplete information; or to knowingly conceal a material fact in connection with a transaction for which a report is required to be filed pursuant to this section.

*b.* With the intent to disguise the fact that money or a payment instrument is the proceeds of criminal conduct, or with intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on of any criminal conduct, or with intent to evade the making or filing of a report required under this chapter, or with intent to cause the making or filing of a report that contains a material omission or misstatement of fact, to conduct or structure a transaction or series of transactions by or through one or more licensees, authorized delegates, money transmitters, financial institutions, or persons engaged in a trade or business.

7. A person who violates subsection 6 is guilty of a class "C" felony and is also subject to a civil penalty of three times the value of the property involved in the transaction, or, if no transaction is involved, five thousand dollars.

8. Notwithstanding any other provision of law, each violation of this section constitutes a separate, punishable offense.

9. Any report, record, information, analysis, or request obtained by the attorney general or department of public safety pursuant to this chapter is not a public record as defined in chapter 22 and is not subject to disclosure.

96 Acts, ch 1133, §35; 98 Acts, ch 1074, §31

Referred to in §22.7

**529.3 Investigations.**

1. The attorney general or county attorney may conduct investigations within or outside this state to determine if any licensee, authorized delegate, money transmitter, or person engaged in a trade or business has failed to file a report required by this chapter or has engaged or is engaging in any act, practice, or transaction that constitutes a violation of this chapter.

2. Upon presentation of a subpoena from a prosecuting attorney, all licensees, authorized delegates, money transmitters, and financial institutions shall make their books and records available to the attorney general or county attorney or peace officer during normal business hours for inspection and examination in connection with an investigation pursuant to this section.

96 Acts, ch 1133, §36

**529.4 Uniformity of construction and application.**

1. The provisions of this chapter shall be liberally construed to effectuate its remedial purposes. Civil remedies under this chapter shall be supplemental and not mutually exclusive. The civil remedies do not preclude and are not precluded by other provisions of law.

2. The provisions of this chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting the law and to make the reporting requirements regarding financial transactions under Iowa law uniform with the reporting requirements regarding financial transactions under federal law.

3. The attorney general is authorized to enter into reciprocal agreements with the attorney general or chief prosecuting attorney of any state to effectuate the purposes of this chapter.

96 Acts, ch 1133, §37

# CHAPTERS 530 to 532

RESERVED

# CHAPTER 533

## CREDIT UNIONS

Referred to in §12.61, 12C.1, 216.10, 331.602, 423.2, 445.5, 490.1701, 501A.601, 524.821, 533C.102, 535.2, 535.8, 535C.2, 536A.24, 536C.3, 537.1301, 537.2301, 537.6105, 537.6201, 546.4, 602.8103, 669.14

Former ch 533 repealed by 2007 Acts, ch 174, §98

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## SUBCHAPTER I

## ADMINISTRATION OF ACT

**533.101 Title.**

This chapter shall be known as the *"Iowa Credit Union Act"*.

2007 Acts, ch 174, §1

**533.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Account insurance plan"* means an arrangement providing account and share insurance which is of a type authorized under section 533.307.

2. *"Common bond"* means the shared characteristic of members of a credit union.

3. *a.* *"Credit union"* means a cooperative, nonprofit association, organized or incorporated in accordance with the provisions of this chapter or under the laws of another state or the Federal Credit Union Act, 12 U.S.C. § 1751 et seq., for the purposes of creating a source of credit at a fair and reasonable rate of interest, of encouraging habits of thrift among its members, and of providing an opportunity for its members to use and control their own money on a democratic basis in order to improve their economic and social condition.

*b.* A *"credit union"* is also a "supervised financial organization" as that term is defined and used in chapter 537, the Iowa consumer credit code.

4. *"Credit union service organization"* means a corporation, limited partnership, or limited liability company organized under state law to provide financial and financial-related services for one or more credit unions, each of which owns part of the capital stock of the credit union service organization, as authorized under section 533.301, subsection 5, paragraph *"f"*, and which corporation, limited partnership, or limited liability company is subject to examination by the credit union division of the Iowa department of commerce or a federal supervisory agency.

5. *"Ownership share"* means a share of a credit union acquired by a member at the time membership is initiated.

6. *"Review board"* means the credit union review board.

7. *"State credit union"* means a credit union organized pursuant to section 533.201.

8. *"Superintendent"* means the superintendent of credit unions appointed pursuant to section 533.104.

2007 Acts, ch 174, §2; 2012 Acts, ch 1023, §138; 2013 Acts, ch 17, §1

Referred to in §12C.13, 252I.1, 421.17A

Subsection 4 amended

**533.103 Credit union division created.**

A credit union division of the department of commerce is created to administer this chapter.

2007 Acts, ch 174, §3

Referred to in §546.4

**533.104 Superintendent.**

1. A superintendent of credit unions shall be appointed by the governor, subject to confirmation by the senate, to regulate credit unions.

*a.* The appointee shall be selected solely with regard to qualification and fitness to discharge the duties of office.

*b.* The individual appointed shall have at least five years' experience as a director or executive officer of a credit union, or comparable experience in the regulation or examination of credit unions. For purposes of this paragraph, credit union membership does not qualify as credit union experience.

2. The superintendent shall have an office at the seat of government. The superintendent's term of office shall be four years beginning and ending as provided by section 69.19. The governor may remove the superintendent for malfeasance in office, or for any cause that renders the superintendent ineligible, incapable, or unfit to discharge the duties of the office.

3. The superintendent shall receive a salary set by the governor within a range established by the general assembly.

4. A vacancy in the office of superintendent shall be filled for the unexpired portion of the regular term.

5. The superintendent may adopt rules as necessary or appropriate to administer this chapter, subject to the prior approval of the rules by the review board.

2007 Acts, ch 174, §4

Referred to in §533.102, 546.4

Confirmation, see §2.32

**533.105 Deputy superintendent.**

1. The superintendent may appoint an employee of the credit union division as deputy superintendent to perform the duties of the superintendent during the superintendent's absence or inability to act.

2. The deputy superintendent shall serve at the pleasure of the superintendent. If the office of the superintendent becomes vacant, the deputy superintendent shall have all powers and duties of the superintendent until a new superintendent is appointed by the governor in accordance with this chapter.

3. The deputy superintendent shall receive a salary to be fixed by the superintendent.

2007 Acts, ch 174, §5

**533.106 Employees.**

1. *a.* The superintendent may appoint assistants, examiners, and other employees as the superintendent considers necessary to the proper discharge of duties imposed upon the superintendent by the laws of this state.

*b.* Pay plans shall be established for the credit union division employees, other than clerical employees, who supervise and examine the accounts and affairs of credit unions and other persons, subject to supervision and regulation by the superintendent, that are substantially equivalent to those paid by the national credit union administration and other federal supervisory agencies in this area of the United States.

2. *a.* A state credit union, or its officers, directors, or employees, shall not directly or indirectly make a loan of money or property to the superintendent.

*b.* The superintendent shall not directly or indirectly accept a loan of money or property from a state credit union, or its officers, directors, or employees.

3. *a.* An employee of the credit union division, other than the superintendent, may borrow money from a state credit union only on comparable terms and conditions to those ordinarily extended to all members of the credit union. The employee shall notify the superintendent of the acceptance of a loan from a state credit union.

*b.* The superintendent may restrict borrowing by employees from state credit unions if the superintendent determines such borrowing will interfere with the functions of the credit union division.

*c.* An employee shall not participate in the examination of a credit union where the employee has a loan.

4. The superintendent or an employee of the credit union division, other than a member of the review board, shall not perform any services for or be an officer, director, or employee of a state credit union or any other entity supervised or regulated by the credit union division.

5. A person who violates this section shall be permanently disqualified from acting as an officer, director, or employee of a state credit union and permanently disqualified from acting as superintendent or an employee of the credit union division.

6. The superintendent or an employee of the credit union division who is convicted of theft, burglary, robbery, larceny, embezzlement, or other crime involving breach of trust shall be forever disqualified from holding any position in the credit union division.

2007 Acts, ch 174, §6

**533.107 Credit union review board.**

1. A credit union review board is created. The review board shall consist of seven members, five of whom shall have been members in good standing for at least the previous

five years of either an Iowa state chartered credit union, or a credit union chartered under the Federal Credit Union Act, 12 U.S.C. § 1751 et seq., and having its principal place of business in Iowa. Two of the members may be public members; however, at no time shall more than five of the members be directors or employees of a credit union. The members shall serve for three-year staggered terms beginning and ending as provided by section 69.19.

2. The members of the review board shall be appointed by the governor subject to confirmation by the senate. The governor may appoint the members of the review board from a list of nominees submitted to the governor by the credit unions located in this state.

3. The review board shall meet at least four times each year and shall hold special meetings at the call of the chairperson. Four members constitute a quorum.

4. Each member of the review board shall receive actual and necessary expenses incurred in the discharge of official duties. Each member of the review board may also be eligible to receive compensation as provided in section 7E.6.

5. A member of the review board shall not take part in any action or participate in any decision when the matter under consideration specifically relates to a credit union of which the review board member is a member.

6. The review board may adopt rules pursuant to chapter 17A or take other action as it deems necessary or suitable, to administer this chapter.

2007 Acts, ch 174, §7; 2013 Acts, ch 90, §162
Confirmation, see §2.32
Subsection 1 amended

**533.108 Records of credit union division.**

1. *a.* Records of the credit union division are public records subject to the provisions of chapter 22, except as otherwise provided in this chapter.

*b.* Papers, documents, writings, reports, reports of examinations and other information relating specifically to the supervision and regulation of a specific state credit union or of other persons by the superintendent pursuant to the laws of this state are not public records and shall not be open for examination or copying by the public or for examination or publication by the news media.

*c.* The superintendent or an employee of the credit union division shall not disclose information relating specifically to the supervision and regulation of a specific state credit union or of other persons in any manner to any person other than the person examined, except as otherwise authorized by this section or section 533.113 or 533.308.

*d.* Notwithstanding the prohibition on disclosure pursuant to paragraph "*c*", the superintendent or an employee of the credit union division may disclose information relating specifically to the supervision and regulation of a specific state credit union or of other persons if the credit union or other person consents in writing to the disclosure and the persons to whom the disclosures are made are subject to, or agree to comply with, standards of confidentiality comparable to those contained in this chapter.

2. *a.* The superintendent or an employee of the credit union division shall not be subpoenaed in any cause or proceeding to give testimony concerning papers, documents, writings, reports, reports of examinations, or other information relating to the supervision and regulation of a specific state credit union or persons by the superintendent pursuant to the laws of this state.

*b.* The papers, documents, writings, reports, reports of examinations, and other information of the credit union division that relate to the supervision and regulation of a specific state credit union or persons shall not be offered in evidence in a court or be subject to subpoena by a party, except when relevant in the following matters:

(1) In actions or proceedings brought by the superintendent.

(2) In matters in which an interested and proper party seeks review of a decision of the superintendent.

(3) In actions or proceedings that arise out of the criminal provisions of the laws of this state or of the United States.

(4) In actions brought as shareholder derivative suits against a credit union by a member who has acquired an ownership share.

(5) In actions brought to recover moneys or to recover upon an indemnity bond for embezzlement, misappropriation, or misuse of credit union funds.

3. *a.* Information, records, and documents utilized for the purpose of, or in the course of, investigation, regulation, or examination of a specific credit union, received by the credit union division from some other governmental entity that treats such information, records, and documents as confidential, are confidential and shall not be disclosed by the division and are not subject to subpoena.

*b.* Information, records, and documents under paragraph *"a"* do not constitute a public record subject to examination and copying under chapter 22.

*c.* The superintendent may exchange with governmental regulatory officials confidential information, records, and documents that are not a public record subject to examination and copying under chapter 22 provided that the other officials are subject to, or agree to comply with, standards of confidentiality comparable to those contained in this section.

2007 Acts, ch 174, §8; 2012 Acts, ch 1020, §1

Referred to in §533.325

**533.109 Insurance and surety bond.**

1. The superintendent shall acquire good and sufficient bond in a company authorized to do business in this state in order to ensure both of the following:

*a.* The faithful performance of the deputy superintendent, assistants, examiners, and all other employees of the credit union division.

*b.* Protection from any liability that may accrue in case of the loss of property of a state credit union, or of a member of a state credit union or of any other person, in the course of an examination, investigation, or other function required or allowed by the laws of this state.

2. The superintendent shall be bonded in accordance with chapter 64, provided that such bond shall be in the amount of one hundred thousand dollars.

2007 Acts, ch 174, §9

**533.110 Reimbursement of expenses.**

1. The superintendent, deputy superintendent, assistants, examiners, and other employees of the credit union division are entitled to receive reimbursement for expenses incurred in the performance of their duties.

2. The superintendent, and when specifically authorized by the superintendent, the deputy superintendent, assistants, examiners, and other employees of the division, are entitled to receive reimbursement for expenses incurred while attending conventions, meetings, conferences, schools, or seminars relating to the performance of their duties.

2007 Acts, ch 174, §10

**533.111 Expenses of the credit union division.**

1. *a.* All expenses required in the discharge of the duties and responsibilities imposed upon the credit union division, the superintendent, and the review board by the laws of this state shall be paid from fees provided by the laws of this state and appropriated by the general assembly from the department of commerce revolving fund created in section 546.12.

*b.* All fees imposed under this chapter are payable to the superintendent, who shall pay all fees and other moneys received to the treasurer of state within the time required by section 12.10. The treasurer of state shall deposit such funds in the department of commerce revolving fund created in section 546.12.

2. The superintendent shall account for receipts and disbursements according to the separate duties imposed upon the superintendent by the laws of this state, and each separate duty shall be fiscally self-sustaining.

3. The credit union division may expend additional funds, including funds for additional personnel, if the additional expenditures are actual expenses that exceed the funds budgeted for credit union examinations and directly result from examinations of state credit unions.

*a.* The amounts necessary to fund the excess examination expenses shall be collected from state credit unions being regulated, and the collections shall be treated as repayment receipts as defined in section 8.2.

*b.* The division shall notify in writing the legislative services agency and the department of management when hiring additional personnel. The written notification shall include documentation that any additional expenditure related to such hiring will be totally reimbursed as provided in section 546.12, subsection 2, and shall also include the division's justification for hiring such personnel. The division must obtain the approval of the department of management only if the number of additional personnel to be hired exceeds the number of full-time equivalent positions authorized by the general assembly.

4. *a.* All fees and other moneys collected shall be deposited into the department of commerce revolving fund created in section 546.12 and expenses required to be paid under this section shall be paid from moneys in the department of commerce revolving fund and appropriated for those purposes.

*b.* Funds appropriated to the credit union division shall be subject at all times to the warrant of the director of the department of administrative services, drawn upon written requisition of the superintendent or a designated representative, for the payment of all salaries and other expenses necessary to carry out the duties of the credit union division.

5. The credit union division may accept reimbursement of expenses related to the examination of a state credit union from the national credit union administration or any other guarantor or insurance plan authorized by this chapter. These reimbursements shall be deposited into the department of commerce revolving fund created in section 546.12.

2007 Acts, ch 174, §11; 2009 Acts, ch 181, §104; 2011 Acts, ch 34, §122

**533.112 Annual and individual fees — examination fees — delinquencies.**

1. Each state credit union shall pay an annual fee for examination and supervision as determined by the superintendent based on the actual cost of operating the credit union division.

*a.* The cost of operating the credit union division shall include but not be limited to costs and expenses for salaries and benefits, expenses and travel for employees, office facilities, supplies, equipment, and administrative costs and expenses incurred in the discharge of the duties imposed on the superintendent under this chapter.

*b.* (1) The cost of operating the credit union division shall also include but not be limited to the costs incurred due to additional time and other division resources required for any of the following:

(a) Performing services for the credit union that are customarily performed by the credit union.

(b) Performing services related to a particular examination that exceed estimates for an individual credit union's examination based on factors including but not limited to the asset size of the credit union, the complexity of transactions to be examined, and the examination history of the credit union.

(2) An individual fee assessment for such costs incurred under this paragraph "*b*" may be made in addition to a credit union's annual fee.

*c.* In establishing the structure of the fee schedule, the superintendent shall consider recommendations from the review board and from state credit unions.

*d.* The annual fee may be paid in one or more installments, as provided by rule by the superintendent.

2. Each corporation, credit union service organization, or other person subject to an examination pursuant to section 533.113 shall pay an examination fee as determined by the superintendent, which shall reflect but not be limited to the time required for the examination and the costs of the examination.

*a.* The costs of the examination shall include but not be limited to costs and expenses for salaries and benefits, expenses and travel for employees, office facilities, supplies, equipment, and administrative costs and expenses incurred in the discharge of duties imposed upon the superintendent under this chapter.

*b.* The examination fee shall be due within thirty days of presentation of the fee statement to the corporation, credit union service organization, or other person examined by the division.

3. In addition to the annual fee and examination fee assessed pursuant to this section,

the division may also assess a credit union, credit union service organization, corporation, or other person subject to an examination pursuant to section 533.113 for the expense of accountants, investigators, and other experts reasonably necessary to assist in the conduct of the examination, pursuant to section 533.113, subsection 1.

4. *a.* Failure of a state credit union, corporation, credit union service organization, or other person to pay a fee pursuant to subsection 1, 2, or 3 shall result in the fee being considered delinquent and a penalty equal to five percent of the original fee may be assessed for each day or part of a day the payment remains delinquent.

*b.* A fee delinquency under this subsection by a corporation, credit union service organization, or other person may result in the superintendent collecting the delinquent fee and penalty from the state credit union owning shares or investments or having business transactions or a relationship with such corporation, credit union service organization, or other person.

*c.* A fee delinquency under this subsection may also constitute grounds for revocation of the certificate of approval of the credit union to operate in this state.

2007 Acts, ch 174, §12; 2012 Acts, ch 1020, §2

Referred to in §533.330

**533.113 Examinations.**

1. The superintendent may do any or all of the following:

*a.* Make or cause to be made an examination of a credit union whenever the superintendent believes such examination is necessary or advisable, but in no event less frequently than once during each twenty-four-month period.

*b.* Make or cause to be made such limited examinations at such times and with such frequency as the superintendent deems necessary and advisable to determine the condition of any state credit union and whether any person has violated the provisions of this chapter.

*c.* Make or cause to be made an examination of any corporation or credit union service organization in which a state credit union owns shares or has made an investment.

*d.* Make or cause to be made an examination of any person having business transactions or a relationship with any state credit union, upon application to and order of the district court of Polk county, when such examination is deemed necessary and advisable in order to determine whether the capital of the state credit union is impaired or whether the safety of its deposits is imperiled.

*e.* Accept, in lieu of the examination of a state credit union, or any corporation or credit union service organization in which a state credit union owns shares or has made an investment, or of any person having business transactions or a relationship with any state credit union, an examination report prepared by a federal regulatory authority.

*f.* Accept, in lieu of the examination of a state credit union, an audit report conducted by a certified public accounting firm selected from a list of firms previously approved by the superintendent. The cost of the audit shall be paid by the state credit union.

*g.* Accept, in lieu of the examination of an out-of-state credit union which also conducts business in this state, an examination report prepared by a state or federal regulatory authority.

*h.* Retain, at the examinee's expense, accountants, investigators, and other experts as reasonably necessary to assist in the conduct of the examination. Any person so retained shall serve in a purely advisory capacity at the direction of the superintendent.

2. A state credit union and all of its officers and agents shall give to the representatives of the superintendent free and unimpeded access to all books, papers, securities, records, and other sources of information under their control.

3. *a.* A report of examination shall be forwarded to the chairperson of a state credit union within thirty days after the completion of the examination. Within thirty days of the receipt of this report, a meeting of the directors shall be called by the state credit union to consider matters contained in the report and the action taken shall be set forth in the minutes of the board.

*b.* The report of examination of any affiliate or of any person examined as provided in this subsection shall not be transmitted by the superintendent to any such affiliate or person

or to the board of directors of any state credit union unless authorized or requested by such affiliate or person.

4. *a.* Whenever the superintendent deems it necessary and advisable, the superintendent may notify the board of directors of a state credit union that a meeting will be held at a place and time and manner as the superintendent directs. The superintendent's notice may disclose the purpose of the meeting.

*b.* The superintendent may present to the board at the meeting any item the superintendent desires to bring to the attention of the board, including but not limited to any report of an examination required or allowed by this chapter, any conclusions or projections drawn by the superintendent, any recommendations made relative to a report of an examination, and any other matters concerning the operation and condition of the state credit union.

*c.* The state credit union shall cause the matters presented at the meeting to be recorded in the minutes of the meeting.

*d.* Each member of the board of directors shall furnish the superintendent a statement on forms supplied by the superintendent that the member is familiar with the matters presented by the superintendent.

5. The superintendent may require any of the following state credit unions to submit to an additional examination or to an independent audit performed by a certified public accounting firm as provided in subsection 1, paragraph "*f*", at the expense of the state credit union:

*a.* A state credit union where the records are inadequate.

*b.* A state credit union in which the books have not been balanced as of the end of the month not less than thirty days previously.

*c.* A state credit union whose affairs are in an unfavorable condition.

6. The superintendent may furnish a copy of the examination report and materials relating to any or all examinations made of any state credit union and any affiliate of a state credit union to any or all of the following, including any official or supervising examiner of any office or regulatory authority:

*a.* The national credit union administration.

*b.* The federal deposit insurance corporation.

*c.* The federal reserve system.

*d.* The office of the comptroller of the currency.

*e.* The federal home loan bank.

*f.* Financial institution regulatory authorities of other states.

*g.* The financial crimes enforcement network of the United States department of the treasury.

7. If the superintendent concludes that a state credit union's affairs are in an unfavorable condition, the superintendent may direct the state credit union to consider consolidation, dissolution, or any other form of reorganization.

2007 Acts, ch 174, §13; 2012 Acts, ch 1020, §3

Referred to in §533.108, 533.112, 537.2305

**533.114 Annual report of superintendent.**

1. The superintendent shall report annually to the governor in the manner and within the time required by chapter 7A. A copy of the report shall be furnished by the superintendent to each state credit union and to the Iowa credit union league and its affiliates.

2. In addition to the matters required by chapter 7A, the annual report of the superintendent shall contain all of the following:

*a.* A summary of applications approved or denied by the superintendent pursuant to this chapter since the last previous report.

*b.* A summary of the assets, liabilities, and capital structures of all state credit unions, and a summary of the volume of consumer installment credit outstanding per state credit union, as of December 31 of the year for which the report is made.

*c.* A statement of the receipts and disbursements of funds of the superintendent during the calendar year ending on the preceding December 31 and of the funds on hand on that

December 31, including an estimate of the disbursements of credit union division funds for consumer credit protection during the year for which the report is made.

*d.* Information that the administrator of the Iowa consumer credit code may require to be included.

*e.* A list of state credit unions that have been designated as serving predominantly low-income members pursuant to section 533.301, subsection 1.

*f.* Other information the superintendent deems appropriate and advisable to disclose in the discharge of the duties imposed upon the superintendent by this chapter.

2007 Acts, ch 174, §14

**533.115 Reciprocity.**

1. Subject to rules of the superintendent, a credit union organized in another state may do business in Iowa if state credit unions organized in Iowa may do business in the state in which the out-of-state credit union is organized.

2. Notwithstanding subsection 1, an out-of-state credit union shall meet the same deposit insurance requirements established by this chapter for a state credit union prior to doing business in Iowa.

2007 Acts, ch 174, §15

**533.116 Enforcement of Iowa consumer credit code.**

1. The superintendent shall enforce the Iowa consumer credit code with respect to state credit unions, as provided in sections 537.2303, 537.2305, and 537.6105.

2. The superintendent shall cooperate with the administrator of the Iowa consumer credit code as designated in section 537.6103, and shall assist that administrator whenever necessary to provide for the discharge of the duties of that administrator.

3. Notwithstanding other provisions of this chapter to the contrary, the superintendent shall furnish to the administrator of the Iowa consumer credit code, access to or copies of records in the custody of the credit union division that relate to a state credit union when necessary to enable the administrator of the Iowa consumer credit code to enforce chapter 537.

2007 Acts, ch 174, §16

**533.117 Small loans legislation.**

This chapter does not apply to any person engaged in the business of loaning money under chapter 536.

2007 Acts, ch 174, §17

## SUBCHAPTER II

## ORGANIZATION OF CREDIT UNIONS

**533.201 Organization.**

1. In order to simplify the organization of state credit unions, the superintendent shall cause to be prepared an approved form of articles of incorporation and a form of bylaws, consistent with this chapter, which shall be used by state credit union incorporators.

2. *a.* A group comprised of at least seven residents of the state of Iowa may apply to the superintendent for permission to organize a state credit union.

*b.* A state credit union shall be organized by delivering to the superintendent articles of incorporation that state all of the following:

(1) The name and location of the proposed state credit union.

(2) The names and addresses of the subscribers to the articles and the number of shares subscribed to by each.

(3) The share structure of the state credit union. A state credit union may have more than one class of shares. The par value of the shares of the state credit union shall be established by the board of directors.

3. The applicants shall prepare and adopt bylaws for the general governance of the state credit union consistent with the provisions of this chapter.

4. The articles and the bylaws, both executed in duplicate, shall be forwarded with a fee of ten dollars to the superintendent.

5. *a.* The superintendent shall determine whether the articles and bylaws conform to the provisions of this chapter within thirty days of receipt.

*b.* The superintendent shall notify the applicants of the determination after review of the articles and bylaws.

*c.* If the decision is favorable, the superintendent shall issue a certificate of approval, which shall be attached to the duplicate articles of incorporation and returned, together with the duplicate bylaws, to the applicants.

*d.* Articles and bylaws approved by the superintendent shall be binding upon the applicants and the board of directors of a state credit union. If the board of directors does not follow the articles of incorporation and bylaws, the members of the state credit union may pursue a derivative action in Iowa district court.

6. *a.* The applicants shall file the duplicate of the articles of incorporation and the attached certificate of approval with the county recorder of the county within which the state credit union is to have its principal place of business.

*b.* The county recorder shall record and index the duplicate of the articles of incorporation and the attached certificate of approval and return the articles of incorporation and the certificate of approval, with the recorder's certificate of record attached, to the superintendent for permanent record.

7. Articles of incorporation or bylaws may be amended by any of the following methods, upon a favorable vote of a majority of the board of directors selecting the method of voting:

*a.* The favorable vote of a majority of the members present at a meeting, if that number constitutes a quorum and if the proposed amendment was contained in the notice of the meeting.

*b.* The favorable vote of a majority of the members of the board.

*c.* By a majority vote of members voting by mailed or electronic ballot, ensuring votes remain confidential and secret from all interested parties, and that each member is only allowed to vote once, according to procedures specified by rule of the superintendent or as specified in the bylaws.

*d.* A combination of procedures as specified in paragraphs "*a*" and "*c*", according to procedures specified by rule of the superintendent or as specified in the bylaws.

8. If the proposed amendment receives a favorable majority of the total votes cast under the method of voting selected under subsection 7, the articles of incorporation or bylaws are amended as proposed. Notice shall be given to members of the results of the vote. Ballots of members shall be preserved for at least sixty days after the results are tallied and notice given to members, and until any challenge is resolved.

9. An amendment to the articles of incorporation or bylaws must be approved by the superintendent before the amendment becomes effective.

10. The original articles or amended articles may contain a provision eliminating or limiting the personal liability of a director, officer, or employee of the state credit union or its shareholders for monetary damages for breach of fiduciary duty as a director, officer, or employee, provided that the provision does not eliminate or limit the liability of a director, officer, or employee for any breach of the director's, officer's, or employee's duty of loyalty to the state credit union or its shareholders, for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, or for any transaction from which the director, officer, or employee derives an improper personal benefit. However, a provision shall not eliminate or limit the liability of a director, officer, employee, or shareholder for any act or omission occurring prior to the date when the provision in the articles of incorporation becomes effective.

2007 Acts, ch 174, §18; 2012 Acts, ch 1020, §4

Referred to in §533.102

**533.202 Common bond — membership — ownership share.**

1. *a.* State credit union organization shall be available to groups of individuals who have a common bond of association such as, but not limited to, occupation, common employer, or residence within specified geographic boundaries.

*b.* Changes in the common bond may be made by the board of directors.

2. *a.* The membership of a state credit union consists of those persons in the common bond who have subscribed to one ownership share and have complied with the other requirements specified by the articles of incorporation and bylaws.

*b.* Organizations, incorporated or otherwise, may be members.

*c.* Unless the state credit union's bylaws state otherwise, once a person or organization becomes a member of a state credit union in accordance with this chapter, the person or organization may remain a member of that state credit union, and retain all membership privileges, until the person or organization chooses to withdraw from the membership of the state credit union, or is expelled pursuant to section 533.210.

2007 Acts, ch 174, §19

**533.203 Fiscal year — membership meetings — voting by membership — notice.**

1. The fiscal year of all state credit unions shall end December 31.

2. Annual meetings shall be held, and special meetings may be held, in the manner indicated in the bylaws.

*a.* A member shall have one vote regardless of the number of or class of shares held by the member.

*b.* There shall be no voting by proxy.

*c.* A member other than a natural person may cast a single vote through a delegated agent.

3. *a.* When a vote of the membership is required under the provisions of this chapter, the board of directors, by a favorable vote of the majority of the board, shall select one of the following methods for conducting that vote, unless a procedure for that vote is otherwise specified:

(1) The favorable vote of a majority of the members present at a meeting, if that number constitutes a quorum and if the proposed vote was contained in the notice of the meeting.

(2) By a majority vote of members voting by mailed or electronic ballot according to procedures specified by rule of the superintendent or as specified in the bylaws.

(3) A combination of procedures as specified in subparagraphs (1) and (2), according to procedures specified by rule of the superintendent or as specified in the bylaws.

*b.* Notice shall be given to members of the results of the vote. Ballots of members shall be preserved for at least sixty days after the results are tallied and notice given to members, and until any challenge is resolved.

4. Votes of the membership conducted in accordance with this chapter shall ensure that votes remain confidential and secret from all interested parties, and that each member is only allowed to vote once.

5. When notice to members is required under the provisions of this chapter, the board of directors may satisfy the notice requirement by sending the notice electronically to those members who have exercised an option to receive notices electronically.

6. Credit unions may send account statements and other communications electronically to those members who have exercised an option to receive communications electronically.

2007 Acts, ch 174, §20; 2012 Acts, ch 1020, §5

Referred to in §533.203A, 533.204, 533.208, 533.213, 533.401, 533.403, 533.405

**533.203A Vote to modify, amend, or reverse act of board of directors — instruction to take action.**

1. The majority of members present at any meeting may vote to modify, amend, or reverse any act of the board of directors or instruct the board to take action not inconsistent with the articles, bylaws, or this chapter.

2. In order to be binding upon the board of directors, any action taken by the membership to modify, amend, or reverse an act of the board, or to instruct the board to take action, requires an affirmative vote of a majority of all eligible members obtained by submitting the

modification, amendment, reversal, or instruction to the members for a vote, pursuant to the provisions of section 533.203.

2012 Acts, ch 1020, §6

**533.204 Election of board.**

1. At the organizational meeting, and at each annual meeting after initial organization, a board of directors shall be elected to hold office. The board shall consist of at least seven members, but in every instance shall be composed of an odd number of directors. The directors shall serve staggered terms of three years, as the bylaws provide, so that an approximately equal number of terms expire at each annual meeting. A director shall serve until a successor is elected and qualified.

2. At each annual meeting, one member shall be elected to fill each position vacated by reason of an expiring term or other cause.

3. The board of directors shall allow members to vote on the election of directors according to the provisions of section 533.203.

4. A record of the names and addresses of the directors, officers, and committee persons shall be filed with the superintendent within ten days following each election or any other change in the directors, officers, or committee persons.

2007 Acts, ch 174, §21; 2011 Acts, ch 34, §123; 2012 Acts, ch 1020, §7

**533.205 Board of directors — duties.**

1. Within five days following the organizational meeting and each annual meeting, the directors shall elect the following officers from the membership of the board of directors:

*a.* A chairperson of the board.

*b.* A vice chairperson.

*c.* A secretary.

*d.* A financial officer whose title shall be designated by the board.

2. *a.* The board of directors shall appoint the following committees:

(1) A credit committee of not less than three members.

(2) An auditing committee of not less than three members.

*b.* The board may also appoint alternate members of the credit committee or the auditing committee.

*c.* Only a member of the board or a member of the state credit union may be appointed to the credit committee or to the auditing committee.

*d.* The board may appoint an executive committee to act on the board's behalf.

3. The duties and responsibilities of a director and of the board of directors shall include, but are not limited to, all of the following:

*a.* General management of the affairs of the state credit union.

*b.* Setting the amount of the surety bond that shall be required of all officers and employees handling money.

*c.* Attendance at no less than seventy-five percent of the regular board meetings held during the calendar year.

*d.* Periodic review of the original records of the state credit union, or comprehensive summaries prepared by the officers of the state credit union, pertaining to loans, security interests, and investments.

*e.* Review of the adequacy of the state credit union's internal controls.

*f.* Periodic review of utilization of security measures.

*g.* Establishing education and training programs to ensure that the director possesses adequate knowledge to manage the affairs of the state credit union.

4. *a.* Directors of a state credit union shall discharge the duties of their position in good faith and with that diligence, care, and skill which ordinarily prudent persons would exercise under similar circumstances in like positions.

*b.* The directors have a continuing responsibility to assure themselves that the state credit union is being managed according to law and that the practices and policies adopted by the board are being implemented.

5. *a.* The board of directors shall name or employ an individual who performs active executive or official duties for the state credit union as its chief executive officer.

*b.* The board shall fix the tenure and provide for the reasonable compensation of the chief executive officer.

*c.* The chief executive officer may be a member of the board of directors.

6. *a.* The chief executive officer or the chief executive officer's designee shall determine the compensation and tenure of employees of the state credit union.

*b.* An employee of the state credit union shall not be a member of the board of directors.

*c.* For purposes of this section, an "*employee of the state credit union*" means an individual employed by the state credit union other than the chief executive officer.

7. A state credit union shall not pay an overdraft of a director, officer, or employee of the state credit union on an account at the state credit union, unless the payment of funds is made in accordance with either of the following:

*a.* A written, preauthorized, interest-bearing extension of credit plan that specifies a method of repayment.

*b.* A written, preauthorized transfer of collected funds from another account of the account holder at the state credit union.

8. A credit union director shall not receive compensation for service as a director. However, a director may be reimbursed for reasonable expenses directly related to such service.

2007 Acts, ch 174, §22; 2011 Acts, ch 34, §124; 2012 Acts, ch 1020, §8; 2013 Acts, ch 17, §2
Subsection 1, paragraph d amended

**533.206 Meetings of the board.**

Unless the bylaws provide otherwise, the board of directors may permit any and all directors to participate in all except one meeting per year of the board of directors through the use of any means of communication by which all directors participating in the meeting may simultaneously hear each other and communicate during the meeting. A director participating in a meeting by this means is deemed to be present at the meeting.

2007 Acts, ch 174, §23

**533.207 Credit committee.**

1. The credit committee shall have responsibility for the general supervision of all loans to members.

2. Applications for loans shall be on a form approved by the credit committee.

*a.* All applications shall set forth the purpose for which the loan is desired, the security, if any, offered, and such other data as may be required.

*b.* Within the meaning of this section, an assignment of shares or deposits or the endorsement of a note may be deemed security.

3. At least a majority of the members of the credit committee shall review and act on all loan applications and may grant approval, or the credit committee, with the prior approval of the board of directors, may grant one or more loan officers the power to approve or reject loans subject to written conditions and regulations adopted by the credit committee.

4. The credit committee shall meet as often as may be necessary after due notice to each committee member.

2007 Acts, ch 174, §24; 2011 Acts, ch 34, §125

**533.208 Auditing committee.**

The auditing committee shall perform the following functions:

1. Make or cause to be made an examination of the affairs of the state credit union at least annually, including an audit of its financial records. If the auditing committee feels such action to be necessary, the auditing committee shall call the members together after the audit and submit to them its report.

2. Make or cause to be made an annual report and submit it at the annual meeting of the members.

3. Suspend by majority vote any officer, director, or member of the auditing committee if

the auditing committee deems the action to be necessary to the proper conduct of the state credit union. The suspension shall be put to a vote of the membership, according to the provisions of section 533.203. The members may vote to sustain the suspension and remove the officer, director, or member permanently or may vote to reinstate the officer, director, or member.

4. Call a special meeting of state credit union members by majority vote to consider a matter to be submitted by the auditing committee.

2007 Acts, ch 174, §25; 2012 Acts, ch 1020, §9

**533.209 Conflicts of interest.**

1. A director, committee member, officer, or employee of a state credit union shall not directly or indirectly participate in either the deliberation upon or the determination of any matter in which the director, committee member, officer, or employee has a direct or indirect interest.

2. For the purposes of this section, an *"interest"* may include, but is not limited to, a pecuniary or familial interest.

2007 Acts, ch 174, §26

**533.210 Expulsion or withdrawal of credit union member.**

1. The board of directors may expel any member of a state credit union who has failed to do either of the following:

*a.* Carry out the member's obligations to the state credit union.

*b.* Comply with the state credit union's bylaws or policies.

2. A member of a state credit union may be expelled by a majority vote of the board of directors at a regular or special meeting of the board.

*a.* An expelled member may request a hearing before the membership of the state credit union, which shall be held within sixty days of an expelled member's request.

*b.* At the hearing, the membership may reinstate the expelled member by majority vote, upon terms and conditions prescribed at the hearing.

3. Any member may withdraw from the state credit union at any time, but advance notice of withdrawal of shares or deposits may be required as provided in this section.

4. After deducting all amounts due from the member to the state credit union and the amount necessary to honor outstanding share drafts drawn against accounts of the member, all amounts paid on shares or as deposits of an expelled or withdrawn member, along with accrued dividends and interest to the date of expulsion or withdrawal, shall be paid to that member.

5. Upon expulsion or withdrawal of a member from a state credit union, or at any other time, the state credit union may require sixty days' notice of intention to withdraw shares and thirty days' notice of intention to withdraw deposits, except that a state credit union shall not at any time require notice of withdrawal with respect to funds that are subject to withdrawal by share drafts.

6. Expelled or withdrawn members shall have no further rights in the state credit union. However, expelled or withdrawn members shall not be released from any remaining liability to the state credit union because of the expulsion or withdrawal.

2007 Acts, ch 174, §27; 2012 Acts, ch 1020, §10

Referred to in §533.202, 533.302

**533.211 Suspension or restriction of services.**

1. A state credit union may suspend or deny certain services to members who have done any of the following:

*a.* Caused a loss to the state credit union.

*b.* Violated the membership agreement or any policy adopted by the board.

*c.* Been physically or verbally abusive to state credit union members or staff.

2. Members with suspended services may maintain a share account and continue to vote at annual and special meetings.

2007 Acts, ch 174, §28

**533.212 Use of name "credit union" requirements — restrictions — exceptions.**

1. *a.* A state credit union organized in accordance with this chapter shall include the words "credit union" in its name.

*b.* All state credit union offices shall be identified by use of the state credit union's full name.

*c.* The full name of a state credit union shall be used in all legal documents of the state credit union.

2. *a.* A person other than a credit union shall not use a name or title containing the words "credit union", or any derivation, and shall not represent in advertising or otherwise that the person is conducting business as a credit union, except as provided in subsection 3.

*b.* A person who violates paragraph *"a"* may be enjoined from the use of words, advertising, or other representation prohibited by paragraph *"a"*.

3. The prohibitions contained in subsection 2 do not apply to any of the following entities:

*a.* A credit union organized under this chapter or the laws of another state.

*b.* A credit union organized under the Federal Credit Union Act, 12 U.S.C. § 1751 et seq.

*c.* The Iowa credit union league, a chapter, affiliate, or subsidiary of the Iowa credit union league or a political action committee formed pursuant to the Federal Election Campaign Act, 2 U.S.C. § 431 et seq., or chapter 68A by the Iowa credit union league or by credit unions organized under this chapter or federal law.

*d.* A joint service center operated by two or more credit unions where credit union services are made available to credit union members.

*e.* An organization formed for educational purposes in association with an accredited elementary or secondary school that engages in receipt of deposits of no more than twenty dollars per depositor and uses the words "educational credit union" in its name. An educational credit union must be affiliated with a state credit union organized under this chapter. Notwithstanding this recognition given to an educational credit union, an educational credit union is not a state credit union within the scope or regulation of this chapter.

2007 Acts, ch 174, §29

**533.213 Corporate central credit union.**

1. A corporate central credit union may be established.

*a.* Credit unions organized under this chapter, the Federal Credit Union Act, 12 U.S.C. § 1751 et seq., or any other credit union act and credit union organizations may be members.

*b.* Regulated financial institutions, nonprofit organizations, and cooperative organizations may also be members to the extent and manner provided for in the bylaws of the corporate central credit union.

2. A corporate central credit union shall not be required to transfer to its legal reserve more than five percent of its net income for the year.

3. A corporate central credit union shall have all the powers, restrictions, and obligations imposed upon or granted to a state credit union under this chapter, except that the corporate central credit union may also exercise any of the following additional powers subject to the adoption of rules by the superintendent and with the prior written approval of the superintendent:

*a.* Borrow any amount from any source.

*b.* Invest in or purchase obligations or securities or other designated investments to the same extent authorized for other supervised financial institutions.

*c.* Invest in or acquire shares, stocks, or other obligations of an organization providing services that are associated with the operations of credit unions. However, the aggregate amount invested pursuant to this paragraph shall not exceed fifty percent of the total of all reserves and undivided earnings of the corporate central credit union.

*d.* Buy or sell investment securities and corporate bonds that are evidences of indebtedness. However, the purchase or sale is limited to marketable obligations of a corporation or state or federal agency issued without recourse.

*e.* Establish one or more capital accounts in the same manner as if it were a federal credit union.

*f.* Sell all or part of its assets to another corporate central credit union and assume the liabilities of a selling corporate central credit union if the action is pursuant to a plan agreed upon by a majority of the board of directors and, in the case of the sale of all of its assets, the affirmative vote of a majority of its members according to the provisions of section 533.203.

*g.* Invest in the shares or deposits of another similarly organized corporate central credit union, or central liquidity facility.

*h.* Make other investments approved by the superintendent.

2007 Acts, ch 174, §30; 2012 Acts, ch 1020, §11; 2013 Acts, ch 90, §163
Referred to in §12C.16, 12C.17
Subsection 1, paragraph a amended

**533.214 Central credit unions.**

Credit unions known as central credit unions may exist for the purpose of serving directors, officers, and employees of credit unions, members of dissolved and existing credit unions, credit unions, employee groups as described in section 533.301, subsection 13, and such other persons as the superintendent approves.

2007 Acts, ch 174, §31; 2008 Acts, ch 1031, §57

## SUBCHAPTER III

## CREDIT UNION OPERATIONS

**533.301 Powers.**

A state credit union shall have the power to do all of the following:

1. Receive payments for ownership shares, for other shares, or as deposits from any or all of the following:

*a.* Members of the state credit union.

*b.* Nonmembers as prescribed by rule where the state credit union is serving predominantly low-income members. Rules adopted allowing nonmember deposits in state credit unions serving predominantly low-income members shall be designed solely to meet the needs of the low-income members.

*c.* Other state credit unions.

*d.* Federal, state, county, and city governments.

2. Make loans or leases to members.

3. Make loans to a cooperative society or other organization having membership in the state credit union.

4. Make deposits in state and national banks, federal savings banks or savings and loan associations, and state and federal credit unions, the accounts of which are insured by the federal deposit insurance corporation or the national credit union share insurance fund.

5. Make investments in any or all of the following:

*a.* Time deposits in state and national banks, federal savings banks or savings and loan associations, and state and federal credit unions, the deposits of which are insured by the federal deposit insurance corporation or the national credit union share insurance fund.

*b.* Obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by the United States government or any agency of the United States government, or any trust or trusts established for investing directly or collectively in the United States government or any agency of the United States government.

*c.* General obligations of this state and any subdivision of this state.

*d.* Purchase of notes of liquidating credit unions with the approval of the superintendent.

*e.* Shares and deposits in other credit unions.

*f.* Shares, stocks, loans, and other obligations or a combination of shares, stocks, loans, and other obligations of a credit union service organization, corporation, or association, provided the membership or ownership, as the case may be, of the credit union service organization, corporation, or association is primarily confined or restricted to credit unions or organizations of credit unions, and provided that the purpose of the credit union service organization, corporation, or association is primarily designed to provide services to credit

unions, organizations of credit unions, or credit union members. However, the aggregate amount invested pursuant to this paragraph shall not exceed five percent of the assets of the credit union.

*g.* Obligations issued by federal land banks, federal intermediate credit banks, banks for cooperatives, or any of the federal farm credit banks.

*h.* Commercial paper issued by United States corporations as defined by rule.

*i.* Corporate bonds as defined by and subject to terms and conditions imposed by the superintendent, provided that the superintendent shall not approve investment in corporate bonds unless the bonds are rated in the two highest grades of corporate bonds by a nationally accepted rating agency.

*j.* Any permissible investment for federal credit unions, provided that this paragraph shall not permit a credit union to invest in a credit union service organization except as provided in paragraph "*f*".

6. Borrow money as provided in this chapter.

7. Assess penalties as may be provided by the bylaws.

8. Sue and be sued.

9. Make contracts.

10. Purchase, hold, and dispose of property necessary and incidental to its operation, except that any property acquired through foreclosure shall be disposed of within a period not to exceed ten years.

11. Exercise such incidental powers as may be necessary or requisite to enable the state credit union to carry on the business effectively for which it is incorporated.

12. Apply for share account and deposit account insurance that meets the requirements of this chapter, and take all actions necessary to maintain an insured status.

13. Serve a group of persons having an insufficient number of members to form or conduct the affairs of a separate credit union, upon the approval of the superintendent. The existence of a common bond relationship between the group and the credit union affecting that service shall not be required.

14. Deposit with a credit union that has been in existence for not more than a year, an amount not to exceed twenty-five percent of the assets of the new credit union, but only one credit union may, at any time, make such a deposit.

15. Acquire the conditional sales contracts, promissory notes, or other similar instruments executed by its members, but the rate of interest existing on the instruments shall not exceed the highest rate charged by the acquiring credit union on its outstanding loans.

16. *a.* Sell, participate in, or discount the obligations of its members with or without recourse.

*b.* Purchase the obligations of credit union members, provided the obligations meet the requirements of this chapter.

17. Acquire and hold shares in a corporation engaged in providing and operating facilities through which a credit union and its members may engage, by means of either the direct transmission of electronic impulses to and from the credit union or the recording of electronic impulses or other indicia of a transaction for delayed transmission to the credit union, in transactions in which such credit union is otherwise permitted to engage pursuant to applicable law, subject to the prior approval of the superintendent.

18. Engage in any transaction otherwise permitted by this chapter and applicable law, by means of either the direct transmission of electronic impulses to or from the state credit union or the recording of electronic impulses or other indicia of a transaction for delayed transmission to the state credit union.

*a.* Subject to the provisions of chapter 527, a state credit union may utilize, establish, or operate, alone or with one or more other credit unions, banks incorporated under chapter 524 or federal law, savings and loan associations incorporated under federal law, corporations licensed under chapter 536A, or third parties, the satellite terminals permitted under chapter 527, by means of which the state credit union may transmit to or receive from any member electronic impulses constituting transactions pursuant to this subsection. However, such utilization, establishment, or operation shall be lawful only when in compliance with chapter 527.

*b.* This subsection shall not be construed as authority for any person to engage in transactions not otherwise permitted by applicable law, and shall not be deemed to repeal, replace, or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by any credit union.

19. Establish one or more state credit union offices other than its main office.

*a.* A state credit union may furnish at any of its offices all credit union services ordinarily furnished to the membership at its principal place of business.

*b.* The central executive and official business and recordkeeping functions of a state credit union shall be exercised at its principal place of business or at another state credit union office or a location authorized by the superintendent for these functions.

*c.* A state credit union shall file an informational statement in the form prescribed by the superintendent prior to opening a state credit union office.

*d.* A state credit union office shall not be opened without a certificate to establish a state credit union office issued by the superintendent.

*e.* The establishment of a state credit union office must be reasonably necessary for service to, and in the best interests of, the members of the state credit union, and shall not endanger the safety and soundness of the state credit union opening the office.

*f.* A state credit union may join with one or more credit unions in the operation of an office facility to meet the service needs of its members.

20. Contract with another credit union to furnish services which either could otherwise legally perform. Contracted services provided under this subsection are subject to regulation and examination like other services.

21. Purchase insurance or make the purchase of insurance available for members.

22. Charge fees and penalties and apply them to income.

23. *a.* (1) Act as agent of the federal government when requested by the secretary of the United States department of treasury.

(2) Perform such services as may be required in connection with the collection of taxes and other obligations due the United States and the lending, borrowing, and repayment of moneys by the United States.

(3) Act as a depository of public money when designated for that purpose.

*b.* (1) Act as agent of this state when requested by the treasurer of state.

(2) Perform such services as may be required in connection with the collection of taxes and other obligations due this state and the lending, borrowing, and repayment of moneys by this state.

(3) Act as a depository of public moneys when designated for that purpose.

24. Receive public funds pursuant to chapter 12C and pledge its assets to secure the deposit of public funds.

25. Engage in any activity authorized by the superintendent which would be permitted if the state credit union were federally chartered and which is consistent with state law.

26. To promote the public welfare, make donations for religious, charitable, scientific, educational, or community betterment purposes.

27. Set off a member's accounts against any of the member's debts or liabilities owed the state credit union pursuant to an agreement entered into between the member and the state credit union. The state credit union shall also have a lien on the shares and deposits of a member for any sum due to the state credit union from the member or for any loan endorsed by the member.

28. Sell, to persons in the field of membership, negotiable checks, including traveler's checks; money orders; and other similar money transfer instruments including international and domestic electronic fund transfers and remittance checks.

29. Cash checks and money orders, and send and receive international and domestic electronic fund transfers and remittance transfers, for persons in the field of membership.

2007 Acts, ch 118, §1, 3; 2007 Acts, ch 174, §32; 2011 Acts, ch 25, §64; 2012 Acts, ch 1017, §126 – 128; 2013 Acts, ch 17, §3

Referred to in §533.102, 533.114, 533.214, 533.303, 533.406

Subsections 28 and 29 amended

**533.302 Capital.**

1. The capital of a credit union shall consist of the payments that have been made to it by the several members thereof on shares. A credit union may charge an entrance fee as may be provided by the bylaws.

2. A credit union may establish an equity share having a par value not to exceed one hundred dollars which shall be a part of the capital of the credit union and shall not be withdrawn or transferred except upon expulsion or withdrawal from membership in the credit union, as provided in section 533.210.

3. At the option of the credit union, the equity share may earn a dividend and may be insured.

2007 Acts, ch 174, §33; 2012 Acts, ch 1020, §12
Referred to in §533.307

**533.303 Reserves.**

1. At the end of each dividend period, but no less than quarterly, the gross income of the state credit union shall be determined.

2. A legal reserve against losses on loans and against such other losses as may be specified by rule shall be set aside from the gross income in accordance with the following schedule:

*a.* A state credit union in operation for more than four years and having assets of five hundred thousand dollars or more shall set aside the following amounts in the following order:

(1) Ten percent of the gross income until the legal reserve equals four percent of the total outstanding loans and risk assets.

(2) Five percent of the gross income until the legal reserve equals six percent of the total outstanding loans and risk assets.

*b.* A state credit union in operation for less than four years or having assets of less than five hundred thousand dollars shall set aside the following amounts in the order set forth:

(1) Ten percent of the gross income until the legal reserve equals seven and one-half percent of the total outstanding loans and risk assets.

(2) Five percent of the gross income until the legal reserve equals ten percent of the total outstanding loans and risk assets.

3. *a.* If the legal reserve falls below the percent of the total outstanding loans and risk assets required for a state credit union by this section, the state credit union shall replenish the legal reserve by regular contributions in the amounts needed to reach the required reserve. However, the superintendent may waive the reserve requirement when in the superintendent's opinion the waiver is necessary or desirable.

*b.* The legal reserve shall belong to the state credit union and shall be used to meet losses.

*c.* The reserve shall not be distributed to members as interest or dividends except on liquidation of the state credit union or in accordance with a plan approved by the superintendent.

4. The superintendent may require a state credit union to set aside additional amounts as a special reserve if an examination of assets discloses that the legal reserve of the state credit union is inadequate.

5. A state credit union shall maintain an adequate allowance for loan and lease losses account and such other valuation allowance accounts as may be necessary to provide for the full and fair disclosure, in the state credit union's financial statements, of the assets, liabilities, and equity of the state credit union.

6. For the purpose of establishing legal reserves, the following shall not be considered risk assets:

*a.* Cash on hand.

*b.* Deposits and shares in federally insured banks, savings banks, and credit unions.

*c.* Assets which are insured by, fully guaranteed as to principal and interest by, or due from the United States government, its agencies, and instrumentalities.

*d.* Loans to other credit unions.

*e.* Student loans insured under the provisions of 20 U.S.C. § 1071 – 1087 or similar state programs.

*f.* Loans insured by the federal housing administration under 12 U.S.C. § 1703.

*g.* Loans fully insured or guaranteed by the federal government, a state government, or any agency of either.

*h.* Common trust investments which deal in investments authorized in section 533.301.

*i.* Prepaid expenses.

*j.* Accrued interest on nonrisk investments.

*k.* Furniture and equipment.

*l.* Land and buildings.

*m.* Loans fully secured by a pledge of shares within the state credit union.

*n.* Deposits in the national credit union share insurance fund.

*o.* Real estate loans in transit to the secondary market as specified by rule.

7. Notwithstanding any other provision of this section, a state credit union shall maintain a sufficient amount of net worth as required by the state credit union's deposit insurer and rules of the superintendent.

2007 Acts, ch 174, §34

Referred to in §533.312, 533.329

**533.304 Investment in certain shares or equity interests.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Equity interests"* means limited partnership interests and other equity investments in which liability is limited to the amount of the investment, but does not mean general partnership interests or other interests involving general liability.

*b.* *"Small business"* means a corporation, partnership, proprietorship, or other entity formed under the laws of the United States, or a state, district, or territory of the United States, that meets the appropriate United States small business administration definition of small business and that is principally engaged in the development or exploitation of inventions, technological improvements, new processes, or other products not previously generally available in this state, or other investments which provide an economic benefit to this state.

*c.* *"Venture capital fund"* means a corporation, partnership, proprietorship, or other entity formed under the laws of the United States, or a state, district, or territory of the United States, whose principal business is or will be the making of investments in and the provision of significant managerial assistance to small businesses that meet the United States small business administration definition of small business.

2. A state credit union may invest in either of the following to the extent that the total investments under this section shall not be more than five percent of the state credit union's assets:

*a.* Shares or equity interests in venture capital funds that agree to invest an amount equal to at least fifty percent of the state credit union's investment in small businesses having their principal offices within this state and having either more than one-half of their assets within this state or more than one-half of their employees employed within this state.

*b.* Shares or equity interests in small businesses having their principal offices within this state and having either more than one-half of their assets within this state or more than one-half of their employees employed within this state. A state credit union shall not invest in more than twenty percent of the total capital and surplus of any one small business under this paragraph.

2007 Acts, ch 174, §35

**533.305 Investment in banks or savings banks — required findings.**

1. *Investment in banks.* A state credit union may, with the prior approval of the superintendent, invest in the capital stock, obligations, or other securities of a bank.

2. *Investment in savings banks.* A state credit union may, with the prior approval of the superintendent, invest in the capital stock, obligations, or other securities of a savings bank.

3. *Findings required.* The superintendent shall not grant an approval under subsection 1 or 2, unless the superintendent makes one of the following findings:

*a.* Based upon a preponderance of the evidence presented, the proposed investment

will not have the immediate effect of significantly reducing competition between depository financial institutions located in the same community as the institution whose shares would be acquired.

*b.* Based upon a preponderance of the evidence presented, the proposed investment would have an anticompetitive effect as described in paragraph "*a*", but other factors, specifically cited, outweigh the anticompetitive effect so that there would be a net public benefit as a result of the investment.

4. *Competition preserved.*

*a.* The subsequent liquidation of a bank or savings bank whose shares are acquired under this section shall not prevent the subsequent incorporation of another bank or savings bank in the same community.

*b.* The superintendent of banking shall not find the liquidation of a bank whose shares are acquired under this section to be grounds for disapproving the incorporation of another bank in the same community under section 524.305.

2007 Acts, ch 174, §36; 2012 Acts, ch 1017, §129

**533.306 Power to borrow.**

A state credit union may borrow from any source in total a sum that shall not exceed fifty percent of the sum of its share and deposit account balances.

2007 Acts, ch 174, §37

**533.307 Account insurance.**

Except as provided in section 533.302, subsection 3, a credit union organized under this chapter, as a condition of maintaining its privilege of organization, shall acquire and maintain insurance to protect each shareholder and each depositor against loss of funds held on account by the credit union. The insurance shall be obtained from the national credit union administrator or from some other share guarantor or insurance plan approved by the Iowa commissioner of insurance and the superintendent, provided that each credit union shall acquire deposit insurance from the appropriate agency of the federal government.

2007 Acts, ch 174, §38; 2012 Acts, ch 1020, §13

Referred to in §533.102

**533.308 Fidelity bond and general insurance coverage.**

1. A state credit union shall maintain a fidelity bond for state credit union employees and officials in a sufficient amount to indemnify the state credit union against losses that may be incurred by reason of any act or acts of fraud, dishonesty, forgery, theft, larceny, embezzlement, wrongful abstraction, misapplication, misappropriation, or other unlawful act committed by the employee or official directly or through connivance with others, and general insurance coverage for losses caused by persons not associated with the state credit union.

*a.* The fidelity bond and general insurance coverage shall be obtained from a company authorized to do business in this state.

*b.* The superintendent may require additional coverage for a state credit union if, in the opinion of the superintendent, current coverage is insufficient. The board of directors of the state credit union shall obtain the additional coverage within thirty days after written notice from the superintendent.

2. The superintendent may furnish to any official of an insurance plan by which the accounts of a state credit union are insured or by which its employees and officials are bonded, any information relating to examinations, investigations, and reports of the status of that state credit union or its employees and officials for the purpose of facilitating the availability or continuation of the insurance or bond of the state credit union or resolution of a claim. The superintendent and the insurance company shall, whenever possible, execute a confidentiality agreement regarding the information provided by the superintendent that imposes standards of confidentiality comparable to those required by this chapter.

3. A state credit union may furnish to any official of an insurance plan by which the accounts of the state credit union are insured or by which its employees and officials are

bonded, any information regarding transactions of the state credit union, examinations, investigations, or reports of the status of the state credit union or its employees and officials for the purpose of facilitating the availability or continuation of the insurance or bond of the state credit union or resolution of a claim. The state credit union and the insurance company shall, whenever possible, execute a confidentiality agreement regarding the information provided by the state credit union that imposes standards of confidentiality comparable to those required by this chapter.

2007 Acts, ch 174, §39; 2012 Acts, ch 1020, §14, 15

Referred to in §533.108, 533.325

**533.309 Share accounts.**

A state credit union may have share accounts including but not limited to the following types:

1. *Ownership share account.* The ownership share account shall consist of an account balance held by the state credit union in accordance with the state credit union's bylaws. Each member may acquire only one ownership share. In the case of a joint account, the joint account owners may acquire only one ownership share unless each joint account owner applies for and is accepted as an individual member.

2. *Joint accounts.* A member may designate any person or persons to hold shares, deposits, and thrift club accounts with the member in joint tenancy with the right of survivorship, but such joint tenants shall not be permitted to cast more than one vote per ownership share jointly held in the state credit union. However, a joint tenant may have other rights of a jointly held ownership share, including the ability to obtain loans, or hold office or be required to pay an entrance fee. Payment of part or all of such joint accounts to any of the joint tenants shall, to the extent of such payment, discharge the liability to all.

3. *Account for minors.* Shares may be issued and deposits accepted in the name of a minor. Such shares and deposits may be withdrawn by the minor and payments made on such withdrawals shall be valid. A minor under sixteen years of age shall not be entitled to vote in the meetings of the members either personally or through the minor's parent or guardian, and a minor shall not become a director until the minor reaches the minor's eighteenth birthday.

4. *Beneficiary account.* If a member makes a deposit for the benefit of a person other than the depositor, the name and residence address of the beneficiary shall be disclosed and the account shall be kept in the name of the depositor, for the benefit of the beneficiary. The account balance may be withdrawn by the depositor or, upon the death of the depositor, by the beneficiary or the beneficiary's legal representative.

2007 Acts, ch 174, §40; 2012 Acts, ch 1020, §16

**533.310 Deposits in the names of two or more individuals.**

When a deposit is made in a state credit union in the names of two or more individuals that is payable to any one or more of them or is payable to the survivor or survivors, the deposit, including interest, or any part, may be paid to any one or more of the individuals, whether or not the others are living. The receipt or a quittance of the individuals who are paid is a valid and sufficient release and discharge of the state credit union for any payment made pursuant to this section.

2007 Acts, ch 174, §41

**533.311 Acceptance of deposits and investments while insolvent.**

When a state credit union is insolvent, the state credit union shall not do either of the following:

1. Accept any deposits or investments in ownership shares.
2. Renew or extend the term of any time deposits or time investments.

2007 Acts, ch 174, §42

**533.312 Dividends and interest.**

1. The board of directors may declare dividends at such rates and upon such classes of

shares as are determined by the board, at such intervals and for such periods as the board may authorize, and after provision for required reserves pursuant to section 533.303.

2. Dividends shall be considered a normal operating expense of the state credit union and shall be paid on all paid-up shares outstanding at the close of the period for which the dividend is declared and shall be available only from undivided earnings.

3. The superintendent may restrict or prohibit the payment of a dividend or interest when an impairment of capital exists.

2007 Acts, ch 174, §43

**533.313 Share drafts.**

1. A state credit union may provide its members with share draft accounts.

*a.* *"Share draft"* means a negotiable draft which is payable upon demand and is used to withdraw funds from a share draft account.

*b.* A share draft is an item for purposes of chapter 554, article 4.

*c.* The term does not include a draft issued by a state credit union for the transfer of funds between the issuing credit union and another credit union, a bank, a savings and loan association chartered under federal law, or another depository financial institution.

2. A share draft account is an account that is a demand account from which a state credit union has agreed that funds may be withdrawn by means of a share draft. A share draft account may bear interest or dividends as determined by the board of directors, provided that the state credit union shall not pay interest or dividends on a share draft account at a rate that exceeds the maximum interest rate which a regulated financial institution is able to pay on comparable instruments as allowed by the depository institutions deregulatory committee.

3. A state credit union may guarantee payment for a share draft if both the following conditions are met:

*a.* A specific guarantee authorization is obtained for the share draft from the state credit union.

*b.* The guarantee authorization is immediately noted on the share draft account to prevent the withdrawal of funds needed to pay the guaranteed share draft.

4. A state credit union may charge fees and penalties on share drafts and apply fees and penalties to the state credit union's income in relation to share draft services.

5. The superintendent may adopt rules relating to share draft programs as necessary to administer this chapter.

2007 Acts, ch 174, §44; 2012 Acts, ch 1017, §130

**533.314 Payment of share drafts during dissolution.**

Other provisions of section 533.404 notwithstanding, when a state credit union is dissolved, first priority of payment shall be given to unpaid share drafts. However, a share draft shall not be paid if any of the following conditions exist:

1. The share draft was issued on or after the date of dissolution, or on or after the date the state credit union is required by section 533.405, subsection 2, to cease doing business in the event of a voluntary dissolution.

2. The share draft is written against an account that does not contain sufficient funds with which to pay the share draft.

3. The share draft is payable to a member of the state credit union, or to a member of the family of the issuer of the share draft, or to a business in which the issuer of the share draft has an interest. However, the exception contained in this subsection does not apply to any person referred to in this subsection if the person is a holder in due course, as provided in chapter 554, article 3.

2007 Acts, ch 174, §45

**533.315 Loans.**

1. *General lending power.* A state credit union may loan to a member for a provident or productive purpose.

*a.* Loans are subject to the conditions contained in this section and in the bylaws.

*b.* A loan may be repaid by the borrower, in whole or in part, any day the office of the state credit union is open for business.

*c.* A loan shall be made pursuant to an application with supportive credit information.

*d.* The superintendent may adopt rules requiring periodic updating of credit or financial information for all loans or for classes of loans designated in the rules.

2. *Aggregate lending to one member.* A state credit union shall not lend in the aggregate to a member more than ten percent of its member savings.

3. *Lending to a credit union director.* A director of a state credit union may borrow from that state credit union under the provisions of this chapter, but the rates, terms, and conditions of a loan or line of credit either made to or endorsed or guaranteed by the director shall not be more favorable than the rates, terms, or conditions of comparable existing loans or lines of credit provided to other members. The aggregate amount of all director loans and lines of credit shall not exceed twenty-five percent of the assets of the state credit union.

4. *Loans on real property.*

*a.* A state credit union may make permanent loans, construction loans, combined construction and permanent loans, or second mortgage loans secured by liens on real property, as authorized by rules adopted by the superintendent. The rules shall contain provisions as necessary to ensure the safety and soundness of these loans, and to ensure full and fair disclosure to borrowers of the effects of provisions in agreements for these loans, including provisions permitting change or adjustment of any terms of a loan, provisions permitting, requiring, or prohibiting repayment of a loan on a basis other than of equal periodic installments of interest plus principal over a fixed term, provisions imposing penalties for a borrower's noncompliance with requirements of a loan agreement, or provisions allowing or requiring a borrower to choose from alternative courses of action at any time during the effectiveness of a loan agreement.

*b.* (1) A state credit union may include in the loan documents signed by the borrower a provision requiring the borrower to pay the state credit union each month in addition to interest and principal under the note an amount equal to one-twelfth of the estimated annual real estate taxes, special assessments, hazard insurance premium, mortgage insurance premium, or any other payment agreed to by the borrower and the state credit union in order to better secure the loan. The state credit union shall be deemed to be acting in a fiduciary capacity with respect to these funds.

(2) A state credit union receiving funds in escrow pursuant to an escrow agreement executed on or after July 1, 1982, in connection with a loan as defined in section 535.8, subsection 1, shall pay interest to the borrower on those funds, calculated on a daily basis, at the rate the state credit union pays to its members on ordinary savings deposits.

(3) A state credit union that maintains an escrow account in connection with any loan authorized by this subsection, whether or not the mortgage has been assigned to a third person, shall each year deliver to the mortgagor a written annual accounting of all transactions made with respect to the loan and escrow account.

*c.* A state credit union that obtains a report or opinion by an attorney or from another mortgage lender relating to defects in or liens or encumbrances on the title to real property, the unmarketability of the title to real property, or the invalidity or unenforceability of liens or encumbrances on real property, shall provide a copy of the report or opinion to the mortgagor and the mortgagor's attorney.

5. *Escrow reports.* A state credit union may act as an escrow agent with respect to real property that is mortgaged to the state credit union, and may receive funds and make disbursements from escrowed funds in that capacity. The state credit union shall be deemed to be acting in a fiduciary capacity with respect to escrowed funds. A state credit union that maintains an escrow account, whether or not a mortgage has been assigned to a third person, shall deliver to the mortgagor a written summary of all transactions made with respect to the loan and escrow accounts during each calendar year. However, the mortgagor and mortgagee may, by mutual agreement, select a fiscal year reporting period other than the calendar year. The summary shall be delivered or mailed not later than thirty days following the year to which the disclosure relates. The summary shall contain all of the following information:

*a.* The name and address of the mortgagee.

*b.* The name and address of the mortgagor.

*c.* A summary of escrow account activity during the year as follows:

(1) The balance of the escrow account at the beginning of the year.

(2) The aggregate amount of deposits to the escrow account during the year.

(3) The aggregate amount of withdrawals from the escrow account for each of the following categories:

(a) Payments against loan principal.

(b) Payments against interest.

(c) Payments against real estate taxes.

(d) Payments for real property insurance premiums.

(e) All other withdrawals.

(4) The balance of the escrow account at the end of the year.

*d.* A summary of loan principal for the year as follows:

(1) The amount of principal outstanding at the beginning of the year.

(2) The aggregate amount of payments against principal during the year.

(3) The amount of principal outstanding at the end of the year.

6. *Other loans.* Loans that are not secured by real property shall be subject to the following conditions:

*a.* Loans to any one member that in the aggregate exceed the unsecured loan limit established by the board of directors of a state credit union shall be secured by one or more cosigners or guarantors, or by a first lien on collateral having a value that is approximately equal to the amount in excess of such unsecured loan limit. Every cosigner or guarantor shall furnish the state credit union with evidence of financial responsibility.

*b.* This subsection shall not be deemed to preclude a credit committee or loan officer from requiring security for any loan.

*c.* A state credit union may make loans according to any or all of the following:

(1) Loans insured under the provisions of 20 U.S.C. § 1071 – 1087 or similar state programs.

(2) Loans insured by the federal housing administration under 12 U.S.C. § 1703.

(3) Loans to families of low or moderate income as a part of programs authorized in chapter 16.

*d.* The restrictions and limitations contained in this subsection do not apply to loans made to a member credit union by a corporate central credit union.

7. *Loan renewals and extensions.* This section shall not prevent the renewal or extension of loans.

8. *Penalties.* The superintendent may impose a penalty on a state credit union for each loan made in violation of this section. If a state credit union, after notice in writing, and opportunity for hearing, fails to satisfactorily resolve the matter within sixty days from receipt of such notice, the superintendent may impose a penalty against such state credit union in an amount not to exceed one hundred dollars per day per violation for each day the violation remains unresolved.

9. *Consumer credit code.*

*a.* The provisions of the Iowa consumer credit code, chapter 537, shall apply to consumer loans made by a state credit union, and a provision of that chapter shall supersede any conflicting provision of this chapter with respect to a consumer loan.

*b.* Notwithstanding paragraph *"a"*, a state credit union may offer voluntary debt cancellation coverage, whether insurance or debt waiver, to members. The amount charged for the coverage shall be included in the amount financed, as defined in section 537.1301. However, the charge for such coverage may be excluded from the finance charge under the federal Truth in Lending Act as defined in section 537.1302.

10. *Early loan repayment.* If a member elects to repay a loan secured by a mortgage or deed of trust upon real property that is a single-family or a two-family dwelling or agricultural land at a date earlier than is required by the terms of the loan, the state credit union shall be governed by section 535.9.

11. *Interest on prepayment.* Real estate loans on one-family to four-family dwellings

may be repaid in part or in full at any time, except that a state credit union may charge not to exceed six months' advance interest on that part of the aggregate amount of all prepayments made on such loan in any twelve-month period which exceeds twenty percent of the original principal amount of the loan; and may charge any negotiated rate on other loans. This subsection, however, does not authorize a state credit union to charge any advance interest or prepayment penalty where prohibited by section 535.9.

2007 Acts, ch 174, §46; 2011 Acts, ch 34, §126

Referred to in §535B.11

**533.316 Interest rates.**

1. *a.* Interest rates on loans made by a state credit union, other than loans secured by a mortgage or deed of trust which is a first lien upon real property, shall not exceed the finance charge permitted in sections 537.2401 and 537.2402 on consumer loans.

*b.* Interest rates on business loans shall not exceed the finance charge permitted by section 535.2.

2. With respect to a loan secured by a mortgage or deed of trust which is a first lien upon real property, a state credit union shall not charge a rate of interest that exceeds the maximum rate permitted by section 535.2.

3. The provisions of this section do not apply to a loan that is subject to section 636.46.

2007 Acts, ch 174, §47

**533.317 Authority to lease safe deposit boxes.**

1. A state credit union may lease safe deposit boxes for the storage of property on terms and conditions prescribed by the state credit union. The terms and conditions shall not bind any person to whom the state credit union does not give notice of the terms and conditions by delivery of a lease and agreement in writing containing the terms and conditions.

2. A state credit union may limit its liability provided that the limitations are set forth in the lease and agreement in at least the same size and type as the other substantive provisions of the contract.

3. The lease and agreement of a safe deposit box may provide that evidence tending to prove that property was left in a safe deposit box upon the last entry by the member or the member's authorized agent, and that the property or any part of the property was found missing upon subsequent entry, is not sufficient to raise a presumption that the property was lost by any negligence or wrongdoing for which the state credit union is responsible, or put upon the state credit union the burden of proof that the alleged loss was not the fault of the state credit union.

4. A state credit union may lease a safe deposit box to a minor.

*a.* A state credit union may deal with a minor with respect to a safe deposit lease and agreement without the consent of a parent, guardian, or conservator and with the same effect as though the minor were an adult.

*b.* Any action of the minor with respect to such safe deposit lease and agreement is binding on the minor with the same effect as though the minor were an adult.

5. A state credit union that has on file a power of attorney of a member covering a safe deposit lease and agreement, which has not been revoked by the member, shall incur no liability as a result of continuing to honor the provisions of the power of attorney in the event of the death or incompetence of the donor of the power of attorney until the state credit union receives written notice of the death, or written notice of adjudication by a court of the incompetence of the member and the appointment of a guardian or conservator.

2007 Acts, ch 174, §48

**533.318 Safe deposit box access.**

1. A state credit union shall permit a person named in and authorized by a court order to open, examine, and remove the contents of a safe deposit box located at the state credit union.

2. If a court order has not been delivered to a state credit union, the following persons may access and remove any or all contents of a safe deposit box located at the state credit

union and described in an ownership or rental agreement or lease between the state credit union and a deceased owner or lessee:

*a.* A co-owner or co-lessee of the safe deposit box.

*b.* A person designated in the safe deposit box agreement or lease to have access to the safe deposit box upon the death of the lessee, to the extent provided in the safe deposit box agreement or lease.

*c.* An executor or administrator of the estate of a deceased owner or lessee upon delivery to the state credit union of a certified copy of letters of appointment.

*d.* A person named as an executor in a copy of a purported will produced by the person, provided such access shall be limited to the removal of a purported will, and no other contents shall be removed.

*e.* A trustee of a trust created by the deceased owner or lessee upon delivery to the state credit union of a copy of the trust together with an affidavit by the trustee that certifies that the copy of the trust delivered to the state credit union with the affidavit is an accurate and complete copy of the trust, the trustee is the duly authorized and acting trustee under the trust, the trust property includes property in the safe deposit box, and that to the knowledge of the trustee the trust has not been revoked.

3. A person removing any contents of a safe deposit box pursuant to subsection 1 or 2 shall deliver any writing purported to be a will of the decedent to the court having jurisdiction over the decedent's estate.

4. *a.* If a person authorized to have access under subsection 1 or 2 does not request access to the safe deposit box within the thirty-day period immediately following the date of death of the owner or lessee of a safe deposit box, and the state credit union has knowledge of the death of the owner or lessee of the safe deposit box, the safe deposit box may be opened by or in the presence of two employees of the state credit union.

*b.* If a safe deposit box is opened pursuant to paragraph "*a*", the state credit union employees present at such opening shall do all of the following:

(1) Remove any purported will of the deceased owner or lessee.

(2) Unseal, copy, and retain in the records of the state credit union a copy of a purported will removed from the safe deposit box. An additional copy of such purported will shall be made, dated, and signed by the credit union employees present at the safe deposit box opening and placed in the safe deposit box. The safe deposit box shall then be resealed.

(3) The original of a purported will shall be sent by certified mail or restricted certified mail or personally delivered to the district court in the county of the last known residence of the deceased owner or lessee, or the court having jurisdiction over the testator's estate. If the residence is unknown or last known and not in this state, the purported will shall be sent by certified mail or restricted certified mail or personally delivered to the district court in the county where the safe deposit box is located.

*c.* If no key is produced, the state credit union may cause the safe deposit box to be opened and the state credit union shall have a claim against the estate of the deceased owner or lessee and a lien upon the contents of the safe deposit box for the costs of opening and resealing the safe deposit box.

5. *a.* A state credit union may rely upon published information or other reasonable proof of death of an owner or lessee.

*b.* A state credit union has no duty to inquire about or discover, and is not liable to any person for failure to inquire about or discover, the death of the owner or lessee of a safe deposit box.

*c.* A state credit union has no duty to open or cause to be opened, and is not liable to any person for failure to open or cause to be opened, a safe deposit box of a deceased owner or lessee.

*d.* Upon compliance with the requirements of this section as appropriate, the state credit union is not liable to any person as a result of the opening of the safe deposit box, removal and delivery of the purported will, or retention of the unopened safe deposit box and contents.

2007 Acts, ch 174, §49

**533.319 Adverse claims to property in safe deposit and safekeeping.**

1. A state credit union shall not be required, in the absence of a court order or indemnity required by this section, to recognize any claim to, or claim of authority to exercise control over, property held in safe deposit or property held for safekeeping pursuant to section 533.321 made by a person or persons other than the following:

*a.* The member in whose name the property is held by the state credit union.

*b.* An individual or group of individuals who are authorized to have access to the safe deposit box, or to the property held for safekeeping, pursuant to a certified corporate resolution or other written arrangement with the member, currently on file with the state credit union, which has not been revoked by valid corporate action in the case of a corporation, or by a valid agreement or other valid action appropriate for the form of legal organization of any other member, of which the state credit union has received notice and which is not the subject of a dispute known to the state credit union as to its original validity. The safe deposit and safekeeping account records of a state credit union shall be presumptive evidence as to the identity of the member on whose behalf the property is held.

2. A person making an adverse claim to, or an adverse claim of authority to control, property held in a safe deposit box or for safekeeping, must do either of the following:

*a.* Obtain and serve on the state credit union an appropriate court order or judicial process directed to the state credit union, restraining any action with respect to the property until further order of the court or instructing the state credit union to deliver the property, in whole or in part, as indicated in the order or process.

*b.* Deliver to the state credit union a bond, in form and amount with sureties satisfactory to the state credit union, indemnifying the state credit union against any liability, loss, or expense which the state credit union might incur because of its refusal to deliver the property to any person described in subsection 1, paragraph *"a"* or *"b"*.

2007 Acts, ch 174, §50

**533.320 Remedies and proceedings for nonpayment of rent on safe deposit box.**

1. A state credit union has a lien upon the contents of a safe deposit box for past due rentals and any expense incurred in opening the safe deposit box, replacement of the locks on the safe deposit box, and of a sale made pursuant to this section.

2. If the rental of a safe deposit box is not paid within six months from the day the rental is due, at any time after the six months and while the rental remains unpaid, the state credit union shall mail a notice by restricted certified mail to the member at the member's last known address as shown upon the records of the state credit union, stating that if the amount due for the rental is not paid on or before a specified day, which shall be at least thirty days after the date of mailing such notice, the state credit union will remove the contents of the safe deposit box and hold the contents for the account of the member.

3. If the rental for the safe deposit box has not been paid after the expiration of the period specified in a notice mailed pursuant to subsection 2, the state credit union, in the presence of two of its officers, may cause the safe deposit box to be opened and the contents removed. An inventory of the contents of the safe deposit box shall be made by the two officers present and the contents held by the state credit union for the account of the member.

4. *a.* If the contents are not claimed within two years after their removal from the safe deposit box, the state credit union may proceed to sell so much of the contents as is necessary to pay the past due rentals and expense incurred in opening the safe deposit box, replacement of the locks on the safe deposit box, and the sale of the contents.

*b.* The sale shall be held at the time and place specified in a notice published prior to the sale once each week for two successive weeks in a newspaper of general circulation published in the city or unincorporated area in which the state credit union has its principal place of business, or if there is none, a newspaper of general circulation published in the county, or in a county adjoining the county, in which the state credit union has its principal place of business.

*c.* A copy of the published notice shall be mailed to the member at the member's last known address as shown upon the records of the state credit union.

*d.* The notice shall contain the name of the member and need only describe the contents of the safe deposit box in general terms.

*e.* The contents of any number of safe deposit boxes may be sold under one notice of sale and the cost of the sale apportioned ratably among the several safe deposit box members involved.

*f.* At the time and place designated in the notice the contents taken from each respective safe deposit box shall be sold separately to the highest bidder for cash and the proceeds of each sale applied to the rentals and expenses due to the state credit union and the residue from any such sale shall be held by the state credit union for the account of the member or members.

*g.* An amount held as proceeds from such sale shall be credited with interest at the customary annual rate for savings accounts at the state credit union, or in lieu, at the customary rate of interest in the community where such proceeds are held. The crediting of interest does not activate the account to avoid an abandonment as unclaimed property under chapter 556.

5. *a.* Notwithstanding the provisions of this section, shares, bonds, or other securities which, at the time of a sale pursuant to subsection 4, are listed on an established stock exchange in the United States shall not be sold at public sale but may be sold through an established stock exchange.

*b.* Upon making a sale of any such securities, an officer of the state credit union shall execute and attach to the securities an affidavit reciting facts showing that the securities were sold pursuant to this section, and that the state credit union has complied with the provisions of this section. The affidavit constitutes sufficient authority to any corporation whose shares are sold or to any registrar or transfer agent of such corporation to cancel the certificates representing the shares to the purchaser of the shares, and to any registrar, trustee, or transfer agent of registered bonds or other securities, to register any such bonds or other securities in the name of the purchaser of the bonds or other securities.

6. The proceeds of any sale made pursuant to this section, after the payment of any amounts with respect to which the state credit union has a lien, any property that was not offered for sale and property which, although offered for sale, was not sold, shall be retained by the state credit union until such time as the property is presumed abandoned according to section 556.2, and shall be handled pursuant to chapter 556.

2007 Acts, ch 174, §51

Referred to in §533.321

**533.321 Authority to receive property for safekeeping.**

1. A state credit union may accept property for safekeeping if the state credit union issues a receipt for the property, except in the case of night depositories.

*a.* A state credit union accepting property for safekeeping shall purchase and maintain reasonable insurance coverage to ensure against loss incurred in connection with the acceptance of property for safekeeping.

*b.* Property held for safekeeping shall not be commingled with the property of the state credit union or the property of others.

2. A state credit union has a lien upon any property held for safekeeping and for expenses incurred in any sale made pursuant to this subsection.

*a.* If the charge for safekeeping of property is not paid within six months from the day the charge is due, at any time after the six months and while the charge remains unpaid, the state credit union may mail a notice to the member at the member's last known address as shown upon the records of the state credit union, stating that if the amount due is not paid on or before a specified day, which shall be at least thirty days after the date of mailing the notice, the state credit union will remove the property from safekeeping and hold the property for the account of the member.

*b.* After the expiration of the period specified in the notice, if the charge for safekeeping has not been paid, the state credit union may remove the property from safekeeping, cause the property to be inventoried, and hold the property for the account of the member.

*c.* If the property is not claimed within two years after its removal from safekeeping, the

state credit union may proceed to sell so much of the property as is necessary to pay the charge which remains unpaid and the expense incurred in making the sale in the manner provided for in section 533.320, subsections 4 and 5.

*d.* The proceeds of any sale made pursuant to this section, after payment of any amounts with respect to which the state credit union has a lien, any property that was not offered for sale, and property which, although offered for sale, was not sold, shall be retained by the state credit union until such time as the property is presumed abandoned according to section 556.2, and shall be handled pursuant to chapter 556.

2007 Acts, ch 174, §52
Referred to in §533.319

**533.322 Preservation of records.**

1. The superintendent may adopt rules regarding the preservation of records and files of a state credit union or any other person supervised or regulated by the superintendent. A state credit union is not required to preserve its records for a period longer than seven years after the first day of January of the year following the time of the making or filing of such records. However, account records showing unpaid balances due to depositors shall not be destroyed.

2. A copy of an original may be kept in lieu of any original records.

*a.* For purposes of this section, a copy includes any duplicate, rerecording or reproduction of an original record from any photograph, photostat, microfilm, microcard, miniature or microphotograph, computer printout, electronically stored data or image, or other process that accurately reproduces or forms a durable medium for accurately and legibly reproducing an unaltered image or reproduction of the original record.

*b.* A copy is deemed to be an original and shall be treated as an original record in a judicial or administrative proceeding for purposes of admissibility in evidence. A facsimile, exemplification, or certified copy of any such copy reproduced from a film record is deemed to be a facsimile, exemplification, or certified copy of the original.

2007 Acts, ch 174, §53; 2011 Acts, ch 87, §3
Referred to in §533.404

**533.323 Photographic records.**

1. Any state credit union writing or record, or a photostatic or photographic reproduction of such writing or record, whether in the form of an entry in a book or otherwise, made as a memorandum or record of any act, transaction, occurrence, or event, shall be admissible in evidence as proof of the act, transaction, occurrence, or event, if made in the regular course of business.

2. A printout or other tangible output, readable by sight, shown to accurately reflect data contained in a promissory note, negotiable instrument, or letter of credit, that contains a signature made or created by electronic or digital means such that it is stored by a computer or similar device, is deemed to be an original of such note, instrument, or letter for purposes of presenting such note, instrument, or letter for payment, acceptance, or honor, or for purposes of a judicial proceeding involving a claim based upon such note, instrument, or letter.

2007 Acts, ch 174, §54

**533.324 Preservation of records — statute of limitations.**

1. All causes of action, other than actions for relief on the grounds of fraud or mistake, against a state credit union based upon a claim or claims founded on a written contract, or a claim or claims inconsistent with an entry or entries in a state credit union record, made in the ordinary course of business, shall be deemed to have accrued, and shall accrue for the purpose of the statute of limitations one year after the breach or failure of performance of a written contract, or one year after the date of such entry or entries. No action founded upon such a cause may be brought after the expiration of six years from the date of such accrual.

2. In any cause or proceeding in which state credit union records or files may be called in question or be demanded of the state credit union, or any officer or employee of the state credit union, a showing that such records or files have been destroyed in accordance with

the provisions of this chapter or rules adopted pursuant to this chapter shall be a sufficient excuse for the failure to produce them.

2007 Acts, ch 174, §55; 2011 Acts, ch 87, §4

**533.325 Confidentiality of state credit union information.**

1. The directors, officers, committee members, and employees of a state credit union shall hold in confidence all information regarding transactions of the state credit union, including information regarding transactions with its members and their personal affairs, except to the extent necessary in connection with any of the following:

*a.* Making, extending, or collecting a loan or line of credit.

*b.* Guaranteeing of member share drafts by third parties.

*c.* Communicating with an insurance company for the purpose of facilitating the availability or continuation of the insurance or bond of the state credit union or the resolution of a claim, pursuant to section 533.308, subsection 3.

*d.* Pursuant to a confidentiality agreement that is executed pursuant to section 533.108, subsection 1.

*e.* Complying with the examination of credit union records by regulatory authorities .

*f.* Compliance with an order from a court having jurisdiction over the state credit union.

2. The board of directors may authorize participation of a state credit union in a credit or consumer reporting agency if the board has determined that use of such an agency is essential in making and extending a loan or line of credit, or guaranteeing member share drafts, and that information supplied by the state credit union to such agency will be made available only to legitimate members of that agency having a legitimate business need for the information in connection with a business transaction involving the state credit union.

2007 Acts, ch 174, §56; 2012 Acts, ch 1020, §17

**533.326 Governmental employees.**

1. When a state credit union has been organized by the employees of the state or any political subdivision of the state, the officer who writes warrants for the state or other governmental body by which any public employee state credit union member is employed, may withhold from the salary or wages of the employee, and pay over to such state credit union, sums as may be designated by written authorization signed by the employee.

2. The provisions of section 539.4 shall have no application to this section.

2007 Acts, ch 174, §57

**533.327 Change in place of business.**

A state credit union may change its place of business on written notice to the superintendent.

2007 Acts, ch 174, §58

**533.328 Conducting business outside of state.**

If a state credit union has an office and conducts business in another state having laws or regulations allowing credit unions to exercise additional powers, the state credit union may request permission from the superintendent to exercise such additional powers while operating in the other state with only the resident members of that other state.

2007 Acts, ch 174, §59

**533.329 Taxation.**

1. A state credit union shall be deemed an institution for savings and is subject to taxation only as to its real estate and moneys and credits. The shares shall not be taxed.

2. *a.* The moneys and credits tax on state credit unions is imposed at a rate of one-half cent on each dollar of the legal and special reserves that are required to be maintained by the state credit union under section 533.303, and shall be levied by the board of supervisors and placed upon the tax list and collected by the county treasurer. However, an exemption shall be given to each state credit union in the amount of forty thousand dollars.

*b.* The amount collected in each taxing district within a city shall be apportioned twenty

percent to the county, thirty percent to the city general fund, and fifty percent to the general fund of the state, and the amount collected in each taxing district outside of cities shall be apportioned fifty percent to the county and fifty percent to the general fund of the state.

*c.* The moneys and credits tax shall be collected at the location of the state credit union as shown in its articles of incorporation.

*d.* The moneys and credits tax imposed under this section shall be reduced by a tax credit authorized pursuant to section 15.331C for certain sales taxes paid by a third-party developer.

*e.* The moneys and credits tax imposed under this section shall be reduced by an investment tax credit authorized pursuant to section 15.333.

*f.* The moneys and credits tax imposed under this section shall be reduced by an investment tax credit authorized pursuant to section 15E.43.

*g.* The moneys and credits tax imposed under this section shall be reduced by an Iowa fund of funds tax credit authorized pursuant to section 15E.66.

*h.* The moneys and credits tax imposed under this section shall be reduced by an endow Iowa tax credit authorized pursuant to section 15E.305.

*i.* The moneys and credits tax imposed under this section shall be reduced by a redevelopment tax credit allowed under chapter 15, subchapter II, part 9.

*j.* The moneys and credits tax imposed under this section shall be reduced by an innovation fund investment tax credit allowed under section 15E.52.

2007 Acts, ch 162, §12, 13; 2007 Acts, ch 174, §60, 99; 2008 Acts, ch 1173, §12; 2008 Acts, ch 1191, §165; 2009 Acts, ch 179, §40; 2010 Acts, ch 1138, §14, 16, 24, 26; 2011 Acts, ch 130, §45, 47, 71; 2012 Acts, ch 1136, §37, 39 – 41

Referred to in §15.293A, 15.333, 15E.43, 15E.44, 15E.45, 15E.52, 15E.62, 15E.305, 331.427

Tax credit certificates issued for future tax years for investments made on or before July 1, 2010, under subsection 2, former paragraph i are valid and may be claimed by a taxpayer after July 1, 2010, in the tax year stated on the certificate; 2010 Acts, ch 1138, §26

2010 amendment striking former paragraph k from subsection 2 applies retroactively to tax years beginning on or after January 1, 2010; 2010 Acts, ch 1138, §16

Subsection 2, paragraph l, applies retroactively to January 1, 2011, for tax years beginning and investments made on or after that date; 2011 Acts, ch 130, §47

2012 strike of former paragraphs f and g of subsection 2 takes effect May 25, 2012, and applies retroactively to January 1, 2012, for tax years beginning on or after that date, and does not apply to contracts or agreements entered into on or before May 25, 2012; 2012 Acts, ch 1136, §39 – 41

**533.330 Reports.**

1. A state credit union shall report quarterly at a specified time to the superintendent in a format prescribed by the superintendent for that purpose.

*a.* If any quarterly report is in arrears, a penalty of one hundred dollars for each day or fraction of a day such report is in arrears may be levied by the superintendent against the offending state credit union. This penalty shall be in addition to the penalty for failure to pay the annual fee pursuant to section 533.112.

*b.* If a quarterly report is not provided to the superintendent within thirty days of the due date, the superintendent may, after written notice to the board of directors of the state credit union, suspend or revoke the certificate of approval, take possession of the business and property of the state credit union, and order its dissolution.

2. In addition to the quarterly report, the superintendent may, from time to time, require a state credit union to provide other supplemental reports at a specified time. Failure of a state credit union to provide supplemental reports when due may result in the superintendent levying a penalty of fifty dollars per day for each day or fraction of a day such report is late.

2007 Acts, ch 174, §61

## SUBCHAPTER IV

## MERGER, CONVERSION, AND DISSOLUTION OF CREDIT UNIONS

**533.401 Merger.**

1. With the approval of the superintendent, a state credit union may merge with another credit union under the existing certificate of approval of the other credit union if the merger

is pursuant to a plan agreed upon by a majority of the board of directors of each credit union joining in the merger and the merger is approved by the affirmative vote of a majority of the members of the merging credit union according to the provisions of section 533.203. At least twenty days' notice shall be provided between the sending of notice and the scheduled conclusion of the vote.

2. A plan of merger, whether by act of consolidation, acquisition, or business combination, along with evidence that the plan has been approved by the members of the merging credit union in accordance with the provisions of this section, shall be submitted to the superintendent, along with any additional materials the superintendent may request.

3. The superintendent may approve a merger according to the plan agreed upon by the majority of the board of directors of each credit union if the superintendent receives a written and verified application filed by the board of directors of each credit union and finds all of the following:

*a.* Notice of balloting for the membership vote on the merger was mailed to each member of the merging credit union entitled to vote upon the question at least twenty days prior to the scheduled conclusion of the vote.

*b.* The notice of balloting disclosed the purpose of the vote and properly informed the membership that approval of the merger would be sought pursuant to this section.

*c.* A majority of the votes received, according to the method of voting selected by the board of directors pursuant to section 533.203, were in favor of the merger.

*d.* Control of the merging credit union shall transfer to the board of directors of the continuing credit union upon approval of the merger by the superintendent and the favorable vote of a majority of the members as prescribed in paragraph "*c*". Upon transfer of control, the board of directors of the merging credit union may only do such things necessary to execute the merger.

4. The superintendent may disapprove a merger if the superintendent finds either of the following:

*a.* The merger would not result in a safe and sound credit union.

*b.* The procedures required by this section, particularly those used to obtain member approval for the merger, were not followed or were irregular.

5. The superintendent may waive the membership merger vote if the superintendent finds that an emergency exists which justifies the waiver.

6. The certificate of merger and a copy of the agreed plan of merger shall be forwarded to the superintendent, certified by the superintendent, and returned to both credit unions within thirty days of the date of receipt by the superintendent.

7. *a.* Upon return of the certificate from the superintendent, all of the merging credit union's property, property rights, and members' interests shall vest in the continuing credit union without the legal need for deeds, endorsements or other instruments of transfer, and all debts, obligations, and liabilities of the merging credit union shall be assumed by the continuing credit union.

*b.* The rights and privileges of the members of the merging credit union shall continue as provided in the plan.

*c.* Credit union membership in the continuing credit union shall be available to persons within the common bond of the merging credit union.

8. This section shall be construed to permit a credit union organized under any other statute to merge with one organized under this chapter, or to permit one organized under this chapter to merge with one organized under any other statute.

2007 Acts, ch 174, §62; 2012 Acts, ch 1020, §18, 19; 2013 Acts, ch 17, §4, 5
Subsection 3, paragraphs a and b amended
Subsection 9 stricken

**533.402 Conversion of financial institution to state credit union.**

1. Any financial institution may convert to a state credit union by complying with the laws of the original chartered authority and upon the approval of the superintendent. As used in this section, "*financial institution*" means any credit union, bank, savings bank, or savings and loan association chartered under federal or state law.

*a.* Application for approval of the conversion to a state credit union shall be submitted to the superintendent in the form prescribed by the superintendent, together with the articles of incorporation and bylaws as required for organization of a state credit union pursuant to this chapter.

*b.* The superintendent may cause an examination to be made of any converting financial institution. The converting financial institution shall reimburse the superintendent for the division's costs related to the conversion.

2. *a.* If the superintendent approves the application of a financial institution for conversion to a state credit union, the superintendent shall cause the articles of incorporation of the resulting state credit union to be filed and recorded in the county in which the state credit union has its principal place of business and the superintendent shall issue a certificate of authority to do business under the laws of this state to the resulting state credit union. The financial institution shall then become a state credit union subject to the laws of this state.

*b.* The superintendent shall furnish a copy of the certificate to the administrator of the national credit union administration.

3. *a.* Upon conversion, the existence of the original financial institution shall cease.

*b.* The state credit union resulting from the conversion shall have only the authority to engage in the business and exercise the powers of a state credit union.

4. *a.* A liability of the original financial institution or of its members, directors, or officers shall not be affected, and any lien on any property of the financial institution shall not be impaired by the conversion.

*b.* Any claim existing or action pending by or against the original financial institution may be prosecuted to judgment as if the conversion had not taken place, or the resulting state credit union may be substituted in its place.

2007 Acts, ch 174, §63

**533.403 Conversion of state credit union into federal credit union.**

1. A state credit union may convert into a federal credit union with the approval of the administrator of the national credit union administration and by the affirmative vote of a majority of the credit union's members who vote on the proposal, according to the provisions of section 533.203.

2. The board of directors of the state credit union shall notify the superintendent of any proposed conversion and of any abandonment or disapproval of the conversion by the members or by the administrator of the national credit union administration. The board of directors of the state credit union shall file with the superintendent appropriate evidence of approval of the conversion by the administrator of the national credit union administration and shall notify the superintendent of the date on which the conversion is to be effective.

3. Upon receipt of satisfactory proof that the state credit union has complied with all applicable laws of this state and of the United States, the superintendent shall issue a certificate of conversion which shall be filed and recorded in the county in which the state credit union has its principal place of business and in the county in which its original articles of incorporation were filed and recorded.

2007 Acts, ch 174, §64; 2012 Acts, ch 1020, §20

**533.404 Dissolution generally.**

The following shall apply to dissolution of a state credit union under this chapter, whether voluntary or involuntary:

1. Distribution of the assets of the state credit union shall be made in the following order:

*a.* The payment of costs and expense of the administrator of dissolution.

*b.* The payment of claims for public funds deposited pursuant to chapter 12C and the payment of claims which are given priority by applicable statutes. If the assets are insufficient for payment of the claims in full, priority shall be determined by the statutes or, in the absence of conflicting provisions, on a pro rata basis.

*c.* The payment of deposits, including accrued interest, up to the date of the special meeting of the members at which voluntary dissolution was authorized, or in the case of involuntary dissolution, the date of appointment of a receiver.

*d.* The pro rata apportionment of the balance among the members of record on the date of the special meeting of the members at which voluntary dissolution was authorized, or in the case of involuntary dissolution, the members of record on the date of appointment of a receiver.

2. All amounts due members who are unknown, or who are under a disability and no person is legally competent to receive the amounts, or who cannot be found after the exercise of reasonable diligence, shall be transmitted to the treasurer of state who shall hold the amounts in the manner prescribed by chapter 556. All amounts due creditors as described in section 490.1440 shall be transmitted to the treasurer of state in accordance with that section, shall be retained by the treasurer of state, and are subject to claim as provided for in that section.

3. The superintendent shall assume custody of the records of a state credit union dissolved pursuant to this chapter and shall retain the records which, in the superintendent's discretion, are deemed necessary, in accordance with the provisions of section 533.322. The superintendent may cause film, photographic, photostatic, or other copies of the records to be made and the superintendent shall retain the copies in lieu of the original records.

2007 Acts, ch 174, §65; 2011 Acts, ch 34, §127; 2013 Acts, ch 17, §6
Referred to in §12C.23, 533.314, 533.405
Subsection 4 stricken

**533.405 Voluntary dissolution.**

The process of voluntary dissolution shall be as follows:

1. A state credit union may dissolve upon the affirmative vote of a majority of its members eligible to vote according to the provisions of section 533.203. At least twenty days' notice shall be provided between the sending of notice and the scheduled conclusion of the vote.

2. *a.* The state credit union shall cease to do business except for the purposes of liquidation immediately upon sending notice of the members' vote on dissolution.

*b.* The board of directors shall notify the superintendent of the intention of the state credit union to dissolve within three business days of a vote by a majority of the board of directors in favor of dissolution, and prior to sending notice of the members' vote.

*c.* The state credit union shall not resume its regular business unless the dissolution fails to receive the required vote of the members or unless the members have revoked prior affirmative action to dissolve as provided for in subsection 7.

*d.* The board of directors shall notify the national credit union administration of the intent to dissolve, as required by federal regulation.

3. *a.* The board of directors shall have power to terminate and settle the affairs of a state credit union in voluntary dissolution.

*b.* The state credit union shall continue in existence for the purpose of discharging its liabilities, collecting and distributing its assets, and doing all acts required in order to terminate its affairs.

*c.* The state credit union may sue and be sued for the purpose of enforcing such liabilities and for the purpose of collecting its assets until its affairs are fully settled.

*d.* During the course of dissolution proceedings, the state credit union shall make such reports and shall be subject to such examinations as the superintendent may require.

*e.* If at any time after the affirmative vote of a majority of the members of a state credit union to dissolve the state credit union, the superintendent finds that the state credit union is not making reasonable progress toward terminating its affairs, the superintendent may apply to the district court for appointment of a receiver to terminate the affairs of the state credit union.

*f.* If the superintendent finds that a dissolving state credit union is insolvent, the superintendent may proceed as otherwise provided in this chapter.

4. *a.* The board of directors may appoint by resolution any responsible person as defined in section 4.1, whose appointment has been approved by the superintendent, to exercise its powers to terminate and settle the affairs of the state credit union pursuant to this section.

*b.* The superintendent may adopt rules establishing the qualifications that must be met by such appointees, including but not limited to filing a surety bond with the superintendent.

5. *a.* (1) Within ten days of the conclusion of a membership vote approving the voluntary dissolution, the board of directors or the liquidating agent appointed pursuant to subsection 4 shall cause notice, as provided in this subsection, to be given to creditors of the state credit union to present their claims.

(2) A copy of the notice of voluntary dissolution shall be mailed to all creditors reflected on the records of the state credit union.

*b.* In addition to mailing notice to known creditors, the state credit union shall also publish notice of the voluntary dissolution as follows:

(1) State credit unions with assets in excess of five million dollars as of the month ending immediately prior to the date of the conclusion of the vote by the membership approving the dissolution shall publish the notice once a week for two successive weeks in a newspaper of general circulation in each county in which the state credit union maintains an office or branch for the transaction of business.

(2) State credit unions with assets of five million dollars or less as of the month ending immediately prior to the date of the conclusion of the vote by the membership approving the dissolution shall publish the notice once in a newspaper of general circulation in each county in which the state credit union maintains an office or branch.

*c.* Mailed and published notices under this subsection shall indicate all of the following:

(1) A creditor shall have thirty days from the date the notice was sent or first published to submit the creditor's claim. The state credit union must receive the claim on or before the thirtieth day, or the claim is barred.

(2) Information that must be included in a claim.

(3) A mailing address where a claim is to be sent.

6. *a.* Upon such proof as is satisfactory to the superintendent that all of the following have occurred, the superintendent shall issue a certificate of dissolution:

(1) Assets have been liquidated from which there is a reasonable expectance of realization.

(2) The liabilities of the state credit union have been discharged.

(3) Distribution has been made pursuant to section 533.404, subsection 1.

(4) The liquidation has been completed.

*b.* The certificate shall be filed and recorded in the county in which the state credit union has its principal place of business and in the county in which its original articles of incorporation were filed and recorded.

*c.* Upon the filing of a certificate of dissolution, the existence of the state credit union shall cease.

7. *a.* At any time prior to the final distribution of its assets, a state credit union may revoke the voluntary dissolution proceedings by the affirmative vote of a majority of its members eligible to vote, according to the provisions of section 533.203. At least twenty days' notice shall be provided between the sending of notice and the scheduled conclusion of the vote.

*b.* Upon the conclusion of the vote, the board of directors shall immediately notify the superintendent of any such action to revoke voluntary dissolution proceedings.

2007 Acts, ch 174, §66; 2012 Acts, ch 1020, §21; 2013 Acts, ch 17, §7 – 9; 2013 Acts, ch 140, §74

Referred to in §533.314

Subsection 2, NEW paragraph d

NEW subsection 5 and former subsections 5 and 6 amended and renumbered as 6 and 7

**533.406 State credit union merger, conversion, or dissolution.**

Notwithstanding section 533.301, subsection 25, a state credit union shall comply with the state law requirements for merger, conversion, or dissolution of a state credit union.

2007 Acts, ch 174, §67

## SUBCHAPTER V

## SUPERVISORY ACTIONS, LIMITATIONS, AND PENALTIES

**533.501 Supervisory action.**

1. *Cease and desist order.*

*a.* (1) If the superintendent has reason to believe that an officer, director, employee, or committee member of a state credit union has violated any law, rule, or cease and desist order relating to a state credit union, or has engaged in an unsafe or unsound practice in conducting the business of a state credit union, the superintendent may cause notice to be served upon the officer, director, employee, or committee member to appear before the superintendent to show cause why the person should not be removed from office or employment. A copy of such notice shall be sent by certified mail or restricted certified mail to each director of the state credit union affected.

(2) If the superintendent finds that the accused has violated a law, rule, or cease and desist order relating to a state credit union, or has engaged in an unsafe or unsound practice in conducting the business of a state credit union, after granting the accused a hearing before an independent administrative law judge, the superintendent in the superintendent's discretion may order that the accused be removed from office and from any position of employment with the state credit union. The superintendent may further order that the accused not accept employment in any state credit union under the superintendent's jurisdiction without the superintendent's prior approval.

(3) A copy of the order shall be served upon the accused and upon the state credit union affected, at which time the accused shall cease to be an officer, director, employee, or committee member of the state credit union.

*b.* (1) If the superintendent determines that a state credit union has violated any of the provisions of this chapter, after notice and opportunity for hearing, the superintendent shall order the state credit union to correct the violation, except when the state credit union is insolvent.

(2) The superintendent may specify the manner in which the violation is to be corrected and grant the state credit union not more than sixty days within which to comply with the order.

(3) The superintendent may revoke a state credit union's certificate of approval for failure to comply with the order.

(4) If the certificate of approval has been revoked, the superintendent may apply to the district court of the county in which the state credit union is located for the appointment of a receiver for the state credit union.

2. *Summary cease and desist order.*

*a.* (1) If it appears to the superintendent that a state credit union, or any director, officer, employee, or committee member of a state credit union, is engaging in or is about to engage in an unsafe or unsound practice or dishonest act in conducting the business of the state credit union that is likely to cause insolvency or substantial dissipation of assets or earnings of the state credit union, or is likely to seriously weaken the condition of the state credit union or otherwise seriously prejudice the interests of its members, the superintendent may issue an interim summary cease and desist order requiring the state credit union, or any director, officer, employee, or committee member, to cease and desist from any such practice or act, and may take affirmative action, including suspension of the director, officer, employee, or committee member to prevent such insolvency, dissipation, condition, or prejudice.

(2) The interim order shall become effective upon personal service upon the state credit union, or upon the director, officer, employee, or committee member of the state credit union, and remain effective and enforceable pending the completion of administrative proceedings conducted pursuant to this section and issuance of a final order.

*b.* (1) The interim order shall contain a concise statement of the facts constituting the alleged unsafe or unsound practice or alleged dishonest act, and shall fix a time and place at

which a hearing will be held to determine whether a final order to cease and desist should issue against the state credit union, or any director, officer, employee, or committee member.

(2) The hearing shall be fixed for a date not later than thirty days after service of the interim order unless a later date is set at the request of the party served.

(3) If the state credit union, or the director, officer, employee, or committee member, fails to appear at the hearing, the state credit union, or the director, officer, employee, or committee member, is deemed to have consented to the issuance of a final cease and desist order.

(4) In the event of such consent, or if upon the record made at the hearing the superintendent finds that any unsafe or unsound practice or dishonest act specified in the interim order has been established, the superintendent may issue and serve upon the state credit union, or the director, officer, employee, or committee member, a final order to cease and desist from any such practice or act. The order may require the state credit union, or the director, officer, employee, or committee member, to cease and desist from any such practice or act and direct affirmative action, including suspension of the director, officer, employee, or committee member.

*c.* (1) A hearing provided for in this section shall be presided over by an administrative law judge appointed in accordance with section 17A.11.

(2) The hearing shall be private, unless the superintendent determines after full consideration of the views of the party afforded the hearing, that a public hearing is necessary to protect the public interest.

(3) After the hearing, and within thirty days after the case has been submitted for decision, the superintendent shall review the proposed order of the administrative law judge and render a final decision, including findings of fact upon which the decision is predicated, and issue and serve upon each party to the proceeding an order consistent with this section.

(4) Records and information relating to the hearing shall be confidential and not subject to subpoena. Such records and information shall not constitute a public record subject to examination or copying under chapter 22.

*d.* Any final order issued by the superintendent shall become effective upon service upon the state credit union, director, officer, employee, or committee member.

*e.* In the case of violation or threatened violation of, or failure to obey, an order, the superintendent may apply to the district court of the county in which the state credit union has its principal place of business for the enforcement of the order and such court shall have jurisdiction and power to order and require compliance with the order.

*f.* (1) Within ten days after a state credit union or any director, officer, employee, or committee member is served with a summary cease and desist order, the state credit union or director, officer, employee, or committee member affected may apply to the district court in the county in which the state credit union has its principal place of business for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the interim order pending the completion of administrative proceedings.

(2) If serious prejudice to the interests of the superintendent, the state credit union, or the officer, director, employee, or committee member would result from a court hearing, the court may order the judicial proceeding to be conducted in camera.

3. *Complaint response process.* The superintendent shall adopt rules establishing a complaint response process that shall include provisions relating to but not limited to complaint intake, preliminary informal and formal investigation procedures, complaint dismissal procedures, and imposition of remedial sanctions through an administrative resolution procedure or a contested case hearing.

*a.* Notwithstanding chapter 22, the superintendent shall keep confidential any social security number, residence address, or residence telephone number obtained in connection with a complaint intake, investigation, dismissal, or imposition of remedial sanctions, and may keep confidential the name of the complainant, the name of the subject of the complaint, and any other information obtained in connection with a complaint intake, investigation, dismissal, or imposition of remedial sanctions, if disclosure is not required in the performance of the duties of the superintendent, or in order to accomplish the provisions of this chapter, or otherwise required by law. At the discretion of the superintendent, the name of the complainant, residence address of the complainant, and residence telephone

number of the complainant may be provided to the subject of the complaint, or to an authorized agent of such person, without waiving the confidentiality afforded by this subsection, provided that the superintendent has notified the complainant in advance of such disclosure. Disclosure or release of information by the superintendent in the course of an administrative or judicial proceeding shall not constitute a violation of this subsection.

*b.* Notwithstanding chapter 22, or paragraph "*a*" of this subsection, if the superintendent determines it is necessary or appropriate in the public interest or for the protection of the public, the superintendent may share information with other regulatory authorities or government agencies and may publish information concerning a complaint if it is determined that there is or has been a violation of this chapter, the laws of this state or the United States, or a rule promulgated or order issued pursuant to this chapter. Such information as the superintendent deems appropriate may be redacted so that the sharing, releasing, or publishing of the information in accordance with this subsection does not make available personally identifiable information.

2007 Acts, ch 174, §68; 2009 Acts, ch 48, §2

Referred to in §22.7

**533.502 Grounds for management of state credit union by superintendent.**

1. Notwithstanding any other provision of this chapter, the superintendent may take over the management of the property and business of a state credit union when it appears to the superintendent that any of the following actions have occurred or conditions exist:

*a.* The state credit union has violated any law of this state.

*b.* The capital of the state credit union is impaired.

*c.* The state credit union is conducting its business in an unsafe or unsound manner.

*d.* The state credit union is in such condition that it is unsound, unsafe, or inexpedient for it to transact business.

*e.* The state credit union has suspended or refused payment of its deposits or other liabilities.

*f.* The state credit union refuses to make its records available to the superintendent for examination or otherwise refuses to make available, through an officer or employee having knowledge, information required by the superintendent for the proper discharge of the duties of the superintendent's office.

*g.* The state credit union neglects or refuses to observe any order of the superintendent made pursuant to the provisions of this chapter, unless the enforcement of such order is stayed in a court proceeding brought by the state credit union.

*h.* The state credit union has not transacted any business or performed any of the duties contemplated by its authorization to do business for a period of at least one hundred eighty days.

2. *a.* The superintendent shall manage the property and business of the state credit union until such time as the superintendent may relinquish to the state credit union the management, upon such conditions as the superintendent may prescribe, or until the affairs of the state credit union are finally dissolved as provided in this chapter. The superintendent may operate and direct the affairs of the state credit union in its regular course of business. The superintendent may also collect amounts due the state credit union and do such other acts as are necessary or expedient to conduct the affairs of the state credit union and conserve or protect its assets, property, and business.

*b.* The superintendent may appoint one or more persons, with powers specified in the certificate of appointment, to assist the superintendent in the duty of management, conservation, or dissolution and distribution of the business and property of a state credit union.

*c.* During the period of the superintendent's management of the property and business of the state credit union, and prior to the time that the superintendent may apply to the district court for appointment as receiver, the superintendent may assess the state credit union for costs and expenses incurred by the division in the management of the state credit union. Costs and expenses shall include but not be limited to costs and expenses for salaries and benefits,

expenses and travel for employees, office facilities, supplies, equipment, and administrative costs and expenses incurred in the management of the state credit union.

3. Judicial review of the actions of the superintendent may be sought in accordance with chapter 17A. However, the contested case provisions of chapter 17A, the Iowa administrative procedure Act, do not apply to an action by the superintendent to take over the management of or to manage a state credit union, as authorized by this section.

2007 Acts, ch 174, §69; 2012 Acts, ch 1020, §22

**533.503 Superintendent as receiver.**

1. In all situations in which the superintendent has been appointed as receiver as provided in this chapter, the superintendent shall make a diligent effort to collect and realize on the assets of the state credit union, and shall make distribution of the proceeds from time to time to those entitled in the order provided for by law.

*a.* The superintendent may execute as receiver, or after the receivership has terminated, assignments, releases, and satisfactions to effectuate sales and transfers.

*b.* Upon the order of the court in which the receivership is pending, the superintendent may sell or compound all bad or doubtful debts.

*c.* Upon the order of the court in which the receivership is pending, the superintendent may sell all the real and personal property of the state credit union, on such terms as the court shall direct.

2. All expenses of the receivership and dissolution shall be determined by the superintendent, subject to the approval of the district court, and shall be paid out of the assets of the state credit union.

3. At the completion of the receivership, the superintendent shall file a final report which shall contain details of receivership activity and such additional facts as the court may require.

4. *a.* Upon the submission and approval of the final report, the court shall enter a decree dissolving the state credit union and discharging the receiver, at which time the existence of the state credit union shall cease.

*b.* The clerk of the district court shall file and record certified copies of the decree with the county recorder of the county in which the state credit union has its principal place of business and with the county recorder of the county in which its original articles of incorporation were filed and recorded. A fee shall not be charged by the county recorder for the filing or recording of such decree.

2007 Acts, ch 174, §70

Referred to in §602.8102(73)

**533.504 Tender of receivership to insurance plan.**

1. *a.* The superintendent may tender to the administrator of an account insurance plan approved under this chapter the appointment as receiver for an insured state credit union.

*b.* If the insurance plan administrator accepts the appointment as receiver, the rights of the members and other creditors of the insured state credit union shall be determined in accordance with the laws of this state and the insurance plan administrator shall comply with all applicable provisions of this chapter.

2. The administrator of an account insurance plan as receiver shall possess the powers, rights, and privileges given to the superintendent as provided by law.

3. If the administrator of an account insurance plan pays or makes available for payment the insured liabilities of a state credit union, the administrator shall be subrogated by operation of law to all rights of the members against the insured state credit union in the same manner and to the same extent as subrogation is provided for in applicable laws in the case of a closed federal credit union.

2007 Acts, ch 174, §71

**533.505 Subpoena — contempt.**

1. The superintendent or the superintendent's designee may subpoena witnesses, compel their attendance, administer an oath, examine any person under oath, and require the production of any relevant record during the period of examination.

2. An examination may be conducted on any subject relating to the duties imposed upon or powers vested in the superintendent.

3. Whenever a person subpoenaed pursuant to subsection 1 fails to produce a record or to give testimony as required by the terms of the subpoena, the superintendent may apply to the district court of Polk county for the enforcement of the subpoena or the issuance of an order compelling compliance.

4. The refusal of any person to obey an order of the district court issued pursuant to subsection 3, without reasonable cause, shall be considered a contempt of court.

2007 Acts, ch 174, §72; 2011 Acts, ch 34, §128

**533.506 Limitation of actions.**

1. All causes of action against a state credit union based upon a claim or claims inconsistent with an entry or entries in a state credit union record or ledger, made in the regular course of business, shall be deemed to have accrued, and shall accrue, one year after the date of such entry or entries.

2. An action founded upon such a cause shall not be brought after the expiration of ten years from the date of such accrual.

2007 Acts, ch 174, §73

**533.507 False statements for credit — fraudulent practice.**

A person who knowingly makes or causes to be made, directly or indirectly, any false statement in writing, or who procures, knowing that a false statement in writing has been made concerning the financial condition or means or ability to pay of such person or any other person in which such person is interested or for whom such person is acting with the intent that such statement shall be relied upon by a state credit union for the purpose of procuring the delivery of property, the payment of cash, or the receipt of credit in any form, for the benefit of such person or of any other person in which such person is interested or for whom such person is acting, is guilty of a fraudulent practice.

2007 Acts, ch 174, §74

**533.508 False statements — penalties.**

1. A director, officer, or employee of a state credit union shall not intentionally publish, disseminate, or distribute any advertising or notice containing any false, misleading, or deceptive statements concerning rates, terms, or conditions on which loans are made, or deposits or share installments are received, or concerning any charge which the state credit union is authorized to impose pursuant to this chapter, or concerning the financial condition of the state credit union. Any director, officer, or employee of a state credit union who violates the provisions of this section is guilty of a fraudulent practice.

2. Any person who maliciously or with intent to deceive makes, publishes, utters, repeats, or circulates any false statement concerning any state credit union which imputes or tends to impute insolvency, unsound financial condition or financial embarrassment, or which may tend to cause or provoke or aid in causing or provoking a general withdrawal of deposits from such state credit union, or which may otherwise injure or tend to injure the business or goodwill of such state credit union, is guilty of a simple misdemeanor.

2007 Acts, ch 174, §75

**533.509 Penalty for falsification.**

A director, officer, agent, or employee of a state credit union, a credit union service organization, or any other person who knowingly signs, makes, or consents to another person making any false statement or false entry in the books of the state credit union or credit union service organization, or knowingly signs, makes, or consents to the making of any false report regarding a state credit union or credit union service organization, or knowingly diverts the funds of the state credit union, is guilty of a class "C" felony and is forever after barred from holding any office or position in a state credit union or credit union service organization.

2007 Acts, ch 174, §76

# CHAPTER 533A

## DEBT MANAGEMENT

Referred to in §524.211, 524.212, 524.606, 546.3, 669.14, 714E.1


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**533A.1 Definitions.**

As used in this chapter:

1. *"Creditor"* means a person who grants credit, a person who takes assignment of the rights to payments of a person who grants credit, or a person for whose benefit moneys are being collected and distributed by a licensee.

2. *"Debt management"* means, when done for a fee, any of the following:

*a.* Arranging or negotiating, or attempting to arrange or negotiate, the amount or terms of debt owed by a debtor to a creditor.

*b.* Receiving from a debtor, directly or indirectly, money or evidences thereof for the purposes of distributing the same to one or more creditors of the debtor in payment or partial payment of the debtor's obligations.

*c.* Serving as an intermediary between a debtor and one or more creditors of the debtor for the purpose of obtaining concessions from the creditors.

*d.* Engaging in debt settlement.

3. *"Debt settlement"* means seeking to settle the amount of a debtor's debts with creditors for less than the amounts owed on the debts.

4. *"Debtor"* means any natural person.

5. *"Donation"* means money given by the debtor to a licensee as a gift for debt management and outside of the debt management contract.

6. *"Fee"* means the moneys paid by the debtor to the licensee as payment for debt management and shall not include money paid to the licensee or held by the licensee for distribution to a creditor, a distribution to the debtor as a refund, or a donation.

7. *"Gratuitous debt-management service"* means debt management without charging a fee.

8. *"Licensee"* means any person licensed under this chapter.

9. *"Natural person"* means an individual who is not an association, joint venture or joint stock company, partnership, limited partnership, business corporation, nonprofit corporation, other business entity, or any group of individuals or business entities, however organized.

10. *"Office"* means each location by street number, building number, city, and state where any person engages in debt management.

11. *"Person"* means an individual, an association, joint venture or joint stock company, partnership, limited partnership, business corporation, nonprofit corporation, or any other group of individuals however organized.

12. *"Superintendent"* means the superintendent of banking.

[C71, 73, 75, 77, 79, 81, §533A.1]

2006 Acts, ch 1042, §1; 2009 Acts, ch 34, §1

**533A.2 Licenses required — exceptions.**

1. A person shall not engage in the business of debt management in this state without a

license as provided for in this chapter unless exempt under subsection 2. A person engages in the business of debt management in this state if the person solicits on behalf of the person or another person to provide, or enters into a contract with one or more debtors to provide, debt management to a debtor who resides in this state.

2. The following persons, including employees of such persons, shall not be required to be licensed or to otherwise comply with the provisions of this chapter:

*a.* A licensed attorney admitted to practice in this state acting solely as an incident to the practice of law.

*b.* Banks, federally chartered savings and loan associations, credit unions, mortgage bankers and mortgage brokers licensed or registered under chapter 535B, insurance companies and similar fiduciaries, regulated loan companies licensed under chapter 536, and industrial loan companies licensed under chapter 536A, authorized and admitted to transact business in this state and performing credit and financial adjusting in the regular course of their principal business, or while performing an escrow function.

*c.* Abstract companies, while performing an escrow function.

*d.* Employees of licensees under this chapter, while performing services for the employee's licensed employer.

*e.* Judicial officers or others acting under court orders.

*f.* Nonprofit religious, fraternal, or cooperative organizations offering to debtors gratuitous debt-management service.

*g.* Those persons whose principal business is the origination of first mortgage loans on real estate for their own portfolios or for sale to institutional investors.

*h.* A person licensed under chapter 533C, including that person's authorized delegates as defined in section 533C.102, or a person exempt from licensing under section 533C.103, when engaging in money transmission or currency exchange as defined in section 533C.102.

3. The application for a license shall be in the form prescribed by the superintendent. If the applicant is not a natural person, a copy of the legal documents creating the applicant shall be filed with the application. The application shall contain all of the following:

*a.* The name of the applicant.

*b.* If the applicant is not a natural person, the type of business entity of the applicant and the date the entity was organized.

*c.* If the applicant is a foreign corporation, both of the following:

(1) An irrevocable consent, duly acknowledged, that suits and actions may be commenced against the licensee in the courts of this state by service of process performed as provided in section 617.3 or as provided in the Iowa rules of civil procedure.

(2) Proof of authorization to do business in this state.

*d.* The address where the business is to be conducted, including information as to any branch office of the applicant.

*e.* The name and resident address of the applicant's owner or partners, or, if a corporation, association, or agency, of the members, shareholders, directors, trustees, principal officers, managers, and agents.

*f.* The name, physical address, and telephone number of the licensee's agent for service of process.

*g.* Other pertinent information as the superintendent may require, including a credit report.

4. Each application shall be accompanied by a bond to be approved by the superintendent in favor of the people of the state of Iowa in the penal sum of twenty-five thousand dollars for each office, and conditioned that the obligor will not violate any law pertaining to such business and upon the faithful accounting of all moneys collected upon accounts entrusted to such person engaged in debt management, and their employees and agents for the purpose of indemnifying debtors for loss resulting from conduct prohibited by this chapter. The aggregate liability of the surety to all debtors doing business with the office for which the bond is filed shall, in no event, exceed the penal sum of such bond. The surety on the bond shall have the right to cancel such bond upon giving thirty days' notice to the superintendent and thereafter shall be relieved of liability for any breach of condition occurring after the effective date of the cancellation. A person shall not engage in the business of debt

management until a good and sufficient bond is filed in accordance with the provisions of this chapter.

5. Each applicant shall furnish with the application a description of its proposed debt management program, a copy of the disclosures it will be providing debtors pursuant to section 533A.8, subsection 3, and a copy of the contract the applicant proposes to use between the applicant and the debtor pursuant to section 533A.8, subsection 4.

6. At the time of making the application the applicant shall pay to the superintendent the sum of two hundred fifty dollars as a license fee for each of the applicant's offices and an investigation fee in the sum of one hundred dollars. A separate application shall be made for each office maintained by the applicant.

7. The superintendent may authorize applicants and licensees to be licensed through a nationwide licensing system and to pay the corresponding system processing fees. The superintendent may establish by rule or order new requirements as necessary, including but not limited to requirements that applicants, including officers and directors and those who have control of the applicant, submit to fingerprinting and criminal history checks.

8. For the purposes of this section and in order to reduce the points of contact which the federal bureau of investigation may be required to maintain for purposes of subsection 7, the superintendent may use the nationwide licensing system as a channeling agent for requesting information from and distributing information to the United States department of justice or other governmental agency, or to or from any other source so directed by the superintendent.

[C71, 73, 75, 77, 79, 81, §533A.2]

85 Acts, ch 158, §1; 2006 Acts, ch 1042, §2; 2007 Acts, ch 126, §92; 2008 Acts, ch 1160, §9; 2009 Acts, ch 34, §2 – 4; 2009 Acts, ch 179, §41; 2012 Acts, ch 1017, §131; 2013 Acts, ch 5, §3

Referred to in §533C.103

NEW subsections 7 and 8

**533A.3 Investigation.**

1. Upon the filing of each application and the payment of the fees, the superintendent shall conduct an investigation of the facts concerning the application and the requirements provided in subsection 3.

2. The superintendent shall grant or deny each application for a license within sixty days from the date that the application and the required fee are filed and paid, unless the period is extended by written agreement between the applicant and the superintendent.

3. *a.* The superintendent shall enter an order granting the application, and issue and deliver a license to the applicant if the superintendent finds that both of the following are satisfied:

(1) The experience, financial responsibility, character, and general fitness of the applicant is sufficient as to command the confidence of the public and to warrant belief that the business will be operated lawfully, honestly, fairly, and efficiently within the purposes of this chapter.

(2) The applicant has not been convicted of or pled guilty to a felony or an indictable misdemeanor for financial gain, or has not had a record of having defaulted in payment of money collected for others, including the discharge of such debts through bankruptcy proceedings.

*b.* If the applicant is not a natural person, this subsection shall apply to the owners, partners, members, shareholders, officers, directors, and managers of the applicant.

4. If the applicant has, at the time of the application, a license for an office located within ten miles of the location of the office named in the application, a license shall not be issued unless the superintendent finds that public convenience will be served by the issuance of the license.

5. A license shall not be transferable or assignable.

6. If the superintendent finds the applicant not qualified under subsection 3, the superintendent shall enter an order denying the application and notify the applicant of the denial, returning the license fee. Within fifteen days after the entry of such order, the superintendent shall prepare written findings and shall deliver a copy to the applicant.

[C71, 73, 75, 77, 79, 81, §533A.3]

2006 Acts, ch 1042, §3

Referred to in §533A.15

**533A.4 Expiration date.**

The license issued under this chapter shall expire on December 31 following its issuance unless sooner surrendered, revoked, or suspended, but may be renewed as provided in this chapter.

[C71, 73, 75, 77, 79, 81, §533A.4]

2013 Acts, ch 5, §4

For provisions relating to licenses expiring on or before July 1, 2013, see 2013 Acts, ch 5, §30

Section amended

**533A.5 Renewal.**

1. To continue in the business of debt management, each licensee shall annually apply on or before December 1 to the superintendent for renewal of its license. The superintendent may assess a late fee of ten dollars per day for applications submitted and accepted for processing after December 1.

2. The renewal application shall be on the form prescribed by the superintendent and shall be accompanied by a fee of two hundred fifty dollars. A separate renewal application shall be made for each office maintained by the applicant.

[C71, 73, 75, 77, 79, 81, §533A.5]

2006 Acts, ch 1042, §4; 2007 Acts, ch 126, §93; 2013 Acts, ch 5, §5

Subsection 1 amended

**533A.5A Change in control — name or address.**

1. The prior written approval of the superintendent is required whenever a change in the control of a licensee is proposed. For purposes of this section, *"control"* in the case of a corporation means direct or indirect ownership, or the right to control, ten percent or more of the voting shares of the corporation, or the ability of a person to elect a majority of the directors or otherwise effect a change in policy. *"Control"* in the case of any other entity means the principals of the organization whether active or passive. The superintendent may require information deemed necessary to determine whether a new application is required. When requesting approval, the person shall submit a fee of one hundred dollars to the superintendent.

2. A licensee shall notify the superintendent and submit a fee of twenty-five dollars per license to the superintendent thirty days in advance of the effective date of any of the following:

*a.* A change in the name of the licensee.

*b.* A change in the address where the business is conducted.

2006 Acts, ch 1042, §5

**533A.6 Appointment of process agent.** Repealed by 2009 Acts, ch 34, § 9. See § 533A.2(3).

**533A.7 Disciplinary action.**

1. The superintendent may, after notice and hearing pursuant to chapter 17A, take disciplinary action against a licensee if the superintendent finds any of the following:

*a.* The licensee, or an owner, partner, member, shareholder, officer, director, or manager of the licensee, has been convicted of a felony or of an indictable misdemeanor for financial gain.

*b.* The licensee, or an owner, partner, member, shareholder, officer, director, or manager of the licensee, has violated any of the provisions of this chapter or any other state or federal law, rule, or regulation applicable to the conduct of its business.

*c.* The licensee, or an owner, partner, member, shareholder, officer, director, or manager of the licensee, has engaged in fraud or deceit in procuring the issuance of a license or renewal under this chapter.

*d.* The licensee, or an owner, partner, member, shareholder, officer, director, or manager of the licensee, has engaged in unfair conduct.

*e.* The licensee is insolvent, or has filed for bankruptcy, receivership, or assignment for the benefit of creditors.

*f.* The licensee fails to post the bond required by the provisions of this chapter or the superintendent receives notice that the required bond has been canceled.

2. The superintendent may impose one or more of the following disciplinary actions against a licensee:

*a.* Revoke a license.

*b.* Suspend a license until further order of the superintendent for a specified period of time.

*c.* Impose a period of probation under specified conditions.

*d.* Impose civil penalties in an amount not to exceed five thousand dollars for each violation.

*e.* Issue a citation and warning respecting licensee behavior.

*f.* Order the licensee to pay restitution.

3. The superintendent may order an emergency suspension of a licensee's license pursuant to section 17A.18A. A written order containing the facts or conduct which warrants the emergency action shall be timely sent to the licensee by restricted certified mail. Upon issuance of the suspension order, the licensee must also be notified of the right to an evidentiary hearing. A suspension proceeding shall be promptly instituted and determined.

4. Except as provided in this section, a license shall not be revoked or suspended except after notice and a hearing thereon in accordance with chapter 17A.

5. A licensee may surrender a license by delivering to the superintendent written notice of surrender, but a surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender.

6. A revocation, suspension, or surrender of a license does not impair or affect the obligation of a preexisting lawful contract between the licensee and any person, including a debtor.

[C71, 73, 75, 77, 79, 81, §533A.7]

2006 Acts, ch 1042, §6; 2008 Acts, ch 1160, §10

Referred to in §533A.15

**533A.8 Licensee requirements.**

1. A licensee shall describe the methodology of its debt management program to each potential debtor client so that the debtor can make an informed decision as to whether or not the licensee's program is an appropriate option for the debtor.

2. A licensee shall conduct a comprehensive review of a debtor's debts and monthly budget and make a determination that the licensee's program is an appropriate option for the debtor before entering into a contract with the debtor. A licensee shall not accept an account unless a written and thorough budget analysis has been performed which indicates that the debtor can meet the requirements determined by the budget analysis.

3. *a.* A licensee, including any third party who markets or sells a debt management program on behalf of a licensee, shall make the following disclosures to a debtor both verbally and in writing before the debtor signs a contract to enroll in the debt management program:

(1) The total estimated fee the debtor will pay for participating in the program if the debtor remains in the program for the entire term of the contract.

(2) That the licensee cannot guarantee any specific results from participation in the program.

(3) That the debtor may elect to discontinue participation in the program without penalty at any time during the program.

(4) If the program includes obtaining concessions regarding the principal amount of the debt from creditors, that any concessions may be considered income to the debtor subject to income tax.

(5) If the program is based on a model which does not require the licensee or another licensee to receive money or evidence thereof from the debtor to distribute to the debtor's creditors, the following:

(a) That payments are not made to creditors on the debtor's behalf, so the debtor is still obligated to make payments to creditors.

(b) That creditors may continue to try to collect the debtor's debts while the debtor is enrolled in the program.

(6) If the program is a debt settlement program, that the following may occur:

(a) The debtor's credit report and credit score may be harmed by participating in the program.

(b) Failure to make required minimum payments to the debtor's creditors may violate the debtor's agreement with the creditors and may result in additional charges, such as late fees, over limit fees, and penalties and creditors may raise the debtor's interest rate.

(c) The debtor may be sued by creditors if the debtor fails to make required minimum payments to the debtor's creditors.

*b.* The verbal disclosures required pursuant to this subsection shall be made at a normal rate of speech in a manner designed to ensure the debtor understands the disclosures. The written disclosures shall be provided in a separate document from the contract between the licensee and the debtor and shall be designed to ensure the debtor understands the disclosures. It is a violation of this chapter for a licensee, or any third party who markets or sells a debt management program on behalf of a licensee, to contradict these disclosures in any representation, advertising, or solicitation.

4. A licensee shall make a written contract with a debtor and shall immediately and before collecting any fee, furnish the debtor with a true copy of the contract. A contract shall not extend for a period longer than sixty months. The contract between a licensee and a debtor shall include all of the following:

*a.* The total estimated charges agreed upon for the services of the licensee and any third parties providing services for or in conjunction with the licensee.

*b.* A statement of how and when the charges are to be paid.

*c.* A statement that the debtor may elect to discontinue participation in the program without penalty at any time during the program.

*d.* The beginning and expiration date of the contract.

*e.* The name, physical address, mailing address if different from the physical address, and telephone number of the licensee.

*f.* A description of the services to be provided by the licensee, which shall include educational and counseling services designed to assist the debtor in managing the debtor's borrowing, spending, and saving habits.

*g.* If the debt management program is a debt settlement program, the following:

(1) A comprehensive list of every debt at the time of enrollment that is to be negotiated for settlement by the licensee, including the creditors' names and identifying information.

(2) The estimated amount of money needed to fund settlements.

*h.* If the debt management program is based on a model which requires the licensee or any licensee to receive money or evidences thereof from the debtor to distribute to the debtor's creditors, the contract shall set forth the complete list of creditors who are to receive payments under the contract.

5. If the debt management program is based on a model which requires the licensee or any licensee to receive money or evidences thereof from the debtor to distribute to the debtor's creditors, the licensee who receives the money or evidences thereof from the debtor for distribution to the debtor's creditors shall do all of the following:

*a.* Maintain a separate bank trust account in which all payments received from debtors for the benefit of creditors shall be deposited and in which all payments shall remain until a remittance is made to either the debtor or the creditor.

*b.* Make remittances to creditors within forty-five days after initial receipt of funds, and thereafter remittances shall be made to creditors within thirty days of receipt, less fees, unless the reasonable payment of one or more of the debtor's obligations requires that such funds be held for a longer period so as to accumulate a sum certain.

*c.* Provide each debtor a monthly written statement of disbursements made and fees deducted from the debtor's account. The licensee shall also provide a verbal accounting of disbursements made and fees deducted from the debtor's account at any time the debtor requests it during normal business hours.

*d.* Not receive any fee, or have or cause any fee to be received by any other licensee, other

than the initiation fee permitted in section 533A.9, subsection 2, unless the licensee has the consent of at least fifty percent of the total number of the creditors listed in the licensee's contract with the debtor, or such a like number of creditors have accepted a distribution of payment. The debtor shall be informed by the licensee of those creditors who have not agreed to the licensee's handling of the account.

6. If the debt management program is not based on a model which requires the licensee or any licensee to receive money or evidences thereof from the debtor to distribute to the debtor's creditors, both of the following shall apply:

*a.* The debtor shall maintain full control of and access to any moneys set aside for payment to creditors.

*b.* The licensee may not receive consideration from any third party in connection with services rendered to a debtor.

7. A licensee shall keep, and use in the licensee's business, books, accounts, and records which will enable the superintendent to determine whether such licensee is complying with the provisions of this chapter, any applicable state or federal laws or regulations, and the rules and regulations of the superintendent. A licensee shall preserve such books, accounts, and records for at least five years after making the final entry on any transaction recorded therein. Records shall contain complete information regarding all contracts, extensions thereof, payments, disbursements, and charges, which records shall be open to inspection by the superintendent and the superintendent's duly appointed agents during normal business hours.

8. In the event a compromise of a debt is arranged by a licensee with one or more creditors, the debtor shall have the full benefit of such compromise.

9. All licensee advertising content, and data supporting any claims made in the advertising, shall be maintained in retrievable format and available to the superintendent for inspection for a minimum of five years.

10. If the licensee maintains an internet site, the licensee shall make available on its internet site a physical address for its headquarters, a main telephone number, and an electronic mail contact address.

11. The superintendent may adopt additional requirements applicable to licensees pursuant to administrative rule.

[C71, 73, 75, 77, 79, 81, §533A.8]

2009 Acts, ch 34, §5; 2010 Acts, ch 1061, §69; 2013 Acts, ch 90, §257

Referred to in §533A.2, 533A.11

Code editor directive applied

**533A.9 Fee agreed in advance.**

1. The fee of a licensee charged to a debtor shall be agreed upon in advance and stated in the contract and provision for settlement in case of cancellation shall also be clearly stated in the contract.

2. A debtor may be charged a one-time initiation fee for debt management services, which shall not exceed fifty dollars.

3. If a debt management program is based on a model that required the licensee or any other licensee to receive money or evidences thereof from the debtor to distribute to the debtor's creditors, the debtor may not be charged a fee exceeding the initiation fee permitted in subsection 2 plus a fee not to exceed fifteen percent of amounts actually applied to the debtor's accounts with the creditors. Other than the initiation fee, the debtor shall at no time be required to pay fees exceeding fifteen percent of amounts actually applied to the debtor's accounts with the creditors.

4. If a debt management program is not based on a model that requires the licensee or another licensee to receive money or evidences thereof from the debtor to distribute to the debtor's creditors, a debtor may not be charged a fee exceeding the sum of the following:

*a.* The initiation fee permitted in subsection 2.

*b.* An additional fee not to exceed eighteen percent of the total amount of the debtor's debts enrolled in the licensee's program at the time the debtor enrolled in the program. The additional fee shall not be collected pursuant to a method other than the percent of total

debt method or the percent of savings method, as provided in subparagraphs (1) and (2), respectively.

(1) The percent of total debt method involves the additional fee being collected in equal monthly installments payable over the first two-thirds of the term of the contract between the debtor and the licensee. The debtor may elect to discontinue participation at any time during the program by providing written notice to the licensee at the address specified in the contract. Notice of discontinuance, if given by mail, is effective when deposited in the mail properly addressed with postage paid. If the debtor discontinues participation in the program, no future installments are due after the mailing of the notice. If participation is discontinued within the first twelve months of the contract, the licensee may retain only fifty percent of the installments it is scheduled to receive through the date the debtor gives the discontinuation notice and shall refund the excess to the debtor. Notwithstanding the foregoing, the licensee may collect a pro rata portion of the total fee upon completion of a settlement of a debtor's debt. The pro rata portion shall be calculated by multiplying the total dollar amount of the contracted additional fee by the percentage of debt settled of the original amount of debt enrolled in the program. In no event shall the additional fee exceed eighteen percent of the total amount of the debtor's debts enrolled in the licensee's program at the time the debtor enrolled in the program.

(2) The percent of savings method involves the additional fee being collected in monthly installments of fifty dollars per month, and the monthly fees collected shall be credited against any fees the licensee earns as the result of settlements. The debtor may elect to discontinue participation at any time during the program by providing written notice to the licensee at the address specified in the contract. Notice of discontinuance, if given by mail, is effective when deposited in the mail properly addressed with postage paid. If the debtor discontinues participation in the program, no future installments are due after the mailing of the notice. If participation is discontinued within the first twelve months of the contract, the licensee may retain only fifty percent of the installments it is scheduled to receive through the date the debtor gives the discontinuation notice and shall refund the excess to the debtor. Notwithstanding the foregoing, the licensee may collect a pro rata portion of the total fee upon completion of a settlement of a debtor's debt. The pro rata portion, which may be collected at the time of settlement, shall be calculated by multiplying the contracted savings percentage, not to exceed thirty percent, by the amount saved on settled debt. The amount saved on settled debt is the difference between the balance of that debt upon enrollment in the program and the amount settled. In no event shall the additional fee exceed eighteen percent of the total amount of the debtor's debts enrolled in the licensee's program at the time the debtor enrolled in the program.

5. Any services provided by a third party, other than the debtor's own banking fees, including lead generating, marketing, and selling services, shall be paid for by the licensee. Under no circumstances shall a debtor be required to pay a fee to a third party to obtain a licensee's services.

[C71, 73, 75, 77, 79, 81, §533A.9]

90 Acts, ch 1100, §1; 2006 Acts, ch 1042, §7; 2009 Acts, ch 34, §6

Referred to in §533A.8

**533A.9A Donations.**

A donation shall not be charged to a debtor or creditor, deducted from a payment to a creditor, deducted from the debtor's account, or deducted from payments made to the licensee pursuant to the debt management contract. If a licensee requests a donation from a debtor, the licensee must clearly indicate that any donation is voluntary and not a condition or requirement for providing debt management.

2006 Acts, ch 1042, §8; 2007 Acts, ch 126, §94

**533A.10 Examination of licensee — records.**

1. The superintendent may examine the condition and affairs of a licensee. In connection with any examination, the superintendent may examine on oath any licensee, and any director, officer, employee, customer, creditor, or stockholder of a licensee concerning

the affairs and business of the licensee. The superintendent shall ascertain whether the licensee transacts its business in the manner prescribed by the law and applicable rules. The licensee shall pay the cost of the examination as determined by the superintendent based on the actual cost of the operation of the finance bureau of the banking division of the department of commerce, including the proportionate share of the administrative expenses in the operation of the banking division attributable to the finance bureau, as determined by the superintendent, incurred in the discharge of duties imposed upon the superintendent by this chapter. Failure to pay the examination fee within thirty days of receipt of demand from the superintendent shall subject the licensee to a late fee of up to five percent per day of the amount of the examination fee for each day the payment is delinquent.

2. In the investigation of alleged violations of this chapter, the superintendent may compel the attendance of any person or the production of any books, accounts, records and files, and may examine under oath all persons in attendance.

3. Except as otherwise provided by this chapter, all papers, documents, examination reports and other writings relating to the supervision of licensees are not public records and are not subject to disclosure under chapter 22. The superintendent may disclose information to representatives of other state or federal regulatory authorities. The superintendent may release summary complaint information as long as the information does not specifically identify the complainant. The superintendent may prepare and circulate reports reflecting financial information examination results for all licensees on an aggregate basis, including other information considered pertinent to the purpose of each report for general statistical information. The superintendent may prepare and circulate reports provided by law. The superintendent may release the reports and correspondence in the course of an enforcement proceeding or a hearing held by the superintendent and may provide this information to the attorney general for purposes of enforcing this chapter or the consumer fraud Act, section 714.16.

4. The superintendent may receive documents, materials, or other information, including otherwise confidential and privileged documents, materials, or other information, through a nationwide licensing system and from other local, state, federal, or international regulatory agencies, the conference of state bank supervisors and its affiliates and subsidiaries, the national association of consumer credit administrators and its affiliates and subsidiaries, and any other regulator association, and shall maintain as confidential and privileged any such document, material, or other information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or other information.

[C71, 73, 75, 77, 79, 81, §533A.10]

2006 Acts, ch 1042, §9; 2007 Acts, ch 170, §4; 2013 Acts, ch 5, §6

NEW subsection 4

**533A.11 Unlawful acts of licensee.**

It is unlawful and a violation of this chapter for the holder of any license issued under this chapter:

1. To purchase from a creditor any obligation of a debtor.

2. To operate as a collection agent and as a licensee as to the same debtor's account without first disclosing in writing such fact to both the debtor and creditor.

3. To execute any contract or agreement to be signed by the debtor unless the contract or agreement is fully and completely filled in and finished.

4. To receive or charge any fee in the form of a promissory note or other promise to pay, or receive or accept any mortgage or other security for any fee, both as to real or personal property.

5. To pay any bonus or other consideration to any individual, agency, partnership, unincorporated association, or corporation for the referral of a debtor to the licensee's business, or to accept or receive any bonus, commission, or other consideration for referring any debtor to any individual, partnership, unincorporated association, agency, or corporation for any reason.

6. To advertise the licensee's services, display, distribute, broadcast, or televise, or permit

to be displayed, advertised, distributed, broadcast, or televised the licensee's services in any manner inconsistent with the law.

7. To make, or facilitate the debtor in making, any false or misleading claim regarding a creditor's right to collect a debt.

8. To dispute, or facilitate the debtor in disputing, the validity of a debt absent a good faith belief by the debtor that the debt is not validly owing.

9. To challenge a debt without the written consent of the debtor.

10. To provide or offer to provide legal advice or legal services, including but not limited to the negotiation of payments or the settlement of a debtor's delinquent account that is subject to pending litigation, unless the person providing or offering to provide legal advice is licensed to practice law in the state in which the debtor resides.

11. To execute a power of attorney or any other written agreement that extinguishes or limits the debtor's right to contact or communicate with any creditor.

12. To take a wage assignment, a lien of any type on real or personal property, or other security to secure the payment of compensation. Any such security is void and unenforceable.

13. To induce or attempt to induce a debtor to enter into a contract which does not comply in all respects with the requirements of this chapter.

14. Where applicable, to make any statements, or allow a third party marketing or selling the licensee's program to make any statements, in the course of advertising or solicitation that contradicts the disclosures required by section 533A.8.

15. When the licensee's program is a debt settlement program, the following:

*a.* To advise a debtor to stop making payments to creditors.

*b.* To lead a debtor to believe that a payment to a creditor is in settlement of a debt to the creditor unless the creditor provides a written certification or confirmation that the payment is in full settlement of the debt, or is part of a payment plan that is in full settlement of the debt.

*c.* To make any of the following representations:

(1) The licensee will furnish money to pay bills or prevent attachments.

(2) Payment of a certain amount will guarantee satisfaction of a certain amount or range of indebtedness.

(3) Participation in a program will prevent debt collection calls, litigation, garnishment, attachment, repossession, foreclosure, eviction, or loss of employment.

(4) Participation in a program will not harm the debtor's credit report or credit score.

(5) Participation in a program will prevent the debtor from having to declare bankruptcy.

(6) That the licensee is authorized or competent to furnish legal advice or perform legal services, including but not limited to the negotiation of payments or the settlement of a debtor's delinquent account that is subject to pending litigation.

(7) That the licensee's negotiations with creditors will result in the elimination of adverse information on the debtor's credit report.

[C71, 73, 75, 77, 79, 81, §533A.11]

90 Acts, ch 1100, §2; 2009 Acts, ch 34, §7

**533A.12 Rules.**

The superintendent may adopt administrative rules pursuant to chapter 17A to administer and enforce the provisions of this chapter.

2006 Acts, ch 1042, §10

**533A.13 License mandatory to business.**

It shall be unlawful for a person to engage in the business of debt management without first obtaining a license as required by this chapter. Any person or any owner, partner, member, officer, director, employee, agent, or representative thereof who shall willfully or knowingly engage in the business of debt management without the license required by this chapter shall be guilty of a serious misdemeanor.

[C71, 73, 75, 77, 79, 81, §533A.13]

2006 Acts, ch 1042, §11

**533A.14 Fees to state treasurer.**

All moneys received by the superintendent from fees, licenses, and examinations pursuant to this chapter shall be deposited by the superintendent with the treasurer of state for deposit in the department of commerce revolving fund created in section 546.12.

[C71, 73, 75, 77, 79, 81, §533A.14]

2009 Acts, ch 181, §105

**533A.15 Judicial review.**

Judicial review of actions of the superintendent pursuant to sections 533A.3 and 533A.7 may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C71, 73, 75, 77, 79, 81, §533A.15]

2003 Acts, ch 44, §114

**533A.16 Violations — injunctions — civil penalties.**

1. If the superintendent believes that a person has engaged in, or is about to engage in, an act or practice that constitutes or will constitute a violation of this chapter, the superintendent may apply to the district court for an order enjoining such act or practice. Upon a showing by the superintendent that such person has engaged, or is about to engage, in any such act or practice, the district court shall grant an injunction.

2. The superintendent may investigate or initiate complaints against persons who are not licensed under this chapter to determine whether the person is violating this chapter.

3. In addition to or as an alternative to applying to the district court for an injunction, the superintendent may issue an order to a person who is not licensed under this chapter to require compliance with this chapter, may impose a civil penalty against such person for any violation of this chapter in an amount up to five thousand dollars for each violation, and may order the person to pay restitution.

4. Before issuing an order under this section, the superintendent shall provide the person written notice and the opportunity to request a hearing. The hearing must be requested within thirty days after receipt of the notice and shall be conducted in the same manner as provided for in disciplinary proceedings involving a licensee under this chapter.

5. A person aggrieved by the imposition of a civil penalty under this section may seek judicial review pursuant to section 17A.19.

6. An action to enforce an order under this section may be joined with an action for an injunction.

2008 Acts, ch 1160, §11

**533A.17 Waiver not allowed.**

A waiver by a debtor of the provisions of this chapter is void and unenforceable as contrary to public policy. An attempt by a licensee to induce a debtor to waive the debtor's rights is a violation of this chapter.

2009 Acts, ch 34, §8

# CHAPTER 533B

## SALE OF CERTAIN INSTRUMENTS FOR PAYMENT OF MONEY

Repealed effective October 1, 2003;
2003 Acts, ch 96, §41, 42; see chapter 533C

# CHAPTER 533C

## UNIFORM MONEY SERVICES ACT

Referred to in §524.212, 524.606, 533A.2, 546.3, 669.14

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## ARTICLE 1

## GENERAL PROVISIONS

**533C.101 Short title.**

This chapter may be cited as the *"Uniform Money Services Act"*.

2003 Acts, ch 96, §1, 42

**533C.102 Definitions.**

In this chapter:

1. *"Applicant"* means a person that files an application for a license under this chapter.

2. *"Authorized delegate"* means a person a licensee designates to provide money services on behalf of the licensee.

3. *"Bank"* means an institution organized under federal or state law which does any of the following:

*a.* Accepts demand deposits or deposits that the depositor may use for payment to third parties and engages in the business of making commercial loans.

*b.* Engages in credit card operations and maintains only one office that accepts deposits, does not accept demand deposits or deposits that the depositor may use for payments to third parties, does not accept a savings or time deposit less than one hundred thousand dollars, and does not engage in the business of making commercial loans.

4. *"Compensation"* means any fee, commission, or other benefit.

5. *"Conducting the business"* means engaging in activities of a licensee or money transmitter more than ten times in any calendar year for compensation.

6. *"Control"* means any of the following:

*a.* Ownership of, or the power to vote, directly or indirectly, at least twenty-five percent of a class of voting securities or voting interests of a licensee or person in control of a licensee.

*b.* Power to elect a majority of executive officers, managers, directors, trustees, or other persons exercising managerial authority of a licensee or person in control of a licensee.

*c.* The power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or person in control of a licensee.

7. *"Credit union"* means a cooperative, nonprofit association incorporated under chapter 533 or the Federal Credit Union Act, 12 U.S.C. § 1751 et seq., that is insured by the national credit union administration and includes an office of a credit union.

8. *"Currency exchange"* means receipt of compensation from the exchange of money of one government for money of another government.

9. *"Executive officer"* means a president, chairperson of the executive committee, chief financial officer, responsible individual, or other individual who performs similar functions.

10. *"Licensee"* means a person licensed under this chapter.

11. *"Location"* means a place of business at which activity conducted by a licensee or money transmitter occurs.

12. *"Monetary value"* means a medium of exchange, whether or not redeemable in money.

13. *"Money"* means a medium of exchange authorized or adopted by a domestic or foreign government as a part of its currency and that is customarily used and accepted as a medium of exchange in the country of issuance. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more governments.

14. *"Money services"* means money transmission or currency exchange.

15. *"Money transmission"* means any of the following:

*a.* Selling payment instruments to one or more persons or issuing payment instruments which are sold to one or more persons.

*b.* Conducting the business of receiving money or monetary value for transmission.

*c.* Conducting the business of receiving money for obligors for the purpose of paying obligors' bills, invoices, or accounts.

16. *"Outstanding"*, with respect to a payment instrument, means issued or sold by or for the licensee and reported as sold but not yet paid by or for the licensee.

17. *"Payment instrument"* means a check, draft, money order, traveler's check, stored-value, or other instrument or order for the transmission or payment of money or monetary value, sold to one or more persons, whether or not that instrument or order is negotiable. *"Payment instrument"* does not include an instrument that is redeemable by the issuer or an affiliate in merchandise or service, a credit card voucher, or a letter of credit.

18. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government; governmental subdivision, agency or instrumentality; public corporation; or any other legal or commercial entity.

19. *"Proceeds"* means property acquired or derived directly or indirectly from, produced through, realized through, or caused by an act or omission and includes any property of any kind.

20. *"Property"* means anything of value, and includes any interest in property, including any benefit, privilege, claim, or right with respect to anything of value, whether real or

personal, tangible or intangible, without reduction for expenses incurred for acquisition, maintenance, production, or any other purpose.

21. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

22. *"Responsible individual"* means an individual who is employed by a licensee and has principal managerial authority over the provision of money services by the licensee in this state.

23. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

24. *"Stored-value"* means a monetary value that is evidenced by an electronic record.

25. *"Superintendent"* means the superintendent of banking for the state of Iowa.

26. *"Transaction"* includes a purchase, sale, trade, loan, pledge, investment, gift, transfer, transmission, delivery, deposit, withdrawal, payment, transfer between accounts, exchange of currency, extension of credit, purchase or sale of any monetary instrument or stored-value, use of a safe deposit box, or any other acquisition or disposition of property by whatever means effected.

27. *"Unsafe or unsound practice"* means a practice or conduct by a person licensed to engage in money transmission or an authorized delegate of such a person which creates the likelihood of material loss, insolvency, or dissipation of the licensee's assets, or otherwise materially prejudices the interests of its customers.

2003 Acts, ch 96, §2, 42

Referred to in §533A.2

**533C.103 Exclusions.**

This chapter does not apply to:

1. The United States or a department, agency, or instrumentality thereof.

2. A money transmission by the United States postal service or by a contractor on behalf of the United States postal service.

3. A state, county, city, or any other governmental agency or governmental subdivision of a state.

4. The following entities whether chartered or organized under the laws of a state or of the United States: a bank, bank holding company, savings and loan association, savings bank, credit union, office of an international banking corporation, branch of a foreign bank, corporation organized pursuant to the federal Bank Service Company Act, 12 U.S.C. § 1861 – 1867, or corporation organized under the federal Edge Act, 12 U.S.C. § 611 – 633.

5. Electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or a state or governmental subdivision, agency, or instrumentality thereof.

6. A board of trade designated as a contract market under the federal Commodity Exchange Act, 7 U.S.C. § 1 – 25, or a person that, in the ordinary course of business, provides clearance and settlement services for a board of trade to the extent of its operation as or for such a board.

7. A registered futures commission merchant under the federal commodities laws to the extent of its operation as such a merchant.

8. A person that provides clearance or settlement services pursuant to a registration as a clearing agency or an exemption from such registration granted under the federal securities laws to the extent of its operation as such a provider.

9. An operator of a payment system to the extent that it provides processing, clearing, or settlement services, between or among persons excluded by this section, in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, or similar funds transfers.

10. A person registered as a securities broker-dealer under federal or state securities laws to the extent of its operation as such a broker-dealer.

11. A delayed deposit services business as defined in chapter 533D.

12. A real estate broker or salesperson as defined in chapter 543B.

13. Pari-mutuel wagering, racetracks, excursion gambling boats, and gambling structures as provided in chapters 99D and 99F.

14. A person engaging in the business of debt management that is licensed or exempt from licensing pursuant to section 533A.2.

15. An insurance company organized under chapter 508, 514, 514B, 515, 518, 518A, or 520, or authorized to do the business of insurance in Iowa to the extent of its operation as an insurance company.

16. An insurance producer as defined in section 522B.1 to the extent of its operation as an insurance producer.

2003 Acts, ch 96, §3, 42; 2004 Acts, ch 1101, §76; 2007 Acts, ch 188, §20
Referred to in §533A.2

## ARTICLE 2

## MONEY TRANSMISSION LICENSES

Referred to in §533C.301, 533C.302, 533C.401

**533C.201 License required.**

1. A person shall not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission unless the person:

*a.* Is licensed under this article; or

*b.* Is an authorized delegate of a person licensed under this article.

2. A license under this article is not transferable or assignable.

2003 Acts, ch 96, §4, 42; 2004 Acts, ch 1101, §77
Referred to in §533C.707

**533C.202 Application for license.**

1. In this section, "*material litigation*" means litigation that according to generally accepted accounting principles is significant to an applicant's or a licensee's financial health and would be required to be disclosed in the applicant's or licensee's annual audited financial statements, report to shareholders, or similar records.

2. A person applying for a license under this article shall do so in a form prescribed by the superintendent. The application must state or contain:

*a.* The legal name and residential and business addresses of the applicant and any fictitious or trade name used by the applicant in conducting its business.

*b.* A list of any criminal convictions of the applicant and any material litigation in which the applicant has been involved in the ten-year period next preceding the submission of the application.

*c.* A description of any money services previously provided by the applicant and the money services that the applicant seeks to provide in this state.

*d.* A list of the applicant's proposed authorized delegates and the locations in this state where the applicant and its authorized delegates propose to engage in money transmission or provide other money services.

*e.* A list of other states in which the applicant is licensed to engage in money transmission or provide other money services and of any license revocations, suspensions, or other disciplinary action taken against the applicant in another state.

*f.* Information concerning any bankruptcy or receivership proceedings affecting the licensee.

*g.* A sample form of contract for authorized delegates, if applicable, and a sample form of payment instrument or instrument upon which stored-value is recorded, if applicable.

*h.* The name and address of any bank through which the applicant's payment instruments and stored-value will be paid.

*i.* A description of the source of money and credit to be used by the applicant to provide money services.

*j.* Any other information the superintendent reasonably requires with respect to the applicant.

3. If an applicant is a corporation, limited liability company, partnership, or other entity, the applicant shall also provide all of the following:

*a.* The date of the applicant's incorporation or formation and state or country of incorporation or formation.

*b.* If applicable, a certificate of good standing from the state or country in which the applicant is incorporated or formed.

*c.* A brief description of the structure or organization of the applicant, including any parent or subsidiary of the applicant, and whether any parent or subsidiary is publicly traded.

*d.* The legal name, any fictitious or trade name, all business and residential addresses, and the employment, in the ten-year period next preceding the submission of the application of each executive officer, manager, director, or person that has control, of the applicant.

*e.* A list of any criminal convictions and material litigation in which any executive officer, manager, director, or person in control of the applicant has been involved in the ten-year period next preceding the submission of the application.

*f.* A copy of the applicant's audited financial statements for the most recent fiscal year and, if available, for the two-year period next preceding the submission of the application.

*g.* A copy of the applicant's unconsolidated financial statements for the current fiscal year, whether audited or not, and, if available, for the two-year period next preceding the submission of the application.

*h.* If the applicant is publicly traded, a copy of the most recent report filed with the United States securities and exchange commission under section 13 of the federal Securities Exchange Act of 1934, 15 U.S.C. § 78m.

*i.* If the applicant is a wholly owned subsidiary of:

(1) A corporation publicly traded in the United States, a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed under section 13 of the federal Securities Exchange Act of 1934, 15 U.S.C. § 78m.

(2) A corporation publicly traded outside the United States, a copy of similar documentation filed with the regulator of the parent corporation's domicile outside the United States.

*j.* If the applicant has a registered agent in this state, the name and address of the applicant's registered agent in this state.

*k.* Any other information the superintendent reasonably requires with respect to the applicant.

4. A nonrefundable application fee of one thousand dollars and a license fee must accompany an application for a license under this article. The license fee must be refunded if the application is denied. The license fee shall be the sum of five hundred dollars plus an additional ten dollars for each location in this state at which business is conducted through authorized delegates or employees of the licensee, but shall not exceed five thousand dollars. Fees for locations added after the initial application shall be submitted with the quarterly reports pursuant to section 533C.503, subsection 2. If the licensee has no locations in this state at which business is conducted through authorized delegates or employees of the licensee, the license fee shall be set by the superintendent, but shall not exceed five thousand dollars. A license under this article expires on the next December 31 after its issuance. The initial license fee is considered an annual fee and the superintendent shall prorate the license fee, refunding any amount due to a partial license year. However, no refund of a license fee shall be made when a license is suspended, revoked, or surrendered.

5. The superintendent may waive one or more requirements of subsections 2 and 3, or permit an applicant to submit other information in lieu of the required information.

6. The superintendent may authorize applicants and licensees to be licensed through a nationwide licensing system and to pay the corresponding system processing fees. The superintendent may establish by rule or order new licensing requirements as necessary, including but not limited to requirements that applicants, including officers and directors

and those who have control of the applicant, submit to fingerprinting and criminal history checks.

7. For the purposes of this section and in order to reduce the points of contact which the federal bureau of investigation may be required to maintain for purposes of subsection 6, the superintendent may use the nationwide licensing system as a channeling agent for requesting information from and distributing information to the United States department of justice or other governmental agency, or to or from any other source so directed by the superintendent.

2003 Acts, ch 96, §5, 42; 2004 Acts, ch 1086, §88; 2013 Acts, ch 5, §7, 8
Referred to in §533C.204
Subsection 4 amended
NEW subsections 6 and 7

**533C.203 Security.**

1. Except as otherwise provided in subsection 2, a surety bond, letter of credit, or other similar security acceptable to the superintendent in the amount of fifty thousand dollars plus ten thousand dollars per location, not exceeding a total addition of three hundred thousand dollars, must accompany an application for a license. If the licensee has no locations in this state, the superintendent shall set the bond amount not to exceed three hundred thousand dollars.

2. Security must be in a form satisfactory to the superintendent and payable to the state for the benefit of any claimant against the licensee to secure the faithful performance of the obligations of the licensee with respect to money transmission.

3. The aggregate liability on a surety bond shall not exceed the principal sum of the bond. A claimant against a licensee may maintain an action on the bond, or the superintendent may maintain an action on behalf of the claimant.

4. A surety bond must cover claims for so long as the superintendent specifies, but for at least five years after the licensee ceases to provide money services in this state. However, the superintendent may permit the amount of security to be reduced or eliminated before the expiration of that time to the extent the amount of the licensee's payment instruments or stored-value obligations outstanding in this state is reduced. The superintendent may permit a licensee to substitute another form of security acceptable to the superintendent for the security effective at the time the licensee ceases to provide money services in this state.

5. In lieu of the security prescribed in this section, an applicant for a license or a licensee may provide security in a form prescribed by the superintendent.

6. The superintendent may increase the amount of security required to a maximum of one million dollars if the financial condition of a licensee so requires, as evidenced by reduction of net worth, financial losses, or other relevant criteria.

2003 Acts, ch 96, §6, 42
Referred to in §533C.204, 533C.205

**533C.204 Issuance of license.**

1. When an application is filed under this article, the superintendent shall investigate the applicant's financial condition and responsibility, financial and business experience, character, and general fitness. The superintendent may conduct an on-site investigation of the applicant, the reasonable cost of which the applicant must pay. The superintendent shall issue a license to an applicant under this article if the superintendent finds that all of the following conditions have been fulfilled:

*a.* The applicant has complied with sections 533C.202, 533C.203, and 533C.206.

*b.* The applicant has not been convicted of or pled guilty to a felony or an indictable misdemeanor for financial gain within the past ten years.

*c.* The applicant has paid a fee set by the department of public safety, division of criminal investigation, to defray the costs associated with the search of criminal history records of the applicant. If the applicant is a corporation, the applicant shall pay the fee associated with a criminal history record check for the directors and officers of the corporation. If the applicant is a partnership, the applicant shall pay the fee associated with a criminal history record check for each of the partners. The superintendent may require the applicant to provide additional information from the applicant if the department of public safety records indicate

that a person with the same name has a criminal history. If the applicant is a publicly traded corporation or a subsidiary or affiliate of a publicly traded corporation, no criminal history record check shall be required.

2. When an application for an original license under this article is complete, the superintendent shall promptly notify the applicant of the date on which the application was determined to be complete and the superintendent shall approve or deny the application within one hundred twenty days after that date.

3. The superintendent may for good cause extend the application period.

4. An applicant whose application is denied by the superintendent under this article may appeal, within thirty days after receipt of the notice of the denial, from the denial and request a hearing. The denial of a license shall not be deemed a contested case.

2003 Acts, ch 96, §7, 42; 2005 Acts, ch 35, §31

**533C.205 Renewal of license.**

1. A licensee under this article shall pay an annual renewal fee as determined below by no later than December 1 of the year of expiration. The renewal fee shall be five hundred dollars plus an additional ten dollars for each location in this state at which business is conducted through authorized delegates or employees of the licensee, but shall not exceed five thousand dollars. Fees for locations added after submission of the renewal application shall be submitted with the quarterly reports pursuant to section 533C.503, subsection 2. If the licensee has no locations in this state at which business is conducted through authorized delegates or employees of the licensee, the license fee shall be set by the superintendent, but shall not exceed five thousand dollars.

2. A licensee under this article shall submit a renewal report with the renewal fee, in a form prescribed by the superintendent. The renewal report must state or contain:

*a.* A copy of the licensee's most recent audited annual financial statement or, if the licensee is a wholly owned subsidiary of another corporation, the most recent audited consolidated annual financial statement of the parent corporation or the licensee's most recent audited consolidated annual financial statement.

*b.* The number and monetary amount of payment instruments sold by the licensee in this state which have not been included in a renewal report, and the monetary amount of payment instruments and stored-value currently outstanding.

*c.* A description of each material change in information submitted by the licensee in its original license application which has not been reported to the superintendent on any required report.

*d.* A list of the licensee's permissible investments and a certification that the licensee continues to maintain permissible investments according to the requirements set forth in sections 533C.601 and 533C.602.

*e.* Proof that the licensee continues to maintain adequate security as required by section 533C.203; and

*f.* A list of the locations in this state where the licensee or an authorized delegate of the licensee engages in money transmission or provides other money services.

3. If a licensee does not file a renewal report or pay its renewal fee by December 1, or any extension of time granted by the superintendent, the superintendent may assess a late fee of one hundred dollars per day.

2003 Acts, ch 96, §8, 42; 2013 Acts, ch 5, §9
Subsections 1 and 3 amended

**533C.206 Net worth.**

A licensee under this article shall maintain a net worth of at least one hundred thousand dollars plus ten thousand dollars per authorized delegate not to exceed five hundred thousand dollars determined in accordance with generally accepted accounting principles. If the licensee has no locations in this state at which business is conducted through authorized

delegates or employees of the licensee, the minimum net worth, not to exceed five hundred thousand dollars, shall be set by the superintendent.

2003 Acts, ch 96, §9, 42
Referred to in §533C.204

## ARTICLE 3

## CURRENCY EXCHANGE LICENSES

Referred to in §533C.401

**533C.301 License required.**

1. A person shall not engage in currency exchange or advertise, solicit, or hold itself out as providing currency exchange for which the person receives revenues equal to or greater than five percent of total revenues unless the person:

*a.* Is licensed under this article.

*b.* Is licensed for money transmission under article 2.

*c.* Is an authorized delegate of a person licensed under article 2.

2. A license under this article is not transferable or assignable.

2003 Acts, ch 96, §10, 42; 2004 Acts, ch 1086, §89
Referred to in §533C.707

**533C.302 Application for license.**

1. A person applying for a license under this article shall do so in a form prescribed by the superintendent. The application must state or contain:

*a.* The legal name and residential and business addresses of the applicant, if the applicant is an individual, or, if the applicant is not an individual, the name of each partner, executive officer, manager, and director.

*b.* The location of the principal office of the applicant.

*c.* The complete addresses of other locations in this state where the applicant proposes to engage in currency exchange, including all limited stations and mobile locations.

*d.* A description of the source of money and credit to be used by the applicant to engage in currency exchange.

*e.* Other information the superintendent reasonably requires with respect to the applicant, but not more than the superintendent may require under article 2.

2. A nonrefundable application fee of one thousand dollars and the license fee must accompany an application for a license under this article. The license fee shall be the sum of two hundred fifty dollars plus an additional fifty dollars for each location at which business is conducted, but not to exceed one thousand dollars. Fees for locations added after the initial application shall be submitted with the quarterly reports pursuant to section 533C.503, subsection 2. The license fee must be refunded if the application is denied. A license under this article expires on the next December 31 after its issuance. The initial license fee is considered an annual fee and the superintendent shall prorate the license fee, refunding any amount due to a partial license period. However, no refund of a license fee shall be made when a license is suspended, revoked, or surrendered.

3. The superintendent may authorize applicants and licensees to be licensed through a nationwide licensing system and to pay the corresponding system processing fees. The superintendent may establish by rule or order new requirements as necessary, including but not limited to requirements that applicants, including officers and directors and those who have control of the applicant, submit to fingerprinting and criminal history checks.

4. For the purposes of this section and in order to reduce the points of contact which the federal bureau of investigation may be required to maintain for purposes of subsection 3, the superintendent may use the nationwide licensing system as a channeling agent for requesting information from and distributing information to the United States department of justice or other governmental agency, or to or from any other source so directed by the superintendent.

2003 Acts, ch 96, §11, 42; 2013 Acts, ch 5, §10, 11; 2013 Acts, ch 70, §25
Referred to in §533C.303
See Code editor's note on simple harmonization

Subsection 2 amended
NEW subsections 3 and 4

**533C.303 Issuance of license.**

1. Upon the filing of an application under this article, the superintendent shall investigate the applicant's financial condition and responsibility, financial and business experience, character, and general fitness. The superintendent may conduct an on-site investigation of the applicant, the reasonable cost of which the applicant must pay. The superintendent shall issue a license to an applicant under this article if the superintendent finds that all of the following conditions have been fulfilled:

*a.* The applicant has complied with section 533C.302.

*b.* The applicant has not been convicted of or pled guilty to any felony or an indictable misdemeanor for financial gain within the past ten years.

*c.* The applicant has paid a fee set by the department of public safety, division of criminal investigation, to defray the costs associated with the search of criminal history records of the applicant. If the applicant is a corporation, the applicant shall pay the fee associated with a criminal history record check for the directors and officers of the corporation. If the applicant is a partnership, the applicant shall pay the fee associated with a criminal history record check for each of the partners. The superintendent may require the applicant to provide additional information from the applicant if the department of public safety records indicate that a person with the same name has a criminal history. If the applicant is a publicly traded corporation or a subsidiary or affiliate of a publicly traded corporation, no criminal history record check shall be required.

*d.* The financial condition and responsibility, financial and business experience, competence, character, and general fitness of the applicant; and the competence, experience, character, and general fitness of the executive officers, managers, directors, and persons in control of the applicant indicate that it is in the interest of the public to permit the applicant to engage in currency exchange.

2. When an application for an original license under this article is complete, the superintendent shall promptly notify the applicant of the date on which the application was determined to be complete and the superintendent shall approve or deny the application within one hundred twenty days after that date.

3. The superintendent may for good cause extend the application period.

4. An applicant who is denied a license by the superintendent under this article may appeal, within thirty days after receipt of the notice of the denial, from the denial and request a hearing. The denial of a license shall not be deemed a contested case under chapter 17A.

2003 Acts, ch 96, §12, 42; 2004 Acts, ch 1101, §78; 2005 Acts, ch 35, §31

**533C.304 Renewal of license.**

1. A licensee under this article shall pay an annual renewal fee no later than December 1. The annual renewal fee shall be the sum of two hundred fifty dollars plus an additional fifty dollars for each location at which business is conducted, but shall not exceed one thousand dollars. Fees for locations added after the initial application shall be submitted with the quarterly reports pursuant to section 533C.503, subsection 2.

2. A licensee under this article shall submit a renewal report with the renewal fee, in a form prescribed by the superintendent. The renewal report must state or contain:

*a.* A description of each material change in information submitted by the licensee in its original license application that has not been reported to the superintendent on any required report.

*b.* A list of the locations in this state where the licensee or an authorized delegate of the licensee engages in currency exchange.

3. If a licensee does not file a renewal report and pay its renewal fee by December 1, or any extension of time granted by the superintendent, the superintendent may assess a late fee of one hundred dollars per day.

4. The superintendent for good cause may grant an extension of the renewal date.

2003 Acts, ch 96, §13, 42; 2013 Acts, ch 5, §12; 2013 Acts, ch 70, §26
See Code editor's note on simple harmonization
Subsections 1 and 3 amended

## ARTICLE 4

## AUTHORIZED DELEGATES

**533C.401 Relationship between licensee and authorized delegate.**

1. In this section, *"remit"* means to make direct payments of money to a licensee or its representative authorized to receive money or to deposit money in a bank in an account specified by the licensee.

2. A contract between a licensee and an authorized delegate must require the authorized delegate to operate in full compliance with this chapter. The licensee shall furnish in a record to each authorized delegate policies and procedures for the operation of the money services business.

3. An authorized delegate shall remit all money owing to the licensee in accordance with the terms of the contract between the licensee and the authorized delegate.

4. If a license is suspended or revoked or a licensee does not renew its license, the superintendent shall notify all authorized delegates of the licensee whose names are in a record filed with the superintendent of the suspension, revocation, or nonrenewal. After notice is sent or publication is made, an authorized delegate shall immediately cease to provide money services as a delegate of the licensee.

5. An authorized delegate shall not provide money services outside the scope of activity permissible under the contract between the authorized delegate and the licensee, except activity in which the authorized delegate is licensed to engage under article 2 or 3. An authorized delegate of a licensee holds in trust for the benefit of the licensee all money net of fees received from money transmission.

6. A person operating under a written contract with a licensee as required under subsection 2 shall not be deemed to be conducting unauthorized money services because the licensee has failed to properly designate the person as an authorized delegate under this chapter provided that the person is otherwise operating in full compliance with this chapter.

2003 Acts, ch 96, §14, 42
Referred to in §533C.707

**533C.402 Unauthorized activities.**

A person shall not provide money services on behalf of another person not licensed under this chapter. A person who engages in that activity provides money services to the same extent as if the person were a licensee.

2003 Acts, ch 96, §15, 42
Referred to in §533C.707

## ARTICLE 5

## EXAMINATIONS — REPORTS — RECORDS

**533C.501 Authority to conduct examinations.**

1. The superintendent may conduct an annual examination of a licensee upon reasonable notice in a record to the licensee. The superintendent may conduct an annual examination of any authorized delegate of a licensee upon reasonable notice in a record to the authorized delegate and the licensee.

2. The superintendent may examine a licensee or its authorized delegate, at any time, without notice, if the superintendent has reason to believe that the licensee or authorized

delegate is engaging in an unsafe or unsound practice or has violated or is violating this chapter or a rule adopted or an order issued under this chapter.

3. The licensee shall pay the reasonable cost of the examination.

4. Information obtained during an examination under this chapter may be disclosed only as provided in section 533C.507.

2003 Acts, ch 96, §16, 42

Referred to in §533C.505

**533C.502 Joint examinations.**

1. The superintendent may conduct an on-site examination of records listed in section 533C.505 in conjunction with representatives of other state agencies or agencies of another state or of the federal government. Instead of an examination, the superintendent may accept the examination report of an agency of this state or of another state or of the federal government or a report prepared by an independent licensed or certified public accountant.

2. A joint examination or an acceptance of an examination report does not preclude the superintendent from conducting an examination as provided by law. A joint report or a report accepted under this section is an official report of the superintendent for all purposes.

2003 Acts, ch 96, §17, 42

**533C.503 Reports.**

1. A licensee shall file with the superintendent within fifteen business days any material changes in information provided in a licensee's application as prescribed by the superintendent.

2. A licensee shall file with the superintendent within forty-five days after the end of each fiscal quarter a current list of all authorized delegates and locations in this state where the licensee or an authorized delegate of the licensee provides money services. The licensee shall state the name and street address of each location and authorized delegate.

3. A licensee shall file a report with the superintendent within one business day after the licensee has reason to know of the occurrence of any of the following events:

*a.* The filing of a petition by or against the licensee under the United States bankruptcy code, 11 U.S.C. § 101 et seq., for bankruptcy or reorganization.

*b.* The filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for its dissolution or reorganization, or the making of a general assignment for the benefit of its creditors.

*c.* The commencement of a proceeding to revoke or suspend its license in a state or country in which the licensee engages in business or is licensed.

*d.* The cancellation or other impairment of the licensee's bond or other security.

*e.* A charge filed against or conviction of the licensee or of an executive officer, manager, or director of, or person in control of, the licensee for a felony.

*f.* A charge filed against or conviction of an authorized delegate for a felony.

2003 Acts, ch 96, §18, 42; 2004 Acts, ch 1101, §79

Referred to in §533C.202, 533C.205, 533C.302, 533C.304

**533C.504 Change of control.**

1. A licensee shall:

*a.* Request approval from the superintendent of a proposed change of control.

*b.* Submit a nonrefundable fee of one thousand dollars with the request.

2. After review of a request for approval under subsection 1, the superintendent may require the licensee to provide additional information concerning the proposed persons in control of the licensee. The additional information must be limited to the same types required of the licensee or persons in control of the licensee as part of its original license or renewal application.

3. The superintendent shall approve a request for change of control under subsection 1 if, after investigation, the superintendent determines that the person or group of persons requesting approval has the competence, experience, character, and general fitness to operate the licensee or person in control of the licensee in a lawful and proper manner and that the public interest will not be jeopardized by the change of control.

4. When an application for a change of control under this article is complete, the superintendent shall notify the licensee in a record of the date on which the request was determined to be complete and shall approve or deny the request within one hundred twenty days after that date.

5. The superintendent, by rule or order, may exempt a person from any of the requirements of subsection 1, paragraph *"b"*, if it is in the public interest to do so.

6. Subsection 1 does not apply to a public offering of securities.

7. Before filing a request for approval to acquire control of a licensee or person in control of a licensee, a person may request in a record a determination from the superintendent as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the superintendent determines that the person would not be a person in control of a licensee, the superintendent shall enter an order to that effect and the proposed person and transaction is not subject to the requirements of subsections 1 through 3.

2003 Acts, ch 96, §19, 42

**533C.505 Records.**

1. A licensee shall maintain the following records for determining its compliance with this chapter for at least three years:

*a.* A record of each payment instrument sold.

*b.* A general ledger posted at least monthly containing all asset, liability, capital, income, and expense accounts.

*c.* Bank statements and bank reconciliation records.

*d.* Records of outstanding payment instruments and stored-value obligations.

*e.* Records of each payment instrument and stored-value obligation paid within the three-year period.

*f.* A list of the last known names and addresses of all of the licensee's authorized delegates.

*g.* Any other records the superintendent reasonably requires by rule.

2. The items specified in subsection 1 may be maintained in any form of record.

3. Records may be maintained outside this state if they are made accessible within seven business days of receipt of a written request from the superintendent.

4. All records maintained by the licensee as required in subsections 1 through 3 shall be open to inspection by the superintendent pursuant to section 533C.501.

5. A licensee, authorized delegate, or any officer, employee, agent, or any public official or governmental employee who keeps or files a record pursuant to this section or who communicates or discloses information or records under this section is not liable to its customer, to a state or local agency, or to any person for any loss or damage caused in whole or in part by the making, filing, or governmental use of the record, or any information contained in that record.

6. The licensee shall keep such records as the superintendent may require in order to determine whether such licensee is complying with the provisions of this chapter and with the rules and orders lawfully made by the superintendent under this chapter.

2003 Acts, ch 96, §20, 42; 2004 Acts, ch 1101, §80

Referred to in §533C.502

**533C.506 Money laundering reports.**

A licensee and an authorized delegate shall file all reports required by federal currency reporting, recordkeeping, and suspicious activity reporting requirements as set forth in 31 U.S.C. § 5311 – 5330, and 31 C.F.R. § 103.11 – 103.170.

2003 Acts, ch 96, §21, 42

**533C.507 Disclosure.**

1. Except as otherwise provided by this chapter, the records of the superintendent relating to examinations or supervision and regulation of a person licensed pursuant to this chapter, or authorized delegates of a person licensed pursuant to this chapter, are not public records and are not subject to disclosure under chapter 22. Neither the superintendent nor any member

of the superintendent's staff shall disclose any information obtained in the discharge of the superintendent's official duties to any person not connected with the department, except that the superintendent or the superintendent's designee may disclose the information:

*a.* To representatives of federal agencies insuring accounts in the financial institution.

*b.* To representatives of state or federal agencies and foreign countries having regulatory or supervisory authority over the activities of the financial institution or similar financial institutions if those representatives are permitted to and do, upon request of the superintendent, disclose similar information respecting those financial institutions under their regulation or supervision or to those representatives who state in writing under oath that they will maintain the confidentiality of that information.

*c.* To the attorney general of this state.

*d.* To a federal or state grand jury in response to a lawful subpoena, or pursuant to a county attorney subpoena.

*e.* To the auditor of this state for the purpose of conducting audits authorized by law.

2. The superintendent may:

*a.* Disclose the fact of filing of applications with the department pursuant to this chapter, give notice of a hearing, if any, regarding those applications, and announce the superintendent's action thereon.

*b.* Disclose final decisions in connection with proceedings for the suspension or revocation of licenses or certificates issued pursuant to this chapter.

*c.* Prepare and circulate reports reflecting the assets and liabilities of licensees on an aggregate basis, including other information considered pertinent to the purpose of each report for general statistical information.

*d.* Prepare and circulate reports provided by law.

3. Every official report of the department is prima facie evidence of the facts therein stated in any action or proceeding wherein the superintendent is a party.

4. Nothing in this section shall be construed to prevent the disclosure of information that is:

*a.* Admissible in evidence in any civil or criminal proceeding brought by or at the request of the superintendent or this state to enforce or prosecute violations of this chapter, chapter 706B, or the rules adopted, or orders issued pursuant to this chapter.

*b.* Requested by or provided to a federal agency, including but not limited to the department of defense, department of energy, department of homeland security, nuclear regulatory commission, and centers for disease control and prevention, to assist state and local government with domestic preparedness for acts of terrorism.

5. The attorney general or the department of public safety may report any possible violations indicated by analysis of the reports required by this chapter to any appropriate law enforcement or regulatory agency for use in the proper discharge of its official duties. The attorney general or the department of public safety shall provide copies of the reports required by this chapter to any appropriate prosecutorial or law enforcement agency upon being provided with a written request for records relating to a specific individual or entity and stating that the agency has an articulable suspicion that such individual or entity has committed a felony offense or a violation of this chapter to which the reports are relevant. A person who releases information received pursuant to this subsection except in the proper discharge of the person's official duties is guilty of a serious misdemeanor.

6. Any report, record, information, analysis, or request obtained by the attorney general or department of public safety pursuant to this chapter is not a public record as defined in chapter 22 and is not subject to disclosure.

7. The superintendent may receive documents, materials, or other information, including otherwise confidential and privileged documents, materials, or other information, through a nationwide licensing system and from other local, state, federal, or international regulatory agencies, the conference of state bank supervisors and its affiliates and subsidiaries, the national association of consumer credit administrators and its affiliates and subsidiaries, the money transmitter regulators association, and any other regulator associations, and shall maintain as confidential and privileged any such document, material, or other information

received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or other information.

2003 Acts, ch 96, §22, 42; 2013 Acts, ch 5, §13
Referred to in §533C.501
NEW subsection 7

## ARTICLE 6

## PERMISSIBLE INVESTMENTS

**533C.601 Maintenance of permissible investments.**

1. A licensee shall maintain at all times permissible investments that have a market value computed in accordance with generally accepted accounting principles of not less than the aggregate amount of all of its outstanding payment instruments and stored-value obligations issued or sold and money transmitted by the licensee in the United States.

2. The superintendent, with respect to any licensees, may limit the extent to which a type of investment within a class of permissible investments may be considered a permissible investment, except for money and certificates of deposit issued by a bank. The superintendent by rule may prescribe or by order allow other types of investments that the superintendent determines to have a safety substantially equivalent to other permissible investments.

3. Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding payment instruments and stored-value obligations in the event of bankruptcy or receivership of the licensee.

2003 Acts, ch 96, §23, 42
Referred to in §533C.205, 533C.602

**533C.602 Types of permissible investments.**

1. Except to the extent otherwise limited by the superintendent pursuant to section 533C.601, the following investments are permissible under section 533C.601:

*a.* Cash, a certificate of deposit, or senior debt obligation of an insured depositary institution, as defined in section 3 of the Federal Deposit Insurance Act, 12 U.S.C. § 1813.

*b.* Banker's acceptance or bill of exchange that is eligible for purchase upon endorsement by a member bank of the federal reserve system and is eligible for purchase by a federal reserve bank.

*c.* An investment bearing a rating of one of the three highest grades as defined by a nationally recognized organization that rates securities.

*d.* An investment security that is an obligation of the United States or a department, agency, or instrumentality thereof; an investment in an obligation that is guaranteed fully as to principal and interest by the United States; or an investment in an obligation of a state or a governmental subdivision, agency, or instrumentality thereof.

*e.* Receivables that are payable to a licensee from its authorized delegates, in the ordinary course of business, pursuant to contracts which are not past due or doubtful of collection if the aggregate amount of receivables under this paragraph does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not hold at one time receivables under this paragraph in any one person aggregating more than ten percent of the licensee's total permissible investments.

*f.* A share or a certificate issued by an open-end management investment company that is registered with the United States securities and exchange commission under the federal Investment Companies Act of 1940, 15 U.S.C. § 80a-1 – 80a-64, and whose portfolio is restricted by the management investment company's investment policy to investments specified in paragraphs "*a*" through "*d*".

2. The following investments are permissible under section 533C.601, but only to the extent specified:

*a.* An interest-bearing bill, note, bond, or debenture of a person whose equity shares are traded on a national securities exchange or on a national over-the-counter market, if the

aggregate of investments under this paragraph does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not at one time hold investments under this paragraph in any one person aggregating more than ten percent of the licensee's total permissible investments.

*b.* A share of a person traded on a national securities exchange or a national over-the-counter market or a share or a certificate issued by an open-end management investment company that is registered with the United States securities and exchange commission under the federal Investment Companies Act of 1940, 15 U.S.C. § 80a-1 – 80a-64, and whose portfolio is restricted by the management investment company's investment policy to shares of a person traded on a national securities exchange or a national over-the-counter market, if the aggregate of investments under this paragraph does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not at one time hold investments in any one person aggregating more than ten percent of the licensee's total permissible investments.

*c.* A demand-borrowing agreement made with a corporation or a subsidiary of a corporation whose securities are traded on a national securities exchange if the aggregate of the amount of principal and interest outstanding under demand-borrowing agreements under this paragraph does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not at one time hold principal and interest outstanding under demand-borrowing agreements under this paragraph with any one person aggregating more than ten percent of the licensee's total permissible investments.

*d.* Any other investment the superintendent designates, to the extent specified by the superintendent.

3. The aggregate of investments under subsection 2 may not exceed fifty percent of the total permissible investments of a licensee calculated in accordance with section 533C.601.

2003 Acts, ch 96, §24, 42

Referred to in §533C.205

## ARTICLE 7

## ENFORCEMENT

**533C.701 Suspension and revocation — receivership.**

1. The superintendent may suspend or revoke a license, place a licensee in receivership, or order a licensee to revoke the designation of an authorized delegate if:

*a.* The licensee violates this chapter or a rule adopted or an order issued under this chapter.

*b.* The licensee does not cooperate with an examination or investigation by the superintendent.

*c.* The licensee engages in fraud, intentional misrepresentation, or gross negligence.

*d.* An authorized delegate is convicted of a violation of a state or federal anti-money laundering statute, or violates a rule adopted or an order issued under this chapter, as a result of the licensee's willful misconduct or willful blindness.

*e.* The competence, experience, character, or general fitness of the licensee, authorized delegate, person in control of a licensee, or responsible individual of the licensee or authorized delegate indicates that it is not in the public interest to permit the person to provide money services.

*f.* The licensee engages in an unsafe or unsound practice.

*g.* The licensee is insolvent, suspends payment of its obligations, or makes a general assignment for the benefit of its creditors.

*h.* The licensee does not remove an authorized delegate after the superintendent issues and serves upon the licensee a final order finding that the authorized delegate has violated this chapter.

2. In determining whether a licensee is engaging in an unsafe or unsound practice, the superintendent may consider the size and condition of the licensee's money transmission, the

magnitude of the loss, the gravity of the violation of this chapter, and the previous conduct of the person involved.

2003 Acts, ch 96, §25, 42
Referred to in §533C.703, 533C.707

**533C.702 Suspension and revocation of authorized delegates.**

1. The superintendent may issue an order suspending or revoking the designation of an authorized delegate if the superintendent finds that:

*a.* The authorized delegate violated this chapter or a rule adopted or an order issued under this chapter.

*b.* The authorized delegate did not cooperate with an examination or investigation by the superintendent.

*c.* The authorized delegate engaged in fraud, intentional misrepresentation, or gross negligence.

*d.* The authorized delegate is convicted of a violation of a state or federal anti-money laundering statute.

*e.* The competence, experience, character, or general fitness of the authorized delegate or a person in control of the authorized delegate indicates that it is not in the public interest to permit the authorized delegate to provide money services.

*f.* The authorized delegate is engaging in an unsafe or unsound practice.

2. In determining whether an authorized delegate is engaging in an unsafe or unsound practice, the superintendent may consider the size and condition of the authorized delegate's provision of money services, the magnitude of the loss, the gravity of the violation of this chapter or a rule adopted or order issued under this chapter, and the previous conduct of the authorized delegate.

3. An authorized delegate may apply for relief from a suspension or revocation of designation as an authorized delegate according to procedures prescribed by the superintendent.

2003 Acts, ch 96, §26, 42
Referred to in §533C.703, 533C.707

**533C.703 Orders to cease and desist.**

1. If the superintendent determines that a violation of this chapter or of a rule adopted or an order issued under this chapter by a licensee or authorized delegate is likely to cause immediate and irreparable harm to the licensee, its customers, or the public as a result of the violation, or cause insolvency or significant dissipation of assets of the licensee, the superintendent may issue an order requiring the licensee or authorized delegate to cease and desist from the violation. The order becomes effective upon service of it upon the licensee or authorized delegate.

2. The superintendent may issue an order against a licensee to cease and desist from providing money services through an authorized delegate that is the subject of a separate order by the superintendent.

3. Once the superintendent has commenced an administrative proceeding pursuant to section 533C.701 or 533C.702, an order to cease and desist remains effective and enforceable pending the completion of the proceeding.

4. A licensee or an authorized delegate who is served with an order to cease and desist may petition the appropriate court for a judicial order setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of an administrative proceeding pursuant to section 533C.701 or 533C.702.

5. An order to cease and desist expires unless the superintendent commences an administrative proceeding pursuant to section 533C.701 or 533C.702 within ten days after it is issued.

2003 Acts, ch 96, §27, 42; 2004 Acts, ch 1101, §81
Referred to in §533C.802

**533C.704 Consent orders.**

The superintendent may enter into a consent order at any time with a person to resolve a matter arising under this chapter or a rule adopted or order issued under this chapter. A consent order must be signed by the person to whom it is issued or by the person's authorized representative, and must indicate agreement with the terms contained in the order. A consent order may provide that it does not constitute an admission by a person that this chapter or a rule adopted or an order issued under this chapter has been violated.

2003 Acts, ch 96, §28, 42

**533C.705 Civil penalties.**

The superintendent may assess a civil penalty against a person who violates this chapter or a rule adopted or an order issued under this chapter in an amount not to exceed one thousand dollars per day for each day the violation is outstanding, plus this state's costs and expenses for the investigation and prosecution of the matter, including reasonable attorney fees.

2003 Acts, ch 96, §29, 42

**533C.706 Criminal penalties.**

1. A person who intentionally makes a false statement, misrepresentation, or false certification in a record filed or required to be maintained under this chapter or who intentionally makes a false entry or omits a material entry in such a record is guilty of a class "D" felony.

2. A person who knowingly engages in an activity for which a license is required under this chapter without being licensed under this chapter is guilty of an aggravated misdemeanor.

3. It shall be unlawful for any person to do any of the following:

*a.* With intent to disguise the fact that money or a payment instrument is the proceeds of criminal conduct, or with intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on of any criminal conduct, to knowingly furnish or provide to a licensee, authorized delegate, financial institution, person engaged in a trade or business, or any officer, employee, agent, or authorized delegate of any of them, or to the attorney general or department of public safety, any false, inaccurate, or incomplete information; or to knowingly conceal a material fact in connection with a transaction for which a report is required to be filed pursuant to this chapter.

*b.* With the intent to disguise the fact that money or a payment instrument is the proceeds of criminal conduct, or with intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on of any criminal conduct, or with intent to evade the making or filing of a report required under this chapter, or with intent to cause the making or filing of a report that contains a material omission or misstatement of fact, to conduct or structure a transaction or series of transactions by or through one or more licensees, authorized delegates, financial institutions, or persons engaged in a trade or business.

4. A person who violates subsection 3 is guilty of a class "C" felony and is also subject to a civil penalty of three times the value of the property involved in the transaction, or, if no transaction is involved, five thousand dollars.

5. Notwithstanding any other provision of law, each violation of this section constitutes a separate, punishable offense.

2003 Acts, ch 96, §30, 42

**533C.707 Unlicensed persons.**

1. If the superintendent has reason to believe that a person has violated or is violating section 533C.201, 533C.301, 533C.401, or 533C.402, the superintendent may issue an order to show cause why an order to cease and desist should not issue requiring that the person cease and desist from the violation of section 533C.201, 533C.301, 533C.401, or 533C.402.

2. In an emergency, the superintendent may petition the district court for the issuance of a temporary restraining order ex parte pursuant to the rules of civil procedure.

3. An order to cease and desist becomes effective upon service of it upon the person.

4. An order to cease and desist remains effective and enforceable pending the completion of an administrative proceeding pursuant to sections 533C.701 and 533C.702.

5. A person who is served with an order to cease and desist under this section may petition the district court for a judicial order setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of an administrative proceeding pursuant to sections 533C.701 and 533C.702.

6. An order to cease and desist expires unless the superintendent commences an administrative proceeding within ten days after it is issued.

2003 Acts, ch 96, §31, 42

Referred to in §533C.802

**533C.708 Investigations.**

1. The attorney general or county attorney may conduct investigations within or outside this state to determine if any licensee, authorized delegate, or person engaged in a trade or business has failed to file a report required by this chapter or has engaged or is engaging in any act, practice, or transaction that constitutes a violation of this chapter.

2. Upon presentation of a subpoena from a prosecuting attorney, all licensees, authorized delegates, and financial institutions shall make their books and records available to the attorney general or county attorney or peace officer during normal business hours for inspection and examination in connection with an investigation pursuant to this section.

2003 Acts, ch 96, §32, 42

## ARTICLE 8

## ADMINISTRATIVE PROCEDURES

**533C.801 Administrative proceedings.**

All administrative proceedings under this chapter must be conducted in accordance with chapter 17A.

2003 Acts, ch 96, §33, 42

**533C.802 Hearings.**

Except as otherwise provided in sections 533C.703 and 533C.707, the superintendent shall not suspend or revoke a license, place a licensee in receivership, issue an order to cease and desist, suspend or revoke the designation of an authorized delegate, or assess a civil penalty without notice and an opportunity to be heard. The superintendent shall also hold a hearing when requested to do so by an applicant whose application for a license is denied.

2003 Acts, ch 96, §34, 42

**533C.803 Rules.**

The superintendent may adopt pursuant to chapter 17A such reasonable and relevant rules, not inconsistent with this chapter, as may be necessary for the enforcement of the provisions of this chapter.

2003 Acts, ch 96, §35, 42

## ARTICLE 9

## MISCELLANEOUS PROVISIONS

**533C.901 Uniformity of application and construction.**

1. The provisions of this chapter shall be liberally construed to effectuate its remedial purposes. Civil remedies under this chapter shall be supplemental and not mutually exclusive. The civil remedies do not preclude and are not precluded by other provisions of law.

2. The provisions of this chapter shall be applied and construed to effectuate its general

purpose to make uniform the law with respect to the subject of this chapter among states enacting the law and to make the reporting requirements regarding financial transactions under Iowa law uniform with the reporting requirements regarding financial transactions under federal law.

3. The attorney general may enter into reciprocal agreements with the attorney general or chief prosecuting attorney of any state to effectuate the purposes of this chapter.

2003 Acts, ch 96, §36, 42

**533C.902 Financial services licensing fund.**

1. A financial services licensing fund is created as a separate fund in the state treasury under the authority of the banking division of the department of commerce. Moneys deposited in the fund shall be used to pay for staffing necessary to perform examinations, audits, and other duties required of the superintendent and the banking division under this chapter.

2. The fund shall receive moneys including, but not limited to, any fees, costs, expenses, or penalties collected pursuant to this chapter.

3. Notwithstanding section 8.33, moneys appropriated to the fund and other moneys credited to the fund shall not revert at the close of the fiscal year but shall remain in the financial services licensing fund and shall remain available for expenditure for the purposes designated.

2003 Acts, ch 96, §37, 42

**533C.903 Severability clause.**

The provisions of this chapter are severable pursuant to section 4.12.

2003 Acts, ch 96, §38, 42

**533C.904 Applicability.**

This chapter applies to the provision of money services on or after October 1, 2003.

2003 Acts, ch 96, §39, 42; 2013 Acts, ch 5, §14

Section stricken and rewritten

# CHAPTER 533D

## DELAYED DEPOSIT SERVICES

Referred to in §524.211, 524.606, 533C.103, 537.7102, 546.3, 669.14


533D.1 Title.
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533D.3 License required — application process — display.
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533D.12 Disciplinary action.
533D.13 Cease and desist order — injunction.
533D.14 Administrative penalty.
533D.15 Criminal violation — operation of business without license — injunction.
533D.16 Applicability.


**533D.1 Title.**

This chapter shall be known and may be cited as the *"Delayed Deposit Services Licensing Act"*.

95 Acts, ch 139, §1

**533D.2 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Check"* means a check, draft, share draft, or other instrument for the payment of money.

2. *"Delayed deposit services business"* means a person who for a fee does either of the following:

*a.* Accepts a check dated subsequent to the date it was written.

*b.* Accepts a check dated on the date it was written and holds the check for a period of time prior to deposit or presentment pursuant to an agreement with, or any representation made to, the maker of the check, whether express or implied.

3. *"Licensee"* means a person licensed to operate pursuant to this chapter.

4. *"Person"* means an individual, group of individuals, partnership, association, corporation, or any other business unit or legal entity.

5. *"Superintendent"* means the superintendent of banking.

95 Acts, ch 139, §2

**533D.3 License required — application process — display.**

1. A person shall not operate a delayed deposit services business in this state unless the person is physically located in this state and licensed by the superintendent as provided in this chapter.

2. An applicant for a license shall submit an application to the superintendent on forms prescribed by the superintendent. The forms shall contain such information as the superintendent may prescribe.

3. The application required by this section shall be submitted with the following:

*a.* An application fee of one hundred dollars.

*b.* A surety bond executed by a surety company authorized to do business in this state in the sum of twenty-five thousand dollars, which bond shall be continuous in nature until canceled by the surety. A surety shall provide at least thirty days' notice in writing to the licensee and to the superintendent indicating the surety's intent to cancel the bond and the effective date of the cancellation. The surety bond shall be for the benefit of the citizens of this state and shall be conditioned upon the licensee's willingness to comply with this chapter, the faithful performance by the licensee of the duties and obligations pertaining to the delayed deposit services business so licensed, and the prompt payment of any judgment recovered against the licensee. The surety's liability under this chapter is limited to the amount of the bond regardless of the number of years the bond is in effect.

4. The superintendent shall issue a license to an applicant if the superintendent finds all of the following:

*a.* The experience, character, and general fitness of the applicant and its officers, directors, shareholders, partners, or members are such as to warrant a finding that the applicant will conduct the delayed deposit services business honestly, fairly, and efficiently.

*b.* The applicant and its officers, directors, shareholders, partners, or members have not been convicted of a felony in this state, or convicted of a crime in another jurisdiction which would be a felony in this state.

*c.* The applicant is financially responsible and will conduct the delayed deposit services business pursuant to this chapter and other applicable laws.

*d.* The applicant has unencumbered assets of at least twenty-five thousand dollars available for operating the delayed deposit services business.

5. The superintendent shall approve or deny an application for a license by written order not more than ninety days after the filing of an application. An order of the superintendent issued pursuant to this section may be appealed pursuant to chapter 17A.

6. *a.* A license issued pursuant to this chapter shall be conspicuously posted at the licensee's place of business. A license shall remain in effect until the next succeeding January 1, unless earlier suspended or revoked by the superintendent.

*b.* A license shall be renewed annually by filing with the superintendent on or before December 1 an application for renewal containing such information as the superintendent

may require to indicate any material change in the information contained in the original application or succeeding renewal applications and a renewal fee of two hundred fifty dollars.

*c.* The superintendent may assess a late fee of ten dollars per day for applications submitted and accepted for processing after December 1.

7. The superintendent may authorize applicants and licensees to be licensed through a nationwide licensing system and to pay the corresponding system processing fees. The superintendent may establish by rule or order new requirements as necessary, including but not limited to requirements that applicants, including officers and directors and those who have control of the applicant, submit to fingerprinting and criminal history checks.

8. For the purposes of this section and in order to reduce the points of contact which the federal bureau of investigation may be required to maintain for purposes of subsection 7, the superintendent may use the nationwide licensing system as a channeling agent for requesting information from and distributing information to the United States department of justice or other governmental agency, or to or from any other source so directed by the superintendent.

95 Acts, ch 139, §3; 2006 Acts, ch 1042, §25 – 27; 2008 Acts, ch 1160, §12; 2013 Acts, ch 5, §15 – 17

For provisions relating to licenses expiring on or before July 1, 2013, see 2013 Acts, ch 5, §30
Subsection 3, unnumbered paragraph 1 amended
Subsection 6 amended
NEW subsections 7 and 8

**533D.4 Surrender of license.**

A licensee may surrender a delayed deposit services license by delivering to the superintendent written notice that the license is surrendered. The surrender does not affect the licensee's civil or criminal liability for acts committed prior to such surrender, the liability of the surety on the bond, or entitle such licensee to a return of any part of the annual license fee. The superintendent may establish procedures for the disposition of the books, accounts, and records of the licensee and may require such action as deemed necessary for the protection of the makers of checks which are outstanding at the time of surrender of the license.

95 Acts, ch 139, §4

**533D.5 Change in circumstances — notification of superintendent.**

A licensee is to notify the superintendent in writing within thirty days of the occurrence of a material development affecting the licensee, including, but not limited to, any of the following:

1. Filing for bankruptcy or reorganization.
2. Reorganization of the business.
3. Commencement of license revocation or any other civil or criminal proceedings by any other state or jurisdiction.
4. The filing of a criminal indictment or complaint against the licensee or any of the licensee's officers, directors, shareholders, partners, members, employees, or agents.
5. A felony conviction against the licensee or any of the licensee's officers, directors, shareholders, partners, members, employees, or agents.

95 Acts, ch 139, §5

**533D.6 Continued operation after change in ownership — approval of superintendent required.**

1. The prior written approval of the superintendent is required for the continued operation of a delayed deposit services business whenever a change in control of a licensee is proposed. The person requesting such approval shall pay to the superintendent a fee of one hundred dollars. Control in the case of a corporation means direct or indirect ownership of, or the right to control, ten percent or more of the voting shares of the corporation, or the ability of a person to elect a majority of the directors or otherwise effect a change in policy. Control in the case of any other entity means any change in the principals of the organization, whether active or passive. The superintendent may require information deemed necessary to determine

whether a new application is required. Costs incurred by the superintendent in investigating a change of control request shall be paid by the person requesting such approval.

2. A license issued pursuant to this chapter is not transferable or assignable.

95 Acts, ch 139, §6; 2006 Acts, ch 1042, §28; 2007 Acts, ch 22, §94

**533D.7 Principal place of business — branch offices authorized.**

1. Except as provided in subsection 2, a licensee may operate a delayed deposit services business only at an office designated as its principal place of business in the application. The licensee shall maintain its books, accounts, and records at its designated principal place of business. A licensee may change the location of its designated principal place of business with the prior written approval of the superintendent. The superintendent shall establish forms and procedures for determining whether the change of location should be approved.

2. A licensee may operate branch offices only in the same county in which the licensee's designated principal place of business is located. The licensee may establish a branch office or change the location of a branch office with the prior written approval of the superintendent. The superintendent shall establish forms and procedures for determining whether the location of a branch office should be approved.

3. A fee of twenty-five dollars shall be paid to the superintendent for each request made pursuant to subsection 1 or 2 for a change of location. For each new branch office established, a fee of two hundred fifty dollars shall be paid to the superintendent.

95 Acts, ch 139, §7; 2006 Acts, ch 1042, §29

**533D.7A Notice of name change.**

A licensee shall notify the superintendent thirty days in advance of the effective date of a change in the name of the licensee. With the notice of change, the licensee shall submit a fee of twenty-five dollars per license to the superintendent.

2006 Acts, ch 1042, §30

**533D.8 Other business operations at same site — restrictions.**

1. A licensee may operate a delayed deposit services business at a location where any other business is operated or in association or conjunction with any other business with the written approval of the superintendent and consistent with both of the following requirements:

*a.* The books, accounts, and records of the delayed deposit services business are kept and maintained separate and apart from the books, accounts, and records of the other business.

*b.* The other business is not of a type which would tend to enable the concealment of acts engaged in to evade the requirements of this chapter. If the superintendent determines upon investigation that the other business is of a type which would conceal such acts the superintendent shall order the licensee to cease the operation of the delayed deposit services business at the location.

2. The department may order the licensee to cease operations of the business if it fails to obtain written approval of the superintendent before operating a business in association or conjunction with services provided under this chapter.

95 Acts, ch 139, §8

**533D.9 Fee restriction — required disclosure.**

1. A licensee shall not charge a fee in excess of fifteen dollars on the first one hundred dollars on the face amount of a check or more than ten dollars on subsequent one hundred dollar increments on the face amount of the check for services provided by the licensee, or pro rata for any portion of one hundred dollars face value.

2. A licensee shall give to the maker of the check, at the time any delayed deposit service transaction is made, or if there are two or more makers, to one of them, notice written in clear, understandable language disclosing all of the following:

*a.* The fee to be charged for the transaction.

*b.* The annual percentage rate as computed pursuant to the federal Truth in Lending Act.

*c.* The date on which the check will be deposited or presented for negotiation.

*d.* Any penalty, not to exceed fifteen dollars, which the licensee will charge if the check is not negotiable on the date agreed upon. A penalty to be charged pursuant to this section shall only be collected by the licensee once on a check no matter how long the check remains unpaid. A penalty to be charged pursuant to this section is a licensee's exclusive remedy and if a licensee charges a penalty pursuant to this section no other penalties under this chapter or any other provision apply.

3. In addition to the notice required by subsection 2, every licensee shall conspicuously display a schedule of all fees, charges, and penalties for all services provided by the licensee authorized by this section. The notice shall be posted at the office and every branch office of the licensee.

95 Acts, ch 139, §9; 2006 Acts, ch 1042, §31
Referred to in §533D.10

**533D.10 Prohibited acts by licensee.**

1. A licensee shall not do any of the following:

*a.* Hold from any one maker more than two checks at any one time.

*b.* Hold from any one maker a check or checks in an aggregate face amount of more than five hundred dollars at any one time.

*c.* Hold or agree to hold a check for more than thirty-one days.

*d.* Require the maker to receive payment by a method which causes the maker to pay additional or further fees and charges to the licensee or another person.

*e.* Repay, refinance, or otherwise consolidate a postdated check transaction with the proceeds of another postdated check transaction made by the same licensee.

*f.* Receive any other charges or fees in addition to the fees listed in section 533D.9, subsections 1 and 2.

2. For purposes of this section, *"licensee"* includes a person related to the licensee by common ownership or control, a person in whom the licensee has any financial interest, or any employee or agent of the licensee.

95 Acts, ch 139, §10

**533D.11 Examination of records by superintendent — fees.**

1. The superintendent shall examine the books, accounts, and records of each licensee at least once a year and as needed to secure information required pursuant to this chapter and to determine whether any violations of this chapter have occurred. The licensee shall pay the cost of the examination.

2. The superintendent may examine or investigate complaints or reports concerning alleged violations of this chapter or any rule adopted or order issued by the superintendent. The superintendent may order the actual cost of the examination or investigation to be paid by the person who is the subject of the examination or investigation, whether or not the alleged violator is licensed.

3. The superintendent shall determine the cost of the examination or investigation based upon the actual cost of the operation of the finance bureau of the banking division of the department of commerce, including the proportionate share of administrative expenses in the operation of the banking division attributable to the finance bureau as determined by the superintendent, incurred in the discharge of duties imposed upon the superintendent by this chapter.

4. Failure to pay the examination or investigation fee within thirty days of receipt of demand from the superintendent shall subject the licensee to a late fee of up to five percent of the amount of the examination or investigation fee for each day the payment is delinquent.

5. The superintendent may disclose information to representatives of other state or federal regulatory authorities. The superintendent may release summary complaint information so long as the information does not specifically identify the complainant. The superintendent may prepare and circulate reports reflecting financial information and examination results for all licensees on an aggregate basis, including other information considered pertinent to the purpose of each report for general statistical information. The superintendent may prepare and circulate reports provided by law. The superintendent may

release the reports and correspondence in the course of an enforcement proceeding or a hearing held by the superintendent. The superintendent may also provide this information to the attorney general for purposes of enforcing this chapter or the consumer fraud Act, section 714.16.

6. The superintendent may receive documents, materials, or other information, including otherwise confidential and privileged documents, materials, or other information, through a nationwide licensing system and from other local, state, federal, or international regulatory agencies, the conference of state bank supervisors and its affiliates and subsidiaries, the national association of consumer credit administrators and its affiliates and subsidiaries, and any other regulator association, and shall maintain as confidential and privileged any such document, material, or other information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or other information.

95 Acts, ch 139, §11; 2006 Acts, ch 1042, §32; 2013 Acts, ch 5, §18
NEW subsection 6

**533D.12 Disciplinary action.**

1. The superintendent may, after notice and hearing pursuant to chapter 17A, take disciplinary action against a licensee if the superintendent finds any of the following:

*a.* The licensee or any of its officers, directors, shareholders, partners, or members has violated this chapter, any rule adopted by the superintendent, or any other state or federal law applicable to the conduct of its business.

*b.* The licensee has failed to pay a license fee required under this chapter or to maintain in effect the bond or bonds required under this chapter.

*c.* A fact or condition existing which, if it had existed at the time of the original application for the license, would have resulted in the denial of issuance of a license.

*d.* The licensee has abandoned its place of business for a period of sixty days or more.

*e.* The licensee fails to pay an administrative penalty or the cost of investigation as ordered by the superintendent.

*f.* The licensee has violated an order of the superintendent.

2. The superintendent may impose one or more of the following disciplinary actions against a licensee:

*a.* Revoke a license.

*b.* Suspend a license until further order of the superintendent or for a specified period of time.

*c.* Impose a period of probation under specified conditions.

*d.* Impose civil penalties in an amount not to exceed five thousand dollars for each violation.

*e.* Issue a citation and warning respecting licensee behavior.

*f.* Order the licensee to pay restitution.

3. The superintendent may order an emergency suspension of a licensee's license pursuant to section 17A.18A. A written order containing the facts or conduct which warrants the emergency action shall be timely sent to the licensee by restricted certified mail. Upon issuance of the suspension order, the licensee must also be notified of the right to an evidentiary hearing. A suspension proceeding shall be promptly instituted and determined.

4. Except as provided in this section, a license shall not be revoked or suspended except after notice and a hearing thereon in accordance with chapter 17A.

5. A licensee may surrender a license by delivering to the superintendent written notice of surrender, but a surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender.

6. A revocation, suspension, or surrender of a license does not impair or affect the obligation of a preexisting lawful contract between the licensee and any person, including a debtor.

95 Acts, ch 139, §12; 2008 Acts, ch 1160, §13

**533D.13 Cease and desist order — injunction.**

If the superintendent believes that any person has engaged in or is about to engage in an act or practice constituting a violation of this chapter or any rule adopted or order issued by the superintendent, the superintendent may issue and serve on the person a cease and desist order. Upon entry of a cease and desist order the superintendent shall promptly notify in writing all persons to whom the order is directed that it has been entered and the reasons for the order. Any person to whom the order is directed may request in writing a hearing within fifteen business days after the date of the issuance of the order. Upon receipt of the written request, the matter shall be set for hearing within fifteen business days of the receipt by the superintendent, unless the person requesting the hearing consents to a later date. If a hearing is not requested within fifteen business days and none is ordered by the superintendent, the order of the superintendent shall automatically become final and remain in effect until modified or vacated by the superintendent. If a hearing is requested or ordered, the superintendent, after notice and hearing, shall issue written findings of fact and conclusions of law and shall affirm, vacate, or modify the order.

The superintendent may vacate or modify an order if the superintendent finds that the conditions which caused its entry have changed or that it is otherwise in the public interest to do so. Any person aggrieved by a final order of the superintendent may appeal the order as provided in chapter 17A.

If it appears that a person has engaged in or is engaging in an act or practice in violation of this chapter, the attorney general may initiate an action in the district court to enjoin such acts or practices and to enforce compliance with this chapter. Upon a showing of a violation of this chapter, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted or a receiver or conservator may be appointed to oversee the person's assets. The attorney general shall not be required to post a bond.

95 Acts, ch 139, §13

**533D.14 Administrative penalty.**

1. If the superintendent finds, after notice and hearing as provided in this chapter, that a person has violated this chapter, a rule adopted pursuant to this chapter, or an order of the superintendent, the superintendent may order the person to pay an administrative fine of not more than five thousand dollars for each violation, in addition to the costs of investigation.

2. If a person fails to pay an administrative fine and the costs of investigation ordered pursuant to subsection 1, a lien in the amount of the fine and costs may be imposed upon all assets and property of the person in this state and may be recovered in a civil action by the superintendent. Failure of the person to pay the fine and costs constitutes a separate violation of this chapter.

95 Acts, ch 139, §14

**533D.15 Criminal violation — operation of business without license — injunction.**

A person required to be licensed under this chapter who operates a delayed deposit services business in this state without first obtaining a license under this chapter or while such license is suspended or revoked by the superintendent is guilty of a serious misdemeanor. In addition to the criminal penalty provided for in this section, the superintendent may also commence an action to enjoin the operation of the business.

95 Acts, ch 139, §15

**533D.16 Applicability.**

This chapter does not apply to a bank incorporated under the provisions of any state or federal law, a savings and loan association incorporated under the provisions of any state or federal law, a credit union organized under the provisions of any state or federal law, a corporation licensed as an industrial loan company under chapter 536A, or an affiliate of a bank, savings and loan association, credit union, or industrial loan company.

95 Acts, ch 139, §16

# CHAPTER 534

## SAVINGS AND LOAN ASSOCIATIONS

Repealed by 2012 Acts, ch 1017, §157

# SUBTITLE 3

## MONEY AND CREDIT

# CHAPTER 535

## MONEY AND INTEREST

Referred to in §175.12, 535B.7, 535D.13, 536.13, 536.16, 536A.30, 537.1301, 537.2301, 669.14


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**535.1 Denominations of money.**

The money of account of this state is the dollar, cent, and mill, and all public accounts, and the proceedings of all courts in relation to money, shall be kept and expressed in the above denominations. Demands expressed in money of another denomination shall not be affected by the provisions of this section, but in any action or proceeding based thereon it shall be reduced to and computed by the denominations given.

[C51, §943, 944; R60, §1785, 1786; C73, §2075, 2076; C97, §3037; C24, 27, 31, 35, 39, §**9403;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, S79, C81, §535.1]

**535.2 Rate of interest.**

1. Except as provided in subsection 2 hereof, the rate of interest shall be five cents on the hundred by the year in the following cases, unless the parties shall agree in writing for the payment of interest at a rate not exceeding the rate permitted by subsection 3:

*a.* Money due by express contract.

*b.* Money after the same becomes due.

*c.* Money loaned.

*d.* Money received to the use of another and retained beyond a reasonable time, without the owner's consent, express or implied.

*e.* Money due on the settlement of accounts from the day the balance is ascertained.

*f.* Money due upon open accounts after six months from the date of the last item.

*g.* Money due, or to become due, where there is a contract to pay interest, and no rate is stipulated.

2. *a.* The following persons may agree in writing to pay any rate of interest, and a person so agreeing in writing shall not plead or interpose the claim or defense of usury in any action or proceeding, and the person agreeing to receive the interest is not subject to any penalty or forfeiture for agreeing to receive or for receiving the interest:

(1) A person borrowing money for the purpose of acquiring real property or refinancing a contract for deed.

(2) A person borrowing money or obtaining credit in an amount which exceeds twenty-five thousand dollars, exclusive of interest, for the purpose of constructing improvements on real property, whether or not the real property is owned by the person.

(3) A vendee under a contract for deed to real property.

(4) A domestic or foreign corporation, and a real estate investment trust as defined in section 856 of the Internal Revenue Code, and a person purchasing securities as defined in chapter 502 on credit from a broker or dealer registered or licensed under chapter 502 or under the Securities Exchange Act of 1934, 15 U.S.C., ch. 78A, as amended.

(5) A person borrowing money or obtaining credit for business or agricultural purposes, or a person borrowing money or obtaining credit in an amount which exceeds twenty-five thousand dollars for personal, family, or household purposes. As used in this paragraph, *"agricultural purpose"* means as defined in section 535.13, and *"business purpose"* includes but is not limited to a commercial, service, or industrial enterprise carried on for profit and an investment activity.

*b.* In determining exemptions under this subsection, the rules of construction stated in this paragraph apply:

(1) The purpose for which money is borrowed is the purpose to which a majority of the loan proceeds are applied or are designated in the agreement to be applied.

(2) Loan proceeds used to refinance or pay a prior loan owed by the same borrower are applied for the same purposes and in the same proportion as the original principal of the loan that is refinanced or paid.

(3) If the lender releases the original borrower from all personal liability with respect to the loan, loan proceeds used to pay a prior loan by a different borrower are applied for the new borrower's purposes in agreeing to pay the prior loan.

(4) If the lender releases the original borrower from all personal liability with respect to the loan, the assumption of a loan by a new borrower is treated as if the new borrower had obtained a new loan and had used all of the proceeds to pay the loan assumed.

(5) This paragraph does not modify or limit section 535.8, subsection 2, paragraph *"c"* or *"e"*.

(6) With respect to any transaction referred to in paragraph *"a"* of this subsection, this subsection supersedes any interest-rate or finance-charge limitations contained in the Code, including but not limited to this chapter and chapters 321, 322, 524, 533, 536A, and 537.

3. *a.* (1) The maximum lawful rate of interest which may be provided for in any written agreement for the payment of interest entered into during any calendar month commencing on or after April 13, 1979, shall be two percentage points above the monthly average ten-year constant maturity interest rate of United States government notes and bonds as published by the board of governors of the federal reserve system for the calendar month second preceding the month during which the maximum rate based thereon will be effective, rounded to the nearest one-fourth of one percent per year.

(2) On or before the twentieth day of each month the superintendent of banking shall determine the maximum lawful rate of interest for the following calendar month as prescribed herein, and shall cause this rate to be published, as a notice in the Iowa administrative bulletin or as a legal notice in a newspaper of general circulation published in Polk county, prior to the first day of the following calendar month. This maximum lawful rate of interest shall be effective on the first day of the calendar month following publication. The determination of the maximum lawful rate of interest by the superintendent of banking shall be exempt from the provisions of chapter 17A.

*b.* Any rate of interest specified in any written agreement providing for the payment of interest shall, if such rate was lawful at the time the agreement was made, remain lawful during the entire term of the agreement, including any extensions or renewals thereof, for all money due or to become due thereunder including future advances, if any.

*c.* Any written agreement for the payment of interest made pursuant to a prior written agreement by a lender to lend money in the future, either to the other party to such prior written agreement or a third party beneficiary of such prior agreement, may provide for payment of interest at the lawful rate of interest at the time of the execution of the prior agreement regardless of the time at which the subsequent agreement is executed.

*d.* Any contract, note or other written agreement providing for the payment of a rate of interest permitted by this subsection which contains any provisions providing for an increase in the rate of interest prescribed therein shall, if such increase could be to a rate which would

have been unlawful at the time the agreement was made, also provide for a reduction in the rate of interest prescribed therein, to be determined in the same manner and with the same frequency as any increase so provided for.

4. *a.* Notwithstanding the provisions of subsection 3, with respect to any agreement which was executed prior to August 3, 1978, and which contained a provision for the adjustment of the rate of interest specified in that agreement, the maximum lawful rate of interest which may be imposed under that agreement shall be nine cents on the hundred by the year, and any excess charge shall be a violation of section 535.4.

*b.* Notwithstanding the limitation contained in paragraph *"a"* of this subsection, with respect to a written agreement for the repayment of money loaned, which was executed prior to August 3, 1978, and which provided for the payment of over fifty percent of the initial principal amount of the loan as a single payment due at the end of the term of the agreement, the interest rate may be adjusted after June 3, 1980, according to the terms of the agreement to any rate of interest permitted by the laws of this state as of the date an adjustment in interest is to be made. This paragraph does not authorize adjustment of interest in any manner other than that expressly permitted by the terms of the written agreement, and nothing contained in this paragraph authorizes the collection of additional interest with respect to any portion of a loan which was repaid prior to the effective date of an interest rate adjustment.

*c.* Notwithstanding paragraph *"a"*, when a written agreement providing for the repayment of money loaned, and requiring the payment of over fifty percent of the initial principal amount of the loan as a single payment due at the end of the term of the agreement is extended, renewed, or otherwise amended by the parties on or after August 3, 1978, the parties may agree to the payment of interest from the effective date of the extension, renewal, or amendment, at a rate and in a manner that is lawful for a new agreement made on that date.

5. This section shall not apply to any loan which is subject to the provisions of section 636.46.

6. *a.* Notwithstanding the provisions of 1980 Iowa Acts, chapter 1156, with respect to any agreement which was executed on or after August 3, 1978, and prior to July 1, 1979, and which contained a provision for the adjustment of the rate of interest specified in the agreement, the maximum lawful rate of interest which may be imposed under that agreement shall be that rate which is two and one-half percentage points above the rate initially to be paid under the agreement, provided that the greatest interest rate adjustment which may be made at any one time shall be one-half of one percent and an interest rate adjustment may not be made until at least one year has passed since the last interest rate adjustment, and any excess charge shall be a violation of section 535.4.

*b.* Notwithstanding the limitation contained in paragraph *"a"* of this subsection, with respect to a written agreement for the repayment of money loaned which was executed on or after August 3, 1978, and prior to July 1, 1979, and which provided for the payment of over fifty percent of the initial principal amount of the loan as a single payment due at the end of the term of the agreement, the interest rate may be adjusted after June 3, 1980, according to the terms of the agreement to any rate of interest permitted by the laws of this state as of the date an adjustment in interest is to be made. This paragraph does not authorize adjustment of interest in any manner other than that expressly permitted by the terms of the written agreement, and nothing contained in this paragraph authorizes the collection of additional interest with respect to any portion of a loan which was repaid prior to the effective date of an interest rate adjustment.

7. This section does not apply to a charge imposed for late payment of rent.

[C51, §945; R60, §1787; C73, §2077; C97, §3038; C24, 27, 31, 35, 39, §**9404;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, S79, C81, §535.2; 82 Acts, ch 1153, §4, 5]

93 Acts, ch 154, §5; 95 Acts, ch 125, §1; 2011 Acts, ch 25, §65; 2012 Acts, ch 1017, §132; 2013 Acts, ch 97, §1

Referred to in §103A.58, 322C.12, 455B.396, 533.316, 535.8, 535.11, 535.12, 536A.23, 602.8102(5), 668.13

Life insurance policy loans; see §511.36

Subsection 7 amended

**535.3 Interest on judgments and decrees.**

1. Interest shall be allowed on all money due on judgments and decrees of courts at a rate calculated according to section 668.13, except for interest due pursuant to section 85.30 for which the rate shall be ten percent per year.

2. Interest on periodic payments for child, spousal, or medical support shall not accrue until thirty days after the payment becomes due and owing and shall accrue at a rate of ten percent per annum thereafter. Additionally, interest on these payments shall not accrue on amounts being paid through income withholding pursuant to chapter 252D for the time these payments are unpaid solely because the date on which the payor of income withholds income based upon the payor's regular pay cycle varies from the provisions of the support order.

[C51, §946; R60, §1789; C73, §2078; C97, §3039; C24, 27, 31, 35, 39, §**9405;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, S79, C81, §535.3]

87 Acts, ch 157, §1; 96 Acts, ch 1141, §33; 97 Acts, ch 175, §232; 97 Acts, ch 197, §2 – 4, 16

Referred to in §85.22, 85.30, 85.47, 85.48, 87.11, 97A.14A, 97B.50A, 249A.53, 249B.6, 252C.6, 411.22, 445.3, 486A.104, 488.107, 502.102, 515B.5, 535.11, 657A.3, 657A.6, 715B.4

**535.4 Illegal rate prohibited — usury.**

No person shall, directly or indirectly, receive in money or in any other thing, or in any manner, any greater sum or value for the loan of money, or upon contract founded upon any sale or loan of real or personal property, than is in this chapter prescribed.

[R60, §1790; C73, §2079; C97, §3040; C24, 27, 31, 35, 39, §**9406;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, S79, C81, §535.4]

Referred to in §535.2

**535.5 Penalty for usury.**

If it is ascertained in an action brought on a contract that a rate of interest has been contracted for, directly or indirectly, in money or in property, greater than is authorized by this chapter, the rate shall work a forfeiture of eight cents on the hundred by the year upon the amount of the principal remaining unpaid upon the contract at the time judgment is rendered, and the court shall enter final judgment in favor of the plaintiff and against the defendant for the principal sum remaining unpaid without costs, and also against the defendant and in favor of the state, to be paid to the treasurer of state for deposit in the general fund of the state, for the amount of the forfeiture. If unlawful interest is contracted for the plaintiff shall not have judgment for more than the principal sum, whether the unlawful interest is incorporated with the principal or not.

[R60, §1791; C73, §2080; C97, §3041; C24, 27, 31, 35, 39, §**9407;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, S79, C81, §535.5]

83 Acts, ch 185, §52, 62; 83 Acts, ch 186, §10109, 10201, 10204

**535.6** Repealed by 82 Acts, ch 1153, § 18.

**535.7 Assignee of usurious contract.**

Any assignee of a usurious contract, becoming such in good faith in the usual course of business and without notice of such fact, may recover of the usurer the full amount of the consideration paid by the assignee therefor, less any sum that may have been realized on the contract, anything in this chapter contained to the contrary notwithstanding.

[R60, §1792; C73, §2081; C97, §3042; C24, 27, 31, 35, 39, §**9409;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, S79, C81, §535.7]

**535.8 Loan charges limited.**

1. *Definitions.* For purposes of this section, unless the context otherwise requires:

*a.* *"Lender"* means a person who makes or originates a loan; a person who is identified as a lender on the loan documents; a person who arranges, negotiates, or brokers a loan; and a person who provides any goods or services as an incident to or as a condition required for the making or closing of the loan. *"Lender"* does not include a licensed attorney admitted to practice in this state acting solely as an incident to the practice of law.

*b.* *"Loan"* means a loan of money which is wholly or in part to be used for the purpose

of purchasing real property which is a single-family or two-family dwelling occupied or to be occupied by the borrower. A loan includes the refinancing of a contract of sale, and the refinancing of a prior loan, whether or not the borrower also was the borrower under the prior loan, and the assumption of a prior loan.

2. *a.* A borrower may be charged by a lender, in connection with a loan made pursuant to a written agreement executed by the borrower on or after July 1, 1983, or in connection with a loan made pursuant to a written commitment by the lender mailed or delivered to the borrower on or after that date, a loan origination or processing fee, a broker fee, or both, which together do not exceed two percent of an amount which is equal to the loan principal; except that to the extent of an assumption by a new borrower of the obligation to make payments under a prior loan, or to the extent that the loan principal is used to refinance a prior loan between the same borrower and the same lender, the borrower may be charged by a lender a loan origination or processing fee, a broker fee, or both, which together do not exceed an amount which is a reasonable estimate of the expenses of processing the loan assumption or refinancing but which does not exceed one percent of the unpaid balance of the loan that is assumed or refinanced. In addition, a borrower may be charged by a lender, in contemplation of or in connection with a loan, a commitment fee, closing fee, or both, that is agreed to in writing by the lender and the borrower. A loan fee paid by a borrower to a lender under this paragraph is compensation to the lender solely for the use of money, notwithstanding any provision of the agreement to the contrary. However, a loan fee collected under this paragraph shall be disregarded for purposes of determining the maximum charge permitted by section 535.2 or 535.9, subsection 2. A lender is prohibited from charging a borrower in connection with a loan a loan origination or processing fee, broker fee, closing fee, commitment fee, or similar charge other than expressly authorized by this paragraph or a payment reduction fee authorized by subsection 3.

*b.* (1) A borrower may be charged by a lender in connection with a loan any of the following costs which are incurred by the lender in connection with the loan and which are disclosed to the borrower:

(a) Credit reports.

(b) Appraisal fees paid to a third party, or when the appraisal is performed by the lender, a fee which is a reasonable estimate of the expense incurred by the lender in performing the appraisal.

(c) Attorney's opinions.

(d) Abstracting fees paid to a third party, or when the abstracting is performed by the lender, a fee which is a reasonable estimate of the expense incurred by the lender in performing the abstracting.

(e) County recorder's fees.

(f) Inspection fees.

(g) Mortgage guarantee insurance charge.

(h) Surveying of property.

(i) Termite inspection.

(j) The cost of a title guaranty issued by the Iowa finance authority pursuant to chapter 16.

(k) A bona fide and reasonable settlement or closing fee which is paid to a third party to settle or close the loan.

(2) The lender shall not charge the borrower for the cost of revenue stamps or real estate commissions which are paid by the seller.

(3) A lender shall not charge the borrower any costs other than expressly permitted by this paragraph "*b*". However, additional costs incurred in connection with a loan under this paragraph "*b*", if bona fide and reasonable, may be collected by a state-chartered financial institution licensed under chapter 524 or 533, to the extent permitted under applicable federal law as determined by the office of the comptroller of the currency of the United States department of treasury, the national credit union administration, or the office of thrift supervision of the United States department of treasury. Such costs shall apply only to the same type of state-chartered entity as the federally chartered entity affected and shall apply

to and may be collected by an insurer organized under chapter 508 or 515, or otherwise authorized to conduct the business of insurance in this state.

(4) Nothing in this section shall be construed to change the prohibition against the sale of title insurance or sale of insurance against loss or damage by reason of defective title or encumbrances as provided in section 515.48, subsection 10.

*c.* If the purpose of the loan is to enable the borrower to purchase a single-family or two-family dwelling, for the borrower's residence, any provision of a loan agreement which prohibits the borrower from transferring the borrower's interest in the property to a third party for use by the third party as the third party's residence, or any provision which requires or permits the lender to make a change in the interest rate, the repayment schedule or the term of the loan as a result of a transfer by the borrower of the borrower's interest in the property to a third party for use by the third party as the third party's residence shall not be enforceable except as provided in the following sentence. If the lender on reasonable grounds believes that its security interest or the likelihood of repayment is impaired, based solely on criteria which is not more restrictive than that used to evaluate a new mortgage loan application, the lender may accelerate the loan, or to offset any such impairment, may adjust the interest rate, the repayment schedule or the term of the loan. A provision of a loan agreement which violates this paragraph is void.

*d.* If a lender collects a fee or charge which is prohibited by paragraph *"a"* or *"b"* of this subsection or which exceeds the amount permitted by paragraph *"a"* or *"b"* of this subsection, the person from whom the fee was collected has the right to recover the unlawful fee or charge or the unlawful portion of the fee or charge, plus attorney fees and costs incurred in any action necessary to effect recovery.

*e.* (1) Notwithstanding section 628.3 when a foreclosure of a mortgage on real property results from the enforcement of a due-on-sale clause, the mortgagor may redeem the real property at any time within three years from the day of sale under the levy, and the mortgagor shall, in the meantime, be entitled to the possession thereof; and for the first thirty months thereafter such right of redemption is exclusive. Any real property redeemed by the debtor shall thereafter be free and clear from any liability for any unpaid portion of the judgment under which the real property was sold. The right of redemption established by this paragraph is not subject to waiver by the mortgagor and the period of redemption established by this paragraph shall not be reduced. The times for redemption by creditors provided in sections 628.5, 628.15 and 628.16 shall be extended to thirty-three months in any case in which the mortgagor's period for redemption is extended by this paragraph. This paragraph does not apply to foreclosure of a mortgage if for any reason other than enforcement of a due-on-sale clause. As used in this paragraph, *"due-on-sale clause"* means any type of covenant which gives the mortgagee the right to demand payment of the outstanding balance or a major part thereof upon a transfer by the mortgagor to a third party of an interest of the mortgagor in property covered by the mortgage. This paragraph applies to any foreclosure occurring on or after May 10, 1980. However, this paragraph does not apply if the lender establishes, based on reasonable criteria which are not more restrictive than those used to evaluate new mortgage-loan applications, that the security interest or the likelihood of repayment is impaired as a result of the transfer of interest.

(2) This lettered paragraph applies only to a mortgage given in connection with a loan as defined in subsection 1 of this section.

3. A lender who offers to make a loan with only those fees authorized by subsection 2 may also offer in exchange for the payment of an interest reduction fee to make a loan on all of the same terms except at a lower interest rate and with the lower payments resulting from the lower interest rate. Prior to accepting an application for a loan which includes a payment reduction fee, the lender shall provide the potential borrower with a written disclosure describing in plain language the specific terms which the loan would have both with the payment reduction fee and without it. This disclosure shall include a good faith example showing the amount of the payment reduction fee and the reduction in payments which would result from the payment of this fee in a typical loan transaction. A payment reduction fee which complies with this subsection may be collected in connection with a loan in addition to the fees authorized by subsection 2.

4. A lender shall not, as a condition of making a loan as defined in this section, require the borrower to place money, or to place property other than that which is given as security for the loan, on deposit with or in the possession or control of the lender or some other person if the effect is to increase the yield to the lender with respect to that loan; provided that this subsection shall not prohibit a lender from requiring the borrower to deposit money without interest with the lender in an escrow account for the payment of insurance premiums, property taxes and special assessments payable by the borrower to third persons. Any lender who requires an escrow account shall not violate the provisions of section 507B.5, subsection 1, paragraph *"a"*.

5. If any lender receives interest either in a manner or in an amount which is prohibited by subsection 4 of this section, the borrower shall have the right to recover all amounts collected or earned by the lender, whether or not from the borrower, in violation of this section, plus attorney fees, plus court costs incurred in any action necessary to effect such recovery.

6. *a.* The provisions of this section shall not apply to any loan which is subject to the provisions of section 636.46, nor shall it apply to origination fees, administrative fees, commitment fees or similar charges paid by one lender to another lender if these fees are not ultimately paid either directly or indirectly by the borrower who occupies or will occupy the dwelling or by the seller of the dwelling.

*b.* A lender shall not use an appraisal for any purpose in connection with making a loan under this section if the appraisal is performed by a person who is employed by or affiliated with any person receiving a commission or fee from the seller of the property. If a lender violates this paragraph the borrower is entitled to recover any actual damages plus the costs paid by the borrower, plus attorney fees incurred in an action necessary to effect recovery.

[C79, S79, C81, §535.8; 81 Acts, ch 176, §1, 2]

83 Acts, ch 124, §19, 20; 85 Acts, ch 252, §39; 2004 Acts, ch 1141, §74; 2004 Acts, ch 1175, §262; 2005 Acts, ch 19, §113, 114; 2008 Acts, ch 1160, §14; 2008 Acts, ch 1191, §79, 80; 2012 Acts, ch 1017, §133

Referred to in §16.42, 524.905, 533.315, 535.2, 535.10, 536A.20, 537.1301

**535.9 Prepayment penalties on loans secured by real estate mortgages prohibited.**

1. As used in this section, *"loan"* means a loan of money which is wholly or in part to be used for the purpose of purchasing real property which is a single-family or a two-family dwelling occupied or to be occupied by the borrower, or which is payable over a term of five years or less for the purpose of purchasing agricultural land. *"Loan"* includes the refinancing of a contract of sale, and the refinancing of a prior loan, whether or not the borrower also was the borrower under the prior loan, and the assumption of a prior loan.

2. Whenever a borrower under a loan prepays part or all of the outstanding balance of the loan the lender shall not receive an amount in payment of interest which is greater than the amount determined by applying the rate of interest agreed upon by the lender and the borrower to the unpaid balance of the loan for a period of time during which the borrower had the use of the money loaned; and the lender shall not impose any penalty or other charge in addition to the amount of interest due as a result of the repayment of that loan at a date earlier than is required by the terms of the loan agreement. A lender may, however, require advance notice of not more than thirty days of a borrower's intent to repay the entire outstanding balance of a loan if the payment of that balance, together with any partial prepayments made previously by the borrower, will result in the repayment of the loan at a date earlier than is required by the terms of the loan agreement.

3. If any lender receives an amount of interest greater than permitted by subsection 2 of this section, or imposes any penalty or other charge prohibited by subsection 2 of this section, the borrower shall have the right to recover all amounts paid the lender which are in excess of the amounts permitted by subsection 2 of this section, plus attorney's fees and court costs incurred in any action necessary to effect such recovery.

[C79, S79, C81, §535.9]

2006 Acts, ch 1075, §1

Referred to in §533.315, 535.8, 536A.23

**535.10 Home equity line of credit.**

1. As used in this chapter, the term *"home equity line of credit"* means an arrangement pursuant to which all of the following are applicable:

*a.* The amounts borrowed and the interest and other charges are debited to an account.

*b.* The interest is computed on the account periodically.

*c.* The borrower has the right to pay in full at any time without penalty or to pay in the installments which are established by the loan agreement.

*d.* The lender agrees to permit the borrower to borrow money from time to time with the maximum amount of each borrowing established by the loan agreement.

*e.* The account is secured by an interest in real estate. The priority of the secured interest in the real estate shall be determined by section 654.12A.

2. Except as provided in this section, a home equity line of credit is subject to chapter 537. However, sections 537.2307, 537.2402, and 537.2510 do not apply.

3. *a.* A lender may collect in connection with establishing or renewing a home equity line of credit the costs listed in section 535.8, subsection 2, paragraph *"b"*, charges for insurance as described in section 537.2501, subsection 2, and a loan processing fee as agreed between the borrower and the lender, and annually may collect an account maintenance fee of not more than fifteen dollars. Fees collected under this subsection shall be disregarded for purposes of determining the maximum charge permitted by subsection 4.

*b.* The parties to a home equity line of credit which is not a consumer credit transaction, as defined in section 537.1301, may contract for a delinquency charge under terms no more favorable than those permitted for open-end credit under section 537.2502.

4. The interest rate on a home equity line of credit shall not exceed one and three-quarters percent per month.

5. Real estate which is the consumer's principal dwelling shall not be subject to foreclosure when the balance secured is two thousand dollars or less.

84 Acts, ch 1272, §1; 95 Acts, ch 35, §1; 99 Acts, ch 15, §1

Referred to in §535.17

**535.11 Finance charge on accounts receivable.**

1. Except where the parties have agreed in writing for the payment of a different finance charge or rate of interest, a creditor may charge a finance charge on the unpaid balances of an account receivable at a rate not exceeding that permitted by subsection 3 or 4 of this section if the creditor gives notice as required by subsection 2 of this section.

2. As a condition of imposing a finance charge under this section, the creditor shall give notice to the debtor as follows:

*a.* In a transaction that is subject to the Truth in Lending Act, the creditor shall give all disclosures as required by that Act and at the time or times required by that Act.

*b.* In a transaction that is not subject to the Truth in Lending Act, the creditor shall give written notice to the debtor at the time the debt arises. The notice shall be contained on the invoice or bill of sale evidencing the credit transaction, and shall disclose the rate of the finance charge and the date or day of the month before which payment must be received if the finance charge is to be avoided. With respect to open accounts, this notice shall be given at the time credit is initially extended; provided that additional advance notice in writing shall be given to the debtor not less than ninety days prior to any change in the terms of the agreement or of rate of the finance charge or date payment is due. For purposes of this paragraph, notice is given if the invoice or bill of sale is delivered with the goods, whether or not the debtor is present at the time of delivery.

*c.* As used in this subsection, *"Truth in Lending Act"* means as defined in section 537.1302.

3. With respect to an account other than an open account, the creditor may impose a finance charge not exceeding that permitted by section 537.2201, subsections 2 to 5.

4. With respect to an open account, the creditor may impose a finance charge not exceeding that permitted by section 537.2202, subsection 2.

5. As used in this section, *"finance charge"* means as defined in section 537.1301; and *"account receivable"* means a debt arising from the retail sale of goods or services or both on

credit; and *"open account"* means an account receivable consisting of debt arising from the extension of open-end credit, as defined in section 537.1301.

6. This section does not supersede any of the provisions of chapter 537, except that section 537.3212 does not apply to a consumer credit transaction in which a finance charge is imposed under this section. This section does not authorize the compounding of a finance charge.

7. The finance charge authorized by this section is in lieu of interest or a finance charge authorized under section 535.2, subsection 1 or any other provision of law. The rate of a finance charge imposed pursuant to this section is applicable to a judgment in an action on the account, notwithstanding section 535.3.

8. If a creditor imposes a finance charge in violation of this section, the debtor shall have the right to recover all amounts unlawfully received by the creditor as finance charges, plus attorney's fees and court costs incurred in any action to effect recovery. This subsection does not limit remedies which may be available under chapter 537.

[C81, §535.11; 82 Acts, ch 1153, §6, 18(1)]
98 Acts, ch 1100, §72

**535.12 Loans by agricultural credit corporation.**

1. An agricultural credit corporation, as defined in subsection 4, may lend money pursuant to a written promissory note or other writing evidencing the loan obligation, at a rate of interest which is not more than four percentage points above the lending rate in effect at the farm credit bank of Omaha, Nebraska, for the month during which the writing evidencing the loan obligation is made, provided that the loan is for an agricultural production purpose as defined in subsection 5 and further provided that the loan would, but for this section, be subject to the maximum rate of interest prescribed by section 535.2, subsection 3, paragraph *"a"*.

2. On or prior to the first day of each calendar month following June 13, 1980, the superintendent of banking shall determine the maximum rate of interest which may be charged pursuant to subsection 1 of this section on loans made by an agricultural credit corporation during that month, and shall cause the maximum rate to be published as soon after determination as possible, as a notice in the Iowa administrative bulletin or as a legal notice in a newspaper of general circulation published in Polk county. The maximum rate so determined shall be effective as provided in subsection 1 of this section regardless of the date of publication of the notice, except that no agricultural credit corporation shall be found in violation of this chapter solely on account of having made a loan on or prior to the day on which a notice of a maximum rate is published as provided in this subsection, if the loan would have been lawful if made during the preceding calendar month.

3. This section does not prohibit an agricultural credit corporation from lending money as otherwise permitted by law.

4. As used in this section, *"agricultural credit corporation"* means a corporation which has been designated by the farm credit bank of Omaha, Nebraska, as an agricultural credit corporation eligible to sell or discount loans to that bank pursuant to 12 U.S.C. § 2074.

5. As used in this section *"agricultural production purpose"* means a purpose related to the production of agricultural products. *"Agricultural products"* includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products thereof, and any and all products produced on farms.

[C81, §535.12]
89 Acts, ch 257, §26
Referred to in §524.103

**535.13 Definition.**

As used in this chapter, unless the context otherwise requires, *"agricultural purpose"* means a purpose related to the production, harvest, exhibition, marketing, transportation, processing or manufacture of agricultural products by a person who cultivates, plants, propagates or nurtures the agricultural products. *"Agricultural products"* includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and

manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.

[C81, §535.13; 82 Acts, ch 1153, §7]

Referred to in §535.2, 558.70, 615.1, 615.3, 628.28, 654.20, 655A.9

**535.14 Prompt crediting of payment on loans secured by residential real property.**

A lender is subject to the requirements set forth in section 537.3206, regarding the prompt crediting of payments, with respect to a loan secured by a lien or security interest on owner-occupied residential real property. For purposes of this section, *"residential real property"* means residential real property as defined in section 535B.1.

99 Acts, ch 15, §2

**535.15** Repealed by 99 Acts, ch 73, § 1.

**535.16 Delivery of copies of debt documents.**

A lender or other secured party shall provide to a debtor, at the time a document relating to a debt is signed, a copy of the document signed by the debtor. Receipt of a copy required by this section may be acknowledged anywhere on the document or on a separate acknowledgment of receipt.

A lender or other secured party shall provide to a debtor copies of all documents signed by the debtor relating to the debt at any other time, upon request, for a charge that shall not exceed the reasonable cost of copying the document.

86 Acts, ch 1081, §1; 87 Acts, ch 163, §1; 88 Acts, ch 1023, §1

**535.17 Requirements of credit agreements — statute of frauds — modifications.**

1. A credit agreement is not enforceable in contract law by way of action or defense by any party unless a writing exists which contains all of the material terms of the agreement and is signed by the party against whom enforcement is sought.

2. Unless otherwise expressly agreed in writing, a modification of a credit agreement which occurs after the person asserting the modification has been notified in writing that oral or implied modifications to the credit agreement are unenforceable and should not be relied upon, is not enforceable in contract law by way of action or defense by any party unless a writing exists containing the material terms of the modification and is signed by the party against whom enforcement is sought. This notification can be included among the terms of a credit agreement, can be included on a separate form or together with other disclosures that are provided when the agreement is made, or can be given wholly apart from the agreement and at any time after the agreement has been made. To be effective, the notification and its language must be conspicuous. A person who gives a notification is bound by it to the same extent as the person notified. A notification with respect to any credit agreement is effective with respect to all other credit agreements then in effect between the parties if the notification conspicuously so provides. When a modification is required by this section to be in writing and signed, such requirement cannot be modified except by clear and explicit language in a writing signed by the person against whom the modification is to be enforced.

3. A notification referred to in subsection 2 in the following form in boldface, ten point type, complies with the requirements of this section:

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

4. Notwithstanding subsections 1 and 2, a credit agreement or modification of a credit agreement which is not in writing, but which is valid in other respects, is enforceable if the party against whom enforcement is sought admits in court that the agreement or modification

was made, but no agreement or modification is enforceable under this subsection beyond the terms admitted.

5. For purposes of this section, unless the context otherwise requires:

*a.* *"Action"* includes petition, complaint, counterclaim, cross-claim, or any other pleading or proceeding to enforce affirmatively any right or duty or to recover damages for the nonperformance of any duty.

*b.* *"Contract"* means a promise or set of promises for the breach of which the law would give a remedy or the performance of which the law would recognize a duty, and includes promissory obligations based on instruments and similar documents or on the contract doctrine of promissory estoppel.

*c.* *"Credit agreement"* means any contract made or acquired by a lender to loan money, finance any transaction, or otherwise extend credit for any purpose, and includes all of the terms of the contract. *"Credit agreement"* does not mean a contract to loan money, finance a transaction, or otherwise extend credit by means of or pursuant to a credit card, as defined in section 537.1301, subsection 17, or pursuant to open-end credit, as defined in section 537.1301, subsection 31, or pursuant to a home equity line of credit, as defined in section 535.10 whether the loan, financing, or credit is for consumer or business purposes or a consumer rental purchase agreement as defined in section 537.3604, subsection 8.

*d.* *"Defense"* includes setoff, recoupment, and any basis or means for barring or reducing liability or obligation on any claim.

*e.* *"Lender"* means any person primarily in the business of loaning money, or financing sales, leases, or other provision of property or services.

*f.* *"Modification"* includes change, addition, waiver, recision, and any other variation of any kind whether expressly made or implied by, or inferred from, conduct of any kind.

6. This section shall be interpreted and applied purposively to ensure that contract actions and defenses on credit agreements are supported by clear and certain written proof of the terms of such agreements to protect against fraud and to enhance the clear and predictable understanding of rights and duties under credit agreements.

7. This section entirely displaces principles of common law and equity that would make or recognize exceptions to or otherwise limit or dilute the force and effect of its provisions concerning the enforcement in contract law of credit agreements or modifications of credit agreements. However, this section does not displace any additional or other requirements of contract law, which shall continue to apply, with respect to the making of enforceable contracts, including the requirement of consideration or other basis of validation.

8. This section does not apply to a credit agreement made primarily for a personal, family, or household purpose where the credit extended is twenty thousand dollars or less.

90 Acts, ch 1176, §1

**535.18 Consumer credit terms for service members — enforcement.**

The superintendent of banking and the superintendent of credit unions, as applicable, shall have the authority to enforce the consumer protection provisions of 10 U.S.C. § 987 concerning limitations on terms of consumer credit extended to service members and their dependents.

2010 Acts, ch 1171, §5

# CHAPTER 535A

## MORTGAGE LOANS — RED-LINING

Referred to in §535B.7, 535D.13, 669.14


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**535A.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Financial institution"* means any bank, credit union, insurance company, mortgage banking company or savings and loan association, industrial loan company, or like institution or any other person who makes mortgage loans and which operates or has a place of business in this state. *"Financial institution"* does not include an individual who makes less than five mortgage loans a year.

2. *"Mortgage loan"* means a loan for the purchase, construction, improvement, or rehabilitation of residential property containing or to contain four or fewer family dwelling units in which the property is used as security for the loan.

3. *"Red-lining"* means the practice by which a financial institution may designate certain areas as unsuitable for the making of mortgage loans and reject applications for mortgage loans or vary the terms of a mortgage loan upon property within that area because of the prevailing income, racial, or ethnic characteristics of the area, or because of the age of the structures in the area.

4. *"Vary the terms of a mortgage loan"* includes but is not limited to the following:

*a.* Requiring a greater than average down payment than is usual for the particular type of mortgage loan involved.

*b.* Requiring a shorter period of amortization than is usual for the particular type of mortgage loan involved.

*c.* Charging a higher interest rate or higher loan origination fees than is usual for the particular type of mortgage loan involved.

*d.* An unreasonable underappraisal of real estate or item of property offered as security.

[C79, 81, §535A.1; 81 Acts, ch 174, §4, 5]

85 Acts, ch 238, §1; 2010 Acts, ch 1114, §1

Referred to in §528.2, 535A.2, 535A.6

**535A.2 Discriminatory — real estate mortgages.**

1. It is a discriminatory practice for any financial institution accepting mortgage loan applications to engage in the practice of red-lining as defined in section 535A.1.

2. This section shall be administered and enforced by the following agencies:

*a.* The superintendent of banking or the superintendent's designee in regard to banks, persons licensed under chapter 536A, and mortgage banking companies.

*b.* The commissioner of insurance or the commissioner's designee pursuant to chapter 505 in regard to all insurance companies.

*c.* The superintendent of credit unions or the superintendent's designee in regard to all credit unions.

[C79, 81, §535A.2]

2010 Acts, ch 1114, §2; 2012 Acts, ch 1017, §134

Referred to in §535A.6, 535A.7

**535A.3 Discretion of financial institution.**

Nothing contained in this chapter shall preclude a financial institution from applying economically sound underwriting practices in contemplation of any mortgage loan to any person. Such practices shall include but are not limited to the following:

1. The willingness and the financial ability of the borrower to repay the mortgage loan.
2. The appraised value of any real estate or other item of property proposed as security for any mortgage loan.
3. Diversification of the financial institution's investment portfolio.

[C79, 81, §535A.3]
Referred to in §535A.6

**535A.4 and 535A.5** Repealed by 2010 Acts, ch 1114, § 5.

**535A.6 Action for damages.**

1. Any person who has been aggrieved as a result of a violation of sections 535A.1 through 535A.3, this section, or sections 535A.7 through 535A.9 may bring an action in the district court of the county in which the violation occurred or in the county where the financial institution involved is located.
2. Upon a finding that a financial institution has committed a violation of either section 535A.2 or 535A.9, the court may award actual damages, court costs, and attorney fees.

[C79, 81, §535A.6]
85 Acts, ch 238, §2; 2010 Acts, ch 1114, §3; 2011 Acts, ch 25, §66
Referred to in §535A.8

**535A.7 Criminal penalty.**

Any person who knowingly engages in a practice which violates the provisions of section 535A.2 or 535A.9 is guilty of a serious misdemeanor.

[C79, 81, §535A.7]
85 Acts, ch 238, §3; 2010 Acts, ch 1114, §4
Referred to in §535A.6

**535A.8 Civil penalty.**

Any person who in bad faith fails to comply with the provisions of this chapter is subject to punitive damages not to exceed one thousand dollars in addition to actual damages as set forth in section 535A.6.

[C79, 81, §535A.8]
Referred to in §535A.6

**535A.9 Tying arrangements prohibited.**

1. A financial institution which makes or offers to make real estate mortgage loans shall not:

*a.* Grant or offer to grant a loan on the prior condition, that the borrower is required to contract with any specific person or organization for either of the following:

(1) Services of a real estate agent or broker.
(2) Insurance services as an agent, broker, or underwriter.

*b.* Use confidential credit status information that is used for qualifying a person for the purchase of real property for solicitation purposes either directly or indirectly by an affiliate subsidiary.

*c.* Attempt or permit a real estate or insurance subsidiary to attempt to create the impression in its advertising or in any communication that the customers of the subsidiary shall have priority access to the funds of the financial institution or are entitled to preferential interest rates or other terms.

2. This section does not apply to the Iowa finance authority or a program operated pursuant to chapter 16.

85 Acts, ch 238, §4; 85 Acts, ch 252, §56
Referred to in §535A.6, 535A.7

**535A.10 and 535A.11** Reserved.

**535A.12** Repealed by 88 Acts, ch 1145, § 6.

# CHAPTER 535B

## MORTGAGE BANKERS, MORTGAGE BROKERS, AND CLOSING AGENTS

Referred to in §16.92, 524.211, 524.606, 533A.2, 535C.2, 535D.3, 535D.14, 536.12, 536A.23, 546.3, 669.14, 714E.1


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**535B.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Administrator"* means the superintendent of the division of banking of the department of commerce.

2. *"Closing agent"* means a person who is not a party to the real estate transaction, who provides real estate closing services.

3. *"Licensee"* means a person licensed under this chapter; however, any natural person who is acting solely as an employee or agent of a mortgage banker, mortgage broker, or closing agent licensed under this chapter need not be separately licensed under this chapter.

4. *"Mortgage banker"* means a person who does one or more of the following:

*a.* Makes at least four mortgage loans on residential real property located in this state in a calendar year.

*b.* Originates at least four mortgage loans on residential real property located in this state in a calendar year and sells four or more such loans in the secondary market.

*c.* Services at least four mortgage loans on residential real property located in this state. However, a natural person, who services less than fifteen mortgage loans on residential real estate within the state and who does not sell or transfer mortgage loans, is exempt from this paragraph if that person is otherwise exempt from the provisions of this chapter.

5. *"Mortgage broker"* means a person who arranges or negotiates, or attempts to arrange or negotiate, at least four mortgage loans or commitments for four or more such loans on residential real property located in this state in a calendar year.

6. *"Mortgage loan"* means a loan of money secured by a lien on residential real property and includes a refinancing of a contract of sale, an assumption of a prior mortgage loan, and a refinancing of a prior mortgage loan.

7. *"Party to the real estate transaction"* means, with respect to a particular real estate transaction, a lender, seller, purchaser, or borrower.

8. *"Person"* means a natural person, an association, joint venture or joint stock company, partnership, limited partnership, business corporation, nonprofit corporation, or any other group of individuals however organized.

9. *"Natural person"* means an individual who is not an association, joint venture or joint stock company, partnership, limited partnership, business corporation, nonprofit corporation, other business entity, or any other group of individuals or business entities, however organized.

10. *"Registrant"* means a person registered under section 535B.3.

11. *"Real estate closing services"* means the administrative and clerical services required to carry out the conveyance or transfer of real estate or an interest in real estate located in this state to a purchaser or lender. *"Real estate closing services"* includes but is not limited to preparing settlement statements, determining that all closing documents conform to the parties' contract requirements, ascertaining that the lender's instructions have been satisfied, conducting a closing conference, receiving and disbursing funds, and completing form documents and instruments selected by and in accordance with instructions of the parties to the transaction. *"Real estate closing services"* does not include performing solely notarial acts as provided in chapter 9B.

12. *"Residential real estate"* means the same as defined in section 535D.3.

13. *"Residential real property"* means real property, which is an owner-occupied single-family or two-family dwelling, located in this state, occupied or used or intended to be occupied or used for residential purposes, including an interest in any real property covered under chapter 499B.

14. *"Trust account"* means a checking account with a federally insured bank, savings and loan association, credit union, or savings bank, which is used exclusively for the deposit of funds transferred electronically or otherwise, cash, money orders, or negotiable instruments that are received by a closing agent to effect a real estate closing.

88 Acts, ch 1146, §1; 89 Acts, ch 133, §1 – 3; 91 Acts, ch 65, §1; 2005 Acts, ch 83, §1 – 3, 10; 2006 Acts, ch 1042, §12 – 14; 2009 Acts, ch 61, §26, 27, 39; 2010 Acts, ch 1111, §1, 13; 2011 Acts, ch 34, §130; 2012 Acts, ch 1050, §45, 60; 2013 Acts, ch 30, §132

Referred to in §535.14

Subsection 11 amended

**535B.2 Exemptions.**

This chapter, except for sections 535B.3, 535B.11, 535B.12, and 535B.13, does not apply to any of the following:

1. A bank, bank holding company, savings bank, savings and loan association, or credit union organized under the laws of this state, another state, or the United States, or a subsidiary owned or controlled by such a bank, bank holding company, savings bank, savings and loan association, or credit union.

2. A loan company licensed under chapter 536 or 536A, except when acting as a closing agent.

3. An insurance company or a subsidiary or affiliate of an insurance company organized under the laws of this state, another state, or the United States, and subject to regulation by the commissioner of insurance.

4. Mortgage lenders or mortgage bankers maintaining an office in this state whose principal business in this state is conducted with or through mortgage lenders or mortgage bankers otherwise exempt under this section and which maintain a place of business in this state.

5. An individual who is employed by a person otherwise exempt under this section, or who, by contract, operates exclusively on behalf of a person otherwise exempt under this section to the extent that the individual is acting within the scope of the individual's employment or exclusive contract with the exempt person and is acting within the scope of the exempt person's charter, license, authority, approval, or certificate.

6. A real estate broker licensed under chapter 543B while engaged in practice as a real estate broker.

7. A nonprofit organization qualifying for tax-exempt status under the Internal Revenue Code as defined in section 422.3 which offers housing services to low and moderate income families.

8. An attorney licensed to practice law in this state or the attorney's employees or agents acting under the attorney's direction, in a transaction where the conduct of the attorney is regulated by the Iowa supreme court in its capacity as disciplinary authority over attorneys.

9. An officer or employee of the federal government, any state government, or a political subdivision of the state acting in an official capacity.

10. A qualified intermediary or an exchange accommodation titleholder facilitating an exchange under section 1031 of the Internal Revenue Code whose role in the transaction is limited to acting in such a capacity.

88 Acts, ch 1146, §2; 89 Acts, ch 83, §76; 89 Acts, ch 133, §4, 5; 96 Acts, ch 1056, §21; 2005 Acts, ch 83, §4, 10; 2008 Acts, ch 1160, §15; 2010 Acts, ch 1111, §2, 13

Referred to in §535B.2A, 535B.3, 558.70

**535B.2A Closing agents affiliated with attorneys.**

1. A closing agent affiliated with an attorney is not exempt from licensure under this chapter if the closing agent engages in transactions not exempt under section 535B.2, subsection 8.

2. Licensure under, and compliance with the provisions of, this chapter shall not exempt any attorney from discipline by the Iowa supreme court in its capacity as regulatory authority over attorneys licensed to practice in this state, nor from discipline by the regulatory authorities over attorneys licensed in other jurisdictions.

3. If a complaint is filed with the administrator against a closing agent affiliated with an attorney licensed to practice in this state, the administrator shall promptly give notice of the complaint to the Iowa supreme court or its designee, and cooperate in any disciplinary investigation which the court initiates against the attorney. On request of the court, the administrator shall stay any pending disciplinary action to the extent that the court determines necessary to avoid prejudice to a disciplinary action against the attorney.

2010 Acts, ch 1111, §3, 13

**535B.3 Registration.**

1. A person exempt under section 535B.2, subsection 4 or 7, shall register with the administrator.

2. A registrant shall submit to the administrator a registration statement on forms provided by the administrator. The forms shall include all addresses at which business is to be conducted, the names and titles of each director and principal officer of the business, and a description of the activities of the applicant in such detail as the administrator may require.

3. The registrant, except a nonprofit organization exempt under section 535B.2, subsection 7, shall pay an annual registration fee of one hundred dollars.

4. A registration under this chapter is not assignable.

88 Acts, ch 1146, §3; 89 Acts, ch 133, §6; 96 Acts, ch 1056, §22; 2005 Acts, ch 83, §5, 10; 2008 Acts, ch 1160, §16

Referred to in §535B.1, 535B.2

**535B.4 General licensing requirements.**

1. A person shall not act as a mortgage banker, mortgage broker, or closing agent in this state or use the title "mortgage banker" or "mortgage broker" without first obtaining a license from the administrator.

2. *a.* License applicants shall submit to the administrator an application on forms provided by the administrator. The forms shall include, at a minimum, all addresses at which business is to be conducted, the names and titles of each director and principal officers of the business, and a description of the activities of the applicant in such detail as the administrator may require.

*b.* The administrator may require applicants and licensees to be licensed through the nationwide mortgage licensing system and registry as defined in section 535D.3, and may participate in the nationwide mortgage licensing system and registry if this requirement is implemented. In the event the requirement is implemented, the administrator may establish by rule or order new requirements as necessary and appropriate, including but not limited to requirements that applicants, and officers, directors, and others in a position of authority in relation to the applicant, submit to fingerprinting and criminal history checks, and pay associated fees relating thereto.

3. The applicant shall also submit a recently prepared certified financial statement.

4. The applicant for an initial license shall submit a fee in the amount of five hundred dollars.

5. Licenses granted under this chapter are not assignable.

6. Licenses granted under this chapter expire on the next December 31 after their issuance.

7. Applications for renewals of licenses under this chapter must be filed with the administrator before December 1 of the year of expiration on forms prescribed by the administrator. A renewal application must be accompanied by a fee of two hundred dollars for a license to transact business solely as a mortgage broker, four hundred dollars for a license to transact business as a mortgage banker, and two hundred dollars for a license to transact business as a closing agent. The administrator may assess a late fee of ten dollars per day for applications or registrations accepted for processing after December 1.

8. A mortgage banker or mortgage broker licensee shall not conduct business under any other name than that given in the license. A fictitious name may be used, but a mortgage banker or mortgage broker licensee shall conduct business only under one name at a time. However, the administrator may issue more than one license to the same person to conduct business under different names at the same time upon compliance for each such additional mortgage banker or mortgage broker license with all of the provisions of this chapter governing an original issuance of a license.

9. A licensee may not establish branch locations outside of the United States.

10. In addition to the application and renewal fees provided for in subsections 4 and 7, the administrator may assess application and renewal fees for each branch location of the licensee, sponsor fees, and change of sponsor fees.

88 Acts, ch 1146, §4; 89 Acts, ch 133, §7; 2006 Acts, ch 1042, §15, 16; 2007 Acts, ch 22, §95; 2008 Acts, ch 1160, §17, 18; 2009 Acts, ch 61, §28, 39; 2010 Acts, ch 1111, §4, 13; 2011 Acts, ch 102, §6

**535B.4A Individual registration requirements — fees.** Repealed by 2009 Acts, ch 61, § 37, 39. See chapter 535D.

**535B.5 Granting and denial of license.**

1. Upon the filing of an application for a license, if the administrator finds that the financial responsibility, character, and general fitness of the applicant and of the members thereof if the applicant is a partnership, association, or other organization and of the officers, directors, and principal employees if the applicant is a corporation, are such as to warrant belief that the business will be operated honestly, soundly, and efficiently in the public interest consistent with the purposes of this chapter, the administrator shall issue the applicant a license as a mortgage broker, mortgage banker, or closing agent. The administrator shall approve or deny an application for a license within ninety days after the filing of the application for a license.

2. If the administrator does not so find, the license shall not be issued, and the administrator shall notify the applicant in writing of the denial and the reasons for the denial.

88 Acts, ch 1146, §5; 2010 Acts, ch 1111, §5, 13

**535B.6 Licensing of certain corporations.**

1. An applicant that is incorporated under the laws of another state in the United States must be authorized to do business in this state. Such a corporation shall file with the license application both of the following:

*a.* An irrevocable consent, duly acknowledged, that suits and actions may be commenced against that licensee in the courts of this state by service of process in the usual manner provided for by the statutes and court rules of this state.

*b.* Proof of authorization to do business in this state.

2. Businesses that are incorporated outside of the United States are not eligible for a license.

88 Acts, ch 1146, §6; 2011 Acts, ch 102, §7

**535B.6A Change of name — change of control — notice and approval required.**

1. A licensee shall submit a notice of name change and a twenty-five dollar fee for each license to the administrator thirty days prior to changing the name of the licensee.

2. The prior written approval is required whenever a change in control of a licensee or registrant is proposed. For purposes of this section, *"control"* means as defined in section 524.103. The administrator may require the licensee to provide any information deemed necessary by the administrator to determine whether a new application is required. At the time of requesting the approval, the licensee or registrant requesting the change of control shall pay to the administrator a fee of one hundred dollars.

2006 Acts, ch 1042, §18

**535B.7 Disciplinary action.**

1. The administrator may, pursuant to chapter 17A, take disciplinary action against a licensee if the administrator finds any of the following:

*a.* The licensee has violated a provision of this chapter or a rule adopted under this chapter or any other state or federal law applicable to the conduct of its business including but not limited to chapters 535 and 535A.

*b.* A fact or condition exists which, if it had existed at the time of the original application for the license, would have warranted the administrator to refuse originally to issue the license.

*c.* The licensee is found upon investigation to be insolvent, in which case the license shall be revoked immediately.

*d.* The licensee has violated an order of the administrator.

2. The administrator may impose one or more of the following disciplinary actions against a licensee:

*a.* Revoke a license.

*b.* Suspend a license until further order of the administrator or for a specified period of time.

*c.* Impose a period of probation under specified conditions.

*d.* Impose civil penalties in an amount not to exceed five thousand dollars for each violation.

*e.* Issue a citation and warning respecting licensee behavior.

*f.* Order the licensee to pay restitution.

3. The administrator may order an emergency suspension of a licensee's license pursuant to section 17A.18A. A written order containing the facts or conduct which warrants the emergency action shall be timely sent to the licensee by restricted certified mail. Upon issuance of the suspension order, the licensee must also be notified of the right to an evidentiary hearing. A suspension proceeding shall be promptly instituted and determined.

4. Except as provided in this section, a license shall not be revoked or suspended except after notice and a hearing thereon in accordance with chapter 17A.

5. A licensee may surrender a license by delivering to the administrator written notice of surrender, but a surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender.

6. A revocation, suspension, or surrender of a license does not impair or affect the obligation of a preexisting lawful contract between the licensee and any person, including a mortgagor.

88 Acts, ch 1146, §7; 98 Acts, ch 1202, §42, 46; 2006 Acts, ch 1042, §19; 2008 Acts, ch 1160, §20; 2009 Acts, ch 61, §29, 39

**535B.7A Prohibited acts.**

It is a violation of this chapter for a licensee to engage in any of the prohibited acts or practices in section 535D.17.

2009 Acts, ch 61, §30, 39; 2009 Acts, ch 179, §43

**535B.8 Operating without a license.**

A person who, without first obtaining a license under this chapter, engages in the business or occupation of, or advertises or holds the person out as, or claims to be, or temporarily acts

as, a mortgage banker, mortgage broker, or closing agent in this state is guilty of a class "D" felony and may be prosecuted by the attorney general or a county attorney.

88 Acts, ch 1146, §8; 2008 Acts, ch 1160, §21; 2009 Acts, ch 61, §31, 39; 2010 Acts, ch 1111, §6, 13

**535B.9 Bonds required of license applicants.**

1. An applicant for a license shall file with the administrator a bond furnished by a surety company authorized to do business in this state, together with evidence of whether the applicant is seeking to transact business as a mortgage broker, mortgage banker, or closing agent. Until such time as the superintendent pursuant to administrative rule determines a bond amount that reflects the dollar value of loans originated, the bond shall be in the amount of one hundred thousand dollars for applicants seeking to transact business as a mortgage broker or mortgage banker. For applicants seeking to transact business as a closing agent, the bond shall be in the amount of twenty-five thousand dollars, unless the administrator by rule establishes a higher bond amount. The bond shall be continuous in nature until canceled by the surety with not less than thirty days' notice in writing to the mortgage broker, mortgage banker, or closing agent and to the administrator indicating the surety's intention to cancel the bond on a specific date.

2. For applicants seeking to transact business as a mortgage broker or mortgage banker, the bond shall be for the use of the state and any persons who may have causes of action against the applicant. The bond shall be conditioned upon the applicant's faithfully conforming to and abiding by this chapter and any rules adopted under this chapter and shall require that the surety pay to the state and to any persons all moneys that become due or owing to the state and to the persons from the applicant by virtue of this chapter.

3. For applicants seeking to transact business as a closing agent, the bond shall be conditioned upon the applicant's faithfully conforming to and abiding by this chapter and any rules adopted under this chapter and shall require that the surety pay to the state all moneys that become due or owing to the state from the applicant by virtue of this chapter.

4. In lieu of filing a bond, the applicant may pledge an alternative form of collateral acceptable to the administrator, if the alternative collateral provides protection to the state and any aggrieved person that is equivalent to that provided by a bond.

5. A licensee may not act as a closing agent unless the bond requirements in this section are in place at the time of a real estate closing.

88 Acts, ch 1146, §9; 89 Acts, ch 133, §8; 2005 Acts, ch 83, §7, 10; 2006 Acts, ch 1042, §20; 2008 Acts, ch 1160, §22; 2009 Acts, ch 61, §32, 39; 2010 Acts, ch 1111, §7, 13

**535B.9A Continuing education requirements.** Repealed by 2009 Acts, ch 61, § 38, 39.

**535B.10 Investigations and examinations.**

1. Within one hundred twenty days after the end of a mortgage banker licensee's fiscal year, the mortgage banker licensee shall file financial statements which are audited by an independent certified public accounting firm.

2. For the purposes of discovering violations of this chapter or any related rules or for securing information lawfully required under this chapter, the administrator may at any time and as often as the administrator deems necessary, but in no event less frequently than once during each two-year period, investigate the business and examine the books, accounts, records, and files used by a licensee.

3. In conducting any examination under this section, the administrator may rely on current reports made by the licensee which have been prepared for the following federal agencies or federally related entities:

*a.* United States department of housing and urban development.

*b.* Federal housing administration.

*c.* Federal national mortgage association.

*d.* Government national mortgage association.

*e.* Federal home loan mortgage corporation.

*f.* United States department of veterans affairs.

4. With respect to mortgage lenders or mortgage bankers who are specifically exempted from this chapter but are subject to sections 535B.11, 535B.12, and 535B.13, the powers of examination and investigation concerning compliance with sections 535B.11, 535B.12, and 535B.13 shall be exercised by the official or agency to whose supervision the exempted person is subject. If the administrator receives a complaint or other information concerning noncompliance with this chapter by an exempted person, the administrator shall inform the official or agency having supervisory authority over that person.

5. *a.* The licensee shall pay the cost of the examination or investigation as determined by the administrator based on the actual cost of the operation of the finance bureau of the banking division of the department of commerce, including the proportionate share of administrative expenses in the operation of the banking division attributable to the finance bureau as determined by the administrator, incurred in the discharge of duties imposed upon the administrator by this chapter.

*b.* The total charge for an examination or investigation shall be paid by the licensee to the administrator within thirty days after the administrator has requested payment. Failure to pay the charge within thirty days shall subject the licensee to a late fee of up to five percent of the amount of the examination or investigation charge for each day the payment is delinquent.

6. *a.* All papers, documents, examination reports, and other writings relating to the supervision of licensees and registrants shall be kept confidential except as provided in this subsection, notwithstanding chapter 22.

*b.* The administrator may furnish information relating to the supervision of licensees and registrants to the federal agencies or federally related entities listed in subsection 3, the federal deposit insurance corporation, the federal reserve system, the office of the comptroller of the currency, the office of thrift supervision, the national credit union administration, the federal home loan bank, a financial institution regulatory authority of any other state, a professional licensing authority of this state or any other state, or a law enforcement agency, or to any official or supervising examiner of such regulatory authorities.

*c.* The administrator may release summary complaint information regarding a particular licensee so long as the information does not specifically identify the complainant.

*d.* The administrator may prepare and circulate reports reflecting financial information and examination results for all licensees on an aggregate basis, including other information considered pertinent to the purpose of each report for general statistical information.

*e.* The administrator may prepare and circulate reports provided by law.

*f.* The administrator may release the reports and correspondence in the course of an enforcement proceeding or a hearing held by the administrator.

*g.* The administrator may also provide this information to the attorney general for purposes of enforcing this chapter or the consumer fraud Act, section 714.16.

*h.* The administrator may furnish information to the title guaranty division of the Iowa finance authority relating to supervision of closing agent licensees whose activities relate to the issuance of title guaranty certificates issued by the title guaranty division. The title guaranty division may use this information to satisfy its reinsurance requirements and may provide the information to its reinsurer to the extent necessary to satisfy reinsurer requirements provided the reinsurer agrees to maintain the confidentiality of the information. The title guaranty division shall maintain the confidentiality of the information provided pursuant to this paragraph in all other respects.

88 Acts, ch 1146, §10; 2005 Acts, ch 3, §89; 2006 Acts, ch 1042, §21; 2008 Acts, ch 1160, §23, 24; 2009 Acts, ch 26, §16; 2009 Acts, ch 61, §33, 39; 2012 Acts, ch 1017, §25; 2013 Acts, ch 90, §164

Subsection 6, paragraph h amended

**535B.11 Servicing mortgages and payoffs.**

A licensee or other mortgagee who services mortgages on residential real estate located in this state shall do all of the following:

1. Disburse required funds paid by the mortgagor and held in escrow for the payment of real estate taxes and insurance payments no later than their final due date.

2. Pay penalties incurred by the mortgagor due to the licensee's or mortgagee's failure to

meet the due dates referred to in subsection 1 unless the licensee or mortgagee can show that the failure was due solely to the fact that the mortgagor received a statement of the amount due more than fifteen days before the due date and has failed to remit it to the licensee or mortgagee.

3. *a.* Perform a complete escrow analysis yearly. A clear and legible copy of the yearly analysis shall be promptly mailed to the mortgagor. If there is a change in the payment amount, the analysis shall be mailed at least twenty days before the effective date of the change. The summary shall contain all of the following information:

(1) The name and address of the mortgagee.

(2) The name and address of the mortgagor.

(3) A summary of escrow account activity during the year which includes all of the following:

(a) The balance of the escrow account at the beginning of the year.

(b) The aggregate amount of deposits to the escrow account during the year.

(c) The aggregate amount of withdrawals from the escrow account for each of the following categories:

(i) Payments against loan principal.

(ii) Payments against interest.

(iii) Payments against real estate taxes.

(iv) Payments for real property insurance premiums.

(v) All other withdrawals.

(d) A summary of loan principal for the year as follows:

(i) The amount of principal outstanding at the beginning of the year.

(ii) The aggregate amount of payments against principal during the year.

(iii) The amount of principal outstanding at the end of the year.

*b.* Compliance with sections 524.905, 533.315, and 536A.20 shall constitute compliance with this subsection.

4. Answer in writing, within ten business days of receipt, any written request for payoff information received from a mortgagor or the mortgagor's designated representative.

5. Execute and deliver a release after payoff and within forty-five days after receipt of correct payment. If the licensee or mortgagee fails to execute and deliver a release of lien to the mortgagor or the mortgagor's designated representative, the mortgagor or the mortgagor's designated representative may notify in writing the administrator and any other official to whom the mortgagee is primarily subject. The administrator shall promptly mail by certified mail to the licensee or mortgagee a notice stating that the licensee or mortgagee must both release the mortgage and deliver the release to the administrator within fifteen days of receipt of said notice or face a penalty as provided in this section. If the licensee or mortgagee fails to make the release and deliver it to the administrator, the administrator may assess a penalty not to exceed fifty dollars for each day of delinquency after the fifteen days. The administrator may waive the penalty if the administrator finds the failure was not intentional and resulted from bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid error.

6. If a person in connection with a mortgage loan has possession of an abstract of title and fails to deliver the abstract to the borrower within twenty calendar days of the borrower's request made by certified mail return receipt requested in connection with a proposed sale of the property, then the borrower may authorize the preparation of a new abstract of title to the property and the person failing to deliver the original abstract shall pay to the borrower the reasonable costs of preparation. If the borrower brings an action against the person failing to deliver to recover the payment and in the action recovers the payment, then the borrower shall also be entitled to recover attorney fees and court costs incurred in the action.

7. When the servicing of a mortgage loan is transferred, sold, purchased, or accepted by a licensee or registrant, the licensee or registrant who is transferring or selling the servicing shall issue to the mortgagor, within fifteen calendar days prior to the effective date of the transfer, a notice which shall include at a minimum:

*a.* The name and address of the licensee or registrant transferring or selling the servicing.

*b.* The name and address of the licensee or registrant accepting or purchasing the servicing.

*c.* The effective date of the transfer.

*d.* A statement concerning the effect of the transfer on the terms and conditions of the mortgage.

*e.* The address where payments are to be submitted for at least the next three months.

*f.* The name and address of the licensee or registrant to whom questions related to the mortgage may be addressed.

88 Acts, ch 1146, §11; 89 Acts, ch 133, §9; 2006 Acts, ch 1042, §22, 23; 2007 Acts, ch 174, §94; 2012 Acts, ch 1017, §135

Referred to in §535B.2, 535B.10

**535B.12 Payment processing.**

A licensee or other mortgagee shall not assess a late charge if full payment is received before the date late charges are authorized in the mortgage documents and shall post all periodic payments in full within two business days of receipt.

88 Acts, ch 1146, §12

Referred to in §535B.2, 535B.10

**535B.13 Civil enforcement authority.**

1. If the administrator believes that a person has engaged in, or is about to engage in, an act or practice that constitutes or will constitute a violation of this chapter, the administrator may apply to the district court for an order enjoining such act or practice. Upon showing by the administrator that such person has engaged, or is about to engage, in any such act or practice, the district court shall grant an injunction.

2. The administrator may investigate or initiate a complaint against a person who is not licensed under this chapter to determine whether the person is violating this chapter.

3. In addition to or as an alternative to applying to the district court for an injunction, the administrator may issue an order to a person who is not licensed under this chapter to require compliance with this chapter, including to cease and desist from conducting business or from any harmful activities or violations of law or regulation; may impose a civil penalty against such person for any violation of this chapter in an amount up to five thousand dollars for each violation; may order the person to pay restitution; and may order the person to pay the costs for the investigation and prosecution of the enforcement action including attorney fees.

4. Before issuing an order under subsection 3, the administrator shall provide the person written notice and the opportunity to request a hearing. The hearing must be requested within thirty days after receipt of the notice and shall be conducted in the same manner as provided for in disciplinary proceedings involving a licensee under this chapter.

5. A person aggrieved by the imposition of a civil penalty under subsection 3 may seek judicial review pursuant to section 17A.19.

6. An action to enforce an order under this section may be joined with an action for an injunction.

7. This chapter does not limit the power of the attorney general to determine that any other practice is unlawful under the Iowa consumer fraud Act contained in section 714.16, and to file an action under that section.

88 Acts, ch 1146, §13; 91 Acts, ch 65, §2; 2010 Acts, ch 1111, §8, 13

Referred to in §535B.2, 535B.10

**535B.14 Administrative authority.**

The administrator shall have broad administrative authority to administer, interpret, and enforce this chapter and to promulgate rules implementing this chapter, including rules providing the grounds for denial of a license based on information received as a result of a background check, character and fitness grounds, and any other grounds for which a licensee may be disciplined.

88 Acts, ch 1146, §14; 2007 Acts, ch 170, §5; 2009 Acts, ch 61, §34, 39; 2010 Acts, ch 1111, §9, 13

**535B.15 Liability of state.**

An act or omission by the state pursuant to this chapter including, but not limited to, an examination, inspection, audit, or other financial oversight responsibility shall not subject the state to liability.

88 Acts, ch 1146, §15

**535B.16 Notice to administrator.**

A licensee or registrant maintaining an office in the state shall notify the administrator in writing at least thirty days before closing or otherwise ceasing operations at any office in the state.

89 Acts, ch 133, §10

**535B.17 Powers and duties of the administrator — waiver authority.** Repealed by 2010 Acts, ch 1111, §12, 13. See § 535B.4.

**535B.18 Mortgage call reports.**

Each licensee shall submit to the nationwide mortgage licensing system and registry, as defined in section 535D.3, reports of condition, which shall be in such form and shall contain such information as the nationwide mortgage licensing system and registry may require.

2009 Acts, ch 61, §36, 39

**535B.19 Trust account requirements for closing agents.**

A licensee acting as a closing agent shall comply with all of the following:

1. All moneys received for disbursement during a real estate closing shall be deposited in a trust account and, when deposited, the moneys shall be designated as trust funds or trust accounts or under some other appropriate name indicating that the moneys are not the moneys of the licensee.

2. All trust account moneys shall be deposited in a financial institution that is insured by the federal deposit insurance corporation or national credit union share insurance fund unless the transaction does not involve residential real estate and another financial institution has been designated in writing in the escrow instructions.

3. If the trust account earns interest and the interest earned is retained by any party other than the party to the real estate transaction who is the owner of the funds, the licensee shall disclose this fact in writing to the parties to the transaction.

4. A licensee shall enter into a written agreement to pay interest to a party to a transaction, or to a third party if requested by the parties to a transaction, if the client's trust funds can earn net interest. In determining whether a client can earn net interest on funds placed in trust, the licensee shall take into consideration all relevant factors including the following:

*a.* The amount of interest that the funds would earn during the period in which they are reasonably expected to be deposited.

*b.* The cost of establishing and administering an individual interest-bearing trust account in which the interest would be transmitted to the client, including any needed tax forms.

*c.* The capability of the financial institution to calculate and pay interest to individual clients through subaccounting or otherwise.

5. The licensee shall notify the administrator of the name of each financial institution in which a trust account is maintained and the name of the account on forms acceptable to the administrator. A licensee may maintain more than one trust account provided it advises the administrator of the multiple accounts.

6. A licensee shall only deposit trust funds in a trust account and shall not commingle the licensee's personal funds or other funds in the trust account with the exception that a licensee may deposit and keep a sum not to exceed one thousand dollars in the trust account from the licensee's personal funds, which sum shall be specifically identified and deposited to cover bank service charges relating to the trust account or to advance funds to pay incidental fees as permitted in section 535B.20, subsection 2.

7. Moneys deposited in a trust account are not subject to execution or attachment or to any claim against the licensee.

8. A licensee shall not knowingly keep or cause to be kept any money in any bank, credit union, or other financial institution under any name designating the moneys as belonging to a client of the licensee, unless the money was actually entrusted to the licensee for deposit in trust.

2010 Acts, ch 1111, §10, 13

**535B.20 Disbursing from a trust account.**

A licensee acting as a closing agent shall not make, in a real estate closing, a disbursement from a trust account on behalf of another person, unless the following conditions are met:

1. The cash, funds, money orders, checks, or negotiable instruments necessary for the disbursement have been transferred electronically to or deposited into the trust account of the closing agent and are available for withdrawal and disbursement, or have been physically received by the agent prior to disbursement and are intended for deposit no later than the next banking day after the date of disbursement.

2. Nothing in this section prohibits a closing agent licensee from advancing funds not exceeding one thousand dollars from a trust account or otherwise on behalf of a party to a real estate closing for the purpose of paying incidental fees, such as conveyance and recording fees, in order to effect and close the sale, purchase, exchange, transfer, encumbrance, or lease of residential real property that is the subject of the real estate closing.

2010 Acts, ch 1111, §11, 13

Referred to in §535B.19

# CHAPTER 535C

## LOAN BROKERS

Referred to in §669.14


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**535C.1 Title.**

This chapter may be cited as the *"Iowa Loan Brokers Act"*.

83 Acts, ch 146, §1

Referred to in §714.16

**535C.2 Definitions.**

1. *"Advance fee"* means consideration of any type including a payment, fee, pay-per-call charge, or deposit, which is assessed or collected prior to the closing of a loan or the issuing of a credit card.

2. *"Borrower"* means a person who seeks the services of a loan broker.

3. *"Loan"* means an agreement to advance property, including but not limited to money, in return for the promise that payment will be made for the use of the property.

4. *"Loan broker"* or *"broker"* means a person who promises to obtain a loan or credit card or assist in obtaining a loan for another from a third person, or who promises to consider making a loan or offering to issue a credit card to a person. A loan broker does not include any of the following:

*a.* An attorney licensed to practice in this state while engaged in the practice of law.

*b.* A certified public accountant licensed to practice in this state while engaged in practice as a certified public accountant.

*c.* An accounting practitioner, while engaged as an accounting practitioner, who procures loans as an incidental part of the accountant's practice.

*d.* A governmental body or employee acting in an official capacity.

*e.* A financial institution, to the extent the institution's activities or arrangements are expressly approved or regulated by a regulatory body or officer acting under authority of the United States.

*f.* An insurance company subject to regulation by the commissioner of insurance.

*g.* A bank incorporated under chapter 524.

*h.* A credit union incorporated under chapter 533.

*i.* A mortgage broker or mortgage banker licensed or registered under chapter 535B.

*j.* A regulated loan company licensed under chapter 536.

*k.* An industrial loan company licensed under chapter 536A.

5. *"Loan brokerage agreement"* or *"agreement"* means an agreement between a loan broker and a borrower in which the loan broker promises to do any of the following:

*a.* Obtain a loan or credit card for a borrower.

*b.* Assist the borrower in obtaining a loan or credit card.

*c.* Consider making a loan or issuing a credit card to the borrower.

6. *"Records"* means books, papers, documents, accounts, agreements, memoranda, electronic records of accounts, or correspondence relating to a matter regulated under this chapter.

7. *"Successful procurement of a loan"* means the receipt by a borrower of the loan proceeds.

83 Acts, ch 146, §2; 91 Acts, ch 205, §19; 93 Acts, ch 60, §13, 14; 2012 Acts, ch 1017, §136
Referred to in §714.16

**535C.2A Prohibition on advance fees.**

A loan broker shall not directly or indirectly solicit, receive, or accept from a borrower an advance fee as consideration for providing services as a loan broker. A loan broker's fee may only be assessed or collected from a borrower after the successful procurement of a loan or issuance of a credit card.

93 Acts, ch 60, §15
Referred to in §714.16

**535C.3 through 535C.5** Repealed by 93 Acts, ch 60, § 27.

**535C.6 Penalty.**

A loan broker who violates a provision of this chapter is guilty of a serious misdemeanor.

83 Acts, ch 146, §6; 93 Acts, ch 60, §16
Referred to in §714.16

**535C.7 Written agreements required.**

A loan brokerage agreement shall be in writing, contain a description of the services that the broker agrees to perform for the borrower, and the conditions under which the borrower is obligated to pay the broker. The agreement shall be signed by the broker and the borrower. The broker shall give the borrower a copy of the agreement when the borrower signs the agreement.

83 Acts, ch 146, §7; 91 Acts, ch 205, §22
Referred to in §714.16

**535C.8 Waiver of rights.**

A waiver of this chapter by a borrower prior to or at the time of entering into a loan brokerage agreement is contrary to public policy and is void. An attempt by a loan broker to have a borrower waive any rights given in this chapter is a violation of this chapter.

83 Acts, ch 146, §8
Referred to in §714.16

**535C.9 Rules.**

The attorney general may adopt rules according to chapter 17A as necessary or appropriate to implement the purposes of this chapter.

83 Acts, ch 146, §9; 93 Acts, ch 60, §17

Referred to in §714.16

**535C.10 Remedies.**

1. If a broker materially violates the loan brokerage agreement, the borrower may, upon written notice, void the agreement. In addition, the borrower may recover all moneys paid the broker, a penalty of twice the amount of the fee sought by the broker, other damages, and reasonable attorney fees. A material violation includes but is not limited to any of the following:

*a.* Making false or misleading statements relative to the agreement.

*b.* Failure to comply with the agreement or the obligations arising from the agreement.

*c.* Failure to either grant the borrower a loan or issue a credit card or diligently attempt to obtain a loan or credit card for the borrower.

*d.* Failure to comply with the requirements of this chapter.

*e.* Soliciting or obtaining, directly or indirectly, an advance fee.

2. A violation of this chapter is a violation of the Iowa consumer fraud Act, section 714.16.

3. Remedies under this chapter are in addition to other remedies available in law or equity.

83 Acts, ch 146, §10; 93 Acts, ch 60, §18

Referred to in §714.16

**535C.11 Applicability.**

This chapter does not apply to activities or arrangements expressly approved or regulated by the department of commerce.

83 Acts, ch 146, §11; 91 Acts, ch 205, §23; 93 Acts, ch 60, §19

**535C.11A Exemption — burden of proof.**

In a civil proceeding pursuant to this chapter, a person claiming to be excluded from the definition of "loan broker" or "broker" has the burden of proof in substantiating the claim.

93 Acts, ch 60, §20

**535C.12 Records.**

1. A loan broker shall maintain accurate records relating to transactions regulated under this chapter. The records shall include all of the following:

*a.* The accounts of the broker.

*b.* A copy of each contract in which the broker is a party, including loan brokerage agreements.

*c.* The amount of receipts received by the broker and the date the receipts were received.

2. The broker shall retain each loan brokerage agreement entered into by the broker and records pertaining to each agreement for at least two years after the agreement expires.

91 Acts, ch 205, §24; 93 Acts, ch 60, §21

**535C.13** Repealed by 93 Acts, ch 60, § 27.

**535C.14 Misrepresentation of governmental approval.**

It is unlawful for a loan broker to represent or imply that the broker has been sponsored, recommended, or approved by, or that the broker's abilities or qualifications have been passed upon by a governmental entity of the state or its political subdivisions.

91 Acts, ch 205, §26; 93 Acts, ch 60, §22

**535C.15** Reserved.

**535C.16** Repealed by 93 Acts, ch 60, § 27.

# CHAPTER 535D

## MORTGAGE LICENSING ACT

Referred to in §669.14


535D.1 Title.
535D.2 Legislative findings and purpose.
535D.3 Definitions.
535D.4 License and registration required.
535D.4A Exemptions.
535D.5 License and registration — application and issuance.
535D.6 Conditions of licensure.
535D.7 Prelicensing education of loan originators.
535D.8 Test requirements.
535D.9 Standards for license renewal and nonrenewal.
535D.10 Continuing education.
535D.11 Duties and powers of superintendent.
535D.12 Nationwide mortgage licensing system and registry information — challenge process.
535D.13 Disciplinary action and civil enforcement authority.
535D.14 Surety bond required or recovery fund.
535D.15 Confidentiality.
535D.16 Investigation and examination authority.
535D.17 Prohibited acts and practices.
535D.18 Report to nationwide mortgage licensing system and registry.
535D.19 Unique identifier shown.
535D.20 Operating without a license — penalty.
535D.21 Administrative authority.
535D.22 Compliance with federal law.
535D.23 Reports of condition required — exceptions.


**535D.1 Title.**

This chapter shall be known and may be cited as the *"Iowa Secure and Fair Enforcement for Mortgage Licensing Act"*.

2009 Acts, ch 61, §1, 25

**535D.2 Legislative findings and purpose.**

The activities of mortgage loan originators and the origination or offering of financing for residential real property have a direct, valuable, and immediate impact upon this state's consumers, its economy, the neighborhoods and communities of this state, and the housing and real estate industry. The general assembly finds that accessibility to mortgage credit is vital to the state's citizens. The general assembly also finds that it is essential for the protection of the citizens of this state and the stability of the state's economy that reasonable standards for licensing and regulation of the business practices of mortgage loan originators be imposed. The general assembly further finds that the obligations of mortgage loan originators to consumers in connection with originating or making residential mortgage loans are such as to warrant the regulation of the mortgage lending process. The purpose of this chapter is to protect consumers seeking mortgage loans and to ensure that the mortgage lending industry is operating without unfair, deceptive, or fraudulent practices on the part of mortgage loan originators.

2009 Acts, ch 61, §2, 25

**535D.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Clerical or support duties"* means, subsequent to the receipt of a residential mortgage loan application, the receipt, collection, distribution, and analysis of information common for the processing or underwriting of a residential mortgage loan; and communicating with a consumer to obtain the information necessary for the processing or underwriting of a residential mortgage loan, to the extent that such communication does not include offering or negotiating loan rates or terms, or counseling consumers about residential mortgage loan rates or terms.

2. *"Depository institution"* means a depository institution as defined in 12 U.S.C. § 1813(c) and a credit union organized under the laws of this state, another state, or the United States.

3. *"Federal banking agencies"* means the board of governors of the federal reserve system,

the comptroller of the currency, the director of the office of thrift supervision, the national credit union administration, and the federal deposit insurance corporation.

4. *"Immediate family member"* means a spouse, child, sibling, parent, grandparent, or grandchild. This includes stepparents, stepchildren, stepsiblings, and adoptive relationships.

5. *"Individual"* means a natural person.

6. *"Loan processor or underwriter"* means an individual who performs clerical or support duties as an employee at the direction of and subject to the supervision and instruction of a person licensed, or exempt from licensing, under chapter 535B, 536, 536A, or this chapter.

7. *"Loss mitigation efforts"* means, when a residential mortgage loan borrower is in default or default is reasonably foreseeable, working with the borrower on behalf of the residential mortgage loan servicer to modify, either temporarily or permanently, the obligation or otherwise mitigate loss on an existing residential mortgage loan.

8. *"Mortgage loan originator"* means an individual who for compensation or gain or in the expectation of compensation or gain takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan. *"Mortgage loan originator"* does not include any of the following:

*a.* An individual engaged solely as a loan processor or underwriter except as otherwise provided in section 535D.4, subsection 2.

*b.* An individual who only performs real estate brokerage activities and is licensed in accordance with state law, unless the individual is compensated by a lender, a mortgage broker, or mortgage loan originator or by any agent of such lender, mortgage broker, or mortgage loan originator.

*c.* An individual solely involved in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C. § 101(53D).

*d.* An individual employed by a residential mortgage loan servicer if the individual is involved solely in loss mitigation efforts.

9. *"Nationwide mortgage licensing system and registry"* means a mortgage licensing system developed and maintained by the conference of state bank supervisors and the American association of residential mortgage regulators for the licensing and registration of licensed mortgage loan originators.

10. *"Nontraditional mortgage product"* means any mortgage product other than a thirty-year fixed rate mortgage.

11. *"Real estate brokerage activity"* means any activity that involves offering or providing real estate brokerage services to the public, including the following:

*a.* Acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property.

*b.* Bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property.

*c.* Negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property other than in connection with providing financing with respect to any such transaction.

*d.* Engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law.

*e.* Offering to engage in any activity, or act in any capacity, described in paragraphs *"a"* through *"d"*.

12. *"Registered mortgage loan originator"* means a mortgage loan originator who is an employee of a depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the farm credit administration; and is registered with and maintains a unique identifier through the nationwide mortgage licensing system and registry.

13. *"Residential mortgage loan"* means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling as defined in section 103(v) of the federal Truth in Lending Act or on residential real estate.

14. *"Residential real estate"* means any real property located in this state, upon which

is constructed or intended to be constructed a dwelling as defined in section 103(v) of the federal Truth in Lending Act.

15. *"Superintendent"* means the superintendent of banking appointed pursuant to section 524.201.

16. *"Unique identifier"* means a number or other identifier assigned by protocols established by the nationwide mortgage licensing system and registry.

2009 Acts, ch 61, §3, 25
Referred to in §535B.1, 535B.4, 535B.18, 535D.4A, 536.11, 536.30, 536A.14, 536A.32

**535D.4 License and registration required.**

1. On or after January 1, 2010, an individual shall not engage in the business of a mortgage loan originator with respect to any dwelling or residential real estate located in this state without first obtaining and maintaining annually a license under this chapter. Each licensed mortgage loan originator must register with and maintain a valid unique identifier issued by the nationwide mortgage licensing system and registry.

2. A loan processor or underwriter who is an independent contractor may not engage in the activities of a loan processor or underwriter unless such independent contractor loan processor or underwriter obtains and maintains a license pursuant to this section, and registers with and maintains a valid unique identifier issued by the nationwide mortgage licensing system and registry.

3. An individual engaging solely in loan processor or underwriter activities shall not represent to the public, through advertising or other means of communicating or providing information including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the individual can or will perform any of the activities of a mortgage loan originator.

2009 Acts, ch 61, §4, 25; 2011 Acts, ch 102, §8
Referred to in §535D.3

**535D.4A Exemptions.**

This chapter does not apply to any of the following:

1. A registered mortgage loan originator when acting for an employer described in section 535D.3, subsection 12.

2. An individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of the individual.

3. An individual who offers or negotiates terms of a residential mortgage loan secured by a dwelling that served as the individual's residence.

4. A licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such lender, mortgage broker, or other mortgage loan originator.

5. A licensed manufactured housing retailer selling mobile, manufactured, or modular homes, if the retailer only assists the consumer in filling out a loan application and does not offer or negotiate loan rates or terms, and does not do any counseling with consumers about residential mortgage loan rates or terms and does not receive any payment or fee from any company or individual for assisting the consumer.

2009 Acts, ch 61, §5, 25; 2009 Acts, ch 179, §42

**535D.5 License and registration — application and issuance.**

1. An applicant for licensure shall submit an application on a form prescribed by the superintendent.

2. The superintendent may enter into a contract with the nationwide mortgage licensing system and registry or other entities designated by the nationwide mortgage licensing system and registry to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this chapter.

3. For the purpose of participating in the nationwide mortgage licensing system and registry, the superintendent may adopt rules which waive or modify, in whole or in part,

requirements of this chapter and replace them with requirements reasonably necessary to participate in the nationwide mortgage licensing system and registry.

4. In connection with an application for licensing as a mortgage loan originator, the applicant shall, at a minimum, furnish to the nationwide mortgage licensing system and registry information concerning the applicant's identity, including all of the following:

*a.* Fingerprints for submission to the federal bureau of investigation, and any governmental agency or entity authorized to receive such information for a state, national, and international criminal history background check.

*b.* Personal history and experience in a form prescribed by the nationwide mortgage licensing system and registry, including the submission of authorization for the nationwide mortgage licensing system and registry and the superintendent to obtain an independent credit report obtained from a consumer reporting agency described in section 603(p) of the federal Fair Credit Reporting Act; and information related to any administrative, civil, or criminal findings by any governmental jurisdiction.

*c.* Any other information requested by the superintendent.

5. For the purposes of this section and in order to reduce the points of contact which the federal bureau of investigation may have to maintain for purposes of subsection 4, the superintendent may use the nationwide mortgage licensing system and registry as a channeling agent for requesting information from and distributing information to the United States department of justice or other governmental agency, or to or from any other source so directed by the superintendent.

2009 Acts, ch 61, §6, 25

**535D.6 Conditions of licensure.**

An applicant for licensure as a mortgage loan originator shall demonstrate qualifications as follows:

1. The applicant has never had a mortgage loan originator license revoked in any governmental jurisdiction, except that a subsequent formal vacation of such revocation shall not be deemed a revocation.

2. The applicant has not been convicted of, or pled guilty or no contest to, a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application for licensure; or at any time preceding such date of application, if such felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering. A pardon of a conviction shall not constitute a conviction for purposes of this subsection.

3. The applicant has demonstrated financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a determination that the applicant will operate honestly, fairly, and efficiently within the purposes of this chapter. For purposes of this subsection, a person has shown that the person is not financially responsible when the person has shown a disregard in the management of their own financial condition. The superintendent shall not deny a license on the sole basis of an applicant's credit score. A determination that an individual has not shown financial responsibility may include but not be limited to current outstanding judgments, except judgments solely as a result of medical expenses; current outstanding tax liens or other government liens or filings; foreclosures within the past three years; or a pattern of seriously delinquent accounts within the past three years.

4. The applicant has completed the prelicensing education requirements pursuant to section 535D.7.

5. The applicant has passed a written test that meets the requirements of section 535D.8.

6. The applicant has met the surety bond requirement or paid into a recovery fund as required pursuant to section 535D.14.

7. There are no other grounds to deny the applicant a license pursuant to rules adopted by the superintendent. Such rules may include discretionary grounds for license denial.

2009 Acts, ch 61, §7, 25

Referred to in §535D.9, 535D.13

**535D.7 Prelicensing education of loan originators.**

1. An applicant for licensure shall complete at least twenty hours of prelicensing education approved in accordance with subsection 2, which shall include at a minimum the following:

*a.* Three hours of federal laws and regulations pertaining to residential mortgage loan origination.

*b.* Three hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues.

*c.* Two hours of training related to lending standards for the nontraditional mortgage product marketplace.

2. Prelicensing education courses shall be reviewed and approved by the nationwide mortgage licensing system and registry based upon reasonable standards. Review and approval of a prelicensing education course shall include review and approval of the course provider.

3. A prelicensing education course that is approved by the nationwide mortgage licensing system and registry and is provided by the employer of the applicant or an entity which is affiliated with the applicant by an agency contract, or any subsidiary or affiliate of such employer or entity, shall meet the requirements of this section.

4. Prelicensing education may be offered either in a classroom, online, or by any other means approved by the nationwide mortgage licensing system and registry.

5. Prelicensing education requirements approved by the nationwide mortgage licensing system and registry for any state shall be accepted as credit towards completion of prelicensing education requirements in this state.

2009 Acts, ch 61, §8, 25

Referred to in §535D.6

**535D.8 Test requirements.**

1. An applicant for licensure shall pass a qualified written test developed by the nationwide mortgage licensing system and registry and administered by a test provider approved by the nationwide mortgage licensing system and registry based upon reasonable standards.

2. A written test shall not be treated as a qualified written test for purposes of subsection 1 unless the test, in the determination of the nationwide mortgage licensing system and registry, adequately measures the applicant's knowledge and comprehension in appropriate subject areas including the following:

*a.* Ethics.

*b.* Federal laws and regulations pertaining to residential mortgage loan origination.

*c.* State laws and regulations pertaining to residential mortgage loan origination.

*d.* Other relevant federal and state laws and regulations, including instruction on fraud, consumer protection, the nontraditional mortgage marketplace, and fair lending issues.

3. Nothing in this section shall prohibit a test provider approved by the nationwide mortgage licensing system and registry from providing a test at the location of the employer of the applicant or the location of any subsidiary or affiliate of the employer of the applicant, or the location of any entity with which the applicant holds an exclusive arrangement to conduct the business of a mortgage loan originator.

4. An applicant shall not be considered to have passed a qualified written test unless the applicant achieves a test score of not less than seventy-five percent correct answers to questions. An applicant who fails to achieve a test score of not less than seventy-five percent correct answers to questions may retake the test three consecutive times with each consecutive retake occurring at least thirty days after the preceding test. After three consecutive failed tests, an individual shall be required to wait at least six months before taking the test again. A licensed mortgage loan originator who fails to maintain a valid license for a period of five years or longer shall be required to retake and successfully pass the test, not taking into account any time during which such individual is a registered mortgage loan originator.

2009 Acts, ch 61, §9, 25

Referred to in §535D.6

**535D.9 Standards for license renewal and nonrenewal.**

1. The minimum standards for license renewal for a mortgage loan originator include the following:

*a.* The mortgage loan originator continues to meet the conditions for licensure under section 535D.6.

*b.* The mortgage loan originator has satisfied the annual continuing education requirements described in section 535D.10.

*c.* The mortgage loan originator has paid all required fees for renewal of the license.

2. The license of a mortgage loan originator failing to satisfy the minimum standards for license renewal shall not be renewed. The superintendent may adopt rules for the reinstatement of a license not renewed pursuant to this subsection consistent with the standards established by the nationwide mortgage licensing system and registry.

2009 Acts, ch 61, §10, 25

Referred to in §535D.10, 535D.13

**535D.10 Continuing education.**

1. A licensed mortgage loan originator shall annually complete at least eight hours of education approved in accordance with subsection 2, which shall include at a minimum the following:

*a.* Three hours of federal laws and regulations pertaining to residential mortgage loan origination.

*b.* Two hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues.

*c.* Two hours of training related to lending standards for the nontraditional mortgage product marketplace.

2. Continuing education courses shall be reviewed and approved by the nationwide mortgage licensing system and registry based upon reasonable standards. Review and approval of a continuing education course shall include review and approval of the course provider.

3. A continuing education course that is approved by the nationwide mortgage licensing system and registry and is provided by the employer of the mortgage loan originator or an entity which is affiliated with the mortgage loan originator by an agency contract, or any subsidiary or affiliate of such employer or entity, shall meet the requirements of this section.

4. Continuing education may be offered either in a classroom, online, or by any other means approved by the nationwide mortgage licensing system and registry.

5. A licensed mortgage loan originator, other than an originator subject to license nonrenewal pursuant to section 535D.9, subsection 2, or making up continuing education pursuant to subsection 9 of this section, may only receive credit for a continuing education course in the year in which the course is taken and may not take the same approved course in the same or successive years to meet the annual requirements for continuing education.

6. A licensed mortgage loan originator who is an approved instructor of an approved continuing education course may receive credit for the licensed mortgage loan originator's own annual continuing education requirement at the rate of two hours credit for every one hour taught.

7. Completion of continuing education requirements that have been approved by the nationwide mortgage licensing system and registry for any state shall be accepted as credit towards completion of continuing education requirements in this state.

8. A licensed mortgage loan originator who subsequently becomes unlicensed must complete the continuing education requirements for the last year in which the license was held prior to issuance of a new or renewed license.

9. A person meeting the requirements of section 535D.9, subsection 1, paragraphs "*a*" and "*c*", may make up any deficiency in continuing education as established by rule of the superintendent.

2009 Acts, ch 61, §11, 25

Referred to in §535D.9

**535D.11 Duties and powers of superintendent.**

In addition to any other duties imposed upon the superintendent by law, the superintendent shall require mortgage loan originators to be licensed and registered, as provided in this chapter, through the nationwide mortgage licensing system and registry. In order to carry out this requirement the superintendent may participate in the nationwide mortgage licensing system and registry. For this purpose, the superintendent may establish by rule requirements as necessary, including but not limited to the following:

1. Applicant background checks for criminal history through fingerprint or other databases or through civil or administrative records; applicant background checks for credit history; or applicant background checks for any other information as deemed necessary by the nationwide mortgage licensing system and registry.

2. The payment of application and renewal fees for licenses through the nationwide mortgage licensing system and registry and any additional fees as determined by the superintendent based on the actual cost of the operation of the finance bureau of the banking division of the department of commerce, including the proportionate share of administrative expenses in the operation of the banking division attributable to the finance bureau as determined by the superintendent, incurred in the discharge of duties imposed by this chapter.

3. Establishment of licensure renewal or reporting dates.

4. Requirements for amending or surrendering a license or any other such activities as the superintendent deems necessary for participation in the nationwide mortgage licensing system and registry.

2009 Acts, ch 61, §12, 25

**535D.12 Nationwide mortgage licensing system and registry information — challenge process.**

The superintendent shall establish a process by rule whereby mortgage loan originators may challenge information entered into the nationwide mortgage licensing system and registry by the superintendent.

2009 Acts, ch 61, §13, 25

**535D.13 Disciplinary action and civil enforcement authority.**

1. The superintendent may, pursuant to chapter 17A, take disciplinary action against a licensed mortgage loan originator if the superintendent finds any of the following:

*a.* The licensee has violated a provision of this chapter or a rule adopted pursuant to this chapter or any other state or federal law or regulation applicable to the conduct of the licensee's business including but not limited to chapters 535 and 535A.

*b.* A fact or condition exists which, had it existed at the time of the original application for the license, would have warranted the superintendent to refuse to issue the original license.

*c.* The licensee fails at any time to meet the requirements of section 535D.6 or 535D.9, or withholds information or makes a material misstatement in an application for a license or renewal of a license.

*d.* The licensee has violated an order of the superintendent.

2. The superintendent may impose one or more of the following disciplinary actions against a licensee:

*a.* Revoke a license.

*b.* Suspend a license until further order of the superintendent or for a specified period of time.

*c.* Impose a period of probation under specified conditions.

*d.* Impose civil penalties in an amount not to exceed five thousand dollars for each violation.

*e.* Issue a citation and warning concerning licensee behavior.

*f.* Order a licensee to cease and desist from conducting business or from any harmful activities or violations of law or rule.

*g.* Order the licensee to pay restitution.

3. The superintendent may order an emergency suspension of a licensee's license or issue

an order to immediately cease and desist from conducting business or from any harmful activities or violations of law or rule pursuant to section 17A.18A. A written order containing the facts or conduct which warrants the emergency action shall be timely sent to the licensee by restricted certified mail. Upon issuance of an emergency suspension order, the licensee must also be notified of the right to an evidentiary hearing. A suspension proceeding shall be promptly instituted and determined.

4. A licensee may surrender a license by delivering to the superintendent written notice of surrender, but a surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender.

5. A revocation, suspension, or surrender of a license does not impair or affect the obligation of a preexisting lawful contract between the licensee and any person, including a mortgagor.

6. The superintendent may issue an order to a person who is not licensed under this chapter to require compliance with this chapter, including to cease and desist from conducting business or from any harmful activities or violations of law or rule, may impose a civil penalty against such person for any violation of this chapter in an amount up to five thousand dollars for each violation, and may order the person to pay restitution.

7. Before issuing an order under subsection 6, the superintendent shall provide the person written notice and the opportunity to request a hearing. The hearing must be requested within thirty days after receipt of the notice and shall be conducted in the same manner as provided for disciplinary proceedings involving a licensee under this chapter.

8. A person aggrieved by the imposition of a civil penalty under subsection 6 may seek judicial review pursuant to section 17A.19.

9. An action to enforce an order under this section may be joined with an action for an injunction.

2009 Acts, ch 61, §14, 25

**535D.14 Surety bond required or recovery fund.**

1. *a.* A mortgage loan originator shall be covered by a surety bond in accordance with this section unless the superintendent establishes a recovery fund pursuant to subsection 4 into which the mortgage loan originator makes payments. In the event that the mortgage loan originator is an employee or exclusive agent of a person subject to chapter 535B, 536, or 536A, the surety bond of such person can be used in lieu of the mortgage loan originator's surety bond requirement.

*b.* The surety bond shall provide coverage for each mortgage loan originator in an amount as prescribed in subsection 2. The surety bond shall be in a form as prescribed by the superintendent. The superintendent may, pursuant to rule, determine requirements for such surety bonds as are necessary to accomplish the purposes of this chapter.

2. The bond shall be maintained in an amount that reflects the dollar value of loans originated as determined by the superintendent.

3. When an action is commenced on a licensee's bond the superintendent may require the filing of a new bond. Immediately upon recovery upon any action on the bond the licensee shall file a new bond.

4. If the superintendent determines it is not feasible to establish surety bonding requirements that reflect the dollar amount of loans originated by a mortgage loan originator, as provided in subsection 1508(d)(6) of the federal Housing and Economic Recovery Act of 2008, Pub. L. No. 110-289, the superintendent may establish by rule a recovery fund to be paid into by mortgage loan originators. The rules shall provide for the amounts to be paid into the fund by mortgage loan originators. In the event the superintendent establishes a recovery fund, the fund shall be established as a separate fund in the state treasury. Moneys deposited in the fund shall be administered by the superintendent and used for the purposes of compensating members of the public for losses caused by licensees. In addition, the superintendent may use moneys from the fund for the purpose of investigating and prosecuting violations of this chapter or any other state or federal law, rule, or regulation applicable to the conduct of a licensee's business. Notwithstanding section 12C.7, interest earned on amounts deposited in the fund, if established, shall be credited to the fund. Any

balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state.

2009 Acts, ch 61, §15, 25
Referred to in §535D.6

**535D.15 Confidentiality.**

1. Except as otherwise provided by this chapter, all papers, documents, examination reports, and other writings relating to the supervision of licensees are not public records and are not subject to disclosure under chapter 22. Except as otherwise provided in section 1512 of the federal Housing and Economic Recovery Act of 2008, Pub. L. No. 110-289, the requirements under any federal law or chapter 22 or 692 regarding the privacy or confidentiality of any information or material provided to the nationwide mortgage licensing system and registry, and any privilege arising under federal or state law, including the rules of any federal or state court, with respect to such information or material, shall continue to apply to such information or material after the information or material has been disclosed to the nationwide mortgage licensing system and registry. Such information and material may be shared with any state or federal regulatory official with mortgage industry oversight authority without the loss of privilege or the loss of confidentiality protections provided by federal law or chapter 22 or 692.

2. The superintendent may enter into agreements or sharing arrangements with other governmental agencies, the conference of state bank supervisors, the American association of residential mortgage regulators, or other associations representing governmental agencies.

3. Information or material that is subject to privilege or confidentiality under subsection 1 shall not be subject to any of the following:

*a.* Disclosure under any federal or state law governing the disclosure to the public of information held by an officer or an agency of the federal government or this state.

*b.* Subpoena or discovery, or admission into evidence, in any private civil action or administrative process, unless with respect to any privilege held by the nationwide mortgage licensing system and registry with respect to such information or material, the person to whom such information or material pertains waives, in whole or in part, that privilege.

4. This section supersedes any provision of chapter 22 relating to the disclosure of confidential supervisory information or any information or material described in subsection 1 of this section that is inconsistent with subsection 1.

5. This section shall not apply with respect to information or material relating to the employment history of, and publicly adjudicated disciplinary and enforcement actions against, mortgage loan originators that are included in the nationwide mortgage licensing system and registry for access by the public.

2009 Acts, ch 61, §16, 25; 2013 Acts, ch 5, §19
Referred to in §535D.18
Subsection 1 amended

**535D.16 Investigation and examination authority.**

The superintendent may conduct investigations and examinations as follows:

1. For purposes of initial licensing, license renewal, license suspension, license conditioning, license revocation or termination, or general or specific inquiry or investigation to determine compliance with this chapter, the superintendent may access, receive, and use any relevant books, accounts, records, files, documents, information, or evidence including but not limited to:

*a.* Criminal, civil, and administrative history information, which is accessible to licensing authorities.

*b.* Personal history and experience information including independent credit reports obtained from a consumer reporting agency described in section 603(p) of the federal Fair Credit Reporting Act.

*c.* Any other documents, information, or evidence the superintendent deems relevant to the inquiry or investigation regardless of the location, possession, control, or custody of such documents, information, or evidence.

2. For the purposes of investigating violations or complaints arising under this chapter,

or for the purposes of examination, the superintendent may review, investigate, or examine any licensee, individual, or person subject to this chapter, as often as necessary in order to carry out the purposes of this chapter. The superintendent may direct, subpoena, or order the attendance of and examine under oath all persons whose testimony may be required about the loans or the business or subject matter of any such examination or investigation, and may direct, subpoena, or order such person to produce books, accounts, records, files, and any other documents the superintendent deems relevant to the inquiry.

3. Each licensee, individual, or person subject to this chapter shall make available to the superintendent upon request the books and records relating to the operations of such licensee, individual, or person. The superintendent shall have access to such books and records and interview the officers, principals, mortgage loan originators, employers, employees, independent contractors, agents, and customers of the licensee, individual, or person subject to this chapter concerning their business.

4. Each licensee, individual, or person subject to this chapter shall make or compile reports or prepare other information as directed by the superintendent in order to carry out the purposes of this section including but not limited to the following:

*a.* Accounting compilations.

*b.* Information lists and data concerning loan transactions in a format prescribed by the superintendent.

*c.* Such other information deemed necessary to carry out the purposes of this section.

5. In making any examination or investigation authorized by this chapter, the superintendent may control access to any documents and records of the licensee or person under examination or investigation. The superintendent may take possession of the documents and records or place a person in exclusive charge of the documents and records in the place where they are usually kept. During the period of control, an individual or person shall not remove or attempt to remove any of the documents or records except pursuant to a court order or with the consent of the superintendent. Unless the superintendent has reasonable grounds to believe the documents or records of the licensee have been or are at risk of being altered or destroyed for purposes of concealing a violation of this chapter, the licensee or owner of the documents or records shall have access to the documents or records as necessary to conduct its ordinary business affairs.

6. In order to carry out the purposes of this section, the superintendent may:

*a.* Retain attorneys, accountants, or other professionals or specialists as examiners, auditors, or investigators to conduct or assist in the conduct of examinations or investigations.

*b.* Enter into agreements or relationships with other government officials or regulatory associations in order to improve efficiencies and reduce regulatory burden by sharing resources, standardized or uniform methods or procedures, and documents, records, information, or evidence obtained under this section.

*c.* Use, hire, contract, or employ publicly or privately available analytical systems, methods, or software to examine or investigate the licensee, individual, or person subject to this chapter.

*d.* Accept and rely on examination or investigation reports made by other government officials, within or without this state.

*e.* Accept audit reports made by an independent certified public accountant for the licensee, individual, or person subject to this chapter in the course of that part of the examination covering the same general subject matter as the audit and may incorporate the audit report in the report of the examination, report of investigation, or other writing of the superintendent.

7. The authority of this section shall remain in effect, whether such a licensee, individual, or person subject to this chapter acts or claims to act under any licensing or registration law of this state, or claims to act without such authority.

8. A licensee, individual, or person subject to investigation or examination under this section shall not knowingly withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information.

2009 Acts, ch 61, §17, 25

**535D.17 Prohibited acts and practices.**

It is a violation of this chapter for a person or individual subject to this chapter to engage in any of the following activities:

1. Directly or indirectly employ any scheme, device, or artifice to defraud or mislead borrowers or lenders or to defraud any person.
2. Engage in any unfair or deceptive practice toward any person.
3. Obtain property by fraud or misrepresentation.
4. Solicit or enter into a contract with a borrower that provides in substance that the person or individual subject to this chapter may earn a fee or commission through *best efforts* to obtain a loan even though no loan is actually obtained for the borrower.
5. Solicit, advertise, or enter into a contract for specific interest rates, points, or other financing terms unless the terms are actually available at the time of soliciting, advertising, or contracting.
6. Conduct any business covered by this chapter without holding a valid license as required under this chapter, or assist or aid and abet any person in the conduct of business under this chapter without a valid license as required under this chapter.
7. Fail to make disclosures as required by this chapter or any other applicable state or federal law including regulations thereunder.
8. Fail to comply with this chapter or rules or regulations promulgated under this chapter, or fail to comply with any other state or federal law, including the rules and regulations thereunder, applicable to any business authorized or conducted under this chapter.
9. Make, in any manner, any false or deceptive statement or representation.
10. Negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any information or reports filed with a governmental agency or the nationwide mortgage licensing system and registry or in connection with any investigation conducted by the superintendent or another governmental agency.
11. Make any payment, threat, or promise, directly or indirectly, to any person for the purposes of influencing the independent judgment of the person in connection with a residential mortgage loan, or make any payment, threat, or promise, directly or indirectly, to any appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property.
12. Collect, charge, attempt to collect or charge, or use or propose any agreement purporting to collect or charge any fee prohibited by this chapter.
13. Cause or require a borrower to obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer.
14. Fail to truthfully account for moneys belonging to a party to a residential mortgage loan transaction.

2009 Acts, ch 61, §18, 25

Referred to in §535B.7A

**535D.18 Report to nationwide mortgage licensing system and registry.**

The superintendent shall regularly report violations of this chapter, as well as enforcement actions and other relevant information, to the nationwide mortgage licensing system and registry, subject to the confidentiality provisions of section 535D.15.

2009 Acts, ch 61, §19, 25

**535D.19 Unique identifier shown.**

The unique identifier of any person originating a residential mortgage loan shall be clearly shown on all residential mortgage loan application forms, solicitations, or advertisements, including business cards or internet sites, and any other documents as established by rule, regulation, or order of the superintendent.

2009 Acts, ch 61, §20, 25; 2013 Acts, ch 90, §257

Code editor directive applied

**535D.20 Operating without a license — penalty.**

A person who, without first obtaining a license under this chapter, engages in the business or occupation of, or advertises or holds the person out as, or claims to be, or temporarily

acts as, a mortgage loan originator in this state is guilty of a class "D" felony and may be prosecuted by the attorney general or a county attorney.
2009 Acts, ch 61, §21, 25

**535D.21 Administrative authority.**
The superintendent shall have broad administrative authority to administer, interpret, and enforce this chapter and to promulgate rules implementing this chapter.
2009 Acts, ch 61, §22, 25

**535D.22 Compliance with federal law.**
If the United States department of housing and urban development determines in writing that any provision of this chapter or its application to any person or circumstance is invalid under Tit. V of the federal Housing and Economic Recovery Act of 2008, Pub. L. No. 110-289, the superintendent is authorized to adopt rules which waive or modify, in whole or in part, requirements of this chapter as necessary to achieve a determination by the United States department of housing and urban development that this state is in compliance with the federal law.
2009 Acts, ch 61, §23, 25

**535D.23 Reports of condition required — exceptions.**
Each mortgage loan originator licensee shall submit reports of condition to the nationwide mortgage licensing system and registry unless the mortgage loan originator's activity is included in a report submitted by the mortgage loan originator's employer in accordance with section 535B.11, subsection 3, section 535B.18, or section 536A.14, subsection 2. The reports shall be in such form and shall contain such information as the nationwide mortgage licensing system and registry may require.
2011 Acts, ch 102, §9

# CHAPTER 536

## REGULATED LOANS

Referred to in §216.10, 322.21, 524.211, 524.212, 524.606, 533.117, 533A.2, 535B.2, 535C.2, 535D.3, 535D.14, 536A.5, 536C.3, 537.2301, 537.2403, 537.6105, 537.6201, 546.3, 669.14, 714H.4


536.1 Title — license required.
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**536.1 Title — license required.**

1. This chapter may be referred to as the *"Iowa Regulated Loan Act"*.

2. With respect to a loan other than a consumer loan, a person shall not engage in the business of making loans of money, credit, goods, or things in action in the amount or of the value of twenty-five thousand dollars or less and charge, contract for, or receive on the loan a greater rate of interest or consideration for the loan than the lender would be permitted by law to charge if the lender were not a licensee under this chapter except as authorized by this chapter and without first obtaining a license from the superintendent of banking.

3. With respect to a consumer loan, a person required by section 537.2301 to have a license shall not engage in the business of making loans of money, credit, goods or things in action in the amount or value of twenty-five thousand dollars or less and charge, contract for, or receive on the loan a greater rate of interest or consideration for the loan than the lender would be permitted by law to charge if the lender were not a licensee under this chapter, except as authorized by this chapter and without first obtaining a license from the superintendent.

4. A person who enters into less than ten supervised loans per year in this state and who neither has an office physically located in this state nor engages in face-to-face solicitation in this state may contract for and receive the rate of interest permitted in this chapter for licensees under this chapter. A "*consumer loan*" means the same as defined in section 537.1301.

[C24, 27, 31, §9410; C35, §9438-f1; C39, §**9438.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.1]

85 Acts, ch 158, §2

Referred to in §536.10, 536.13, 536.19

**536.2 Application — fees.**

1. An application for a license shall be in the form prescribed by the superintendent, and shall contain all of the following:

*a.* The name and the address, both of the residence and place of business, of the applicant. If the applicant is not a natural person, the application shall include the name and address of every member, director, officer, manager, and trustee of the applicant.

*b.* The county and municipality with street and number, if any, of the place where the business of making loans under the provisions of this chapter is to be conducted.

*c.* Other relevant information as the superintendent may require.

2. The applicant at the time of making the application shall pay to the superintendent the sum of one hundred dollars as a fee for investigating the application and the additional sum of two hundred fifty dollars as an annual license fee.

3. Every applicant shall also prove, in form satisfactory to the superintendent, that the applicant has available for the operation of such business at the place of business specified in the application, liquid assets of at least five thousand dollars, or that the applicant has at least the said amount actually in use in the conduct of such business at such place of business.

[C24, 27, 31, §9411, 9412; C35, §9438-f2; C39, §**9438.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.2]

89 Acts, ch 257, §27; 2006 Acts, ch 1042, §33

Referred to in §536.4, 536.8, 536.22

**536.3 Bond.**

An applicant for a license shall file with the superintendent a bond furnished by a surety company authorized to do business in this state. Until such time as the superintendent through the administrative rule process determines a bond amount that reflects the dollar value of loans originated, the bond shall be in the amount of twenty-five thousand dollars. The bond shall be continuous in nature until canceled by the surety with not less than thirty days' notice in writing to the licensee and to the superintendent indicating the surety's intention to cancel the bond on a specific date. The bond shall be for the use of the state and any persons who may have causes of action against the applicant. The bond shall be conditioned upon the applicant's faithfully conforming to and abiding by this chapter and any rules adopted under this chapter and shall require that the surety pay to the state and

to any persons all moneys that become due or owing to the state and to the persons from the applicant by virtue of this chapter.

[C24, 27, 31, §9413, 9414; C35, §9438-f3; C39, §**9438.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.3]

2008 Acts, ch 1160, §25; 2009 Acts, ch 61, §40, 47

Referred to in §536.6

**536.4 Grant or refusal of license.**

1. Upon the filing of such application, the approval of such bond and the payment of such fees, the superintendent shall make a thorough and complete investigation of the facts as the superintendent may deem necessary or proper.

2. If the superintendent shall determine from such application and from such investigation that the applicant can have a reasonable expectancy of a successful lending business at the location of the office for which application is made, and that there is a real need and necessity in that community for additional lending facilities to adequately serve the local people, and that said applicant is one who will command the respect of and confidence from the people in that community; that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a partnership or association, and of the officers and directors thereof if the applicant be a corporation, are such as to warrant the belief that the business will be operated lawfully, honestly, fairly, and efficiently within the purposes of this chapter, and if the superintendent shall find that the applicant has available or actually in use the assets described in section 536.2, the superintendent shall thereupon issue and deliver a license to the applicant to make loans in accordance with the provisions of this chapter at the place of business specified in the said application; if the superintendent shall not so find the superintendent shall not issue such license and the superintendent shall notify the applicant of the denial and return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the investigation fee to cover the costs of investigating the application. The superintendent shall approve or deny every application for a license hereunder within sixty days from the filing of the application and the approved bond and the payment of the said fees.

3. If the application is denied, the superintendent shall within twenty days thereafter file with the banking division a written transcript of the evidence and decision and findings with respect thereto containing the reasons supporting the denial, and forthwith serve upon the applicant a copy thereof.

[C24, 27, 31, §9415; C35, §9438-f4; C39, §**9438.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.4]

2005 Acts, ch 3, §90; 2008 Acts, ch 1032, §106

**536.5 License — form — posting.**

Such license shall state the address of the place where the business of making such loans is to be conducted and shall state fully the name of the licensee, and if the licensee is a partnership or association, the names of the members thereof, and if a corporation, the date and place of its incorporation. Such license shall be kept conspicuously posted in such place of business and shall not be transferable or assignable.

[C24, 27, 31, §9411, 9418; C35, §9438-f5; C39, §**9438.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.5]

2008 Acts, ch 1032, §106

**536.6 Additional bond — available assets.**

1. If the superintendent finds at any time that the bond is insecure or exhausted or otherwise of doubtful validity or collectibility, an additional bond to be approved by the superintendent, with one or more sureties and of the character specified in section 536.3, in a sum not to exceed that amount determined pursuant to section 536.3, shall be filed by the licensee within ten days after written demand upon the licensee by the superintendent.

2. Every licensee shall have available at all times for each licensed place of business at

least five thousand dollars in assets, either in liquid form or actually in use in the conduct of such business.

[C24, 27, 31, §9437; C35, §9438-f6; C39, §**9438.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.6]

2008 Acts, ch 1160, §26; 2009 Acts, ch 61, §41, 47

**536.7 Separate license — change of name or place of business.**

1. Only one place of business where loans are made shall be maintained under a license. However, the superintendent may issue more than one license to the same licensee upon compliance, for each such additional license, with all the provisions of this chapter governing an original issuance of a license.

2. A licensee shall notify the superintendent and submit a fee of twenty-five dollars per license to the superintendent thirty days in advance of the effective date of any of the following:

*a.* A change in the name of the licensee.

*b.* A change in the address of the location where the business is conducted.

[C24, 27, 31, §9416, 9419; C35, §9438-f7; C39, §**9438.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.7]

2006 Acts, ch 1042, §34

**536.7A Change in control — approval.**

The prior written approval of the superintendent is required whenever a change in control of the licensee is proposed. For purposes of this section, *"control"* means control as defined in section 524.103. The superintendent may require information deemed necessary to determine whether a new application is required. When requesting approval, the person shall submit a fee of one hundred dollars to the superintendent.

2006 Acts, ch 1042, §35

**536.8 Annual fee — payment.**

Every licensee shall annually, on or before December 1, submit a renewal application on forms prescribed by the superintendent and pay to the superintendent the sum as provided in section 536.2 as an annual license fee for the next succeeding calendar year. The superintendent may assess a late fee of ten dollars per day, per license for renewal applications received after December 1.

[C35, §9438-f8; C39, §**9438.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.8]

2006 Acts, ch 1042, §36

**536.9 Disciplinary action.**

1. The superintendent may, after notice and hearing pursuant to chapter 17A, take disciplinary action against a licensee if the superintendent finds any of the following:

*a.* The licensee has violated a provision of this chapter or a rule adopted under this chapter or any other state or federal law, rule, or regulation applicable to the conduct of its business.

*b.* A fact or condition exists which would have warranted the superintendent to refuse to originally issue the license.

*c.* The licensee has failed to pay the annual license fee or to maintain in effect the bond or bonds required under the provisions of this chapter.

*d.* The licensee is insolvent.

*e.* The licensee has violated an order of the superintendent.

2. The superintendent may impose one or more of the following disciplinary actions against a licensee:

*a.* Revoke a license.

*b.* Suspend a license until further order of the superintendent or for a specified period of time.

*c.* Impose a period of probation under specified conditions.

*d.* Impose civil penalties in an amount not to exceed five thousand dollars for each violation.

*e.* Issue a citation and warning respecting licensee behavior.

*f.* Order the licensee to pay restitution.

3. The superintendent may order an emergency suspension of a licensee's license pursuant to section 17A.18A. A written order containing the facts or conduct which warrants the emergency action shall be timely sent to the licensee by restricted certified mail. Upon issuance of the suspension order, the licensee must also be notified of the right to an evidentiary hearing. A suspension proceeding shall be promptly instituted and determined.

4. Except as provided in this section, a license shall not be revoked or suspended except after notice and a hearing thereon in accordance with chapter 17A.

5. A licensee may surrender a license by delivering to the superintendent written notice of surrender, but a surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender.

6. A revocation, suspension, or surrender of a license does not impair or affect the obligation of a preexisting lawful contract between the licensee and any person, including a borrower.

[C24, 27, 31, §9436; C35, §9438-f9; C39, §**9438.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.9]

2008 Acts, ch 1160, §27

**536.10 Examination of business — fee.**

1. For the purpose of discovering violations of this chapter or securing information lawfully required by the superintendent, the superintendent may at any time, either personally or by designee, investigate the loans and business and examine the books, accounts, records, and files of every licensee and of every person engaged in the business described in section 536.1, whether such person shall act or claim to act as principal or agent, or under or without the authority of this chapter.

*a.* The superintendent and the superintendent's designee shall have and be given free access to the place of business, books, accounts, papers, records, files, safes, and vaults of all persons examined.

*b.* The superintendent and the designee shall have authority to require the attendance of and to examine under oath all individuals whose testimony the superintendent may require relative to the loans or the business.

2. The superintendent shall make an examination of the affairs, place of business, and records of each licensed place of business at least once each year.

3. A licensee subject to examination, supervision, and regulation by the superintendent shall pay to the superintendent an examination fee based on the actual cost of the operation of the regulated loan bureau of the banking division of the department of commerce and the proportionate share of administrative expenses in the operation of the banking division attributable to the regulated loan bureau as determined by the superintendent. The fee shall apply equally to all licenses and shall not be changed more frequently than annually. A fee change shall be effective on January 1 of the year following the year in which the change is approved.

4. Upon completion of each examination required or allowed by this chapter, the examiner shall deliver one copy of the bill for the examination to the licensee and two copies to the superintendent. Failure to pay the fee to the superintendent within thirty days after the date of the close of the examination shall subject the licensee to an additional fee of five percent of the amount of the fee for each day the payment is delinquent.

5. Except as otherwise provided by this chapter, all papers, documents, examination reports, and other writing relating to the supervision of licensees are not public records and are not subject to disclosure under chapter 22. The superintendent may disclose information to representatives of other state or federal regulatory authorities. The superintendent may release summary complaint information so long as the information does not specifically identify the complainant. The superintendent may prepare and circulate reports reflecting financial information and examination results for all licensees on an aggregate basis, including other information considered pertinent to the purpose of each report for general statistical information. The superintendent may prepare and circulate reports provided by

law. The superintendent may release the reports and correspondence in the course of an enforcement proceeding or a hearing held by the superintendent. The superintendent may also provide this information to the attorney general for purposes of enforcing this chapter or the consumer fraud Act, section 714.16.

[C24, 27, 31, §9433; C35, §9438-f10; C39, §**9438.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.10]

85 Acts, ch 158, §3; 2006 Acts, ch 1042, §37

Referred to in §536.16, 537.2305

**536.11 Records — annual report by licensee.**

1. The licensee shall keep such books, accounts, and records as the superintendent may require in order to determine whether such licensee is complying with the provisions of this chapter and with the rules and regulations lawfully made by the superintendent hereunder. Every licensee shall preserve for at least two years after making the last entry on any loan recorded therein all books, accounts, and records, including cards used in the card system, if any.

2. Each licensee shall annually on or before the fifteenth day of April file a report with the superintendent giving such relevant information as the superintendent reasonably may require concerning the business and operations during the preceding calendar year of the licensed places of business conducted by such licensee within the state. Such report shall be made under oath and shall be in the form prescribed by the superintendent who shall make and publish annually an analysis and recapitulation of such reports.

3. Each licensee making residential mortgage loans shall submit to the nationwide mortgage licensing system and registry reports of condition, which shall be in such form and shall contain such information as the nationwide mortgage licensing system and registry may require. For purposes of this subsection, *"nationwide mortgage licensing system and registry"* and *"residential mortgage loan"* mean the same as defined in section 535D.3.

[C24, 27, 31, §9434; C35, §9438-f11; C39, §**9438.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.11]

2008 Acts, ch 1160, §28; 2009 Acts, ch 61, §42, 47

**536.12 Restrictions on practices.**

1. No licensee shall conduct the business of making loans under the provisions of this chapter within any office, room, suite or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except as may be authorized in writing by the superintendent upon the superintendent's finding that the character of such other business is such that the granting of such authority would not facilitate evasions of this chapter or of the rules lawfully made by the superintendent hereunder.

2. No licensee shall make any loan provided for by this chapter under any other name or at any other place of business than that named in the license.

3. No licensee shall take any instrument in which blanks are left to be filled in after execution.

4. No licensee shall agree to obtain or arrange a residential mortgage for a potential borrower from a third person, unless the licensee also has a mortgage broker license and complies with all of the provisions of chapter 535B.

[C24, 27, 31, §9426, 9432; C35, §9438-f12; C39, §**9438.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.12]

2008 Acts, ch 1160, §29

Referred to in §536.19

**536.13 Loan classifications, interest rates, and charges — report, penalty, and consumer credit code applicability.**

1. The superintendent may investigate the conditions and find the facts with reference to the business of making regulated loans, as described in section 536.1, and after making the investigation, report in writing any findings to the next regular session of the general assembly, and upon the basis of the facts:

*a.* Classify regulated loans by a rule according to a system of differentiation which will reasonably distinguish the classes of loans for the purposes of this chapter.

*b.* Determine and fix by a rule the maximum rate of interest or charges upon each class of regulated loans which will induce efficiently managed commercial capital to enter the business in sufficient amounts to make available adequate credit facilities to individuals. The maximum rate of interest or charge shall be stated by the superintendent as an annual percentage rate calculated according to the actuarial method and applied to the unpaid balances of the amount financed.

2. Except as provided in subsection 7, the superintendent may redetermine and refix by rule, in accordance with subsection 1, any maximum rate of interest or charges previously fixed by it, but the changed maximum rates shall not affect preexisting loan contracts lawfully entered into between a licensee and a borrower. All rules which the superintendent may make respecting rates of interest or charges shall state the effective date of the rules, which shall not be earlier than thirty days after notice to each licensee by mailing the notice to each licensed place of business.

3. Before fixing any classification of regulated loans or any maximum rate of interest or charges, or changing a classification or rate under authority of this section, the superintendent shall give reasonable notice of the superintendent's intention to consider doing so to all licensees and a reasonable opportunity to be heard and to introduce evidence with respect to the change or classification.

4. Beginning July 4, 1965, and until such time as a different rate is fixed by the superintendent, the maximum rate of interest or charges upon the class or classes of regulated loans is as follows:

*a.* Three percent per month on any part of the unpaid principal balance of the loan not exceeding one hundred fifty dollars.

*b.* Two percent per month on any part of the loan in excess of one hundred fifty dollars, but not exceeding three hundred dollars.

*c.* One and one-half percent per month on any part of the unpaid principal balance of the loan in excess of three hundred dollars, but not exceeding seven hundred dollars.

*d.* One percent per month on any part of the unpaid principal balance of the loan in excess of seven hundred dollars.

5. A licensee under this chapter may lend any sum of money not exceeding twenty-five thousand dollars in amount and may charge, contract for, and receive on the loan interest or charges at a rate not exceeding the maximum rate of interest or charges determined and fixed by the superintendent under authority of this section or pursuant to subsection 7 for those amounts in excess of ten thousand dollars.

6. If any interest or charge on a loan regulated by this chapter in excess of those permitted by this chapter is charged, contracted for, or received, the contract of loan is void as to interest and charges and the licensee has no right to collect or receive any interest or charges. In addition, the licensee shall forfeit the right to collect the lesser of two thousand dollars of principal of the loan or the total amount of the principal of the loan.

7. *a.* The superintendent may establish the maximum rate of interest or charges as permitted under this chapter for those loans with an unpaid principal balance of ten thousand dollars or less. For those loans with an unpaid principal balance of over ten thousand dollars, the maximum rate of interest or charges which a licensee may charge shall be the greater of the rate permitted by chapter 535 or the rate authorized for supervised financial organizations by chapter 537.

*b.* The Iowa consumer credit code, chapter 537, applies to a consumer loan in which the licensee participates or engages, and a violation of the Iowa consumer credit code, chapter 537, is a violation of this chapter.

*c.* Chapter 537, article 2, parts 3, 5, and 6, chapter 537, article 3, and sections 537.3203, 537.3206, 537.3209, 537.3304, 537.3305, and 537.3306 apply to any credit transaction, as defined in section 537.1301, in which a licensee participates or engages, and any violation of those parts or sections is a violation of this chapter. For the purpose of applying the Iowa consumer credit code, chapter 537, to those credit transactions, "*consumer loan*" includes a loan for a business purpose.

*d.* Except as provided in this subsection, the provisions of the Iowa consumer credit code, chapter 537, apply to loans regulated by this chapter and supersede conflicting provisions of this chapter. Section 537.2402, subsection 1, does not apply to loans regulated by this chapter.

[C24, 27, 31, §9420 – 9423; C35, §9438-f13; C39, §**9438.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.13]

85 Acts, ch 158, §4; 86 Acts, ch 1237, §34; 2003 Acts, ch 44, §114; 2004 Acts, ch 1141, §34; 2005 Acts, ch 3, §117, 118; 2006 Acts, ch 1042, §38; 2007 Acts, ch 22, §97; 2010 Acts, ch 1028, §12; 2013 Acts, ch 30, §133

Referred to in §536.19

Subsection 7, paragraph c amended

**536.14 Rights of borrower — payments.**

Every licensee, in addition to complying with requirements of the Iowa consumer credit code, chapter 537, respecting consumer loans, shall:

1. Permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply such payment first to all interest or charges up to the date of such payment.

2. Upon repayment of the loan in full, mark indelibly every obligation and security other than a mortgage* signed by the borrower with the word "paid" or "canceled", and release any security interest which no longer secures a loan to the licensee, restore any collateral, return any note and any assignment given to the licensee by the borrower.

3. Display prominently in each licensed place of business an accurate schedule, to be approved by the superintendent, of the charges currently to be made upon all loans.

[C24, 27, 31, §9425; C35, §9438-f14; C39, §**9438.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.14]

2003 Acts, ch 44, §114

Referred to in §536.19

*Security interest, see §554.1201, subsection 2, paragraph ai

**536.15 Limitation on principal amount over twenty-five thousand dollars.**

A licensee shall not directly or indirectly charge, contract for, or receive any interest or consideration greater than the lender would be permitted by law to charge if the lender were not a licensee upon the loan, use, or forbearance of money, goods, or things in action, or upon the loan, use, or sale of credit, of the amount or value of more than twenty-five thousand dollars. This section also applies to a licensee who permits a person, as borrower or as endorser, guarantor, or surety for a borrower, or otherwise, to owe directly or contingently or both to the licensee at any time the sum of more than twenty-five thousand dollars for principal.

[C24, 27, 31, §9424; C35, §9438-f15; C39, §**9438.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.15]

85 Acts, ch 158, §5

**536.16 Nonresident licensees — face-to-face solicitation.**

Notwithstanding other provisions of this chapter to the contrary, a person who neither has an office physically located in this state nor engages in face-to-face solicitation in this state, if authorized by another state to make loans in that state at a rate of finance charge in excess of the rate provided in chapter 535, shall not be subject to section 536.10 to the extent it requires the superintendent to make an examination of the affairs, place of business, and records of the person on a periodic basis.

[C75, 77, 79, 81, §536.16]

89 Acts, ch 257, §28; 2006 Acts, ch 1042, §39; 2008 Acts, ch 1160, §30, 31

**536.17 and 536.18** Repealed by 74 Acts, ch 1250, § 9.132.

**536.19 Violations.**

Any person, partnership, association, or corporation and the several members, officers, directors, agents, and employees thereof, who shall violate or participate in the violation of any of the provisions of section 536.1, 536.12, 536.13 or 536.14, which are not also violations of chapter 537, article 5, part 3, of the Iowa consumer credit code, shall be guilty of a serious misdemeanor. Violations of the Iowa consumer credit code, chapter 537, shall be subject to the penalties provided therein.

[C24, 27, 31, §9435; C35, §9438-f19; C39, §**9438.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.19]

2003 Acts, ch 44, §114; 2008 Acts, ch 1032, §106; 2011 Acts, ch 25, §67

**536.20 Nonapplicability of statute.**

This chapter shall not apply to any person doing business under and as permitted by any law of this state or of the United States relating to banks, trust companies, building and loan associations, credit unions or licensed pawnbrokers, nor shall it apply to any domestic corporation entitled to the benefits of chapter 536A.

[C35, §9438-f20; C39, §**9438.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.20]

**536.21 Rules.**

The superintendent is hereby authorized and empowered to make such reasonable and relevant rules as may be necessary for the execution and the enforcement of the provisions of this chapter, in addition hereto and not inconsistent herewith. All rules shall be filed and entered by the superintendent in the banking division of the department of commerce in an indexed, permanent book or record, with the effective date thereof suitably indicated, and such book or record shall be a public document.

[C35, §9438-f21; C39, §**9438.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.21]

**536.22 Assistants.**

The superintendent of banking is hereby authorized to employ such competent help as the superintendent deems necessary to carry out and perform the provisions of this chapter, and is hereby authorized and empowered to pay such persons so employed from the license fees, examination fees, and investigation fees referred to in section 536.2.

[C35, §9438-f22; C39, §**9438.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.22]

**536.23 Judicial review.**

Judicial review of the actions of the superintendent may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C35, §9438-f23; C39, §**9438.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §536.23]

2003 Acts, ch 44, §114; 2004 Acts, ch 1141, §34; 2006 Acts, ch 1042, §40

**536.24 List of licensees by banking superintendent.**

The superintendent of banking shall, in listing the names of licensees under this chapter, indicate if the licensee is one of a chain of two or more such licensees, the name of the owner and the address of the principal place of business of each owner, a summary of individual reports of each such licensed office indicating its location, the name of licensee, capital, surplus, reserves, loans receivable, cash and due from banks, real estate, borrowed money, net worth, total assets, total liabilities and such other pertinent and related information as may be necessary or desirable to give a correct and full picture of the total assets and total liabilities of each such licensee.

[C62, 66, 71, 73, 75, 77, 79, 81, §536.24]

**536.25 Statement of indebtedness of borrower.** Repealed by 2006 Acts, ch 1042, § 42.

**536.26 Insured loans.**

A licensee shall not, directly or indirectly, sell or offer for sale any life or accident and health insurance in connection with a loan made under this chapter except as and to the

extent authorized by this section. Life, accident and health insurance, or any of them, may be written by a licensed insurance producer upon or in connection with any loan for a term not extending beyond the final maturity date of the loan contract, but only upon one obligor on any one loan contract.

The amount of life insurance shall at no time exceed the unpaid balance of principal and interest combined which are scheduled to be outstanding under the terms of the loan contract or the actual amount unpaid on the loan contract, whichever is greater.

Accident and health insurance shall provide benefits not in excess of the unpaid balance of principal and interest combined which are scheduled to be outstanding under the terms of the loan contract and the amount of each periodic benefit payment shall not exceed the total amount payable divided by the number of installments and shall provide that if the insured obligor is disabled, as defined in the policy, for a period of more than fourteen days, benefits shall commence as of the first day of disability.

The premium, which shall be the only charge for such insurance, shall not exceed that approved by the commissioner of insurance of the state of Iowa as filed in the office of such commissioner. Such charge, computed at the time the loan is made for the full term of the loan contract on the total amount required to pay principal and interest.

If a borrower procures insurance by or through a licensee, the licensee shall cause to be delivered to the borrower a copy of the policy within fifteen days from the date such insurance is procured. No licensee shall decline new or existing insurance which meets the standards set out herein nor prevent any obligor from obtaining such insurance coverage from other sources.

If the loan contract is prepaid in full by cash, a new loan, or otherwise (except by the insurance) any life, accident and health insurance procured by or through a licensee shall be canceled and the unearned premium shall be refunded. The amount of such refund shall represent at least as great a proportion of the insurance premium or identifiable charge as the sum of the consecutive monthly balances of principal and interest of the loan contract originally scheduled to be outstanding after the installment date nearest the date of prepayment bears to the sum of all such monthly balances of the loan contract originally scheduled to be outstanding.

[C66, 71, 73, 75, 77, 79, 81, §536.26]

85 Acts, ch 158, §7; 2001 Acts, ch 16, §33, 37

**536.27 Insurance related to property of borrower.**

A licensee may sell the borrower insurance against loss of or damage to property owned by the borrower or loss from liability arising out of the ownership or use of property owned by the borrower. When the transaction is a consumer credit transaction as defined in section 537.1301 the sale of property insurance is subject to the requirements of sections 537.2501 and 537.2510 and the rules adopted under those sections by the administrator of the Iowa consumer credit code, chapter 537.

85 Acts, ch 158, §9; 2003 Acts, ch 44, §114

**536.28 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means the person designated in section 537.6103.
2. *"Consumer loan"* means a loan as defined in section 537.1301.
3. *"Licensee"* means a person licensed under this chapter.
4. *"Superintendent"* means the state superintendent of banking.

[C75, 77, 79, 81, §536.28]

85 Acts, ch 158, §8; 2004 Acts, ch 1141, §34; 2005 Acts, ch 3, §117, 118; 2006 Acts, ch 1042, §41

**536.29 Enforcement of Iowa consumer credit code.**

1. The superintendent shall enforce the Iowa consumer credit code, chapter 537, with respect to licensees, as provided in sections 537.2303, 537.2305 and 537.6105.

2. The superintendent shall cooperate with the administrator, and shall assist the

administrator whenever necessary to provide for the discharge of the duties of the administrator.

3. Notwithstanding other provisions of this chapter to the contrary, the superintendent shall authorize to be furnished to the administrator, access to or copies of records in the possession of the superintendent or other persons which relate to a person licensed under this chapter, when necessary to enable the administrator to enforce chapter 537.

4. The superintendent shall make an annual report in writing to the administrator. A copy of the report shall be furnished at cost by the superintendent to each licensee or other person upon request. The annual report shall contain:

*a.* A summary of license applications approved or denied by the superintendent since the last report.

*b.* A summary of the assets, liabilities and capital structure of all licensees, and volume of consumer installment of credit outstanding per licensee, as of December 31 of the year for which the report is made.

*c.* An estimate of the disbursements of agency funds for consumer credit protection during the calendar year ending the preceding December 31.

*d.* Information which the superintendent may deem appropriate and advisable to disclose.

*e.* Information which the administrator may require to be included.

[C75, 77, 79, 81, §536.29]

2003 Acts, ch 44, §114

**536.30 Powers and duties of the superintendent — nationwide system.**

In addition to any other duties imposed upon the superintendent by law, the superintendent may require applicants and licensees to be licensed through the nationwide mortgage licensing system and registry as defined in section 535D.3. In order to carry out this requirement, the superintendent may participate in the nationwide mortgage licensing system and registry. For this purpose, the superintendent may establish by rule or order new requirements as necessary, including but not limited to requirements that applicants, including officers and directors and those who have control of the applicant, submit to fingerprinting and criminal history checks, and pay fees therefor.

2009 Acts, ch 61, §43, 47

# CHAPTER 536A

## INDUSTRIAL LOANS

Referred to in §216.10, 322.21, 524.211, 524.212, 524.606, 524.821, 527.2, 533.301, 533A.2, 533D.16, 535.2, 535A.2, 535B.2, 535C.2, 535D.3, 535D.14, 536.20, 536C.3, 537.2301, 537.2403, 537.6105, 537.6201, 546.3, 669.14, 714H.4


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**536A.1 Title.**

This chapter may be referred to as the *"Iowa Industrial Loan Law"*.

[C66, 71, 73, 75, 77, 79, 81, §536A.1]

**536A.2 Definitions.**

The following words and terms when used in this chapter shall have the following meanings unless the context clearly requires a different meaning:

1. *"Administrator"* means the person designated in section 537.6103.
2. *"Affiliate"* means the same as defined in 12 U.S.C. § 1841(k).
3. *"Commercial activities"* means activities in which an industrial loan company is not specifically authorized to engage under the provisions of this chapter.
4. *"Control"* means the same as provided in 12 U.S.C. § 1841(a)(2).
5. *"Corporation"* shall mean any corporation for pecuniary profit organized under the laws of the state of Iowa.
6. *"Industrial loan company"* shall mean a corporation operating under the provisions of this chapter and engaged in the business of loaning money to be repaid in one payment or in weekly, monthly or other periodic installments and the charging, receiving or requiring of interest, discount, fees, compensation or charges of whatever nature or kind for the use of such money and for the services to be rendered to the borrower in connection with the loan. The term *"industrial loan company"* shall not include those businesses specifically exempted in section 536A.5.
7. *"License"* shall mean a permit or authorization issued or required under the provisions of this chapter to make loans in accordance with this chapter at a single location or place of business.
8. *"Licensee"* means a person licensed under this chapter.
9. *"Superintendent"* means the superintendent of banking within the banking division of the department of commerce.

[C66, 71, 73, 75, 77, 79, 81, §536A.2]

86 Acts, ch 1245, §757; 94 Acts, ch 1023, §68; 2006 Acts, ch 1015, §12

Referred to in §714H.4

**536A.3 License.**

With respect to a loan other than a consumer loan, a person shall not engage in the business of operating an industrial loan company in this state without first having obtained a license from the superintendent. With respect to a consumer loan, a person required by section 537.2301 to have a license is not authorized to engage in the business of operating an industrial loan company without first obtaining a license from the superintendent. A person that enters into less than ten supervised loans per year in this state and that neither has an office physically located in this state nor engages in face-to-face solicitation in this state may contract for and receive the rate of interest permitted in this chapter for licensees in this chapter. A "*consumer loan*" means the same as defined in section 537.1301.

[C66, 71, 73, 75, 77, 79, 81, §536A.3]

86 Acts, ch 1245, §758

Referred to in §536A.27

**536A.4 Limitations.**

A license shall not be issued to any individual, partnership, nonprofit organization, or unincorporated association. A license shall not be issued to an applicant that engages in commercial activities directly or through an affiliate. Not more than one place of business where loans are made shall be maintained under the same license but the superintendent may issue more than one license to the same licensee upon compliance, for each such additional license, with all the provisions of this chapter governing an original issuance of a license.

[C66, 71, 73, 75, 77, 79, 81, §536A.4]

2006 Acts, ch 1015, §13

**536A.5 Exemptions.**

This chapter does not apply to any of the following:

1. Businesses organized or operating as permitted under the authority of a law of this state or the United States relating to banks, trust companies, building and loan associations, savings and loan associations, insurance companies, regulated loan companies organized under chapter 536, or credit unions.
2. Persons that make loans only on notes secured by first mortgages on real estate.
3. Licensed real estate brokers or salespersons.
4. A person engaged exclusively in the business of purchasing commodity financing or commercial paper.
5. A pawnbroker.
6. Loans made to a domestic or foreign corporation.

[C66, 71, 73, 75, 77, 79, 81, §536A.5]

85 Acts, ch 158, §10; 2006 Acts, ch 1015, §14

Referred to in §536A.2

**536A.6 Administration by superintendent.**

The superintendent shall supervise the operation of industrial loan companies in this state in accordance with this chapter.

[C66, 71, 73, 75, 77, 79, 81, §536A.6]

86 Acts, ch 1245, §759

**536A.7 Application for license.**

1. The application for a license to engage in the business of operating an industrial loan company shall be in the form as may be prescribed by the superintendent. The application shall give all of the following information:

*a.* The name of the corporation.

*b.* The location where the business is to be conducted, including the street address of the place of business.

*c.* The names and addresses of the officers and directors of the corporation.

*d.* Other relevant information as the superintendent shall require.

2. At the time of making the application, the applicant shall pay to the superintendent

the sum of one hundred dollars to cover the cost of the investigation of the applicant. The applicant shall also pay to the superintendent the sum of two hundred fifty dollars as an annual license fee for the period ending December 31 following the application.

[C66, 71, 73, 75, 77, 79, 81, §536A.7]

89 Acts, ch 257, §29; 2006 Acts, ch 1042, §43

Referred to in §536A.9, 536A.11

**536A.7A Bonds.**

1. An applicant for a license shall file with the superintendent a bond furnished by a surety company authorized to do business in this state. Until such time as the superintendent pursuant to administrative rule determines a bond amount that reflects the dollar value of the loans originated, the bond shall be in the amount of twenty-five thousand dollars. The bond shall be continuous in nature until canceled by the surety with not less than thirty days' notice in writing to the applicant and to the superintendent indicating the surety's intention to cancel the bond on a specific date. The bond shall be for the use of the state and any persons who may have causes of action against the applicant. The bond shall be conditioned upon the applicant's faithfully conforming to and abiding by this chapter and any rules adopted under this chapter and shall require that the surety pay to the state and to any persons all moneys that become due or owing to the state and to the persons from the applicant by virtue of this chapter.

2. In lieu of filing a bond, the applicant may pledge an alternative form of collateral acceptable to the superintendent, if the alternative collateral provides protection to the state and any aggrieved person that is equivalent to that provided by a bond.

2008 Acts, ch 1160, §32; 2009 Acts, ch 61, §44, 47

**536A.8 Capital stock requirement.**

The paid-in capital stock of any corporation engaged in the business of operating an industrial loan company shall not be less than twenty-five thousand dollars when the corporation is transacting business in any city having less than twenty-five thousand inhabitants according to the last preceding decennial census. The paid-in capital stock of any corporation engaged in the business of operating an industrial loan company in any city having a population of more than twenty-five thousand inhabitants according to the last preceding decennial census shall not be less than fifty thousand dollars. The paid-in capital stock of any corporation engaged in the business of operating an industrial loan company outside the limits of any incorporated city shall not be less than fifty thousand dollars. Every corporation engaged in the industrial loan business in the state of Iowa shall have a surplus of not less than ten percent of its paid-in capital stock.

[C66, 71, 73, 75, 77, 79, 81, §536A.8]

Referred to in §536A.10, 536A.30

**536A.9 Investigation of application.**

Upon the filing of an application for a license to engage in the business of operating an industrial loan company, and upon payment of the investigation fee and license fee as required by section 536A.7, the superintendent shall cause an investigation to be made of the facts set forth in the application. If as the result of the preliminary investigation the superintendent deems it proper, the superintendent may hold a hearing at a time and place designated by the superintendent for the purpose of completing the superintendent's investigation.

[C66, 71, 73, 75, 77, 79, 81, §536A.9]

**536A.10 Issuance of license.**

1. The superintendent shall approve the application and issue to the applicant a license to engage in the industrial loan business in accordance with the provisions of this chapter, if the superintendent shall find:

*a.* That the financial responsibility, experience, character and general fitness of the applicant and of the officers thereof are such as to command the confidence of the

community, and to warrant the belief that the business will be operated honestly, fairly and efficiently within the purpose of this chapter;

*b.* That a reasonable necessity exists for a new industrial loan company in the community to be served;

*c.* That the applicant has available for the operation of the business at the specified location paid-in capital and surplus as required by section 536A.8; and

*d.* That the applicant is a corporation organized for pecuniary profit under the laws of the state of Iowa.

2. The superintendent shall approve or deny an application for a license within one hundred twenty days from the date of the filing of such application.

[C66, 71, 73, 75, 77, 79, 81, §536A.10]

2012 Acts, ch 1023, §139; 2012 Acts, ch 1138, §74

Referred to in §536A.30

**536A.11 Denial of license.**

If the superintendent shall not approve the application, the superintendent shall prepare a written denial of the application with a written finding of facts which shall be sent by certified mail to the applicant. Within fifteen days after mailing of notice of the denial of its application, the applicant may file with the superintendent a written demand for a hearing on the application. Upon such demand being made, the superintendent must within thirty days hold a formal hearing at the superintendent's office in Des Moines, Iowa, notice of the time of which hearing shall be given by the superintendent to the applicant by mail within fifteen days after the filing of the written demand by the applicant. Notice of the time and place of hearing shall also be given by the superintendent to all corporations holding licenses to engage in the industrial loan business in the county where the applicant proposes to establish its business and notice of said time and place of hearing shall be published pursuant to section 618.14.

At the formal hearing after the original denial of the license by the superintendent the applicant shall be entitled to present evidence in support of the application. The superintendent shall then grant or deny the application for a license within thirty days from the date of the formal hearing and give notice to the applicant by a decision and finding of facts in writing. If the application for a license is disapproved and a license is denied the superintendent shall refund the annual license fee which was required to be deposited by section 536A.7 providing the cost of investigation does not exceed the investigation fee. If the cost of investigation exceeds the investigation fee, the excess cost shall be deducted from the license fee before any refund is made.

Judicial review of actions of the superintendent may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C66, 71, 73, 75, 77, 79, 81, §536A.11]

2003 Acts, ch 44, §114

**536A.12 Continuing license — annual fee — change of name or location — change of control.**

1. Each license remains in full force and effect until surrendered, revoked, or suspended, or until there is a change of control.

2. A licensee, on or before December 1, shall pay to the superintendent the sum of two hundred fifty dollars as an annual license fee for the succeeding calendar year. The licensee shall submit the annual license fee with a renewal application in the form prescribed by the superintendent. The superintendent may assess a late fee of ten dollars per day per license for applications received after December 1.

3. When a licensee changes its name or place of business from one location to another in the same city, the licensee shall notify the superintendent thirty days in advance of the effective date of the change. A licensee shall pay a fee of twenty-five dollars per license to the superintendent with the notification of change.

4. *a.* A person who proposes to purchase or otherwise acquire, directly or indirectly, any of the outstanding shares of an industrial loan company which would result in a change of

control of the industrial loan company, shall first apply in writing to the superintendent for a certificate of approval for the proposed change of control.

*b.* At the time of making the application, the applicant shall pay to the superintendent one hundred dollars to cover the cost of the investigation of the applicant.

*c.* The superintendent shall grant the certificate if the superintendent is satisfied of both of the following:

(1) The person who proposes to obtain control of the industrial loan company is qualified by character, experience, and financial responsibility to control and operate the industrial loan company in a sound and legal manner.

(2) The interests of the thrift certificate holders, creditors, and shareholders of the industrial loan company, and of the public generally, will not be jeopardized by the proposed change of control.

*d.* If a board member of the industrial loan company has reason to believe any of the requirements of this subsection have not been met, the board member shall promptly report the facts in writing to the superintendent.

*e.* If there is any doubt as to whether a change in the ownership of the outstanding shares is sufficient to result in control of the industrial loan company, or to effect a change in the control of the industrial loan company, the doubt shall be resolved in favor of reporting the facts to the superintendent.

5. *a.* For purposes of this section, a change of control does not occur when a majority shareholder of an industrial loan company transfers the shareholder's shares of the industrial loan company to a revocable trust, so long as the transferor retains the power to revoke the trust and take possession of the shares.

*b.* Notwithstanding the provisions of paragraph *"a"*, a change of control is deemed to occur two years after the death of the majority shareholder, whether the shareholder's shares of the industrial loan company are held in a revocable trust or otherwise.

[C66, 71, 73, 75, 77, 79, 81, §536A.12]

87 Acts, ch 11, §1, 2; 96 Acts, ch 1159, §1; 2002 Acts, ch 1119, §184; 2006 Acts, ch 1015, §15; 2006 Acts, ch 1042, §44

**536A.13 Books and records.**

Each industrial loan company shall keep such books, accounts and records as will enable the superintendent to determine whether or not the licensee is complying with the provisions of this chapter. Industrial loan companies shall not be required to preserve or keep their records or files for a longer period than eleven years next after the first day of January of the year following the time of the making or filing of such records or files.

[C66, 71, 73, 75, 77, 79, 81, §536A.13]

**536A.14 Reports.**

1. *a.* Each licensee shall annually on or before the fifteenth day of April file with the superintendent a report in writing showing the results of the operation of its industrial loan business for the previous calendar year, which reports shall contain:

(1) A balance sheet showing all assets and liabilities as of the thirty-first day of December next preceding.

(2) An operating statement showing income, expenses, and net profit for the previous calendar year.

(3) Such other relevant information as the superintendent shall reasonably require.

*b.* The report shall be verified under oath by the president and secretary of the corporation. The superintendent shall make and publish annually an analysis and recapitulation of such reports.

2. Each licensee making residential mortgage loans shall submit to the nationwide mortgage licensing system and registry reports of condition, which shall be in such form and shall contain such information as the nationwide mortgage licensing system and registry

may require. For purposes of this subsection, *"nationwide mortgage licensing system and registry"* and *"residential mortgage loan"* mean the same as defined in section 535D.3.

[C66, 71, 73, 75, 77, 79, 81, §536A.14]

2008 Acts, ch 1160, §33; 2009 Acts, ch 61, §45, 47

**536A.15 Examination of licensees.**

1. The superintendent or the superintendent's designee shall, at least once each year without previous notice, examine the books, accounts, and records of each licensee engaged in the industrial loan business as defined by this chapter. A licensee issuing senior debt to the general public shall be audited at the expense of the licensee by a certified public accountant licensed to practice in the state of Iowa. A licensee not issuing senior debt to the general public may provide an audited statement of the licensee's parent corporation which includes the Iowa licensee. After receiving such an audit or audited statement, the superintendent may make further examination of the licensee as the superintendent deems necessary. A record of each examination shall be kept in the superintendent's office.

2. Except as otherwise provided by this chapter, all papers, documents, examination reports, and other writing relating to the supervision of licensees are not public records and are not subject to disclosure under chapter 22. The superintendent may disclose information to representatives of other state or federal regulatory authorities. The superintendent may release summary complaint information so long as the information does not specifically identify the complainant. The superintendent may prepare and circulate reports reflecting financial information and examination results for all licensees on an aggregate basis, including other information considered pertinent to the purpose of each report for general statistical information. The superintendent may prepare and circulate reports provided by law. The superintendent may release the reports and correspondence in the course of an enforcement proceeding or a hearing held by the superintendent. The superintendent may also provide this information to the attorney general for purposes of enforcing this chapter or the consumer fraud Act, section 714.16.

3. Any evidence of criminal acts committed by officers, directors, or employees of an industrial loan company shall be reported by the superintendent to the proper authorities.

4. The licensee shall be charged and shall pay the actual costs of the examination as determined by the superintendent based on the actual cost of the operation of the finance bureau of the banking division of the department of commerce including the proportionate share of administrative expenses in the operation of the banking division attributable to the finance bureau as determined by the superintendent incurred in the discharge of the duties imposed upon the superintendent by this chapter. Failure to pay the examination fee within thirty days of receipt of demand from the superintendent shall subject the licensee to a late fee of five percent of the amount of the examination fee for each day the payment is delinquent.

[C66, 71, 73, 75, 77, 79, 81, §536A.15]

87 Acts, ch 11, §3; 2006 Acts, ch 1042, §45

Referred to in §536A.30, 537.2305

**536A.16 Cease and desist orders.**

If the superintendent has reasonable cause to believe that a licensee is violating this chapter or rules adopted pursuant to this chapter, the superintendent may, after ten days' advance written notice, in addition to all actions provided for in this chapter, and without prejudice, enter an order requiring the licensee to cease, desist, and refrain from the violation. After receipt of the advance written notice, the licensee, within five days from the receipt of the notice, may file with the superintendent a written demand for a hearing. Hearings shall promptly be held in the office of the superintendent and a cease and desist order shall not be issued until after the hearing. The licensee shall be entitled to present evidence and the testimony of witnesses at the hearing.

[C66, 71, 73, 75, 77, 79, 81, §536A.16; 82 Acts, ch 1253, §37]

91 Acts, ch 63, §1

**536A.17 Injunctions.**

The superintendent by counsel of the attorney general may commence an action in the district court, in the name of the state of Iowa as plaintiff on the relation of the superintendent to restrain and enjoin any licensee from violating this chapter or rules adopted pursuant to this chapter, or to restrain and enjoin any person, partnership, firm, or corporation from engaging in the business of operating an industrial loan company without obtaining a license as required by this chapter.

[C66, 71, 73, 75, 77, 79, 81, §536A.17; 82 Acts, ch 1253, §38]

91 Acts, ch 63, §2; 2008 Acts, ch 1032, §106

**536A.18 Disciplinary action.**

1. The superintendent may, after notice and hearing pursuant to chapter 17A, take disciplinary action against a licensee if the superintendent finds any of the following:

*a.* That the licensee has failed to pay the annual license fee required by this chapter or to maintain in effect the bond or bonds required under this chapter.

*b.* That the licensee has violated any of the provisions of this chapter or a rule adopted under this chapter or any other state or federal law, rule, or regulation applicable to the conduct of its business.

*c.* That the licensee has refused to submit to the examination required by this chapter.

*d.* That the licensee has neglected or refused for a period of more than thirty days to pay a final judgment rendered against it in the courts of this state.

*e.* That the licensee has become insolvent.

*f.* A fact or condition exists which would have warranted the superintendent to refuse to originally issue the license.

*g.* The licensee has violated an order of the superintendent.

2. The superintendent may impose one or more of the following disciplinary actions against a licensee:

*a.* Revoke a license.

*b.* Suspend a license until further order of the superintendent or for a specified period of time.

*c.* Impose a period of probation under specified conditions.

*d.* Impose civil penalties in an amount not to exceed five thousand dollars for each violation.

*e.* Issue a citation and warning respecting licensee behavior.

*f.* Order the licensee to pay restitution.

3. The superintendent may order an emergency suspension of a licensee's license pursuant to section 17A.18A. A written order containing the facts or conduct which warrants the emergency action shall be timely sent to the licensee by restricted certified mail. Upon issuance of the suspension order, the licensee must also be notified of the right to an evidentiary hearing. A suspension proceeding shall be promptly instituted and determined.

4. Except as provided in this section, a license shall not be revoked or suspended except after notice and a hearing thereon in accordance with chapter 17A.

5. A licensee may surrender a license by delivering to the superintendent written notice of surrender, but a surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender.

6. A suspension, revocation, relinquishment, or expiration of a license shall not invalidate, impair, or affect the legality of obligations of any preexisting contracts, or prevent the enforcement or collection thereof.

7. Judicial review of the actions of the superintendent may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C66, 71, 73, 75, 77, 79, 81, §536A.18]

2003 Acts, ch 44, §114; 2008 Acts, ch 1160, §34

**536A.19 Receivership — liquidation.**

1. If the superintendent revokes the license of any industrial loan company, the superintendent shall promptly report the revocation to the attorney general, who may apply

to the district court of the county in which the licensee had conducted its business for the appointment of a receiver to take possession of the assets of the corporation for the purpose of liquidating its affairs. The court shall appoint the superintendent as receiver unless the superintendent has tendered the appointment to the federal deposit insurance corporation, in which case the court shall appoint the federal deposit insurance corporation as receiver. The affairs of the industrial loan company, after such appointment, shall be under the direction of the court. The attorney general shall represent the superintendent in all proceedings connected with the receivership.

2. When an insured industrial loan company has ceased to carry on its business, the superintendent may tender the appointment as receiver of the insured industrial loan company to the federal deposit insurance corporation. If the federal deposit insurance corporation accepts the appointment as receiver, the rights of depositors and other creditors of the insured industrial loan company shall be determined in accordance with the laws of this state.

3. The federal deposit insurance corporation as receiver shall possess all of the powers, rights, and privileges of the superintendent in connection with the liquidation.

4. If the federal deposit insurance corporation pays or makes available for payment the insured deposit liabilities of an insured industrial loan company, the federal deposit insurance corporation, whether or not it has become receiver, shall be subrogated to all rights of the owners of such deposits against the insured industrial loan company in the same manner and to the same extent as subrogation of the federal deposit insurance corporation is provided for in applicable federal law with respect to a national bank.

[C66, 71, 73, 75, 77, 79, 81, §536A.19]

96 Acts, ch 1159, §2

**536A.20 Real estate loans.**

1. A licensed industrial loan company may make permanent loans, construction loans, or combined construction and permanent loans, secured by liens on real property, as authorized by rules adopted by the superintendent under chapter 17A. These rules shall contain provisions as necessary to insure the safety and soundness of these loans, and to insure full and fair disclosure to borrowers of the effects of provisions in agreements for these loans, including provisions permitting change or adjustment of any terms of a loan, provisions permitting, requiring, or prohibiting repayment of a loan on a basis other than of equal periodic installments of interest plus principal over a fixed term, provisions imposing penalties for the borrower's noncompliance with requirements of a loan agreement, or provisions allowing or requiring a borrower to choose from alternative courses of action at any time during the effectiveness of a loan agreement.

2. A licensed industrial loan company may require and establish escrow accounts in connection with subsection 3.

3. *a.* A licensed industrial loan company may act as an escrow agent with respect to real property that is mortgaged to the licensed industrial loan company, and may receive funds and make disbursements from escrowed funds in that capacity. The licensed industrial loan company shall be deemed to be acting in a fiduciary capacity with respect to these funds. A licensed industrial loan company receiving funds in escrow pursuant to an escrow agreement executed on or after July 1, 1982 and before July 1, 1983 or on or after July 1, 1984 in connection with a loan defined in section 535.8, subsection 1, shall pay interest to the borrower on those funds, calculated on a daily basis, at the lowest rate the company pays to holders of thrift certificates issued by the company. A licensed industrial loan company which maintains such an escrow account, whether or not the mortgage has been assigned to a third person, shall deliver to the mortgagor a written summary of all transactions made with respect to the loan and escrow accounts during each calendar year. However, the mortgagor and mortgagee may, by mutual agreement, select a fiscal year reporting period other than the calendar year.

*b.* The summary shall be delivered or mailed not later than thirty days following the year to which the disclosure relates. The summary shall contain all of the following information:

(1) The name and address of the mortgagee.

(2) The name and address of the mortgagor.
(3) A summary of escrow account activity during the year as follows:
(a) The balance of the escrow account at the beginning of the year.
(b) The aggregate amount of deposits to the escrow account during the year.
(c) The aggregate amount of withdrawals from the escrow account for each of the following categories:
(i) Payments against loan principal.
(ii) Payments against interest.
(iii) Payments against real estate taxes.
(iv) Payments for real property insurance premiums.
(v) All other withdrawals.
(d) The balance of the escrow account at the end of the year.
(4) A summary of loan principal for the year as follows:
(a) The amount of principal outstanding at the beginning of the year.
(b) The aggregate amount of payments against principal during the year.
(c) The amount of principal outstanding at the end of the year.
4. Section 524.905, subsection 4, applies to the licensed industrial loan company in the same manner as if the licensed industrial loan company is a bank within the meaning of that provision.
[82 Acts, ch 1253, §36, 43]
83 Acts, ch 124, §21 – 23; 84 Acts, ch 1205, §1; 2012 Acts, ch 1023, §157
Referred to in §535B.11

**536A.21 Other business in same office.**
A licensee engaged in the business of operating an industrial loan company under the provisions of this chapter may not conduct its business within any office, room, suite, place of business, or premises in which commercial activities are conducted, unless the place where its business is conducted by the industrial loan company is physically separated from the location where commercial activities are conducted and has a separate entrance. The prohibition of this section shall not apply to the conduct of business if, prior to January 1, 2006, the superintendent has determined in writing that the character of the other business is such that its operation by the licensee would not facilitate evasions of the provisions of this chapter or any other provision of the Code relating to the making of loans.
[C66, 71, 73, 75, 77, 79, 81, §536A.21]
2006 Acts, ch 1015, §16

**536A.22 Thrift certificates.**
1. Licensed industrial loan companies shall not sell senior debt to the general public in the form of thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes, or similar evidences of indebtedness.
2. *a.* Licensees selling debt instruments on January 1, 1996, may continue to do so until there is a change of control of the licensee which occurs on or after January 1, 1996. If there is a change of control of a licensee on or after January 1, 1996, and the licensee has sold senior debt instruments that remain outstanding at the time of the change of control, such outstanding senior debt instruments that do not have a stated maturity date shall be redeemed within six months of the date of the change of control. Such outstanding senior debt instruments with stated maturity dates shall be redeemed on their stated maturity dates.
*b.* The total amount of such thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes, or similar evidences of indebtedness outstanding and in the hands of the general public shall not at any time exceed ten times the total amount of capital, surplus, undivided profits, and subordinated debt that gives priority to such securities of the issuing industrial loan company. The sale of such securities is subject to the provisions of chapter 502 and rules adopted by the superintendent of banking pursuant to chapter 17A, except that the sale of thrift certificates or installment thrift certificates which are redeemable

by the holder either upon demand or within a period not in excess of five years are exempt from sections 502.301 and 502.504.

[C66, 71, 73, 75, 77, 79, 81, §536A.22; 82 Acts, ch 1253, §39]

91 Acts, ch 63, §3; 93 Acts, ch 96, §1; 96 Acts, ch 1159, §3; 2004 Acts, ch 1161, §67, 68; 2006 Acts, ch 1015, §17; 2007 Acts, ch 170, §6

**536A.23 Powers of industrial loan companies.**

1. No industrial loan company licensed under the provisions of this chapter shall have the power and authority to:

*a.* (1) Charge, receive, or collect interest at a rate exceeding ten cents on the hundred by the year, except that the interest may be computed when the note is made on the full amount of the cash advanced on the loan from the date of the note to the date of the final installment thereof, and the interest so computed may be included in the note, notwithstanding any agreement to pay the entire amount in installments; or the interest may be computed on the amount of the note and discounted or collected in advance when the loan is made, notwithstanding any agreement to pay the entire amount in installments. If the note is repayable in other than equal monthly installments, the interest may be an amount computed on the basis of the effective rates permitted as provided above; provided, however, there shall be no compounding of interest and when an interest rate as authorized herein is advertised, or negotiated for with a prospective borrower, with intent that it be computed by either of the two methods authorized herein, they being the "add on" method or the "discount" method, in such case such rate shall be further described as to the method of computation to be used, but interest computed by either method shall be stated to the borrower as provided in section 537.3210.

(2) If a borrower elects to repay a loan secured by a mortgage or deed of trust upon real property which is a single-family or two-family dwelling or agricultural land at a date earlier than is required by the terms of the loan, the licensee shall be governed by section 535.9.

(3) The limitation on interest rate which is contained in this paragraph "*a*" shall not apply to any loan in which the borrower is a corporation or investment trust or any other person who is referred to in section 535.2, subsection 2.

*b.* Charge, receive, or collect in advance, a service charge in excess of one dollar for each fifty dollars of the amount of the note, not to exceed a total of one hundred twenty dollars.

*c.* Require any borrower to purchase insurance from the lender as a condition for obtaining a loan. However, an industrial loan company may collect from the borrower, at the option of the borrower, and transmit the premiums charged for insuring real or personal property used by the borrower as security for a loan and provided that such insurance is obtained from a licensed insurance producer for an insurance company authorized to do business in Iowa; and the premiums charged for insuring the life of one party on the loan in an amount not to exceed the total amount of the note or contract, including cash advance, interest and service charge, provided that no licensee shall require that the contract of life insurance be outstanding for more than the unpaid balance of the indebtedness and provided that such insurance is obtained from a licensed insurance producer for an insurance company authorized to do business in Iowa; and an industrial loan company may receive and transmit the premiums charged for accident and health insurance on the borrower, provided such insurance bears a reasonable relationship to the existing hazards or risk of loss, and the aggregate benefits of which shall not exceed the approximate amount of the contractual payments on the loan outstanding at the time of loss, and provided that such insurance is obtained from a licensed producer for an insurance company authorized to do business in Iowa. However, all life insurance rates in connection with industrial loans shall be subject to the rules and regulations of the insurance commissioner of the state of Iowa.

*d.* Engage in commercial activities or have an affiliate that engages in commercial activities. This paragraph shall not apply to an industrial loan company with an affiliate that is engaged in commercial activities prior to January 1, 2006, if control of the industrial loan company is not thereafter transferred to an entity that engages in commercial activities directly or through an affiliate.

*e.* Obtain or arrange a residential mortgage loan for a potential borrower from a third

person, unless the industrial loan company also has a mortgage broker license and complies with all provisions of chapter 535B.

2. Industrial loan companies licensed under the provisions of this chapter may purchase notes, contracts, mortgages, accounts, receivables, leases and securities of a type and kind authorized by the superintendent.

3. In addition to the other charges authorized by this chapter, industrial loan companies licensed under this chapter may collect an appraisal fee on a loan secured by a mortgage or deed of trust upon real property, if the appraisal fee is bona fide, reasonable in amount, and not for purposes of circumvention or evasion of this chapter.

[C66, 71, 73, 75, 77, 79, S79, C81, §536A.23; 82 Acts, ch 1153, §8, 18(1)]

84 Acts, ch 1205, §2; 89 Acts, ch 295, §1; 2001 Acts, ch 16, §34, 37; 2006 Acts, ch 1015, §18; 2008 Acts, ch 1160, §35

**536A.24 Electronic transactions.**

A licensee may engage in any transaction otherwise permitted by this chapter and applicable law, by means of either the direct transmission of electronic impulses or other indicia of a transaction for delayed transmission to the licensee. Subject to the provisions of chapter 527, a licensee may utilize, establish or operate, alone or with one or more other licensees, banks incorporated under the provisions of chapter 524 or federal law, credit unions incorporated under the provisions of chapter 533 or federal law, savings and loan associations incorporated under the provisions of federal law, or third parties, the satellite terminals permitted under chapter 527, by means of which the licensee may transmit to or receive from any customer electronic impulses constituting transactions pursuant to this section. However, such utilization, establishment or operation is lawful only when in compliance with chapter 527. Nothing in this section authorizes a licensee or other person to engage in transactions not otherwise permitted by applicable law, nor does anything in this section repeal, replace or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by a licensee.

[C81, §536A.24]

2012 Acts, ch 1017, §137

**536A.25 Restrictions.**

1. *a.* An industrial loan company licensed under this chapter that sells debt instruments to the general public in the form of thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes, or similar evidences of indebtedness shall not make a loan of money or property to or guarantee the obligations of its directors or officers; or loan to any borrower, other than a subsidiary or affiliated corporation, more than twenty percent of its total capital, surplus, and undivided profits.

*b.* A licensee shall not make a loan under any other name or at any other place of business than that named in the license.

2. *a.* An industrial loan company licensed under this chapter that sells debt instruments to the general public in the form of thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes, or similar evidences of indebtedness, shall not loan to a borrower, including a subsidiary or an affiliated corporation, more than twenty percent of the industrial loan company's total of capital, surplus, and undivided profits. The aggregate of all loans to subsidiaries and affiliated corporations of the industrial loan company shall not exceed ten percent of the industrial loan company's total assets.

*b.* A debt instrument sold by an industrial loan company which is not insured by the federal deposit insurance corporation, shall contain on its face a notice in bold print that the debt instrument is not insured or guaranteed by the federal deposit insurance corporation.

3. Investments by an industrial loan company licensed under this chapter that sells debt instruments to the general public in the form of thrift certificates, installment thrift certificates, certificates of indebtedness, promissory notes, or similar evidences of indebtedness are subject to the provisions of section 524.901 as applied to state banks.

[C66, 71, 73, 75, 77, 79, 81, §536A.25]

91 Acts, ch 63, §4; 2006 Acts, ch 1042, §46; 2012 Acts, ch 1023, §157

**536A.26 Prepayment.**

In addition to the requirements of the Iowa consumer credit code, chapter 537, respecting consumer loans, and notwithstanding the provisions of any note or contract to the contrary, a borrower may, at any time, prepay all or any part of the unpaid balance to become payable under any note or installment contract.

[C66, 71, 73, 75, 77, 79, 81, §536A.26]

2003 Acts, ch 44, §114

**536A.27 Penalty.**

If any officer, director, or agent of any corporation engaged in the business of operating an industrial loan company shall violate any of the provisions of this chapter which are not also violations of the Iowa consumer credit code, chapter 537; or if any person individually or as a partner, or officer, director, or agent of any corporation shall engage in the business of operating an industrial loan company without obtaining the license required by section 536A.3, when that person is not required by section 537.2301 to have a license, the person shall be guilty of a serious misdemeanor. Violations of the Iowa consumer credit code, chapter 537, shall be subject to the penalties provided therein.

[C66, 71, 73, 75, 77, 79, 81, §536A.27]

2003 Acts, ch 44, §114

**536A.28 Rules.**

The superintendent is hereby authorized and empowered to make such reasonable and relevant rules, not inconsistent herewith, as may be necessary for the enforcement of the provisions of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §536A.28]

**536A.29 Enforcement of Iowa consumer credit code.**

1. The superintendent shall enforce the Iowa consumer credit code, chapter 537, with respect to licensees, as provided in sections 537.2303, 537.2305 and 537.6105.

2. The superintendent shall cooperate with the administrator, and shall assist the administrator whenever necessary to provide for the discharge of the duties of the administrator.

3. Notwithstanding other provisions of this chapter to the contrary, the superintendent shall authorize to be furnished to the administrator, access to or copies of records in the possession of the superintendent or other persons which relate to a licensee when necessary to enable the administrator to enforce chapter 537.

4. The superintendent shall make an annual report in writing to the administrator. A copy of the report shall be furnished at cost by the superintendent to each licensee or other person upon request. The annual report shall contain:

*a.* A summary of license applications approved or denied by the superintendent since the last report.

*b.* A summary of the assets, liabilities and capital structure of all licensees, and volume of consumer installment credit outstanding per licensee, as of December 31 of the year for which the report is made.

*c.* An estimate of the disbursements of agency funds for consumer credit protection during the calendar year ending the preceding December 31.

*d.* Information which the superintendent may deem appropriate and advisable to disclose.

*e.* Information which the administrator may require to be included.

[C75, 77, 79, 81, §536A.29]

2003 Acts, ch 44, §114

**536A.30 Nonresident licensees — face-to-face solicitation.**

Notwithstanding other provisions of this chapter to the contrary, a person that neither has an office physically located in this state nor engages in face-to-face solicitation in this state, if authorized by another state to make loans in that state at a rate of finance charge in excess

of the rate provided in chapter 535, shall not be subject to the following provisions of this chapter:

1. Section 536A.8.
2. Section 536A.10, subsection 1, paragraphs "*b*", "*c*", and "*d*".
3. Section 536A.15, to the extent it requires the superintendent to make an examination and audit of the books, accounts and records of the licensee on a periodic basis.

[C75, 77, 79, 81, §536A.30]

89 Acts, ch 257, §30; 2002 Acts, ch 1119, §185; 2006 Acts, ch 1042, §47; 2012 Acts, ch 1023, §156

**536A.31 Applicability of Iowa consumer credit code.**

1. The provisions of the Iowa consumer credit code, chapter 537, shall apply to a consumer loan in which the licensee participates or engages, and any violation of the said code shall be a violation of this chapter.
2. Chapter 537, article 2, parts 3, 5, and 6, chapter 537, article 3, and sections 537.3203, 537.3206, 537.3209, 537.3210, 537.3304, 537.3305, and 537.3306 shall apply to any credit transaction, as defined in section 537.1301, in which a licensee participates or engages, and any violation of those parts or sections shall be violations of this chapter. For the purpose of applying the provisions of the Iowa consumer credit code, chapter 537, to those credit transactions, "*consumer loan*" shall include a loan for a business purpose.
3. Except as provided in this subsection, the provisions of the Iowa consumer credit code, chapter 537, apply to loans regulated by this chapter and supersede conflicting provisions of this chapter. Section 537.2402, subsection 1, does not apply to loans regulated by this chapter.

[C75, 77, 79, 81, §536A.31]

84 Acts, ch 1205, §3; 2003 Acts, ch 44, §114; 2010 Acts, ch 1028, §13; 2013 Acts, ch 30, §134
Subsection 2 amended

**536A.32 Powers and duties of the superintendent — nationwide system.**

In addition to any other duties imposed upon the superintendent by law, the superintendent may require applicants and licensees to be licensed through the nationwide mortgage licensing system and registry as defined in section 535D.3. In order to carry out this requirement, the superintendent may participate in the nationwide mortgage licensing system and registry. For this purpose, the superintendent may establish by rule or order new requirements as necessary, including but not limited to requirements that applicants, including officers and directors and those who have control of the applicant, submit to fingerprinting and criminal history checks, and pay fees therefor.

2009 Acts, ch 61, §46, 47

**536A.33 and 536A.34** Repealed by 2007 Acts, ch 170, § 8.

# CHAPTER 536B

RESERVED

# CHAPTER 536C

## LENDER CREDIT CARDS

Referred to in §524.211, 669.14


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536C.11 Waiver unenforceable.
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**536C.1 Title.**

This chapter shall be known and may be cited as the *"Lender Credit Card Act"*.

91 Acts, ch 216, §15

**536C.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrator"* means the superintendent of banking or the superintendent of credit unions. However, the powers of administration and enforcement of this chapter are to be exercised pursuant to section 536C.14.

2. *"Agreement"* means agreement as defined in section 537.1301, subsection 4.

3. *"Cardholder"* means cardholder as defined in section 537.1301, subsection 8.

4. *"Consumer credit transaction"* means consumer credit transaction as defined in section 537.1301, subsection 12.

5. *"Credit card"* means a card or device issued by a financial institution under an arrangement pursuant to which a card issuer gives a cardholder the privilege of purchasing or leasing property, or purchasing services, obtaining loans, or otherwise obtaining credit from at least one hundred persons not related to the card issuer.

6. *"Financial institution"* means a bank incorporated under the provisions of any state or federal law, a savings and loan association incorporated under the provisions of any state or federal law, a credit union organized under the provisions of any state or federal law, and any affiliate of such bank, savings and loan association, or credit union.

7. *"Person"* means any individual, firm, corporation, partnership, joint venture, or association, and any other organization or group, however organized.

91 Acts, ch 216, §16; 2012 Acts, ch 1017, §138

Referred to in §715C.1

**536C.3 Exemptions.**

This chapter does not apply to a bank chartered under chapter 524 or a bank chartered under federal law which has its principal place of business located in this state, a savings and loan association chartered under federal law which has its principal place of business located in this state, a credit union chartered under chapter 533 or a credit union chartered under federal law which has its principal place of business located in this state, regulated loan companies licensed under chapter 536, or industrial loan companies licensed under chapter 536A.

91 Acts, ch 216, §17; 2012 Acts, ch 1017, §139

Referred to in §536C.14

**536C.4 Notification.**

1. A person shall file a registration statement annually with the administrator before conducting the business of issuing credit cards in this state, and annually thereafter on or before January 31 of each year. The registration statement shall be in writing on a form prescribed by the administrator, and contain the name and address of the registrant, the name and address of a designated agent upon whom service of process may be made in this state, and any other information the administrator deems relevant.

2. At the time of filing a registration statement the person shall provide the administrator with a copy of the credit agreement and billing statement being used by the card issuer.

3. If information in a filing statement becomes inaccurate after filing, the person shall notify the administrator in writing of the changes within sixty days of such change.

91 Acts, ch 216, §18
Referred to in §536C.12

**536C.5 Fees.**

A person required to file a registration statement pursuant to this chapter shall pay to the administrator an annual fee of fifty dollars. The fee shall be paid at the time the person files the registration statement.

91 Acts, ch 216, §19

**536C.6 Applicability of Iowa consumer credit code.**

1. The terms and conditions of a credit card agreement shall conform to the provisions of chapter 537, the Iowa consumer credit code.

2. A provision of the Iowa consumer credit code, chapter 537, applicable to credit cards regulated by this chapter supersedes a conflicting provision of this chapter.

3. A person who is in full compliance with the provisions of this chapter is considered a supervised financial organization under the Iowa consumer credit code, chapter 537, for purposes of contracting for finance charges authorized for credit card issuers under section 537.2402.

91 Acts, ch 216, §20; 2003 Acts, ch 44, §114

**536C.7 Books and records.**

A person who issues credit cards shall keep such books, accounts, and records as will enable the administrator to determine whether or not the person is complying with the provisions of this chapter and chapter 537. The person shall not be required to preserve or keep their records or files for a longer period than three years following the date of the final payment.

91 Acts, ch 216, §21

**536C.8 Investigations.**

1. The administrator may investigate at any time the business of a credit card issuer subject to the provisions of this chapter. The administrator may examine the books, records, accounts, and files pertaining to the business of issuing credit cards subject to the provisions of this chapter.

2. The administrator may accept a copy of an examination conducted by a state or federal regulator in lieu of an investigation or examination by the administrator.

3. If an investigation or examination is performed by the administrator under this section, the credit card issuer shall pay to the administrator a fee based on the actual cost of such investigation or examination as determined by the administrator.

4. Upon completion of an investigation or examination by the administrator, the examiner shall render a billing in triplicate, with one copy to be delivered to the credit card issuer and two copies to be delivered to the administrator. Failure to pay the fee to the administrator within thirty days after the billing for the investigation or examination is delivered shall subject the credit card issuer to an additional fee of five percent of the amount of the original fee for each day the payment is delinquent.

91 Acts, ch 216, §22

**536C.9 Cease and desist orders.**

1. If the administrator has reasonable cause to believe a person who issues credit cards is violating any provision of this chapter, or rules adopted pursuant to this chapter, the administrator may enter a written order requiring the person to cease, desist, and refrain from an act constituting a violation. A copy of the order shall be sent to the person by certified mail. The person may file with the administrator a written notice of appeal within

fifteen days of receipt of the order. The person may also request that the order be stayed pending resolution of the appeal. The appellant shall be entitled to prompt consideration of the request to stay the order.

2. Within thirty days after receipt of a notice of appeal the administrator shall hold a hearing to consider the appeal. The appellant shall be informed regarding the time and place of the hearing not later than ten days prior to the hearing. The administrator's decision shall be provided, in writing, to the appellant within thirty days of the completion of the hearing.

91 Acts, ch 216, §23

**536C.10 Injunctions.**

The administrator may commence an action in the district court to restrain and enjoin any person from violating this chapter, or to restrain and enjoin any person from engaging in the business of issuing credit cards without filing a registration statement as required by this chapter.

91 Acts, ch 216, §24

**536C.11 Waiver unenforceable.**

A waiver of the provisions of this chapter or chapter 537 is not valid.

91 Acts, ch 216, §25

**536C.12 Penalty.**

If an officer, director, or agent of a corporation engaged in the business of issuing credit cards violates any of the provisions of this chapter which are not also violations of the Iowa consumer credit code, chapter 537, or if a person individually or as a partner, or officer, director, or agent of a corporation engages in the business of issuing credit cards without filing the registration statement required by section 536C.4, the person is guilty of a serious misdemeanor. Violations of this chapter which are also violations of the Iowa consumer credit code, chapter 537, shall be subject to the penalties provided in the Iowa consumer credit code, chapter 537.

91 Acts, ch 216, §26; 2003 Acts, ch 44, §114

**536C.13 Rules.**

The administrator may adopt such rules pursuant to chapter 17A as may be necessary for the enforcement and administration of this chapter.

91 Acts, ch 216, §27

**536C.14 Enforcement.**

1. The superintendent of banking shall enforce the provisions of this chapter with respect to banks not exempt from the provisions of this chapter under section 536C.3.

2. The superintendent of credit unions shall enforce the provisions of this chapter with respect to credit unions not exempt from the provisions of this chapter under section 536C.3.

91 Acts, ch 216, §28; 2012 Acts, ch 1017, §140

Referred to in §536C.2

# CHAPTER 537

## CONSUMER CREDIT CODE

Referred to in §261.37, 322.3, 322.6, 322.14, 322.33, 322C.3, 516E.5, 523A.602, 524.103, 524.227, 524.913, 533.102, 533.116, 533.315, 535.2, 535.10, 535.11, 536.13, 536.14, 536.19, 536.27, 536.29, 536A.26, 536A.27, 536A.29, 536A.31, 536C.6, 536C.7, 536C.11, 536C.12, 552.17, 554.9201, 602.8102(74), 669.14

The general assembly of the state of Iowa hereby declares and states that it does not want any of the provisions of Public Law No. 96 – 221 (94 Stat. 132), section 501, subsection (a), paragraph (1), to apply with respect to loans, mortgages, credit sales, and advances made in this state; and that it does not want any of the provisions of Public Law No. 96 – 221 (94 Stat. 132), Part B (section 511, subsections (a) and (b)), to apply with respect to loans made in this state; and that it does not want any of the provisions of any of the amendments contained in Public Law No. 96 – 221 (94 Stat. 132), sections 521, 522 and 523 to apply with respect to loans made in this state; and that it does not want any of the provisions of Public Law No. 96 – 221 (94 Stat. 132), section 524 to apply with respect to loans made in this state.

It is the intent of the general assembly of the state of Iowa in enacting this section to exercise all authority granted by Congress and to satisfy all requirements imposed by Congress in Public Law No. 96 – 221 (94 Stat. 132), section 501, subsection (b), paragraph (2), and section 512, and section 524, subsection (i), paragraph (3), and section 525, for the purpose of rendering the provisions of Public Law No. 96 – 221 (94 Stat. 132), Title V, inapplicable in this state;
80 Acts, ch 1156, §32

Court action required for termination of installment contracts during military service; §29A.102, 29A.105

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# ARTICLE 1

# GENERAL PROVISIONS AND DEFINITIONS

## PART 1

## SHORT TITLE, CONSTRUCTION, GENERAL PROVISIONS

**537.1101 Short title.**

Articles 1 to 7 of this chapter shall be known and may be cited as the *"Iowa Consumer Credit Code"*.

[C75, 77, 79, 81, §537.1101]

**537.1102 Purposes — rules of construction.**

1. This chapter shall be liberally construed and applied to promote its underlying purposes and policies.

2. The underlying purposes and policies of this chapter are to:

*a.* Simplify, clarify and modernize the law governing retail installment sales and other consumer credit.

*b.* Provide rate ceilings for certain creditors in order to assure an adequate supply of credit to consumers.

*c.* Further consumer understanding of the terms of credit transactions and foster competition among suppliers of consumer credit so that consumers may obtain credit at reasonable cost.

*d.* Protect consumers against unfair practices by some suppliers, solicitors or collectors of consumer credit, having due regard for the interests of legitimate and scrupulous creditors.

*e.* Permit and encourage the development of fair and economically sound consumer credit practices.

*f.* Conform the regulation of disclosure in consumer credit transactions to the Truth in Lending Act.

*g.* Make the law, including administrative rules, more uniform among the various jurisdictions.

3. A reference to a requirement imposed by this chapter includes reference to a related rule of the administrator adopted pursuant to this chapter.

[C75, 77, 79, 81, §537.1102]

**537.1103 Law applicable.**

Unless displaced by the particular provisions of this chapter, the uniform commercial code as provided in chapter 554 and the principles of law and equity, including the law relative to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy or other validating or invalidating cause supplement its provisions.

[C75, 77, 79, 81, §537.1103]

2005 Acts, ch 3, §91

**537.1104 Construction.**

This chapter being a general Act intended as a unified coverage of its subject matter, no part of it shall be deemed to be impliedly repealed by subsequent legislation if such construction can reasonably be avoided.

[C75, 77, 79, 81, §537.1104]

**537.1105 and 537.1106** Reserved.

**537.1107 Waiver — agreement — settlement.**

1. Except in settlement of a bona fide dispute, a consumer may not waive or agree to forego rights or benefits under this Act.

2. A claim by a consumer against a creditor relating to an excess charge, any other civil violation of this chapter, or a civil penalty, or a claim by a creditor against a consumer for default or breach of a civil duty imposed by this chapter, may be settled by agreement if the claim is disputed in good faith.

3. A claim against a consumer, whether or not disputed, may be settled for less value than the amount claimed.

4. A settlement in which the consumer waives or agrees to forego rights or benefits under this chapter is invalid if the court as a matter of law finds the settlement to have been unconscionable at the time it was made. The competence of the consumer, any deception or coercion practiced upon the consumer, the nature and extent of the legal advice received by the consumer, and the value of the consideration may be considered, among other factors, with respect to the issue of unconscionability.

[C75, 77, 79, 81, §537.1107]

Referred to in §537.3403, 537.3404, 537.3405, 537.5110

**537.1108 Effect on organizations.**

1. This chapter prescribes maximum charges for certain creditors, except lessors and those excluded in section 537.1202, extending credit in consumer credit transactions.

2. This chapter does not displace limitations on powers of credit unions, savings associations, or other thrift institutions whether organized for the profit of shareholders or as mutual organizations.

3. This chapter does not displace:

*a.* Limitations on powers of supervised financial organizations with respect to the amount of a loan to a single borrower, the ratio of a loan to the value of collateral, the duration of a loan secured by an interest in land, or other similar restrictions designed to protect deposits.

*b.* Limitations on powers an organization is authorized to exercise under the laws of this state or the United States.

[C75, 77, 79, 81, §537.1108]

2012 Acts, ch 1017, §141

**537.1109** Reserved.

**537.1110 Obligation of good faith.**

Every contract or duty within this chapter imposes an obligation of good faith in its performance or enforcement.

[C75, 77, 79, 81, §537.1110]

## PART 2

## SCOPE AND JURISDICTION

**537.1201 Territorial application.**

1. This chapter applies to:

*a.* A transaction, or acts, practices or conduct with respect to a transaction, if the transaction is entered into in this state, except that a transaction involving other than open end credit or acts, practices or conduct with respect to such a transaction shall not subject any person to damages or penalty under article 5 of this chapter, or administrative enforcement under article 6, part 1.

(1) If the buyer, lessee or debtor was physically located outside of this state, at the time the buyer, lessee or debtor signed the writing evidencing the transaction or made, in face-to-face solicitation, a written or oral offer to enter into the transaction,

(2) If the transaction or acts, practices or conduct with respect to the transaction were not in violation of law in the state in which the buyer, lessee or debtor was physically located, and

(3) If, with respect to charges and agreements, the person does not collect or enforce that transaction except to the extent permitted by this chapter.

*b.* A transaction, or acts, practices or conduct with respect to a transaction, if it is modified in this state, without regard to where the transaction is entered into, except that acts, practices, conduct, disclosures, charges or provisions of agreements not in violation of law in the state where they occurred or were entered into, shall not subject any person to damages or penalty under article 5 or administrative enforcement under article 6, part 1, if, with respect to acts, practices, conduct or disclosures, they occurred outside this state and before a modification in this state, and if, with respect to charges and agreements, they are not collected or enforced by that person except to the extent permitted by this chapter. A person shall not be required to obtain a license under section 537.2301 solely because the person modifies a transaction in this state.

*c.* Acts, practices or conduct in this state in the solicitation, inducement, negotiation, collection or enforcement of a transaction, without regard to where it is entered into or modified; including, but not limited to, acts, practices or conduct in violation of sections 537.3209, 537.3210, 537.3311, 537.3501, article 5, parts 1 and 3, and article 7.

2. For the purposes of this section, a transaction is entered into or modified in this state if any of the following apply:

*a.* In a transaction involving other than open end credit:

(1) If the buyer, lessee or debtor is a resident of this state at the time the person extending credit solicits the transaction or modification, whether personally, by mail or by telephone, unless the parties have agreed that the law of the residence of the buyer, lessee or debtor applies, in which case that law applies.

(2) If the buyer, lessee or debtor is a resident of this state at the time the person extending credit receives either a signed writing evidencing the transaction or modification, or a written or oral offer of the buyer, lessee or debtor to enter into or modify the transaction.

(3) If the transaction otherwise has significant contacts with this state, unless the buyer, lessee or debtor is not a resident of this state at the times designated in subsection 2, paragraph *"a"*, subparagraphs (1) and (2), and the parties have agreed that the law of the buyer's, lessee's, or debtor's residence applies. A person shall not be required to obtain a license under section 537.2301 solely because this chapter applies to a transaction pursuant to this subparagraph.

*b.* In an open end credit transaction:

(1) If the buyer, lessee or debtor is a resident of this state either at the time the buyer, lessee or debtor forwards or otherwise gives to the person extending credit a written or oral communication of the intention to establish the open end transaction, or at the time the person extending credit forwards or otherwise gives to the buyer, lessee or debtor a written or oral communication giving notice to the buyer, lessee or debtor of the right to enter into open end transactions with such person, unless the parties have agreed that the law of the residence of the buyer, lessee or debtor applies in which case that law shall apply.

(2) If the transaction otherwise has significant contacts with this state, unless the buyer, lessee or debtor is not a resident of this state at the times designated in subsection 2, paragraph *"a"*, subparagraph (1), and the parties have agreed that the law of the buyer's, lessee's, or debtor's residence applies. A person shall not be required to obtain a license under section 537.2301 solely because this chapter applies to a transaction pursuant to this subparagraph.

*c.* In any credit transaction, if the parties have agreed that the law of the residence of the buyer, lessee or debtor applies and the buyer, lessee or debtor is a resident of this state at any time designated, with respect to a transaction other than open end, in subsection 2, paragraph *"a"*, subparagraphs (1) and (2) or, with respect to an open end credit transaction, in subsection 2, paragraph *"b"*, subparagraph (1).

3. For the purposes of this section, "*modification*" shall include, but not be limited to, any alteration in the maturity, schedule of payments, amount financed, rate of finance charge or other term of a transaction.

4. For the purposes of this chapter, the residence of a buyer, lessee or debtor is the address given by that person as the person's residence in a writing signed by the person in connection with a transaction until the person notifies the person extending credit of a different address as the person's residence, and it is then the different address.

5. Except as provided in subsection 1, paragraph "*c*", and subsection 6, a transaction entered into or modified in another jurisdiction is valid and enforceable in this state according to its terms to the extent that it is valid and enforceable under the laws of the other jurisdiction.

6. A provision of an agreement made by a buyer, lessee or debtor is invalid:

*a*. Which provides, if the buyer, lessee or debtor is a resident of this state at the times designated in subsection 2, paragraph "*a*", subparagraphs (1) and (2) and subsection 2, paragraph "*b*", subparagraph (1):

(1) That the law of another jurisdiction shall apply, except as provided in subsection 2, paragraph "*a*", subparagraph (1) and in subsection 2, paragraph "*b*", subparagraph (1).

(2) That the buyer, lessee or debtor consents to be subject to the process of another jurisdiction.

(3) That the buyer, lessee or debtor appoints an agent to receive service of process.

(4) That venue is fixed at a particular place.

(5) That the consumer consents to the jurisdiction of a court that does not otherwise have jurisdiction.

*b*. If a provision would negate subsection 1, paragraph "*b*".

7. The following provisions of this chapter specify the applicable law governing certain cases:

*a*. Section 537.6102 specifies the applicability of article 6, part 1.

*b*. Section 537.6201 specifies the applicability of article 6, part 2.

[C75, 77, 79, 81, §537.1201]

Referred to in §537.1303, 537.5111, 537.5113, 537.6102, 537.6201, 537.6202, 654.2D

**537.1202 Exclusions.**

This chapter does not apply to:

1. Extensions of credit to government or governmental agencies or instrumentalities.

2. Except as otherwise provided in article 4, the sale of insurance if the insured is not obligated to pay installments of the premium and the insurance may terminate or be canceled after nonpayment of an installment of the premium.

3. Transactions under public utility or common carrier tariffs if a subdivision or agency of this state or of the United States regulates the charges for the services involved, the charges for delayed payment, and any discount allowed for early payment.

4. Transactions in securities or commodities accounts with a broker-dealer registered with the securities and exchange commission.

5. Pawnbrokers who are licensed and whose rates and charges are regulated under or pursuant to ordinances of cities or statutes of this state, except with respect to the provisions on compliance with the Truth in Lending Act in section 537.3201, civil liability for violation of disclosure provisions in section 537.5203, criminal penalties for disclosure violations in section 537.5302, and powers and functions of the administrator with respect to disclosure violations.

[C75, 77, 79, 81, §537.1202]

Referred to in §537.1108

**537.1203 Jurisdiction — service of process.**

1. The district court of this state may exercise jurisdiction over any person with respect to any conduct in this state governed by this chapter or with respect to any claim arising from a transaction subject to this chapter. In addition to any other method provided by rule or by statute, personal jurisdiction over a person may be acquired in a civil action or proceeding instituted in the district court by the service of process in the manner provided by this section.

2. If a person is not a resident of this state or is a corporation not authorized to do business in this state and engages in any conduct in this state governed by this chapter, or engages in a transaction subject to this chapter, the person may designate an agent upon whom service of

process or original notice may be made in this state. The agent shall be a resident of state or a corporation authorized to do business in this state. The designation shall be in a writing and filed with the secretary of state. If no designation is made and filed or if process or original notice cannot be served in this state upon the designated agent, process or original notice may be served upon the secretary of state, in the manner provided in section 617.3 for service upon nonresident persons and foreign corporations which have made contracts with residents of Iowa, and the provisions of that section relating to the service of process or original notice apply.

[C75, 77, 79, 81, §537.1203]

## PART 3

## DEFINITIONS

**537.1301 General definitions.**

As used in this chapter, unless otherwise required by the context:

1. *"Actuarial method"* means the method of allocating payments made on a debt between the amount financed and the finance charge, pursuant to which a payment is applied first to the accumulated finance charge and any remainder is subtracted from, or any deficiency is added to, the unpaid balance of the amount financed. The administrator may adopt rules not inconsistent with the Truth in Lending Act further defining the term and prescribing its application.

2. *"Administrator"* means the administrator designated in section 537.6103.

3. *"Affiliate"* as used in reference to a state bank means the same as defined in section 524.1101. *"Affiliate"* as used in reference to a national banking association means the same as defined in section 524.1101, except that the term "national banking association" shall be substituted for the term "state bank". *"Affiliate"* as used in reference to a federally chartered or out-of-state chartered savings and loan association shall mean the same as defined in 12 C.F.R. § 561.4.

4. *"Agreement"* means the oral or written bargain of the parties in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance.

5. *"Amount financed"* means:

*a.* In the case of a sale, the cash price of the goods, services, or interest in land, plus the amount actually paid or to be paid by the seller pursuant to an agreement with the buyer to discharge a security interest in, a lien on, or a debt with respect to property traded in, less the amount of any down payment whether made in cash or in property traded in, plus additional charges if permitted under paragraph *"c"*.

*b.* In the case of a loan, the net amount paid to, receivable by, or paid or payable for the account of the debtor, plus the amount of any discount excluded from the finance charge under subsection 21, paragraph *"b"*, subparagraph (3), plus additional charges if permitted under paragraph *"c"* of this subsection.

*c.* In the case of a sale or loan, additional charges permitted under section 537.2501, to the extent that payment is deferred, that the charge is not otherwise included, in the amount permitted respectively in paragraph *"a"* or *"b"*, and that the charge is authorized by and disclosed to the consumer as required by law.

6. *"Billing cycle"* means the time interval between periodic billing statement dates.

7. *"Card issuer"* means a person who issues a credit card.

8. *"Cardholder"* means a person to whom a credit card is issued or who has agreed with the card issuer to pay obligations arising from the issuance or use of the card to or by another person.

9. *"Cash price"* of goods, services, or an interest in land means, except in the case of a consumer rental purchase agreement, the price at which they are sold by the seller to cash buyers in the ordinary course of business, and may include the cash price of accessories or services related to the sale, such as delivery, installation, alterations, modifications, and

improvements, and taxes to the extent imposed on a cash sale of the goods, services, or interest in land.

10. *Conspicuous.* A term or clause is conspicuous when it is so written that a reasonable person against whom it is to operate ought to have noticed it. Whether or not a term or clause is conspicuous is for decision by the court.

11. "*Consumer*" means the buyer, lessee, or debtor to whom credit is granted in a consumer credit transaction.

12. "*Consumer credit transaction*" means a consumer credit sale or consumer loan, or a refinancing or consolidation thereof, or a consumer lease, or a consumer rental purchase agreement.

13. *Consumer credit sale.*

*a.* Except as provided in paragraph "*b*", a consumer credit sale is a sale of goods, services, or an interest in land in which all of the following are applicable:

(1) Credit is granted either pursuant to a seller credit card or by a seller who regularly engages as a seller in credit transactions of the same kind.

(2) The buyer is a person other than an organization.

(3) The goods, services or interest in land are purchased primarily for a personal, family or household purpose.

(4) Either the debt is payable in installments or a finance charge is made.

(5) With respect to a sale of goods or services, the amount financed does not exceed twenty-five thousand dollars.

*b.* A "*consumer credit sale*" does not include:

(1) A sale in which the seller allows the buyer to purchase goods or services pursuant to a lender credit card.

(2) A sale of an interest in land if the finance charge does not exceed twelve percent per year calculated on the actuarial method on the assumption that the debt will be paid according to the agreed terms and will not be paid before the end of the agreed term.

(3) A consumer rental purchase agreement as defined in section 537.3604.

14. *Consumer lease.*

*a.* Except as provided in paragraph "*b*", a consumer lease is a lease of goods in which all of the following are applicable:

(1) The lessor is regularly engaged in the business of leasing.

(2) The lessee is a person other than an organization.

(3) The lessee takes under the lease primarily for a personal, family, or household purpose.

(4) The amount payable under the lease does not exceed twenty-five thousand dollars.

(5) The lease is for a term exceeding four months.

*b.* A consumer lease does not include a consumer rental purchase agreement as defined in section 537.3604.

15. *Consumer loan.*

*a.* Except as provided in paragraph "*b*", a "*consumer loan*" is a loan in which all of the following are applicable:

(1) The person is regularly engaged in the business of making loans.

(2) The debtor is a person other than an organization.

(3) The debt is incurred primarily for a personal, family or household purpose.

(4) Either the debt is payable in installments or a finance charge is made.

(5) The amount financed does not exceed twenty-five thousand dollars.

*b.* A "*consumer loan*" does not include:

(1) A sale or lease in which the seller or lessor allows the buyer or lessee to purchase or lease pursuant to a seller credit card.

(2) A debt which is secured by a first lien on real property and which is incurred primarily for the purpose of acquiring that real property, or refinancing a contract for deed to that real property, or constructing on that real property a building containing one or more dwelling units.

(3) A loan financed by the Iowa finance authority and secured by a lien on land.

(4) A consumer rental purchase agreement as defined in section 537.3604.

*c.* In determining which loans are consumer loans under this subsection the rules of construction stated in this paragraph shall be applied:

(1) A debt is incurred primarily for the purpose to which a majority of the loan proceeds are applied or are designated by the debtor to be applied.

(2) Loan proceeds used to refinance or pay a prior loan owed by the same borrower are incurred for the same purposes and in the same proportion as the principal of the loan refinanced or paid.

(3) Loan proceeds used to pay a prior loan by a different borrower are incurred for the new borrower's purposes in agreeing to pay the prior loan.

(4) The assumption of a loan by a different borrower is treated as if the new borrower had obtained a new loan and had used all of the proceeds to pay the loan assumed.

(5) The provisions of this paragraph shall not be construed to modify or limit the provisions of section 535.8, subsection 2, paragraph *"c"* or *"e"*.

16. *"Credit"* means the right granted by a person extending credit to a person to defer payment of debt, to incur debt and defer its payment, or to purchase property or services and defer payment therefor.

17. *"Credit card"* means a card or device issued under an arrangement pursuant to which a card issuer gives a cardholder the privilege of purchasing or leasing property or purchasing services, obtaining loans, or otherwise obtaining credit from the card issuer or other persons. A transaction is *"pursuant to a credit card"* if credit is obtained according to the terms of the arrangement by transmitting information contained on the card or device orally, in writing, by mechanical or automated methods, or in any other manner. A transaction is not *"pursuant to a credit card"* if the card or device is used solely to identify the cardholder and credit is not obtained according to the terms of the arrangement.

18. *"Creditor"* means the person who grants credit in a consumer credit transaction or, except as otherwise provided, an assignee of a creditor's right to payment, but use of the term does not in itself impose on an assignee any obligation of the assignee's assignor. In the case of credit granted pursuant to a credit card, the *"creditor"* is the card issuer and not another person honoring the credit card.

19. *"Credit union service organization"* means an organization, corporation, or association whose membership or ownership is primarily confined or restricted to credit unions or organizations of credit unions and whose purpose is primarily designed to provide services to credit unions, organizations of credit unions, or credit union members.

20. *"Earnings"* means compensation paid or payable to an individual or for the individual's account for personal services rendered or to be rendered by the individual, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension, retirement or disability program.

21. *"Finance charge"*.

*a.* Except as otherwise provided in paragraph *"b"*, *"finance charge"* means the sum of all charges payable directly or indirectly by the consumer and imposed directly or indirectly by the creditor as an incident to or as a condition of the extension of credit, including any of the following types of charges which are applicable:

(1) Interest or any amount payable under a point, discount or other system of charges, however denominated, except that with respect to a consumer credit sale of goods or services a cash discount of five percent or less of the stated price of goods or services which is offered to the consumer for payment by cash, check or the like either immediately or within a period of time, is not part of the finance charge for the purpose of determining maximum charges pursuant to section 537.2401. A cash discount permitted by this subparagraph is not part of the finance charge for the purpose of determining compliance with section 537.3201 if it is properly disclosed as required by the Truth in Lending Act as amended to and including July 1, 1982 and regulations issued pursuant to that Act prior to July 1, 1982.

(2) Time price differential, credit service, service, carrying or other charge, however denominated.

(3) Premium or other charge for any guarantee or insurance protecting the creditor against the consumer's default or other credit loss.

(4) Charges incurred for investigating the collateral or credit-worthiness of the consumer

or for commissions or brokerage for obtaining the credit, irrespective of the person to whom the charges are paid or payable, unless the creditor had no notice of the charges when the credit was granted.

*b.* *"Finance charge"* does not include:

(1) Charges as a result of default or delinquency if made for actual unanticipated late payment, delinquency, default, or other like occurrence unless the parties agree that these charges are finance charges. A charge is not made for actual unanticipated late payment, delinquency, default or other like occurrence if imposed on an account which is or may be debited from time to time for purchases or other debts and, under its terms, payment in full or at a specified amount is required when billed, and in the ordinary course of business the consumer is permitted to continue to have purchases or other debts debited to the account after the imposition of the charge.

(2) Additional charges as defined in section 537.2501, or deferral charges as defined in section 537.2503.

(3) A discount, if a creditor purchases or satisfies obligations of a cardholder pursuant to a credit card and the purchase or satisfaction is made at less than the face amount of the obligation.

(4) Lease payments for a consumer rental purchase agreement, or charges specifically authorized by this chapter for consumer rental purchase agreements.

22. *"Gift certificate"* means a merchandise certificate conspicuously designated as a gift certificate, and purchased by a buyer for use by a person other than the buyer.

23. *a.* *"Goods"* includes, but is not limited to:

(1) "Goods" as described in section 554.2105, subsection 1.

(2) Goods not in existence at the time the transaction is entered into.

(3) Things in action.

(4) Investment securities.

(5) Mobile homes regardless of whether they are affixed to the land.

(6) Gift certificates.

*b.* *"Goods"* excludes money, chattel paper, documents of title, instruments and merchandise certificates other than gift certificates.

24. *"Insurance premium loan"* means a consumer loan that is made for the sole purpose of financing the payment by or on behalf of an insured of the premium on one or more policies or contracts issued by or on behalf of an insurer, is secured by an assignment by the insured to the lender of the unearned premium on the policy or contract, and contains an authorization to cancel the policy or contract financed.

25. *"Lender"* means a person who makes a loan or, except as otherwise provided in this Act, a person who takes an assignment of a lender's right to payment, but use of the term does not in itself impose on an assignee any obligation of the lender.

26. *"Lender credit card"* means a credit card issued by a lender.

27. *a.* *"Loan"* means any of the following, except as provided in paragraph *"b"*:

(1) The creation of debt by the lender's payment of or agreement to pay money to the debtor or to a third person for the account of the debtor.

(2) The creation of debt by a credit to an account with the lender upon which the debtor is entitled to draw immediately.

(3) The creation of debt pursuant to a lender credit card in any manner, including a cash advance or the card issuer's honoring a draft or similar order for the payment of money drawn or accepted by the debtor, paying or agreeing to pay the debtor's obligation, or purchasing or otherwise acquiring the debtor's obligation from the obligee or the obligee's assignees.

(4) The creation of debt by a cash advance to a debtor pursuant to a seller credit card.

(5) The forbearance of debt arising from a loan.

*b.* *"Loan"* does not include:

(1) A card issuer's payment or agreement to pay money to a third person for the account of a debtor if the debt of the debtor arises from a sale or lease and results from use of a seller credit card.

(2) The forbearance of debt arising from a sale or lease.

28. *"Merchandise certificate"* means a writing not redeemable in cash and usable in its face

amount in lieu of cash in exchange for goods or services. Sale of a merchandise certificate on credit is a credit sale beginning at the time the certificate is redeemed.

29. *"Mortgage lender"* means a domestic or foreign corporation authorized in this state to make loans secured by mortgages or deeds of trust.

30. *"Official fees"* means:

*a.* Fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, terminating, or satisfying a security interest related to a consumer credit transaction.

*b.* Premiums payable for insurance in lieu of perfecting a security interest otherwise required by the creditor in connection with the transaction, if the premium does not exceed the fees and charges described in paragraph *"a"* which would otherwise be payable.

31. *"Open-end credit"* means an arrangement, other than a consumer rental purchase agreement, pursuant to which all of the following are applicable:

*a.* A creditor may permit a consumer, from time to time, to purchase or lease on credit from the creditor or pursuant to a credit card, or to obtain loans from the creditor or pursuant to a credit card.

*b.* The amounts financed and the finance and other appropriate charges are debited to an account.

*c.* The finance charge, if made, is computed on the account periodically.

*d.* Either the consumer has the privilege of paying in full or in installments, or the transaction is a consumer credit transaction solely because a delinquency charge or the like is treated as a finance charge pursuant to subsection 21, paragraph *"b"*, subparagraph (1) of this section or the creditor otherwise periodically imposes charges computed on the account for delaying payment of it and permits the consumer to continue to purchase or lease on credit.

32. *"Organization"* means a corporation, government or governmental subdivision or agency, trust, estate, cooperative, or association.

33. *"Payable in installments"* means that payment is required or permitted by agreement to be made in more than four periodic payments, excluding a down payment. If any periodic payment other than the down payment under an agreement requiring or permitting two or more periodic payments is more than twice the amount of any other periodic payment excluding the down payment, a transaction is "payable in installments".

34. *"Person"* means:

*a.* A natural person, partnership, or an individual.

*b.* An organization.

35. *a.* *"Person related to"* with respect to a natural person or an individual means any of the following:

(1) The spouse of the individual.

(2) A brother, brother-in-law, sister, or sister-in-law of the individual.

(3) An ancestor or lineal descendant of the individual or the individual's spouse.

(4) Any other relative, by blood or marriage, of the individual or the individual's spouse, if the relative shares the same home with the individual.

*b.* *"Person related to"* with respect to an organization means:

(1) A person directly or indirectly controlling, controlled by or under common control with the organization.

(2) An officer or director of the organization or a person performing similar functions with respect to the organization or to a person related to the organization.

(3) The spouse of a person related to the organization.

(4) A relative by blood or marriage of a person related to the organization who shares the same home with the person.

36. A *"precomputed consumer credit transaction"* is a consumer credit transaction, other than a consumer lease or a consumer rental purchase agreement, in which the debt is a sum comprising the amount financed and the amount of the finance charge computed in advance. A disclosure required by the Truth in Lending Act does not in itself make a finance charge or transaction precomputed.

37. *"Presumed"* or *"presumption"* means that the trier of fact must find the existence of

the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

38. *"Sale of goods"* includes, but is not limited to, any agreement in the form of a bailment or lease of goods if the bailee or lessee pays or agrees to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the goods involved and it is agreed that the bailee or lessee will become, or for no other or a nominal consideration has the option to become, the owner of the goods upon full compliance with the terms of the agreement. *"Sale of goods"* does not include a consumer rental purchase agreement.

39. *"Sale of an interest in land"* includes, but is not limited to, a lease in which the lessee has an option to purchase the interest, by which all or a substantial part of the rental or other payments previously made by the lessee are applied to the purchase price.

40. *"Sale of services"* means furnishing or agreeing to furnish services for a consideration and includes making arrangements to have services furnished by another.

41. *"Seller"* means a person who makes a sale or, except as otherwise provided in this chapter, a person who takes an assignment of the seller's right to payment, but use of the term does not in itself impose on an assignee any obligation of the seller.

42. *"Seller credit card"* means either of the following:

*a.* A credit card issued primarily for the purpose of giving the cardholder the privilege of using the credit card to purchase or lease property or services from the card issuer, persons related to the card issuer, persons licensed or franchised to do business under the card issuer's business or trade name or designation, or from any of these persons and from other persons as well.

*b.* A credit card issued by a person other than a supervised lender primarily for the purpose of giving the cardholder the privilege of using the credit card to purchase or lease property or services from at least one hundred persons not related to the card issuer.

43. *"Services"* includes, but is not limited to:

*a.* Work, labor, and other personal services.

*b.* Privileges or benefits with respect to transportation, hotel and restaurant accommodations, education, entertainment, recreation, physical culture, hospital accommodations, funerals, cemetery accommodations, and the like.

*c.* Insurance.

44. *"Supervised financial organization"* means a person, other than an insurance company or other organization primarily engaged in an insurance business, which is organized, chartered, or holding an authorization certificate pursuant to chapter 524 or 533, or pursuant to the laws of any other state or of the United States which authorizes the person to make loans and to receive deposits, including a savings, share, certificate or deposit account, and which is subject to supervision by an official or agency of this state, such other state, or of the United States.

45. *"Supervised loan"* means a consumer loan, including a loan made pursuant to open-end credit, in which the rate of the finance charge, calculated according to the actuarial method, exceeds the rate of finance charge permitted in chapter 535.

*a.* With respect to a consumer loan made pursuant to open-end credit, the finance charge shall be deemed not to exceed the rate permitted in chapter 535 if the finance charge contracted for and received does not exceed a charge for each monthly billing cycle which is one-twelfth of that rate multiplied by the average daily balance of the open-end account in the billing cycle for which the charge is made. The average daily balance of the open-end account is the sum of the amount unpaid each day during that cycle divided by the number of days in the cycle. The amount unpaid on a day is determined by adding to the balance, if any, unpaid as of the beginning of that day all purchases and other debits and deducting all payments and other credits made or received as of that day.

*b.* If the billing cycle is not monthly, the finance charge shall be deemed not to exceed that rate per year if the finance charge contracted for and received does not exceed a percentage which bears the same relation to that rate as the number of days in the billing cycle bears to three hundred sixty-five.

*c.* A billing cycle is monthly if the closing date of the cycle is the same date each month or does not vary by more than four days from the regular date.

[C58, 62, 66, 71, 73, §322.2(12) – (15), C75, 77, 79, S79, C81, §537.1301; 81 Acts, ch 76, 8, ch 177, §3, 4; 82 Acts, ch 1153, §9 – 13, 18(1), ch 1253, §42]

83 Acts, ch 101, §114; 83 Acts, ch 124, §24, 25; 87 Acts, ch 80, §26 – 34; 97 Acts, ch 187, §1; 2003 Acts, ch 44, §92; 2005 Acts, ch 44, §1; 2012 Acts, ch 1017, §142, 143; 2012 Acts, ch 1023, §157

Referred to in §99F.9, 103A.58, 137C.25A, 321.486, 321A.3, 322.19, 322.33, 322C.12, 524.913, 533.315, 535.10, 535.11, 535.17, 536.1, 536.13, 536.27, 536.28, 536A.3, 536A.31, 536C.2, 537.1303, 537.3603, 552.1, 552.17, 554.13103, 602.8103, 642.22, 805.14

**537.1302 Definition — Truth in Lending Act.**

As used in this chapter, *"Truth in Lending Act"* means Tit. 1 of the Consumer Credit Protection Act, in subch. 1 of 15 U.S.C. ch. 41, as amended, and includes regulations issued pursuant to that Act.

[C75, 77, 79, 81, §537.1302; 82 Acts, ch 1153, §14]

89 Acts, ch 68, §1; 95 Acts, ch 31, §1; 95 Acts, ch 209, §27; 98 Acts, ch 1031, §1; 2008 Acts, ch 1025, §1; 2010 Acts, ch 1007, §1; 2010 Acts, ch 1061, §180; 2013 Acts, ch 84, §1

Referred to in §322.19, 524.913, 533.315, 535.11, 537.5203

Section amended

**537.1303 Other defined terms.**

Other defined terms in this chapter and the sections in which they appear are:

1. *"Closing costs"*. Section 537.2501, subsection 1, paragraph *"e"*.
2. *"Computational period"*. Section 537.2510, subsection 4, paragraph *"a"*.
3. *"Debt"*. Section 537.7102, subsection 3.
4. *"Debt collection"*. Section 537.7102, subsection 4.
5. *"Debt collector"*. Section 537.7102, subsection 5.
6. *"Disposable earnings"*. Section 537.5105, subsection 1, paragraph *"a"*.
7. *"Garnishment"*. Section 537.5105, subsection 1, paragraph *"b"*.
8. *"Interval"*. Section 537.2510, subsection 4, paragraph *"b"*.
9. *"Location"*. Section 537.2310, subsection 1.
10. *"Pursuant to a credit card"*. Section 537.1301, subsection 17.
11. *"Residence"*. Section 537.1201, subsection 4.

[C75, 77, 79, 81, §537.1303]

2003 Acts, ch 108, §99

## ARTICLE 2

## FINANCE CHARGES AND RELATED PROVISIONS

Referred to in §537.1101, 537.3304

## PART 1

## GENERAL PROVISIONS

**537.2101 Short title.**

This article shall be known and may be cited as the *"Iowa Consumer Credit Code — Finance Charges and Related Provisions"*.

[C75, 77, 79, 81, §537.2101]

**537.2102 Scope.**

Part 2 applies to consumer credit sales. Parts 3 and 4 apply to consumer loans. Part 5 applies to other charges and modifications with respect to consumer credit transactions. Part 6 applies to other credit transactions.

[C75, 77, 79, 81, §537.2102]

## PART 2

## CONSUMER CREDIT SALES: MAXIMUM FINANCE CHARGES

Referred to in §103A.58, 322C.12, 537.2102, 537.2501

**537.2201 Finance charge for consumer credit sales not pursuant to open end credit.**

1. With respect to a consumer credit sale, other than a sale pursuant to open end credit, a creditor may contract for and receive a finance charge not exceeding the maximum charge permitted by the law of this state or the United States for similar creditors. In addition, with respect to a consumer credit sale of goods or services, other than a sale pursuant to open end credit or a sale of a motor vehicle, a creditor may contract for and receive a finance charge not exceeding that permitted in subsections 2 to 6. With respect to a consumer credit sale of a motor vehicle, a creditor may contract for and receive a finance charge as provided in section 322.19, and a finance charge in excess of that provided in section 322.19, is an excess charge in violation of this chapter.

2. The finance charge, calculated according to the actuarial method, may not exceed twenty-one percent per year on the unpaid balances of the amount financed.

3. This section does not limit or restrict the manner of calculating the finance charge whether by way of add-on, discount, or otherwise, so long as the rate of the finance charge does not exceed that permitted by this section. If the sale is a precomputed consumer credit transaction, the finance charge may be calculated on the assumption that all scheduled payments will be made when due, and the effect of prepayment is governed by the provisions on rebate upon prepayment contained in section 537.2510.

4. For the purposes of this section, the term of a sale agreement commences with the date the credit is granted or, if goods are delivered or services performed ten days or more after that date, with the date of commencement of delivery or performance. Any month may be counted as one-twelfth of a year, but a day is counted as one-three hundred sixty-fifth of a year. Subject to classifications and differentiations the seller may reasonably establish, a part of a month in excess of fifteen days may be treated as a full month if periods of fifteen days or less are disregarded and that procedure is not consistently used to obtain a greater yield than would otherwise be permitted. The administrator may adopt rules not inconsistent with the Truth in Lending Act with respect to treating as regular other minor irregularities in amount or time.

5. Subject to classifications and differentiations the seller may reasonably establish, the seller may make the same finance charge on all amounts financed within a specified range. A finance charge so made does not violate subsection 2 if both of the following are applicable:

*a.* When applied to the median amount within each range, it does not exceed the maximum rate permitted by subsection 1.

*b.* When applied to the lowest amount within each range, it does not produce a rate of finance charge exceeding the rate calculated according to paragraph *"a"* by more than eight percent of the rate calculated according to paragraph *"a"* of this subsection.

6. Regardless of subsection 2, the seller may contract for and receive a minimum finance charge of not more than five dollars when the amount financed does not exceed seventy-five dollars, or seven dollars and fifty cents when the amount financed exceeds seventy-five dollars.

[C75, 77, 79, 81, §537.2201; 82 Acts, ch 1153, §15, 18(1)]

Referred to in §535.11, 537.2504, 537.2505

**537.2202 Finance charge for consumer credit sales pursuant to open end credit.**

1. With respect to a consumer credit sale made pursuant to open end credit, a creditor may contract for and receive a finance charge without limitation as to amount or rate as permitted in this section.

2. For each billing cycle, a charge may be made which is a percentage of an amount not exceeding the greatest of the following:

*a.* The average daily balance of the open end account in the billing cycle for which the

charge is made, which is the sum of the amount unpaid each day during that cycle, divided by the number of days in that cycle. The amount unpaid on a day is determined by adding to the balance, if any, unpaid as of the beginning of that day all purchases and other debits and deducting all payments and other credits made or received as of that day.

*b.* The balance of the open end account at the beginning of the first day of the billing cycle, after deducting all payments and credits made in the cycle except credits attributable to purchases charged to the account during the cycle.

*c.* The median amount within a specified range including the balance of the open end account not exceeding that permitted by paragraph "*a*" or "*b*". A charge may be made pursuant to this paragraph only if the creditor, subject to classifications and differentiations the creditor may reasonably establish, makes the same charge on all balances within the specified range and if the percentage when applied to the median amount within the range does not produce a charge exceeding the charge resulting from applying that percentage to the lowest amount within the range by more than eight percent of the charge on the median amount.

[C75, 77, 79, 81, §537.2202]

84 Acts, ch 1237, §1; 97 Acts, ch 187, §2, 3; 98 Acts, ch 1100, §73

Referred to in §535.11, 537.2506

## PART 3

## CONSUMER LOANS: SUPERVISED LOANS

Referred to in §536.13, 536A.31, 537.2102

**537.2301 Authority to make supervised loans.**

1. As used in this part, "*licensing authority*" means the agency designated in chapter 524, 533, 536, or 536A to issue licenses or otherwise authorize the conduct of business pursuant to the respective chapter or this chapter, and "*licensee*" includes any person subject to regulation by a licensing authority. "*License*" includes the authorization, of whatever form, to engage in the conduct regulated under those chapters.

2. A person who is not authorized to make supervised loans as provided herein shall not engage in the business of making supervised loans or undertaking direct collection of payments from or enforcement of rights against consumers arising from supervised loans, but the person may collect and enforce for three months without a license if the person promptly applies for a license and the person's application has not been denied.

3. The following persons are authorized to make supervised loans:

*a.* A person who is a supervised financial organization.

*b.* A person who has obtained a license pursuant to either chapter 536 or 536A.

*c.* A person who enters into less than ten supervised loans per year in this state and has neither an office physically located in this state nor engages in face-to-face solicitation in this state.

4. This section shall not affect dollar amount, purpose, or rate of finance charge restrictions imposed by any statute of this state or of the United States with respect to which a person is authorized to make loans at a rate of finance charge in excess of that permitted by chapter 535 or pursuant to which a person is licensed.

[C75, 77, 79, 81, §537.2301]

2012 Acts, ch 1017, §144

Referred to in §536.1, 536A.3, 536A.27, 537.1201, 537.2310, 537.5201, 537.5301

**537.2302** Reserved.

**537.2303 Revocation or suspension of license.**

1. The licensing authority may issue to a person subject to regulation by that authority an order to show cause why the person's license with respect to one or more specific places of business should not be suspended for a period not in excess of six months, or revoked. The order shall set the place for a hearing and set a time for the hearing that is not less than ten

days from the date of the order. After the hearing, if the licensing authority finds that the licensee has intentionally violated this chapter, or any rule or order made pursuant to law, including an order of discontinuance, or if facts or conditions exist which would clearly have justified the licensing authority in refusing to grant a license for that place or those places of business had these facts or conditions been known to exist at the time the application for the license was made, the licensing authority shall revoke or suspend the license or, if there are mitigating circumstances, may accept an assurance of discontinuance as provided in section 537.6109, and allow retention of the license.

2. No revocation or suspension of a license is lawful unless prior to institution of proceedings by the licensing authority notice is given to the licensee of the facts or conduct which warrant the intended action, and the licensee is given an opportunity to show compliance with all lawful requirements for retention of the license.

3. If the licensing authority finds that probable cause for revocation of a license exists and that enforcement of the law requires immediate suspension of the license pending investigation, the licensing authority may, after a hearing upon five days' written notice, enter an order suspending the license for not more than thirty days.

4. Whenever the licensing authority revokes or suspends a license, the licensing authority shall enter an order to that effect and forthwith notify the licensee of the revocation or suspension. Within five days after the entry of the order the licensing authority shall deliver to the licensee a copy of the order and the findings supporting the order.

5. Any person holding a license to make supervised loans may relinquish the license by notifying the licensing authority in writing of its relinquishment, but this relinquishment does not affect the licensee's liability for acts previously committed.

6. No revocation, suspension or relinquishment of a license impairs or affects the obligation of any preexisting lawful contract between the licensee and any consumer.

7. The licensing authority may reinstate a license, terminate a suspension or grant a new license to a person whose license has been revoked or suspended if no fact or condition then exists which clearly would justify the licensing authority in refusing to grant a license.

[C75, 77, 79, 81, §537.2303]

Referred to in §524.227, 533.116, 536.29, 536A.29, 537.2304, 537.6105

**537.2304 Records — annual reports.**

1. Every licensee shall maintain records in conformity with generally accepted accounting principles and practices in a manner that will enable the licensing authority to determine whether the licensee is complying with the provisions of law. The recordkeeping system of a licensee is sufficient if the licensee makes the required information reasonably available. The records need not be kept in the place of business where supervised loans are made, if the licensing authority is given free access to the records wherever located.

2. On or before April 15 each year every licensee shall file with the licensing authority a composite annual report in the form prescribed by that authority relating to all supervised loans made by the licensee. The licensing authority shall consult with comparable officials in other states for the purpose of making the kinds of information required in annual reports uniform among the states. Information contained in annual reports shall be confidential and may be published only in composite form. The licensing authority shall assess against a licensee who fails to file the prescribed report on or before April 15 a penalty of ten dollars for each day the report is overdue, up to a maximum of thirty days. When an annual report is overdue for more than thirty days, the licensing authority may institute proceedings under section 537.2303 for revocation of the licenses held by the licensee.

[C75, 77, 79, 81, §537.2304]

**537.2305 Examinations and investigations.**

1. For the purpose of discovering violations of this chapter or securing information lawfully required, the licensing authority shall examine periodically at intervals the licensing authority deems appropriate, but not less frequently than is required for other examinations of the licensee by section 524.217, 533.113, 536.10, or 536A.15, whichever is applicable, the loans, business, and records of every licensee, except a licensee which has no office

physically located in this state and engages in no face-to-face solicitation in this state. In addition, the licensing authority may at any time investigate the loans, business, and records of any lender. For these purposes the licensing authority shall be given free and reasonable access to the offices, places of business, and records of the lender.

2. If the lender's records are located outside this state, the lender at the lender's option shall make them available to the licensing authority at a convenient location within this state, or pay the reasonable and necessary expenses for the licensing authority or the licensing authority's representative to examine them at the place where they are maintained. The licensing authority may designate representatives, including comparable officials of the state in which the records are located, to inspect them on the licensing authority's behalf.

3. For the purposes of this section, the licensing authority may administer oaths or affirmations, and upon the licensing authority's own motion or upon request of any party may subpoena witnesses, compel their attendance, adduce evidence, and require the production of any matter which is relevant to the investigation, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of relevant facts, or any other matter reasonably calculated to lead to the discovery of admissible evidence.

4. Upon failure without lawful excuse to obey a subpoena or to give testimony and upon reasonable notice to all persons affected thereby, the licensing authority may apply to the district court for an order compelling compliance.

[C75, 77, 79, 81, §537.2305]

2007 Acts, ch 174, §95; 2012 Acts, ch 1017, §145

Referred to in §524.227, 533.116, 536.29, 536A.29, 537.6105

**537.2306** Reserved.

**537.2307 Restrictions on interest in land as security.**

With respect to a supervised loan in which the rate of finance charge is in excess of fifteen percent computed according to the actuarial method, and the amount financed is two thousand dollars or less, a lender may not contract for a security interest in real property used as a residence for the consumer or the consumer's dependents. A security interest taken in violation of this section is void.

[C75, 77, 79, 81, §537.2307]

Referred to in §535.10, 537.5201

**537.2308 Regular schedule of payments — maximum loan term.**

Supervised loans, not made pursuant to open end credit and in which the amount financed is one thousand dollars or less, shall be scheduled to be payable in substantially equal installments at substantially equal periodic intervals except to the extent that the schedule of payments is adjusted to the seasonal or irregular income of the debtor, and over a period of not more than thirty-seven months if the amount financed is more than three hundred dollars, or over a period of not more than twenty-five months if the amount financed is three hundred dollars or less. However, a lender may make a loan not pursuant to open end credit that is repayable in a single payment if the amount financed does not exceed one thousand dollars and if the finance charge does not exceed the rate permitted by section 537.2401, subsection 1, to be charged by a supervised financial organization.

[C75, 77, 79, 81, §537.2308; 81 Acts, ch 179, §1]

Referred to in §537.5201

**537.2309 No other business for purpose of evasion.**

A lender may not carry on other business for the purpose of evasion or violation of this chapter at a location where the lender makes supervised loans.

[C75, 77, 79, 81, §537.2309]

**537.2310 Conduct of business other than making loans.**

1. Except as provided in subsection 2, a licensee authorized to make supervised loans pursuant to section 537.2301 may not engage in the business of selling or leasing tangible

goods at a location where supervised loans are made. In this section, "*location*" means the entire space in which supervised loans are made and the location must be separated from any space where goods are sold or leased by walls which may be broken only by a passageway to which the public is not admitted.

2. This section does not apply to:

*a.* Occasional sales of property used in the ordinary course of business of the licensee.

*b.* Sales of items of collateral of which the licensee has taken possession.

*c.* Sales of items by a licensee who is also authorized by law to operate as a pawnbroker.

*d.* Sales of property or items by the licensee which are not for the profit of the licensee and which are sold for a price not exceeding fifty dollars.

[C75, 77, 79, 81, §537.2310; 82 Acts, ch 1253, §41]

Referred to in §537.1303

## PART 4

## CONSUMER LOANS: MAXIMUM FINANCE CHARGES

Referred to in §537.2102, 537.2501, 537.5301

**537.2401 Finance charge for consumer loans not pursuant to open-end credit.**

1. Except as provided with respect to a finance charge for loans pursuant to open-end credit under section 537.2402 and loans secured by a certificate of title of a motor vehicle under section 537.2403, a lender may contract for and receive a finance charge not exceeding the maximum charge permitted by the laws of this state or of the United States for similar lenders, and, in addition, with respect to a consumer loan, a supervised financial organization or a mortgage lender may contract for and receive a finance charge, calculated according to the actuarial method, not exceeding twenty-one percent per year on the unpaid balance of the amount financed. Except as provided in section 537.2403, this subsection does not prohibit a lender from contracting for and receiving a finance charge exceeding twenty-one percent per year on the unpaid balance of the amount financed on consumer loans if authorized by other provisions of the law.

2. This section does not limit or restrict the manner of calculating the finance charge, whether by way of add-on, discount, or otherwise, so long as the rate of the finance charge does not exceed that permitted by this section or the laws of this state or of the United States. The finance charge permitted by this section or the laws of this state or of the United States may be calculated by determining the single annual percentage rate as required to be disclosed to the consumer pursuant to section 537.3201 which, when applied according to the actuarial method to the unpaid balances of the amount financed, will yield the finance charge for that transaction which would result from applying any graduated rates permitted by this section or the laws of this state or of the United States to the transaction on the assumption that all scheduled payments will be made when due. If the loan is a precomputed consumer credit transaction, the finance charge may be calculated on the assumption that all scheduled payments will be made when due, and the effect of prepayment is governed by section 537.2510.

3. Except as provided in subsection 5, the term of a loan for the purposes of this section commences on the date the loan is made. Any month may be counted as one-twelfth of a year but a day is counted as one-three hundred sixty-fifth of a year. Subject to classifications and differentiations the lender may reasonably establish, a part of a month in excess of fifteen days may be treated as a full month if periods of fifteen days or less are disregarded and that procedure is not consistently used to obtain a greater yield than would otherwise be permitted. The administrator may adopt rules not inconsistent with the Truth in Lending Act with respect to treating as regular other minor irregularities in amount or time.

4. Subject to classifications and differentiations the lender may reasonably establish, the lender may make the same finance charge on all amounts financed within a specified range. A finance charge so made does not violate subsection 1, if both of the following are applicable:

*a.* When applied to the median amount within each range, it does not exceed the maximum permitted by that subsection.

*b.* When applied to the lowest amount within each range, it does not produce a rate of finance charge exceeding the rate calculated according to paragraph *"a"* by more than eight percent of the rate calculated according to paragraph *"a"*.

5. With respect to an insurance premium loan, the term of the loan commences on the earliest inception date of a policy or contract of insurance for which the premium is financed.

[C75, 77, 79, 81, §537.2401; 82 Acts, ch 1153, §16, 18(1)]

83 Acts, ch 124, §26; 2007 Acts, ch 26, §1

Referred to in §533.316, 537.1301, 537.2308, 537.2504, 537.2505

**537.2402 Finance charge for consumer loans pursuant to open-end credit.**

1. If authorized to make supervised loans, a creditor may contract for and receive a finance charge without limitation as to amount or rate with respect to a loan pursuant to open-end credit as permitted in this section except as provided in section 537.2403.

2. For each billing cycle, a charge may be made which is a percentage of an amount not exceeding the greatest of the following:

*a.* The average daily balance of the open-end account in the billing cycle for which the charge is made, which is the sum of the amount unpaid each day during that cycle, divided by the number of days in that cycle. The amount unpaid on a day is determined by adding to the balance, if any, unpaid as of the beginning of that day all purchases and other debits and deducting all payments and other credits made or received as of that day.

*b.* The balance of the open-end account at the beginning of the first day of the billing cycle, after deducting all payments and credits made in the cycle except credits attributable to purchases charged to the account during the cycle.

*c.* The median amount within a specified range including the balance of the open-end account not exceeding that permitted by paragraph *"a"* or *"b"*. A charge may be made pursuant to this paragraph only if the organization, subject to classifications and differentiations it may reasonably establish, makes the same charge on all balances within the specified range and if the percentage when applied to the median amount within the range does not produce a charge exceeding the charge resulting from applying that percentage to the lowest amount within the range by more than eight percent of the charge on the median amount.

[C75, 77, 79, 81, §537.2402]

84 Acts, ch 1237, §2; 89 Acts, ch 295, §2; 97 Acts, ch 187, §4, 5; 98 Acts, ch 1100, §74; 2007 Acts, ch 26, §2

Referred to in §533.316, 535.10, 536.13, 536A.31, 536C.6, 537.2401, 537.2506

**537.2403 Finance charge for consumer loans secured by a motor vehicle.**

1. A lender shall not contract for or receive a finance charge exceeding twenty-one percent per year on the unpaid balance of the amount financed for a loan of money secured by a certificate of title to a motor vehicle used for personal, family, or household purpose except as authorized under chapter 536 or 536A. A consumer who is charged a finance charge in excess of the limitation in this section may seek any remedies available pursuant to this chapter for an excess charge.

2. It shall be a violation of this section and an unlawful practice under section 714.16 to attempt to avoid application of this section by structuring a loan of money secured by a certificate of title to a motor vehicle as a sale, sale and repurchase, sale and lease, pawn, rental purchase, lease, or other type of transaction with the intent to avoid application of this section or any other applicable provision of this chapter.

2007 Acts, ch 26, §3

Referred to in §537.2401, 537.2402

## PART 5

## CONSUMER CREDIT TRANSACTIONS: OTHER CHARGES AND MODIFICATIONS

Referred to in §322.33, 536.13, 536A.31, 537.2102

**537.2501 Additional charges.**

1. In addition to the finance charge permitted by parts 2 and 4, a creditor may contract for and receive the following additional charges:

*a.* Official fees and taxes.

*b.* Charges for insurance as described in subsection 2.

*c.* Amounts actually paid or to be paid by the creditor for registration, certificate of title or license fees.

*d.* Annual charges, payable in advance, for the privilege of using a credit card which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, under an arrangement pursuant to which the debts resulting from the purchases or leases are payable to the card issuer.

*e.* With respect to a debt secured by an interest in land, the following "closing costs," provided they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this chapter:

(1) Fees or premiums for title examination, abstract of title, title insurance, or similar purposes including surveys.

(2) Fees for preparation of a deed, settlement statement, or other documents, if not paid to the creditor or a person related to the creditor.

(3) Escrows for future payments of taxes, including assessments for improvements, insurance and water, sewer and land rents.

(4) Fees for notarizing deeds and other documents, if not paid to the creditor or a person related to the creditor.

*f.* (1) With respect to open-end credit pursuant to a credit card issued by the creditor which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, the parties may contract for an over-limit charge up to fifteen dollars if the balance of the account exceeds the credit limit established pursuant to the agreement. The over-limit charge under this paragraph shall not be assessed again in a subsequent billing cycle unless in a subsequent billing cycle the account balance has been reduced below the credit limit.

(2) If the differential treatment of this subsection based on the number of persons honoring a credit card is found to be unconstitutional, the parties may contract for the over-limit charge as described in this paragraph in any consumer credit transaction pursuant to open-end credit, and the other conditions relating to the over-limit charge shall remain in effect.

*g.* A surcharge of not more than five percent of the amount of the face value of the payment instrument or twenty dollars, whichever is greater, for each dishonored payment instrument provided that the fee is clearly and conspicuously disclosed in the cardholder agreement. However, the amount of the surcharge shall not exceed twenty dollars unless the check, draft, or order was presented twice or the maker does not have an account with the drawee. If the check, draft, or order was presented twice or the maker does not have an account with the drawee, the amount of the surcharge shall not exceed fifty dollars. The surcharge shall not be assessed against the maker if the reason for the dishonor of the instrument is that the maker has stopped payment pursuant to section 554.4403.

*h.* Charges for other benefits, including insurance, conferred on the consumer, if the benefits are of value to the consumer and if the charges are reasonable in relation to the benefits, are of a type which is not for credit, and are authorized as permissible additional charges by rule adopted by the administrator.

*i.* A reasonable annual account maintenance fee, payable in advance, for the privilege of maintaining a demand deposit account with a line of credit that may be accessed by the account holder writing a check.

*j.* For a consumer loan where the amount financed does not exceed three thousand dollars and the term of the loan does not exceed twelve months, a bank, credit union incorporated pursuant to state or federal law, or a federally chartered or out-of-state chartered savings bank or savings and loan association may charge an additional application fee not to exceed the lesser of ten percent of the amount financed or thirty dollars. If the loan is not approved, the application fee shall not exceed the lesser of ten percent of the amount applied for by the applicant or thirty dollars. The fee permitted pursuant to this paragraph shall not be charged in connection with a loan used for the purchase of a motor vehicle, or for a loan where the borrower's dwelling is used as security.

2. An additional charge may be made for insurance written in connection with the transaction, as follows:

*a.* With respect to insurance against loss of or damage to property, or against liability arising out of the ownership or use of property, if the creditor furnishes a clear, conspicuous and specific statement in writing to the consumer setting forth the cost of the insurance if obtained from or through the creditor and stating that the consumer may choose the person through whom the insurance is to be obtained.

*b.* With respect to consumer credit insurance providing life, accident, health, or unemployment coverage, if the insurance coverage is not required by the creditor, and this fact is clearly and conspicuously disclosed in writing to the consumer, and if, in order to obtain the insurance in connection with the extension of credit, the consumer gives specific dated and separately signed affirmative written indication of the consumer's desire to do so after written disclosure to the consumer of the cost. However, credit unemployment insurance shall be permitted under this paragraph if all of the following conditions have been met:

(1) The insurance provides coverage beginning with the first day of unemployment. However, the policy may include a waiting period before the consumer may file a claim.

(2) The insurance shall be sold separately and shall be separately priced from any other insurance offered or sold at the same time. The credit unemployment insurance need not be sold separately or separately priced from other insurance offered if it is included as part of an insurance offering by a credit card issuer to its credit cardholders.

(3) The premium rates have been affirmatively approved by the insurance division of the department of commerce. In approving or establishing the rates, the division shall review the insurance company's actuarial data to assure that the rates are fair and reasonable. The insurance commissioner shall either hire or contract with a qualified actuary to review the data. The insurance division shall obtain reimbursement from the insurance company for the cost of the actuarial review prior to approving the rates. In addition, the rates shall be made in accordance with the following provisions:

(a) Rates shall not be excessive, inadequate or unfairly discriminatory.

(b) Due consideration shall be given to all relevant factors within and outside this state but rates shall be deemed to be reasonable under this section if they reasonably may be expected to produce a ratio of fifty percent by dividing claims incurred by premiums earned.

3. With respect to open-end credit obtained pursuant to a credit card issued by the creditor which entitles the cardholder to purchase or lease goods or services from at least one hundred persons not related to the card issuer, the creditor may contract for and receive any charge lawfully contained in a prior agreement between the consumer and a prior creditor from whom the creditor currently issuing the credit card acquired the credit card account, if the account was acquired in an arm's-length for-value sale from a nonrelated or nonaffiliated creditor. The creditor may charge any charge on new open-end credit accounts lawfully permitted in a prior agreement between a consumer and a prior creditor from whom the creditor currently issuing the credit card acquired the credit card accounts.

[C24, 27, 31, §9422; C35, §9438-f13; C39, §**9438.13;** C46, 50, 54, 58, 62, §536.13(6); C66, 71, 73, §536.13(6), 536A.23(6); C75, 77, 79, 81, § 537.2501]

86 Acts, ch 1151, §1; 89 Acts, ch 68, §2, 3; 89 Acts, ch 296, §75; 95 Acts, ch 137, §1; 96 Acts, ch 1114, §1, 2; 99 Acts, ch 116, §1; 2007 Acts, ch 118, §2; 2012 Acts, ch 1017, §146; 2012 Acts, ch 1023, §157

Referred to in §535.10, 536.27, 537.1301, 537.1303, 537.2503, 537.2504, 537.3611

**537.2502 Delinquency charges.**

1. With respect to a consumer credit transaction not pursuant to an open-end credit arrangement and other than a consumer lease or consumer rental purchase agreement, the parties may contract for a delinquency charge on any installment not paid in full within ten days after its due date, as originally scheduled or as deferred, in an amount as follows:

*a.* For a precomputed transaction, an amount not exceeding the greater of either of the following:

(1) Five percent of the unpaid amount of the installment, or a maximum of twenty dollars.

(2) The deferral charge that would be permitted to defer the unpaid amount of the installment for the period that it is delinquent.

*b.* For an interest-bearing transaction, an amount not exceeding five percent of the unpaid amount of the installment, or a maximum of fifteen dollars.

2. A delinquency charge under subsection 1 may be collected only once on an installment however long it remains in default. No delinquency charge may be collected with respect to a deferred installment unless the installment is not paid in full within ten days after its deferred due date. A delinquency charge may be collected at the time it accrues or at any time afterward.

3. A delinquency charge shall not be collected under subsection 1, paragraph *"a"*, on an installment that is paid in full within ten days after its scheduled or deferred installment due date even though an earlier maturing installment or a delinquency or deferral charge on an earlier installment may not have been paid in full. For purposes of this subsection, payments associated with a precomputed transaction are applied first to current installments and then to delinquent installments.

4. With respect to open-end credit, the parties may contract for a delinquency charge on any payment not paid in full when due, as originally scheduled or as deferred, in an amount up to fifteen dollars.

5. A delinquency charge under subsection 4 may be collected only once on a payment however long it remains in default. A delinquency charge shall not be collected with respect to a deferred payment unless the payment is not paid in full on or before its deferred due date. A delinquency charge may be collected at the time it accrues or at any time afterward.

6. A delinquency charge shall not be collected under subsection 4 on a payment associated with a precomputed transaction that is paid in full on or before its scheduled or deferred due date even though an earlier maturing payment or a delinquency or deferred charge on an earlier payment has not been paid in full. For purposes of this subsection, payments are applied first to amounts due for the current billing cycle and then to delinquent payments.

[C66, 71, 73, §536.13(7), 536A.23(3); C75, 77, 79, 81, §537.2502]

89 Acts, ch 68, §4; 93 Acts, ch 124, §1; 95 Acts, ch 113, §1; 96 Acts, ch 1114, §3 – 5; 97 Acts, ch 187, §6, 7; 99 Acts, ch 15, §3; 2003 Acts, 1st Ex, ch 1, §125, 133

[2003 Acts, 1st Ex, ch 1, §125, 133, amendments to subsections 3 and 6 rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, 1st Ex, ch 1001, §22, 23

Referred to in §535.10, 537.2510

**537.2503 Deferral charges.**

1. Before or after default in payment of a scheduled installment of a precomputed consumer credit transaction, the parties to the transaction may agree in writing to a deferral of all or part of one or more unpaid installments and the creditor may make at the time of deferral and receive at that time or at any time thereafter a deferral charge which is not in excess of one and one-half percent per month for the period of time for which it is deferred, but not to exceed the rate of finance charge which was required to be disclosed in the transaction to the consumer pursuant to section 537.3201 applied to each amount deferred for the period for which it is deferred. In computing a deferral charge for one or more months, any month may be counted as one-twelfth of a year and in computing a deferral charge for part of a month, a day shall be counted as one three hundred sixty-fifth of a year.

2. In addition to the deferral charge permitted by this section, a creditor may make and receive appropriate additional charges as permitted under section 537.2501, and the amount

of these charges which is not paid may be added to the amount deferred for the purpose of computing the deferral charge according to subsection 1.

3. The parties may agree in writing at the time of a precomputed consumer credit transaction that if an installment is not paid within ten days after its due date, the creditor may unilaterally grant a deferral and make charges as provided in this section. No deferral charge may be made for a period after the date that the creditor elects to accelerate the maturity of the transaction.

4. A delinquency charge made by the creditor on an installment may not be retained if a deferral charge is made pursuant to this section with respect to the period of delinquency.

[C66, 71, 73, §536.13(7), 537A.23(4); C75, 77, 79, 81, §537.2503]

Referred to in §322.20, 537.1301

**537.2504 Finance charge on refinancing.**

With respect to a consumer credit transaction in which the rate of finance charge required to be disclosed in the transaction pursuant to section 537.3201 does not exceed eighteen percent per year, other than a consumer lease or a consumer rental purchase agreement, the creditor may, by agreement with the consumer, refinance the unpaid balance and may contract for and receive a finance charge based on the amount financed resulting from the refinancing at a rate not exceeding that permitted by the provisions on finance charge for consumer credit sales other than open end credit in section 537.2201 if a consumer credit sale is refinanced, the provisions on finance charge for a consumer loan other than a supervised loan in section 537.2401, subsection 1, or the provisions on finance charge for a supervised loan not pursuant to open end credit in section 537.2401, subsection 2, as applicable, if a consumer loan is refinanced. With respect to a consumer credit transaction in which the rate of finance charge required to be disclosed in the transaction to the consumer pursuant to section 537.3201 exceeds eighteen percent per year, other than a consumer lease or a consumer rental purchase agreement, the creditor may by agreement with the consumer, refinance the unpaid balance and may contract for and receive a finance charge based on the amount financed resulting from the refinancing at a rate of finance charge not to exceed that which was required to be disclosed in the original transaction to the consumer pursuant to section 537.3201. For the purpose of determining the finance charge permitted, the amount financed resulting from the refinancing consists of:

1. If the transaction was not precomputed, the total of the unpaid balance of the amount financed and the accrued charges, including finance charges, on the date of the refinancing, or, if the transaction was precomputed, the amount determined by deducting the unearned portion of the finance charge and any other unearned charges, including charges for insurance or deferral charges, from the unpaid balance on the date of refinancing. For the purposes of this section, the unearned portion of the finance charge and deferral charge, if any, shall be determined as provided in section 537.2510, subsection 2, but without allowing any minimum charge.

2. Appropriate additional charges as permitted under section 537.2501, payment of which is deferred.

[C75, 77, 79, 81, §537.2504]

87 Acts, ch 80, §35

Referred to in §537.2505, 537.2508, 537.3308

**537.2505 Finance charge on consolidation.**

1. In this section, *"consumer credit transaction"* does not include a consumer lease or a consumer rental purchase agreement.

2. If a consumer owes an unpaid balance to a creditor with respect to a consumer credit transaction and becomes obligated on another consumer credit transaction with the same creditor, the parties may agree to a consolidation resulting in a single schedule of payments. If the previous consumer credit transaction was not precomputed, the parties may agree to add the unpaid amount of the amount financed and accrued charges including finance charges on the date of consolidation to the amount financed with respect to the subsequent consumer credit transaction. If the previous consumer credit transaction was precomputed,

the parties may agree to refinance the unpaid balance pursuant to section 537.2504, and to consolidate the amount financed resulting from the refinancing by adding it to the amount financed with respect to the subsequent consumer credit transaction. In either case the creditor may contract for and receive a finance charge as provided in subsection 3, based on the aggregate amount financed resulting from the consolidation.

3. If all debts consolidated arise exclusively from consumer loans, the creditor may contract for and receive the finance charge permitted by the provisions on finance charge for consumer loans pursuant to section 537.2401. If the debts consolidated include a debt arising from a consumer credit sale, including a transaction pursuant to a lender credit card, the amount of the finance charge is governed by the provisions on finance charge for consumer credit sales in section 537.2201.

4. If a consumer owes an unpaid balance to a creditor with respect to a consumer credit transaction arising out of a consumer credit sale, and becomes obligated on another consumer credit transaction arising out of another consumer credit sale by the same seller, the parties may agree to a consolidation resulting in a single schedule of payments either pursuant to subsection 2 or by adding together the unpaid balances with respect to the two sales.

[C75, 77, 79, 81, §537.2505]

87 Acts, ch 80, §36

Referred to in §537.3302

**537.2506 Advances to perform covenants of consumer.**

1. If the agreement with respect to a consumer credit transaction other than a consumer lease or a consumer rental purchase agreement contains covenants by the consumer to perform certain duties pertaining to insuring or preserving collateral and the creditor pursuant to the agreement pays for performance of the duties on behalf of the consumer, the creditor may add the amounts paid to the debt. Within a reasonable time after advancing any sums, the creditor shall state to the consumer in writing the amount of the sums advanced, any charges with respect to this amount, and any revised payment schedule and, if the duties of the consumer performed by the creditor pertain to insurance, a brief description of the insurance paid for by the creditor including the type and amount of coverages. No further information need be given.

2. A finance charge may be made for sums advanced pursuant to subsection 1 at a rate not exceeding the rate of finance charge required to be stated to the consumer pursuant to law in the disclosure statement required by this chapter and the Truth in Lending Act, except that with respect to open end credit the amount of the advance may be added to the unpaid balance of the debt and the creditor may make a finance charge not exceeding that permitted by section 537.2202 or 537.2402, as applicable.

[C75, 77, 79, 81, §537.2506]

87 Acts, ch 80, §37

**537.2507 Attorney fee.**

With respect to a consumer credit transaction, the agreement may not provide for the payment by the consumer of attorney fees. A provision in violation of this subsection is unenforceable.

[C75, 77, 79, 81, §537.2507]

Referred to in §537.5201

**537.2508 Conversion to open end credit.**

The parties may agree at or within ten days prior to the time of conversion to add the unpaid balance of a consumer credit transaction, other than a consumer lease or a consumer rental purchase agreement, not made pursuant to open end credit to the consumer's open end credit account with the creditor. The unpaid balance so added is an amount equal to the amount financed determined according to the provisions on finance charge on refinancing under section 537.2504.

[C75, 77, 79, 81, §537.2508]

87 Acts, ch 80, §38

**537.2509 Right to prepay.**

Subject to the provisions on prepayment and minimum charge under section 537.2510, the consumer may prepay in full the unpaid balance of a consumer credit transaction, other than a consumer lease or a consumer rental purchase agreement, at any time.

[C58, 62, 66, 71, 73, §322.3(6, *e*); C75, 77, 79, 81, §537.2509]

87 Acts, ch 80, §39

**537.2510 Rebate upon prepayment.**

1. Except as provided in this section, upon prepayment in full of a precomputed consumer credit transaction, the creditor shall rebate to the consumer an amount not less than the amount of rebate provided in subsection 2, paragraph *"a"*, or redetermine the earned finance charge as provided in subsection 2, paragraph *"b"*, and rebate any other unearned charges including charges for insurance. If the rebate otherwise required is less than one dollar, no rebate need be made.

2. The amount of rebate and the redetermined earned finance charge shall be as follows:

*a.* (1) The amount of rebate shall be determined by applying the rate of finance charge which was required to be disclosed in the transaction pursuant to section 537.3201, according to the actuarial method,

(a) If no deferral charges have been made in a transaction, to the unpaid balances and time remaining as originally scheduled for the period following prepayment.

(b) If a deferral charge has been made, to the unpaid balances and time remaining as deferred for the period following prepayment.

(2) The time remaining for the period following prepayment shall be either the full days following the prepayment; or both the full days, counting the date of prepayment, between the prepayment date and the end of the computational period in which the prepayment occurs, and the full computational periods following the date of prepayment to the scheduled due date of the final installment of the transaction.

*b.* The redetermined earned finance charge shall be determined by applying, according to the actuarial method, the rate of finance charge which was required to be disclosed in the transaction pursuant to section 537.3201 to the actual unpaid balances of the amount financed for the actual time the unpaid balances were outstanding as of the date of prepayment. Any delinquency or deferral charges collected before the date of prepayment shall be applied to reduce the amount financed as of the date collected.

3. Upon prepayment, but not otherwise, of a consumer credit transaction whether or not precomputed, other than a consumer lease, a consumer rental purchase agreement, or a transaction pursuant to open-end credit:

*a.* If the prepayment is in full, the creditor may collect or retain a minimum charge not exceeding five dollars in a transaction which had an amount financed of seventy-five dollars or less, or not exceeding seven dollars and fifty cents in a transaction which had an amount financed of more than seventy-five dollars, if the minimum charge was contracted for, and the finance charge earned at the time of prepayment is less than the minimum charge contracted for.

*b.* If the prepayment is in part, the creditor may not collect or retain a minimum charge.

4. For the purposes of this section, the following defined terms apply:

*a.* *"Computational period"* means the interval between scheduled due dates of installments under the transaction if the intervals are substantially equal or, if the intervals are not substantially equal, one month if the smallest interval between the scheduled due dates of installments under the transaction is one month or more, and otherwise one week.

*b.* The *"interval"* between specified dates means the interval between them including one or the other but not both of them. If the interval between the date of a transaction and the due date of the first scheduled installment does not exceed one month by more than fifteen days when the computational period is one month, or eleven days when the computational period is one week, the interval may be considered by the creditor as one computational period.

5. This section does not preclude the collection or retention by the creditor of delinquency charges under section 537.2502.

6. If the maturity is accelerated for any reason and judgment is obtained, the consumer is entitled to the same rebate as if payment had been made on the date maturity is accelerated.

7. Upon prepayment in full of a precomputed consumer credit transaction by the proceeds of consumer credit insurance, the consumer or the consumer's estate is entitled to the same rebate as though the consumer had prepaid the agreement on the date the proceeds of the insurance are paid to the creditor, but no later than ten business days after satisfactory proof of loss is furnished to the creditor.

[C66, 71, 73, §536.13(7), 536A.26; C75, 77, 79, 81, §537.2510]

87 Acts, ch 80, §40; 2012 Acts, ch 1023, §157

Referred to in §535.10, 536.27, 537.1303, 537.2201, 537.2401, 537.2504, 537.2509, 537.3203

## PART 6

## OTHER CREDIT TRANSACTIONS

Referred to in §322.33, 536.13, 536A.31, 537.2102

**537.2601 Charges for other credit transactions.**

1. With respect to a credit transaction other than a consumer credit transaction, the parties may contract for the payment by the debtor of any finance or other charge as permitted by law.

2. With respect to a credit transaction which would be a consumer credit transaction if a finance charge were made, a charge for delinquency may not exceed amounts allowed for finance charges for consumer credit sales pursuant to open end credit.

[C75, 77, 79, 81, §537.2601]

2003 Acts, 1st Ex, ch 1, §126, 133

[2003 Acts, 1st Ex, ch 1, §126, 133, amendment to subsection 1 rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, 1st Ex, ch 1001, §22, 23

Referred to in §537.5201

**537.2602** Repealed by 79 Acts, ch 130, § 30.

## ARTICLE 3

## REGULATION OF AGREEMENTS AND PRACTICES

Referred to in §322.33, 536.13, 536A.31, 537.1101

## PART 1

## GENERAL PROVISIONS

**537.3101 Short title.**

This article shall be known and may be cited as the *"Iowa Consumer Credit Code — Regulation of Agreements and Practices"*.

[C75, 77, 79, 81, §537.3101]

**537.3102 Scope.**

Part 2 applies to disclosure with respect to consumer credit transactions, other than consumer rental purchase agreements, and the provision in section 537.3201 applies to a sale of an interest in land or a loan secured by an interest in land, without regard to the rate of finance charge, if the sale or loan is otherwise a consumer credit sale or consumer loan. Parts 3 and 4 apply, respectively, to disclosure, limitations on agreements and practices, and

limitations on consumer's liability with respect to certain consumer credit transactions. Part 5 applies to home solicitation sales. Part 6 applies to consumer rental purchase agreements.

[C75, 77, 79, 81, §537.3102]

87 Acts, ch 80, §41; 2001 Acts, ch 24, §58

## PART 2

## DISCLOSURE

Referred to in §537.3102

**537.3201 Compliance with Truth in Lending Act.**

A person upon whom the Truth in Lending Act imposes duties or obligations shall make or give to the consumer the disclosures, information and notices required of the person by that Act and in all respects shall comply with that Act. To the extent the Truth in Lending Act does not impose duties or obligations upon a person in a credit transaction, other than a consumer lease, which is a consumer credit transaction under this chapter, the person shall make or give to the consumer disclosures, information and notices in accordance with the Truth in Lending Act, with respect to the credit transaction.

[C75, 77, 79, 81, §537.3201]

Referred to in §537.1202, 537.1301, 537.2401, 537.2503, 537.2504, 537.2510, 537.3102, 537.3212

**537.3202 Consumer leases.**

1. With respect to a consumer lease the lessor shall give to the consumer the following information:

*a.* Brief description or identification of the goods.

*b.* Amount of any payment required at the inception of the lease.

*c.* Amount paid or payable for official fees, registration, certificate of title, or license fees or taxes.

*d.* Amount of other charges not included in the periodic payments and a brief description of the charges.

*e.* Brief description of insurance to be provided or paid for by the lessor, including the types and amounts of the coverages.

*f.* Except with respect to a consumer lease made pursuant to a lender credit card, the number of periodic payments, the amount of each payment, the due date of the first payment, the due dates of subsequent payments or interval between payments, and the total amount payable by the consumer.

*g.* Statement of the conditions under which the consumer may terminate the lease prior to the end of the term.

*h.* Statement of the liabilities the lease imposes upon the consumer at the end of the term.

2. The disclosures required by this section are subject to the following:

*a.* They shall be made clearly and conspicuously in writing, a copy of which shall be delivered to the lessee.

*b.* They may be supplemented by additional information or explanations supplied by the lessor but none shall be stated, utilized or placed so as to mislead or confuse the lessee or contradict, obscure or detract attention from the information required to be disclosed by this section.

*c.* They need be made only to the extent applicable.

*d.* They shall be made on the assumption that all scheduled payments will be made when due and will comply with this section, although the assumption may be rendered inaccurate by an act, occurrence or agreement subsequent to the required disclosure.

*e.* They shall be made before the lease transaction is consummated but may be made in the lease to be signed by the lessee.

[C75, 77, 79, 81, §537.3202]

Referred to in §537.5201

**537.3203 Notice to consumer.**

The creditor shall give to the consumer a copy of any writing evidencing a consumer credit transaction, other than one pursuant to open end credit, if the writing requires or provides for signature of the consumer. The writing evidencing the consumer's obligation to pay under a consumer credit transaction, other than one pursuant to open end credit, shall contain a clear and conspicuous notice to the consumer that the consumer should not sign it before reading it, that the consumer is entitled to a copy of it, and, except in the case of a consumer lease, that the consumer is entitled to prepay the unpaid balance at any time with such penalty and minimum charges as the agreement and section 537.2510 may permit, and may be entitled to receive a refund of unearned charges in accordance with law. The following notices if clear and conspicuous comply with this section:

1. In all transactions to which this section applies:

NOTICE TO CONSUMER:

1. Do not sign this paper before you read it.
2. You are entitled to a copy of this paper.
3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law.

2. In addition, in a transaction in which a minimum charge will be collected or retained, the notice to consumer shall state:

4. If you prepay the unpaid balance, you may have to pay a minimum charge not greater than seven dollars and fifty cents.

[C58, 62, 66, 71, 73, §322.3(6, b); C75, 77, 79, 81, §537.3203]
2011 Acts, ch 25, §68
Referred to in §322.33, 536.13, 536A.31, 537.5201

**537.3204 Notice of assignment.**

A consumer is authorized to pay the original creditor until the consumer receives notification of assignment of rights to payment pursuant to a consumer credit transaction and that payment is to be made to the assignee. A notification which does not reasonably identify the rights assigned is ineffective. If requested by the consumer, the assignee must seasonably furnish reasonable proof that the assignment has been made and unless the assignee does so the consumer may pay the original creditor.

[C75, 77, 79, 81, §537.3204]

**537.3205 Change in terms of open-end credit accounts.**

1. Whether or not a change is authorized by prior agreement, a creditor may make a change in the terms of an open-end credit account applying to any balance incurred after the effective date of the change only if the creditor delivers or mails to the consumer a written disclosure of the change at least sixty days before the effective date of the change.

2. Unless authorized by this chapter or unless agreed to by the consumer, a creditor shall not change the terms of an open-end credit account, with respect to a balance incurred before the effective date of the change, which results in an increase of the rate of the finance charge or other charge or an increase in the amount of a periodic payment due, or which otherwise adversely affects the interests of the consumer with respect to the balance. The use by the consumer of an open-end account after the effective date of the change constitutes the agreement of the consumer if the consumer is notified as provided in subsection 1 that the use will constitute the agreement of the consumer.

3. Notwithstanding subsection 2, a creditor may make a change in the terms of an open-end credit account with respect to a balance incurred before the effective date of the change if the creditor gives a written disclosure as provided in subsection 1 and if the credit

card account is part of a portfolio of credit card accounts acquired in a bulk acquisition of the portfolio.

4. A disclosure provided for in subsection 1 is mailed to the consumer when mailed to the consumer at the consumer's address used by the creditor for mailing the consumer periodic billing statements.

5. If a creditor attempts to make a change in the terms of an open-end credit account without complying with this section, any additional cost or charge to the consumer resulting from the change is an excess charge and is subject to the remedies available to the consumer under section 537.5201 and to the administrator under section 537.6113.

6. Notwithstanding subsections 1 through 5, a creditor is not required to deliver or mail to the consumer a written disclosure of a change in the terms of an open-end credit account if the change involves a decrease in the rate of the finance charge, a decrease in a delinquency charge, or a decrease in an over-limit charge.

[C75, 77, 79, 81, §537.3205]

84 Acts, ch 1237, §3; 91 Acts, ch 118, §2, 3; 96 Acts, ch 1057, §1

**537.3206 Receipt — statements of account — evidence of payment — credits.**

1. The creditor shall deliver or mail to the consumer, without request, a written receipt for each payment by coin or currency on an obligation pursuant to a consumer credit transaction. A periodic statement for a computational period showing a payment received by mail complies with this subsection.

2. Upon written request of a consumer, the person to whom an obligation is owed pursuant to a consumer credit agreement shall provide a written statement of the dates and amounts of payments made within the twelve months preceding the month in which the request is received and the total amount unpaid as of the end of the period covered by the statement. The statement shall be provided without charge once during each year of the term of the obligation. If additional statements are requested the creditor may charge not in excess of three dollars for each additional statement.

3. After a consumer has fulfilled all obligations with respect to a consumer credit transaction, other than one pursuant to open end credit, the person to whom the obligation was owed shall, upon request of the consumer, deliver or mail to the consumer written evidence acknowledging payment in full of all obligations with respect to the transaction.

4. *a.* A creditor shall credit a payment to the consumer's account as of the date of receipt, except when a delay in crediting does not result in a finance or other charge, including a late charge, or except as provided in paragraph "*b*". For purposes of this subsection, a delay in posting does not violate this subsection so long as the payment is credited as of the date of receipt.

*b.* If a creditor specifies requirements for the consumer to follow in making payments on the contract, payment coupon book, payment coupon or statement, or periodic statement, but accepts a payment that does not conform to the requirements, the creditor shall credit the payment within two days of receipt of such payment.

*c.* If a creditor fails to credit a payment as required by this subsection in time to avoid the imposition of a finance or other charge, including a delinquency charge, the creditor shall adjust the consumer's account so that the charges imposed are credited to the consumer's account during the next payment period.

[C75, 77, 79, 81, §537.3206]

99 Acts, ch 15, §4

Referred to in §322.33, 535.14, 536.13, 536A.31, 537.5201

**537.3207 Form of insurance premium loan agreement.**

An agreement pursuant to which an insurance premium loan is made shall contain the names of the insurance producer negotiating each policy or contract and of the insurer issuing each policy or contract, the number and inception date of, and premium for, each policy or contract, the date on which the term of the loan begins, and a clear and conspicuous notice that each policy or contract may be canceled if payment is not made in accordance with the agreement. If a policy or contract has not been issued when the agreement is signed, the

agreement may provide that the insurance producer may insert the appropriate information in the agreement and, if they do so, shall furnish the information promptly in writing to the insured.

[C75, 77, 79, 81, §537.3207]

2001 Acts, ch 16, §35, 37

Referred to in §537.5201

**537.3208 Notice to cosigners and similar parties.**

1. No natural person, other than the spouse of the consumer, is obligated as a cosigner, comaker, guarantor, endorser, surety, or similar party with respect to a consumer credit transaction, unless before or contemporaneously with signing any separate agreement of obligation or any writing setting forth the terms of the debtor's agreement, the person receives a separate written notice that contains a completed identification of the debt the person may have to pay and reasonably informs the person of the person's obligation with respect to it.

2. A clear and conspicuous notice in substantially the following form complies with this section:

NOTICE

You agree to pay the debt identified below although you may not personally receive any property, services, or money. You may be sued for payment although the person who receives the property, services, or money is able to pay. This notice is not the contract that obligates you to pay the debt. Read the contract for the exact terms of your obligation.

IDENTIFICATION OF DEBT
YOU MAY HAVE TO PAY

.....
(name of debtor)
.....
(name of creditor)
.....
(date)
.....
(kind of debt)
I have received a copy of this notice.
.....
(Date)
.....
(Signed)

3. The notice required by this section need not be given to a seller, lessor, or lender who is obligated to an assignee of the seller's, lessor's, or lender's rights.

4. A person entitled to notice under this section shall also be given a copy of any writing setting forth the terms of the debtor's agreement and of any separate agreement of obligation signed by the person entitled to the notice.

[C75, 77, 79, 81, §537.3208]

Referred to in §537.5201

**537.3209 Advertising.**

1. A seller, lessor, or lender shall not advertise, print, display, publish, distribute, utter or broadcast, or cause to be advertised, printed, displayed, published, distributed, uttered or broadcast in any manner, any false, misleading, or deceptive statement or representation with regard to the rates, terms or conditions of credit with respect to a consumer credit transaction.

2. Advertising that complies with the Truth in Lending Act does not violate this section.

3. This section does not apply to the owner or personnel, as such, of any medium in which an advertisement appears or through which it is disseminated.

[C24, 27, 31, §9432; C35, §9438-f12; C39, §**9438.12;** C46, 50, 54, 58, 62, §536.12; C66, 71, 73, §536.12, 536A.20; C75, 77, 79, 81, §537.3209]

Referred to in §322.33, 536.13, 536A.31, 537.1201

**537.3210 Prohibited statements relating to rates.**

A creditor shall not state the rate of a finance charge to a consumer, in response to any inquiry, or in any advertisement, in the form of an add-on or discount rate, or in any form other than the rate calculated according to the actuarial method as a percent per year on the unpaid balances of the amount financed, or the annual percentage rate required to be disclosed under the Truth in Lending Act.

[C75, 77, 79, 81, §537.3210]

Referred to in §536A.23, 536A.31, 537.1201, 537.5201

**537.3211 Notice of consumer paper.**

Every note which is a negotiable instrument as provided in section 554.3104 taken in a consumer credit transaction, if the writing requires or provides for a signature of the consumer, shall conspicuously show on its face the following:

This is a consumer credit transaction.

[C75, 77, 79, 81, §537.3211]

94 Acts, ch 1167, §3, 122

Referred to in §537.5201

**537.3212 Notice of methods of financing and rates.**

1. With respect to a consumer who has an open end credit account with a creditor, and with respect to a creditor which offers to some or all of its customers consumer credit sales of goods or services both pursuant to open end credit and not pursuant to open end credit, that creditor shall give written notice to that consumer of those alternative methods at the times provided in subsection 3. The notice shall be as provided in subsection 2.

2. The notice required by this section shall conspicuously state the highest finance charge charged by that creditor to any consumer within the last calendar year for each type of credit sale. Such finance charge shall be stated as an annual percentage rate in such form as is required pursuant to section 537.3201 for each type of credit sale described in subsection 1, and the terms of repayment for each type of credit sale.

3. This section is complied with if notice is given at the following times:

*a.* With respect to an existing open end credit account holder, in a writing contained as a part of, or mailed with a periodic statement mailed to the account holders and no less than once every six months.

*b.* With respect to a consumer not holding an existing open end credit account, if the written notice is presented to the person at the time of the consumer credit transaction, and thereafter as provided in paragraph "*a*".

[C75, 77, 79, 81, §537.3212]

Referred to in §535.11

This section not applicable under §535.11(6)

## PART 3

## LIMITATIONS ON AGREEMENTS AND PRACTICES

Referred to in §537.3102

**537.3301 Security in consumer credit transactions.**

1. With respect to a consumer credit sale, a seller may take a security interest in the property sold. In addition, a seller may take a security interest in goods upon which services are performed or in which goods sold are installed or to which they are annexed, or in land

to which the goods are affixed or which is maintained, repaired or improved as a result of the sale of the goods or services, if in the case of a security interest in land the amount financed is one thousand dollars or more, or in the case of a security interest in goods if either the amount financed is three hundred dollars or more, or if the goods are household goods, or motor vehicles used by a consumer, the consumer's dependents, or the family with which the consumer resides, as transportation to and from a place of employment, one hundred dollars or more. Except as provided with respect to cross-collateral under section 537.3302, a seller may not otherwise take a security interest in property to secure the debt arising from a consumer credit sale.

2. With respect to a consumer lease, a lessor may not take a security interest in property to secure the debt arising from the lease. This subsection does not apply to a security deposit for a consumer lease or a consumer rental purchase agreement.

3. With respect to a supervised loan, a lender may not take a security interest, other than a purchase money security interest, in the clothing, one dining table and set of chairs, one refrigerator, one heating stove, one cooking stove, one radio, beds and bedding, one couch, two living room chairs, cooking utensils, or kitchenware used by the consumer, the consumer's dependents, or the family with whom the consumer resides.

4. A security interest taken in violation of this section is void.

[C75, 77, 79, 81, §537.3301]

87 Acts, ch 80, §42

Referred to in §537.3302, 537.5201

**537.3302 Cross-collateral.**

1. In addition to contracting for a security interest pursuant to the provisions on security in consumer credit transactions under section 537.3301, a seller in a consumer credit sale may secure the debt arising from the sale by contracting for a security interest in other property if as a result of a prior sale the seller has an existing security interest in the other property. The seller may also contract for a security interest in the property sold in the subsequent sale as security for the previous debt.

2. If the seller contracts for a security interest in other property pursuant to this section, the rate of finance charge thereafter on the aggregate unpaid balances so secured may not exceed that permitted if the balances so secured were consolidated pursuant to the provisions on finance charge on consolidation under section 537.2505. The seller has a reasonable time after so contracting to make any adjustments required by this section.

[C75, 77, 79, 81, §537.3302]

Referred to in §537.3301

**537.3303 Debt secured by cross-collateral.**

1. If debts arising from two or more consumer credit sales, other than sales pursuant to open end credit, are secured by cross-collateral or consolidated into one debt payable on a single schedule of payments, and the debt is secured by security interests taken with respect to one or more of the sales, payments received by the seller after the taking of the cross-collateral or the consolidation are deemed, for the purpose of determining the amount of the debt secured by the various security interests, to have been first applied to the payment of the debts arising from the sales first made. To the extent debts are paid according to this section, security interests in items of property terminate as the debt originally incurred with respect to each item is paid.

2. Payments received by the seller upon an open end credit account are deemed, for the purpose of determining the amount of the debt secured by the various security interests, to have been applied first to the payment of finance charges in the order of their entry to the account and then to the payment of debts in the order in which the entries to the account showing the debts were made.

3. If the debts consolidated arose from two or more sales made on the same day, payments received by the seller are deemed, for the purpose of determining the amount of the debt

secured by the various security interests, to have been applied first to the payment of the smallest debt.

[C75, 77, 79, 81, §537.3303]

**537.3304 Use of multiple agreements.**

1. With respect to a sale or loan other than a supervised loan, a creditor may not use multiple agreements in what is in substance a single transaction, with intent to obtain a higher finance charge than would otherwise be permitted by the provisions of article 2 of this chapter.

2. With respect to a supervised loan, a lender may not use multiple agreements with intent to obtain a higher finance charge than would otherwise be permitted. For the purposes of this subsection, multiple agreements are used if a lender allows any person, or husband and wife, to become obligated in any way under more than one loan agreement with the lender or with a person related to the lender.

3. The excess amount of finance charge obtained in violation of this section is an excess charge for the purposes of the provisions on rights of parties in section 537.5201 and the provisions on civil actions by the administrator in section 537.6113.

[C35, §9438-f13; C39, §**9438.13;** C46, 50, 54, 58, 62, § 536.13(6); C66, 71, 73, §536.13(6), 536A.24; C75, 77, 79, 81, §537.3304]

Referred to in §322.33, 536.13, 536A.31

**537.3305 No assignment of earnings.**

1. A creditor may not take an assignment of earnings of the consumer for payment or as security for payment of a debt arising out of a consumer credit transaction. An assignment of earnings in violation of this section is unenforceable by the assignee of the earnings and revocable by the consumer. This section does not prohibit a consumer from authorizing deductions in favor of a creditor if the authorization is revocable, the consumer is given a complete copy of the writing evidencing the authorization at the time the consumer signs it, and the writing contains on its face a conspicuous notice of the consumer's right to revoke the authorization.

2. A sale of unpaid earnings made in consideration of the payment of money to or for the account of the seller of the earnings is deemed to be a loan to the seller secured by an assignment of earnings.

[C24, 27, 31, §9427, 9428; C35, §9438-f17; C39, §**9438.17;** C46, 50, 54, 58, 62, 66, 71, 73, §536.17; C75, 77, 79, 81, §537.3305]

Referred to in §322.33, 536.13, 536A.31, 537.5201

**537.3306 Authorization to confess judgment prohibited.**

Unless executed after default on a claim arising out of a consumer credit transaction, authorization for a judgment by confession on that claim pursuant to chapter 676 is void. Any other authorization by a consumer for any person to confess judgment on the claim, whenever executed, is void.

[C24, 27, 31, §9426; C35, §9438-f12; C39, §**9438.12;** C46, 50, 54, 58, 62, 66, 71, 73, §536.12; C75, 77, 79, 81, §537.3306]

Referred to in §322.33, 536.13, 536A.31, 537.5201

**537.3307 Certain negotiable instruments prohibited.**

With respect to a consumer credit sale or consumer lease, the creditor may not take a negotiable instrument other than a check or credit union share draft dated not later than ten days after its issuance as evidence of the obligation of the consumer.

[C75, 77, 79, 81, §537.3307]

Referred to in §537.3404, 537.5201

**537.3308 Balloon payments.**

1. Except as provided in subsection 2, if any scheduled payment of a consumer credit transaction is more than twice as large as the average of earlier scheduled payments, the consumer has the right to refinance the amount of that payment at the time it is due without

penalty, as provided in section 537.2504. The terms of the refinancing shall be no less favorable to the consumer than the terms of the original transaction.

2. This section does not apply to any of the following:

*a.* A consumer lease.

*b.* A transaction pursuant to open end credit.

*c.* A transaction to the extent that the payment schedule is adjusted to the seasonal or irregular income or scheduled payments of obligations of the consumer.

*d.* A transaction of a class defined by rule of the administrator as not requiring for the protection of the consumer a right to refinance as provided in this section.

*e.* A consumer loan in which the amount financed exceeds five thousand dollars and is secured by an interest in land.

*f.* A consumer rental purchase agreement.

*g.* A consumer loan secured by a certificate of title in a motor vehicle.

[C75, 77, 79, 81, §537.3308; 82 Acts, ch 1153, §17]

87 Acts, ch 80, §43; 2001 Acts, ch 21, §1

**537.3309 Referral sales and leases.**

A practice unlawful under section 714.16, subsection 2, paragraph *"b"*, if done in connection with a consumer credit sale or consumer lease, is a violation of this chapter for which the consumer has a cause of action under section 537.5201, subsection 1. The administrator has all powers granted under article 6, part 1, to enforce the provisions of section 714.16, subsection 2, paragraph *"b"*. If a consumer is induced by a violation of section 714.16, subsection 2, paragraph *"b"* to enter into a consumer credit sale or consumer lease, the agreement is unenforceable by the seller or lessor and the consumer, at the consumer's option, in addition to other remedies, may rescind the agreement or retain the goods delivered and the benefit of any services performed, without any obligation to pay for them.

[C75, 77, 79, 81, §537.3309]

Referred to in §537.5201

**537.3310 Limitations on executory transactions.**

1. In a consumer credit transaction, other than a consumer rental purchase agreement, if performance by a creditor is by delivery of goods, services, or both, in four or more installments, either on demand of the consumer or by prearranged scheduled performance, the consumer may cancel the obligation with respect to that part which has not been performed on the date of cancellation.

2. If the consumer exercises the right to cancel or, in any event, if the creditor attempts to exercise a right to accelerate, the creditor is entitled to recover only that part of the cash price and charges attributable to the part of the creditor's obligation which has been performed.

3. Cancellation under this section shall be effective when the consumer mails or delivers a written notice of cancellation.

4. Notwithstanding an agreement to the contrary, a creditor may not exercise a right to accelerate beyond the amount set forth in subsection 2.

5. Subsections 1 through 4 do not apply to a membership camping contract which is subject to the requirements of chapter 557B.

[C75, 77, 79, 81, §537.3310]

87 Acts, ch 80, §44; 87 Acts, ch 181, §4

Referred to in §537.5201, 557B.14

**537.3311 Discrimination prohibited.**

A creditor shall not refuse to enter into a consumer credit transaction or impose finance charges or other terms or conditions more onerous than those regularly extended by that creditor to consumers of similar economic backgrounds due to any of the following:

1. The age, color, creed, national origin, political affiliation, race, religion, sex, marital status, or disability of the consumer.

2. The consumer receives public assistance, social security benefits, pension benefits, or the like.

3. The exercise by the consumer of rights pursuant to this chapter or the federal Consumer Credit Protection Act, 15 U.S.C. § 1601 et seq.

[C75, 77, 79, 81, §537.3311]

2003 Acts, ch 54, §1

Referred to in §537.1201, 537.5201

See also §216.10

## PART 4

## LIMITATIONS ON CONSUMER'S LIABILITY

Referred to in §537.3102

**537.3401 Restriction on liability in consumer lease.**

The obligation of a lessee upon expiration of a consumer lease may not exceed twice the average payment allocable to a monthly period under the lease. This limitation does not apply to charges for damages to the leased property or for other default.

[C75, 77, 79, 81, §537.3401]

**537.3402 Limitation on default charges.**

Except for reasonable expenses incurred in realizing on a security interest, the agreement with respect to a consumer credit transaction other than a consumer lease may not provide for any charges as a result of default by the consumer other than those authorized by this chapter. A provision in violation of this section is unenforceable.

[C75, 77, 79, 81, §537.3402]

Referred to in §322.20, 537.5201

**537.3403 Card issuer subject to claims and defenses.**

1. This section neither limits the liability of nor imposes liability on a card issuer as a manufacturer, supplier, seller, or lessor of property or services sold or leased pursuant to the credit card. This section may subject a card issuer to claims and defenses of a cardholder against a seller or lessor arising from sales or leases made pursuant to the credit card.

2. A card issuer is subject to claims and defenses of a cardholder against the seller or lessor arising from the sale or lease of property or services by a seller or lessor licensed, franchised, or permitted by the card issuer or a person related to the card issuer to do business under the trade name or designation of the card issuer or a person related to the card issuer, to the extent of the original amount owing to the card issuer with respect to the sale or lease of the property or services as to which the claim or defense arose.

3. Except as otherwise provided in subsection 2, a card issuer, including a lender credit card issuer, is subject to all claims and defenses of a cardholder against the seller or lessor arising from the sale or lease of property or services pursuant to the credit card only if all of the following apply:

*a.* The original amount owing to the card issuer with respect to the sale or lease of the property or services as to which the claim or defense arose exceeds fifty dollars.

*b.* The residence of the cardholder and the place where the sale or lease occurred are in the same state or within one hundred miles of each other.

*c.* The cardholder has made a good faith attempt to obtain satisfaction from the seller or lessor with respect to the claim or defense.

4. Except as otherwise provided in subsection 2, a card issuer, including a lender credit card issuer, is subject to claims and defenses only to the extent of the amount owing to the card issuer with respect to the sale or lease of the property or services as to which the claim or defense arose at the time the card issuer has notice of the claim or defense. Notice of the claim or defense may be given prior to the attempt to obtain satisfaction specified in subsection 3. Written notice is effective when mailed or delivered.

5. For the purpose of determining the amount owing to the card issuer with respect to the sale or lease upon an open end credit account, payments received for the account are deemed to have been first applied to the payment of finance charges in the order of their entry to the

account and then to the payment of debts in the order in which the entries of the debts are made to the account.

6. Except as provided in section 537.1107, an agreement may not contain a provision to limit or waive the claims or defenses of a cardholder under this section. A provision in violation of this subsection is unenforceable.

[C75, 77, 79, 81, §537.3403]
Referred to in §537.5201

**537.3404 Assignee subject to claims and defenses.**

1. With respect to a consumer credit sale or consumer lease, an assignee of the rights of the seller or lessor is subject to all claims and defenses of the consumer against the seller or lessor arising from the sale or lease of property or services, notwithstanding that the assignee is a holder in due course of a negotiable instrument issued in violation of the provisions prohibiting certain negotiable instruments in section 537.3307; unless the consumer has agreed in writing not to assert against an assignee a claim or defense arising out of such sale, and the consumer's contract has been assigned to an assignee not related to the seller who acquired the consumer's contract in good faith and for value and who gives the consumer notice of the assignment as provided in this subsection and who within thirty days after the mailing of the notice receives no written notice of the facts giving rise to the consumer's claim or defense. Such agreement not to assert a claim or defense is not valid if the assignee receives such written notice from the consumer within such thirty-day period. The notice of assignment shall be in writing and addressed to the consumer at the consumer's address as stated in the contract, identify the contract, describe the property purchased by the consumer, state the names of the seller and consumer, the name and address of the assignee, the amount payable by the consumer and the number, amounts and due dates of the installments, and contain a conspicuous notice to the consumer that the consumer has thirty days from the date of the mailing of the notice to the consumer within which to notify the assignee in writing of any claims or defenses the consumer may have against the seller and that if written notification of any such claims or defenses is not received by the assignee within such thirty-day period, the assignee will have the right to enforce the contract free of any claims or defenses the consumer may have against the seller. An assignee does not acquire a consumer's contract in good faith within the meaning of this subsection if the assignee has knowledge or, from the assignee's course of dealing with the seller or the assignee's records, notice of substantial complaints by other consumers of the seller's failure or refusal to perform the seller's contracts with them and of the seller's failure to remedy the seller's defaults within a reasonable time after the assignee notifies the seller of the complaints.

2. A claim or defense of a consumer specified in subsection 1 may be asserted against the assignee under this section only if the consumer has made a good faith attempt to obtain satisfaction from the seller or lessor with respect to the claim or defense, and only to the extent of the amount owing to the assignee with respect to the sale or lease of the property or services as to which the claim or defense arose, at the time the assignee has notice of the claim or defense. Notice of the claim or defense may be given prior to the attempt specified in this subsection. Written notice is effective when mailed or delivered.

3. For the purpose of determining the amount owing to the assignee with respect to the sale or lease:

*a.* Payments received by the assignee after the consolidation of two or more consumer credit sales, other than pursuant to open end credit, are deemed to have been first applied to the payment of the sales first made, and if the sales consolidated arose from sales made on the same day, payments are deemed to have been first applied to the smaller or smallest sale or sales.

*b.* Payments received upon an open end credit account are deemed to have been first applied to the payment of finance charges in the order of their entry to the account and then to the payment of debts in the order in which the entries of the debts are made to the account.

4. Except as provided in section 537.1107, an agreement may not contain a provision to

limit or waive the claims or defenses of a consumer under this section. A provision in violation of this subsection is unenforceable.

[C75, 77, 79, 81, §537.3404]

Referred to in §537.5201

**537.3405 Lender subject to defenses arising from sales and leases.**

1. A lender, other than the issuer of a lender credit card, who, with respect to a particular transaction, makes a consumer loan for the purpose of enabling a consumer to buy or lease from a particular seller or lessor property or services, is subject to all claims and defenses of the consumer against the seller or lessor arising from that sale or lease of the property or services if any of the following are applicable:

*a.* The lender knows that the seller or lessor arranged for a commission, brokerage, or referral fee, for the extension of credit by the lender.

*b.* The lender is a person related to the seller or lessor, unless the relationship is remote or is not a factor in the transaction.

*c.* The seller or lessor guarantees the loan or otherwise assumes the risk of loss by the lender upon the loan.

*d.* The lender directly supplies the seller or lessor with the contract document used by the consumer to evidence the loan, and the seller or lessor has knowledge of the credit terms and participates in the preparation of the document.

*e.* The loan is conditioned upon the consumer's purchase or lease of the property or services from the particular seller or lessor, but the lender's payment of proceeds of the loan to the seller or lessor does not in itself establish that the loan was so conditioned.

*f.* The lender otherwise knowingly participates with the seller in the sale. The fact that the lender takes a security interest in property sold in that sale, or makes the proceeds of the loan payable to the seller does not in itself constitute knowing participation in the sale.

2. A claim or defense of a consumer specified in subsection 1 may be asserted against the lender under this section only if the consumer has made a good faith attempt to obtain satisfaction from the seller or lessor with respect to the claim or defense and only to the extent of the amount owing to the lender with respect to the sale or lease of the property or services as to which the claim or defense arose at the time the lender has notice of the claim or defense. Notice of the claim or defense may be given prior to the attempt specified in this subsection. Written notice is effective when mailed or delivered.

3. For the purpose of determining the amount owing to the lender with respect to the sale or lease:

*a.* Payments received by the lender after the consolidation of two or more consumer loans, other than pursuant to open end credit, are deemed to have been first applied to the payment of the loans first made, and if the loans consolidated arose from loans made on the same day, payments are deemed to have been first applied to the smaller or smallest loan or loans.

*b.* Payments received upon an open end credit account are deemed to have been first applied to the payment of finance charges in the order of their entry to the account and then to the payment of debts in the order in which the entries of the debts are made to the account.

4. Except as provided in section 537.1107, an agreement may not contain a provision to limit or waive the claims or defenses of a consumer under this section. A provision in violation of this section is unenforceable.

[C75, 77, 79, 81, §537.3405]

Referred to in §537.3501, 537.5201

## PART 5

## HOME SOLICITATION SALES

Referred to in §537.3102

**537.3501 Door-to-door sales.**

In a consumer credit sale or a sale in which the goods or services are paid for in whole or in part by a lender credit card or a consumer loan in which the lender is subject to defenses

arising from the sale under section 537.3405, a consumer has, in addition to all the rights and remedies provided by chapter 555A, a cause of action under section 537.5201, subsection 1, and the administrator has all powers granted under article 6, part 1, to enforce the provisions of chapter 555A.

[C75, 77, 79, 81, §537.3501]

Referred to in §537.1201, 537.5201

## PART 6

## CONSUMER RENTAL PURCHASE AGREEMENTS

Referred to in §537.3102

**537.3601 Short title.**

This part of article 3 may be known and may be cited as the "*Consumer Rental Purchase Agreement Act*".

87 Acts, ch 80, §1

**537.3602 Purposes — rules of construction.**

1. This part shall be liberally construed and applied to promote its underlying purposes and policies.

2. The underlying purposes and policies of this part are to:

*a.* Define, simplify, and clarify the law governing consumer rental purchase agreements.

*b.* Provide certain disclosures to consumers who enter into consumer rental purchase agreements, and further consumer understanding of the terms of consumer rental purchase agreements.

*c.* Protect consumers against unfair practices.

*d.* Permit and encourage the development of fair and economically sound rental purchase practices.

*e.* Make the law on consumer rental purchase agreements, including administrative rules, more uniform among the various uniform consumer credit code jurisdictions.

3. A reference to a requirement imposed by this part includes a reference to a related rule of the administrator adopted pursuant to this chapter.

87 Acts, ch 80, §2

**537.3603 Exclusions.**

This part does not apply to, and an agreement which complies with this part is not governed by, the provisions regarding:

1. A consumer credit sale as defined in section 537.1301, subsection 13.

2. A consumer lease as defined in section 537.1301, subsection 14.

3. A consumer loan as defined in section 537.1301, subsection 15.

4. A lease or agreement which constitutes a "*credit sale*" as defined in 12 C.F.R. § 226.2(a16), and the Truth in Lending Act, 15 U.S.C. § 1602(g), or an agreement which constitutes a "*sale of goods*" under section 537.1301, subsection 38.

5. A lease which constitutes a consumer lease as defined in 12 C.F.R. § 213.2(a6).

6. A lease or agreement which constitutes a security interest as defined in section 554.1201, subsection 2.

87 Acts, ch 80, §3; 88 Acts, ch 1134, §97; 2007 Acts, ch 41, §41

**537.3604 General definitions.**

As used in this part, unless otherwise required by the context:

1. "*Administrator*" means the administrator as designated in section 537.6103.

2. "*Advertisement*" means a commercial message in any medium, including signs, window displays, and price tags, that promotes, directly or indirectly, a consumer rental purchase agreement.

3. "*Cash price*" means the price at which the lessor in the ordinary course of business

would offer to sell the personal property to the lessee for cash on the date of the consumer rental purchase agreement.

4. *"Consummation"* means the time at which the lessee enters into a consumer rental purchase agreement.

5. *"Lessee"* means a natural person who rents personal property under a consumer rental purchase agreement for personal, family, or household use.

6. *"Lessor"* means a person who, in the ordinary course of business, regularly leases, offers to lease, or arranges for the leasing of property under a consumer rental purchase agreement.

7. *"Personal property"* means any property that is not real property under the laws of this state when it is made available for a consumer rental purchase agreement. For the purposes of this part, *"personal property"* does not include a motor vehicle, a manufactured home, or a manufactured or mobile home as defined in section 321.1.

8. *"Consumer rental purchase agreement"* means an agreement for the use of personal property in which all of the following are applicable:

*a.* The lessor is regularly engaged in the rental purchase business.

*b.* The agreement is for an initial period of four months or less, whether or not there is any obligation beyond the initial period, that is automatically renewable with each payment and that permits the lessee to become the owner of the property.

*c.* The lessee is a person other than an organization.

*d.* The lessee takes under the consumer rental purchase agreement primarily for a personal, family, or household purpose.

*e.* The amount payable under the consumer rental purchase agreement does not exceed twenty-five thousand dollars.

87 Acts, ch 80, §4; 2008 Acts, ch 1025, §2
Referred to in §423.31, 535.17, 537.1301

**537.3605 Disclosures.**

In a consumer rental purchase agreement, the lessor shall disclose the following items, as applicable:

1. The total of scheduled payments accompanied by an explanation that this term means the *"total dollar amount of lease payments you will have to make to acquire ownership"*.

2. By item, the total number, amounts, and timing of all lease payments and other charges including taxes or official fees paid to or through the lessor which are necessary to acquire ownership of the property.

3. Any initial or advance payment such as a delivery charge, security deposit, or trade-in allowance.

4. A statement that the lessee will not own the property until the lessee has made the total of payments necessary to acquire ownership of the property.

5. A statement that the total of payments does not include additional charges such as late payment charges, and a separate listing and explanation of these charges as applicable.

6. If applicable, a statement that the lessee is responsible for the fair market value of the property if and as of the time it is lost, stolen, damaged, or destroyed.

7. A description of the goods or merchandise including model numbers as applicable and a statement indicating whether the property is new or used. It is not a violation of this subsection to indicate that the property is used if it is actually new.

8. A statement that at any time after the first periodic payment is made, the lessee may acquire ownership of the property by exercising the option to purchase the property, and at what price, or by what formula or method the purchase price will be determined. It is not a violation of this subsection for the lessor and the lessee to agree in writing to allow the lessee to acquire ownership of the property for less than the amounts referred to in this subsection.

9. The cash price of the merchandise.

87 Acts, ch 80, §5; 89 Acts, ch 128, §1
Referred to in §537.3606, 537.3608, 537.3610, 537.3612, 537.3616

**537.3606 Form requirements.**

1. The disclosure information required by section 537.3605 and this section shall

be disclosed in a consumer rental purchase agreement, and shall meet the following requirements:

*a.* Be made clearly and conspicuously with items appearing in logical order and segregated as appropriate for readability and clarity.

*b.* Be made in writing.

*c.* Except as provided in subsection 2 or in rules adopted by the administrator, need not be contained in a single writing or made in the order set forth in section 537.3605.

*d.* May be supplemented by additional information or explanations supplied by the lessor, but none shall be stated, used or placed so as to mislead or confuse the lessee, or to contradict, obscure, or detract attention from the information required by section 537.3605, and so long as the additional information or explanations do not have the effect of circumventing, evading, or unduly complicating the information required to be disclosed by section 537.3605.

2. The lessor shall disclose all information required by section 537.3605 before the consumer rental purchase agreement is consummated. These disclosures shall be made on the face of the writing evidencing the consumer rental purchase agreement.

3. Before any payment is due, the lessor shall furnish the lessee with an exact copy of each consumer rental purchase agreement, which shall be signed by the lessee and which shall evidence the lessee's agreement. If there is more than one lessee in a consumer rental purchase agreement, delivery of a copy of the consumer rental purchase agreement to one of the lessees constitutes compliance with this part; however, a lessee not signing the agreement is not liable under it.

4. The administrator may adopt by rule requirements for the order, acknowledgment by initialing, and conspicuousness of the disclosures set forth in section 537.3605. These rules may allow these disclosures to be made in accordance with model forms prepared by the administrator.

5. The terms of the consumer rental purchase agreement, except as otherwise provided in this part, shall be set forth in not less than eight point standard type, or such similar type as prescribed in rules adopted by the administrator.

6. Every consumer rental purchase agreement shall contain immediately above or adjacent to the place for the signature of the lessee, a clear, conspicuous, printed or typewritten notice in substantially the following language:

NOTICE TO LESSEE — READ BEFORE SIGNING

*a.* DO NOT SIGN THIS BEFORE YOU READ THE ENTIRE AGREEMENT INCLUDING ANY WRITING ON THE REVERSE SIDE, EVEN IF OTHERWISE ADVISED.

*b.* DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES.

*c.* YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.

*d.* YOU HAVE THE RIGHT TO EXERCISE ANY EARLY BUY-OUT OPTION AS PROVIDED IN THIS AGREEMENT. EXERCISE OF THIS OPTION MAY RESULT IN A REDUCTION OF YOUR TOTAL COST TO ACQUIRE OWNERSHIP UNDER THIS AGREEMENT.

*e.* IF YOU ELECT TO MAKE WEEKLY RATHER THAN MONTHLY PAYMENTS AND EXERCISE YOUR PURCHASE OPTION, YOU MAY PAY MORE FOR THE LEASED PROPERTY.

7. The notice described in subsection 6 shall be in boldface, ten point type.

87 Acts, ch 80, §6

Referred to in §537.3612

**537.3607 Receipts.**

The lessor shall furnish the lessee, without request, an itemized written receipt for each payment in cash, or any other time the method of payment itself does not provide evidence of payment.

87 Acts, ch 80, §7

**537.3608 Acquiring ownership.**

1. A lessor shall not offer a consumer rental purchase agreement in which fifty percent of all lease payments necessary to acquire ownership of the leased property exceeds the cash price of the leased property. When fifty percent of all lease payments made by a lessee equals the cash price of the property disclosed to the lessee pursuant to section 537.3605, subsection 9, the lessee shall acquire ownership of the leased property and the agreement shall terminate.

2. At any time after tendering an initial lease payment, a lessee may acquire ownership of the property that is the subject of the consumer rental purchase agreement by tendering an amount equal to the amount by which the cash price of the leased property exceeds fifty percent of all lease payments made by the lessee.

3. It is not a violation of this section for the lessor and the lessee to agree in writing to allow the lessee to acquire ownership of the property for less than the amounts referred to in this section.

87 Acts, ch 80, §8; 89 Acts, ch 128, §2

Referred to in §537.3610

**537.3609 Renegotiation.**

1. A renegotiation occurs when an existing consumer rental purchase agreement is satisfied and replaced by a new consumer rental purchase agreement undertaken by the same lessor and lessee. A renegotiation is a new lease requiring new disclosures.

2. However, the following events are not renegotiations:

*a.* The addition or return of property in a multi-item agreement or the substitution of the leased property, if in either case the lease payment is not changed by more than twenty-five percent.

*b.* A deferral or extension of one or more lease payments, or portions of a lease payment.

*c.* A reduction in charges in the agreement.

*d.* A lease or agreement involved in a court proceeding.

87 Acts, ch 80, §9

**537.3610 Balloon payments prohibited.**

A lessee shall not be required, as a condition to acquiring ownership, to make a payment that is more than twice the amount of a regular rental payment, or to pay lease payments totaling more than the cost to acquire ownership as disclosed pursuant to section 537.3605. This section does not apply to payments made pursuant to section 537.3608, 537.3612, or 537.3619.

87 Acts, ch 80, §10

**537.3611 Prohibited charges.**

A lessor shall not make a charge for any of the following:

1. Any insurance whether in connection with the transaction or otherwise, except that a charge may be made for property insurance on the leased property if the charge is clearly disclosed as optional and all other requirements of section 537.2501, subsection 2, paragraph "*a*", are met.

2. A penalty for early termination of a consumer rental purchase agreement or for the return of an item at any point, except for those charges authorized by sections 537.3612 and 537.3613.

3. Payment by a cosigner of the consumer rental purchase agreement of any fees or charges which could not be imposed upon the lessee as part of the consumer rental purchase agreement.

87 Acts, ch 80, §11

**537.3612 Additional charges.**

1. In a consumer rental purchase agreement, the lessor may contract for and receive an initial nonrefundable administrative fee not to exceed ten dollars. If a security deposit is

required by the lessor, the amount and conditions under which it is returned must be disclosed with the disclosures required by sections 537.3605 and 537.3606.

2. In a consumer rental purchase agreement, the lessor may contract for and receive a delivery charge not to exceed ten dollars or, in the case of a consumer rental purchase agreement covering more than five items, a delivery charge not to exceed twenty-five dollars. A delivery charge may be assessed only if the lessor actually delivers the items to the lessee's dwelling and the delivery charge is disclosed with the disclosures required by sections 537.3605 and 537.3606. The delivery charge may be assessed in lieu of and not in addition to the initial administrative charge in subsection 1 of this section.

3. In a consumer rental purchase agreement, a lessor may contract for and receive a charge for picking up payments from the lessee if the lessor is required or requested to visit the lessee's dwelling to pick up a payment. In a consumer rental purchase agreement with payment or renewal dates which are more frequent than monthly, this charge shall not be assessed more than three times in any three-month period. In consumer rental purchase agreements with payments or renewal options which are at least monthly, this charge shall not be assessed more than three times in any six-month period. A charge assessed pursuant to this subsection shall not exceed seven dollars. This charge is in lieu of any delinquency charge assessed for the applicable payment period.

4. *a.* In a consumer rental purchase agreement, the parties may contract for late charges or delinquency fees as follows:

(1) For consumer rental purchase agreements with monthly renewal dates, a late charge not exceeding five dollars may be assessed on any payment not made within five business days after either payment is due or the return of the property is required.

(2) For consumer rental purchase agreements with weekly or biweekly renewal dates, a late charge not exceeding three dollars may be assessed on any payments not made within three business days after either payment is due or the return of the property is required.

*b.* A late charge on a consumer rental purchase agreement may be collected only once on any accrued payment, no matter how long it remains unpaid. A late charge may be collected at the time it accrues or at any time thereafter. A late charge shall not be assessed against a payment that is timely made, even though an earlier late charge has not been paid in full.

87 Acts, ch 80, §12; 2012 Acts, ch 1023, §157

Referred to in §537.3610, 537.3611, 537.3616

**537.3613 Reinstatement fees.**

A reinstatement fee as provided for in section 537.3616 shall not equal more than the outstanding balance of any missed payments and delinquency charges on those missed payments plus an additional reinstatement fee that shall not exceed five dollars.

87 Acts, ch 80, §13

Referred to in §537.3611

**537.3614 Taxes and official fees.**

1. If the amount is separately disclosed in the agreement, the lessor may require the lessee to pay all applicable state and county sales, use, and personal property taxes levied as a result of the execution of the consumer rental purchase agreement, provided that the lessor pays the full amount of these taxes to the appropriate authorities.

2. If the amount is separately disclosed in the agreement, the lessor may contract for and receive from the lessee an amount equal to all official fees required to be paid under the consumer rental purchase agreement provided that the lessor pays the full amount of these fees to the appropriate authorities.

87 Acts, ch 80, §14

**537.3615 Advertising.**

1. An advertisement for a consumer rental purchase agreement shall not state or imply that a specific item is available at specific amounts or terms unless the lessor usually and customarily offers or will offer that item at those amounts or terms.

2. If an advertisement for a consumer rental purchase agreement refers to or states

the amount of any payment, or the right to acquire ownership, for a specific item, the advertisement must also clearly and conspicuously state the following terms as applicable:

*a.* That the transaction advertised is a consumer rental purchase agreement.

*b.* The total of payments necessary to acquire ownership.

*c.* That the lessee will not own the property until the total amount necessary to acquire ownership is paid in full or by prepayment as provided for by law.

3. Notwithstanding the requirements of subsection 1, if the advertisement is published by way of radio announcement or on a roadside billboard, the lessor need only make the disclosures required by subsection 2, paragraphs "*a*" and "*c*".

4. With respect to any matters specifically governed by the advertising provisions of the federal Consumer Credit Protection Act, compliance with that Act satisfies the requirements of this section.

5. This section does not apply to the owner or personnel, as such, of any medium in which an advertisement appears or through which it is disseminated.

87 Acts, ch 80, §15

**537.3616 Lessee's reinstatement rights.**

1. A lessee who fails to make timely rental payments has the right to reinstate the original consumer rental purchase agreement without losing any rights or options previously acquired under the consumer rental purchase agreement if both of the following apply:

*a.* Subsequent to having failed to make a timely rental payment, the lessee has surrendered the property to the lessor, if and when requested by the lessor.

*b.* Not more than sixty days has passed since the lessee has returned the property.

2. As a condition precedent to reinstatement of a consumer rental purchase agreement, a lessor may charge the outstanding balance of any accrued payments and delinquency charges, a reinstatement fee, and the delivery charges allowable by section 537.3612, subsection 2, if redelivery of the item is necessary.

3. If reinstatement occurs pursuant to this section, the lessor shall provide the lessee with the same item, if available, leased by the lessee prior to reinstatement. If the same item is not available, a substitute item of comparable worth, quality, and condition may be used. If a substitute item is provided, the lessor shall provide the lessee with all the information required by section 537.3605.

87 Acts, ch 80, §16

Referred to in §537.3613, 537.3619

**537.3617 Unconscionability.**

Unconscionability in consumer rental purchase agreements is governed by section 537.5108.

87 Acts, ch 80, §17

**537.3618 Default.**

An agreement of the parties to a consumer rental purchase agreement with respect to default on the part of the lessee is enforceable only to the extent that one of the following apply:

1. The lessee both fails to renew an agreement and also fails to return the rented property or make arrangements for its return as provided by the agreement.

2. The prospect of payment, performance, or return of the property is materially impaired due to a breach of the consumer rental purchase agreement; the burden of establishing the prospect of material impairment is on the lessor.

87 Acts, ch 80, §18

Referred to in §537.5110, 537.5111

**537.3619 Cure of default.**

1. In a consumer rental purchase agreement, after a lessee has been in default for three business days and has not voluntarily surrendered possession of the rented property, a lessor may give the lessee the notice provided in subsection 3 when the consumer has the right

to cure a default. A lessor gives the notice to the lessee under this section when the lessor delivers notice to the lessee or mails the notice to the last known address of the lessee.

2. For the purpose of this section, there is no right to cure and no limitation on the lessor's rights with respect to a default that occurs within twelve months after an earlier default as to which a lessor has given a proper notice of the lessee's right to cure.

3. The notice of right to cure must be in writing and conspicuously state all of the following:

*a.* The name, address, and telephone number of the lessor to whom payment is to be made.

*b.* A brief identification of the transaction.

*c.* The lessee's right to cure the default.

*d.* The amount of payment and date by which payment must be made to cure the default.

A notice in substantially the following form complies with this subsection:

THE NAME, ADDRESS, & TELEPHONE
NUMBER OF THE LESSOR
ACCOUNT NUMBER, IF ANY
BRIEF IDENTIFICATION OF TRANSACTION

( ) is the last date for payment, ( ) is the amount now due. You have failed to renew your rental purchase agreement(s). If you pay the amount now due (above) by the last date for payment (above), you may continue with the agreement as though you had renewed on time. If you do not pay by that date, we may exercise our rights under the law. If you are late again during the next twelve months of your agreement, in either returning the property or renewing your agreement, we may exercise our rights without sending you another notice like this one. If you have questions, you may write or telephone the lessor promptly.

4. With respect to a consumer rental purchase agreement, except as provided in subsection 5, after a default consisting of the lessee's failure to renew and failure to return the property, a lessor, because of that default, may not instigate court action to recover the rented property until five business days after the notice of the lessee's right to cure is given. In the case of an agreement with weekly or biweekly renewal dates, such action shall not be taken until three business days after the notice of the lessee's right to cure is given.

5. With respect to defaults on the same consumer rental purchase agreement and subject to subsection 4, after a lessor has once given a proper notice of the lessee's right to cure, this section does not give the consumer a right to cure or impose any additional limitations beyond those otherwise imposed by this part on the lessor's right to proceed against the lessee or the lessor's right to recover the property.

6. Until expiration of the minimum applicable periods contained in subsection 4 after notice is given, the lessee may cure all defaults consisting of failure to renew and failure to return the property by tendering the amount of all unpaid sums due at the time of the tender plus any unpaid delinquency charges or other charges authorized by section 537.3616.

7. This section and the provisions on limitations of agreements do not prohibit a lessee from voluntarily surrendering possession of the rented property, and the lessor from enforcing any past due obligation which the lessee may have at any time after default. However, in an enforcement proceeding, the lessor shall affirmatively plead and prove either that the notice to cure is not required or that the lessor has given the required notice, but the failure to so plead does not invalidate any action taken by the lessor that is lawful and if the lessor has rightfully repossessed any property the repossession is not conversion.

8. A repossession of rented property in violation of this section is void.

87 Acts, ch 80, §19

Referred to in §537.3610

**537.3620 Willful and intentional violations.**

A person who willfully and intentionally violates a provision of this part is guilty of a serious misdemeanor.

87 Acts, ch 80, §20

Referred to in §537.3622

**537.3621 Damages.**

In case of a violation of a provision of this part with respect to a consumer rental purchase agreement, or a violation of the Iowa debt collection practices Act, article 7 of this chapter, where a debt arises in connection with a consumer rental purchase agreement, the lessee in the agreement may recover from the person committing the violation, or may set off or counterclaim in an action by that person, actual damages, with a minimum recovery of three hundred dollars or twenty-five percent of the total cost to acquire ownership under the consumer rental purchase agreement, whichever is greater; attorney fees; and court costs.

87 Acts, ch 80, §21; 89 Acts, ch 128, §3

Referred to in §537.3622

**537.3622 Effect of correction.**

Notwithstanding sections 537.3620 and 537.3621, a failure to comply with a provision of this part which is due to a bona fide error may be corrected within thirty days after the date of execution of the consumer rental purchase agreement by the lessee. If so corrected, neither the lessor nor any holder is subject to penalty under this section if, where appropriate, a new written agreement and disclosures are provided to the lessee and any excess charges are refunded to the lessee.

87 Acts, ch 80, §22

**537.3623 Statute of limitations.**

An action shall not be brought under this part more than two years after the occurrence of the alleged violation.

87 Acts, ch 80, §23

**537.3624 Enforcement.**

1. The provisions of this part are subject to the powers and functions of the administrator as provided in article 6 of this chapter and to the debt collection practices as provided in article 7 of this chapter. However, section 537.6113, subsection 2, does not apply to violations of this part.

2. If a court finds in an action brought by the administrator pursuant to section 537.6113 that it is proven that a lessor has intentionally acted in bad faith in its performance under this part, the lessor is subject to a civil penalty of not less than one hundred dollars nor more than one thousand dollars for each violation. However, no more than one penalty may be imposed in any one action against a lessor for repeated violations of the same provision. A civil penalty pursuant to this subsection shall not be imposed for a violation of this part occurring more than two years before the action is brought, or for making unconscionable agreements or engaging in a course of fraudulent or unconscionable conduct.

87 Acts, ch 80, §24

## ARTICLE 4

## INSURANCE

Referred to in §537.1101, 537.1202

**537.4101 Scope — excess charges.**

1. This article applies to insurance provided in relation to a consumer credit transaction.

2. A charge for insurance in excess of the rates promulgated by the commissioner of insurance, or otherwise made in violation of the law, including this chapter, or the rules promulgated by the commissioner of insurance, is an excess charge for purposes of

determining rights of parties under section 537.5201, and authority of the administrator to bring civil action under section 537.6113.
[C75, 77, 79, 81, §537.4101]

## ARTICLE 5

## REMEDIES AND PENALTIES

Referred to in §537.1101, 537.1201

## PART 1

## LIMITATIONS ON CREDITORS' REMEDIES

Referred to in §537.1201

**537.5101 Short title.**
This article shall be known and may be cited as the *"Iowa Consumer Credit Code — Remedies and Penalties"*.
[C75, 77, 79, 81, §537.5101]

**537.5102 Scope.**
This part applies to actions or other proceedings to enforce rights arising from consumer credit transactions, to extortionate or unlawful extensions of credit, and to unconscionability.
[C75, 77, 79, 81, §537.5102]

**537.5103 Creditor's obligations on repossession — restriction on deficiency judgments.**
1. This section applies to a consumer credit sale of goods or services and a consumer loan. A consumer is not liable for a deficiency unless the creditor has disposed of repossessed or surrendered goods in good faith and in a commercially reasonable manner.
2. If the seller repossesses or voluntarily accepts surrender either of goods which were the subject of the sale and in which the seller has a security interest, or of goods which were not the subject of the sale but in which the seller has a security interest to secure a debt arising from a sale of goods or services or a combined sale of goods and services, the seller's duty to dispose of the collateral is governed by the provisions on disposition of collateral in chapter 554, article 9, part 6.
3. If a lender takes possession or voluntarily accepts surrender of goods in which the lender has a security interest to secure a debt arising from a consumer loan, the lender's duty to dispose of the collateral is governed by the provisions on disposition of collateral in chapter 554, article 9, part 6.
[C75, 77, 79, 81, §537.5103]
2000 Acts, ch 1149, §171, 187

**537.5104 No garnishment before judgment.**
Prior to entry of judgment in an action against the consumer arising from a consumer credit transaction, the creditor may not attach unpaid earnings of the consumer, or earnings deposited in a financial institution by the consumer, by garnishment, attachment, or proceedings under chapter 630.
[C75, 77, 79, 81, §537.5104]

**537.5105 Limitation on garnishment.**
1. For the purposes of this part:
*a.* *"Disposable earnings"* means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld or assigned.
*b.* *"Garnishment"* means any legal or equitable procedure through which the earnings of an individual are required to be withheld for payment of a debt.
2. *a.* In addition to the provisions of section 642.21, the maximum part of the aggregate

disposable earnings of an individual for any workweek which is subjected to garnishment to enforce payment of a judgment arising from a consumer credit transaction may not exceed the lesser of twenty-five percent of the individual's disposable earnings for that week, or the amount by which the individual's disposable earnings for that week exceed forty times the federal minimum hourly wage prescribed by the Fair Labor Standards Act of 1938, 29 U.S.C. § 206(a)(1), in effect at the time the earnings are payable.

*b.* In the case of earnings for a pay period other than a week, the administrator shall prescribe by rule a multiple of the federal minimum hourly wage equivalent in effect to that set forth for a pay period of a week.

3. No court may make, execute, or enforce an order or process in violation of this section.

4. At any time after the entry of a judgment in favor of a creditor in an action against a consumer for debt arising from a consumer credit transaction, the consumer may file with the court a verified application for an order exempting from garnishment pursuant to that judgment for an appropriate period of time a greater portion or all of the consumer's aggregate disposable earnings for a workweek or other applicable pay period than is provided for in subsection 2. The application shall designate the portion of the consumer's earnings which are not exempt from garnishment under this section and other law, shall specify the period of time for which the additional exemption is sought, shall describe the judgment with respect to which the application is made, and shall state that the designated portion in addition to earnings that are exempt by law is necessary for the maintenance of the consumer or a family supported wholly or partly by the earnings. Upon the filing of a sufficient application under this subsection, the court may issue any temporary order staying enforcement of the judgment by garnishment that may be necessary under the circumstances, shall set a hearing on the application not less than five nor more than ten days from the date of the filing of the application, and shall cause notice of the application and the hearing date to be served on the judgment creditor or the judgment creditor's attorney of record. At the hearing, if it appears to the court that all or any portion of the earnings sought to be additionally exempted are necessary for the maintenance of the consumer or a family supported wholly or partly by the earnings of the consumer for all or any part of the time requested in the application, the court shall issue an order granting the application to that extent, otherwise it shall deny the application. The order is subject to modification or vacation upon the further application of any party to it upon a showing of changed circumstances after a hearing upon notice to all interested parties.

[C75, 77, 79, 81, §537.5105]

2010 Acts, ch 1061, §70

Referred to in §537.1303, 627.6, 642.2

**537.5106 Garnishment.**

The administrator has all powers granted under article 6, part 1, to enforce the provisions of section 642.21, in relation to a garnishment arising from a consumer credit transaction.

[C75, 77, 79, 81, §537.5106]

**537.5107 Extortionate or unlawful extensions of credit.**

If it is the understanding of the creditor and the debtor at the time an extension of credit is made that delay in making repayment or failure to make repayment could result in the use of violence or other criminal means to cause harm to the person, reputation or property of any person, the repayment of the extension of credit is unenforceable through civil judicial processes against the consumer.

[C75, 77, 79, 81, §537.5107]

**537.5108 Unconscionability — inducement by unconscionable conduct — unconscionable debt collection.**

1. With respect to a transaction that is, gives rise to, or leads the debtor to believe it will give rise to a consumer credit transaction, in an action other than a class action, if the court as a matter of law finds the agreement or transaction to have been unconscionable at the time it was made, or to have been induced by unconscionable conduct, the court may refuse to

enforce the agreement, or if the court finds any term or part of the agreement or transaction to have been unconscionable at the time it was made, the court may refuse to enforce the agreement, or may enforce the remainder of the agreement without the unconscionable term or part, or may so limit the application of any unconscionable term or part as to avoid any unconscionable result.

2. With respect to a consumer credit transaction, or a transaction which would have been a consumer credit transaction if a finance charge was made or the obligation was payable in installments, if the court as a matter of law finds in an action other than a class action, that a person has engaged in, is engaging in, or is likely to engage in unconscionable conduct in collecting a debt arising from that transaction, the court may grant an injunction and award the consumer any actual damages the consumer sustained.

3. If it is claimed or appears to the court that the agreement or transaction or any term or part of it may be unconscionable, or that a person has engaged in, is engaging in, or is likely to engage in unconscionable conduct in collecting a debt, the parties shall be afforded a reasonable opportunity to present evidence as to the setting, purpose, and effect of the agreement or transaction or term or part thereof, or of the conduct, to aid the court in making the determination.

4. In applying subsection 1, consideration shall be given to each of the following factors, among others, as applicable:

*a.* Belief by the seller, lessor, or lender at the time a transaction is entered into that there is no reasonable probability of payment in full of the obligation by the consumer or debtor. However, the rental renewals necessary to acquire ownership in a consumer rental purchase agreement shall not be construed to be the obligation contemplated in this subsection if the consumer may terminate the agreement without penalty at any time. As used in this paragraph, "*obligation*" means the initial periodic lease payments and any other additional advance payments required at the consummation of the transaction.

*b.* In the case of a consumer credit sale, consumer lease, or consumer rental purchase agreement, knowledge by the seller or lessor at the time of the sale or lease of the inability of the consumer to receive substantial benefits from the property or services sold or leased.

*c.* In the case of a consumer credit sale, consumer lease, or consumer rental purchase agreement, gross disparity between the price of the property or services sold or leased and the value of the property or services measured by the price at which similar property or services are readily obtainable in consumer credit transactions by like consumers.

*d.* The fact that the creditor contracted for or received separate charges for insurance with respect to a consumer credit sale or consumer loan with the effect of making the sale or loan, considered as a whole, unconscionable.

*e.* The fact that the seller, lessor or lender has knowingly taken advantage of the inability of the consumer or debtor reasonably to protect the consumer's or debtor's interests by reason of physical or mental infirmities, ignorance, illiteracy or inability to understand the language of the agreement, or similar factors.

*f.* The fact that the seller, lessor or lender has engaged in conduct with knowledge or reason to know that like conduct has been restrained or enjoined by a court in a civil action by the administrator against any person pursuant to the provisions on injunctions against fraudulent or unconscionable agreements or conduct in section 537.6111.

5. In applying subsection 2, violations of section 537.7103 shall be considered, among other factors, as applicable.

6. If in an action in which unconscionability is claimed the court finds unconscionability pursuant to subsection 1 or 2, the court shall award reasonable fees to the attorney for the consumer or debtor. If the court does not find unconscionability and the consumer or debtor claiming unconscionability has brought or maintained an action the consumer or debtor knew to be groundless, the court shall award reasonable fees to the attorney for the party against whom the claim is made. Reasonable attorney's fees shall be determined by the value of the time reasonably expended by the attorney on the unconscionability issue and not by the amount of the recovery on behalf of the prevailing party.

7. The remedies of this section are in addition to remedies otherwise available for the

same conduct under law other than this chapter, but no double recovery of actual damages may be had.

8. For the purpose of this section, a charge or practice expressly permitted by this chapter is not in itself unconscionable.

[C75, 77, 79, 81, §537.5108]

87 Acts, ch 80, §45 – 47

Referred to in §537.3617, 537.6111

**537.5109 Default.**

*"Default"* with respect to a consumer credit transaction and for the purposes of this article, means either of the following, if without justification under any law:

1. Failure to make a payment within ten days of the time required by agreement, or in a consumer rental purchase agreement, failure to renew an agreement and failure to return the rented property or make arrangements for its return as provided by the agreement.

2. Failure to observe any other covenant of the transaction, breach of which materially impairs the condition, value or protection of or the creditor's right in any collateral securing the transaction, or materially impairs the consumer's prospect to pay amounts due under the transaction. The burden of establishing material impairment is on the creditor.

[C75, 77, 79, 81, §537.5109]

87 Acts, ch 80, §48

**537.5110 Cure of default.**

1. Notwithstanding any term or agreement to the contrary, the obligation of a consumer in a consumer credit transaction is enforceable by a creditor only after compliance with this section, except that in a consumer rental purchase agreement, default is governed by section 537.3618.

2. *a.* A creditor who believes in good faith that a consumer is in default may give the consumer written notice of the alleged default, and, if the consumer has a right to cure the default, shall give the consumer the notice of right to cure provided in section 537.5111 before commencing any legal action in any court on an obligation of the consumer and before repossessing collateral. However, this subsection and subsection 4 do not require a creditor to give notice of right to cure prior to the filing of a petition by a creditor seeking to enforce the consumer's obligation in which attachment under chapter 639 is sought upon any of the grounds specified in section 639.3, subsections 3 to 12.

*b.* When property is attached without the giving of notice of right to cure as permitted by this subsection, the creditor immediately shall give notice of the attachment to the consumer in the same manner as prescribed by the rules of civil procedure for service of an original notice. The notice shall advise the consumer that the attachment may be discharged by the filing of a bond as provided in sections 639.42 and 639.45, or by the filing of a motion with the court to discharge the attachment pursuant to section 639.63. The notice required by this paragraph is in lieu of the notice requirements of sections 639.31 and 639.33.

*c.* When a motion is filed to discharge an attachment made without the giving of a prior notice of right to cure, the court shall hear the motion within three days of the filing of the motion to discharge. If the court finds that the attachment should not have been issued or should not have been levied on all or any part of the property held, the attachment shall be discharged in whole or in part and property wrongfully attached shall be returned to the consumer.

*d.* If the court finds that there was no probable cause to believe the grounds upon which the attachment was issued, the consumer may be awarded damages plus reasonable attorney's fees to be determined by the court.

3. A consumer has a right to cure the default unless, in other than an insurance premium loan transaction, the creditor has given the consumer a proper notice of right to cure with respect to a prior default which occurred within three hundred sixty-five days of the present default, or the consumer has voluntarily surrendered possession of goods that are collateral and the creditor has accepted them in full satisfaction of any debt owing on the transaction in default.

4. If the consumer has a right to cure a default:

*a.* A creditor shall not accelerate the maturity of the unpaid balance of the obligation, demand or take possession of collateral, otherwise than by accepting a voluntary surrender of it, or otherwise attempt to enforce the obligation until twenty days after a proper notice of right to cure is given.

*b.* With respect to an insurance premium loan, a creditor shall not give notice of cancellation as provided in subsection 6 until thirteen days after a proper notice of right to cure is given.

*c.* Until the expiration of the minimum applicable period after the notice is given, the consumer may cure the default by tendering either the amount of all unpaid installments due at the time of the tender, without acceleration, plus any unpaid delinquency or deferral charges, or the amount stated in the notice of right to cure, whichever is less, or by tendering any performance necessary to cure any default other than nonpayment of amounts due, which is described in the notice of right to cure. The act of curing a default restores to the consumer the consumer's rights under the agreement as though no default had occurred, except as provided in subsection 3. However, where the obligation in default is a credit card account that has been closed, the act of curing a default does not restore to the consumer the consumer's rights under the agreement as though no default had occurred.

5. This section and the provisions on waiver, agreements to forego rights, and settlement of claims under section 537.1107 do not prohibit a consumer from voluntarily surrendering possession of goods which are collateral and do not prohibit the creditor from thereafter enforcing the creditor's security interest in the goods at any time after default.

6. If a default on an insurance premium loan is not cured, the lender may give notice of cancellation of each insurance policy or contract to be canceled. If given, the notice of cancellation shall be in writing and given to the insurer that issued the policy or contract and to the insured. The insurer, within two business days after receipt of the notice of cancellation together with a copy of the insurance premium loan agreement if not previously given to the insurer, shall give any notice of cancellation required by the policy or contract or by law and, within ten business days after the effective date of the cancellation, pay to the lender any premium unearned on the policy or contracts as of that effective date. Within ten business days after receipt of the unearned premium, the lender shall pay to the consumer indebted upon the insurance premium loan any excess of the unearned premium received over the amount owing by the consumer upon the insurance premium loan.

7. If a creditor in a consumer credit transaction commences an action for money judgment prior to giving the customer notice of right to cure as required by this section and fails to follow the procedures set out in this section, the court shall dismiss the action without prejudice. If the action was commenced as a small claim under chapter 631, the creditor shall not be found to be in violation of this section for purposes of section 537.5201 and the penalties provided in that section shall not apply if the creditor proves by a preponderance of the evidence that the creditor did not at the time of the violation have either knowledge or reason to know of the requirements of this section, and for this purpose the court shall consider all relevant evidence, including but not limited to the education or experience of the creditor with respect to the collection of debts arising from consumer credit transactions and any representation of the creditor by legal counsel and any legal advice rendered to the creditor with respect to the collection of debts arising from consumer credit transactions.

[C75, 77, 79, 81, §537.5110; 82 Acts, ch 1025, §1, 2]

87 Acts, ch 80, §49; 2012 Acts, ch 1023, §157; 2013 Acts, ch 140, §93

Referred to in §537.5201

Subsection 4, paragraph c amended

**537.5111 Notice of right to cure.**

1. The notice of right to cure shall be in writing and shall conspicuously state the name, address, and telephone number of the creditor to which payment is to be made, a brief identification of the credit transaction and of the consumer's right to cure the default, a statement of the nature of the right to cure the default, a statement of the nature of the alleged default, a statement of the total payment, including an itemization of any delinquency

or deferral charges, or other performance necessary to cure the alleged default, and the exact date by which the amount must be paid or performance tendered.

2. Except as provided in subsection 4, a notice in substantially the following form complies with this section:

.....
(name, address, and telephone number of creditor)
.....
(account number, if any)
.....
(brief identification of credit transaction)

You are now in default on this credit transaction. You have a right to correct this default until ..... (date). If you do so, you may continue with the contract as though you did not default. Your default consists of
.....
(describe default alleged)
Correction of the default: Before ....., (date)
.....
(describe the acts necessary for cure)

If you do not correct your default by the date stated above, we may exercise rights against you under the law.

If you default again in the next year, we may exercise our rights without sending you another notice like this one. If you have questions, write or telephone promptly.
.....
(the creditor)

3. A creditor gives notice to the consumer under this part when the creditor delivers the notice to the consumer or mails the notice to the consumer at the consumer's residence as defined in section 537.1201, subsection 4.

4. If the consumer credit transaction is an insurance premium loan, the notice shall conform to the requirements of subsection 2, and a notice in substantially the form specified in that subsection complies with this subsection except for the following:

*a.* In lieu of a brief identification of the credit transaction, the notice shall identify the transaction as an insurance premium loan and each insurance policy or contract that may be canceled.

*b.* In lieu of the statement in the form of notice specified in subsection 2 that the creditor may exercise the creditor's rights under the law, the statement that each policy or contract, identified in the notice may be canceled.

*c.* The last paragraph of the form of notice specified in subsection 2 shall be omitted.

5. If the consumer credit transaction is a credit card account that has been closed, the notice shall conform to the requirements of subsection 2, and a notice in substantially the form specified in that subsection complies with this subsection except that the statement relating to continuation of the contract upon correction of the default as though the consumer did not default shall not be contained in the notice.

6. This section does not apply to a consumer rental purchase agreement, which is governed by section 537.3618.

[C75, 77, 79, 81, §537.5111]

87 Acts, ch 80, §50; 2013 Acts, ch 140, §94

Referred to in §537.5110, 537.5201

NEW subsection 5 and former subsection 5 renumbered as 6

**537.5112** Reserved.

**537.5113 Venue.**

An action by a creditor against a consumer arising from a consumer credit transaction shall be brought in the county of the consumer's residence as defined in section 537.1201, subsection 4, unless an action is brought to enforce an interest in land securing the consumer's obligation, in which case the action shall be brought in the county in which the land or a part of it is located. If the county of the consumer's residence has changed, the consumer upon motion may have the action removed to the county of the consumer's current residence. If the residence of the consumer is not within this state, the action may be brought in the county in which the sale, lease or loan was made. If the initial papers offered for filing in the action on their face show noncompliance with this section, they shall not be accepted by the clerk of the court.

[C75, 77, 79, 81, §537.5113]

Referred to in §602.8102(74)

**537.5114 Complaint — proof.**

1. In an action brought by a creditor against a consumer arising from a consumer credit transaction, the complaint shall allege the facts of the consumer's default, the amount to which the creditor is entitled, and an indication of how that amount was determined.

2. No default judgment shall be entered in the action in favor of the creditor unless the complaint is verified by the creditor, or unless sworn testimony, by affidavit or otherwise, is adduced showing that the creditor is entitled to the relief demanded.

[C75, 77, 79, 81, §537.5114]

**537.5115** Reserved.

## PART 2

## CONSUMERS' REMEDIES

**537.5201 Effect of violations on rights of parties.**

1. *a.* The consumer, other than a lessee in a consumer rental purchase agreement, has a cause of action to recover actual damages and in addition a right in an action other than a class action to recover from the person violating this chapter a penalty in an amount determined by the court, but not less than one hundred dollars nor more than one thousand dollars, if a person has violated the provisions of this chapter relating to:

(1) Authority to make supervised loans under section 537.2301.

(2) Restrictions on interests in land as security under section 537.2307.

(3) Limitations on the schedule of payments or loan terms for supervised loans under section 537.2308.

(4) Attorney fees under section 537.2507.

(5) Charges for other credit transactions under section 537.2601.

(6) Disclosure with respect to consumer leases under section 537.3202.

(7) Notice to consumers under section 537.3203.

(8) Receipts, statements of account and evidences of payment under section 537.3206.

(9) Form of insurance premium loan agreement under section 537.3207.

(10) Notice to cosigners and similar parties under section 537.3208.

(11) Restrictions on rates stated to the consumer under section 537.3210.

(12) Security in consumer credit transactions under section 537.3301.

(13) Prohibition against assignments of earnings under section 537.3305.

(14) Authorizations to confess judgment under section 537.3306.

(15) Certain negotiable instruments prohibited under section 537.3307.

(16) Referral sales and leases under section 537.3309.

(17) Limitations on executory transactions under section 537.3310.

(18) Prohibition against discrimination under section 537.3311.

(19) Limitations on default charges under section 537.3402.

(20) Card issuer subject to claims and defenses under section 537.3403.

(21) Assignees subject to claims and defenses under section 537.3404.

(22) Lenders subject to claims and defenses arising from sales and leases, under section 537.3405.

(23) Door-to-door sales under section 537.3501.

(24) Assurance of discontinuance under section 537.6109.

(25) Prohibitions against unfair debt collection practices under section 537.7103.

(26) Failure to provide a proper notice of cure or right to cure under sections 537.5110 and 537.5111.

(27) Failure to provide a notice of consumer paper under section 537.3211.

*b*. With respect to violations arising from sales or loans made pursuant to open-end credit, no action pursuant to this subsection may be brought more than two years after the violations occurred. With respect to violations arising from other consumer credit transactions, no action pursuant to this subsection may be brought more than one year after the due date of the last scheduled payment of the agreement.

2. A consumer is not obligated to pay a charge in excess of that allowed by this chapter, and has a right of refund of any excess charge paid. A refund may not be made by reducing the consumer's obligation by the amount of the excess charge unless the creditor has notified the consumer that the consumer may request a refund and the consumer has not so requested within thirty days thereafter. If the consumer has paid an amount in excess of the lawful obligation under the agreement, the consumer may recover the excess amount either from the person who made the excess charge or from an assignee of that person's rights who undertakes direct collection of payments from or enforcement of rights against consumers arising from the debt.

3. If a creditor has contracted for or received a charge in excess of that allowed by this chapter, or if a consumer is entitled to a refund and a person liable to the consumer refuses to make a refund within a reasonable time after demand, the consumer may recover from the creditor or the person liable, in an action other than a class action, the excess charge or refund and a penalty in an amount determined by the court not less than one hundred dollars or more than one thousand dollars. With respect to excess charges arising from sales or loans made pursuant to open-end credit, no action pursuant to this subsection may be brought more than two years after the time the excess charge was made. With respect to excess charges arising from other consumer credit transactions no action pursuant to this subsection may be brought more than one year after the due date of the last scheduled payment of the agreement pursuant to which the charge was made. For purposes of this subsection, a reasonable time is presumed to be thirty days.

4. Except as otherwise provided in this chapter, no violation of this chapter impairs rights on a debt.

5. If an employer discharges an employee in violation of the provisions prohibiting discharge in section 642.21, subsection 2, paragraph "*c*", the employee may within two years bring a civil action for recovery of wages lost as a result of the violation and for an order requiring the reinstatement of the employee. Damages recoverable shall not exceed lost wages for six weeks.

6. A person is not liable for a penalty under subsection 1 or 3 if the person notifies the consumer of an error before the person receives from the consumer written notice of the error or before the consumer has brought an action under this section, and the person corrects the error within forty-five days after notifying the consumer. If the violation consists of a prohibited agreement, giving the consumer a corrected copy of the writing containing the error is sufficient notification and correction. If the violation consists of an excess charge, correction shall be made by an adjustment or refund as provided in subsection 2. The administrator, and any official or agency of this state having supervisory authority over a person, shall give prompt notice to a person of any errors discovered pursuant to an examination or investigation of the transactions, business, records and acts of the person.

7. A person may not be held liable in any action brought under this section for a violation of this chapter if the person shows by a preponderance of evidence that the violation was

not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid the error.

8. In an action in which it is found that a person has violated this chapter, the court shall award to the consumer the costs of the action and to the consumer's attorneys their reasonable fees. Reasonable attorney's fees shall be determined by the value of the time reasonably expended by the attorney and not by the amount of the recovery on behalf of the consumer.

[C75, 77, 79, 81, §537.5201]

87 Acts, ch 80, §51; 2012 Acts, ch 1023, §157

Referred to in §85.27, 537.3205, 537.3304, 537.3309, 537.3501, 537.4101, 537.5110

**537.5202 Damages or penalties as setoff to obligation.**

Damages or penalties to which a consumer is entitled pursuant to this part may be setoff against the consumer's obligation, and may be raised as a defense to a suit on the obligation without regard to the time limitations prescribed by this part.

[C75, 77, 79, 81, §537.5202]

**537.5203 Civil liability for violation of disclosure provisions.**

1. Except as otherwise provided in this section, a creditor who, in violation of the provisions of the Truth in Lending Act other than its provisions concerning advertising of credit terms, fails to disclose information to a person entitled to the information under this chapter is liable to that person, in other than a class action, in an amount equal to the sum of the following:

*a.* Twice the amount of the finance charge in connection with the transaction, but the liability pursuant to this paragraph shall be not less than one hundred dollars or more than one thousand dollars.

*b.* In the case of a successful action to enforce the liability under paragraph *"a"*, the costs of the action together with reasonable attorney's fees as determined by the court.

2. A creditor has no liability under this section if within fifteen days after discovering an error, and prior to the institution of an action under this section or the receipt of written notice of the error, the creditor notifies the person concerned of the error and makes whatever adjustments in the appropriate account are necessary to assure that the person will not be required to pay a finance charge in excess of the amount or percentage rate actually disclosed. The administrator, and any official or agency of this state having supervisory authority over a creditor, shall give prompt notice to a creditor of any errors discovered pursuant to an examination or investigation of the transactions, business, records and acts of the creditor.

3. A creditor may not be held liable in any action brought under this section for a violation of this chapter if the creditor shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid the error.

4. Any action which may be brought under this section against the original creditor in any credit transaction involving a security interest in land may be maintained against any subsequent assignee of the original creditor where the assignee, its subsidiaries, or affiliates were in a continuing business relationship with the original creditor either at the time the credit was extended or at the time of the assignment, unless the assignment was involuntary, or the assignee shows by a preponderance of evidence that it did not have reasonable grounds to believe that the original creditor was engaged in violations of this chapter and that it maintained procedures reasonably adapted to apprise it of the existence of the violations.

5. An obligor or consumer has all rights under this chapter that the obligor or consumer has under the provisions of the Truth in Lending Act concerning a right of rescission as to certain transactions, and a creditor or other person has all liabilities and defenses under this section that the obligor or consumer has under the Truth in Lending Act.

6. No action pursuant to this section may be brought more than one year after the date of the occurrence of the violation.

7. In this section, creditor includes a person who in the ordinary course of business

regularly extends or arranges for the extension of credit, or offers to arrange for the extension of credit, and includes the seller of an interest in land and the lender who makes a loan secured by an interest in land if, but for the rate of the finance charge made in the transaction, the sale or loan would be a consumer credit sale or consumer loan.

8. The liability of a creditor under this section is in lieu of and not in addition to the creditor's liability under the Truth in Lending Act. An action by a person with respect to a violation may not be maintained pursuant to this section if a final judgment has been rendered for or against that person with respect to the same violation pursuant to the Truth in Lending Act, and if a final judgment has been rendered in favor of a person pursuant to this section and thereafter a final judgment with respect to the same violation is rendered in favor of the same person pursuant to the Truth in Lending Act, a creditor liable under both judgments has a cause of action against that person for appropriate relief to the extent necessary to avoid double liability with respect to the same violation.

9. The administrator shall adopt rules to keep this section in harmony with the Truth in Lending Act. These rules supersede any provisions of this section which are inconsistent with the Truth in Lending Act as adopted by section 537.1302.

[C75, 77, 79, 81, §537.5203]

Referred to in §537.1202

## PART 3

## CRIMINAL PENALTIES

Referred to in §536.19, 537.1201

**537.5301 Willful violations.**

1. A person who willfully and knowingly makes charges in excess of those permitted by the provisions of article 2, part 4, applying to supervised loans, is guilty of a serious misdemeanor.

2. A person who, in violation of the provisions of this Act applying to authority to make supervised loans under section 537.2301, willfully and knowingly engages without a license in the business of making supervised loans, or of taking assignments of and undertaking direct collection of payments from and enforcement of rights against consumers arising from supervised loans, is guilty of a serious misdemeanor.

3. A person, other than a lessor in a consumer rental purchase agreement, who willfully and knowingly engages in the business of entering into consumer credit transactions, or of taking assignments of rights against consumers arising therefrom and undertaking direct collection of payments or enforcement of these rights, without complying with the provisions of this chapter concerning notification under section 537.6202 or payment of fees under section 537.6203, is guilty of a simple misdemeanor.

4. A person who willfully and knowingly violates the provisions of section 537.7103 is guilty of a serious misdemeanor. However, this subsection is not applicable to a violation of section 537.7103, subsection 7.

[C75, 77, 79, 81, §537.5301]

87 Acts, ch 80, §52; 2007 Acts, ch 128, §3

**537.5302 Disclosure violations.**

A person is guilty of a serious misdemeanor, if the person willfully and knowingly does any of the following:

1. Gives false or inaccurate information or fails to provide information which the person is required to disclose under the provisions of the Truth in Lending Act.

2. Uses any rate table or chart, the use of which is authorized by the provisions of the Truth in Lending Act, in a manner which consistently understates the annual percentage rate determined according to those provisions.

3. Otherwise fails to comply with any requirement of the provisions on disclosure of the Truth in Lending Act.

4. The criminal liability of a person under this section is in lieu of and not in addition to

the person's criminal liability under the Truth in Lending Act. No prosecution of a person with respect to the same violation may be maintained pursuant to both this section and the Truth in Lending Act.

[C75, 77, 79, 81, §537.5302]

Referred to in §537.1202

## ARTICLE 6

## ADMINISTRATION

Referred to in §537.1101, 537.3624

## PART 1

## POWERS AND FUNCTIONS OF ADMINISTRATOR

Referred to in §537.1201, 537.3309, 537.3501, 537.5106

**537.6101 Short title.**

This article shall be known and may be cited as the *"Iowa Consumer Credit Code — Administration"*.

[C75, 77, 79, 81, §537.6101]

**537.6102 Applicability.**

This part applies to persons who:

1. Participate in transactions, acts, practices or conduct to which this chapter applies pursuant to section 537.1201.

2. Participate in this state in transactions, acts, practices or conduct to which this chapter would apply pursuant to section 537.1201, but for the residence of the consumer.

3. Enter into or modify a sale of an interest in land or a loan secured by an interest in land, if, but for the rate of the finance charge, the sale, loan or modification would involve a consumer credit sale or consumer loan, but applies only for the purpose of authorizing the administrator to enforce the provisions on compliance with the Truth in Lending Act.

[C75, 77, 79, 81, §537.6102]

Referred to in §537.1201

**537.6103 Administrator.**

Except as expressly provided in sections 537.6106 and 537.6108, *"administrator"* means the attorney general or the attorney general's designee.

[C75, 77, 79, 81, §537.6103]

Referred to in §524.103, 533.116, 536.28, 536A.2, 537.1301, 537.3604, 537.7102

**537.6104 Powers of administrator — reliance on rules — duty to report.**

1. The administrator, within the limitations provided by law, may:

*a.* Receive and act on complaints.

*b.* Take action designed to obtain voluntary compliance with this chapter.

*c.* Commence proceedings on the administrator's own initiative.

*d.* Counsel persons and groups on their rights and duties under this chapter.

*e.* Establish programs for the education of consumers with respect to credit practices and problems.

*f.* Make studies appropriate to effectuate the purposes and policies of this chapter and make the results available to the public.

*g.* Maintain offices within this state.

2. The administrator may enforce the Truth in Lending Act to the fullest extent provided by law.

3. To keep the administrator's rules in harmony with the rules of administrators in other jurisdictions which enact the uniform consumer credit code, the administrator, so far as is

consistent with the purposes, policies and provisions of this chapter, shall do both of the following:

*a.* Before adopting, amending and repealing rules, advise and consult with administrators in other jurisdictions which enact the uniform consumer credit code.

*b.* In adopting, amending, and repealing rules, take into consideration the rules of administrators in other jurisdictions which enact the uniform consumer credit code.

4. Except for refund of an excess charge, no liability is imposed under this chapter for an act done or omitted in conformity with a rule or declaratory ruling of the administrator, notwithstanding that after the act or omission the rule or declaratory ruling is amended or repealed or determined by judicial or other authority to be invalid for any reason.

5. The administrator shall report annually on or before January 1 to the general assembly on the operation of the consumer credit protection bureau and the other agencies of this state charged with administering this chapter, and on the problems of persons of small means obtaining credit from persons regularly engaged in extending sales or loan credit. For the purpose of making the report, the administrator may conduct research and make appropriate studies. The report shall include, for the consumer credit protection bureau and for other state agencies enforcing this chapter, a description of the examination and investigation procedures and policies, a statement of policies followed in deciding whether to investigate or examine the offices of credit suppliers subject to this chapter, a statement of the number and percentages of offices which are periodically investigated or examined, a statement of the types of consumer credit problems of both creditors and consumers which have come to the administrator's attention through the administrator's examinations and investigations and the disposition of them under existing law, and recommendations, if any, for legislation to deal with those problems within the administrator's general jurisdiction, a statement of the extent to which the rules of the administrator pursuant to this chapter are not in harmony with the rules of administrators in other jurisdictions which enact the uniform consumer credit code and the reasons for the variations, and a general statement of the activities of the administrator's office and of others to promote the purposes of this chapter. The report shall not identify the creditors against whom action is taken.

[C75, 77, 79, 81, §537.6104]

91 Acts, ch 118, §4; 92 Acts, ch 1035, §1

**537.6105 Administrative powers with respect to supervised financial organizations and supervised loan licensees.**

1. With respect to supervised financial organizations subject to regulation under chapter 524 or 533, and persons licensed under chapters 536 and 536A, the powers of examination and investigation as provided in sections 537.2305 and 537.6106, and administrative enforcement as provided in sections 537.2303 and 537.6108, shall be exercised by the official or agency to whose supervision the person is subject. All other powers of the administrator under this chapter may be exercised by the administrator with respect to such persons. In all actions or other court proceedings brought to enforce this chapter, the attorney general or the attorney general's designee shall participate.

2. If the administrator receives a complaint or other information concerning noncompliance with this chapter by a person specified in subsection 1, the administrator shall inform the official or agency having supervisory authority over that person. The administrator may obtain information about any such person from the officials or agencies supervising them.

3. The administrator and any official or agency of this state having supervisory authority over a supervised financial organization or a chapter 536 or 536A licensee are authorized and directed to consult and assist one another in maintaining compliance with this chapter. They may jointly pursue investigations, prosecute suits, and take other official action against violations of this chapter, as they deem appropriate, if either of them otherwise is empowered to take the action.

[C75, 77, 79, 81, §537.6105]

2012 Acts, ch 1017, §147

Referred to in §524.227, 533.116, 536.29, 536A.29, 537.6106, 537.6108

**537.6106 Investigatory powers.**

1. For purposes of this section, *"administrator"* means either the attorney general or the attorney general's designee, or the official or agency charged with enforcing this chapter against the person under investigation, as provided in section 537.6105, subsection 1. If the administrator has reasonable cause to believe that a person has engaged in conduct or committed an act which is in violation of this chapter, the administrator may make an investigation to determine whether the person has engaged in the conduct or committed the act, and, to the extent necessary for this purpose, may administer oaths or affirmations, and, upon the administrator's own motion or upon request of any party, may subpoena witnesses, compel their attendance, adduce evidence, and require the production of, or testimony as to, any matter which is relevant to the investigation, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of relevant facts, or any other matter reasonably calculated to lead to the discovery of admissible evidence. In any civil action brought by the administrator as a result of such an investigation, the administrator shall be awarded the reasonable costs of making the investigation if the administrator prevails in the action.

2. If the person's records are located outside this state, the person at the person's option shall either make them available to the administrator at a convenient location within this state or pay the reasonable and necessary expenses for the administrator or the administrator's representative to examine them at the place where they are maintained. The administrator may designate representatives, including comparable officials of the state in which the records are located, to inspect them on the administrator's behalf.

3. Upon application by the administrator showing failure without lawful excuse to obey a subpoena or to give testimony and upon reasonable notice to all persons affected thereby, the district court shall grant an order compelling compliance.

4. The administrator shall not make public the name or identity of a person whose acts or conduct the administrator investigates pursuant to this section or the facts disclosed in the investigation, but this subsection does not prohibit disclosures in actions or enforcement proceedings pursuant to this chapter.

[C75, 77, 79, 81, §537.6106]

Referred to in §537.6103, 537.6105

**537.6107** Reserved.

**537.6108 Administrative enforcement orders.**

1. For purposes of this section, *"administrator"* means either the attorney general or the attorney general's designee, or the official or agency charged with enforcing this chapter against the person under investigation, as provided in section 537.6105, subsection 1. Except as provided in subsection 6, after notice and hearing the administrator may order a person to cease and desist from engaging in violations of this chapter. A person aggrieved by an order of the administrator may obtain judicial review of the order and the administrator may obtain an order of the district court for enforcement of the cease and desist order if the person prevails in the proceeding for review, or as provided in subsection 5. The proceeding for review or enforcement is initiated by filing a petition in the district court. Copies of the petition shall be served upon all parties of record.

2. Within thirty days after service of the petition for review upon the administrator, or within any further time the court may allow, the administrator shall transmit to the court the original or a certified copy of the entire record upon which the order is based, including any transcript of testimony, which need not be printed. By stipulation of all parties to the review proceeding, the record may be shortened. After hearing, the court may reverse or modify the order if the findings of fact of the administrator are clearly erroneous in view of the reliable, probative and substantial evidence on the whole record, or grant any temporary relief or restraining order it deems just, and enter an order enforcing, modifying and enforcing as modified, or setting aside in whole or in part the order of the administrator, or remanding the case to the administrator for further proceedings.

3. An objection not urged at the hearing shall not be considered by the court unless the failure to urge the objection is excused for good cause shown. A party may move the court to remand the case to the administrator in the interest of justice for the purpose of adducing additional specified and material evidence and seeking findings thereon upon good cause shown for the failure to adduce this evidence before the administrator.

4. The jurisdiction of the court shall be exclusive and its final judgment or decree shall be subject to review by the supreme court in the same manner and form and with the same effect as in appeals from a final judgment or decree in an equitable proceeding. The administrator's copy of the testimony shall be available at reasonable times to all parties for examination without cost.

5. A proceeding for review under this section must be initiated within thirty days after a copy of the order of the administrator is received. If no proceeding is so initiated, the administrator may obtain a decree of the district court for enforcement of the cease and desist order upon a showing that the order was issued in compliance with this section, that no proceeding for review was initiated within thirty days after copy of the order was received, and that the person against whom the order was directed is subject to the jurisdiction of the court.

6. With respect to unconscionable agreements or fraudulent or unconscionable conduct by the respondent, the administrator may not issue an order pursuant to this section but may bring a civil action for an injunction under section 537.6111.

[C75, 77, 79, 81, §537.6108]
Referred to in §537.6103, 537.6105

**537.6109 Assurance of discontinuance.**

If it is claimed that a person has engaged in conduct which could be subject to an order by the administrator or by a court, the administrator may accept an assurance in writing that the person will not engage in the same or in similar conduct in the future. The assurance may include stipulations that the creditor will voluntarily pay the costs of investigation, or that an amount will be held in escrow as restitution to debtors aggrieved by future conduct of the creditor or as a reserve to cover costs of future investigation, or may include admissions of past specific acts by the creditor or admissions that those acts violated this chapter or other statutes. A violation of an assurance of discontinuance is a violation of this chapter.

[C75, 77, 79, 81, §537.6109]
Referred to in §537.2303, 537.5201

**537.6110 Injunctions and other proceedings in equity.**

The administrator may bring a civil action to restrain a person from violating this chapter and for other appropriate relief, including but not limited to the following:

1. To prevent the use or employment by a person of practices prohibited by this chapter.

2. To reform contracts to conform to this chapter and to rescind contracts into which a creditor has induced a consumer to enter by conduct violating this chapter, even though the consumers are not parties to the action. An action under this section may be joined with an action under the provisions on civil actions by the administrator under section 537.6113.

[C75, 77, 79, 81, §537.6110]
Referred to in §537.6112

**537.6111 Injunctions against unconscionable agreements and fraudulent or unconscionable conduct.**

1. The administrator may bring a civil action to restrain a person to whom this part applies from engaging in any of the following courses of action:

*a.* Making or enforcing unconscionable terms or provisions of consumer credit transactions.

*b.* Fraudulent or unconscionable conduct in inducing consumers to enter into consumer credit transactions.

*c.* Conduct of any of the types specified in paragraph "*a*" or "*b*" with respect to transactions that give rise to or that lead persons to believe they will give rise to consumer credit transactions.

*d.* Fraudulent or unconscionable conduct in the collection of debts arising from consumer credit transactions or from transactions which would have been consumer credit transactions if a finance charge was made or the obligation was payable in installments.

2. In an action brought pursuant to this section the court may grant relief only if it finds all of the following:

*a.* That the defendant has made unconscionable agreements or has engaged in or is likely to engage in a course of fraudulent or unconscionable conduct.

*b.* That the defendant's agreements have caused or are likely to cause, or the conduct of the defendant has caused or is likely to cause, injury to consumers or debtors.

*c.* That the defendant has been able to cause or will be able to cause the injury primarily because the transactions involved are credit transactions.

3. In applying subsection 1, paragraph "*a*", "*b*", or "*c*", consideration shall be given to the factors specified in the provisions on unconscionability with respect to a transaction that is or gives rise to or that a person leads the debtor to believe will give rise to a consumer credit transaction, as provided in section 537.5108, subsection 3, among others.

4. In applying subsection 1, paragraph "*d*", violations of section 537.7103 shall be considered, among other factors, as applicable.

5. In an action brought pursuant to this section, a charge or practice expressly permitted by this chapter is not in itself unconscionable.

[C75, 77, 79, 81, §537.6111]

Referred to in §537.5108, 537.6108, 537.6112

**537.6112 Temporary relief.**

With respect to an action brought to enjoin violations of this chapter under section 537.6110 or unconscionable agreements or fraudulent or unconscionable conduct under section 537.6111, the administrator may apply to the court for appropriate temporary relief against a defendant, pending final determination of the action. The court may grant appropriate temporary relief.

[C75, 77, 79, 81, §537.6112]

**537.6113 Civil actions by administrator.**

1. After demand, the administrator may bring a civil action against a person for all amounts of money, other than penalties, which a consumer or class of consumers has a right to recover explicitly granted by this chapter. The court shall order amounts recovered or recoverable under this subsection to be paid to each consumer or set off against the consumer's obligation. A consumer's action, other than a class action, takes precedence over a prior or subsequent action by the administrator with respect to the claim of that consumer. A consumer's class action takes precedence over a subsequent action by the administrator with respect to claims common to both actions but intervention by the administrator is authorized. An administrator's action on behalf of a class of consumers takes precedence over a consumer's subsequent class action with respect to claims common to both actions. Whenever an action takes precedence over another action under this subsection, the latter action may be stayed to the extent appropriate while the precedent action is pending and dismissed if the precedent action is dismissed with prejudice or results in a final judgment granting or denying the claim asserted in the precedent action. A defense available to a person in a civil action brought by a consumer is available to the person in a civil action brought under this subsection.

2. The administrator may bring a civil action against a person to recover a civil penalty of no more than five thousand dollars for repeatedly and intentionally violating this chapter. No civil penalty pursuant to this subsection may be imposed for violations of this chapter occurring more than two years before the action is brought or for making unconscionable agreements or engaging in a course of fraudulent or unconscionable conduct.

3. The administrator may bring a civil action against a person for failure to file notification in accordance with the provisions on notification in section 537.6202, or to pay fees in accordance with the provisions on fees in section 537.6203, to recover the fees the defendant has failed to pay plus interest at the rate of seven percent per annum and the administrator's

reasonable costs in bringing the action, and a civil penalty in an amount determined by the court not exceeding the greater of three times the amount of fees the person has failed to pay or one thousand dollars.

[C75, 77, 79, 81, §537.6113]

Referred to in §537.3205, 537.3304, 537.3624, 537.4101, 537.6110, 537.6115, 537.6203, 714.16

**537.6114** Reserved.

**537.6115 Consumer's remedies not affected.**

The grant of powers to the administrator in this article does not affect remedies available to consumers under this chapter or under other principles of law or equity, except as provided in section 537.6113.

[C75, 77, 79, 81, §537.6115]

**537.6116 Venue.**

The administrator may bring actions or proceedings in the district court in a county in which an act on which the action or proceeding is based occurred, or in a county in which the defendant resides or transacts business.

[C75, 77, 79, 81, §537.6116]

**537.6117 Administrative rules.**

1. The attorney general or the attorney general's designee pursuant to chapter 17A may adopt, amend and repeal rules which the attorney general deems reasonably necessary for the enforcement of this chapter. Each rule so adopted shall be applicable to and binding upon every person subject to the provisions of this chapter.

2. An official or agency of this state charged with the enforcement of provisions of this chapter may adopt, amend or repeal rules pursuant to chapter 17A, subject to the following limitations:

*a.* A rule adopted pursuant to this subsection which conflicts with a rule adopted by the administrator is void.

*b.* An official or agency shall not adopt a rule which interprets or prescribes law or policy which has not been approved in advance of adoption by the administrator. If, in the opinion of the administrator, the proposed rule interprets the provisions of this chapter, or otherwise should be a rule of general applicability, the administrator may disapprove the proposed rule, in which case the official or agency shall not adopt that rule. The administrator may adopt that rule or a different rule relating to the same subject, or may determine that no rule relating to that subject shall be adopted.

[C75, §537.6204; C77, 79, 81, §537.6117]

## PART 2

## NOTIFICATION AND FEES

Referred to in §537.1201

**537.6201 Applicability.**

This part applies to all of the following:

1. Creditors engaged in consumer credit transactions and acts, practices or conduct involving consumer credit transactions to which this chapter applies pursuant to section 537.1201, but not to those licensed, certificated, or otherwise authorized to engage in business by chapter 524, 533, 536 or 536A.

2. Debt collectors, as defined in section 537.7102, subsection 5, to whose acts, practices, or conduct this chapter applies pursuant to section 537.1201 if the total debt collected by a debt collector in the preceding calendar year exceeds twenty-five thousand dollars, or if not, if the total debt collected during the current calendar year exceeds twenty-five thousand dollars,

but this part does not apply to those licensed, certified, or otherwise authorized to engage in business under chapter 524, 533, 536, or 536A.

[C75, 77, 79, 81, §537.6201]

89 Acts, ch 68, §5; 2012 Acts, ch 1017, §148

Referred to in §537.1201

**537.6202 Notification.**

1. Persons subject to this part shall file notification with the administrator within thirty days after commencing business in this state and, thereafter, on or before January 31 of each year. The notification must state all of the following:

*a.* Name of the person.

*b.* Every name in which business is transacted if different from the name of the person.

*c.* Address of principal office, whether or not within this state.

*d.* Address of all offices or retail stores, if any, in this state at which consumer credit transactions are entered into or acts, practices or conduct involving consumer credit transactions are engaged in, or in the case of a person taking assignments of obligations, any offices or places of business within this state at which business is transacted or, in the case of debt collectors, any offices in this state from or at which debt collection is engaged in.

*e.* If consumer credit transactions or acts, practices or conduct involving consumer credit transactions or debt collection, are engaged in otherwise than at an office or retail store in this state and this chapter applies to such transactions, acts, practices or conduct, pursuant to section 537.1201, a brief description of the manner in which they are engaged in.

*f.* Address of designated agent upon whom service of process may be made in this state.

*g.* Whether or not supervised loans are made.

2. If information in a notification becomes inaccurate after filing, no further notification is required until the following January 31.

[C75, 77, 79, 81, §537.6202]

89 Acts, ch 68, §6; 90 Acts, ch 1168, §56

Referred to in §537.5301, 537.6113

**537.6203 Fees.**

1. A person required to file notification shall pay to the administrator an annual fee of ten dollars. The fee shall be paid with the filing of the first notification and on or before January 31 of each succeeding year.

2. A person required to file notification who is a seller, lessor, or lender and who is not an assignee shall pay an additional fee at the time and in the manner stated in subsection 1 of ten dollars for each one hundred thousand dollars, or part thereof exceeding ten thousand dollars, of the average unpaid balances, including unpaid scheduled periodic payments under consumer leases, of obligations arising from consumer credit transactions entered into or modified by the person in this state and held on the last day of each calendar month during the preceding calendar year and held either by the seller, lessor, or lender, or by an immediate or remote assignee who has not filed notification. The unpaid balances of assigned obligations held by an assignee who has not filed notifications are presumed to be the unpaid balances of the assigned obligations at the time of their assignment by the seller, lessor, or lender.

3. A person required to file notification who is an assignee shall pay an additional fee at the time and in the manner stated in subsection 1 of ten dollars for each one hundred thousand dollars, or part thereof exceeding ten thousand dollars, of the average unpaid balances including unpaid scheduled periodic payments payable by lessees, of obligations arising from consumer credit transactions entered into or modified in this state, taken by the person by assignment and held by the person on the last day of each calendar month during the preceding calendar year.

4. In addition to the penalties provided by section 537.6113, subsection 3, the administrator may collect a charge, established by rule, not exceeding twenty-five dollars from each person required to pay fees under this section who fails to pay the fees in full within thirty days after they are due.

5. Moneys collected under this section shall be deposited in a consumer credit

administration fund in the state treasury and shall be used for the administration of this chapter. The moneys are subject to warrant upon certification of the administrator and are appropriated for these purposes. Notwithstanding section 8.33, the moneys in the fund do not revert at the end of a fiscal period.

[C75, 77, 79, 81, §537.6203]

89 Acts, ch 68, §7; 2007 Acts, ch 22, §98

Referred to in §537.5301, 537.6113

**537.6204** Repealed by 76 Acts, ch 1212, § 8.

## ARTICLE 7

## DEBT COLLECTION PRACTICES

Referred to in §537.1101, 537.1201, 537.3621, 537.3624, 631.17

**537.7101 Short title.**

This article shall be known and may be cited as the *"Iowa Debt Collection Practices Act"*.

[C75, 77, 79, 81, §537.7101]

**537.7102 Definitions.**

As used in this article, unless the context otherwise requires:

1. *"Administrator"* means the person designated in section 537.6103.

2. *"Creditor"*, for the purposes of this article, means the person to whom a debtor is obligated, either directly or indirectly, on a debt.

3. *"Debt"* means an actual or alleged obligation arising out of a consumer credit transaction, consumer rental purchase agreement, or a transaction which would have been a consumer credit transaction either if a finance charge was made, if the obligation was not payable in installments, if a lease was for a term of four months or less, or if a lease was of an interest in land. A debt includes a check as defined in section 554.3104 given in a transaction in connection with a consumer rental purchase agreement, in a transaction which was a consumer credit sale or in a transaction which would have been a consumer credit sale if credit was granted and if a finance charge was made, or in a transaction regulated under chapter 533D.

4. *"Debt collection"* means an action, conduct or practice in soliciting debts for collection or in the collection or attempted collection of a debt.

5. *"Debt collector"* means a person engaging, directly or indirectly, in debt collection, whether for the person, the person's employer, or others, and includes a person who sells, or offers to sell, forms represented to be a collection system, device, or scheme, intended to be used to collect debts.

6. *"Debtor"*, for the purposes of this article, means the person obligated.

[C75, 77, 79, 81, §537.7102]

87 Acts, ch 137, §3; 89 Acts, ch 128, §4; 95 Acts, ch 139, §17

Referred to in §85.27, 537.1303, 537.6201, 715C.1

**537.7103 Prohibited practices.**

1. A debt collector shall not collect or attempt to collect a debt by means of an illegal threat, coercion or attempt to coerce. The conduct described in each of the following paragraphs is an illegal threat, coercion or attempt to coerce within the meaning of this subsection:

*a.* The use, or express or implicit threat of use, of force, violence or other criminal means, to cause harm to a person or to property of a person.

*b.* The false accusation or threat to falsely accuse a person of fraud or any other crime.

*c.* False accusations made to a person, including a credit reporting agency, or the threat to falsely accuse, that a debtor is willfully refusing to pay a just debt. However, a failure to reply to requests for payment and a failure to negotiate disputes in good faith are deemed willful refusal.

*d.* The threat to sell or assign to another an obligation of the debtor with an attending

representation or implication that the result of the sale or assignment will be to subject the debtor to harsh, vindictive or abusive collection attempts.

*e.* The false threat that nonpayment of a debt may result in the arrest of a person or the seizure, garnishment, attachment or sale of property or wages of that person.

*f.* An action or threat to take an action prohibited by this chapter or any other law.

2. A debt collector shall not oppress, harass or abuse a person in connection with the collection or attempted collection of a debt of that person or another person. The following conduct is oppressive, harassing or abusive within the meaning of this subsection:

*a.* The use of profane or obscene language or language that is intended to abuse the hearer or reader and which by its utterance would tend to incite an immediate breach of the peace.

*b.* The placement of telephone calls to the debtor without disclosure of the name of the business or company the debt collector represents.

*c.* Causing expense to a person in the form of long distance telephone tolls, telegram fees or other charges incurred by a medium of communication by attempting to deceive or mislead persons as to the true purpose of the notice, letter, message or communication.

*d.* Causing a telephone to ring or engaging a person in telephone conversation repeatedly or continuously or at unusual hours or times known to be inconvenient, with intent to annoy, harass or threaten a person.

3. A debt collector shall not disseminate information relating to a debt or debtor as follows:

*a.* The communication or threat to communicate or imply the fact of a debt to a person other than the debtor or a person who might reasonably be expected to be liable for the debt, except with the written permission of the debtor given after default. For the purposes of this paragraph, the use of language on envelopes indicating that the communication relates to the collection of a debt is a communication of the debt. However, this paragraph does not prohibit a debt collector from any of the following:

(1) Notifying a debtor of the fact that the debt collector may report a debt to a credit bureau or engage an agent or an attorney for the purpose of collecting the debt.

(2) Reporting a debt to a credit reporting agency or any other person reasonably believed to have a legitimate business need for the information.

(3) Engaging an agent or attorney for the purpose of collecting a debt.

(4) Attempting to locate a debtor whom the debt collector has reasonable grounds to believe has moved from the debtor's residence, where the purpose of the communication is to trace the debtor, and the content of the communication is restricted to requesting information on the debtor's location.

(5) Communicating with the debtor's employer or credit union not more than once during any three-month period when the purpose of the communication is to obtain an employer's or credit union's debt counseling services for the debtor. In the event no response is received by the debt collector from a communication to the debtor's employer or credit union the debt collector may make one inquiry as to whether the communication was received. In addition a debt collector may respond to any communications by a debtor's employer or credit union.

(6) Communicating with the debtor's employer once during any one-month period, if the purpose of the communication is to verify with an employer the fact of the debtor's employment and if the debt collector does not disclose, except as permitted in subparagraph (5), information other than the fact that a debt exists. This subparagraph does not authorize a debt collector to disclose to an employer the fact that a debt is in default.

(7) Communicating the fact of the debt not more than once in any three-month period, with the parents of a minor debtor, or with any trustee of any property of the debtor, conservator of the debtor or the debtor's property, or guardian of the debtor. In addition, a debt collector may respond to inquiry from a parent, trustee, conservator or guardian.

(8) Communicating with the debtor's spouse with the consent of the debtor, or responding to inquiry from the debtor's spouse.

*b.* The disclosure, publication, or communication of information relating to a person's indebtedness to another person, by publishing or posting a list of indebted persons, commonly known as "deadbeat lists", or by advertising for sale a claim to enforce payment of a debt when the advertisement names the debtor.

*c.* The use of a form of communication to the debtor, except a telegram, an original

notice or other court process, or an envelope displaying only the name and address of a debtor and the return address of the debt collector, intended or so designed as to display or convey information about the debt to another person other than the name, address, and phone number of the debt collector.

4. A debt collector shall not use a fraudulent, deceptive, or misleading representation or means to collect or attempt to collect a debt or to obtain information concerning debtors. The following conduct is fraudulent, deceptive, or misleading within the meaning of this subsection:

*a.* The use of a business, company or organization name while engaged in the collection of debts, other than the true name of the debt collector's business, company, or organization or the name of the business or company the debt collector represents.

*b.* The failure to disclose in the initial written communication with the debtor and, in addition, if the initial communication with the debtor is oral, in that initial oral communication, that the debt collector is attempting to collect a debt and that information obtained will be used for that purpose, and the failure to disclose in subsequent communications that the communication is from a debt collector, except that this paragraph does not apply to either of the following:

(1) A formal pleading made in connection with a legal action.

(2) Communications issued directly by a state bank as defined in section 524.103 or its affiliate, a state bank chartered under the laws of any other state or its affiliate, a national banking association or its affiliate, a trust company, a federally chartered savings and loan association or savings bank or its affiliate, an out-of-state chartered savings and loan association or savings bank or its affiliate, a financial institution chartered by the federal home loan bank board, a state or federally chartered credit union, a credit union service organization, or a company or association organized or authorized to do business under chapter 515, 518, 518A, or 520, or an officer, employee, or agent of such company or association, provided the communication does not deceptively conceal its origin or its purpose.

*c.* A false representation that the debt collector has information in the debt collector's possession or something of value for the debtor, which is made to solicit or discover information about the debtor.

*d.* The failure to clearly disclose the name and full business address of the person to whom the claim has been assigned at the time of making a demand for money.

*e.* An intentional misrepresentation, or a representation which tends to create a false impression of the character, extent or amount of a debt, or of its status in a legal proceeding.

*f.* A false representation, or a representation which tends to create a false impression, that a debt collector is vouched for, bonded by, affiliated with, or an instrumentality, agency or official of the state or an agency of federal, state or local government.

*g.* The use or distribution or sale of a written communication which simulates or is falsely represented to be a document authorized, issued or approved by a court, an official or other legally constituted or authorized authority, or which tends to create a false impression about its source, authorization or approval.

*h.* A representation that an existing obligation of the debtor may be increased by the addition of attorney's fees, investigation fees, service fees or other fees or charges, when in fact such fees or charges may not legally be added to the existing obligation.

*i.* A false representation, or a representation which tends to create a false impression, about the status or true nature of, or services rendered by, the debt collector or the debt collector's business.

5. A debt collector shall not engage in the following conduct to collect or attempt to collect a debt:

*a.* The seeking or obtaining of a written statement or acknowledgment in any form that specifies that a debtor's obligation is one chargeable upon the property of either husband or wife or both, under section 597.14, when the original obligation was not in fact so chargeable.

*b.* The seeking or obtaining of a written statement or acknowledgment in any form containing an affirmation of an obligation which has been discharged in bankruptcy, without clearly disclosing the nature and consequences of the affirmation and the fact that the debtor

is not legally obligated to make the affirmation. However, this subsection does not prohibit the accepting of promises to pay that are voluntarily written and offered by a bankrupt debtor.

*c.* The collection of or the attempt to collect from the debtor a part or all of the debt collector's fee for services rendered, unless both of the following are applicable:

(1) The fee is reasonably related to the actions taken by the debt collector.

(2) The debt collector is legally entitled to collect the fee from the debtor.

*d.* The collection of or the attempt to collect interest or other charge, fee or expense incidental to the principal obligation unless the interest or incidental charge, fee, or expense is expressly authorized by the agreement creating the obligation and is legally chargeable to the debtor, or is otherwise legally chargeable.

*e.* A communication with a debtor when the debt collector knows that the debtor is represented by an attorney and the attorney's name and address are known, or could be easily ascertained, unless the attorney fails to answer correspondence, return phone calls or discuss the obligation in question, within a reasonable time, or prior approval is obtained from the debtor's attorney or when the communication is a response in the ordinary course of business to the debtor's inquiry.

6. A debt collector shall not use or distribute, sell or prepare for use, a written communication that violates or fails to conform to United States postal laws and regulations.

7. A debt collector shall not collect or attempt to collect charges from an employee or an employee's dependents for treatment rendered the employee by any health service provider, after receiving actual notice that a contested case proceeding for determination of liability of workers' compensation benefits is pending as provided in section 85.27, subsection 6.

[C75, 77, 79, 81, §537.7103]

83 Acts, ch 101, §115; 87 Acts, ch 137, §4; 89 Acts, ch 296, §76; 97 Acts, ch 120, §1; 98 Acts, ch 1146, §1; 2005 Acts, ch 44, §2; 2007 Acts, ch 128, §4; 2012 Acts, ch 1017, §149

Referred to in §85.27, 537.5108, 537.5201, 537.5301, 537.6111

Penalties, see §537.5301

## ARTICLE 8

## CHECK CASHING PRACTICES

**537.8101 Provision of credit card number as condition of check cashing or acceptance prohibited.**

1. *Provision of credit card number or expiration date not required.* A person shall not require as a condition of acceptance of a check or share draft, or as a means of identification, that the person presenting the check provide a credit card number or expiration date, or both.

2. *Recording of credit card number or expiration date, simple misdemeanor.* Recording a credit card number or expiration date, or both, in connection with a sale of goods or services in which the purchaser pays by check or share draft, or in connection with the acceptance of a check or share draft, is a simple misdemeanor.

3. *Display without recordation permissible condition.* This section does not prohibit a person from requesting a purchaser to display a credit card as indicia of credit worthiness and financial responsibility or as additional identification, but the only information concerning a credit card which may be recorded is the type of credit card so displayed and the issuer of the credit card. This section does not require acceptance of a check or share draft whether or not a credit card is presented.

4. *Provision of credit card number or expiration date in lieu of deposit.* This section does not prohibit a person from requesting or receiving a credit card number or expiration date and recording the number or date, or both in lieu of a deposit to secure payment in event of default, loss, damage, or other occurrence.

88 Acts, ch 1059, §1, 2

# CHAPTER 537A

## CONTRACTS

Referred to in §669.14


537A.1 Seals abolished.
537A.2 Consideration implied.
537A.3 Failure of consideration.
537A.4 Gaming contracts void — exceptions.
537A.5 Indemnity agreements — construction contracts.
537A.6 In-state construction contracts — Iowa law to govern.
537A.7 through 537A.9 Reserved.
537A.10 Franchise agreements.


**537A.1 Seals abolished.**

The use of private seals in written contracts, or other instruments in writing, by individuals, firms, or corporations that have not adopted a corporate seal, is hereby abolished; but the addition of a seal to any such instrument shall not affect its character or validity in any respect.

[C51, §974; R60, §1823; C73, §2112; C97, §3068; S13, §3068; C24, 27, 31, 35, 39, §**9439;** C46, 50, 54, 58, 62, 66, 71, 73, §537.1; C75, 77, 79, 81, §537A.1]

Corporate seals, §558.2 et seq.

**537A.2 Consideration implied.**

All contracts in writing, signed by the party to be bound or by the party's authorized agent or attorney, shall import a consideration.

[C51, §975; R60, §1824; C73, §2113; C97, §3069; C24, 27, 31, 35, 39, §**9440;** C46, 50, 54, 58, 62, 66, 71, 73, §537.2; C75, 77, 79, 81, §537A.2]

**537A.3 Failure of consideration.**

The want or failure, in whole or in part, of the consideration of a written contract may be shown as a defense, total or partial, except as provided in the uniform commercial code, chapter 554.

[C51, §976; R60, §1825; C73, §2114; C97, §3070; C24, 27, 31, 35, 39, §**9441;** C46, 50, 54, 58, 62, 66, 71, 73, §537.3; C75, 77, 79, 81, §537A.3]

**537A.4 Gaming contracts void — exceptions.**

1. All promises, agreements, notes, bills, bonds, or other contracts, mortgages or other securities, when the whole or any part of the consideration thereof is for money or other valuable thing won or lost, laid, staked, or bet, at or upon any game of any kind or on any wager, are absolutely void and of no effect.

2. This section does not apply to a contract for the operation of or for the sale or rental of equipment for games of skill or games of chance, if both the contract and the games are in compliance with chapter 99B. This section does not apply to wagering under the pari-mutuel method of wagering authorized by chapter 99D. This section does not apply to the sale, purchase, or redemption of a ticket or share in the state lottery in compliance with chapter 99G. This section does not apply to wagering authorized by chapter 99F. This section does not apply to the sale, purchase, or redemption of any ticket or similar gambling device legally purchased in Indian lands within this state.

[C51, §2724; R60, §4366; C73, §4029; C97, §4965; C24, 27, 31, 35, 39, §**9442;** C46, 50, 54, 58, 62, 66, 71, 73, §537.4; C75, 77, 79, 81, §537A.4]

83 Acts, ch 187, §32; 85 Acts, ch 33, §123; 86 Acts, ch 1125, §4; 88 Acts, ch 1136, §1; 89 Acts, ch 231, §34; 92 Acts, ch 1203, §19; 2003 Acts, ch 178, §115, 121; 2003 Acts, ch 179, §142; 2008 Acts, ch 1031, §58

**537A.5 Indemnity agreements — construction contracts.**

1. As used in this section, *"construction contract"* means an agreement relating to the construction, alteration, improvement, development, demolition, excavation, rehabilitation, maintenance, or repair of buildings, water or sewage treatment plants, power plants, or any other improvements to real property in this state, including shafts, wells, and

structures, whether on ground, above ground, or underground, and includes agreements for architectural services, design services, engineering services, construction services, construction management services, development services, maintenance services, material purchases, equipment rental, and labor. *"Construction contract"* includes all public, private, foreign, or domestic agreements as described in this subsection other than such public agreements relating to highways, roads, and streets.

2. Except as excluded under subsection 3, a provision in a construction contract that requires one party to the construction contract to indemnify, hold harmless, or defend any other party to the construction contract, including the indemnitee's employees, consultants, agents, or others for whom the indemnitee is responsible, against liability, claims, damages, losses, or expenses, including attorney fees, to the extent caused by or resulting from the negligent act or omission of the indemnitee or of the indemnitee's employees, consultants, agents, or others for whom the indemnitee is responsible, is void and unenforceable as contrary to public policy.

3. This section does not apply to the indemnification of a surety by a principal on any surety bond, an insurer's obligation to its insureds under any insurance policy or agreement, a borrower's obligations to its lender, or any obligation of strict liability otherwise imposed by law.

2011 Acts, ch 33, §1; 2011 Acts, ch 131, §99, 158

**537A.6 In-state construction contracts — Iowa law to govern.**

1. As used in this section, *"in-state construction contract"* means a public, private, foreign, or domestic agreement relating to construction, alteration, repair, or maintenance of any real property in this state and includes agreements for architectural services, demolition, design services, development, engineering services, excavation, or any other improvement to real property in this state, including buildings, shafts, wells, and structures, whether on, above, or under real property in this state. *"In-state construction contract"* does not include any agreement between this state and any other state.

2. A provision of an in-state construction contract is void and unenforceable as contrary to public policy if the provision does any of the following:

*a.* Makes the in-state construction contract subject to the laws of another state.

*b.* Requires any litigation, mediation, arbitration, or other dispute resolution proceeding arising from the in-state construction contract to be conducted in another state.

3. The laws of this state shall apply to every in-state construction contract.

4. Any litigation, mediation, arbitration, or other dispute resolution proceeding arising from or relating to an in-state construction contract shall be conducted in this state.

2013 Acts, ch 87, §1, 2
Section takes effect January 1, 2014; 2013 Acts, ch 87, §2
NEW section

**537A.7 through 537A.9** Reserved.

**537A.10 Franchise agreements.**

1. *Definitions.* When used in this section, unless the context otherwise requires:

*a.* *"Affiliate"* means a person controlling, controlled by, or under common control with another person, every officer or director of such a person, and every person occupying a similar status or performing similar functions.

*b.* *"Business day"* means a day other than a Saturday, Sunday, or federal holiday.

*c.* (1) *"Franchise"* means either of the following:

(a) An oral or written agreement, either express or implied, which provides all of the following:

(i) Grants the right to distribute goods or provide services under a marketing plan prescribed or suggested in substantial part by the franchisor.

(ii) Requires payment of a franchise fee to a franchisor or its affiliate.

(iii) Allows the franchise business to be substantially associated with a trademark, service

mark, trade name, logotype, advertisement, or other commercial symbol of or designating the franchisor or its affiliate.

(b) A master franchise.

(2) *"Franchise"* does not include any business that is operated under a lease or license on the premises of the lessor or licensor as long as such business is incidental to the business conducted by the lessor or licensor on such premises, including, without limitation, leased departments, licensed departments, and concessions and the leased or licensed department operates only under the trademark, trade name, service mark, or other commercial symbol designating the lessor or licensor.

(3) *"Franchise"* also does not include any contract under which a petroleum retailer or petroleum distributor is authorized or permitted to occupy leased marketing premises, which premises are to be employed in connection with the sale, consignment, or distribution of motor fuel under a trademark which is owned or controlled by a refiner which is regulated by the federal Petroleum Marketing Practices Act, 15 U.S.C. § 2801 et seq. The term *"refiner"* means any person engaged in the refining of crude oil to produce motor fuel, and includes any affiliate of such person. *"Franchise"* also does not include a contract entered into by any person regulated under chapter 103A, division IV, or chapter 123, 322, 322A, 322C, 322D, 322F, 522B, or 543B, or a contract establishing a franchise relationship with respect to the sale of construction equipment, lawn or garden equipment, or real estate.

*d.* *"Franchise fee"* means a direct or indirect payment to purchase or operate a franchise. Franchise fee does not include any of the following:

(1) Payment of a reasonable service charge to the issuer of a credit card by an establishment accepting the credit card.

(2) Payment to a trading stamp company by a person issuing trading stamps in connection with a retail sale.

(3) An agreement to purchase at a bona fide wholesale price a reasonable quantity of tangible goods for resale.

(4) The purchase or agreement to purchase, at a fair market value, any fixtures, equipment, leasehold improvements, real property, supplies, or other materials reasonably necessary to enter into or continue a business.

(5) Payments by a purchaser pursuant to a bona fide loan from a seller to the purchaser.

(6) Payment of rent which reflects payment for the economic value of leased real or personal property.

(7) The purchase or agreement to purchase promotional or demonstration supplies, materials, or equipment furnished at fair market value and not intended for resale.

*e.* *"Franchisee"* means a person to whom a franchise is granted. Franchisee includes the following:

(1) A subfranchisor with regard to its relationship with a franchisor.

(2) A subfranchisee with regard to its relationship with a subfranchisor.

*f.* *"Franchisor"* means a person who grants a franchise or master franchise, or an affiliate of such a person. Franchisor includes a subfranchisor with regard to its relationship with a franchisee, unless stated otherwise in this section.

*g.* *"Marketing plan"* means a plan or system concerning a material aspect of conducting business. Indicia of a marketing plan include any of the following:

(1) Price specification, special pricing systems, or discount plans.

(2) Sales or display equipment or merchandising devices.

(3) Sales techniques.

(4) Promotional or advertising materials or cooperative advertising.

(5) Training regarding the promotion, operation, or management of the business.

(6) Operational, managerial, technical, or financial guidelines or assistance.

*h.* *"Master franchise"* means an agreement by which a person pays a franchisor for the right to sell or negotiate the sale of franchises.

*i.* *"Offer"* or *"offer to sell"* means every attempt to offer or to dispose of, or solicitation of an offer to buy, a franchise or interest in a franchise for value.

*j.* *"Person"* means a person as defined in section 4.1, subsection 20.

*k.* *"Sale"* or *"sell"* means every contract or agreement of sale of, contract to sell or disposition of, a franchise or interest in a franchise for value.

*l.* *"Subfranchise"* means an agreement by which a person pays a franchisor for the right to sell or negotiate the sale of franchises.

*m.* *"Subfranchisee"* means a person who is granted a franchise from a subfranchisor.

*n.* *"Subfranchisor"* means a person who is granted a master franchise.

2. *Applicability.* Notwithstanding section 523H.2, this section applies to a new or existing franchise that is operated in this state and that is subject to an agreement entered into on or after July 1, 2000. For purposes of this section, the franchise is operated in this state only if the premises from which the franchise is operated are physically located in this state. For purposes of this section, a franchise including marketing rights in or to this state, is deemed to be operated in this state only if the franchisee's principal business office is physically located in this state. This section does not apply to a franchise solely because an agreement relating to the franchise provides that the agreement is subject to or governed by the laws of this state. The provisions of this section do not apply to any existing or future contracts between Iowa franchisors and franchisees who operate franchises located out-of-state.

3. *Jurisdiction and venue of disputes.*

*a.* A provision in a franchise agreement restricting jurisdiction to a forum outside this state is void with respect to a claim otherwise enforceable under this section.

*b.* A civil action or proceeding arising out of a franchise may be commenced wherever jurisdiction over the parties or subject matter exists, even if the agreement limits actions or proceedings to a designated jurisdiction.

*c.* Venue for a civil action commenced under this chapter shall be determined in accordance with chapter 616.

4. *Waivers void.* A condition, stipulation, or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by or a right provided by this section or a rule or order under this section is void. This subsection shall not affect the settlement of disputes, claims, or civil lawsuits arising or brought pursuant to this section.

5. *Transfer of franchise.*

*a.* A franchisee may transfer the franchised business and franchise to a transferee, provided that the transferee satisfies the reasonable current qualifications of the franchisor for new franchisees. For the purposes of this subsection, a reasonable current qualification for a new franchisee is a qualification based upon a legitimate business reason. If the proposed transferee does not meet the reasonable current qualifications of the franchisor, the franchisor may refuse to permit the transfer, provided that the refusal of the franchisor to consent to the transfer is not arbitrary or capricious.

*b.* (1) A franchisee may transfer less than a controlling interest in the franchise to an employee stock ownership plan, or employee incentive plan provided that more than fifty percent of the entire franchise is held by those who meet the franchisor's reasonable current qualifications for franchisees, and such transfer is approved by the franchisor. Approval of such transfer shall not be unreasonably withheld.

(2) If pursuant to such a transfer fifty percent or less of the entire franchise would be owned by persons who meet the franchisor's reasonable current qualifications, the franchisor may refuse to authorize the transfer, provided that enforcement of the reasonable current qualifications is not arbitrary or capricious.

(3) Participation by an employee in an employee stock ownership plan or employee incentive plan established pursuant to this subsection does not confer upon such employee any right to access trade secrets protected under the franchise agreement, which access the employee would not otherwise have if the employee did not participate in such plan.

*c.* A franchisor may require as a condition of a transfer any of the following:

(1) That the transferee successfully complete a training program.

(2) That a transfer fee be paid to reimburse the franchisor for the franchisor's actual expenses directly attributable to the transfer.

(3) That the franchisee pay or make provision acceptable to the franchisor to pay any amount due the franchisor or the franchisor's affiliate.

(4) That the financial terms of the transfer comply at the time of the transfer with the franchisor's current financial requirements for franchisees.

*d.* A franchisee shall give the franchisor no less than sixty days' written notice of a transfer which is subject to this subsection, and on request from the franchisor shall provide in writing the ownership interests of all persons holding or claiming an equitable or beneficial interest in the franchise subsequent to the transfer or the franchisee, as appropriate. A franchisee shall not circumvent the intended effect of a contractual provision governing the transfer of the franchise or an interest in the franchise by means of a management agreement, lease, profit-sharing agreement, conditional assignment, or other similar device.

*e.* A transfer by a franchisee is deemed to be approved sixty days after the franchisee submits the request for consent to the transfer unless the franchisor withholds consent to the transfer as evidenced in writing, specifying the reason or reasons for withholding the consent. The written notice must be delivered to the franchisee prior to the expiration of the sixty-day period. Any such notice is privileged and is not actionable based upon a claim of defamation.

*f.* A franchisor shall not discriminate against a proposed transferee of a franchise on the basis of race, color, national origin, religion, sex, or disability.

*g.* A transfer of less than a controlling interest in the franchise to the franchisee's spouse or child or children shall be permitted if following the transfer more than fifty percent of the interest in the entire franchise is held by those who meet the franchisor's reasonable current qualifications. If following such a transfer fifty percent or less of the interest in the franchise would be owned by persons who meet the franchisor's reasonable current qualifications, the franchisor may refuse to authorize the transfer, provided that enforcement of the reasonable current qualifications is not arbitrary or capricious.

*h.* A franchisor shall not deny the surviving spouse or a child or children of a deceased or permanently disabled franchisee the opportunity to participate in the ownership of a franchise under a valid franchise agreement for a reasonable period, which need not exceed one year, after the death or disability of the franchisee. During such reasonable period, the surviving spouse or the child or children of the franchisee shall either meet all of the qualifications which the franchisee was subject to at the time of the death or disability of the franchisee, or sell, transfer, or assign the franchise to a person who meets the franchisor's current qualifications for a new franchisee. The rights granted pursuant to this subsection are subject to the surviving spouse or the child or children of the franchisee maintaining all standards and obligations of the franchise.

*i.* Incorporation of a proprietorship franchise shall be permitted upon sixty days' prior written notice to the franchisor. Such incorporation does not prohibit a franchisor from requiring a personal guaranty by the franchisee of obligations related to the franchise, and the owners of the corporation must meet the franchisor's reasonable current qualifications for franchisees.

*j.* A transfer within an existing ownership group of a franchise shall be permitted provided that the transferee meets the franchisor's reasonable current qualifications for franchisees, and written notice is submitted to the franchisor sixty days prior to such a transfer. If less than fifty percent of the franchise would be owned by persons who meet the franchisor's reasonable current qualifications, the franchisor may refuse to authorize the transfer, provided that enforcement of the reasonable current qualifications is not arbitrary or capricious.

6. *Encroachment.*

*a.* If a franchisor develops, or grants to a franchisee the right to develop, a new outlet or location which sells essentially the same goods or services under the same trademark, service mark, trade name, logotype, or other commercial symbol as an existing franchisee and the new outlet or location is in unreasonable proximity to the existing franchisee's outlet or location and has an adverse effect on the gross sales of the existing franchisee's outlet or location, the existing adversely affected franchisee has a cause of action for monetary damages in an amount calculated pursuant to paragraph "*d*", unless any of the following apply:

(1) The franchisor has first offered the new outlet or location to the existing franchisee on the same basic terms and conditions available to the other potential franchisee and such

existing franchisee meets the reasonable current qualifications of the franchisor including any financial requirements, or, if the new outlet or location is to be owned by the franchisor, on the terms and conditions that would ordinarily be offered to a franchisee for a similarly situated outlet or location.

(2) The adverse impact on the existing franchisee's annual gross sales, based on a comparison to the annual gross sales from the existing outlet or location during the twelve-month period immediately preceding the opening of the new outlet or location, is determined to have been less than six percent during the first twelve months of operation of the new outlet or location.

(3) The existing franchisee, at the time the franchisor develops, or grants to a franchisee the right to develop, a new outlet or location, is not in compliance with the franchisor's then current reasonable criteria for eligibility for a new franchise, not including any financial requirements.

(4) The existing franchisee has been granted reasonable territorial rights and the new outlet or location does not violate those territorial rights.

*b.* (1) The franchisor, with respect to claims made under paragraph "*a*", shall establish both of the following:

(a) A formal procedure for hearing and acting upon claims by an existing franchisee with regard to a decision by the franchisor to develop, or grant to a franchisee the right to develop, a new outlet or location, prior to the opening of the new outlet or location.

(b) A reasonable formal procedure for mediating a dispute resulting in an award of compensation or other form of consideration to a franchisee to offset all or a portion of the franchisee's lost profits caused by the establishment of the new outlet or location. The procedure shall involve a neutral third-party mediator. The procedure shall be deemed reasonable if approved by a majority of the franchisor's franchisees in the United States.

(2) A dispute submitted to a formal procedure under subparagraph (1) does not diminish the rights of a franchisor or franchisee to bring a cause of action for a violation of this subsection if no settlement results from such procedure.

*c.* A franchisor shall establish and make available to its franchisees a written policy setting forth its reasonable criteria to be used by the franchisor to determine whether an existing franchisee is eligible for a franchise for an additional outlet or location.

*d.* (1) In establishing damages under a cause of action brought pursuant to this subsection, the franchisee has the burden of proving the amount of lost profits attributable to the compensable sales. In any action brought under this subsection, the damages payable shall be limited to no more than three years of the proven lost profits. For purposes of this paragraph, "*compensable sales*" means the annual gross sales from the existing outlet or location during the twelve-month period immediately preceding the opening of the new outlet or location less both of the following:

(a) Six percent of the annual gross sales for that twelve-month period immediately preceding the opening of the new outlet or location.

(b) The actual gross sales from the operation of the existing outlet or location for the twelve-month period immediately following the opening of the new outlet or location.

(2) Compensable sales shall exclude any amount attributable to factors other than the opening and operation of the new outlet or location.

*e.* Any cause of action brought under this subsection must be filed within eighteen months of the opening of the new outlet or location or within thirty days after the completion of the procedure under paragraph "*b*", subparagraph (1), whichever is later.

7. *Termination.*

*a.* Except as otherwise provided by this section, a franchisor shall not terminate a franchise prior to the expiration of its term except for good cause. For purposes of this subsection, "*good cause*" is cause based upon a legitimate business reason. "*Good cause*" includes the failure of the franchisee to comply with any material lawful requirement of the franchise agreement, provided that the termination by the franchisor is not arbitrary or capricious. The burden of proof of showing that the action of the franchisor is arbitrary or capricious shall rest with the franchisee.

*b.* Prior to termination of a franchise for good cause, a franchisor shall provide a

franchisee with written notice stating the basis for the proposed termination. After service of written notice, the franchisee shall have a reasonable period of time to cure the default, which in no event shall be less than thirty days or more than ninety days. In the event of nonpayment of moneys due under the franchise agreement, the period to cure need not exceed thirty days.

*c.* Notwithstanding paragraph "*b*", a franchisor may terminate a franchise upon written notice and without an opportunity to cure if any of the following apply:

(1) The franchisee or the business to which the franchise relates is declared bankrupt or judicially determined to be insolvent.

(2) All or a substantial part of the assets of the franchise or the business to which the franchisee relates are assigned to or for the benefit of any creditor which is subject to chapter 681. An assignment for the benefit of any creditor pursuant to this subparagraph does not include the granting of a security interest in the normal course of business.

(3) The franchisee voluntarily abandons the franchise by failing to operate the business for five consecutive business days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless the failure to operate is due to circumstances beyond the control of the franchisee.

(4) The franchisor and franchisee agree in writing to terminate the franchise.

(5) The franchisee knowingly makes any material misrepresentations or knowingly omits to state any material facts relating to the acquisition or ownership or operation of the franchise business.

(6) The franchisee repeatedly fails to comply with one or more material provisions of the franchise agreement, when the enforcement of such material provisions is not arbitrary or capricious, whether or not the franchisee complies after receiving notice of the failure to comply.

(7) The franchised business or business premises of the franchisee are lawfully seized, taken over, or foreclosed by a government authority or official.

(8) The franchisee is convicted of a felony or any other criminal misconduct which materially and adversely affects the operation, maintenance, or goodwill of the franchise in the relevant market.

(9) The franchisee operates the franchised business in a manner that imminently endangers the public health and safety.

8. *Nonrenewal of a franchise.*

*a.* A franchisor shall not refuse to renew a franchise unless both of the following apply:

(1) The franchisee has been notified of the franchisor's intent not to renew at least six months prior to the expiration date or any extension of the franchise agreement.

(2) Any of the following circumstances exist:

(a) Good cause exists, provided that the refusal of the franchisor to renew is not arbitrary or capricious. For purposes of this subsection, "*good cause*" means cause based on a legitimate business reason.

(b) The franchisor and franchisee agree not to renew the franchise.

(c) The franchisor completely withdraws from directly or indirectly distributing its products or services in the geographic market served by the franchisee, provided that upon expiration of the franchise, the franchisor agrees not to seek to enforce any covenant of the nonrenewed franchisee not to compete with the franchisor or franchisees of the franchisor.

*b.* As a condition of renewal of the franchise, a franchise agreement may require that the franchisee meet the then current requirements for franchises and that the franchisee execute a new agreement incorporating the then current terms and fees for new franchises.

9. *Sources of goods or services.*

*a.* A franchisor shall not require that a franchisee purchase goods, supplies, inventories, or services exclusively from the franchisor or from a source or sources of supply specifically designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor.

*b.* However, the publication by the franchisor of a list of approved suppliers of goods,

supplies, inventories, or services, or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor, does not constitute designation of a source. Additionally, the reasonable right of a franchisor to disapprove a supplier does not constitute a designation of source. This subsection does not apply to the principal goods, supplies, inventories, or services manufactured by the franchisor, or such goods, supplies, inventories, or services entitled to protection as a trade secret.

10. *Franchisee's right to associate.* A franchisor shall not restrict a franchisee from associating with other franchisees or from participating in a trade association, and shall not retaliate against a franchisee for engaging in these activities.

11. *Duty of good faith.*

*a.* A franchise imposes on the parties a duty of good faith in performance and enforcement of the franchise agreement. *"Good faith"* means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade.

*b.* The duty of good faith is imposed in situations including, but not limited to, where the franchisor opens a new outlet or location that has an adverse impact on an existing franchisee. A determination of whether the duty of good faith with respect to a new outlet or location has been met shall be made pursuant to the provisions, standards, and procedures in subsection 6.

12. *Exclusion.* For purposes of this section, *"franchise"* does not include a contract under which a franchise relationship is established with respect to retreaded tires and related equipment used for commercial vehicles.

13. *Private civil action.* A person who violates a provision of this section or order issued under this section is liable for damages caused by the violation, including, but not limited to, costs and reasonable attorneys' and experts' fees, and subject to other appropriate relief including injunctive and other equitable relief.

14. *Choice of law.* A condition, stipulation, or provision requiring the application of the law of another state in lieu of this section is void.

15. *Construction with other law.* This section does not limit any liability that may exist under another statute or at common law.

16. *Construction.* This section shall be liberally construed to effectuate its purposes.

17. *Severability.* If any provision or clause of this section or any application of this section to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are declared to be severable.

2000 Acts, ch 1093, §1; 2001 Acts, ch 118, §55; 2002 Acts, ch 1119, §186; 2006 Acts, ch 1090, §22, 26; 2012 Acts, ch 1023, §157

Referred to in §523H.2A

# CHAPTER 537B

## MOTOR VEHICLE SERVICE TRADE PRACTICES

Referred to in §669.14, 714.16


| | | | |
|---|---|---|---|
| 537B.1 | Title. | 537B.4 | Aftermarket parts. |
| 537B.2 | Definitions. | 537B.5 | Reserved. |
| 537B.3 | Required trade practices. | 537B.6 | Deceptive act or practice. |


**537B.1 Title.**

This chapter is entitled the *"Motor Vehicle Service Trade Practices Act"*.

90 Acts, ch 1010, §1

**537B.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Consumer"* means a person contracting for, or intending to contract for, repairs or service upon a motor vehicle used primarily for farm or personal use.

2. *"Motor vehicle"* means a motor vehicle as defined in section 321.1 which is subject to registration. However, *"motor vehicle"* does not include a motor vehicle, as defined in section 321.1, with a gross vehicle weight rating of more than twelve thousand pounds.

3. *"Supplier"* means a person offering to contract for repairs or service upon a motor vehicle. Supplier includes an employee or other representative of the supplier.

90 Acts, ch 1010, §2; 90 Acts, ch 1145, §13; 98 Acts, ch 1100, §75

Referred to in §577.3

**537B.3 Required trade practices.**

1. If a consumer authorizes, in writing, repairs or service upon a motor vehicle prior to the commencement of the repairs or service, a conspicuous disclosure in substantially the following language shall appear on the authorization form or on a separate form provided to the consumer at the time of the authorization.

ESTIMATE

YOU HAVE THE RIGHT TO A WRITTEN OR ORAL ESTIMATE IF THE EXPECTED COST OF REPAIRS OR SERVICE WILL BE MORE THAN FIFTY DOLLARS. YOUR BILL WILL NOT BE HIGHER THAN THE ESTIMATE BY MORE THAN TEN PERCENT UNLESS YOU APPROVE A HIGHER AMOUNT BEFORE REPAIRS ARE FINISHED. INITIAL YOUR CHOICE:

..... Written estimate.

..... Oral estimate.

..... No estimate.

..... Call me if repairs and service will be more than $.....

2. *a.* The form described in subsection 1, shall at minimum contain the following information:

(1) The date.

(2) The supplier's name.

(3) The consumer's name and telephone number.

(4) The reasonably anticipated completion date.

*b.* If a written estimate is requested, the supplier may write the written estimate on the authorization form or on another form. If the nature of repairs or service is unknown at the time that the estimate is given, the supplier may state an hourly labor charge for the work. If the consumer so requests, a copy of the written estimate shall be provided to the consumer prior to the commencement of any repairs or service.

3. If a consumer orally authorizes repairs or service upon a motor vehicle prior to the commencement of the repairs or service, the supplier shall inform the consumer of the right to receive a written or oral estimate. The supplier shall note the consumer's response on the form described in subsections 1 and 2. If the consumer requests an estimate, the supplier shall provide the estimate to the consumer prior to commencing the repairs or service.

90 Acts, ch 1010, §3; 2012 Acts, ch 1023, §157

Referred to in §537B.6

**537B.4 Aftermarket parts.**

1. As used in this section:

*a.* *"Aftermarket crash part"* means a replacement for any of the nonmechanical sheet metal or plastic parts which generally constitute the exterior of a motor vehicle, including inner and outer panels, which replacement is not manufactured or marketed by the original

equipment manufacturer of the motor vehicle. Aftermarket crash part does not include replacement glass for the windows, windshield, or backlight of the motor vehicle.

*b.* *"Motor vehicle"* means a motor vehicle as defined in section 321.1 which is subject to registration.

*c.* *"Repair facility"* means a motor vehicle dealer, garage, body shop, or other person, which undertakes the repair or replacement of those parts of a motor vehicle that generally constitute the exterior of a motor vehicle for a fee.

2. A repair facility shall not use aftermarket crash parts in the repair of a customer's motor vehicle without disclosing the proposed use of such parts in the estimate of repairs given to the customer prior to the repair of the motor vehicle. The estimate shall be in writing and shall clearly identify each part proposed to be used which is an aftermarket crash part. The following information shall appear in ten point type, or larger, on or attached to the estimate:

This estimate has been prepared based on the use of aftermarket crash parts supplied by a source other than the manufacturer of your motor vehicle. Any warranties applicable to these replacement parts are provided by the manufacturer or distributor of these parts rather than the manufacturer of your vehicle.

3. An aftermarket crash part supplied for use in this state after January 1, 1991, shall have affixed or inscribed upon the part the logo or name of its manufacturer. A repair facility installing an aftermarket crash part on a motor vehicle shall install the part so that the manufacturer's logo or name is visible upon inspection after installation whenever practicable.

4. It is a deceptive act or practice for a repair facility or manufacturer or distributor of aftermarket crash parts to fail to comply with the requirements of this section.

90 Acts, ch 1010, §4; 90 Acts, ch 1145, §14
Referred to in §714.16

**537B.5** Reserved.

**537B.6 Deceptive act or practice.**

It is a deceptive act or practice for a supplier to:

1. Fail to comply with the requirements of section 537B.3.

2. Make the performance of any repair or service contingent upon a consumer's waiver of any rights provided for in this chapter.

3. Fail to obtain oral or written authorization from the consumer for the anticipated cost of any additional, unforeseen, but necessary repairs or services when the cost of those repairs or services amount to more than ten percent, excluding tax, of the original estimate requested by a consumer.

4. Fail, if the anticipated cost of a repair or service is less than fifty dollars and an estimate has not been given to the consumer, to obtain oral or written authorization from the consumer for the anticipated cost of any additional unforeseen, but necessary repairs or services if the total cost of the repairs or services, if performed, will exceed fifty dollars.

5. Fail to disclose prior to the commencement of any repairs or service, that a charge will be made for disassembly, reassembly, partially completed work, or any other work not directly related to the actual performance of the repairs or service. A charge so imposed must be directly related to the actual amount of labor or parts involved in the inspection, repair, or service.

6. Charge for any repair or service which has not been authorized by the consumer.

7. Fail to disclose upon the first contact with the consumer that any charge not directly related to the actual performance of the repair or service will be imposed by the supplier whether or not repairs or services are performed.

8. Fail to disclose upon the first contact with a consumer the basis upon which a charge will be imposed for towing the motor vehicle if that service will be performed.

9. Represent that repairs or services are necessary when that is not the fact.

10. Represent that repairs have been made or services have been performed when that is not the fact.

11. Represent that a motor vehicle or any part of a motor vehicle which is being inspected or diagnosed for a repair or service is in a dangerous condition, or that the consumer's continued use of it may be harmful, when that is not the fact.

12. Materially and intentionally understate or misstate the estimated cost of the repairs or service.

13. Fail to provide the consumer with an itemized list of repairs performed or services rendered, including a list of parts or materials and a statement of whether they are used, remanufactured or rebuilt, if not new, and their cost to the consumer, the amount charged for labor, and the identity of the individual performing the repair or service.

14. Fail to tender to the consumer any replaced parts, unless the parts are to be rebuilt or sold by the supplier, or returned to the manufacturer in connection with warranted repairs or services, and such intended reuse or return is made known to the consumer prior to commencing any repair or service. However, this subsection does not prohibit the supplier from retaining the replaced parts if the consumer so requests.

15. Fail to provide to the consumer upon the consumer's request a written, itemized receipt for any motor vehicle or part of a motor vehicle that is left with, or turned over to, the supplier for repair or service. The receipt shall include:

*a.* The identity of the supplier which will perform the repair or service.

*b.* The name and signature of the supplier or a representative who actually accepts the motor vehicle or any part of the motor vehicle.

*c.* A description including make and model number or other features as will reasonably identify the motor vehicle or any part of the motor vehicle to be repaired or serviced.

*d.* The date on which the motor vehicle or any part of the motor vehicle was left with or turned over to the supplier.

16. Fail to disclose to the consumer prior to the commencement of any repair or service, that any part of the repair or service will be performed by a person other than the supplier or the supplier's employees, if the consumer requests that information.

90 Acts, ch 1010, §5

Referred to in §577.3

# CHAPTER 538

## TENDER OF PAYMENT AND PERFORMANCE

Referred to in §669.14

Tender under offer to compromise, chapter 677


538.1 Demand required.
538.2 Tender of labor or property.
538.3 Tender when contract assigned.
538.4 Effect of tender.
538.5 Tender when holder absent from state.
538.6 Offer in writing — effect.
538.7 Nonacceptance of tender.
538.8 Receipt — objection.


**538.1 Demand required.**

No cause of action shall accrue upon a contract for labor or the payment or delivery of property other than money, where the time of performance is not fixed, until a demand of performance has been made upon the maker and refused, or a reasonable time for performance thereafter allowed.

[C51, §959; R60, §1806; C73, §2097; C97, §3056; C24, 27, 31, 35, 39, §**9443;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §538.1]

**538.2 Tender of labor or property.**

When a contract for labor, or for the payment or delivery of property other than money, does not fix a place of payment, the maker may tender the labor or property at the place where the payee resided at the time of making the contract, or at the residence of the payee at the time of performance of the contract, or where any assignee of the contract resides when it becomes due, but if the property in such case is too ponderous to be conveniently transported, or if the payee had no known place of residence within the state at the time of making the contract, or if the assignee of a written contract has no known place of residence within the state at the time of performance, the maker may tender the property at the place where the maker resided at the time of making the contract.

[C51, §960, 961; R60, §1807, 1808; C73, §2098, 2099; C97, §3057; C24, 27, 31, 35, 39, §**9444;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 538.2]

**538.3 Tender when contract assigned.**

When the contract is contained in a written instrument which is assigned before due, and the maker has notice thereof, the maker shall make the tender at the residence of the holder if the holder resides in the state and no farther from the maker than the payee did at the making thereof.

[C51, §962; R60, §1809; C73, §2100; C97, §3058; C24, 27, 31, 35, 39, §**9445;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §538.3]

**538.4 Effect of tender.**

A tender of the property, as above provided, discharges the maker from the contract, and the property becomes vested in the payee or the payee's assignee, and the payee or assignee may maintain an action therefor as in other cases. But if the property tendered be perishable, or requires feeding, or other care, and no person is found to receive it when tendered, the person making the tender shall preserve, feed, or otherwise take care of the same, and shall have a lien thereon for the person's reasonable expenses and trouble in so doing.

[C51, §963, 964; R60, §1810, 1811; C73, §2101, 2102; C97, §3059; C24, 27, 31, 35, 39, §**9446;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 538.4]

**538.5 Tender when holder absent from state.**

1. When an instrument for the payment of money is due and the holder is absent from the state or the holder's identity or whereabouts are unknown and the instrument does not provide for a place of payment, the maker may tender payment at the last known residence or place of business of the last known holder, and if there be no person there authorized to receive payment and give proper credit therefor, the maker shall be deemed to have tendered payment and interest shall cease on the date of deposit if:

*a.* The maker deposits the amount due with the clerk of the district court in the county where the maker resided at the time of the making of the instrument, if the maker was then a resident of the state of Iowa, or if the maker was a nonresident of the state of Iowa at the time of making, with the clerk of the district court of Polk county, and

*b.* (1) The maker files an affidavit with the clerk of the court that the identity or address of the holder is unknown and that the maker has made diligent inquiry to ascertain it, or

(2) The maker within three days gives notice of such deposit by ordinary mail to the holder, if the holder's identity and address are known.

2. Upon presentment of the instrument by the holder to the clerk, the clerk shall pay the holder of such instrument the funds in the clerk's hands. If such deposit is in full payment of the instrument the clerk shall deliver the instrument to the maker. If such deposit is a partial payment thereof the clerk shall endorse such payment thereon and return the instrument to the holder.

[C51, §958; R60, §1805; C73, §2103; C97, §3060; C24, 27, 31, 35, 39, §**9447;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §538.5]

2012 Acts, ch 1023, §157

Referred to in §602.8102(75)

**538.6 Offer in writing — effect.**

An offer in writing to pay a particular sum of money, or to deliver a written instrument or specific personal property, if not accepted, is equivalent to the actual tender of the money, instrument, or property, subject, however, to the condition contained in section 538.7; but if the party to whom the tender is made desires an inspection of the instrument or property tendered, other than money, before making the party's determination, it shall be allowed the party on request.

[C51, §967; R60, §1816; C73, §2105; C97, §3061; C24, 27, 31, 35, 39, §**9448;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §538.6]

**538.7 Nonacceptance of tender.**

When a tender of money or property is not accepted by the party to whom it is made, the party making it may, if that party sees fit, retain it in possession; but if afterwards the party to whom the tender was made concludes to accept it and gives notice thereof to the other party, and the subject of the tender is not delivered to the accepting party within a reasonable time, the tender shall be of no effect.

[C51, §966; R60, §1815; C73, §2104; C97, §3062; C24, 27, 31, 35, 39, §**9449;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §538.7]

Referred to in §538.6

**538.8 Receipt — objection.**

The person making a tender may demand a receipt in writing for the money or article tendered, as a condition precedent to the delivery thereof. The person to whom a tender is made must, at the time, make any objection which the person may have to the money, instrument, or property tendered, or the person will be deemed to have waived it.

[C51, §968, 969; R60, §1817, 1818; C73, §2106, 2107; C97, §3063; C24, 27, 31, 35, 39, §**9450;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 538.8]

# CHAPTER 538A

## CREDIT SERVICES ORGANIZATIONS

Referred to in §669.14


538A.1 Definitions.
538A.2 Credit services organization defined — exemptions.
538A.3 Prohibited conduct.
538A.4 Bond — surety account.
538A.5 Registration.
538A.6 Disclosure statement.
538A.7 Form in terms of contract.
538A.8 Waiver.
538A.9 Action for damages.
538A.10 Injunction.
538A.11 Statute of limitations.
538A.12 Criminal penalty.
538A.13 Burden of proving exemption.
538A.14 Remedies cumulative.


**538A.1 Definitions.**

In this chapter, unless the context otherwise requires:

1. *"Buyer"* means an individual who is solicited to purchase or who purchases the services of a credit services organization.

2. *"Consumer reporting agency"* has the meaning assigned by section 603(f), Fair Credit Reporting Act, 15 U.S.C. § 1681a(f) as amended through January 1, 1989.

3. *"Extension of credit"* means the right to defer payment of debt or to incur debt and defer its payment offered or granted primarily for personal, family, or household purposes.

89 Acts, ch 183, §1
CS89, §533C.1
C93, §538A.1

**538A.2 Credit services organization defined — exemptions.**

1. A credit services organization is a person who, with respect to the extension of credit by others and in return for the payment of money or other valuable consideration, provides, or represents that the person can or will provide, any of the following services:

*a.* Improving a buyer's credit record, history, or rating.

*b.* Providing advice or assistance to a buyer with regard to paragraph "*a*".

2. The following are exempt from this chapter:

*a.* A person authorized to make loans or extensions of credit under the laws of this state or the United States who is subject to regulation and supervision of this state or the United States, or a lender approved by the United States secretary of housing and urban development for participation in a mortgage insurance program under the National Housing Act, 12 U.S.C. § 1701 et seq.

*b.* A bank or savings and loan association whose deposits or accounts are eligible for insurance by the federal deposit insurance corporation or the federal savings and loan insurance corporation, or successor deposit insurance entities, or a subsidiary of a bank or savings and loan association.

*c.* A credit union doing business in this state.

*d.* A nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code, as defined in section 422.3.

*e.* A person licensed as a real estate broker or salesperson, under section 543B.20, acting within the course and scope of that license.

*f.* A person licensed to practice as an attorney in this state acting within the course and scope of the person's practice as an attorney.

*g.* A broker-dealer registered with the securities and exchange commission or the commodity futures trading commission acting within the course and scope of the regulations of the commission that person is registered with.

*h.* A consumer reporting agency.

89 Acts, ch 183, §2
CS89, §533C.2
C93, §538A.2
93 Acts, ch 60, §23
Referred to in §538A.13

**538A.3 Prohibited conduct.**

A credit services organization, a salesperson, agent, or representative of a credit services organization, or an independent contractor who sells or attempts to sell the services of a credit services organization shall not:

1. Charge a buyer or receive from a buyer money or other valuable consideration before completing performance of all services the credit services organization has agreed to perform for the buyer, unless the credit services organization has obtained a bond in accordance with section 538A.4 or established and maintained a surety account at a federally insured bank or savings and loan association located in this state in the amount required by section 538A.4, subsection 5.

2. Charge a buyer or receive from a buyer money or other valuable consideration solely for referral of the buyer to a retail seller who will or may extend credit to the buyer if the credit that is or will be extended to the buyer is substantially the same as that available to the general public.

3. Make or use a false or misleading representation in the offer or sale of the services of a credit services organization.

4. Engage, directly or indirectly, in a fraudulent or deceptive act, practice, or course of business in connection with the offer or sale of the services of a credit services organization.

89 Acts, ch 183, §3
CS89, §533C.3
C93, §538A.3
Referred to in §538A.4

**538A.4 Bond — surety account.**

1. This section applies to a credit services organization required by section 538A.3, subsection 1, to obtain a surety bond or establish a surety account.

2. If a bond is obtained, a copy of it shall be filed with the secretary of state. If a surety account is established, notification of the depository, the trustee, and the account number shall be filed with the secretary of state.

3. If a bond is obtained, the bond shall be executed by a surety company authorized to do business in this state, and the bond shall be continuous in nature until canceled by the surety with not less than thirty days' written notice to both the credit services organization and to the secretary of state. The notice shall indicate the surety's intent to cancel the bond effective on a date at least thirty days after the date of the notice.

4. The bond or surety account required must be in favor of the state for the benefit of any person who is damaged by a violation of this chapter.

5. A person claiming against the bond or surety account for a violation of this chapter may maintain an action at law against the credit services organization and against the surety or trustee. The surety or trustee is liable only for damages awarded under section 538A.9, subsection 1, and not the punitive damages permitted under that section. The aggregate liability of the surety or trustee to all persons damaged by a credit services organization's violation of this chapter shall not exceed the amount of the surety account or bond.

6. The bond or the surety account shall be in an amount of at least ten thousand dollars.

7. A depository holding money in a surety account under this chapter shall not convey money in the account to the credit services organization that established the account or a representative of the credit services organization unless the credit services organization or representative presents a statement issued by the secretary of state indicating that section 538A.5, subsection 6, has been satisfied in relation to the account. The secretary of state may conduct investigations and require submission of information as necessary to enforce this subsection.

89 Acts, ch 183, §4
CS89, §533C.4
C93, §538A.4
Referred to in §538A.3, 538A.6

**538A.5 Registration.**

1. A credit services organization shall file a registration statement with the secretary of state before conducting business in this state. The registration statement must contain both of the following:

*a.* The name and address of the credit services organization.

*b.* The name and address of any person who directly or indirectly owns or controls ten percent or more of the outstanding shares of stock in the credit services organization.

2. The registration statement must also contain one of the following:

*a.* A full and complete disclosure of any litigation or unresolved complaint filed with a governmental authority of this state relating to the operation of the credit services organization.

*b.* A notarized statement that there has been no litigation or unresolved complaint filed with a governmental authority of this state relating to the operation of the credit services organization.

3. The credit services organization shall update the statement not later than the ninetieth day after the date on which a change in the information required in the statement occurs.

4. A credit services organization registering under this section shall maintain a copy of the registration statement in the files of the credit services organization. The credit services organization shall allow a buyer to inspect the registration statement on request.

5. The secretary of state may charge each credit services organization that files a registration statement with the secretary of state a reasonable fee not to exceed one hundred dollars to cover the cost of filing. The secretary of state shall not require a credit services organization to provide information other than that provided in the registration statement.

6. The bond or surety account shall be maintained until two years after the date that the credit services organization ceases to operate.

89 Acts, ch 183, §5
CS89, §533C.5
C93, §538A.5
Referred to in §538A.4

**538A.6 Disclosure statement.**

1. Before executing a contract or agreement with a buyer, or receiving money or other valuable consideration, a credit services organization shall provide the buyer with a statement in writing, containing all of the following:

*a.* A complete and detailed description of the services to be performed by the credit services organization for the buyer and the total cost of the services.

*b.* A statement explaining the buyer's rights to proceed against the bond or surety account required by section 538A.4.

*c.* The name and address of the surety company which issued the bond, or the name and address of the depository and the trustee, and the account number of the surety account.

2. The credit services organization shall maintain on file for a period of two years after the date the statement is provided, an exact copy of the statement, signed by the buyer, acknowledging receipt of the statement.

89 Acts, ch 183, §6
CS89, §533C.6
C93, §538A.6

**538A.7 Form in terms of contract.**

1. A contract between the buyer and a credit services organization for the purchase of the services of the credit services organization must be in writing, dated, signed by the buyer, and must include all of the following:

*a.* A conspicuous statement in boldface type, in immediate proximity to the space reserved for the signature of the buyer, as follows:

You, the buyer, may cancel this contract at any time before midnight of the third day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right.

*b.* The terms and conditions of payment, including the total of all payments to be made by the buyer, whether to the credit services organization or to another person.

*c.* A full and detailed description of the services to be performed by the credit services organization for the buyer, including all guarantees and all promises of full or partial refunds, and the estimated date by which the services are to be performed or estimated length of time for performing the services.

*d.* The address of the credit services organization's principal place of business and the name and address of its agent in the state authorized to receive service of process.

2. The contract must have attached two easily detachable copies of the notice of cancellation. The notice must be in boldface type and in the following form:

Notice of Cancellation

You may cancel this contract, without any penalty or obligations, within three days after the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within ten days after the date of receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice or other written notice to: (name of seller) at (address of seller) (place of business) not later than midnight (date).
(Date) .....
(Purchaser's signature) .....

3. The credit services organization shall give to the buyer a copy of the completed contract and all other documents the credit services organization requires the buyer to sign at the time they are signed.
89 Acts, ch 183, §7
CS89, §533C.7
C93, §538A.7

**538A.8 Waiver.**
1. A credit services organization shall not attempt to cause a buyer to waive a right under this chapter.
2. A waiver by a buyer of any part of this chapter is void.
89 Acts, ch 183, §8
CS89, §533C.8
C93, §538A.8

**538A.9 Action for damages.**
1. A buyer injured by a violation of this chapter may bring an action for recovery of damages. The damages awarded shall not be less than the amount paid by the buyer to the credit services organization, plus reasonable attorney's fees and court costs.
2. The buyer may also be awarded punitive damages.
89 Acts, ch 183, §9
CS89, §533C.9
C93, §538A.9
Referred to in §538A.4, 538A.11

**538A.10 Injunction.**
The attorney general or a buyer may bring an action in a district court to enjoin a violation of this chapter.
89 Acts, ch 183, §10
CS89, §533C.10
C93, §538A.10

**538A.11 Statute of limitations.**
An action shall not be brought under section 538A.9 after ten years after the date of the execution of the contract for services to which the action relates.
An action shall not be brought under section 538A.12 after four years after the date of the execution of the contract for services to which the action relates.
89 Acts, ch 183, §11
CS89, §533C.11
C93, §538A.11

**538A.12 Criminal penalty.**
A person who violates a provision of this chapter commits a serious misdemeanor.
89 Acts, ch 183, §12
CS89, §533C.12
C93, §538A.12
Referred to in §538A.11

**538A.13 Burden of proving exemption.**

In an action under this chapter, the burden of proving an exemption under section 538A.2, subsection 2, is upon the person claiming the exemption.

89 Acts, ch 183, §13
CS89, §533C.13
C93, §538A.13

**538A.14 Remedies cumulative.**

The remedies provided by this chapter are in addition to other remedies provided by law.

89 Acts, ch 183, §14
CS89, §533C.14
C93, §538A.14

# CHAPTER 539

## ASSIGNMENT OF ACCOUNTS AND NONNEGOTIABLE INSTRUMENTS

Referred to in §625.22, 631.14, 669.14

Assignment of thing in action, R.C.P. 1.205


539.1 Assignment of nonnegotiable instruments.
539.2 Assignment prohibited by instrument.
539.3 Assignment of open account.
539.4 Assignment of wages.
539.5 Priority.
539.6 Assignor liable.
539.7 through 539.15 Repealed by 65 Acts, ch 413, §10102.


**539.1 Assignment of nonnegotiable instruments.**

Bonds, due bills, and all instruments by which the maker promises to pay another, without words of negotiability, a sum of money, or by which the maker promises to pay a sum of money in property or labor, or to pay or deliver any property or labor, or acknowledges any money, labor, or property to be due, are assignable by endorsement on the instrument, or by other writing. The assignee, including a person who takes assignment for collection in the regular course of business, has a right of action on them in the assignee's own name, subject to any defense or counterclaim which the maker or debtor had against an assignor of the instrument before notice of the assignment. In case of conflict between this section and section 554.5112, 554.5113, 554.5114, 554.9404, or 554.9405, section 554.5112, 554.5113, 554.5114, 554.9404, or 554.9405 controls.

[C51, §949; R60, §1796; C73, §2084; C97, §3044; C24, 27, 31, 35, 39, §**9451;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.1; 82 Acts, ch 1235, §1]

94 Acts, ch 1167, §4; 96 Acts, ch 1026, §17; 2000 Acts, ch 1149, §172, 187
Related provision, R.C.P. 1.205

**539.2 Assignment prohibited by instrument.**

When by the terms of an instrument its assignment is prohibited, an assignment thereof shall nevertheless be valid, but the maker may make use of any defense or counterclaim against the assignee which the maker may have against any assignor thereof before notice of such assignment is given to the maker in writing. In case of conflict between this section and section 554.5112, 554.5113, 554.5114, 554.9404, or 554.9405, section 554.5112, 554.5113, 554.5114, 554.9404, or 554.9405 controls.

[C51, §951; R60, §1798; C73, §2086; C97, §3046; C24, 27, 31, 35, 39, §**9452;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.2]

94 Acts, ch 1167, §5, 122; 96 Acts, ch 1026, §18; 2000 Acts, ch 1149, §173, 187
Referred to in §539.3
Related provision, R.C.P. 1.205

**539.3 Assignment of open account.**

An open account of sums of money due on contract may be assigned. The assignee, including a person who takes assignment for collection in the regular course of business, has a right of action on the account in the assignee's own name, subject to the defenses and counterclaims allowed against the instruments mentioned in section 539.2, before notice of the assignment is given to the debtor in writing by the assignee. In case of conflict, uniform commercial code, section 554.9404 or 554.9405, controls.

[C51, §952; R60, §1799; C73, §2087; C97, §3047; S13, §3047; C24, 27, 31, 35, 39, §**9453;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.3; 82 Acts, ch 1235, §2]

2000 Acts, ch 1149, §174, 187

Related provision, R.C.P. 1.205

**539.4 Assignment of wages.**

No sale or assignment, by the head of a family, of wages, whether the same be exempt from execution or not, shall be of any validity whatever unless the same be evidenced by a written instrument, and if married, unless the husband and wife sign and acknowledge the same joint instrument before an officer authorized to take acknowledgments. Provided, however, that no such assignment or order shall be effective or binding upon the employer unless the employer has in writing agreed to accept and pay said assignment or order. This section shall not apply to a wage assignment by an employee to an organization which represents the employee in labor relations with the employee's employer.

[S13, §3047; C24, 27, 31, 35, 39, §**9454;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.4]

Referred to in §91A.3, 533.326

**539.5 Priority.**

Assignments of wages shall have priority and precedence in the order in which notice in writing of such assignments shall be given to the employer, and not otherwise.

[S13, §3047; C24, 27, 31, 35, 39, §**9455;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.5]

**539.6 Assignor liable.**

The assignor of any of the above instruments not negotiable shall be liable to the action of the assignee without notice.

[C51, §956; R60, §1803; C73, §2088; C97, §3048; C24, 27, 31, 35, 39, §**9456;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §539.6]

**539.7 through 539.15** Repealed by 65 Acts, ch 413, § 10102.

# CHAPTER 540

## SURETIES

Referred to in §669.14


| | | | |
|---|---|---|---|
| 540.1 | Requiring creditor to sue. | 540.3 | Suit by surety. |
| 540.2 | Refusal or neglect of creditor. | 540.4 | Executor — official bonds. |


**540.1 Requiring creditor to sue.**

When any person bound as surety for another for the payment of money, or the performance of any other contract in writing, apprehends that the principal is about to become insolvent or remove permanently from the state without discharging the contract, the surety may, if a cause of action has accrued thereon, by writing, require the creditor to sue upon the same, or permit the surety to commence an action in such creditor's name and at the surety's cost.

[C51, §970; R60, §1819; C73, §2108; C97, §3064; C24, 27, 31, 35, 39, §**9457;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §540.1]

Order of liability, R.C.P. 1.956

Right of subrogation, §626.19

**540.2 Refusal or neglect of creditor.**

If the creditor refuses or neglects to bring an action for ten days after request, and does not permit the surety to do so, and to furnish the surety with a true copy of the contract or other writing therefor, and enable the surety to have the use of the original when requisite in such action, the surety shall be discharged.

[C51, §971; R60, §1820; C73, §2109; C97, §3065; C24, 27, 31, 35, 39, §**9458;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §540.2]

**540.3 Suit by surety.**

When the surety commences such action, the surety shall give a bond to pay such costs as may be adjudged against the creditor, and the action shall be brought against all the obligors, but those joining in the request to the creditor shall make no defense thereto, but may be heard on the assessment of the damages.

[C51, §972; R60, §1821; C73, §2110; C97, §3066; C24, 27, 31, 35, 39, §**9459;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §540.3]

**540.4 Executor — official bonds.**

The provisions of this chapter extend to the executor of a deceased surety and holder of the contract, but not to the official bonds of public officers, executors, or guardians.

[C51, §973; R60, §1822; C73, §2111; C97, §3067; C24, 27, 31, 35, 39, §**9460;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §540.4]

# CHAPTER 540A

## INSTITUTIONAL FUNDS MANAGEMENT

Referred to in §173.22A, 347.13, 669.14

Repeal of former §540A.1 – 540A.9 and enactment of §540A.101 – 540A.109 apply to institutional funds in existence on or after July 1, 2008; 2008 Acts, ch 1066, §11


540A.1 through 540A.9 Repealed by 2008 Acts, ch 1066, §10, 11; 2008 Acts, ch 1191, §138.
540A.101 Short title.
540A.102 Definitions.
540A.103 Standard of conduct — managing and investing institutional fund.
540A.104 Appropriation for expenditure or accumulation of endowment fund — rules of construction.
540A.105 Delegation of management and investment functions.
540A.106 Release or modification of restrictions on management, investment, or purpose.
540A.107 Reviewing compliance.
540A.108 Electronic signatures.
540A.109 Uniformity of application and construction.


**540A.1 through 540A.9** Repealed by 2008 Acts, ch 1066, § 10, 11; 2008 Acts, ch 1191, § 138.

**540A.101 Short title.**

This chapter may be cited as the *"Uniform Prudent Management of Institutional Funds Act"*.

2008 Acts, ch 1066, §1, 11

Section applies to institutional funds in existence on or after July 1, 2008; 2008 Acts, ch 1066, §11

**540A.102 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Charitable purpose"* means the relief of poverty, the advancement of education or religion, the promotion of health, the promotion of a governmental purpose, or any other purpose the achievement of which is beneficial to the community.

2. *"Endowment fund"* means an institutional fund or any part of an institutional fund, not

wholly expendable by the institution on a current basis under the terms of the applicable gift instrument. *"Endowment fund"* does not include assets that an institution designates as an endowment fund for its own use.

3. *"Gift instrument"* means a record or records, including an institutional solicitation, under which property is granted to, transferred to, or held by an institution as an institutional fund.

4. *"Institution"* means any of the following:

*a.* A person, other than an individual, organized and operated exclusively for charitable purposes.

*b.* A government or governmental subdivision, agency, or instrumentality, to the extent that it holds funds exclusively for a charitable purpose.

*c.* A trust that had both charitable and noncharitable interests, after all noncharitable interests have terminated.

5. *"Institutional fund"* means a fund held by an institution exclusively for charitable purposes. *"Institutional fund"* does not include any of the following:

*a.* Program-related assets.

*b.* A fund held for an institution by a trustee that is not an institution.

*c.* A fund in which a beneficiary that is not an institution has an interest, other than an interest that could arise upon violation or failure of the purposes of the fund.

6. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

7. *"Program-related asset"* means an asset held by an institution primarily to accomplish a charitable purpose of the institution and not primarily for investment.

8. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

2008 Acts, ch 1066, §2, 11

Section applies to institutional funds in existence on or after July 1, 2008; 2008 Acts, ch 1066, §11

**540A.103 Standard of conduct — managing and investing institutional fund.**

1. Subject to the intent of a donor expressed in a gift instrument, an institution shall consider the charitable purposes of the institution and the purposes of the institutional fund in managing and investing an institutional fund.

2. In addition to complying with the duty of loyalty imposed by law other than this chapter, each person responsible for managing and investing an institutional fund shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

3. All of the following shall apply to an institution managing and investing an institutional fund:

*a.* An institution may incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the institution, and the skills available to the institution.

*b.* An institution shall make a reasonable effort to verify facts relevant to the management and investment of the fund.

4. Subject to the intent of a donor expressed in a gift instrument, an institution may pool two or more institutional funds for purposes of management and investment.

5. Except as otherwise provided by a gift instrument, all of the following rules shall apply:

*a.* In managing and investing an institutional fund, the following factors, if relevant, shall be considered:

(1) General economic conditions.

(2) The possible effect of inflation or deflation.

(3) The expected tax consequences, if any, of investment decisions or strategies.

(4) The role that each investment or course of action plays within the overall investment portfolio of the fund.

(5) The expected total return from income and the appreciation of investments.

(6) Other resources of the institution.

(7) The needs of the institution and the fund to make distributions and to preserve capital.

(8) An asset's special relationship or special value, if any, to the charitable purposes of the institution.

*b.* Management and investment decisions about an individual asset shall be made in the context of the institutional fund's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the fund and to the institution.

*c.* Except as otherwise provided by law, an institution may invest in any kind of property or type of investment consistent with this section.

*d.* An institution shall diversify the investments of an institutional fund unless the institution reasonably determines that, because of special circumstances, the purposes of the fund are better served without diversification.

*e.* Within a reasonable time after receiving property, an institution shall make and carry out decisions concerning the retention or disposition of the property or to rebalance a portfolio, in order to bring the institutional fund into compliance with the purposes, terms, and distribution requirements of the institution as necessary to meet other circumstances of the institution and the requirements of this chapter.

*f.* A person that has special skills or expertise, or is selected in reliance upon the person's representation that the person has special skills or expertise, has a duty to use those skills or that expertise in managing and investing institutional funds.

2008 Acts, ch 1066, §3, 11

Section applies to institutional funds in existence on or after July 1, 2008; 2008 Acts, ch 1066, §11

**540A.104 Appropriation for expenditure or accumulation of endowment fund — rules of construction.**

1. Subject to the intent of a donor expressed in the gift instrument and to subsection 4, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution. In making a determination to appropriate or accumulate, the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, all of the following factors:

*a.* The duration and preservation of the endowment fund.

*b.* The purposes of the institution and the endowment fund.

*c.* General economic conditions.

*d.* The possible effect of inflation or deflation.

*e.* The expected total return from income and the appreciation of investments.

*f.* Other resources of the institution.

*g.* The investment policy of the institution.

2. In order to limit the authority to appropriate for expenditure or accumulate under subsection 1, a gift instrument must specifically state the limitation.

3. Terms in a gift instrument designating a gift as an endowment, or a direction or authorization in the gift instrument to use only "income", "interest", "dividends", or "rents, issues, or profits", or "to preserve the principal intact", or words of similar import do all of the following:

*a.* Create an endowment fund of permanent duration unless other language in the gift instrument limits the duration or purpose of the fund.

*b.* Do not otherwise limit the authority to appropriate for expenditure or accumulate under subsection 1.

4. *a.* If a gift instrument uses the terms or phrases described in subsection 3, the gift instrument may also contain language substantially similar to the following:

A direction or authorization herein to use only "income", "interest", "dividends", or "rents, issues, or profits", or to "preserve the principal intact" or words of similar import, does not limit the expenditures from the endowment fund only to income, interest, dividends, or

rents, issues, or profits. Expenditures may also come from other assets in the endowment fund. All expenditures from the endowment fund created hereunder shall be prudent in light of the uses, benefits, purposes, and duration of the endowment fund. In determining the amounts to be expended annually or to be accumulated, account shall be taken of the following factors: the duration and preservation of the endowment fund, the purposes of the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other recourses available to carry out the charitable purposes of this gift; and the governing investment policies. Because these factors govern expenditures and accumulations from the endowment fund created hereunder, terms such as those in the first sentence of this subsection shall be interpreted, absent other express language to the contrary, as creating an endowment fund of permanent duration, and such words do not limit the authority to expend or accumulate funds in accordance with the factors listed above.

*b.* The absence of the foregoing language or words of similar import in a gift instrument does not invalidate the gift instrument or any gift, or portion of a gift, thereunder.

2008 Acts, ch 1066, §4, 11

Section applies to institutional funds in existence on or after July 1, 2008; 2008 Acts, ch 1066, §11

**540A.105 Delegation of management and investment functions.**

1. Subject to any specific limitation set forth in a gift instrument or in law, an institution may delegate to an external agent the management and investment of an institutional fund to the extent that an institution could prudently delegate under the circumstances. An institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in doing all of the following:

*a.* Selecting an agent.

*b.* Establishing the scope and terms of the delegation, consistent with the purposes of the institution and the institutional fund.

*c.* Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation.

2. In performing a delegated function, an agent owes a duty to the institution to exercise reasonable care to comply with the scope and terms of the delegation.

3. An institution that complies with subsection 1 is not liable for the decisions or actions of an agent to which the function was delegated.

4. By accepting delegation of a management or investment function from an institution that is subject to the laws of this state, an agent submits to the jurisdiction of the courts of this state in all proceedings arising from or related to the delegation or the performance of the delegated function.

5. An institution may delegate management and investment functions to its committees, officers, or employees as authorized by the laws of this state.

2008 Acts, ch 1066, §5, 11

Section applies to institutional funds in existence on or after July 1, 2008; 2008 Acts, ch 1066, §11

**540A.106 Release or modification of restrictions on management, investment, or purpose.**

1. If the donor consents in a record, an institution may release or modify, in whole or in part, a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund. A release or modification shall not allow a fund to be used for a purpose other than a charitable purpose of the institution.

2. The court, upon application of an institution, may modify a restriction contained in a gift instrument regarding the management or investment of an institutional fund if the restriction has become impracticable or if, because of circumstances not anticipated by the donor, the restriction will defeat or substantially impair the accomplishment of the purposes of the institutional fund. The institution shall notify the attorney general of the application, and the attorney general shall be given an opportunity to be heard. Any modification must be made in accordance with the donor's probable intention.

3. If a particular charitable purpose or a restriction contained in a gift instrument on the use of an institutional fund becomes unlawful, impracticable, or impossible to fulfill, the court, upon application of an institution, may modify the purpose of the fund or the restriction on the use of the fund in a manner consistent with the charitable purposes expressed in the gift instrument. The institution shall notify the attorney general of the application and the attorney general shall be given the opportunity to be heard. If the donor or the donor's designee having the right to enforce the restrictions under subsection 5 provides the institution with an address, then the institution shall also notify the donor or such designee of the application by United States mail addressed to the last address so provided and the donor or such designee shall have an opportunity to be heard.

4. If an institution determines that a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund is unlawful, impracticable, or impossible to fulfill, the institution may release or modify the restriction, in whole or part, sixty days after notifying the attorney general, if all of the following conditions are met:

*a.* The institutional fund subject to the restriction has a total value of less than fifty thousand dollars.

*b.* More than twenty years have elapsed since the fund was established.

*c.* The institution uses the property in a manner consistent with the charitable purposes expressed in the gift instrument.

5. *a.* A donor whose aggregate gifts to an endowment fund exceeds one hundred thousand dollars may maintain an action in the district court of the county in which the institution's principal office is located to enforce restrictions respecting the purposes of the fund established by the donor in a gift instrument. A gift made in property shall be valued at fair market value on the date of the gift.

*b.* A donor may designate in a gift instrument or other record signed by the donor and delivered to the institution one or more persons, by name or by description, whether or not born at the time of such designation, to enforce the restrictions respecting the purposes of the fund during the donor's lifetime if the donor is judicially declared incompetent.

*c.* A donor may designate in a gift instrument or other record signed by the donor and delivered to the institution one or more persons, by name or by description, whether or not born at the time of such designation, to enforce the restrictions respecting the purposes of the fund for fifty years beginning on the date of the donor's death. If the donor prevails in any action in district court to enforce restrictions respecting the purposes of the fund in a gift instrument, the district court may order the institution to reimburse the donor's costs, including reasonable counsel fees, incurred in connection with the action, if the court finds that the institution acted in bad faith or with gross negligence.

*d.* The provisions in this subsection 5 may be altered by contrary provisions in a gift instrument.

6. Nothing in subsection 5 affects the authority of the attorney general to enforce any restriction in a gift instrument.

7. This section does not limit the application of the judicial power of cy pres or the right of an institution to modify a restriction on the management, investment, purpose, or use of a fund as may be permitted under the gift instrument or by law.

2008 Acts, ch 1066, §6, 11

Section applies to institutional funds in existence on or after July 1, 2008; 2008 Acts, ch 1066, §11

**540A.107 Reviewing compliance.**

Compliance with this chapter is determined in light of the facts and circumstances existing at the time a decision is made or action is taken and not by hindsight.

2008 Acts, ch 1066, §7, 11

Section applies to institutional funds in existence on or after July 1, 2008; 2008 Acts, ch 1066, §11

**540A.108 Electronic signatures.**

This chapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but does not modify, limit, or supersede

section 101 of that Act, 15 U.S.C. § 7001(a), or authorize electronic delivery of any of the notices described in section 103 of that Act, 15 U.S.C. § 7003(b).

2008 Acts, ch 1066, §8, 11

Section applies to institutional funds in existence on or after July 1, 2008; 2008 Acts, ch 1066, §11

**540A.109 Uniformity of application and construction.**

This chapter shall be applied and construed with consideration given to the need to promote uniformity of the law with respect to the uniform prudent management of institutional funds Act among states which enact this law.

2008 Acts, ch 1066, §9, 11

Section applies to institutional funds in existence on or after July 1, 2008; 2008 Acts, ch 1066, §11

# CHAPTER 541

## NEGOTIATING INSTRUMENTS ON HOLIDAY

Referred to in §669.14

541.1 through 541.201 Repealed by 65 Acts, ch 413, §10102.
541.202 Negotiating instrument on holiday.

**541.1 through 541.201** Repealed by 65 Acts, ch 413, § 10102.

**541.202 Negotiating instrument on holiday.**

Nothing in any law of this state shall in any manner whatsoever affect the validity of, or render void or voidable, the payment, certification, or acceptance of a check or other negotiable instrument or any other transaction by a bank or trust company in this state because done or performed on any legal holiday or during any time other than regular banking hours, if such payment, certification, acceptance or other transaction could have been validly done or performed on any other day; provided that nothing herein shall be construed to compel any bank or trust company in this state, which by law or custom is entitled to close for the whole or any part of any legal holiday, to keep open for the transaction of business or to perform any of the acts or transactions aforesaid on any legal holiday except at its own option.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §541.202]

# CHAPTER 541A

## INDIVIDUAL DEVELOPMENT ACCOUNTS

Referred to in §239B.7, 422.7, 450.4, 669.14

541A.1 Definitions.
541A.2 Individual development accounts.
541A.3 Individual development accounts — state savings match and tax provisions.
541A.4 Individual development account — pilot phase. Repealed by 2006 Acts, ch 1016, §7, 8.
541A.5 Rules.
541A.6 Compliance with federal requirements.
541A.7 Individual development account state match fund.

**541A.1 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Account holder"* means an individual who is the owner of an individual development account.

2. *"Administrator"* means the division of community action agencies of the department of human rights.

3. *"Charitable contributor"* means a nonprofit association described in section 501(c)(3) of the Internal Revenue Code which makes a deposit to an individual development account and which is exempt from taxation under section 501(a) of the Internal Revenue Code.

4. *"Federal poverty level"* means the first poverty income guidelines published in the calendar year by the United States department of health and human services.

5. *"Financial institution"* means a financial institution approved by the administrator as an investment mechanism for individual development accounts.

6. *"Household income"* means the annual household income of an account holder or prospective account holder, as determined in accordance with rules adopted by the administrator.

7. *"Individual contributor"* means an individual who makes a deposit to an individual development account and is not the account holder or a charitable contributor.

8. *"Individual development account"* means either of the following:

*a.* A financial instrument that is certified to have the characteristics described in section 541A.2 by the operating organization.

*b.* A financial instrument that is certified by the operating organization to have the characteristics described in and funded by a federal individual development account program under which federal and state funding contributed to match account holder deposits is deposited by an operating organization in accordance with federal law and regulations, and which includes but is not limited to any of the programs implemented under the following federal laws:

(1) The federal Personal Responsibility and Work Opportunity Act of 1996, 42 U.S.C. § 604(h).

(2) The federal Assets for Independence Act, Pub. L. No. 105-285, Tit. IV.

9. *"Operating organization"* means an agency selected by the administrator for involvement in operating individual development accounts directed to a specific target population.

10. *"Source of principal"* means any of the sources of a deposit to an individual development account under section 541A.2, subsection 2.

93 Acts, ch 97, §16; 94 Acts, ch 1114, §23; 2002 Acts, ch 1175, §38; 2006 Acts, ch 1016, §2, 8; 2008 Acts, ch 1178, §9, 10, 17; 2010 Acts, ch 1061, §180

**541A.2 Individual development accounts.**

A financial instrument known as an individual development account is established. An individual development account shall have all of the following characteristics:

1. *a.* To be eligible to open an account, a prospective account holder must have a household income that is equal to or less than two hundred percent of the federal poverty level.

*b.* The account shall be kept in the name of an individual account holder.

2. Deposits made to an individual development account shall be made in any of the following manners and are subject to the indicated conditions:

*a.* Deposits made by the account holder.

*b.* Deposits of individual development account moneys which are transferred from another individual account holder.

*c.* A deposit made on behalf of the account holder by an individual or a charitable contributor. This type of deposit may include but is not limited to moneys to match the account holder's deposits.

3. The account earns income.

4. During a calendar year, with the approval of the operating organization, an account holder may make withdrawals from the account holder's account for any of the following authorized purposes:

*a.* Educational costs at an accredited institution of higher education.

*b.* Training costs for an accredited or licensed training program.

*c.* Purchase of a primary residence.

*d.* Capitalization of a small business start-up.

*e.* An improvement to a primary residence which increases the tax basis of the property.

*f.* Emergency medical costs for the account holder or for a member of the account holder's family. However, a withdrawal for this purpose is limited to once during the life of the account and the amount of the withdrawal shall not exceed ten percent of the account balance at the time of the withdrawal.

*g.* A purpose authorized in accordance with rule for a refugee individual development account.

*h.* Purchase of an automobile.

*i.* Purchase of assistive technology, home or vehicle modification, or other device or physical improvement to assist an account holder or family member with a disability.

*j.* Other purpose authorized in accordance with rule that is intended to move the account holder or a family member toward a higher degree of self-sufficiency.

5. An adult account holder may transfer all or part of the assets in the account to any other account holder's account. An account holder who is less than eighteen years of age is prohibited from transferring account assets to any other account holder.

6. An individual development account closed in accordance with this subsection is not subject to the limitations and benefits provided by this chapter but is subject to state tax in accordance with the provisions of section 422.7, subsection 28, and section 450.4, subsection 6. An individual development account may be closed for any of the following reasons:

*a.* The account's operating organization determines that the account holder has withdrawn moneys from the account for a purpose other than authorized under subsection 4.

*b.* The account's operating organization determines there has been no activity in the account during the preceding twelve months.

*c.* The account holder changes the account holder's place of primary residence to a new location outside the general geographic area served by the operating organization and an operating organization is not available in the new location.

*d.* The account's operating organization withdraws from involvement with the individual development account project and another operating organization is not available to operate the account.

7. Subject to obtaining any necessary federal waivers, the department of human services shall not consider moneys in an individual development account and any earnings on the moneys in determining the eligibility or need of an individual for benefits or assistance or the amount of benefits or assistance under the family investment program under chapter 239B, the promoting independence and self-sufficiency through employment job opportunities and basic skills program, or any other program administered by the department of human services.

8. In the event of an account holder's death, the account may be transferred to the ownership of a contingent beneficiary or to the individual development account of another account holder. An account holder shall name contingent beneficiaries or transferees at the time the account is established and a named beneficiary or transferee may be changed at the discretion of the account holder.

9. The total amount of sources of principal which may be in an individual development account shall be limited to thirty thousand dollars.

93 Acts, ch 97, §17; 96 Acts, ch 1106, §9, 10; 97 Acts, ch 41, §32; 2006 Acts, ch 1016, §3, 4, 8; 2008 Acts, ch 1178, §11, 12, 17; 2009 Acts, ch 70, §1, 2, 5

Referred to in §541A.1

2009 amendments to subsections 1 and 4 and strike of former subsection 5 take effect April 17, 2009, and apply retroactively to July 1, 2008; 2009 Acts, ch 70, §5

**541A.3 Individual development accounts — state savings match and tax provisions.**

All of the following state savings match and tax provisions shall apply to an individual development account:

1. *a.* Payment by the state of a state savings match on amounts of up to two thousand dollars that an account holder deposits in the account holder's account.

*b.* Moneys transferred to an individual development account from another individual development account and a state savings match received by the account holder in accordance

with this section shall not be considered an account holder deposit for purposes of determining a state savings match.

*c.* Payment of a state savings match either shall be made directly to the account holder or to an operating organization's central reserve account for later distribution to the account holder in the most appropriate manner as determined by the administrator.

*d.* Subject to the limitation in paragraph "*a*", the state savings match shall be equal to one hundred percent of the amount deposited by the account holder. However, the administrator may limit, reduce, delay, or otherwise revise state savings match payment provisions as necessary to restrict the payments to the funding available.

2. Income earned by an individual development account is not subject to state tax, in accordance with the provisions of section 422.7, subsection 28.

3. Amounts transferred between individual development accounts are not subject to state tax.

4. The administrator shall coordinate the filing of claims for a state savings match authorized under subsection 1, between account holders and operating organizations. Claims approved by the administrator may be paid to each account holder, for an aggregate amount for distribution to the holders of the accounts in a particular financial institution, or to an operating organization's central reserve account for later distribution to the account holders depending on the efficiency for issuing the state savings match payments. Claims shall be initially filed with the administrator on or before a date established by the administrator. Claims approved by the administrator shall be paid from the individual development account state savings match fund.

93 Acts, ch 97, §18; 96 Acts, ch 1106, §11; 98 Acts, ch 1218, §78, 84; 2002 Acts, ch 1175, §39, 40; 2003 Acts, ch 145, §286; 2006 Acts, ch 1016, §5, 6, 8; 2006 Acts, ch 1185, §123; 2008 Acts, ch 1178, §13, 17; 2009 Acts, ch 70, §3, 5; 2009 Acts, ch 133, §170

Referred to in §422.7, 541A.5, 541A.7

2009 amendment to subsection 1, paragraph a, by 2009 Acts, ch 70, §3, takes effect April 17, 2009, and applies retroactively to July 1, 2008; 2009 Acts, ch 70, §5

Individual disaster grants for unmet needs to provide the state match to certain account holders affected by natural disaster; 2009 Acts, ch 169, §4 – 6; 2009 Acts, ch 179, §175, 176, 179; 2011 Acts, ch 127, §53, 89; 2012 Acts, ch 1020, §23

**541A.4 Individual development account — pilot phase.** Repealed by 2006 Acts, ch 1016, § 7, 8.

**541A.5 Rules.**

1. The commission on community action agencies created in section 216A.92A, in consultation with the department of administrative services, shall adopt administrative rules to administer this chapter.

2. *a.* The rules adopted by the commission shall include but are not limited to provision for transfer of an individual development account to a different financial institution than originally approved by the administrator, if the different financial institution has an agreement with the account's operating organization.

*b.* The rules for determining household income may provide categorical eligibility for prospective account holders who are enrolled in programs with income eligibility restrictions that are equal to or less than the maximum household income allowed for payment of a state match under section 541A.3.

*c.* Subject to the availability of funding, the commission may adopt rules implementing an individual development account program for refugees. Rules shall identify purposes authorized for withdrawals to meet the special needs of refugee families.

3. The administrator shall utilize a request for proposals process for selection of operating organizations and approval of financial institutions.

94 Acts, ch 1114, §25; 96 Acts, ch 1106, §14; 2003 Acts, ch 145, §286; 2008 Acts, ch 1178, §14, 17; 2009 Acts, ch 70, §4, 5

2009 amendment to subsection 2, paragraph c, takes effect April 17, 2009, and applies retroactively to July 1, 2008; 2009 Acts, ch 70, §5

**541A.6 Compliance with federal requirements.**

The commission on community action agencies shall adopt rules for compliance with federal individual development account requirements under the federal Personal

Responsibility and Work Opportunity Reconciliation Act of 1996, § 103, as codified in 42 U.S.C. § 604(h), under the federal Assets for Independence Act, Pub. L. No. 105-285, Tit. IV, or with any other federal individual development account program requirements for drawing federal funding. Any rules adopted under this section shall not apply the federal individual development account program requirements to an operating organization which does not utilize federal funding for the accounts with which it is connected or to an account holder who does not receive temporary assistance for needy families block grant or other federal funding.

99 Acts, ch 100, §4; 2008 Acts, ch 1178, §15, 17; 2010 Acts, ch 1061, §180

**541A.7 Individual development account state match fund.**

1. An individual development account state match fund is created in the state treasury under the authority of the administrator. Notwithstanding section 8.33, moneys appropriated to the fund shall not revert to any other fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2. Moneys available in the fund for a fiscal year are appropriated to the administrator to be used to provide the state match for account holder deposits in accordance with section 541A.3. At least eighty-five percent of the amount appropriated shall be used for state match payments and the remainder may be used for the administrative costs of the operating organization. Administrative costs include but are not limited to accounting services, curriculum costs for financial education or asset-specific training, and costs for technical assistance contractors.

2008 Acts, ch 1178, §16, 17

# SUBTITLE 4

## PROFESSIONAL REGULATION, COMMERCE-RELATED

Referred to in §524.802

# CHAPTER 542

## PUBLIC ACCOUNTANTS

Referred to in §15E.208, 99D.20, 99F.13, 203.16, 203C.24, 272C.1, 272C.6, 272C.9, 546.10, 669.14, 714E.1, 714H.4


542.1 Title.
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542.16 Single act evidence of practice.
542.17 Confidential communications.
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542.19 Substantial equivalency.
542.20 Practice privilege.


**542.1 Title.**

This chapter shall be known and may be cited as the *"Iowa Accountancy Act of 2001"*.

2001 Acts, ch 55, §1, 38

**542.2 Legislative intent.**

It is the policy of this state, and the purpose of this chapter, to promote the reliability of information that is used for guidance in financial transactions or for accounting for or assessing the financial status or performance of commercial, noncommercial, and governmental enterprises. The reliance of the public in general and of the business community in particular on sound financial reporting imposes on persons engaged in such practice certain obligations both to their clients and to the public. These obligations, which this chapter is intended to enforce, include the obligation to maintain independence in thought and action, to strive continuously to improve one's professional skills, to observe where applicable generally accepted accounting principles and generally accepted auditing standards, to promote sound and informative financial reporting, to hold the affairs of clients in confidence, and to maintain high standards of personal conduct in all matters affecting one's fitness to practice public accountancy. The public interest requires that persons professing special competence in accountancy or offering assurance as to the reliability or fairness of presentation of such information shall have demonstrated their qualifications to do so, and that persons who have not demonstrated and maintained such qualifications not be permitted to represent themselves as having such special competence or to offer such assurance; that the conduct of persons licensed as having special competence in accountancy be regulated in all aspects of their professional work; that a public authority competent to prescribe and assess the qualifications and to regulate the conduct of licensees be established; and that the use of titles that have a capacity or tendency to deceive the public as to the status or competence of the persons using such titles be prohibited.

2001 Acts, ch 55, §2, 38

**542.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *a.* *"Attest"* or *"attest service"* means providing any of the following services:

(1) An audit or other engagement to be performed in accordance with the statements on auditing standards.

(2) A review of a financial statement to be performed in accordance with the statements on standards for accounting and review services.

(3) Any engagement to be performed in accordance with the statements on standards for attestation engagements.

(4) Any engagement to be performed in accordance with the standards of the public company accounting oversight board.

*b.* The standards specified in this subsection are those standards adopted by the board, by rule, by reference to the standards developed for general application by the American institute of certified public accountants, the public company accounting oversight board, or other recognized national accountancy organization.

2. *"Board"* means the Iowa accountancy examining board established under section 542.4 or its predecessor under prior law.

3. *"Certificate"* means a certificate as a certified public accountant issued under section 542.6 or 542.19, or a certificate issued under corresponding prior law.

4. *"Certified public accountant"* means a person licensed by the board who holds a certificate issued under this chapter or corresponding prior law.

5. *"Certified public accounting firm"* means a sole proprietorship, a corporation, a partnership, a limited liability company, or any other form of organization issued a permit to practice as a firm of certified public accountants under section 542.7.

6. *"Client"* means a person or entity that agrees with a licensee or licensee's employer to receive a professional service.

7. *"Commission"* means a brokerage or other participation fee. *"Commission"* does not include a contingent fee.

8. *"Compilation"* means a service performed in accordance with statements on standards for accounting and review services and presented in the form of financial statements, which provides information that is the representation of management without undertaking to express any assurance on the statements.

9. *"Contingent fee"* means a fee established for the performance of a service pursuant to an arrangement under which a fee will not be charged unless a specified finding or result is attained, or under which the amount of the fee is otherwise dependent upon the finding or result of such service. *"Contingent fee"* does not mean a fee fixed by a court or other public authority, or a fee related to any tax matter which is based upon the results of a judicial proceeding or the findings of a governmental agency.

10. *"Home office"* is the location specified by the client as the address to which an attest or compilation service is directed, which may be a subunit or subsidiary or an entity or the principal office of an entity, as the board may further define by rule.

11. *"License"* means a certificate issued under section 542.6 or 542.19, a permit issued under section 542.7, or a license issued under section 542.8; or a certificate, permit, or license issued under corresponding prior law.

12. *a.* *"Licensed public accountant"* means a person licensed by the board who does not hold a certificate as a certified public accountant under this chapter, and who offers to perform or performs for the public any of the following services:

(1) Records financial transactions in books of record.

(2) Makes adjustments of financial transactions in books of record.

(3) Makes trial balances from books of record.

(4) Prepares internal verification and analysis of books or accounts of original entry.

(5) Prepares financial statements, schedules, or reports.

(6) Devises and installs systems or methods of bookkeeping, internal controls of financial data, or the recording of financial data.

(7) Prepares compilations.

*b.* Nothing contained in this definition or elsewhere in this chapter shall be construed

to permit a licensed public accountant to give an opinion attesting to the reliability of any representation embracing financial information.

13. *"Licensed public accounting firm"* means a sole proprietorship, a corporation, a partnership, a limited liability company, or any other form of organization issued a permit to practice as a firm of licensed public accountants under section 542.8.

14. *"Licensee"* means the holder of a license.

15. *"Manager"* means a manager of a limited liability company.

16. *"Member"* means a member of a limited liability company.

17. *"NASBA"* means the national association of state boards of accountancy.

18. *"Office"* means any Iowa workplace identified or advertised to the general public as a location where public accounting services are performed.

19. *"Peer review"* means a study, appraisal, or review of one or more aspects of the professional work of a licensee or firm that performs attest or compilation services, by a licensed person or persons who are not affiliated with the licensee or firm being reviewed. *"Peer review"* does not include a peer review conducted pursuant to chapter 272C in connection with a disciplinary investigation.

20. *"Peer review records"* means a file, report, or other information relating to the professional competence of an applicant in the possession of a peer review team, or information concerning the peer review developed by a peer review team in the possession of an applicant.

21. *"Peer review team"* means a person or organization participating in the peer review function, but does not include the board.

22. *"Permit"* means a permit to practice as either a certified public accounting firm issued under section 542.7 or licensed public accounting firm under section 542.8 or under corresponding provisions of prior law.

23. *"Practice of public accounting"* means the performance or the offering to perform, by a person holding oneself out to the public as a certified public accountant or a licensed public accountant, one or more kinds of professional services involving the use of accounting, attest, or auditing skills, including the issuance of reports on financial statements, or of one or more kinds of management advisory, financial advisory, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters. However, with respect to licensed public accountants, the *"practice of public accounting"* shall not include attest or auditing services or the rendering of an opinion attesting to the reliability of any representation embracing financial information.

24. *"Practice privilege"* means an authorization to practice public accounting in Iowa or for clients with a home office in Iowa without licensure under this chapter, as provided in section 542.20.

25. *"Principal place of business"* means the primary location from which public accounting services are performed, as the board may further define by rule. A person or firm may only have one principal place of business at any one time.

26. *"Report"*, when used with reference to financial statements, means a report, opinion, or other form of a writing that states or implies assurance as to the reliability of any financial statements and that includes or is accompanied by a statement or implication that the person or firm issuing the report has special knowledge or competence in accounting or auditing. Such statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor, or from the language of the report itself. *"Report"* includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply a positive assurance as to the reliability of the financial statements referred to or special knowledge or competence on the part of the person or firm issuing the language, and any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence.

27. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or Guam.

28. *"Substantial equivalency"* is a determination by the board that the education, examination, and experience requirements contained in the statutes and administrative

rules of another jurisdiction are comparable to, or exceed, the education, examination, and experience requirements contained in this chapter or that an individual licensee's education, examination, and experience qualifications are comparable to or exceed the education, examination, and experience requirements contained in this chapter.

2001 Acts, ch 55, §3, 38; 2008 Acts, ch 1106, §1 – 4, 15; 2011 Acts, ch 127, §50, 89
Referred to in §542.8, 542.20

**542.4 Iowa accountancy examining board.**

1. An Iowa accountancy examining board is created within the professional licensing and regulation bureau of the banking division of the department of commerce to administer and enforce this chapter.

*a.* The board shall consist of eight members, appointed by the governor and subject to senate confirmation, all of whom shall be residents of this state. Five of the eight members shall be holders of certificates issued under section 542.6, one member shall be the holder of a license issued under section 542.8, and two shall not be certified public accountants or licensed public accountants and shall represent the general public. At least three of the holders of certificates issued under section 542.6 shall also be qualified to supervise attest services as provided in section 542.7.

*b.* A certified or licensed member of the board shall be actively engaged in practice as a certified public accountant or as a licensed public accountant and shall have been so engaged for five years preceding appointment, the last two of which shall have been in this state.

*c.* Professional associations or societies composed of certified public accountants or licensed public accountants may recommend the names of potential board members to the governor. However, the governor is not bound by the recommendations. A board member is not required to be a member of any professional association or society composed of certified public accountants or licensed public accountants.

*d.* The term of each member of the board shall be three years, as designated by the governor, and appointments to the board are subject to the requirements of sections 69.16, 69.16A, and 69.19. Vacancies occurring during a term shall be filled by appointment by the governor for the unexpired term. Upon the expiration of the member's term of office, a member shall continue to serve until a successor shall have been appointed and taken office.

*e.* The public members of the board shall be allowed to participate in administrative, clerical, or ministerial functions incident to giving the examinations, but shall not determine the content or determine the correctness of the answers. The licensed public accountant member shall not determine the content of the certified public accountant examination or determine the correctness of the answers.

*f.* Any member of the board whose certificate under section 542.6 or license under section 542.8 is revoked or suspended shall automatically cease to be a member of the board, and the governor may, after a hearing, remove any member of the board for neglect of duty or other just cause.

*g.* A person who has served three successive complete terms shall not be eligible for reappointment, but appointment to fill an unexpired term shall not be considered a complete term for this purpose.

2. The board shall elect annually from among its members a chairperson and such other officers as the board may determine to be appropriate. The board shall meet at such times and places as may be fixed by the board. A majority of the board members in office shall constitute a quorum at any meeting. The board shall maintain a registry of the names and addresses of all licensees and permittees under this chapter.

3. Members of the board are entitled to receive a per diem as specified in section 7E.6 for each day spent on performance of duties as members and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

4. All moneys collected by the board from fees authorized to be charged by this chapter shall be received and accounted for by the board and shall be paid monthly to the treasurer of state for deposit in the general fund of the state. Expenses of administering this chapter shall be paid from appropriations made by the general assembly, which expenses may include but shall not be limited to the costs of conducting investigations and of taking

testimony and procuring the attendance of witnesses before the board or its committees; all legal proceedings taken under this chapter for the enforcement of this chapter; and educational programs for the benefit of the public and licensees and their employees.

5. *a.* The board shall maintain the confidentiality of information relating to the following:

(1) The contents of the examination.

(2) The examination results other than final score except for information about the results of the examination given to the person examined.

*b.* A member of the board who willfully communicates or seeks to communicate such information in a manner which violates confidentiality requirements, and any person who willfully requests, obtains, or seeks to obtain such information, is guilty of a simple misdemeanor.

6. The administrator of the professional licensing and regulation bureau of the banking division of the department of commerce shall provide staffing assistance to the board for implementing this chapter.

7. The board may join professional organizations and associations to promote the improvement of the standards of the practice of accountancy and for the protection and welfare of the public. The board may provide social security numbers of licensees to NASBA, provided that the numbers are solely used by NASBA for inclusion in a national database of licensees, the numbers are submitted in an encrypted format or through such alternative means as will assure the confidentiality of the numbers, and NASBA maintains the confidentiality of the numbers and agrees not to disseminate the numbers to any other person or entity.

8. The board shall have the power to take all action that is necessary and proper to effectuate the purposes of this chapter, including the power to sue and be sued in its official name as an agency of this state. The board shall also have the power to issue subpoenas to compel the attendance of witnesses and the production of documents; to administer oaths; to take testimony; to cooperate with the appropriate authorities in other states in investigation and enforcement concerning violations of this chapter and comparable statutes of other states; and to receive evidence concerning all matters within the scope of this chapter. In case of disobedience of a subpoena, the board may invoke the aid of any district court in requiring the attendance and testimony of witnesses and the production of documentary evidence.

9. The board shall adopt rules pursuant to chapter 17A governing the administration and enforcement of this chapter and the conduct of licensees and permittees. Rules adopted shall include but not be limited to the following:

*a.* Rules governing the board's meetings and the conduct of its business.

*b.* Rules of procedure governing the conduct of investigations and hearings by the board.

*c.* Rules specifying the educational and experience qualifications required for the issuance of a certificate under section 542.6 and the continuing professional education required for renewal of a certificate under section 542.6.

*d.* Rules specifying the educational and experience qualifications required for the issuance of a license under section 542.8 and the continuing professional education required for renewal of a license under section 542.8.

*e.* Rules of professional conduct directed to control the quality and probity of services provided by a licensee, and, among other areas, pertaining to a licensee's independence, integrity, and objectivity; competence and technical standards; responsibilities to the public; and responsibilities to a client.

*f.* Rules relating to the propriety of opinions on financial statements by a certified public accountant who is not independent.

*g.* Rules relating to actions discreditable to the practice as a certified public accountant or licensed public accountant.

*h.* Rules relating to professional confidences between a certified public accountant or licensed public accountant and a client.

*i.* Rules governing technical competence and the expression of opinions on financial statements.

*j.* Rules governing the failure to disclose a material fact known to the certified public accountant or licensed public accountant.

*k.* Rules relating to a material misstatement known to the certified public accountant or licensed public accountant.

*l.* Rules governing negligent conduct in an examination or in making a report on an examination.

*m.* Rules governing failure to direct attention to any material departure from generally accepted accounting principles.

*n.* Rules governing the professional standards applicable to a licensee.

*o.* Rules governing the manner and circumstances of use of the titles "certified public accountant" and "CPA".

*p.* Rules governing the manner and circumstances of use of the titles "accounting practitioner" and "AP", and "licensed public accountant" and "LPA".

*q.* Rules regarding peer review that may be required to be performed under this chapter.

*r.* Rules on substantial equivalency under section 542.19.

*s.* Rules on practice privilege under section 542.20.

*t.* Such other rules as the board deems necessary or appropriate for administering this chapter, including but not limited to rules establishing fees and rules of professional conduct, pertaining to corporations or limited liability companies practicing accounting, which the board deems consistent with or required by the public welfare. The board may adopt rules governing the style, name, and title of corporations and limited liability companies and governing the affiliation of corporations and limited liability companies with other organizations.

2001 Acts, ch 55, §4, 38; 2002 Acts, ch 1050, §58; 2006 Acts, ch 1177, §35; 2008 Acts, ch 1031, §59; 2008 Acts, ch 1059, §2; 2008 Acts, ch 1106, §5, 6, 15

Referred to in §542.3

Confirmation, see §2.32

**542.5 Qualifications for a certificate as a certified public accountant.**

1. A certificate as a certified public accountant may be granted to a person of good moral character who makes application pursuant to section 542.6 and who satisfies the education, experience, and examination requirements of this section and rules adopted pursuant to this section.

2. An applicant for a certificate who has been convicted of forgery, embezzlement, obtaining money under false pretenses, theft, extortion, conspiracy to defraud, or other similar offense, or of any crime involving moral character or honesty, in a court of competent jurisdiction in this state, or another state, territory, or a district of the United States, or in a foreign jurisdiction, may be denied a certificate by the board on the grounds of the conviction. For purposes of this subsection, "*conviction*" means a conviction for an indictable offense and includes a guilty plea, deferred judgment from the time of entry of the deferred judgment until the time the defendant is discharged by the court without entry of judgment, or other finding of guilt by a court of competent jurisdiction.

3. An applicant for a certificate who has had a professional license of any kind revoked in this or any other jurisdiction may be denied a certificate by the board on the grounds of the revocation.

4. A person who makes a false statement of material fact on an application for a certificate, or who causes to be submitted, or has been a party to preparing or submitting a false application for a certificate, may be denied a certificate by the board on the grounds of the false statement or submission. A certificate holder found to have made such a false statement or who has caused to be submitted, or was a party to preparing or submitting any false application for a certificate, may have the holder's certificate suspended or revoked by the board on the grounds of the false statement or submission.

5. A certified public accountant shall notify the board of such accountant's conviction of an offense included in subsection 2, within thirty days of such conviction. Failure of the certified public accountant to notify the board of the conviction within thirty days of the date of the conviction is sufficient grounds for revocation of the certificate.

6. The board, when considering the denial or revocation of a certificate pursuant to subsections 2 through 5, shall consider the nature of the offense; any aggravating or extenuating circumstances which are documented; the time lapsed since the revocation, conduct, or conviction; the rehabilitation, treatment, or restitution performed by the applicant or certificate holder; and any other factors the board deems relevant. Character references may be required, but shall not be obtained from certified public accountants. An applicant shall not be denied a certificate because of age, citizenship, race, religion, marital status, or national origin, although the application may require citizenship information.

7. An applicant shall complete at least one hundred fifty semester hours, or the trimester or quarter equivalent of one hundred fifty semester hours, of college education, and receive a baccalaureate or higher degree conferred by a college or university recognized by the board, the total educational program to include a concentration in accounting or what the board determines to be substantially equivalent.

8. An applicant must pass an examination which shall be offered at least twice per year and which shall test the applicant's knowledge of the subjects of accounting and auditing, and such other related subjects as the board may specify by rule, including but not limited to business law and taxation. The examination shall be held at a time determined by the board and may be changed from time to time. The board shall prescribe by rule the methods of applying for and conducting the examination, including methods for grading and determining a passing grade required of an applicant for a certificate. However, the board, to the extent possible, shall ensure the examination, grading of the examination, and the passing grades are uniform with those applicable in all other states. The board may make such use of all or any part of a nationally recognized uniform certified public accountant examination and advisory grading service, and may contract with third parties to perform such administrative services with respect to the examination as it deems appropriate to perform the duties of the board with respect to examination.

9. The board may admit to the examination a candidate who will complete the educational requirements for a baccalaureate degree with a concentration in accounting or what the board determines by rule to be substantially equivalent to a concentration in accounting within one hundred twenty days immediately following the date of the examination or who has completed those requirements. However, the board shall not report the results of the examination until the candidate has met the educational requirements for a baccalaureate degree and shall not issue the certificate until the candidate has fully satisfied the requirements of subsection 7.

10. Applicants who fail the examination once shall be allowed to take the examination again at a time determined by the board. Applicants who fail the examination twice shall be allowed to take the examination again at the discretion of the board. The board may by rule prescribe the terms and conditions under which a candidate who passes two or more subjects of the examination conducted in this state or by the licensing authority of another state may be reexamined in only the failed subjects and receive credit for the passed subjects. An applicant who has failed the examination may request in writing information from the board concerning the applicant's examination grade and subject areas or questions which the applicant failed to answer correctly, except that if the board administers a uniform, standardized examination, the board shall only be required to provide the examination grade and such other information concerning the applicant's examination results which are available to the board.

11. The board, by rule, may establish an examination fee to be charged each applicant by the board or by a third party administering the examination.

12. An applicant for initial issuance of a certificate must have no less than one year of experience. The experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, as verified by a licensee, meeting requirements prescribed by the board by rule. The experience is acceptable if it was gained through employment in government, industry, academia, or public practice.

13. A person holding a certificate as a certified public accountant issued by the state prior to July 1, 2002, is deemed to have met the requirements of this section.

2001 Acts, ch 55, §5, 38; 2008 Acts, ch 1031, §60

Referred to in §542.6, 542.7, 542.8, 542.10, 542.19

**542.6 Issuance and renewal of certificates — maintenance of competency.**

1. *a.* The board shall issue a certificate to a person who makes application on a form prescribed and furnished by the board and who demonstrates either of the following:

(1) That the person's qualifications, including where applicable the qualifications prescribed by section 542.5, satisfy the requirements of this section, or that the person holds a certificate issued under prior law.

(2) That the person holds in good standing a certificate or license to practice as a certified public accountant in another state or equivalent designation from a foreign country, and is eligible under the substantial equivalency or other provisions of section 542.19.

*b.* The holder of a certificate issued under this section shall only provide attest services in a certified public accounting firm that is issued a permit under section 542.7.

2. A certificate shall be initially issued, and renewed, for a period of not more than three years, but in any event shall expire on a date specified by rule. A person who fails to renew a certificate as a certified public accountant by the expiration date shall be allowed to do so within thirty days following its expiration, but the board may assess a reasonable penalty. The board shall specify by rule the conditions under which a lapsed certificate may be reinstated, including the imposition of administrative penalties.

3. A certificate holder, for renewal of a certificate under this section, shall participate in a program of learning designed to maintain professional competency. Such program of learning must comply with rules adopted by the board. The board, by rule, may grant an exception to this requirement for a certificate holder who does not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or the use of one or more kinds of management advisory, financial advisory, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters. A certificate holder entitled to an exception by rule of the board shall place the word "inactive" adjacent to the holder's certified public accountant title on any business card, letterhead, or other document or device, with the exception of the certificate holder's certified public accountant certificate, on which the certificate holder's certified public accountant title appears.

4. The board shall charge an application fee for initial issuance or renewal of a certificate in an amount prescribed by the board by rule.

5. An applicant for initial issuance or renewal of a certificate shall list in the application all states in which the applicant has applied for or holds a certificate, license, or permit and list any past denial, revocation, or suspension of a certificate, license, or permit. A holder of or applicant for a certificate under this section shall notify the board in writing, within thirty days after its occurrence, of any issuance, denial, revocation, or suspension of a certificate, license, or permit by another state.

6. The board, by rule, shall require as a condition for renewal of a certificate under this section, by any certificate holder who performs compilation services for the public other than through a certified public accounting firm or licensed public accounting firm, that such individual undergo, no more frequently than once every three years, a peer review conducted in such manner as the board shall by rule specify, and such review shall include verification that such individual has met the competency requirements set out in professional standards for such services. The provisions of section 542.7, subsections 10, 11, and 12, shall apply to the peer review required in this subsection.

2001 Acts, ch 55, §6, 38; 2008 Acts, ch 1106, §7, 15

Referred to in §542.3, 542.4, 542.5, 542.7, 542.8, 542.9, 542.13, 542.19, 542.20

**542.7 Firm permits to practice — attest experience and peer review.**

1. The board shall issue or renew a permit to practice to a certified public accounting firm that makes application and demonstrates the qualifications set forth in this section. A person

or firm holding a permit to practice issued by this state prior to July 1, 2002, is deemed to have met the requirements of this section.

*a.* A firm must hold a permit issued under this section if the firm performs attest services in this state or for clients having a home office in this state or has an office in this state and uses the title "CPAs", "CPA firm", "certified public accountants", or "certified public accounting firm".

*b.* A firm which is not subject to paragraph "*a*" may practice public accounting in this state without a permit issued under this section in conformance with section 542.20.

*c.* A firm that holds a permit issued under this chapter shall designate to the board the licensee or person with a practice privilege under section 542.20 who is responsible for the proper licensure of the firm and the firm's compliance with all applicable laws and rules of this state. If such firm has one or more offices in this state, the firm shall designate to the board one or more persons who are licensed under this chapter who are responsible for the proper registration of each Iowa office of the firm and each office's compliance with all applicable laws and rules of this state.

2. A permit shall be initially issued and renewed for a period of not more than three years, but in any event shall expire on a date specified by rule. An application for a permit shall be made in such form, and in the case of an application for renewal, between such dates as the board may by rule specify.

3. *a.* An applicant for initial issuance or renewal of a permit to practice as a firm shall show that notwithstanding any other provision of law, a simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, and managers, belongs to holders of a certificate issued by a state, and that such partners, officers, shareholders, members, and managers, who perform professional services in this state or for clients in this state, hold a certificate issued under section 542.6 or 542.19, or by another state if the holder has a practice privilege under section 542.20.

*b.* A certified public accounting firm may include a nonlicensee owner, which for purposes of this section means an owner that does not hold a valid certificate to practice public accounting in any state, provided all of the following occur:

(1) All nonlicensee owners are active participants in the firm or an affiliated entity.

(2) All nonlicensee owners comply with all applicable rules of professional conduct adopted by the board.

(3) Such firm complies with other requirements as established by the board by rule.

*c.* A licensee or person with a practice privilege under section 542.20 who is responsible for supervising attest or compilation services and signs or authorizes someone to sign the accountant's report on the financial statements on behalf of the firm shall meet the experience or competency requirements set out in nationally recognized professional standards for such services.

*d.* A licensee or person with a practice privilege under section 542.20 who signs or authorizes someone to sign the accountant's report on the financial statements on behalf of the firm shall meet the experience or competency requirements established in paragraph "*c*".

*e.* The board may deny the issuance or renewal of or revoke a permit, or otherwise discipline the holder of a permit issued under this section, if a nonlicensee owner's professional license has been revoked in any jurisdiction or a nonlicensee owner has been convicted of a crime described in section 542.5, subsection 2, if the board determines that such revocation or conviction is detrimental to the public interest and would be a ground for discipline if applicable to a licensee under this chapter.

4. An applicant for initial issuance or renewal of a permit to practice as a certified public accounting firm is required to register each office of the firm within this state with the board and to show that all attest and compilation services rendered in this state are under the charge of a person holding a valid certificate issued under section 542.6 or 542.19, or by another state if the holder has a practice privilege under section 542.20.

5. The board, by rule, shall establish and charge an application fee for each application for initial issuance or renewal of a permit.

6. An applicant for initial issuance or renewal of a permit shall list in the application all states in which the applicant has applied for or holds a permit as a certified public

accounting firm and list any past denial, revocation, or suspension of a permit by another state. A holder of or applicant for a permit shall notify the board in writing within thirty days after an occurrence of any of the following:

*a.* A change in the identity of a partner, officer, shareholder, member, or manager who performs professional services in this state or for clients in this state.

*b.* A change in the number or location of offices within this state.

*c.* A change in the identity of a person in charge of such offices.

*d.* The issuance, denial, revocation, or suspension of a permit by another state.

7. A firm, after receiving or renewing a permit which is not in compliance with this section as a result of a change in firm ownership or personnel, shall take corrective action to bring the firm back into compliance as quickly as possible or apply to modify or amend the permit. The board may grant a reasonable period of time for a firm to take such corrective action. Failure to comply within a reasonable period as deemed by the board shall result in the suspension or revocation of the firm's permit.

8. *a.* The board, by rule, shall require as a condition of renewal of a permit to practice as a certified public accounting firm, that an applicant undergo, no more frequently than once every three years, a peer review conducted in such manner as the board specifies. The review shall include a verification that any individual in the firm who is responsible for supervising attest and compilation services and who signs or authorizes someone to sign the accountant's report on a financial statement on behalf of the firm meets the competency requirements set forth in the professional standards for such services.

*b.* Such rules shall include reasonable provision for compliance by an applicant showing that the applicant, within the preceding three years, has undergone a peer review that is a satisfactory equivalent to the peer review required under this subsection. An applicant's completion of a peer review program endorsed or supported by the American institute of certified public accountants, or other substantially similar review as determined by the board, satisfies the requirements of this subsection.

9. An applicant for a permit to practice as a certified public accounting firm, at the time of renewal, may request in writing upon forms provided by the board, a waiver from the requirements of subsection 8. The board may grant a waiver upon a showing satisfactory to the board of any of the following:

*a.* The applicant does not engage in, and does not intend to engage in during the following year, financial reporting areas of practice, including but not limited to financial audits, compilations, and reviews. An applicant granted a waiver pursuant to this paragraph shall immediately notify the board if the applicant engages in such practice, and shall be subject to peer review.

*b.* Reasons of health.

*c.* Military service.

*d.* Instances of hardship.

*e.* Other good cause as determined by the board.

10. Peer review records are privileged and confidential, and are not subject to discovery, subpoena, or other means of legal compulsion. Peer review records are not admissible in evidence in a judicial, administrative, or arbitration proceeding. Unless the subject of a peer review timely objects in writing to the administering entity of the peer review program, the administering entity shall make available to the board within thirty days of the issuance of the peer review acceptance letter the final peer review report or such peer review records as are designated by the peer review program in which the administering entity participates. The subject of a peer review may voluntarily submit the final peer review report directly to the board. Information or documents discoverable from sources other than a peer review team do not become nondiscoverable from such other sources because they are made available to or are in the possession of a peer review team. Information or documents publicly available from the American institute of certified public accountants relating to quality or peer review are not privileged or confidential under this subsection. A person or organization participating in the peer review process shall not testify as to the findings, recommendations, evaluations, or opinions of a peer review team in a judicial, administrative, or arbitration proceeding.

11. A person is not liable as a result of an act, omission, or decision made in connection

with the person's service on a peer review team, unless the act, omission, or decision is made with actual malice. A person is not liable as a result of providing information to a peer review team, or for disclosure of privileged matters to a peer review team.

12. The costs of the peer review shall be paid by the applicant.

2001 Acts, ch 55, §7, 38; 2002 Acts, ch 1119, §112; 2003 Acts, ch 108, §100; 2008 Acts, ch 1106, §8, 15

Referred to in §542.3, 542.4, 542.6, 542.9, 542.13, 542.20

**542.8 Qualifications for and issuance of a license as a licensed public accountant — renewal of license — firm registration — peer review.**

1. The license of a licensed public accountant shall be granted by the board to any person who meets one of the following requirements:

*a.* The applicant holds a license as an accounting practitioner issued under the laws of this state in full force and effect on July 1, 2002, and has completed additional educational requirements as prescribed by the board.

*b.* The applicant has satisfactorily completed the examination prescribed in subsection 2 after having met one of the following:

(1) The applicant has had two or more years' actual experience in practice as an accountant as an employee of a certified public accountant, an accounting practitioner, or a licensed public accountant.

(2) The applicant submits evidence satisfactory to the board that the applicant is a graduate of a four-year college or university accredited by the north central accreditation association or other regional accreditation association having equivalent standards, with a major in accounting, or that the applicant is a graduate in accountancy from a business or correspondence school accredited by the accrediting commission for business schools or the accrediting commission of the national home study council.

(3) The applicant submits evidence of at least five years of continuous experience engaged in performing any of the services delineated in section 542.3, subsection 12, on a full-time basis.

2. An examination shall be conducted by the board as often as deemed necessary, but not less than two times per year.

3. The examination shall be designed and given in a manner as to fairly test the applicant's knowledge of accounting. The examination shall not include questions relating to the subject of auditing.

4. The board, in its discretion, may use all or any part of a standard or uniform examination and advisory grading service that is provided or furnished by a national accounting organization or society to assist the board in the performance of its duties under this chapter. The identity of the person taking the examination shall be concealed until after the examination papers have been graded.

5. If an applicant has partially passed an examination given in another state determined by the board to be substantially equivalent to the examination required by this state and meets eligibility requirements that the board finds to be substantially equivalent to those prescribed by this state, the results of the other state's examination shall be accepted as though given in this state.

6. An applicant who successfully passes all subjects in which examined shall be issued a license as a licensed public accountant by the board. The cost of the license shall be based upon the administrative costs of the board and the costs of issuing the license.

7. An applicant who fails the examination once shall be allowed to take the examination at the next scheduled time. Thereafter, the applicant shall be allowed to take the examination at the discretion of the board. An applicant who passes a portion of the examination shall have the right to be reexamined in the remaining subjects at a future examination, and if the applicant passes the remaining subjects, the applicant shall be considered to have passed the entire examination. An applicant who fails the examination may request in writing information from the board concerning the applicant's examination grade and subject areas or questions which the applicant failed to answer correctly, except that if the board administers a uniform, standardized examination, the board shall only be required

to provide the examination grade and such other information concerning the applicant's examination results which is available to the board.

8. An applicant for initial issuance of a license must have no less than one year of experience. The experience shall include providing any type of service or advice involving the use of accounting, compilation, management advisory, financial advisory, tax, or consulting skills, as verified by a licensee, meeting requirements prescribed by the board by rule. The experience is acceptable if gained through employment in government, industry, academia, or public practice.

9. *a.* The licensed public accountant license shall expire in intervals as determined by the board. The board shall notify a person licensed under this chapter of the date of expiration of the license and the amount of the fee required for its renewal. The notice shall be mailed at least one month in advance of the expiration date. A person who fails to renew a license as a licensed public accountant by the expiration date shall be allowed to do so within thirty days following its expiration, but the board may assess a reasonable penalty.

*b.* A licensee, for renewal of a license under this section, shall participate in a program of learning designed to maintain professional competency. Such program of learning must comply with rules adopted by the board. The board, by rule, may grant an exception to this requirement for a licensee who does not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or the use of one or more kinds of management advisory, financial advisory, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters. A licensee entitled to an exception by rule of the board shall place the word "inactive" adjacent to the licensee's licensed public accountant title on any business card, letterhead, or other document or device, with the exception of the licensee's licensed public accountant license, on which the licensee's licensed public accountant title appears.

10. The board, in its discretion, may waive an examination and issue a license as a licensed public accountant to an applicant for one of the following:

*a.* The applicant holds a license as a licensed public accountant, an accounting practitioner, or similar title issued, after examination, by a state which extends by substantial equivalency privileges to a licensed public accountant of this state, and who, at the time of issuance of the registration, possessed the basic qualifications set forth in subsection 1.

*b.* The applicant has passed the examination required under the laws of another state and possesses the basic qualifications set forth in subsection 1 at the time the applicant applied for registration in this state.

11. A person applying for a license as a licensed public accountant shall pay a fee as determined by the board based upon the costs of issuing such licenses.

12. The board shall issue or renew a permit to practice as a licensed public accounting firm to a person that makes application and demonstrates the qualification set forth in this section or to a licensed public accounting firm originally registered in another state that provides evidence that the qualifications met in the other state are substantially equivalent to those required by this section. A firm must hold a permit issued under this section in order to use the title "LPAs" or "Licensed Public Accountants" in a firm name.

*a.* An applicant for initial issuance or renewal of a permit to practice as a firm under this section must show that notwithstanding any other provision of law, a simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, and managers, belongs to the holders of a certificate or license issued by a state, and that such partners, officers, shareholders, members, and managers who perform professional services in this state or for clients in this state hold a certificate issued under section 542.6 or a license issued under this section, or another state if the holder has a practice privilege under section 542.20. To qualify for firm licensure at least one partner, officer, shareholder, member, or manager shall hold a license under this section.

*b.* A licensed public accounting firm may include a nonlicensee owner, which for purposes of this section means an owner that does not hold a valid license or certificate to practice public accounting in any state, provided all of the following occur:

(1) Such firm designates a licensee who is responsible for the proper registration of the firm, and identifies that individual to the board.

(2) All nonlicensee owners are active participants in the firm or an affiliated entity.

(3) All nonlicensee owners comply with all applicable rules of professional conduct adopted by the board.

(4) Such firm complies with other requirements as established by the board by rule.

*c.* An individual licensee or person with a practice privilege under section 542.20 who is responsible for compilation services and signs or authorizes someone to sign the accountant's report on the financial statements on behalf of the firm shall meet the competency requirements set out in nationally recognized professional standards for such services.

*d.* An individual licensee or person with a practice privilege under section 542.20 who signs or authorizes someone to sign the accountant's report on the financial statements on behalf of the firm shall meet the competency requirements set out in nationally recognized professional standards for such services.

*e.* The board may deny the issuance or renewal of, or revoke a permit, or otherwise discipline the holder of a permit issued under this section if a nonlicensee owner's professional license has been revoked in any jurisdiction or a nonlicensee owner has been convicted of a crime described in section 542.5, subsection 2, if the board determines that such revocation or conviction is detrimental to the public interest and would be a ground for discipline if applicable to a licensee under this chapter.

13. An applicant for initial issuance or renewal of a permit to practice as a licensed public accounting firm is required to register each office of the firm within this state with the board and to show that all compilation services rendered in this state are under the charge of a person holding a valid certificate issued under section 542.6 or 542.19, or a license issued under this section, or another state if the holder has a practice privilege under section 542.20.

14. The board, by rule, shall establish and charge an application fee for each application for initial issuance or renewal of a permit.

15. An applicant for initial issuance or renewal of a permit shall list in the application all states in which the applicant has applied for or holds a permit as a certified public accountant or a licensed public accounting firm and list any past denial, revocation, or suspension of a permit by another state. A holder of or applicant for a permit shall notify the board in writing within thirty days after an occurrence of any of the following:

*a.* A change in the identity of a partner, officer, shareholder, member, or manager who performs professional services in this state or for clients in this state.

*b.* A change in the number or location of offices within this state.

*c.* A change in the identity of a person in charge of such offices.

*d.* The issuance, denial, revocation, or suspension of a permit by another state.

16. A firm, after receiving or renewing a permit which is not in compliance with this section as a result of a change in firm ownership or personnel, shall take corrective action to bring the firm back into compliance as quickly as possible or apply to modify or amend the permit. The board may grant a reasonable period of time for a firm to take such corrective action. Failure to comply within a reasonable period as deemed by the board shall result in the suspension or revocation of the firm permit.

17. The board, by rule, shall require as a condition of renewal of a permit to practice as a licensed public accounting firm, that an applicant undergo, no more frequently than once every three years, a peer review conducted in such manner as the board specifies. The review shall include verification that any individual in the firm who is responsible for supervising compilation services and who signs or authorizes someone to sign the accountant's report on a financial statement on behalf of the firm meets the competency requirements set forth in the professional standards for such services. Such rules shall include reasonable provision for compliance by an applicant showing that the applicant, within the preceding three years, has undergone a peer review that is a satisfactory equivalent to the peer review required under this subsection. An applicant's completion of a peer review program endorsed or supported by the national society of accountants, or other substantially similar review as determined by the board, satisfies the requirements of this subsection.

18. An applicant for a permit to practice as a licensed public accounting firm, at the time of renewal, may request in writing upon forms provided by the board, a waiver from the

requirements of subsection 17. The board may grant a waiver upon a showing satisfactory to the board of any of the following:

*a.* The applicant does not engage in, and does not intend to engage in during the following year, financial reporting areas of practice, including but not limited to compilations. An applicant granted a waiver pursuant to this paragraph shall immediately notify the board if the applicant engages in such practice, and shall be subject to peer review.

*b.* Reasons of health.

*c.* Military service.

*d.* Instances of hardship.

*e.* Other good cause as determined by the board.

19. Peer review records are privileged and confidential, and are not subject to discovery, subpoena, or other means of legal compulsion. Peer review records are not admissible in evidence in a judicial, administrative, or arbitration proceeding. Unless the subject of a peer review timely objects in writing to the administering entity of the peer review program, the administering entity shall make available to the board within thirty days of the issuance of the peer review acceptance letter the final peer review report or such peer review records as are designated by the peer review program in which the administering entity participates. The subject of a peer review may voluntarily submit the final peer review report directly to the board. Information or documents discoverable from sources other than a peer review team do not become nondiscoverable from such other sources because they are made available to or are in the possession of a peer review team. Information or documents publicly available from the national society of accountants relating to quality or peer review are not privileged or confidential under this subsection. A person or organization participating in the peer review process shall not testify as to the findings, recommendations, evaluations, or opinions of a peer review team in a judicial, administrative, or arbitration proceeding.

20. A person is not liable as a result of an act, omission, or decision made in connection with the person's service in a peer review team, unless the act, omission, or decision is made with actual malice. A person is not liable as a result of providing information to a peer review team, or for disclosure of privileged matters to a peer review team.

21. The costs of the peer review shall be paid by the applicant.

22. The board, by rule, shall require as a condition for renewal of a license under this section by any license holder who performs compilation services for the public other than through a licensed public accounting firm or a certified public accounting firm, that such individual undergo, no more frequently than once every three years, a peer review conducted in such manner as the board shall by rule specify, and such review shall include verification that such individual has met the competency requirements set out in professional standards for such services.

2001 Acts, ch 55, §8, 38; 2003 Acts, ch 108, §101; 2008 Acts, ch 1106, §9, 10, 15; 2010 Acts, ch 1055, §1

Referred to in §542.3, 542.4, 542.9, 542.13, 542.20

**542.9 Appointment of secretary of state as agent.**

Application for a certificate under section 542.6, a license under section 542.8, a permit to practice under section 542.7, or a certificate under section 542.19 by a person or a firm not a resident of this state constitutes appointment of the secretary of state as the applicant's agent upon whom process may be served in any action or proceeding against the applicant arising out of a transaction or operation connected with or incidental to services performed by the applicant while a licensee within this state.

2001 Acts, ch 55, §9, 38

**542.10 Enforcement against a holder of a certificate, permit, or license.**

1. After notice and hearing pursuant to section 542.11, the board may revoke, suspend for a period of time not to exceed two years, or refuse to renew a license; reprimand, censure, or limit the scope of practice of any licensee; impose an administrative penalty not to exceed one thousand dollars per violation against an individual licensee or ten thousand dollars per violation against a firm licensee; require remedial actions; or place any licensee on probation;

all with or without terms, conditions, and in combinations of remedies, for any one or more of the following reasons:

*a.* Fraud or deceit in obtaining a license, which may also result in permanent revocation of the license.

*b.* Dishonesty, fraud, or gross negligence in the practice of public accounting.

*c.* Engaging in any activity prohibited under section 542.13 or 542.20 or permitting persons under the licensee's supervision to do so.

*d.* Violation of a rule of professional conduct adopted by the board under the authority granted by this chapter.

*e.* Conviction of a felony under the laws of any state or the United States.

*f.* Conviction of any crime, any element of which is dishonesty or fraud as provided in section 542.5, subsection 2, under the laws of any state or the United States.

*g.* Cancellation, revocation, suspension, or refusal to renew the authority to practice as a certified public accountant, licensed public accountant, or accounting practitioner, or the acceptance of the voluntary surrender of a license to practice as a certified public accountant, licensed public accountant, or accounting practitioner to conclude a pending disciplinary action, by any other state or foreign authority for any cause other than failure to pay appropriate fees in the other jurisdiction.

*h.* Suspension or revocation of the right to practice before any state or federal agency, or the public company accounting oversight board.

*i.* Conduct discreditable to the public accounting profession.

*j.* Violation of section 272C.10.

2. Multiple violations arising from the same factual circumstances or from different factual circumstances containing a common error shall be considered as a single violation for the purpose of imposition of an administrative penalty.

3. In lieu of or in addition to any remedy specifically provided in subsection 1, the board may require a licensee to satisfy a peer review or desk review process on such terms as the board may specify, satisfactorily complete a continuing education program, or such additional remedies as the board may specify by rule.

2001 Acts, ch 55, §10, 38; 2008 Acts, ch 1106, §11, 15
Referred to in §272C.3, 272C.4

**542.11 Investigations and hearings.**

1. The board may initiate proceedings under this chapter upon written complaint or on its own motion pursuant to other information received by the board suggesting violations of this chapter or board rules. The board may conduct an investigation as needed to determine whether probable cause exists to initiate such proceedings. In aid of such investigation, the board may issue subpoenas to compel witnesses to testify or persons to produce evidence consistent with the provisions of section 272C.6, subsection 3. The board may also review the publicly available public accounting work product of licensees on a general or random basis to determine whether reasonable grounds exist to initiate proceedings under this chapter or to conduct a more specific investigation.

2. A written notice stating the nature of the charge or charges against the accused and the time and place of the hearing before the board on the charges shall be served on the accused not less than thirty days prior to the date of hearing either personally or by mailing a copy by restricted certified mail to the last known address of the accused.

3. At any hearing, the accused may appear in person or by counsel, produce evidence and witnesses on behalf of the accused, cross-examine witnesses, and examine evidence which is produced against the accused. A firm may appear by a partner, officer, director, shareholder, member, or manager.

4. The board may issue subpoenas in any proceeding to compel witnesses to testify and to produce documentary evidence on behalf of the board and shall issue such subpoenas upon the application of the accused, pursuant to section 17A.13, subsection 1, and section 272C.6, subsection 3.

5. Evidence supporting the board's charges may be presented at any hearing by an assistant attorney general.

6. The decision of the board shall be by a majority vote of a quorum of the board. Licensee discipline shall only be imposed upon the majority vote of the members of the board not disqualified pursuant to section 17A.17, subsection 8, or other applicable law.

7. Judicial review may be sought in accordance with chapter 17A.

2001 Acts, ch 55, §11, 38

Referred to in §272C.5, 542.10, 542.14, 542.15

**542.12 Reinstatement.**

1. In any case in which the board has suspended, revoked, or restricted a license, refused to renew a license, or accepted the voluntary surrender of a license to conclude a pending disciplinary investigation or action, the board may, upon written application, modify or terminate the suspension, reissue the license, or modify or remove the restriction, with or without terms and conditions.

2. The board is vested with discretionary authority to specify by rule the manner in which such applications shall be made, the times within which they shall be made, the circumstances in which a hearing will be held, and the grounds upon which such applications will be decided. The rules shall provide at a minimum that the burden is on the licensee to produce evidence that the basis for revocation, suspension, restriction, refusal to renew, or voluntarily surrender no longer exists and that it will be in the public interest for the board to grant the application on such terms and conditions as the board deems desirable.

2001 Acts, ch 55, §12, 38

**542.13 Unlawful acts.**

1. Only a certified public accountant may issue a report on financial statements of a person, firm, organization, or governmental unit, or offer to render or render any attest service. Only a certified public accountant or licensed public accountant may render compilation services. This restriction does not prohibit such acts by a public official or public employee in the performance of that person's duties; or prohibit the performance by any nonlicensee of other services involving the use of accounting skills, including the preparation of tax returns, management advisory services, and the preparation of financial statements without the issuance of reports on such financial statements. A nonlicensee may prepare financial statements and issue nonattest transmittals or information on such statements or transmittals which do not purport to be in compliance with the statements on standards for accounting and review services.

2. A licensee performing attest or compilation services must provide those services consistent with professional standards.

3. A person not holding a certificate shall not use or assume the title "certified public accountant" or the abbreviation "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such person is a certified public accountant.

4. A firm shall not provide attest services or assume or use the title "certified public accountants" or the abbreviation "CPAs" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such firm is a certified public accounting firm unless the firm holds a permit issued under section 542.7 and ownership of the firm satisfies the requirements of this chapter and rules adopted by the board.

5. A person shall not assume or use the title "licensed public accountant" or the abbreviation "LPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such person is a licensed public accountant unless that person holds a license issued under section 542.8.

6. A firm not holding a permit issued under section 542.8 shall not assume or use the title "licensed public accountants", the abbreviation "LPAs", or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such firm is composed of licensed public accountants.

7. A person or firm not holding a certificate, permit, or license issued under section 542.6, 542.7, 542.8, or 542.19 shall not assume or use the title "certified accountant", "chartered accountant", "enrolled accountant", "licensed accountant", "registered accountant",

"accredited accountant", or any other title or designation likely to be confused with the title "certified public accountant" or "licensed public accountant", or use any of the abbreviations "CA", "LA", "RA", "AA", or similar abbreviation likely to be confused with the abbreviation "CPA" or "LPA". The title "enrolled agent" or "EA" may be used by individuals so designated by the internal revenue service. Nothing in this section shall restrict truthful advertising of a bona fide credential or title which in context is not deceptive or misleading to the public.

8. A nonlicensee shall not use language in any statement relating to the financial affairs of a person or entity which is conventionally used by licensees in reports on financial statements. The board shall develop and issue language which nonlicensees may use in connection with such financial information.

9. A person or firm not holding a certificate, permit, or license issued under section 542.6, 542.7, 542.8, or 542.19 shall not assume or use any title or designation that includes the word "accountant", "auditor", or "accounting" in connection with any other language that implies that such person or firm holds such a certificate, permit, or license or has special competence as an accountant or auditor. However, this subsection does not prohibit an officer, partner, member, manager, or employee of a firm or organization from affixing that person's own signature to a statement in reference to the financial affairs of such firm or organization with wording which designates the position, title, or office that the person holds, or prohibit any act of a public official or employee in the performance of such person's duties. This subsection does not otherwise prohibit the use of the title or designation "accountant" by persons other than those holding a certificate or license under this chapter.

10. A person holding a certificate or license or firm holding a permit under this chapter shall not use a professional or firm name or designation that is misleading about the legal form of the firm, or about the persons who are partners, officers, members, managers, or shareholders of the firm, or about any other matter. However, the name of one or more former partners, members, managers, or shareholders may be included in the name of a firm or its successor.

11. This section does not apply to a person or firm holding a certification, designation, degree, or license granted in a foreign country entitling the holder to engage in the practice of public accountancy or its equivalent in such country, whose activities in this state are limited to providing professional services to a person or firm who is a resident of, government of, or business entity of the country in which the person holds such entitlement, who does not perform attest or compilation services, and who does not issue reports with respect to the financial statements of any other person, firm, or governmental unit in this state, and who does not use in this state any title or designation other than the one under which the person practices in such country, followed by a translation of such title or designation into the English language, if it is in a different language, and by the name of such country.

12. A holder of a certificate issued under section 542.6 or 542.19 shall not perform attest services in a firm that does not hold a permit issued under section 542.7.

13. An individual licensee shall not issue a report in standard form upon a compilation of financial information through any form of business that does not hold a permit issued under section 542.7 or 542.8 unless the report discloses the name of the business through which the individual is issuing the report and the individual licensee does all of the following:

*a.* Signs the compilation report identifying the individual as a certified public accountant or licensed public accountant.

*b.* Meets competency requirements provided in applicable standards.

*c.* Undergoes, no less frequently than once every three years, a peer review conducted in a manner as specified by the board. The review shall include verification that such individual has met the competency requirements set out in professional standards for such services.

14. This section does not prohibit a practicing attorney from preparing or presenting records or documents customarily prepared by an attorney in connection with the attorney's professional work in the practice of law.

15. *a.* (1) A licensee shall not for a commission recommend or refer a client to any product or service, or for a commission recommend or refer another person to any product or service to be supplied by a client, or receive a commission, when the licensee also performs for that client any of the following:

(a) An audit or review of a financial statement.

(b) A compilation of a financial statement when the licensee expects, or reasonably might expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence.

(c) An examination of prospective financial information.

(2) The prohibitions under this paragraph "*a*" apply during the period in which the licensee is engaged to perform any of the services identified in subparagraph (1), subparagraph divisions (a) through (c), and the period covered by any historical financial statements involved in such services.

*b.* A licensee who is not prohibited by this section from performing services for or receiving a commission and who is paid or expects to be paid a commission shall disclose that fact to any person or entity to whom the licensee recommends or refers a product or service to which the commission relates.

*c.* A licensee who accepts a referral fee for recommending a service of a licensee or referring a licensee to any person or entity or who pays a referral fee to obtain a client shall disclose such acceptance or payment to the client.

16. *a.* A licensee shall not do any of the following:

(1) Perform professional services for a contingent fee, or receive such fee from a client for whom the licensee or the licensee's firm performs any of the following:

(a) An audit or review of a financial statement.

(b) A compilation of a financial statement when the licensee expects, or reasonably might expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence.

(c) An examination of prospective financial information.

(2) Prepare for a client an original or amended tax return or claim for a tax refund for a contingent fee.

*b.* Paragraph "*a*" applies during the period in which the licensee is engaged to perform any of the listed services and the period covered by any historical financial statements involved in such listed services.

*c.* For purposes of this subsection, a contingent fee is a fee established for the performance of a service pursuant to an arrangement in which a fee will not be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. A fee shall not be considered as being a contingent fee if fixed by a court or other public authority, or, in a tax matter, if determined based on the results of a judicial proceeding or the findings of a governmental agency. A licensee's fee may vary depending on the complexity of the services rendered.

17. Nothing contained in this chapter shall be construed to authorize any person engaged in the practice as a certified public accountant or licensed public accountant or any member or employee of such firm to engage in the practice of law individually or within entities licensed under this chapter.

18. Nothing in this section shall be construed to prohibit the practice of public accounting and lawful use of titles by persons or firms exercising a practice privilege in conformance with section 542.20.

2001 Acts, ch 55, §13, 38; 2002 Acts, ch 1119, §113; 2003 Acts, ch 44, §93; 2008 Acts, ch 1106, §12, 15; 2010 Acts, ch 1055, §2

Referred to in §542.10, 542.14, 542.15

**542.14 Injunction against unlawful acts, civil penalties, and consent agreements.**

1. If, as a result of an investigation under section 542.11 or otherwise, the board believes that a person or firm has engaged, or is about to engage, in an act or practice which constitutes or will constitute a violation of section 542.13 or 542.20, the board may make application to the district court for an order enjoining such act or practice. Upon a showing by the board that such person or firm has engaged, or is about to engage, in any such act or practice, an injunction, restraining order, or other order as may be appropriate shall be granted by the court.

2. In addition to a criminal penalty provided for in section 542.15, the board may issue an

order to require compliance with section 542.13 or 542.20 or to revoke a practice privilege under section 542.20, and may impose a civil penalty not to exceed one thousand dollars for each offense upon a person who is not a licensee under this chapter and who engages in conduct prohibited by section 542.13 or 542.20. Each day of a continued violation constitutes a separate offense. The board may impose a penalty up to ten thousand dollars per violation against a firm that violates section 542.13 or 542.20.

3. The board, in determining the amount of a civil penalty to be imposed, may consider any of the following:

*a.* Whether the amount imposed will be a substantial economic deterrent to the violation.

*b.* The circumstances leading to the violation.

*c.* The severity of the violation and the risk of harm to the public.

*d.* The economic benefits gained by the violator as a result of noncompliance.

*e.* The interest of the public.

4. The board, before issuing an order under this section, shall provide the person written notice and the opportunity to request a hearing. The hearing must be requested within thirty days after receipt of the notice and shall be conducted in the same manner as provided for disciplinary proceedings involving a licensee under this chapter.

5. The board, in connection with a proceeding under this section, may issue subpoenas to compel the attendance and testimony of witnesses and the disclosure of evidence, and may request the attorney general to bring an action to enforce the subpoena.

6. A person aggrieved by the imposition of a civil penalty under this section may seek judicial review pursuant to section 17A.19.

7. If a person fails to pay a civil penalty within thirty days after entry of an order imposing the civil penalty, or if the order is stayed pending an appeal, within ten days after the court enters a final judgment in favor of the board, the board shall notify the attorney general. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs.

8. An action to enforce an order under this section may be joined with an action for an injunction.

9. The board, in its discretion and in lieu of prosecuting a first offense under this section, may enter into a consent agreement with a violator, or with a person guilty of aiding or abetting a violator, which acknowledges the violation and the violator's agreement to refrain from any further violations.

2001 Acts, ch 55, §14, 38; 2008 Acts, ch 1106, §13, 15

Referred to in §542.16, 542.20

**542.15 Criminal penalties.**

1. A person who violates a provision of section 542.13 is guilty of a serious misdemeanor.

2. If the board has reason to believe that a person has committed a violation subject to subsection 1, the board may certify the facts to the attorney general of this state, or to the county attorney of the county where the person maintains a business office, who, in the attorney general's or county attorney's discretion, may initiate an appropriate criminal proceeding.

3. If, after an investigation under section 542.11 or otherwise, the board has reason to believe that a person or firm has knowingly engaged in an act or practice that constitutes a violation subject to subsection 1, the board may submit its information to the attorney general of any state, or other appropriate law enforcement official, who, in such official's discretion, may initiate an appropriate criminal proceeding.

2001 Acts, ch 55, §15, 38

Referred to in §542.14, 542.16

**542.16 Single act evidence of practice.**

In an action brought under section 542.14 or 542.15, evidence of the commission of a single act prohibited by this chapter is sufficient to justify a penalty, injunction, restraining order, or conviction, without evidence of a general course of conduct.

2001 Acts, ch 55, §16, 38

**542.17 Confidential communications.**

A licensee shall not voluntarily disclose information communicated to the licensee by a client relating to and in connection with services rendered to the client by the licensee, except with the permission of the client, or an heir, successor, or personal representative of the client. Such information is deemed to be confidential. However, this section shall not be construed as prohibiting the disclosure of information required to be disclosed by the standards of the public accounting profession in reporting on the examination of financial statements or as prohibiting disclosures in a court proceeding, in an investigation or proceeding under this chapter or chapter 272C, in an ethical investigation conducted by a private professional organization, in the course of a peer review, to another person active in the licensee's firm performing services for that client on a need-to-know basis, to persons associated with the investigative entity who need this information for the sole purpose of assuring quality control, or as otherwise required by law.

This section does not preclude a licensee from filing a complaint with, or responding to an inquiry made by, the board, a taxing authority or law enforcement authority of this state, or a licensing or similar authority of another state or the United States.

2001 Acts, ch 55, §17, 38

Referred to in §542.18

**542.18 Licensees' working papers — clients' records.**

1. Subject to section 542.17, all statements, records, schedules, working papers, and memoranda made by a licensee or a partner, shareholder, officer, director, member, manager, or employee of a licensee, incident to, or in the course of, rendering services to a client, except reports submitted by the licensee to the client and except for records that are part of the client's records, are the property of the licensee in the absence of an express agreement between the licensee and the client to the contrary. Such statement, record, schedule, working paper, or memorandum shall not be sold, transferred, or bequeathed, without the consent of the client or the client's personal representative or assignee, to anyone other than a surviving partner, stockholder, or member of the licensee, or any combined or merged firm or successor in interest to the licensee. This section shall not be construed as prohibiting a temporary transfer of working papers or other material necessary in the course of carrying out peer reviews or as otherwise interfering with the disclosure of information pursuant to section 542.17.

2. A licensee shall furnish to a client or former client, upon request and reasonable notice, the following:

*a.* A copy of the licensee's working papers, to the extent that such working papers include records that would ordinarily constitute part of the client's records and are not otherwise available to the client.

*b.* Accounting or other records belonging to, or obtained from or on behalf of, the client that the licensee removed from the client's premises or received for the client's account. The licensee may make and retain copies of such documents of the client when they form the basis for work done by the licensee.

3. This chapter does not require a licensee to keep any working papers beyond the period prescribed in any other applicable statute.

2001 Acts, ch 55, §18, 38

**542.19 Substantial equivalency.**

1. An individual whose principal place of business is not in this state shall be granted a certificate to practice as a certified public accountant in this state if the board determines that the individual holds in good standing a valid certificate or license to practice as a certified public accountant in the state in which the individual's principal place of business is located, and that the individual satisfies one of the following conditions:

*a.* The other state's licensing or certification standards are substantially equivalent to those required by this chapter.

*b.* The applicant's individual qualifications are substantially equivalent to those required by section 542.5.

*c.* The applicant satisfies all of the following:

(1) The applicant passed the examination required for issuance of the applicant's certificate or license with grades that would have been passing grades at the time in this state;

(2) The applicant has at least four years of experience within the ten years immediately preceding the application which occurred after passing the examination upon which the applicant's certificate or license was based and which in the board's opinion is substantially equivalent to that required by section 542.5, subsection 12; and,

(3) If the applicant's certificate or license was issued more than four years prior to the filing of the application in this state, the applicant has fulfilled the continuing professional education requirements described in section 542.6, subsection 3.

2. An individual who holds in good standing a valid certificate or license to practice as a certified public accountant in another state and who desires to establish the holder's principal place of business in this state shall request the issuance of a certificate from the board prior to establishing such principal place of business. The board shall issue a certificate to an individual who satisfies one or more of the conditions described in subsection 1.

3. The board shall issue a certificate to a holder of a substantially equivalent foreign designation, upon satisfaction of all of the following:

*a.* The foreign authority which issued the designation allows a person who holds a valid certificate issued by this state to obtain such foreign authority's comparable designation.

*b.* The foreign designation satisfies all of the following:

(1) The designation was issued by a foreign authority that regulates the practice of public accountancy and the foreign designation has not expired or been revoked or suspended.

(2) The designation entitles the holder to issue reports on financial statements.

(3) The designation was issued upon the basis of education, examination, and experience requirements established by the foreign authority or by law.

*c.* The applicant satisfies all of the following:

(1) The designation was issued based on education and examination standards substantially equivalent to those in effect in this state at the time the foreign designation was granted.

(2) The applicant satisfies an experience requirement, substantially equivalent to the requirement set out in section 542.5, subsection 12, in the jurisdiction which issued the foreign designation or has completed four years of professional experience in this state; or meets equivalent requirements prescribed by the board by rule, within the ten years immediately preceding the application.

(3) The applicant has passed qualifying examinations in national standards and the laws, rules, and code of ethical conduct in effect in this state.

(4) The applicant shall list in the application all jurisdictions, foreign and domestic, in which the applicant has applied for or holds a designation to practice public accountancy. A holder of a certificate issued under this section shall notify the board in writing, within thirty days after its occurrence, of any issuance, denial, revocation, or suspension of a designation or commencement of a disciplinary or enforcement action by any jurisdiction.

4. An applicant under this section shall comply with all applicable provisions of section 542.5, subsections 1 through 6, and section 542.6.

5. The board shall adopt rules to implement this section which will expedite the application process to the extent reasonably possible.

2001 Acts, ch 55, §19, 38; 2003 Acts, ch 44, §94

Referred to in §542.3, 542.4, 542.6, 542.7, 542.8, 542.9, 542.13, 542.20

**542.20 Practice privilege.**

1. This section authorizes a person or firm whose principal place of business is not in this state to practice public accounting in Iowa in person, or by telephone, mail, or electronic means without licensure under this chapter or notice to the board under the conditions described in this section. Such a person or firm must hold a valid, unexpired license in good standing in the state of its principal place of business that is substantially equivalent to a comparable license issued in Iowa, and such a person or firm must be licensed to lawfully

perform in its principal place of business all public accounting services offered or rendered under a practice privilege in Iowa.

2. A provision of this section or of any other section in this chapter shall not prevent the auditor of state, the department of agriculture and land stewardship, other governmental official or body, or a client from requiring that public accounting services performed in Iowa or for an Iowa client be performed by a person or firm holding a license under this chapter.

3. The practice privilege authorized by this section is temporary and shall cease if the license in the person's or firm's principal place of business expires, is no longer valid or in good standing, or otherwise no longer lawfully supports the conditions of the practice privilege described in this section.

4. The board may revoke a practice privilege, impose a civil penalty, issue an order to secure compliance with this chapter or board rules, or take such additional actions as are provided in section 542.14 if a person or firm acting or purporting to act under a practice privilege violates this chapter or board rules. In addition, or as an alternative to such action, the board may refer a complaint to the state regulatory body that issued the license to the person or firm.

*a.* A violation of this chapter or board rules by a person or firm acting or purporting to act under a practice privilege is a ground to deny the violator's subsequent application for licensure under this chapter.

*b.* A violation of this chapter or board rules by a person acting or purporting to act under a practice privilege is a ground to deny a subsequent application for initial or renewal licensure under this chapter by the violator's firm, and is a ground for discipline against such firm.

*c.* A violation of this chapter or board rules by a person or firm acting or purporting to act under a practice privilege is a ground for discipline against a licensee under this chapter who aided or abetted the violation.

5. A certified public accounting firm that is licensed in the state of its principal place of business and is not required to hold an Iowa firm license under section 542.7 may practice in this state without a firm license under this chapter or notice to the board if the firm's practice in this state is performed by individuals who hold a license under this chapter or who practice in conformance with subsection 6, under the following conditions:

*a.* The firm shall not perform attest services, other than review services, in Iowa or for a client having a home office in Iowa.

*b.* The firm shall not have an office in Iowa which uses the title "CPAs", "CPA firm", "certified public accountants", or "certified public accounting firm".

*c.* The firm may perform compilation or review services only if it complies with the ownership and peer review requirements of section 542.7.

*d.* The firm shall not make any representation tending to falsely indicate that the firm is licensed under this chapter.

*e.* The firm, upon a client's or prospective client's request, shall provide accurate information on the state or states of licensure, principal place of business, contact information, and manner in which licensure status can be verified.

*f.* The firm shall comply with all professional standards, laws, and rules that apply to licensees performing the same professional services.

6. An individual who is licensed in the state of the individual's principal place of business may exercise the privileges of a certificate holder of this state without obtaining a certificate under this chapter or providing notice to the board, under the following conditions:

*a.* The individual must meet the criteria for substantial equivalency reciprocity under section 542.19, subsection 1, paragraph "*a*", "*b*", or "*c*".

*b.* The individual shall not have an office in Iowa at which the individual uses the title "CPA". The individual may, however, perform public accounting services using the title "CPA" if performed at the office of a certified public accounting firm or licensed public accounting firm that holds a permit to practice under section 542.7 or 542.8, or at the office of a business entity that is not required to hold a firm permit under section 542.7 or 542.8.

*c.* An individual who provides attest services, other than review services, in Iowa or for a client having a home office in Iowa must practice through a certified public accounting firm that is licensed under section 542.7.

*d.* An individual who provides compilation services in Iowa or for a client having a home office in Iowa must comply with the peer review provisions of section 542.6, subsection 6, or provide such services through a certified public accounting firm, a licensed public accounting firm, or substantially equivalent firm that is validly licensed in the firm's principal place of business and is subject to the peer review and ownership provisions of section 542.7 or 542.8.

*e.* The individual shall not make any representation tending to falsely indicate that the individual is licensed under this chapter.

*f.* The individual, upon a client's or prospective client's request, shall provide accurate information on the state or states of licensure, principal place of business, contact information, and manner in which licensure status can be verified.

*g.* The individual shall comply with all professional standards, laws, and rules that apply to licensees performing the same professional services.

*h.* An individual who provides reviews of financial statements, as provided in section 542.3, subsection 1, in Iowa or for a client having a home office in Iowa must provide such services through a certified public accounting firm that is validly licensed in the state of its principal place of business and complies with the peer review and ownership provisions of section 542.7.

7. As a condition of exercising the practice privilege provided in subsection 5 or 6, the person or firm does all of the following:

*a.* Consents to the personal and subject matter jurisdiction and regulatory authority of the board, including but not limited to the board's jurisdiction to revoke the practice privilege or otherwise take action under section 542.14 for any violation of this chapter or board rules.

*b.* Appoints the regulatory body of the state that issued the firm or individual license as the agent upon whom process may be served in any action or proceeding by the board against the firm or person.

*c.* Agrees to supply the board, upon the board's request and without subpoena, such information or records as licensees are similarly required to provide the board under this chapter regarding themselves or, in the case of a firm, regarding the individuals practicing through the firm, including but not limited to licensure status in all jurisdictions; qualifications for substantial equivalency reciprocity under section 542.19, subsection 1, paragraph "*a*", "*b*", or "*c*"; location of principal place of business and all other offices; criminal and disciplinary background; malpractice settlements and judgments; firm ownership and when applicable, information regarding nonlicensee owners; whether public accounting services are subject to peer review; proof of completion of peer review, when applicable; qualifications to supervise attest services, when applicable; and timely response to inquiries regarding complaints and investigations conducted under this chapter.

*d.* Agrees to promptly cease offering or rendering public accounting services in this state or for clients having a home office in this state if the license in the person's or firm's principal place of business expires or is otherwise no longer valid or in good standing, or if any of the conditions for exercising the practice privilege are no longer satisfied, or if the board revokes the practice privilege.

8. A licensee of this state is subject to discipline in this state based on a violation of a comparable practice privilege afforded by another state.

9. The board shall adopt rules on the manner in which this section applies to persons or firms that hold a lapsed Iowa license, have been subject to discipline in Iowa, have surrendered an Iowa license, or have otherwise held an Iowa license at one point in time that is no longer valid, active, or in good standing, and to persons or firms that have been convicted of a crime, the subject of discipline or denied licensure in any jurisdiction, or that would otherwise be subject to license denial or discipline if a license applicant or licensee in Iowa.

2008 Acts, ch 1106, §14, 15; 2012 Acts, ch 1031, §1 – 4

Referred to in §542.3, 542.4, 542.7, 542.8, 542.10, 542.13, 542.14

# CHAPTER 542A

RESERVED

# CHAPTER 542B

## PROFESSIONAL ENGINEERS AND LAND SURVEYORS

Referred to in §26.3, 26.14, 100C.6, 100D.11, 103.2, 103.22, 103A.10, 105.11, 272C.1, 272C.6, 306.42, 331.321, 354.2, 354.4A, 355.1, 355.3, 455B.474, 468.3, 479.29, 479B.20, 480.1, 544A.17, 544A.18, 546.10, 558A.4, 669.14, 714H.4, 716.6

Standards for land surveying;
board to adopt rules; see chapter 355
This chapter not enacted as a part of this title;
transferred from chapter 114 in Code 1993


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542B.35 Exception — real property inspection report.


**542B.1 Licensed professional engineers and surveyors.**

A person shall not engage in the practice of engineering or land surveying in the state unless the person is a licensed professional engineer or a licensed professional land surveyor as provided in this chapter, except as permitted by section 542B.26.

[C24, 27, 31, 35, 39, §**1854;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.1]

C93, §542B.1

95 Acts, ch 65, §1; 96 Acts, ch 1055, §4; 2012 Acts, ch 1009, §10

**542B.2 Terms defined.**

As used in the chapter, unless the context otherwise requires:

1. *"Board"* means the engineering and land surveying examining board provided by this chapter.

2. *"Design coordination"* includes the review and coordination of technical submissions prepared by others, including as appropriate and without limitation, consulting engineers, architects, landscape architects, land surveyors, and other professionals working under the direction of the engineer.

3. *"Engineer intern"* means a person who passes an examination in the fundamental engineering subjects, but does not entitle the person to claim to be a professional engineer.

4. *"Engineering documents"* includes all plans, specifications, drawings, and reports, if the preparation of such documents constitutes or requires the practice of engineering.

5. *"Engineering surveys"* includes all survey activities required to support the sound

conception, planning, design, construction, maintenance, and operation of engineered projects, but excludes the surveying of real property for the establishment of land boundaries, rights-of-way, easements, and the dependent or independent surveys or resurveys of the public land survey system.

6. *"In responsible charge"* means having direct control of and personal supervision over any land surveying work or work involving the practice of engineering. One or more persons, jointly or severally, may be in responsible charge.

7. *"Land surveying documents"* includes all plats, maps, surveys, and reports, if the preparation thereof constitutes or requires the practice of land surveying.

8. *"Land surveyor"* means a person who engages in the practice of professional land surveying. Unless the context otherwise requires, any reference in this chapter to *"land surveyor"* or *"land surveying"* means *"professional land surveyor"* or *"professional land surveying"*.

9. *a.* *"Practice of engineering"* means any service or creative work, the adequate performance of which requires engineering education, training, and experience in the application of special knowledge of the mathematical, physical, and engineering sciences, such as consultation, investigation, evaluation, planning, design and design coordination of engineering works and systems, planning the use of land and water, performing engineering surveys and studies, and the review of construction for the purpose of monitoring compliance with drawings and specifications, any of which embraces such services or creative work, either public or private, in connection with any utilities, structures, buildings, machines, equipment, processes, work systems, projects, and industrial or consumer products or equipment of a mechanical, electrical, hydraulic, pneumatic, or thermal nature, insofar as they involve safeguarding life, health, or property, and including such other professional services as may be necessary to the planning, progress, and completion of the services identified in this subsection.

*b.* A person is construed to be engaged in the practice of engineering if the person does any of the following:

(1) Practices any branch of the profession of engineering.

(2) Makes a representation by verbal claim, sign, advertisement, letterhead, card, or other manner that the person is a professional engineer.

(3) Uses any title which implies that the person is a professional engineer or that the person is certified under this chapter.

(4) The person holds the person's self out as able to perform, or who does perform, any service or work included in the practice of engineering.

10. *a.* *"Practice of land surveying"* includes providing professional services such as consultation, investigation, testimony, evaluation, planning, mapping, assembling, and interpreting reliable scientific measurements and information relative to the location of property lines or boundaries, and the utilization, development, and interpretation of these facts into an orderly survey, plat, or map. The practice of land surveying includes but is not limited to the following:

(1) Locating, relocating, establishing, reestablishing, setting, or resetting of permanent monumentation for any property line or boundary of any tract or parcel of land. Setting permanent monuments constitutes an improvement to real property.

(2) Making any survey for the division or subdivision of any tract or parcel of land.

(3) Determination, by the use of the principles of land surveying, of the position for any permanent survey monument or reference point, or setting, resetting, or replacing any survey monument or reference point excluding the responsibility of engineers pursuant to section 314.8.

(4) Creating and writing metes and bounds descriptions as defined in section 354.2.

(5) Geodetic surveying for determination of the size and shape of the earth both horizontally and vertically for the precise positioning of permanent land survey monuments on the earth utilizing angular and linear measurements through spatially oriented spherical geometry.

(6) Creation, preparation, or modification of electronic or computerized data, including

land information systems and geographical information systems, relative to the performance of the activities identified in subparagraphs (1) through (5).

*b.* This subsection does not prohibit a professional engineer from practicing any aspect of the practice of engineering. A land surveyor is not prohibited from performing engineering surveys as defined in the practice of engineering.

*c.* A person is construed to be engaged in or offering to be engaged in the practice of land surveying if the person does any of the following:

(1) Engages in land surveying.

(2) Makes a representation by verbal claim, sign, advertisement, letterhead, card, or other manner that the person is a land surveyor.

(3) Uses any title which implies that the person is a land surveyor or that the person is licensed under this chapter.

(4) Holds the person's self out as able to perform, or who does perform, any service or work included in the practice of land surveying.

11. *"Professional engineer"* means a person, who, by reason of the person's knowledge of mathematics, the physical sciences, and the principles of engineering, acquired by professional education or practical experience, is qualified to engage in the practice of engineering. Unless the context otherwise requires, any reference in this chapter to *"engineer"* or *"engineering"* means *"professional engineer"* or *"professional engineering"*.

[C24, 27, 31, 35, 39, §**1855;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.2]

84 Acts, ch 1104, §2

C93, §542B.2

94 Acts, ch 1107, §13; 95 Acts, ch 65, §2, 3; 98 Acts, ch 1037, §1; 2012 Acts, ch 1009, §11; 2012 Acts, ch 1023, §140

Referred to in §459.102

**542B.3 Engineering and land surveying examining board created.**

An engineering and land surveying examining board is created within the professional licensing and regulation bureau of the banking division of the department of commerce. The board consists of four members who are licensed professional engineers, one member who is a licensed professional land surveyor or a professional engineer who is also a licensed professional land surveyor, and two members who are not licensed professional engineers or licensed professional land surveyors and who shall represent the general public. Members shall be appointed by the governor subject to confirmation by the senate. A licensed member shall be actively engaged in the practice of engineering or land surveying and shall have been so engaged for five years preceding the appointment, the last two of which shall have been in Iowa. Insofar as practicable, licensed engineer members of the board shall be from different branches of the profession of engineering. Professional associations or societies composed of licensed engineers or licensed land surveyors may recommend the names of potential board members whose profession is representative of that association or society to the governor. However, the governor is not bound by the recommendations. A board member shall not be required to be a member of any professional association or society composed of professional engineers or professional land surveyors.

[C24, 27, 31, 35, 39, §**1856;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.3]

84 Acts, ch 1104, §3; 86 Acts, ch 1245, §716; 88 Acts, ch 1125, §1

C93, §542B.3

96 Acts, ch 1055, §5; 2006 Acts, ch 1177, §36; 2012 Acts, ch 1009, §12

Confirmation, see §2.32

**542B.4 Terms of office.**

Appointments shall be for three-year terms and shall commence and end as provided by section 69.19. Vacancies shall be filled for the unexpired term by appointment of the governor

and shall be subject to senate confirmation. Members shall serve no more than three terms or nine years, whichever is least.

[C24, 27, 31, 35, 39, §**1857, 1858;** C46, 50, 54, 58, 62, 66, 71, 73, §114.4, 114.5; C75, 77, 79, 81, §114.4]

C93, §542B.4

Confirmation, see §2.32

**542B.5** Reserved.

**542B.6 Official seal — bylaws.**

The board shall adopt and have an official seal which shall be affixed to all certificates of licensure granted and may make all bylaws and rules, not inconsistent with law, necessary for the proper performance of its duty.

[C24, 27, 31, 35, 39, §**1859;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.6]

C93, §542B.6

96 Acts, ch 1055, §6

**542B.7 Attorney general to assist — general powers.**

Such board, or any committee thereof, shall be entitled to the counsel and to the services of the attorney general, and shall have power to compel the attendance of witnesses, pay witness fees and mileage, and may take testimony and proofs and may administer oaths concerning any matter within its jurisdiction.

[C24, 27, 31, 35, 39, §**1860;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.7]

C93, §542B.7

Administration of oaths, §63A.2

**542B.8 Expenses — compensation.**

Members of the board are entitled to receive all actual expenses incurred in the discharge of their duties within the limits of funds appropriated to the board. Each member of the board may also be eligible to receive compensation as provided in section 7E.6.

[C24, 27, 31, 35, 39, §**1861;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.8]

86 Acts, ch 1245, §717

C93, §542B.8

Compensation; see §114.8, Code 1985, and §7E.6(1)

**542B.9 Organization of the board — staff.**

The board shall elect annually from its members a chairperson and a vice chairperson. The administrator of the professional licensing and regulation bureau of the banking division of the department of commerce shall hire and provide staff to assist the board in implementing this chapter. The board shall hold at least one meeting at the location of the board's principal office, and meetings shall be called at other times by the administrator at the request of the chairperson or four members of the board. At any meeting of the board, a majority of members constitutes a quorum.

[C24, 27, 31, 35, 39, §**1862;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.9]

86 Acts, ch 1245, §718; 88 Acts, ch 1158, §19

C93, §542B.9

2006 Acts, ch 1177, §37

**542B.10** Repealed by 98 Acts, ch 1119, § 11.

**542B.11 Staff — duties.**

The staff shall keep on file a record of all certificates of licensure granted and shall make annual revisions of the record as necessary.

[C24, 27, 31, 35, 39, §**1864;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.11]

84 Acts, ch 1104, §1; 85 Acts, ch 68, §1; 90 Acts, ch 1168, §15

C93, §542B.11

96 Acts, ch 1055, §5, 6; 2012 Acts, ch 1009, §13

**542B.12 Disposition of fees.**

The staff shall collect and account for all fees provided for by this chapter and pay the fees to the treasurer of state who shall deposit the fees in the general fund of the state.

[C24, 27, 31, 35, 39, §**1865;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.12]
90 Acts, ch 1168, §16; 90 Acts, ch 1261, §36
C93, §542B.12
94 Acts, ch 1107, §87

**542B.13 Applications and examination fees.**

Applications for licensure shall be on forms prescribed and furnished by the board, shall contain statements made under oath, showing the applicant's education and a detailed summary of the applicant's technical work, and the board shall not require that a recent photograph of the applicant be attached to the application form. An applicant is not ineligible for licensure because of age, citizenship, sex, race, religion, marital status or national origin, although the application form may require citizenship information. The board may consider the past felony record of an applicant. The board may require that an applicant submit references. Applications for examination in fundamentals in the practice of engineering and land surveying shall be accompanied by application fees determined by the board. The board shall determine the annual cost of administering the examinations and shall set the fees accordingly.

[C24, 27, 31, 35, 39, §**1866;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.13]
84 Acts, ch 1104, §4
C93, §542B.13
95 Acts, ch 65, §4; 96 Acts, ch 1055, §7

**542B.14 General requirements for licensure — temporary permit to practice engineering.**

1. Each applicant for licensure as a professional engineer or professional land surveyor shall have all of the following requirements, respectively, to wit:

*a.* As a professional engineer:

(1) (a) Graduation from a course in engineering of four years or more in a school or college which, in the opinion of the board, will properly prepare the applicant for the examination in fundamental engineering subjects.

(b) However, prior to July 1, 1988, in lieu of compliance with subparagraph division (a), the board may accept eight years' practical experience which, in the opinion of the board, is of satisfactory character to properly prepare the applicant for the examination in fundamental engineering subjects.

(c) Between July 1, 1988, and June 30, 1991, in lieu of compliance with subparagraph division (a), the board shall require satisfactory completion of a minimum of two years of postsecondary study in mathematics, physical sciences, engineering technology, or engineering at an institution approved by the board, and may accept six years' practical experience which, in the opinion of the board, is of satisfactory character to properly prepare the applicant for the examination in fundamental engineering subjects.

(d) For applicants who obtained an associate of science degree or a more advanced degree between July 1, 1983, and June 30, 1988, in lieu of compliance with subparagraph division (a), the board shall only require compliance with the provisions of subparagraph division (c) with regard to areas of study and practical experience. Applicants qualifying under this subparagraph division must meet the requirements of subparagraph (2), by June 30, 2001.

(2) Successfully passing an examination in fundamental engineering subjects which is designed to show the knowledge of general engineering principles. A person passing the examination in fundamental engineering subjects is entitled to a certificate as an engineer intern.

(3) In addition to any other requirement, a specific record of four years or more of practical experience in engineering work which is of a character satisfactory to the board.

(4) Successfully passing an examination designed to determine the proficiency and qualifications to engage in the practice of engineering. No applicant shall be entitled to take

this examination until the applicant shows the necessary practical experience in engineering work.

*b.* As a professional land surveyor:

(1) (a) Graduation from a course of two years or more in mathematics, physical sciences, mapping and surveying, or engineering in a school or college and six years of practical experience, all of which, in the opinion of the board, will properly prepare the applicant for the examination in fundamental land surveying subjects.

(b) However, prior to July 1, 1988, in lieu of compliance with subparagraph division (a), the board may accept eight years' practical experience which, in the opinion of the board, is of satisfactory character to properly prepare the applicant for the examination in fundamental land surveying subjects.

(2) Successfully passing an examination in fundamental land surveying subjects which is designed to show the knowledge of general land surveying principles.

(3) In addition to any other requirement, a specific record of four years or more of practical experience in land surveying work which is of a character satisfactory to the board.

(4) Successfully passing an examination designed to determine the proficiency and qualifications to engage in the practice of land surveying. No applicant shall be entitled to take this examination until the applicant shows the necessary practical experience in land surveying work.

2. The board may establish by rule a temporary permit and a fee to permit an engineer to practice for a period of time without applying for licensure.

[C39, §**1866.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.14]

84 Acts, ch 1104, §5; 87 Acts, ch 165, §1, 2

C93, §542B.14

94 Acts, ch 1107, §14; 95 Acts, ch 65, §5; 96 Acts, ch 1055, §7; 98 Acts, ch 1054, §1; 2012 Acts, ch 1009, §14, 15; 2012 Acts, ch 1023, §141; 2013 Acts, ch 5, §20, 21

Subsection 1, paragraph a, subparagraphs (2) and (4) amended

Subsection 1, paragraph b, subparagraphs (2) and (4) amended

**542B.15 Examinations — report required.**

Examinations for licensure shall be given as often as deemed necessary by the board, but no less than one time per year. The scope of the examinations and the methods of procedure shall be prescribed by the board. Any examination may be given by representatives of the board. The identity of the person taking the examination shall be concealed until after the examination has been graded. As soon as practicable after the close of each examination, a report shall be filed in the office of the secretary of the board by the board. The report shall show the action of the board upon each application and the secretary of the board shall notify each applicant of the result of the applicant's examination. Applicants who fail the examination once shall be allowed to take the examination at the next scheduled time. Thereafter, the applicant shall be allowed to take the examination at the discretion of the board. An applicant who has failed the examination may request in writing information from the board concerning the applicant's examination grade and subject areas or questions which the applicant failed to answer correctly, except that if the board administers a uniform, standardized examination, the board shall only be required to provide the examination grade and such other information concerning the applicant's examination results which are available to the board.

[C24, 27, 31, 35, 39, §**1867;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.15]

C93, §542B.15

96 Acts, ch 1055, §6; 2013 Acts, ch 5, §22

Section amended

**542B.16 Seal — certification of responsibility.**

1. Each licensee, upon licensure, shall obtain a seal of a design approved by the board, bearing the licensee's name, Iowa license number, and the words "professional engineer" or "professional land surveyor" or both, as the case may be. A legible rubber stamp or other facsimile of the seal may be used and shall have the same effect as the use of the actual seal.

2. All engineering documents and land surveying documents shall be dated and shall contain all of the following:

*a.* The signature of the licensee in responsible charge.

*b.* A certification that the work was done by the licensee or under the licensee's direct personal supervision.

*c.* The Iowa legible seal of the licensee.

3. An agency, subdivision, or municipal corporation of this state, or an officer of the state, subdivision, or municipal corporation, shall not file for record or approve any engineering document or land surveying document which does not comply with this section.

4. A licensee shall not place the licensee's signature or seal on any engineering document or land surveying document unless the licensee was in responsible charge of the work, except that the licensee may do so if the licensee contributed to the work and the licensee in responsible charge has signed and certified the work.

5. Violation of this section by a licensee shall be deemed fraud and deceit in the licensee's practice.

[C24, 27, 31, 35, 39, §**1868;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.16]

C93, §542B.16

96 Acts, ch 1055, §1; 2012 Acts, ch 1009, §16

**542B.17 Engineer's certificate.**

The board shall issue a certificate of licensure as a professional engineer to an applicant who has passed the examination as a professional engineer and who has paid an additional fee. The certificate shall be signed by the chairperson and secretary of the board under the seal of the board. The certificate shall authorize the applicant to engage in the practice of engineering. The certificate shall not carry with it the right to practice land surveying, unless specifically so stated on the certificate, which permission shall be granted by the board without additional fee in cases where the applicant duly qualifies as a professional land surveyor as prescribed by the rules of the board.

[C24, 27, 31, 35, 39, §**1869;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.17]

C93, §542B.17

95 Acts, ch 65, §6; 96 Acts, ch 1055, §7; 2012 Acts, ch 1009, §17

Referred to in §459.102

**542B.18 Expirations and renewals.**

Certificates of licensure shall expire in intervals as determined by the board. Renewal may be effected by the payment of a fee the amount of which shall be determined by the board. The failure on the part of any licensee to renew a certificate in the month of expiration as required above shall not deprive a person of the right of renewal. A person who fails to renew a certificate by the expiration date shall be allowed to do so within thirty days following its expiration, but the board may assess a reasonable penalty. For the duration of any war in which the United States is engaged the board may, in its discretion, defer the collection of renewal fees without penalty, which have or may become due from licensed professional engineers who are employed in the war effort, and residing outside the state, or who are members of the armed forces of the United States, and may renew the engineering certificates of licensed professional engineers.

[C27, 31, 35, §1869-b1; C39, §**1869.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.18]

C93, §542B.18

96 Acts, ch 1055, §5, 6, 8; 2012 Acts, ch 1009, §18

**542B.19 Land surveyor's certificate.**

To any applicant who shall have passed the examination as a professional land surveyor and who shall have paid an additional fee as set by the board, the board shall issue a certificate of licensure signed by its chairperson and secretary under the seal of the board, which certificate shall authorize the applicant to practice land surveying as defined in this chapter and to

administer oaths to assistants and to witnesses produced for examination, with reference to facts connected with land surveys being made by such professional land surveyor.

[C24, 27, 31, 35, 39, §**1870;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.19]

C93, §542B.19

96 Acts, ch 1055, §6; 2012 Acts, ch 1009, §19

Administration of oaths, chapter 63A

**542B.20 Foreign licensees.**

A person holding a certificate of licensure as a professional engineer or professional land surveyor issued to the person by a proper authority of a state, territory, or possession of the United States, the District of Columbia, or of any foreign country, based on requirements and qualifications, in the opinion of the board equal to or higher than the requirements of this chapter, may be licensed without further examination.

A temporary permit to practice engineering may be granted to a person licensed in another state, as prescribed by rule, provided that before practicing within the state the person shall have applied for licensure or for a temporary permit to practice without applying for licensure and shall have paid the fee prescribed by the board.

The application for licensure shall be accompanied by a fee as determined by the board. After the board determines the applicant to be qualified under this section, a certificate of licensure shall be issued upon receipt of an additional fee as determined by the board. All fees collected shall be transmitted to the treasurer of state and deposited as provided by law.

[C24, 27, 31, 35, 39, §**1871;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.20]

84 Acts, ch 1104, §6; 90 Acts, ch 1168, §17

C93, §542B.20

96 Acts, ch 1055, §5, 6, 9; 2012 Acts, ch 1009, §20

**542B.21 Suspension, revocation, or reprimand.**

The board shall have the power by a five-sevenths vote of the entire board to suspend for a period not exceeding two years, or to revoke the certificate of licensure of, or to reprimand any licensee who is found guilty of the following acts or offenses:

1. Fraud in procuring a certificate of licensure.
2. Professional incompetency.
3. Knowingly making misleading, deceptive, untrue or fraudulent representations in the practice of the licensee's profession or engaging in unethical conduct or practice harmful to the public. Proof of actual injury need not be established.
4. Habitual intoxication or addiction to the use of drugs.
5. Conviction of a felony under the laws of the United States, of any state or possession of the United States, or of any other country. A copy of the record of conviction or plea of guilty is conclusive evidence.
6. Revocation or suspension of licensure to engage in the practice of engineering or land surveying, or other disciplinary action by the licensing authority of another state, territory, or country. A certified copy of the record or order of suspension, revocation, or other disciplinary action is prima facie evidence of such fact.
7. Fraud in representations as to skill or ability.
8. Use of untruthful or improbable statements in advertisements.
9. Willful or repeated violations of the provisions of this Act.*

[C24, 27, 31, 35, 39, §**1872;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.21]

85 Acts, ch 195, §13

C93, §542B.21

95 Acts, ch 65, §7, 8; 96 Acts, ch 1055, §7, 10, 11

Referred to in §272C.3, 272C.4, 542B.22

*See 77 Acts, ch 95, §10

**542B.22 Procedure.**

Proceedings for any action under section 542B.21 shall be begun by filing with the board written charges against the accused. Upon the filing of charges the board may request the department of inspections and appeals to conduct an investigation into the charges. The

department of inspections and appeals shall report its findings to the board, and the board shall designate a time and place for a hearing, and shall notify the accused of this action and furnish the accused a copy of all charges at least thirty days prior to the date of the hearing. The accused has the right to appear personally or by counsel, to cross-examine witnesses, or to produce witnesses in defense.

[C24, 27, 31, 35, 39, §**1873;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.22]
88 Acts, ch 1158, §20
C93, §542B.22
Referred to in §272C.5, 542B.27

**542B.23** Reserved.

**542B.24 Injunction.**

Any person who is not legally authorized to practice in this state according to the provisions of this chapter, and shall practice, or shall in connection with the person's name use any designation tending to imply or designate the person as a professional engineer or professional land surveyor, may be restrained by permanent injunction.

[C24, 27, 31, 35, 39, §**1875;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.24]
C93, §542B.24
2012 Acts, ch 1009, §21

**542B.25 Violations.**

Any person who violates such permanent injunction or presents or attempts to file as the person's own the certificate of licensure of another, or who shall give false or forged evidence of any kind to the board, or to any member thereof, in obtaining a certificate of licensure, or who shall falsely impersonate another practitioner of like or different name, or who shall use or attempt to use a revoked certificate of licensure, shall be deemed guilty of a fraudulent practice.

[C24, 27, 31, 35, §1875; C39, §**1875.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.25]
C93, §542B.25
96 Acts, ch 1055, §6

**542B.26 Applicability of chapter.**

1. *a.* This chapter shall not apply to any full-time employee of any corporation while doing work for that corporation, except in the case of corporations offering their services to the public as professional engineers or professional land surveyors.

*b.* Corporations engaged in designing buildings or works for public or private interests not their own shall be deemed to be engaged in the practice of engineering within the meaning of this chapter. With respect to such corporations all principal designing or constructing engineers shall hold certificates of licensure issued under this chapter. This chapter shall not apply to corporations engaged solely in constructing buildings and works.

2. This chapter shall not apply to any professional engineer or professional land surveyor working for the United States government, nor to any professional engineer or professional land surveyor employed as an assistant to a professional engineer or professional land surveyor licensed under this chapter if such assistant is not placed in responsible charge of any work involving the practice of engineering or land surveying work, nor to the operation or maintenance of power and mechanical plants or systems.

[C24, 27, 31, 35, 39, §**1876;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §114.26]
C93, §542B.26
95 Acts, ch 65, §9; 96 Acts, ch 1055, §4, 7; 2012 Acts, ch 1009, §22
Referred to in §542B.1

**542B.27 Civil penalty.**

1. In addition to any other penalties provided for in this chapter, the board may by order impose a civil penalty upon a person who is not licensed under this chapter as a professional engineer or a professional land surveyor and who does any of the following:

*a.* Engages in or offers to engage in the practice of professional engineering or professional land surveying.

*b.* Uses or employs the words "professional engineer" or "professional land surveyor", or implies authorization to provide or offer professional engineering or professional land surveying services, or otherwise uses or advertises any title, word, figure, sign, card, advertisement, or other symbol or description tending to convey the impression that the person is a professional engineer or professional land surveyor or is engaged in the practice of professional engineering or professional land surveying.

*c.* Presents or attempts to use the certificate of licensure or the seal of a professional engineer or professional land surveyor.

*d.* Gives false or forged evidence of any kind to the board or any member of the board in obtaining or attempting to obtain a certificate of licensure.

*e.* Falsely impersonates any licensed professional engineer or professional land surveyor.

*f.* Uses or attempts to use an expired, suspended, revoked, or nonexistent certificate of licensure.

*g.* Knowingly aids or abets an unlicensed person who engages in any activity identified in this subsection.

2. A civil penalty imposed shall not exceed one thousand dollars for each offense. Each day of a continued violation constitutes a separate offense.

3. In determining the amount of a civil penalty to be imposed, the board may consider any of the following:

*a.* Whether the amount imposed will be a substantial economic deterrent to the violation.

*b.* The circumstances leading to the violation.

*c.* The severity of the violation and the risk of harm to the public.

*d.* The economic benefits gained by the violator as a result of noncompliance.

*e.* The interest of the public.

4. Before issuing an order under this section, the board shall provide the person written notice and the opportunity to request a hearing on the record. The hearing must be requested within thirty days of the issuance of the notice and shall be conducted in the same manner as provided in section 542B.22.

5. The board, in connection with a proceeding under this section, may issue subpoenas to compel the attendance and testimony of witnesses and the disclosure of evidence, and may request the attorney general to bring an action to enforce the subpoena.

6. A person aggrieved by the imposition of a civil penalty under this section may seek judicial review in accordance with section 17A.19.

7. If a person fails to pay a civil penalty within thirty days after entry of an order under subsection 1, or if the order is stayed pending an appeal within ten days after the court enters a final judgment in favor of the board, the board shall notify the attorney general. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs.

8. An action to enforce an order under this section may be joined with an action for an injunction.

96 Acts, ch 1055, §2; 96 Acts, ch 1219, §29; 97 Acts, ch 23, §65; 2012 Acts, ch 1009, §23

**542B.28 and 542B.29** Reserved.

**542B.30 Fees.**

The board shall set the fees for application, licensure, and renewal of licensure based upon the administrative costs of sustaining the board. The fees shall include, but shall not be limited to, the costs for:

1. Per diem, expenses and travel for board members.
2. Office facilities, supplies, and equipment.
3. Legal, technical and clerical assistance.

[C75, 77, 79, 81, §114.30]
C93, §542B.30
96 Acts, ch 1055, §6

**542B.31 Public members.**

The public members of the board shall be allowed to participate in administrative, clerical, or ministerial functions incident to giving the examination, but shall not determine the content of the examination or determine the correctness of the answers.

[C75, 77, 79, 81, §114.31]

C93, §542B.31

**542B.32 Disclosure of confidential information.**

1. The board shall not disclose information relating to the following:

*a.* The contents of the examination.

*b.* The examination results other than final score except for information about the results of an examination which is given to the person who took the examination.

2. A member of the board who willfully communicates or seeks to communicate such information, and any person who willfully requests, obtains, or seeks to obtain such information, is guilty of a simple misdemeanor.

[C75, 77, 79, 81, §114.32]

C93, §542B.32

2008 Acts, ch 1059, §3

**542B.33 and 542B.34** Reserved.

**542B.35 Exception — real property inspection report.**

1. *"Real property inspection report"* means a report stating whether, after visual examination, a parcel of real property which is being collateralized is materially impaired.

2. A real property inspection report is not a property survey or an engineering document and is exempt from the provisions of this chapter and the rules adopted under this chapter which apply to property surveys. A real property inspection report shall not be filed or recorded with the county recorder. The real property inspection report shall include all of the following:

*a.* A clear and prominent statement of disclosure to the buyer that the real property inspection report is not a property survey or an engineering document and should not be relied upon as such, and that property boundaries shown may be approximate only.

*b.* A clear and prominent statement that the report is for the use of the mortgage lender or its assigns and determination of the actual placement of boundary lines should be addressed by a property survey in accordance with the provisions of this chapter.

3. A person who completes the real property inspection report shall not claim to be a licensed professional land surveyor or a licensed professional engineer for purposes of the report.

90 Acts, ch 1060, §1

C91, §114.35

C93, §542B.35

96 Acts, ch 1055, §5; 97 Acts, ch 23, §66; 2012 Acts, ch 1009, §24; 2013 Acts, ch 30, §135

Subsection 2, paragraph c redesignated as subsection 3

# CHAPTER 542C

## PUBLIC ACCOUNTANTS

Repealed by 2001 Acts, ch 55, §36, 38; see chapter 542

# CHAPTERS 543 and 543A

## RESERVED

# CHAPTER 543B

## REAL ESTATE BROKERS AND SALESPERSONS

Referred to in §272C.1, 272C.6, 523H.1, 533C.103, 535B.2, 537A.10, 543C.1, 543C.6, 546.10, 557A.20, 558A.1, 562A.12, 669.14, 714E.1, 714H.4

This chapter not enacted as a part of this title;
transferred from chapter 117 in Code 1993

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## SUBCHAPTER I

## GENERAL PROVISIONS

### 543B.1 License mandatory.

A person shall not, directly or indirectly, with the intention or upon the promise of receiving any valuable consideration, offer, attempt, agree to perform, or perform any single act as a real estate broker whether as a part of a transaction or as an entire transaction, or represent

oneself as a real estate broker, broker associate, or salesperson, without first obtaining a license and otherwise complying with the requirements of this chapter.

[C31, 35, §1905-c23; C39, §**1905.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.1; 81 Acts, ch 54, §1]

C93, §543B.1

95 Acts, ch 170, §1

Referred to in §543B.43, 543B.44, 543B.49

**543B.2 Individual licenses necessary.**

A partnership, association, corporation, professional corporation, or professional limited liability company shall not be granted a license, unless every member or officer of the partnership, association, corporation, professional corporation, or professional limited liability company who actively participates in the brokerage business of the partnership, association, corporation, professional corporation, or professional limited liability company holds a license as a real estate broker or salesperson, and unless every employee who acts as a salesperson for the partnership, association, corporation, professional corporation, or professional limited liability company holds a license as a real estate broker or salesperson. At least one member or officer of each partnership, association, corporation, professional corporation, or professional limited liability company shall be a real estate broker.

[C31, 35, §1905-c24; C39, §**1905.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.2; 81 Acts, ch 54, §2]

C93, §543B.2

2007 Acts, ch 13, §3

Referred to in §543B.43

**543B.3 Broker — definition.**

As used in this chapter, *"real estate broker"* means a person acting for another for a fee, commission, or other compensation or promise, whether it be for all or part of a person's time, and who engages directly or indirectly in any of the following acts:

1. Sells, exchanges, purchases, rents, or leases real estate.
2. Lists, offers, attempts, or agrees to list real estate for sale, exchange, purchase, rent, or lease.
3. Advertises or holds oneself out as being engaged in the business of selling, exchanging, purchasing, renting, leasing, or managing real estate.
4. Negotiates, or offers, attempts, or agrees to negotiate, the sale, exchange, purchase, rental, or lease of real estate.
5. Buys, sells, offers to buy or sell, or otherwise deals in options on real estate or improvements on real estate.
6. Collects, or offers, attempts, or agrees to collect, rent for the use of real estate.
7. Assists or directs in the procuring of prospects, intended to result in the sale, exchange, purchase, rental, or leasing of real estate.
8. Assists or directs in the negotiation of any transaction intended to result in the sale, exchange, purchase, rental, or leasing of real estate.
9. Prepares offers to purchase or purchase agreements, listing contracts, agency disclosures, real property residential and agricultural rental agreements, real property commercial rental agreements of one year or less, and groundwater hazard statements, including any modifications, amendments, or addendums to these specific documents.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.3]

C93, §543B.3

95 Acts, ch 170, §2; 2002 Acts, ch 1031, §1

Referred to in §543B.5, 543B.6, 543B.7, 543B.43

**543B.4 Real estate — definition.**

As used in this chapter, *"real estate"* means real property wherever situated, and includes any and all leaseholds or any other interest or estate in land, and business opportunities which involve any interest in real property.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.4]

C93, §543B.4

95 Acts, ch 170, §3

Referred to in §543B.43

**543B.5 Other definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agency"* means a relationship in which a real estate broker acts for or represents another by the other person's express authority in a transaction.

2. *"Agency agreement"* means a written agreement between a broker and a client which identifies the party the broker represents in a transaction.

3. *"Appointed agent"* means that affiliated licensee who is appointed by the designated broker of the affiliated licensee's real estate brokerage agency to act solely for a client of that brokerage agency to the exclusion of other affiliated licensees of that brokerage agency.

4. *"Branch office"* means a real estate broker's office other than a principal place of business.

5. *"Broker associate"* means a person who has a broker's license but is licensed under, and employed by or otherwise associated with, another broker as a salesperson.

6. *"Brokerage"* means the business or occupation of a real estate broker.

7. *"Brokerage agreement"* means a contract between a broker and a client which establishes the relationship between the parties as to the brokerage services to be performed and contains the provisions required in section 543B.56A.

8. *"Brokerage services"* means those activities identified in sections 543B.3 and 543B.6.

9. *"Client"* means a party to a transaction who has an agency agreement with a broker for brokerage services.

10. *"Customer"* means a consumer who is not being represented by a licensee but for whom the licensee may perform ministerial acts.

11. *"Designated broker"* means a licensee designated by a real estate brokerage agency to act for the agency in conducting real estate brokerage services.

12. *"Inactive license"* means either a broker or salesperson license certificate that is on file with the real estate commission in the commission office and during which time the licensee is precluded from engaging in any of the acts of this chapter.

13. *"Licensee"* means a broker or a salesperson licensed pursuant to this chapter.

14. *"Listing"* is an agreement between a property owner and another person in which that person holds or advertises the property to the public as being available for sale or lease.

15. *a.* *"Material adverse fact"* means an adverse fact that a party indicates is of such significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction, or affects or would affect the party's decision about the terms of the contract or agreement.

*b.* For purposes of this subsection, *"adverse fact"* means a condition or occurrence that is generally recognized by a competent licensee as resulting in any of the following:

(1) Significantly and adversely affecting the value of the property.

(2) Significantly reducing the structural integrity of improvement to real estate.

(3) Presenting a significant health risk to occupants of the property.

16. *"Negotiate"* means to act as an intermediary between the parties to a transaction, and includes any of the following acts:

*a.* Participating in the parties' discussion of the terms of a contract or agreement concerning a transaction.

*b.* Completing, when requested by a party, appropriate forms or other written record to document the party's proposal in a manner consistent with the party's intent.

*c.* Presenting to a party the proposals of other parties to the transaction and informing the party receiving a proposal of the advantages and disadvantages of the proposal.

17. *"Party"* means a person seeking to sell, exchange, buy, or rent an interest in real estate, a business, or a business opportunity. *"Party"* includes a person who seeks to grant or accept an option to buy, sell, or rent an interest in real estate.

18. *"Person"* means an individual, partnership, association, corporation, professional corporation, or professional limited liability company.

19. *"Regular employee"* means a person whose compensation is fixed in advance, who does not receive a commission, who works exclusively for the owner, and whose total compensation is subject to state and federal withholding.

20. *"Salesperson"* means a person who is licensed under, and employed by or otherwise associated with, a real estate broker, as a selling, renting, or listing agent or representative of the broker.

21. *"Transaction"* means the sale, exchange, purchase, or rental of, or the granting or acceptance of an option to sell, exchange, purchase, or rent an interest in real estate.

[C31, 35, §1905-c25; C39, §**1905.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.5; 81 Acts, ch 54, §3]

C93, §543B.5

95 Acts, ch 17, §1; 95 Acts, ch 170, §4; 2005 Acts, ch 40, §1; 2006 Acts, ch 1055, §1; 2007 Acts, ch 13, §4; 2013 Acts, ch 30, §136

Referred to in §543B.43

Subsection 15 amended

**543B.6 Acts constituting dealing in real estate.**

A person who, for another, in consideration of compensation, by fee, commission, salary, or otherwise, or with the intention or in the expectation or upon the promise of receiving or collecting a fee, does, offers or attempts or agrees to do, engages in or offers or attempts or agrees to engage in, either directly or indirectly, any single act or transaction contained in the definition of a real estate broker as set out in section 543B.3, whether the act be an incidental part of a transaction or the entire transaction is a real estate broker or real estate salesperson within the meaning of this chapter.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.6; 81 Acts, ch 54, §4]

C93, §543B.6

Referred to in §543B.5, 543B.7, 543B.43, 543B.46

**543B.7 Acts excluded from provisions — prohibited acts — penalties.**

The provisions of this chapter shall not apply to the sale, exchange, purchase, rental, lease, or advertising of any real estate in any of the following cases:

1. A person who, as owner, spouse of an owner, general partner of a limited partnership, lessor, or prospective purchaser who does not make repeated and successive transactions of a like character, or through another engaged by such person on a regular full-time basis, buys, sells, manages, or otherwise performs any act with reference to property owned, rented, leased, or to be acquired by such person.

2. By any person acting as attorney in fact under a duly executed and acknowledged power of attorney from the owner, to act on behalf of the owner or lessor to authorize the final consummation and execution of any contract for the sale, leasing, or exchange of real estate. The exclusion in this subsection does not apply to a person who, in the regular course of a business operated in the nature of a property management or brokerage business, makes repeated and successive transactions of a like character for compensation.

3. A licensed attorney admitted to practice in Iowa acting solely as an incident to the practice of law.

4. A person acting as a receiver, trustee in bankruptcy, administrator, executor, guardian, or while acting under court order or under authority of a deed of trust, trust agreement, or will.

5. The acts of an auctioneer who is not a licensee in conducting a public sale or auction, as provided in this subsection.

*a.* The auctioneer's role must be limited to establishing the time, place, and method of an

auction; advertising the auction which shall be limited to a brief description of the property for auction and the time and place for the auction; and crying the property at the auction.

(1) The auctioneer shall provide in any advertising the name and address of the real estate broker who is providing brokerage services for the transaction and the name of the real estate broker, attorney, or closing company who is responsible for closing the sale of the property.

(2) The real estate broker providing brokerage services shall be present at the time of the auction and, if found to be in violation of this subsection, shall be subject to a civil penalty of one thousand dollars.

(3) If the auctioneer closes or attempts to close the sale of the property or otherwise engages in acts defined in sections 543B.3 and 543B.6, or paragraph *"b"* of this subsection, then the requirements of this chapter do apply to the auctioneer.

*b.* An auctioneer who is not a licensee is expressly prohibited from engaging in the following acts:

(1) Contacting the public regarding real property beyond that which is permitted under this section with the purpose of securing or facilitating the sale of such real property.

(2) Independently showing property or hosting open houses.

(3) Making material and substantive representations regarding title, financing, or closings.

(4) Discussing or explaining a contract, lease, agreement, or other real estate document, other than the contract for conducting the auction or other acts permitted by this subsection, with a prospective buyer, owner, or tenant of the real property, with the purpose of securing or facilitating the sale of such real property.

(5) Collecting or holding deposit moneys, rent, other moneys, or anything of value received from the owner of real property or from a prospective buyer or tenant, other than fees, commissions, or other consideration paid in exchange for conducting the auction or other acts permitted by this subsection, with the purpose of securing or facilitating the sale of such real property.

(6) Providing owners of real property or prospective buyers or tenants with advice, recommendations, or suggestions regarding the sale, purchase, exchange, rental, or leasing of real property, except with regard to acts permitted under this subsection.

(7) Falsely representing in any manner, orally or in writing, that the auctioneer is a licensee.

*c.* If an investigation pursuant to this chapter reveals that an auctioneer has violated this subsection or has assumed to act in the capacity of a real estate broker or real estate salesperson, the real estate commission shall issue a cease and desist order, and shall impose a civil penalty of one thousand dollars for the first offense, and impose a civil penalty of up to the greater of ten thousand dollars or ten percent of the real estate sales price for each subsequent violation.

6. An isolated real estate rental transaction by an owner's representative on behalf of the owner; such transaction not being made in the course of repeated and successive transactions of a like character.

7. The sale of time-share uses as defined in section 557A.2.

8. A person acting as a resident manager when such resident manager resides in the dwelling and is engaged in the leasing of real property in connection with their employment.

9. An officer or employee of the federal government, state government, or a political subdivision of the state, in the conduct of the officer's or employee's official duties.

10. A person employed by a public or private utility who performs an act with reference to property owned, leased, or to be acquired by the utility employing that person, where such an act is performed in the regular course of, or incident to, the management of the property and the investment in the property.

11. A nonlicensed employee of a licensee who provides information to another licensee concerning the sale, exchange, purchase, rental, lease, or advertising of real estate which has been provided to the employee by the employer licensee either verbally or in writing.

[C31, 35, §1905-c26; C39, §**1905.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.7]

83 Acts, ch 43, §1; 85 Acts, ch 155, §21

C93, §543B.7
95 Acts, ch 170, §5; 96 Acts, ch 1054, §1; 99 Acts, ch 82, §1; 2001 Acts, ch 83, §1; 2004 Acts, ch 1018, §1; 2005 Acts, ch 101, §1; 2006 Acts, ch 1055, §2; 2012 Acts, ch 1045, §1; 2013 Acts, ch 90, §165
Referred to in §543B.34, 543B.43, 543C.6
Subsection 5, paragraph c amended

**543B.8 Real estate commission created — staff.**

A real estate commission is created within the professional licensing and regulation bureau of the banking division of the department of commerce. The commission consists of five members licensed under this chapter and two members not licensed under this chapter and who shall represent the general public. At least one of the licensed members shall be a licensed real estate salesperson, except that if the licensed real estate salesperson becomes a licensed real estate broker during a term of office, that person may complete the term, but is not eligible for reappointment on the commission as a licensed real estate salesperson. A licensed member shall be actively engaged in the real estate business and shall have been so engaged for five years preceding the appointment, the last two of which shall have been in Iowa. Professional associations or societies of real estate brokers or real estate salespersons may recommend the names of potential commission members to the governor. However, the governor is not bound by their recommendations. A commission member shall not be required to be a member of any professional association or society composed of real estate brokers or salespersons. Commission members shall be appointed by the governor subject to confirmation by the senate. Appointments shall be for three-year terms and shall commence and end as provided in section 69.19. A member shall serve no more than three terms or nine years, whichever is less. No more than one member shall be appointed from a county. A commission member shall not hold any other elective or appointive state or federal office. Vacancies shall be filled for the unexpired term by appointment of the governor and are subject to senate confirmation. A majority of the commission members constitutes a quorum. The administrator of the professional licensing and regulation bureau of the banking division shall hire and provide staff to assist the commission with implementing this chapter.

The administrator of the professional licensing and regulation bureau of the banking division of the department of commerce shall hire a real estate education director to assist the commission in administering education programs for the commission.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.8; 81 Acts, ch 54, §5]
86 Acts, ch 1245, §722; 88 Acts, ch 1274, §36; 89 Acts, ch 292, §1
C93, §543B.8
2005 Acts, ch 41, §1; 2006 Acts, ch 1177, §38
Referred to in §543B.43, 543B.49, 558A.1
Confirmation, see §2.32

**543B.9 Rules.**

The real estate commission may adopt rules to carry out and administer the provisions of this chapter. The commission may carry on a program of education of real estate practices and matters relating to real estate. The commission shall adopt rules necessary to carry out the provisions of chapter 558A relating to the disclosure of information before the transfer of real estate.

[C31, 35, §1905-c33; C39, §**1905.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.9]
C93, §543B.9
93 Acts, ch 30, §1
Referred to in §543B.43, 558A.4

**543B.10 and 543B.11** Reserved.

**543B.12 Expenses of members — compensation.**

Members of the real estate commission are entitled to be reimbursed for their actual expenses in the performance of duties pertaining to their office within the limits of the funds

appropriated to the commission. Each member of the commission may also be eligible to receive compensation as provided in section 7E.6.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.12]

86 Acts, ch 1245, §723

C93, §543B.12

Referred to in §543B.43

**543B.13 Seal — records.**

The real estate commission shall adopt a seal with such design as the commission may prescribe engraved thereon, by which it shall authenticate its proceedings. Copies of all records and papers in the office of the commission, duly certified and authenticated by the seal of said commission, shall be received in evidence in all courts equally and with like effect as the original. All records kept in the office of the commission under authority of this chapter shall be open to public inspection under such reasonable rules and regulations as shall be prescribed by the commission.

[C31, 35, §1905-c28; C39, §**1905.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.13]

C93, §543B.13

Referred to in §543B.43

**543B.14 Fees and expenses.**

All fees and charges collected by the real estate commission under this chapter shall be paid into the general fund of the state, except that twenty-five dollars from each real estate salesperson's license fee and each broker's license fee is appropriated to the professional licensing and regulation bureau of the banking division of the department of commerce for the purpose of hiring and compensating a real estate education director and regulatory compliance personnel. All expenses incurred by the commission under this chapter, including compensation of staff assigned to the commission, shall be paid from funds appropriated for those purposes.

[C31, 35, §1905-c29; C39, §**1905.26;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.14]

86 Acts, ch 1245, §724; 89 Acts, ch 292, §2; 90 Acts, ch 1168, §19; 90 Acts, ch 1261, §38; 92 Acts, ch 1070, §1

C93, §543B.14

94 Acts, ch 1107, §89; 2004 Acts, ch 1175, §29; 2013 Acts, ch 93, §1

Referred to in §543B.43, 546.10

Section amended

**543B.15 Qualifications.**

1. Except as provided in section 543B.20 an applicant for a real estate broker's or salesperson's license must be a person whose application has not been rejected for licensure in this or any other state within twelve months prior to the date of application, and whose real estate license has not been revoked in this or any other state within two years prior to date of application.

2. To qualify for a license as a real estate broker or salesperson a person shall be eighteen years of age or over. However, an applicant is not ineligible because of citizenship, sex, race, religion, marital status, or national origin, although the application form may require citizenship information.

3. *a.* An applicant for a real estate broker's or salesperson's license who has been convicted of an offense specified in this subsection shall not be considered for licensure until the following time periods have elapsed following completion of any applicable period of incarceration, or payment of a fine or fulfillment of any other type of sentence:

(1) For an offense which is classified as a felony, two years.

(2) Notwithstanding subparagraph (1), for offenses including or involving forgery, embezzlement, obtaining money under false pretenses, theft, arson, extortion, conspiracy to defraud, or other similar offense, any offense involving moral turpitude, or other offense involving a criminal breach of fiduciary duty, five years.

*b.* After expiration of the time periods specified in paragraph *"a"*, an application shall be considered by the commission pursuant to subsection 6 and may be denied on the grounds of

the conviction. An applicant may request a hearing pursuant to section 543B.19 in the event of a denial.

*c.* For purposes of this section, *"convicted"* means a guilty plea, deferred judgment from the time of entry of the deferred judgment until the time the defendant is discharged by the court without entry of judgment, or other finding of guilt by a court of competent jurisdiction in this state, or in any other state, territory, or district of the United States, or in any foreign jurisdiction.

4. An applicant for a real estate broker's or salesperson's license who has had a professional license of any kind revoked or suspended or who has had any other form of discipline imposed, in this or any other jurisdiction, may be denied a license by the commission on the grounds of the revocation, suspension, or other discipline.

5. A person who makes a false statement of material fact on an application for a real estate broker's or salesperson's license, or who causes to be submitted, or has been a party to preparing or submitting any false application for such license, may be denied a license by the commission on the grounds of the false statement or submission.

6. The commission, when considering the denial of a license pursuant to this section, shall consider the nature of the offense; any aggravating or extenuating circumstances which are documented; the time lapsed since the revocation, conduct, or conviction; the rehabilitation, treatment, or restitution performed by the applicant; and any other factors the commission deems relevant. Character references may be required but shall not be obtained from licensed real estate brokers or salespersons.

7. To qualify for a license as a real estate broker, a person shall complete at least sixty contact hours of commission approved real estate education within twenty-four months prior to taking the broker examination. This education shall be in addition to the required salesperson prelicense course. The applicant shall have been a licensed real estate salesperson actively engaged in real estate for a period of at least twenty-four months preceding the date of application, or shall have had experience substantially equal to that which a licensed real estate salesperson would ordinarily receive during a period of twenty-four months, whether as a former broker or salesperson, a manager of real estate, or otherwise.

8. A qualified applicant for a license as a real estate salesperson shall complete a commission approved short course in real estate education of at least thirty hours during the twelve months prior to taking the salesperson examination.

9. An applicant for an initial real estate broker's or salesperson's license shall be subject to a national criminal history check through the federal bureau of investigation. The commission shall request the criminal history check and shall provide the applicant's fingerprints to the department of public safety for submission through the state criminal history repository to the federal bureau of investigation. The applicant shall authorize release of the results of the criminal history check to the real estate commission. The applicant shall pay the actual cost of the fingerprinting and criminal history check, if any. Unless the criminal history check was completed within the two hundred ten calendar days prior to the date the license application is received by the real estate commission, the commission shall reject and return the application to the applicant. The commission shall process the application but hold delivery of the license until the background check is complete. The results of a criminal history check conducted pursuant to this subsection shall not be considered a public record under chapter 22.

[C31, 35, §1905-c30; C39, §**1905.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.15; 81 Acts, ch 54, §6, 7]

85 Acts, ch 82, §1

C93, §543B.15

95 Acts, ch 64, §1; 2002 Acts, ch 1031, §2; 2005 Acts, ch 36, §1; 2006 Acts, ch 1055, §3; 2007 Acts, ch 187, §1, 2; 2008 Acts, ch 1099, §1, 2; 2010 Acts, ch 1068, §1 – 3

Referred to in §543B.28, 543B.29, 543B.43

**543B.16 Application forms.**

Every applicant for a real estate broker's license shall apply in writing upon blanks prepared or furnished by the real estate commission. The real estate commission shall not require that a recent photograph of the applicant be attached to the application.

Every applicant for a license shall furnish information setting forth the applicant's present address, both of business and residence, a complete list of all former places where the applicant may have been engaged in business for a period of sixty days or more, during the last five years, accounting for such entire period.

The commission shall prepare and furnish written application blanks for the salesperson's license requesting information as the commission may require. The commission shall not require that a recent photograph of the applicant be attached to the application. The application for the salesperson's license shall be accompanied by a written statement by the broker whose service the applicant is about to enter recommending that the license be granted to the applicant.

[C31, 35, §1905-c31; C39, §**1905.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.16; 81 Acts, ch 54, §8]

C93, §543B.16

Referred to in §543B.43

**543B.17** Reserved.

**543B.18 Enforcement of rules.**

The real estate commission is expressly vested with the power and authority to make and enforce any and all such reasonable rules connected with the application for any license as shall be deemed necessary to administer and enforce the provisions of this chapter.

[C31, 35, §1905-c33; C39, §**1905.30;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.18]

C93, §543B.18

Referred to in §543B.43

**543B.19 License denied — hearing.**

If the real estate commission, after an application in proper form has been filed with it, accompanied by the proper fee, shall deny a license to the applicant, upon the applicant's application in writing, and within a period of thirty days of such denial, the applicant shall be entitled to a hearing as provided in section 543B.35.

[C31, 35, §1905-c34; C39, §**1905.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.19]

C93, §543B.19

Referred to in §543B.15, 543B.35, 543B.43

**543B.20 Examination.**

Examinations for registration shall be given as often as deemed necessary by the real estate commission, but no less than one time per year. Each applicant for a license must pass an examination authorized by the commission and administered by the commission or persons designated by the commission. The examination shall be of scope and wording sufficient in the judgment of the commission to establish the competency of the applicant to act as a real estate broker or salesperson in a manner to protect the interests of the public. An examination for a real estate broker shall be of a more exacting nature than that for a real estate salesperson and require higher standards of knowledge of real estate. The identity of the persons taking the examinations shall be concealed until after the examination has been graded. A person who fails to pass either examination once may immediately apply to take the next available examination. Thereafter, the applicant may take the examination at the discretion of the commission. An applicant who has failed either examination may request in writing information from the commission concerning the applicant's examination grade and subject areas or questions which the applicant failed to answer correctly, except that if the commission administers a uniform, standardized examination, the commission is only required to provide the examination grade and other information concerning the applicant's examination results which is available to the commission.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.20; 81 Acts, ch 54, §9]

C93, §543B.20
2013 Acts, ch 5, §23
Referred to in §538A.2, 543B.15, 543B.43
Section amended

**543B.21 Nonresident license.**

A nonresident of this state may be licensed as a real estate broker or a real estate salesperson, upon complying with all requirements of law and with all the provisions and conditions of this chapter relative to resident brokers or salespersons and the filing by the applicant with the real estate commission of a certification from the state of original licensure signed by the duly qualified and authorized official or officials of that state that the applicant is there currently licensed, that no charges against the applicant are there pending, and that applicant's record in that state justifies the issuance of a license to the applicant in Iowa. The commission may waive the requirement of an examination in the case of a nonresident broker who is licensed under the laws of a state having similar requirements and where similar recognition and courtesies are extended to licensed real estate brokers and salespersons of this state.

[C31, 35, §1905-c57; C39, §**1905.54;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.21; 81 Acts, ch 54, §10]

C93, §543B.21
Referred to in §543B.43

**543B.22 Nonresident's place of business.**

A nonresident to whom a license is issued upon compliance with all the other requirements of law and provisions of this chapter, is not required to maintain a definite place of business within this state. Provided that the nonresident, if a broker, shall maintain an active place of business within the state of the nonresident's domicile, and that the privilege of submitting a certification of licensure certified to by the qualified and authorized official or officials of the state of original licensure, in lieu of the recommendations and statements otherwise required, only applies to licensed real estate brokers and real estate salespersons of those states under the laws of which similar recognition and courtesies are extended to licensed real estate brokers and real estate salespersons of this state.

[C31, 35, §1905-c57; C39, §**1905.54;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.22; 81 Acts, ch 54, §11]

C93, §543B.22
Referred to in §543B.31, 543B.43

**543B.23 Actions against nonresidents.**

Every nonresident applicant, before the issuance of a license, shall file an irrevocable consent that suits and actions may be commenced against such applicant in the proper court of any county of this state in which a cause of action may arise, by the service of any process or pleadings authorized by the laws of this state on the chairperson of the real estate commission, said consent stipulating and agreeing that such service of such process or pleadings on the commission shall be taken and held in all courts to be as valid and binding as if due service had been made upon said applicant within the state of Iowa. Said instrument containing such consent shall be authenticated by the seal thereof, if a corporation, or by the acknowledged signature of a member or officer thereof, if otherwise. All such applications, except from individuals, shall be accompanied by a duly certified copy of the resolutions of the proper officers, or managing board, authorizing the proper officer to execute the same. In case any process or pleadings mentioned in the case are served upon the commission it shall be by duplicate copies, one of which shall be filed in the office of the commission, and the other immediately forwarded by certified mail to the main office of the applicant against whom or which said process or pleadings are directed.

[C31, 35, §1905-c57; C39, §**1905.54;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.23]

C93, §543B.23
Referred to in §543B.43

**543B.24 Custody of salesperson's license.**

The license of a real estate salesperson shall be delivered or mailed to the real estate broker by whom the real estate salesperson is employed and shall be kept in the custody and control of the broker.

[C31, 35, §1905-c36; C39, §**1905.33;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.24; 81 Acts, ch 54, §12]

C93, §543B.24

Referred to in §543B.43

**543B.25 Display of license.**

A real estate broker shall conspicuously display in the broker's place of business the current real estate broker's license issued to the broker and the licenses issued to the broker's employees.

[C31, 35, §1905-c37; C39, §**1905.34;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.25; 81 Acts, ch 54, §13]

C93, §543B.25

Referred to in §543B.43

**543B.26** Reserved.

**543B.27 Fees.**

1. The real estate commission shall set fees for examination and licensing of real estate brokers and real estate salespersons. The commission shall determine the annual cost of administering the examination and shall set the examination fee accordingly. The commission shall set the fees for the real estate broker's licenses and for real estate salesperson's licenses based upon the administrative costs of sustaining the commission. The fees shall include, but shall not be limited to, the costs for:

*a.* Per diem, expenses, and travel for commission members.

*b.* Office facilities, supplies, and equipment.

*c.* Staff assistance.

*d.* Establishing and maintaining a real estate education program.

2. Notwithstanding subsection 1, a nonresident person seeking to procure a license pursuant to this chapter shall be charged a fee equal to the greater of the following:

*a.* The fee as determined pursuant to subsection 1.

*b.* A fee equal to the fee the nonresident person would be charged by such person's state of residence if that person were a resident of this state making application for a license in that state and that state charges a nonresident a fee which is greater than that charged by that state to a resident of that state.

[C31, 35, §1905-c40; C39, §**1905.37;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.27; 81 Acts, ch 54, §14]

89 Acts, ch 292, §3; 90 Acts, ch 1168, §20

C93, §543B.27

95 Acts, ch 36, §1

Referred to in §543B.43

**543B.28 Expiration of license.**

Every license shall expire in multiyear intervals as determined by the real estate commission. A person who fails to renew a real estate broker's or real estate salesperson's license by the expiration date shall be allowed to do so within thirty days following its expiration, but the commission may assess a reasonable penalty. The commission upon the written request of the applicant on forms prescribed by the commission, and payment of the fee, shall issue a new license for each ensuing license period except as provided in section

543B.15, in the absence of any reason or condition which might warrant the revocation of a license after a hearing as provided in sections 543B.34 and 543B.35.

[C31, 35, §1905-c42; C39, §**1905.39;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.28; 81 Acts, ch 54, §15]

C93, §543B.28

Referred to in §543B.43, 543B.47, 543B.53

**543B.29 Revocation or suspension.**

1. A license to practice the profession of real estate broker and salesperson may be revoked or suspended when the licensee is guilty of any of the following acts or offenses:

*a.* Fraud in procuring a license.

*b.* Having made a false statement of material fact on an application for a real estate broker's or salesperson's license, or having caused to be submitted, or having been a party to preparing or submitting any false application for such license.

*c.* Professional incompetency.

*d.* Knowingly making misleading, deceptive, untrue, or fraudulent representations in the practice of the profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.

*e.* Habitual intoxication or addiction to the use of drugs.

*f.* Conviction of an offense included in section 543B.15, subsection 3. For purposes of this section, "*conviction*" means a conviction for an indictable offense and includes the court's acceptance of a guilty plea, a deferred judgment from the time of entry of the deferred judgment until the time the defendant is discharged by the court without entry of judgment, or other finding of guilt by a court of competent jurisdiction. A copy of the record of conviction, guilty plea, deferred judgment, or other finding of guilt is conclusive evidence.

(1) A licensed real estate broker or salesperson shall notify the commission of the licensee's conviction of an offense included in section 543B.15, subsection 3, paragraph "*a*", within ten days of the conviction. Notification of a conviction for an offense which is classified as a felony shall result in the immediate suspension of a license pending the outcome of a hearing conducted pursuant to section 543B.35 to determine the nature of the disciplinary action, if any, the commission will impose on the licensee. The hearing shall be conducted within thirty days of the licensee's notification to the commission, and the commission's decision shall be provided to the licensee no later than thirty days following the hearing. The failure of the licensee to notify the commission of the conviction within ten days of the date of the conviction is sufficient grounds for revocation of the license.

(2) The commission, when considering the revocation or suspension of a license pursuant to this paragraph "*f*", shall consider the nature of the offense; any aggravating or extenuating circumstances which are documented; the time lapsed since the conduct or conviction; the rehabilitation, treatment, or restitution performed by the licensee; and any other factors the commission deems relevant. Character references may be required but shall not be obtained from licensed real estate brokers or salespersons.

*g.* Fraud in representations as to skill or ability.

*h.* Use of untruthful or improbable statements in advertisements.

*i.* Willful or repeated violations of the provisions of this chapter.

*j.* Noncompliance with insurance requirements under section 543B.47.

*k.* Noncompliance with the trust account requirements under section 543B.46.

*l.* Revocation of any professional license held by the licensee in this or any other jurisdiction.

2. The revocation of a broker's license shall automatically suspend every license granted to any person by virtue of the person's employment by the broker whose license has been revoked, pending a change of employer and the issuance of a new license. The new license shall be issued upon payment of a fee in an amount determined by the commission based upon the administrative costs involved, if granted during the same license period in which the original license was granted.

3. A real estate broker or salesperson who is an owner or lessor of property or an employee of an owner or lessor may have the broker's or salesperson's license revoked or suspended for

violations of this section or section 543B.34, except section 543B.34, subsection 1, paragraphs *"d"*, *"e"*, *"f"*, and *"i"*, with respect to that property.

4. A real estate broker's or salesperson's license shall be revoked following three violations of this section or section 543B.34 within a five-year period.

[C31, 35, §1905-c43; C39, §**1905.40;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.29; 81 Acts, ch 54, §16, 17]

83 Acts, ch 101, §14; 90 Acts, ch 1126, §1; 92 Acts, ch 1242, §20

C93, §543B.29

95 Acts, ch 64, §2, 3; 2008 Acts, ch 1099, §3; 2010 Acts, ch 1068, §4, 5; 2010 Acts, ch 1193, §62; 2011 Acts, ch 73, §1; 2013 Acts, ch 30, §137

Referred to in §272C.3, 272C.4, 543B.43, 543B.60A

Subsection 3 amended

**543B.30 Actions — license as prerequisite.**

A person engaged in the business or acting in the capacity of a real estate broker or a real estate salesperson within this state shall not bring or maintain any action in the courts of this state for the collection of compensation for services performed as a real estate broker or salesperson without alleging and proving that the person was a duly licensed real estate broker or real estate salesperson at the time the alleged cause of action arose.

[C31, 35, §1905-c44; C39, §**1905.41;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.30; 81 Acts, ch 54, §18]

C93, §543B.30

Referred to in §543B.43

**543B.31 Place of business.**

Every real estate broker, except as provided in section 543B.22, shall maintain a place of business in this state. If the real estate broker maintains more than one place of business within the state, a duplicate license shall be issued to such broker for each branch office maintained. Provided, that if such broker be a partnership, association, corporation, professional corporation, or professional limited liability company a duplicate shall be issued to the members or officers thereof, and a fee determined by the real estate commission in each case shall be paid for each duplicate license.

[C31, 35, §1905-c45; C39, §**1905.42;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.31]

C93, §543B.31

2007 Acts, ch 13, §5; 2008 Acts, ch 1032, §106

Referred to in §543B.43

**543B.32 Change of location.**

Notice in writing shall be given to the real estate commission by each licensee of any change of principal business location, whereupon the commission shall issue a new license for the unexpired period upon the payment of a fee established by rule to cover the cost of issuing the license.

[C31, 35, §1905-c46; C39, §**1905.43;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.32; 81 Acts, ch 54, §19]

C93, §543B.32

Referred to in §543B.43

**543B.33 Salespersons — change of employment.**

When any real estate salesperson is discharged or terminates employment with the real estate broker by whom the salesperson is employed, the real estate broker shall immediately deliver or mail to the real estate commission the real estate salesperson's license on the reverse side of which the employing broker shall set out the date and cause of termination of employment. The real estate broker at the time of mailing the real estate salesperson's license to the commission shall address a communication to the last known residence address of the real estate salesperson stating that the license has been delivered or mailed to the commission. A copy of the communication to the real estate salesperson shall accompany the license when mailed or delivered to the commission. It is unlawful for any real estate salesperson to perform any of the acts contemplated by this chapter either

directly or indirectly under authority of a license from and after the date of receipt of the license by the commission. The commission shall, upon presentation of evidence by the salesperson that the salesperson has been employed by another broker, issue another license for the balance of the current license period showing each change of employment. A fee as determined by the commission shall be charged for the issuance of the license. Not more than one license shall be issued to any real estate salesperson for the same period of time.

[C31, 35, §1905-c47; C39, §**1905.44;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.33; 81 Acts, ch 54, §20]

C93, §543B.33

2011 Acts, ch 73, §2

Referred to in §543B.43

**543B.34 Investigations by commission — licensing sanctions — civil penalty.**

1. The real estate commission may upon its own motion and shall upon the verified complaint in writing of any person, if the complaint together with evidence, documentary or otherwise, presented in connection with the complaint makes out a prima facie case, request commission staff or any other duly authorized representative or designee to investigate the actions of any real estate broker, real estate salesperson, or other person who assumes to act in either capacity within this state, and may suspend or revoke a license issued under this chapter at any time if the licensee has by false or fraudulent representation obtained a license, or if the licensee or other person assuming to act in the capacity of a real estate broker or real estate salesperson, except for those actions exempt pursuant to section 543B.7, is found to be guilty of any of the following:

*a.* Making any substantial misrepresentation.

*b.* Making any false promise of a character likely to influence, persuade or induce.

*c.* Pursuing a continued and flagrant course of misrepresentation, or making of false promises through agents or salespersons or advertising or otherwise.

*d.* Acting for more than one party in a transaction without the knowledge of all parties for whom the licensee acts.

*e.* Accepting a commission or valuable consideration as a real estate broker associate or salesperson for the performance of any of the acts specified in this chapter, from any person, except the broker associate's or salesperson's employer, who must be a licensed real estate broker. However, a broker associate or salesperson may, without violating this paragraph, accept a commission or valuable consideration from a corporation which is wholly owned, or owned with a spouse, by the broker associate or salesperson if the conditions described in paragraph "*i*" are met.

*f.* Representing or attempting to represent a real estate broker other than the licensee's employer, without the express knowledge and consent of the employer.

*g.* Failing, within a reasonable time, to account for or to remit any moneys coming into the licensee's possession which belong to others.

*h.* Being unworthy or incompetent to act as a real estate broker or salesperson in such manner as to safeguard the interests of the public.

*i.* (1) Paying a commission or other valuable consideration or any part of such commission or consideration for performing any of the acts specified in this chapter to a person who is not a licensed broker or salesperson under this chapter or who is not engaged in the real estate business in another state or foreign country, provided that the provisions of this section shall not be construed to prohibit the payment of earned commissions or consideration to any of the following:

(a) The estate or heirs of a deceased real estate licensee when such licensee had a valid real estate license in effect at the time the commission or consideration was earned.

(b) A citizen of another country acting as a referral agent if that country does not license real estate brokers and if the Iowa licensee paying the commission or consideration obtains and maintains reasonable written evidence that the payee is a citizen of the other country, is not a resident of this country, and is in the business of brokering real estate in that other country.

(c) A corporation pursuant to subparagraph (2).

(2) A broker may pay a commission to a corporation which is wholly owned, or owned with a spouse, by a salesperson or broker associate employed by or otherwise associated with the broker, if all of the following conditions are met:

(a) The corporation does not engage in real estate transactions as a third-party agent or in any other activity requiring a license under this chapter.

(b) The employing broker is not relieved of any obligation to supervise the employed licensee or any other requirement of this chapter or the rules adopted pursuant to this chapter.

(c) The employed broker associate or salesperson is not relieved from any personal civil liability for any licensed activities by interposing the corporate form.

*j.* Failing, within a reasonable time, to provide information requested by the commission as the result of a formal or informal complaint to the commission which would indicate a violation of this chapter.

*k.* Any other conduct, whether of the same or different character from that specified in this section, which demonstrates bad faith, or improper, fraudulent, or dishonest dealings which would have disqualified the licensee from securing a license under this chapter.

2. Any unlawful act or violation of any of the provisions of this chapter by any real estate broker associate or salesperson, employee, or partner or associate of a licensed real estate broker, is not cause for the revocation of the license of any real estate broker, unless the commission finds that the real estate broker had guilty knowledge of the unlawful act or violation.

3. If an investigation pursuant to this section reveals that an unlicensed person has assumed to act in the capacity of a real estate broker or real estate salesperson, the commission shall issue a cease and desist order, and shall impose a civil penalty of up to the greater of ten thousand dollars or ten percent of the real estate sale price.

[C31, 35, §1905-c48; C39, §**1905.45;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.34; 81 Acts, ch 54, §21]

88 Acts, ch 1158, §23; 89 Acts, ch 29, §1; 89 Acts, ch 83, §24; 92 Acts, ch 1242, §21

C93, §543B.34

95 Acts, ch 170, §6; 99 Acts, ch 22, §1; 2004 Acts, ch 1005, §1, 2; 2005 Acts, ch 179, §72; 2011 Acts, ch 73, §3

Referred to in §543B.28, 543B.29, 543B.43, 543B.61

**543B.35 Hearing on charges.**

The real estate commission shall, upon request of the applicant as provided in section 543B.19, or before revoking any license, set the matter down for a hearing and at least twenty days prior to the date set for the hearing it shall notify the applicant or licensee in writing, which said notice shall contain an exact statement of the charges made and the date and place of the hearing. The applicant or licensee at all such hearings shall have the opportunity to be heard in person and by counsel in reference thereto. Such written notice of hearing may be served by delivery personally to the applicant or licensee or by mailing the same by certified mail to the last known business address of such applicant or licensee. If such applicant or licensee be a salesperson, the commission shall also notify the broker employing the salesperson or into whose employ the salesperson is about to enter by mailing such notice by certified mail to the broker's last known business address. The hearing on such charges shall be at such time and place as the commission shall prescribe.

[C31, 35, §1905-c49; C39, §**1905.46;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.35]

C93, §543B.35

Referred to in §272C.5, 543B.19, 543B.28, 543B.29, 543B.43

**543B.36 Attendance of witnesses.**

In the preparation and conducting of such hearings, the real estate commission shall have power to execute and sign subpoenas to require the attendance and testimony of any witnesses and the producing of any papers or books. The commission may administer oaths, examine witnesses, and take any evidence the commission deems pertinent to the

determination of the charges. Any such hearing may be held before two or more members of the commission as may be directed by the commission.

[C31, 35, §1905-c50; C39, §**1905.47;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.36]
C93, §543B.36
Referred to in §272C.5, 543B.43

**543B.37 Fees and mileage.**

Any witnesses so subpoenaed shall be entitled to the same fees and mileage as is prescribed by law in judicial proceedings in the courts of this state in civil cases.

[C31, 35, §1905-c51; C39, §**1905.48;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.37]
C93, §543B.37
Referred to in §543B.43

**543B.38 Request for witnesses.**

Any party to any hearing before the real estate commission shall have the right to the attendance of witnesses in the party's behalf at such a hearing upon making a request thereof to the commission and designating the person or persons sought to be subpoenaed.

[C31, 35, §1905-c52; C39, §**1905.49;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.38]
C93, §543B.38
Referred to in §543B.43

**543B.39 Disobedience to subpoena.**

In case of a disobedience to a subpoena the real estate commission may invoke the aid of any court of competent jurisdiction or judge thereof in requiring the attendance and testimony of witnesses and the production of papers; and such court may issue an order requiring the persons to appear before the commission and give evidence or to produce papers as the case may be; and any failure to obey such order may be punished as a contempt.

[C31, 35, §1905-c53; C39, §**1905.50;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.39]
C93, §543B.39
Referred to in §543B.43

**543B.40 Depositions.**

The testimony may be taken by deposition as in civil cases, and any person may be compelled to appear and depose in the same manner as witnesses may be compelled to appear and testify as hereinbefore provided.

[C31, 35, §1905-c54; C39, §**1905.51;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.40]
C93, §543B.40
Referred to in §543B.43

**543B.41 Findings of fact.**

If the majority of the real estate commission shall determine that any applicant is not qualified to receive a license, a license shall not be granted to such applicant, and if the commission shall determine that any licensee is guilty of a violation of any of the provisions of this chapter, the license may be suspended or revoked. The commission, upon request of the applicant or licensee, shall furnish said applicant or licensee with a definite statement of its findings of fact and its reason or reasons for refusing to grant the license or for suspension of the rights of the licensee or for the revocation of the license, as the case may be. Judicial review of action of the commission may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

[C31, 35, §1905-c56; C39, §**1905.53;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.41]
C93, §543B.41
2003 Acts, ch 44, §114
Referred to in §543B.43

**543B.42 List of licensees.**

The real estate commission shall at least annually prepare a list of the names and addresses of all licensees licensed by it under this chapter, and of all persons whose licenses have been suspended or revoked within one year; together with other information relative to the

enforcement of this chapter as it deems of interest to the public. The lists shall be mailed by the commission to any person in this state upon request.

[C31, 35, §1905-c58; C39, §**1905.55;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.42]
86 Acts, ch 1238, §6
C93, §543B.42

**543B.43 Penalties.**

Any person found guilty of violating a provision of sections 543B.1 to 543B.41 in a first offense shall be guilty of a simple misdemeanor.

[C31, 35, §1905-c59; C39, §**1905.56;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.43]
C93, §543B.43
2013 Acts, ch 90, §166
Referred to in §543B.49
Civil penalty for unlicensed person acting as real estate broker or salesperson; §543B.34
Civil penalty for licensees; §543B.48
Section amended

**543B.44 Complaints referred to court.**

The real estate commission may refer a complaint for violation of section 543B.1 before any court of competent jurisdiction, and it may take the necessary legal steps through the proper legal officers of this state to enforce the provisions hereof and collect the penalties herein provided.

[C31, 35, §1905-c60; C39, §**1905.57;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §117.44]
C93, §543B.44
Referred to in §543B.49

**543B.45 Dual contracts for sale of real property.**

A person licensed under this chapter shall not knowingly make, issue, deliver, receive, or permit the use of two or more written or oral contracts for the purpose of sale concerning the same parcel of real estate one of which is not made known to the prospective lender or loan guarantor to enable the purchaser to obtain a larger loan than the true sales price would allow or to enable the purchaser to qualify for a loan which the purchaser otherwise could not obtain.

Any person who shall violate the provisions of this section shall be guilty of a fraudulent practice.

[C71, 73, 75, 77, 79, 81, §117.45; 81 Acts, ch 54, §22]
C93, §543B.45

**543B.46 Trust accounts.**

1. Each real estate broker shall maintain a common trust account in a bank, savings association, or credit union for the deposit of all down payments, earnest money deposits, or other trust funds received by the broker or the broker's salespersons on behalf of the broker's principal, except that a broker acting as a salesperson shall deposit these funds in the common trust account of the broker for whom the broker acts as salesperson. The account shall be an interest-bearing account. The interest on the account shall be transferred quarterly to the treasurer of state and transferred to the Iowa finance authority for deposit in the housing trust fund established in section 16.181 unless there is a written agreement between the buyer and seller to the contrary. The broker shall not benefit from interest received on funds of others in the broker's possession.

2. Each broker shall notify the real estate commission of the name of each bank or savings association in which a trust account is maintained and also the name of the account on forms provided therefor.

3. Each broker shall authorize the real estate commission to examine each trust account and shall obtain the certification of the bank or savings association attesting to each trust account and consenting to the examination and audit of each account by a duly authorized representative of the commission. The certification and consent shall be furnished on forms prescribed by the commission. This subsection does not apply to an individual farm account maintained in the name of the owner or owners for the purpose of conducting ongoing

farm business whether it is conducted by the farm owner or by an agent or farm manager when the account is part of a farm management agreement between the owner and agent or manager. This subsection also does not apply to an individual property management account maintained in the name of the owner or owners for the purpose of conducting ongoing property management whether it is conducted by the property owner or by an agent or manager when the account is part of a property management agreement between the owner and agent or manager.

4. Each broker shall only deposit trust funds received on real estate or business opportunity transactions as defined in section 543B.6 in the common trust account and shall not commingle the broker's personal funds or other funds in the trust account with the exception that a broker may deposit and keep a sum not to exceed five hundred dollars in the account from the broker's personal funds, which sum shall be specifically identified and deposited to cover bank service charges relating to the trust account.

5. A broker may maintain more than one trust account provided the commission is advised of said account as specified in subsections 2 and 3 above.

6. The commission shall verify on a test basis, a random sampling of the brokers, corporations, professional corporations, professional limited liability companies, and partnerships for their trust account compliance. The commission may upon reasonable cause, or as a part of or after an investigation, request or order a special report.

7. The examination of a trust account shall be conducted by the commission or the commission's authorized representative.

8. The commission shall adopt rules to ensure implementation of this section.

[C71, 73, 75, 77, 79, 81, §117.46; 81 Acts, ch 54, §23; 82 Acts, ch 1067, §1]

85 Acts, ch 252, §1; 92 Acts, ch 1242, §22, 23

C93, §543B.46

93 Acts, ch 30, §2; 93 Acts, ch 175, §19; 95 Acts, ch 170, §7; 96 Acts, ch 1027, §1; 97 Acts, ch 23, §67; 97 Acts, ch 214, § 12; 2007 Acts, ch 13, §6; 2008 Acts, ch 1097, §3; 2012 Acts, ch 1017, §150; 2013 Acts, ch 30, §138

Referred to in §543B.29

Subsection 1 amended

**543B.47 Insurance requirement.**

1. The real estate commission shall adopt rules requiring as a condition of licensure that all real estate licensees, except those who hold inactive licenses, carry errors and omissions insurance covering all activities contemplated under this chapter. The rules shall provide for administration of the insurance requirements of this section within the multiyear licensing structure required by section 543B.28. However, the rules shall require licensees to submit evidence of compliance with this section within twenty calendar days of the commission's request, which may be made on a test basis, a random basis, or upon reasonable cause to question a licensee's compliance.

2. The commission shall contract with an insurance provider for a group policy under which coverage is available to all licensees, and shall maintain coverage with the contracted provider unless the commission determines that continuing the contract is not reasonably practical. The contract shall be solicited by competitive, sealed bid.

3. The group policy shall be made available to all licensees and shall not include any right on the part of the insurance provider to cancel coverage for a licensee.

4. A licensee shall have the option of obtaining insurance independently, if the coverage contained in an independently obtained policy complies with the minimum requirements adopted by rule of the commission.

5. The commission shall determine the terms and conditions of coverage required by subsection 1, including but not limited to the minimum limits of coverage, the permissible deductible, and the permissible exceptions.

6. Failure of a license applicant or licensee to carry the errors and omissions insurance required by this section, or to timely submit proof of coverage upon commission request,

shall be grounds for the denial of an application for licensure, the denial of an application to renew a license, or the suspension or revocation of a license.

90 Acts, ch 1126, §2
C91, §117.47
91 Acts, ch 97, §21
C93, §543B.47
2002 Acts, ch 1031, §3
Referred to in §543B.29

**543B.48 Civil penalty amount.**

Notwithstanding section 272C.3, licensee discipline may include a civil penalty not to exceed two thousand five hundred dollars per violation.

2002 Acts, ch 1031, §4
Referred to in §543B.49

**543B.49 Injunctive relief.**

1. In addition to the penalty and complaint provisions of sections 543B.43, 543B.44, and 543B.48, an injunction may be granted through an action in district court to prohibit a person from engaging in an activity which violates the provisions of section 543B.1. The court shall grant a permanent or temporary injunction if it appears to the court that a violation has occurred or is imminently threatened. The plaintiff is not required to show that the violation or threatened violation would greatly or irreparably injure the plaintiff. No bond shall be required of the plaintiff unless the court determines that a bond is necessary in the public interest. The action for injunctive relief may be brought by an affected person. For the purposes of this section, "*affected person*" means any person directly impacted by the actions of a person suspected of violating the provisions of section 543B.1, including but not limited to the commission created in section 543B.8, a person who has utilized the services of a person suspected of violating the provisions of section 543B.1, or a private association composed primarily of members practicing a profession for which licensure is required pursuant to this chapter.

2. If successful in obtaining injunctive relief, the affected person shall be entitled to actual costs and attorney fees. For the purposes of this section, "*actual costs*" means those costs other than attorney fees which were actually incurred in connection with the action, including but not limited to court and witness fees, investigative expenses, travel expenses, legal research expenses, and other related fees and expenses.

2004 Acts, ch 1005, §3; 2006 Acts, ch 1055, §4

**543B.50 Meetings.**

The real estate commission shall hold at least one meeting per year at the location of the commission's principal office and shall elect a chairperson annually. A majority of the members of the commission shall constitute a quorum.

[C75, 77, 79, 81, §117.50]
88 Acts, ch 1158, §24
C93, §543B.50

**543B.51 Public members.**

The public members of the real estate commission shall be allowed to participate in administrative, clerical, or ministerial functions incident to giving the examination, but shall not determine the content of the examination or determine the correctness of the answers.

[C75, 77, 79, 81, §117.51]
C93, §543B.51

**543B.52 Disclosure of confidential information.**

1. The commission shall not disclose information relating to the following:

*a.* The contents of the examination.

*b.* The examination results other than final score except for information about the results of an examination which is given to the person who took the examination.

2. A member of the commission who willfully communicates or seeks to communicate such information, and any person who willfully requests, obtains, or seeks to obtain such information, is guilty of a simple misdemeanor.

[C75, 77, 79, 81, §117.52]
C93, §543B.52
2008 Acts, ch 1059, §4

**543B.53 Application of chapter.**

The provisions of this chapter which require successful completion of a real estate education course before being licensed as a real estate salesperson shall not apply to persons who hold real estate salesperson's licenses on July 1, 1976 or to the issuance of new licenses to these persons under the provisions of section 543B.28.

[C77, 79, 81, §117.53; 81 Acts, ch 54, §24]
C93, §543B.53

**543B.54 Real estate education fund.** Repealed by 2013 Acts, ch 93, § 3.
For appropriation and use of funds remaining in real estate education fund on June 30, 2013, see 2013 Acts, ch 93, §4

**543B.55 Disclosure of relationship.**

The real estate commission shall adopt rules requiring that each real estate broker or salesperson in a real estate transaction disclose in writing the broker's or salesperson's agency relationship with the buyer or seller in the transaction.

90 Acts, ch 1126, §3
C91, §117.55
C93, §543B.55

## SUBCHAPTER II

## RELATIONSHIP BETWEEN LICENSEES AND PARTIES TO TRANSACTIONS

**543B.56 Duties of licensees.**

1. *Duties to all parties in a transaction.* In providing brokerage services to all parties to a transaction, a licensee shall do all of the following:

*a.* Provide brokerage services to all parties to the transaction honestly and in good faith.

*b.* Diligently exercise reasonable skill and care in providing brokerage services to all parties.

*c.* Disclose to each party all material adverse facts that the licensee knows except for the following:

(1) Material adverse facts known by the party.

(2) Material adverse facts the party could discover through a reasonably diligent inspection, and which would be discovered by a reasonably prudent person under like or similar circumstances.

(3) Material adverse facts the disclosure of which is prohibited by law.

(4) Material adverse facts that are known to a person who conducts an inspection on behalf of the party.

*d.* Account for all property coming into the possession of a licensee that belongs to any party within a reasonable time of receiving the property.

2. *Duties to a client.* In addition to the licensee's duties under subsection 1, a licensee providing brokerage services to a client shall do all of the following:

*a.* Place the client's interests ahead of the interests of any other party, unless loyalty to a client violates the licensee's duties under subsection 1, section 543B.58, or under other applicable law.

*b.* Disclose to the client all information known by the licensee that is material to the

transaction and that is not known by the client or could not be discovered by the client through a reasonably diligent inspection.

*c.* Fulfill any obligation that is within the scope of the agency agreement, except those obligations that are inconsistent with other duties that the licensee has under this chapter or any other law.

*d.* Disclose to a client any financial interests the licensee or the brokerage has in any business entity to which the licensee or brokerage refers a client for any service or product related to the transaction.

3. *Prohibited conduct.* In providing brokerage services, a licensee shall not do either of the following:

*a.* Accept a fee or compensation related to a transaction from a person other than the licensee's client, unless the licensee has provided written notice to all parties to the transaction that a fee or compensation will be accepted by the licensee from such person.

*b.* Act in a transaction on the licensee's own behalf, on behalf of the licensee's immediate family or brokerage, or on behalf of an organization or business entity in which the licensee has an interest, unless the licensee has provided written disclosure of the interest to all parties to the transaction.

95 Acts, ch 17, §2; 96 Acts, ch 1054, §2
Referred to in §543B.57, 543B.58, 543B.61

**543B.56A Brokerage agreements — purpose — contents.**

1. The purpose of this section is to promote the protection of the public by establishing minimum standards reasonably expected by the public in reliance upon the professional work product of real estate licensees. The reliance of the public and business community on sound professional opinions and assistance imposes on real estate licensees certain obligations both to their clients and to the public. The purpose of this section is also to assist in ensuring that licensees' obligations are met including licensees' exercising sound independent business judgment, striving to continuously improve professional business skills and knowledge in the industry, promoting sound and informative real estate reporting, and exercising the highest fiduciary duties to clients and the public.

2. A brokerage agreement shall specify that the broker shall, at a minimum, do all of the following:

*a.* Accept delivery of and present to the client offers and counteroffers to buy, sell, rent, lease, or exchange the client's property or the property the client seeks to purchase or lease.

*b.* Assist the client in developing, communicating, negotiating, and presenting offers or counteroffers until a rental agreement, lease, exchange agreement, offer to buy or sell, or purchase agreement is signed and all contingencies are satisfied or waived and the transaction is completed.

*c.* Answer the client's questions relating to the brokerage agreements, listing agreements, offers, counteroffers, notices, and contingencies.

*d.* Provide prospective buyers access to listed properties.

2005 Acts, ch 40, §2; 2011 Acts, ch 73, §4
Referred to in §543B.5, 543B.61

**543B.57 Confirmation and disclosure of relationship.**

1. A licensee shall not represent any party or parties to a transaction or otherwise as a licensee unless that licensee makes a disclosure to all parties to the transaction identifying which party that person represents in the transaction.

2. *a.* The disclosure required in subsection 1 shall be made by the licensee at the time the licensee provides specific assistance to the client. A change in a licensee's representation that makes the initial disclosure incomplete, misleading, or inaccurate requires that a new disclosure be made immediately.

*b.* A written disclosure is required to be made prior to an offer being made or accepted by any party to a transaction. The written disclosure shall be acknowledged by separate signatures of all parties to the transaction prior to any offer being made or accepted by any party to a transaction.

*c.* For purposes of this section, *"specific assistance"* means eliciting or accepting confidential information about a party's real estate needs, motivation, or financial qualifications, or eliciting or accepting information involving a proposed or preliminary offer associated with specific real estate. *"Specific assistance"* does not mean an open house showing, preliminary conversations concerning price range, location, and property styles, or responding to general factual questions concerning properties which have been advertised for sale or lease.

3. The written agency disclosure form shall contain all of the following:

*a.* A statement of which party is the licensee's client or, if the licensee is providing brokerage services to more than one client as provided under section 543B.60, a statement of all persons who are the licensee's clients.

*b.* A statement of the licensee's duties to the licensee's client under section 543B.56, subsections 1 and 2.

*c.* Any additional information that the licensee determines is necessary to clarify the licensee's relationship to the licensee's client or customer.

4. This section does not prohibit a person from representing oneself.

5. The seller, in the listing agreement, may authorize the seller's licensee to disburse part of the licensee's compensation to other licensees, including a buyer's licensee solely representing the buyer. A licensee representing a buyer shall inform the listing licensee, if there is a listing licensee, either verbally or in writing, of the agency relationship before any negotiations are initiated. The obligation of either the seller or the buyer to pay compensation to a licensee is not determinative of the agency relationship.

95 Acts, ch 17, §3; 97 Acts, ch 82, §1
Referred to in §543B.60, 543B.61

**543B.58 Licensees representing more than one client in a transaction.**

1. A licensee shall not be the agent for both a buyer and a seller to a transaction without obtaining the written consent of both the buyer and the seller. The written consent shall state that the licensee has made a full disclosure of the type of representation the licensee will provide. The consent to multiple representation shall contain a statement of the licensee's duties under section 543B.56, subsection 1, a statement of the licensee's duties to the client under section 543B.56, subsection 2, paragraphs *"b"* and *"c"*, and a statement that the clients understand the licensee's duties and consent to the licensee's providing brokerage services to more than one client.

2. A consent to multiple representation may contain additional disclosures by the licensee or additional agreements between the licensee and the clients that do not violate any duty of a licensee under this chapter.

95 Acts, ch 17, §4
Referred to in §543B.56, 543B.61

**543B.59 Appointed agents within a firm.**

1. *Appointed agents.* A real estate brokerage agency entering into a brokerage agreement, through a designated broker, may notify a client in writing of those affiliated licensees within the real estate brokerage agency who will be acting as appointed agents of that client to the exclusion of all other affiliated licensees within the real estate brokerage agency.

2. *Dual agent.* A real estate brokerage agency and a designated broker are not considered to be dual agents solely because of an appointment under the provisions of this section. However, an affiliated licensee who personally represents both the seller and the buyer in a particular transaction is considered to be a disclosed dual agent and is required to comply with the provisions of this subchapter governing disclosed dual agents.

3. *Actual knowledge — information.* A client, a real estate brokerage agency, and its appointed agents are deemed to possess only actual knowledge and information at the time the appointed agents are appointed. Knowledge or information is not imparted by operation of law among the clients, the real estate brokerage agency, and its appointed agents.

4. *Appointments — roles.* The commission shall define by rule the methods of

appointment and the role of the real estate brokerage agency and the designated broker. The rules must include a requirement that clients be informed as to the real estate brokerage agency's appointed agent policy and be given written notice of that policy in advance of entering into a brokerage agreement.

95 Acts, ch 17, §5
Referred to in §543B.61

**543B.60 Licensees providing services in more than one transaction.**

A licensee may provide brokerage services simultaneously to more than one party in different transactions unless the licensee agrees with a client that the licensee is to provide brokerage services only to that client. If the licensee and a client agree that the licensee is to provide brokerage services only to that client, the agency agreement disclosure required under section 543B.57, subsection 1, shall contain a statement of that agreement.

95 Acts, ch 17, §6
Referred to in §543B.57, 543B.61

**543B.60A Prohibited practices — business referral disclosures.**

1. A licensee shall not request a referral fee after a bona fide offer to purchase is accepted.

2. A licensee shall not request a referral fee after a bona fide listing agreement has been signed.

3. A licensee shall not offer, promote, perform, provide, or otherwise participate in any marketing plan that requires a consumer to receive brokerage services, including referral services, from two or more licensees in a single real estate transaction, as a required condition for the consumer to receive either of the following:

*a.* Brokerage services from one or more of such licensees.

*b.* A rebate, prize, or other inducement from one or more such licensees.

4. For purposes of this section, "*consumer*" shall include parties or prospective parties to a real estate transaction, clients or prospective clients of a licensee, or customers or prospective customers of a licensee.

5. This section does not address relationships between a broker and the broker associates or salespersons licensed under, employed by, or otherwise associated with the broker in a real estate brokerage agency.

6. A violation of this section is deemed a violation of section 543B.29, subsection 1, paragraph "*d*".

7. The purpose of this section is to prohibit licensee practices that interfere with contractual arrangements, place improper restrictions on consumer choice, compromise a licensee's fiduciary obligations, and create conflicts of interest.

8. An Iowa licensee is prohibited from participating in any marketing plan or arrangement prohibited by this section with a person who is licensed or otherwise authorized to engage in the real estate business in another state or foreign country. This subsection shall not be interpreted to impact or alter a referral fee structure which otherwise complies with the requirements of this section.

9. A licensee or person licensed in another state or foreign country who conducts business in this state or refers business to a licensee in this state shall disclose in writing to the consumer and to the licensee to whom they are referring business, the name of the consumer being referred, the name of the referring company, and the amount of compensation they are receiving for the referral. This subsection shall not affect or restrict business practices relating to payment methods between listing and selling brokerages, and shall be applicable strictly to properties containing at least one but not more than four dwelling units.

99 Acts, ch 22, §2; 2005 Acts, ch 179, §73; 2007 Acts, ch 153, §1, 2; 2008 Acts, ch 1099, §5

**543B.61 Violations — real estate commission jurisdiction.**

1. Failure of a licensee to comply with sections 543B.57 through 543B.60 is prima facie evidence of a violation under section 543B.34, subsection 1, paragraph "*d*".

2. Failure of a licensee to act in accordance with the disclosures made pursuant to

sections 543B.56 through 543B.58 is prima facie evidence of a violation under section 543B.34, subsection 1, paragraph *"d"*.

3. Nothing in this subchapter shall affect the validity of title to real property transferred based solely on the reason that a licensee failed to conform to the provisions of this subchapter.

95 Acts, ch 17, §7

**543B.62 Changes in common law duties and liabilities of licensees and parties.**

1. Except as provided in subsection 2, the duties of a licensee specified in this chapter or in rules adopted pursuant to this chapter supersede any fiduciary duties of a licensee to a party to a transaction based on common law principles of agency to the extent that those common law fiduciary duties are inconsistent with the duties specified in this chapter or rules adopted pursuant to this chapter.

2. This section shall not be construed to modify a licensee's duty under common law as to negligent or fraudulent misrepresentation of material information.

3. *a.* A licensee who is providing brokerage services to a client and who retains another licensee to provide brokerage services to that client is not liable for misrepresentation made by the other licensee, unless the retaining licensee knew or should have known of the other licensee's misrepresentation or the other licensee is repeating a misrepresentation made to the other licensee by the retaining licensee.

*b.* A broker is responsible for supervising a salesperson or broker associate employed by or otherwise associated with the broker as a representative of the broker. The existence of an independent contractor relationship or any other special compensation arrangement between the broker and the salesperson or broker associate does not relieve the broker, salesperson, or broker associate of the duties and responsibilities established by this chapter. A salesperson or broker associate shall keep the employing broker fully informed of all activities being conducted on behalf of the broker and any other activities that might impact on the broker's responsibilities. However, the failure of the salesperson or broker associate to keep the employing broker fully informed does not relieve the broker of the duties and responsibilities established by this chapter.

95 Acts, ch 17, §8

**543B.63 Licensee not considered subagent.**

A licensee is not considered to be a subagent of a client of another licensee solely by reason of membership or other affiliation by the licensee in a multiple listing service or other similar information source, and an offer of subagency shall not be made through a multiple listing service or other similar information source.

95 Acts, ch 17, §9

**543B.64 Chapter is not limiting.**

The duties imposed upon persons under this chapter or pursuant to rules adopted by the real estate commission shall not limit or abridge any duty or responsibility to disclose created by other applicable law, or under a contract between parties.

95 Acts, ch 17, §10

# CHAPTER 543C

## SALES OF SUBDIVIDED LAND OUTSIDE OF IOWA

Referred to in §669.14

This chapter not enacted as a part of this title;
transferred from chapter 117A in Code 1993


543C.1 Definitions.
543C.2 Provisions governing sale or lease of subdivided lands.
543C.3 Offering statement — contents — prohibitions.
543C.4 Inspection power of commission and attorney general — unlawful practices — penalties.
543C.5 Penalties.
543C.6 Sales by brokers.
543C.7 Prosecution.
543C.8 Filing fees.


**543C.1 Definitions.**

As used in this chapter, unless the context otherwise indicates:

1. *"Advertisement"* means the attempt by, dissemination, solicitation, or circulation to induce directly or indirectly any person to enter into any obligation or acquire any title or interest in land offered for sale or lease, to the public in this state.

2. *"Commission"* means the real estate commission as established by chapter 543B.

3. *"Sale"* means any sale, offer for sale, or attempt to sell or lease any land, to the public in this state, for cash or on credit.

4. *"Subdivided land"* means improved or unimproved land divided or proposed to be divided for the purpose of sale or lease into five or more lots or parcels, or additions or parts of lots or parcels; however, subdivided land does not include a subdivision subject to section 306.21 or chapter 354 nor the leasing of apartments, offices, stores, or similar space within an apartment building, industrial building, or commercial building unless an undivided interest in the land is granted as a condition precedent to occupying space in the structure. Subdivided land does not include subdivisions of land located within the state of Iowa or time-share intervals as defined in section 557A.2.

5. *"Subdivider"* means any person, firm, partnership, company, corporation, or association engaging directly or through an agent in the business of selling or leasing subdivided land, or of offering such land for sale or lease, to the public in this state.

[C75, 77, 79, 81, §117A.1]
85 Acts, ch 155, §22; 90 Acts, ch 1236, §42
C93, §543C.1

**543C.2 Provisions governing sale or lease of subdivided lands.**

1. No subdivider shall sell or lease subdivided land, or offer such land for sale or lease, or advertise such land for sale or lease to the public within this state unless the subdivider has filed with the commission an application which shall include an offering statement. No subdivider shall engage in business in this state until the application and the offering statement have been accepted and the subdivider has been registered as a subdivider with the commission. In addition to the offering statement, the application shall contain the following:

*a.* The name of the owner and of the subdivider.

*b.* The address of the principal office of the owner and of the subdivider, wherever situated, and the addresses of the principal office and all branch offices of the owner and of the subdivider within this state.

*c.* The name of the person, firm, partnership, company, corporation, or association holding legal or equitable title to the land for sale or lease for the purpose of offering such land or part thereof to the general public.

*d.* A statement as to whether the owner or the subdivider, or if such owner or subdivider be other than an individual, the name of any partner, principal, officer, director, or branch manager thereof or any owner of more than a five percent interest in the business, has been convicted of any criminal offense in connection with any transaction involving the sale or

lease, or offer for sale or lease, of subdivided land, or has been enjoined or restrained by order of any court from selling or leasing, or offering for sale or lease, any subdivided land in any state or county, or has been enjoined or restrained by any court from continuing any practices in connection therewith.

*e.* The complete description of the land offered for subdivision by lots, plots, blocks, or sales, with or without streets, together with plats certified to by a duly licensed professional land surveyor accompanied by a certificate attached thereto showing the date of the completion of the survey and of the making of the plat and the name of the subdivision for the purpose of identification of the subdivided land or any part thereof.

*f.* Copies of plats of all of the land being filed by the subdivider which plats must have already been recorded by the proper recording office in the state in which the land is located.

*g.* An opinion of an attorney admitted to practice law in this state, a policy of title insurance issued by a title insurer licensed to do business in the state where the subdivided land is located, or an opinion of an attorney admitted or licensed to practice law in the state wherein the lands are situated, reciting in detail all of the liens, encumbrances, and clouds upon the title to such land, and any other defects of title, which may render the title to such land unmarketable.

*h.* The provisions, covenants, terms, and conditions upon which it is the intention of the owner and the subdivider to sell or lease such subdivided land, accompanied by proposed forms of contracts contemplated for execution and delivery upon the consummation of sales or leases.

*i.* If the subdivided land sought to be filed comes within the purview of the federal Interstate Land Sales Full Disclosure Act, codified at 15 U.S.C. § 1701 et seq., the subdivider must furnish a copy of the accepted report filed with the department of housing and urban development. If the subdivision comes under the regulation of the real estate laws of the state where the land is located and that state requires a state offering statement or public report, the subdivider must also include a copy of said state report.

*j.* The subdivider, if a corporation, must register to do business in the state of Iowa as a foreign corporation with the secretary of state and furnish a copy of the certificate of authority to do business in the state of Iowa. If not a corporation, the subdivider must comply with the provisions of chapter 547, by filing a proper trade name with the Polk county recorder. The provisions of this paragraph shall also apply to any person, partnership, firm, company, corporation, or association, other than the subdivider, which is engaged by or through the subdivider for the purpose of advertising or selling the land involved in the filing.

*k.* Such other information as the commission may require, which shall be filed pursuant to the provisions of this chapter.

2. The offering statement must contain all of the following:

*a.* The names, addresses, and business background of the subdivider as required in subsection 1, paragraphs *"a"* to *"d"*. If such subdivider is a partnership or corporation, the names, addresses, and business background of each of the partners, officers, and principal stockholders, the nature of their fiduciary relationship and their past, present, or anticipated financial relationship to the subdivider.

*b.* A complete description of the land and copies of the plat in which the land is located as required in subsection 1, paragraphs *"e"* and *"f"*, and a certified financial statement by a certified public accountant of the assets and liabilities of the subdivider as of a date not more than six months prior to the date of the filing, in such detail as the board may require.

*c.* Information concerning public improvements, including without limitation, streets, storm sewers, street lighting, water supply, and sewage treatment and disposal facilities in existence or planned on the subdivision, and the estimated cost, date of completion, and responsibility for construction of improvements to be made which are referred to in connection with the sale or lease, or offering for sale or lease, of the subdivision or any unit or lot thereon.

*d.* Each of the terms and conditions under which each such unit or lot is offered for sale and such opinion or certificates as required in subsection 1, paragraphs *"g"* and *"h"*.

*e.* A statement as to the exact terms of any guaranties or promises of refund or exchange which are to be used by the subdivider. The guaranty or promise of refund or exchange, if

any, must be contained in the body of any contracts used by the subdivider and cannot be in any separate document. Said guaranty or promise of refund or exchange must appear in boldface type in the contract.

*f.* If the refund privilege, pursuant to paragraph *"e"*, is predicated in any way upon the requiring by the subdivider of an inspection by the purchaser prior to requesting a refund or exchange pursuant to the guaranty provisions, the offering statement and the sale contract itself must set out in detail all pertinent information in regard to the inspection trip and in regard to claiming a refund or exchange pursuant to the guaranty after the inspection trip.

*g.* A vicinity sketch of sufficient scale to show the entire tract of land, surrounding property ownership, and road access.

*h.* Such additional information as the commission may require as being necessary or appropriate in the public interest or for the protection of purchasers or lessees.

[C75, 77, 79, 81, §117A.2]

C93, §543C.2

2010 Acts, ch 1061, §71; 2012 Acts, ch 1009, §25; 2013 Acts, ch 90, §167; 2013 Acts, ch 140, §75

Referred to in §543C.3, 543C.4, 543C.8

Section amended

**543C.3 Offering statement — contents — prohibitions.**

1. There may be omitted from the offering statement any of the information required under section 543C.2, subsection 1, paragraphs *"f"*, *"i"*, and *"j"*, which the commission may by a properly promulgated rule designate as being unnecessary or inappropriate for the protection of the public interest or a purchaser.

2. No offer to sell or lease subdivided land by any means of advertisement shall be made unless a copy of such advertisement has first been filed with the board. All such advertisements shall state that an offering statement has been filed with the commission and that a copy of such statement is available from the subdivider upon request.

3. Except as provided in subsection 1, no offer to sell or lease subdivided land shall be made unless such offer is accompanied by a copy of the current offering statement filed pursuant to this chapter.

4. The first page of the offering statement employed in the sale or lease, or offer for sale or lease, of subdivided land shall contain a legible statement printed in at least sixteen point bold type which shall be at least four point type larger than the body of the document that the filing of the verified statement and offering statement with the commission does not constitute approval of the sale or lease, or offer for sale or lease, by the state, commission or any officer thereof, or that the state, commission or any officer thereof, has in any way passed upon the merits of such offering.

5. No sale or lease of subdivided land shall be made unless accompanied or preceded by the delivery to the prospective purchaser of an offering statement complying with the provisions of this section.

6. No offering statement shall be changed or amended unless a copy of such change or amendment has first been filed with the commission.

7. The subdivider shall, within thirty days after the first day of July of each year, file with the commission a current offering statement setting forth all changes which have taken place during the preceding year with respect to any information required to be set forth in such offering statement. Only a current offering statement shall be used to sell or lease, or offer to sell or lease, any subdivided land.

8. A fee of one hundred dollars shall be paid, plus ten dollars for each one hundred lots, units, parcels, portions, or interest included in the current offering statement.

[C75, 77, 79, 81, §117A.3]

C93, §543C.3

2013 Acts, ch 90, §249

Referred to in §543C.8

Subsection 1 amended

**543C.4 Inspection power of commission and attorney general — unlawful practices — penalties.**

1. The commission may request the department of inspections and appeals to conduct an investigation and inspection to be made of any subdivided land proposed to be offered for sale or lease in this state pursuant to this chapter. The department of inspections and appeals shall make a report of its findings.

2. If an inspection is to be made of subdivided land situated outside of this state and offered for sale in this state, the inspection as authorized by subsection 1 shall be made by the department of inspections and appeals at the expense of the subdivider. After the application required by section 543C.2 is filed and after the filing fee required by section 543C.8 is received, the commission may decide whether an inspection pursuant to this subsection is to be made. If the commission requires an inspection, the department of inspections and appeals shall so notify the subdivider and the subdivider shall remit to the department an amount equivalent to the round trip cost of travel from this state to the location of the project, as estimated by the department and a further amount estimated to be necessary to cover the additional expenses of inspection but not to exceed fifty dollars a day for each day incurred in the inspection. The costs of any subsequent inspections deemed necessary shall be paid for by the subdivider. At the completion of an inspection trip the department shall furnish the subdivider a statement as to the costs of the inspection trip, and if the costs are less than the amount advanced by the subdivider to the department, the remaining balance shall be refunded to the subdivider.

3. It shall be unlawful for the subdivider to change the financial structure of any offering after the submission thereof to the commission without first notifying the commission in writing of such intention.

4. Where improvements are to be made in connection with the sale or lease, or offering for sale or lease, of the subdivision or any unit, parcel, or lot thereon, the owner or subdivider shall either furnish to the commission a performance bond executed by a surety company authorized to do business in the state and which has given consent to be sued in this state with sufficient surety for the benefit and protection of purchasers of units, parcels, or lots, in such amount and subject to such terms as the commission deems necessary for the protection of such purchasers with respect to construction of such improvements, or place in an escrow account in a depository acceptable to the commission, that portion of the sums paid or advanced by purchasers which the commission deems necessary for the protection of such purchasers with respect to construction of such improvements.

5. *a.* Where the land to be subdivided is subject to a mortgage, lien, or encumbrance securing or evidencing the payment of money, other than taxes levied or assessments made, or where the interest of the owner, the subdivider or an agent is held under option or contract of purchase or in trust, it shall be unlawful to sell any land in such subdivision unless a provision in such mortgage, lien, encumbrance, option, contract, or trust agreement, or a provision in an agreement supplementary thereto, enables the vendor to convey valid title to each parcel so sold or leased free of such mortgage, lien, encumbrance, option, contract, or trust agreement upon completion of all payments and the performance of all the terms and conditions required to be made and performed by the vendee under the agreement of sale.

*b.* Where the consideration price for a lot sold has been amortized to an extent that the balance due and owing thereunder equals an amount required to release such lot or lots from any existing mortgage, lien, encumbrance, tax, assessment, option, contract, or trust agreement, and the initial cost for said land has not been paid for by the owner or subdivider, all moneys thereafter received by the owner or subdivider shall be segregated and kept in a separate account as a trust which shall be applied toward the clearance of title of the land intended to be conveyed to the purchaser. Certified or verified copies of documents containing such provisions shall be filed with the commission prior to the sale or lease, or offer of sale or lease, or advertisement for sale or lease, of any part of the subdivision.

[C75, 77, 79, 81, §117A.4]
88 Acts, ch 1158, §25
C93, §543C.4
2012 Acts, ch 1023, §157

**543C.5 Penalties.**

1. Any person, firm, partnership, corporation, company, or association representing in any manner that the state, the commission or any officer thereof has recommended or acquiesced in the recommendation of the purchase of any subdivided land offered for sale or lease, in advertising or offering such subdivided land for sale or lease, shall be guilty of a serious misdemeanor.

2. Any person, officer, director, agent, or employee of a person, company, firm, partnership, association, or corporation offering to sell or lease, or selling or leasing, subdivided land prior to the filing of the offering statement and the application required by this chapter shall be guilty of a serious misdemeanor.

3. Except as provided in subsection 2, every person, officer, director, agent, or employee of a person, company, firm, partnership, corporation, or association who authorizes, directs, or aids in the publication, advertisement, distribution, or circulation of any device, scheme, or artifice for obtaining money or property by means of any false pretense, representation, or promise concerning any subdivided land offered for sale or lease, and every person, officer, director, agent, or employee of a company, firm, partnership, corporation, or association who makes or attempts to make fictitious or pretended purchases or sales of subdivided lands in this state, or in any other respect willfully violates or fails to comply with any of the provisions of this chapter, or omits or neglects to obey, observe, or comply with any order, permit, decision, demand, or requirement of the commission under the provisions of this chapter, is guilty of a serious misdemeanor.

[C75, 77, 79, 81, §117A.5]
C93, §543C.5

**543C.6 Sales by brokers.**

It shall be unlawful for any subdivider to sell or lease, or offer for sale or lease, any subdivided land located without this state except through a real estate broker or salesperson duly licensed in this state. The provision of section 543B.7, subsection 1, exempting regular employees of the owner of real estate from the licensing requirements of chapter 543B, shall not in any way apply to the sale of any subdivided land regulated by this chapter and subdividers covered by this chapter may not avail themselves of the provisions of section 543B.7, subsection 1, but must pursuant to this subsection sell only through licensed Iowa brokers and licensed salespersons.

[C75, 77, 79, 81, §117A.6]
C93, §543C.6

**543C.7 Prosecution.**

1. The attorney general shall prosecute all violations of this chapter. Prosecutions shall be instituted by the attorney general upon the written request of the commission. In all criminal proceedings the attorney general may appear before any court or any grand jury and exercise all the powers and perform all the duties in respect to such actions or proceedings which the county attorney would otherwise be authorized or required to exercise or perform. In lieu thereof the attorney general may transmit evidence, proof, and information pertaining to such offense to the county attorney of the county in which the alleged violation occurred, and such county attorney shall prosecute for such violation. In any such proceeding in which the attorney general has appeared, the county attorney shall only exercise such powers and perform such duties as are required by the attorney general. The attorney general shall, within ten days after a conviction for a violation of any provision of this chapter, file with the commission a detailed report showing the date of the conviction, name of the person convicted, and the specific nature of the charge.

2. Whenever it appears to the commission that any person, officer, director, agent, or employee of a company, firm, partnership, association, or corporation offering to sell or lease, or selling or leasing, subdivided land, has committed or is about to commit a violation of this chapter or any rule or order issued by the commission hereunder, the commission may apply to the district court of the county in which the principal office of the subdivider is located or if such subdivider has no such office in this state then to the district court of Polk county for

an order enjoining such subdivider or such officer, director, agent, or employee thereof from violating or continuing to violate this chapter or any such rule or order, and for such other equitable relief as the nature of the case and the interests of the public may require.

3. Any false statement contained in any statement filed with the commission pursuant to the requirements of this chapter, or in any affidavit attached thereto, shall constitute a violation of this chapter.

4. In any action brought under the provisions of this chapter, the attorney general is entitled to recover costs for the use of this state.

[C75, 77, 79, 81, §117A.7]
C93, §543C.7

**543C.8 Filing fees.**

Each initial filing made pursuant to section 543C.2 shall be accompanied by a basic filing fee of one hundred dollars, plus twenty-five dollars for every one hundred lots, units, parcels, portions, or interests included in the offering. A registration fee shall be paid with the filing of an application for registration consolidating additional lots with a prior registration and shall be set by rule which shall provide a basic fee of fifty dollars, plus an additional fee of twenty-five dollars for every one hundred lots, units, parcels, portions, or interests included in the offering. A fee shall not be charged for amendments to the property report as a result of amendments to the initial filing, unless the commission determines the amendments are made for the purpose of avoiding the payment of a fee, in which event the amendment may be treated as an application for registration consolidating additional lots with a prior registration. The filing fee to be paid with each annual current offering statement is as established by section 543C.3, subsection 8.

All fees collected under this chapter shall be deposited with the treasurer of state and credited to the general fund.

[C75, 77, 79, 81, §117A.8]
C93, §543C.8
Referred to in §543C.4

# CHAPTER 543D

## REAL ESTATE APPRAISALS AND APPRAISERS

Referred to in §272C.6, 546.10, 669.14

This chapter not enacted as a part of this title;
transferred from chapter 117B in Code 1993


543D.1 Short title.
543D.2 Definitions.
543D.3 Purposes.
543D.4 Iowa real estate appraiser board.
543D.5 Powers of the board.
543D.6 Fees.
543D.7 Certification process.
543D.8 Examination requirement.
543D.9 Education and experience requirement.
543D.10 Nonresident certification.
543D.11 Certification by reciprocity.
543D.12 Basis for denial.
543D.13 Principal place of business.
543D.14 Certificate.
543D.15 Use of term.
543D.16 Continuing education.
543D.17 Disciplinary proceedings.
543D.18 Standards of practice.
543D.18A Penalties for improper influence of an appraisal assignment.
543D.19 Retention of records.
543D.20 Registration of associate real estate appraisers.
543D.21 Violations — injunctions — civil penalties.
543D.22 Criminal background checks.


**543D.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Voluntary Appraisal Standards and Appraiser Certification Law"*.

89 Acts, ch 290, §1

CS89, §117B.1
C93, §543D.1

**543D.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Appraisal"* or *"real estate appraisal"* means an analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate. An appraisal may be classified by subject matter into either a valuation or an analysis. A *"valuation"* is an estimate of the value of real estate or real property. An *"analysis"* is a study of real estate or real property other than estimating value.

2. *"Appraisal assignment"* means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting as a disinterested third party in rendering an appraisal, valuation, or analysis.

3. *"Appraisal foundation"* means the appraisal foundation incorporated as an Illinois not-for-profit corporation on November 30, 1987.

4. *"Appraisal report"* means any communication of an appraisal.

5. *"Associate real estate appraiser"* means a person who may not yet fully meet the requirements for certification but who is providing significant input into the appraisal development under the direction of a certified appraiser.

6. *"Board"* means the real estate appraiser examining board established pursuant to this chapter.

7. *"Certified appraisal or certified appraisal report"* means an appraisal or appraisal report given or signed and certified as an appraisal or appraisal report by an Iowa certified real estate appraiser.

8. A *"certified real estate appraiser"* means a person who develops and communicates real estate appraisals and who holds a current, valid certificate for appraisals of types of real estate which may include residential, commercial, or rural real estate, as may be established under this chapter.

9. *"Review appraiser"* means a person who is responsible for the administrative approval of the appraised value of real property or assures that appraisal reports conform to the requirements of law and policy, or that the value of real property estimated by appraisers represents adequate security, fair market value, or other defined value.

10. *"Specialized services"* means a hypothetical or other special valuation, or an analysis or an appraisal which does not fall within the definition of an appraisal assignment.

89 Acts, ch 290, §2
CS89, §117B.2
C93, §543D.2
2001 Acts, ch 49, §1

**543D.3 Purposes.**

1. The purpose of this chapter is to establish standards for real estate appraisals and a procedure for the voluntary certification of real estate appraisers and the mandatory registration of associate real estate appraisers.

2. A person who is not a certified real estate appraiser under this chapter may appraise real estate for compensation if certification is not required by this chapter or by federal or state law, rule, or policy. However, an employee of the state department of transportation whose duties include appraisals of property pursuant to chapter 6B must be a certified real estate appraiser under this chapter or a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser.

89 Acts, ch 290, §3
CS89, §117B.3
C93, §543D.3
99 Acts, ch 171, §39, 42; 2007 Acts, ch 72, §1

**543D.4 Iowa real estate appraiser board.**

1. A real estate appraiser examining board is established within the professional licensing

and regulation bureau of the banking division of the department of commerce. The board consists of seven members, two of whom shall be public members and five of whom shall be certified real estate appraisers.

2. The governor shall appoint the members of the board who are subject to confirmation by the senate. The governor may remove a member for cause.

3. A certified real estate appraiser member of the board shall be actively engaged in practice as a certified real estate appraiser and shall have been so engaged for five years preceding appointment, the last two of which shall have been in this state. The governor shall attempt to represent each class of certified appraisers in making the appointments.

4. The term of each member is three years. Vacancies occurring during a term shall be filled by appointment by the governor for the unexpired term.

5. Upon expiration of their terms, members of the board shall continue to hold office until the appointment and qualification of their successors. A person shall not serve as a member of the board for more than three terms, but appointment to fill an unexpired term shall not be considered a complete term for this purpose.

6. The public members of the board shall not engage in the practice of real estate appraising.

7. The board shall meet at least once each calendar quarter to conduct its business.

8. The members of the board shall elect a chairperson from among the members to preside at board meetings.

9. A quorum of the board is four members.

10. Members of the board are entitled to receive a per diem as specified in section 7E.6 for each day spent in performance of duties as members and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

89 Acts, ch 290, §4
CS89, §117B.4
C93, §543D.4
2006 Acts, ch 1177, §40; 2013 Acts, ch 5, §24
Referred to in §546.10
Confirmation, see §2.32
Section amended

**543D.5 Powers of the board.**

1. The board shall adopt rules establishing uniform appraisal standards and appraiser certification requirements and other rules necessary to administer and enforce this chapter and its responsibilities under chapter 272C. The board shall consider and may incorporate any standards required or recommended by the appraisal foundation or by a federal agency with regulatory authority over appraisal standards or the certification of appraisers for federally related transactions.

2. The uniform appraisal standards shall meet all of the following requirements:

*a.* Require compliance with federal law and appraisal standards adopted by federal authorities as they apply to federally related transactions. This paragraph does not require that an appraiser invoke a jurisdictional exception to the uniform standards of professional appraisal practice in order to comply with federal law and appraisal standards adopted by federal authorities as they apply to federally related transactions, unless federal law requires that the exception be invoked.

*b.* Develop standards for the scope of practice for certified real estate appraisers.

*c.* Required compliance with the uniform standards of professional appraisal practice in all appraisal assignments.

3. Appraiser certification requirements shall require a demonstration that the applicant has a working knowledge of current appraisal theories, practices, and techniques which will provide a high degree of service and protection to members of the public dealt with in a professional relationship under authority of the certification. The board shall establish the examination specifications for each category of certified real estate appraiser, provide or procure appropriate examinations, establish procedures for grading examinations, receive and approve or disapprove applications for certification, and issue certificates.

4. The board shall maintain a registry of the names and certificate numbers of appraisers

certified under this chapter and the names and registration numbers of associate appraisers registered under this chapter.

89 Acts, ch 290, §5
CS89, §117B.5
C93, §543D.5
99 Acts, ch 171, §40, 42; 2013 Acts, ch 5, §25
Section amended

**543D.6 Fees.**

1. The board shall establish and collect fees for certification, examination, reexamination, renewal of certification, and delinquency at an amount necessary to pay the administrative costs of sustaining the board and implementing this chapter. The fees shall include, but are not limited to, amounts to cover the costs for the following items:

*a.* Per diem, expenses, and travel expenses for board members, peer review committee persons, or disciplinary panel members.

*b.* Salary, per diem, and expenses of staff.

*c.* Office facilities, supplies, and equipment.

2. Fees collected by the board shall be transmitted to the treasurer of state who shall deposit the fees in the general fund of the state.

89 Acts, ch 290, §6; 90 Acts, ch 1168, §21; 90 Acts, ch 1261, §39
CS89, §117B.6
C93, §543D.6
94 Acts, ch 1107, §90

**543D.7 Certification process.**

Applications for original certification, renewal certification, and examinations shall be made in writing to the board on forms approved by the board.

89 Acts, ch 290, §7
CS89, §117B.7
C93, §543D.7
2003 Acts, ch 43, §1

**543D.8 Examination requirement.**

An original certification as a certified real estate appraiser shall not be issued to a person who has not demonstrated through an examination that the person possesses the following knowledge and understanding:

1. Appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate.

2. Understanding of the principles of land economics, real estate appraisal processes, and problems likely to be encountered in gathering, interpreting, and processing data in carrying out appraisal assignments.

3. Knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal that are appropriate for each classification of certificate applied for.

4. Knowledge of other appropriate principles and procedures for the classifications applied for.

5. Basic understanding of Iowa real estate, property tax, and eminent domain laws.

6. Understanding of the types of misconduct for which disciplinary proceedings may be initiated against a certified real estate appraiser.

89 Acts, ch 290, §8
CS89, §117B.8
C93, §543D.8
2013 Acts, ch 5, §26
Unnumbered paragraph 1 amended

**543D.9 Education and experience requirement.**

The board shall determine what real estate appraisal or real estate appraisal review experience and what education shall be required to provide appropriate assurance that an applicant for certification is competent to perform the certified appraisal work which is within the scope of practice defined by the board. All experience required for initial certification shall be performed as a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser, except as the board may provide by rule. The board shall prescribe a required minimum number of tested hours of education relating to the provisions of this chapter, the uniform appraisal standards, and other rules issued in accordance with this chapter.

89 Acts, ch 290, §9
CS89, §117B.9
C93, §543D.9
2007 Acts, ch 72, §2

**543D.10 Nonresident certification.**

1. An applicant for certification as a real estate appraiser who is not a resident of Iowa shall submit, with the application for certification, an irrevocable consent that service of process upon the applicant may be made by delivery of the process to the secretary of state if, in an action against the applicant in a court of this state arising out of the applicant's activities as a certified real estate appraiser, the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant.

2. A nonresident of Iowa who has complied with subsection 1 may obtain a certificate as a certified real estate appraiser by complying with the certification requirements in this chapter.

89 Acts, ch 290, §10
CS89, §117B.10
C93, §543D.10

**543D.11 Certification by reciprocity.**

If, in the determination by the board, another state is deemed to have substantially equivalent certification requirements, an applicant who is certified under the laws of the other state may obtain a certificate as a certified real estate appraiser upon terms and conditions as determined by the board.

89 Acts, ch 290, §11
CS89, §117B.11
C93, §543D.11

**543D.12 Basis for denial.**

The board may deny the issuance of a certificate as a certified real estate appraiser to an applicant on any of the grounds listed in this chapter or in chapter 272C.

89 Acts, ch 290, §12
CS89, §117B.12
C93, §543D.12

**543D.13 Principal place of business.**

1. Each certified real estate appraiser shall advise the board of the address of the appraiser's principal place of business and all other addresses at which the appraiser is currently engaged in the business of preparing real estate appraisal reports.

2. When a certified real estate appraiser changes the appraiser's principal place of business, the appraiser shall immediately give written notification of the change to the board and apply for an amended certificate.

3. Each certified real estate appraiser shall notify the board of the appraiser's current residence address. Residence addresses on file with the board are exempt from disclosure as public records.

89 Acts, ch 290, §13

CS89, §117B.13
C93, §543D.13

**543D.14 Certificate.**

A certificate issued under this chapter shall bear the signature or facsimile signature of the member or members of the board as designated by the board and a certificate number assigned by the board.

89 Acts, ch 290, §14
CS89, §117B.14
C93, §543D.14
2001 Acts, ch 49, §2

**543D.15 Use of term.**

1. The term "*certified real estate appraiser*" shall only be used to refer to individuals who hold the certificate and shall not be used in connection with or as part of the name or signature of a firm, partnership, corporation, or group, or in a manner that it may be interpreted as referring to a firm, partnership, corporation, group, other business entity, or anyone other than an individual holder of the certificate.

2. The term "*associate real estate appraiser*" shall only be used to refer to individuals who do not yet fully meet the requirements for certification but who provide significant input into the appraisal development under the direction of a certified appraiser.

3. A certificate shall not be issued under this chapter to a firm, corporation, partnership, group, or other business entity.

89 Acts, ch 290, §15
CS89, §117B.15
C93, §543D.15
Referred to in §543D.21

**543D.16 Continuing education.**

1. As a prerequisite to renewal of a certification, a certified real estate appraiser shall present evidence satisfactory to the board of having met continuing education requirements.

2. The basic continuing education requirement for renewal of certification shall be the completion, before June 30 of the year in which the appraiser's certificate expires, of the number of hours of instruction required by the board in courses or seminars which have received the preapproval of the board.

3. The provisions of section 272C.2, subsection 4, shall only apply to a certified real estate appraiser or an associate real estate appraiser to the extent consistent with the policies adopted by the appraisal qualifications board of the appraisal foundation.

89 Acts, ch 290, §16
CS89, §117B.16
C93, §543D.16
97 Acts, ch 80, §1; 2008 Acts, ch 1059, §5; 2013 Acts, ch 5, §27
Subsection 2 amended

**543D.17 Disciplinary proceedings.**

1. The rights of a holder of a certificate as a certified real estate appraiser may be revoked or suspended, or the holder may be otherwise disciplined in accordance with this chapter. The board may investigate the actions of a certified real estate appraiser and may revoke or suspend the rights of a holder or otherwise discipline a holder for violation of a provision of this chapter, or chapter 272C, or of a rule adopted under this chapter or commission of any of the following acts or omissions:

*a.* Procurement or attempt to procure a certificate under this chapter by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for certification, or participating in any form of fraud or misrepresentation.

*b.* Failure to meet the minimum qualifications established by this chapter.

*c.* A conviction, including a conviction based upon a plea of guilty or nolo contendere, of

a crime which is substantially related to the qualifications, functions, and duties of a person developing real estate appraisals and communicating real estate appraisals to others.

*d.* Violation of any of the standards for the development or communication of real estate appraisals as provided in this chapter.

*e.* Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal.

*f.* Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal.

*g.* Willful disregard or violation of a provision of this chapter or a rule of the board of the administration and enforcement of this chapter.

2. In a disciplinary proceeding based upon a civil judgment a certified real estate appraiser shall be given an opportunity to present matters in mitigation and extenuation, but not to collaterally attack the civil judgment.

3. Notwithstanding the limitations of section 272C.3, subsection 2, paragraph "*e*", the board shall adopt a rule providing for civil penalties in amounts and for the reasons authorized by federal law where federal law requires the board to have the authority to impose the civil penalties in order to obtain or to retain the board's designation as a qualified state appraiser certifying agency.

89 Acts, ch 290, §17
CS89, §117B.17
C93, §543D.17
Referred to in §543D.20

**543D.18 Standards of practice.**

1. A certified real estate appraiser shall comply with the uniform appraisal standards adopted under this chapter. The reliance of the public in general and of the financial business community in particular on sound, reliable real estate appraisal practices imposes on persons engaged in the practice of real estate appraising as certified real estate appraisers or as registered associate real estate appraisers certain obligations both to their clients and to the public. These obligations include the obligation to maintain independence in thought and action, to adhere to the uniform appraisal standards adopted under this chapter, and to maintain high standards of personal conduct in all matters impacting one's fitness to practice real estate appraising. A certified real estate appraiser and a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser shall perform all appraisal assignments in an honest, disinterested and impartial manner, with objectivity and independence, and without accommodation to the personal interests or objectives of the appraiser, the client, or any third person.

2. A certified real estate appraiser shall not accept an appraisal assignment or a fee for an appraisal assignment if the employment itself is contingent upon the appraiser reporting a predetermined estimate, analysis, or opinion or if the fee to be paid is contingent upon the opinion, conclusion, or valuation reached, or upon the consequences resulting from the appraisal assignment.

3. A certified real estate appraiser may provide specialized services to facilitate the client's or employer's objectives. Specialized services shall not be communicated as a certified appraisal or as a certified appraisal report. Regardless of the intention of the client or employer, if the appraiser would be perceived by third parties or the public as acting as a disinterested third party in rendering an unbiased analysis or opinion or conclusion, the work is an appraisal assignment rather than an assignment for specialized services. Communication of a valuation under oath is an appraisal assignment.

4. A certified real estate appraiser who enters into an agreement to perform specialized services may be paid a fixed fee or a fee that is contingent on the results achieved by the specialized services.

5. If a certified real estate appraiser enters into an agreement to perform specialized services for a contingent fee, this fact shall be clearly stated in each written and oral report. In each written report, this fact shall be clearly stated in a prominent location in the report, each letter of transmittal, and the certification statement made by the appraiser in the report.

6. A certified real estate appraiser making a significant contribution to the valuation or analysis process in completing an appraisal assignment shall sign the final written report or acknowledge the appraiser's contribution in a verbal report.

7. A certified real estate appraiser who receives significant real property appraisal assistance in the development or reporting of an appraisal assignment shall disclose such assistance in accordance with the uniform appraisal standards adopted under this chapter.

89 Acts, ch 290, §18
CS89, §117B.18
C93, §543D.18
2007 Acts, ch 72, §3, 4
Referred to in §543D.18A

**543D.18A Penalties for improper influence of an appraisal assignment.**

1. A mortgage lender, mortgage broker or originator, real estate broker or salesperson, client, party, appraiser, or any other person with an interest in a real estate transaction or the financing of any loan secured by real estate involving an appraisal assignment shall not improperly influence or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal through coercion, extortion, or bribery, or by the withholding or threatened withholding of payment for an appraisal fee, or the conditioning of the payment of an appraisal fee upon the opinion, conclusion, or valuation to be reached, or a request that the appraiser report a predetermined opinion, conclusion, or valuation, or the desired valuation of any person, or by any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, and impartiality, as required by section 543D.18, subsections 1 and 2.

2. A violation of this section is an unlawful practice under section 714.16, subsection 2, paragraph *"a"*.

3. A violation of this section is a ground for discipline against any person holding a certificate of registration under this chapter or another license issued under the laws of the state of Iowa, as license is defined in section 17A.2, subsection 6, if the practice of the profession, occupation, or business regulated by the license relates to real estate transactions or the financing of loans secured by real estate.

4. A person does not violate this section solely by asking an appraiser to consider additional, appropriate property information, or to provide further detail, substantiation, or explanation for the appraiser's value conclusion, or to correct errors in the appraisal report, or by withholding payment of an appraisal fee based on a bona fide dispute regarding the appraiser's compliance with the appraisal standards adopted by the board under this chapter. A person does not violate this section solely by retaining appraisers from panels or lists on a rotating basis, or by supplying an appraiser with information the appraiser is required to analyze under the appraisal standards adopted by the board under this chapter, such as agreements of sale, options, or listings of the property to be valued.

2007 Acts, ch 72, §5
Referred to in §543D.21

**543D.19 Retention of records.**

1. A certified real estate appraiser shall retain for five years, originals or true copies of all written contracts engaging the appraiser's services for real estate appraisal work and all reports and supporting data assembled and formulated for use by the appraiser or the associate appraiser in preparing the reports.

2. An appraiser must retain all work files for a period of at least five years after preparation or at least two years after final disposition of any judicial proceeding in which testimony was given, whichever period expires last, and either maintain custody of the appraiser's work file or make appropriate work file retention, access, and retrieval arrangements with a party having custody of the work file.

3. All records required to be maintained under this chapter shall be made available by a

certified real estate appraiser for inspection and copying by the board on reasonable notice to the appraiser.

89 Acts, ch 290, §19
CS89, §117B.19
C93, §543D.19
2003 Acts, ch 43, §2, 3

**543D.20 Registration of associate real estate appraisers.**

1. A person shall not assist a certified real estate appraiser in the development or reporting of an appraisal assignment that is required by this chapter, or by federal or state law, rule, or policy to be performed by a certified real estate appraiser, unless the person meets one or more of the following conditions:

*a.* The person is certified under this chapter.

*b.* The person is registered as an associate real estate appraiser and is acting under the direct supervision of a certified real estate appraiser.

*c.* The person is solely providing administrative services, such as taking photographs, preparing charts, or typing reports, and is not providing real estate appraisal assistance in developing the analysis, valuation, opinions, or conclusions associated with the appraisal assignment.

*d.* The person is providing professional consultation that does not constitute real property appraisal assistance, such as the assistance of a professional engineer or certified public accountant.

2. The board shall establish by rule the terms and conditions of the registration of associate real estate appraisers, including the educational and other prerequisites to registration, the fees for registration and the renewal of registration, and the continuing education requirements for renewal of registration. The board shall consider and may incorporate any guidelines recommended by the appraisal qualifications board of the appraisal foundation relating to associate real estate appraisers.

3. The board shall adopt rules governing the manner in which certified real estate appraisers shall directly supervise associate real estate appraisers, the standards of conduct for associate real estate appraisers, and the grounds for imposing discipline against an associate real estate appraiser which shall include all of the grounds provided in section 543D.17.

4. Associate real estate appraisers shall be bound by the uniform appraisal standards adopted by the board under this chapter.

5. Persons who appraise real estate where certification is not required by this chapter or by federal or state law, rule, or policy, and who are not assisting a certified real estate appraiser in the development or reporting of an appraisal assignment that is required by this chapter, or by federal or state law, rule, or policy to be performed by a certified real estate appraiser, are not required to register with the board.

2007 Acts, ch 72, §6
Referred to in §543D.21

**543D.21 Violations — injunctions — civil penalties.**

1. If, as the result of a complaint or otherwise, the board believes that a person has engaged, or is about to engage, in an act or practice that constitutes or will constitute a violation of this chapter, the board may make application to the district court for an order enjoining such act or practice. Upon a showing by the board that such person has engaged, or is about to engage, in any such act or practice, an injunction, restraining order, or other order as may be appropriate shall be granted by the district court.

2. The board may investigate complaints or initiate complaints against persons who are not certified or registered under this chapter solely to determine whether grounds exist to make application to the district court pursuant to subsection 1 or to issue an order pursuant to subsection 3, and in connection with such complaints or investigations may issue subpoenas to compel witnesses to testify or persons to produce evidence consistent with the provisions of section 272C.6, subsection 3, as needed to determine whether probable cause exists to

initiate proceedings under this section or to make application to the district court for an order enjoining violations of this chapter.

3. In addition to or as an alternative to making application to the district court for an injunction, the board may issue an order to a person who is not certified or registered under this chapter to require compliance with this chapter and may impose a civil penalty against such person for any violation of subsection 4 in an amount up to one thousand dollars for each violation. All civil penalties collected pursuant to this subsection shall be deposited in the housing trust fund created in section 16.181. An order issued pursuant to this section may prohibit a person from applying for certification or registration under this chapter.

4. The board may impose civil penalties against a person who is not certified or registered under this chapter for any of the following acts:

*a.* A violation of section 543D.15.

*b.* A violation of section 543D.18A, subsection 1.

*c.* A violation of section 543D.20, subsection 1.

*d.* Fraud, deceit, or deception, through act or omission, in connection with an application for certification or registration under this chapter.

5. The board, before issuing an order under this section, shall provide the person written notice and the opportunity to request a hearing. The hearing must be requested within thirty days after receipt of the notice and shall be conducted in the same manner as provided for disciplinary proceedings involving a licensee under this chapter.

6. A person aggrieved by the imposition of a civil penalty under this section may seek judicial review pursuant to section 17A.19.

7. If a person fails to pay a civil penalty within thirty days after entry of an order imposing the civil penalty, or if the order is stayed pending an appeal, within ten days after the court enters a final judgment in favor of the board, the board shall notify the attorney general. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs.

8. An action to enforce an order under this section may be joined with an action for an injunction.

2007 Acts, ch 72, §7

**543D.22 Criminal background checks.**

1. The board may require a national criminal history check through the federal bureau of investigation for applicants for certification or registration, or for persons certified or registered, under this chapter if needed to comply with federal law or regulation, or the policies of the appraisal qualification board of the appraisal foundation.

2. The board may require applicants, certificate holders, or registrants to provide a full set of fingerprints, in a form and manner prescribed by the board. Such fingerprints, if required, shall be submitted to the federal bureau of investigation through the state criminal history repository for purposes of the national criminal history check.

3. The board may also request and obtain, notwithstanding section 692.2, subsection 5, criminal history data for applicants, certificate holders, and registrants. A request for criminal history data shall be submitted to the department of public safety, division of criminal investigation, pursuant to section 692.2, subsection 1.

4. The board shall inform the applicant, certificate holder, or registrant of the requirement of a national criminal history check or request for criminal history data and obtain a signed waiver from the applicant, certificate holder, or registrant prior to requesting the check or data.

5. The board may, in addition to any other fees, charge and collect such amounts as may be incurred by the board, the department of public safety, or federal bureau of investigation in obtaining criminal history information. Amounts collected shall be considered repayment receipts as defined in section 8.2, subsection 8.

6. Criminal history data and other criminal history information relating to an applicant, certificate holder, or registrant obtained by the board pursuant to this section is confidential.

Such information may, however, be used by the board in a certificate or registration denial or disciplinary proceeding.

2013 Acts, ch 5, §28
NEW section

# CHAPTER 544

RESERVED

# CHAPTER 544A

## REGISTERED ARCHITECTS

Referred to in §26.3, 26.14, 103.22, 103A.10, 105.11, 272C.1, 272C.6, 546.10, 669.14, 714H.4

This chapter not enacted as a part of this title;
transferred from chapter 118 in Code 1993


544A.1 Practice regulated — creation of architectural examining board.
544A.2 Officers.
544A.3 Records — roster.
544A.4 Repealed by 98 Acts, ch 1119, §11.
544A.5 Duties.
544A.6 and 544A.7 Reserved.
544A.8 Qualification for registration.
544A.9 Registration.
544A.10 Renewals.
544A.11 Fees.
544A.12 Expenses — compensation.
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544A.16 Definitions.
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544A.22 through 544A.24 Reserved.
544A.25 Applicant — civil rights — moral character.
544A.26 Public members.
544A.27 Disclosure of confidential information.
544A.28 Seal required.
544A.29 Rules.


**544A.1 Practice regulated — creation of architectural examining board.**

The practice of architecture affects the public health, safety, and welfare and is subject to regulation and control in the public interest. Only persons qualified by the laws of the state are authorized to engage in the practice of architecture in the state.

The architectural examining board is created within the professional licensing and regulation bureau of the banking division of the department of commerce. The board consists of five members who possess a certificate of registration issued under section 544A.9 and who have been in active practice of architecture for not less than five years, the last two of which shall have been in Iowa, and two members who do not possess a certificate of registration issued under section 544A.9 and who shall represent the general public. Members shall be appointed by the governor subject to confirmation by the senate.

Professional associations or societies composed of registered architects may recommend the names of potential board members to the governor but the governor is not bound by the recommendations. A board member is not required to be a member of any professional association or society composed of registered architects. Appointments shall be for three-year terms and shall commence and end as provided in section 69.19. Vacancies shall be filled for the unexpired term by appointment of the governor and shall require senate confirmation. Members shall serve no more than three terms or nine years, whichever is less.

[C27, 31, 35, §1905-b1; C39, §**1905.58;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §118.1]
86 Acts, ch 1245, §725; 87 Acts, ch 92, §1

C93, §544A.1
2006 Acts, ch 1177, §41
Referred to in §544A.16
Confirmation, see §2.32

**544A.2 Officers.**
At a time to be determined by the board, the board shall elect from its members officers to serve for a term not to exceed one year. The division shall provide staff assistance.
[C27, 31, 35, §1905-b2; C39, §**1905.59;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §118.2]
87 Acts, ch 92, §2; 90 Acts, ch 1168, §22
C93, §544A.2
93 Acts, ch 5, §1

**544A.3 Records — roster.**
The board shall keep a record, open to public inspection at all reasonable times, of its proceedings relating to the issuance, refusal, renewal, suspension and revocation of certificates of registration. This record shall also contain a roster showing the name, place of business and residence, and the date and number of the certificate of registration of every registered architect entitled to practice the profession in the state of Iowa.
[C27, 31, 35, §1905-b3; C39, §**1905.60;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §118.3]
C93, §544A.3

**544A.4** Repealed by 98 Acts, ch 1119, § 11.

**544A.5 Duties.**
The architectural examining board shall enforce this chapter, shall make rules for the examination of applicants for the certificate of registration provided by this chapter, and shall, after due public notice, hold meetings each year for the purpose of examining applicants for registration and the transaction of business pertaining to the affairs of the board. Examinations shall be given as often as deemed necessary, but not less than annually. Action at a meeting shall not be taken without the affirmative votes of a majority of the members of the board. The administrator of the professional licensing and regulation bureau of the banking division of the department of commerce shall hire and provide staff to assist the board with implementing this chapter.
[C27, 31, 35, §1905-b5; C39, §**1905.62;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §118.5]
86 Acts, ch 1245, §726
C93, §544A.5
2006 Acts, ch 1177, §42

**544A.6 and 544A.7** Reserved.

**544A.8 Qualification for registration.**
1. Any person may apply for a certificate of registration or may apply to take an examination for certification under this chapter. The board shall not require that the application contain a photograph of the applicant.
2. The board shall adopt rules governing practical training and education and may adopt as its rules criteria published by a national certification body recognized by the board. The board may accept the accreditation decisions of a national accreditation body recognized by the board.
3. A person applying for registration by examination, upon complying with the other requirements, shall satisfactorily pass an examination in technical and professional subjects prescribed by the board. The board may adopt the uniform standardized examination and grading procedures of a national certification body recognized by the board. The examination may be conducted by representatives of the board. The identity of the person taking the examination shall be concealed until after the examination has been graded. The board shall adopt rules regarding reexamination. An applicant who has failed the examination may request in writing information from the board concerning the applicant's

examination grade and subject areas or questions which the applicant failed to answer correctly, except that if the board administers a uniform, standardized examination, the board shall only be required to provide the examination grade and the other information concerning the applicant's examination results which is available to the board.

4. In lieu of examination, the board may grant registration by reciprocity. A person applying to the board for registration by reciprocity shall furnish satisfactory evidence that the person holds qualifications determined by the board to be substantially equivalent to the requirements for initial registration in accordance with section 546.10, subsection 8.

[C27, 31, 35, §1905-b8; C39, §**1905.65;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §118.8]
87 Acts, ch 92, §3
C93, §544A.8
2008 Acts, ch 1059, §6, 7
Referred to in §544A.9

**544A.9 Registration.**

When the applicant has complied with the requirements as set forth in section 544A.8 and has paid the fees prescribed by the board, the executive officer shall enroll the applicant's name and address in the roster of registered architects and issue to the applicant a certificate of registration, signed by the officers of the board, which certificate shall entitle the applicant to practice as an architect in the state of Iowa.

[C27, 31, 35, §1905-b9; C39, §**1905.66;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §118.9]
C93, §544A.9
2008 Acts, ch 1059, §8
Referred to in §544A.1

**544A.10 Renewals.**

Certificates of registration expire in intervals as determined by the board. Registered architects shall renew their certificates of registration and pay a renewal fee in the manner prescribed by the board. The board shall prescribe the conditions and reasonable penalties for renewal after a certificate's expiration date.

[C27, 31, 35, §1905-b10; C39, §**1905.67;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §118.10]
87 Acts, ch 92, §4
C93, §544A.10
2012 Acts, ch 1009, §26

**544A.11 Fees.**

1. The board shall set the fees for examination, for a certificate of registration as an architect, for renewal of a certificate, for reinstatement of a certificate, and for other activities of the board pertaining to its duties. The fee for examination shall be based on the annual cost of administering the examinations. The fee for a certificate of registration and for renewal of a certificate shall be based upon the administrative costs of sustaining the board which shall include, but are not limited to, the costs for all of the following:

*a.* Per diem, expenses and travel for board members.

*b.* Office facilities, supplies and equipment.

*c.* Staff assistance.

2. All fees shall be paid to the treasurer of state and deposited in the general fund of the state.

[C27, 31, 35, §1905-b11; C39, §**1905.68;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §118.11]
87 Acts, ch 92, §5; 90 Acts, ch 1168, §23; 90 Acts, ch 1261, §40
C93, §544A.11
94 Acts, ch 1107, §91; 2012 Acts, ch 1023, §157

**544A.12 Expenses — compensation.**

The members of the architectural examining board are entitled to be reimbursed for the actual expenses incurred in attending the meetings of the board, within the limits of the

funds appropriated to the board. Each member of the board may also be eligible to receive compensation as provided in section 7E.6.

[C27, 31, 35, §1905-b12; C39, §**1905.69;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §118.12]
86 Acts, ch 1245, §727
C93, §544A.12

**544A.13 Revocation or suspension.**

1. A license to practice architecture may be revoked or suspended when the licensee is guilty of the following acts or offenses:

*a.* Fraud in procuring a license.

*b.* Professional incompetency.

*c.* Knowingly making misleading, deceptive, untrue or fraudulent representations in the practice of the licensee's profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.

*d.* Habitual intoxication or addiction to the use of drugs.

*e.* Conviction of a felony related to the profession or occupation of the licensee or the conviction of any felony that would affect the licensee's ability to practice the profession of architecture. A copy of the record of conviction or plea of guilty shall be conclusive evidence.

*f.* Fraud in representations as to skill or ability.

*g.* Use of untruthful or improbable statements in advertisements.

*h.* Willful or repeated violations of the provisions of this Act.*

*i.* Willful or repeated violations of one or more rules of conduct adopted by the board.

2. The board may revoke any certificate after thirty days' notice with grant of hearing to the holder if satisfactory proof is presented to the board.

3. Proceedings for the revocation of a certificate shall be initiated by filing written charges against the accused with the board. A time and place for the hearing of the charges shall be fixed by the board if the board determines that a hearing is warranted. If personal service or service through counsel cannot be effected, service may be by publication. At the hearing, the accused has the right to be represented by counsel, to introduce evidence, and to examine and cross-examine witnesses. The board may subpoena witnesses, administer oaths to witnesses, and employ counsel.

[C27, 31, 35, §1905-b13; C39, §**1905.70;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §118.13]
87 Acts, ch 92, §6; 88 Acts, ch 1158, §26
C93, §544A.13
2008 Acts, ch 1059, §9
Referred to in §272C.3, 272C.4, 544A.29
*See 77 Acts, ch 95, §13

**544A.14** Reserved.

**544A.15 Unlawful practice — violations — criminal and civil penalties — consent agreement.**

1. It is unlawful for a person to engage in or to offer to engage in the practice of architecture in this state or use in connection with the person's name the title "architect", "registered architect", or "architectural designer", or to imply that the person provides or offers to provide professional architectural services, or to otherwise assume, use, or advertise any title, word, figure, sign, card, advertisement, or other symbol or description tending to convey the impression that the person is an architect or is engaged in the practice of architecture unless the person is qualified by registration as provided in this chapter. However, the board may by rule authorize a person to offer to perform architectural services in this state prior to registration in this state if the person is registered in good standing to practice architecture in at least one other state or jurisdiction, the person holds a certificate from a national certification council recognized by the board, the person makes such disclosures as the board may require by rule, and the person becomes duly registered in this state prior to otherwise practicing architecture in this state as defined in section 544A.16, subsection 8.

2. A person who violates this section is guilty of a serious misdemeanor.

3. *a.* In addition to the criminal penalty provided for in this section, the board may by order impose a civil penalty upon a person who is not registered under this chapter as an architect pursuant to this chapter and who does any of the following:

(1) Engages in or offers to engage in the practice of architecture.

(2) Uses or employs the words "architect", "registered architect", "architectural designer", or implies authorization to provide or offer professional architectural services, or otherwise uses or advertises any title, word, figure, sign, card, advertisement, or other symbol or description tending to convey the impression that the person or entity is an architect or is engaged in the practice of architecture.

(3) Presents or attempts to use the certificate of registration or the seal of an architect.

(4) Gives false or forged evidence of any kind to the board or any member of the board in obtaining or attempting to obtain a certificate of registration.

(5) Falsely impersonates any other registered architect.

(6) Uses or attempts to use an expired, suspended, revoked, or nonexistent certificate of registration.

(7) Knowingly aids or abets an unregistered person who engages in any activity identified in this paragraph.

*b.* A civil penalty imposed shall not exceed one thousand dollars for each offense. Each day of a continued violation constitutes a separate offense.

*c.* In determining the amount of a civil penalty to be imposed, the board may consider any of the following:

(1) Whether the amount imposed will be a substantial economic deterrent to the violation.

(2) The circumstances leading to the violation.

(3) The severity of the violation and the risk of harm to the public.

(4) The economic benefits gained by the violator as a result of noncompliance.

(5) The interest of the public.

*d.* Before issuing an order under this section, the board shall provide the person written notice and the opportunity to request a hearing on the record. The hearing must be requested within thirty days of the issuance of the notice and shall be conducted in the same manner as provided for disciplinary proceedings involving a registered architect.

*e.* The board, in connection with a proceeding under this subsection, may issue subpoenas to compel the attendance and testimony of witnesses and the disclosure of evidence, and may request the attorney general to bring an action to enforce the subpoena.

*f.* A person aggrieved by the imposition of a civil penalty under this subsection may seek judicial review in accordance with section 17A.19.

*g.* If a person fails to pay a civil penalty within thirty days after entry of an order under paragraph *"a"*, or if the order is stayed pending an appeal, within ten days after the court enters a final judgment in favor of the board, the board shall notify the attorney general. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs.

*h.* An action to enforce an order under this section may be joined with an action for an injunction.

4. The board at its discretion and in lieu of prosecuting a first offense under this section may enter into a consent agreement with a violator, or with a person guilty of aiding or abetting a violator, which acknowledges the violation and the violator's agreement to refrain from any further violations.

[C66, 71, 73, 75, 77, 79, 81, §118.15]
87 Acts, ch 92, §7
C93, §544A.15
96 Acts, ch 1055, §3; 2008 Acts, ch 1059, §10

**544A.16 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Architect"* means a person qualified to engage in the practice of architecture who holds a current valid registration under the laws of this state.

2. *"Board"* means the architectural examining board established in section 544A.1.

3. *"Construction"* means physical alteration of a building or improvement of real estate, and includes new construction, enlargements, or additions to existing construction, and alterations, renovation, remodeling, restoration, preservation, or other material modification to and within existing construction.

4. *"Construction documents"* means the drawings, specifications, technical submissions, and other documents upon which construction is based.

5. *"Direct supervision and responsible charge"* means an architect's personal supervisory control of work as to which the architect has detailed professional knowledge. In respect to preparing technical submissions, *"direct supervision and responsible charge"* means that the architect has the exercising, directing, guiding, and restraining power over the design of the building or structure and the preparation of the documents, and exercises professional judgment in all architectural matters embodied in the documents. Merely reviewing the work prepared by another person does not constitute *"direct supervision and responsible charge"* unless the reviewer actually exercises supervision and control and is in responsible charge of the work.

6. *"Good moral character"* means a reputation for trustworthiness, honesty, and adherence to professional standards of conduct.

7. *"Observation of construction site progress"* means intermittent visitation to the construction site by an architect or the architect's employee for the purpose of general familiarity with the progress and quality of the construction and general conformance of the construction to the construction documents and general compliance with the applicable building codes. For the purpose of this chapter, such observation does not imply exhaustive or continuous on-site inspections to check the quality or quantity of construction work.

8. *"Practice of architecture"* means performing, or offering to perform, professional architectural services in connection with the design, preparation of construction documents, or construction of one or more buildings, structures, or related projects, and the space within and surrounding the buildings or structures, or the addition to or alteration of one or more buildings or structures, which buildings or structures have as their principal purpose human occupancy or habitation, if the safeguarding of life, health, or property is concerned or involved, unless the buildings or structures are excepted from the requirements of this chapter by section 544A.18.

9. *"Professional architectural services"* means consultation, investigation, evaluation, programming, planning, preliminary design and feasibility studies, designs, drawings, specifications and other technical submissions, administration of construction contracts, observation of construction site progress, or other services and instruments of service related to architecture. A person is performing or offering to perform professional architectural services within the meaning of this chapter, if the person, by verbal claim, sign, advertisement, letterhead, card, or in any other way represents the person to be an architect or through the use of a title implies that the person is an architect.

10. *"Professional consultant"* means a person who is required by the laws of this state to hold a current and valid certificate of registration in the field of the person's professional practice, and who is employed by the architect to perform, or who offers to perform professional services as a consultant to the architect, in connection with the design, preparation of construction documents or other technical submissions, or construction of one or more buildings or structures, and the space within and surrounding the buildings or structures.

11. *"Programming"* means the identification, verification, and analysis of the architectural requirements precedent to the planning and design of a building or structure.

12. *"Registration"* means the certificate of registration issued to an architect by the board.

13. *"Technical submissions"* means the designs, drawings, sketches, specifications, details, studies, and other technical reports, including construction documents, prepared in the course of the practice of architecture.

[C66, 71, 73, 75, 77, 79, 81, §118.16]

87 Acts, ch 92, §8; 88 Acts, ch 1274, §37

C93, §544A.16
2005 Acts, ch 104, §1
Referred to in §544A.15

**544A.17 When not applicable.**

The provisions of this chapter shall not apply to:

1. Professional engineers licensed under chapter 542B.

2. Persons acting under the instruction, control or supervision of, and those executing the plans of, a registered architect or a professional engineer licensed under chapter 542B, provided that such unregistered or unlicensed persons shall not be placed in responsible charge of architectural or professional engineering work.

3. Superintendents, inspectors, supervisors and building trades craftspersons while performing their customary duties.

[C66, 71, 73, 75, 77, 79, 81, §118.17]
C93, §544A.17
2007 Acts, ch 126, §95

**544A.18 Exceptions.**

Notwithstanding the other provisions of this chapter, persons who are not registered architects may perform planning and design services in connection with any of the following:

1. Detached residential buildings containing twelve or fewer family dwelling units of not more than three stories and outbuildings in connection with the buildings.

2. Buildings used primarily for agricultural purposes including grain elevators and feed mills.

3. Nonstructural alterations to existing buildings which do not change the use of a building:

*a.* From any other use to a place of assembly of people or public gathering.

*b.* From any other use to a place of residence not exempted by subsection 1.

*c.* From an industrial or warehouse use to a commercial or office use not exempted by subsection 4.

4. Warehouses and commercial buildings not more than one story in height, and not exceeding ten thousand square feet in gross floor area; commercial buildings not more than two stories in height and not exceeding six thousand square feet in gross floor area and light industrial buildings.

5. Factory built buildings which are not more than two stories in height and not exceeding twenty thousand square feet in gross floor area or which are certified by a professional engineer licensed under chapter 542B.

6. Churches and accessory buildings, whether attached or separate, not more than two stories in height and not exceeding two thousand square feet in gross floor area.

[C66, 71, 73, 75, 77, 79, 81, §118.18]
84 Acts, ch 1057, §1
C93, §544A.18
2007 Acts, ch 126, §96
Referred to in §544A.16, 544A.28

**544A.19** Reserved.

**544A.20 Injunction.**

In addition to any other remedies, and on the petition of the board or any person, any violators of this chapter may be restrained and permanently enjoined.

[C66, 71, 73, 75, 77, 79, 81, §118.20]
C93, §544A.20

**544A.21 Practice by business entities.**

1. Corporations may be formed under the Iowa business corporation Act, chapter 490, for the purpose of engaging in the practice of architecture. A corporation may be either a business corporation or a professional corporation. A corporation, partnership,

sole proprietorship, or other business entity is not eligible for registration under this chapter. Only an individual natural person is eligible for registration. A domestic or foreign corporation, partnership, sole proprietorship, or other business entity may engage in the practice of architecture in this state, but only if all of the following requirements are met:

*a.* The entire practice of architecture by the corporation, partnership, sole proprietorship, or other business entity in this state and in connection with buildings, structures, and projects located in this state shall be performed by or under the direct supervision and responsible charge of one or more architects.

*b.* No less than two-thirds of the directors, if a corporation, or no less than two-thirds of the general partners, if a partnership, or the sole proprietor shall be qualified by registration to perform either professional architectural services or professional engineering services, by a registration authority recognized by the board, where the qualifications for registration are, in the opinion of the board, substantially equivalent to those prescribed by the laws of this state.

*c.* No less than one-third of the directors, if a corporation, or no less than one-third of the general partners, if a partnership, or the sole proprietor shall be qualified by registration to perform professional architectural services, by a registration authority recognized by the board, where the qualifications for registration are, in the opinion of the board, equivalent to those prescribed by this chapter.

*d.* A person engaging in the practice of architecture in the state of Iowa and in responsible charge on behalf of a business entity engaged in the practice of architecture must be registered to practice architecture in this state, and shall be a director, if a corporation, a general partner, if a partnership, or a sole proprietor of the business entity.

*e.* Before engaging in the practice of architecture in this state, a corporation, partnership, or sole proprietorship shall acquire an "authorization to practice architecture as a business entity" from the board. The board shall adopt rules establishing the required information concerning officers, directors, beneficial owners, limitations on the name of the business entity, and other aspects of its business organization, which must be submitted to the board upon forms prescribed by the board in order to qualify for authorization.

2. The practice of architecture by or through a corporation, partnership, sole proprietorship, or other business entity does not relieve a person of liability for professional errors or omissions which liability would exist if the person were practicing as an individual, including, but not limited to, liability arising out of negligent supervision of the work of subordinates.

[C66, 71, 73, 75, 77, 79, 81, §118.21]
87 Acts, ch 92, §10
C93, §544A.21
2001 Acts, ch 24, §62; 2012 Acts, ch 1023, §157

**544A.22 through 544A.24** Reserved.

**544A.25 Applicant — civil rights — moral character.**

1. An applicant is not ineligible for registration because of age, citizenship, sex, race, religion, marital status or national origin, although the application form may require citizenship information. Character references may be required.

2. The board may consider the following aspects when investigating an applicant's good moral character:

*a.* An applicant's conviction for commission of a felony, but only if the felony relates directly to the practice of architecture or to the applicant's honesty.

*b.* An applicant's misstatement, omission, or misrepresentation of a material fact in connection with the applicant's application for registration in this state or another jurisdiction.

*c.* An applicant's violation of a rule of conduct of a jurisdiction in which the applicant has previously engaged in the practice of architecture, provided that the rule of conduct violated is substantially equivalent to a then existing or current rule of conduct required of architects in this state.

*d.* An applicant's practice of architecture without being registered in violation of registration laws of the jurisdiction in which the practice took place.

3. If the applicant's background includes any of the foregoing, the board may register the applicant on the basis of suitable evidence of reform.

[C75, 77, 79, 81, §118.25]
87 Acts, ch 92, §11
C93, §544A.25
2012 Acts, ch 1023, §157

**544A.26 Public members.**

The public members of the board shall be allowed to participate in administrative, clerical, or ministerial functions incident to giving the examination, but shall not determine the content of the examination or determine the correctness of the answers.

[C75, 77, 79, 81, §118.26]
C93, §544A.26

**544A.27 Disclosure of confidential information.**

1. The board shall not disclose information relating to the following:

*a.* The contents of the examination.

*b.* The examination results other than final score except for information about the results of an examination which is given to the person who took the examination.

2. A member of the board who willfully communicates or seeks to communicate such information, and any person who willfully requests, obtains, or seeks to obtain such information, is guilty of a simple misdemeanor.

[C75, 77, 79, 81, §118.27]
C93, §544A.27
2008 Acts, ch 1059, §11

**544A.28 Seal required.**

An architect shall procure a seal with which to identify all technical submissions issued by the architect for use in this state. The seal shall be of a design, content, and size designated by the board.

Technical submissions prepared by an architect, or under an architect's direct supervision and responsible charge, shall be stamped with the impression of the architect's seal. The board shall designate by rule the location, frequency, and other requirements for use of the seal. An architect shall not impress the architect's seal on technical submissions if the architect was not the author of the technical submissions or if they were not prepared under the architect's direct supervision and responsible charge. An architect who merely reviews standardized construction documents for pre-engineered or prototype buildings, is not the author of the technical submissions and the technical submissions were not prepared under a reviewing architect's responsible charge.

An architect shall cause those portions of technical submissions prepared by a professional consultant to be stamped with the impression of the seal of the professional consultant, with a clear identification of the consultant's areas of responsibility, signature, and date of issuance.

A public official charged with the enforcement of the state building code, as adopted pursuant to section 103A.7, or a municipal or county building code, shall not accept or approve any technical submissions involving the practice of architecture unless the technical submissions have been stamped with the architect's seal as required by this section or unless the applicant has certified on the technical submission to the applicability of a specific exception under section 544A.18 permitting the preparation of technical submissions by a person not registered under this chapter. A building permit issued with respect to technical submissions which do not conform to the requirements of this section is invalid.

87 Acts, ch 92, §12
CS87, §118.28
C93, §544A.28
2004 Acts, ch 1086, §90

**544A.29 Rules.**

The board may adopt rules consistent with this chapter for the administration and enforcement of this chapter and may prescribe forms to be issued. The rules may include, but are not limited to, standards and criteria for licensure, license renewal, professional conduct, misconduct, and discipline. Violation of a rule of conduct is grounds for disciplinary action or reprimand or probation at the discretion of the board. The board may enter into a consent order with an architect which acknowledges an architect's violation and agreement to refrain from any further violation. A willful or repeated violation of a rule of conduct is grounds for disciplinary action as provided in section 544A.13.

87 Acts, ch 92, §13
CS87, §118.29
C93, §544A.29

# CHAPTER 544B

## LANDSCAPE ARCHITECTS

Referred to in §26.3, 26.14, 103.22, 105.11, 272C.1, 272C.6, 546.10, 669.14, 714H.4

This chapter not enacted as a part of this title;
transferred from chapter 118A in Code 1993


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**544B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the landscape architectural examining board established pursuant to section 544B.3.

2. *"Practice of landscape architecture"* means the performance of professional services such as consultations, investigations, reconnaissance, research, planning, design, or responsible supervision in connection with projects involving the arranging of land and the elements thereon for public and private use and enjoyment, including the alignment of roadways and the location of buildings, service areas, parking areas, walkways, steps, ramps, pools and other structures, and the grading of the land, surface and subsoil drainage, erosion control, planting, reforestation, and the preservation of the natural landscape and aesthetic values, in accordance with accepted professional standards of public health, welfare, and safety. This practice shall include the location and arrangement of such tangible objects and features as are incidental and necessary to the purposes outlined in this chapter but shall not include the design of structures or facilities with separate and self-contained purposes for habitation or industry, or the design of public streets and highways, utilities, storm and sanitary sewers, and sewage treatment facilities, such as are ordinarily included in the practice of engineering or architecture; and shall not include the making of land surveys or final land plats for official approval or recording. Nothing contained in this chapter shall be construed as authorizing a professional landscape architect to engage in the practice of architecture, engineering, or land surveying.

3. *"Professional landscape architect"* means a person who has obtained a license pursuant to section 544B.2, and who engages in the practice of landscape architecture as defined in this section.

[C75, 77, 79, 81, §118A.1]
C93, §544B.1
2002 Acts, ch 1045, §1, 2; 2003 Acts, ch 108, §102
Referred to in §544B.19

**544B.2 License required.**

A person shall not engage in the practice of landscape architecture, or use the title "landscape architect", "professional landscape architect", "landscape architecture designer", or use other titles or words, letters, figures, signs, cards, advertisements, symbols, or other devices to represent that the person or a business associated with the person is authorized to practice landscape architecture, without first obtaining a license as a professional landscape architect from the board pursuant to this chapter. Every holder of a license as a professional landscape architect shall display it in a conspicuous place in the holder's principal office.

[C75, 77, 79, 81, §118A.2]
C93, §544B.2
2002 Acts, ch 1045, §3
Referred to in §544B.1, 544B.19

**544B.3 Landscape architectural examining board created.**

A landscape architectural examining board is created within the professional licensing and regulation bureau of the banking division of the department of commerce. The board consists of five members who are professional landscape architects and two members who are not professional landscape architects and who shall represent the general public. Members shall be appointed by the governor, subject to confirmation by the senate. A professional member shall be actively engaged in the practice of landscape architecture or the teaching of landscape architecture in an accredited college or university, and shall have been so engaged for five years preceding appointment, the last two of which shall have been in Iowa. Associations or societies composed of professional landscape architects may recommend the names of potential board members to the governor. However, the governor is not bound by the recommendations. A board member shall not be required to be a member of any professional association or society composed of professional landscape architects.

Appointments shall be for three-year terms and shall commence and end as provided in section 69.19. Vacancies shall be filled for the unexpired term by appointment of the governor and are subject to senate confirmation. Members shall serve no more than three terms or nine years, whichever is less.

[C75, 77, 79, 81, §118A.3]
86 Acts, ch 1245, §728
C93, §544B.3
2002 Acts, ch 1045, §4; 2006 Acts, ch 1177, §43
Referred to in §544B.1, 544B.19
Confirmation, see §2.32

**544B.4 Organization of the board — meetings — quorum.**

The board shall elect annually from its members a chairperson and vice chairperson. The duties of the officers are those usually performed by such officers. The board shall hold at least one meeting each year at the location of the board's principal office, and meetings shall be called at other times by division staff at the request of the chairperson or four members of the board. A majority of the members constitutes a quorum. No action at any meeting can be taken without the affirmative votes of a majority of the members of the board.

[C75, 77, 79, 81, §118A.4]
88 Acts, ch 1158, §27; 90 Acts, ch 1168, §24
C93, §544B.4
Referred to in §544B.19

**544B.5 Duties.**

The board shall enforce this chapter, shall make rules for the examination of applicants for licensure, and, after public notice, shall conduct examinations of applicants for licensure. The board shall keep a record of its proceedings. The board shall adopt an official seal which shall be affixed to all certificates of licensure granted. The board may make other rules, not inconsistent with law, as necessary for the proper performance of its duties. The board shall maintain a roster showing the name, place of business, and residence, and the date and number of the certificate of licensure of every professional landscape architect in this state. The administrator of the professional licensing and regulation bureau of the banking division of the department of commerce shall hire and provide staff to assist the board in implementing this chapter.

[C75, 77, 79, 81, §118A.5]
86 Acts, ch 1245, §729
C93, §544B.5
2002 Acts, ch 1045, §5; 2006 Acts, ch 1177, §44
Referred to in §544B.19

**544B.6** Repealed by 98 Acts, ch 1119, § 11.

**544B.7 Expenses — compensation.**

Members of the board are entitled to receive reimbursement of actual expenses incurred in the discharge of their duties within the limits of funds appropriated to the board. Each member of the board may also be eligible to receive compensation as provided in section 7E.6.

[C75, 77, 79, 81, §118A.7]
86 Acts, ch 1245, §730
C93, §544B.7
Referred to in §544B.19

**544B.8 Examination.**

The board shall conduct examinations of applicants for certificates of licensure as professional landscape architects at least once each year, or, if there are sufficient applications, at such additional times as the board may deem necessary. The examination shall determine the ability of the applicant to use and understand the theory and practice of landscape architecture and may be divided into such subjects as the board deems necessary. The board shall determine the annual cost of administering the examinations and shall set the fees accordingly. The public members of the board shall be allowed to participate in administrative, clerical, or ministerial functions incident to giving the examination, but shall not determine the content of the examination or determine the correctness of the answers.

An applicant who has failed the examination may request in writing information from the board concerning the applicant's examination grade and subject areas or questions which the applicant failed to answer correctly, except that if the board administers a uniform, standardized examination, the board shall only be required to provide the examination grade and such other information concerning the applicant's examination results which are available to the board.

[C75, 77, 79, 81, §118A.8]
C93, §544B.8
2002 Acts, ch 1045, §6
Referred to in §544B.19

**544B.9 Applications.**

1. Any person may apply for a certificate of licensure or may apply to take an examination for such certification. Applications for licensure shall be on forms prescribed and furnished by the board, shall contain statements made under oath, showing the applicant's education and detail summary of the applicant's pertinent practical landscape architectural work and experience. The board shall not require that a recent photograph of the applicant be attached to the application form. An applicant shall not be ineligible for licensure because of age,

citizenship, sex, race, religion, marital status, or national origin. The board may consider the past felony record of an applicant only if the felony conviction relates directly to the practice of landscape architecture. Character references may be required but shall not be obtained from professional landscape architects. An application for examination shall be accompanied by an examination fee in the amount determined by the board. Each applicant for licensure as a professional landscape architect shall meet one of the following requirements:

*a.* Graduation from a course in landscape architecture in a school, college, or university offering an accredited minimum four-year curriculum in landscape architecture, and a minimum of three years of practical experience in landscape architectural work which in the opinion of the board is of satisfactory character, at least one year of which must be under the supervision of a professional landscape architect or a person who becomes a professional landscape architect within one year after July 1, 2002.

*b.* Graduation from a nonaccredited course of landscape architecture of a minimum of four years in a school, college, or university and a minimum of four years of practical experience in landscape architectural work which in the opinion of the board is of satisfactory character, at least one year of which must be under the supervision of a professional landscape architect.

*c.* A minimum of ten years of practical experience in landscape architectural work which in the opinion of the board is of satisfactory character to properly prepare the applicant for the examination.

2. A satisfactorily completed year of study in an accredited course of landscape architecture in an accredited school, college, or university may be accepted in lieu of one year of practical experience.

3. A master's degree from an accredited school, college, or university may be accepted in lieu of one year of practical experience.

4. Any four-year college or university degree may be accepted in lieu of two years of practical experience.

[C75, 77, 79, 81, §118A.9]
C93, §544B.9
2002 Acts, ch 1045, §7; 2012 Acts, ch 1023, §157
Referred to in §544B.19

**544B.10 Foreign licensees.**

Any applicant who holds a license or certificate to practice landscape architecture issued to the applicant upon examination by a board of examiners in any other state, territory, or possession of the United States, the District of Columbia, or of any foreign country, if the requirements for such license or certificate were, at the time it was issued, in the opinion of the board, equal to or higher than the requirements of this state, may be licensed without further examination.

[C75, 77, 79, 81, §118A.10]
C93, §544B.10
2002 Acts, ch 1045, §8
Referred to in §544B.19

**544B.11 Licensure.**

When an applicant has complied with the application requirements of this chapter and has passed the examination to the satisfaction of a majority of the licensed members of the board, or is a foreign registrant and has qualified for licensure under this chapter, and has paid the required licensure fee, the secretary shall enroll the applicant's name and address in the roster of professional landscape architects and issue to the applicant a certificate of licensure, signed by the officers of the board.

[C75, 77, 79, 81, §118A.11]
C93, §544B.11
2002 Acts, ch 1045, §9
Referred to in §544B.19, 544B.20

**544B.12 Seal.**

Every professional landscape architect shall have a seal, approved by the board, which shall contain the name of the landscape architect and the words "Professional Landscape Architect, State of Iowa", and such other words or figures as the board may deem necessary. All landscape architectural plans and specifications, prepared by such professional landscape architect or under the supervision of such professional landscape architect, shall be dated and bear the legible seal of such professional landscape architect. Nothing contained in this section shall be construed to permit the seal of a professional landscape architect to serve as a substitute for the seal of a registered architect, a licensed professional engineer, or a licensed professional land surveyor whenever the seal of an architect, engineer, or land surveyor is required under the laws of this state.

[C75, 77, 79, 81, §118A.12]

C93, §544B.12

2002 Acts, ch 1045, §10; 2003 Acts, ch 44, §95; 2007 Acts, ch 126, §97; 2012 Acts, ch 1009, §27

Referred to in §544B.19

**544B.13 Renewals.**

Certificates of licensure shall expire in intervals as determined by the board. Professional landscape architects shall renew their certificates of licensure and pay a renewal fee in the manner and amount prescribed by the board. A person who fails to renew a certificate by the expiration date shall be allowed to do so within thirty days following its expiration, but the board may assess a reasonable penalty.

[C75, 77, 79, 81, §118A.13]

C93, §544B.13

2002 Acts, ch 1045, §11; 2012 Acts, ch 1009, §28

Referred to in §544B.19

**544B.14 Fees.**

1. The board shall set the fees for a certificate of licensure as a professional landscape architect, and for renewal of a certificate. The fee for a certificate of licensure and for renewal of a certificate shall be based upon the administrative costs of sustaining the board which shall include, but shall not be limited to, the costs for:

*a.* Per diem, expenses, and travel for board members.

*b.* Office facilities, supplies and equipment.

*c.* Staff assistance.

2. All fees shall be collected by the secretary, paid to the treasurer of state and deposited in the general fund of the state.

[C75, 77, 79, 81, §118A.14]

90 Acts, ch 1168, §25; 90 Acts, ch 1261, §41

C93, §544B.14

94 Acts, ch 1107, §92; 2002 Acts, ch 1045, §12; 2012 Acts, ch 1023, §157

Referred to in §544B.19

**544B.15 Suspension, revocation, or reprimand.**

The board may by a five-sevenths vote of the entire board, suspend for a period not exceeding two years, or revoke the certificate of licensure of, or reprimand any licensee who is found guilty of the following acts or offenses:

1. Fraud in procuring a certificate of licensure.

2. Professional incompetency.

3. Knowingly making misleading, deceptive, untrue, or fraudulent representations in the practice of the licensee's profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.

4. Habitual intoxication or addiction to the use of drugs.

5. Conviction of a felony related to the profession or occupation of the licensee that would affect the licensee's ability to practice professional landscape architecture. A copy of the record of conviction or plea of guilty is conclusive evidence.

6. Fraud in representations as to skill or ability.
7. Use of untruthful or improbable statements in advertisements.
8. Willful or repeated violations of the provisions of this chapter.

[C75, 77, 79, 81, §118A.15]
85 Acts, ch 195, §14
C93, §544B.15
2002 Acts, ch 1045, §13
Referred to in §272C.3, 272C.4, 544B.19

**544B.16 Procedure.**

A person may file charges with the board against a professional landscape architect or the board may initiate charges. The charges shall be in writing, sworn to if by a complainant other than the board, and filed with the board. Unless the charges are dismissed by the board as unfounded or trivial, the board may request the department of inspections and appeals to conduct an investigation into the charges. The department of inspections and appeals shall report its findings to the board, and the board shall hold a hearing within sixty days after the date on which the charges are filed. The board shall fix the time and place for such hearing and shall cause a copy of the charges, together with a notice of the time and place fixed for the hearing, to be served on the accused at least thirty days before the date fixed for the hearing. Where personal service cannot be effected, service may be effected by publication. At such hearing, the accused shall have the right to appear personally or by counsel, to cross-examine witnesses against the accused, and to produce evidence and witnesses in defense. After the hearing, the board may suspend or revoke the certificate of licensure. The board may restore the certificate of licensure to any person whose certificate of licensure has been revoked. Application for the restoration of a certificate of licensure shall be made in such manner, form, and content as the board may prescribe.

[C75, 77, 79, 81, §118A.16]
88 Acts, ch 1158, §28
C93, §544B.16
2002 Acts, ch 1045, §14
Referred to in §272C.5, 544B.19

**544B.17 Attorney general to assist and witnesses.**

The board is entitled to the counsel and services of the attorney general or such assistance as the attorney general may so designate. The board may compel the attendance of witnesses, pay witness fees and mileage, and take testimony and affidavits and administer oaths concerning any matter within its jurisdiction.

[C75, 77, 79, 81, §118A.17]
C93, §544B.17
Referred to in §544B.19

**544B.18 Unlawful practice.**

Any person who uses the words “landscape architect”, “professional landscape architect”, or “landscape architecture designer”, or any word or any letters or figures indicating or tending to imply that the person using the same is a professional landscape architect, without having a valid certificate of licensure as a professional landscape architect issued pursuant to this chapter, or who knowingly assists such a person, is guilty of a simple misdemeanor.

[C75, 77, 79, 81, §118A.18]
C93, §544B.18
2002 Acts, ch 1045, §15
Referred to in §544B.19

**544B.19 Injunction.**

In addition to any other remedies, and on the petition of the board or any person, any person violating any of the provisions of sections 544B.1 to 544B.5 and 544B.7 to 544B.21 may be restrained and permanently enjoined from committing or continuing the violations.

[C75, 77, 79, 81, §118A.19]
C93, §544B.19
98 Acts, ch 1119, §10

**544B.20 Scope of chapter.**

Nothing contained in this chapter shall be construed:

1. To apply to a professional engineer duly licensed under the laws of this state.
2. To apply to an architect registered under the laws of this state.
3. To prevent a registered architect or licensed professional engineer from doing landscape planning and designing.
4. To affect or prevent the practice of land surveying by a professional land surveyor licensed under the laws of this state.
5. To apply to the business conducted in this state by any planner, agriculturist, soil conservationist, horticulturist, tree expert, arborist, forester, nursery or landscape nursery person, gardener, landscape gardener, landscape contractor, garden or lawn caretaker, tiling contractor, grader or cultivator of land, golf course designer or contractor, or similar business. However, such person shall not use the designation landscape architect or any title or device indicating or representing that such person is a professional landscape architect or is practicing landscape architecture unless such person is licensed under the provisions of section 544B.11.

[C75, 77, 79, 81, §118A.20]
C93, §544B.20
2002 Acts, ch 1045, §16; 2007 Acts, ch 126, §98; 2012 Acts, ch 1009, §29
Referred to in §544B.19

**544B.21 Examination not required.**

Any person who is registered pursuant to this chapter on July 1, 2002, shall be issued a license to practice as a professional landscape architect.

[C75, 77, 79, 81, §118A.21]
C93, §544B.21
2002 Acts, ch 1045, §17
Referred to in §544B.19

# CHAPTER 544C

## REGISTERED INTERIOR DESIGNERS

Referred to in §546.10, 669.14


544C.1 Definitions.
544C.2 Establishment of interior design examining board.
544C.3 Duties of the board.
544C.4 Expenses — compensation.
544C.5 Qualifications for registration.
544C.6 Reciprocal registration.
544C.7 Registration issuance.
544C.8 Continuing education.
544C.9 Revocation, suspension, and nonissuance of registration.
544C.10 Unlawful use of title of "registered interior designer" — violations — penalty — consent agreement.
544C.11 Injunction.
544C.12 Scope of chapter.
544C.13 Transition provisions.


**544C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Board"* means the interior design examining board established pursuant to this chapter.

2. *"Bureau"* means the professional licensing and regulation bureau of the banking division of the department of commerce.

3. *"Interior design"* means the design of interior spaces including the preparation of documents relating to space planning, finish materials, furnishings, fixtures, and equipment, and the preparation of documents relating to interior construction that does not affect the mechanical or structural systems of a building. *"Interior design"* does not include services that constitute the practice of architecture or the practice of professional engineering.

4. *"Registered interior designer"* means a person registered under this chapter.

2005 Acts, ch 104, §2; 2006 Acts, ch 1177, §45

**544C.2 Establishment of interior design examining board.**

1. An interior design examining board is established within the bureau. The board consists of seven members: five members who are interior designers who are registered under this chapter and who have been in the active practice of interior design for not less than five years, the last two of which shall have been in Iowa; and two members who are not registered under this chapter and who shall represent the general public. Members shall be appointed by the governor subject to confirmation by the senate.

2. Professional associations or societies composed of interior designers may recommend the names of potential board members to the governor, but the governor is not bound by the recommendations. A board member is not required to be a member of any professional association or society composed of registered interior designers.

3. Appointments shall be for three-year terms and shall commence and end as provided in section 69.19. Vacancies shall be filled for the unexpired term by appointment of the governor and shall require senate confirmation. Members shall serve no more than three terms or nine years, whichever is less.

2005 Acts, ch 104, §3; 2006 Acts, ch 1177, §46

Confirmation, see §2.32

**544C.3 Duties of the board.**

1. The duties of the board shall include, but are not limited to, all of the following:

*a.* Administering and enforcing this chapter.

*b.* Establishing requirements for the examination, education, and practical training of applicants for registration.

*c.* Holding meetings each year for the purpose of transacting business pertaining to the affairs of the board. Action at a meeting shall not be taken without the affirmative votes of a majority of members of the board.

*d.* Adopting rules under chapter 17A necessary for the proper performance of its duties. The rules shall include provisions addressing conflicts of interest and full disclosure, including sources of compensation.

*e.* Establishing fees for registration as a registered interior designer, renewal of registration, reinstatement of registration, and for other activities of the board pertaining to its duties. The fees shall be sufficient to defray the costs of administering this chapter, and shall be deposited in the general fund of the state.

*f.* Maintaining records, which are open to public inspection at all reasonable times, of its proceedings relating to the issuance, refusal, renewal, suspension, and revocation of registration. The records shall also contain a roster indicating the name, place of business and residence, and the date and registration number of every registrant.

2. The administrator of the bureau shall provide staff to assist the board in the implementation of this chapter.

2005 Acts, ch 104, §4; 2006 Acts, ch 1177, §47; 2012 Acts, ch 1023, §157

**544C.4 Expenses — compensation.**

The members of the board are entitled to be reimbursed for the actual expenses incurred in the performance of their duties within the limits of the funds appropriated to the board. Each

member of the board may also be eligible to receive compensation as provided in section 7E.6.

2005 Acts, ch 104, §5

**544C.5 Qualifications for registration.**

Each applicant for registration must meet the interior design education and practical training requirements adopted by rule by the board, and have passed an examination prescribed by the board that is task-oriented, focused on public safety, and validated by a recognized testing agency. The bureau shall register an individual who submits an application to the board on the form and in the manner prescribed by the board as a registered interior designer if the individual satisfies the following requirements:

1. Submits written proof that the individual has successfully passed the national council for interior design qualification examination, or its equivalent.

2. Has completed any of the following:

*a.* Four years of interior design education plus two years of full-time work experience in interior design.

*b.* Three years of interior design education plus three years of full-time work experience in interior design.

*c.* Two years of interior design education plus four years of full-time work experience in interior design.

3. Submits the required registration fee to the board.

2005 Acts, ch 104, §6; 2006 Acts, ch 1177, §48

Referred to in §544C.7, 544C.13

**544C.6 Reciprocal registration.**

The board may also grant registration by reciprocity. An applicant applying to the board for registration by reciprocity shall furnish satisfactory evidence that the applicant meets both of the following requirements:

1. Holds a valid registration or license issued by another registration authority recognized by the board, where the qualifications for registration or licensure were substantially equivalent to those prescribed in this state on the date of original registration or licensure with the other registration authority.

2. Holds a current certificate number issued by the national council for interior design qualification.

2005 Acts, ch 104, §7

Referred to in §544C.7

**544C.7 Registration issuance.**

When an applicant has complied with the qualifications for registration in section 544C.5 or 544C.6 to the satisfaction of a majority of the members of the board and has paid the fees prescribed by the board, the board shall enroll the applicant's name and address in the roster of registered interior designers and issue to the applicant a registration certificate, signed by the officers of the board. The certificate shall entitle the applicant to use the title "registered interior designer" in this state.

2005 Acts, ch 104, §8

**544C.8 Continuing education.**

A registered interior designer shall, at the time of application for renewal of a certificate of registration, submit proof of completion of continuing education requirements established by rules adopted by the board.

2005 Acts, ch 104, §9

**544C.9 Revocation, suspension, and nonissuance of registration.**

1. The board may revoke, suspend, or refuse to issue or renew the registration of any person upon a finding of any of the following:

*a.* Fraud in obtaining or renewing a certificate of registration.

*b.* Professional incompetency.

*c.* Knowingly making misleading, deceptive, untrue, or fraudulent representations in the practice of the registrant's profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.

*d.* Conviction of a felony related to the profession or occupation of the registrant. A copy of the record of conviction or plea of guilty shall be conclusive evidence of the conviction.

*e.* Unlawful use of the title of "registered interior designer".

*f.* Willful or repeated violations of the provisions of this chapter or a rule adopted under this chapter.

2. Any person may appeal a finding of the board within thirty days of the date of notification of action. Upon appeal, the board shall schedule a hearing in accordance with chapter 17A.

2005 Acts, ch 104, §10

**544C.10 Unlawful use of title of "registered interior designer" — violations — penalty — consent agreement.**

1. It is unlawful for a person to use the title, or aid or abet a person in using the title, of "registered interior designer" or any title or device indicating that the person is a registered interior designer unless the person has been issued a certificate of registration as provided in this chapter. This section does not prohibit the provision of interior design services, or the use of the terms "interior design" or "interior designer", by an architect or by a person who is not registered as an interior designer.

2. A person who violates this section is guilty of a simple misdemeanor. The board, in its discretion and in lieu of prosecuting a first offense under this section, may enter into a consent agreement with a violator, or with a person guilty of aiding or abetting a violator, which acknowledges the violation and the violator's agreement to refrain from any further violations.

2005 Acts, ch 104, §11

**544C.11 Injunction.**

In addition to any other remedies, and on the petition of the board, any person violating this chapter may be restrained and permanently enjoined from committing or continuing the violations.

2005 Acts, ch 104, §12

**544C.12 Scope of chapter.**

This chapter does not apply to the following:

1. A person licensed to practice architecture pursuant to the laws of this state.

2. A person licensed as a professional engineer pursuant to the laws of this state.

3. A person who performs the following services: selling, selecting, or assisting in selecting personal property used in connection with furnishings of interior spaces or fixtures such as, but not limited to, furnishings, decorative accessories, furniture, paint, wall coverings, window treatments, floor coverings, cabinets, countertops, surface-mounted lighting, or decorative materials for a retail sale; or installing or coordinating installations as a part of the prospective retail sale, or providing computer-aided or other drawings for the purpose of retail sale if the drawings are used for material listed for retail sale; and who does not represent that the person is a registered interior designer.

2005 Acts, ch 104, §13

**544C.13 Transition provisions.**

For a period of two years from July 1, 2005, the board may issue a certificate as a registered interior designer to a person residing in Iowa who does not meet the examination requirements specified in section 544C.5, if the person submits evidence to the board demonstrating both of the following:

1. A minimum of two years of interior design education and a combined total of six years of interior design education and experience that is acceptable to the board.

2. Successful completion of section 1 of the national council for interior design qualification examination relating to life safety codes and barrier-free requirements.

2005 Acts, ch 104, §14

# CHAPTER 545

RESERVED

# SUBTITLE 5

## REGULATION OF COMMERCIAL ENTERPRISES

# CHAPTER 546

## DEPARTMENT OF COMMERCE

Referred to in §669.14


546.1 Definitions.
546.2 Department of commerce.
546.3 Banking division.
546.4 Credit union division.
546.5 Savings and loan division. Repealed by 2007 Acts, ch 88, §50.
546.6 Repealed by 87 Acts, ch 234, §440.
546.7 Utilities division.
546.8 Insurance division.
546.9 Alcoholic beverages division.
546.10 Professional licensing and regulation bureau — superintendent of banking.
546.11 Repealed by 94 Acts, ch 1107, §99.
546.12 Department of commerce revolving fund.


**546.1 Definitions.**

When used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of commerce.
2. *"Director"* means the director of the department of commerce.

86 Acts, ch 1245, §701

**546.2 Department of commerce.**

1. A department of commerce is created to coordinate and administer the various regulatory, service, and licensing functions of the state relating to the conducting of business or commerce in the state.

2. The chief administrative officer of the department is the director. The director shall be appointed by the governor from among those individuals who serve as heads of the divisions within the department. A division head appointed to be the director shall fulfill the responsibilities and duties of the director in addition to the individual's responsibilities and duties as the head of a division. The director shall serve at the pleasure of the governor. If the office of director becomes vacant, the vacancy shall be filled in the same manner as the original appointment was made.

3. The department is administratively organized into the following divisions:

*a.* Banking.
*b.* Credit union.
*c.* Utilities.
*d.* Insurance.
*e.* Alcoholic beverages.

4. The director shall have the following responsibilities:

*a.* To establish general operating policies for the department to provide general uniformity among the divisions while providing for necessary flexibility.

*b.* To assemble a department structure and strategic plan that will provide optimal decentralization of responsibilities and authorities with sufficient coordination for appropriate growth and development.

*c.* To coordinate personnel services and shared administrative support services to assure maximum support and assistance to the divisions.

*d.* To coordinate the development of an annual budget which quantifies the operational plans of the divisions.

*e.* To identify and, with the chief administrative officers of each division, facilitate the opportunities for consolidation and efficiencies within the department.

*f.* To maintain monitoring and control systems, procedures, and policies which will permit

each level of responsibility to quickly and precisely measure its results with its plan and standards.

5. The chief administrative officer of each division shall have the following responsibilities:

*a.* To make rules pursuant to chapter 17A except to the extent that rulemaking authority is vested in a policymaking commission.

*b.* To hire, allocate, develop, and supervise employees of the division necessary to perform duties assigned to the division by law.

*c.* To supervise and direct personnel and other resources to accomplish duties assigned to the division by law.

*d.* To establish fees assessed to the regulated industry except to the extent this power is vested in a policymaking commission.

6. Each division is responsible for policymaking and enforcement duties assigned to the division under the law. Except as provided in section 546.10, subsection 3:

*a.* Each division shall adopt rules pursuant to chapter 17A to implement its duties.

*b.* Decisions by the divisions are final agency actions pursuant to chapter 17A.

86 Acts, ch 1245, §702; 87 Acts, ch 234, §438; 93 Acts, ch 175, §20; 2000 Acts, ch 1219, §17; 2006 Acts, ch 1177, §49; 2007 Acts, ch 88, §44

Referred to in §7E.5

**546.3 Banking division.**

1. The banking division shall regulate and supervise banks under chapter 524, debt management licensees under chapter 533A, money services under chapter 533C, delayed deposit services under chapter 533D, mortgage bankers and brokers under chapter 535B, regulated loan companies under chapter 536, and industrial loan companies under chapter 536A, and shall perform other duties assigned to the division by law. The division is headed by the superintendent of banking who is appointed pursuant to section 524.201. The state banking council shall render advice within the division when requested by the superintendent.

2. The banking division shall administer and manage the professional licensing and regulation bureau within the division. The division shall separately account for funds of the bureau. However, the division may allocate costs for administrative, technical, support, and other shared services across the entire division.

86 Acts, ch 1245, §703; 91 Acts, ch 63, §5; 2004 Acts, ch 1141, §32; 2006 Acts, ch 1177, §50; 2007 Acts, ch 88, §45; 2012 Acts, ch 1017, §151

**546.4 Credit union division.**

1. The credit union division created by section 533.103 shall regulate and supervise credit unions under chapter 533.

2. The division is headed by the superintendent of credit unions who shall be appointed pursuant to section 533.104.

3. The credit union review board shall perform duties within the division as prescribed in chapter 533.

86 Acts, ch 1245, §704; 2007 Acts, ch 174, §96

**546.5 Savings and loan division.** Repealed by 2007 Acts, ch 88, § 50.

**546.6** Repealed by 87 Acts, ch 234, § 440.

**546.7 Utilities division.**

The utilities division shall regulate and supervise public utilities operating in the state. The division shall enforce and implement chapters 476, 476A, 477C, 478, 479, 479A, and 479B and shall perform other duties assigned to it by law. The division is headed by the administrator of public utilities who shall be appointed by the governor pursuant to section 474.1.

86 Acts, ch 1245, §707; 91 Acts, ch 97, §58; 92 Acts, ch 1163, §105; 95 Acts, ch 192, §60

**546.8 Insurance division.**

The insurance division shall regulate and supervise the conducting of the business of insurance in the state. The division shall enforce and implement Title XIII, subtitle 1, insurance and related regulation, and chapter 502, and shall perform other duties assigned to the division by law. The division is headed by the commissioner of insurance who shall be appointed pursuant to section 505.2.

86 Acts, ch 1245, §708; 93 Acts, ch 60, §24; 94 Acts, ch 1023, §115

**546.9 Alcoholic beverages division.**

The alcoholic beverages division shall enforce and implement chapter 123. The division is headed by the administrator of alcoholic beverages who shall be appointed pursuant to section 123.10. The alcoholic beverages commission shall perform duties within the division pursuant to chapter 123.

86 Acts, ch 1245, §709; 90 Acts, ch 1247, §17; 94 Acts, ch 1107, §93

**546.10 Professional licensing and regulation bureau — superintendent of banking.**

1. The professional licensing and regulation bureau of the banking division shall administer and coordinate the licensing and regulation of several professions by bringing together the following licensing boards:

*a.* The engineering and land surveying examining board created pursuant to chapter 542B.

*b.* The Iowa accountancy examining board created pursuant to chapter 542.

*c.* The real estate commission created pursuant to chapter 543B.

*d.* The architectural examining board created pursuant to chapter 544A.

*e.* The landscape architectural examining board created pursuant to chapter 544B.

*f.* The real estate appraiser examining board created pursuant to section 543D.4.

*g.* The interior design examining board created pursuant to chapter 544C.

2. The bureau is headed by the administrator of professional licensing and regulation who shall be the superintendent of banking. The administrator shall appoint and supervise staff and shall coordinate activities for the licensing boards within the bureau.

3. *a.* The licensing and regulation examining boards included in the bureau pursuant to subsection 1 retain the powers granted them pursuant to the chapters in which they are created, except for budgetary and personnel matters which shall be handled by the administrator. Each licensing board shall adopt rules pursuant to chapter 17A. Decisions by a licensing board are final agency actions for purposes of chapter 17A.

*b.* Notwithstanding subsection 5, eighty-five percent of the funds received annually resulting from an increase in licensing fees implemented on or after April 1, 2002, by a licensing board or commission listed in subsection 1, is appropriated to the professional licensing and regulation bureau to be allocated to the board or commission for the fiscal year beginning July 1, 2002, and succeeding fiscal years, for purposes related to the duties of the board or commission, including but not limited to additional full-time equivalent positions. In addition, notwithstanding subsection 5, twenty-five dollars from each real estate salesperson's license fee and each broker's license fee received pursuant to section 543B.14 is appropriated to the professional licensing and regulation bureau for the purpose of hiring and compensating a real estate education director and regulatory compliance personnel. The director of the department of administrative services shall draw warrants upon the treasurer of state from the funds appropriated as provided in this section and shall make the funds available to the professional licensing and regulation bureau on a monthly basis during each fiscal year.

4. The professional licensing and regulation bureau of the banking division of the department of commerce may expend additional funds, including funds for additional personnel, if those additional expenditures are directly the cause of actual examination expenses exceeding funds budgeted for examinations. Before the bureau expends or encumbers an amount in excess of the funds budgeted for examinations, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the examination

expenses exceed the funds budgeted by the general assembly to the bureau and the bureau does not have other funds from which the expenses can be paid. Upon approval of the director of the department of management, the bureau may expend and encumber funds for excess examination expenses. The amounts necessary to fund the examination expenses shall be collected as fees from additional examination applicants and shall be treated as repayment receipts as defined in section 8.2, subsection 8.

5. Fees collected under chapters 542, 542B, 543B, 543D, 544A, 544B, and 544C shall be paid to the treasurer of state and credited to the general fund of the state. All expenses required in the discharge of the duties and responsibilities imposed upon the professional licensing and regulation bureau of the banking division of the department of commerce, the administrator, and the licensing boards by the laws of this state shall be paid from moneys appropriated by the general assembly for those purposes. All fees deposited into the general fund of the state, as provided in this subsection, shall be subject to the requirements of section 8.60.

6. The licensing boards included in the bureau pursuant to subsection 1 may refuse to issue or renew a license to practice a profession to any person otherwise qualified upon any of the grounds for which a license may be revoked or suspended or a licensee may otherwise be disciplined, or upon any other grounds set out in the chapter governing the respective board.

7. The licensing boards included in the bureau pursuant to subsection 1 may suspend, revoke, or refuse to issue or renew a license, or may discipline a licensee based upon a suspension, revocation, or other disciplinary action taken by a licensing authority in this or another state, territory, or country. For purposes of this subsection, *"disciplinary action"* includes the voluntary surrender of a license to resolve a pending disciplinary investigation or proceeding. A certified copy of the record or order of suspension, revocation, voluntary surrender, or other disciplinary action is prima facie evidence of such fact.

8. Notwithstanding any other provision of law to the contrary, the licensing boards included within the bureau pursuant to subsection 1 may by rule establish the conditions under which an individual licensed in a different jurisdiction may be issued a reciprocal or comity license, if, in the board's discretion, the applicant's qualifications for licensure are substantially equivalent to those required of applicants for initial licensure in this state.

9. Notwithstanding section 272C.6, the licensing boards included within the bureau pursuant to subsection 1 may by rule establish the conditions under which the board may supply to a licensee who is the subject of a disciplinary complaint or investigation, prior to the initiation of a disciplinary proceeding, all or such parts of a disciplinary complaint, disciplinary or investigatory file, report, or other information, as the board in its sole discretion believes would aid the investigation or resolution of the matter.

10. Notwithstanding section 17A.6, subsection 2, the licensing boards included within the bureau pursuant to subsection 1 may adopt standards by reference to another publication without providing a copy of the publication to the administrative rules coordinator if the publication containing the standards is readily accessible on the internet at no cost and the internet site at which the publication may be found is included in the administrative rules that adopt the standard.

11. Renewal periods for all licenses and certificates of the licensing boards included within the bureau pursuant to subsection 1 may be annual or multiyear, as provided by rule.

12. A quorum of a licensing board included within the bureau pursuant to subsection 1 shall be a majority of the members of the board and action may be taken upon a majority vote of board members present at a meeting who are not disqualified.

86 Acts, ch 1245, §710; 88 Acts, ch 1274, §41; 90 Acts, ch 1247, §18; 90 Acts, ch 1261, §42; 91 Acts, ch 260, §1246; 93 Acts, ch 131, §24; 94 Acts, ch 1107, §94, 95; 94 Acts, ch 1187, §22; 2001 Acts, ch 55, §33, 34, 38; 2002 Acts, 2nd Ex, ch 1003, §33, 35; 2003 Acts, ch 145, §286; 2005 Acts, ch 19, §115; 2006 Acts, ch 1030, §66; 2006 Acts, ch 1177, §52; 2007 Acts, ch 170, §7; 2010 Acts, ch 1055, §3; 2011 Acts, ch 34, §131; 2012 Acts, ch 1023, §157; 2013 Acts, ch 93, §2

Referred to in §544A.8, 546.2

Confirmation, see §2.32

Subsection 3, paragraph b amended

**546.11** Repealed by 94 Acts, ch 1107, § 99.

**546.12 Department of commerce revolving fund.**

1. A department of commerce revolving fund is created in the state treasury. The fund shall consist of moneys collected by the banking division; credit union division; utilities division, including moneys collected on behalf of the office of consumer advocate established in section 475A.3; and the insurance division of the department; and deposited into an account for that division or office within the fund on a monthly basis. Except as otherwise provided by statute, all costs for operating the office of consumer advocate and the banking division, the credit union division, the utilities division, and the insurance division of the department shall be paid from the division's accounts within the fund, subject to appropriation by the general assembly. The insurance division shall administer the fund and all other divisions shall work with the insurance division to make sure the fund is properly accounted and reported to the department of management and the department of administrative services. The divisions shall provide quarterly reports to the department of management and the legislative services agency on revenues billed and collected and expenditures from the fund in a format as determined by the department of management in consultation with the legislative services agency.

2. To meet cash flow needs for the office of consumer advocate and the banking division, credit union division, utilities division, or the insurance division of the department, the administrative head of that division or office may temporarily use funds from the general fund of the state to pay expenses in excess of moneys available in the revolving fund for that division or office if those additional expenditures are fully reimbursable and the division or office reimburses the general fund of the state and ensures all moneys are repaid in full by the close of the fiscal year. Notwithstanding any provision to the contrary, the divisions shall, to the fullest extent possible, make an estimate of billings and make such billings as early as possible in each fiscal year, so that the need for the use of general fund moneys is minimized to the lowest extent possible. Periodic billings shall be deemed sufficient to satisfy this requirement. Because any general fund moneys used shall be fully reimbursed, such temporary use of funds from the general fund of the state shall not constitute an appropriation for purposes of calculating the state general fund expenditure limitation pursuant to section 8.54.

3. Section 8.33 does not apply to any moneys credited or appropriated to the revolving fund from any other fund.

4. The establishment of the revolving fund pursuant to this section shall not be interpreted in any manner to compromise or impact the accountability of, or limit authority with respect to, an agency or entity under state law. Any provision applicable to, or responsibility of, a division or office collecting moneys for deposit into the fund established pursuant to this section shall not be altered or impacted by the existence of the fund and shall remain applicable to the same extent as if the division or office were receiving moneys pursuant to a general fund appropriation. The divisions of the department of commerce shall comply with directions by the governor to executive branch departments regarding restrictions on out-of-state travel, hiring justifications, association memberships, equipment purchases, consulting contracts, and any other expenditure efficiencies that the governor deems appropriate.

2009 Acts, ch 181, §108; 2011 Acts, ch 127, §51, 89

Referred to in §475A.3, 476.10, 476.51, 476.87, 476.101, 476.103, 476A.14, 478.4, 479.16, 479A.9, 479B.12, 505.7, 524.207, 533.111, 533A.14

# CHAPTER 546A

## UNUSED PROPERTY MARKETS — REGULATION OF SALES

Referred to in §669.14


| | | | |
|---|---|---|---|
| 546A.1 | Definitions. | 546A.3 | Receipts. |
| 546A.2 | Sales prohibited. | 546A.4 | Penalties. |


**546A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Baby food"* or *"infant formula"* means any food manufactured, packaged, and labeled specifically for sale for consumption by a child under two years of age.

2. *"Cosmetic"* means any of the following, but does not include soap:

*a.* An article intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part of a human body for cleaning, beautifying, promoting attractiveness, or altering the appearance.

*b.* An article intended for use as a component of an article defined in paragraph *"a"*.

3. *"Medical device"* means an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, tool, or other similar or related article, including any component, part, or accessory, to which either of the following applies:

*a.* The article is required under federal law to bear the label "Caution: Federal law requires dispensing by or on the order of a physician".

*b.* The article is defined by federal law as a medical device, and is intended for use in one of the following:

(1) The diagnosis of disease or other conditions.

(2) The cure, mitigation, treatment, or prevention of disease in humans or other animals.

(3) To affect the structure or any function of the body of man or other animals, but none of its principal intended purposes are achieved through chemical action within or on the body of a human or other animal nor is achievement of any of its principal intended purposes dependent upon the article being metabolized.

4. *"New and unused property"* means tangible personal property that was acquired by the unused property merchant directly from the producer, manufacturer, wholesaler, or retailer in the ordinary course of business which has never been used since its production or manufacture or which is in its original and unopened package or container, if such personal property was so packaged when originally produced or manufactured.

5. *"Nonprescription drug"* means any nonnarcotic medicine, drug, or other substance that may be sold without a prescription or medication order, and is prepackaged for use by the consumer, prepared by the manufacturer or producer for use by the consumer, and properly labeled and unadulterated, pursuant to the requirements of state and federal laws. *"Nonprescription drug"* does not include herbal products, dietary supplements, botanical extracts, or vitamins.

6. *"Personal care product"* means an item used in essential activities of daily living which may include but are not limited to bathing, personal hygiene, dressing, and grooming.

7. *a.* *"Unused property market"* means any of the following:

(1) An event where two or more persons offer personal property for sale or exchange, for which a fee is charged for sale or exchange of personal property, or at which a fee is charged to prospective buyers for admission to the area at which personal property is offered or displayed for sale or exchange, provided that the event is held more than six times in any twelve-month period.

(2) Any similar event that involves a series of sales sufficient in number, scope, and character to constitute a regular course of business, regardless of where the event is held, and regardless of the terminology applied to such event, including but not limited to "swap meet", "indoor swap meet", "flea market", or other similar terms.

*b.* *"Unused property market"* shall not mean any of the following:

(1) An event that is organized for the exclusive benefit of any community chest, fund,

foundation, association, or corporation organized and operated for religious, educational, or charitable purposes, provided that no part of any admission fee or parking fee charged vendors or prospective purchasers or the gross receipts or net earnings from the sale or exchange of personal property, whether in the form of a percentage of the receipts or earnings, as salary, or otherwise, inures to the benefit of any private shareholder or person participating in the organization or conduct of the event.

(2) An event where all of the personal property offered for sale or displayed is new, and all persons selling, exchanging, or offering or displaying personal property for sale or exchange are manufacturers or authorized representatives of manufacturers or distributors.

8. *"Unused property merchant"* means any person, other than a vendor or merchant with an established retail store in the county where the unused property market event occurs, who transports an inventory of goods to a building, vacant lot, or other unused property market location and who, at that location, displays the goods for sale and sells the goods at retail or offers the goods for sale at retail. *"Unused property merchant"* does not mean a merchant as defined in section 554.2104.

2004 Acts, ch 1053, §1; 2005 Acts, ch 3, §92

**546A.2 Sales prohibited.**

1. An unused property merchant shall not offer for sale or knowingly permit the sale at an unused property market of baby food, infant formula, cosmetics, or personal care products, or any nonprescription drug or medical device.

2. This section shall not apply to a person who possesses and keeps available for public inspection authentic written authorization identifying that person as an authorized representative of the manufacturer or distributor of such product. Authorization that is false, fraudulent, or fraudulently obtained shall not satisfy the requirement under this subsection.

2004 Acts, ch 1053, §2

**546A.3 Receipts.**

1. An unused property merchant shall maintain receipts for the purchase of new and unused property from the producer, manufacturer, wholesaler, or retailer. A receipt shall include all of the following:

*a.* The date of the purchase.

*b.* The name and address of the person from whom the new or unused property was acquired.

*c.* An identification and description of the new and unused property acquired.

*d.* The price paid for such new and unused property.

*e.* The signature of the seller and buyer of the new and unused property.

2. An unused property merchant shall maintain receipts required under subsection 1 for two years.

3. An unused property merchant shall not knowingly do either of the following:

*a.* Falsify, obliterate, or destroy receipts required under subsection 1. Disposal or destruction of receipts after the two-year retention period required by subsection 2 shall not violate this paragraph.

*b.* Refuse or fail upon request and reasonable notice to make receipts required under subsection 1 available for inspection.

4. This section shall not apply to any of the following:

*a.* The sale of a motor vehicle or trailer that is required to be registered or is subject to the certificate of title laws of this state.

*b.* The sale of wood for fuel, ice, or livestock.

*c.* Business conducted during an industry or association trade show.

*d.* New and unused property that was not recently produced or manufactured, and the style, packaging, or material of the property clearly indicates that it was not recently produced or manufactured.

*e.* A person who sells by sample, catalog, or brochure for future delivery.

*f.* The sale of arts or crafts or other merchandise by a person who produces such arts or crafts or merchandise or by a person acting on such person's behalf.

*g.* A person who makes a sales presentation pursuant to a prior, individualized invitation issued to the consumer by the owner or legal occupant of the premises.

2004 Acts, ch 1053, §3

**546A.4 Penalties.**

A person who violates any provision of this chapter commits:

1. A simple misdemeanor for a first offense.
2. A serious misdemeanor for a second offense.
3. An aggravated misdemeanor for a third or subsequent offense.

2004 Acts, ch 1053, §4; 2005 Acts, ch 3, §93

# CHAPTER 546B

## VETERANS BENEFITS APPEAL SERVICES — ADVERTISING PRACTICES

Referred to in §669.14

546B.1 Definitions.
546B.2 Advertising disclosure requirements — civil penalties.
546B.3 Nonapplicability.

**546B.1 Definitions.**

As used in this chapter:

1. *a.* *"Advertising"* or *"advertisement"* means any of the following:

(1) Any written or printed communication made for the purpose of soliciting, describing, or promoting veterans benefits appeal services, including but not limited to a brochure, letter, pamphlet, newspaper, telephone listing, periodical, or other writing.

(2) Any directory listing caused or permitted by a person to be made available which indicates that veterans benefits appeal services are being offered.

(3) Any radio, television, computer network, or similar airwave or electronic transmission which solicits or promotes a person offering veterans benefits appeal services.

*b.* *"Advertising"* or *"advertisement"* does not include any of the following:

(1) Any printing or writing used on buildings, uniforms, or badges, where the purpose of the writing is for identification.

(2) Any printing or writing in a memorandum or other communication used in the ordinary course of business where the sole purpose of the writing is other than the solicitation or promotion of veterans benefits appeal services.

2. *"Veteran"* means as defined in section 35.1.

3. *"Veterans benefits appeal services"* means services which a veteran might reasonably require in order to appeal a denial of federal or state veterans benefits, including but not limited to denials of disability, limited-income, home loan, insurance, education and training, burial and memorial, and dependent and survivor benefits.

2011 Acts, ch 49, §1

**546B.2 Advertising disclosure requirements — civil penalties.**

1. A person advertising services to represent or assist veterans in appealing a denial of veterans benefits shall conspicuously disclose in the advertisement, in similar type size or voice-over, that appeal services are also offered at no cost by county commission of veteran affairs offices as maintained pursuant to section 35B.6.

2. A person who fails to comply with the provisions of this section is subject to a civil penalty not to exceed one thousand dollars for each violation. Civil penalties shall be assessed by the district court in an action initiated by the attorney general. For the purposes of computing the amount of each civil penalty, each day of a continuing violation constitutes a separate violation. Additionally, the attorney general may accept a civil penalty as determined by the attorney general in settlement of an investigation of a violation of this

section regardless of whether an action has been filed pursuant to this section. Any civil penalty recovered shall be deposited in the veterans trust fund created in section 35A.13.
2011 Acts, ch 49, §2

**546B.3 Nonapplicability.**
This chapter shall not apply to the owner or personnel of any medium in which an advertisement appears or through which an advertisement is disseminated.
2011 Acts, ch 49, §3

# CHAPTER 547

## TRADE NAMES

Referred to in §446.16, 488.905, 543C.2, 669.14


| | | | |
|---|---|---|---|
| 547.1 | Use of trade name — verified statement required. | 547.4 | Penalty. |
| 547.2 | Change in statement. | 547.5 | "Offense" defined. |
| 547.3 | Fee for recording. | 547.6 | Repealed by 91 Acts, ch 4, §1. |


**547.1 Use of trade name — verified statement required.**
A person shall not engage in or conduct a business under a trade name, or an assumed name of a character other than the true surname of each person owning or having an interest in the business, unless the person first records with the county recorder of the county in which the business is to be conducted a verified statement showing the name, post office address, and residence address of each person owning or having an interest in the business, and the address where the business is to be conducted. However, this provision does not apply to any person organized or incorporated in this state as a domestic entity or authorized to do business in this state as a foreign entity, if the person is a limited partnership under chapter 488; a corporation under chapter 490; a limited liability company under chapter 489; a professional corporation under chapter 496C; a cooperative or cooperative association under chapter 497, 498, 499, 501, or 501A; or a nonprofit corporation under chapter 504.
[C27, 31, 35, §9866-a1; C39, §**9866.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §547.1]
89 Acts, ch 102, §3; 96 Acts, ch 1170, §23; 2004 Acts, ch 1021, §119; 2004 Acts, ch 1049, §191; 2005 Acts, ch 4, §2; 2006 Acts, ch 1030, §67; 2008 Acts, ch 1162, §152, 154, 155

**547.2 Change in statement.**
A like verified statement shall be recorded of any change in ownership of the business, or persons interested in the business and the original owners are liable for all obligations until the certificate of change is recorded.
[C27, 31, 35, §9866-a2; C39, §**9866.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §547.2]
89 Acts, ch 102, §4

**547.3 Fee for recording.**
The county recorder shall collect fees in the amount specified in section 331.604 for each verified statement recorded under this chapter. The recorder may return the original instrument to the sender or dispose of the instrument if the sender does not wish to have the instrument returned. An instrument filed in the recorder's office before July 1, 1990, may be returned to the sender or disposed of if the sender does not wish to have the instrument returned and if there is an official copy of the instrument in the recorder's office.
[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §547.3]
85 Acts, ch 159, §4; 89 Acts, ch 102, §5; 90 Acts, ch 1021, §4; 2009 Acts, ch 27, §31

**547.4 Penalty.**
Any person violating the provisions of this chapter shall be guilty of a simple misdemeanor.
[C27, 31, 35, §9866-a3; C39, §**9866.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §547.4]

**547.5 "Offense" defined.**
Each day that any person or persons violate the provisions of this chapter shall be deemed to be a separate and distinct offense.
[C27, 31, 35, §9866-a4; C39, §**9866.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §547.5]

**547.6** Repealed by 91 Acts, ch 4, § 1.

# CHAPTER 547A

## MISUSE OF FINANCIAL INSTITUTION OR INSURER NAME

Referred to in §669.14

547A.1 Definition.
547A.2 Misuse of name — penalty.

**547A.1 Definition.**
As used in this chapter, unless the context otherwise requires, "*financial institution*" means the same as defined in section 527.2, and "*insurer*" means an insurer organized under Title XIII, subtitle 1, or similar laws of any other state or the United States.
2005 Acts, ch 22, §1

**547A.2 Misuse of name — penalty.**
1. A person who uses the name, trademark, logo, or symbol of a financial institution or insurer in connection with the sale, offering for sale, distribution, or advertising of any product or service without the consent of the financial institution or insurer, if such use is misleading or deceptive as to the source of origin or sponsorship of, or the affiliation with, the product or service, is guilty of a serious misdemeanor.
2. A financial institution or insurer may bring an action to enjoin the misleading or deceptive use prohibited in subsection 1 and recover all damages suffered by reason of the prohibited use, including reasonable attorney fees. The financial institution or insurer may recover any profits derived from the prohibited use. The state agency with regulatory authority over the financial institution or insurer may also bring an action to enjoin the misleading or deceptive use prohibited in subsection 1. This subsection does not preclude any other remedy provided by law.
2005 Acts, ch 22, §2

# CHAPTER 548

## REGISTRATION AND PROTECTION OF MARKS

Referred to in §669.14


548.1 through 548.100 Reserved.
548.101 Definitions.
548.102 Registrability.
548.103 Application for registration.
548.104 Filing of applications.
548.105 Certificate of registration.
548.106 Duration and renewal.
548.107 Assignments, changes of name, and other instruments.
548.108 Records.
548.109 Cancellation.
548.110 Classification.
548.111 Fraudulent registration.
548.112 Infringement.
548.113 Injury to business reputation — dilution.
548.114 Remedies.
548.115 Forum for actions regarding registration — service on out-of-state registrants.
548.116 Common law rights.
548.117 Fees.


**548.1 through 548.100** Reserved.

**548.101 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Abandoned"* means the occurrence of any of the following in relation to a mark:

*a.* The use of the mark has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall constitute prima facie evidence of abandonment.

*b.* A course of conduct of the owner of the mark, including acts of omission as well as commission, causes the mark to lose its significance as a mark.

2. *"Applicant"* means a person filing an application for registration of a mark under this chapter, and the person's legal representative, successor, or assignee.

3. *"Dilution"* means the lessening of the capacity of a mark to identify and distinguish goods or services, regardless of the presence or absence of any of the following:

*a.* Competition between parties.

*b.* Likelihood of confusion, mistake, or deception.

4. *"Mark"* means a trademark or service mark, entitled to registration under this chapter, whether registered or not.

5. *"Person"* and any other word or term used to designate the applicant or other party entitled to a benefit or privilege or rendered liable under this chapter includes a juristic person as well as a natural person. The term *"juristic person"* includes a firm, partnership, corporation, union, association, or other organization capable of suing and being sued in a court of law.

6. *"Registrant"* means a person to whom the registration of a mark under this chapter is issued, and the legal representative, successor, or assignee of such person.

7. *"Secretary"* means the secretary of state or the designee of the secretary charged with the administration of this chapter.

8. *"Service mark"* means a word, name, symbol, or device or any combination of a word, name, symbol, or device, used by a person to identify services and to distinguish the services of that person, including a unique service, from the services of others, and to indicate the source of the services, even if that source is unknown. Titles, character names used by a person, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of a sponsor.

9. *"Trademark"* means a word, name, symbol, or device or any combination of a word, name, symbol, or device, used by a person to identify and distinguish the goods of that person, including a unique product, from those manufactured and sold by others, and to indicate the source of the goods, even if that source is unknown.

10. *"Trade name"* means a name used by a person to identify a business or vocation of such person.

11. *"Use"* means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For the purposes of this chapter, a mark shall be deemed to be in use under any of the following circumstances:

*a.* On goods sold or transported in commerce in this state when the mark is placed in any manner on the goods or containers or associated displays, or on affixed tags or labels, or if the nature of the goods makes the placement on the goods or containers impracticable, on documents associated with the goods or their sale.

*b.* On services when the mark is used or displayed in the sale or advertising of services and the services are rendered in this state.

[C71, 73, 75, 77, 79, 81, §548.1]
94 Acts, ch 1090, §1
C95, §548.101
95 Acts, ch 49, §15; 95 Acts, ch 67, §38, 39

**548.102 Registrability.**

A mark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others shall not be registered if the mark meets any of the following criteria:

1. Consists of or comprises immoral, deceptive, or scandalous matter.

2. Consists of or comprises matter which may disparage, bring into contempt or disrepute, or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

3. Consists of or comprises the flag, or coat of arms, or other insignia of the United States, or of any state or municipality, or of any foreign nation, or any simulation thereof.

4. Consists of, or comprises the name, signature, or portrait identifying a particular living individual, except by the individual's written consent.

5. *a.* Consists of a mark which is one of the following:

(1) When used on or in connection with the goods or services of the applicant, is merely descriptive or deceptively misdescriptive of the goods or services.

(2) When used on or in connection with the goods or services of the applicant, is primarily geographically descriptive or geographically misdescriptive of the goods or services.

(3) Is primarily merely a surname.

*b.* This subsection 5 does not prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods or services. The secretary may accept as evidence that the mark has become distinctive as used on or in connection with the applicant's goods or services, proof of continuous use thereof as a mark by the applicant in this state for the five years before the date on which the claim for distinctiveness is made.

6. Consists of or comprises a mark which so resembles a mark registered in this state or a mark or trade name previously used by another and not abandoned, so as to be likely, when used on or in connection with the goods or services of the applicant, to cause confusion or mistake, or to deceive.

[C71, 73, 75, 77, 79, 81, §548.2]
86 Acts, ch 1087, §1, 2; 94 Acts, ch 1090, §2
C95, §548.102
95 Acts, ch 67, §40; 2012 Acts, ch 1023, §157

**548.103 Application for registration.**

1. Subject to the limitations set forth in this chapter, a person who uses a mark may file in the office of the secretary, in the manner which will comply with the requirements of the secretary, an application for the registration of that mark setting forth, but not limited to, all of the following information:

*a.* The name and business address of the person applying for registration; and if a corporation, the state of incorporation, or if a partnership, the state in which the partnership is organized and the names of the general partners, as specified by the secretary.

*b.* The goods or services on or in connection with which the mark is in use, the mode or

manner in which the mark is used on or in connection with those goods or services, and the class in which such goods or services fall, as described in rules adopted by the secretary.

*c.* The date on which the mark was first used anywhere by the applicant or the applicant's predecessor in interest.

*d.* A statement that the applicant is the owner of the mark, that the mark is in use, and that, to the knowledge of the person verifying the application, no other person has registered, either federally or in this state, or has the right to use such mark either in the identical form or in such resemblance to the form as to be likely, when applied to the goods or services of such other person, to cause confusion or mistake, or to deceive.

2. The secretary may also require a statement as to whether an application to register the mark, or portions or a composite of the mark, has been filed by the applicant or a predecessor in interest in the United States patent and trademark office; and if so, the applicant shall provide full particulars with respect to the filing including the filing date and serial number of each application, the status of the application and if any application was finally refused registration or has otherwise not resulted in a registration, the reasons therefor.

3. The secretary may also require that a drawing of the mark, complying with such requirements as the secretary may specify, accompany the application.

4. The application shall be signed and verified by oath, affirmation, or declaration subject to perjury laws by the applicant or by a member of the firm or an officer of the corporation or association applying.

5. The application shall be accompanied by a specimen showing the mark as actually used.

6. The application shall be accompanied by the application fee payable to the secretary.

[C97, §5049; C24, 27, 31, 35, 39, §**9867, 9868, 9870;** C46, 50, 54, 58, 62, 66, §548.1, 548.2, 548.4; C71, 73, 75, 77, 79, 81, §548.3]

94 Acts, ch 1090, §3

C95, §548.103

97 Acts, ch 44, §1; 2012 Acts, ch 1023, §157

**548.104 Filing of applications.**

1. Upon the filing of an application for registration and payment of the application fee, the secretary may cause the application to be examined for conformity with this chapter.

2. The applicant shall provide any additional pertinent information requested by the secretary including a description of a design mark and may make, or authorize the secretary to make, such amendments to the application as may be reasonably requested by the secretary or deemed by the applicant to be advisable to respond to any rejection or objection.

3. The secretary may require the applicant to disclaim an unregisterable component of a mark otherwise registerable, and an applicant may voluntarily disclaim a component of a mark sought to be registered. A disclaimer shall not prejudice or affect the applicant's or registrant's rights existing at or after the time of disclaimer arising in the disclaimed matter, or the applicant's or registrant's rights of registration on another application if the disclaimed matter is or becomes distinctive of the applicant's or registrant's goods or services.

4. Amendments may be made by the secretary upon the application submitted by the applicant upon the applicant's agreement, or the secretary may require a new application to be submitted.

5. If the applicant is found not to be entitled to registration, the secretary shall advise the applicant thereof and of the reasons therefor. The applicant shall have a reasonable period of time specified by the secretary in which to reply or to amend the application, in which event the application shall be reexamined. This procedure may be repeated until the secretary finally refuses registration of the mark or the applicant fails to reply or amend within the specified period, whereupon the application shall be deemed to have been abandoned.

6. If the secretary finally refuses registration of the mark, the applicant may seek judicial review of the refusal in accordance with chapter 17A.

7. If the secretary is concurrently processing applications seeking registration of the same or confusingly similar marks for the same or related goods or services, the secretary shall grant priority to the applications in order of filing. If an application filed earlier is granted a registration, a later application shall be rejected. Any rejected applicant may bring an action

for cancellation of the registration upon grounds of prior or superior rights to the mark, in accordance with the provisions of section 548.109.

94 Acts, ch 1090, §4

**548.105 Certificate of registration.**

Upon compliance by the applicant with the requirements of this chapter, the secretary shall issue and deliver a certificate of registration to the applicant. The certificate of registration shall be issued under the signature and seal of the secretary. The certificate of registration shall show the name and business address and, if a corporation, the state of incorporation, or if a partnership, the state in which the partnership is organized and the names of the general partners, as specified by the secretary, of the person claiming ownership of the mark. The certificate of registration shall also show the date claimed for the first use of the mark anywhere and the date claimed for the first use of the mark in this state, the class of goods or services and a description of the goods or services on or in connection with which the mark is used, a description of the mark, the registration date, and the term of the registration.

A certificate of registration issued by the secretary under this section or a copy thereof duly certified by the secretary shall be admissible in evidence as competent and sufficient proof of the registration of such mark in an action or judicial proceeding in any court in this state.

[C97, §5049; C24, 27, 31, 35, 39, §**9868, 9869;** C46, 50, 54, 58, 62, 66, §548.2, 548.3; C71, 73, 75, 77, 79, 81, §548.4]

94 Acts, ch 1090, §5

C95, §548.105

97 Acts, ch 44, §2

**548.106 Duration and renewal.**

A registration of a mark under this chapter shall be effective for a term of five years from the date of registration and, upon application filed within six months prior to the expiration of the term, in a manner complying with the requirements of the secretary, the registration may be renewed for a like term from the end of the expiring term. A renewal fee payable to the secretary shall accompany an application for renewal of registration.

A registration may be renewed for successive periods of five years in like manner.

A registration in force on the date on which this chapter shall become effective shall continue in full force and effect for the unexpired term thereof and may be renewed by filing an application for renewal with the secretary complying with the requirements of the secretary and paying the renewal fee within six months prior to the expiration of the registration.

All applicants for renewal under this chapter, whether of registration made under this chapter or of registrations effected under any prior statute, shall include a verified statement that the mark has been and is still in use and include a specimen showing actual use of the mark on or in connection with the goods or services.

[C46, 50, 54, 58, 62, 66, §548.6; C71, 73, 75, 77, 79, 81, §548.5]

94 Acts, ch 1090, §6

C95, §548.106

**548.107 Assignments, changes of name, and other instruments.**

1. A mark and its registration under this chapter is assignable with the goodwill of the business in which the mark is used or with that part of the goodwill of the business connected with the use of and symbolized by the mark. Assignment shall be by a duly executed written instrument which may be recorded with the secretary upon the payment of a recording fee to the secretary, who, upon recording of the assignment, shall issue a new certificate in the name of the assignee for the remainder of the term of the assigned registration or of the last renewal of the registration. An assignment of a registration under this chapter shall be void as against any subsequent purchase for valuable consideration without notice, unless the assignment is recorded with the secretary within three months after the date of the assignment or prior to such subsequent purchase.

2. A registrant or applicant effecting a change of the name of the person to whom the mark

was issued or for whom an application was filed may record a certificate of change of name of the registrant or applicant with the secretary upon the payment of the recording fee. The secretary may issue a certificate of registration of an assigned application in the name of the assignee. The secretary may issue in the name of the assignee, a new certificate or registration for the remainder of the term of the registration or last renewal of the registration.

3. Other instruments which relate to a mark registered or application pending pursuant to this chapter, such as, by way of example, licenses, security interests, or mortgages, may be recorded in the discretion of the secretary, if such instrument is in writing and duly executed.

4. Acknowledgment shall be prima facie evidence of the execution of an assignment or other instrument and, when recorded by the secretary, the record shall be prima facie evidence of execution.

5. A photocopy of any instrument referred to in subsections 1 through 3, shall be accepted for recording if it is certified by any of the parties to the registration, or their successors, to be a true and correct copy of the original.

[C46, 50, 54, 58, 62, 66, §548.5; C71, 73, 75, 77, 79, 81, §548.6]
94 Acts, ch 1090, §7
C95, §548.107
Referred to in §548.108

**548.108 Records.**

The secretary shall keep for public examination a record of all marks registered or renewed under this chapter, as well as a record of all documents recorded pursuant to section 548.107.

94 Acts, ch 1090, §8

**548.109 Cancellation.**

The secretary shall cancel from the register, in whole or in part, any of the following:

1. A registration concerning which the secretary receives a voluntary request for cancellation from the registrant or the assignee of record.

2. A registration granted under this chapter and not renewed in accordance with this chapter.

3. A registration concerning which a district court finds any of the following:

*a.* That the registered mark has been abandoned.

*b.* That the registrant is not the owner of the mark.

*c.* That the registration was granted improperly.

*d.* That the registration was obtained fraudulently.

*e.* That the mark has become the generic name for the goods or services, or a portion of the goods or services, for which the mark has been registered.

*f.* That the registered mark is so similar, as to be likely to cause confusion or mistake or to deceive, to a mark registered by another person in the United States patent and trademark office prior to the date of the filing of the application for registration by the registrant under this chapter, and not abandoned. However, if the registrant proves that the registrant is the owner of a concurrent registration of a mark in the United States patent and trademark office covering an area including this state, the registration under this chapter shall not be canceled for such area of the state.

4. A registration ordered canceled by a court on any ground.

[C71, 73, 75, 77, 79, 81, §548.7]
94 Acts, ch 1090, §9
C95, §548.109
Referred to in §548.104

**548.110 Classification.**

The secretary shall by rule establish a classification of goods and services for convenience in the administration of this chapter, but not limit or extend the applicant's or registrant's rights, and a single application for registration of a mark may include any or all goods upon which, or services with which, the mark is actually being used indicating the appropriate class or classes of goods or services. If a single application includes goods or services which fall within multiple classes, the secretary may require payment of a fee for each class. To the

extent practical, the classification of goods and services should conform to the classification adopted by the United States patent and trademark office.

[C71, 73, 75, 77, 79, 81, §548.8]
94 Acts, ch 1090, §10
C95, §548.110

**548.111 Fraudulent registration.**

A person who, either on the person's own behalf or on behalf of any other person, procures the filing or registration of a mark in the office of the secretary under this chapter by knowingly making any false or fraudulent representation or declaration, orally or in writing, or by any other fraudulent means, is liable for the damages sustained in consequence of the filing or registration to be recovered by or on behalf of the party injured in district court.

[C71, 73, 75, 77, 79, 81, §548.9]
94 Acts, ch 1090, §11
C95, §548.111

**548.112 Infringement.**

1. Subject to section 548.116, a person shall not do any of the following:

*a.* Use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a mark registered under this chapter in connection with the sale, distribution, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake, or to deceive as to the source of origin of such goods or services.

*b.* Reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale or other distribution in this state of such goods or services.

2. The person shall be liable in a civil action by the registrant for any or all of the remedies provided in section 548.114, except that under subsection 1, paragraph *"b"*, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with the intent to cause confusion or mistake or to deceive.

[C97, §5051; C24, 27, 31, 35, 39, §**9874;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §548.10]
94 Acts, ch 1090, §12
C95, §548.112
2012 Acts, ch 1023, §142

**548.113 Injury to business reputation — dilution.**

1. The owner of a mark which is famous in this state shall be entitled, subject to the principles of equity, to an injunction against another's use of a mark, commencing after the owner's mark becomes famous, which causes dilution of the distinctive quality of the owner's mark, and to obtain such other relief as is provided in this section. In determining whether a mark is famous, a court may consider factors such as, but not limited to:

*a.* The degree of inherent or acquired distinctiveness of the mark in this state.

*b.* The duration and extent of use of the mark in connection with the goods and services.

*c.* The duration and extent of advertising and publicity of the mark in this state.

*d.* The geographical extent of the trading area in which the mark is used.

*e.* The channels of trade for the goods or services with which the owner's mark is used.

*f.* The degree of recognition of the owner's mark in its and in the other's trading areas and channels of trade in this state.

*g.* The nature and extent of use of the same or similar mark by third parties.

2. The owner shall be entitled only to injunctive relief in this state in an action brought under this section, unless the subsequent user willfully intended to trade on the owner's reputation or to cause dilution of the owner's mark. If such willful intent is proven, the owner shall also be entitled to the remedies set forth in this chapter, subject to the discretion of the court and the principles of equity.

94 Acts, ch 1090, §13; 2012 Acts, ch 1023, §157

**548.114 Remedies.**

The owner of a mark registered under this chapter may proceed by suit to enjoin the manufacture, use, display, or sale of any counterfeits or imitations of the mark and any court may grant injunctions to restrain such manufacture, use, display, or sale as the court deems just and reasonable, and may require the defendants to pay to such owner all profits derived from or all damages suffered by reason of such wrongful manufacture, use, display, or sale. The court may also order that any counterfeits or imitations in the possession or under the control of a defendant be delivered to an officer of the court, or to the complainant, to be destroyed. The court, in its discretion, may enter judgment for an amount not to exceed three times such profits and damages and reasonable attorney fees of the prevailing party in cases where the court finds the other party committed such wrongful acts with knowledge or in bad faith or otherwise as according to the circumstances of the case.

The enumeration of any right or remedy in this section shall not affect a registrant's right to prosecute under any penal law of this state.

[C97, §5050, 5051; C24, 27, 31, 35, 39, §**9871 – 9873, 9875;** C46, 50, 54, 58, 62, 66, §548.7 – 548.9, 548.11; C71, 73, 75, 77, 79, 81, §548.11]

94 Acts, ch 1090, §14

C95, §548.114

Referred to in §548.112

**548.115 Forum for actions regarding registration — service on out-of-state registrants.**

1. Actions to require cancellation of a mark registered pursuant to this chapter shall be brought in district court. In an action for cancellation, the secretary shall not be made a party to the proceeding but shall be notified of the filing of the complaint by the clerk of the district court in which it is filed and shall be given the right to intervene in the action.

2. In an action brought against a nonresident registrant, service may be effected upon the secretary as agent for service of the registrant in accordance with the procedures established for service upon nonresident corporations and business entities under section 617.3.

94 Acts, ch 1090, §15

**548.116 Common law rights.**

This chapter shall not adversely affect the rights or the enforcement of rights in marks acquired in good faith at any time at common law.

94 Acts, ch 1090, §16

Referred to in §548.112

**548.117 Fees.**

The secretary shall by rule adopted pursuant to chapter 17A prescribe the fees payable for the various applications and recording fees and for related services. Unless specified by the secretary, the fees payable pursuant to this chapter are not refundable.

94 Acts, ch 1090, §17

# CHAPTER 549

## MUSIC LICENSING FEES

Referred to in §669.14


549.1 Short title.
549.2 Definitions.
549.3 Licensing negotiations.
549.4 Royalty contract requirements.
549.5 Improper licensing practices.
549.6 Investigations.
549.7 Remedies — injunction.
549.8 Remedies cumulative.
549.9 Exceptions.

**549.1 Short title.**

This chapter may be cited as the *"Music Licensing Fees Act"*.

96 Acts, ch 1155, §1

**549.2 Definitions.**

As used in this chapter:

1. *"Copyright owner"* means the owner of a copyright of a nondramatic musical work recognized and enforceable under the copyright laws of the United States under 17 U.S.C. § 101 et seq.

2. *"Performing rights society"* means an association or corporation, including an agent or employee of the association or corporation, that licenses the public performance of a nondramatic musical work on behalf of a copyright owner, including the American society of composers, authors and publishers (ASCAP), broadcast music, inc. (BMI), and the society of European stage authors and composers, inc. (SESAC).

3. *"Proprietor"* means the owner of a retail establishment, restaurant, inn, bar, tavern, or any other similar place of business located in this state in which the public may assemble and in which nondramatic musical works may be performed, broadcast, or otherwise transmitted.

4. *"Royalty"* or *"royalties"* means the license fee or fees payable by a proprietor to a performing rights society for the public performance of a nondramatic musical work.

96 Acts, ch 1155, §2

**549.3 Licensing negotiations.**

1. A performing rights society shall not enter onto the business premises of a proprietor for the purpose of discussing a contract for the payment of royalties by the proprietor, unless the performing rights society identifies itself to the proprietor and describes to the proprietor the purpose for entering onto the proprietor's business premises.

2. A performing rights society shall not enter into, or offer to enter into, a contract for the payment of royalties by a proprietor unless at the time of the offer, or any later time, but not later than seventy-two hours prior to the execution of the contract, the performing rights society provides to the proprietor, in writing, all of the following:

*a.* A schedule of the rates and terms of royalties under the contract.

*b.* Upon the request of the proprietor, the opportunity to review the most current available list of the members or affiliates represented by the performing rights society.

*c.* Notice that the performing rights society will make available, upon the written request of a proprietor, at the sole expense of the proprietor, the most current available listing of the copyrighted nondramatic musical or similar works in the performing rights society's repertory, provided that the notice shall specify the means by which the listing can be secured.

*d.* Notice that the performing rights society complies with federal law and orders of courts having appropriate jurisdiction regarding the rates and terms of royalties and the circumstances under which licenses for rights of public performance are offered to any proprietor.

96 Acts, ch 1155, §3

**549.4 Royalty contract requirements.**

A contract for the payment of royalties between a performing rights society and a proprietor executed in this state shall meet all of the following requirements:

1. Be in writing.

2. Be signed by the parties.

3. Include, at a minimum, the following information:

*a.* The proprietor's name and business address and the name and location of each place of business to which the contract applies.

*b.* The name of the performing rights society.

*c.* The duration of the contract.

*d.* The schedule of rates and terms of the royalties to be collected under the contract,

including any sliding scale or schedule for any increase or decrease of rates for the duration of the contract.

96 Acts, ch 1155, §4

**549.5 Improper licensing practices.**

A performing rights society shall not collect, or attempt to collect, from a proprietor licensed by that performing rights society, a royalty payment except as provided in a contract executed pursuant to the provisions of this chapter.

96 Acts, ch 1155, §5

**549.6 Investigations.**

This chapter shall not be construed to prohibit a performing rights society from conducting investigations to determine the existence of music use by a proprietor or informing a proprietor of the proprietor's obligations under the federal copyright law, 17 U.S.C. § 101 et seq.

96 Acts, ch 1155, §6

**549.7 Remedies — injunction.**

A person who suffers a violation of this chapter may bring an action to recover actual damages and reasonable attorney fees and to seek an injunction or any other available remedy.

96 Acts, ch 1155, §7

**549.8 Remedies cumulative.**

The rights, remedies, and prohibitions contained in this chapter shall be in addition to and cumulative of any other right, remedy, or prohibition accorded by common law or state or federal law. This chapter shall not be construed to deny, abrogate, or impair any such common law or statutory right, remedy, or prohibition.

96 Acts, ch 1155, §8

**549.9 Exceptions.**

This chapter shall not apply to a contract between a performing rights society or a copyright owner and a broadcaster licensed by the federal communications commission, or to a contract with a cable operator, programmer, or other transmission service. This chapter shall not apply to a nondramatic musical or similar work performed in synchronization with an audio or visual film or tape. This chapter shall also not apply to the gathering of information to determine compliance with or activities related to the enforcement of section 714.15.

96 Acts, ch 1155, §9

# CHAPTER 550

## TRADE SECRETS

Referred to in §22.3A, 249A.20A, 669.14


| | | | |
|---|---|---|---|
| 550.1 | Short title. | 550.5 | Defense — consent of disclosure. |
| 550.2 | Definitions. | 550.6 | Attorney fees. |
| 550.3 | Injunctive relief. | 550.7 | Preservation of secrecy. |
| 550.4 | Damages. | 550.8 | Statute of limitations. |


**550.1 Short title.**

This chapter shall be known and may be cited as the "*Uniform Trade Secrets Act*".

90 Acts, ch 1201, §1

**550.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Improper means"* means theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage, including but not limited to espionage through an electronic device.

2. *"Knows"* or *"knowledge"* means that a person has actual knowledge of information or a circumstance or that the person has reason to know of the information or circumstance.

3. *"Misappropriation"* means doing any of the following:

*a.* Acquisition of a trade secret by a person who knows that the trade secret is acquired by improper means.

*b.* Disclosure or use of a trade secret by a person who uses improper means to acquire the trade secret.

*c.* Disclosure or use of a trade secret by a person who at the time of disclosure or use, knows that the trade secret is derived from or through a person who had utilized improper means to acquire the trade secret.

*d.* Disclosure or use of a trade secret by a person who at the time of disclosure or use knows that the trade secret is acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use.

*e.* Disclosure or use of a trade secret by a person who at the time of disclosure or use knows that the trade secret is derived from or through a person who owes a duty to maintain the trade secret's secrecy or limit its use.

*f.* Disclosure or use of a trade secret by a person who, before a material change in the person's position, knows that the information is a trade secret and that the trade secret has been acquired by accident or mistake.

4. *"Trade secret"* means information, including but not limited to a formula, pattern, compilation, program, device, method, technique, or process that is both of the following:

*a.* Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by a person able to obtain economic value from its disclosure or use.

*b.* Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

90 Acts, ch 1201, §2; 91 Acts, ch 35, §1

Referred to in §716.6B

**550.3 Injunctive relief.**

1. The owner of a trade secret may petition the district court to enjoin an actual or threatened misappropriation. Upon application to the district court, an injunction shall be terminated when the trade secret has ceased to exist. However, the injunction may be continued for an additional reasonable period of time in order to eliminate a commercial advantage that otherwise would be derived from the misappropriation.

2. In exceptional circumstances, an injunction may condition future use of a trade secret upon payment of a reasonable royalty. The payment of a royalty shall continue for a period no longer than the period for which use of the trade secret may be prohibited. Exceptional circumstances include, but are not limited to, a material and prejudicial change of position of the person prior to acquiring knowledge of a misappropriation that renders a prohibitive injunction inequitable.

3. In appropriate circumstances, affirmative acts to protect a trade secret may be compelled by court order.

90 Acts, ch 1201, §3

**550.4 Damages.**

1. Except to the extent that a material and prejudicial change of a person's position occurs prior to acquiring knowledge of a misappropriation and renders a monetary recovery inequitable, an owner of a trade secret is entitled to recover damages for the misappropriation. Damages may include the actual loss caused by the misappropriation, and the unjust enrichment caused by the misappropriation which is not taken into account in

computing the actual loss. In lieu of damages measured by any other methods, the damages caused by misappropriation may be measured by imposition of liability for a reasonable royalty for a person's unauthorized disclosure or use of a trade secret.

2. If a person commits a willful and malicious misappropriation, the court may award exemplary damages in an amount not exceeding twice the award made under subsection 1.

90 Acts, ch 1201, §4

**550.5 Defense — consent of disclosure.**

In an action for injunctive relief or damages against a person under this chapter, it shall be a complete defense that the person disclosing a trade secret made the disclosure with the implied or express consent of the owner of the trade secret.

90 Acts, ch 1201, §5

**550.6 Attorney fees.**

The court may award actual and reasonable attorney fees to the prevailing party in an action under this chapter if any of the following is applicable:

1. A claim of misappropriation is made in bad faith.
2. A motion to terminate an injunction is made or resisted in bad faith.
3. A person acts willfully and maliciously in the misappropriation.

90 Acts, ch 1201, §6

**550.7 Preservation of secrecy.**

In an action brought under this chapter, a court shall preserve the secrecy of an alleged trade secret by reasonable means, including but not limited to granting protective orders in connection with discovery proceedings, holding in-camera hearings, sealing the records of the action, and ordering a person involved in the litigation not to disclose an alleged trade secret without prior court approval.

90 Acts, ch 1201, §7

**550.8 Statute of limitations.**

An action for misappropriation under this chapter must be brought within three years after the misappropriation is discovered or should have been discovered by the exercise of reasonable diligence. For purposes of this section, a continuing misappropriation constitutes a single claim.

90 Acts, ch 1201, §8

# CHAPTER 551

## UNFAIR DISCRIMINATION

Referred to in §553.19, 669.14


551.1 Unfair discrimination in sales.
551.2 Unfair discrimination in purchases.
551.3 Repealed by 76 Acts, ch 1056, §45.
551.4 Penalty.
551.5 Contracts or agreements.
551.6 Enforcement.
551.7 Complaint — to whom made.
551.8 Revocation of permit.
551.9 Corporation to be enjoined.
551.10 Cumulative remedies.
551.11 Exceptions.
551.12 Repealed by 87 Acts, ch 3, §1.


**551.1 Unfair discrimination in sales.**

Any person, firm, company, association, or corporation, foreign or domestic, doing business in the state, and engaged in the production, manufacture, sale, or distribution of any commodity of commerce or commercial services excepting those, the rate of which is now subject to control of cities or other governmental agency, that shall, for the purpose of destroying the business of a competitor in any locality or creating a monopoly, discriminate

between different sections, localities, communities or cities of this state, by selling such commodity or commercial services excepting those, the rate of which is now subject to control of cities or other governmental agency at a lower price or rate in one section, locality, community or city than such commodity or commercial services excepting those, the rate of which is now subject to control of cities or other governmental agency is sold for by said person, firm, association, company, or corporation, in another section, locality, community or city, after making due allowance in case of telephone service for the difference in the cost of furnishing service in different localities, and in the case of commodities and commercial services other than telephone service, for the difference, if any, in the grade or quality, and in the actual cost of transportation from the point of production or purchase, if a raw product, or from the point of manufacture, if a manufactured product, to a place of sale, storage, or distribution shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared to be unlawful; provided, however, that prices made to meet competition in such section, locality, community or city shall not be in violation of this section.

[S13, §5028-b; C24, 27, 31, 35, 39, §**9885;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.1]

Referred to in §551.4, 551.5, 551.6, 551.7, 551.8, 551.9

**551.2 Unfair discrimination in purchases.**

Any person, firm, association, company, or corporation, foreign or domestic, doing business in the state, and engaged in the business of purchasing for manufacture, storage, sale, or distribution, any commodity of commerce that shall, for the purpose of destroying the business of a competitor or creating a monopoly, discriminate between different sections, localities, communities or cities, in this state, by purchasing such commodity at a higher rate or price in one section, locality, community or city, than is paid for such commodity by such party in another section, locality, community or city, after making due allowance for the difference, if any, in the grade or quality, and in the actual cost of transportation from the point of purchase to the point of manufacture, sale, distribution, or storage, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared to be unlawful; provided, however, that prices made to meet competition in such section, locality, community or city shall not be in violation of this section.

[S13, §5028-b; C24, 27, 31, 35, 39, §**9886;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.2]

Referred to in §551.4, 551.5, 551.6, 551.7, 551.8, 551.9

**551.3** Repealed by 76 Acts, ch 1056, § 45.

**551.4 Penalty.**

Any person, firm, company, association, or corporation violating any of the provisions of sections 551.1 and 551.2, and any officer, agent, or receiver of any firm, company, association, or corporation, or any member of the same, or any individual violating any of such provisions shall be guilty of a serious misdemeanor.

[S13, §5028-c; C24, 27, 31, 35, 39, §**9888;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.4]

Referred to in §551.6

**551.5 Contracts or agreements.**

All contracts or agreements made in violation of any of the provisions of sections 551.1 and 551.2 shall be void.

[S13, §5028-d; C24, 27, 31, 35, 39, §**9889;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.5]

Referred to in §551.6

**551.6 Enforcement.**

It shall be the duty of the county attorneys, in their counties, and the attorney general, to enforce the provisions of sections 551.1 to 551.5, inclusive, by appropriate actions in courts of competent jurisdiction.

[S13, §5028-e; C24, 27, 31, 35, 39, §**9890;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.6]

**551.7 Complaint — to whom made.**

If complaint shall be made to the secretary of state that any corporation authorized to do business in this state is guilty of unfair discrimination, within the terms of sections 551.1 and 551.2, it shall be the duty of the secretary of state to refer the matter to the attorney general who may, if the facts justify it in the attorney general's judgment, institute proceedings in the courts against such corporation.

[S13, §5028-f; C24, 27, 31, 35, 39, §**9891;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.7]

**551.8 Revocation of permit.**

If any corporation, foreign or domestic, authorized to do business in this state, is found guilty of unfair discrimination, within the terms of sections 551.1 and 551.2, it shall be the duty of the secretary of state to immediately revoke the permit of such corporation to do business in this state.

[S13, §5028-g; C24, 27, 31, 35, 39, §**9892;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.8]

**551.9 Corporation to be enjoined.**

If after revocation of its permit such corporation, or any other corporation not having a permit and found guilty of having violated any of the provisions of sections 551.1 and 551.2, shall continue or attempt to do business in this state, it shall be the duty of the attorney general, by a proper suit in the name of the state of Iowa, to enjoin such corporation from transacting all business of every kind and character in said state.

[S13, §5028-h; C24, 27, 31, 35, 39, §**9893;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.9]

**551.10 Cumulative remedies.**

Nothing in this chapter shall be construed as repealing any other Act, or part of an Act, but the remedies herein provided shall be cumulative to all other remedies provided by law.

[S13, §5028-i; C24, 27, 31, 35, 39, §**9894;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.10]

2013 Acts, ch 30, §139
Section amended

**551.11 Exceptions.**

The provisions of this chapter shall not apply to any contract or agreement relating to any sale made to the state, its departments, commissions, agencies, boards and its governmental subdivisions.

[C71, 73, 75, 77, 79, 81, §551.11]

**551.12** Repealed by 87 Acts, ch 3, § 1.

# CHAPTER 551A

## BUSINESS OPPORTUNITY PROMOTIONS

Referred to in §669.14

Chapter transferred from ch 523B in Code 2005 pursuant to Code editor directive; 2004 Acts, ch 1104, §30


551A.1 Definitions.
551A.2 Scope.
551A.3 Disclosure documents — contracts.
551A.4 Exemptions from requirements — burden of proof.
551A.5 Waiver of rights.
551A.6 Cancellation of contract.
551A.7 Service of process — irrevocable consent.
551A.8 Liability — remedies.
551A.9 Fraudulent practices.
551A.10 Penalties.


**551A.1 Definitions.**

1. *"Advertising"* means a circular, prospectus, advertisement, or other material, or a communication by radio, television, pictures, or similar means used in connection with an offer or sale of a business opportunity.

2. *a.* *"Business opportunity"* means an opportunity to start a business according to the terms of a contract between a seller and purchaser in which the purchaser provides an initial investment exceeding five hundred dollars; the seller represents that the seller or a person recommended by the seller is to provide to the purchaser any products, equipment, supplies, materials, or services for the purpose of enabling the purchaser to start the business; and the seller represents, directly or indirectly, orally or in writing, any of the following:

(1) The seller or a person recommended by the seller will provide locations or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases, or other similar devices, on premises which are not owned or leased by the purchaser or seller.

(2) The seller or a person recommended by the seller will provide or assist the purchaser in finding outlets or accounts for the purchaser's products or services.

(3) The seller or a person specified by the seller will purchase any or all products made, produced, fabricated, grown, bred, or modified by the purchaser.

(4) The purchaser will derive income from the business which exceeds the price paid to the seller.

(5) The seller will refund all or part of the price paid to the seller, or repurchase any of the products, equipment, or supplies provided by the seller or a person recommended by the seller, if the purchaser is dissatisfied with the business.

(6) The seller will provide a marketing plan.

*b.* *"Business opportunity"* does not include any of the following:

(1) An offer or sale of an ongoing business operated by the seller which is to be sold in its entirety.

(2) An offer or sale of a business opportunity to an ongoing business where the seller will provide products, equipment, supplies, or services which are substantially similar to the products, equipment, supplies, or services sold by the purchaser in connection with the purchaser's ongoing business.

(3) An offer or sale of a business opportunity which involves a marketing plan made in conjunction with the licensing of a federally registered trademark or federally registered service mark provided that the seller has a minimum net worth of one million dollars as determined on the basis of the seller's most recent audited financial statement prepared within thirteen months of the first offer in this state. Net worth may be determined on a consolidated basis if the seller is at least eighty percent owned by one person and that person expressly guarantees the obligations of the seller with regard to the offer or sale of a business opportunity claimed to be excluded under this subparagraph.

(4) An offer or sale of a business opportunity by an executor, administrator, sheriff, receiver, trustee in bankruptcy, guardian, or conservator, or a judicial offer or sale of a business opportunity.

(5) The renewal or extension of a business opportunity entered into under this chapter or prior to July 1, 1981.

3. *"Contract"* means any agreement between parties which is express or implied, and which is made orally or in writing.

4. *a.* *"Franchise"* means a contract between a seller and a purchaser where the parties agree to all of the following:

(1) A franchisee is granted the right to engage in the business of offering, selling, or distributing goods or services under a marketing plan prescribed in substantial part by a franchisor.

(2) The operation of the franchisee's business pursuant to such a plan is substantially associated with the franchisor's business and trademark, service mark, trade name, logotype, advertising, or other commercial symbol designating the franchisor or its affiliate.

*b.* For the purposes of this subsection:

(1) *"Franchisee"* means a person to whom a franchise is granted.

(2) *"Franchisor"* means a person who grants a franchise.

5. *"Initial investment"* means the total amount a purchaser is obligated to pay under the terms of the business opportunity contract either prior to or at the time of the delivery of the merchandise or services or within six months of the purchaser commencing operation of the business opportunity. However, if payment is over a period of time, *"initial investment"* means the sum of the down payment and the total monthly payments specified in the contract.

6. *"Marketing plan"* means advice or training, provided to the purchaser by the seller or a person recommended by the seller, pertaining to the sale of any products, equipment, supplies, or services. The advice or training may include, but is not limited to, preparing or providing any of the following:

*a.* Promotional literature, brochures, pamphlets, or advertising materials.

*b.* Training regarding the promotion, operation, or management of the business opportunity.

*c.* Operational, managerial, technical, or financial guidelines or assistance.

7. *"Offer"* or *"offer to sell"* means an attempt to dispose of a business opportunity for value, or solicitation of an offer to purchase a business opportunity.

8. *"Ongoing business"* means an existing business that for at least six months prior to the offer, has been operated from a specific location, has been open for business to the general public, and has substantially all of the equipment and supplies necessary for operating the business.

9. *"Person"* means the same as defined in section 4.1, except that it does not include a government or governmental subdivision or agency.

10. *"Purchaser"* means a person who enters into a contract for the acquisition of a business opportunity or a person to whom an offer to sell a business opportunity is directed.

11. *"Record"* means the same as defined in section 516E.1.

12. *"Sale"* or *"sell"* includes every contract for sale, contract to sell, or disposition of, a business opportunity or interest in a business opportunity for value.

13. *"Seller"* means a person who sells or offers to sell a business opportunity or an agent or other person who directly or indirectly acts on behalf of such a person. *"Seller"* does not include the media in or by which an advertisement appears or is disseminated.

[81 Acts, ch 171, §1]

C83, §523B.1

91 Acts, ch 205, §1; 98 Acts, ch 1189, §11; 99 Acts, ch 90, §1, 3; 2000 Acts, ch 1147, §20; 2004 Acts, ch 1104, §5 – 10, 30

C2005, §551A.1

2012 Acts, ch 1023, §143

**551A.2 Scope.**

1. The provisions of this chapter concerning sales and offers to sell apply to persons who sell or offer to sell a business opportunity when any of the following apply:

*a.* An offer to sell is made in this state.

*b.* An offer to purchase is made and accepted in this state.

*c.* The purchaser is domiciled in this state and the business opportunity is or will be operated in this state.

2. For the purpose of this section, an offer to sell is made in this state, whether or not either party is then present in this state, when either of the following apply:

*a.* The offer originates from this state.

*b.* The offer is directed by the offeror to this state and received at the place to which the offer is directed or at a post office in this state in the case of a mailed offer.

3. An offer to sell is not made in this state under either of the following circumstances:

*a.* If the offer appears in a bona fide newspaper or other publication of general circulation which is not published in this state, or which is published in this state but has had more than two-thirds of its circulation outside this state during the past twelve months.

*b.* If the offer is made on a radio or television program originating outside this state which is received in this state.

4. For the purpose of this section, an offer to sell is accepted in this state when both of the following occur:

*a.* The acceptance is communicated to the offeror in this state.

*b.* The acceptance has not previously been communicated to the offeror, orally, or in writing, outside this state. For the purpose of this section the acceptance is communicated to the offeror in this state, whether or not either party is then present in this state, when the offeree directs it to the offeror in this state reasonably believing the offeror to be in this state, and the acceptance is received at the place to which it is directed or at a post office in this state in the case of a mailed acceptance.

91 Acts, ch 205, §10
CS91, §523B.13
94 Acts, ch 1031, §22; 2004 Acts, ch 1104, §29, 30
C2005, §551A.2

**551A.3 Disclosure documents — contracts.**

1. *Disclosure document required.* A person required to file an irrevocable consent to service of process with the secretary of state as a seller as provided in section 551A.7 shall not act as seller in this state unless the person provides a written disclosure document to each purchaser. The person shall deliver the written disclosure document to the purchaser at least ten business days prior to the earlier of the purchaser's execution of a contract imposing a binding legal obligation on the purchaser or the payment by a purchaser of any consideration in connection with the offer or sale of the business opportunity.

2. *Disclosure document cover sheet.*

*a.* The disclosure document shall have a cover sheet which shall consist of a title printed in bold and a statement. The title and statement shall be in at least ten point type and shall appear as follows:

DISCLOSURE
REQUIRED BY IOWA LAW

This business opportunity does not have the approval, recommendation, or endorsement of the state of Iowa. The information contained in this disclosure document has not been verified by this state. If you have any questions or concerns about this investment, seek professional advice before you sign a contract or make any payment. You are to be provided ten (10) business days to review this document before signing a contract or making any payment to the seller or the seller's representative.

*b.* The seller's name and principal business address, along with the date of the disclosure document, shall also be provided on the cover sheet. No other information shall appear on the cover sheet.

3. *Disclosure document contents.* A disclosure document shall be in one of the following forms:

*a.* A uniform franchise offering circular prepared in accordance with the guidelines adopted by the North American securities administrators association, inc.

*b.* A disclosure document prepared pursuant to the federal trade commission rule relating to disclosure requirements and prohibitions concerning franchising and business opportunity ventures in accordance with 16 C.F.R. § 436 or any successor regulation.

*c.* A form that includes all of the following:

(1) The names and residential addresses of those salespersons who will engage in the offer or sale of the business opportunity in this state.

(2) The name of the seller; whether the seller is doing business as an individual, partnership, corporation, or other entity; the names under which the seller has done, is doing, or intends to do business; and the name of any parent or affiliated company that will engage in business transactions with purchasers or that will take responsibility for statements made by the seller.

(3) The names, addresses, and titles of the seller's officers, directors, trustees, general managers, principal executives, agents, and any other persons charged with responsibility for the seller's business activities relating to the sale of the business opportunity.

(4) Prior business experience of the seller relating to business opportunities including all of the following:

(a) The name, address, and a description of any business opportunity previously offered by the seller.

(b) The length of time the seller has offered each such business opportunity.

(c) The length of time the seller has conducted the business opportunity currently being offered to the purchaser.

(5) With respect to each person identified in subparagraph (3), all of the following:

(a) A description of the person's business experience for the ten-year period preceding the filing date of this disclosure document. The description of business experience shall list principal occupations and employers.

(b) A listing of the person's educational and professional background, including the names of schools attended and degrees received, and any other information that will demonstrate sufficient knowledge and experience to perform the services proposed.

(6) Whether any of the following apply to the seller or any person identified in subparagraph (3):

(a) The seller or other person has been convicted of a felony, pleaded nolo contendere to a felony charge, or has been the subject of a criminal, civil, or administrative proceeding alleging the violation of a business opportunity law, securities law, commodities law, or franchise law, or alleging fraud or deceit, embezzlement, fraudulent conversion, restraint of trade, an unfair or deceptive practice, misappropriation of property, or making comparable allegations.

(b) The seller or other person has filed for bankruptcy, been adjudged bankrupt, or been reorganized due to insolvency, or was an owner, principal officer, or general partner of a person, or any other person that has filed for bankruptcy or was adjudged bankrupt, or been reorganized due to insolvency during the last seven years.

(7) The name of any person identified in subparagraph (6), the nature of and the parties to the action or proceeding, the court or other forum, the date of the institution of the action, the docket references to the action, the current status of the action or proceeding, the terms and conditions of any order or decree, and the penalties or damages assessed and terms of settlement.

(8) The initial payment required, or if the exact amount cannot be determined, a detailed estimate of the amount of the initial payment to be made to the seller.

(9) A detailed description of the actual services the seller agrees to perform for the purchaser.

(10) A detailed description of any training the seller agrees to provide for the purchaser.

(11) A detailed description of services the seller agrees to perform in connection with the placement of equipment, products, or supplies at a location, as well as any agreement necessary in order to locate or operate equipment, products, or supplies on premises which are not owned or leased by the purchaser or seller.

(12) A detailed description of any license or permit that will be necessary in order for the purchaser to engage in or operate the business opportunity.

(13) Any representations made by the seller to the purchaser concerning sales or earnings that may be made from this business opportunity, including, but not limited to the following:

(a) The bases or assumptions for any actual, average, projected, or forecasted sales, profits, income, or earnings.

(b) The total number of purchasers who, within a period of three years of the date of the disclosure document, purchased a business opportunity involving the product, equipment, supplies, or services being offered to the purchaser.

(c) The total number of purchasers who, within three years of the date of the disclosure document, purchased a business opportunity involving the product, equipment, supplies, or services being offered to the purchaser who, to the seller's knowledge, have actually received earnings in the amount or range specified.

(14) A detailed description of the elements of a guarantee made by a seller to a purchaser. The description shall include, but is not limited to, the duration, terms, scope, conditions, and limitations of the guarantee.

(15) A statement including all of the following:

(a) The total number of business opportunities that are the same or similar in nature to those being sold or organized by the seller.

(b) The names and addresses of purchasers who have requested a refund or recision from the seller within the last twelve months and the number of those who have received the refund or recision.

(c) The total number of business opportunities the seller intends to sell in this state within the next twelve months.

(d) The total number of purchasers known to the seller to have failed in the business opportunity.

(16) A statement describing any contractual restrictions, prohibitions, or limitations on the purchaser's conduct. Attach a copy of all contracts proposed for use or in use in this state including, without limitation, all lease agreements, option agreements, and purchase agreements.

(17) The rights and obligations of the seller and the purchaser regarding termination of the business opportunity contract.

(18) A statement accurately describing the grounds upon which the purchaser may initiate legal action to terminate the business opportunity contract.

(19) A copy of the most recent audited financial statement of the seller, prepared within thirteen months of the first offer in this state, together with a statement of any material changes in the financial condition of the seller from that date.

(20) A list of the states in which this business opportunity is registered.

(21) A list of the states in which this disclosure document is on file.

(22) A list of the states which have denied, suspended, or revoked the registration of this business opportunity.

(23) A section entitled "Risk Factors" containing a series of short concise statements summarizing the principal factors which make this business opportunity a high risk or one of a speculative nature. Each statement shall include a cross-reference to the page on which further information regarding that risk factor can be found in the disclosure document.

4. *Contract provisions.*

*a.* A person shall not offer or sell a business opportunity unless a business opportunity contract is in writing and a copy of the contract is provided to the purchaser at the time the purchaser executes the contract.

*b.* A business opportunity contract shall set forth in at least ten point type or equivalent size, if handwritten, all of the following:

(1) The terms and conditions of any and all payments due to the seller.

(2) The seller's principal business address and the name and address of the seller's agent in this state authorized to receive service of process.

(3) The business form of the seller, whether corporate, partnership, or otherwise.

(4) The delivery date, or when the contract provides for a periodic delivery of items to the

purchaser, the approximate delivery date of the product, equipment, or supplies the seller is to deliver to the purchaser to enable the purchaser to start business.

(5) Whether the product, equipment, or supplies are to be delivered to the purchaser's home or business address or are to be placed or caused to be placed by the seller at locations owned or managed by persons other than the purchaser.

(6) A statement that accurately states the purchaser's right to void the contract under the circumstances and in the manner set forth in section 551A.6.

(7) The cancellation statement appearing in section 555A.3.

(8) The rights and responsibilities of the parties regarding the marketing of a business opportunity, including but not limited to all of the following:

(a) Whether the seller assigns the purchaser a territory in which to sell a business opportunity.

(b) Whether the seller assists the purchaser in finding locations in which to sell a business opportunity.

(c) Whether the purchaser is solely responsible for marketing a business opportunity.

[81 Acts, ch 171, §2]

C83, §523B.2

91 Acts, ch 205, §2; 98 Acts, ch 1189, §12 – 14; 99 Acts, ch 166, §11; 2000 Acts, ch 1147, §21 – 24; 2004 Acts, ch 1104, §11 – 19, 30

C2005, §551A.3

2005 Acts, ch 3, §94; 2005 Acts, ch 56, §1; 2006 Acts, ch 1030, §68; 2012 Acts, ch 1023, §157

Referred to in §551A.4, 551A.8, 551A.9, 551A.10

**551A.4 Exemptions from requirements — burden of proof.**

1. The following business opportunities are exempt from the requirements of section 551A.3:

*a.* The offer or sale of a business opportunity if the purchaser is a bank, federally chartered savings and loan association, trust company, insurance company, credit union, or investment company as defined by the federal Investment Company Act of 1940, a pension or profit-sharing trust, or other financial institution or institutional buyer, or a broker-dealer registered pursuant to chapter 502, whether the purchaser is acting for itself or in a fiduciary capacity.

*b.* (1) An offer or sale of a business opportunity which is a franchise, provided that the seller delivers to each purchaser at the earlier of the first personal meeting between the seller and the purchaser, or fourteen days prior to the earlier of the execution by a purchaser of a contract imposing a binding legal obligation on the purchaser or the payment by a purchaser of any consideration in connection with the offer or sale of the business opportunity, one of the following disclosure documents:

(a) A uniform franchise offering circular prepared in accordance with the guidelines adopted by the North American securities administrators association, inc.

(b) A disclosure document prepared pursuant to the federal trade commission rule entitled "Disclosure requirements and prohibitions concerning franchising and business opportunity ventures", 16 C.F.R. § 436 or any successor regulation.

(2) For the purposes of this paragraph "*b*", a personal meeting means a face-to-face meeting between the purchaser and the seller or their representatives, which is held for the purpose of discussing the offer or sale of a business opportunity.

*c.* The offer or sale of a business opportunity for which the cash payment made by a purchaser does not exceed five hundred dollars and the payment is made for the not-for-profit sale of sales demonstration equipment, material, or samples, or the payment is made for product inventory sold to the purchaser at a bona fide wholesale price.

2. In an administrative, civil, or criminal proceeding related to this chapter, the burden of proving an exemption, an exception from a definition, or an exclusion from this chapter is upon the person claiming it.

[81 Acts, ch 171, §3]

C83, §523B.3

91 Acts, ch 205, §3; 98 Acts, ch 1189, §15, 16; 99 Acts, ch 90, §2, 3; 2004 Acts, ch 1104, §21, 30
C2005, §551A.4
2005 Acts, ch 56, §2; 2012 Acts, ch 1017, §152; 2012 Acts, ch 1023, §157

**551A.5 Waiver of rights.**

A waiver of this chapter by a purchaser prior to or at the time of sale is contrary to public policy and is void and unenforceable. An attempt by a seller to have a purchaser waive any rights given in this chapter is a violation of this chapter.

[81 Acts, ch 171, §9]
C83, §523B.9
2004 Acts, ch 1104, §30
C2005, §551A.5

**551A.6 Cancellation of contract.**

The purchaser has the right to cancel a contract with a seller for a business opportunity for any reason at any time within three business days of the date the purchaser signs the contract or the date the contract is accepted by the seller whichever is later. The notice of the right to cancel, the seller's obligation to provide the purchaser with cancellation forms, and the procedures to be followed when a contract is canceled shall be the same as the procedures in chapter 555A for door-to-door sales.

[81 Acts, ch 171, §6]
C83, §523B.6
2004 Acts, ch 1104, §30
C2005, §551A.6
Referred to in §551A.3

**551A.7 Service of process — irrevocable consent.**

A seller shall file an irrevocable consent with the secretary of state. The seller shall file the irrevocable consent prior to executing a business opportunity contract or engaging in the sale of a business opportunity in this state. The irrevocable consent shall appoint the secretary of state to be the seller's attorney to receive service of any lawful process in a noncriminal suit, action, or proceeding against the seller or the seller's successor, executor, or administrator which arises under this chapter after the irrevocable consent has been filed. The irrevocable consent shall have the same force and validity as if the seller were served service of process personally.

2004 Acts, ch 1104, §20, 30
Referred to in §551A.3

**551A.8 Liability — remedies.**

1. A person who violates the requirements for disclosure or for the contents of a business opportunity contract pursuant to section 551A.3 is liable to the purchaser in an action for recision of the contract, or for recovery of all money or other valuable consideration paid for the business opportunity, and for actual damages together with interest as determined pursuant to section 668.13 from the date of sale, reasonable attorney fees, and court costs.

2. Every person who directly or indirectly controls a party liable under this section, every partner in a partnership so liable, every principal executive officer or director of a corporation so liable, every person occupying a similar status in, or performing similar functions for, and every employee of, a party so liable who materially aids in the act or transaction constituting the violation is also liable jointly and severally with and to the same extent as the party, unless the person liable as a result of the person's relationship with the liable party as defined under this section proves that the person did not know, and in the exercise of reasonable care could not have known of the existence of the facts giving rise to the alleged liability. Among the persons held liable, a party paying more than the party's percentage share of damages may recover judgment for contribution upon motion to the court or in a separate action.

3. An action shall not be maintained under this section unless commenced within three

years after the act or transaction constituting the violation, or within one year after the discovery of the facts constituting the violation, whichever period later expires.

4. In addition to any remedies provided by law, a person injured by a violation of this chapter may bring a civil action and recover damages or obtain other appropriate relief including injunctive or other equitable relief. If the person is the prevailing party, the person shall be awarded court costs, reasonable attorney fees, and expert fees which shall be taxed as part of the costs of the action.

[81 Acts, ch 171, §7]
C83, §523B.7
91 Acts, ch 205, §6; 98 Acts, ch 1189, §17; 2004 Acts, ch 1104, §22 – 24, 30
C2005, §551A.8

**551A.9 Fraudulent practices.**

1. *Misleading statements.* A person shall not make or cause to be made a misleading statement in a disclosure document required pursuant to section 551A.3 or in a proceeding under this chapter. The statement shall be deemed to be misleading if any of the following apply:

*a.* At the time and in the light of the circumstances under which it is made, the statement is false or misleading in a material respect.

*b.* An omission of a material fact is necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading.

2. *Advertising.* A seller shall not, in connection with the offer or sale of a business opportunity in this state, publish, circulate, or use advertising which contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

3. *Misrepresentations, omissions, and misleading conduct.* A seller of a business opportunity shall not do any of the following:

*a.* Misrepresent, by failure to disclose or otherwise, the known required total investment for such business opportunity.

*b.* Misrepresent or fail to disclose efforts to sell or establish more business opportunities than it is reasonable to expect the market or market area for the particular business opportunity to sustain.

*c.* Misrepresent the quantity or the quality of the products to be sold or distributed through the business opportunity.

*d.* Misrepresent the training and management assistance available to the purchaser.

*e.* Misrepresent the amount of profits, net or gross, which the purchaser can expect from the operation of the business opportunity.

*f.* Misrepresent, by failure to disclose or otherwise, the termination, transfer, or renewal provision of a business opportunity contract.

*g.* Falsely claim or imply that a primary marketer or trademark of products or services sponsors or participates directly or indirectly in the business opportunity.

*h.* Assign a so-called exclusive territory encompassing the same area to more than one purchaser.

*i.* Provide vending locations for which written authorizations have not been granted by the property owners or lessees.

*j.* Provide merchandise, machines, or displays of a brand or kind substantially different from or inferior to those promised by the seller.

*k.* Fail to provide the purchaser a written contract.

*l.* Misrepresent the ability of a person or entity providing services to provide locations or assist the purchaser in finding locations expected to have a positive impact on the success of the business opportunity.

*m.* Misrepresent or omit to state a material fact or create a false or misleading impression in the sale of a business opportunity.

91 Acts, ch 205, §9
CS91, §523B.12

98 Acts, ch 1189, §20; 2004 Acts, ch 1104, §26 – 28, 30
C2005, §551A.9
2005 Acts, ch 19, §116
Referred to in §551A.10

**551A.10 Penalties.**

1. A seller who willfully violates the requirements for disclosure or for the contents of a business opportunity contract pursuant to section 551A.3, who provides misleading advertising as provided in section 551A.9, who willfully violates a rule under this chapter, or who willfully violates an order of which the person has notice, upon conviction, is guilty of a class "D" felony. Otherwise, a person who violates a rule adopted or order issued under this chapter is, upon conviction, guilty of an aggravated misdemeanor. Each of the acts specified constitutes a separate offense and a prosecution or conviction for any one of such offenses does not bar prosecution or conviction for any other offense.

2. A violation of this chapter is an unlawful practice pursuant to section 714.16.

3. A seller who willfully uses any device or scheme to defraud a person in connection with an advertisement, offer to sell or lease, sale, or lease of a business opportunity, or who willfully violates any other provision of this chapter, except as provided in subsection 1, is, upon conviction, guilty of a fraudulent practice as provided in chapter 714.

[81 Acts, ch 171, §11]
C83, §523B.11
91 Acts, ch 205, §8; 98 Acts, ch 1189, §19; 2004 Acts, ch 1104, §25, 30
C2005, §551A.10
2013 Acts, ch 38, §1
Subsection 2 amended

# CHAPTER 552

## PHYSICAL EXERCISE CLUBS

Referred to in §552A.2, 669.14


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552.22 Applicability.


**552.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Contract price"* means the total price paid or to be paid, including service charges or membership fees, which entitles the buyer either directly or indirectly to membership in a physical exercise club or to the use of the services or facilities of a physical exercise club.

2. *"Finance charge"* means *"finance charge"* as defined in section 537.1301, subsection 21.

3. *"Physical exercise club"* means a person offering services or facilities, or both, for the preservation, maintenance, encouragement, or development of physical fitness or well-being in return for the payment of a fee entitling the buyer to the use of the services or facilities. The term includes but is not limited to persons offering services and facilities known as

"health clubs", "health spas", "sports and health clubs", "tennis clubs", "racquetball courts", "golf clubs", "gymnasiums", "figure salons", "health studios", "weight control studios", and persons operating establishments whose primary purpose is the teaching of a particular form of self-defense or martial arts, such as judo, karate, or kung fu. *"Physical exercise club"* does not include:

*a.* A person or establishment which does not charge a membership fee and from which a buyer may only purchase or become obligated to purchase the use of services or facilities to be rendered for a period of not more than thirty days, and which does not collect more than thirty days in advance for the rendering of the services.

*b.* Except for purposes of sections 552.4, 552.7, 552.13, 552.14, and 552.16 a nonprofit organization organized and operating as a nonprofit organization.

*c.* An entity primarily engaged in physical rehabilitation activities related to an individual's injury or disease.

*d.* A private club owned and operated by its members.

*e.* Except for purposes of sections 552.4, 552.7, 552.13, and 552.14, a facility operated by the state or any of its political subdivisions.

*f.* A facility owned and operated on a not-for-profit basis by a person or a contractor of a person that is operated solely for the purpose of serving employees of the person, whether currently employed or retired, and family members of employees.

4. *"Physical exercise club contract"* means an agreement by which a buyer is entitled to membership in a physical exercise club or use of the services or facilities of a physical exercise club.

5. *"Prepayment"* means any partial or full payment for services or the use of facilities made before the services are actually made available by the physical exercise club or the facility is fully opened for business as described in section 552.16, subsection 3.

88 Acts, ch 1221, §1; 98 Acts, ch 1044, §1
Referred to in §552.12

**552.2 Purpose.**

The purpose of this chapter is to safeguard the public against fraud, deceit, and financial hardship and to foster and encourage competition, fair dealing, and prosperity in the field of physical exercise club operations and services by prohibiting or restricting practices by which the public has been injured in connection with contracts for and the marketing of physical exercise club services.

88 Acts, ch 1221, §2

**552.3 Unenforceable contracts.**

A physical exercise club contract or assignment of a contract that does not comply with this chapter is unenforceable as contrary to public policy.

88 Acts, ch 1221, §3

**552.4 Contracts for physical exercise club services — right of cancellation.**

A physical exercise club contract shall provide that the contract may be canceled within three business days after the date of receipt by the buyer of a copy of the signed contract. Cancellation shall be by written notice delivered to the seller at an address which shall be specified in the contract. Cancellation is complete upon mailing of the notice of cancellation. After receipt of the cancellation, the physical exercise club may request the return of contract forms, membership cards, and all other documents and evidence of membership previously delivered to the buyer. The buyer is entitled to a refund of the entire consideration paid for the contract, if any, less twenty dollars.

A physical exercise club contract shall in plain terms disclose whether the physical exercise club will allow the buyer to cancel the contract in the event of the death or disability of the buyer.

88 Acts, ch 1221, §4
Referred to in §552.1, 552.16

**552.5 Contract — statement of buyer's rights — form.**

1. *a.* A physical exercise club contract shall be in writing and signed by the buyer. The contract shall state in at least ten point boldface type:

NOTICE TO BUYER: DO NOT SIGN THIS CONTRACT UNTIL YOU READ IT. DO NOT SIGN THIS CONTRACT IF IT CONTAINS BLANK SPACES.

*b.* A copy of the physical exercise club contract shall be delivered to the buyer at the time the contract is signed.

2. *a.* A physical exercise club contract shall designate the date on which the buyer actually signs the contract and shall contain a statement of the buyer's rights which complies with this subsection. The statement shall appear in the contract under the conspicuous caption "BUYER'S RIGHT TO CANCEL", and shall read as follows:

.....
(enter date of transaction)

You may cancel this transaction within three business days from the above date.

If you cancel, any payments made by you under the contract, less twenty dollars, and any negotiable instrument executed by you will be returned within forty-five days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. After you cancel, the physical exercise club may request the return of all contracts, membership cards, and other documents or evidence of membership.

To cancel this transaction, send, or deliver a signed and dated copy of this cancellation notice or any other written notice by certified or registered mail to ..... (name of seller), at ..... (address of seller's place of business) not later than midnight of ..... (date).

I hereby cancel this transaction.

.....
(Date)

.....
(Buyer's signature)

*b.* The full text of this statement shall be in ten point boldface type.

88 Acts, ch 1221, §5; 2012 Acts, ch 1023, §157

**552.6 Delivery of physical exercise club rules.**

A physical exercise club contract shall include a complete statement of the rules of the physical exercise club, or an acknowledgment in a conspicuous form that the buyer has received a copy of the rules. Physical exercise club rules shall include, but are not limited to, the hours of operation.

88 Acts, ch 1221, §6

**552.7 Buyer's cancellation.**

If a buyer cancels a physical exercise club contract pursuant to the three-day cancellation provision, the physical exercise club shall send the buyer a written confirmation of cancellation, together with the buyer's refund and any negotiable instruments executed by the buyer, within forty-five days after receipt by the physical exercise club of the buyer's cancellation notice. If the physical exercise club fails to send the written confirmation to the buyer within forty-five days after receiving a timely cancellation, the physical exercise club is deemed to have accepted the cancellation.

88 Acts, ch 1221, §7

Referred to in §552.1

**552.8 Duration of contract — renewal.**

A physical exercise club contract shall not have a duration longer than thirty-six months. If a physical exercise club offers a contract of more than twelve months duration, it shall also offer a twelve-month contract. A physical exercise club contract shall not contain an automatic renewal clause.

88 Acts, ch 1221, §8

**552.9 Notice of membership plans, prices, and right of cancellation.**

The physical exercise club shall orally inform the buyer prior to the buyer's entering into a physical exercise club contract of the three-day cancellation provision and provide the buyer with a written list of all membership plans and their respective prices.

88 Acts, ch 1221, §9

**552.10 Statement regarding assignability of buyer's obligation.**

If the buyer's obligation is in a form that may be assigned, the contract shall state in boldface type on the front page of the contract that the contract may be discounted and sold to third parties to whom the buyer will become obligated to make full payment.

88 Acts, ch 1221, §10

**552.11 Buyer's rights upon assignment.**

1. A physical exercise club contract is not assignable by the physical exercise club without written notice of the assignment mailed to the buyer at the buyer's address as stated in the contract. The notice shall identify the contract, state the name and address of the assignee, the amount payable by the buyer and the number, amounts, and due dates of any payments, and shall contain a conspicuous notice to the buyer of the provisions of subsection 2.

2. If the physical exercise club assigns the buyer's obligation, the buyer has thirty days from the date of the mailing of the notice of the assignment within which to notify the assignee in writing of any claims or defenses the buyer may have against the physical exercise club. If written notification of the claims or defenses is not received by the assignee within the thirty-day period, the assignee has the right to enforce the contract free of any claims or defenses the buyer may have against the physical exercise club.

88 Acts, ch 1221, §11

**552.12 Listing of equipment and services.**

1. A physical exercise club, which accepts prepayments as defined in section 552.1, subsection 5, shall compile a written list which shall be available to a buyer upon request showing:

*a.* The equipment by kind and quantity that is or will be made available.

*b.* Each service which the physical exercise club intends to have available for use by the buyers.

2. Subject to section 552.16, subsection 3, a physical exercise club that accepts prepayments shall not be considered fully open for business until all of the equipment and services so listed are actually available for use by the buyers.

88 Acts, ch 1221, §12; 2012 Acts, ch 1023, §157

**552.13 Remedies — violations.**

1. If a physical exercise club violates a provision of this chapter, the buyer may cancel the physical exercise club contract. The buyer also has a right of action against the physical exercise club for recovery of the amount the buyer paid to the physical exercise club under the contract. In addition to any judgment awarded to the buyer, the court may allow reasonable attorney's fees.

2. A violation of any of the provisions of this chapter shall be deemed an unlawful practice under section 714.16, subsection 2, paragraph "*a*".

3. Unless displaced by the particular provisions of this chapter, the principles of law and equity supplement the provisions of this chapter.

88 Acts, ch 1221, §13
Referred to in §552.1

**552.14 Prohibited activities.**

1. It is unlawful for a physical exercise club to make any misrepresentation to current members, prospective buyers, or buyers of physical exercise club contracts regarding:

*a.* Qualifications of staff.

*b.* Availability, quality, or extent of facilities or services.

*c.* Results obtained through exercise, dieting, or weight control programs.

*d.* Membership rights.

*e.* The period that a special offer or discount will be available.

2. It is unlawful for a physical exercise club to fail or refuse to establish the escrow account required by section 552.16.

3. It is unlawful for a physical exercise club to advertise, state, or represent that it is approved by the state or that it has complied with this chapter.

88 Acts, ch 1221, §14; 2000 Acts, ch 1021, §1
Referred to in §552.1

**552.15** Repealed by 2000 Acts, ch 1021, § 4.

**552.16 Escrow — bond.**

1. A physical exercise club or its assignee or agent that accepts prepayments shall deposit all of the funds received as prepayments in an escrow account established with a financial institution located in this state whose accounts are insured by the federal deposit insurance corporation, the national credit union administration, or the federal savings and loan insurance corporation, which shall hold the funds as escrow agent for the benefit of the buyers that prepay. The physical exercise club shall deposit all prepayments received at least biweekly and shall make the first deposit not later than the fourteenth day after the day on which the physical exercise club accepts the first prepayment. Not later than the fourteenth day after the day on which the first prepayment is received, the physical exercise club shall submit to the attorney general's consumer protection division a notarized statement that identifies the financial institution in which the prepayments are held in escrow and the name and account number in which the account is held. The prepayments shall be held in escrow until the thirtieth day after the date that the physical exercise club fully opens for business.

2. If the physical exercise club does not fully open for business before the two hundred eleventh day after the date it enters into the first physical exercise club contract or if the club does not remain fully open for thirty days, the buyers whose payments are held in escrow under this section shall receive a full refund, including the buyer's pro rata share of any interest earned thereon, from the escrow agent. Refunds pursuant to this section shall be made not later than the two hundred forty-first day after the date the first physical exercise club contract was signed. If the escrow agent fails to make a full refund as provided for in this section, the attorney general shall hold a hearing and determine whether the physical exercise club has fully opened and has remained open for thirty days, and if not, determine those persons who, as buyers, are entitled to a refund and, if appropriate, distribute the escrow proceeds. Notice shall be provided to the physical exercise club at the address specified in the contract pursuant to section 552.4 and to all buyers who have funds in the escrow account. All hearings held under this section shall be held in accordance with chapter 17A.

3. For the purposes of this section, the date on which a physical exercise club fully opens for business is the date on which all of the equipment and services of the physical exercise club that were advertised before the opening or promised to be made available, whether or not contained in the contract, are actually available for use by buyers. The attorney general may upon application certify that a physical exercise club is fully open for business if substantially all of the promised equipment and services are available for use, and the physical exercise club has made a diligent effort to provide the remaining equipment and services.

4. The buyer retains ownership of all moneys and interest held in escrow under this section.

5. In lieu of establishing the escrow account described in subsections 1 through 4, a physical exercise club may post a one hundred fifty thousand dollar bond with the office of the attorney general, in a form deemed acceptable by the attorney general to protect the interest of buyers. Notice of the existence of the bond must be disclosed to the buyer in the physical exercise club contract. Either the attorney general or a buyer shall be entitled to collect on the bond in the same manner and on the same terms as provided for an escrow account in subsections 1 through 4. The aggregate liability of the surety for all damages shall not exceed the amount of the bond.

88 Acts, ch 1221, §16; 2000 Acts, ch 1021, §2
Referred to in §552.1, 552.12, 552.14

**552.17 Consumer credit sales.**

A physical exercise club contract where a finance charge is made or where payment is required or permitted by agreement to be made in more than four periodic payments, excluding a down payment, is a consumer credit sale within the meaning of section 537.1301, subsection 13, and is subject to chapter 537. If any periodic payment, other than the down payment under an agreement requiring or permitting two or more periodic payments, is more than twice the amount of any other periodic payment other than the down payment, a transaction is "payable in installments" within the meaning of section 537.1301, subsection 33.

The provisions of this chapter providing rights and protections to buyers are in addition to the provisions of chapter 537.

88 Acts, ch 1221, §17

**552.18 Waiver of provisions.**

A waiver by the buyer of any of the provisions of this chapter is void as contrary to public policy.

88 Acts, ch 1221, §18

**552.19 Immunity.**

Notwithstanding chapter 669, there is no liability on behalf of the state of Iowa, the attorney general, or the employees of the attorney general, for damages for failure to execute, or for negligently executing, the duties or authority conferred upon them by this chapter, or the rules adopted pursuant to this chapter.

88 Acts, ch 1221, §19

**552.20 Rules.**

The attorney general may adopt rules in accordance with chapter 17A to carry out the provisions of this chapter.

88 Acts, ch 1221, §20

**552.21 Construction of chapter.**

This chapter does not limit the power or authority of the attorney general to seek administrative, legal, or equitable relief as provided by other statutes or at common law.

88 Acts, ch 1221, §21

**552.22 Applicability.**

This chapter applies to all physical exercise club contracts entered into in this state on or after July 1, 1988, concerning physical exercise club facilities located, or services to be provided, in this state.

88 Acts, ch 1221, §22

# CHAPTER 552A

## BUYING CLUB MEMBERSHIPS

Referred to in §669.14

552A.1 Definitions.
552A.2 Exemptions.
552A.3 Right of cancellation — requirement of writing.
552A.4 Limitation on membership period.
552A.5 Remedies.

**552A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Buying club"* means a corporation, partnership, unincorporated association, or other business enterprise which sells or offers for sale to the public generally memberships or certificates of membership.

2. *"Contract"* means the agreement by which a person acquires a membership in a buying club.

3. *"Membership"* means certificates, memberships, shares, bonds, contracts, stocks, or agreements of any kind or character issued upon any plan offered generally to the public entitling the holder to purchase merchandise, materials, equipment, or service, either from the issuer or another person designated by the issuer, either under a franchise or otherwise, whether it be at a discount, at cost plus a percentage, at cost plus a fixed amount, at a fixed price, or on any other similar basis.

93 Acts, ch 60, §1

**552A.2 Exemptions.**

This chapter does not apply to any of the following:

1. Building and loan associations, state or national banks, insurance companies and associations, and mutual or cooperative telephone companies organized under chapter 491 which have been determined to be exempt from taxation under section 501(c)(12) of the Internal Revenue Code.

2. Corporations and cooperative associations subject to regulation under chapter 497, 498, or 499.

3. The sale of membership camping contracts by persons or entities registered or exempt under chapter 557B.

4. The sale of physical exercise club contracts by persons or entities registered under chapter 552.

5. Corporations, partnerships, unincorporated associations, or other business enterprises which sell or offer for sale memberships to an individual or to a family unit for consideration of no more than fifty dollars for a one-year period. Consideration for this purpose includes but is not limited to the amount of any required purchase under the terms of the contract.

6. *a.* The sale of goods or services by corporations, partnerships, unincorporated associations, or other business enterprises which sell products to direct sellers as defined by section 3508 of the Internal Revenue Code, where the initial contract establishing the relationship with the direct seller is terminable at will by either party, and where the corporation, partnership, unincorporated association, or other business enterprise offers to repurchase the products at reasonable commercial terms.

*b.* For purposes of this subsection, *"reasonable commercial terms"* includes the repurchase of all unencumbered products which are in an unused, commercially resalable condition within one year from the direct seller's date of purchase. The repurchase shall be at a price not less than ninety percent of the original net cost to the direct seller of the products being returned. *"Original net cost"* means the amount actually paid by the direct seller for the products, less any consideration received by the direct seller for the purchase of the products being returned. Products which are no longer marketed by a program shall be deemed resalable if the products are otherwise in an unused, commercially resalable condition and are returned to the seller within one year from the direct seller's date of

purchase, provided, however, that products which are no longer marketed by a program shall not be deemed resalable if the products are sold to direct sellers as nonreturnable, discontinued, seasonal, or special promotion items and the nonreturnable nature of the product was clearly disclosed to the direct seller prior to purchase.

93 Acts, ch 60, §2; 2012 Acts, ch 1023, §157

Referred to in §557B.14

**552A.3 Right of cancellation — requirement of writing.**

The requirements of sections 555A.1 through 555A.5, relating to door-to-door sales, shall apply to sales of buying club memberships, irrespective of the place or manner of sale or the purpose for which they are purchased. In addition to the requirements of chapter 555A, a contract shall not be enforceable against a person acquiring a membership in a buying club unless the contract is in writing and signed by the purchaser.

93 Acts, ch 60, §3

**552A.4 Limitation on membership period.**

A contract shall not be valid for a term longer than eighteen months from the date on which the contract is signed. However, a buying club may allow a member to convert the contract into a contract for a period longer than eighteen months after the member has been a member of the club for at least one year. The duration of the contract shall be clearly and conspicuously disclosed in the contract in boldface type of a minimum size of fourteen points.

93 Acts, ch 60, §4

**552A.5 Remedies.**

1. A violation of this chapter is a violation of section 714.16, subsection 2, paragraph *"a"*.

2. The rights, obligations, and remedies provided in this chapter shall be in addition to any other rights, obligations, or remedies provided by law or in equity.

3. In addition to the remedies otherwise provided by law, any person injured by a violation of this chapter may bring a civil action and recover damages, together with costs, including reasonable attorney's fees, and receive other equitable relief as determined by the court.

93 Acts, ch 60, §5

# CHAPTER 553

## IOWA COMPETITION LAW

Referred to in §28G.9, 423.23, 669.14


553.1 Short title.
553.2 Construction.
553.3 Definitions.
553.4 Restraint prohibited.
553.5 Monopoly prohibited.
553.6 Exemptions.
553.7 Attorney general to enforce.
553.8 Venue.
553.9 Investigation.
553.10 Investigation enforcement.
553.11 Protective orders.
553.12 Remedies.
553.13 Civil penalty.
553.14 Criminal penalties.
553.15 Election of remedies.
553.16 Limitations.
553.17 Prima facie evidence.
553.18 Debarment.
553.19 Antitrust fund.


**553.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Competition Law"*.

[C77, 79, 81, §553.1]

**553.2 Construction.**

This chapter shall be construed to complement and be harmonized with the applied laws of the United States which have the same or similar purpose as this chapter. This construction shall not be made in such a way as to constitute a delegation of state authority to the federal

government, but shall be made to achieve uniform application of the state and federal laws prohibiting restraints of economic activity and monopolistic practices.

[C77, 79, 81, §553.2]

**553.3 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Commodity"* means tangible or intangible property, real, personal, or mixed.

2. *"Enterprise"* means a business, commercial or professional entity, including a corporation, partnership, limited partnership, professional corporation, proprietorship, incorporated or unincorporated association, or other form of organization.

3. *"Government agency"* means the state, its political subdivisions, and any public agency supported in whole or in part by taxation.

4. *"Person"* means a natural person, estate, trust, enterprise or government agency.

5. *"Price"* includes the terms and conditions of sale, rental, rate, fee, or any other form of payment for a commodity or service.

6. *"Relevant market"* means the geographical area of actual or potential competition in a line of commerce, all or any part of which is within this state.

7. *"Service"* means any activity which is performed in whole or part for financial gain.

8. *"Trade or commerce"* means any economic activity involving or relating to any commodity, service, or business activity.

[C77, 79, 81, §553.3]

**553.4 Restraint prohibited.**

A contract, combination, or conspiracy between two or more persons shall not restrain or monopolize trade or commerce in a relevant market.

[C97, §5060, 5061; S13, §5067-a; C24, 27, 31, 35, 39, §**9906, 9907, 9915;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §553.1, 553.2, 553.10; C77, 79, 81, §553.4]

**553.5 Monopoly prohibited.**

A person shall not attempt to establish or establish, maintain, or use a monopoly of trade or commerce in a relevant market for the purpose of excluding competition or of controlling, fixing, or maintaining prices.

[C97, §5060, 5061; S13, §5067-a; C24, 27, 31, 35, 39, §**9906, 9907, 9915;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §553.1, 553.2, 553.10; C77, 79, 81, §553.5]

**553.6 Exemptions.**

This chapter shall not be construed to prohibit:

1. The activities of any labor organization, individual members of such an organization, or group of such organizations, of any employer or group of employers, or of any groups of employees, if these activities are directed solely to legitimate labor objectives which are permitted under the laws of either this state or the United States.

2. The activities of any agricultural or horticultural organization, whether incorporated or unincorporated, or of the individual members of such organizations, if these activities carry out the legitimate objectives of such organizations, to the extent permitted under the laws of either this state or the United States.

3. The activities of persons engaged in the production of agricultural products when these persons act together in associations, corporate or otherwise, with or without capital stock, in collectively processing, preparing for market, handling, and marketing the products of these persons, to the extent permitted under the laws of either this state or the United States. These associations may have marketing and purchasing agencies in common and their members may make the necessary contracts and agreements to effect such purposes. However, such associations must be operated for the mutual benefit of the members of these associations acting as producers to qualify under this subsection.

4. The activities or arrangements expressly approved or regulated by any regulatory body or officer acting under authority of this state or of the United States.

5. The activities of a city or county, or an administrative or legal entity created by a city or

county, when acting within its statutory or constitutional home rule powers and to the same extent that the activities would not be prohibited if undertaken by the state.

[C24, 27, 31, 35, 39, §**9916;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §553.11; C77, 79, 81, §553.6]
84 Acts, ch 1020, §1

**553.7 Attorney general to enforce.**

The attorney general, with such assistance as may be required from time to time of the county attorneys in their respective counties, shall institute all criminal and civil actions and proceedings brought under this Act in the name of the state.

[C97, §5067; C24, 27, 31, 35, 39, §**9913;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §553.8; C77, 79, 81, §553.7]
Referred to in §331.756(71)

**553.8 Venue.**

A suit or proceeding brought under this chapter may be brought in the county where the cause of action arose, where any defendant resides or transacts business, or where an act in furtherance of the conduct prohibited by this chapter occurred.

[C77, 79, 81, §553.8]

**553.9 Investigation.**

1. If the attorney general has reasonable cause to believe that a person has engaged in or is engaging in conduct prohibited by this chapter, the attorney general shall make such investigation as is deemed necessary and may, prior to the commencement of a suit against this person under this chapter:

*a.* Issue written demand on this person, its officers, directors, partners, fiduciaries, or employees to compel their attendance before the attorney general and examine them under oath;

*b.* Issue written demand to produce, examine, and copy a document or tangible item in the possession of this person or its officers, directors, partners, or fiduciaries;

*c.* Upon an order of a district court, pursuant to a showing that such is reasonably necessary to an investigation being conducted under this section:

(1) Compel the attendance of any other person before the attorney general and examine this person under oath;

(2) Require the production, examination, and copying of a document or other tangible item in the possession of such person; and,

*d.* Upon an order of a district court, impound a document or other tangible item produced pursuant to this section and retain possession of it until the completion of all proceedings arising out of the investigation.

2. A written demand or court order issued pursuant to this section shall contain the following information, as applicable:

*a.* A reference to this chapter and a general description of the subject matter being investigated;

*b.* The date, time and place at which any person is to appear or to produce documents or other tangible items;

*c.* Where the production of documents or other tangible items is required, a description of such documents or items by class with sufficient clarity so that they may be reasonably identified.

3. Any procedure, testimony taken, or material produced under this section shall be sealed by the court and be kept confidential by the attorney general, until an action is filed against a person under this chapter for the violation under investigation, unless confidentiality is waived by the person being investigated and the person who has testified, answered interrogatories, or produced material, or unless disclosure is authorized by the court for the purposes of interstate cooperation in enforcing this chapter and similar state and federal laws.

4. This chapter shall not be construed to limit or abridge statutory or constitutional limitations on self-incrimination.

5. Evidence obtained from a natural person pursuant to the provisions of this section shall not be introduced in a subsequent criminal prosecution of this person. However, evidence obtained from a natural person pursuant to a grand jury proceeding may be so introduced.

[C77, 79, 81, §553.9]

Referred to in §553.10, 553.11

**553.10 Investigation enforcement.**

If a person objects or otherwise fails to obey a written demand or court order issued under section 553.9, the attorney general may file in the district court of the county in which the person resides or maintains a principal place of business within this state an application for an order to enforce the demand or order. Notice of hearing and a copy of the application shall be served upon the person, who may appear in opposition to the application. If the court finds that the demand or order is proper, that there is reasonable cause to believe there has been a violation of this chapter, and that the information sought or document or object demanded is relevant to the violation, it shall order the person to comply with the demand or order, subject to such modification as the court may prescribe. Upon motion by the person and for good cause shown, the court may make any further order in the proceedings which justice requires to protect the person from unreasonable annoyance, embarrassment, oppression, burden, or expense.

[C77, 79, 81, §553.10]

Referred to in §553.11

**553.11 Protective orders.**

Before the attorney general files an application under section 553.10 and upon application of any person who was served a written demand or court order under section 553.9, upon notice and hearing, and for good cause shown, the district court may make any order which justice requires to protect the person from annoyance, embarrassment, oppression, or undue burden of expense, including the following:

1. That the examination of this person shall not be taken or that documents or other tangible items shall not be produced for inspection and copying;

2. That the examination or production of documents or other tangible items shall be had only on specified terms and conditions, including a change in the time or place;

3. That certain matters shall not be inquired into or that the scope of the examination or production shall be limited to certain matters;

4. That the examination or production and inspection shall be conducted with only those persons present as designated by the court;

5. That the transcript of the examination shall be sealed and be opened only by order of the court;

6. That a trade secret or other confidential research, development, or commercial information shall not be disclosed or shall be disclosed only in a designated way.

[C77, 79, 81, §553.11]

**553.12 Remedies.**

The state or a person who is injured or threatened with injury by conduct prohibited under this chapter may bring suit to:

1. Prevent or restrain conduct prohibited under this chapter and remove the conduct's effect by injunction, divestiture, divorcement, dissolution of domestic enterprises right to do business in this state, compelling the forfeiture or restraint of the issuance of a certificate of incorporation, permit to transact business, license, or franchise, or granting other equitable relief. The state may bring suit under this section without posting bond.

2. Recover actual damages resulting from conduct prohibited under this chapter.

3. Recover, at the court's discretion, exemplary damages which do not exceed twice the actual damages awarded under subsection 2, from a person other than a city or county or legal entity created by a city or county, if:

*a.* The trier of fact determines that the prohibited conduct is willful or flagrant; and,

*b.* The person bringing suit is not the state.

4. Recover the necessary costs of bringing suit, including a reasonable attorney fee. However, the state may not recover any attorney fee.

[C77, 79, 81, §553.12]

84 Acts, ch 1020, §2

Referred to in §553.13, 553.16, 553.17

**553.13 Civil penalty.**

In addition to suit under section 553.12, the state may bring suit to assess a civil penalty against an enterprise whose conduct is prohibited under this chapter. The suit may be tried to the jury and the civil penalty provided for in this section shall be imposed by the court. The civil penalty assessed shall not exceed ten percent of the total value of the specific commodities by their brand, make, and size or of services either of which were the subject of the prohibited conduct sold in the relevant market in this state by the enterprise in each year in which this conduct occurred, but this penalty shall not exceed one hundred fifty thousand dollars. In computing this penalty, only the four most recent years in which the prohibited conduct occurred, as of commencement of suit under this section, shall be used in the computation.

[C77, 79, 81, §553.13]

Referred to in §553.16

**553.14 Criminal penalties.**

A person or a natural person having substantial control over an enterprise who knowingly and willfully engages in conduct prohibited by this chapter shall be guilty of a serious misdemeanor.

A person having substantial control over an enterprise who knowingly and willfully engages in bid rigging or price fixing involving a contract with the state or a governmental agency is guilty of a class "D" felony.

[C97, §5062; S13, §5062, 5067-c, 5077-a5; C24, 27, 31, 35, 39, **§9908, 9918, 9926;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §553.3, 553.13, 553.21; C77, 79, 81, §553.14]

84 Acts, ch 1143, §1

**553.15 Election of remedies.**

The bringing of suit to assess a civil penalty against a person by filing a petition shall be an election of remedies to not bring a criminal prosecution against this person. The bringing of a criminal prosecution against a person by filing an information or returning an indictment shall be an election of remedies to not bring suit to assess a civil penalty against this person.

[C77, 79, 81, §553.15]

**553.16 Limitations.**

1. Suit by the state to assess a civil penalty or to obtain a criminal conviction under this chapter must be commenced within four years after the cause of action accrues or, if there is fraudulent concealment of this cause of action, within four years after the cause of action becomes known, whichever period is later.

2. Suit under section 553.12 must be commenced within four years after the cause of action accrues or, if there is a fraudulent concealment of this cause of action, within four years after the cause of action becomes known, whichever period is later. However, if this cause is based, in whole or part, on the same set of facts as alleged in a suit brought under section 553.13, this period shall be suspended until one year after the suit brought under section 553.13 is concluded.

[C77, 79, 81, §553.16]

**553.17 Prima facie evidence.**

A final decree or judgment, other than a consent decree or consent judgment entered before trial, in a suit brought by the state is prima facie evidence against the defendant in a suit brought by any person other than the state under section 553.12 as to all matters respecting

which this decree or judgment would be an estoppel between the state and the defendant. This section shall not affect the application of collateral estoppel or issue preclusion.

[C77, 79, 81, §553.17]

**553.18 Debarment.**

A contractor or supplier of goods or services to the state or a governmental agency, and the enterprise for which the illegal action was taken, convicted under this chapter, or convicted under the laws of any other state or the federal government for actions which would constitute a violation of this chapter, are prohibited from bidding on a governmental contract for one year from the date of conviction, unless the state or governmental agency accepting bids expressly allows the contractor or supplier to bid after being informed of the conviction.

84 Acts, ch 1143, §2

**553.19 Antitrust fund.**

1. An antitrust fund is created as a separate fund in the state treasury to be administered by the attorney general. Moneys credited to the fund shall include amounts received as a result of a state or federal civil antitrust judgment or settlement which are based on damages sustained by the state, civil penalties, costs, or attorney fees, and amounts which are specifically directed to the credit of the fund by the judgment or settlement, and amounts which are designated by the judgment or settlement for use by the attorney general for antitrust enforcement or education. Amounts based upon damages sustained by individuals or entities outside of state government not designated for antitrust enforcement purposes or amounts based upon actual damages awarded to the state which would not otherwise be deposited in the general fund of the state shall not be credited to the fund.

2. For each fiscal year, not more than five hundred thousand dollars is appropriated from the fund to the department of justice to be used for enforcement of this chapter and chapter 551, and for enforcement of federal antitrust laws and for public education about state and federal antitrust laws.

3. Notwithstanding section 8.33, moneys credited to the fund shall not revert to any other fund. Notwithstanding section 12C.7, interest or earnings on the moneys in the fund shall be credited to the fund.

2007 Acts, ch 213, §23

# CHAPTER 554

## UNIFORM COMMERCIAL CODE

Referred to in §12.71, 12.81, 12.87, 12.91, 12A.4, 12E.11, 15.106D, 15E.204, 15E.207, 16.26, 16.105, 16.132, 16.177, 34A.21, 173.14B, 175.17, 203.12A, 203C.4, 203C.12A, 257C.8, 260C.72, 261.43A, 321.50, 321.105A, 331.606B, 331.609, 390.17, 423.1, 453A.45, 455G.6, 462A.83, 463C.12, 483A.51, 491.46, 501A.902, 537.1103, 537A.3, 554B.2, 554D.104, 554D.118, 558.1, 558.42, 578A.6, 654A.1, 654A.6, 654A.8, 717.3, 717.4, 809A.1

Court action or parties agreement required for disposition of property under obligation secured by mortgage, trust deed, or other security during military service; §29A.103, 29A.104


ARTICLE 1

GENERAL PROVISIONS

PART 1

GENERAL PROVISIONS

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# ARTICLE 1

# GENERAL PROVISIONS

Referred to in §554.2103, 554.3103, 554.4104, 554.5102, 554.7102, 554.8102, 554.9102, 554.12105, 554.13103

## PART 1

## GENERAL PROVISIONS

**554.1101 Short titles.**

1. This chapter may be cited as the Uniform Commercial Code.
2. This Article may be cited as Uniform Commercial Code — General Provisions.

[C66, 71, 73, 75, 77, 79, 81, §554.1101]
2007 Acts, ch 41, §1

**554.1102 Scope of Article.**

This Article applies to a transaction to the extent that it is governed by another Article of this chapter.

2007 Acts, ch 41, §2, 57
Former §554.1102 repealed by 2007 Acts, ch 41, §58; see §554.1103, 554.1106, 554.1302

**554.1103 Construction of this chapter to promote its purposes and policies — applicability of supplemental principles of law.**

1. This chapter must be liberally construed and applied to promote its underlying purposes and policies, which are:

*a.* to simplify, clarify, and modernize the law governing commercial transactions;

*b.* to permit the continued expansion of commercial practices through custom, usage, and agreement of the parties; and

*c.* to make uniform the law among the various jurisdictions.

2. Unless displaced by the particular provisions of this chapter, the principles of law and equity, including the law merchant and the law relative to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, and other validating or invalidating cause supplement its provisions.

[S13, §3060-a196, 3138-a56, -b50; C24, 27, 31, 35, 39, §**8295, 9657, 9716, 9931, 10002;** C46, §487.52, 541.197, 542.56, 554.2, 554.74; C50, 54, 58, 62, §487.52, 493A.18, 541.197, 542.56, 554.2, 554.74; C66, 71, 73, 75, 77, 79, 81, §554.1103]
2007 Acts, ch 41, §3

**554.1104 Construction against implied repeal.**

This chapter being a general Act intended as a unified coverage of its subject matter, no part of it shall be deemed to be impliedly repealed by subsequent legislation if such construction can reasonably be avoided.

[C66, 71, 73, 75, 77, 79, 81, §554.1104]

2007 Acts, ch 41, §4

**554.1105 Severability.**

If any provision or clause of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

[C66, 71, 73, 75, 77, 79, 81, §554.1108]

2007 Acts, ch 41, §9, 48

CS2007, §554.1105

Former §554.1105 transferred to §554.1301; 2007 Acts, ch 41, §45

**554.1106 Use of singular and plural — gender.**

In this chapter, unless the statutory context otherwise requires:

1. words in the singular number include the plural, and those in the plural include the singular; and

2. words of any gender also refer to any other gender.

2007 Acts, ch 41, §7, 57

Former §554.1106 transferred to §554.1305; 2007 Acts, ch 41, §46

**554.1107 Section captions.**

Section captions are parts of this chapter.

[C66, 71, 73, 75, 77, 79, 81, §554.1109]

2007 Acts, ch 41, §49

CS2007, §554.1107

Referred to in §3.3

Former §554.1107 transferred to §554.1306; 2007 Acts, ch 41, §47

**554.1108 Relation to Electronic Signatures in Global and National Commerce Act.**

This Article modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., except that nothing in this Article modifies, limits, or supersedes § 7001(c) of that Act or authorizes electronic delivery of any of the notices described in § 7003(b) of that Act.

2007 Acts, ch 41, §10, 57

Former §554.1108 transferred to §554.1105; 2007 Acts, ch 41, §48

**554.1109 Section captions.** Transferred to § 554.1107; 2007 Acts, ch 41, § 49.

**554.1110 Rules for filing and indexing.***

The secretary of state shall make and promulgate rules for all filing and indexing pursuant to this chapter and chapter 554B including but not limited to rules on whether statements and documents shall be indexed in real estate records.

[C71, 73, 75, 77, 79, 81, §554.1110]

*This caption supplied by Code editor

## PART 2

## GENERAL DEFINITIONS AND PRINCIPLES OF INTERPRETATION

**554.1201 General definitions.**

1. Unless the context otherwise requires, words or phrases defined in this section, or in

the additional definitions contained in other Articles of this chapter that apply to particular Articles or Parts thereof, have the meanings stated.

2. Subject to definitions contained in other Articles of this chapter that apply to particular Articles or Parts thereof:

*a.* *"Action"* in the sense of a judicial proceeding, includes recoupment, counterclaim, setoff, suit in equity, and any other proceedings in which rights are determined.

*b.* *"Aggrieved party"* means a party entitled to pursue a remedy.

*c.* *"Agreement"*, as distinguished from "contract", means the bargain of the parties in fact, as found in their language or inferred from other circumstances, including course of performance, course of dealing, or usage of trade as provided in section 554.1303.

*d.* *"Bank"* means a person engaged in the business of banking and includes a savings bank, savings and loan association, credit union, and trust company.

*e.* *"Bearer"* means a person in control of a negotiable electronic document of title or a person in possession of a negotiable instrument, negotiable tangible document of title, or certificated security that is payable to bearer or indorsed in blank.

*f.* *"Bill of lading"* means a document of title evidencing the receipt of goods for shipment issued by a person engaged in the business of directly or indirectly transporting or forwarding goods. The term does not include a warehouse receipt.

*g.* *"Branch"* includes a separately incorporated foreign branch of a bank.

*h.* *"Burden of establishing"* a fact means the burden of persuading the trier of fact that the existence of the fact is more probable than its nonexistence.

*i.* *"Buyer in ordinary course of business"* means a person that buys goods in good faith, without knowledge that the sale violates the rights of another person in the goods, and in the ordinary course from a person, other than a pawnbroker, in the business of selling goods of that kind. A person buys goods in the ordinary course if the sale to the person comports with the usual or customary practices in the kind of business in which the seller is engaged or with the seller's own usual or customary practices. A person that sells oil, gas, or other minerals at the wellhead or minehead is a person in the business of selling goods of that kind. A buyer in ordinary course of business may buy for cash, by exchange of other property, or on secured or unsecured credit, and may acquire goods or documents of title under a preexisting contract for sale. Only a buyer that takes possession of the goods or has a right to recover the goods from the seller under Article 2 may be a buyer in ordinary course of business. *"Buyer in ordinary course of business"* does not include a person that acquires goods in a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

*j.* *"Conspicuous"*, with reference to a term, means so written, displayed, or presented that a reasonable person against which it is to operate ought to have noticed it. Whether a term is *"conspicuous"* or not is a decision for the court. Conspicuous terms include the following:

(1) a heading in capitals equal to or greater in size than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same or lesser size; and

(2) language in the body of a record or display in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from surrounding text of the same size by symbols or other marks that call attention to the language.

*k.* *"Consumer"* means an individual who enters into a transaction primarily for personal, family, or household purposes.

*l.* *"Contract"*, as distinguished from "agreement", means the total legal obligation that results from the parties' agreement as determined by this chapter as supplemented by any other applicable laws.

*m.* *"Creditor"* includes a general creditor, a secured creditor, a lien creditor, and any representative of creditors, including an assignee for the benefit of creditors, a trustee in bankruptcy, a receiver in equity, and an executor or administrator of an insolvent debtor's or assignor's estate.

*n.* *"Defendant"* includes a person in the position of defendant in a counterclaim, cross-claim, or third-party claim.

*o.* *"Delivery"*, with respect to an electronic document of title means voluntary transfer

of control and with respect to an instrument, a tangible document of title, or chattel paper, means voluntary transfer of possession.

*p.* *"Document of title"* means a record that in the regular course of business or financing is treated as adequately evidencing that the person in possession or control of the record is entitled to receive, control, hold, and dispose of the record and the goods the record covers and that purports to be issued by or addressed to a bailee and to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass. The term includes a bill of lading, transport document, dock warrant, dock receipt, warehouse receipt, and order for delivery of goods. An electronic document of title means a document of title evidenced by a record consisting of information stored in an electronic medium. A tangible document of title means a document of title evidenced by a record consisting of information that is inscribed on a tangible medium.

*q.* *"Fault"* means a default, breach, or wrongful act or omission.

*r.* *"Fungible goods"* means:

(1) goods of which any unit, by nature or usage of trade, is the equivalent of any other like unit; or

(2) goods that by agreement are treated as equivalent.

*s.* *"Genuine"* means free of forgery or counterfeiting.

*t.* *"Good faith"*, except as otherwise provided in Article 5, means honesty in fact and the observance of reasonable commercial standards of fair dealing.

*u.* *"Holder"* means:

(1) the person in possession of a negotiable instrument that is payable either to bearer or to an identified person that is the person in possession;

(2) the person in possession of a negotiable tangible document of title if the goods are deliverable either to bearer or to the order of the person in possession; or

(3) the person in control of a negotiable electronic document of title.

*v.* *"Insolvency proceeding"* includes any assignment for the benefit of creditors or other proceeding intended to liquidate or rehabilitate the estate of the person involved.

*w.* *"Insolvent"* means:

(1) having generally ceased to pay debts in the ordinary course of business other than as a result of a bona fide dispute;

(2) being unable to pay debts as they become due; or

(3) being insolvent within the meaning of federal bankruptcy law.

*x.* *"Money"* means a medium of exchange currently authorized or adopted by a domestic or foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more countries.

*y.* *"Organization"* means a person other than an individual.

*z.* *"Party"*, as distinguished from "third party", means a person that has engaged in a transaction or made an agreement subject to this chapter.

*aa.* *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, public corporation, or any other legal or commercial entity.

*ab.* *"Present value"* means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain by use of either an interest rate specified by the parties if that rate is not manifestly unreasonable at the time the transaction is entered into or, if an interest rate is not so specified, a commercially reasonable rate that takes into account the facts and circumstances at the time the transaction is entered into.

*ac.* *"Purchase"* means taking by sale, lease, discount, negotiation, mortgage, pledge, lien, security interest, issue or reissue, gift, or any other voluntary transaction creating an interest in property.

*ad.* *"Purchaser"* means a person who takes by purchase.

*ae.* *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

*af.* *"Remedy"* means any remedial right to which an aggrieved party is entitled with or without resort to a tribunal.

*ag.* *"Representative"* means a person empowered to act for another, including an agent, an officer of a corporation or association, and a trustee, executor, or administrator of an estate.

*ah.* *"Right"* includes remedy.

*ai.* *"Security interest"* means an interest in personal property or fixtures which secures payment or performance of an obligation. *"Security interest"* includes any interest of a consignor and a buyer of accounts, chattel paper, a payment intangible, or a promissory note in a transaction that is subject to Article 9. *"Security interest"* does not include the special property interest of a buyer of goods on identification of those goods to a contract for sale under section 554.2401, but a buyer may also acquire a *"security interest"* by complying with Article 9. Except as otherwise provided in section 554.2505, the right of a seller or lessor of goods under Article 2 or 13 to retain or acquire possession of the goods is not a *"security interest"*, but a seller or lessor may also acquire a *"security interest"* by complying with Article 9. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer under section 554.2401 is limited in effect to a reservation of a *"security interest"*. Whether a transaction in the form of a lease creates a *"security interest"* is determined pursuant to section 554.1203.

*aj.* *"Send"* in connection with a writing, record, or notice means:

(1) to deposit in the mail or deliver for transmission by any other usual means of communication with postage or cost of transmission provided for and properly addressed and, in the case of an instrument, to an address specified thereon or otherwise agreed, or if there be none to any address reasonable under the circumstances; or

(2) in any other way to cause to be received any record or notice within the time it would have arrived if properly sent.

*ak.* *"Signed"* includes using any symbol executed or adopted with present intention to adopt or accept a writing.

*al.* *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

*am.* *"Surety"* includes a guarantor or other secondary obligor.

*an.* *"Term"* means that portion of an agreement that relates to a particular matter.

*ao.* *"Unauthorized signature"* means a signature made without actual, implied, or apparent authority. The term includes a forgery.

*ap.* *"Warehouse receipt"* means a document of title issued by a person engaged in the business of storing goods for hire.

*aq.* *"Writing"* includes printing, typewriting, or any other intentional reduction to tangible form. *"Written"* has a corresponding meaning.

[S13, §1889-a, 3060-a6, -a25, -a27, -a56, -a191, 3138-a1, -a58, -b, -b52; C24, 27, 31, 35, 39, §**8245, 8297, 9266, 9466, 9485 – 9487, 9516, 9652, 9661, 9718, 9932, 9934, 9935, 10000, 10005;** C46, 50, 54, 58, 62, §487.1, 487.54, 528.61, 541.6, 541.25 – 541.27, 541.56, 541.192, 542.1, 542.58, 554.3, 554.6, 554.7, 554.72, 554.77; C50, 54, 58, 62, §493A.22; C58, 62, §539.12; C66, 71, 73, 75, 77, 79, 81, §554.1201]

89 Acts, ch 113, §54; 94 Acts, ch 1052, §3; 94 Acts, ch 1167, §6, 122; 2000 Acts, ch 1149, §138, 139, 187; 2007 Acts, ch 30, §45 – 47; 2007 Acts, ch 41, §11, 43, 44; 2007 Acts, ch 215, §262; 2013 Acts, ch 30, §261

Referred to in §123A.2, 537.3603, 554.3103, 554.12105, 554.13103, 554D.118

Code editor directive applied

**554.1202 Notice — knowledge.**

1. Subject to subsection 6, a person has *"notice"* of a fact if the person:

*a.* has actual knowledge of it;

*b.* has received a notice or notification of it; or

*c.* from all the facts and circumstances known to the person at the time in question, has reason to know that it exists.

2. *"Knowledge"* means actual knowledge. *"Knows"* has a corresponding meaning.

3. *"Discover"*, *"learn"*, or words of similar import refer to knowledge rather than to reason to know.

4. A person *"notifies"* or *"gives"* a notice or notification to another person by taking such steps as may be reasonably required to inform the other person in ordinary course, whether or not the other person actually comes to know of it.

5. Subject to subsection 6, a person *"receives"* a notice or notification when:

*a.* it comes to that person's attention; or

*b.* it is duly delivered in a form reasonable under the circumstances at the place of business through which the contract was made or at another location held out by that person as the place for receipt of such communications.

6. Notice, knowledge, or a notice or notification received by an organization is effective for a particular transaction from the time it is brought to the attention of the individual conducting that transaction and, in any event, from the time it would have been brought to the individual's attention if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routines. Due diligence does not require an individual acting for the organization to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.

2007 Acts, ch 41, §13, 57

Referred to in §554.12106

Former §554.1202 transferred to §554.1307; 2007 Acts, ch 41, §50

**554.1203 Lease distinguished from security interest.**

1. Whether a transaction in the form of a lease creates a lease or security interest is determined by the facts of each case.

2. A transaction in the form of a lease creates a security interest if the consideration that the lessee is to pay the lessor for the right to possession and use of the goods is an obligation for the term of the lease and is not subject to termination by the lessee, and:

*a.* the original term of the lease is equal to or greater than the remaining economic life of the goods;

*b.* the lessee is bound to renew the lease for the remaining economic life of the goods or is bound to become the owner of the goods;

*c.* the lessee has an option to renew the lease for the remaining economic life of the goods for no additional consideration or for nominal additional consideration upon compliance with the lease agreement; or

*d.* the lessee has an option to become the owner of the goods for no additional consideration or for nominal additional consideration upon compliance with the lease agreement.

3. A transaction in the form of a lease does not create a security interest merely because:

*a.* the present value of the consideration the lessee is obligated to pay the lessor for the right to possession and use of the goods is substantially equal to or is greater than the fair market value of the goods at the time the lease is entered into;

*b.* the lessee assumes risk of loss of the goods;

*c.* the lessee agrees to pay, with respect to the goods, taxes, insurance, filing, recording, or registration fees, or service or maintenance costs;

*d.* the lessee has an option to renew the lease or to become the owner of the goods;

*e.* the lessee has an option to renew the lease for a fixed rent that is equal to or greater than the reasonably predictable fair market rent for the use of the goods for the term of the renewal at the time the option is to be performed; or

*f.* the lessee has an option to become the owner of the goods for a fixed price that is equal to or greater than the reasonably predictable fair market value of the goods at the time the option is to be performed.

4. Additional consideration is nominal if it is less than the lessee's reasonably predictable cost of performing under the lease agreement if the option is not exercised. Additional consideration is not nominal if:

*a.* when the option to renew the lease is granted to the lessee, the rent is stated to be the

fair market rent for the use of the goods for the term of the renewal determined at the time the option is to be performed; or

*b.* when the option to become the owner of the goods is granted to the lessee, the price is stated to be the fair market value of the goods determined at the time the option is to be performed.

5. The "remaining economic life of the goods" and "reasonably predictable" fair market rent, fair market value, or cost of performing under the lease agreement must be determined with reference to the facts and circumstances at the time the transaction is entered into.

2007 Acts, ch 41, §14, 57
Referred to in §554.1201
Former §554.1203 transferred to §554.1304; 2007 Acts, ch 41, §51

**554.1204 Value.**

Except as otherwise provided in Articles 3, 4, and 5, a person gives value for rights if the person acquires them:

1. in return for a binding commitment to extend credit or for the extension of immediately available credit, whether or not drawn upon and whether or not a charge-back is provided for in the event of difficulties in collection;
2. as security for, or in total or partial satisfaction of, a preexisting claim;
3. by accepting delivery under a preexisting contract for purchase; or
4. in return for any consideration sufficient to support a simple contract.

2007 Acts, ch 41, §16, 57
Former §554.1204 transferred to §554.1205; 2007 Acts, ch 41, §52

**554.1205 Reasonable time — seasonableness.**

1. Whether a time for taking an action required by this chapter is reasonable depends on the nature, purpose, and circumstances of the action.
2. An action is taken seasonably if it is taken at or within the time agreed or, if no time is agreed, at or within a reasonable time.

[S13, §3060-a193; C24, 27, 31, 35, 39, §**9654, 9972;** C46, 50, 54, 58, 62, §541.194, 554.44; C66, 71, 73, 75, 77, 79, 81, §554.1204]

2007 Acts, ch 41, §15, 52
CS2007, §554.1205
Former §554.1205 transferred to §554.1303; 2007 Acts, ch 41, §53

**554.1206 Presumptions.**

Whenever this chapter creates a "*presumption*" with respect to a fact, or provides that a fact is "*presumed*", the trier of fact must find the existence of the fact unless and until evidence is introduced that supports a finding of its nonexistence.

2007 Acts, ch 41, §18, 57
Former §554.1206 repealed by 2007 Acts, ch 41, §59

**554.1207 Performance or acceptance under reservation of rights.** Transferred to § 554.1308; 2007 Acts, ch 41, § 54.

**554.1208 Option to accelerate at will.** Transferred to § 554.1309; 2007 Acts, ch 41, § 55.

**554.1209 Subordinated obligations.** Transferred to § 554.1310; 2007 Acts, ch 41, § 56.

## PART 3

## TERRITORIAL APPLICABILITY AND GENERAL RULES

**554.1301 Territorial applicability — parties' power to choose applicable law.**

1. Except as otherwise provided in this section, when a transaction bears a reasonable

relation to this state and also to another state or nation the parties may agree that the law either of this state or of such other state or nation shall govern their rights and duties.

2. In the absence of an agreement effective under subsection 1, and except as provided in subsection 3, this chapter applies to transactions bearing an appropriate relation to this state.

3. If one of the following provisions of this chapter specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law so specified:

*a.* Section 554.2402;

*b.* Section 554.4102;

*c.* Section 554.5116;

*d.* Section 554.8110;

*e.* Sections 554.9301 through 554.9307;

*f.* Section 554.12507;

*g.* Sections 554.13105 and 554.13106.

[C66, 71, 73, 75, 77, 79, 81, §554.1105]

92 Acts, ch 1146, §39; 94 Acts, ch 1052, §2; 94 Acts, ch 1121, §3; 96 Acts, ch 1026, §19; 96 Acts, ch 1138, §5, 84; 2000 Acts, ch 1149, §137, 187; 2007 Acts, ch 41, §5, 45

CS2007, §554.1301

**554.1302 Variation by agreement.**

1. Except as otherwise provided in subsection 2 or elsewhere in this chapter, the effect of provisions of this chapter may be varied by agreement.

2. The obligations of good faith, diligence, reasonableness, and care prescribed by this chapter may not be disclaimed by agreement. The parties, by agreement, may determine the standards by which the performance of those obligations is to be measured if those standards are not manifestly unreasonable. Whenever this chapter requires an action to be taken within a reasonable time, a time that is not manifestly unreasonable may be fixed by agreement.

3. The presence in certain provisions of this chapter of the phrase "unless otherwise agreed", or words of similar import, does not imply that the effect of other provisions may not be varied by agreement under this section.

2007 Acts, ch 41, §22

Referred to in §554.5103, 554.12204, 554.13518, 554.13519, 554.13527, 554.13528

**554.1303 Course of performance, course of dealing, and usage of trade.**

1. A *"course of performance"* is a sequence of conduct between the parties to a particular transaction that exists if:

*a.* the agreement of the parties with respect to the transaction involves repeated occasions for performance by a party; and

*b.* the other party, with knowledge of the nature of the performance and opportunity for objection to it, accepts the performance or acquiesces in it without objection.

2. A *"course of dealing"* is a sequence of conduct concerning previous transactions between the parties to a particular transaction that is fairly to be regarded as establishing a common basis of understanding for interpreting their expressions and other conduct.

3. A *"usage of trade"* is any practice or method of dealing having such regularity of observance in a place, vocation, or trade as to justify an expectation that it will be observed with respect to the transaction in question. The existence and scope of such a usage must be proved as facts. If it is established that such a usage is embodied in a trade code or similar record, the interpretation of the record is a question of law.

4. A course of performance or course of dealing between the parties or usage of trade in the vocation or trade in which they are engaged or of which they are or should be aware is relevant in ascertaining the meaning of the parties' agreement, may give particular meaning to specific terms of the agreement, and may supplement or qualify the terms of the agreement. A usage of trade applicable in the place in which part of the performance under the agreement is to occur may be so utilized as to that part of the performance.

5. Except as otherwise provided in subsection 6, the express terms of an agreement and

any applicable course of dealing, or usage of trade must be construed wherever reasonable as consistent with each other. If such a construction is unreasonable:

*a.* express terms prevail over course of performance, course of dealing, and usage of trade;

*b.* course of performance prevails over course of dealing and usage of trade; and

*c.* course of dealing prevails over usage of trade.

6. Subject to section 554.2209, a course of performance is relevant to show a waiver or modification of any term inconsistent with the course of performance.

7. Evidence of a relevant usage of trade offered by one party is not admissible unless that party has given the other party notice that the court finds sufficient to prevent unfair surprise to the other party.

[C24, 27, 31, 35, 39, §**9938, 9944, 9947, 10000;** C46, 50, 54, 58, 62, §554.10, 554.16, 554.19, 554.72; C66, 71, 73, 75, 77, 79, 81, §554.1205]

2007 Acts, ch 41, §17, 53

CS2007, §554.1303

Referred to in §554.1201, 554.2202

**554.1304 Obligation of good faith.**

Every contract or duty within this chapter imposes an obligation of good faith in its performance or enforcement.

[C66, 71, 73, 75, 77, 79, 81, §554.1203]

2007 Acts, ch 41, §51

CS2007, §554.1304

**554.1305 Remedies to be liberally administered.**

1. The remedies provided by this chapter must be liberally administered to the end that the aggrieved party may be put in as good a position as if the other party had fully performed but neither consequential or special damages nor penal damages may be had except as specifically provided in this chapter or by other rule of law.

2. Any right or obligation declared by this chapter is enforceable by action unless the provision declaring it specifies a different and limited effect.

[C24, 27, 31, 35, 39, §**10001;** C46, 50, 54, 58, 62, §554.73; C66, 71, 73, 75, 77, 79, 81, §554.1106]

2007 Acts, ch 41, §6, 46

CS2007, §554.1305

Referred to in §554.13501

**554.1306 Waiver or renunciation of claim or right after breach.**

A claim or right arising out of an alleged breach may be discharged in whole or in part without consideration by agreement of the aggrieved party in an authenticated record.

[S13, §3060-a118, -a122; SS15, §3060-a120; C24, 27, 31, 35, 39, §**9579, 9581, 9583;** C46, 50, 54, 58, 62, §541.119, 541.121, 541.123; C66, 71, 73, 75, 77, 79, 81, §554.1107]

2007 Acts, ch 41, §8, 47

CS2007, §554.1306

Referred to in §554D.104

**554.1307 Prima facie evidence by third-party documents.**

A document in due form purporting to be a bill of lading, policy or certificate of insurance, official weigher's or inspector's certificate, consular invoice, or any other document authorized or required by the contract to be issued by a third party is prima facie evidence of its own authenticity and genuineness and of the facts stated in the document by the third party.

[C66, 71, 73, 75, 77, 79, 81, §554.1202]

2007 Acts, ch 41, §12, 50

CS2007, §554.1307

**554.1308 Performance or acceptance under reservation of rights.**

1. A party that with explicit reservation of rights performs or promises performance or

assents to performance in a manner demanded or offered by the other party does not thereby prejudice the rights reserved. Such words as "without prejudice", "under protest", or the like are sufficient.

2. Subsection 1 does not apply to an accord and satisfaction.

[C66, 71, 73, 75, 77, 79, 81, §554.1207]
94 Acts, ch 1167, §7, 122; 2007 Acts, ch 41, §19, 54
CS2007, §554.1308

**554.1309 Option to accelerate at will.**

A term providing that one party or that party's successor in interest may accelerate payment or performance or require collateral or additional collateral "at will" or when the party "deems itself insecure" or words of similar import, means that that party has power to do so only if that party in good faith believes that the prospect of payment or performance is impaired. The burden of establishing lack of good faith is on the party against which the power has been exercised.

[C66, 71, 73, 75, 77, 79, 81, §554.1208]
2007 Acts, ch 41, §20, 55
CS2007, §554.1309

**554.1310 Subordinated obligations.**

An obligation may be issued as subordinated to performance of another obligation of the person obligated, or a creditor may subordinate its right to performance of an obligation by agreement with either the person obligated or another creditor of the person obligated. Subordination does not create a security interest as against either the common debtor or a subordinated creditor.

[C75, 77, 79, 81, §554.1209]
2007 Acts, ch 41, §21, 56
CS2007, §554.1310

## ARTICLE 2

## SALES

Referred to in §554.1201, 554.7509, 554.9110, 554.9203, 554.9322, 554D.104

## PART 1

## SHORT TITLE, GENERAL CONSTRUCTION, AND SUBJECT MATTER

**554.2101 Short title.**

This Article shall be known and may be cited as Uniform Commercial Code — Sales.

[C66, 71, 73, 75, 77, 79, 81, §554.2101]

**554.2102 Scope — certain security and other transactions excluded from this Article.**

Unless the context otherwise requires, this Article applies to transactions in goods; it does not apply to any transaction which although in the form of an unconditional contract to sell or present sale is intended to operate only as a security transaction nor does this Article impair or repeal any statute regulating sales to consumers, farmers or other specified classes of buyers.

[C24, 27, 31, 35, 39, §**10004;** C46, 50, 54, 58, 62, §554.76; C66, 71, 73, 75, 77, 79, 81, §554.2102]

**554.2103 Definitions and index of definitions.**

1. In this Article unless the context otherwise requires

*a.* "*Buyer*" means a person who buys or contracts to buy goods.

*b.* Reserved.

*c.* *"Receipt"* of goods means taking physical possession of them.

*d.* *"Seller"* means a person who sells or contracts to sell goods.

2. Other definitions applying to this Article or to specified Parts thereof, and the sections in which they appear are:

*a.* "Acceptance" ..... Section 554.2606
*b.* "Banker's credit" ..... Section 554.2325
*c.* "Between merchants" ..... Section 554.2104
*d.* "Cancellation" ..... Section 554.2106(4)
*e.* "Commercial unit" ..... Section 554.2105
*f.* "Confirmed credit"..... Section 554.2325
*g.* "Conforming to contract"..... Section 554.2106
*h.* "Contract for sale" ..... Section 554.2106
*i.* "Cover" ..... Section 554.2712
*j.* "Entrusting"..... Section 554.2403
*k.* "Financing agency" ..... Section 554.2104
*l.* "Future goods" ..... Section 554.2105
*m.* "Goods" ..... Section 554.2105
*n.* "Identification" ..... Section 554.2501
*o.* "Installment contract" ..... Section 554.2612
*p.* "Letter of credit" ..... Section 554.2325
*q.* "Lot"..... Section 554.2105
*r.* "Merchant" ..... Section 554.2104
*s.* "Overseas" ..... Section 554.2323
*t.* "Person in position of seller"..... Section 554.2707
*u.* "Present sale"..... Section 554.2106
*v.* "Sale"..... Section 554.2106
*w.* "Sale on approval" ..... Section 554.2326
*x.* "Sale or return"..... Section 554.2326
*y.* "Termination" ..... Section 554.2106

3. The following definitions in other Articles apply to this Article:

*a.* "Check".....Section 554.3104
*b.* "Consignee".....Section 554.7102
*c.* "Consignor".....Section 554.7102
*d.* "Consumer goods".....Section 554.9102
*e.* "Control".....Section 554.7106
*f.* "Dishonor".....Section 554.3502
*g.* "Draft" .....Section 554.3104

4. In addition Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

[C24, 27, 31, 35, 39, §**10005;** C46, 50, 54, 58, 62, §554.77; C66, 71, 73, 75, 77, 79, 81, §554.2103]

94 Acts, ch 1167, §8, 122; 2000 Acts, ch 1149, §140, 187; 2007 Acts, ch 30, §45, 46, 48; 2007 Acts, ch 41, §23; 2012 Acts, ch 1023, §144, 157

Referred to in §554.7102, 554.13103

**554.2104 Definitions: "merchant" — "between merchants" — "financing agency".**

1. *"Merchant"* means a person who deals in goods of the kind or otherwise by the person's occupation holds that person out as having knowledge or skill peculiar to the practices or goods involved in the transaction or to whom such knowledge or skill may be attributed by the person's employment of an agent or broker or other intermediary who by the intermediary's occupation holds the intermediary out as having such knowledge or skill.

2. *"Financing agency"* means a bank, finance company or other person who in the ordinary course of business makes advances against goods or documents of title or who by arrangement with either the seller or the buyer intervenes in ordinary course to make or collect payment due or claimed under the contract for sale, as by purchasing or paying the

seller's draft or making advances against it or by merely taking it for collection whether or not documents of title accompany or are associated with the draft. "Financing agency" includes also a bank or other person who similarly intervenes between persons who are in the position of seller and buyer in respect to the goods (section 554.2707).

3. *"Between merchants"* means in any transaction with respect to which both parties are chargeable with the knowledge or skill of merchants.

[S13, §3138-b34, -b36; C24, 27, 31, 35, 39, §**8279, 8281;** C46, 50, 54, 58, 62, §487.35, 487.37; C66, 71, 73, 75, 77, 79, 81, §554.2104]

2007 Acts, ch 30, §45, 46, 49

Referred to in §546A.1, 554.2103, 554.9102, 554.13103

**554.2105 Definitions: transferability — "goods" — "future" goods — "lot" — "commercial unit".**

1. *"Goods"* means all things (including specially manufactured goods) which are movable at the time of identification to the contract for sale other than the money in which the price is to be paid, investment securities (Article 8) and things in action. "Goods" also includes the unborn young of animals and growing crops and other identified things attached to realty as described in the section on goods to be severed from realty (section 554.2107).

2. Goods must be both existing and identified before any interest in them can pass. Goods which are not both existing and identified are "future" goods. A purported present sale of future goods or of any interest therein operates as a contract to sell.

3. There may be a sale of a part interest in existing identified goods.

4. An undivided share in an identified bulk of fungible goods is sufficiently identified to be sold although the quantity of the bulk is not determined. Any agreed proportion of such a bulk or any quantity thereof agreed upon by number, weight or other measure may to the extent of the seller's interest in the bulk be sold to the buyer who then becomes an owner in common.

5. *"Lot"* means a parcel or a single article which is the subject matter of a separate sale or delivery, whether or not it is sufficient to perform the contract.

6. *"Commercial unit"* means such a unit of goods as by commercial usage is a single whole for purposes of sale and division of which materially impairs its character or value on the market or in use. A commercial unit may be a single article (as a machine) or a set of articles (as a suite of furniture or an assortment of sizes) or a quantity (as a bale, gross, or carload) or any other unit treated in use or in the relevant market as a single whole.

[C24, 27, 31, 35, 39, §**9934, 9935, 10005;** C46, 50, 54, 58, 62, §554.6, 554.7, 554.77; C66, 71, 73, 75, 77, 79, 81, §554.2105]

Referred to in §537.1301, 554.2103

**554.2106 Definitions: "contract" — "agreement" — "contract for sale" — "sale" — "present sale" — "conforming" to contract — "termination" — "cancellation".**

1. In this Article unless the context otherwise requires "contract" and "agreement" are limited to those relating to the present or future sale of goods. *"Contract for sale"* includes both a present sale of goods and a contract to sell goods at a future time. A "sale" consists in the passing of title from the seller to the buyer for a price (section 554.2401). A "present sale" means a sale which is accomplished by the making of the contract.

2. Goods or conduct including any part of a performance are *"conforming"* or conform to the contract when they are in accordance with the obligations under the contract.

3. *"Termination"* occurs when either party pursuant to a power created by agreement or law puts an end to the contract otherwise than for its breach. On "termination" all obligations which are still executory on both sides are discharged but any right based on prior breach or performance survives.

4. *"Cancellation"* occurs when either party puts an end to the contract for breach by the other and its effect is the same as that of "termination" except that the canceling party also retains any remedy for breach of the whole contract or any unperformed balance.

[C24, 27, 31, 35, 39, §**9930, 9940;** C46, 50, 54, 58, 62, §554.1, 554.12; C66, 71, 73, 75, 77, 79, 81, §554.2106]

Referred to in §554.2103, 554.7102, 554.9102, 554.13103

**554.2107 Goods to be severed from realty: recording.**

1. A contract for the sale of minerals or the like (including oil and gas) or a structure or its materials to be removed from realty is a contract for the sale of goods within this Article if they are to be severed by the seller but until severance a purported present sale thereof which is not effective as a transfer of an interest in land is effective only as a contract to sell.

2. A contract for the sale apart from the land of growing crops or other things attached to realty and capable of severance without material harm thereto but not described in subsection 1 or of timber to be cut is a contract for the sale of goods within this Article whether the subject matter is to be severed by the buyer or by the seller even though it forms part of the realty at the time of contracting, and the parties can by identification effect a present sale before severance.

3. The provisions of this section are subject to any third party rights provided by the law relating to realty records, and the contract for sale may be executed and recorded as a document transferring an interest in land and shall then constitute notice to third parties of the buyer's rights under the contract for sale.

[C24, 27, 31, 35, 39, §**10005;** C46, 50, 54, 58, 62, §554.77; C66, 71, 73, 75, 77, 79, 81, §554.2107]

Referred to in §554.2105

## PART 2

## FORM, FORMATION, AND READJUSTMENT OF CONTRACT

**554.2201 Formal requirements — statute of frauds.**

1. Except as otherwise provided in this section a contract for the sale of goods for the price of five hundred dollars or more is not enforceable by way of action or defense unless there is some writing sufficient to indicate that a contract for sale has been made between the parties and signed by the party against whom enforcement is sought or by that party's authorized agent or broker. A writing is not insufficient because it omits or incorrectly states a term agreed upon but the contract is not enforceable under this paragraph beyond the quantity of goods shown in such writing.

2. Between merchants if within a reasonable time a writing in confirmation of the contract and sufficient against the sender is received and the party receiving it has reason to know its contents, it satisfies the requirements of subsection 1 against such party unless written notice of objection to its contents is given within ten days after it is received.

3. A contract which does not satisfy the requirements of subsection 1 but which is valid in other respects is enforceable

*a.* if the goods are to be specially manufactured for the buyer and are not suitable for sale to others in the ordinary course of the seller's business and the seller, before notice of repudiation is received and under circumstances which reasonably indicate that the goods are for the buyer, has made either a substantial beginning of their manufacture or commitments for their procurement; or

*b.* if the party against whom enforcement is sought admits in that party's pleading, testimony or otherwise in court that a contract for sale was made, but the contract is not enforceable under this provision beyond the quantity of goods admitted; or

*c.* with respect to goods for which payment has been made and accepted or which have been received and accepted (section 554.2606).

[C24, 27, 31, 35, 39, §**9933;** C46, 50, 54, 58, 62, §554.4; C66, 71, 73, 75, 77, 79, 81, §554.2201]

Referred to in §554.2209, 554.2326

**554.2202 Final written expression — parol or extrinsic evidence.**

Terms with respect to which the confirmatory memoranda of the parties agree or which are otherwise set forth in a writing intended by the parties as a final expression of their agreement with respect to such terms as are included therein may not be contradicted

by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented

1. by course of performance, course of dealing, or usage of trade (section 554.1303); and

2. by evidence of consistent additional terms unless the court finds the writing to have been intended also as a complete and exclusive statement of the terms of the agreement.

[C66, 71, 73, 75, 77, 79, 81, §554.2202]

2007 Acts, ch 41, §24

Referred to in §554.2316, 554.2326, 715B.2

**554.2203 Seals inoperative.**

The affixing of a seal to a writing evidencing a contract for sale or an offer to buy or sell goods does not constitute the writing a sealed instrument and the law with respect to sealed instruments does not apply to such a contract or offer.

[C24, 27, 31, 35, 39, §**9932;** C46, 50, 54, 58, 62, §554.3; C66, 71, 73, 75, 77, 79, 81, §554.2203]

**554.2204 Formation in general.**

1. A contract for sale of goods may be made in any manner sufficient to show agreement, including conduct by both parties which recognizes the existence of such a contract.

2. An agreement sufficient to constitute a contract for sale may be found even though the moment of its making is undetermined.

3. Even though one or more terms are left open a contract for sale does not fail for indefiniteness if the parties have intended to make a contract and there is a reasonably certain basis for giving an appropriate remedy.

[C24, 27, 31, 35, 39, §**9930, 9932;** C46, 50, 54, 58, 62, §554.1, 554.3; C66, 71, 73, 75, 77, 79, 81, §554.2204]

Referred to in §554.2311

**554.2205 Firm offers.**

An offer by a merchant to buy or sell goods in a signed writing which by its terms gives assurance that it will be held open is not revocable, for lack of consideration, during the time stated or if no time is stated for a reasonable time, but in no event may such period of irrevocability exceed three months; but any such term of assurance on a form supplied by the offeree must be separately signed by the offeror.

[C24, 27, 31, 35, 39, §**9930, 9932;** C46, 50, 54, 58, 62, §554.1, 554.3; C66, 71, 73, 75, 77, 79, 81, §554.2205]

**554.2206 Offer and acceptance in formation of contract.**

1. Unless otherwise unambiguously indicated by the language or circumstances

*a.* an offer to make a contract shall be construed as inviting acceptance in any manner and by any medium reasonable in the circumstances;

*b.* an order or other offer to buy goods for prompt or current shipment shall be construed as inviting acceptance either by a prompt promise to ship or by the prompt or current shipment of conforming or nonconforming goods, but such a shipment of nonconforming goods does not constitute an acceptance if the seller seasonably notifies the buyer that the shipment is offered only as an accommodation to the buyer.

2. Where the beginning of a requested performance is a reasonable mode of acceptance an offeror who is not notified of acceptance within a reasonable time may treat the offer as having lapsed before acceptance.

[C24, 27, 31, 35, 39, §**9930, 9932;** C46, 50, 54, 58, 62, §554.1, 554.3; C66, 71, 73, 75, 77, 79, 81, §554.2206]

**554.2207 Additional terms in acceptance or confirmation.**

1. A definite and seasonable expression of acceptance or a written confirmation which is sent within a reasonable time operates as an acceptance even though it states terms additional to or different from those offered or agreed upon, unless acceptance is expressly made conditional on assent to the additional or different terms.

2. The additional terms are to be construed as proposals for addition to the contract. Between merchants such terms become part of the contract unless:

*a.* the offer expressly limits acceptance to the terms of the offer;

*b.* they materially alter it; or

*c.* notification of objection to them has already been given or is given within a reasonable time after notice of them is received.

3. Conduct by both parties which recognizes the existence of a contract is sufficient to establish a contract for sale although the writings of the parties do not otherwise establish a contract. In such case the terms of the particular contract consist of those terms on which the writings of the parties agree, together with any supplementary terms incorporated under any other provisions of this chapter.

[C24, 27, 31, 35, 39, §**9930, 9932;** C46, 50, 54, 58, 62, §554.1, 554.3; C66, 71, 73, 75, 77, 79, 81, §554.2207]

**554.2208 Course of performance or practical construction.** Repealed by 2007 Acts, ch 41, § 60. See § 554.1303.

**554.2209 Modification, rescission and waiver.**

1. An agreement modifying a contract within this Article needs no consideration to be binding.

2. A signed agreement which excludes modification or rescission except by a signed writing cannot be otherwise modified or rescinded, but except as between merchants such a requirement on a form supplied by the merchant must be separately signed by the other party.

3. The requirements of the statute of frauds section of this Article (section 554.2201) must be satisfied if the contract as modified is within its provisions.

4. Although an attempt at modification or rescission does not satisfy the requirements of subsection 2 or 3 it can operate as a waiver.

5. A party who has made a waiver affecting an executory portion of the contract may retract the waiver by reasonable notification received by the other party that strict performance will be required of any term waived, unless the retraction would be unjust in view of a material change of position in reliance on the waiver.

[C24, 27, 31, 35, 39, §**9990;** C46, 50, 54, 58, 62, §554.62; C66, 71, 73, 75, 77, 79, 81, §554.2209]

Referred to in §554.1303

**554.2210 Delegation of performance — assignment of rights.**

1. A party may perform that party's duty through a delegate unless otherwise agreed or unless the other party has a substantial interest in having the original promisor perform or control the acts required by the contract. No delegation of performance relieves the party delegating of any duty to perform or any liability for breach.

2. Except as otherwise provided in section 554.9406, unless otherwise agreed all rights of either seller or buyer can be assigned except where the assignment would materially change the duty of the other party, or increase materially the burden of risk imposed on the other party by the contract, or impair materially the other party's chance of obtaining return performance. A right to damages for breach of the whole contract or a right arising out of the assignor's due performance of the assignor's entire obligation can be assigned despite agreement otherwise.

3. The creation, attachment, perfection, or enforcement of a security interest in the seller's interest under a contract is not a transfer that materially changes the duty of or increases materially the burden or risk imposed on the buyer or impairs materially the buyer's chance of obtaining return performance within the purview of subsection 2 unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the seller. Even in that event, the creation, attachment, perfection, and enforcement of the security interest remain effective, but the seller is liable to the buyer for damages caused by the delegation to the extent that the damages could not reasonably be prevented by the buyer, and a court having jurisdiction may grant other appropriate relief,

including cancellation of the contract for sale or an injunction against enforcement of the security interest or consummation of the enforcement.

4. Unless the circumstances indicate the contrary a prohibition of assignment of "the contract" is to be construed as barring only the delegation to the assignee of the assignor's performance.

5. An assignment of "the contract" or of "all my rights under the contract" or an assignment in similar general terms is an assignment of rights and unless the language or the circumstances (as in an assignment for security) indicate the contrary, it is a delegation of performance of the duties of the assignor and its acceptance by the assignee constitutes a promise by the assignee to perform those duties. This promise is enforceable by either the assignor or the other party to the original contract.

6. The other party may treat any assignment which delegates performance as creating reasonable grounds for insecurity and may without prejudice to that party's rights against the assignor demand assurances from the assignee (section 554.2609).

[C66, 71, 73, 75, 77, 79, 81, §554.2210]

2000 Acts, ch 1149, §141, 142, 187; 2013 Acts, ch 30, §261

Code editor directive applied

## PART 3

## GENERAL OBLIGATION AND CONSTRUCTION OF CONTRACT

**554.2301 General obligations of parties.**

The obligation of the seller is to transfer and deliver and that of the buyer is to accept and pay in accordance with the contract.

[C24, 27, 31, 35, 39, §**9940, 9970;** C46, 50, 54, 58, 62, §554.12, 554.42; C66, 71, 73, 75, 77, 79, 81, §554.2301]

**554.2302 Unconscionable contract or clause.**

1. If the court as a matter of law finds the contract or any clause of the contract to have been unconscionable at the time it was made the court may refuse to enforce the contract, or it may enforce the remainder of the contract without the unconscionable clause, or it may so limit the application of any unconscionable clause as to avoid any unconscionable result.

2. When it is claimed or appears to the court that the contract or any clause thereof may be unconscionable the parties shall be afforded a reasonable opportunity to present evidence as to its commercial setting, purpose and effect to aid the court in making the determination.

[C66, 71, 73, 75, 77, 79, 81, §554.2302]

**554.2303 Allocation or division of risks.**

Where this Article allocates a risk or a burden as between the parties "unless otherwise agreed", the agreement may not only shift the allocation but may also divide the risk or burden.

[C66, 71, 73, 75, 77, 79, 81, §554.2303]

**554.2304 Price payable in money, goods, realty, or otherwise.**

1. The price can be made payable in money or otherwise. If it is payable in whole or in part in goods each party is a seller of the goods which that party is to transfer.

2. Even though all or part of the price is payable in an interest in realty the transfer of the goods and the seller's obligations with reference to them are subject to this Article, but not the transfer of the interest in realty or the transferor's obligations in connection therewith.

[C24, 27, 31, 35, 39, §**9938;** C46, 50, 54, 58, 62, §554.10; C66, 71, 73, 75, 77, 79, 81, §554.2304]

**554.2305 Open price term.**

1. The parties if they so intend can conclude a contract for sale even though the price is not settled. In such a case the price is a reasonable price at the time for delivery if

*a.* nothing is said as to price; or

*b.* the price is left to be agreed by the parties and they fail to agree; or

*c.* the price is to be fixed in terms of some agreed market or other standard as set or recorded by a third person or agency and it is not so set or recorded.

2. A price to be fixed by the seller or by the buyer means a price for that party to fix in good faith.

3. When a price left to be fixed otherwise than by agreement of the parties fails to be fixed through fault of one party the other may at that party's option treat the contract as canceled or fix a reasonable price.

4. Where, however, the parties intend not to be bound unless the price be fixed or agreed and it is not fixed or agreed there is no contract. In such a case the buyer must return any goods already received or if unable so to do must pay their reasonable value at the time of delivery and the seller must return any portion of the price paid on account.

[C24, 27, 31, 35, 39, §**9938, 9939;** C46, 50, 54, 58, 62, §554.10, 554.11; C66, 71, 73, 75, 77, 79, 81, §554.2305]

**554.2306 Output, requirements and exclusive dealings.**

1. A term which measures the quantity by the output of the seller or the requirements of the buyer means such actual output or requirements as may occur in good faith, except that no quantity unreasonably disproportionate to any stated estimate or in the absence of a stated estimate to any normal or otherwise comparable prior output or requirements may be tendered or demanded.

2. A lawful agreement by either the seller or the buyer for exclusive dealing in the kind of goods concerned imposes unless otherwise agreed an obligation by the seller to use best efforts to supply the goods and by the buyer to use best efforts to promote their sale.

[C66, 71, 73, 75, 77, 79, 81, §554.2306]

**554.2307 Delivery in single lot or several lots.**

Unless otherwise agreed all goods called for by a contract for sale must be tendered in a single delivery and payment is due only on such tender but where the circumstances give either party the right to make or demand delivery in lots the price if it can be apportioned may be demanded for each lot.

[C24, 27, 31, 35, 39, §**9974;** C46, 50, 54, 58, 62, §554.46; C66, 71, 73, 75, 77, 79, 81, §554.2307]

**554.2308 Absence of specified place for delivery.**

Unless otherwise agreed

1. the place for delivery of goods is the seller's place of business or if the seller has none the seller's residence; but

2. in a contract for sale of identified goods which to the knowledge of the parties at the time of contracting are in some other place, that place is the place for their delivery; and

3. documents of title may be delivered through customary banking channels.

[C24, 27, 31, 35, 39, §**9972;** C46, 50, 54, 58, 62, §554.44; C66, 71, 73, 75, 77, 79, 81, §554.2308]

2009 Acts, ch 41, §263

**554.2309 Absence of specific time provisions — notice of termination.**

1. The time for shipment or delivery or any other action under a contract if not provided in this Article or agreed upon shall be a reasonable time.

2. Where the contract provides for successive performances but is indefinite in duration it is valid for a reasonable time but unless otherwise agreed may be terminated at any time by either party.

3. Termination of a contract by one party except on the happening of an agreed event

requires that reasonable notification be received by the other party and an agreement dispensing with notification is invalid if its operation would be unconscionable.

[C24, 27, 31, 35, 39, §**9972, 9974, 9976, 9977;** C46, 50, 54, 58, 62, §554.44, 554.46, 554.48, 554.49; C66, 71, 73, 75, 77, 79, 81, §554.2309]

**554.2310 Open time for payment or running of credit — authority to ship under reservation.**

Unless otherwise agreed

1. payment is due at the time and place at which the buyer is to receive the goods even though the place of shipment is the place of delivery; and

2. if the seller is authorized to send the goods the seller may ship them under reservation, and may tender the documents of title, but the buyer may inspect the goods after their arrival before payment is due unless such inspection is inconsistent with the terms of the contract (section 554.2513); and

3. if delivery is authorized and made by way of documents of title otherwise than by subsection 2 then payment is due regardless of where the goods are to be received at the time and place at which the buyer is to receive delivery of the tangible documents or at the time the buyer is to receive delivery of the electronic documents and at the seller's place of business or if none, the seller's residence; and

4. where the seller is required or authorized to ship the goods on credit the credit period runs from the time of shipment but post-dating the invoice or delaying its dispatch will correspondingly delay the starting of the credit period.

[C24, 27, 31, 35, 39, §**9971, 9976;** C46, 50, 54, 58, 62, §554.43, 554.48; C66, 71, 73, 75, 77, 79, 81, §554.2310]

2007 Acts, ch 30, §45, 46, 50; 2009 Acts, ch 41, §263; 2010 Acts, ch 1061, §72

**554.2311 Options and cooperation respecting performance.**

1. An agreement for sale which is otherwise sufficiently definite (subsection 3 of section 554.2204) to be a contract is not made invalid by the fact that it leaves particulars of performance to be specified by one of the parties. Any such specification must be made in good faith and within limits set by commercial reasonableness.

2. Unless otherwise agreed specifications relating to assortment of the goods are at the buyer's option and except as otherwise provided in section 554.2319, subsection 1, paragraph "*c*" and section 554.2319, subsection 3 specifications or arrangements relating to shipment are at the seller's option.

3. Where such specification would materially affect the other party's performance but is not seasonably made or where one party's cooperation is necessary to the agreed performance of the other but is not seasonably forthcoming the other party in addition to all other remedies

*a.* is excused for any resulting delay in that party's own performance; and

*b.* may also either proceed to perform in any reasonable manner or after the time for a material part of that party's own performance treat the failure to specify or to cooperate as a breach by failure to deliver or accept the goods.

[C66, 71, 73, 75, 77, 79, 81, §554.2311]

2013 Acts, ch 30, §140

Referred to in §554.2319

Subsection 2 amended

**554.2312 Warranty of title and against infringement — buyer's obligation against infringement.**

1. Subject to subsection 2 there is in a contract for sale a warranty by the seller that

*a.* the title conveyed shall be good, and its transfer rightful; and

*b.* the goods shall be delivered free from any security interest or other lien or encumbrance of which the buyer at the time of contracting has no knowledge.

2. A warranty under subsection 1 will be excluded or modified only by specific language or by circumstances which give the buyer reason to know that the person selling does not

claim title or that the person selling is purporting to sell only such right or title as the person selling or a third person may have.

3. Unless otherwise agreed a seller who is a merchant regularly dealing in goods of the kind warrants that the goods shall be delivered free of the rightful claim of any third person by way of infringement or the like but a buyer who furnishes specifications to the seller must hold the seller harmless against any such claim which arises out of compliance with the specifications.

[C24, 27, 31, 35, 39, §**9942;** C46, 50, 54, 58, 62, §554.14; C66, 71, 73, 75, 77, 79, 81, §554.2312]
Referred to in §554.2607

**554.2313 Express warranties by affirmation, promise, description, sample.**

1. Express warranties by the seller are created as follows:

*a.* Any affirmation of fact or promise made by the seller to the buyer which relates to the goods and becomes part of the basis of the bargain creates an express warranty that the goods shall conform to the affirmation or promise.

*b.* Any description of the goods which is made part of the basis of the bargain creates an express warranty that the goods shall conform to the description.

*c.* Any sample or model which is made part of the basis of the bargain creates an express warranty that the whole of the goods shall conform to the sample or model.

2. It is not necessary to the creation of an express warranty that the seller use formal words such as "warrant" or "guarantee" or that the seller have a specific intention to make a warranty, but an affirmation merely of the value of the goods or a statement purporting to be merely the seller's opinion or commendation of the goods does not create a warranty.

[C24, 27, 31, 35, 39, §**9941, 9943, 9945;** C46, 50, 54, 58, 62, §554.13, 554.15, 554.17; C66, 71, 73, 75, 77, 79, 81, §554.2313]

**554.2314 Implied warranty: merchantability — usage of trade.**

1. Unless excluded or modified (section 554.2316), a warranty that the goods shall be merchantable is implied in a contract for their sale if the seller is a merchant with respect to goods of that kind. Under this section the serving for value of food or drink to be consumed either on the premises or elsewhere is a sale.

2. Goods to be merchantable must be at least such as

*a.* pass without objection in the trade under the contract description; and

*b.* in the case of fungible goods, are of fair average quality within the description; and

*c.* are fit for the ordinary purposes for which such goods are used; and

*d.* run, within the variations permitted by the agreement, of even kind, quality and quantity within each unit and among all units involved; and

*e.* are adequately contained, packaged, and labeled as the agreement may require; and

*f.* conform to the promises or affirmations of fact made on the container or label if any.

3. Unless excluded or modified (section 554.2316) other implied warranties may arise from course of dealing or usage of trade.

[C24, 27, 31, 35, 39, §**9944;** C46, 50, 54, 58, 62, §554.16; C66, 71, 73, 75, 77, 79, 81, §554.2314]
Referred to in §554A.1
Limitation; §613.18

**554.2315 Implied warranty — fitness for particular purpose.**

Where the seller at the time of contracting has reason to know any particular purpose for which the goods are required and that the buyer is relying on the seller's skill or judgment to select or furnish suitable goods, there is unless excluded or modified under section 554.2316 an implied warranty that the goods shall be fit for such purpose.

[C24, 27, 31, 35, 39, §**9944;** C46, 50, 54, 58, 62, §554.16; C66, 71, 73, 75, 77, 79, 81, §554.2315]
2008 Acts, ch 1032, §67
Referred to in §554A.1

**554.2316 Exclusion or modification of warranties.**

1. Words or conduct relevant to the creation of an express warranty and words or conduct tending to negate or limit warranty shall be construed wherever reasonable as consistent

with each other; but subject to the provisions of this Article on parol or extrinsic evidence (section 554.2202) negation or limitation is inoperative to the extent that such construction is unreasonable.

2. Subject to subsection 3, to exclude or modify the implied warranty of merchantability or any part of it the language must mention merchantability and in case of a writing must be conspicuous, and to exclude or modify any implied warranty of fitness the exclusion must be by a writing and conspicuous. Language to exclude all implied warranties of fitness is sufficient if it states, for example, that "There are no warranties which extend beyond the description on the face hereof."

3. Notwithstanding subsection 2

*a.* unless the circumstances indicate otherwise, all implied warranties are excluded by expressions like "as is", "with all faults" or other language which in common understanding calls the buyer's attention to the exclusion of warranties and makes plain that there is no implied warranty; and

*b.* when the buyer before entering into the contract has examined the goods or the sample or model as fully as the buyer desired or has refused to examine the goods there is no implied warranty with regard to defects which an examination ought in the circumstances to have revealed to the buyer; and

*c.* an implied warranty can also be excluded or modified by course of dealing or course of performance or usage of trade.

4. Remedies for breach of warranty can be limited in accordance with the provisions of this Article on liquidation or limitation of damages and on contractual modification of remedy (sections 554.2718 and 554.2719).

[C66, 71, 73, 75, 77, 79, 81, §554.2316]

Referred to in §554.2314, 554.2315, 554A.1

Limitation; §613.18

Livestock warranty exemption, chapter 554A

**554.2317 Cumulation and conflict of warranties express or implied.**

Warranties whether express or implied shall be construed as consistent with each other and as cumulative, but if such construction is unreasonable the intention of the parties shall determine which warranty is dominant. In ascertaining that intention the following rules apply:

1. Exact or technical specifications displace an inconsistent sample or model or general language of description.

2. A sample from an existing bulk displaces inconsistent general language of description.

3. Express warranties displace inconsistent implied warranties other than an implied warranty of fitness for a particular purpose.

[C24, 27, 31, 35, 39, §**9943 – 9945;** C46, 50, 54, 58, 62, §554.15 – 554.17; C66, 71, 73, 75, 77, 79, 81, §554.2317]

2009 Acts, ch 41, §263

**554.2318 Third party beneficiaries of warranties express or implied.**

A seller's warranty whether express or implied extends to any person who may reasonably be expected to use, consume or be affected by the goods and who is injured by breach of the warranty. A seller may not exclude or limit the operation of this section with respect to injury to the person of an individual to whom the warranty extends.

[C66, 71, 73, 75, 77, 79, 81, §554.2318]

**554.2319 F.O.B. and F.A.S. terms.**

1. Unless otherwise agreed the term F.O.B. (which means "free on board") at a named place, even though used only in connection with the stated price, is a delivery term under which

*a.* when the term is F.O.B. the place of shipment, the seller must at that place ship the goods in the manner provided in this Article (section 554.2504) and bear the expense and risk of putting them into the possession of the carrier; or

*b.* when the term is F.O.B. the place of destination, the seller must at the seller's own

expense and risk transport the goods to that place and there tender delivery of them in the manner provided in this Article (section 554.2503);

*c.* when under either paragraph *"a"* or *"b"* the term is also F.O.B. vessel, car or other vehicle, the seller must in addition at the seller's own expense and risk load the goods on board. If the term is F.O.B. vessel the buyer must name the vessel and in an appropriate case the seller must comply with the provisions of this Article on the form of bill of lading (section 554.2323).

2. Unless otherwise agreed the term F.A.S. vessel (which means "free alongside") at a named port, even though used only in connection with the stated price, is a delivery term under which the seller must

*a.* at the seller's own expense and risk deliver the goods alongside the vessel in the manner usual in that port or on a dock designated and provided by the buyer; and

*b.* obtain and tender a receipt for the goods in exchange for which the carrier is under a duty to issue a bill of lading.

3. Unless otherwise agreed in any case falling within subsection 1, paragraph *"a"* or *"c"* or subsection 2 the buyer must seasonably give any needed instructions for making delivery, including when the term is F.A.S. or F.O.B. the loading berth of the vessel and in an appropriate case its name and sailing date. The seller may treat the failure of needed instructions as a failure of cooperation under this Article (section 554.2311). The seller may also at the seller's option move the goods in any reasonable manner preparatory to delivery or shipment.

4. Under the term F.O.B. vessel or F.A.S. unless otherwise agreed the buyer must make payment against tender of the required documents and the seller may not tender nor the buyer demand delivery of the goods in substitution for the documents.

[C66, 71, 73, 75, 77, 79, 81, §554.2319]

2013 Acts, ch 30, §141, 142

Referred to in §554.2311

Subsection 1, paragraph c amended

Subsection 3 amended

**554.2320 C.I.F. and C. & F. terms.**

1. The term C.I.F. means that the price includes in a lump sum the cost of the goods and the insurance and freight to the named destination. The term C. & F. or C.F. means that the price so includes cost and freight to the named destination.

2. Unless otherwise agreed and even though used only in connection with the stated price and destination, the term C.I.F. destination or its equivalent requires the seller at the seller's own expense and risk to

*a.* put the goods into the possession of a carrier at the port for shipment and obtain a negotiable bill or bills of lading covering the entire transportation to the named destination; and

*b.* load the goods and obtain a receipt from the carrier (which may be contained in the bill of lading) showing that the freight has been paid or provided for; and

*c.* obtain a policy or certificate of insurance, including any war risk insurance, of a kind and on terms then current at the port of shipment in the usual amount, in the currency of the contract, shown to cover the same goods covered by the bill of lading and providing for payment of loss to the order of the buyer or for the account of whom it may concern; but the seller may add to the price the amount of the premium for any such war risk insurance; and

*d.* prepare an invoice of the goods and procure any other documents required to effect shipment or to comply with the contract; and

*e.* forward and tender with commercial promptness all the documents in due form and with any endorsement necessary to perfect the buyer's rights.

3. Unless otherwise agreed the term C. & F. or its equivalent has the same effect and imposes upon the seller the same obligations and risks as a C.I.F. term except the obligation as to insurance.

4. Under the term C.I.F. or C. & F. unless otherwise agreed the buyer must make payment against tender of the required documents and the seller may not tender nor the buyer demand delivery of the goods in substitution for the documents.

[C66, 71, 73, 75, 77, 79, 81, §554.2320]

**554.2321 C.I.F. or C. & F. — "net landed weights" — "payment on arrival" — warranty of condition on arrival.**

Under a contract containing a term C.I.F. or C. & F.

1. Where the price is based on or is to be adjusted according to "net landed weights", "delivered weights", "out turn" quantity or quality or the like, unless otherwise agreed the seller must reasonably estimate the price. The payment due on tender of the documents called for by the contract is the amount so estimated, but after final adjustment of the price a settlement must be made with commercial promptness.

2. An agreement described in subsection 1 or any warranty of quality or condition of the goods on arrival places upon the seller the risk of ordinary deterioration, shrinkage and the like in transportation but has no effect on the place or time of identification to the contract for sale or delivery or on the passing of the risk of loss.

3. Unless otherwise agreed where the contract provides for payment on or after arrival of the goods the seller must before payment allow such preliminary inspection as is feasible; but if the goods are lost delivery of the documents and payment are due when the goods should have arrived.

[C66, 71, 73, 75, 77, 79, 81, §554.2321]

Referred to in §554.2513

**554.2322 Delivery "ex-ship".**

1. Unless otherwise agreed a term for delivery of goods "ex-ship" (which means from the carrying vessel) or in equivalent language is not restricted to a particular ship and requires delivery from a ship which has reached a place at the named port of destination where goods of the kind are usually discharged.

2. Under such a term unless otherwise agreed

*a.* the seller must discharge all liens arising out of the carriage and furnish the buyer with a direction which puts the carrier under a duty to deliver the goods; and

*b.* the risk of loss does not pass to the buyer until the goods leave the ship's tackle or are otherwise properly unloaded.

[C66, 71, 73, 75, 77, 79, 81, §554.2322]

**554.2323 Form of bill of lading required in overseas shipment — "overseas".**

1. Where the contract contemplates overseas shipment and contains a term C.I.F. or C. & F. or F.O.B. vessel, the seller unless otherwise agreed must obtain a negotiable bill of lading stating that the goods have been loaded on board or, in the case of a term C.I.F. or C. & F., received for shipment.

2. Where in a case within subsection 1 a tangible bill of lading has been issued in a set of parts, unless otherwise agreed if the documents are not to be sent from abroad the buyer may demand tender of the full set; otherwise only one part of the bill of lading need be tendered. Even if the agreement expressly requires a full set,

*a.* due tender of a single part is acceptable within the provisions of this Article on cure of improper delivery (subsection 1 of section 554.2508); and

*b.* even though the full set is demanded, if the documents are sent from abroad the person tendering an incomplete set may nevertheless require payment upon furnishing an indemnity which the buyer in good faith deems adequate.

3. A shipment by water or by air or a contract contemplating such shipment is "overseas" insofar as by usage of trade or agreement it is subject to the commercial, financing or shipping practices characteristic of international deep water commerce.

[C66, 71, 73, 75, 77, 79, 81, §554.2323]

2007 Acts, ch 30, §45, 46, 51

Referred to in §554.2103, 554.2319, 554.2503

**554.2324 "No arrival, no sale" term.**

Under a term "no arrival, no sale" or terms of like meaning, unless otherwise agreed,

1. the seller must properly ship conforming goods and if they arrive by any means the seller must tender them on arrival but the seller assumes no obligation that the goods will arrive unless the seller has caused the nonarrival; and

2. where without fault of the seller the goods are in part lost or have so deteriorated as no longer to conform to the contract or arrive after the contract time, the buyer may proceed as if there had been casualty to identified goods (section 554.2613).

[C66, 71, 73, 75, 77, 79, 81, §554.2324]

2009 Acts, ch 41, §263

Referred to in §554.2613

**554.2325 "Letter of credit" term — "confirmed credit".**

1. Failure of the buyer seasonably to furnish an agreed letter of credit is a breach of the contract for sale.

2. The delivery to seller of a proper letter of credit suspends the buyer's obligation to pay. If the letter of credit is dishonored, the seller may on seasonable notification to the buyer require payment directly from the buyer.

3. Unless otherwise agreed the term *"letter of credit"* or *"banker's credit"* in a contract for sale means an irrevocable credit issued by a financing agency of good repute and, where the shipment is overseas, of good international repute. The term *"confirmed credit"* means that the credit must also carry the direct obligation of such an agency which does business in the seller's financial market.

[C66, 71, 73, 75, 77, 79, 81, §554.2325]

Referred to in §554.2103

**554.2326 Sale on approval and sale or return — rights of creditors.**

1. Unless otherwise agreed, if delivered goods may be returned by the buyer even though they conform to the contract, the transaction is

*a.* a "sale on approval" if the goods are delivered primarily for use, and

*b.* a "sale or return" if the goods are delivered primarily for resale.

2. Goods held on approval are not subject to the claims of the buyer's creditors until acceptance; goods held on sale or return are subject to such claims while in the buyer's possession.

3. Any "or return" term of a contract for sale is to be treated as a separate contract for sale within the statute of frauds section of this Article (section 554.2201) and as contradicting the sale aspect of the contract within the provisions of this Article on parol or extrinsic evidence (section 554.2202).

[C24, 27, 31, 35, 39, §**9948;** C46, 50, 54, 58, 62, §554.20; C66, 71, 73, 75, 77, 79, 81, §554.2326]

2000 Acts, ch 1149, §143, 187

Referred to in §554.2103, 554.13103

**554.2327 Special incidents of sale on approval and sale or return.**

1. Under a sale on approval unless otherwise agreed

*a.* although the goods are identified to the contract the risk of loss and the title do not pass to the buyer until acceptance; and

*b.* use of the goods consistent with the purpose of trial is not acceptance but failure seasonably to notify the seller of election to return the goods is acceptance, and if the goods conform to the contract acceptance of any part is acceptance of the whole; and

*c.* after due notification of election to return, the return is at the seller's risk and expense but a merchant buyer must follow any reasonable instructions.

2. Under a sale or return unless otherwise agreed

*a.* the option to return extends to the whole or any commercial unit of the goods while in substantially their original condition, but must be exercised seasonably; and

*b.* the return is at the buyer's risk and expense.

[C24, 27, 31, 35, 39, §**9948;** C46, 50, 54, 58, 62, §554.20; C66, 71, 73, 75, 77, 79, 81, §554.2327]

Referred to in §554.2509

**554.2328 Sale by auction.**

1. In a sale by auction if goods are put up in lots each lot is the subject of a separate sale.

2. A sale by auction is complete when the auctioneer so announces by the fall of the hammer or in other customary manner. Where a bid is made while the hammer is falling

in acceptance of a prior bid the auctioneer may in the auctioneer's discretion reopen the bidding or declare the goods sold under the bid on which the hammer was falling.

3. Such a sale is with reserve unless the goods are in explicit terms put up without reserve. In an auction with reserve the auctioneer may withdraw the goods at any time until the auctioneer announces completion of the sale. In an auction without reserve, after the auctioneer calls for bids on an article or lot, that article or lot cannot be withdrawn unless no bid is made within a reasonable time. In either case a bidder may retract the bidder's bid until the auctioneer's announcement of completion of the sale, but a bidder's retraction does not revive any previous bid.

4. If the auctioneer knowingly receives a bid on the seller's behalf or the seller makes or procures such a bid, and notice has not been given that liberty for such bidding is reserved, the buyer may at the buyer's option avoid the sale or take the goods at the price of the last good faith bid prior to the completion of the sale. This subsection shall not apply to any bid at a forced sale.

[C24, 27, 31, 35, 39, §**9950;** C46, 50, 54, 58, 62, §554.22; C66, 71, 73, 75, 77, 79, 81, §554.2328]

## PART 4

## TITLE, CREDITORS, AND GOOD FAITH PURCHASERS

**554.2401 Passing of title — reservation for security — limited application of this section.**

Each provision of this Article with regard to the rights, obligations and remedies of the seller, the buyer, purchasers or other third parties applies irrespective of title to the goods except where the provision refers to such title. Insofar as situations are not covered by the other provisions of this Article and matters concerning title become material the following rules apply:

1. Title to goods cannot pass under a contract for sale prior to their identification to the contract (section 554.2501), and unless otherwise explicitly agreed the buyer acquires by their identification a special property as limited by this chapter. Any retention or reservation by the seller of the title (property) in goods shipped or delivered to the buyer is limited in effect to a reservation of a security interest. Subject to these provisions and to the provisions of the Article on Secured Transactions (Article 9), title to goods passes from the seller to the buyer in any manner and on any conditions explicitly agreed on by the parties.

2. Unless otherwise explicitly agreed title passes to the buyer at the time and place at which the seller completes the seller's performance with reference to the physical delivery of the goods, despite any reservation of a security interest and even though a document of title is to be delivered at a different time or place; and in particular and despite any reservation of a security interest by the bill of lading

*a.* if the contract requires or authorizes the seller to send the goods to the buyer but does not require the seller to deliver them at destination, title passes to the buyer at the time and place of shipment; but

*b.* if the contract requires delivery at destination, title passes on tender there.

3. Unless otherwise explicitly agreed where delivery is to be made without moving the goods,

*a.* if the seller is to deliver a tangible document of title, title passes at the time when and the place where the seller delivers such documents and if the seller is to deliver an electronic document of title, title passes when the seller delivers the document; or

*b.* if the goods are at the time of contracting already identified and no documents of title are to be delivered, title passes at the time and place of contracting.

4. A rejection or other refusal by the buyer to receive or retain the goods, whether or not

justified, or a justified revocation of acceptance revests title to the goods in the seller. Such revesting occurs by operation of law and is not a "sale".

[C24, 27, 31, 35, 39, §**9946 – 9949;** C46, 50, 54, 58, 62, §554.18 – 554.21; C66, 71, 73, 75, 77, 79, 81, §554.2401]

2007 Acts, ch 30, §45, 46, 52

Referred to in §554.1201, 554.2106, 554.9102, 554.9109, 554.9110, 554.9309

**554.2402 Rights of seller's creditors against sold goods.**

1. Except as provided in subsections 2 and 3, rights of unsecured creditors of the seller with respect to goods which have been identified to a contract for sale are subject to the buyer's rights to recover the goods under this Article (sections 554.2502 and 554.2716).

2. A creditor of the seller may treat a sale or an identification of goods to a contract for sale as void if as against the creditor a retention of possession by the seller is fraudulent under any rule of law of the state where the goods are situated, except that retention of possession in good faith and current course of trade by a merchant-seller for a commercially reasonable time after a sale or identification is not fraudulent.

3. Nothing in this Article shall be deemed to impair the rights of creditors of the seller

*a.* under the provisions of the Article on Secured Transactions (Article 9); or

*b.* where identification to the contract or delivery is made not in current course of trade but in satisfaction of or as security for a pre-existing claim for money, security or the like and is made under circumstances which under any rule of law of the state where the goods are situated would apart from this Article constitute the transaction a fraudulent transfer or voidable preference.

[C24, 27, 31, 35, 39, §**9955;** C46, 50, 54, 58, 62, §554.27; C66, 71, 73, 75, 77, 79, 81, §554.2402]

Referred to in §554.1301, 554.7504

**554.2403 Power to transfer — good faith purchase of goods — "entrusting".**

1. A purchaser of goods acquires all title which the purchaser's transferor had or had power to transfer except that a purchaser of a limited interest acquires rights only to the extent of the interest purchased. A person with voidable title has power to transfer a good title to a good faith purchaser for value. When goods have been delivered under a transaction of purchase the purchaser has such power even though

*a.* the transferor was deceived as to the identity of the purchaser, or

*b.* the delivery was in exchange for a check which is later dishonored, or

*c.* it was agreed that the transaction was to be a "cash sale", or

*d.* the delivery was procured through fraud punishable as larcenous under the criminal law.

2. Any entrusting of possession of goods to a merchant who deals in goods of that kind gives the merchant power to transfer all rights of the entruster to a buyer in ordinary course of business.

3. "Entrusting" includes any delivery and any acquiescence in retention of possession regardless of any condition expressed between the parties to the delivery or acquiescence and regardless of whether the procurement of the entrusting or the possessor's disposition of the goods have been such as to be larcenous under the criminal law.

4. The rights of other purchasers of goods and of lien creditors are governed by the Articles on Secured Transactions (Article 9) and Documents of Title (Article 7).

[C24, 27, 31, 35, 39, §**9949, 9952 – 9954;** C46, 50, 54, 58, 62, §554.21, 554.24 – 554.26; C66, 71, 73, 75, 77, 79, 81, §554.2403]

94 Acts, ch 1121, §4

Referred to in §554.2103, 554.2702, 554.7209, 554.7503, 554.9315, 554.13103

## PART 5

## PERFORMANCE

**554.2501 Insurable interest in goods — manner of identification of goods.**

1. The buyer obtains a special property and an insurable interest in goods by identification of existing goods as goods to which the contract refers even though the goods so identified are nonconforming and the buyer has an option to return or reject them. Such identification can be made at any time and in any manner explicitly agreed to by the parties. In the absence of explicit agreement identification occurs

*a.* when the contract is made if it is for the sale of goods already existing and identified;

*b.* if the contract is for the sale of future goods other than those described in paragraph "*c*", when goods are shipped, marked or otherwise designated by the seller as goods to which the contract refers;

*c.* when the crops are planted or otherwise become growing crops or the young are conceived if the contract is for the sale of unborn young to be born within twelve months after contracting or for the sale of crops to be harvested within twelve months or the next normal harvest season after contracting whichever is longer.

2. The seller retains an insurable interest in goods so long as title to or any security interest in the goods remains in the seller and where the identification is by the seller alone the seller may until default or insolvency or notification to the buyer that the identification is final substitute other goods for those identified.

3. Nothing in this section impairs any insurable interest recognized under any other statute or rule of law.

[C24, 27, 31, 35, 39, §**9946, 9948;** C46, 50, 54, 58, 62, §554.18, 554.20; C66, 71, 73, 75, 77, 79, 81, §554.2501]

Referred to in §554.2103, 554.2401, 554.2502

**554.2502 Buyer's right to goods on seller's repudiation, failure to deliver, or insolvency.**

1. Subject to subsections 2 and 3 and even though the goods have not been shipped a buyer who has paid a part or all of the price of goods in which the buyer has a special property under the provisions of section 554.2501 may on making and keeping good a tender of any unpaid portion of their price recover them from the seller if:

*a.* in the case of goods bought for personal, family, or household purposes, the seller repudiates or fails to deliver as required by the contract; or

*b.* in all cases the seller becomes insolvent within ten days after receipt of the first installment on their price.

2. The buyer's right to recover the goods under subsection 1, paragraph "*a*", vests upon acquisition of a special property, even if the seller had not then repudiated or failed to deliver.

3. If the identification creating the buyer's special property has been made by the buyer, the buyer acquires the right to recover the goods only if they conform to the contract for sale.

[C24, 27, 31, 35, 39, §**9946 – 9948;** C46, 50, 54, 58, 62, §554.18 – 554.20; C66, 71, 73, 75, 77, 79, 81, §554.2502]

2000 Acts, ch 1149, §144, 187; 2008 Acts, ch 1032, §68

Referred to in §554.2402, 554.2711

**554.2503 Manner of seller's tender of delivery.**

1. Tender of delivery requires that the seller put and hold conforming goods at the buyer's disposition and give the buyer any notification reasonably necessary to enable the buyer to take delivery. The manner, time and place for tender are determined by the agreement and this Article, and in particular,

*a.* tender must be at a reasonable hour, and if it is of goods they must be kept available for the period reasonably necessary to enable the buyer to take possession; but

*b.* unless otherwise agreed the buyer must furnish facilities reasonably suited to the receipt of the goods.

2. Where the case is within section 554.2504 respecting shipment tender requires that the seller comply with its provisions.

3. Where the seller is required to deliver at a particular destination tender requires that the seller comply with subsection 1 and also in any appropriate case tender documents as described in subsections 4 and 5 of this section.

4. Where goods are in the possession of a bailee and are to be delivered without being moved,

*a.* tender requires that the seller either tender a negotiable document of title covering such goods or procure acknowledgment by the bailee of the buyer's right to possession of the goods; but

*b.* tender to the buyer of a nonnegotiable document of title or of a record directing the bailee to deliver is sufficient tender unless the buyer seasonably objects, and except as otherwise provided in Article 9 receipt by the bailee of notification of the buyer's rights fixes those rights as against the bailee and all third persons; but risk of loss of the goods and of any failure by the bailee to honor the nonnegotiable document of title or to obey the direction remains on the seller until the buyer has had a reasonable time to present the document or direction, and a refusal by the bailee to honor the document or to obey the direction defeats the tender.

5. Where the contract requires the seller to deliver documents,

*a.* the seller must tender all such documents in correct form except as provided in this Article with respect to bills of lading in a set (subsection 2 of section 554.2323); and

*b.* tender through customary banking channels is sufficient and dishonor of a draft accompanying or associated with the documents constitutes nonacceptance or rejection.

[C24, 27, 31, 35, 39, §**9940, 9948, 9949, 9972, 9975, 9980;** C46, 50, 54, 58, 62, §554.12, 554.20, 554.21, 554.44, 554.47, 554.52; C66, 71, 73, 75, 77, 79, 81, §554.2503]

2007 Acts, ch 30, §45, 46, 53, 54; 2008 Acts, ch 1032, §69

Referred to in §554.2319, 554.2509

**554.2504 Shipment by seller.**

1. Where the seller is required or authorized to send the goods to the buyer and the contract does not require the seller to deliver them at a particular destination, then unless otherwise agreed the seller must:

*a.* Put the goods in the possession of such a carrier and make such a contract for their transportation as may be reasonable having regard to the nature of the goods and other circumstances of the case; and

*b.* Obtain and promptly deliver or tender in due form any document necessary to enable the buyer to obtain possession of the goods or otherwise required by the agreement or by usage of trade; and

*c.* Promptly notify the buyer of the shipment.

2. Failure to notify the buyer under subsection 1, paragraph "*c*", or to make a proper contract under subsection 1, paragraph "*a*", is a ground for rejection only if material delay or loss ensues.

[C24, 27, 31, 35, 39, §**9975;** C46, 50, 54, 58, 62, §554.47; C66, 71, 73, 75, 77, 79, 81, §554.2504]

2009 Acts, ch 41, §258

Referred to in §554.2319, 554.2503, 554.2505

**554.2505 Seller's shipment under reservation.**

1. Where the seller has identified goods to the contract by or before shipment:

*a.* the seller's procurement of a negotiable bill of lading to the seller's own order or otherwise reserves in the seller a security interest in the goods. The seller's procurement of the bill to the order of a financing agency or of the buyer indicates in addition only the seller's expectation of transferring that interest to the person named.

*b.* a nonnegotiable bill of lading to the seller or the seller's nominee reserves possession of the goods as security, but except in a case of conditional delivery (subsection 2 of section 554.2507) a nonnegotiable bill of lading naming the buyer as consignee reserves no security interest even though the seller retains possession or control of the bill of lading.

2. When shipment by the seller with reservation of a security interest is in violation of the contract for sale it constitutes an improper contract for transportation under section 554.2504 but impairs neither the rights given to the buyer by shipment and identification of the goods to the contract nor the seller's powers as a holder of a negotiable document of title.

[C24, 27, 31, 35, 39, §**9949;** C46, 50, 54, 58, 62, §554.21; C66, 71, 73, 75, 77, 79, 81, §554.2505]

2007 Acts, ch 30, §45, 46, 55, 56; 2008 Acts, ch 1031, §61

Referred to in §554.1201, 554.2509, 554.9102, 554.9109, 554.9110, 554.9309

**554.2506 Rights of financing agency.**

1. A financing agency by paying or purchasing for value a draft which relates to a shipment of goods acquires to the extent of the payment or purchase and in addition to its own rights under the draft and any document of title securing it any rights of the shipper in the goods including the right to stop delivery and the shipper's right to have the draft honored by the buyer.

2. The right to reimbursement of a financing agency which has in good faith honored or purchased the draft under commitment to or authority from the buyer is not impaired by subsequent discovery of defects with reference to any relevant document which was apparently regular.

[S13, §3138-b36; C24, 27, 31, 35, 39, §**8281;** C46, 50, 54, 58, 62, §487.37; C66, 71, 73, 75, 77, 79, 81, §554.2506]

2007 Acts, ch 30, §45, 46, 57

**554.2507 Effect of seller's tender — delivery on condition.**

1. Tender of delivery is a condition to the buyer's duty to accept the goods and, unless otherwise agreed, to the buyer's duty to pay for them. Tender entitles the seller to acceptance of the goods and to payment according to the contract.

2. Where payment is due and demanded on the delivery to the buyer of goods or documents of title, the buyer's right as against the seller to retain or dispose of them is conditional upon the buyer's making the payment due.

[C24, 27, 31, 35, 39, §**9940, 9970, 9971, 9998;** C46, 50, 54, 58, 62, §554.12, 554.42, 554.43, 554.70; C66, 71, 73, 75, 77, 79, 81, §554.2507]

Referred to in §554.2505

**554.2508 Cure by seller of improper tender or delivery — replacement.**

1. Where any tender or delivery by the seller is rejected because nonconforming and the time for performance has not yet expired, the seller may seasonably notify the buyer of the seller's intention to cure and may then within the contract time make a conforming delivery.

2. Where the buyer rejects a nonconforming tender which the seller had reasonable grounds to believe would be acceptable with or without money allowance the seller may if the seller seasonably notifies the buyer have a further reasonable time to substitute a conforming tender.

[C66, 71, 73, 75, 77, 79, 81, §554.2508]

Referred to in §554.2323

**554.2509 Risk of loss in the absence of breach.**

1. Where the contract requires or authorizes the seller to ship the goods by carrier:

*a.* if it does not require the seller to deliver them at a particular destination, the risk of loss passes to the buyer when the goods are duly delivered to the carrier even though the shipment is under reservation (section 554.2505); but

*b.* if it does require the seller to deliver them at a particular destination and the goods are there duly tendered while in the possession of the carrier, the risk of loss passes to the buyer when the goods are there duly so tendered as to enable the buyer to take delivery.

2. Where the goods are held by a bailee to be delivered without being moved, the risk of loss passes to the buyer:

*a.* on the buyer's receipt of possession or control of a negotiable document of title covering the goods; or

*b.* on acknowledgment by the bailee of the buyer's right to possession of the goods; or

*c.* after the buyer's receipt of possession or control of a nonnegotiable document of title or other direction to deliver in a record, as provided in section 554.2503, subsection 4, paragraph "*b*".

3. In any case not within subsection 1 or 2, the risk of loss passes to the buyer on the buyer's receipt of the goods if the seller is a merchant; otherwise the risk passes to the buyer on tender of delivery.

4. The provisions of this section are subject to contrary agreement of the parties and to the provisions of this Article on sale on approval (section 554.2327) and on effect of breach on risk of loss (section 554.2510).

[C24, 27, 31, 35, 39, §**9951;** C46, 50, 54, 58, 62, §554.23; C66, 71, 73, 75, 77, 79, 81, §554.2509]
2007 Acts, ch 30, §45, 46, 58

**554.2510 Effect of breach on risk of loss.**

1. Where a tender or delivery of goods so fails to conform to the contract as to give a right of rejection the risk of their loss remains on the seller until cure or acceptance.

2. Where the buyer rightfully revokes acceptance the buyer may to the extent of any deficiency in the buyer's effective insurance coverage treat the risk of loss as having rested on the seller from the beginning.

3. Where the buyer as to conforming goods already identified to the contract for sale repudiates or is otherwise in breach before risk of their loss has passed to the buyer, the seller may to the extent of any deficiency in the seller's effective insurance coverage treat the risk of loss as resting on the buyer for a commercially reasonable time.

[C66, 71, 73, 75, 77, 79, 81, §554.2510]
Referred to in §554.2509

**554.2511 Tender of payment by buyer — payment by check.**

1. Unless otherwise agreed tender of payment is a condition to the seller's duty to tender and complete any delivery.

2. Tender of payment is sufficient when made by any means or in any manner current in the ordinary course of business unless the seller demands payment in legal tender and gives any extension of time reasonably necessary to procure it.

3. Subject to the provisions of this chapter on the effect of an instrument on an obligation (section 554.3310), payment by check is conditional and is defeated as between the parties by dishonor of the check on due presentment.

[C24, 27, 31, 35, 39, §**9971;** C46, 50, 54, 58, 62, §554.43; C66, 71, 73, 75, 77, 79, 81, §554.2511]
94 Acts, ch 1167, §9, 122

**554.2512 Payment by buyer before inspection.**

1. Where the contract requires payment before inspection nonconformity of the goods does not excuse the buyer from so making payment unless

*a.* the nonconformity appears without inspection; or

*b.* despite tender of the required documents the circumstances would justify injunction against honor under this chapter (section 554.5109, subsection 2).

2. Payment pursuant to subsection 1 does not constitute an acceptance of goods or impair the buyer's right to inspect or any of the buyer's remedies.

[C24, 27, 31, 35, 39, §**9976, 9978;** C46, 50, 54, 58, 62, § 554.48, 554.50; C66, 71, 73, 75, 77, 79, 81, §554.2512]
96 Acts, ch 1026, §20; 97 Acts, ch 23, §68

**554.2513 Buyer's right to inspection of goods.**

1. Unless otherwise agreed and subject to subsection 3, where goods are tendered or delivered or identified to the contract for sale, the buyer has a right before payment or acceptance to inspect them at any reasonable place and time and in any reasonable manner. When the seller is required or authorized to send the goods to the buyer, the inspection may be after their arrival.

2. Expenses of inspection must be borne by the buyer but may be recovered from the seller if the goods do not conform and are rejected.

3. Unless otherwise agreed and subject to the provisions of this Article on C.I.F. contracts (subsection 3 of section 554.2321), the buyer is not entitled to inspect the goods before payment of the price when the contract provides

*a.* for delivery "C.O.D." or on other like terms; or

*b.* for payment against documents of title, except where such payment is due only after the goods are to become available for inspection.

4. A place or method of inspection fixed by the parties is presumed to be exclusive but unless otherwise expressly agreed it does not postpone identification or shift the place for delivery or for passing the risk of loss. If compliance becomes impossible, inspection shall be as provided in this section unless the place or method fixed was clearly intended as an indispensable condition failure of which avoids the contract.

[C24, 27, 31, 35, 39, §**9976;** C46, 50, 54, 58, 62, §554.48; C66, 71, 73, 75, 77, 79, 81, §554.2513]
Referred to in §554.2310

**554.2514 When documents deliverable on acceptance — when on payment.**

Unless otherwise agreed documents against which a draft is drawn are to be delivered to the drawee on acceptance of the draft if it is payable more than three days after presentment; otherwise, only on payment.

[S13, §3138-b40; C24, 27, 31, 35, 39, §**8285;** C46, 50, 54, 58, 62, §487.41; C66, 71, 73, 75, 77, 79, 81, §554.2514]

**554.2515 Preserving evidence of goods in dispute.**

In furtherance of the adjustment of any claim or dispute

1. either party on reasonable notification to the other and for the purpose of ascertaining the facts and preserving evidence has the right to inspect, test and sample the goods including such of them as may be in the possession or control of the other; and

2. the parties may agree to a third party inspection or survey to determine the conformity or condition of the goods and may agree that the findings shall be binding upon them in any subsequent litigation or adjustment.

[C66, 71, 73, 75, 77, 79, 81, §554.2515]
2009 Acts, ch 41, §263

## PART 6

## BREACH, REPUDIATION, AND EXCUSE

**554.2601 Buyer's rights on improper delivery.**

Subject to the provisions of this Article on breach in installment contracts (section 554.2612) and unless otherwise agreed under the sections on contractual limitations of remedy (sections 554.2718 and 554.2719), if the goods or the tender of delivery fail in any respect to conform to the contract, the buyer may

1. reject the whole; or

2. accept the whole; or

3. accept any commercial unit or units and reject the rest.

[C24, 27, 31, 35, 39, §**9940, 9973, 9998;** C46, 50, 54, 58, 62, §554.12, 554.45, 554.70; C66, 71, 73, 75, 77, 79, 81, §554.2601]
2009 Acts, ch 41, §263

**554.2602 Manner and effect of rightful rejection.**

1. Rejection of goods must be within a reasonable time after their delivery or tender. It is ineffective unless the buyer seasonably notifies the seller.

2. Subject to the provisions of the two following sections on rejected goods (sections 554.2603 and 554.2604),

*a.* after rejection any exercise of ownership by the buyer with respect to any commercial unit is wrongful as against the seller; and

*b.* if the buyer has before rejection taken physical possession of goods in which the buyer does not have a security interest under the provisions of this Article (subsection 3 of section 554.2711), the buyer is under a duty after rejection to hold them with reasonable care at the seller's disposition for a time sufficient to permit the seller to remove them; but

*c.* the buyer has no further obligations with regard to goods rightfully rejected.

3. The seller's rights with respect to goods wrongfully rejected are governed by the provisions of this Article on Seller's remedies in general (section 554.2703).

[C24, 27, 31, 35, 39, §**9979;** C46, 50, 54, 58, 62, §554.51; C66, 71, 73, 75, 77, 79, 81, §554.2602]
Referred to in §554.2606

**554.2603 Merchant buyer's duties as to rightfully rejected goods.**

1. Subject to any security interest in the buyer (subsection 3 of section 554.2711), when the seller has no agent or place of business at the market of rejection a merchant buyer is under a duty after rejection of goods in the merchant buyer's possession or control to follow any reasonable instructions received from the seller with respect to the goods and in the absence of such instructions to make reasonable efforts to sell them for the seller's account if they are perishable or threaten to decline in value speedily. Instructions are not reasonable if on demand indemnity for expenses is not forthcoming.

2. When the buyer sells goods under subsection 1, that buyer is entitled to reimbursement from the seller or out of the proceeds for reasonable expenses of caring for and selling them, and if the expenses include no selling commission then to such commission as is usual in the trade or if there is none to a reasonable sum not exceeding ten percent on the gross proceeds.

3. In complying with this section the buyer is held only to good faith and good faith conduct hereunder is neither acceptance nor conversion nor the basis of an action for damages.

[C66, 71, 73, 75, 77, 79, 81, §554.2603]
Referred to in §554.2602, 554.2604

**554.2604 Buyer's options as to salvage of rightfully rejected goods.**

Subject to the provisions of section 554.2603 on perishables if the seller gives no instructions within a reasonable time after notification of rejection the buyer may store the rejected goods for the seller's account or reship them to the seller or resell them for the seller's account with reimbursement as provided in section 554.2603. Such action is not acceptance or conversion.

[C66, 71, 73, 75, 77, 79, 81, §554.2604]
2008 Acts, ch 1032, §70
Referred to in §554.2602

**554.2605 Waiver of buyer's objections by failure to particularize.**

1. The buyer's failure to state in connection with rejection a particular defect which is ascertainable by reasonable inspection precludes the buyer from relying on the unstated defect to justify rejection or to establish breach:

*a.* where the seller could have cured it if stated seasonably; or

*b.* between merchants when the seller has after rejection made a request in writing for a full and final written statement of all defects on which the buyer proposes to rely.

2. Payment against documents made without reservation of rights precludes recovery of the payment for defects apparent in the documents.

[C66, 71, 73, 75, 77, 79, 81, §554.2605]
2007 Acts, ch 30, §45, 46, 59

**554.2606 What constitutes acceptance of goods.**

1. Acceptance of goods occurs when the buyer

*a.* after a reasonable opportunity to inspect the goods signifies to the seller that the goods are conforming or that the buyer will take or retain them in spite of their nonconformity; or

*b.* fails to make an effective rejection (subsection 1 of section 554.2602), but such

acceptance does not occur until the buyer has had a reasonable opportunity to inspect them; or

*c.* does any act inconsistent with the seller's ownership; but if such act is wrongful as against the seller it is an acceptance only if ratified by the seller.

2. Acceptance of a part of any commercial unit is acceptance of that entire unit.

[C24, 27, 31, 35, 39, §**9977;** C46, 50, 54, 58, 62, §554.49; C66, 71, 73, 75, 77, 79, 81, §554.2606]

Referred to in §554.2103, 554.2201

**554.2607 Effect of acceptance — notice of breach — burden of establishing breach after acceptance — notice of claim or litigation to person answerable over.**

1. The buyer must pay at the contract rate for any goods accepted.

2. Acceptance of goods by the buyer precludes rejection of the goods accepted and if made with knowledge of a nonconformity cannot be revoked because of it unless the acceptance was on the reasonable assumption that the nonconformity would be seasonably cured but acceptance does not of itself impair any other remedy provided by this Article for nonconformity.

3. Where a tender has been accepted.

*a.* the buyer must within a reasonable time after the buyer discovers or should have discovered any breach notify the seller of breach or be barred from any remedy; and

*b.* if the claim is one for infringement or the like (subsection 3 of section 554.2312) and the buyer is sued as a result of such a breach the buyer must so notify the seller within a reasonable time after the buyer receives notice of the litigation or be barred from any remedy over for liability established by the litigation.

4. The burden is on the buyer to establish any breach with respect to the goods accepted.

5. Where the buyer is sued for breach of a warranty or other obligation for which the buyer's seller is answerable over

*a.* the buyer may give the buyer's seller written notice of the litigation. If the notice states that the seller may come in and defend and that if the seller does not do so the seller will be bound in any action against the seller by the seller's buyer by any determination of fact common to the two litigations, then unless the seller after seasonable receipt of the notice does come in and defend the seller is so bound.

*b.* if the claim is one for infringement or the like (subsection 3 of section 554.2312) the original seller may demand in writing that the seller's buyer turn over to the seller control of the litigation including settlement or else be barred from any remedy over and if the seller also agrees to bear all expense and to satisfy any adverse judgment, then unless the buyer after seasonable receipt of the demand does turn over control the buyer is so barred.

6. The provisions of subsections 3, 4 and 5 apply to any obligation of a buyer to hold the seller harmless against infringement or the like (subsection 3 of section 554.2312).

[C24, 27, 31, 35, 39, §**9970, 9978, 9998;** C46, 50, 54, 58, 62, §554.42, 554.50, 554.70; C66, 71, 73, 75, 77, 79, 81, §554.2607]

Referred to in §554.2714

**554.2608 Revocation of acceptance in whole or in part.**

1. The buyer may revoke the buyer's acceptance of a lot or commercial unit whose nonconformity substantially impairs its value to the buyer if the buyer has accepted it

*a.* on the reasonable assumption that its nonconformity would be cured and it has not been seasonably cured; or

*b.* without discovery of such nonconformity if the buyer's acceptance was reasonably induced either by the difficulty of discovery before acceptance or by the seller's assurances.

2. Revocation of acceptance must occur within a reasonable time after the buyer discovers or should have discovered the ground for it and before any substantial change in condition of the goods which is not caused by their own defects. It is not effective until the buyer notifies the seller of it.

3. A buyer who so revokes has the same rights and duties with regard to the goods involved as if the buyer had rejected them.

[C24, 27, 31, 35, 39, §**9998;** C46, 50, 54, 58, 62, §554.70; C66, 71, 73, 75, 77, 79, 81, §554.2608]

**554.2609 Right to adequate assurance of performance.**

1. A contract for sale imposes an obligation on each party that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party the other may in writing demand adequate assurance of due performance and until that party receives such assurance may if commercially reasonable suspend any performance for which that party has not already received the agreed return.

2. Between merchants the reasonableness of grounds for insecurity and the adequacy of any assurance offered shall be determined according to commercial standards.

3. Acceptance of any improper delivery or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance.

4. After receipt of a justified demand failure to provide within a reasonable time not exceeding thirty days such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of the contract.

[C24, 27, 31, 35, 39, §**9982 – 9984, 9992;** C46, 50, 54, 58, 62, §554.54 – 554.56, 554.64; C66, 71, 73, 75, 77, 79, 81, §554.2609]

Referred to in §554.2210, 554.2611

**554.2610 Anticipatory repudiation.**

When either party repudiates the contract with respect to a performance not yet due the loss of which will substantially impair the value of the contract to the other, the aggrieved party may

1. for a commercially reasonable time await performance by the repudiating party; or

2. resort to any remedy for breach (section 554.2703 or 554.2711), even though the aggrieved party has notified the repudiating party that the aggrieved party would await the latter's performance and has urged retraction; and

3. in either case suspend the aggrieved party's own performance or proceed in accordance with the provisions of this Article on the seller's right to identify goods to the contract notwithstanding breach or to salvage unfinished goods (section 554.2704).

[C24, 27, 31, 35, 39, §**9992, 9994;** C46, 50, 54, 58, 62, §554.64, 554.66; C66, 71, 73, 75, 77, 79, 81, §554.2610]

2009 Acts, ch 41, §263

Referred to in §554.2709

**554.2611 Retraction of anticipatory repudiation.**

1. Until the repudiating party's next performance is due the repudiating party can retract the repudiation unless the aggrieved party has since the repudiation canceled or materially changed the aggrieved party's position or otherwise indicated that the aggrieved party considers the repudiation final.

2. Retraction may be by any method which clearly indicates to the aggrieved party that the repudiating party intends to perform, but must include any assurance justifiably demanded under the provisions of this Article (section 554.2609).

3. Retraction reinstates the repudiating party's rights under the contract with due excuse and allowance to the aggrieved party for any delay occasioned by the repudiation.

[C66, 71, 73, 75, 77, 79, 81, §554.2611]

**554.2612 "Installment contract" — breach.**

1. An "installment contract" is one which requires or authorizes the delivery of goods in separate lots to be separately accepted, even though the contract contains a clause "each delivery is a separate contract" or its equivalent.

2. The buyer may reject any installment which is nonconforming if the nonconformity substantially impairs the value of that installment and cannot be cured or if the nonconformity is a defect in the required documents; but if the nonconformity does not fall within subsection 3 and the seller gives adequate assurance of its cure the buyer must accept that installment.

3. Whenever nonconformity or default with respect to one or more installments substantially impairs the value of the whole contract there is a breach of the whole. But the aggrieved party reinstates the contract if the aggrieved party accepts a nonconforming

installment without seasonably notifying of cancellation or if the aggrieved party brings an action with respect only to past installments or demands performance as to future installments.

[C24, 27, 31, 35, 39, §**9974;** C46, 50, 54, 58, 62, §554.46; C66, 71, 73, 75, 77, 79, 81, §554.2612]

Referred to in §554.2103, 554.2601, 554.2616, 554.2703, 554.2711

**554.2613 Casualty to identified goods.**

Where the contract requires for its performance goods identified when the contract is made, and the goods suffer casualty without fault of either party before the risk of loss passes to the buyer, or in a proper case under a "no arrival, no sale" term (section 554.2324) then

1. if the loss is total the contract is avoided; and

2. if the loss is partial or the goods have so deteriorated as no longer to conform to the contract the buyer may nevertheless demand inspection and at the buyer's option either treat the contract as avoided or accept the goods with due allowance from the contract price for the deterioration or the deficiency in quantity but without further right against the seller.

[C24, 27, 31, 35, 39, §**9936, 9937;** C46, 50, 54, 58, 62, §554.8, 554.9; C66, 71, 73, 75, 77, 79, 81, §554.2613]

2009 Acts, ch 41, §263

Referred to in §554.2324

**554.2614 Substituted performance.**

1. Where without fault of either party the agreed berthing, loading, or unloading facilities fail or an agreed type of carrier becomes unavailable or the agreed manner of delivery otherwise becomes commercially impracticable but a commercially reasonable substitute is available, such substitute performance must be tendered and accepted.

2. If the agreed means or manner of payment fails because of domestic or foreign governmental regulation, the seller may withhold or stop delivery unless the buyer provides a means or manner of payment which is commercially a substantial equivalent. If delivery has already been taken, payment by the means or in the manner provided by the regulation discharges the buyer's obligation unless the regulation is discriminatory, oppressive or predatory.

[C66, 71, 73, 75, 77, 79, 81, §554.2614]

Referred to in §554.2615

**554.2615 Excuse by failure of presupposed conditions.**

Except so far as a seller may have assumed a greater obligation and subject to section 554.2614 on substituted performance:

1. Delay in delivery or nondelivery in whole or in part by a seller who complies with subsections 2 and 3, is not a breach of the seller's duty under a contract for sale if performance as agreed has been made impracticable by the occurrence of a contingency the nonoccurrence of which was a basic assumption on which the contract was made or by compliance in good faith with any applicable foreign or domestic governmental regulation or order whether or not it later proves to be invalid.

2. Where the causes mentioned in subsection 1 affect only a part of the seller's capacity to perform, the seller must allocate production and deliveries among the seller's customers but may at the seller's option include regular customers not then under contract as well as the seller's own requirements for further manufacture. The seller may so allocate in any manner which is fair and reasonable.

3. The seller must notify the buyer seasonably that there will be delay or nondelivery and, when allocation is required under subsection 2, of the estimated quota thus made available for the buyer.

[C66, 71, 73, 75, 77, 79, 81, §554.2615]

2008 Acts, ch 1032, §71; 2009 Acts, ch 41, §259

Referred to in §554.2616

**554.2616 Procedure on notice claiming excuse.**

1. Where the buyer receives notification of a material or indefinite delay or an allocation

justified under section 554.2615 the buyer may by written notification to the seller as to any delivery concerned, and where the prospective deficiency substantially impairs the value of the whole contract under the provisions of this Article relating to breach of installment contracts (section 554.2612), then also as to the whole,

*a.* terminate and thereby discharge any unexecuted portion of the contract; or

*b.* modify the contract by agreeing to take the buyer's available quota in substitution.

2. If after receipt of such notification from the seller the buyer fails so to modify the contract within a reasonable time not exceeding thirty days the contract lapses with respect to any deliveries affected.

3. The provisions of this section may not be negated by agreement except insofar as the seller has assumed a greater obligation under section 554.2615.

[C66, 71, 73, 75, 77, 79, 81, §554.2616]

2008 Acts, ch 1032, §72

## PART 7

## REMEDIES

**554.2701 Remedies for breach of collateral contracts not impaired.**

Remedies for breach of any obligation or promise collateral or ancillary to a contract for sale are not impaired by the provisions of this Article.

[C66, 71, 73, 75, 77, 79, 81, §554.2701]

**554.2702 Seller's remedies on discovery of buyer's insolvency.**

1. Where the seller discovers the buyer to be insolvent the seller may refuse delivery except for cash including payment for all goods theretofore delivered under the contract, and stop delivery under this Article (section 554.2705).

2. Where the seller discovers that the buyer has received goods on credit while insolvent the seller may reclaim the goods upon demand made within ten days after the receipt, but if misrepresentation of solvency has been made to the particular seller in writing within three months before delivery the ten-day limitation does not apply. Except as provided in this subsection the seller may not base a right to reclaim goods on the buyer's fraudulent or innocent misrepresentation of solvency or of intent to pay.

3. The seller's right to reclaim under subsection 2 is subject to the rights of a buyer in ordinary course or other good faith purchaser under this Article (section 554.2403). Successful reclamation of goods excludes all other remedies with respect to them.

[C24, 27, 31, 35, 39, §**9982, 9983, 9986;** C46, 50, 54, 58, 62, §554.54, 554.55, 554.58; C66, 71, 73, 75, 77, 79, 81, §554.2702]

Referred to in §554.2705

**554.2703 Seller's remedies in general.**

Where the buyer wrongfully rejects or revokes acceptance of goods or fails to make a payment due on or before delivery or repudiates with respect to a part or the whole, then with respect to any goods directly affected and, if the breach is of the whole contract (section 554.2612), then also with respect to the whole undelivered balance, the aggrieved seller may:

1. withhold delivery of such goods;

2. stop delivery by any bailee as hereafter provided (section 554.2705);

3. proceed under section 554.2704 respecting goods still unidentified to the contract;

4. resell and recover damages as hereafter provided (section 554.2706);

5. recover damages for nonacceptance (section 554.2708) or in a proper case the price (section 554.2709);

6. cancel.

[C24, 27, 31, 35, 39, §**9993;** C46, 50, 54, 58, 62, §554.65; C66, 71, 73, 75, 77, 79, 81, §554.2703]

2008 Acts, ch 1032, §73

Referred to in §554.2602, 554.2610, 554.2704, 554.2706

**554.2704 Seller's right to identify goods to the contract notwithstanding breach or to salvage unfinished goods.**

1. An aggrieved seller under section 554.2703 may:

*a.* identify to the contract conforming goods not already identified if at the time the seller learned of the breach they are in the seller's possession or control;

*b.* treat as the subject of resale goods which have demonstrably been intended for the particular contract even though those goods are unfinished.

2. Where the goods are unfinished an aggrieved seller may in the exercise of reasonable commercial judgment for the purposes of avoiding loss and of effective realization either complete the manufacture and wholly identify the goods to the contract or cease manufacture and resell for scrap or salvage value or proceed in any other reasonable manner.

[C24, 27, 31, 35, 39, §**9992, 9993;** C46, 50, 54, 58, 62, §554.64, 554.65; C66, 71, 73, 75, 77, 79, 81, §554.2704]

2008 Acts, ch 1032, §74

Referred to in §554.2610, 554.2703

**554.2705 Seller's stoppage of delivery in transit or otherwise.**

1. The seller may stop delivery of goods in the possession of a carrier or other bailee when the seller discovers the buyer to be insolvent (section 554.2702) and may stop delivery of carload, truckload, planeload or larger shipments of express or freight when the buyer repudiates or fails to make a payment due before delivery or if for any other reason the seller has a right to withhold or reclaim the goods.

2. As against such buyer the seller may stop delivery until:

*a.* receipt of the goods by the buyer; or

*b.* acknowledgment to the buyer by any bailee of the goods except a carrier that the bailee holds the goods for the buyer; or

*c.* such acknowledgment to the buyer by a carrier by reshipment or as a warehouse; or

*d.* negotiation to the buyer of any negotiable document of title covering the goods.

3. *a.* To stop delivery the seller must so notify as to enable the bailee by reasonable diligence to prevent delivery of the goods.

*b.* After such notification the bailee must hold and deliver the goods according to the directions of the seller but the seller is liable to the bailee for any ensuing charges or damages.

*c.* If a negotiable document of title has been issued for goods the bailee is not obliged to obey a notification to stop until surrender of possession or control of the document.

*d.* A carrier who has issued a nonnegotiable bill of lading is not obliged to obey a notification to stop received from a person other than the consignor.

[S13, §3138-a9, -a11, -a49, -b11, -b13, -b41; C24, 27, 31, 35, 39, §**8256, 8258, 8286, 9669, 9671, 9709, 9986 – 9988;** C46, 50, 54, 58, 62, §487.12, 487.14, 487.42, 542.9, 542.11, 542.49, 554.58 – 554.60; C66, 71, 73, 75, 77, 79, 81, §554.2705]

2007 Acts, ch 30, §45, 46, 60, 61

Referred to in §554.2702, 554.2703, 554.2707, 554.7403, 554.7504

**554.2706 Seller's resale including contract for resale.**

1. Under the conditions stated in section 554.2703 on seller's remedies, the seller may resell the goods concerned or the undelivered balance thereof. Where the resale is made in good faith and in a commercially reasonable manner the seller may recover the difference between the resale price and the contract price together with any incidental damages allowed under the provisions of this Article (section 554.2710), but less expenses saved in consequence of the buyer's breach.

2. Except as otherwise provided in subsection 3 or unless otherwise agreed resale may be at public or private sale including sale by way of one or more contracts to sell or of identification to an existing contract of the seller. Sale may be as a unit or in parcels and at any time and place and on any terms but every aspect of the sale including the method, manner, time, place and terms must be commercially reasonable. The resale must be reasonably identified as referring to the broken contract, but it is not necessary that the

goods be in existence or that any or all of them have been identified to the contract before the breach.

3. Where the resale is at private sale the seller must give the buyer reasonable notification of the seller's intention to resell.

4. Where the resale is at public sale

*a.* only identified goods can be sold except where there is a recognized market for a public sale of futures in goods of the kind; and

*b.* it must be made at a usual place or market for public sale if one is reasonably available and except in the case of goods which are perishable or threaten to decline in value speedily the seller must give the buyer reasonable notice of the time and place of the resale; and

*c.* if the goods are not to be within the view of those attending the sale the notification of sale must state the place where the goods are located and provide for their reasonable inspection by prospective bidders; and

*d.* the seller may buy.

5. A purchaser who buys in good faith at a resale takes the goods free of any rights of the original buyer even though the seller fails to comply with one or more of the requirements of this section.

6. The seller is not accountable to the buyer for any profit made on any resale. A person in the position of a seller (section 554.2707) or a buyer who has rightfully rejected or justifiably revoked acceptance must account for any excess over the amount of that person's security interest, as hereinafter defined (subsection 3 of section 554.2711).

[C24, 27, 31, 35, 39, §**9989;** C46, 50, 54, 58, 62, §554.61; C66, 71, 73, 75, 77, 79, 81, §554.2706]
Referred to in §554.2703, 554.2707, 554.2711, 554.2718

**554.2707 "Person in the position of a seller".**

1. A "person in the position of a seller" includes as against a principal an agent who has paid or become responsible for the price of goods on behalf of the agent's principal or anyone who otherwise holds a security interest or other right in goods similar to that of a seller.

2. A person in the position of a seller may as provided in this Article withhold or stop delivery (section 554.2705) and resell (section 554.2706) and recover incidental damages (section 554.2710).

[C24, 27, 31, 35, 39, §**9981;** C46, 50, 54, 58, 62, §554.53; C66, 71, 73, 75, 77, 79, 81, §554.2707]
Referred to in §554.2103, 554.2104, 554.2706

**554.2708 Seller's damages for nonacceptance or repudiation.**

1. Subject to subsection 2 and to the provisions of this Article with respect to proof of market price (section 554.2723), the measure of damages for nonacceptance or repudiation by the buyer is the difference between the market price at the time and place for tender and the unpaid contract price together with any incidental damages provided in this Article (section 554.2710), but less expenses saved in consequence of the buyer's breach.

2. If the measure of damages provided in subsection 1 is inadequate to put the seller in as good a position as performance would have done then the measure of damages is the profit (including reasonable overhead) which the seller would have made from full performance by the buyer, together with any incidental damages provided in this Article (section 554.2710), due allowance for costs reasonably incurred and due credit for payments or proceeds of resale.

[C24, 27, 31, 35, 39, §**9993;** C46, 50, 54, 58, 62, §554.65; C66, 71, 73, 75, 77, 79, 81, §554.2708]
Referred to in §554.2703, 554.2709, 554.2723

**554.2709 Action for the price.**

1. When the buyer fails to pay the price as it becomes due the seller may recover, together with any incidental damages under section 554.2710, the price:

*a.* of goods accepted or of conforming goods lost or damaged within a commercially reasonable time after risk of their loss has passed to the buyer; and

*b.* of goods identified to the contract if the seller is unable after reasonable effort to resell them at a reasonable price or the circumstances reasonably indicate that such effort will be unavailing.

2. Where the seller sues for the price the seller must hold for the buyer any goods which have been identified to the contract and are still in the seller's control except that if resale becomes possible the seller may resell them at any time prior to the collection of the judgment. The net proceeds of any such resale must be credited to the buyer and payment of the judgment entitles the buyer to any goods not resold.

3. After the buyer has wrongfully rejected or revoked acceptance of the goods or has failed to make a payment due or has repudiated (section 554.2610), a seller who is held not entitled to the price under this section shall nevertheless be awarded damages for nonacceptance under section 554.2708.

[C24, 27, 31, 35, 39, §**9992;** C46, 50, 54, 58, 62, §554.64; C66, 71, 73, 75, 77, 79, 81, §554.2709]
2008 Acts, ch 1032, §75; 2009 Acts, ch 41, §162
Referred to in §554.2703

**554.2710 Seller's incidental damages.**

Incidental damages to an aggrieved seller include any commercially reasonable charges, expenses or commissions incurred in stopping delivery, in the transportation, care and custody of goods after the buyer's breach, in connection with return or resale of the goods or otherwise resulting from the breach.

[C24, 27, 31, 35, 39, §**9993, 9999;** C46, 50, 54, 58, 62, §554.65, 554.71; C66, 71, 73, 75, 77, 79, 81, §554.2710]
Referred to in §554.2706, 554.2707, 554.2708, 554.2709

**554.2711 Buyer's remedies in general — buyer's security interest in rejected goods.**

1. Where the seller fails to make delivery or repudiates or the buyer rightfully rejects or justifiably revokes acceptance then with respect to any goods involved, and with respect to the whole if the breach goes to the whole contract (section 554.2612), the buyer may cancel and whether or not the buyer has done so may in addition to recovering so much of the price as has been paid:

*a.* "cover" and have damages under section 554.2712 as to all the goods affected whether or not they have been identified to the contract; or

*b.* recover damages for nondelivery as provided in this Article (section 554.2713).

2. Where the seller fails to deliver or repudiates the buyer may also:

*a.* if the goods have been identified recover them as provided in this Article (section 554.2502); or

*b.* in a proper case obtain specific performance or replevy the goods as provided in this Article (section 554.2716).

3. On rightful rejection or justifiable revocation of acceptance a buyer has a security interest in goods in the buyer's possession or control for any payments made on their price and any expenses reasonably incurred in their inspection, receipt, transportation, care and custody and may hold such goods and resell them in like manner as an aggrieved seller (section 554.2706).

[C24, 27, 31, 35, 39, §**9998;** C46, 50, 54, 58, 62, §554.70; C66, 71, 73, 75, 77, 79, 81, §554.2711]
2008 Acts, ch 1032, §76
Referred to in §554.2602, 554.2603, 554.2610, 554.2706, 554.2712, 554.9102, 554.9109, 554.9110, 554.9309, 554.9325

**554.2712 "Cover" — buyer's procurement of substitute goods.**

1. After a breach within section 554.2711 the buyer may "cover" by making in good faith and without unreasonable delay any reasonable purchase of or contract to purchase goods in substitution for those due from the seller.

2. The buyer may recover from the seller as damages the difference between the cost of cover and the contract price together with any incidental or consequential damages as hereinafter defined (section 554.2715), but less expenses saved in consequence of the seller's breach.

3. Failure of the buyer to effect cover within this section does not bar the buyer from any other remedy.

[C66, 71, 73, 75, 77, 79, 81, §554.2712]

2008 Acts, ch 1032, §77

Referred to in §554.2103, 554.2711

**554.2713 Buyer's damages for nondelivery or repudiation.**

1. Subject to the provisions of this Article with respect to proof of market price (section 554.2723), the measure of damages for nondelivery or repudiation by the seller is the difference between the market price at the time when the buyer learned of the breach and the contract price together with any incidental and consequential damages provided in this Article (section 554.2715), but less expenses saved in consequence of the seller's breach.

2. Market price is to be determined as of the place for tender or, in cases of rejection after arrival or revocation of acceptance, as of the place of arrival.

[C24, 27, 31, 35, 39, §**9996;** C46, 50, 54, 58, 62, §554.68; C66, 71, 73, 75, 77, 79, 81, §554.2713]

Referred to in §554.2711, 554.2723

**554.2714 Buyer's damages for breach in regard to accepted goods.**

1. Where the buyer has accepted goods and given notification (subsection 3 of section 554.2607) the buyer may recover as damages for any nonconformity of tender the loss resulting in the ordinary course of events from the seller's breach as determined in any manner which is reasonable.

2. The measure of damages for breach of warranty is the difference at the time and place of acceptance between the value of the goods accepted and the value they would have had if they had been as warranted, unless special circumstances show proximate damages of a different amount.

3. In a proper case any incidental and consequential damages under section 554.2715 may also be recovered.

[C24, 27, 31, 35, 39, §**9998;** C46, 50, 54, 58, 62, §554.70; C66, 71, 73, 75, 77, 79, 81, §554.2714]

2008 Acts, ch 1032, §78

**554.2715 Buyer's incidental and consequential damages.**

1. Incidental damages resulting from the seller's breach include expenses reasonably incurred in inspection, receipt, transportation and care and custody of goods rightfully rejected, any commercially reasonable charges, expenses or commissions in connection with effecting cover and any other reasonable expense incident to the delay or other breach.

2. Consequential damages resulting from the seller's breach include

*a.* any loss resulting from general or particular requirements and needs of which the seller at the time of contracting had reason to know and which could not reasonably be prevented by cover or otherwise; and

*b.* injury to person or property proximately resulting from any breach of warranty.

[C24, 27, 31, 35, 39, §**9998, 9999;** C46, 50, 54, 58, 62, §554.70, 554.71; C66, 71, 73, 75, 77, 79, 81, §554.2715]

Referred to in §554.2712, 554.2713, 554.2714

**554.2716 Buyer's right to specific performance or replevin.**

1. Specific performance may be decreed where the goods are unique or in other proper circumstances.

2. The decree for specific performance may include such terms and conditions as to payment of the price, damages, or other relief as the court may deem just.

3. The buyer has a right of replevin for goods identified to the contract if after reasonable effort the buyer is unable to effect cover for such goods or the circumstances reasonably indicate that such effort will be unavailing or if the goods have been shipped under reservation and satisfaction of the security interest in them has been made or tendered. In the case of goods bought for personal, family, or household purposes, the buyer's right of replevin vests

upon acquisition of a special property, even if the seller had not then repudiated or failed to deliver.

[C24, 27, 31, 35, 39, §**9995, 9997;** C46, 50, 54, 58, 62, §554.67, 554.69; C66, 71, 73, 75, 77, 79, 81, §554.2716]

2000 Acts, ch 1149, §145, 187

Referred to in §554.2402, 554.2711

**554.2717 Deduction of damages from the price.**

The buyer on notifying the seller of the buyer's intention to do so may deduct all or any part of the damages resulting from any breach of the contract from any part of the price still due under the same contract.

[C24, 27, 31, 35, 39, §**9998;** C46, 50, 54, 58, 62, §554.70; C66, 71, 73, 75, 77, 79, 81, §554.2717]

**554.2718 Liquidation or limitation of damages — deposits.**

1. Damages for breach by either party may be liquidated in the agreement but only at an amount which is reasonable in the light of the anticipated or actual harm caused by the breach, the difficulties of proof of loss, and the inconvenience or nonfeasibility of otherwise obtaining an adequate remedy. A term fixing unreasonably large liquidated damages is void as a penalty.

2. Where the seller justifiably withholds delivery of goods because of the buyer's breach, the buyer is entitled to restitution of any amount by which the sum of the buyer's payments exceeds

*a.* the amount to which the seller is entitled by virtue of terms liquidating the seller's damages in accordance with subsection 1, or

*b.* in the absence of such terms, twenty percent of the value of the total performance for which the buyer is obligated under the contract or five hundred dollars, whichever is smaller.

3. The buyer's right to restitution under subsection 2 is subject to offset to the extent that the seller establishes

*a.* a right to recover damages under the provisions of this Article other than subsection 1, and

*b.* the amount or value of any benefits received by the buyer directly or indirectly by reason of the contract.

4. Where a seller has received payment in goods their reasonable value or the proceeds of their resale shall be treated as payments for the purposes of subsection 2; but if the seller has notice of the buyer's breach before reselling goods received in part performance, the seller's resale is subject to the conditions laid down in this Article on resale by an aggrieved seller (section 554.2706).

[C66, 71, 73, 75, 77, 79, 81, §554.2718]

Referred to in §554.2316, 554.2601, 554.2719

**554.2719 Contractual modification or limitation of remedy.**

1. Subject to the provisions of subsections 2 and 3 of this section and of section 554.2718 on liquidation and limitation of damages,

*a.* the agreement may provide for remedies in addition to or in substitution for those provided in this Article and may limit or alter the measure of damages recoverable under this Article, as by limiting the buyer's remedies to return of the goods and repayment of the price or to repair and replacement of nonconforming goods or parts; and

*b.* resort to a remedy as provided is optional unless the remedy is expressly agreed to be exclusive, in which case it is the sole remedy.

2. Where circumstances cause an exclusive or limited remedy to fail of its essential purpose, remedy may be had as provided in this chapter.

3. Consequential damages may be limited or excluded unless the limitation or exclusion is unconscionable. Limitation of consequential damages for injury to the person in the case

of consumer goods is prima facie unconscionable but limitation of damages where the loss is commercial is not.

[C66, 71, 73, 75, 77, 79, 81, §554.2719]

2008 Acts, ch 1032, §79

Referred to in §554.2316, 554.2601

**554.2720 Effect of "cancellation" or "rescission" on claims for antecedent breach.**

Unless the contrary intention clearly appears, expressions of "cancellation" or "rescission" of the contract or the like shall not be construed as a renunciation or discharge of any claim in damages for an antecedent breach.

[C24, 27, 31, 35, 39, §**9990;** C46, 50, 54, 58, 62, §554.62; C66, 71, 73, 75, 77, 79, 81, §554.2720]

**554.2721 Remedies for fraud.**

Remedies for material misrepresentation or fraud include all remedies available under this Article for nonfraudulent breach. Neither rescission or a claim for rescission of the contract for sale nor rejection or return of the goods shall bar or be deemed inconsistent with a claim for damages or other remedy.

[C24, 27, 31, 35, 39, §**9990;** C46, 50, 54, 58, 62, §554.62; C66, 71, 73, 75, 77, 79, 81, §554.2721]

**554.2722 Who can sue third parties for injury to goods.**

Where a third party so deals with goods which have been identified to a contract for sale as to cause actionable injury to a party to that contract

1. a right of action against the third party is in either party to the contract for sale who has title to or a security interest or a special property or an insurable interest in the goods; and if the goods have been destroyed or converted a right of action is also in the party who either bore the risk of loss under the contract for sale or has since the injury assumed that risk as against the other;

2. if at the time of the injury the party plaintiff did not bear the risk of loss as against the other party to the contract for sale and there is no arrangement between them for disposition of the recovery, the plaintiff's suit or settlement is, subject to plaintiff's own interest, as a fiduciary for the other party to the contract;

3. either party may with the consent of the other sue for the benefit of whom it may concern.

[C66, 71, 73, 75, 77, 79, 81, §554.2722]

2009 Acts, ch 41, §263

**554.2723 Proof of market price — time and place.**

1. If an action based on anticipatory repudiation comes to trial before the time for performance with respect to some or all of the goods, any damages based on market price (section 554.2708 or 554.2713) shall be determined according to the price of such goods prevailing at the time when the aggrieved party learned of the repudiation.

2. If evidence of a price prevailing at the times or places described in this Article is not readily available the price prevailing within any reasonable time before or after the time described or at any other place which in commercial judgment or under usage of trade would serve as a reasonable substitute for the one described may be used, making any proper allowance for the cost of transporting the goods to or from such other place.

3. Evidence of a relevant price prevailing at a time or place other than the one described in this Article offered by one party is not admissible unless and until that party has given the other party such notice as the court finds sufficient to prevent unfair surprise.

[C66, 71, 73, 75, 77, 79, 81, §554.2723]

Referred to in §554.2708, 554.2713

**554.2724 Admissibility of market quotations.**

If the prevailing price or value of goods regularly bought and sold in an established commodity market is in issue, reports in official publications or trade journals or in newspapers or periodicals of general circulation published as the reports of that market are admissible in evidence. The circumstances of the preparation of such a report may be

shown to affect its weight but not its admissibility. Reports are also admissible under rule of evidence 5.803(17).

[C66, 71, 73, 75, 77, 79, 81, §554.2724]

83 Acts, ch 37, §2

**554.2725 Statute of limitations in contracts for sale.**

1. By the original agreement the parties may reduce the period of limitation to not less than one year but may not extend it.

2. A cause of action accrues when the breach occurs, regardless of the aggrieved party's lack of knowledge of the breach. A breach of warranty occurs when tender of delivery is made, except that where a warranty explicitly extends to future performance of the goods and discovery of the breach must await the time of such performance the cause of action accrues when the breach is or should have been discovered.

3. Where an action commenced within the time limited by law or by agreement as provided in subsection 1 is so terminated as to leave available a remedy by another action for the same breach such other action may be commenced after the expiration of the time limited and within six months after the termination of the first action unless the termination resulted from voluntary discontinuance or from dismissal for failure or neglect to prosecute.

4. This section does not alter the law on tolling of the statute of limitations nor does it apply to causes of action which have accrued before this chapter becomes effective.

[C66, 71, 73, 75, 77, 79, 81, §554.2725]

Period of limitation, chapter 614

## ARTICLE 2A

## LEASES

Article on Leases codified as Article 13;
94 Acts, ch 1052, §5 – 84

## ARTICLE 3

## NEGOTIABLE INSTRUMENTS

Referred to in §533.314, 554.1204, 554.4102, 554.4107, 554.4203, 554.5110, 554.5116, 554.8103, 554.9331, 554D.118, 668.16

Article 3 takes effect July 1, 1995; 94 Acts,
ch 1167, §122; former Article 3 is repealed
effective July 1, 1995; 94 Acts, ch 1167,
§121, 122; for law prior to July 1, 1995, see Code 1993

## PART 1

## GENERAL PROVISIONS AND DEFINITIONS

**554.3101 Short title.**

This Article may be cited as Uniform Commercial Code — Negotiable Instruments.

94 Acts, ch 1167, §10, 121, 122

**554.3102 Subject matter.**

1. This Article applies to negotiable instruments. It does not apply to money, to payment orders governed by Article 12, or to securities governed by Article 8.

2. If there is conflict between this Article and Article 4 or 9, Articles 4 and 9 govern.

3. Regulations of the Board of Governors of the Federal Reserve System and operating circulars of the Federal Reserve Banks supersede any inconsistent provision of this Article to the extent of the inconsistency.

94 Acts, ch 1167, §11, 121, 122; 95 Acts, ch 67, §41

**554.3103 Definitions.**

1. In this Article:

*a.* *"Acceptor"* means a drawee who has accepted a draft.

*b.* *"Drawee"* means a person ordered in a draft to make payment.

*c.* *"Drawer"* means a person who signs or is identified in a draft as a person ordering payment.

*d.* Reserved.

*e.* *"Maker"* means a person who signs or is identified in a note as a person undertaking to pay.

*f.* *"Order"* means a written instruction to pay money signed by the person giving the instruction. The instruction may be addressed to any person, including the person giving the instruction, or to one or more persons jointly or in the alternative but not in succession. An authorization to pay is not an order unless the person authorized to pay is also instructed to pay.

*g.* *"Ordinary care"* in the case of a person engaged in business means observance of reasonable commercial standards, prevailing in the area in which the person is located, with respect to the business in which the person is engaged. In the case of a bank that takes an instrument for processing for collection or payment by automated means, reasonable commercial standards do not require the bank to examine the instrument if the failure to examine does not violate the bank's prescribed procedures and the bank's procedures do not vary unreasonably from general banking usage not disapproved by this Article or Article 4.

*h.* *"Party"* means a party to an instrument.

*i.* *"Promise"* means a written undertaking to pay money signed by the person undertaking to pay. An acknowledgment of an obligation by the obligor is not a promise unless the obligor also undertakes to pay the obligation.

*j.* *"Prove"* with respect to a fact means to meet the burden of establishing the fact (section 554.1201, subsection 2, paragraph *"h"*).

*k.* *"Remitter"* means a person who purchases an instrument from its issuer if the instrument is payable to an identified person other than the purchaser.

2. Other definitions applying to this Article and the sections in which they appear are:

*a.* *"Acceptance"* ..... Section 554.3409.
*b.* *"Accommodated party"*..... Section 554.3419.
*c.* *"Accommodation party"*..... Section 554.3419.
*d.* *"Alteration"* ..... Section 554.3407.
*e.* *"Anomalous endorsement"* ..... Section 554.3205.
*f.* *"Blank endorsement"*..... Section 554.3205.
*g.* *"Cashier's check"* ..... Section 554.3104.
*h.* *"Certificate of deposit"*..... Section 554.3104.
*i.* *"Certified check"* ..... Section 554.3409.
*j.* *"Check"*..... Section 554.3104.
*k.* *"Consideration"*..... Section 554.3303.
*l.* *"Demand draft"* ..... Section 554.3104.
*m.* *"Draft"* ..... Section 554.3104.
*n.* *"Holder in due course"*..... Section 554.3302.
*o.* *"Incomplete instrument"*..... Section 554.3115.
*p.* *"Endorsement"* ..... Section 554.3204.
*q.* *"Endorser"* ..... Section 554.3204.
*r.* *"Instrument"*..... Section 554.3104.
*s.* *"Issue"* ..... Section 554.3105.
*t.* *"Issuer"* ..... Section 554.3105.
*u.* *"Negotiable instrument"*..... Section 554.3104.
*v.* *"Negotiation"* ..... Section 554.3201.
*w.* *"Note"*..... Section 554.3104.
*x.* *"Payable at a definite time"*..... Section 554.3108.
*y.* *"Payable on demand"* ..... Section 554.3108.
*z.* *"Payable to bearer"* ..... Section 554.3109.

*aa.* *"Payable to order"* ..... Section 554.3109.
*ab.* *"Payment"* ..... Section 554.3602.
*ac.* *"Person entitled to enforce"* ..... Section 554.3301.
*ad.* *"Presentment"* ..... Section 554.3501.
*ae.* *"Reacquisition"* ..... Section 554.3207.
*af.* *"Special endorsement"* ..... Section 554.3205.
*ag.* *"Teller's check"* ..... Section 554.3104.
*ah.* *"Transfer of instrument"* ..... Section 554.3203.
*ai.* *"Traveler's check"* ..... Section 554.3104.
*aj.* *"Value"* ..... Section 554.3303.

3. The following definitions in other Articles apply to this Article:
*a.* *"Bank"* ..... Section 554.4105.
*b.* *"Banking day"* ..... Section 554.4104.
*c.* *"Clearing house"* ..... Section 554.4104.
*d.* *"Collecting bank"* ..... Section 554.4105.
*e.* *"Depositary bank"* ..... Section 554.4105.
*f.* *"Documentary draft"* ..... Section 554.4104.
*g.* *"Intermediary bank"* ..... Section 554.4105.
*h.* *"Item"* ..... Section 554.4104.
*i.* *"Payor bank"* ..... Section 554.4105.
*j.* *"Suspends payments"* ..... Section 554.4104.

4. In addition, Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

94 Acts, ch 1167, §12, 121, 122; 2005 Acts, ch 11, §1; 2007 Acts, ch 41, §25, 26
Referred to in §554.4104, 554.9102

**554.3104 Negotiable instrument.**

1. Except as provided in subsections 3 and 4, *"negotiable instrument"* means an unconditional promise or order to pay a fixed amount of money, with or without interest or other charges described in the promise or order, if it:

*a.* is payable to bearer or to order at the time it is issued or first comes into possession of a holder;

*b.* is payable on demand or at a definite time; and

*c.* does not state any other undertaking or instruction by the person promising or ordering payment to do any act in addition to the payment of money, but the promise or order may contain an undertaking or power to give, maintain, or protect collateral to secure payment, an authorization or power to the holder to confess judgment or realize on or dispose of collateral, or a waiver of the benefit of any law intended for the advantage or protection of an obligor.

2. *"Instrument"* means a negotiable instrument.

3. An order that meets all of the requirements of subsection 1, except paragraph *"a"*, and otherwise falls within the definition of "check" in subsection 6 is a negotiable instrument and a check.

4. A promise or order other than a check is not an instrument if, at the time it is issued or first comes into possession of a holder, it contains a conspicuous statement, however expressed, to the effect that the promise or order is not negotiable or is not an instrument governed by this Article.

5. An instrument is a *"note"* if it is a promise and is a *"draft"* if it is an order. If an instrument falls within the definition of both "note" and "draft", a person entitled to enforce the instrument may treat it as either.

6. *"Check"* means a draft, other than a documentary draft, payable on demand and drawn on a bank or a cashier's check or teller's check. An instrument may be a check even though it is described on its face by another term, such as "money order".

7. *"Cashier's check"* means a draft with respect to which the drawer and drawee are the same bank or branches of the same bank.

8. *"Teller's check"* means a draft drawn by a bank on another bank, or payable at or through a bank.

9. *"Traveler's check"* means an instrument that is payable on demand, is drawn on or payable at or through a bank, is designated by the term "traveler's check" or by a substantially similar term, and requires, as a condition to payment, a countersignature by a person whose specimen signature appears on the instrument.

10. *"Certificate of deposit"* means an instrument containing an acknowledgment by a bank that a sum of money has been received by the bank and a promise by the bank to repay the sum of money. A certificate of deposit is a note of the bank.

11. *a.* *"Demand draft"* means a writing not signed by a customer as defined in section 554.4104 that is created by a third party under the purported authority of the customer for the purpose of charging the customer's account with a bank. The writing must contain the customer's account number and may contain any of the following:

(1) The customer's printed or typewritten name;

(2) A notation that the customer authorized the draft; or

(3) The statement "no signature required", "authorized on file", "signature on file", or words to that effect.

*b.* *"Demand draft"* does not include a check purportedly drawn by and bearing the signature of a fiduciary as defined in section 554.3307.

94 Acts, ch 1167, §13, 121, 122; 2005 Acts, ch 11, §2; 2013 Acts, ch 30, §261
Referred to in §537.3211, 537.7102, 554.2103, 554.3103, 554.3106, 554.3115, 554.3417, 554.4104, 554.4208, 554.9102, 625.22, 631.14
Code editor directive applied

**554.3105 Issue of instrument.**

1. *"Issue"* means the first delivery of an instrument by the maker or drawer, whether to a holder or nonholder, for the purpose of giving rights on the instrument to any person.

2. An unissued instrument, or an unissued incomplete instrument that is completed, is binding on the maker or drawer, but nonissuance is a defense. An instrument that is conditionally issued or is issued for a special purpose is binding on the maker or drawer, but failure of the condition or special purpose to be fulfilled is a defense.

3. *"Issuer"* applies to issued and unissued instruments and means a maker or drawer of an instrument.

94 Acts, ch 1167, §14, 121, 122
Referred to in §554.3103

**554.3106 Unconditional promise or order.**

1. Except as provided in this section, for the purposes of section 554.3104, subsection 1, a promise or order is unconditional unless it states an express condition to payment, that the promise or order is subject to or governed by another writing, or that rights or obligations with respect to the promise or order are stated in another writing. A reference to another writing does not of itself make the promise or order conditional.

2. A promise or order is not made conditional by a reference to another writing for a statement of rights with respect to collateral, prepayment, or acceleration, or because payment is limited to resort to a particular fund or source.

3. If a promise or order requires, as a condition to payment, a countersignature by a person whose specimen signature appears on the promise or order, the condition does not make the promise or order conditional for the purposes of section 554.3104, subsection 1. If the person whose specimen signature appears on an instrument fails to countersign the instrument, the failure to countersign is a defense to the obligation of the issuer, but the failure does not prevent a transferee of the instrument from becoming a holder of the instrument.

4. If a promise or order at the time it is issued or first comes into possession of a holder contains a statement, required by applicable statutory or administrative law, to the effect that the rights of a holder or transferee are subject to claims or defenses that the issuer could assert against the original payee, the promise or order is not thereby made conditional for the purposes of section 554.3104, subsection 1; but if the promise or order is an instrument, there cannot be a holder in due course of the instrument.

94 Acts, ch 1167, §15, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3302
Code editor directive applied

**554.3107 Instrument payable in foreign money.**

Unless the instrument otherwise provides, an instrument that states the amount payable in foreign money may be paid in the foreign money or in an equivalent amount in dollars calculated by using the current bank-offered spot rate at the place of payment for the purchase of dollars on the day on which the instrument is paid.

94 Acts, ch 1167, §16, 121, 122

**554.3108 Payable on demand or at definite time.**

1. A promise or order is *"payable on demand"* if it states that it is payable on demand or at sight, or otherwise indicates that it is payable at the will of the holder, or does not state any time of payment.

2. A promise or order is *"payable at a definite time"* if it is payable on elapse of a definite period of time after sight or acceptance or at a fixed date or dates or at a time or times readily ascertainable at the time the promise or order is issued, subject to rights of prepayment, acceleration, extension at the option of the holder, or extension to a further definite time at the option of the maker or acceptor or automatically upon or after a specified act or event.

3. If an instrument, payable at a fixed date, is also payable upon demand made before the fixed date, the instrument is payable on demand until the fixed date and, if demand for payment is not made before that date, becomes payable at a definite time on the fixed date.

94 Acts, ch 1167, §17, 121, 122; 2013 Acts, ch 30, §261

Referred to in §554.3103

Code editor directive applied

**554.3109 Payable to bearer or to order.**

1. A promise or order is payable to bearer if it:

*a.* states that it is payable to bearer or to the order of bearer or otherwise indicates that the person in possession of the promise or order is entitled to payment;

*b.* does not state a payee; or

*c.* states that it is payable to or to the order of cash or otherwise indicates that it is not payable to an identified person.

2. A promise or order that is not payable to bearer is payable to order if it is payable to the order of an identified person or to an identified person or order. A promise or order that is payable to order is payable to the identified person.

3. An instrument payable to bearer may become payable to an identified person if it is specially endorsed pursuant to section 554.3205, subsection 1. An instrument payable to an identified person may become payable to bearer if it is endorsed in blank pursuant to section 554.3205, subsection 2.

94 Acts, ch 1167, §18, 121, 122; 2013 Acts, ch 30, §261

Referred to in §554.3103

Code editor directive applied

**554.3110 Identification of person to whom instrument is payable.**

1. The person to whom an instrument is initially payable is determined by the intent of the person, whether or not authorized, signing as, or in the name or behalf of, the issuer of the instrument. The instrument is payable to the person intended by the signer even if that person is identified in the instrument by a name or other identification that is not that of the intended person. If more than one person signs in the name or behalf of the issuer of an instrument and all the signers do not intend the same person as payee, the instrument is payable to any person intended by one or more of the signers.

2. If the signature of the issuer of an instrument is made by automated means, such as a check-writing machine, the payee of the instrument is determined by the intent of the person who supplied the name or identification of the payee, whether or not authorized to do so.

3. A person to whom an instrument is payable may be identified in any way, including by name, identifying number, office, or account number. For the purpose of determining the holder of an instrument, the following rules apply:

*a.* if an instrument is payable to an account and the account is identified only by number, the instrument is payable to the person to whom the account is payable. If an instrument is

payable to an account identified by number and by the name of a person, the instrument is payable to the named person, whether or not that person is the owner of the account identified by number.

*b*. if an instrument is payable to:

(1) a trust, an estate, or a person described as trustee or representative of a trust or estate, the instrument is payable to the trustee, the representative, or a successor of either, whether or not the beneficiary or estate is also named;

(2) a person described as agent or similar representative of a named or identified person, the instrument is payable to the represented person, the representative, or a successor of the representative;

(3) a fund or organization that is not a legal entity, the instrument is payable to a representative of the members of the fund or organization; or

(4) an office or to a person described as holding an office, the instrument is payable to the named person, the incumbent of the office, or a successor to the incumbent.

4. If an instrument is payable to two or more persons alternatively, it is payable to any of them and may be negotiated, discharged, or enforced by any or all of them in possession of the instrument. If an instrument is payable to two or more persons not alternatively, it is payable to all of them and may be negotiated, discharged, or enforced only by all of them. If an instrument payable to two or more persons is ambiguous as to whether it is payable to the persons alternatively, the instrument is payable to the persons alternatively.

94 Acts, ch 1167, §19, 121, 122

Referred to in §554.3205, 554.3404

**554.3111 Place of payment.**

Except as otherwise provided for items in Article 4, an instrument is payable at the place of payment stated in the instrument. If no place of payment is stated, an instrument is payable at the address of the drawee or maker stated in the instrument. If no address is stated, the place of payment is the place of business of the drawee or maker. If a drawee or maker has more than one place of business, the place of payment is any place of business of the drawee or maker chosen by the person entitled to enforce the instrument. If the drawee or maker has no place of business, the place of payment is the residence of the drawee or maker.

94 Acts, ch 1167, §20, 121, 122

**554.3112 Interest.**

1. Unless otherwise provided in the instrument, an instrument is not payable with interest, and interest on an interest-bearing instrument is payable from the date of the instrument.

2. Interest may be stated in an instrument as a fixed or variable amount of money or it may be expressed as a fixed or variable rate or rates. The amount or rate of interest may be stated or described in the instrument in any manner and may require reference to information not contained in the instrument. If an instrument provides for interest, but the amount of interest payable cannot be ascertained from the description, interest is payable at the judgment rate in effect at the place of payment of the instrument and at the time interest first accrues.

94 Acts, ch 1167, §21, 121, 122; 2013 Acts, ch 30, §261

Code editor directive applied

**554.3113 Date of instrument.**

1. An instrument may be antedated or postdated. The date stated determines the time of payment if the instrument is payable at a fixed period after date. Except as provided in section 554.4401, subsection 3, an instrument payable on demand is not payable before the date of the instrument.

2. If an instrument is undated, its date is the date of its issue or, in the case of an unissued instrument, the date it first comes into possession of a holder.

94 Acts, ch 1167, §22, 121, 122

**554.3114 Contradictory terms of instrument.**

If an instrument contains contradictory terms, typewritten terms prevail over printed terms, handwritten terms prevail over both, and words prevail over numbers.

94 Acts, ch 1167, §23, 121, 122

**554.3115 Incomplete instrument.**

1. *"Incomplete instrument"* means a signed writing, whether or not issued by the signer, the contents of which show at the time of signing that it is incomplete but that the signer intended it to be completed by the addition of words or numbers.

2. Subject to subsection 3, if an incomplete instrument is an instrument under section 554.3104, it may be enforced according to its terms if it is not completed, or according to its terms as augmented by completion. If an incomplete instrument is not an instrument under section 554.3104, but, after completion, the requirements of section 554.3104 are met, the instrument may be enforced according to its terms as augmented by completion.

3. If words or numbers are added to an incomplete instrument without authority of the signer, there is an alteration of the incomplete instrument under section 554.3407.

4. The burden of establishing that words or numbers were added to an incomplete instrument without authority of the signer is on the person asserting the lack of authority.

94 Acts, ch 1167, §24, 121, 122

Referred to in §554.3103, 554.3412, 554.3413, 554.3414, 554.3415, 554.4207

**554.3116 Joint and several liability — contribution.**

1. Except as otherwise provided in the instrument, two or more persons who have the same liability on an instrument as makers, drawers, acceptors, endorsers who endorse as joint payees, or anomalous endorsers are jointly and severally liable in the capacity in which they sign.

2. Except as provided in section 554.3419, subsection 5, or by agreement of the affected parties, a party having joint and several liability who pays the instrument is entitled to receive from any party having the same joint and several liability contribution in accordance with applicable law.

3. Discharge of one party having joint and several liability by a person entitled to enforce the instrument does not affect the right under subsection 2 of a party having the same joint and several liability to receive contribution from the party discharged.

94 Acts, ch 1167, §25, 121, 122

**554.3117 Other agreements affecting instrument.**

Subject to applicable law regarding exclusion of proof of contemporaneous or previous agreements, the obligation of a party to an instrument to pay the instrument may be modified, supplemented, or nullified by a separate agreement of the obligor and a person entitled to enforce the instrument, if the instrument is issued or the obligation is incurred in reliance on the agreement or as part of the same transaction giving rise to the agreement. To the extent an obligation is modified, supplemented, or nullified by an agreement under this section, the agreement is a defense to the obligation.

94 Acts, ch 1167, §26, 121, 122

**554.3118 Accrual of cause of action.**

1. A cause of action against a maker or an acceptor accrues

*a.* in the case of a time instrument on the day after maturity;

*b.* in the case of a demand instrument upon its date or, if no date is stated, on the date of issue.

2. A cause of action against the obligor of a demand or time certificate of deposit accrues upon demand, but demand on a time certificate may not be made until on or after the date of maturity.

3. A cause of action against a drawer of a draft or an endorser of any instrument accrues upon demand following dishonor of the instrument. Notice of dishonor is a demand.

4. Unless an instrument provides otherwise, interest runs at the rate provided by law for a judgment

*a.* in the case of a maker, acceptor or other primary obligor of a demand instrument, from the date of demand;

*b.* in all other cases from the date of accrual of the cause of action.

94 Acts, ch 1167, §27, 121, 122

**554.3119 Notice of right to defend action.**

In an action for breach of an obligation for which a third person is answerable over pursuant to this Article or Article 4, the defendant may give the third person written notice of the litigation, and the person notified may then give similar notice to any other person who is answerable over. If the notice states that the person notified may come in and defend and that failure to do so will bind the person notified in an action later brought by the person giving the notice as to any determination of fact common to the two litigations, the person notified is so bound unless after seasonable receipt of the notice the person notified does come in and defend.

94 Acts, ch 1167, §28, 121, 122; 2013 Acts, ch 30, §261

Code editor directive applied

**554.3120 Instruments "payable through" bank.** Repealed by 94 Acts, ch 1167, § 121, 122. See § 554.4106.

**554.3121 Instruments payable at bank.** Repealed by 94 Acts, ch 1167, § 121, 122. See § 554.4106.

**554.3122 Accrual of cause of action.** Repealed by 94 Acts, ch 1167, § 121, 122. See § 554.3118.

## PART 2

## NEGOTIATION, TRANSFER, AND ENDORSEMENT

**554.3201 Negotiation.**

1. "*Negotiation*" means a transfer of possession, whether voluntary or involuntary, of an instrument by a person other than the issuer to a person who thereby becomes its holder.

2. Except for negotiation by a remitter, if an instrument is payable to an identified person, negotiation requires transfer of possession of the instrument and its endorsement by the holder. If an instrument is payable to bearer, it may be negotiated by transfer of possession alone.

94 Acts, ch 1167, §29, 121, 122

Referred to in §554.3103

**554.3202 Negotiation subject to rescission.**

1. Negotiation is effective even if obtained from an infant, a corporation exceeding its powers, or a person without capacity; by fraud, duress, or mistake; or in breach of duty or as part of an illegal transaction.

2. To the extent permitted by other law, negotiation may be rescinded or may be subject to other remedies, but those remedies may not be asserted against a subsequent holder in due course or a person paying the instrument in good faith and without knowledge of facts that are a basis for rescission or other remedy.

94 Acts, ch 1167, §30, 121, 122; 2013 Acts, ch 30, §143

Subsection 1 amended

**554.3203 Transfer of instrument — rights acquired by transfer.**

1. An instrument is transferred when it is delivered by a person other than its issuer for the purpose of giving to the person receiving delivery the right to enforce the instrument.

2. Transfer of an instrument, whether or not the transfer is a negotiation, vests in the transferee any right of the transferor to enforce the instrument, including any right as a holder in due course, but the transferee cannot acquire rights of a holder in due course by a transfer, directly or indirectly, from a holder in due course if the transferee engaged in fraud or illegality affecting the instrument.

3. Unless otherwise agreed, if an instrument is transferred for value and the transferee does not become a holder because of lack of endorsement by the transferor, the transferee has a specifically enforceable right to the unqualified endorsement of the transferor, but negotiation of the instrument does not occur until the endorsement is made.

4. If a transferor purports to transfer less than the entire instrument, negotiation of the instrument does not occur. The transferee obtains no rights under this Article and has only the rights of a partial assignee.

94 Acts, ch 1167, §31, 121, 122
Referred to in §554.3103

**554.3204 Endorsement.**

1. *"Endorsement"* means a signature, other than that of a signer as maker, drawer, or acceptor, that alone or accompanied by other words is made on an instrument for the purpose of negotiating the instrument, restricting payment of the instrument, or incurring endorser's liability on the instrument, but regardless of the intent of the signer, a signature and its accompanying words is an endorsement unless the accompanying words, terms of the instrument, place of the signature, or other circumstances unambiguously indicate that the signature was made for a purpose other than endorsement. For the purpose of determining whether a signature is made on an instrument, a paper affixed to the instrument is a part of the instrument.

2. *"Endorser"* means a person who makes an endorsement.

3. For the purpose of determining whether the transferee of an instrument is a holder, an endorsement that transfers a security interest in the instrument is effective as an unqualified endorsement of the instrument.

4. If an instrument is payable to a holder under a name that is not the name of the holder, endorsement may be made by the holder in the name stated in the instrument or in the holder's name or both, but signature in both names may be required by a person paying or taking the instrument for value or collection.

94 Acts, ch 1167, §32, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3103
Code editor directive applied

**554.3205 Special endorsement — blank endorsement — anomalous endorsement.**

1. If an endorsement is made by the holder of an instrument, whether payable to an identified person or payable to bearer, and the endorsement identifies a person to whom it makes the instrument payable, it is a *"special endorsement."* When specially endorsed, an instrument becomes payable to the identified person and may be negotiated only by the endorsement of that person. The principles stated in section 554.3110 apply to special endorsements.

2. If an endorsement is made by the holder of an instrument and it is not a special endorsement, it is a *"blank endorsement."* When endorsed in blank, an instrument becomes payable to bearer and may be negotiated by transfer of possession alone until specially endorsed.

3. The holder may convert a blank endorsement that consists only of a signature into a special endorsement by writing, above the signature of the endorser, words identifying the person to whom the instrument is made payable.

4. *"Anomalous endorsement"* means an endorsement made by a person who is not the holder of the instrument. An anomalous endorsement does not affect the manner in which the instrument may be negotiated.

94 Acts, ch 1167, §33, 121, 122
Referred to in §554.3103, 554.3109

**554.3206 Restrictive endorsement.**

1. An endorsement limiting payment to a particular person or otherwise prohibiting further transfer or negotiation of the instrument is not effective to prevent further transfer or negotiation of the instrument.

2. An endorsement stating a condition to the right of the endorsee to receive payment does not affect the right of the endorsee to enforce the instrument. A person paying the instrument or taking it for value or collection may disregard the condition, and the rights and liabilities of that person are not affected by whether the condition has been fulfilled.

3. If an instrument bears an endorsement described in section 554.4201, subsection 2, or in blank or to a particular bank using the words "for deposit," "for collection," or other words indicating a purpose of having the instrument collected by a bank for the endorser or for a particular account, the following rules apply:

*a.* A person, other than a bank, who purchases the instrument when so endorsed converts the instrument unless the amount paid for the instrument is received by the endorser or applied consistently with the endorsement.

*b.* A depositary bank that purchases the instrument or takes it for collection when so endorsed converts the instrument unless the amount paid by the bank with respect to the instrument is received by the endorser or applied consistently with the endorsement.

*c.* A payor bank that is also the depositary bank or that takes the instrument for immediate payment over the counter from a person other than a collecting bank converts the instrument unless the proceeds of the instrument are received by the endorser or applied consistently with the endorsement.

*d.* Except as otherwise provided in paragraph "*c*", a payor bank or intermediary bank may disregard the endorsement and is not liable if the proceeds of the instrument are not received by the endorser or applied consistently with the endorsement.

4. Except for an endorsement covered by subsection 3, if an instrument bears an endorsement using words to the effect that payment is to be made to the endorsee as agent, trustee, or other fiduciary for the benefit of the endorser or another person, the following rules apply:

*a.* Unless there is notice of breach of fiduciary duty as provided in section 554.3307, a person who purchases the instrument from the endorsee or takes the instrument from the endorsee for collection or payment may pay the proceeds of payment or the value given for the instrument to the endorsee without regard to whether the endorsee violates a fiduciary duty to the endorser.

*b.* A subsequent transferee of the instrument or person who pays the instrument is neither given notice nor otherwise affected by the restriction in the endorsement unless the transferee or payor knows that the fiduciary dealt with the instrument or its proceeds in breach of fiduciary duty.

5. The presence on an instrument of an endorsement to which this section applies does not prevent a purchaser of the instrument from becoming a holder in due course of the instrument unless the purchaser is a converter under subsection 3 or has notice or knowledge of breach of fiduciary duty as stated in subsection 4.

6. In an action to enforce the obligation of a party to pay the instrument, the obligor has a defense if payment would violate an endorsement to which this section applies and the payment is not permitted by this section.

94 Acts, ch 1167, §34, 121, 122; 2013 Acts, ch 30, §261

Referred to in §554.4203

Code editor directive applied

**554.3207 Reacquisition.**

Reacquisition of an instrument occurs if it is transferred to a former holder, by negotiation or otherwise. A former holder who reacquires the instrument may cancel endorsements made after the reacquirer first became a holder of the instrument. If the cancellation causes the instrument to be payable to the reacquirer or to bearer, the reacquirer may negotiate the

instrument. An endorser whose endorsement is canceled is discharged, and the discharge is effective against any subsequent holder.

94 Acts, ch 1167, §35, 121, 122
Referred to in §554.3103

**554.3208 Reacquisition.** Repealed by 94 Acts, ch 1167, §121, 122. See § 554.3207.

## PART 3

## ENFORCEMENT OF INSTRUMENTS

**554.3301 Person entitled to enforce instrument.**

*"Person entitled to enforce"* an instrument means the holder of the instrument, a nonholder in possession of the instrument who has the rights of a holder, or a person not in possession of the instrument who is entitled to enforce the instrument pursuant to section 554.3309 or 554.3418, subsection 4. A person may be a person entitled to enforce the instrument even though the person is not the owner of the instrument or is in wrongful possession of the instrument.

94 Acts, ch 1167, §36, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3103, 554.3308, 554.4104
Code editor directive applied

**554.3302 Holder in due course.**

1. Subject to subsection 3 and section 554.3106, subsection 4, *"holder in due course"* means the holder of an instrument if:

*a.* the instrument when issued or negotiated to the holder does not bear such apparent evidence of forgery or alteration or is not otherwise so irregular or incomplete as to call into question its authenticity; and

*b.* the holder took the instrument for value, in good faith, without notice that the instrument is overdue or has been dishonored or that there is an uncured default with respect to payment of another instrument issued as part of the same series, without notice that the instrument contains an unauthorized signature or has been altered, without notice of any claim to the instrument described in section 554.3306, and without notice that any party has a defense or claim in recoupment described in section 554.3305, subsection 1.

2. Notice of discharge of a party, other than discharge in an insolvency proceeding, is not notice of a defense under subsection 1, but discharge is effective against a person who became a holder in due course with notice of the discharge. Public filing or recording of a document does not of itself constitute notice of a defense, claim in recoupment, or claim to the instrument.

3. Except to the extent a transferor or predecessor in interest has rights as a holder in due course, a person does not acquire rights of a holder in due course of an instrument taken by legal process or by purchase in an execution, bankruptcy, or creditor's sale or similar proceeding, by purchase as part of a bulk transaction not in ordinary course of business of the transferor, or as the successor in interest to an estate or other organization.

4. If, under section 554.3303, subsection 1, paragraph *"a"*, the promise of performance that is the consideration for an instrument has been partially performed, the holder may assert rights as a holder in due course of the instrument only to the fraction of the amount payable under the instrument equal to the value of the partial performance divided by the value of the promised performance.

5. If the person entitled to enforce an instrument has only a security interest in the instrument and the person obliged to pay the instrument has a defense, claim in recoupment, or claim to the instrument that may be asserted against the person who granted the security interest, the person entitled to enforce the instrument may assert rights as a holder in due course only to an amount payable under the instrument which, at the time of enforcement of the instrument, does not exceed the amount of the unpaid obligation secured.

6. To be effective, notice must be received at a time and in a manner that gives a reasonable opportunity to act on it.

7. This section is subject to any law limiting status as a holder in due course in particular classes of transactions.

94 Acts, ch 1167, §37, 121, 122; 2013 Acts, ch 30, §261
Referred to in §523G.7, 554.3103, 554.4104, 554.4205, 554.4211, 554.9102, 554D.118
Code editor directive applied

**554.3303 Value and consideration.**

1. An instrument is issued or transferred for value if:

*a.* the instrument is issued or transferred for a promise of performance, to the extent the promise has been performed;

*b.* the transferee acquires a security interest or other lien in the instrument other than a lien obtained by judicial proceeding;

*c.* the instrument is issued or transferred as payment of, or as security for, an antecedent claim against any person, whether or not the claim is due;

*d.* the instrument is issued or transferred in exchange for a negotiable instrument; or

*e.* the instrument is issued or transferred in exchange for the incurring of an irrevocable obligation to a third party by the person taking the instrument.

2. "*Consideration*" means any consideration sufficient to support a simple contract. The drawer or maker of an instrument has a defense if the instrument is issued without consideration. If an instrument is issued for a promise of performance, the issuer has a defense to the extent performance of the promise is due and the promise has not been performed. If an instrument is issued for value as stated in subsection 1, the instrument is also issued for consideration.

94 Acts, ch 1167, §38, 121, 122
Referred to in §554.3103, 554.3302, 554.5102, 554.9403

**554.3304 Overdue instrument.**

1. An instrument payable on demand becomes overdue at the earliest of the following times:

*a.* on the day after the day demand for payment is duly made;

*b.* if the instrument is a check, ninety days after its date; or

*c.* if the instrument is not a check, when the instrument has been outstanding for a period of time after its date which is unreasonably long under the circumstances of the particular case in light of the nature of the instrument and usage of the trade.

2. With respect to an instrument payable at a definite time the following rules apply:

*a.* If the principal is payable in installments and a due date has not been accelerated, the instrument becomes overdue upon default under the instrument for nonpayment of an installment, and the instrument remains overdue until the default is cured.

*b.* If the principal is not payable in installments and the due date has not been accelerated, the instrument becomes overdue on the day after the due date.

*c.* If a due date with respect to principal has been accelerated, the instrument becomes overdue on the day after the accelerated due date.

3. Unless the due date of principal has been accelerated, an instrument does not become overdue if there is default in payment of interest but no default in payment of principal.

94 Acts, ch 1167, §39, 121, 122

**554.3305 Defenses and claims in recoupment.**

1. Except as stated in subsection 2, the right to enforce the obligation of a party to pay an instrument is subject to the following:

*a.* a defense of the obligor based on infancy of the obligor to the extent it is a defense to a simple contract; duress, lack of legal capacity, or illegality of the transaction which, under other law, nullifies the obligation of the obligor; fraud that induced the obligor to sign the instrument with neither knowledge nor reasonable opportunity to learn of its character or its essential terms; or discharge of the obligor in insolvency proceedings;

*b.* a defense of the obligor stated in another section of this Article or a defense of the

obligor that would be available if the person entitled to enforce the instrument were enforcing a right to payment under a simple contract; and

*c.* a claim in recoupment of the obligor against the original payee of the instrument if the claim arose from the transaction that gave rise to the instrument; but the claim of the obligor may be asserted against a transferee of the instrument only to reduce the amount owing on the instrument at the time the action is brought.

2. The right of a holder in due course to enforce the obligation of a party to pay the instrument is subject to defenses of the obligor stated in subsection 1, paragraph "*a*", but is not subject to defenses of the obligor stated in subsection 1, paragraph "*b*", or claims in recoupment stated in subsection 1, paragraph "*c*", against a person other than the holder.

3. Except as stated in subsection 4, in an action to enforce the obligation of a party to pay the instrument, the obligor may not assert against the person entitled to enforce the instrument a defense, claim in recoupment, or claim to the instrument (section 554.3306) of another person, but the other person's claim to the instrument may be asserted by the obligor if the other person is joined in the action and personally asserts the claim against the person entitled to enforce the instrument. An obligor is not obliged to pay the instrument if the person seeking enforcement of the instrument does not have rights of a holder in due course and the obligor proves that the instrument is a lost or stolen instrument.

4. In an action to enforce the obligation of an accommodation party to pay an instrument, the accommodation party may assert against the person entitled to enforce the instrument any defense or claim in recoupment under subsection 1 that the accommodated party could assert against the person entitled to enforce the instrument, except the defenses of discharge in insolvency proceedings, infancy, and lack of legal capacity.

94 Acts, ch 1167, §40, 121, 122; 2013 Acts, ch 30, §144
Referred to in §554.3302, 554.4207, 554.9403
Subsection 1, paragraph a amended

**554.3306 Claims to an instrument.**

A person taking an instrument, other than a person having rights of a holder in due course, is subject to a claim of a property or possessory right in the instrument or its proceeds, including a claim to rescind a negotiation and to recover the instrument or its proceeds. A person having rights of a holder in due course takes free of the claim to the instrument.

94 Acts, ch 1167, §41, 121, 122
Referred to in §554.3302, 554.3305, 554.3602

**554.3307 Notice of breach of fiduciary duty.**

1. In this section:

*a.* "*Fiduciary*" means an agent, trustee, partner, corporate officer or director, or other representative owing a fiduciary duty with respect to an instrument.

*b.* "*Represented person*" means the principal, beneficiary, partnership, corporation, or other person to whom the duty stated in paragraph "*a*" is owed.

2. If an instrument is taken from a fiduciary for payment or collection or for value, the taker has knowledge of the fiduciary status of the fiduciary, and the represented person makes a claim to the instrument or its proceeds on the basis that the transaction of the fiduciary is a breach of fiduciary duty, the following rules apply:

*a.* Notice of breach of fiduciary duty by the fiduciary is notice of the claim of the represented person.

*b.* In the case of an instrument payable to the represented person or the fiduciary as such, the taker has notice of the breach of fiduciary duty if the instrument is taken in payment of or as security for a debt known by the taker to be the personal debt of the fiduciary, taken in a transaction known by the taker to be for the personal benefit of the fiduciary, or deposited to an account other than an account of the fiduciary, as such, or an account of the represented person.

*c.* If an instrument is issued by the represented person or the fiduciary as such, and made payable to the fiduciary personally, the taker does not have notice of the breach of fiduciary duty unless the taker knows of the breach of fiduciary duty.

*d.* If an instrument is issued by the represented person or the fiduciary as such, to the

taker as payee, the taker has notice of the breach of fiduciary duty if the instrument is taken in payment of or as security for a debt known by the taker to be the personal debt of the fiduciary, taken in a transaction known by the taker to be for the personal benefit of the fiduciary, or deposited to an account other than an account of the fiduciary, as such, or an account of the represented person.

94 Acts, ch 1167, §42, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3104, 554.3206
Code editor directive applied

**554.3308 Proof of signatures and status as holder in due course.**

1. In an action with respect to an instrument, the authenticity of, and authority to make, each signature on the instrument is admitted unless specifically denied in the pleadings. If the validity of a signature is denied in the pleadings, the burden of establishing validity is on the person claiming validity, but the signature is presumed to be authentic and authorized unless the action is to enforce the liability of the purported signer and the signer is dead or incompetent at the time of trial of the issue of validity of the signature. If an action to enforce the instrument is brought against a person as the undisclosed principal of a person who signed the instrument as a party to the instrument, the plaintiff has the burden of establishing that the defendant is liable on the instrument as a represented person under section 554.3402, subsection 1.

2. If the validity of signatures is admitted or proved and there is compliance with subsection 1, a plaintiff producing the instrument is entitled to payment if the plaintiff proves entitlement to enforce the instrument under section 554.3301, unless the defendant proves a defense or claim in recoupment. If a defense or claim in recoupment is proved, the right to payment of the plaintiff is subject to the defense or claim, except to the extent the plaintiff proves that the plaintiff has rights of a holder in due course which are not subject to the defense or claim.

94 Acts, ch 1167, §43, 122
Referred to in §554.3309

**554.3309 Enforcement of lost, destroyed, or stolen instrument.**

1. A person not in possession of an instrument is entitled to enforce the instrument if:

*a.* the person seeking to enforce the instrument:

(1) was entitled to enforce the instrument when loss of possession occurred, or

(2) has directly or indirectly acquired ownership of the instrument from a person who was entitled to the instrument when loss of possession occurred;

*b.* the loss of possession was not the result of a transfer by the person or a lawful seizure; and

*c.* the person cannot reasonably obtain possession of the instrument because the instrument was destroyed, its whereabouts cannot be determined, or it is in the wrongful possession of an unknown person or a person that cannot be found or is not amenable to service of process.

2. A person seeking enforcement of an instrument under subsection 1 must prove the terms of the instrument and the person's right to enforce the instrument. If that proof is made, section 554.3308 applies to the case as if the person seeking enforcement had produced the instrument. The court may not enter judgment in favor of the person seeking enforcement unless it finds that the person required to pay the instrument is adequately protected against loss that might occur by reason of a claim by another person to enforce the instrument. Adequate protection may be provided by any reasonable means.

94 Acts, ch 1167, §44, 122; 2005 Acts, ch 11, §3; 2006 Acts, ch 1030, §69
Referred to in §554.3301, 554.3312

**554.3310 Effect of instrument on obligation for which taken.**

1. Unless otherwise agreed, if a certified check, cashier's check, or teller's check is taken for an obligation, the obligation is discharged to the same extent discharge would result if an amount of money equal to the amount of the instrument were taken in payment of the

obligation. Discharge of the obligation does not affect any liability that the obligor may have as an endorser of the instrument.

2. Unless otherwise agreed and except as provided in subsection 1, if a note or an uncertified check is taken for an obligation, the obligation is suspended to the same extent the obligation would be discharged if an amount of money equal to the amount of the instrument were taken, and the following rules apply:

*a.* In the case of an uncertified check, suspension of the obligation continues until dishonor of the check or until it is paid or certified. Payment or certification of the check results in discharge of the obligation to the extent of the amount of the check.

*b.* In the case of a note, suspension of the obligation continues until dishonor of the note or until it is paid. Payment of the note results in discharge of the obligation to the extent of the payment.

*c.* Except as provided in paragraph "*d*", if the check or note is dishonored and the obligee of the obligation for which the instrument was taken is the person entitled to enforce the instrument, the obligee may enforce either the instrument or the obligation. In the case of an instrument of a third person which is negotiated to the obligee by the obligor, discharge of the obligor on the instrument also discharges the obligation.

*d.* If the person entitled to enforce the instrument taken for an obligation is a person other than the obligee, the obligee may not enforce the obligation to the extent the obligation is suspended. If the obligee is the person entitled to enforce the instrument but no longer has possession of it because it was lost, stolen, or destroyed, the obligation may not be enforced to the extent of the amount payable on the instrument, and to that extent the obligee's rights against the obligor are limited to enforcement of the instrument.

3. If an instrument other than one described in subsection 1 or 2 is taken for an obligation, the effect is that stated in subsection 1 if the instrument is one on which a bank is liable as maker or acceptor, or that stated in subsection 2 in any other case.

94 Acts, ch 1167, §45, 122; 2013 Acts, ch 30, §261

Referred to in §554.2511

Code editor directive applied

**554.3311 Accord and satisfaction by use of instrument.**

1. If a person against whom a claim is asserted proves that that person in good faith tendered an instrument to the claimant as full satisfaction of the claim, the amount of the claim was unliquidated or subject to a bona fide dispute, and the claimant obtained payment of the instrument, the following subsections apply.

2. Unless subsection 3 applies, the claim is discharged if the person against whom the claim is asserted proves that the instrument or an accompanying written communication contained a conspicuous statement to the effect that the instrument was tendered as full satisfaction of the claim.

3. Subject to subsection 4, a claim is not discharged under subsection 2 if either of the following applies:

*a.* The claimant, if an organization, proves that:

(1) within a reasonable time before the tender, the claimant sent a conspicuous statement to the person against whom the claim is asserted that communications concerning disputed debts, including an instrument tendered as full satisfaction of a debt, are to be sent to a designated person, office, or place; and

(2) the instrument or accompanying communication was not received by that designated person, office, or place.

*b.* The claimant, whether or not an organization, proves that within ninety days after payment of the instrument, the claimant tendered repayment of the amount of the instrument to the person against whom the claim is asserted. This paragraph does not apply if the claimant is an organization that sent a statement complying with paragraph "*a*", subparagraph (1).

4. A claim is discharged if the person against whom the claim is asserted proves that within a reasonable time before collection of the instrument was initiated, the claimant, or

an agent of the claimant having direct responsibility with respect to the disputed obligation, knew that the instrument was tendered in full satisfaction of the claim.

94 Acts, ch 1167, §46, 122; 2013 Acts, ch 30, §145
Subsections 1 and 3 amended

**554.3312 Lost, destroyed, or stolen cashier's check, teller's check, or certified check.**

1. In this section:

*a.* *"Check"* means a cashier's check, teller's check, or certified check.

*b.* *"Claimant"* means a person who claims the right to receive the amount of a cashier's check, teller's check, or certified check that was lost, destroyed, or stolen.

*c.* *"Declaration of loss"* means a written statement, made under penalty of perjury, to the effect that the declarer lost possession of a check; the declarer is the drawer or payee of the check, in the case of a certified check, or the remitter or payee of the check, in the case of a cashier's check or teller's check; the loss of possession was not the result of a transfer by the declarer or a lawful seizure; and the declarer cannot reasonably obtain possession of the check because the check was destroyed, its whereabouts cannot be determined, or it is in the wrongful possession of an unknown person or a person that cannot be found or is not amenable to service of process.

*d.* *"Obligated bank"* means the issuer of a cashier's check or teller's check or the acceptor of a certified check.

2. A claimant may assert a claim to the amount of a check by a communication to the obligated bank describing the check with reasonable certainty and requesting payment of the amount of the check, if the claimant is the drawer or payee of a certified check or the remitter or payee of a cashier's check or teller's check, the communication contains or is accompanied by a declaration of loss of the claimant with respect to the check, the communication is received at a time and in a manner affording the bank a reasonable time to act on it before the check is paid, and the claimant provides reasonable identification if requested by the obligated bank. Delivery of a declaration of loss is a warranty of the truth of the statements made in the declaration. If a claim is asserted in compliance with this subsection, the following rules apply:

*a.* The claim becomes enforceable at the later of (i) the time the claim is asserted, or (ii) the ninetieth day following the date of the check, in the case of a cashier's check or teller's check, or the ninetieth day following the date of the acceptance, in the case of a certified check.

*b.* Until the claim becomes enforceable, it has no legal effect and the obligated bank may pay the check or, in the case of a teller's check, may permit the drawee to pay the check. Payment to a person entitled to enforce the check discharges all liability of the obligated bank with respect to the check.

*c.* If the claim becomes enforceable before the check is presented for payment, the obligated bank is not obliged to pay the check.

*d.* When the claim becomes enforceable, the obligated bank becomes obliged to pay the amount of the check to the claimant if payment of the check has not been made to a person entitled to enforce the check. Subject to section 554.4302, subsection 1, paragraph "*a*", payment to the claimant discharges all liability of the obligated bank with respect to the check.

3. If the obligated bank pays the amount of a check to a claimant under subsection 2, paragraph "*d*", and the check is presented for payment by a person having rights of a holder in due course, the claimant is obliged to refund the payment to the obligated bank if the check is paid, or pay the amount of the check to the person having rights of a holder in due course if the check is dishonored.

4. If a claimant has the right to assert a claim under subsection 2 and is also a person entitled to enforce a cashier's check, teller's check, or certified check which is lost, destroyed, or stolen, the claimant may assert rights with respect to the check either under this section or section 554.3309.

94 Acts, ch 1167, §47, 122; 2013 Acts, ch 30, §146, 261
Code editor directive applied
Subsection 1, paragraph c amended

## PART 4

## LIABILITY OF PARTIES

**554.3401 Signature.**

1. A person is not liable on an instrument unless the person signed the instrument, or the person is represented by an agent or representative who signed the instrument and the signature is binding on the represented person under section 554.3402.

2. A signature may be made manually or by means of a device or machine, and by the use of any name, including a trade or assumed name, or by a word, mark, or symbol executed or adopted by a person with present intention to authenticate a writing.

94 Acts, ch 1167, §48, 121, 122; 2013 Acts, ch 30, §261
Code editor directive applied

**554.3402 Signature by representative.**

1. If a person acting, or purporting to act, as a representative signs an instrument by signing either the name of the represented person or the name of the signer, the represented person is bound by the signature to the same extent the represented person would be bound if the signature were on a simple contract. If the represented person is bound, the signature of the representative is the "authorized signature of the represented person" and the represented person is liable on the instrument, whether or not identified in the instrument.

2. If a representative signs the name of the representative to an instrument and the signature is an authorized signature of the represented person, the following rules apply:

*a.* If the form of the signature shows unambiguously that the signature is made on behalf of the represented person who is identified in the instrument, the representative is not liable on the instrument.

*b.* Subject to subsection 3, if the form of the signature does not show unambiguously that the signature is made in a representative capacity or the represented person is not identified in the instrument, the representative is liable on the instrument to a holder in due course that took the instrument without notice that the representative was not intended to be liable on the instrument. With respect to any other person, the representative is liable on the instrument unless the representative proves that the original parties did not intend the representative to be liable on the instrument.

3. If a representative signs the name of the representative as drawer of a check without indication of the representative status and the check is payable from an account of the represented person who is identified on the check, the signer is not liable on the check if the signature is an authorized signature of the represented person.

94 Acts, ch 1167, §49, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3308, 554.3401
Code editor directive applied

**554.3403 Unauthorized signature.**

1. Unless otherwise provided in this Article or Article 4, an unauthorized signature is ineffective except as the signature of the unauthorized signer in favor of a person who in good faith pays the instrument or takes it for value. An unauthorized signature may be ratified for all purposes of this Article.

2. If the signature of more than one person is required to constitute the authorized signature of an organization, the signature of the organization is unauthorized if one of the required signatures is lacking.

3. The civil or criminal liability of a person who makes an unauthorized signature is not affected by any provision of this Article which makes the unauthorized signature effective for the purposes of this Article.

94 Acts, ch 1167, §50, 121, 122
Referred to in §554.4104

**554.3404 Impostors — fictitious payees.**

1. If an impostor, by use of the mails or otherwise, induces the issuer of an instrument

to issue the instrument to the impostor, or to a person acting in concert with the impostor, by impersonating the payee of the instrument or a person authorized to act for the payee, an endorsement of the instrument by any person in the name of the payee is effective as the endorsement of the payee in favor of a person who, in good faith, pays the instrument or takes it for value or for collection.

2. If a person whose intent determines to whom an instrument is payable (section 554.3110, subsection 1 or 2) does not intend the person identified as payee to have any interest in the instrument, or the person identified as payee of an instrument is a fictitious person, the following rules apply until the instrument is negotiated by special endorsement:

*a.* Any person in possession of the instrument is its holder.

*b.* An endorsement by any person in the name of the payee stated in the instrument is effective as the endorsement of the payee in favor of a person who, in good faith, pays the instrument or takes it for value or for collection.

3. Under subsection 1 or 2, an endorsement is made in the name of a payee if it is made in a name substantially similar to that of the payee or the instrument, whether or not endorsed, is deposited in a depositary bank to an account in a name substantially similar to that of the payee.

4. With respect to an instrument to which subsection 1 or 2 applies, if a person paying the instrument or taking it for value or for collection fails to exercise ordinary care in paying or taking the instrument and that failure substantially contributes to loss resulting from payment of the instrument, the person bearing the loss may recover from the person failing to exercise ordinary care to the extent the failure to exercise ordinary care contributed to the loss.

94 Acts, ch 1167, §51, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3417, 554.4208
Code editor directive applied

**554.3405 Employer's responsibility for fraudulent endorsement by employee.**

1. In this section:

*a.* *"Employee"* includes an independent contractor and employee of an independent contractor retained by the employer.

*b.* *"Fraudulent endorsement"* means one of the following:

(1) in the case of an instrument payable to the employer, a forged endorsement purporting to be that of the employer;

(2) in the case of an instrument with respect to which the employer is the issuer, a forged endorsement purporting to be that of the person identified as payee.

*c.* *"Responsibility"* with respect to instruments means authority to sign or endorse instruments on behalf of the employer; to process instruments received by the employer for bookkeeping purposes, for deposit to an account, or for other disposition; to prepare or process instruments for issue in the name of the employer; to supply information determining the names or addresses of payees of instruments to be issued in the name of the employer; to control the disposition of instruments to be issued in the name of the employer; or to act otherwise with respect to instruments in a responsible capacity. *"Responsibility"* does not include authority that merely allows an employee to have access to instruments or blank or incomplete instrument forms that are being stored or transported or are part of incoming or outgoing mail, or similar access.

2. For the purpose of determining the rights and liabilities of a person who, in good faith, pays an instrument or takes it for value or for collection, if an employer entrusted an employee with responsibility with respect to the instrument and the employee or a person acting in concert with the employee makes a fraudulent endorsement of the instrument, the endorsement is effective as the endorsement of the person to whom the instrument is payable if it is made in the name of that person. If the person paying the instrument or taking it for value or for collection fails to exercise ordinary care in paying or taking the instrument and that failure substantially contributes to loss resulting from the fraud, the person bearing the loss may recover from the person failing to exercise ordinary care to the extent the failure to exercise ordinary care contributed to the loss.

3. Under subsection 2, an endorsement is made in the name of the person to whom an

instrument is payable if it is made in a name substantially similar to the name of that person or the instrument, whether or not endorsed, is deposited in a depositary bank to an account in a name substantially similar to the name of that person.

94 Acts, ch 1167, §52, 121, 122; 2013 Acts, ch 30, §147, 261
Referred to in §554.3417, 554.4208
Code editor directive applied
Subsection 1, paragraphs b and c amended

**554.3406 Negligence contributing to forged signature or alteration of instrument.**

1. A person whose failure to exercise ordinary care substantially contributes to an alteration of an instrument or to the making of a forged signature on an instrument is precluded from asserting the alteration or the forgery against a person who, in good faith, pays the instrument or takes it for value or for collection.

2. Under subsection 1, if the person asserting the preclusion fails to exercise ordinary care in paying or taking the instrument and that failure substantially contributes to loss, the loss is allocated between the person precluded and the person asserting the preclusion according to the extent to which the failure of each to exercise ordinary care contributed to the loss.

3. Under subsection 1, the burden of proving failure to exercise ordinary care is on the person asserting the preclusion. Under subsection 2, the burden of proving failure to exercise ordinary care is on the person precluded.

94 Acts, ch 1167, §53, 121, 122
Referred to in §554.3417, 554.4208

**554.3407 Alteration.**

1. *"Alteration"* means an unauthorized change in an instrument that purports to modify in any respect the obligation of a party, or an unauthorized addition of words or numbers or other change to an incomplete instrument relating to the obligation of a party.

2. Except as provided in subsection 3, an alteration fraudulently made discharges a party whose obligation is affected by the alteration unless that party assents or is precluded from asserting the alteration. No other alteration discharges a party, and the instrument may be enforced according to its original terms.

3. A payor bank or drawee paying a fraudulently altered instrument or a person taking it for value, in good faith and without notice of the alteration, may enforce rights with respect to the instrument according to its original terms, or in the case of an incomplete instrument altered by unauthorized completion, according to its terms as completed.

94 Acts, ch 1167, §54, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3103, 554.3115, 554.3412, 554.3413, 554.3414, 554.3415, 554.4104, 554.4207
Code editor directive applied

**554.3408 Drawee not liable on unaccepted draft.**

A check or other draft does not of itself operate as an assignment of funds in the hands of the drawee available for its payment, and the drawee is not liable on the instrument until the drawee accepts it.

94 Acts, ch 1167, §55, 121, 122

**554.3409 Acceptance of draft — certified check.**

1. *"Acceptance"* means the drawee's signed agreement to pay a draft as presented. It must be written on the draft and may consist of the drawee's signature alone. Acceptance may be made at any time and becomes effective when notification pursuant to instructions is given or the accepted draft is delivered for the purpose of giving rights on the acceptance to any person.

2. A draft may be accepted although it has not been signed by the drawer, is otherwise incomplete, is overdue, or has been dishonored.

3. If a draft is payable at a fixed period after sight and the acceptor fails to date the acceptance, the holder may complete the acceptance by supplying a date in good faith.

4. *"Certified check"* means a check accepted by the bank on which it is drawn. Acceptance may be made as stated in subsection 1 or by a writing on the check which indicates that the

check is certified. The drawee of a check has no obligation to certify the check, and refusal to certify is not dishonor of the check.

94 Acts, ch 1167, §56, 121, 122

Referred to in §554.3103, 554.4104, 554.5102

**554.3410 Acceptance varying draft.**

1. If the terms of a drawee's acceptance vary from the terms of the draft as presented, the holder may refuse the acceptance and treat the draft as dishonored. In that case, the drawee may cancel the acceptance.

2. The terms of a draft are not varied by an acceptance to pay at a particular bank or place in the United States, unless the acceptance states that the draft is to be paid only at that bank or place.

3. If the holder assents to an acceptance varying the terms of a draft, the obligation of each drawer and endorser that does not expressly assent to the acceptance is discharged.

94 Acts, ch 1167, §57, 121, 122

**554.3411 Refusal to pay cashier's checks, teller's checks, and certified checks.**

1. In this section, "*obligated bank*" means the acceptor of a certified check or the issuer of a cashier's check or teller's check bought from the issuer.

2. If the obligated bank wrongfully refuses to pay a cashier's check or certified check, stops payment of a teller's check, or refuses to pay a dishonored teller's check, the person asserting the right to enforce the check is entitled to compensation for expenses and loss of interest resulting from the nonpayment and may recover consequential damages if the obligated bank refuses to pay after receiving notice of particular circumstances giving rise to the damages.

3. Expenses or consequential damages under subsection 2 are not recoverable if the refusal of the obligated bank to pay occurs because the bank suspends payments, the obligated bank asserts a claim or defense of the bank that it has reasonable grounds to believe is available against the person entitled to enforce the instrument, the obligated bank has a reasonable doubt whether the person demanding payment is the person entitled to enforce the instrument, or payment is prohibited by law.

94 Acts, ch 1167, §58, 121, 122; 2013 Acts, ch 30, §261

Code editor directive applied

**554.3412 Obligation of issuer of note or cashier's check.**

The issuer of a note or cashier's check or other draft drawn on the drawer is obliged to pay the instrument according to its terms at the time it was issued or, if not issued, at the time it first came into possession of a holder, or if the issuer signed an incomplete instrument, according to its terms when completed, to the extent stated in sections 554.3115 and 554.3407. The obligation is owed to a person entitled to enforce the instrument or to an endorser who paid the instrument under section 554.3415.

94 Acts, ch 1167, §59, 121, 122; 2013 Acts, ch 30, §261

Code editor directive applied

**554.3413 Obligation of acceptor.**

1. The acceptor of a draft is obliged to pay the draft according to its terms at the time it was accepted, even though the acceptance states that the draft is payable "as originally drawn" or equivalent terms, if the acceptance varies the terms of the draft, according to the terms of the draft as varied, or if the acceptance is of a draft that is an incomplete instrument, according to its terms when completed, to the extent stated in sections 554.3115 and 554.3407. The obligation is owed to a person entitled to enforce the draft or to the drawer or an endorser who paid the draft under section 554.3414 or 554.3415.

2. If the certification of a check or other acceptance of a draft states the amount certified or accepted, the obligation of the acceptor is that amount. If the certification or acceptance does not state an amount, the amount of the instrument is subsequently raised, and the instrument

is then negotiated to a holder in due course, the obligation of the acceptor is the amount of the instrument at the time it was taken by the holder in due course.

94 Acts, ch 1167, §60, 121, 122; 2013 Acts, ch 30, §261
Code editor directive applied

**554.3414 Obligation of drawer.**

1. This section does not apply to cashier's checks or other drafts drawn on the drawer.

2. If an unaccepted draft is dishonored, the drawer is obliged to pay the draft according to its terms at the time it was issued or, if not issued, at the time it first came into possession of a holder, or if the drawer signed an incomplete instrument, according to its terms when completed, to the extent stated in sections 554.3115 and 554.3407. The obligation is owed to a person entitled to enforce the draft or to an endorser who paid the draft under section 554.3415.

3. If a draft is accepted by a bank, the drawer is discharged, regardless of when or by whom acceptance was obtained.

4. If a draft is accepted and the acceptor is not a bank, the obligation of the drawer to pay the draft if the draft is dishonored by the acceptor is the same as the obligation of an endorser under section 554.3415, subsections 1 and 3.

5. If a draft states that it is drawn "without recourse" or otherwise disclaims liability of the drawer to pay the draft, the drawer is not liable under subsection 2 to pay the draft if the draft is not a check. A disclaimer of the liability stated in subsection 2 is not effective if the draft is a check.

6. If a check is not presented for payment or given to a depositary bank for collection within thirty days after its date, the drawee suspends payments after expiration of the thirty-day period without paying the check, and because of the suspension of payments, the drawer is deprived of funds maintained with the drawee to cover payment of the check, the drawer to the extent deprived of funds may discharge its obligation to pay the check by assigning to the person entitled to enforce the check the rights of the drawer against the drawee with respect to the funds.

94 Acts, ch 1167, §61, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3413, 554.3503, 554.3605, 554.5108
Code editor directive applied

**554.3415 Obligation of endorser.**

1. Subject to subsections 2, 3, and 4 and to section 554.3419, subsection 4, if an instrument is dishonored, an endorser is obliged to pay the amount due on the instrument according to the terms of the instrument at the time it was endorsed, or if the endorser endorsed an incomplete instrument, according to its terms when completed, to the extent stated in sections 554.3115 and 554.3407. The obligation of the endorser is owed to a person entitled to enforce the instrument or to a subsequent endorser who paid the instrument under this section.

2. If an endorsement states that it is made "without recourse" or otherwise disclaims liability of the endorser, the endorser is not liable under subsection 1 to pay the instrument.

3. If notice of dishonor of an instrument is required by section 554.3503 and notice of dishonor complying with that section is not given to an endorser, the liability of the endorser under subsection 1 is discharged.

4. If a draft is accepted by a bank after an endorsement is made, the liability of the endorser under subsection 1 is discharged.

5. If an endorser of a check is liable under subsection 1 and the check is not presented for payment, or given to a depositary bank for collection, within thirty days after the day the endorsement was made, the liability of the endorser under subsection 1 is discharged.

94 Acts, ch 1167, §62, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3412, 554.3413, 554.3414, 554.3503, 554.5108
Code editor directive applied

**554.3416 Transfer warranties.**

1. A person who transfers an instrument for consideration warrants to the transferee and, if the transfer is by endorsement, to any subsequent transferee that:

*a.* the warrantor is a person entitled to enforce the instrument;

*b.* all signatures on the instrument are authentic and authorized;

*c.* the instrument has not been altered;

*d.* the instrument is not subject to a defense or claim in recoupment of any party which can be asserted against the warrantor;

*e.* the warrantor has no knowledge of any insolvency proceeding commenced with respect to the maker or acceptor or, in the case of an unaccepted draft, the drawer; and

*f.* if the instrument is a demand draft, creation of the instrument according to the terms on its face was authorized by the person identified as the drawer.

2. A person to whom the warranties under subsection 1 are made and who took the instrument in good faith may recover from the warrantor as damages for breach of warranty an amount equal to the loss suffered as a result of the breach, but not more than the amount of the instrument plus expenses and loss of interest incurred as a result of the breach.

3. The warranties stated in subsection 1 cannot be disclaimed with respect to checks. Unless notice of a claim for breach of warranty is given to the warrantor within sixty days after the claimant has reason to know of the breach and the identity of the warrantor, the liability of the warrantor under subsection 2 is discharged to the extent of any loss caused by the delay in giving notice of the claim.

4. A cause of action for breach of warranty under this section accrues when the claimant has reason to know of the breach.

5. If a warranty under subsection 1, paragraph "*f*", is not given by a transferor under applicable conflict of laws rules, the warranty is not given to that transferor when that transferor is a transferee.

94 Acts, ch 1167, §63, 121, 122; 2005 Acts, ch 11, §4, 5

**554.3417 Presentment warranties.**

1. If an unaccepted draft is presented to the drawee for payment or acceptance and the drawee pays or accepts the draft, the person obtaining payment or acceptance, at the time of presentment, and a previous transferor of the draft, at the time of transfer, warrant to the drawee making payment or accepting the draft in good faith that:

*a.* the warrantor is, or was, at the time the warrantor transferred the draft, a person entitled to enforce the draft or authorized to obtain payment or acceptance of the draft on behalf of a person entitled to enforce the draft;

*b.* the draft has not been altered;

*c.* the warrantor has no knowledge that the signature of the drawer of the draft is unauthorized; and

*d.* if the draft is a demand draft, the creation of the demand draft according to the terms on its face was authorized by the person identified as the drawer.

2. A drawee making payment may recover from any warrantor damages for breach of warranty equal to the amount paid by the drawee less the amount the drawee received or is entitled to receive from the drawer because of the payment. In addition, the drawee is entitled to compensation for expenses and loss of interest resulting from the breach. The right of the drawee to recover damages under this subsection is not affected by any failure of the drawee to exercise ordinary care in making payment. If the drawee accepts the draft, breach of warranty is a defense to the obligation of the acceptor. If the acceptor makes payment with respect to the draft, the acceptor is entitled to recover from any warrantor for breach of warranty the amounts stated in this subsection.

3. If a drawee asserts a claim for breach of warranty under subsection 1 based on an unauthorized endorsement of the draft or an alteration of the draft, the warrantor may defend by proving that the endorsement is effective under section 554.3404 or 554.3405 or the drawer is precluded under section 554.3406 or 554.4406 from asserting against the drawee the unauthorized endorsement or alteration.

4. If a dishonored draft is presented for payment to the drawer or an endorser or any other instrument is presented for payment to a party obliged to pay the instrument, and payment is received, the following rules apply:

*a.* The person obtaining payment and a prior transferor of the instrument warrant to the person making payment in good faith that the warrantor is, or was, at the time the warrantor

transferred the instrument, a person entitled to enforce the instrument or authorized to obtain payment on behalf of a person entitled to enforce the instrument.

*b*. The person making payment may recover from any warrantor for breach of warranty an amount equal to the amount paid plus expenses and loss of interest resulting from the breach.

5. The warranties stated in subsections 1 and 4 cannot be disclaimed with respect to checks. Unless notice of a claim for breach of warranty is given to the warrantor within sixty days after the claimant has reason to know of the breach and the identity of the warrantor, the liability of the warrantor under subsection 2 or 4 is discharged to the extent of any loss caused by the delay in giving notice of the claim.

6. A cause of action for breach of warranty under this section accrues when the claimant has reason to know of the breach.

7. A demand draft is a check as provided in section 554.3104, subsection 6.

8. If a warranty under subsection 1, paragraph *"d"*, is not given by a transferor under applicable conflict of laws rules, the warranty is not given to that transferor when that transferor is a transferee.

94 Acts, ch 1167, §64, 121, 122; 2005 Acts, ch 11, §6, 7; 2013 Acts, ch 30, §261
Referred to in §554.3418
Code editor directive applied

**554.3418 Payment or acceptance by mistake.**

1. Except as provided in subsection 3, if the drawee of a draft pays or accepts the draft and the drawee acted on the mistaken belief that payment of the draft had not been stopped pursuant to section 554.4403 or the signature of the drawer of the draft was authorized, the drawee may recover the amount of the draft from the person to whom or for whose benefit payment was made or, in the case of acceptance, may revoke the acceptance. Rights of the drawee under this subsection are not affected by failure of the drawee to exercise ordinary care in paying or accepting the draft.

2. Except as provided in subsection 3, if an instrument has been paid or accepted by mistake and the case is not covered by subsection 1, the person paying or accepting may, to the extent permitted by the law governing mistake and restitution, recover the payment from the person to whom or for whose benefit payment was made or in the case of acceptance, may revoke the acceptance.

3. The remedies provided by subsection 1 or 2 may not be asserted against a person who took the instrument in good faith and for value or who in good faith changed position in reliance on the payment or acceptance. This subsection does not limit remedies provided by section 554.3417 or 554.4407.

4. Notwithstanding section 554.4215, if an instrument is paid or accepted by mistake and the payor or acceptor recovers payment or revokes acceptance under subsection 1 or 2, the instrument is deemed not to have been paid or accepted and is treated as dishonored, and the person from whom payment is recovered has rights as a person entitled to enforce the dishonored instrument.

94 Acts, ch 1167, §65, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3301
Code editor directive applied

**554.3419 Instruments signed for accommodation.**

1. If an instrument is issued for value given for the benefit of a party to the instrument ("accommodated party") and another party to the instrument ("accommodation party") signs the instrument for the purpose of incurring liability on the instrument without being a direct beneficiary of the value given for the instrument, the instrument is signed by the accommodation party "for accommodation."

2. An accommodation party may sign the instrument as maker, drawer, acceptor, or endorser and, subject to subsection 4, is obliged to pay the instrument in the capacity in which the accommodation party signs. The obligation of an accommodation party may be enforced notwithstanding any statute of frauds and whether or not the accommodation party receives consideration for the accommodation.

3. A person signing an instrument is presumed to be an accommodation party and there is notice that the instrument is signed for accommodation if the signature is an anomalous endorsement or is accompanied by words indicating that the signer is acting as surety or guarantor with respect to the obligation of another party to the instrument. Except as provided in section 554.3605, the obligation of an accommodation party to pay the instrument is not affected by the fact that the person enforcing the obligation had notice when the instrument was taken by that person that the accommodation party signed the instrument for accommodation.

4. If the signature of a party to an instrument is accompanied by words indicating unambiguously that the party is guaranteeing collection rather than payment of the obligation of another party to the instrument, the signer is obliged to pay the amount due on the instrument to a person entitled to enforce the instrument only if execution of judgment against the other party has been returned unsatisfied, the other party is insolvent or in an insolvency proceeding, the other party cannot be served with process, or it is otherwise apparent that payment cannot be obtained from the other party.

5. An accommodation party who pays the instrument is entitled to reimbursement from the accommodated party and is entitled to enforce the instrument against the accommodated party. An accommodated party who pays the instrument has no right of recourse against, and is not entitled to contribution from, an accommodation party.

94 Acts, ch 1167, §66, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3103, 554.3116, 554.3415, 554.3605
Code editor directive applied

**554.3420 Conversion of instrument.**

1. The law applicable to conversion of personal property applies to instruments. An instrument is also converted if it is taken by transfer, other than a negotiation, from a person not entitled to enforce the instrument or a bank makes or obtains payment with respect to the instrument for a person not entitled to enforce the instrument or receive payment. An action for conversion of an instrument may not be brought by the issuer or acceptor of the instrument or a payee or endorsee who did not receive delivery of the instrument either directly or through delivery to an agent or a co-payee.

2. In an action under subsection 1, the measure of liability is presumed to be the amount payable on the instrument, but recovery may not exceed the amount of the plaintiff's interest in the instrument.

3. A representative, other than a depositary bank, who has in good faith dealt with an instrument or its proceeds on behalf of one who was not the person entitled to enforce the instrument is not liable in conversion to that person beyond the amount of any proceeds that it has not paid out.

94 Acts, ch 1167, §67, 122; 2013 Acts, ch 30, §261
Referred to in §554.4203
Code editor directive applied

## PART 5

## DISHONOR

**554.3501 Presentment.**

1. *"Presentment"* means a demand made by or on behalf of a person entitled to enforce an instrument:

*a.* to pay the instrument made to the drawee or a party obliged to pay the instrument or, in the case of a note or accepted draft payable at a bank, to the bank; or

*b.* to accept a draft made to the drawee.

2. The following rules are subject to Article 4, agreement of the parties, and clearing-house rules and the like:

*a.* Presentment may be made at the place of payment of the instrument and must be made at the place of payment if the instrument is payable at a bank in the United States; may

be made by any commercially reasonable means, including an oral, written, or electronic communication; is effective when the demand for payment or acceptance is received by the person to whom presentment is made; and is effective if made to any one of two or more makers, acceptors, drawees, or other payors.

*b.* Upon demand of the person to whom presentment is made, the person making presentment must exhibit the instrument; give reasonable identification and, if presentment is made on behalf of another person, reasonable evidence of authority to do so; and sign a receipt on the instrument for any payment made or surrender the instrument if full payment is made.

*c.* Without dishonoring the instrument, the party to whom presentment is made may return the instrument for lack of a necessary endorsement, or refuse payment or acceptance for failure of the presentment to comply with the terms of the instrument, an agreement of the parties, or other applicable law or rule.

*d.* The party to whom presentment is made may treat presentment as occurring on the next business day after the day of presentment if the party to whom presentment is made has established a cut-off hour not earlier than two p.m. for the receipt and processing of instruments presented for payment or acceptance and presentment is made after the cut-off hour.

94 Acts, ch 1167, §68, 121, 122; 2013 Acts, ch 30, §148, 149
Referred to in §554.3103, 554.4104, 554.4212
Subsection 1 amended
Subsection 2, paragraphs b and c amended

**554.3502 Dishonor.**

1. Dishonor of a note is governed by the following rules:

*a.* If the note is payable on demand, the note is dishonored if presentment is duly made to the maker and the note is not paid on the day of presentment.

*b.* If the note is not payable on demand and is payable at or through a bank or the terms of the note require presentment, the note is dishonored if presentment is duly made and the note is not paid on the day it becomes payable or the day of presentment, whichever is later.

*c.* If the note is not payable on demand and paragraph "*b*" does not apply, the note is dishonored if it is not paid on the day it becomes payable.

2. Dishonor of an unaccepted draft other than a documentary draft is governed by the following rules:

*a.* If a check is duly presented for payment to the payor bank otherwise than for immediate payment over the counter, the check is dishonored if the payor bank makes timely return of the check or sends timely notice of dishonor or nonpayment under section 554.4301 or 554.4302, or becomes accountable for the amount of the check under section 554.4302.

*b.* If a draft is payable on demand and paragraph "*a*" does not apply, the draft is dishonored if presentment for payment is duly made to the drawee and the draft is not paid on the day of presentment.

*c.* If a draft is payable on a date stated in the draft, the draft is dishonored if presentment for payment is duly made to the drawee and payment is not made on the day the draft becomes payable or the day of presentment, whichever is later, or presentment for acceptance is duly made before the day the draft becomes payable and the draft is not accepted on the day of presentment.

*d.* If a draft is payable on elapse of a period of time after sight or acceptance, the draft is dishonored if presentment for acceptance is duly made and the draft is not accepted on the day of presentment.

3. Dishonor of an unaccepted documentary draft occurs according to the rules stated in subsection 2, paragraphs "*b*", "*c*", and "*d*", except that payment or acceptance may be delayed without dishonor until no later than the close of the third business day of the drawee following the day on which payment or acceptance is required by those paragraphs.

4. Dishonor of an accepted draft is governed by the following rules:

*a.* If the draft is payable on demand, the draft is dishonored if presentment for payment is duly made to the acceptor and the draft is not paid on the day of presentment.

*b.* If the draft is not payable on demand, the draft is dishonored if presentment for payment

is duly made to the acceptor and payment is not made on the day it becomes payable or the day of presentment, whichever is later.

5. In any case in which presentment is otherwise required for dishonor under this section and presentment is excused under section 554.3504, dishonor occurs without presentment if the instrument is not duly accepted or paid.

6. If a draft is dishonored because timely acceptance of the draft was not made and the person entitled to demand acceptance consents to a late acceptance, from the time of acceptance the draft is treated as never having been dishonored.

94 Acts, ch 1167, §69, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.2103
Code editor directive applied

**554.3503 Notice of dishonor.**

1. The obligation of an endorser stated in section 554.3415, subsection 1, and the obligation of a drawer stated in section 554.3414, subsection 4, may not be enforced unless the endorser or drawer is given notice of dishonor of the instrument complying with this section or notice of dishonor is excused under section 554.3504, subsection 2.

2. Notice of dishonor may be given by any person; may be given by any commercially reasonable means, including an oral, written, or electronic communication; and is sufficient if it reasonably identifies the instrument and indicates that the instrument has been dishonored or has not been paid or accepted. Return of an instrument given to a bank for collection is sufficient notice of dishonor.

3. Subject to section 554.3504, subsection 3, with respect to an instrument taken for collection by a collecting bank, notice of dishonor must be given by the bank before midnight of the next banking day following the banking day on which the bank receives notice of dishonor of the instrument, or by any other person within thirty days following the day on which the person receives notice of dishonor. With respect to any other instrument, notice of dishonor must be given within thirty days following the day on which dishonor occurs.

94 Acts, ch 1167, §70, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3415, 554.4104
Code editor directive applied

**554.3504 Excused presentment and notice of dishonor.**

1. Presentment for payment or acceptance of an instrument is excused if the person entitled to present the instrument cannot with reasonable diligence make presentment, the maker or acceptor has repudiated an obligation to pay the instrument or is dead or in insolvency proceedings, by the terms of the instrument presentment is not necessary to enforce the obligation of endorsers or the drawer, the drawer or endorser whose obligation is being enforced has waived presentment or otherwise has no reason to expect or right to require that the instrument be paid or accepted, or the drawer instructed the drawee not to pay or accept the draft or the drawee was not obligated to the drawer to pay the draft.

2. Notice of dishonor is excused if by the terms of the instrument notice of dishonor is not necessary to enforce the obligation of a party to pay the instrument, or the party whose obligation is being enforced waived notice of dishonor. A waiver of presentment is also a waiver of notice of dishonor.

3. Delay in giving notice of dishonor is excused if the delay was caused by circumstances beyond the control of the person giving the notice and the person giving the notice exercised reasonable diligence after the cause of the delay ceased to operate.

94 Acts, ch 1167, §71, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3502, 554.3503
Code editor directive applied

**554.3505 Evidence of dishonor.**

1. The following are admissible as evidence and create a presumption of dishonor and of any notice of dishonor stated:

*a.* a document regular in form as provided in subsection 2 which purports to be a protest;

*b.* a purported stamp or writing of the drawee, payor bank, or presenting bank on or

accompanying the instrument stating that acceptance or payment has been refused unless reasons for the refusal are stated and the reasons are not consistent with dishonor;

*c.* a book or record of the drawee, payor bank, or collecting bank, kept in the usual course of business which shows dishonor, even if there is no evidence of who made the entry.

2. A protest is a certificate of dishonor made by a United States consul or vice consul, or a notarial officer as provided in chapter 9B or other person authorized to administer oaths by the law of the place where dishonor occurs. It may be made upon information satisfactory to that person. The protest must identify the instrument and certify either that presentment has been made or, if not made, the reason why it was not made, and that the instrument has been dishonored by nonacceptance or nonpayment. The protest may also certify that notice of dishonor has been given to some or all parties.

94 Acts, ch 1167, §72, 121, 122; 2012 Acts, ch 1050, §46, 60; 2013 Acts, ch 140, §99
Referred to in §9B.5
Subsection 2 amended

**554.3506 Time allowed for acceptance or payment.** Repealed by 94 Acts, ch 1167, §121, 122.

**554.3507 Dishonor — holder's right of recourse — term allowing re-presentment.** Repealed by 94 Acts, ch 1167, §121, 122. See §554.3501, 554.3502, and 554.3512.

**554.3508 Notice of dishonor.** Repealed by 94 Acts, ch 1167, §121, 122. See § 554.3503.

**554.3509 Protest — noting for protest.** Repealed by 94 Acts, ch 1167, §121, 122. See § 554.3505.

**554.3510 Evidence of dishonor and notice of dishonor.** Repealed by 94 Acts, ch 1167, §121, 122. See § 554.3505.

**554.3511 Waived or excused presentment, protest or notice of dishonor or delay therein.** Repealed by 94 Acts, ch 1167, §121, 122. See § 554.3502 and 554.3504.

**554.3512 Holder's recourse for dishonor.**

1. The holder of a dishonored check, draft, or order may assess against the maker of that check, draft, or order a surcharge not to exceed thirty dollars.

2. The surcharge authorized by this section shall not be assessed unless the holder clearly and conspicuously posts a notice at the usual place of payment, or in the billing statement of the holder, stating that a surcharge will be assessed and the amount of the surcharge. However, the surcharge shall not be assessed against the maker if the reason for the dishonor of the check, draft, or order is that the maker has stopped payment pursuant to section 554.4403.

95 Acts, ch 137, §2; 2003 Acts, ch 10, §1
Referred to in §331.553, 554.3513

**554.3513 Civil remedy for dishonor.**

1. In a civil action against a person who makes a check, draft, or order, which has been dishonored for lack of funds or credit, after having been presented twice, or because the maker has no account with the drawee, the plaintiff shall recover from the defendant total damages equaling three times the face value of the dishonored check, draft, or order, which sum shall include the face value of the check, draft, or order. However, total recovery under this section shall not exceed by more than five hundred dollars the amount of the check, draft, or order and may be awarded only if all of the following apply:

*a.* The plaintiff made written demand of the defendant for payment of the amount of the check, draft, or order not less than thirty days before commencing the action.

*b.* The written demand notified the defendant that treble damages would be sought if the

face value of the dishonored check was not paid within thirty days of receipt, and was received by the defendant via any of the following methods:

(1) Personal service.

(2) Restricted certified mail.

(3) Regular mail to at least one of the following addresses, supported by an affidavit of service retained by the payee or holder of the dishonored check, which affidavit shall be presumptive evidence of the receipt of the demand by the maker three days from the date of execution of the affidavit:

(a) The address printed or written on the check.

(b) The address given by the drawer at the time of issuance of the check.

(c) The last known address of the drawer.

*c.* The defendant has failed to tender to the plaintiff, prior to commencement of the action, an amount of money not less than the face value of the dishonored check, draft, or order.

*d.* The plaintiff clearly and conspicuously posted a notice at the usual place of payment, or in a billing statement of the plaintiff, stating that civil damages pursuant to this section would be sought upon dishonorment.

2. In an action for damages pursuant to subsection 1, if the court or jury determines that the failure of the defendant to satisfy the dishonored check, draft, or order is due to economic hardship, the court or jury may waive all or part of the allowable civil damages. However, if the court or jury waives all or part of the civil damages, the court or jury shall render judgment against the defendant in the amount of the dishonored check, draft, or order and the actual costs incurred by the plaintiff in bringing the action.

3. This section does not apply if the reason for the dishonor of the check, draft, or order is that the maker has stopped payment pursuant to section 554.4403 because of a bona fide dispute between the maker and the holder relating to the consideration for which the check, draft, or order was given.

4. In actions brought pursuant to this section, no additional award pursuant to section 554.3512 or 625.22 shall be made.

5. The plaintiff in a civil action to collect a dishonored check, draft, or order brought before the district court sitting in small claims shall not request or recover punitive or exemplary damages, but may seek the civil damages allowed under this section. The plaintiff in a civil action to collect a dishonored check, draft, or order in the district court not sitting in small claims, may seek punitive or exemplary damages if appropriate under chapter 668A, or civil damages allowed under this section, but not both.

6. A violation of this section is an unlawful practice as provided in section 714.16, subsection 2, paragraph *"a"*.

95 Acts, ch 137, §3; 2003 Acts, ch 100, §1

## PART 6

## DISCHARGE AND PAYMENT

**554.3601 Discharge and effect of discharge.**

1. The obligation of a party to pay the instrument is discharged as stated in this Article or by an act or agreement with the party which would discharge an obligation to pay money under a simple contract.

2. Discharge of the obligation of a party is not effective against a person acquiring rights of a holder in due course of the instrument without notice of the discharge.

94 Acts, ch 1167, §73, 121, 122

**554.3602 Payment.**

1. Subject to subsection 2, an instrument is paid to the extent payment is made by or on behalf of a party obliged to pay the instrument, and to a person entitled to enforce the instrument. To the extent of the payment, the obligation of the party obliged to pay the

instrument is discharged even though payment is made with knowledge of a claim to the instrument under section 554.3306 by another person.

2. The obligation of a party to pay the instrument is not discharged under subsection 1 if:

*a.* a claim to the instrument under section 554.3306 is enforceable against the party receiving payment and payment is made with knowledge by the payor that payment is prohibited by injunction or similar process of a court of competent jurisdiction, or in the case of an instrument other than a cashier's check, teller's check, or certified check, the party making payment accepted, from the person having a claim to the instrument, indemnity against loss resulting from refusal to pay the person entitled to enforce the instrument; or

*b.* the person making payment knows that the instrument is a stolen instrument and pays a person it knows is in wrongful possession of the instrument.

94 Acts, ch 1167, §74, 121, 122; 2013 Acts, ch 30, §261
Referred to in §554.3103
Code editor directive applied

**554.3603 Tender of payment.**

1. If tender of payment of an obligation to pay an instrument is made to a person entitled to enforce the instrument, the effect of tender is governed by principles of law applicable to tender of payment under a simple contract.

2. If tender of payment of an obligation to pay an instrument is made to a person entitled to enforce the instrument and the tender is refused, there is discharge, to the extent of the amount of the tender, of the obligation of an endorser or accommodation party having a right of recourse with respect to the obligation to which the tender relates.

3. If tender of payment of an amount due on an instrument is made to a person entitled to enforce the instrument, the obligation of the obligor to pay interest after the due date on the amount tendered is discharged. If presentment is required with respect to an instrument and the obligor is able and ready to pay on the due date at every place of payment stated in the instrument, the obligor is deemed to have made tender of payment on the due date to the person entitled to enforce the instrument.

94 Acts, ch 1167, §75, 121, 122

**554.3604 Discharge by cancellation or renunciation.**

1. A person entitled to enforce an instrument, with or without consideration, may discharge the obligation of a party to pay the instrument by an intentional voluntary act, such as surrender of the instrument to the party, destruction, mutilation, or cancellation of the instrument, cancellation or striking out of the party's signature, or the addition of words to the instrument indicating discharge; or by agreeing not to sue or otherwise renouncing rights against the party by a signed writing.

2. Cancellation or striking out of an endorsement pursuant to subsection 1 does not affect the status and rights of a party derived from the endorsement.

94 Acts, ch 1167, §76, 121, 122; 2013 Acts, ch 30, §150
Referred to in §554.3605
Subsection 1 amended

**554.3605 Discharge of endorsers and accommodation parties.**

1. In this section, the term *"endorser"* includes a drawer having the obligation described in section 554.3414, subsection 4.

2. Discharge, under section 554.3604, of the obligation of a party to pay an instrument does not discharge the obligation of an endorser or accommodation party having a right of recourse against the discharged party.

3. If a person entitled to enforce an instrument agrees, with or without consideration, to an extension of the due date of the obligation of a party to pay the instrument, the extension discharges an endorser or accommodation party having a right of recourse against the party whose obligation is extended to the extent the endorser or accommodation party proves that the extension caused loss to the endorser or accommodation party with respect to the right of recourse.

4. If a person entitled to enforce an instrument agrees, with or without consideration, to a

material modification of the obligation of a party other than an extension of the due date, the modification discharges the obligation of an endorser or accommodation party having a right of recourse against the person whose obligation is modified to the extent the modification causes loss to the endorser or accommodation party with respect to the right of recourse. The loss suffered by the endorser or accommodation party as a result of the modification is equal to the amount of the right of recourse unless the person enforcing the instrument proves that no loss was caused by the modification or that the loss caused by the modification was an amount less than the amount of the right of recourse.

5. If the obligation of a party to pay an instrument is secured by an interest in collateral and a person entitled to enforce the instrument impairs the value of the interest in collateral, the obligation of an endorser or accommodation party having a right of recourse against the obligor is discharged to the extent of the impairment. The value of an interest in collateral is impaired to the extent the value of the interest is reduced to an amount less than the amount of the right of recourse of the party asserting discharge, or the reduction in value of the interest causes an increase in the amount by which the amount of the right of recourse exceeds the value of the interest. The burden of proving impairment is on the party asserting discharge.

6. If the obligation of a party is secured by an interest in collateral not provided by an accommodation party and a person entitled to enforce the instrument impairs the value of the interest in collateral, the obligation of any party who is jointly and severally liable with respect to the secured obligation is discharged to the extent the impairment causes the party asserting discharge to pay more than that party would have been obliged to pay, taking into account rights of contribution, if impairment had not occurred. If the party asserting discharge is an accommodation party not entitled to discharge under subsection 5, the party is deemed to have a right to contribution based on joint and several liability rather than a right to reimbursement. The burden of proving impairment is on the party asserting discharge.

7. Under subsection 5 or 6, impairing value of an interest in collateral includes failure to obtain or maintain perfection or recordation of the interest in collateral; release of collateral without substitution of collateral of equal value; failure to perform a duty to preserve the value of collateral owed, under Article 9 or other law, to a debtor or surety or other person secondarily liable; or failure to comply with applicable law in disposing of collateral.

8. An accommodation party is not discharged under subsection 3, 4, or 5 unless the person entitled to enforce the instrument knows of the accommodation or has notice under section 554.3419, subsection 3, that the instrument was signed for accommodation.

9. A party is not discharged under this section if the party asserting discharge consents to the event or conduct that is the basis of the discharge, or the instrument or a separate agreement of the party provides for waiver of discharge under this section either specifically or by general language indicating that parties waive defenses based on suretyship or impairment of collateral.

94 Acts, ch 1167, §77, 121, 122; 2013 Acts, ch 30, §151
Referred to in §554.3419
Subsections 5, 7, and 9 amended

**554.3606 Impairment of recourse or of collateral.** Repealed by 94 Acts, ch 1167, §121, 122. See § 554.3605.

**554.3701 and 554.3801** Repealed by 94 Acts, ch 1167, §121, 122.

**554.3802 Effect of instrument on obligation for which it is given.** Repealed by 94 Acts, ch 1167, §121, 122. See § 554.3310.

**554.3803 Notice to third party.** Repealed by 94 Acts, ch 1167, §121, 122. See § 554.3119.

**554.3804 Lost, destroyed or stolen instruments.** Repealed by 94 Acts, ch 1167, §121, 122. See § 554.3309.

**554.3805 Instruments not payable to order or to bearer.** Repealed by 94 Acts, ch 1167, §121, 122.

**554.3806 Civil remedy for dishonor of a check, draft or order.** Repealed by 94 Acts, ch 1167, § 121, 122. See § 554.3513.

## ARTICLE 4

## BANK DEPOSITS AND COLLECTIONS

Referred to in §533.313, 554.1204, 554.3102, 554.3103, 554.3111, 554.3119, 554.3403, 554.3501, 554.5110, 554.5116, 554.12105, 668.16

## PART 1

## GENERAL PROVISIONS AND DEFINITIONS

**554.4101 Short title.**
This Article may be cited as Uniform Commercial Code — Bank Deposits and Collections.
[C66, 71, 73, 75, 77, 79, 81, §554.4101]
94 Acts, ch 1167, §78, 122

**554.4102 Applicability.**
1. To the extent that items within this Article are also within Articles 3 and 8, they are subject to the provisions of those Articles. If there is conflict, this Article governs Article 3, but Article 8 governs this Article.
2. The liability of a bank for action or nonaction with respect to an item handled by it for purposes of presentment, payment, or collection is governed by the law of the place where the bank is located. In the case of action or nonaction by or at a branch or separate office of a bank, its liability is governed by the law of the place where the branch or separate office is located.
[C66, 71, 73, 75, 77, 79, 81, §554.4102]
94 Acts, ch 1167, §79, 122
Referred to in §554.1301

**554.4103 Variation by agreement — measure of damages — action constituting ordinary care.**
1. The effect of the provisions of this Article may be varied by agreement, but the parties to the agreement cannot disclaim a bank's responsibility for its lack of good faith or failure to exercise ordinary care or limit the measure of damages for the lack or failure. However, the parties may determine by agreement the standards by which the bank's responsibility is to be measured if those standards are not manifestly unreasonable.
2. Federal reserve regulations and operating circulars, clearing-house rules, and the like have the effect of agreements under subsection 1, whether or not specifically assented to by all parties interested in items handled.
3. Action or nonaction approved by this Article or pursuant to federal reserve regulations or operating circulars is the exercise of ordinary care and, in the absence of special instructions, action or nonaction consistent with clearing-house rules and the like or with a general banking usage not disapproved by this Article, is prima facie the exercise of ordinary care.
4. The specification or approval of certain procedures by this Article is not disapproval of other procedures that may be reasonable under the circumstances.
5. The measure of damages for failure to exercise ordinary care in handling an item is the amount of the item reduced by an amount that could not have been realized by the exercise

of ordinary care. If there is also bad faith it includes any other damages the party suffered as a proximate consequence.

[C66, 71, 73, 75, 77, 79, 81, §554.4103]

94 Acts, ch 1167, §80, 122

**554.4104 Definitions and index of definitions.**

1. In this Article, unless the context otherwise requires:

*a.* *"Account"* means any deposit or credit account with a bank, including a demand, time, savings, passbook, share draft, or like account, other than an account evidenced by a certificate of deposit.

*b.* *"Afternoon"* means the period of a day between noon and midnight.

*c.* *"Banking day"* means the part of a day on which a bank is open to the public for carrying on substantially all of its banking functions but for the purposes of determining a bank's midnight deadline, shall not include Saturday, Sunday, or any holiday when the federal reserve banks are not performing check clearing functions.

*d.* *"Clearing house"* means an association of banks or other payors regularly clearing items.

*e.* *"Customer"* means a person having an account with a bank or for whom a bank has agreed to collect items, including a bank that maintains an account at another bank.

*f.* *"Documentary draft"* means a draft to be presented for acceptance or payment if specified documents, certificated securities (section 554.8102) or instructions for uncertificated securities (section 554.8102), or other certificates, statements, or the like are to be received by the drawee or other payor before acceptance or payment of the draft.

*g.* *"Draft"* means a draft as defined in section 554.3104 or an item, other than an instrument, that is an order.

*h.* *"Drawee"* means a person ordered in a draft to make payment.

*i.* *"Item"* means an instrument or a promise or order to pay money handled by a bank for collection or payment. The term does not include a payment order governed by Article 12 or a credit or debit card slip.

*j.* *"Midnight deadline"* with respect to a bank is midnight on its next banking day following the banking day on which it receives the relevant item or notice or from which the time for taking action commences to run, whichever is later.

*k.* *"Settle"* means to pay in cash, by clearing-house settlement, in a charge or credit or by remittance, or otherwise as agreed. A settlement may be either provisional or final.

*l.* *"Suspends payments"* with respect to a bank means that it has been closed by order of the supervisory authorities, that a public officer has been appointed to take it over, or that it ceases or refuses to make payments in the ordinary course of business.

2. Other definitions applying to this Article and the sections in which they appear are:

*a.* "Agreement for electronic presentment"..... Section 554.4110

*b.* "Bank" ..... Section 554.4105

*c.* "Collecting bank"..... Section 554.4105

*d.* "Depositary bank" ..... Section 554.4105

*e.* "Intermediary bank" ..... Section 554.4105

*f.* "Payor bank" ..... Section 554.4105

*g.* "Presenting bank"..... Section 554.4105

*h.* "Presentment notice"..... Section 554.4110

3. The following definitions in other Articles apply to this Article:

*a.* "Acceptance" .....Section 554.3409

*b.* "Alteration" .....Section 554.3407

*c.* "Cashier's check".....Section 554.3104

*d.* "Certificate of deposit" .....Section 554.3104

*e.* "Certified check" .....Section 554.3409

*f.* "Check".....Section 554.3104

*g.* "Control".....Section 554.7106

*h.* "Holder in due course" .....Section 554.3302

*i.* "Instrument".....Section 554.3104
*j.* "Notice of dishonor".....Section 554.3503
*k.* "Order".....Section 554.3103
*l.* "Ordinary care".....Section 554.3103
*m.* "Person entitled to enforce".....Section 554.3301
*n.* "Presentment".....Section 554.3501
*o.* "Promise".....Section 554.3103
*p.* "Prove".....Section 554.3103
*q.* "Teller's check".....Section 554.3104
*r.* "Unauthorized signature".....Section 554.3403

4. In addition Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

[C66, 71, 73, 75, 77, 79, 81, §554.4104]

88 Acts, ch 1102, §1; 91 Acts, ch 222, §1; 94 Acts, ch 1167, §81, 122; 95 Acts, ch 67, §42; 96 Acts, ch 1138, §7, 84; 2007 Acts, ch 30, §45, 46, 62; 2007 Acts, ch 41, §27; 2012 Acts, ch 1023, §145, 157

Referred to in §554.3103, 554.3104, 554.9102, 554.12105

**554.4105 "Bank" — "depositary bank" — "intermediary bank" — "collecting bank" — "payor bank" — "presenting bank".**

In this Article:

1. *"Bank"* means a person engaged in the business of banking, including a savings bank, savings and loan association, credit union, or trust company.

2. *"Depositary bank"* means the first bank to take an item even though it is also the payor bank, unless the item is presented for immediate payment over the counter.

3. *"Payor bank"* means a bank that is the drawee of the draft.

4. *"Intermediary bank"* means a bank to which an item is transferred in course of collection except the depositary or payor bank.

5. *"Collecting bank"* means a bank handling an item for collection except the payor bank.

6. *"Presenting bank"* means a bank presenting an item except a payor bank.

[C66, 71, 73, 75, 77, 79, 81, §554.4105]

94 Acts, ch 1167, §82, 122

Referred to in §554.3103, 554.4104

**554.4106 Payable through or payable at bank — collecting bank.**

1. If an item states that it is *"payable through"* a bank identified in the item, the item designates the bank as a collecting bank and does not by itself authorize the bank to pay the item, and the item may be presented for payment only by or through the bank.

2. If an item states that it is *"payable at"* a bank identified in the item, the item designates the bank as a collecting bank and does not by itself authorize the bank to pay the item, and the item may be presented for payment only by or through the bank.

3. If a draft names a nonbank drawee and it is unclear whether a bank named in the draft is a co-drawee or a collecting bank, the bank is a collecting bank.

94 Acts, ch 1167, §87, 120, 122; 2013 Acts, ch 30, §261

Code editor directive applied

**554.4107 Separate office of a bank.**

A branch or separate office of a bank is a separate bank for the purpose of computing the time within which and determining the place at or to which action may be taken or notices or orders must be given under this Article and under Article 3.

[C66, 71, 73, 75, 77, 79, 81, §554.4106]

94 Acts, ch 1167, §83, 120, 122

C95, §554.4107

**554.4108 Time of receipt of items.**

1. For the purpose of allowing time to process items, prove balances, and make the necessary entries on its books to determine its position for the day, a bank may fix an

afternoon hour of 2:00 p.m. or later as a cutoff hour for the handling of money and items and the making of entries on its books.

2. An item or deposit of money received on any day after a cutoff hour so fixed or after the close of the banking day may be treated as being received at the opening of the next banking day.

[C66, 71, 73, 75, 77, 79, 81, §554.4107]
94 Acts, ch 1167, §84, 120, 122
C95, §554.4108

**554.4109 Delays.**

1. Unless otherwise instructed, a collecting bank in a good faith effort to secure payment of a specific item drawn on a payor other than a bank, and with or without the approval of any person involved, may waive, modify, or extend time limits imposed or permitted by this chapter for a period not exceeding two additional banking days without discharge of drawers or endorsers or liability to its transferor or a prior party.

2. Delay by a collecting bank or payor bank beyond time limits prescribed or permitted by this chapter or by instructions is excused if the delay is caused by interruption of communication or computer facilities, suspension of payments by another bank, war, emergency conditions, failure of equipment, or other circumstances beyond the control of the bank, and the bank exercises such diligence as the circumstances require.

[C66, 71, 73, 75, 77, 79, 81, §554.4108]
94 Acts, ch 1167, §85, 120, 122
C95, §554.4109
95 Acts, ch 49, §16; 2013 Acts, ch 30, §261
Code editor directive applied

**554.4110 Electronic presentment.**

1. *"Agreement for electronic presentment"* means an agreement, clearing-house rule, or federal reserve regulation or operating circular, providing that presentment of an item may be made by transmission of an image of an item or information describing the item (*"presentment notice"*) rather than delivery of the item itself. The agreement may provide for procedures governing retention, presentment, payment, dishonor, and other matters concerning items subject to the agreement.

2. Presentment of an item pursuant to an agreement for presentment is made when the presentment notice is received.

3. If presentment is made by presentment notice, a reference to *"item"* or *"check"* in this Article means the presentment notice unless the context otherwise indicates.

94 Acts, ch 1167, §86, 122
Referred to in §554.4104

**554.4111 Statute of limitations.**

An action to enforce an obligation, duty, or right arising under this Article must be commenced within three years after the cause of action accrues.

2005 Acts, ch 11, §8

## PART 2

## COLLECTION OF ITEMS: DEPOSITARY AND COLLECTING BANKS

**554.4201 Status of collecting bank as agent and provisional status of credits — applicability of Article — item endorsed "pay any bank".**

1. Unless a contrary intent clearly appears and before the time that a settlement given by a collecting bank for an item is or becomes final, the bank, with respect to the item, is an agent or subagent of the owner of the item and any settlement given for the item is provisional. This provision applies regardless of the form of endorsement or lack of endorsement and

even though credit given for the item is subject to immediate withdrawal as of right or is in fact withdrawn; but the continuance of ownership of an item by its owner and any rights of the owner to proceeds of the item are subject to rights of a collecting bank, such as those resulting from outstanding advances on the item and rights of recoupment or setoff. If an item is handled by banks for purposes of presentment, payment, collection, or return, the relevant provisions of this Article apply even though action of the parties clearly establishes that a particular bank has purchased the item and is the owner of it.

2. After an item has been endorsed with the words "pay any bank" or the like, only a bank may acquire the rights of a holder until the item has been:

*a.* returned to the customer initiating collection; or

*b.* specially endorsed by a bank to a person who is not a bank.

[C66, 71, 73, 75, 77, 79, 81, §554.4201]

94 Acts, ch 1167, §88, 122

Referred to in §554.3206

**554.4202 Responsibility for collection or return — when action timely.**

1. A collecting bank must exercise ordinary care in:

*a.* presenting an item or sending it for presentment;

*b.* sending notice of dishonor or nonpayment or returning an item other than a documentary draft to the bank's transferor after learning that the item has not been paid or accepted, as the case may be;

*c.* settling for an item when the bank receives final settlement; and

*d.* notifying its transferor of any loss or delay in transit within a reasonable time after discovery thereof.

2. A collecting bank exercises ordinary care under subsection 1 by taking proper action before its midnight deadline following receipt of an item, notice, or settlement. Taking proper action within a reasonably longer time may constitute the exercise of ordinary care, but the bank has the burden of establishing timeliness.

3. Subject to subsection 1, paragraph "*a*", a bank is not liable for the insolvency, neglect, misconduct, mistake, or default of another bank or person or for loss or destruction of an item in the possession of others or in transit.

[C66, 71, 73, 75, 77, 79, 81, §554.4202]

94 Acts, ch 1167, §89, 122

**554.4203 Effect of instructions.**

Subject to Article 3 concerning conversion of instruments (section 554.3420) and restrictive endorsements (section 554.3206), only a collecting bank's transferor can give instructions that affect the bank or constitute notice to it, and a collecting bank is not liable to prior parties for any action taken pursuant to the instructions or in accordance with any agreement with its transferor.

[C66, 71, 73, 75, 77, 79, 81, §554.4203]

94 Acts, ch 1167, §90, 122

**554.4204 Methods of sending and presenting — sending directly to payor bank.**

1. A collecting bank shall send items by a reasonably prompt method, taking into consideration relevant instructions, the nature of the item, the number of those items on hand, the cost of collection involved, and the method generally used by it or others to present those items.

2. A collecting bank may send:

*a.* an item directly to the payor bank;

*b.* an item to a nonbank payor if authorized by its transferor; and

*c.* an item other than documentary drafts to any nonbank payor, if authorized by federal reserve regulation or operating circular, clearing-house rule, or the like.

3. Presentment may be made by a presenting bank at a place where the payor bank or other payor has requested that presentment be made.

[C66, 71, 73, 75, 77, 79, 81, §554.4204]

94 Acts, ch 1167, §91, 122

**554.4205 Depositary bank holder of unendorsed item.**

If a customer delivers an item to a depositary bank for collection:

1. The depositary bank becomes a holder of the item at the time it receives the item for collection if the customer at the time of delivery was a holder of the item, whether or not the customer endorses the item, and, if the bank satisfies the other requirements of section 554.3302, it is a holder in due course; and

2. The depositary bank warrants to collecting banks, the payor bank or other payor, and the drawer that the amount of the item was paid to the customer or deposited to the customer's account.

[C66, 71, 73, 75, 77, 79, 81, §554.4205]

94 Acts, ch 1167, §92, 122

**554.4206 Transfer between banks.**

Any agreed method that identifies the transferor bank is sufficient for the item's further transfer to another bank.

[C66, 71, 73, 75, 77, 79, 81, §554.4206]

94 Acts, ch 1167, §93, 122

**554.4207 Transfer warranties.**

1. A customer or collecting bank that transfers an item and receives a settlement or other consideration warrants to the transferee and to any subsequent collecting bank that:

*a.* the warrantor is a person entitled to enforce the item;

*b.* all signatures on the item are authentic and authorized;

*c.* the item has not been altered;

*d.* the item is not subject to a defense or claim in recoupment (section 554.3305, subsection 1) of any party that can be asserted against the warrantor;

*e.* the warrantor has no knowledge of any insolvency proceeding commenced with respect to the maker or acceptor or, in the case of an unaccepted draft, the drawer; and

*f.* if the item is a demand draft, creation of the item according to the terms on its face was authorized by the person identified as the drawer.

2. If an item is dishonored, a customer or collecting bank transferring the item and receiving settlement or other consideration is obliged to pay the amount due on the item according to the terms of the item at the time it was transferred, or if the transfer was an incomplete item, according to its terms when completed as stated in sections 554.3115 and 554.3407. The obligation of a transferor is owed to the transferee and to any subsequent collecting bank that takes the item in good faith. A transferor cannot disclaim its obligation under this subsection by an endorsement stating that it is made "without recourse" or otherwise disclaiming liability.

3. A person to whom the warranties under subsection 1 are made and who took the item in good faith may recover from the warrantor as damages for breach of warranty an amount equal to the loss suffered as a result of the breach, but not more than the amount of the item plus expenses and loss of interest incurred as a result of the breach.

4. The warranties stated in subsection 1 cannot be disclaimed with respect to checks. Unless notice of a claim for breach of warranty is given to the warrantor within sixty days after the claimant has reason to know of the breach and the identity of the warrantor, the warrantor is discharged to the extent of any loss caused by the delay in giving notice of the claim.

5. A cause of action for breach of warranty under this section accrues when the claimant has reason to know of the breach.

6. If the warranty under subsection 1, paragraph "*f*", is not given by a transferor or collecting bank under applicable conflict of laws rules, the warranty is not given to that

transferor when the transferor is a transferee or to any prior collecting bank of that transferee.

[C66, 71, 73, 75, 77, 79, 81, §554.4207]

94 Acts, ch 1167, §94, 122; 2005 Acts, ch 11, §9, 10; 2013 Acts, ch 30, §261

Code editor directive applied

**554.4208 Presentment warranties.**

1. If an unaccepted draft is presented to the drawee for payment or acceptance and the drawee pays or accepts the draft, the person obtaining payment or acceptance, at the time of presentment, and a previous transferor of the draft, at the time of transfer, warrant to the drawee that pays or accepts the draft in good faith that:

*a.* the warrantor is, or was, at the time the warrantor transferred the draft, a person entitled to enforce the draft or authorized to obtain payment or acceptance of the draft on behalf of a person entitled to enforce the draft;

*b.* the draft has not been altered;

*c.* the warrantor has no knowledge that the signature of the purported drawer of the draft is unauthorized; and

*d.* if the draft is a demand draft, the creation of the demand draft according to the terms on its face was authorized by the person identified as the drawer.

2. A drawee making payment may recover from a warrantor damages for breach of warranty equal to the amount paid by the drawee less the amount the drawee received or is entitled to receive from the drawer because of the payment. In addition, the drawee is entitled to compensation for expenses and loss of interest resulting from the breach. The right of the drawee to recover damages under this subsection is not affected by any failure of the drawee to exercise ordinary care in making payment. If the drawee accepts the draft, breach of warranty is a defense to the obligation of the acceptor, and if the acceptor makes payment with respect to the draft, the acceptor is entitled to recover from a warrantor for breach of warranty the amounts stated in this subsection.

3. If a drawee asserts a claim for breach of warranty under subsection 1 based on an unauthorized endorsement of the draft or an alteration of the draft, the warrantor may defend by proving that the endorsement is effective under section 554.3404 or 554.3405 or the drawer is precluded under section 554.3406 or 554.4406 from asserting against the drawee the unauthorized endorsement or alteration.

4. If a dishonored draft is presented for payment to the drawer or an endorser or any other item is presented for payment to a party obliged to pay the item, and the item is paid, the person obtaining payment and a prior transferor of the item warrant to the person making payment in good faith that the warrantor is, or was, at the time the warrantor transferred the item, a person entitled to enforce the item or authorized to obtain payment on behalf of a person entitled to enforce the item. The person making payment may recover from any warrantor for breach of warranty an amount equal to the amount paid plus expenses and loss of interest resulting from the breach.

5. The warranties stated in subsections 1 and 4 cannot be disclaimed with respect to checks. Unless notice of a claim for breach of warranty is given to the warrantor within sixty days after the claimant has reason to know of the breach and the identity of the warrantor, the warrantor is discharged to the extent of any loss caused by the delay in giving notice of the claim.

6. A cause of action for breach of warranty under this section accrues when the claimant has reason to know of the breach.

7. A demand draft is a check as provided in section 554.3104, subsection 6.

8. If a warranty under subsection 1, paragraph "*d*", is not given by a transferor under applicable conflict of laws rules, the warranty is not given to that transferor when that transferor is a transferee.

94 Acts, ch 1167, §102, 120, 122; 2005 Acts, ch 11, §11, 12; 2013 Acts, ch 30, §261

Referred to in §554.4302, 554.4406

Code editor directive applied

**554.4209 Encoding and retention warranties.**

1. A person who encodes information on or with respect to an item after issue warrants to any subsequent collecting bank and to the payor bank or other payor that the information is correctly encoded. If the customer of a depositary bank encodes, that bank also makes the warranty.

2. A person who undertakes to retain an item pursuant to an agreement for electronic presentment warrants to any subsequent collecting bank and to the payor bank or other payor that retention and presentment of the item comply with the agreement. If a customer of a depositary bank undertakes to retain an item, that bank also makes this warranty.

3. A person to whom warranties are made under this section and who took the item in good faith may recover from the warrantor as damages for breach of warranty an amount equal to the loss suffered as a result of the breach, plus expenses and loss of interest incurred as a result of the breach.

94 Acts, ch 1167, §103, 120, 122

**554.4210 Security interest of collecting bank in items, accompanying documents and proceeds.**

1. A collecting bank has a security interest in an item and any accompanying documents or the proceeds of either:

*a.* in case of an item deposited in an account, to the extent to which credit given for the item has been withdrawn or applied;

*b.* in case of an item for which it has given credit available for withdrawal as of right, to the extent of the credit given, whether or not the credit is drawn upon or there is a right of charge-back; or

*c.* if it makes an advance on or against the item.

2. If credit given for several items received at one time or pursuant to a single agreement is withdrawn or applied in part, the security interest remains upon all the items, any accompanying documents or the proceeds of either. For the purpose of this section, credits first given are first withdrawn.

3. Receipt by a collecting bank of a final settlement for an item is a realization on its security interest in the item, accompanying documents, and proceeds. So long as the bank does not receive final settlement for the item or give up possession of the item or possession or control of the accompanying documents for purposes other than collection, the security interest continues to that extent and is subject to Article 9, but:

*a.* no security agreement is necessary to make the security interest enforceable (section 554.9203, subsection 2, paragraph "*c*", subparagraph (1));

*b.* no filing is required to perfect the security interest; and

*c.* the security interest has priority over conflicting perfected security interests in the item, accompanying documents, or proceeds.

[C66, 71, 73, 75, 77, 79, 81, §554.4208]

94 Acts, ch 1167, §95, 120, 122

C95, §554.4210

2000 Acts, ch 1149, §146, 187; 2007 Acts, ch 30, §45, 46, 63

Referred to in §554.9102, 554.9109, 554.9203, 554.9309, 554.9322

**554.4211 When bank gives value for purposes of holder in due course.**

For purposes of determining its status as a holder in due course, a bank has given value to the extent it has a security interest in an item, if the bank otherwise complies with the requirements of section 554.3302 on what constitutes a holder in due course.

[S13, §3060-a27; C24, 27, 31, 35, 39, §**9487;** C46, 50, 54, 58, 62, §541.27; C66, 71, 73, 75, 77, 79, 81, §554.4209]

94 Acts, ch 1167, §96, 120, 122

C95, §554.4211

Referred to in §554.5102

**554.4212 Presentment by notice of item not payable by, through, or at a bank; liability of drawer or endorser.**

1. Unless otherwise instructed, a collecting bank may present an item not payable by, through or at a bank by sending to the party to accept or pay a written notice that the bank holds the item for acceptance or payment. The notice must be sent in time to be received on or before the day when presentment is due and the bank must meet any requirement of the party to accept or pay under section 554.3501 by the close of the bank's next banking day after it knows of the requirement.

2. If presentment is made by notice and payment, acceptance, or request for compliance with a requirement under section 554.3501 is not received by the close of business on the day after maturity or, in the case of demand items, by the close of business on the third banking day after notice was sent, the presenting bank may treat the item as dishonored and charge any drawer or endorser by sending it notice of the facts.

[C73, §2094; C97, §3053; S13, §3053; C24, 27, 31, 35, 39, §**9545;** C46, 50, 54, 58, 62, §541.85; C66, 71, 73, 75, 77, 79, 81, §554.4210]

94 Acts, ch 1167, §97, 120, 122

C95, §554.4212

95 Acts, ch 67, §43

**554.4213 Medium and time of settlement by bank.**

1. With respect to settlement by a bank, the medium and time of settlement may be prescribed by federal reserve regulations or circulars, clearing-house rules, and the like, or agreement. In the absence of such prescription:

*a.* the medium of settlement is cash or credit to an account in a federal reserve bank of or specified by the person to receive settlement; and

*b.* the time of settlement is:

(1) with respect to tender of settlement by cash, a cashier's check, or teller's check, when the cash or check is sent or delivered;

(2) with respect to tender of settlement by credit in an account in a federal reserve bank, when the credit is made;

(3) with respect to tender of settlement by a credit or debit to an account in a bank, when the credit or debit is made or, in the case of tender of settlement by authority to charge an account, when the authority is sent or delivered; or

(4) with respect to tender of settlement by a funds transfer, when payment is made pursuant to section 554.12406, subsection 1 to the person receiving the settlement.

2. If the tender of settlement is not by a medium authorized by subsection 1 or the time of settlement is not fixed by subsection 1, no settlement occurs until the tender of settlement is accepted by the person receiving settlement.

3. If settlement for an item is made by cashier's check or teller's check and the person receiving settlement, before its midnight deadline:

*a.* presents or forwards the check for collection, settlement is final when the check is finally paid; or

*b.* fails to present or forward the check for collection, settlement is final at the midnight deadline of the person receiving settlement.

4. If settlement for an item is made by giving authority to charge the account of the bank giving settlement in the bank receiving settlement, settlement is final when the charge is made by the bank receiving settlement if there are funds available in the account for the amount of the item.

[C66, 71, 73, 75, 77, 79, 81, §554.4211]

94 Acts, ch 1167, §98, 120, 122

C95, §554.4213

**554.4214 Right of charge-back or refund — liability of collecting bank — return of item.**

1. If a collecting bank has made provisional settlement with its customer for an item and fails by reason of dishonor, suspension of payments by a bank, or otherwise to receive settlement for the item which is or becomes final, the bank may revoke the settlement given

by it, charge back the amount of any credit given for the item to its customer's account, or obtain refund from its customer whether or not it is able to return the item, if by its midnight deadline or within a longer reasonable time after it learns the facts it returns the item or sends notification of the facts. If the return or notice is delayed beyond the bank's midnight deadline or a longer reasonable time after it learns the facts, the bank may revoke the settlement, charge back the credit, or obtain refund from its customer, but it is liable for any loss resulting from the delay. These rights to revoke, charge back, and obtain refund terminate if and when a settlement for the item received by the bank is or becomes final.

2. A collecting bank returns an item when it is sent or delivered to the bank's customer or transferor or pursuant to its instructions.

3. A depositary bank that is also the payor may charge back the amount of an item to its customer's account or obtain refund in accordance with the section governing return of an item received by a payor bank for credit on its books (section 554.4301).

4. The right to charge back is not affected by:

*a.* previous use of a credit given for the item; or

*b.* failure by any bank to exercise ordinary care with respect to the item, but a bank so failing remains liable.

5. A failure to charge back or claim refund does not affect other rights of the bank against the customer or any other party.

6. If credit is given in dollars as the equivalent of the value of an item payable in foreign money, the dollar amount of any charge-back or refund must be calculated on the basis of the bank-offered spot rate for the foreign money prevailing on the day when the person entitled to the charge-back or refund learns that it will not receive payment in ordinary course.

[C66, 71, 73, 75, 77, 79, 81, §554.4212]

94 Acts, ch 1167, §99, 120, 122

C95, §554.4214

**554.4215 Final payment of item by payor bank — when provisional debits and credits become final — when certain credits become available for withdrawal.**

1. An item is finally paid by a payor bank when the bank has first done any of the following:

*a.* paid the item in cash;

*b.* settled for the item without having a right to revoke the settlement under statute, clearing-house rule, or agreement; or

*c.* made a provisional settlement for the item and failed to revoke the settlement in the time and manner permitted by statute, clearing-house rule, or agreement.

2. If provisional settlement for an item does not become final, the item is not finally paid.

3. If provisional settlement for an item between the presenting and payor banks is made through a clearing house or by debits or credits in an account between them, then to the extent that provisional debits or credits for the item are entered in accounts between the presenting and payor banks or between the presenting and successive prior collecting banks seriatim, they become final upon final payment of the item by the payor bank.

4. If a collecting bank receives a settlement for an item which is or becomes final, the bank is accountable to its customer for the amount of the item and any provisional credit given for the item in an account with its customer becomes final.

5. Subject to applicable law stating a time for availability of funds and any right of the bank to apply the credit to an obligation of the customer, credit given by a bank for an item in a customer's account becomes available for withdrawal as of right:

*a.* if the bank has received a provisional settlement for the item, when the settlement becomes final and the bank has had a reasonable time to receive return of the item and the item has not been received within that time;

*b.* if the bank is both the depositary bank and the payor bank, and the item is finally paid, at the opening of the bank's second banking day following receipt of the item.

6. Subject to applicable law stating a time for availability of funds and any right of a bank to apply a deposit to an obligation of the depositor, a deposit of money becomes available

for withdrawal as of right at the opening of the bank's next banking day after receipt of the deposit.

[C66, 71, 73, 75, 77, 79, 81, §554.4213]
94 Acts, ch 1167, §100, 120, 122
C95, §554.4215
95 Acts, ch 49, §17; 95 Acts, ch 67, §44; 2013 Acts, ch 30, §261
Referred to in §554.3418
Code editor directive applied

**554.4216 Insolvency and preference.**

1. If an item is in or comes into the possession of a payor or collecting bank that suspends payment and the item has not been finally paid, the item must be returned by the receiver, trustee, or agent in charge of the closed bank to the presenting bank or the closed bank's customer.

2. If a payor bank finally pays an item and suspends payments without making a settlement for the item with its customer or the presenting bank which settlement is or becomes final, the owner of the item has a preferred claim against the payor bank.

3. If a payor bank gives or a collecting bank gives or receives a provisional settlement for an item and thereafter suspends payments, the suspension does not prevent or interfere with the settlement's becoming final if the finality occurs automatically upon the lapse of certain time or the happening of certain events.

4. If a collecting bank receives from subsequent parties settlement for an item which settlement is or becomes final and the bank suspends payments without making a settlement for the item with its customer which settlement is or becomes final, the owner of the item has a preferred claim against the collecting bank.

[C66, 71, 73, 75, 77, 79, 81, §554.4214]
94 Acts, ch 1167, §101, 120, 122
C95, §554.4216

## PART 3

## COLLECTION OF ITEMS: PAYOR BANKS

**554.4301 Deferred posting — recovery of payment by return of items — time of dishonor — return of items by payor bank.**

1. If a payor settles for a demand item other than a documentary draft presented otherwise than for immediate payment over the counter before midnight of the banking day of receipt, the payor bank may revoke the settlement and recover the payment settlement if, before it has made final payment and before its midnight deadline, it

*a.* returns the item; or

*b.* sends written notice of dishonor or nonpayment if the item is unavailable for return; and the item or notice includes the reason for dishonor or nonpayment.

2. If a demand item is received by a payor bank for credit on its books, it may return the item or send notice of dishonor and may revoke any credit given or recover the amount thereof withdrawn by its customer, if it acts within the time limit and in the manner specified in subsection 1.

3. Unless previous notice of dishonor has been sent, an item is dishonored at the time when for purposes of dishonor it is returned or notice sent in accordance with this section.

4. An item is returned:

*a.* as to an item presented through a clearing house, when it is delivered to the presenting or last collecting bank or to the clearing house or is sent or delivered in accordance with clearing-house rules; or

*b.* in all other cases, when it is sent or delivered to the bank's customer or transferor or pursuant to that customer's or transferor's instructions.

[C66, 71, 73, 75, 77, 79, 81, §554.4301]

94 Acts, ch 1167, §104, 122

Referred to in §554.3502, 554.4214

**554.4302 Payor bank's responsibility for late return of item.**

1. If an item is presented to and received by a payor bank, the bank is accountable for the amount of:

*a.* a demand item, other than a documentary draft, whether properly payable or not, if the bank, in any case in which it is not also the depositary bank, retains the item beyond midnight of the banking day of receipt without settling for it or, whether or not it is also the depositary bank, does not pay or return the item or send notice of dishonor until after its midnight deadline; or

*b.* any other properly payable item unless, within the time allowed for acceptance or payment of that item, the bank either accepts or pays the item or returns it and accompanying documents.

2. The liability of a payor bank to pay an item pursuant to subsection 1 is subject to defenses based on breach of a presentment warranty (section 554.4208) or proof that the person seeking enforcement of the liability presented or transferred the item for the purpose of defrauding the payor bank.

[C66, 71, 73, 75, 77, 79, 81, §554.4302]

94 Acts, ch 1167, §105, 122

Referred to in §554.3312, 554.3502, 554.4303

**554.4303 When items subject to notice, stop-payment order, legal process, or setoff — order in which items may be charged or certified.**

1. Any knowledge, notice, or stop-payment order received by, legal process served upon, or setoff exercised by a payor bank comes too late to terminate, suspend, or modify the bank's right or duty to pay an item or to charge its customer's account for the item if the knowledge, notice, stop-payment order, or legal process is received or served and a reasonable time for the bank to act thereon expires or the setoff is exercised after the earliest of the following:

*a.* the bank accepts or certifies the item;

*b.* the bank pays the item in cash;

*c.* the bank settles for the item without having a right to revoke the settlement under statute, clearing-house rule, or agreement;

*d.* the bank becomes accountable for the amount of the item under section 554.4302 dealing with the payor bank's responsibility for late return of items; or

*e.* with respect to checks, a cutoff hour no earlier than one hour after the opening of the next banking day after the banking day on which the bank received the check and no later than the close of that next banking day or, if no cutoff hour is fixed, the close of the next banking day after the banking day on which the bank received the check.

2. Subject to subsection 1 items may be accepted, paid, certified, or charged to the indicated account of its customer in any order.

[C31, 35, §9266-d1; C39, §**9266.1;** C46, 50, 54, 58, 62, §528.62; C66, 71, 73, 75, 77, 79, 81, §554.4303]

94 Acts, ch 1167, §106, 122

Referred to in §554.4401, 554.4403

## PART 4

## RELATIONSHIP BETWEEN PAYOR BANK AND ITS CUSTOMER

**554.4401 When bank may charge customer's account.**

1. A bank may charge against the account of a customer an item that is properly payable

from that account even though the charge creates an overdraft. An item is properly payable if it is authorized by the customer and is in accordance with any agreement between the customer and bank.

2. A customer is not liable for the amount of an overdraft if the customer neither signed the item nor benefited from the proceeds of the item.

3. A bank may charge against the account of a customer a check that is otherwise properly payable from the account, even though payment was made before the date of the check, unless the customer has given notice to the bank of the postdating describing the check with reasonable certainty. The notice is effective for the period stated in section 554.4403, subsection 2, for stop-payment orders, and must be received at such time and in such manner as to afford the bank a reasonable opportunity to act on it before the bank takes any action with respect to the check described in section 554.4303. If a bank charges against the account of a customer a check before the date stated in the notice of postdating, the bank is liable for damages for the loss resulting from its act. The loss may include damages for dishonor of subsequent items under section 554.4402.

4. A bank that in good faith makes payment to a holder may charge the indicated account of its customer according to:

*a.* the original terms of the customer's altered item; or

*b.* the terms of the customer's completed item, even though the bank knows the item has been completed unless the bank has notice that the completion was improper.

[C66, 71, 73, 75, 77, 79, 81, §554.4401]

94 Acts, ch 1167, §107, 122; 95 Acts, ch 67, §45

Referred to in §554.3113

**554.4402 Bank's liability to customer for wrongful dishonor — time of determining insufficiency of account.**

1. Except as otherwise provided in this Article, a payor bank wrongfully dishonors an item if it dishonors an item that is properly payable, but a bank may dishonor an item that would create an overdraft unless it has agreed to pay the overdraft.

2. A payor bank is liable to its customer for damages proximately caused by the wrongful dishonor of an item. Liability is limited to actual damages proved and may include damages for an arrest or prosecution of the customer or other consequential damages. Whether any consequential damages are proximately caused by the wrongful dishonor is a question of fact to be determined in each case.

3. A payor bank's determination of the customer's account balance on which a decision to dishonor for insufficiency of available funds is based may be made at any time between the time the item is received by the payor bank and the time that the payor bank returns the item or gives notice in lieu of return, and no more than one determination need be made. If, at the election of the payor bank, a subsequent balance determination is made for the purposes of reevaluating the bank's decision to dishonor the item, the account balance at the time is determinative of whether a dishonor for insufficiency of available funds is wrongful.

[C66, 71, 73, 75, 77, 79, 81, §554.4402]

94 Acts, ch 1167, §108, 122

Referred to in §554.4401, 554.4403

**554.4403 Customer's right to stop payment — burden of proof of loss.**

1. A customer or any person authorized to draw on the account if there is more than one person may stop payment of an item drawn on the customer's account or close the account by an order to the bank describing the item or account with reasonable certainty received at a time and in a manner that affords the bank a reasonable opportunity to act on it before any action by the bank with respect to the item described in section 554.4303. If the signature of more than one person is required to draw on an account, any of these persons may stop payment or close the account.

2. A stop-payment order is effective for six months, but it lapses after fourteen calendar days if the original order was oral and was not confirmed in writing within that period. A

stop-payment order may be renewed for additional six-month periods by a writing given to the bank within a period during which the stop-payment order is effective.

3. The burden of establishing the fact and amount of loss resulting from the payment of an item contrary to a stop-payment order or order to close an account is on the customer. The loss from payment of an item contrary to a stop-payment order may include damages for dishonor of subsequent items under section 554.4402.

[C31, 35, §9266-d1; C39, §**9266.1;** C46, 50, 54, 58, 62, §528.62; C66, 71, 73, 75, 77, 79, 81, §554.4403]

94 Acts, ch 1167, §109, 122

Referred to in §537.2501, 554.3418, 554.3512, 554.3513, 554.4401

**554.4404 Bank not obligated to pay check more than six months old.**

A bank is under no obligation to a customer having a checking account to pay a check, other than a certified check, which is presented more than six months after its date, but it may charge its customer's account for a payment made thereafter in good faith.

[C66, 71, 73, 75, 77, 79, 81, §554.4404]

**554.4405 Death or incompetence of customer.**

1. A payor or collecting bank's authority to accept, pay, or collect an item or to account for proceeds of its collection, if otherwise effective, is not rendered ineffective by incompetence of a customer of either bank existing at the time the item is issued or its collection is undertaken if the bank does not know of an adjudication of incompetence. Neither death nor incompetence of a customer revokes the authority to accept, pay, collect or account until the bank knows of the fact of death or of an adjudication of incompetence and has reasonable opportunity to act on it.

2. Even with knowledge, a bank may for ten days after the date of death pay or certify checks drawn on or before that date unless ordered to stop payment by a person claiming an interest in the account.

[S13, §3060-a76; C24, 27, 31, 35, 39, §**9536;** C46, 50, 54, 58, 62, §541.76; C66, 71, 73, 75, 77, 79, 81, §554.4405]

94 Acts, ch 1167, §110, 122

**554.4406 Customer's duty to discover and report unauthorized signature or alteration.**

1. A bank that sends or makes available to a customer a statement of account showing payment of items for the account shall either return or make available to the customer the items paid or provide information in the statement of account sufficient to allow the customer reasonably to identify the items paid. The statement of account provides sufficient information, if the item is described by item number, amount, and date of payment.

2. If the items are not returned to the customer, the person retaining the items shall either retain the items or, if the items are destroyed, maintain the capacity to furnish legible copies of the items until the expiration of seven years after receipt of the items. A customer may request an item from the bank that paid the item, and that bank must provide in a reasonable time either the item or, if the item has been destroyed or is not otherwise obtainable, a legible copy of the item.

3. If a bank sends or makes available a statement of account or items pursuant to subsection 1, the customer must exercise reasonable promptness in examining the statement or the items to determine whether any payment was not authorized because of an alteration of an item or because a purported signature by or on behalf of the customer was not authorized. If, based on the statement or items provided, the customer should reasonably have discovered the unauthorized payment, the customer must promptly notify the bank of the relevant facts.

4. If the bank proves that the customer failed, with respect to an item, to comply with the duties imposed on the customer by subsection 3, the customer is precluded from asserting against the bank:

*a.* the customer's unauthorized signature or any alteration on the item, if the bank also proves that it suffered a loss by reason of the failure; and

*b.* the customer's unauthorized signature or alteration by the same wrongdoer on any other item paid in good faith by the bank if the payment was made before the bank received notice from the customer of the unauthorized signature or alteration and after the customer had been afforded a reasonable period of time, not exceeding sixty days, in which to examine the item or statement of account and notify the bank.

5. If subsection 4 applies and the customer proves that the bank failed to exercise ordinary care in paying the item and that the failure substantially contributed to loss, the loss is allocated between the customer precluded and the bank asserting the preclusion according to the extent to which the failure of the customer to comply with subsection 3 and the failure of the bank to exercise ordinary care contributed to the loss. If the customer proves that the bank did not pay the item in good faith, the preclusion under subsection 4 does not apply.

6. Without regard to care or lack of care of either the customer or the bank, a customer who does not within one year after the statement or items are made available to the customer (subsection 1) discover and report the customer's unauthorized signature on or any alteration on the item is precluded from asserting against the bank the unauthorized signature or alteration. If there is a preclusion under this subsection, the payor bank may not recover for breach of warranty under section 554.4208 with respect to the unauthorized signature or alteration to which the preclusion applies.

[C66, 71, 73, 75, 77, 79, 81, §554.4406]

94 Acts, ch 1167, §111, 122; 2011 Acts, ch 87, §5

Referred to in §554.3417, 554.4208

**554.4407 Payor bank's right to subrogation on improper payment.**

If a payor bank has paid an item over the order of the drawer or maker to stop payment, or after an account has been closed, or otherwise under circumstances giving a basis for objection by the drawer or maker, to prevent unjust enrichment and only to the extent necessary to prevent loss to the bank by reason of its payment of the item, the payor bank is subrogated to the rights

1. of any holder in due course on the item against the drawer or maker;

2. of the payee or any other holder of the item against the drawer or maker either on the item or under the transaction out of which the item arose; and

3. of the drawer or maker against the payee or any other holder of the item with respect to the transaction out of which the item arose.

[C66, 71, 73, 75, 77, 79, 81, §554.4407]

94 Acts, ch 1167, §112, 122; 2009 Acts, ch 41, §263

Referred to in §554.3418

## PART 5

## COLLECTION OF DOCUMENTARY DRAFTS

**554.4501 Handling of documentary drafts — duty to send for presentment and to notify customer of dishonor.**

A bank that takes a documentary draft for collection shall present or send the draft and accompanying documents for presentment and, upon learning that the draft has not been paid or accepted in due course, shall seasonably notify its customer of the fact even though it may have discounted or bought the draft or extended credit available for withdrawal as of right.

[C66, 71, 73, 75, 77, 79, 81, §554.4501]

94 Acts, ch 1167, §113, 122

**554.4502 Presentment of "on arrival" drafts.**

If a draft or the relevant instructions require presentment "on arrival", "when goods arrive" or the like, the collecting bank need not present until in its judgment a reasonable time for arrival of the goods has expired. Refusal to pay or accept because the goods have not arrived

is not dishonor; the bank must notify its transferor of the refusal but need not present the draft again until it is instructed to do so or learns of the arrival of the goods.

[C66, 71, 73, 75, 77, 79, 81, §554.4502]

94 Acts, ch 1167, §114, 122

**554.4503 Responsibility of presenting bank for documents and goods — report of reasons for dishonor — referee in case of need.**

1. Unless otherwise instructed and except as provided in Article 5, a bank presenting a documentary draft:

*a.* must deliver the documents to the drawee on acceptance of the draft if it is payable more than three days after presentment; otherwise, only on payment; and

*b.* upon dishonor, either in the case of presentment for acceptance or presentment for payment, may seek and follow instructions from any referee in case of need designated in the draft or, if the presenting bank does not choose to utilize the referee's services, it must use diligence and good faith to ascertain the reason for dishonor, must notify its transferor of the dishonor and of the results of its effort to ascertain the reasons therefor, and must request instructions.

2. However, the presenting bank is under no obligation with respect to goods represented by the documents except to follow any reasonable instructions seasonably received; it has a right to reimbursement for any expense incurred in following instructions and to prepayment of or indemnity for those expenses.

[S13, §3060-a131, 3138-b40; C24, 27, 31, 35, 39, §**8285, 9592;** C46, 50, 54, 58, 62, §487.41, 541.132; C66, 71, 73, 75, 77, 79, 81, §554.4503]

94 Acts, ch 1167, §115, 122; 2009 Acts, ch 41, §263

**554.4504 Privilege of presenting bank to deal with goods — security interest for expenses.**

1. A presenting bank that, following the dishonor of a documentary draft, has seasonably requested instructions but does not receive them within a reasonable time may store, sell, or otherwise deal with the goods in any reasonable manner.

2. For its reasonable expenses incurred by action under subsection 1 the presenting bank has a lien upon the goods or their proceeds, which may be foreclosed in the same manner as an unpaid seller's lien.

[C66, 71, 73, 75, 77, 79, 81, §554.4504]

94 Acts, ch 1167, §116, 122

## ARTICLE 4A

## FUNDS TRANSFERS

Article on Funds Transfers codified as Article 12;
92 Acts, ch 1146, §1 – 38

## ARTICLE 5

## LETTERS OF CREDIT

Referred to in §554.1201, 554.1204, 554.4503, 554.7509

**554.5101 Short title.**

This Article shall be known and may be cited as Uniform Commercial Code — Letters of Credit.

[C66, 71, 73, 75, 77, 79, 81, §554.5101]

**554.5102 Definitions.**

1. In this Article unless the context otherwise requires:

*a.* *"Adviser"* means a person who, at the request of the issuer, a confirmer, or another

adviser, notifies or requests another adviser to notify the beneficiary that a letter of credit has been issued, confirmed, or amended.

*b.* *"Applicant"* means a person at whose request or for whose account a letter of credit is issued. The term includes a person who requests an issuer to issue a letter of credit on behalf of another if the person making the request undertakes an obligation to reimburse the issuer.

*c.* *"Beneficiary"* means a person who under the terms of a letter of credit is entitled to have its complying presentation honored. The term includes a person to whom drawing rights have been transferred under a transferable letter of credit.

*d.* *"Confirmer"* means a nominated person who undertakes, at the request or with the consent of the issuer, to honor a presentation under a letter of credit issued by another.

*e.* *"Dishonor"* of a letter of credit means failure timely to honor or to take an interim action, such as acceptance of a draft, that may be required by the letter of credit.

*f.* *"Document"* means a draft or other demand, document of title, investment security, certificate, invoice, or other record, statement, or representation of fact, law, right, or opinion which is presented in a written or other medium permitted by the letter of credit or, unless prohibited by the letter of credit, by the standard practice referred to in section 554.5108, subsection 5, and which is capable of being examined for compliance with the terms and conditions of the letter of credit. A document may not be oral.

*g.* *"Good faith"* means honesty in fact in the conduct or transaction concerned.

*h.* *"Honor"* of a letter of credit means performance of the issuer's undertaking in the letter of credit to pay or deliver an item of value. Unless the letter of credit otherwise provides, *"honor"* occurs

(1) upon payment,

(2) if the letter of credit provides for acceptance, upon acceptance of a draft and, at maturity, its payment, or

(3) if the letter of credit provides for incurring a deferred obligation, upon incurring the obligation and, at maturity, its performance.

*i.* *"Issuer"* means a bank or other person that issues a letter of credit, but does not include an individual who makes an engagement for personal, family, or household purposes.

*j.* *"Letter of credit"* means a definite undertaking that satisfies the requirements of section 554.5104 by an issuer to a beneficiary at the request or for the account of an applicant or, in the case of a financial institution, to itself or for its own account, to honor a documentary presentation by payment or delivery of an item of value.

*k.* *"Nominated person"* means a person whom the issuer designates or authorizes to pay, accept, negotiate, or otherwise give value under a letter of credit and undertakes by agreement or custom and practice to reimburse.

*l.* *"Presentation"* means delivery of a document to an issuer or nominated person for honor or giving of value under a letter of credit.

*m.* *"Presenter"* means a person making a presentation as or on behalf of a beneficiary or nominated person.

*n.* *"Record"* means information that is inscribed on a tangible medium, or that is stored in an electronic or other medium and is retrievable in perceivable form.

*o.* *"Successor of a beneficiary"* means a person who succeeds to substantially all of the rights of a beneficiary by operation of law, including a corporation with or into which the beneficiary has been merged or consolidated, an administrator, executor, personal representative, trustee in bankruptcy, debtor in possession, liquidator, and receiver.

2. Definitions in other Articles applying to this Article and the sections in which they appear are:

*a.* "Accept" or "Acceptance" ..... Section 554.3409

*b.* "Value"..... Sections 554.3303, 554.4211

3. Article 1 contains certain additional general definitions and principles of construction and interpretation applicable throughout this Article.

[C66, 71, 73, 75, 77, 79, 81, §554.5102]

96 Acts, ch 1026, §1, 28; 2012 Acts, ch 1023, §157; 2013 Acts, ch 30, §261

Referred to in §554.5103, 554.5108, 554.9102

Code editor directive applied

**554.5103 Scope.**

1. This Article applies to letters of credit and to certain rights and obligations arising out of transactions involving letters of credit.

2. The statement of a rule in this Article does not by itself require, imply, or negate application of the same or a different rule to a situation not provided for, or to a person not specified, in this Article.

3. With the exception of this subsection, subsections 1 and 4, section 554.5102, subsection 1, paragraphs "*i*" and "*j*", section 554.5106, subsection 4, and section 554.5114, subsection 4, and except to the extent prohibited in section 554.1302 and section 554.5117, subsection 4, the effect of this Article may be varied by agreement or by a provision stated or incorporated by reference in an undertaking. A term in an agreement or undertaking generally excusing liability or generally limiting remedies for failure to perform obligations is not sufficient to vary obligations prescribed by this Article.

4. Rights and obligations of an issuer to a beneficiary or a nominated person under a letter of credit are independent of the existence, performance, or nonperformance of a contract or arrangement out of which the letter of credit arises or which underlies it, including contracts or arrangements between the issuer and the applicant and between the applicant and the beneficiary.

[C66, 71, 73, 75, 77, 79, 81, §554.5103]

94 Acts, ch 1167, §117, 122; 96 Acts, ch 1026, §2, 28; 2007 Acts, ch 41, §28

Referred to in §554.5116

**554.5104 Formal requirements.**

A letter of credit, confirmation, advice, transfer, amendment, or cancellation may be issued in any form that is a record and is authenticated by a signature or in accordance with the agreement of the parties or the standard practice referred to in section 554.5108, subsection 5.

[C66, 71, 73, 75, 77, 79, 81, §554.5104]

96 Acts, ch 1026, §3, 28; 2012 Acts, ch 1023, §146

Referred to in §554.5102, 554.5116

**554.5105 Consideration.**

Consideration is not required to issue, amend, transfer, or cancel a letter of credit, advice, or confirmation.

[C66, 71, 73, 75, 77, 79, 81, §554.5105]

96 Acts, ch 1026, §4, 28

**554.5106 Issuance, amendment, cancellation, and duration.**

1. A letter of credit is issued and becomes enforceable according to its terms against the issuer when the issuer sends or otherwise transmits it to the person requested to advise or to the beneficiary. A letter of credit is revocable only if it so provides.

2. After a letter of credit is issued, rights and obligations of a beneficiary, applicant, confirmer, and issuer are not affected by an amendment or cancellation to which that person has not consented except to the extent the letter of credit provides that it is revocable or that the issuer may amend or cancel the letter of credit without that consent.

3. If there is no stated expiration date or other provision that determines its duration, a letter of credit expires one year after its stated date of issuance or, if none is stated, after the date on which it is issued.

4. A letter of credit that states that it is perpetual expires five years after its stated date of issuance or, if none is stated, after the date on which it is issued.

[C66, 71, 73, 75, 77, 79, 81, §554.5106]

96 Acts, ch 1026, §5, 28

Referred to in §554.5103

**554.5107 Confirmer, nominated person, and adviser.**

1. A confirmer is directly obligated on a letter of credit and has the rights and obligations of an issuer to the extent of its confirmation. The confirmer also has rights against and

obligations to the issuer as if the issuer were an applicant and the confirmer had issued the letter of credit at the request and for the account of the issuer.

2. A nominated person who is not a confirmer is not obligated to honor or otherwise give value for a presentation.

3. A person requested to advise may decline to act as an adviser. An adviser that is not a confirmer is not obligated to honor or give value for a presentation. An adviser undertakes to the issuer and to the beneficiary accurately to advise the terms of the letter of credit, confirmation, amendment, or advice received by that person and undertakes to the beneficiary to check the apparent authenticity of the request to advise. Even if the advice is inaccurate, the letter of credit, confirmation, or amendment is enforceable as issued.

4. A person who notifies a transferee beneficiary of the terms of a letter of credit, confirmation, amendment, or advice has the rights and obligations of an adviser under subsection 3. The terms in the notice to the transferee beneficiary may differ from the terms in any notice to the transferor beneficiary to the extent permitted by the letter of credit, confirmation, amendment, or advice received by the person who so notifies.

[C66, 71, 73, 75, 77, 79, 81, §554.5107]

96 Acts, ch 1026, §6, 28

**554.5108 Issuer's rights and obligations.**

1. Except as otherwise provided in section 554.5109, an issuer shall honor a presentation that, as determined by the standard practice referred to in subsection 5, appears on its face strictly to comply with the terms and conditions of the letter of credit. Except as otherwise provided in section 554.5113 and unless otherwise agreed with the applicant, an issuer shall dishonor a presentation that does not appear so to comply.

2. An issuer has a reasonable time after presentation, but not beyond the end of the seventh business day of the issuer after the day of its receipt of documents:

*a.* to honor,

*b.* if the letter of credit provides for honor to be completed more than seven business days after presentation, to accept a draft or incur a deferred obligation, or

*c.* to give notice to the presenter of discrepancies in the presentation.

3. Except as otherwise provided in subsection 4, an issuer is precluded from asserting as a basis for dishonor any discrepancy if timely notice is not given, or any discrepancy not stated in the notice if timely notice is given.

4. Failure to give the notice specified in subsection 2 or to mention fraud, forgery, or expiration in the notice does not preclude the issuer from asserting as a basis for dishonor fraud or forgery as described in section 554.5109, subsection 1, or expiration of the letter of credit before presentation.

5. An issuer shall observe standard practice of financial institutions that regularly issue letters of credit. Determination of the issuer's observance of the standard practice is a matter of interpretation for the court. The court shall offer the parties a reasonable opportunity to present evidence of the standard practice.

6. An issuer is not responsible for:

*a.* the performance or nonperformance of the underlying contract, arrangement, or transaction,

*b.* an act or omission of others, or

*c.* observance or knowledge of the usage of a particular trade other than the standard practice referred to in subsection 5.

7. If an undertaking constituting a letter of credit under section 554.5102, subsection 1, paragraph *"j"*, contains nondocumentary conditions, an issuer shall disregard the nondocumentary conditions and treat them as if they were not stated.

8. An issuer that has dishonored a presentation shall return the documents or hold them at the disposal of, and send advice to that effect to, the presenter.

9. An issuer that has honored a presentation as permitted or required by this Article:

*a.* is entitled to be reimbursed by the applicant in immediately available funds not later than the date of its payment of funds;

*b.* takes the documents free of claims of the beneficiary or presenter;

*c.* is precluded from asserting a right of recourse on a draft under sections 554.3414 and 554.3415;

*d.* except as otherwise provided in sections 554.5110 and 554.5117, is precluded from restitution of money paid or other value given by mistake to the extent the mistake concerns discrepancies in the documents or tender which are apparent on the face of the presentation; and

*e.* is discharged to the extent of its performance under the letter of credit unless the issuer honored a presentation in which a required signature of a beneficiary was forged.

[C66, 71, 73, 75, 77, 79, 81, §554.5108]

96 Acts, ch 1026, §7, 28

Referred to in §554.5102, 554.5104, 554.5112, 554.5113

**554.5109 Fraud and forgery.**

1. If a presentation is made that appears on its face strictly to comply with the terms and conditions of the letter of credit, but a required document is forged or materially fraudulent, or honor of the presentation would facilitate a material fraud by the beneficiary on the issuer or applicant:

*a.* the issuer shall honor the presentation, if honor is demanded by a nominated person who has given value in good faith and without notice of forgery or material fraud, a confirmer who has honored its confirmation in good faith, a holder in due course of a draft drawn under the letter of credit which was taken after acceptance by the issuer or nominated person, or an assignee of the issuer's or nominated person's deferred obligation that was taken for value and without notice of forgery or material fraud after the obligation was incurred by the issuer or nominated person; and

*b.* the issuer, acting in good faith, may honor or dishonor the presentation in any other case.

2. If an applicant claims that a required document is forged or materially fraudulent or that honor of the presentation would facilitate a material fraud by the beneficiary on the issuer or applicant, a court of competent jurisdiction may temporarily or permanently enjoin the issuer from honoring a presentation or grant similar relief against the issuer or other persons only if the court finds that:

*a.* the relief is not prohibited under the law applicable to an accepted draft or deferred obligation incurred by the issuer;

*b.* a beneficiary, issuer, or nominated person who may be adversely affected is adequately protected against loss that it may suffer because the relief is granted;

*c.* all of the conditions to entitle a person to the relief under the law of this state have been met; and

*d.* on the basis of the information submitted to the court, the applicant is more likely than not to succeed under its claim of forgery or material fraud and the person demanding honor does not qualify for protection under subsection 1, paragraph "*a*".

[C66, 71, 73, 75, 77, 79, 81, §554.5109]

96 Acts, ch 1026, §8, 28; 2013 Acts, ch 30, §261

Referred to in §554.2512, 554.5108, 554.5110, 554.5113

Code editor directive applied

**554.5110 Warranties.**

1. If its presentation is honored, the beneficiary warrants:

*a.* to the issuer, any other person to whom presentation is made, and the applicant that there is no fraud or forgery of the kind described in section 554.5109, subsection 1; and

*b.* to the applicant that the drawing does not violate any agreement between the applicant and beneficiary or any other agreement intended by them to be augmented by the letter of credit.

2. The warranties in subsection 1 are in addition to warranties arising under Articles 3,

4, 7, and 8 because of the presentation or transfer of documents covered by any of those Articles.

[C66, 71, 73, 75, 77, 79, 81, §554.5110]

96 Acts, ch 1026, §9, 28

Referred to in §554.5108

**554.5111 Remedies.**

1. If an issuer wrongfully dishonors or repudiates its obligation to pay money under a letter of credit before presentation, the beneficiary, successor, or nominated person presenting on its own behalf may recover from the issuer the amount that is the subject of the dishonor or repudiation. If the issuer's obligation under the letter of credit is not for the payment of money, the claimant may obtain specific performance or, at the claimant's election, recover an amount equal to the value of performance from the issuer. In either case, the claimant may also recover incidental but not consequential damages. The claimant is not obligated to take action to avoid damages that might be due from the issuer under this subsection. If, although not obligated to do so, the claimant avoids damages, the claimant's recovery from the issuer must be reduced by the amount of damages avoided. The issuer has the burden of proving the amount of damages avoided. In the case of repudiation the claimant need not present any document.

2. If an issuer wrongfully dishonors a draft or demand presented under a letter of credit or honors a draft or demand in breach of its obligation to the applicant, the applicant may recover damages resulting from the breach, including incidental but not consequential damages, less any amount saved as a result of the breach.

3. If an adviser or nominated person other than a confirmer breaches an obligation under this Article or an issuer breaches an obligation not covered in subsection 1 or 2, a person to whom the obligation is owed may recover damages resulting from the breach, including incidental but not consequential damages, less any amount saved as a result of the breach. To the extent of the confirmation, a confirmer has the liability of an issuer specified in this subsection and subsections 1 and 2.

4. An issuer, nominated person, or adviser who is found liable under subsection 1, 2, or 3 shall pay interest on the amount owed thereunder from the date of wrongful dishonor or other appropriate date.

5. Reasonable attorney's fees and other expenses of litigation must be awarded to the prevailing party in an action in which a remedy is sought under this Article.

6. Damages that would otherwise be payable by a party for breach of an obligation under this Article may be liquidated by agreement or undertaking, but only in an amount or by a formula that is reasonable in light of the harm anticipated.

[C66, 71, 73, 75, 77, 79, 81, §554.5111]

96 Acts, ch 1026, §10, 28

**554.5112 Transfer of letter of credit.**

1. Except as otherwise provided in section 554.5113, unless a letter of credit provides that it is transferable, the right of a beneficiary to draw or otherwise demand performance under a letter of credit may not be transferred.

2. Even if a letter of credit provides that it is transferable, the issuer may refuse to recognize or carry out a transfer if:

*a.* the transfer would violate applicable law; or

*b.* the transferor or transferee has failed to comply with any requirement stated in the letter of credit or any other requirement relating to transfer imposed by the issuer which is within the standard practice referred to in section 554.5108, subsection 5, or is otherwise reasonable under the circumstances.

[C66, 71, 73, 75, 77, 79, 81, §554.5112]

96 Acts, ch 1026, §11, 28

Referred to in §539.1, 539.2

**554.5113 Transfer by operation of law.**

1. A successor of a beneficiary may consent to amendments, sign and present documents,

and receive payment or other items of value in the name of the beneficiary without disclosing its status as a successor.

2. A successor of a beneficiary may consent to amendments, sign and present documents, and receive payment or other items of value in its own name as the disclosed successor of the beneficiary. Except as otherwise provided in subsection 5, an issuer shall recognize a disclosed successor of a beneficiary as beneficiary in full substitution for its predecessor upon compliance with the requirements for recognition by the issuer of a transfer of drawing rights by operation of law under the standard practice referred to in section 554.5108, subsection 5, or, in the absence of such a practice, compliance with other reasonable procedures sufficient to protect the issuer.

3. An issuer is not obliged to determine whether a purported successor is a successor of a beneficiary or whether the signature of a purported successor is genuine or authorized.

4. Honor of a purported successor's apparently complying presentation under subsection 1 or 2 has the consequences specified in section 554.5108, subsection 9, even if the purported successor is not the successor of a beneficiary. Documents signed in the name of the beneficiary or of a disclosed successor by a person who is neither the beneficiary nor the successor of the beneficiary are forged documents for the purposes of section 554.5109.

5. An issuer whose rights of reimbursement are not covered by subsection 4 or substantially similar law and any confirmer or nominated person may decline to recognize a presentation under subsection 2.

6. A beneficiary whose name is changed after the issuance of a letter of credit has the same rights and obligations as a successor of a beneficiary under this section.

[C66, 71, 73, 75, 77, 79, 81, §554.5113]

96 Acts, ch 1026, §12, 28

Referred to in §539.1, 539.2, 554.5108, 554.5112

**554.5114 Assignment of proceeds.**

1. In this section, *"proceeds of a letter of credit"* means the cash, check, accepted draft, or other item of value paid or delivered upon honor or giving of value by the issuer or any nominated person under the letter of credit. The term does not include a beneficiary's drawing rights or documents presented by the beneficiary.

2. A beneficiary may assign its right to part or all of the proceeds of a letter of credit. The beneficiary may do so before presentation as a present assignment of its right to receive proceeds contingent upon its compliance with the terms and conditions of the letter of credit.

3. An issuer or nominated person need not recognize an assignment of proceeds of a letter of credit until it consents to the assignment.

4. An issuer or nominated person has no obligation to give or withhold its consent to an assignment of proceeds of a letter of credit, but consent may not be unreasonably withheld if the assignee possesses and exhibits the letter of credit and presentation of the letter of credit is a condition to honor.

5. Rights of a transferee beneficiary or nominated person are independent of the beneficiary's assignment of the proceeds of a letter of credit and are superior to the assignee's right to the proceeds.

6. Neither the rights recognized by this section between an assignee and an issuer, transferee beneficiary, or nominated person nor the issuer's or nominated person's payment of proceeds to an assignee or a third person affect the rights between the assignee and any person other than the issuer, transferee beneficiary, or nominated person. The mode of creating and perfecting a security interest in or granting an assignment of a beneficiary's rights to proceeds is governed by Article 9 or other law. Against persons other than the issuer, transferee beneficiary, or nominated person, the rights and obligations arising upon the creation of a security interest or other assignment of a beneficiary's right to proceeds and its perfection are governed by Article 9 or other law.

[C66, 71, 73, 75, 77, 79, 81, §554.5114]

89 Acts, ch 113, §55; 96 Acts, ch 1026, §13, 28

Referred to in §539.1, 539.2, 554.5103, 554.9102, 554.9107, 554.9109

**554.5115 Statute of limitations.**

An action to enforce a right or obligation arising under this Article must be commenced within one year after the expiration date of the relevant letter of credit or one year after the cause of action accrues, whichever occurs later. A cause of action accrues when the breach occurs, regardless of the aggrieved party's lack of knowledge of the breach.

[C66, 71, 73, 75, 77, 79, 81, §554.5115]

96 Acts, ch 1026, §14, 28

**554.5116 Choice of law and forum.**

1. The liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction chosen by an agreement in the form of a record signed or otherwise authenticated by the affected parties in the manner provided in section 554.5104 or by a provision in the person's letter of credit, confirmation, or other undertaking. The jurisdiction whose law is chosen need not bear any relation to the transaction.

2. Unless subsection 1 applies, the liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction in which the person is located. The person is considered to be located at the address indicated in the person's undertaking. If more than one address is indicated, the person is considered to be located at the address from which the person's undertaking was issued. For the purpose of jurisdiction, choice of law, and recognition of interbranch letters of credit, but not enforcement of a judgment, all branches of a bank are considered separate juridical entities and a bank is considered to be located at the place where its relevant branch is considered to be located under this subsection.

3. Except as otherwise provided in this subsection, the liability of an issuer, nominated person, or adviser is governed by any rules of custom or practice, such as the uniform customs and practice for documentary credits, to which the letter of credit, confirmation, or other undertaking is expressly made subject. If this Article would govern the liability of an issuer, nominated person, or adviser under subsection 1 or 2, the relevant undertaking incorporates rules of custom or practice, and there is conflict between this Article and those rules as applied to that undertaking, those rules govern except to the extent of any conflict with the nonvariable provisions specified in section 554.5103, subsection 3.

4. If there is conflict between this Article and Article 3, 4, 9, or 12, this Article governs.

5. The forum for settling disputes arising out of an undertaking within this Article may be chosen in the manner and with the binding effect that governing law may be chosen in accordance with subsection 1.

[C66, 71, 73, 75, 77, 79, 81, §554.5116]

96 Acts, ch 1026, §15, 28; 97 Acts, ch 23, §69; 2013 Acts, ch 30, §261

Referred to in §554.1301, 554.9306

Code editor directive applied

**554.5117 Subrogation of issuer, applicant, and nominated person.**

1. An issuer that honors a beneficiary's presentation is subrogated to the rights of the beneficiary to the same extent as if the issuer were a secondary obligor of the underlying obligation owed to the beneficiary and of the applicant to the same extent as if the issuer were the secondary obligor of the underlying obligation owed to the applicant.

2. An applicant that reimburses an issuer is subrogated to the rights of the issuer against any beneficiary, presenter, or nominated person to the same extent as if the applicant were the secondary obligor of the obligations owed to the issuer and has the rights of subrogation of the issuer to the rights of the beneficiary stated in subsection 1.

3. A nominated person who pays or gives value against a draft or demand presented under a letter of credit is subrogated to the rights of:

*a.* the issuer against the applicant to the same extent as if the nominated person were a secondary obligor of the obligation owed to the issuer by the applicant;

*b.* the beneficiary to the same extent as if the nominated person were a secondary obligor of the underlying obligation owed to the beneficiary; and

*c.* the applicant to the same extent as if the nominated person were a secondary obligor of the underlying obligation owed to the applicant.

4. Notwithstanding any agreement or term to the contrary, the rights of subrogation stated in subsections 1 and 2 do not arise until the issuer honors the letter of credit or otherwise pays and the rights in subsection 3 do not arise until the nominated person pays or otherwise gives value. Until then, the issuer, nominated person, and the applicant do not derive under this section present or prospective rights forming the basis of a claim, defense, or excuse.

[C66, 71, 73, 75, 77, 79, 81, §554.5117]

96 Acts, ch 1026, §16, 28

Referred to in §554.5103, 554.5108

**554.5118 Security interest of issuer or nominated person.**

1. An issuer or nominated person has a security interest in a document presented under a letter of credit to the extent that the issuer or nominated person honors or gives value for the presentation.

2. So long as and to the extent that an issuer or nominated person has not been reimbursed or has not otherwise recovered the value given with respect to a security interest in a document under subsection 1, the security interest continues and is subject to Article 9, but:

*a.* a security agreement is not necessary to make the security interest enforceable under section 554.9203, subsection 2, paragraph "*c*";

*b.* if the document is presented in a medium other than a written or other tangible medium, the security interest is perfected; and

*c.* if the document is presented in a written or other tangible medium and is not a certificated security, chattel paper, a document of title, an instrument, or a letter of credit, the security interest is perfected and has priority over a conflicting security interest in the document so long as the debtor does not have possession of the document.

2000 Acts, ch 1149, §147, 187

Referred to in §554.9102, 554.9109, 554.9203, 554.9309, 554.9322

## ARTICLE 6

## BULK TRANSFERS

Article repealed effective January 1, 1995,
by 94 Acts, ch 1121, §17, 18;
see chapter 684

## ARTICLE 7

## WAREHOUSE RECEIPTS, BILLS OF LADING, AND OTHER DOCUMENTS OF TITLE

Referred to in §203C.19, 427B.1, 554.2403, 554.5110, 554.9331, 554D.118, 578A.2, 809A.16

2007 amendments to this Article apply to a document of title issued or a bailment that arises on or after July 1, 2007; for law governing a document of title issued, a bailment that arose, or a cause of action that accrued prior to July 1, 2007, see Code 2007; 2007 Acts, ch 30, §45, 46

## PART 1

## GENERAL

**554.7101 Short title.**

This Article may be cited as Uniform Commercial Code — Documents of Title.

[S13, §3138-b56; C24, 27, 31, 35, 39, §**8299;** C46, 50, 54, 58, 62, §487.55; C66, 71, 73, 75, 77, 79, 81, §554.7101]

2007 Acts, ch 30, §1, 45, 46

**554.7102 Definitions and index of definitions.**

1. In this Article, unless the context otherwise requires:

*a.* *"Bailee"* means a person that by a warehouse receipt, bill of lading, or other document of title acknowledges possession of goods and contracts to deliver them.

*b.* *"Carrier"* means a person that issues a bill of lading.

*c.* *"Consignee"* means a person named in a bill of lading to which or to whose order the bill promises delivery.

*d.* *"Consignor"* means a person named in a bill of lading as the person from which the goods have been received for shipment.

*e.* *"Delivery order"* means a record that contains an order to deliver goods directed to a warehouse, carrier, or other person that in the ordinary course of business issues warehouse receipts or bills of lading.

*f.* *"Good faith"* means honesty in fact and the observance of reasonable commercial standards of fair dealing.

*g.* *"Goods"* means all things that are treated as movable for the purposes of a contract for storage or transportation.

*h.* *"Issuer"* means a bailee that issues a document of title or, in the case of an unaccepted delivery order, the person that orders the possessor of goods to deliver. The term includes a person for which an agent or employee purports to act in issuing a document if the agent or employee has real or apparent authority to issue documents, even if the issuer did not receive any goods, the goods were misdescribed, or in any other respect the agent or employee violated the issuer's instructions.

*i.* *"Person entitled under the document"* means the holder, in the case of a negotiable document of title, or the person to which delivery of the goods is to be made by the terms of, or pursuant to instructions in a record under, a nonnegotiable document of title.

*j.* *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

*k.* *"Sign"* means, with present intent to authenticate or adopt a record:

(1) to execute or adopt a tangible symbol; or

(2) to attach to or logically associate with the record an electronic sound, symbol, or process.

*l.* *"Shipper"* means a person that enters into a contract of transportation with a carrier.

*m.* *"Warehouse"* means a person engaged in the business of storing goods for hire.

2. Definitions in other Articles applying to this Article and the sections in which they appear are:

*a.* *"Contract for sale"* ..... Section 554.2106

*b.* *"Lessee in ordinary course of business"* ..... Section 554.13103

*c.* *"Receipt"* of goods..... Section 554.2103

3. In addition, Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

[R60, §1903; C73, §2180; C97, §3132; S13, §3138-a58, -b52; C24, 27, 31, 35, 39, §**8297, 9718, 10005, 10325;** C46, 50, 54, 58, 62, § 487.54, 542.58, 554.77, 575.1; C66, 71, 73, 75, 77, 79, 81, §554.7102]

2007 Acts, ch 30, §2, 45, 46

Referred to in §554.2103, 554.9102

**554.7103 Relation of Article to treaty or statute.**

1. This Article is subject to any treaty or statute of the United States or regulatory statute of this state to the extent that the treaty, statute, or regulatory statute is applicable.

2. This Article does not modify or repeal any law prescribing the form or content of a document of title or the services or facilities to be afforded by a bailee, or otherwise regulating a bailee's business in respects not specifically treated in this Article. However, violation of such a law does not affect the status of a document of title that otherwise is within the definition of a document of title.

3. This Article modifies, limits, and supersedes the federal Electronic Signatures in

Global and National Commerce Act (15 U.S.C. § 7001 et seq.) but does not modify, limit, or supersede § 101(c) of that Act (15 U.S.C. § 7001(c)) or authorize electronic delivery of any of the notices described in § 103(b) of that Act (15 U.S.C. § 7003(b)).

4. To the extent there is a conflict between chapter 554D, the Uniform Electronic Transactions Act, and this Article, this Article governs.

[C66, 71, 73, 75, 77, 79, 81, §554.7103]

2007 Acts, ch 30, §3, 45, 46

Referred to in §554.10103

**554.7104 Negotiable and nonnegotiable document of title.**

1. Except as otherwise provided in subsection 3, a document of title is negotiable if by its terms the goods are to be delivered to bearer or to the order of a named person.

2. A document of title other than the one described in subsection 1 is nonnegotiable. A bill of lading that states that the goods are consigned to a named person is not made negotiable by a provision that the goods are to be delivered only against an order in a record signed by the same or another named person.

3. A document of title is nonnegotiable if, at the time it is issued, the document has a conspicuous legend, however expressed, that it is nonnegotiable.

[S13, §3138-a2 – a5, -a7, -b1 – b4, -b7, -b8, -b52; C24, 27, 31, 35, 39, §**8246 – 8249, 8253, 8254, 8297, 9662 – 9665, 9667, 9956, 9959, 10005;** C46, 50, 54, 58, 62, §487.2 – 487.5, 487.8, 487.9, 487.54, 542.2 – 542.5, 542.7, 554.28, 554.31, 554.77; C66, 71, 73, 75, 77, 79, 81, §554.7104]

2007 Acts, ch 30, §4, 45, 46

**554.7105 Reissuance in alternative medium.**

1. Upon request of a person entitled under an electronic document of title, the issuer of the electronic document may issue a tangible document of title as a substitute for the electronic document if:

*a.* the person entitled under the electronic document surrenders control of the document to the issuer; and

*b.* the tangible document when issued contains a statement that it is issued in substitution for the electronic document.

2. Upon issuance of a tangible document of title in substitution for an electronic document of title in accordance with subsection 1:

*a.* the electronic document ceases to have any effect or validity; and

*b.* the person that procured issuance of the tangible document warrants to all subsequent persons entitled under the tangible document that the warrantor was a person entitled under the electronic document when the warrantor surrendered control of the electronic document to the issuer.

3. Upon request of a person entitled under a tangible document of title, the issuer of the tangible document may issue an electronic document of title as a substitute for the tangible document if:

*a.* the person entitled under the tangible document surrenders possession of the document to the issuer; and

*b.* the electronic document when issued contains a statement that it is issued in substitution for the tangible document.

4. Upon issuance of an electronic document of title in substitution for a tangible document of title in accordance with subsection 3:

*a.* the tangible document ceases to have any effect or validity; and

*b.* the person that procured issuance of the electronic document warrants to all subsequent persons entitled under the electronic document that the warrantor was a person entitled under the tangible document when the warrantor surrendered possession of the tangible document to the issuer.

[C66, 71, 73, 75, 77, 79, 81, §554.7105]

2007 Acts, ch 30, §5, 45, 46

Referred to in §554.7305, 554.7402

**554.7106 Control of electronic document of title.**

1. A person has control of an electronic document of title if a system employed for evidencing the transfer of interests in the electronic document reliably establishes that person as the person to which the electronic document was issued or transferred.

2. A system satisfies subsection 1, and a person is deemed to have control of an electronic document of title, if the document is created, stored, and assigned in such a manner that:

*a.* a single authoritative copy of the document exists which is unique, identifiable, and, except as otherwise provided in paragraphs "*d*", "*e*", and "*f*", unalterable;

*b.* the authoritative copy identifies the person asserting control as:

(1) the person to which the document was issued; or

(2) if the authoritative copy indicates that the document has been transferred, the person to which the document was most recently transferred;

*c.* the authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;

*d.* copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control;

*e.* each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

*f.* any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

2007 Acts, ch 30, §6, 45, 46

Referred to in §554.2103, 554.4104, 554.9102, 554.9203, 554.9207, 554.9314, 554.9601

## PART 2

## WAREHOUSE RECEIPTS: SPECIAL PROVISIONS

**554.7201 Person that may issue a warehouse receipt — storage under bond.**

1. A warehouse receipt may be issued by any warehouse.

2. If goods, including distilled spirits and agricultural commodities, are stored under a statute requiring a bond against withdrawal or a license for the issuance of receipts in the nature of warehouse receipts, a receipt issued for the goods is deemed to be a warehouse receipt even if issued by a person that is the owner of the goods and is not a warehouse.

[S13, §3138-a1; C24, 27, 31, §9661, 9740; C35, §9661, 9751-g23; C39, §**9661, 9751.23;** C46, 50, 54, 58, 62, §542.1, 543.20; C66, 71, 73, 75, 77, 79, 81, §554.7201]

2007 Acts, ch 30, §7, 45, 46

Referred to in §554.9102

**554.7202 Form of warehouse receipt — effect of omission.**

1. A warehouse receipt need not be in any particular form.

2. Unless a warehouse receipt provides for each of the following, the warehouse is liable for damages caused to a person injured by its omission:

*a.* a statement of the location of the warehouse facility where the goods are stored;

*b.* the date of issue of the receipt;

*c.* the unique identification code of the receipt;

*d.* a statement whether the goods received will be delivered to the bearer, to a named person, or to a named person or its order;

*e.* the rate of storage and handling charges, unless goods are stored under a field warehousing arrangement, in which case a statement of that fact is sufficient on a nonnegotiable receipt;

*f.* a description of the goods or the packages containing them;

*g.* the signature of the warehouse or its agent;

*h.* if the receipt is issued for goods that the warehouse owns, either solely, jointly, or in common with others, a statement of the fact of that ownership; and

*i.* a statement of the amount of advances made and of liabilities incurred for which the

warehouse claims a lien or security interest, unless the precise amount of advances made or liabilities incurred, at the time of the issue of the receipt, is unknown to the warehouse or to its agent that issued the receipt, in which case a statement of the fact that advances have been made or liabilities incurred and the purpose of the advances or liabilities is sufficient.

3. A warehouse may insert in its receipt any terms that are not contrary to this chapter and do not impair its obligation of delivery under section 554.7403 or its duty of care under section 554.7204. Any contrary provision is ineffective.

[S13, §3138-a2, -a7; C24, 27, 31, 35, §975-g19; C39, §**9662, 9667, 9751.19;** C46, 50, 54, 58, 62, §542.2, 542.7, 543.21; C66, 71, 73, 75, 77, 79, 81, §554.7202]

2007 Acts, ch 30, §8, 45, 46

Referred to in §203C.18

**554.7203 Liability for nonreceipt or misdescription.**

A party to or purchaser for value in good faith of a document of title, other than a bill of lading, that relies upon the description of the goods in the document may recover from the issuer damages caused by the nonreceipt or misdescription of the goods, except to the extent that:

1. the document conspicuously indicates that the issuer does not know whether all or part of the goods in fact were received or conform to the description, such as the case in which the description is in terms of marks or labels or kind, quantity, or condition, or the receipt or description is qualified by "contents, condition, and quality unknown", "said to contain", or words of similar import, if the indication is true; or

2. the party or purchaser otherwise has notice of the nonreceipt or misdescription.

[S13, §3138-a20; C24, 27, 31, 35, 39, §**9680;** C46, 50, 54, 58, 62, §542.20; C66, 71, 73, 75, 77, 79, 81, §554.7203]

2007 Acts, ch 30, §9, 45, 46

**554.7204 Duty of care — contractual limitation of warehouse's liability.**

1. A warehouse is liable for damages for loss of or injury to the goods caused by its failure to exercise care with regard to the goods that a reasonably careful person would exercise under similar circumstances. Unless otherwise agreed, the warehouse is not liable for damages that could not have been avoided by the exercise of that care.

2. Damages may be limited by a term in the warehouse receipt or storage agreement limiting the amount of liability in case of loss or damage beyond which the warehouse is not liable. Such a limitation is not effective with respect to the warehouse's liability for conversion to its own use. On request of the bailor in a record at the time of signing the storage agreement or within a reasonable time after receipt of the warehouse receipt, the warehouse's liability may be increased on part or all of the goods covered by the storage agreement or the warehouse receipt. In this event, increased rates may be charged based on an increased valuation of the goods.

3. Reasonable provisions as to the time and manner of presenting claims and commencing actions based on the bailment may be included in the warehouse receipt or storage agreement.

4. This section does not modify or repeal any provision under chapter 203, 203C, or 203D.

[S13, §3138-a3, -a21, -a24; C24, 27, 31, 35, 39, §**9663, 9681, 9684;** C46, 50, 54, 58, 62, §542.3, 542.21, 542.24; C66, 71, 73, 75, 77, 79, 81, § 554.7204]

2007 Acts, ch 30, §10, 45, 46

Referred to in §203C.18, 554.7202

**554.7205 Title under warehouse receipt defeated in certain cases.**

A buyer in ordinary course of business of fungible goods sold and delivered by a warehouse that is also in the business of buying and selling such goods takes the goods free of any claim under a warehouse receipt even if the receipt is negotiable and has been duly negotiated.

[C66, 71, 73, 75, 77, 79, 81, §554.7205]

2007 Acts, ch 30, §11, 45, 46

Referred to in §554.7502

**554.7206 Termination of storage at warehouse's option.**

1. A warehouse, by giving notice to the person on whose account the goods are held and any other person known to claim an interest in the goods, may require payment of any charges and removal of the goods from the warehouse at the termination of the period of storage fixed by the document of title or, if a period is not fixed, within a stated period not less than thirty days after the warehouse gives notice. If the goods are not removed before the date specified in the notice, the warehouse may sell them pursuant to section 554.7210.

2. If a warehouse in good faith believes that goods are about to deteriorate or decline in value to less than the amount of its lien within the time provided in subsection 1 and section 554.7210, the warehouse may specify in the notice given under subsection 1 any reasonable shorter time for removal of the goods and, if the goods are not removed, may sell them at public sale held not less than one week after a single advertisement or posting.

3. If, as a result of a quality or condition of the goods of which the warehouse did not have notice at the time of deposit, the goods are a hazard to other property, the warehouse facilities, or other persons, the warehouse may sell the goods at public or private sale without advertisement or posting on reasonable notification to all persons known to claim an interest in the goods. If the warehouse, after a reasonable effort, is unable to sell the goods, it may dispose of them in any lawful manner and does not incur liability by reason of that disposition.

4. A warehouse shall deliver the goods to any person entitled to them under this Article upon due demand made at any time before sale or other disposition under this section.

5. A warehouse may satisfy its lien from the proceeds of any sale or disposition under this section but shall hold the balance for delivery on the demand of any person to which the warehouse would have been bound to deliver the goods.

[S13, §3138-a34; C24, 27, 31, §9694; C35, §9694, 9751-g21; C39, §**9694, 9751.21;** C46, 50, 54, 58, 62, §542.34, 543.23; C66, 71, 73, 75, 77, 79, 81, §554.7206]

2007 Acts, ch 30, §12, 45, 46

**554.7207 Goods must be kept separate — fungible goods.**

1. Unless the warehouse receipt provides otherwise, a warehouse shall keep separate the goods covered by each receipt so as to permit at all times identification and delivery of those goods. However, different lots of fungible goods may be commingled.

2. If different lots of fungible goods are commingled, the goods are owned in common by the persons entitled thereto and the warehouse is severally liable to each owner for that owner's share. If, because of overissue, a mass of fungible goods is insufficient to meet all the receipts the warehouse has issued against it, the persons entitled include all holders to which overissued receipts have been duly negotiated.

[S13, §3138-a22, -a23, -a24; C24, 27, 31, 35, 39, §**9682 – 9684;** C46, 50, 54, 58, 62, §542.22 – 542.24; C66, 71, 73, 75, 77, 79, 81, §554.7207]

2007 Acts, ch 30, §13, 45, 46

**554.7208 Altered warehouse receipts.**

If a blank in a negotiable tangible warehouse receipt has been filled in without authority, a good-faith purchaser for value and without notice of the lack of authority may treat the insertion as authorized. Any other unauthorized alteration leaves any tangible or electronic warehouse receipt enforceable against the issuer according to its original tenor.

[S13, §3138-a13; C24, 27, 31, 35, 39, §**9673;** C46, 50, 54, 58, 62, §542.13; C66, 71, 73, 75, 77, 79, 81, §554.7208]

2007 Acts, ch 30, §14, 45, 46

**554.7209 Lien of warehouse.**

1. A warehouse has a lien against the bailor on the goods covered by a warehouse receipt or storage agreement or on the proceeds thereof in its possession for charges for storage or transportation, including demurrage and terminal charges, insurance, labor, or other charges, present or future, in relation to the goods, and for expenses necessary for preservation of the goods or reasonably incurred in their sale pursuant to law. If the person on whose account the goods are held is liable for similar charges or expenses in relation to other goods whenever

deposited and it is stated in the warehouse receipt or storage agreement that a lien is claimed for charges and expenses in relation to other goods, the warehouse also has a lien against the goods covered in the warehouse receipt or storage agreement or on the proceeds thereof in its possession for those charges and expenses, whether or not the other goods have been delivered by the warehouse. However, as against a person to which a negotiable warehouse receipt is duly negotiated, a warehouse's lien is limited to charges in an amount or at a rate specified in the warehouse receipt or, if no charges are so specified, to a reasonable charge for storage of the specific goods covered by the receipt subsequent to the date of the receipt.

2. A warehouse may also reserve a security interest against the bailor for the maximum amount specified on the receipt for charges other than those specified in subsection 1, such as for money advanced and interest. The security interest is governed by Article 9.

3. A warehouse's lien for charges and expenses under subsection 1 or a security interest under subsection 2 is also effective against any person that so entrusted the bailor with possession of the goods that a pledge of them by the bailor to a good-faith purchaser for value would have been valid. However, the lien or security interest is not effective against a person that before issuance of a document of title had a legal interest or perfected security interest in the goods and that did not:

*a.* deliver or entrust the goods or any document of title covering the goods to the bailor or the bailor's nominee with:

(1) actual or apparent authority to ship, store, or sell;

(2) power to obtain delivery under section 554.7403; or

(3) power of disposition under section 554.2403, 554.9320, 554.9321, subsection 3, section 554.13304, subsection 2, or section 554.13305, subsection 2, or other statute or rule of law; or

*b.* acquiesce in the procurement by the bailor or its nominee of any document.

4. A warehouse's lien on household goods for charges and expenses in relation to the goods under subsection 1 is also effective against all persons if the depositor was the legal possessor of the goods at the time of deposit. In this subsection, *"household goods"* means furniture, furnishings, or personal effects used by the depositor in a dwelling.

5. A warehouse loses its lien on any goods that it voluntarily delivers or unjustifiably refuses to deliver.

[R60, §1898, 1899; C73, §2177, 2178; C97, §3130; S13, §3138-a27, -a28, -a29, -a30, -a31, -a32; C24, 27, 31, §9687 – 9692, 9741, 10326; C35, §9687 – 9692, 9751-g24, 10326; C39, §**9687 – 9692, 9751.24, 10326;** C46, 50, 54, 58, 62, §542.27 – 542.32, 543.24, 543.25, 575.2; C66, 71, 73, 75, 77, 79, 81, §554.7209]

2007 Acts, ch 30, §15, 45, 46

**554.7210 Enforcement of warehouse's lien.**

1. Except as otherwise provided in subsection 2, a warehouse's lien may be enforced by public or private sale of the goods, in bulk or in packages, at any time or place and on any terms that are commercially reasonable, after notifying all persons known to claim an interest in the goods. The notification must include a statement of the amount due, the nature of the proposed sale, and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a method different from that selected by the warehouse is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. The warehouse sells in a commercially reasonable manner if the warehouse sells the goods in the usual manner in any recognized market therefor, sells at the price current in that market at the time of the sale, or otherwise sells in conformity with commercially reasonable practices among dealers in the type of goods sold. A sale of more goods than apparently necessary to be offered to ensure satisfaction of the obligation is not commercially reasonable, except in cases covered by the preceding sentence.

2. A warehouse may enforce its lien on goods, other than goods stored by a merchant in the course of its business, only if the following requirements are satisfied:

*a.* All persons known to claim an interest in the goods must be notified.

*b.* The notification must include an itemized statement of the claim, a description of the goods subject to the lien, a demand for payment within a specified time not less than ten days after receipt of the notification, and a conspicuous statement that unless the claim is paid

within that time the goods will be advertised for sale and sold by auction at a specified time and place.

*c.* The sale must conform to the terms of the notification.

*d.* The sale must be held at the nearest suitable place to where the goods are held or stored.

*e.* After the expiration of the time given in the notification, an advertisement of the sale must be published once a week for two weeks consecutively in a newspaper of general circulation where the sale is to be held. The advertisement must include a description of the goods, the name of the person on whose account the goods are being held, and the time and place of the sale. The sale must take place at least fifteen days after the first publication. If there is no newspaper of general circulation where the sale is to be held, the advertisement must be posted at least ten days before the sale in not fewer than six conspicuous places in the neighborhood of the proposed sale.

3. Before any sale pursuant to this section, any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred in complying with this section. In that event, the goods may not be sold but must be retained by the warehouse subject to the terms of the receipt and this Article.

4. A warehouse may buy at any public sale held pursuant to this section.

5. A purchaser in good faith of goods sold to enforce a warehouse's lien takes the goods free of any rights of persons against which the lien was valid, despite the warehouse's noncompliance with this section.

6. A warehouse may satisfy its lien from the proceeds of any sale pursuant to this section but shall hold the balance, if any, for delivery on demand to any person to which the warehouse would have been bound to deliver the goods.

7. The rights provided by this section are in addition to all other rights allowed by law to a creditor against a debtor.

8. If a lien is on goods stored by a merchant in the course of its business, the lien may be enforced in accordance with subsection 1 or 2.

9. A warehouse is liable for damages caused by failure to comply with the requirements for sale under this section and, in case of willful violation, is liable for conversion.

[R60, §1899 – 1904; C73, §2177 – 2181; C97, §3130 – 3133; S13, §3131, 3138-a33, -a35, -a36; C24, 27, 31, §9693, 9695, 9696, 9741, 10327 – 10330, 10333 – 10335; C35, §9693, 9695, 9696, 9751-g24, 10327 – 10330, 10333 – 10335; C39, §**9646, 9693, 9695, 9751.24, 10327, 10330, 10333 – 10335;** C46, 50, 54, 58, 62, §542.33, 542.35, 542.36, 543.24 – 543.26, 575.3 – 575.6, 575.9 – 575.11; C66, 71, 73, 75, 77, 79, 81, §554.7210]

2007 Acts, ch 30, §16, 45, 46

Referred to in §554.7206, 554.7308

## PART 3

## BILLS OF LADING: SPECIAL PROVISIONS

**554.7301 Liability for nonreceipt or misdescription — "said to contain" — "shipper's weight, load, and count" — improper handling.**

1. A consignee of a nonnegotiable bill of lading which has given value in good faith, or a holder to which a negotiable bill has been duly negotiated, relying upon the description of the goods in the bill or upon the date shown in the bill, may recover from the issuer damages caused by the misdating of the bill or the nonreceipt or misdescription of the goods, except to the extent that the bill indicates that the issuer does not know whether any part or all of the goods in fact were received or conform to the description, such as in a case in which the description is in terms of marks or labels or kind, quantity, or condition or the receipt or description is qualified by "contents or condition of contents of packages unknown", "said to contain", "shipper's weight, load, and count", or words of similar import, if that indication is true.

2. If goods are loaded by the issuer of a bill of lading,

*a.* the issuer shall count the packages of goods if shipped in packages and ascertain the kind and quantity if shipped in bulk; and

*b.* words such as "shipper's weight, load, and count", or words of similar import indicating that the description was made by the shipper are ineffective except as to goods concealed in packages.

3. If bulk goods are loaded by a shipper that makes available to the issuer of a bill of lading adequate facilities for weighing those goods, the issuer shall ascertain the kind and quantity within a reasonable time after receiving the shipper's request in a record to do so. In that case, "shipper's weight" or words of similar import are ineffective.

4. The issuer of a bill of lading, by including in the bill the words "shipper's weight, load, and count", or words of similar import, may indicate that the goods were loaded by the shipper, and, if that statement is true, the issuer is not liable for damages caused by the improper loading. However, omission of such words does not imply liability for damages caused by improper loading.

5. A shipper guarantees to an issuer the accuracy at the time of shipment of the description, marks, labels, number, kind, quantity, condition, and weight, as furnished by the shipper, and the shipper shall indemnify the issuer against damage caused by inaccuracies in those particulars. This right of indemnity does not limit the issuer's responsibility or liability under the contract of carriage to any person other than the shipper.

[S13, §2074-b, 3138-b22; C24, 27, 31, 35, 39, §**8267, 10980;** C46, 50, 54, 58, 62, §487.23, 613.6; C66, 71, 73, 75, 77, 79, 81, §554.7301]

2007 Acts, ch 30, §17, 45, 46

**554.7302 Through bills of lading and similar documents of title.**

1. The issuer of a through bill of lading, or other document of title embodying an undertaking to be performed in part by a person acting as its agent or by a performing carrier, is liable to any person entitled to recover on the bill or other document for any breach by the other person or the performing carrier of its obligation under the bill or other document. However, to the extent that the bill or other document covers an undertaking to be performed overseas or in territory not contiguous to the continental United States or an undertaking including matters other than transportation, this liability for breach by the other person or the performing carrier may be varied by agreement of the parties.

2. If goods covered by a through bill of lading or other document of title embodying an undertaking to be performed in part by a person other than the issuer are received by that person, the person is subject, with respect to its own performance while the goods are in its possession, to the obligation of the issuer. The person's obligation is discharged by delivery of the goods to another person pursuant to the bill or other document and does not include liability for breach by any other person or by the issuer.

3. The issuer of a through bill of lading or other document of title described in subsection 1 is entitled to recover from the performing carrier, or other person in possession of the goods when the breach of the obligation under the bill or other document occurred:

*a.* the amount it may be required to pay to any person entitled to recover on the bill or other document for the breach, as may be evidenced by any receipt, judgment, or transcript of judgment; and

*b.* the amount of any expense reasonably incurred by the issuer in defending any action commenced by any person entitled to recover on the bill or other document for the breach.

[C66, 71, 73, 75, 77, 79, 81, §554.7302]

2007 Acts, ch 30, §18, 45, 46

**554.7303 Diversion — reconsignment — change of instructions.**

1. Unless the bill of lading otherwise provides, a carrier may deliver the goods to a person or destination other than that stated in the bill or may otherwise dispose of the goods, without liability for misdelivery, on instructions from:

*a.* the holder of a negotiable bill;

*b.* the consignor on a nonnegotiable bill, even if the consignee has given contrary instructions;

*c.* the consignee on a nonnegotiable bill in the absence of contrary instructions from the consignor, if the goods have arrived at the billed destination or if the consignee is in possession of the tangible bill or in control of the electronic bill; or

*d.* the consignee on a nonnegotiable bill if the consignee is entitled as against the consignor to dispose of the goods.

2. Unless instructions described in subsection 1 are included in a negotiable bill of lading, a person to which the bill is duly negotiated may hold the bailee according to the original terms.

[C66, 71, 73, 75, 77, 79, 81, §554.7303]

2007 Acts, ch 30, §19, 45, 46

Referred to in §554.7403

**554.7304 Tangible bills of lading in a set.**

1. Except as customary in international transportation, a tangible bill of lading may not be issued in a set of parts. The issuer is liable for damages caused by violation of this subsection.

2. If a tangible bill of lading is lawfully issued in a set of parts, each of which contains an identification code and is expressed to be valid only if the goods have not been delivered against any other part, the whole of the parts constitutes one bill.

3. If a tangible negotiable bill of lading is lawfully issued in a set of parts and different parts are negotiated to different persons, the title of the holder to which the first due negotiation is made prevails as to both the document of title and the goods even if any later holder may have received the goods from the carrier in good faith and discharged the carrier's obligation by surrendering its part.

4. A person that negotiates or transfers a single part of a tangible bill of lading issued in a set is liable to holders of that part as if it were the whole set.

5. The bailee shall deliver in accordance with Part 4 against the first presented part of a tangible bill of lading lawfully issued in a set. Delivery in this manner discharges the bailee's obligation on the whole bill.

[S13, §3138-b5; C24, 27, 31, 35, 39, §**8250;** C46, 50, 54, 58, 62, §487.6; C66, 71, 73, 75, 77, 79, 81, §554.7304]

2007 Acts, ch 30, §20, 45, 46

**554.7305 Destination bills.**

1. Instead of issuing a bill of lading to the consignor at the place of shipment, a carrier, at the request of the consignor, may procure the bill to be issued at destination or at any other place designated in the request.

2. Upon request of any person entitled as against a carrier to control the goods while in transit and on surrender of possession or control of any outstanding bill of lading or other receipt covering the goods, the issuer, subject to section 554.7105, may procure a substitute bill to be issued at any place designated in the request.

[C66, 71, 73, 75, 77, 79, 81, §554.7305]

2007 Acts, ch 30, §21, 45, 46

**554.7306 Altered bills of lading.**

An unauthorized alteration or filling in of a blank in a bill of lading leaves the bill enforceable according to its original tenor.

[S13, §3138-b15; C24, 27, 31, 35, 39, §**8260;** C46, 50, 54, 58, 62, §487.16; C66, 71, 73, 75, 77, 79, 81, §554.7306]

**554.7307 Lien of carrier.**

1. A carrier has a lien on the goods covered by a bill of lading or on the proceeds thereof in its possession for charges after the date of the carrier's receipt of the goods for storage or transportation, including demurrage and terminal charges, and for expenses necessary for preservation of the goods incident to their transportation or reasonably incurred in their sale pursuant to law. However, against a purchaser for value of a negotiable bill of lading, a

carrier's lien is limited to charges stated in the bill or the applicable tariffs or, if no charges are stated, a reasonable charge.

2. A lien for charges and expenses under subsection 1 on goods that the carrier was required by law to receive for transportation is effective against the consignor or any person entitled to the goods unless the carrier had notice that the consignor lacked authority to subject the goods to those charges and expenses. Any other lien under subsection 1 is effective against the consignor and any person that permitted the bailor to have control or possession of the goods unless the carrier had notice that the bailor lacked authority.

3. A carrier loses its lien on any goods that it voluntarily delivers or unjustifiably refuses to deliver.

[R60, §1898, 1899; C73, §2177, 2178; C97, §3130; S13, §3138-a27 – 32, -b25; C24, 27, 31, 35, 39, §**8270, 9687 – 9692, 10326;** C46, 50, 54, 58, 62, §487.26, 542.27 – 542.32, 575.2; C66, 71, 73, 75, 77, 79, 81, §554.7307]

2007 Acts, ch 30, §22, 45, 46

**554.7308 Enforcement of carrier's lien.**

1. A carrier's lien on goods may be enforced by public or private sale of the goods, in bulk or in packages, at any time or place and on any terms that are commercially reasonable, after notifying all persons known to claim an interest in the goods. The notification must include a statement of the amount due, the nature of the proposed sale, and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a method different from that selected by the carrier is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. The carrier sells goods in a commercially reasonable manner if the carrier sells the goods in the usual manner in any recognized market therefor, sells at the price current in that market at the time of the sale, or otherwise sells in conformity with commercially reasonable practices among dealers in the type of goods sold. A sale of more goods than apparently necessary to be offered to ensure satisfaction of the obligation is not commercially reasonable, except in cases covered by the preceding sentence.

2. Before any sale pursuant to this section, any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred in complying with this section. In that event, the goods may not be sold but must be retained by the carrier, subject to the terms of the bill of lading and this Article.

3. A carrier may buy at any public sale pursuant to this section.

4. A purchaser in good faith of goods sold to enforce a carrier's lien takes the goods free of any rights of persons against which the lien was valid, despite the carrier's noncompliance with this section.

5. A carrier may satisfy its lien from the proceeds of any sale pursuant to this section but shall hold the balance, if any, for delivery on demand to any person to which the carrier would have been bound to deliver the goods.

6. The rights provided by this section are in addition to all other rights allowed by law to a creditor against a debtor.

7. A carrier's lien may be enforced pursuant to either subsection 1 or the procedure set forth in section 554.7210, subsection 2.

8. A carrier is liable for damages caused by failure to comply with the requirements for sale under this section and, in case of willful violation, is liable for conversion.

[R60, §1899 – 1904; C73, §2177 – 2181; C97, §3130 – 3133; S13, §3131, 3138-a33, -b26; C24, 27, 31, 35, 39, §**8271, 9693, 10327 – 10336;** C46, 50, 54, 58, 62, §487.27, 542.33, 575.3 – 575.7, 575.9 – 575.12; C66, 71, 73, 75, 77, 79, 81, §554.7308]

2007 Acts, ch 30, §23, 45, 46

Referred to in §576.2, 577.2, 577.3, 578.2

**554.7309 Duty of care — contractual limitation of carrier's liability.**

1. A carrier that issues a bill of lading, whether negotiable or nonnegotiable, shall exercise the degree of care in relation to the goods which a reasonably careful person would exercise

under similar circumstances. This subsection does not affect any statute, regulation, or rule of law that imposes liability upon a common carrier for damages not caused by its negligence.

2. Damages may be limited by a term in the bill of lading or in a transportation agreement that the carrier's liability may not exceed a value stated in the bill or transportation agreement if the carrier's rates are dependent upon value and the consignor is afforded an opportunity to declare a higher value and the consignor is advised of the opportunity. However, such a limitation is not effective with respect to the carrier's liability for conversion to its own use.

3. Reasonable provisions as to the time and manner of presenting claims and commencing actions based on the shipment may be included in a bill of lading or a transportation agreement.

[S13, §2074-b, 3138-b2; C24, 27, 31, 35, 39, §**8247, 10980;** C46, 50, 54, 58, 62, §487.3, 613.6; C66, 71, 73, 75, 77, 79, 81, §554.7309]

2007 Acts, ch 30, §24, 45, 46

## PART 4

## WAREHOUSE RECEIPTS AND BILLS OF LADING: GENERAL OBLIGATIONS

Referred to in §554.7304, 554.7503

**554.7401 Irregularities in issue of receipt or bill or conduct of issuer.**

The obligations imposed by this Article on an issuer apply to a document of title even if:

1. the document does not comply with the requirements of this Article or of any other statute, rule, or regulation regarding its issuance, form, or content;

2. the issuer violated laws regulating the conduct of its business;

3. the goods covered by the document were owned by the bailee when the document was issued; or

4. the person issuing the document is not a warehouse but the document purports to be a warehouse receipt.

[S13, §3138-a20, -b22; C24, 27, 31, 35, 39, §**8267, 9680;** C46, 50, 54, 58, 62, §487.23, 542.20; C66, 71, 73, 75, 77, 79, 81, §554.7401]

2007 Acts, ch 30, §25, 45, 46

**554.7402 Duplicate document of title — overissue.**

A duplicate or any other document of title purporting to cover goods already represented by an outstanding document of the same issuer does not confer any right in the goods, except as provided in the case of tangible bills of lading in a set of parts, overissue of documents for fungible goods, substitutes for lost, stolen, or destroyed documents, or substitute documents issued pursuant to section 554.7105. The issuer is liable for damages caused by its overissue or failure to identify a duplicate document by a conspicuous notation.

[S13, §3138-a6, -a15, -b6, -b17; C24, 27, 31, 35, 39, §**8251, 8262, 9666, 9675;** C46, 50, 54, 58, 62, §487.7, 487.18, 542.6, 542.15, 543.20; C66, 71, 73, 75, 77, 79, 81, §554.7402]

2007 Acts, ch 30, §26, 45, 46

**554.7403 Obligation of bailee to deliver — excuse.**

1. A bailee shall deliver the goods to a person entitled under a document of title if the person complies with subsections 2 and 3, unless and to the extent that the bailee establishes any of the following:

*a.* delivery of the goods to a person whose receipt was rightful as against the claimant;

*b.* damage to or delay, loss, or destruction of the goods for which the bailee is not liable;

*c.* previous sale or other disposition of the goods in lawful enforcement of a lien or on a warehouse's lawful termination of storage;

*d.* the exercise by a seller of its right to stop delivery pursuant to section 554.2705 or by a lessor of its right to stop delivery pursuant to section 554.13526;

*e.* a diversion, reconsignment, or other disposition pursuant to section 554.7303;

*f.* release, satisfaction or any other personal defense against the claimant; or

*g.* any other lawful excuse.

2. A person claiming goods covered by a document of title shall satisfy the bailee's lien if the bailee so requests or if the bailee is prohibited by law from delivering the goods until the charges are paid.

3. Unless a person claiming the goods is a person against which the document of title does not confer a right under section 554.7503, subsection 1:

*a.* the person claiming under a document shall surrender possession or control of any outstanding negotiable document covering the goods for cancellation or indication of partial deliveries; and

*b.* the bailee shall cancel the document or conspicuously indicate in the document the partial delivery or the bailee is liable to any person to which the document is duly negotiated.

[S13, §3138-a8, -a9, -a10, -a11, -a12, -a16, -a19, -b10, -b11, -b12, -b13, -b14, -b18, -b21; C24, 27, 31, 35, 39, §**8255 – 8259, 8263, 8266, 9668 – 9672, 9676, 9679;** C46, 50, 54, 58, 62, §487.11 – 487.15, 487.19, 487.22, 542.8 – 542.12, 542.16, 542.19; C66, 71, 73, 75, 77, 79, 81, §554.7403]

2007 Acts, ch 30, §27, 45, 46

Referred to in §554.7202, 554.7209, 554.7503

**554.7404 No liability for good-faith delivery pursuant to document of title.**

A bailee that in good faith has received goods and delivered or otherwise disposed of the goods according to the terms of a document of title or pursuant to this Article is not liable for the goods even if:

1. the person from which the bailee received the goods did not have authority to procure the document or to dispose of the goods; or

2. the person to which the bailee delivered the goods did not have authority to receive the goods.

[S13, §2074-b, 3138-a10, -b12; C24, 27, 31, 35, 39, §**8257, 9670, 10980;** C46, 50, 54, 58, 62, §487.13, 542.10, 613.6; C66, 71, 73, 75, 77, 79, 81, §554.7404]

2007 Acts, ch 30, §28, 45, 46

## PART 5

## WAREHOUSE RECEIPTS AND BILLS OF LADING: NEGOTIATION AND TRANSFER

**554.7501 Form of negotiation and requirements of due negotiation.**

1. The following rules apply to a negotiable tangible document of title:

*a.* If the document's original terms run to the order of a named person, the document is negotiated by the named person's indorsement and delivery. After the named person's indorsement in blank or to bearer, any person may negotiate the document by delivery alone.

*b.* If the document's original terms run to bearer, it is negotiated by delivery alone.

*c.* If the document's original terms run to the order of a named person and it is delivered to the named person, the effect is the same as if the document had been negotiated.

*d.* Negotiation of the document after it has been indorsed to a named person requires indorsement by the named person and delivery.

*e.* A document is "duly negotiated" if it is negotiated in the manner stated in this subsection to a holder that purchases it in good faith, without notice of any defense against or claim to it on the part of any person, and for value, unless it is established that the negotiation is not in the regular course of business or financing or involves receiving the document in settlement or payment of a monetary obligation.

2. The following rules apply to a negotiable electronic document of title:

*a.* If the document's original terms run to the order of a named person or to bearer, the

document is negotiated by delivery of the document to another person. Indorsement by the named person is not required to negotiate the document.

*b.* If the document's original terms run to the order of a named person and the named person has control of the document, the effect is the same as if the document had been negotiated.

*c.* A document is duly negotiated if it is negotiated in the manner stated in this subsection to a holder that purchases it in good faith, without notice of any defense against or claim to it on the part of any person, and for value, unless it is established that the negotiation is not in the regular course of business or financing or involves taking delivery of the document in settlement or payment of a monetary obligation.

3. Indorsement of a nonnegotiable document of title neither makes it negotiable nor adds to the transferee's rights.

4. The naming in a negotiable bill of lading of a person to be notified of the arrival of the goods does not limit the negotiability of the bill or constitute notice to a purchaser of the bill of any interest of that person in the goods.

[S13, §3138-a37, -a38, -a39, -a40, -a47, -b27, -b28, -b29, -b30, -b37; C24, 27, 31, 35, 39, §**8272 – 8275, 8282, 9697 – 9700, 9707, 9957 – 9961, 9967;** C46, 50, 54, 58, 62, §487.28 – 487.31, 487.38, 542.37 – 542.40, 542.47, 554.29 – 554.32, 554.39; C66, 71, 73, 75, 77, 79, 81, §554.7501]

2007 Acts, ch 30, §29, 45, 46

Referred to in §554D.118

**554.7502 Rights acquired by due negotiation.**

1. Subject to sections 554.7205 and 554.7503, a holder to which a negotiable document of title has been duly negotiated acquires thereby:

*a.* title to the document;

*b.* title to the goods;

*c.* all rights accruing under the law of agency or estoppel, including rights to goods delivered to the bailee after the document was issued; and

*d.* the direct obligation of the issuer to hold or deliver the goods according to the terms of the document free of any defense or claim by the issuer except those arising under the terms of the document or under this Article, but in the case of a delivery order, the bailee's obligation accrues only upon the bailee's acceptance of the delivery order and the obligation acquired by the holder is that the issuer and any indorser will procure the acceptance of the bailee.

2. Subject to section 554.7503, title and rights acquired by due negotiation are not defeated by any stoppage of the goods represented by the document of title or by surrender of the goods by the bailee, and are not impaired even if:

*a.* the due negotiation or any prior due negotiation constituted a breach of duty;

*b.* any person has been deprived of possession of a negotiable tangible document or control of a negotiable electronic document by misrepresentation, fraud, accident, mistake, duress, loss, theft, or conversion; or

*c.* a previous sale or other transfer of the goods or document has been made to a third person.

[S13, §3138-a41, -a47, -a48, -a49, -b31, -b37, -b38, -b39, -b41; C24, 27, 31, 35, 39, §**8276, 8282 – 8284, 8286, 9701, 9707 – 9709, 9949, 9954, 9962, 9967, 9991;** C46, 50, 54, 58, 62, §487.32, 487.38 – 487.40, 487.42, 542.41, 542.47 – 542.49, 554.21, 554.26, 554.34, 554.39, 554.63; C66, 71, 73, 75, 77, 79, 81, §554.7502]

2007 Acts, ch 30, §30 – 32, 45, 46

**554.7503 Document of title to goods defeated in certain cases.**

1. A document of title confers no right in goods against a person that before issuance of the document had a legal interest or a perfected security interest in the goods and that did not:

*a.* deliver or entrust the goods or any document of title covering the goods to the bailor or the bailor's nominee with:

(1) actual or apparent authority to ship, store, or sell;

(2) power to obtain delivery under section 554.7403; or

(3) power of disposition under section 554.2403, 554.9320, 554.9321, subsection 3, section 554.13304, subsection 2, or section 554.13305, subsection 2, or other statute or rule of law; or

*b.* acquiesce in the procurement by the bailor or its nominee of any document.

2. Title to goods based upon an unaccepted delivery order is subject to the rights of any person to which a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. That title may be defeated under section 554.7504 to the same extent as the rights of the issuer or a transferee from the issuer.

3. Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of any person to which a bill issued by the freight forwarder is duly negotiated. However, delivery by the carrier in accordance with Part 4 pursuant to its own bill of lading discharges the carrier's obligation to deliver.

[S13, §3138-a41, -b31, -b42; C24, 27, 31, 35, 39, §**8276, 8287, 9701, 9962;** C46, 50, 54, 58, 62, §487.32, 487.43, 542.41, 554.34; C66, 71, 73, 75, 77, 79, 81, §554.7503]

2000 Acts, ch 1149, §148, 187; 2007 Acts, ch 30, §33, 45, 46

Referred to in §554.7403, 554.7502

**554.7504 Rights acquired in absence of due negotiation — effect of diversion — stoppage of delivery.**

1. A transferee of a document of title, whether negotiable or nonnegotiable, to which the document has been delivered but not duly negotiated, acquires the title and rights that its transferor had or had actual authority to convey.

2. In the case of a transfer of a nonnegotiable document of title, until but not after the bailee receives notice of the transfer, the rights of the transferee may be defeated:

*a.* by those creditors of the transferor who could treat the transfer as void under section 554.2402 or 554.13308;

*b.* by a buyer from the transferor in ordinary course of business if the bailee has delivered the goods to the buyer or received notification of the buyer's rights;

*c.* by a lessee from the transferor in ordinary course of business if the bailee has delivered the goods to the lessee or received notification of the lessee's rights; or

*d.* as against the bailee, by good-faith dealings of the bailee with the transferor.

3. A diversion or other change of shipping instructions by the consignor in a nonnegotiable bill of lading which causes the bailee not to deliver the goods to the consignee defeats the consignee's title to the goods if the goods have been delivered to a buyer in ordinary course of business or a lessee in ordinary course of business and, in any event, defeats the consignee's rights against the bailee.

4. Delivery of the goods pursuant to a nonnegotiable document of title may be stopped by a seller under section 554.2705, or a lessor under section 554.13526, subject to the requirements of due notification in those sections. A bailee that honors the seller's or lessor's instructions is entitled to be indemnified by the seller or lessor against any resulting loss or expense.

[S13, §3138-a41, -a42, -b31, -b32; C24, 27, 31, 35, 39, §**8276, 8277, 9701, 9702, 9959, 9963;** C46, 50, 54, 58, 62, §487.32, 487.33, 542.41, 542.42, 554.31, 554.35; C66, 71, 73, 75, 77, 79, 81, §554.7504]

2007 Acts, ch 30, §34, 45, 46

Referred to in §554.7503

**554.7505 Indorser not guarantor for other parties.**

The indorsement of a tangible document of title issued by a bailee does not make the indorser liable for any default by the bailee or previous indorsers.

[S13, §3138-a45, -b35; C24, 27, 31, 35, 39, §**8280, 9705, 9966;** C46, 50, 54, 58, 62, §487.36, 542.45, 554.38; C66, 71, 73, 75, 77, 79, 81, §554.7505]

2007 Acts, ch 30, §35, 45, 46

**554.7506 Delivery without indorsement — right to compel indorsement.**

The transferee of a negotiable tangible document of title has a specifically enforceable right to have its transferor supply any necessary indorsement, but the transfer becomes a negotiation only as of the time the indorsement is supplied.

[S13, §3138-a43, -b33; C24, 27, 31, 35, 39, §**8278, 9703, 9964;** C46, 50, 54, 58, 62, §487.34, 542.43, 554.36; C66, 71, 73, 75, 77, 79, 81, §554.7506]

2007 Acts, ch 30, §36, 45, 46

**554.7507 Warranties on negotiation or delivery of document of title.**

If a person negotiates or delivers a document of title for value otherwise than as a mere intermediary under section 554.7508, unless otherwise agreed, the transferor, in addition to any warranty made in selling or leasing the goods, warrants to its immediate purchaser only that:

1. the document is genuine;
2. the transferor does not have knowledge of any fact that would impair the document's validity or worth; and
3. the negotiation or delivery is rightful and fully effective with respect to the title to the document and the goods it represents.

[S13, §3138-a44, -b34, -b36; C24, 27, 31, 35, 39, §**8279, 8281, 9704, 9965;** C46, 50, 54, 58, 62, §487.35, 487.37, 542.44, 554.37; C66, 71, 73, 75, 77, 79, 81, §554.7507]

2007 Acts, ch 30, §37, 45, 46

**554.7508 Warranties of collecting bank as to documents of title.**

A collecting bank or other intermediary known to be entrusted with documents of title on behalf of another or with collection of a draft or other claim against delivery of documents warrants by the delivery of the documents only its own good faith and authority even if the collecting bank or other intermediary has purchased or made advances against the claim or draft to be collected.

[S13, §3138-a46; C24, 27, 31, 35, 39, §**9706;** C46, 50, 54, 58, 62, §542.46; C66, 71, 73, 75, 77, 79, 81, §554.7508]

2007 Acts, ch 30, §38, 45, 46

Referred to in §554.7507

**554.7509 Adequate compliance with commercial contract.**

Whether a document of title is adequate to fulfill the obligations of a contract for sale, a contract for lease, or the conditions of a letter of credit is determined by Article 2, 5, or 13.

[C66, 71, 73, 75, 77, 79, 81, §554.7509]

2007 Acts, ch 30, §39, 45, 46

## PART 6

## WAREHOUSE RECEIPTS AND BILLS OF LADING: MISCELLANEOUS PROVISIONS

**554.7601 Lost, stolen, or destroyed documents of title.**

1. If a document of title is lost, stolen, or destroyed, a court may order delivery of the goods or issuance of a substitute document and the bailee may without liability to any person comply with the order. If the document was negotiable, a court may not order delivery of the goods or issuance of a substitute document without the claimant's posting security unless it finds that any person that may suffer loss as a result of nonsurrender of possession or control of the document is adequately protected against the loss. If the document was not negotiable, the court may require security. The court may also order payment of the bailee's reasonable costs and attorney's fees in any action under this subsection.

2. A bailee that, without a court order, delivers goods to a person claiming under a missing

negotiable document of title is liable to any person injured thereby. If the delivery is not in good faith, the bailee is liable for conversion. Delivery in good faith is not conversion if the claimant posts security with the bailee in an amount at least double the value of the goods at the time of posting to indemnify any person injured by the delivery which files a notice of claim within one year after the delivery.

[S13, §3138-a14, -b16; C24, 27, 31, 35, 39, §**8261, 9674;** C46, 50, 54, 58, 62, §487.17, 542.14; C66, 71, 73, 75, 77, 79, 81, §554.7601]

2007 Acts, ch 30, §40, 45, 46

Referred to in §203C.19

**554.7601A Lost, stolen, or destroyed documents — additional requirements.**

1. *a.* If a warehouse receipt has been lost, stolen, or destroyed, the warehouse shall issue a duplicate upon receipt of:

(1) an affidavit that the warehouse receipt has been lost, stolen, or destroyed.

(2) a bond in an amount at least double the value of the goods at the time of posting the bond, to indemnify any person injured by issuance of the duplicate warehouse receipt who files a notice of claim within one year after delivery of the goods.

*b.* A duplicate warehouse receipt shall be plainly marked to indicate that it is a duplicate. A receipt plainly marked as a duplicate is a representation and warranty by the warehouse that the duplicate receipt is an accurate copy of an original receipt properly issued and uncanceled at the date of the issue of the duplicate, but shall not impose upon the warehouse other liability.

*c.* A warehouse which in good faith delivers goods to the holder of a duplicate receipt issued in accordance with this subsection is liable to any person injured by the delivery, but only to the extent of the security posted in accordance with paragraph *"b"* of this subsection.

2. If a warehouse receipt has been lost or destroyed, the depositor may either remove the goods from the warehouse facility or sell the goods to the warehouse after executing a lost warehouse receipt release on a form prescribed by the department of agriculture and land stewardship. The form shall include an affidavit stating that the warehouse receipt has been lost or destroyed, and the depositor's undertaking to indemnify the warehouse for any loss incurred as a result of the loss or destruction of the warehouse receipt. The form shall be filed with the department of agriculture and land stewardship.

3. If a warehouse receipt has been lost or destroyed by a warehouse after delivery of the goods or purchase of the goods by the warehouse, the warehouse shall execute and file with the department of agriculture and land stewardship a notarized affidavit stating that the warehouse receipt has been lost or destroyed by the warehouse after delivery or purchase of the goods by the warehouse. The form of the affidavit shall be prescribed by the department of agriculture and land stewardship.

2007 Acts, ch 30, §41, 45, 46; 2008 Acts, ch 1032, §80

Referred to in §203C.19

**554.7602 Judicial process against goods covered by negotiable document of title.**

Unless a document of title was originally issued upon delivery of the goods by a person that did not have power to dispose of them, a lien does not attach by virtue of any judicial process to goods in the possession of a bailee for which a negotiable document of title is outstanding unless possession or control of the document is first surrendered to the bailee or the document's negotiation is enjoined. The bailee may not be compelled to deliver the goods pursuant to process until possession or control of the document is surrendered to the bailee or to the court. A purchaser of the document for value without notice of the process or injunction takes free of the lien imposed by judicial process.

[S13, §3138-a25, -b23, -b24; C24, 27, 31, 35, 39, §**8268, 8269, 9685, 9968, 9969;** C46, 50, 54, 58, 62, §487.24, 487.25, 542.25, 554.40, 554.41; C66, 71, 73, 75, 77, 79, 81, §554.7602]

2007 Acts, ch 30, §42, 45, 46

**554.7603 Conflicting claims — interpleader.**

If more than one person claims title to or possession of the goods, the bailee is excused from delivery until the bailee has a reasonable time to ascertain the validity of the adverse claims

or to commence an action for interpleader. The bailee may assert an interpleader either in defending an action for nondelivery of the goods or by original action.

[S13, §3138-a16, -a17, -a18, -b19, -b20, -b42; C24, 27, 31, 35, 39, §**8264, 8265, 8287, 9676 – 9678;** C46, 50, 54, 58, 62, §487.20, 487.21, 487.43, 542.16 – 542.18; C66, 71, 73, 75, 77, 79, 81, §554.7603]

2007 Acts, ch 30, §43, 45, 46

## ARTICLE 8

## INVESTMENT SECURITIES

Referred to in §554.2105, 554.3102, 554.4102, 554.5110, 554.9331, 556.13

## PART 1

## SHORT TITLE AND GENERAL MATTERS

**554.8101 Short title.**

This Article shall be known and may be cited as Uniform Commercial Code — Investment Securities.

[C50, 54, 58, 62, §493A.24; C66, 71, 73, 75, 77, 79, 81, §554.8101]

**554.8102 Definitions.**

1. In this Article:

*a.* *"Adverse claim"* means a claim that a claimant has a property interest in a financial asset and that it is a violation of the rights of the claimant for another person to hold, transfer, or deal with the financial asset.

*b.* *"Bearer form"*, as applied to a certificated security, means a form in which the security is payable to the bearer of the security certificate according to its terms but not by reason of an indorsement.

*c.* *"Broker"* means a person defined as a broker or dealer under the federal securities laws, but without excluding a bank acting in that capacity.

*d.* *"Certificated security"* means a security that is represented by a certificate.

*e.* *"Clearing corporation"* means:

(1) a person that is registered as a "clearing agency" under the federal securities laws;

(2) a federal reserve bank; or

(3) any other person that provides clearance or settlement services with respect to financial assets that would require it to register as a clearing agency under the federal securities laws but for an exclusion or exemption from the registration requirement, if its activities as a clearing corporation, including promulgation of rules, are subject to regulation by a federal or state governmental authority.

*f.* *"Communicate"* means to:

(1) send a signed writing; or

(2) transmit information by any mechanism agreed upon by the persons transmitting and receiving the information.

*g.* *"Entitlement holder"* means a person identified in the records of a securities intermediary as the person having a security entitlement against the securities intermediary. If a person acquires a security entitlement by virtue of section 554.8501, subsection 2, paragraph *"b"* or *"c"*, that person is the entitlement holder.

*h.* *"Entitlement order"* means a notification communicated to a securities intermediary directing transfer or redemption of a financial asset to which the entitlement holder has a security entitlement.

*i.* (1) *"Financial asset"*, except as otherwise provided in section 554.8103, means:

(a) a security;

(b) an obligation of a person or a share, participation, or other interest in a person or in

property or an enterprise of a person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment; or

(c) any property that is held by a securities intermediary for another person in a securities account if the securities intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under this Article.

(2) As context requires, the term means either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated security, a security certificate, or a security entitlement.

*j.* Reserved.

*k.* *"Indorsement"* means a signature that alone or accompanied by other words is made on a security certificate in registered form or on a separate document for the purpose of assigning, transferring, or redeeming the security or granting a power to assign, transfer, or redeem it.

*l.* *"Instruction"* means a notification communicated to the issuer of an uncertificated security which directs that the transfer of the security be registered or that the security be redeemed.

*m.* *"Registered form"*, as applied to a certificated security, means a form in which:

(1) the security certificate specifies a person entitled to the security; and

(2) a transfer of the security may be registered upon books maintained for that purpose by or on behalf of the issuer, or the security certificate so states.

*n.* *"Securities intermediary"* means:

(1) a clearing corporation; or

(2) a person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

*o.* *"Security"*, except as otherwise provided in section 554.8103, means an obligation of an issuer or a share, participation, or other interest in an issuer or in property or an enterprise of an issuer:

(1) which is represented by a security certificate in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer;

(2) which is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests, or obligations; and

(3) which:

(a) is, or is of a type, dealt in or traded on securities exchanges or securities markets; or

(b) is a medium for investment and by its terms expressly provides that it is a security governed by this Article.

*p.* *"Security certificate"* means a certificate representing a security.

*q.* *"Security entitlement"* means the rights and property interest of an entitlement holder with respect to a financial asset specified in Part 5.

*r.* *"Uncertificated security"* means a security that is not represented by a certificate.

2. Other definitions applying to this Article and the sections in which they appear are:

*a.* "Appropriate person" ..... Section 554.8107
*b.* "Control" ..... Section 554.8106
*c.* "Delivery" ..... Section 554.8301
*d.* "Investment company security"..... Section 554.8103
*e.* "Issuer" ..... Section 554.8201
*f.* "Overissue"..... Section 554.8210
*g.* "Protected purchaser" ..... Section 554.8303
*h.* "Securities account" ..... Section 554.8501

3. In addition, Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

4. The characterization of a person, business, or transaction for purposes of this Article

does not determine the characterization of the person, business, or transaction for purposes of any other law, regulation, or rule.

[C66, 71, 73, 75, 77, 79, 81, §554.8102]

89 Acts, ch 113, §1; 96 Acts, ch 1138, §10, 84; 2007 Acts, ch 41, §29; 2012 Acts, ch 1023, §157

Referred to in §511.8(21a), 515.35, 518.14, 518A.12, 554.4104, 554.8103, 554.9102, 626.25, 633.89, 642.17

**554.8103 Rules for determining whether certain obligations and interests are securities or financial assets.**

1. A share or similar equity interest issued by a corporation, business trust, joint stock company, or similar entity is a security.

2. An *"investment company security"* is a security. *"Investment company security"* means a share or similar equity interest issued by an entity that is registered as an investment company under the federal investment company laws, an interest in a unit investment trust that is so registered, or a face-amount certificate issued by a face-amount certificate company that is so registered. Investment company security does not include an insurance policy or endowment policy or annuity contract issued by an insurance company.

3. An interest in a partnership or limited liability company is not a security unless it is dealt in or traded on securities exchanges or in securities markets, its terms expressly provide that it is a security governed by this Article, or it is an investment company security. However, an interest in a partnership or limited liability company is a financial asset if it is held in a securities account.

4. A writing that is a security certificate is governed by this Article and not by Article 3, even though it also meets the requirements of that Article. However, a negotiable instrument governed by Article 3 is a financial asset if it is held in a securities account.

5. An option or similar obligation issued by a clearing corporation to its participants is not a security, but is a financial asset.

6. A commodity contract, as defined in section 554.9102, subsection 1, paragraph "*o*", is not a security or a financial asset.

7. A document of title is not a financial asset unless section 554.8102, subsection 1, paragraph "*i*", subparagraph (1), subparagraph division (c) applies.

[C50, 54, 58, 62, §493A.15; C66, 71, 73, 75, 77, 79, 81, §554.8103]

89 Acts, ch 113, §2; 96 Acts, ch 1138, §11, 84; 2000 Acts, ch 1149, §149, 187; 2007 Acts, ch 30, §45, 46, 64

Referred to in §501A.903, 554.8102

**554.8104 Acquisition of security or financial asset or interest therein.**

1. A person acquires a security or an interest therein, under this Article, if:

*a.* the person is a purchaser to whom a security is delivered pursuant to section 554.8301; or

*b.* the person acquires a security entitlement to the security pursuant to section 554.8501.

2. A person acquires a financial asset, other than a security, or an interest therein, under this Article, if the person acquires a security entitlement to the financial asset.

3. A person who acquires a security entitlement to a security or other financial asset has the rights specified in Part 5, but is a purchaser of any security, security entitlement, or other financial asset held by the securities intermediary only to the extent provided in section 554.8503.

4. Unless the context shows that a different meaning is intended, a person who is required by other law, regulation, rule, or agreement to transfer, deliver, present, surrender, exchange, or otherwise put in the possession of another person a security or financial asset satisfies that requirement by causing the other person to acquire an interest in the security or financial asset pursuant to subsection 1 or 2.

[C66, 71, 73, 75, 77, 79, 81, §554.8104]

89 Acts, ch 113, §3; 96 Acts, ch 1138, §12, 84

**554.8105 Notice of adverse claim.**

1. A person has notice of an adverse claim if:

*a.* the person knows of the adverse claim;

*b.* the person is aware of facts sufficient to indicate that there is a significant probability that the adverse claim exists and deliberately avoids information that would establish the existence of the adverse claim; or

*c.* the person has a duty, imposed by statute or regulation, to investigate whether an adverse claim exists, and the investigation so required would establish the existence of the adverse claim.

2. Having knowledge that a financial asset or interest therein is or has been transferred by a representative imposes no duty of inquiry into the rightfulness of a transaction and is not notice of an adverse claim. However, a person who knows that a representative has transferred a financial asset or interest therein in a transaction that is, or whose proceeds are being used, for the individual benefit of the representative or otherwise in breach of duty has notice of an adverse claim.

3. An act or event that creates a right to immediate performance of the principal obligation represented by a security certificate or sets a date on or after which the certificate is to be presented or surrendered for redemption or exchange does not itself constitute notice of an adverse claim except in the case of a transfer more than:

*a.* one year after a date set for presentment or surrender for redemption or exchange; or

*b.* six months after a date set for payment of money against presentation or surrender of the certificate, if money was available for payment on that date.

4. A purchaser of a certificated security has notice of an adverse claim if the security certificate:

*a.* whether in bearer or registered form, has been indorsed "for collection" or "for surrender" or for some other purpose not involving transfer; or

*b.* is in bearer form and has on it an unambiguous statement that it is the property of a person other than the transferor, but the mere writing of a name on the certificate is not such a statement.

5. Filing of a financing statement under Article 9 is not notice of an adverse claim to a financial asset.

[C66, 71, 73, 75, 77, 79, 81, §554.8105]

89 Acts, ch 113, §4; 96 Acts, ch 1138, §13, 84

**554.8106 Control.**

1. A purchaser has "control" of a certificated security in bearer form if the certificated security is delivered to the purchaser.

2. A purchaser has "control" of a certificated security in registered form if the certificated security is delivered to the purchaser, and:

*a.* the certificate is indorsed to the purchaser or in blank by an effective indorsement; or

*b.* the certificate is registered in the name of the purchaser, upon original issue or registration of transfer by the issuer.

3. A purchaser has "control" of an uncertificated security if:

*a.* the uncertificated security is delivered to the purchaser; or

*b.* the issuer has agreed that it will comply with instructions originated by the purchaser without further consent by the registered owner.

4. A purchaser has "control" of a security entitlement if:

*a.* the purchaser becomes the entitlement holder;

*b.* the securities intermediary has agreed that it will comply with entitlement orders originated by the purchaser without further consent by the entitlement holder; or

*c.* another person has control of the security entitlement on behalf of the purchaser or, having previously acquired control of the security entitlement, acknowledges that it has control on behalf of the purchaser.

5. If an interest in a security entitlement is granted by the entitlement holder to the entitlement holder's own securities intermediary, the securities intermediary has control.

6. A purchaser who has satisfied the requirements of subsection 3 or 4 has control, even if the registered owner in the case of subsection 3, or the entitlement holder in the case of subsection 4, retains the right to make substitutions for the uncertificated security or

security entitlement, to originate instructions or entitlement orders to the issuer or securities intermediary, or otherwise to deal with the uncertificated security or security entitlement.

7. An issuer or a securities intermediary may not enter into an agreement of the kind described in subsection 3, paragraph "*b*", or subsection 4, paragraph "*b*", without the consent of the registered owner or entitlement holder, but an issuer or a securities intermediary is not required to enter into such an agreement even though the registered owner or entitlement holder so directs. An issuer or securities intermediary that has entered into such an agreement is not required to confirm the existence of the agreement to another party unless requested to do so by the registered owner or entitlement holder.

[C66, 71, 73, 75, 77, 79, 81, §554.8106]

89 Acts, ch 113, §5; 96 Acts, ch 1138, §14, 84; 2000 Acts, ch 1149, §150, 187; 2002 Acts, ch 1119, §87

Referred to in §554.8102, 554.8107, 554.8510, 554.9106, 554.9208, 554.9328

**554.8107 Whether indorsement, instruction, or entitlement order is effective.**

1. "*Appropriate person*" means:

*a.* with respect to an indorsement, the person specified by a security certificate or by an effective special indorsement to be entitled to the security;

*b.* with respect to an instruction, the registered owner of an uncertificated security;

*c.* with respect to an entitlement order, the entitlement holder;

*d.* if the person designated in paragraph "*a*", "*b*", or "*c*" is deceased, the designated person's successor taking under other law or the designated person's personal representative acting for the estate of the decedent; or

*e.* if the person designated in paragraph "*a*", "*b*", or "*c*" lacks capacity, the designated person's guardian, conservator, or other similar representative who has power under other law to transfer the security or financial asset.

2. An indorsement, instruction, or entitlement order is effective if:

*a.* it is made by the appropriate person;

*b.* it is made by a person who has power under the law of agency to transfer the security or financial asset on behalf of the appropriate person, including, in the case of an instruction or entitlement order, a person who has control under section 554.8106, subsection 3, paragraph "*b*", or subsection 4, paragraph "*b*"; or

*c.* the appropriate person has ratified it or is otherwise precluded from asserting its ineffectiveness.

3. An indorsement, instruction, or entitlement order made by a representative is effective even if:

*a.* the representative has failed to comply with a controlling instrument or with the law of the state having jurisdiction of the representative relationship, including any law requiring the representative to obtain court approval of the transaction; or

*b.* the representative's action in making the indorsement, instruction, or entitlement order or using the proceeds of the transaction is otherwise a breach of duty.

4. If a security is registered in the name of or specially indorsed to a person described as a representative, or if a securities account is maintained in the name of a person described as a representative, an indorsement, instruction, or entitlement order made by the person is effective even though the person is no longer serving in the described capacity.

5. Effectiveness of an indorsement, instruction, or entitlement order is determined as of the date the indorsement, instruction, or entitlement order is made, and an indorsement, instruction, or entitlement order does not become ineffective by reason of any later change of circumstances.

[C66, 71, 73, 75, 77, 79, 81, §554.8107]

89 Acts, ch 113, §6; 96 Acts, ch 1138, §15, 84

Referred to in §554.8102, 554.8402

**554.8108 Warranties in direct holding.**

1. A person who transfers a certificated security to a purchaser for value warrants to the

purchaser, and an indorser, if the transfer is by indorsement, warrants to any subsequent purchaser, that:

*a.* the certificate is genuine and has not been materially altered;

*b.* the transferor or indorser does not know of any fact that might impair the validity of the security;

*c.* there is no adverse claim to the security;

*d.* the transfer does not violate any restriction on transfer;

*e.* if the transfer is by indorsement, the indorsement is made by an appropriate person, or if the indorsement is by an agent, the agent has actual authority to act on behalf of the appropriate person; and

*f.* the transfer is otherwise effective and rightful.

2. A person who originates an instruction for registration of transfer of an uncertificated security to a purchaser for value warrants to the purchaser that:

*a.* the instruction is made by an appropriate person, or if the instruction is by an agent, the agent has actual authority to act on behalf of the appropriate person;

*b.* the security is valid;

*c.* there is no adverse claim to the security; and

*d.* at the time the instruction is presented to the issuer:

(1) the purchaser will be entitled to the registration of transfer;

(2) the transfer will be registered by the issuer free from all liens, security interests, restrictions, and claims other than those specified in the instruction;

(3) the transfer will not violate any restriction on transfer; and

(4) the requested transfer will otherwise be effective and rightful.

3. A person who transfers an uncertificated security to a purchaser for value and does not originate an instruction in connection with the transfer warrants that:

*a.* the uncertificated security is valid;

*b.* there is no adverse claim to the security;

*c.* the transfer does not violate any restriction on transfer; and

*d.* the transfer is otherwise effective and rightful.

4. A person who indorses a security certificate warrants to the issuer that:

*a.* there is no adverse claim to the security; and

*b.* the indorsement is effective.

5. A person who originates an instruction for registration of transfer of an uncertificated security warrants to the issuer that:

*a.* the instruction is effective; and

*b.* at the time the instruction is presented to the issuer the purchaser will be entitled to the registration of transfer.

6. A person who presents a certificated security for registration of transfer or for payment or exchange warrants to the issuer that the person is entitled to the registration, payment, or exchange, but a purchaser for value and without notice of adverse claims to whom transfer is registered warrants only that the person has no knowledge of any unauthorized signature in a necessary indorsement.

7. If a person acts as agent of another in delivering a certificated security to a purchaser, the identity of the principal was known to the person to whom the certificate was delivered, and the certificate delivered by the agent was received by the agent from the principal or received by the agent from another person at the direction of the principal, the person delivering the security certificate warrants only that the delivering person has authority to act for the principal and does not know of any adverse claim to the certificated security.

8. A secured party who redelivers a security certificate received, or after payment and on order of the debtor delivers the security certificate to another person, makes only the warranties of an agent under subsection 7.

9. Except as otherwise provided in subsection 7, a broker acting for a customer makes to the issuer and a purchaser the warranties provided in subsections 1 through 6. A broker that delivers a security certificate to its customer, or causes its customer to be registered as the owner of an uncertificated security, makes to the customer the warranties provided in subsection 1 or 2, and has the rights and privileges of a purchaser under this section.

The warranties of and in favor of the broker acting as an agent are in addition to applicable warranties given by and in favor of the customer.

89 Acts, ch 113, §7; 96 Acts, ch 1138, §16, 84

Referred to in §554.8109, 554.8304, 554.8305

**554.8109 Warranties in indirect holding.**

1. A person who originates an entitlement order to a securities intermediary warrants to the securities intermediary that:

*a.* the entitlement order is made by an appropriate person, or if the entitlement order is by an agent, the agent has actual authority to act on behalf of the appropriate person; and

*b.* there is no adverse claim to the security entitlement.

2. A person who delivers a security certificate to a securities intermediary for credit to a securities account or originates an instruction with respect to an uncertificated security directing that the uncertificated security be credited to a securities account makes to the securities intermediary the warranties specified in section 554.8108, subsection 1 or 2.

3. If a securities intermediary delivers a security certificate to its entitlement holder or causes its entitlement holder to be registered as the owner of an uncertificated security, the securities intermediary makes to the entitlement holder the warranties specified in section 554.8108, subsection 1 or 2.

96 Acts, ch 1138, §17, 84

**554.8110 Applicability — choice of law.**

1. The local law of the issuer's jurisdiction, as specified in subsection 4, governs:

*a.* the validity of a security;

*b.* the rights and duties of the issuer with respect to registration of transfer;

*c.* the effectiveness of registration of transfer by the issuer;

*d.* whether the issuer owes any duties to an adverse claimant to a security; and

*e.* whether an adverse claim can be asserted against a person to whom transfer of a certificated or uncertificated security is registered or a person who obtains control of an uncertificated security.

2. The local law of the securities intermediary's jurisdiction, as specified in subsection 5, governs:

*a.* acquisition of a security entitlement from the securities intermediary;

*b.* the rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement;

*c.* whether the securities intermediary owes any duties to an adverse claimant to a security entitlement; and

*d.* whether an adverse claim can be asserted against a person who acquires a security entitlement from the securities intermediary or a person who purchases a security entitlement or interest therein from an entitlement holder.

3. The local law of the jurisdiction in which a security certificate is located at the time of delivery governs whether an adverse claim can be asserted against a person to whom the security certificate is delivered.

4. "*Issuer's jurisdiction*" means the jurisdiction under which the issuer of the security is organized or, if permitted by the law of that jurisdiction, the law of another jurisdiction specified by the issuer. An issuer organized under the law of this state may specify the law of another jurisdiction as the law governing the matters specified in subsection 1, paragraphs "*b*" through "*e*".

5. The following rules determine a "securities intermediary's jurisdiction" for purposes of this section:

*a.* if an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that a particular jurisdiction is the securities intermediary's jurisdiction for purposes of this part, this Article, or this Act,* that jurisdiction is the securities intermediary's jurisdiction.

*b.* if paragraph "*a*" does not apply and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the

agreement is governed by the law of a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.

*c.* if neither paragraph *"a"* nor paragraph *"b"* applies and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the securities account is maintained at an office in a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.

*d.* if none of the preceding paragraphs applies, the securities intermediary's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the entitlement holder's account is located.

*e.* if none of the preceding paragraphs applies, the securities intermediary's jurisdiction is the jurisdiction in which the chief executive office of the securities intermediary is located.

6. A securities intermediary's jurisdiction is not determined by the physical location of certificates representing financial assets, or by the jurisdiction in which is organized the issuer of the financial asset with respect to which an entitlement holder has a security entitlement, or by the location of facilities for data processing or other record keeping concerning the account.

96 Acts, ch 1138, §18, 84; 2000 Acts, ch 1149, §151, 187
Referred to in §554.1301, 554.9305
*2000 Acts, ch 1149

**554.8111 Clearing corporation rules.**

A rule adopted by a clearing corporation governing rights and obligations among the clearing corporation and its participants in the clearing corporation is effective even if the rule conflicts with this chapter and affects another party who does not consent to the rule.

96 Acts, ch 1138, §19, 84; 97 Acts, ch 23, §70

**554.8112 Creditor's legal process.**

1. The interest of a debtor in a certificated security may be reached by a creditor only by actual seizure of the security certificate by the officer making the attachment or levy, except as otherwise provided in subsection 4. However, a certificated security for which the certificate has been surrendered to the issuer may be reached by a creditor by legal process upon the issuer.

2. The interest of a debtor in an uncertificated security may be reached by a creditor only by legal process upon the issuer at its chief executive office in the United States, except as otherwise provided in subsection 4.

3. The interest of a debtor in a security entitlement may be reached by a creditor only by legal process upon the securities intermediary with whom the debtor's securities account is maintained, except as otherwise provided in subsection 4.

4. The interest of a debtor in a certificated security for which the certificate is in the possession of a secured party, or in an uncertificated security registered in the name of a secured party, or a security entitlement maintained in the name of a secured party, may be reached by a creditor by legal process upon the secured party.

5. A creditor whose debtor is the owner of a certificated security, uncertificated security, or security entitlement is entitled to aid from a court of competent jurisdiction, by injunction or otherwise, in reaching the certificated security, uncertificated security, or security entitlement or in satisfying the claim by means allowed at law or in equity in regard to property that cannot readily be reached by other legal process.

96 Acts, ch 1138, §20, 84

**554.8113 Statute of frauds inapplicable.**

A contract or modification of a contract for the sale or purchase of a security is enforceable whether or not there is a writing signed or record authenticated by a party against whom enforcement is sought, even if the contract or modification is not capable of performance within one year of its making.

96 Acts, ch 1138, §21, 84

**554.8114 Evidentiary rules concerning certificated securities.**

The following rules apply in an action on a certificated security against the issuer:

1. Unless specifically denied in the pleadings, each signature on a security certificate or in a necessary indorsement is admitted.

2. If the effectiveness of a signature is put in issue, the burden of establishing effectiveness is on the party claiming under the signature, but the signature is presumed to be genuine or authorized.

3. If signatures on a security certificate are admitted or established, production of the certificate entitles a holder to recover on it unless the defendant establishes a defense or a defect going to the validity of the security.

4. If it is shown that a defense or defect exists, the plaintiff has the burden of establishing that the plaintiff or some person under whom the plaintiff claims is a person against whom the defense or defect cannot be asserted.

96 Acts, ch 1138, §22, 84

**554.8115 Securities intermediary and others not liable to adverse claimant.**

A securities intermediary that has transferred a financial asset pursuant to an effective entitlement order, or a broker or other agent or bailee that has dealt with a financial asset at the direction of its customer or principal, is not liable to a person having an adverse claim to the financial asset, unless the securities intermediary, or broker or other agent or bailee:

1. took the action after it had been served with an injunction, restraining order, or other legal process enjoining it from doing so, issued by a court of competent jurisdiction, and had a reasonable opportunity to act on the injunction, restraining order, or other legal process; or

2. acted in collusion with the wrongdoer in violating the rights of the adverse claimant; or

3. in the case of a security certificate that has been stolen, acted with notice of the adverse claim.

96 Acts, ch 1138, §23, 84

**554.8116 Securities intermediary as purchaser for value.**

A securities intermediary that receives a financial asset and establishes a security entitlement to the financial asset in favor of an entitlement holder is a purchaser for value of the financial asset. A securities intermediary that acquires a security entitlement to a financial asset from another securities intermediary acquires the security entitlement for value if the securities intermediary acquiring the security entitlement establishes a security entitlement to the financial asset in favor of an entitlement holder.

96 Acts, ch 1219, §30, 40

## PART 2

## ISSUE AND ISSUER

**554.8201 Issuer.**

1. With respect to an obligation on or a defense to a security, an *"issuer"* includes a person that:

*a.* places or authorizes the placing of its name on a security certificate, other than as authenticating trustee, registrar, transfer agent, or the like, to evidence a share, participation, or other interest in its property or in an enterprise, or to evidence its duty to perform an obligation represented by the certificate;

*b.* creates a share, participation, or other interest in its property or in an enterprise, or undertakes an obligation, that is an uncertificated security;

*c.* directly or indirectly creates a fractional interest in its rights or property, if the fractional interest is represented by a security certificate; or

*d.* becomes responsible for, or in place of, another person described as an issuer in this section.

2. With respect to an obligation on or defense to a security, a guarantor is an issuer to the extent of its guaranty, whether or not its obligation is noted on a security certificate.

3. With respect to a registration of a transfer, issuer means a person on whose behalf transfer books are maintained.

[S13, §3060-a29, -a60, -a61, -a62; C24, 27, 31, 35, 39, §**9489, 9520 – 9522;** C46, 50, 54, 58, 62, §541.29, 541.60 – 541.62; C66, 71, 73, 75, 77, 79, 81, §554.8201]

89 Acts, ch 113, §8; 96 Acts, ch 1138, §24, 84

Referred to in §515.35, 518.14, 518A.12, 554.8102, 554.9102

**554.8202 Issuer's responsibility and defenses — notice of defect or defense.**

1. Even against a purchaser for value and without notice, the terms of a certificated security include terms stated on the certificate and terms made part of the security by reference on the certificate to another instrument, indenture, or document or to a constitution, statute, ordinance, rule, regulation, order, or the like, to the extent the terms referred to do not conflict with terms stated on the certificate. A reference under this subsection does not of itself charge a purchaser for value with notice of a defect going to the validity of the security, even if the certificate expressly states that a person accepting it admits notice. The terms of an uncertificated security include those stated in any instrument, indenture, or document or in a constitution, statute, ordinance, rule, regulation, order, or the like, pursuant to which the security is issued.

2. The following rules apply if an issuer asserts that a security is not valid:

*a.* A security other than one issued by a government or governmental subdivision, agency, or instrumentality, even though issued with a defect going to its validity, is valid in the hands of a purchaser for value and without notice of the particular defect unless the defect involves a violation of a constitutional provision. In that case, the security is valid in the hands of a purchaser for value and without notice of the defect, other than one who takes by original issue.

*b.* Paragraph "*a*" applies to an issuer that is a government or governmental subdivision, agency, or instrumentality only if there has been substantial compliance with the legal requirements governing the issue or the issuer has received a substantial consideration for the issue as a whole or for the particular security and a stated purpose of the issue is one for which the issuer has power to borrow money or issue the security.

3. Except as otherwise provided in section 554.8205, lack of genuineness of a certificated security is a complete defense, even against a purchaser for value and without notice.

4. All other defenses of the issuer of a security, including nondelivery and conditional delivery of a certificated security, are ineffective against a purchaser for value who has taken the certificated security without notice of the particular defense.

5. This section does not affect the right of a party to cancel a contract for a security "when, as and if issued" or "when distributed" in the event of a material change in the character of the security that is the subject of the contract or in the plan or arrangement pursuant to which the security is to be issued or distributed.

6. If a security is held by a securities intermediary against whom an entitlement holder has a security entitlement with respect to the security, the issuer may not assert any defense that the issuer could not assert if the entitlement holder held the security directly.

[S13, §3060-a16, -a23, -a28, -a56, -a57, -a60, -a61, -a62; C24, 27, 31, 35, 39, §**9476, 9483, 9488, 9516, 9517, 9520 – 9522;** C46, 50, 54, 58, 62, §541.16, 541.23, 541.28, 541.56, 541.57, 541.60 – 541.62; C66, 71, 73, 75, 77, 79, 81, §554.8202]

89 Acts, ch 113, §9; 96 Acts, ch 1138, §25, 84

**554.8203 Staleness as notice of defect or defense.**

After an act or event, other than a call that has been revoked, creating a right to immediate performance of the principal obligation represented by a certificated security or setting a date on or after which the security is to be presented or surrendered for redemption or exchange, a purchaser is charged with notice of any defect in its issue or defense of the issuer, if the act or event:

1. requires the payment of money, the delivery of a certificated security, the registration

of transfer of an uncertificated security, or any of them on presentation or surrender of the security certificate, the money or security is available on the date set for payment or exchange, and the purchaser takes the security more than one year after that date; or

2. is not covered by subsection 1 and the purchaser takes the security more than two years after the date set for surrender or presentation or the date on which performance became due.

[S13, §3060, -a52, -a53; C24, 27, 31, 35, 39, §**9512, 9513;** C46, 50, 54, 58, 62, §541.52, 541.53; C66, 71, 73, 75, 77, 79, 81, §554.8203]

89 Acts, ch 113, §10; 96 Acts, ch 1138, §26, 84

**554.8204 Effect of issuer's restriction on transfer.**

A restriction on transfer of a security imposed by the issuer, even if otherwise lawful, is ineffective against a person without knowledge of the restriction unless:

1. the security is certificated and the restriction is noted conspicuously on the security certificate; or

2. the security is uncertificated and the registered owner has been notified of the restriction.

[C50, 54, 58, 62, §493A.15; C66, 71, 73, 75, 77, 79, 81, §554.8204]

89 Acts, ch 113, §11; 96 Acts, ch 1138, §27, 84

Referred to in §554.8401

**554.8205 Effect of unauthorized signature on security certificate.**

An unauthorized signature placed on a security certificate before or in the course of issue is ineffective, but the signature is effective in favor of a purchaser for value of the certificated security if the purchaser is without notice of the lack of authority and the signing has been done by:

1. an authenticating trustee, registrar, transfer agent, or other person entrusted by the issuer with the signing of the security certificate or of similar security certificates, or the immediate preparation for signing of any of them; or

2. an employee of the issuer, or of any of the persons listed in subsection 1, entrusted with responsible handling of the security certificate.

[S13, §3060-a23; C24, 27, 31, 35, 39, §**9483;** C46, 50, 54, 58, 62, §541.23; C66, 71, 73, 75, 77, 79, 81, §554.8205]

89 Acts, ch 113, §12; 96 Acts, ch 1138, §28, 84; 97 Acts, ch 23, §71

Referred to in §554.8202

**554.8206 Completion or alteration of security certificate.**

1. If a security certificate contains the signatures necessary to its issue or transfer but is incomplete in any other respect:

*a.* any person may complete it by filling in the blanks as authorized; and

*b.* even if the blanks are incorrectly filled in, the security certificate as completed is enforceable by a purchaser who took it for value and without notice of the incorrectness.

2. A complete security certificate that has been improperly altered, even if fraudulently, remains enforceable, but only according to its original terms.

[S13, §3060-a14, -a15, -a124; C24, 27, 31, 35, 39, §**9474, 9475, 9585;** C46, §541.14, 541.15, 541.25; C50, 54, 58, 62, §493A.16, 541.14, 541.15, 541.125; C66, 71, 73, 75, 77, 79, 81, §554.8206]

89 Acts, ch 113, §13; 96 Acts, ch 1138, §29, 84

**554.8207 Rights and duties of issuer with respect to registered owners.**

1. Before due presentment for registration of transfer of a certificated security in registered form, or of an instruction requesting registration of transfer of an uncertificated security, the issuer or indenture trustee may treat the registered owner as the person exclusively entitled to vote, receive notifications, and otherwise exercise all the rights and powers of an owner.

2. This Article does not affect the liability of the registered owner of a security for a call, assessment, or the like.

[C50, 54, 58, 62, §493A.3, 493A.21; C66, 71, 73, 75, 77, 79, 81, §554.8207]

89 Acts, ch 113, §14; 96 Acts, ch 1138, §30, 84

**554.8208 Effect of signature of authenticating trustee, registrar, or transfer agent.**

1. A person signing a security certificate, as authenticating trustee, registrar, transfer agent, or the like, warrants to a purchaser for value of the certificated security, if the purchaser is without notice of a particular defect, that:

*a.* the certificate is genuine;

*b.* the person's own participation in the issue of the security is within the person's capacity and within the scope of the authority received by the person from the issuer; and

*c.* the person has reasonable grounds to believe that the certificated security is in the form and within the amount the issuer is authorized to issue.

2. Unless otherwise agreed, a person signing under subsection 1 does not assume responsibility for the validity of the security in other respects.

[C66, 71, 73, 75, 77, 79, 81, §554.8208]

89 Acts, ch 113, §15; 96 Acts, ch 1138, §31, 84

**554.8209 Issuer's lien.**

A lien in favor of an issuer upon a certificated security is valid against a purchaser only if the right of the issuer to the lien is noted conspicuously on the security certificate.

96 Acts, ch 1138, §32, 84

**554.8210 Overissue.**

1. In this section, "*overissue*" means the issue of securities in excess of the amount the issuer has corporate power to issue, but an overissue does not occur if appropriate action has cured the overissue.

2. Except as otherwise provided in subsections 3 and 4, the provisions of this Article which validate a security or compel its issue or reissue do not apply to the extent that validation, issue, or reissue would result in overissue.

3. If an identical security not constituting an overissue is reasonably available for purchase, a person entitled to issue or validation may compel the issuer to purchase the security and deliver it if certificated or register its transfer if uncertificated, against surrender of any security certificate the person holds.

4. If a security is not reasonably available for purchase, a person entitled to issue or validation may recover from the issuer the price the person or the last purchaser for value paid for it with interest from the date of the person's demand.

96 Acts, ch 1138, §33, 84

Referred to in §554.8102, 554.8404, 554.8405

## PART 3

## TRANSFER OF CERTIFICATED AND UNCERTIFICATED SECURITIES

**554.8301 Delivery.**

1. Delivery of a certificated security to a purchaser occurs when:

*a.* the purchaser acquires possession of the security certificate;

*b.* another person, other than a securities intermediary, either acquires possession of the security certificate on behalf of the purchaser or, having previously acquired possession of the certificate, acknowledges that it holds for the purchaser; or

*c.* a securities intermediary acting on behalf of the purchaser acquires possession of the security certificate, only if the certificate is in registered form and is registered in the name of the purchaser, payable to the order of the purchaser, or specially indorsed to the purchaser

by an effective indorsement and has not been indorsed to the securities intermediary or in blank.

2. Delivery of an uncertificated security to a purchaser occurs when:

*a.* the issuer registers the purchaser as the registered owner, upon original issue or registration of transfer; or

*b.* another person, other than a securities intermediary, either becomes the registered owner of the uncertificated security on behalf of the purchaser or, having previously become the registered owner, acknowledges that it holds for the purchaser.

[S13, §3060-a52, -a57, -a58, -a59; C24, 27, 31, 35, 39, §**9512, 9517 – 9519;** C46, §541.52, 541.57 – 541.59; C50, 54, 58, 62, §493A.4, 493A.7, 541.52, 541.57 – 541.59; C66, 71, 73, 75, 77, 79, 81, §554.8301]

89 Acts, ch 113, §16; 96 Acts, ch 1138, §34, 84; 2000 Acts, ch 1149, §152, 187; 2013 Acts, ch 30, §261

Referred to in §554.8102, 554.8104, 554.9203, 554.9313

Code editor directive applied

**554.8302 Rights of purchaser.**

1. Except as otherwise provided in subsections 2 and 3, a purchaser of a certificated or uncertificated security acquires all rights in the security that the transferor had or had power to transfer.

2. A purchaser of a limited interest acquires rights only to the extent of the interest purchased.

3. A purchaser of a certificated security who as a previous holder had notice of an adverse claim does not improve its position by taking from a protected purchaser.

[S13, §3060-a52; C24, 27, 31, 35, 39, §**9512;** C46, 50, 54, 58, 62, §541.52; C66, 71, 73, 75, 77, 79, 81, §554.8302]

89 Acts, ch 113, §17; 96 Acts, ch 1138, §35, 84; 2000 Acts, ch 1149, §153, 187

**554.8303 Protected purchaser.**

1. *"Protected purchaser"* means a purchaser of a certificated or uncertificated security, or of an interest therein, who:

*a.* gives value;

*b.* does not have notice of any adverse claim to the security; and

*c.* obtains control of the certificated or uncertificated security.

2. In addition to acquiring the rights of a purchaser, a protected purchaser also acquires its interest in the security free of any adverse claim.

[C66, 71, 73, 75, 77, 79, 81, §554.8303]

89 Acts, ch 113, §18; 96 Acts, ch 1138, §36, 84

Referred to in §554.8102

**554.8304 Indorsement.**

1. An indorsement may be in blank or special. An indorsement in blank includes an indorsement to bearer. A special indorsement specifies to whom a security is to be transferred or who has power to transfer it. A holder may convert a blank indorsement to a special indorsement.

2. An indorsement purporting to be only of part of a security certificate representing units intended by the issuer to be separately transferable is effective to the extent of the indorsement.

3. An indorsement, whether special or in blank, does not constitute a transfer until delivery of the certificate on which it appears or, if the indorsement is on a separate document, until delivery of both the document and the certificate.

4. If a security certificate in registered form has been delivered to a purchaser without a necessary indorsement, the purchaser may become a protected purchaser only when the indorsement is supplied. However, against a transferor, a transfer is complete upon delivery and the purchaser has a specifically enforceable right to have any necessary indorsement supplied.

5. An indorsement of a security certificate in bearer form may give notice of an adverse

claim to the certificate, but it does not otherwise affect a right to registration that the holder possesses.

6. Unless otherwise agreed, a person making an indorsement assumes only the obligations provided in section 554.8108 and not an obligation that the security will be honored by the issuer.

[S13, §3060-a37, -a56; C24, 27, 31, 35, 39, §**9497, 9516;** C46, §541.37, 541.56; C50, 54, 58, 62, §493A.8, 541.37, 541.56; C66, 71, 73, 75, 77, 79, 81, §554.8304]

89 Acts, ch 113, §19; 96 Acts, ch 1138, §37, 84

**554.8305 Instruction.**

1. If an instruction has been originated by an appropriate person but is incomplete in any other respect, any person may complete it as authorized and the issuer may rely on it as completed, even though it has been completed incorrectly.

2. Unless otherwise agreed, a person initiating an instruction assumes only the obligations imposed by section 554.8108 and not an obligation that the security will be honored by the issuer.

[S13, §3060-a52, -a53; C24, 27, 31, 35, 39, §**9512, 9513;** C46, 50, 54, 58, 62, §541.52, 541.53; C66, 71, 73, 75, 77, 79, 81, §554.8305]

89 Acts, ch 113, §20; 96 Acts, ch 1138, §38, 84

**554.8306 Effect of guaranteeing signature, indorsement, or instruction.**

1. A person who guarantees a signature of an indorser of a security certificate warrants that at the time of signing:

*a.* the signature was genuine;

*b.* the signer was an appropriate person to indorse, or if the signature is by an agent, the agent had actual authority to act on behalf of the appropriate person; and

*c.* the signer had legal capacity to sign.

2. A person who guarantees a signature of the originator of an instruction warrants that at the time of signing:

*a.* the signature was genuine;

*b.* the signer was an appropriate person to originate the instruction, or if the signature is by an agent, the agent had actual authority to act on behalf of the appropriate person, if the person specified in the instruction as the registered owner was, in fact, the registered owner, as to which fact the signature guarantor does not make a warranty; and

*c.* the signer had legal capacity to sign.

3. A person who specially guarantees the signature of an originator of an instruction makes the warranties of a signature guarantor under subsection 2 and also warrants that at the time the instruction is presented to the issuer:

*a.* the person specified in the instruction as the registered owner of the uncertificated security will be the registered owner; and

*b.* the transfer of the uncertificated security requested in the instruction will be registered by the issuer free from all liens, security interests, restrictions, and claims other than those specified in the instruction.

4. A guarantor under subsections 1 and 2 or a special guarantor under subsection 3 does not otherwise warrant the rightfulness of the transfer.

5. A person who guarantees an indorsement of a security certificate makes the warranties of a signature guarantor under subsection 1 and also warrants the rightfulness of the transfer in all respects.

6. A person who guarantees an instruction requesting the transfer of an uncertificated security makes the warranties of a special signature guarantor under subsection 3 and also warrants the rightfulness of the transfer in all respects.

7. An issuer may not require a special guaranty of signature, a guaranty of indorsement, or a guaranty of instruction as a condition to registration of transfer.

8. The warranties under this section are made to a person taking or dealing with the security in reliance on the guaranty, and the guarantor is liable to the person for loss resulting from their breach. An indorser or originator of an instruction whose signature,

indorsement, or instruction has been guaranteed is liable to a guarantor for any loss suffered by the guarantor as a result of breach of the warranties of the guarantor.

[S13, §3060-a65, -a66, -a67, -a69; C24, 27, 31, 35, 39, §**9525 – 9527, 9529;** C46, §541.65 – 541.67, 541.69; C50, 54, 58, 62, §493A.6, 493A.11, 493A.12, 541.65 – 541.67, 541.69; C66, 71, 73, 75, 77, 79, 81, §554.8306]

89 Acts, ch 113, §21; 96 Acts, ch 1138, §39, 84

**554.8307 Purchaser's right to requisites for registration of transfer.**

Unless otherwise agreed, the transferor of a security on due demand shall supply the purchaser with proof of authority to transfer or with any other requisite necessary to obtain registration of the transfer of the security, but if the transfer is not for value, a transferor need not comply unless the purchaser pays the necessary expenses. If the transferor fails within a reasonable time to comply with the demand, the purchaser may reject or rescind the transfer.

[S13, §3060-a49; C24, 27, 31, 35, 39, §**9509;** C46, §541.49; C50, 54, 58, 62, §493A.9, 541.49; C66, 71, 73, 75, 77, 79, 81, §554.8307]

89 Acts, ch 113, §22; 96 Acts, ch 1138, §40, 84

**554.8308 through 554.8321** Repealed by 96 Acts, ch 1138, § 81, 84.

## PART 4

## REGISTRATION

**554.8401 Duty of issuer to register transfer.**

1. If a certificated security in registered form is presented to an issuer with a request to register transfer or an instruction is presented to an issuer with a request to register transfer of an uncertificated security, the issuer shall register the transfer as requested if:

*a.* under the terms of the security the person seeking registration of transfer is eligible to have the security registered in its name;

*b.* the indorsement or instruction is made by the appropriate person or by an agent who has actual authority to act on behalf of the appropriate person;

*c.* reasonable assurance is given that the indorsement or instruction is genuine and authorized (section 554.8402);

*d.* any applicable law relating to the collection of taxes has been complied with;

*e.* the transfer does not violate any restriction on transfer imposed by the issuer in accordance with section 554.8204;

*f.* a demand that the issuer not register transfer has not become effective under section 554.8403, or the issuer has complied with section 554.8403, subsection 2, but no legal process or indemnity bond is obtained as provided in section 554.8403, subsection 4; and

*g.* the transfer is in fact rightful or is to a protected purchaser.

2. If an issuer is under a duty to register a transfer of a security, the issuer is liable to a person presenting a certificated security or an instruction for registration or to the person's principal for loss resulting from unreasonable delay in registration or failure or refusal to register the transfer.

[C66, 71, 73, 75, 77, 79, 81, §554.8401]

89 Acts, ch 113, §37; 96 Acts, ch 1138, §41, 84; 97 Acts, ch 23, §72

**554.8402 Assurance that indorsement or instruction is effective.**

1. An issuer may require the following assurance that each necessary indorsement or each instruction is genuine and authorized:

*a.* in all cases, a guaranty of the signature of the person making an indorsement or originating an instruction including, in the case of an instruction, reasonable assurance of identity;

*b.* if the indorsement is made or the instruction is originated by an agent, appropriate assurance of actual authority to sign;

*c.* if the indorsement is made or the instruction is originated by a fiduciary pursuant to section 554.8107, subsection 1, paragraph "*d*" or "*e*", appropriate evidence of appointment or incumbency;

*d.* if there is more than one fiduciary, reasonable assurance that all who are required to sign have done so; and

*e.* if the indorsement is made or the instruction is originated by a person not covered by another provision of this subsection, assurance appropriate to the case corresponding as nearly as may be to the provisions of this subsection.

2. An issuer may elect to require reasonable assurance beyond that specified in this section.

3. In this section:

*a.* "*Guaranty of the signature*" means a guaranty signed by or on behalf of a person reasonably believed by the issuer to be responsible. An issuer may adopt standards with respect to responsibility if they are not manifestly unreasonable.

*b.* "*Appropriate evidence of appointment or incumbency*" means:

(1) in the case of a fiduciary appointed or qualified by a court, a certificate issued by or under the direction or supervision of the court or an officer thereof and dated within sixty days before the date of presentation for transfer; or

(2) in any other case, a copy of a document showing the appointment or a certificate issued by or on behalf of a person reasonably believed by an issuer to be responsible or, in the absence of that document or certificate, other evidence the issuer reasonably considers appropriate.

[C66, 71, 73, 75, 77, 79, 81, §554.8402]

86 Acts, ch 1047, §1; 89 Acts, ch 113, §38; 96 Acts, ch 1138, §42, 84

Referred to in §554.8401

**554.8403 Demand that issuer not register transfer.**

1. A person who is an appropriate person to make an indorsement or originate an instruction may demand that the issuer not register transfer of a security by communicating to the issuer a notification that identifies the registered owner and the issue of which the security is a part and provides an address for communications directed to the person making the demand. The demand is effective only if it is received by the issuer at a time and in a manner affording the issuer reasonable opportunity to act on it.

2. If a certificated security in registered form is presented to an issuer with a request to register transfer or an instruction is presented to an issuer with a request to register transfer of an uncertificated security after a demand that the issuer not register transfer has become effective, the issuer shall promptly communicate to the person who initiated the demand at the address provided in the demand and the person who presented the security for registration of transfer or initiated the instruction requesting registration of transfer a notification stating that:

*a.* the certificated security has been presented for registration of transfer or the instruction for registration of transfer of the uncertificated security has been received;

*b.* a demand that the issuer not register transfer had previously been received; and

*c.* the issuer will withhold registration of transfer for a period of time stated in the notification in order to provide the person who initiated the demand an opportunity to obtain legal process or an indemnity bond.

3. The period described in subsection 2, paragraph "*c*", may not exceed thirty days after the date of communication of the notification. A shorter period may be specified by the issuer if it is not manifestly unreasonable.

4. An issuer is not liable to a person who initiated a demand that the issuer not register transfer for any loss the person suffers as a result of registration of a transfer pursuant to an effective indorsement or instruction if the person who initiated the demand does not, within the time stated in the issuer's communication, either:

*a.* obtain an appropriate restraining order, injunction, or other process from a court of competent jurisdiction enjoining the issuer from registering the transfer; or

*b.* file with the issuer an indemnity bond, sufficient in the issuer's judgment to protect the issuer and any transfer agent, registrar, or other agent of the issuer involved from any loss it or they may suffer by refusing to register the transfer.

5. This section does not relieve an issuer from liability for registering transfer pursuant to an indorsement or instruction that was not effective.

[C66, 71, 73, 75, 77, 79, 81, §554.8403]

89 Acts, ch 113, §39; 90 Acts, ch 1168, §57; 96 Acts, ch 1138, §43, 84; 2013 Acts, ch 30, §261

Referred to in §554.8401, 554.8404

Code editor directive applied

**554.8404 Wrongful registration.**

1. Except as otherwise provided in section 554.8406, an issuer is liable for wrongful registration of transfer if the issuer has registered a transfer of a security to a person not entitled to it, and the transfer was registered:

*a.* pursuant to an ineffective indorsement or instruction;

*b.* after a demand that the issuer not register transfer became effective under section 554.8403, subsection 1, and the issuer did not comply with section 554.8403, subsection 2;

*c.* after the issuer had been served with an injunction, restraining order, or other legal process enjoining it from registering the transfer, issued by a court of competent jurisdiction, and the issuer had a reasonable opportunity to act on the injunction, restraining order, or other legal process; or

*d.* by an issuer acting in collusion with the wrongdoer.

2. An issuer that is liable for wrongful registration of transfer under subsection 1 on demand shall provide the person entitled to the security with a like certificated or uncertificated security, and any payments or distributions that the person did not receive as a result of the wrongful registration. If an overissue would result, the issuer's liability to provide the person with a like security is governed by section 554.8210.

3. Except as otherwise provided in subsection 1 or in a law relating to the collection of taxes, an issuer is not liable to an owner or other person suffering loss as a result of the registration of a transfer of a security if registration was made pursuant to an effective indorsement or instruction.

[C66, 71, 73, 75, 77, 79, 81, §554.8404]

89 Acts, ch 113, §40; 96 Acts, ch 1138, §44, 84

Referred to in §554.8406

**554.8405 Replacement of lost, destroyed, or wrongfully taken security certificate.**

1. If an owner of a certificated security, whether in registered or bearer form, claims that the certificate has been lost, destroyed, or wrongfully taken, the issuer shall issue a new certificate if the owner:

*a.* so requests before the issuer has notice that the certificate has been acquired by a protected purchaser;

*b.* files with the issuer a sufficient indemnity bond; and

*c.* satisfies other reasonable requirements imposed by the issuer.

2. If, after the issue of a new security certificate, a protected purchaser of the original certificate presents it for registration of transfer, the issuer shall register the transfer unless an overissue would result. In that case, the issuer's liability is governed by section 554.8210. In addition to any rights on the indemnity bond, an issuer may recover the new certificate from a person to whom it was issued or any person taking under that person, except a protected purchaser.

[S13, §3060-a199, -a200; C24, 27, 31, 35, 39, §**9659, 9660;** C46, §541.199, 541.200; C50, 54, 58, 62, §493A.17, 541.199; C66, 71, 73, 75, 77, 79, 81, §554.8405]

89 Acts, ch 113, §41; 96 Acts, ch 1138, §45, 84

Referred to in §501A.905, 554.8406, 556.13

**554.8406 Obligation to notify issuer of lost, destroyed, or wrongfully taken security certificate.**

If a security certificate has been lost, apparently destroyed, or wrongfully taken, and the owner fails to notify the issuer of that fact within a reasonable time after the owner has notice of it and the issuer registers a transfer of the security before receiving notification, the owner may not assert against the issuer a claim for registering the transfer under section 554.8404 or a claim to a new security certificate under section 554.8405.

[C66, 71, 73, 75, 77, 79, 81, §554.8406]

89 Acts, ch 113, §42; 96 Acts, ch 1138, §46, 84

Referred to in §554.8404

**554.8407 Authenticating trustee, transfer agent, and registrar.**

A person acting as authenticating trustee, transfer agent, registrar, or other agent for an issuer in the registration of a transfer of its securities, in the issue of new security certificates or uncertificated securities, or in the cancellation of surrendered security certificates has the same obligation to the holder or owner of a certificated or uncertificated security with regard to the particular functions performed as the issuer has in regard to those functions.

89 Acts, ch 113, §43; 96 Acts, ch 1138, §47, 84

**554.8408 Statements of uncertificated securities.** Repealed by 96 Acts, ch 1138, § 81, 84.

## PART 5

## SECURITY ENTITLEMENTS

Referred to in §554.8102, 554.8104

**554.8501 Securities account — acquisition of security entitlement from securities intermediary.**

1. *"Securities account"* means an account to which a financial asset is or may be credited in accordance with an agreement under which the person maintaining the account undertakes to treat the person for whom the account is maintained as entitled to exercise the rights that comprise the financial asset.

2. Except as otherwise provided in subsections 4 and 5, a person acquires a security entitlement if a securities intermediary:

*a.* indicates by book entry that a financial asset has been credited to the person's securities account;

*b.* receives a financial asset from the person or acquires a financial asset for the person and, in either case, accepts it for credit to the person's securities account; or

*c.* becomes obligated under other law, regulation, or rule to credit a financial asset to the person's securities account.

3. If a condition of subsection 2 has been met, a person has a security entitlement even though the securities intermediary does not itself hold the financial asset.

4. If a securities intermediary holds a financial asset for another person, and the financial asset is registered in the name of, payable to the order of, or specially indorsed to the other person, and has not been indorsed to the securities intermediary or in blank, the other person is treated as holding the financial asset directly rather than as having a security entitlement with respect to the financial asset.

5. Issuance of a security is not establishment of a security entitlement.

96 Acts, ch 1138, §48, 84

Referred to in §554.8102, 554.8104, 554.8502, 554.9102

**554.8502 Assertion of adverse claim against entitlement holder.**

An action based on an adverse claim to a financial asset, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory, may not be asserted against a

person who acquires a security entitlement under section 554.8501 for value and without notice of the adverse claim.

96 Acts, ch 1138, §49, 84
Referred to in §554.8510

**554.8503 Property interest of entitlement holder in financial asset held by securities intermediary.**

1. To the extent necessary for a securities intermediary to satisfy all security entitlements with respect to a particular financial asset, all interests in that financial asset held by the securities intermediary are held by the securities intermediary for the entitlement holders, are not property of the securities intermediary, and are not subject to claims of creditors of the securities intermediary, except as otherwise provided in section 554.8511.

2. An entitlement holder's property interest with respect to a particular financial asset under subsection 1 is a pro rata property interest in all interests in that financial asset held by the securities intermediary, without regard to the time the entitlement holder acquired the security entitlement or the time the securities intermediary acquired the interest in that financial asset.

3. An entitlement holder's property interest with respect to a particular financial asset under subsection 1 may be enforced against the securities intermediary only by exercise of the entitlement holder's rights under sections 554.8505 through 554.8508.

4. *a.* An entitlement holder's property interest with respect to a particular financial asset under subsection 1 may be enforced against a purchaser of the financial asset or interest therein only if:

(1) insolvency proceedings have been initiated by or against the securities intermediary;

(2) the securities intermediary does not have sufficient interests in the financial asset to satisfy the security entitlements of all of its entitlement holders to that financial asset;

(3) the securities intermediary violated its obligations under section 554.8504 by transferring the financial asset or interest therein to the purchaser; and

(4) the purchaser is not protected under subsection 5.

*b.* The trustee or other liquidator, acting on behalf of all entitlement holders having security entitlements with respect to a particular financial asset, may recover the financial asset, or interest therein, from the purchaser. If the trustee or other liquidator elects not to pursue that right, an entitlement holder whose security entitlement remains unsatisfied has the right to recover its interest in the financial asset from the purchaser.

5. An action based on the entitlement holder's property interest with respect to a particular financial asset under subsection 1, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory, may not be asserted against any purchaser of a financial asset or interest therein who gives value, obtains control, and does not act in collusion with the securities intermediary in violating the securities intermediary's obligations under section 554.8504.

96 Acts, ch 1138, §50, 84; 2012 Acts, ch 1023, §157
Referred to in §554.8104

**554.8504 Duty of securities intermediary to maintain financial asset.**

1. A securities intermediary shall promptly obtain and thereafter maintain a financial asset in a quantity corresponding to the aggregate of all security entitlements it has established in favor of its entitlement holders with respect to that financial asset. The securities intermediary may maintain those financial assets directly or through one or more other securities intermediaries.

2. Except to the extent otherwise agreed by its entitlement holder, a securities intermediary may not grant any security interests in a financial asset it is obligated to maintain pursuant to subsection 1.

3. A securities intermediary satisfies the duty in subsection 1 if:

*a.* the securities intermediary acts with respect to the duty as agreed upon by the entitlement holder and the securities intermediary; or

*b.* in the absence of agreement, the securities intermediary exercises due care in accordance with reasonable commercial standards to obtain and maintain the financial asset.

4. This section does not apply to a clearing corporation that is itself the obligor of an option or similar obligation to which its entitlement holders have security entitlements.

96 Acts, ch 1138, §51, 84
Referred to in §554.8503, 554.8509

**554.8505 Duty of securities intermediary with respect to payments and distributions.**

1. A securities intermediary shall take action to obtain a payment or distribution made by the issuer of a financial asset. A securities intermediary satisfies the duty if:

*a.* the securities intermediary acts with respect to the duty as agreed upon by the entitlement holder and the securities intermediary; or

*b.* in the absence of agreement, the securities intermediary exercises due care in accordance with reasonable commercial standards to attempt to obtain the payment or distribution.

2. A securities intermediary is obligated to its entitlement holder for a payment or distribution made by the issuer of a financial asset if the payment or distribution is received by the securities intermediary.

96 Acts, ch 1138, §52, 84
Referred to in §554.8503, 554.8509

**554.8506 Duty of securities intermediary to exercise rights as directed by entitlement holder.**

A securities intermediary shall exercise rights with respect to a financial asset if directed to do so by an entitlement holder. A securities intermediary satisfies the duty if:

1. the securities intermediary acts with respect to the duty as agreed upon by the entitlement holder and the securities intermediary; or

2. in the absence of agreement, the securities intermediary either places the entitlement holder in a position to exercise the rights directly or exercises due care in accordance with reasonable commercial standards to follow the direction of the entitlement holder.

96 Acts, ch 1138, §53, 84
Referred to in §554.8503, 554.8509

**554.8507 Duty of securities intermediary to comply with entitlement order.**

1. A securities intermediary shall comply with an entitlement order if the entitlement order is originated by the appropriate person, the securities intermediary has had reasonable opportunity to assure itself that the entitlement order is genuine and authorized, and the securities intermediary has had reasonable opportunity to comply with the entitlement order. A securities intermediary satisfies the duty if:

*a.* the securities intermediary acts with respect to the duty as agreed upon by the entitlement holder and the securities intermediary; or

*b.* in the absence of agreement, the securities intermediary exercises due care in accordance with reasonable commercial standards to comply with the entitlement order.

2. If a securities intermediary transfers a financial asset pursuant to an ineffective entitlement order, the securities intermediary shall reestablish a security entitlement in favor of the person entitled to it, and pay or credit any payments or distributions that the person did not receive as a result of the wrongful transfer. If the securities intermediary does not reestablish a security entitlement, the securities intermediary is liable to the entitlement holder for damages.

96 Acts, ch 1138, §54, 84
Referred to in §554.8503, 554.8509

**554.8508 Duty of securities intermediary to change entitlement holder's position to other form of security holding.**

A securities intermediary shall act at the direction of an entitlement holder to change a security entitlement into another available form of holding for which the entitlement holder is eligible, or to cause the financial asset to be transferred to a securities account of the

entitlement holder with another securities intermediary. A securities intermediary satisfies the duty if:

1. the securities intermediary acts as agreed upon by the entitlement holder and the securities intermediary; or

2. in the absence of agreement, the securities intermediary exercises due care in accordance with reasonable commercial standards to follow the direction of the entitlement holder.

96 Acts, ch 1138, §55, 84

Referred to in §554.8503, 554.8509

**554.8509 Specification of duties of securities intermediary by other statute or regulation — manner of performance of duties of securities intermediary and exercise of rights of entitlement holder.**

1. If the substance of a duty imposed upon a securities intermediary by sections 554.8504 through 554.8508 is the subject of other statute, regulation, or rule, compliance with that statute, regulation, or rule satisfies the duty.

2. To the extent that specific standards for the performance of the duties of a securities intermediary or the exercise of the rights of an entitlement holder are not specified by other statute, regulation, or rule or by agreement between the securities intermediary and entitlement holder, the securities intermediary shall perform its duties and the entitlement holder shall exercise its rights in a commercially reasonable manner.

3. The obligation of a securities intermediary to perform the duties imposed by sections 554.8504 through 554.8508 is subject to:

*a.* rights of the securities intermediary arising out of a security interest under a security agreement with the entitlement holder or otherwise; and

*b.* rights of the securities intermediary under other law, regulation, rule, or agreement to withhold performance of its duties as a result of unfulfilled obligations of the entitlement holder to the securities intermediary.

4. Sections 554.8504 through 554.8508 do not require a securities intermediary to take any action that is prohibited by other statute, regulation, or rule.

96 Acts, ch 1138, §56, 84

**554.8510 Rights of purchaser of security entitlement from entitlement holder.**

1. In a case not covered by the priority rules in Article 9 or the rules stated in subsection 3, an action based on an adverse claim to a financial asset or security entitlement, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory, may not be asserted against a person who purchases a security entitlement, or an interest therein, from an entitlement holder if the purchaser gives value, does not have notice of the adverse claim, and obtains control.

2. If an adverse claim could not have been asserted against an entitlement holder under section 554.8502, the adverse claim cannot be asserted against a person who purchases a security entitlement, or an interest therein, from the entitlement holder.

3. In a case not covered by the priority rules in Article 9, a purchaser for value of a security entitlement, or an interest therein, who obtains control has priority over a purchaser of a security entitlement, or an interest therein, who does not obtain control. Except as otherwise provided in subsection 4, purchasers who have control rank according to priority in time of:

*a.* the purchaser's becoming the person for whom the securities account, in which the security entitlement is carried, is maintained, if the purchaser obtained control under section 554.8106, subsection 4, paragraph "*a*";

*b.* the securities intermediary's agreement to comply with the purchaser's entitlement orders with respect to security entitlements carried or to be carried in the securities account in which the security entitlement is carried, if the purchaser obtained control under section 554.8106, subsection 4, paragraph "*b*";

*c.* if the purchaser obtained control through another person under section 554.8106, subsection 4, paragraph "*c*", the time on which priority would be based under this subsection if the other person were the secured party; or

4. A securities intermediary as purchaser has priority over a conflicting purchaser who has control unless otherwise agreed by the securities intermediary.

96 Acts, ch 1138, §57, 84; 2000 Acts, ch 1149, §154, 187

**554.8511 Priority among security interests and entitlement holders.**

1. Except as otherwise provided in subsections 2 and 3, if a securities intermediary does not have sufficient interests in a particular financial asset to satisfy both its obligations to entitlement holders who have security entitlements to that financial asset and its obligation to a creditor of the securities intermediary who has a security interest in that financial asset, the claims of entitlement holders, other than the creditor, have priority over the claim of the creditor.

2. A claim of a creditor of a securities intermediary who has a security interest in a financial asset held by a securities intermediary has priority over claims of the securities intermediary's entitlement holders who have security entitlements with respect to that financial asset if the creditor has control over the financial asset.

3. If a clearing corporation does not have sufficient financial assets to satisfy both its obligations to entitlement holders who have security entitlements with respect to a financial asset and its obligation to a creditor of the clearing corporation who has a security interest in that financial asset, the claim of the creditor has priority over the claims of entitlement holders.

96 Acts, ch 1138, §58, 84

Referred to in §554.8503

## ARTICLE 9

## SECURED TRANSACTIONS

Referred to in §16.26, 173.14B, 175.17, 321.45, 321.50, 501A.603, 554.1201, 554.2401, 554.2402, 554.2403, 554.2503, 554.3102, 554.3605, 554.4210, 554.5114, 554.5116, 554.5118, 554.7209, 554.8105, 554.8510, 554.13303, 554.13309, 570.1, 570A.3, 570A.4, 571.1B, 571.3, 579A.2, 579B.3, 579B.4, 581.2A, 581.3, 684.8, 717.4

## PART 1

## GENERAL PROVISIONS

## SUBPART A

## SHORT TITLE, DEFINITIONS, AND GENERAL CONCEPTS

**554.9101 Short title.**

This Article may be cited as Uniform Commercial Code — Secured Transactions.

2000 Acts, ch 1149, §1, 185, 187

**554.9102 Definitions and index of definitions.**

1. *Article 9 definitions.* In this Article:

*a.* *"Accession"* means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.

*b.* *"Account"*, except as used in *"account for"*, means a right to payment of a monetary obligation, whether or not earned by performance, for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of; for services rendered or to be rendered; for a policy of insurance issued or to be issued; for a secondary obligation incurred or to be incurred; for energy provided or to be provided; for the use or hire of a vessel under a charter or other contract; arising out of the use of a credit or charge card or information contained on or for use with the card; or as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term includes health care insurance

receivables. The term does not include rights to payment evidenced by chattel paper or an instrument, commercial tort claims, deposit accounts, investment property, letter-of-credit rights or letters of credit, or rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

*c.* *"Account debtor"* means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

*d.* *"Accounting"*, except as used in *"accounting for"*, means a record:

(1) authenticated by a secured party;

(2) indicating the aggregate unpaid secured obligations as of a date not more than thirty-five days earlier or thirty-five days later than the date of the record; and

(3) identifying the components of the obligations in reasonable detail.

*e.* *"Agricultural lien"* means an interest, other than a security interest, in farm products:

(1) which secures payment or performance of an obligation for:

(a) goods or services furnished in connection with a debtor's farming operation; or

(b) rent on real property leased by a debtor in connection with its farming operation;

(2) which is created by statute in favor of a person that:

(a) in the ordinary course of its business furnished goods or services to a debtor in connection with a debtor's farming operation; or

(b) leased real property to a debtor in connection with the debtor's farming operation; and

(3) whose effectiveness does not depend on the person's possession of the personal property.

*f.* *"As-extracted collateral"* means:

(1) oil, gas, or other minerals that are subject to a security interest that:

(a) is created by a debtor having an interest in the minerals before extraction; and

(b) attaches to the minerals as extracted; or

(2) accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

*g.* *"Authenticate"* means:

(1) to sign; or

(2) with present intent to adopt or accept a record, to attach to or logically associate with the record an electronic sound, symbol, or process.

*h.* *"Bank"* means an organization that is engaged in the business of banking. The term includes savings banks, savings and loan associations, credit unions, and trust companies.

*i.* *"Cash proceeds"* means proceeds that are money, checks, deposit accounts, or the like.

*j.* *"Certificate of title"* means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. The term includes another record maintained as an alternative to a certificate of title by the governmental unit that issues certificates of title if a statute permits the security interest in question to be indicated on the record as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

*k.* *"Chattel paper"* means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, *"monetary obligation"* means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include charters or other contracts involving the use or hire of a vessel or records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

*l.* *"Collateral"* means the property subject to a security interest or agricultural lien. The term includes:

(1) proceeds to which a security interest attaches;

(2) accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(3) goods that are the subject of a consignment.

*m.* *"Commercial tort claim"* means a claim arising in tort with respect to which:

(1) the claimant is an organization; or

(2) the claimant is an individual and the claim:

(a) arose in the course of the claimant's business or profession; and

(b) does not include damages arising out of personal injury to or the death of an individual.

*n.* *"Commodity account"* means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

*o.* *"Commodity contract"* means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is:

(1) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to federal commodities laws; or

(2) traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer.

*p.* *"Commodity customer"* means a person for which a commodity intermediary carries a commodity contract on its books.

*q.* *"Commodity intermediary"* means a person that:

(1) is registered as a futures commission merchant under federal commodities law; or

(2) in the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities law.

*r.* *"Communicate"* means:

(1) to send a written or other tangible record;

(2) to transmit a record by any means agreed upon by the persons sending and receiving the record; or

(3) in the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.

*s.* *"Consignee"* means a merchant to which goods are delivered in a consignment.

*t.* *"Consignment"* means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:

(1) the merchant:

(a) deals in goods of that kind under a name other than the name of the person making delivery;

(b) is not an auctioneer; and

(c) is not generally known by its creditors to be substantially engaged in selling the goods of others;

(2) with respect to each delivery, the aggregate value of the goods is one thousand dollars or more at the time of delivery;

(3) the goods are not consumer goods immediately before delivery; and

(4) the transaction does not create a security interest that secures an obligation.

*u.* *"Consignor"* means a person that delivers goods to a consignee in a consignment.

*v.* *"Consumer debtor"* means a debtor in a consumer transaction.

*w.* *"Consumer goods"* means goods that are used or bought for use primarily for personal, family, or household purposes.

*x.* *"Consumer-goods transaction"* means a consumer transaction in which:

(1) an individual incurs an obligation primarily for personal, family, or household purposes; and

(2) a security interest in consumer goods secures the obligation.

*y.* *"Consumer obligor"* means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.

*z.* *"Consumer transaction"* means a transaction in which an individual incurs an obligation primarily for personal, family, or household purposes; a security interest secures the obligation; and the collateral is held or acquired primarily for personal, family, or household purposes. The term includes consumer-goods transactions.

*aa.* *"Continuation statement"* means an amendment of a financing statement which:

(1) identifies, by its file number, the initial financing statement to which it relates; and

(2) indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

*ab.* *"Debtor"* means:

(1) a person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

(2) a seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(3) a consignee.

*ac.* *"Deposit account"* means a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include investment property or accounts evidenced by an instrument.

*ad.* *"Document"* means a document of title or a receipt of the type described in section 554.7201, subsection 2.

*ae.* *"Electronic chattel paper"* means chattel paper evidenced by a record or records consisting of information stored in an electronic medium.

*af.* *"Encumbrance"* means a right, other than an ownership interest, in real property. The term includes mortgages and other liens on real property.

*ag.* *"Equipment"* means goods other than inventory, farm products, or consumer goods.

*ah.* *"Farm products"* means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:

(1) crops grown, growing, or to be grown, including:

(a) crops produced on trees, vines, and bushes; and

(b) aquatic goods produced in aquacultural operations;

(2) livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(3) supplies used or produced in a farming operation; or

(4) products of crops or livestock in their unmanufactured states.

*ai.* *"Farming operation"* means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

*aj.* *"File number"* means the number assigned to an initial financing statement pursuant to section 554.9519, subsection 1.

*ak.* *"Filing office"* means an office designated in section 554.9501 as the place to file a financing statement.

*al.* *"Filing-office rule"* means a rule adopted pursuant to section 554.9526.

*am.* *"Financing statement"* means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.

*an.* *"Fixture filing"* means the filing of a financing statement covering goods that are or are to become fixtures and satisfying section 554.9502, subsections 1 and 2. The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

*ao.* *"Fixtures"* means goods that have become so related to particular real property that an interest in them arises under real property law.

*ap.* *"General intangible"* means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.

*aq.* Reserved.

*ar.* *"Goods"* means all things that are movable when a security interest attaches. The term includes fixtures; standing timber that is to be cut and removed under a conveyance or contract for sale; the unborn young of animals; crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes; and manufactured homes. The term also

includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if the program is associated with the goods in such a manner that it customarily is considered part of the goods, or by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

*as.* *"Governmental unit"* means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a state, or a foreign country. The term includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

*at.* *"Health care insurance receivable"* means an interest in or claim under a policy of insurance which is a right to payment of a monetary obligation for health care goods or services provided.

*au.* *"Instrument"* means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment. The term does not include investment property, letters of credit, or writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

*av.* *"Inventory"* means goods, other than farm products, which:

(1) are leased by a person as lessor;

(2) are held by a person for sale or lease or to be furnished under a contract of service;

(3) are furnished by a person under a contract of service; or

(4) consist of raw materials, work in process, or materials used or consumed in a business.

*aw.* *"Investment property"* means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract, or commodity account.

*ax.* *"Jurisdiction of organization"*, with respect to a registered organization, means the jurisdiction under whose law the organization is formed or organized.

*ay.* *"Letter-of-credit right"* means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

*az.* *"Lien creditor"* means:

(1) a creditor that has acquired a lien on the property involved by attachment, levy, or the like;

(2) an assignee for benefit of creditors from the time of assignment;

(3) a trustee in bankruptcy from the date of the filing of the petition; or

(4) a receiver in equity from the time of appointment.

*ba.* *"Manufactured home"* means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. The term includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States secretary of housing and urban development and complies with the standards established under Title 42 of the United States Code.

*bb.* *"Manufactured-home transaction"* means a secured transaction:

(1) that creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or

(2) in which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

*bc.* *"Mortgage"* means a consensual interest in real property, including fixtures, which secures payment or performance of an obligation.

*bd.* *"New debtor"* means a person that becomes bound as debtor under section 554.9203, subsection 4, by a security agreement previously entered into by another person.

*be.* *"New value"* means money; money's worth in property, services, or new credit; or release by a transferee of an interest in property previously transferred to the transferee. The term does not include an obligation substituted for another obligation.

*bf.* *"Noncash proceeds"* means proceeds other than cash proceeds.

*bg.* *"Obligor"* means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, owes payment or other performance of the obligation, has provided property other than the collateral to secure payment or other performance of the obligation, or is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include issuers or nominated persons under a letter of credit.

*bh.* *"Original debtor"*, except as used in section 554.9310, subsection 3, means a person that, as debtor, entered into a security agreement to which a new debtor has become bound under section 554.9203, subsection 4.

*bi.* *"Payment intangible"* means a general intangible under which the account debtor's principal obligation is a monetary obligation.

*bj.* *"Person related to"*, with respect to an individual, means:

(1) the spouse of the individual;

(2) a brother, brother-in-law, sister, or sister-in-law of the individual;

(3) an ancestor or lineal descendant of the individual or the individual's spouse; or

(4) any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

*bk.* *"Person related to"*, with respect to an organization, means:

(1) a person directly or indirectly controlling, controlled by, or under common control with the organization;

(2) an officer or director of, or a person performing similar functions with respect to, the organization;

(3) an officer or director of, or a person performing similar functions with respect to, a person described in subparagraph (1);

(4) the spouse of an individual described in subparagraph (1), (2), or (3); or

(5) an individual who is related by blood or marriage to an individual described in subparagraph (1), (2), (3), or (4) and shares the same home with the individual.

*bl.* *"Proceeds"*, except as used in section 554.9609, subsection 2, means the following property:

(1) whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;

(2) whatever is collected on, or distributed on account of, collateral;

(3) rights arising out of collateral;

(4) to the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the collateral; or

(5) to the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the collateral.

*bm.* *"Promissory note"* means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

*bn.* *"Proposal"* means a record authenticated by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to sections 554.9620, 554.9621, and 554.9622.

*bo.* *"Public-finance transaction"* means a secured transaction in connection with which:

(1) debt securities are issued;

(2) all or a portion of the securities issued have an initial stated maturity of at least twenty years; and

(3) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

*bp. "Public organic record"* means a record that is available to the public for inspection and is:

(1) a record consisting of the record initially filed with or issued by a state or the United States to form or organize an organization and any record filed with or issued by the state or the United States which amends or restates the initial record;

(2) an organic record of a business trust consisting of the record initially filed with a state and any record filed with the state which amends or restates the initial record, if a statute of the state governing business trusts requires that the record be filed with the state; or

(3) a record consisting of legislation enacted by the legislature of a state or the Congress of the United States which forms or organizes an organization, any record amending the legislation, and any record filed with or issued by the state or the United States which amends or restates the name of the organization.

*bq. "Pursuant to commitment"*, with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

*br. "Record"*, except as used in *"for record"*, *"of record"*, *"record or legal title"*, and *"record owner"*, means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

*bs. "Registered organization"* means an organization formed or organized solely under the law of a single state or the United States by the filing of a public organic record with, the issuance of a public organic record by, or the enactment of legislation by the state or the United States. The term includes a business trust that is formed under the law of a single state if a statute of the state governing business trusts requires that the business trust's organic record be filed with the state.

*bt. "Secondary obligor"* means an obligor to the extent that:

(1) the obligor's obligation is secondary; or

(2) the obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.

*bu. "Secured party"* means:

(1) a person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;

(2) a person that holds an agricultural lien;

(3) a consignor;

(4) a person to which accounts, chattel paper, payment intangibles, or promissory notes have been sold;

(5) a trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or

(6) a person that holds a security interest arising under section 554.2401, 554.2505, 554.2711, subsection 3, section 554.4210, 554.5118, or 554.13508, subsection 5.

*bv. "Security agreement"* means an agreement that creates or provides for a security interest.

*bw. "Send"*, in connection with a record or notification, means:

(1) to deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or

(2) to cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph (1).

*bx. "Software"* means a computer program and any supporting information provided in

connection with a transaction relating to the program. The term does not include a computer program that is included in the definition of goods.

*by.* *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

*bz.* *"Supporting obligation"* means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property.

*ca.* *"Tangible chattel paper"* means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.

*cb.* *"Termination statement"* means an amendment of a financing statement which:

(1) identifies, by its file number, the initial financing statement to which it relates; and

(2) indicates either that it is a termination statement or that the identified financing statement is no longer effective.

*cc.* *"Transmitting utility"* means a person primarily engaged in the business of:

(1) operating a railroad, subway, street railway, or trolley bus;

(2) transmitting communications electrically, electromagnetically, or by light;

(3) transmitting goods by pipeline or sewer; or

(4) transmitting or producing and transmitting electricity, steam, gas, or water.

2. *Definitions in other Articles.* The following definitions in other Articles apply to this Article:

*a.* "Applicant" .....Section 554.5102
*b.* "Beneficiary" .....Section 554.5102
*c.* "Broker".....Section 554.8102
*d.* "Certificated security" .....Section 554.8102
*e.* "Check".....Section 554.3104
*f.* "Clearing corporation".....Section 554.8102
*g.* "Contract for sale" .....Section 554.2106
*h.* "Control" .....Section 554.7106
*i.* "Customer".....Section 554.4104
*j.* "Entitlement holder".....Section 554.8102
*k.* "Financial asset" .....Section 554.8102
*l.* "Holder in due course" .....Section 554.3302
*m.* "Issuer" (with respect to a letter of credit or letter-of-credit right) .....Section 554.5102
*n.* "Issuer" (with respect to a security) .....Section 554.8201
*o.* "Issuer" (with respect to documents of title).....Section 554.7102
*p.* "Lease".....Section 554.13103
*q.* "Lease agreement".....Section 554.13103
*r.* "Lease contract".....Section 554.13103
*s.* "Leasehold interest".....Section 554.13103
*t.* "Lessee".....Section 554.13103
*u.* "Lessee in ordinary course of business".....Section 554.13103
*v.* "Lessor" .....Section 554.13103
*w.* "Lessor's residual interest" .....Section 554.13103
*x.* "Letter of credit" .....Section 554.5102
*y.* "Merchant" .....Section 554.2104
*z.* "Negotiable instrument".....Section 554.3104
*aa.* "Nominated person" .....Section 554.5102
*ab.* "Note" .....Section 554.3104
*ac.* "Proceeds of a letter of credit".....Section 554.5114
*ad.* "Prove" .....Section 554.3103
*ae.* "Sale" .....Section 554.2106

*af.* "Securities account" .....Section 554.8501
*ag.* "Securities intermediary".....Section 554.8102
*ah.* "Security" .....Section 554.8102
*ai.* "Security certificate".....Section 554.8102
*aj.* "Security entitlement" .....Section 554.8102
*ak.* "Uncertificated security".....Section 554.8102

3. *Article 1 definitions and principles.* Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

4. *Federal Food Security Act.* For purposes of the Federal Food Security Act, 7 U.S.C. § 1631, written notice shall be considered to be received by the person to whom it was delivered if the notice is delivered in hand to the person, or mailed by certified or registered mail with the proper postage and properly addressed to the person to whom it was sent. The refusal of a person to whom a notice is so mailed to accept delivery of the notice shall be considered receipt.

2000 Acts, ch 1149, §2, 185, 187; 2007 Acts, ch 30, §45, 46, 65; 2007 Acts, ch 41, §30; 2012 Acts, ch 1023, §147; 2012 Acts, ch 1052, §1 – 3, 37; 2013 Acts, ch 30, §152

Referred to in §203.12A, 203C.12A, 554.2103, 554.8103, 554.9109, 554.13103, 554B.1, 570.1, 570A.3, 571.1B, 581.2A

2012 amendments to subsection 1, paragraphs g, j, ax, and bs, and adding NEW paragraph bp, are effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 1, paragraphs b, g, j, k, z, ar, au, ax, be, and bg amended

Subsection 1, NEW paragraph bp and former paragraphs bp – cb redesignated as bq – cc

Subsection 1, paragraph bs amended

**554.9103 Purchase-money security interest — application of payments — burden of establishing.**

1. *Definitions.* In this section:

*a.* *"purchase-money collateral"* means goods or software that secures a purchase-money obligation incurred with respect to that collateral; and

*b.* *"purchase-money obligation"* means an obligation of an obligor incurred as all or part of the price of the collateral or for value given to enable the debtor to acquire rights in or the use of the collateral if the value is in fact so used.

2. *Purchase-money security interest in goods.* A security interest in goods is a purchase-money security interest:

*a.* to the extent that the goods are purchase-money collateral with respect to that security interest;

*b.* if the security interest is in inventory that is or was purchase-money collateral, also to the extent that the security interest secures a purchase-money obligation incurred with respect to other inventory in which the secured party holds or held a purchase-money security interest; and

*c.* also to the extent that the security interest secures a purchase-money obligation incurred with respect to software in which the secured party holds or held a purchase-money security interest.

3. *Purchase-money security interest in software.* A security interest in software is a purchase-money security interest to the extent that the security interest also secures a purchase-money obligation incurred with respect to goods in which the secured party holds or held a purchase-money security interest if:

*a.* the debtor acquired its interest in the software in an integrated transaction in which it acquired an interest in the goods; and

*b.* the debtor acquired its interest in the software for the principal purpose of using the software in the goods.

4. *Consignor's inventory purchase-money security interest.* The security interest of a consignor in goods that are the subject of a consignment is a purchase-money security interest in inventory.

5. *Application of payment in nonconsumer-goods transaction.* In a transaction other than a consumer-goods transaction, if the extent to which a security interest is a purchase-money security interest depends on the application of a payment to a particular obligation, the payment must be applied:

*a.* in accordance with any reasonable method of application to which the parties agree;

*b.* in the absence of the parties' agreement to a reasonable method, in accordance with any intention of the obligor manifested at or before the time of payment; or

*c.* in the absence of an agreement to a reasonable method and a timely manifestation of the obligor's intention, in the following order:

(1) to obligations that are not secured; and

(2) if more than one obligation is secured, to obligations secured by purchase-money security interests in the order in which those obligations were incurred.

6. *No loss of status of purchase-money security interest in nonconsumer-goods transaction.* In a transaction other than a consumer-goods transaction, a purchase-money security interest does not lose its status as such, even if:

*a.* the purchase-money collateral also secures an obligation that is not a purchase-money obligation;

*b.* collateral that is not purchase-money collateral also secures the purchase-money obligation; or

*c.* the purchase-money obligation has been renewed, refinanced, consolidated, or restructured.

7. *Burden of proof in nonconsumer-goods transaction.* In a transaction other than a consumer-goods transaction, a secured party claiming a purchase-money security interest has the burden of establishing the extent to which the security interest is a purchase-money security interest.

8. *Nonconsumer-goods transactions — no inference.* The limitation of the rules in subsections 5, 6, and 7 to transactions other than consumer-goods transactions is intended to leave to the court the determination of the proper rules in consumer-goods transactions. The court may not infer from that limitation the nature of the proper rule in consumer-goods transactions and may continue to apply established approaches.

2000 Acts, ch 1149, §3, 185, 187

Referred to in §322.21

**554.9104 Control of deposit account.**

1. *Requirements for control.* A secured party has control of a deposit account if:

*a.* the secured party is the bank with which the deposit account is maintained;

*b.* the debtor, secured party, and bank have agreed in an authenticated record that the bank will comply with instructions originated by the secured party directing disposition of the funds in the deposit account without further consent by the debtor; or

*c.* the secured party becomes the bank's customer with respect to the deposit account.

2. *Debtor's right to direct disposition.* A secured party that has satisfied subsection 1 has control, even if the debtor retains the right to direct the disposition of funds from the deposit account.

2000 Acts, ch 1149, §4, 185, 187

Referred to in §554.9203, 554.9207, 554.9208, 554.9314, 554.9327, 554.9340, 554.9342, 554.9601, 554.9607

**554.9105 Control of electronic chattel paper.**

1. *General rule: control of electronic chattel paper.* A secured party has control of electronic chattel paper if a system employed for evidencing the transfer of interests in the chattel paper reliably establishes the secured party as the person to which the chattel paper was assigned.

2. *Specific facts giving control.* A system satisfies subsection 1 if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:

*a.* a single authoritative copy of the record or records exists which is unique, identifiable and, except as otherwise provided in paragraphs "*d*", "*e*", and "*f*", unalterable;

*b.* the authoritative copy identifies the secured party as the assignee of the record or records;

*c.* the authoritative copy is communicated to and maintained by the secured party or its designated custodian;

*d.* copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the secured party;

*e.* each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

*f.* any amendment of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

2000 Acts, ch 1149, §5, 185, 187; 2012 Acts, ch 1052, §4, 37
Referred to in §554.9203, 554.9207, 554.9208, 554.9314, 554.9330, 554.9601
2012 amendment to this section is effective July 1, 2013; 2012 Acts, ch 1052, §37
Section amended

**554.9106 Control of investment property.**

1. *Control under section 554.8106.* A person has control of a certificated security, uncertificated security, or security entitlement as provided in section 554.8106.

2. *Control of commodity contract.* A secured party has control of a commodity contract if:

*a.* the secured party is the commodity intermediary with which the commodity contract is carried; or

*b.* the commodity customer, secured party, and commodity intermediary have agreed that the commodity intermediary will apply any value distributed on account of the commodity contract as directed by the secured party without further consent by the commodity customer.

3. *Effect of control of securities account or commodity account.* A secured party having control of all security entitlements or commodity contracts carried in a securities account or commodity account has control over the securities account or commodity account.

2000 Acts, ch 1149, §6, 185, 187
Referred to in §554.9203, 554.9207, 554.9208, 554.9314, 554.9328, 554.9601

**554.9107 Control of letter-of-credit right.**

A secured party has control of a letter-of-credit right to the extent of any right to payment or performance by the issuer or any nominated person if the issuer or nominated person has consented to an assignment of proceeds of the letter of credit under section 554.5114, subsection 3, or otherwise applicable law or practice.

2000 Acts, ch 1149, §7, 185, 187
Referred to in §554.9203, 554.9207, 554.9208, 554.9314, 554.9329, 554.9601

**554.9108 Sufficiency of description.**

1. *Sufficiency of description.* Except as otherwise provided in subsections 3, 4, and 5, a description of personal or real property is sufficient, whether or not it is specific, if it reasonably identifies what is described.

2. *Examples of reasonable identification.* Except as otherwise provided in subsection 4, a description of collateral reasonably identifies the collateral if it identifies the collateral by:

*a.* specific listing;

*b.* category;

*c.* except as otherwise provided in subsection 5, a type of collateral defined in this chapter;

*d.* quantity;

*e.* computational or allocational formula or procedure; or

*f.* except as otherwise provided in subsection 3, any other method, if the identity of the collateral is objectively determinable.

3. *Supergeneric description not sufficient.* A description of collateral as “all the debtor’s assets” or “all the debtor’s personal property” or using words of similar import does not reasonably identify the collateral.

4. *Investment property.* Except as otherwise provided in subsection 5, a description of a security entitlement, securities account, or commodity account is sufficient if it describes:

*a.* the collateral by those terms or as investment property; or

*b.* the underlying financial asset or commodity contract.

5. *When description by type insufficient.* A description only by type of collateral defined in this chapter is an insufficient description of:

*a.* a commercial tort claim; or

*b.* in a consumer transaction, consumer goods, a security entitlement, a securities account, or a commodity account.

2000 Acts, ch 1149, §8, 185, 187
Referred to in §554.9504

SUBPART B

APPLICABILITY OF ARTICLE

**554.9109 Scope.**

1. *General scope of Article.* Except as otherwise provided in subsections 3 and 4, this Article applies to:

*a.* a transaction, regardless of its form, that creates a security interest in personal property or fixtures by contract;

*b.* an agricultural lien;

*c.* a sale of accounts, chattel paper, payment intangibles, or promissory notes;

*d.* a consignment;

*e.* a security interest arising under section 554.2401, 554.2505, 554.2711, subsection 3, or section 554.13508, subsection 5, as provided in section 554.9110; and

*f.* a security interest arising under section 554.4210 or 554.5118.

2. *Security interest in secured obligation.* The application of this Article to a security interest in a secured obligation is not affected by the fact that the obligation is itself secured by a transaction or interest to which this Article does not apply.

3. *Extent to which Article does not apply.* This Article does not apply to the extent that:

*a.* a statute, regulation, or treaty of the United States preempts this Article;

*b.* another statute of this state expressly governs the creation, perfection, priority, or enforcement of a security interest created by this state or a governmental unit of this state;

*c.* a statute of another state, a foreign country, or a governmental unit of another state or a foreign country, other than a statute generally applicable to security interests, expressly governs creation, perfection, priority, or enforcement of a security interest created by the state, country, or governmental unit; or

*d.* the rights of a transferee beneficiary or nominated person under a letter of credit are independent and superior under section 554.5114.

4. *Inapplicability of Article.* This Article does not apply to:

*a.* a landlord's lien, other than an agricultural lien;

*b.* a lien, other than an agricultural lien, given by statute or other rule of law for services or materials, but section 554.9333 applies with respect to priority of the lien;

*c.* an assignment of a claim for wages, salary, or other compensation of an employee;

*d.* a sale of accounts, chattel paper, payment intangibles, or promissory notes as part of a sale of the business out of which they arose;

*e.* an assignment of accounts, chattel paper, payment intangibles, or promissory notes which is for the purpose of collection only;

*f.* an assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract;

*g.* an assignment of a single account, payment intangible, or promissory note to an assignee in full or partial satisfaction of a preexisting indebtedness;

*h.* a transfer of an interest in or an assignment of a claim under a policy of insurance, other than an assignment by or to a health care provider of a health care insurance receivable and any subsequent assignment of the right to payment, but sections 554.9315 and 554.9322 apply with respect to proceeds and priorities in proceeds;

*i.* an assignment of a right represented by a judgment, other than a judgment taken on a right to payment that was collateral;

*j.* a right of recoupment or setoff, but:

(1) section 554.9340 applies with respect to the effectiveness of rights of recoupment or setoff against deposit accounts; and

(2) section 554.9404 applies with respect to defenses or claims of an account debtor;

*k.* the creation or transfer of an interest in or lien on real property, including a lease or rents thereunder, except to the extent that provision is made for:

(1) liens on real property in sections 554.9203 and 554.9308;

(2) fixtures in section 554.9334;

(3) fixture filings in sections 554.9501, 554.9502, 554.9512, 554.9516, and 554.9519; and

(4) security agreements covering personal and real property in section 554.9604;

*l.* an assignment of a claim arising in tort, other than a commercial tort claim, but sections 554.9315 and 554.9322 apply with respect to proceeds and priorities in proceeds;

*m.* an assignment of a deposit account in a consumer transaction, but sections 554.9315 and 554.9322 apply with respect to proceeds and priorities in proceeds;

*n.* a transfer, other than a transfer pursuant to chapter 419, by this state or a governmental unit within this state in connection with a public-finance transaction or a transaction that would be a public-finance transaction but for failure to meet the criterion set forth in section 554.9102, subsection 1, paragraph *"bo"*, subparagraph (2); or

*o.* an assignment of a claim or right to receive any of the following:

(1) compensation for injuries or sickness as provided in 26 U.S.C. § 104(a)(1) or (2).

(2) benefits under a special needs trust as provided in 42 U.S.C. § 1396p(d)(4).

2000 Acts, ch 1149, §9, 185, 187; 2002 Acts, ch 1119, §88

Referred to in §554.13303, 579B.3

**554.9110 Security interests arising under Article 2 or 13.**

A security interest arising under section 554.2401, 554.2505, 554.2711, subsection 3, or section 554.13508, subsection 5, is subject to this Article. However, until the debtor obtains possession of the goods:

1. the security interest is enforceable, even if section 554.9203, subsection 2, paragraph "*c*", has not been satisfied;

2. filing is not required to perfect the security interest;

3. the rights of the secured party after default by the debtor are governed by Article 2 or 13; and

4. the security interest has priority over a conflicting security interest created by the debtor.

2000 Acts, ch 1149, §10, 185, 187

Referred to in §554.9109, 554.9203, 554.9322

**554.9111 Applicability of bulk transfer laws.** Repealed effective January 1, 1995, by 94 Acts, ch 1121, §17, 18.

**554.9112 through 554.9116** Repealed by 2000 Acts, ch 1149, § 185, 187.

## PART 2

## EFFECTIVENESS OF SECURITY AGREEMENT — ATTACHMENT OF SECURITY INTEREST — RIGHTS OF PARTIES TO SECURITY AGREEMENT

### SUBPART A

### EFFECTIVENESS AND ATTACHMENT

**554.9201 General effectiveness of security agreement.**

1. *General effectiveness.* Except as otherwise provided in this chapter, a security agreement is effective according to its terms between the parties, against purchasers of the collateral, and against creditors.

2. *Applicable consumer laws.* A transaction subject to this Article is subject to any applicable rule of law which establishes a different rule for consumers, including as provided in chapter 537, or any other statute or regulation of this state that regulates the rates, charges, agreements, and practices for loans, credit sales, or other extensions of credit, and to any consumer protection statute or regulation.

3. *Other applicable law controls.* In case of conflict between this Article and a rule of law, statute, or regulation described in subsection 2, the rule of law, statute, or regulation controls. Failure to comply with a statute or regulation described in subsection 2 has only the effect the statute or regulation specifies.

4. *Further deference to other applicable law.* This Article does not:

*a.* validate any rate, charge, agreement, or practice that violates a rule of law, statute, or regulation described in subsection 2; or

*b.* extend the application of the rule of law, statute, or regulation to a transaction not otherwise subject to it.

2000 Acts, ch 1149, §11, 185, 187

**554.9202 Title to collateral immaterial.**

Except as otherwise provided with respect to consignments or sales of accounts, chattel paper, payment intangibles, or promissory notes, the provisions of this Article with regard to rights and obligations apply whether title to collateral is in the secured party or the debtor.

2000 Acts, ch 1149, §12, 185, 187

**554.9203 Attachment and enforceability of security interest — proceeds — supporting obligations — formal requisites.**

1. *Attachment.* A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment.

2. *Enforceability.* Except as otherwise provided in subsections 3 through 9, a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

*a.* value has been given;

*b.* the debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

*c.* one of the following conditions is met:

(1) the debtor has authenticated a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

(2) the collateral is not a certificated security and is in the possession of the secured party under section 554.9313 pursuant to the debtor's security agreement;

(3) the collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under section 554.8301 pursuant to the debtor's security agreement; or

(4) the collateral is deposit accounts, electronic chattel paper, investment property, letter-of-credit rights, or electronic documents, and the secured party has control under section 554.7106, 554.9104, 554.9105, 554.9106, or 554.9107 pursuant to the debtor's security agreement.

3. *Other UCC provisions.* Subsection 2 is subject to section 554.4210 on the security interest of a collecting bank, section 554.5118 on the security interest of a letter-of-credit issuer or nominated person, section 554.9110 on a security interest arising under Article 2 or 13, and section 554.9206 on security interests in investment property.

4. *When person becomes bound by another person's security agreement.* A person becomes bound as debtor by a security agreement entered into by another person if, by operation of law other than this Article or by contract:

*a.* the security agreement becomes effective to create a security interest in the person's property; or

*b.* the person becomes generally obligated for the obligations of the other person,

including the obligation secured under the security agreement, and acquires or succeeds to all or substantially all of the assets of the other person.

5. *Effect of new debtor becoming bound.* If a new debtor becomes bound as debtor by a security agreement entered into by another person:

*a.* the agreement satisfies subsection 2, paragraph "*c*", with respect to existing or after-acquired property of the new debtor to the extent the property is described in the agreement; and

*b.* another agreement is not necessary to make a security interest in the property enforceable.

6. *Proceeds and supporting obligations.* The attachment of a security interest in collateral gives the secured party the rights to proceeds provided by section 554.9315 and is also attachment of a security interest in a supporting obligation for the collateral.

7. *Lien securing right to payment.* The attachment of a security interest in a right to payment or performance secured by a security interest or other lien on personal or real property is also attachment of a security interest in the security interest, mortgage, or other lien.

8. *Security entitlement carried in securities account.* The attachment of a security interest in a securities account is also attachment of a security interest in the security entitlements carried in the securities account.

9. *Commodity contracts carried in commodity account.* The attachment of a security interest in a commodity account is also attachment of a security interest in the commodity contracts carried in the commodity account.

2000 Acts, ch 1149, §13, 185, 187; 2007 Acts, ch 30, §45, 46, 66

Referred to in §554.4210, 554.5118, 554.9102, 554.9109, 554.9110, 554.9316, 554.9317, 554.9508

Sufficiency of description, see §554.9108

Effectiveness of financing statement if new debtor bound, see §554.9508

**554.9204 After-acquired property — future advances.**

1. *After-acquired collateral.* Except as otherwise provided in subsection 2, a security agreement may create or provide for a security interest in after-acquired collateral.

2. *When after-acquired property clause not effective.* A security interest does not attach under a term constituting an after-acquired property clause to:

*a.* consumer goods, other than an accession when given as additional security, unless the debtor acquires rights in them within ten days after the secured party gives value; or

*b.* a commercial tort claim.

3. *Future advances and other value.* A security agreement may provide that collateral secures, or that accounts, chattel paper, payment intangibles, or promissory notes are sold in connection with, future advances or other value, whether or not the advances or value are given pursuant to commitment.

2000 Acts, ch 1149, §14, 185, 187

Accessions, see §554.9335

**554.9205 Use or disposition of collateral permissible.**

1. *When security interest not invalid or fraudulent.* A security interest is not invalid or fraudulent against creditors solely because:

*a.* the debtor has the right or ability to:

(1) use, commingle, or dispose of all or part of the collateral, including returned or repossessed goods;

(2) collect, compromise, enforce, or otherwise deal with collateral;

(3) accept the return of collateral or make repossessions; or

(4) use, commingle, or dispose of proceeds; or

*b.* the secured party fails to require the debtor to account for proceeds or replace collateral.

2. *Requirements of possession not relaxed.* This section does not relax the requirements

of possession if attachment, perfection, or enforcement of a security interest depends upon possession of the collateral by the secured party.

2000 Acts, ch 1149, §15, 185, 187

Secured parties rights on disposition of collateral and in proceeds, see §554.9315

**554.9206 Security interest arising in purchase or delivery of financial asset.**

1. *Security interest when person buys through securities intermediary.* A security interest in favor of a securities intermediary attaches to a person's security entitlement if:

*a.* the person buys a financial asset through the securities intermediary in a transaction in which the person is obligated to pay the purchase price to the securities intermediary at the time of the purchase; and

*b.* the securities intermediary credits the financial asset to the buyer's securities account before the buyer pays the securities intermediary.

2. *Security interest secures obligation to pay for financial asset.* The security interest described in subsection 1 secures the person's obligation to pay for the financial asset.

3. *Security interest in payment against delivery transaction.* A security interest in favor of a person that delivers a certificated security or other financial asset represented by a writing attaches to the security or other financial asset if:

*a.* the security or other financial asset:

(1) in the ordinary course of business is transferred by delivery with any necessary indorsement or assignment; and

(2) is delivered under an agreement between persons in the business of dealing with such securities or financial assets; and

*b.* the agreement calls for delivery against payment.

4. *Security interest secures obligation to pay for delivery.* The security interest described in subsection 3 secures the obligation to make payment for the delivery.

2000 Acts, ch 1149, §16, 185, 187

Referred to in §554.9203, 554.9309

## SUBPART B

## RIGHTS AND DUTIES

**554.9207 Rights and duties of secured party having possession or control of collateral.**

1. *Duty of care when secured party in possession.* Except as otherwise provided in subsection 4, a secured party shall use reasonable care in the custody and preservation of collateral in the secured party's possession. In the case of chattel paper or an instrument, reasonable care includes taking necessary steps to preserve rights against prior parties unless otherwise agreed.

2. *Expenses, risks, duties, and rights when secured party in possession.* Except as otherwise provided in subsection 4, if a secured party has possession of collateral:

*a.* reasonable expenses, including the cost of insurance and payment of taxes or other charges, incurred in the custody, preservation, use, or operation of the collateral are chargeable to the debtor and are secured by the collateral;

*b.* the risk of accidental loss or damage is on the debtor to the extent of a deficiency in any effective insurance coverage;

*c.* the secured party shall keep the collateral identifiable, but fungible collateral may be commingled; and

*d.* the secured party may use or operate the collateral:

(1) for the purpose of preserving the collateral or its value;

(2) as permitted by an order of a court having competent jurisdiction; or

(3) except in the case of consumer goods, in the manner and to the extent agreed by the debtor.

3. *Duties and rights when secured party in possession or control.* Except as otherwise provided in subsection 4, a secured party having possession of collateral or control of collateral under section 554.7106, 554.9104, 554.9105, 554.9106, or 554.9107:

*a.* may hold as additional security any proceeds, except money or funds, received from the collateral;

*b.* shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and

*c.* may create a security interest in the collateral.

4. *Buyer of certain rights to payment.* If the secured party is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor:

*a.* subsection 1 does not apply unless the secured party is entitled under an agreement:

(1) to charge back uncollected collateral; or

(2) otherwise to full or limited recourse against the debtor or a secondary obligor based on the nonpayment or other default of an account debtor or other obligor on the collateral; and

*b.* subsections 2 and 3 do not apply.

2000 Acts, ch 1149, §17, 185, 187; 2007 Acts, ch 30, §45, 46, 67

Referred to in §554.9601, 554.9602

**554.9208 Additional duties of secured party having control of collateral.**

1. *Applicability of section.* This section applies to cases in which there is no outstanding secured obligation and the secured party is not committed to make advances, incur obligations, or otherwise give value.

2. *Duties of secured party after receiving demand from debtor.* Within ten days after receiving an authenticated demand by the debtor:

*a.* a secured party having control of a deposit account under section 554.9104, subsection 1, paragraph "*b*", shall send to the bank with which the deposit account is maintained an authenticated statement that releases the bank from any further obligation to comply with instructions originated by the secured party;

*b.* a secured party having control of a deposit account under section 554.9104, subsection 1, paragraph "*c*", shall:

(1) pay the debtor the balance on deposit in the deposit account; or

(2) transfer the balance on deposit into a deposit account in the debtor's name;

*c.* a secured party, other than a buyer, having control of electronic chattel paper under section 554.9105 shall:

(1) communicate the authoritative copy of the electronic chattel paper to the debtor or its designated custodian;

(2) if the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic chattel paper is maintained for the secured party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and

(3) take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy which add or change an identified assignee of the authoritative copy without the consent of the secured party;

*d.* a secured party having control of investment property under section 554.8106, subsection 4, paragraph "*b*", or section 554.9106, subsection 2, shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained an authenticated record that releases the securities intermediary or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party;

*e.* a secured party having control of a letter-of-credit right under section 554.9107 shall send to each person having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party an authenticated release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party; and

*f.* a secured party having control of an electronic document shall:

(1) give control of the electronic document to the debtor or its designated custodian;

(2) if the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic document is maintained for the secured party,

communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and

(3) take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy which add or change an identified assignee of the authoritative copy without the consent of the secured party.

2000 Acts, ch 1149, §18, 185, 187; 2007 Acts, ch 30, §45, 46, 68

Referred to in §554.9625

Remedies for noncompliance, see §554.9625

**554.9209 Duties of secured party if account debtor has been notified of assignment.**

1. *Applicability of section.* Except as otherwise provided in subsection 3, this section applies if:

*a.* there is no outstanding secured obligation; and

*b.* the secured party is not committed to make advances, incur obligations, or otherwise give value.

2. *Duties of secured party after receiving demand from debtor.* Within ten days after receiving an authenticated demand by the debtor, a secured party shall send to an account debtor that has received notification of an assignment to the secured party as assignee under section 554.9406, subsection 1, an authenticated record that releases the account debtor from any further obligation to the secured party.

3. *Inapplicability to sales.* This section does not apply to an assignment constituting the sale of an account, chattel paper, or payment intangible.

2000 Acts, ch 1149, §19, 187

Referred to in §554.9625

Remedies for noncompliance, see §554.9625

**554.9210 Request for accounting — request regarding list of collateral or statement of account.**

1. *Definitions.* In this section:

*a.* *"Request"* means a record of a type described in paragraph *"b"*, *"c"*, or *"d"*.

*b.* *"Request for an accounting"* means a record authenticated by a debtor requesting that the recipient provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request.

*c.* *"Request regarding a list of collateral"* means a record authenticated by a debtor requesting that the recipient approve or correct a list of what the debtor believes to be the collateral securing an obligation and reasonably identifying the transaction or relationship that is the subject of the request.

*d.* *"Request regarding a statement of account"* means a record authenticated by a debtor requesting that the recipient approve or correct a statement indicating what the debtor believes to be the aggregate amount of unpaid obligations secured by collateral as of a specified date and reasonably identifying the transaction or relationship that is the subject of the request.

2. *Duty to respond to requests.* Subject to subsections 3, 4, 5, and 6, a secured party, other than a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor, shall comply with a request within fourteen days after receipt:

*a.* in the case of a request for an accounting, by authenticating and sending to the debtor an accounting; and

*b.* in the case of a request regarding a list of collateral or a request regarding a statement of account, by authenticating and sending to the debtor an approval or correction.

3. *Request regarding list of collateral — statement concerning type of collateral.* A secured party that claims a security interest in all of a particular type of collateral owned by the debtor may comply with a request regarding a list of collateral by sending to the debtor an authenticated record including a statement to that effect within fourteen days after receipt.

4. *Request regarding list of collateral — no interest claimed.* A person that receives a request regarding a list of collateral, claims no interest in the collateral when it receives the

request, and claimed an interest in the collateral at an earlier time shall comply with the request within fourteen days after receipt by sending to the debtor an authenticated record:

*a.* disclaiming any interest in the collateral; and

*b.* if known to the recipient, providing the name and mailing address of any assignee of or successor to the recipient's interest in the collateral.

5. *Request for accounting or regarding statement of account — no interest in obligation claimed.* A person that receives a request for an accounting or a request regarding a statement of account, claims no interest in the obligations when it receives the request, and claimed an interest in the obligations at an earlier time shall comply with the request within fourteen days after receipt by sending to the debtor an authenticated record:

*a.* disclaiming any interest in the obligations; and

*b.* if known to the recipient, providing the name and mailing address of any assignee of or successor to the recipient's interest in the obligations.

6. *Charges for responses.* A debtor is entitled without charge to one response to a request under this section during any six-month period. The secured party may require payment of a charge not exceeding twenty-five dollars for each additional response.

2000 Acts, ch 1149, §20, 187

Referred to in §554.9602, 554.9625

Remedies for noncompliance, see §554.9625

## PART 3

## PERFECTION AND PRIORITY

## SUBPART A

## LAW GOVERNING PERFECTION AND PRIORITY

**554.9301 Law governing perfection and priority of security interests.**

Except as otherwise provided in sections 554.9303, 554.9304, 554.9305, and 554.9306, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

1. Except as otherwise provided in this section, while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral.

2. While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.

3. Except as otherwise provided in subsection 4, while tangible negotiable documents, goods, instruments, money, or tangible chattel paper is located in a jurisdiction, the local law of that jurisdiction governs:

*a.* perfection of a security interest in the goods by filing a fixture filing;

*b.* perfection of a security interest in timber to be cut; and

*c.* the effect of perfection or nonperfection and the priority of a nonpossessory security interest in the collateral.

4. The local law of the jurisdiction in which the wellhead or minehead is located governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

2000 Acts, ch 1149, §21, 185, 187; 2007 Acts, ch 30, §45, 46, 69

Referred to in §554.1301, 554.9316

**554.9302 Law governing perfection and priority of agricultural liens.**

While farm products are located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of an agricultural lien on the farm products.

2000 Acts, ch 1149, §22, 185, 187
Referred to in §554.1301, 579A.2, 579B.3

**554.9303 Law governing perfection and priority of security interests in goods covered by a certificate of title.**

1. *Applicability of section.* This section applies to goods covered by a certificate of title, even if there is no other relationship between the jurisdiction under whose certificate of title the goods are covered and the goods or the debtor.

2. *When goods covered by certificate of title.* Goods become covered by a certificate of title when a valid application for the certificate of title and the applicable fee are delivered to the appropriate authority. Goods cease to be covered by a certificate of title at the earlier of the time the certificate of title ceases to be effective under the law of the issuing jurisdiction or the time the goods become covered subsequently by a certificate of title issued by another jurisdiction.

3. *Applicable law.* The local law of the jurisdiction under whose certificate of title the goods are covered governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in goods covered by a certificate of title from the time the goods become covered by the certificate of title until the goods cease to be covered by the certificate of title.

2000 Acts, ch 1149, §23, 185, 187
Referred to in §321.50, 554.1301, 554.9301

**554.9304 Law governing perfection and priority of security interests in deposit accounts.**

1. *Law of bank's jurisdiction governs.* The local law of a bank's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a deposit account maintained with that bank.

2. *Bank's jurisdiction.* The following rules determine a bank's jurisdiction for purposes of this part:

*a.* If an agreement between the bank and the debtor governing the deposit account expressly provides that a particular jurisdiction is the bank's jurisdiction for purposes of this part, this Article, or this chapter, that jurisdiction is the bank's jurisdiction.

*b.* If paragraph *"a"* does not apply and an agreement between the bank and its customer governing the deposit account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the bank's jurisdiction.

*c.* If neither paragraph *"a"* nor paragraph *"b"* applies and an agreement between the bank and its customer governing the deposit account expressly provides that the deposit account is maintained at an office in a particular jurisdiction, that jurisdiction is the bank's jurisdiction.

*d.* If none of the preceding paragraphs applies, the bank's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the customer's account is located.

*e.* If none of the preceding paragraphs applies, the bank's jurisdiction is the jurisdiction in which the chief executive office of the bank is located.

2000 Acts, ch 1149, §24, 185, 187
Referred to in §554.1301, 554.9301

**554.9305 Law governing perfection and priority of security interests in investment property.**

1. *Governing law — general rules.* Except as otherwise provided in subsection 3, the following rules apply:

*a.* While a security certificate is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in the certificated security represented thereby.

*b.* The local law of the issuer's jurisdiction as specified in section 554.8110, subsection 4,

governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in an uncertificated security.

*c.* The local law of the securities intermediary's jurisdiction as specified in section 554.8110, subsection 5, governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a security entitlement or securities account.

*d.* The local law of the commodity intermediary's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a commodity contract or commodity account.

2. *Commodity intermediary's jurisdiction.* The following rules determine a commodity intermediary's jurisdiction for purposes of this part:

*a.* If an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that a particular jurisdiction is the commodity intermediary's jurisdiction for purposes of this part, this Article, or this chapter, that jurisdiction is the commodity intermediary's jurisdiction.

*b.* If paragraph *"a"* does not apply and an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.

*c.* If neither paragraph *"a"* nor paragraph *"b"* applies and an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that the commodity account is maintained at an office in a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.

*d.* If none of the preceding paragraphs applies, the commodity intermediary's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the commodity customer's account is located.

*e.* If none of the preceding paragraphs applies, the commodity intermediary's jurisdiction is the jurisdiction in which the chief executive office of the commodity intermediary is located.

3. *When perfection governed by law of jurisdiction where debtor located.* The local law of the jurisdiction in which the debtor is located governs:

*a.* perfection of a security interest in investment property by filing;

*b.* automatic perfection of a security interest in investment property created by a broker or securities intermediary; and

*c.* automatic perfection of a security interest in a commodity contract or commodity account created by a commodity intermediary.

2000 Acts, ch 1149, §25, 185, 187

Referred to in §554.1301, 554.9301, 554.9316

**554.9306 Law governing perfection and priority of security interests in letter-of-credit rights.**

1. *Governing law — issuer's or nominated person's jurisdiction.* Subject to subsection 3, the local law of the issuer's jurisdiction or a nominated person's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a letter-of-credit right if the issuer's jurisdiction or nominated person's jurisdiction is a state.

2. *Issuer's or nominated person's jurisdiction.* For purposes of this part, an issuer's jurisdiction or nominated person's jurisdiction is the jurisdiction whose law governs the liability of the issuer or nominated person with respect to the letter-of-credit right as provided in section 554.5116.

3. *When section not applicable.* This section does not apply to a security interest that is perfected only under section 554.9308, subsection 4.

2000 Acts, ch 1149, §26, 185, 187

Referred to in §554.1301, 554.9301

**554.9307 Location of debtor.**

1. *Place of business.* In this section, *"place of business"* means a place where a debtor conducts its affairs.

2. *Debtor's location — general rules.* Except as otherwise provided in this section, the following rules determine a debtor's location:

*a.* A debtor who is an individual is located at the individual's principal residence.

*b.* A debtor that is an organization and has only one place of business is located at its place of business.

*c.* A debtor that is an organization and has more than one place of business is located at its chief executive office.

3. *Limitation of applicability of subsection 2.* Subsection 2 applies only if a debtor's residence, place of business, or chief executive office, as applicable, is located in a jurisdiction whose law generally requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, recording, or registration system as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. If subsection 2 does not apply, the debtor is located in the District of Columbia.

4. *Continuation of location — cessation of existence, etc.* A person that ceases to exist, have a residence, or have a place of business continues to be located in the jurisdiction specified by subsections 2 and 3.

5. *Location of registered organization organized under state law.* A registered organization that is organized under the law of a state is located in that state.

6. *Location of registered organization organized under federal law — bank branches and agencies.* Except as otherwise provided in subsection 9, a registered organization that is organized under the law of the United States and a branch or agency of a bank that is not organized under the law of the United States or a state are located:

*a.* in the state that the law of the United States designates, if the law designates a state of location;

*b.* in the state that the registered organization, branch, or agency designates, if the law of the United States authorizes the registered organization, branch, or agency to designate its state of location, including by designating its main office, home office, or other comparable office; or

*c.* in the District of Columbia, if neither paragraph "*a*" nor paragraph "*b*" applies.

7. *Continuation of location — change in status of registered organization.* A registered organization continues to be located in the jurisdiction specified by subsection 5 or 6 notwithstanding:

*a.* the suspension, revocation, forfeiture, or lapse of the registered organization's status as such in its jurisdiction of organization; or

*b.* the dissolution, winding up, or cancellation of the existence of the registered organization.

8. *Location of United States.* The United States is located in the District of Columbia.

9. *Location of foreign bank branch or agency if licensed in only one state.* A branch or agency of a bank that is not organized under the law of the United States or a state is located in the state in which the branch or agency is licensed, if all branches and agencies of the bank are licensed in only one state.

10. *Location of foreign air carrier.* A foreign air carrier under the Federal Aviation Act of 1958, as amended, is located at the designated office of the agent upon which service of process may be made on behalf of the carrier.

11. *Section applies only to this part.* This section applies only for purposes of this part.

2000 Acts, ch 1149, §27, 185, 187; 2012 Acts, ch 1052, §5, 37

Referred to in §554.1301

2012 amendment to subsection 6, paragraph b, is effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 6, paragraph b amended

## SUBPART B

## PERFECTION

**554.9308 When security interest or agricultural lien is perfected — continuity of perfection.**

1. *Perfection of security interest.* Except as otherwise provided in this section and section 554.9309, a security interest is perfected if it has attached and all of the applicable requirements for perfection in sections 554.9310, 554.9311, 554.9312, 554.9313, 554.9314, 554.9315, and 554.9316 have been satisfied. A security interest is perfected when it attaches if the applicable requirements are satisfied before the security interest attaches.

2. *Perfection of agricultural lien.* An agricultural lien is perfected if it has become effective and all of the applicable requirements for perfection in section 554.9310 have been satisfied. An agricultural lien is perfected when it becomes effective if the applicable requirements are satisfied before the agricultural lien becomes effective.

3. *Continuous perfection — perfection by different methods.* A security interest or agricultural lien is perfected continuously if it is originally perfected by one method under this Article and is later perfected by another method under this Article, without an intermediate period when it was unperfected.

4. *Supporting obligation.* Perfection of a security interest in collateral also perfects a security interest in a supporting obligation for the collateral.

5. *Lien securing right to payment.* Perfection of a security interest in a right to payment or performance also perfects a security interest in a security interest, mortgage, or other lien on personal or real property securing the right.

6. *Security entitlement carried in securities account.* Perfection of a security interest in a securities account also perfects a security interest in the security entitlements carried in the securities account.

7. *Commodity contract carried in commodity account.* Perfection of a security interest in a commodity account also perfects a security interest in the commodity contracts carried in the commodity account.

2000 Acts, ch 1149, §28, 185, 187

Referred to in §554.9109, 554.9306, 554.9310, 554.9312, 570.1, 570A.4, 571.3, 579A.2, 579B.4, 581.3

Effectiveness, attachment, and enforceability of security interests, see §554.9201 – 554.9206

**554.9309 Security interest perfected upon attachment.**

The following security interests are perfected when they attach:

1. a purchase-money security interest in consumer goods, except as otherwise provided in section 554.9311, subsection 2, with respect to consumer goods that are subject to a statute or treaty described in section 554.9311, subsection 1;

2. an assignment of accounts or payment intangibles which does not by itself or in conjunction with other assignments to the same assignee transfer a significant part of the assignor's outstanding accounts or payment intangibles;

3. a sale of a payment intangible;

4. a sale of a promissory note;

5. a security interest created by the assignment of a health care insurance receivable to the provider of the health care goods or services;

6. a security interest arising under section 554.2401, 554.2505, 554.2711, subsection 3, or section 554.13508, subsection 5, until the debtor obtains possession of the collateral;

7. a security interest of a collecting bank arising under section 554.4210;

8. a security interest of an issuer or nominated person arising under section 554.5118;

9. a security interest arising in the delivery of a financial asset under section 554.9206, subsection 3;

10. a security interest in investment property created by a broker or securities intermediary;

11. a security interest in a commodity contract or a commodity account created by a commodity intermediary;

12. an assignment for the benefit of all creditors of the transferor and subsequent transfers by the assignee thereunder; and

13. a security interest created by an assignment of a beneficial interest in a decedent's estate.

2000 Acts, ch 1149, §29, 185, 187
Referred to in §554.9308, 554.9310, 554.9323
Attachment and enforceability of security interests, see §554.9203 – 554.9206

**554.9310 When filing required to perfect security interest or agricultural lien — security interests and agricultural liens to which filing provisions do not apply.**

1. *General rule — perfection by filing.* Except as otherwise provided in subsection 2 and section 554.9312, subsection 2, a financing statement must be filed to perfect all security interests and agricultural liens.

2. *Exceptions — filing not necessary.* The filing of a financing statement is not necessary to perfect a security interest:

*a.* that is perfected under section 554.9308, subsection 4, 5, 6, or 7;

*b.* that is perfected under section 554.9309 when it attaches;

*c.* in property subject to a statute, regulation, or treaty described in section 554.9311, subsection 1;

*d.* in goods in possession of a bailee which is perfected under section 554.9312, subsection 4, paragraph "*a*" or "*b*";

*e.* in certificated securities, documents, goods, or instruments which is perfected without filing, control, or possession under section 554.9312, subsection 5, 6, or 7;

*f.* in collateral in the secured party's possession under section 554.9313;

*g.* in a certificated security which is perfected by delivery of the security certificate to the secured party under section 554.9313;

*h.* in deposit accounts, electronic chattel paper, electronic documents, investment property, or letter-of-credit rights which is perfected by control under section 554.9314;

*i.* in proceeds which is perfected under section 554.9315; or

*j.* that is perfected under section 554.9316.

3. *Assignment of perfected security interest.* If a secured party assigns a perfected security interest or agricultural lien, a filing under this Article is not required to continue the perfected status of the security interest against creditors of and transferees from the original debtor.

2000 Acts, ch 1149, §30, 185, 187; 2007 Acts, ch 30, §45, 46, 70
Referred to in §554.9102, 554.9308, 554.9311, 717.4

**554.9311 Perfection of security interests in property subject to certain statutes, regulations, and treaties.**

1. *Security interest subject to other law.* Except as otherwise provided in subsection 4, the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

*a.* a statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt section 554.9310, subsection 1;

*b.* any certificate-of-title statute, including as provided in chapter 321, covering automobiles, trailers, mobile homes, boats, farm tractors, or the like, which provides for a security interest to be indicated on a certificate of title as a condition or result of perfection; or

*c.* a statute of another jurisdiction which provides for a security interest to be indicated on a certificate of title as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

2. *Compliance with other law.* Compliance with the requirements of a statute, regulation, or treaty described in subsection 1 for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this Article. Except as otherwise provided in subsection 4 and sections 554.9313 and 554.9316, subsections 4 and 5, for goods covered by a certificate of title, a security interest in property subject to a statute,

regulation, or treaty described in subsection 1 may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

3. *Duration and renewal of perfection.* Except as otherwise provided in subsection 4 and section 554.9316, subsections 4 and 5, duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection 1 are governed by the statute, regulation, or treaty. In other respects, the security interest is subject to this Article.

4. *Inapplicability to certain inventory.* During any period in which collateral subject to a statute specified in subsection 1, paragraph *"b"* is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling goods of that kind, this section does not apply to a security interest in that collateral created by that person.

2000 Acts, ch 1149, §31, 185, 187; 2012 Acts, ch 1052, §6, 37

Referred to in §554.9308, 554.9309, 554.9310, 554.9316, 554.9334, 554.9335, 554.9337, 554.9505, 554.9611, 554.9621

2012 amendments to subsection 1, paragraphs b and c, are effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 1, paragraphs b and c amended

**554.9312 Perfection of security interests in chattel paper, deposit accounts, documents, goods covered by documents, instruments, investment property, letter-of-credit rights, and money — perfection by permissive filing — temporary perfection without filing or transfer of possession.**

1. *Perfection by filing permitted.* A security interest in chattel paper, negotiable documents, instruments, or investment property may be perfected by filing.

2. *Control or possession of certain collateral.* Except as otherwise provided in section 554.9315, subsections 3 and 4, for proceeds:

*a.* a security interest in a deposit account may be perfected only by control under section 554.9314;

*b.* and except as otherwise provided in section 554.9308, subsection 4, a security interest in a letter-of-credit right may be perfected only by control under section 554.9314; and

*c.* a security interest in money may be perfected only by the secured party's taking possession under section 554.9313.

3. *Goods covered by negotiable document.* While goods are in the possession of a bailee that has issued a negotiable document covering the goods:

*a.* a security interest in the goods may be perfected by perfecting a security interest in the document; and

*b.* a security interest perfected in the document has priority over any security interest that becomes perfected in the goods by another method during that time.

4. *Goods covered by nonnegotiable document.* While goods are in the possession of a bailee that has issued a nonnegotiable document covering the goods, a security interest in the goods may be perfected by:

*a.* issuance of a document in the name of the secured party;

*b.* the bailee's receipt of notification of the secured party's interest; or

*c.* filing as to the goods.

5. *Temporary perfection — new value.* A security interest in certificated securities, negotiable documents, or instruments is perfected without filing or the taking of possession or control for a period of twenty days from the time it attaches to the extent that it arises for new value given under an authenticated security agreement.

6. *Temporary perfection — goods or documents made available to debtor.* A perfected security interest in a negotiable document or goods in possession of a bailee, other than one that has issued a negotiable document for the goods, remains perfected for twenty days without filing if the secured party makes available to the debtor the goods or documents representing the goods for the purpose of:

*a.* ultimate sale or exchange; or

*b.* loading, unloading, storing, shipping, transshipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange.

7. *Temporary perfection — delivery of security certificate or instrument to debtor.* A perfected security interest in a certificated security or instrument remains perfected for

twenty days without filing if the secured party delivers the security certificate or instrument to the debtor for the purpose of:

*a.* ultimate sale or exchange; or

*b.* presentation, collection, enforcement, renewal, or registration of transfer.

8. *Expiration of temporary perfection.* After the twenty-day period specified in subsection 5, 6, or 7 expires, perfection depends upon compliance with this Article.

2000 Acts, ch 1149, §32, 185, 187; 2007 Acts, ch 30, §45, 46, 71

Referred to in §554.9308, 554.9310, 554.9323, 554.9324

**554.9313 When possession by or delivery to secured party perfects security interest without filing.**

1. *Perfection by possession or delivery.* Except as otherwise provided in subsection 2, a secured party may perfect a security interest in tangible negotiable documents, goods, instruments, money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under section 554.8301.

2. *Goods covered by certificate of title.* With respect to goods covered by a certificate of title issued by this state, a secured party may perfect a security interest in the goods by taking possession of the goods only in the circumstances described in section 554.9316, subsection 4.

3. *Collateral in possession of person other than debtor.* With respect to collateral other than certificated securities and goods covered by a document, a secured party takes possession of collateral in the possession of a person other than the debtor, the secured party, or a lessee of the collateral from the debtor in the ordinary course of the debtor's business, when:

*a.* the person in possession authenticates a record acknowledging that it holds possession of the collateral for the secured party's benefit; or

*b.* the person takes possession of the collateral after having authenticated a record acknowledging that it will hold possession of collateral for the secured party's benefit.

4. *Time of perfection by possession — continuation of perfection.* If perfection of a security interest depends upon possession of the collateral by a secured party, perfection occurs no earlier than the time the secured party takes possession and continues only while the secured party retains possession.

5. *Time of perfection by delivery — continuation of perfection.* A security interest in a certificated security in registered form is perfected by delivery when delivery of the certificated security occurs under section 554.8301 and remains perfected by delivery until the debtor obtains possession of the security certificate.

6. *Acknowledgment not required.* A person in possession of collateral is not required to acknowledge that it holds possession for a secured party's benefit.

7. *Effectiveness of acknowledgment — no duties or confirmation.* If a person acknowledges that it holds possession for the secured party's benefit:

*a.* the acknowledgment is effective under subsection 3 or section 554.8301, subsection 1, even if the acknowledgment violates the rights of a debtor; and

*b.* unless the person otherwise agrees or law other than this Article otherwise provides, the person does not owe any duty to the secured party and is not required to confirm the acknowledgment to another person.

8. *Secured party's delivery to person other than debtor.* A secured party having possession of collateral does not relinquish possession by delivering the collateral to a person other than the debtor or a lessee of the collateral from the debtor in the ordinary course of the debtor's business if the person was instructed before the delivery or is instructed contemporaneously with the delivery:

*a.* to hold possession of the collateral for the secured party's benefit; or

*b.* to redeliver the collateral to the secured party.

9. *Effect of delivery under subsection 8 — no duties or confirmation.* A secured party does not relinquish possession, even if a delivery under subsection 8 violates the rights of a debtor. A person to which collateral is delivered under subsection 8 does not owe any duty to the

secured party and is not required to confirm the delivery to another person unless the person otherwise agrees or law other than this Article otherwise provides.

2000 Acts, ch 1149, §33, 185, 187; 2007 Acts, ch 30, §45, 46, 72

Referred to in §554.9203, 554.9308, 554.9310, 554.9311, 554.9312, 554.9316, 554.9320, 554.9328

Rights and duties of secured party having possession or control of collateral, §554.9207, 554.9208

**554.9314 Perfection by control.**

1. *Perfection by control.* A security interest in investment property, deposit accounts, letter-of-credit rights, electronic chattel paper, or electronic documents may be perfected by control of the collateral under section 554.7106, 554.9104, 554.9105, 554.9106, or 554.9107.

2. *Specified collateral — time of perfection by control — continuation of perfection.* A security interest in deposit accounts, electronic chattel paper, letter-of-credit rights, or electronic documents is perfected by control under section 554.7106, 554.9104, 554.9105, or 554.9107 when the secured party obtains control and remains perfected by control only while the secured party retains control.

3. *Investment property — time of perfection by control — continuation of perfection.* A security interest in investment property is perfected by control under section 554.9106 from the time the secured party obtains control and remains perfected by control until:

*a.* the secured party does not have control; and

*b.* one of the following occurs:

(1) if the collateral is a certificated security, the debtor has or acquires possession of the security certificate;

(2) if the collateral is an uncertificated security, the issuer has registered or registers the debtor as the registered owner; or

(3) if the collateral is a security entitlement, the debtor is or becomes the entitlement holder.

2000 Acts, ch 1149, §34, 185, 187; 2007 Acts, ch 30, §45, 46, 73

Referred to in §554.9308, 554.9310, 554.9312, 554.9327, 554.9328, 554.9329

**554.9315 Secured party's rights on disposition of collateral and in proceeds.**

1. *Disposition of collateral — continuation of security interest or agricultural lien — proceeds.* Except as otherwise provided in this Article and in section 554.2403, subsection 2:

*a.* a security interest or agricultural lien continues in collateral notwithstanding sale, lease, license, exchange, or other disposition thereof unless the secured party authorized the disposition free of the security interest or agricultural lien; and

*b.* a security interest attaches to any identifiable proceeds of collateral.

2. *When commingled proceeds identifiable.* Proceeds that are commingled with other property are identifiable proceeds:

*a.* if the proceeds are goods, to the extent provided by section 554.9336; and

*b.* if the proceeds are not goods, to the extent that the secured party identifies the proceeds by a method of tracing, including application of equitable principles, that is permitted under law other than this Article with respect to commingled property of the type involved.

3. *Perfection of security interest in proceeds.* A security interest in proceeds is a perfected security interest if the security interest in the original collateral was perfected.

4. *Continuation of perfection.* A perfected security interest in proceeds becomes unperfected on the twenty-first day after the security interest attaches to the proceeds unless:

*a.* the following conditions are satisfied:

(1) a filed financing statement covers the original collateral;

(2) the proceeds are collateral in which a security interest may be perfected by filing in the office in which the financing statement has been filed; and

(3) the proceeds are not acquired with cash proceeds;

*b.* the proceeds are identifiable cash proceeds; or

*c.* the security interest in the proceeds is perfected other than under subsection 3 when the security interest attaches to the proceeds or within twenty days thereafter.

5. *When perfected security interest in proceeds becomes unperfected.* If a filed financing

statement covers the original collateral, a security interest in proceeds which remains perfected under subsection 4, paragraph "*a*", becomes unperfected at the later of:

*a.* when the effectiveness of the filed financing statement lapses under section 554.9515 or is terminated under section 554.9513; or

*b.* the twenty-first day after the security interest attaches to the proceeds.

2000 Acts, ch 1149, §35, 185, 187

Referred to in §554.9109, 554.9203, 554.9308, 554.9310, 554.9312, 554.9509, 554.9607

**554.9316 Effect of change in governing law.**

1. *General rule — effect on perfection of change in governing law.* A security interest perfected pursuant to the law of the jurisdiction designated in section 554.9301, subsection 1, or section 554.9305, subsection 3, remains perfected until the earliest of:

*a.* the time perfection would have ceased under the law of that jurisdiction;

*b.* the expiration of four months after a change of the debtor's location to another jurisdiction; or

*c.* the expiration of one year after a transfer of collateral to a person that thereby becomes a debtor and is located in another jurisdiction.

2. *Security interest perfected or unperfected under law of new jurisdiction.* If a security interest described in subsection 1 becomes perfected under the law of the other jurisdiction before the earliest time or event described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earliest time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

3. *Possessory security interest in collateral moved to new jurisdiction.* A possessory security interest in collateral, other than goods covered by a certificate of title and as-extracted collateral consisting of goods, remains continuously perfected if:

*a.* the collateral is located in one jurisdiction and subject to a security interest perfected under the law of that jurisdiction;

*b.* thereafter the collateral is brought into another jurisdiction; and

*c.* upon entry into the other jurisdiction, the security interest is perfected under the law of the other jurisdiction.

4. *Goods covered by certificate of title from this state.* Except as otherwise provided in subsection 5, a security interest in goods covered by a certificate of title which is perfected by any method under the law of another jurisdiction when the goods become covered by a certificate of title from this state remains perfected until the security interest would have become unperfected under the law of the other jurisdiction had the goods not become so covered.

5. *When subsection 4 security interest becomes unperfected against purchasers.* A security interest described in subsection 4 becomes unperfected as against a purchaser of the goods for value and is deemed never to have been perfected as against a purchaser of the goods for value if the applicable requirements for perfection under section 554.9311, subsection 2, or section 554.9313 are not satisfied before the earlier of:

*a.* the time the security interest would have become unperfected under the law of the other jurisdiction had the goods not become covered by a certificate of title from this state; or

*b.* the expiration of four months after the goods had become so covered.

6. *Change in jurisdiction of bank, issuer, nominated person, securities intermediary, or commodity intermediary.* A security interest in deposit accounts, letter-of-credit rights, or investment property which is perfected under the law of the bank's jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

*a.* the time the security interest would have become unperfected under the law of that jurisdiction; or

*b.* the expiration of four months after a change of the applicable jurisdiction to another jurisdiction.

7. *Subsection 6 security interest perfected or unperfected under law of new jurisdiction.* If

a security interest described in subsection 6 becomes perfected under the law of the other jurisdiction before the earlier of the time or the end of the period described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier of that time or the end of that period, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

8. *Effect on filed financing statement of change in governing law.* The following rules apply to collateral to which a security interest attaches within four months after the debtor changes its location to another jurisdiction:

*a.* A financing statement filed before the change pursuant to the law of the jurisdiction designated in section 554.9301, subsection 1, or section 554.9305, subsection 3, is effective to perfect a security interest in the collateral if the financing statement would have been effective to perfect a security interest in the collateral had the debtor not changed its location.

*b.* If a security interest perfected by a financing statement that is effective under paragraph *"a"* becomes perfected under the law of the other jurisdiction before the earlier of the time the financing statement would have become ineffective under the law of the jurisdiction designated in section 554.9301, subsection 1, or section 554.9305, subsection 3, or the expiration of the four-month period, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

9. *Effect of change in governing law on financing statement filed against original debtor.* If a financing statement naming an original debtor is filed pursuant to the law of the jurisdiction designated in section 554.9301, subsection 1, or section 554.9305, subsection 3, and the new debtor is located in another jurisdiction, the following rules apply:

*a.* The financing statement is effective to perfect a security interest in collateral acquired by the new debtor before, and within four months after, the new debtor becomes bound under section 554.9203, subsection 4, if the financing statement would have been effective to perfect a security interest in the collateral had the collateral been acquired by the original debtor.

*b.* A security interest perfected by the financing statement and which becomes perfected under the law of the other jurisdiction before the earlier of the time the financing statement would have become ineffective under the law of the jurisdiction designated in section 554.9301, subsection 1, or section 554.9305, subsection 3, or the expiration of the four-month period remains perfected thereafter. A security interest that is perfected by the financing statement but which does not become perfected under the law of the other jurisdiction before the earlier time or event becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

2000 Acts, ch 1149, §36, 185, 187; 2012 Acts, ch 1052, §7, 33, 37

Referred to in §554.9308, 554.9310, 554.9311, 554.9313, 554.9320, 554.9326

2012 amendment to section headnote and NEW subsections 8 and 9 are effective July 1, 2013; 2012 Acts, ch 1052, §37

Code editor directive applied

NEW subsections 8 and 9

## SUBPART C

## PRIORITY

**554.9317 Interests that take priority over or take free of security interest or agricultural lien.**

1. *Conflicting security interests and rights of lien creditors.* A security interest or agricultural lien is subordinate to the rights of:

*a.* a person entitled to priority under section 554.9322; and

*b.* except as otherwise provided in subsection 5, a person that becomes a lien creditor before the earlier of the time:

(1) The security interest or agricultural lien is perfected; or

(2) One of the conditions specified in section 554.9203, subsection 2, paragraph "*c*" is met and a financing statement covering the collateral is filed.

2. *Buyers that receive delivery.* Except as otherwise provided in subsection 5, a buyer, other than a secured party, of tangible chattel paper, tangible documents, goods, instruments, or a certificated security takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

3. *Lessees that receive delivery.* Except as otherwise provided in subsection 5, a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

4. *Licensees and buyers of certain collateral.* A licensee of a general intangible or a buyer, other than a secured party, of collateral other than tangible chattel paper, tangible documents, goods, instruments, or a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

5. *Purchase-money security interest.* Except as otherwise provided in sections 554.9320 and 554.9321, if a person files a financing statement with respect to a purchase-money security interest before or within twenty days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise between the time the security interest attaches and the time of filing.

2000 Acts, ch 1149, §37, 185, 187; 2007 Acts, ch 30, §45, 46, 74; 2012 Acts, ch 1052, §8, 37
Referred to in §554.13307
2012 amendments to subsections 2 and 4 are effective July 1, 2013; 2012 Acts, ch 1052, §37
Subsections 2 and 4 amended

**554.9318 No interest retained in right to payment that is sold — rights and title of seller of account or chattel paper with respect to creditors and purchasers.**

1. *Seller retains no interest.* A debtor that has sold an account, chattel paper, payment intangible, or promissory note does not retain a legal or equitable interest in the collateral sold.

2. *Deemed rights of debtor if buyer's security interest unperfected.* For purposes of determining the rights of creditors of, and purchasers for value of an account or chattel paper from, a debtor that has sold an account or chattel paper, while the buyer's security interest is unperfected, the debtor is deemed to have rights and title to the account or chattel paper identical to those the debtor sold.

2000 Acts, ch 1149, §38, 185, 187

**554.9319 Rights and title of consignee with respect to creditors and purchasers.**

1. *Consignee has consignor's rights.* Except as otherwise provided in subsection 2, for purposes of determining the rights of creditors of, and purchasers for value of goods from, a consignee, while the goods are in the possession of the consignee, the consignee is deemed to have rights and title to the goods identical to those the consignor had or had power to transfer.

2. *Applicability of other law.* For purposes of determining the rights of a creditor of a consignee, law other than this Article determines the rights and title of a consignee while goods are in the consignee's possession if, under this part, a perfected security interest held by the consignor would have priority over the rights of the creditor.

2000 Acts, ch 1149, §39, 187

**554.9320 Buyer of goods.**

1. *Buyer in ordinary course of business.* Except as otherwise provided in subsection 5, a buyer in ordinary course of business, other than a person buying farm products from a person engaged in farming operations, takes free of a security interest created by the buyer's seller, even if the security interest is perfected and the buyer knows of its existence.

2. *Buyer of consumer goods.* Except as otherwise provided in subsection 5, a buyer of goods from a person who used or bought the goods for use primarily for personal, family, or household purposes takes free of a security interest, even if perfected, if the buyer buys:

*a.* without knowledge of the security interest;

*b.* for value;

*c.* primarily for the buyer's personal, family, or household purposes; and

*d.* before the filing of a financing statement covering the goods.

3. *Effectiveness of filing for subsection 2.* To the extent that it affects the priority of a security interest over a buyer of goods under subsection 2, the period of effectiveness of a filing made in the jurisdiction in which the seller is located is governed by section 554.9316, subsections 1 and 2.

4. *Buyer in ordinary course of business at wellhead or minehead.* A buyer in ordinary course of business buying oil, gas, or other minerals at the wellhead or minehead or after extraction takes free of an interest arising out of an encumbrance.

5. *Possessory security interest not affected.* Subsections 1 and 2 do not affect a security interest in goods in the possession of the secured party under section 554.9313.

2000 Acts, ch 1149, §40, 187

Referred to in §554.7209, 554.7503, 554.9317

**554.9321 Licensee of general intangible and lessee of goods in ordinary course of business.**

1. *Licensee in ordinary course of business.* In this section, *"licensee in ordinary course of business"* means a person that becomes a licensee of a general intangible in good faith, without knowledge that the license violates the rights of another person in the general intangible, and in the ordinary course from a person in the business of licensing general intangibles of that kind. A person becomes a licensee in the ordinary course if the license to the person comports with the usual or customary practices in the kind of business in which the licensor is engaged or with the licensor's own usual or customary practices.

2. *Rights of licensee in ordinary course of business.* A licensee in ordinary course of business takes its rights under a nonexclusive license free of a security interest in the general intangible created by the licensor, even if the security interest is perfected and the licensee knows of its existence.

3. *Rights of lessee in ordinary course of business.* A lessee in ordinary course of business takes its leasehold interest free of a security interest in the goods created by the lessor, even if the security interest is perfected and the lessee knows of its existence.

2000 Acts, ch 1149, §41, 187

Referred to in §554.7209, 554.7503, 554.9317, 554.13307

**554.9322 Priorities among conflicting security interests in and agricultural liens on same collateral.**

1. *General priority rules.* Except as otherwise provided in this section, priority among conflicting security interests and agricultural liens in the same collateral is determined according to the following rules:

*a.* Conflicting perfected security interests and agricultural liens rank according to priority in time of filing or perfection. Priority dates from the earlier of the time a filing covering the collateral is first made or the security interest or agricultural lien is first perfected, if there is no period thereafter when there is neither filing nor perfection.

*b.* A perfected security interest or agricultural lien has priority over a conflicting unperfected security interest or agricultural lien.

*c.* The first security interest or agricultural lien to attach or become effective has priority if conflicting security interests and agricultural liens are unperfected.

2. *Time of perfection — proceeds and supporting obligations.* For the purposes of subsection 1, paragraph *"a"*:

*a.* the time of filing or perfection as to a security interest in collateral is also the time of filing or perfection as to a security interest in proceeds; and

*b.* the time of filing or perfection as to a security interest in collateral supported by a supporting obligation is also the time of filing or perfection as to a security interest in the supporting obligation.

3. *Special priority rules — proceeds and supporting obligations.* Except as otherwise

provided in subsection 6, a security interest in collateral which qualifies for priority over a conflicting security interest under section 554.9327, 554.9328, 554.9329, 554.9330, or 554.9331 also has priority over a conflicting security interest in:

*a.* any supporting obligation for the collateral; and

*b.* proceeds of the collateral if:

(1) the security interest in proceeds is perfected;

(2) the proceeds are cash proceeds or of the same type as the collateral; and

(3) in the case of proceeds that are proceeds of proceeds, all intervening proceeds are cash proceeds, proceeds of the same type as the collateral, or an account relating to the collateral.

4. *First-to-file priority rule for certain collateral.* Subject to subsection 5 and except as otherwise provided in subsection 6, if a security interest in chattel paper, deposit accounts, negotiable documents, instruments, investment property, or letter-of-credit rights is perfected by a method other than filing, conflicting perfected security interests in proceeds of the collateral rank according to priority in time of filing.

5. *Applicability of subsection 4.* Subsection 4 applies only if the proceeds of the collateral are not cash proceeds, chattel paper, negotiable documents, instruments, investment property, or letter-of-credit rights.

6. *Limitations on subsections 1 through 5.* Subsections 1 through 5 are subject to:

*a.* subsection 7 and the other provisions of this part;

*b.* section 554.4210 with respect to a security interest of a collecting bank;

*c.* section 554.5118 with respect to a security interest of an issuer or nominated person; and

*d.* section 554.9110 with respect to a security interest arising under Article 2 or 13.

7. *Priority under agricultural lien statute.* A perfected agricultural lien on collateral has priority over a conflicting security interest in or agricultural lien on the same collateral if the statute creating the agricultural lien so provides.

2000 Acts, ch 1149, §42, 187

Referred to in §203.12A, 203C.12A, 554.9109, 554.9317, 554.9323, 554.9324, 554.9325, 554.9328, 554.9330, 570A.5, 571.3A, 579A.2, 579B.4, 581.2

**554.9323 Future advances.**

1. *When priority based on time of advance.* Except as otherwise provided in subsection 3, for purposes of determining the priority of a perfected security interest under section 554.9322, subsection 1, paragraph "*a*", perfection of the security interest dates from the time an advance is made to the extent that the security interest secures an advance that:

*a.* is made while the security interest is perfected only:

(1) under section 554.9309 when it attaches; or

(2) temporarily under section 554.9312, subsection 5, 6, or 7; and

*b.* is not made pursuant to a commitment entered into before or while the security interest is perfected by a method other than under section 554.9309 or 554.9312, subsection 5, 6, or 7.

2. *Lien creditor.* Except as otherwise provided in subsection 3, a security interest is subordinate to the rights of a person that becomes a lien creditor to the extent that the security interest secures an advance made more than forty-five days after the person becomes a lien creditor unless the advance is made:

*a.* without knowledge of the lien; or

*b.* pursuant to a commitment entered into without knowledge of the lien.

3. *Buyer of receivables.* Subsections 1 and 2 do not apply to a security interest held by a secured party that is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor.

4. *Buyer of goods.* Except as otherwise provided in subsection 5, a buyer of goods other than a buyer in ordinary course of business takes free of a security interest to the extent that it secures advances made after the earlier of:

*a.* the time the secured party acquires knowledge of the buyer's purchase; or

*b.* forty-five days after the purchase.

5. *Advances made pursuant to commitment — priority of buyer of goods.* Subsection

4 does not apply if the advance is made pursuant to a commitment entered into without knowledge of the buyer's purchase and before the expiration of the forty-five-day period.

6. *Lessee of goods.* Except as otherwise provided in subsection 7, a lessee of goods, other than a lessee in ordinary course of business, takes the leasehold interest free of a security interest to the extent that it secures advances made after the earlier of:

*a.* the time the secured party acquires knowledge of the lease; or

*b.* forty-five days after the lease contract becomes enforceable.

7. *Advances made pursuant to commitment — priority of lessee of goods.* Subsection 6 does not apply if the advance is made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the forty-five-day period.

2000 Acts, ch 1149, §43, 187

Referred to in §554.9328, 554.13307

**554.9324 Priority of purchase-money security interests.**

1. *General rule — purchase-money priority.* Except as otherwise provided in subsection 7, a perfected purchase-money security interest in goods other than inventory or livestock has priority over a conflicting security interest in the same goods, and, except as otherwise provided in section 554.9327, a perfected security interest in its identifiable proceeds also has priority, if the purchase-money security interest is perfected when the debtor receives possession of the collateral or within twenty days thereafter.

2. *Inventory purchase-money priority.* Subject to subsection 3 and except as otherwise provided in subsection 7, a perfected purchase-money security interest in inventory has priority over a conflicting security interest in the same inventory, has priority over a conflicting security interest in chattel paper or an instrument constituting proceeds of the inventory and in proceeds of the chattel paper, if so provided in section 554.9330, and, except as otherwise provided in section 554.9327, also has priority in identifiable cash proceeds of the inventory to the extent the identifiable cash proceeds are received on or before the delivery of the inventory to a buyer, if:

*a.* the purchase-money security interest is perfected when the debtor receives possession of the inventory;

*b.* the purchase-money secured party sends an authenticated notification to the holder of the conflicting security interest;

*c.* the holder of the conflicting security interest receives the notification within five years before the debtor receives possession of the inventory; and

*d.* the notification states that the person sending the notification has or expects to acquire a purchase-money security interest in inventory of the debtor and describes the inventory.

3. *Holders of conflicting inventory security interests to be notified.* Subsection 2, paragraphs *"b"* through *"d"*, apply only if the holder of the conflicting security interest had filed a financing statement covering the same types of inventory:

*a.* if the purchase-money security interest is perfected by filing, before the date of the filing; or

*b.* if the purchase-money security interest is temporarily perfected without filing or possession under section 554.9312, subsection 6, before the beginning of the twenty-day period thereunder.

4. *Livestock purchase-money priority.* Subject to subsection 5 and except as otherwise provided in subsection 7, a perfected purchase-money security interest in livestock that are farm products has priority over a conflicting security interest in the same livestock, and, except as otherwise provided in section 554.9327, a perfected security interest in their identifiable proceeds and identifiable products in their unmanufactured states also has priority, if:

*a.* the purchase-money security interest is perfected when the debtor receives possession of the livestock;

*b.* the purchase-money secured party sends an authenticated notification to the holder of the conflicting security interest;

*c.* the holder of the conflicting security interest receives the notification within six months before the debtor receives possession of the livestock; and

*d.* the notification states that the person sending the notification has or expects to acquire a purchase-money security interest in livestock of the debtor and describes the livestock.

5. *Holders of conflicting livestock security interests to be notified.* Subsection 4, paragraphs *"b"* through *"d"*, apply only if the holder of the conflicting security interest had filed a financing statement covering the same types of livestock:

*a.* if the purchase-money security interest is perfected by filing, before the date of the filing; or

*b.* if the purchase-money security interest is temporarily perfected without filing or possession under section 554.9312, subsection 6, before the beginning of the twenty-day period thereunder.

6. *Software purchase-money priority.* Except as otherwise provided in subsection 7, a perfected purchase-money security interest in software has priority over a conflicting security interest in the same collateral, and, except as otherwise provided in section 554.9327, a perfected security interest in its identifiable proceeds also has priority, to the extent that the purchase-money security interest in the goods in which the software was acquired for use has priority in the goods and proceeds of the goods under this section.

7. *Conflicting purchase-money security interests.* If more than one security interest qualifies for priority in the same collateral under subsection 1, 2, 4, or 6:

*a.* a security interest securing an obligation incurred as all or part of the price of the collateral has priority over a security interest securing an obligation incurred for value given to enable the debtor to acquire rights in or the use of collateral; and

*b.* in all other cases, section 554.9322, subsection 1, applies to the qualifying security interests.

2000 Acts, ch 1149, §44, 187

Referred to in §554.9325

**554.9325 Priority of security interests in transferred collateral.**

1. *Subordination of security interest in transferred collateral.* Except as otherwise provided in subsection 2, a security interest created by a debtor is subordinate to a security interest in the same collateral created by another person if:

*a.* the debtor acquired the collateral subject to the security interest created by the other person;

*b.* the security interest created by the other person was perfected when the debtor acquired the collateral; and

*c.* there is no period thereafter when the security interest is unperfected.

2. *Limitation of subsection 1 subordination.* Subsection 1 subordinates a security interest only if the security interest:

*a.* otherwise would have priority solely under section 554.9322, subsection 1, or section 554.9324; or

*b.* arose solely under section 554.2711, subsection 3, or section 554.13508, subsection 5.

2000 Acts, ch 1149, §45, 187

**554.9326 Priority of security interests created by new debtor.**

1. *Subordination of security interest created by new debtor.* Subject to subsection 2, a security interest that is created by a new debtor in collateral in which the new debtor has or acquires rights and is perfected solely by a filed financing statement that would be ineffective to perfect the security interest but for the application of section 554.9316, subsection 9, paragraph *"a"*, or section 554.9508 is subordinate to a security interest in the same collateral which is perfected other than by such a filed financing statement.

2. *Priority under other provisions — multiple original debtors.* The other provisions of this part determine the priority among conflicting security interests in the same collateral perfected by filed financing statements described in subsection 1. However, if the security agreements to which a new debtor became bound as debtor were not entered into by the

same original debtor, the conflicting security interests rank according to priority in time of the new debtor's having become bound.

2000 Acts, ch 1149, §46, 187; 2012 Acts, ch 1052, §9, 37

"Original debtor" and "new debtor" defined; §554.9102

2012 amendment to this section is effective July 1, 2013; 2012 Acts, ch 1052, §37

Section amended

**554.9327 Priority of security interests in deposit account.**

The following rules govern priority among conflicting security interests in the same deposit account:

1. A security interest held by a secured party having control of the deposit account under section 554.9104 has priority over a conflicting security interest held by a secured party that does not have control.

2. Except as otherwise provided in subsections 3 and 4, security interests perfected by control under section 554.9314 rank according to priority in time of obtaining control.

3. Except as otherwise provided in subsection 4, a security interest held by the bank with which the deposit account is maintained has priority over a conflicting security interest held by another secured party.

4. A security interest perfected by control under section 554.9104, subsection 1, paragraph "*c*", has priority over a security interest held by the bank with which the deposit account is maintained.

2000 Acts, ch 1149, §47, 187

Referred to in §554.9322, 554.9324, 554.9330

**554.9328 Priority of security interests in investment property.**

The following rules govern priority among conflicting security interests in the same investment property:

1. A security interest held by a secured party having control of investment property under section 554.9106 has priority over a security interest held by a secured party that does not have control of the investment property.

2. Except as otherwise provided in subsections 3 and 4, conflicting security interests held by secured parties each of which has control under section 554.9106 rank according to priority in time of:

*a.* if the collateral is a security, obtaining control;

*b.* if the collateral is a security entitlement carried in a securities account and:

(1) if the secured party obtained control under section 554.8106, subsection 4, paragraph "*a*", the secured party's becoming the person for which the securities account is maintained;

(2) if the secured party obtained control under section 554.8106, subsection 4, paragraph "*b*", the securities intermediary's agreement to comply with the secured party's entitlement orders with respect to security entitlements carried or to be carried in the securities account; or

(3) if the secured party obtained control through another person under section 554.8106, subsection 4, paragraph "*c*", the time on which priority would be based under this subsection if the other person were the secured party; or

*c.* if the collateral is a commodity contract carried with a commodity intermediary, the satisfaction of the requirement for control specified in section 554.9106, subsection 2, paragraph "*b*", with respect to commodity contracts carried or to be carried with the commodity intermediary.

3. A security interest held by a securities intermediary in a security entitlement or a securities account maintained with the securities intermediary has priority over a conflicting security interest held by another secured party.

4. A security interest held by a commodity intermediary in a commodity contract or a commodity account maintained with the commodity intermediary has priority over a conflicting security interest held by another secured party.

5. A security interest in a certificated security in registered form which is perfected by taking delivery under section 554.9313, subsection 1, and not by control under section

554.9314 has priority over a conflicting security interest perfected by a method other than control.

6. Conflicting security interests created by a broker, securities intermediary, or commodity intermediary which are perfected without control under section 554.9106 rank equally.

7. In all other cases, priority among conflicting security interests in investment property is governed by sections 554.9322 and 554.9323.

2000 Acts, ch 1149, §48, 187
Referred to in §554.9322

**554.9329 Priority of security interests in letter-of-credit right.**

The following rules govern priority among conflicting security interests in the same letter-of-credit right:

1. A security interest held by a secured party having control of the letter-of-credit right under section 554.9107 has priority to the extent of its control over a conflicting security interest held by a secured party that does not have control.

2. Security interests perfected by control under section 554.9314 rank according to priority in time of obtaining control.

2000 Acts, ch 1149, §49, 187
Referred to in §554.9322

**554.9330 Priority of purchaser of chattel paper or instrument.**

1. *Purchaser's priority — security interest claimed merely as proceeds.* A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed merely as proceeds of inventory subject to a security interest if:

*a.* in good faith and in the ordinary course of the purchaser's business, the purchaser gives new value and takes possession of the chattel paper or obtains control of the chattel paper under section 554.9105; and

*b.* the chattel paper does not indicate that it has been assigned to an identified assignee other than the purchaser.

2. *Purchaser's priority — other security interests.* A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value and takes possession of the chattel paper or obtains control of the chattel paper under section 554.9105 in good faith, in the ordinary course of the purchaser's business, and without knowledge that the purchase violates the rights of the secured party.

3. *Chattel paper purchaser's priority in proceeds.* Except as otherwise provided in section 554.9327, a purchaser having priority in chattel paper under subsection 1 or 2 also has priority in proceeds of the chattel paper to the extent that:

*a.* section 554.9322 provides for priority in the proceeds; or

*b.* the proceeds consist of the specific goods covered by the chattel paper or cash proceeds of the specific goods, even if the purchaser's security interest in the proceeds is unperfected.

4. *Instrument purchaser's priority.* Except as otherwise provided in section 554.9331, subsection 1, a purchaser of an instrument has priority over a security interest in the instrument perfected by a method other than possession if the purchaser gives value and takes possession of the instrument in good faith and without knowledge that the purchase violates the rights of the secured party.

5. *Holder of purchase-money security interest gives new value.* For purposes of subsections 1 and 2, the holder of a purchase-money security interest in inventory gives new value for chattel paper constituting proceeds of the inventory.

6. *Indication of assignment gives knowledge.* For purposes of subsections 2 and 4, if chattel paper or an instrument indicates that it has been assigned to an identified secured party other than the purchaser, a purchaser of the chattel paper or instrument has knowledge that the purchase violates the rights of the secured party.

2000 Acts, ch 1149, §50, 187
Referred to in §554.9322, 554.9324, 554D.118

**554.9331 Priority of rights of purchasers of instruments, documents, and securities under other articles — priority of interests in financial assets and security entitlements under Article 8.**

1. *Rights under Articles 3, 7, and 8 not limited.* This Article does not limit the rights of a holder in due course of a negotiable instrument, a holder to which a negotiable document of title has been duly negotiated, or a protected purchaser of a security. These holders or purchasers take priority over an earlier security interest, even if perfected, to the extent provided in Articles 3, 7, and 8.

2. *Protection under Article 8.* This Article does not limit the rights of or impose liability on a person to the extent that the person is protected against the assertion of a claim under Article 8.

3. *Filing not notice.* Filing under this Article does not constitute notice of a claim or defense to the holders, or purchasers, or persons described in subsections 1 and 2.

2000 Acts, ch 1149, §51, 187

Referred to in §554.9322, 554.9330

**554.9332 Transfer of money — transfer of funds from deposit account.**

1. *Transferee of money.* A transferee of money takes the money free of a security interest unless the transferee acts in collusion with the debtor in violating the rights of the secured party.

2. *Transferee of funds from deposit account.* A transferee of funds from a deposit account takes the funds free of a security interest in the deposit account unless the transferee acts in collusion with the debtor in violating the rights of the secured party.

2000 Acts, ch 1149, §52, 187

**554.9333 Priority of certain liens arising by operation of law.**

1. *Possessory lien.* In this section, *"possessory lien"* means an interest, other than a security interest or an agricultural lien:

*a.* which secures payment or performance of an obligation for services or materials furnished with respect to goods by a person in the ordinary course of the person's business;

*b.* which is created by statute or rule of law in favor of the person; and

*c.* whose effectiveness depends on the person's possession of the goods.

2. *Priority of possessory lien.* A possessory lien on goods has priority over a security interest in the goods unless the lien is created by a statute that expressly provides otherwise.

2000 Acts, ch 1149, §53, 187

Referred to in §554.9109

**554.9334 Priority of security interests in fixtures and crops.**

1. *Security interest in fixtures under this Article.* A security interest under this Article may be created in goods that are fixtures or may continue in goods that become fixtures. A security interest does not exist under this Article in ordinary building materials incorporated into an improvement on land.

2. *Security interest in fixtures under real property law.* This Article does not prevent creation of an encumbrance upon fixtures under real property law.

3. *General rule — subordination of security interest in fixtures.* In cases not governed by subsections 4 through 8, a security interest in fixtures is subordinate to a conflicting interest of an encumbrancer or owner of the related real property other than the debtor.

4. *Fixtures purchase-money priority.* Except as otherwise provided in subsection 8, a perfected security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property and:

*a.* the security interest is a purchase-money security interest;

*b.* the interest of the encumbrancer or owner arises before the goods become fixtures; and

*c.* the security interest is perfected by a fixture filing before the goods become fixtures or within twenty days thereafter.

5. *Priority of security interest in fixtures over interests in real property.* A perfected

security interest in fixtures has priority over a conflicting interest of an encumbrancer or owner of the real property if:

*a.* the debtor has an interest of record in the real property or is in possession of the real property and the security interest:

(1) is perfected by a fixture filing before the interest of the encumbrancer or owner is of record; and

(2) has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner;

*b.* before the goods become fixtures, the security interest is perfected by any method permitted by this Article and the fixtures are readily removable:

(1) factory or office machines;

(2) equipment that is not primarily used or leased for use in the operation of the real property; or

(3) replacements of domestic appliances that are consumer goods;

*c.* the conflicting interest is a lien on the real property obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this Article; or

*d.* the security interest is:

(1) created in a manufactured home in a manufactured-home transaction; and

(2) perfected pursuant to a statute described in section 554.9311, subsection 1, paragraph *"b"*.

6. *Priority based on consent, disclaimer, or right to remove.* A security interest in fixtures, whether or not perfected, has priority over a conflicting interest of an encumbrancer or owner of the real property if:

*a.* the encumbrancer or owner has, in an authenticated record, consented to the security interest or disclaimed an interest in the goods as fixtures; or

*b.* the debtor has a right to remove the goods as against the encumbrancer or owner.

7. *Continuation of subsection 6, paragraph "b", priority.* The priority of the security interest under subsection 6, paragraph *"b"*, continues for a reasonable time if the debtor's right to remove the goods as against the encumbrancer or owner terminates.

8. *Priority of construction mortgage.* A mortgage is a construction mortgage to the extent that it secures an obligation incurred for the construction of an improvement on land, including the acquisition cost of the land, if a recorded record of the mortgage so indicates. Except as otherwise provided in subsections 5 and 6, a security interest in fixtures is subordinate to a construction mortgage if a record of the mortgage is recorded before the goods become fixtures and the goods become fixtures before the completion of the construction. A mortgage has this priority to the same extent as a construction mortgage to the extent that it is given to refinance a construction mortgage.

9. *Priority of security interest in crops.* Except as provided in subsection 10, a perfected security interest in crops growing on real property has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property.

10. *Agricultural liens prevail.* The provisions of this Article regarding agricultural liens prevail over any inconsistent provisions of subsection 9.

2000 Acts, ch 1149, §54, 187

Referred to in §554.9109

**554.9335 Accessions.**

1. *Creation of security interest in accession.* A security interest may be created in an accession and continues in collateral that becomes an accession.

2. *Perfection of security interest.* If a security interest is perfected when the collateral becomes an accession, the security interest remains perfected in the collateral.

3. *Priority of security interest.* Except as otherwise provided in subsection 4, the other provisions of this part determine the priority of a security interest in an accession.

4. *Compliance with certificate-of-title statute.* A security interest in an accession is

subordinate to a security interest in the whole which is perfected by compliance with the requirements of a certificate-of-title statute under section 554.9311, subsection 2.

5. *Removal of accession after default.* After default, subject to part 6, a secured party may remove an accession from other goods if the security interest in the accession has priority over the claims of every person having an interest in the whole.

6. *Reimbursement following removal.* A secured party that removes an accession from other goods under subsection 5 shall promptly reimburse any holder of a security interest or other lien on, or owner of, the whole or of the other goods, other than the debtor, for the cost of repair of any physical injury to the whole or the other goods. The secured party need not reimburse the holder or owner for any diminution in value of the whole or the other goods caused by the absence of the accession removed or by any necessity for replacing it. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse.

2000 Acts, ch 1149, §55, 187

**554.9336 Commingled goods.**

1. *Commingled goods.* In this section, "*commingled goods*" means goods that are physically united with other goods in such a manner that their identity is lost in a product or mass.

2. *No security interest in commingled goods as such.* A security interest does not exist in commingled goods as such. However, a security interest may attach to a product or mass that results when goods become commingled goods.

3. *Attachment of security interest to product or mass.* If collateral becomes commingled goods, a security interest attaches to the product or mass.

4. *Perfection of security interest.* If a security interest in collateral is perfected before the collateral becomes commingled goods, the security interest that attaches to the product or mass under subsection 3 is perfected.

5. *Priority of security interest.* Except as otherwise provided in subsection 6, the other provisions of this part determine the priority of a security interest that attaches to the product or mass under subsection 3.

6. *Conflicting security interests in product or mass.* If more than one security interest attaches to the product or mass under subsection 3, the following rules determine priority:

*a.* A security interest that is perfected under subsection 4 has priority over a security interest that is unperfected at the time the collateral becomes commingled goods.

*b.* If more than one security interest is perfected under subsection 4, the security interests rank equally in proportion to the value of the collateral at the time it became commingled goods.

2000 Acts, ch 1149, §56, 187

Referred to in §554.9315

**554.9337 Priority of security interests in goods covered by certificate of title.**

If, while a security interest in goods is perfected by any method under the law of another jurisdiction, this state issues a certificate of title that does not show that the goods are subject to the security interest or contain a statement that they may be subject to security interests not shown on the certificate:

1. a buyer of the goods, other than a person in the business of selling goods of that kind, takes free of the security interest if the buyer gives value and receives delivery of the goods after issuance of the certificate and without knowledge of the security interest; and

2. the security interest is subordinate to a conflicting security interest in the goods that attaches, and is perfected under section 554.9311, subsection 2, after issuance of the certificate and without the conflicting secured party's knowledge of the security interest.

2000 Acts, ch 1149, §57, 187

**554.9338 Priority of security interest or agricultural lien perfected by filed financing statement providing certain incorrect information.**

If a security interest or agricultural lien is perfected by a filed financing statement providing information described in section 554.9516, subsection 2, paragraph *"e"*, which is incorrect at the time the financing statement is filed:

1. the security interest or agricultural lien is subordinate to a conflicting perfected security interest in the collateral to the extent that the holder of the conflicting security interest gives value in reasonable reliance upon the incorrect information; and

2. a purchaser, other than a secured party, of the collateral takes free of the security interest or agricultural lien to the extent that, in reasonable reliance upon the incorrect information, the purchaser gives value and, in the case of tangible chattel paper, tangible documents, goods, instruments, or a security certificate, receives delivery of the collateral.

2000 Acts, ch 1149, §58, 187; 2007 Acts, ch 30, §45, 46, 75

Referred to in §554.9520

**554.9339 Priority subject to subordination.**

This Article does not preclude subordination by agreement by a person entitled to priority.

2000 Acts, ch 1149, §59, 187

## SUBPART D

## RIGHTS OF BANK

**554.9340 Effectiveness of right of recoupment or setoff against deposit account.**

1. *Exercise of recoupment or setoff.* Except as otherwise provided in subsection 3, a bank with which a deposit account is maintained may exercise any right of recoupment or setoff against a secured party that holds a security interest in the deposit account.

2. *Recoupment or setoff not affected by security interest.* Except as otherwise provided in subsection 3, the application of this Article to a security interest in a deposit account does not affect a right of recoupment or setoff of the secured party as to a deposit account maintained with the secured party.

3. *When setoff ineffective.* The exercise by a bank of a setoff against a deposit account is ineffective against a secured party that holds a security interest in the deposit account which is perfected by control under section 554.9104, subsection 1, paragraph *"c"*, if the setoff is based on a claim against the debtor.

2000 Acts, ch 1149, §60, 187

Referred to in §554.9109, 554.9341

**554.9341 Bank's rights and duties with respect to deposit account.**

Except as otherwise provided in section 554.9340, subsection 3, and unless the bank otherwise agrees in an authenticated record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated, suspended, or modified by:

1. the creation, attachment, or perfection of a security interest in the deposit account;

2. the bank's knowledge of the security interest; or

3. the bank's receipt of instructions from the secured party.

2000 Acts, ch 1149, §61, 187

**554.9342 Bank's right to refuse to enter into or disclose existence of control agreement.**

This Article does not require a bank to enter into an agreement of the kind described in section 554.9104, subsection 1, paragraph *"b"*, even if its customer so requests or directs. A bank that has entered into such an agreement is not required to confirm the existence of the agreement to another person unless requested to do so by its customer.

2000 Acts, ch 1149, §62, 187

## PART 4

## RIGHTS OF THIRD PARTIES

**554.9401 Alienability of debtor's rights.**

1. *Other law governs alienability — exceptions.* Except as otherwise provided in subsection 2 and sections 554.9406, 554.9407, 554.9408, and 554.9409, whether a debtor's rights in collateral may be voluntarily or involuntarily transferred is governed by law other than this Article.

2. *Agreement does not prevent transfer.* An agreement between the debtor and secured party which prohibits a transfer of the debtor's rights in collateral or makes the transfer a default does not prevent the transfer from taking effect.

2000 Acts, ch 1149, §63, 185, 187

**554.9402 Secured party not obligated on contract of debtor or in tort.**

The existence of a security interest, agricultural lien, or authority given to a debtor to dispose of or use collateral, without more, does not subject a secured party to liability in contract or tort for the debtor's acts or omissions.

2000 Acts, ch 1149, §64, 185, 187

**554.9403 Agreement not to assert defenses against assignee.**

1. *Value.* In this section, "*value*" has the meaning provided in section 554.3303, subsection 1.

2. *Agreement not to assert claim or defense.* Except as otherwise provided in this section, an agreement between an account debtor and an assignor not to assert against an assignee any claim or defense that the account debtor may have against the assignor is enforceable by an assignee that takes an assignment:

*a.* for value;

*b.* in good faith;

*c.* without notice of a claim of a property or possessory right to the property assigned; and

*d.* without notice of a defense or claim in recoupment of the type that may be asserted against a person entitled to enforce a negotiable instrument under section 554.3305, subsection 1.

3. *When subsection 2 not applicable.* Subsection 2 does not apply to defenses of a type that may be asserted against a holder in due course of a negotiable instrument under section 554.3305, subsection 2.

4. *Omission of required statement in consumer transaction.* In a consumer transaction, if a record evidences the account debtor's obligation, law other than this Article requires that the record include a statement to the effect that the rights of an assignee are subject to claims or defenses that the account debtor could assert against the original obligee, and the record does not include such a statement:

*a.* the record has the same effect as if the record included such a statement; and

*b.* the account debtor may assert against an assignee those claims and defenses that would have been available if the record included such a statement.

5. *Rule for individual under other law.* This section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

6. *Other law not displaced.* Except as otherwise provided in subsection 4, this section does not displace law other than this Article which gives effect to an agreement by an account debtor not to assert a claim or defense against an assignee.

2000 Acts, ch 1149, §65, 185, 187

**554.9404 Rights acquired by assignee — claims and defenses against assignee.**

1. *Assignee's rights subject to terms, claims, and defenses — exceptions.* Unless an account debtor has made an enforceable agreement not to assert defenses or claims, and subject to subsections 2 through 5, the rights of an assignee are subject to:

*a.* all terms of the agreement between the account debtor and assignor and any defense or claim in recoupment arising from the transaction that gave rise to the contract; and

*b.* any other defense or claim of the account debtor against the assignor which accrues before the account debtor receives a notification of the assignment authenticated by the assignor or the assignee.

2. *Account debtor's claim reduces amount owed to assignee.* Subject to subsection 3 and except as otherwise provided in subsection 4, the claim of an account debtor against an assignor may be asserted against an assignee under subsection 1 only to reduce the amount the account debtor owes.

3. *Rule for individual under other law.* This section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

4. *Omission of required statement in consumer transaction.* In a consumer transaction, if a record evidences the account debtor's obligation, law other than this Article requires that the record include a statement to the effect that the account debtor's recovery against an assignee with respect to claims and defenses against the assignor may not exceed amounts paid by the account debtor under the record, and the record does not include such a statement, the extent to which a claim of an account debtor against the assignor may be asserted against an assignee is determined as if the record included such a statement.

5. *Inapplicability to health care insurance receivable.* This section does not apply to an assignment of a health care insurance receivable.

2000 Acts, ch 1149, §66, 185, 187

Referred to in §539.1, 539.2, 539.3, 554.9109

**554.9405 Modification of assigned contract.**

1. *Effect of modification on assignee.* A modification of or substitution for an assigned contract is effective against an assignee if made in good faith. The assignee acquires corresponding rights under the modified or substituted contract. The assignment may provide that the modification or substitution is a breach of contract by the assignor. This subsection is subject to subsections 2 through 4.

2. *Applicability of subsection 1.* Subsection 1 applies to the extent that:

*a.* the right to payment or a part thereof under an assigned contract has not been fully earned by performance; or

*b.* the right to payment or a part thereof has been fully earned by performance and the account debtor has not received notification of the assignment under section 554.9406, subsection 1.

3. *Rule for individual under other law.* This section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

4. *Inapplicability to health care insurance receivable.* This section does not apply to an assignment of a health care insurance receivable.

2000 Acts, ch 1149, §67, 185, 187

Referred to in §539.1, 539.2, 539.3

**554.9406 Discharge of account debtor — notification of assignment — identification and proof of assignment — restrictions on assignment of accounts, chattel paper, payment intangibles, and promissory notes ineffective.**

1. *Discharge of account debtor — effect of notification.* Subject to subsections 2 through 9, an account debtor on an account, chattel paper, or a payment intangible may discharge its obligation by paying the assignor until, but not after, the account debtor receives a notification, authenticated by the assignor or the assignee, that the amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation by paying the assignor.

2. *When notification ineffective.* Subject to subsection 8, notification is ineffective under subsection 1:

*a.* if it does not reasonably identify the rights assigned;

*b.* to the extent that an agreement between an account debtor and a seller of a payment intangible limits the account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this Article; or

*c.* at the option of an account debtor, if the notification notifies the account debtor to make less than the full amount of any installment or other periodic payment to the assignee, even if:

(1) only a portion of the account, chattel paper, or payment intangible has been assigned to that assignee;

(2) a portion has been assigned to another assignee; or

(3) the account debtor knows that the assignment to that assignee is limited.

3. *Proof of assignment.* Subject to subsection 8, if requested by the account debtor, an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless the assignee complies, the account debtor may discharge its obligation by paying the assignor, even if the account debtor has received a notification under subsection 1.

4. *Term restricting assignment generally ineffective.* Except as otherwise provided in subsection 5 and sections 554.9407 and 554.13303, and subject to subsection 8, a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it:

*a.* prohibits, restricts, or requires the consent of the account debtor or person obligated on the promissory note to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, the account, chattel paper, payment intangible, or promissory note; or

*b.* provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account, chattel paper, payment intangible, or promissory note.

5. *Inapplicability of subsection 4 to certain sales.* Subsection 4 does not apply to the sale of a payment intangible or promissory note, other than a sale pursuant to a disposition under section 554.9610 or an acceptance of collateral under section 554.9620.

6. *Legal restrictions on assignment generally ineffective.* Except as otherwise provided in sections 554.9407 and 554.13303 and subject to subsections 8 and 9, a rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, or account debtor to the assignment or transfer of, or creation of a security interest in, an account or chattel paper is ineffective to the extent that the rule of law, statute, or regulation:

*a.* prohibits, restricts, or requires the consent of the government, governmental body or official, or account debtor to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in the account or chattel paper; or

*b.* provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account or chattel paper.

7. *Subsection 2, paragraph "c", not waivable.* Subject to subsection 8, an account debtor may not waive or vary its option under subsection 2, paragraph "c".

8. *Rule for individual under other law.* This section is subject to law other than this Article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

9. *Inapplicability to health care insurance receivable.* This section does not apply to an assignment of a health care insurance receivable.

10. *Section prevails over specified inconsistent law.* This section prevails over any inconsistent provision of an existing or future statute, rule, or regulation of this state unless

the provision is contained in a statute of this state, refers expressly to this section, and states that the provision prevails over this section.

2000 Acts, ch 1149, §68, 185, 187; 2012 Acts, ch 1052, §10, 37
Referred to in §554.2210, 554.9209, 554.9401, 554.9405, 627.13
2012 amendment to subsection 5 is effective July 1, 2013; 2012 Acts, ch 1052, §37
Subsection 5 amended

**554.9407 Restrictions on creation or enforcement of security interest in leasehold interest or in lessor's residual interest.**

1. *Term restricting assignment generally ineffective.* Except as otherwise provided in subsection 2, a term in a lease agreement is ineffective to the extent that it:

*a.* prohibits, restricts, or requires the consent of a party to the lease to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, an interest of a party under the lease contract or in the lessor's residual interest in the goods; or

*b.* provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the lease.

2. *Effectiveness of certain terms.* Except as otherwise provided in section 554.13303, subsection 7, a term described in subsection 1, paragraph *"b"*, is effective to the extent that there is:

*a.* a transfer by the lessee of the lessee's right of possession or use of the goods in violation of the term; or

*b.* a delegation of a material performance of either party to the lease contract in violation of the term.

3. *Security interest not material impairment.* The creation, attachment, perfection, or enforcement of a security interest in the lessor's interest under the lease contract or the lessor's residual interest in the goods is not a transfer that materially impairs the lessee's prospect of obtaining return performance or materially changes the duty of or materially increases the burden or risk imposed on the lessee within the purview of section 554.13303, subsection 3, unless, and then only to the extent that, enforcement actually results in a delegation of material performance of the lessor.

2000 Acts, ch 1149, §69, 185, 187
Referred to in §554.9401, 554.9406, 554.13303

**554.9408 Restrictions on assignment of promissory notes, health care insurance receivables, and certain general intangibles ineffective.**

1. *Term restricting assignment generally ineffective.* Except as otherwise provided in subsection 2, a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health care insurance receivable or a general intangible, including a contract, permit, license, or franchise, and which term prohibits, restricts, or requires the consent of the person obligated on the promissory note or the account debtor to, the assignment or transfer of, or creation, attachment, or perfection of a security interest in, the promissory note, health care insurance receivable, or general intangible, is ineffective to the extent that the term:

*a.* would impair the creation, attachment, or perfection of a security interest; or

*b.* provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health care insurance receivable, or general intangible.

2. *Applicability of subsection 1 to sales of certain rights to payment.* Subsection 1 applies to a security interest in a payment intangible or promissory note only if the security interest arises out of a sale of the payment intangible or promissory note, other than a sale pursuant to a disposition under section 554.9610 or an acceptance of collateral under section 554.9620.

3. *Legal restrictions on assignment generally ineffective.* A rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, person obligated on a promissory note, or account debtor to the assignment

or transfer of, or creation of a security interest in, a promissory note, health care insurance receivable, or general intangible, including a contract, permit, license, or franchise between an account debtor and a debtor, is ineffective to the extent that the rule of law, statute, or regulation:

*a.* would impair the creation, attachment, or perfection of a security interest; or

*b.* provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health care insurance receivable, or general intangible.

4. *Limitation on ineffectiveness under subsections 1 and 3.* To the extent that a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health care insurance receivable or general intangible or a rule of law, statute, or regulation described in subsection 3 would be effective under law other than this Article but is ineffective under subsection 1 or 3, the creation, attachment, or perfection of a security interest in the promissory note, health care insurance receivable, or general intangible:

*a.* is not enforceable against the person obligated on the promissory note or the account debtor;

*b.* does not impose a duty or obligation on the person obligated on the promissory note or the account debtor;

*c.* does not require the person obligated on the promissory note or the account debtor to recognize the security interest, pay or render performance to the secured party, or accept payment or performance from the secured party;

*d.* does not entitle the secured party to use or assign the debtor's rights under the promissory note, health care insurance receivable, or general intangible, including any related information or materials furnished to the debtor in the transaction giving rise to the promissory note, health care insurance receivable, or general intangible;

*e.* does not entitle the secured party to use, assign, possess, or have access to any trade secrets or confidential information of the person obligated on the promissory note or the account debtor; and

*f.* does not entitle the secured party to enforce the security interest in the promissory note, health care insurance receivable, or general intangible.

5. *Section prevails over specified inconsistent law.* This section prevails over any inconsistent provision of an existing or future statute, rule, or regulation of this state unless the provision is contained in a statute of this state, refers expressly to this section, and states that the provision prevails over this section.

2000 Acts, ch 1149, §70, 185, 187; 2012 Acts, ch 1052, §11, 37

Referred to in §554.9401, 627.13

2012 amendment to subsection 2 is effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 2 amended

**554.9409 Restrictions on assignment of letter-of-credit rights ineffective.**

1. *Term or law restricting assignment generally ineffective.* A term in a letter of credit or a rule of law, statute, regulation, custom, or practice applicable to the letter of credit which prohibits, restricts, or requires the consent of an applicant, issuer, or nominated person to a beneficiary's assignment of or creation of a security interest in a letter-of-credit right is ineffective to the extent that the term or rule of law, statute, regulation, custom, or practice:

*a.* would impair the creation, attachment, or perfection of a security interest in the letter-of-credit right; or

*b.* provides that the assignment or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the letter-of-credit right.

2. *Limitation on ineffectiveness under subsection 1.* To the extent that a term in a letter of credit is ineffective under subsection 1 but would be effective under law other than this Article or a custom or practice applicable to the letter of credit, to the transfer of a right to draw or otherwise demand performance under the letter of credit, or to the assignment of a right to proceeds of the letter of credit, the creation, attachment, or perfection of a security interest in the letter-of-credit right:

*a.* is not enforceable against the applicant, issuer, nominated person, or transferee beneficiary;

*b.* imposes no duties or obligations on the applicant, issuer, nominated person, or transferee beneficiary; and

*c.* does not require the applicant, issuer, nominated person, or transferee beneficiary to recognize the security interest, pay or render performance to the secured party, or accept payment or other performance from the secured party.

2000 Acts, ch 1149, §71, 187

Referred to in §554.9401

## PART 5

## FILING

Referred to in §331.602, 331.609, 570A.4, 571.3, 581.3

## SUBPART A

## FILING OFFICE — CONTENTS AND EFFECTIVENESS OF FINANCING STATEMENT

**554.9501 Filing office.**

1. *Filing offices.* Except as otherwise provided in subsection 2, if the local law of this state governs perfection of a security interest or agricultural lien, the office in which to file a financing statement to perfect the security interest or agricultural lien is:

*a.* the office designated for the filing or recording of a record of a mortgage on the related real property, if:

(1) the collateral is as-extracted collateral or timber to be cut; or

(2) the financing statement is filed as a fixture filing and the collateral is goods that are or are to become fixtures; or

*b.* the office of the secretary of state in all other cases, including a case in which the collateral is goods that are or are to become fixtures and the financing statement is not filed as a fixture filing.

2. *Filing office for transmitting utilities.* The office in which to file a financing statement to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the secretary of state. The financing statement also constitutes a fixture filing as to the collateral indicated in the financing statement which is or is to become fixtures.

2000 Acts, ch 1149, §72, 185, 187

Referred to in §554.9102, 554.9109, 554.9502, 554.9512, 554.9516, 554.9519, 554.9522, 554.9806, 554.9807, 554B.1

What constitutes filing, §554.9516

Duties and operation of filing office, §554.9519 – 554.9527

**554.9502 Contents of financing statement — record of mortgage as financing statement — time of filing financing statement.**

1. *Sufficiency of financing statement.* Subject to subsection 2, a financing statement is sufficient only if it:

*a.* provides the name of the debtor;

*b.* provides the name of the secured party or a representative of the secured party; and

*c.* indicates the collateral covered by the financing statement.

2. *Real-property-related financing statements.* Except as otherwise provided in section 554.9501, subsection 2, to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection 1 and also:

*a.* indicate that it covers this type of collateral;

*b.* indicate that it is to be filed for record in the real property records;

*c.* provide a description of the real property to which the collateral is related sufficient

to give constructive notice of a mortgage under the law of this state if the description were contained in a record of the mortgage of the real property; and

*d.* if the debtor does not have an interest of record in the real property, provide the name of a record owner.

3. *Record of mortgage as financing statement.* A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:

*a.* the record indicates the goods or accounts that it covers;

*b.* the goods are or are to become fixtures related to the real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut;

*c.* the record satisfies the requirements for a financing statement in this section, but:

(1) the record need not indicate that it is to be filed in the real property records; and

(2) the record sufficiently provides the name of a debtor who is an individual if it provides the individual name of the debtor or the surname and first personal name of the debtor, even if the debtor is an individual to whom section 554.9503, subsection 1, paragraph "*d*" applies; and

*d.* the record is duly recorded.

4. *Filing before security agreement or attachment.* A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.

2000 Acts, ch 1149, §73, 185, 187; 2012 Acts, ch 1052, §12, 37

Referred to in §554.9102, 554.9109, 554.9512, 554.9514, 554.9515, 554.9520, 554.9525, 554.13309, 570A.4, 571.3, 579A.2, 579B.4, 581.3

2012 amendment to subsection 3, paragraph c, is effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 3, paragraph c amended

**554.9503 Name of debtor and secured party.**

1. *Sufficiency of debtor's name.* A financing statement sufficiently provides the name of the debtor:

*a.* except as otherwise provided in paragraph "*c*", if the debtor is a registered organization or if the collateral is held in a trust that is a registered organization, only if the financing statement provides the name that is stated to be the registered organization's name on the public organic record most recently filed with or issued or enacted by the registered organization's jurisdiction of organization which purports to state, amend, or restate the registered organization's name;

*b.* subject to subsection 6, if the collateral is being administered by the personal representative of a decedent, only if the financing statement provides, as the name of the debtor, the name of the decedent and, in a separate part of the financing statement, indicates that the collateral is being administered by a personal representative;

*c.* if the collateral is held in a trust that is not a registered organization, only if the financing statement:

(1) provides as the name of the debtor:

(a) if the organic record of the trust specifies a name for the trust, the name specified; or

(b) if the organic record of the trust does not specify a name for the trust, the name of the settlor or testator; and

(2) in a separate part of the financing statement:

(a) if the name is provided in accordance with subparagraph (1), subparagraph division (a), indicates that the collateral is held in a trust; or

(b) if the name is provided in accordance with subparagraph (1), subparagraph division (b), provides additional information sufficient to distinguish the trust from other trusts having one or more of the same settlors or the same testator and indicates that the collateral is held in a trust, unless the additional information so indicates;

*d.* subject to subsection 7, if the debtor is an individual to whom this state has issued a driver's license under chapter 321 that has not expired, only if the financing statement provides the name of the individual which is indicated on the driver's license;

*e.* if the debtor is an individual to whom paragraph "*d*" does not apply, only if the financing statement provides the individual name of the debtor or the surname and first personal name of the debtor; and

*f.* in other cases:

(1) if the debtor has a name, only if the financing statement provides the organizational name of the debtor; and

(2) if the debtor does not have a name, only if it provides the names of the partners, members, associates, or other persons comprising the debtor, in a manner that each name provided would be sufficient if the person named were the debtor.

2. *Additional debtor-related information.* A financing statement that provides the name of the debtor in accordance with subsection 1 is not rendered ineffective by the absence of:

*a.* a trade name or other name of the debtor; or

*b.* unless required under subsection 1, paragraph "*f*", subparagraph (2), names of partners, members, associates, or other persons comprising the debtor.

3. *Debtor's trade name insufficient.* A financing statement that provides only the debtor's trade name does not sufficiently provide the name of the debtor.

4. *Representative capacity.* Failure to indicate the representative capacity of a secured party or representative of a secured party does not affect the sufficiency of a financing statement.

5. *Multiple debtors and secured parties.* A financing statement may provide the name of more than one debtor and the name of more than one secured party.

6. *Name of decedent.* The name of the decedent indicated on the order appointing the personal representative of the decedent issued by the court having jurisdiction over the collateral is sufficient as the "name of the decedent" under subsection 1, paragraph "*b*".

7. *Multiple driver's licenses.* If this state has issued to an individual more than one driver's license under chapter 321 of a kind described in subsection 1, paragraph "*d*", the one that was issued most recently is the one to which subsection 1, paragraph "*d*" refers.

8. *Definition.* In this section, the "*name of the settlor or testator*" means:

*a.* if the settlor is a registered organization, the name that is stated to be the settlor's name on the public organic record most recently filed with or issued or enacted by the settlor's jurisdiction of organization which purports to state, amend, or restate the settlor's name; or

*b.* in other cases, the name of the settlor or testator indicated in the trust's organic record.

2000 Acts, ch 1149, §74, 185, 187; 2012 Acts, ch 1052, §13 – 15, 37

Referred to in §554.9502, 554.9506, 554.9507, 554.9805

2012 amendments to subsection 1, subsection 2, paragraph b, and adding NEW subsections 6 – 8 are effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 1, paragraphs a – c amended

Subsection 1, NEW paragraphs d and e, and former paragraph d amended and redesignated as f

Subsection 2, paragraph b amended

NEW subsections 6 – 8

**554.9504 Indication of collateral.**

A financing statement sufficiently indicates the collateral that it covers if the financing statement provides:

1. a description of the collateral pursuant to section 554.9108; or

2. an indication that the financing statement covers all assets or all personal property.

2000 Acts, ch 1149, §75, 185, 187

**554.9505 Filing and compliance with other statutes and treaties for consignments, leases, other bailments, and other transactions.**

1. *Use of terms other than debtor and secured party.* A consignor, lessor, or other bailor of goods, a licensor, or a buyer of a payment intangible or promissory note may file a financing statement, or may comply with a statute or treaty described in section 554.9311, subsection 1, using the terms "consignor", "consignee", "lessor", "lessee", "bailor", "bailee", "licensor", "licensee", "owner", "registered owner", "buyer", "seller", or words of similar import, instead of the terms "secured party" and "debtor".

2. *Effect of financing statement under subsection 1.* This part applies to the filing of a financing statement under subsection 1 and, as appropriate, to compliance that is equivalent to filing a financing statement under section 554.9311, subsection 2, but the filing or compliance is not of itself a factor in determining whether the collateral secures an obligation. If it is determined for another reason that the collateral secures an obligation,

a security interest held by the consignor, lessor, bailor, licensor, owner, or buyer which attaches to the collateral is perfected by the filing or compliance.

2000 Acts, ch 1149, §76, 185, 187

**554.9506 Effect of errors or omissions.**

1. *Minor errors and omissions.* A financing statement substantially satisfying the requirements of this part is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

2. *Financing statement seriously misleading.* Except as otherwise provided in subsection 3, a financing statement that fails sufficiently to provide the name of the debtor in accordance with section 554.9503, subsection 1, is seriously misleading.

3. *Financing statement not seriously misleading.* If a search of the records of the filing office under the debtor's correct name, using the filing office's standard search logic, if any, would disclose a financing statement that fails sufficiently to provide the name of the debtor in accordance with section 554.9503, subsection 1, the name provided does not make the financing statement seriously misleading.

4. *Debtor's correct name.* For purposes of section 554.9508, subsection 2, the *"debtor's correct name"* in subsection 3 means the correct name of the new debtor.

2000 Acts, ch 1149, §77, 185, 187

Referred to in §554.9507, 554.9508

**554.9507 Effect of certain events on effectiveness of financing statement.**

1. *Disposition.* A filed financing statement remains effective with respect to collateral that is sold, exchanged, leased, licensed, or otherwise disposed of and in which a security interest or agricultural lien continues, even if the secured party knows of or consents to the disposition.

2. *Information becoming seriously misleading.* Except as otherwise provided in subsection 3 and section 554.9508, a financing statement is not rendered ineffective if, after the financing statement is filed, the information provided in the financing statement becomes seriously misleading under section 554.9506.

3. *Change in debtor's name.* If the name that a filed financing statement provides for a debtor becomes insufficient as the name of the debtor under section 554.9503, subsection 1, so that the financing statement becomes seriously misleading under section 554.9506:

*a.* the financing statement is effective to perfect a security interest in collateral acquired by the debtor before, or within four months after, the filed financing statement becomes seriously misleading; and

*b.* the financing statement is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the filed financing statement becomes seriously misleading, unless an amendment to the financing statement which renders the financing statement not seriously misleading is filed within four months after the financing statement became seriously misleading.

2000 Acts, ch 1149, §78, 185, 187; 2012 Acts, ch 1052, §16, 37

Referred to in §554.9508

2012 amendment to subsection 3 is effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 3 amended

**554.9508 Effectiveness of financing statement if new debtor becomes bound by security agreement.**

1. *Financing statement naming original debtor.* Except as otherwise provided in this section, a filed financing statement naming an original debtor is effective to perfect a security interest in collateral in which a new debtor has or acquires rights to the extent that the financing statement would have been effective had the original debtor acquired rights in the collateral.

2. *Financing statement becoming seriously misleading.* If the difference between the name of the original debtor and that of the new debtor causes a filed financing statement that is effective under subsection 1 to be seriously misleading under section 554.9506:

*a.* the financing statement is effective to perfect a security interest in collateral acquired

by the new debtor before, and within four months after, the new debtor becomes bound under section 554.9203, subsection 4; and

*b.* the financing statement is not effective to perfect a security interest in collateral acquired by the new debtor more than four months after the new debtor becomes bound under section 554.9203, subsection 4, unless an initial financing statement providing the name of the new debtor is filed before the expiration of that time.

3. *When section not applicable.* This section does not apply to collateral as to which a filed financing statement remains effective against the new debtor under section 554.9507, subsection 1.

2000 Acts, ch 1149, §79, 187

Referred to in §554.9326, 554.9506, 554.9507

**554.9509 Persons entitled to file a record.**

1. *Person entitled to file record.* A person may file an initial financing statement, amendment that adds collateral covered by a financing statement, or amendment that adds a debtor to a financing statement only if:

*a.* the debtor authorizes the filing in an authenticated record or pursuant to subsection 2 or 3; or

*b.* the person holds an agricultural lien that has become effective at the time of filing and the financing statement covers only collateral in which the person holds an agricultural lien.

2. *Security agreement as authorization.* By authenticating or becoming bound as debtor by a security agreement, a debtor or new debtor authorizes the filing of an initial financing statement, and an amendment, covering:

*a.* the collateral described in the security agreement; and

*b.* property that becomes collateral under section 554.9315, subsection 1, paragraph *"b"*, whether or not the security agreement expressly covers proceeds.

3. *Acquisition of collateral as authorization.* By acquiring collateral in which a security interest or agricultural lien continues under section 554.9315, subsection 1, paragraph *"a"*, a debtor authorizes the filing of an initial financing statement, and an amendment, covering the collateral and property that becomes collateral under section 554.9315, subsection 1, paragraph *"b"*.

4. *Person entitled to file certain amendments.* A person may file an amendment other than an amendment that adds collateral covered by a financing statement or an amendment that adds a debtor to a financing statement only if:

*a.* the secured party of record authorizes the filing; or

*b.* the amendment is a termination statement for a financing statement as to which the secured party of record has failed to file or send a termination statement as required by section 554.9513, subsection 1 or 3, the debtor authorizes the filing, and the termination statement indicates that the debtor authorized it to be filed.

5. *Multiple secured parties of record.* If there is more than one secured party of record for a financing statement, each secured party of record may authorize the filing of an amendment under subsection 4.

2000 Acts, ch 1149, §80, 187

Referred to in §554.9510, 554.9512, 554.9518, 554.9625

Damages for improper filing; §554.9625

**554.9510 Effectiveness of filed record.**

1. *Filed record effective if authorized.* A filed record is effective only to the extent that it was filed by a person that may file it under section 554.9509.

2. *Authorization by one secured party of record.* A record authorized by one secured party of record does not affect the financing statement with respect to another secured party of record.

3. *Continuation statement not timely filed.* A continuation statement that is not filed within the six-month period prescribed by section 554.9515, subsection 4, is ineffective.

2000 Acts, ch 1149, §81, 187

Referred to in §554.9513, 554.9515

**554.9511 Secured party of record.**

1. *Secured party of record.* A secured party of record with respect to a financing statement is a person whose name is provided as the name of the secured party or a representative of the secured party in an initial financing statement that has been filed. If an initial financing statement is filed under section 554.9514, subsection 1, the assignee named in the initial financing statement is the secured party of record with respect to the financing statement.

2. *Amendment naming secured party of record.* If an amendment of a financing statement which provides the name of a person as a secured party or a representative of a secured party is filed, the person named in the amendment is a secured party of record. If an amendment is filed under section 554.9514, subsection 2, the assignee named in the amendment is a secured party of record.

3. *Amendment deleting secured party of record.* A person remains a secured party of record until the filing of an amendment of the financing statement which deletes the person.

2000 Acts, ch 1149, §82, 187

**554.9512 Amendment of financing statement.**

1. *Amendment of information in financing statement.* Subject to section 554.9509, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or, subject to subsection 5, otherwise amend the information provided in, a financing statement by filing an amendment that:

*a.* identifies, by its file number, the initial financing statement to which the amendment relates; and

*b.* if the amendment relates to an initial financing statement filed or recorded in a filing office described in section 554.9501, subsection 1, paragraph "*a*", provides the date and time that the initial financing statement was filed or recorded and the information specified in section 554.9502, subsection 2.

2. *Period of effectiveness not affected.* Except as otherwise provided in section 554.9515, the filing of an amendment does not extend the period of effectiveness of the financing statement.

3. *Effectiveness of amendment adding collateral.* A financing statement that is amended by an amendment that adds collateral is effective as to the added collateral only from the date of the filing of the amendment.

4. *Effectiveness of amendment adding debtor.* A financing statement that is amended by an amendment that adds a debtor is effective as to the added debtor only from the date of the filing of the amendment.

5. *Certain amendments ineffective.* An amendment is ineffective to the extent it:

*a.* purports to delete all debtors and fails to provide the name of a debtor to be covered by the financing statement; or

*b.* purports to delete all secured parties of record and fails to provide the name of a new secured party of record.

2000 Acts, ch 1149, §83, 187

Referred to in §554.9109, 554.9516

**554.9513 Termination statement.**

1. *Consumer goods.* A secured party shall cause the secured party of record for a financing statement to file a termination statement for the financing statement if the financing statement covers consumer goods and:

*a.* there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value; or

*b.* the debtor did not authorize the filing of the initial financing statement.

2. *Time for compliance with subsection 1.* To comply with subsection 1, a secured party shall cause the secured party of record to file the termination statement:

*a.* within one month after there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value; or

*b.* if earlier, within twenty days after the secured party receives an authenticated demand from a debtor.

3. *Other collateral.* In cases not governed by subsection 1, within twenty days after a secured party receives an authenticated demand from a debtor, the secured party shall cause the secured party of record for a financing statement to send to the debtor a termination statement for the financing statement or file the termination statement in the filing office if:

*a.* except in the case of a financing statement covering accounts or chattel paper that has been sold or goods that are the subject of a consignment, there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value;

*b.* the financing statement covers accounts or chattel paper that has been sold but as to which the account debtor or other person obligated has discharged its obligation;

*c.* the financing statement covers goods that were the subject of a consignment to the debtor but are not in the debtor's possession; or

*d.* the debtor did not authorize the filing of the initial financing statement.

4. *Effect of filing termination statement.* Except as otherwise provided in section 554.9510, upon the filing of a termination statement with the filing office, the financing statement to which the termination statement relates ceases to be effective. Except as otherwise provided in section 554.9510, for purposes of section 554.9519, subsection 7, section 554.9522, subsection 1, and section 554.9523, subsection 3, the filing with the filing office of a termination statement relating to a financing statement that indicates that the debtor is a transmitting utility also causes the effectiveness of the financing statement to lapse.

2000 Acts, ch 1149, §84, 187

Referred to in §554.9315, 554.9509, 554.9625

Remedies for secured party's failure to comply with Article; §554.9625

**554.9514 Assignment of powers of secured party of record.**

1. *Assignment reflected on initial financing statement.* Except as otherwise provided in subsection 3, an initial financing statement may reflect an assignment of all of the secured party's power to authorize an amendment to the financing statement by providing the name and mailing address of the assignee as the name and address of the secured party.

2. *Assignment of filed financing statement.* Except as otherwise provided in subsection 3, a secured party of record may assign of record all or part of its power to authorize an amendment to a financing statement by filing in the filing office an amendment of the financing statement which:

*a.* identifies, by its file number, the initial financing statement to which it relates;

*b.* provides the name of the assignor; and

*c.* provides the name and mailing address of the assignee.

3. *Assignment of record of mortgage.* An assignment of record of a security interest in a fixture covered by a record of a mortgage which is effective as a financing statement filed as a fixture filing under section 554.9502, subsection 3, may be made only by an assignment of record of the mortgage in the manner provided by law of this state other than this chapter.

2000 Acts, ch 1149, §85, 187

Referred to in §554.9511, 554.9516, 554.9519

**554.9515 Duration and effectiveness of financing statement — effect of lapsed financing statement.**

1. *Five-year effectiveness.* Except as otherwise provided in subsections 2, 5, 6, and 7, a filed financing statement is effective for a period of five years after the date of filing.

2. *Public-finance or manufactured-home transaction.* Except as otherwise provided in subsections 5, 6, and 7, an initial financing statement filed in connection with a public-finance transaction or manufactured-home transaction is effective for a period of thirty years after the date of filing if it indicates that it is filed in connection with a public-finance transaction or manufactured-home transaction.

3. *Lapse and continuation of financing statement.* The effectiveness of a filed financing statement lapses on the expiration of the period of its effectiveness unless before the lapse a

continuation statement is filed pursuant to subsection 4. Upon lapse, a financing statement ceases to be effective and any security interest or agricultural lien that was perfected by the financing statement becomes unperfected, unless the security interest is perfected otherwise. If the security interest or agricultural lien becomes unperfected upon lapse, it is deemed never to have been perfected as against a purchaser of the collateral for value.

4. *When continuation statement may be filed.* A continuation statement may be filed only within six months before the expiration of the five-year period specified in subsection 1 or the thirty-year period specified in subsection 2, whichever is applicable.

5. *Effect of filing continuation statement.* Except as otherwise provided in section 554.9510, upon timely filing of a continuation statement, the effectiveness of the initial financing statement continues for a period of five years commencing on the day on which the financing statement would have become ineffective in the absence of the filing. Upon the expiration of the five-year period, the financing statement lapses in the same manner as provided in subsection 3, unless, before the lapse, another continuation statement is filed pursuant to subsection 4. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the initial financing statement.

6. *Transmitting utility financing statement.* If a debtor is a transmitting utility and a filed initial financing statement so indicates, the financing statement is effective until a termination statement is filed.

7. *Record of mortgage as financing statement.* A record of a mortgage that is effective as a financing statement filed as a fixture filing under section 554.9502, subsection 3, remains effective as a financing statement filed as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real property.

2000 Acts, ch 1149, §86, 187; 2012 Acts, ch 1052, §17, 37

Referred to in §554.9315, 554.9510, 554.9512, 554.9516, 554.9519, 554.9522, 554.9523, 554.9806, 570.1, 579B.4

2012 amendment to subsection 6 is effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 6 amended

**554.9516 What constitutes filing — effectiveness of filing.**

1. *What constitutes filing.* Except as otherwise provided in subsection 2, communication of a record to a filing office and tender of the filing fee or acceptance of the record by the filing office constitutes filing.

2. *Refusal to accept record — filing does not occur.* Filing does not occur with respect to a record that a filing office refuses to accept because:

*a.* the record is not communicated by a method or medium of communication authorized by the filing office;

*b.* an amount equal to or greater than the applicable filing fee is not tendered;

*c.* the filing office is unable to index the record because:

(1) in the case of an initial financing statement, the record does not provide a name for the debtor;

(2) in the case of an amendment or information statement, the record:

(a) does not identify the initial financing statement as required by section 554.9512 or 554.9518, as applicable; or

(b) identifies an initial financing statement whose effectiveness has lapsed under section 554.9515;

(3) in the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's surname; or

(4) in the case of a record filed or recorded in the filing office described in section 554.9501, subsection 1, paragraph "*a*", the record does not provide a sufficient description of the real property to which it relates;

*d.* in the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;

*e.* in the case of an initial financing statement or an amendment that provides a name of a

debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:

(1) provide a mailing address for the debtor; or

(2) indicate whether the name provided as the name of the debtor is the name of an individual or an organization;

*f.* in the case of an assignment reflected in an initial financing statement under section 554.9514, subsection 1, or an amendment filed under section 554.9514, subsection 2, the record does not provide a name and mailing address for the assignee; or

*g.* in the case of a continuation statement, the record is not filed within the six-month period prescribed by section 554.9515, subsection 4.

3. *Rules applicable to subsection 2.* For purposes of subsection 2:

*a.* a record does not provide information if the filing office is unable to read or decipher the information; and

*b.* a record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by section 554.9512, 554.9514, or 554.9518, is an initial financing statement.

4. *Refusal to accept record — record effective as filed record.* A record that is communicated to the filing office with tender of the filing fee, but which the filing office refuses to accept for a reason other than one set forth in subsection 2, is effective as a filed record except as against a purchaser of the collateral which gives value in reasonable reliance upon the absence of the record from the files.

2000 Acts, ch 1149, §87, 187; 2012 Acts, ch 1052, §18 – 20, 37

Referred to in §554.9109, 554.9338, 554.9520, 554.9521, 570A.4, 571.3, 579A.2, 579B.4, 581.3

Acceptance and refusal of record, see also §554.9520

2012 amendments to subsection 2, paragraphs c and e, are effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 2, paragraph c, subparagraph (2), unnumbered paragraph 1 amended

Subsection 2, paragraph c, subparagraph (3) amended

Subsection 2, paragraph e amended

**554.9517 Effect of indexing errors.**

The failure of the filing office to index a record correctly does not affect the effectiveness of the filed record.

2000 Acts, ch 1149, §88, 187

**554.9518 Claim concerning inaccurate or wrongfully filed record.**

1. *Statement with respect to record indexed under person's name.* A person may file in the filing office an information statement with respect to a record indexed there under the person's name if the person believes that the record is inaccurate or was wrongfully filed.

2. *Contents of statement under subsection 1.* An information statement under subsection 1 must:

*a.* identify the record to which it relates by the file number assigned to the initial financing statement to which the record relates;

*b.* indicate that it is an information statement; and

*c.* provide the basis for the person's belief that the record is inaccurate and indicate the manner in which the person believes the record should be amended to cure any inaccuracy or provide the basis for the person's belief that the record was wrongfully filed.

3. *Statement by secured party of record.* A person may file in the filing office an information statement with respect to a record filed there if the person is a secured party of record with respect to the financing statement to which the record relates and believes that the person that filed the record was not entitled to do so under section 554.9509, subsection 4.

4. *Contents of statement under subsection 3.* An information statement under subsection 3 must:

*a.* identify the record to which it relates by the file number assigned to the initial financing statement to which the record relates;

*b.* indicate that it is an information statement; and

*c.* provide the basis for the person's belief that the person that filed the record was not entitled to do so under section 554.9509, subsection 4.

5. *Record not affected by information statement.* The filing of an information statement does not affect the effectiveness of an initial financing statement or other filed record.

2000 Acts, ch 1149, §89, 187; 2012 Acts, ch 1052, §21, 37

Referred to in §554.9516

Remedies for secured party's noncompliance with Article; §554.9625

2012 amendment to this section is effective July 1, 2013; 2012 Acts, ch 1052, §37

Section amended

## SUBPART B

## DUTIES AND OPERATION OF FILING OFFICE

**554.9519 Numbering, maintaining, and indexing records — communicating information provided in records.**

1. *Filing office duties.* For each record filed in a filing office, the filing office shall:

*a.* assign a unique number to the filed record;

*b.* create a record that bears the number assigned to the filed record and the date and time of filing;

*c.* maintain the filed record for public inspection; and

*d.* index the filed record in accordance with subsections 3, 4, and 5.

2. *File number.* A file number assigned after January 1, 2002, must include a digit that:

*a.* is mathematically derived from or related to the other digits of the file number; and

*b.* aids the filing office in determining whether a number communicated as the file number includes a single-digit or transpositional error.

3. *Indexing — general.* Except as otherwise provided in subsections 4 and 5, the filing office shall:

*a.* index an initial financing statement according to the name of the debtor and index all filed records relating to the initial financing statement in a manner that associates with one another an initial financing statement and all filed records relating to the initial financing statement; and

*b.* index a record that provides a name of a debtor which was not previously provided in the financing statement to which the record relates also according to the name that was not previously provided.

4. *Indexing — real-property-related financing statement.* If a financing statement is filed as a fixture filing or covers as-extracted collateral or timber to be cut, it must be filed for record and the filing office shall index it:

*a.* under the names of the debtor and of each owner of record shown on the financing statement as if they were the mortgagors under a mortgage of the real property described; and

*b.* to the extent that the law of this state provides for indexing of records of mortgages under the name of the mortgagee, under the name of the secured party as if the secured party were the mortgagee thereunder, or, if indexing is by description, as if the financing statement were a record of a mortgage of the real property described.

5. *Indexing — real-property-related assignment.* If a financing statement is filed as a fixture filing or covers as-extracted collateral or timber to be cut, the filing office shall index an assignment filed under section 554.9514, subsection 1, or an amendment filed under section 554.9514, subsection 2:

*a.* under the name of the assignor as grantor; and

*b.* to the extent that the law of this state provides for indexing a record of the assignment of a mortgage under the name of the assignee, under the name of the assignee.

6. *Retrieval and association capability.* The filing office shall maintain a capability:

*a.* to retrieve a record by the name of the debtor and:

(1) if the filing office is described in section 554.9501, subsection 1, paragraph "*a*", by the file number assigned to the initial financing statement to which the record relates and the date and time that the record was filed or recorded; or

(2) if the filing office is described in section 554.9501, subsection 1, paragraph "*b*", by the file number assigned to the initial financing statement to which the record relates; and

*b.* to associate and retrieve with one another an initial financing statement and each filed record relating to the initial financing statement.

7. *Removal of debtor's name.* The filing office may not remove a debtor's name from the index until one year after the effectiveness of a financing statement naming the debtor lapses under section 554.9515 with respect to all secured parties of record.

8. *Timeliness of filing office performance.* The filing office shall perform the acts required by subsections 1 through 5 at the time and in the manner prescribed by filing-office rule, but not later than two business days after the filing office receives the record in question.

2000 Acts, ch 1149, §90, 187

Referred to in §331.609, 554.9102, 554.9109, 554.9513, 554.9523

**554.9520 Acceptance and refusal to accept record.**

1. *Mandatory refusal to accept record.* A filing office shall refuse to accept a record for filing for a reason set forth in section 554.9516, subsection 2, and may refuse to accept a record for filing only for a reason set forth in section 554.9516, subsection 2.

2. *Communication concerning refusal.* If a filing office refuses to accept a record for filing, it shall communicate to the person that presented the record the fact of and reason for the refusal and the date and time the record would have been filed had the filing office accepted it. The communication must be made at the time and in the manner prescribed by filing-office rule but in no event more than two business days after the filing office receives the record.

3. *When filed financing statement effective.* A filed financing statement satisfying section 554.9502, subsections 1 and 2, is effective, even if the filing office is required to refuse to accept it for filing under subsection 1. However, section 554.9338 applies to a filed financing statement providing information described in section 554.9516, subsection 2, paragraph "*e*", which is incorrect at the time the financing statement is filed.

4. *Separate application to multiple debtors.* If a record communicated to a filing office provides information that relates to more than one debtor, this part applies as to each debtor separately.

2000 Acts, ch 1149, §91, 187

**554.9521 Uniform form of written financing statement and amendment.**

1. *Initial financing statement form.* A filing office that accepts written records may not refuse to accept a written initial financing statement in a form and format approved by the secretary of state by rule adopted pursuant to chapter 17A except for a reason set forth in section 554.9516, subsection 2. The forms shall be consistent with those set forth in the final official text of the 1999 revisions to Article 9 of the Uniform Commercial Code promulgated by the American law institute and the national conference of commissioners on uniform state laws.

2. *Amendment form.* A filing office that accepts written records may not refuse to accept a written amendment in a form and format approved by the secretary of state by rule adopted pursuant to chapter 17A except for a reason set forth in section 554.9516, subsection 2. The forms shall be consistent with those set forth in the final official text of the 1999 revisions to Article 9 of the Uniform Commercial Code promulgated by the American law institute and the national conference of commissioners on uniform state laws.

2000 Acts, ch 1149, §92, 187; 2002 Acts, ch 1119, §89

**554.9522 Maintenance and destruction of records.**

1. *Post-lapse maintenance and retrieval of information.* The filing office shall maintain a record of the information provided in a filed financing statement for at least one year after the effectiveness of the financing statement has lapsed under section 554.9515 with respect to all secured parties of record. The record must be retrievable by using the name of the debtor and:

*a.* if the record was filed or recorded in the filing office described in section 554.9501,

subsection 1, paragraph *"a"*, by using the file number assigned to the initial financing statement to which the record relates and the date and time that the record was filed or recorded; or

*b.* if the record was filed in the filing office described in section 554.9501, subsection 1, paragraph *"b"*, by using the file number assigned to the initial financing statement to which the record relates.

2. *Destruction of written records.* Except to the extent that a statute governing disposition of public records provides otherwise, the filing office immediately may destroy any written record evidencing a financing statement. However, if the filing office destroys a written record, it shall maintain another record of the financing statement which complies with subsection 1.

2000 Acts, ch 1149, §93, 187
Referred to in §554.9513, 554.9523

**554.9523 Information from filing office — sale or license of records.**

1. *Acknowledgment of filing written record.* If a person that files a written record requests an acknowledgment of the filing, the filing office shall send to the person an image of the record showing the number assigned to the record pursuant to section 554.9519, subsection 1, paragraph *"a"*, and the date and time of the filing of the record. However, if the person furnishes a copy of the record to the filing office, the filing office may instead:

*a.* note upon the copy the number assigned to the record pursuant to section 554.9519, subsection 1, paragraph *"a"*, and the date and time of the filing of the record; and

*b.* send the copy to the person.

2. *Acknowledgment of filing other record.* If a person files a record other than a written record, the filing office shall communicate to the person an acknowledgment that provides:

*a.* the information in the record;

*b.* the number assigned to the record pursuant to section 554.9519, subsection 1, paragraph *"a"*; and

*c.* the date and time of the filing of the record.

3. *Communication of requested information.* The filing office shall communicate or otherwise make available in a record the following information to any person that requests it:

*a.* whether there is on file on a date and time specified by the filing office, but not a date earlier than three business days before the filing office receives the request, any financing statement that:

(1) designates a particular debtor or, if the request so states, designates a particular debtor at the address specified in the request;

(2) has not lapsed under section 554.9515 with respect to all secured parties of record; and

(3) if the request so states, has lapsed under section 554.9515 and a record of which is maintained by the filing office under section 554.9522, subsection 1;

*b.* the date and time of filing of each financing statement; and

*c.* the information provided in each financing statement.

4. *Medium for communicating information.* In complying with its duty under subsection 3, the filing office may communicate information in any medium. However, if requested, the filing office shall communicate information by issuing a record that can be admitted into evidence in the courts of this state without extrinsic evidence of its authenticity.

5. *Timeliness of filing office performance.* The filing office shall perform the acts required by subsections 1 through 4 at the time and in the manner prescribed by filing-office rule, but not later than two business days after the filing office receives the request.

6. *Public availability of records.* At least weekly, the filing office shall offer to sell or license to the public on a nonexclusive basis, in bulk, copies of all records filed in it under this part, in every medium from time to time available to the filing office, as provided in chapter 22.

2000 Acts, ch 1149, §94, 187
Referred to in §554.9513

**554.9524 Delay by filing office.**

Delay by the filing office beyond a time limit prescribed by this part is excused if:

1. the delay is caused by interruption of communication or computer facilities, war, emergency conditions, failure of equipment, or other circumstances beyond control of the filing office; and

2. the filing office exercises reasonable diligence under the circumstances.

2000 Acts, ch 1149, §95, 187

**554.9525 Fees.**

1. *Initial financing statement or other record — general rule.* Except as otherwise provided in subsections 3 and 4, fees for services rendered by the filing office under this part must be set by rules adopted by the secretary of state's office for services for that office. The rule must set the fees for filing and indexing a record under this part on the following basis:

*a.* if a record presented for filing is communicated to the filing office in writing and consists of more than two pages, the fee for filing and indexing the record must be at least twice the amount of the fee for a record communicated in writing that consists of one or two pages; and

*b.* if the record is communicated by another medium authorized by the secretary of state's office, the fee must be no more than half the amount of the fee for a record communicated in writing that consists of one or two pages.

2. *Number of names.* The number of names required to be indexed does not affect the amount of the fee in subsection 1.

3. *Response to information request.* A rule adopted pursuant to subsection 1 must set the fee for responding to a request for information from the filing office, including for communicating whether there is on file any financing statement naming a particular debtor. However, if the filing office is in the county, the board of supervisors for the county may adopt an ordinance or resolution setting the fee for responding to a request for the information. A fee for responding to a request communicated in writing must be not less than twice the amount of the fee for responding to a request communicated by another medium authorized by the office of secretary of state or the board of supervisors for the filing office where its filing office is located.

4. *Record of mortgage.* This section does not require a fee with respect to a record of a mortgage which is effective as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut under section 554.9502, subsection 3. However, the recording and satisfaction fees that otherwise would be applicable to the record of the mortgage apply.

2000 Acts, ch 1149, §96, 187; 2001 Acts, ch 176, §75; 2002 Acts, ch 1119, §90, 91

**554.9526 Filing-office rules.**

1. *Adoption of filing-office rules.* The office of secretary of state shall adopt and publish rules to implement this Article. The filing-office rules must be:

*a.* consistent with this Article; and

*b.* adopted and published in accordance with chapter 17A.

2. *Harmonization of rules.* To keep the filing-office rules and practices of the filing office in harmony with the rules and practices of filing offices in other jurisdictions that enact substantially this part, and to keep the technology used by the filing office compatible with the technology used by filing offices in other jurisdictions that enact substantially this part, the office of secretary of state, so far as is consistent with the purposes, policies, and provisions of this Article, in adopting, amending, and repealing filing-office rules, shall:

*a.* consult with filing offices in other jurisdictions that enact substantially this part; and

*b.* consult the most recent version of the Model Rules promulgated by the international association of corporate administrators or any successor organization; and

*c.* take into consideration the rules and practices of, and the technology used by, filing offices in other jurisdictions that enact substantially this part.

2000 Acts, ch 1149, §97, 187

Referred to in §554.9102

**554.9527 Duty to report.**

The office of secretary of state shall report annually on or before December 31 to the governor on the operation of the filing office. The report must contain a statement of the extent to which:

1. the filing-office rules are not in harmony with the rules of filing offices in other jurisdictions that enact substantially this part and the reasons for these variations; and

2. the filing-office rules are not in harmony with the most recent version of the Model Rules promulgated by the international association of corporate administrators, or any successor organization, and the reasons for these variations.

2000 Acts, ch 1149, §98, 187

## PART 6

## DEFAULT

Referred to in §203.12A, 203C.12A, 321.47, 461A.6, 537.5103, 570A.6, 571.5, 579A.3, 579B.5, 581.4

### SUBPART A

### DEFAULT AND ENFORCEMENT OF SECURITY INTEREST

**554.9601 Rights after default — judicial enforcement — consignor or buyer of accounts, chattel paper, payment intangibles, or promissory notes.**

1. *Rights of secured party after default.* After default, a secured party has the rights provided in this part and, except as otherwise provided in section 554.9602, those provided by agreement of the parties. A secured party:

*a.* may reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and

*b.* if the collateral is documents, may proceed either as to the documents or as to the goods they cover.

2. *Rights and duties of secured party in possession or control.* A secured party in possession of collateral or control of collateral under section 554.7106, 554.9104, 554.9105, 554.9106, or 554.9107 has the rights and duties provided in section 554.9207.

3. *Rights cumulative — simultaneous exercise.* The rights under subsections 1 and 2 are cumulative and may be exercised simultaneously.

4. *Rights of debtor and obligor.* Except as otherwise provided in subsection 7 and section 554.9605, after default, a debtor and an obligor have the rights provided in this part and by agreement of the parties.

5. *Lien of levy after judgment.* If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of:

*a.* the date of perfection of the security interest or agricultural lien in the collateral;

*b.* the date of filing a financing statement covering the collateral; or

*c.* any date specified in a statute under which the agricultural lien was created.

6. *Execution sale.* A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this Article.

7. *Consignor or buyer of certain rights to payment.* Except as otherwise provided in section 554.9607, subsection 3, this part imposes no duties upon a secured party that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

2000 Acts, ch 1149, §99, 187; 2007 Acts, ch 30, §45, 46, 76

**554.9602 Waiver and variance of rights and duties.**

Except as otherwise provided in section 554.9624, to the extent that they give rights to a debtor or obligor and impose duties on a secured party, the debtor or obligor may not waive or vary the rules stated in the following listed sections:

1. section 554.9207, subsection 2, paragraph "*d*", subparagraph (3), which deals with use and operation of the collateral by the secured party;

2. section 554.9210, which deals with requests for an accounting and requests concerning a list of collateral and statement of account;

3. section 554.9607, subsection 3, which deals with collection and enforcement as to collateral;

4. section 554.9608, subsection 1, and section 554.9615, subsection 3, to the extent that they deal with application or payment of noncash proceeds of collection, enforcement, or disposition;

5. section 554.9608, subsection 1, and section 554.9615, subsection 4, to the extent that they require accounting for or payment of surplus proceeds of collateral;

6. section 554.9609 to the extent that it imposes upon a secured party that takes possession of collateral without judicial process the duty to do so without breach of the peace;

7. section 554.9610, subsection 2, and sections 554.9611, 554.9613, and 554.9614, which deal with disposition of collateral;

8. section 554.9615, subsection 6, which deals with calculation of a deficiency or surplus when a disposition is made to the secured party, a person related to the secured party, or a secondary obligor;

9. section 554.9616, which deals with explanation of the calculation of a surplus or deficiency;

10. sections 554.9620, 554.9621, and 554.9622, which deal with acceptance of collateral in satisfaction of obligation;

11. section 554.9623, which deals with redemption of collateral;

12. section 554.9624, which deals with permissible waivers; and

13. sections 554.9625 and 554.9626, which deal with the secured party's liability for failure to comply with this Article.

2000 Acts, ch 1149, §100, 187; 2002 Acts, ch 1119, §92

Referred to in §554.9601, 554.9603

**554.9603 Agreement on standards concerning rights and duties.**

1. *Agreed standards.* The parties may determine by agreement the standards measuring the fulfillment of the rights of a debtor or obligor and the duties of a secured party under a rule stated in section 554.9602 if the standards are not manifestly unreasonable.

2. *Agreed standards inapplicable to breach of peace.* Subsection 1 does not apply to the duty under section 554.9609 to refrain from breaching the peace.

2000 Acts, ch 1149, §101, 187

**554.9604 Procedure if security agreement covers real property or fixtures.**

1. *Enforcement — personal and real property.* If a security agreement covers both personal and real property, a secured party may proceed:

*a.* under this part as to the personal property without prejudicing any rights with respect to the real property; or

*b.* as to both the personal property and the real property in accordance with the rights with respect to the real property, in which case the other provisions of this part do not apply.

2. *Enforcement — fixtures.* Subject to subsection 3, if a security agreement covers goods that are or become fixtures, a secured party may proceed:

*a.* under this part; or

*b.* in accordance with the rights with respect to real property, in which case the other provisions of this part do not apply.

3. *Removal of fixtures.* Subject to the other provisions of this part, if a secured party holding a security interest in fixtures has priority over all owners and encumbrancers of

the real property, the secured party, after default, may remove the collateral from the real property.

4. *Injury caused by removal.* A secured party that removes collateral shall promptly reimburse any encumbrancer or owner of the real property, other than the debtor, for the cost of repair of any physical injury caused by the removal. The secured party need not reimburse the encumbrancer or owner for any diminution in value of the real property caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse.

2000 Acts, ch 1149, §102, 187

Referred to in §554.9109

**554.9605 Unknown debtor or secondary obligor.**

A secured party does not owe a duty based on its status as secured party:

1. to a person that is a debtor or obligor, unless the secured party knows:

*a.* that the person is a debtor or obligor;

*b.* the identity of the person; and

*c.* how to communicate with the person; or

2. to a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

*a.* that the person is a debtor; and

*b.* the identity of the person.

2000 Acts, ch 1149, §103, 187

Referred to in §554.9601

Liability limitations; see §554.9628

**554.9606 Time of default for agricultural lien.**

For purposes of this part, a default occurs in connection with an agricultural lien at the time the secured party becomes entitled to enforce the lien in accordance with the statute under which it was created.

2000 Acts, ch 1149, §104, 187

**554.9607 Collection and enforcement by secured party.**

1. *Collection and enforcement generally.* If so agreed, and in any event after default, a secured party:

*a.* may notify an account debtor or other person obligated on collateral to make payment or otherwise render performance to or for the benefit of the secured party;

*b.* may take any proceeds to which the secured party is entitled under section 554.9315;

*c.* may enforce the obligations of an account debtor or other person obligated on collateral and exercise the rights of the debtor with respect to the obligation of the account debtor or other person obligated on collateral to make payment or otherwise render performance to the debtor, and with respect to any property that secures the obligations of the account debtor or other person obligated on the collateral;

*d.* if it holds a security interest in a deposit account perfected by control under section 554.9104, subsection 1, paragraph "*a*", may apply the balance of the deposit account to the obligation secured by the deposit account; and

*e.* if it holds a security interest in a deposit account perfected by control under section 554.9104, subsection 1, paragraph "*b*" or "*c*", may instruct the bank to pay the balance of the deposit account to or for the benefit of the secured party.

2. *Nonjudicial enforcement of mortgage.* If necessary to enable a secured party to exercise under subsection 1, paragraph "*c*", the right of a debtor to enforce a mortgage nonjudicially, the secured party may record in the office in which a record of the mortgage is recorded:

*a.* a copy of the security agreement that creates or provides for a security interest in the obligation secured by the mortgage; and

*b.* the secured party's sworn affidavit in recordable form stating that:

(1) a default has occurred with respect to the obligation secured by the mortgage; and

(2) the secured party is entitled to enforce the mortgage nonjudicially.

3. *Commercially reasonable collection and enforcement.* A secured party shall proceed in a commercially reasonable manner if the secured party:

*a.* undertakes to collect from or enforce an obligation of an account debtor or other person obligated on collateral; and

*b.* is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor or a secondary obligor.

4. *Expenses of collection and enforcement.* A secured party may deduct from the collections made pursuant to subsection 3 reasonable expenses of collection and enforcement, including reasonable attorney's fees and legal expenses incurred by the secured party.

5. *Duties to secured party not affected.* This section does not determine whether an account debtor, bank, or other person obligated on collateral owes a duty to a secured party.

2000 Acts, ch 1149, §105, 187; 2012 Acts, ch 1052, §22, 37

Referred to in §554.9601, 554.9602, 554.9608, 554.9623

2012 amendment to subsection 2, paragraph b, subparagraph (1), is effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 2, paragraph b, subparagraph (1) amended

**554.9608 Application of proceeds of collection or enforcement — liability for deficiency and right to surplus.**

1. *Application of proceeds, surplus, and deficiency if obligation secured.* If a security interest or agricultural lien secures payment or performance of an obligation, the following rules apply:

*a.* a secured party shall apply or pay over for application the cash proceeds of collection or enforcement under section 554.9607 in the following order to:

(1) the reasonable expenses of collection and enforcement and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

(2) the satisfaction of obligations secured by the security interest or agricultural lien under which the collection or enforcement is made; and

(3) the satisfaction of obligations secured by any subordinate security interest in or other lien on the collateral subject to the security interest or agricultural lien under which the collection or enforcement is made if the secured party receives an authenticated demand for proceeds before distribution of the proceeds is completed.

*b.* if requested by a secured party, a holder of a subordinate security interest or other lien shall furnish reasonable proof of the interest or lien within a reasonable time. Unless the holder complies, the secured party need not comply with the holder's demand under paragraph "*a*", subparagraph (3).

*c.* a secured party need not apply or pay over for application noncash proceeds of collection and enforcement under section 554.9607 unless the failure to do so would be commercially unreasonable. A secured party that applies or pays over for application noncash proceeds shall do so in a commercially reasonable manner.

*d.* a secured party shall account to and pay a debtor for any surplus, and the obligor is liable for any deficiency.

2. *No surplus or deficiency in sales of certain rights to payment.* If the underlying transaction is a sale of accounts, chattel paper, payment intangibles, or promissory notes, the debtor is not entitled to any surplus, and the obligor is not liable for any deficiency.

2000 Acts, ch 1149, §106, 187

Referred to in §554.9602

**554.9609 Secured party's right to take possession after default.**

1. *Possession — rendering equipment unusable — disposition on debtor's premises.* After default, a secured party:

*a.* may take possession of the collateral; and

*b.* without removal, may render equipment unusable and dispose of collateral on a debtor's premises under section 554.9610.

2. *Judicial and nonjudicial process.* A secured party may proceed under subsection 1:

*a.* pursuant to judicial process; or

*b.* without judicial process, if it proceeds without breach of the peace.

3. *Assembly of collateral.* If so agreed, and in any event after default, a secured party may require the debtor to assemble the collateral and make it available to the secured party at a place to be designated by the secured party which is reasonably convenient to both parties.

2000 Acts, ch 1149, §107, 187

Referred to in §554.9102, 554.9602, 554.9603

**554.9610 Disposition of collateral after default.**

1. *Disposition after default.* After default, a secured party may sell, lease, license, or otherwise dispose of any or all of the collateral in its present condition or following any commercially reasonable preparation or processing.

2. *Commercially reasonable disposition.* Every aspect of a disposition of collateral, including the method, manner, time, place, and other terms, must be commercially reasonable. If commercially reasonable, a secured party may dispose of collateral by public or private proceedings, by one or more contracts, as a unit or in parcels, and at any time and place and on any terms.

3. *Purchase by secured party.* A secured party may purchase collateral:

*a.* at a public disposition; or

*b.* at a private disposition only if the collateral is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations.

4. *Warranties on disposition.* A contract for sale, lease, license, or other disposition includes the warranties relating to title, possession, quiet enjoyment, and the like which by operation of law accompany a voluntary disposition of property of the kind subject to the contract.

5. *Disclaimer of warranties.* A secured party may disclaim or modify warranties under subsection 4:

*a.* in a manner that would be effective to disclaim or modify the warranties in a voluntary disposition of property of the kind subject to the contract of disposition; or

*b.* by communicating to the purchaser a record evidencing the contract for disposition and including an express disclaimer or modification of the warranties.

6. *Record sufficient to disclaim warranties.* A record is sufficient to disclaim warranties under subsection 5 if it indicates "There is no warranty relating to title, possession, quiet enjoyment, or the like in this disposition" or uses words of similar import.

2000 Acts, ch 1149, §108, 187

Referred to in §554.9406, 554.9408, 554.9602, 554.9609, 554.9611, 554.9615, 554.9616, 554.9618, 554.9620, 554.9623

**554.9611 Notification before disposition of collateral.**

1. *Notification date.* In this section, "*notification date*" means the earlier of the dates on which:

*a.* a secured party sends to the debtor and any secondary obligor an authenticated notification of disposition; or

*b.* the debtor and any secondary obligor waive the right to notification.

2. *Notification of disposition required.* Except as otherwise provided in subsection 4, a secured party that disposes of collateral under section 554.9610 shall send to the persons specified in subsection 3 a reasonable authenticated notification of disposition.

3. *Persons to be notified.* To comply with subsection 2, the secured party shall send an authenticated notification of disposition to:

*a.* the debtor;

*b.* any secondary obligor; and

*c.* if the collateral is other than consumer goods:

(1) any other person from which the secured party has received, before the notification date, an authenticated notification of a claim of an interest in the collateral;

(2) any other secured party or lienholder that, ten days before the notification date, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

(a) identified the collateral;

(b) was indexed under the debtor's name as of that date; and

(c) was filed in the office in which to file a financing statement against the debtor covering the collateral as of that date; and

(3) any other secured party that, ten days before the notification date, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in section 554.9311, subsection 1.

4. *Subsection 2 inapplicable — perishable collateral — recognized market.* Subsection 2 does not apply if the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market.

5. *Compliance with subsection 3, paragraph "c", subparagraph (2).* A secured party complies with the requirement for notification prescribed by subsection 3, paragraph "*c*", subparagraph (2), if:

*a.* not later than twenty days or earlier than thirty days before the notification date, the secured party requests, in a commercially reasonable manner, information concerning financing statements indexed under the debtor's name in the office indicated in subsection 3, paragraph "*c*", subparagraph (2); and

*b.* before the notification date, the secured party:

(1) did not receive a response to the request for information; or

(2) received a response to the request for information and sent an authenticated notification of disposition to each secured party or other lienholder named in that response whose financing statement covered the collateral.

2000 Acts, ch 1149, §109, 187

Referred to in §554.9602, 554.9624

**554.9612 Timeliness of notification before disposition of collateral.**

1. *Reasonable time is question of fact.* Except as otherwise provided in subsection 2, whether a notification is sent within a reasonable time is a question of fact.

2. *Ten-day period sufficient in nonconsumer transaction.* In a transaction other than a consumer transaction, a notification of disposition sent after default and ten days or more before the earliest time of disposition set forth in the notification is sent within a reasonable time before the disposition.

2000 Acts, ch 1149, §110, 187

**554.9613 Contents and form of notification before disposition of collateral — general.**

Except in a consumer-goods transaction, the following rules apply:

1. The contents of a notification of disposition are sufficient if the notification:

*a.* describes the debtor and the secured party;

*b.* describes the collateral that is the subject of the intended disposition;

*c.* states the method of intended disposition;

*d.* states that the debtor is entitled to an accounting of the unpaid indebtedness and states the charge, if any, for an accounting; and

*e.* states the time and place of a public disposition or the time after which any other disposition is to be made.

2. Whether the contents of a notification that lacks any of the information specified in subsection 1 are nevertheless sufficient is a question of fact.

3. The contents of a notification providing substantially the information specified in subsection 1 are sufficient, even if the notification includes:

*a.* information not specified by that subsection; or

*b.* minor errors that are not seriously misleading.

4. A particular phrasing of the notification is not required.

5. The following form of notification and the form appearing in section 554.9614, subsection 3, when completed, each provides sufficient information:

NOTIFICATION OF DISPOSITION
OF COLLATERAL

To: [name of debtor, obligor, or other person to which the notification is sent]

From: [name, address, and telephone number of secured party]

Name of Debtor(s): [include only if debtor(s) are not an addressee]

[for a public disposition:]

We will sell [or lease or license, as applicable] the [describe collateral] [to the highest qualified bidder] in public as follows:

Day and Date: .....

Time: .....

Place: .....

[for a private disposition:]

We will sell [or lease or license, as applicable] the [describe collateral] privately sometime after [day and date].

You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell [or lease or license, as applicable] [for a charge of ..... dollars]. You may request an accounting by calling us at [telephone number].

2000 Acts, ch 1149, §111, 187
Referred to in §554.9602, 554.9614

**554.9614 Contents and form of notification before disposition of collateral — consumer-goods transaction.**

In a consumer-goods transaction, the following rules apply:

1. A notification of disposition must provide the following information:

*a.* the information specified in section 554.9613, subsection 1;

*b.* a description of any liability for a deficiency of the person to which the notification is sent;

*c.* a telephone number from which the amount that must be paid to the secured party to redeem the collateral under section 554.9623 is available; and

*d.* a telephone number or mailing address from which additional information concerning the disposition and the obligation secured is available.

2. A particular phrasing of the notification is not required.

3. The following form of notification, when completed, provides sufficient information:

[name and address of secured party]

[date]

NOTICE OF OUR PLAN TO SELL PROPERTY

[name and address of any obligor who is also a debtor]

Subject: [identification of transaction]

We have your [describe collateral], because you broke promises in our agreement.

[for a public disposition:]

We will sell [describe collateral] at public sale. A sale could include a lease or license. The sale will be held as follows:

Date: .....

Time: .....

Place: .....

You may attend the sale and bring bidders if you want.

[for a private disposition:]

We will sell [describe collateral] at private sale sometime after [date]. A sale could include a lease or license.

The money that we get from the sale (after paying our costs) will reduce the amount you owe. If we get less money than you owe, you [will or will not, as applicable] still owe us the difference. If we get more money than you owe, you will get the extra money, unless we must pay it to someone else.

You can get the property back at any time before we sell it by paying us the full amount you owe (not just the past due payments), including our expenses. To learn the exact amount you must pay, call us at [telephone number].

If you want us to explain to you in writing how we have figured the amount that you owe us, you may call us at [telephone number] [or write us at [secured party's address]] and request a written explanation. [We will charge you ..... for the explanation if we sent you another written explanation of the amount you owe us within the last six months.]

If you need more information about the sale call us at [telephone number] [or write us at [secured party's address]].

We are sending this notice to the following other people who have an interest in [describe collateral] or who owe money under your agreement:

[names of all other debtors and obligors, if any]

4. A notification in the form of subsection 3 is sufficient, even if additional information appears at the end of the form.

5. A notification in the form of subsection 3 is sufficient, even if it includes errors in information not required by subsection 1, unless the error is misleading with respect to rights arising under this Article.

6. If a notification under this section is not in the form of subsection 3, law other than this Article determines the effect of including information not required by subsection 1.

2000 Acts, ch 1149, §112, 187

Referred to in §554.9602, 554.9613

**554.9615 Application of proceeds of disposition — liability for deficiency and right to surplus.**

1. *Application of proceeds.* A secured party shall apply or pay over for application the cash proceeds of disposition under section 554.9610 in the following order to:

*a.* the reasonable expenses of retaking, holding, preparing for disposition, processing, and disposing, and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

*b.* the satisfaction of obligations secured by the security interest or agricultural lien under which the disposition is made;

*c.* the satisfaction of obligations secured by any subordinate security interest in or other subordinate lien on the collateral if:

(1) the secured party receives from the holder of the subordinate security interest or other lien an authenticated demand for proceeds before distribution of the proceeds is completed; and

(2) in a case in which a consignor has an interest in the collateral, the subordinate security interest or other lien is senior to the interest of the consignor; and

*d.* a secured party that is a consignor of the collateral if the secured party receives from the consignor an authenticated demand for proceeds before distribution of the proceeds is completed.

2. *Proof of subordinate interest.* If requested by a secured party, a holder of a subordinate security interest or other lien shall furnish reasonable proof of the interest or lien within a reasonable time. Unless the holder does so, the secured party need not comply with the holder's demand under subsection 1, paragraph "c".

3. *Application of noncash proceeds.* A secured party need not apply or pay over for

application noncash proceeds of disposition under section 554.9610 unless the failure to do so would be commercially unreasonable. A secured party that applies or pays over for application noncash proceeds shall do so in a commercially reasonable manner.

4. *Surplus or deficiency if obligation secured.* If the security interest under which a disposition is made secures payment or performance of an obligation, after making the payments and applications required by subsection 1 and permitted by subsection 3:

*a.* unless subsection 1, paragraph "*d*", requires the secured party to apply or pay over cash proceeds to a consignor, the secured party shall account to and pay a debtor for any surplus; and

*b.* the obligor is liable for any deficiency.

5. *No surplus or deficiency in sales of certain rights to payment.* If the underlying transaction is a sale of accounts, chattel paper, payment intangibles, or promissory notes:

*a.* the debtor is not entitled to any surplus; and

*b.* the obligor is not liable for any deficiency.

6. *Calculation of surplus or deficiency in disposition to person related to secured party.* The surplus or deficiency following a disposition is calculated based on the amount of proceeds that would have been realized in a disposition complying with this part to a transferee other than the secured party, a person related to the secured party, or a secondary obligor if:

*a.* the transferee in the disposition is the secured party, a person related to the secured party, or a secondary obligor; and

*b.* the amount of proceeds of the disposition is significantly below the range of proceeds that a complying disposition to a person other than the secured party, a person related to the secured party, or a secondary obligor would have brought.

7. *Cash proceeds received by junior secured party.* A secured party that receives cash proceeds of a disposition in good faith and without knowledge that the receipt violates the rights of the holder of a security interest or other lien that is not subordinate to the security interest or agricultural lien under which the disposition is made:

*a.* takes the cash proceeds free of the security interest or other lien;

*b.* is not obligated to apply the proceeds of the disposition to the satisfaction of obligations secured by the security interest or other lien; and

*c.* is not obligated to account to or pay the holder of the security interest or other lien for any surplus.

2000 Acts, ch 1149, §113, 187

Referred to in §554.9602, 554.9616, 554.9623, 554.9626

**554.9616 Explanation of calculation of surplus or deficiency.**

1. *Definitions.* In this section:

*a.* "*Explanation*" means a writing that:

(1) states the amount of the surplus or deficiency;

(2) provides an explanation in accordance with subsection 3 of how the secured party calculated the surplus or deficiency;

(3) states, if applicable, that future debits, credits, charges, including additional credit service charges or interest, rebates, and expenses may affect the amount of the surplus or deficiency; and

(4) provides a telephone number or mailing address from which additional information concerning the transaction is available.

*b.* "*Request*" means a record:

(1) authenticated by a debtor or consumer obligor;

(2) requesting that the recipient provide an explanation; and

(3) sent after disposition of the collateral under section 554.9610.

2. *Explanation of calculation.* In a consumer-goods transaction in which the debtor is entitled to a surplus or a consumer obligor is liable for a deficiency under section 554.9615, the secured party shall:

*a.* send an explanation to the debtor or consumer obligor, as applicable, after the disposition and:

(1) before or when the secured party accounts to the debtor and pays any surplus or first makes written demand on the consumer obligor after the disposition for payment of the deficiency; and

(2) within fourteen days after receipt of a request; or

*b.* in the case of a consumer obligor who is liable for a deficiency, within fourteen days after receipt of a request, send to the consumer obligor a record waiving the secured party's right to a deficiency.

3. *Required information.* To comply with subsection 1, paragraph "*a*", subparagraph (2), a writing must provide the following information in the following order:

*a.* the aggregate amount of obligations secured by the security interest under which the disposition was made, and, if the amount reflects a rebate of unearned interest or credit service charge, an indication of that fact, calculated as of a specified date:

(1) if the secured party takes or receives possession of the collateral after default, not more than thirty-five days before the secured party takes or receives possession; or

(2) if the secured party takes or receives possession of the collateral before default or does not take possession of the collateral, not more than thirty-five days before the disposition;

*b.* the amount of proceeds of the disposition;

*c.* the aggregate amount of the obligations after deducting the amount of proceeds;

*d.* the amount, in the aggregate or by type, and types of expenses, including expenses of retaking, holding, preparing for disposition, processing, and disposing of the collateral, and attorney's fees secured by the collateral which are known to the secured party and relate to the current disposition;

*e.* the amount, in the aggregate or by type, and types of credits, including rebates of interest or credit service charges, to which the obligor is known to be entitled and which are not reflected in the amount in paragraph "*a*"; and

*f.* the amount of the surplus or deficiency.

4. *Substantial compliance.* A particular phrasing of the explanation is not required. An explanation complying substantially with the requirements of subsection 1 is sufficient, even if it includes minor errors that are not seriously misleading.

5. *Charges for responses.* A debtor or consumer obligor is entitled without charge to one response to a request under this section during any six-month period in which the secured party did not send to the debtor or consumer obligor an explanation pursuant to subsection 2, paragraph "*a*". The secured party may require payment of a charge not exceeding twenty-five dollars for each additional response.

2000 Acts, ch 1149, §114, 187

Referred to in §554.9602, 554.9625, 554.9628

Remedies for secured party's failure to comply with Article; §554.9625

**554.9617 Rights of transferee of collateral.**

1. *Effects of disposition.* A secured party's disposition of collateral after default:

*a.* transfers to a transferee for value all of the debtor's rights in the collateral;

*b.* discharges the security interest under which the disposition is made; and

*c.* discharges any subordinate security interest or other subordinate lien.

2. *Rights of good-faith transferee.* A transferee that acts in good faith takes free of the rights and interests described in subsection 1, even if the secured party fails to comply with this Article or the requirements of any judicial proceeding.

3. *Rights of other transferee.* If a transferee does not take free of the rights and interests described in subsection 1, the transferee takes the collateral subject to:

*a.* the debtor's rights in the collateral;

*b.* the security interest or agricultural lien under which the disposition is made; and

*c.* any other security interest or other lien.

2000 Acts, ch 1149, §115, 187

**554.9618 Rights and duties of certain secondary obligors.**

1. *Rights and duties of secondary obligor.* A secondary obligor acquires the rights and becomes obligated to perform the duties of the secured party after the secondary obligor:

*a.* receives an assignment of a secured obligation from the secured party;

*b.* receives a transfer of collateral from the secured party and agrees to accept the rights and assume the duties of the secured party; or

*c.* is subrogated to the rights of a secured party with respect to collateral.

2. *Effect of assignment, transfer, or subrogation.* An assignment, transfer, or subrogation described in subsection 1:

*a.* is not a disposition of collateral under section 554.9610; and

*b.* relieves the secured party of further duties under this Article.

2000 Acts, ch 1149, §116, 187

**554.9619 Transfer of record or legal title.**

1. *Transfer statement.* In this section, "*transfer statement*" means a record authenticated by a secured party stating:

*a.* that the debtor has defaulted in connection with an obligation secured by specified collateral;

*b.* that the secured party has exercised its post-default remedies with respect to the collateral;

*c.* that, by reason of the exercise, a transferee has acquired the rights of the debtor in the collateral; and

*d.* the name and mailing address of the secured party, debtor, and transferee.

2. *Effect of transfer statement.* A transfer statement entitles the transferee to the transfer of record of all rights of the debtor in the collateral specified in the statement in any official filing, recording, registration, or certificate-of-title system covering the collateral. If a transfer statement is presented with the applicable fee and request form to the official or office responsible for maintaining the system, the official or office shall:

*a.* accept the transfer statement;

*b.* promptly amend its records to reflect the transfer; and

*c.* if applicable, issue a new appropriate certificate of title in the name of the transferee.

3. *Transfer not a disposition — no relief of secured party's duties.* A transfer of the record or legal title to collateral to a secured party under subsection 2 or otherwise is not of itself a disposition of collateral under this Article and does not of itself relieve the secured party of its duties under this Article.

2000 Acts, ch 1149, §117, 187

Transfer of title or interest in vehicles, §321.45 – 321.52A

**554.9620 Acceptance of collateral in full or partial satisfaction of obligation — compulsory disposition of collateral.**

1. *Conditions to acceptance in satisfaction.* Except as otherwise provided in subsection 7, a secured party may accept collateral in full or partial satisfaction of the obligation it secures only if:

*a.* the debtor consents to the acceptance under subsection 3;

*b.* the secured party does not receive, within the time set forth in subsection 4, a notification of objection to the proposal authenticated by:

(1) a person to which the secured party was required to send a proposal under section 554.9621; or

(2) any other person, other than the debtor, holding an interest in the collateral subordinate to the security interest that is the subject of the proposal;

*c.* if the collateral is consumer goods, the collateral is not in the possession of the debtor when the debtor consents to the acceptance; and

*d.* subsection 5 does not require the secured party to dispose of the collateral or the debtor waives the requirement pursuant to section 554.9624.

2. *Purported acceptance ineffective.* A purported or apparent acceptance of collateral under this section is ineffective unless:

*a.* the secured party consents to the acceptance in an authenticated record or sends a proposal to the debtor; and

*b.* the conditions of subsection 1 are met.

3. *Debtor's consent.* For purposes of this section:

*a.* a debtor consents to an acceptance of collateral in partial satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record authenticated after default; and

*b.* a debtor consents to an acceptance of collateral in full satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record authenticated after default or the secured party:

(1) sends to the debtor after default a proposal that is unconditional or subject only to a condition that collateral not in the possession of the secured party be preserved or maintained;

(2) in the proposal, proposes to accept collateral in full satisfaction of the obligation it secures; and

(3) does not receive a notification of objection authenticated by the debtor within twenty days after the proposal is sent.

4. *Effectiveness of notification.* To be effective under subsection 1, paragraph "*b*", a notification of objection must be received by the secured party:

*a.* in the case of a person to which the proposal was sent pursuant to section 554.9621, within twenty days after notification was sent to that person; and

*b.* in other cases:

(1) within twenty days after the last notification was sent pursuant to section 554.9621; or

(2) if a notification was not sent, before the debtor consents to the acceptance under subsection 3.

5. *Mandatory disposition of consumer goods.* A secured party that has taken possession of collateral shall dispose of the collateral pursuant to section 554.9610 within the time specified in subsection 6 if:

*a.* sixty percent of the cash price has been paid in the case of a purchase-money security interest in consumer goods; or

*b.* sixty percent of the principal amount of the obligation secured has been paid in the case of a non-purchase-money security interest in consumer goods.

6. *Compliance with mandatory disposition requirement.* To comply with subsection 5, the secured party shall dispose of the collateral:

*a.* within ninety days after taking possession; or

*b.* within any longer period to which the debtor and all secondary obligors have agreed in an agreement to that effect entered into and authenticated after default.

7. *No partial satisfaction in consumer transaction.* In a consumer transaction, a secured party may not accept collateral in partial satisfaction of the obligation it secures.

2000 Acts, ch 1149, §118, 187

Referred to in §554.9102, 554.9406, 554.9408, 554.9602, 554.9624

**554.9621 Notification of proposal to accept collateral.**

1. *Persons to which proposal to be sent.* A secured party that desires to accept collateral in full or partial satisfaction of the obligation it secures shall send its proposal to:

*a.* any person from which the secured party has received, before the debtor consented to the acceptance, an authenticated notification of a claim of an interest in the collateral;

*b.* any other secured party or lienholder that, ten days before the debtor consented to the acceptance, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

(1) identified the collateral;

(2) was indexed under the debtor's name as of that date; and

(3) was filed in the office or offices in which to file a financing statement against the debtor covering the collateral as of that date; and

*c.* any other secured party that, ten days before the debtor consented to the acceptance, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in section 554.9311, subsection 1.

2. *Proposal to be sent to secondary obligor in partial satisfaction.* A secured party that

desires to accept collateral in partial satisfaction of the obligation it secures shall send its proposal to any secondary obligor in addition to the persons described in subsection 1.

2000 Acts, ch 1149, §119, 187

Referred to in §554.9102, 554.9602, 554.9620

**554.9622 Effect of acceptance of collateral.**

1. *Effect of acceptance.* A secured party's acceptance of collateral in full or partial satisfaction of the obligation it secures:

*a.* discharges the obligation to the extent consented to by the debtor;

*b.* transfers to the secured party all of a debtor's rights in the collateral;

*c.* discharges the security interest or agricultural lien that is the subject of the debtor's consent and any subordinate security interest or other subordinate lien; and

*d.* terminates any other subordinate interest.

2. *Discharge of subordinate interest notwithstanding noncompliance.* A subordinate interest is discharged or terminated under subsection 1, even if the secured party fails to comply with this Article.

2000 Acts, ch 1149, §120, 187

Referred to in §554.9102, 554.9602, 554.9623

**554.9623 Right to redeem collateral.**

1. *Persons that may redeem.* A debtor, any secondary obligor, or any other secured party or lienholder may redeem collateral.

2. *Requirements for redemption.* To redeem collateral, a person shall tender:

*a.* fulfillment of all obligations secured by the collateral; and

*b.* the reasonable expenses and attorney's fees described in section 554.9615, subsection 1, paragraph "*a*".

3. *When redemption may occur.* A redemption may occur at any time before a secured party:

*a.* has collected collateral under section 554.9607;

*b.* has disposed of collateral or entered into a contract for its disposition under section 554.9610; or

*c.* has accepted collateral in full or partial satisfaction of the obligation it secures under section 554.9622.

2000 Acts, ch 1149, §121, 187

Referred to in §554.9602, 554.9614, 554.9624

**554.9624 Waiver.**

1. *Waiver of disposition notification.* A debtor or secondary obligor may waive the right to notification of disposition of collateral under section 554.9611 only by an agreement to that effect entered into and authenticated after default.

2. *Waiver of mandatory disposition.* A debtor may waive the right to require disposition of collateral under section 554.9620, subsection 5, only by an agreement to that effect entered into and authenticated after default.

3. *Waiver of redemption right.* Except in a consumer-goods transaction, a debtor or secondary obligor may waive the right to redeem collateral under section 554.9623 only by an agreement to that effect entered into and authenticated after default.

2000 Acts, ch 1149, §122, 187

Referred to in §554.9602, 554.9620

## SUBPART B

## NONCOMPLIANCE WITH ARTICLE

**554.9625 Remedies for secured party's failure to comply with Article.**

1. *Judicial orders concerning noncompliance.* If it is established that a secured party

is not proceeding in accordance with this Article, a court may order or restrain collection, enforcement, or disposition of collateral on appropriate terms and conditions.

2. *Damages for noncompliance.* Subject to subsections 3, 4, and 6, a person is liable for damages in the amount of any loss caused by a failure to comply with this Article. Loss caused by a failure to comply may include loss resulting from the debtor's inability to obtain, or increased costs of, alternative financing.

3. *Persons entitled to recover damages — statutory damages if collateral is consumer goods.* Except as otherwise provided in section 554.9628:

*a.* a person that, at the time of the failure, was a debtor, was an obligor, or held a security interest in or other lien on the collateral may recover damages under subsection 2 for its loss; and

*b.* if the collateral is consumer goods, a person that was a debtor or a secondary obligor at the time a secured party failed to comply with this part may recover for that failure in any event an amount not less than the credit service charge plus ten percent of the principal amount of the obligation or the time-price differential plus ten percent of the cash price.

4. *Recovery when deficiency eliminated or reduced.* A debtor whose deficiency is eliminated under section 554.9626 may recover damages for the loss of any surplus. However, a debtor or secondary obligor whose deficiency is eliminated or reduced under section 554.9626 may not otherwise recover under subsection 2 for noncompliance with the provisions of this part relating to collection, enforcement, disposition, or acceptance.

5. *Statutory damages — noncompliance with specified provisions.* In addition to any damages recoverable under subsection 2, the debtor, consumer obligor, or person named as a debtor in a filed record, as applicable, may recover five hundred dollars in each case from a person that:

*a.* fails to comply with section 554.9208;

*b.* fails to comply with section 554.9209;

*c.* files a record that the person is not entitled to file under section 554.9509, subsection 1;

*d.* fails to cause the secured party of record to file or send a termination statement as required by section 554.9513, subsection 1 or 3;

*e.* fails to comply with section 554.9616, subsection 2, paragraph "*a*", and whose failure is part of a pattern, or consistent with a practice, of noncompliance; or

*f.* fails to comply with section 554.9616, subsection 2, paragraph "*b*".

6. *Statutory damages — noncompliance with section 554.9210.* A debtor or consumer obligor may recover damages under subsection 2 and, in addition, five hundred dollars in each case from a person that, without reasonable cause, fails to comply with a request under section 554.9210. A recipient of a request under section 554.9210 which never claimed an interest in the collateral or obligations that are the subject of a request under that section has a reasonable excuse for failure to comply with the request within the meaning of this subsection.

7. *Limitation of security interest — noncompliance with section 554.9210.* If a secured party fails to comply with a request regarding a list of collateral or a statement of account under section 554.9210, the secured party may claim a security interest only as shown in the list or statement included in the request as against a person that is reasonably misled by the failure.

2000 Acts, ch 1149, §123, 187; 2012 Acts, ch 1052, §23, 37

Referred to in §554.9602, 554.9628

2012 amendment to subsection 3 is effective July 1, 2013; 2012 Acts, ch 1052, §37

Subsection 3 amended

**554.9626 Action in which deficiency or surplus is in issue.**

1. *Applicable rules if amount of deficiency or surplus in issue.* In an action arising from a transaction, other than a consumer transaction, in which the amount of a deficiency or surplus is in issue, the following rules apply:

*a.* a secured party need not prove compliance with the provisions of this part relating to collection, enforcement, disposition, or acceptance unless the debtor or a secondary obligor places the secured party's compliance in issue.

*b.* if the secured party's compliance is placed in issue, the secured party has the burden

of establishing that the collection, enforcement, disposition, or acceptance was conducted in accordance with this part.

*c.* except as otherwise provided in section 554.9628, if a secured party fails to prove that the collection, enforcement, disposition, or acceptance was conducted in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance, the liability of a debtor or a secondary obligor for a deficiency is limited to an amount by which the sum of the secured obligation, expenses, and attorney's fees exceeds the greater of:

(1) the proceeds of the collection, enforcement, disposition, or acceptance; or

(2) the amount of proceeds that would have been realized had the noncomplying secured party proceeded in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance.

*d.* for purposes of paragraph "*c*", subparagraph (2), the amount of proceeds that would have been realized is equal to the sum of the secured obligation, expenses, and attorney's fees unless the secured party proves that the amount is less than that sum.

*e.* if a deficiency or surplus is calculated under section 554.9615, subsection 6, the debtor or obligor has the burden of establishing that the amount of proceeds of the disposition is significantly below the range of prices that a complying disposition to a person other than the secured party, a person related to the secured party, or a secondary obligor would have brought.

2. *Nonconsumer transactions — no inference.* The limitation of the rules in subsection 1 to transactions other than consumer transactions is intended to leave to the court the determination of the proper rules in consumer transactions. The court may not infer from that limitation the nature of the proper rule in consumer transactions and may continue to apply established approaches.

2000 Acts, ch 1149, §124, 187

Referred to in §554.9602, 554.9625

**554.9627 Determination of whether conduct was commercially reasonable.**

1. *Greater amount obtainable under other circumstances — no preclusion of commercial reasonableness.* The fact that a greater amount could have been obtained by a collection, enforcement, disposition, or acceptance at a different time or in a different method from that selected by the secured party is not of itself sufficient to preclude the secured party from establishing that the collection, enforcement, disposition, or acceptance was made in a commercially reasonable manner.

2. *Dispositions that are commercially reasonable.* A disposition of collateral is made in a commercially reasonable manner if the disposition is made:

*a.* in the usual manner on any recognized market;

*b.* at the price current in any recognized market at the time of the disposition; or

*c.* otherwise in conformity with reasonable commercial practices among dealers in the type of property that was the subject of the disposition.

3. *Approval by court or on behalf of creditors.* A collection, enforcement, disposition, or acceptance is commercially reasonable if it has been approved:

*a.* in a judicial proceeding;

*b.* by a bona fide creditors' committee;

*c.* by a representative of creditors; or

*d.* by an assignee for the benefit of creditors.

4. *Approval under subsection 3 not necessary — absence of approval has no effect.* Approval under subsection 3 need not be obtained, and lack of approval does not mean that the collection, enforcement, disposition, or acceptance is not commercially reasonable.

2000 Acts, ch 1149, §125, 187

**554.9628 Nonliability and limitation on liability of secured party — liability of secondary obligor.**

1. *Limitation of liability of secured party for noncompliance with article.* Unless a secured

party knows that a person is a debtor or obligor, knows the identity of the person, and knows how to communicate with the person:

*a.* the secured party is not liable to the person, or to a secured party or lienholder that has filed a financing statement against the person, for failure to comply with this Article; and

*b.* the secured party's failure to comply with this Article does not affect the liability of the person for a deficiency.

2. *Limitation of liability based on status as secured party.* A secured party is not liable because of its status as secured party:

*a.* to a person that is a debtor or obligor, unless the secured party knows:

(1) that the person is a debtor or obligor;

(2) the identity of the person; and

(3) how to communicate with the person; or

*b.* to a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

(1) that the person is a debtor; and

(2) the identity of the person.

3. *Limitation of liability if reasonable belief that transaction not a consumer-goods transaction or consumer transaction.* A secured party is not liable to any person, and a person's liability for a deficiency is not affected, because of any act or omission arising out of the secured party's reasonable belief that a transaction is not a consumer-goods transaction or a consumer transaction or that goods are not consumer goods, if the secured party's belief is based on its reasonable reliance on:

*a.* a debtor's representation concerning the purpose for which collateral was to be used, acquired, or held; or

*b.* an obligor's representation concerning the purpose for which a secured obligation was incurred.

4. *Limitation of liability for statutory damages.* A secured party is not liable to any person under section 554.9625, subsection 3, paragraph *"b"*, for its failure to comply with section 554.9616.

5. *Limitation of multiple liability for statutory damages.* A secured party is not liable under section 554.9625, subsection 3, paragraph *"b"*, more than once with respect to any one secured obligation.

2000 Acts, ch 1149, §126, 187
Referred to in §554.9625, 554.9626

## PART 7

## 2001 TRANSITION

**554.9701 through 554.9710** Repealed by 2012 Acts, ch 1052, § 34, 37.
2012 repeal of these sections is effective July 1, 2013; 2012 Acts, ch 1052, §37

## PART 8

## 2013 TRANSITION

**554.9801 Effective date.**

The amendments to this Article, as enacted in 2012 Acts, chapter 1052, take effect on July 1, 2013.

2012 Acts, ch 1052, §24, 37
For future repeal of this section effective July 1, 2019, see 2012 Acts, ch 1052, §35
Section effective July 1, 2013; 2012 Acts, ch 1052, §37
NEW section

**554.9802 Savings clause.**

1. *Pre-effective-date transactions or liens.* Except as otherwise provided in this part, 2012

Acts, chapter 1052, applies to a transaction or lien within its scope, even if the transaction or lien was entered into or created before July 1, 2013.

2. *Pre-effective-date proceedings.* 2012 Acts, chapter 1052, does not affect an action, case, or proceeding commenced before July 1, 2013.

2012 Acts, ch 1052, §25, 37
For future repeal of this section effective July 1, 2019, see 2012 Acts, ch 1052, §35
Section effective July 1, 2013; 2012 Acts, ch 1052, §37
NEW section

**554.9803 Security interest perfected before effective date.**

1. *Continuing perfection: perfection requirements satisfied.* A security interest that is a perfected security interest immediately before July 1, 2013, is a perfected security interest under this Article, as amended by 2012 Acts, chapter 1052, if on July 1, 2013, the applicable requirements for attachment and perfection under this Article, as amended by 2012 Acts, chapter 1052, are satisfied without further action.

2. *Continuing perfection: perfection requirements not satisfied.* Except as otherwise provided in section 554.9805, if immediately before July 1, 2013, a security interest is a perfected security interest, but the applicable requirements for perfection under this Article, as amended by 2012 Acts, chapter 1052, are not satisfied on July 1, 2013, the security interest remains perfected thereafter only if the applicable requirements for perfection under this Article, as amended by 2012 Acts, chapter 1052, are satisfied within one year after July 1, 2013.

2012 Acts, ch 1052, §26, 37
For future repeal of this section effective July 1, 2019, see 2012 Acts, ch 1052, §35
Section effective July 1, 2013; 2012 Acts, ch 1052, §37
NEW section

**554.9804 Security interest unperfected before effective date.**

A security interest that is an unperfected security interest immediately before July 1, 2013, becomes a perfected security interest:

1. without further action, on July 1, 2013, if the applicable requirements for perfection under this Article, as amended by 2012 Acts, chapter 1052, are satisfied before or on July 1, 2013; or

2. when the applicable requirements for perfection are satisfied if the requirements are satisfied after July 1, 2013.

2012 Acts, ch 1052, §27, 37
For future repeal of this section effective July 1, 2019, see 2012 Acts, ch 1052, §35
Section effective July 1, 2013; 2012 Acts, ch 1052, §37
NEW section

**554.9805 Effectiveness of action taken before effective date.**

1. *Pre-effective-date filing effective.* The filing of a financing statement before July 1, 2013, is effective to perfect a security interest to the extent the filing would satisfy the applicable requirements for perfection under this Article, as amended by 2012 Acts, chapter 1052.

2. *When pre-effective-date filing becomes ineffective.* 2012 Acts, chapter 1052, does not render ineffective an effective financing statement that, before July 1, 2013, is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in this Article, as it existed before July 1, 2013. However, except as otherwise provided in subsections 3 and 4 and section 554.9806, the financing statement ceases to be effective:

*a.* if the financing statement is filed in this state, at the time the financing statement would have ceased to be effective had 2012 Acts, chapter 1052, not taken effect; or

*b.* if the financing statement is filed in another jurisdiction, at the earlier of:

(1) the time the financing statement would have ceased to be effective under the law of that jurisdiction; or

(2) June 30, 2018.

3. *Continuation statement.* The filing of a continuation statement on or after July 1, 2013, does not continue the effectiveness of a financing statement filed before July 1, 2013.

However, upon the timely filing of a continuation statement on or after July 1, 2013, and in accordance with the law of the jurisdiction governing perfection as provided in this Article, as amended by 2012 Acts, chapter 1052, the effectiveness of a financing statement filed in the same office in that jurisdiction before July 1, 2013, continues for the period provided by the law of that jurisdiction.

4. *Application of subsection 2, paragraph "b", subparagraph (2) to transmitting utility financing statement.* Subsection 2, paragraph "*b*", subparagraph (2) applies to a financing statement that, before July 1, 2013, is filed against a transmitting utility and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in this Article, as it existed before July 1, 2013, only to the extent that this Article, as amended by 2012 Acts, chapter 1052, provides that the law of a jurisdiction other than the jurisdiction in which the financing statement is filed governs perfection of a security interest in collateral covered by the financing statement.

5. *Application of Part 5.* A financing statement that includes a financing statement filed before July 1, 2013, and a continuation statement filed on or after July 1, 2013, is effective only to the extent that the financing statement satisfies the requirements of Part 5, as amended by 2012 Acts, chapter 1052, for an initial financing statement. A financing statement that indicates that the debtor is a decedent's estate indicates that the collateral is being administered by a personal representative within the meaning of section 554.9503, subsection 1, paragraph "*b*", as amended by 2012 Acts, chapter 1052. A financing statement that indicates that the debtor is a trust or is a trustee acting with respect to property held in trust indicates that the collateral is held in a trust within the meaning of section 554.9503, subsection 1, paragraph "*c*", as amended by 2012 Acts, chapter 1052.

2012 Acts, ch 1052, §28, 37
Referred to in §554.9803, 554.9807
For future repeal of this section effective July 1, 2019, see 2012 Acts, ch 1052, §35
Section effective July 1, 2013; 2012 Acts, ch 1052, §37
NEW section

**554.9806 When initial financing statement suffices to continue effectiveness of financing statement.**

1. *Initial financing statement in lieu of continuation statement.* The filing of an initial financing statement in the office specified in section 554.9501 continues the effectiveness of a financing statement filed before July 1, 2013, if:

*a.* the filing of an initial financing statement in that office would be effective to perfect a security interest under this Article, as amended by 2012 Acts, chapter 1052;

*b.* the pre-effective-date financing statement was filed in an office in another state; and

*c.* the initial financing statement satisfies subsection 3.

2. *Period of continued effectiveness.* The filing of an initial financing statement under subsection 1 continues the effectiveness of the pre-effective-date financing statement:

*a.* if the initial financing statement is filed before July 1, 2013, for the period provided in section 554.9515, as it existed before July 1, 2013, with respect to an initial financing statement; and

*b.* if the initial financing statement is filed on or after July 1, 2013, for the period provided in section 554.9515, as amended by 2012 Acts, chapter 1052, with respect to an initial financing statement.

3. *Requirements for initial financing statement under subsection 1.* To be effective for purposes of subsection 1, an initial financing statement must:

*a.* satisfy the requirements of Part 5, as amended by 2012 Acts, chapter 1052, for an initial financing statement;

*b.* identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent continuation statement filed with respect to the financing statement; and

*c.* indicate that the pre-effective-date financing statement remains effective.

2012 Acts, ch 1052, §29, 37
Referred to in §554.9805, 554.9807
For future repeal of this section effective July 1, 2019, see 2012 Acts, ch 1052, §35

Section effective July 1, 2013; 2012 Acts, ch 1052, §37
NEW section

**554.9807 Amendment of pre-effective-date financing statement.**

1. *"Pre-effective-date financing statement".* In this section, *"pre-effective-date financing statement"* means a financing statement filed before July 1, 2013.

2. *Applicable law.* On or after July 1, 2013, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or otherwise amend the information provided in, a pre-effective-date financing statement only in accordance with the law of the jurisdiction governing perfection as provided in this Article, as amended by 2012 Acts, chapter 1052. However, the effectiveness of a pre-effective-date financing statement also may be terminated in accordance with the law of the jurisdiction in which the financing statement is filed.

3. *Method of amending: general rule.* Except as otherwise provided in subsection 4, if the law of this state governs perfection of a security interest, the information in a pre-effective-date financing statement may be amended on or after July 1, 2013, only if:

*a.* the pre-effective-date financing statement and an amendment are filed in the office specified in section 554.9501;

*b.* an amendment is filed in the office specified in section 554.9501 concurrently with, or after the filing in that office of, an initial financing statement that satisfies section 554.9806, subsection 3; or

*c.* an initial financing statement that provides the information as amended and satisfies section 554.9806, subsection 3, is filed in the office specified in section 554.9501.

4. *Method of amending: continuation.* If the law of this state governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement may be continued only under section 554.9805, subsections 3 and 5, or section 554.9806.

5. *Method of amending: additional termination rule.* Whether or not the law of this state governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement filed in this state may be terminated on or after July 1, 2013, by filing a termination statement in the office in which the pre-effective-date financing statement is filed, unless an initial financing statement that satisfies section 554.9806, subsection 3, has been filed in the office specified by the law of the jurisdiction governing perfection as provided in this Article, as amended by 2012 Acts, chapter 1052, as the office in which to file a financing statement.

2012 Acts, ch 1052, §30, 37
For future repeal of this section effective July 1, 2019, see 2012 Acts, ch 1052, §35
Section effective July 1, 2013; 2012 Acts, ch 1052, §37
NEW section

**554.9808 Person entitled to file initial financing statement or continuation statement.**

A person may file an initial financing statement or a continuation statement under this part if:

1. the secured party of record authorizes the filing; and

2. the filing is necessary under this part:

*a.* to continue the effectiveness of a financing statement filed before July 1, 2013; or

*b.* to perfect or continue the perfection of a security interest.

2012 Acts, ch 1052, §31, 37
For future repeal of this section effective July 1, 2019, see 2012 Acts, ch 1052, §35
Section effective July 1, 2013; 2012 Acts, ch 1052, §37
NEW section

**554.9809 Priority.**

2012 Acts, chapter 1052, determines the priority of conflicting claims to collateral. However, if the relative priorities of the claims were established before July 1, 2013, this Article, as it existed before July 1, 2013, determines priority.

2012 Acts, ch 1052, §32, 37
For future repeal of this section effective July 1, 2019, see 2012 Acts, ch 1052, §35
Section effective July 1, 2013; 2012 Acts, ch 1052, §37
NEW section

## ARTICLE 10

## EFFECTIVE DATE AND REPEALER

Referred to in §554.11102

**554.10101 Effective date.**

Except as otherwise provided in Article 11 of this chapter, this chapter shall take effect and be in force on and after July 4, 1966. It applies to transactions entered into and events occurring after that date.

Transactions validly entered into before the effective date specified in this section and the rights, duties and interests flowing from them remain valid thereafter and may be terminated, completed, consummated or enforced as required or permitted by any statute or other law amended or repealed by this chapter as though such repeal or amendment had not occurred.

[C24, 27, 31, 35, 39, §**10006;** C46, 50, 54, 58, 62, §554.78; C66, 71, 73, 75, 77, 79, 81, §554.10101]

Referred to in §554.11102

**554.10102** Reserved.

**554.10103 General repealer.**

Except as provided in section 554.7103, all acts and parts of acts inconsistent with this chapter are hereby repealed.

[C66, 71, 73, 75, 77, 79, 81, §554.10103]

2009 Acts, ch 133, §171

Referred to in §554.11102

**554.10104 Laws not repealed.** Repealed by 2007 Acts, ch 30, § 44 – 46. See § 554.7103.

**554.10105 Secretary of state exempted from personal liability.**

The secretary of state, the secretary's employees or agents, are hereby exempted from all personal liability as a result of errors or omissions in the performance of any duty required by the Uniform Commercial Code, as provided in this chapter, except in cases of willful negligence.

In the event of such error or omission the state of Iowa shall be liable in respect to such claims in the same manner, and to the same extent as a private individual under like circumstances.

Immunity of the state from suit and liability in such case is waived to the extent provided in chapter 669 and said chapter shall govern the extent of liability and the practice and procedure necessary to establish any liability of the state.

[C66, 71, 73, 75, 77, 79, 81, §554.10105]

2004 Acts, ch 1086, §91

Referred to in §554.11102

## ARTICLE 11

## EFFECTIVE DATE OF 1974 AMENDMENTS

Referred to in §554.10101

**554.11101 Effective date.**

Division 2 of 1974 Iowa Acts, chapter 1249, sections 9 to 72, the Iowa amendments to the Uniform Commercial Code pertaining primarily to security interests, and related amendments, shall become effective at 12:01 a.m. on January 1, 1975.

[C75, 77, 79, 81, §554.11101]

2009 Acts, ch 41, §163

**554.11102 Preservation of old transition provision.**
The provisions of Article 10 of this chapter, sections 554.10101, 554.10103, and 554.10105, shall continue to apply to this chapter as amended and for this purpose this chapter prior to amendment and this chapter as amended shall be considered one continuous statute.
[C75, 77, 79, 81, §554.11102]
2009 Acts, ch 41, §164

**554.11103 Transition to this chapter as amended — general rule.**
Transactions validly entered into after July 4, 1966, and before January 1, 1975, which were subject to the provisions of this chapter prior to amendment and which would be subject to this chapter as amended if they had been entered into on or after January 1, 1975, and the rights, duties and interests flowing from such transactions remain valid after January 1, 1975, and may be terminated, completed, consummated or enforced as required or permitted by this chapter as amended. Security interests arising out of such transactions which are perfected on January 1, 1975, shall remain perfected until they lapse or are terminated as provided in this chapter as amended, and may be continued as permitted by this chapter as amended.
[C75, 77, 79, 81, §554.11103]
2003 Acts, ch 108, §104

**554.11104 Transition provision on change of requirement of filing.**
A security interest for the perfection of which filing or the taking of possession was required under this chapter prior to amendment and which attached prior to January 1, 1975, but was not perfected shall be deemed perfected on January 1, 1975, if this chapter as amended permits perfection without filing or the taking of possession, or authorizes filing in the office or offices where a prior ineffective filing was made.
[C75, 77, 79, 81, §554.11104]

**554.11105 Transition provision on change of place of filing.** Repealed by 2000 Acts, ch 1149, § 186, 187.

**554.11106** Reserved.

**554.11107 Transition provisions as to priorities.**
Except as otherwise provided in this Article, this chapter prior to amendment shall apply to any questions of priority if the positions of the parties were fixed prior to January 1, 1975. In other cases questions of priority shall be determined by this chapter as amended.
[C75, 77, 79, 81, §554.11107]

**554.11108 Presumption that rule of law continues unchanged.**
Unless a change in law has clearly been made, the provisions of this chapter as amended shall be deemed declaratory of the meaning of this chapter prior to amendment.
[C75, 77, 79, 81, §554.11108]
2000 Acts, ch 1149, §155, 187

**554.11109 Effect of official comments.**
To the extent that they are consistent with the Iowa statutory text, the 1972 Official Comments to the 1972 Official Text of the Uniform Commercial Code are evidence of legislative intent as to the meaning of this chapter as amended. However, prior drafts of the Official Text and Comments may not be used to ascertain legislative intent.
[C75, 77, 79, 81, §554.11109]

# ARTICLE 12

# FUNDS TRANSFERS

Referred to in §554.3102, 554.4104, 554.5116

Provisions codified in this Article have been designated as Article 4A by the National Conference of Commissioners on Uniform State Laws
For uniform state laws, see chapter 5 of the Code

## PART 1

## SUBJECT MATTER AND DEFINITIONS

**554.12101 Short title.**

This Article shall be known and may be cited as Uniform Commercial Code — Funds Transfers.

92 Acts, ch 1146, §1
Section not amended; editorial change applied

**554.12102 Subject matter.**

Except as otherwise provided in section 554.12108, this Article applies to funds transfers defined in section 554.12104.

92 Acts, ch 1146, §2
Section not amended; editorial change applied

**554.12103 Payment order — definitions.**

In this Article unless the context otherwise requires:

1. *a.* *"Payment order"* means an instruction of a sender to a receiving bank, transmitted orally, electronically, or in writing, to pay, or to cause another bank to pay, a fixed or determinable amount of money to a beneficiary if all of the following apply:

(1) The instruction does not state a condition to payment to the beneficiary other than time of payment.

(2) The receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment from, the sender.

(3) The instruction is transmitted by the sender directly to the receiving bank or to an agent, funds-transfer system, or communication system for transmittal to the receiving bank.

*b.* A payment order instructing more than one payment to be made to a beneficiary is a separate payment order with respect to each payment.

*c.* A payment order is issued when it is sent to the receiving bank.

2. *"Beneficiary"* means the person to be paid by the beneficiary's bank.

3. *"Beneficiary's bank"* means the bank identified in a payment order in which an account of the beneficiary is to be credited pursuant to the order or which otherwise is to make payment to the beneficiary if the order does not provide for payment to an account.

4. *"Receiving bank"* means the bank to which the sender's instruction is addressed.

5. *"Sender"* means the person giving the instruction to the receiving bank.

92 Acts, ch 1146, §3
Referred to in §554.12105
Section not amended; editorial change applied

**554.12104 Funds transfer — definitions.**

In this Article unless the context otherwise requires:

1. *"Funds transfer"* means the series of transactions, beginning with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. The term includes any payment order issued by the originator's bank or an intermediary bank intended to carry out the originator's payment order. A funds transfer is completed by acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's payment order.

2. *"Intermediary bank"* means a receiving bank other than the originator's bank or the beneficiary's bank.

3. *"Originator"* means the sender of the first payment order in a funds transfer.

4. *"Originator's bank"* means the receiving bank to which the payment order of the originator is issued if the originator is not a bank, or the originator if the originator is a bank.

92 Acts, ch 1146, §4

Referred to in §554.12102, 554.12105

Section not amended; editorial change applied

**554.12105 Other definitions.**

1. In this Article unless the context otherwise requires:

*a.* *"Authorized account"* means a deposit account of a customer in a bank designated by the customer as a source of payment of payment orders issued by the customer to the bank. If a customer does not so designate an account, any account of the customer is an authorized account if payment of a payment order from that account is not inconsistent with a restriction on the use of that account.

*b.* *"Bank"* means a person engaged in the business of banking and includes a savings bank, savings and loan association, credit union, and trust company. A branch or separate office of a bank is a separate bank for purposes of this Article.

*c.* *"Customer"* means a person, including a bank, having an account with a bank or from whom a bank has agreed to receive payment orders.

*d.* *"Funds-transfer business day"* of a receiving bank means the part of a day during which the receiving bank is open for the receipt, processing, and transmittal of payment orders, and cancellations and amendments of payment orders.

*e.* *"Funds-transfer system"* means a wire transfer network, automated clearing house, or other communication system of a clearing house or other association of banks through which a payment order by a bank may be transmitted to the bank to which the order is addressed.

*f.* Reserved.

*g.* *"Prove"* with respect to a fact means to meet the burden of establishing the fact as defined in section 554.1201, subsection 2, paragraph *"h"*.

2. Other definitions applying to this Article and the sections in which they appear are:

*a.* "Acceptance" ..... Section 554.12209
*b.* "Beneficiary" ..... Section 554.12103
*c.* "Beneficiary's bank" ..... Section 554.12103
*d.* "Executed"..... Section 554.12301
*e.* "Execution date" ..... Section 554.12301
*f.* "Funds transfer"..... Section 554.12104
*g.* "Funds-transfer system rule" ..... Section 554.12501
*h.* "Governing law" ..... Section 554.12507
*i.* "Intermediary bank"..... Section 554.12104
*j.* "Originator"..... Section 554.12104
*k.* "Originator's bank" ..... Section 554.12104
*l.* "Payment by beneficiary's bank to beneficiary" ..... Section 554.12405
*m.* "Payment by originator to beneficiary"..... Section 554.12406
*n.* "Payment by sender to receiving bank"..... Section 554.12403
*o.* "Payment date" ..... Section 554.12401
*p.* "Payment order" ..... Section 554.12103
*q.* "Receiving bank" ..... Section 554.12103
*r.* "Security procedure" ..... Section 554.12201
*s.* "Sender"..... Section 554.12103

3. The following definitions in Article 4 apply to this Article:

*a.* "Clearing house"..... Section 554.4104
*b.* "Item"..... Section 554.4104

*c.* "Suspends payments" ..... Section 554.4104

4. In addition, Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

92 Acts, ch 1146, §5; 2000 Acts, ch 1058, §49; 2007 Acts, ch 41, §31, 32; 2012 Acts, ch 1023, §157

Section not amended; editorial changes applied

**554.12106 Time payment order is received.**

1. The time of receipt of a payment order or communication canceling or amending a payment order is determined by the rules applicable to receipt of a notice stated in section 554.1202. A receiving bank may establish a cut-off time or times on a funds-transfer business day for the receipt and processing of payment orders, and communications canceling or amending payment orders. Different cut-off times may apply to payment orders, cancellations, or amendments, or to different categories of payment orders, cancellations, or amendments. A cut-off time may apply to senders generally, or different cut-off times may apply to different senders or categories of payment orders. If a payment order or communication canceling or amending a payment order is received after the close of a funds-transfer business day or after the appropriate cut-off time on a funds-transfer business day, the receiving bank may treat the payment order or communication as received at the opening of the next funds-transfer business day.

2. Unless otherwise provided, if this Article refers to an execution date or payment date or states a day on which a receiving bank is required to take action, and the date or day does not fall on a funds-transfer business day, the next day that is a funds-transfer business day is treated as the date or day stated.

92 Acts, ch 1146, §6; 2007 Acts, ch 41, §33

Section not amended; editorial change applied

**554.12107 Federal reserve regulations and operating circulars.**

Regulations of the board of governors of the federal reserve system and operating circulars of the federal reserve banks as of July 1, 1991, supersede any inconsistent provision of this article to the extent of the inconsistency.

92 Acts, ch 1146, §7

**554.12108 Relationship to Electronic Fund Transfer Act.**

1. Except as provided in subsection 2, this Article does not apply to a funds transfer any part of which is governed by the Electronic Fund Transfer Act of 1978, 15 U.S.C. § 1693 et seq.

2. This Article applies to a funds transfer that is a remittance transfer as defined in the Electronic Fund Transfer Act, 15 U.S.C. § 1693o-1, unless the remittance transfer is an electronic fund transfer as defined in the Electronic Fund Transfer Act, 15 U.S.C. § 1693a.

3. In a funds transfer to which this Article applies, in the event of an inconsistency between an applicable provision of this Article and an applicable provision of the Electronic Fund Transfer Act, the provision of the Electronic Fund Transfer Act governs to the extent of the inconsistency.

92 Acts, ch 1146, §8; 2013 Acts, ch 73, §1, 2

Referred to in §554.12102

Section amended

## PART 2

## ISSUE AND ACCEPTANCE OF PAYMENT ORDER

**554.12201 Security procedure.**

"*Security procedure*" means a procedure established by agreement between a customer and a receiving bank for the purpose of verifying that a payment order or communication amending or canceling a payment order is that of the customer, or detecting error in the

transmission or the content of the payment order or communication. A security procedure may require the use of algorithms or other codes, identifying words or numbers, encryption, callback procedures, or similar security devices. Comparison of a signature on a payment order or communication with an authorized specimen signature of the customer is not by itself a security procedure.

92 Acts, ch 1146, §9
Referred to in §554.12105

**554.12202 Authorized and verified payment orders.**

1. A payment order received by the receiving bank is the authorized order of the person identified as sender if that person authorized the order or is otherwise bound by it under the law of agency.

2. If a bank and its customer have agreed that the authenticity of payment orders issued to the bank in the name of the customer as sender will be verified pursuant to a security procedure, a payment order received by the receiving bank is effective as the order of the customer, whether or not authorized, if the security procedure is a commercially reasonable method of providing security against unauthorized payment orders, and the bank proves that it accepted the payment order in good faith and in compliance with the security procedure and any written agreement or instruction of the customer restricting acceptance of payment orders issued in the name of the customer. The bank is not required to follow an instruction that violates a written agreement with the customer or notice of which is not received at a time and in a manner affording the bank a reasonable opportunity to act on it before the payment order is accepted.

3. Commercial reasonableness of a security procedure is a question of law to be determined by considering the wishes of the customer expressed to the bank, the circumstances of the customer known to the bank, including the size, type, and frequency of payment orders normally issued by the customer to the bank, alternative security procedures offered to the customer, and security procedures in general use by customers and receiving banks similarly situated. A security procedure is deemed to be commercially reasonable if the security procedure was chosen by the customer after the bank offered, and the customer refused, a security procedure that was commercially reasonable for that customer, and the customer expressly agreed in writing to be bound by any payment order, whether or not authorized, issued in the customer's name and accepted by the bank in compliance with the security procedure chosen by the customer.

4. The term *"sender"* in this Article includes the customer in whose name a payment order is issued if the order is the authorized order of the customer under subsection 1, or it is effective as the order of the customer under subsection 2.

5. This section applies to amendments and cancellations of payment orders in the same manner it applies to payment orders.

6. Except as provided in this section and section 554.12203, rights and obligations arising under this section or section 554.12203 may not be varied by agreement.

92 Acts, ch 1146, §10
Referred to in §554.12203, 554.12204
Section not amended; editorial change applied

**554.12203 Unenforceability of certain verified payment orders.**

If an accepted payment order is not an authorized order of a customer identified as sender pursuant to section 554.12202, subsection 1, but is effective as an order of the customer pursuant to section 554.12202, subsection 2, the following rules apply:

1. By express written agreement, the receiving bank may limit the extent to which it is entitled to enforce or retain payment of the payment order.

2. The receiving bank is not entitled to enforce or retain payment of the payment order if the customer proves that the order was not caused, directly or indirectly, by a person entrusted at any time with the authority to act for the customer with respect to payment orders or the security procedure, or who obtained access to transmitting facilities of the customer or who obtained, from a source controlled by the customer and without authority of the receiving bank, information facilitating breach of the security procedure, regardless

of how the information was obtained or whether the customer was at fault. Information includes any access device, computer software, or similar items.

3. This section applies to amendments of payment orders in the same manner it applies to payment orders.

92 Acts, ch 1146, §11
Referred to in §554.12202, 554.12204

**554.12204 Refund of payment and duty of customer to report with respect to unauthorized payment order.**

1. If a receiving bank accepts a payment order issued in the name of its customer as sender which is not authorized and not effective as the order of the customer under section 554.12202, or which is not enforceable, in whole or in part, against the customer under section 554.12203, the bank shall refund any payment related to the payment order received from the customer to the extent the bank is not entitled to enforce payment and shall pay interest on the refundable amount calculated from the date the bank received payment to the date of the refund. However, the customer is not entitled to interest from the bank on the amount to be refunded if the customer fails to exercise ordinary care to determine that the order was not authorized by the customer and to notify the bank of the relevant facts within a reasonable time not exceeding ninety days after the date the customer received notification from the bank that the order was accepted or that the customer's account was debited with respect to the order. The bank is not entitled to any recovery from the customer as a result of a failure by the customer to give notification as stated in this section.

2. Reasonable time under subsection 1 may be fixed by agreement as provided in section 554.1302, subsection 2, but the obligation of a receiving bank to refund payment as stated in subsection 1 may not otherwise be varied by agreement.

92 Acts, ch 1146, §12; 2007 Acts, ch 41, §34
Referred to in §554.12402

**554.12205 Erroneous payment orders.**

1. If an accepted payment order was transmitted pursuant to a security procedure for the detection of error and the payment order (i) erroneously instructed payment to a beneficiary not intended by the sender, (ii) erroneously instructed payment in an amount greater than the amount intended by the sender, or (iii) was an erroneously transmitted duplicate of a payment order previously sent by the sender, the following rules apply:

*a.* If the sender proves that the sender or a person acting on behalf of the sender pursuant to section 554.12206 complied with the security procedure and that the error would have been detected if the receiving bank had also complied, the sender is not obligated to pay the order to the extent stated in subsections 2 and 3.

*b.* If the funds transfer is completed on the basis of an erroneous payment order described in (i) or (iii) of subsection 1, the sender is not obligated to pay the order and the receiving bank is entitled to recover from the beneficiary any amount paid to the beneficiary to the extent allowed by the law governing mistake and restitution.

*c.* If the funds transfer is completed on the basis of a payment order described in (ii) of subsection 1, the sender is not obligated to pay the order to the extent the amount received by the beneficiary is greater than the amount intended by the sender. In that case, the receiving bank is entitled to recover from the beneficiary the excess amount received to the extent allowed by the law governing mistake and restitution.

2. If the sender of an erroneous payment order described in subsection 1 is not obligated to pay all or part of the order, and the sender receives notification from the receiving bank that the order was accepted by the bank or that the sender's account was debited with respect to the order, the sender has a duty to exercise ordinary care, on the basis of information available to the sender, to discover the error with respect to the order and to advise the bank of the relevant facts within a reasonable time, not exceeding ninety days, after the bank's notification was received by the sender. If the bank proves that the sender failed to perform this duty, the sender is liable to the bank for the loss the bank proves it incurred as a result of the failure, not to exceed the amount of the sender's order.

3. This section applies to amendments to payment orders in the same manner it applies to payment orders.

92 Acts, ch 1146, §13

Referred to in §554.12402

**554.12206 Transmission of payment order through funds-transfer or other communication system.**

If a payment order addressed to a receiving bank is transmitted to a funds-transfer system or other third-party communication system for transmittal to the bank, the system is deemed to be an agent of the sender for the purpose of transmitting the payment order to the bank. If there is a discrepancy between the terms of the payment order transmitted to the system by the sender and the terms of the payment order transmitted by the system to the bank, the terms of the payment order of the sender are deemed to be those transmitted by the system. This section does not apply to a funds-transfer system of the federal reserve banks.

This section applies to cancellations and amendments of payment orders in the same manner it applies to payment orders.

92 Acts, ch 1146, §14

Referred to in §554.12205

**554.12207 Misdescription of beneficiary.**

1. Subject to subsection 2, if, in a payment order received by the beneficiary's bank, the name, bank account number, or other identification of the beneficiary refers to a nonexistent or unidentifiable person or account, no person has rights as a beneficiary of the order and acceptance of the order cannot occur.

2. If a payment order received by the beneficiary's bank identifies the beneficiary both by name and by an identifying or bank account number and the name and number identify different persons, the following rules apply:

*a.* Except as otherwise provided in subsection 3, if the beneficiary's bank does not know that the name and number refer to different persons, it may rely on the number as the proper identification of the beneficiary of the order. The beneficiary's bank need not determine whether the name and number refer to the same person.

*b.* If the beneficiary's bank pays the person identified by name or knows that the name and number identify different persons, no person has rights as beneficiary except the person paid by the beneficiary's bank if that person was entitled to receive payment from the originator of the funds transfer. If no person has rights as beneficiary, acceptance of the order cannot occur.

3. If a payment order described in subsection 2 is accepted, the originator's payment order described the beneficiary inconsistently by name and number, and the beneficiary's bank pays the person identified by number as permitted by subsection 2, paragraph "*a*", the following rules apply:

*a.* If the originator is a bank, the originator shall pay the originator's order.

*b.* If the originator is not a bank and proves that the person identified by number was not entitled to receive payment from the originator, the originator is not obligated to pay the originator's order unless the originator's bank proves that the originator had notice, before acceptance by the originator's bank of the originator's order, that payment of a payment order issued by the originator might be made by the beneficiary's bank on the basis of an identifying or bank account number even if it identifies a person different from the named beneficiary. Proof of notice may be made by any admissible evidence. The originator's bank satisfies the burden of proof if it proves that the originator signed a writing stating the information to which the notice relates before the payment order was accepted.

4. In a case governed by subsection 2, paragraph "*a*", if the beneficiary's bank rightfully pays the person identified by number and that person was not entitled to receive payment from the originator, the amount paid may be recovered from that person to the extent allowed by the law governing mistake and restitution as follows:

*a.* If the originator is obligated to pay its payment order as stated in subsection 3, the originator has the right to recover.

*b.* If the originator is not a bank and is not obligated to pay its payment order, the originator's bank has the right to recover.

92 Acts, ch 1146, §15

Referred to in §554.12402

**554.12208 Misdescription of intermediary bank or beneficiary's bank.**

1. This subsection applies to a payment order identifying an intermediary bank or the beneficiary's bank only by an identifying number.

*a.* The receiving bank may rely on the number as the proper identification of the intermediary or beneficiary's bank and need not determine whether the number identifies a bank.

*b.* The sender shall compensate the receiving bank for any loss and expenses incurred by the receiving bank as a result of the receiving bank's reliance on the number in executing or attempting to execute the order.

2. This subsection applies to a payment order identifying an intermediary bank or the beneficiary's bank both by name and an identifying number if the name and number identify different persons.

*a.* If the sender is a bank, the receiving bank may rely on the number as the proper identification of the intermediary or beneficiary's bank if the receiving bank, when it executes the sender's order, does not know that the name and number identify different persons. The receiving bank need not determine whether the name and number refer to the same person or whether the number refers to a bank. The sender shall compensate the receiving bank for any loss and expenses incurred by the receiving bank as a result of the receiving bank's reliance on the number in executing or attempting to execute the order.

*b.* If the sender is not a bank and the receiving bank proves that the sender, before the payment order was accepted, had notice that the receiving bank might rely on the number as the proper identification of the intermediary or beneficiary's bank even if it identifies a person different from the bank identified by name, the rights and obligations of the sender and the receiving bank are governed by paragraph "*a*", as though the sender were a bank. Proof of notice may be made by any admissible evidence. The receiving bank satisfies the burden of proof if it proves that the sender, before the payment order was accepted, signed a writing stating the information to which the notice relates.

*c.* Regardless of whether the sender is a bank, the receiving bank may rely on the name as the proper identification of the intermediary or beneficiary's bank if the receiving bank, at the time the receiving bank executes the sender's order, does not know that the name and number identify different persons. The receiving bank need not determine whether the name and number refer to the same person.

*d.* If the receiving bank knows that the name and number identify different persons, reliance on either the name or the number in executing the sender's payment order is a breach of the obligation stated in section 554.12302, subsection 1, paragraph "*a*".

92 Acts, ch 1146, §16

**554.12209 Acceptance of payment order.**

1. Subject to subsection 4, a receiving bank other than the beneficiary's bank accepts a payment order when it executes the order.

2. Subject to subsections 3 and 4, a beneficiary's bank accepts a payment order at the earliest of the following times:

*a.* When the bank pays the beneficiary as stated in section 554.12405, subsection 1 or 2, or notifies the beneficiary of receipt of the order or that the account of the beneficiary has been credited with respect to the order, unless the notice indicates that the bank is rejecting the order or that funds with respect to the order may not be withdrawn or used until receipt of payment from the sender of the order;

*b.* When the bank receives payment of the entire amount of the sender's order pursuant to section 554.12403, subsection 1, paragraph "*a*" or "*b*"; or

*c.* The opening of the next funds-transfer business day of the bank following the payment date of the order if, at that time, the amount of the sender's order is fully covered by a

withdrawable credit balance in an authorized account of the sender or the bank has otherwise received full payment from the sender, unless the order was rejected before that time or is rejected within one hour after that time, or one hour after the opening of the next business day of the sender following the payment date if the time is later. If notice of rejection is received by the sender after the payment date and the authorized account of the sender does not bear interest, the bank shall pay interest to the sender on the amount of the order for the number of days elapsing after the payment date to the day the sender receives notice or learns that the order was not accepted, counting the day that notice is received as an elapsed day. If the withdrawable credit balance during that period falls below the amount of the order, the amount of interest payable is reduced accordingly.

3. Acceptance of a payment order cannot occur before the order is received by the receiving bank. Acceptance does not occur under subsection 2, paragraph "*b*" or "*c*", if the beneficiary of the payment order does not have an account with the receiving bank, the account has been closed, or the receiving bank is not permitted by law to receive credits for the beneficiary's account.

4. A payment order issued to the originator's bank cannot be accepted until the payment date if the bank is the beneficiary's bank, or the execution date if the bank is not the beneficiary's bank. If the originator's bank executes the originator's payment order before the execution date or pays the beneficiary of the originator's payment order before the payment date and the payment order is subsequently canceled pursuant to section 554.12211, subsection 2, the bank may recover from the beneficiary any payment received to the extent allowed by the law governing mistake and restitution.

92 Acts, ch 1146, §17

Referred to in §554.12105, 554.12212, 554.12302

**554.12210 Rejection of payment order.**

1. A payment order is rejected by the receiving bank by a notice of rejection transmitted to the sender orally, electronically, or in writing. A notice of rejection need not use any particular words and is sufficient if the notice indicates that the receiving bank is rejecting the order or will not execute or pay the order. Rejection is effective when the notice is given if transmission is by a means that is reasonable under the circumstances. If notice of rejection is given by a means that is not reasonable, rejection is effective when the notice is received. If an agreement of the sender and receiving bank establishes the means to be used to reject a payment order, any means complying with the agreement is reasonable and any means not complying is not reasonable unless no significant delay in receipt of the notice resulted from the use of the noncomplying means.

2. This subsection applies if a receiving bank other than the beneficiary's bank fails to execute a payment order despite the existence on the execution date of a withdrawable credit balance in an authorized account of the sender sufficient to cover the order. If the sender does not receive notice of rejection of the order on the execution date and the authorized account of the sender does not bear interest, the bank shall pay interest to the sender on the amount of the order for the number of days elapsing after the execution date to the earlier of the day the order is canceled pursuant to section 554.12211, subsection 4, or the day the sender receives notice or learns that the order was not executed, counting the final day of the period as an elapsed day. If the withdrawable credit balance during that period falls below the amount of the order, the amount of interest is reduced accordingly.

3. If a receiving bank suspends payments, all unaccepted payment orders issued to the receiving bank are deemed rejected at the time the bank suspends payments.

4. Acceptance of a payment order precludes a later rejection of the order. Rejection of a payment order precludes a later acceptance of the order.

92 Acts, ch 1146, §18

**554.12211 Cancellation and amendment of payment order.**

1. A communication of the sender of a payment order canceling or amending the order may be transmitted to the receiving bank orally, electronically, or in writing. If a security procedure is in effect between the sender and the receiving bank, the communication is not

effective to cancel or amend the order unless the communication is verified pursuant to the security procedure or the bank agrees to the cancellation or amendment.

2. Subject to subsection 1, a communication by the sender canceling or amending a payment order is effective to cancel or amend the order if notice of the communication is received at a time and in a manner affording the receiving bank a reasonable opportunity to act on the communication before the bank accepts the payment order.

3. After a payment order has been accepted, cancellation or amendment of the order is not effective unless the receiving bank agrees or a funds-transfer system rule allows cancellation or amendment without agreement of the bank.

*a.* With respect to a payment order accepted by a receiving bank other than the beneficiary's bank, cancellation or amendment is not effective unless a conforming cancellation or amendment of the payment order issued by the receiving bank is also made.

*b.* With respect to a payment order accepted by the beneficiary's bank, cancellation or amendment is not effective unless the order was issued in execution of an unauthorized payment order, or because of a mistake by a sender in the funds transfer which resulted in the issuance of a payment order that is a duplicate of a payment order previously issued by the sender, that orders payment to a beneficiary not entitled to receive payment from the originator, or that orders payment in an amount greater than the amount the beneficiary was entitled to receive from the originator. If the payment order is canceled or amended, the beneficiary's bank is entitled to recover from the beneficiary any amount paid to the beneficiary to the extent allowed by the law governing mistake and restitution.

4. An unaccepted payment order is canceled by operation of law at the close of the fifth funds-transfer business day of the receiving bank after the execution date or payment date of the order.

5. A canceled payment order cannot be accepted. If an accepted payment order is canceled, the acceptance is nullified and no person has any right or obligation based on the acceptance. Amendment of a payment order is deemed to be cancellation of the original order at the time of amendment and issuance of a new payment order in the amended form at the same time.

6. Unless otherwise provided in an agreement of the parties or in a funds-transfer system rule, if the receiving bank, after accepting a payment order, agrees to cancellation or amendment of the order by the sender or is bound by a funds-transfer system rule allowing cancellation or amendment without the bank's agreement, the sender, whether or not cancellation or amendment is effective, is liable to the bank for any loss and expenses, including reasonable attorney's fees, incurred by the bank as a result of the cancellation or amendment or attempted cancellation or amendment.

7. A payment order is not revoked by the death or legal incapacity of the sender unless the receiving bank knows of the death or of an adjudication of incapacity by a court of competent jurisdiction and has reasonable opportunity to act before acceptance of the order.

8. A funds-transfer system rule is not effective to the extent it conflicts with subsection 3, paragraph *"b"*.

92 Acts, ch 1146, §19

Referred to in §554.12209, 554.12210, 554.12404, 554.12406

**554.12212 Liability and duty of receiving bank regarding unaccepted payment order.**

If a receiving bank fails to accept a payment order that it is obligated by express agreement to accept, the bank is liable for breach of the agreement to the extent provided in the agreement or in this Article, but does not otherwise have any duty to accept a payment order or, before acceptance, to take any action, or refrain from taking action, with respect to the order except as provided in this Article or by express agreement. Liability based on acceptance arises only when acceptance occurs as stated in section 554.12209, and liability is limited to that provided in this Article. A receiving bank is not the agent of the sender or beneficiary of the payment order it accepts, or of any other party to the funds transfer, and

the bank owes no duty to any party to the funds transfer except as provided in this Article or by express agreement.

92 Acts, ch 1146, §20
Section not amended; editorial changes applied

## PART 3

## EXECUTION OF SENDER'S PAYMENT ORDER BY RECEIVING BANK

**554.12301 Execution and execution date.**

1. A payment order is executed by the receiving bank when the receiving bank issues a payment order intended to carry out the payment order received by the bank. A payment order received by the beneficiary's bank can be accepted but cannot be executed.

2. *"Execution date"* of a payment order means the day on which the receiving bank may properly issue a payment order in execution of the sender's order. The execution date may be determined by instruction of the sender but cannot be earlier than the day the order is received and, unless otherwise determined, is the day the order is received. If the sender's instruction states a payment date, the execution date is the payment date or an earlier date on which execution is reasonably necessary to allow payment to the beneficiary on the payment date.

92 Acts, ch 1146, §21
Referred to in §554.12105

**554.12302 Obligations of receiving bank in execution of payment order.**

1. Except as provided in subsections 2 through 4, if the receiving bank accepts a payment order pursuant to section 554.12209, subsection 1, the bank has the following obligations in executing the order:

*a.* The receiving bank is obligated to issue, on the execution date, a payment order complying with the sender's order and to follow the sender's instructions concerning any intermediary bank or funds-transfer system to be used in carrying out the funds transfer, or the means by which payment orders are to be transmitted in the funds transfer. If the originator's bank issues a payment order to an intermediary bank, the originator's bank shall instruct the intermediary bank according to the instruction of the originator. An intermediary bank in the funds transfer is similarly bound by an instruction given to it by the sender of the payment order it accepts.

*b.* If the sender's instruction states that the funds transfer is to be carried out telephonically or by wire transfer or otherwise indicates that the funds transfer is to be carried out by the most expeditious means, the receiving bank is obligated to transmit its payment order by the most expeditious available means, and to instruct any intermediary bank accordingly. If a sender's instruction states a payment date, the receiving bank shall transmit the receiving bank's payment order at a time and by means reasonably necessary to allow payment to the beneficiary on the payment date or as soon thereafter as is feasible.

2. Unless otherwise instructed, a receiving bank executing a payment order may use any funds-transfer system if use of that system is reasonable under the circumstances, and issue a payment order to the beneficiary's bank or to an intermediary bank through which a payment order conforming to the sender's order can expeditiously be issued to the beneficiary's bank if the receiving bank exercises ordinary care in the selection of the intermediary bank. A receiving bank is not required to follow an instruction of the sender designating a funds-transfer system to be used in carrying out the funds transfer if the receiving bank, in good faith, determines that it is not feasible to follow the instruction or that following the instruction would unduly delay completion of the funds transfer.

3. Unless subsection 1, paragraph *"b"*, applies or the receiving bank is otherwise instructed, the receiving bank may execute a payment order by transmitting the receiving bank's payment order by first class mail or by any means reasonable under the circumstances. If the receiving bank is instructed to execute the sender's order by transmitting the receiving

bank's payment order by a particular means, the receiving bank may issue the payment order by the means stated or by any means as expeditious as the means stated.

4. Unless instructed by the sender, the receiving bank may not obtain payment of its charges for services and expenses in connection with the execution of the sender's order by issuing a payment order in an amount equal to the amount of the sender's order less the amount of the charges, and may not instruct a subsequent receiving bank to obtain payment of its charges in the same manner.

92 Acts, ch 1146, §22
Referred to in §554.12208, 554.12305, 554.12402

**554.12303 Erroneous execution of payment order.**

1. A receiving bank that executes the payment order of the sender by issuing a payment order in an amount greater than the amount of the sender's order, or that issues a payment order in execution of the sender's order and then issues a duplicate order, is entitled to payment of the amount of the sender's order under section 554.12402, subsection 3, if the provisions of that subsection are otherwise satisfied. The bank is entitled to recover from the beneficiary of the erroneous order the excess payment received to the extent allowed by the law governing mistake and restitution.

2. A receiving bank that executes the payment order of the sender by issuing a payment order in an amount less than the amount of the sender's order is entitled to payment of the amount of the sender's order under section 554.12402, subsection 3, if the provisions of that subsection are otherwise satisfied and the bank corrects the error by issuing an additional payment order for the benefit of the beneficiary of the sender's order. If the error is not corrected, the issuer of the erroneous order is entitled to receive or retain payment from the sender of the order only to the extent of the amount of the erroneous order. This subsection does not apply if the receiving bank executes the sender's payment order by issuing a payment order in an amount less than the amount of the sender's order for the purpose of obtaining payment of the receiving bank's charges for services and expenses pursuant to instruction of the sender.

3. If a receiving bank executes the payment order of the sender by issuing a payment order to a beneficiary different from the beneficiary of the sender's order and the funds transfer is completed on the basis of that error, the sender of the payment order that was erroneously executed and all previous senders in the funds transfer are not obligated to pay the payment orders they issued. The issuer of the erroneous order is entitled to recover from the beneficiary of the payment order issued the payment received to the extent allowed by the law governing mistake and restitution.

92 Acts, ch 1146, §23
Referred to in §554.12304, 554.12402

**554.12304 Duty of sender to report erroneously executed payment order.**

If the sender of a payment order that is erroneously executed as stated in section 554.12303 receives notification from the receiving bank that the order was executed or that the sender's account was debited with respect to the order, the sender has a duty to exercise ordinary care to determine, on the basis of information available to the sender, that the order was erroneously executed and to notify the bank of the relevant facts within a reasonable time not exceeding ninety days after the notification from the bank is received by the sender. If the sender fails to perform that duty, the bank is not obligated to pay interest on any amount refundable to the sender under section 554.12402, subsection 4, for the period before the bank learns of the execution error. The bank is not entitled to any recovery from the sender as a result of the failure by the sender to perform the duty stated in this section.

92 Acts, ch 1146, §24
Referred to in §554.12402

**554.12305 Liability for late or improper execution or failure to execute payment order.**

1. If a funds transfer is completed, but execution of a payment order by the receiving bank in breach of section 554.12302 results in delay in payment to the beneficiary, the bank is obligated to pay interest to either the originator or the beneficiary of the funds transfer for

the period of delay caused by the improper execution. Except as provided in subsection 3, additional damages are not recoverable.

2. If execution of a payment order by a receiving bank in breach of section 554.12302 results in noncompletion of the funds transfer, failure to use an intermediary bank designated by the originator, or issuance of a payment order that does not comply with the terms of the payment order of the originator, the bank is liable to the originator for the originator's expenses in the funds transfer and for incidental expenses and interest losses, to the extent not covered by subsection 1, resulting from the improper execution. Except as provided in subsection 3, additional damages are not recoverable.

3. In addition to the amounts payable under subsections 1 and 2, damages, including consequential damages, are recoverable to the extent provided in an express written agreement of the receiving bank.

4. If a receiving bank fails to execute a payment order that the receiving bank was obligated by express agreement to execute, the receiving bank is liable to the sender for the sender's expenses in the transaction and for incidental expenses and interest losses resulting from the failure to execute. Additional damages, including consequential damages, are recoverable to the extent provided in an express written agreement of the receiving bank, but are not otherwise recoverable.

5. Reasonable attorney's fees are recoverable if demand for compensation under subsection 1 or 2 is made and refused before an action is brought on the claim. If a claim is made for breach of an agreement under subsection 4 and the agreement does not provide for damages, reasonable attorney's fees are recoverable if demand for compensation under subsection 4 is made and refused before an action is brought on the claim.

6. Except as stated in this section, the liability of a receiving bank under subsections 1 and 2 may not be varied by agreement.

92 Acts, ch 1146, §25

## PART 4

## PAYMENT

**554.12401 Payment date.**

*"Payment date"* of a payment order means the day on which the amount of the order is payable to the beneficiary by the beneficiary's bank. The payment date may be determined by instruction of the sender but cannot be earlier than the day the order is received by the beneficiary's bank and, unless otherwise determined, is the day the order is received by the beneficiary's bank.

92 Acts, ch 1146, §26

Referred to in §554.12105

**554.12402 Obligation of sender to pay receiving bank.**

1. This section is subject to sections 554.12205 and 554.12207.

2. With respect to a payment order issued to the beneficiary's bank, acceptance of the order by the bank obligates the sender to pay the bank the amount of the order, but payment is not due until the payment date of the order.

3. This subsection is subject to subsection 5 and to section 554.12303. With respect to a payment order issued to a receiving bank other than the beneficiary's bank, acceptance of the order by the receiving bank obligates the sender to pay the bank the amount of the sender's order. Payment by the sender is not due until the execution date of the sender's order. The obligation of the sender to pay the sender's payment order is excused if the funds transfer is not completed by acceptance by the beneficiary's bank of the payment order instructing payment to the beneficiary of the sender's payment order.

4. If the sender of a payment order pays the order and was not obligated to pay all or part of the amount paid, the bank receiving payment shall refund payment to the extent the sender

was not obligated to pay. Except as provided in sections 554.12204 and 554.12304, interest is payable on the refundable amount from the date of payment.

5. If a funds transfer is not completed as stated in subsection 3 and an intermediary bank is obligated to refund payment as stated in subsection 4 but is unable to do so because the intermediary bank is not permitted by applicable law or because the bank suspends payments, a sender in the funds transfer that executed a payment order in compliance with an instruction, as stated in section 554.12302, subsection 1, paragraph *"a"*, to route the funds transfer through the intermediary bank is entitled to receive or retain payment from the sender of the payment order that it accepted. The first sender in the funds transfer that issued an instruction requiring routing through that intermediary bank is subrogated to the right of the bank that paid the intermediary bank to refund as stated in subsection 4.

6. The right of the sender of a payment order to be excused from the obligation to pay the order as stated in subsection 3 or to receive refund under subsection 4 may not be varied by agreement.

92 Acts, ch 1146, §27

Referred to in §554.12303, 554.12304, 554.12403, 554.12405

**554.12403 Payment by sender to receiving bank.**

1. Payment of the sender's obligation under section 554.12402 to pay the receiving bank occurs as follows:

*a.* If the sender is a bank, payment occurs when the receiving bank receives final settlement of the obligation through a federal reserve bank or through a funds-transfer system.

*b.* If the sender is a bank and the sender credited an account of the receiving bank with the sender, or caused an account of the receiving bank in another bank to be credited, payment occurs when the credit is withdrawn or, if not withdrawn, at midnight of the day on which the credit is withdrawable and the receiving bank knows of that fact.

*c.* If the receiving bank debits an account of the sender with the receiving bank, payment occurs when the debit is made to the extent the debit is covered by a withdrawable credit balance in the account.

2. *a.* If the sender and receiving bank are members of a funds-transfer system that nets obligations multilaterally among participants, the receiving bank receives final settlement when settlement is complete in accordance with the rules of the system.

*b.* The obligation of the sender to pay the amount of a payment order transmitted through the funds-transfer system may be satisfied, to the extent permitted by the rules of the system, by setting off and applying against the sender's obligation the right of the sender to receive payment from the receiving bank of the amount of any other payment order transmitted to the sender by the receiving bank through the funds-transfer system.

*c.* The aggregate balance of obligations owed by each sender to each receiving bank in the funds-transfer system may be satisfied, to the extent permitted by the rules of the system, by setting off and applying against that balance the aggregate balance of obligations owed to the sender by other members of the system. The aggregate balance is determined after the right of setoff stated in paragraph *"b"* has been exercised.

3. If two banks transmit payment orders to each other under an agreement that settlement of the obligations of each bank to the other under section 554.12402 will be made at the end of the day or other period, the total amount owed with respect to all orders transmitted by one bank shall be set off against the total amount owed with respect to all orders transmitted by the other bank. To the extent of the setoff, each bank has made payment to the other.

4. In a case not covered by subsection 1, the time when payment of the sender's obligation occurs under section 554.12402, subsection 2 or 3, is governed by applicable principles of law that determine when an obligation is satisfied.

92 Acts, ch 1146, §28; 2010 Acts, ch 1061, §73

Referred to in §554.12105, 554.12209

**554.12404 Obligation of beneficiary's bank to pay and give notice to beneficiary.**

1. Subject to sections 554.12211, subsection 5, and 554.12405, subsections 4 and 5, if

a beneficiary's bank accepts a payment order, the beneficiary bank shall pay the amount of the order to the beneficiary of the order. Payment is due on the payment date of the order, but if acceptance occurs on the payment date after the close of the funds-transfer business day of the beneficiary's bank, payment is due on the next funds-transfer business day. If the beneficiary's bank refuses to pay upon demand by the beneficiary and receipt of notice of particular circumstances that will give rise to consequential damages as a result of nonpayment, the beneficiary may recover damages resulting from the refusal to pay to the extent the beneficiary's bank had notice of the damages, unless the beneficiary's bank proves that it did not pay because of a reasonable doubt concerning the right of the beneficiary to payment.

2. If a payment order accepted by the beneficiary's bank instructs payment to an account of the beneficiary, the bank shall notify the beneficiary of receipt of the order before midnight of the next funds-transfer business day following the payment date. If the payment order does not instruct payment to an account of the beneficiary, the beneficiary's bank is required to notify the beneficiary only if notice is required by the order. Notice may be given by first class mail or any other means reasonable in the circumstances. If the beneficiary's bank fails to give the required notice, the bank shall pay interest to the beneficiary on the amount of the payment order from the day notice should have been given until the day the beneficiary learned of receipt of the payment order by the beneficiary's bank. No other damages are recoverable. Reasonable attorney's fees are also recoverable if demand for interest is made and refused before an action is brought on the claim.

3. The right of a beneficiary to receive payment and damages as stated in subsection 1 may not be varied by agreement or a funds-transfer system rule. The right of a beneficiary to be notified as stated in subsection 2 may be varied by agreement of the beneficiary or by a funds-transfer system rule if the beneficiary is notified of the rule before initiation of the funds transfer.

92 Acts, ch 1146, §29

Referred to in §554.12405, 554.12406, 554.12501

**554.12405 Payment by beneficiary's bank to beneficiary.**

1. If the beneficiary's bank credits an account of the beneficiary of a payment order, payment of the beneficiary's bank's obligation under section 554.12404, subsection 1, occurs when and to the extent the beneficiary is notified of the right to withdraw the credit, the bank lawfully applies the credit to a debt of the beneficiary, or funds with respect to the order are otherwise made available to the beneficiary by the beneficiary's bank.

2. If the beneficiary's bank does not credit an account of the beneficiary of a payment order, the time when payment of the beneficiary's bank's obligation under section 554.12404, subsection 1, occurs is governed by principles of law that determine when an obligation is satisfied.

3. Except as stated in subsections 4 and 5, if the beneficiary's bank pays the beneficiary of a payment order under a condition to payment or agreement of the beneficiary giving the beneficiary's bank the right to recover payment from the beneficiary if the bank does not receive payment of the order, the condition to payment or agreement is not enforceable.

4. A funds-transfer system rule may provide that payments made to beneficiaries of funds transfers made through the system are provisional until receipt of payment by the beneficiary's bank of the payment order the beneficiary's bank accepted. A beneficiary's bank that makes a payment that is provisional under the rule is entitled to refund from the beneficiary if the rule requires that both the beneficiary and the originator be given notice of the provisional nature of the payment before the funds transfer is initiated, the beneficiary, the beneficiary's bank and the originator's bank agreed to be bound by the rule, and the beneficiary's bank did not receive payment of the payment order that the beneficiary's bank accepted. If the beneficiary is obligated to refund payment to the beneficiary's bank, acceptance of the payment order by the beneficiary's bank is nullified and no payment by the originator of the funds transfer to the beneficiary occurs under section 554.12406.

5. This subsection applies to a funds transfer that includes a payment order transmitted over a funds-transfer system that nets obligations multilaterally among participants, and has

in effect a loss-sharing agreement among participants for the purpose of providing funds necessary to complete settlement of the obligations of one or more participants that do not meet their settlement obligations. If the beneficiary's bank in the funds transfer accepts a payment order and the system fails to complete settlement pursuant to the system's rules with respect to any payment order in the funds transfer, the acceptance by the beneficiary's bank is nullified and no person has any right or obligation based on the acceptance, the beneficiary's bank is entitled to recover payment from the beneficiary, payment by the originator to the beneficiary does not occur under section 554.12406, and subject to section 554.12402, subsection 5, each sender in the funds transfer is excused from its obligation to pay its payment order under section 554.12402, subsection 3, because the funds transfer has not been completed.

92 Acts, ch 1146, §30

Referred to in §554.12105, 554.12209, 554.12404, 554.12406, 554.12501

**554.12406 Payment by originator to beneficiary — discharge of underlying obligation.**

1. Subject to section 554.12211, subsection 5, and section 554.12405, subsections 4 and 5, the originator of a funds transfer pays the beneficiary of the originator's payment order at the time a payment order for the benefit of the beneficiary is accepted by the beneficiary's bank in the funds transfer and in an amount equal to the amount of the order accepted by the beneficiary's bank, but not more than the amount of the originator's order.

2. If payment under subsection 1 is made to satisfy an obligation, the obligation is discharged to the same extent discharge would result from payment to the beneficiary of the same amount in money, unless the payment under subsection 1 was made by a means prohibited by the contract of the beneficiary with respect to the obligation, the beneficiary, within a reasonable time after receiving notice of receipt of the order by the beneficiary's bank, notified the originator of the beneficiary's refusal of the payment, funds with respect to the order were not withdrawn by the beneficiary or applied to a debt of the beneficiary, or the beneficiary would suffer a loss that could reasonably have been avoided if payment had been made by a means complying with the contract. If payment by the originator does not result in discharge under this section, the originator is subrogated to the rights of the beneficiary to receive payment from the beneficiary's bank under section 554.12404, subsection 1.

3. For the purpose of determining whether discharge of an obligation occurs under subsection 2, if the beneficiary's bank accepts a payment order in an amount equal to the amount of the originator's payment order less charges of one or more receiving banks in the funds transfer, payment to the beneficiary is deemed to be in the amount of the originator's order unless upon demand by the beneficiary the originator does not pay the beneficiary the amount of the deducted charges.

4. Rights of the originator or of the beneficiary of a funds transfer under this section may be varied only by agreement of the originator and the beneficiary.

92 Acts, ch 1146, §31

Referred to in §554.4213, 554.12105, 554.12405

## PART 5

## MISCELLANEOUS PROVISIONS

**554.12501 Variation by agreement and effect of funds-transfer system rule.**

1. Except as otherwise provided in this Article, the rights and obligations of a party to a funds transfer may be varied by agreement of the affected party.

2. *"Funds-transfer system rule"* means a rule of an association of banks governing transmission of payment orders by means of a funds-transfer system of the association or rights and obligations with respect to those orders, or to the extent the rule governs rights and obligations between banks that are parties to a funds transfer in which a federal reserve bank, acting as an intermediary bank, sends a payment order to the beneficiary's bank. Except as otherwise provided in this Article, a funds-transfer system rule governing rights and obligations between participating banks using the system may be effective even if the

rule conflicts with this Article and indirectly affects another party to the funds transfer who does not consent to the rule. A funds-transfer system rule may also govern the rights and obligations of parties other than participating banks using the system to the extent stated in section 554.12404, subsection 3, section 554.12405, subsection 4, and section 554.12507, subsection 3.

92 Acts, ch 1146, §32
Referred to in §554.12105
Section not amended; editorial changes applied

**554.12502 Creditor process served on receiving bank — setoff by beneficiary's bank.**

1. As used in this section, *"creditor process"* means levy, attachment, garnishment, notice of lien, sequestration, or similar process issued by or on behalf of a creditor or other claimant with respect to an account.

2. This subsection applies to the creditor process with respect to an authorized account of the sender of a payment order if the creditor process is served on the receiving bank. For the purpose of determining the rights of the parties with respect to the creditor process, if the receiving bank accepts the payment order, the balance in the authorized account is deemed to be reduced by the amount of the payment order to the extent the bank did not otherwise receive payment of the order, unless the creditor process is served at a time and in a manner affording the bank a reasonable opportunity to act on it before the bank accepts the payment order.

3. If a beneficiary's bank has received a payment order for payment to the beneficiary's account in the bank, the following rules apply:

*a.* The beneficiary's bank may credit the beneficiary's account. The amount credited may be set off against an obligation owed by the beneficiary to the bank or may be applied to satisfy a creditor process served on the bank with respect to the account.

*b.* The beneficiary's bank may credit the beneficiary's account and allow withdrawal of the amount credited unless a creditor process with respect to the account is served at a time and in a manner affording the beneficiary's bank a reasonable opportunity to act to prevent withdrawal.

*c.* If a creditor process with respect to the beneficiary's account has been served and the beneficiary's bank has had a reasonable opportunity to act on it, the beneficiary's bank may not reject the payment order except for a reason unrelated to the service of process.

4. Creditor process with respect to a payment by the originator to the beneficiary pursuant to a funds transfer may be served only on the beneficiary's bank with respect to the debt owed by that bank to the beneficiary. Any other bank served with the creditor process is not required to act with respect to the process.

92 Acts, ch 1146, §33

**554.12503 Injunction or restraining order with respect to funds transfer.**

For proper cause and in compliance with applicable law, a court may restrain a person from issuing a payment order to initiate a funds transfer, an originator's bank from executing the payment order of the originator, or the beneficiary's bank from releasing funds to the beneficiary or the beneficiary from withdrawing the funds. A court may not otherwise restrain a person from issuing a payment order, paying or receiving payment of a payment order, or otherwise acting with respect to a funds transfer.

92 Acts, ch 1146, §34

**554.12504 Order in which items and payment orders may be charged to account — order of withdrawals from account.**

1. If a receiving bank has received more than one payment order of the sender or one or more payment orders and other items that are payable from the sender's account, the bank may charge the sender's account with respect to the various orders and items in any sequence.

2. In determining whether a credit to an account has been withdrawn by the holder of the

account or applied to a debt of the holder of the account, credits first made to the account are first withdrawn or applied.

92 Acts, ch 1146, §35

**554.12505 Preclusion of objection to debit of customer's account.**

If a receiving bank has received payment from the receiving bank's customer with respect to a payment order issued in the name of the customer as sender and accepted by the receiving bank, and the customer received notification reasonably identifying the order, the customer is precluded from asserting that the receiving bank is not entitled to retain the payment unless the customer notifies the receiving bank of the customer's objection to the payment within one year after the notification was received by the customer.

92 Acts, ch 1146, §36

**554.12506 Rate of interest.**

1. If, under this Article, a receiving bank is to pay interest with respect to a payment order issued to the bank, the amount payable may be determined by agreement of the sender and receiving bank, or by a funds-transfer system rule if the payment order is transmitted through a funds-transfer system.

2. If the amount of interest is not determined by an agreement or rule as stated in subsection 1, the amount is calculated by multiplying the applicable federal funds rate by the amount on which interest is payable, and then multiplying the product by the number of days for which interest is payable. The applicable federal funds rate is the average of the federal funds rates published by the federal reserve bank of New York for each of the days for which interest is payable divided by three hundred sixty. The federal funds rate for any day on which a published rate is not available is the same as the published rate for the next preceding day for which there is a published rate. If a receiving bank that accepted a payment order is required to refund payment to the sender of the order because the funds transfer was not completed, but the failure to complete was not due to any fault by the receiving bank, the interest payable is reduced by a percentage equal to the reserve requirement on deposits of the receiving bank.

92 Acts, ch 1146, §37

Section not amended; editorial change applied

**554.12507 Choice of law.**

1. The following rules apply unless the affected parties otherwise agree or subsection 3 applies:

*a.* The rights and obligations between the sender of a payment order and the receiving bank are governed by the law of the jurisdiction in which the receiving bank is located.

*b.* The rights and obligations between the beneficiary's bank and the beneficiary are governed by the law of the jurisdiction in which the beneficiary's bank is located.

*c.* The issue of when payment is made pursuant to a funds transfer by the originator to the beneficiary is governed by the law of the jurisdiction in which the beneficiary's bank is located.

2. If the parties described in each paragraph of subsection 1 have made an agreement selecting the law of a particular jurisdiction to govern rights and obligations between each other, the law of that jurisdiction governs those rights and obligations, whether or not the payment order or the funds transfer bears a reasonable relation to that jurisdiction.

3. *a.* A funds-transfer system rule may select the law of a particular jurisdiction to govern:

(1) the rights and obligations between participating banks with respect to payment orders transmitted or processed through the system, or

(2) the rights and obligations of some or all parties to a funds transfer any part of which is carried out by means of the system.

*b.* A choice of law made pursuant to paragraph "*a*", subparagraph (1), is binding on participating banks. A choice of law made pursuant to paragraph "*a*", subparagraph (2), is binding on the originator, other sender, or a receiving bank having notice that the funds-transfer system might be used in the funds transfer and of the choice of law by the

system when the originator, other sender, or receiving bank issued or accepted a payment order. The beneficiary of a funds transfer is bound by the choice of law if, when the funds transfer is initiated, the beneficiary has notice that the funds-transfer system might be used in the funds transfer and of the choice of law by the system. The law of a jurisdiction selected pursuant to this subsection may govern, whether or not that law bears a reasonable relation to the matter in issue.

4. In the event of inconsistency between an agreement under subsection 2 and a choice-of-law rule under subsection 3, the agreement under subsection 2 prevails.

5. If a funds transfer is made by use of more than one funds-transfer system and there is inconsistency between choice-of-law rules of the systems, the matter in issue is governed by the law of the selected jurisdiction that has the most significant relationship to the matter in issue.

92 Acts, ch 1146, §38; 2013 Acts, ch 30, §153
Referred to in §554.1301, 554.12105, 554.12501
Subsection 3 amended

# ARTICLE 13

# LEASES

Referred to in §554.1201, 554.7509, 554.9110, 554.9203, 554.9322, 554D.104

Provisions codified in this Article have been
designated as Article 2A by the National
Conference of Commissioners on
Uniform State Laws
For uniform state laws, see chapter 5 of the Code

## PART 1

## GENERAL PROVISIONS

**554.13101 Short title.**

This Article shall be known and may be cited as the Uniform Commercial Code — Leases.
94 Acts, ch 1052, §5

**554.13102 Scope.**

This Article applies to any transaction, regardless of form, that creates a lease.
94 Acts, ch 1052, §6

**554.13103 Definitions and index of definitions.**

1. In this Article unless the context otherwise requires:

*a.* *"Buyer in ordinary course of business"* means a person who in good faith and without knowledge that the sale to the person is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, buys in ordinary course from a person in the business of selling goods of that kind but does not include a pawnbroker. *"Buying"* may be for cash or by exchange of other property or on secured or unsecured credit and includes acquiring goods or documents of title under a preexisting contract for sale but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

*b.* *"Cancellation"* occurs when either party puts an end to the lease contract for default by the other party.

*c.* *"Commercial unit"* means such a unit of goods as by commercial usage is a single whole for purposes of lease and division of which materially impairs its character or value on the market or in use. A commercial unit may be a single article, as a machine, or a set of articles, as a suite of furniture or a line of machinery, or a quantity, as a gross or carload, or any other unit treated in use or in the relevant market as a single whole.

*d. "Conforming"* goods or performance under a lease contract means goods or performance that are in accordance with the obligations under the lease contract.

*e. "Consumer lease"* means a lease that a lessor regularly engaged in the business of leasing or selling makes to a lessee who is an individual and who takes under the lease primarily for a personal, family, or household purpose, if the total payments to be made under the lease contract, excluding payments for options to renew or buy, do not exceed the dollar amount designated in section 537.1301, subsection 14.

*f. "Fault"* means wrongful act, omission, breach, or default.

*g. "Finance lease"* means a lease with respect to which:

(1) the lessor does not select, manufacture, or supply the goods;

(2) the lessor acquires the goods or the right to possession and use of the goods in connection with the lease; and

(3) one of the following occurs:

(a) the lessee receives a copy of the contract by which the lessor acquired the goods or the right to possession and use of the goods before signing the lease contract;

(b) the lessee's approval of the contract by which the lessor acquired the goods or the right to possession and use of the goods is a condition to effectiveness of the lease contract;

(c) the lessee, before signing the lease contract, receives an accurate and complete statement designating the promises and warranties, and any disclaimers of warranties, limitations or modifications of remedies, or liquidated damages, including those of a third party, such as the manufacturer of the goods, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods; or

(d) if the lease is not a consumer lease, the lessor, before the lessee signs the lease contract, informs the lessee in writing of the identity of the person supplying the goods to the lessor, unless the lessee has selected that person and directed the lessor to acquire the goods or the right to possession and use of the goods from that person; that the lessee is entitled under this Article to the promises and warranties, including those of any third party, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods; and that the lessee may communicate with the person supplying the goods to the lessor and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations of them or of remedies.

*h. "Goods"* means all things that are movable at the time of identification to the lease contract, or are fixtures (section 554.13309), but the term does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like, including oil and gas, before extraction. The term also includes the unborn young of animals.

*i. "Installment lease contract"* means a lease contract that authorizes or requires the delivery of goods in separate lots to be separately accepted, even though the lease contract contains a clause "each delivery is a separate lease" or its equivalent.

*j. "Lease"* means a transfer of the right to possession and use of goods for a term in return for consideration, but a sale, including a sale on approval or a sale or return, or retention or creation of a security interest is not a lease. Unless the context clearly indicates otherwise, the term includes a sublease.

*k. "Lease agreement"* means the bargain, with respect to the lease, of the lessor and the lessee in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided in this Article. Unless the context clearly indicates otherwise, the term includes a sublease agreement.

*l. "Lease contract"* means the total legal obligation that results from the lease agreement as affected by this Article and any other applicable rules of law. Unless the context clearly indicates otherwise, the term includes a sublease contract.

*m. "Leasehold interest"* means the interest of the lessor or the lessee under a lease contract.

*n. "Lessee"* means a person who acquires the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessee.

*o. "Lessee in ordinary course of business"* means a person who in good faith and without

knowledge that the lease to the person is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, leases in ordinary course from a person in the business of selling or leasing goods of that kind but does not include a pawnbroker. *"Leasing"* may be for cash or by exchange of other property or on secured or unsecured credit and includes acquiring goods or documents of title under a preexisting lease contract but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

*p.* *"Lessor"* means a person who transfers the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessor.

*q.* *"Lessor's residual interest"* means the lessor's interest in the goods after expiration, termination, or cancellation of the lease contract.

*r.* *"Lien"* means a charge against or interest in goods to secure payment of a debt or performance of an obligation, but the term does not include a security interest.

*s.* *"Lot"* means a parcel or a single article that is the subject matter of a separate lease or delivery, whether or not it is sufficient to perform the lease contract.

*t.* *"Merchant lessee"* means a lessee that is a merchant with respect to goods of the kind subject to the lease.

*u.* *"Present value"* means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate was not manifestly unreasonable at the time the transaction was entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

*v.* *"Purchase"* includes taking by sale, lease, mortgage, security interest, pledge, gift, or any other voluntary transaction creating an interest in goods.

*w.* *"Sublease"* means a lease of goods the right to possession and use of which was acquired by the lessor as a lessee under an existing lease.

*x.* *"Supplier"* means a person from whom a lessor buys or leases goods to be leased under a finance lease.

*y.* *"Supply contract"* means a contract under which a lessor buys or leases goods to be leased.

*z.* *"Termination"* occurs when either party pursuant to a power created by agreement or law puts an end to the lease contract otherwise than for default.

2. Other definitions applying to this Article and the sections in which they appear are:

*a.* "Accessions" ..... Section 554.13310, subsection 1

*b.* "Construction mortgage" ..... Section 554.13309, subsection 1, paragraph *"d"*

*c.* "Encumbrance" ..... Section 554.13309, subsection 1, paragraph *"e"*

*d.* "Fixtures" ..... Section 554.13309, subsection 1, paragraph *"a"*

*e.* "Fixture filing"..... Section 554.13309, subsection 1, paragraph *"b"*

*f.* "Purchase money lease" ..... Section 554.13309, subsection 1, paragraph *"c"*

3. The following definitions in other Articles apply to this Article:

*a.* "Account"..... Section 554.9102, subsection 1, paragraph *"b"*

*b.* "Between merchants" ..... Section 554.2104, subsection 3
*c.* "Buyer" ..... Section 554.2103, subsection 1, paragraph "*a*"
*d.* "Chattel paper" ..... Section 554.9102, subsection 1, paragraph "*k*"
*e.* "Consumer goods" ..... Section 554.9102, subsection 1, paragraph "*w*"
*f.* "Document" ..... Section 554.9102, subsection 1, paragraph "*ad*"
*g.* "Entrusting" ..... Section 554.2403, subsection 3
*h.* "General intangible" ..... Section 554.9102, subsection 1, paragraph "*ap*"
*i.* "Good faith" ..... Section 554.1201
*j.* "Instrument" ..... Section 554.9102, subsection 1, paragraph "*au*"
*k.* "Merchant" ..... Section 554.2104, subsection 1
*l.* "Mortgage" ..... Section 554.9102, subsection 1, paragraph "*bc*"
*m.* "Pursuant to commitment" ..... Section 554.9102, subsection 1, paragraph "*bq*"
*n.* "Receipt" ..... Section 554.2103, subsection 1, paragraph "*c*"
*o.* "Sale" ..... Section 554.2106, subsection 1
*p.* "Sale on approval" ..... Section 554.2326
*q.* "Sale or return" ..... Section 554.2326
*r.* "Seller" ..... Section 554.2103, subsection 1, paragraph "*d*"

4. In addition, Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

94 Acts, ch 1052, §7; 2000 Acts, ch 1149, §156, 187; 2007 Acts, ch 30, §45, 46, 77; 2008 Acts, ch 1032, §81; 2012 Acts, ch 1023, §157; 2013 Acts, ch 30, §154
Referred to in §554.7102, 554.9102
Subsection 1, paragraph g, subparagraph (3), subparagraph division (d) amended

**554.13104 Leases subject to other law.**

1. A lease, although subject to this Article, is also subject to any applicable:

*a.* certificate of title or registration statute of this state (including as provided in chapters 321 and 462A);

*b.* certificate of title statute of another jurisdiction (section 554.13105); or

*c.* consumer protection statute of this state, or final consumer protection decision of a court of this state existing on July 1, 1994.

2. In case of conflict between this Article, other than sections 554.13105, 554.13304,

subsection 3, and 554.13305, subsection 3, and a statute or decision referred to in subsection 1, the statute or decision controls.

3. Failure to comply with an applicable law has only the effect specified therein.

94 Acts, ch 1052, §8

**554.13105 Territorial application of Article to goods covered by certificate of title.**

Subject to the provisions of sections 554.13304, subsection 3, and 554.13305, subsection 3, with respect to goods covered by a certificate of title issued under a statute of this state or of another jurisdiction, compliance and the effect of compliance or noncompliance with a certificate of title statute are governed by the law (including the conflict of laws rules) of the jurisdiction issuing the certificate until the earlier of surrender of the certificate, or four months after the goods are removed from that jurisdiction and thereafter until a new certificate of title is issued by another jurisdiction.

94 Acts, ch 1052, §9; 2013 Acts, ch 30, §261

Referred to in §554.1301, 554.13104

Code editor directive applied

**554.13106 Limitation on power of parties to consumer lease to choose applicable law and judicial forum.**

1. If the law chosen by the parties to a consumer lease is that of a jurisdiction other than a jurisdiction in which the lessee resides at the time the lease agreement becomes enforceable or within thirty days thereafter or in which the goods are to be used, the choice is not enforceable.

2. If the judicial forum chosen by the parties to a consumer lease is a forum that would not otherwise have jurisdiction over the lessee, the choice is not enforceable.

94 Acts, ch 1052, §10

Referred to in §554.1301

**554.13107 Waiver or renunciation of claim or right after default.**

Any claim or right arising out of an alleged default or breach of warranty may be discharged in whole or in part without consideration by a written waiver or renunciation signed and delivered by the aggrieved party.

94 Acts, ch 1052, §11

**554.13108 Unconscionability.**

1. If the court as a matter of law finds a lease contract or any clause of a lease contract to have been unconscionable at the time it was made the court may refuse to enforce the lease contract, or it may enforce the remainder of the lease contract without the unconscionable clause, or it may so limit the application of any unconscionable clause as to avoid any unconscionable result.

2. With respect to a consumer lease, if the court as a matter of law finds that a lease contract or any clause of a lease contract has been induced by unconscionable conduct or that unconscionable conduct has occurred in the collection of a claim arising from a lease contract, the court may grant appropriate relief.

3. Before making a finding of unconscionability under subsection 1 or 2, the court, on its own motion or that of a party, shall afford the parties a reasonable opportunity to present evidence as to the setting, purpose, and effect of the lease contract or clause thereof, or of the conduct.

4. In an action in which the lessee claims unconscionability with respect to a consumer lease:

*a.* If the court finds unconscionability under subsection 1 or 2, the court shall award reasonable attorney's fees to the lessee.

*b.* If the court does not find unconscionability and the lessee claiming unconscionability has brought or maintained an action that the lessee knew to be groundless, the court shall award reasonable attorney's fees to the party against whom the claim is made.

*c.* In determining attorney's fees, the amount of the recovery on behalf of the claimant under subsections 1 and 2 is not controlling.

94 Acts, ch 1052, §12

**554.13109 Option to accelerate at will.**

1. A term providing that one party or the party's successor in interest may accelerate payment or performance or require collateral or additional collateral "at will" or "when the party deems the party insecure" or in words of similar import must be construed to mean that the party has power to do so only if the party in good faith believes that the prospect of payment or performance is impaired.

2. With respect to a consumer lease, the burden of establishing good faith under subsection 1 is on the party who exercised the power; otherwise the burden of establishing lack of good faith is on the party against whom the power has been exercised.

94 Acts, ch 1052, §13

## PART 2

## FORMATION AND CONSTRUCTION OF LEASE CONTRACT

**554.13201 Statute of frauds.**

1. A lease contract is not enforceable by way of action or defense unless:

*a.* the total payments to be made under the lease contract, excluding payments for options to renew or buy, are less than one thousand dollars; or

*b.* there is a writing, signed by the party against whom enforcement is sought or by that party's authorized agent, sufficient to indicate that a lease contract has been made between the parties and to describe the goods leased and the lease term.

2. Any description of leased goods or of the lease term is sufficient and satisfies subsection 1, paragraph "*b*", whether or not it is specific, if it reasonably identifies what is described.

3. A writing is not insufficient because it omits or incorrectly states a term agreed upon, but the lease contract is not enforceable under subsection 1, paragraph "*b*", beyond the lease term and the quantity of goods shown in the writing.

4. A lease contract that does not satisfy the requirements of subsection 1, but which is valid in other respects, is enforceable:

*a.* if the goods are to be specially manufactured or obtained for the lessee and are not suitable for lease or sale to others in the ordinary course of the lessor's business, and the lessor, before notice of repudiation is received and under circumstances that reasonably indicate that the goods are for the lessee, has made either a substantial beginning of their manufacture or commitments for their procurement;

*b.* if the party against whom enforcement is sought admits in that party's pleading, testimony or otherwise in court that a lease contract was made, but the lease contract is not enforceable under this provision beyond the quantity of goods admitted; or

*c.* with respect to goods that have been received and accepted by the lessee.

5. The lease term under a lease contract referred to in subsection 4 is:

*a.* if there is a writing signed by the party against whom enforcement is sought or by that party's authorized agent specifying the lease term, the term so specified;

*b.* if the party against whom enforcement is sought admits in that party's pleading, testimony, or otherwise in court a lease term, the term so admitted; or

*c.* a reasonable lease term.

94 Acts, ch 1052, §14

**554.13202 Final written expression — parol or extrinsic evidence.**

Terms with respect to which the confirmatory memoranda of the parties agree or which are otherwise set forth in a writing intended by the parties as a final expression of their agreement with respect to such terms as are included therein may not be contradicted

by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented:

1. by course of dealing or usage of trade or by course of performance; and

2. by evidence of consistent additional terms unless the court finds the writing to have been intended also as a complete and exclusive statement of the terms of the agreement.

94 Acts, ch 1052, §15

Referred to in §554.13214

**554.13203 Seals inoperative.**

The affixing of a seal to a writing evidencing a lease contract or an offer to enter into a lease contract does not render the writing a sealed instrument and the law with respect to sealed instruments does not apply to the lease contract or offer.

94 Acts, ch 1052, §16

**554.13204 Formation in general.**

1. A lease contract may be made in any manner sufficient to show agreement, including conduct by both parties which recognizes the existence of a lease contract.

2. An agreement sufficient to constitute a lease contract may be found although the moment of its making is undetermined.

3. Although one or more terms are left open, a lease contract does not fail for indefiniteness if the parties have intended to make a lease contract and there is a reasonably certain basis for giving an appropriate remedy.

94 Acts, ch 1052, §17

**554.13205 Firm offers.**

An offer by a merchant to lease goods to or from another person in a signed writing that by its terms gives assurance it will be held open is not revocable, for lack of consideration, during the time stated or, if no time is stated, for a reasonable time, but in no event may the period of irrevocability exceed three months. Any such term of assurance on a form supplied by the offeree must be separately signed by the offeror.

94 Acts, ch 1052, §18

**554.13206 Offer and acceptance in formation of lease contract.**

1. Unless otherwise unambiguously indicated by the language or circumstances, an offer to make a lease contract must be construed as inviting acceptance in any manner and by any medium reasonable in the circumstances.

2. If the beginning of a requested performance is a reasonable mode of acceptance, an offeror who is not notified of acceptance within a reasonable time may treat the offer as having lapsed before acceptance.

94 Acts, ch 1052, §19

**554.13207 Course of performance or practical construction.** Repealed by 2007 Acts, ch 41, § 61. See § 554.1303.

**554.13208 Modification, rescission, and waiver.**

1. An agreement modifying a lease contract needs no consideration to be binding.

2. A signed lease agreement that excludes modification or rescission except by a signed writing may not be otherwise modified or rescinded, but, except as between merchants, such a requirement on a form supplied by a merchant must be separately signed by the other party.

3. Although an attempt at modification or rescission does not satisfy the requirements of subsection 2, it may operate as a waiver.

4. A party who has made a waiver affecting an executory portion of a lease contract may retract the waiver by reasonable notification received by the other party that strict performance will be required of any term waived, unless the retraction would be unjust in view of a material change of position in reliance on the waiver.

94 Acts, ch 1052, §21

**554.13209 Lessee under finance lease as beneficiary of supply contract.**

1. The benefit of a supplier's promises to the lessor under the supply contract and of all warranties, whether express or implied, including those of any third party provided in connection with or as part of the supply contract, extends to the lessee to the extent of the lessee's leasehold interest under a finance lease related to the supply contract, but is subject to the terms of the warranty and of the supply contract and all defenses or claims arising therefrom.

2. The extension of the benefit of a supplier's promises and of warranties to the lessee under subsection 1 does not:

*a.* modify the rights and obligations of the parties to the supply contract, whether arising therefrom or otherwise, or

*b.* impose any duty or liability under the supply contract on the lessee.

3. Any modification or rescission of the supply contract by the supplier and the lessor is effective between the supplier and the lessee unless, before the modification or rescission, the supplier has received notice that the lessee has entered into a finance lease related to the supply contract. If the modification or rescission is effective between the supplier and the lessee, the lessor is deemed to have assumed, in addition to the obligations of the lessor to the lessee under the lease contract, promises of the supplier to the lessor and warranties that were so modified or rescinded as they existed and were available to the lessee before modification or rescission.

4. In addition to the extension of the benefit of the supplier's promises and of warranties to the lessee under subsection 1, the lessee retains all rights that the lessee may have against the supplier which arise from an agreement between the lessee and the supplier or under other law.

94 Acts, ch 1052, §22; 2013 Acts, ch 30, §155
Subsection 2 amended

**554.13210 Express warranties.**

1. Express warranties by the lessor are created as follows:

*a.* Any affirmation of fact or promise made by the lessor to the lessee which relates to the goods and becomes part of the basis of the bargain creates an express warranty that the goods will conform to the affirmation or promise.

*b.* Any description of the goods which is made part of the basis of the bargain creates an express warranty that the goods will conform to the description.

*c.* Any sample or model that is made part of the basis of the bargain creates an express warranty that the whole of the goods will conform to the sample or model.

2. It is not necessary to the creation of an express warranty that the lessor use formal words, such as "warrant" or "guarantee", or that the lessor have a specific intention to make a warranty, but an affirmation merely of the value of the goods or a statement purporting to be merely the lessor's opinion or commendation of the goods does not create a warranty.

94 Acts, ch 1052, §23

**554.13211 Warranties against interference and against infringement — lessee's obligation against infringement.**

1. There is in a lease contract a warranty that for the lease term no person holds a claim to or interest in the goods that arose from an act or omission of the lessor, other than a claim by way of infringement or the like, which will interfere with the lessee's enjoyment of its leasehold interest.

2. Except in a finance lease, there is in a lease contract by a lessor who is a merchant regularly dealing in goods of the kind a warranty that the goods are delivered free of the rightful claim of any person by way of infringement or the like.

3. A lessee who furnishes specifications to a lessor or a supplier shall hold the lessor and the supplier harmless against any claim by way of infringement or the like that arises out of compliance with the specifications.

94 Acts, ch 1052, §24
Referred to in §554.13214, 554.13516

**554.13212 Implied warranty of merchantability.**

1. Except in a finance lease, a warranty that the goods will be merchantable is implied in a lease contract if the lessor is a merchant with respect to goods of that kind.

2. Goods to be merchantable must be at least such as

*a.* pass without objection in the trade under the description in the lease agreement;

*b.* in the case of fungible goods, are of fair average quality within the description;

*c.* are fit for the ordinary purposes for which goods of that type are used;

*d.* run, within the variation permitted by the lease agreement, of even kind, quality, and quantity within each unit and among all units involved;

*e.* are adequately contained, packaged, and labeled as the lease agreement may require; and

*f.* conform to any promises or affirmations of fact made on the container or label.

3. Other implied warranties may arise from course of dealing or usage of trade.

94 Acts, ch 1052, §25

**554.13213 Implied warranty of fitness for particular purpose.**

Except in a finance lease, if the lessor at the time the lease contract is made has reason to know of any particular purpose for which the goods are required and that the lessee is relying on the lessor's skill or judgment to select or furnish suitable goods, there is in the lease contract an implied warranty that the goods will be fit for that purpose.

94 Acts, ch 1052, §26

**554.13214 Exclusion or modification of warranties.**

1. Words or conduct relevant to the creation of an express warranty and words or conduct tending to negate or limit a warranty must be construed wherever reasonable as consistent with each other; but, subject to the provisions of section 554.13202 on parol or extrinsic evidence, negation or limitation is inoperative to the extent that the construction is unreasonable.

2. Subject to subsection 3, to exclude or modify the implied warranty of merchantability or any part of it the language must mention "merchantability", be by a writing, and be conspicuous. Subject to subsection 3, to exclude or modify any implied warranty of fitness the exclusion must be by a writing and be conspicuous. Language to exclude all implied warranties of fitness is sufficient if it is in writing, is conspicuous and states, for example, "There is no warranty that the goods will be fit for a particular purpose".

3. Notwithstanding subsection 2, but subject to subsection 4,

*a.* unless the circumstances indicate otherwise, all implied warranties are excluded by expressions like "as is", or "with all faults", or by other language that in common understanding calls the lessee's attention to the exclusion of warranties and makes plain that there is no implied warranty, if in writing and conspicuous;

*b.* if the lessee before entering into the lease contract has examined the goods or the sample or model as fully as desired or has refused to examine the goods, there is no implied warranty with regard to defects that an examination ought in the circumstances to have revealed; and

*c.* an implied warranty may also be excluded or modified by course of dealing, course of performance, or usage of trade.

4. To exclude or modify a warranty against interference or against infringement (section 554.13211) or any part of it, the language must be specific, be by a writing, and be conspicuous, unless the circumstances, including course of performance, course of dealing, or usage of trade, give the lessee reason to know that the goods are being leased subject to a claim or interest of any person.

94 Acts, ch 1052, §27

**554.13215 Cumulation and conflict of warranties express or implied.**

Warranties, whether express or implied, must be construed as consistent with each other and as cumulative, but if that construction is unreasonable, the intention of the parties

determines which warranty is dominant. In ascertaining that intention the following rules apply:

1. Exact or technical specifications displace an inconsistent sample or model or general language of description.

2. A sample from an existing bulk displaces inconsistent general language of description.

3. Express warranties displace inconsistent implied warranties other than an implied warranty of fitness for a particular purpose.

94 Acts, ch 1052, §28

**554.13216 Third-party beneficiaries of express and implied warranties.**

A warranty to or for the benefit of a lessee under this Article, whether express or implied, extends to any person who may reasonably be expected to use, consume, or be affected by the goods and who is injured by breach of the warranty. The operation of this section may not be excluded, modified, or limited with respect to injury to the person of an individual to whom the warranty extends, but an exclusion, modification, or limitation of the warranty, including any with respect to rights and remedies, effective against the lessee is also effective against the beneficiary designated under this section.

94 Acts, ch 1052, §29

**554.13217 Identification.**

Identification of goods as goods to which a lease contract refers may be made at any time and in any manner explicitly agreed to by the parties. In the absence of explicit agreement, identification occurs:

1. when the lease contract is made if the lease contract is for a lease of goods that are existing and identified;

2. when the goods are shipped, marked, or otherwise designated by the lessor as goods to which the lease contract refers, if the lease contract is for a lease of goods that are not existing and identified; or

3. when the young are conceived, if the lease contract is for a lease of unborn young of animals.

94 Acts, ch 1052, §30

Referred to in §554.13522

**554.13218 Insurance and proceeds.**

1. A lessee obtains an insurable interest when existing goods are identified to the lease contract even though the goods identified are nonconforming and the lessee has an option to reject them.

2. If a lessee has an insurable interest only by reason of the lessor's identification of the goods, the lessor, until default or insolvency or notification to the lessee that identification is final, may substitute other goods for those identified.

3. Notwithstanding a lessee's insurable interest under subsections 1 and 2, the lessor retains an insurable interest until an option to buy has been exercised by the lessee and risk of loss has passed to the lessee.

4. Nothing in this section impairs any insurable interest recognized under any other statute or rule of law.

5. The parties by agreement may determine that one or more parties have an obligation to obtain and pay for insurance covering the goods and by agreement may determine the beneficiary of the proceeds of the insurance.

94 Acts, ch 1052, §31

**554.13219 Risk of loss.**

1. Except in the case of a finance lease, risk of loss is retained by the lessor and does not pass to the lessee. In the case of a finance lease, risk of loss passes to the lessee.

2. Subject to the provisions of this Article on the effect of default on risk of loss (section 554.13220), if risk of loss is to pass to the lessee and the time of passage is not stated, the following rules apply:

*a.* If the lease contract requires or authorizes the goods to be shipped by carrier

(1) and it does not require delivery at a particular destination, the risk of loss passes to the lessee when the goods are duly delivered to the carrier; but

(2) if it does require delivery at a particular destination and the goods are there duly tendered while in the possession of the carrier, the risk of loss passes to the lessee when the goods are there duly so tendered as to enable the lessee to take delivery.

*b.* If the goods are held by a bailee to be delivered without being moved, the risk of loss passes to the lessee on acknowledgment by the bailee of the lessee's right to possession of the goods.

*c.* In any case not within paragraph "*a*" or "*b*", the risk of loss passes to the lessee on the lessee's receipt of the goods if the lessor, or, in the case of a finance lease, the supplier, is a merchant; otherwise the risk passes to the lessee on tender of delivery.

94 Acts, ch 1052, §32

Referred to in §554.13221, 554.13529

**554.13220 Effect of default on risk of loss.**

1. Where risk of loss is to pass to the lessee and the time of passage is not stated:

*a.* If a tender or delivery of goods so fails to conform to the lease contract as to give a right of rejection, the risk of their loss remains with the lessor, or, in the case of a finance lease, the supplier, until cure or acceptance.

*b.* If the lessee rightfully revokes acceptance, the lessee, to the extent of any deficiency in the lessee's effective insurance coverage, may treat the risk of loss as having remained with the lessor from the beginning.

2. Whether or not risk of loss is to pass to the lessee, if the lessee as to conforming goods already identified to a lease contract repudiates or is otherwise in default under the lease contract, the lessor, or, in the case of a finance lease, the supplier, to the extent of any deficiency in the lessor's or supplier's effective insurance coverage may treat the risk of loss as resting on the lessee for a commercially reasonable time.

94 Acts, ch 1052, §33

Referred to in §554.13219

**554.13221 Casualty to identified goods.**

If a lease contract requires goods identified when the lease contract is made, and the goods suffer casualty without fault of the lessee, the lessor or the supplier before delivery, or the goods suffer casualty before risk of loss passes to the lessee pursuant to the lease agreement or section 554.13219, then:

1. if the loss is total, the lease contract is avoided; and

2. if the loss is partial or the goods have so deteriorated as to no longer conform to the lease contract, the lessee may nevertheless demand inspection and at the lessee's option either treat the lease contract as avoided or, except in a finance lease that is not a consumer lease, accept the goods with due allowance from the rent payable for the balance of the lease term for the deterioration or the deficiency in quantity but without further right against the lessor.

94 Acts, ch 1052, §34

## PART 3

## EFFECT OF LEASE CONTRACT

**554.13301 Enforceability of lease contract.**

Except as otherwise provided in this Article, a lease contract is effective and enforceable according to its terms between the parties, against purchasers of the goods and against creditors of the parties.

94 Acts, ch 1052, §35

**554.13302 Title to and possession of goods.**

Except as otherwise provided in this Article, each provision of this Article applies whether the lessor or a third party has title to the goods, and whether the lessor, the lessee, or a third party has possession of the goods, notwithstanding any statute or rule of law that possession or the absence of possession is fraudulent.

94 Acts, ch 1052, §36

**554.13303 Alienability of party's interest under lease contract or of lessor's residual interest in goods — delegation of performance — transfer of rights.**

1. As used in this section, *"creation of a security interest"* includes the sale of a lease contract that is subject to Article 9, Secured Transactions, by reason of section 554.9109, subsection 1, paragraph *"c"*.

2. Except as provided in subsection 3 and section 554.9407, a provision in a lease agreement which prohibits the voluntary or involuntary transfer, including a transfer by sale, sublease, creation or enforcement of a security interest, or attachment, levy, or other judicial process, of an interest of a party under the lease contract or of the lessor's residual interest in the goods, or makes such a transfer an event of default, gives rise to the rights and remedies provided in subsection 4, but a transfer that is prohibited or is an event of default under the lease agreement is otherwise effective.

3. A provision in a lease agreement which prohibits a transfer of a right to damages for default with respect to the whole lease contract or of a right to payment arising out of the transferor's due performance of the transferor's entire obligation, or makes such a transfer an event of default, is not enforceable, and such a transfer is not a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract within the purview of subsection 4.

4. Subject to subsection 3 and section 554.9407:

*a.* if a transfer is made which is made an event of default under a lease agreement, the party to the lease contract not making the transfer, unless that party waives the default or otherwise agrees, has the rights and remedies described in section 554.13501, subsection 2;

*b.* if paragraph *"a"* is not applicable and if a transfer is made that is prohibited under a lease agreement or materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract, unless the party not making the transfer agrees at any time to the transfer in the lease contract or otherwise, then, except as limited by contract, the transferor is liable to the party not making the transfer for damages caused by the transfer to the extent that the damages could not reasonably be prevented by the party not making the transfer and a court having jurisdiction may grant other appropriate relief, including cancellation of the lease contract or an injunction against the transfer.

5. A transfer of "the lease" or of "all my rights under the lease", or a transfer in similar general terms, is a transfer of rights and, unless the language or the circumstances, as in a transfer for security, indicate the contrary, the transfer is a delegation of duties by the transferor to the transferee. Acceptance by the transferee constitutes a promise by the transferee to perform those duties. The promise is enforceable by either the transferor or the other party to the lease contract.

6. Unless otherwise agreed by the lessor and the lessee, a delegation of performance does not relieve the transferor as against the other party of any duty to perform or of any liability for default.

7. In a consumer lease, to prohibit the transfer of an interest of a party under the lease contract or to make a transfer an event of default, the language must be specific, by a writing, and conspicuous.

94 Acts, ch 1052, §37; 2000 Acts, ch 1149, §157, 187; 2013 Acts, ch 30, §261

Referred to in §554.9406, 554.9407, 554.13304, 554.13305

Code editor directive applied

**554.13304 Subsequent lease of goods by lessor.**

1. Subject to section 554.13303, a subsequent lessee from a lessor of goods under an existing lease contract obtains, to the extent of the leasehold interest transferred, the leasehold interest in the goods that the lessor had or had power to transfer, and except as provided in subsection 2 and section 554.13527, subsection 4, takes subject to the existing lease contract. A lessor with voidable title has power to transfer a good leasehold interest to a good faith subsequent lessee for value, but only to the extent set forth in the preceding sentence. If goods have been delivered under a transaction of purchase, the lessor has that power even though:

*a.* the lessor's transferor was deceived as to the identity of the lessor;

*b.* the delivery was in exchange for a check which is later dishonored;

*c.* it was agreed that the transaction was to be a "cash sale"; or

*d.* the delivery was procured through fraud punishable as larcenous under the criminal law.

2. A subsequent lessee in the ordinary course of business from a lessor who is a merchant dealing in goods of that kind to whom the goods were entrusted by the existing lessee of that lessor before the interest of the subsequent lessee became enforceable against that lessor obtains, to the extent of the leasehold interest transferred, all of that lessor's and the existing lessee's rights to the goods, and takes free of the existing lease contract.

3. A subsequent lessee from the lessor of goods that are subject to an existing lease contract and are covered by a certificate of title issued under a statute of this state or of another jurisdiction takes no greater rights than those provided both by this section and by the certificate of title statute.

94 Acts, ch 1052, §38

Referred to in §554.7209, 554.7503, 554.13104, 554.13105

**554.13305 Sale or sublease of goods by lessee.**

1. Subject to the provisions of section 554.13303, a buyer or sublessee from the lessee of goods under an existing lease contract obtains, to the extent of the interest transferred, the leasehold interest in the goods that the lessee had or had power to transfer, and except as provided in subsection 2 and section 554.13511, subsection 4, takes subject to the existing lease contract. A lessee with a voidable leasehold interest has power to transfer a good leasehold interest to a good faith buyer for value or a good faith sublessee for value, but only to the extent set forth in the preceding sentence. When goods have been delivered under a transaction of lease the lessee has that power even though:

*a.* the lessor was deceived as to the identity of the lessee;

*b.* the delivery was in exchange for a check which is later dishonored; or

*c.* the delivery was procured through fraud punishable as larcenous under the criminal law.

2. A buyer in the ordinary course of business or a sublessee in the ordinary course of business from a lessee who is a merchant dealing in goods of that kind to whom the goods were entrusted by the lessor obtains, to the extent of the interest transferred, all of the lessor's and lessee's rights to the goods, and takes free of the existing lease contract.

3. A buyer or sublessee from the lessee of goods that are subject to an existing lease contract and are covered by a certificate of title issued under a statute of this state or of another jurisdiction takes no greater rights than those provided both by this section and by the certificate of title statute.

94 Acts, ch 1052, §39

Referred to in §554.7209, 554.7503, 554.13104, 554.13105

**554.13306 Priority of certain liens arising by operation of law.**

If a person in the ordinary course of the person's business furnishes services or materials with respect to goods subject to a lease contract, a lien upon those goods in the possession of that person given by statute or rule of law for those materials or services takes priority over any interest of the lessor or lessee under the lease contract or this Article unless the lien is

created by statute and the statute provides otherwise or unless the lien is created by rule of law and the rule of law provides otherwise.

94 Acts, ch 1052, §40

Referred to in §554.13307

**554.13307 Priority of liens arising by attachment or levy on, security interests in, and other claims to goods.**

1. Except as otherwise provided in section 554.13306, a creditor of a lessee takes subject to the lease contract.

2. Except as otherwise provided in subsection 3 and in sections 554.13306 and 554.13308, a creditor of a lessor takes subject to the lease contract unless the creditor holds a lien that attached to the goods before the lease contract became enforceable.

3. Except as otherwise provided in sections 554.9317, 554.9321, and 554.9323, a lessee takes a leasehold interest subject to a security interest held by a creditor of the lessor.

94 Acts, ch 1052, §41; 2000 Acts, ch 1149, §158, 187

**554.13308 Special rights of creditors.**

1. A creditor of a lessor in possession of goods subject to a lease contract may treat the lease contract as void if as against the creditor retention of possession by the lessor is fraudulent under any statute or rule of law, but retention of possession in good faith and current course of trade by the lessor for a commercially reasonable time after the lease contract becomes enforceable is not fraudulent.

2. Nothing in this Article impairs the rights of creditors of a lessor if the lease contract becomes enforceable, not in current course of trade but in satisfaction of or as security for a preexisting claim for money, security, or the like, and is made under circumstances which under any statute or rule of law apart from this Article would constitute the transaction a fraudulent transfer or voidable preference.

3. A creditor of a seller may treat a sale or an identification of goods to a contract for sale as void if as against the creditor retention of possession by the seller is fraudulent under any statute or rule of law, but retention of possession of the goods pursuant to a lease contract entered into by the seller as lessee and the buyer as lessor in connection with the sale or identification of the goods is not fraudulent if the buyer bought for value and in good faith.

94 Acts, ch 1052, §42; 2013 Acts, ch 30, §261

Referred to in §554.7504, 554.13307

Code editor directive applied

**554.13309 Lessor's and lessee's rights when goods become fixtures.**

1. In this section:

*a.* goods are "*fixtures*" when they become so related to particular real estate that an interest in them arises under real estate law;

*b.* a "*fixture filing*" is the filing, in the office where a record of a mortgage on the real estate would be filed or recorded, of a financing statement covering goods that are or are to become fixtures and conforming to the requirements of section 554.9502, subsections 1 and 2;

*c.* a lease is a "*purchase money lease*" unless the lessee has possession or use of the goods or the right to possession or use of the goods before the lease agreement is enforceable;

*d.* a mortgage is a "*construction mortgage*" to the extent it secures an obligation incurred for the construction of an improvement on land including the acquisition cost of the land, if the recorded writing so indicates; and

*e.* "*encumbrance*" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests.

2. Under this Article a lease may be of goods that are fixtures or may continue in goods that become fixtures, but no lease exists under this Article of ordinary building materials incorporated into an improvement on land.

3. This Article does not prevent creation of a lease of fixtures pursuant to real estate law.

4. The perfected interest of a lessor of fixtures has priority over a conflicting interest of an encumbrancer or owner of the real estate if:

*a.* the lease is a purchase money lease, the conflicting interest of the encumbrancer or

owner arises before the goods become fixtures, the interest of the lessor is perfected by a fixture filing before the goods become fixtures or within ten days thereafter, and the lessee has an interest of record in the real estate or is in possession of the real estate; or

*b.* the interest of the lessor is perfected by a fixture filing before the interest of the encumbrancer or owner is of record, the lessor's interest has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner, and the lessee has an interest of record in the real estate or is in possession of the real estate.

5. The interest of a lessor of fixtures, whether or not perfected, has priority over the conflicting interest of an encumbrancer or owner of the real estate if:

*a.* the fixtures are readily removable factory or office machines, readily removable equipment that is not primarily used or leased for use in the operation of the real estate, or readily removable replacements of domestic appliances that are goods subject to a consumer lease, and before the goods become fixtures the lease contract is enforceable; or

*b.* the conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the lease contract is enforceable; or

*c.* the encumbrancer or owner has consented in writing to the lease or has disclaimed an interest in the goods as fixtures; or

*d.* the lessee has a right to remove the goods as against the encumbrancer or owner. If the lessee's right to remove terminates, the priority of the interest of the lessor continues for a reasonable time.

6. Notwithstanding subsection 4, paragraph "*a*", but otherwise subject to subsections 4 and 5, the interest of a lessor of fixtures, including the lessor's residual interest, is subordinate to the conflicting interest of an encumbrancer of the real estate under a construction mortgage recorded before the goods become fixtures if the goods become fixtures before the completion of the construction. To the extent given to refinance a construction mortgage, the conflicting interest of an encumbrancer of the real estate under a mortgage has this priority to the same extent as the encumbrancer of the real estate under the construction mortgage.

7. In cases not within subsections 1 through 6, priority between the interest of a lessor of fixtures, including the lessor's residual interest, and the conflicting interest of an encumbrancer or owner of the real estate who is not the lessee is determined by the priority rules governing conflicting interests in real estate.

8. If the interest of a lessor of fixtures, including the lessor's residual interest, has priority over all conflicting interests of all owners and encumbrancers of the real estate, the lessor or the lessee may on default, expiration, termination, or cancellation of the lease agreement but subject to the lease agreement and this Article, or if necessary to enforce other rights and remedies of the lessor or lessee under this Article, remove the goods from the real estate, free and clear of all conflicting interests of all owners and encumbrancers of the real estate, but the lessor or lessee must reimburse any encumbrancer or owner of the real estate who is not the lessee and who has not otherwise agreed for the cost of repair of any physical injury, but not for any diminution in value of the real estate caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the party seeking removal gives adequate security for the performance of this obligation.

9. Even though the lease agreement does not create a security interest, the interest of a lessor of fixtures, including the lessor's residual interest, is perfected by filing a financing statement as a fixture filing for leased goods that are or are to become fixtures in accordance with the relevant provisions of the Article on Secured Transactions (Article 9).

94 Acts, ch 1052, §43; 2000 Acts, ch 1149, §159, 187; 2008 Acts, ch 1032, §82; 2013 Acts, ch 30, §261

Referred to in §554.13103

Code editor directive applied

**554.13310 Lessor's and lessee's rights when goods become accessions.**

1. Goods are "*accessions*" when they are installed in or affixed to other goods.

2. The interest of a lessor or a lessee under a lease contract entered into before the goods became accessions is superior to all interests in the whole except as stated in subsection 4.

3. The interest of a lessor or a lessee under a lease contract entered into at the time or after the goods became accessions is superior to all subsequently acquired interests in the whole except as stated in subsection 4 but is subordinate to interests in the whole existing at the time the lease contract was made unless the holders of such interests in the whole have in writing consented to the lease or disclaimed an interest in the goods as part of the whole.

4. The interest of a lessor or a lessee under a lease contract described in subsection 2 or 3 is subordinate to the interest of

*a.* a buyer in the ordinary course of business or a lessee in the ordinary course of business of any interest in the whole acquired after the goods became accessions; or

*b.* a creditor with a security interest in the whole perfected before the lease contract was made to the extent that the creditor makes subsequent advances without knowledge of the lease contract.

5. When under subsections 2 or 3 and 4 a lessor or a lessee of accessions holds an interest that is superior to all interests in the whole, the lessor or the lessee may on default, expiration, termination, or cancellation of the lease contract by the other party but subject to the provisions of the lease contract and this Article, or if necessary to enforce the lessor's or lessee's other rights and remedies under this Article, remove the goods from the whole, free and clear of all interests in the whole, but the lessor or lessee must reimburse any holder of an interest in the whole who is not the lessee and who has not otherwise agreed for the cost of repair of any physical injury but not for any diminution in value of the whole caused by the absence of the goods removed or by any necessity for replacing them. A person entitled to reimbursement may refuse permission to remove until the party seeking removal gives adequate security for the performance of this obligation.

94 Acts, ch 1052, §44; 2013 Acts, ch 30, §261

Referred to in §554.13103

Code editor directive applied

**554.13311 Priority subject to subordination.**

Nothing in this Article prevents subordination by agreement by any person entitled to priority.

94 Acts, ch 1052, §45

## PART 4

## PERFORMANCE OF LEASE CONTRACT — REPUDIATED, SUBSTITUTED, AND EXCUSED

**554.13401 Insecurity — adequate assurance of performance.**

1. A lease contract imposes an obligation on each party that the other's expectation of receiving due performance will not be impaired.

2. If reasonable grounds for insecurity arise with respect to the performance of either party, the insecure party may demand in writing adequate assurance of due performance. Until the insecure party receives that assurance, if commercially reasonable the insecure party may suspend any performance for which the insecure party has not already received the agreed return.

3. A repudiation of the lease contract occurs if assurance of due performance adequate under the circumstances of the particular case is not provided to the insecure party within a reasonable time, not to exceed thirty days after receipt of a demand by the other party.

4. Between merchants, the reasonableness of grounds for insecurity and the adequacy of any assurance offered must be determined according to commercial standards.

5. Acceptance of any nonconforming delivery or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance.

94 Acts, ch 1052, §46

Referred to in §554.13402, 554.13403

**554.13402 Anticipatory repudiation.**

If either party repudiates a lease contract with respect to a performance not yet due under the lease contract, the loss of which performance will substantially impair the value of the lease contract to the other, the aggrieved party may:

1. for a commercially reasonable time, await retraction of repudiation and performance by the repudiating party;

2. make demand pursuant to section 554.13401 and await assurance of future performance adequate under the circumstances of the particular case; or

3. resort to any right or remedy upon default under the lease contract or this Article, even though the aggrieved party has notified the repudiating party that the aggrieved party would await the repudiating party's performance and assurance and has urged retraction. In addition, whether or not the aggrieved party is pursuing one of the foregoing remedies, the aggrieved party may suspend performance or, if the aggrieved party is the lessor, proceed in accordance with the provisions of this Article on the lessor's right to identify goods to the lease contract notwithstanding default or to salvage unfinished goods (section 554.13524).

94 Acts, ch 1052, §47

Referred to in §554.13508

**554.13403 Retraction of anticipatory repudiation.**

1. Until the repudiating party's next performance is due, the repudiating party can retract the repudiation unless, since the repudiation, the aggrieved party has canceled the lease contract or materially changed the aggrieved party's position or otherwise indicated that the aggrieved party considers the repudiation final.

2. Retraction may be by any method that clearly indicates to the aggrieved party that the repudiating party intends to perform under the lease contract and includes any assurance demanded under section 554.13401.

3. Retraction reinstates a repudiating party's rights under a lease contract with due excuse and allowance to the aggrieved party for any delay occasioned by the repudiation.

94 Acts, ch 1052, §48

**554.13404 Substituted performance.**

1. If without fault of the lessee, the lessor and the supplier, the agreed berthing, loading, or unloading facilities fail or the agreed type of carrier becomes unavailable or the agreed manner of delivery otherwise becomes commercially impracticable, but a commercially reasonable substitute is available, the substitute performance must be tendered and accepted.

2. If the agreed means or manner of payment fails because of domestic or foreign governmental regulation:

*a.* the lessor may withhold or stop delivery or cause the supplier to withhold or stop delivery unless the lessee provides a means or manner of payment that is commercially a substantial equivalent; and

*b.* if delivery has already been taken, payment by the means or in the manner provided by the regulation discharges the lessee's obligation unless the regulation is discriminatory, oppressive, or predatory.

94 Acts, ch 1052, §49

Referred to in §554.13405

**554.13405 Excused performance.**

Subject to section 554.13404 on substituted performance, the following rules apply:

1. Delay in delivery or nondelivery in whole or in part by a lessor or a supplier who complies with subsections 2 and 3 is not a default under the lease contract if performance as agreed has been made impracticable by the occurrence of a contingency the nonoccurrence of which was a basic assumption on which the lease contract was made or by compliance in good faith with any applicable foreign or domestic governmental regulation or order, whether or not the regulation or order later proves to be invalid.

2. If the causes mentioned in subsection 1 affect only part of the lessor's or the supplier's capacity to perform, the lessor or supplier shall allocate production and deliveries among the

lessor's or supplier's customers but at the lessor's or supplier's option may include regular customers not then under contract for sale or lease as well as the lessor's or supplier's own requirements for further manufacture. The lessor or supplier may so allocate in any manner that is fair and reasonable.

3. The lessor seasonably shall notify the lessee and in the case of a finance lease the supplier seasonably shall notify the lessor and the lessee, if known, that there will be delay or nondelivery and, if allocation is required under subsection 2, of the estimated quota thus made available for the lessee.

94 Acts, ch 1052, §50

Referred to in §554.13406

**554.13406 Procedure on excused performance.**

1. If the lessee receives notification of a material or indefinite delay or an allocation justified under section 554.13405, the lessee may by written notification to the lessor as to any goods involved, and with respect to all of the goods if under an installment lease contract the value of the whole lease contract is substantially impaired (section 554.13510):

*a.* terminate the lease contract (section 554.13505, subsection 2); or

*b.* except in a finance lease that is not a consumer lease, modify the lease contract by accepting the available quota in substitution, with due allowance from the rent payable for the balance of the lease term for the deficiency but without further right against the lessor.

2. If, after receipt of a notification from the lessor under section 554.13405, the lessee fails so to modify the lease agreement within a reasonable time not exceeding thirty days, the lease contract lapses with respect to any deliveries affected.

94 Acts, ch 1052, §51

**554.13407 Irrevocable promises — finance leases.**

1. In the case of a finance lease that is not a consumer lease the lessee's promises under the lease contract become irrevocable and independent upon the lessee's acceptance of the goods.

2. A promise that has become irrevocable and independent under subsection 1:

*a.* is effective and enforceable between the parties, and by or against third parties including assignees of the parties, and

*b.* is not subject to cancellation, termination, modification, repudiation, excuse, or substitution without the consent of the party to whom the promise runs.

3. This section does not affect the validity under any other law of a covenant in any lease contract making the lessee's promises irrevocable and independent upon the lessee's acceptance of the goods.

94 Acts, ch 1052, §52

Referred to in §554.13508

## PART 5

## DEFAULT

### SUBPART A

### IN GENERAL

**554.13501 Default — procedure.**

1. Whether the lessor or the lessee is in default under a lease contract is determined by the lease agreement and this Article.

2. If the lessor or the lessee is in default under the lease contract, the party seeking enforcement has rights and remedies as provided in this Article and, except as limited by this Article, as provided in the lease agreement.

3. If the lessor or the lessee is in default under the lease contract, the party seeking

enforcement may reduce the party's claim to judgment, or otherwise enforce the lease contract by self-help or any available judicial procedure or nonjudicial procedure, including administrative proceeding, arbitration, or the like, in accordance with this Article.

4. Except as otherwise provided in section 554.1305, subsection 1, or this Article or the lease agreement, the rights and remedies referred to in subsections 2 and 3 are cumulative.

5. If the lease agreement covers both real property and goods, the party seeking enforcement may proceed under this Part as to the goods, or under other applicable law as to both the real property and the goods in accordance with that party's rights and remedies in respect of the real property, in which case this Part does not apply.

94 Acts, ch 1052, §53; 2007 Acts, ch 41, §35

Referred to in §554.13303

**554.13502 Notice after default.**

Except as otherwise provided in this Article or the lease agreement, the lessor or lessee in default under the lease contract is not entitled to notice of default or notice of enforcement from the other party to the lease agreement.

94 Acts, ch 1052, §54

**554.13503 Modification or impairment of rights and remedies.**

1. Except as otherwise provided in this Article, the lease agreement may include rights and remedies for default in addition to or in substitution for those provided in this Article and may limit or alter the measure of damages recoverable under this Article.

2. Resort to a remedy provided under this Article or in the lease agreement is optional unless the remedy is expressly agreed to be exclusive. If circumstances cause an exclusive or limited remedy to fail of its essential purpose, or provision for an exclusive remedy is unconscionable, remedy may be had as provided in this Article.

3. Consequential damages may be liquidated under section 554.13504, or may otherwise be limited, altered, or excluded unless the limitation, alteration, or exclusion is unconscionable. Limitation, alteration, or exclusion of consequential damages for injury to the person in the case of consumer goods is prima facie unconscionable but limitation, alteration, or exclusion of damages where the loss is commercial is not prima facie unconscionable.

4. Rights and remedies on default by the lessor or the lessee with respect to any obligation or promise collateral or ancillary to the lease contract are not impaired by this Article.

94 Acts, ch 1052, §55

Referred to in §554.13518, 554.13519, 554.13527, 554.13528

**554.13504 Liquidation of damages.**

1. Damages payable by either party for default, or any other act or omission, including indemnity for loss or diminution of anticipated tax benefits or loss or damage to lessor's residual interest, may be liquidated in the lease agreement but only at an amount or by a formula that is reasonable in light of the then anticipated harm caused by the default or other act or omission.

2. If the lease agreement provides for liquidation of damages, and such provision does not comply with subsection 1, or such provision is an exclusive or limited remedy that circumstances cause to fail of its essential purpose, remedy may be had as provided in this Article.

3. If the lessor justifiably withholds or stops delivery of goods because of the lessee's default or insolvency (section 554.13525 or 554.13526), the lessee is entitled to restitution of any amount by which the sum of the lessee's payments exceeds:

*a.* the amount to which the lessor is entitled by virtue of terms liquidating the lessor's damages in accordance with subsection 1; or

*b.* in the absence of those terms, twenty percent of the then present value of the total rent the lessee was obligated to pay for the balance of the lease term, or, in the case of a consumer lease, the lesser of such amount or five hundred dollars.

4. A lessee's right to restitution under subsection 3 is subject to offset to the extent the lessor establishes:

*a.* a right to recover damages under the provisions of this Article other than subsection 1; and

*b.* the amount or value of any benefits received by the lessee directly or indirectly by reason of the lease contract.

94 Acts, ch 1052, §56

Referred to in §554.13503, 554.13518, 554.13519, 554.13527, 554.13528

**554.13505 Cancellation and termination and effect of cancellation, termination, rescission, or fraud on rights and remedies.**

1. On cancellation of the lease contract, all obligations that are still executory on both sides are discharged, but any right based on prior default or performance survives, and the canceling party also retains any remedy for default of the whole lease contract or any unperformed balance.

2. On termination of the lease contract, all obligations that are still executory on both sides are discharged but any right based on prior default or performance survives.

3. Unless the contrary intention clearly appears, expressions of "cancellation", "rescission", or the like of the lease contract may not be construed as a renunciation or discharge of any claim in damages for an antecedent default.

4. Rights and remedies for material misrepresentation or fraud include all rights and remedies available under this Article for default.

5. Neither rescission nor a claim for rescission of the lease contract nor rejection or return of the goods may bar or be deemed inconsistent with a claim for damages or other right or remedy.

94 Acts, ch 1052, §57

Referred to in §554.13406, 554.13508, 554.13523

**554.13506 Statute of limitations.**

1. An action for default under a lease contract, including breach of warranty or indemnity, must be commenced within four years after the cause of action accrued. By the original lease contract the parties may reduce the period of limitation to not less than one year.

2. A cause of action for default accrues when the act or omission on which the default or breach of warranty is based is or should have been discovered by the aggrieved party, or when the default occurs, whichever is later. A cause of action for indemnity accrues when the act or omission on which the claim for indemnity is based is or should have been discovered by the indemnified party, whichever is later.

3. If an action commenced within the time limited by subsection 1 is so terminated as to leave available a remedy by another action for the same default or breach of warranty or indemnity, the other action may be commenced after the expiration of the time limited and within six months after the termination of the first action unless the termination resulted from voluntary discontinuance or from dismissal for failure or neglect to prosecute.

4. This section does not alter the law on tolling of the statute of limitations nor does it apply to causes of action that have accrued before this Article becomes effective.

94 Acts, ch 1052, §58

**554.13507 Proof of market rent — time and place.**

1. Damages based on market rent (section 554.13519 or 554.13528) are determined according to the rent for the use of the goods concerned for a lease term identical to the remaining lease term of the original lease agreement and prevailing at the times specified in sections 554.13519 and 554.13528.

2. If evidence of rent for the use of the goods concerned for a lease term identical to the remaining lease term of the original lease agreement and prevailing at the times or places described in this Article is not readily available, the rent prevailing within any reasonable time before or after the time described or at any other place or for a different lease term which in commercial judgment or under usage of trade would serve as a reasonable substitute for the one described may be used, making any proper allowance for the difference, including the cost of transporting the goods to or from the other place.

3. Evidence of a relevant rent prevailing at a time or place or for a lease term other than

the one described in this Article offered by one party is not admissible unless and until the party has given the other party notice the court finds sufficient to prevent unfair surprise.

4. If the prevailing rent or value of any goods regularly leased in any established market is in issue, reports in official publications or trade journals or in newspapers or periodicals of general circulation published as the reports of that market are admissible in evidence. The circumstances of the preparation of the report may be shown to affect its weight but not its admissibility.

94 Acts, ch 1052, §59

## SUBPART B

## DEFAULT BY LESSOR

**554.13508 Lessee's remedies.**

1. If a lessor fails to deliver the goods in conformity to the lease contract (section 554.13509) or repudiates the lease contract (section 554.13402), or a lessee rightfully rejects the goods (section 554.13509) or justifiably revokes acceptance of the goods (section 554.13517), then with respect to any goods involved, and with respect to all of the goods if under an installment lease contract the value of the whole lease contract is substantially impaired (section 554.13510), the lessor is in default under the lease contract and the lessee may:

*a.* cancel the lease contract (section 554.13505, subsection 1);

*b.* recover so much of the rent and security as has been paid and is just under the circumstances;

*c.* cover and recover damages as to all goods affected whether or not they have been identified to the lease contract (sections 554.13518 and 554.13520), or recover damages for nondelivery (sections 554.13519 and 554.13520);

*d.* exercise any other rights or pursue any other remedies provided in the lease contract.

2. If a lessor fails to deliver the goods in conformity to the lease contract or repudiates the lease contract, the lessee may also:

*a.* if the goods have been identified, recover them (section 554.13522); or

*b.* in a proper case, obtain specific performance or replevy the goods (section 554.13521).

3. If a lessor is otherwise in default under a lease contract, the lessee may exercise the rights and pursue the remedies provided in the lease contract, which may include a right to cancel the lease, and in section 554.13519, subsection 3.

4. If a lessor has breached a warranty, whether express or implied, the lessee may recover damages (section 554.13519, subsection 4).

5. On rightful rejection or justifiable revocation of acceptance, a lessee has a security interest in goods in the lessee's possession or control for any rent and security that has been paid and any expenses reasonably incurred in their inspection, receipt, transportation, and care and custody and may hold those goods and dispose of them in good faith and in a commercially reasonable manner, subject to section 554.13527, subsection 5.

6. Subject to the provisions of section 554.13407, a lessee, on notifying the lessor of the lessee's intention to do so, may deduct all or any part of the damages resulting from any default under the lease contract from any part of the rent still due under the same lease contract.

94 Acts, ch 1052, §60

Referred to in §554.9102, 554.9109, 554.9110, 554.9309, 554.9325, 554.13511, 554.13512, 554.13518, 554.13527

**554.13509 Lessee's rights on improper delivery — rightful rejection.**

1. Subject to the provisions of section 554.13510 on default in installment lease contracts, if the goods or the tender or delivery fail in any respect to conform to the lease contract, the lessee may reject or accept the goods or accept any commercial unit or units and reject the rest of the goods.

2. Rejection of goods is ineffective unless it is within a reasonable time after tender or delivery of the goods and the lessee seasonably notifies the lessor.

94 Acts, ch 1052, §61
Referred to in §554.13508, 554.13515

**554.13510 Installment lease contracts — rejection and default.**

1. Under an installment lease contract a lessee may reject any delivery that is nonconforming if the nonconformity substantially impairs the value of that delivery and cannot be cured or the nonconformity is a defect in the required documents; but if the nonconformity does not fall within subsection 2 and the lessor or the supplier gives adequate assurance of its cure, the lessee must accept that delivery.

2. Whenever nonconformity or default with respect to one or more deliveries substantially impairs the value of the installment lease contract as a whole there is a default with respect to the whole. But, the aggrieved party reinstates the installment lease contract as a whole if the aggrieved party accepts a nonconforming delivery without seasonably notifying of cancellation or brings an action with respect only to past deliveries or demands performance as to future deliveries.

94 Acts, ch 1052, §62
Referred to in §554.13406, 554.13508, 554.13509, 554.13523

**554.13511 Merchant lessee's duties as to rightfully rejected goods.**

1. Subject to any security interest of a lessee (section 554.13508, subsection 5), if a lessor or a supplier has no agent or place of business at the market of rejection, a merchant lessee, after rejection of goods in the merchant lessee's possession or control, shall follow any reasonable instructions received from the lessor or the supplier with respect to the goods. In the absence of those instructions, a merchant lessee shall make reasonable efforts to sell, lease, or otherwise dispose of the goods for the lessor's or supplier's account if they threaten to decline in value speedily. Instructions are not reasonable if on demand indemnity for expenses is not forthcoming.

2. If a merchant lessee (subsection 1) or any other lessee (section 554.13512) disposes of goods, the lessee is entitled to reimbursement either from the lessor or the supplier or out of the proceeds for reasonable expenses of caring for and disposing of the goods and, if the expenses include no disposition commission, to such commission as is usual in the trade, or if there is none, to a reasonable sum not exceeding ten percent of the gross proceeds.

3. In complying with this section or section 554.13512, the lessee is held only to good faith. Good faith conduct hereunder is neither acceptance or conversion nor the basis of an action for damages.

4. A purchaser who purchases in good faith from a lessee pursuant to this section or section 554.13512 takes the goods free of any rights of the lessor and the supplier even though the lessee fails to comply with one or more of the requirements of this Article.

94 Acts, ch 1052, §63
Referred to in §554.13305, 554.13512

**554.13512 Lessee's duties as to rightfully rejected goods.**

1. Except as otherwise provided with respect to goods that threaten to decline in value speedily (section 554.13511) and subject to any security interest of a lessee (section 554.13508, subsection 5):

*a.* the lessee, after rejection of goods in the lessee's possession, shall hold them with reasonable care at the lessor's or the supplier's disposition for a reasonable time after the lessee's seasonable notification of rejection;

*b.* if the lessor or the supplier gives no instructions within a reasonable time after notification of rejection, the lessee may store the rejected goods for the lessor's or the supplier's account or ship them to the lessor or the supplier or dispose of them for the lessor's or the supplier's account with reimbursement in the manner provided in section 554.13511; but

*c.* the lessee has no further obligations with regard to goods rightfully rejected.

2. Action by the lessee pursuant to subsection 1 is not acceptance or conversion.

94 Acts, ch 1052, §64

Referred to in §554.13511

**554.13513 Cure by lessor of improper tender or delivery — replacement.**

1. If any tender or delivery by the lessor or the supplier is rejected because nonconforming and the time for performance has not yet expired, the lessor or the supplier may seasonably notify the lessee of the lessor's or the supplier's intention to cure and may then make a conforming delivery within the time provided in the lease contract.

2. If the lessee rejects a nonconforming tender that the lessor or the supplier had reasonable grounds to believe would be acceptable with or without money allowance, the lessor or the supplier may have a further reasonable time to substitute a conforming tender if the lessor or supplier seasonably notifies the lessee.

94 Acts, ch 1052, §65

Referred to in §554.13514

**554.13514 Waiver of lessee's objections.**

1. In rejecting goods, a lessee's failure to state a particular defect that is ascertainable by reasonable inspection precludes the lessee from relying on the defect to justify rejection or to establish default:

*a.* if, stated seasonably, the lessor or the supplier could have cured it (section 554.13513); or

*b.* between merchants if the lessor or the supplier after rejection has made a request in writing for a full and final written statement of all defects on which the lessee proposes to rely.

2. A lessee's failure to reserve rights when paying rent or other consideration against documents precludes recovery of the payment for defects apparent in the documents.

94 Acts, ch 1052, §66; 2007 Acts, ch 30, §45, 46, 78

**554.13515 Acceptance of goods.**

1. Acceptance of goods occurs after the lessee has had a reasonable opportunity to inspect the goods and

*a.* the lessee signifies or acts with respect to the goods in a manner that signifies to the lessor or the supplier that the goods are conforming or that the lessee will take or retain them in spite of their nonconformity; or

*b.* the lessee fails to make an effective rejection of the goods (section 554.13509, subsection 2).

2. Acceptance of a part of any commercial unit is acceptance of that entire unit.

94 Acts, ch 1052, §67

**554.13516 Effect of acceptance of goods — notice of default — burden of establishing default after acceptance — notice of claim or litigation to person answerable over.**

1. A lessee must pay rent for any goods accepted in accordance with the lease contract, with due allowance for goods rightfully rejected or not delivered.

2. A lessee's acceptance of goods precludes rejection of the goods accepted. In the case of a finance lease, if made with knowledge of a nonconformity, acceptance cannot be revoked because of it. In any other case, if made with knowledge of a nonconformity, acceptance cannot be revoked because of it unless the acceptance was on the reasonable assumption that the nonconformity would be seasonably cured. Acceptance does not of itself impair any other remedy provided by this Article or the lease agreement for nonconformity.

3. If a tender has been accepted:

*a.* within a reasonable time after the lessee discovers or should have discovered any default, the lessee shall notify the lessor and the supplier, if any, or be barred from any remedy against the party not notified;

*b.* except in the case of a consumer lease, within a reasonable time after the lessee receives notice of litigation for infringement or the like (section 554.13211) the lessee shall notify the lessor or be barred from any remedy over for liability established by the litigation; and

*c.* the burden is on the lessee to establish any default.

4. If a lessee is sued for breach of a warranty or other obligation for which a lessor or a supplier is answerable over the following apply:

*a.* The lessee may give the lessor or the supplier, or both, written notice of the litigation. If the notice states that the person notified may come in and defend and that if the person notified does not do so that person will be bound in any action against that person by the lessee by any determination of fact common to the two litigations, then unless the person notified after seasonable receipt of the notice does come in and defend that person is so bound.

*b.* The lessor or the supplier may demand in writing that the lessee turn over control of the litigation including settlement if the claim is one for infringement or the like (section 554.13211) or else be barred from any remedy over. If the demand states that the lessor or the supplier agrees to bear all expense and to satisfy any adverse judgment, then unless the lessee after seasonable receipt of the demand does turn over control the lessee is so barred.

5. Subsections 3 and 4 apply to any obligation of a lessee to hold the lessor or the supplier harmless against infringement or the like (section 554.13211).

94 Acts, ch 1052, §68

Referred to in §554.13519

**554.13517 Revocation of acceptance of goods.**

1. A lessee may revoke acceptance of a lot or commercial unit whose nonconformity substantially impairs its value to the lessee if the lessee has accepted it:

*a.* except in the case of a finance lease, on the reasonable assumption that its nonconformity would be cured and it has not been seasonably cured; or

*b.* without discovery of the nonconformity if the lessee's acceptance was reasonably induced either by the lessor's assurances or, except in the case of a finance lease, by the difficulty of discovery before acceptance.

2. Except in the case of a finance lease that is not a consumer lease, a lessee may revoke acceptance of a lot or commercial unit if the lessor defaults under the lease contract and the default substantially impairs the value of that lot or commercial unit to the lessee.

3. If the lease agreement so provides, the lessee may revoke acceptance of a lot or commercial unit because of other defaults by the lessor.

4. Revocation of acceptance must occur within a reasonable time after the lessee discovers or should have discovered the ground for it and before any substantial change in condition of the goods which is not caused by the nonconformity. Revocation is not effective until the lessee notifies the lessor.

5. A lessee who so revokes has the same rights and duties with regard to the goods involved as if the lessee had rejected them.

94 Acts, ch 1052, §69

Referred to in §554.13508

**554.13518 Cover — substitute goods.**

1. After a default by a lessor under the lease contract of the type described in section 554.13508, subsection 1, or, if agreed, after other default by the lessor, the lessee may cover by making any purchase or lease of or contract to purchase or lease goods in substitution for those due from the lessor.

2. Except as otherwise provided with respect to damages liquidated in the lease agreement (section 554.13504) or otherwise determined pursuant to agreement of the parties (sections 554.1302 and 554.13503), if a lessee's cover is by a lease agreement substantially similar to the original lease agreement and the new lease agreement is made in good faith and in a commercially reasonable manner, the lessee may recover from the lessor as damages the present value, as of the date of the commencement of the term of the new lease agreement, of the rent under the new lease agreement applicable to that period of the new lease term which is comparable to the then remaining term of the original lease agreement minus the present value as of the same date of the total rent for the then remaining lease term of the original lease agreement, and any incidental or consequential damages, less expenses saved in consequence of the lessor's default.

3. If a lessee's cover is by lease agreement that for any reason does not qualify for treatment under subsection 2, or is by purchase or otherwise, the lessee may recover from the lessor as if the lessee had elected not to cover and section 554.13519 governs.

94 Acts, ch 1052, §70; 2007 Acts, ch 41, §36; 2013 Acts, ch 30, §261
Referred to in §554.13508, 554.13519
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**554.13519 Lessee's damages for nondelivery, repudiation, default, and breach of warranty in regard to accepted goods.**

1. Except as otherwise provided with respect to damages liquidated in the lease agreement (section 554.13504) or otherwise determined pursuant to agreement of the parties (sections 554.1302 and 554.13503), if a lessee elects not to cover or a lessee elects to cover and the cover is by lease agreement that for any reason does not qualify for treatment under section 554.13518, subsection 2, or is by purchase or otherwise, the measure of damages for nondelivery or repudiation by the lessor or for rejection or revocation of acceptance by the lessee is the present value, as of the date of the default, of the then market rent minus the present value as of the same date of the original rent, computed for the remaining lease term of the original lease agreement, together with incidental and consequential damages, less expenses saved in consequence of the lessor's default.

2. Market rent is to be determined as of the place for tender or, in cases of rejection after arrival or revocation of acceptance, as of the place of arrival.

3. Except as otherwise agreed, if the lessee has accepted goods and given notification (section 554.13516, subsection 3), the measure of damages for nonconforming tender or delivery or other default by a lessor is the loss resulting in the ordinary course of events from the lessor's default as determined in any manner that is reasonable together with incidental and consequential damages, less expenses saved in consequence of the lessor's default.

4. Except as otherwise agreed, the measure of damages for breach of warranty is the present value at the time and place of acceptance of the difference between the value of the use of the goods accepted and the value if they had been as warranted for the lease term, unless special circumstances show proximate damages of a different amount, together with incidental and consequential damages, less expenses saved in consequence of the lessor's default or breach of warranty.

94 Acts, ch 1052, §71; 2007 Acts, ch 41, §37
Referred to in §554.13507, 554.13508, 554.13518

**554.13520 Lessee's incidental and consequential damages.**

1. Incidental damages resulting from a lessor's default include expenses reasonably incurred in inspection, receipt, transportation, and care and custody of goods rightfully rejected or goods the acceptance of which is justifiably revoked, any commercially reasonable charges, expenses or commissions in connection with effecting cover, and any other reasonable expense incident to the default.

2. Consequential damages resulting from a lessor's default include:

*a.* any loss resulting from general or particular requirements and needs of which the lessor at the time of contracting had reason to know and which could not reasonably be prevented by cover or otherwise; and

*b.* injury to person or property proximately resulting from any breach of warranty.

94 Acts, ch 1052, §72
Referred to in §554.13508

**554.13521 Lessee's right to specific performance or replevin.**

1. Specific performance may be decreed if the goods are unique or in other proper circumstances.

2. A decree for specific performance may include any terms and conditions as to payment of the rent, damages, or other relief that the court deems just.

3. A lessee has a right of replevin, detinue, sequestration, claim and delivery, or the like for goods identified to the lease contract if after reasonable effort the lessee is unable to

effect cover for those goods or the circumstances reasonably indicate that the effort will be unavailing.

94 Acts, ch 1052, §73
Referred to in §554.13508

**554.13522 Lessee's right to goods on lessor's insolvency.**

1. Subject to subsection 2 and even though the goods have not been shipped, a lessee who has paid a part or all of the rent and security for goods identified to a lease contract (section 554.13217) on making and keeping good a tender of any unpaid portion of the rent and security due under the lease contract may recover the goods identified from the lessor if the lessor becomes insolvent within ten days after receipt of the first installment of rent and security.

2. A lessee acquires the right to recover goods identified to a lease contract only if they conform to the lease contract.

94 Acts, ch 1052, §74
Referred to in §554.13508

SUBPART C

DEFAULT BY LESSEE

**554.13523 Lessor's remedies.**

1. If a lessee wrongfully rejects or revokes acceptance of goods or fails to make a payment when due or repudiates with respect to a part or the whole, then, with respect to any goods involved, and with respect to all of the goods if under an installment lease contract the value of the whole lease contract is substantially impaired (section 554.13510), the lessee is in default under the lease contract and the lessor may:

*a.* cancel the lease contract (section 554.13505, subsection 1);

*b.* proceed respecting goods not identified to the lease contract (section 554.13524);

*c.* withhold delivery of the goods and take possession of goods previously delivered (section 554.13525);

*d.* stop delivery of the goods by any bailee (section 554.13526);

*e.* dispose of the goods and recover damages (section 554.13527), or retain the goods and recover damages (section 554.13528), or in a proper case recover rent (section 554.13529);

*f.* exercise any other rights or pursue any other remedies provided in the lease contract.

2. If a lessor does not fully exercise a right or obtain a remedy to which the lessor is entitled under subsection 1, the lessor may recover the loss resulting in the ordinary course of events from the lessee's default as determined in any reasonable manner, together with incidental damages, less expenses saved in consequence of the lessee's default.

3. If a lessee is otherwise in default under a lease contract, the lessor may exercise the rights and pursue the remedies provided in the lease contract, which may include a right to cancel the lease. In addition, unless otherwise provided in the lease contract:

*a.* if the default substantially impairs the value of the lease contract to the lessor, the lessor may exercise the rights and pursue the remedies provided in subsection 1 or 2; or

*b.* if the default does not substantially impair the value of the lease contract to the lessor, the lessor may recover as provided in subsection 2.

94 Acts, ch 1052, §75
Referred to in §554.13524, 554.13525, 554.13527, 554.13528, 554.13529

**554.13524 Lessor's right to identify goods to lease contract.**

1. After default by the lessee under the lease contract of the type described in section 554.13523, subsection 1, or section 554.13523, subsection 3, paragraph *"a"* or, if agreed, after other default by the lessee, the lessor may:

*a.* identify to the lease contract conforming goods not already identified if at the time the lessor learned of the default they were in the lessor's or the supplier's possession or control; and

*b.* dispose of goods (section 554.13527, subsection 1) that demonstrably have been intended for the particular lease contract even though those goods are unfinished.

2. If the goods are unfinished, in the exercise of reasonable commercial judgment for the purposes of avoiding loss and of effective realization, an aggrieved lessor or the supplier may either complete manufacture and wholly identify the goods to the lease contract or cease manufacture and lease, sell, or otherwise dispose of the goods for scrap or salvage value or proceed in any other reasonable manner.

94 Acts, ch 1052, §76
Referred to in §554.13402, 554.13523

**554.13525 Lessor's right to possession of goods.**

1. If a lessor discovers the lessee to be insolvent, the lessor may refuse to deliver the goods.

2. After a default by the lessee under the lease contract of the type described in section 554.13523, subsection 1, or section 554.13523, subsection 3, paragraph *"a"* or, if agreed, after other default by the lessee, the lessor has the right to take possession of the goods. If the lease contract so provides, the lessor may require the lessee to assemble the goods and make them available to the lessor at a place to be designated by the lessor which is reasonably convenient to both parties. Without removal, the lessor may render unusable any goods employed in trade or business, and may dispose of goods on the lessee's premises (section 554.13527).

3. The lessor may proceed under subsection 2 without judicial process if it can be done without breach of the peace or the lessor may proceed by action.

94 Acts, ch 1052, §77
Referred to in §554.13504, 554.13523, 554.13527

**554.13526 Lessor's stoppage of delivery in transit or otherwise.**

1. A lessor may stop delivery of goods in the possession of a carrier or other bailee if the lessor discovers the lessee to be insolvent and may stop delivery of carload, truckload, planeload, or larger shipments of express or freight if the lessee repudiates or fails to make a payment due before delivery, whether for rent, security or otherwise under the lease contract, or for any other reason the lessor has a right to withhold or take possession of the goods.

2. In pursuing its remedies under subsection 1, the lessor may stop delivery until

*a.* receipt of the goods by the lessee;

*b.* acknowledgment to the lessee by any bailee of the goods, except a carrier, that the bailee holds the goods for the lessee; or

*c.* such an acknowledgment to the lessee by a carrier via reshipment or as a warehouse.

3. *a.* To stop delivery, a lessor shall so notify as to enable the bailee by reasonable diligence to prevent delivery of the goods.

*b.* After notification, the bailee shall hold and deliver the goods according to the directions of the lessor, but the lessor is liable to the bailee for any ensuing charges or damages.

*c.* A carrier who has issued a nonnegotiable bill of lading is not obliged to obey a notification to stop received from a person other than the consignor.

94 Acts, ch 1052, §78; 2007 Acts, ch 30, §45, 46, 79
Referred to in §554.7403, 554.7504, 554.13504, 554.13523, 554.13527

**554.13527 Lessor's rights to dispose of goods.**

1. After a default by a lessee under the lease contract of the type described in section 554.13523, subsection 1, or section 554.13523, subsection 3, paragraph *"a"*, or after the lessor refuses to deliver or takes possession of goods (section 554.13525 or 554.13526), or, if agreed, after other default by a lessee, the lessor may dispose of the goods concerned or the undelivered balance thereof by lease, sale, or otherwise.

2. Except as otherwise provided with respect to damages liquidated in the lease agreement (section 554.13504) or otherwise determined pursuant to agreement of the parties (sections 554.1302 and 554.13503), if the disposition is by lease agreement substantially similar to the original lease agreement and the new lease agreement is made in good faith and in a commercially reasonable manner, the lessor may recover from the lessee as damages accrued and unpaid rent as of the date of the commencement of the term of the new lease agreement; the present value, as of the same date, of the total rent for the remaining lease term of the

original lease agreement minus the present value, as of the same date, of the rent under the new lease agreement applicable to that period of the new lease term which is comparable to the then remaining term of the original lease agreement; and any incidental damages allowed under section 554.13530, less expenses saved in consequence of the lessee's default.

3. If the lessor's disposition is by lease agreement that for any reason does not qualify for treatment under subsection 2, or is by sale or otherwise, the lessor may recover from the lessee as if the lessor had elected not to dispose of the goods and section 554.13528 governs.

4. A subsequent buyer or lessee who buys or leases from the lessor in good faith for value as a result of a disposition under this section takes the goods free of the original lease contract and any rights of the original lessee even though the lessor fails to comply with one or more of the requirements of this Article.

5. The lessor is not accountable to the lessee for any profit made on any disposition. A lessee who has rightfully rejected or justifiably revoked acceptance shall account to the lessor for any excess over the amount of the lessee's security interest (section 554.13508, subsection 5).

94 Acts, ch 1052, §79; 2007 Acts, ch 41, §38; 2013 Acts, ch 30, §156
Referred to in §554.13304, 554.13508, 554.13523, 554.13524, 554.13525, 554.13528, 554.13529
Subsection 2 amended

**554.13528 Lessor's damages for nonacceptance, failure to pay, repudiation, or other default.**

1. Except as otherwise provided with respect to damages liquidated in the lease agreement (section 554.13504) or otherwise determined pursuant to agreement of the parties (sections 554.1302 and 554.13503), if a lessor elects to retain the goods or a lessor elects to dispose of the goods and the disposition is by lease agreement that for any reason does not qualify for treatment under section 554.13527, subsection 2, or is by sale or otherwise, the lessor may recover from the lessee as damages for a default of the type described in section 554.13523, subsection 1, or section 554.13523, subsection 3, paragraph "*a*", or, if agreed, for other default of the lessee,

*a.* accrued and unpaid rent as of the date of default if the lessee has never taken possession of the goods, or, if the lessee has taken possession of the goods, as of the date the lessor repossesses the goods or an earlier date on which the lessee makes a tender of the goods to the lessor,

*b.* the present value as of the date determined under paragraph "*a*" of the total rent for the then remaining lease term of the original lease agreement minus the present value as of the same date of the market rent at the place where the goods are located computed for the same lease term, and

*c.* any incidental damages allowed under section 554.13530, less expenses saved in consequence of the lessee's default.

2. If the measure of damages provided in subsection 1 is inadequate to put a lessor in as good a position as performance would have, the measure of damages is the present value of the profit, including reasonable overhead, the lessor would have made from full performance by the lessee, together with any incidental damages allowed under section 554.13530, due allowance for costs reasonably incurred and due credit for payments or proceeds of disposition.

94 Acts, ch 1052, §80; 2007 Acts, ch 41, §39; 2013 Acts, ch 30, §157
Referred to in §554.13507, 554.13523, 554.13527, 554.13529
Subsection 1 amended

**554.13529 Lessor's action for the rent.**

1. After default by the lessee under the lease contract of the type described in section 554.13523, subsection 1, or section 554.13523, subsection 3, paragraph "*a*", or, if agreed, after other default by the lessee, if the lessor complies with subsection 2, the lessor may recover from the lessee as damages:

*a.* for goods accepted by the lessee and not repossessed by or tendered to the lessor, and for conforming goods lost or damaged within a commercially reasonable time after risk of loss passes to the lessee (section 554.13219), accrued and unpaid rent as of the date of entry

of judgment in favor of the lessor, the present value as of the same date of the rent for the then remaining lease term of the lease agreement, and any incidental damages allowed under section 554.13530, less expenses saved in consequence of the lessee's default; and

*b.* for goods identified to the lease contract if the lessor is unable after reasonable effort to dispose of them at a reasonable price or the circumstances reasonably indicate that effort will be unavailing, accrued and unpaid rent as of the date of entry of judgment in favor of the lessor, the present value as of the same date of the rent for the then remaining lease term of the lease agreement, and any incidental damages allowed under section 554.13530, less expenses saved in consequence of the lessee's default.

2. Except as provided in subsection 3, the lessor shall hold for the lessee for the remaining lease term of the lease agreement any goods that have been identified to the lease contract and are in the lessor's control.

3. The lessor may dispose of the goods at any time before collection of the judgment for damages obtained pursuant to subsection 1. If the disposition is before the end of the remaining lease term of the lease agreement, the lessor's recovery against the lessee for damages is governed by section 554.13527 or 554.13528, and the lessor will cause an appropriate credit to be provided against a judgment for damages to the extent that the amount of the judgment exceeds the recovery available pursuant to section 554.13527 or 554.13528.

4. Payment of the judgment for damages obtained pursuant to subsection 1 entitles the lessee to the use and possession of the goods not then disposed of for the remaining lease term of and in accordance with the lease agreement.

5. After default by the lessee under the lease contract of the type described in section 554.13523, subsection 1, or section 554.13523, subsection 3, paragraph "*a*", or, if agreed, after other default by the lessee, a lessor who is held not entitled to rent under this section must nevertheless be awarded damages for nonacceptance under section 554.13527 or section 554.13528.

94 Acts, ch 1052, §81; 2013 Acts, ch 30, §261
Referred to in §554.13523
Code editor directive applied

**554.13530 Lessor's incidental damages.**

Incidental damages to an aggrieved lessor include any commercially reasonable charges, expenses, or commissions incurred in stopping delivery, in the transportation, care and custody of goods after the lessee's default, in connection with return or disposition of the goods, or otherwise resulting from the default.

94 Acts, ch 1052, §82
Referred to in §554.13527, 554.13528, 554.13529

**554.13531 Standing to sue third parties for injury to goods.**

1. If a third party so deals with goods that have been identified to a lease contract as to cause actionable injury to a party to the lease contract the lessor has a right of action against the third party, and the lessee also has a right of action against the third party if the lessee:

*a.* has a security interest in the goods;

*b.* has an insurable interest in the goods; or

*c.* bears the risk of loss under the lease contract or has since the injury assumed that risk as against the lessor and the goods have been converted or destroyed.

2. If at the time of the injury the party plaintiff did not bear the risk of loss as against the other party to the lease contract and there is no arrangement between them for disposition of the recovery, the plaintiff party's suit or settlement, subject to party plaintiff's own interest, is as a fiduciary for the other party to the lease contract.

3. Either party with the consent of the other may sue for the benefit of whom it may concern.

94 Acts, ch 1052, §83; 2013 Acts, ch 30, §261
Code editor directive applied

**554.13532 Lessor's rights to residual interest.**

In addition to any other recovery permitted by this Article or other law, the lessor may recover from the lessee an amount that will fully compensate the lessor for any loss of or damage to the lessor's residual interest in the goods caused by the default of the lessee.

94 Acts, ch 1052, §84

# CHAPTER 554A

## LIVESTOCK WARRANTY EXEMPTION

554A.1 Livestock sales — when exempt from implied warranty.

**554A.1 Livestock sales — when exempt from implied warranty.**

1. Notwithstanding section 554.2316, subsection 2, all implied warranties arising under sections 554.2314 and 554.2315 are excluded from a sale of cattle, hogs, sheep, ostriches, rheas, emus, and horses if the following information is disclosed to the prospective buyer or the buyer's agent in advance of the sale, and if confirmed in writing at or before the time of acceptance of the livestock when confirmation is requested by the buyer or the buyer's agent:

*a.* That the animals to be sold have been inspected in accordance with existing federal and state animal health regulations and found apparently free from any infectious, contagious, or communicable disease.

*b.* One of the following, as applicable:

(1) Except when the livestock have been confined with livestock from another source or assembled within the meaning of subparagraph 2, the name and address of the present owner, and whether or not that owner has owned all of the livestock for at least thirty days.

(2) If the livestock have been confined with livestock from another source or assembled from two or more sources within the previous thirty days, the livestock shall be represented as being "assembled livestock". As used in this subparagraph, "confined with livestock from another source" means the placement of livestock in a livestock auction market, yard, or other unitary facility in which livestock from another source are confined, but does not include livestock confined at the facility where the sale takes place if such confinement is for less than forty-eight hours prior to the day of sale; provided that livestock which are not sold after being confined with livestock from another source at a facility and offered for sale shall be deemed "assembled livestock" for the thirty-day period following the day when offered for sale.

2. If the livestock are represented as being "assembled livestock", the name and address of the present owner shall be disclosed.

3. In the case of an auction sale, the disclosure required by this section shall be made verbally immediately before the sale by the owner, an agent for the owner, or the person who is conducting the auction of the lot of livestock in question. Warranties shall be implied to the person who is conducting the auction only if the disclosure contains representations which that person knew or had reason to know were untrue.

[C81, §554A.1]

95 Acts, ch 43, §12

# CHAPTER 554B

## SECURED TRANSACTIONS OF TRANSMITTING UTILITIES

Referred to in §554.1110

554B.1 Definitions.
554B.2 Security interest.
554B.3 Recording mortgage or deed of trust upon real estate.
554B.4 Reserved.

**554B.1 Definitions.**

As used in this chapter *"transmitting utility"* has the same meaning as defined in the Uniform Commercial Code, section 554.9102, subsection 1. Security interests filed pursuant to this chapter prior to January 1, 1975, which have not been terminated, are deemed to be filed in accordance with section 554.9501, subsection 2.

[C66, 71, 73, 75, 77, 79, 81, §555.1]
C93, §554B.1
2000 Acts, ch 1149, §175, 187

**554B.2 Security interest.**

A security interest in rolling stock of a transmitting utility may be perfected either as provided in the Uniform Commercial Code, chapter 554, or as provided in the ICC Termination Act of 1995, 49 U.S.C. § 701, 11301.

[C66, 71, 73, 75, 77, 79, 81, §555.2]
C93, §554B.2
2010 Acts, ch 1061, §74

**554B.3 Recording mortgage or deed of trust upon real estate.**

Any mortgage or deed of trust upon real estate executed by a transmitting utility may provide that property of the transmitting utility, whether owned at the time of the execution of the instrument or subsequently acquired, shall secure the obligations covered by the instrument. Recording the instrument in the office of the recorder of each county in which such property, or any part thereof, described in the instrument is situated shall give constructive notice to all persons of the lien of the mortgage or deed of trust from the time of recording or, in the case of subsequently acquired real estate, from the time of acquisition.

[C66, 71, 73, 75, 77, 79, 81, §555.3]
C93, §554B.3

**554B.4** Reserved.

# CHAPTER 554C

## ELECTRONIC COMMERCE SECURITY ACT

Repealed by 2000 Acts, ch 1189, §31; see chapter 554D

# CHAPTER 554D

## ELECTRONIC TRANSACTIONS — COMPUTER AGREEMENTS

Referred to in §22.7, 75.14, 97B.17, 159.34, 331.506, 459.302, 459A.201, 484C.9, 554.7103, 715C.2

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554D.121 Interoperability.
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554D.123 False or unauthorized request — penalty. Repealed by 2004 Acts, ch 1067, §10.
554D.124 Severability.

SUBCHAPTER 2

COMPUTER AGREEMENTS

554D.125 Computer information agreements.

## SUBCHAPTER 1

## UNIFORM ELECTRONIC TRANSACTIONS ACT

**554D.101 Short title.**
This subchapter may be cited as the *"Uniform Electronic Transactions Act"*.
2000 Acts, ch 1189, §1; 2004 Acts, ch 1067, §1; 2005 Acts, ch 3, §95

**554D.102 Legislative intent.** Repealed by 2004 Acts, ch 1067, § 10.

**554D.103 Definitions.**
As used in this chapter, unless the context otherwise requires:

1. *"Agreement"* means the bargain of the parties in fact, as found in their language or inferred from other circumstances and from rules, regulations, and procedures given the effect of agreements under laws otherwise applicable to a particular transaction.

2. *"Automated transaction"* means a transaction conducted or performed, in whole or in part, by electronic means or electronic records, in which the acts or records of one or both parties are not reviewed by an individual in the ordinary course of forming a contract, performing under an existing contract, or fulfilling an obligation required by the transaction.

3. *"Computer program"* means a set of statements or instructions to be used directly or indirectly in an information processing system in order to bring about a certain result.

4. *"Contract"* means the total legal obligation resulting from the parties' agreement as affected by this chapter and other applicable law.

5. *"Electronic"* means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

6. *"Electronic agent"* means a computer program or an electronic or other automated means used independently to initiate an action or respond to electronic records or performances in whole or in part, without review or action by an individual.

7. *"Electronic record"* means a record created, generated, sent, communicated, received, or stored by electronic means.

8. *"Electronic signature"* means an electronic sound, symbol, or process attached to or

logically associated with a record and executed or adopted by a person with the intent to sign the record.

9. *"Governmental agency"* means an executive, legislative, or judicial agency, department, board, commission, authority, institution, or instrumentality of the federal government or of a state or of a county, municipality, or other political subdivision of a state.

10. *"Information"* means data, text, images, sounds, codes, computer programs, software, databases, or the like.

11. *"Information processing system"* means an electronic system for creating, generating, sending, receiving, storing, displaying, or processing information.

12. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public corporation, or any other legal or commercial entity.

13. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

14. *"Security procedure"* means a procedure employed for the purpose of verifying that an electronic signature, record, or performance is that of a specific person or for detecting changes or errors in the information in an electronic record. *"Security procedure"* includes a procedure that requires the use of algorithms or other codes, identifying words or numbers, encryption, or callback or other acknowledgment procedures, and includes digital signature technology.

15. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States. *"State"* includes an Indian tribe or band, or Alaskan native village, which is recognized by federal law or formally acknowledged by a state.

16. *"Transaction"* means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs.

2000 Acts, ch 1189, §3; 2004 Acts, ch 1067, §2, 3

Referred to in §4.1, 633A.5107

**554D.104 Scope.**

1. Except as provided in subsection 2, this chapter applies to electronic records and electronic signatures relating to a transaction.

2. This chapter does not apply to a transaction to the extent it is governed by any of the following:

*a.* A law governing the creation or execution of wills, codicils, or testamentary trusts.

*b.* Chapter 554 other than chapter 554, articles 2 and 13, and section 554.1306.

3. A transaction subject to this chapter is also subject to other applicable substantive law.

2000 Acts, ch 1189, §4; 2000 Acts, ch 1232, §29; 2004 Acts, ch 1067, §4, 11; 2007 Acts, ch 41, §42; 2013 Acts, ch 30, §158

Subsection 2, paragraph b amended

**554D.105 Prospective application.** Repealed by 2004 Acts, ch 1067, § 10.

**554D.106 Use of electronic records and electronic signatures — variation by agreement.**

1. This chapter does not require a record or signature to be created, generated, sent, communicated, received, stored, or otherwise processed or used by electronic means or in electronic form.

2. This chapter applies only to transactions between parties each of which has agreed to conduct transactions by electronic means. Whether the parties agree to conduct a transaction by electronic means is determined from the context and surrounding circumstances, including the parties' conduct.

3. A party who agrees to conduct a transaction by electronic means may refuse to conduct other transactions by electronic means. The right granted by this subsection may not be waived by agreement.

4. Except as otherwise provided in this chapter, the effect of any of its provisions may be varied by agreement. The presence in certain provisions of this chapter of the words

"unless otherwise agreed", or words of similar import, does not imply that the effect of other provisions may not be varied by agreement.

5. Whether an electronic record or electronic signature has legal consequences is determined by this chapter and other applicable law.

2000 Acts, ch 1189, §6
Section not amended; editorial change applied

**554D.107 Construction and application.**

This chapter shall be construed and applied as follows:

1. To facilitate electronic transactions consistent with other applicable law.

2. To be consistent with reasonable practices concerning electronic transactions and with the continued expansion of those practices.

3. To effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting the uniform law.

2000 Acts, ch 1189, §7

**554D.108 Legal recognition of electronic records, electronic signatures, and electronic contracts.**

1. A record or signature shall not be denied legal effect or enforceability solely because it is in electronic form.

2. A contract shall not be denied legal effect or enforceability solely because an electronic record was used in its formation.

3. If a law requires a record to be in writing, an electronic record satisfies the law.

4. If a law requires a signature, an electronic signature satisfies the law.

2000 Acts, ch 1189, §8

**554D.109 Legal recognition of electronic records affecting interests in real property.** Repealed by 2004 Acts, ch 1067, § 10.

**554D.110 Provision of information in writing — presentation of records.**

1. If parties have agreed to conduct a transaction by electronic means and a law requires a person to provide, send, or deliver information in writing to another person, the requirement is satisfied if the information is provided, sent, or delivered in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record.

2. If a law other than this chapter requires a record to be posted or displayed in a certain manner; to be sent, communicated, or transmitted by a specified method; or to contain information that is formatted in a certain manner, all of the following apply:

*a.* The record must be posted or displayed in the manner specified in the other law.

*b.* Except as otherwise provided in subsection 4, paragraph "*b*", the record must be sent, communicated, or transmitted by the method specified in the other law.

*c.* The record must contain the information formatted in the manner specified in the other law.

3. If a sender inhibits the ability of a recipient to store or print an electronic record, the electronic record is not enforceable against the recipient.

4. The requirements of this section shall not be varied by agreement, except as follows:

*a.* To the extent a law other than this chapter requires information to be provided, sent, or delivered in writing but permits that requirement to be varied by agreement, the requirement under subsection 1 that the information be in the form of an electronic record capable of retention may also be varied by agreement.

*b.* A requirement under a law other than this chapter to send, communicate, or transmit a record by first-class mail postage prepaid may be varied by agreement to the extent permitted by the other law.

2000 Acts, ch 1189, §10; 2004 Acts, ch 1067, §5

**554D.111 Attribution and effect of electronic record and electronic signature.**

1. An electronic record or electronic signature is attributable to a person if it was the act of the person. The act of the person may be shown in any manner, including a showing of the efficacy of any security procedure applied to determine the person to which the electronic record or electronic signature was attributable.

2. The effect of an electronic record or electronic signature attributed to a person under subsection 1 is determined from the context and surrounding circumstances at the time of its creation, execution, or adoption, including the parties' agreement, if any, and otherwise as provided by law.

2000 Acts, ch 1189, §11; 2004 Acts, ch 1067, §6

**554D.112 Effect of change or error.**

If a change or error in an electronic record occurs in a transmission between parties to a transaction, the following rules apply:

1. If the parties have agreed to use a security procedure to detect changes or errors and one party has conformed to the procedure, but the other party has not, and the nonconforming party would have detected the change or error had that party also conformed, the conforming party may avoid the effect of the changed or erroneous electronic record.

2. In an automated transaction involving an individual, the individual may avoid the effect of an electronic record that resulted from an error made by the individual in dealing with the electronic agent of another person if the electronic agent did not provide an opportunity for the prevention or correction of the error and, at the time the individual learns of the error, all of the following apply:

*a.* The individual promptly notifies the other person of the error and that the individual does not intend to be bound by the electronic record received by the other person.

*b.* The individual takes reasonable steps, including steps that conform to the other person's reasonable instructions, to return to the other person or, if instructed by the other person, to destroy the consideration received, if any, as a result of the erroneous electronic record.

*c.* The individual has not used or received any benefit or value from the consideration, if any, received from the other person.

3. If subsection 1 or 2 does not apply, the change or error has the effect provided by other law, including the law of mistake, and the parties' contract, if any.

4. In a consumer transaction, any substantive law limiting a consumer's liability shall apply to an electronic transaction.

5. Subsections 2, 3, and 4 shall not be varied by agreement of the parties.

2000 Acts, ch 1189, §12

**554D.113 Notarization and acknowledgment.**

If a law requires a signature or record to be notarized, acknowledged, verified, or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by other applicable law, is attached to or logically associated with the signature or record.

2000 Acts, ch 1189, §13

Referred to in §331.506, 331.554

**554D.114 Retention of electronic records — originals.**

1. If a law requires that a record be retained, the requirement is satisfied by retaining an electronic record of the information in the record which does both of the following:

*a.* Accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise.

*b.* Remains accessible for later reference.

2. A requirement to retain a record in accordance with subsection 1 does not apply to any information the sole purpose of which is to enable the record to be sent, communicated, or received.

3. A person may satisfy subsection 1 by using the services of another person if the requirements of that subsection are satisfied.

4. If a law requires a record to be presented or retained in its original form, or provides consequences if the record is not presented or retained in its original form, that law is satisfied by an electronic record retained in accordance with subsection 1.

5. If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection 1.

6. A record retained as an electronic record in accordance with subsection 1 satisfies a law requiring a person to retain a record for evidentiary, audit, or like purposes, unless a law enacted after July 1, 2000, specifically prohibits the use of an electronic record for the specified purpose.

7. This section does not preclude a governmental agency of this state from specifying additional requirements for the retention of a record subject to the agency's jurisdiction.

2000 Acts, ch 1189, §14; 2004 Acts, ch 1067, §7

Referred to in §554D.120

**554D.115 Admissibility in evidence.**

In a proceeding, evidence of a record or signature shall not be excluded solely because it is in electronic form.

2000 Acts, ch 1189, §15

**554D.116 Automated transaction.**

In an automated transaction, the following rules apply:

1. A contract may be formed by the interaction of electronic agents of the parties, even if no individual was aware of or reviewed the electronic agents' actions or the resulting terms and agreements.

2. A contract may be formed by the interaction of an electronic agent and an individual, acting on the individual's own behalf or for another person, including by an interaction in which the individual performs actions that the individual is free to refuse to perform and which the individual knows or has reason to know will cause the electronic agent to complete the transaction or performance.

3. The terms of the contract are determined by the substantive law applicable to it.

2000 Acts, ch 1189, §16

**554D.117 Time and place of sending and receipt.**

1. Unless otherwise agreed between the sender and the recipient, an electronic record is sent when all of the following occur:

*a.* The electronic record is addressed properly or otherwise directed properly to an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record.

*b.* The electronic record is in a form capable of being processed by that information processing system.

*c.* The electronic record enters an information processing system outside the control of the sender or of a person who sent the electronic record on behalf of the sender or enters a region of the information processing system designated or used by the recipient which is under the control of the recipient.

2. Unless otherwise agreed between a sender and the recipient, an electronic record is received when both of the following occur:

*a.* The electronic record enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record.

*b.* The electronic record is in a form capable of being processed by that information processing system.

3. Subsection 2 applies even if the place the information processing system is located is different from the place the electronic record is deemed to be received under subsection 4.

4. Unless otherwise expressly provided in the electronic record or agreed between the sender and the recipient, an electronic record is deemed to be sent from the sender's place of business and to be received at the recipient's place of business. For purposes of this subsection, both of the following apply:

*a.* If the sender or recipient has more than one place of business, the place of business of such person is the place having the closest relationship to the underlying transaction.

*b.* If the sender or the recipient does not have a place of business, the place of business is the sender's or recipient's residence, as the case may be.

5. An electronic record is received under subsection 2 even if no individual is aware of its receipt.

6. Receipt of an electronic acknowledgment from an information processing system described in subsection 2 establishes that a record was received but, by itself, does not establish that the content sent corresponds to the content received.

7. If a person is aware that an electronic record purportedly sent under subsection 1, or purportedly received under subsection 2, was not actually sent or received, the legal effect of the sending or receipt is determined by other applicable law. Except to the extent permitted or required by the other law, the requirements of this subsection shall not be varied by agreement.

2000 Acts, ch 1189, §17

**554D.118 Transferable records.**

1. For purposes of this section, "*transferable record*" means an electronic record that satisfies both of the following:

*a.* The electronic record would be a note under chapter 554, article 3, or a document under chapter 554, article 7, if the electronic record were in writing.

*b.* The issuer of the electronic record expressly has agreed such electronic record is a transferable record.

2. A person has control of a transferable record if a system employed for evidencing the transfer of interests in the transferable record reliably establishes that person as the person to which the transferable record was issued or transferred.

3. A system satisfies subsection 2, and a person is deemed to have control of a transferable record, if the transferable record is created, stored, and assigned in such a manner that satisfies all of the following:

*a.* A single authoritative copy of the transferable record exists which is unique, identifiable, and, except as otherwise provided in paragraphs "*d*", "*e*", and "*f*", unalterable.

*b.* The authoritative copy identifies the person asserting control as one of the following:

(1) The person to which the transferable record was issued.

(2) If the authoritative copy indicates that the transferable record has been transferred, the person to which the transferable record was most recently transferred.

*c.* The authoritative copy is communicated to and maintained by the person asserting control or such person's designated custodian.

*d.* Copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control.

*e.* Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy.

*f.* A revision of the authoritative copy is readily identifiable as authorized or unauthorized.

4. Except as otherwise agreed, a person having control of a transferable record is the holder, as defined in section 554.1201, of the transferable record and has the same rights and defenses as a holder of an equivalent record or writing under chapter 554, including, if the applicable statutory requirements under section 554.3302, subsection 1, section 554.7501, or section 554.9330 are satisfied, the rights and defenses of a holder in due course, a holder to which a negotiable document of title has been duly negotiated, or a purchaser, respectively. Delivery, possession, and endorsement are not required to obtain or exercise any of the rights under this subsection.

5. Except as otherwise agreed, an obligor under a transferable record has the same rights and defenses as an equivalent obligor under equivalent records or writings under chapter 554.

6. If requested by a person against which enforcement is sought, the person seeking to enforce the transferable record shall provide reasonable proof that the person is in control of the transferable record. Proof may include access to the authoritative copy of the transferable record and related business records sufficient to review the terms of the transferable record and to establish the identity of the person having control of the transferable record.

2000 Acts, ch 1189, §18; 2003 Acts, ch 44, §97

**554D.119 Creation and retention of electronic records and conversion of written records by governmental agencies.**

A governmental agency of this state shall determine whether, and the extent to which, the governmental agency will create and retain electronic records and convert written records to electronic records.

2000 Acts, ch 1189, §19

**554D.120 Acceptance and distribution of electronic records by governmental agencies.**

1. Except as otherwise provided in section 554D.114, subsection 6, a governmental agency of this state other than a state executive branch agency, department, board, commission, authority, or institution, shall determine whether, and the extent to which, the governmental agency will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures.

2. Except as otherwise provided in section 554D.114, subsection 6, on or before July 1, 2003, a state executive branch agency, department, board, commission, authority, or institution, in consultation and cooperation with the department of administrative services, shall send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use, and rely upon electronic records and signatures. The department of management, upon the written request of a state executive branch agency, department, board, commission, authority, or institution and for good cause shown, may grant a waiver from the July 1, 2003, deadline established in this section to the state executive branch agency, department, board, commission, authority, or institution.

3. To the extent that a governmental agency of this state uses electronic records and electronic signatures under subsection 1 or 2, the office of the secretary of state and the department of administrative services, jointly, and in consultation with the office of the attorney general, giving due consideration to security, may specify by rule all of the following:

*a.* The manner and format in which the electronic records must be created, generated, sent, communicated, received, and stored and the information processing systems established for those purposes.

*b.* If electronic records must be signed by electronic means, the type of electronic signature required, the manner and format in which the electronic signature must be affixed to the electronic record, and the identity of, or criteria that must be met by, any third party used by a person filing a document to facilitate the process.

*c.* Control processes and procedures as appropriate to ensure adequate preservation, disposition, integrity, security, confidentiality, and auditability of electronic records.

*d.* Any other required attributes for electronic records which are specified for corresponding nonelectronic records or reasonably necessary under the circumstances.

4. Except as otherwise provided in subsection 2 and in section 554D.114, subsection 6, this chapter does not require a governmental agency of this state to use or permit the use of electronic records or electronic signatures.

5. Notwithstanding this section, an institution governed under chapter 262 shall conform

with national standards with respect to electronic records and electronic signatures, as such standards are developed.

2000 Acts, ch 1189, §20; 2002 Acts, ch 1119, §187, 188; 2003 Acts, ch 44, §98; 2003 Acts, ch 145, §286

Referred to in §554D.121, 602.1614

Electronic records policy for judicial branch, see §602.1614

**554D.121 Interoperability.**

The standards adopted pursuant to section 554D.120 should encourage and promote consistency and interoperability with similar requirements adopted by another governmental agency and nongovernmental persons interacting with governmental agencies of this state. If appropriate, such standards may specify differing levels of standards from which a governmental agency of this state may choose in implementing the most appropriate standard for a particular application.

2000 Acts, ch 1189, §21

**554D.122 Fraudulent purpose — penalty.** Repealed by 2004 Acts, ch 1067, § 10.

**554D.123 False or unauthorized request — penalty.** Repealed by 2004 Acts, ch 1067, § 10.

**554D.124 Severability.**

If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provisions or application and, to this end, the provisions of this chapter are severable.

2004 Acts, ch 1067, §9

## SUBCHAPTER 2

## COMPUTER AGREEMENTS

**554D.125 Computer information agreements.**

A choice of law provision in a computer information agreement which provides that the contract is to be interpreted pursuant to the laws of a state that has enacted the uniform computer information transactions Act, as proposed by the national conference of commissioners on uniform state laws, or any substantially similar law, is voidable and the agreement shall be interpreted pursuant to the laws of this state if the party against whom enforcement of the choice of law provision is sought is a resident of this state or has its principal place of business located in this state. For purposes of this section, a *"computer information agreement"* means an agreement that would be governed by the uniform computer information transactions Act or substantially similar law as enacted in the state specified in the choice of laws provision if that state's law were applied to the agreement.

2004 Acts, ch 1067, §11

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The Skeleton Index is intended to be used as a quick reference to enable the user to locate general subjects and specific statutes in the 2014 Iowa Code.

A more comprehensive General Index in PDF format and other electronic research tools can be accessed on the General Assembly's Internet site at www.legis.iowa.gov.


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# VOLUME VI

# CODE OF IOWA

# 2014

CONTAINING

## ALL STATUTES OF A GENERAL AND PERMANENT NATURE

Including the Acts of a permanent nature
of the Eighty-fifth General Assembly, 2013

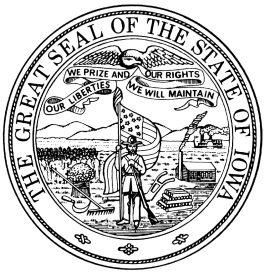


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2013

# PREFACE TO 2014 IOWA CODE

2014 IOWA CODE — PRINT CODE SUPPLEMENT DISCONTINUED — ANNUAL CD-ROM. This 2014 Iowa Code is published pursuant to Iowa Code chapters 2A and 2B by the Legislative Services Agency only on CD-ROM and on the Iowa General Assembly's Internet site. The printed softbound Code Supplement has been discontinued. The CD-ROM contains a copy of the official text of the 2014 Iowa Code in PDF format, divided into six parts to correspond to the six-volume format of the biennial printed version of the Iowa Code. Printed hardbound volumes of the Iowa Code will continue to be published following the second regular session of a General Assembly. A CD-ROM containing the Iowa Code will be published annually.

CODE CONTENTS AND EFFECTIVE DATES. This 2014 Iowa Code contains the permanent enactments of the 2013 session of the Eighty-fifth General Assembly and of earlier sessions if the effective dates of the enactments were delayed. Except as otherwise indicated in the text or in a footnote, new sections, amendments, and repeals were effective on or before July 1, 2013. Refer to the specific enactments to determine effective dates not shown. The Table of Contents enumerates the titles and subtitles in this Iowa Code, and each volume contains an analysis by title, subtitle, and chapter. Codified and original versions of the Constitution of the State of Iowa are included at the beginning of Volume I.

EDITORIAL DECISIONS. All duplicative or nonconflicting amendments to a Code section or part of a Code section were harmonized as required under Iowa Code sections 2B.13 and 4.11. A strike or repeal prevailed over an amendment to the same material. If amendments were irreconcilable, the last amendment in the Act, or latest in date of enactment, was codified as provided in Iowa Code sections 2B.13 and 4.8. Code Editor's Notes at the end of Volume VI explain editorial decisions. Iowa Code section 2B.13 governs editorial changes and their effective dates.

HISTORIES AND NOTES. Bracketed material at the end of Code sections traces the sections' history up through 1982. Beginning with the 1983 Legislative Session, history is traced by citing all Iowa Acts amending or enacting the Code sections. The history of a transferred section will include the publication year and the Code section from which the transfer took place. An explanatory note describing the most recent changes in each new or amended Code section follows the history. Internal reference citations follow Code titles, subtitles, chapters, chapter subdivisions, or sections.

INDEX AND TABLES. A Skeleton Index appears at the end of each volume. Conversion tables of Senate and House files to Iowa Acts chapters, tables of disposition of Iowa Acts, and a table of corresponding sections can be accessed on the General Assembly's Internet site.

COMMENTS. The editorial staff of the Iowa Code welcomes comments and suggestions for improvements.

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# DESIGNATION OF GENERAL ASSEMBLY — OFFICIAL LEGAL PUBLICATIONS — CITATIONS

**2.2 Designation of general assembly.**

Each regular session of the general assembly shall be designated by the year in which it convenes and by a number with a new consecutive number assigned with the session beginning in each odd-numbered year.

A special session of the general assembly shall be designated as an extraordinary session in the particular year of a numbered general assembly.

**2B.17 Official legal publications — citations.**

1. An official legal publication designated as such by the legislative services agency as provided in sections 2.42 and 2A.1, is the official and authoritative version of the statutes, administrative rules, or court rules of the state of Iowa.

2. *a.* The codified version of the state's constitution shall be known as the Constitution of the State of Iowa.

*b.* For statutes, the official versions of publications shall be known as the Iowa Acts, the Iowa Code, and the Code Supplement.

*c.* For administrative rules, the official versions of the publications shall be known as the Iowa Administrative Bulletin and the Iowa Administrative Code.

*d.* For court rules, the official version of the publication shall be known as the Iowa Court Rules.

3. The legislative services agency may adopt a style manual providing a uniform system of citing the codified Constitution of the State of Iowa and the official versions of publications listed in subsection 2, including by reference to commonly accepted legal sources. The legislative services agency style manual may provide for a different form of citation for electronic and printed versions of the same publication. Nothing in this section affects rules for style and format adopted pursuant to section 2.42.

4. The codified Constitution of the State of Iowa, and statutes enacted and joint resolutions enacted or passed by the general assembly shall be cited as follows:

*a.* The codified Constitution of the State of Iowa shall be cited as the Constitution of the State of Iowa, with a reference identifying the preamble or boundaries, or article, section, and subunit of a section. Subject to the legislative services agency style manual, the Constitution of the State of Iowa may be cited as the Iowa Constitution.

*b.* The Iowa Acts shall be cited as the Iowa Acts with a reference identifying the year of the publication in conformance with section 2.2, and the chapter of a bill enacted or joint resolution enacted or passed during a regular session, or in the alternative the bill or joint resolution chamber designation, and the section of the chapter or bill or subunit of a section. A bill or joint resolution enacted or passed during a special session shall be cited by the extraordinary session designation in conformance with section 2.2. If the Iowa Acts have not been published, a bill or joint resolution may be cited by its bill or joint resolution chamber designation.

*c.* The Iowa Code shall be cited as the Iowa Code. The Code Supplement shall be cited as the Code Supplement. Subject to the legislative services agency style manual, the Iowa Code may be cited as the Code of Iowa or Code and the Code Supplement may be cited as the Iowa Code Supplement, with references identifying parts of the publication, including but not limited to title or chapter, section, or subunit of a section. If the citation refers to a past edition of the Iowa Code or Code Supplement, the citation shall identify the year of publication.

5. Administrative rules shall be cited as follows:

*a.* The Iowa Administrative Bulletin shall be cited as the IAB, with references identifying the volume number which may be based on a fiscal year cycle, the issue number, and the ARC number assigned to the rulemaking document by the administrative rules coordinator pursuant to section 17A.4. Subject to the legislative services agency style manual, the citation may also include the publication's page number.

*b.* The Iowa Administrative Code shall be cited as the IAC, with references to an agency's identification number placed at the beginning of the citation and with references to parts of the publication, including but not limited to chapter, rule, or subunit of a rule.

6. The Iowa Court Rules shall be cited as the Iowa Court Rules, with references to the rule number and to subunits of the publication, which may include but are not limited to the Iowa Rules of Civil Procedure, the Iowa Rules of Criminal Procedure, the Iowa Rules of Evidence, the Iowa Rules of Appellate Procedure, the Iowa Rules of Professional Conduct, and the Iowa Code of Judicial Conduct. Subject to the legislative services agency style manual, the names of the rules may be abbreviated.

Chapters of the Code are cited as whole numerals; as chapter 124 or chapter 124A.

Sections are cited as decimal numerals; as section 124.401 or section 124A.3. Sections are often divided into subunits. The following is an example of the hierarchical structure of a Code section:

Section: 35D.15
Subsection: 2
Paragraph: *a*
Subparagraph: (1)
Subparagraph division: (a)
Subparagraph subdivision: (ii)
Subparagraph part: (B)
Subparagraph subpart: (I) *This subunit does not exist in present Code*

The above Code section example may be abbreviated as 35D.15(2)(a)(1)(a)(ii)(B)(I) or 35D.15 [2a(1)(a)(ii)(B)(I)].

# ABBREVIATIONS

C51 ..... Code of 1851
R60 ..... Revision of 1860
C73 ..... Code of 1873
C97 ..... Code of 1897
S'02 ..... Supplement of 1902
S'07 ..... Supplement of 1907
S13 ..... Supplement of 1913
SS15 ..... Supplemental Supplement 1915
C24 ..... Code of 1924
C27 ..... Code of 1927
C31 ..... Code of 1931
C35 ..... Code of 1935
C39 ..... Code of 1939
C46 ..... Code of 1946
C50 ..... Code of 1950
C54 ..... Code of 1954
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C62 ..... Code of 1962
C66 ..... Code of 1966
C71 ..... Code of 1971
C73 ..... Code of 1973
C75 ..... Code of 1975
C77 ..... Code of 1977
C79 ..... Code of 1979
S79 ..... Supplement of 1979
C81 ..... Code of 1981
S81 ..... Supplement of 1981
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CS83 ..... Supplement of 1983
C85 ..... Code of 1985
CS85 ..... Code Supplement of 1985
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CS95 ..... Code Supplement of 1995
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CS2001 ..... Code Supplement of 2001
C2003 ..... Code of 2003
CS2003 ..... Code Supplement of 2003
C2005 ..... Code of 2005
CS2005 ..... Code Supplement of 2005
C2007 ..... Code of 2007
CS2007 ..... Code Supplement of 2007
C2009 ..... Code of 2009
CS2009 ..... Code Supplement of 2009
C2011 ..... Code of 2011
CS2011 ..... Code Supplement of 2011
C2013 ..... Code of 2013
C2014 ..... Code of 2014
GA ..... General Assembly
§ or Sec. ..... Section
Art. ..... Article
Ch ..... Chapter
1st Ex ..... First Extra Session
2nd Ex ..... Second Extra Session
R (in tables) ..... Repealed
Vol ..... Volume
Ct.R. ..... Court Rule
R.C.P. ..... Rules of Civil Procedure
R.Cr.P. ..... Rules of Criminal Procedure
R.App.P. .... Rules of Appellate Procedure
R.Prob.P. ..... Rules of Probate Procedure
Stat. ..... Statutes at Large (U. S.)
U.S.C. ..... United States Code
U.S.C. App. United States Code Appendix
Pub. L. No. ... Public Law Number (U. S.)
C.F.R. Code of Federal Regulations (U. S.)
Tit. ..... Title in federal Acts
Subtit. ..... Subtitle in federal Acts
Pt. ..... Part in federal Acts
Subpt. ..... Subpart in federal Acts

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# TITLE XIV

## PROPERTY

Referred to in §29A.105

# SUBTITLE 1

## PERSONAL PROPERTY

## CHAPTER 555

RESERVED

## CHAPTER 555A

DOOR-TO-DOOR SALES

Referred to in §537.3501, 551A.6, 552A.3, 714H.3

This chapter not enacted as a part of this title;
transferred from chapter 82 in Code 1993


| | | | |
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| 555A.1 | Definitions. | 555A.4 | Duties of seller. |
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**555A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Business day"* means any calendar day except Saturday, Sunday, or public holiday, including holidays observed on Mondays.

2. *"Consumer goods or services"* means goods or services purchased, leased, or rented primarily for personal, family, or household purposes, including courses of instruction or training regardless of the purpose for which they are taken.

3. *a. "Door-to-door sale"* means a sale, lease, or rental of consumer goods or services with a purchase price of twenty-five dollars or more, whether under single or multiple contracts, in which the seller or the seller's representative personally solicits the sale, including those in response to or following an invitation by the buyer, and the buyer's agreement or offer to purchase is made at a place other than the place of business of the seller. Door-to-door sale does not include a transaction:

(1) Made pursuant to prior negotiations in the course of a visit by the buyer to a retail business establishment having a fixed permanent location where the goods are exhibited or the services are offered for sale on a continuing basis.

(2) In which the consumer is accorded the right of rescission by the provisions of the Consumer Credit Protection Act, 15 U.S.C. § 1635, or rules issued pursuant to this chapter.

(3) In which the buyer has initiated the contact and the goods or services are needed to meet a bona fide immediate personal emergency of the buyer, and the buyer furnishes the seller with a separate dated and signed personal statement in the buyer's handwriting describing the situation requiring immediate remedy and expressly acknowledging and waiving the right to cancel the sale within three business days.

(4) Conducted and consummated entirely by mail or telephone, and without any other contact between the buyer and the seller or its representative prior to delivery of the goods or performance of the services.

(5) In which the buyer has initiated the contact and specifically requested the seller to visit the buyer's home for the purpose of repairing or performing maintenance upon the buyer's personal property. If in the course of such a visit, the seller sells the buyer the right to receive additional services or goods other than replacement parts necessarily used in performing the maintenance or in making the repairs, the sale of those additional goods or services would not fall within this exclusion.

(6) Pertaining to the sale or rental of real property, to the sale of insurance and prepaid health service plans, or to the sale of securities or commodities by a broker-dealer registered with the securities and exchange commission.

*b.* "*Door-to-door sale*", irrespective of the place or manner of sale, also means the following:

(1) A sale of funeral services or funeral merchandise regulated under chapter 523A.

(2) A sale of a social referral service or an ancillary service. For purposes of this subparagraph, "*social referral service*" means a service for a fee providing matching or introduction of individuals for the purpose of dating, matrimony, or general social contact not otherwise prohibited by law, and "*ancillary service*" means goods or services directly or indirectly related to or to be provided in connection with a social referral service.

4. "*Place of business*" means the main or permanent branch office or local address of a seller.

5. "*Purchase price*" means the total price paid or to be paid for the consumer goods or services, including all interest and service charges.

6. "*Seller*" means any person engaged in the door-to-door sale of consumer goods or services.

[C75, 77, §713B.1; C79, 81, §82.1; 82 Acts, ch 1249, §5]
C93, §555A.1
2000 Acts, ch 1021, §3
Referred to in §552A.3

**555A.2 Contract.**

Every seller shall furnish the buyer with a fully completed receipt or copy of any contract pertaining to a door-to-door sale at the time of its execution, which is in the same language as that principally used in the oral sales presentation and which shows the date of the transaction and contains the name and address of the seller, and in immediate proximity to the space reserved in the contract for the signature of the buyer or on the front page of the receipt if a contract is not used and in boldface type of a minimum size of ten points, a statement in substantially the following form:

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

[C75, 77, §713B.2; C79, 81, §82.2]
C93, §555A.2
Referred to in §552A.3

**555A.3 Cancellation.**

Every seller shall furnish each buyer, at the time the buyer signs the door-to-door sales contract or otherwise agrees to buy consumer goods or services from the seller, a completed form in duplicate, captioned "*Notice of Cancellation*", which shall be attached to the contract or receipt and easily detachable, and which shall contain in ten point boldface type the following information and statements in the same language as that used in the contract:

NOTICE OF CANCELLATION

.....
(enter date of transaction)

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to ....., (Name of seller) at ..... (Address of seller's place of business) not later than midnight of ..... (Date).

I hereby cancel this transaction.

.....
(Date)

.....
(Buyer's signature)

[C75, 77, §713B.3; C79, 81, §82.3]
C93, §555A.3
Referred to in §551A.3, 552A.3

**555A.4 Duties of seller.**

A seller shall:

1. Furnish two copies of the notice of cancellation to the buyer, and complete both copies by entering the name of the seller, the address of the seller's place of business, the date of the transaction, and the date, not earlier than the third business day following the date of the transaction, by which the buyer may give notice of cancellation.

2. Not include in any contract or receipt any confession of judgment or any waiver of any of the rights to which the buyer is entitled under this chapter including specifically the right to cancel the sale in accordance with the provisions of this chapter.

3. Inform each buyer orally, at the time the buyer signs the contract or purchases the goods or services, of the buyer's right to cancel.

4. Not misrepresent in any manner the buyer's right to cancel.

5. Honor any valid notice of cancellation by a buyer and within ten business days after the receipt of notice shall refund all payments made under the contract or sale, return any goods or property traded in, in substantially as good condition as when received by the seller, and cancel and return any negotiable instrument executed by the buyer in connection with the contract or sale and take any action necessary or appropriate to terminate promptly any security interest created in the transaction.

6. Not negotiate, transfer, sell, or assign any note or other evidence of indebtedness to a finance company or other third party prior to midnight of the seventh business day following the day the contract was signed or the goods or services were purchased.

7. Within ten business days of receipt of the buyer's notice of cancellation notify the buyer whether the seller intends to repossess or to abandon any shipped or delivered goods.

[C75, 77, §713B.4; C79, 81, §82.4]

C93, §555A.4

Referred to in §552A.3

**555A.5 Effect on indebtedness.**

Rescission of any contract pursuant to this chapter or the failure to provide a copy of the contract to the buyer as required by this chapter shall void any contract, note, instrument, or other evidence of indebtedness executed or entered into in connection with the contract and shall constitute a complete defense in any action based on the contract, note, instrument or other evidence of indebtedness brought by the seller, the seller's successors or assigns unless a successor or assignee of the seller after the seventh business day following the day the contract was signed has detrimentally relied upon a representation of the buyer that the contract has not been rescinded. This section shall not affect the rights of holders in due course of checks made by the buyer.

[C75, 77, §713B.5; C79, 81, §82.5]

C93, §555A.5

Referred to in §552A.3

**555A.6 Penalties.**

1. Any seller who violates the provisions of this chapter shall be guilty of a simple misdemeanor.

2. A violation of this chapter is a violation of section 714.16, subsection 2, paragraph "*a*".

[C75, 77, §713B.6; C79, 81, §82.6]

92 Acts, ch 1062, §1

C93, §555A.6

# CHAPTER 555B

## DISPOSAL OF ABANDONED MOBILE HOMES AND PERSONAL PROPERTY

Referred to in §321.47, 562B.27, 631.4, 631.5

See also chapter 555C relating to valueless homes


555B.1 Definitions.
555B.2 Removal — notice to sheriff.
555B.3 Action for abandonment — jurisdiction.
555B.4 Notice.
555B.5 Change of venue.
555B.6 Priority of assignment.
555B.7 Remedy not exclusive.
555B.8 Judgment.
555B.9 Disposal — proceeds.
555B.10 Limitation on liability.


**555B.1 Definitions.**

Unless the context otherwise requires, in this chapter:

1. *"Abandoned"* means abandoned as provided in section 562B.27, subsection 1.

2. *"Claimant"* includes but is not limited to any government subdivision with authority to levy a tax on abandoned personal property. *"Claimant"* also includes a holder of a lien as defined in section 555B.2.

3. *"Demolisher"* means demolisher as defined in section 321.89.

4. *"Junkyard"* means junkyard as defined in section 306C.1.

5. *"Mobile home"* includes "manufactured homes" and "modular homes" as those terms are defined in section 435.1, if the manufactured homes or modular homes are located in a manufactured home community or mobile home park.

6. *"Personal property"* includes personal property of the mobile home owner in the abandoned mobile home, on the mobile home lot, in the immediate vicinity of the abandoned

mobile home and the mobile home lot, and in any storage area provided by the real property owner for the use of the mobile home owner.

7. *"Real property owner"* means the owner or other lawful possessor of real property upon which a mobile home is located.

88 Acts, ch 1138, §1
C89, §562C.1
C93, §555B.1
93 Acts, ch 154, §6, 7; 94 Acts, ch 1110, §21, 24; 99 Acts, ch 155, §1, 14; 2001 Acts, ch 153, §16

**555B.2 Removal — notice to sheriff.**

1. A real property owner may remove or cause to be removed a mobile home and other personal property which is unlawfully parked, placed, or abandoned on that real property, and may cause the mobile home and personal property to be placed in storage until the owner of the personal property pays a fair and reasonable charge for removal, storage, or other expense incurred, including reasonable attorney fees, or until a judgment of abandonment is entered pursuant to section 555B.8 provided that there is no lien on the mobile home or personal property other than a tax lien pursuant to chapter 435. For purposes of this chapter, a lien other than a tax lien exists only if the real property owner receives notice of a lien on the standardized registration form completed by a tenant pursuant to section 562B.27, subsection 3, or a lien has been filed in state or county records on a date before the mobile home is considered to be abandoned. The real property owner or the real property owner's agent is not liable for damages caused to the mobile home and personal property by the removal or storage unless the damage is caused willfully or by gross negligence.

2. The real property owner shall notify the sheriff of the county where the real property is located of the removal of the mobile home and other personal property.

*a.* If the mobile home owner can be determined, and if the real property owner so requests, the sheriff shall notify the mobile home owner of the removal by restricted certified mail. If the mobile home owner cannot be determined, and the real property owner so requests, the sheriff shall give notice by one publication in one newspaper of general circulation in the county where the mobile home and personal property were unlawfully parked, placed, or abandoned. If the mobile home and personal property have not been claimed by the owner within six months after notice is given, the mobile home and personal property shall be sold by the sheriff at a public or private sale. After deducting costs of the sale the net proceeds shall be applied to the cost of removal, storage, notice, attorney fees, and any other expenses incurred for preserving the mobile home and personal property, including any rent owed by the mobile home owner to the real property owner in connection with the presence of the mobile home on the real property. The remaining net proceeds, if any, shall be paid to the county treasurer to satisfy any tax lien on the mobile home. The remainder, if any, shall be retained by the county treasurer. A sheriff's sale transfers to the purchaser for value, all of the mobile home owner's rights in the mobile home and personal property, and discharges the real property owner's interest in the mobile home and personal property, and discharges the tax lien on the mobile home. If the purchaser acts in good faith the purchaser takes free of all rights and interests even though the real property owner fails to comply with the requirements of this chapter or of any judicial proceedings.

*b.* If the real property owner removes the mobile home and personal property but does not request that the sheriff notify the mobile home owner, the real property owner shall proceed with an action for abandonment as provided in sections 555B.3 through 555B.9.

88 Acts, ch 1138, §2
C89, §562C.2
C93, §555B.2
93 Acts, ch 154, §8, 9; 94 Acts, ch 1110, §22, 24
Referred to in §555B.1, 555B.3, 562B.27

**555B.3 Action for abandonment — jurisdiction.**

A real property owner not requesting notification by the sheriff as provided in section 555B.2 may bring an action alleging abandonment in the court within the county where the real property is located provided that there is no lien on the mobile home or personal property other than a tax lien pursuant to chapter 435. The action shall be tried as an equitable action. Unless commenced as a small claim, the petition shall be presented to a district judge. Upon receipt of the petition, either the court or the clerk of the district court shall set a date for a hearing not later than fourteen days from the date of the receipt of the petition.

88 Acts, ch 1138, §3
C89, §562C.3
C93, §555B.3
93 Acts, ch 154, §10
Referred to in §555B.2, 631.1, 648.19

**555B.4 Notice.**

1. Personal service pursuant to rule of civil procedure 1.305 shall be made upon the mobile home owner not less than ten days before the hearing. If personal service cannot be completed in time to give the mobile home owner the minimum notice required by this section, the court may set a new hearing date.

2. If personal service cannot be made on the mobile home owner because the mobile home owner is avoiding service or cannot be found, service may be made by mailing a copy of the petition and notice of hearing to the mobile home owner's last known address and publishing the notice in one newspaper of general circulation in the county where the petition is filed. If the mobile home owner's address is not known to the real property owner, service may be made pursuant to rule of civil procedure 1.313 except that service is complete seven days after the initial publication. The court shall set a new hearing date if necessary to allow the ten-day minimum notice required under subsection 1 of this section.

3. If a tax lien exists on the mobile home or personal property at the time an action for abandonment is initiated, the real property owner shall notify the county treasurer of each county in which a tax lien appears by restricted certified mail sent not less than ten days before the hearing. The notice shall describe the mobile home and shall state the docket, case number, date, and time at which the hearing is scheduled, and the county treasurer's right to assert a claim to the mobile home at the hearing. The notice shall also state that failure to assert a claim to the mobile home is deemed a waiver of all right, title, claim, and interest in the mobile home and is deemed consent to the sale or disposal of the mobile home.

88 Acts, ch 1138, §4
C89, §562C.4
C93, §555B.4
93 Acts, ch 154, §11; 97 Acts, ch 121, §31
Referred to in §555B.2, 555B.9, 631.4

**555B.5 Change of venue.**

In an action under this chapter a change of place of trial may be had as in other cases.

88 Acts, ch 1138, §5
C89, §562C.5
C93, §555B.5
Referred to in §555B.2

**555B.6 Priority of assignment.**

An action under this chapter shall be accorded reasonable priority for assignment to assure prompt disposition.

88 Acts, ch 1138, §6
C89, §562C.6
C93, §555B.6
Referred to in §555B.2

**555B.7 Remedy not exclusive.**

An action under this chapter may be brought in connection with a claim for monetary damages, possession, or recovery as provided in section 562B.25 or 562B.30 or chapter 648.

88 Acts, ch 1138, §7
C89, §562C.7
C93, §555B.7
Referred to in §555B.2

**555B.8 Judgment.**

1. If the court determines that the mobile home and personal property have been abandoned, judgment shall be entered in favor of the real property owner for the reasonable costs of removal, storage, notice, and attorney fees; any other expenses incurred for preserving the mobile home and personal property or for bringing the action; and, if the action is brought in conjunction with one for monetary damages, the amount of monetary damages assessed.

2. If the mobile home owner or other claimant asserts a claim to the property, the judgment shall be satisfied before the mobile home owner or other claimant may take possession of the mobile home or personal property.

3. If no claim is asserted to the mobile home or personal property or if the judgment is not satisfied at the time of entry, an order shall be entered allowing the real property owner to sell or otherwise dispose of the mobile home and personal property pursuant to section 555B.9. If a claimant satisfies the judgment at the time of entry, the court shall enter an order permitting and directing the claimant to remove the mobile home or personal property from its location within a reasonable time to be fixed by the court. The court shall also determine the amount of further rent or storage charges to be paid by the claimant to the real property owner at the time of removal.

88 Acts, ch 1138, §8
C89, §562C.8
C93, §555B.8
Referred to in §321.90, 435.24, 555B.2, 555B.9

**555B.9 Disposal — proceeds.**

1. Pursuant to an order for disposal under section 555B.8, subsection 3, the real property owner shall dispose of the mobile home and personal property by public or private sale in a commercially reasonable manner. If the personal property owner or other claimant has asserted a claim to the mobile home or personal property, that person shall be notified of the sale by restricted certified mail not less than five days before the sale. The notice is deemed given upon the mailing. The real property owner may buy at any public sale, and if the mobile home or personal property is of a type customarily sold in a recognized market or is the subject of widely distributed standard price quotations, the real property owner may buy at a private sale.

2. A sale pursuant to subsection 1 transfers to the purchaser for value, all of the mobile home owner's rights in the mobile home and personal property, and discharges the real property owner's interest in the mobile home and personal property and any tax lien. The purchaser takes free of all rights and interests even though the real property owner fails to comply with the requirements of this chapter or of any judicial proceedings, if the purchaser acts in good faith.

3. The proceeds of the sale of mobile home and personal property shall be distributed as follows:

*a.* First, to satisfy the real property owner's judgment obtained under section 555B.8.

*b.* Second, to satisfy any tax lien for which a claim was asserted pursuant to section 555B.4, subsection 3.

*c.* Any surplus remaining after the proceeds are distributed shall be held by the real property owner for six months. If the mobile home owner fails to claim the surplus in that time, the surplus may be retained by the real property owner. If a deficiency remains after distribution of the proceeds, the mobile home owner is liable for the amount of the deficiency.

4. Notwithstanding subsections 1 through 3, the real property owner may propose to retain the mobile home and personal property in satisfaction of the judgment obtained pursuant to section 555B.8. Written notice of the proposal shall be sent to the mobile home owner or other claimant, if that person has asserted a claim to the mobile home or personal property in the judicial proceedings. If the real property owner receives objection in writing from the mobile home owner or other claimant within twenty-one days after the notice was sent, the real property owner shall dispose of the mobile home and personal property pursuant to subsection 1. If no written objection is received by the real property owner within twenty-one days after the notice was sent, the mobile home and personal property may be retained. Retention of the mobile home and personal property discharges the judgment of the real property owner and any tax lien.

5. If the real property owner has made a good faith attempt to sell the mobile home and personal property pursuant to subsection 1 but is unsuccessful and elects not to retain the mobile home and personal property pursuant to subsection 4, the real property owner may dispose of the mobile home and personal property to a demolisher or junkyard. Proceeds from the disposition shall be distributed pursuant to subsection 3. If the personal property is a motor vehicle to which section 321.90 applies, the real property owner shall present the order for disposal obtained pursuant to section 555B.8, subsection 3, to the police authority to obtain a certificate of authority to dispose of the motor vehicle pursuant to section 321.90, subsection 2.

88 Acts, ch 1138, §9
C89, §562C.9
C93, §555B.9
Referred to in §321.90, 555B.2, 555B.8, 648.22A

**555B.10 Limitation on liability.**

1. A real property owner who disposes of a mobile home or personal property in accordance with this chapter is not liable for damages by reason of the removal, sale, or disposal of the mobile home and personal property unless the damage is caused willfully or by gross negligence. Upon a motion to the district court and a showing that the real property owner is not proceeding in accordance with this chapter, the court may enjoin the real property owner from proceeding further and a determination for the proper disposition of the mobile home and personal property shall be made. If disposition of the mobile home or personal property has not occurred in accordance with this chapter, the owner thereof has a right to recover from the real property owner, any loss caused by failure to comply with this chapter. The burden of proof shall be upon the mobile home or personal property owner to show that the real property owner has not complied with this chapter in disposing of a mobile home or personal property.

2. The fact that a better price could have been obtained by a sale at a different time or in a different method from that selected by the real property owner is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. If the real property owner sells the mobile home and personal property in the usual manner in any recognized market or if the real property owner sells at the price current in the market at the time of the real property owner's sale or if the real property owner has otherwise sold in conformity with reasonable commercial practices among dealers in the type of mobile home or personal property sold, the real property owner has sold in a commercially reasonable manner. A disposition approved in any judicial proceeding shall be deemed conclusively to be commercially reasonable.

88 Acts, ch 1138, §10
C89, §562C.10
C93, §555B.10
93 Acts, ch 154, §12

# CHAPTER 555C

## VALUELESS MOBILE, MODULAR, AND MANUFACTURED HOMES

Referred to in §321.47, 648.22A


555C.1 Definitions.
555C.2 Removal or transfer of title of valueless home — presumption of value.
555C.3 New title — third party.
555C.4 Removal by manufactured home community or mobile home park owner.
555C.5 Liability limited.
555C.6 Rights of real property owner.


**555C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Home"* means a mobile home, modular home, or a manufactured home as defined in section 435.1.

2. *"Manufactured home community"* means a manufactured home community as defined in section 435.1.

3. *"Mobile home park"* means a mobile home park as defined in section 435.1.

4. *"Personal property"* includes personal property of the owner or other occupant of the home, which is located in the home, on the lot where the home is located, in the immediate vicinity of the home or lot, or in any storage area provided by the real property owner for use of the home owner or occupant.

5. *"Valueless home"* means a home located in a manufactured home community or a mobile home park including all other personal property, where all of the following conditions exist:

*a.* The home has been abandoned as defined in section 562B.27, subsection 1, and the home has not been removed after the right to possession of the underlying real estate has been terminated pursuant to chapter 648.

*b.* A lien of record, other than a tax lien as provided in chapter 435, does not exist against the home. A lien exists only if the real property owner receives notice of a lien on the standardized registration form completed by an owner or occupant pursuant to chapter 562B, or a lien has been filed in the state or county records on a date before the home is considered to be valueless.

*c.* The value of the home and other personal property is equal to or less than the reasonable cost of disposal plus all sums owing to the real property owner pertaining to the home.

95 Acts, ch 104, §1; 2001 Acts, ch 153, §12

**555C.2 Removal or transfer of title of valueless home — presumption of value.**

1. An owner of a manufactured home community or mobile home park may remove, or cause to be removed, from the manufactured home community or mobile home park a valueless home and personal property associated with the home at any time following a determination of abandonment by the manufactured home community or mobile home park owner in accordance with section 562B.27, subsection 1, and an order of removal pursuant to chapter 648 without further notice to the owner or occupant of the valueless home. Within ten days of the removal or transfer of title, the manufactured home community or mobile home park owner shall give written notice to the county treasurer for the county in which the manufactured home community or mobile home park is located by affidavit which shall include a description of the valueless home, its owner or occupant, if known, the date of removal or transfer of title, and if applicable, the name and address of any third party to whom a new title shall be issued.

2. A valueless home and any personal property associated with the valueless home shall be conclusively deemed in value to be equal to or less than the reasonable cost of disposal plus all sums owing to the manufactured home community or mobile home park owner pertaining to the valueless home, if the manufactured home community or mobile home park owner or an agent of the owner removes the home and personal property to a demolisher, sanitary

landfill, or other lawful disposal site or if the manufactured home community or mobile home park owner allows a disinterested third party to remove the valueless home and personal property or to leave the home in the manufactured home community or mobile home park in a transaction in which the manufactured home community or mobile home park owner receives no consideration.

95 Acts, ch 104, §2; 99 Acts, ch 155, §2, 14; 2001 Acts, ch 153, §16

Referred to in §555C.3

**555C.3 New title — third party.**

If a new title to a valueless home is to be issued to a third party, the county treasurer shall issue a new title, upon receipt of the affidavit required in section 555C.2 and payment of a fee pursuant to section 321.47. Any tax lien levied pursuant to chapter 435 is canceled and the ownership interest of the previous owner or occupant of the valueless home is terminated as of the date of issuance of the new title. The new title owner shall take the title free of all rights and interests even though the manufactured home community or mobile home park owner fails to comply with the requirements of this chapter or any judicial proceedings, if the new title owner acts in good faith.

95 Acts, ch 104, §3; 99 Acts, ch 155, §3, 14; 2001 Acts, ch 153, §16; 2004 Acts, ch 1092, §9

**555C.4 Removal by manufactured home community or mobile home park owner.**

Unless the valueless home is to be titled in the name of a third party, the manufactured home community or mobile home park owner may dispose of a valueless home and any personal property to a demolisher, sanitary landfill, or other lawful disposal site under the terms and conditions as the manufactured home community or mobile home park owner shall determine.

95 Acts, ch 104, §4; 2001 Acts, ch 153, §16

**555C.5 Liability limited.**

A person who removes or allows the removal of a valueless home or transfers title or allows the transfer of title of a valueless home as provided in this chapter is not liable to the previous owner of the valueless home due to the removal or transfer of title of the valueless home.

95 Acts, ch 104, §5; 99 Acts, ch 155, §4, 14

**555C.6 Rights of real property owner.**

The rights provided in this chapter to a real property owner are not exclusive of other rights of the real property owner.

95 Acts, ch 104, §6

# CHAPTER 556

## DISPOSITION OF UNCLAIMED PROPERTY

Referred to in §22.7, 99D.13, 252B.15, 501B.29, 524.812, 533.320, 533.321, 533.404, 602.8105, 624.37, 633.356, 642.2, 904.508


556.1 Definitions and use of terms.
556.2 Property held by banking or financial organizations or by business associations.
556.2A Traveler's checks and money orders.
556.2B Checks, drafts, and similar instruments issued or certified by banking and financial organizations.
556.2C Outstanding state warrants.
556.3 Unclaimed funds held by life insurance corporations.
556.3A Unclaimed demutualization proceeds held by insurance companies.
556.4 Deposits and refunds held by utilities.
556.5 Stocks and other intangible interests in business associations.
556.6 Property of business associations and banking or financial organizations held in course of dissolution.
556.7 Property held by fiduciaries.

556.8 Property held by state courts and public officers and agencies — abandonment.
556.9 Miscellaneous personal property held for another person — wages — gift certificates.
556.9A Out-of-state property issued within the state.
556.10 Reciprocity for property presumed abandoned or escheated under the laws of another state.
556.11 Report of abandoned property.
556.12 Notice and publication of lists of abandoned property.
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556.31 through 556.36 Repealed by 84 Acts, ch 1295, §25.

**556.1 Definitions and use of terms.**

As used in this chapter, unless the context otherwise requires:

1. *"Banking organization"* means any bank, trust company, savings bank, savings association, industrial bank, land bank, safe deposit company, or a private banker engaged in business in this state.

2. *"Business association"* means a corporation, cooperative association, joint stock company, business trust, investment company, partnership, limited liability company, trust company, mutual fund, or other business entity consisting of one or more persons, whether or not for profit.

3. *"Cooperative association"* means any of the following:

*a.* An entity which is structured and operated on a cooperative basis, including an association of persons organized under chapter 497, 498, or 499; or an entity composed of entities organized under those chapters.

*b.* A cooperative organized under chapter 501.

*c.* A cooperative organized under chapter 501A.

*d.* A cooperative association organized under chapter 490.

*e.* Any other entity recognized pursuant to 26 U.S.C. § 1381(a) which meets the definitional requirements of an association as provided in 12 U.S.C. § 1141(j)(a) or 7 U.S.C. § 291.

4. *"Financial organization"* means any federally chartered savings and loan association, credit union, cooperative bank or investment company, engaged in business in this state.

5. *"Holder"* means any person in possession of property subject to this chapter belonging to another, or who is trustee in case of a trust, or is indebted to another on an obligation subject to this chapter.

6. *"Life insurance corporation"* means any association or corporation transacting within this state the business of insurance on the lives of persons or insurance appertaining thereto, including, but not by way of limitation, endowments and annuities.

7. *"Mineral"* means gas, oil, and coal; other gaseous, liquid, and solid hydrocarbons; oil shale; cement material; sand and gravel; road material; building stone; chemical raw material; gemstone; fissionable and nonfissionable ores; colloidal and other clays; steam and other geothermal resources; and any other substance defined as a mineral by a law of this state.

8. *"Mineral proceeds"* means amounts payable for the extraction, production, or sale of minerals, or upon the abandonment of those payments, all payments that become payable thereafter. *"Mineral proceeds"* includes amounts payable as follows:

*a.* For the acquisition and retention of a mineral lease, including bonuses, royalties, compensatory royalties, shut-in royalties, minimum royalties, and delay rentals.

*b.* For the extraction, production, or sale of minerals, including net revenue interests, royalties, overriding royalties, extraction payments, and production payments.

*c.* Under an agreement or option, including a joint operating agreement, unit agreement, pooling agreement, and farm-out agreement, relating to the extraction, production, or sale of minerals.

9. *"Money order"* includes an express money order and a personal money order, on which the remitter is the purchaser. *"Money order"* does not include a bank money order or any other instrument sold by a banking or financial organization if the seller has obtained the name and address of the payee.

10. *"Owner"* means a depositor in case of a deposit, a beneficiary in case of a trust, a creditor, claimant, or payee in case of other choses in action, or any person having a legal or equitable interest in property subject to this chapter, or that person's legal representative.

11. *"Person"* means any individual, business association, government or political subdivision, public corporation, public authority, estate, trust, two or more persons having a joint or common interest, or any other legal or commercial entity.

12. *"Property"* means a fixed and certain interest in or right in an intangible that is held, issued, or owed in the course of a holder's business, or by a government or governmental entity, and all income or increment therefrom, including that which is referred to as or evidenced by any of the following:

*a.* Money, check, draft, deposit, interest, dividend, and income.

*b.* Credit balance, customer overpayment, gift certificate, security deposit, refund, credit memorandum, unpaid wage, unused airline ticket, unused ticket, mineral proceeds, and unidentified remittance and electronic fund transfer.

*c.* Stock or other evidence of ownership interests in a business association.

*d.* Bond, debenture, note, or other evidence of indebtedness.

*e.* Money deposited to redeem stocks, bonds, coupons, and other securities, or to make distributions.

*f.* An amount due and payable under the terms of an insurance policy, including policies providing life insurance, property and casualty insurance, workers' compensation insurance, or health and disability benefits insurance.

*g.* An amount distributable from a trust or custodian fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits.

*h.* Amounts distributable from a mineral interest in land.

*i.* Any other fixed and certain interest or right in an intangible that is held, issued, or owing in the course of a holder's business, or by a government or governmental entity.

*"Property"* does not include credits, advance payments, overpayments, refunds, or credit memoranda shown on the books and records of a business association with respect to another business association unless the balance is property described in section 556.2 held by a banking organization or financial organization.

13. *"Utility"* means any person who owns or operates within this state, for public use, any plant, equipment, property, franchise, or license for the transmission of communications or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas.

[C71, 73, 75, 77, 79, 81, §556.1]

95 Acts, ch 34, §1; 96 Acts, ch 1173, §1, 2; 2001 Acts, ch 142, §4, 5; 2001 Acts, ch 152, §1; 2003 Acts, ch 44, §99; 2005 Acts, ch 135, §116; 2007 Acts, ch 60, §1; 2012 Acts, ch 1017, §153

**556.2 Property held by banking or financial organizations or by business associations.**

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

1. Any demand, savings, or matured time deposit made in this state with a banking

organization, together with any interest or dividend, excluding any charges that may lawfully be withheld, unless the owner has, within three years:

*a.* Increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest.

*b.* Corresponded in writing with the banking organization concerning the deposit.

*c.* Otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization. Such memorandum shall be dated and may have been prepared by the banking organization, in which case it shall be signed by an official of the bank, or it may have been prepared by the owner.

*d.* Had another relationship with the bank in which the owner has:

(1) Communicated in writing with the bank.

(2) Otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the bank and if the bank communicates in writing with the owner with regard to the property that would otherwise be abandoned under this subsection at the address to which communications regarding the other relationship are regularly sent.

*e.* Been sent any written correspondence, notice, or information by first class mail regarding the deposit by the banking organization on or after July 1, 1992, if the correspondence, notice, or information requests an address correction on the face of the envelope, and is not returned to the bank organization for nondelivery, and if the bank organization maintains a record of all returned mail.

2. Any funds paid in this state toward the purchase of shares or other interest in a financial organization or any deposit made in this state, and any interest or dividends, excluding any charges that may lawfully be withheld, unless the owner has within three years:

*a.* Increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends.

*b.* Corresponded in writing with the financial organization concerning the funds or deposit.

*c.* Otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization. Such memorandum shall be dated and may have been prepared by the financial organization, in which case it shall be signed by an officer of the financial organization, or it may have been prepared by the owner.

*d.* Had another relationship with the financial organization in which the owner has:

(1) Communicated in writing with the financial organization.

(2) Otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the financial organization and if the financial organization communicates in writing with the owner with regard to the property that would otherwise be abandoned under this subsection at the address to which communications regarding the other relationship are regularly sent.

*e.* Been sent any written correspondence, notice, or information by first class mail regarding the funds or deposits by the financial organization on or after July 1, 1992, if the correspondence, notice, or information requests an address correction on the face of the envelope, and is not returned to the financial organization for nondelivery, and if the financial organization maintains a record of all returned mail.

3. Any property described in subsections 1 and 2 which is automatically renewable is matured for purposes of subsections 1 and 2 upon the expiration of its initial time period, but in the case of any renewal to which the owner consents at or about the time of renewal by communicating in writing with the banking or financial organization or otherwise indicating consent as evidenced by a memorandum or other record on file prepared by an employee of the organization, the property is matured upon the expiration of the last time provided for which consent was given. However, consent to renewal is deemed to have been given if the owner is sent written notice of the renewal by first class mail which requests an address correction on the face of the envelope, the notice is not returned for nondelivery, and the banking or financial organization maintains a record of all returned mail. If at the time period for delivery in section 556.13, a penalty or forfeiture in the payment of interest would result from the delivery of the property, the time period for delivery is extended until the time when no penalty or forfeiture would result.

4. Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safekeeping repository or agency or collateral deposit box in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, or any surplus amounts arising from the sale thereof pursuant to law, that have been unclaimed by the owner for more than three years from the date on which the lease or rental period expired.

5. *a.* A banking organization or financial organization shall send to the owner of each account, to which none of the actions specified in subsection 1, paragraphs *"a"* through *"e"* or subsection 2, paragraphs *"a"* through *"e"* have occurred during the preceding three calendar years, a notice by certified mail stating in substance the following:

According to our records, we have had no contact with you regarding (describe account) for more than three years. Under Iowa law, if there is a period of three years without contact, we may be required to transfer this account to the custody of the treasurer of state of Iowa as unclaimed property. You may prevent this by taking some action, such as a deposit or withdrawal, which indicates your interest in this account or by signing this form and returning it to us.

I desire to keep the above account open and active.

.....

Your signature

*b.* The notice required under this section shall be mailed within thirty days of the lapse of the three-year period in which there is no activity. The cost of the certified mail of the notice required in this section may be deducted from the account by the banking or financial organization.

[C71, 73, 75, 77, 79, 81, §556.2]

84 Acts, ch 1295, §1 – 7; 85 Acts, ch 233, §1 – 3; 91 Acts, ch 267, §623 – 625; 92 Acts, ch 1085, §1 – 4; 95 Acts, ch 34, §2; 96 Acts, ch 1173, §3; 2013 Acts, ch 30, §174; 2013 Acts, ch 140, §76

Referred to in §524.812, 524.813, 533.320, 533.321, 556.1, 556.10, 556.12

Subsection 5 amended

**556.2A Traveler's checks and money orders.**

1. Subject to subsection 4, any sum payable on a traveler's check that has been outstanding for more than fifteen years after its issuance is deemed abandoned unless the owner, within fifteen years, has communicated in writing with the issuer concerning it or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the issuer.

2. Subject to subsection 4, any sum payable on a money order that has been outstanding for more than seven years after its issuance is deemed abandoned unless the owner, within seven years, has communicated in writing with the issuer concerning it or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the issuer.

3. A holder shall not deduct from the amount of a traveler's check or money order any charge imposed by reason of the failure to present the instrument for payment unless there is a valid and enforceable written contract between the issuer and the owner of the instrument pursuant to which the issuer may impose a charge and the issuer regularly imposes such charges and does not regularly reverse or otherwise cancel them.

4. A sum payable on a traveler's check or money order described in subsection 1 or 2 shall not be subjected to the custody of this state as unclaimed property unless any of the following apply:

*a.* The records of the issuer show that the traveler's check or money order was purchased in this state.

*b.* The issuer has its principal place of business in this state and the records of the issuer do not show the state in which the traveler's check or money order was purchased.

*c.* The issuer has its principal place of business in this state, the records of the issuer show the state in which the traveler's check or money order was purchased, and the laws of the state of purchase do not provide for the escheat or custodial taking of the property or its escheat or unclaimed property law is not applicable to the property.

96 Acts, ch 1173, §4
Referred to in §556.2B

**556.2B Checks, drafts, and similar instruments issued or certified by banking and financial organizations.**

1. Any sum payable on a check, draft, or similar instrument, except those subject to section 556.2A, on which a banking or financial organization is directly liable, including a cashier's check and a certified check, which has been outstanding for more than three years after it was payable or after its issuance if payable on demand, is deemed abandoned, unless the owner, within three years, has communicated in writing with the banking or financial organization concerning it or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the banking or financial organization.

2. A holder shall not deduct from the amount of any instrument subject to this section any charge imposed by reason of the failure to present the instrument for payment unless there is a valid and enforceable written contract between the holder and the owner of the instrument pursuant to which the holder may impose a charge and the holder regularly imposes such charges and does not regularly reverse or otherwise cancel them.

96 Acts, ch 1173, §5

**556.2C Outstanding state warrants.**

1. *a.* An unpaid, outdated warrant that is canceled pursuant to section 8A.519 shall be included in a list of outstanding state warrants maintained by the director of the department of administrative services. On or before July 1 of each year, the director of the department of administrative services shall provide the office of the treasurer of state with a consolidated list of such outstanding warrants that have not been previously reported to the office.

*b.* The consolidated list shall be accompanied by supporting information as specified by the treasurer of state. The treasurer of state may include information regarding the outstanding warrants in the notice published pursuant to section 556.12 and on the treasurer of state's official internet site.

*c.* The reporting requirements of this section do not apply to outdated warrants charged to federal grants or other nonstate funds for which funding is no longer available as described in section 25.2.

2. An agreement to pay compensation to recover or assist in the recovery of an outstanding warrant made within twenty-four months after the date the warrant is canceled is unenforceable. However, an agreement made after twenty-four months from the date the warrant is canceled is valid if the fee or compensation agreed upon is not more than fifteen percent of the recoverable property, the agreement is in writing and signed by the payee, and the writing discloses the nature and value of the property and the name and address of the person in possession. This subsection does not apply to a payee who has a bona fide fee contract with a practicing attorney regulated under chapter 602, article 10.

2006 Acts, ch 1185, §102; 2013 Acts, ch 90, §257
Referred to in §22.7, 25.2, 556.18
Code editor directive applied

**556.3 Unclaimed funds held by life insurance corporations.**

1. *"Unclaimed funds,"* as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address

of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation.

2. *"Unclaimed funds,"* as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than three years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured or terminated. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if the policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based and shall be presumed abandoned and to be unclaimed funds as defined in this section if unclaimed and unpaid for more than two years thereafter, unless the person appearing entitled thereto has within the two-year period assigned, readjusted, or paid premiums on the policy, or subjected the policy to loan or corresponded in writing with the life insurance corporation concerning the policy. Moneys otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

[C71, 73, 75, 77, 79, 81, §556.3]

84 Acts, ch 1295, §8; 91 Acts, ch 267, §626

**556.3A Unclaimed demutualization proceeds held by insurance companies.**

1. Property distributable in the course of demutualization or related reorganization of an insurance company occurring on or after January 1, 2003, that remains unclaimed is deemed abandoned two years after the earlier of:

*a.* The first date on which the property of an insurance company being demutualized or reorganized was distributable.

*b.* The date of last contact by the insurance company with a policyholder.

2. Property distributable in the course of demutualization or related reorganization of an insurance company occurring before January 1, 2003, that remains unclaimed is deemed abandoned two years after the first date on which the property of an insurance company being demutualized or reorganized was distributable.

2003 Acts, ch 46, §1, 5

Referred to in §556.11

**556.4 Deposits and refunds held by utilities.**

The following funds held or owing by any utility are presumed abandoned:

1. Any deposit made by a subscriber with a utility to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, less any lawful deductions, that has remained unclaimed by the person appearing on the records of the utility entitled to the deposit for more than one year after the termination of the services for which the deposit or advance payment was made.

2. Any sum which a utility has been ordered to refund and which was received for utility services rendered in this state, together with any interest on the refund, less any lawful deductions, that has remained unclaimed by the person appearing on the records of the utility entitled to the refund for more than one year after the date it became payable in accordance with the final determination or order providing for the refund.

[C71, 73, 75, 77, 79, 81, §556.4]

83 Acts, ch 191, §12, 26, 27; 91 Acts, ch 267, §627

Referred to in §556.18

**556.5 Stocks and other intangible interests in business associations.**

1. Any stock, shareholding, or other intangible ownership interests in a business association, the existence of which is evidenced by records available to the association, is deemed abandoned and, with respect to the interest, the association is the holder, if both of the following apply:

*a.* The interest in the association is owned by a person who for more than three years has neither claimed a dividend, distribution, nor other sum payable as a result of the interest, or who has not communicated with the association regarding the interest or a

dividend, distribution, or other sum payable as the result of the interest, as evidenced by a memorandum or other record on file with the association prepared by an employee of the association.

*b.* The association does not know the location of the owner at the end of the three-year period.

2. The return of official shareholder notifications or communications by the postal service as undeliverable shall be evidence that the association does not know the location of the owner.

3. This section shall be applicable to both the underlying stock, shareholdings, or other intangible ownership interests of an owner, and any stock, shareholdings, or other intangible ownership interest of which the business association is in possession of the certificate or other evidence or indicia of ownership, and to the stock, shareholdings, or other intangible ownership interests of dividend and nondividend paying business associations whether or not the interest is represented by a certificate.

4. At the time an interest is deemed abandoned under this section, the following shall apply:

*a.* Except as provided in paragraph "*b*", any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously deemed abandoned, is deemed abandoned.

*b.* A disbursement held by a cooperative association shall not be deemed abandoned under this chapter if the disbursement is retained by a cooperative association organized under chapter 490 as provided in section 490.629, by a cooperative association organized under chapter 499 as provided in section 499.30A, or by a cooperative as provided in section 501A.1008.

5. This section does not apply to any stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless one or more of the following applies:

*a.* The records available to the administrator of the plan show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within three years communicated in any manner described in subsection 1.

*b.* Three years have elapsed since the location of the owner became unknown to the association, as evidenced by the return of official shareholder notifications or communications by the postal service as undeliverable, and the owner has not within those three years communicated in any manner described in subsection 1. The three-year period from the return of official shareholder notifications or communications shall commence from the earlier of the return of the second such mailing or the time the holder discontinues mailings to the shareholder.

[C71, 73, 75, 77, 79, 81, §556.5]

84 Acts, ch 1295, §9; 85 Acts, ch 195, §50; 91 Acts, ch 267, §628; 93 Acts, ch 178, §33, 34; 94 Acts, ch 1023, §116; 96 Acts, ch 1173, §6; 2001 Acts, ch 142, §6; 2005 Acts, ch 135, §117

Referred to in §490.629, 499.30A, 501A.1008, 556.10, 556.14, 556.17

**556.6 Property of business associations and banking or financial organizations held in course of dissolution.**

Except as provided in section 490.1440, all intangible personal property distributable in the course of a voluntary dissolution of a business association, banking organization, or financial organization organized under the laws of or created in this state, that is unclaimed by the owner within one year after the date for final distribution, is presumed abandoned.

[C71, 73, 75, 77, 79, 81, §556.6]

84 Acts, ch 1295, §10; 90 Acts, ch 1205, §59

Referred to in §556.10

**556.7 Property held by fiduciaries.**

All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within three years after it becomes payable or distributable, increased or decreased the

principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary which shall have been dated and may have been prepared by the fiduciary or by the owner:

1. If the property is held by a banking organization or a financial organization, or by a business association organized under the laws of or created in this state; or

2. If it is held by a business association, doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state; or

3. If it is held in this state by any other person.

[C71, 73, 75, 77, 79, 81, §556.7]

84 Acts, ch 1295, §11; 91 Acts, ch 267, §629

Referred to in §556.10

**556.8 Property held by state courts and public officers and agencies — abandonment.**

All intangible personal property held for the owner by any court, public corporation, public authority, agency, instrumentality, employee, or public officer of this state, or the United States, or a political subdivision of the state, another state, or the United States, that has remained unclaimed by the owner for more than two years after becoming payable or distributable is presumed abandoned.

[C71, 73, 75, 77, 79, 81, §556.8]

84 Acts, ch 1295, §12; 89 Acts, ch 287, §4

Referred to in §602.8105

**556.9 Miscellaneous personal property held for another person — wages — gift certificates.**

1. All intangible personal property, not otherwise covered by this chapter, including any income or increment earned on the property and deducting any lawful charges, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than three years after it became payable or distributable is presumed abandoned. However, unpaid wages, including wages represented by payroll checks or other compensation for personal services owing in the ordinary course of the holder's business that remain unclaimed by the owner for more than one year after becoming payable are presumed abandoned.

2. An issuer of a gift certificate shall not deduct from the face value of the gift certificate any charge imposed due to the failure of the owner of the gift certificate to present the gift certificate in a timely manner, unless a valid and enforceable written contract exists between the issuer and the owner of the gift certificate pursuant to which the issuer regularly imposes such charges and does not regularly reverse or otherwise cancel them. For purposes of this subsection, *"gift certificate"* means a merchandise certificate or electronic gift card conspicuously designated as a gift certificate or electronic gift card, and generally purchased by a buyer for use by a person other than the buyer.

[C71, 73, 75, 77, 79, 81, §556.9]

84 Acts, ch 1295, §13; 2002 Acts, ch 1059, §1; 2003 Acts, ch 46, §2; 2004 Acts, ch 1011, §1

Referred to in §556.10

**556.9A Out-of-state property issued within the state.**

1. As used in this section, unless the context requires otherwise:

*a.* *"Property"* means intangible personal property located outside the state, but issued by the state of Iowa, a state agency, a political subdivision of the state, or a person formed or otherwise located within the state as a corporation, trust, partnership, limited partnership, association, cooperative, union, or organization.

*b.* *"Temporary custodian"* means an entity holding property outside of this state, including but not limited to a person, the United States government, or an agency or instrumentality of the United States government, and any other state or agency or political subdivision of that state.

2. Property and income derived from the property, including but not limited to dividends,

earnings, and interest, which are held by a temporary custodian are presumed abandoned and after deducting lawful charges are subject to the custody of this state as unclaimed property, if all the following apply:

*a.* The owner has not claimed the property or income derived from the property or corresponded in writing with the temporary custodian of the property within three years after the date prescribed for delivery of the property or payment of income from the property.

*b.* The last known address of the owner is unknown.

3. This section does not apply to property or income derived from the property subject to any other provision of this chapter providing for a different procedure for determining when property is presumed abandoned and subject to state custody.

90 Acts, ch 1095, §1; 92 Acts, ch 1038, §1 – 3

**556.10 Reciprocity for property presumed abandoned or escheated under the laws of another state.**

If specific property which is subject to the provisions of sections 556.2, 556.5, 556.6, 556.7 and 556.9 is held for or owed or distributable to an owner whose last known address is in another state by a holder who is subjected to the jurisdiction of that state, the specific property is not presumed abandoned in this state and subject to this chapter if:

1. It may be claimed as abandoned or escheated under the laws of such other state; and

2. The laws of such other state make reciprocal provision that similar specific property is not presumed abandoned or escheatable by such other state when held for or owed or distributable to an owner whose last known address is within this state by a holder who is subject to the jurisdiction of this state.

[C71, 73, 75, 77, 79, 81, §556.10]

**556.11 Report of abandoned property.**

1. Every person holding funds or other property, tangible or intangible, presumed abandoned under this chapter shall report to the state treasurer with respect to the property as hereinafter provided.

2. The report shall be verified and shall include:

*a.* Except with respect to traveler's checks, money orders, cashier's checks, official checks, or similar instruments, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of fifty dollars or more presumed abandoned under this chapter.

*b.* In case of unclaimed funds of life insurance corporations, the full name of the insured or annuitant and the insured's or annuitant's last known address according to the life insurance corporation's records.

*c.* The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under fifty dollars each may be reported in aggregate.

*d.* The date when the property became payable, demandable, or returnable, and the date of the last transaction with the owner with respect to the property.

*e.* Other information which the state treasurer prescribes by rule as necessary for the administration of this chapter.

3. If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed names while holding the property, the holder shall file with the holder's report all prior known names and addresses of each holder of the property.

4. The report shall be filed annually before November 1 for the fiscal year ending on the preceding June 30. However, the report of unclaimed demutualization proceeds as provided in section 556.3A shall be made before May 1 for the preceding calendar year. The treasurer of state may postpone the reporting date upon written request by any person required to file a report.

5. If the holder of property presumed abandoned under this chapter knows the whereabouts of the owner and if the owner's claim has not been barred by the statute of limitations, the holder shall, before filing the annual report, communicate with the owner

and take necessary steps to prevent abandonment from being presumed. The holder shall exercise due diligence to ascertain the whereabouts of the owner. A holder is not required to make a due diligence mailing to owners whose property has an aggregate value of less than fifty dollars. The treasurer of state may charge a holder that fails to timely exercise due diligence, as required in this subsection, five dollars for each name and address account reported if thirty-five percent or more of the accounts are claimed within the twenty-four months immediately following the filing of the holder report.

6. Verification, if made by a partnership, shall be executed by a partner; if made by an unincorporated association or private corporation, by an officer; and if made by a public corporation, by its chief fiscal officer.

7. The initial report filed under this chapter shall include all items of property that would have been presumed abandoned if this chapter had been in effect during the ten-year period preceding its effective date.

8. *a.* A holder required to file a report under this section shall maintain its records containing the information required to be included in the report until the holder files the report and for four years after the date of filing, unless a shorter time is provided in paragraph *"b"* or by rule of the treasurer of state.

*b.* A business association that sells, issues, or provides to others for sale or issue in this state, traveler's checks, money orders, or similar written instruments other than third-party bank checks, on which the business association is directly liable, shall maintain a record of the instruments while they remain outstanding, indicating the state and date of issue, for four years after the date of filing.

9. Other than the notice to owners required by subsection 5, published notice required by section 556.12, subsection 1, and other discretionary means employed by the treasurer of state for notifying owners of the existence of abandoned property, all information provided in reports shall be confidential, unless written consent from the person entitled to the property is obtained by the treasurer of state, and may be disclosed only to governmental agencies for the purposes of returning abandoned property to its owners or to those individuals who appear to be the owner of the property or otherwise have a valid claim to the property.

10. All agreements to pay compensation to recover or assist in the recovery of property reported under this section, made within twenty-four months after the date payment or delivery is made under section 556.13, are unenforceable. However, such agreements made after twenty-four months from the date of payment or delivery are valid if the fee or compensation agreed upon is not more than fifteen percent of the recoverable property, the agreement is in writing and signed by the owner, and the writing discloses the nature and value of the property and the name and address of the person in possession. A person shall not attempt to collect or collect a fee or compensation for discovering property presumed abandoned under this chapter unless the person is licensed as a private investigation business pursuant to chapter 80A. This section does not prevent an owner from asserting, at any time, that an agreement to locate property is based upon excessive or unjust consideration. This section does not apply to an owner who has a bona fide fee contract with a practicing attorney and counselor as described in chapter 602, article 10.

[C71, 73, 75, 77, 79, 81, §556.11]

84 Acts, ch 1295, §14, 26; 89 Acts, ch 287, §5; 95 Acts, ch 34, §3; 2000 Acts, ch 1191, §1; 2003 Acts, ch 46, §3, 5; 2003 Acts, ch 64, §1 – 4; 2003 Acts, 1st Ex, ch 2, §40, 209

Referred to in §22.7, 499.30A, 501A.1008, 556.12, 556.13, 556.22, 714.8

**556.12 Notice and publication of lists of abandoned property.**

1. If a report has been filed with the treasurer of state, or property has been paid or delivered to the treasurer of state, for the fiscal year ending on June 30 or, in the case of unclaimed demutualization proceeds, for the preceding calendar year as required by section 556.11, the treasurer of state shall provide for the publication annually of at least one notice not later than the following November 30. Each notice shall be published at least once each week for two successive weeks in an English language newspaper of general circulation in the county in this state in which is located the last known address of any person to be named in the notice. If an address is not listed or if the address is outside this state, the notice shall

be published in the county in which the holder of the abandoned property has its principal place of business within this state.

2. The published notice shall contain:

*a.* The names in alphabetical order and last known addresses, if any, of persons listed in the report and entitled to notice within the county as hereinbefore specified.

*b.* A statement that information concerning the amount or description of the property and the name and address of the holder may be obtained by any persons possessing an interest in the property by addressing an inquiry to the state treasurer.

3. The treasurer of state is not required to publish in such notice any item of less than one hundred dollars unless the treasurer deems the publication to be in the public interest.

4. The treasurer of state may mail a notice to each person listed in a report filed by the holder of unclaimed property, at the last known address of that person if the treasurer deems such notice to be in the best interests of that person and has reason to believe that the address submitted by the holder is sufficient to ensure that delivery of such notice will likely occur.

5. The mailed notice shall contain a statement that, according to a report filed with the treasurer of state, property is being held to which the addressee appears entitled.

6. This section is not applicable to sums payable on traveler's checks, money orders, cashier's checks, official checks, or similar instruments presumed abandoned under section 556.2.

[C71, 73, 75, 77, 79, 81, §556.12]

84 Acts, ch 1295, §15; 95 Acts, ch 34, §4; 2003 Acts, ch 46, §4, 5; 2003 Acts, ch 64, §5, 6; 2007 Acts, ch 37, §2, 3

Referred to in §216A.102, 556.2C, 556.11

**556.13 Payment or delivery of abandoned property.**

1. Except for property held in a safe deposit box or other safekeeping depository, upon filing the report required by section 556.11, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described in the report as unclaimed, but if the property is an automatically renewable deposit, and a penalty or forfeiture in the payment of interest would result, the time for compliance is extended until a penalty or forfeiture would no longer result. At the direction of the treasurer of state, the holder of tangible property held in a safe deposit box or other safekeeping depository shall deliver the property to the treasurer of state at the same time as or after filing the abandoned property report required in section 556.11.

2. If the property reported to the treasurer of state is a security or security entitlement under the Uniform Commercial Code, chapter 554, article 8, the treasurer of state is an appropriate person to make an indorsement, instruction, or entitlement order on behalf of the apparent owner to invoke the duty of the issuer or its transfer agent or the securities intermediary to transfer or dispose of the security or the security entitlement in accordance with the Uniform Commercial Code, chapter 554, article 8.

3. If the holder of property reported to the treasurer of state is the issuer of a certificated security, the treasurer of state has the right to obtain a replacement certificate pursuant to section 554.8405 but an indemnity bond is not required.

4. An issuer, the holder, and any transfer agent or other person acting pursuant to the instructions of and on behalf of the issuer or holder in accordance with this section is not liable to the apparent owner and shall be indemnified against claims of any person in accordance with section 556.14.

[C71, 73, 75, 77, 79, 81, §556.13]

84 Acts, ch 1295, §16; 92 Acts, ch 1243, §32; 96 Acts, ch 1173, §7; 98 Acts, ch 1100, §76; 2007 Acts, ch 37, §4

Referred to in §556.2, 556.11

**556.14 Relief from liability by payment or delivery.**

1. Upon the payment or delivery of property to the treasurer of state, the state assumes custody and responsibility for the safekeeping of the property. A person who pays or delivers property to the treasurer of state in good faith is relieved of all liability to the extent of the

value of the property paid or delivered for any claim then existing or which may arise or be made in respect to the property.

2. If the holder pays or delivers property to the treasurer of state in good faith and thereafter another person claims the property from the holder or another state claims the money or property under its laws relating to escheat or abandoned or unclaimed property, the treasurer of state, upon written notice of the claim, shall defend the holder against any liability on the claim.

3. The holder of an interest under section 556.5 shall deliver a duplicate certificate or other evidence of ownership if the holder does not issue certificates of ownership to the treasurer of state. Upon delivery of a duplicate certificate to the treasurer of state, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder in executing or delivering the duplicate certificate is relieved of all liability in accordance with subsections 1 and 2 to every person, including any person acquiring the original certificate or the duplicate of the certificate issued to the treasurer of state, for any losses or damages resulting to any person by the issuance and delivery to the treasurer of state of the duplicate certificate.

4. A holder who has paid money to the treasurer of state under this chapter may make payment to any person appearing to the holder to be entitled to payment and upon filing proof of payment and proof that the payee is entitled thereto, the treasurer of state shall reimburse the holder for the payment without imposing any fee or other charge. If reimbursement is sought for payment made on a negotiable instrument, including a traveler's check or money order, the holder must be reimbursed under this subsection upon filing proof that the instrument was duly presented and that payment was made to a person who appeared to the holder to be entitled to payment. The holder must be reimbursed for payment made under this subsection even if the payment was made to a person whose claim was barred under section 556.16.

5. A holder who has delivered property including a certificate of any interest in a business association, other than money, to the treasurer of state may reclaim the property if the property is still in the possession of the treasurer of state without paying any fee or other charge, upon filing proof that the owner has claimed the property from the holder.

6. The treasurer of state may accept the holder's affidavit as sufficient proof of the facts that entitle the holder to recover money and property under this section.

7. For purposes of this section, "*good faith*" means that:

*a*. Payment or delivery was made in a reasonable attempt to comply with this chapter.

*b*. The person delivering the property was not a fiduciary then in breach of trust in respect to the property and had a reasonable basis for believing, based on the facts then known to the person, that the property was abandoned for the purposes of this chapter.

*c*. There is no showing that the records pursuant to which the delivery was made did not meet reasonable commercial standards of practice in the industry.

[C71, 73, 75, 77, 79, 81, §556.14]
84 Acts, ch 1295, §17
Referred to in §524.1305, 524.1310, 556.13

**556.15 Income accruing after payment or delivery.**

When property other than money is paid or delivered to the treasurer of state under this chapter, the owner is entitled to receive from the treasurer of state any dividends, interest, or other increments realized or accruing on the property at or before liquidation or conversion into money.

[C71, 73, 75, 77, 79, 81, §556.15]
84 Acts, ch 1295, §18
Referred to in §524.1305, 524.1310

**556.16 Periods of limitation not a bar.**

The expiration of any period of time specified by statute or court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or recovery of property, shall not prevent the money or property from being presumed

abandoned property, nor affect any duty to file a report required by this chapter or to pay or deliver abandoned property to the state treasurer.

[C71, 73, 75, 77, 79, 81, §556.16]

Referred to in §524.1305, 524.1310, 556.14

**556.17 Sale of abandoned property.**

1. All abandoned property other than money delivered to the treasurer of state under this chapter which remains unclaimed one year after the delivery to the treasurer may be sold to the highest bidder in a manner that affords in the treasurer's judgment the most favorable market for the property involved. The treasurer of state may decline the highest bid and reoffer the property for sale if the treasurer considers the price bid insufficient. The treasurer need not offer any property for sale if, in the treasurer's opinion, the probable cost of sale exceeds the value of the property. The treasurer may order destruction of the property when the treasurer has determined that the probable cost of offering the property for sale exceeds the value of the property. If the treasurer determines that the property delivered does not have any substantial commercial value, the treasurer may destroy or otherwise dispose of the property at any time. An action or proceeding may not be maintained against the treasurer or any officer or against the holder for or on account of an act the treasurer made under this section, except for intentional misconduct or malfeasance.

2. *a.* Any sale held under this section shall be preceded by a single publication of notice of the sale at least three weeks in advance of sale in an English language newspaper of general circulation in the county from which the property was received, or in an English language newspaper of general circulation in the state.

*b.* If the treasurer holds an internet auction or a sale on the internet, the treasurer may elect to provide notice of the sale or auction on the treasurer's internet site at least seven days in advance of the sale or auction in lieu of providing notice as otherwise provided in accordance with paragraph "*a*".

3. The purchaser at any sale conducted by the state treasurer pursuant to this chapter shall receive title to the property purchased, free from all claims of the owner or prior holder thereof and of all persons claiming through or under them. The state treasurer shall execute all documents necessary to complete the transfer of title.

4. Unless the treasurer of state considers it to be in the best interest of the state to do otherwise, all securities, other than those presumed abandoned under section 556.5, delivered to the treasurer of state must be held for at least one year before the treasurer of state may sell them.

5. Unless the treasurer of state considers it to be in the best interest of the state to do otherwise, all securities presumed abandoned under section 556.5 and delivered to the treasurer of state must be held for at least one year before the treasurer of state may sell them. If the treasurer of state sells any securities delivered pursuant to section 556.5 before the expiration of the one-year period, any person making a claim pursuant to this chapter before the end of the one-year period is entitled to either the proceeds of the sale of the securities or the market value of the securities at the time the claim is made, whichever amount is greater, less any deduction for fees pursuant to section 556.18, subsection 2. A person making a claim under this chapter after the expiration of this period is entitled to receive either the securities delivered to the treasurer of state by the holder, if they still remain in the hands of the treasurer of state, or the proceeds received from the sale, less any amounts deducted pursuant to section 556.18, subsection 2, but no person has any claim under this chapter against the state, the holder, any transfer agent, registrar, or other person acting for or on behalf of a holder for any appreciation in the value of the property occurring after delivery by the holder to the treasurer of state.

[C71, 73, 75, 77, 79, 81, §556.17]

84 Acts, ch 1295, §19; 94 Acts, ch 1188, §37; 2003 Acts, ch 64, §7; 2009 Acts, ch 181, §40; 2013 Acts, ch 90, §257

Referred to in §524.1305, 524.1310, 556.18

Code editor directive applied

**556.18 Deposit of funds.**

1. Except as provided in subsection 3, all funds received under this chapter, including the proceeds from the sale of abandoned property under section 556.17, shall be deposited quarterly by the treasurer of state in the general fund of the state. However, the treasurer of state shall retain in a separate trust fund a sufficient amount from which the treasurer of state shall make prompt payment of claims duly allowed under section 556.20. Before making the deposit, the treasurer of state shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public inspection at all reasonable business hours.

2. Before making any deposit to the credit of the general funds, the state treasurer may deduct:

*a.* Any costs in connection with sale of abandoned property.

*b.* Any costs of mailing and publication in connection with any abandoned property.

*c.* Reasonable service charges.

*d.* Any costs in connection with information on outstanding state warrants addressed pursuant to section 556.2C.

3. The treasurer of state shall annually credit all moneys received under section 556.4 to the general fund of the state. Moneys credited to the general fund of the state pursuant to this subsection are subject to the requirements of subsections 1 and 2 and section 8.60.

[C71, 73, 75, 77, 79, 81, §556.18]

83 Acts, ch 191, §13, 14, 27; 84 Acts, ch 1295, §20; 88 Acts, ch 1175, §4; 89 Acts, ch 287, §6; 91 Acts, ch 253, §24; 91 Acts, ch 260, §1248; 93 Acts, ch 131, §26, 27; 94 Acts, ch 1107, §96, 97, 100; 94 Acts, ch 1188, §38; 2006 Acts, ch 1185, §103

Referred to in §524.1305, 524.1310, 556.17

**556.19 Claim for abandoned property paid or delivered.**

Any person claiming an interest in any property delivered to the state under this chapter may file a claim thereto or to the proceeds from the sale thereof on the form prescribed by the state treasurer.

[C71, 73, 75, 77, 79, 81, §556.19]

Referred to in §22.7, 524.1305, 524.1310, 714.8

**556.20 Determination of claims.**

1. The treasurer of state shall consider any claim filed under this chapter and may hold a hearing and receive evidence concerning the claim. If a hearing is held, the treasurer shall prepare a finding and a decision in writing on each claim filed, stating the substance of any evidence heard by the treasurer and the reasons for the treasurer's decision. The decision shall be a public record.

2. If the claim is allowed, the treasurer of state shall make payment forthwith. The claim shall be paid without deduction for costs of notices or sale or for service charges. The treasurer or an employee thereof shall not be held liable in any action for any claim paid in good faith pursuant to this section. However, a claimant, attorney in fact, or attorney or any other person representing a claimant to whom such payment is made may be held liable to a person who proves a superior right to the payment.

3. As a condition precedent to payment of any claim filed under this chapter, the treasurer of state may require that the claimant or owner of the unclaimed or abandoned property furnish the treasurer with a surety bond containing terms and provisions acceptable to the treasurer and issued by a corporate surety authorized to do business in this state or with such other form of indemnification and protection that is determined by the treasurer to be acceptable and sufficient to protect the treasurer and the state against any loss, liability, or damage which may arise out of or result from the payment of the claim by the treasurer. The claimant or owner shall be responsible for all premiums, costs, fees, or other expenses

associated with any such surety bond or other form of indemnification and protection required pursuant to this subsection.

[C71, 73, 75, 77, 79, 81, §556.20]

83 Acts, ch 191, §15, 27; 84 Acts, ch 1295, §21; 2007 Acts, ch 37, §5

Referred to in §499.30A, 501A.1008, 524.1305, 524.1310, 556.18, 642.2

**556.21 Judicial action upon determinations.**

Any person aggrieved by a decision of the state treasurer or as to whose claim the treasurer has failed to act within ninety days after the filing of the claim, may commence an action in the district court to establish that person's claim. The proceeding shall be brought within ninety days after the decision of the treasurer or within one hundred eighty days from the filing of the claim if the treasurer fails to act. The action shall be tried de novo without a jury.

[C71, 73, 75, 77, 79, 81, §556.21]

Referred to in §499.30A, 501A.1008, 524.1305, 524.1310

**556.22 Elections by the treasurer of state.**

1. The treasurer of state may elect to allow a holder to file a report as provided in section 556.11, or to deliver or pay property to the treasurer, before the property is presumed abandoned, upon consent of the treasurer and according to terms and conditions prescribed by the treasurer.

2. The treasurer of state, after receiving reports of property deemed abandoned pursuant to this chapter, may decline to receive any property reported which the treasurer deems to have a value less than the cost of giving notice and holding sale, or the treasurer may, if the treasurer deems it desirable because of the small sum involved, postpone taking possession until a sufficient sum accumulates. Unless the holder of the property is notified to the contrary within one hundred twenty days after filing the report required under section 556.11, the treasurer shall be deemed to have elected to receive the custody of the property.

[C71, 73, 75, 77, 79, 81, §556.22]

95 Acts, ch 34, §5

**556.23 Examination of records.**

The treasurer of state may at reasonable times and upon reasonable notice examine the records of any person if the treasurer of state has reason to believe that the person has failed to report property that should have been reported pursuant to this chapter. If an examination of the records of a person results in the disclosure of property reportable and deliverable under this chapter, the treasurer of state may assess the cost of the examination against the holder at a rate not to exceed one hundred dollars a day for each examiner, but in no case may the charges exceed the value of the property found to be reportable and deliverable.

[C71, 73, 75, 77, 79, 81, §556.23]

84 Acts, ch 1295, §22

**556.24 Proceeding to compel delivery of abandoned property.**

If any person refuses to deliver property to the state treasurer as required under this chapter, the treasurer shall bring an action in a court of appropriate jurisdiction to enforce such delivery.

[C71, 73, 75, 77, 79, 81, §556.24]

**556.24A Public records.**

1. The treasurer of state shall maintain a public record of the name and last known address of each person appearing to be entitled to unclaimed or abandoned property paid or delivered to the treasurer pursuant to this chapter.

2. Notwithstanding any other provision of law, any other identifying information set forth in any report, record, claim, or other document submitted to the treasurer of state pursuant to this chapter concerning unclaimed or abandoned property is a confidential record as provided in section 22.7 and shall be made available for public examination or copying only in the discretion of the treasurer.

2007 Acts, ch 37, §6

**556.25 Interest and penalties.**

1. A person who fails to pay or deliver property within the time prescribed by this chapter shall pay the treasurer of state interest at the annual rate of ten percent on the property or value of the property from the date the property should have been paid or delivered but in no event prior to July 1, 1984.

2. A person who willfully fails to pay or deliver property to the treasurer of state as required under this chapter shall pay a civil penalty equal to twenty-five percent of the value of the property that should have been paid or delivered.

3. The interest or penalty or any part of the interest or penalty as imposed in subsection 1 or 2 may be waived or remitted by the treasurer of state if the person's failure to pay abandoned funds or deliver property is satisfactorily explained to the treasurer of state and if the failure has resulted from a mistake by the person in understanding or applying the law or the facts which require that person to pay abandoned funds or deliver property as provided in this chapter.

[C71, 73, 75, 77, 79, 81, §556.25]

84 Acts, ch 1295, §23; 85 Acts, ch 195, §51; 93 Acts, ch 178, §35, 36

**556.26 Rules.**

The state treasurer is hereby authorized to make necessary rules to carry out the provisions of this chapter.

[C71, 73, 75, 77, 79, 81, §556.26]

**556.27 Effect of laws of other states.**

This chapter shall not apply to any property that has been presumed abandoned or escheated under the laws of another state prior to July 1, 1967.

[C71, 73, 75, 77, 79, 81, §556.27]

**556.28 Interstate agreements and cooperation.**

1. The treasurer of state may enter into agreements with other states to exchange information needed to enable this or another state to audit or otherwise determine unclaimed property that it or another state may be entitled to subject to a claim of custody. The treasurer of state by rule may require the reporting of information needed to enable compliance with agreements made pursuant to this section and prescribe the form.

2. To avoid conflicts between the treasurer of state's procedures and the procedures of unclaimed property administrators in other jurisdictions that enact the uniform unclaimed property Act, the treasurer of state, so far as is consistent with the purposes, policies, and provisions of this chapter, before adopting, amending or repealing rules, shall advise and consult with the unclaimed property administrators in other jurisdictions that enact substantially the uniform unclaimed property Act and take into consideration the rules of unclaimed property administrators in other jurisdictions that enact the uniform unclaimed property Act.

3. The treasurer of state may join with other states to seek enforcement of this chapter against any person who is or may be holding property reportable under this chapter.

4. At the request of another state, the attorney general of this state may bring an action in the name of the unclaimed property administrator of the other state in any court of competent jurisdiction to enforce the unclaimed property laws of the other state against a holder in this state of property subject to escheat or a claim of abandonment by the other state, if the other state has agreed to pay expenses incurred by the attorney general in bringing the action.

5. The treasurer of state may request that the attorney general of another state or any other person bring an action in the name of the unclaimed property administrator in the other state. The state shall pay all expenses including attorney's fees in any action under this subsection. Any expenses paid pursuant to this subsection may not be deducted from the amount that is subject to the claim by the owner under this chapter.

84 Acts, ch 1295, §24

**556.29 Uniformity of interpretation.**
This chapter shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.
[C71, 73, 75, 77, 79, 81, §556.28]
C85, §556.29

**556.30 Short title.**
This chapter may be cited as the *"Uniform Disposition of Unclaimed Property Act"*.
[C71, 73, 75, 77, 79, 81, §556.29]
C85, §556.30

**556.31 through 556.36** Repealed by 84 Acts, ch 1295, § 25.

# CHAPTER 556A

## UNSOLICITED GOODS, WARES, AND MERCHANDISE

556A.1 Gift of unsolicited goods.

**556A.1 Gift of unsolicited goods.**
Unless otherwise agreed, where unsolicited goods are mailed to a person, that person has a right to accept delivery of such goods as a gift only, and is not bound to return such goods to the sender. If such unsolicited goods are either addressed to or intended for the recipient, the recipient may use them or dispose of them in any manner without any obligation to the sender, and in any action for goods sold and delivered, or in any action for the return of the goods, it shall be a complete defense that the goods were mailed voluntarily and that the defendant did not actually order or request such goods, either orally or in writing.
[C71, 73, 75, 77, 79, 81, §556A.1]

# CHAPTER 556B

## ABANDONED MOTOR VEHICLES OR OTHER PROPERTY

556B.1 Removal — notice to sheriff.

**556B.1 Removal — notice to sheriff.**
1. The owner or other lawful possessor of real property may remove or cause to be removed any motor vehicle or other personal property which has been unlawfully parked or placed on that real property, and may place or cause such personal property to be placed in storage until the owner of the same pays a fair and reasonable charge for towing, storage or other expense incurred. The real property owner or possessor, or the owner's or possessor's agent, shall not be liable for damages caused to the personal property by the removal or storage unless the damage is caused willfully or by gross negligence.
2. The real property owner or possessor shall notify the sheriff of the county where the real property is located of the removal of the motor vehicle or other personal property. If the owner of the motor vehicle or other personal property can be determined, the owner shall be notified of the removal by the sheriff by certified mail, return receipt requested. If the owner cannot be identified, notice by one publication in one newspaper of general circulation in the area where the personal property was parked or placed is sufficient to meet all notice requirements under this section. If the personal property has not been reclaimed by the owner within six months after notice has been effected, it may be sold by the sheriff at public or private sale. The net proceeds after deducting the cost of the sale shall be applied to the

cost of removal and storage of the property, and the remainder, if any, shall be paid to the county treasurer.

[C75, 77, 79, 81, §556B.1]

83 Acts, ch 123, §190, 209

Referred to in §331.427, 331.653

# CHAPTER 556C

## RIGHTS TO DIES, MOLDS, AND FORMS

556C.1 Definitions.
556C.2 Rights to dies, molds, or forms.

**556C.1 Definitions.**

As used in this chapter unless the context requires otherwise:

1. *"Customer"* means a person who causes a molder to fabricate, cast, or otherwise make a die, mold, or form to be used for the manufacture of plastic products.

2. *"Molder"* means a person, including but not limited to a tool or die maker, who fabricates, casts, or otherwise makes a die, mold, or form to be used for the manufacture of plastic products.

84 Acts, ch 1066, §1

**556C.2 Rights to dies, molds, or forms.**

1. In the absence of an agreement to the contrary, the customer has all rights and title to a die, mold, or form in the possession of the molder as provided in this section.

2. If a customer does not claim possession from a molder of a die, mold, or form within three years following the last use of the die, mold, or form, all rights and title to the die, mold, or form are transferred to the molder for the purpose of destroying or disposing of the die, mold, or form.

3. The molder shall notify the customer by certified mail sent to the customer's last known address at least ninety days prior to the transfer provided in subsection 2. The notice shall indicate that all rights and title to the die, mold, or form will be transferred pursuant to this section.

4. If the customer does not respond in person or by mail within ninety days following the date the notice was sent or does not make other contractual arrangements with the molder for storage of the die, mold, or form the rights and title of the customer to the die, mold, or form shall transfer to the molder. After a transfer has occurred the molder may destroy or otherwise dispose of the particular die, mold, or form as the molder's own property without liability to the customer. This section does not affect the right of the customer under federal patent or copyright law or a state or federal law relating to unfair competition.

84 Acts, ch 1066, §2

# CHAPTER 556D

## CONSIGNMENTS BETWEEN ARTISTS AND ART DEALERS

556D.1 Definitions.
556D.2 Consignment.
556D.3 Conditions of consignment.
556D.4 Consignment — trust arrangement.
556D.5 Waiver provision void.

**556D.1 Definitions.**

As used in this chapter, unless the context requires otherwise:

1. *"Art dealer"* means a person engaged in the business of selling works of fine art, in a shop or gallery devoted in the majority to works of fine art, other than a person engaged in the business of selling goods of general merchandise or at a public auction.

2. *"Artist"* means the person who creates a work of fine art or, if such person is deceased, the person's personal representative.

3. *"Consignment"* means a delivery of a work of fine art under which no title to, estate in, or right to possession superior to that of the consignor vests in the consignee, notwithstanding the consignee's power or authority to transfer and convey to a third person all of the right, title, and interest of the consignor in and to the fine art.

4. *"Fine art"* means a painting, sculpture, drawing, mosaic, photograph, work of graphic art, including an etching, lithograph, offset print, silk screen, or work of graphic art of like nature, a work of calligraphy, or a work in mixed media including a collage, assemblage, or any combination of these art media which is one of a kind or is available in a limited issue or series. *"Fine art"* also means crafts which include work in clay, textiles, fiber, wood, metal, plastic, glass, or similar materials which is one of a kind or is available in a limited issue or series.

5. *"Stated value"* means the amount agreed to be paid to the consignor.

86 Acts, ch 1233, §1

**556D.2 Consignment.**

1. If an artist delivers or causes to be delivered a work of fine art of the artist's own creation to an art dealer in this state for the purpose of exhibition or sale on a commission, fee, or other basis of compensation, the delivery to and acceptance of the work of fine art by the art dealer is a consignment, unless the delivery to the art dealer is an outright sale for which the artist receives or has received full compensation upon delivery.

2. When an art dealer accepts a work of fine art for the purposes of sale or exhibition and sale to the public on a commission, fee, or other basis of compensation, there shall be a contract or agreement between the artist and art dealer which shall include the following provisions:

*a.* That the amount of the proceeds due the artist from the sale of the work of fine art shall be delivered to the artist at a time agreed upon by the artist and the art dealer.

*b.* That the art dealer shall be responsible for the stated value of the work of fine art in the event of the loss of or damage to the work of fine art while it is in the possession of the art dealer.

*c.* That the work of fine art shall be sold by the art dealer only for the amount agreed upon by the artist in the contract or agreement and that the art dealer will take only the commission or fee agreed upon.

*d.* That the work of fine art may be used or displayed by the art dealer or any other person only with the prior written consent of the artist. The artist may require that the artist be acknowledged in the use of the work of fine art.

86 Acts, ch 1233, §2; 2013 Acts, ch 30, §261
Code editor directive applied

**556D.3 Conditions of consignment.**

The following apply to consignment:

1. The art dealer, after delivery of the work of fine art, becomes an agent of the artist for the purpose of sale or exhibition of the consigned work of fine art.

2. The work of fine art shall be held in trust by the consignee for the benefit of the consignor and is not subject to claim by a creditor of the consignee.

3. The consignee is responsible for the loss of or damage to the work of fine art, unless otherwise mutually agreed upon in writing between the artist and art dealer in which case the art dealer shall be required to exercise all due diligence and care with regard to the work of fine art. In case of a waiver, the burden shall be on the dealer to demonstrate the waiver was entered into in good faith.

4. The proceeds from the sale of the work of fine art shall be held in trust by the consignee

for the benefit of the artist. The proceeds shall first be applied to pay any balance due the artist unless the artist expressly agrees otherwise in writing.
86 Acts, ch 1233, §3

**556D.4 Consignment — trust arrangement.**
A consignment remains trust property, even if purchased by the art dealer, until the price is paid in full to the artist. If the work is resold to a bona fide purchaser before the artist has been paid in full, the proceeds of the resale received by the art dealer constitute funds held in trust for the benefit of the artist to the extent necessary to pay any balance still due to the artist and the trusteeship continues until the fiduciary obligation of the art dealer with respect to the transaction is discharged in full.
86 Acts, ch 1233, §4

**556D.5 Waiver provision void.**
A provision of a contract or agreement where the art dealer waives a provision of this chapter is void.
86 Acts, ch 1233, §5

# CHAPTER 556E

## GOLD AND SILVER ALLOY

This chapter not enacted as a part of this title;
transferred from chapter 119 in Code 1993


| | | | |
|---|---|---|---|
| 556E.1 | Fraudulent marking. | 556E.6 | Tests for articles. |
| 556E.2 | Tests. | 556E.7 | Gold-plated or gold-filled articles. |
| 556E.3 | "Sterling silver." | 556E.8 | Silver-plated articles. |
| 556E.4 | "Coin silver." | 556E.9 | Violation. |
| 556E.5 | Other articles of silver. | 556E.10 | "Person" defined. |


**556E.1 Fraudulent marking.**
Any person making for sale, selling, or offering to sell or dispose of, or having in possession with intent to sell or dispose of, any article of merchandise made, in whole or in part, of gold or any alloy of gold, and having stamped, branded, engraved, or imprinted thereon, or upon any tag, card, or label attached thereto, or upon any container in which said article is enclosed, any mark indicating or designed to indicate that the gold or alloy in such article is of a greater degree of fineness than the actual fineness or quality thereof, unless the actual fineness thereof, in the case of flatware or watchcases, be not less by more than three one-thousandths parts, and in case of all other articles be not less by more than one-half carat than the fineness indicated by the marks stamped, branded, engraved, or imprinted upon any part of such article, or upon any tag, card, or label attached thereto, or upon any container in which such article is enclosed according to the standards and subject to the qualifications hereinafter set forth, is guilty of a fraudulent practice.
[S13, §5077-b; C24, 27, 31, 35, 39, §**1906;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §119.1]
C93, §556E.1
Referred to in §556E.2

**556E.2 Tests.**
In any test for the ascertainment of the fineness of the gold or alloy in any such article, according to the foregoing standards, the part of the gold or alloy taken for the test shall be such portion as does not contain or have attached thereto any solder or alloy of inferior fineness used for brazing or uniting the parts of said article; and in addition to the foregoing tests and standards, the actual fineness of the entire quantity of gold and its alloys contained in any article mentioned in this and section 556E.1, except watchcases and flatware, including

all solder or alloy of inferior metal used for brazing or uniting the parts of the article, all such gold, alloys, and solder being assayed as one piece, shall not be less than the fineness indicated by the mark stamped, branded, engraved, or imprinted upon such article, or upon any tag, card, or label attached thereto, or upon any container in which said article is enclosed.

[S13, §5077-b; C24, 27, 31, 35, 39, §**1907;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §119.2]

C93, §556E.2

**556E.3 "Sterling silver."**

Any person making for sale, selling, or offering to sell or dispose of, or having in possession with intent to sell or dispose of, any article of merchandise made in whole or in part of silver or of any alloy of silver and having marked, stamped, branded, engraved, or imprinted thereon, or upon any tag, card, or label attached thereto, or upon any container in which said article is enclosed, the words "sterling silver" or "sterling" or any colorable imitation thereof, unless nine hundred twenty-five one-thousandths of the component parts of the metal purporting to be silver of which such article is manufactured are pure silver, subject to the qualifications hereinafter set forth, is guilty of a fraudulent practice, but in the case of all such articles there shall be allowed a divergence in fineness of four one-thousandths parts from the foregoing standard.

[S13, §5077-b1; C24, 27, 31, 35, 39, §**1908;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §119.3]

C93, §556E.3

Referred to in §556E.6

**556E.4 "Coin silver."**

Any person making for sale, selling, or offering to sell or dispose of, or having in possession with intent to sell or dispose of, any article of merchandise made in whole or in part of silver or of any alloy of silver and having marked, stamped, branded, engraved, or imprinted thereon, or upon any tag, card, or label attached thereto, or upon any box, package, cover, or wrapper in which such article is enclosed, the words "coin" or "coin silver", or any colorable imitation thereof, unless nine hundred one-thousandths of the component parts of the metal appearing or purporting to be silver of which such article is manufactured are pure silver, subject to the qualifications hereinafter set forth, is guilty of a fraudulent practice; but in case of all such articles there shall be allowed a divergence in fineness of four one-thousandths parts from the foregoing standards.

[S13, §5077-b1; C24, 27, 31, 35, 39, §**1909;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §119.4]

C93, §556E.4

Referred to in §556E.6

**556E.5 Other articles of silver.**

Any person making for sale, selling, or offering to sell or dispose of, or having in possession with intent to sell or dispose of, any article of merchandise made in whole or in part of silver or of any alloy of silver and having stamped, branded, engraved, or imprinted thereon, or upon any tag, card, or label attached thereto, or upon any container in which said article is enclosed, any mark or word, other than the word "sterling" or the word "coin", indicating, or designed to indicate that the silver or alloy of silver in said article is of a greater degree of fineness than the actual fineness or quality, unless the actual fineness of the silver or alloy of silver of which said article is composed be not less by more than four one-thousandths parts than the actual fineness indicated by the said mark or word, other than the word "sterling" or "coin", stamped, branded, engraved, or imprinted upon any part of said article, or upon any tag, card, or label attached thereto, or upon any container in which said article is enclosed, subject to the qualifications hereinafter set forth, is guilty of a fraudulent practice.

[S13, §5077-b1; C24, 27, 31, 35, 39, §**1910;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §119.5]

C93, §556E.5

Referred to in §556E.6

**556E.6 Tests for articles.**

In any test for the ascertainment of the fineness of any such article mentioned in this and sections 556E.3 to 556E.5, inclusive, according to the foregoing standards, the part of the article taken for the test shall be such portion as does not contain or have attached thereto any solder or alloy of inferior metal used for brazing or uniting the parts of such article, and provided further and in addition to the foregoing test and standards, that the actual fineness of the entire quantity of metal purporting to be silver contained in any article mentioned in sections 556E.3 to 556E.5, inclusive, including all solder or alloy of inferior fineness used for brazing or uniting the parts of any such article, all such silver, alloy, or solder being assayed as one piece, shall not be less by more than ten one-thousandths parts than the fineness indicated according to the foregoing standards, by the mark stamped, branded, engraved, or imprinted upon such article, or upon any tag, card, or label attached thereto, or upon any container in which said article is enclosed.

[S13, §5077-b1; C24, 27, 31, 35, 39, §**1911;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §119.6]

C93, §556E.6

**556E.7 Gold-plated or gold-filled articles.**

Any person making for sale, selling, or offering to sell or dispose of, or having in possession with intent to sell or dispose of, any article of merchandise made in whole or in part of inferior metal having deposited or plated thereon, or brazed or otherwise affixed thereto, a plate, plating, covering, or sheet of gold or of any alloy of gold and which article is known in the market as "rolled gold-plate", "gold-plate", "gold-filled", or "gold-electroplate", or by any similar designation, and having stamped, branded, engraved, or imprinted thereon, or upon any tag, card, or label attached thereto, or upon any container in which said article is enclosed, any word or mark usually employed to indicate the fineness of gold, unless said word be accompanied by other words plainly indicating that such article or part thereof is made of rolled gold-plate, or gold-plate, or gold-electroplate, or is gold-filled, as the case may be, is guilty of a fraudulent practice.

[S13, §5077-b2; C24, 27, 31, 35, 39, §**1912;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §119.7]

C93, §556E.7

**556E.8 Silver-plated articles.**

Any person making for sale, selling, or offering to sell or dispose of, or having in possession with intent to sell or dispose of, any article of merchandise made in whole or in part of inferior metal having deposited or plated thereon, or brazed or otherwise affixed thereto, a plate, plating, covering, or sheet of silver or of any alloy of silver, and which article is known in the market as "silver-plate" or "silver-electroplate", or by any similar designation, and having stamped, branded, engraved, or imprinted thereon, or upon any tag, card, or label attached thereto, or upon any container in which said article is encased or enclosed, the word "sterling" or the word "coin" either alone or in conjunction with any other words or marks, is guilty of a fraudulent practice.

[S13, §5077-b3; C24, 27, 31, 35, 39, §**1913;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §119.8]

C93, §556E.8

**556E.9 Violation.**

Every person guilty of a violation of the provisions of this chapter, and every officer, manager, director, or agent of any such person directly participating in such violation or consenting thereto, shall be guilty of a simple misdemeanor; but nothing in this chapter shall apply to articles manufactured prior to June 13, 1907.

[S13, §5077-b4; C24, 27, 31, 35, 39, §**1914;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §119.9]

C93, §556E.9

**556E.10 "Person" defined.**

The term *"person"* as used in this chapter shall embrace persons, firms, partnerships, companies, corporations, and associations.

[C24, 27, 31, 35, 39, §**1915;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §119.10]

C93, §556E.10

# CHAPTER 556F

## LOST PROPERTY

Referred to in §331.508, 331.653, 602.8102(110)


556F.1 Definitions.
556F.1A Taking up vessels, rafts, logs and lumber.
556F.2 Warrant — appraisal — return — record.
556F.3 Value under twenty dollars.
556F.4 Value exceeding twenty dollars.
556F.5 Advertisement — when title vests.
556F.6 Lost goods or money.
556F.7 When owner unknown.
556F.8 Advertisement.
556F.9 Record of publication.
556F.10 Additional publication.
556F.11 Vesting of title.
556F.12 Ownership settled.
556F.13 Compensation.
556F.14 Costs, charges and care — assessment.
556F.15 Proceeds — forfeiture.
556F.16 Responsibility of taker-up.
556F.17 Penalty for selling.
556F.18 Failure to comply.


**556F.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**556F.1A Taking up vessels, rafts, logs and lumber.**

If any person shall stop or take up any vessel or watercraft, or any raft of logs, or part thereof, or any logs suitable for making lumber or hewn timber, or sawed lumber, found adrift within the limits or upon the boundaries of this state, of the value of five dollars or upwards, including the cargo, tackle, rigging, and other appendages of such vessel or watercraft, such person, within five days thereafter, provided the same shall not have been previously proved and restored to the owner, shall go before some district judge, district associate judge, judicial magistrate or district court clerk where such property is found, and make affidavit setting forth the exact description of such property; where and when the same was found; whether any, and if so what cargo, tackle, rigging, or other appendages were found on board or attached thereto; and that the same has not been altered or defaced, either in whole or in part, since the taking up, either by the person or by any other person to the person's knowledge.

[C51, §876 – 878; R60, §1506; C73, §1509, 1512; C97, §2371; C24, 27, 31, 35, 39, §**12199;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.1]

94 Acts, ch 1188, §27

C95, §556F.1

C2001, §556F.1A

**556F.2 Warrant — appraisal — return — record.**

The district judge, district associate judge, judicial magistrate, or district court clerk shall thereupon issue a warrant, directed to some peace officer, commanding the peace officer to summon three respectable householders of the neighborhood, who shall proceed without delay to examine and appraise the property, including cargo, tackle, rigging, and other appendages if applicable, and to submit a report regarding the examination and appraisal to

the magistrate, judge, or clerk issuing the warrant, who shall transmit a certified copy to the county auditor to be recorded in a lost property book in the auditor's office.

[C51, §878 – 880; R60, §1506; C73, §1509, 1512; C97, §2371; C24, 27, 31, 35, 39, §**12200;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.2]

94 Acts, ch 1188, §27

C95, §556F.2

95 Acts, ch 49, §18

Referred to in §331.502, 602.6405

**556F.3 Value under twenty dollars.**

In all cases where the appraisement of any such property shall not exceed the sum of twenty dollars, the finder shall advertise the same on the door of the courthouse, and in three other of the most public places in the county, within five days after the appraisement, and if no person shall appear to claim and prove such property within six months of the time of taking up, it shall vest in the finder.

[C51, §879, 880; R60, §1507; C73, §1513; C97, §2372; S13, §2372; C24, 27, 31, 35, 39, §**12201;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.3]

94 Acts, ch 1188, §27

C95, §556F.3

**556F.4 Value exceeding twenty dollars.**

If the value thereof shall exceed the sum of twenty dollars, the county auditor, within five days from the time of the reception of the magistrate, judge or clerk's certificate at the auditor's office, shall cause an advertisement to be posted on the door of the courthouse, and at three other of the most public places in the county, and also a notice to be published once each week for three weeks successively, in some newspaper printed in this state; and if such property be not claimed or proved within ninety days after the advertisement of the same, as aforesaid, the finder shall deliver the same to the sheriff of the county wherein it was taken up, who shall thereupon proceed to sell it at public auction to the highest bidder for cash, having first given ten days' notice of the time and place of sale, and the proceeds of all such sales, after deducting the costs and other necessary expenses, shall be paid into the county treasury.

[C51, §881; R60, §1507; C73, §1513; C97, §2372; S13, §2372; C24, 27, 31, 35, 39, §**12202;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.4]

94 Acts, ch 1188, §27

C95, §556F.4

Referred to in §331.502

**556F.5 Advertisement — when title vests.**

In all cases where any vessel, watercraft, logs, or lumber shall be taken up as aforesaid, which shall be of a value less than five dollars, the finder shall advertise the same by posting a notice of such finding in three of the most public places in the neighborhood; but in such cases the finder shall keep and preserve the same in the finder's possession, and shall make restitution thereof to the owner, without fee or reward, except the same be given voluntarily when the owner claims the same, provided it shall be done in three months from such taking up or finding; but, if no owner shall claim such property within the time aforesaid, the exclusive right to it shall be vested in the finder.

[C51, §876, 877; R60, §1510; C73, §1516; C97, §2375; C24, 27, 31, 35, 39, §**12203;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.5]

94 Acts, ch 1188, §27

C95, §556F.5

**556F.6 Lost goods or money.**

If any person shall find any lost goods, money, bank notes, or other things of any description whatever, of the value of five dollars and over, such person shall inform the owner thereof, if known, and make restitution thereof.

[C51, §876 – 879; R60, §1508; C73, §1514; C97, §2373; C24, 27, 31, 35, 39, §**12204;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.6]

94 Acts, ch 1188, §27

C95, §556F.6

**556F.7 When owner unknown.**

If the owner is unknown, the finder shall, within five days after finding the property, take the money, bank notes, and a description of any other property to the county sheriff of the county or the chief of police of the city in which the property was found, and provide an affidavit describing the property, the time when and place where the property was found, and attesting that no alteration has been made in the appearance of the property since the finding. The sheriff or chief of police shall send a copy of the affidavit to the county auditor who shall enter a description of the property and the value of the property, as nearly as the auditor can determine it, in the auditor's lost property book, together with the copy of the affidavit of the finder.

[R60, §1508; C73, §1514; C97, §2373; C24, 27, 31, 35, 39, §**12205;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.7]

94 Acts, ch 1188, §27

C95, §556F.7

95 Acts, ch 49, §19; 2000 Acts, ch 1043, §2

Referred to in §331.502

**556F.8 Advertisement.**

The finder of the lost goods, money, bank notes, or other things shall give written notice of the finding of the property. The notice shall contain an accurate description of the property and a statement as to the time when and place where the same was found, and the post office address of the finder. The notice shall:

1. Be posted at the door of the courthouse in the county in which the property was found or at the city hall or police station if found within a city and in one other of the most public places in the county; and

2. If the property found exceeds forty dollars in value, the notice shall be published once each week for three consecutive weeks in some newspaper published in and having general circulation in the county.

[C51, §877, 878, 880; R60, §1509, 1510; C73, §1510, 1514 – 1516; C97, §2372, 2374; S13, §2372, 2374; C24, 27, 31, 35, 39, §**12206;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.8]

94 Acts, ch 1188, §27

C95, §556F.8

2000 Acts, ch 1043, §3

**556F.9 Record of publication.**

Proof of publication of said notice and of the posting thereof shall be made by affidavits of the publisher and the person posting said notices, and said affidavits shall be filed in the office of the county auditor of said county.

[C51, §886; C24, 27, 31, 35, 39, §**12207;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.9]

94 Acts, ch 1188, §27

C95, §556F.9

Referred to in §556F.10

**556F.10 Additional publication.**

The affidavits provided for in section 556F.9 shall be entered by the auditor in the proceedings of the board of supervisors and the same shall be published with the proceedings of said board.

[C24, 27, 31, 35, 39, §**12208;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.10]

94 Acts, ch 1188, §27

C95, §556F.10

Referred to in §331.502

**556F.11 Vesting of title.**

If no person appears to claim and prove ownership to said goods, money, bank notes, or other things within twelve months of the date when proof of said publication and posting is filed in the office of the county auditor, the right to such property shall irrevocably vest in said finder.

[C51, §879, 881; R60, §1509, 1510; C73, §1510, 1513, 1515, 1516; C97, §2372, 2374, 2375; S13, §2372, 2374; C24, 27, 31, 35, 39, § **12209;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.11]

94 Acts, ch 1188, §27

C95, §556F.11

**556F.12 Ownership settled.**

In any case where a claim is made to property found or taken up, and the ownership of the property cannot be agreed upon by the finder and claimant, they may make a case before any district judge, associate district judge, or judicial magistrate in the county, who may hear and adjudicate it, and if either of them refuses to make such case the other may make an affidavit of the facts which have previously occurred, and the claimant shall also verify the claim by the claimant's affidavit, and the district judge, associate district judge, or judicial magistrate may take cognizance of and try the matter on the other party having one day's notice, but there shall be no appeal from the decision. This section does not bar any other remedy given by law.

[C51, §890; R60, §1504; C73, §1517; C97, §2376; C24, 27, 31, 35, 39, §**12210;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.12]

94 Acts, ch 1188, §27

C95, §556F.12

Referred to in §602.6405

**556F.13 Compensation.**

As a reward for the taking up of boats and other vessels, and for finding lost goods, money, bank notes, and other things, before restitution of the property or proceeds thereof shall be made, the finder shall be entitled to ten percent upon the value thereof, and for taking up any logs or lumber, as hereinbefore described, twenty-five cents for each log not exceeding ten, twenty cents for each exceeding ten and not exceeding fifty, fifteen cents for each exceeding fifty, and fifty cents per thousand feet for sawed lumber.

[C51, §892; R60, §1514; C73, §1511, 1518; C97, §2377; C24, 27, 31, 35, 39, §**12211;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.13]

94 Acts, ch 1188, §27

C95, §556F.13

**556F.14 Costs, charges and care — assessment.**

The owner shall also be required to pay the finder all such costs and charges as may have been paid by the finder for services rendered as aforesaid, including the cost of publication, together with reasonable charges for keeping and taking care of such property, which last mentioned charge, in case the finder and the owner cannot agree, shall be assessed by two

disinterested householders of the neighborhood, to be appointed by some magistrate judge of the proper county, whose decision, when made, shall be binding and conclusive on all parties.

[C51, §893; R60, §1514; C73, §1518; C97, §2377; C24, 27, 31, 35, 39, §**12212;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.14]

94 Acts, ch 1188, §27

C95, §556F.14

**556F.15 Proceeds — forfeiture.**

The net proceeds of sales made by the sheriff, and money or bank notes paid over to the county treasurer, as directed in this chapter, shall remain in the hands of the county treasurer in trust for the owner, if the owner applies within one year from the time the proceeds, moneys, or bank notes would have been paid over. However, if no owner appears within that time, the proceeds, moneys, or bank notes shall be forfeited, and the claim of the owner is forever barred, in which event the money shall be paid to the treasurer of state for deposit in the general fund of the state.

[C51, §885; R60, §1516; C73, §1519; C97, §2378; C24, 27, 31, 35, 39, §**12213;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.15]

83 Acts, ch 185, §57, 62; 83 Acts, ch 186, §10125, 10201, 10204; 94 Acts, ch 1188, §27

C95, §556F.15

**556F.16 Responsibility of taker-up.**

If the taker-up of any watercraft, logs, or lumber, or finder of lost goods, bank notes, or other things, takes reasonable care of the property, and any unavoidable accident happens to the property without the fault or neglect of the finder or taker-up before the owner has an opportunity of reclaiming the property, the taker-up or finder shall not be accountable for the unavoidable accident, if within ten days of the accident, the finder or taker-up certifies the accident to the county auditor, who shall make an entry of the accident in the auditor's lost property book.

[R60, §1517; C73, §1520; C97, §2379; C24, 27, 31, 35, 39, §**12214;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.16]

94 Acts, ch 1188, §27

C95, §556F.16

95 Acts, ch 49, §20

Referred to in §331.502

**556F.17 Penalty for selling.**

If any person shall trade, sell, loan, or take out of the limits of this state any such property taken up or found as provided in this chapter, before the person shall be vested with the right to the property, the person shall forfeit and pay double the value thereof, to be recovered by any person in an action, one half of which shall go to the plaintiff and the other half to the county.

[R60, §1518; C73, §1521; C97, §2380; C24, 27, 31, 35, 39, §**12215;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.17]

94 Acts, ch 1188, §27

C95, §556F.17

2009 Acts, ch 133, §172

**556F.18 Failure to comply.**

If any person shall take up any boat or vessel, or any logs or lumber, or shall find any goods, money, bank notes, or other things, and shall fail to comply with the requirements of this chapter, the person shall forfeit and pay the sum of twenty dollars, to be recovered in an action by any person who will sue for the same, one half for the use of the person suing and the other half to be deposited in the county treasury for the use of the common schools; but

nothing herein contained shall prevent the owner from having and maintaining an action for the recovery of any damage the owner may sustain.

[R60, §1519; C73, §1522; C97, §2381; C24, 27, 31, 35, 39, §**12216;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §644.18]

94 Acts, ch 1188, §27

C95, §556F.18

# CHAPTER 556G

## UNCLAIMED DRY CLEANING

556G.1 Unclaimed personal property held by a dry cleaning establishment.

**556G.1 Unclaimed personal property held by a dry cleaning establishment.**

All property deposited with a dry cleaning establishment which remains unclaimed for a period of four months after the establishment has attempted to contact the owner of the property by ordinary mail one time at the property owner's last known mailing address, may be presumed abandoned and disposed of by delivering the property to a local nonprofit charitable organization.

94 Acts, ch 1094, §1

# CHAPTER 556H

## UNCLAIMED DEER VENISON

556H.1 Unclaimed deer venison held by a licensed processing establishment.

**556H.1 Unclaimed deer venison held by a licensed processing establishment.**

All deer venison deposited with an establishment licensed pursuant to chapter 189A, which remains unclaimed for a period of two months after the establishment has attempted to contact the deer venison owner at least once by ordinary mail at the owner's last known mailing address, shall be presumed to be abandoned. The establishment may dispose of the abandoned deer venison by donating the deer venison to a local nonprofit, charitable organization. For purposes of this section, the term *"deer"* means the Cervidae or game deer excluding any farm deer as defined in section 481A.1, subsection 21, paragraph *"h"*, and all donated deer venison shall include game deer venison only and shall not be processed as a multispecies meat food product pursuant to chapter 189A.

2001 Acts, ch 23, §1

Donations of perishable food, see chapter 672

# SUBTITLE 2

## REAL PROPERTY — GIFTS

# CHAPTER 557

## REAL PROPERTY IN GENERAL

GENERAL PRINCIPLES

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## GENERAL PRINCIPLES

**557.1 Who deemed seized.**

All persons owning real estate not held by an adverse possession shall be deemed to be seized and possessed of the same.

[C51, §1199; R60, §2207; C73, §1928; C97, §2912; C24, 27, 31, 35, 39, §**10040;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.1]

**557.2 Estate in fee simple.**

The term *"heirs"* or other technical words of inheritance are not necessary to create and convey an estate in fee simple.

[C51, §1200; R60, §2208; C73, §1929; C97, §2913; C24, 27, 31, 35, 39, §**10041;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.2]

**557.3 Conveyance passes grantor's interest.**

Every conveyance of real estate passes all the interest of the grantor therein, unless a contrary intent can be reasonably inferred from the terms used.

[C51, §1201; R60, §2209; C73, §1930; C97, §2914; C24, 27, 31, 35, 39, §**10042;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.3]

**557.4 After-acquired interest — exception.**

Where a deed purports to convey a greater interest than the grantor was at the time possessed of, any after-acquired interest of such grantor, to the extent of that which the deed purports to convey, inures to the benefit of the grantee. But if the spouse of such grantor joins in such conveyance for the purpose of relinquishing dower or homestead only, and

subsequently acquires an interest therein as above defined, it shall not be held to inure to the benefit of the grantee.

[C51, §1202; R60, §2210; C73, §1931; C97, §2915; C24, 27, 31, 35, 39, §**10043;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.4]

**557.5 Adverse possession.**

Adverse possession of real estate does not prevent any person from selling that person's interest in the same.

[C51, §1203; R60, §2211; C73, §1932; C97, §2916; C24, 27, 31, 35, 39, §**10044;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.5]

**557.6 Future estates.**

Estates may be created to commence at a future day.

[C51, §1204; R60, §2212; C73, §1933; C97, §2917; C24, 27, 31, 35, 39, §**10045;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.6]

**557.7 Contingent remainders.**

A contingent remainder shall take effect, notwithstanding any determination of the particular estate, in the same manner in which it would have taken effect if it had been an executory devise or a springing or shifting use, and shall, as well as such limitations, be subject to the rule respecting remoteness known as the rule against perpetuities, exclusive of any other supposed rule respecting limitations to successive generations or double possibilities.

[C24, 27, 31, 35, 39, §**10046;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.7]

Referred to in §557.8

**557.8 Applicability.**

Section 557.7, except so far as declaratory of existing law, shall apply only to instruments executed on or after July 1, 1925, and to wills and codicils revived or confirmed by a will or codicil executed on or after said date.

[C24, 27, 31, 35, 39, §**10047;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.8]

**557.9 Defeating expectant estate.**

No expectant estate shall be defeated or barred by an alienation or other act of the owner of the precedent estate, nor by the destruction of such precedent estate by disseizin, forfeiture, surrender, or merger; provided that on the petition of the life tenant, with the consent of the holder of the reversion, the district court may order the sale of the property in such estate and the proceeds shall be subject to the order of court until the right thereto becomes fully vested. The proceedings shall be as in an action for partition.

[C24, 27, 31, 35, 39, §**10048;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.9]

**557.10 Declarations of trust.**

Declarations or creations of trusts or powers in relation to real estate must be executed in the same manner as deeds of conveyance; but this provision does not apply to trusts resulting from the operation or construction of law.

[C51, §1205; R60, §2213; C73, §1934; C97, §2918; C24, 27, 31, 35, 39, §**10049;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.10]

Statute of frauds, §622.32

**557.11 Conveyances by married persons.**

A married person may convey or encumber any real estate or interest therein belonging to the person, and may control the same, or contract with reference thereto, to the same extent and in the same manner as other persons.

[C51, §1207; R60, §2215; C73, §1935; C97, §2919; C24, 27, 31, 35, 39, §**10050;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.11]

**557.12 Conveyances by husband and wife.**

Every conveyance made by a husband and wife shall be sufficient to pass any and all right of either in the property conveyed, unless the contrary appears on the face of the conveyance.

[R60, §2255; C73, §1936; C97, §2920; C24, 27, 31, 35, 39, §**10051;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.12]

**557.13 Covenants — spouse not bound.**

Where either the husband or wife joins in a conveyance of real estate owned by the other, the husband or wife so joining shall not be bound by the covenants of such conveyance, unless it is expressly so stated on the face thereof.

[C73, §1937; C97, §2921; C24, 27, 31, 35, 39, §**10052;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.13]

**557.14 Title and possession of mortgagor.**

In absence of stipulations to the contrary, the mortgagor of real estate retains the legal title and right of possession thereto.

[C51, §1210; R60, §2217; C73, §1938; C97, §2922; C24, 27, 31, 35, 39, §**10053;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.14]

**557.15 Tenancy in common.**

Conveyances to two or more in their own right create a tenancy in common, unless a contrary intent is expressed.

[C51, §1206; R60, §2214; C73, §1939; C97, §2923; C24, 27, 31, 35, 39, §**10054;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.15]

**557.16 Cotenant liable for rent.**

In all cases in which any real estate is now or shall be hereafter held by two or more persons as tenants in common, and one or more of said tenants shall have been or shall hereafter be in possession of said real estate, it shall be lawful for any one or more of said tenants in common, not in possession, to sue for and recover from such tenants in possession, their proportionate part of the rental value of said real estate for the time, not exceeding a period of five years, such real estate shall have been in possession as aforesaid.

[C24, 27, 31, 35, 39, §**10055;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.16]

**557.17 Partition — cotenant charged with rent.**

In case of partition of such real estate held in common as aforesaid, the parties in possession shall have deducted from their distributive shares of said real estate the rental value thereof to which their cotenants are entitled.

[C24, 27, 31, 35, 39, §**10056;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.17]

**557.18 Vendor's lien.**

No vendor's lien for unpaid purchase money shall be enforced in any court of this state after a conveyance by the vendee, unless such lien is reserved by conveyance, mortgage, or other instrument duly acknowledged and recorded, or unless such conveyance by the vendee is made after suit by the vendor, the vendor's executor, or assigns to enforce such lien.

[C73, §1940; C97, §2924; C24, 27, 31, 35, 39, §**10057;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.18]

Referred to in §557.19

**557.19 Fraudulent conveyances.**

Nothing in section 557.18 shall be construed to deprive a vendor of any remedy now existing against conveyance procured through the fraud or collusion of the vendees therein, or persons purchasing of such vendees with notice of such fraud or lien.

[C73, §1940; C97, §2924; C24, 27, 31, 35, 39, §**10058;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.19]

**557.20 Rule in Shelley's case.**

The rule or principle of the common law known as the rule in Shelley's case is hereby abolished and is declared not to be a part of the law of this state.

[S13, §2924-a; C24, 27, 31, 35, 39, §**10059;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.20]

**557.21 Devise, bequest, or conveyance not enlarged.**

No express devise, bequest, or conveyance of an estate for life, or other limited estate in real or personal property shall be enlarged or construed to pass any greater estate to the devisee, legatee, or grantee thereof by reason of any devise, bequest, or conveyance to the heirs, heirs of the body, children, or issue of such devisee, legatee, or grantee; but this section shall not in any manner or under any circumstances be so construed as to impair or affect the vested rights of any person in or to any lands or estates acquired prior to July 4, 1907.

[S13, §2924-b; C24, 27, 31, 35, 39, §**10060;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.21]

RECORDING OF FARM NAMES

**557.22 Authorization.**

Any owner of a farm in the state may have the name of that farm, together with a description of the owner's lands to which the name applies, recorded in the office of the county recorder of the county in which the farm is located.

[S13, §2924-c; C24, 27, 31, 35, 39, §**10061;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.22]

2003 Acts, ch 5, §3

Referred to in §331.602, 331.607, 557.24

**557.23 Vested interest.**

When any name shall have been recorded as the name of any farm in such county, such name shall not be recorded as the name of any other farm in the same county.

[S13, §2924-c; C24, 27, 31, 35, 39, §**10062;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.23]

Referred to in §331.602

**557.24 Fee.**

A person having the name of the person's farm recorded as provided in section 557.22 shall first pay to the county recorder the fees specified in section 331.604, which shall be paid to the county treasurer as other fees are paid to the county treasurer by the recorder.

[S13, §2924-d; C24, 27, 31, 35, 39, §**10063;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.24]

85 Acts, ch 159, §6; 2009 Acts, ch 27, §32

Referred to in §331.602

**557.25 Transfer of farm.**

When any owner of a farm, the name of which has been recorded as hereinbefore provided, transfers by deed or otherwise the whole of such farm, such transfer may include the registered name thereof; but if the owner shall transfer only a portion of such farm, then in that event, the registered name thereof shall not be transferred to the purchaser unless so stated in the deed of conveyance.

[S13, §2924-e; C24, 27, 31, 35, 39, §**10064;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.25]

Referred to in §331.602

**557.26 Cancellation — fee.**

If the owner of a registered farm desires to cancel the registered name of the farm, the owner shall acknowledge cancellation of the name by execution of an instrument in writing

referring to the farm name, and shall record the instrument. For the latter service the county recorder shall collect the fees specified in section 331.604, which shall be paid to the county treasurer as other fees are paid to the county treasurer by the recorder.

[S13, §2924-f; C24, 27, 31, 35, 39, §**10065;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §557.26]

85 Acts, ch 159, §7; 2009 Acts, ch 27, §33

Referred to in §331.602

# CHAPTER 557A

## TIME-SHARES

Referred to in §557B.4

For cooperatives and condominiums, see chapters 499A and 499B


557A.1 Time-share Act.
557A.2 Definitions.
557A.3 Applicability to time-share programs located out-of-state.
557A.4 Action for partition.
557A.5 Status of time-share estates.
557A.6 Creation of time-share estates.
557A.7 Arrangements for management and operation of a time-share estate program.
557A.8 Developer control period.
557A.9 Creation of time-share uses.
557A.10 Arrangement for management and operation of a time-share use program.
557A.11 Disclosure requirements.
557A.12 Additional disclosure requirements relating to exchange programs.
557A.13 Exemptions from disclosure requirements.
557A.14 Purchaser's and developer's rights relating to property report.
557A.15 Release from liens.
557A.16 Enforcement and cause of action.
557A.17 Blanket mortgage or other liens affecting a time-share interval at time of first conveyance.
557A.18 Financing of time-share programs.
557A.19 Lienholder's rights.
557A.20 Selling time-share estates — license required.


### 557A.1 Time-share Act.

This chapter shall be known as the *"Iowa Time-share Act"*.

85 Acts, ch 155, §1

Referred to in §557A.3

### 557A.2 Definitions.

In this chapter, unless the context requires otherwise:

1. *"Association"* means all of the time-share interval owners of a time-share project acting as a group, either through a nonstock nonprofit corporation or an unincorporated association, in accordance with its bylaws governing administration of the project.

2. *"Commission"* means the real estate commission.

3. *"Common expense"* means all sums lawfully assessed against an owner of a time-share interval by an association for the expenses of operating and maintaining the time-share project and for other expenses designated by the project instruments.

4. *"Developer"* means a person who is in the business of creating or selling time-share intervals in a time-share program. This definition does not include a person acting solely as a sales agent.

5. *"Exchange agent"* means a person who negotiates and arranges the exchange of time-share intervals for their owners in an exchange program involving other time-share intervals.

6. *"Managing agent"* means a person who undertakes the duties and responsibilities of the management of a time-share project.

7. *"Project instrument"* means a recordable document applicable to an entire time-share

project, containing restrictions or covenants regulating the use, occupancy, or disposition of the entire project and including amendments to the document.

8. *"Property report"* means a written statement provided to the initial purchaser of a time-share interval containing the information required in sections 557A.11 and 557A.12.

9. *"Purchaser"* means a person other than a developer or lender who acquires an interest in a time-share interval.

10. *"Time-share estate"* means an ownership or leasehold estate in property devoted to a time-share fee or a time-share lease.

11. *"Time-share instrument"* means a document by whatever name denominated creating or regulating time-share programs, but excluding any law, ordinance, or government regulation.

12. *"Time-share interval"* means a time-share estate or a time-share use.

13. *"Time-share program"* means an arrangement for time-share intervals in a time-share project in which the use, occupancy or possession of real property circulates among purchasers of the time-share intervals according to a fixed or floating time schedule on a periodic basis occurring over a period of time.

14. *"Time-share project"* means the entire real property that is subject to a time-share program.

15. *"Time-share use"* means a contractual right of exclusive occupancy which does not fall within the definition of a time-share estate including, but is not limited to, a vacation license, prepaid hotel reservation, club membership, limited partnership or vacation bond.

16. *"Unit"* means the real property or the real property improvement in a time-share project which is divided into time-share intervals.

85 Acts, ch 155, §2
Referred to in §502.201, 543B.7, 543C.1, 557A.3

**557A.3 Applicability to time-share programs located out-of-state.**

1. Sections 557A.4 to 557A.10 apply only to time-share programs located in Iowa.

2. Sections 557A.1, 557A.2, and 557A.11 to 557A.20 apply to any time-share program, wherever located, which is marketed in Iowa.

85 Acts, ch 155, §3

**557A.4 Action for partition.**

An action for partition of a unit shall not be maintained except as permitted by the time-share instrument.

85 Acts, ch 155, §4
Referred to in §557A.3

**557A.5 Status of time-share estates.**

1. A time-share estate is an estate in real property and has the character and incidents of an estate in fee simple at common law or an estate for years if a leasehold, except as expressly modified by this chapter.

2. A document transferring or encumbering a time-share estate shall not be rejected for recordation because of the nature or duration of the estate.

3. For purposes of title, each time-share estate constitutes a separate estate or interest in property except for real property tax purposes.

85 Acts, ch 155, §5
Referred to in §557A.3

**557A.6 Creation of time-share estates.**

Project instruments and time-share instruments creating time-share estates shall contain the following:

1. The name of the county in which the property is situated.

2. The legal description, street address, or other description sufficient to identify the property.

3. Identification of units and time periods by letter, name, number, or a combination.

4. Identification of time-share estates and, when applicable, the method by which additional time-share estates may be created.

5. The formula, fraction, or percentage of the common expenses and any voting rights assigned to each time-share estate and, when applicable, to each unit that is not subject to the time-share program.

6. Any restrictions on the use, occupancy, alteration, or alienation of time-share intervals.

7. The dates and conditions under which a partition may occur.

8. The ownership interest, if any, of personal property and provisions for care and replacement of the personal property.

9. Any other matters the developer deems appropriate.

85 Acts, ch 155, §6
Referred to in §557A.3

**557A.7 Arrangements for management and operation of a time-share estate program.**

The time-share instruments for a time-share estate program shall prescribe reasonable arrangements for management and operation of the program and for the maintenance, repair, and furnishing of units, which shall include, but not be limited to, provisions for the following:

1. Creation of an association of time-share estate owners.

2. Adoption of bylaws for organizing and operating the association.

3. Payment of costs and expenses of operating the time-share program and owning and maintaining the units.

4. Employment and termination of employment of the managing agent.

5. Preparation and dissemination to time-share estate owners of an annual budget and of operating statements and other financial information concerning the time-share program.

6. Adoption of standards and rules of conduct for the use and occupancy of units by time-share estate owners.

7. Procedures for imposing and collecting assessments from time-share estate owners to defray the expenses of management of the time-share program and maintenance of the units.

8. Comprehensive general liability insurance for death, bodily injury, and property damage arising out of, or in connection with, the use of units by time-share estate owners, their guests, and other users.

9. Methods for providing compensating use periods or monetary compensation to a time-share estate owner if a unit cannot be made available for the period to which the time-share estate owner is entitled by schedule or by confirmed reservation.

10. Procedures for imposing a monetary penalty or suspension of a time-share estate owner's rights and privileges in the time-share program for failure of the owner to comply with the time-share instruments or the rules of the association with respect to the use of the units. The time-share estate owner shall be given notice and the opportunity to refute or explain the charges in person or in writing to the governing body or the association before a decision to impose discipline is rendered.

11. Employment of attorneys, accountants, and other professional persons as necessary to assist in the management of the time-share program and the units.

85 Acts, ch 155, §7
Referred to in §557A.3

**557A.8 Developer control period.**

1. The time-share instruments for a time-share estate program may provide for a period of time, known as the developer control period, during which the developer or a managing agent selected by the developer shall manage the time-share program and the units in the time-share program.

2. If the time-share instruments for a time-share estate program provide for the establishment of a developer control period, they shall include, but not be limited to, provisions for the following:

*a.* Termination of the developer control period by action of the association.

*b.* Termination of contracts for goods and services for the time-share program entered into during the developer control periods.

*c.* Termination of contract for managing agent entered into during developer control period.

*d.* A regular accounting by the developer to the association as to all matters that significantly affect the interests of owners in the time-share program.

85 Acts, ch 155, §8
Referred to in §557A.3

**557A.9 Creation of time-share uses.**

Project instruments and time-share instruments creating time-share uses shall contain the following:

1. Identification by name of the time-share project and street address or other description sufficient to identify the property where the time-share project is situated. The address shall be the street address if available.

2. Identification of the time periods, type of units, and the units that are in the time-share program and the length of time that the units are committed to the time-share program.

3. In case of a time-share project, identification of which units are in the time-share program and the method by which any units may be added, deleted, or substituted.

4. Any other matters that the developer deems appropriate.

85 Acts, ch 155, §9
Referred to in §557A.3

**557A.10 Arrangement for management and operation of a time-share use program.**

The time-share instruments for a time-share use program shall prescribe reasonable arrangements for management and operation of the program and for the maintenance, repair, and furnishing of units which shall include, but not be limited to, provisions for the following:

1. Standards and procedures for upkeep, repair, and interior furnishing of units and for providing of janitorial, cleaning, linen, and similar services to the units during use periods.

2. Adoption of standards and rules of conduct governing the use and occupancy of units by time-share use owners.

3. Payment of the costs and expenses of operating the time-share program.

4. Selection of a managing agent to act on behalf of the developer.

5. Preparation and dissemination to time-share use owners of an annual budget and operating statements and other financial information concerning the time-share program.

6. Procedures for establishing the rights of time-share use owners to the use of units by prearrangement or under a first-reserved, first-served priority system.

7. Organization of a management advisory board consisting of time-share use owners including an enumeration of rights and responsibilities of the advisory board.

8. Procedures for imposing and collecting assessment or use fees from time-share use owners as necessary to defray costs of management of the time-share program and in providing materials and services to the units.

9. Comprehensive general liability insurance for death, bodily injury, and property damage arising out of, or in connection with, the use of units by time-share use owners, their guests, and other users.

10. Methods for providing compensating use periods or monetary compensation to a time-share use owner if a unit cannot be made available for the period to which the owner is entitled by schedule or by a confirmed reservation.

11. Procedures for imposing a monetary penalty or suspension of a time-share use owner's rights and privileges in the time-share program for failure of the owner to comply with the time-share instruments or the rules established by the developer with respect to the use of the units. The time-share use owner shall be given notice and the opportunity to refute or explain the charges in person or in writing to the management advisory board before a decision to impose discipline is rendered.

12. Procedures for disclosure at cost to requesting time-share users of a list of the names and mailing addresses of all current time-share owners in the time-share program.

85 Acts, ch 155, §10
Referred to in §557A.3

**557A.11 Disclosure requirements.**

1. A developer or an agent of a developer of a time-share program shall provide a current property report to a purchaser not later than ten days after the purchaser signs a purchase agreement. Prior to any sale or solicitation for sale of a time-share interval, a copy of all disclosure materials required to be given to a purchaser by this section and section 557A.12 shall be filed with the commission. The property report shall contain the following:

*a.* A cover sheet of the same approximate size and shape as the majority of the disclosure materials required in this section, bearing the title "Property Report" and containing the name and location of the time-share project, the name and business address of the developer and the name and business address of the developer's agent. Following this information, on the front of the cover sheet, but set apart from it, there shall appear four statements in boldface type, or capital letters no smaller than the largest type on the page, in the following wording:

(1) These are the legal documents covering your rights and responsibilities as a time-share interval owner. If you do not understand any provisions contained in them, you should obtain professional advice.

(2) These disclosure materials given to you as required by law may be relied upon as correct and binding. Oral statements may not be legally binding.

(3) You may at any time within ..... (developer or developer's agent shall insert a number, not less than five, designating the rescission period) business days following receipt of a current property report, cancel in writing the purchase agreement and receive a full refund of any deposits made.

(4) The filing of this document with the commission does not constitute approval of the sale or lease, or offer for sale or lease, by the state, commission, or any officer thereof, or indicate that the state, commission, or any officer thereof has in any way passed upon the merits of the offering.

*b.* A general description of the units including, but not limited to, the developer's schedule of approximate commencement and completion of all buildings, units, and amenities; or if completed, a statement that they have been completed.

*c.* As to all units offered by the developer in the same time-share project:

(1) The types and number of units.

(2) Identification of units that are subject to time-share intervals.

(3) The estimated number of units that may become subject to time-share intervals.

*d.* A brief description of the time-share project.

*e.* If applicable, any current budget and a projected budget to be used for the time-share intervals for one year after the date of the first transfer to a purchaser. The budget shall include, but is not limited to:

(1) A statement of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacement.

(2) The projected liability for common expense, if any, by category of expenditures for the time-share intervals.

(3) A statement of any services not reflected in the budget that the developer provides, or expenses that the developer pays and which, upon completion of the project or the commencement of association control, would be payable by purchasers as part of their annual share of common expenses.

*f.* Any initial or special fee due from the purchaser at closing, together with a description of the purpose and method of calculating the fee.

*g.* A description of any liens, defects, or encumbrances on or affecting the title to the time-share intervals.

*h.* A description in general terms of any financing offered by the developer and a statement

that documents showing specific terms and conditions of financing will be furnished upon request.

*i.* A statement of any pending lawsuits material to the time-share intervals of which a developer has actual knowledge.

*j.* Any restraints on alienation of any number or portion of any time-share intervals of which a developer has actual knowledge.

*k.* A description of the insurance coverage, or a statement that there is no insurance coverage, provided for the benefit of time-share interval owners.

*l.* Any current or expected fees or charges to be paid by time-share interval owners for the use of any amenities or facilities related to the property.

*m.* The extent to which financial arrangements have been provided for completion of all promised improvements.

*n.* The extent to which a unit may become subject to a tax or other lien arising out of claims against other owners of the same unit.

2. If the time-share program has been registered under a law or rule of another state of the United States, which registration has a similar goal in the protection of prospective purchasers of time-share programs, the developer may substitute for the property report required by subsection 1 an abbreviated property report which consists of a first page to which have been attached the disclosure materials required by the other registering jurisdiction.

*a.* In addition to the information required to be included on the cover page under subsection 1, paragraph "*a*", the cover page of the abbreviated report shall contain the following conspicuously noted language:

PROPERTY REPORT OF
(Name of time-share program)
IMPORTANT NOTE TO
PROSPECTIVE PURCHASERS:

The attached information has been provided by (name of time-share program) under the laws of Iowa and (other registering jurisdiction). Read it carefully before you spend any money.

*b.* If the commission finds that some states do not have disclosure requirements adequate to protect prospective purchasers in this state, the commission may adopt rules identifying those states and requiring the amending of the language of the first page of the abbreviated property report or the abbreviated property report from those states to insure adequate disclosure.

3. The developer shall pay a filing fee in an amount set by rule by the commission when filing the property report required in subsection 1 or 2.

4. At the same time as the developer files the property report or abbreviated property report, the developer shall provide the commission with a list of the names, addresses and phone numbers of all persons authorized to sell time-share intervals on the developer's behalf in Iowa. This list shall be periodically updated as the commission may by rule require.

85 Acts, ch 155, §11; 86 Acts, ch 1237, §36
Referred to in §557A.2, 557A.3, 557A.12, 557A.13, 557A.14

**557A.12 Additional disclosure requirements relating to exchange programs.**

1. When the owners of time-share intervals are to be permitted or required to become members of or participate in any program for the exchange of occupancy rights among themselves or with the owners of time-share intervals of other time-share projects or both, the developer or an agent of a developer of a time-share program, in addition to the property report required by section 557A.11 and within the same time limitation, shall provide the following disclosure materials to a purchaser:

*a.* The name, address and telephone number of the exchange agent and a statement as to whether that person is an affiliate of the developer.

*b.* Whether membership or participation, or both, in the exchange program are voluntary or mandatory.

*c.* The expenses, or ranges of expenses, charged to the time-share interval owners for membership in the exchange program including the expenses, if any, of exchanging as of a date not more than one year before the property report is delivered to the purchaser, and the name of the person to whom those expenses are payable.

*d.* Whether and how any of the expenses specified in paragraph "*c*" may be altered and, if any of them are to be fixed on a case-by-case basis, the manner in which they are to be fixed in each case.

2. Subsection 1 shall not apply if information on all exchange programs has been included pursuant to law or rule of the other registering jurisdiction in an abbreviated property report prepared pursuant to section 557A.11, subsection 2.

85 Acts, ch 155, §12
Referred to in §557A.2, 557A.3, 557A.11, 557A.13, 557A.14

**557A.13 Exemptions from disclosure requirements.**

A person shall not be required to provide disclosure documents, as required in sections 557A.11 and 557A.12, in the following cases:

1. A transfer of a time-share interval by a time-share interval owner other than a developer or a developer's agent.
2. A disposition of units in a time-share project pursuant to a court order.
3. A disposition of units in a time-share project by a government or governmental agency.
4. A disposition of units in a time-share project by a foreclosure or deed in lieu of foreclosure.
5. A disposition to a person acquiring the time-share interval for other than personal use.
6. A disposition of a time-share interval in a time-share project situated wholly outside this state if all solicitations, negotiations, and contracts took place wholly outside this state and the contract was executed wholly outside this state.
7. A gratuitous transfer of a time-share interval.

85 Acts, ch 155, §13
Referred to in §557A.3

**557A.14 Purchaser's and developer's rights relating to property report.**

1. A purchaser may at any time within five business days following the receipt of all information required in sections 557A.11 and 557A.12 rescind in writing a contract of sale without stating any reason and without any liability on the purchaser's part. All payments made by the purchaser before rescission shall be refunded within thirty days after receipt of the notice of rescission as provided in subsection 3.

2. The developer may cancel the contract of purchase without penalty to either person at any time within five business days after the receipt by the purchaser of the disclosure materials required in sections 557A.11 and 557A.12. The developer shall return all payments made and the purchaser shall return all materials received in good condition, reasonable wear and tear excepted. If the materials are not returned, the developer may deduct their cost and return the balance to the purchaser.

3. If either person elects to cancel a contract pursuant to subsection 1 or 2, the person may do so by hand delivery or personal service, or electronic or prepaid United States mail to the other person or to the person's agent for service of process.

4. Material furnished under sections 557A.11 and 557A.12 may not be changed or amended following delivery to a purchaser without the prior approval of the purchaser, if the change or amendment would materially affect the rights of the purchaser. A copy of amendments shall be delivered promptly to the purchaser.

5. A developer who makes a false or misleading statement of fact that reasonably could affect the purchaser's decision to enter into the contract of sale, or omits to include a fact, in the information required to be disclosed under sections 557A.11 and 557A.12 shall be liable to the purchaser for damages, and, at the election of the purchaser, the misrepresentation shall be sufficient to void the contract for sale.

6. Rights of purchasers under this section shall not be waived in the contract of sale and an attempt to waive is void.

85 Acts, ch 155, §14
Referred to in §557A.3

**557A.15 Release from liens.**

1. Unless the purchaser expressly agrees, prior to the transfer other than by deed in lieu of foreclosure of a time-share interval, to take subject to or assume a lien, the developer shall record or furnish to the purchaser releases of all liens affecting that time-share interval, or shall provide a surety bond or insurance against the lien.

2. If a lien, other than an underlying mortgage or deed of trust, becomes effective against more than one time-share interval in a time-share project, a time-share interval owner is entitled to a release of the owner's time-share interval from the lien upon payment of the amount of the lien attributable to the owner's time-share interval. The amount of the payment shall be proportionate to the ratio that the time-share interval owner's liability bears to the liabilities of all time-share interval owners whose interests are subject to the lien. Upon receipt of payment, the lienholder shall promptly deliver to the time-share interval owner a release of the lien covering the time-share interval. After payment, the managing entity shall not assess or have a lien against that time-share interval for any portion of the expenses incurred in connection with that lien. The time-share interval owner and the lienholder may enter into an alternative arrangement.

85 Acts, ch 155, §15
Referred to in §557A.3

**557A.16 Enforcement and cause of action.**

1. Violations of this chapter, unfair methods of competition, and deceptive or unfair acts or practices, in the offer or sale of a time-share are unlawful. Enforcement shall be as provided in section 714.16. The terms *"unfair methods of competition"* and *"deceptive or unfair acts or practices"* include, but are not limited to, the following acts:

*a.* Misrepresenting or failing to disclose any material fact concerning a time-share.

*b.* Failing to honor and comply with all provisions of a time-share instrument entered into with a purchaser.

*c.* Including any time-share instrument provisions purporting to waive any right or benefit provided for purchasers under this chapter.

*d.* Receiving from a prospective purchaser any money or other valuable consideration before the purchaser signs a time-share instrument.

*e.* Misrepresenting the amount of time or period of time the time-share unit will be available to a purchaser.

*f.* Misrepresenting the location of the offered time-share unit.

*g.* Misrepresenting the size, nature, extent, qualities, or characteristics of the offered time-share unit.

*h.* Misrepresenting the nature or extent of any services incident to the time-share unit.

*i.* Misrepresenting the conditions under which a purchaser may exchange occupancy rights to a time-share unit in one location for occupancy rights to a time-share unit in another location.

2. If a developer or any other person subject to this chapter violates any provision of this chapter or any provision of the project or time-share instruments, any person or class of persons damaged or otherwise adversely affected by the violation shall have a claim for appropriate relief, which shall be brought in the county in which the time-share project is located or was offered or sold, in which the time-share offeror or time-share salesperson resides or is doing business upon tender of the time-share interest sold, or in which the contract was made. The court may order the developer or other person subject to this chapter to refund the purchaser the full amount paid by the purchaser, with prejudgment interest, less a portion of the amount paid representing the portion of any benefit the purchaser actually received or had the right to receive during the time preceding the tender. In all cases, the court may provide equitable relief it considers necessary or proper. The court may also award the

person or class of persons reasonable attorney's fees. This action does not limit any other remedy of the purchaser.

85 Acts, ch 155, §16
Referred to in §557A.3

**557A.17 Blanket mortgage or other liens affecting a time-share interval at time of first conveyance.**

The developer whose project is subject to an underlying blanket lien or encumbrance shall protect nondefaulting purchasers from foreclosure by the lienholder by obtaining from the lienholder written assurances that the lienholder will not foreclose on nondefaulting purchasers. These written assurances may be in the form of a nondisturbance clause, subordination agreement, or partial release of the lien as the time-share intervals are sold, or the developer may obtain the agreement of the lienholder to take the project, in the event of default by the developer, subject to the rights of the nondefaulting purchasers by entering into a financing plan or escrow agreement sufficient to protect the lienholder's interest.

85 Acts, ch 155, §17
Referred to in §557A.3

**557A.18 Financing of time-share programs.**

In the financing of a time-share program, the developer shall retain financial records of the schedule of payments required to be made and the payments made to any person or entity which is the holder of an underlying blanket mortgage, deed of trust, contract of sale, or other lien or encumbrance. Any transfer of the developer's interest in the time-share program to a person other than purchaser of a unit shall be subject to the obligations of the developer.

85 Acts, ch 155, §18
Referred to in §557A.3

**557A.19 Lienholder's rights.**

Any purchaser who fails to object and specify the invalidity or defect contained in the time-share instrument within sixty days after receipt of written notice that the developer has assigned the receivables to the lienholder may not claim that the time-share instrument is invalid, void, or voidable in any subsequent action for enforcement of the collection of the receivables by the lienholder. The notice shall be by certified mail or personal delivery and state that the developer has assigned the receivables to the lienholder and that the purchaser has sixty days within which to object and specify the invalidity or defect contained within such instrument. Any objection shall be written and delivered by certified mail or personal delivery to the lienholder.

85 Acts, ch 155, §19
Referred to in §557A.3

**557A.20 Selling time-share estates — license required.**

A person engaged in the business or occupation of selling time-share estates for a fee or a commission shall obtain a real estate license pursuant to chapter 543B.

85 Acts, ch 155, §20
Referred to in §557A.3

# CHAPTER 557B

## MEMBERSHIP CAMPGROUNDS

Referred to in §537.3310, 552A.2, 714B.10


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**557B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advertisement"* means an attempt by publication, dissemination, solicitation, or circulation to induce directly or indirectly any person to enter into an obligation or acquire a title or interest in a membership camping contract.

2. *"Affiliate"* means any person who, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the person specified.

3. *"Blanket encumbrance"* means any mortgage, deed of trust, option to purchase, vendor's lien or interest under a contract or agreement of sale, judgment lien, federal or state tax lien, or any other material lien or encumbrance which secures or evidences the obligation to pay money or to sell or convey all or part of a campground located in this state, made available to purchasers by the membership camping operator, and which authorizes, permits, or requires the foreclosure or other disposition of the campground. *"Blanket encumbrance"* also includes the lessor's interest in a lease of all or part of a campground which is located in this state and which is made available to purchasers by a membership camping operator. *"Blanket encumbrance"* does not include a lien for taxes or assessments levied by a public body which are not yet due and payable.

4. *"Business day"* means any day except Saturday, Sunday, or a legal holiday.

5. *"Campground"* means real property made available to persons for camping, whether by tent, trailer, camper, cabin, recreational vehicle, or similar device and includes the outdoor recreational facilities located on the real property. *"Campground"* does not include a manufactured home community or mobile home park as defined in section 435.1.

6. *"Controlling persons of a membership camping operator"* means each director and officer and each owner of twenty-five percent or more of the stock of the operator, if the operator is a corporation; and each general partner and each owner of twenty-five percent or more of the partnership or other interests, if the operator is a general or limited partnership; or other person doing business as a membership camping operator.

7. *"Membership camping contract"* means an agreement offered or sold within this state evidencing a purchaser's right to use a campground of a membership camping operator for more than thirty days during the term of the agreement.

8. *"Membership camping operator"* or *"operator"* means any person other than one who is tax exempt under section 501(c)(3) of the Internal Revenue Code, as defined in section 422.3, who owns or operates a campground and offers or sells membership camping contracts paid for by a fee or periodic payments. *"Membership camping operator"* does not include the operator of a manufactured home community or mobile home park as defined in chapter 435.

9. *"Offer"* means an inducement, solicitation, or attempt to encourage a person to acquire a membership camping contract.

10. *"Purchaser"* means a person who enters into a membership camping contract with

a membership camping operator and obtains the right to use the campground owned or operated by the membership camping operator.

87 Acts, ch 181, §5; 2001 Acts, ch 153, §16

**557B.2 Registration requirement.**

A person shall not offer or sell a membership camping contract in this state unless one of the following is applicable:

1. The membership camping contract is covered by a membership camping registration as provided in this chapter.

2. The membership camping contract or the transaction is exempted under section 557B.4.

87 Acts, ch 181, §6

Referred to in §502.201, 557B.13

**557B.3 Application for registration — amendments — renewal.**

1. Filing fees, as prescribed in section 557B.7, shall accompany the application for registration, renewal of a registration, or any amendment of a registration of membership camping contracts.

2. The application for registration shall be filed with the attorney general and shall include all of the following:

*a.* The membership camping operator's name and the address of its principal place of business, the form, date of organization, jurisdiction of its organization, and the name and address of each of its offices in this state.

*b.* A copy of the membership camping operator's articles of incorporation, partnership agreement, or joint venture agreement as contemplated or currently in effect.

*c.* The name, address, and principal occupation for the past five years of the membership camping operator and of each controlling person of the membership camping operator and the extent of each such person's interest in the membership camping operator as of a specified date within thirty days prior to the filing of the application.

*d.* A list of affiliates of the membership camping operator, including the names and addresses of officers and directors.

*e.* A legal description of each campground owned or operated by the membership camping operator which is represented to be available for use by purchasers and a statement identifying the existing amenities at each campground and the planned amenities represented as to be available for use by purchasers in the future at each campground. If future amenities are represented, the statement must include the estimated cost and schedule for completion of those amenities.

*f.* A brief description of the membership camping operator's ownership of or other right to use the campground properties or facilities represented to be available for use by purchasers, together with a brief description of any material encumbrance, the duration of any lease, real estate contract, license, franchise, reciprocal agreement, or other agreement entitling the membership camping operator to use the property and any material provisions of the agreements which restrict a purchaser's use of the property.

*g.* If a blanket encumbrance materially adversely affects a campground, a legal description of the encumbrance and a description of the steps taken to protect purchasers in accordance with section 557B.12 in case of failure to discharge the encumbrance.

*h.* A brief description of all payments of a purchaser under a membership camping contract, including initial fees and any further fees, charges, or assessments, together with any provision for changing the payments.

*i.* A description of any restraints on the transfer of membership camping contracts, including a complete description of any resale agreement or policy.

*j.* A brief description of the policies relating to the availability of camping sites and whether reservations are required.

*k.* A brief description of any grounds for forfeiture of a purchaser's membership camping contract.

*l.* A sample copy of each membership camping contract to be offered or sold in this state and the purchase price of each type, and if the price varies, the reason for the variance.

*m.* A sample copy of each instrument which a purchaser will be required to execute, and a copy of the disclosure statement required by section 557B.8.

*n.* A statement of the total number of membership camping contracts for each campground intended to be sold in this state and the method used to determine this number, including a statement of commitment that this number will not be exceeded unless it is disclosed by an amendment to the registration.

*o.* A summary or copy of the articles, bylaws, rules, restrictions, or covenants regulating the purchaser's use of each campground and the facilities located on each property, including a statement of whether and how the articles, bylaws, rules, restrictions, or covenants may be changed.

*p.* A brief description of any reciprocal agreement allowing purchasers to use camping sites, facilities, or other properties owned or operated by any person other than the membership camping operator with whom the purchaser has entered into a membership camping contract.

*q.* Financial statements of the membership camping operator prepared in accordance with generally accepted accounting principles which shall include a financial statement for the most recent fiscal year audited by an independent certified public accountant, and an unaudited financial statement for the most recent fiscal quarter. The attorney general may waive the requirement for an audited statement if the statement has been prepared by an independent certified public accountant and the attorney general is satisfied with the reliability of the statement and with the ability of the membership camping operator to meet future commitments.

3. The application shall be signed by the membership camping operator or an officer or a general partner of the membership camping operator, or by another person holding a power of attorney for this purpose from the membership camping operator. If the application is signed pursuant to a power of attorney, a copy of the power of attorney must be included with the application.

4. An application for registration shall be amended within twenty-five days of any material change in the information included in the application. A material change includes any change which significantly reduces or terminates either the applicant's or the purchaser's right to use the campground or any of the facilities described in the membership camping contract, but does not include minor changes covering the use of the campground, its facilities, or the reciprocal program.

5. The registration of the membership camping operator must be renewed annually by filing an application for renewal with the required fee not later than thirty days prior to the anniversary of the current registration. The application shall include all changes which have occurred in the information included in the application previously filed.

6. Registration with the attorney general does not constitute approval or endorsement by the attorney general of the membership camping operator, the membership camping contract, or the campground, and any attempt by the membership camping operator to indicate that registration constitutes such approval or endorsement is unlawful.

87 Acts, ch 181, §7; 2013 Acts, ch 30, §175

Referred to in §557B.6, 557B.8, 557B.13

Subsection 2, unnumbered paragraphs 2 – 5 redesignated as subsections 3 – 6

**557B.4 Exemptions.**

The following transactions are exempt from registration:

1. An offer, sale, or transfer by any one person of not more than one membership camping contract in any twelve-month period.

2. An offer or sale by a government, government agency, or other subdivision of government.

3. A bona fide pledge of a membership camping contract.

4. Transactions subject to regulation pursuant to chapter 557A.

87 Acts, ch 181, §8

Referred to in §502.201, 557B.2

**557B.5 Effective date of registration.**

1. The application for registration automatically becomes effective upon the expiration of forty-five calendar days following filing of a completed application with the attorney general unless one of the following occurs:

*a.* The application is denied under section 557B.6.

*b.* The attorney general grants the registration effective as of an earlier date.

*c.* The applicant consents to a delay of the effective date.

2. If the attorney general requests additional information with respect to the application, the application becomes effective upon the expiration of fifteen business days following the filing with the attorney general of the additional information unless an order pursuant to section 557B.6 is issued or unless declared effective on an earlier date by order of the attorney general.

87 Acts, ch 181, §9; 2013 Acts, ch 30, §261
Code editor directive applied

**557B.6 Denial, suspension, or revocation of application or registration — penalties.**

1. The attorney general may by order deny, suspend, or revoke a membership camping operator's application or registration or impose a penalty of not more than five thousand dollars or a combination of suspension or revocation and penalty, if the attorney general finds that the order is for the protection of prospective purchasers or purchasers of membership camping contracts and that one of the following applies:

*a.* The membership camping operator's advertising or sales techniques or trade practices have been or are deceptive, false, or misleading.

*b.* The membership camping operator is not financially responsible or has insufficient capital to warrant its offering or selling membership camping contracts in this state. The attorney general may require a surety bond or, if one is unobtainable, other evidence of financial assurances satisfactory to the attorney general.

*c.* The membership camping operator's application for registration or an amendment to the registration is incomplete in a material respect.

*d.* The membership camping operator has failed to file timely amendments to the application for registration as required by section 557B.3.

*e.* The membership camping operator has failed to comply with any provision of this chapter that materially affects the rights of purchasers, prospective purchasers, or owners of membership camping contracts.

*f.* The membership camping operator has made a false or misleading representation or concealed material facts in any document or information filed with the attorney general.

*g.* The membership camping operator has represented or is representing to purchasers in connection with the offer to sell membership camping contracts that a particular facility is planned, without reasonable expectation that the facility will be completed within a reasonable time or without the apparent means to ensure its completion.

2. An order denying, suspending, or revoking a registration or imposing a penalty shall be sent by certified mail, return receipt requested, to the applicant or registrant. The applicant or registrant has thirty calendar days from the date of mailing the order to request a hearing pursuant to chapter 17A. If a hearing is not requested within thirty days and is not ordered by the attorney general, the order shall remain in effect until modified or vacated by the attorney general. However, if the attorney general finds that the public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in the order, summary suspension of a membership camping operator's registration may be ordered. If the membership camping operator desires to contest the summary order, the membership camping operator must request a hearing within fifteen calendar days of service of the summary order. If so requested, the hearing must be instituted within twenty calendar days of the request and the contest of the summary order must be promptly determined.

87 Acts, ch 181, §10; 88 Acts, ch 1134, §99, 100; 2013 Acts, ch 30, §261
Referred to in §557B.5
Code editor directive applied

**557B.7 Fees.**

Each application for registration of an offer or sale of membership camping contracts and each application for amendment or renewal of a registration shall be accompanied by a fee determined by the attorney general which shall be sufficient to defray the costs of administering this chapter.

87 Acts, ch 181, §11

Referred to in §557B.3

**557B.8 Disclosures to purchasers.**

1. A membership camping operator who is subject to the registration requirements of section 557B.3 shall provide a disclosure statement to a purchaser or prospective purchaser before the person signs a membership camping contract or gives any money or thing of value for the purchase of a membership camping contract.

2. The front cover or first page of the disclosure statement shall contain only the following, in the order stated:

*a.* "MEMBERSHIP CAMPING OPERATOR'S DISCLOSURE STATEMENT" printed at the top in boldface type of a minimum size of ten points.

*b.* The name and principal business address of the membership camping operator and any material affiliate of the membership camping operator.

*c.* A statement that the membership camping operator is in the business of offering for sale membership camping contracts.

*d.* A statement, printed in boldface type of a minimum size of ten points, which reads as follows:

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN THE EXECUTION OF A MEMBERSHIP CAMPING CONTRACT. THE MEMBERSHIP CAMPING OPERATOR IS REQUIRED BY LAW TO DELIVER TO YOU A COPY OF THIS DISCLOSURE STATEMENT BEFORE YOU EXECUTE A MEMBERSHIP CAMPING CONTRACT. THE STATEMENTS CONTAINED IN THIS DOCUMENT ARE ONLY SUMMARY IN NATURE. YOU AS A PROSPECTIVE PURCHASER SHOULD REVIEW ALL REFERENCES, EXHIBITS, CONTRACT DOCUMENTS, AND SALES MATERIALS. YOU SHOULD NOT RELY UPON ANY ORAL REPRESENTATIONS AS BEING CORRECT. REFER TO THIS DOCUMENT AND TO THE ACCOMPANYING EXHIBITS FOR CORRECT REPRESENTATIONS. THE MEMBERSHIP CAMPING OPERATOR IS PROHIBITED FROM MAKING ANY REPRESENTATIONS WHICH CONFLICT WITH THOSE CONTAINED IN THE CONTRACT AND THIS DISCLOSURE STATEMENT.

*e.* A statement, printed in boldface type of a minimum size of ten points, which reads as follows:

IF YOU EXECUTE A MEMBERSHIP CAMPING CONTRACT, YOU HAVE THE UNQUALIFIED RIGHT TO CANCEL THE CONTRACT. THIS RIGHT OF CANCELLATION CANNOT BE WAIVED. THE RIGHT TO CANCEL EXPIRES AT MIDNIGHT ON THE THIRD BUSINESS DAY FOLLOWING THE DATE ON WHICH THE CONTRACT WAS EXECUTED OR THE DATE OF RECEIPT OF THIS DISCLOSURE STATEMENT, WHICHEVER EVENT OCCURS LATER. TO CANCEL THE MEMBERSHIP CAMPING CONTRACT, YOU AS THE PURCHASER MUST HAND DELIVER OR MAIL NOTICE OF YOUR INTENT TO CANCEL TO THE MEMBERSHIP CAMPING OPERATOR AT THE ADDRESS SHOWN IN THE MEMBERSHIP CAMPING CONTRACT, POSTAGE PREPAID. THE MEMBERSHIP CAMPING OPERATOR IS REQUIRED BY LAW TO RETURN ALL MONEYS PAID BY YOU IN CONNECTION WITH THE EXECUTION OF THE MEMBERSHIP CAMPING CONTRACT, UPON YOUR PROPER AND TIMELY CANCELLATION OF THE CONTRACT AND RETURN OF ALL MEMBERSHIP AND RECIPROCAL USE PROGRAM MATERIALS FURNISHED AT THE TIME OF PURCHASE.

3. The following pages of the disclosure statement shall contain all of the following in the order stated:

*a.* The name, principal occupation, and address of every director, partner, or controlling person of the membership camping operator.

*b.* A brief description of the nature of the purchaser's right or license to use the campground and the facilities which are to be available for use by purchasers.

*c.* A brief description of the membership camping operator's experience in the membership camping business, including the length of time the operator has been in the membership camping business.

*d.* The location of each of the campgrounds which is to be available for use by purchasers and a brief description of the facilities at each campground which are currently available for use by purchasers. Facilities which are planned, incomplete, or not yet available for use shall be clearly identified as incomplete or unavailable. A brief description of any facilities that are or will be available to nonpurchasers shall also be provided. The description shall include, but need not be limited to, the number of campsites in each park, the number of campsites in each park with full or partial hookups, swimming pools, tennis courts, recreation buildings, restrooms and showers, laundry rooms, trading posts, and grocery stores.

*e.* The fees and charges that purchasers are or may be required to pay for the use of the campground or any facilities.

*f.* Any initial or special fee due from the purchaser, together with a description of the purpose and method of calculating the fee.

*g.* The extent to which financial arrangements, if any, have been provided for the completion of facilities, together with a statement of the membership camping operator's obligation to complete planned facilities. The statement shall include a description of any restrictions or limitations on the membership camping operator's obligation to begin or to complete the facilities.

*h.* The names of the managing entity, if any, and the significant terms of any management contract, including but not limited to, the circumstances under which the membership camping operator may terminate the management contract.

*i.* A summary or copy, whether by way of supplement or otherwise, of the rules, restrictions, or covenants regulating the purchaser's use of the campground and the facilities which are to be available for use by the purchaser, including a statement of whether and how the rules, restrictions, or covenants may be changed.

*j.* A brief description of the policies covering the availability of camping sites, the availability of reservations and the conditions under which they are made.

*k.* A brief description of any grounds for forfeiture of a purchaser's membership camping contract.

*l.* A statement of whether the membership camping operator has the right to withdraw permanently from use, all or any portion of any campground devoted to membership camping and, if so, the conditions under which the withdrawal is to be permitted.

*m.* A statement describing the material terms and conditions of any reciprocal program to be available to the purchaser, including a statement concerning whether the purchaser's participation in any reciprocal program is dependent on the continued affiliation of the membership camping operator with that reciprocal program and whether the membership camping operator reserves the right to terminate such affiliation.

*n.* As to all memberships offered by the membership camping operator at each campground, all of the following:

(1) The form of membership offered.

(2) The types of duration of membership along with a summary of the major privileges, restrictions, and limitations applicable to each type.

(3) Provisions that have been made for public utilities at each campsite including water, electricity, telephone, and sewage facilities.

*o.* A statement of the assistance, if any, that the membership camping operator will provide to the purchaser in the resale of membership camping contracts and a detailed description of how any such resale program is operated.

*p.* The following statement, printed in boldface type of a minimum size of ten points:

REGISTRATION OF THE MEMBERSHIP CAMPING OPERATOR WITH THE IOWA ATTORNEY GENERAL DOES NOT CONSTITUTE AN APPROVAL OR ENDORSEMENT BY THE ATTORNEY GENERAL OF THE MEMBERSHIP CAMPING OPERATOR, THE MEMBERSHIP CAMPING CONTRACT, OR THE CAMPGROUND.

4. The membership camping operator shall promptly amend the disclosure statement to reflect any material change and shall promptly file any such amendments with the attorney general.

87 Acts, ch 181, §12; 2013 Acts, ch 30, §176
Referred to in §557B.3, 557B.10
Section amended

**557B.9 Membership camping contracts.**

The membership camping operator shall deliver to the purchaser a fully executed copy of a membership camping contract, in writing, which contract shall include at least the following information:

1. The name of the membership camping operator and the address of its principal place of business.
2. The actual date the membership camping contract is executed by the purchaser.
3. The total financial obligation imposed on the purchaser by the contract, including the initial purchase price and any additional charge the purchaser may be required to pay.
4. A statement that the membership camping operator is required by law to provide each purchaser with a copy of the membership camping operator's disclosure statement prior to execution of the contract and that failure to do so is a violation of the law.
5. The full name of each salesperson involved in the execution of the membership camping contract.
6. In immediate proximity to the space reserved for the purchaser's signature, a conspicuous statement printed in boldface type of a minimum size of ten points:

YOU THE PURCHASER MAY CANCEL THIS CONTRACT WITHOUT ANY PENALTY OR OBLIGATION AT ANY TIME WITHIN THREE BUSINESS DAYS FOLLOWING THE DATE OF EXECUTION OF THE CONTRACT OR THE RECEIPT OF THE DISCLOSURE STATEMENT FROM THE MEMBERSHIP CAMPING OPERATOR, WHICHEVER EVENT OCCURS LATER. TO CANCEL THE CONTRACT, HAND DELIVER OR MAIL A POSTAGE PREPAID WRITTEN CANCELLATION TO THE MEMBERSHIP CAMPING OPERATOR AT THE ADDRESS LISTED ON THIS CONTRACT. UPON CANCELLATION AND RETURN OF ALL MEMBERSHIP AND RECIPROCAL USE PROGRAM MATERIALS FURNISHED AT THE TIME OF PURCHASE, YOU WILL RECEIVE A REFUND OF ALL MONEY PAID WITHIN THIRTY CALENDAR DAYS AFTER THE MEMBERSHIP CAMPING OPERATOR RECEIVES NOTICE OF YOUR CANCELLATION.

87 Acts, ch 181, §13

**557B.10 Purchaser's right of cancellation.**

A purchaser has the right to cancel a membership camping contract within three business days following the date the contract is executed or within three business days following the date of delivery of the written disclosure statement required by section 557B.8, whichever event is later.

1. The right to cancel may not be waived and any attempt to obtain such a waiver is unlawful.
2. A purchaser may cancel the contract by hand delivering a written statement of cancellation or by mailing such a statement to the membership camping operator. The cancellation is deemed effective upon mailing.
3. Upon cancellation and return of all membership and reciprocal use materials furnished at the time of purchase, the membership camping operator shall refund to the purchaser all payment and other consideration given by the purchaser. The refund shall be made

within thirty calendar days after the membership camping operator receives notice of the cancellation and may, where payment has been made by credit card, be made by an appropriate credit to the purchaser's account. If the membership camping operator fails to refund the payment or other consideration given within the thirty-day period, it is presumed that the membership camping operator is willfully and wrongfully retaining the payment or other consideration. The willful retention of a payment or other consideration in violation of this section renders the membership camping operator liable for double the amount of that portion of the payment or other consideration wrongfully withheld from the purchaser together with reasonable attorney fees and court costs.

4. The membership camping operator or salesperson shall orally inform the purchaser at the time the contract is executed of the right to cancel the contract as provided in this section.

87 Acts, ch 181, §14

**557B.11 Purchaser's remedies.**

A purchaser's remedy for errors in or omissions from the membership camping contract, the materials delivered to the purchaser at the time of sale, or any of the disclosures required in section 557B.13 is limited to a right of cancellation and refund of the payment made or consideration given by the purchaser. However, this limitation does not apply to errors or omissions from the contract or disclosures or other requirements of this chapter which are part of a scheme to willfully misstate or omit the information required. Reasonable attorney fees shall be awarded to the prevailing party in any action under this section.

87 Acts, ch 181, §15

**557B.12 Nondisturbance provisions.**

1. With respect to any property in this state acquired and put into operation by a membership camping operator after July 1, 1987, the membership camping operator shall not offer or execute a membership camping contract in this state granting the right to use the property until the following requirements are met:

*a.* Each person holding an interest in a voluntary blanket encumbrance has executed and delivered a nondisturbance agreement which includes all of the following provisions:

(1) That the rights of the holder or holders of the blanket encumbrance in the affected campground are subordinate to the rights of purchasers.

(2) That any person who acquires the affected campground or any portion of the campground by the exercise of any right of sale or foreclosure contained in the blanket encumbrance takes the campground subject to the rights of purchasers.

(3) That the holder or holders of the blanket encumbrance shall not use or cause the campground to be used in a manner which interferes with the right of purchasers to use the campground and its facilities in accordance with the terms and conditions of the membership camping contract.

*b.* Each hypothecation lender which has a lien on, or security interest in, the membership camping operator's ownership interest in the campground has executed and delivered a nondisturbance agreement and recorded the agreement in the office of the clerk of the district court of the county in which the campground is located. In addition, each person holding an interest in a blanket encumbrance superior to the interest held by the hypothecation lender has executed, delivered, and recorded an instrument stating that such person will give the hypothecation lender notice of, and at least thirty days to cure, any default under the blanket encumbrance before the person commences any foreclosure action affecting the campground. For the purposes of this section:

(1) "*Hypothecation lender*" means a financial institution which provides a major hypothecation loan to a membership camping operator.

(2) "*Major hypothecation loan*" is a loan or line of credit secured by substantially all of the contracts receivable arising from the membership camping operator's sale of membership camping contracts.

(3) "*Nondisturbance agreement*" means an instrument by which a hypothecation lender agrees to conditions substantially the same as those set forth in paragraph "*a*".

2. In lieu of compliance with subsection 1, a surety bond or letter of credit satisfying the

requirements of this subsection may be delivered to and accepted by the attorney general. The surety bond or letter of credit shall be issued to the attorney general for the benefit of purchasers and shall be in an amount which is not less than one hundred five percent of the remaining principal balance of every indebtedness secured by a blanket encumbrance affecting the campground. The bond shall be issued by a surety which is authorized to do business in this state and which has sufficient net worth to satisfy the indebtedness. The aggregate liability of the surety for all damages shall not exceed the amount of the bond. The letter of credit shall be irrevocable, shall be drawn upon a bank, savings and loan, or financial institution, and shall be in form and content acceptable to the attorney general. The bond or letter of credit shall provide for payment of all amounts secured by the blanket encumbrance including costs, expenses, and legal fees of the lienholder, if for any reason the blanket encumbrance is enforced. The bond or letter of credit may be reduced at the option of the membership camping operator periodically in proportion to the reductions of the amounts secured by the blanket encumbrance.

3. The nondisturbance agreement shall be recorded in the real estate records of the county in which the campground is located.

87 Acts, ch 181, §16
Referred to in §557B.3

**557B.13 Advertising plans — disclosures — unlawful acts.**

1. Any advertisement, communication, or sales literature relating to membership camping contracts, including oral statements by a salesperson or any other person, shall not contain:

*a.* Any untrue statement of material fact or any omission of material fact which would make the statements misleading in light of the circumstances under which the statements were made.

*b.* Any statement or representation that the membership camping contracts are offered without risk or that loss is impossible.

*c.* Any statement or representation or pictorial presentation of proposed improvements or nonexistent scenes without clearly indicating that the improvements are proposed and the scenes do not exist.

2. A person shall not by any means, as part of an advertising program, offer any item of value as an inducement to the recipient to visit a location, attend a sales presentation, or contact a sales agent, unless the person clearly and conspicuously discloses in writing in the offer in readily understandable language each of the following:

*a.* The name and street address of the owner of the real or personal property or the provider of the services which are the subject of such visit, sales presentation, or contact with a sales agent.

*b.* A general description of the business of the owner or provider identified and the purpose of any requested visit, sales presentation, or contact with a sales agent, including a general description of the facilities or proposed facilities or services which are the subject of the sales presentation.

*c.* A statement of the odds, in Arabic numerals, of receiving each item offered.

*d.* All restrictions, qualifications, and other conditions that must be satisfied before the recipient is entitled to receive the item, including all of the following:

(1) Any deadline by which the recipient must visit the location, attend the sales presentation, or contact the sales agent in order to receive the item.

(2) The approximate duration of any visit and sales presentation.

(3) Any other conditions, such as a minimum age qualification, a financial qualification, or a requirement that if the recipient is married both husband and wife must be present in order to receive the item.

*e.* A statement that the owner or provider reserves the right to provide a rain check or a substitute or like item, if these rights are reserved.

*f.* A statement that a recipient who receives an offered item may request and will receive evidence showing that the item provided matches the item randomly or otherwise selected for distribution to that recipient.

*g.* All other rules, terms, and conditions of the offer, plan, or program.

3. A person making an offer subject to registration under sections 557B.2 and 557B.3, or the person's employee or agent, shall not offer any item if the person knows or has reason to know that the offered item will not be available in a sufficient quantity based on the reasonably anticipated response to the offer.

4. A person making an offer subject to registration under sections 557B.2 and 557B.3, or the person's employee or agent, shall not fail to provide any offered item which a recipient is entitled to receive, unless the failure to provide the item is due to a higher than reasonably anticipated response to the offer which caused the item to be unavailable and the offer discloses the reservation of a right to provide a rain check or a like or substitute item if the offered item is unavailable.

5. If the person making an offer subject to registration under sections 557B.2 and 557B.3 is unable to provide an offered item because of limitations of supply not reasonably foreseeable or controllable by the person making the offer, the person making the offer shall inform the recipient of the recipient's right to receive a rain check for the item offered or receive a like or substitute item of equal or greater value at no additional cost or obligation to the recipient.

6. If a rain check is provided, the person making an offer subject to registration under sections 557B.2 and 557B.3, within a reasonable time, and in any event not later than ninety calendar days after the rain check is issued, shall deliver the agreed item to the recipient's address without additional cost or obligation to the recipient, unless the item for which the rain check is provided remains unavailable because of limitations of supply not reasonably foreseeable or controllable by the person making the offer. If the item is unavailable for these reasons, the person, not later than thirty days after the expiration of the ninety-day period, shall deliver a like or substitute item of equal or greater retail value to the recipient.

7. On the request of a recipient who has received or claims a right to receive any offered item, the person making an offer subject to registration under sections 557B.2 and 557B.3 shall furnish to the recipient sufficient evidence showing that the item provided matches the item randomly or otherwise selected for distribution to that recipient.

8. A person making an offer subject to registration under sections 557B.2 and 557B.3, or the person's employee or agent, shall not do any of the following:

*a.* Misrepresent the size, quantity, identity, or quality of any prize, gift, money, or other item of value offered.

*b.* Misrepresent in any manner the odds of receiving a particular gift, prize, amount of money, or other item of value.

*c.* Represent directly or by implication that the number of participants has been significantly limited or that any person has been selected to receive a particular prize, gift, money, or other item of value, unless this fact is true.

*d.* Label any offer a notice of termination or notice of cancellation.

*e.* Misrepresent, in any manner, the offer, plan, or program.

87 Acts, ch 181, §17

Referred to in §557B.11

**557B.14 Remedies.**

1. A violation of this chapter or the commission of any act declared to be unlawful under this chapter constitutes a violation of section 714.16, subsection 2, paragraph "*a*", and the attorney general has all the powers enumerated in that section to enforce the provisions of this chapter.

2. In addition, the attorney general may seek civil penalties of not more than ten thousand dollars for each violation of or the commission of any act declared to be unlawful under this chapter. Each day of continued violation constitutes a separate offense.

3. Any person who fails to pay the filing fees required by this chapter and continues to sell membership camping contracts is liable civilly in an action brought by the attorney general for a penalty in an amount equal to treble the unpaid fees.

4. The provisions of this chapter are cumulative and nonexclusive and do not affect any other available remedy at law or equity, except as otherwise provided in sections 502.201, 537.3310, and 552A.2.

87 Acts, ch 181, §18; 93 Acts, ch 60, §25

**557B.15 Exemptions by attorney general.**

The attorney general may, by rule or order, exempt any person from all or part of the requirements of this chapter if the attorney general finds the requirements unnecessary for the protection of purchasers. In determining exemptions from this chapter, the attorney general shall consider all of the following:

1. The duration of the membership camping contracts involved.
2. The number of membership camping contracts being offered by the operator.
3. The amount of the purchase price of the membership camping contracts.

87 Acts, ch 181, §19

**557B.16 Rules.**

The attorney general may prescribe rules in accordance with this chapter as deemed necessary to carry out the provisions of this chapter.

87 Acts, ch 181, §20

# CHAPTER 557C

## MINERAL INTERESTS IN COAL

Referred to in §331.602


557C.1 Lapse of mineral interests in coal — prevention.
557C.2 Definitions.
557C.3 Statement of claim — filing requirement.
557C.4 Statement of claim — recorder's duty.
557C.5 Reservation in other conveyance.
557C.6 Exemption.


**557C.1 Lapse of mineral interests in coal — prevention.**

A mineral interest in coal shall be extinguished twenty years after its creation, transfer, or preservation, unless a statement of claim is filed in accordance with section 557C.3, and the ownership shall revert to the person who was then the owner of the interest from which the mineral interest in coal was created, transferred, or preserved. Upon the filing of a statement of claim within the specified period, the mineral interest shall be deemed to have been preserved for an additional period of twenty years, or a shorter period as may be specified in the instrument creating the interest.

91 Acts, ch 183, §2

Referred to in §557C.3

**557C.2 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

A *"mineral interest in coal"* means an interest created by an instrument which creates or transfers either by grant, assignment, reservation, or otherwise, an interest of any kind in coal, as described in chapter 207, without limitation on the manner of mining the coal.

91 Acts, ch 183, §3; 2000 Acts, ch 1148, §1

**557C.3 Statement of claim — filing requirement.**

The statement of claim provided in section 557C.1 shall be filed by the owner of the mineral interest in coal prior to the end of the twenty-year period set forth in section 557C.1 or by July 1, 1994, whichever is later. The statement of claim shall contain the name and address of the owner of the mineral interest in coal, and a description of the real estate on, or under, which the mineral interest in coal is located. The statement of claim shall be filed in the office of the recorder in the county in which the real estate is located.

91 Acts, ch 183, §4

Referred to in §557C.1, 557C.4, 557C.6

**557C.4 Statement of claim — recorder's duty.**

Upon the filing of the statement of claim provided for in section 557C.3 in the recorder's office for the county where the real estate on, or under, which the mineral interest in coal exists, is located, the recorder shall record the statement of claim and index the entries required to be made pursuant to section 557C.3 and any applicable entries specified in sections 558.49 and 558.52.

91 Acts, ch 183, §5; 2007 Acts, ch 101, §3

**557C.5 Reservation in other conveyance.**

A reservation of a mineral interest in coal or an exception of a mineral interest in coal, contained in a conveyance of the interest out of which it is carved, by a nonowner of the mineral interest in coal shall not be deemed to satisfy the requirements of this chapter or as a revival of a mineral interest in coal otherwise extinguished under this chapter.

91 Acts, ch 183, §6

**557C.6 Exemption.**

The filing of the statement of claim required under section 557C.3 to preserve the mineral interest in coal shall not be required of an owner if the mineral interest was separately taxed for real estate tax purposes at any time after July 1, 1971.

91 Acts, ch 183, §7

# CHAPTER 558

## CONVEYANCES

Referred to in §331.607, 455H.206, 455H.301, 598.21, 622.1


558.1 "Instruments affecting real estate" defined — revocation.
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558.2 Corporation having seal.
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558.6 Given names — variation — effect.
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558.57 Entry on auditor's transfer books.
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558.60 Transfer and index books.
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558.63 Book of plats — how kept.
558.64 Entries of transfers. Repealed by 2006 Acts, ch 1031, §16.
558.65 Council's approval of certain plats.
558.66 Updating county administrative records.
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558.68 Perpetuities.
558.69 Reporting of private burial sites, wells, disposal sites, underground storage tanks, hazardous waste, and private sewage disposal systems — liability.
558.70 Contract disclosure statement required for certain residential real estate installment sales.
558.71 Civil liabilities.
558.72 Real estate transfers by certain entities.

**558.1 "Instruments affecting real estate" defined — revocation.**

All instruments containing a power to convey, or in any manner relating to real estate, including certified copies of petitions in bankruptcy with or without the schedules appended, of decrees of adjudication in bankruptcy, and of orders approving trustees' bonds in bankruptcy, and a jobs training agreement entered into under chapter 260E or 260F between an employer and community college which contains a description of the real estate affected, shall be held to be instruments affecting the same; and no such instrument, when acknowledged or certified and recorded as in this chapter prescribed, can be revoked as to third parties by any act of the parties by whom it was executed, until the instrument containing such revocation is acknowledged and filed for record in the same office in which the instrument containing such power is recorded, except that uniform commercial code financing statements and financing statement changes as provided in chapter 554 need not be thus acknowledged.

[C51, §1226; R60, §2234; C73, §1969; C97, §2957; C24, 27, 31, 35, 39, §**10066;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.1]

93 Acts, ch 180, §90; 2005 Acts, ch 3, §96

Referred to in §558A.1

**558.1A** Repealed by 2003 Acts, ch 44, § 113.

**558.1B Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. *"Grantee"* means the name of the transferee in the transaction used to create the recording index. For other instruments affecting real estate, *"grantee"* includes but is not limited to a buyer, mortgagee, lender, assignee, lessee, or party to an affidavit who is not the affiant.

3. *"Grantor"* means the name of the transferor in the transaction used to create the recording index. For other instruments affecting real estate, *"grantor"* includes but is not limited to a seller, mortgagor, borrower, assignor, lessor, or affiant.

2000 Acts, ch 1148, §1; 2010 Acts, ch 1023, §1

**558.2 Corporation having seal.**

In the execution of any written instrument conveying, encumbering, or affecting real estate by a corporation that has adopted a corporate seal, the seal of such corporation may but need not be attached or affixed to such written instrument.

[C51, §974; R60, §1823; C73, §2112; C97, §3068; S13, §3068; C24, 27, 31, 35, 39, §**10067;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.2]

96 Acts, ch 1154, §1

Seals generally, §537A.1

**558.3 Corporation not having seal.**

If the corporation has not adopted a corporate seal, such fact may but need not be stated in such written instrument.

[S13, §3068; C24, 27, 31, 35, 39, §**10068;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.3]

96 Acts, ch 1154, §2

**558.4** Repealed by 73 Acts, ch 279, § 1.

**558.5 Contract for deed — presumption of abandonment.**

1. When the record shows that a contract or bond for a deed was executed more than ten years earlier, the contract or bond shall be deemed abandoned by the vendee and void and the land shall be freed from any lien or defect on account of the contract or bond in any of the following situations:

*a.* The record does not indicate the contract or bond has been performed and more than ten years have elapsed since the contract or bond by its terms was to be performed.

*b.* A performance date for the contract or bond is not stated in the contract or bond or any extensions thereof and more than twenty years have elapsed from the date the contract or bond was executed.

2. This section shall apply to a contract or bond described in this section if the contract or bond is not filed of record but is referred to in another instrument which is filed of record. The contract or bond shall be deemed abandoned by the vendee ten years from the date that the contract or bond is to be performed according to the recorded instrument. However, if the recorded instrument does not refer to a performance date for the contract or bond, the contract or bond shall be deemed abandoned twenty years after the date that the instrument containing the reference is recorded.

3. This section shall not apply to a vendee or a vendee's successor in interest if the vendee or the vendee's successor in interest is in possession of the property or has been continuously paying the total amount due, as defined in section 445.1, of the taxes levied against the property for the preceding five years.

[S13, §2963-j; C24, 27, 31, 35, 39, §**10070;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.5]

91 Acts, ch 183, §8; 2013 Acts, ch 83, §1

Section amended

**558.6 Given names — variation — effect.**

When there is a difference between the given names or initials in which title is taken, and the given names or initials of the grantor in a succeeding conveyance, and the surnames in both instances are written the same or sound the same, the conveyances or the record of them is presumptive evidence that the surname in the several conveyances and instruments refers to the same person.

[S13, §2963-k; C24, 27, 31, 35, 39, §**10071;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.6]

84 Acts, ch 1067, §46

**558.7 Assignment of certificate of entry deemed deed.**

When the record shows:

1. That the original entry, certificate of entry, receipt, or duplicate thereof has been assigned;

2. That prior or subsequent to such assignment, the United States or state issued a patent or conveyance to the assignor;

3. That no deed of conveyance appears on record from the person who made the original entry or assignor to the assignee; and

4. That the present record owner holds title under such assignment; such assignment shall have the same force and effect as a deed of conveyance and shall be conclusively presumed to carry all right, title, and interest of the patentee of said real estate, the same as though a deed

of conveyance had been subsequently executed by the patentee or assignor to a subsequent grantor.

[S13, §2963-n; C24, 27, 31, 35, 39, §**10072;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.7]

**558.8 Affidavits explanatory of title — presumption.**

Affidavits explaining any defect in the chain of title to any real estate may be recorded as instruments affecting the same, but no one except the owner in possession of such real estate shall have the right to file such affidavit. Such affidavit or the record thereof, including all such affidavits now of record, shall raise a presumption from the date of recording that the purported facts stated therein are true; after the lapse of three years from the date of such recording, such presumption shall be conclusive.

[C51, §1226; R60, §2234; C73, §1969; C97, §2957; S13, §2963-i; C24, 27, 31, 35, 39, §**10073;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.8]

**558.9 Railroad land grants — duty to record.**

Every railroad company which owns or claims real estate in this state, granted by the government of the United States or this state to aid in the construction of its railroad, where it has not already done so, shall place on file and cause to be recorded, in each county wherein the real estate granted is situated, evidence of its title or claim of title, whether the same consists of patents from the United States, certificates from the secretary of the interior, or governor of this state, or the proper land office of the United States or this state. Where no patent was issued, reference shall be made in said certificate to the Acts of Congress, and the Acts of the legislature of this state, granting such lands, giving the date thereof, and date of their approval under which claim of title is made.

[C97, §2939; C24, 27, 31, 35, 39, §**10074;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.9]

**558.10 Patents covering land in different counties.**

Where the certificate of the secretary of the interior or the patents cover real estate situated in more than one county, the secretary of state shall, upon the application of any railroad company or its grantee, prepare and furnish, to be recorded, a list of all the real estate situated in any one county so granted, patented, or certified; and all such evidences of title shall be entered by the auditor upon the index, transfer, and plat books.

[C97, §2939; C24, 27, 31, 35, 39, §**10075;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.10]

**558.11 Record — constructive notice.**

The evidence of title shall be filed with the recorder of deeds of the county in which the real estate is situated, who shall record the same, and place an abstract thereof upon the index of deeds. The recording thereof shall be constructive notice to all persons, as provided in other cases of entries upon said index, and the recorder shall receive the same fees therefor as for recording other instruments.

[C97, §2940; C24, 27, 31, 35, 39, §**10076;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.11]

Fees, §331.604

**558.12 Transcript of instruments.**

A person interested in a parcel of real estate may procure from a county recorder in this state a transcript of any instrument affecting real estate which is of record in that recorder's office. The transcript shall be certified by the recorder.

[S13, §2938-a; C24, 27, 31, 35, 39, §**10077;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.12]

90 Acts, ch 1081, §2

Referred to in §558.13

**558.13 Transcript recorded.**

A transcript of the record of any instrument affecting real estate, certified as provided in section 558.12, shall be entitled to record in the office of the recorder of any other county in which is situated any of the real estate affected by such instrument. The effect of the recording of transcript shall be the same as the recording of the original instrument.

[S13, §2938-a; C24, 27, 31, 35, 39, §**10078;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.13]

**558.14 Grantor described as "spouse" or "heir" — presumption.**

All conveyances or the record title thereof of real estate executed more than ten years earlier, wherein the grantor or grantors described themselves as the surviving spouse, heir at law, heirs at law, surviving spouse and heir at law, or surviving spouse and heirs at law, of some person deceased in whom the record title or ownership of said real estate previously vested, shall be conclusive evidence of the facts so recited as far as they relate to the right of the grantor or grantors to convey, as fully as if the record title of said grantor or grantors had been established by due probate proceedings in the county wherein the real estate is situated.

[S13, §2963-e; C24, 27, 31, 35, 39, §**10079;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.14]

91 Acts, ch 183, §9

**558.15 Official stamps of nonresident public notaries — presumption.**

Any official stamp purporting to have been affixed to any instrument in writing, by any notary public as provided in chapter 9B residing elsewhere than in this state, shall be prima facie evidence that the words thereon engraved conform to the requirements of the law of the place where such certificate purports to have been made.

[S13, §2943-a; C24, 27, 31, 35, 39, §**10080;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.15]

2001 Acts, ch 38, §6; 2001 Acts, ch 176, §45, 46; 2012 Acts, ch 1050, §47, 60

**558.16 and 558.17** Repealed by 81 Acts, ch 117, § 1097.

**558.18 Certification — effect.**

When any such records are copied, the officer to whose office the original records belong shall compare the copy so made with the original, and when found correct, shall attach the officer's certificate in each volume or book of such copied records, to the effect that the officer has compared such copies with the original and they are true and correct, and such copied records shall thereupon have the same force and effect in all respects as the original records.

[R60, §2261, 2262; C73, §1974, 1975; C97, §2963; C24, 27, 31, 35, 39, §**10083;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.18]

**558.19 Forms of conveyance.**

The following or other equivalent forms of conveyance, varied to suit circumstances, are sufficient for the purposes herein contemplated:

1. *For a quitclaim deed.*

For the consideration of ..... dollars, I hereby quitclaim to ..... all my interest in the following tract of real estate (describing it).

2. *For a deed in fee simple without warranty.*

For the consideration of ..... dollars, I hereby convey to ..... the following tract of real estate (describing it).

3. *For a deed in fee with warranty.* The same as the last preceding form, adding the words:

And I warrant the title against all persons whomsoever (or other words of warranty, as the party may desire).

4. *For a mortgage.* The same as deed of conveyance, adding the following:

To be void upon condition that I pay, etc.

[C51, §1232; R60, §2240; C73, §1970; C97, §2958; C24, 27, 31, 35, 39, §**10084;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.19]

**558.20 Acknowledgments.**

The acknowledgment of any deed, conveyance, or other instrument in writing by which real estate in this state is conveyed or encumbered, whether made within this state, outside this state, outside the United States, or under federal authority, shall comply with the provisions of chapter 9B.

[C51, §1217; R60, §2226; C73, §1955; C97, §2942; S13, §2942; C24, 27, 31, 35, 39, §**10085;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.20]

2004 Acts, ch 1052, §1; 2012 Acts, ch 1050, §48, 60

Referred to in §602.8102(78)

Certain acknowledgments legalized, §589.4

**558.21 through 558.30** Repealed by 2004 Acts, ch 1052, § 10. See § 558.20.

**558.31 Proof of execution and delivery in lieu of acknowledgment.**

Proof of the due and voluntary execution and delivery of a deed or other instrument may be made before any officer authorized to take acknowledgments, by one competent person other than the vendee or other person to whom the instrument is executed, in the following cases:

1. If the grantor dies before making the acknowledgment.
2. If the grantor's attendance cannot be procured.
3. If, having appeared, the grantor refuses to acknowledge the execution of the instrument.

[C51, §1220, 1221; R60, §2228; C73, §1959; C97, §2949; C24, 27, 31, 35, 39, §**10095;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.31]

**558.32 Contents of certificate.**

The certificate endorsed by the officer upon a deed or other instrument thus proved must state:

1. The title of the officer taking the proof.
2. That it was satisfactorily proved that the grantor was dead, or that for some other reason the grantor's attendance could not be procured in order to make the acknowledgment, or that, having appeared, the grantor refused to acknowledge the same.
3. The name of the witness by whom proof was made, and that it was proved by the witness that the instrument was executed and delivered by the person whose name is thereunto subscribed as a party.

[C51, §1222; R60, §2230; C73, §1960; C97, §2950; C24, 27, 31, 35, 39, §**10096;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.32]

**558.33 Subpoenas.**

An officer having power to take the proof hereinbefore contemplated may issue the necessary subpoenas, and compel the attendance of witnesses residing within the county, in the manner provided for the taking of depositions.

[C51, §1225; R60, §2233; C73, §1965; C97, §2956; C24, 27, 31, 35, 39, §**10097;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.33]

Attendance of witnesses, §622.102

**558.34 Use of seal.**

The certificate of proof or acknowledgment may be given under seal or otherwise, according to the mode by which the officer making the same usually authenticates the officer's formal acts.

[C51, §1223; R60, §2231; C73, §1961; C97, §2951; C24, 27, 31, 35, 39, §**10098;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.34]

**558.35 Married persons.**

The acknowledgment of a married person, when required by law, may be taken in the same form as if the person were sole, and without any examination separate and apart from the person's spouse.

[C97, §2960; C24, 27, 31, 35, 39, §**10099;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.35]

**558.36 Attorney in fact.**

The execution of any deed, mortgage, or other instrument in writing, executed by any attorney in fact, may be acknowledged by the attorney executing the same.

[R60, §2251; C73, §1962; C97, §2952; C24, 27, 31, 35, 39, §**10100;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.36]

**558.37 through 558.39** Repealed by 2004 Acts, ch 1052, § 10.

**558.40 Liability of officer.**

Any officer, who knowingly misstates a material fact in any of the certificates mentioned in this chapter or chapter 9B, shall be liable for all damages caused thereby, and shall be guilty of a serious misdemeanor.

[C51, §1224; R60, §2232; C73, §1964; C97, §2955; C24, 27, 31, 35, 39, §**10104;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.40]

2004 Acts, ch 1052, §2; 2012 Acts, ch 1050, §49, 60

**558.41 Recording.**

1. *Effect of recording.* An instrument affecting real estate is of no validity against subsequent purchasers for a valuable consideration, without notice, or against the state or any of its political subdivisions during and after condemnation proceedings against the real estate, unless the instrument is filed and recorded in the county in which the real estate is located, as provided in this chapter.

2. *Priority.* An interest in real estate evidenced by an instrument so filed shall have priority over any lien that is given equal precedence with ordinary taxes under chapter 260E or 260F, or its successor provisions, except for a lien under chapter 260E or 260F upon the real estate described in an instrument or job training agreement filed in the office of the recorder of the county in which the real estate is located prior to the filing of a conflicting instrument affecting the real estate, and a subordinate lien under chapter 260E or 260F may be divested or discharged by judicial sale or by other available legal remedy notwithstanding any provision to the contrary contained in chapter 260E or 260F, or its successor provisions. Nothing in this section shall abrogate the collection of, or any lien for, unpaid property taxes which have attached to real estate pursuant to chapter 445, including taxes levied against tangible property that is assessed and taxed as real property pursuant to chapter 427A, or

the collection of, or any lien for, unpaid taxes for which notice of lien has been properly recorded pursuant to section 422.26.

3. *Prohibitions against recording unenforceable.* A provision contained in a residential real estate installment sales contract which prohibits the recording of the contract, or the recording of a memorandum of the contract, is unenforceable by any party to the contract.

4. *Termination of life estate.* Upon the termination of a life estate interest through the death of the holder of the life estate, any surviving holder or successor in interest shall prepare a change of title or affidavit for tax purposes and shall deliver such instrument to the county recorder of the county in which each parcel of real estate is located.

[C51, §1211; R60, §2220; C73, §1941; C97, §2925; C24, 27, 31, 35, 39, §**10105;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.41]

93 Acts, ch 33, §1; 93 Acts, ch 180, §91; 98 Acts, ch 1120, §2; 2004 Acts, ch 1144, §3; 2006 Acts, ch 1031, §7

**558.42 Acknowledgment as condition precedent.**

A document shall not be deemed lawfully recorded, unless it has been previously acknowledged or proved in the manner prescribed in chapter 9B, except that affidavits, and certified copies of petitions in bankruptcy with or without the schedules appended, of decrees of adjudication in bankruptcy, and of orders approving trustees' bonds in bankruptcy, and uniform commercial code financing statements and financing statement changes as provided in chapter 554 need not be thus acknowledged.

[C51, §1212; R60, §2221; C73, §1942; C97, §2926; C24, 27, 31, 35, 39, §**10106;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.42]

90 Acts, ch 1205, §60; 91 Acts, ch 211, §12; 2004 Acts, ch 1052, §3; 2005 Acts, ch 3, §97; 2012 Acts, ch 1050, §50, 60

**558.43 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Nonresident alien"* means:

*a.* An individual who is not a citizen of the United States and who is not domiciled in the United States.

*b.* A corporation incorporated under the law of any foreign country.

*c.* A corporation organized in the United States, beneficial ownership of which is held, directly or indirectly, by nonresident alien individuals.

*d.* A trust organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.

*e.* A partnership or limited partnership organized in the United States or elsewhere if beneficial ownership is held, directly or indirectly, by nonresident alien individuals.

2. The term *"beneficial ownership"* includes interests held by a nonresident alien individual directly or indirectly holding or acquiring a ten percent or greater share in the partnership, limited partnership, corporation or trust, or directly or indirectly through two or more such entities. In addition, the term beneficial ownership shall include interests held by all nonresident alien individuals if the nonresident alien individuals in the aggregate directly or indirectly hold or acquire twenty-five percent or more of the partnership, limited partnership, corporation or trust.

3. The term *"conveyance"* means all deeds and all contracts for the conveyance of an estate in real property except those contracts to be fulfilled within six months from date of execution thereof.

4. *"Agricultural land"* means agricultural land as defined in section 9H.1.

[C79, 81, §558.43]

**558.44 Mandatory recordation of conveyances and leases of agricultural land.**

Every conveyance or lease of agricultural land, except leases not to exceed five years in duration with renewals, conveyances or leases made by operation of law, and distributions made from estates to heirs or devisees shall be recorded by the grantee or lessee with the county recorder not later than one hundred eighty days after the date of conveyance or lease.

For an instrument of conveyance of agricultural land deposited with an escrow agent, the fact of deposit of that instrument of conveyance with the escrow agent as well as the name and address of the grantor and grantee shall be recorded, by a document executed by the escrow agent, with the county recorder not later than one hundred eighty days from the date of the deposit with the escrow agent. For an instrument of conveyance of agricultural land delivered by an escrow agent, that instrument shall be recorded with the county recorder not later than one hundred eighty days from the date of delivery of the instrument of conveyance by the escrow agent.

At the time of recordation of the conveyance or lease of agricultural land, except a lease not exceeding five years in duration with renewals, conveyances or leases made by operation of law and distributions made from estates of decedents to heirs or devisees, to a nonresident alien as grantee or lessee, such conveyance or lease shall disclose, in an affidavit to be recorded therewith as a precondition to recordation, the name, address, and citizenship of the nonresident alien. In addition, if the nonresident alien is a partnership, limited partnership, corporation or trust, the affidavit shall also disclose the names, addresses, and citizenship of the nonresident alien individuals who are the beneficial owners of such entities. However, any partnership, limited partnership, corporation, or trust which has a class of equity securities registered with the United States securities and exchange commission under section 12 of the Securities Exchange Act of 1934 as amended to January 1, 1978, need only state that fact on the affidavit.

Failure to record a conveyance or lease of agricultural land required to be recorded by this section by the grantee or lessee within the specified time limit is punishable by a fine not to exceed one hundred dollars per day for each day of violation. The county recorder shall record a conveyance or lease of agricultural land presented for recording even though not presented within one hundred eighty days after the date of conveyance or lease. The county recorder shall forward to the county attorney a copy of each such conveyance or lease of agricultural land recorded more than one hundred eighty days from the date of conveyance. The county attorney shall initiate action in the district court to enforce the provisions of this section. Failure to timely record shall not invalidate an otherwise valid conveyance or lease.

If a real estate contract or lease is required to be recorded under this section, the requirement is satisfied by recording either the entire real estate contract or lease or a memorandum of the contract or lease containing at least the names and addresses of all parties named in the contract or lease, a description of all real property and interests therein subject to the contract or lease, the length of the contract or initial term of the lease, and in the case of a lease a statement as to whether any of the named parties have or are subject to renewal rights, and if so, the event or condition upon which renewal occurs, the number of renewal terms and the length of each, and in the case of a real estate contract a statement as to whether the seller is entitled to the remedy of forfeiture and as to the dates upon which payments are due. This unnumbered paragraph is effective July 1, 1980 for all contracts and leases of agricultural land made on or after July 1, 1980.

The provisions of this section except as otherwise provided, are effective July 1, 1979, for all conveyances and leases of agricultural land made on or after July 1, 1979.

[C79, 81, §558.44]

Referred to in §331.602, 331.756(72)

**558.45 Notation of assignment or release on index.**

Where any mortgage, contract, or other instrument constituting an encumbrance upon real estate shall be assigned or released by a separate instrument, it shall be the duty of the recorder to make a notation where the instrument was originally indexed, indicating the nature of such assignment or release and a document reference number of the record where the same is recorded.

[C27, 31, 35, §10108-a1; C31, 35, §10115-c1; C39, §**10108.1, 10115.1;** C46, 50, 54, 58, 62, 66, §558.45, 558.56; C71, 73, 75, 77, 79, 81, §558.45]

2001 Acts, ch 44, §22

**558.46 Mandatory recording of certain residential real estate installment sales contracts.**

1. Every real estate installment sales contract transferring an interest in residential property shall be recorded by the contract seller with the county recorder in the county in which the real estate is situated not later than ninety days from the date the contract was signed by the contract seller and contract purchaser.

2. Failure to record a real estate contract required to be recorded by this section by the contract seller within the specified time limit is punishable by a fine not to exceed one hundred dollars per day for each day of violation. The county recorder shall record a real estate contract presented for recording even though not presented within ninety days of the signing of the contract. The county recorder shall forward to the county attorney a copy of each real estate contract recorded more than ninety days from the date the contract was signed by the contract seller and contract purchaser. The county attorney shall initiate action in the district court to enforce the provisions of this section. Fines collected pursuant to this subsection shall be deposited in the general fund of the county.

3. Failure to timely record shall not invalidate an otherwise valid real estate contract. However, a contract seller is prohibited from initiating forfeiture proceedings on the basis of a failure to comply with the terms of a real estate contract, if the contract has not been recorded.

4. If a real estate contract is required to be recorded under this section, the requirement is satisfied by recording either the entire real estate contract or a memorandum of the contract containing at least the names and addresses of all parties named in the contract, a description of all real property and interests in the real property subject to the contract, the length of the contract, and a statement as to whether the seller is entitled to the remedy of forfeiture and as to the dates upon which payments are due.

5. For the purposes of this section, *"residential property"* includes commercial property consisting of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.

6. This section applies to residential real estate installment sales contracts entered into before, on, or after July 1, 1998. However, such contracts entered into before July 1, 1998, shall not be subject to the fine in subsection 2.

7. If a contract seller is subject to the requirements of section 558.70, the contract must be recorded within thirty days rather than ninety days and the recording requirement is only satisfied by recording the real estate contract rather than a memorandum of the contract.

98 Acts, ch 1120, §1; 2002 Acts, ch 1136, §3, 6; 2010 Acts, ch 1058, §1, 2

2010 amendments to subsections 1, 2, and 7 apply to real estate installment contracts signed on or after July 1, 2010; 2010 Acts, ch 1058, §2

For future amendment to subsection 5, effective January 1, 2015, see 2013 Acts, ch 123, §29, 30

Section not amended; footnote added

**558.47** Repealed by 86 Acts, ch 1079, § 7.

**558.48 Transfer fee covenant — prohibition.**

1. For purposes of this section, unless the context otherwise requires:

*a.* *"Transfer"* means the sale, gift, conveyance, assignment, inheritance, or other transfer of ownership interest in real property located in this state.

*b.* (1) *"Transfer fee"* means a fee or charge payable upon the transfer of an interest in real property, or payable for the right to make or accept a transfer of an interest in real property, regardless of whether the fee or charge is a fixed amount or is determined as a percentage of the value of the property, the purchase price, or other consideration given for the transfer.

(2) *"Transfer fee"* does not include any of the following:

(a) Any consideration payable by the transferee to the transferor for the interest in real property being transferred.

(b) Any commission payable to a licensed real estate broker for the transfer of real property under an agreement between the broker and the transferee or transferor.

(c) Any interest, charges, fees, or other amounts payable by a borrower to a lender under a loan secured by a mortgage against real property, including but not limited to any fee

payable to the lender for consenting to an assumption of the loan or a transfer of the real property subject to the mortgage, any fees or charges payable to the lender for estoppel letters or certificates, and any other consideration allowed by law and payable to the lender in connection with the loan.

(d) Any rent, reimbursement, charge, fee, or other amount payable by a lessee to a lessor under a lease, including but not limited to any fee payable to the lessor for consenting to an assignment, subletting, encumbrance, or transfer of the lease.

(e) Any consideration payable to the holder of an option to purchase an interest in real property or the holder of a right of first refusal or first offer to purchase an interest in real property for waiving, releasing, or not exercising the option or right upon the transfer of the property to another person.

(f) Any tax, fee, charge, assessment, fine, or other amount payable to or imposed by a governmental authority.

c. *"Transfer fee covenant"* means a declaration or covenant purporting to affect real property which requires or purports to require the payment of a transfer fee to the declarant or other person specified in the covenant or declaration, or to their successors or assigns, upon a subsequent transfer of an interest in the real property.

2. A transfer fee covenant shall not run with the title to real property and is not binding on or enforceable at law or in equity against any subsequent owner, purchaser, or mortgagee of any interest in the real property as an equitable servitude or otherwise. Any lien purporting to secure the payment of a transfer fee under a transfer fee covenant is void and unenforceable.

2010 Acts, ch 1152, §1, 2

Section takes effect April 23, 2010, and applies to any lien purporting to secure the payment of a transfer fee under a transfer fee covenant which is filed in this state on or after April 23, 2010; 2010 Acts, ch 1152, §2

**558.49 Index records.**

The recorder must keep index records to show the following:

1. Each grantor.
2. Each grantee.
3. The date and time when the instrument was filed with the recorder.
4. The date of the instrument.
5. The nature of the instrument.
6. The document reference number where the record of the instrument may be found.
7. The description of the real estate affected by the instrument.

[C51, §1213; R60, §2222; C73, §1943; C97, §2935; S13, § 2935; C24, 27, 31, 35, 39, §**10109;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.49]

2001 Acts, ch 44, §23, 24; 2006 Acts, ch 1031, §8; 2010 Acts, ch 1023, §2

Referred to in §10A.108, 96.14, 422.26, 437A.11, 437A.22, 437B.7, 437B.18, 448.17, 468.623, 468.626, 557C.4, 558.55, 561.4, 614.17, 614.18, 614.35

**558.50 and 558.51** Repealed by 2001 Acts, ch 44, § 33.

**558.52 Alphabetical arrangement.**

The entries shall show the names of the respective grantors and grantees, arranged in alphabetical order. When the instrument is executed by a personal representative, guardian, referee, commissioner, receiver, sheriff, or other person acting in a representative capacity, the recorder shall enter upon the index the name and representative capacity of each person executing the instrument and the owner of the property if disclosed in the instrument.

[C51, §1215; R60, §2224; C73, §1945; C97, §2937; C24, 27, 31, 35, 39, §**10112;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.52]

2001 Acts, ch 44, §25

Referred to in §10A.108, 96.14, 422.26, 437A.11, 437A.22, 437B.7, 437B.18, 448.17, 468.623, 468.626, 557C.4, 558.55, 561.4, 614.17, 614.18, 614.35

**558.53 and 558.54** Repealed by 2001 Acts, ch 44, § 33.

**558.55 Filing and indexing — constructive notice.**

The recorder must endorse upon every instrument properly filed for recording in the recorder's office, the day, hour, and minute when filed for recording and the document reference number, and enter in the index the entries required to be entered pursuant to sections 558.49 and 558.52. The recording and indexing shall constitute constructive notice to all persons of the rights of the grantees conferred by the instruments.

[C51, §1214; R60, §2223; C73, §1944; C97, §2936; C24, 27, 31, 35, 39, §**10115;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.55]

2001 Acts, ch 44, §26; 2007 Acts, ch 101, §4; 2009 Acts, ch 27, §34

Referred to in §6B.3

**558.56** Repealed by 70 Acts, ch 1169, § 6.

**558.57 Entry on auditor's transfer books.**

After the recorder has accepted for recording and indexed any deed, real estate installment contract, or other instrument unconditionally conveying real estate or altering a real estate contract by assigning the buyer's or seller's interest, changing the name of the buyer or seller, changing the legal description of the property, forfeiting or canceling the contract, or making other significant changes, the auditor shall make the proper entries upon the transfer books in the auditor's office.

[C73, §1952, 1953; C97, §2932, 2934; C24, 27, 31, 35, 39, §**10116;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.57]

85 Acts, ch 159, §8; 86 Acts, ch 1079, §2; 2000 Acts, ch 1058, §56; 2001 Acts, ch 143, §5; 2004 Acts, ch 1144, §4; 2006 Acts, ch 1031, §9

Referred to in §331.507, 558.58

**558.58 Recorder to collect and deliver to auditor.**

1. *a.* At the time of filing a deed, real estate installment contract, or other instrument mentioned in section 558.57, the recorder shall collect, and note payment of, the recording fee and the auditor's transfer fee, as provided by law, except as provided in subsection 2.

*b.* After the recorder has accepted the instrument for recording, the instrument shall be indexed and then delivered to the auditor to be placed on the auditor's transfer books.

2. When the person required to pay a fee relating to a real estate transaction is a governmental subdivision or agency, the recorder, at the request of the governmental subdivision or agency, shall bill the governmental subdivision or agency for the fees required to be paid. The governmental subdivision or agency shall pay the fees and taxes due within thirty days after the date of filing.

[C24, 27, 31, 35, 39, §**10117;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.58]

86 Acts, ch 1079, §3; 2000 Acts, ch 1058, §56; 2001 Acts, ch 143, §6; 2006 Acts, ch 1031, §10; 2013 Acts, ch 30, §261

Referred to in §331.602, 598.21, 633.480, 633.481

Code editor directive applied

**558.59 Final record.**

Every instrument shall be recorded as soon as practicable, after which the recorder shall complete the entries to show the document reference number where the record is to be found.

[C51, §1216; R60, §2225; C73, §1946; C97, §2938; C24, 27, 31, 35, 39, §**10118;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.59]

2001 Acts, ch 44, §27

**558.60 Transfer and index books.**

1. The county auditor shall keep in the county auditor's office books for the transfer of real estate, which shall consist of a transfer book, index book, and plat book. As used in this context, *"book"* means the method of data storage and retrieval utilized by the county auditor.

2. The auditor shall index the real estate transfers by block and lot or by township, range, section, section quarter, and subdivision, as occasion may require. The transfer books shall show all of the following:

*a.* Each grantor.
*b.* Each grantee.
*c.* The date of the instrument.
*d.* The nature of the instrument.
*e.* The document reference number where the record of the instrument may be found.
*f.* The description of the real estate conveyed.
[C73, §1948; C97, §2927; C24, 27, 31, 35, 39, §**10119;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.60]
2006 Acts, ch 1031, §11; 2013 Acts, ch 30, §261
Referred to in §331.508, 558.66
Code editor directive applied

**558.61 Form of transfer book.** Repealed by 2006 Acts, ch 1031, § 16. See § 558.60.

**558.62 Form of index book.** Repealed by 2006 Acts, ch 1031, § 16. See § 558.60.

**558.63 Book of plats — how kept.**
The auditor shall keep the book of plats showing the number of lot and block, or township and range, divided into sections and subdivisions as occasion may require, and shall designate thereon each piece of real estate and the name of the owner. The plats shall be lettered or numbered so that they may be conveniently referred to in the transfer book.
[C73, §1950; C97, §2929; C24, 27, 31, 35, 39, §**10122;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.63]
2006 Acts, ch 1031, §12
Referred to in §331.508

**558.64 Entries of transfers.** Repealed by 2006 Acts, ch 1031, § 16. See § 558.60.

**558.65 Council's approval of certain plats.**
No conveyances or plats of additions to any city or subdivision of any lands lying within or adjacent to any city in which streets and alleys and other public grounds are sought to be dedicated to public use, or other conveyances in which streets and alleys are sought to be conveyed to such city, shall be so entered, unless such conveyances, plats, or other instruments have endorsed thereon the approval of the council of such city, the certificates of such approval to be made by the city clerk.
[S13, §2930; C24, 27, 31, 35, 39, §**10124;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.65]
Referred to in §331.508
Plats, see also chapter 354

**558.66 Updating county administrative records.**
1. Upon the receipt of an instrument that satisfies the requirements of this section and the payment of the applicable fees authorized in section 331.507, subsection 2, the auditor shall enter the updated or corrected real estate ownership information in the transfer books and index required by section 558.60.
2. In the case of an instrument filed with the recorder that satisfies the requirements of this section, the recorder shall collect the applicable fees authorized under section 331.507, subsection 2, and section 331.604 and pay such fees to the treasurer as provided in section 331.902, subsection 3.
3. Each of the following instruments shall be accepted by the recorder for the purpose of updating the county transfer books and index if a conveyance has not occurred:
*a.* A certificate issued by the clerk of the district court or clerk of the supreme court indicating that the title to real estate has been finally established in any named person by judgment or decree or by will.
*b.* An affidavit of or on behalf of a surviving joint tenant or a person who owns the remainder interest. The affidavit shall include substantially the following:
(1) The name of the affiant.

(2) The name of the surviving joint tenant or owner of the remainder interest, as applicable, in whose name the county records should reflect ownership of title.

(3) The name of the deceased joint tenant or life tenant and such person's date of death.

(4) The legal description of the real estate located in the county.

(5) The description and date of filing and recording of the conveyance instrument by which the surviving joint tenant or owner of the remainder interest acquired title.

(6) The document reference number of the instrument establishing title, if applicable.

(7) A request that the auditor enter the information on the transfer books and index pursuant to subsection 1.

*c.* An affidavit by or for a person, other than an individual, following a merger, consolidation, name change, or change of fiduciary. The affidavit shall include substantially the following, as applicable:

(1) The former name of the person.

(2) The new name of the person.

(3) The legal description of the real estate located in the county.

(4) A description of the merger, consolidation, name change, or change of fiduciary.

(5) A request that the auditor enter the information on the transfer books and index pursuant to subsection 1.

*d.* Articles of merger, consolidation, or name change as required by another provision of law if the legal description of the real estate is attached thereto.

4. An instrument recorded pursuant to this section is not a muniment of title.

[C97, §2931; C24, 27, 31, 35, 39, §**10125;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.66]

85 Acts, ch 159, §9; 86 Acts, ch 1079, §4; 90 Acts, ch 1035, §1; 91 Acts, ch 86, §1; 93 Acts, ch 109, §14; 2000 Acts, ch 1058, §56; 2006 Acts, ch 1129, §3; 2009 Acts, ch 27, §35; 2011 Acts, ch 21, §1; 2012 Acts, ch 1023, §82

Referred to in §331.508

Title established or changed — certificate; §602.8102(10)

**558.67 Correction of books and instruments.**

The auditor from time to time shall correct any error appearing in the transfer books, and shall notify the grantee of any error in description discovered in any instrument filed for transfer, and permit the same to be corrected by the parties before completing such transfer.

[C73, §1954; C97, §2933; C24, 27, 31, 35, 39, §**10126;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.67]

Referred to in §331.508, 614.21

**558.68 Perpetuities.**

1. A nonvested interest in property is not valid unless it must vest, if at all, within twenty-one years after one or more lives in being at the creation of the interest and any relevant period of gestation.

2. *a.* In determining whether a nonvested interest would violate the rule against perpetuities in subsection 1, the period of the rule shall be measured by actual events rather than by possible events, in any case in which that would validate the interest. For this purpose, if an examination of the facts in existence at the time the period of the rule begins to run reveals a life or lives in being within twenty-one years after whose deaths the nonvested interest will necessarily vest, if it ever vests, that life or lives are the measuring lives for purposes of the rule against perpetuities with respect to that nonvested interest and that nonvested interest is valid under the rule.

*b.* If no such life or lives can be ascertained at the time the period of the rule begins to run, the measuring lives for purposes of the rule are all of the following:

(1) The creator of the nonvested interest, if the period of the rule begins to run in the creator's lifetime.

(2) Those persons alive when the period begins to run, if reasonable in number, who have been selected by the creator of the interest to measure the validity of the nonvested interest or, if none, those persons, if reasonable in number, who have a beneficial interest whether vested or nonvested in the property in which the nonvested interest exists, the grandparents of all

such beneficiaries and the issue of such grandparents alive when the period of the rule begins to run, and those persons who are the potential appointees of a special power of appointment exercisable over the property in which the nonvested interests exist who are the grandparents or issue of the grandparents of the donee of the power and alive when the period of the rule begins to run.

(3) Those other persons alive when the period of the rule begins to run, if reasonable in number, who are specifically mentioned in describing the beneficiaries of the property in which the nonvested interest exists.

(4) The donee of a general or special power of appointment if the donee is alive when the period of the rule begins to run and if the exercise of that power could affect the nonvested interest.

3. A nonvested interest that would violate the rule against perpetuities whether its period is measured by actual or by possible events shall be judicially reformed to most closely approximate the intention of the creator of the interest in order that the nonvested interest will vest, even though it may not become possessory, within the period of the rule.

4. This section is applicable to all nonvested interests created on, before, or after July 1, 1983.

5. This section shall not impair the validity of an environmental covenant established pursuant to chapter 455I.

[C51, §1191; R60, §2199; C73, §1920; C97, §2901; C24, 27, 31, 35, 39, §**10127;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §558.68]

83 Acts, ch 20, §1; 2005 Acts, ch 102, §17

Referred to in §455I.9

**558.69 Reporting of private burial sites, wells, disposal sites, underground storage tanks, hazardous waste, and private sewage disposal systems — liability.**

1. With each declaration of value submitted to the county recorder under chapter 428A, there shall be submitted a groundwater hazard statement stating all of the following:

*a.* Whether any known private burial site is situated on the property, and if a known private burial site is situated on the property, the statement shall state the approximate location of the site.

*b.* That no known wells are situated on the property, or if known wells are situated on the property, the statement must state the approximate location of each known well and its status with respect to section 455B.190 or 460.302.

*c.* That no known disposal site for solid waste, as defined in section 455B.301, which has been deemed to be potentially hazardous by the department of natural resources, exists on the property, or if such a known disposal site does exist, the location of the site on the property.

*d.* That no known underground storage tank, as defined in section 455B.471, subsection 11, exists on the property, or if a known underground storage tank does exist, the type and size of the tank, and any known substance in the tank.

*e.* That no known hazardous waste as defined in section 455B.411, subsection 3, exists on the property, or if known hazardous waste does exist, that the waste is being managed in accordance with rules adopted by the department of natural resources.

*f.* That no known private sewage disposal system exists on the property or, if such private sewage disposal system exists, that the system has been inspected pursuant to section 455B.172, subsection 11, or that the property is not subject to inspection due to its exclusion from a regulated transfer pursuant to section 455B.172, subsection 11, paragraph *"a"*.

2. The groundwater hazard statement shall be signed by at least one of the sellers or their agents.

3. The county recorder shall refuse to record any deed, instrument, or writing for which a declaration of value is required under chapter 428A unless the groundwater hazard statement required by this section has been submitted to the county recorder.

4. A buyer of property shall be provided with a copy of the submitted groundwater hazard statement by the seller.

5. The land application of sludges or soils resulting from the remediation of underground storage tank releases accomplished in compliance with department of natural resources rules

without a permit is not required to be reported as the disposal of solid waste or hazardous waste.

6. The director of the department of natural resources shall prescribe the form of the groundwater hazard statement.

7. The county recorder shall transmit the groundwater hazard statements to the department of natural resources at times and in a manner directed by the director of the department.

8. The owner of the property is responsible for the accuracy of the information submitted on the groundwater hazard statement. The owner's agent shall not be liable for the accuracy of information provided by the owner of the property. The provisions of this subsection do not limit liability which may be imposed under a contract or under any other law.

87 Acts, ch 225, §307; 88 Acts, ch 1169, §16, 17; 90 Acts, ch 1235, §42; 99 Acts, ch 140, §1; 2006 Acts, ch 1014, §9; 2010 Acts, ch 1120, §6; 2011 Acts, ch 9, §8

**558.70 Contract disclosure statement required for certain residential real estate installment sales.**

1. Prior to executing a residential real estate installment sales contract, the contract seller shall deliver a written contract disclosure statement to the contract purchaser which shall clearly set forth the following information:

*a.* If the real estate subject to the contract has been separately assessed for property tax purposes, the current assessed value of the real estate.

*b.* (1) A complete description of any property taxes due and payable on the real estate and a complete description of any special assessment on the real estate and the term of the assessment.

(2) Information on whether any property taxes or special assessments are delinquent and whether any tax sale certificates have been issued for delinquent property taxes or special assessments on the real estate.

*c.* A complete description of any mortgages or other liens encumbering or secured by the real estate, including the identity and address of the current owner of record with respect to each such mortgage or lien, as well as a description of the total outstanding balance and due date under any such mortgage or lien.

*d.* A complete amortization schedule for all payments to be made pursuant to the contract, which amortization schedule shall include information on the portion of each payment to be applied to principal and the portion to be applied to interest.

*e.* If the contract requires a balloon payment, a complete description of the balloon payment, including the date the payment is due, the amount of the balloon payment, and other terms related to the balloon payment. For purposes of this paragraph, a *"balloon payment"* is any scheduled payment that is more than twice as large as the average of earlier scheduled payments.

*f.* The annual rate of interest to be charged under the contract.

*g.* A statement that the purchaser has a right to seek independent legal counsel concerning the contract and any matters pertaining to the contract.

*h.* A statement that the purchaser has a right to receive a true and complete copy of the contract after it has been executed by all parties to the contract.

*i.* The mailing address of each party to the contract.

*j.* If the contract is subject to forfeiture, a statement that if the purchaser does not comply with the terms of the contract, the purchaser may lose all rights in the real estate and all sums paid under the contract.

2. The contract disclosure statement shall be dated and signed by each party to the contract, and the contract purchaser shall be provided a complete copy of the contract at the time the disclosure statement is delivered to the contract purchaser pursuant to subsection 1.

3. Within five days after a residential real estate installment sales contract has been executed by all parties to the contract, the contract seller shall mail a true and correct copy of the contract by regular first class mail to the last known address of each contract purchaser. However, this requirement is satisfied as to any purchaser who acknowledges in writing that the purchaser has received a true and correct copy of the fully executed contract.

4. This section applies to a contract seller who entered into four or more residential real estate contracts in the three hundred sixty-five days previous to the contract seller signing the contract disclosure statement. For purposes of this subsection, two or more entities sharing a common owner or manager are considered a single contract seller. This section does not apply to a person or organization listed in section 535B.2, subsections 1 through 6.

5. A violation of this section affects title to property only as provided in section 558.71.

6. For purposes of this section, *"residential real estate"* means a residential dwelling containing no more than two single-family dwelling units, which is not located on a tract of land used for agricultural purposes as defined in section 535.13.

7. This section and any rules adopted to administer this section shall not limit or abridge any duty, requirement, obligation, or liability for disclosure created by any other provision of law, or under a contract between the parties.

2002 Acts, ch 1136, §1, 6; 2005 Acts, ch 83, §9, 10; 2007 Acts, ch 22, §99; 2008 Acts, ch 1160, §36

Referred to in §558.46, 558.71, 558A.4, 714.8

**558.71 Civil liabilities.**

1. A contract purchaser injured by a violation of section 558.70 may within one year of the execution of the contract bring an equitable action in the district court of record where the real estate is located to obtain relief as follows:

*a.* The court may rescind a contract that remains in existence at the time the action is commenced, and award restitution to the contract purchaser determined in accordance with the standards for damages specified in paragraph *"b"*.

*b.* If the contract has been terminated by any means prior to commencement of the action, the contract purchaser may recover a money judgment against the original contract seller for a sum equal to all amounts the contract purchaser paid to the contract seller, plus the reasonable value of any improvements to the real estate made by the contract purchaser, plus any other proximately caused or incidental damages, less the fair rental value of the real estate for the period of time the contract purchaser was in possession of the real estate. For the purposes of this paragraph, the fair rental value of the real estate shall be based on the fair rental value of the real estate as of the date the real estate installment sales contract was executed by all parties to the contract.

2. A contract purchaser alleging a violation of section 558.70 bears the burden of establishing such violation by a preponderance of the evidence.

3. An order of recision or a money judgment awarded shall not affect any rights or responsibilities arising from any conveyance or encumbrance made by either the contract purchaser or the contract seller prior to the filing of a lis pendens in the action in which such relief is sought, unless it is established by clear and convincing evidence that the recipient of such conveyance or encumbrance had prior knowledge that the contract was executed in violation of the requirements of section 558.70.

4. In an action in which a contract purchaser obtains relief under this section, the court shall also award to such contract purchaser reasonable attorney fees incurred in bringing the action.

2002 Acts, ch 1136, §2, 6

Referred to in §558.70

**558.72 Real estate transfers by certain entities.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Entity"* means any of the following:

(1) A partnership, limited liability partnership, or foreign limited liability partnership as provided in chapter 486A.

(2) A limited partnership, foreign limited partnership, limited liability limited partnership, or foreign limited liability limited partnership as provided in chapter 488.

(3) A limited liability company or foreign limited liability company as provided in chapter 489.

(4) A corporation or foreign corporation as provided in chapter 490 or a nonprofit corporation or foreign nonprofit corporation as provided in chapter 504.

(5) A cooperative association as provided in chapter 497 or 498; an association, corporation, or foreign corporation as provided in chapter 499; a cooperative as provided in chapter 499A; a cooperative as provided in chapter 501; or a cooperative or foreign cooperative as provided in chapter 501A.

(6) An unincorporated nonprofit association as provided in chapter 501B.

*b.* *"Instrument transferring an interest in real estate"* means a deed, real estate contract, lease, easement, mortgage, deed of trust, or any other instrument used to effect the transfer of an interest in real estate situated in this state by any act to sell, transfer, convey, assign, lease, mortgage, or encumber the interest in the real estate.

2. An instrument transferring an interest in real estate situated in this state by an entity, unless clearly and conspicuously provided to the contrary in the instrument, includes a warranty to the transferee by the person executing the instrument of all of the following:

*a.* That the transferor entity is in existence at the time of the transfer.

*b.* That the person executing the instrument has been duly authorized by the transferor entity to execute the instrument on behalf of the entity.

*c.* That the person executing the instrument has the legal capacity to execute the instrument.

*d.* That the person knows of no facts or legal claims that might impair the validity of the transfer, including whether the instrument was given in the ordinary course of business.

3. An action to invalidate a transfer of real estate by deed or real estate contract by an entity shall be subject to the time limitations set forth in section 614.14A.

2013 Acts, ch 108, §5
Referred to in §614.14A
NEW section

# CHAPTER 558A

## REAL ESTATE DISCLOSURES

Referred to in §543B.9


| | | | |
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| 558A.1 | Definitions. | 558A.5 | Agency. |
| 558A.2 | Procedures. | 558A.6 | Liability under the chapter. |
| 558A.3 | Good faith and amendments. | 558A.7 | Chapter is not limiting. |
| 558A.4 | Required information. | 558A.8 | Validity of a transfer. |


**558A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Broker"* means a real estate broker licensed pursuant to chapter 543B.

2. *"Commission"* means the real estate commission created pursuant to section 543B.8.

3. *"Salesperson"* means a salesperson licensed pursuant to chapter 543B.

4. *"Transfer"* means the transfer or conveyance by sale, exchange, real estate contract, or any other method by which real estate and improvements are purchased, if the property includes at least one but not more than four dwelling units. However, a transfer does not include any of the following:

*a.* A transfer made pursuant to a court order, including but not limited to a transfer under chapter 633 or 633A, the execution of a judgment, the foreclosure of a real estate mortgage pursuant to chapter 654, the forfeiture of a real estate contract under chapter 656, a transfer by a trustee in bankruptcy, a transfer by eminent domain, or a transfer resulting from a decree for specific performance.

*b.* A transfer to a mortgagee by a mortgagor or successor in interest who is in default, a transfer by a mortgagee who has acquired real property as a result of a deed in lieu of foreclosure or has acquired real property under chapter 654 or 655A, or a transfer back to a mortgagor exercising a right of first refusal pursuant to section 654.16A.

*c.* A transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust.

*d.* A transfer between joint tenants or tenants in common.

*e.* A transfer made to a spouse, or to a person in the lineal line of consanguinity of a person making the transfer.

*f.* A transfer between spouses resulting from a decree of dissolution of marriage, a decree of legal separation, or a property settlement agreement which is incidental to the decree, including a decree ordered pursuant to chapter 598.

*g.* A transfer to or from the state, a political subdivision of the state, another state, or the United States.

*h.* A transfer by quitclaim deed.

*i.* A transfer by a power of attorney.

5. *"Transferee"* means a person who is acquiring real property as provided in an instrument containing the power to transfer real estate, including an instrument described in section 558.1.

6. *"Transferor"* means a person who is transferring real property as provided in an instrument containing the power to transfer real estate, including an instrument described in section 558.1.

93 Acts, ch 30, §3; 2006 Acts, ch 1030, §70; 2006 Acts, ch 1055, §5; 2010 Acts, ch 1120, §7

**558A.2 Procedures.**

1. A person interested in transferring real property, or a broker or salesperson acting on behalf of the person, shall deliver a written disclosure statement to a person interested in being transferred the real property. The disclosure statement must be delivered prior to either the transferor making a written offer for the transfer of the real property, or accepting a written offer for the transfer of the real property.

2. The disclosure statement shall be made by personal delivery or by certified or registered mail to the transferee. The delivery may be made to the spouse of the transferee, unless otherwise provided by the parties. If the disclosure statement is not timely delivered, the transferee may withdraw the offer or revoke the acceptance without liability, within three days following personal delivery of the statement or five days following delivery by mail.

3. The disclosure statement may be filed with the county recorder with instruments affecting the transfer of real estate. However, the failure to file the statement shall not cause a defect in the title to the property.

93 Acts, ch 30, §4

Referred to in §558A.5

**558A.3 Good faith and amendments.**

1. All information required by this section and rules adopted by the commission shall be disclosed in good faith. If at the time the disclosure is required to be made, information required to be disclosed is not known or available to the transferor, and a reasonable effort has been made to ascertain the information, an approximation of the information may be used. The information shall be identified as an approximation. The approximation shall be based on the best information available at the time.

2. A disclosure statement shall be amended, if information disclosed in the statement is or becomes inaccurate or misleading, or is supplemented. The amended statement shall be subject to the same procedures as the original disclosure statement as provided in this chapter. However, the statement is not required to be amended if either of the following applies:

*a.* The information disclosed in conformance with this chapter is subsequently rendered inaccurate as a result of an act, occurrence, or agreement subsequent to the delivery of the disclosure statement.

*b.* The information is based on information of a public agency, including the state, a political subdivision of the state, or the United States. The information shall be deemed to be accurate and complete, unless the transferor or the broker or salesperson has actual

knowledge of an error, inaccuracy, or omission, or fails to exercise ordinary care in obtaining the information.

93 Acts, ch 30, §5

**558A.4 Required information.**

1. *a.* The disclosure statement shall include information relating to the condition and important characteristics of the property and structures located on the property, including significant defects in the structural integrity of the structure, as provided in rules which shall be adopted by the real estate commission pursuant to section 543B.9. The rules may require the disclosure to include information relating to the property's zoning classification; the condition of plumbing, heating, or electrical systems; or the presence of pests.

*b.* The disclosure statement may include a report or written opinion prepared by a person qualified to make judgment based on education or experience, as provided by rules adopted by the commission, including but not limited to a professional land surveyor licensed pursuant to chapter 542B, a geologist, a structural pest control operator licensed pursuant to section 206.6, or a building contractor. The report or opinion on a matter within the scope of the person's practice, profession, or expertise shall satisfy the requirements of this section or rules adopted by the commission regarding that matter required to be disclosed. If the report or opinion is in response to a request made for purposes of satisfying the disclosure statement, the report or opinion shall indicate which part of the disclosure statement the report or opinion satisfies.

2. *a.* A transferor subject to the requirements of section 558.70 shall recommend in writing that the transferee obtain an independent home inspection report to provide full and complete information as required to be disclosed under this section and under rules adopted by the real estate commission pursuant to section 543B.9.

*b.* A transferor subject to section 558.70 shall provide the real estate disclosure statement required by this chapter at least seven days before the real estate installment sales contract is executed by all parties to the contract.

93 Acts, ch 30, §6; 96 Acts, ch 1204, §11; 2002 Acts, ch 1136, §4, 6; 2008 Acts, ch 1110, §1; 2011 Acts, ch 25, §143; 2012 Acts, ch 1009, §30

Referred to in §558A.6, 714.8

**558A.5 Agency.**

1. A person other than a broker or salesperson acting in the capacity of an agent in the transfer of real property shall not be deemed to be an agent of the transferor or transferee for purposes of this chapter, unless the person is granted powers of attorney or is empowered as an agent, as expressly provided in writing, and is subject to any other applicable requirements as provided by law.

2. A broker or salesperson representing the transferor shall deliver the disclosure statement to the transferee as required in section 558A.2, unless the transferor or transferee has instructed the broker or salesperson otherwise in writing.

93 Acts, ch 30, §7

**558A.6 Liability under the chapter.**

A person who violates this chapter shall be liable to a transferee for the amount of actual damages suffered by the transferee, but subject to the following limitations:

1. The transferor, or a broker or salesperson, shall not be liable under this chapter for the error, inaccuracy, or omission in information required in a disclosure statement, unless that person has actual knowledge of the inaccuracy, or fails to exercise ordinary care in obtaining the information.

2. The person submitting a report or opinion within the scope of the person's practice, profession, or expertise, as provided in section 558A.4, for purposes of satisfying the disclosure statement, shall not be liable under this chapter for any matter other than a matter within the person's practice, profession, or expertise, and which is required by the disclosure

statement, unless the person failed to use care ordinary in the person's profession, practice, or area of expertise in preparing the information.

93 Acts, ch 30, §8

**558A.7 Chapter is not limiting.**

The duties imposed upon persons under this chapter or under rules adopted by the real estate commission shall not limit or abridge any duty, requirement, obligation, or liability for disclosure created by another provision of law, or under a contract between parties.

93 Acts, ch 30, §9

**558A.8 Validity of a transfer.**

A transfer under this chapter shall not be invalidated solely because of a failure of a person to comply with a provision of this chapter.

93 Acts, ch 30, §10

# CHAPTER 559

## POWER OF APPOINTMENT

See chapter 633E


| | | | |
|---|---|---|---|
| 559.1 | Release by donee of power. | 559.5 | Disclaimer. |
| 559.2 | Definition — scope of power. | 559.6 | Delivery. |
| 559.3 | Release by one donee exclusive of others. | 559.7 | Other lawful means. |
| | | 559.8 | Declaration of common law. |
| 559.4 | Limiting release. | 559.9 | Applicability. |


**559.1 Release by donee of power.**

A power to appoint which is exercisable by deed, by will, by deed or will, or otherwise, in whole or to any extent in favor of the donee of the power, the donee's estate, the donee's creditors, the creditors of the donee's estate, or others, is releasable, either with or without consideration, by written instrument executed by the donee. If such instrument shall be executed and acknowledged in the manner provided for the execution and acknowledgment of instruments affecting real estate and recorded with the county recorder in the county in which the donee of the power resides or the county of last residence of the donor of the power of the county in which any real estate which may be subject to the power is located, such recording shall be deemed a sufficient delivery of such release.

A power to appoint described herein is releasable with respect to the whole or any part of the property subject to such power and is also releasable in such manner as to reduce or limit the persons or objects, or classes of persons or objects in whose favor such power would otherwise be exercisable.

It is hereby declared that such releases are in accordance with the public policy of this state and are valid and effectual whether heretofore or hereafter made.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §559.1]

Referred to in §559.2, 559.6

**559.2 Definition — scope of power.**

The term *"power to appoint"* as used in section 559.1, shall mean and include all powers which are in substance and effect powers of appointment, regardless of the language used in creating them and whether they are:

1. General, special or otherwise.
2. Vested, contingent or conditional.
3. In gross, appendant, simply collateral, in trust or in the nature of a trust or otherwise.
4. Exercisable by an instrument amending, revoking, altering, or terminating a trust or an estate, or an interest thereunder or otherwise.
5. Exercisable presently or in the future.

6. Exercisable in an individual or a fiduciary capacity whether alone or in conjunction with one or more other persons or corporations.
7. Powers to invade or consume property.
8. Powers remaining after one or more partial releases have heretofore or hereafter been made with respect to a power to appoint.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §559.2]
2013 Acts, ch 30, §159
Section amended

**559.3 Release by one donee exclusive of others.**

If a power to appoint is or may be exercisable by two or more persons either in an individual or fiduciary capacity in conjunction with one another or successively, a release or disclaimer of the power in whole or in part executed by any one of the donees of the power shall be effective to release or disclaim, to the extent therein provided, all right of such person to exercise or to participate in the exercise of the said power, but unless the instrument creating the power otherwise provides, shall not prevent or limit the exercise or participation in the exercise thereof by the other donee or donees.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §559.3]

**559.4 Limiting release.**

A release of a power to appoint may also be made for life or lives or for a specified period of time.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §559.4]

**559.5 Disclaimer.**

A donee of a power to appoint may disclaim the same at any time, wholly or in part, in the same manner and to the same extent as the donee might release it.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §559.5]

**559.6 Delivery.**

A release or disclaimer may be delivered to any of the following:
1. Any person who could be adversely affected by the exercise of the power.
2. Any trustee of the property to which the power relates.
3. Any person specified for such purpose in the instrument creating the power.
4. The county recorder as provided in section 559.1.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §559.6]
2013 Acts, ch 30, §160
Section amended

**559.7 Other lawful means.**

Nothing contained in this chapter shall prevent the release of any power to appoint or the disclaimer thereof in any lawful manner.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §559.7]

**559.8 Declaration of common law.**

This chapter shall be deemed declaratory of the common law of this state and it shall be liberally construed so as to effectuate the intent that all powers to appoint whatsoever shall be releasable.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §559.8]

**559.9 Applicability.**

This chapter shall apply to releases and disclaimers heretofore or hereafter delivered.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §559.9]

# CHAPTER 560

## OCCUPYING CLAIMANTS

Eviction or distress for rent during military service; §29A.101


| | | | |
|---|---|---|---|
| 560.1 | Right to improvements. | 560.5 | Tenants in common. |
| 560.2 | "Color of title" defined. | 560.6 | Waste by claimant. |
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| 560.4 | Rights of parties to property. | 560.7 | Option to remove improvements. |


**560.1 Right to improvements.**

Where an occupant of real estate has color of title thereto and has in good faith made valuable improvements thereon, and is thereafter adjudged not to be the owner, no execution shall issue to put the owner of the land in possession of the same, after the filing of a petition as hereinafter provided, until the provisions of this chapter have been complied with.

[C51, §1233; R60, §2264; C73, §1976; C97, §2964; C24, 27, 31, 35, 39, §**10128;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §560.1]

**560.2 "Color of title" defined.**

Persons of each of the classes hereinafter enumerated shall be deemed to have color of title within the meaning of this chapter, but nothing contained herein shall be construed as giving a tenant color of title against the tenant's landlord:

1. *Purchaser at judicial or tax sale.* A purchaser in good faith at any judicial or tax sale made by the proper officer, whether said officer had sufficient authority to make said sale or not, unless want of authority in such officer was known to the purchaser at the time of the sale.

2. *Occupancy for five years.* A person who has alone or together with those under whom the person claims, occupied the premises for a period of five years continuously.

3. *Occupancy and improvements.* A person whose occupancy of the premises has been for a shorter period than five years, if during such occupancy the occupant or those under whom the person claims have, with the knowledge or consent of the real owner, express or implied, made any valuable improvements thereon.

4. *Occupancy and payment of taxes.* A person whose occupancy of the premises has been for a shorter period than five years, if such occupant or those under whom the person claims have at any time during such occupancy paid the ordinary county taxes thereon for any one year, and two years have elapsed without a repayment or offer of repayment of the same by the owner thereof, and such occupancy has continued to the time the action is brought by which the recovery of the real estate is obtained.

5. *Occupancy under state or federal law or contract.* A person who has settled upon any real estate and occupied the same for three years under or by virtue of any law, or contract with the proper officers of the state or of the United States for the purchase thereof and shall have made valuable improvements thereon.

[C51, §1239, 1240; R60, §2268, 2269; C73, §1982 – 1984; C97, §2967, 2968; C24, 27, 31, 35, 39, §**10129;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §560.2]

**560.3 Petition — trial — appraisement.**

The petition of the occupant must set forth the grounds upon which the occupant seeks relief, and state as accurately as practicable the value of the real estate, exclusive of the improvements made thereon by the claimant or the claimant's grantors, and the value of such improvements. The issue joined thereon must be tried as in ordinary actions and the value of the real estate and of such improvements separately ascertained.

[C51, §1234, 1235; R60, §2265, 2266; C73, §1977, 1978; C97, §2965; C24, 27, 31, 35, 39, §**10130;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §560.3]

**560.4 Rights of parties to property.**

The owner of the land may thereupon pay to the clerk of the court, for the benefit of the occupying claimant, the appraised value of the improvements and take the property and an execution may issue for the purpose of putting the owner of the land in possession thereof. Should the owner fail to make such payment within such reasonable time as the court may fix, the occupying claimant may pay to the clerk of the court, within such time as the court may fix, for the use of the owner of the land, the value of the property exclusive of the improvements and take and retain the property together with the improvements.

[C51, §1236 – 1238, 1243; R60, §2267, 2272; C73, §1979 – 1981, 1986; C97, §2966, 2970; C24, 27, 31, 35, 39, §**10131;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §560.4]

Referred to in §560.5

**560.5 Tenants in common.**

Should the owner of the land fail to pay for the improvements and the occupying claimant fail to pay for the land within the time fixed by the court as provided in section 560.4, the parties shall be held to be tenants in common of all the real estate including the improvements, each holding an undivided interest proportionate to the values ascertained on the trial.

[C51, §1236 – 1238; R60, §2267; C73, §1979 – 1981; C97, §2966; C24, 27, 31, 35, 39, §**10132;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §560.5]

**560.6 Waste by claimant.**

If the occupying claimant has committed any injury to the real estate by cutting timber or otherwise, the owner may set the same off against any claim for improvements made by such claimant.

[C51, §1241; R60, §2270; C73, §1985; C97, §2969; C24, 27, 31, 35, 39, §**10133;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §560.6]

**560.7 Option to remove improvements.**

Any person having improvements on any real estate granted to the state in aid of any work of internal improvement, whose title thereto is questioned by another, may remove such improvements without other injury to such real estate at any time before that person is evicted therefrom, or that person may have the benefit of this chapter by proceeding as herein directed.

[C73, §1987; C97, §2971; C24, 27, 31, 35, 39, §**10134;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §560.7]

# CHAPTER 561

## HOMESTEAD

Referred to in §425.11, 624.23


561.1 "Homestead" defined.
561.2 Extent and value.
561.3 Dwelling and appurtenances.
561.4 Selecting — platting.
561.5 Platted by officer having execution.
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561.7 Changes — nonconsenting spouse.
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561.18 Descent.
561.19 Exemption in hands of issue.
561.20 New homestead exempt.
561.21 Debts for which homestead liable.
561.22 Notice of homestead exemption waiver requirement.
561.23 through 561.25 Reserved.
561.26 Definitions.

**561.1 "Homestead" defined.**

1. The homestead must embrace the house used as a home by the owner, and, if the owner has two or more houses thus used, the owner may select which the owner will retain. It may contain one or more contiguous lots or tracts of land, with the building and other appurtenances thereon, habitually and in good faith used as part of the same homestead.

2. As used in this chapter, *"owner"* includes but is not limited to the person, or the surviving spouse of the person, occupying the homestead as a beneficiary of a trust that includes the property in the trust estate.

[C51, §1250, 1251; R60, §2282, 2283; C73, §1994, 1995; C97, §2977; C24, 27, 31, 35, 39, §**10135;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.1]

2007 Acts, ch 134, §3, 28

Referred to in §624.23

2007 amendments to this section apply retroactively to beneficiaries of trusts in existence on or after July 1, 1997; 2007 Acts, ch 134, §28

**561.2 Extent and value.**

If within a city plat, it must not exceed one-half acre in extent, otherwise it must not contain in the aggregate more than forty acres, but if, in either case, its value is less than five hundred dollars, it may be enlarged until it reaches that amount.

[C51, §1252; R60, §2284; C73, §1996; C97, §2978; S13, § 2978; C24, 27, 31, 35, 39, §**10136;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.2]

Referred to in §624.23

**561.3 Dwelling and appurtenances.**

It must not embrace more than one dwelling house, or any other buildings except such as are properly appurtenant thereto, but a shop or other building situated thereon, actually used and occupied by the owner in the prosecution of the owner's ordinary business, and not exceeding three hundred dollars in value, is appurtenant thereto.

[C51, §1253; R60, §2285; C73, §1997; C97, §2978; S13, § 2978; C24, 27, 31, 35, 39, §**10137;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.3]

Referred to in §624.23

**561.4 Selecting — platting.**

The owner, husband or wife, or a single person, may select the homestead and cause it to be platted, but a failure to do so shall not render the same liable when it otherwise would not be, and a selection by the owner shall control. When selected, it shall be designated by a legal description, or if impossible it shall be marked off by permanent, visible monuments, and the description shall give the direction and distance of the starting point from some corner of the dwelling, which description, with the plat, shall be filed and recorded by the recorder of the proper county in the manner provided in sections 558.49 and 558.52.

[C51, §1254, 1255; R60, §2286, 2287; C73, §1998, 1999; C97, §2979; S13, §2979; C24, 27, 31, 35, 39, §**10138;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.4]

87 Acts, ch 116, §1; 2006 Acts, ch 1031, §13

Referred to in §331.607

**561.5 Platted by officer having execution.**

Should the homestead not be platted and recorded at the time levy is made upon real property in which a homestead is included, the officer having the execution shall give notice in writing to the owner or owners if found within the county, to plat and record the same within ten days after service; after which time the officer shall cause the homestead to be platted and recorded, and the expense shall be added to the costs in the case.

[C51, §1254; R60, §2286; C73, §1998; S13, §2979; C24, 27, 31, 35, 39, §**10139;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.5]

87 Acts, ch 116, §2

Referred to in §561.6

**561.6 Platting under order of court.**

Upon application made to the district court by any creditor of the owner of the homestead, or other person interested therein, such court shall hear the cause upon the proof offered, and

fix and establish the boundaries thereof, and the judgment therein shall be filed and recorded in the manner provided in section 561.5.

[C97, §2980; C24, 27, 31, 35, 39, §**10140;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.6]

**561.7 Changes — nonconsenting spouse.**

The owner may, from time to time, change the limits of the homestead by changing the metes and bounds, as well as the record of the plat and description, or vacate it.

Such changes shall not prejudice conveyances or liens made or created previously thereto.

No such change of the entire homestead, made without the concurrence of the other spouse, shall affect that spouse's rights, or those of the children.

[C51, §1256, 1257; R60, §2288, 2289; C73, §2000, 2001; C97, §2981; C24, 27, 31, 35, 39, §**10141;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.7]

**561.8 Referees to determine exemption.**

When a disagreement takes place between the owner and any person adversely interested, as to whether any land or buildings are properly a part of the homestead, the sheriff shall, at the request of either party, summon nine disinterested persons having the qualifications of jurors. The parties then, commencing with the owner, shall in turn strike off one person each, until three remain. Should either party fail to do so, the sheriff may act for that person, and the three as referees shall proceed to examine and ascertain all the facts of the case, and report the same, with their opinion thereon, to the court from which the execution or other process may have issued within thirty days after their qualification as referees.

[C51, §1258, 1259; R60, §2290, 2291; C73, §2002, 2003; C97, §2982; C24, 27, 31, 35, 39, §**10142;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.8]

Referred to in §331.653

**561.9 Referring back — marking off — costs.**

The court in its discretion may refer the whole or any part of the matter back to the same or other referees, to be selected in the same manner, or as the parties agree, giving them directions as to the report required of them. When the court is sufficiently advised in the case, it shall make its decision, and may direct the homestead to be marked off anew, or a new plat and description to be made and recorded, and take such other steps as shall be lawful and expedient in attaining the purpose of this chapter. It shall also award costs in accordance with the practice in other cases, as nearly as may be.

[C51, §1260, 1261; R60, §2292, 2293; C73, §2004, 2005; C97, §2983; C24, 27, 31, 35, 39, §**10143;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.9]

Costs, chapter 625

**561.10 Change of circumstances.**

The extent or appurtenances of the homestead thus established may be called in question in like manner, whenever a change in value or circumstances will justify such new proceedings.

[C51, §1262; R60, §2294; C73, §2006; C97, §2984; C24, 27, 31, 35, 39, §**10144;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.10]

**561.11 Occupancy by surviving spouse.**

Upon the death of either spouse, the survivor may continue to possess and occupy the whole homestead until it is otherwise disposed of according to law, but the setting off of the distributive share of the survivor in the real estate of the deceased shall be such a disposal of the homestead as is herein contemplated.

[C51, §1263; R60, §2295; C73, §2007, 2008; C97, §2985; C24, 27, 31, 35, 39, §**10145;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.11]

**561.12 Life possession in lieu of dower.**

The survivor may elect to retain the homestead for life in lieu of such share in the real estate of the deceased.

[C73, §2008; C97, §2985; C24, 27, 31, 35, 39, §**10146;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.12]

**561.13 Conveyance or encumbrance.**

1. A conveyance or encumbrance of, or contract to convey or encumber the homestead, if the owner is married, is not valid, unless and until the spouse of the owner executes the same or a like instrument, or a power of attorney for the execution of the same or a like instrument, except as provided in subsection 3. However, when the homestead is conveyed or encumbered along with or in addition to other real estate, it is not necessary to particularly describe or set aside the tract of land constituting the homestead, whether the homestead is exclusively the subject of the contract or not, but the contract may be enforced as to real estate other than the homestead at the option of the purchaser or encumbrancer.

2. If a spouse who holds only homestead rights and surviving spouse's statutory share in the homestead specifically relinquishes homestead rights in an instrument, including a power of attorney constituting the other spouse as the husband's or wife's attorney in fact, as provided in section 597.5, it is not necessary for the spouse to join in the granting clause of the same or a like instrument.

3. A conveyance or encumbrance or a contract to convey or encumber the homestead is not invalid under subsection 1 if any of the following apply:

*a.* The nonsigning spouse's interest is terminated by a decree of dissolution of marriage or other order of the court.

*b.* The nonsigning spouse's right of recovery is barred by section 614.15.

*c.* The encumbrance is a purchase money mortgage as defined in section 654.12B.

*d.* A court sitting in equity enters a decree holding that invalidating the conveyance or encumbrance or a contract to convey or encumber the homestead would, directly or indirectly, unjustly enrich the nonsigning spouse.

4. For the purposes of this section, *"nonsigning spouse"* means a spouse who has not executed a conveyance or encumbrance or a contract to convey or encumber the homestead, the same or a like instrument, or a power of attorney for the execution of the same or a like instrument.

[C51, §1247; R60, §2279; C73, §1990; C97, §2974; C24, 27, 31, 35, 39, §**10147;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.13; 81 Acts, ch 181, §1]

91 Acts, ch 106, §1; 2007 Acts, ch 68, §1, 2; 2011 Acts, ch 11, §1

Referred to in §597.5, 614.14

**561.14 Devise.**

Subject to the rights of the surviving spouse, the homestead may be devised like other real estate of the testator.

[C51, §1266; R60, §2298; C73, §2010; C97, §2987; C24, 27, 31, 35, 39, §**10148;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.14]

**561.15 Removal of spouse or children.**

Neither spouse can remove the other nor the children from the homestead without the consent of the other.

[C51, §1462; R60, §2514; C73, §2215; C97, §3166; C24, 27, 31, 35, 39, §**10149;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.15]

Referred to in §232.82, 598.33

**561.16 Exemption.**

The homestead of every person is exempt from judicial sale where there is no special declaration of statute to the contrary. Persons who reside together as a single household unit are entitled to claim in the aggregate only one homestead to be exempt from judicial sale. A single person may claim only one homestead to be exempt from judicial sale. For purposes of this section, *"household unit"* means all persons of whatever ages, whether or not related, who habitually reside together in the same household as a group.

[C51, §1245; R60, §2277; C73, §1988; C97, §2972, 2973; C24, 27, 31, 35, 39, §**10150;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.16; 81 Acts, ch 182, §1]

87 Acts, ch 116, §3

Referred to in §64.15, 64.15A, 809A.4

**561.17** Repealed by 81 Acts, ch 182, § 5.

**561.18 Descent.**

If there be no survivor, the homestead descends to the issue of either spouse according to the rules of descent, unless otherwise directed by will.

[C51, §1264; R60, §2296; C73, §2008; C97, §2985; C24, 27, 31, 35, 39, §**10152;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.18]

**561.19 Exemption in hands of issue.**

Where the homestead descends to the issue of either spouse the homestead shall be held exempt from any antecedent debts of the issue's parents or antecedent debts of the issue, except those of the owner of the homestead contracted prior to acquisition of the homestead or those created under section 249A.53 relating to the recovery of medical assistance payments.

[C51, §1264; R60, §2296; C73, §2008; C97, §2985; C24, 27, 31, 35, 39, §**10153;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.19]

95 Acts, ch 68, §6; 96 Acts, ch 1034, §53

Section not amended; internal reference change applied

**561.20 New homestead exempt.**

Where there has been a change in the limits of the homestead, or a new homestead has been acquired with the proceeds of the old, the new homestead, to the extent in value of the old, is exempt from execution in all cases where the old or former one would have been.

[C51, §1257; R60, §2289; C73, §2001; C97, §2981; C24, 27, 31, 35, 39, §**10154;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.20]

**561.21 Debts for which homestead liable.**

The homestead may be sold to satisfy debts of each of the following classes:

1. Those contracted prior to its acquisition, but then only to satisfy a deficiency remaining after exhausting the other property of the debtor, liable to execution.

2. Those created by written contract by persons having the power to convey, expressly stipulating that it shall be liable, but then only for a deficiency remaining after exhausting all other property pledged by the same contract for the payment of the debt.

3. Those incurred for work done or material furnished exclusively for the improvement of the homestead.

4. If there is no survivor or issue, for the payment of any debts to which it might at that time be subjected if it had never been held as a homestead.

[C51, §1248, 1249, 1265; R60, §2280, 2281, 2297; C73, §1991 – 1993, 2009; C97, §2975, 2976, 2986; C24, 27, 31, 35, 39, §**10155;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §561.21]

Referred to in §624.23

Homestead acquired with pension funds, §627.9

Liability for assistance furnished poor person, §252.14

**561.22 Notice of homestead exemption waiver requirement.**

1. *a.* Except as otherwise provided in subsection 2, if a homestead exemption waiver is contained in a written contract affecting agricultural land as defined in section 9H.1, or dwellings, buildings, or other appurtenances located on the land, the contract must contain a statement in substantially the following form, in boldface type of a minimum size of ten points, and be signed and dated by the person waiving the exemption at the time of the execution of the contract:

I understand that homestead property is in many cases protected from the claims of creditors and exempt from judicial sale; and that by signing this contract, I voluntarily give up my right to this protection for this property with respect to claims based upon this contract.

*b.* A principal or deputy state, county, or city officer shall not be required to waive the officer's homestead exemption in order to be bonded as required pursuant to chapter 64.

2. This section shall not apply to a written contract affecting agricultural land of less than forty acres.

86 Acts, ch 1214, §8; 87 Acts, ch 67, §1; 89 Acts, ch 153, §3; 2005 Acts, ch 86, §1

**561.23 through 561.25** Reserved.

**561.26 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

# CHAPTER 562

## OWNER-LESSOR AND TENANT-LESSEE

Landlord's lien, chapter 570
Eviction or distress for rent during military service; termination of leases; §29A.101


562.1 Apportionment of rent.
562.1A Definitions.
562.2 Double rental value — liability.
562.3 Attornment to stranger.
562.4 Tenant at will — notice to terminate.
562.5 Termination of farm tenancies.
562.5A Farm tenancy — right to take part of a harvested crop's aboveground plant.
562.6 Agreement for termination.
562.7 Notice — how and when served.
562.8 Termination of life estate — farm tenancy.
562.9 Termination of life estate — nonfarm tenancy.
562.10 Rental value.
562.11 through 562.16 Repealed by 78 Acts, ch 1172, §38.


**562.1 Apportionment of rent.**

The executor of a tenant for life who leases real estate so held, and dies on or before the day on which the rent is payable, and a person entitled to rent dependent on the life of another may recover the proportion of rent which had accrued at the time of the death of such life tenant.

[C51, §1267; R60, §2299; C73, §2011; C97, §2988; C24, 27, 31, 35, 39, §**10156;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §562.1]

**562.1A Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Animal feeding operation"* means the same as defined in section 459.102.

2. *"Farm tenancy"* means a leasehold interest in land held by a person who produces crops or provides for the care and feeding of livestock on the land, including by grazing or supplying feed to the livestock.

3. *"Livestock"* means the same as defined in section 717.1.

2006 Acts, ch 1077, §1; 2013 Acts, ch 44, §1
NEW subsection 1 and former subsections 1 and 2 renumbered as 2 and 3

**562.2 Double rental value — liability.**

A tenant serving notice of intention to quit leased premises at a time named, and holding over after the time, and a tenant or the tenant's assignee willfully holding over after the term,

and after notice to quit, shall pay double the rental value of the leased premises during the time the tenant holds over to the person entitled to the rent.

[C51, §1268; R60, §2300; C73, §2012; C97, §2989; C24, 27, 31, 35, 39, §**10157;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §562.2]

83 Acts, ch 132, §1

**562.3 Attornment to stranger.**

The payment of rent, or delivery of possession of leased premises, to one not the lessor, is void, and shall not affect the rights of such lessor, unless made with the lessor's consent, or in pursuance of a judgment or decree of court or judicial sale to which the lessor was a party.

[C51, §1269; R60, §2301; C73, §2013; C97, §2990; C24, 27, 31, 35, 39, §**10158;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §562.3]

**562.4 Tenant at will — notice to terminate.**

A person in the possession of real estate, with the assent of the owner, is presumed to be a tenant at will until the contrary is shown, and thirty days' notice in writing must be served upon either party or a successor of the party before termination of the tenancy. However, if a rent is reserved payable at intervals of less than thirty days, the length of notice need not be greater than the interval.

[C51, §1208, 1209; R60, §2216, 2218; C73, §2014, 2015; C97, §2991; C24, 27, 31, 35, 39, §**10159;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §562.4]

83 Acts, ch 132, §2

Referred to in §562.9

Three-day forcible entry notice, §648.3 and 648.4

**562.5 Termination of farm tenancies.**

In the case of a farm tenancy, the notice must fix the termination of the farm tenancy to take place on the first day of March, except in cases of a mere cropper, whose farm tenancy shall terminate when the crop is harvested. However, if the crop is corn, the termination shall not be later than the first day of December, unless otherwise agreed upon.

[R60, §2218; C73, §2015; C97, §2991; C24, 27, 31, 35, 39, §**10160;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §562.5]

2006 Acts, ch 1077, §2

Forcible entry provisions, §648.3 and 648.4

**562.5A Farm tenancy — right to take part of a harvested crop's aboveground plant.**

Unless otherwise agreed to in writing by a lessor and farm tenant, a farm tenant may take any part of the aboveground part of a plant associated with a crop, at the time of harvest or after the harvest, until the farm tenancy terminates as provided in this chapter.

2010 Acts, ch 1027, §1

**562.6 Agreement for termination.**

If an agreement is made fixing the time of the termination of a tenancy, whether in writing or not, the tenancy shall terminate at the time agreed upon, without notice. Except for a farm tenant who is a mere cropper or a person who holds a farm tenancy with an acreage of less than forty acres where an animal feeding operation is the primary use of the acreage, a farm tenancy shall continue beyond the agreed term for the following crop year and otherwise upon the same terms and conditions as the original lease unless written notice for termination is served upon either party or a successor of the party in the manner provided in section 562.7, whereupon the farm tenancy shall terminate March 1 following. However, the tenancy shall not continue because of an absence of notice if there is default in the performance of the existing rental agreement.

[R60, §2218; C73, §2015; C97, §2991; C24, 27, 31, 35, 39, §**10161;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §562.6]

83 Acts, ch 132, §3; 2006 Acts, ch 1077, §3; 2013 Acts, ch 44, §2

Referred to in §562.8

Forcible entry provisions, §648.3 and 648.4

Section amended

**562.7 Notice — how and when served.**

Written notice shall be served upon either party or a successor of the party by using one of the following methods:

1. By delivery of the notice, on or before September 1, with acceptance of service to be signed by the party to the lease or a successor of the party, receiving the notice.

2. By serving the notice, on or before September 1, personally, or if personal service has been tried and cannot be achieved, by publication, on the same conditions, and in the same manner as is provided for the service of original notices, except that when the notice is served by publication no affidavit is required. Service by publication is completed on the day of the last publication.

3. By mailing the notice before September 1 by certified mail. Notice served by certified mail is made and completed when the notice is enclosed in a sealed envelope, with the proper postage on the envelope, addressed to the party or a successor of the party at the last known mailing address and deposited in a mail receptacle provided by the United States postal service.

[C73, §2016; C97, §2991; C24, 27, 31, 35, 39, §**10162;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §562.7]

83 Acts, ch 132, §4

Referred to in §562.6, 562.8

Forcible entry provisions, §648.3 and 648.4

Original notice, R.C.P. 1.302 – 1.315

**562.8 Termination of life estate — farm tenancy.**

Upon the termination of a life estate, a farm tenancy granted by the life tenant shall continue until the following March 1 except that if the life estate terminates between September 1 and the following March 1 inclusively, then the farm tenancy shall continue for that year as provided by section 562.6 and continue until the holder of the successor interest serves notice of termination of the interest in the manner provided by section 562.7. However, if the lease is binding upon the holder of the successor interest by the provision of a trust or by specific commitment of the holder of the successor interest, the lease shall terminate as provided by that provision or commitment. This section does not abrogate the common law doctrine of emblements.

[C79, 81, §562.8]

83 Acts, ch 132, §5

Referred to in §562.10

**562.9 Termination of life estate — nonfarm tenancy.**

Upon the termination of a life estate, a tenancy granted by the life tenant which is not a farm tenancy shall continue until one of the following first occurs:

1. The date previously agreed upon for termination of the tenancy without notice.

2. If the tenant is a tenant at will, upon the expiration of the period provided by section 562.4.

3. If the tenancy is for less than one year, sixty days after the end of the month in which the life estate terminated.

4. If the tenancy is for a year or more, one year after the end of the month in which the life estate terminated. However, if the lease is binding upon the holder of the successor interest by the provision of a trust or by specific commitment of the holder of the successor interest, the lease shall terminate as provided by that provision or commitment.

[C79, 81, §562.9]

Referred to in §562.10

**562.10 Rental value.**

The holder of the interest succeeding a life estate who is required by section 562.8 or 562.9 to continue a tenancy shall be entitled to a rental amount equal to the prevailing fair market rental amount in the area. If the parties cannot agree on a rental amount, either party may petition the district court for a declaratory judgment setting the rental amount. The costs of the action shall be divided equally between the parties.

[C79, 81, §562.10]

**562.11 through 562.16** Repealed by 78 Acts, ch 1172, § 38.

# CHAPTER 562A

## UNIFORM RESIDENTIAL LANDLORD AND TENANT LAW

Referred to in §231B.18, 231C.19

Eviction or distress for rent during military service; termination of leases; §29A.101


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# ARTICLE I

# GENERAL PROVISIONS AND DEFINITIONS

## PART 1

## SHORT TITLE, CONSTRUCTION, APPLICATION, AND SUBJECT MATTER OF THE ACT

**562A.1 Short title.**

This chapter shall be known and may be cited as the *"Uniform Residential Landlord and Tenant Act"*.

[C79, 81, §562A.1]

**562A.2 Purposes — rules of construction.**

1. This chapter shall be liberally construed and applied to promote its underlying purposes and policies.

2. Underlying purposes and policies of this chapter are:

*a.* To simplify, clarify, modernize and revise the law governing the rental of dwelling units and the rights and obligations of landlord and tenant; and

*b.* To encourage landlord and tenant to maintain and improve the quality of housing.

*c.* To insure that the right to the receipt of rent is inseparable from the duty to maintain the premises.

[C79, 81, §562A.2]

**562A.3 Supplementary principles of law applicable.**

Unless displaced by the provisions of this chapter, the principles of law and equity in this state, including the law relating to capacity to contract, mutuality of obligations, principal and agent, real property, public health, safety and fire prevention, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, or other validating or invalidating cause, shall supplement its provisions.

[C79, 81, §562A.3]

**562A.4 Administration of remedies — enforcement.**

1. The remedies provided by this chapter shall be administered so that the aggrieved party may recover appropriate damages. The aggrieved party has a duty to mitigate damages.

2. A right or obligation declared by this chapter is enforceable by action unless the provision declaring it specifies a different and limited effect.

[C79, 81, §562A.4]

## PART 2

## SCOPE AND JURISDICTION

**562A.5 Exclusions from application of chapter.**

Unless created to avoid the application of this chapter, the following arrangements are not governed by this chapter:

1. Residence at an institution, public or private, if incidental to detention or the provision of medical, geriatric, educational, counseling, religious, or similar service.

2. Occupancy under a contract of sale of a dwelling unit or the property of which it is a part, if the occupant is the purchaser or a person who succeeds to the purchaser's interest.

3. Occupancy by a member of a fraternal or social organization in the portion of a structure operated for the benefit of the organization.

4. Transient occupancy in a hotel, motel or other similar lodgings.

5. Occupancy by an employee of a landlord whose right to occupancy is conditional upon employment in and about the premises.

6. Occupancy by an owner of a condominium unit or a holder of a proprietary lease in a cooperative.

7. Occupancy under a rental agreement covering premises used by the occupant primarily for agricultural purposes.

8. Occupancy in housing owned by a nonprofit organization whose purpose is to provide transitional housing for persons released from drug or alcohol treatment facilities and in housing for homeless persons.

[C79, 81, §562A.5]

95 Acts, ch 125, §2

## PART 3

## GENERAL DEFINITIONS AND PRINCIPLES OF INTERPRETATION — NOTICE

**562A.6 General definitions.**

Subject to additional definitions contained in subsequent articles of this chapter which apply to specific articles or its parts, and unless the context otherwise requires, in this chapter:

1. *"Building and housing codes"* include a law, ordinance, or governmental regulation concerning fitness for habitation, or the construction, maintenance, operation, occupancy, use, or appearance of a premises or dwelling unit.

2. *"Business"* includes a corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, and any other legal or commercial entity.

3. *"Dwelling unit"* means a structure or the part of a structure that is used as a home, residence, or sleeping place.

4. *"Good faith"* means honesty in fact in the conduct of the transaction concerned.

5. *"Landlord"* means the owner, lessor, or sublessor of the dwelling unit or the building of which it is a part, and it also means a manager of the premises who fails to disclose as required by section 562A.13.

6. *"Owner"* means one or more persons, jointly or severally, in whom is vested:

*a.* All or part of the legal title to property; or

*b.* All or part of the beneficial ownership and a right to present use and enjoyment of the premises, and the term includes a mortgagee in possession.

7. *"Premises"* means a dwelling unit and the structure of which it is a part and facilities and appurtenances of it and grounds, areas and facilities held out for the use of tenants generally or whose use is promised to the tenant.

8. *"Presumption"* means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

9. *"Reasonable attorney fees"* means fees determined by the time reasonably expended by the attorney and not by the amount of the recovery on behalf of the tenant or landlord.

10. *"Rent"* means a payment to be made to the landlord under the rental agreement.

11. *"Rental agreement"* means an agreement written or oral, and a valid rule, adopted under section 562A.18, embodying the terms and conditions concerning the use and occupancy of a dwelling unit and premises.

12. *"Rental deposit"* means a deposit of money to secure performance of a residential rental agreement, other than a deposit which is exclusively in advance payment of rent.

13. *"Resident"* means an occupant of a dwelling unit who is at least eighteen years of age.

14. *"Roomer"* means a person occupying a dwelling unit that lacks a major bathroom or kitchen facility, in a structure where one or more major facilities are used in common by occupants of the dwelling unit and other dwelling units. Major facility in the case of a bathroom means toilet, or either a bath or shower, and in the case of a kitchen means refrigerator, stove or sink.

15. *"Single family residence"* means a structure maintained and used as a single dwelling unit. Notwithstanding that a dwelling unit shares one or more walls with another dwelling unit, it is a single family residence if it has direct access to a street or thoroughfare and shares neither heating facilities, hot water equipment, nor any other essential facility or service with another dwelling unit.

16. *"Tenant"* means a person entitled under a rental agreement to occupy a dwelling unit to the exclusion of another.

17. *"Transitional housing"* means temporary or nonpermanent housing.

[C79, 81, §562A.6]

95 Acts, ch 125, §3; 2013 Acts, ch 97, §2

Referred to in §135O.1

NEW subsection 8 and former subsections 8 – 11 renumbered as 9 – 12

NEW subsection 13 and former subsections 12 – 15 renumbered as 14 – 17

**562A.7 Unconscionability.**

1. If the court, as a matter of law, finds that:

*a.* A rental agreement or any provision of it was unconscionable when made, the court may refuse to enforce the agreement, enforce the remainder of the agreement without the unconscionable provision, or limit the application of an unconscionable provision to avoid an unconscionable result.

*b.* A settlement in which a party waives or agrees to forego a claim or right under this chapter or under a rental agreement was unconscionable at the time it was made, the court may refuse to enforce the settlement, enforce the remainder of the settlement without the unconscionable provision, or limit the application of an unconscionable provision to avoid any unconscionable result.

2. If unconscionability is put into issue by a party or by the court upon its own motion the parties shall be afforded a reasonable opportunity to present evidence as to the setting, purpose, and effect of the rental agreement or settlement to aid the court in making the determination.

[C79, 81, §562A.7]

**562A.8 Notice.**

1. Notices required under this chapter, except those notices identified in section 562A.29A, shall be served as follows:

*a.* A landlord shall serve notice on a tenant by one or more of the following methods:

(1) Hand delivery to the tenant.

(2) Delivery evidenced by an acknowledgment of delivery that is signed and dated by a resident of the dwelling unit who is at least eighteen years of age. Delivery under this subparagraph shall be deemed to provide notice to all tenants of the dwelling unit.

(3) Personal service pursuant to rule of civil procedure 1.305, Iowa court rules, for the personal service of original notice.

(4) Mailing by both regular mail and certified mail, as defined in section 618.15, to the address of the dwelling unit or to an address provided by the tenant for mailing.

(5) Posting on the primary entrance door of the dwelling unit. A notice posted according to this subparagraph shall be posted within the applicable time period for serving notice and shall include the date the notice was posted.

(6) A method of providing notice that results in the notice actually being received by the tenant.

*b.* A tenant shall serve notice on a landlord by one or more of the following methods:

(1) Hand delivery to the landlord or the landlord's agent designated under section 562A.13.

(2) Delivery evidenced by an acknowledgment of delivery that is signed and dated by the landlord or the landlord's agent designated under section 562A.13.

(3) Personal service pursuant to rule of civil procedure 1.305, Iowa court rules, for the personal service of original notice.

(4) Delivery to an employee or agent of the landlord at the landlord's business office.

(5) Mailing by both regular mail and certified mail, as defined in section 618.15, to the address of the landlord's business office or to an address designated by the landlord for mailing.

(6) A method of providing notice that results in the notice actually being received by the landlord.

2. Notice served by mail under this section is deemed completed four days after the notice is deposited in the mail and postmarked for delivery, whether or not the recipient signs a receipt for the notice.

[C79, 81, §562A.8]

96 Acts, ch 1203, §1, 2; 99 Acts, ch 155, §5, 14; 2010 Acts, ch 1017, §1, 11

Referred to in §562A.30

**562A.8A Computation of time.**

The calculation of all time periods required under this chapter shall be made in accordance with section 4.1, subsection 34.

99 Acts, ch 155, §6, 14

## PART 4

## GENERAL PROVISIONS

**562A.9 Terms and conditions of rental agreement.**

1. The landlord and tenant may include in a rental agreement, terms and conditions not prohibited by this chapter or other rule of law including rent, term of the agreement, and other provisions governing the rights and obligations of the parties.

2. In absence of agreement, the tenant shall pay as rent the fair rental value for the use and occupancy of the dwelling unit.

3. Rent shall be payable without demand or notice at the time and place agreed upon by the parties. Unless otherwise agreed, rent is payable at the dwelling unit and periodic rent is payable at the beginning of any term of one month or less and otherwise in equal monthly installments at the beginning of each month. Unless otherwise agreed, rent shall be uniformly apportionable from day-to-day.

4. For rental agreements in which the rent does not exceed seven hundred dollars per month, a rental agreement shall not provide for a late fee that exceeds twelve dollars per day or a total amount of sixty dollars per month. For rental agreements in which the rent is greater than seven hundred dollars per month, a rental agreement shall not provide for a late fee that exceeds twenty dollars per day or a total amount of one hundred dollars per month.

5. Unless the rental agreement fixes a definite term, the tenancy shall be week-to-week in case of a roomer who pays weekly rent, and in all other cases month-to-month.

[C79, 81, §562A.9]

2013 Acts, ch 97, §3

Referred to in §562A.34

NEW subsection 4 and former subsection 4 renumbered as 5

**562A.10 Effect of unsigned or undelivered rental agreement.**

1. If a landlord does not sign and deliver a written rental agreement signed and delivered to the landlord by the tenant, acceptance of rent without reservation by the landlord gives the rental agreement the same effect as if it had been signed and delivered by the landlord.

2. If a tenant does not sign and deliver a written rental agreement signed and delivered to the tenant by the landlord, acceptance of possession without reservation gives the rental agreement the same effect as if it had been signed and delivered by the tenant.

3. If a rental agreement given effect by the operation of this section provides for a term longer than one year, it is effective only for one year.

[C79, 81, §562A.10]

**562A.11 Prohibited provisions in rental agreements.**

1. A rental agreement shall not provide that the tenant or landlord:

*a.* Agrees to waive or to forego rights or remedies under this chapter provided that this restriction shall not apply to rental agreements covering single family residences on land assessed as agricultural land and located in an unincorporated area;

*b.* Authorizes a person to confess judgment on a claim arising out of the rental agreement;

*c.* Agrees to pay the other party's attorney fees; or

*d.* Agrees to the exculpation or limitation of any liability of the other party arising under law or to indemnify the other party for that liability or the costs connected therewith.

2. A provision prohibited by subsection 1 included in a rental agreement is unenforceable. If a landlord willfully uses a rental agreement containing provisions known by the landlord to be prohibited, a tenant may recover actual damages sustained by the tenant and not more than three months' periodic rent and reasonable attorney fees.

[C79, 81, §562A.11]

## ARTICLE II

## LANDLORD OBLIGATIONS

**562A.12 Rental deposits.**

1. A landlord shall not demand or receive as a security deposit an amount or value in excess of two months' rent.

2. All rental deposits shall be held by the landlord for the tenant, who is a party to the agreement, in a bank or savings and loan association or credit union which is insured by an agency of the federal government. Rental deposits shall not be commingled with the personal funds of the landlord. Notwithstanding the provisions of chapter 543B, all rental deposits may be held in a trust account, which may be a common trust account and which may be an interest-bearing account. Any interest earned on a rental deposit during the first five years of a tenancy shall be the property of the landlord.

3. *a.* A landlord shall, within thirty days from the date of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return the rental deposit to the tenant or furnish to the tenant a written statement showing the specific reason for withholding of the rental deposit or any portion thereof. If the rental deposit or any portion of the rental deposit is withheld for the restoration of the dwelling unit, the statement shall specify the nature of the damages. The landlord may withhold from the rental deposit only such amounts as are reasonably necessary for the following reasons:

(1) To remedy a tenant's default in the payment of rent or of other funds due to the landlord pursuant to the rental agreement.

(2) To restore the dwelling unit to its condition at the commencement of the tenancy, ordinary wear and tear excepted.

(3) To recover expenses incurred in acquiring possession of the premises from a tenant who does not act in good faith in failing to surrender and vacate the premises upon noncompliance with the rental agreement and notification of such noncompliance pursuant to this chapter.

*b.* In an action concerning the rental deposit, the burden of proving, by a preponderance of the evidence, the reason for withholding all or any portion of the rental deposit shall be on the landlord.

4. A landlord who fails to provide a written statement within thirty days of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions shall forfeit all rights to withhold any portion of the rental deposit. If no mailing address or instructions are provided to the landlord within one year from the termination of the tenancy the rental

deposit shall revert to the landlord and the tenant will be deemed to have forfeited all rights to the rental deposit.

5. *a.* Upon termination of a landlord's interest in the dwelling unit, the landlord or an agent of the landlord shall, within a reasonable time, transfer the rental deposit, or any remainder after any lawful deductions to the landlord's successor in interest and notify the tenant of the transfer and of the transferee's name and address or return the deposit, or any remainder after any lawful deductions to the tenant.

*b.* Upon the termination of the landlord's interest in the dwelling unit and compliance with the provisions of this subsection, the landlord shall be relieved of any further liability with respect to the rental deposit.

6. Upon termination of the landlord's interest in the dwelling unit, the landlord's successor in interest shall have all the rights and obligations of the landlord with respect to the rental deposits, except that if the tenant does not object to the stated amount within twenty days after written notice to the tenant of the amount of rental deposit being transferred or assumed, the obligations of the landlord's successor to return the deposit shall be limited to the amount contained in the notice. The notice shall contain a stamped envelope addressed to the landlord's successor.

7. The bad faith retention of a deposit by a landlord, or any portion of the rental deposit, in violation of this section shall subject the landlord to punitive damages not to exceed twice the monthly rental payment in addition to actual damages.

8. The court may, in any action on a rental agreement, award reasonable attorney fees to the prevailing party.

[C75, 77, §562.9 – 562.14; C79, 81, §562A.12]

93 Acts, ch 154, §13; 2010 Acts, ch 1017, §2, 11; 2013 Acts, ch 30, §261; 2013 Acts, ch 97, §4

Referred to in §562A.21, 562A.25

Code editor directive applied

Subsection 7 amended

**562A.13 Disclosure.**

1. The landlord or a person authorized to enter into a rental agreement on behalf of the landlord shall disclose to the tenant in writing at or before the commencement of the tenancy the name and address of:

*a.* The person authorized to manage the premises.

*b.* An owner of the premises or a person authorized to act for and on behalf of the owner for the purpose of service of process and for the purpose of receiving and receipting for notices and demands.

2. The information required to be furnished by this section shall be kept current and this section extends to and is enforceable against a successor landlord, owner, or manager.

3. A person who fails to comply with subsection 1 becomes an agent of each person who is a landlord for the purpose of:

*a.* Service of process and receiving and receipting for notices and demands.

*b.* Performing the obligations of the landlord under this chapter and under the rental agreement and expending or making available for that purpose all rent collected from the premises.

4. The landlord or any person authorized to enter into a rental agreement on the landlord's behalf shall fully explain utility rates, charges and services to the prospective tenant before the rental agreement is signed unless paid by the tenant directly to the utility company.

5. Each tenant shall be notified, in writing, of any rent increase at least thirty days before the effective date. Such effective date shall not be sooner than the expiration date of original rental agreement or any renewal or extension thereof.

6. The landlord or a person authorized to enter into a rental agreement on behalf of the landlord shall disclose to each tenant in writing before the commencement of the tenancy if the property is listed in the comprehensive environmental response compensation and liability information system maintained by the federal environmental protection agency.

[C79, 81, §562A.13]

2004 Acts, ch 1071, §1

Referred to in §562A.6, 562A.8

**562A.14 Landlord to supply possession of dwelling unit.**

At the commencement of the term, the landlord shall deliver possession of the premises to the tenant in compliance with the rental agreement and section 562A.15. The landlord may bring an action for possession against a person wrongfully in possession and may recover the damages provided in section 562A.34, subsection 4.

[C79, 81, §562A.14]

Referred to in §562A.22

**562A.15 Landlord to maintain fit premises.**

1. *a.* The landlord shall:

(1) Comply with the requirements of applicable building and housing codes materially affecting health and safety.

(2) Make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition.

(3) Keep all common areas of the premises in a clean and safe condition. The landlord shall not be liable for any injury caused by any objects or materials which belong to or which have been placed by a tenant in the common areas of the premises used by the tenant.

(4) Maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and appliances, including elevators, supplied or required to be supplied by the landlord.

(5) Provide and maintain appropriate receptacles and conveniences, accessible to all tenants, for the central collection and removal of ashes, garbage, rubbish, and other waste incidental to the occupancy of the dwelling unit and arrange for their removal.

(6) Supply running water and reasonable amounts of hot water at all times and reasonable heat, except where the building that includes the dwelling unit is not required by law to be equipped for that purpose, or the dwelling unit is so constructed that heat or hot water is generated by an installation within the exclusive control of the tenant and supplied by a direct public utility connection.

*b.* If the duty imposed by paragraph "*a*", subparagraph (1), is greater than a duty imposed by another subparagraph of paragraph "*a*", the landlord's duty shall be determined by reference to paragraph "*a*", subparagraph (1).

2. The landlord and tenant of a single family residence may agree in writing that the tenant perform the landlord's duties specified in subsection 1, paragraph "*a*", subparagraphs (5) and (6), and also specified repairs, maintenance tasks, alterations, and remodeling, but only if the transaction is entered into in good faith.

3. The landlord and tenant of a dwelling unit other than a single family residence may agree that the tenant is to perform specified repairs, maintenance tasks, alterations, or remodeling only:

*a.* If the agreement of the parties is entered into in good faith and is set forth in a separate writing signed by the parties and supported by adequate consideration;

*b.* If the agreement does not diminish or affect the obligation of the landlord to other tenants in the premises.

4. The landlord shall not treat performance of the separate agreement described in subsection 3 as a condition to an obligation or performance of a rental agreement.

[C79, 81, §562A.15]

2013 Acts, ch 30, §177

Referred to in §562A.14, 562A.21, 562A.23, 562A.27, 562A.36

Subsections 1 and 2 amended

**562A.16 Limitation of liability.**

1. Unless otherwise agreed, a landlord, who conveys premises that include a dwelling unit subject to a rental agreement in a good faith sale to a bona fide purchaser, is relieved of liability under the rental agreement and this chapter as to events occurring subsequent to written notice to the tenant of the conveyance.

2. A manager of premises that includes a dwelling unit is relieved of liability under the

rental agreement and this chapter as to events occurring after written notice to the tenant of the termination of the person's management.

[C79, 81, §562A.16]

## ARTICLE III

## TENANT OBLIGATIONS

**562A.17 Tenant to maintain dwelling unit.**

The tenant shall:

1. Comply with all obligations primarily imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety.

2. Keep that part of the premises that the tenant occupies and uses as clean and safe as the condition of the premises permit.

3. Dispose from the tenant's dwelling unit all ashes, rubbish, garbage, and other waste in a clean and safe manner.

4. Keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition permits.

5. Use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appliances including elevators in the premises.

6. Not deliberately or negligently destroy, deface, damage, impair or remove a part of the premises or knowingly permit a person to do so. If damage, defacement, alteration, or destruction of property by the tenant is intentional, the tenant may be criminally charged with criminal mischief pursuant to chapter 716.

7. Act in a manner that will not disturb a neighbor's peaceful enjoyment of the premises.

[C79, 81, §562A.17]

2013 Acts, ch 97, §5

Referred to in §562A.27, 562A.28

Subsection 6 amended

**562A.18 Rules.**

1. A landlord, from time to time, may adopt rules, however described, concerning the tenant's use and occupancy of the premises. A rule is enforceable against the tenant only if it is written and if:

*a.* Its purpose is to promote the convenience, safety, or welfare of the tenants in the premises, preserve the landlord's property from abusive use, or make a fair distribution of services and facilities held out for the tenants generally.

*b.* It is reasonably related to the purpose for which it is adopted.

*c.* It applies to all tenants in the premises in a fair manner.

*d.* It is sufficiently explicit in its prohibition, direction, or limitation of the tenant's conduct to fairly inform the tenant of what the tenant must or must not do to comply.

*e.* It is not for the purpose of evading the obligations of the landlord.

*f.* The tenant has notice of it at the time the tenant enters into the rental agreement.

2. A rule adopted after the tenant enters into the rental agreement is enforceable against the tenant if reasonable notice of its adoption is given to the tenant and it does not work a substantial modification of the rental agreement.

[C79, 81, §562A.18]

2013 Acts, ch 30, §261

Referred to in §562A.6

Code editor directive applied

**562A.19 Access.**

1. The tenant shall not unreasonably withhold consent to the landlord to enter into the dwelling unit in order to inspect the premises, make necessary or agreed repairs, decorations, alterations, or improvements, supply necessary or agreed services, or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workers, or contractors.

2. The landlord may enter the dwelling unit without consent of the tenant in case of emergency.

3. The landlord shall not abuse the right of access or use it to harass the tenant. Except in case of emergency or if it is impracticable to do so, the landlord shall give the tenant at least twenty-four hours' notice of the landlord's intent to enter and enter only at reasonable times.

4. The landlord does not have another right of access except by court order, and as permitted by sections 562A.28 and 562A.29, or if the tenant has abandoned or surrendered the premises.

[C79, 81, §562A.19]

**562A.20 Tenant to use and occupy.**

Unless otherwise agreed, the tenant shall occupy the dwelling unit only as a dwelling unit and uses incidental thereto. The rental agreement may require that the tenant notify the landlord of an anticipated extended absence from the premises not later than the first day of the extended absence.

[C79, 81, §562A.20]

Referred to in §562A.29

## ARTICLE IV

## REMEDIES

### PART 1

### TENANT REMEDIES

**562A.21 Noncompliance by the landlord — in general.**

1. Except as provided in this chapter, if there is a material noncompliance by the landlord with the rental agreement or a noncompliance with section 562A.15 materially affecting health and safety, the tenant may elect to commence an action under this section and shall deliver a written notice to the landlord specifying the acts and omissions constituting the breach and that the rental agreement will terminate upon a date not less than seven days after receipt of the notice if the breach is not remedied in seven days, and the rental agreement shall terminate and the tenant shall surrender as provided in the notice subject to the following:

*a.* If the breach is remediable by repairs or the payment of damages or otherwise, and if the landlord adequately remedies the breach prior to the date specified in the notice, the rental agreement shall not terminate.

*b.* If substantially the same act or omission which constituted a prior noncompliance of which notice was given recurs within six months, the tenant may terminate the rental agreement upon at least seven days' written notice specifying the breach and the date of termination of the rental agreement unless the landlord has exercised due diligence and effort to remedy the breach which gave rise to the noncompliance.

*c.* The tenant may not terminate for a condition caused by the deliberate or negligent act or omission of the tenant, a member of the tenant's family, or other person on the premises with the tenant's consent.

2. Except as provided in this chapter, the tenant may recover damages and obtain injunctive relief for any noncompliance by the landlord with the rental agreement or section 562A.15 unless the landlord demonstrates affirmatively that the landlord has exercised due diligence and effort to remedy any noncompliance, and that any failure by the landlord to remedy any noncompliance was due to circumstances reasonably beyond the control of the landlord. If the landlord's noncompliance is willful the tenant may recover reasonable attorney fees.

3. The remedy provided in subsection 2 is in addition to any right of the tenant arising under subsection 1.

4. If the rental agreement is terminated, the landlord shall return all prepaid rent and security recoverable by the tenant under section 562A.12.

[C79, 81, §562A.21]

95 Acts, ch 125, §4, 5

Referred to in §562A.23, 562A.36

**562A.22 Failure to deliver possession.**

1. If the landlord fails to deliver possession of the dwelling unit to the tenant as provided in section 562A.14, rent abates until possession is delivered and the tenant shall:

*a.* Upon at least five days' written notice to the landlord, terminate the rental agreement and upon termination the landlord shall return all prepaid rent and security; or

*b.* Demand performance of the rental agreement by the landlord and, if the tenant elects, maintain an action for possession of the dwelling unit against the landlord or a person wrongfully in possession and recover the damages sustained by the tenant.

2. If a landlord's failure to deliver possession is willful and not in good faith, a tenant may recover from the landlord the actual damages sustained by the tenant and reasonable attorney fees.

[C79, 81, §562A.22]

**562A.23 Wrongful failure to supply heat, water, hot water or essential services.**

1. If contrary to the rental agreement or section 562A.15 the landlord deliberately or negligently fails to supply running water, hot water, or heat, or essential services, the tenant may give written notice to the landlord specifying the breach and may:

*a.* Procure reasonable amounts of hot water, running water, heat and essential services during the period of the landlord's noncompliance and deduct their actual and reasonable cost from the rent;

*b.* Recover damages based upon the diminution in the fair rental value of the dwelling unit; or

*c.* Recover any rent already paid for the period of the landlord's noncompliance which shall be reimbursed on a pro rata basis.

2. If the tenant proceeds under this section, the tenant may not proceed under section 562A.21 as to that breach.

3. The rights under this section do not arise until the tenant has given notice to the landlord or if the condition was caused by the deliberate or negligent act or omission of the tenant, a member of the tenant's family, or other person on the premises with the consent of the tenant.

[C79, 81, §562A.23]

**562A.24 Landlord's noncompliance as defense to action for possession or rent.**

1. In an action for possession based upon nonpayment of the rent or in an action for rent where the tenant is in possession, the tenant may counterclaim for an amount which the tenant may recover under the rental agreement or this chapter. In that event the court from time to time may order the tenant to pay into court all or part of the rent accrued and thereafter accruing, and shall determine the amount due to each party. The party to whom a net amount is owed shall be paid first from the money paid into court, and the balance by the other party. If rent does not remain due after application of this section, judgment shall be entered for the tenant in the action for possession. If the defense or counterclaim by the tenant is without merit and is not raised in good faith the landlord may recover reasonable attorney fees.

2. In an action for rent where the tenant is not in possession, the tenant may counterclaim as provided in subsection 1, but the tenant is not required to pay any rent into court.

[C79, 81, §562A.24]

Referred to in §648.19

**562A.25 Fire or casualty damage.**

1. If the dwelling unit or premises are damaged or destroyed by fire or casualty to an extent that enjoyment of the dwelling unit is substantially impaired, the tenant may:

*a.* Immediately vacate the premises and notify the landlord in writing within fourteen days

of the tenant's intention to terminate the rental agreement, in which case the rental agreement terminates as of the date of vacating; or

*b.* If continued occupancy is lawful, vacate a part of the dwelling unit rendered unusable by the fire or casualty, in which case the tenant's liability for rent is reduced in proportion to the diminution in the fair rental value of the dwelling unit.

2. If the rental agreement is terminated, the landlord shall return all prepaid rent and security recoverable under section 562A.12. Accounting for rent in the event of termination or apportionment is to occur as of the date of the casualty.

[C79, 81, §562A.25]

**562A.26 Tenant's remedies for landlord's unlawful ouster, exclusion, or diminution of service.**

If the landlord unlawfully removes or excludes the tenant from the premises or willfully diminishes services to the tenant by interrupting or causing the interruption of electric, gas, water, or other essential service to the tenant, the tenant may recover possession pursuant to section 648.1, subsection 1, or terminate the rental agreement and, in either case, recover the actual damages sustained by the tenant, punitive damages not to exceed twice the monthly rental payment, and reasonable attorney fees. If the rental agreement is terminated, the landlord shall return all prepaid rent and security.

[C79, 81, §562A.26]

2013 Acts, ch 97, §6

Section amended

## PART 2

## LANDLORD REMEDIES

**562A.27 Noncompliance with rental agreement — failure to pay rent — violation of federal regulation.**

1. Except as provided in this chapter, if there is a material noncompliance by the tenant with the rental agreement or a noncompliance with section 562A.17 materially affecting health and safety, the landlord may deliver a written notice to the tenant specifying the acts and omissions constituting the breach and that the rental agreement will terminate upon a date not less than seven days after receipt of the notice if the breach is not remedied in seven days, and the rental agreement shall terminate as provided in the notice subject to the provisions of this section. If the breach is remediable by repairs or the payment of damages or otherwise and the tenant adequately remedies the breach prior to the date specified in the notice, the rental agreement shall not terminate. If substantially the same act or omission which constituted a prior noncompliance of which notice was given recurs within six months, the landlord may terminate the rental agreement upon at least seven days' written notice specifying the breach and the date of termination of the rental agreement.

2. If rent is unpaid when due and the tenant fails to pay rent within three days after written notice by the landlord of nonpayment and the landlord's intention to terminate the rental agreement if the rent is not paid within that period of time, the landlord may terminate the rental agreement.

3. Except as provided in this chapter, the landlord may recover damages and obtain injunctive relief for noncompliance by the tenant with the rental agreement or section 562A.17 unless the tenant demonstrates affirmatively that the tenant has exercised due diligence and effort to remedy any noncompliance, and that the tenant's failure to remedy any noncompliance was due to circumstances beyond the tenant's control. If the tenant's noncompliance is willful, the landlord may recover reasonable attorney fees.

4. In any action by a landlord for possession based upon nonpayment of rent, proof by the tenant of the following shall be a defense to any action or claim for possession by the landlord, and the amounts expended by the claimant in correcting the deficiencies shall be deducted from the amount claimed by the landlord as unpaid rent:

*a.* That the landlord failed to comply either with the rental agreement or with section 562A.15; and

*b.* That the tenant notified the landlord at least seven days prior to the due date of the tenant's rent payment of the tenant's intention to correct the condition constituting the breach referred to in paragraph "*a*" at the landlord's expense; and

*c.* That the reasonable cost of correcting the condition constituting the breach is equal to or less than one month's periodic rent; and

*d.* That the tenant in good faith caused the condition constituting the breach to be corrected prior to receipt of written notice of the landlord's intention to terminate the rental agreement for nonpayment of rent.

5. Notwithstanding any other provisions of this chapter, a municipal housing agency established pursuant to chapter 403A may issue a thirty-day notice of lease termination for a violation of a rental agreement by the tenant when the violation is a violation of a federal regulation governing the tenant's eligibility for or continued participation in a public housing program. The municipal housing agency shall not be required to provide the tenant with a right or opportunity to remedy the violation or to give any notice that the tenant has such a right or opportunity when the notice cites the federal regulation as authority.

[C79, 81, §562A.27]

95 Acts, ch 125, §6, 7; 2003 Acts, ch 154, §2

Referred to in §562A.27A, 562A.29A, 562A.32, 648.3

**562A.27A Termination for creating a clear and present danger to others.**

1. Notwithstanding section 562A.27 or 648.3, if a tenant has created or maintained a threat constituting a clear and present danger to the health or safety of other tenants, the landlord, the landlord's employee or agent, or other persons on or within one thousand feet of the landlord's property, the landlord, after the service of a single three days' written notice of termination and notice to quit stating the specific activity causing the clear and present danger, and setting forth the language of subsection 3 which includes certain exemption provisions available to the tenant, may file suit against the tenant for recovery of possession of the premises pursuant to chapter 648, except as otherwise provided in subsection 3. The petition shall state the incident or incidents giving rise to the notice of termination and notice to quit. The tenant shall be given the opportunity to contest the termination in the court proceedings by notice thereof at least three days prior to the hearing.

2. A clear and present danger to the health or safety of other tenants, the landlord, the landlord's employees or agents, or other persons on or within one thousand feet of the landlord's property includes, but is not limited to, any of the following activities of the tenant or of any person on the premises with the consent of the tenant:

*a.* Physical assault or the threat of physical assault.

*b.* Illegal use of a firearm or other weapon, the threat to use a firearm or other weapon illegally, or possession of an illegal firearm.

*c.* Possession of a controlled substance unless the controlled substance was obtained directly from or pursuant to a valid prescription or order by a licensed medical practitioner while acting in the course of the practitioner's professional practice. This paragraph applies to any other person on the premises with the consent of the tenant, but only if the tenant knew of the possession by the other person of a controlled substance.

3. *a.* This section shall not apply to a tenant if the activities causing the clear and present danger, as defined in subsection 2, are conducted by a person on the premises other than the tenant and the tenant takes at least one of the following measures against the person conducting the activities:

(1) The tenant seeks a protective order, restraining order, order to vacate the homestead, or other similar relief pursuant to chapter 236, 598, 664A, or 915, or any other applicable provision which would apply to the person conducting the activities causing the clear and present danger.

(2) The tenant reports the activities causing the clear and present danger to a law enforcement agency or the county attorney in an effort to initiate a criminal action against the person conducting the activities.

(3) The tenant writes a letter to the person conducting the activities causing the clear and present danger, telling the person not to return to the premises and that a return to the premises may result in a trespass or other action against the person, and the tenant sends a copy of the letter to a law enforcement agency whose jurisdiction includes the premises. If the tenant has previously written a letter to the person as provided in this subparagraph, without taking an action specified in subparagraph (1) or (2) or filing a trespass or other action, and the person to whom the letter was sent conducts further activities causing a clear and present danger, the tenant must take one of the actions specified in subparagraph (1) or (2) to be exempt from proceedings pursuant to subsection 1.

*b.* However, in order to fall within the exemptions provided within this subsection, the tenant must provide written proof to the landlord, prior to the commencement of a suit against the tenant, that the tenant has taken one of the measures specified in paragraph "*a*", subparagraphs (1) through (3).

92 Acts, ch 1211, §1; 95 Acts, ch 125, §8, 9; 98 Acts, ch 1090, §71, 84; 2004 Acts, ch 1016, §1; 2006 Acts, ch 1101, §2; 2013 Acts, ch 30, §178

Referred to in §562A.29A

Subsection 3 amended

**562A.28 Failure to maintain.**

If there is noncompliance by the tenant with section 562A.17, materially affecting health and safety, that can be remedied by repair or replacement of a damaged item or cleaning, and the tenant fails to comply as promptly as conditions require in case of emergency or within seven days after written notice by the landlord specifying the breach and requesting that the tenant remedy it within that period of time, the landlord may enter the dwelling unit and cause the work to be done in a competent manner and submit an itemized bill for the actual and reasonable cost or the fair and reasonable value of it as rent on the next date when periodic rent is due, or if the rental agreement has terminated, for immediate payment.

[C79, 81, §562A.28]

85 Acts, ch 67, §50; 95 Acts, ch 125, §10

Referred to in §562A.19

**562A.29 Remedies for absence, nonuse and abandonment.**

1. If the rental agreement requires the tenant to give notice to the landlord of an anticipated extended absence as provided in section 562A.20, and the tenant willfully fails to do so, the landlord may recover actual damages from the tenant.

2. During an absence of the tenant in excess of fourteen days, the landlord may enter the dwelling unit at times reasonably necessary.

3. If the tenant abandons the dwelling unit, the landlord shall make reasonable efforts to rent it at a fair rental. If the landlord rents the dwelling unit for a term beginning prior to the expiration of the rental agreement, it is deemed to be terminated as of the date the new tenancy begins. The rental agreement is deemed to be terminated by the landlord as of the date the landlord has notice of the abandonment, if the landlord fails to use reasonable efforts to rent the dwelling unit at a fair rental or if the landlord accepts the abandonment as a surrender. If the tenancy is from month-to-month, or week-to-week, the term of the rental agreement for this purpose shall be deemed to be a month or a week, as the case may be.

[C79, 81, §562A.29]

Referred to in §562A.19

**562A.29A Method of service of notice on tenant.**

1. A written notice of termination required under section 562A.27, subsection 1, 2, or 5, a notice of termination and notice to quit required under section 562A.27A, a landlord's written notice of termination to the tenant required under section 562A.34, subsection 1, 2, or 3, or a notice to quit required by section 648.3, shall be served upon the tenant by one or more of the following methods:

*a.* Delivery evidenced by an acknowledgment of delivery that is signed and dated by a resident of the dwelling unit who is at least eighteen years of age. Delivery under this paragraph shall be deemed to provide notice to all tenants of the dwelling unit.

*b.* Personal service pursuant to rule of civil procedure 1.305, Iowa court rules, for the personal service of original notice.

*c.* Posting on the primary entrance door of the dwelling unit and mailing by both regular mail and certified mail, as defined in section 618.15, to the address of the dwelling unit or to the tenant's last known address, if different from the address of the dwelling unit. A notice posted according to this paragraph shall be posted within the applicable time period for serving notice and shall include the date the notice was posted.

2. Notice served by mail under this section is deemed completed four days after the notice is deposited in the mail and postmarked for delivery, whether or not the recipient signs a receipt for the notice.

92 Acts, ch 1211, §2; 96 Acts, ch 1203, §3; 99 Acts, ch 155, §7, 14; 2010 Acts, ch 1017, §3, 11; 2010 Acts, ch 1193, §63, 80; 2013 Acts, ch 97, §7
Referred to in §562A.8
Subsection 1, unnumbered paragraph 1 amended

**562A.30 Waiver of landlord's right to terminate.**

1. Acceptance of performance by the tenant that varies from the terms of the rental agreement or rules subsequently adopted by the landlord constitutes a waiver of the landlord's right to terminate the rental agreement for that breach.

2. Nothing in this section shall prohibit a landlord from granting a waiver for a term of days, provided the landlord gives notice of the breach and temporary waiver to a tenant consistent with section 562A.8 prior to a tenant acting or failing to act in reliance on the grant of a temporary waiver.

[C79, 81, §562A.30]
2013 Acts, ch 97, §8
Section amended

**562A.31 Landlord liens — distress for rent.**

1. A lien on behalf of the landlord on the tenant's household goods is not enforceable unless perfected before January 1, 1979.

2. Distraint for rent is abolished.

[C79, 81, §562A.31]

**562A.32 Remedy after termination.**

If the rental agreement is terminated, the landlord may have a claim for possession and for rent and a separate claim for actual damages for breach of the rental agreement and reasonable attorney fees as provided in section 562A.27.

[C79, 81, §562A.32]
Referred to in §648.19

**562A.33 Recovery of possession limited.**

A landlord may not recover or take possession of the dwelling unit by action or otherwise, including willful diminution of services to the tenant by interrupting or causing the interruption of electric, gas, water or other essential service to the tenant, except in case of abandonment, surrender, or as permitted in this chapter.

[C79, 81, §562A.33]

## PART 3

## PERIODIC TENANCY — HOLDOVER — ABUSE OF ACCESS

**562A.34 Periodic tenancy — holdover remedies.**

1. The landlord or the tenant may terminate a week-to-week tenancy by a written notice given to the other at least ten days prior to the termination date specified in the notice.

2. The landlord or the tenant may terminate a month-to-month tenancy by a written notice given to the other at least thirty days prior to the periodic rental date specified in the notice.

3. The landlord or the tenant may terminate a tenancy having a term longer than month-to-month by a written notice given to the other at least thirty days prior to the end of the first or subsequent term of the tenancy specified in the notice.

4. If the tenant remains in possession without the landlord's consent after expiration of the term of the rental agreement or its termination, the landlord may bring an action for possession and if the tenant's holdover is willful and not in good faith the landlord, in addition, may recover the actual damages sustained by the landlord and reasonable attorney fees. If the landlord consents to the tenant's continued occupancy, section 562A.9, subsection 5 applies.

[C79, 81, §562A.34]

2006 Acts, ch 1037, §1

Referred to in §562A.14, 562A.29A

Section not amended; internal reference change applied

**562A.35 Landlord and tenant remedies for abuse of access.**

1. If the tenant refuses to allow lawful access, the landlord may obtain injunctive relief to compel access, or terminate the rental agreement. In either case, the landlord may recover actual damages and reasonable attorney fees.

2. If the landlord makes an unlawful entry or a lawful entry in an unreasonable manner or makes repeated demands for entry otherwise lawful but which have the effect of unreasonably harassing the tenant, the tenant may obtain injunctive relief to prevent the recurrence of the conduct, or terminate the rental agreement. In either case, the tenant may recover actual damages not less than an amount equal to one month's rent and reasonable attorney fees.

[C79, 81, §562A.35]

## ARTICLE V

## RETALIATORY ACTION

**562A.36 Retaliatory conduct prohibited.**

1. Except as provided in this section, a landlord may not retaliate by increasing rent or decreasing services or by bringing or threatening to bring an action for possession after:

*a.* The tenant has complained to a governmental agency charged with responsibility for enforcement of a building or housing code of a violation applicable to the premises materially affecting health and safety;

*b.* The tenant has complained to the landlord of a violation under section 562A.15; or

*c.* The tenant has organized or become a member of a tenants' union or similar organization.

2. If the landlord acts in violation of subsection 1 of this section, the tenant may recover from the landlord the actual damages sustained by the tenant and reasonable attorney fees, and has a defense in action against the landlord for possession. In an action by or against the tenant, evidence of a good-faith complaint within one year prior to the alleged act of retaliation creates a presumption that the landlord's conduct was in retaliation. The presumption does not arise if the tenant made the complaint after notice of a proposed rent increase or diminution of services. Evidence by the landlord that legitimate costs and charges of owning, maintaining or operating a dwelling unit have increased shall be a defense against the presumption of retaliation when a rent increase is commensurate with the increase in costs and charges.

3. Notwithstanding subsections 1 and 2 of this section, a landlord may bring an action for possession if:

*a.* The violation of the applicable building or housing code was caused primarily by lack of reasonable care by the tenant or other person in the tenant's household or upon the premises with the tenant's consent;

*b.* The tenant is in default in rent; or

*c.* Compliance with the applicable building or housing code requires alteration, remodeling, or demolition which would effectively deprive the tenant of use of the dwelling unit. The maintenance of the action does not release the landlord from liability under section 562A.21, subsection 2.

[C79, 81, §562A.36]

2013 Acts, ch 97, §9

Subsection 2 amended

## ARTICLE VI

## EFFECTIVE DATE

**562A.37 Applicability.**

This chapter shall apply to rental agreements entered into or extended or renewed after January 1, 1979.

[C79, 81, §562A.37]

# CHAPTER 562B

## MANUFACTURED HOME COMMUNITIES OR MOBILE HOME PARKS RESIDENTIAL LANDLORD AND TENANT LAW

Referred to in §555C.1, 648.6, 648.22A

Eviction or distress for rent during military service; termination of leases; §29A.101


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## DIVISION I

## GENERAL PROVISIONS

**562B.1 Short title.**

This chapter shall be known and may be cited as the "*Manufactured Home Communities or Mobile Home Parks Residential Landlord and Tenant Act*".

[C79, 81, §562B.1]

2001 Acts, ch 153, §16

**562B.2 Purposes.**

Underlying purposes and policies of this chapter are:

1. To simplify, clarify and establish the law governing the rental of manufactured or mobile home spaces and rights and obligations of landlord and tenant.

2. To encourage landlord and tenant to maintain and improve the quality of manufactured or mobile home living.

[C79, 81, §562B.2]

2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80

**562B.3 Supplementary principles of law applicable.**

Unless displaced by the provisions of this chapter, the principles of law and equity, including the law relating to capacity to contract, mutuality of obligations, principal and agent, real property, public health, safety and fire prevention, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy or other validating or invalidating cause supplement its provisions.

[C79, 81, §562B.3]

**562B.4 Administration of remedies — enforcement.**

1. The remedies provided by this chapter shall be so administered that the aggrieved party may recover appropriate damages. The aggrieved party has a duty to mitigate damages.

2. Any right or obligation declared by this chapter is enforceable by action unless the provision declaring it specifies a different and limited effect.

[C79, 81, §562B.4]

**562B.5 Exclusions from application of chapter.**

The provisions of this chapter shall not apply to an occupancy in or operation of public housing as authorized, provided or conducted pursuant to chapter 403A, or pursuant to any federal law or regulation with which it might conflict.

[C79, 81, §562B.5]

**562B.6 Jurisdiction and service of process.**

1. The appropriate district court of this state may exercise jurisdiction over a landlord or tenant with respect to conduct in this state governed by this chapter or with respect to any claim arising from a transaction subject to this chapter. An action under this chapter may be brought as a small claim pursuant to the provisions of chapter 631. In addition to any other method provided by rule or by statute, personal jurisdiction over a landlord or tenant may be acquired in a civil action or proceeding instituted in the appropriate district court by the service of process in the manner provided by this section.

2. If a landlord is not a resident of this state or is a corporation not authorized to do business in this state and engages in conduct in this state governed by this chapter, or engages in a transaction subject to this chapter, the landlord shall designate an agent upon whom

service of process may be made in this state. The agent shall be a resident of this state or a corporation authorized to do business in this state. The designation shall be in writing and filed with the secretary of state. If no designation is made and filed or if process cannot be served in this state upon the designated agent, process may be served upon the secretary of state, but the plaintiff or petitioner shall forthwith mail a copy of this process and pleading by certified mail, return receipt requested, to the defendant or respondent at that person's last reasonably ascertained address. If there is no last reasonably ascertainable address and if the defendant or respondent has not complied with section 562B.14, subsections 1 and 2, then service upon the secretary of state shall be sufficient service of process without the mailing of copies to the defendant or respondent. Service of process shall be deemed complete and the time shall begin to run for the purposes of this section at the time of service upon the secretary of state. The defendant shall appear and answer within thirty days after completion thereof in the manner and under the same penalty as if defendant had been personally served with the summons. An affidavit of compliance with this section shall be filed with the clerk of the district court on or before the return day of the process, or within any further time the court allows.

[C79, 81, §562B.6]

**562B.7 General definitions.**

Subject to additional definitions contained in subsequent sections of this chapter which apply to specific sections thereof, and unless the context otherwise requires, in this chapter:

1. *"Building and housing codes"* include any law, ordinance, or governmental regulation concerning fitness for habitation, or the construction, maintenance, operation, occupancy, use, or appearance of any manufactured home community or mobile home park, dwelling unit, or manufactured or mobile home space.

2. *"Business"* includes a corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, and any other legal or commercial entity which is a landlord, owner, manager, or constructive agent pursuant to section 562B.14.

3. *"Dwelling unit"* excludes real property used to accommodate a manufactured or mobile home.

4. *"Landlord"* means the owner, lessor, or sublessor of a manufactured home community or a mobile home park and it also means a manager of the manufactured home community or a mobile home park who fails to disclose as required by section 562B.14.

5. *"Manufactured home community"* means the same as land-leased community defined in sections 335.30A and 414.28A.

6. *"Mobile home"* means any vehicle without motive power used or so manufactured or constructed as to permit its being used as a conveyance upon the public streets and highways and so designed, constructed, or reconstructed as will permit the vehicle to be used as a place for human habitation by one or more persons; but shall also include any such vehicle with motive power not registered as a motor vehicle in Iowa. References in this chapter to *"mobile home"* include *"manufactured homes"* and *"modular homes"* as those terms are defined in section 435.1, if the manufactured homes or modular homes are located in a manufactured home community or a mobile home park.

7. *"Mobile home park"* shall mean any site, lot, field or tract of land upon which three or more mobile homes, manufactured homes, or modular homes or a combination of any of these homes are placed on developed spaces and operated as a for-profit enterprise with water, sewer or septic, and electrical services available.

8. *"Mobile home space"* means a parcel of land for rent which has been designed to accommodate a mobile home and provide the required sewer and utility connections.

9. *"Owner"* means one or more persons, jointly or severally, in whom is vested all or part of the legal title to property or all or part of the beneficial ownership and a right to present use and enjoyment of the manufactured home community or the mobile home park. The term includes a mortgagee in possession.

10. *"Rent"* means a payment to be made to the landlord under the rental agreement.

11. *"Rental agreement"* means agreements, written or those implied by law, and valid

rules and regulations adopted under section 562B.19 embodying the terms and conditions concerning the use and occupancy of a mobile home space.

12. *"Rental deposit"* means a deposit of money to secure performance of a mobile home space rental agreement under this chapter other than a deposit which is exclusively in advance payment of rent.

13. *"Tenant"* means a person entitled under a rental agreement to occupy a mobile home space to the exclusion of others.

[C79, 81, §562B.7]

94 Acts, ch 1110, §23; 97 Acts, ch 121, §32; 2001 Acts, ch 153, §13

Referred to in §331.301, 364.3

**562B.8 Unconscionability.**

1. If the court, as a matter of law, finds that:

*a.* A rental agreement or any provision thereof was unconscionable when made, the court may refuse to enforce the agreement, enforce the remainder of the agreement without the unconscionable provision, or limit the application of any unconscionable provision to avoid an unconscionable result.

*b.* A settlement in which a party waives or agrees to forego a claim or right under this chapter or under a rental agreement was unconscionable at the time it was made, the court may refuse to enforce the settlement, enforce the remainder of the settlement without the unconscionable provision, or limit the application of any unconscionable provision to avoid any unconscionable result.

2. If unconscionability is put into issue by a party or by the court upon its own motion the parties shall be afforded a reasonable opportunity to present evidence as to the setting, purpose and effect of the rental agreement or settlement to aid the court in making the determination.

[C79, 81, §562B.8]

**562B.9 Notice.**

1. Notices required under this chapter, except those notices identified in section 562B.27A, shall be served as follows:

*a.* A landlord shall serve notice on a tenant by one or more of the following methods:

(1) Hand delivery to the tenant.

(2) Delivery evidenced by an acknowledgment of delivery that is signed and dated by a resident of the dwelling unit who is at least eighteen years of age. Delivery under this subparagraph shall be deemed to provide notice to all tenants of the dwelling unit.

(3) Personal service pursuant to rule of civil procedure 1.305, Iowa court rules, for the personal service of original notice.

(4) Mailing by both regular mail and certified mail, as defined in section 618.15, to the address of the dwelling unit or to an address provided by the tenant for mailing.

(5) Posting on the primary entrance door of the dwelling unit. A notice posted according to this subparagraph shall be posted within the applicable time period for serving notice and shall include the date the notice was posted.

(6) A method of providing notice that results in the notice actually being received by the tenant.

*b.* A tenant shall serve notice on a landlord by one or more of the following methods:

(1) Hand delivery to the landlord or the landlord's agent designated under section 562B.14.

(2) Delivery evidenced by an acknowledgment of delivery that is signed and dated by the landlord or the landlord's agent designated under section 562B.14.

(3) Personal service pursuant to rule of civil procedure 1.305, Iowa court rules, for the personal service of original notice.

(4) Delivery to an employee or agent of the landlord at the landlord's business office.

(5) Mailing by both regular mail and certified mail, as defined in section 618.15, to the address of the landlord's business office or to an address designated by the landlord for mailing.

(6) A method of providing notice that results in the notice actually being received by the landlord.

2. Notice served by mail under this section is deemed completed four days after the notice is deposited in the mail and postmarked for delivery, whether or not the recipient signs a receipt for the notice.

[C79, 81, §562B.9]

96 Acts, ch 1203, §4, 5; 99 Acts, ch 155, §8, 14; 2001 Acts, ch 153, §14; 2010 Acts, ch 1017, §4, 11

**562B.9A Computation of time.**

The calculation of all time periods required under this chapter shall be made in accordance with section 4.1, subsection 34.

99 Acts, ch 155, §9, 14

**562B.10 Terms and conditions of rental agreement.**

1. The landlord and tenant may include in a rental agreement terms and conditions not prohibited by this chapter or other rule of law including rent, term of the agreement and other provisions governing the rights and obligations of the parties.

2. The tenant shall pay as rent the amount stated in the rental agreement. In the absence of a rental agreement, the tenant shall pay as rent the fair rental value for the use and occupancy of the mobile home space.

3. Rent shall be payable without demand or notice at the time and place agreed upon by the parties. Unless otherwise agreed periodic rent is payable at the beginning of any term and thereafter in equal monthly installments. Rent shall be uniformly apportionable from day to day.

4. For rental agreements in which the rent does not exceed seven hundred dollars per month, a rental agreement shall not provide for a late fee that exceeds twelve dollars per day or a total amount of sixty dollars per month. For rental agreements in which the rent is greater than seven hundred dollars per month, a rental agreement shall not provide for a late fee that exceeds twenty dollars per day or a total amount of one hundred dollars per month.

5. Rental agreements shall be for a term of one year unless otherwise specified in the rental agreement. Rental agreements shall be canceled by at least sixty days' written notice given by either party. A landlord shall not cancel a rental agreement solely for the purpose of making the tenant's mobile home space available for another mobile home.

6. If a tenant should die, the surviving joint tenant or tenant in common in the mobile home shall continue as tenant with all rights, privileges and liabilities as the original tenant.

7. If a tenant who was sole owner of a mobile home dies during the term of a rental agreement then that person's heirs or legal representative or the landlord shall have the right to cancel the tenant's lease by giving sixty days' written notice to the person's heirs or legal representative or to the landlord, whichever is appropriate, and the heirs or the legal representative shall have the same rights, privileges and liabilities of the original tenant.

8. Improvements, except a natural lawn, purchased and installed by a tenant on a mobile home space shall remain the property of the tenant even though affixed to or in the ground and may be removed or disposed of by the tenant prior to the termination of the tenancy, provided that a tenant shall leave the mobile home space in substantially the same or better condition than upon taking possession.

[C79, 81, §562B.10]

2013 Acts, ch 97, §10

Referred to in §562B.27A

NEW subsection 4 and former subsections 4 – 7 renumbered as 5 – 8

**562B.11 Prohibited provisions in rental agreements.**

1. A rental agreement shall not provide that the tenant or landlord does any of the following:

*a.* Agrees to waive or to forego rights or remedies under this chapter.

*b.* Agrees to pay the other party's attorney fees.

*c.* Agrees to the exculpation or limitation of any liability of the other party arising under law or to indemnify the other party for that liability or the costs connected therewith.

*d.* Agrees to a designated agent for the sale of tenant's mobile home.

2. A provision prohibited by subsection 1 included in a rental agreement is unenforceable. If a landlord or tenant knowingly uses a rental agreement containing provisions known to be prohibited by this chapter, the other party may recover actual damages sustained.

3. Nothing in this chapter shall prohibit a rental agreement from requiring a tenant to maintain liability insurance which names the landlord as an insured as relates to the mobile home space rented by the tenant.

[C79, 81, §562B.11]

2013 Acts, ch 30, §179

Subsection 2, unnumbered paragraph 2 redesignated as subsection 3

**562B.12 Separation of rents and obligations to maintain property forbidden.**

A rental agreement, assignment, conveyance, trust deed or security instrument shall not permit the receipt of rent, unless the landlord has agreed to comply with section 562B.16, subsection 1.

[C79, 81, §562B.12]

## DIVISION II

## LANDLORD OBLIGATIONS

**562B.13 Rental deposits.**

1. A landlord shall not demand or receive as a security deposit an amount or value in excess of two months' rent.

2. All rental deposits shall be held by the landlord for the tenant, who is a party to the agreement, in a bank, credit union, or savings and loan association which is insured by an agency of the federal government. Rental deposits shall not be commingled with the personal funds of the landlord. All rental deposits may be held in a trust account, which may be a common trust account and which may be an interest-bearing account. Any interest earned on a rental deposit shall be the property of the landlord.

3. A landlord shall, within thirty days from the date of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return the rental deposit to the tenant or furnish to the tenant a written statement showing the specific reason for withholding of the rental deposit or any portion thereof. If the rental deposit or any portion of the rental deposit is withheld for the restoration of the manufactured or mobile home space, the statement shall specify the nature of the damages. The landlord may withhold from the rental deposit only such amounts as are reasonably necessary for the following reasons:

*a.* To remedy a tenant's default in the payment of rent or of other funds due to the landlord pursuant to the rental agreement.

*b.* To restore the manufactured or mobile home space to its condition at the commencement of the tenancy, ordinary wear and tear excepted.

*c.* To remove, store, and dispose of a manufactured or mobile home if it is abandoned as defined in section 562B.27.

4. In an action concerning the rental deposit, the burden of proving, by a preponderance of the evidence, the reason for withholding all or any portion of the rental deposit shall be on the landlord.

5. A landlord who fails to provide a written statement within thirty days of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions shall forfeit all rights to withhold any portion of the rental deposit. If no mailing address or instructions are provided to the landlord within one year from the termination of the tenancy the rental deposit shall revert to the landlord and the tenant will be deemed to have forfeited all rights to the rental deposit.

6. *a.* Upon termination of a landlord's interest in the manufactured home community or mobile home park, the landlord or the landlord's agent shall, within a reasonable time, transfer the rental deposit, or any remainder after any lawful deductions to the landlord's successor in interest and notify the tenant of the transfer and of the transferee's name and address or return the deposit, or any remainder after any lawful deductions to the tenant.

*b.* Upon the termination of the landlord's interest in the manufactured home community or mobile home park and compliance with the provisions of this subsection, the landlord shall be relieved of any further liability with respect to the rental deposit.

7. Upon termination of the landlord's interest in the manufactured home community or mobile home park, the landlord's successor in interest shall have all the rights and obligations of the landlord with respect to the rental deposits, except that if the tenant does not object to the stated amount within twenty days after written notice to the tenant of the amount of rental deposit being transferred or assumed, the obligations of the landlord's successor to return the deposit shall be limited to the amount contained in the notice. The notice shall contain a stamped envelope addressed to the landlord's successor.

8. The bad faith retention of a deposit by a landlord, or any portion of the rental deposit, in violation of this section shall subject the landlord to punitive damages not to exceed two hundred dollars in addition to actual damages.

[C79, 81, §562B.13]

88 Acts, ch 1138, §15; 93 Acts, ch 154, §14; 2001 Acts, ch 153, §15, 16; 2001 Acts, ch 176, §80; 2010 Acts, ch 1017, §5, 11; 2013 Acts, ch 30, §261

Code editor directive applied

**562B.14 Disclosure and tender of written rental agreement.**

1. The landlord shall offer the tenant the opportunity to sign a written agreement for a mobile home space.

2. The landlord or any person authorized to enter into a rental agreement on the landlord's behalf shall disclose to the tenant in writing at or before entering into the rental agreement the name and address of:

*a.* The person authorized to manage the manufactured home community or mobile home park.

*b.* The owner of the manufactured home community or mobile home park or a person authorized to act for and on behalf of the owner for the purpose of service of process and for the purpose of receiving and receipting for notices and demands.

3. The information required to be furnished by this section shall be kept current and refurnished to the tenant upon the tenant's request. When there is a new owner or operator this section extends to and is enforceable against any successor landlord, owner or manager.

4. A person who fails to comply with subsections 1 and 2 becomes an agent of each person who is a landlord for the following purposes:

*a.* Service of process and receiving and receipting for notices and demands.

*b.* Performing the obligations of the landlord under this chapter and under the rental agreement and expending or making available for the purpose all rent collected from the manufactured home community or mobile home park.

5. If there is a written rental agreement, the landlord must tender and deliver a signed copy of the rental agreement to the tenant and the tenant must sign and deliver to the landlord one fully executed copy of such rental agreement within ten days after the agreement is executed. Noncompliance with this subsection shall be deemed a material noncompliance by the landlord or the tenant, as the case may be, of the rental agreement.

6. The landlord or any person authorized to enter into a rental agreement on the landlord's behalf shall provide a written explanation of utility rates, charges and services to the prospective tenant before the rental agreement is signed unless the utility charges are paid by the tenant directly to the utility company.

7. Each tenant shall be notified, in writing, of any rent increase at least sixty days before

the effective date. Such effective date shall not be sooner than the expiration date of the original rental agreement or any renewal or extension thereof.

[C79, 81, §562B.14]

2001 Acts, ch 153, §16

Referred to in §562B.6, 562B.7, 562B.9

**562B.15 Landlord to deliver possession of mobile home space.**

At the commencement of the term the landlord shall deliver possession of the mobile home space to the tenant in compliance with the rental agreement and section 562B.16. The landlord may bring an action for possession against a person wrongfully in possession and may recover the damages provided in section 562B.30, subsection 2.

[C79, 81, §562B.15]

88 Acts, ch 1158, §94; 2001 Acts, ch 153, §16; 2002 Acts, ch 1050, §60, 65

Referred to in §562B.23

**562B.16 Landlord to maintain fit premises.**

1. The landlord shall:

*a.* Comply with the requirements of all applicable city, county and state codes materially affecting health and safety which are primarily imposed upon the landlord.

*b.* Make all repairs and do whatever is necessary to put and keep the mobile home space in a fit and habitable condition.

*c.* Keep all common areas of the manufactured home community or mobile home park in a clean and safe condition.

*d.* Maintain in good and safe working order and condition all facilities supplied or required to be supplied by the landlord.

*e.* Provide for removal of garbage, rubbish, and other waste from the manufactured home community or mobile home park.

*f.* Furnish outlets for electric, water and sewer services.

2. A landlord shall not impose any conditions of rental or occupancy which restrict the tenant in the choice of a seller of fuel, furnishings, goods, services or mobile homes connected with the rental or occupancy of a mobile home space unless such condition is necessary to protect the health, safety, aesthetic value or welfare of mobile home tenants in the manufactured home community or park. The landlord may impose reasonable requirements designed to standardize methods of utility connection and hookup. If any such conditions are imposed which result in charges for such goods or services, the charges shall not exceed the actual cost incurred in providing the tenant with such goods or services.

[C79, 81, §562B.16]

2001 Acts, ch 153, §16

Referred to in §562B.12, 562B.15, 562B.22, 562B.23, 562B.32

**562B.17 Limitation of liability.**

1. A landlord who conveys a manufactured home community or mobile home park in a good faith sale to a bona fide purchaser is relieved of liability under the rental agreement and this chapter as to events occurring subsequent to written notice to the tenant of the conveyance.

2. A manager of a manufactured home community or mobile home park is relieved of liability under the rental agreement and this chapter as to events occurring after written notice to the tenant of the termination of the person's management, except such notice shall not terminate any agreement or legal liability arising prior to the notice.

[C79, 81, §562B.17]

2001 Acts, ch 153, §16

## DIVISION III

## TENANT OBLIGATIONS

**562B.18 Tenant to maintain mobile home space — notice of vacating.**

A tenant shall maintain the mobile home space in as good a condition as when the tenant took possession and shall:

1. Comply with all obligations primarily imposed upon tenants by applicable provisions of city, county and state codes materially affecting health and safety.

2. Keep that part of the manufactured home community or mobile home park that the tenant occupies and uses reasonably clean and safe.

3. Dispose from the tenant's mobile home space all rubbish, garbage and other waste in a clean and safe manner.

4. Not deliberately or negligently destroy, deface, damage, impair or remove any part of the manufactured home community or mobile home park or knowingly permit any person to do so.

5. Act and require other persons in the manufactured home community or mobile home park with the tenant's consent to act in a manner that will not disturb the tenant's neighbors' peaceful enjoyment of the manufactured home community or mobile home park.

6. Maintain in good and safe working order all utility lines, pipes, and cables extending from the mobile home to outlets provided by the landlord for electric, water, sewer, and other services. This subsection shall not apply to a tenant who does not own the mobile home.

[C79, 81, §562B.18]

85 Acts, ch 67, §51; 99 Acts, ch 155, §10, 14; 2001 Acts, ch 153, §16

Referred to in §562B.25, 562B.26

**562B.19 Rules and regulations.**

1. A landlord may adopt rules or regulations, however described, concerning the tenant's use and occupancy of the manufactured home community or mobile home park. Such rules or regulations are enforceable against the tenant only if they are written and if:

*a.* Their purpose is to promote the convenience, safety or welfare of the tenants in the manufactured home community or mobile home park, to preserve the landlord's property from abuse, to make a fair distribution of services and facilities held out for the tenants generally, or to facilitate manufactured home community or mobile home park management.

*b.* They are reasonably related to the purpose for which adopted.

*c.* They apply to all tenants in the manufactured home community or mobile home park in a fair manner.

*d.* They are sufficiently explicit in prohibition, direction or limitation of the tenant's conduct to fairly inform that person of what must or must not be done to comply.

*e.* They are not for the purpose of evading the obligations of the landlord.

*f.* The prospective tenant is given a copy of them before the rental agreement is entered into.

2. Notice of all such additions, changes, deletions or amendments shall be given to all mobile home tenants thirty days before they become effective. Any rule or condition of occupancy which is unfair and deceptive or which does not conform to the requirements of this chapter shall be unenforceable. A rule or regulation adopted after the tenant enters into the rental agreement is enforceable against the tenant only if it does not work a substantial modification of that person's rental agreement.

3. A landlord shall not:

*a.* Deny rental unless the tenant or prospective tenant cannot conform to manufactured home community or park rules and regulations.

*b.* Require any person as a precondition to renting, leasing or otherwise occupying or removing from a mobile home space in a manufactured home community or mobile home park to pay an entrance or exit fee of any kind unless for services actually rendered or pursuant to a written agreement.

*c.* Deny any resident of a manufactured home community or mobile home park the right

to sell that person's mobile home at a price of the person's own choosing, but may reserve the right to approve the purchaser of such mobile home as a tenant but such permission may not be unreasonably withheld, provided however, that the landlord may, in the event of a sale to a third party, in order to upgrade the quality of the manufactured home community or mobile home park, require that any mobile home in a rundown condition or in disrepair be removed from the manufactured home community or park within sixty days.

*d.* Exact a commission or fee with respect to the price realized by the tenant selling the tenant's mobile home, unless the manufactured home community or park owner or operator has acted as agent for the mobile home owner pursuant to a written agreement.

*e.* Require tenant to furnish permanent improvements which cannot be removed without damage thereto or to the mobile home space by tenant at expiration of the rental agreement.

*f.* Prohibit meetings between tenants in the manufactured home community or mobile home park relating to mobile home living and affairs in the manufactured home community or park community or recreational hall if such meetings are held at reasonable hours and when the facility is not otherwise in use.

[C79, 81, §562B.19]

2001 Acts, ch 153, §16

Referred to in §562B.7, 648.22A

**562B.20 Access.**

1. A landlord shall not have the right of access to a mobile home owned by a tenant unless such access is necessary to prevent damage to the mobile home space or is in response to an emergency situation.

2. The landlord may enter onto the mobile home space in order to inspect the mobile home space, make necessary or agreed repairs or improvements, supply necessary or agreed services or exhibit the mobile home space to prospective or actual purchasers, mortgagees, tenants, workers or contractors.

[C79, 81, §562B.20]

**562B.21 Tenant to occupy as a dwelling unit — authority to sublet.**

The tenant shall occupy the tenant's mobile home only as a dwelling unit and may rent the mobile home to another, only upon written agreement with the park management.

[C79, 81, §562B.21]

## DIVISION IV

## REMEDIES

**562B.22 Noncompliance by the landlord.**

1. Except as provided in this chapter, if there is a material noncompliance by the landlord with the rental agreement, the tenant may deliver a written notice to the landlord specifying the acts and omissions constituting the breach and that the rental agreement will terminate upon a date not less than thirty days after receipt of the notice if the breach is not remedied in fourteen days. If there is a noncompliance by the landlord with section 562B.16 materially affecting health and safety, the tenant may deliver a written notice to the landlord specifying the acts and omissions constituting the breach and that the rental agreement will terminate upon a date not less than thirty days after receipt of the notice if the breach is not remedied in fourteen days. The rental agreement shall terminate and the mobile home space shall be vacated as provided in the notice subject to the following:

*a.* If the breach is remediable by repairs or the payment of damages or otherwise and the landlord adequately remedies the breach prior to the date specified in the notice, the rental agreement will not terminate.

*b.* The tenant may not terminate for a condition caused by the deliberate or negligent act or omission of the tenant, a member of the tenant's family or other person in the manufactured home community or mobile home park with the tenant's consent.

2. Except as provided in this chapter, the tenant may recover damages, and obtain injunctive relief for any noncompliance by the landlord with the rental agreement or with section 562B.16.

3. The remedy provided in subsection 2 of this section is in addition to any right of the tenant arising under subsection 1 of this section.

[C79, 81, §562B.22]

2001 Acts, ch 153, §16

Referred to in §562B.23, 562B.32, 648.19

**562B.23 Failure to deliver possession.**

1. If the landlord fails to deliver physical possession of the mobile home space to the tenant as provided in section 562B.15, rent abates until possession is delivered and the tenant may do either of the following:

*a.* Upon written notice to the landlord, terminate the rental agreement and at that time the landlord shall return all deposits.

*b.* Demand performance of the rental agreement by the landlord and, if the tenant elects, maintain an action for possession of the mobile home space against the landlord and recover the damages sustained by the tenant plus reasonable attorney fees and court costs.

2. If the landlord delivers physical possession to the tenant but fails to comply with section 562B.16 at the time of delivery, rent shall not abate. The tenant may also proceed with the remedies provided for in section 562B.22.

[C79, 81, §562B.23]

2001 Acts, ch 153, §16; 2002 Acts, ch 1050, §60, 65

**562B.24 Tenant's remedies for landlord's unlawful ouster, exclusion or diminution of services.**

If the landlord unlawfully removes or excludes the tenant from the manufactured home community or mobile home park or willfully diminishes services to the tenant by interrupting or causing the interruption of electric, gas, water or other essential service to the tenant, the tenant may recover possession, require the restoration of essential services or terminate the rental agreement and, in either case, recover an amount not to exceed two months' periodic rent and twice the actual damages sustained by the tenant.

[C79, 81, §562B.24]

2001 Acts, ch 153, §16

Referred to in §562B.32

**562B.25 Noncompliance with rental agreement by tenant — failure to pay rent.**

1. Except as provided in this chapter, if there is a material noncompliance by the tenant with the rental agreement, the landlord may deliver a written notice to the tenant specifying the acts and omissions constituting the breach and that the rental agreement will terminate upon a date not less than thirty days after receipt of the notice if the breach is not remedied in fourteen days. If there is a noncompliance by the tenant with section 562B.18 materially affecting health and safety, the landlord may deliver a written notice to the tenant specifying the acts and omissions constituting the breach and that the rental agreement will terminate upon a date not less than thirty days after receipt of the notice if the breach is not remedied in fourteen days. However, if the breach is remediable by repair or the payment of damages or otherwise, and the tenant adequately remedies the breach prior to the date specified in the notice, the rental agreement will not terminate. If substantially the same act or omission, which constituted a prior noncompliance of which notice was given, recurs within six months, the landlord may terminate the rental agreement upon at least fourteen days' written notice specifying the breach and the date of termination of the rental agreement.

2. If rent is unpaid when due and the tenant fails to pay rent within three days after written notice by the landlord of nonpayment and of the landlord's intention to terminate the rental agreement if the rent is not paid within that period of time, the landlord may terminate the rental agreement.

3. Except as otherwise provided in this chapter, the landlord may recover damages, obtain injunctive relief, or recover possession of the mobile home space pursuant to an action in

forcible entry and detainer under chapter 648 for any material noncompliance by the tenant with the rental agreement or with section 562B.18.

4. The remedy provided in subsection 3 of this section is in addition to any right of the landlord arising under subsection 1 of this section.

[C79, 81, §562B.25]

93 Acts, ch 154, §15; 2004 Acts, ch 1101, §82

Referred to in §555B.7, 562B.25A, 562B.27, 562B.27A, 648.3, 648.19

**562B.25A Termination for creating a clear and present danger to others.**

1. Notwithstanding section 562B.25 or 648.3, if a tenant has created or maintained a threat constituting a clear and present danger to the health or safety of other tenants, the landlord, the landlord's employee or agent, or other persons on or within one thousand feet of the landlord's property, the landlord, after the service of a single three days' written notice of termination and notice to quit stating the specific activity causing the clear and present danger, and setting forth the language of subsection 3 which includes certain exemption provisions available to the tenant, may file suit against the tenant for recovery of possession of the premises pursuant to chapter 648, except as otherwise provided in subsection 3. The petition shall state the incident or incidents giving rise to the notice of termination and notice to quit. The tenant shall be given the opportunity to contest the termination in the court proceedings by notice thereof at least three days prior to the hearing.

2. A clear and present danger to the health or safety of other tenants, the landlord, the landlord's employees or agents, or other persons on or within one thousand feet of the landlord's property includes, but is not limited to, any of the following activities of the tenant or of any person on the premises with the consent of the tenant:

*a.* Physical assault or the threat of physical assault.

*b.* Illegal use of a firearm or other weapon, the threat to use a firearm or other weapon illegally, or possession of an illegal firearm.

*c.* Possession of a controlled substance unless the controlled substance was obtained directly from or pursuant to a valid prescription or order by a licensed medical practitioner while acting in the course of the practitioner's professional practice. This paragraph applies to any other person on the premises with the consent of the tenant, but only if the tenant knew of the possession by the other person of a controlled substance.

3. *a.* This section shall not apply to a tenant if the activities causing the clear and present danger, as defined in subsection 2, are conducted by a person on the premises other than the tenant and the tenant takes at least one of the following measures against the person conducting the activities:

(1) The tenant seeks a protective order, restraining order, order to vacate the homestead, or other similar relief pursuant to chapter 236, 598, 664A, or 915, or any other applicable provision which would apply to the person conducting the activities causing the clear and present danger.

(2) The tenant reports the activities causing the clear and present danger to a law enforcement agency or the county attorney in an effort to initiate a criminal action against the person conducting the activities.

(3) The tenant writes a letter to the person conducting the activities causing the clear and present danger, telling the person not to return to the premises and that a return to the premises may result in a trespass or other action against the person, and the tenant sends a copy of the letter to a law enforcement agency whose jurisdiction includes the premises. If the tenant has previously written a letter to the person as provided in this subparagraph, without taking an action specified in subparagraph (1) or (2) or filing a trespass or other action, and the person to whom the letter was sent conducts further activities causing a clear and present danger, the tenant must take one of the actions specified in subparagraph (1) or (2) to be exempt from proceedings pursuant to subsection 1.

*b.* However, in order to fall within the exemptions provided within this subsection, the tenant must provide written proof to the landlord, prior to the commencement of a suit

against the tenant, that the tenant has taken one of the measures specified in paragraph "*a*", subparagraphs (1) through (3).

92 Acts, ch 1211, §3; 95 Acts, ch 125, §11, 12; 98 Acts, ch 1090, §72, 84; 2004 Acts, ch 1016, §2; 2006 Acts, ch 1101, §3; 2013 Acts, ch 30, §180

Referred to in §562B.27A

Subsection 3 amended

**562B.26 Failure to maintain by tenant.**

If there is noncompliance by the tenant with section 562B.18 materially affecting health and safety that can be remedied by repair, replacement of a damaged item or cleaning and the tenant fails to comply as promptly as conditions require in case of emergency or within fourteen days after written notice by the landlord specifying the breach and requesting that the tenant remedy it within that period of time, the landlord may enter the mobile home space, and cause the work to be done in a skillful manner and submit an itemized bill for the actual and reasonable cost or the fair and reasonable value thereof as additional rent on the next date when periodic rent is due, or if the rental agreement was terminated, for immediate payment.

[C79, 81, §562B.26]

**562B.27 Remedies for abandonment — required registration.**

1. A tenant is considered to have abandoned a mobile home when the tenant has been absent from the mobile home without reasonable explanation for thirty days or more during which time there is either a default of rent three days after rent is due, or the rental agreement is terminated pursuant to section 562B.25. A tenant's return to the mobile home does not change its status as abandoned unless the tenant pays to the landlord all costs incurred for the mobile home space, including costs of removal, storage, notice, attorney fees, and all rent and utilities due and owing.

2. When a mobile home is abandoned on a mobile home space:

*a.* If a tenant abandons a mobile home on a mobile home space, the landlord shall notify the mobile home owner or other claimant of the mobile home and communicate to that person that the person is liable for any costs incurred for the mobile home space, including rent and utilities due and owing. A claimant includes a holder of a lien as defined in section 555B.2. However, the person is only liable for costs incurred ninety days before the landlord's communication. After the landlord's communication, costs for which liability is incurred shall then become the responsibility of the mobile home owner or other claimant of the mobile home. The mobile home shall not be removed from the mobile home space without a signed written agreement from the landlord showing clearance for removal, and that all debts are paid in full, or an agreement reached with the mobile home owner or other claimant and the landlord.

*b.* If there is no lien on the mobile home other than a lien for taxes, the landlord may follow the procedure in chapter 555B to dispose of the mobile home.

*c.* An action pursuant to chapter 555B may be combined with an action for possession under chapter 648 or an action for damages under section 562B.30.

3. A required standardized registration form shall be filled out by each tenant upon the rental of a mobile home space, showing the mobile home make, year, serial number, and also showing if the mobile home is paid for, if there is a lien on the mobile home, and if so the lienholder, and the name of the legal owner of the mobile home. The registration forms shall be kept on file with the landlord as long as the mobile home is on the mobile home space within the mobile home park. The tenant shall give notice to the landlord within ten days of any new lien, change of existing lien, or settlement of lien.

[C79, 81, §562B.27; 81 Acts, ch 183, §1]

83 Acts, ch 102, §1; 88 Acts, ch 1138, §16; 93 Acts, ch 154, §16, 17; 99 Acts, ch 155, §11, 14

Referred to in §555B.1, 555B.2, 555C.1, 555C.2, 562B.13, 648.19

**562B.27A Method of service of notice on tenant.**

1. A landlord's written notice of termination to the tenant required under section 562B.10, subsection 5, a notice of termination required under section 562B.25, a notice of termination

and notice to quit required under section 562B.25A, or a notice to quit required by section 648.3, shall be served upon the tenant according to one or more of the following methods:

*a.* Delivery evidenced by an acknowledgment of delivery that is signed and dated by a resident of the dwelling unit who is at least eighteen years of age. Delivery under this paragraph shall be deemed to provide notice to all tenants of the dwelling unit.

*b.* Personal service pursuant to rule of civil procedure 1.305, Iowa court rules, for the personal service of original notice.

*c.* Posting on the primary entrance door of the dwelling unit and mailing by both regular mail and certified mail, as defined in section 618.15, to the address of the dwelling unit or to the tenant's last known address, if different from the address of the dwelling unit. A notice posted according to this paragraph shall be posted within the applicable time period for serving notice and shall include the date the notice was posted.

2. Notice served by mail under this section is deemed completed four days after the notice is deposited in the mail and postmarked for delivery, whether or not the recipient signs a receipt for the notice.

92 Acts, ch 1211, §4; 96 Acts, ch 1203, §6; 99 Acts, ch 155, §12, 14; 2010 Acts, ch 1017, §6, 11; 2013 Acts, ch 97, §11

Referred to in §562B.9

Subsection 1, unnumbered paragraph 1 amended

**562B.28 Waiver of landlord's right to terminate.**

Acceptance of performance by the tenant that varied from the terms of the rental agreement or rules subsequently adopted by the landlord constitutes a waiver of the landlord's right to terminate the rental agreement for that breach, unless otherwise agreed after the breach has occurred.

[C79, 81, §562B.28]

**562B.29** Repealed by 81 Acts, ch 183, § 3.

**562B.30 Periodic tenancy — holdover remedies.**

1. The landlord may terminate a tenancy only as provided in this chapter.

2. Notwithstanding section 648.19, if the tenant remains in possession without the landlord's consent after expiration of the term of the rental agreement or its termination, the landlord may bring an action for possession and recover actual damages. If the tenant's holdover is willful and not in good faith, the landlord in addition may recover an amount not to exceed two months' periodic rent and twice the actual damages sustained by the landlord. In any event, the landlord may recover reasonable attorney fees and court costs.

[C79, 81, §562B.30]

Referred to in §555B.7, 562B.15, 562B.27

**562B.31 Landlord and tenant remedies for abuse of access to mobile home space.**

1. If the tenant refuses to allow lawful access to the mobile home space, the landlord may terminate the rental agreement and may recover actual damages.

2. If the landlord makes an unlawful entry or a lawful entry to the mobile home space in an unreasonable manner or makes repeated demands for entry otherwise lawful but which have the effect of unreasonably harassing the tenant, the tenant may obtain injunctive relief to prevent the recurrence of the conduct or terminate the rental agreement. In either case, the tenant may recover actual damages not less than an amount equal to one month's rent plus attorney fees.

[C79, 81, §562B.31]

**562B.32 Retaliatory conduct prohibited.**

1. Except as provided in this section, a landlord shall not retaliate by increasing rent or decreasing services or by bringing or threatening to bring an action for possession or by failing to renew a rental agreement after any of the following:

*a.* The tenant has complained to a governmental agency charged with responsibility for enforcement of a building or housing code of a violation applicable to the manufactured home

community or mobile home park materially affecting health and safety. For this subsection to apply, a complaint filed with a governmental body must be in good faith.

*b.* The tenant has complained to the landlord of a violation under section 562B.16.

*c.* The tenant has organized or become a member of a tenant's union or similar organization.

*d.* For exercising any of the rights and remedies pursuant to this chapter.

2. If the landlord acts in violation of subsection 1 of this section, the tenant is entitled to the remedies provided in section 562B.24 and has a defense in an action for possession. In an action by or against the tenant, evidence of a complaint within six months prior to the alleged act of retaliation creates a presumption that the landlord's conduct was in retaliation. The presumption does not arise if the tenant made the complaint after notice of termination of the rental agreement. For the purpose of this subsection, "*presumption*" means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

3. Notwithstanding subsections 1 and 2 of this section, a landlord may bring an action for possession if either of the following occurs:

*a.* The violation of the applicable building or housing code was caused primarily by lack of reasonable care by the tenant or other person in the household or upon the premises with the tenant's consent.

*b.* The tenant is in default of rent three days after rent is due. The maintenance of the action does not release the landlord from liability under section 562B.22, subsection 2.

[C79, 81, §562B.32; 82 Acts, ch 1100, §25]

2001 Acts, ch 153, §16

# CHAPTER 562C

RESERVED

# CHAPTER 563

WALLS IN COMMON


563.1 Resting wall on neighbor's land.
563.2 Contribution by adjoining owner.
563.3 Openings in walls.
563.4 Repairs — apportionment.
563.5 Beams, joists and flues.
563.6 Increasing height of wall.
563.7 Rebuilding in order to heighten.
563.8 Heightened wall made common.
563.9 Paying for share of adjoining wall.
563.10 Openings in walls — fixtures.
563.11 Disputes — delay — bonds.
563.12 Special agreements — evidence.


**563.1 Resting wall on neighbor's land.**

Where building lots have been surveyed and plats thereof recorded, anyone who is about to build contiguous to the land of another may, if there be no wall on the line between them, build a brick, reinforced concrete, or stone wall thereon, when the whole thickness of such wall above the cellar wall does not exceed eighteen inches exclusive of the plastering, and rest one-half thereof on the adjoining land, but the adjoining owner shall not be compelled to contribute to the expense of building said wall.

[R60, §1914; C73, §2019; C97, §2994; C24, 27, 31, 35, 39, §**10163;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.1]

**563.2 Contribution by adjoining owner.**

If the adjoining owner contributes one-half of the expense of building such wall, then it is a wall in common between them, but if the adjoining owner refuses to contribute, the adjoining

owner shall have the right to make it a wall in common by paying to the person who erected or maintained it one-half of its appraised value at the time of using it.

[R60, §1915; C73, §2020; C97, §2995; C24, 27, 31, 35, 39, §**10164;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.2]

**563.3 Openings in walls.**

No wall shall be built by any person partly on the land of another with any openings therein, and every separating wall between buildings shall, as high as the upper part of the first story, be presumed to be a wall in common, if there be no titles, proof, or mark to the contrary, and if any wall is erected which, under the provisions of this chapter, becomes, or may become, at the option of another, a wall in common, such person shall not be compelled to contribute to the expense of closing any openings therein, but this shall be done at the expense of the owner of such wall.

[R60, §1916; C73, §2021; C97, §2996; C24, 27, 31, 35, 39, §**10165;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.3]

**563.4 Repairs — apportionment.**

The repairs and rebuilding of walls in common are to be made at the expense of all who have a right to them, and in proportion to the interest of each therein, but every coproprietor of a wall in common may be exonerated from contributing to the same by giving up the coproprietor's right in common, if no building belonging to that person is actually supported by such wall.

[R60, §1917; C73, §2022; C97, §2997; C24, 27, 31, 35, 39, §**10166;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.4]

**563.5 Beams, joists and flues.**

Every coproprietor may build against a wall held in common, and cause beams or joists to be placed therein; and any person building such a wall shall, on being requested by the other coproprietor, make the necessary flues, and leave the necessary bearings for joists or beams, at such height and distance apart as shall be specified by the other coproprietor.

[R60, §1918; C73, §2023; C97, §2998; C24, 27, 31, 35, 39, §**10167;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.5]

**563.6 Increasing height of wall.**

Every coproprietor may increase the height of a wall in common at the coproprietor's sole expense, and that person shall repair and keep in repair that part of the same above the part held in common.

[R60, §1919; C73, §2024; C97, §2999; C24, 27, 31, 35, 39, §**10168;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.6]

**563.7 Rebuilding in order to heighten.**

If the wall so held in common cannot support the wall to be raised upon it, one who wishes to have it made higher must rebuild it anew and at that person's own expense, and the additional thickness of the wall must be placed entirely on that person's own land.

[R60, §1920; C73, §2025; C97, §2999; C24, 27, 31, 35, 39, §**10169;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.7]

**563.8 Heightened wall made common.**

The person who did not contribute to the heightening of a wall held in common may cause the raised part to become common by paying one-half of the appraised value of raising it, and half the value of the ground occupied by the additional thickness thereof, if any ground was so occupied.

[R60, §1921; C73, §2026; C97, §2999; C24, 27, 31, 35, 39, §**10170;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.8]

**563.9 Paying for share of adjoining wall.**

Every proprietor joining a wall has the right of making it a wall in common, in whole or in part, by repaying to the owner thereof one-half of its value, or one-half of the part which the proprietor wishes to hold in common, and one-half of the value of the ground on which it is built, if the person who has built it has laid the foundation entirely upon the person's own ground.

[R60, §1922; C73, §2027; C97, §3000; C24, 27, 31, 35, 39, §**10171;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.9]

**563.10 Openings in walls — fixtures.**

Adjoining owners of walls held in common shall not make openings or cavities therein, nor affix nor attach thereto any work or structure, without the consent of the other, or upon the other's refusal, without having taken all necessary precautions to guard against injury to the rights of the other, to be ascertained by persons skilled in building.

[R60, §1923; C73, §2028; C97, §3001; C24, 27, 31, 35, 39, §**10172;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.10]

**563.11 Disputes — delay — bonds.**

No dispute between adjoining owners as to the amount to be paid by one or the other, by reason of any of the matters provided in this chapter, shall delay the execution of the provisions of the same, if the party on whom the claim is made shall enter into bonds, with security, to the satisfaction of the clerk of the district court of the proper county, conditioned that that party shall pay to the claimant whatever may be found to be due on the settlement of the matter between them, either in a court of justice or elsewhere; upon the presentation of such a bond, the clerk shall endorse approval thereon, and retain the same until demanded by the party for whose benefit it is executed.

[R60, §1924; C73, §2029; C97, §3002; C24, 27, 31, 35, 39, §**10173;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.11]

Referred to in §602.8102(80)

**563.12 Special agreements — evidence.**

This chapter shall not prevent adjoining proprietors from entering into special agreements about walls on the lines between them, but no evidence thereof shall be competent unless in writing, signed by the parties thereto or their lawfully authorized agents, or the guardian of either, if a minor, who shall have full authority to act for the guardian's ward in all matters relating to walls in common without an order of court therefor.

[R60, §1925; C73, §2030; C97, §3003; C24, 27, 31, 35, 39, §**10174;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §563.12]

Statute of frauds in general, §622.32

# CHAPTER 564

## EASEMENTS


| | | | |
|---|---|---|---|
| 564.1 | Adverse possession — "use" as evidence. | 564.4 | Notice to prevent acquisition. |
| 564.2 | Light and air. | 564.5 | Effect of notice. |
| 564.3 | Pedestrian rights-of-way or easements. | 564.6 | Notice, service and record. |
| | | 564.7 | Evidence. |
| | | 564.8 | Action to establish. |


**564.1 Adverse possession — "use" as evidence.**

In all actions hereafter brought, in which title to any easement in real estate shall be claimed by virtue of adverse possession thereof for the period of ten years, the use of the same shall not be admitted as evidence that the party claimed the easement as the party's right, but the fact of adverse possession shall be established by evidence distinct from and independent of

its use, and that the party against whom the claim is made had express notice thereof; and these provisions shall apply to public as well as private claims.

[C73, §2031; C97, §3004; C24, 27, 31, 35, 39, §**10175;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §564.1]

**564.2 Light and air.**

Whoever has erected, or may erect, any house or other building near the land of another person, with windows overlooking such land, shall not, by the mere continuance of such windows, acquire any easement of light or air, so as to prevent the erection of any building on such land.

[C73, §2032; C97, §3005; C24, 27, 31, 35, 39, §**10176;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §564.2]

**564.3 Pedestrian rights-of-way or easements.**

An easement or right-of-way for pedestrian traffic shall not be acquired by prescription or adverse use for any length of time except when claimed in connection with an easement or right-of-way to permit passage of public or private vehicular traffic.

[C73, §2033; C97, §3006; C24, 27, 31, 35, 39, §**10177;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §564.3]

2008 Acts, ch 1031, §62

**564.4 Notice to prevent acquisition.**

When any person is in the use of a way, privilege, or other easement in the land of another, the owner of the land in such case may give notice in writing to the person claiming or using the way, privilege, or easement of the owner's intention to dispute any right arising from such claim or use.

[C73, §2034; C97, §3007; C24, 27, 31, 35, 39, §**10178;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §564.4]

**564.5 Effect of notice.**

Said notice, when served and recorded as hereinafter provided, shall be an interruption of such use, and prevent the acquiring of any right thereto by the continuance thereof.

[C73, §2034; C97, §3007; C24, 27, 31, 35, 39, §**10179;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §564.5]

**564.6 Notice, service and record.**

Said notice, signed by the owner of the land, the owner's agent, or guardian, may be served in the same manner as in a civil action, upon the party, the party's agent, or guardian, if within this state, otherwise on the tenant or occupant, if there be any, and it, with the return thereof, shall be recorded within three months thereafter in the recorder's office of the county in which the land is situated.

[C73, §2034; C97, §3007; C24, 27, 31, 35, 39, §**10180;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §564.6]

Manner of service, R.C.P. 1.302 – 1.315

**564.7 Evidence.**

A certified copy of such record of said notice and the officer's return thereon shall be evidence of the notice and the service thereof.

[C73, §2034; C97, §3007; C24, 27, 31, 35, 39, §**10181;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §564.7]

**564.8 Action to establish.**

When notice is given to prevent the acquisition of a right to a way or other easement, it shall be considered so far a disturbance thereof as to enable the party claiming to bring an action

for disturbing the same in order to try such right, and if the plaintiff in the action prevails, the plaintiff shall recover costs.

[C73, §2035; C97, §3008; C24, 27, 31, 35, 39, §**10182;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §564.8]

# CHAPTER 564A

## ACCESS TO SOLAR ENERGY


564A.1 Purpose.
564A.2 Definitions.
564A.3 Designation.
564A.4 Application for solar access easement.
564A.5 Decision.
564A.6 Removal of easement.
564A.7 Solar access easements.
564A.8 Restrictive covenants.
564A.9 Assistance to local government bodies and the public.


**564A.1 Purpose.**

It is the purpose of this chapter to facilitate the orderly development and use of solar energy by establishing and providing certain procedures for obtaining access to solar energy.

[81 Acts, ch 184, §3]

**564A.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Development of property"* means construction, landscaping, growth of vegetation, or other alteration of property that interferes with the operation of a solar collector.

2. *"Dominant estate"* means that parcel of land to which the benefits of a solar access easement attach.

3. *"Servient estate"* means land burdened by a solar access easement, other than the dominant estate.

4. *"Solar access easement"* means an easement recorded under section 564A.7, the purpose of which is to provide continued access to incident sunlight necessary to operate a solar collector.

5. *"Solar access regulatory board"* means the board designated by a city council or county board of supervisors under section 564A.3 to receive and act on applications for a solar access easement or in the absence of a specific designation, the district court having jurisdiction in the area where the dominant estate is located. Notwithstanding chapter 602 the jurisdiction of the district court established in this subsection may be exercised by district associate judges.

6. *"Solar collector"* means a device or structural feature of a building that collects solar energy and that is part of a system for the collection, storage, and distribution of solar energy. For purposes of this chapter, a greenhouse is a solar collector.

7. *"Solar energy"* means energy emitted from the sun and collected in the form of heat or light by a solar collector.

[81 Acts, ch 184, §4]

**564A.3 Designation.**

The city council or the county board of supervisors may designate a solar access regulatory board to receive and act on applications for a solar access easement. The board designated by the city council may be a board of adjustment having jurisdiction in the city, the city council itself, or any board with at least three members. The board designated by the county board of supervisors may be a board of adjustment having jurisdiction in the county, the board of supervisors itself, or any other board with at least three members. The jurisdiction of a board designated by the city council extends to applications when the dominant estate is located in the city. The jurisdiction of a board designated by the county board of supervisors extends to applications when the dominant estate is located in the county but outside the city limits of a city. In the absence of the designation of a specific board under this section, the district court

having jurisdiction in the area where the dominant estate is located shall receive and act on applications submitted under section 564A.4 and to that extent shall serve as the solar access regulatory board for purposes of this chapter. Notwithstanding chapter 602 the jurisdiction of the district court established in this section may be exercised by district associate judges.

[81 Acts, ch 184, §5]
Referred to in §564A.2, 564A.4

**564A.4 Application for solar access easement.**

1. An owner of property may apply to the solar access regulatory board designated under section 564A.3 for an order granting a solar access easement. The application must be filed before installation or construction of the solar collector. The application shall state the following:

*a.* A statement of the need for the solar access easement by the owner of the dominant estate.

*b.* A legal description of the dominant and servient estates.

*c.* The name and address of the dominant and servient estate owners of record.

*d.* A description of the solar collector to be used.

*e.* The size and location of the collector, including heights, its orientation with respect to south, and its slope from the horizontal shown either by drawings or in words.

*f.* An explanation of how the applicant has done everything reasonable, taking cost and efficiency into account, to design and locate the collector in a manner to minimize the impact on development of servient estates.

*g.* A legal description of the solar access easement which is sought and a drawing that is a spatial representation of the area of the servient estate burdened by the easement illustrating the degrees of the vertical and horizontal angles through which the easement extends over the burdened property and the points from which those angles are measured.

*h.* A statement that the applicant has attempted to voluntarily negotiate a solar access easement with the owner of the servient estate and has been unsuccessful in obtaining the easement voluntarily.

*i.* A statement that the space to be burdened by the solar access easement is not obstructed at the time of filing of the application by anything other than vegetation that would shade the solar collector.

2. Upon receipt of the application the solar access regulatory board shall determine whether the application is complete and contains the information required under subsection 1. The board may return an application for correction of any deficiencies. Upon acceptance of an application the board shall schedule a hearing. The board shall cause a copy of the application and a notice of the hearing to be served upon the owners of the servient estates in the manner provided for service of original notice and at least twenty days prior to the date of the hearing. The notice shall state that the solar access regulatory board will determine whether and to what extent a solar access easement will be granted, that the board will determine the compensation that may be awarded to the servient estate owner if the solar access easement is granted and that the servient estate owner has the right to contest the application before the board.

3. The applicant shall pay all costs incurred by the solar access regulatory board in copying and mailing the application and notice.

4. An application for a solar access easement submitted to the district court acting as the solar access regulatory board under this chapter is not subject to the small claims procedures under chapter 631.

[81 Acts, ch 184, §6]
Referred to in §564A.3

**564A.5 Decision.**

1. After the hearing on the application, the solar access regulatory board shall determine whether to issue an order granting a solar access easement. The board shall grant a solar access easement if the board finds that there is a need for the solar collector, that the space burdened by the easement was not obstructed by anything except vegetation that would shade

the solar collector at the time of filing of the application, that the proposed location of the collector minimizes the impact of the easement on the development of the servient estate and that the applicant tried and failed to negotiate a voluntary easement. However, the board may refuse to grant a solar access easement upon a finding that the easement would require the removal of trees that provide shade or a windbreak to a residence on the servient estate. The board shall not grant a solar access easement upon a servient estate if the board finds that the owner, at least six months prior to the filing of the application, has made a substantial financial commitment to build a structure that will shade the solar collector. In issuing its order granting the solar access easement, the board may modify the solar access easement applied for and impose conditions on the location of the solar collector that will minimize the impact upon the servient estate.

2. The solar access regulatory board shall grant a solar access easement only within the area that is within three hundred feet of the center of the northernmost boundary of the collector and is south of a line drawn east and west tangent to the northernmost boundary of the collector.

3. The solar access regulatory board shall determine the amount of compensation that is to be paid to the owners of the servient estate for the impairment of the right to develop the property. Compensation shall be based on the difference between the fair market value of the property prior to and after granting the solar access easement. The parties shall be notified of the board's decision within thirty days of the date of the hearing. The owner of the dominant estate shall have thirty days from the date of notification of the board's decision to deposit the compensation with the board. Upon receipt of the compensation, the board shall issue an order granting the solar access easement to the owner of the dominant estate and remit the compensation awarded to the owners of the servient estate. The owner of the dominant estate may decline to deposit the compensation with the board, and no order granting the solar access easement shall then be issued.

4. When the order granting the solar access easement is issued, the owner of the dominant estate shall have it recorded in the office of the county recorder who shall record the solar access easement and list the owner of the dominant estate as grantee and the owner of the servient estate as grantor in the deed index. The solar access easement after being recorded shall be considered an easement appurtenant in or on the servient estate.

[81 Acts, ch 184, §7]

Referred to in §564A.6

**564A.6 Removal of easement.**

1. The owner of a servient estate may apply to the solar access regulatory board or may petition the district court for an order removing a solar access easement granted by a solar access regulatory board under this chapter under any of the following conditions:

*a.* If the solar collector is not installed and made operational within two years of recording the easement under section 564A.5.

*b.* If the dominant estate owner ceases to use the solar collector for more than one year.

*c.* If the solar collector is destroyed or removed and not replaced within one year.

2. The procedure for filing an application with the solar access regulatory board under this section and for notice and hearings on the application shall be the same as that prescribed for an application for granting a solar access easement. An order issued by the district court or a solar access regulatory board removing a solar access easement may provide for the return by the servient estate owner of compensation paid by the dominant estate owner for the solar access easement after the deduction of reasonable expenses incurred by the servient estate owner in proceedings for the granting and removal of the easement.

[81 Acts, ch 184, §8]

2013 Acts, ch 30, §261

Code editor directive applied

**564A.7 Solar access easements.**

1. Persons, including public bodies, may voluntarily agree to create a solar access easement. A solar access easement whether obtained voluntarily or pursuant to the

order of a solar access regulatory board is subject to the same recording and conveyance requirements as other easements.

2. A solar access easement shall be created in writing and shall include the following:

*a.* The legal description of the dominant and servient estates.

*b.* A legal description of the space which must remain unobstructed expressed in terms of the degrees of the vertical and horizontal angles through which the solar access easement extends over the burdened property and the points from which these angles are measured.

3. In addition to the items required in subsection 2 the solar access easement may include, but the contents are not limited to, the following:

*a.* Any limitations on the growth of existing and future vegetation or the height of buildings or other potential obstructions of the solar collector.

*b.* Terms or conditions under which the solar access easement may be abandoned or terminated.

*c.* Provisions for compensating the owner of the property benefiting from the solar access easement in the event of interference with the enjoyment of the solar access easement, or for compensating the owner of the property subject to the solar access easement for maintaining that easement.

[81 Acts, ch 184, §9]

Referred to in §564A.2

**564A.8 Restrictive covenants.**

City councils and county boards of supervisors may include in ordinances relating to subdivisions a provision prohibiting deeds for property located in new subdivisions from containing restrictive covenants that include unreasonable restrictions on the use of solar collectors.

[81 Acts, ch 184, §10]

**564A.9 Assistance to local government bodies and the public.**

The department of natural resources shall make available information and guidelines to assist local government bodies and the public to understand and use the provisions of this chapter. The information and guidelines shall include an application form for a solar access easement, instructions and aids for preparing and recording solar access easements and model ordinances that promote reasonable access to solar energy.

[81 Acts, ch 184, §11]

# CHAPTER 565

## GIFTS

565.1 Churches may lease.
565.2 Taxation.
565.3 Gifts to state.
565.4 Management of property.
565.5 Gifts to state institutions.
565.6 Gifts to governmental bodies.
565.7 Trustees appointed by court — bond.
565.8 through 565.11 Repealed by 81 Acts, ch 117, §1097.
565.12 Condition as to annuity.
565.13 Annuity tax.
565.14 Repealed by 81 Acts, ch 117, §1097.
565.15 Surplus of tax.

**565.1 Churches may lease.**

Church organizations, occupying real property granted to them by the territory or state, may lease the same for business purposes, and occupy other real property with their church edifices, but all of the income derived from such leased real property shall be devoted to maintaining the religious exercises and ordinance of the church to which the grant was

originally made, and to no other purpose; and such churches and their affairs shall remain in the control of boards of trustees regularly chosen in accordance with their charters.

[C73, §1921; C97, §2902; C24, 27, 31, 35, 39, §**10183;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §565.1]

**565.2 Taxation.**

Real property so leased shall in all cases be subject to taxation, the same as the real property of natural persons.

[C73, §1921; C97, §2902; C24, 27, 31, 35, 39, §**10184;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §565.2]

Tax exemptions generally, §427.1

**565.3 Gifts to state.**

A gift, devise, or bequest of property, real or personal, may be made to the state, to be held in trust for and applied to any specified purpose within the scope of its authority, but the same shall not become effectual to pass the title in such property unless accepted by the governor on behalf of the state.

[C73, §1387; C97, §2903; C24, 27, 31, 35, 39, §**10185;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §565.3]

86 Acts, ch 1245, §1990

Referred to in §565.4

**565.4 Management of property.**

If gifts are made to the state in accordance with section 565.3, for the benefit of an institution thereof, the property, if accepted, shall be held and managed in the same way as other property of the state, acquired for or devoted to the use of such institution; and any conditions attached to such gift shall become binding upon the state, upon the acceptance thereof.

[C97, §2904; C24, 27, 31, 35, 39, §**10186;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §565.4]

**565.5 Gifts to state institutions.**

Gifts, devises, or bequests of property, real or personal, made to any state institution for purposes not inconsistent with the objects of such institution, may be accepted by its governing board, and such board may exercise such powers with reference to the management, sale, disposition, investment, or control of property so given, devised, or bequeathed, as may be deemed essential to its preservation and the purposes for which the gift, devise, or bequest was made.

[S13, §2904-a; C24, 27, 31, 35, 39, §**10187;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §565.5]

**565.6 Gifts to governmental bodies.**

Civil townships wholly outside of any city, and school corporations, are authorized to take and hold property, real and personal, by gift and bequest and to administer the property through the proper officer in pursuance of the terms of the gift or bequest. Title shall not pass unless accepted by the governing board of the corporation or township. Conditions attached to the gifts or bequests become binding upon the corporation or township upon acceptance.

[C97, §740, 2903, 2904; S13, §740; C24, 27, 31, 35, 39, §**10188;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §565.6; 81 Acts, ch 117, §1088]

See also §279.42

**565.7 Trustees appointed by court — bond.**

When made for the establishing of institutions of learning or benevolence, and no provision is made in the gift or bequest for the execution of the trust, the judge of the district court having charge of the probate proceedings in the county shall appoint three trustees, residents of said county, who shall have charge and control of the same, and who shall continue to act

until removed by the court. They shall give bond as required in case of executors, and be subject to the orders of said court.

[C97, §740; S13, §740; C24, 27, 31, 35, 39, §**10189;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §565.7]

**565.8 through 565.11** Repealed by 81 Acts, ch 117, § 1097.

**565.12 Condition as to annuity.**

When a gift or bequest is conditioned upon the payment of an annuity to the donor, or any other person, a city may, upon acceptance of the gift or bequest, agree to pay the annuity providing the amount does not exceed five percent of the amount of the gift or bequest and does not exceed the amount realized from a tax levy of twenty-seven cents per thousand dollars of assessed value upon the taxable property of the city.

[C24, 27, 31, 35, 39, §**10194;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §565.12; 81 Acts, ch 117, §1089]

**565.13 Annuity tax.**

To provide for the payment of an annuity, the city shall annually thereafter levy a tax sufficient to pay the annuity.

[C24, 27, 31, 35, 39, §**10195;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §565.13; 81 Acts, ch 117, §1090]

**565.14** Repealed by 81 Acts, ch 117, § 1097.

**565.15 Surplus of tax.**

Any amount collected by a tax so levied and which is not required for the payment of such annuity shall be used for the purposes for which such gift or bequest is made and may be transferred to such fund as will enable it to be used for such purpose.

[C24, 27, 31, 35, 39, §**10197;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §565.15]

# CHAPTER 565A

## GIFTS TO MINORS

Repealed by 86 Acts, ch 1035, §26;
see Uniform Transfers to Minors Act, chapter 565B;
effect of repeal, 86 Acts, ch 1035, §22, 26

# CHAPTER 565B

## TRANSFERS TO MINORS

Referred to in §633.126


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**565B.1 Definitions.**

In this chapter, unless the context otherwise requires:

1. *"Adult"* means an individual who has attained the age of twenty-one years.

2. *"Benefit plan"* means an employer's plan for the benefit of an employee or partner or an individual retirement account.

3. *"Broker"* means a person lawfully engaged in the business of effecting transactions in securities or commodities for the person's own account or for the account of others.

4. *"Conservator"* means a person appointed or qualified by a court to act as general, limited, or temporary guardian of a minor's property or a person legally authorized to perform substantially the same functions.

5. *"Court"* means the supreme court, court of appeals, district courts, and other courts the general assembly establishes.

6. *"Custodial property"* means both of the following:

*a.* Any interest in property transferred to a custodian under this chapter.

*b.* The income from and proceeds of that interest in property.

7. *"Custodian"* means a person so designated under section 565B.9 or a successor or substitute custodian designated under section 565B.18.

8. *"Financial institution"* means a bank, trust company, savings institution, or credit union, chartered and supervised under state or federal law.

9. *"Legal representative"* means an individual's personal representative or conservator.

10. *"Member of the minor's family"* means the minor's parent, stepparent, spouse, grandparent, brother, sister, uncle, or aunt, whether of the whole or half blood or by adoption.

11. *"Minor"* means an individual who has not attained the age of twenty-one years.

12. *"Personal representative"* means an executor, administrator, successor personal representative, special administrator, or temporary administrator of a decedent's estate or a person legally authorized to perform substantially the same functions.

13. *"State"* includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession subject to the legislative authority of the United States.

14. *"Transfer"* means a transaction that creates custodial property under section 565B.9.

15. *"Transferor"* means a person who makes a transfer under this chapter.

16. *"Trust company"* means a financial institution, corporation, or other legal entity, authorized to exercise general trust powers.

86 Acts, ch 1035, §1; 87 Acts, ch 87, §1

**565B.2 Scope and jurisdiction.**

1. This chapter applies to a transfer that refers to this chapter in the designation under section 565B.9, subsection 1, by which the transfer is made if at the time of the transfer, the transferor, the minor, or the custodian is a resident of this state or the custodial property is located in this state. The custodianship so created remains subject to this chapter despite a subsequent change in residence of a transferor, the minor, or the custodian, or the removal of custodial property from this state.

2. A person designated as custodian under this chapter is subject to personal jurisdiction in this state with respect to any matter relating to the custodianship.

3. A transfer that purports to be made and which is valid under the uniform transfer to minors Act, the uniform gifts to minors Act, or a substantially similar Act, of another state is governed by the law of the designated state and may be executed and is enforceable in this state if at the time of the transfer, the transferor, the minor, or the custodian is a resident of the designated state or the custodial property is located in the designated state.

86 Acts, ch 1035, §2

Referred to in §565B.21

**565B.3 Nomination of custodian.**

1. A person having the right to designate the recipient of property transferable upon the occurrence of a future event may revocably nominate a custodian to receive the property for a minor beneficiary upon the occurrence of the event by naming the custodian, followed in substance by the words: "as custodian for ..... (name of minor) under the Iowa Uniform Transfers to Minors Act". The nomination may name one or more persons as substitute custodians to whom the property must be transferred, in the order named, if the first nominated custodian dies before the transfer or is unable, declines, or is ineligible to serve. The nomination may be made in a will, a trust, a deed, an instrument exercising a power of appointment, or in a writing designating a beneficiary of contractual rights which is registered with or delivered to the payor, issuer, or other obligor of the contractual rights.

2. A custodian nominated under this section must be a person to whom a transfer of property of that kind may be made under section 565B.9, subsection 1.

3. The nomination of a custodian under this section does not create custodial property until the nominating instrument becomes irrevocable or a transfer to the nominated custodian is completed under section 565B.9. Unless the nomination of a custodian has been revoked, upon the occurrence of the future event the custodianship becomes effective and the custodian shall enforce a transfer of the custodial property pursuant to section 565B.9.

86 Acts, ch 1035, §3

Referred to in §565B.5, 565B.7, 565B.11, 565B.18

**565B.4 Transfer by gift or exercise of power of appointment.**

A person may make a transfer by irrevocable gift to, or the irrevocable exercise of a power of appointment in favor of, a custodian for the benefit of a minor pursuant to section 565B.9.

86 Acts, ch 1035, §4

Referred to in §565B.15, 565B.18

**565B.5 Transfer authorized by will or trust.**

1. A personal representative or trustee may make an irrevocable transfer pursuant to section 565B.9 to a custodian for the benefit of a minor as authorized in the governing will or trust.

2. If the testator or settlor has nominated a custodian under section 565B.3 to receive the custodial property, the transfer must be made to that person.

3. If the testator or settlor has not nominated a custodian under section 565B.3, or all persons so nominated as custodian die before the transfer or are unable, decline, or are ineligible to serve, the personal representative or the trustee, as the case may be, shall

designate the custodian from among those eligible to serve as custodian for property of that kind under section 565B.9, subsection 1.

4. A personal representative or trustee making a distribution under this section may do so without court order and, after effecting the distribution, is relieved of all accountability as a personal representative or trustee with respect to the property distributed.

86 Acts, ch 1035, §5
Referred to in §565B.7

**565B.6 Other transfers by fiduciary.**

1. Subject to subsection 3, a personal representative or trustee may make an irrevocable transfer to another adult or trust company as custodian for the benefit of a minor pursuant to section 565B.9, in the absence of a will or under a will or trust that does not contain an authorization to do so.

2. Subject to subsection 3, a conservator may make an irrevocable transfer to another adult or trust company as custodian for the benefit of a minor pursuant to section 565B.9.

3. A transfer under subsection 1 or 2 may be made only if all of the following are true:

*a.* The personal representative, trustee, or conservator considers the transfer to be in the best interest of the minor.

*b.* The transfer is not prohibited by or inconsistent with provisions of the applicable will, trust agreement, or other governing instrument.

*c.* The transfer is authorized by the court if all transfers, including the transfer to be made and prior transfers, exceed twenty-five thousand dollars in value. Transfers by a personal representative, trustee, or conservator shall not be aggregated, but each personal representative, trustee, or conservator shall be treated separately.

4. A personal representative, trustee, or conservator making a distribution under this section is relieved of all accountability as a personal representative, trustee, or conservator with respect to the property once the property has been distributed.

86 Acts, ch 1035, §6; 2010 Acts, ch 1137, §2
Referred to in §565B.7

**565B.7 Transfer by obligor.**

1. Subject to subsections 2 and 3, a person not subject to section 565B.5 or 565B.6 who holds property of, or owes a liquidated debt to, a minor not having a conservator, may make an irrevocable transfer to a custodian for the benefit of the minor pursuant to section 565B.9.

2. If a person having the right to do so under section 565B.3 has nominated a custodian under that section to receive the custodial property, the transfer must be made to that person.

3. If a custodian has not been nominated under section 565B.3, or all persons so nominated as custodian die before the transfer or are unable, decline, or are ineligible to serve, a transfer under this section may be made to an adult member of the minor's family or to a trust company unless the property exceeds twenty-five thousand dollars in value.

4. A person making a distribution under this section is relieved of all accountability with respect to the property once the property has been distributed.

5. This section does not apply to any amounts due a minor for services rendered by the minor.

86 Acts, ch 1035, §7; 87 Acts, ch 87, §2; 2005 Acts, ch 14, §5
Referred to in §97B.34A

**565B.8 Receipt for custodial property.**

A written acknowledgment of delivery by a custodian constitutes a sufficient receipt and discharge for custodial property transferred to the custodian pursuant to this chapter.

86 Acts, ch 1035, §8

**565B.9 Manner of creating custodial property and effecting transfer — designation of initial custodian — control.**

1. Custodial property is created and a transfer is made whenever:

*a.* An uncertificated security or a certificated security in registered form is either:

(1) Registered in the name of the transferor, an adult other than the transferor, or a trust

company, followed in substance by the words: "as custodian for ..... (name of minor) under the Iowa Uniform Transfers to Minors Act"; or

(2) Delivered if in certificated form, or any document necessary for the transfer of an uncertificated security is delivered, together with any necessary endorsement to an adult other than the transferor or to a trust company as custodian, accompanied by an instrument in substantially the form set forth in subsection 2;

*b.* Money is paid or delivered to a broker or financial institution for credit to an account in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words: "as custodian for ..... (name of minor) under the Iowa Uniform Transfers to Minors Act";

*c.* The ownership of a life or endowment insurance policy or annuity contract is either:

(1) Registered with the issuer in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words: "as custodian for ..... (name of minor) under the Iowa Uniform Transfers to Minors Act"; or

(2) Assigned in writing delivered to an adult other than the transferor or to a trust company whose name in the assignment is followed in substance by the words: "as custodian for ..... (name of minor) under the Iowa Uniform Transfers to Minors Act";

*d.* An irrevocable exercise of a power of appointment or an irrevocable present right to future payment under a contract is the subject of a written notification delivered to the payor, issuer, or other obligor that the right is transferred to the transferor, an adult other than the transferor, or a trust company, whose name in the notification is followed in substance by the words: "as custodian for ..... (name of minor) under the Iowa Uniform Transfers to Minors Act";

*e.* An interest in real property is recorded in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words: "as custodian for ..... (name of minor) under the Iowa Uniform Transfers to Minors Act";

*f.* An interest in any property not described in paragraphs "*a*" through "*e*" is transferred to an adult other than the transferor or to a trust company by a written instrument in substantially the form set forth in subsection 2. An interest in any property as used in this paragraph does not include a certificate of title issued by a department or agency of a state or of the United States which evidences title to tangible personal property.

2. An instrument in the following form satisfies the requirements of subsection 1, paragraph "*a*", subparagraph (2), and paragraph "*f*":

TRANSFER UNDER THE IOWA UNIFORM
TRANSFERS TO MINORS ACT

I, ..... (name of transferor or name and representative capacity if a fiduciary) hereby transfer to ..... (name of custodian), as custodian for ..... (name of minor) under the Iowa Uniform Transfers to Minors Act, the following: (insert a description of the custodial property sufficient to identify it).

Dated: .....

.....

(signature)

..... (name of custodian) acknowledges receipt of the property described above as custodian for the minor named above under the Iowa Uniform Transfers to Minors Act:

Dated: .....

.....

(signature of custodian)

3. A transferor shall place the custodian in control of the custodial property as soon as practicable.

86 Acts, ch 1035, §9

Referred to in §565B.1, 565B.2, 565B.3, 565B.4, 565B.5, 565B.6, 565B.7, 565B.11, 565B.18

**565B.10 Single custodianship.**

A transfer may be made only for one minor, and only one person may be the custodian. All custodial property held under this chapter by the same custodian for the benefit of the same minor constitutes a single custodianship.

86 Acts, ch 1035, §10

**565B.11 Validity and effect of transfer.**

1. The validity of a transfer made in a manner prescribed in this chapter is not affected by:

*a.* The failure of the transferor to comply with section 565B.9, subsection 3, concerning possession and control;

*b.* The designation of an ineligible custodian, except designation of the transferor in the case of property for which the transferor is ineligible to serve as custodian under section 565B.9, subsection 1; or

*c.* The death or incapacity of a person nominated under section 565B.3 or designated under section 565B.9 as custodian or the disclaimer of the office by that person.

2. A transfer made pursuant to section 565B.9 is irrevocable, and the custodial property is indefeasibly vested in the minor, but the custodian has all the rights, powers, duties, and authority provided in this chapter, and neither the minor nor the minor's legal representative has any right, power, duty, or authority with respect to the custodial property except as provided in this chapter.

3. By making a transfer, the transferor incorporates in the disposition all the provisions of this chapter and grants to the custodian and to any third person dealing with a person designated as custodian the respective powers, rights, and immunities provided in this chapter.

86 Acts, ch 1035, §11

**565B.12 Care of custodial property.**

1. A custodian shall:

*a.* Take control of custodial property;

*b.* Register or record title to custodial property if appropriate; and

*c.* Collect, hold, manage, invest, and reinvest custodial property.

2. In dealing with custodial property, a custodian shall observe the standard of care that would be observed by a prudent person dealing with property of another and is not limited by any other statute restricting investments by fiduciaries. If a custodian has a special skill or expertise or is named custodian on the basis of representations of a special skill or expertise, the custodian shall use that skill or expertise. However, a custodian, at the custodian's discretion and without liability to the minor or the minor's estate, may retain any custodial property received from a transferor.

3. A custodian may invest in or pay premiums on life insurance or endowment policies on:

*a.* The life of the minor, only if the minor or the minor's estate is the sole beneficiary; or

*b.* The life of another person in whom the minor has an insurable interest, only to the extent that the minor, the minor's estate, or the custodian in the capacity of custodian, is the irrevocable beneficiary.

4. A custodian at all times shall keep custodial property separate and distinct from all other property in a manner sufficient to identify it clearly as custodial property of the minor. Custodial property consisting of an undivided interest is so identified if the minor's interest is held as a tenant in common and is fixed. Custodial property subject to recordation is so identified if it is recorded, and custodial property subject to registration is so identified if it is either registered, or held in an account designated, in the name of the custodian, followed in

substance by the words: "as a custodian for ..... (name of minor) under the Iowa Uniform Transfers to Minors Act".

5. A custodian shall keep records of all transactions with respect to custodial property, including information necessary for the preparation of the minor's tax returns, and shall make them available for inspection at reasonable intervals by a parent or the legal representative of the minor or by the minor if the minor has attained the age of fourteen years.

86 Acts, ch 1035, §12
Referred to in §565B.13

**565B.13 Powers of custodian.**

1. A custodian, acting in a custodial capacity, has all the rights, powers, and authority over custodial property that unmarried adult owners have over their own property, but a custodian may exercise those rights, powers, and authority in that capacity only.

2. This section does not relieve a custodian from liability for breach of section 565B.12.

86 Acts, ch 1035, §13

**565B.14 Use of custodial property.**

1. A custodian may deliver or pay to the minor or expend for the minor's benefit so much of the custodial property as the custodian considers advisable for the use and benefit of the minor, without court order and without regard to:

*a.* The duty or ability of the custodian personally or of any other person to support the minor; or

*b.* Any other income or property of the minor which may be applicable or available for that purpose.

2. On petition of an interested person or the minor if the minor has attained the age of fourteen years, the court may order the custodian to deliver or pay to the minor or expend for the minor's benefit so much of the custodial property as the court considers advisable for the use and benefit of the minor.

3. A delivery, payment, or expenditure under this section is in addition to, not in substitution for, and does not affect any obligation of a person to support the minor.

86 Acts, ch 1035, §14

**565B.15 Custodian's expenses, compensation, and bond.**

1. A custodian is entitled to reimbursement from custodial property for reasonable expenses incurred in the performance of the custodian's duties.

2. Except for one who is a transferor under section 565B.4, a custodian has a noncumulative election during each calendar year to charge reasonable compensation for services performed during that year.

3. Except as provided in section 565B.18, subsection 6, a custodian need not give a bond.

86 Acts, ch 1035, §15

**565B.16 Exemption of third person from liability.**

A third person in good faith and without court order may act on the instructions of or otherwise deal with any person purporting to make a transfer or purporting to act in the capacity of a custodian and, in the absence of knowledge, is not responsible for determining:

1. The validity of the purported custodian's designation;

2. The propriety of, or the authority under this chapter for, any act of the purported custodian;

3. The validity or propriety under this chapter of any instrument or instructions executed or given either by the person purporting to make a transfer or by the purported custodian; or

4. The propriety of the application of any property of the minor delivered to the purported custodian.

86 Acts, ch 1035, §16

**565B.17 Liability to third persons.**

1. A claim based on:

*a.* A contract entered into by a custodian acting in a custodial capacity;

*b.* An obligation arising from the ownership or control of custodial property; or

*c.* A tort committed during the custodianship, may be asserted against the custodial property by proceeding against the custodian in the custodial capacity, whether or not the custodian or the minor is personally liable therefor.

2. A custodian is not personally liable:

*a.* On a contract properly entered into in the custodial capacity unless the custodian fails to reveal that capacity and to identify the custodianship in the contract; or

*b.* For an obligation arising from control of custodial property or for a tort committed during the custodianship unless the custodian is personally at fault.

3. A minor is not personally liable for an obligation arising from ownership of custodial property or for a tort committed during the custodianship unless the minor is personally at fault.

86 Acts, ch 1035, §17

Referred to in §565B.19

**565B.18 Renunciation, resignation, death, or removal of custodian — designation of successor custodian.**

1. A person nominated under section 565B.3 or designated under section 565B.9 as custodian may decline to serve by delivering a valid disclaimer to the person who made the nomination or to the transferor or the transferor's legal representative. If the event giving rise to a transfer has not occurred and no substitute custodian able, willing, and eligible to serve was nominated under section 565B.3, the person who made the nomination may nominate a substitute custodian under section 565B.3; otherwise, the transferor or the transferor's legal representative shall designate a substitute custodian at the time of the transfer, in either case from among the persons eligible to serve as custodian for that kind of property under section 565B.9, subsection 1. The custodian so designated has the rights of a successor custodian.

2. A custodian at any time may designate a trust company or an adult other than a transferor under section 565B.4 as successor custodian by executing and dating an instrument of designation before a subscribing witness other than the successor. If the instrument of designation does not contain or is not accompanied by the resignation of the custodian, the designation of the successor does not take effect until the custodian resigns, dies, becomes incapacitated, or is removed.

3. A custodian may resign at any time by delivering written notice to the minor if the minor has attained the age of fourteen years and to the successor custodian and by delivering the custodial property to the successor custodian.

4. If a custodian is ineligible, dies, or becomes incapacitated without having effectively designated a successor and the minor has attained the age of fourteen years, the minor may designate as successor custodian, in the manner prescribed in subsection 2, an adult member of the minor's family, a conservator of the minor, or a trust company. If the minor has not attained the age of fourteen years or fails to act within sixty days after the ineligibility, death, or incapacity, the conservator of the minor becomes successor custodian. If the minor has no conservator or the conservator declines to act, the transferor, the legal representative of the transferor or of the custodian, an adult member of the minor's family, or any other interested person may petition the court to designate a successor custodian.

5. A custodian who declines to serve under subsection 1 or resigns under subsection 3, or the legal representative of a deceased or incapacitated custodian, as soon as practicable, shall put the custodial property and records in the possession and control of the successor custodian. The successor custodian by action may enforce the obligation to deliver custodial property and records and becomes responsible for each item as received.

6. A transferor, the legal representative of a transferor, an adult member of the minor's family, a guardian of the person of the minor, the conservator of the minor, or the minor if the minor has attained the age of fourteen years may petition the court to remove the custodian

for cause and to designate a successor custodian other than a transferor under section 565B.4 or to require the custodian to give appropriate bond.

86 Acts, ch 1035, §18

Referred to in §565B.1, 565B.15, 565B.19

**565B.19 Accounting by and determination of liability of custodian.**

1. A minor who has attained the age of fourteen years, the minor's guardian of the person or legal representative, an adult member of the minor's family, a transferor, or a transferor's legal representative may petition the court:

*a.* For an accounting by the custodian or the custodian's legal representative; or

*b.* For a determination of responsibility, as between the custodial property and the custodian personally, for claims against the custodial property unless the responsibility has been adjudicated in an action under section 565B.17 to which the minor or the minor's legal representative was a party.

2. A successor custodian may petition the court for an accounting by the predecessor custodian.

3. The court, in a proceeding under this chapter or in any other proceeding, may require or permit the custodian or the custodian's legal representative to account.

4. If a custodian is removed under section 565B.18, subsection 6, the court shall require an accounting and order delivery of the custodial property and records to the successor custodian and the execution of all instruments required for transfer of the custodial property.

86 Acts, ch 1035, §19

**565B.20 Termination of custodianship.**

The custodian shall transfer in an appropriate manner the custodial property to the minor or to the minor's estate upon the earlier of:

1. The minor's attainment of twenty-one years of age with respect to custodial property transferred under this chapter; or

2. The minor's death.

86 Acts, ch 1035, §20

**565B.21 Applicability.**

This chapter applies to a transfer within the scope of section 565B.2 made after July 1, 1986, if:

1. The transfer purports to have been made under the Iowa uniform gifts to minors Act; or

2. The instrument by which the transfer purports to have been made uses in substance the designation "as custodian under the Uniform Gifts to Minors Act" or "as custodian under the Uniform Transfers to Minors Act" of any other state, and the application of this chapter is necessary to validate the transfer.

86 Acts, ch 1035, §21

**565B.22 Effect on existing custodianships.**

1. Any transfer of custodial property as now defined in this chapter made before July 1, 1986, is validated notwithstanding that there was no specific authority in the Iowa uniform gifts to minors Act for the coverage of custodial property of that kind or for a transfer from that source at the time the transfer was made.

2. This chapter applies to all transfers made before July 1, 1986, in a manner and form prescribed in chapter 565A, Code 1985, the Iowa uniform gifts to minors Act, except insofar as the application impairs constitutionally vested rights.

86 Acts, ch 1035, §22

Effect of repeal of chapter 565A; 86 Acts, ch 1035, §26

**565B.23 Uniformity of application and construction.**

This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it.

86 Acts, ch 1035, §23

**565B.24 Other laws not applicable.**

Chapter 633 and all other laws of this state to the extent contrary to this chapter do not apply to the custodial property of a minor held by the custodian under this chapter.

86 Acts, ch 1035, §24

**565B.25 Short title.**

This chapter may be cited as the *"Iowa Uniform Transfers to Minors Act"*.

86 Acts, ch 1035, §25

# CHAPTER 566

## CEMETERY MANAGEMENT

Repealed by 2005 Acts, ch 128, §74; see chapter 523I

# CHAPTER 566A

## CEMETERY REGULATION

Repealed by 2005 Acts, ch 128, §74; see chapter 523I

# CHAPTER 567

## NONRESIDENT ALIENS — LAND OWNERSHIP

Transferred to chapter 9I; 2002 Acts, ch 1095, §10

# CHAPTER 568

## ISLANDS AND ABANDONED RIVER CHANNELS

Chapter repealed by 2012 Acts, ch 1118, §20

# CHAPTER 569

## ACQUISITION OF TITLE BY STATE OR MUNICIPAL CORPORATIONS

Referred to in §331.361

569.1 Right to receive conveyance.
569.2 Bidding in at execution sale.
569.3 Amount of bid.
569.4 Costs and expenses.
569.5 Management.
569.6 Costs, expenses and proceeds.
569.7 Execution of deeds and leases.
569.8 Title under tax deed — sale — proceeds.

**569.1 Right to receive conveyance.**

When it becomes necessary, to secure the state or any county or other municipal corporation thereof from loss, to take real estate on account of a debt by bidding the same

in at execution sale or otherwise, the conveyance shall vest in the grantee as complete a title as if it were a natural person.

[C73, §1910; C97, §2894; C24, 27, 31, 35, 39, §**10246;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §569.1]

**569.2 Bidding in at execution sale.**

Such real estate shall be bid in, if for the state, by the attorney general, if for the county, by the county attorney, and if for any other municipal corporation, by its attorney or agent appointed for that purpose, the proceeds of any such real estate, when sold, to be covered into the state, county, or municipal treasury, as the case may be, for the use of the general or the special fund to which it rightfully belongs.

[C73, §1911; C97, §2895; C24, 27, 31, 35, 39, §**10247;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §569.2]

Referred to in §331.756(74)

Bidding at tax sale, §446.19, 468.158

**569.3 Amount of bid.**

When real estate is sold as above provided, the fair and reasonable value shall be bid therefor, unless in excess of the judgment, interest, costs, and accruing costs, in which case the bid shall be for such sum only.

[C73, §1912; C97, §2896; C24, 27, 31, 35, 39, §**10248;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §569.3]

**569.4 Costs and expenses.**

In all cases in which the state becomes the purchaser of real estate under the provisions of this chapter, the costs and expenses attending such purchases shall be audited and allowed by the director of the department of administrative services, and paid out of any money in the state treasury not otherwise appropriated, upon the director's warrant, and charged to the fund to which the indebtedness belonged upon which such real estate was taken.

If the real estate is purchased by a county, the costs and expenses shall be audited by the board of supervisors and paid out of the county treasury, upon a warrant drawn by the auditor on the treasurer, from the fund to which the debt belonged upon which said real estate was purchased.

If the real estate is purchased by any other municipal corporation, then the costs shall be audited and paid by it in the same manner as other claims against it are audited and paid.

[C73, §1913; C97, §2897; C24, 27, 31, 35, 39, §**10249;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §569.4]

2003 Acts, ch 145, §286

**569.5 Management.**

When the title to real estate becomes vested in the state, or in a county or municipality under this chapter, or by conveyance under the statutes relating to taxation, the executive council, board of supervisors, or other governing body, as the case may be, shall manage, control, protect by insurance, lease, or sell said real estate on such terms, conditions, or security as said governing body may deem best.

[C73, §1914 – 1917, 1919; C97, §2898, 2899; C24, 27, 31, §10250 – 10252, 10254 – 10256; C35, §10260-e1; C39, §**10260.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §569.5]

**569.6 Costs, expenses and proceeds.**

The cost and expense resulting from the exercise of said powers shall be paid from the fund to which said real estate belongs and the proceeds of a lease or sale shall be credited to said fund.

[C73, §1914 – 1917, 1919; C97, §2898, 2899; C24, 27, 31, §10250 – 10252, 10254 – 10256; C35, §10260-e2; C39, §**10260.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §569.6]

**569.7 Execution of deeds and leases.**

The said governing body may appoint its chairperson, president, or other member to execute and acknowledge, for and on behalf of the state, county, or municipality, leases and deeds of conveyance, but said instruments when executed shall be approved by the said body and said approval spread upon its minutes with the yea and nay vote thereon. A transcript of said minutes certified by the secretary of said body shall be entitled to be recorded in the same manner as the approved instrument is entitled to be recorded.

[C73, §1916, 1918, 1919; C97, §2898 – 2900; C24, 27, 31, §10254, 10257 – 10260; C35, §10260-e3; C39, §**10260.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §569.7]

**569.8 Title under tax deed — sale — proceeds.**

1. Disposition by a county of a parcel acquired by tax deed shall comply with section 331.361, subsection 2 or 3.

2. When title to a parcel acquired by tax deed is transferred, the auditor shall immediately record the deed and the assessor shall enter the parcel to be assessed following the assessment date.

3. A parcel the county holds by tax deed shall not be assessed or taxed until transferred.

4. The transfer by a county of a parcel acquired by tax deed gives the purchaser free title as to previously levied or set taxes.

5. The proceeds of the sale shall be credited to the county general fund.

[C35, §10260-g1; C39, §**10260.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §569.8; 81 Acts, ch 117, §1094]

91 Acts, ch 191, §122; 92 Acts, ch 1016, §40; 96 Acts, ch 1204, §32

Referred to in §445.1

For definitions applicable to this section, see §445.1

# SUBTITLE 3

## LIENS

Referred to in §501A.603

# CHAPTER 570

## LANDLORD'S LIEN

Referred to in §321.47, 571.3A

Landlord and tenant generally, chapters 562, 562A, 562B


570.1 Lien created — perfection and priority — termination.
570.2 Duration of lien.
570.3 Limitation on lien in case of sale under judicial process.
570.4 Limitation on lien in case of crop failure.
570.5 Enforcement — proceeding by attachment.
570.6 Lien upon additional property.
570.7 Action by tenant to recover property.
570.8 Acts sufficient to constitute taking of property.
570.9 Sale of crops held by landlord's lien.
570.10 Action barred by payment of rent.


**570.1 Lien created — perfection and priority — termination.**

1. A landlord shall have a lien for the rent upon all crops grown upon the leased premises, and upon any other personal property of the tenant which has been used or kept thereon during the term and which is not exempt from execution.

2. In order to perfect a lien in farm products as defined in section 554.9102, which is created under this section, a landlord must file a financing statement as required by section 554.9308, subsection 2. Except as provided in chapters 571, 572, 579A, 579B, and 581, a perfected lien in the farm products has priority over a conflicting security interest or lien, including a security interest or lien that was perfected prior to the creation of the lien under this section, if the lien created in this section is perfected on either of the following dates:

*a.* Prior to July 1, 2001.

*b.* When the debtor takes possession of the leased premises or within twenty days after the debtor takes possession of the leased premises.

3. A financing statement filed to perfect a lien in the farm products must include a statement that it is filed for the purpose of perfecting a landlord's lien. Notwithstanding section 554.9515, such financing statement shall continue to be effective until a termination statement is filed.

4. Within twenty days after a landlord who has filed a financing statement receives a written demand, authenticated as provided in article 9 of chapter 554, from a tenant, the landlord shall file a termination statement, if the lien in the farm products has expired or if the tenant is no longer in possession of the leased premises and has performed all obligations under the lease.

[C51, §1270; R60, §2302; C73, §2017; C97, §2992; C24, 27, 31, 35, 39, §**10261;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §570.1]

2000 Acts, ch 1149, §176, 187; 2002 Acts, ch 1023, §1

Referred to in §570A.5

**570.2 Duration of lien.**

Such lien shall continue for the period of one year after a year's rent, or the rent of a shorter period, falls due. But in no case shall such lien continue more than six months after the expiration of the term.

[C51, §1270; R60, §2302; C73, §2017; C97, §2992; C24, 27, 31, 35, 39, §**10262;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §570.2]

**570.3 Limitation on lien in case of sale under judicial process.**

In the event that a stock of goods or merchandise, or a part thereof, subject to a landlord's lien, shall be sold under judicial process, order of court, or by an assignee under a general assignment for benefit of creditors, the lien of the landlord shall not be enforceable against said stock or portion thereof, except for rent due for the term already expired, and for rent to be paid for the use of demised premises for a period not exceeding six months after date of sale, any agreement of the parties to the contrary notwithstanding.

[C97, §2992; C24, 27, 31, 35, 39, §**10263;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §570.3]

**570.4 Limitation on lien in case of crop failure.**

In cases of farm leases involving the rental of farmlands of forty acres or more, where the tenant has defaulted in the payment of the rent and suit has been commenced aided by landlord's attachment for the enforcement of the landlord's lien, the defendant may file as a defense that the default or inability to pay is caused or brought about by reason of drought, flood, hail, storms, or other climatic conditions or infestation of pests affecting the crops in controversy. When such a defense has been filed, the issue as to the cause for the default shall be triable as an equitable action. Upon the hearing, if the court finds that the default or inability to pay is due to drought, flood, hail, storm, or other climatic conditions or infestation of pests affecting the crops in controversy, the court may enter a decree pursuant thereto with the court's finding of fact. Where a decree has been entered finding that the inability to pay was brought about by any of the conditions named in this section, the landlord's lien shall be confined to all of the crops grown and raised upon the premises and to all increase in livestock and hogs raised upon the premises.

The provisions of this section shall not apply to any farm leases executed prior to July 4, 1941.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §570.4]

**570.5 Enforcement — proceeding by attachment.**

The lien may be enforced by the commencement of an action, within the period above prescribed, for the rent alone, in which action the landlord shall be entitled to a writ of attachment, upon filing with the clerk a verified petition, stating that the action is commenced to recover rent accrued within one year previous thereto upon premises described in the petition; and the procedure thereunder shall be the same, as nearly as may be, as in other cases of attachment, except no bond shall be required.

[C51, §1271; R60, §2303; C73, §2018; C97, §2993; C24, 27, 31, 35, 39, §**10264;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §570.5]

Attachment, chapter 639

**570.6 Lien upon additional property.**

If a lien for rent is given in a written lease or other instrument upon additional property, it may be enforced in the same manner as a landlord's lien and in the same action.

[C51, §1271; R60, §2303; C73, §2018; C97, §2993; C24, 27, 31, 35, 39, §**10265;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §570.6]

**570.7 Action by tenant to recover property.**

An action brought by a tenant, the tenant's assignee or undertenant, to recover the possession of specific personal property taken under landlord's attachment, may be against the party who sued out the attachment; and the property claimed in such action may, under the writ therefor, be taken from the officer who seized it, when the officer has no other claim to hold it than that derived from the writ.

[R60, §2770; C73, §2575; C97, §3490; C24, 27, 31, 35, 39, §**10266;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §570.7]

**570.8 Acts sufficient to constitute taking of property.**

The endorsement of a levy on the property, made upon the process by the officer holding it, shall be a sufficient taking of the property to sustain an action against the party who sued out the writ.

[R60, §2770; C73, §2575; C97, §3490; C24, 27, 31, 35, 39, §**10267;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §570.8]

Levy generally, R.C.P. 1.1018 et seq.; §639.26

**570.9 Sale of crops held by landlord's lien.**

If any tenant of farmlands, with intent to defraud, shall sell, conceal, or in any manner dispose of any of the grain, or other annual products thereof upon which there is a landlord's lien for unpaid rent, without the written consent of the landlord, the tenant shall be guilty of theft.

[S13, §4852-a; C24, 27, 31, 35, 39, §**10268;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §570.9]

Referred to in §570.10
Theft, chapter 714

**570.10 Action barred by payment of rent.**

The payment of the rent for the lands upon which such grain or other annual products were raised at or before the time the same falls due, shall be a bar to any prosecution under section 570.9 and no prosecution shall be commenced until such rent be wholly due.

[S13, §4852-b; C24, 27, 31, 35, 39, §**10269;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §570.10]

# CHAPTER 570A

## AGRICULTURAL SUPPLY DEALER LIEN


570A.1 Definitions.
570A.2 Financial institution memorandum to agricultural supply dealers.
570A.3 Lien created.
570A.4 Perfecting the lien — filing requirements.
570A.5 Priority of lien.
570A.6 Enforcement of lien.
570A.7 through 570A.11 Repealed by 2003 Acts, ch 82, §8.


**570A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural chemical"* means a fertilizer or agricultural chemical which is applied to crops or land which is used for the raising of crops, including but not limited to fertilizer as defined in section 200.3, and pesticide as defined in section 206.2.

2. *"Agricultural purpose"* means a purpose related to the production, harvest, marketing, or transportation of agricultural products by a person who cultivates, plants, propagates or nurtures the agricultural products including agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any other products raised or produced on farms.

3. *"Agricultural supply"* means an agricultural chemical, seed, feed, or a petroleum product that is used for an agricultural purpose.

4. *"Agricultural supply dealer"* or *"dealer"* means a person engaged in the retail sale of agricultural chemicals, seed, feed, or petroleum products used for an agricultural purpose.

5. *"Agricultural supply dealer lien"* or *"lien"* means the agricultural supply dealer lien created in section 570A.3.

6. *"Certified request"* means a request delivered by certified mail or registered certified mail, in person if in writing and signed and dated by the respective parties, or in the manner provided by the Iowa rules of civil procedure for the personal service of original notice.

7. *"Farmer"* means a person engaged in a business which has an agricultural purpose.

8. *"Feed"* means a commercial feed, feed ingredient, mineral feed, drug, animal health product, or customer-formula feed which is used for the feeding of livestock, including but not limited to feed as defined in section 198.3.

9. *"Financial history"* means the record of a person's current loans, the date of a person's loans, the amount of the loans, the person's payment record on the loans, current liens against the person's property, and the person's most recent financial statement.

10. *"Financial institution"* means a bank, credit union, insurance company, mortgage banking company or savings and loan association, industrial loan company, production credit association, farmer's home administration, or like institution which operates or has a place of business in this state.

11. *"Labor"* means labor performed in the application, delivery, or preparation of a product defined in subsections 1, 8, 14, and 16.

12. *"Letter of credit"* means an engagement by a financial institution to honor drafts or other demands for payment.

13. *"Livestock"* means an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, poultry, or fish or shellfish.

14. *"Petroleum product"* means a motor fuel or special fuel which is used in the production of crops or livestock, including but not limited to motor fuel as defined in section 452A.2.

15. *"Sale on a credit basis"* means a transaction in which the purchase price is due on a date after the date of the sale.

16. *"Seed"* means agricultural seeds which are used in the production of crops, including but not limited to agricultural seed as defined in section 199.1.

84 Acts, ch 1072, §1; 85 Acts, ch 204, §1; 95 Acts, ch 43, §13; 2003 Acts, ch 82, §1, 2

**570A.2 Financial institution memorandum to agricultural supply dealers.**

1. Upon the receipt of a certified request of an agricultural supply dealer, prior to or upon a sale on a credit basis of an agricultural supply to a farmer, a financial institution which has either a security interest in collateral owned by the farmer or an outstanding loan to the farmer for an agricultural purpose shall issue within four business days a memorandum which states whether or not the farmer has a sufficient net worth or line of credit to assure payment of the purchase price on the terms of the sale. The certified request submitted by the agricultural supply dealer shall state the amount of the purchase and the terms of sale and shall be accompanied by a waiver of confidentiality signed by the farmer, and a fifteen dollar fee. The waiver of confidentiality and the certified request may be combined and submitted as one document. If the financial institution states in its memorandum that the farmer has a sufficient net worth or line of credit to assure payment of the purchase price, the memorandum is an irrevocable and unconditional letter of credit to the benefit of the agricultural supply dealer for a period of thirty days following the date on which the final payment is due for the amount of the purchase price which remains unpaid. If the financial institution does not state in its memorandum that the farmer has a sufficient net worth or line of credit to assure payment of the purchase price, the financial institution shall transmit the relevant financial history which it holds on the person. This financial history shall remain confidential between the financial institution, the agricultural supply dealer, and the farmer.

2. If within four business days of receipt of a certified request a financial institution fails to issue a memorandum upon the request of an agricultural supply dealer and the request from the agricultural supply dealer was proper under subsection 1, or if the memorandum from the financial institution is incomplete, or if the memorandum from the financial institution states that the farmer does not have a sufficient net worth or line of credit to assure payment of the purchase price, the agricultural supply dealer may decide to make the sale and secure the lien provided in section 570A.3.

3. Upon an action to enforce a lien secured under section 570A.3 against the interest of a financial institution secured to the same collateral as that of the lien, it shall be an affirmative defense to a financial institution and complete proof of the superior priority of the financial institution's lien that the financial institution either did not receive a certified request and a waiver signed by the farmer, or received the request and a waiver signed by the farmer and provided the full and complete relevant financial history which it held on the farmer making

the purchase from the agricultural supply dealer on which the lien is based and that financial history reasonably indicated that the farmer did not have a sufficient net worth or line of credit to assure payment of the purchase price.

84 Acts, ch 1072, §2; 85 Acts, ch 204, §2; 90 Acts, ch 1168, §58; 2003 Acts, ch 82, §3
Referred to in §570A.5

**570A.3 Lien created.**

An agricultural supply dealer who provides an agricultural supply to a farmer shall have an agricultural lien as provided in section 554.9102. The agricultural supply dealer is a secured party and the farmer is a debtor for purposes of chapter 554, article 9. The amount of the lien shall be the amount owed to the agricultural supply dealer for the retail cost of the agricultural supply, including labor provided. The lien applies to all of the following:

1. Crops which are produced upon the land to which the agricultural chemical was applied, produced from the seed provided, or produced using the petroleum product provided. The lien shall not apply to any crops so produced upon the land after four hundred ninety days from the date that the farmer purchased the agricultural supply.

2. Livestock consuming the feed. However, the lien does not apply to that portion of the livestock of a farmer who has paid all amounts due from the farmer for the retail cost, including labor, of the feed.

84 Acts, ch 1072, §3; 85 Acts, ch 204, §3; 2003 Acts, ch 82, §4
Referred to in §570A.1, 570A.2

**570A.4 Perfecting the lien — filing requirements.**

Except as provided in this section, a financing statement filed to perfect an agricultural supply dealer lien shall be governed by chapter 554, article 9, part 5, in the same manner as any other financing statement.

1. The lien becomes effective at the time that the farmer purchases the agricultural supply.

2. In order to perfect the lien, the agricultural supply dealer must file a financing statement in the office of the secretary of state as provided in section 554.9308 within thirty-one days after the date that the farmer purchases the agricultural supply. The financing statement shall meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516. Filing a financing statement as provided in this subsection satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

84 Acts, ch 1072, §4; 85 Acts, ch 204, §4; 88 Acts, ch 1275, §40; 91 Acts, ch 267, §630; 2000 Acts, ch 1149, §177, 187; 2003 Acts, ch 82, §5
Referred to in §570A.5

**570A.5 Priority of lien.**

Except as provided in this section, an agricultural supply dealer lien that is effective or perfected as provided in section 570A.4 shall be subject to the rules of priority as provided in section 554.9322. For an agricultural supply dealer lien that is perfected under section 570A.4, all of the following shall apply:

1. The lien shall have priority over a lien or security interest that applies subsequent to the time that the agricultural supply dealer lien is perfected.

2. Except as provided in section 570A.2, subsection 3, the lien shall have equal priority to a lien or security interest which is perfected prior to the time that the agricultural supply dealer lien is perfected. However, a landlord's lien that is perfected pursuant to section 570.1 shall have priority over a conflicting agricultural supply dealer lien as provided in section 570.1, and a harvester's lien that is perfected pursuant to section 571.3 shall have priority over a conflicting agricultural supply dealer lien as provided in section 571.3A.

3. A lien in livestock feed shall have priority over an earlier perfected lien or security interest to the extent of the difference between the acquisition price of the livestock and the fair market value of the livestock at the time the lien attaches or the sale price of the livestock, whichever is greater.

84 Acts, ch 1072, §5; 2003 Acts, ch 82, §6; 2004 Acts, ch 1086, §92, 93

**570A.6 Enforcement of lien.**

An agricultural supply dealer may enforce an agricultural supply dealer lien in the manner provided for agricultural liens pursuant to chapter 554, article 9, part 6.

84 Acts, ch 1072, §6; 2000 Acts, ch 1149, §178, 187; 2003 Acts, ch 82, §7; 2004 Acts, ch 1086, §94

**570A.7 through 570A.11** Repealed by 2003 Acts, ch 82, § 8.

# CHAPTER 571

## HARVESTER'S LIEN

Referred to in §570.1


571.1 Nature of lien. Repealed by 2003 Acts, ch 82, §14.
571.1A Definitions.
571.1B Lien created.
571.2 Priority of lien. Repealed by 2003 Acts, ch 82, §14.
571.3 Perfecting the lien — filing requirements.
571.3A Priority of lien.
571.4 Enforcement — time limit. Repealed by 2003 Acts, ch 82, §14.
571.5 Enforcement of lien.
571.6 Acknowledgment of satisfaction. Repealed by 2003 Acts, ch 82, §14.


**571.1 Nature of lien.** Repealed by 2003 Acts, ch 82, § 14.

**571.1A Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Crop"* includes but is not limited to corn, soybeans, hay, straw, and crops produced on trees, vines, or bushes.
2. *"Harvester"* means a person who performs harvesting services.
3. *"Harvesting services"* means baling, chopping, combining, cutting, husking, picking, shelling, stacking, threshing, or windrowing a crop, regardless of the means or method employed.
4. *"Harvester's lien"* or *"lien"* means the harvester's lien created in section 571.1B.

2003 Acts, ch 82, §9; 2007 Acts, ch 126, §99

**571.1B Lien created.**

A harvester shall have an agricultural lien as provided in section 554.9102 for the reasonable value of harvesting services. The harvester is a secured party and the person for whom the harvester renders such harvesting services is a debtor for purposes of chapter 554, article 9. The lien applies to crops harvested by the harvester.

2003 Acts, ch 82, §10

Referred to in §571.1A, 571.3

**571.2 Priority of lien.** Repealed by 2003 Acts, ch 82, § 14.

**571.3 Perfecting the lien — filing requirements.**

Except as provided in this section, a financing statement filed to perfect a harvester's lien shall be governed by chapter 554, article 9, part 5, in the same manner as any other financing statement.

1. The lien becomes effective at the time that the harvesting services provided under section 571.1B are rendered.
2. In order to perfect the lien, the harvester must file a financing statement in the office of the secretary of state as provided in section 554.9308 within ten days after the last date that the harvesting services were rendered. The financing statement shall meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section

554.9516. Filing a financing statement as provided in this subsection satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

[C35, §10269-e3; C39, §**10269.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §571.3]
86 Acts, ch 1033, §1; 2003 Acts, ch 82, §11
Referred to in §570A.5, 571.3A

**571.3A Priority of lien.**

Except as provided in this section, section 554.9322 shall govern the priority of a harvester's lien that is effective or perfected as provided in section 571.3.

1. A harvester's lien that is effective but not perfected under section 571.3 shall have priority as provided in section 554.9322.

2. A harvester's lien that is perfected under section 571.3 shall have priority over a conflicting security interest in harvested crops regardless of when such security interest is perfected. A perfected harvester's lien shall have priority over a conflicting landlord's lien as provided in chapter 570, regardless of when such landlord's lien is perfected.

2003 Acts, ch 82, §12
Referred to in §570A.5

**571.4 Enforcement — time limit.** Repealed by 2003 Acts, ch 82, § 14.

**571.5 Enforcement of lien.**

A harvester may enforce a harvester's lien in the manner provided for agricultural liens pursuant to the uniform commercial code, chapter 554, article 9, part 6.

[C35, §10269-e5; C39, §**10269.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §571.5]
2000 Acts, ch 1149, §179, 187; 2003 Acts, ch 82, §13

**571.6 Acknowledgment of satisfaction.** Repealed by 2003 Acts, ch 82, § 14.

# CHAPTER 572

## MECHANIC'S LIEN

Referred to in §458A.25, 570.1, 617.11


572.1 Definitions and rules of construction.
572.2 Persons entitled to lien.
572.3 Collateral security before completion of work.
572.4 Security after completion of work.
572.5 Extent of lien.
572.6 In case of leasehold interest.
572.7 In case of internal improvement.
572.8 Perfection of lien.
572.9 Time of lien posting.
572.10 Perfecting lien after lapse of ninety days.
572.11 Extent of lien posted after ninety days.
572.12 Time of filing against railway.
572.13 General contractor — owner notice — residential construction.
572.13A Notice of commencement of work — general contractor — owner-builder.
572.13B Preliminary notice — subcontractor — residential construction.
572.14 Liability to subcontractor after payment to general contractor or owner-builder.
572.15 Discharge of mechanic's lien — bond.
572.16 Rule of construction.
572.17 Priority of mechanics' liens between mechanics.
572.18 Priority over other liens.
572.19 Priority over garnishments of the owner.
572.20 Priority as to buildings over prior liens upon land.
572.21 Foreclosure of mechanic's lien when lien on land.
572.22 Record of claim.
572.23 Acknowledgment of satisfaction of claim.
572.24 Time of bringing action — court.
572.25 Place of bringing action.
572.26 Kinds of action — amendment.

572.27 Limitation on action.
572.28 Demand for bringing suit.
572.29 Assignment of lien.
572.30 Action by subcontractor or owner against general contractor or owner-builder.
572.31 Cooperative and condominium housing.
572.32 Attorney fees — remedies.
572.33 Requirement of notification for commercial construction.
572.33A Liability of owner to general contractor — commercial construction.
572.34 Mechanics' notice and lien registry.

**572.1 Definitions and rules of construction.**

For the purpose of this chapter:

1. *"Administrator"* means the secretary of state.

2. *"Building"* shall be construed as if followed by the words "erection, or other improvement upon land".

3. *"General contractor"* includes every person who does work or furnishes materials by contract, express or implied, with an owner. *"General contractor"* does not include a person who does work or furnishes materials on contract with an owner-builder.

4. *"Labor"* means labor completed by the claimant.

5. *"Material"*, in addition to its ordinary meaning, includes machinery, tools, fixtures, trees, evergreens, vines, plants, shrubs, tubers, bulbs, hedges, bushes, sod, soil, dirt, mulch, peat, fertilizer, fence wire, fence material, fence posts, tile, and the use of forms, accessories, and equipment furnished by the claimant.

6. *"Mechanics' notice and lien registry"* means a centralized computer database maintained on the internet by the administrator that provides a central repository for the submission and management of preliminary notices, notices of commencement of work on residential construction properties, and mechanics' liens on all construction properties.

7. *"Mechanics' notice and lien registry number"* means a number provided by the administrator for all residential construction properties posted to the mechanics' notice and lien registry.

8. *"Owner"* means the legal or equitable titleholder of record.

9. *"Owner-builder"* means the legal or equitable titleholder of record who furnishes material for or performs labor upon a building, erection, or other improvement, or who contracts with a subcontractor to furnish material for or perform labor upon a building, erection, or other improvement and who offers or intends to offer to sell the owner-builder's property without occupying or using the structures, properties, developments, or improvements for a period of more than one year from the date the structure, property, development, or improvement is substantially completed or abandoned.

10. *"Residential construction"* means construction on single-family or two-family dwellings occupied or used, or intended to be occupied or used, primarily for residential purposes, and includes real property pursuant to chapter 499B.

11. *"Subcontractor"* includes every person furnishing material or performing labor upon any building, erection, or other improvement, except those having contracts directly with the owner. *"Subcontractor"* shall include those persons having contracts directly with an owner-builder.

[C51, §982; R60, §1866, 1871; C73, §2144, 2146; C97, §3096, 3097; C24, 27, 31, 35, 39, §**10270;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.1; 81 Acts, ch 186, §1]

98 Acts, ch 1142, §1; 2007 Acts, ch 83, §1, 2; 2012 Acts, ch 1105, §2, 27, 28; 2012 Acts, ch 1138, §13, 40, 43

2012 amendments to section take effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1138, §13, 43

**572.2 Persons entitled to lien.**

1. Every person who furnishes any material or labor for, or performs any labor upon, any building or land for improvement, alteration, or repair thereof, including those engaged in the construction or repair of any work of internal or external improvement, and those engaged in grading, sodding, installing nursery stock, landscaping, sidewalk building, fencing on any

land or lot, by virtue of any contract with the owner, owner-builder, general contractor, or subcontractor shall have a lien upon such building or improvement, and land belonging to the owner on which the same is situated or upon the land or lot so graded, landscaped, fenced, or otherwise improved, altered, or repaired, to secure payment for the material or labor furnished or labor performed.

2. If material is rented by a person to the owner, general contractor, or subcontractor, the person shall have a lien upon such building, improvement, or land to secure payment for the material rental. The lien is for the reasonable rental value during the period of actual use of the material and any reasonable periods of nonuse of the material taken into account in the rental agreement. The delivery of material to such building, improvement, or land, whether or not delivery is made by the person, creates a presumption that the material was used in the course of alteration, construction, or repair of the building, improvement, or land. However, this presumption shall not pertain to recoveries sought under a surety bond.

3. An owner-builder is not entitled to a lien under this chapter as to work the owner-builder performs, or is contractually obligated to perform, prior to transferring title to the buyer.

[C51, §981, 1010; R60, §1846; C73, §2130; C97, §3089; C24, 27, 31, 35, 39, §**10271;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.2]

98 Acts, ch 1142, §2; 2007 Acts, ch 83, §3; 2012 Acts, ch 1105, §3, 27, 28; 2012 Acts, ch 1138, §13

Homestead liable, §561.21

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

**572.3 Collateral security before completion of work.**

No person shall be entitled to a mechanic's lien who, at the time of making a contract for furnishing material or performing labor, or during the progress of the work, shall take any collateral security on such contract.

[C51, §1009; R60, §1845; C73, §2129; C97, §3088; C24, 27, 31, 35, 39, §**10272;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.3]

**572.4 Security after completion of work.**

After the completion of such work, the taking of security of any kind shall not affect the right to establish a mechanic's lien unless such new security shall, by express agreement, be given and received in lieu of such lien.

[C97, §3088; C24, 27, 31, 35, 39, §**10273;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.4]

**572.5 Extent of lien.**

The entire land upon which any building or improvement is situated, including that portion not covered therewith, shall be subject to a mechanic's lien to the extent of the interest therein of the person for whose benefit such material was furnished or labor performed.

[R60, §1854; C73, §2140; C97, §3090; C24, 27, 31, 35, 39, §**10274;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.5]

**572.6 In case of leasehold interest.**

When the interest of such person is only a leasehold, the forfeiture of the lease for the nonpayment of rent, or for noncompliance with any of the other conditions therein, shall not forfeit or impair the mechanic's lien upon such building or improvement; but the same may be sold to satisfy such lien, and removed by the purchaser within thirty days after the sale thereof.

[R60, §1854; C73, §2140; C97, §3090; C24, 27, 31, 35, 39, §**10275;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.6]

**572.7 In case of internal improvement.**

When the lien is for material furnished or labor performed in the construction, repair, or equipment of any railroad, canal, viaduct, or other similar improvement, said lien shall attach to the erections, excavations, embankments, bridges, roadbeds, rolling stock, and

other equipment and to all land upon which such improvements or property may be situated, except the easement or right-of-way.

[C73, §2132; C97, §3091; C24, 27, 31, 35, 39, §**10276;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.7]

**572.8 Perfection of lien.**

1. A person shall perfect a mechanic's lien by posting to the mechanics' notice and lien registry internet site a verified statement of account of the demand due the person, after allowing all credits, setting forth:

*a.* The date when such material was first furnished or labor first performed, and the date on which the last of the material was furnished or the last of the labor was performed.

*b.* The legal description that adequately describes the property to be charged with the lien.

*c.* The name and last known mailing address of the owner of the property.

*d.* The address of the property or a description of the location of the property if the property cannot be reasonably identified by an address.

*e.* The tax parcel identification number.

2. Upon posting of the lien, the administrator shall mail a copy of the lien to the owner. If the statement of the lien consists of more than one page, the administrator may omit such pages as consist solely of an accounting of the material furnished or labor performed. In this case, the administrator shall attach a notification that pages of accounting were omitted and may be inspected on the mechanics' notice and lien registry internet site.

3. A lien perfected under this section shall be limited to the county in which the building, land, or improvement to be charged with the lien is situated. The county identified on the mechanics' notice and lien registry internet site at the time of posting the required notices pursuant to sections 572.13A and 572.13B shall be the only county in which the building, land, or improvement may be charged with a mechanic's lien.

[R60, §1851; C73, §2137; C97, §3092; C24, 27, 31, 35, 39, §**10277;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.8]

2007 Acts, ch 83, §4; 2012 Acts, ch 1105, §4, 27, 28; 2012 Acts, ch 1138, §13, 40, 43; 2013 Acts, ch 90, §257; 2013 Acts, ch 99, §1

Referred to in §572.9, 572.10, 572.17, 572.31, 602.8102(8)

2012 amendments to section take effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1138, §13, 43

Code editor directive applied

Subsection 1, paragraph b amended

**572.9 Time of lien posting.**

The statement of account required by section 572.8 shall be posted by a general contractor or subcontractor within two years and ninety days after the date on which the last of the material was furnished or the last of the labor was performed.

[R60, §1851; C73, §2137; C97, §3092; C24, 27, 31, 35, 39, §**10278;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.9]

87 Acts, ch 79, §1; 2007 Acts, ch 83, §5; 2012 Acts, ch 1105, §5, 27, 28; 2012 Acts, ch 1138, §13

Referred to in §572.31

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

**572.10 Perfecting lien after lapse of ninety days.**

A general contractor or a subcontractor may perfect a mechanic's lien pursuant to section 572.8 beyond ninety days after the date on which the last of the material was furnished or the last of the labor was performed by posting a lien to the mechanics' notice and lien registry internet site and giving written notice thereof to the owner. Such notice may be served by any person in the manner original notices are required to be served. If the party to be served is out of the county wherein the property is situated, a return of that fact by the person charged

with making such service shall constitute sufficient service from and after the time it was posted to the mechanics' notice and lien registry internet site.

[C73, §2133; C97, §3094; SS15, §3094; C24, 27, 31, 35, 39, §**10279;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.10]

87 Acts, ch 79, §2; 2007 Acts, ch 83, §6; 2012 Acts, ch 1105, §6, 27, 28; 2012 Acts, ch 1138, §13, 40, 43; 2013 Acts, ch 90, §257

Referred to in §572.11, 572.20

Service of notice, R.C.P. 1.302 – 1.315

2012 amendments to section take effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1138, §13, 43

Code editor directive applied

**572.11 Extent of lien posted after ninety days.**

Liens perfected under section 572.10 shall be enforced against the property or upon the bond, if given, by the owner or by the owner-builder's buyer, only to the extent of the balance due from the owner to the general contractor or from the owner-builder's buyer to the owner-builder at the time of the service of such notice; but if the bond was given by the general contractor or owner-builder, or person contracting with the subcontractor posting the claim for a lien, such bond shall be enforced to the full extent of the amount found due the subcontractor.

[C73, §2133; C97, §3094; SS15, §3094; C24, 27, 31, 35, 39, §**10280;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.11]

87 Acts, ch 79, §3; 2007 Acts, ch 83, §7; 2012 Acts, ch 1105, §7, 27, 28; 2012 Acts, ch 1138, §13; 2013 Acts, ch 99, §2

Referred to in §572.20

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Section amended

**572.12 Time of filing against railway.**

Where a lien is claimed upon a railway, the subcontractor shall have ninety days from the last day of the month in which such labor was done or material furnished within which to file the claim therefor.

[R60, §1851; C73, §2137; C97, §3092; C24, 27, 31, 35, 39, §**10281;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.12]

87 Acts, ch 79, §4

**572.13 General contractor — owner notice — residential construction.**

1. A general contractor who has contracted or will contract with a subcontractor to provide labor or furnish material for the property shall provide the owner with the following owner notice in writing in boldface type of a minimum size of ten points:

Persons or companies furnishing labor or materials for the improvement of real property may enforce a lien upon the improved property if they are not paid for their contributions, even if the parties have no direct contractual relationship with the owner. The mechanics' notice and lien registry provides a listing of all persons or companies furnishing labor or materials who have posted a lien or who may post a lien upon the improved property.

2. The notice described in subsection 1 shall also contain the internet site address and toll-free telephone number of the mechanics' notice and lien registry.

3. A general contractor who fails to provide notice pursuant to this section is not entitled to a lien and remedy provided by this chapter.

4. This section applies only to residential construction properties.

[R60, §1847; C73, §2131; C97, §3093; S13, §3093; C24, 27, 31, 35, 39, §**10282;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.13]

87 Acts, ch 79, §5; 2007 Acts, ch 83, §8, 9; 2011 Acts, ch 25, §69; 2012 Acts, ch 1105, §8, 27, 28; 2012 Acts, ch 1138, §13, 40, 43; 2013 Acts, ch 90, §257

Referred to in §572.13A, 572.13B

2012 amendments to section take effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1138, §13, 43

Code editor directive applied

**572.13A Notice of commencement of work — general contractor — owner-builder.**

1. A general contractor or owner-builder who has contracted or will contract with a subcontractor to provide labor or furnish material for the property shall post a notice of commencement of work to the mechanics' notice and lien registry internet site no later than ten days after the commencement of work on the property. A notice of commencement of work is effective only as to any labor, service, equipment, or material furnished to the property subsequent to the posting of the notice of commencement of work. A notice of commencement of work shall include all of the following information:

*a.* The name and address of the owner.

*b.* The name, address, and telephone number of the general contractor or owner-builder.

*c.* The address of the property or a description of the location of the property if the property cannot be reasonably identified by an address.

*d.* The legal description that adequately describes the property to be charged with the lien.

*e.* The date work commenced.

*f.* The tax parcel identification number.

*g.* Any other information prescribed by the administrator pursuant to rule.

2. If a general contractor or owner-builder fails to post the required notice of commencement of work to the mechanics' notice and lien registry internet site pursuant to subsection 1, within ten days of commencement of the work on the property, a subcontractor may post the notice in conjunction with the posting of the required preliminary notice pursuant to section 572.13B. A notice of commencement of work must be posted to the mechanics' notice and lien registry internet site before preliminary notices pursuant to section 572.13B may be posted.

3. *a.* At the time a notice of commencement of work is posted on the mechanics' notice and lien registry internet site, the administrator shall assign a mechanics' notice and lien registry number and send a copy of the owner notice described in section 572.13. The owner notice shall contain the following language:

Persons or companies furnishing labor or materials for the improvement of real property may enforce a lien upon the improved property if they are not paid for their contributions, even if the parties have no direct contractual relationship with the owner. The mechanics' notice and lien registry provides a listing of all persons or companies furnishing labor or materials who have posted a lien or who may post a lien upon the improved property. If the person or company has posted its notice or lien to the mechanics' notice and lien registry, you may be required to pay the person or company even if you have paid the general contractor the full amount due. Therefore, check the mechanics' notice and lien registry internet site for information about the property including persons or companies furnishing labor or materials before paying your general contractor. In addition, when making payment to your general contractor, it is important to obtain lien waivers from your general contractor and from persons or companies registered as furnishing labor or materials to your property. The information in the mechanics' notice and lien registry is posted on the internet site of the mechanics' notice and lien registry.

*b.* Other relevant information may be included with the notice described in subsection 1 as prescribed by the administrator pursuant to rule.

*c.* The notice described in subsection 1 shall be sent to the owner's address as posted to the mechanics' notice and lien registry by the general contractor, owner-builder, or subcontractor. If the owner's address is different than the property address, a copy of the notice shall also be sent to the property address, addressed to the owner if a mailing address has been assigned to the property by the United States postal service.

*d.* Notices under this section shall not be sent to owner-builders.

4. A general contractor who fails to provide notice pursuant to this section is not entitled to a lien and remedy provided by this chapter.

5. This section applies only to residential construction properties.

2012 Acts, ch 1105, §9, 27, 28; 2012 Acts, ch 1138, §13, 41, 43; 2013 Acts, ch 90, §257; 2013 Acts, ch 99, §3 – 5

Referred to in §572.8, 572.18, 572.34

2012 amendments to section take effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1138, §13, 43

See Code editor's note on simple harmonization

Code editor directive applied

Subsections 1 and 2 amended

Subsection 3, paragraph c amended

Subsection 3, NEW paragraph d

**572.13B Preliminary notice — subcontractor — residential construction.**

1. A subcontractor shall post a preliminary notice to the mechanics' notice and lien registry internet site. A preliminary notice posted before the balance due is paid to the general contractor or the owner-builder is effective as to all labor, service, equipment, and material furnished to the property by the subcontractor. The preliminary notice shall contain all of the following information:

*a.* The name of the owner.

*b.* The mechanics' notice and lien registry number.

*c.* The name, address, and telephone number of the subcontractor furnishing the labor, service, equipment, or material.

*d.* The name and address of the person who contracted with the claimant for the furnishing of the labor, service, equipment, or material.

*e.* The name of the general contractor or owner-builder under which the claimant is performing or will perform the work.

*f.* The address of the property or a description of the location of the property if the property cannot be reasonably identified by an address.

*g.* The legal description that adequately describes the property to be charged with the lien.

*h.* The date the material or materials were first furnished or the labor was first performed.

*i.* The tax parcel identification number.

*j.* Any other information required by the administrator pursuant to rule.

2. At the time a preliminary notice is posted to the mechanics' notice and lien registry, the administrator shall send notification to the owner, including the owner notice described in section 572.13, subsection 1, and shall post the mailing of the notice on the mechanics' notice and lien registry as prescribed by the administrator pursuant to rule. Notices under this section shall not be sent to owner-builders. Upon request, the administrator shall provide proof of service at no cost for the notice required under this section.

3. *a.* A mechanic's lien perfected under this chapter is enforceable only to the extent of the balance due the general contractor or the owner-builder at the time of the posting of the preliminary notice specified in subsection 1, and, except for residential construction property owned by an owner-builder, also is enforceable only to the extent of the balance due the general contractor at the time the owner actually receives the notice provided pursuant to subsection 2 or paragraph "*b*".

*b.* (1) In any action to enforce a mechanic's lien perfected under this chapter against the owner, the subcontractor bears the burden to prove by a preponderance of the evidence that the owner received notice pursuant to subsection 2. A subcontractor may satisfy the burden of proof by providing separate notice to an owner by including but not limited to any of the following means:

(a) By certified mail with return receipt.

(b) By personal service in the manner original notices are required to be served.

(c) By actual notice with a signed receipt from the owner acknowledging notice.

(2) If the subcontractor provides an affidavit of mailing, the presumption is that the owner received the notice on the fourth day of business for the post office after the notice was sent and the burden of proof shifts from the subcontractor to the owner to refute the presumption.

4. A subcontractor who fails to post a preliminary notice pursuant to this section shall not be entitled to a lien and remedy provided under this chapter.

5. This section applies only to residential construction properties.

2012 Acts, ch 1105, §10, 27, 28; 2012 Acts, ch 1138, §13, 41, 43; 2013 Acts, ch 90, §257; 2013 Acts, ch 99, §6, 7

Referred to in §572.8, 572.13A, 572.14, 572.16, 572.18, 572.34

2012 amendments to section take effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1138, §13, 43

Code editor directive applied

Subsection 1, paragraph g amended

Subsection 2 amended

**572.14 Liability to subcontractor after payment to general contractor or owner-builder.**

Except as provided in section 572.13B, payment to the general contractor or owner-builder of any part or all of the contract price of the building or improvement within ninety days after the date on which the last of the materials was furnished or the last of the labor was performed by a subcontractor, does not relieve the owner from liability to the subcontractor for the full value of any material furnished or labor performed upon the building, land, or improvement if the subcontractor posts a lien within ninety days after the date on which the last of the materials was furnished or the last of the labor was performed.

[S13, §3093; C24, 27, 31, 35, 39, §**10283;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.14; 81 Acts, ch 186, §2]

87 Acts, ch 79, §6; 98 Acts, ch 1142, §3; 2007 Acts, ch 83, §10; 2012 Acts, ch 1105, §11, 27, 28; 2012 Acts, ch 1138, §13

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

**572.15 Discharge of mechanic's lien — bond.**

A mechanic's lien may be discharged at any time by submitting a bond to the administrator in twice the amount of the sum for which the claim for the lien is posted, with surety or sureties, to be approved by the administrator, conditioned for the payment of any sum for which the claimant may obtain judgment upon the claim.

[C97, §3093; S13, §3093; C24, 27, 31, 35, 39, §**10284;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.15]

86 Acts, ch 1017, §1; 2007 Acts, ch 83, §11; 2012 Acts, ch 1105, §12, 27, 28; 2012 Acts, ch 1138, §13; 2013 Acts, ch 99, §8

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Section amended

**572.16 Rule of construction.**

Nothing in this chapter shall be construed to require the owner to pay a greater amount or at an earlier date than is provided in the owner's contract with the general contractor, unless the owner pays a part or all of the contract price to the general contractor before the expiration of the ninety days allowed by law for the posting of a mechanic's lien by a subcontractor; provided that in the case of residential construction, nothing in this chapter shall be construed to require the owner to pay a greater amount or at an earlier date than is provided in the owner's contract with the general contractor, unless the owner pays a part or

all of the contract price to the general contractor after the owner receives notice pursuant to section 572.13B, subsection 2 or section 572.13B, subsection 3, paragraph *"b"*.

[C97, §3093; S13, §3093; C24, 27, 31, 35, 39, §**10285;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.16; 81 Acts, ch 186, §3]

87 Acts, ch 79, §7; 2012 Acts, ch 1105, §13, 27, 28; 2012 Acts, ch 1138, §13

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

**572.17 Priority of mechanics' liens between mechanics.**

Mechanics' liens shall have priority over each other in the order of the posting of the statements of accounts as provided in section 572.8.

[R60, §1853, 1855; C73, §2139, 2141; C97, §3095; C24, 27, 31, 35, 39, §**10286;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.17]

2012 Acts, ch 1105, §14, 27, 28; 2012 Acts, ch 1138, §13

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

**572.18 Priority over other liens.**

1. Mechanics' liens posted by a general contractor or subcontractor within ninety days after the date on which the last of the material was furnished or the last of the claimant's labor was performed and for which notices were properly posted to the mechanics' notice and lien registry internet site pursuant to sections 572.13A and 572.13B shall be superior to all other liens which may attach to or upon a building or improvement and to the land upon which it is situated, except liens of record prior to the time of the original commencement of the claimant's work or the claimant's improvements, except as provided in subsection 2.

2. Construction mortgage liens shall be preferred to all mechanics' liens of claimants who commenced their particular work or improvement subsequent to the date of the recording of the construction mortgage lien. For purposes of this section, a lien is a *"construction mortgage lien"* to the extent that it secures loans or advancements made to directly finance work or improvements upon the real estate which secures the lien.

3. The rights of purchasers, encumbrancers, and other persons who acquire interests in good faith, for a valuable consideration, and without notice of a lien perfected pursuant to this chapter, are superior to the claims of all general contractors or subcontractors who have perfected their liens more than ninety days after the date on which the last of the claimant's material was furnished or the last of the claimant's labor was performed.

4. For purposes of this section, a lender who obtains an interest in the real estate by assignment of a mortgage shall be entitled to the same priority as the original mortgagee.

[R60, §1851, 1853, 1855; C73, §2137, 2139, 2141; C97, §3092, 3095; C24, 27, 31, 35, 39, §**10287;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.18]

84 Acts, ch 1215, §1; 2007 Acts, ch 83, §12; 2012 Acts, ch 1105, §15, 27, 28; 2012 Acts, ch 1138, §13, 40, 43; 2013 Acts, ch 90, §257

Referred to in §654.12A

2012 amendments to section take effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1138, §13, 43

Code editor directive applied

**572.19 Priority over garnishments of the owner.**

Mechanics' liens shall take priority over all garnishments of the owner for the contract debts, whether made prior or subsequent to the commencement of the furnishing of the material or performance of the labor, without regard to the date of posting the claim for such lien.

[C97, §3095; C24, 27, 31, 35, 39, §**10288;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.19]

2013 Acts, ch 99, §9

Section amended

**572.20 Priority as to buildings over prior liens upon land.**

Mechanics' liens, including those for additions, repairs, and betterments, shall attach to the building or improvement for which the material or labor was furnished or done, in preference to any prior lien, encumbrance, or mortgage upon the land upon which such building or improvement was erected or situated except as provided in sections 572.10 and 572.11.

[R60, §1853, 1855; C73, §2139, 2141; C97, §3095; C24, 27, 31, 35, 39, §**10289;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.20]

2007 Acts, ch 83, §13

**572.21 Foreclosure of mechanic's lien when lien on land.**

In the foreclosure of a mechanic's lien when there is a superior lien, encumbrance, or mortgage upon the land the following regulations shall govern:

1. *Lien on original and independent building or improvement.* If such material was furnished or labor performed in the construction of an original and independent building or improvement commenced after the attaching or execution of such superior lien, encumbrance, or mortgage, the court may, in its discretion, order such building or improvement to be sold separately under execution, and the purchaser may remove the same in such reasonable time as the court may fix. If the court shall find that such building or improvement should not be sold separately, it shall take an account of and ascertain the separate values of the land, and the building or improvement, and order the whole sold, and distribute the proceeds of such sale so as to secure to the superior lien, encumbrance, or mortgage priority upon the land, and to the mechanic's lien priority upon the building or improvement.

2. *Lien on existing building or improvement for repairs or additions.* If the material furnished or labor performed was for additions, repairs, or betterments upon any building or improvement, the court shall take an accounting of the values before such material was furnished or labor performed, and the enhanced value caused by such additions, repairs, or betterments; and upon the sale of the premises, distribute the proceeds of such sale so as to secure to the superior mortgagee or lienholder priority upon the land and improvements as they existed prior to the attaching of the mechanic's lien, and to the mechanic's lienholder priority upon the enhanced value caused by such additions, repairs, or betterments. In case the premises do not sell for more than sufficient to pay off the superior mortgage or other superior lien, the proceeds shall be applied on the superior mortgage or other superior liens.

[R60, §1853, 1855; C73, §2139, 2141; C97, §3095; C24, 27, 31, 35, 39, §**10290;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.21]

2007 Acts, ch 83, §14

**572.22 Record of claim.**

Each claim posted to the mechanics' notice and lien registry internet site shall be properly indexed and shall contain the following items:

1. The name of the person by whom posted.
2. The date and hour of posting.
3. The amount thereof.
4. The name of the person against whom posted.
5. The legal description that adequately describes the property to be charged with the lien.
6. The tax parcel identification number of the property to be charged.
7. The address of the property or a description of the location of the property if the property cannot be reasonably identified by an address.

[R60, §1852; C73, §2138; C97, §3100; C24, 27, 31, 35, 39, §**10291;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.22]

2007 Acts, ch 83, §15; 2012 Acts, ch 1105, §16, 27, 28; 2012 Acts, ch 1138, §13, 40, 43; 2013 Acts, ch 90, §257; 2013 Acts, ch 99, §10, 11; 2013 Acts, ch 140, §79

2012 amendments to section take effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1138, §13, 43

See Code editor's note on simple harmonization

Code editor directive applied

Unnumbered paragraph 1 amended
Subsection 5 amended

**572.23 Acknowledgment of satisfaction of claim.**

1. When a mechanic's lien is satisfied by payment of the claim, the claimant shall acknowledge satisfaction thereof and, if the claimant neglects to do so for thirty days after demand in writing is personally served upon the claimant, the claimant shall forfeit and pay twenty-five dollars to the owner, general contractor, or owner-builder and be liable to any person injured to the extent of the injury.

2. If satisfaction is not acknowledged within thirty days after service of the demand in writing, the party serving the demand or causing the demand to be served may file for record with the administrator a copy of the demand with proofs of service attached and endorsed and, in case of service by publication, a personal affidavit that personal service could not be made within this state. Upon completion of the requirements of this subsection, the posting shall be constructive notice to all parties of the due forfeiture and cancellation of the lien. Upon the posting of the demand with the required attachments, the administrator shall mail a date-stamped copy of the demand to both parties.

[R60, §1867 – 1869; C73, §2145; C97, §3101; C24, 27, 31, 35, 39, §**10292;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.23]

99 Acts, ch 79, §1; 2000 Acts, ch 1154, §34; 2012 Acts, ch 1105, §17, 27, 28; 2012 Acts, ch 1138, §13; 2013 Acts, ch 99, §12

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Subsection 2 amended

**572.24 Time of bringing action — court.**

1. An action to enforce a mechanic's lien, or an action brought upon any bond given in lieu thereof, may be commenced in the district court after said lien is perfected.

2. An action to challenge a mechanic's lien may be commenced in the district court or small claims court if the amount of the lien is within jurisdictional limits. Any permissible claim or counterclaim meeting subject matter and jurisdictional requirements may be joined with the action. The court shall make written findings regarding the lawful amount and the validity of the mechanic's lien. In addition to any other appropriate order, the court may enter judgment on a permissibly joined claim or counterclaim. If the court determines that the mechanic's lien is invalid, valid for a lesser amount, frivolous, fraudulent, forfeited, expired, or for any other reason unenforceable, the clerk of the district court shall submit the ruling to the administrator who shall make a posting to the mechanics' notice and lien registry internet site regarding the proper amount of the lien or, if warranted, canceling the lien.

[R60, §1856; C73, §2142, 2143; C97, §3098; C24, 27, 31, 35, 39, §**10293;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.24]

99 Acts, ch 79, §2; 2012 Acts, ch 1105, §18, 27, 28; 2012 Acts, ch 1138, §13, 40, 43; 2013 Acts, ch 90, §257

Referred to in §631.1

2012 amendments to section take effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1138, §13, 43

Code editor directive applied

**572.25 Place of bringing action.**

An action to enforce a mechanic's lien shall be brought in the county in which the property to be affected, or some part thereof, is situated.

[C73, §2142, 2578; C97, §3098, 3493; C24, 27, 31, 35, 39, §**10294;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.25]

**572.26 Kinds of action — amendment.**

An action to enforce a mechanic's lien shall be by equitable proceedings, and no other cause of action shall be joined therewith.

Any lien statement may be amended by leave of court in furtherance of justice, except as to the amount demanded.

[C51, §985; R60, §4183; C73, §2510; C97, §3429; C24, 27, 31, 35, 39, §**10295;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.26]

**572.27 Limitation on action.**

Any action to enforce a mechanic's lien shall be brought within two years from the expiration of ninety days after the date on which the last of the material was furnished or the last of the labor was performed.

[C51, §984; R60, §1865; C73, §2529; C97, §3447; S13, §3447; C24, 27, 31, 35, 39, §**10296;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.27]

87 Acts, ch 79, §8; 2007 Acts, ch 83, §16

**572.28 Demand for bringing suit.**

1. Upon the written demand of the owner served on the claimant requiring the claimant to commence action to enforce the lien, such action shall be commenced within thirty days thereafter, or the lien and all benefits derived therefrom shall be forfeited.

2. If an action is not filed within thirty days after demand to commence action is served, the party serving the demand or causing the demand to be served may post with the administrator a copy of the demand with proofs of service attached and endorsed and, in case of service by publication, a personal affidavit that personal service could not be made within this state. Upon completion of the requirements of this subsection, the record shall be constructive notice to all parties of the due forfeiture and cancellation of the lien. Upon the posting of the demand with the required attachments, the administrator shall mail a date-stamped copy of the demand to both parties.

[C73, §2143; C97, §3099; C24, 27, 31, 35, 39, §**10297;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.28]

99 Acts, ch 79, §3; 2007 Acts, ch 83, §17; 2012 Acts, ch 1105, §19, 27, 28; 2012 Acts, ch 1138, §13; 2013 Acts, ch 99, §13

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Subsection 1 amended

**572.29 Assignment of lien.**

A mechanic's lien is assignable, and shall follow the assignment of the debt for which it is claimed.

[C97, §3099; C24, 27, 31, 35, 39, §**10298;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §572.29]

**572.30 Action by subcontractor or owner against general contractor or owner-builder.**

Unless otherwise agreed, a general contractor or owner-builder who engages a subcontractor to supply labor or materials or both for improvements, alterations, or repairs to a specific residential construction property shall pay the subcontractor in full for all labor and materials supplied within thirty days after the date the general contractor or owner-builder receives full payment from the owner. If a general contractor or owner-builder fails without due cause to pay a subcontractor as required by this section, the subcontractor, or the owner by subrogation, may commence an action against the general contractor or owner-builder to recover the amount due. Prior to commencing an action to recover the amount due, a subcontractor, or the owner by subrogation, shall give notice of nonpayment of the cost of labor or materials to the general contractor or owner-builder paid for the improvement. Notice of nonpayment must be in writing, delivered in a reasonable manner, and in terms that reasonably identify the real estate improved and the nonpayment complained of. In an action to recover the amount due a subcontractor, or the owner by subrogation, under this section, the court in addition to actual damages, shall award a successful plaintiff exemplary damages against the general contractor or owner-builder in an amount not less than one percent and not exceeding fifteen percent of the amount due the subcontractor, or the owner by subrogation, for the labor and materials supplied, unless

the general contractor or owner-builder does one or both of the following, in which case no exemplary damages shall be awarded:

1. Establishes that all proceeds received from the person making the payment have been applied to the cost of labor or material furnished for the improvement.

2. Within fifteen days after receiving notice of nonpayment the general contractor or owner-builder gives a bond, in an amount not less than the amount necessary to satisfy the nonpayment for which notice has been given under this section, and in a form approved by the administrator, to hold harmless the owner or person having the improvement made from any claim for payment of anyone furnishing labor or material for the improvement, other than the general contractor or owner-builder.

[81 Acts, ch 186, §4]

87 Acts, ch 79, §9; 2012 Acts, ch 1105, §20, 27, 28; 2012 Acts, ch 1138, §13; 2013 Acts, ch 99, §14

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Subsection 2 amended

**572.31 Cooperative and condominium housing.**

A lien arising under this chapter as a result of the construction of an apartment house or apartment building which is owned on a cooperative basis under chapter 499A, or which is submitted to a horizontal property regime under chapter 499B, is not enforceable, notwithstanding any contrary provision of this chapter, as against the interests of an owner in a unit contained in the apartment house or apartment building acquired in good faith and for valuable consideration, unless a lien statement specifically describing the unit is posted under section 572.8 within the applicable time period specified in section 572.9, but determined from the date on which the last of the material was supplied or the last of the labor was performed in the construction of that unit.

[C81, §572.30]

C83, §572.31

2012 Acts, ch 1105, §21, 27, 28; 2012 Acts, ch 1138, §13; 2013 Acts, ch 99, §15

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Section amended

**572.32 Attorney fees — remedies.**

1. In a court action to enforce a mechanic's lien, a prevailing plaintiff may be awarded reasonable attorney fees.

2. In a court action to challenge a mechanic's lien posted on a residential construction property, if the person challenging the lien prevails, the court may award reasonable attorney fees and actual damages. If the court determines that the mechanic's lien was posted in bad faith or the supporting affidavit was materially false, the court shall award the owner reasonable attorney fees plus an amount not less than five hundred dollars or the amount of the lien, whichever is less.

83 Acts, ch 106, §1; 99 Acts, ch 79, §4; 2012 Acts, ch 1105, §22, 27, 28; 2012 Acts, ch 1138, §13

Referred to in §631.1

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

**572.33 Requirement of notification for commercial construction.**

1. The notification requirements in this section apply only to commercial construction.

2. A person furnishing labor or materials to a subcontractor shall not be entitled to a lien under this chapter unless the person furnishing labor or materials does all of the following:

*a.* Notifies the general contractor or owner-builder in writing with a one-time notice containing the name, mailing address, and telephone number of the person furnishing the labor or materials, and the name of the subcontractor to whom the labor or materials were furnished, within thirty days of first furnishing labor or materials for which a lien claim may be made. Additional labor or materials furnished by the same person to the same subcontractor for use in the same construction project shall be covered by this notice.

*b.* Supports the lien claim with a certified statement that the general contractor or owner-builder was notified in writing with a one-time notice containing the name, mailing address, and telephone number of the person furnishing the labor or materials, and the name of the subcontractor to whom the labor or materials were furnished, within thirty days after the labor or materials were first furnished, pursuant to paragraph "*a*".

3. Notwithstanding other provisions of this chapter, a general contractor or owner-builder shall not be prohibited from requesting information from a subcontractor or a person furnishing labor or materials to a subcontractor regarding payments made or payments to be made to a person furnishing labor or materials to a subcontractor.

84 Acts, ch 1248, §1; 98 Acts, ch 1142, §4; 99 Acts, ch 104, §1; 2007 Acts, ch 83, §18; 2012 Acts, ch 1105, §23, 27, 28

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

**572.33A Liability of owner to general contractor — commercial construction.**

1. An owner of a building, land, or improvement upon which a mechanic's lien of a subcontractor may be posted, is not required to pay the general contractor for compensation for work done or material furnished for the building, land, or improvement until the expiration of ninety days after the completion of the building or improvement unless the general contractor furnishes to the owner one of the following:

*a.* Receipts and waivers of claims for mechanics' liens, signed by all persons who furnished material or performed labor for the building, land, or improvement.

*b.* A good and sufficient bond to be approved by the owner, conditioned that the owner shall be held harmless from any loss which the owner may sustain by reason of the posting of mechanics' liens by subcontractors.

2. This section applies only to commercial construction properties.

2012 Acts, ch 1105, §24, 27, 28; 2013 Acts, ch 99, §16

Section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Section amended

**572.34 Mechanics' notice and lien registry.**

1. A mechanics' notice and lien registry is created and shall be administered by the administrator. The administrator shall adopt rules pursuant to chapter 17A for the creation and administration of the registry.

2. The mechanics' notice and lien registry shall be accessible to the general public through the administrator's internet site.

3. The registry shall be indexed by owner name, general contractor name, mechanics' notice and lien registry number, property address, legal description, tax parcel identification number, and any other identifier considered appropriate as determined by the administrator pursuant to rule.

4. Any person who posts fictitious, forged, or false information to the mechanics' notice and lien registry shall be subject to a penalty as determined by the administrator by rule in addition to all other penalties and remedies available under applicable law.

5. A person may post a correction statement with respect to a record indexed on the mechanics' notice and lien registry internet site if the person believes the record is inaccurate or wrongfully posted.

6. The administrator shall charge and collect fees as established by rule necessary for the administration and maintenance of the registry and the registry's internet site. The administrator shall not charge a posting fee for a preliminary notice required pursuant to this chapter that exceeds the cost of sending such notice by certified mail with restricted delivery and return receipt. The administrator shall not charge a posting fee for a mechanic's lien that exceeds forty dollars.

7. Notices may be posted to the mechanics' notice and lien registry electronically on the administrator's internet site, or may be sent to the administrator for posting by United States mail or facsimile transmission, or other alternate method as provided by the administrator pursuant to rule. Notices received by United States mail or facsimile transmission shall be

posted by the administrator to the mechanics' notice and lien registry within three business days of receipt.

8. Mechanics' liens may be posted to the mechanics' notice and lien registry electronically on the administrator's internet site or may be sent to the administrator for posting by United States mail. Liens received by United States mail shall be posted by the administrator to the mechanics' notice and lien registry within three business days of receipt.

9. The administrator shall send a receipt acknowledging a notice or lien submitted by United States mail or facsimile transmission, as provided by the administrator by rule.

10. Information collected by and furnished to the administrator in conjunction with the submission and posting of notices pursuant to sections 572.13A and 572.13B shall be used by the administrator solely for the purposes of the mechanics' notice and lien registry.

11. Registration under chapter 91C shall not be required in order to post a notice or a lien under this chapter.

12. A preliminary notice that remains posted on the mechanics' notice and lien registry internet site two years after the date of posting shall be declared inactive by the administrator, unless renewed. A notice of commencement of work, if there are no related active postings, shall be declared inactive two years from the date of posting, unless renewed. The administrator shall establish a process for the removal of inactive notices and for the renewal of notices pursuant to rule.

13. The administrator shall make, or cause to be made, preservation duplicates of mechanics' notice and lien registry records, including records stored in a computer database. Any preservation duplicate record shall be accurate, complete, and clear, and shall be made, preserved, and made accessible to the public by means designated by the administrator by rule.

2012 Acts, ch 1105, §25, 27, 28; 2012 Acts, ch 1138, §13, 41, 43; 2013 Acts, ch 90, §257; 2013 Acts, ch 99, §17; 2013 Acts, ch 140, §79

2012 amendments to section take effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28

Notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1138, §13, 43

See Code editor's note on simple harmonization

Code editor directive applied

Section amended

# CHAPTER 573

## LABOR AND MATERIAL ON PUBLIC IMPROVEMENTS

Referred to in §26.10, 26.13, 161C.2, 262.34, 331.341, 418.4


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573.25 Filing of claim — effect.
573.26 Public corporation — action on bond.
573.27 Payment before work completed.

**573.1 Terms defined.**

For the purpose of this chapter:

1. *"Construction"*, in addition to its ordinary meaning, includes repair, alteration and demolition.

2. *"Material"* shall, in addition to its ordinary meaning, embrace feed, gasoline, kerosene, lubricating oils and greases, provisions and fuel, and the use of forms, accessories, and equipment, but shall not include personal expenses or personal purchases of employees for their individual use.

3. *"Public corporation"* shall embrace the state, and all counties, cities, public school corporations, and all officers, boards, or commissions empowered by law to enter into contracts for the construction of public improvements.

4. *"Public improvement"* is one, the cost of which is payable from taxes or other funds under the control of the public corporation, except in cases of public improvement for drainage or levee purposes the provisions of the drainage law in cases of conflict shall govern.

5. *"Service"* shall, in addition to its ordinary meaning, include the furnishing to the contractor of workers' compensation insurance, and premiums and charges for such insurance shall be considered a claim for service.

[C24, 27, 31, 35, 39, §**10299;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.1]

85 Acts, ch 22, §1

**573.2 Public improvements — bond — waiver and remedies.**

Contracts for the construction of a public improvement shall, when the contract price equals or exceeds twenty-five thousand dollars, be accompanied by a bond, with surety, conditioned for the faithful performance of the contract, and for the fulfillment of other requirements as provided by law. The bond may also be required when the contract price does not equal that amount. However, if a contractor provides a performance or maintenance bond as required by a public improvement contract governed by this chapter and subsequently the surety company becomes insolvent and the contractor is required to purchase a new bond, the contractor may apply for reimbursement from the governmental agency that required a second bond and the claims shall be reimbursed from funds allocated for road construction purposes.

If the requirement for a bond is waived pursuant to section 12.44, a person, firm, or corporation, having a contract with the targeted small business or with subcontractors of the targeted small business, for labor performed or materials furnished, in the performance of the contract on account of which the bond was waived, is entitled to any remedy provided under this chapter. When a bond has been waived pursuant to section 12.44, the remedies provided for under this paragraph are available in an action against the public corporation.

[C24, 27, 31, 35, 39, §**10300;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.2; 82 Acts, ch 1096, §1]

86 Acts, ch 1246, §32; 88 Acts, ch 1032, §1

Referred to in §12.44, 573.3

**573.3 Bond mandatory.**

The obligation of the public corporation to require, and the contractor to execute and deliver said bond, shall not be limited or avoided by contract.

A public corporation, with respect to a public improvement which is or has been competitively bid or negotiated, shall not require a contractor to procure a bond, as required under section 573.2, from a particular insurance or surety company, agent, or broker.

[C24, 27, 31, 35, 39, §**10301;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.3]

2000 Acts, ch 1023, §58

**573.4 Deposit in lieu of bond.**

A deposit of money, a certified check on a solvent bank of the county in which the improvement is to be located, a credit union certified share draft, state or federal bonds, bonds issued by a city, school corporation, or county of this state, or bonds issued on behalf

of a drainage or highway paving district of this state may be received in an amount equal to the amount of the bond and held in lieu of a surety on the bond, and when so received the securities shall be held on the terms and conditions applicable to a surety.

[C24, 27, 31, 35, 39, §**10302;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.4]

84 Acts, ch 1055, §14

**573.5 Amount of bond.**

Said bond shall run to the public corporation. The amount thereof shall be fixed, and the bond approved, by the official board or officer empowered to let the contract, in an amount not less than seventy-five percent of the contract price, and sufficient to comply with all requirements of said contract and to insure the fulfillment of every condition, expressly or impliedly embraced in said bond; except that in contracts where no part of the contract price is paid until after the completion of the public improvement the amount of said bond may be fixed at not less than twenty-five percent of the contract price.

[C24, 27, 31, 35, 39, §**10303;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.5]

**573.6 Subcontractors on public improvements.**

The following provisions shall be held to be a part of every bond given for the performance of a contract for the construction of a public improvement, whether said provisions be inserted in such bond or not, to wit:

1. The principal and sureties on this bond hereby agree to pay to all persons, firms, or corporations having contracts directly with the principal or with subcontractors, all just claims due them for labor performed or materials furnished, in the performance of the contract on account of which this bond is given, when the same are not satisfied out of the portion of the contract price which the public corporation is required to retain until completion of the public improvement, but the principal and sureties shall not be liable to said persons, firms, or corporations unless the claims of said claimants against said portion of the contract price shall have been established as provided by law.

2. Every surety on this bond shall be deemed and held, any contract to the contrary notwithstanding, to consent without notice:

*a.* To any extension of time to the contractor in which to perform the contract.

*b.* To any change in the plans, specifications, or contract, when such change does not involve an increase of more than twenty percent of the total contract price, and shall then be released only as to such excess increase.

*c.* That no provision of this bond or of any other contract shall be valid which limits to less than one year from the time of the acceptance of the work the right to sue on this bond for defects in the quality of the work or material not discovered or known to the obligee at the time such work was accepted.

[S13, §1527-s18; C24, 27, 31, 35, 39, §**10304;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.6]

Referred to in §573.7

**573.7 Claims for material or labor.**

Any person, firm, or corporation who has, under a contract with the principal contractor or with subcontractors, performed labor, or furnished material, service, or transportation, in the construction of a public improvement, may file, with the officer, board, or commission authorized by law to let contracts for such improvement, an itemized, sworn, written statement of the claim for such labor, or material, service, or transportation.

A person furnishing only materials to a subcontractor who is furnishing only materials is not entitled to a claim against the retainage or bond under this chapter and is not an obligee or person protected under the bond pursuant to section 573.6.

[C97, §3102; S13, §1989-a57; C24, 27, 31, 35, 39, §**10305;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.7]

83 Acts, ch 55, §1

**573.8 Highway improvements.**

In case of highway improvements by the county, claims shall be filed with the county auditor of the county letting the contract. In case of contracts for improvements on the farm-to-market highway system paid from farm-to-market funds, claims shall be filed with the auditor of the state department of transportation.

But no claims filed for credit extended for the personal expenses or personal purchases of employees for their individual use shall cause any part of the unpaid funds of the contractor to be withheld.

[C24, 27, 31, 35, 39, §**10306;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.8]

**573.9 Officer to endorse time of filing claim.**

The officer shall endorse over the officer's official signature upon every claim filed with the officer, the date and hour of filing.

[C24, 27, 31, 35, 39, §**10307;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.9]

**573.10 Time of filing claims.**

Claims may be filed with said officer as follows:

1. At any time before the expiration of thirty days immediately following the completion and final acceptance of the improvement.

2. At any time after said thirty-day period, if the public corporation has not paid the full contract price as herein authorized, and no action is pending to adjudicate rights in and to the unpaid portion of the contract price.

[C97, §3102; S13, §1989-a57; C24, 27, 31, 35, 39, §**10308;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.10]

**573.11 Claims filed after action brought.**

The court may permit claims to be filed with it during the pendency of the action hereinafter authorized, if it be made to appear that such belated filing will not materially delay the action.

[C24, 27, 31, 35, 39, §**10309;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.11]

**573.12 Payments and retention from payments on contracts.**

1. *Retention.*

*a.* Payments made under contracts for the construction of public improvements, unless provided otherwise by law, shall be made on the basis of monthly estimates of labor performed and material delivered, as determined by the project architect or engineer. The public corporation shall retain from each monthly payment not more than five percent of that amount which is determined to be due according to the estimate of the architect or engineer.

*b.* The contractor may retain from each payment to a subcontractor not more than the lesser of five percent or the amount specified in the contract between the contractor and the subcontractor.

2. *Prompt payment.*

*a.* (1) Interest shall be paid to the contractor on any progress payment that is approved as payable by the public corporation's project architect or engineer and remains unpaid for a period of fourteen days after receipt of the payment request at the place, or by the person, designated in the contract, or by the public corporation to first receive the request, or for a time period greater than fourteen days, unless a time period greater than fourteen days is specified in the contract documents, not to exceed thirty days, to afford the public corporation a reasonable opportunity to inspect the work and to determine the adequacy of the contractor's performance under the contract.

(2) Interest shall accrue during the period commencing the day after the expiration of the period defined in subparagraph (1) and ending on the date of payment. The rate of interest shall be determined as set forth in section 573.14.

*b.* (1) A progress payment or final payment to a subcontractor for satisfactory performance of the subcontractor's work shall be made no later than one of the following, as applicable:

(a) Seven days after the contractor receives payment for that subcontractor's work.

(b) A reasonable time after the contractor could have received payment for the subcontractor's work, if the reason for nonpayment is not the subcontractor's fault.

(2) A contractor's acceptance of payment for one subcontractor's work is not a waiver of claims, and does not prejudice the rights of the contractor, as to any other claim related to the contract or project.

3. *Interest payments.*

*a.* If the contractor receives an interest payment under section 573.14, the contractor shall pay the subcontractor a share of the interest payment proportional to the payment for that subcontractor's work.

*b.* If a public corporation other than a school corporation, county, or city retains funds, the interest earned on those funds shall be payable at the time of final payment on the contract in accordance with the schedule and exemptions specified by the public corporation in its administrative rules. The rate of interest shall be determined by the period of time during which interest accrues, and shall be the same as the rate of interest that is in effect under section 12C.6 as of the day interest begins to accrue.

[S13, §1989-a57; C24, 27, 31, 35, 39, §**10310;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.12; 81 Acts, ch 127, §3]

87 Acts, ch 155, §1; 90 Acts, ch 1229, §1, 2; 91 Acts, ch 148, §1; 2005 Acts, ch 179, §158; 2013 Acts, ch 30, §261

Referred to in §573.13, 573.14

Code editor directive applied

**573.13 Inviolability and disposition of fund.**

A public corporation shall not be permitted to plead noncompliance with section 573.12 and the retained percentage of the contract price, which in no case shall be more than five percent, constitutes a fund for the payment of claims for materials furnished and labor performed on the improvement and shall be held and disposed of by the public corporation as provided in this chapter.

[S13, §1989-a57; C24, 27, 31, 35, 39, §**10311;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.13]

90 Acts, ch 1229, §3

Referred to in §573.14, 573.15A

**573.14 Retention of unpaid funds.**

The fund provided for in section 573.13 shall be retained by the public corporation for a period of thirty days after the completion and final acceptance of the improvement. If at the end of the thirty-day period claims are on file as provided the public corporation shall continue to retain from the unpaid funds a sum equal to double the total amount of all claims on file. The remaining balance of the unpaid fund, or if no claims are on file, the entire unpaid fund, shall be released and paid to the contractor.

The public corporation shall order payment of any amount due the contractor to be made in accordance with the terms of the contract. Except as provided in section 573.12 for progress payments, failure to make payment pursuant to this section, of any amount due the contractor, within forty days, unless a greater time period not to exceed fifty days is specified in the contract documents, after the work under the contract has been completed and if the work has been accepted and all required materials, certifications, and other documentations required to be submitted by the contractor and specified by the contract have been furnished the awarding public corporation by the contractor, shall cause interest to accrue on the amount unpaid to the benefit of the unpaid party. Interest shall accrue during the period commencing the thirty-first day following the completion of work and satisfaction of the other requirements of this paragraph and ending on the date of payment. The rate of interest shall be determined by the period of time during which interest accrues, and shall be the same as the rate of interest that is in effect under section 12C.6, as of the day interest begins to accrue, for a deposit of public funds for a comparable period of time. However, for institutions governed pursuant to chapter 262, the rate of interest shall be determined by the period of time during which interest accrues, and shall be calculated as the prime rate plus one percent per year as of the day interest begins to accrue. This paragraph does not abridge any of the rights set

forth in section 573.16. Except as provided in sections 573.12 and 573.16, interest shall not accrue on funds retained by the public corporation to satisfy the provisions of this section regarding claims on file. This chapter does not apply if the public corporation has entered into a contract with the federal government or accepted a federal grant which is governed by federal law or rules that are contrary to the provisions of this chapter. For purposes of this unnumbered paragraph, *"prime rate"* means the prime rate charged by banks on short-term business loans, as determined by the board of governors of the federal reserve system and published in the federal reserve bulletin.

[C97, §3104; S13, §1989-a59; C24, 27, 31, 35, 39, §**10312;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.14; 81 Acts, ch 127, §4]

90 Acts, ch 1229, §4; 91 Acts, ch 148, §2; 2005 Acts, ch 179, §159

Referred to in §262.34, 384.58, 573.12, 573.15A, 573.16, 573.18

Construction, repairs, or improvements at board of regents institutions, see also §262.34

**573.15 Exception.**

No part of the unpaid fund due the contractor shall be retained as provided in this chapter on claims for material furnished, other than materials ordered by the general contractor or the general contractor's authorized agent, unless such claims are supported by a certified statement that the general contractor had been notified within thirty days after the materials are furnished or by itemized invoices rendered to contractor during the progress of the work, of the amount, kind, and value of the material furnished for use upon the said public improvement, and no part of such unpaid fund due the contractor shall be retained as provided in this chapter because of the commencement of any action by the contractor against the state department of transportation under authority granted in section 613.11.

[C31, 35, §10312-d1; C39, §**10312.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.15]

**573.15A Early release of retained funds.**

Notwithstanding section 573.14, a public corporation may release retained funds upon completion of ninety-five percent of the contract in accordance with the following:

1. Any person, firm, or corporation who has, under contract with the principal contractor or with subcontractors, performed labor, or furnished materials, service, or transportation, in the construction of the public improvement, may file with the public corporation an itemized, sworn, written statement of the claim for the labor, or materials, service, or transportation. The claim shall be filed with the public corporation either before the expiration of the thirty days after completion of ninety-five percent of the contract or at any time after the thirty-day period if the public corporation has not paid the full contract price and no action is pending to adjudicate rights in and to the unpaid portion of the contract price.

2. The fund, as provided in section 573.13, shall be retained by the public corporation for a period of thirty days after ninety-five percent of the contract has been completed. If at the end of the thirty-day period, a claim has been filed, in accordance with this section, the public corporation shall continue to retain from the unpaid funds, a sum equal to double the total amount of all claims on file. The remaining balance of the unpaid fund, or if there are no claims on file, the entire unpaid fund, may be released and paid to the contractor.

3. The public corporation, the principal contractor, or any claimant for labor or materials, service, or transportation, who has filed a claim or the surety on any bond given for performance of the contract, at any time after the expiration of thirty days, and not later than sixty days after the completion of ninety-five percent of the contract, may bring an action in equity in the county where the public improvement is located to determine rights to moneys contained in the fund or to enforce liability on the bond. The action shall be brought in accordance with sections 573.16 through 573.18, with the completion of ninety-five percent of the contract taking the place of the date of final acceptance.

4. A public corporation that releases funds at the completion of ninety-five percent of the contract, in accordance with this section, shall not be required to retain additional funds.

96 Acts, ch 1126, §6

**573.16 Optional and mandatory actions — bond to release.**

The public corporation, the principal contractor, any claimant for labor or material who has filed a claim, or the surety on any bond given for the performance of the contract, may, at any time after the expiration of thirty days, and not later than sixty days, following the completion and final acceptance of said improvement, bring action in equity in the county where the improvement is located to adjudicate all rights to said fund, or to enforce liability on said bond.

Upon written demand of the contractor served, in the manner prescribed for original notices, on the person filing a claim, requiring the claimant to commence action in court to enforce the claim, an action shall be commenced within thirty days, otherwise the retained and unpaid funds due the contractor shall be released. Unpaid funds shall be paid to the contractor within twenty days of the receipt by the public corporation of the release as determined pursuant to this section. Failure to make payment by that date shall cause interest to accrue on the unpaid amount. Interest shall accrue during the period commencing the twenty-first day after the date of release and ending on the date of the payment. The rate of interest shall be determined pursuant to section 573.14. After an action is commenced, upon the general contractor filing with the public corporation or person withholding the funds, a surety bond in double the amount of the claim in controversy, conditioned to pay any final judgment rendered for the claims so filed, the public corporation or person shall pay to the contractor the amount of funds withheld.

[C97, §3103; S13, §1989-a58; C24, 27, 31, 35, 39, §**10313;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.16]

91 Acts, ch 148, §3

Referred to in §384.58, 573.14, 573.15A, 573.18

Action against surety, §616.15

Manner of service, R.C.P. 1.302 – 1.315

**573.17 Parties.**

The official board or officer letting the contract, the principal contractor, all claimants for labor and material who have filed their claim, and the surety on any bond given for the performance of the contract shall be joined as plaintiffs or defendants.

[C24, 27, 31, 35, 39, §**10314;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.17]

Referred to in §573.15A

**573.18 Adjudication — payment of claims.**

1. The court shall adjudicate all claims for which an action is filed under section 573.16. Payments from the retained percentage, if still in the hands of the public corporation, shall be made in the following order:

*a.* Costs of the action.

*b.* Claims for labor.

*c.* Claims for materials.

*d.* Claims of the public corporation.

2. Upon settlement or adjudication of a claim and after judgment is entered, unpaid funds retained with respect to the claim which are not necessary to satisfy the judgment shall be released and paid to the contractor within twenty days of receipt by the public corporation of evidence of entry of judgment or settlement of the claim. Failure to make payment by that date shall cause interest to accrue on the unpaid amount. Interest shall accrue during the period commencing on the twenty-first day after receipt by the public corporation of evidence of entry of judgment and ending on the date of payment. The rate of interest shall be determined as set forth in section 573.14.

[C24, 27, 31, 35, 39, §**10315;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.18]

91 Acts, ch 148, §4; 2013 Acts, ch 30, §261

Referred to in §573.15A, 573.19

Code editor directive applied

**573.19 Insufficiency of funds.**

When the retained percentage aforesaid is insufficient to pay all claims for labor or materials, the court shall, in making distribution under section 573.18, order the claims in each class paid in the order of filing the same.

[C97, §3102; S13, §1989-a57; C24, 27, 31, 35, 39, §**10316;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.19]

**573.20 Converting property into money.**

When it appears that the unpaid portion of the contract price for the public improvement, or a part thereof, is represented in whole or in part, by property other than money, or if a deposit has been made in lieu of a surety, the court shall have jurisdiction thereover, and may cause the same to be sold, under such procedure as it may deem just and proper, and disburse the proceeds as in other cases.

[C24, 27, 31, 35, 39, §**10317;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.20]

**573.21 Attorney fees.**

The court may tax, as costs, a reasonable attorney fee in favor of any claimant for labor or materials who has, in whole or in part, established a claim.

[C97, §3103; S13, §1989-a58; C24, 27, 31, 35, 39, §**10318;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.21]

**573.22 Unpaid claimants — judgment on bond.**

If, after the said retained percentage has been applied to the payment of duly filed and established claims, there remain any such claims unpaid in whole or in part, judgment shall be entered for the amount thereof against the principal and sureties on the bond. In case the said percentage has been paid over as herein provided, judgment shall be entered against the principal and sureties on all such claims.

[C24, 27, 31, 35, 39, §**10319;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.22]

**573.23 Abandonment of public work — effect.**

When a contractor abandons the work on a public improvement or is legally excluded therefrom, the improvement shall be deemed completed for the purpose of filing claims as herein provided, from the date of the official cancellation of the contract. The only fund available for the payment of the claims of persons for labor performed or material furnished shall be the amount then due the contractor, if any, and if said amount be insufficient to satisfy said claims, the claimants shall have a right of action on the bond given for the performance of the contract.

[C24, 27, 31, 35, 39, §**10320;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.23]

**573.24 Notice of claims to state department of transportation.**

If payment for such improvement is to be made in whole or in part from the primary road fund, the county auditor shall immediately notify the state department of transportation of the filing of all claims.

[C24, 27, 31, 35, 39, §**10321;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.24]

Referred to in §331.502

**573.25 Filing of claim — effect.**

The filing of any claim shall not work the withholding of any funds from the contractor except the retained percentage, as provided in this chapter.

[C24, 27, 31, 35, 39, §**10322;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.25]

**573.26 Public corporation — action on bond.**

Nothing in this chapter shall be construed as limiting in any manner the right of the public corporation to pursue any remedy on the bond given for the performance of the contract.

[C24, 27, 31, 35, 39, §**10323;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573.26]

**573.27 Payment before work completed.**

Notwithstanding anything in this Code to the contrary, when at least ninety-five percent of any contract for the construction of public improvements has been completed to the satisfaction of the public contracting authority and owing to conditions beyond the control of the construction contractor the remaining work on the contract cannot proceed for a period of more than sixty days, such public contracting authority may make full payment for the completed work and enter into a supplemental contract with the construction contractor involved on the same terms and conditions so far as applicable thereto for the construction of the work remaining to be done, provided however, that the contractor's surety consents thereto and agrees that the bond shall remain in full force and effect.

[C62, 66, 71, 73, 75, 77, 79, 81, §573.27]

# CHAPTER 573A

## EMERGENCY STOPPAGE OF PUBLIC CONTRACTS

Referred to in §331.341


| | | | |
|---|---|---|---|
| 573A.1 | National emergency. | 573A.6 | Appeal. |
| 573A.2 | Termination of contracts. | 573A.7 | Order of court. |
| 573A.3 | Determination of dispute. | 573A.8 | Limit of payment. |
| 573A.4 | Rules applicable. | 573A.9 | Application of statute. |
| 573A.5 | Jurisdiction. | 573A.10 | Definitions. |


**573A.1 National emergency.**

In the event work or construction upon a public improvement is stopped directly or indirectly by or as the result of an order or action of any federal or state authority or of any court because of the occurrence or existence of a situation which the president or the Congress of the United States has declared to be national emergency, and the circumstances or conditions are such that it is and will be impracticable to proceed with such work or construction, then the public corporation and the contractor or contractors may, by written agreement terminate said contract. Such an agreement shall include the terms and conditions of the termination of the contract and provision for the payment of compensation or money, if any, which any party shall pay to the other, or any other person, firm or corporation under the facts and circumstances in the case.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.1]

Referred to in §573A.2

**573A.2 Termination of contracts.**

Whenever a public corporation and a contractor or contractors, have entered into a contract for the construction of a public improvement, and any party to such contract desires to terminate said contract because of the occurrence of the event and under the circumstances stated in section 573A.1, and another party thereto will not agree to such termination, or said parties having agreed upon the termination of the contract cannot agree upon the terms and conditions thereof, then any party may have the issues in dispute determined in the manner hereinafter provided.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.2]

**573A.3 Determination of dispute.**

Any party to the contract may have the issue in dispute determined by filing in the district court of the county in which the public improvement or any part thereof is located a verified petition which shall allege in detail the ultimate facts upon which the petitioner relies for the termination of such contract. All subcontractors and the sureties upon all bonds given in connection with the contract and subcontracts shall be made parties to the proceeding.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.3]

**573A.4 Rules applicable.**

The rules of civil procedure shall be applicable to such action. The cause shall be tried forthwith in equity, and the court shall give such cases preference over other cases, except criminal cases.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.4]

**573A.5 Jurisdiction.**

The district court shall have jurisdiction of the issue which is thus presented, and of all parties including any public corporation as defined in this chapter. The court shall make findings and render its judgment determining the issues involved in accordance with the purpose and spirit of this chapter.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.5]

**573A.6 Appeal.**

Any party aggrieved by the findings and judgment of the district court may appeal to the supreme court as in other cases and the case shall be given preference over other cases in the supreme court.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.6]

**573A.7 Order of court.**

1. If the court determines that said contract should be terminated, or if the parties have agreed to its termination, the court shall include in its order:

*a.* The terms and conditions imposed upon each party to the contract, including the extent of the liability of the sureties upon any bond;

*b.* The protective requirements, if any be deemed necessary, to protect the property, and provision for the payment of the cost thereof;

*c.* The determination of the relative rights of the parties involved, including the compensation or payments, if any, which any party shall pay to any other person, firm or corporation under the facts and circumstances of the case.

2. If the court determines that the contract shall not be terminated, it shall state in its order the reasons therefor. The court shall adjust and assess the costs in such manner as may be equitable and fair under the circumstances.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.7]

2013 Acts, ch 30, §261

Code editor directive applied

**573A.8 Limit of payment.**

In no event shall the public corporation pay or be required to pay compensation or moneys in excess of the total compensation stated in the contract for the construction of the public improvement.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.8]

**573A.9 Application of statute.**

The provisions of this chapter shall not apply unless it is specifically contracted for between the contracting parties.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.9]

**573A.10 Definitions.**

For the purposes of this chapter:

1. *"Public corporation"* shall embrace the state, and all counties, cities, public school corporations, drainage districts, and all officers, boards or commissions empowered by law to enter into contracts for the construction of public improvements.

2. *"Public improvement"* is one, the cost of which is payable from taxes or other funds under the control of the public corporation.

3. *"Construction"* shall, in addition to its ordinary meaning, embrace repair and alteration.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §573A.10]

# CHAPTER 574

## MINER'S LIEN

Referred to in §602.8102(82)

574.1 Nature of miner's lien.

**574.1 Nature of miner's lien.**

Every laborer or miner who shall perform labor in opening, developing, or operating any coal mine shall have a lien for the full value of such labor upon all the property of the person, firm, or corporation owning or operating such mine and used in the construction or operation thereof, including real estate and personal property. Such lien shall be secured and enforced in the same manner as a mechanic's lien.

[C97, §3105; C24, 27, 31, 35, 39, §**10324;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §574.1]

Mechanic's lien, chapter 572

# CHAPTER 575

## NONSTATUTORY LIENS

575.1 Nonstatutory liens.

**575.1 Nonstatutory liens.**

1. A person claiming a common law lien, an equitable servitude lien, or a lien of similar nature which is other than a statutory lien, shall first give notice to any legal and equitable owners and persons in possession of the real or personal property against which the lien is sought.

*a.* If the lien is filed by an owner of the real or personal property, notice shall first be given to any person with a lien or other interest in the property.

*b.* The notice shall be given pursuant to the Iowa rules of civil procedure.

2. Prior to the filing of the lien in any office of record in the county where the real or personal property is located, the following shall occur:

*a.* The clerk of the district court shall confirm that all notices required pursuant to subsection 1 have been given.

*b.* The district court in such county shall hold a hearing to determine the validity of the lien.

(1) Pendency of such a proceeding shall not be indexed under section 617.10 and shall not constitute lis pendens or constructive notice to third persons under sections 617.11 through 617.15.

(2) A bona fide purchaser takes title to the real or personal property free of any claims arising from such proceeding unless proper filing is made in the office of the county recorder as provided in this section.

(3) The person claiming the lien is required to prove the validity of the lien by a preponderance of the evidence.

(4) If the court determines the person claiming the lien has willfully and maliciously proceeded, a judgment may be entered against the person claiming the lien in favor of any resisting party for reasonable damages, including actual damages, costs, and reasonable attorney fees incurred by the resisting party.

3. A lien, as described in this section, shall not be filed in any office of record other than as provided in this section and if such lien is filed other than as provided in this section, the lien shall be null and void and of no force or effect.

4. If, after hearing, the district court enters an order determining the lien to be valid, the person claiming the lien shall file a certified copy of the order in the office of the county recorder where the real or personal property is located.

5. An appeal from the district court arising from such proceeding is by certiorari.
89 Acts, ch 163, §1; 99 Acts, ch 35, §1
Bond to release; chapter 584

# CHAPTER 576

## FORWARDING AND COMMISSION MERCHANT'S LIEN

576.1 Nature of lien.
576.2 Enforcement of lien.

**576.1 Nature of lien.**

Every forwarding and commission merchant shall have a lien upon all property of every kind in the merchant's possession, for the transportation and storage thereof, for all lawful charges and services thereon or in connection therewith, and, if sold under the provisions of this chapter, for selling the same.

[R60, §1898, 1899, 1900 – 1902; C73, §2177 – 2179; C97, §3130, 3131; S13, §3131; C24, 27, 31, 35, 39, §**10341;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §576.1]
Bond to release, chapter 584

**576.2 Enforcement of lien.**

Said lien may be foreclosed in the manner provided in the uniform commercial code, section 554.7308.

[R60, §1898 – 1905; C73, §2177 – 2182; C97, §3130 – 3134; S13, §3131; C24, 27, 31, 35, 39, §**10342;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §576.2]
Attachment to enforce lien, §640.1

# CHAPTER 577

## ARTISAN'S LIEN

Referred to in §321.47

577.1 Nature of lien — generally — aircraft and equipment.
577.2 Enforcement of lien.
577.3 Possession of certain property to be surrendered upon notice from attorney general.

**577.1 Nature of lien — generally — aircraft and equipment.**

1. Any person who renders any service or furnishes any material in the making, repairing, improving, or enhancing the value of any inanimate personal property, with the assent of the owner, express or implied, shall have a lien thereon for the agreed or reasonable compensation for the service and material while such property is lawfully in the person's possession, which possession the person may retain until such compensation is paid, but such lien shall be subject to all prior liens of record, unless notice is given to all lienholders of record and written consent is obtained from all lienholders of record to the making, repairing, improving, or enhancing the value of any inanimate personal property and in this event the lien created under this section shall be prior to liens of record.

2. *a.* The assent of the owner shall be implied, for purposes of determining whether a lien on inanimate personal property exists, if all of the following are established:

(1) The inanimate personal property is a multi-engine aircraft, eligible for registration under section 501 of the federal Aviation Act of 1958, 49 U.S.C. § 44102.

(2) The aircraft is either owned, leased, operated, or on order by an air carrier certified under section 604(b) of the federal Aviation Act of 1958, 49 U.S.C. § 44705, or by any other person that rents or leases commercial airliners to certified air carriers in the regular course of business.

(3) The material furnished is new electronic navigation or communications aviation equipment.

(4) The equipment is delivered for installation on the aircraft at the request of a lessee, operator, or other person, or an agent of the lessee, operator, or other person, who has an interest in or exercises control over the aircraft.

*b.* The aircraft and equipment shall be deemed, for purposes of determining priority over perfected security interests, to be in the possession of the person who furnished the equipment, if the person either manufactures or sells the equipment in the regular course of business and allows the equipment to be made available for installation on the aircraft by releasing it for delivery. Possession of the aircraft and equipment shall be deemed to continue up to, and including, ninety days after the equipment is fully installed on the aircraft, except that if a notice of lien is filed with the federal aviation administration, and no subsequent release of the lien is on file, it shall be deemed to continue indefinitely. A notice of lien under this section is not required to be verified or notarized, but shall be signed by the lienholder, the lienholder's designated agent, or the lienholder's attorney and must identify the aircraft which is the subject of the lien. Notwithstanding subsection 1, liens obtained under this subsection attach and take priority over all other prior liens of record without the giving of prior notice or the obtaining of consent and are enforceable against all persons, including a bona fide purchaser.

[R60, §1898; C73, §2177; C97, §3130; C24, 27, 31, 35, 39, §**10343;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §577.1]

91 Acts, ch 22, §1; 2013 Acts, ch 90, §168

Bond to release, chapter 584
Secured transactions; §554.9101 et seq.
Subsection 2 amended

**577.2 Enforcement of lien.**

Said lien may be foreclosed in the manner provided in the uniform commercial code, section 554.7308.

[R60, §1898 – 1905; C73, §2177-2182; C97, §3130 – 3134; S13, §3131; C24, 27, 31, 35, 39, §**10344;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §577.2]

Attachment to enforce lien, §640.1

**577.3 Possession of certain property to be surrendered upon notice from attorney general.**

1. A supplier, as defined in section 537B.2, upon receipt of a written notice from the attorney general that the attorney general has reason to believe that the supplier has engaged in a deceptive act or practice pursuant to section 537B.6, subsections 2 through 12, in connection with a transaction in which the supplier is asserting a lien to personal property pursuant to this chapter, shall surrender possession of the property to the owner of the property. The supplier shall make the property available to the owner within one business day of receiving notice from the attorney general during the supplier's usual business hours.

2. The attorney general shall serve the written notice pursuant to subsection 1 by certified mail and such notice shall be presumed to have been received by the supplier upon the earlier of the date of actual receipt, the date upon which the supplier refused initial delivery, or the date the supplier was notified was the last day to retrieve the delivery from the postal service.

3. The attorney general's belief that the supplier has engaged in a deceptive act or practice pursuant to section 537B.6, subsections 2 through 12, the supplier's surrendering possession of the motor vehicle to the owner pursuant to this section, and the attorney general's service of notice on the supplier pursuant to this section shall not be admissible in any litigation between the supplier and the owner of the property subject to the lien unless the supplier fails to comply with the requirements of this section.

4. An otherwise valid lien under this chapter is not lost as a result of the supplier surrendering possession of the property pursuant to this section and an otherwise valid lien may be foreclosed pursuant to section 554.7308 within one year of the supplier surrendering possession under this section.

5. In addition to any other applicable remedy, the attorney general may seek relief against

a supplier for a violation of this section to the same extent the attorney general may seek relief under section 714.16, subsection 6, for failure or refusal to obey a subpoena issued by the attorney general.

2010 Acts, ch 1008, §1, 2

# CHAPTER 578

## COLD STORAGE LOCKER LIEN

578.1 Storage lien.
578.2 Enforcement of lien.

**578.1 Storage lien.**

Every lessor owning or operating a refrigerated locker plant or plants, shall have a lien upon all property of every kind in its possession for all reasonable charges and rents thereon and for the handling, keeping, and caring for the same.

[C39, §**10344.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §578.1]

Bond to release, chapter 584

**578.2 Enforcement of lien.**

Said lien may be foreclosed in the manner provided in the uniform commercial code, section 554.7308.

[C39, §**10344.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §578.2]

Attachment to enforce lien, §640.1

# CHAPTER 578A

## SELF-SERVICE STORAGE FACILITY LIEN

578A.1 Short title.
578A.2 Definitions.
578A.3 Lien.
578A.4 Enforcement of lien.
578A.5 Supplemental nature of chapter.
578A.6 Facility not residence or warehouse.

**578A.1 Short title.**

This Act shall be known as the *"Iowa Self-Service Storage Facility Lien Act"*.

84 Acts, ch 1130, §1

**578A.2 Definitions.**

As used in this chapter, unless the context clearly requires otherwise:

1. *"Last known address"* means that address provided by the occupant in the latest rental agreement, or the address provided by the occupant by certified mail in a subsequent written notice of a change of address.

2. *"Occupant"* means a person, in privity with the owner, entitled to the use to the exclusion of others of the storage space at a self-service storage facility pursuant to privity with the owner.

3. *"Owner"* means the owner, operator, lessor, or sublessor of a self-service storage facility, the agent, or any other person authorized by the owner to manage the facility, or to receive rent from an occupant under a rental agreement.

4. *"Personal property"* means movable property not affixed to land, and includes, but is not limited to goods, merchandise, and household items.

5. *"Possessory lien"* means a lien on a personal property that is valid only while the property is in the possession of the person asserting the lien or an agent of the person.

6. *"Rental agreement"* means an agreement or lease, written or oral, between the owner

and occupant, that establishes or modifies the terms, conditions, rules, or any other provisions concerning the use and occupancy of a self-service storage facility.

7. *"Self-service storage facility"* means real property designed and used for the purpose of renting or leasing individual storage space to occupants who are to have access to the space for the purpose of storing personal property. If an owner issues a warehouse receipt, bill of lading, or other document of title for the personal property stored, the owner and the occupant are subject to chapter 554, article 7 and this chapter does not apply.

84 Acts, ch 1130, §2

**578A.3 Lien.**

The owner of a self-service storage facility and the heirs, executors, administrators, successors, and assigns have a possessory lien upon all personal property located at a self-service storage facility for rent, labor, or other reasonable charges, in relation to the storage of the personal property, and for expenses necessary for its preservation, or expenses reasonably incurred in its sale or other disposition pursuant to this chapter. The lien provided for in this section shall not have priority over a lien or security interest perfected prior to the time the personal property is placed within or upon the self-storage facility. The lien attaches as of the date the personal property is brought to the self-service storage facility.

84 Acts, ch 1130, §3

**578A.4 Enforcement of lien.**

An owner's lien for a claim which has become due may be satisfied as follows:

1. The occupant shall be notified by delivering in person with acceptance to be signed by the occupant or by mailing by certified mail to the last known address of the occupant, a notice which shall include:

*a.* An itemized statement of the owner's claim showing the amount due at the time of the notice and the date when the amount became due.

*b.* A brief and general description of the personal property subject to the lien. The description shall be reasonably adequate to permit the person notified to identify it, except that any container including a trunk, valise, or box that is locked, fastened, sealed, or tied in a manner which deters immediate access to its contents shall be described as such without describing its contents.

*c.* A statement that the occupant is denied access to the personal property, if a denial is permitted under the rental agreement. The statement shall provide the name, street address, and telephone number of the owner, or the owner's designated agent, whom the occupant may contact to respond to this notice.

*d.* A demand for payment within a specified time not less than fourteen days after delivery of the notice.

*e.* A conspicuous statement that unless the claim is paid within the time stated in the notice, the personal property will be advertised for sale or other disposition, and will be sold or otherwise disposed of at a specified time and place.

2. A notice mailed by certified mail pursuant to subsection 1 is made and completed when the notice is enclosed in a sealed envelope with the proper postage on the envelope, addressed to the occupant or successor at the last known mailing address, and deposited in a mail receptacle provided by the United States postal service.

3. After the expiration of the time given in the notice, an advertisement of the sale or other disposition shall be published once a week for two consecutive weeks in a newspaper of general circulation in the county where the self-service storage facility is located. The advertisement shall include:

*a.* A brief and general description of the personal property reasonably adequate to permit its identification as provided for in subsection 1, paragraph *"b"*.

*b.* The address of the self-service storage facility, the number, if any, of the space where the personal property is located, and the name of the occupant.

*c.* The time, place, and manner of the sale or other disposition. The sale or other disposition shall take place not sooner than fifteen days after the first publication. If there is no newspaper of general circulation where the self-service storage facility is located, the

advertisement shall be posted at least ten days before the date of the sale or other disposition in at least six conspicuous places in the neighborhood where the self-service storage facility is located.

4. A sale or other disposition of the personal property shall conform to the terms of the notification provided for in this section.

5. A sale or other disposition of the personal property shall be held at the self-service storage facility, or at the nearest suitable place to where the personal property is held or stored.

6. Before a sale or other disposition of personal property is made pursuant to this section, the occupant may pay the amount necessary to satisfy the lien, and the reasonable expenses incurred under this section, and redeem the personal property. Upon receipt of such payment, the owner shall return the personal property.

7. A purchaser in good faith of the personal property sold to satisfy the lien takes the property free of any rights of persons against whom the lien was valid, despite noncompliance by the owner with the requirements of this section. The purchaser shall apply for a new title to a vehicle by the procedures outlined in section 321.47. For all other property which has a written title, the purchaser shall follow the applicable procedures for the property for the transfer of title by operation of law.

8. In the event of a sale under this section, the owner may satisfy the lien from the proceeds of the sale, but shall hold the balance in a segregated escrow account for a period of ninety days for delivery on demand to the occupant. If the occupant does not claim the balance within ninety days, the moneys shall be paid to the county treasurer in the county where the facility is located. The county treasurer shall hold the money for a period of two years. If a claim is not made by the owner for the funds, then the funds shall become the property of the county. There shall be no further recourse by any person against the owner for an action pursuant to this section.

84 Acts, ch 1130, §4

**578A.5 Supplemental nature of chapter.**

This chapter does not impair or affect the right of parties to create liens by special contract or agreement, nor does it affect or impair other liens arising at common law or in equity, or by a statute of this state.

84 Acts, ch 1130, §5

**578A.6 Facility not residence or warehouse.**

An occupant shall not use a self-service storage facility for residential purposes. A self-service storage facility is not a warehouse as defined in chapter 554.

84 Acts, ch 1130, §6

# CHAPTER 579

## LIENS FOR CARE OF STOCK AND STORAGE OF BOATS AND MOTOR VEHICLES

Referred to in §321.47

579.1 Nature of liens.
579.2 Satisfaction of lien by sale.
579.3 Disposal of proceeds.

**579.1 Nature of liens.**

1. Livery and feed stable keepers, herders, feeders, or keepers of stock shall have a lien on all property coming into their hands, as such, for their charges and the expense of keeping, but such lien shall be subject to chapter 579A and all prior liens of record.

2. Places for the storage of motor vehicles, boats, and boat engines and boat motors shall

have a lien on all property coming into their hands, as such, for their charges and the expense of keeping, but such lien shall be subject to all prior liens of record.

[C97, §3137; C24, 27, 31, 35, 39, §**10345;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §579.1]
95 Acts, ch 59, §1
Bond to release, chapter 584

**579.2 Satisfaction of lien by sale.**

If such charges and expenses are not paid, the lienholder may sell said stock and property at public auction, after giving to the owner or claimant, if found within the county, ten days' notice in writing of the time and place of such sale and also by posting written notices thereof in three public places in the township where said stock and property were kept or received.

[C97, §3137; C24, 27, 31, 35, 39, §**10346;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §579.2]
Attachment to enforce, §640.1

**579.3 Disposal of proceeds.**

Out of the proceeds of such sale the lienholder shall pay all of the charges and expenses of keeping said stock and property, together with the costs and expenses of said sale, and the balance shall be paid to the owner or claimant of the stock and property.

[C97, §3137; C24, 27, 31, 35, 39, §**10347;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §579.3]

# CHAPTER 579A

## CUSTOM CATTLE FEEDLOT LIEN

Referred to in §570.1, 579.1, 579B.7, 580.1

579A.1 Definitions.
579A.2 Establishment of lien — priority.
579A.3 Enforcement.
579A.4 Waivers unenforceable.
579A.5 Alternate lien procedure.

**579A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Cattle"* means an animal classified as bovine, regardless of the age or sex of the animal.
2. *"Custom cattle feedlot"* means a feedlot where cattle owned by a person are provided feed and care by another person.
3. *"Custom cattle feedlot operator"* means the owner of a custom cattle feedlot or the owner's personal representative.
4. *"Feedlot"* means a lot, yard, corral, building, or other area in which cattle are confined and fed and maintained for forty-five days or more in any twelve-month period.
5. *"Lien"* means a custom cattle feedlot lien created in section 579A.2.
6. *"Personal representative"* means a person who is authorized by the owner of a custom cattle feedlot to act on behalf of the owner, including by executing an agreement, managing a custom cattle feedlot, filing a financing statement to perfect a lien, and enforcing a lien under this chapter.
7. *"Processor"* means the same as defined in section 202B.102.

95 Acts, ch 59, §2; 99 Acts, ch 169, §7, 8, 22, 24; 2001 Acts, ch 25, §1, 2
Referred to in §579B.7

**579A.2 Establishment of lien — priority.**

1. A custom cattle feedlot lien is created. The lien is an agricultural lien as provided in section 554.9302.
2. A custom cattle feedlot operator shall have a lien upon the cattle and the identifiable cash proceeds from the sale of the cattle for the amount of the contract price for the feed and care of the cattle at the custom cattle feedlot pursuant to a written or oral agreement by the custom cattle feedlot operator and the person who owns the cattle, which may be enforced

as provided in section 579A.3. The custom cattle feedlot operator is a secured party and the owner of the cattle is a debtor for purposes of chapter 554, article 9.

3. A custom cattle feedlot lien becomes effective at the time the cattle arrive at the custom cattle feedlot. In order to perfect the lien, the custom cattle feedlot operator must file a financing statement in the office of the secretary of state as provided in section 554.9308 within twenty days after the cattle arrive at the custom cattle feedlot.

*a.* The financing statement shall substantially meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516.

*b.* The lien terminates one year after the cattle have left the custom cattle feedlot. The lien may be terminated by the custom cattle feedlot operator who files a termination statement as provided in chapter 554, article 9.

4. Filing a financing statement as provided in this section substantially satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

5. *a.* A custom cattle feedlot lien that is perfected under this section is superior to and shall have priority over a conflicting lien or security interest in the cattle, including a lien or security interest that was perfected prior to the perfection of the custom cattle feedlot lien.

*b.* Notwithstanding paragraph "*a*", a custom cattle feedlot lien shall not be superior to a court-ordered lien provided in section 717.4 or a veterinarian's lien created under chapter 581, if such lien is perfected as an agricultural lien as provided in chapter 554, article 9.

*c.* A custom cattle feedlot lien that is effective but not perfected under this section has priority as provided in section 554.9322.

95 Acts, ch 59, §3; 99 Acts, ch 169, §9 – 11, 22, 24; 2001 Acts, ch 25, §3; 2005 Acts, ch 136, §38; 2005 Acts, ch 179, §74; 2011 Acts, ch 81, §2

Referred to in §579A.1, 579A.3

**579A.3 Enforcement.**

While the cattle are located at the custom cattle feedlot, the custom cattle feedlot operator may enforce a lien created in section 579A.2 in the manner provided for the enforcement of an agricultural lien as provided in chapter 554, article 9, part 6. After the cattle have left the custom cattle feedlot, the custom cattle feedlot operator may enforce the lien by commencing an action at law for the amount of the lien against either of the following:

1. The holder of the identifiable cash proceeds from the sale of the cattle.

2. The processor who has purchased the cattle within three days after the cattle have left the custom cattle feedlot.

95 Acts, ch 59, §4; 2000 Acts, ch 1149, §180, 187; 2002 Acts, ch 1119, §93

Referred to in §579A.2

**579A.4 Waivers unenforceable.**

A waiver of a right created by this chapter, including but not limited to a waiver of the right to file a financing statement pursuant to this chapter, is void and unenforceable. This section does not affect other provisions of a contract, including a production contract or a related document, policy, or agreement which can be given effect without the voided provision.

99 Acts, ch 169, §12, 22, 24; 2001 Acts, ch 25, §4

**579A.5 Alternate lien procedure.**

A person who is a custom cattle feedlot operator may file a financing statement and enforce a lien as a contract producer under this chapter or chapter 579B, but not both.

99 Acts, ch 169, §13, 22, 24; 2001 Acts, ch 25, §5

# CHAPTER 579B

## COMMODITY PRODUCTION CONTRACT LIEN

Referred to in §570.1, 579A.5

Alternative lien procedure for cattle; see chapter 579A


579B.1 Definitions.
579B.2 Lien depends upon production contracts.
579B.3 Establishment of lien.
579B.4 Perfecting the lien — filing requirements — priority.
579B.5 Enforcement.
579B.6 Waivers unenforceable.
579B.7 Alternate lien procedure.


**579B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Commodity"* means livestock, raw milk, or a crop.

2. *"Continuous arrival"* means the arrival of livestock at a contract livestock facility on a monthly basis or more frequently as provided in a production contract.

3. *"Contract crop field"* means farmland where a crop is produced according to a production contract executed pursuant to section 579B.2 by a contract producer who owns or leases the farmland.

4. *"Contract livestock facility"* means an animal feeding operation as defined in section 459.102, in which livestock or raw milk is produced according to a production contract executed pursuant to section 579B.2 by a contract producer who owns or leases the animal feeding operation. *"Contract livestock facility"* includes a confinement feeding operation as defined in section 459.102, an open feedlot as defined in section 459A.102, or an area which is used for the raising of crops or other vegetation and upon which livestock is fed for slaughter or is allowed to graze or feed.

5. *"Contract operation"* means a contract livestock facility or contract crop field.

6. *"Contract producer"* means a person who owns or leases a contract operation and who produces a commodity under a production contract executed pursuant to section 579B.2.

7. *"Contractor"* means a person who owns a commodity at the time that the commodity is under the authority of the contract producer as provided in section 579B.3 pursuant to a production contract executed pursuant to section 579B.2.

8. *a.* *"Crop"* means a plant used for food, animal feed, fiber, or oil, if the plant is classified as a forage or cereal plant, including but not limited to alfalfa, barley, buckwheat, corn, flax, forage, millet, oats, popcorn, rye, sorghum, soybeans, sunflowers, wheat, and grasses used for forage or silage.

*b.* A *"crop"* does not include trees or nuts or fruit grown on trees; sod; shrubs; greenhouse plants; or plants or plant parts produced for precommercial, experimental, or research purposes.

9. *"Farmland"* means agricultural land suitable for use in farming as defined in section 9H.1.

10. *"Lien"* means a commodity production contract lien created in section 579B.3.

11. *"Livestock"* means beef cattle, dairy cattle, sheep, or swine.

12. *"Personal representative"* means a person who is authorized by a contract producer to act on behalf of the contract producer, including by executing an agreement, managing a contract operation, filing a financing statement perfecting a lien, and enforcing a lien as provided in this chapter.

13. *"Processor"* means a person engaged in the business of manufacturing goods from commodities, including by slaughtering or processing livestock, processing raw milk, or processing crops.

14. *"Produce"* means to do any of the following:

*a.* Provide feed or services relating to the care and feeding of livestock. If the livestock is dairy cattle, *"produce"* includes milking the dairy cattle and storing raw milk at the contract producer's contract livestock facility.

*b.* Provide for planting, raising, harvesting, and storing a crop. *"Produce"* includes

preparing the soil for planting and nurturing the crop by the application of fertilizers or soil conditioners as defined in section 200.3 or pesticides as defined in section 206.2.

15. *"Production contract"* means an oral or written agreement executed pursuant to section 579B.2 that provides for the production of a commodity by a contract producer.

99 Acts, ch 169, §14, 22, 24; 2001 Acts, ch 25, §6, 7; 2002 Acts, ch 1119, §94; 2007 Acts, ch 22, §100, 101

**579B.2 Lien depends upon production contracts.**

1. A lien established under section 579B.3 depends upon the execution of a production contract that provides for producing a commodity owned by a contractor by a contract producer at the contract producer's contract operation.

2. A production contract is executed when it is signed or orally agreed to by each party to the contract or by a person authorized by a party to act on the party's behalf, including the contract producer's personal representative.

3. This chapter applies to any production contract that is in force on or after May 24, 1999, regardless of the date that the production contract is executed.

99 Acts, ch 169, §15, 22, 24

Referred to in §579B.1, 579B.3

**579B.3 Establishment of lien.**

1. A commodity production contract lien is created. The lien is an agricultural lien as provided in section 554.9302.

2. A contract producer who is a party to a production contract executed pursuant to section 579B.2 shall have a lien as provided in this section. The contract producer is a secured party and the contractor is a debtor for purposes of chapter 554, article 9. The amount of the lien shall be the amount owed to the contract producer pursuant to the terms of the production contract, which may be enforced as provided in section 579B.5.

3. If the production contract is for the production of livestock or raw milk, all of the following shall apply:

*a.* For livestock, the lien shall apply to all of the following:

(1) If the livestock is not sold or slaughtered by the contractor, the lien shall be on the livestock.

(2) If the livestock is sold by the contractor, the lien shall be on cash proceeds from the sale. For purposes of this paragraph, cash held by the contractor shall be deemed to be cash proceeds from the sale regardless of whether it is identifiable cash proceeds.

(3) If the livestock is slaughtered by the contractor, the lien shall be on any property of the contractor that may be subject to a security interest as provided in section 554.9109.

*b.* For raw milk, the lien shall apply to all of the following:

(1) If the raw milk is not sold or processed by the contractor, the lien shall be on the raw milk.

(2) If the raw milk is sold by the contractor, the lien shall be on cash proceeds from the sale. For purposes of this paragraph, cash held by the contractor shall be deemed to be cash proceeds from the sale regardless of whether it is identifiable cash proceeds.

(3) If the raw milk is processed by the contractor, the lien shall be on any property of the contractor that may be subject to a security interest as provided in section 554.9109.

4. If the production contract is for the production of crops, all of the following shall apply:

*a.* If the crop is not sold or processed by the contractor, the lien shall be on the crop.

*b.* If the crop is sold by the contractor, the lien shall be on cash proceeds from the sale. For purposes of this paragraph, cash held by the contractor shall be deemed to be cash proceeds from the sale regardless of whether it is identifiable cash proceeds.

*c.* If the crop is processed by the contractor, the lien shall be on any property of the contractor that may be subject to a security interest as provided in section 554.9109.

99 Acts, ch 169, §16, 22, 24; 2000 Acts, ch 1149, §181 – 183, 187; 2001 Acts, ch 25, §8 – 10; 2002 Acts, ch 1119, §95

Referred to in §579B.1, 579B.2, 579B.5

**579B.4 Perfecting the lien — filing requirements — priority.**

1. A commodity production contract lien becomes effective and is perfected as follows:

*a.* For a lien arising out of producing livestock or raw milk, the lien becomes effective the day that the livestock first arrives at the contract livestock facility. In order to perfect the lien, the contract producer must file a financing statement in the office of the secretary of state as provided in section 554.9308. Unless the production contract provides for continuous arrival, the contract producer must file the financing statement for the livestock within forty-five days after the livestock's arrival. If the production contract provides for continuous arrival, the contract producer must file the financing statement for the livestock within one hundred eighty days after the livestock's arrival. The lien terminates one year after the livestock is no longer under the authority of the contract producer. For purposes of this section, livestock is no longer under the authority of the contract producer when the livestock leaves the contract livestock facility. Section 554.9515 shall not apply to a financing statement perfecting the lien. The lien may be terminated by the contract producer who files a termination statement as provided in chapter 554, article 9.

*b.* For a lien arising out of producing a crop, the lien becomes effective the day that the crop is first planted. In order to perfect the lien, the contract producer must file a financing statement in the office of the secretary of state as provided in section 554.9308. The contract producer must file a financing statement for the crop within forty-five days after the crop is first planted. The lien terminates one year after the crop is no longer under the authority of the contract producer. For purposes of this section, a crop is no longer under the authority of the contract producer when the crop or a warehouse receipt issued by a warehouse operator licensed under chapter 203C for grain from the crop is no longer under the custody or control of the contract producer. The lien may be terminated by the contract producer who files a termination statement as provided in chapter 554, article 9.

2. The financing statement shall substantially meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516.

3. Filing a financing statement as provided in this section satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

4. *a.* (1) A commodity production contract lien that is perfected under this section is superior to and shall have priority over a conflicting lien or security interest in the commodity, including a lien or security interest that was perfected prior to the perfection of the commodity production contract lien under this chapter.

(2) Notwithstanding subparagraph (1), a commodity production contract lien shall not be superior to a court-ordered lien provided in section 717.4 or a veterinarian's lien created under chapter 581, if such lien is perfected as an agricultural lien.

*b.* A commodity production contract lien that is effective but not perfected under this section has priority as provided in section 554.9322.

99 Acts, ch 169, §17, 22, 24; 2000 Acts, ch 1154, §35; 2001 Acts, ch 25, §11; 2005 Acts, ch 136, §39; 2005 Acts, ch 179, §75; 2011 Acts, ch 81, §3

**579B.5 Enforcement.**

Before a commodity leaves the authority of the contract producer as provided in section 579B.3, the contract producer may enforce a lien created in that section in the manner provided for the enforcement of an agricultural lien as provided in chapter 554, article 9, part 6. After the commodity is no longer under the authority of the contract producer, the contract producer may enforce the lien in the manner provided in chapter 554, article 9, part 6.

99 Acts, ch 169, §18, 22, 24; 2000 Acts, ch 1149, §184, 187

Referred to in §579B.3

**579B.6 Waivers unenforceable.**

A waiver of a right created by this chapter, including but not limited to a waiver of the right to file a lien pursuant to this chapter, is void and unenforceable. This section does not affect

other provisions of a contract, including a production contract or a related document, policy, or agreement which can be given effect without the voided provision.
99 Acts, ch 169, §19, 22, 24

**579B.7 Alternate lien procedure.**
A person who is a custom cattle feedlot operator as defined in section 579A.1 may file and enforce a lien as a contract producer under this chapter or chapter 579A, but not both.
99 Acts, ch 169, §20, 22, 24

# CHAPTER 580

## LIEN FOR SERVICES OF ANIMALS

Referred to in §331.653, 602.8102(82)


580.1 Nature of lien — forfeiture.
580.2 Period of lien — sale or removal.
580.3 Sale or removal prohibited — penalty.
580.4 Affidavit of foreclosure.
580.5 Possession and notice.
580.6 Service of notice.
580.7 Joinder of liens.
580.8 Sale — application of proceeds.
580.9 Right of contest — injunction.


**580.1 Nature of lien — forfeiture.**
Except as provided in chapter 579A, the owner or keeper of any stallion, bull or jack kept for public service, or any person, firm, or association which invokes pregnancy of animals for the public by means of artificial insemination shall have a prior lien on the progeny of such stallion, bull, artificial insemination or jack, to secure the amount due such owner, artificial inseminator or keeper for the service resulting in such progeny, but no such lien shall obtain where the owner or keeper misrepresents the animal by a false or spurious pedigree, or fails to substantially comply with the laws of Iowa relating to such animals.
[S13, §2341-s; C24, 27, 31, §2967; C35, §10347-a1; C39, §**10347.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §580.1]
95 Acts, ch 59, §5

**580.2 Period of lien — sale or removal.**
The lien herein provided for shall attach at the birth of such progeny and shall remain in force on such progeny for one year and shall not be lost by reason of any sale, exchange, or removal from the county of the animals subject to such lien.
[S13, §2341-t; C24, 27, 31, §2968; C35, §10347-a2; C39, §**10347.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §580.2]

**580.3 Sale or removal prohibited — penalty.**
It shall be unlawful to sell, exchange, or remove permanently from the county any animal subject to the lien herein provided for, without the written consent of the holder of such lien, and any person violating this provision, shall be guilty of a simple misdemeanor.
[C24, 27, 31, §2969; C35, §10347-a3; C39, §**10347.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §580.3]

**580.4 Affidavit of foreclosure.**
Liens may be enforced by the holder filing with the sheriff of the county in which the progeny is kept, an affidavit which shall, in addition to a demand for foreclosure, contain:
1. A description of the stallion, bull or jack, when used and of the dam and its progeny.
2. The time and terms of said service.
3. A statement of the amount due for said service.
[S13, §2341-u; C24, 27, 31, §2970; C35, §10347-a4; C39, §**10347.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §580.4]

**580.5 Possession and notice.**

The sheriff shall, under said affidavit, take immediate possession of said progeny, and give written notice of the sale thereof, which notice shall contain:

1. A copy of the said affidavit.
2. The date and hour when, and the particular place at which, said property will be sold.

[S13, §2341-u; C24, 27, 31, §2971; C35, §10347-a5; C39, §**10347.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §580.5]

**580.6 Service of notice.**

Said notice shall be served as follows:

1. By posting a duplicate copy for ten days prior to the day of sale in three public places in the township in which the sale is to take place, and
2. If the owner of the progeny resides in the said county, by also serving a duplicate copy on the owner in the manner in which original notices are served, at least ten days prior to the day of sale.

[S13, §2341-u; C24, 27, 31, §2972; C35, §10347-a6; C39, §**10347.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §580.6]

Manner of service, R.C.P. 1.302 – 1.315

**580.7 Joinder of liens.**

A foreclosure may embrace liens on more than one progeny of the same stallion, bull, inseminator or jack when all of said progenies are owned by the same person. In such case there shall be separate sales until an amount is realized sufficient to pay all liens and costs.

[C24, 27, 31, §2973; C35, §10347-a7; C39, §**10347.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §580.7]

**580.8 Sale — application of proceeds.**

If payment of the service fee, and costs, be not made prior to the time of sale, as fixed in such notice, the sheriff may sell property so held by the sheriff, or so much thereof as may be necessary, at public auction to the highest bidder, and the proceeds shall be applied, first, to the payment of the costs, and second, in payment of amount due for service fee. Any surplus arising from such sale shall be forthwith paid to the owner of the property sold.

[S13, §2341-u; C24, 27, 31, §2974; C35, §10347-a8; C39, §**10347.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §580.8]

**580.9 Right of contest — injunction.**

The right of the owner or keeper to foreclose, as well as the amount claimed to be due, may be contested by anyone interested in so doing, and the proceeding may be transferred to the district court, for which purpose an injunction may issue, if necessary.

[S13, §2341-v; C24, 27, 31, §2975; C35, §10347-a9; C39, §**10347.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §580.9]

Injunctions, R.C.P. 1.1501 et seq.

# CHAPTER 581

## VETERINARIAN'S LIEN

Referred to in §570.1, 579A.2, 579B.4


| | | | |
|---|---|---|---|
| 581.1 | Nature of lien. Repealed by 2003 Acts, ch 82, §21. | 581.2A | Lien created. |
| 581.1A | Definitions. | 581.3 | Perfecting the lien — filing requirements. |
| 581.2 | Priority. | 581.4 | Enforcement. |


**581.1 Nature of lien.** Repealed by 2003 Acts, ch 82, § 21.

**581.1A Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Livestock"* means an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, poultry, or fish or shellfish.

2. "*Veterinarian*" means a person who practices veterinary medicine under a valid license or temporary permit as provided in chapter 169.

3. "*Veterinarian's lien*" or "*lien*" means a veterinarian's lien created under section 581.2A.

2003 Acts, ch 82, §15

**581.2 Priority.**

Except as provided in this section, section 554.9322 shall govern the priority of a veterinarian's lien that is effective or perfected as provided in section 581.3.

1. A veterinarian's lien that is effective but not perfected under section 581.3 shall have priority as provided in section 554.9322.

2. *a.* A veterinarian's lien that is perfected under section 581.3 shall have priority over any conflicting security interest or lien in livestock treated by a veterinarian, regardless of when such security interest or lien is perfected.

*b.* Notwithstanding paragraph "*a*", a veterinarian's lien shall not be superior to a court-ordered lien provided in section 717.4, if such lien is perfected as an agricultural lien.

[C35, §10347-f2; C39, §**10347.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §581.2]

2003 Acts, ch 82, §16; 2011 Acts, ch 81, §4

**581.2A Lien created.**

A veterinarian shall have an agricultural lien as provided in section 554.9102 for the actual and reasonable value of treating livestock, including the cost of any product used and the actual and reasonable value of any professional service rendered by the veterinarian. The veterinarian is a secured party and the owner of the livestock is a debtor for purposes of chapter 554, article 9. The lien applies to the livestock treated by the veterinarian.

2003 Acts, ch 82, §17

Referred to in §581.1A

**581.3 Perfecting the lien — filing requirements.**

Except as provided in this section, a financing statement filed to perfect a veterinarian's lien shall be governed by chapter 554, article 9, part 5, in the same manner as any other financing statement.

1. The lien becomes effective at the time that the veterinarian treats the livestock.

2. In order to perfect the lien, the veterinarian must file a financing statement in the office of the secretary of state as provided in section 554.9308 within sixty days after the day that the veterinarian treats the livestock. The financing statement shall meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516. Filing a financing statement as provided in this subsection satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

[C35, §10347-f3; C39, §**10347.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §581.3]

2003 Acts, ch 82, §18

Referred to in §581.2

**581.4 Enforcement.**

A veterinarian may enforce a veterinarian's lien in the manner provided for agricultural liens pursuant to the uniform commercial code, chapter 554, article 9, part 6.

[C35, §10347-f4; C39, §**10347.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §581.4]

2003 Acts, ch 82, §19

# CHAPTER 582

## HOSPITAL LIEN

Referred to in §602.8102(82)


| | | | |
|---|---|---|---|
| 582.1 | Definitions. | 582.3 | Duration and enforcement of lien. |
| 582.1A | Nature of lien. | | |
| 582.2 | Written notice of lien. | 582.4 | Lien docket — fees. |


**582.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Health plan"* means an individual or group plan that provides, or pays the costs of, medical care as that term is defined in the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 and regulations promulgated thereunder.

2. *"Hospital"* means a public or private institution licensed pursuant to chapter 135B.

3. *"Provider agreement"* means a contract, understanding, or arrangement made by an association, corporation, county, municipal corporation, or other institution maintaining a hospital in the state, with any health plan or other entity for the provision or payment of health care services.

2007 Acts, ch 154, §1; 2011 Acts, ch 34, §132

**582.1A Nature of lien.**

1. Every association, corporation, county, municipal corporation, or other institution maintaining a hospital in the state, which shall furnish medical or other service to any patient injured by reason of an accident not covered by the workers' compensation Act, shall, if such injured party shall assert or maintain a claim against another for damages on account of such injuries, have a lien upon that part going or belonging to such patient of any recovery or sum had or collected or to be collected by such patient, or by the patient's heirs or personal representatives in the case of the patient's death, whether by judgment or by settlement or compromise to the amount of the reasonable and customary charges of such hospital for the treatment, care, and maintenance of such patient in such hospital up to the date of payment of such damages, except as provided in subsection 2.

2. If a patient provides proof of insurance coverage under a health plan within thirty days of the patient's discharge from a hospital, the hospital shall submit all charges to the patient's health plan prior to filing the notice of the lien pursuant to section 582.2. The patient's health plan shall not deny payment for hospital services received on the basis that a third party or other insurance carrier is responsible for the patient's injuries. If the health plan denies payment for any other reason, the health plan shall nonetheless provide the hospital and the patient with a statement detailing the amount the health plan would have paid for the hospital services provided and the amount the patient would have been responsible for had the claim not been denied. In such a case, the amount of the lien shall be limited to the amount the hospital would have received if such charges were covered by the patient's health plan. A health plan's failure to provide a statement shall not affect the limitations on a hospital lien pursuant to this section. This subsection shall not prohibit a hospital from filing notice of a lien pursuant to section 582.2 for the amount owed to the hospital due to patient responsibility including but not limited to deductibles, copayments, and coinsurance.

3. If at any time subsequent to the filing of the notice of the lien a hospital receives health plan information regarding a patient, the hospital shall not be required to withdraw notice of the lien but shall submit the hospital's charges to the health plan. In such a case, the amount of the hospital's lien shall be limited pursuant to subsection 2.

4. The lien shall not in any way prejudice or interfere with any lien or contract which may be made by such patient or the patient's heirs or personal representatives with any attorney or attorneys for handling the claim on behalf of such patient, the patient's heirs, or personal representatives; provided, further, that the lien shall not be applied or considered valid against a patient covered under the workers' compensation Act pursuant to chapters 85, 85A, and 85B.

5. A hospital that recovers from a judgment, verdict, or settlement pursuant to this chapter shall be responsible for the pro rata share of the legal and administrative expenses incurred in obtaining the judgment, verdict, or settlement.

[C35, §10347-f5; C39, §**10347.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §582.1]
2007 Acts, ch 154, §2
CS2007, §582.1A
Referred to in §582.3

**582.2 Written notice of lien.**

No such lien shall be effective, however, unless a written notice containing the name and address of the injured person, the date of the accident, the name and location of the hospital, and the name of the person or persons, firm or firms, corporation or corporations alleged to be liable to the injured party for the injuries received, shall be filed in the office of the clerk of the district court of the county in which such hospital is located, prior to the payment of any moneys to such injured person, the person's attorneys or legal representative, as compensation for such injuries; nor unless the hospital shall also mail, postage prepaid, a copy of such notice with a statement of the date of filing thereof to the person or persons, firm or firms, corporation or corporations alleged to be liable to the injured party for the injuries sustained prior to the payment of any moneys to such injured person, the person's attorneys or legal representative, as compensation for such injuries. Such hospital shall mail a copy of such notice to any insurance carrier which has insured such person, firm or corporation against such liability, if the name and address shall be known. Such hospital shall also mail a copy of such notice to the injured person or to the injured person's attorney or legal representative, if known.

[C35, §10347-f6; C39, §**10347.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §582.2]
2007 Acts, ch 154, §3
Referred to in §582.1A, 582.3

**582.3 Duration and enforcement of lien.**

1. Any person, firm, or corporation, including an insurance carrier, making any payment to such patient or to the patient's attorneys or heirs or legal representatives as compensation for the injury sustained, after the filing and mailing of such notice without paying to such hospital the amount of its lien recoverable pursuant to section 582.1A from such person, firm, or corporation or so much thereof as can be satisfied out of the moneys due under any final judgment or compromise or settlement agreement, after paying the amount of any prior liens, shall, for a period of one year from the date of payment to such patient or the patient's heirs, attorneys, or legal representatives, as aforesaid, be and remain liable to such hospital for the amount which such hospital was entitled to receive as aforesaid; any such association, corporation, or other institution maintaining such hospital may, within such period, enforce its lien by a suit at law against such person, firm, or corporation making any such payment.

2. Prior to payment by a person, firm, or corporation, including an insurance carrier, to a patient's attorney, the patient's attorney may notify the person, firm, or corporation that will be making the payment that the attorney agrees to assume responsibility for the satisfaction of some or all liens of which the person, firm, or attorney has received notice pursuant to section 582.2. Upon receipt of such notification by the patient's attorney, such person, firm, or corporation shall provide the patient's attorney with copies of any lien notice relating to a hospital lien for which the attorney has agreed to assume responsibility and such person, firm, or corporation shall not thereafter be responsible to any hospital encompassed by such notification. A patient's attorney who so notifies a person, firm, or corporation and who receives a copy of any lien notice encompassed by such notification from the person, firm, or corporation shall pay such hospital the amount to which the hospital is entitled pursuant to section 582.1A from the amount received from the person, firm, or corporation. If there is a dispute concerning the amount owed to a hospital pursuant to section 582.1A, a patient's attorney shall hold in trust the maximum amount to which the hospital may be entitled pursuant to section 582.1A and may disburse any other amounts to the patient, attorney, or other persons entitled to the funds. Any dispute concerning the amount owed to a hospital

pursuant to section 582.1A shall be resolved by the court in which the patient filed an action to recover for the patient's injury and the court shall retain jurisdiction of the case to resolve the amount of the lien after dismissal of the action. If no such action was commenced by the patient, a court in which such action could have been brought shall have jurisdiction to determine the amount owed to the hospital.

[C35, §10347-f7; C39, §**10347.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §582.3]
2007 Acts, ch 154, §4

**582.4 Lien docket — fees.**

Every clerk of the district court shall maintain a hospital lien docket in which, upon the filing of any lien claim under the provisions of this chapter, the clerk shall enter the name of the injured person, the date of the accident, and the name of the hospital or other institution making the claim. The clerk shall make a proper index of the same in the name of the injured person and the clerk shall collect a fee in the amount provided for in section 602.8105 for filing each lien claim.

[C35, §10347-f8; C39, §**10347.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §582.4]
95 Acts, ch 91, §2; 2006 Acts, ch 1144, §6
Referred to in §602.8104

# CHAPTER 583

## HOTELKEEPER'S LIEN


583.1 Definitions.
583.2 Nature of hotelkeeper's lien.
583.3 Enforcement of claim by ordinary action.
583.4 Satisfaction of lien by sale.
583.5 Disposal of proceeds — statement.
583.6 Duty of county treasurer — right of guest.


**583.1 Definitions.**

For the purposes of this chapter:

1. *"Baggage"* shall include all property which is in any hotel belonging to or under the control of any guest.
2. *"Guest"* shall include boarder and patron, or any legal occupant of any hotel as herein defined.
3. *"Hotel"* shall include inn, rooming house, and eating house, or any structure where rooms or board are furnished, whether to permanent or transient occupants.
4. *"Hotelkeeper"* shall mean a person who owns or operates a hotel.

[C97, §3138; S13, §3138; C24, 27, 31, 35, 39, §**10348;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §583.1]

**583.2 Nature of hotelkeeper's lien.**

A hotelkeeper shall have a lien upon the baggage of any guest, which may be in that hotel, for:

1. The accommodations and keep of said guest.
2. The money paid for or advanced to said guest.
3. The extras and other things furnished said guest.

[C97, §3138; S13, §3138; C24, 27, 31, 35, 39, §**10349;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §583.2]
Bond to release, chapter 584

**583.3 Enforcement of claim by ordinary action.**

The hotelkeeper may take and retain possession of all baggage and may enforce the claim by an ordinary action. Said baggage shall be subject to attachment and execution for the

reasonable charges of the hotelkeeper against the guest, and for the costs of enforcing the lien thereon.

[C97, §3138; S13, §3138; C24, 27, 31, 35, 39, §**10350;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §583.3]

Attachment to enforce lien, §640.1

**583.4 Satisfaction of lien by sale.**

If the hotelkeeper does not proceed by an ordinary action the hotelkeeper shall retain the baggage upon which the hotelkeeper has a lien for a period of ninety days, at the expiration of which time, if such lien is not satisfied, the hotelkeeper may sell such baggage at public auction after giving ten days' notice of the time and place of sale in a newspaper of general circulation in the county where the hotel is situated, and also by mailing a copy of such notice addressed to said guest at the place of residence registered by the guest in the register of the hotel.

[C97, §3138; S13, §3138; C24, 27, 31, 35, 39, §**10351;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §583.4]

**583.5 Disposal of proceeds — statement.**

From the proceeds of said sale the hotelkeeper shall satisfy the lien, the reasonable expense of storage, and the costs for enforcing the lien, and any remaining balance shall, on demand within six months, be paid to the guest, and if not demanded within said period of time, said balance shall be deposited by the hotelkeeper with the county treasurer of the county in which the hotel is situated, together with:

1. A statement of the hotelkeeper's claim and the costs of enforcing same.
2. A copy of the published notice of sale.
3. A statement of the amounts received for the goods sold at said sale.

[C97, §3138; S13, §3138; C24, 27, 31, 35, 39, §**10352;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §583.5]

Referred to in §583.6

**583.6 Duty of county treasurer — right of guest.**

The balance received by the county treasurer under section 583.5 shall be credited to the county, subject to a right of the guest, or the guest's representative, to reclaim it at any time within three years from the date of deposit with the county treasurer.

[C97, §3138; S13, §3138; C24, 27, 31, 35, 39, §**10353;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §583.6]

83 Acts, ch 123, §193, 209

Referred to in §331.427, 331.552

# CHAPTER 584

## RELEASE OF LIENS BY BOND

Referred to in §602.8102(82)


| | | | |
|---|---|---|---|
| 584.1 | Liens subject to release. | 584.3 | Effect of bond. |
| 584.2 | Requirements of bond. | 584.4 | Action on bond. |


**584.1 Liens subject to release.**

An owner of personal property in this state who disputes, either the existence, on such property, of a common law or statutory lien, or the amount of any such lien, may release such lien, if any, and become entitled to the immediate possession of said property by filing a bond as hereinafter provided.

[C24, 27, 31, 35, 39, §**10354;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §584.1]

**584.2 Requirements of bond.**

Said bond shall be in an amount equal to twice the amount of the lien claimed, shall have one or more sureties, shall be approved by and filed with the clerk of the district court of the county where the property is being held under the claimed lien, and shall be conditioned to pay claimant any sum found to be due and also found to have been a lien on said property at the time the bond is filed.

[C24, 27, 31, 35, 39, §**10355;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §584.2]

**584.3 Effect of bond.**

When said bond is filed and claimant is given written notice of such filing, the said lien, if any, shall stand released, and the owner shall be entitled to the immediate possession of said property.

[C24, 27, 31, 35, 39, §**10356;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §584.3]

**584.4 Action on bond.**

An action upon said bond shall be brought in the county where the owner of the property resides; when the said owner is a nonresident of this state, the action shall be brought in the county where the bond is filed.

[C24, 27, 31, 35, 39, §**10357;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §584.4]

# SUBTITLE 4

## LEGALIZING ACTS

# CHAPTER 585

## PUBLICATION OF PROPOSED LEGALIZING ACTS

Referred to in §3.7


585.1 Publication prior to passage.
585.2 Place of publication in certain cases.
585.3 Caption of publication.
585.4 Cost of publication.
585.5 Subsequent amendment — effect.


**585.1 Publication prior to passage.**

No bill which seeks to legalize the official proceedings of any board of supervisors, board of school directors, or city council, or which seeks to legalize any warrant or bond issued by any of said official bodies, shall be placed on passage in either house or senate until such bill as introduced shall have been published in full in some newspaper published within the territorial limits of the public corporation whose proceedings, warrants, or bonds are proposed to be legalized, nor until proof of such publication shall have been filed with the chief clerk of the house, and with the secretary of the senate, and a brief minute of such filing entered on the respective journals.

[C24, 27, 31, 35, 39, §**10358;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §585.1]

Additional requirements, §2.9

**585.2 Place of publication in certain cases.**

In case no newspaper is published within such territorial limits, the publication required by this chapter shall be made in one newspaper of general circulation published within the county.

[C24, 27, 31, 35, 39, §**10359;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §585.2]

**585.3 Caption of publication.**

1. The publication required by this chapter shall be made under the following caption or heading, to wit:

Proposed bill for the legalization of the proceedings of (name of official body).

2. If the proposed bill be for the legalization of the bonds or warrants of the public corporation, the caption shall be modified accordingly.

[C24, 27, 31, 35, 39, §**10360;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §585.3]

2013 Acts, ch 30, §181

Section amended

**585.4 Cost of publication.**

If the bill be introduced at the instance of the public body whose proceedings, bonds, or warrants are sought to be legalized, the cost of the aforesaid publication may be paid from the general fund of the public corporation.

[C24, 27, 31, 35, 39, §**10361;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §585.4]

Cost of printing, §2.9

**585.5 Subsequent amendment — effect.**

The amendment of the proposed bill after its publication as aforesaid shall not affect its legality, provided the subject matter of the bill is not substantially changed.

[C24, 27, 31, 35, 39, §**10362;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §585.5]

# CHAPTER 586

## ACKNOWLEDGMENTS, OTHER ACTS, AND INSTRUMENTS

586.1 Specific defects legalized.

**586.1 Specific defects legalized.**

The following acts and instruments are hereby legalized and declared to be as valid as though all defects and irregularities therein as set forth below had never existed; nothing in this section, however, shall affect pending litigation:

1. Official acts performed more than ten years earlier by notaries public during the time that they held over in office without qualifying after the expiration of the preceding term, if such notaries public subsequently qualified.

2. Acknowledgments taken more than ten years earlier by notaries public outside their jurisdiction.

3. Acknowledgments taken and oaths administered by mayors under section 691, Code 1897, or section 1216 of subsequent Codes to and including Code 1939 and section 78.2, Code 1966 and earlier editions, in proceedings not connected with their offices.

4. Acknowledgments of deeds, mortgages, permanent school fund mortgages and contracts taken and certified before 1970 by any county auditor, deputy county auditor, or deputy clerk of the district court although such officer was not authorized to take the acknowledgments at the time they were taken.

5. Acknowledgments taken and certified as provided by the Code of 1873, which were taken and certified after September 29, 1897, and prior to April 14, 1898, by officers having authority under the Code of 1873 to take and certify acknowledgments, as though such acknowledgments were taken and certified according to the provisions of the Code of 1897, and as though the officers were authorized to take and certify acknowledgments.

6. Acknowledgments taken, certified, and recorded before 1970 in the proper counties, and which are defective only in the form of the certificate of the officer taking the acknowledgment or because made before an official not qualified to take such acknowledgment but who was qualified to take acknowledgments generally.

7. Acknowledgments taken outside the United States before 1970 by officers authorized by section 10092, Codes 1924 to 1939 and section 558.28, Code 1946 to and including the Code of 1966, to take such acknowledgments, whether or not a certificate of authenticity as provided by section 10093, Codes of 1924 to 1939 and section 558.29, Code 1946 to and including the Code of 1966, is attached to such instrument; and the certificate of acknowledgment of such officer is hereby made conclusive evidence that such officer was duly qualified to make such certificate of acknowledgment.

8. Any instrument affecting real estate executed before 1970 by an attorney in fact for the grantor where a duly executed and sufficient power of attorney was on file in the county where the land was situated, although the instrument was executed and acknowledged in the form of "A, attorney in fact for B", instead of "B, by A, the attorney in fact for B"; or if such instrument is duly recorded and there is no record in the county where the land is situated of a power of attorney authorizing the attorney in fact to so act.

9. Any written instrument and the recording thereof, recorded prior to 1970 in the office of the recorder of the proper county, although there is attached to the instrument a defective certificate of acknowledgment.

[S13, §2942-c, -e, -k, -l; SS15, §2963-v, -x; C24, 27, §10363 – 10374; C31, 35, §10363 – 10374-b1; C39, §**10363 – 10374.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §586.1; 82 Acts, ch 1020, §1]

83 Acts, ch 185, §53, 62; 96 Acts, ch 1060, §2; 2005 Acts, ch 3, §98

# CHAPTER 587

## JUDGMENTS AND DECREES LEGALIZED


| | | | |
|---|---|---|---|
| 587.1 | Decrees against unknown claimants. | 587.7 | Judgments or decrees quieting title. |
| 587.2 | Certain publications of original notices. | 587.8 | Decrees in general — affidavit of nonresidence. |
| 587.3 | Original notices failing to name term. | 587.9 | Decrees in general — affidavit of publication. |
| 587.4 | Decrees for sale of real estate by guardian. | 587.10 | Affidavit of publication of notice by assistant publisher. |
| 587.5 | Judgments or decrees respecting wills. | 587.11 | Annulment of marriages — service by publication. |
| 587.6 | Judgments in probate by circuit courts. | 587.12 | Service by publication under former rule 60. |


**587.1 Decrees against unknown claimants.**

All decrees of court obtained in actions against unknown defendants in which the notice was entitled in the initial or initials of the plaintiff instead of the plaintiff's full given name are legalized, and the decrees have the same force and effect as if the notice had been entitled in the full name of the plaintiff as was provided for in section 3538, Code of 1897, and in section 3538 of the supplement to the Code of 1913.

[SS15, §3540-a; C24, 27, 31, 35, 39, §**10375;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.1]

85 Acts, ch 67, §52

**587.2 Certain publications of original notices.**

No action in which unknown persons were made parties defendant pursuant to the requirements of section 3538, supplemental supplement to the Code 1915, and in which notice of such action was given by publication between July 1, 1913, and July 1, 1915, for four consecutive weeks, the last publication being ten days prior to the first day of the term for which said action was brought as shown by proof on file in the office of the clerk of the court where said action was pending, shall be held ineffectual, void, or insufficient because the records fail to show that the court or judge approved said notice before publication or failed to endorse approval on said notice or failed to designate in which paper said notice should be published as required by section 3539, Code of 1897.

[C24, 27, 31, 35, 39, §**10376;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.2]

**587.3 Original notices failing to name term.**

All judgments and decrees heretofore entered by default prior to July 4, 1963, in causes wherein the original notices set out the date when and the place where the court would convene are hereby declared legal and binding, notwithstanding the fact that said original notices fail to name the term at which defendant or defendants was or were required to appear. Nothing contained in this section shall affect pending litigation.

[C39, §**10376.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.3]

**587.4 Decrees for sale of real estate by guardian.**

In all cases where decrees and orders of court have been obtained for the sale of real estate by a guardian prior to January 1, 1969, where the original notice shows that service of notice pertaining to the sale of such real estate was made on the minor or ward outside of the state of Iowa, such services of notices are hereby legalized. All decrees so obtained as aforesaid are hereby legalized and held to have the same force and effect as though the service of such original notice had been made on the minor or ward within the state of Iowa.

[C24, 27, 31, 35, 39, §**10377;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.4]

**587.5 Judgments or decrees respecting wills.**

No judgment or decree purporting to set aside any will or the provisions of any will, or to place any construction upon any will or terms of any will, or to aid in carrying out the provisions of any will, and no contract or agreement purporting to be a settlement of any suit or action to set aside any will or the terms of any will, or to place any construction upon any will or any of the terms thereof, shall be held ineffectual, void, or insufficient because the records fail to show proper service of notice on all parties interested, that persons under disability affected by the action were not properly served with notice or represented by guardian or guardian ad litem, either in suit, action, or in a settlement thereof, that all persons interested participated in the settlement, or that any other provisions of law had been complied with which are necessary to make a valid decree, judgment, or settlement; provided more than ten years had elapsed since the judgment, decree, contract, or agreement was filed, entered, or placed on record in the county where the real estate affected thereby is situated. Said decree, judgment, contract, or agreement shall be conclusive evidence of the right, title, or interest it purports to establish or adjudicate insofar as it affects the title to such real estate, and said proceedings therein are hereby made legal and effectual the same as though all provisions of law had been complied with in the obtaining of said decree, judgment, or execution of said contract or agreement, and any judgment, decree, contract, or agreement such as above described which is now of record less than ten years in the county in which the real estate is situated shall, at the expiration of ten years from date of filing, entering, or recording thereof, have the same force and effect as is above given to those now in effect more than ten years.

[S13, §2963-m; C24, 27, 31, 35, 39, §**10378;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.5]

**587.6 Judgments in probate by circuit courts.**

In all cases where matters or proceedings in probate have been heard by the circuit courts or judges outside the county in which such matters or proceedings were pending, and in all cases where orders and judgments in probate matters and proceedings have been made by the circuit courts and judges outside the county in which such proceeding or matter was pending, and where such hearing was had or order or judgment made within the circuit to which the county belonged in which such proceeding or matter was pending, such hearing, order, or judgment shall be held and deemed to be of the same validity and force and effect as if such hearing was had or such order or judgment was made within the county in which such proceeding or matter was pending, and all title and rights acquired under such orders and judgments shall be held and deemed to be of the same legal force and effect and to be as valid as if such order or judgment had been made within the county in which the proceeding or matter was pending.

[C24, 27, 31, 35, 39, §**10379;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.6]

**587.7 Judgments or decrees quieting title.**

No existing judgment or decree quieting title to real estate as against defects arising prior to January 1, 1966, and purporting to sustain the record title shall be held ineffectual because of the failure to properly set out in the petition or notice the derivation or devolution of the interest of the unknown defendants, or on account of the failure of the record to show that such notice was approved by the court or that the same was published as directed by the court, or because of the failure of the record to show that an affidavit was filed by plaintiff showing that personal service could not be made on any defendant in the state of Iowa, or because of the failure of defense by a guardian ad litem for any defendant under legal disability, or where there was more than one tract of real estate described in the same petition and decree, or where the plaintiffs have no joint or common interest in the property or defects of title, or because of failure to comply with any other provision of law. All such decrees are hereby made legal and effectual the same as if all provisions of law had been complied with in obtaining them.

[S13, §2963-f; C24, 27, 31, 35, 39, §**10380;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.7]

**587.8 Decrees in general — affidavit of nonresidence.**

In all cases where decrees of court have been obtained prior to January 1, 1966, upon publication of notice before the filing of the affidavit of nonresidence, as provided by section 3534, Code of 1897, or section 11081, Codes of 1924, 1927, 1931, 1935, 1939 and rule of civil procedure, number 60, effective July 4, 1943, and the same have not been filed as provided by law, but have been filed during the time that the notice was being published, on which such decrees are based, are hereby legalized and such decrees shall have the same force and effect as though the affidavit of nonresidence, as provided in said section, was filed at the time of or prior to the first publication of such notice. All decrees so obtained, as aforesaid, are hereby legalized and held to have the same force and effect as though the affidavit of nonresidence had been filed, as by law required.

[S13, §3534-a; C24, 27, 31, 35, 39, §**10381;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.8]

**587.9 Decrees in general — affidavit of publication.**

In all cases where decrees of court have been obtained prior to January 1, 1969, in which the proof of publication of the original notice has been made by the affidavit of the editor of the newspaper or the publisher, manager, cashier, or supervisor thereof in which such original notice was published, the same are hereby legalized and such decrees shall have the same force and effect as though the affidavit of the publisher or supervisor of the newspaper in which original notice was published had been filed as provided by section 3536, Code of 1897, or section 11085, Codes of 1924, 1927, 1931, 1935, 1939 and rule of civil procedure, number 60, Code 1946, that all decrees obtained as aforesaid are hereby legalized and held to have the same force and effect as though the proof of the publication on the original notice had been made by the affidavit of the publisher or supervisor of the newspaper in which such original notice was published.

[S13, §3536-a; C24, 27, 31, 35, 39, §**10382;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.9]

**587.10 Affidavit of publication of notice by assistant publisher.**

All affidavits of proof of publication of any notice or original notice made by the assistant publisher of any newspaper of general circulation, which were executed and filed more than ten years earlier, are hereby legalized, declared valid, binding, and of full force and effect.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.10]

91 Acts, ch 183, §10

**587.11 Annulment of marriages — service by publication.**

All decrees of the courts of this state made and entered of record in actions brought to annul a marriage in which the service of the original notice was made by publication in the manner provided by law for actions for divorce are hereby legalized and validated as fully and to the same extent as if the statute at the time such suit was instituted had provided for service of the original notice by publication in the time and manner aforesaid.

[S13, §3187-a; C24, 27, 31, 35, 39, §**10383;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.11]

**587.12 Service by publication under former rule 60.**

1. In all actions or in proceedings in probate where an order, judgment or decree has been entered prior to July 1, 1970, based upon service of notice by publication as provided by rule 60 of the Iowa rules of civil procedure* or any statute authorizing publication of notice or upon service of notice by publication or posting pursuant to authorization or direction of any court of competent jurisdiction in the state of Iowa, all such orders, judgments, or decrees are hereby declared valid and of full force and effect, unless an action shall be commenced within the time provided in subsection 2 hereof to question such order, judgment, or decree, or any right or status created, confirmed, or existing thereunder.

2. No action shall be maintained in any court to question any such order, judgment, or

decree, or any right or status created, confirmed, or existing thereunder unless such action shall be commenced within one year from July 1, 1970.

3. The provisions of section 614.8 as to the rights of minors and persons with mental illness and any other provision of law fixing or extending the time within which actions may be commenced shall not be applicable to extend the time within which any such action shall be commenced beyond one year after July 1, 1970.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §587.12]

96 Acts, ch 1129, §113

*Iowa court rules, 3rd ed

# CHAPTER 588

## EXECUTION SALES

588.1 Failure to make proper entries.
588.2 Homestead selection — deficiency.

**588.1 Failure to make proper entries.**

All execution sales heretofore had wherein the execution officer has failed to endorse on the execution the day and hour when received, the levy, sale, or other act done by virtue thereof, with the date thereof, the dates and amounts of any receipts or payment in satisfaction thereof at the time of the receipt or act done, or has failed to endorse thereon, an exact description of the property levied upon at length with the date of levy, be and the same are hereby legalized and declared to be legal and valid as if all of the provisions of laws as required by sections 11664 to 11668.1 [Code 1939], both inclusive, had been in all respects strictly and fully complied with.

[C35, §10383-e1; C39, §**10383.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §588.1]

**588.2 Homestead selection — deficiency.**

All execution sales of real estate heretofore had in which the execution officer has failed to serve notice upon the titleholders in possession to select their homestead or has defectively served such notice or, having served such notice, has, upon the failure of defendants to select a homestead, neglected to plat the same or has defectively platted the same, or where said execution officer in such sales has offered the property en masse without first offering the same in the least legal subdivisions, or where said officer has failed to offer property, including the homestead, first separately in least legal subdivisions exclusive of homestead, then offering all property en masse, exclusive of the homestead, then offering the homestead separately, then offering all of the property for sale, en masse, be and the same are hereby legalized and declared to be legal and valid in all particulars as if all of the provisions of the law had been in all respects strictly and fully complied with at the time of said acts or said sales.

[C39, §**10383.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §588.2]

# CHAPTER 589

## REAL PROPERTY


589.1 Acknowledgments — seal not affixed.
589.2 Conveyances by county.
589.3 Absence of or defective acknowledgments.
589.4 Acknowledgments by corporation officers.
589.5 Acknowledgments by stockholders.
589.6 Instruments affecting real estate.
589.7 Repealed by 79 Acts, ch 133, §13.
589.8 Mortgages, trust deeds and realty liens — releases.
589.9 Marginal releases of school-fund mortgages.
589.10 Marginal assignment of mortgage or lien.
589.11 Conveyances by fiduciaries.
589.12 Sheriffs' deeds.
589.13 Sheriff's deed executed by deputy.
589.14 Defective tax deeds.
589.15 Tax deeds legalized.
589.16 Tax sales legalized.
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589.17 Conveyances by spouse under power.
589.18 Conveyances by foreign executors.
589.19 Conveyances under school-fund foreclosures.
589.20 Repealed by 91 Acts, ch 183, §40.
589.21 Releases and discharges.
589.22 Certain loans, contracts, and mortgages.
589.23 Descriptions referring to defective plats.
589.24 Defective instruments.
589.25 Sales of real estate by school district.
589.26 Land transfers by the department of human services legalized.
589.27 Condemnation by department of transportation.
589.28 County surplus property — sale legalized.
589.29 Permission to lay water mains.
589.30 Establishment of ancient county roads.
589.31 City and county deeds.


**589.1 Acknowledgments — seal not affixed.**

All deeds, mortgages, or other instruments in writing for the conveyance of lands which have been made and executed more than ten years earlier, and the officer taking the acknowledgment has not affixed the officer's seal to the acknowledgment; the acknowledgment is, nevertheless, good and valid in law and equity, any other provision of law to the contrary notwithstanding.

[S13, §2942-h; C24, 27, 31, 35, 39, §**10384;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.1]

84 Acts, ch 1090, §1; 91 Acts, ch 183, §11

**589.2 Conveyances by county.**

All deeds executed more than ten years earlier, by a court or the chairperson of the board of supervisors of a county, and to which the officer executing the deed has failed or omitted to affix the county seal, and all deeds where the clerk has failed or omitted to countersign when required so to do, are legalized and valid as though the law had in all respects been fully complied with.

[C24, 27, 31, 35, 39, §**10385;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.2]

84 Acts, ch 1090, §2; 91 Acts, ch 183, §12

**589.3 Absence of or defective acknowledgments.**

Any instrument in writing affecting the title to real estate within the state of Iowa, to which is attached no certificate of acknowledgment, or to which is attached a defective certificate of acknowledgment, which was, more than ten years earlier, recorded or spread upon the records in the office of the recorder of the county in which the real estate described in the instrument is located, is, together with the recording and the record of the recording, valid, legal, and binding as if the instrument had been properly acknowledged and legally recorded.

[S13, SS15, §2963-a; C24, 27, 31, 35, 39, §**10386;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.3]

84 Acts, ch 1090, §3; 91 Acts, ch 183, §13

**589.4 Acknowledgments by corporation officers.**

The acknowledgments of all deeds, mortgages, or other instruments in writing taken or certified more than ten years earlier, which instruments have been recorded in the recorder's office of any county of this state, including acknowledgments of instruments made by a corporation, or to which the corporation was a party, or under which the corporation was a beneficiary, and which have been acknowledged before or certified by a notarial officer as provided in chapter 9B who was at the time of the acknowledgment or certifying a stockholder or officer in the corporation, are legal and valid official acts of the notaries public, and entitle the instruments to be recorded, anything in the laws of the state of Iowa in regard to acknowledgments to the contrary notwithstanding. This section does not affect pending litigation.

[C39, §**10387.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.4]

84 Acts, ch 1090, §4; 91 Acts, ch 183, §14; 2012 Acts, ch 1050, §51, 60; 2013 Acts, ch 140, §100

Section amended

**589.5 Acknowledgments by stockholders.**

All deeds and conveyances of lands within this state executed more than ten years earlier, but which have been acknowledged or proved according to and in compliance with the laws of this state before a notarial officer as provided in chapter 9B or other official authorized by law to take acknowledgments who was, at the time of the acknowledgment, an officer or stockholder of a corporation interested in the deed or conveyance, or otherwise interested in the deeds or conveyances, are, if otherwise valid, valid in law as though acknowledged or proved before an officer not interested in the deeds or conveyances; and if recorded more than ten years earlier, in the respective counties in which the lands are, the records are valid in law as though the deeds and conveyances, so acknowledged or proved and recorded, had, prior to being recorded, been acknowledged or proved before an officer having no interest in the deeds or conveyances.

[S13, §2942-d; C24, 27, 31, 35, 39, §**10388;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.5]

84 Acts, ch 1090, §5; 91 Acts, ch 183, §15; 2012 Acts, ch 1050, §52, 60; 2013 Acts, ch 140, §101

Section amended

**589.6 Instruments affecting real estate.**

All instruments in writing executed by a corporation before July 1, 1996, which are more than one year old, conveying, encumbering, or affecting real estate, including releases or satisfactions of mortgages, judgments, or any other liens by entry of the release or satisfaction upon the page where the lien appears recorded or entered, where the corporate seal of the corporation has not been affixed or attached, and which are otherwise legally and properly executed, are legal, valid, and binding as though the corporate seal had been attached or affixed.

[S13, §3068-a; C24, 27, 31, 35, 39, §**10389;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.6]

84 Acts, ch 1090, §6; 91 Acts, ch 183, §16; 96 Acts, ch 1154, §9; 97 Acts, ch 23, §74

**589.7** Repealed by 79 Acts, ch 133, § 13.

**589.8 Mortgages, trust deeds and realty liens — releases.**

A release or satisfaction of a mortgage or trust deed, or of an instrument in writing creating a lien upon real estate where the release or satisfaction has been recorded in the recorder's office of the county in this state, or upon the margin of the record, where the original instrument was recorded and which release or satisfaction was made by an individual, association, partnership, assignee, corporation, attorney in fact, or by a resident or foreign executor, administrator, referee, receiver, trustee, guardian, or commissioner, and which release or satisfaction was executed, filed, and recorded more than ten years earlier,

is valid, legal and binding, any defects in the execution, acknowledgment, recording, filing, or otherwise of the releases or satisfactions to the contrary notwithstanding.

[S13, §2938-b; C24, 27, 31, 35, 39, §**10391;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.8]

84 Acts, ch 1090, §7; 91 Acts, ch 183, §17; 2008 Acts, ch 1032, §106

**589.9 Marginal releases of school-fund mortgages.**

The release or satisfaction of a school-fund mortgage entered on the margin of the record of the mortgage by the auditor of the county more than ten years earlier, is legalized as though the auditor had, at the time of entering the release or satisfaction, the same power thereafter conferred upon the auditor by 1894 Iowa Acts, ch 53.

[C24, 27, 31, 35, 39, §**10392;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.9]

84 Acts, ch 1090, §8; 91 Acts, ch 183, §18; 2005 Acts, ch 3, §99

**589.10 Marginal assignment of mortgage or lien.**

If an assignment of a mortgage or other recorded lien on real estate has been executed more than ten years earlier, by written assignment on the margin of the record where the mortgage or other lien is recorded or entered, the assignment passed all the right, title, and interest in the real estate, which the assignor at the time had, with like force and effect as if the assignment had been made by separate instrument duly acknowledged and recorded; and an assignment or a duly authenticated copy of an assignment when accompanied by a duly authenticated copy of the record of the instrument or lien it purports to assign, is admissible in evidence as provided by law for the admission of the records of deeds and mortgages.

[SS15, §2963-x2; C24, 27, 31, 35, 39, §**10393;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.10]

84 Acts, ch 1090, §9; 91 Acts, ch 183, §19

**589.11 Conveyances by fiduciaries.**

If an executor, administrator, trustee, guardian, assignee, receiver, referee, or commissioner, acting in that capacity in this or any state, has conveyed in the trust capacity real estate lying in this state and the conveyance has been of record for more than ten years, in the county where the real estate so conveyed is located and which conveyance purports to sustain the title in the present record owner, the conveyance is not void or insufficient because due and legal notice of all proceedings with reference to the making of the conveyance was not served upon all interested or necessary parties, or that the executor, administrator, trustee, guardian, assignee, receiver, referee, or commissioner is not shown to have been duly authorized by an order of court to make and execute the conveyance, that a bond was not given, or that a report of the sale was not made; or the sale or deed of conveyance was not approved by order of court, or a foreign executor, administrator, trustee, guardian, assignee, receiver, referee, or commissioner was not appointed or qualified in the state of Iowa prior to the making of the conveyance, or the record fails to disclose compliance with any law, and all such conveyances are valid, legal, and binding. Allotments by referees in partition are conveyances within the meaning of this section.

[S13, SS15, §2963-l; C24, 27, 31, 35, 39, §**10394;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.11]

84 Acts, ch 1090, §10; 91 Acts, ch 183, §20

**589.12 Sheriffs' deeds.**

A sheriff's deed executed more than ten years earlier which purports to sustain the record title is not ineffectual on account of the failure of the record to show that any of the steps in obtaining the judgment or in the sale of the property were complied with. The proceedings are legalized as if the record showed that the law has been complied with.

[S13, §2963-c; C24, 27, 31, 35, 39, §**10396;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.12]

84 Acts, ch 1090, §11; 91 Acts, ch 183, §21

**589.13 Sheriff's deed executed by deputy.**

All conveyances of land in this state, executed in this state by a deputy sheriff, and properly recorded in the office of the county recorder of the county where the land is located, more than ten years earlier, have the same force and effect as though the conveyance had been executed by the sheriff.

[C24, 27, 31, 35, 39, §**10397;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.13]

84 Acts, ch 1090, §12; 91 Acts, ch 183, §22

**589.14 Defective tax deeds.**

A tax deed executed more than ten years earlier which purports to sustain the record title, is not ineffectual because of the failure of the record to show that any of the steps in the sale and deeding of the property were complied with and these proceedings are legalized and valid as if the record showed that the law had been complied with.

[S13, §2963-o; C24, 27, 31, 35, 39, §**10398;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.14]

84 Acts, ch 1090, §13; 91 Acts, ch 183, §23

**589.15 Tax deeds legalized.**

That in all instances where tax deeds have been issued by county treasurers in the absence of the report and entry required by section 7283, Code 1939, or corresponding sections of earlier Codes relating to collection of costs of serving notices, such tax deeds shall not by reason of omission to make such report and entry be held invalid, but are hereby legalized. Nothing herein contained shall be construed as curing any other defect in tax deeds than that herein specifically described. Nothing herein contained shall be so construed as to affect pending litigation.

[C35, §10398-g1; C39, §**10398.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.15]

Section not amended; editorial change applied

**589.16 Tax sales legalized.**

In all instances where a county treasurer heretofore conducted a tax sale at the time provided in section 7259 or section 7262, both of the Code, 1935, sales made at such tax sale or any adjournment thereof shall not be held invalid by reason of the failure of the county treasurer to have brought forward the delinquent tax of prior years upon the current tax lists in use by the said county treasurer at the time of conducting the sale, or by reason of the failure of the county treasurer to have offered all the property unsold before each adjournment of said sale and said tax sales are hereby legalized and declared valid notwithstanding the provisions of section 7193 and section 7259, both of the Code, 1935, provided the delinquent taxes for which the said real estate was sold had been brought forward upon the current tax list of the year preceding the year in which the said tax sale was conducted. Provided, however, that no tax sale so legalized and validated shall affect a special assessment if the same continues to remain a lien notwithstanding a tax deed now or hereafter issued pursuant to such tax sale.

[C39, §**10398.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.16]

**589.16A Defect in tax sale proceeding.**

An action shall not be commenced after July 1, 1987, which asserts a claim against any real estate sold at a tax sale, based upon any defect in the tax sale proceeding, including the inadequacy of the notice of tax sale or the inadequacy of the notice of the expiration of the redemption period, where the tax sale was made prior to July 1, 1986.

86 Acts, ch 1139, §10

**589.17 Conveyances by spouse under power.**

A conveyance of real estate executed more than ten years earlier, in which the husband or wife conveyed or contracted to convey the inchoate right of dower through the other spouse, acting as the attorney in fact, by virtue of a power of attorney executed by the spouse, the

power of attorney not having been executed as a part of a contract of separation, are not invalid.

[S'02, §2942-f; C24, 27, 31, 35, 39, §**10399;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.17]

84 Acts, ch 1090, §14; 91 Acts, ch 183, §24

**589.18 Conveyances by foreign executors.**

All conveyances of real property executed more than ten years earlier, by executors or trustees under foreign wills and prior to the date upon which the will was admitted to probate in Iowa or prior to the expiration of three months after the recording of a duly authenticated copy of the will, original record of appointment, qualification, and bond, and in which the will was, subsequent to the conveyance, probated in Iowa, and in which a duly authenticated copy of the will, original record of appointment, qualification, and bond was, subsequent to the conveyance, made a matter of record as provided in those sections, are legalized and valid in law and in equity as though the will had been probated in Iowa prior to the conveyance. However, this section does not affect pending litigation.

[S13, §3295-c; C24, 27, 31, 35, 39, §**10401;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.18]

84 Acts, ch 1090, §15; 91 Acts, ch 183, §25

**589.19 Conveyances under school-fund foreclosures.**

If the title to real estate has been conveyed more than ten years earlier, by the sheriff of a county pursuant to sheriff's sale under the foreclosure of permanent school-fund mortgages to the state, or to the state for the use of the school fund, or to the county for the school fund; and the land has been sold under authority of the board of supervisors of the county and conveyed under its authority, more than ten years earlier, and the full purchase price paid and credited to, and used by, the county for the permanent school fund of the county, all right, title, or interest of the state in and to the real estate is relinquished and quitclaimed to the purchaser or the purchaser's grantees forever, and the title confirmed in the purchaser, or the purchaser's grantees insofar as the erroneous conveyance is concerned.

[C31, 35, §10401-c1; C39, §**10401.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.19]

84 Acts, ch 1090, §16; 91 Acts, ch 183, §26

**589.20** Repealed by 91 Acts, ch 183, § 40.

**589.21 Releases and discharges.**

All releases and discharges of judgments, mortgages, or deeds of trust affecting property in this state executed more than ten years earlier, by administrators, executors, or guardians appointed by the court of any other state or country are legalized, valid and effective in law and in equity. However, this section does not affect pending litigation.

[S13, §3308-a; C24, 27, 31, 35, 39, §**10403;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.21]

84 Acts, ch 1090, §17; 91 Acts, ch 183, §27

**589.22 Certain loans, contracts, and mortgages.**

All loans, contracts, and mortgages which are affected by the repeal of 1898 Iowa Acts, ch 48, are hereby legalized so far as to permit recovery to be had thereon for interest at the rate of eight percent per annum, but at no greater rate, and nothing contained in such contracts shall be construed to be usurious so as to work a forfeiture of any penalty to the school fund.

[S13, §1898-b; C24, 27, 31, 35, 39, §**10404;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.22]

2005 Acts, ch 3, §100

**589.23 Descriptions referring to defective plats.**

The description of land in all instruments, conveyances, and encumbrances describing lots in or referring to plats of survey or to plats made by a county auditor, or by a county surveyor

for the owner, and placed of record by a county recorder more than ten years earlier, are legalized, valid and binding.

[S13, §924-b; C24, 27, 31, 35, 39, §**10405;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.23]

84 Acts, ch 1090, §18; 91 Acts, ch 183, §28

**589.24 Defective instruments.**

A deed of conveyance, or other instrument purporting to convey real estate within the state, where the deed or instrument has been recorded in the office of the recorder of any county in which the real estate is situated, and the deed or instrument was executed by a county treasurer under a tax sale, a sheriff under execution sale, or by a resident or foreign executor, administrator, referee, receiver, trustee, guardian, commissioner, individual, partnership, association, or corporation, and was executed and recorded more than ten years earlier, and if the grantee named in the deed or conveyance, or other instrument, or the grantee's heirs or devisees, by direct line of title or conveyance have been in the actual, open, adverse possession of the premises since that date, is legalized, valid, and binding, notwithstanding defects in the execution of the deed or instrument.

[S13, §2963-c; C24, 27, 31, 35, 39, §**10406;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §589.24]

84 Acts, ch 1090, §19; 91 Acts, ch 183, §29; 2008 Acts, ch 1032, §106

**589.25 Sales of real estate by school district.**

All deeds and conveyances of land executed by or purporting to be executed by a school district or by the board of directors of a school district, and placed of record more than ten years earlier, which deeds or conveyances purport to sustain the record title, are legalized and valid, even though the record fails to show that all necessary steps in the sale and deeding of the property were complied with. The deeds and conveyances are legalized and valid as if the record showed that the law had been complied with, and that the sales had been duly authorized by the electors of the school district.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §589.25]

84 Acts, ch 1090, §20; 91 Acts, ch 183, §30

**589.26 Land transfers by the department of human services legalized.**

Every deed, release or other instrument in writing purporting to transfer any interest in land held or claimed by the department of human services or a predecessor agency, which is signed by a departmental official, and which was filed of record more than ten years earlier, in the office of the auditor or recorder or clerk of the district court of any county is legalized and shall be good and valid in law and in equity as fully as if the record expressly showed that it in all respects complied with and was fully authorized as provided in any statute pertaining to such instrument, any other provision of law to the contrary notwithstanding.

[C62, 66, 71, 73, 75, 77, 79, 81, §589.26]

91 Acts, ch 183, §31

**589.27 Condemnation by department of transportation.**

In any condemnation proceedings instituted by the state department of transportation and pending on or filed subsequent to January 1, 1968, in any court of the state, under chapter 6B, wherein the property owner has served a proper notice of appeal on the applicant for condemnation within the statutory period, but has failed to serve notice of appeal on a lienholder within the statutory period as required by section 6B.18, such failure shall not deprive the court of jurisdiction insofar as the property owner is concerned, unless a lienholder can show prejudice thereby, and in such instances the appeal, as it affects the property owner, is legalized and validated.

Any award of damages and judgment for costs, in any such proceeding, which has been set aside or vacated, by reason of the failure of the property owner to serve notice of appeal on a lienholder within the statutory period required under section 6B.18, shall be reinstated by the

court where such award and judgment was entered after notice and hearing, as prescribed by the court, and after a finding that such lienholder will not be prejudiced thereby.
[C73, 75, 77, 79, 81, §589.27]

**589.28 County surplus property — sale legalized.**
All proceedings taken by the board of supervisors of any county pertaining to the sale of any property which was no longer needed for the purpose for which it was acquired or any other county purpose and sold pursuant to section 331.361, where the board failed to offer such property for sale at a public auction on or after June 30, 1974 and on or before July 1, 1975 are validated, legalized, and confirmed and shall constitute a valid, legal, and binding sale of such property sold on or after June 30, 1974 and on or before July 1, 1975 by the board of supervisors of any county.
[C81, §589.28]

**589.29 Permission to lay water mains.**
The provisions of section 320.4, relating to the laying of water mains apply to all permits or permissions granted by a county board of supervisors or the state department of transportation and its predecessors before July 1, 1979 and are retroactive to that extent.
[82 Acts, ch 1165, §1]

**589.30 Establishment of ancient county roads.**
Effective January 1, 1993, the establishment of a county road pursuant to proceedings by a board of supervisors, in which the proceedings, plans, or plats were on file or recorded with the county auditor or county recorder prior to January 1, 1920, are not ineffectual because of the failure of the board of supervisors to comply with any of the steps necessary for the establishment of the road, and these proceedings are legalized and valid as if the record showed that the law had been complied with, unless the adjacent property owner, or an attorney, agent, guardian, conservator, trustee, or parent of a minor adjacent property owner, files in the office of the county recorder in the county where the property is located, a statement in writing, which is duly acknowledged, and which specifically describes the property involved, the nature and extent of the right of the interest claimed, and the nature of the alleged failure to comply with any of the steps necessary for the establishment of the road, on or before December 31, 1992.
92 Acts, ch 1169, §1

**589.31 City and county deeds.**
All deeds and conveyances of land executed by or purporting to be executed by the governing body of a city or county, and placed of record more than ten years earlier, which deeds or conveyances purport to sustain the record title, are legalized and valid, even though the record fails to show that all necessary steps in the conveyance and deeding of the property were complied with. The deeds and conveyances are legalized and valid as if the record showed that the law had been complied with, and that the conveyances and deeding had been duly authorized by the governing body of the city or county.
97 Acts, ch 156, §1

# CHAPTER 590

## WILLS

590.1 Notice of appointment of executors.
590.2 Notice of hearing in probate.

**590.1 Notice of appointment of executors.**
In all instances prior to January 1, 1964, where executors or administrators have failed to publish notice of their appointment as required by section 3304, Code of 1897, and section

11890, Codes of 1924 to 1939, inclusive, and section 633.46, Codes 1946 to 1962, inclusive, but have published a notice of appointment, such notice of appointment is hereby legalized and shall have the same force and effect as though the same had been published as directed by the court or clerk.

In all instances where more than five years have passed since the appointment of a personal representative or probate of a will without administration, where administrators have failed to publish notice of their appointment as required by section 633.230, and executors have failed to publish a notice of admission of the will to probate and their appointment as required by sections 633.304 and 633.305, but have published a notice of appointment or notice of admission of the will to probate and of the appointment of the executor, such notice of appointment or notice of admission of the will to probate and of the appointment of the executor, is hereby legalized and shall have the same force and effect as though the same had been published as required.

[C24, 27, 31, 35, 39, §**10407;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §590.1]

**590.2 Notice of hearing in probate.**

In all instances prior to January 1, 1964, where the clerk of the district court of any county failed to publish notice of the time fixed for hearing of the probate of any will filed in such county as required by section 11865 of the Code [1924 to 1939, inclusive], and section 633.20, Codes 1946 to 1962, inclusive, but did publish a notice of the time fixed for such hearing signed by the clerk and addressed to whom it may concern in a daily or weekly newspaper printed in the county where the will was filed, such notice of time fixed for the hearing of the probate of such will is hereby legalized and shall have the same force and effect as though the same had been published in strict conformity with the requirements of said section.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §590.2]

# CHAPTER 591

## CORPORATIONS LEGALIZED


591.1 Defective publication.
591.2 Publication after required time.
591.3 Filing of renewals after required time.
591.4 Defective notice or acknowledgment, etc.
591.5 Notices of incorporation.
591.6 Amended articles and change of name.
591.7 Cooperative associations or corporations.
591.8 Defective organization or renewal.
591.9 Interstate bridges — merger and consolidation.
591.10 Failure to publish notice of renewal.
591.11 Failure to publish notice of amendment.
591.12 Effect of foregoing statutes.
591.13 Corporation stock — certificates of information.
591.14 Failure to file certificate — penalty.
591.15 Failure to publish notice of incorporation or amendment.
591.16 Nonprofit corporate renewal legalized.
591.17 Nonprofit corporations legalized.


**591.1 Defective publication.**

Corporations heretofore incorporated under the laws of the state which have caused notice of their incorporation to be published once each week for four consecutive weeks in some daily, semiweekly or triweekly newspaper, instead of causing the same to be published in each issue of such newspaper for four consecutive weeks, are hereby legalized and are declared legal incorporations the same as though the law had been complied with in all respects in regard to the publication of notice.

[S13, §1613-a; C24, 27, 31, 35, 39, §**10408;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.1]

Referred to in §591.12

**591.2 Publication after required time.**

In all instances where the incorporators of corporations organized in this state for pecuniary profit have omitted to publish notice of such incorporation within three months after the date of the certificates of incorporation issued by the secretary of state, but did publish such notices thereafter in the manner and form as required by law, such notices of incorporation are hereby legalized and shall have the same force and effect as though published within said period of three months.

[C24, 27, 31, 35, 39, §**10409;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.2]

Referred to in §591.12

**591.3 Filing of renewals after required time.**

In all instances where proper action has been taken prior to July 1, 1959, by the stockholders for renewal of any corporation for pecuniary profit and the certificates showing such proceedings, together with the articles of incorporation, have been filed and recorded in the office of the county recorder and later in the office of the secretary of state, or have been filed and recorded in the office of the secretary of state and later in the office of the county recorder, although there has been failure to file such certificates and articles of incorporation in either or both of the said offices within the time specified therefor by law, such renewals are hereby legalized and shall be held to have the same force and effect as though the filings of the said documents in the said offices had been made within the periods prescribed by statute.

[SS15, §1618-1a; C24, 27, 31, 35, 39, §**10410;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.3]

Referred to in §591.12

**591.4 Defective notice or acknowledgment, etc.**

In all instances where the incorporators of corporations organized in the state prior to January 1, 1959, have failed to publish notices of such incorporation within three months from and after the date of the certificates of incorporation issued by the secretary of state, but did publish such notices within three months after the date required by law in such cases in manner and form as required by law, and in all instances where the number of incorporators or the signatures or acknowledgment thereof were less than the number required by law, or the articles of incorporation were otherwise defective, but where the corporation or association has thereafter been conducted with the requisite number of stockholders or members, such notices of incorporation and the incorporation of corporations or associations so defectively incorporated are in each and every case hereby legalized and all the corporate acts of all such corporations and associations are hereby legalized in all respects.

[C24, 27, 31, 35, 39, §**10411;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.4]

Referred to in §591.12

**591.5 Notices of incorporation.**

In all instances where the incorporators of corporations for pecuniary profit have omitted to publish notice of incorporation within three months from the date of the certificate of incorporation issued by the secretary of state, but have published notice thereafter in manner and form as by law required, such notices are hereby legalized and shall have the same force and effect as though published within said period of three months, as to all acts of said corporation from the date of said completed publication.

[C24, 27, 31, 35, 39, §**10412;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.5]

Referred to in §591.12

**591.6 Amended articles and change of name.**

Any corporation, organized under chapter 2 of Title IX, Code of 1897, or chapter 394, Codes of 1924, 1927, 1931, 1935 and 1939, or chapter 504, Codes of 1946, 1950, 1954 and 1958, which shall have heretofore adopted articles of incorporation or changed its name or amended its articles, and some question has arisen as to whether such articles, change in name or amendment was adopted by a majority of the members of such corporation as required by section 1651, Code of 1897, and section 8593, Codes of 1924, 1927, 1931, 1935

and 1939, and section 504.19, Codes of 1946, 1950, 1954 and 1958, and such corporation shall have been engaged in the exercise of its corporate functions for the period of at least three years, such articles, change in name or amendment shall be held and considered to have been duly adopted by a majority of all the members of such corporation and are hereby legalized and made valid.

[S13, §1642-b; C24, 27, 31, 35, 39, §**10413;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.6]

Referred to in §591.12

**591.7 Cooperative associations or corporations.**

In all instances where cooperative associations or corporations have been organized under the law as it appears in chapter 389, Code of 1927, where such associations or corporations have filed the original articles rather than a verified copy with the county recorder or where the secretary of state failed to certify the filing and acceptance of such articles, or where the certificate of the secretary of state contained a facsimile signature rather than the true signature of the secretary of state, or where there is any defect in the articles, notice, procedure or otherwise, the incorporation of such corporation or association and all of the corporate acts thereof are hereby legalized in all respects.

[C31, 35, §10413-c1; C39, §**10413.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.7]

Referred to in §591.12

**591.8 Defective organization or renewal.**

In all cases wherein a corporation organized or purporting to have been organized under the laws of this state has adopted articles of incorporation or other instrument of similar import and has functioned as a corporation in carrying out the objects and purposes set forth therein and in the transaction of its business, but has failed to file its articles of incorporation or such other instrument with the secretary of state, or otherwise to comply with the laws of this state relating to the organization of corporations, or to take appropriate action for the renewal of its existence within the period limited by law, and has, subsequent thereto, filed in the office of the secretary of state its renewal articles of incorporation and a certificate of the adoption thereof, paid all fees in connection therewith and has heretofore received a certificate from the secretary of state renewing and extending its corporate existence, the acts, franchises, rights, privileges and corporate existence of any such corporation are hereby legalized and validated and shall have the same force and effect as if all the laws of this state relating to the organization of corporations and the renewal of their corporate existence had been strictly complied with.

[C31, 35, §10413-d1; C39, §**10413.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.8]

Referred to in §591.12

**591.9 Interstate bridges — merger and consolidation.**

In all cases wherein any corporation organized or purporting to have been organized under the laws of this state for the purpose of constructing or operating a bridge or both, one extremity of which shall rest in an adjacent state, has attempted to merge or consolidate its stock, property, franchises, assets and liabilities with the stock, property, franchises, assets and liabilities of a corporation organized or purporting to have been organized for a similar purpose under the laws of such adjacent state, and such corporations have in fact united and combined their stock, property, franchises, assets and liabilities, such merger or consolidation, together with the action taken in effecting such merger or consolidation, is hereby legalized and validated, and such corporations so merging or consolidating shall be deemed to have become one corporation under such name as shall have been agreed upon, and such corporation shall be deemed on the date of such merger or consolidation to have succeeded to all the property, rights, privileges, assets and franchises and to have assumed all of the liabilities of such merging or consolidating corporations.

[C31, 35, §10413-d2; C39, §**10413.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.9]

Referred to in §591.12

**591.10 Failure to publish notice of renewal.**

In all instances where there has been an omission to publish notice of renewal within three months after the filing of the certificate and articles of incorporation with the secretary of state as provided in section 491.32, Code 1954, but such notice was published thereafter in the manner and form as required by law and proof of publication filed in the office of the secretary of state, such notices are hereby legalized and shall have the same force and effect as though published within said period of three months and proper proof of publication thereof was filed.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.10]

Referred to in §591.12

**591.11 Failure to publish notice of amendment.**

In all instances where notices of amendments to articles of incorporation have not been published within three months after the filing with and approval by the secretary of state of such amendments, as provided in section 491.20, Code 1954, but such notices have been thereafter published in the form and manner as required by law and proof of publication filed with the secretary of state, such notices are hereby legalized and shall have the same force and effect as though published within said period of three months and proper proof of publication filed with the secretary of state.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §591.11]

2006 Acts, ch 1010, §151

Referred to in §591.12

**591.12 Effect of foregoing statutes.**

Sections 591.1 to 591.11 hereof shall not affect pending litigation and shall not operate to revive rights or claims previously barred, and shall not permit an action to be brought or maintained upon any claim or cause of action which was barred by any statute which was in force prior to July 4, 1955.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §591.12]

**591.13 Corporation stock — certificates of information.**

In all instances in which corporations, incorporated under the laws of this state, have properly issued any of their capital stock prior to July 4, 1951, and have filed in the office of secretary of state certificates relative thereto containing the specific information required by statute at the time of the issuance of said stock, although there has been failure to file such certificates in said office within the time specified therefor by law, such filings are hereby legalized and shall be held to have the same force and effect as though the filings of the said certificates had been made within the period prescribed by the statute then in effect.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §591.13]

**591.14 Failure to file certificate — penalty.**

Any corporation organized under the laws of this state which failed to file with the office of secretary of state a certificate relative to any issuance of its capital stock prior to July 4, 1951, containing the specific information required by statute at the time of such issuance of stock may file with the office of the secretary of state subsequent to July 4, 1955, a certificate of issuance of said stock upon first paying to the secretary of state a penalty of ten dollars when said certificate is offered for filing and, provided that the penalty herein provided for is first paid and that said certificate contains the specific information required by section 492.9, said certificate when so filed shall be received by the secretary of state as a compliance with the statutes requiring the filing of such certificates in effect at the time of the issuance of said stock and shall be held to have the same force and effect as though the filing of said certificate had been made within the period prescribed by statute then in effect.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §591.14]

**591.15 Failure to publish notice of incorporation or amendment.**

In all instances where the incorporators, stockholders and directors of corporations organized in this state for pecuniary profit have omitted to publish notice of incorporation

or notice of amendments to articles of incorporation within three months after the date of the certificates of incorporation issued by the secretary of state or approval by the secretary of state of such amendments, but have published such notices of incorporation or notices of amendments to articles of incorporation and filed proper proof of publication with the secretary of state prior to July 4, 1963, such notices of incorporation and notices of amendments to articles of incorporation are hereby legalized and shall have the same force and effect as though published within said period of three months.

[C66, 71, 73, 75, 77, 79, 81, §591.15]

**591.16 Nonprofit corporate renewal legalized.**

In all cases wherein any corporation organized under chapter 2 of Title IX, Code of 1897, or chapter 394 of the Codes of 1924, 1927, 1931, 1935 and 1939, or chapter 504 of the Codes of 1946, 1950, 1954, 1958 and 1962, or purporting to have been organized, reincorporated or renewed thereunder, whose articles of incorporation, either original or on renewal or reincorporation, are filed with the secretary of state has thereafter taken action to reincorporate or renew its period of existence and has filed with the secretary of state articles of incorporation on renewal or reincorporation with a certificate or proof of the adoption thereof and has paid all fees in connection therewith and has heretofore received a certificate from the secretary of state approving said articles of incorporation filed on renewal or reincorporation, the acts, franchises, rights, privileges and corporate existence of any such corporation for the period provided by any such renewal or reincorporation but not in excess of the period permitted by law and the articles of incorporation adopted on such renewal or reincorporation, as filed in the office of the secretary of state, are hereby legalized and validated and shall have the same force and effect as if all the laws of this state relating to the organization or reincorporation of such corporations and the renewal of their corporate existence by reincorporation or renewal had been strictly complied with.

This section shall not operate to revive rights or claims previously barred and shall not permit an action to be brought or maintained upon any claim or cause of action which was barred by any statute which was in force prior to the effective date of this section.

[C66, 71, 73, 75, 77, 79, 81, §591.16]

**591.17 Nonprofit corporations legalized.**

In all instances where corporations not for pecuniary profit have heretofore adopted renewal articles of incorporation or articles of reincorporation and there has been a failure to set forth therein the time of the annual meeting or the time of the annual meeting of the trustees or directors and such renewal articles of incorporation or articles of reincorporation are otherwise complete and in compliance with the law as set forth in section 504.1, Code 1989, such renewal articles of incorporation or articles of reincorporation are hereby legalized and validated and shall be held to have the same force and effect as though all of such provisions had been complied with in all respects.

In all instances where corporations not for pecuniary profit have adopted renewal articles of incorporation or articles of reincorporation and the certificate thereof shall not have been signed and acknowledged by the three or more persons who shall have adopted the same but such documents shall have been signed and acknowledged by one or more officers of the corporation or of its board of directors or trustees, such certificates of renewal are hereby legalized and validated and shall be held to be in full force and effect.

[C66, 71, 73, 75, 77, 79, 81, §591.17]

2004 Acts, ch 1086, §95

# CHAPTER 592

## CITIES AND TOWNS


592.1 Bonds for garbage disposal plants.
592.2 Plats legalized.
592.3 City and town plats.
592.4 Making and recording plats.
592.5 Ordinances and proceedings of council.
592.6 Contracts, elections and ordinances in re libraries.
592.7 Changing names of streets.
592.8 Taxes for secondary roads.
592.9 City waterworks.


**592.1 Bonds for garbage disposal plants.**

All proceedings of such cities and towns as herein included, heretofore had, subsequent to the adoption of section 696-b [SS 15] by the thirty-sixth general assembly, and prior to the passage of this Act,* providing for the issuance of bonds within the limitations of this Act, for the purchase or erection of garbage disposal plants, the vote of the people authorizing such issue and the bonds issued under such proceedings and vote, are hereby legalized and declared legal and valid, the same as though all of the provisions of this Act had been included in said section 696-b of the supplemental supplement to the Code, 1915, and such cities may issue and sell such bonds without again submitting such question to vote.

[C24, 27, 31, 35, 39, §**10414;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §592.1]

*See 17 Acts, ch 367, effective May 1, 1917

**592.2 Plats legalized.**

None of the provisions of this chapter [ch 13, title V, Code of 1897] shall be construed to require replatting in any case where plats have been made and recorded in pursuance of law; and all plats heretofore filed for record and not subsequently vacated are hereby declared valid, notwithstanding irregularities and omissions in the required statement or plat, or in the manner or form of acknowledgment, or certificates thereof.

[C73, §571; C97, §929; C24, 27, 31, 35, 39, §**10415;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §592.2]

**592.3 City and town plats.**

1. *a.* In all cases where, prior to January 1, 1980, any person has laid out any parcel of land into town or city lots and the plat of the lots has been recorded and the plat appears to be insufficient because of failure to show certificates of the county clerk of the district court, county treasurer, or county recorder, or the affidavit and bond, if any, and the certificate of approval of the local governing body or because the certificates are defective, or because of a failure to fully comply with all of the provisions of chapter 354 of the Code in effect at the time of the recording of the plat, or corresponding statutes of earlier Codes, or because the plat failed to show signatures or acknowledgment of proprietors as provided by law, or because the acknowledgment was defective, and subsequent to the platting, lots or subdivisions of the lots have been sold and conveyed, all such said plats which have not been vacated, are legalized as of the date of the recording of the plat, the same as though all certificates have been attached and all the other necessary steps taken as provided by law, and the record of the plat shall be conclusive evidence that the person was the proprietor of the tract of land and the owner of the tract at the time of the platting, and that the tract of land was free and clear of all encumbrances unless an affidavit to the contrary was filed at the time of recording the plat.

*b.* After July 1, 1992, no action shall be brought on any cause arising more than ten years earlier or which has been in existence for more than ten years, to establish, enforce, or recover any right, title, interest, lien, or condition existing at the time of the platting, and adverse to a clear and unqualified title in fee simple in the owner unless on or before July 1, 1992, there is filed in the office of county recorder of the county where the real estate involved is located a written statement, acknowledged by the claimant, definitely describing the real

estate involved, stating the nature and extent of the right or interest claimed, and stating the facts upon which the claim is based.

2. *a.* After July 1, 1992, in all cases where more than ten years earlier, a plat of lots from a parcel of land which has been laid into town or city lots has been recorded and the plat appears to be insufficient, the plat is legalized as of the date of the recording of the plat to the same extent as if the plat did not appear insufficient, if subsequent to the platting, the lots or a subdivision of the lots have been sold and conveyed, and the plats have not been vacated. A plat shall appear insufficient because of one of the following:

(1) A failure to show or a deficiency in a certificate of the county clerk of the district court, county treasurer, or county recorder, or an affidavit and bond, or a certificate of approval of a local governing body.

(2) A failure to fully comply with Code provisions in effect at the time of the recording of the plat.

(3) A failure to show or a deficiency in a signature or acknowledgment of a proprietor as provided by law.

*b.* The record of the plat shall be conclusive evidence that the person was the proprietor of the tract of land and the owner of the tract at the time of the platting, and that the tract of land was free and clear of all encumbrances unless an affidavit to the contrary was filed at the time of recording the plat.

[C24, 27, 31, 35, 39, §**10416;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §592.3]

91 Acts, ch 183, §32; 2013 Acts, ch 30, §261

Code editor directive applied

**592.4 Making and recording plats.**

The acts of the county auditors of Iowa, in making and recording plats as authorized under sections 922, 923 and 924 of the Code, 1897, and sections 6289 to 6299, inclusive, of subsequent Codes to and including the Code, 1939, without first having properly signed or acknowledged the same, and the acts of the county recorders of Iowa in recording such plats, are hereby legalized and the same declared valid and binding the same as though they had in such respects been made and recorded in strict compliance with law.

[S13, §924-a; C24, 27, 31, 35, 39, §**10417;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §592.4]

**592.5 Ordinances and proceedings of council.**

All acts, motions, proceedings, resolutions, and ordinances heretofore passed or adopted by the council of any city and incorporated towns in the state on the supposition that the mayor was not a member of such council, and which would conform to the law if the mayor had not been a member of said council, shall for all purposes from the date of such act, motion, proceeding, resolution, or ordinance, be considered as valid and legal as they would have been had the mayor not been a member of such body.

[S13, §658-a; C24, 27, 31, 35, 39, §**10418;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §592.5]

**592.6 Contracts, elections and ordinances in re libraries.**

Where cities or incorporated towns and institutions of learning have established or contracted to establish public libraries to be maintained and controlled jointly as contemplated by this Act,* all contracts, elections, ordinances, and other proceedings made, held, or passed in the manner provided by law are hereby declared as valid and obligatory upon the parties thereto as though the same had been made, held, or passed after the taking effect of this Act.

[S13, §730-a; C24, 27, 31, 35, 39, §**10419;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §592.6]

*See 1904 Acts, ch 24, §3, effective July 4, 1904

**592.7 Changing names of streets.**

Whereas, certain cities throughout the state of Iowa have passed ordinances changing the name or names of certain streets in the cities;

Now, therefore, it is provided that the acts of the city councils of the cities in enacting the ordinances changing the names of certain streets are hereby declared valid. The proper method for recording a change of street name is found in section 354.26.

[C24, 27, 31, 35, 39, §**10420;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §592.7]

90 Acts, ch 1236, §51

**592.8 Taxes for secondary roads.**

All taxes heretofore* assessed, levied or collected by any county, for secondary road construction and maintenance purposes, on real and personal property within cities and towns located in any such county, be and the same are hereby declared to be legal and valid, and where the same have not been paid, the officers of such counties are hereby empowered and directed to proceed at once to collect the same as other taxes are collected and to use the same for authorized secondary road construction and maintenance purposes.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §592.8]

*Effective May 27, 1955

**592.9 City waterworks.**

All proceedings taken prior to January 1, 1961 purporting to provide for the establishment, organization, formation, operation, or maintenance of a city waterworks and not previously declared invalid by any court, are legalized, validated and confirmed. All such proceedings are declared to be legally sufficient to create, establish and authorize the maintenance and operation of a city waterworks as a city utility, as defined in section 362.2, subsection 6.

[81 Acts, ch 187, §1]

# CHAPTERS 593 and 594

RESERVED

# CHAPTER 594A

SCHOOL CORPORATIONS


| | |
|---|---|
| 594A.1 | Organization or change in boundaries. |
| 594A.2 | Organization or change before July 2, 1960. |
| 594A.3 | Organization or change before September 1, 1963. |
| 594A.4 | Public community or junior colleges. |
| 594A.5 | Organization or change before January 1, 1965. |
| 594A.6 | Organization or change before January 1, 1967. |
| 594A.7 | Merged area schools before January 1, 1969. |
| 594A.8 | Organization or change before January 1, 1969. |
| 594A.9 | Merged areas before January 1, 1972. |


**594A.1 Organization or change in boundaries.**

All proceedings taken prior to January 2, 1959, purporting to provide for the organization, reorganization, enlargement, or change in the boundaries of any school corporation in this state and not heretofore declared invalid by any court are hereby legalized, validated and confirmed.

The foregoing shall not be construed to affect any litigation that may be pending at the time this section* becomes effective involving the organization, reorganization, enlargement or change in boundaries of any school corporation.

[C58, 62, 66, 71, 73, 75, 77, 79, 81, §594A.1]

*Effective July 4, 1959

See also 59 Acts, ch 349, effective February 13, 1959

**594A.2 Organization or change before July 2, 1960.**

All proceedings taken prior to July 2, 1960, purporting to provide for the organization, reorganization, enlargement, or change in the boundaries of any school corporation in this state and not heretofore declared invalid by any court are hereby legalized, validated and confirmed.

[C62, 66, 71, 73, 75, 77, 79, 81, §594A.2]

**594A.3 Organization or change before September 1, 1963.**

All proceedings taken prior to September 1, 1963, purporting to provide for the organization, reorganization, enlargement, or change in the boundaries of any school corporation in this state and not heretofore declared invalid by any court are hereby legalized, validated and confirmed.

The foregoing shall not be construed to affect any litigation that may be pending at the time this section becomes effective involving the organization, reorganization, enlargement, or change in boundaries of any school corporation.

[C66, 71, 73, 75, 77, 79, 81, §594A.3]

**594A.4 Public community or junior colleges.**

All proceedings heretofore taken by or on behalf of any school corporation for the organization, establishment and maintenance of a public community or junior college therein are hereby legalized, validated and confirmed.

[C66, 71, 73, 75, 77, 79, 81, §594A.4]

**594A.5 Organization or change before January 1, 1965.**

All proceedings taken prior to January 1, 1965, purporting to provide for the organization, reorganization, enlargement, or change in the boundaries of any school corporation in this state and not heretofore declared invalid by any court are hereby legalized, validated and confirmed.

The foregoing shall not be construed to affect any litigation that may be pending at the time this section becomes effective involving the organization, reorganization, enlargement, or change in boundaries of any school corporation.

[C66, 71, 73, 75, 77, 79, 81, §594A.5]

**594A.6 Organization or change before January 1, 1967.**

All proceedings taken prior to January 1, 1967, purporting to provide for the organization of, reorganization of, attachment of territory to, enlargement of, or change in boundaries of any school corporation in this state and not heretofore declared invalid by any court are hereby legalized, validated and confirmed.

The foregoing shall not be construed to affect any litigation that may be pending at the time this section becomes effective, involving the organization of, reorganization of, attachment of territory to, enlargement of, or change in boundaries of any school corporation.

This section shall not apply to proceedings purporting to provide for the attachment of territory to a school corporation pursuant to section 275.1, if such attachment was disapproved by the state board of public instruction pursuant to said section and was not subsequently approved by the state board of public instruction prior to January 1, 1967.

[C71, 73, 75, 77, 79, 81, §594A.6]

**594A.7 Merged area schools before January 1, 1969.**

All proceedings taken prior to January 1, 1969, purporting to provide for the establishment, organization, formation, and changes in the boundaries of merged areas under the provisions of chapter 260C and not heretofore declared invalid by any court, are hereby legalized, validated and confirmed.

The foregoing shall not be construed to affect any litigation that may be pending July 1, 1969, involving the establishment, organization, formation, or changes in the boundaries of any such merged area.

[C71, 73, 75, 77, 79, 81, §594A.7]

**594A.8 Organization or change before January 1, 1969.**

All proceedings taken prior to January 1, 1969, purporting to provide for the organization of, reorganization of, attachment of territory to, enlargement of, or change in boundaries of any school corporation in this state and not heretofore declared invalid by any court are hereby legalized, validated and confirmed.

The foregoing shall not be construed to affect any litigation that may be pending at the time this section becomes effective, involving the organization of, reorganization of, attachment of territory to, enlargement of, or change in boundaries of any school corporation.

This section shall not apply to proceedings purporting to provide for the attachment of territory to a school corporation pursuant to section 275.1, if such attachment was disapproved by the state board of public instruction pursuant to said section and was not subsequently approved by the state board of public instruction prior to January 1, 1969.

[C71, 73, 75, 77, 79, 81, §594A.8]

**594A.9 Merged areas before January 1, 1972.**

All proceedings taken after January 1, 1969 and prior to January 1, 1972, purporting to provide for the establishment, organization, formation, and changes in the boundaries of merged areas under the provisions of chapter 260C, and not heretofore declared invalid by any court, are legalized, validated, and confirmed. The foregoing shall not be construed to affect any litigation that may be pending July 1, 1972 involving the establishment, organization, formation, or changes in the boundaries of any such merged area.

[C73, 75, 77, 79, 81, §594A.9]

# TITLE XV

## JUDICIAL BRANCH AND JUDICIAL PROCEDURES

Referred to in §29A.105

# SUBTITLE 1

## DOMESTIC RELATIONS

## CHAPTER 595

### MARRIAGE

Referred to in §216.18, 331.611

Exempt from gender editorial changes, 82 Acts, ch 1217, §2


595.1 Definitions.
595.1A Contract.
595.2 Gender — age.
595.3 License.
595.3A Application form and license — abuse prevention language.
595.4 Age and qualification — verified application — waiting period — exception.
595.5 Name change adopted.
595.6 Filing and record required.
595.7 Delivery of blank with license.
595.8 Repealed by 75 Acts, ch 244, §5.
595.9 Violations.
595.10 Who may solemnize.
595.11 Nonstatutory solemnization — forfeiture.
595.12 Fee and expenses.
595.13 Certificate — return.
595.14 Repealed by 73 Acts, ch 281, §1.
595.15 Inadequate return.
595.16 Spouse responsible for return.
595.16A Issuance of certified copy of certificate of marriage.
595.17 Exceptions.
595.18 Issue legitimatized.
595.19 Void marriages.
595.20 Foreign marriages — validity.
595.21 through 595.28 Repealed by 57 Acts, ch 255, §1.


**595.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**595.1A Contract.**

Marriage is a civil contract, requiring the consent of the parties capable of entering into other contracts, except as herein otherwise declared.

[C51, §1463; R60, §2515; C73, §2185; C97, §3139; C24, 27, 31, 35, 39, §**10427;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.1]

C2001, §595.1A

**595.2 Gender — age.**

1. Only a marriage between a male and a female is valid.

2. Additionally, a marriage between a male and a female is valid only if each is eighteen years of age or older. However, if either or both of the parties have not attained that age, the marriage may be valid under the circumstances prescribed in this section.

3. If either party to a marriage falsely represents the party's self to be eighteen years of age or older at or before the time the marriage is solemnized, the marriage is valid unless the person who falsely represented their age chooses to void the marriage by making their true age known and verified by a birth certificate or other legal evidence of age in an annulment

proceeding initiated at any time before the person reaches their eighteenth birthday. A child born of a marriage voided under this subsection is legitimate.

4. A marriage license may be issued to a male and a female either or both of whom are sixteen or seventeen years of age if both of the following apply:

*a.* The parents of the underage party or parties certify in writing that they consent to the marriage. If one of the parents of any underage party to a proposed marriage is dead or incompetent the certificate may be executed by the other parent, if both parents are dead or incompetent the guardian of the underage party may execute the certificate, and if the parents are divorced the parent having legal custody may execute the certificate; and

*b.* The certificate of consent of the parents, parent, or guardian is approved by a judge of the district court or, if both parents of any underage party to a proposed marriage are dead, incompetent, or cannot be located and the party has no guardian, the proposed marriage is approved by a judge of the district court. A judge shall grant approval under this subsection only if the judge finds the underage party or parties capable of assuming the responsibilities of marriage and that the marriage will serve the best interest of the underage party or parties. Pregnancy alone does not establish that the proposed marriage is in the best interest of the underage party or parties, however, if pregnancy is involved the court records which pertain to the fact that the female is pregnant shall be sealed and available only to the parties to the marriage or proposed marriage or to any interested party securing an order of the court.

5. If a parent or guardian withholds consent, the judge upon application of a party to a proposed marriage shall determine if the consent has been unreasonably withheld. If the judge so finds, the judge shall proceed to review the application under subsection 4, paragraph *"b"*.

[C51, §1464, 1469; R60, §2516, 2521; C73, §2186, 2191; C97, §3140, 3143; C24, 27, 31, 35, 39, §**10428, 10434;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §595.2, 595.8; C77, 79, 81, §595.2]

85 Acts, ch 67, §53; 98 Acts, ch 1099, §1; 99 Acts, ch 114, §44

Referred to in §595.3, 595.20

**595.3 License.**

Previous to the solemnization of any marriage, a license for that purpose must be obtained from the county registrar. The license must not be granted in any case:

1. Where either party is under the age necessary to render the marriage valid.

2. Where either party is under eighteen years of age, unless the marriage is approved by a judge of the district court as provided by section 595.2.

3. Where either party is disqualified from making any civil contract.

4. Where the parties are within the degrees of consanguinity or affinity in which marriages are prohibited by law.

5. Where either party is a ward under a guardianship and the court has made a finding that the ward lacks the capacity to contract a valid marriage.

[C51, §1465 – 1467; R60, §2517, 2518; C73, §2187 – 2189; C97, §3141, 3142; S13, §3141; C24, 27, 31, 35, 39, §**10429, 10431;** C46, 50, 54, 58, §595.3, 595.5; C62, 66, 71, 73, 75, 77, 79, 81, §595.3]

91 Acts, ch 93, §2; 95 Acts, ch 124, §13, 26; 98 Acts, ch 1099, §2

Referred to in §595.18

**595.3A Application form and license — abuse prevention language.**

In addition to any other information contained in an application form for a marriage license and a marriage license, the application form and license shall contain the following statement in bold print:

The laws of this state affirm your right to enter into this marriage and at the same time to live within the marriage under the full protection of the laws of this state with regard to violence and abuse. Neither of you is the property of the other. Assault, sexual abuse, and

willful injury of a spouse or other family member are violations of the laws of this state and are punishable by the state.

97 Acts, ch 175, §233

**595.4 Age and qualification — verified application — waiting period — exception.**

Previous to the issuance of any license to marry, the parties desiring the license shall sign and file a verified application with the county registrar which application either may be mailed to the parties at their request or may be signed by them at the office of the county registrar in the county in which the license is to be issued. The application shall include the social security number of each applicant and shall set forth at least one affidavit of some competent and disinterested person stating the facts as to age and qualification of the parties. Upon the filing of the application for a license to marry, the county registrar shall file the application in a record kept for that purpose and shall take all necessary steps to ensure the confidentiality of the social security number of each applicant. All information included on an application may be provided as mutually agreed upon by the division of records and statistics and the child support recovery unit, including by automated exchange.

Upon receipt of a verified application, the county registrar may issue the license which shall not become valid until the expiration of three days after the date of issuance of the license. If the license has not been issued within six months from the date of the application, the application is void.

A license to marry may be validated prior to the expiration of three days from the date of issuance of the license in cases of emergency or extraordinary circumstances. An order authorizing the validation of a license may be granted by a judge of the district court under conditions of emergency or extraordinary circumstances upon application of the parties filed with the county registrar. No order may be granted unless the parties have filed an application for a marriage license in a county within the judicial district. An application for an order shall be made on forms furnished by the county registrar at the same time the application for the license to marry is made. After examining the application for the marriage license and issuing the license, the county registrar shall refer the parties to a judge of the district court for action on the application for an order authorizing the validation of a marriage license prior to expiration of three days from the date of issuance of the license. The judge shall, if satisfied as to the existence of an emergency or extraordinary circumstances, grant an order authorizing the validation of a license to marry prior to the expiration of three days from the date of issuance of the license to marry. The county registrar shall validate a license to marry upon presentation by the parties of the order authorizing a license to be validated. A fee of five dollars shall be paid to the county registrar at the time the application for the order is made, which fee is in addition to the fee prescribed by law for the issuance of a marriage license.

[C51, §1468; R60, §2520; C73, §2190; C97, §3142; C24, 27, 31, 35, 39, §**10430;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.4]

85 Acts, ch 67, §54; 91 Acts, ch 116, §5; 95 Acts, ch 124, §14, 26; 97 Acts, ch 175, §234; 98 Acts, ch 1020, §3

**595.5 Name change adopted.**

1. A party may indicate on the application for a marriage license the adoption of a name change. The names used on the marriage license shall become the legal names of the parties to the marriage. The marriage license shall contain a statement that when a name change is requested and affixed to the marriage license, the new name is the legal name of the requesting party.

2. An individual shall have only one legal name at any one time.

[C79, 81, §595.5]

88 Acts, ch 1142, §1; 95 Acts, ch 124, §15, 26; 99 Acts, ch 150, §1; 2001 Acts, ch 143, §7

**595.6 Filing and record required.**

The affidavit or certificate, in each case, shall be filed by the county registrar and constitute a part of the records of the registrar's office. A memorandum of the affidavit or certificate shall also be entered in the license book.

[C51, §1468; R60, §2520; C73, §2190; C97, §3142; C24, 27, 31, 35, 39, §**10432;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.6]

85 Acts, ch 67, §55; 95 Acts, ch 124, §16, 26

**595.7 Delivery of blank with license.**

When a license is issued the county registrar shall deliver to the applicant a blank return for the marriage, and give instructions relative to the blank return as will insure a complete and accurate return.

[C24, 27, 31, 35, 39, §**10433;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.7]

95 Acts, ch 124, §17, 26

**595.8** Repealed by 75 Acts, ch 244, § 5.

**595.9 Violations.**

If a marriage is solemnized without procuring a license, the parties married, and all persons aiding them, are guilty of a simple misdemeanor.

[C51, §1470; R60, §2522; C73, §2192; C97, §3144; C24, 27, 31, 35, 39, §**10435;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.9]

**595.10 Who may solemnize.**

Marriages may be solemnized by:

1. A judge of the supreme court, court of appeals, or district court, including a district associate judge, associate juvenile judge, or a judicial magistrate, and including a senior judge as defined in section 602.9202, subsection 3.

2. A person ordained or designated as a leader of the person's religious faith.

[C51, §1472; R60, §2524; C73, §2193; C97, §3145; C24, 27, 31, 35, 39, §**10436;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.10; 81 Acts, ch 188, §1]

83 Acts, ch 159, §1; 87 Acts, ch 115, §69; 95 Acts, ch 92, §3

Referred to in §595.12

**595.11 Nonstatutory solemnization — forfeiture.**

Marriages solemnized, with the consent of parties, in any manner other than that prescribed in this chapter, are valid; but the parties, and all persons aiding or abetting them, shall pay to the treasurer of state for deposit in the general fund of the state the sum of fifty dollars each; but this shall not apply to the person conducting the marriage ceremony, if within fifteen days after the ceremony is conducted, the person makes the required return to the county registrar.

[C51, §1474, 1475; R60, §2526, 2527; C73, §2195, 2196; C97, §3147; S13, §3147; C24, 27, 31, 35, 39, §**10437;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.11]

83 Acts, ch 185, §54, 62; 95 Acts, ch 124, §18, 26

**595.12 Fee and expenses.**

1. A judge or magistrate authorized to solemnize a marriage under section 595.10, subsection 1, may charge a reasonable fee for officiating and making return for each marriage solemnized at a time other than regular judicial working hours. In addition the judge or magistrate may charge the parties to the marriage for expenses incurred in solemnizing the marriage. No judge or magistrate shall make any charge for solemnizing a marriage during regular judicial working hours. The supreme court shall adopt rules prescribing the maximum fee and expenses that the judge or magistrate may charge.

2. A minister authorized to solemnize a marriage under section 595.10, subsection 2, may

charge a reasonable fee for each marriage solemnization and making return in an amount agreed to by the parties.

[C51, §2551; R60, §4159; C73, §3828; C97, §3152; C24, 27, 31, 35, 39, §**10438;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.12]

83 Acts, ch 151, §1

**595.13 Certificate — return.**

After the marriage has been solemnized, the officiating minister or magistrate shall attest to the marriage on the blank provided for that purpose and return the certificate of marriage within fifteen days to the county registrar who issued the marriage license.

[C51, §1473, 1476; R60, §2525, 2528; C73, §2194, 2197; C97, §3146; S13, §3146; C24, 27, 31, 35, 39, §**10439;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.13]

95 Acts, ch 124, §19, 26; 2000 Acts, ch 1140, §44; 2002 Acts, ch 1119, §189

See also §144.36 for certificate

**595.14** Repealed by 73 Acts, ch 281, § 1.

**595.15 Inadequate return.**

If the return of a marriage is not complete in every particular as required by the forms specified in section 144.12, the county registrar shall require the person making the same to supply the omitted information.

[C24, 27, 31, 35, 39, §**10441;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.15]

95 Acts, ch 124, §20, 26

**595.16 Spouse responsible for return.**

When a marriage is consummated without the services of a cleric or magistrate, the required return of the marriage may be made to the county registrar by either spouse.

[C51, §1478; R60, §2530; C73, §2199; C97, §3149; C24, 27, 31, 35, 39, §**10442;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.16]

95 Acts, ch 124, §21, 26

**595.16A Issuance of certified copy of certificate of marriage.**

Following receipt of the original certificate of marriage pursuant to section 144.36, the county registrar shall issue a certified copy of the original certificate of marriage to the parties to the marriage.

2000 Acts, ch 1140, §45, 49

**595.17 Exceptions.**

The provisions of this chapter, as they relate to procuring licenses and to the solemnizing of marriages are not applicable to members of a denomination having an unusual mode of entering the marriage relation.

[C51, §1477; R60, §2529; C73, §2198; C97, §3148; C24, 27, 31, 35, 39, §**10443;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.17; 82 Acts, ch 1152, §2]

**595.18 Issue legitimatized.**

Children born outside of a marriage become legitimate by the subsequent marriage of their parents. Children born of a marriage contracted in violation of section 595.3 or 595.19 are legitimate.

[C51, §1479; R60, §2531; C73, §2200; C97, §3150; C24, 27, 31, 35, 39, §**10444;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §595.18]

94 Acts, ch 1046, §30

**595.19 Void marriages.**

1. Marriages between the following persons who are related by blood are void:

*a.* Between a man and his father's sister, mother's sister, daughter, sister, son's daughter, daughter's daughter, brother's daughter, or sister's daughter.

*b.* Between a woman and her father's brother, mother's brother, son, brother, son's son, daughter's son, brother's son, or sister's son.

*c.* Between first cousins.

2. Marriages between persons either of whom has a husband or wife living are void, but, if the parties live and cohabit together after the death or divorce of the former husband or wife, such marriage shall be valid.

[R60, §4367, 4368; C73, §4030; C97, §3151, 4936; S13, §4936; C24, 27, 31, 35, 39, §**10445;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 595.19]

85 Acts, ch 99, §8; 94 Acts, ch 1023, §117

Referred to in §595.18

Incest, see §726.2

**595.20 Foreign marriages — validity.**

A marriage which is solemnized in any other state, territory, country, or any foreign jurisdiction which is valid in that state, territory, country, or other foreign jurisdiction, is valid in this state if the parties meet the requirements for validity pursuant to section 595.2, subsection 1, and if the marriage would not otherwise be declared void.

98 Acts, ch 1099, §3

**595.21 through 595.28** Repealed by 57 Acts, ch 255, § 1.

# CHAPTER 596

## PREMARITAL AGREEMENTS

Chapter applies to premarital agreements executed on or after January 1, 1992; agreements entered into prior to that date not affected; §596.12


| | | | |
|---|---|---|---|
| 596.1 | Definitions. | 596.7 | Revocation. |
| 596.2 | Construction and application. | 596.8 | Enforcement. |
| 596.3 | Short title. | 596.9 | Unconscionability. |
| 596.4 | Formalities. | 596.10 | Enforcement — void marriage. |
| 596.5 | Content. | 596.11 | Limitation of actions. |
| 596.6 | Effective date of agreement. | 596.12 | Effective date. |


**596.1 Definitions.**

As used in this chapter:

1. *"Premarital agreement"* means an agreement between prospective spouses made in contemplation of marriage and to be effective upon marriage.

2. *"Property"* means an interest, present or future, legal or equitable, vested or contingent, in real or personal property.

91 Acts, ch 77, §1

**596.2 Construction and application.**

This chapter shall be construed and applied to effectuate its general purpose to make uniform the law with respect to premarital agreements.

91 Acts, ch 77, §2

**596.3 Short title.**

This chapter may be cited as the *"Iowa Uniform Premarital Agreement Act"*.

91 Acts, ch 77, §3

**596.4 Formalities.**

A premarital agreement must be in writing and signed by both prospective spouses. It is enforceable without consideration other than the marriage. Both parties to the agreement shall execute all documents necessary to enforce the agreement.

91 Acts, ch 77, §4

**596.5 Content.**

1. Parties to a premarital agreement may contract with respect to the following:

*a.* The rights and obligations of each of the parties in any of the property of either or both of them whenever and wherever acquired or located.

*b.* The right to buy, sell, use, transfer, exchange, abandon, lease, consume, expend, assign, create a security interest in, mortgage, encumber, dispose of, or otherwise manage and control property.

*c.* The disposition of property upon separation, dissolution of the marriage, death, or the occurrence or nonoccurrence of any other event.

*d.* The making of a will, trust, or other arrangement to carry out the provisions of the agreement.

*e.* The ownership rights in and disposition of the death benefit from a life insurance policy.

*f.* The choice of law governing the construction of the agreement.

*g.* Any other matter, including the personal rights and obligations of the parties, not in violation of public policy or a statute imposing a criminal penalty.

2. The right of a spouse or child to support shall not be adversely affected by a premarital agreement.

91 Acts, ch 77, §5

**596.6 Effective date of agreement.**

A premarital agreement becomes effective upon the marriage of the parties.

91 Acts, ch 77, §6

**596.7 Revocation.**

After marriage, a premarital agreement may be revoked only as follows:

1. By a written agreement signed by both spouses. The revocation is enforceable without consideration.

2. To revoke a premarital agreement without the consent of the other spouse, the person seeking revocation must prove one or more of the following:

*a.* The person did not execute the agreement voluntarily.

*b.* The agreement was unconscionable when it was executed.

*c.* Before the execution of the agreement the person was not provided a fair and reasonable disclosure of the property or financial obligations of the other spouse; and the person did not have, or reasonably could not have had, an adequate knowledge of the property or financial obligations of the other spouse.

91 Acts, ch 77, §7

**596.8 Enforcement.**

1. A premarital agreement is not enforceable if the person against whom enforcement is sought proves any of the following:

*a.* The person did not execute the agreement voluntarily.

*b.* The agreement was unconscionable when it was executed.

*c.* Before the execution of the agreement the person was not provided a fair and reasonable disclosure of the property or financial obligations of the other spouse; and the person did not have, or reasonably could not have had, an adequate knowledge of the property or financial obligations of the other spouse.

2. If a provision of the agreement or the application of the provision to a party is found by the court to be unenforceable, the provision shall be severed from the remainder of the

agreement and shall not affect the provisions, or application, of the agreement which can be given effect without the unenforceable provision.

91 Acts, ch 77, §8; 2013 Acts, ch 30, §261
Code editor directive applied

**596.9 Unconscionability.**

In any action under this chapter to revoke or enforce a premarital agreement the issue of unconscionability of a premarital agreement shall be decided by the court as a matter of law.

91 Acts, ch 77, §9

**596.10 Enforcement — void marriage.**

If a marriage is determined to be void, an agreement that would otherwise have been a premarital agreement is enforceable only to the extent necessary to avoid an inequitable result.

91 Acts, ch 77, §10

**596.11 Limitation of actions.**

Any statute of limitations applicable to an action asserting a claim for relief under a premarital agreement is tolled during the marriage of the parties to the agreement. However, equitable defenses limiting the time for enforcement, including laches and estoppel, are available to either party.

91 Acts, ch 77, §11

**596.12 Effective date.**

This chapter takes effect on January 1, 1992, and applies to any premarital agreement executed on or after that date. This chapter does not affect the validity under Iowa law of any premarital agreement entered into prior to January 1, 1992.

91 Acts, ch 77, §12

# CHAPTER 597

## HUSBAND AND WIFE


597.1 Property rights of married women.
597.2 Interest of spouse in other's property.
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597.16 Wages of married person — actions by.
597.17 Liability for separate debts.
597.18 Contracts of married person.
597.19 Spouse not liable for torts of other spouse.


**597.1 Property rights of married women.**

A married woman may own in her own right, real and personal property, acquired by descent, gift, or purchase, and manage, sell, and convey the same, and dispose thereof by will, to the same extent and in the same manner the husband can property belonging to him.

[C73, §2202; C97, §3153; C24, 27, 31, 35, 39, §**10446;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.1]

**597.2 Interest of spouse in other's property.**

When property is owned by the husband or wife, the other has no interest therein which can be the subject of contract between them, nor such interest as will make the same liable for the contracts or liabilities of the one not the owner of the property, except as provided in this chapter.

[C73, §2203; C97, §3154; C24, 27, 31, 35, 39, §**10447;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.2]

**597.3 Remedy by one against the other.**

Should the husband or wife obtain possession or control of property belonging to the other before or after marriage, the owner of the property may maintain an action therefor, or for any right growing out of the same, in the same manner and extent as if they were unmarried.

[C73, §2204; C97, §3155; C24, 27, 31, 35, 39, §**10448;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.3]

**597.4 Conveyances to each other.**

A conveyance, transfer, or lien, executed by either husband or wife to or in favor of the other, shall be valid to the same extent as between other persons.

[C73, §2206; C97, §3157; C24, 27, 31, 35, 39, §**10449;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.4]

**597.5 Attorney in fact.**

A husband or wife may constitute the other spouse as the husband's or wife's attorney in fact, to control and dispose of the husband's or wife's property, including the relinquishment of homestead rights and surviving spouse's statutory share in the homestead, as provided in section 561.13, for their mutual benefit, and may revoke the appointment, the same as other persons.

[C73, §2210; C97, §3161; C24, 27, 31, 35, 39, §**10450;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.5]

91 Acts, ch 106, §2

Referred to in §561.13

**597.6 Mental illness — conveyance of property.**

Where either the husband or wife is mentally ill and incapable of executing a deed or mortgage relinquishing, conveying, or encumbering the husband's or wife's right to the real property of the other, including the homestead, the other may petition the district court of the county of that spouse's residence or the county where the real estate to be conveyed or encumbered is situated, setting forth the facts and praying for an order authorizing the applicant or some other person to execute a deed or mortgage and relinquish or encumber the interest of the person with mental illness in said real estate.

[R60, §1500; C73, §2216; C97, §3167; S13, §3167; C24, 27, 31, 35, 39, §**10451;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.6]

96 Acts, ch 1129, §113

Referred to in §229.27

See also probate code §633.652

**597.7 Proceedings.**

The petition shall be verified by the petitioner, and filed in the office of the clerk of the district court of the proper county, notice of which shall be given as in other cases. Upon completed service, the court shall appoint some responsible attorney thereof guardian for the person alleged to be mentally ill, who shall ascertain the propriety, good faith, and necessity of the prayer of the petitioner, and may resist the application by making any legal or equitable defense thereto, and the guardian shall be allowed by the court a reasonable compensation to be paid as the other costs.

[R60, §1501; C73, §2217; C97, §3168; C24, 27, 31, 35, 39, §**10452;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.7]

**597.8 Decree.**

Upon the hearing of the petition the court, if satisfied that it is made in good faith by the petitioner, and the petitioner is a proper person to exercise the power and make the conveyance or mortgage, and it is necessary and proper, shall enter a decree authorizing the execution of the conveyance or mortgage for and in the name of such husband or wife by such person as the court may appoint.

[R60, §1502; C73, §2218; C97, §3169; S13, §3169; C24, 27, 31, 35, 39, §**10453;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.8]

**597.9 Conveyances — revocation.**

All deeds executed as provided in this chapter shall convey the interest of such person with mental illness in the real estate described, but such power shall cease and be revoked as soon as that person shall again be in good mental health and apply to the court therefor, but such revocation shall not affect conveyances previously made.

[R60, §1503; C73, §2219; C97, §3170; C24, 27, 31, 35, 39, §**10454;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.9]

96 Acts, ch 1129, §113

**597.10 Abandonment of either — proceedings.**

In case the husband or wife abandons the other for one year, or leaves the state and is absent therefrom for such term, without providing for the maintenance and support of the family, or is confined in jail or the penitentiary for such period, the district court of the county where the abandoned party resides may, on application by petition setting forth the facts, authorize the applicant to manage, control, sell, and encumber the property of the guilty party for the support and maintenance of the family and for the purpose of paying debts. Notice of such proceedings shall be given as in ordinary actions, and anything done under or by virtue of the order or decree of the court shall be valid to the same extent as if the same was done by the party owning the property.

[C51, §1456 – 1459, 1461; R60, §2508 – 2511, 2513; C73, §2207; C97, §3158; C24, 27, 31, 35, 39, §**10455;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.10]

Referred to in §597.11, 597.13, 600.4

Service of notice, R.C.P. 1.302 – 1.315

**597.11 Contracts and sales binding.**

All contracts, sales, or encumbrances made by either husband or wife under the provisions of section 597.10 shall be binding on both, and during such absence or confinement the person acting under such power may sue and be sued thereon, and for all acts done the property of both shall be liable, and execution may be levied or attachment issued accordingly.

[C73, §2208; C97, §3159; C24, 27, 31, 35, 39, §**10456;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.11]

Referred to in §597.13

**597.12 Nonabatement of action.**

No action or proceedings shall abate or be affected by the return or release of the person absent or confined, but the person may be permitted to prosecute or defend jointly with the other.

[C73, §2208; C97, §3159; C24, 27, 31, 35, 39, §**10457;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.12]

Referred to in §597.13

**597.13 Annulment of decree.**

The husband or wife affected by the proceedings contemplated in sections 597.10 to 597.12 may obtain an annulment thereof, upon filing a petition therefor and serving a notice on the person in whose favor the same was granted, as in ordinary actions; but the setting aside of such decree or order shall not affect any act done thereunder.

[C51, 1460; R60, §2512; C73, §2209; C97, §3160; C24, 27, 31, 35, 39, §**10458;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.13]

**597.14 Family expenses.**

The reasonable and necessary expenses of the family and the education of the children are chargeable upon the property of both husband and wife, or either of them, and in relation thereto they may be sued jointly or separately.

[C51, §1455; R60, §2507; C73, §2214; C97, §3165; S13, §3165; C24, 27, 31, 35, 39, §**10459;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.14]

Referred to in §537.7103

Spousal support debt for medical assistance to institutionalized spouse; chapter 249B

**597.15 Custody of children.**

If one spouse abandons the other spouse, the abandoned spouse is entitled to the custody of the minor children, unless the district court, upon application for that purpose, otherwise directs, or unless a custody decree is entered in accordance with chapter 598B. In this section "*abandon*" does not include:

1. The departure of a spouse due to physical or emotional abuse.
2. The departure of a spouse accompanied by the minor children.

[C51, §1462; R60, §2514; C73, §2215; C97, §3166; C24, 27, 31, 35, 39, §**10460;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.15]

85 Acts, ch 18, §1; 99 Acts, ch 103, §43

**597.16 Wages of married person — actions by.**

A married person may receive the wages for the person's personal labor, and maintain an action therefor in the person's own name, and hold the same in the person's own right, and may prosecute and defend all actions for the preservation and protection of the person's rights and property, as if unmarried.

[C73, §2211; C97, §3162; C24, 27, 31, 35, 39, §**10461;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.16]

**597.17 Liability for separate debts.**

Neither husband nor wife is liable for the debts or liabilities of the other incurred before marriage, and, except as herein otherwise declared, they are not liable for the debts of each other contracted after marriage; nor are the wages, earnings, or property of either, nor is the rent or income of the property of either, liable for the separate debts of the other.

[C51, §1453; R60, §2505; C73, §2212; C97, §3163; C24, 27, 31, 35, 39, §**10465;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.17]

**597.18 Contracts of married person.**

Contracts may be made by a married person and liabilities incurred, and the same enforced by or against the person, to the same extent and in the same manner as if the person were unmarried.

[C51, §1454; R60, §2506; C73, §2213; C97, §3164; C24, 27, 31, 35, 39, §**10466;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.18]

**597.19 Spouse not liable for torts of other spouse.**

For civil injuries committed by a married person, damages may be recovered from the person alone, and the partner shall not be liable therefor, except in cases where the partner would be jointly liable if the marriage did not exist.

[C73, §2205; C97, §3156; C24, 27, 31, 35, 39, §**10467;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §597.19]

# CHAPTER 598

## DISSOLUTION OF MARRIAGE AND DOMESTIC RELATIONS

Referred to in §135.108, 232.3, 236.11, 236.19, 252A.3A, 252B.3, 252B.4, 252B.5, 252B.6A, 252B.14, 252B.20, 252B.26, 252C.1, 252C.3, 252D.1, 252D.16, 252D.16A, 252E.1, 252E.1A, 252E.16, 252F.4, 252H.2, 252H.4, 252H.21, 252I.2, 252J.1, 425.2, 425A.4, 455B.172, 558A.1, 562A.27A, 562B.25A, 600.11, 600B.40A, 602.6111, 602.8102(47, 84), 602.8105, 664A.1, 664A.2, 664A.5, 664A.7, 815.11


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**598.1 Definitions.**

As used in this chapter:

1. *"Best interest of the child"* includes but is not limited to the opportunity for maximum continuous physical and emotional contact possible with both parents, unless direct physical or significant emotional harm to the child may result from this contact. Refusal by one parent to provide this opportunity without just cause shall be considered harmful to the best interest of the child.

2. *"Dissolution of marriage"* means a termination of the marriage relationship and shall be synonymous with the term *"divorce"*.

3. *"Joint custody"* or *"joint legal custody"* means an award of legal custody of a minor child to both parents jointly under which both parents have legal custodial rights and responsibilities toward the child and under which neither parent has legal custodial rights superior to those of the other parent. Rights and responsibilities of joint legal custody include but are not limited to equal participation in decisions affecting the child's legal status, medical care, education, extracurricular activities, and religious instruction.

4. *"Joint physical care"* means an award of physical care of a minor child to both joint legal custodial parents under which both parents have rights and responsibilities toward the child including but not limited to shared parenting time with the child, maintaining homes for the child, providing routine care for the child and under which neither parent has physical care rights superior to those of the other parent.

5. *"Legal custody"* or *"custody"* means an award of the rights of legal custody of a minor child to a parent under which a parent has legal custodial rights and responsibilities toward the child. Rights and responsibilities of legal custody include but are not limited to decision making affecting the child's legal status, medical care, education, extracurricular activities, and religious instruction.

6. *"Minor child"* means any person under legal age.

7. *"Physical care"* means the right and responsibility to maintain a home for the minor child and provide for the routine care of the child.

8. *"Postsecondary education subsidy"* means an amount which either of the parties may be required to pay under a temporary order or final judgment or decree for educational expenses of a child who is between the ages of eighteen and twenty-two years if the child is regularly attending a course of vocational-technical training either as a part of a regular school program or under special arrangements adapted to the individual person's needs; or is, in good faith, a full-time student in a college, university, or community college; or has been accepted for admission to a college, university, or community college and the next regular term has not yet begun.

9. *"Support"* or *"support payments"* means an amount which the court may require either of the parties to pay under a temporary order or a final judgment or decree, and may include alimony, child support, maintenance, and any other term used to describe these obligations. For orders entered on or after July 1, 1990, unless the court specifically orders otherwise, medical support is not included in the monetary amount of child support. The obligations shall include support for a child who is between the ages of eighteen and nineteen years who is engaged full-time in completing high school graduation or equivalency requirements in a manner which is reasonably expected to result in completion of the requirements prior to the person reaching nineteen years of age; and may include support for a child of any age who is dependent on the parties to the dissolution proceedings because of physical or mental disability.

[C71, 73, 75, 77, 79, 81, §598.1; 82 Acts, ch 1250, §1]

84 Acts, ch 1088, §1; 86 Acts, ch 1245, §1495; 90 Acts, ch 1224, §41; 90 Acts, ch 1253, §120; 97 Acts, ch 175, §182 – 185, 200

Referred to in §8B.32, 252B.1, 252B.13A, 252B.14, 252B.24, 252D.16, 633.425

**598.2 Jurisdiction and venue.**

The district court has original jurisdiction of the subject matter of this chapter. Venue shall be in the county where either party resides.

[C51, §1480; R60, §2532; C73, §2220; C97, §3171; C24, 27, 31, 35, 39, §**10468;** C46, 50, 54, 58, 62, 66, §598.1; C71, 73, 75, 77, 79, 81, §598.2]

**598.2A Choice of law.**

In a proceeding to establish, modify, or enforce a child support order the forum state's law shall apply except as follows:

1. In interpreting a child support order, a court shall apply the law of the state of the court or administrative agency that issued the order.

2. In an action to enforce a child support order, a court shall apply the statute of limitations of the forum state or the state of the court or administrative agency that issued the order, whichever statute provides the longer period of limitations.

96 Acts, ch 1141, §26

**598.3 Kind of action — joinder.**

An action for dissolution of marriage shall be by equitable proceedings, and no cause of action, save for alimony, shall be joined therewith. Such actions shall not be subject to counterclaim or cross petition by the respondent. After the appearance of the respondent, no dismissal of the cause of action shall be allowed unless both the petitioner and the respondent sign the dismissal.

[R60, §4184; C73, §2511; C97, §3430; C24, 27, 31, 35, 39, §**10469;** C46, 50, 54, 58, 62, 66, §598.2; C71, 73, 75, 77, 79, 81, §598.3]

**598.4 Caption of petition for dissolution.**

The petition for dissolution of marriage shall be captioned substantially as follows:

In the District Court of the State of Iowa
In and For ..... County
In Re the Marriage of
..... and .....

| | |
|---|---|
| Upon the Petition of<br>.....<br>(Petitioner)<br>and Concerning<br>.....<br>(Respondent) | Petition for<br>Dissolution<br>of Marriage<br>Equity No. ..... |

[C71, 73, 75, 77, 79, 81, §598.4]

**598.5 Contents of petition — verification — evidence.**

1. The petition for dissolution of marriage shall:

*a.* State the name, birth date, address and county of residence of the petitioner and the name and address of the petitioner's attorney.

*b.* State the place and date of marriage of the parties.

*c.* State the name, birth date, address and county of residence, if known, of the respondent.

*d.* State the name and age of each minor child by date of birth whose welfare may be affected by the controversy.

*e.* State whether or not a separate action for dissolution of marriage or child support has been commenced and whether such action is pending in any court in this state or elsewhere. State whether the entry of an order would violate 28 U.S.C. § 1738B. If there is an existing child support order, the party shall disclose identifying information regarding the order.

*f.* Allege that the petition has been filed in good faith and for the purposes set forth therein.

*g.* Allege that there has been a breakdown of the marriage relationship to the extent that

the legitimate objects of matrimony have been destroyed and there remains no reasonable likelihood that the marriage can be preserved.

*h.* Set forth any application for temporary support of the petitioner and any children without enumerating the amounts thereof.

*i.* Set forth any application for permanent alimony or support, child custody, or disposition of property, as well as attorney fees and suit money, without enumerating the amounts thereof.

*j.* State whether the appointment of a conciliator pursuant to section 598.16 may preserve the marriage.

*k.* Except where the respondent is a resident of this state and is served by personal service, state that the petitioner has been for the last year a resident of the state, specifying the county in which the petitioner has resided and the length of such residence in the state after deducting all absences from the state, and that the maintenance of the residence has been in good faith and not for the purpose of obtaining a dissolution of marriage only.

2. The petition shall be verified by the petitioner.

3. The allegations of the petition shall be established by competent evidence.

[C71, 73, 75, 77, 79, 81, §598.5]

85 Acts, ch 178, §4; 97 Acts, ch 175, §186; 2005 Acts, ch 69, §30

**598.6 Additional contents.** Repealed by 2005 Acts, ch 69, § 58. See § 598.5.

**598.7 Mediation.**

1. The district court may, on its own motion or on the motion of any party, order the parties to participate in mediation in any dissolution of marriage action or other domestic relations action. Mediation performed under this section shall comply with the provisions of chapter 679C. The provisions of this section shall not apply if the action involves a child support or medical support obligation enforced by the child support recovery unit. The provisions of this section shall not apply to actions which involve domestic abuse pursuant to chapter 236. The provisions of this section shall not affect a judicial district's or court's authority to order settlement conferences pursuant to rules of civil procedure. The court shall, on application of a party, grant a waiver from any court-ordered mediation under this section if the party demonstrates that a history of domestic abuse exists as specified in section 598.41, subsection 3, paragraph "*j*".

2. The supreme court shall establish a dispute resolution program in family law cases that includes the opportunities for mediation and settlement conferences. Any judicial district may implement such a dispute resolution program, subject to the rules prescribed by the supreme court.

3. The supreme court shall prescribe rules for the mediation program, including the circumstances under which the district court may order participation in mediation.

4. Any dispute resolution program shall comply with all of the following standards:

*a.* Participation in mediation shall include attendance at a mediation session with the mediator and the parties to the action, listening to the mediator's explanation of the mediation process, presentation of one party's view of the case, and listening to the response of the other party. Participation in mediation does not require that the parties reach an agreement.

*b.* The parties may choose the mediator, or the court shall appoint a mediator. A court-appointed mediator shall meet the qualifications established by the supreme court.

*c.* Parties to the mediation have the right to advice and presence of counsel at all times.

*d.* The parties to the mediation shall present any agreement reached through the mediation to their attorneys, if any. A mediation agreement reached by the parties shall not be enforceable until approved by the court.

*e.* The costs of mediation shall be borne by the parties, as agreed to by the parties, or as ordered by the court, and may be taxed as court costs. Mediation shall be provided on a sliding fee scale for parties who are determined to be indigent pursuant to section 815.9.

5. The supreme court shall prescribe qualifications for mediators under this section. The qualifications shall include but are not limited to the ethical standards to be observed by

mediators. The qualifications shall not include a requirement that the mediator be licensed to practice any particular profession.

[C51, §1481; R60, §2533; C73, §2222; C97, §3173; C24, 27, 31, 35, 39, §**10471;** C46, 50, 54, 58, 62, 66, §598.4; C71, 73, 75, 77, 79, 81, §598.7]

2005 Acts, ch 69, §31

**598.7A Mediation.** Repealed by 2005 Acts, ch 69, § 58. See § 598.7.

**598.8 Hearings — exceptions.**

1. Except as otherwise provided in subsection 2, hearings for dissolution of marriage shall be held in open court upon the oral testimony of witnesses, or upon the depositions of such witnesses taken as in other equitable actions or taken by a commissioner appointed by the court. The court may in its discretion close the hearing. Hearings held for the purpose of determining child custody may be limited in attendance by the court. Upon request of either party, the court shall provide security in the courtroom during the custody hearing if a history of domestic abuse relating to either party exists.

2. The court may enter a decree of dissolution without a hearing under either of the following circumstances:

*a.* All of the following circumstances have been met:

(1) The parties have certified in writing that there has been a breakdown of the marriage relationship to the extent that the legitimate objects of matrimony have been destroyed and there remains no reasonable likelihood that the marriage can be preserved.

(2) All documents required by the court and by statute have been filed.

(3) The parties have entered into a written agreement settling all of the issues involved in the dissolution of marriage.

*b.* The respondent has not entered a general or special appearance or filed a motion or pleading in the case, the waiting period provided under section 598.19 has expired, and all of the following circumstances have been met:

(1) The petitioner has certified in writing that there has been a breakdown of the marriage relationship to the extent that the legitimate objects of matrimony have been destroyed and there remains no reasonable likelihood that the marriage can be preserved.

(2) All documents required by the court and by statute have been filed.

[C73, §2222; C97, §3173; C24, 27, 31, 35, 39, §**10472;** C46, 50, 54, 58, 62, 66, §598.5; C71, 73, 75, 77, 79, 81, §598.8]

95 Acts, ch 165, §1; 95 Acts, ch 182, §21; 2000 Acts, ch 1034, §1, 2

**598.9 Residence — failure of proof.**

If the averments as to residence are not fully proved, the hearing shall proceed no further, and the action be dismissed by the court.

[C73, §2222; C97, §3173; C24, 27, 31, 35, 39, §**10473;** C46, 50, 54, 58, 62, 66, §598.6; C71, 73, 75, 77, 79, 81, §598.9]

**598.10 Temporary orders.**

1. *a.* The court may order either party to pay the clerk a sum of money for the separate support and maintenance of the other party and the children and to enable such party to prosecute or defend the action. The court may on its own motion and shall upon application of either party or an attorney or guardian ad litem appointed under section 598.12 determine the temporary custody of any minor child whose welfare may be affected by the filing of the petition for dissolution.

*b.* In order to encourage compliance with a visitation order, a temporary order for custody shall provide for a minimum visitation schedule with the noncustodial parent, unless the court determines that such visitation is not in the best interest of the child.

2. The court may make such an order when a claim for temporary support is made by the petitioner in the petition, or upon application of either party, after service of the original notice and when no application is made in the petition; however, no such order shall be entered until at least five days' notice of hearing, and opportunity to be heard, is given the other party.

Appearance by an attorney or the respondent for such hearing shall be deemed a special appearance for the purpose of such hearing only and not a general appearance. An order entered pursuant to this section shall contain the names, birth dates, addresses, and counties of residence of the petitioner and respondent.

2005 Acts, ch 69, §32
Referred to in §598.11, 598.22

**598.11 How temporary order made — changes — retroactive modification.**

1. In making temporary orders, the court shall take into consideration the age of the applicant, the physical and pecuniary condition of the parties, and other matters as are pertinent, which may be shown by affidavits, as the court may direct. The hearing on the application shall be limited to matters set forth in the application, the affidavits of the parties, and the required statements of income. The court shall not hear any other matter relating to the petition, respondent's answer, or any pleadings connected with the petition or answer.

2. Subject to 28 U.S.C. § 1738B, after notice and hearing, subsequent changes in temporary orders may be made by the court on application of either party demonstrating a substantial change in the circumstances occurring subsequent to the issuance of such order. If the order is not so modified, it shall continue in force and effect until the action is dismissed or a decree is entered dissolving the marriage.

3. An order for temporary support may be retroactively modified only from three months after notice of hearing for temporary support pursuant to section 598.10 or from three months after notice of hearing for modification of a temporary order for support pursuant to this section. The three-month limitation applies to modification actions pending on or after July 1, 1997.

[C73, §2226; C97, §3177; C24, 27, 31, 35, 39, §**10478;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §598.11]

85 Acts, ch 178, §5; 2005 Acts, ch 69, §33

**598.12 Attorney or guardian ad litem for minor child — investigations.**

1. The court may appoint an attorney to represent the legal interests of the minor child or children of the parties. The attorney shall be empowered to make independent investigations and to cause witnesses to appear and testify before the court on matters pertinent to the legal interests of the children.

2. The court may appoint a guardian ad litem to represent the best interests of the minor child or children of the parties.

*a.* Unless otherwise enlarged or circumscribed by a court or juvenile court having jurisdiction over the child or by operation of law, the duties of a guardian ad litem with respect to a child shall include all of the following:

(1) Conducting general in-person interviews with the child, if the child's age is appropriate for the interview, and interviewing each parent, guardian, or other person having custody of the child, if authorized by the person's legal counsel.

(2) Conducting interviews with the child, if the child's age is appropriate for the interview, prior to any court-ordered hearing.

(3) Visiting the home, residence, or both home and residence of the child and any prospective home or residence of the child, including visiting the home or residence or prospective home or residence each time placement is changed.

(4) Interviewing any person providing medical, mental health, social, educational, or other services to the child, prior to any court-ordered hearing.

(5) Obtaining firsthand knowledge, if possible, of facts, circumstances, and parties involved in the matter in which the person is appointed guardian ad litem.

(6) Attending any hearings in the matter in which the person is appointed guardian ad litem.

*b.* The order appointing the guardian ad litem shall grant authorization to the guardian ad litem to interview any relevant person and inspect and copy any records relevant to the proceedings, if not prohibited by federal law. The order shall specify that the guardian ad litem may interview any person providing medical, mental health, social, educational, or other

services to the child; may attend any meeting with the medical or mental health providers, service providers, organizations, or educational institutions regarding the child, if deemed necessary by the guardian ad litem; and may inspect and copy any records relevant to the proceedings.

3. The same person may serve both as the child's legal counsel and as guardian ad litem. However, the court may appoint a separate guardian ad litem, if the same person cannot properly represent the legal interests of the child as legal counsel and also represent the best interests of the child as guardian ad litem, or a separate guardian ad litem is required to fulfill the requirements of subsection 2.

4. The court may require that an appropriate agency make an investigation of both parties regarding the home conditions, parenting capabilities, and other matters pertinent to the best interests of the child or children in a dispute concerning custody of the child or children. The investigation report completed by the appropriate agency shall be submitted to the court and available to both parties. The investigation report completed by the appropriate agency shall be a part of the record unless otherwise ordered by the court.

5. The court shall enter an order in favor of the attorney, the guardian ad litem, or an appropriate agency for fees and disbursements, and the amount shall be charged against the party responsible for court costs unless the court determines that the party responsible for costs is indigent, in which event the fees shall be borne by the county.

[C71, 73, 75, 77, 79, 81, §598.12; 82 Acts, ch 1250, §3]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1067, §1; 2005 Acts, ch 69, §34

Referred to in §598.10, 598.16

**598.13 Financial statements filed.**

1. *a.* Both parties shall disclose their financial status. A showing of special circumstances shall not be required before the disclosure is ordered. A statement of net worth set forth by affidavit on a form prescribed by the supreme court and furnished without charge by the clerk of the district court shall be filed by each party prior to the dissolution hearing. However, the parties may waive this requirement upon application of both parties and approval by the court.

*b.* Failure to comply with the requirements of this subsection constitutes failure to make discovery as provided in rule of civil procedure 1.517.

2. The court may, in its discretion, order a trustee to provide, on behalf of a trust, information including, but not limited to, trust documents and financial statements relating to any beneficial interest a party to the pending action may have in the trust.

[C71, 73, 75, 77, 79, 81, §598.13]

87 Acts, ch 89, §1; 2001 Acts, ch 112, §1; 2013 Acts, ch 30, §261

Referred to in §598.26

The form of affidavit prescribed by the supreme court is published in the compilation "Iowa Court Rules", R.C.P. 1.1901 – Form 7

Code editor directive applied

**598.14 Attachment.**

The petition may be presented to the court for the allowance of an order of attachment, which, by endorsement thereon, may direct such attachment and fix the amount for which it may issue, and the amount of the bond, if any, that shall be given. Any property taken by virtue thereof shall be held to satisfy the judgment or decree of the court, but may be discharged or released as in other cases.

[C73, §2228; C97, §3179; C24, 27, 31, 35, 39, §**10480;** C46, 50, 54, 58, 62, 66, §598.13; C71, 73, 75, 77, 79, 81, §598.14]

85 Acts, ch 99, §9; 85 Acts, ch 195, §52; 96 Acts, ch 1141, § 27; 2005 Acts, ch 69, §35

**598.14A Retroactive modification of temporary support order.** Repealed by 2005 Acts, ch 69, § 58. See § 598.11.

**598.14B Child visitation — temporary custody orders.** Repealed by 2005 Acts, ch 69, § 58. See § 598.10.

**598.15 Mandatory course — parties to certain proceedings.**

1. The parties to any action which involves the issues of child custody or visitation shall participate in a court-approved course to educate and sensitize the parties to the needs of any child or party during and subsequent to the proceeding within forty-five days of the service of notice and petition for the action or within forty-five days of the service of notice and application for modification of an order. Participation in the course may be waived or delayed by the court for good cause including but not limited to a default by any of the parties or a showing that the parties have previously participated in a court-approved course or its equivalent. Participation in the course is not required if the proceeding involves termination of parental rights of any of the parties. A final decree shall not be granted or a final order shall not be entered until the parties have complied with this section, unless participation in the course is waived or delayed for good cause or is otherwise not required under this subsection.

2. Each party shall be responsible for arranging for participation in the course and for payment of the costs of participation in the course.

3. Each party shall submit certification of completion of the course to the court prior to the granting of a final decree or the entry of an order, unless participation in the course is waived or delayed for good cause or is otherwise not required under subsection 1.

4. If participation in the court-approved course is waived or delayed for good cause or is otherwise not required under this section, the court may order that the parties receive the information described in subsection 5 through an alternative format.

5. Each judicial district shall certify approved courses for parties required to participate in a course under this section. Approved courses may include those provided by a public or private entity. At a minimum and as appropriate, an approved course shall include information relating to the parents regarding divorce and its impact on the children and family relationship, parenting skills for divorcing parents, children's needs and coping techniques, and the financial responsibilities of parents following divorce.

6. In addition to the provisions of this section relating to the required participation in a court-approved course by the parties to an action as described in subsection 1, the court may require age-appropriate counseling for children who are involved in a dissolution of marriage action. The counseling may be provided by a public or private entity approved by the court. The costs of the counseling shall be taxed as court costs.

7. The supreme court may prescribe rules to implement this section.

[C73, §2227; C97, §3178; C24, 27, 31, 35, 39, §**10479;** C46, 50, 54, 58, 62, 66, §598.12; C71, 73, 75, 77, 79, 81, §598.15]

2005 Acts, ch 69, §36; 2010 Acts, ch 1159, §7

**598.16 Conciliation — domestic relations divisions.**

1. A majority of the judges in any judicial district, with the cooperation of any county board of supervisors in the district, may establish a domestic relations division of the district court of the county where the board is located. The division shall offer counseling and related services to persons before the court.

2. Except as provided in subsection 7, upon the application of the petitioner in the petition or by the respondent in the responsive pleading thereto or, within twenty days of appointment, of an attorney appointed under section 598.12, the court shall require the parties to participate in conciliation efforts for a period of sixty days from the issuance of an order setting forth the conciliation procedure and the conciliator.

3. At any time upon its own motion or upon the application of a party the court may require the parties to participate in conciliation efforts for sixty days or less following the issuance of such an order.

4. Every order for conciliation shall require the conciliator to file a written report by a date certain which shall state the conciliation procedures undertaken and such other matters as may have been required by the court. The report shall be a part of the record unless otherwise ordered by the court. Such conciliation procedure may include but is not limited to referrals to the domestic relations division of the court, if established, public or private marriage counselors, family service agencies, community health centers, physicians and clergy.

5. The costs of conciliation procedures shall be paid in full or in part by the parties and taxed as court costs; however, if the court determines that the parties will be unable to pay the costs without prejudicing their financial ability to provide themselves and any minor children with economic necessities, the costs may be paid in full or in part by the county.

6. Persons providing counseling and other services pursuant to this section are not court employees, but are subject to court supervision.

7. Upon application, the court shall grant a waiver from the requirements of this section if a party demonstrates that a history of domestic abuse, as defined in section 236.2, exists. In determining whether a history of domestic abuse exists, the court's consideration shall include but is not limited to commencement of an action pursuant to section 236.3, the issuance of a protective order against a party or the issuance of a court order or consent agreement pursuant to section 236.5, the issuance of an emergency order pursuant to section 236.6, the holding of a party in contempt pursuant to section 664A.7, the response of a peace officer to the scene of alleged domestic abuse or the arrest of a party following response to a report of alleged domestic abuse, or a conviction for domestic abuse assault pursuant to section 708.2A.

[C71, 73, 75, 77, 79, 81, §598.16]

83 Acts, ch 123, §194, 209; 83 Acts, ch 186, §10110, 10201; 93 Acts, ch 54, §11; 2007 Acts, ch 180, §1

Referred to in §331.424, 598.5, 602.11101

**598.17 Dissolution of marriage — evidence.**

A decree dissolving the marriage may be entered when the court is satisfied from the evidence presented that there has been a breakdown of the marriage relationship to the extent that the legitimate objects of matrimony have been destroyed and there remains no reasonable likelihood that the marriage can be preserved. The decree shall state that the dissolution is granted to the parties, and shall not state that it is granted to only one party.

If at the time of trial petitioner fails to present satisfactory evidence that there has been a breakdown of the marriage relationship to the extent that the legitimate objects of matrimony have been destroyed and there remains no reasonable likelihood that the marriage can be preserved, the respondent may then proceed to present such evidence as though the respondent had filed the original petition.

A dissolution of marriage granted when one of the spouses has mental illness shall not relieve the other spouse of any obligation imposed by law as a result of the marriage for the support of the spouse with mental illness. The court may make an order for the support or may waive the support obligation when satisfied from the evidence that it would create an undue hardship on the obliged spouse or that spouse's other dependents.

[C71, 73, 75, 77, 79, 81, §598.17]

89 Acts, ch 296, §77; 96 Acts, ch 1129, §101

Referred to in §97A.1, 410.10, 411.1

**598.18 Recrimination not a bar to dissolution of marriage.**

If, upon the trial of an action for dissolution of marriage, both of the parties are found to have committed an act or acts which would support or justify a decree of dissolution of marriage, such dissolution may be decreed, and the acts of one party shall not negate the acts of the other, nor serve to bar the dissolution decree in any way.

[C71, 73, 75, 77, 79, 81, §598.18]

**598.19 Waiting period before decree.**

No decree dissolving a marriage shall be granted in any proceeding before ninety days shall have elapsed from the day the original notice is served, or from the last day of publication of notice, or from the date that waiver or acceptance of original notice is filed or until after conciliation is completed, whichever period shall be longer. However, the court may in its discretion, on written motion supported by affidavit setting forth grounds of emergency or necessity and facts which satisfy the court that immediate action is warranted or required to protect the substantive rights or interests of any party or person who might be affected by the decree, hold a hearing and grant a decree dissolving the marriage prior to the expiration

of the applicable period, provided that requirements of notice have been complied with. In such case the grounds of emergency or necessity and the facts with respect thereto shall be recited in the decree unless otherwise ordered by the court. The court may enter an order finding the respondent in default and waiving conciliation when the respondent has failed to file an appearance within the time set forth in the original notice.

[C58, 62, 66, §598.25; C71, 73, 75, §598.16, 598.19; C77, 79, 81, §598.19]

Referred to in §598.8

**598.19A Mandatory course — parties to certain proceedings.** Repealed by 2005 Acts, ch 69, § 58. See § 598.15.

**598.20 Forfeiture of marital rights.**

When a dissolution of marriage is decreed the parties shall forfeit all rights acquired by marriage which are not specifically preserved in the decree. This provision shall not obviate any of the provisions of section 598.21, 598.21A, 598.21B, 598.21C, 598.21D, 598.21E, or 598.21F.

[C51, §1486; C73, §2230; C97, §3181; C24, 27, 31, 35, 39, §**10483;** C46, 50, 54, 58, 62, 66, §598.16; C71, 73, 75, 77, 79, 81, §598.20]

2005 Acts, ch 69, §37

**598.20A Beneficiary revocation — life insurance.**

1. Except as preempted by federal law, if a decree of dissolution, annulment, or separate maintenance is issued after the policy owner of an insurance contract insuring the policy owner's own life has designated the policy owner's spouse or one or more relatives of the policy owner's spouse as a beneficiary under a life insurance policy in effect on the date of the decree, a provision in the life insurance policy making such a designation is voided by the issuance of the decree unless any of the following apply:

*a.* The decree designates the policy owner's former spouse or one or more relatives of the policy owner's spouse as beneficiary.

*b.* After issuance of the decree, the policy owner executes a designation of beneficiary form provided by the insurance company naming the policy owner's former spouse or one or more relatives of the policy owner's former spouse as beneficiary.

*c.* The policy owner and the policy owner's former spouse remarry.

2. If a beneficiary designation is not effective pursuant to subsection 1, the benefits or proceeds of the life insurance policy are payable to an alternate beneficiary, or if there is no alternate beneficiary, to the estate of the policy owner.

3. An insurer who pays benefits or proceeds of a life insurance policy to a beneficiary under a designation that is void pursuant to subsection 1 is not liable for payment to an alternative beneficiary as provided under subsection 2 unless both of the following apply:

*a.* At least ten days prior to payment of the benefits or proceeds of the life insurance policy to the designated beneficiary, the insurer receives written notice at the home office of the insurer that the designation of the beneficiary is not effective pursuant to subsection 1.

*b.* The insurer has failed to interplead the benefits or proceeds of the life insurance policy in a court of competent jurisdiction in accordance with the rules of civil procedure.

4. This section does not limit the right of a beneficiary to seek recovery from any person or entity that erroneously receives or collects the benefits or proceeds from a life insurance policy.

5. This section does not affect the right of a policy owner's former spouse to assert an ownership interest in a life insurance policy insuring the life of the policy owner that is not disclosed to the policy owner's spouse prior to the decree of dissolution, annulment, or separate maintenance and that is not addressed by the decree.

6. For purposes of this section, *"relative of the policy owner's spouse"* means a person who is related to the policy owner's former spouse by blood, adoption, or affinity, and who,

subsequent to a decree of dissolution, annulment, or separate maintenance, ceases to be related to the policy owner by blood, adoption, or affinity.

2007 Acts, ch 134, §4, 28; 2013 Acts, ch 124, §30

Section applies to all decrees of dissolution, annulment, or separate maintenance entered on or after July 1, 2007; 2007 Acts, ch 134, §28

Section amended

**598.20B Beneficiary revocation — other contracts.**

1. Except as preempted by federal law, if a decree of dissolution, annulment, or separate maintenance is issued after a participant, annuitant, or account holder has designated the participant's, annuitant's, or account holder's spouse or one or more relatives of the participant's, annuitant's, or account holder's spouse as beneficiary under any individual retirement account, stock option plan, transfer on death account, payable on death account, or annuity in force at the date of the decree, a provision in the retirement account, stock option plan, transfer on death account, payable on death account, or annuity designating the participant's, annuitant's, or account holder's spouse or one or more relatives of the participant's, annuitant's, or account holder's spouse as beneficiary is voided by the issuance of the decree unless any of the following apply:

*a.* The decree designates the participant's, annuitant's, or account holder's spouse or one or more relatives of the participant's, annuitant's, or account holder's spouse as beneficiary.

*b.* After issuance of the decree, the participant, annuitant, or account holder executes a designation of beneficiary form provided by the plan or company naming the participant's, annuitant's, or account holder's former spouse or one or more relatives of the participant's, annuitant's, or account holder's former spouse as the beneficiary.

*c.* The participant, annuitant, or account holder and the participant's, annuitant's, or account holder's former spouse remarry.

*d.* Prior to the issuance of the decree, annuity payments have irrevocably commenced based on the joint life expectancies of the participant, annuitant, or account holder and the participant's, annuitant's, or account holder's former spouse.

2. If a beneficiary designation is not effective pursuant to subsection 1, the benefits or proceeds from the individual retirement account, stock option plan, transfer on death account, payable on death account, or annuity are payable to an alternate beneficiary, or if there is no alternate beneficiary, to the estate of the participant, annuitant, or account holder.

3. A business entity, employer, insurer, financial institution, or other person or entity obligated to pay the benefits or proceeds from an individual retirement account, stock option plan, transfer on death account, payable on death account, or annuity to a beneficiary under a designation that is void pursuant to subsection 1 is not liable for payment of the benefits or proceeds to a beneficiary as provided under subsection 2 unless both of the following apply:

*a.* At least ten days prior to payment of the benefits or proceeds to the designated beneficiary, the business entity, employer, insurer, financial institution, or other person or entity obligated to pay the benefits or proceeds receives written notice at the home office of the business entity, employer, insurer, financial institution, or other person or entity that the designation of the beneficiary is not effective pursuant to subsection 1.

*b.* The business entity, employer, insurer, financial institution, or other person or entity has failed to interplead the benefits or proceeds in a court of competent jurisdiction in accordance with the rules of civil procedure.

4. This section does not limit the right of a beneficiary to seek recovery from any person or entity that erroneously receives or collects the benefits or proceeds of an individual retirement account, stock option plan, transfer on death account, payable on death account, or annuity.

5. This section does not affect the right of the participant's, annuitant's, or account holder's former spouse to assert an ownership interest in an individual retirement account, stock option plan, transfer or payable on death account, or annuity that is not disclosed to the participant's, annuitant's, or account holder's spouse prior to the issuance of the decree of dissolution, annulment, or separate maintenance and that is not addressed by the decree.

6. For purposes of this section, *"relative of the participant's, annuitant's, or account holder's spouse"* means a person who is related to the participant's, annuitant's, or account holder's former spouse by blood, adoption, or affinity, and who, subsequent to a decree of

dissolution, annulment, or separate maintenance ceases to be related to the participant, annuitant, or account holder by blood, adoption, or affinity.

2007 Acts, ch 134, §5, 28

Section applies to all decrees of dissolution, annulment, or separate maintenance entered on or after July 1, 2007; 2007 Acts, ch 134, §28

**598.21 Orders for disposition of property.**

1. *General principles.* Upon every judgment of annulment, dissolution, or separate maintenance, the court shall divide the property of the parties and transfer the title of the property accordingly, including ordering the parties to execute a quitclaim deed or ordering a change of title for tax purposes and delivery of the deed or change of title to the county recorder of the county in which each parcel of real estate is located.

2. *Duties of county recorder.* The county recorder shall record each quitclaim deed or change of title and shall collect the fee specified in section 331.507, subsection 2, paragraph "*a*", and the fees specified in section 331.604.

3. *Duties of clerk of court.* If the court orders a transfer of title to real property, the clerk of court shall issue a certificate under chapter 558 relative to each parcel of real estate affected by the order and immediately deliver the certificate for recording to the county recorder of the county in which the real estate is located. Any fees assessed shall be included as part of the court costs. The county recorder shall deliver the certificates to the county auditor as provided in section 558.58, subsection 1.

4. *Property for children.* The court may protect and promote the best interests of children of the parties by setting aside a portion of the property of the parties in a separate fund or conservatorship for the support, maintenance, education, and general welfare of the minor children.

5. *Division of property.* The court shall divide all property, except inherited property or gifts received or expected by one party, equitably between the parties after considering all of the following:

*a.* The length of the marriage.

*b.* The property brought to the marriage by each party.

*c.* The contribution of each party to the marriage, giving appropriate economic value to each party's contribution in homemaking and child care services.

*d.* The age and physical and emotional health of the parties.

*e.* The contribution by one party to the education, training, or increased earning power of the other.

*f.* The earning capacity of each party, including educational background, training, employment skills, work experience, length of absence from the job market, custodial responsibilities for children, and the time and expense necessary to acquire sufficient education or training to enable the party to become self-supporting at a standard of living reasonably comparable to that enjoyed during the marriage.

*g.* The desirability of awarding the family home or the right to live in the family home for a reasonable period to the party having custody of the children, or if the parties have joint legal custody, to the party having physical care of the children.

*h.* The amount and duration of an order granting support payments to either party pursuant to section 598.21A and whether the property division should be in lieu of such payments.

*i.* Other economic circumstances of each party, including pension benefits, vested or unvested. Future interests may be considered, but expectancies or interests arising from inherited or gifted property created under a will or other instrument under which the trustee, trustor, trust protector, or owner has the power to remove the party in question as a beneficiary, shall not be considered.

*j.* The tax consequences to each party.

*k.* Any written agreement made by the parties concerning property distribution.

*l.* The provisions of an antenuptial agreement.

*m.* Other factors the court may determine to be relevant in an individual case.

6. *Inherited and gifted property.* Property inherited by either party or gifts received by either party prior to or during the course of the marriage is the property of that party and

is not subject to a property division under this section except upon a finding that refusal to divide the property is inequitable to the other party or to the children of the marriage.

7. *Not subject to modification.* Property divisions made under this chapter are not subject to modification.

8. *Necessary content of order.* Orders made pursuant to this section need mention only those factors relevant to the particular case for which the orders are made but shall contain the names, birth dates, addresses, and counties of residence of the petitioner and respondent.

[C51, §1485; R60, §2537; C73, §2229; C97, §3180; C24, 27, 31, 35, 39, §**10481;** C46, 50, 54, 58, 62, 66, §598.14; C71, 73, 75, 77, 79, §598.17, §598.21; C81, §598.21; 82 Acts, ch 1054, §1, ch 1250, §4 – 9]

83 Acts, ch 101, §118; 85 Acts, ch 159, §10; 85 Acts, ch 178, §6, 7; 86 Acts, ch 1079, §5; 88 Acts, ch 1141, §2; 89 Acts, ch 102, §6; 89 Acts, ch 166, §6; 90 Acts, ch 1224, §42 – 45; 92 Acts, ch 1195, §405, 406, 508, 509; 93 Acts, ch 78, §44 – 46; 93 Acts, ch 79, §48, 49; 94 Acts, ch 1171, §40 – 42; 95 Acts, ch 52, §8; 95 Acts, ch 115, §11, 12; 96 Acts, ch 1106, §17; 96 Acts, ch 1141, §7, 28, 29; 97 Acts, ch 41, §32; 97 Acts, ch 175, §188 – 193, 200; 99 Acts, ch 103, §44, 45; 2001 Acts, ch 143, §8; 2002 Acts, ch 1018, §16, 17, 21; 2003 Acts, ch 151, §28; 2004 Acts, ch 1157, §1; 2005 Acts, ch 69, §38; 2007 Acts, ch 163, §1 – 3; 2009 Acts, ch 27, §36; 2009 Acts, ch 159, §14; 2009 Acts, ch 179, §44

Referred to in §321A.17, 598.20, 598.21A

**598.21A Orders for spousal support.**

1. *Criteria for determining support.* Upon every judgment of annulment, dissolution, or separate maintenance, the court may grant an order requiring support payments to either party for a limited or indefinite length of time after considering all of the following:

*a.* The length of the marriage.

*b.* The age and physical and emotional health of the parties.

*c.* The distribution of property made pursuant to section 598.21.

*d.* The educational level of each party at the time of marriage and at the time the action is commenced.

*e.* The earning capacity of the party seeking maintenance, including educational background, training, employment skills, work experience, length of absence from the job market, responsibilities for children under either an award of custody or physical care, and the time and expense necessary to acquire sufficient education or training to enable the party to find appropriate employment.

*f.* The feasibility of the party seeking maintenance becoming self-supporting at a standard of living reasonably comparable to that enjoyed during the marriage, and the length of time necessary to achieve this goal.

*g.* The tax consequences to each party.

*h.* Any mutual agreement made by the parties concerning financial or service contributions by one party with the expectation of future reciprocation or compensation by the other party.

*i.* The provisions of an antenuptial agreement.

*j.* Other factors the court may determine to be relevant in an individual case.

2. *Necessary content of order.* Orders made pursuant to this section need mention only those factors relevant to the particular case for which the orders are made but shall contain the names, birth dates, addresses, and counties of residence of the petitioner and respondent.

96 Acts, ch 1106, §18; 2005 Acts, ch 69, §39

Referred to in §252A.3, 252A.6, 598.20, 598.21, 598.22

**598.21B Orders for child support and medical support.**

1. *Child support guidelines.*

*a.* The supreme court shall maintain uniform child support guidelines and criteria and review the guidelines and criteria at least once every four years, pursuant to the federal Family Support Act of 1988, Pub. L. No. 100-485. The initial review shall be performed within four years of October 12, 1989, and subsequently within the four-year period of the most recent review.

*b.* The guidelines prescribed by the supreme court shall incorporate provisions for medical support as defined in chapter 252E to be effective on or before January 1, 1991.

*c.* It is the intent of the general assembly that, to the extent possible within the requirements of federal law, the court and the child support recovery unit consider the individual facts of each judgment or case in the application of the guidelines and determine the support obligation accordingly. It is also the intent of the general assembly that in the supreme court's review of the guidelines, the supreme court shall do both of the following:

(1) Emphasize the ability of a court to apply the guidelines in a just and appropriate manner based upon the individual facts of a judgment or case.

(2) In determining monthly child support payments, consider other children for whom either parent is legally responsible for support and other child support obligations actually paid by either party pursuant to a court or administrative order.

*d.* The guidelines prescribed by the supreme court shall be used by the department of human services in determining child support payments under sections 252C.2 and 252C.4. A variation from the guidelines shall not be considered by the department without a record or written finding, based on stated reasons, that the guidelines would be unjust or inappropriate as determined under criteria prescribed by the supreme court.

2. *Child support orders.*

*a. Court's authority.* Unless prohibited pursuant to 28 U.S.C. § 1738B, upon every judgment of annulment, dissolution, or separate maintenance, the court may order either parent or both parents to pay an amount reasonable and necessary for supporting a child.

*b. Calculating amount of support.*

(1) In establishing the amount of support, consideration shall be given to the responsibility of both parents to support and provide for the welfare of the minor child and of a child's need, whenever practicable, for a close relationship with both parents.

(2) For purposes of calculating a support obligation under this section, the income of the parent from whom support is sought shall be used as the noncustodial parent income for purposes of application of the guidelines, regardless of the legal custody of the child.

(3) For the purposes of including a child's dependent benefit in calculating a support obligation under this section for a child whose parent has been awarded disability benefits under the federal Social Security Act, the provisions of section 598.22C shall apply.

*c. Rebuttable presumption in favor of guidelines.* There shall be a rebuttable presumption that the amount of child support which would result from the application of the guidelines prescribed by the supreme court is the correct amount of child support to be awarded.

*d. Variation from guidelines.* A variation from the guidelines shall not be considered by a court without a record or written finding, based on stated reasons, that the guidelines would be unjust or inappropriate as determined under the criteria prescribed by the supreme court.

*e. Special circumstances justifying variation from guidelines.* Unless the special circumstances of the case justify a deviation, the court or the child support recovery unit shall establish a monthly child support payment in accordance with the guidelines for a parent who is nineteen years of age or younger, who has not received a high school or high school equivalency diploma, and to whom each of the following apply:

(1) The parent is attending a school or program described as follows or has been identified as one of the following:

(a) The parent is in full-time attendance at an accredited school and is pursuing a course of study leading to a high school diploma.

(b) The parent is attending an instructional program leading to a high school equivalency diploma.

(c) The parent is attending a vocational education program approved pursuant to chapter 258.

(d) The parent has been identified by the director of special education of the area education agency as a child requiring special education as defined in section 256B.2.

(2) The parent provides proof of compliance with the requirements of subparagraph (1) to the child support recovery unit, if the unit is providing services under chapter 252B, or if the unit is not providing services pursuant to chapter 252B, to the court as the court may direct.

Failure to provide proof of compliance under this subparagraph or proof of compliance under section 598.21G is grounds for modification of the support order using the uniform child support guidelines and imputing an income to the parent equal to a forty-hour workweek at the state minimum wage, unless the parent's education, experience, or actual earnings justify a higher income.

3. *Medical support.* The court shall order child medical support as provided in section 252E.1A. The premium cost of a health benefit plan may be considered by the court as a reason for varying from the child support guidelines.

4. *Necessary content of order.* Orders made pursuant to this section need mention only those factors relevant to the particular case for which the orders are made but shall contain the names, birth dates, addresses, and counties of residence of the petitioner and respondent.

2005 Acts, ch 69, §40; 2007 Acts, ch 218, §184, 187; 2008 Acts, ch 1019, §18, 20; 2010 Acts, ch 1142, §9

Referred to in §234.39, 252A.3, 252A.6, 252A.6A, 252B.5, 252B.6, 252B.9, 252C.1, 252C.2, 252C.3, 252C.4, 252E.1, 252E.1A, 252E.2A, 252F.3, 252F.4, 252F.5, 252H.2, 252H.6, 252H.8, 252H.9, 252H.14A, 252H.15, 252H.19, 252H.21, 598.20, 598.21C, 598.21E, 598.22, 598.22C, 600B.25, 600B.41A

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**598.21C Modification of child, spousal, or medical support orders.**

1. *Criteria for modification.* Subject to 28 U.S.C. § 1738B, the court may subsequently modify child, spousal, or medical support orders when there is a substantial change in circumstances. In determining whether there is a substantial change in circumstances, the court shall consider the following:

*a.* Changes in the employment, earning capacity, income, or resources of a party.

*b.* Receipt by a party of an inheritance, pension, or other gift.

*c.* Changes in the medical expenses of a party.

*d.* Changes in the number or needs of dependents of a party.

*e.* Changes in the physical, mental, or emotional health of a party.

*f.* Changes in the residence of a party.

*g.* Remarriage of a party.

*h.* Possible support of a party by another person.

*i.* Changes in the physical, emotional, or educational needs of a child whose support is governed by the order.

*j.* Contempt by a party of existing orders of court.

*k.* Entry of a dispositional or permanency order in juvenile court pursuant to chapter 232 placing custody or physical care of a child with a party who is obligated to pay support for a child. Any filing fees or court costs for a modification filed or ordered pursuant to this paragraph are waived.

*l.* Other factors the court determines to be relevant in an individual case.

2. *Additional criteria for modification of child support orders.*

*a.* Subject to 28 U.S.C. § 1738B, but notwithstanding subsection 1, a substantial change of circumstances exists when the court order for child support varies by ten percent or more from the amount which would be due pursuant to the most current child support guidelines established pursuant to section 598.21B or a parent has a health benefit plan available as provided in section 252E.1A and the current order for support does not contain provisions for medical support.

*b.* This basis for modification is applicable to petitions filed on or after July 1, 1992, notwithstanding whether the guidelines prescribed by section 598.21B were used in establishing the current amount of support. Upon application for a modification of an order for child support for which services are being received pursuant to chapter 252B, the court shall set the amount of child support based upon the most current child support guidelines established pursuant to section 598.21B, including provisions for medical support pursuant to chapter 252E. The child support recovery unit shall, in submitting an application for modification, adjustment, or alteration of an order for support, employ additional criteria and procedures as provided in chapter 252H and as established by rule.

3. *Applicable law.* Unless otherwise provided pursuant to 28 U.S.C. § 1738B, a

modification of a support order entered under chapter 234, 252A, 252C, 600B, this chapter, or any other support chapter or proceeding between parties to the order is void unless the modification is approved by the court, after proper notice and opportunity to be heard is given to all parties to the order, and entered as an order of the court. If support payments have been assigned to the department of human services pursuant to section 234.39, 239B.6, or 252E.11, or if services are being provided pursuant to chapter 252B, the department is a party to the support order. Modifications of orders pertaining to child custody shall be made pursuant to chapter 598B. If the petition for a modification of an order pertaining to child custody asks either for joint custody or that joint custody be modified to an award of sole custody, the modification, if any, shall be made pursuant to section 598.41.

4. *Temporary modification of child support orders.* While an application for modification of a child support or child custody order is pending, the court may, on its own motion or upon application by either party, enter a temporary order modifying an order of child support. The court may enter such temporary order only after service of the original notice, and an order shall not be entered until at least five days' notice of hearing and opportunity to be heard, is provided to all parties. In entering temporary orders under this subsection, the court shall consider all pertinent matters, which may be demonstrated by affidavits, as the court may direct. The hearing on application shall be limited to matters set forth in the application, the affidavits of the parties, and any required statements of income. The court shall not hear any other matter relating to the application for modification, respondent's answer, or any pleadings connected with the application for modification or the answer. This subsection shall also apply to an order, decree, or judgment entered or pending on or before July 1, 2007, and shall apply to an order entered under this chapter, chapter 252A, 252C, 252F, 252H, 252K, or 600B, or any other applicable chapter of the Code.

5. *Retroactivity of modification.* Judgments for child support or child support awards entered pursuant to this chapter, chapter 234, 252A, 252C, 252F, 600B, or any other chapter of the Code which are subject to a modification proceeding may be retroactively modified only from three months after the date the notice of the pending petition for modification is served on the opposing party. The three-month limitation applies to a modification action pending on or after July 1, 1997. The prohibition of retroactive modification does not bar the child support recovery unit from obtaining orders for accrued support for previous time periods. Any retroactive modification which increases the amount of child support or any order for accrued support under this subsection shall include a periodic payment plan. A retroactive modification shall not be regarded as a delinquency unless there are subsequent failures to make payments in accordance with the periodic payment plan.

6. *Modification of periodic due date.* The periodic due date established under a prior order for payment of child support shall not be changed in any modified order under this section, unless the court determines that good cause exists to change the periodic due date. If the court determines that good cause exists, the court shall include the rationale for the change in the modified order and shall address the issue of reconciliation of any payments due or made under a prior order which would result in payment of the child support obligation under both the prior and the modified orders.

7. *Modification by child support recovery unit.* Notwithstanding any other provision of law to the contrary, when an application for modification or adjustment of support is submitted by the child support recovery unit, the sole issues which may be considered by the court in that action are the application of the guidelines in establishing the amount of support pursuant to section 598.21B, and provision for medical support under chapter 252E. When an application for a cost-of-living alteration of support is submitted by the child support recovery unit pursuant to section 252H.24, the sole issue which may be considered by the court in the action is the application of the cost-of-living alteration in establishing the amount of child support. Issues related to custody, visitation, or other provisions unrelated to support shall be considered only under a separate application for modification.

8. *Necessary content of order.* Orders made pursuant to this section need mention only those factors relevant to the particular case for which the orders are made but shall contain the names, birth dates, addresses, and counties of residence of the petitioner and respondent.

9. *Duty of clerk of court.* If the court modifies an order, and the original decree was

entered in another county in Iowa, the clerk of court shall send a copy of the modification by regular mail, electronic transmission, or facsimile to the clerk of court for the county where the original decree was entered.

2005 Acts, ch 69, §41; 2006 Acts, ch 1030, §71; 2006 Acts, ch 1119, §7, 10; 2007 Acts, ch 106, §1; 2007 Acts, ch 218, §185, 187; 2008 Acts, ch 1019, §18, 20

Referred to in §234.39, 252B.5, 252H.10, 252H.18A, 598.20, 598.22, 598.22C

For transition provisions applicable to existing child support recovery unit rules, procedures, definitions, and requirements, and for nullification of 441 IAC rule 98.3, see 2007 Acts, ch 218, §186

**598.21D Relocation of parent as grounds to modify order of child custody.**

If a parent awarded joint legal custody and physical care or sole legal custody is relocating the residence of the minor child to a location which is one hundred fifty miles or more from the residence of the minor child at the time that custody was awarded, the court may consider the relocation a substantial change in circumstances. If the court determines that the relocation is a substantial change in circumstances, the court shall modify the custody order to, at a minimum, preserve, as nearly as possible, the existing relationship between the minor child and the nonrelocating parent. If modified, the order may include a provision for extended visitation during summer vacations and school breaks and scheduled telephone contact between the nonrelocating parent and the minor child. The modification may include a provision assigning the responsibility for transportation of the minor child for visitation purposes to either or both parents. If the court makes a finding of past interference by the parent awarded joint legal custody and physical care or sole legal custody with the minor child's access to the other parent, the court may order the posting of a cash bond to assure future compliance with the visitation provisions of the decree. The supreme court shall prescribe guidelines for the forfeiting of the bond and restoration of the bond following forfeiting of the bond.

2005 Acts, ch 69, §42

Referred to in §598.20

**598.21E Contesting paternity to challenge child support order.**

1. If, during an action initiated under this chapter or any other chapter in which a child or medical support obligation may be established based upon a prior determination of paternity, a party wishes to contest the paternity of the child or children involved, all of the following apply:

*a.* (1) If the prior determination of paternity is based on an affidavit of paternity filed pursuant to section 252A.3A, or a court or administrative order entered in this state, or by operation of law when the mother and established father are or were married to each other, the provisions of section 600B.41A apply.

(2) If following the proceedings under section 600B.41A the court determines that the prior determination of paternity should not be overcome, and that the established father has a duty to provide support, the court shall enter an order establishing the monthly child support payment and the amount of the support debt accrued and accruing pursuant to section 598.21B, or the medical support obligation pursuant to chapter 252E, or both.

*b.* If a determination of paternity is based on an administrative or court order or other means pursuant to the laws of a foreign jurisdiction, any action to overcome the prior determination of paternity shall be filed in that jurisdiction. Unless a stay of the action initiated in this state to establish child or medical support is requested and granted by the court, pending a resolution of the contested paternity issue by the foreign jurisdiction, the action shall proceed.

*c.* Notwithstanding paragraph "*a*", in a pending dissolution action under this chapter, a prior determination of paternity by operation of law through the marriage of the established father and mother of the child may be overcome under this chapter if the established father and mother of the child file a written statement with the court that both parties agree that the established father is not the biological father of the child.

2. If the court overcomes a prior determination of paternity, the previously established father shall be relieved of support obligations as specified in section 600B.41A, subsection 4. In any action to overcome paternity other than through a pending dissolution action,

the provisions of section 600B.41A apply. Overcoming paternity under subsection 1, paragraph "*c*", does not bar subsequent actions to establish paternity. A subsequent action to establish paternity against the previously established father is not barred if it is subsequently determined that the written statement attesting that the established father is not the biological father of the child may have been submitted erroneously, and that the person previously determined not to be the child's father during the dissolution action may actually be the child's biological father.

3. If an action to overcome paternity is brought pursuant to subsection 1, paragraph "*c*", the court shall appoint a guardian ad litem for the child for the pendency of the proceedings.

2005 Acts, ch 69, §43; 2006 Acts, ch 1030, §72
Referred to in §598.20, 598.22

**598.21F Postsecondary education subsidy.**

1. *Order of subsidy.* The court may order a postsecondary education subsidy if good cause is shown.

2. *Criteria for good cause.* In determining whether good cause exists for ordering a postsecondary education subsidy, the court shall consider the age of the child, the ability of the child relative to postsecondary education, the child's financial resources, whether the child is self-sustaining, and the financial condition of each parent. If the court determines that good cause is shown for ordering a postsecondary education subsidy, the court shall determine the amount of subsidy as follows:

*a.* The court shall determine the cost of postsecondary education based upon the cost of attending an in-state public institution for a course of instruction leading to an undergraduate degree and shall include the reasonable costs for only necessary postsecondary education expenses.

*b.* The court shall then determine the amount, if any, which the child may reasonably be expected to contribute, considering the child's financial resources, including but not limited to the availability of financial aid whether in the form of scholarships, grants, or student loans, and the ability of the child to earn income while attending school.

*c.* The child's expected contribution shall be deducted from the cost of postsecondary education and the court shall apportion responsibility for the remaining cost of postsecondary education to each parent. The amount paid by each parent shall not exceed thirty-three and one-third percent of the total cost of postsecondary education.

3. *Subsidy payable.* A postsecondary education subsidy shall be payable to the child, to the educational institution, or to both, but shall not be payable to the custodial parent.

4. *Repudiation by child.* A postsecondary education subsidy shall not be awarded if the child has repudiated the parent by publicly disowning the parent, refusing to acknowledge the parent, or by acting in a similar manner.

5. *Obligations of child.* The child shall forward, to each parent, reports of grades awarded at the completion of each academic session within ten days of receipt of the reports. Unless otherwise specified by the parties, a postsecondary education subsidy awarded by the court shall be terminated upon the child's completion of the first calendar year of course instruction if the child fails to maintain a cumulative grade point average in the median range or above during that first calendar year.

6. *Application.* A support order, decree, or judgment entered or pending before July 1, 1997, that provides for support of a child for college, university, or community college expenses may be modified in accordance with this section.

7. *Necessary content of order.* Orders made pursuant to this section need mention only those factors relevant to the particular case for which the orders are made but shall contain the names, birth dates, addresses, and counties of residence of the petitioner and respondent.

2005 Acts, ch 69, §44; 2006 Acts, ch 1030, §73
Referred to in §598.20, 598.22, 600.11

**598.21G Minor parent — parenting classes.**

In any order or judgment entered under this chapter or chapter 234, 252A, 252C, 252F, or 600B, or under any other chapter which provides for temporary or permanent support

payments, if the parent ordered to pay support is less than eighteen years of age, one of the following shall apply:

1. If the child support recovery unit is providing services pursuant to chapter 252B, the court, or the administrator as defined in section 252C.1, shall order the parent ordered to pay support to attend parenting classes which are approved by the department of human services.

2. If the child support recovery unit is not providing services pursuant to chapter 252B, the court may order the parent ordered to pay support to attend parenting classes which are approved by the court.

2005 Acts, ch 69, §45; 2006 Acts, ch 1010, §152

Referred to in §598.21B

**598.22 Support payments — clerk of court — collection services center — defaults — security.**

1. Except as otherwise provided in section 598.22A, this section applies to all initial or modified orders for support entered under this chapter, chapter 234, 252A, 252C, 252F, 600B, or any other chapter of the Code. All orders or judgments entered under chapter 234, 252A, 252C, 252F,or 600B, or under this chapter or any other chapter which provide for temporary or permanent support payments shall direct the payment of those sums to the clerk of the district court or the collection services center in accordance with section 252B.14 for the use of the person for whom the payments have been awarded. Beginning October 1, 1999, all income withholding payments shall be directed to the collection services center. Payments to persons other than the clerk of the district court and the collection services center do not satisfy the support obligations created by the orders or judgments, except as provided for trusts governed by the federal Retirement Equity Act of 1984, Pub. L. No. 98-397, for tax refunds or rebates in section 602.8102, subsection 47, or for dependent benefits paid to the child support obligee as the result of disability benefits awarded to the child support obligor under the federal Social Security Act. For trusts governed by the federal Retirement Equity Act of 1984, Pub. L. No. 98-397, the order for income withholding or notice of the order for income withholding shall require the payment of such sums to the alternate payee in accordance with the federal Act. For dependent benefits paid to the child support obligee as a result of disability benefits awarded to the child support obligor under the federal Social Security Act, the provisions of section 598.22C shall apply.

2. An income withholding order or notice of the order for income withholding shall be entered under the terms and conditions of chapter 252D. However, for trusts governed by the federal Retirement Equity Act of 1984, Pub. L. No. 98-397, the payor shall transmit the payments to the alternate payee in accordance with the federal Act.

3. An order or judgment entered by the court for temporary or permanent support or for income withholding shall be filed with the clerk. The orders have the same force and effect as judgments when entered in the judgment docket and lien index and are records open to the public. Unless otherwise provided by federal law, if it is possible to identify the support order to which a payment is to be applied, and if sufficient information identifying the obligee is provided, the clerk or the collection services center, as appropriate, shall disburse the payments received pursuant to the orders or judgments within two working days of the receipt of the payments. All moneys received or disbursed under this section shall be entered in records kept by the clerk, or the collection services center, as appropriate, and the records kept by the clerk shall be available to the public. The clerk or the collection services center shall not enter any moneys paid in the record book if not paid directly to the clerk or the center, as appropriate, except as provided for trusts and federal social security disability payments in this section, and for tax refunds or rebates in section 602.8102, subsection 47.

4. If the sums ordered to be paid in a support payment order are not paid to the clerk or the collection services center, as appropriate, at the time provided in the order or judgment, the clerk or the collection services center, as appropriate, shall certify a default to the court which may, on its own motion, proceed as provided in section 598.23.

5. Prompt payment of sums required to be paid under sections 598.10, 598.21A, 598.21B, 598.21C, 598.21E, and 598.21F is the essence of such orders or judgments and the court may

act pursuant to section 598.23 regardless of whether the amounts in default are paid prior to the contempt hearing.

6. Upon entry of an order for support or upon the failure of a person to make payments pursuant to an order for support, the court may require the person to provide security, a bond, or other guarantee which the court determines is satisfactory to secure the payment of the support. Upon the person's failure to pay the support under the order, the court may declare the security, bond, or other guarantee forfeited.

7. For the purpose of enforcement, medical support is additional support which, upon being reduced to a dollar amount, may be collected through the same remedies available for the collection and enforcement of child support.

8. The clerk of the district court in the county in which the order for support is filed and to whom support payments are made pursuant to the order may require the person obligated to pay support to submit payments by bank draft or money order if the obligor submits an insufficient funds support payment to the clerk of the district court.

[C71, 73, 75, 77, 79, 81, §598.22; 82 Acts, ch 1134, §1]

85 Acts, ch 100, §7; 85 Acts, ch 178, §8; 86 Acts, ch 1246, §319, 320; 88 Acts, ch 1218, §6 – 8; 90 Acts, ch 1123, §13; 90 Acts, ch 1224, §46, 47; 93 Acts, ch 79, §50; 97 Acts, ch 175, §194; 98 Acts, ch 1170, §11, 12; 2002 Acts, ch 1018, §18; 2005 Acts, ch 69, §46; 2012 Acts, ch 1033, §10

Referred to in §96.3, 234.39, 252B.14, 252B.15, 252D.1, 252H.3, 252H.8, 252H.9, 252H.16, 252H.22, 252I.2, 252J.2, 421.17, 598.22A, 598.34, 642.21

**598.22A Satisfaction of support payments.**

Notwithstanding sections 252B.14 and 598.22, support payments ordered pursuant to any support chapter for orders entered on or after July 1, 1985, which are not made pursuant to the provisions of section 252B.14 or 598.22, shall be credited only as provided in this section.

1. *a.* For payment made pursuant to an order, the clerk of the district court or collection services center shall record a satisfaction as a credit on the official support payment record if its validity is confirmed by the court upon submission of an affidavit by the person entitled to receive the payment or upon submission of documentation of the financial instrument used in the payment of the support by the person ordered to pay support, after notice is given to all parties.

*b.* If a satisfaction recorded on the official support payment record by the clerk of the district court or collection services center prior to July 1, 1991, was not confirmed as valid by the court, and a party to the action submits a written affidavit objecting to the satisfaction, notice of the objection shall be mailed to all parties at their last known addresses. After all parties have had sufficient opportunity to respond to the objection, the court shall either require the satisfaction to be removed from the official support payment record or confirm its validity.

2. For purposes of this section, the state is a party to which notice shall be given when public funds have been expended pursuant to chapter 234, 239B, or 249A, or similar statutes in another state. If proper notice is not given to the state when required, any order of satisfaction is void.

3. The court shall not enter an order for satisfaction of payments not made through the clerk of the district court or collection services center if those payments have been assigned as a result of public funds expended pursuant to chapter 234, 239B, or 249A, or similar statutes in other states and the support payments accrued during the months in which public funds were expended. If the support order did not direct payments to a clerk of the district court or the collection services center, and the support payments in question accrued during the months in which public funds were not expended, however, the court may enter an order for satisfaction of payments not made through the clerk of the district court or the collection services center if documentation of the financial instrument used in the payment of support is presented to the court and the parties to the order submit a written affidavit confirming that the financial instrument was used as payment for support.

4. Payment of accrued support debt due the department of human services shall be credited pursuant to section 252B.3, subsection 5.

90 Acts, ch 1224, §48; 91 Acts, ch 177, §7; 93 Acts, ch 79, §51; 97 Acts, ch 41, §32; 98 Acts, ch 1170, §42; 2005 Acts, ch 112, §18; 2013 Acts, ch 30, §261

Referred to in §252B.3, 252B.14, 598.22

Certain support arrearages for which rights remain assigned to the department of public health for time periods prior to October 1, 1997, are considered satisfied up to amount of assistance received or foster care funds expended; 2009 Acts, ch 182, §8

Code editor directive applied

**598.22B Information required in order or judgment.**

This section applies to all initial or modified orders for paternity or support entered under this chapter, chapter 234, 252A, 252C, 252F, 252H, 252K, or 600B, or under any other chapter, and any subsequent order to enforce such support orders.

1. All such orders or judgments shall direct each party to file with the clerk of court or the child support recovery unit, as appropriate, upon entry of the order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of the party's employer. The order shall also include a provision that the information filed will be disclosed and used pursuant to this section. The party shall file the information with the clerk of court, or, if all support payments are to be directed to the collection services center as provided in section 252B.14, subsection 2, and section 252B.16, with the child support recovery unit.

2. All such orders or judgments shall include a statement that in any subsequent child support action initiated by the child support recovery unit or between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the unit or the court shall deem due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the clerk of court or unit pursuant to subsection 1.

3. *a.* Information filed pursuant to subsection 1 shall not be a public record.

*b.* Information filed with the clerk of court pursuant to subsection 1 shall be available to the child support recovery unit, upon request. Beginning October 1, 1998, information filed with the clerk of court pursuant to subsection 1 shall be provided by the clerk of court to the child support recovery unit pursuant to section 252B.24.

*c.* Information filed with the clerk of court shall be available, upon request, to a party unless the party filing the information also files an affidavit alleging the party has reason to believe that release of the information may result in physical or emotional harm to the affiant or child. However, even if an affidavit has been filed, any information provided by the clerk of court to the child support recovery unit shall be disclosed by the unit as provided in section 252B.9.

*d.* Information provided to the unit shall only be disclosed as provided in section 252B.9.

97 Acts, ch 175, §195; 98 Acts, ch 1170, §16

Referred to in §252B.24, 252F.4

**598.22C Child support — social security disability dependent benefits.**

If dependent benefits are paid for a child as a result of disability benefits awarded to the child's parent under the federal Social Security Act, all of the following shall apply:

1. Unless the court otherwise provides, dependent benefits paid to the child support obligee as a result of disability benefits awarded to the child support obligor fully satisfy and substitute for the support obligations for the same period of time for which the benefits are awarded.

2. For the purposes of calculating a support obligation under section 598.21B, the dependent benefits paid for any child shall be included as income to the disabled parent.

3. *a.* Any order or judgment for support for a child for whom social security disability benefits are paid to the child support obligee as a result of disability benefits awarded to the child support obligor shall include all of the following:

(1) The dollar amount of the child support obligation as calculated by application of the

guidelines under section 598.21B, and a statement that the social security dependent benefits are included as income to the obligor in that calculation.

(2) The dollar amount of the social security dependent benefits paid to the obligee which shall be dollar-for-dollar satisfaction of the obligor's child support obligation.

(3) The dollar amount, if any, the obligor shall pay after application of the social security dependent benefits as a credit to or dollar-for-dollar satisfaction of the child support obligation.

*b.* The amount of the child support obligation stated in the order, and the amount the obligor shall pay after application of the social security disability dependent benefit credit or satisfaction stated in the order, shall continue until modified, as provided in section 598.21C.

4. The amount of any child support obligation satisfied under this section based upon the receipt of dependent benefits paid to the child support obligee as a result of disability benefits awarded to the child support obligor shall not be considered delinquent.

2002 Acts, ch 1018, §19; 2005 Acts, ch 69, §47 – 49

Referred to in §252H.3, 252H.8, 252H.9, 252H.16, 252H.22, 598.21B, 598.22

**598.22D Separate fund or conservatorship for support.**

The court may protect and promote the best interests of a minor child by setting aside a portion of the child support which either party is ordered to pay in a separate fund or conservatorship for the support, education, and welfare of the child.

2005 Acts, ch 69, §50

**598.23 Contempt proceedings — alternatives to jail sentence.**

1. If a person against whom a temporary order or final decree has been entered willfully disobeys the order or decree, the person may be cited and punished by the court for contempt and be committed to the county jail for a period of time not to exceed thirty days for each offense.

2. The court may, as an alternative to punishment for contempt, make an order which, according to the subject matter of the order or decree involved, does the following:

*a.* Withholds income under the terms and conditions of chapter 252D.

*b.* Modifies visitation to compensate for lost visitation time or establishes joint custody for the child or transfers custody.

*c.* Directs the parties to provide contact with the child through a neutral party or neutral site or center.

*d.* Imposes sanctions or specific requirements or orders the parties to participate in mediation to enforce the joint custody provisions of the decree.

[C24, 27, 31, 35, 39, §**10482;** C46, 50, 54, 58, 62, 66, §598.15; C71, 73, 75, 77, 79, 81, §598.23]

84 Acts, ch 1133, §1; 85 Acts, ch 67, §56; 85 Acts, ch 178, §9; 88 Acts, ch 1218, §9; 97 Acts, ch 175, §196, 197

Referred to in §96.3, 234.39, 598.22, 598.23A, 642.21

**598.23A Contempt proceedings for provisions of support payments — activity governed by a license.**

1. If a person against whom an order or decree for support has been entered pursuant to this chapter or chapter 234, 252A, 252C, 252F, 600B, or any other support chapter, or a comparable chapter of a foreign jurisdiction, fails to make payments or provide medical support pursuant to that order or decree, the person may be cited and punished by the court for contempt under section 598.23 or this section. Failure to comply with a seek employment order entered pursuant to section 252B.21 is evidence of willful failure to pay support.

2. If a person is cited for contempt, the court may do any of the following:

*a.* Require the posting of a cash bond, within seven calendar days, in an amount equivalent to the current arrearages and an additional amount which is equivalent to at least twelve months of future support obligations. If the arrearages are not paid within three months of the hearing, the bond shall be automatically forfeited to cover payment of the full portion of the arrearages and the portion of the bond representing future support obligations shall be automatically forfeited to cover future support payments as payments become due.

*b.* (1) Require the performance of community service work of up to twenty hours per

week for six weeks for each finding of contempt. The contemnor may, at any time during the six-week period, apply to the court to be released from the community service work requirement under any of the following conditions:

(a) The contemnor provides proof to the court that the contemnor is gainfully employed and submits to an order for income withholding pursuant to chapter 252D or to a court-ordered wage assignment.

(b) The contemnor provides proof of payment of an amount equal to at least six months' child support. The payment does not relieve the contemnor's obligation for arrearages or future payments.

(c) The contemnor provides proof to the court that, subsequent to entry of the order, the contemnor's circumstances have so changed that the contemnor is no longer able to fulfill the terms of the community service order.

(2) The contemnor shall keep a record of and provide the following information to the court at the court's request, or to the child support recovery unit established pursuant to chapter 252B, at the unit's request, when the unit is providing enforcement services pursuant to chapter 252B:

(a) The duties performed as community service during each week that the contemnor is subject to the community service requirements.

(b) The number of hours of community service performed during each week that the contemnor is subject to the community service requirements.

(c) The name, address, and telephone number of the person supervising or arranging for the performance of the community service.

(3) The performance of community service does not relieve the contemnor of any unpaid accrued or accruing support obligation.

*c.* Enjoin the contemnor from engaging in the exercise of any activity governed by a license.

(1) If the court determines that an extreme hardship will result from the injunction, the court order may allow the contemnor to engage in the exercise of the activity governed by the license, subject to terms established by the court, which shall include, at a minimum, that the contemnor enter into an agreement to satisfy all obligations owing over a period of time satisfactory to the court.

(2) If the court order allows for the exercise of the activity governed by a license pending satisfaction of an obligation over time, and the contemnor fails to comply with the agreement, the contemnor shall be provided an opportunity for hearing, within ten days, to demonstrate why an order enjoining the contemnor from engaging in the exercise of any activity governed by a license should not be issued.

(3) The court order under this paragraph shall be vacated only after verification is provided to the court that the contemnor has satisfied all accrued obligations owing and that the contemnor has satisfied all terms established by the court and when the person entitled to receive support payments, or the child support recovery unit when the unit is providing enforcement services pursuant to chapter 252B, has been provided ten days' notice and an opportunity to object.

(4) As used in this paragraph, *"license"* means any license or renewal of a license, certification, or registration issued by an agency to a person to conduct a trade or business, including but not limited to a license to practice a profession or occupation or to operate a commercial motor vehicle.

92 Acts, ch 1195, §510; 93 Acts, ch 79, §27 – 29; 94 Acts, ch 1101, §9, 10

Referred to in §85.59, 252B.21, 252J.2, 669.2, 815.11

**598.24 Costs if party is in default or contempt.**

When an action for a modification, order to show cause, or contempt of a dissolution, annulment, or separate maintenance decree is brought on the grounds that a party to the decree is in default or contempt of the decree, and the court determines that the party is in

default or contempt of the decree, the costs of the proceeding, including reasonable attorney's fees, may be taxed against that party.

[C71, 73, 75, 77, 79, 81, §598.24]

84 Acts, ch 1133, §2

**598.25 Parties and court granting marriage dissolution decree — notice.**

1. Whenever a proceeding is initiated in a court for adoption involving the children of parents or guardians whose marriage has been dissolved, or for modification of a judgment of alimony, child support, or custody granted in an action for dissolution of marriage, the following requirements must be met if such proceedings are initiated in a court other than the court which granted the dissolution decree.

*a.* The party initiating such proceedings must present to the court the names and addresses of the parties to the dissolution decree if known, as well as the name and place of the court which granted the dissolution decree and the date of the decree.

*b.* The court in which the proceedings are initiated shall cause notice of such proceedings to be served upon the parties to the original action unless either or both parties are deceased.

2. Such court, or either of the parties to the dissolution decree, may request that a copy of the transcript of the proceedings of the court which granted the dissolution decree be made available for consideration in the new proceedings.

[C71, 73, 75, 77, 79, 81, §598.25]

2013 Acts, ch 30, §261

Code editor directive applied

**598.26 Record — impounding — violation indictable.**

The record and evidence in each case of marriage dissolution shall be kept pursuant to the following provisions:

1. Until a decree of dissolution has been entered, the record and evidence shall be closed to all but the court, its officers, and the child support recovery unit of the department of human services pursuant to section 252B.9. However, the payment records of a temporary support order maintained by the clerk of the district court are public records and may be released upon request. Payment records shall not include address or location information. No other person shall permit a copy of any of the testimony, or pleading, or the substance of any testimony or pleading, to be made available to any person other than a party to the action or a party's attorney. Nothing in this subsection shall be construed to prohibit publication of the original notice as provided by the rules of civil procedure.

2. The court shall, in the absence of objection by another party, grant a motion by a party to require the sealing of an answer to an interrogatory or of a financial statement filed pursuant to section 598.13. The court may in its discretion grant a motion by a party to require the sealing of any other information which is part of the record of the case except for court orders, decrees and any judgments. If the court grants a motion to require the sealing of information in the case, the sealed information shall not thereafter be made available to any person other than a party to the action or a party's attorney except upon order of the court for good cause shown.

3. If the action is dismissed, judgment for costs shall be entered in the judgment docket and lien index. The clerk shall maintain a separate docket for dissolution of marriage actions.

4. Violation of the provisions of this section shall be a serious misdemeanor.

[C71, 73, 75, 77, 79, 81, §598.26]

91 Acts, ch 177, §8; 98 Acts, ch 1170, §13; 2012 Acts, ch 1033, §11

**598.27** Repealed by 76 Acts, ch 1228, § 10.

**598.28 Separate maintenance and annulment.**

A petition shall be filed in separate maintenance and annulment actions as in actions for dissolution of marriage, and all applicable provisions of this chapter in relation thereto shall apply to separate maintenance and annulment actions.

[C73, §2232; C97, §3183; C24, 27, 31, 35, 39, §**10487;** C46, 50, 54, 58, 62, 66, §598.20; C71, 73, 75, 77, 79, 81, §598.28]

**598.29 Annulling illegal marriage — causes.**

Marriage may be annulled for the following causes:

1. Where the marriage between the parties is prohibited by law.
2. Where either party was impotent at the time of marriage.
3. Where either party had a husband or wife living at the time of the marriage, provided they have not, with a knowledge of such fact, lived and cohabited together after the death or marriage dissolution of the former spouse of such party.
4. Where either party was a ward under a guardianship and was found by the court to lack the capacity to contract a valid marriage.

[C73, §2231; C97, §3182; C24, 27, 31, 35, 39, §**10486;** C46, 50, 54, 58, 62, 66, §598.19; C71, 73, 75, 77, 79, 81, §598.29]

91 Acts, ch 93, §3

**598.30 Validity determined.**

When the validity of a marriage is doubted, either party may file a petition, and the court shall decree it annulled or affirmed according to the proof.

[C73, §2233; C97, §3184; C24, 27, 31, 35, 39, §**10488;** C46, 50, 54, 58, 62, 66, §598.21; C71, 73, 75, 77, 79, 81, §598.30]

**598.31 Children — legitimacy.**

Children born to the parties, or to the wife, in a marriage relationship which may be terminated or annulled pursuant to the provisions of this chapter shall be legitimate as to both parties, unless the court shall decree otherwise according to the proof.

[C73, §2234, 2235; C97, §3185, 3186; C24, 27, 31, 35, 39, §**10489, 10490;** C46, 50, 54, 58, 62, 66, §598.22, 598.23; C71, 73, 75, 77, 79, 81, §598.31]

**598.32 Annulment — compensation.**

In case either party entered into the contract of marriage in good faith, supposing the other to be capable of contracting, and the marriage is declared a nullity, such fact shall be entered in the decree, and the court may decree such innocent party compensation as in case of dissolution of marriage.

[C73, §2236; C97, §3187; C24, 27, 31, 35, 39, §**10491;** C46, 50, 54, 58, 62, 66, §598.24; C71, 73, 75, 77, 79, 81, §598.32]

**598.33 Order to vacate.**

Notwithstanding section 561.15, the court may order either party to vacate the homestead pending entry of a decree of dissolution upon a showing that the other party or the children are in imminent danger of physical harm if the order is not issued.

[C81, §598.33]

**598.34 Recipients of public assistance — assignment of support payments.**

1. If public assistance is provided by the department of human services to or on behalf of a dependent child or a dependent child's caretaker, there is an assignment by operation of law to the department of any and all rights in, title to, and interest in any support obligation, payment, and arrearages owed to or for the child or caretaker not to exceed the amount of public assistance paid for or on behalf of the child or caretaker as follows:

*a.* For family investment program assistance, section 239B.6 shall apply.

*b.* For foster care services, section 234.39 shall apply.

*c.* For medical assistance, section 252E.11 shall apply.

2. The department shall immediately notify the clerk of court by mail when such a child or caretaker has been determined to be eligible for public assistance. Upon notification by the department, the clerk of court shall make a notation of the automatic assignment in the judgment docket and lien index. The notation constitutes constructive notice of the assignment. For public assistance approved and provided on or after July 1, 1997, if the applicant for public assistance is a person other than a parent of the child, the department shall send a notice by regular mail to the last known addresses of the obligee and obligor. The clerk of court shall forward support payments received pursuant to section 598.22, to which the department is entitled, to the department, which may secure support payments in default through other proceedings.

3. The clerk shall furnish the department with copies of all orders or decrees and temporary or domestic abuse orders addressing support when the parties are receiving public assistance or services are otherwise provided by the child support recovery unit pursuant to chapter 252B. Unless otherwise specified in the order, an equal and proportionate share of any child support awarded shall be presumed to be payable on behalf of each child subject to the order or judgment for purposes of an assignment under this section.

[C71, 73, 75, 77, 79, 81, §598.34; 82 Acts, ch 1237, §4]

83 Acts, ch 96, §157, 159; 97 Acts, ch 175, §198; 2008 Acts, ch 1019, §5, 7

**598.35 Grandparent — great-grandparent — visitation rights.** Repealed by 2007 Acts, ch 218, § 208. See § 600C.1.

**598.36 Attorney fees in proceeding to modify order or decree.**

In a proceeding for the modification of an order or decree under this chapter the court may award attorney fees to the prevailing party in an amount deemed reasonable by the court.

84 Acts, ch 1211, §1

**598.37 Name change.**

Either party to a marriage may request as a part of the decree of dissolution or decree of annulment a change in the person's name to either the name appearing on the person's birth certificate or to the name the person had immediately prior to the marriage. If a party requests a name change other than to the name appearing on the person's birth certificate or to the name the person had immediately prior to the marriage, the request shall be made under chapter 674.

88 Acts, ch 1142, §2

**598.38 through 598.40** Reserved.

**598.41 Custody of children.**

1. *a.* The court may provide for joint custody of the child by the parties. The court, insofar as is reasonable and in the best interest of the child, shall order the custody award, including liberal visitation rights where appropriate, which will assure the child the opportunity for the maximum continuing physical and emotional contact with both parents after the parents have separated or dissolved the marriage, and which will encourage parents to share the rights and responsibilities of raising the child unless direct physical harm or significant emotional harm to the child, other children, or a parent is likely to result from such contact with one parent.

*b.* Notwithstanding paragraph "*a*", if the court finds that a history of domestic abuse exists, a rebuttable presumption against the awarding of joint custody exists.

*c.* The court shall consider the denial by one parent of the child's opportunity for maximum continuing contact with the other parent, without just cause, a significant factor in determining the proper custody arrangement. Just cause may include a determination by the court pursuant to subsection 3, paragraph "*j*", that a history of domestic abuse exists between the parents.

*d.* If a history of domestic abuse exists as determined by a court pursuant to subsection 3, paragraph "*j*", and if a parent who is a victim of such domestic abuse relocates or is absent from the home based upon the fear of or actual acts or threats of domestic abuse perpetrated

by the other parent, the court shall not consider the relocation or absence of that parent as a factor against that parent in the awarding of custody or visitation.

*e.* Unless otherwise ordered by the court in the custody decree, both parents shall have legal access to information concerning the child, including but not limited to medical, educational and law enforcement records.

2. *a.* On the application of either parent, the court shall consider granting joint custody in cases where the parents do not agree to joint custody.

*b.* If the court does not grant joint custody under this subsection, the court shall cite clear and convincing evidence, pursuant to the factors in subsection 3, that joint custody is unreasonable and not in the best interest of the child to the extent that the legal custodial relationship between the child and a parent should be severed.

*c.* A finding by the court that a history of domestic abuse exists, as specified in subsection 3, paragraph *"j"*, which is not rebutted, shall outweigh consideration of any other factor specified in subsection 3 in the determination of the awarding of custody under this subsection.

*d.* Before ruling upon the joint custody petition in these cases, unless the court determines that a history of domestic abuse exists as specified in subsection 3, paragraph *"j"*, or unless the court determines that direct physical harm or significant emotional harm to the child, other children, or a parent is likely to result, the court may require the parties to participate in custody mediation to determine whether joint custody is in the best interest of the child. The court may require the child's participation in the mediation insofar as the court determines the child's participation is advisable.

*e.* The costs of custody mediation shall be paid in full or in part by the parties and taxed as court costs.

3. In considering what custody arrangement under subsection 2 is in the best interest of the minor child, the court shall consider the following factors:

*a.* Whether each parent would be a suitable custodian for the child.

*b.* Whether the psychological and emotional needs and development of the child will suffer due to lack of active contact with and attention from both parents.

*c.* Whether the parents can communicate with each other regarding the child's needs.

*d.* Whether both parents have actively cared for the child before and since the separation.

*e.* Whether each parent can support the other parent's relationship with the child.

*f.* Whether the custody arrangement is in accord with the child's wishes or whether the child has strong opposition, taking into consideration the child's age and maturity.

*g.* Whether one or both the parents agree or are opposed to joint custody.

*h.* The geographic proximity of the parents.

*i.* Whether the safety of the child, other children, or the other parent will be jeopardized by the awarding of joint custody or by unsupervised or unrestricted visitation.

*j.* Whether a history of domestic abuse, as defined in section 236.2, exists. In determining whether a history of domestic abuse exists, the court's consideration shall include but is not limited to commencement of an action pursuant to section 236.3, the issuance of a protective order against the parent or the issuance of a court order or consent agreement pursuant to section 236.5, the issuance of an emergency order pursuant to section 236.6, the holding of a parent in contempt pursuant to section 664A.7, the response of a peace officer to the scene of alleged domestic abuse or the arrest of a parent following response to a report of alleged domestic abuse, or a conviction for domestic abuse assault pursuant to section 708.2A.

*k.* Whether a parent has allowed a person custody or control of, or unsupervised access to a child after knowing the person is required to register or is on the sex offender registry as a sex offender under chapter 692A.

4. Subsection 3 shall not apply when parents agree to joint custody.

5. *a.* If joint legal custody is awarded to both parents, the court may award joint physical care to both joint custodial parents upon the request of either parent. Prior to ruling on the request for the award of joint physical care, the court may require the parents to submit, either individually or jointly, a proposed joint physical care parenting plan. A proposed joint physical care parenting plan shall address how the parents will make decisions affecting the child, how the parents will provide a home for the child, how the child's time will be divided

between the parents and how each parent will facilitate the child's time with the other parent, arrangements in addition to court-ordered child support for the child's expenses, how the parents will resolve major changes or disagreements affecting the child including changes that arise due to the child's age and developmental needs, and any other issues the court may require. If the court denies the request for joint physical care, the determination shall be accompanied by specific findings of fact and conclusions of law that the awarding of joint physical care is not in the best interest of the child.

*b.* If joint physical care is not awarded under paragraph "*a*", and only one joint custodial parent is awarded physical care, the parent responsible for providing physical care shall support the other parent's relationship with the child. Physical care awarded to one parent does not affect the other parent's rights and responsibilities as a joint legal custodian of the child. Rights and responsibilities as joint legal custodian of the child include but are not limited to equal participation in decisions affecting the child's legal status, medical care, education, extracurricular activities, and religious instruction.

6. If the parties have more than one minor child, and the court awards each party the physical custody of one or more of the children, upon application by either party, and if it is reasonable and in the best interest of the children, the court shall include a provision in the custody order directing the parties to allow visitation between the children in each party's custody.

7. When a parent awarded legal custody or physical care of a child cannot act as custodian or caretaker because the parent has died or has been judicially adjudged incompetent, the court shall award legal custody including physical care of the child to the surviving parent unless the court finds that such an award is not in the child's best interest.

8. If an application for modification of a decree or a petition for modification of an order is filed, based upon differences between the parents regarding the custody arrangement established under the decree or order, unless the court determines that a history of domestic abuse exists as specified in subsection 3, paragraph "*j*", or unless the court determines that direct physical harm or significant emotional harm to the child, other children, or a parent is likely to result, the court may require the parents to participate in mediation to attempt to resolve the differences between the parents.

9. All orders relating to custody of a child are subject to chapter 598B.

[82 Acts, ch 1250, §2]

84 Acts, ch 1088, §2, 3, 4, 5; 85 Acts, ch 67, §57, 58; 86 Acts, ch 1179, §5, 6; 95 Acts, ch 182, §22 – 24; 95 Acts, ch 183, §2; 97 Acts, ch 175, §199, 200; 99 Acts, ch 115, §1; 2004 Acts, ch 1169, §1; 2005 Acts, ch 69, §51 – 53; 2006 Acts, ch 1101, §4; 2012 Acts, ch 1138, §37

Referred to in §598.7, 598.21C, 598.41A, 598.41B, 600B.40, 600B.41A

**598.41A Visitation — history of crimes against a minor.**

1. Notwithstanding section 598.41, the court shall consider, in the award of visitation rights to a parent of a child, the criminal history of the parent if the parent has been convicted of a sex offense against a minor as defined in section 692A.101.

2. Notwithstanding section 598.41, an individual who is a parent of a minor child and who has been convicted of a sex offense against a minor as defined in section 692A.101, is not entitled to visitation rights while incarcerated. While on probation, parole, or any other type of conditional release including a special sentence for such offense, visitation shall be denied until the parent successfully completes a treatment program approved by the court, if required by the court. The circumstances described in this subsection shall be considered a substantial change in circumstances.

98 Acts, ch 1070, §2; 2009 Acts, ch 119, §42; 2013 Acts, ch 105, §1, 3, 4

2013 amendment to section takes effect May 15, 2013, and applies retroactively to an order or decree involving child custody or visitation issued on or after July 1, 2000; 2013 Acts, ch 105, §3, 4

Section amended

**598.41B Visitation — restrictions — murder of parent.**

1. Notwithstanding section 598.41, the court shall not do either of the following:

*a.* Enforce an existing order awarding visitation rights to a child's parent, which was

obtained prior to that parent's conviction for first degree murder in the murder of the child's other parent, unless such enforcement is in the best interest of the child.

*b.* Award visitation rights to a child's parent who has been convicted of murder in the first degree of the child's other parent, unless the court finds that such visitation is in the best interest of the child.

2. In determining whether visitation would be in the best interest of the child pursuant to subsection 1, the court shall consider all of the following:

*a.* The age and level of maturity of the child.

*b.* If the child is developmentally mature enough to provide assent and whether the child does assent.

*c.* The recommendation of the child's custodian or legal guardian.

*d.* The recommendation of a child counselor or mental health professional following evaluation of the child.

*e.* The recommendation of a guardian ad litem for the child if one has been appointed to represent the child in the proceeding.

*f.* Any other information which the court deems to be relevant.

3. Until such time as an order regarding visitation rights under subsection 1 is entered, the child of a parent who has been convicted of murder in the first degree of the child's other parent shall not visit the parent who has been convicted.

99 Acts, ch 38, §1

**598.41C Modification of child custody or physical care — active duty.**

1. *a.* If an application for modification of a decree or a petition for modification of an order regarding child custody or physical care is filed prior to or during the time a parent is serving active duty in the military service of the United States, the court may only enter an order or decree temporarily modifying the existing child custody or physical care order or decree if there is clear and convincing evidence that the modification is in the best interest of the child.

*b.* If the active duty of a parent affects the parent's ability or anticipated ability to appear at a regularly scheduled hearing, the court shall provide for an expedited hearing in matters instituted under this section.

*c.* If the active duty or anticipated active duty of a parent prevents the parent from appearing in person at a hearing, the court shall provide, upon reasonable advance notice, for the parent to present testimony and evidence by electronic means in matters instituted under this section. For the purposes of this paragraph, *"electronic means"* includes communication by telephone, video teleconference, or the internet.

*d.* Upon the parent's completion of active duty, the court shall reinstate the custody or physical care order or decree that was in effect immediately preceding the period of active duty. If an application for modification of a decree or a petition for modification of an order is filed after a parent completes active duty, the parent's absence due to active duty does not constitute a substantial change in circumstances, and the court shall not consider a parent's absence due to that active duty in making a determination regarding the best interest of the child.

2. As used in this section, *"active duty"* means active military duty pursuant to orders issued under Tit. 10 of the United States Code. However, this section shall not apply to active guard and reserve duty or similar full-time military duty performed by a parent when the child remains in actual custody of the parent.

2008 Acts, ch 1060, §1; 2010 Acts, ch 1168, §1, 3

**598.41D Assignment of visitation or physical care parenting time — parent serving active duty — family member.**

1. Notwithstanding any provision to the contrary, a parent who has been granted court-ordered visitation with the parent's minor child may file an application for modification of a decree or a petition for modification of an order regarding child visitation, prior to or during the time the parent is serving active duty in the military service of the United States, to temporarily assign that parent's visitation to a family member of the minor child, as specified by the parent. The application or petition shall be accompanied by an affidavit

from the family member indicating the family member's knowledge of the application or petition and willingness to exercise the parent's visitation during the parent's absence. The application or petition shall also request any change in the visitation schedule necessitated by the assignment.

2. Notwithstanding any provision to the contrary, a parent who has been granted court-ordered physical care or joint physical care of the parent's minor child may file an application for modification of a decree or a petition for modification of an order regarding child custody, prior to or during the time the parent is serving active duty in the military service of the United States, to temporarily assign the parent's physical care parenting time to a family member of the minor child, as specified by the parent. The application or petition shall be accompanied by an affidavit from the family member indicating the family member's knowledge of the application or petition and willingness to exercise the parent's physical care parenting time during the parent's absence. The application or petition shall also request any change in the physical care parenting time schedule necessitated by the assignment.

3. *a.* If the active duty of a parent affects the parent's ability or anticipated ability to appear at a regularly scheduled hearing, the court shall provide for an expedited hearing in matters instituted under this section.

*b.* If the active duty or anticipated active duty of a parent prevents the parent from appearing in person at a hearing, the court shall provide, upon reasonable advance notice, for the parent to present testimony and evidence by electronic means in matters instituted under this section. For the purposes of this paragraph, *"electronic means"* includes communication by telephone, video teleconference, or the internet.

4. *a.* The court may grant the parent's request for temporary assignment of visitation or physical care parenting time and any change in the visitation or physical care parenting time schedule requested if the court finds that such assignment of visitation or physical care parenting time is in the best interest of the child.

*b.* In determining the best interest of the child, the court shall ensure all of the following:

(1) That the specified family member is not a sex offender as defined in section 692A.101.

(2) That the specified family member does not have a history of domestic abuse, as defined in section 236.2. In determining whether a history of domestic abuse exists, the court's consideration shall include but is not limited to commencement of an action pursuant to section 236.3, the issuance of a protective order against the individual or the issuance of a court order or consent agreement pursuant to section 236.5, the issuance of an emergency order pursuant to section 236.6, the holding of an individual in contempt pursuant to section 664A.7, the response of a peace officer to the scene of alleged domestic abuse or the arrest of an individual following response to a report of alleged domestic abuse, or a conviction for domestic abuse assault pursuant to section 708.2A.

(3) That the specified family member does not have a record of founded child or dependent adult abuse.

(4) That the specified family member has an established relationship with the child and assigning visitation or physical care parenting time to the specified family member will provide the child the opportunity to maintain an ongoing family relationship that is important to the child.

(5) That the specified family member demonstrates an ability to personally and financially support the child and will support the child's relationship with both of the child's parents during the assigned visitation or physical care parenting time.

5. An order granting assignment of visitation or physical care parenting time under this section does not create separate rights to visitation or physical care parenting time for a person other than the parent. An order granting assignment of visitation or physical care parenting time under this section does not grant any custodial or parental rights to any person who is not the parent of the child.

6. An order granted under this section may temporarily assign visitation or physical care parenting time that is equal to or less than the visitation or physical care parenting time awarded to the parent whose visitation or physical care parenting time is assigned.

7. The parent whose visitation or physical care parenting time is temporarily assigned

shall provide a copy of the order granting assignment of visitation or physical care parenting time to the school and school district of the child to whom the order applies.

8. An order granting temporary assignment of visitation or physical care parenting time pursuant to this section shall terminate upon notification of the court by the parent or automatically upon the parent's completion of active duty, whichever occurs first.

9. After a parent completes active duty, if an application for modification of a decree or a petition for modification of an order is filed, the parent's absence due to active duty or the assignment of visitation or physical care parenting time does not constitute a substantial change in circumstances, and the court shall not consider a parent's absence due to that active duty or the assignment of visitation or physical care parenting time in making a determination regarding the best interest of the child relative to such an application or petition filed after a parent completes active duty.

10. As used in this section, *"active duty"* means active military duty pursuant to orders issued under Tit. 10 of the United States Code. However, this section shall not apply to active guard and reserve duty or similar full-time military duty performed by a parent when the child remains in actual custody of the parent.

11. As used in this section, *"parenting time"* means actual time spent with the child as specified in a decree or order, but does not include any other element of legal custody, physical care, or joint physical care.

2010 Acts, ch 1168, §2, 3; 2011 Acts, ch 42, §1, 2

**598.42 Notice of certain orders by clerk of court.**

The clerk of the district court shall provide notice and copies of temporary or permanent protective orders and orders to vacate the homestead entered pursuant to this chapter to the applicable law enforcement agencies and the twenty-four hour dispatcher for the law enforcement agencies, in the manner provided for protective orders under section 236.5. The clerk shall provide notice and copies of modifications or vacations of these orders in the same manner.

91 Acts, ch 218, §20; 92 Acts, ch 1163, §107

# CHAPTER 598A

RESERVED

# CHAPTER 598B

## UNIFORM CHILD-CUSTODY JURISDICTION AND ENFORCEMENT

Referred to in §232.3, 597.15, 598.21C, 598.41, 600C.1, 602.8102(85)

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## ARTICLE I

## GENERAL PROVISIONS

**598B.101 Short title.**

This chapter shall be known and may be cited as the *"Uniform Child-custody Jurisdiction and Enforcement Act"*.

99 Acts, ch 103, §1

**598B.102 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Abandoned"* means left without provision for reasonable and necessary care or supervision.

2. *"Child"* means an individual who has not attained eighteen years of age.

3. *"Child-custody determination"* means a judgment, decree, or other order of a court providing for the legal custody, physical custody, or visitation with respect to a child. The term includes a permanent, temporary, initial, and modification order. The term does not include an order relating to child support or other monetary obligation of an individual.

4. *"Child-custody proceeding"* means a proceeding in which legal custody, physical custody, or visitation with respect to a child is an issue. The term includes a proceeding for dissolution of marriage, separation, neglect, abuse, dependency, guardianship, paternity, termination of parental rights, and protection from domestic violence, in which the issue may appear. The term does not include a proceeding involving juvenile delinquency, contractual emancipation, or enforcement under article III.

5. *"Commencement"* means the filing of the first pleading in a proceeding.

6. *"Court"* means an entity authorized under the law of a state to establish, enforce, or modify a child-custody determination.

7. *"Home state"* means the state in which a child lived with a parent or a person acting as a parent for at least six consecutive months immediately before the commencement of a child-custody proceeding. In the case of a child less than six months of age, the term means the state in which the child lived from birth with any of the persons mentioned. A period of temporary absence of any of the mentioned persons is part of the period.

8. *"Initial determination"* means the first child-custody determination concerning a particular child.

9. *"Issuing court"* means the court that makes a child-custody determination for which enforcement is sought under this chapter.

10. *"Issuing state"* means the state in which a child-custody determination is made.

11. *"Modification"* means a child-custody determination that changes, replaces, supersedes, or is otherwise made after a previous determination concerning the same child, whether or not it is made by the court that made the previous determination.

12. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, or government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.

13. *"Person acting as a parent"* means a person, other than a parent, to whom both of the following apply:

*a.* The person has physical custody of the child or has had physical custody for a period of six consecutive months, including any temporary absence, within one year immediately before the commencement of a child-custody proceeding.

*b.* The person has been awarded legal custody by a court or claims a right to legal custody under the law of this state.

14. *"Physical custody"* means the physical care and supervision of a child.

15. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

16. *"Tribe"* means an Indian tribe or band, or Alaskan native village, which is recognized by federal law or formally acknowledged by a state.

17. *"Warrant"* means an order issued by a court authorizing law enforcement officers to take physical custody of a child.

99 Acts, ch 103, §2

Referred to in §236.4, 236.5

**598B.103 Proceedings governed by other law.**

This chapter does not govern an adoption proceeding or a proceeding pertaining to the authorization of emergency medical care for a child.

99 Acts, ch 103, §3

**598B.104 Application to Indian tribes.**

1. A child-custody proceeding that pertains to an Indian child as defined in the federal Indian Child Welfare Act, 25 U.S.C. § 1901 et seq., is not subject to this chapter to the extent that it is governed by the federal Indian Child Welfare Act.

2. A court of this state shall treat a tribe as if it were a state of the United States for the purpose of applying this article and article II.

3. A child-custody determination made by a tribe under factual circumstances in substantial conformity with the jurisdictional standards of this chapter must be recognized and enforced under article III.

99 Acts, ch 103, §4

**598B.105 International application.**

1. A court of this state shall treat a foreign country as if it were a state of the United States for the purpose of applying this article and article II.

2. Except as otherwise provided in subsection 3, a child-custody determination made in a foreign country under factual circumstances in substantial conformity with the jurisdictional standards of this chapter must be recognized and enforced under article III.

3. A court of this state need not apply this chapter if the child-custody law of a foreign country violates fundamental principles of human rights.

99 Acts, ch 103, §5

**598B.106 Effect of child-custody determination.**

A child-custody determination made by a court of this state that had jurisdiction under this chapter binds all persons who have been served in accordance with the laws of this state, or notified in accordance with section 598B.108, or who have submitted to the jurisdiction of the court, and who have been given an opportunity to be heard. As to those persons, the determination is conclusive as to all decided issues of law and fact except to the extent the determination is modified.

99 Acts, ch 103, §6; 2004 Acts, ch 1086, §96

**598B.107 Priority.**

If a question of existence or exercise of jurisdiction under this chapter is raised in a child-custody proceeding, the question, upon request of a party, must be given priority on the calendar and handled expeditiously.

99 Acts, ch 103, §7

**598B.108 Notice to persons outside state.**

1. Notice required for the exercise of jurisdiction when a person is outside this state may be given in a manner prescribed by the law of this state for service of process or by the law of the state in which the service is made. Notice shall be given in a manner reasonably calculated to give actual notice but may be by publication if other means are not effective.

2. Proof of service may be made in the manner prescribed by the law of this state or by the law of the state in which the service is made.

3. Notice is not required for the exercise of jurisdiction with respect to a person who submits to the jurisdiction of the court.

99 Acts, ch 103, §8

Referred to in §598B.106, 598B.205, 598B.210, 598B.305, 598B.308, 598B.310

**598B.109 Appearance and limited immunity.**

1. A party to a child-custody proceeding, including a modification proceeding, or a petitioner or respondent in a proceeding to enforce or register a child-custody determination, is not subject to personal jurisdiction in this state for another proceeding or purpose solely by reason of having participated, or of having been physically present for the purpose of participating, in the proceeding.

2. A person who is subject to personal jurisdiction in this state on a basis other than physical presence is not immune from service of process in this state. A party present in this state who is subject to the jurisdiction of another state is not immune from service of process allowable under the laws of that state.

3. The immunity granted by subsection 1 does not extend to civil litigation based on acts unrelated to the participation in a proceeding under this chapter committed by an individual while present in this state.

99 Acts, ch 103, §9

**598B.110 Communication between courts.**

1. A court of this state may communicate with a court in another state concerning a proceeding arising under this chapter.

2. The court may allow the parties to participate in the communication. If the parties are not able to participate in the communication, they must be given the opportunity to present facts and legal arguments before a decision on jurisdiction is made.

3. Communication between courts on schedules, calendars, court records, and similar matters may occur without informing the parties. A record need not be made of the communication.

4. Except as otherwise provided in subsection 3, a record must be made of a communication under this section. The parties must be informed promptly of the communication and granted access to the record.

5. For the purposes of this section, *"record"* means information that is inscribed on a

tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

99 Acts, ch 103, §10

**598B.111 Taking testimony in another state.**

1. In addition to other procedures available to a party, a party to a child-custody proceeding may offer testimony of witnesses who are located in another state, including testimony of the parties and the child, by deposition or other means allowable in this state for testimony taken in another state. The court on its own motion may order that the testimony of a person be taken in another state and may prescribe the manner in which and the terms upon which the testimony is taken.

2. A court of this state may permit an individual residing in another state to be deposed or to testify by telephone, audiovisual means, or other electronic means before a designated court or at another location in that state. A court of this state shall cooperate with courts of other states in designating an appropriate location for the deposition or testimony.

3. Documentary evidence transmitted from another state to a court of this state by technological means that do not produce an original writing shall not be excluded from evidence on an objection based on the means of transmission.

99 Acts, ch 103, §11

**598B.112 Cooperation between courts — preservation of records.**

1. A court of this state may request the appropriate court of another state to do any or all of the following:

*a.* Hold an evidentiary hearing.

*b.* Order a person to produce or give evidence pursuant to procedures of that state.

*c.* Order that an evaluation be made with respect to the custody of a child involved in a pending proceeding.

*d.* Forward to the court of this state a certified copy of the transcript of the record of the hearing, the evidence otherwise presented, and any evaluation prepared in compliance with the request.

*e.* Order a party to a child-custody proceeding or any person having physical custody of the child to appear in the proceeding with or without the child.

2. Upon request of a court of another state, a court of this state may hold a hearing or enter an order described in subsection 1.

3. Travel and other necessary and reasonable expenses incurred under subsections 1 and 2 may be assessed against the parties according to the law of this state.

4. A court of this state shall preserve the pleadings, orders, decrees, records of hearings, evaluations, and other pertinent records with respect to a child-custody proceeding until the child attains eighteen years of age. Upon appropriate request by a court or law enforcement official of another state, the court shall forward a certified copy of those records.

99 Acts, ch 103, §12

## ARTICLE II

## JURISDICTION

Referred to in §598B.104, 598B.105, 598B.304, 598B.305, 598B.306, 598B.307, 598B.308, 598B.310, 598B.313

**598B.201 Initial child-custody jurisdiction.**

1. Except as otherwise provided in section 598B.204, a court of this state has jurisdiction to make an initial child-custody determination only if any of the following applies:

*a.* This state is the home state of the child on the date of the commencement of the proceeding, or was the home state of the child within six months before the commencement of the proceeding and the child is absent from this state but a parent or person acting as a parent continues to live in this state.

*b.* A court of another state does not have jurisdiction under paragraph "*a*", or a court of

the home state of the child has declined to exercise jurisdiction on the ground that this state is the more appropriate forum under section 598B.207 or 598B.208 and both of the following apply:

(1) The child and the child's parents, or the child and at least one parent or a person acting as a parent, have a significant connection with this state other than mere physical presence.

(2) Substantial evidence is available in this state concerning the child's care, protection, training, and personal relationships.

*c.* All courts having jurisdiction under paragraph *"a"* or *"b"* have declined to exercise jurisdiction on the ground that a court of this state is the more appropriate forum to determine the custody of the child under section 598B.207 or 598B.208.

*d.* No court of any other state would have jurisdiction under the criteria specified in paragraph *"a"*, *"b"*, or *"c"*.

2. Subsection 1 is the exclusive jurisdictional basis for making a child-custody determination by a court of this state.

3. Physical presence of, or personal jurisdiction over, a party or a child is not necessary or sufficient to make a child-custody determination.

99 Acts, ch 103, §13
Referred to in §598B.202, 598B.203, 598B.204, 598B.208

**598B.202 Exclusive, continuing jurisdiction.**

1. Except as otherwise provided in section 598B.204, a court of this state which has made a child-custody determination consistent with section 598B.201 or 598B.203 has exclusive, continuing jurisdiction over the determination until any of the following occurs:

*a.* A court of this state determines that the child does not have, the child and one parent do not have, or the child and a person acting as a parent do not have a significant connection with this state and that substantial evidence is no longer available in this state concerning the child's care, protection, training, and personal relationships.

*b.* A court of this state or a court of another state determines that the child, the child's parents, and any person acting as a parent do not presently reside in this state.

2. A court of this state which has made a child-custody determination and does not have exclusive, continuing jurisdiction under this section may modify that determination only if it has jurisdiction to make an initial determination under section 598B.201.

99 Acts, ch 103, §14
Referred to in §598B.203, 598B.204, 598B.208

**598B.203 Jurisdiction to modify determination.**

Except as otherwise provided in section 598B.204, a court of this state shall not modify a child-custody determination made by a court of another state unless a court of this state has jurisdiction to make an initial determination under section 598B.201, subsection 1, paragraph *"a"* or *"b"*, and either of the following applies:

1. The court of the other state determines it no longer has exclusive, continuing jurisdiction under section 598B.202 or that a court of this state would be a more convenient forum under section 598B.207.

2. A court of this state or a court of the other state determines that the child, the child's parents, and any person acting as a parent do not presently reside in the other state.

99 Acts, ch 103, §15
Referred to in §598B.202, 598B.204, 598B.208

**598B.204 Temporary emergency jurisdiction.**

1. A court of this state has temporary emergency jurisdiction if the child is present in this state and the child has been abandoned or it is necessary in an emergency to protect the child because the child, or a sibling or parent of the child, is subjected to or threatened with mistreatment or abuse.

2. If there is no previous child-custody determination that is entitled to be enforced under this chapter and a child-custody proceeding has not been commenced in a court of a state having jurisdiction under sections 598B.201 through 598B.203, a child-custody determination made under this section remains in effect until an order is obtained from a court of a state

having jurisdiction under sections 598B.201 through 598B.203. If a child-custody proceeding has not been or is not commenced in a court of a state having jurisdiction under sections 598B.201 through 598B.203, a child-custody determination made under this section becomes a final determination, if it so provides and this state becomes the home state of the child.

3. If there is a previous child-custody determination that is entitled to be enforced under this chapter, or a child-custody proceeding has been commenced in a court of a state having jurisdiction under sections 598B.201 through 598B.203, any order issued by a court of this state under this section must specify in the order a period that the court considers adequate to allow the person seeking an order to obtain an order from the state having jurisdiction under sections 598B.201 through 598B.203. The order issued in this state remains in effect until an order is obtained from the other state within the period specified or the period expires.

4. A court of this state which has been asked to make a child-custody determination under this section, upon being informed that a child-custody proceeding has been commenced in, or a child-custody determination has been made by, a court of a state having jurisdiction under sections 598B.201 through 598B.203, shall immediately communicate with the other court. A court of this state which is exercising jurisdiction pursuant to sections 598B.201 through 598B.203, upon being informed that a child-custody proceeding has been commenced in, or a child-custody determination has been made by, a court of another state under a statute similar to this section, shall immediately communicate with the court of that state to resolve the emergency, protect the safety of the parties and the child, and determine a period for the duration of the temporary order.

99 Acts, ch 103, §16; 2000 Acts, ch 1154, §36

Referred to in §598B.201, 598B.202, 598B.203, 598B.206, 598B.208, 598B.310, 598B.314

**598B.205 Notice — opportunity to be heard — joinder.**

1. Before a child-custody determination is made under this chapter, notice and an opportunity to be heard in accordance with the standards of section 598B.108 must be given to all persons entitled to notice under the law of this state as in child-custody proceedings between residents of this state, any parent whose parental rights have not been previously terminated, and any person having physical custody of the child.

2. This chapter does not govern the enforceability of a child-custody determination made without notice or an opportunity to be heard.

3. The obligation to join a party and the right to intervene as a party in a child-custody proceeding under this chapter are governed by the law of this state as in child-custody proceedings between residents of this state.

99 Acts, ch 103, §17

**598B.206 Simultaneous proceedings.**

1. Except as otherwise provided in section 598B.204, a court of this state shall not exercise its jurisdiction under this article if, at the time of the commencement of the proceeding, a proceeding concerning the custody of the child has been commenced in a court of another state having jurisdiction substantially in conformity with this chapter, unless the proceeding has been terminated or is stayed by the court of the other state because a court of this state is a more convenient forum under section 598B.207.

2. Except as otherwise provided in section 598B.204, a court of this state, before hearing a child-custody proceeding, shall examine the court documents and other information supplied by the parties pursuant to section 598B.209. If the court determines that a child-custody proceeding has been commenced in a court in another state having jurisdiction substantially in accordance with this chapter, the court of this state shall stay its proceeding and communicate with the court of the other state. If the court of the state having jurisdiction substantially in accordance with this chapter does not determine that the court of this state is a more appropriate forum, the court of this state shall dismiss the proceeding.

3. In a proceeding to modify a child-custody determination, a court of this state shall determine whether a proceeding to enforce the determination has been commenced in another state. If a proceeding to enforce a child-custody determination has been commenced in another state, the court may do any of the following:

*a.* Stay the proceeding for modification pending the entry of an order of a court of the other state enforcing, staying, denying, or dismissing the proceeding for enforcement.

*b.* Enjoin the parties from continuing with the proceeding for enforcement.

*c.* Proceed with the modification under conditions it considers appropriate.

99 Acts, ch 103, §18

**598B.207 Inconvenient forum.**

1. A court of this state which has jurisdiction under this chapter to make a child-custody determination may decline to exercise its jurisdiction at any time if it determines that it is an inconvenient forum under the circumstances and that a court of another state is a more appropriate forum. The issue of inconvenient forum may be raised upon motion of a party, the court's own motion, or request of another court.

2. Before determining whether it is an inconvenient forum, a court of this state shall consider whether it is appropriate for a court of another state to exercise jurisdiction. For this purpose, the court shall allow the parties to submit information and shall consider all relevant factors, including all of the following:

*a.* Whether domestic violence has occurred and is likely to continue in the future and which state could best protect the parties and the child.

*b.* The length of time the child has resided outside this state.

*c.* The distance between the court in this state and the court in the state that would assume jurisdiction.

*d.* The relative financial circumstances of the parties.

*e.* Any agreement of the parties as to which state should assume jurisdiction.

*f.* The nature and location of the evidence required to resolve the pending litigation, including testimony of the child.

*g.* The ability of the court of each state to decide the issue expeditiously and the procedures necessary to present the evidence.

*h.* The familiarity of the court of each state with the facts and issues in the pending litigation.

3. If a court of this state determines that it is an inconvenient forum and that a court of another state is a more appropriate forum, it shall stay the proceedings upon condition that a child-custody proceeding be promptly commenced in another designated state and may impose any other condition the court considers just and proper.

4. A court of this state may decline to exercise its jurisdiction under this chapter if a child-custody determination is incidental to an action for dissolution of marriage or another proceeding while still retaining jurisdiction over the dissolution of marriage or other proceeding.

99 Acts, ch 103, §19

Referred to in §598B.201, 598B.203, 598B.206, 598B.208

**598B.208 Jurisdiction declined by reason of conduct.**

1. Except as otherwise provided in section 598B.204 or by any other law of this state, if a court of this state has jurisdiction under this chapter because a person seeking to invoke its jurisdiction has engaged in unjustifiable conduct, the court shall decline to exercise its jurisdiction unless any of the following applies:

*a.* The parents and all persons acting as parents have acquiesced in the exercise of jurisdiction.

*b.* A court of the state otherwise having jurisdiction under sections 598B.201 through 598B.203 determines that this state is a more appropriate forum under section 598B.207.

*c.* No court of any other state would have jurisdiction under the criteria specified in sections 598B.201 through 598B.203.

2. If a court of this state declines to exercise its jurisdiction pursuant to subsection 1, it may fashion an appropriate remedy to ensure the safety of the child and prevent a repetition of the unjustifiable conduct, including staying the proceeding until a child-custody proceeding is commenced in a court having jurisdiction under sections 598B.201 through 598B.203.

3. If a court dismisses a petition or stays a proceeding because it declines to exercise its

jurisdiction pursuant to subsection 1, it shall assess against the party seeking to invoke its jurisdiction necessary and reasonable expenses including costs, communication expenses, attorney fees, investigative fees, expenses for witnesses, travel expenses, and child care expenses during the course of the proceedings, unless the party from whom fees are sought establishes that the assessment would be clearly inappropriate. The court shall not assess fees, costs, or expenses against this state unless authorized by law other than this chapter.

99 Acts, ch 103, §20; 2000 Acts, ch 1058, §50

Referred to in §598B.201

**598B.209 Information to be submitted to court.**

1. In a child-custody proceeding, each party, in its first pleading or in an attached affidavit, shall give information, if reasonably ascertainable, under oath as to the child's present address or whereabouts, the places where the child has lived during the last five years, and the names and present addresses of the persons with whom the child has lived during that period. The pleading or affidavit must state whether the party has or knows all of the following:

*a.* Has participated, as a party or a witness or in any other capacity, in any other proceeding concerning the custody of or visitation with the child and, if so, identify the court, the case number, and the date of the child-custody determination, if any.

*b.* Knows of any proceeding that could affect the current proceeding, including proceedings for enforcement and proceedings relating to domestic violence, protective orders, termination of parental rights, and adoptions and, if so, identify the court, the case number, and the nature of the proceeding.

*c.* Knows the names and addresses of any person not a party to the proceeding who has physical custody of the child or claims rights of legal custody or physical custody of, or visitation with, the child and, if so, the names and addresses of those persons.

2. If the information required by subsection 1 is not furnished, the court, upon motion of a party or its own motion, may stay the proceeding until the information is furnished.

3. If the declaration as to any of the items described in subsection 1, paragraphs "*a*" through "*c*", is in the affirmative, the declarant shall give additional information under oath as required by the court. The court may examine the parties under oath as to details of the information furnished and other matters pertinent to the court's jurisdiction and the disposition of the case.

4. Each party has a continuing duty to inform the court of any proceeding in this or any other state that could affect the current proceeding.

5. Upon a finding, which may be made ex parte, that the health, safety, or liberty of a party or child would be unreasonably put at risk by the disclosure of identifying information, or if an existing order so provides, the court shall order that the address of the party or child or other identifying information not be disclosed in a pleading or other document filed in a proceeding under this chapter.

99 Acts, ch 103, §21

Referred to in §236.4, 236.5, 598B.206, 598B.305, 600C.1

**598B.210 Appearance of parties and child.**

1. In a child-custody proceeding in this state, the court may order a party to the proceeding who is in this state to appear before the court in person with or without the child. The court may order any person who is in this state and who has physical custody or control of the child to appear in person with the child.

2. If a party to a child-custody proceeding whose presence is desired by the court is outside this state, the court may order that a notice given pursuant to section 598B.108 include a statement directing the party to appear in person with or without the child and informing the party that failure to appear may result in a decision adverse to the party.

3. The court may enter any orders necessary to ensure the safety of the child and of any person ordered to appear under this section.

4. If a party to a child-custody proceeding who is outside this state is directed to appear under subsection 2 or desires to appear personally before the court with or without the

child, the court may require another party to pay reasonable and necessary travel and other expenses of the party so appearing and of the child.

99 Acts, ch 103, §22

## ARTICLE III

## ENFORCEMENT

Referred to in §598B.102, 598B.104, 598B.105

**598B.301 Definitions.**

As used in this article, unless the context otherwise requires:

1. *"Petitioner"* means a person who seeks enforcement of an order for return of a child under the Hague convention on the civil aspects of international child abduction or enforcement of a child-custody determination.

2. *"Respondent"* means a person against whom a proceeding has been commenced for enforcement of an order for return of a child under the Hague convention on the civil aspects of international child abduction or enforcement of a child-custody determination.

99 Acts, ch 103, §23

**598B.302 Enforcement under Hague convention.**

Under this article, a court of this state may enforce an order for the return of the child made under the Hague convention on the civil aspects of international child abduction as if it were a child-custody determination.

99 Acts, ch 103, §24

**598B.303 Duty to enforce.**

1. A court of this state shall recognize and enforce a child-custody determination of a court of another state if the latter court exercised jurisdiction in substantial conformity with this chapter or the determination was made under factual circumstances meeting the jurisdictional standards of this chapter and the determination has not been modified in accordance with this chapter.

2. A court of this state may utilize any remedy available under other law of this state to enforce a child-custody determination made by a court of another state. The remedies provided in this article are cumulative and do not affect the availability of other remedies to enforce a child-custody determination.

99 Acts, ch 103, §25

**598B.304 Temporary visitation.**

1. A court of this state which does not have jurisdiction to modify a child-custody determination may issue a temporary order enforcing any of the following:

*a.* A visitation schedule made by a court of another state.

*b.* The visitation provisions of a child-custody determination of another state that does not provide for a specific visitation schedule.

2. If a court of this state makes an order under subsection 1, paragraph *"b"*, it shall specify in the order a period that it considers adequate to allow the petitioner to obtain an order from a court having jurisdiction under the criteria specified in article II. The order remains in effect until an order is obtained from the other court or the period expires.

99 Acts, ch 103, §26

**598B.305 Registration of child-custody determination.**

1. A child-custody determination issued by a court of another state may be registered in this state, with or without a simultaneous request for enforcement, by sending to the district court in this state all of the following:

*a.* A letter or other document requesting registration.

*b.* Two copies, including one certified copy, of the determination sought to be registered,

and a statement under penalty of perjury that to the best of the knowledge and belief of the person seeking registration the order has not been modified.

*c.* Except as otherwise provided in section 598B.209, the name and address of the person seeking registration and any parent or person acting as a parent who has been awarded custody or visitation in the child-custody determination sought to be registered.

2. On receipt of the documents required by subsection 1, the registering court shall do all of the following:

*a.* Cause the determination to be filed as a foreign judgment, together with one copy of any accompanying documents and information, regardless of their form.

*b.* Serve notice upon the persons named pursuant to subsection 1, paragraph "*c*", and provide them with an opportunity to contest the registration in accordance with this section.

3. The notice required by subsection 2, paragraph "*b*", must state all of the following:

*a.* That a registered determination is enforceable as of the date of the registration in the same manner as a determination issued by a court of this state.

*b.* That a hearing to contest the validity of the registered determination must be requested within twenty days after service of notice.

*c.* That failure to contest the registration will result in confirmation of the child-custody determination and preclude further contest of that determination with respect to any matter that could have been asserted.

4. A person seeking to contest the validity of a registered order must request a hearing within twenty days after service of the notice. At that hearing, the court shall confirm the registered order unless the person contesting registration establishes any of the following:

*a.* That the issuing court did not have jurisdiction under article II.

*b.* That the child-custody determination sought to be registered has been vacated, stayed, or modified by a court having jurisdiction to do so under article II.

*c.* That the person contesting registration was entitled to notice, but notice was not given in accordance with the standards of section 598B.108, in the proceedings before the court that issued the order for which registration is sought.

5. If a timely request for a hearing to contest the validity of the registration is not made, the registration is confirmed as a matter of law and the person requesting registration and all persons served must be notified of the confirmation.

6. Confirmation of a registered order, whether by operation of law or after notice and hearing, precludes further contest of the order with respect to any matter that could have been asserted at the time of registration.

99 Acts, ch 103, §27

Referred to in §598B.308, 598B.310

**598B.306 Enforcement of registered determination.**

1. A court of this state may grant any relief normally available under the law of this state to enforce a registered child-custody determination made by a court of another state.

2. A court of this state shall recognize and enforce, but shall not modify, except in accordance with article II, a registered child-custody determination of a court of another state.

99 Acts, ch 103, §28

**598B.307 Simultaneous proceedings.**

If a proceeding for enforcement under this article is commenced in a court of this state and the court determines that a proceeding to modify the determination is pending in a court of another state having jurisdiction to modify the determination under article II, the enforcing court shall immediately communicate with the modifying court. The proceeding for enforcement continues unless the enforcing court, after consultation with the modifying court, stays or dismisses the proceeding.

99 Acts, ch 103, §29

**598B.308 Expedited enforcement of child-custody determination.**

1. A petition under this article must be verified. Certified copies of all orders sought to be

enforced and of any order confirming registration must be attached to the petition. A copy of a certified copy of an order may be attached instead of the original.

2. A petition for enforcement of a child-custody determination must state all of the following:

*a.* Whether the court that issued the determination identified the jurisdictional basis it relied upon in exercising jurisdiction and, if so, what the basis was.

*b.* Whether the determination for which enforcement is sought has been vacated, stayed, or modified by a court whose decision must be enforced under this chapter and, if so, identify the court, the case number, and the nature of the proceeding.

*c.* Whether any proceeding has been commenced that could affect the current proceeding, including proceedings relating to domestic violence, protective orders, termination of parental rights, and adoptions and, if so, identify the court, the case number, and the nature of the proceeding.

*d.* The present physical address of the child and the respondent, if known.

*e.* Whether relief in addition to the immediate physical custody of the child and attorney fees is sought, including a request for assistance from law enforcement officials and, if so, the relief sought.

*f.* If the child-custody determination has been registered and confirmed under section 598B.305, the date and place of registration.

3. Upon the filing of a petition, the court shall issue an order directing the respondent to appear in person with or without the child at a hearing and may enter any order necessary to ensure the safety of the parties and the child. The hearing must be held on the next judicial day after service of the order unless that date is impossible. In that event, the court shall hold the hearing on the first judicial day possible. The court may extend the date of hearing at the request of the petitioner.

4. An order issued under subsection 3 must state the time and place of the hearing and advise the respondent that at the hearing the court will order that the petitioner may take immediate physical custody of the child and the payment of fees, costs, and expenses under section 598B.312, and may schedule a hearing to determine whether further relief is appropriate, unless the respondent appears and establishes either of the following:

*a.* The child-custody determination has not been registered and confirmed under section 598B.305 and that any of the following apply:

(1) The issuing court did not have jurisdiction under article II.

(2) The child-custody determination for which enforcement is sought has been vacated, stayed, or modified by a court having jurisdiction to do so under article II.

(3) The respondent was entitled to notice, but notice was not given in accordance with the standards of section 598B.108, in the proceedings before the court that issued the order for which enforcement is sought.

*b.* The child-custody determination for which enforcement is sought was registered and confirmed under section 598B.305, but has been vacated, stayed, or modified by a court of a state having jurisdiction to do so under article II.

99 Acts, ch 103, §30; 2000 Acts, ch 1154, §37

Referred to in §598B.311

**598B.309 Service of petition and order.**

Except as otherwise provided in section 598B.311, the petition and order must be served, by any method authorized by the law of this state, upon the respondent and any person who has physical custody of the child.

99 Acts, ch 103, §31

**598B.310 Hearing and order.**

1. Unless the court issues a temporary emergency order pursuant to section 598B.204, upon a finding that a petitioner is entitled to immediate physical custody of the child, the court shall order that the petitioner may take immediate physical custody of the child unless the respondent establishes that any of the following applies:

*a.* The child-custody determination has not been registered and confirmed under section 598B.305, and that any of the following applies:

(1) The issuing court did not have jurisdiction under article II.

(2) The child-custody determination for which enforcement is sought has been vacated, stayed, or modified by a court of a state having jurisdiction to do so under article II.

(3) The respondent was entitled to notice, but notice was not given in accordance with the standards of section 598B.108, in the proceedings before the court that issued the order for which enforcement is sought.

*b.* The child-custody determination for which enforcement is sought was registered and confirmed under section 598B.305, but has been vacated, stayed, or modified by a court of a state having jurisdiction to do so under article II.

2. The court shall award the fees, costs, and expenses authorized under section 598B.312, and may grant additional relief, including a request for the assistance of law enforcement officials, and set a further hearing to determine whether additional relief is appropriate.

3. If a party called to testify refuses to answer on the ground that the testimony may be self-incriminating, the court may draw an adverse inference from the refusal.

4. A privilege against disclosure of communications between spouses and a defense of immunity based on the relationship of husband and wife or parent and child shall not be invoked in a proceeding under this article.

99 Acts, ch 103, §32

**598B.311 Warrant to take physical custody of child.**

1. Upon the filing of a petition seeking enforcement of a child-custody determination, the petitioner may file a verified application for the issuance of a warrant to take physical custody of the child if the child is imminently likely to suffer serious physical harm or be removed from this state.

2. If the court, upon the testimony of the petitioner or other witness, finds that the child is imminently likely to suffer serious physical harm or be removed from this state, it may issue a warrant to take physical custody of the child. The petition must be heard on the next judicial day after the warrant is executed unless that date is impossible. In that event, the court shall hold the hearing on the first judicial day possible. The application for the warrant must include the statements required by section 598B.308, subsection 2.

3. A warrant to take physical custody of a child must provide all of the following:

*a.* Recite the facts upon which a conclusion of imminent serious physical harm or removal from the jurisdiction is based.

*b.* Direct law enforcement officers to take physical custody of the child immediately.

*c.* Provide for the placement of the child pending final relief.

4. The respondent must be served with the petition, warrant, and order immediately after the child is taken into physical custody.

5. A warrant to take physical custody of a child is enforceable throughout this state. If the court finds on the basis of the testimony of the petitioner or other witness that a less intrusive remedy is not effective, it may authorize law enforcement officers to enter private property to take physical custody of the child. If required by exigent circumstances of the case, the court may authorize law enforcement officers to make a forcible entry at any hour.

6. The court may impose conditions upon placement of a child to ensure the appearance of the child and the child's custodian.

99 Acts, ch 103, §33

Referred to in §598B.309

**598B.312 Costs, fees, and expenses.**

1. The court shall award the prevailing party, including a state, necessary and reasonable expenses incurred by or on behalf of the party, including costs, communication expenses, attorney fees, investigative fees, expenses for witnesses, travel expenses, and child care expenses during the course of the proceedings, unless the party from whom fees or expenses are sought establishes that the award would be clearly inappropriate.

2. The court shall not assess fees, costs, or expenses against a state unless authorized by law other than this chapter.

99 Acts, ch 103, §34; 2000 Acts, ch 1058, §51

Referred to in §598B.308, 598B.310

**598B.313 Recognition and enforcement.**

A court of this state shall accord full faith and credit to an order issued by another state and consistent with this chapter which enforces a child-custody determination by a court of another state unless the order has been vacated, stayed, or modified by a court having jurisdiction to do so under article II.

99 Acts, ch 103, §35

**598B.314 Appeals.**

An appeal may be taken from a final order in a proceeding under this article in accordance with expedited appellate procedures in other civil cases. Unless the court enters a temporary emergency order under section 598B.204, the enforcing court shall not stay an order enforcing a child-custody determination pending appeal.

99 Acts, ch 103, §36

**598B.315 Role of prosecutor.**

1. In a case arising under this chapter or involving the Hague convention on the civil aspects of international child abduction, the prosecutor may take any lawful action, including resort to a proceeding under this article or any other available civil proceeding to locate a child, obtain the return of a child, or enforce a child-custody determination if there is any of the following:

*a.* An existing child-custody determination.

*b.* A request to do so from a court in a pending child-custody proceeding.

*c.* A reasonable belief that a criminal statute has been violated.

*d.* A reasonable belief that the child has been wrongfully removed or retained in violation of the Hague convention on the civil aspects of international child abduction.

2. A prosecutor acting under this section acts on behalf of the court and shall not represent any party.

99 Acts, ch 103, §37

Referred to in §598B.316, 598B.317

**598B.316 Role of law enforcement.**

At the request of a prosecutor acting under section 598B.315, a law enforcement officer may take any lawful action reasonably necessary to locate a child or a party and assist a prosecutor with responsibilities under section 598B.315.

99 Acts, ch 103, §38

Referred to in §598B.317

**598B.317 Costs and expenses.**

If the respondent is not the prevailing party, the court may assess against the respondent all direct expenses and costs incurred by the prosecutor and law enforcement officers under section 598B.315 or 598B.316.

99 Acts, ch 103, §39

## ARTICLE IV

## MISCELLANEOUS PROVISIONS

**598B.401 Application and construction.**

In applying and construing this uniform Act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

99 Acts, ch 103, §40

**598B.402 Transitional provision.**

A motion or other request for relief made in a child-custody proceeding or to enforce a child-custody determination which was commenced before July 1, 1999, is governed by the law in effect at the time the motion or other request was made.

99 Acts, ch 103, §41

# CHAPTER 599

## MINORS


599.1 Period of minority — exception for certain inmates.
599.2 Contracts — disaffirmance.
599.3 Misrepresentations — engaging in business.
599.4 Payments.
599.5 Veterans minority disabilities.
599.6 Donation of blood by minors.


**599.1 Period of minority — exception for certain inmates.**

The period of minority extends to the age of eighteen years, but all minors attain their majority by marriage.

A person who is less than eighteen years old, but who is tried, convicted, and sentenced as an adult and committed to the custody of the director of the department of corrections shall be deemed to have attained the age of majority for purposes of making decisions and giving consent to medical care, related services, and treatment during the period of the person's incarceration.

[C51, §1487; R60, §2539; C73, §2237; C97, §3188; C24, 27, 31, 35, 39, §**10492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §599.1]

93 Acts, ch 46, §2

Referred to in §97B.34A, 915.38

**599.2 Contracts — disaffirmance.**

A minor is bound not only by contracts for necessaries, but also by the minor's other contracts, unless the minor disaffirms them within a reasonable time after attaining majority, and restores to the other party all money or property received by the minor by virtue of the contract, and remaining within the minor's control at any time after attaining majority except as otherwise provided.

[C51, §1488; R60, §2540; C73, §2238; C97, §3189; C24, 27, 31, 35, 39, §**10493;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §599.2]

**599.3 Misrepresentations — engaging in business.**

No contract can be thus disaffirmed in cases where, on account of the minor's own misrepresentations as to the minor's majority, or from the minor's having engaged in business as an adult, the other party had good reason to believe the minor capable of contracting.

[C51, §1489; R60, §2541; C73, §2239; C97, §3190; C24, 27, 31, 35, 39, §**10494;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §599.3]

**599.4 Payments.**

Where a contract for the personal services of a minor has been made with the minor alone, and the services are afterwards performed, payment therefor made to the minor, in accordance with the terms of the contract, is a full satisfaction therefor, and the parent or guardian cannot recover a second time.

[C51, §1490; R60, §2542; C73, §2240; C97, §3191; C24, 27, 31, 35, 39, §**10495;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §599.4]

**599.5 Veterans minority disabilities.**

The disability of minority of any person otherwise eligible for guaranty or insurance of a loan pursuant to the Servicemen's Readjustment Act of 1944,* as amended and of the minor spouse of any eligible veteran, irrespective of age, in connection with any transaction entered into pursuant to said Act, as amended, is hereby removed for all purposes in connection with such transaction, including but not limited to incurring of indebtedness or obligations, and acquiring, encumbering, selling, releasing or conveying property or any interest therein, and litigating or settling controversies arising therefrom, if all or part of any obligations incident to such transaction be guaranteed or insured by the secretary of the United States department of veterans affairs pursuant to such Act; provided, nevertheless, that this section shall not be construed to impose any other or greater rights or liabilities than would exist if such person and such spouse were under no such disability.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §599.5]

2009 Acts, ch 26, §17

*58 Stat. 291; recodified, 72 Stat. 1105, 1273; now covered by 38 U.S.C. §3701 et seq.

**599.6 Donation of blood by minors.**

1. A person who is seventeen years of age or older may consent to donate blood in a voluntary and noncompensatory blood program without the permission of a parent or guardian. The consent is not subject to later disaffirmance because of minority.

2. A person who is sixteen years of age may donate blood in a voluntary and noncompensatory blood program if the person obtains written permission from the person's parent or guardian.

83 Acts, ch 13, §1; 2004 Acts, ch 1025, §1

# CHAPTER 600

## ADOPTION

Referred to in §232.6, 232.166, 232B.3, 422.9, 514C.10, 602.8102(86), 602.8105, 815.11


600.1 Construction.
600.2 Definitions.
600.3 Commencement of adoption action — jurisdiction — forum non conveniens.
600.4 Qualifications to file adoption petition.
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600.6 Attachments to an adoption petition.
600.7 Consents to the adoption.
600.7A Adoption services provided by or through department of human services — selection of adoptive parent criteria.
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600.12 Adoption hearing.
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600.15 Foreign and international adoptions.
600.16 Adoption record — penalty for violations.
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600.16B Fees.
600.17 Financial assistance.
600.18 Determination of assistance.
600.19 Amount of assistance.
600.20 Availability of assistance.
600.21 Termination of assistance.
600.22 Rules.
600.23 Adoption assistance compact.
600.24 Access to records.
600.25 Pending parental rights unaffected.


**600.1 Construction.**

This chapter* shall be construed liberally. The best interest of the person to be adopted shall be the paramount consideration in interpreting this chapter. However, the interests

of the adopting parents shall be given due consideration in this interpretation. However, in determining the best interest of the person to be adopted and the interests of the adopting parents, any evidence of interests relating to a period of time during which the person to be adopted is placed with prospective adoptive parents and during which the placement is not in compliance with the law, adoption procedures, or any action by the juvenile court or court, shall not be considered in the determination.

If a proceeding held under this chapter involves an Indian child as defined in section 232B.3 and the proceeding is subject to the Iowa Indian child welfare Act under chapter 232B, the proceeding and other actions taken in connection with the proceeding or this chapter shall comply with chapter 232B. In any proceeding held or action taken under this chapter involving an Indian child, the applicable requirements of the federal Adoption and Safe Families Act of 1999, Pub. L. No. 105-89, shall be applied to the proceeding or action in a manner that complies with chapter 232B and the federal Indian Child Welfare Act, Pub. L. No. 95-608.

[C77, 79, 81, §600.1]

94 Acts, ch 1174, §6, 22; 2000 Acts, ch 1145, §2; 2003 Acts, ch 153, §16

*Enacted as sections 600.1 – 600.16, Code 1977

**600.2 Definitions.**

1. *"Child"*, *"parent"*, *"parent-child relationship"*, *"termination of parental rights"*, *"biological parent"*, *"stepparent"*, *"guardian"*, *"custodian"*, *"guardian ad litem"*, *"minor"*, *"adult"*, *"agency"*, *"department"*, *"court"*, *"juvenile court"*, *"independent placement"* mean the same as defined in section 600A.2.

2. *"Investigator"* means a natural person who is certified or approved by the department of human services, after inspection by the department of inspections and appeals, as being capable of conducting an investigation under section 600.8.

[C77, 79, 81, §600.2]

90 Acts, ch 1204, §64; 94 Acts, ch 1046, §12

Referred to in §600A.4

**600.3 Commencement of adoption action — jurisdiction — forum non conveniens.**

1. An action for the adoption of any natural person shall be commenced by the filing of an adoption petition, as prescribed in section 600.5, in the juvenile court or court of the county in which an adult person to be adopted is domiciled or resides, or in the juvenile court or court of the county in which the guardian of a minor person to be adopted or the petitioner is domiciled or resides.

2. *a.* An adoption petition shall not be filed until a termination of parental rights has been accomplished except in the following cases:

(1) No termination of parental rights is required if the person to be adopted is an adult.

(2) If the stepparent of the child to be adopted is the adoption petitioner, the parent-child relationship between the child and the parent who is not the spouse of the petitioner may be terminated as part of the adoption proceeding by the filing of that parent's consent to the adoption.

(3) A termination of parental rights order is not required prior to the filing of an adoption petition if the adoption is a standby adoption as defined in section 600.14A.

*b.* For the purposes of this subsection, a consent to adopt recognized by the juvenile courts or courts of another jurisdiction in the United States and obtained from a resident of that jurisdiction shall be accepted in this state in lieu of a termination of parental rights proceeding.

*c.* Any adoption proceeding pending on or completed prior to July 1, 1978, is hereby legalized and validated to the extent that it is consistent with this subsection.

3. If upon filing of the adoption petition or at any later time in the adoption action the juvenile court or court finds that in the interest of substantial justice the adoption action should be conducted in another juvenile court or court, it may transfer, stay, or dismiss the adoption action on any conditions that are just.

4. An adoption petition shall be limited to the adoption of one natural person.

[R60, §2600; C73, §2307; C97, §3250; C24, §10496; C27, 31, 35, §10501-b1; C39, §**10501.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §600.1; C77, 79, 81, §600.3]

2000 Acts, ch 1145, §3; 2001 Acts, ch 57, §2; 2007 Acts, ch 71, §1

Referred to in §600.4, 600.5, 600.12A, 602.8105

**600.4 Qualifications to file adoption petition.**

Any person who may adopt may file an adoption petition under section 600.3. The following persons may adopt:

1. An unmarried adult.
2. Husband and wife together.
3. A husband or wife separately if the person to be adopted is not the other spouse and if the adopting spouse:

*a.* Is the stepparent of the person to be adopted;

*b.* Has been separated from the other spouse by reason of the other spouse's abandonment as prescribed in section 597.10; or

*c.* Is unable to petition with the other spouse because of the prolonged and unexplained absence, unavailability, or incapacity of the other spouse, or because of an unreasonable withholding of joinder by the other spouse, as determined by the juvenile court or court under section 600.5, subsection 7.

[R60, §2600; C73, §2307; C97, §3250; C24, §10496; C27, 31, 35, §10501-b1; C39, §**10501.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §600.1; C77, 79, 81, §600.4]

2000 Acts, ch 1145, §4

Referred to in §600.5, 600.14A

**600.5 Contents of an adoption petition.**

An adoption petition shall be signed and verified by the petitioner, shall be filed with the juvenile court or court designated in section 600.3, and shall state:

1. The name, as it appears on the birth certificate or in a verified birth record or as it appears as a result of marriage, and the residence or domicile of the person to be adopted.
2. The date and place of birth of the person to be adopted.
3. Any new name requested to be given the person to be adopted.
4. The name, residence, and domicile of any guardian or custodian of the person to be adopted and the name, residence, and domicile of that person's guardian ad litem if one is appointed for the adoption proceedings.
5. The name, residence, and domicile of the petitioner, if this is not required to be stated under subsection 4 of this section, and the date or expected date on which the person to be adopted, if a minor, began or will begin living with the petitioner.
6. The name, residence, and domicile of any parent of the person to be adopted.
7. A designation of the particular provision in section 600.4 under which the petitioner is qualified to adopt and, if under section 600.4, subsection 3, paragraph "*c*", a request that the juvenile court or court approve the petitioner's qualification to adopt.
8. Any name by which the petitioner is known or has been known.
9. The existence of any criminal conviction or deferred judgment for an offense other than a simple misdemeanor under a law of any state against the petitioner, and the existence of any founded child abuse report in which the petitioner is named.
10. A description and estimate of the value of any property owned by or held for the person to be adopted.
11. A description of the facilities and resources, including those provided under a subsidy agreement pursuant to sections 600.17 to 600.22, that the petitioner is willing and able to supply for the nurture and care of any minor person to be adopted.
12. When and where termination of parental rights pertaining to the person to be adopted has occurred, if termination was required under section 600.3.

[R60, §2600; C73, §2307; C97, §3250; C24, §10496; C27, 31, 35, §10501-b1; C39, §**10501.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §600.1; C77, 79, 81, §600.5]

2000 Acts, ch 1145, §5, 6; 2006 Acts, ch 1029, §1

Referred to in §600.3, 600.4, 600.8

**600.6 Attachments to an adoption petition.**

An adoption petition shall have attached to it the following:

1. A certified copy of the birth certificate showing parentage of the person to be adopted or, if such certificate is not available, a verified birth record.

2. A copy of any order terminating parental rights with respect to the person to be adopted.

3. Any written consent and verified statement required under section 600.7, except the consent required under subsection 1, paragraph *"d"*, of that section.

4. Any preplacement investigation report that has been prepared at the time of filing pursuant to section 600.8.

5. In the case of a standby adoption as defined in section 600.14A, a form completed by the terminally ill parent consenting to termination of parental rights and adoption of the child by a person or persons specified in the consent form, effective at a future date when the terminally ill parent of the child has died or requests that a final adoption decree be issued.

[R60, §2601; C73, §2308; C97, §3251; C24, §10497; C27, 31, 35, §10501-b3; C39, §**10501.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §600.3; C77, 79, 81, §600.6]

89 Acts, ch 140, §1; 99 Acts, ch 43, §1; 2001 Acts, ch 57, §3

Referred to in §600.14A

**600.7 Consents to the adoption.**

1. An adoption petition shall not be granted unless the following persons consent to the adoption or unless the juvenile court or court makes a determination under subsection 4:

*a.* Any guardian of the person to be adopted.

*b.* The spouse of a petitioner who is a stepparent.

*c.* The spouse of a petitioner who is separately petitioning to adopt an adult person.

*d.* The person to be adopted if that person is fourteen years of age or older.

2. A consent to the adoption shall be in writing, shall name the person to be adopted and the petitioner, shall be signed by the person consenting, and shall be made in the following manner:

*a.* If by any minor person to be adopted who is fourteen years of age or older, in the presence of the juvenile court or court in which the adoption petition is filed.

*b.* If by any other person, either in the presence of the juvenile court or court in which the adoption petition is filed or before a notary public as provided in chapter 9B.

3. A consent to the adoption may be withdrawn prior to the issuance of an adoption decree under section 600.13 by the filing of an affidavit of consent withdrawal with the juvenile court or court. Such affidavit shall be treated in the same manner as an attached verified statement is treated under subsection 4.

4. If any person required to consent under this section refuses to or cannot be located to give consent, the petitioner may attach to the petition a verified statement of such refusal or lack of location. The juvenile court or court shall then determine, at the adoption hearing prescribed in section 600.12, whether, in the best interests of the person to be adopted and the petitioner, any particular consent shall be unnecessary to the granting of an adoption petition.

[R60, §2600, 2601; C73, §2307, 2308; C97, §3250, 3251; C24, §10496, 10497; C27, 31, 35, §10501-b1, 10501-b3; C39, §**10501.1, 10501.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §600.1, 600.3; C77, 79, 81, §600.7]

2000 Acts, ch 1145, §7 – 9; 2012 Acts, ch 1050, §53, 60

Referred to in §600.6, 600.11, 600.14A

**600.7A Adoption services provided by or through department of human services — selection of adoptive parent criteria.**

The department of human services shall adopt rules which provide that if adoption services are provided by or through the department, notwithstanding any other selection of adoptive parent criteria, the overriding criterion shall be a preference for placing a child in a stable home environment as expeditiously as possible.

96 Acts, ch 1174, §7

Referred to in §600.14A

**600.8 Placement investigations and reports.**

1. *a.* A preplacement investigation shall be directed to and a report of this investigation shall answer the following:

(1) Whether the home of the prospective adoption petitioner is a suitable one for the placement of a minor person to be adopted.

(2) How the prospective adoption petitioner's emotional maturity, finances, health, relationships, and any other relevant factor may affect the petitioner's ability to accept, care, and provide a minor person to be adopted with an adequate environment as that person matures.

(3) Whether the prospective adoption petitioner has been convicted of a crime under a law of any state or has a record of founded child abuse.

*b.* A postplacement investigation and a report of this investigation shall:

(1) Verify the allegations of the adoption petition and its attachments and of the report of expenditures required under section 600.9.

(2) Evaluate the progress of the placement of the minor person to be adopted.

(3) Determine whether adoption by the adoption petitioner may be in the best interests of the minor person to be adopted.

*c.* A background information investigation and a report of the investigation shall be made by the agency, the person making an independent placement, or an investigator. The background information investigation and report shall not disclose the identity of the biological parents of the minor person to be adopted. The report shall be completed and filed with the court prior to the holding of the adoption hearing prescribed in section 600.12. The report shall be in substantial conformance with the prescribed medical and social history forms designed by the department pursuant to section 600A.4, subsection 2, paragraph "*f*". A copy of the background information investigation report shall be furnished to the adoption petitioners within thirty days after the filing of the adoption petition. Any person, including a juvenile court, who has gained relevant background information concerning a minor person subject to an adoption petition shall, upon request, fully cooperate with the conducting of a background information investigation by disclosing any relevant background information, whether contained in sealed records or not.

2. *a.* A preplacement investigation and report of the investigation shall be completed and the prospective adoption petitioner approved for a placement by the person making the investigation prior to any agency or independent placement of a minor person in the petitioner's home in anticipation of an ensuing adoption. A report of a preplacement investigation that has approved a prospective adoption petitioner for a placement shall not authorize placement of a minor person with that petitioner after one year from the date of the report's issuance. However, if the prospective adoption petitioner is a relative within the fourth degree of consanguinity who has assumed custody of a minor person to be adopted, a preplacement investigation of this petitioner and a report of the investigation may be completed at a time established by the juvenile court or court or may be waived as provided in subsection 12.

*b.* (1) The person making the investigation shall not approve a prospective adoption petitioner pursuant to subsection 1, paragraph "*a*", subparagraph (3), and an evaluation shall not be performed under subparagraph (2), if the petitioner has been convicted of any of the following felony offenses:

(a) Within the five-year period preceding the petition date, a drug-related offense.

(b) Child endangerment or neglect or abandonment of a dependent person.

(c) Domestic abuse.

(d) A crime against a child, including but not limited to sexual exploitation of a minor.

(e) A forcible felony.

(2) The person making the investigation shall not approve a prospective adoption petitioner pursuant to subsection 1, paragraph "*a*", subparagraph (3), unless an evaluation has been made which considers the nature and seriousness of the crime or founded abuse in relation to the adoption, the time elapsed since the commission of the crime or founded abuse, the circumstances under which the crime or founded abuse was committed, the

degree of rehabilitation, and the number of crimes or founded abuse committed by the person involved.

*c.* If the person making the investigation does not approve a prospective adoption petitioner under paragraph *"a"* of this subsection, the person investigated may appeal the disapproval as a contested case to the director of human services. Judicial review of any adverse decision by the director may be sought pursuant to chapter 17A.

3. The department, an agency or an investigator shall conduct all investigations and reports required under subsection 2 of this section.

4. A postplacement investigation and the report of the investigation shall be completed and filed with the juvenile court or court prior to the holding of the adoption hearing prescribed in section 600.12. Upon the filing of an adoption petition pursuant to section 600.5, the juvenile court or court shall immediately appoint the department, an agency, or an investigator to conduct and complete the postplacement report. Any person who has gained relevant background information concerning a minor person subject to an adoption petition shall, upon request, fully cooperate with the conducting of the postplacement investigation by disclosing any relevant information requested, whether contained in sealed records or not.

5. Any person conducting an investigation under subsection 1, paragraph "*c*", subsection 3, or subsection 4, may, in the investigation or subsequent report, include, utilize, or rely upon any reports, studies, or examinations to the extent they are relevant.

6. Any person conducting an investigation under subsection 1, paragraph "*c*", subsection 3, or subsection 4, may charge a fee which does not exceed the reasonable cost of the services rendered and which is based on a sliding scale schedule relating to the investigated person's ability to pay.

7. Any investigation or report required under this section shall not apply when the person to be adopted is an adult or when the prospective adoption petitioner or adoption petitioner is a stepparent of the person to be adopted. However, in the case of a stepparent adoption, the juvenile court or court, upon the request of an interested person or on its own motion stating the reasons therefor of record, may order an investigation or report pursuant to this section. Additionally, if an adoption petitioner discloses a criminal conviction or deferred judgment for an offense other than a simple misdemeanor or founded child abuse report pursuant to section 600.5, the petitioner shall notify the court of the inclusion of this information in the petition prior to the final adoption hearing, and the court shall make a specific ruling regarding whether to waive any investigation or report required under subsection 1.

8. Any person designated to make an investigation and report under this section may request an agency or state agency, within or outside this state, to conduct a portion of the investigation or the report, as may be appropriate, and to file a supplemental report of such investigation or report with the juvenile court or court. In the case of the adoption of a minor person by a person domiciled or residing in any other jurisdiction of the United States, any investigation or report required under this section which has been conducted pursuant to the standards of that other jurisdiction shall be recognized in this state.

9. The department may investigate, on its own initiative or on order of the juvenile court, any placement made or adoption petition filed under this chapter or chapter 600A and may report its resulting recommendation to the juvenile court.

10. The department or an agency or investigator may conduct any investigations required for an interstate or interagency placement. Any interstate investigations or placements shall follow the procedures and regulations under the interstate compact on the placement of children. Such investigations and placements shall be in compliance with the laws of the states involved.

11. Any person who assists in or impedes the placement or adoption of a minor person in violation of the provisions of this section shall be, upon conviction, guilty of a simple misdemeanor.

12. Any investigation and report required under subsection 1 may be waived by the juvenile court or court if the adoption petitioner is related within the fourth degree of consanguinity to the person to be adopted. However, if an adoption petitioner discloses a criminal conviction or deferred judgment for an offense other than a simple misdemeanor

or founded child abuse report pursuant to section 600.5, the petitioner shall notify the court of the inclusion of this information in the petition prior to the final adoption hearing, and the court shall make a specific ruling regarding whether to waive any investigation or report required under subsection 1.

[C27, 31, 35, §10501-b2; C39, §**10501.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §600.2; C77, 79, 81, §600.8]

83 Acts, ch 96, §157, 159; 87 Acts, ch 153, §18, 19; 88 Acts, ch 1134, §101; 94 Acts, ch 1046, §13; 98 Acts, ch 1190, §30; 99 Acts, ch 138, §1, 2; 2000 Acts, ch 1145, §10, 11; 2001 Acts, ch 24, §67, 68, 74; 2006 Acts, ch 1029, §2, 3; 2011 Acts, ch 98, §5

Referred to in §600.2, 600.6, 600.11, 600.12A, 600.14A, 600.16

**600.9 Report of expenditures.**

1. *a.* A biological parent shall not receive any thing of value as a result of the biological parent's child or former child being placed with and adopted by another person, unless that thing of value is an allowable expense under subsection 2.

*b.* Any person assisting in any way with the placement or adoption of a minor person shall not charge a fee which is more than usual, necessary, and commensurate with the services rendered.

*c.* If the biological parent receives any prohibited thing of value, if a person gives a prohibited thing of value, or if a person charges a prohibited fee under this subsection, the person is guilty of a simple misdemeanor.

2. *a.* An adoption petitioner of a minor person shall file with the juvenile court or court, prior to the adoption hearing, a full accounting of all disbursements of any thing of value paid or agreed to be paid by or on behalf of the petitioner in connection with the petitioned adoption. This accounting shall be made by a report prescribed by the juvenile court or court and shall be signed and verified by the petitioner. Only expenses incurred in connection with the following and any other expenses approved by the juvenile court or court are allowable:

(1) The birth of the minor person to be adopted.

(2) Placement of the minor person with the adoption petitioner and legal expenses related to the termination of parental rights and adoption processes.

(3) Pregnancy-related medical care received by the biological parents or the minor person during the pregnancy or delivery of the minor person and for medically necessary postpartum care for the biological parent and the minor person.

(4) Living expenses of the mother, permitted in an amount not to exceed the cost of room and board or rent and food, and transportation, for medical purposes only, on a common carrier of persons or an ambulance, for no longer than thirty days after the birth of the minor person.

(5) Costs of the counseling provided to the biological parents prior to the birth of the child, prior to the release of custody, and any counseling provided to the biological parents for not more than sixty days after the birth of the child.

(6) Living expenses of the minor person if the minor person is placed in foster care during the pendency of the termination of parental rights proceedings.

*b.* All payments for allowable expenses shall be made to the provider, if applicable, and not directly to the biological parents. The provisions of this subsection do not apply in a stepparent adoption.

[C77, 79, 81, §600.9]

94 Acts, ch 1046, §14, 15; 94 Acts, ch 1174, §7, 22; 99 Acts, ch 138, §3; 2000 Acts, ch 1145, §12; 2001 Acts, ch 24, §67, 74; 2013 Acts, ch 30, §261

Referred to in §600.8, 600.14A

Code editor directive applied

**600.10 Minimum residence of a minor child.**

The adoption of a minor person shall not be decreed until that person has lived with the adoption petitioner for a minimum residence period of one hundred eighty days. However, the juvenile court or court may waive this period if the adoption petitioner is a stepparent or related to the minor person within the fourth degree of consanguinity or may shorten this

period upon good cause shown when the juvenile court or court is satisfied that the adoption petitioner and the person to be adopted are suited to each other.

[C27, 31, 35, §10501-b2; C39, §**10501.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §600.2; C77, 79, 81, §600.10]

2000 Acts, ch 1145, §13

Referred to in §600.12A, 600.14A, 600.20

**600.11 Notice of adoption hearing.**

1. The juvenile court or court shall set the time and place of the adoption hearing prescribed in section 600.12 upon application of the petitioner. The juvenile court or court may continue the adoption hearing if the notice prescribed in subsections 2 and 3 is given, except that such notice shall only be given at least ten days prior to the date which has been set for the continuation of the adoption hearing.

2. *a.* At least twenty days before the adoption hearing, a copy of the petition and its attachments and a notice of the adoption hearing shall be given by the adoption petitioner to:

(1) A guardian, guardian ad litem if appointed for the adoption proceedings, and custodian of, and a person in a parent-child relationship with the person to be adopted. This subparagraph does not require notice to be given to a person whose parental rights have been terminated with regard to the person to be adopted.

(2) The person to be adopted who is an adult.

(3) Any person who is designated to make an investigation and report under section 600.8.

(4) Any other person who is required to consent under section 600.7.

(5) A person who has been granted visitation rights with the child to be adopted pursuant to section 600C.1.

(6) A person who is ordered to pay support or a postsecondary education subsidy pursuant to section 598.21F, or chapter 234, 252A, 252C, 252F, 598, 600B, or any other chapter of the Code, for a person eighteen years of age or older who is being adopted by a stepparent, and the support order or order requires payment of support or postsecondary education subsidy for any period of time after the child reaches eighteen years of age.

*b.* Nothing in this subsection shall require the petitioner to give notice to self or to petitioner's spouse. A duplicate copy of the petition and its attachments shall be mailed to the department by the clerk of court at the time the petition is filed.

3. A notice of the adoption hearing shall state the time, place, and purpose of the hearing and shall be served in accordance with rule of civil procedure 1.305. Proof of the giving of notice shall be filed with the juvenile court or court prior to the adoption hearing. Acceptance of service by the party being given notice shall satisfy the requirements of this subsection.

[C27, 31, 35, §10501-b4; C39, §**10501.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §600.4; C77, 79, 81, §600.11]

94 Acts, ch 1174, §8, 22; 2000 Acts, ch 1145, §14; 2002 Acts, ch 1018, §20; 2005 Acts, ch 69, §54; 2007 Acts, ch 218, §207; 2011 Acts, ch 34, §133

Referred to in §600.12, 600.12A, 600.14A

**600.12 Adoption hearing.**

1. An adoption hearing shall be conducted informally as a hearing in equity. The hearing shall be reported.

2. Only those persons notified under section 600.11 and their witnesses and legal counsel or persons requested by the juvenile court or court to be present shall be admitted to the court chambers while an adoption hearing is being conducted. The adoption petitioner and the person to be adopted shall be present at the hearing, unless the presence of either is excused by the juvenile court or court.

3. Any person admitted to the hearing shall be heard and allowed to present evidence upon request and according to the manner in which the juvenile court or court conducts the hearing.

[C27, 31, 35, §10501-b4; C39, §**10501.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §600.4; C77, 79, 81, §600.12]

2000 Acts, ch 1145, §15

Referred to in §600.7, 600.8, 600.11, 600.14A

**600.12A Death of person to be adopted — process for final adoption decree.**

1. If the person to be adopted dies following the filing of an adoption petition pursuant to section 600.3, but prior to issuance of a final adoption decree pursuant to section 600.13, the juvenile court or court may waive any investigations and reports required pursuant to section 600.8 that remain uncompleted, waive the minimum residence requirements pursuant to section 600.10, proceed to the adoption hearing, and issue a final adoption decree, unless any person to whom notice is to be provided pursuant to section 600.11 objects to the adoption.

2. If the person to be adopted dies following termination of the parental rights of the person's biological parents but prior to the filing of an adoption petition, the person who was the guardian or custodian of the person to be adopted prior to the person's death or the person who was in a parent-child relationship with the person to be adopted prior to the person's death may file an adoption petition and the juvenile court or court in the interest of justice may waive any other procedures or requirements related to the adoption, proceed to the adoption hearing, and issue a final adoption decree, unless any person to whom notice is to be provided pursuant to section 600.11 objects to the adoption.

3. A final adoption decree issued pursuant to this section terminates any parental rights existing prior to the time of its issuance and establishes the parent-child relationship between the adoption petitioner and the person adopted. However, the final adoption decree does not confer any rights on the adoption petitioner to the estate of the adopted person and does not confer any rights on the adopted person to the estate of the adoption petitioner.

98 Acts, ch 1064, §1, 3; 98 Acts, ch 1190, §31; 2000 Acts, ch 1145, §16

**600.13 Adoption decrees.**

1. At the conclusion of the adoption hearing, the juvenile court or court shall do one of the following:

*a.* Issue a final adoption decree.

*b.* Issue an interlocutory adoption decree.

*c.* Issue a standby adoption decree pursuant to section 600.14A.

*d.* Dismiss the adoption petition if the requirements of this chapter have not been met or if dismissal of the adoption petition is in the best interest of the person whose adoption has been petitioned. Upon dismissal, the juvenile court or court shall determine who is to be guardian or custodian of a minor child, including the adoption petitioner if it is in the best interest of the minor person whose adoption has been petitioned.

2. An interlocutory adoption decree automatically becomes a final adoption decree at a date specified by the juvenile court or court in the interlocutory adoption decree, which date shall not be less than one hundred eighty days nor more than three hundred sixty days from the date the interlocutory decree is issued. However, an interlocutory adoption decree may be vacated prior to the date specified for it to become final. Also, the juvenile court or court may provide in the interlocutory adoption decree for further observation, investigation, and report of the conditions of and the relationships between the adoption petitioner and the person petitioned to be adopted.

3. If an interlocutory adoption decree is vacated under subsection 2, it shall be void from the date of issuance and the rights, duties, and liabilities of all persons affected by it shall, unless they have become vested, be governed accordingly. Upon vacation of an interlocutory adoption decree, the juvenile court or court shall proceed under the provisions of subsection 1, paragraph "*d*".

4. A final adoption decree terminates any parental rights, except those of a spouse of the adoption petitioner, existing at the time of its issuance and establishes the parent-child relationship between the adoption petitioner and the person petitioned to be adopted. Unless otherwise specified by law, such parent-child relationship shall be deemed to have been created at the birth of the child.

5. An interlocutory or a final adoption decree shall be entered with the clerk of court. Such decree shall set forth any facts of the adoption petition which have been proven to the satisfaction of the juvenile court or court and any other facts considered to be relevant by the juvenile court or court and shall grant the adoption petition. If so designated in the adoption decree, the name of the adopted person shall be changed by issuance of that decree.

The clerk of the court shall, within thirty days of issuance, deliver one certified copy of any adoption decree to the petitioner, one copy of any adoption decree to the department and any agency or person making an independent placement who placed a minor person for adoption, and one certification of adoption as prescribed in section 144.19 to the state registrar of vital statistics. Upon receipt of the certification, the state registrar shall prepare a new birth certificate pursuant to section 144.23 and deliver to the parents named in the decree and any adult person adopted by the decree a copy of the new birth certificate. The parents shall pay the fee prescribed in section 144.46. If the person adopted was born outside this state but in the United States, the state registrar shall forward the certification of adoption to the appropriate agency in the state of birth. A copy of any interlocutory adoption decree vacation shall be delivered and another birth certificate shall be prepared in the same manner as a certification of adoption is delivered and the birth certificate was originally prepared.

[R60, §2601, 2602, 2603; C73, §2308, 2309, 2310; C97, §3251, 3252, 3253; S13, §3253; C24, §10498, 10499, 10500; C27, 31, 35, §10501-b5, 10501-b6, 10501-b8; C39, §**10501.5, 10501.6, 10501.8;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §600.5, 600.6, 600.8; C77, 79, 81, §600.13]

89 Acts, ch 140, §2; 99 Acts, ch 43, §2; 2000 Acts, ch 1145, §17; 2000 Acts, ch 1232, §83; 2001 Acts, ch 24, §69, 74; 2001 Acts, ch 57, §4; 2002 Acts, ch 1040, §3, 5; 2003 Acts, ch 44, §101

Referred to in §600.7, 600.12A

**600.14 Appeal — rules.**

An appeal from any final order or decree rendered under this chapter or chapter 600A shall be taken in the same manner as an appeal is taken from a final judgment under the rules of civil procedure. However, a rule of civil procedure provision regarding a minimum amount of value in controversy shall not bar an adoption appeal. The supreme court shall review an adoption appeal de novo.

The supreme court may adopt rules which provide for the expediting of contested cases under this chapter and chapter 600A.

[C77, 79, 81, §600.14]

94 Acts, ch 1174, §9, 22

**600.14A Standby adoption.**

1. As used in this section:

*a.* "*Standby adoption*" means an adoption in which a terminally ill parent consents to termination of parental rights and the issuance of a final adoption decree effective upon the occurrence of a future event, which is either the death of the terminally ill parent or the request of the parent for the issuance of a final adoption decree.

*b.* "*Terminally ill parent*" means an individual who has a medical prognosis by a licensed physician that the individual has an incurable and irreversible condition which will lead to death.

2. A terminally ill parent may consent to termination of parental rights and adoption of a child under a standby adoption if the other parent of the child is not living or the other parent has previously had the parent's parental rights terminated.

3. A person who meets the qualifications to file an adoption petition pursuant to section 600.4 may file a petition for standby adoption. A standby adoption shall comply with the requirements of sections 600.7 through 600.12. However, the court may order that the completion of placement investigations and reports be expedited based on the circumstances of a particular case. The court may waive the minimum residence period requirement pursuant to section 600.10 to expedite the standby adoption if necessary.

4. If a consent to a standby adoption is attached to an adoption petition pursuant to section 600.6, the court determines that the requirements of this chapter relative to a standby adoption are met, and the court determines that the standby adoption is in the best interest of the child to be adopted, the court shall issue a standby adoption decree or a final adoption decree. However, the terminally ill parent's parental rights shall not be terminated and the standby adoption shall not be finalized until the death of the terminally ill parent or the request of the terminally ill parent for issuance of the final adoption decree.

5. A standby adoption decree shall become final upon notice of the death of the terminally

ill parent or upon the terminally ill parent's request that a final adoption decree be issued. If the court determines at the time of the notice or request that the standby adoption is still in the best interest of the child, the court shall issue a final adoption decree.

2001 Acts, ch 57, §5

Referred to in §600.3, 600.6, 600.13

**600.15 Foreign and international adoptions.**

A decree establishing a parent-child relationship by adoption which is issued pursuant to due process of law by a juvenile court or court of any other jurisdiction within or outside the United States shall be recognized in this state.

[C77, 79, 81, §600.15]

87 Acts, ch 140, §1 – 3; 98 Acts, ch 1064, §2; 99 Acts, ch 138, §4; 2000 Acts, ch 1145, §18; 2001 Acts, ch 24, §67, 74; 2002 Acts, ch 1040, §4, 5

Referred to in §144.25A

**600.16 Adoption record — penalty for violations.**

1. Any information compiled under section 600.8, subsection 1, paragraph "*c*", relating to medical and developmental histories shall be made available at any time by the clerk of court, the department, or any agency which made the placement to:

*a.* The adopting parents.

*b.* The adopted person, provided that person is an adult at the time the request for information is made. For the purposes of this paragraph "*adult*" means a person twenty-one years of age or older or a person who attains majority by marriage.

*c.* Any person approved by the department if the person uses this information solely for the purposes of conducting a legitimate medical research project or of treating a patient in a medical facility.

*d.* A descendant of an adopted person.

2. Information regarding an adopted person's existing medical and developmental history and family medical history, which meets the definition of background information in section 600.8, subsection 1, paragraph "*c*", shall be made available as provided in subsection 1. However, the identity of the adopted person's biological parents shall not be disclosed.

3. The provisions of this section also apply to information collected pursuant to section 600A.4, pertaining to the family medical history, medical and developmental history, and social history of the person to be adopted.

4. Any person other than the adopting parents or the adopted person, who discloses information in violation of this section, is guilty of a simple misdemeanor for the first offense, a serious misdemeanor for a second offense, and an aggravated misdemeanor for a third or subsequent offense.

[C46, §600.9; C50, 54, 58, 62, 66, 71, 73, 75, §600.9, 600.10; C77, 79, 81, §600.16]

89 Acts, ch 102, §7; 91 Acts, ch 243, §3; 92 Acts, ch 1142, §1; 92 Acts, ch 1196, §3; 94 Acts, ch 1046, §16; 94 Acts, ch 1174, §10, 11, 22; 99 Acts, ch 138, §5

Referred to in §237.21, 238.24, 600.16B, 600A.4

**600.16A Termination and adoption records closed — exceptions — penalty.**

1. The permanent termination of parental rights record of the juvenile court under chapter 600A and the permanent adoption record of the juvenile court or court shall be sealed by the clerk of the juvenile court or the clerk of court, as appropriate, when they are complete and after the time for appeal has expired.

2. All papers and records pertaining to a termination of parental rights under chapter 600A and to an adoption shall not be open to inspection and the identity of the biological parents of an adopted person shall not be revealed except under any of the following circumstances:

*a.* An agency involved in placement shall contact the adopting parents or the adult adopted child regarding eligibility of the adopted child for benefits based on entitlement of benefits or inheritance from the terminated biological parents.

*b.* The juvenile court or court, for good cause, shall order the opening of the permanent adoption record of the juvenile court or court for the adopted person who is an adult and

reveal the names of either or both of the biological parents following consideration of both of the following:

(1) A biological parent may file an affidavit requesting that the juvenile court or court reveal or not reveal the parent's identity. The juvenile court or court shall consider any such affidavit in determining whether there is good cause to order opening of the records. To facilitate the biological parents in filing an affidavit, the department shall, upon request of a biological parent, provide the biological parent with an adoption information packet containing an affidavit for completion and filing with the juvenile court or court.

(2) If the adopted person who applies for revelation of the biological parents' identity has a sibling who is a minor and who has been adopted by the same parents, the juvenile court or court may deny the application on the grounds that revelation to the applicant may also indirectly and harmfully permit the same revelation to the applicant's minor sibling.

*c.* A biological sibling of an adopted person may file or may request that the department file an affidavit in the juvenile court or court in which the adopted person's adoption records have been sealed requesting that the juvenile court or court reveal or not reveal the sibling's name to the adopted person. The juvenile court or court shall consider any such affidavit in determining whether there is good cause to order opening of the records upon application for revelation by the adopted person. However, the name of the biological sibling shall not be revealed until the biological sibling has attained majority.

*d.* The juvenile court or court may, upon competent medical evidence, open termination or adoption records if opening is shown to be necessary to save the life of or prevent irreparable physical or mental harm to an adopted person or the person's offspring. The juvenile court or court shall make every reasonable effort to prevent the identity of the biological parents from becoming revealed under this paragraph to the adopted person. The juvenile court or court may, however, permit revelation of the identity of the biological parents to medical personnel attending the adopted person or the person's offspring. These medical personnel shall make every reasonable effort to prevent the identity of the biological parents from becoming revealed to the adopted person.

3. *a.* In addition to other procedures by which adoption records may be opened under this section, if both of the following conditions are met, the department, the clerk of court, or the agency which made the placement shall open the adoption record for inspection and shall reveal the identity of the biological parents to the adult adopted child or the identity of the adult adopted child to the biological parents:

(1) A biological parent has placed in the adoption record written consent to revelation of the biological parent's identity to the adopted child at an age specified by the biological parent, upon request of the adopted child.

(2) An adult adopted child has placed in the adoption record written consent to revelation of the identity of the adult adopted child to a biological parent.

*b.* A person who has placed in the adoption record written consent pursuant to paragraph "*a*", subparagraph (1) or (2) may withdraw the consent at any time by placing a written withdrawal of consent statement in the adoption record.

*c.* Notwithstanding the provisions of this subsection, if the adult adopted person has a sibling who is a minor and who has also been adopted by the same parents, the department, the clerk of court, or the agency which made the placement may deny the request of either the adult adopted person or the biological parent to open the adoption records and to reveal the identities of the parties pending determination by the juvenile court or court that there is good cause to open the records pursuant to subsection 2.

4. An adopted person whose adoption became final prior to July 4, 1941, and whose adoption record was not required to be sealed at the time when the adoption record was completed, shall not be required to show good cause for an order opening the adoption record under this subsection, provided that the juvenile court or court shall consider any affidavit filed under this subsection.

5. Notwithstanding subsection 2, a termination of parental rights order issued pursuant to this chapter, section 600A.9, or any other chapter shall be disclosed to the child support recovery unit, upon request, without court order.

6. Any person, other than the adopting parents or the adopted person, who discloses information in violation of this section, is guilty of a simple misdemeanor.

92 Acts, ch 1142, §2; 92 Acts, ch 1196, §4; 94 Acts, ch 1046, §17; 2000 Acts, ch 1145, §19 – 21; 2001 Acts, ch 79, §3; 2005 Acts, ch 112, §19; 2013 Acts, ch 30, §182

Referred to in §144.24, 237.21, 238.24, 600.16B

Subsection 3 amended

**600.16B Fees.**

The supreme court shall prescribe and the department of human services shall adopt rules, to defray the actual cost of the provision of information or the opening of records pursuant to section 600.16 or 600.16A.

92 Acts, ch 1196, §5

**600.17 Financial assistance.**

The department of human services shall, within the limits of funds appropriated to the department of human services and any gifts or grants received by the department for this purpose, provide financial assistance to any person who adopts a child with physical or mental disabilities or an older or otherwise hard-to-place child, if the adoptive parent has the capability of providing a suitable home for the child but the need for special services or the costs of maintenance are beyond the economic resources of the adoptive parent.

1. Financial assistance shall not be provided when the special services are available free of cost to the adoptive parent or are covered by an insurance policy of the adoptive parent.

2. *"Special services"* means any medical, dental, therapeutic, educational, or other similar service or appliance required by an adopted child by reason of a mental or physical disability.

3. The department of human services shall make adoption presubsidy and adoption subsidy payments to adoptive parents at the beginning of the month for the current month.

[C73, 75, §600.11; C77, 79, 81, §600.17]

83 Acts, ch 96, §157, 159; 96 Acts, ch 1129, §102; 2005 Acts, ch 175, §126

Referred to in §225C.38, 234.47, 600.5, 600.18, 600.22, 627.19

**600.18 Determination of assistance.**

Any prospective adoptive parent desiring financial assistance shall state this fact in the petition for adoption. The department of human services shall investigate the person petitioning for adoption and the child and shall file with the juvenile court or court a statement of whether the department will provide assistance as provided in sections 600.17 to 600.22, the estimated amount, extent, and duration of assistance, and any other information the juvenile court or court may order.

If the department of human services is unable to determine that an insurance policy will cover the costs of special services, it shall proceed as if no policy existed, for the purpose of determining eligibility to receive assistance. The department shall, to the amount of financial assistance given, be subrogated to the rights of the adoptive parent in the insurance contract.

[C73, 75, §600.12; C77, 79, 81, §600.18]

83 Acts, ch 96, §157, 159; 2000 Acts, ch 1145, §22

Referred to in §600.5, 600.22, 627.19

**600.19 Amount of assistance.**

The amount of financial assistance for maintenance shall not exceed the amount the department would normally spend for foster care of the child. The amount of financial assistance for special services shall not exceed the amount the department would normally spend if it were to provide these services.

[C73, 75, §600.13; C77, 79, 81, §600.19]

Referred to in §600.5, 600.18, 600.22, 627.19

**600.20 Availability of assistance.**

Financial assistance shall be available only if the child to be adopted was under the guardianship of the state, county, or a licensed child-placing agency immediately prior to

adoption. The one-hundred-eighty-day period of residence in the proposed home required in section 600.10 shall not apply to this section.

[C73, 75, §600.14; C77, 79, 81, §600.20]

Referred to in §600.5, 600.18, 600.22, 627.19

**600.21 Termination of assistance.**

Financial assistance shall terminate when the need for assistance no longer exists. Financial assistance shall not extend beyond the adopted child's twenty-first birthday.

[C73, 75, §600.15; C77, 79, 81, §600.21]

Referred to in §600.5, 600.18, 600.22, 627.19

**600.22 Rules.**

The department of human services shall adopt rules in accordance with the provisions of chapter 17A, which are necessary for the administration of sections 600.17 to 600.21 and 600.23.

[C73, 75, §600.16; C77, 79, 81, §600.22]

83 Acts, ch 96, §157, 159; 87 Acts, ch 102, §1

Referred to in §600.5, 600.18, 627.19

**600.23 Adoption assistance compact.**

1. *Purpose.* The department of human services may enter into interstate agreements with state agencies of other states for the protection of children on behalf of whom adoption subsidy is being provided by the department of human services and to provide procedures for interstate children's adoption assistance payments, including medical payments.

2. *Compact authorization and definitions.*

*a.* The Iowa department of human services may enter into interstate agreements with state agencies of other states for the provision of medical services to adoptive families who participate in the subsidized adoption or adoption assistance program.

*b.* The Iowa department of human services may develop, participate in the development of, negotiate, and enter into one or more interstate compacts on behalf of this state with other states to implement one or more of the purposes set forth in this section. When so entered into, and for so long as it shall remain in force, such a compact shall have the force and effect of law.

*c.* For the purposes of this section, the term *"state"* means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, or a territory or possession of or administered by the United States.

*d.* For the purposes of this section, the term *"adoption assistance or subsidized adoption state"* means the state that is signatory to an adoption assistance agreement in a particular case.

*e.* For the purposes of this section, the term *"residence state"* means the state of which the child is a resident by virtue of the residence of the adoptive parents.

3. *Compact contents.* A compact entered into pursuant to the authority conferred by this section shall have the following content:

*a.* A provision making it available for joinder by all states.

*b.* A provision or provisions for withdrawal from the compact upon written notice to the parties, but with a period of one year between the date of the notice and the effective date of the withdrawal.

*c.* A requirement that the protections afforded by or pursuant to the compact continue in force for the duration of the adoption assistance and be applicable to all children and their adoptive parents who on the effective date of the withdrawal are receiving adoption assistance from a party state other than the one in which they are resident and have their principal place of abode.

*d.* A requirement that each instance of adoption assistance to which the compact applies be covered by an adoption assistance agreement in writing between the adoptive parents and the state child welfare agency of the state which undertakes to provide the adoption

assistance, and that any such agreement be expressly for the benefit of the adopted child and enforceable by the adoptive parents, and the state agency providing the adoption assistance.

*e.* Such other provisions as may be appropriate to implement the proper administration of the compact.

4. *Medical assistance.*

*a.* A child with special needs residing in this state who is the subject of an adoption assistance agreement with another state shall be entitled to receive a medical assistance card from this state upon the filing of a certified copy of the adoption assistance agreement obtained from the adoption assistance state. In accordance with regulations of the Iowa department of human services, the adoptive parents shall be required at least annually to show that the agreement is still in force or has been renewed.

*b.* The Iowa department of human services shall consider the holder of a medical assistance card pursuant to this section as any other holder of a medical assistance card under the laws of this state and shall process and make payment on claims on account of such holder in the same manner and pursuant to the same conditions and procedures as for other recipients of medical assistance.

*c.* The Iowa department of human services shall provide coverage and benefits for a child who is in another state and who is covered by an adoption subsidy agreement made prior to July 1, 1987 by the Iowa department of human services for the coverage or benefits, if any, not provided by the residence state. The adoptive parents acting for the child may submit evidence of payment for services or benefit amounts not payable in the residence state and shall be reimbursed for such expense. However, reimbursement shall not be made for services or benefit amounts covered under any insurance or other third party medical contract or arrangement held by the child or the adoptive parents. The additional coverages and benefit amounts provided pursuant to this subsection shall be for services to the cost of which there is no federal contribution, or which, if federally aided, are not provided by the residence state. Such regulations shall include procedures to be followed in obtaining prior approvals for services in those instances where required for the assistance.

*d.* A person who submits a claim for payment or reimbursement for services or benefits pursuant to this subsection or makes any statement in connection therewith, which claim or statement the maker knows or should know to be false, misleading, or fraudulent is guilty of an aggravated misdemeanor.

*e.* This subsection applies only to medical assistance for children under adoption assistance agreements from states that have entered into a compact with this state under which the other state provides medical assistance to children with special needs under adoption subsidy agreements made by this state. All other children entitled to medical assistance pursuant to adoption assistance agreements entered into by this state shall be eligible to receive medical assistance in accordance with the laws and procedures applicable to medical assistance.

87 Acts, ch 102, §2

Referred to in §600.22

**600.24 Access to records.**

The department may allow access to adoption records held by the department or an agency if all of the following conditions are met:

1. The identity of the biological parents of the adopted person is concealed from the person gaining access to the records.

2. The person gaining access to the records uses them solely for the purposes of conducting a legitimate medical research project or of treating a patient in a medical facility.

[C79, 81, §600.24]

92 Acts, ch 1142, §3; 94 Acts, ch 1046, §18

**600.25 Pending parental rights unaffected.**

A termination of parental rights proceeding or an adoption proceeding pending on January 1, 1977, or a release of parental rights or affidavit of consent or consent to adopt properly given prior to January 1, 1977 shall not be affected by the provisions of chapter 600A.

[C79, 81, §600.25]

# CHAPTER 600A

## TERMINATION OF PARENTAL RIGHTS

Referred to in §144.13A, 232.6, 232B.3, 238.32, 321.180B, 321.184, 600.8, 600.14, 600.16A, 600.25, 600B.41A, 814.11, 815.10, 815.11

Proceedings prior to January 1, 1977; see §600.25


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**600A.1 Construction.**

This chapter shall be construed liberally. The best interest of the child subject to the proceedings of this chapter shall be the paramount consideration in interpreting this chapter. However, the interests of the parents of this child or any natural person standing in the place of the parents to this child shall be given due consideration in this interpretation.

The best interest of a child requires that each biological parent affirmatively assume the duties encompassed by the role of being a parent. In determining whether a parent has affirmatively assumed the duties of a parent, the court shall consider, but is not limited to consideration of, the fulfillment of financial obligations, demonstration of continued interest in the child, demonstration of a genuine effort to maintain communication with the child, and demonstration of the establishment and maintenance of a place of importance in the child's life. Application of this chapter is limited to termination of parental rights proceedings and shall not apply to actions to establish paternity or to overcome established paternity.

[C77, 79, 81, §600A.1]

94 Acts, ch 1174, §12, 22

**600A.2 Definitions.**

As used in this chapter:

1. *"Adult"* means a person who is married or eighteen years of age or older.
2. *"Agency"* means a child-placing agency as defined in section 238.1 or the department.
3. *"Biological parent"* means a parent who has been a biological party to the procreation of the child.
4. *"Child"* means a son or daughter of a parent, whether by birth or adoption.
5. *"Court"* means a district court.
6. *"Custodian"* means a stepparent or a relative within the fourth degree of consanguinity to a minor child who has assumed responsibility for that child, a person who has accepted a release of custody, or a person appointed by a court or juvenile court having jurisdiction over a child. A custodian has the rights and duties provided in section 600A.2A.
7. *"Department"* means the state department of human services or its subdivisions.
8. *"Guardian"* means a person who is not the parent of a minor child, but who has been appointed by a court or juvenile court having jurisdiction over the minor child to make important decisions which have permanent effect on the life and development of that child

and to promote the general welfare of that child. A guardian has the rights and duties provided in section 600A.2B. A guardian may be a court or a juvenile court. *"Guardian"* does not mean *"conservator"*, as defined in section 633.3, although a person who is appointed to be a guardian may also be appointed to be a conservator.

9. *"Guardian ad litem"* means a person appointed by a court or juvenile court having jurisdiction over the minor child to represent that child in a legal action. A guardian ad litem appointed under this chapter shall be a practicing attorney.

10. *"Independent placement"* means placement for purposes of adoption of a minor in the home of a proposed adoptive parent by a person who is not the proposed adoptive parent and who is not acting on behalf of the department or of a child-placing agency.

11. *"Indigent"* means a person has an income level at or below one hundred percent of the United States poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services, unless the court determines that the person is able to pay for the cost of an attorney in the pending case. In making the determination of a person's ability to pay for the cost of an attorney, the court shall consider the person's income and the availability of any assets subject to execution, including but not limited to cash, stocks, bonds, and any other property which may be applied to the satisfaction of judgments, and the nature and complexity of the case.

12. *"Juvenile court"* means the juvenile court established by section 602.7101.

13. *"Minor"* means an unmarried person who is under the age of eighteen years.

14. *"Parent"* means a father or mother of a child, whether by birth or adoption.

15. *"Parent-child relationship"* means the relationship between a parent and a child recognized by the law as conferring certain rights and privileges and imposing certain duties. The term extends equally to every child and every parent, regardless of the marital status of the parents of the child. The rights, duties, and privileges recognized in the parent-child relationship include those which are maintained by a guardian, custodian, and guardian ad litem.

16. *"Putative father"* means a man who is alleged to be or who claims to be the biological father of a child born to a woman to whom the man is not married at the time of birth of the child.

17. *"Stepparent"* means a person who is the spouse of a parent in a parent-child relationship, but who is not a parent in that parent-child relationship.

18. *"Termination of parental rights"* means a complete severance and extinguishment of a parent-child relationship between one or both living parents and the child.

19. *"To abandon a minor child"* means that a parent, putative father, custodian, or guardian rejects the duties imposed by the parent-child relationship, guardianship, or custodianship, which may be evinced by the person, while being able to do so, making no provision or making only a marginal effort to provide for the support of the child or to communicate with the child.

[C77, 79, 81, §600A.2]

83 Acts, ch 96, §157, 159; 83 Acts, ch 186, §10111, 10201; 90 Acts, ch 1271, §1510; 94 Acts, ch 1046, §19; 94 Acts, ch 1174, §13, 22; 97 Acts, ch 161, §1; 97 Acts, ch 209, §27, 30; 2005 Acts, ch 107, §2, 14; 2008 Acts, ch 1031, §63; 2009 Acts, ch 133, §248

Referred to in §600.2, 600B.41A

**600A.2A Rights and duties of custodian.**

1. The rights and duties of a custodian with respect to a child shall be as follows:

*a.* To maintain or transfer to another the physical possession of that child.

*b.* To protect, train, and discipline that child.

*c.* To provide food, clothing, housing, and ordinary medical care for that child.

*d.* To consent to emergency medical care, including surgery.

*e.* To sign a release of medical information to a health professional.

2. All rights and duties of a custodian shall be subject to any residual rights and duties remaining in a parent or guardian.

2008 Acts, ch 1031, §64

Referred to in §600A.2

**600A.2B Rights and duties of guardian.**

Unless otherwise enlarged or circumscribed by a court or juvenile court having jurisdiction over the minor child or by operation of law, the rights and duties of a guardian with respect to a minor child shall be as follows:

1. To consent to marriage, enlistment in the armed forces of the United States, or medical, psychiatric, or surgical treatment.

2. To serve as custodian, unless another person has been appointed custodian.

3. To make reasonable visitations if the guardian does not have physical possession or custody of the minor child.

4. To consent to adoption and to make any other decision that the parents could have made when the parent-child relationship existed.

2008 Acts, ch 1031, §65

Referred to in §600A.2

**600A.3 Exclusivity.**

Termination of parental rights shall be accomplished only according to the provisions of this chapter. However, termination of parental rights between an adult child and the child's parents may be accomplished by a decree of adoption establishing a new parent-child relationship.

If a proceeding held under this chapter involves an Indian child as defined in section 232B.3 and the proceeding is subject to the Iowa Indian child welfare Act under chapter 232B, the proceeding and other actions taken in connection with the proceeding or this chapter shall comply with chapter 232B. In any proceeding held or action taken under this chapter involving an Indian child, the applicable requirements of the federal Adoption and Safe Families Act of 1999, Pub. L. No. 105-89, shall be applied to the proceeding or action in a manner that complies with chapter 232B and the federal Indian Child Welfare Act, Pub. L. No. 95-608.

[C66, 71, 73, 75, §232.40; C77, 79, 81, §600A.3]

2003 Acts, ch 153, §17

**600A.4 Relationship unaltered — release of custody — voluntariness of release.**

1. A parent shall not permanently alter the parent-child relationship, except as ordered by a juvenile court or court. However, custody of a minor child may be assumed by a stepparent or a relative of that child within the fourth degree of consanguinity or transferred by an acceptance of a release of custody. A person who assumes custody or an agency which accepts a release of custody under this section becomes, upon assumption or acceptance, the custodian of the minor child.

2. A release of custody:

*a.* Shall be accepted only by an agency or a person making an independent placement.

*b.* Shall not be accepted by a person who in any way intends to adopt the child who is the subject of the release.

*c.* Shall be in writing.

*d.* Shall contain written acknowledgment of the biological parents that after the birth of the child three hours of counseling have been offered to the biological parents by the agency, the person making an independent placement, an investigator as defined in section 600.2, or other qualified counselor regarding the decision to release custody and the alternatives available to the biological parents. The release of custody shall also contain written acknowledgment of the acceptance or refusal of the counseling. If accepted, the counseling shall be provided after the birth of the child and prior to the signing of a release of custody or the filing of a petition for termination of parental rights as applicable. Counseling shall be provided only by a person who is qualified under rules adopted by the department of human services which shall include a requirement that the person complete a minimum number of hours of training in the area of adoption-related counseling approved by the department. If counseling is accepted, the counselor shall provide an affidavit, which shall be attached to the release of custody, when practicable, certifying that the counselor has provided the biological parent with the requested counseling and documentation that the

person is qualified to provide the requested counseling as prescribed by this paragraph. The requirements of this paragraph do not apply to a release of custody which is executed for the purposes of a stepparent adoption.

*e.* Shall contain a notice to the biological parent that if the biological parent chooses to identify the other biological parent and knowingly and intentionally identifies a person who is not the other biological parent in the written release of custody or in any other document related to the termination of parental rights proceedings, the biological parent who provides the incorrect identifying information is guilty of a simple misdemeanor.

*f.* Shall be accompanied by a report which includes, to the extent available, the complete family medical and social history of the person to be adopted including any known genetic, metabolic, or familial disorders and the complete medical and developmental history of the person to be adopted, and a social history of the minor child and the minor child's family but which does not disclose the identity of the biological parents of the person to be adopted. The social history may include but is not limited to the minor child's racial, ethnic, and religious background and a general description of the minor child's biological parents and an account of the minor child's prior and existing relationship with any relative, foster parent, or other individual with whom the minor child regularly lives or whom the child regularly visits.

(1) A biological parent may also provide ongoing information to the adoptive parents, as additional medical or social history information becomes known, by providing information to the clerk of court, the department of human services, or the agency which made the placement, and may provide the current address of the biological parent. The clerk of court, the department of human services, or the agency which made the placement shall transmit the information to the adoptive parents if the address of the adoptive parents is known.

(2) A person who furnishes a report required under this paragraph "*f*" and the court shall not disclose any information upon which the report is based except as otherwise provided in this section and such a person is subject to the penalties provided in section 600.16, as applicable. A person who is the subject of any report may bring a civil action against a person who discloses the information in violation of this section.

(3) Information provided under this paragraph "*f*" shall not be used as evidence in any civil or criminal proceeding against a person who is the subject of the information.

(4) The department shall prescribe forms designed to obtain the family medical and social history and shall provide the forms at no charge to any agency or person who executes a release of custody of the minor child or who files a petition for termination of parental rights. The existence of this report does not limit a person's ability to petition the court for release of records in accordance with other provisions of law.

*g.* Shall be signed, not less than seventy-two hours after the birth of the child to be released, by all living parents. The seventy-two-hour minimum time period requirement shall not be waived.

*h.* Shall be witnessed by two persons familiar with the parent-child relationship.

*i.* Shall name the person who is accepting the release.

*j.* Shall be followed, within a reasonable time, by the filing of a petition for termination of parental rights under section 600A.5.

*k.* Shall state the purpose of the release, shall indicate that if it is not revoked it may be grounds for termination, and shall fully inform the signing parent of the manner in which a revocation of the release may be sought.

3. Notwithstanding the provisions of subsection 2, an agency or a person making an independent placement may assume custody of a minor child upon the signature of the one living parent who has possession of the minor child if the agency or a person making an independent placement immediately petitions the juvenile court designated in section 600A.5 to be appointed custodian and otherwise petitions, either in the same petition or within a reasonable time in a separate petition, for termination of parental rights under section 600A.5. Upon the custody petition, the juvenile court may appoint a guardian as well as a custodian.

4. Either a parent who has signed a release of custody, or a nonsigning parent, may, at any time prior to the entry of an order terminating parental rights, request the juvenile court designated in section 600A.5 to order the revocation of any release of custody previously

executed by either parent. If such request is by a signing parent, and is within ninety-six hours of the time such parent signed a release of custody, the juvenile court shall order the release revoked. Otherwise, the juvenile court shall order the release or releases revoked only upon clear and convincing evidence that good cause exists for revocation. Good cause for revocation includes but is not limited to a showing that the release was obtained by fraud, coercion, or misrepresentation of law or fact which was material to its execution. In determining whether good cause exists for revocation, the juvenile court shall give paramount consideration to the best interests of the child including avoidance of a disruption of an existing relationship between a parent and child. The juvenile court shall also give due consideration to the interests of the parents of the child and of any person standing in the place of the parents.

[S13, §3260-c; C24, §3665; C27, 31, 35, §3661-a82, -a83, -a86; C39, §**3661.096, 3661.097, 3661.100;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §238.25, 238.26, 238.29; C77, 79, 81, §600A.4]

92 Acts, ch 1192, §1, 5; 94 Acts, ch 1174, §14, 15, 22; 99 Acts, ch 138, §6; 2013 Acts, ch 30, §161

Referred to in §232B.7, 600.8, 600.16, 600A.8, 600A.10

Subsection 2, paragraph f amended

**600A.5 Petition for termination.**

1. The following persons may petition a juvenile court for termination of parental rights under this chapter if the child of the parent-child relationship is born or expected to be born within one hundred eighty days of the date of petition filing:

*a.* A parent or prospective parent of the parent-child relationship.

*b.* A custodian or guardian of the child.

2. A petition for termination of parental rights shall be filed with the juvenile court in the county in which the guardian or custodian of the child resides or the child, the biological mother or the pregnant woman is domiciled. If a juvenile court has made an order pertaining to a minor child under chapter 232, division III, and that order is still in force, the termination proceedings shall be conducted pursuant to the provisions of chapter 232, division IV.

3. A petition for termination of parental rights shall include the following:

*a.* The legal name, age and domicile, if any, of the child.

*b.* The names, residences, and domicile of any:

(1) Living parents of the child.

(2) Guardian of the child.

(3) Custodian of the child.

(4) Guardian ad litem of the child.

(5) Petitioner.

(6) Person standing in the place of the parents of the child.

*c.* A plain statement of the facts and grounds in section 600A.8 which indicate that the parent-child relationship should be terminated.

*d.* A plain statement explaining why the petitioner does not know any of the information required under paragraphs *"a"* and *"b"* of this subsection.

*e.* The signature and verification of the petitioner.

[C66, 71, 73, 75, §232.42, 232.43; C77, 79, 81, §600A.5]

94 Acts, ch 1046, §20; 95 Acts, ch 49, §21; 95 Acts, ch 182, §25

Referred to in §600A.4, 600A.6, 600A.8

**600A.6 Notice of termination hearing.**

1. A termination of parental rights under this chapter shall, unless provided otherwise in this section, be ordered only after notice has been served on all necessary parties and these parties have been given an opportunity to be heard before the juvenile court except that notice need not be served on the petitioner or on any necessary party who is the spouse of the petitioner. *"Necessary party"* means any person whose name, residence, and domicile are required to be included on the petition under section 600A.5, subsection 3, paragraphs *"a"* and *"b"*, and any putative father who files a declaration of paternity in accordance with section 144.12A, or any unknown putative father, if any, except a biological parent who has been convicted of having sexually abused the other biological parent while not cohabiting

with that parent as husband and wife, thereby producing the birth of the child who is the subject of the termination proceedings.

2. *a.* Prior to the service of notice on the necessary parties, the juvenile court shall appoint a guardian ad litem for a minor child if the child does not have a guardian or if the interests of the guardian conflict with the interests of the child. Such guardian ad litem shall be a necessary party under subsection 1 of this section.

*b.* A person who is appointed as a guardian ad litem for a minor child shall not also be the attorney for any party other than the minor child in any proceeding involving the minor child. The guardian ad litem may make an independent investigation of the interest of the child and may cause witnesses to appear before the court to provide testimony relevant to the best interest of the minor child.

3. Notice under this section may be served personally or constructively, as specified under subsections 4 and 5. This notice shall state:

*a.* The time and place of the hearing on termination of parental rights.

*b.* A clear statement of the purpose of the action and hearing.

*c.* A statement that the person against whom a proceeding for termination of parental rights is brought shall have the right to counsel pursuant to section 600A.6A.

4. A necessary party whose identity and location or address is known shall be served in accordance with rule of civil procedure 1.305 or sent by certified mail restricted delivery, whichever is determined to be the most effective means of notification. Such notice shall be served according to the rules of civil procedure relating to an original notice where not inconsistent with the provisions of this section. Notice pursuant to rule of civil procedure 1.305 shall be served not less than seven days prior to the hearing on termination of parental rights. Notice by certified mail restricted delivery shall be sent not less than fourteen days prior to the hearing on termination of parental rights. A notice by certified mail restricted delivery which is refused by the necessary party being noticed shall be sufficient notice to that party under this section. Acceptance of notice by the necessary party shall satisfy the requirements of this subsection.

5. A necessary party whose identity is known but whose location or address is unknown or all unknown putative fathers, if any, shall be served by published notice in the form provided in this subsection. If the identity of a necessary party is known but the location of the necessary party is unknown, notice by publication shall also include the name of the necessary party. The child's actual or expected date of birth and place of birth shall also be stated in the notice. Notice by publication shall be served according to the rules of civil procedure relating to an original notice where not inconsistent with the provisions of this section. Notice by publication shall be published once a week for two consecutive weeks in a medium which is reasonably expected to provide notice to the necessary party, the last publication to be not less than three days prior to the hearing on termination of parental rights. The notice shall be substantially in the following form:

TO: ..... (OR) ALL PUTATIVE FATHERS OF A CHILD (EXPECTED TO BE) BORN ON THE ..... DAY OF ....., ....., IN ....., IOWA.

You are notified that there is now on file in the office of the clerk of court for ..... county, a petition in case number ....., which prays for a termination of your parent-child relationship to a child (expected to be) born on the ..... day of ....., ..... For further details contact the clerk's office. The petitioner's attorney is .....

You are notified that there will be a hearing on the petition to terminate parental rights before the Iowa District Court for ..... County, at the Courthouse in ....., Iowa, at .....M. on the ..... day of ....., .....

CLERK OF THE ABOVE COURT

6. Proof of service of notice in the manner prescribed shall be filed with the juvenile court prior to the hearing on termination of parental rights.

[C66, 71, 73, 75, §232.44, 232.45; C77, 79, 81, §600A.6]

94 Acts, ch 1046, §21; 94 Acts, ch 1174, §16 – 18, 22; 96 Acts, ch 1174, §8; 97 Acts, ch 173, §15; 2005 Acts, ch 107, §3, 14; 2013 Acts, ch 30, §261

Referred to in §233.2, 600A.8

Code editor directive applied

**600A.6A Right to and appointment of counsel.**

1. Upon the filing of a petition for termination of parental rights under this chapter, the parent identified in the petition shall have the right to counsel in connection with all subsequent hearings and proceedings.

2. If the parent against whom the petition is filed desires but is financially unable to employ counsel, the court, following an in-court colloquy, shall appoint counsel for the person if all of the following criteria are met:

*a.* The person requests appointment of counsel.

*b.* The person is indigent.

*c.* The court determines both of the following:

(1) The person, because of lack of skill or education, would have difficulty in presenting the person's version of the facts in dispute, particularly where the presentation of the facts requires the examination or cross-examination of witnesses or the presentation of complex documentary evidence.

(2) The person has a colorable defense to the termination of parental rights, or there are substantial reasons that make termination of parental rights inappropriate.

2005 Acts, ch 107, §4, 14

Referred to in §600A.6, 600A.6B, 602.1302

**600A.6B Payment of attorney fees.**

1. A person filing a petition for termination of parental rights under this chapter or the person on whose behalf the petition is filed shall be responsible for the payment of reasonable attorney fees for services provided by counsel appointed pursuant to section 600A.6A in juvenile court or in an appellate proceeding initiated by the person filing the petition unless the person filing the petition is a private child-placing agency as defined in section 238.1 or unless the court determines that the person filing the petition or the person on whose behalf the petition is filed is indigent.

2. If the person filing the petition is a private child-placing agency as defined in section 238.1 or if the person filing the petition or the person on whose behalf the petition is filed is indigent, the appointed attorney shall be paid reasonable attorney fees for services provided in juvenile court or an appellate proceeding as determined by the state public defender.

3. If the parent against whom the petition is filed appeals a termination order under section 600A.9, subsection 1, paragraph *"b"*, the person who filed the petition or the person on whose behalf the petition is filed shall not be responsible for the payment of attorney fees for services provided by counsel appointed pursuant to section 600A.6A in the appellate proceeding. Instead, the appointed attorney shall be paid reasonable attorney fees as determined by the state public defender from the indigent defense fund established pursuant to section 815.11.

4. The state public defender shall review all the claims submitted under this section and shall have the same authority with regard to the payment of these claims as the state public defender has with regard to claims submitted under chapters 13B and 815, including the authority to adopt rules concerning the review and payment of claims submitted.

2005 Acts, ch 107, §5, 14; 2006 Acts, ch 1071, §1, 2; 2009 Acts, ch 133, §249; 2013 Acts, ch 105, §2

Referred to in §602.1302, 815.11

Section amended

**600A.7 Termination hearing — forum non conveniens.**

1. The hearing on termination of parental rights shall be conducted in accordance with

the provisions of sections 232.91 to 232.96 and otherwise in accordance with the rules of civil procedure. Such hearing shall be held no earlier than one week after the child is born.

2. Relevant information, including that contained in reports, studies or examinations and testified to by interested persons, may be admitted into evidence at the hearing and relied upon to the extent of its probative value. When such information is so admitted, the person submitting it or testifying shall be subject to both direct and cross-examination by a necessary party.

3. If a putative father files a declaration of paternity pursuant to section 144.12A, the putative father or the mother of the child may request that paternity be established pursuant to section 600B.41 prior to the granting of a dismissal of the petition to terminate parental rights.

[C66, 71, 73, 75, §232.42, 232.46; C77, 79, 81, §600A.7]

94 Acts, ch 1174, §19, 22

**600A.8 Grounds for termination.**

The juvenile court shall base its findings and order under section 600A.9 on clear and convincing proof. The following shall be, either separately or jointly, grounds for ordering termination of parental rights:

1. A parent has signed a release of custody pursuant to section 600A.4 and the release has not been revoked.

2. A parent has petitioned for the parent's termination of parental rights pursuant to section 600A.5.

3. The parent has abandoned the child. For the purposes of this subsection, a parent is deemed to have abandoned a child as follows:

*a.* (1) If the child is less than six months of age when the termination hearing is held, a parent is deemed to have abandoned the child unless the parent does all of the following:

(a) Demonstrates a willingness to assume custody of the child rather than merely objecting to the termination of parental rights.

(b) Takes prompt action to establish a parental relationship with the child.

(c) Demonstrates, through actions, a commitment to the child.

(2) In determining whether the requirements of this paragraph are met, the court may consider all of the following:

(a) The fitness and ability of the parent in personally assuming custody of the child, including a personal and financial commitment which is timely demonstrated.

(b) Whether efforts made by the parent in personally assuming custody of the child are substantial enough to evince a settled purpose to personally assume all parental duties.

(c) With regard to a putative father, whether the putative father publicly acknowledged paternity or held himself out to be the father of the child during the six continuing months immediately prior to the termination proceeding.

(d) With regard to a putative father, whether the putative father paid a fair and reasonable sum, in accordance with the putative father's means, for medical, hospital, and nursing expenses incurred in connection with the mother's pregnancy or with the birth of the child, or whether the putative father demonstrated emotional support as evidenced by the putative father's conduct toward the mother.

(e) Any measures taken by the parent to establish legal responsibility for the child.

(f) Any other factors evincing a commitment to the child.

*b.* If the child is six months of age or older when the termination hearing is held, a parent is deemed to have abandoned the child unless the parent maintains substantial and continuous or repeated contact with the child as demonstrated by contribution toward support of the child of a reasonable amount, according to the parent's means, and as demonstrated by any of the following:

(1) Visiting the child at least monthly when physically and financially able to do so and when not prevented from doing so by the person having lawful custody of the child.

(2) Regular communication with the child or with the person having the care or custody of the child, when physically and financially unable to visit the child or when prevented from visiting the child by the person having lawful custody of the child.

(3) Openly living with the child for a period of six months within the one-year period immediately preceding the termination of parental rights hearing and during that period openly holding himself or herself out to be the parent of the child.

*c.* The subjective intent of the parent, whether expressed or otherwise, unsupported by evidence of acts specified in paragraph *"a"* or *"b"* manifesting such intent, does not preclude a determination that the parent has abandoned the child. In making a determination, the court shall not require a showing of diligent efforts by any person to encourage the parent to perform the acts specified in paragraph *"a"* or *"b"*. In making a determination regarding a putative father, the court may consider the conduct of the putative father toward the child's mother during the pregnancy. Demonstration of a commitment to the child is not met by the putative father marrying the mother of the child after adoption of the child.

4. A parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has failed to do so without good cause.

5. A parent does not object to the termination after having been given proper notice and the opportunity to object.

6. A parent does not object to the termination although every reasonable effort has been made to identify, locate and give notice to that parent as required in section 600A.6.

7. An adoptive parent requests termination of parental rights and the parent-child relationship based upon a showing that the adoption was fraudulently induced in accordance with the procedures set out in section 600A.9, subsection 3.

8. Both of the following circumstances apply to a parent:

*a.* The parent has been determined to be a person with a substance-related disorder as defined in section 125.2 and the parent has committed a second or subsequent domestic abuse assault pursuant to section 708.2A.

*b.* The parent has abducted the child, has improperly removed the child from the physical custody of the person entitled to custody without the consent of that person, or has improperly retained the child after a visit or other temporary relinquishment of physical custody.

9. The parent has been imprisoned for a crime against the child, the child's sibling, or another child in the household, or the parent has been imprisoned and it is unlikely that the parent will be released from prison for a period of five or more years.

10. The parent has been convicted of a felony offense that is a sex offense against a minor as defined in section 692A.101, the parent is divorced from or was never married to the minor's other parent, and the parent is serving a minimum sentence of confinement of at least five years for that offense.

[C66, 71, 73, 75, §232.41; C77, 79, 81, §600A.8]

92 Acts, ch 1192, §2, 5; 95 Acts, ch 182, §26; 97 Acts, ch 161, §2; 97 Acts, ch 209, §27, 30; 2004 Acts, ch 1010, §1, 2; 2005 Acts, ch 69, §55; 2006 Acts, ch 1182, §63; 2009 Acts, ch 119, §43; 2011 Acts, ch 121, §59, 62

Referred to in §600A.5

**600A.9 Termination findings and order — vacation of order.**

1. Subsequent to the hearing on termination of parental rights under this chapter, the juvenile court shall make a finding of facts and shall:

*a.* Order the petition dismissed; or,

*b.* Order the petition granted. The juvenile court shall appoint a guardian and a custodian or a guardian only. An order issued under this paragraph shall include the finding of facts. Such finding shall specify the factual basis for terminating the parent-child relationship and shall specify the ground or grounds upon which the termination is ordered.

2. If an order is issued under subsection 1, paragraph *"b"* of this section, the juvenile court shall retain jurisdiction to change a guardian or custodian and to allow a terminated parent or any putative biological parent to request vacation or appeal of the termination order which request must be made within thirty days of issuance of the granting of the order. The period for request by a terminated parent or by a putative biological parent for vacation or appeal shall not be waived or extended and a vacation or appeal shall not be granted after the expiration of this period. The juvenile court shall grant the vacation request only if it is in the best interest of the child. The supreme court shall prescribe rules to establish a period

of thirty days, which shall not be waived or extended, in which a terminated or putative biological parent may request a vacation or appeal of a termination order.

3. If an order is issued under subsection 1, paragraph *"b"*, the juvenile court shall have jurisdiction to allow an adoptive parent to request termination of the adoptive parent's parental rights and of the parent-child relationship based upon a showing that the adoption was fraudulently induced and to request that the order issued under subsection 1, paragraph *"b"*, be vacated. The juvenile court shall grant the termination and vacation requests only after the parent whose rights have been terminated is given an opportunity to contest the vacation of the termination order and only if the termination of the adoptive parent's parental rights and the vacation of the termination order are in the best interest of the child.

4. A copy of any order made under this section shall be sent by the clerk of the juvenile court to:

*a.* The department.

*b.* The petitioner.

*c.* The parents whose rights have been terminated if they request such copies.

*d.* Any guardian, custodian, or guardian ad litem of the child.

*e.* The state registrar for the purposes of section 144.13A, subsection 2.

[S13, §254-a21; C24, 27, 31, 35, 39, §**3638;** C46, 50, 54, 58, 62, §232.22; C66, 71, 73, 75, §232.47 – 232.50; C77, 79, 81, §600A.9]

92 Acts, ch 1192, §3, 5; 94 Acts, ch 1174, §20, 22; 2004 Acts, ch 1156, §2

Referred to in §232.119, 600.16A, 600A.6B, 600A.8, 600B.5

**600A.10 Termination procedures — penalty for violation.**

1. Any biological parent who chooses to identify the other biological parent and who knowingly and intentionally identifies a person who is not the other biological parent in the written release of custody or in any other document related to the termination of parental rights proceedings is guilty of a simple misdemeanor.

2. Any person who accepts a release of custody under section 600A.4 prior to the expiration of the seventy-two-hour period required is guilty of a serious misdemeanor.

94 Acts, ch 1174, §21, 22

# CHAPTER 600B

## PATERNITY AND OBLIGATION FOR SUPPORT

Referred to in §252A.3A, 252B.3, 252B.4, 252B.5, 252B.14, 252B.20, 252C.1, 252D.1, 252D.16, 252D.16A, 252E.1, 252E.1A, 252E.16, 252H.2, 252H.4, 252H.21, 252I.2, 252J.1, 598.21C, 598.21G, 598.22, 598.22B, 598.23A, 600.11, 602.6111, 602.8102(47)

See also chapters 252A – 252K

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600B.41 Blood and genetic tests.
600B.41A Actions to overcome paternity — applicability — conditions.
600B.42 Security for payment of support — forfeiture.

**600B.1 Obligation of parents.**

The parents of a child born out of wedlock and not legitimized (in this chapter referred to as "the child") owe the child necessary maintenance, education, and support. They are also liable for the child's funeral expenses. The father is also liable to pay the expense of the mother's pregnancy and confinement. The obligation of the parent to support the child under the laws for the support of poor relatives applies to children born out of wedlock.

[C27, 31, 35, §12667-a1; C39, §**12667.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.1]

C93, §600B.1

Analogous provision, §252.2

**600B.2 Recovery by mother from father.**

The mother may recover from the father a reasonable share of the necessary support of the child.

[C27, 31, 35, §12667-a2; C39, §**12667.02;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.2]

C93, §600B.2

**600B.3** Reserved.

**600B.4 Recovery by others than mother.**

The obligation of the father as hereby provided creates also a cause of action on behalf of the legal representative of the mother, or on behalf of third persons furnishing support or defraying the reasonable expenses thereof, where paternity has been judicially established by proceedings brought by the mother or by or on behalf of the child or by the authorities charged with its support, or where paternity has been acknowledged by the father in writing or by the part performance of the obligations imposed upon him.

[C27, 31, 35, §12667-a4; C39, §**12667.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.4]

C93, §600B.4

**600B.5 Discharge of father's obligation.**

The obligation of the father other than that under the laws providing for the support of poor relatives is discharged by complying with a judicial decree for support or with the terms of a judicially approved settlement. The legal adoption of a child into another family discharges the obligation for the period subsequent to the adoption, unless the adoption was fraudulently induced and the adoptive father's parental rights have been terminated and the order terminating the biological father's parental rights has been vacated in accordance with the procedures set out in section 600A.9, subsection 3.

[C27, 31, 35, §12667-a5; C39, §**12667.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.5]

92 Acts, ch 1192, §4, 5

C93, §600B.5

94 Acts, ch 1046, §22

Referred to in §600B.41A

**600B.6 Liability of the father's estate.**

The obligation of the father, when his paternity has been judicially established in his lifetime, or has been acknowledged by him in writing or by the part performance of his obligations, is enforceable against his estate in such an amount as the court may determine, having regard to the age of the child, the ability of the mother to support it, the amount of property left by the father, the number, age, and financial condition of the lawful issue, if any, and the rights of the widow, if any. The court may direct the discharge of the obligation by periodical payments or by the payment of a lump sum.

[C27, 31, 35, §12667-a6; C39, §**12667.06;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.6]

C93, §600B.6

Referred to in §600B.22

**600B.7 Proceedings to establish paternity.**

Proceedings to establish paternity and to compel support by the father may be brought in accordance with the provisions of this chapter. They shall not be exclusive of other proceedings that may be available on principles of law and equity.

[C27, 31, 35, §12667-a7; C39, §**12667.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.7]

C93, §600B.7

Additional reference, §252.3

**600B.8 Who may institute proceedings.**

The proceedings may be brought by the mother, or other interested person, or if the child is or is likely to be a public charge, by the authorities charged with its support. After the death of the mother or in case of her disability, it may also be brought by the child acting through its guardian or next friend.

[C51, §848; R60, §1416; C73, §4715; C97, §5629; C24, §12658; C27, 31, 35, §12667-a8; C39, §**12667.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.8]

C93, §600B.8

**600B.9 Time of instituting proceedings.**

The proceedings may be instituted during the pregnancy of the mother or after the birth of the child, but, except with the consent of all parties, the trial shall not be held until after the birth of the child and shall be held no earlier than twenty days from the date the alleged father is served with notice of the action or, if blood or genetic tests are conducted, no earlier than thirty days from the date the test results are filed with the clerk of the district court as provided under section 600B.41.

[C27, 31, 35, §12667-a9; C39, §**12667.09;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.9]

C93, §600B.9

94 Acts, ch 1171, §43; 97 Acts, ch 175, §204

**600B.10 Venue.**

The action shall be by ordinary proceedings entitled in the name of the complainant against the defendant and shall be brought in the district court in the county in which the alleged father is permanently or temporarily resident, or in which the mother or the child resides or is found.

[C51, §848; R60, §1416; C73, §4715; C97, §5629; C24, §12658; C27, 31, 35, §12667-a10; C39, §**12667.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.10]

C93, §600B.10

**600B.11 Nonresident complainant.**

It is not a bar to the jurisdiction of the court, that the complaining mother or child resides in another state.

[C27, 31, 35, §12667-a11; C39, §**12667.11;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.11]

C93, §600B.11

**600B.12 Complaint — where brought.**

The complaint may be made to the county attorney.

[C51, §848; R60, §1416; C73, §4715; C97, §5629; C24, §12658; C27, 31, 35, §12667-a12; C39, §**12667.12;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.12]

C93, §600B.12

**600B.13 Form of complaint — verification.**

The complaint may be made in writing, or oral and in the presence of the complainant reduced to writing by the prosecuting attorney. It shall be verified by oath or affirmation of the complainant.

[C51, §848; R60, §1416; C73, §4715; C97, §5629; C24, §12658; C27, 31, 35, §12667-a13; C39, §**12667.13;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.13]

C93, §600B.13

**600B.14 Substance of complaint.**

The complainant shall charge the person named as defendant with being the father of the child.

[C51, §848; R60, §1416; C73, §4715; C97, §5629; C24, §12658; C27, 31, 35, §12667-a14; C39, §**12667.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.14]

C93, §600B.14

**600B.15 Original notice.**

An original notice shall be issued as in other civil cases, which notice shall be served as in ordinary actions.

[C51, §849; R60, §1417; C73, §4716; C97, §5630; C24, §12659; C27, 31, 35, §12667-a16; C39, §**12667.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.15]

C93, §600B.15

Referred to in §600B.24

Manner of service, R.C.P. 1.302 – 1.315

**600B.16 Lis pendens.**

From the time of the filing of such complaint, a lien shall be created upon the real property of the accused in the county where the action is pending for the payment of any money and the performance of any order adjudged by the proper court.

[C51, §850; R60, §1418; C73, §4717; C97, §5631; C24, §12660; C27, 31, 35, §12667-a17; C39, §**12667.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.16]

C93, §600B.16

**600B.17 Writ of attachment.**

The district court may order an attachment to issue thereon without bond, which order shall specify the amount of property to be seized thereunder, and may be revoked at any time by such court on a showing made for a revocation of the same, and on such terms as such court may deem proper in the premises.

[C73, §4718; C97, §5632; C24, §12661; C27, 31, 35, §12667-a18; C39, §**12667.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.17]

C93, §600B.17

**600B.18 Method of trial.**

The trial shall be by the court, and shall be conducted as in other civil cases.

[C51, §851, 854; R60, §1419, 1422; C73, §4720; C97, §5634; C24, §12663; C27, 31, 35, §12667-a27; C39, §**12667.18;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.18]

C93, §600B.18

97 Acts, ch 175, §205

**600B.19 County attorney to prosecute.**

The county attorney, on being notified of the facts justifying a complaint as provided in this chapter, or of the filing of such complaint, shall prosecute the matter in behalf of the complainant.

[C73, §4719; C97, §5633; C24, §12662; C27, 31, 35, §12667-a28; C39, §**12667.19;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.19]

C93, §600B.19

Referred to in §331.756(77)

**600B.20 Exclusion of bystanders.**

Unless objection is raised by either party to the action the judge shall exclude from the hearing all persons except the employees of the court, witnesses, and immediate relatives of the parties involved.

[C27, 31, 35, §12667-a29; C39, §**12667.20;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.20]

C93, §600B.20

**600B.21 Death, absence or mental illness of mother — testimony receivable.**

If after the complaint the mother dies or becomes mentally ill or cannot be found within the jurisdiction, the proceeding does not abate, but the child shall be substituted as complainant. The testimony of the mother taken by deposition as in other civil cases, may in any such case be read as evidence and in all cases shall be read as evidence if demanded by the defendant.

[C27, 31, 35, §12667-a31; C39, §**12667.21;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.21]

C93, §600B.21

Referred to in §229.27

**600B.22 Death of defendant.**

In case of the death of the defendant the action may be prosecuted against the personal representative of the deceased with like effects as if he were living, subject as regards the measure of support to the provision of section 600B.6.

[C27, 31, 35, §12667-a32; C39, §**12667.22;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.22]

C93, §600B.22

**600B.23 Costs payable by county.**

If the finding of the court be in favor of the defendant the costs of the action shall be paid by the county.

[C24, §12666; C27, 31, 35, §12667-a33; C39, §**12667.23;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.23]

C93, §600B.23

97 Acts, ch 175, §206

**600B.24 Judgment in general.**

1. If the defendant, after being served with notice as required under section 600B.15, fails to timely respond to the notice, or to appear for blood or genetic tests pursuant to a court or administrative order, or to appear at a scheduled hearing after being provided notice of the hearing, the court shall find the defendant in default and enter a default judgment.

2. Upon a finding of paternity against the defendant, the court shall enter a judgment against the defendant declaring paternity and ordering support of the child.

[C51, §855; R60, §1423; C73, §4721; C97, §5635; C24, §12664; C27, 31, 35, §12667-a35; C39, §**12667.24;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.24]

C93, §600B.24

94 Acts, ch 1171, §44; 97 Acts, ch 175, §207

Referred to in §600B.25

**600B.25 Form of judgment — contents of support order — evidence — costs.**

1. Upon a finding of paternity pursuant to section 600B.24, the court shall establish the father's monthly support payment and the amount of the support debt accrued or accruing pursuant to section 598.21B. The support obligation shall include support of the child between the ages of eighteen and nineteen years if the child is engaged full-time in completing high school graduation or equivalency requirements in a manner which is reasonably expected to result in completion of the requirements prior to the person reaching nineteen years of age. The court may order the father to pay amounts the court deems appropriate for the past support and maintenance of the child and for the reasonable and necessary expenses incurred by or for the mother in connection with prenatal care, the birth of the child, and postnatal care of the child and the mother, and other medical support as defined in section 252E.1. The court may award the prevailing party the reasonable costs of suit, including but not limited to reasonable attorney fees.

2. A copy of a bill for the costs of prenatal care or the birth of the child shall be admitted as evidence, without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred.

[C51, §855; R60, §1423; C73, §4721; C97, §5635; C24, §12664; C27, 31, 35, §12667-a36; C39, §**12667.25;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.25]

85 Acts, ch 100, §10; 87 Acts, ch 98, §2; 89 Acts, ch 166, §7; 90 Acts, ch 1224, §49

C93, §600B.25

97 Acts, ch 175, §208; 2005 Acts, ch 69, §56

Referred to in §600B.38

**600B.26 Payment of attorney fees.**

In a proceeding to determine custody or visitation, or to modify a paternity, custody, or visitation order under this chapter, the court may award the prevailing party reasonable attorney fees.

2007 Acts, ch 24, §1

**600B.27 Payment to trustees.**

The court may require the payment to be made to the mother, or to some person or corporation to be designated by the court as trustee. The payments shall be directed to be made to a trustee if the mother does not reside within the jurisdiction of the court.

[C27, 31, 35, §12667-a38; C39, §**12667.27;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.27]

C93, §600B.27

**600B.28 Report by trustee.**

The trustee shall report to the court annually, or more often as directed by the court, the amounts received and paid over.

[C27, 31, 35, §12667-a39; C39, §**12667.28;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.28]

C93, §600B.28

2005 Acts, ch 3, §101

**600B.29 Desertion statute applicable.**

The provisions of sections 726.3 through 726.5 relating to desertion and abandonment of children, have the same effect in cases of illegitimacy where paternity has been judicially

established, or has been acknowledged by the father in writing or by the furnishing of support, as in cases of children born in wedlock.

[C27, 31, 35, §12667-a45; C39, §**12667.29;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.29]

83 Acts, ch 101, §128

C93, §600B.29

**600B.30** Repealed by 97 Acts, ch 175, § 217.

**600B.31 Continuing jurisdiction.**

Subject to 28 U.S.C. § 1738B, the court has continuing jurisdiction over proceedings brought to compel support and to increase or decrease the amount thereof until the judgment of the court has been completely satisfied, and also has continuing jurisdiction to determine the custody in accordance with the interests of the child.

[C73, §4722; C97, §5636; C24, §12667; C27, 31, 35, §12667-a47; C39, §**12667.31;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.31]

C93, §600B.31

96 Acts, ch 1141, §30

**600B.31A Parties to and court issuing original order — notice.**

1. If a proceeding is initiated in a court for an adoption involving the children of parents whose paternity, obligation for support, or custody determination has been determined under this chapter or for modification of a child support or custody order granted under this chapter, the following requirements shall be met if the proceedings are initiated in a court other than the court which issued the original order:

*a.* The party initiating the proceedings shall present to the court the names and addresses of the parties to the original proceeding, if known, as well as the name and place of the court which issued the original order and the date of the original order.

*b.* The court in which the proceedings are initiated shall cause notice of the proceedings to be served upon all the parties to the original order unless the parties are deceased.

2. The court in which the proceedings are initiated or any party to the proceedings may also request that a copy of the transcript of the proceedings of the court which issued the original order be made available for consideration in the new proceedings.

2006 Acts, ch 1096, §1; 2013 Acts, ch 30, §261

Code editor directive applied

**600B.32 Concurrence of remedies.**

A criminal prosecution shall not be a bar to, or be barred by, civil proceedings to compel support; but money paid toward the support of the child shall be allowed for and accredited in determining or enforcing any civil liability.

[C27, 31, 35, §12667-a49; C39, §**12667.32;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.32]

C93, §600B.32

**600B.33 Limitations of actions.**

1. An action to establish paternity and support under this chapter may be brought within the time limitations set forth in section 614.8.

2. Notwithstanding subsection 1, an action to establish paternity and support under this chapter may be brought concerning a person who was under age eighteen on August 16, 1984, regardless of whether any prior action was dismissed because a statute of limitations of less than eighteen years was then in effect. Such an action may be brought within the time limitations set forth in section 614.8, or until July 2, 1992, whichever is later.

90 Acts, ch 1224, §50

C91, §675.33

C93, §600B.33

**600B.34** Repealed by 97 Acts, ch 175, § 220, 221. See chapter 252K.

**600B.35 Reference to illegitimacy prohibited.**

In all records, certificates, or other papers made or executed, other than birth records and certificates or records of judicial proceedings in which the question of birth out of wedlock is at issue, requiring a declaration by or notice to the mother of a child born out of wedlock, it shall be sufficient for all purposes to refer to the mother as the parent having the sole custody of the child or to the child as being in the sole custody of the mother and no explicit reference shall be made to illegitimacy, and the term biological shall be deemed equivalent to the term illegitimate when referring to parentage or birth out of wedlock.

[C27, 31, 35, §12667-a52; C39, §**12667.35;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.35]

C93, §600B.35

94 Acts, ch 1046, §23

**600B.36 Report to registrar of vital statistics.**

Upon the entry of a judgment determining the paternity of a child the clerk of the district court shall notify in writing the state registrar of vital statistics of the name of the person against whom such judgment has been entered, together with such other facts disclosed by the records as may assist in identifying the record of the birth of the child as the same may appear in the office of said registrar. If such judgment shall thereafter be vacated that fact shall be reported by the clerk in the same manner.

[C27, 31, 35, §12667-a53; C39, §**12667.36;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §675.36]

C93, §600B.36

94 Acts, ch 1046, §24

Referred to in §252F.7, 602.8102(119)

**600B.37 Contempt.**

If the father fails to comply with or violates the terms or conditions of a support order made pursuant to the provisions of this chapter, he shall be punished by the court in the same manner and to the same extent as is provided by law for a contempt of such court in any other suit or proceeding cognizable by such court.

[C73, 75, 77, 79, 81, §675.37]

C93, §600B.37

**600B.38 Recipients of public assistance — assignment of support payments.**

1. If public assistance is provided by the department of human services to or on behalf of a dependent child or a dependent child's caretaker, there is an assignment by operation of law to the department of any and all rights in, title to, and interest in any support obligation, payment, and arrearages owed to or on behalf of the child or caretaker, not to exceed the amount of public assistance paid for or on behalf of the child or caretaker as follows:

*a.* For family investment program assistance, section 239B.6 shall apply.

*b.* For foster care services, section 234.39 shall apply.

*c.* For medical assistance, section 252E.11 shall apply.

2. The department shall immediately notify the clerk of court by mail when such a child or caretaker has been determined to be eligible for public assistance. Upon notification by the department, the clerk of court shall make a notation of the automatic assignment in the judgment docket and lien index. The notation constitutes constructive notice of the assignment. For public assistance approved and provided on or after July 1, 1997, if the applicant for public assistance is a person other than a parent of the child, the department shall send notice by regular mail to the last known addresses of the obligee and obligor. The clerk of court shall forward support payments received pursuant to section 600B.25, to which the department is entitled, to the department, which may secure support payments in default through other proceedings.

3. The clerk shall furnish the department with copies of all orders or decrees and

temporary or domestic abuse orders addressing support when the parties are receiving public assistance or services are otherwise provided by the child support recovery unit. Unless otherwise specified in the order, an equal and proportionate share of any child support awarded shall be presumed to be payable on behalf of each child subject to the order or judgment for purposes of an assignment under this section.

[C77, 79, 81, §675.38; 82 Acts, ch 1237, §5]
83 Acts, ch 96, §157, 159
C93, §600B.38
97 Acts, ch 175, §209; 2008 Acts, ch 1019, §6, 7

**600B.39 "Child" defined.**

For the purposes of this chapter, *"child"* means a person less than eighteen years of age.

[C81, §675.39]
87 Acts, ch 98, §2
C93, §600B.39

**600B.40 Custody and visitation.**

The mother of a child born out of wedlock whose paternity has not been acknowledged and who has not been adopted has sole custody of the child unless the court orders otherwise. If a judgment of paternity is entered, the father may petition for rights of visitation or custody in the same paternity action or in an equity proceeding separate from any action to establish paternity.

In determining the visitation or custody arrangements of a child born out of wedlock, if a judgment of paternity is entered and the mother of the child has not been awarded sole custody, section 598.41 shall apply to the determination, as applicable, and the court shall consider the factors specified in section 598.41, subsection 3, including but not limited to the factor related to a parent's history of domestic abuse.

[C81, §675.40]
C93, §600B.40
95 Acts, ch 182, §27; 2004 Acts, ch 1061, §2

**600B.40A Temporary orders — support, custody, or visitation of a child.**

Upon petition of either parent in a proceeding involving support, custody, or visitation of a child for whom paternity has been established and whose mother and father have not been and are not married to each other at the time of filing of the petition, the court may issue a temporary order for support, custody, or visitation of the child. The temporary orders shall be made in accordance with the provisions relating to issuance of and changes in temporary orders for support, custody, or visitation of a child by the court in a dissolution of marriage proceeding pursuant to chapter 598.

97 Acts, ch 160, §1

**600B.41 Blood and genetic tests.**

1. In a proceeding to establish paternity in law or in equity the court may on its own motion, and upon request of a party shall, require the child, mother, and alleged father to submit to blood or genetic tests.

2. If a blood or genetic test is required, the court shall direct that inherited characteristics be determined by appropriate testing procedures, and shall appoint an expert qualified as an examiner of genetic markers to analyze and interpret the results and to report to the court. Appropriate testing procedures shall include any genetic test generally acknowledged as reliable by accreditation bodies designated by the secretary of the United States department of health and human services and which are performed by a laboratory approved by such an accreditation body.

3. Verified documentation of the chain of custody of the blood or genetic specimen is competent evidence to establish the chain of custody. The testimony of the court-appointed expert at trial is not required.

4. A verified expert's report shall be admitted at trial. A copy of a bill for blood or genetic

testing shall be admitted as evidence, without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for blood or genetic testing.

5. The results of the tests shall have the following effects:

*a.* Test results which show a statistical probability of paternity are admissible. To challenge the test results, a party shall file a notice of the challenge, with the court, no later than twenty days after the filing of the expert's report with the clerk of the district court.

(1) Any subsequent rescheduling or continuances of the originally scheduled hearing shall not extend the original time frame.

(2) Any challenge filed after the time frame is not acceptable or admissible by the court.

(3) If a challenge is not timely filed, the test results shall be admitted as evidence of paternity without the need of additional proof of authenticity or accuracy.

*b.* If the expert concludes that the test results show that the alleged father is not excluded and that the probability of the alleged father's paternity is ninety-five percent or higher, there shall be a rebuttable presumption that the alleged father is the father, and this evidence must be admitted.

(1) To challenge this presumption of paternity, a party must file a notice of the challenge with the court within the time frames prescribed in paragraph "*a*".

(2) The party challenging the presumption of the alleged father's paternity has the burden of proving that the alleged father is not the father of the child.

(3) The presumption of paternity can be rebutted only by clear and convincing evidence.

*c.* If the expert concludes that the test results show that the alleged father is not excluded and that the probability of the alleged father's paternity is less than ninety-five percent, test results shall be weighed along with other evidence of the alleged father's paternity. To challenge the test results, a party must file a notice of the challenge with the court within the time frames prescribed in paragraph "*a*".

6. If the results of the tests or the expert's analysis of inherited characteristics is disputed in a timely fashion, the court, upon reasonable request of a party, shall order that an additional test be made by the same laboratory or an independent laboratory at the expense of the party requesting additional testing. When a subsequent test is conducted, all time frames prescribed in this chapter associated with blood or genetic tests shall apply to the most recently completed test.

7. All costs shall be paid by the parties or parents in proportions and at times determined by the court, except as otherwise provided pursuant to section 600B.41A.

[C81, §675.41]

92 Acts, ch 1195, §210

C93, §600B.41

93 Acts, ch 79, §22, 23; 94 Acts, ch 1171, §45 – 47, 52; 95 Acts, ch 52, §9; 97 Acts, ch 175, §210, 211

Referred to in §252A.6A, 600A.7, 600B.9, 600B.41A

**600B.41A Actions to overcome paternity — applicability — conditions.**

1. Paternity which is legally established may be overcome as provided in this section if subsequent blood or genetic testing indicates that the previously established father of a child is not the biological father of the child. Unless otherwise provided in this section, this section applies to the overcoming of paternity which has been established according to any of the means provided in section 252A.3, subsection 10, by operation of law when the established father and the mother of the child are or were married to each other, or as determined by a court of this state under any other applicable chapter.

2. This section does not apply to any of the following:

*a.* A paternity determination made in or by a foreign jurisdiction or a paternity determination which has been made in or by a foreign jurisdiction and registered in this state in accordance with section 252A.18 or chapter 252K.

*b.* A paternity determination based upon a court or administrative order if the order was entered based upon blood or genetic test results which demonstrate that the alleged father was not excluded and that the probability of the alleged father's paternity was ninety-five percent or higher, unless the tests were conducted prior to July 1, 1992.

3. Establishment of paternity may be overcome under this section if all of the following conditions are met:

*a.* The action to overcome paternity is filed with the court prior to the child reaching majority.

(1) A petition to overcome paternity may be filed only by the mother of the child, the established father of the child, the child, or the legal representative of any of these parties.

(2) If paternity was established by court or administrative order, a petition to overcome paternity shall be filed in the county in which the order is filed.

(3) In all other determinations of paternity, a petition to overcome paternity shall be filed in an appropriate county in accordance with the rules of civil procedure.

*b.* The petition contains, at a minimum, all of the following:

(1) The legal name, age, and domicile, if any, of the child.

(2) The names, residences, and domicile of the following:

(a) Living parents of the child.

(b) Guardian of the child.

(c) Custodian of the child.

(d) Guardian ad litem of the child.

(e) Petitioner.

(f) Person standing in the place of the parents of the child.

(3) A plain statement that the petitioner believes that the established father is not the biological father of the child, any reasons for this belief, and that the petitioner wishes to have the paternity determination set aside.

(4) A plain statement explaining why the petitioner does not know any of the information required under subparagraphs (1) and (2).

*c.* Notice of the action to overcome paternity is served on any parent of the child not initiating the action and any assignee of the support obligation, in accordance with the rules of civil procedure and in accordance with the following:

(1) If enforcement services are being provided by the child support recovery unit pursuant to chapter 252B, notice shall also be served on the child support recovery unit.

(2) The responding party shall have twenty days from the date of the service of the notice to file a written response with the court.

*d.* A guardian ad litem is appointed for the child.

*e.* Blood or genetic testing is conducted in accordance with section 600B.41 or chapter 252F.

(1) Unless otherwise specified pursuant to subsection 2 or 9, blood or genetic testing shall be conducted in an action to overcome the establishment of paternity.

(2) Unless otherwise specified in this section, section 600B.41 applies to blood or genetic tests conducted as the result of an action brought to overcome paternity.

(3) The court may order additional testing to be conducted by the expert or an independent expert in order to confirm a test upon which an expert concludes that the established father is not the biological father of the child.

*f.* The court finds all of the following:

(1) That the conclusion of the expert as disclosed by the evidence based upon blood or genetic testing demonstrates that the established father is not the biological father of the child.

(2) If paternity was established pursuant to section 252A.3A, the signed affidavit was based on fraud, duress, or material mistake of fact, as shown by the petitioner.

4. If the court finds that the establishment of paternity is overcome, in accordance with all of the conditions prescribed, the court shall enter an order which provides all of the following:

*a.* That the established father is relieved of any and all future support obligations owed on behalf of the child from the date that the order determining that the established father is not the biological father is filed.

*b.* That any unpaid support due prior to the date the order determining that the established father is not the biological father is filed, is satisfied.

5. An action brought under this section shall be heard and decided by the court, and shall not be subject to a jury trial.

6. *a.* If the court determines that test results conducted in accordance with section 600B.41 or chapter 252F exclude the established father as the biological father, the court may dismiss the action to overcome paternity and preserve the paternity determination only if all of the following apply:

(1) The established father requests that paternity be preserved and that the parent-child relationship, as defined in section 600A.2, be continued.

(2) The court finds that it is in the best interest of the child to preserve paternity. In determining the best interest of the child, the court shall consider all of the following:

(a) The age of the child.

(b) The length of time since the establishment of paternity.

(c) The previous relationship between the child and the established father, including but not limited to the duration and frequency of any time periods during which the child and established father resided in the same household or engaged in a parent-child relationship as defined in section 600A.2.

(d) The possibility that the child could benefit by establishing the child's actual paternity.

(e) Additional factors which the court determines are relevant to the individual situation.

(3) The biological father is a party to the action and does not object to termination of the biological father's parental rights, or the established father petitions the court for termination of the biological father's parental rights and the court grants the petition pursuant to chapter 600A.

*b.* If the court dismisses the action to overcome paternity and preserves the paternity determination under this subsection, the court shall enter an order establishing that the parent-child relationship exists between the established father and the child, and including establishment of a support obligation pursuant to section 598.21B and provision of custody and visitation pursuant to section 598.41.

7. *a.* For any order entered under this section on or before May 21, 1997, in which the court's determination excludes the established father as the biological father but dismisses the action to overcome paternity and preserves paternity, the established father may petition the court to issue an order which provides all of the following:

(1) That the parental rights of the established father are terminated.

(2) That the established father is relieved of any and all future support obligations owed on behalf of the child from the date the order under this subsection is filed.

*b.* The established father may proceed pro se under this subsection. The supreme court shall prescribe standard forms for use under this subsection and shall distribute the forms to the clerks of the district court.

*c.* If a petition is filed pursuant to this section and notice is served on any parent of the child not filing the petition and any assignee of the support obligation, the court shall grant the petition.

8. The costs of testing, the fee of the guardian ad litem, and all court costs shall be paid by the person bringing the action to overcome paternity.

9. This section shall not be construed as a basis for termination of an adoption decree or for discharging the obligation of an adoptive father to an adoptive child pursuant to section 600B.5.

10. Unless specifically addressed in an order entered pursuant to this section, provisions previously established by the court order regarding custody or visitation of the child are unaffected by an action brought under this section.

11. Participation of the child support recovery unit created in section 252B.2 in an action brought under this section shall be limited as follows:

*a.* The unit shall only participate in actions if services are being provided by the unit pursuant to chapter 252B.

*b.* When services are being provided by the unit under chapter 252B, the unit may enter an administrative order for blood and genetic tests pursuant to chapter 252F.

*c.* The unit is not responsible for or required to provide for or assist in obtaining blood or genetic tests in any case in which services are not being provided by the unit.

*d.* The unit is not responsible for the costs of blood or genetic testing conducted pursuant to an action brought under this section.

*e.* Pursuant to section 252B.7, subsection 4, an attorney employed by the unit represents the state in any action under this section. The unit's attorney is not the legal representative of the mother, the established father, or the child in any action brought under this section.

94 Acts, ch 1171, §48, 52; 97 Acts, ch 175, §212 – 216, 218, 219, 221; 98 Acts, ch 1074, §32; 2005 Acts, ch 69, §57

Referred to in §252A.6A, 252C.4, 598.21E, 600B.41

**600B.42 Security for payment of support — forfeiture.**

Upon entry of an order for support or upon the failure of a father to make payments pursuant to an order for support, the court may require the father to provide security, a bond, or other guarantee which the court determines is satisfactory to secure the payment of the support. Upon the father's failure to pay the support under the order, the court may declare the security, bond, or other guarantee forfeited.

85 Acts, ch 100, §11

CS85, §675.42

C93, §600B.42

# CHAPTER 600C

## GRANDPARENT VISITATION

600C.1 Grandparent and great-grandparent visitation.

**600C.1 Grandparent and great-grandparent visitation.**

1. The grandparent or great-grandparent of a minor child may petition the court for grandchild or great-grandchild visitation when the parent of the minor child, who is the child of the grandparent or the grandchild of the great-grandparent, is deceased.

2. The court shall consider a fit parent's objections to granting visitation under this section. A rebuttable presumption arises that a fit parent's decision to deny visitation to a grandparent or great-grandparent is in the best interest of a minor child.

3. The court may grant visitation to the grandparent or great-grandparent under this section if the court finds all of the following by clear and convincing evidence:

*a.* It is in the best interest of the child to grant such visitation.

*b.* The grandparent or great-grandparent has established a substantial relationship with the child prior to the filing of the petition.

*c.* That the presumption that the parent who is being asked to temporarily relinquish care, custody, and control of the child to provide visitation is fit to make the decision regarding visitation is overcome by demonstrating one of the following:

(1) The parent is unfit to make such decision.

(2) The parent's judgment has been impaired and the relative benefit to the child of granting visitation greatly outweighs any effect on the parent-child relationship. Impaired judgment of a parent may be evidenced by any of, but not limited to, the following:

(a) Neglect of the child.

(b) Abuse of the child.

(c) Violence toward the child.

(d) Indifference or absence of feeling toward the child.

(e) Demonstrated unwillingness and inability to promote the emotional and physical well-being of the child.

(f) Drug abuse.

(g) A diagnosis of mental illness.

4. In determining the best interest of the child, the court shall consider all of the following:

*a.* The prior interaction and interrelationships of the child with the child's parents,

siblings, and other persons related by consanguinity or affinity, compared to the child's relationship with the grandparent or great-grandparent.

*b.* The geographical location of the grandparent's or great-grandparent's residence and the distance between the grandparent's or great-grandparent's residence and the child's residence.

*c.* The child's and parent's available time, including but not limited to the parent's employment schedule, the child's school schedule, the amount of time that will be available for the child to spend with siblings, and the child's and the parent's holiday and vacation schedules.

*d.* The age of the child.

*e.* If the court has interviewed the child in chambers as provided in this section regarding the wishes and concerns of the child as to visitation by the grandparent or great-grandparent or as to a specific visitation schedule, the wishes and concerns of the child, as expressed to the court.

*f.* The health and safety of the child.

*g.* The mental and physical health of all parties.

*h.* Whether the grandparent or great-grandparent previously has been convicted of or pleaded guilty to any criminal offense involving any act that resulted in a child being an abused child or a neglected child; whether the grandparent or great-grandparent previously has been convicted of or pleaded guilty to a crime involving a victim who at the time of the commission of the offense was a member of the family or household that is the subject of the current proceeding; and whether there is reason to believe that the grandparent or great-grandparent has acted in a manner resulting in a child having ever been found to be an abused child or a neglected child.

*i.* The wishes and concerns of the child's parent, as expressed by the parent to the court.

*j.* Any other factor in the best interest of the child.

5. For the purposes of this section, *"substantial relationship"* includes but is not limited to any of the following:

*a.* The child has lived with the grandparent or great-grandparent for at least six months.

*b.* The grandparent or great-grandparent has voluntarily and in good faith supported the child financially in whole or in part for a period of not less than six months.

*c.* The grandparent or great-grandparent has had frequent visitation including occasional overnight visitation with the child for a period of not less than one year.

6. If the court interviews any child concerning the child's wishes and concerns regarding parenting time or visitation, the interview shall be conducted in chambers, and only the child, the child's attorney, the judge, any necessary court personnel, and, in the judge's discretion, the attorney of the parent shall be permitted to be present in the chambers during the interview. A person shall not obtain or attempt to obtain from a child a written or recorded statement or affidavit setting forth the wishes and concerns of the child regarding parenting time or visitation.

7. For the purposes of this section, *"court"* means the district court or the juvenile court if that court currently has jurisdiction over the child in a pending action. If an action is not pending, the district court has jurisdiction.

8. Notwithstanding any provision of this chapter to the contrary, venue for any action to establish, enforce, or modify visitation under this section shall be in the county where the child resides if no final custody order determination relating to the grandchild or great-grandchild has been entered by any other court. If a final custody order has been entered by any other court, venue shall be located exclusively in the county where the most recent final custody order was entered. If any other custodial proceeding is pending when an action to establish, enforce, or modify visitation under this section is filed, venue shall be located exclusively in the county where the pending custodial proceeding was filed.

9. Notice of any proceeding to establish, enforce, or modify visitation under this section shall be personally served upon the parent of the child whose interests are affected by a proceeding brought pursuant to this section and all grandparents or great-grandparents who have previously obtained a final order or commenced a proceeding under this section.

10. The court shall not enter any temporary order to establish, enforce, or modify visitation under this section.

11. An action brought under this section is subject to chapter 598B, and in an action brought to establish, enforce, or modify visitation under this section, each party shall submit in its first pleading or in an attached affidavit all information required by section 598B.209.

12. A grandparent or great-grandparent shall not petition for visitation under this section more than once every two years absent a showing of good cause.

13. The court shall not issue an order restricting the movement of the child if such restriction is solely for the purpose of allowing the grandparent or great-grandparent the opportunity to exercise the grandparent's or great-grandparent's visitation under this section.

2007 Acts, ch 218, §206; 2010 Acts, ch 1193, §130; 2011 Acts, ch 34, §134
Referred to in §600.11

# CHAPTERS 601 to 601L

RESERVED

# SUBTITLE 2

## COURTS

# CHAPTER 602

## JUDICIAL BRANCH

Referred to in §12F.2, 12H.2, 70A.30, 97D.5, 331.424, 453A.2, 564A.2, 564A.3

Iowa District Court, ch 602, Code 1983, repealed by
83 Acts, ch 186, §10201, 10203
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# ARTICLE 1

# JUDICIAL BRANCH

## PART 1

## DEFINITIONS AND COMPOSITION

**602.1101 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Book"*, *"record"*, or *"register"* means any mode of permanent recording, including but not limited to, card files, microfilm, microfiche, and electronic records.
2. *"Chief judge"* means the district judge selected to serve as the chief judge of the judicial district pursuant to section 602.1210.
3. *"Chief justice"* means the chief justice of the supreme court selected pursuant to section 602.4103.
4. *"Chief juvenile court officer"* means a person appointed under section 602.1217.
5. *"Court employee"* or *"employee of the judicial branch"* means an officer or employee of the judicial branch except a judicial officer.
6. *"District court administrator"* means a person appointed pursuant to section 602.1214.
7. *"Judicial officer"* means a supreme court justice, a judge of the court of appeals, a district judge, a district associate judge, an associate juvenile judge, an associate probate judge, or a magistrate. The term also includes a person who is temporarily serving as a justice, judge, or magistrate as permitted by section 602.1612 or 602.9206.
8. *"Magistrate"* means a person appointed under article 6, part 4 to exercise judicial functions.
9. *"Senior judge"* means a person who qualifies as a senior judge under article 9, part 2.
10. *"State court administrator"* means the person appointed by the supreme court pursuant to section 602.1208.

83 Acts, ch 186, §1101, 10201, 10202; 96 Acts, ch 1153, §2; 98 Acts, ch 1047, §31, 32
Referred to in §9B.17, 99D.2, 99F.1, 607A.3, 720.7

**602.1102 Judicial branch.**

The judicial branch consists of all of the following:

1. The supreme court.
2. The court of appeals.
3. The district court.
4. The clerks of all of the courts of this state.
5. Juvenile court officers.
6. Court reporters.
7. All other court employees.

83 Acts, ch 186, §1102, 10201; 98 Acts, ch 1047, §33
Referred to in §8A.101, 423.13A

## PART 2

## ADMINISTRATION

**602.1201 Supervision and administration.**

The supreme court has supervisory and administrative control over the judicial branch and over all judicial officers and court employees.

83 Acts, ch 186, §1201, 10201; 98 Acts, ch 1047, §34

**602.1202 Judicial council.**

A judicial council is established, consisting of the chief judges of the judicial districts, the chief judge of the court of appeals, and the chief justice who shall be the chairperson. The council shall convene not less than twice each year at times and places as ordered by the chief justice. The council shall advise the supreme court with respect to the supervision and administration of the judicial branch.

83 Acts, ch 186, §1202, 10201; 98 Acts, ch 1047, §35

Referred to in §231E.4

**602.1203 Personnel conferences.**

The chief justice may order conferences of judicial officers or court employees on matters relating to the administration of justice or the affairs of the judicial branch. For judges and other court employees who handle cases involving children and family law, the chief justice shall require regular training concerning mental or emotional disorders which may afflict children and the impact children with such disorders have upon their families.

83 Acts, ch 186, §1203, 10201; 95 Acts, ch 182, §28; 98 Acts, ch 1047, §36

**602.1204 Procedures for judicial branch.**

1. The supreme court shall prescribe procedures for the orderly and efficient supervision and administration of the judicial branch. These procedures shall be executed by the chief justice.

2. The state court administrator may issue directives relating to the management of the judicial branch. The subject matters of these directives shall include, but need not be limited to, fiscal procedures, the judicial retirement system, and the collection and reporting of statistical and other data. The directives shall provide for an affirmative action plan which shall be based upon guidelines provided by the Iowa state civil rights commission. In addition, when establishing salaries and benefits the state court administrator shall not discriminate in the employment or pay between employees on the basis of gender by paying wages to employees at a rate less than the rate at which wages are paid to employees of the opposite gender for work of comparable worth. As used in this section *"comparable worth"* means the value of work as measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of work.

3. The supreme court shall compile and publish all procedures and directives relating to the supervision and administration of the internal affairs of the judicial branch, and shall distribute a copy of the compilation and all amendments to each operating component of the judicial branch.

4. The supreme court shall accept bids for the printing of court forms from both public and private enterprises and shall attempt to contract with both public and private enterprises for a reasonable portion of the court forms.

83 Acts, ch 186, §1204, 10201; 98 Acts, ch 1047, §37; 2003 Acts, ch 35, §43, 49; 2003 Acts, ch 145, §271

Referred to in §602.1208, 602.1209, 602.1401

**602.1205 Procedures for courts.**

1. The supreme court shall prescribe procedures for the orderly and efficient administration of the judicial business of the courts. These procedures shall be executed by the chief justice.

2. Procedures for the district court shall provide for a court session at least once each week in each county to be fixed in advance and announced in the form of a printed schedule. However, court sessions may be at intervals other than once each week if in the opinion of the chief judge more efficient operations in the district will result. The procedures shall also provide for additional sessions for the trial of cases in each county at a frequency which will promptly dispose of the cases that are ready for trial.

83 Acts, ch 186, §1205, 10201

**602.1206 Rules for judges and attorneys.**

1. The supreme court shall prescribe rules as necessary to supervise the conduct of attorneys and judicial officers. These rules shall be executed by the chief justice.

2. Supreme court rules shall be published as provided in section 2B.5.

83 Acts, ch 186, §1206, 10201; 92 Acts, ch 1163, §109

**602.1207 Report of the condition of the judicial branch.**

The chief justice shall communicate the condition of the judicial branch by message to each general assembly, and may recommend matters the chief justice deems appropriate.

83 Acts, ch 186, §1207, 10201; 98 Acts, ch 1047, §38

**602.1208 State court administrator.**

1. The supreme court, by majority vote, shall appoint a state court administrator and may remove the administrator for cause.

2. The state court administrator is the principal administrative officer of the judicial branch, subject to the immediate direction and supervision of the chief justice.

3. The state court administrator shall employ staff as necessary to perform the duties of the administrator, subject to the approval of the supreme court and budget limitations. The administrator shall implement the comparable worth directives issued under section 602.1204, subsection 2 in all court employment decisions.

4. All judicial officers and court employees shall comply with procedures and requests of the state court administrator with respect to information and statistical data bearing on the state of the dockets of the courts, the progress of court business, and other matters reflecting judicial business and the expenditure of moneys for the maintenance and operation of the judicial system.

83 Acts, ch 186, §1208, 10201; 98 Acts, ch 1047, §39

Referred to in §602.1101

**602.1209 General duties of the state court administrator.**

The state court administrator shall:

1. Manage the judicial branch.

2. Administer funds appropriated to the judicial branch.

3. Authorize the filling of vacant court employee positions, review the qualifications of each person to be employed within the judicial branch, and assure that affirmative action goals are being met by the judicial branch. The state court administrator shall not approve the employment of a person when either the proposed terms and conditions of employment or the qualifications of the individual do not satisfy personnel policies of the judicial branch. The administrator shall implement the comparable worth directives issued under section 602.1204, subsection 2 in all court employment decisions.

4. Supervise the employees of the supreme court and court of appeals, and the clerk of the supreme court.

5. Administer the judicial retirement system as provided in article 9.

6. Collect and compile information and statistical data, and submit reports relating to judicial business, including juvenile court activities and other matters relating to the judicial branch.

7. Formulate and submit recommendations for improvement of the judicial system, with reference to the structure of the judicial branch and its organization and methods of

operation, the selection, compensation, number, and tenure of judicial officers and court employees, and other matters as directed by the chief justice or the supreme court.

8. Call conferences of district court administrators as necessary in the administration of the judicial branch.

9. Provide a secretary and clerical services for the board of examiners of shorthand reporters under article 3.

10. Act as executive secretary of the commission on judicial qualifications under article 2.

11. Act as custodian of the bonds and oaths of office of judicial officers and court employees.

12. Issue vouchers for the payment of per diem and expenses from funds appropriated for purposes of articles 2, 3, and 10.

13. Collect and account for fees paid to the board of examiners of shorthand reporters under article 3.

14. Collect and account for fees paid to the board of bar examiners under article 10.

15. Distribute notices of interest rates and changes to interest rates as required by section 668.13, subsection 3.

16. Prescribe practices and procedures for the implementation of the preapplication screening assessment program referred to in sections 125.74 and 229.5A.

17. Perform other duties as assigned by the supreme court, or the chief justice, or by law.

83 Acts, ch 186, §1209, 10201; 87 Acts, ch 157, §2; 89 Acts, ch 19, §2; 98 Acts, ch 1047, §40; 2012 Acts, ch 1079, §16; 2013 Acts, ch 130, §54

Referred to in §602.1215, 602.1402

Subsection 16 amended

**602.1210 Selection of chief judges.**

Not later than December 15 in each odd-numbered year the chief justice shall appoint chief judges of the judicial districts, subject to the approval of the supreme court. The chief judge of a judicial district shall be appointed from those district judges who are serving within the district. A chief judge shall serve for a two-year term and is eligible for reappointment. The supreme court, by majority vote, may remove a person from the position of chief judge. Vacancies in the office of chief judge shall be filled in the same manner. An order appointing a chief judge shall be filed with the clerk of the supreme court, who shall mail a copy to the clerk of the district court in each county in the judicial district.

83 Acts, ch 186, §1210, 10201

Referred to in §602.1101

**602.1211 Duties of chief judges.**

1. In addition to judicial duties, a chief judge of a judicial district shall supervise all judicial officers and court employees serving within the district. The chief judge shall by order fix the times and places of holding court, and shall designate the respective presiding judges, supervise the performance of all administrative and judicial business of the district, allocate the workloads of district associate judges and magistrates, and conduct judicial conferences to consider, study, and plan for improvement of the administration of justice.

2. A chief judge shall not attempt to direct or influence a judicial officer in a judicial ruling or decision.

3. A chief judge may appoint from among the other judicial officers of the district, excluding the magistrates, one or more assistants to serve throughout the judicial district. A chief judge may remove a person from the position of assistant. An assistant shall have administrative duties as specified in court rules or in the order of appointment. An appointment or removal shall be made by judicial order and shall be filed with the clerk of the district court in each county in the judicial district.

4. A chief judge may designate other public officers to accept bond money or security under section 232.23 or 811.2 at times when the office of the clerk of court is not open.

83 Acts, ch 186, §1211, 10201; 85 Acts, ch 17, §1; 96 Acts, ch 1153, §3; 97 Acts, ch 126, §43

Referred to in §811.2

**602.1212 Judges for public utility rate cases.**

1. The supreme court shall designate at least one district judge in each judicial district in the state who shall be subject to assignment by the chief justice to preside as necessary in this state in judicial review proceedings referred to in section 476.13, subsection 1. Designations shall be made on the basis of qualifications and experience, and shall be for the purpose of developing a pool of district judges who will have the knowledge and experience needed to expedite judicial review proceedings in those cases.

2. Upon receipt of notice from a district court clerk under section 476.13, subsection 2, the chief justice of the supreme court shall assign one of the district judges selected under subsection 1 to preside at the judicial review proceeding under section 476.13.

83 Acts, ch 127, §43
Referred to in §476.13

**602.1213 District judicial conferences.**

1. The judicial officers within a judicial district, excluding the magistrates, may convene as an administrative body as necessary to:

*a.* Prescribe local court procedures, subject to the approval of the supreme court.

*b.* Advise the chief judge respecting supervision and administration of the judicial district.

*c.* Exercise other duties, as established by law or by the supreme court.

2. A district judicial conference shall act by majority vote of its members.

83 Acts, ch 186, §1212, 10201; 96 Acts, ch 1153, §4
Referred to in §633.18

**602.1214 District court administrator.**

1. The chief judge of a judicial district shall appoint a district court administrator and may remove the administrator for cause.

2. The district court administrator shall assist the chief judge in the supervision and administration of the judicial district.

3. The district court administrator shall assist the state court administrator in the implementation of policies of the judicial branch and in the performance of the duties of the state court administrator.

4. The district court administrator shall employ and supervise all employees of the district court except court reporters, clerks of the district court, employees of the clerks of the district court, juvenile court officers, and employees of juvenile court officers.

5. The district court administrator shall comply with policies of the judicial branch and the judicial district.

6. The supreme court shall establish the qualifications for appointment as a district court administrator.

83 Acts, ch 186, §1213, 10201; 85 Acts, ch 67, §59; 98 Acts, ch 1047, §41
Referred to in §602.1101

**602.1215 Clerk of the district court.**

1. Subject to the provisions of section 602.1209, subsection 3, the district judges of each judicial election district shall by majority vote appoint persons to serve as clerks of the district court within the judicial election district. The district judges of a judicial election district may appoint a person to serve as clerk of the district court for more than one but not more than four contiguous counties in the same judicial district. A person does not qualify for appointment to the office of clerk of the district court unless the person is at the time of application a resident of the state. A clerk of the district court may be removed from office for cause by a majority vote of the district judges of the judicial election district. Before removal, the clerk of the district court shall be notified of the cause for removal.

2. The clerk of the district court has the duties specified in article 8, and other duties as prescribed by law or by the supreme court.

3. The clerk of the district court shall assist the state court administrator and the district court administrator in carrying out the rules, directives, and procedures of the judicial branch and the judicial district.

4. The clerk of the district court shall comply with rules, directives, and procedures of the judicial branch and the judicial district.

83 Acts, ch 186, §1214, 10201; 92 Acts, ch 1115, §1; 98 Acts, ch 1047, §42; 2003 Acts, ch 151, §29

Referred to in §602.8101, 602.11101

Appointment of clerk subject to approval of state court administrator; 2006 Acts, ch 1174, §3

**602.1216 Retention of clerks of the district court.**

A clerk of the district court shall stand for retention in office, in the county of the clerk's office, upon the petition signed by eligible electors residing in the county equal in number to at least ten percent of all registered voters in the county to the state commissioner of elections, at the judicial election in 1988 and every four years thereafter, under sections 46.17 through 46.24. The petition shall be filed in the office of the state commissioner not later than one hundred twenty days before the general election. A clerk who is not retained in office is ineligible to serve as clerk, in the county in which the clerk was not retained, for the four years following the retention vote.

83 Acts, ch 186, §1215, 10201; 89 Acts, ch 136, §74; 2001 Acts, ch 56, §37

Referred to in §46.20

**602.1217 Chief juvenile court officer.**

1. The chief judge of each judicial district, after consultation with the judges of the judicial district, shall appoint a chief juvenile court officer and may remove the officer for cause.

2. The chief juvenile court officer is subject to the immediate supervision and direction of the chief judge of the judicial district.

3. The chief juvenile court officer, in addition to performing the duties of a juvenile court officer, shall supervise juvenile court officers and administer juvenile court services within the judicial district in accordance with law and with the rules, directives, and procedures of the judicial branch and the judicial district.

4. The chief juvenile court officer shall assist the state court administrator and the district court administrator in implementing rules, directives, and procedures of the judicial branch and the judicial district.

5. A chief juvenile court officer shall have other duties as prescribed by the supreme court or by the chief judge of the judicial district.

83 Acts, ch 186, §1216, 10201; 98 Acts, ch 1047, §43; 2006 Acts, ch 1118, §1

Referred to in §232.2, 602.1101

**602.1218 Removal for cause.**

Inefficiency, insubordination, incompetence, failure to perform assigned duties, inadequacy in performance of assigned duties, narcotics addiction, dishonesty, unrehabilitated alcoholism, negligence, conduct which adversely affects the performance of the individual or of the judicial branch, conduct unbecoming a public employee, misconduct, or any other just and good cause constitutes cause for removal.

83 Acts, ch 186, §1217, 10201; 98 Acts, ch 1047, §44

## PART 3

## BUDGETING AND FUNDING

**602.1301 Budget and fiscal procedures.**

1. The supreme court shall prepare an annual operating budget for the judicial branch, and shall submit a budget request to the general assembly for the fiscal period for which the general assembly is appropriating funds.

2. *a.* As early as possible, but not later than December 1, the supreme court shall submit to the legislative services agency the annual budget request and detailed supporting information for the judicial branch. The submission shall be designed to assist the legislative services agency in its preparation for legislative consideration of the budget request. The

information submitted shall contain and be arranged in a format substantially similar to the format specified by the director of management and used by all departments and establishments in transmitting to the director estimates of their expenditure requirements pursuant to section 8.23, except the estimates of expenditure requirements shall be based upon one hundred percent of funding for the current fiscal year accounted for by program, and using the same line item definitions of expenditures as used for the current fiscal year's budget request, and the remainder of the estimate of expenditure requirements prioritized by program. The supreme court shall also make use of the department of management's automated budget system when submitting information to the director of management to assist the director in the transmittal of information as required under section 8.35A. The supreme court shall budget and track expenditures by the following separate organization codes:

(1) Iowa court information system.
(2) Appellate courts.
(3) Central administration.
(4) District court administration.
(5) Judges and magistrates.
(6) Court reporters.
(7) Juvenile court officers.
(8) District court clerks.
(9) Jury and witness fees.

*b.* Before December 1, the supreme court shall submit to the director of management an estimate of the total expenditure requirements of the judicial branch. The director of management shall submit this estimate received from the supreme court to the governor for inclusion without change in the governor's proposed budget for the succeeding fiscal year. The estimate shall also be submitted to the chairpersons of the committees on appropriations.

3. The state court administrator shall prescribe the procedures to be used by the operating components of the judicial branch with respect to the following:

*a.* The preparation, submission, review, and revision of budget requests.
*b.* The allocation and disbursement of funds appropriated to the judicial branch.
*c.* The purchase of forms, supplies, equipment, and other property.
*d.* Other matters relating to fiscal administration.

4. The state court administrator shall prescribe practices and procedures for the accounting and internal auditing of funds of the judicial branch, including uniform practices and procedures to be used by judicial officers and court employees with respect to all funds, regardless of source.

83 Acts, ch 186, §1301, 10201; 85 Acts, ch 262, §7; 86 Acts, ch 1245, §121; 88 Acts, ch 1271, §10; 89 Acts, ch 316, §19; 90 Acts, ch 1268, §10; 91 Acts, ch 267, §414; 98 Acts, ch 1047, §45; 2003 Acts, ch 35, §45, 49

**602.1302 State funding.**

1. Except as otherwise provided by sections 602.1303, 602.1304, and 602.8108 or other applicable law, the expenses of operating and maintaining the judicial branch shall be paid out of the general fund of the state from funds appropriated by the general assembly for the judicial branch. State funding shall be phased in as provided in section 602.11101.

2. The supreme court may accept federal funds to be used in the operation of the judicial branch, but shall not expend any of these funds except pursuant to appropriation of the funds by the general assembly.

3. A revolving fund is created in the state treasury for the payment of jury and witness fees, mileage, costs related to summoning jurors by the judicial branch, and attorney fees paid by the state public defender for counsel appointed pursuant to section 600A.6A. The judicial branch shall deposit any reimbursements to the state for the payment of jury and witness fees and mileage in the revolving fund. In each calendar quarter the judicial branch shall reimburse the state public defender for attorney fees paid pursuant to section 600A.6B. Notwithstanding section 8.33, unencumbered and unobligated receipts in the revolving fund at the end of a fiscal year do not revert to the general fund of the state. The judicial branch

shall on or before February 1 file a financial accounting of the moneys in the revolving fund with the legislative services agency. The accounting shall include an estimate of disbursements from the revolving fund for the remainder of the fiscal year and for the next fiscal year.

4. The judicial branch shall reimburse counties for the costs of witness and mileage fees and for attorney fees paid pursuant to section 232.141, subsection 1.

83 Acts, ch 186, §1302, 10201; 85 Acts, ch 197, §11; 87 Acts, ch 152, §2; 95 Acts, ch 207, §23; 98 Acts, ch 1047, §46; 2002 Acts, ch 1175, §43; 2003 Acts, ch 35, §45, 49; 2005 Acts, ch 107, §6, 14; 2005 Acts, ch 165, §2

Referred to in §622A.3, 622A.4

Local court property devoted for use of judicial branch; §602.11107

Use of revolving fund moneys for interpreter fees; see §622A.4

**602.1303 Local funding.**

1. A county or city shall provide the district court for the county with physical facilities, including heat, water, electricity, maintenance, and custodial services, as follows:

*a.* A county shall provide courtrooms, offices, and other physical facilities which in the judgment of the board of supervisors are suitable for the district court, and for judicial officers of the district court, the clerk of the district court, juvenile court officers, and other court employees.

*b.* The counties within the judicial districts shall provide suitable offices and other physical facilities for the district court administrator and staff at locations within the judicial districts determined by the chief judge of the respective judicial districts. The county auditor of the host county shall apportion the costs of providing the offices and other physical facilities among the counties within the judicial district in the proportion that the population of each county in the judicial district is to the total population of all counties in the district.

*c.* If court is held in a city other than the county seat, the city shall provide courtrooms and other physical facilities which in the judgment of the city council are suitable.

2. A county shall pay the expenses of the members of the county magistrate appointing commission as provided in section 602.6501.

3. A county shall pay the compensation and expenses of the jury commission and assistants under chapter 607A.

4. A county shall provide the district court with bailiff and other law enforcement services upon the request of a judicial officer of the district court.

5. A county shall pay the costs incurred in connection with the administration of juvenile justice under section 232.141.

6. A county shall pay the costs and expenses incurred in connection with grand juries.

7. A county or city shall pay the costs of its depositions and transcripts in criminal actions prosecuted by that county or city and shall pay the court fees and costs provided by law in criminal actions prosecuted by that county or city under county or city ordinance. A county or city shall pay witness fees and mileage in trials of criminal actions prosecuted by the county or city under county or city ordinance.

8. A county shall pay the fees and expenses allowed under sections 815.2 and 815.3.

9. If a county board of supervisors, with the approval of the supreme court, elects not to maintain space for the district court, the county may enter into an agreement with a contiguous county in the same judicial district to share the costs under subsections 1 through 8. For the purposes of this subsection, two counties are contiguous if they share a common boundary, including a corner.

83 Acts, ch 186, §1303, 10201; 84 Acts, ch 1301, §14; 85 Acts, ch 197, §12; 86 Acts, ch 1108, §6; 87 Acts, ch 192, §1; 92 Acts, ch 1164, §2

Referred to in §331.361, 602.1302, 602.6105, 602.11101

Certain bailiffs employed as court attendants; §602.11113

**602.1304 Revenues — enhanced court collections fund.**

1. Except as provided in article 8 and subsection 2 of this section, all fees and other revenues collected by judicial officers and court employees shall be paid into the general fund of the state.

2. *a.* The enhanced court collections fund is created in the state treasury under the authority of the supreme court. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. Notwithstanding section 8.33, moneys in the fund shall not revert to the general fund, unless and to the extent the total amount of moneys deposited into the fund in a fiscal year would exceed the maximum annual deposit amount established for the collections fund by the general assembly. The initial maximum annual deposit amount for a fiscal year is four million dollars. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the collections fund shall remain in the collections fund and any interest and earnings shall be in addition to the maximum annual deposit amount.

*b.* For each fiscal year, a judicial collection estimate for that fiscal year shall be equally and proportionally divided into a quarterly amount. The judicial collection estimate shall be calculated by using the state revenue estimating conference estimate made by December 15 pursuant to section 8.22A, subsection 3, of the total amount of fines, fees, civil penalties, costs, surcharges, and other revenues collected by judicial officers and court employees for deposit into the general fund of the state. The revenue estimating conference estimate shall be reduced by the maximum amounts allocated to the Iowa prison infrastructure fund pursuant to section 602.8108A, the court technology and modernization fund pursuant to section 602.8108, subsection 7, and the road use tax fund pursuant to section 602.8108, subsection 8, and the remainder shall be the judicial collection estimate. In each quarter of a fiscal year, after revenues collected by judicial officers and court employees equal to that quarterly amount are deposited into the general fund of the state, after the required amount is deposited during the quarter into the Iowa prison infrastructure fund pursuant to section 602.8108A, into the court technology and modernization fund pursuant to section 602.8108, subsection 7, and into the road use tax fund pursuant to section 602.8108, subsection 8, the director of the department of administrative services shall deposit the remaining revenues for that quarter into the enhanced court collections fund in lieu of the general fund. However, after total deposits into the collections fund for the fiscal year are equal to the maximum deposit amount established for the collections fund, remaining revenues for that fiscal year shall be deposited into the general fund. If the revenue estimating conference agrees to a different estimate at a later meeting which projects a lesser amount of revenue than the initial estimate amount used to calculate the judicial collection estimate, the director of the department of administrative services shall recalculate the judicial collection estimate accordingly. If the revenue estimating conference agrees to a different estimate at a later meeting which projects a greater amount of revenue than the initial estimate amount used to calculate the judicial collection estimate, the director of the department of administrative services shall recalculate the judicial collection estimate accordingly but only to the extent that the greater amount is due to an increase in the fines, fees, civil penalties, costs, surcharges, or other revenues allowed by law to be collected by judicial officers and court employees.

*c.* Moneys in the collections fund shall be used by the judicial branch for the Iowa court information system; records management equipment, services, and projects; other technological improvements; electronic legal research equipment, systems, and projects; and the study, development, and implementation of other innovations and projects that would improve the administration of justice. The moneys in the collection fund may also be used for capital improvements necessitated by the installation of or connection with the Iowa court information system, the Iowa communications network, and other technological improvements approved by the judicial branch.

83 Acts, ch 186, §1304, 10201; 95 Acts, ch 207, §24; 96 Acts, ch 1034, §55; 96 Acts, ch 1216, §29; 97 Acts, ch 205, §23; 98 Acts, ch 1047, §47; 2003 Acts, ch 145, §286; 2005 Acts, ch 165, §3; 2005 Acts, ch 179, §137; 2006 Acts, ch 1030, §74; 2006 Acts, ch 1166, §4; 2007 Acts, ch 215, §64

Referred to in §602.1302

Use of enhanced court collections funds; reporting; 2009 Acts, ch 172, §1; 2010 Acts, ch 1185, §1; 2011 Acts, ch 135, §1, 7; 2012 Acts, ch 1137, §1; 2013 Acts, ch 133, §1, 7

Section not amended; footnote revised

**602.1305 Distribution of revenues of the district court.**

All fees, costs, forfeited bail, and other court revenues collected by the district court shall be distributed as provided in article 8.

83 Acts, ch 186, §1305, 10201

## PART 4

## PERSONNEL

**602.1401 Personnel system.**

1. The supreme court shall establish, and may amend, a personnel system and a pay and benefits plan for court employees. The personnel system shall include a designation by position title, classification, and function of each position or class of positions within the judicial branch. Reasonable efforts shall be made to accommodate the individual staffing and management practices of the respective clerks of the district court. The personnel system, in the employment of court employees, shall not discriminate on the basis of race, creed, color, sex, national origin, religion, physical disability, or political party preference. The supreme court, in establishing the personnel system, shall implement the comparable worth directives issued by the state court administrator under section 602.1204, subsection 2. The personnel system shall include the prohibitions against sexual harassment of full-time, part-time, and temporary employees set out in section 19B.12, and shall include a grievance procedure for discriminatory harassment. The personnel system shall develop and distribute at the time of hiring or orientation, a guide that describes for employees the applicable sexual harassment prohibitions and grievance, violation, and disposition procedures. This subsection does not supersede the remedies provided under chapter 216.

2. The supreme court shall compile and publish all documents that establish the personnel system, and shall distribute a copy of the compilation and all amendments to each operating component of the judicial branch.

3. *a.* The state court administrator is the public employer of judicial branch employees for purposes of chapter 20, relating to public employment relations.

*b.* For purposes of chapter 20, the certified representative, which on July 1, 1983, represents employees who become judicial branch employees as a result of 1983 Iowa Acts, ch. 186, shall remain the certified representative when the employees become judicial branch employees and thereafter, unless the public employee organization is decertified in an election held under section 20.15 or amended or absorbed into another certified organization pursuant to chapter 20. Collective bargaining negotiations shall be conducted on a statewide basis and the certified employee organizations which engage in bargaining shall negotiate on a statewide basis, although bargaining units shall be organized by judicial district. The public employment relations board shall adopt rules pursuant to chapter 17A to implement this subsection.

4. The supreme court may establish reasonable classes of employees and a pay and benefits plan for the classes of employees as necessary to accomplish the purposes of the personnel system.

5. The pay and benefits plan shall set the compensation and benefits of court employees within the funds appropriated by the general assembly.

6. The benefits plan established by the supreme court may provide for benefits to court employees not covered under a collective bargaining agreement entered into pursuant to chapter 20, notwithstanding any contrary provision of section 70A.1 or 70A.23, consistent with benefits provided to court employees covered under a collective bargaining agreement entered into with the state court administrator pursuant to chapter 20.

83 Acts, ch 186, §1401, 10201; 85 Acts, ch 117, §1; 91 Acts, ch 116, §6; 92 Acts, ch 1086, §4; 98 Acts, ch 1047, §48; 2000 Acts, ch 1057, §6 – 9; 2013 Acts, ch 30, §261

Referred to in §602.1502

State employee retirement incentive program; reports to general assembly; 2010 Acts, ch 1005, §1, 2

Code editor directive applied

**602.1402 Personnel control.**

The employment of court employees within an operating component of the judicial branch is subject to prior authorization by the supreme court, and to approval by the state court administrator under section 602.1209.

83 Acts, ch 186, §1402, 10201; 98 Acts, ch 1047, §49

Referred to in §602.8101

## PART 5

## COMPENSATION OF JUDICIAL OFFICERS AND COURT EMPLOYEES

**602.1501 Judicial salaries.**

1. The chief justice and each justice of the supreme court shall receive the salary set by the general assembly.
2. The chief judge and each judge of the court of appeals shall receive the salary set by the general assembly.
3. The chief judge of each judicial district and each district judge shall receive the salary set by the general assembly.
4. District associate judges shall receive the salary set by the general assembly.
5. Full-time associate juvenile judges and full-time associate probate judges shall receive the salary set by the general assembly.
6. Magistrates shall receive the salary set by the general assembly, subject to section 602.6402.

83 Acts, ch 186, §1501, 10201; 99 Acts, ch 93, §5; 2003 Acts, ch 151, §30

**602.1502 State court administration salaries.**

1. The supreme court shall set the compensation of the state court administrator. The salaries of other employees of the judicial branch shall be set pursuant to the judicial branch's pay plan established under section 602.1401.
2. Court reporters who are employed on an emergency basis in the district court shall be paid not more than their usual and customary fees, while employed by the court. Payments shall be made at least once each month.
3. Court reporters shall be paid compensation for transcribing their notes as provided in section 602.3202, but shall not work on outside depositions during the hours for which they are compensated as a court employee.

83 Acts, ch 186, §1502, 10201; 91 Acts, ch 116, §7; 98 Acts, ch 1047, §50

**602.1503 through 602.1507** Repealed by 91 Acts, ch 116, § 23. See § 602.1502.

**602.1508 Compensation of referees.**

Referees and other persons referred to in section 602.6602 shall receive a salary or other compensation as set by the supreme court.

83 Acts, ch 186, §1508, 10201

**602.1509 Expenses.**

1. When a judicial officer, court employee, or other person providing professional services to the courts is required to travel in the discharge of official duties, the person shall be paid actual and necessary expenses incurred in the performance of duties, not to exceed a maximum amount established by the supreme court. The supreme court shall prescribe procedures to establish the maximum amount, terms, and conditions for reimbursement of the expenses.
2. The supreme court may authorize juvenile court officers to receive a monthly allowance

for use of an automobile in the discharge of official duties in lieu of receiving an expense reimbursement based on mileage.

83 Acts, ch 186, §1509, 10201

Referred to in §602.1511, 602.1512, 602.4305, 602.5205, 602.9206, 622.69

**602.1510 Bond expense.**

The cost of a bond that is required of a judicial officer or court employee in the discharge of duties shall be paid by the judicial branch.

83 Acts, ch 186, §1510, 10201; 98 Acts, ch 1047, §51

**602.1511 Board of examiners for shorthand reporters.**

Members of the board of examiners for certified shorthand reporters appointed under article 3 shall receive actual and necessary expenses pursuant to section 602.1509 and per diem compensation for each day actually engaged in the discharge of duties.

83 Acts, ch 186, §1511, 10201

Referred to in §602.1513

**602.1512 Commission on judicial qualifications.**

The members of the commission on judicial qualifications established under section 602.2102, other than the judicial member, shall receive per diem compensation for each day that they are actually engaged in the performance of duties. All of the members shall be reimbursed for actual and necessary expenses pursuant to section 602.1509.

83 Acts, ch 186, §1512, 10201

Referred to in §602.1513

**602.1513 Per diem compensation.**

The supreme court shall set the per diem compensation under sections 602.1511 and 602.1512 at a rate per day not exceeding the rate specified in section 7E.6.

83 Acts, ch 186, §1513, 10201; 90 Acts, ch 1256, §53

**602.1514 Judicial compensation commission.** Repealed by 2008 Acts, ch 1156, § 53, 58.

## PART 6

## GENERAL PROVISIONS

**602.1601 Judicial proceedings public.**

All judicial proceedings shall be public, unless otherwise specially provided by statute or agreed to by the parties.

83 Acts, ch 186, §1601, 10201

**602.1602 Sunday — permissible acts.**

A court shall not be opened on Sunday and judicial business shall not be transacted on Sunday, except to:

1. Give instructions to a jury then deliberating on its verdict.
2. Receive a verdict or discharge a jury.
3. Exercise the powers of a magistrate in a criminal proceeding.
4. Perform other acts as provided by law.

83 Acts, ch 186, §1602, 10201

Analogous or related provisions, §626.6, 639.5, 643.3, and 667.3

**602.1603 Judge to be attorney.**

A person is not eligible for, and shall not hold the office of supreme court justice, court of appeals judge, district judge, or district associate judge unless admitted to the practice of law in this state.

83 Acts, ch 186, §1603, 10201

**602.1604 Judges shall not practice law.**

While holding office, a supreme court justice, court of appeals judge, district judge, or district associate judge shall not practice as an attorney or counselor or give advice in relation to any action pending or about to be brought in any of the courts of the state.

83 Acts, ch 186, §1604, 10201; 2003 Acts, ch 151, §31

**602.1605 Special conditions for magistrates.**

1. A magistrate shall not accept any compensation, fee, or reward from or on behalf of anyone for services rendered in the conduct of official business except the compensation provided by law.

2. If a magistrate who practices law appears as counsel for a client in a matter that is within the jurisdiction of a magistrate, that matter shall be heard only by a district judge or a district associate judge. A disqualification under this section shall be had upon motion of the magistrate or of any party, either orally or in writing, and the clerk of the district court shall reassign the matter to a proper judicial officer.

83 Acts, ch 186, §1605, 10201

**602.1606 Judicial officer disqualified.**

1. A judicial officer is disqualified from acting in a proceeding, except upon the consent of all of the parties, if any of the following circumstances exists:

*a.* The judicial officer has a personal bias or prejudice concerning a party, or personal knowledge of disputed evidentiary facts concerning the proceeding.

*b.* The judicial officer served as a lawyer in the matter in controversy, or a lawyer with whom the judicial officer previously practiced law served during that association as a lawyer concerning the matter, or the judicial officer or such lawyer has been a material witness concerning the matter.

*c.* The judicial officer knows that the officer, individually or as a fiduciary, or the officer's spouse or a person related to either of them by consanguinity or affinity within the third degree or the spouse of such a person has a financial interest in the subject matter in controversy or in a party to the proceeding, or has any other interest that could be substantially affected by the outcome of the proceeding.

*d.* The judicial officer or the officer's spouse, or a person related to either of them by consanguinity or affinity within the third degree or the spouse of such a person, is a party to the proceeding, or an officer, director, or trustee of a party, or is acting as a lawyer in the proceeding, or is known by the judicial officer to have an interest that could be substantially affected by the outcome of the proceeding, or is, to the judicial officer's knowledge, likely to be a material witness in the proceeding.

2. A judicial officer shall disclose to all parties in a proceeding any existing circumstances in subsection 1, paragraphs "*a*" through "*d*", before the parties consent to the judicial officer's presiding in the proceeding.

83 Acts, ch 186, §1606, 10201; 2013 Acts, ch 30, §183
Section amended

**602.1607 Court employees shall not practice law.**

A full-time court employee shall not practice as an attorney or counselor of law.

83 Acts, ch 186, §1607, 10201

**602.1608 Salaries exclusive.**

Court employees shall not accept any compensation, fee, or reward for services rendered in connection with duties of court employment except the compensation provided by law.

83 Acts, ch 186, §1608, 10201

**602.1609 Compliance with ethics law.**

Judicial officers and court employees shall comply with rules prescribed by the supreme court with respect to ethical conduct including the acceptance and receipt of gifts and honoraria, interests in public contracts, services against the state, and financial disclosure.

In prescribing rules, the supreme court shall include any appropriate provisions and limitations contained in chapter 68B. Violations are subject to the imposition of criminal and civil penalties in the manner provided by law.

83 Acts, ch 186, §1609, 10201; 92 Acts, ch 1228, §30

**602.1610 Mandatory retirement.**

1. Judicial officers shall cease to hold office upon reaching the mandatory retirement age.

*a.* The mandatory retirement age is seventy-five years for all justices of the supreme court and district judges holding office on July 1, 1965.

*b.* The mandatory retirement age is seventy-two years for all justices of the supreme court, judges of the court of appeals, and district judges appointed to office after July 1, 1965.

*c.* The mandatory retirement age is seventy-two years for all district associate judges, associate juvenile judges, associate probate judges, and judicial magistrates. However, the mandatory retirement age does not apply to an associate juvenile judge or associate probate judge who is seventy-two years of age or older on July 1, 1996.

2. The mandatory retirement age for employees of the judicial branch is as provided in section 97B.46.

83 Acts, ch 186, §1610, 10201; 96 Acts, ch 1153, §5; 98 Acts, ch 1047, §52

Referred to in §46.16

**602.1611 Judicial retirement programs.**

1. Judges of the supreme court and court of appeals, district judges, and district associate judges are members of the judicial retirement system established in article 9, part 1, and are not members of the public employees' retirement system established in chapter 97B, except as provided in paragraphs "*a*" and "*b*".

*a.* District associate judges who exercised the election under section 602.11115, subsection 1, are members of the public employees' retirement system and are not members of the judicial retirement system. District associate judges who exercised the election under section 602.11115, subsection 2, are members of the judicial retirement system and are inactive members of the public employees' retirement system.

*b.* District associate judges appointed after June 30, 1984, judges of the supreme court and court of appeals, and district judges, who were vested members of the public employees' retirement system at the time they became members of the judicial retirement system, and whose contributions in the public employees' retirement system were not refunded to them prior to the repeal of section 97B.69, are members of the judicial retirement system and are inactive vested members of the public employees' retirement system until they become qualified to receive retirement benefits from the judicial retirement system and become retired members of the public employees' retirement system or voluntarily withdraw their contributions from the public employees' retirement system.

2. Magistrates shall be members of the Iowa public employees' retirement system unless the magistrate elects out of coverage under the Iowa public employees' retirement system as provided in section 97B.42A.

3. Commencing July 1, 1998, associate juvenile judges and associate probate judges, who are appointed on a full-time basis, are members of the judicial retirement system established in article 9, part 1, and are not members of the public employees' retirement system established in chapter 97B, except as provided in section 602.11116.

83 Acts, ch 186, §1611, 10201; 84 Acts, ch 1285, §26; 86 Acts, ch 1243, §34; 98 Acts, ch 1183, §72, 100, 104; 2003 Acts, ch 151, §32

**602.1612 Temporary service by retired judges.**

1. Justices of the supreme court, judges of the court of appeals, district judges, and district associate judges who are retired by reason of age or who are drawing benefits under section 602.9106, and senior judges who have retired under section 602.9207 or who have relinquished senior judgeship under section 602.9208, subsection 1, may with their consent be assigned by the supreme court to temporary judicial duties on a court in this state if the

assignment is deemed necessary by the supreme court to expedite the administration of justice.

2. A retired justice or judge shall not engage in the practice of law unless the justice or judge files an election to practice law with the clerk of the supreme court. Upon electing to practice law, the justice or judge is ineligible for assignment to temporary judicial duties at any time.

3. While serving under temporary assignment, a retired justice or judge shall be paid the compensation and expense reimbursement provided by law for justices or judges on the court to which assigned, but shall not receive annuity payments under the judicial retirement system and a district associate judge covered under chapter 97B shall receive monthly benefits under that chapter only if the district associate judge has attained the age of seventy years.

4. A retired justice or judge may be authorized by the order of assignment to appoint a temporary court reporter, who shall receive the compensation and expense reimbursement provided by law for a regular court reporter in the court to which the justice or judge is assigned.

5. An order of assignment shall be filed in the office of the clerk of the court on which the justice or judge is to serve.

83 Acts, ch 186, §1612, 10201; 90 Acts, ch 1271, §1511

Referred to in §4.1, 46.16, 602.1101, 602.9206, 602.9208, 602.11114

Retired judicial magistrates; §602.11114

**602.1613 Court employee retirement.**

Court employees are members of the Iowa public employees' retirement system under chapter 97B, except as otherwise provided in chapter 97B or this chapter.

83 Acts, ch 186, §1613, 10201; 84 Acts, ch 1285, §27

**602.1614 Acceptance, distribution, and retention of electronic records by the judicial branch.**

1. As used in this section, *"governmental agencies"* means an executive, legislative, or judicial agency, department, board, commission, authority, institution, or instrumentality of the federal government or of a state or of a county, municipality, or other political subdivision of a state.

2. Notwithstanding section 554D.120, the supreme court may prescribe by rule whether and to what extent the judicial branch will accept, process, distribute, and retain electronic records and electronic signatures from litigants, governmental agencies, and other persons, and to what extent the judicial branch will create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures.

3. If the supreme court prescribes rules relating to electronic records and electronic signatures under subsection 2, the rules may include but are not limited to the following:

*a.* Defining terms.

*b.* The manner and format in which an electronic record is created, generated, sent, communicated, received, filed, recorded, and stored.

*c.* Establishing the information process system to create, generate, send, communicate, receive, file, record, and store an electronic record.

*d.* How a traditional written signature will relate to an electronic signature.

*e.* The criteria establishing when an electronic document must be electronically signed.

*f.* The type of electronic signature required.

*g.* The manner and format in which an electronic signature is associated with an electronic record.

*h.* Who can create an electronic signature.

*i.* The criteria and procedures to follow when filing an electronic document, including who is allowed to file electronically, how notice is given, and electronic service of process.

*j.* Establishing processes and procedures to ensure adequate preservation, integrity, security, disposition, and audit worthiness of the electronic records.

*k.* Establishing the criteria for the retention of paper documents when deemed necessary to promote the integrity of electronic records.

*l.* Establishing the appropriate level of public access to differing classes of electronic records and other court records to ensure the confidentiality of any records that are required by law to be confidential.

*m.* Establishing any other process or procedures attributable to creating, generating, communicating, storing, processing, and using electronic records and electronic signatures, and how these electronic records and electronic signatures will relate to nonelectronic court records.

4. Rules prescribed pursuant to this section shall prevail over any other laws or court rules that specify the method, manner, or format for sending, receiving, retaining, or creating paper records relating to the courts. The supreme court may limit the applicability and scope of any rules prescribed pursuant to this section to single offices, courts, judicial election districts, or by specific case types for the purpose of testing and implementing an electronic information processing system. Temporary rules prescribed pursuant to this section for the purpose of testing an electronic information processing system are not subject to the requirements of section 602.4202.

5. An electronic record that complies with the rules prescribed under this section shall prevail over any law that requires a written record, and an electronic signature that complies with the rules prescribed under this section shall prevail over any law that requires a written signature. An electronic record or signature that complies with rules prescribed under this section shall not be denied legal effect or enforceability based solely because of the record's or signature's electronic form. The determination of an electronic record's or signature's legal consequence is determined by this chapter, applicable law, and court rules.

2006 Acts, ch 1174, §5

## ARTICLE 2

## DISCIPLINE AND REMOVAL OF JUDICIAL OFFICERS

Referred to in §602.1209, 602.9207, 602.9208

## PART 1

## SUPREME COURT ACTION

Referred to in §602.9113

**602.2101 Authority.**

The supreme court may retire, discipline, or remove a judicial officer from office or may discipline or remove an employee of the judicial branch for cause as provided in this part.

83 Acts, ch 186, §3101, 10201; 92 Acts, ch 1228, §31; 98 Acts, ch 1047, §53

**602.2102 Commission on judicial qualifications.**

1. A seven-member "Commission on Judicial Qualifications" is established. The commission consists of one district judge and two members who are practicing attorneys in Iowa and who do not belong to the same political party, to be appointed by the chief justice; and four electors of the state who are not attorneys, no more than two of whom belong to the same political party, to be appointed by the governor, subject to confirmation by the senate. The commission members shall serve for six-year terms, are ineligible for a second term, and except for the judicial member shall not hold any other office of and shall not be employed by the United States or the state of Iowa or its political subdivisions. Members appointed by the chief justice shall serve terms beginning January 1 of the year for which the appointments are made and members appointed by the governor shall serve staggered terms beginning and ending as provided by section 69.19. Vacancies shall be filled by appointment

by the chief justice or governor as provided in this subsection, for the unexpired portion of the term.

2. If the judicial member is the subject of a charge before the commission, the chief justice shall appoint a district judge of another judicial district to act as the judicial member of the commission until the person charged is exonerated, or for the unexpired portion of the term if the person charged is not exonerated. If the judicial member is a resident judge of the same judicial district as the judicial officer who is the subject of a charge before the commission, the chief justice shall appoint a district judge of another judicial district to act as the judicial member during that proceeding.

3. The commission shall elect its own chairperson, and the state court administrator or a designee of the state court administrator is the executive secretary of the commission.

83 Acts, ch 186, §3102, 10201

Referred to in §602.1512

Confirmation, see §2.32

**602.2103 Operation of commission.**

A quorum of the commission is four members. Only those commission members that are present at commission meetings or hearings may vote. An application by the commission to the supreme court to retire, discipline, or remove a judicial officer, or discipline or remove an employee of the judicial branch, or an action by the commission which affects the final disposition of a complaint, requires the affirmative vote of at least four commission members. Notwithstanding chapter 21 and chapter 22, all records, papers, proceedings, meetings, and hearings of the commission are confidential, but if the commission applies to the supreme court to retire, discipline, or remove a judicial officer, or to discipline or remove an employee of the judicial branch, the application and all of the records and papers in that proceeding are public documents.

83 Acts, ch 186, §3103, 10201; 92 Acts, ch 1228, §32; 98 Acts, ch 1047, §54

**602.2104 Procedure before commission.**

1. Charges before the commission shall be in writing but may be simple and informal. The commission shall investigate each charge as indicated by its gravity. If the charge is groundless, it shall be dismissed by the commission. If the charge appears to be substantiated but does not warrant application to the supreme court, the commission may dispose of it informally by conference with or communication to the judicial officer or employee of the judicial branch involved. If the charge appears to be substantiated and if proved would warrant application to the supreme court, notice shall be given to the judicial officer and a hearing shall be held before the commission. The commission may employ investigative personnel, in addition to the executive secretary, as it deems necessary. The commission may also employ or contract for the employment of legal counsel.

2. In case of a hearing before the commission, written notice of the charge and of the time and place of hearing shall be mailed to a judicial officer or an employee of the judicial branch at the person's residence at least twenty days prior to the time set for hearing. Hearing shall be held in the county where the judicial officer or employee of the judicial branch resides unless the commission and the judicial officer or employee of the judicial branch agree to a different location. The judicial officer shall continue to perform judicial duties during the pendency of the charge and the employee shall continue to perform the employee's assigned duties, unless otherwise ordered by the commission. The attorney general shall prosecute the charge before the commission on behalf of the state. A judicial officer or employee of the judicial branch may defend and has the right to participate in person and by counsel, to cross-examine, to be confronted by the witnesses, and to present evidence in accordance with the rules of civil procedure. A complete record shall be made of the evidence by a court reporter. In accordance with its findings on the evidence, the commission shall dismiss the charge or make application to the supreme court to retire, discipline, or remove the judicial officer or to discipline or remove an employee of the judicial branch.

3. The commission has subpoena power, which may be used in conducting investigations and during the hearing process. A person who disobeys the commission's subpoena or who

refuses to testify or produce documents as required by a commission subpoena may be punished for contempt in the district court for the county in which the hearing is being held or the investigation is being conducted. Costs related to investigations and to the appearance of witnesses subpoenaed by the designated prosecutor shall be paid by the commission. Commission subpoenas may be issued as follows:

*a.* During an investigation, subpoenas shall be issued by the commission, at the request of the person designated to conduct the investigation, to compel the appearance of persons or the production of documents before the person who is designated to conduct the investigation. The person designated to conduct the investigation shall administer the required oath.

*b.* During the hearing process, subpoenas shall be issued by the commission at the request of the designated prosecutor or the judicial officer or employee of the judicial branch.

83 Acts, ch 186, §3104, 10201; 92 Acts, ch 1228, §33; 93 Acts, ch 85, §1, 2; 98 Acts, ch 1047, §55

**602.2105 Rules.**

The commission shall prescribe rules for its operation and procedure.

83 Acts, ch 186, §3105, 10201

See Iowa Ct. R., ch 52 in the publication "Iowa Court Rules"

**602.2106 Procedure before supreme court.**

1. If the commission submits an application to the supreme court to retire, discipline, or remove a judicial officer or to discipline or remove an employee of the judicial branch, the commission shall promptly file in the supreme court a transcript of the hearing before the commission. The statutes and rules relative to proceedings in appeals of equity suits apply.

2. The attorney general shall prosecute the proceedings in the supreme court on behalf of the state, and the judicial officer or employee of the judicial branch may defend in person and by counsel.

3. Upon application by the commission, the supreme court may do any of the following:

*a.* Retire the judicial officer for permanent physical or mental disability which substantially interferes with the performance of judicial duties.

*b.* Discipline or remove the judicial officer for persistent failure to perform duties, habitual intemperance, willful misconduct in office, conduct which brings judicial office into disrepute, or substantial violation of the canons of judicial ethics. Discipline may include suspension without pay for a definite period of time not to exceed twelve months.

*c.* Discipline or remove an employee of the judicial branch for conduct which violates the code of ethics prescribed by the supreme court for court employees.

4. If the supreme court finds that the application should be granted in whole or in part, it shall render the decree that it deems appropriate.

83 Acts, ch 186, §3106, 10201; 92 Acts, ch 1228, §34; 98 Acts, ch 1047, §56

Referred to in §602.9207, 602.9208

**602.2107 Civil immunity.**

The making of charges before the commission, the giving of evidence or information before the commission or to an investigator or legal counsel employed by the commission, and the presentation of transcripts, extensions of evidence, briefs, and arguments in the supreme court are privileged in actions for defamation.

83 Acts, ch 186, §3107, 10201; 92 Acts, ch 1228, §35

## PART 2

## OTHER PROCEEDINGS

**602.2201 Impeachment.**

Judicial officers may be removed from office by impeachment pursuant to chapter 68.

83 Acts, ch 186, §3201, 10201

## PART 3

## APPOINTMENTS — DELAY

**602.2301 Judicial officer appointment — delay.**

1. Notwithstanding section 46.12, the chief justice may order the state commissioner of elections to delay, for budgetary reasons, the sending of a notification to the proper judicial nominating commission that a vacancy in the supreme court, court of appeals, or district court has occurred or will occur.

2. Notwithstanding sections 602.6304, 602.7103B, and 633.20B, the chief justice may order any county magistrate appointing commission to delay, for budgetary reasons, publicizing the notice of a vacancy for a district associate judgeship, associate juvenile judgeship, or associate probate judgeship.

3. Notwithstanding section 602.6403, subsection 3, if a magistrate position is vacant due to a death, resignation, retirement, an increase in the number of positions authorized, or to the removal of a magistrate, the chief justice may order any county magistrate appointing commission to delay, for budgetary reasons, the appointment of a magistrate to serve the remainder of an unexpired term.

4. Any delay authorized by the chief justice pursuant to this section shall not exceed one year in duration, and not more than eight delays authorized by the chief justice shall be in effect at any one time.

2011 Acts, ch 78, §2

# ARTICLE 3

# CERTIFICATION AND REGULATION OF SHORTHAND REPORTERS

Referred to in §272C.1, 602.1209, 602.1511, 602.6603

## PART 1

## CERTIFICATION

**602.3101 Board of examiners.**

1. A five-member board of examiners of shorthand reporters is established, consisting of three certified shorthand reporters and two persons who are not certified shorthand reporters and who shall represent the general public. Members shall be appointed by the supreme court. A certified member shall be actively engaged in the practice of certified shorthand reporting and shall have been so engaged for five years preceding appointment, the last two of which shall have been in Iowa. Professional associations or societies composed of certified shorthand reporters may recommend the names of potential board members to the supreme court, but the supreme court is not bound by the recommendations. A board member shall not be required to be a member of a professional association or society composed of certified shorthand reporters.

2. The supreme court shall appoint the administrator of the board.

83 Acts, ch 186, §4101, 10201; 2006 Acts, ch 1129, §4; 2010 Acts, ch 1159, §8

**602.3102 Terms of office.**

Appointments shall be for three-year terms and each term shall commence on July 1 of the year in which the appointment is made. Vacancies shall be filled for the unexpired term by appointment by the supreme court. Members shall serve a maximum of three terms or nine years, whichever is less.

83 Acts, ch 186, §4102, 10201

**602.3103 Public members.**

The public members of the board may participate in administrative, clerical, or ministerial functions incident to giving the examination, but shall not determine the content of the examination or determine the correctness of the answers.

83 Acts, ch 186, §4103, 10201

**602.3104 Meetings.**

The board of examiners shall fix stated times for the examination of the candidates and shall hold at least one meeting each year at the seat of government. A majority of the members of the board constitutes a quorum.

83 Acts, ch 186, §4104, 10201

**602.3105 Applications.**

Applications for certification shall be on forms prescribed and furnished by the board and the board shall not require that the application contain a photograph of the applicant. An applicant shall not be denied certification because of age, citizenship, sex, race, religion, marital status, or national origin although the application may require citizenship information. The board may consider the past felony record of an applicant. Character references may be required, but shall not be obtained from certified shorthand reporters.

83 Acts, ch 186, §4105, 10201; 89 Acts, ch 296, §80

**602.3106 Fees — appropriation.**

1. The supreme court shall set the fee for certification examinations. The fee shall be based on the annual cost of administering the examinations and upon the administrative costs of sustaining the board, which shall include but shall not be limited to the cost for per diem, expenses, and travel for board members, and office facilities, supplies, and equipment.

2. The fees collected are appropriated to the judicial branch and shall be used to offset the expenses of the board, including the costs of administering the examination.

83 Acts, ch 186, §4106, 10201; 93 Acts, ch 85, §3; 2013 Acts, ch 45, §1

Subsection 2 stricken and rewritten

**602.3107 Examinations.**

The board may administer as many examinations per year as necessary, but shall administer at least one examination per year. The scope of the examinations and the methods of procedure shall be prescribed by the board. A written examination may be conducted by representatives of the board. Examinations in theory shall be in writing and the identity of the person taking the examination shall be concealed until after the examination papers have been graded. For examinations in practice, the identity of the person taking the examination also shall be concealed as far as possible. Applicants who fail the examination once may take the examination at the next scheduled time. Thereafter, the applicant may be allowed to take the examination at the discretion of the board. An applicant who has failed the examination may request in writing information from the board concerning the examination grade and subject areas or questions which the applicant failed to answer correctly, and the board shall provide the information. However, if the board administers a uniform, standardized examination, the board is only required to provide the examination grade and other information concerning the applicant's examination results that is available to the board.

83 Acts, ch 186, §4107, 10201

## PART 2

## REGULATION

**602.3201 Requirement of certification — use of title.**

A person shall not engage in the profession of shorthand reporting unless the person is certified pursuant to this chapter, or otherwise exempted pursuant to section 602.6603, subsection 4. Only a person who is certified by the board may assume the title of certified shorthand reporter, or use the abbreviation C.S.R., or any words, letters, or figures to indicate that the person is a certified shorthand reporter.

83 Acts, ch 186, §4201, 10201; 89 Acts, ch 296, §81

**602.3202 Transcript fee.**

Certified shorthand reporters are entitled to receive compensation for transcribing their official notes as set by rule of the supreme court, to be paid for in all cases by the party ordering the transcription.

83 Acts, ch 186, §4202, 10201

Referred to in §602.1502

Fees; see R.App.P. 6.803(4, 5)

**602.3203 Revocation or suspension.**

A certification may be revoked or suspended if the person is guilty of any of the following acts or offenses:

1. Fraud in procuring a license.
2. Professional incompetency.
3. Knowingly making misleading, deceptive, untrue, or fraudulent representations in the practice of shorthand reporting, or engaging in unethical conduct or in a practice that is harmful or detrimental to the public. Proof of actual injury need not be established.
4. Habitual intoxication or addiction to the use of drugs.
5. Conviction of a felony. A copy of the record of conviction or plea of guilty is conclusive evidence.
6. Fraud in representations relating to skill or ability.
7. Use of untruthful or improbable statements in advertisements.

83 Acts, ch 186, §4203, 10201; 89 Acts, ch 296, §82

Referred to in §272C.3, 272C.4

## PART 3

## PENAL PROVISIONS

**602.3301 Misuse of confidential information — penalty.**

1. A member of the board shall not disclose information relating to the following:

*a.* Criminal history or prior misconduct of the applicant.

*b.* The contents of the examination.

*c.* Examination results other than final scores except for information about the results of an examination which is given to the person who took the examination.

2. A member of the board who willfully communicates or seeks to communicate information referred to in subsection 1, or a person who willfully requests, obtains, or seeks to obtain information referred to in subsection 1, is guilty of a simple misdemeanor.

83 Acts, ch 186, §4301, 10201

**602.3302 Violations punished.**

A person who violates any provision of this article is guilty of a simple misdemeanor.

83 Acts, ch 186, §4302, 10201

# ARTICLE 4

# SUPREME COURT

Referred to in §602.5110

## PART 1

## GENERAL PROVISIONS

**602.4101 Justices — quorum.**

1. The supreme court consists of seven justices. A majority of the justices sitting constitutes a quorum, but fewer than three justices is not a quorum.

2. Justices of the supreme court shall be nominated and appointed and shall stand for retention in office as provided in chapter 46. Justices of the supreme court shall qualify for office as provided in chapter 63.

83 Acts, ch 186, §5101, 10201; 98 Acts, ch 1184, §1, 4

**602.4102 Jurisdiction.**

1. The supreme court has appellate jurisdiction only in cases in chancery, and constitutes a court for the correction of errors at law. The jurisdiction of the supreme court is coextensive with the state.

2. A civil or criminal action or special proceeding filed with the supreme court for appeal or review may be transferred by the supreme court to the court of appeals by issuing an order of transfer. The jurisdiction of the supreme court in the matter ceases upon the filing of that order by the clerk of the supreme court. A matter which has been transferred to the court of appeals pursuant to order of the supreme court is not thereafter subject to the jurisdiction of the supreme court, except as provided in subsection 4.

3. The supreme court shall prescribe rules for the transfer of matters to the court of appeals. These rules may provide for the selective transfer of individual cases and may provide for the transfer of cases according to subject matter or other general criteria. A rule shall not provide for the transfer of a matter other than by an order of transfer under subsection 2.

4. A party to an appeal decided by the court of appeals may, as a matter of right, file an application with the supreme court for further review.

*a.* An application for further review in an appeal from a child in need of assistance or termination of parental rights proceeding shall not be granted by the supreme court unless filed within ten days following the filing of the decision of the court of appeals.

*b.* In all other cases, an application for further review shall not be granted by the supreme court unless the application was filed within twenty days following the filing of the decision of the court of appeals.

5. The court of appeals shall extend the time for filing of an application if the court of appeals determines that a failure to timely file an application was due to the failure of the clerk of the court of appeals to notify the prospective applicant of the filing of the decision.

6. The supreme court shall prescribe rules of appellate procedure which shall govern further review by the supreme court of decisions of the court of appeals. These rules shall contain, but need not be limited to, a specification of the grounds upon which further review may, in the discretion of the supreme court, be granted.

83 Acts, ch 186, §5102, 10201; 98 Acts, ch 1115, §7, 21; 2003 Acts, ch 25, §2; 2006 Acts, ch 1129, §5

Referred to in §602.5103, 602.5106

**602.4103 Chief justice.**

The justices of the supreme court shall select one justice as chief justice, to serve during that justice's term of office. The chief justice is eligible for reselection. The chief justice shall appoint one of the other justices to act during the absence or inability of the chief justice

to act, and when so acting the appointee has all the rights, duties, and powers of the chief justice.

83 Acts, ch 186, §5103, 10201

Referred to in §602.1101

**602.4104 Divisions — full court.**

1. The supreme court may be divided into divisions of three or more justices in the manner it prescribes by rule. The divisions may hold open court separately and cases may be submitted to each division separately, in accordance with these rules.

2. The supreme court shall prescribe rules for the submission of a case or petition for rehearing whenever differences arise between members of divisions or whenever the chief justice orders or directs the submission of the question or petition for rehearing by the whole court.

3. The supreme court shall prescribe rules to provide for the submission of cases to the entire bench or to the separate divisions.

83 Acts, ch 186, §5104, 10201; 85 Acts, ch 197, §13

**602.4105 Time and place court meets.**

The supreme court shall hold court at the seat of state government and elsewhere as the court orders, and at the times the court orders.

83 Acts, ch 186, §5105, 10201

**602.4106 Opinions — reports.**

1. The decisions of the court on all questions passed upon by it, including motions and points of practice, shall be specifically stated, and shall be accompanied with an opinion upon those which are deemed of sufficient importance, together with any dissents, which dissents may be stated with or without an opinion. All decisions and opinions shall be in writing and filed with the clerk, except that rulings upon motions may be entered upon the announcement book.

2. The records and reports for each case shall show whether a decision was made by a full bench, and whether any, and if so which, of the judges dissented from the decision.

3. The supreme court may publish reports of its official opinions, or it may direct that publication of the opinions by a private publisher shall be considered the official reports.

4. If the decision, in the judgment of the court, is not of sufficient general importance to be published, it shall be so designated, in which case it shall not be included in the reports, and no case shall be reported except by order of the full bench.

83 Acts, ch 186, §5106, 10201

Referred to in §602.5111

**602.4107 Divided court.**

When the supreme court is equally divided in opinion, the judgment of the court below shall stand affirmed, but the decision of the supreme court is of no further force or authority. Opinions may be filed in these cases.

83 Acts, ch 186, §5107, 10201

**602.4108 Attendance of sheriff of Polk county.**

The court may require the attendance and services of the sheriff of Polk county at any time.

83 Acts, ch 186, §5108, 10201

## PART 2

## RULES OF PROCEDURE

**602.4201 Rules governing actions and proceedings.**

1. The supreme court may prescribe all rules of pleading, practice, evidence, and procedure, and the forms of process, writs, and notices, for all proceedings in all courts

of this state, for the purposes of simplifying the proceedings and promoting the speedy determination of litigation upon its merits.

2. Rules of appellate procedure relating to appeals to and review by the supreme court, discretionary review by the courts of small claims actions, review by the supreme court by writ of certiorari to inferior courts, appeal to or review by the court of appeals of a matter transferred to that court by the supreme court, and further review by the supreme court of decisions of the court of appeals, shall be known as "Rules of Appellate Procedure", and shall be published as provided in section 2B.5.

3. The following rules are subject to section 602.4202:

*a.* Rules of civil procedure.

*b.* Rules of criminal procedure.

*c.* Rules of evidence.

*d.* Rules of appellate procedure 6.101 through 6.105, 6.601 through 6.603, and 6.907.

*e.* Rules of probate procedure.

*f.* Juvenile procedure.

*g.* Involuntary hospitalization of mentally ill.

*h.* Involuntary commitment or treatment of persons with substance-related disorders.

83 Acts, ch 186, §5201, 10201; 92 Acts, ch 1163, §110; 98 Acts, ch 1115, §8, 21; 2009 Acts, ch 41, §165; 2011 Acts, ch 121, §60, 62; 2012 Acts, ch 1023, §83, 158

Referred to in §125.94, 229.40, 232.152, 602.4202, 633.18

**602.4202 Rulemaking procedure.**

1. The supreme court shall submit a rule or form prescribed by the supreme court under section 602.4201, subsection 3, or pursuant to any other rulemaking authority specifically made subject to this section to the legislative council and shall at the same time report the rule or form to the chairpersons and ranking members of the senate and house committees on judiciary. The legislative services agency shall make recommendations to the supreme court on the proper style and format of rules and forms required to be submitted to the legislative council under this subsection.

2. A rule or form submitted as required under subsection 1 takes effect sixty days after submission to the legislative council, or at a later date specified by the supreme court, unless the legislative council, within sixty days after submission and by a majority vote of its members, delays the effective date of the rule or form to a date as provided in subsection 3.

3. The effective date of a rule or form submitted during the period of time beginning February 15 and ending February 14 of the next calendar year may be delayed by the legislative council until May 1 of that next calendar year.

4. If the general assembly enacts a bill changing a rule or form, the general assembly's enactment supersedes a conflicting provision in the rule or form as submitted by the supreme court.

83 Acts, ch 186, §5202, 10201; 85 Acts, ch 197, §14; 98 Acts, ch 1115, §9, 21; 2003 Acts, ch 35, §44, 49

Referred to in §2.42, 2A.4, 232.8, 602.1614, 602.4201, 813.4

Exception for electronic information system temporary rulemaking procedure, see §602.1614

## PART 3

## ADMINISTRATION

**602.4301 Clerk of supreme court.**

1. The supreme court shall appoint a clerk of the supreme court and may remove the clerk for cause.

2. The clerk of the supreme court shall have an office at the seat of government, shall keep a complete record of the proceedings of the court, and shall not allow an opinion filed in the office to be removed. Opinions shall be open to examination and, upon request, may be copied and certified. The clerk promptly shall announce by ordinary or electronic mail to one of the attorneys on each side any ruling made or decision rendered, shall record every

opinion rendered as soon as filed, shall send by ordinary or electronic mail a copy of each opinion rendered to each attorney of record and to each party not represented by counsel, and shall perform all other duties pertaining to the office of clerk.

3. The clerk of the supreme court shall collect and account to the state court administrator for all fees received by the supreme court.

4. The clerk of the supreme court shall give bond as provided in chapter 64.

83 Acts, ch 186, §5301, 10201; 2007 Acts, ch 33, §2

**602.4302 Deputy clerk — staff.**

1. The clerk of the supreme court may appoint a deputy clerk of the supreme court. In the absence or disability of the clerk, the deputy shall perform the duties of the clerk.

2. The clerk of the supreme court may employ necessary staff, as authorized by the supreme court.

83 Acts, ch 186, §5302, 10201

**602.4303 Supreme court fees.**

1. The supreme court shall by rule prescribe fees for the services of the court and clerk of the supreme court.

2. If any of the fees are not paid in advance, execution may issue for them, except for fees payable by the county or the state.

83 Acts, ch 186, §5303, 10201; 98 Acts, ch 1115, §10, 21

Fee schedule, R.App.P. 6.702(1)

**602.4304 Supreme court staff.**

1. The supreme court may appoint attorneys or graduates of a reputable law school to act as legal assistants to the justices of the supreme court.

2. The supreme court may employ other professional and clerical staff as necessary to accomplish the judicial duties of the court.

83 Acts, ch 186, §5304, 10201; 98 Acts, ch 1115, §11

**602.4305 Limitation on expenses.**

A justice of the supreme court may choose whether to reside at the seat of government or elsewhere. The court administrator may approve necessary travel and actual expenses, incurred by a justice of the supreme court for attendance at oral arguments and judicial conferences, not to exceed the maximum amount established by the supreme court pursuant to section 602.1509.

83 Acts, ch 186, §5305, 10201

## ARTICLE 5

## COURT OF APPEALS

### PART 1

### GENERAL PROVISIONS

**602.5101 Court of appeals.**

The Iowa court of appeals is established as an intermediate court of appeals. The court of appeals is a court of record.

83 Acts, ch 186, §6101, 10201

**602.5102 Judges — quorum.**

1. The court of appeals consists of nine judges; three judges of the court of appeals constitute a quorum.

2. Judges of the court of appeals shall be nominated and appointed and shall stand for

retention in office as provided in chapter 46. Judges of the court of appeals shall qualify for office as provided in chapter 63.

3. A person appointed as a judge of the court of appeals must satisfy all requirements for a justice of the supreme court.

4. The court of appeals may be divided into divisions of three or more judges in a manner as it may prescribe by rule. The divisions may hold open court separately and cases may be submitted to each division separately in accordance with rules the court may prescribe. The rules shall provide for submitting a case or petition for rehearing or hearing en banc at the direction of the chief judge or at the request of a specified number of judges designated in the rules. The court of appeals shall prescribe all rules necessary to provide for the submission of cases to the whole court or to a division.

83 Acts, ch 186, §6102, 10201; 83 Acts, ch 204, §11, 12; 98 Acts, ch 1184, §2, 4

**602.5103 Jurisdiction.**

1. The jurisdiction of the court of appeals is coextensive with the state. The court of appeals has appellate jurisdiction only in cases in chancery, and constitutes a court for the correction of errors at law.

2. The court of appeals has subject matter jurisdiction to review the following matters:

*a.* Civil actions and special civil proceedings, whether at law or in equity.

*b.* Criminal actions.

*c.* Postconviction remedy proceedings.

*d.* A judgment of a district judge in a small claims action.

3. The jurisdiction of the court of appeals with respect to actions and parties is limited to those matters for which an appeal or review proceeding properly has been brought before the supreme court, and for which the supreme court pursuant to section 602.4102 has entered an order transferring the matter to the court of appeals.

4. The court of appeals and judges of the court may issue writs and other process necessary for the exercise and enforcement of the court's jurisdiction, but a writ, order, or other process issued in a matter that is not before the court pursuant to an order of transfer issued by the supreme court is void.

83 Acts, ch 186, §6103, 10201

**602.5104 Sessions — location.**

The court of appeals shall meet at the seat of state government and elsewhere as the court orders, and at the times specified by order of the court.

83 Acts, ch 186, §6104, 10201; 99 Acts, ch 144, §6

**602.5105 Chief judge.**

1. At the first meeting in each odd-numbered year the judges of the court of appeals by majority vote shall designate one judge as chief judge, to serve for a two-year term. A vacancy in the office of chief judge shall be filled for the remainder of the unexpired term by majority vote of the judges of the court of appeals, after any vacancy on the court has been filled.

2. The chief judge shall supervise the business of the court and shall preside when present at a session of the court.

3. If the chief judge desires to be relieved of the duties of chief judge while retaining the status of judge of the court of appeals, the chief judge shall notify the chief justice and the other judges of the court of appeals. The office of chief judge shall be deemed vacant, and shall be filled as provided in this section.

4. In the absence of the chief judge, the duties of the chief judge shall be exercised by the judge next in precedence. Judges of the court of appeals other than the chief judge have precedence according to the length of time served on that court. Of several judges having equal periods of time served, the eldest has precedence.

83 Acts, ch 186, §6105, 10201

**602.5106 Decisions of the court — finality.**

1. The court of appeals may affirm, modify, vacate, set aside, or reverse any judgment,

order, or decree of the district court or other tribunal which is under the jurisdiction of the court, and may remand the cause and direct the entry of an appropriate judgment, order, or decree, or require further proceedings to be had as is just. If the judges are equally divided on the ultimate decision, the judgment, order, or decree shall be affirmed.

2. A decision of the court of appeals is final and shall not be reviewed by any other court except upon the granting by the supreme court of an application for further review as provided in section 602.4102. Upon the filing of the application, the judgment and mandate of the court of appeals is stayed pending action of the supreme court.

83 Acts, ch 186, §6106, 10201; 2006 Acts, ch 1129, §6
Referred to in §602.5108

**602.5107 Rules.**

The court of appeals, subject to the approval of the supreme court, may prescribe rules for the conduct of business of the court of appeals. Rules prescribed shall not abridge, enlarge, or modify a substantive right.

83 Acts, ch 186, §6107, 10201

**602.5108 When decisions effective.**

A decision of the court of appeals shall be in writing, and shall be effective, except as provided in section 602.5106, subsection 2, when the decision of the court is filed with the clerk of the supreme court.

83 Acts, ch 186, §6108, 10201

**602.5109 Process — style — seal.**

1. Process of the court of appeals shall be styled: "In the Court of Appeals of Iowa".

2. The supreme court may adopt a seal for the court of appeals. Upon adoption, the clerk of the supreme court shall file a facsimile and description of the design in the office of the secretary of state. Judicial notice shall be taken of the official seal of the court of appeals.

83 Acts, ch 186, §6109, 10201

**602.5110 Records.**

The records of the court of appeals shall be kept by the clerk of the supreme court, and at the same place as, but segregated from the records of the supreme court. Records of the court of appeals shall be maintained in the same manner as records of the supreme court under article 4.

83 Acts, ch 186, §6110, 10201

**602.5111 Publication of opinions.**

The state court administrator shall cause the publication of opinions of the judges of the court of appeals in accordance with rules prescribed by the supreme court. Section 602.4106 applies to decisions of the court of appeals. The state court administrator shall cause the publication of abstracts of all decisions for which written opinions are not published.

83 Acts, ch 186, §6111, 10201

**602.5112 Fees — costs.**

Costs to be collected and awarded in the court of appeals shall be as prescribed from time to time by the supreme court. Fees and costs may be awarded to a party to the appeal in the discretion of the court of appeals. A fee shall not be charged for the docketing of a matter in the court of appeals upon transfer from the supreme court.

83 Acts, ch 186, §6112, 10201

PART 2

ADMINISTRATION

**602.5201 Clerk of court.**

1. The clerk of the supreme court or a deputy of that clerk shall act as clerk of the court of appeals. The clerk of the court of appeals shall keep a complete record of the proceedings of that court, shall collect the fees and costs prescribed by the supreme court, and shall account for all receipts and disbursements of the court of appeals.

2. The clerk of the supreme court, subject to the approval of the supreme court, may employ additional staff for the performance of duties relating to the court of appeals.

83 Acts, ch 186, §6201, 10201

**602.5202 Secretary to judge.**

Each judge of the court of appeals may employ one personal secretary.

83 Acts, ch 186, §6202, 10201

**602.5203 Law clerks.**

The court of appeals may employ attorneys or graduates of a reputable law school to act as legal assistants to the court.

83 Acts, ch 186, §6203, 10201; 83 Acts, ch 204, §13; 97 Acts, ch 128, §1

**602.5204 Physical facilities.**

The state court administrator shall obtain suitable facilities for the court of appeals at the seat of state government. To the extent practicable, the court administrator shall utilize existing supreme court facilities.

83 Acts, ch 186, §6204, 10201

**602.5205 Limitation on expenses.**

1. Each judge of the court of appeals shall be provided personal office space and equipment, and facilities for a secretary and law clerk at the seat of state government only. Each judge may choose whether to reside at the seat of government or elsewhere. The court administrator may approve necessary travel and actual expenses, incurred by a judge of the court of appeals for attendance at oral arguments and judicial conferences, not to exceed the maximum amount established by the supreme court pursuant to section 602.1509.

2. Offices may be provided for court of appeals judges or employees at any place other than the seat of state government with the approval of the supreme court within the funds available to the judicial branch.

83 Acts, ch 186, §6205, 10201; 94 Acts, ch 1127, §1; 98 Acts, ch 1047, §57

ARTICLE 6

DISTRICT COURT

PART 1

GENERAL PROVISIONS

**602.6101 Unified trial court.**

A unified trial court is established. This court is the "Iowa District Court". The district court has exclusive, general, and original jurisdiction of all actions, proceedings, and remedies, civil, criminal, probate, and juvenile, except in cases where exclusive or concurrent jurisdiction is conferred upon some other court, tribunal, or administrative body. The

district court has all the power usually possessed and exercised by trial courts of general jurisdiction, and is a court of record.

83 Acts, ch 186, §7101, 10201

**602.6102 Appeals and writs of error.**

The district court has jurisdiction in appeals and writs of error taken in civil and criminal actions and special proceedings authorized to be taken from tribunals, boards, or officers under the laws of this state, and has general supervision thereof, in all matters, to prevent and correct abuses where no other remedy is provided.

83 Acts, ch 186, §7102, 10201

**602.6103 Court in continuous session.**

The district court of each judicial district shall be in continuous session for all of the several counties comprising the district.

83 Acts, ch 186, §7103, 10201; 92 Acts, ch 1164, §3

**602.6104 Judicial officers.**

1. The jurisdiction of the Iowa district court shall be exercised by district judges, district associate judges, associate juvenile judges, associate probate judges, and magistrates.

2. Judicial officers of the district court shall not sit together in the trial of causes nor upon the hearings of motions for new trials. They may hold court in the same county at the same time.

83 Acts, ch 186, §7104, 10201; 99 Acts, ch 93, §6

**602.6105 Places of holding court — magistrate schedules.**

1. Courts shall be held at the places in each county maintaining space for the district court as designated by the chief judge of the judicial district, except that the determination of actions, special proceedings, and other matters not requiring a jury may be done at some other place in the district with the consent of the parties. For the purposes of this subsection, contiguous counties which have entered into an agreement to share costs pursuant to section 331.381, subsection 16, paragraph *"b"*, shall be considered as one unit for the purpose of conducting all matters except as otherwise provided in this subsection.

2. In any county having two county seats, court shall be held at each, and, in the county of Pottawattamie, court shall be held at Avoca, as well as at the county seat.

3. *a.* The chief judge of a judicial district shall designate times and places for magistrates to hold court to ensure accessibility of magistrates at all times throughout the district. The schedule of times and places of availability of magistrates and any schedule changes shall be disseminated by the chief judge to the peace officers within the district.

*b.* (1) The chief judge of a judicial district shall schedule a magistrate to hold court in a city other than the county seat if all of the following apply:

(a) Magistrate court was regularly scheduled in the city on or after July 1, 2001.

(b) The population of the city is at least two times greater than the population of the county seat or the population of the city is at least thirty thousand.

(c) The city requests the chief judge to schedule magistrate court.

(2) In addition to paying the costs in section 602.1303, subsection 1, the city requesting the magistrate court shall pay any other costs for holding magistrate court in the city which would not otherwise have been incurred by the judicial branch.

83 Acts, ch 186, §7105, 10201; 92 Acts, ch 1164, §4; 2003 Acts, ch 151, §33; 2013 Acts, ch 30, §261

Code editor directive applied

**602.6106 Sessions not at county seats — effect — duty of clerk.**

When court is held at a place that is not the county seat, all of the provisions of the Code relating to district courts are applicable, except as follows: All proceedings in the court have, within the territory over which the court has jurisdiction, the same force and effect as though ordered in the court at the county seat, but transcripts of judgments and decrees, levies

of writs of attachment upon real estate, mechanics' liens, lis pendens, sales of real estate, redemption, satisfaction of judgments and mechanics' liens, and dismissals or decrees in lis pendens, together with all other matters affecting titles to real estate, shall be certified by the clerk's designee to the clerk of district court at the county seat who shall immediately enter them upon the records at the county seat.

83 Acts, ch 186, §7106, 10201; 90 Acts, ch 1233, §36
Referred to in §602.8102(87)

**602.6107 Reorganization of judicial districts and judicial election districts.**

1. The supreme court shall, beginning January 1, 2012, and at least every ten years thereafter, review the division of the state into judicial districts and judicial election districts in order to determine whether the composition or the total number of the judicial districts and judicial election districts is the most efficient and effective administration of the district court and the judicial branch.

2. If the supreme court determines that the administration of the district court and the judicial branch would be made more efficient and effective by reorganizing the judicial districts and judicial election districts, which may include expanding or contracting the total number of judicial districts and judicial election districts, the supreme court shall develop and submit to the general assembly by November 15 a plan that reorganizes the judicial districts and judicial election districts. The legislative services agency shall draft a bill embodying the plan for submission by the supreme court to the general assembly. The general assembly shall bring the bill to a vote in either the senate or the house of representatives within thirty days of the bill's submission by the supreme court to the general assembly, under a procedure or rule permitting no amendments by either house except those of a purely corrective nature. If both houses pass the bill, the bill shall be presented as any other bill to the governor for approval. The bill shall take effect upon the general assembly passing legislation, which is approved by the governor including an effective date for the reorganization of the judicial districts and judicial election districts.

3. The composition of the judicial districts in section 602.6107, Code 2003, and judicial election districts in section 602.6109, Code 2003, shall remain in effect until a new division of the state into judicial districts and judicial election districts is enacted.

4. It is the intent of the general assembly that the supreme court prior to developing a plan pursuant to this section consult with and receive input from members of the general public, court employees, judges, members of the general assembly, the judicial departments of correctional services, county officers, officials from other interested political subdivisions, and attorneys. In submitting a plan pursuant to this section, the supreme court shall also submit to the general assembly a report stating the reasons for developing the plan and describing in detail the process used in developing the plan.

5. Nothing in this section or other provision of the Code shall be construed to preclude the general assembly or the judicial branch from proposing or considering a plan reorganizing the judicial districts and judicial election districts at any time.

83 Acts, ch 186, §7107, 10201; 2003 Acts, ch 35, §46, 49; 2003 Acts, ch 151, §34
Referred to in §602.6109

**602.6108 Reassignment of personnel.**

The chief justice of the supreme court shall assign judicial officers and court employees from one judicial district to another, on a continuing basis if need be, in order to handle the judicial business in all districts promptly and efficiently at all times.

83 Acts, ch 186, §7108, 10201
Referred to in §602.6201, 602.6305, 602.6404, 602.7103C, 633.20C

**602.6109 Judicial election districts and judgeships.**

1. The reorganized judicial election districts established pursuant to section 602.6107 shall be used solely for purposes of nomination, appointment, and retention of judges of the district court.

2. If the judicial election districts are reorganized under section 602.6107, the state court administrator shall reapportion the number of judgeships to which each judicial election

district is entitled. The reapportionment shall be determined according to section 602.6201, subsection 3.

83 Acts, ch 186, §7109, 10201; 2003 Acts, ch 151, §35

**602.6110 Peer review court.**

1. A peer review court may be established in each judicial district to divert certain juvenile offenders from the criminal or juvenile justice systems. The court shall consist of a qualified adult to act as judge while the duties of prosecutor, defense counsel, court attendant, clerk, and jury shall be performed by persons twelve through seventeen years of age.

2. The jurisdiction of the peer review court extends to those persons ten through seventeen years of age who have committed misdemeanor offenses, or delinquent acts which would be misdemeanor offenses if committed by an adult, who have admitted involvement in the misdemeanor or delinquent act, and who meet the criteria established for entering into an informal adjustment agreement for those offenses. Those persons may elect to appear before the peer review court for a determination of the terms and conditions of the informal adjustment or may elect to proceed with the informal or formal procedures established in chapter 232.

3. The peer review court shall not determine guilt or innocence and any statements or admissions made by the person before the peer review court are not admissible in any formal proceedings involving the same person. The peer review court shall only determine the terms and conditions of the informal adjustment for the offense. The terms and conditions may consist of fines, restrictions for damages, attendance at treatment programs, or community service work or any combination of these penalties as appropriate to the offense or delinquent act committed. A person appearing before the peer review court may also be required to serve as a juror on the court as a part of the person's sentence.

4. The chief judge of each judicial district which establishes a peer review court shall appoint a peer review court advisory board. The advisory board shall adopt rules for the peer review court advisory program, shall appoint persons to serve on the peer review court, and shall supervise the expenditure of funds appropriated to the program. Rules adopted shall include procedures which are designed to eliminate the influence of prejudice and racial and economic discrimination in the procedures and decisions of the peer review court.

89 Acts, ch 262, §1; 97 Acts, ch 126, §44; 98 Acts, ch 1100, §77

**602.6111 Identification information filed with the clerk.**

1. Any party, other than the state or a political subdivision of the state, filing a petition or complaint, answer, appearance, first motion, or any document filed with the clerk of the district court which brings a new party into a proceeding shall provide the clerk of the district court with the following information when applicable:

*a.* An employer identification number if a number has been assigned.

*b.* The birth date of the party.

*c.* The social security number of the party.

2. Any party, except the child support recovery unit, filing a petition, complaint, answer, appearance, first motion, or any document with the clerk of the district court to establish or modify an order for child support under chapter 236, 252A, 252K, 598, or 600B shall provide the clerk of the district court with the date of birth and social security number of the child.

3. A party shall provide the information pursuant to this section in the manner required by rules or directives prescribed by the supreme court. The clerk of the district court shall keep a social security number provided pursuant to this section confidential in accordance with the rules and directives prescribed by the supreme court.

93 Acts, ch 171, §18; 94 Acts, ch 1171, §49; 98 Acts, ch 1170, §17; 2003 Acts, ch 151, §36

Referred to in §232.104, 252B.24

**602.6112 Regional litigation centers — prohibition.**

The judicial branch shall not establish regional litigation centers.

2003 Acts, ch 151, §37

**602.6113 Apportionment of certain judicial officers — substantial disparity.**

Notwithstanding section 602.6201, 602.6301, 602.6304, 602.7103B, or 633.20B, if a vacancy occurs in the office of a district judge, district associate judge, associate juvenile judge, or associate probate judge, and the chief justice of the supreme court makes a finding that a substantial disparity exists in the allocation of such judgeships and judicial workload between judicial election districts, the chief justice may apportion the vacant office from the judicial election district where the vacancy occurs to another judicial election district based upon the substantial disparity finding. However, such a judgeship shall not be apportioned pursuant to this section unless a majority of the judicial council approves the apportionment. This section does not apply to a district associate judge office authorized by section 602.6302 or 602.6307.

2011 Acts, ch 78, §3

## PART 2

## DISTRICT JUDGES

**602.6201 Office of district judge — apportionment.**

1. District judges shall be nominated and appointed and shall stand for retention in office as provided in chapter 46. District judges shall qualify for office as provided in chapter 63.

2. A district judge must be a resident of the judicial election district in which appointed and retained. Subject to the provision for reassignment of judges under section 602.6108, a district judge shall serve in the district of the judge's residence while in office, regardless of the number of judgeships to which the district is entitled under the formula prescribed by the supreme court in subsection 3.

3. The supreme court shall prescribe, subject to the restrictions of this section, a formula to determine the number of district judges who will serve in each judicial election district. The formula shall be based upon a model that measures and applies an estimated case-related workload formula of judicial officers, and shall account for administrative duties, travel time, and other judicial duties not related to a specific case.

4. For purposes of this section, a vacancy means the death, resignation, retirement, or removal of a district judge, or the failure of a district judge to be retained in office at the judicial election, or an increase in judgeships under the formula prescribed in subsection 3.

5. In those judicial election districts having more district judges than the number of judgeships specified by the formula prescribed in subsection 3, vacancies shall not be filled.

6. In those judicial election districts having fewer or the same number of district judges as the number of judgeships specified by the formula prescribed in subsection 3, vacancies in the number of district judges shall be filled as they occur.

7. In those judicial districts that contain more than one judicial election district, a vacancy in a judicial election district shall not be filled if the total number of district judges in all judicial election districts within the judicial district equals or exceeds the aggregate number of judgeships to which all of the judicial election districts of the judicial district are authorized by the formula in subsection 3.

8. An incumbent district judge shall not be removed from office because of a reduction in the number of authorized judgeships specified by the formula prescribed in subsection 3.

9. During February of each year, and at other times as appropriate, the state court administrator shall make the determinations specified by the formula prescribed in subsection 3, and shall notify the appropriate nominating commissions and the governor of appointments that are required.

10. Notwithstanding the formula for determining the number of district judges prescribed in subsection 3, the number of district judges shall not exceed one hundred sixteen during the period commencing July 1, 1999.

83 Acts, ch 186, §7201, 10201; 86 Acts, ch 1012, §1; 86 Acts, ch 1148, §1, 2; 90 Acts, ch 1055, §1, 2; 95 Acts, ch 207, §25; 96 Acts, ch 1216, §30; 97 Acts, ch 130, §1; 97 Acts, ch 205, §24; 99 Acts, ch 202, §22; 2003 Acts, ch 151, §38, 39; 2007 Acts, ch 86, §4 – 7

Referred to in §602.6109, 602.6113, 602.11110

**602.6202 Jurisdiction.**

District judges have the full jurisdiction of the district court, including the respective jurisdictions of district associate judges and magistrates. While exercising the jurisdiction of magistrates, district judges shall employ magistrates' practice and procedure.

83 Acts, ch 186, §7202, 10201

Referred to in §657A.11

**602.6203** Repealed by 93 Acts, ch 70, § 15.

PART 3

DISTRICT ASSOCIATE JUDGES

**602.6301 Number and apportionment of district associate judges.**

There shall be one district associate judge in counties having a population of more than thirty-five thousand and less than eighty thousand; two in counties having a population of eighty thousand or more and less than one hundred twenty-five thousand; three in counties having a population of one hundred twenty-five thousand or more and less than one hundred seventy thousand; four in counties having a population of one hundred seventy thousand or more and less than two hundred fifteen thousand; five in counties having a population of two hundred fifteen thousand or more and less than two hundred sixty thousand; six in counties having a population of two hundred sixty thousand or more and less than three hundred five thousand; seven in counties having a population of three hundred five thousand or more and less than three hundred fifty thousand; eight in counties having a population of three hundred fifty thousand or more and less than three hundred ninety-five thousand; nine in counties having a population of three hundred ninety-five thousand or more and less than four hundred forty thousand; ten in counties having a population of four hundred forty thousand or more and less than four hundred eighty-five thousand; and one additional judge for every population increment of thirty-five thousand which is over four hundred eighty-five thousand in such counties. However, a county shall not lose a district associate judgeship solely because of a reduction in the county's population. If the formula provided in this section results in the allocation of an additional district associate judgeship to a county, implementation of the allocation shall be subject to prior approval of the supreme court and availability of funds to the judicial branch. A district associate judge appointed pursuant to section 602.6302 or 602.6307 shall not be counted for purposes of this section and the reduction of a district associate judge pursuant to section 602.6303 also shall not be counted for purposes of this section.

83 Acts, ch 186, §7301, 10201; 94 Acts, ch 1127, §2; 96 Acts, ch 1068, §1; 98 Acts, ch 1047, §58; 98 Acts, ch 1115, §12; 2003 Acts, ch 151, §40; 2006 Acts, ch 1060, §1

Referred to in §602.6113, 602.6304

**602.6302 Appointment of district associate judge in lieu of magistrates.**

1. The chief judge of the judicial district may designate by order of substitution that a district associate judge be appointed pursuant to this section in lieu of magistrates appointed under section 602.6403, subject to the following limitations:

*a.* The county in which the district associate judge is to be appointed, or the counties in which the district associate judge is to be appointed in combination, must have an apportionment of three or more magistrates.

*b.* The substitution must not result in a lack of a resident district associate judge or magistrate in one or more of the counties.

*c.* The substitution must be approved by the supreme court.

*d.* A majority of district judges in that judicial election district, or in the case of an appointment involving more than one judicial election district in the same judicial district, a majority of the district judges in each judicial election district, must vote in favor of the substitution and find that the substitution will provide more timely and efficient performance of judicial business within that judicial election district.

2. An order of substitution shall not take effect unless a copy of the order is received by the chairperson of the county magistrate appointing commission or commissions no later than May 31 of the year in which the substitution is to take effect. A copy of the order shall also be sent to the state court administrator.

3. For a county in which a substitution order is in effect, the number of magistrates actually appointed pursuant to section 602.6403 shall be reduced by three for each district associate judge substituted under this section. However, if the substitution order is for a district associate judge appointed to more than one county, the reduction of three magistrates shall be as provided in the order of the chief judge of the judicial district. Upon a subsequent reduction in the apportionment of magistrates to the county or counties, the magistrate appointing commission shall further reduce the number of magistrates appointed.

4. *a.* Except as provided in subsections 1 through 3, a substitution shall not increase or decrease the number of magistrates authorized by this article.

*b.* A substitution shall not be made where the apportionment of magistrates to a county is insufficient to permit the full reduction in appointments of magistrates as required by subsection 3.

5. If an apportionment by the state court administrator pursuant to section 602.6401 reduces the number of magistrates in the county or counties to less than the number required to be apportioned to allow a substitution order pursuant to subsection 1, or if a majority of the district judges in the judicial election district or districts determines that a substitution is no longer desirable, then the substituted office shall be terminated. However, a reversion pursuant to this subsection, irrespective of cause, shall not take effect until the substitute district associate judge fails to be retained in office at a judicial election or otherwise leaves office, whether voluntarily or involuntarily. Upon the termination of office of that district associate judge, appointments shall be made pursuant to section 602.6403 as necessary to reestablish terms of office as provided in section 602.6403, subsection 4.

83 Acts, ch 186, §7302, 10201; 86 Acts, ch 1015, §1 – 3; 89 Acts, ch 114, §1
Referred to in §602.6113, 602.6301, 602.6304, 602.6402, 602.6403

**602.6303 Appointment of magistrates in lieu of district associate judge.**

1. The chief judge of the judicial district may designate by order of substitution that three magistrates be appointed pursuant to this section in lieu of the appointment of a district associate judge under section 602.6304, subject to the following limitations:

*a.* The substitution shall not result in the judicial district receiving more magistrates than are authorized under the magistrate formula in section 602.6401.

*b.* The substitution shall be approved by the supreme court.

*c.* A majority of district judges in that judicial election district, or in the case of an appointment involving more than one judicial election district in the same judicial district, a majority of the district judges in each judicial election district, must vote in favor of the substitution and find that the substitution will provide more timely and efficient performance of judicial business within that judicial election district.

2. An order of substitution shall not take effect unless a copy of the order is received by the chairperson of the county magistrate appointing commission or commissions no later than May 31 of the year in which the substitution is to take effect. The order shall designate the county of appointment for each magistrate. A copy of the order shall also be sent to the state court administrator.

3. For a county in which a substitution order is in effect, the number of district associate judges actually appointed pursuant to section 602.6304 shall be reduced by one for each substitution order in effect.

4. Except as provided in subsections 1 through 3, a substitution shall not increase or decrease the number of district associate judges authorized by this article.

5. If a majority of the district judges in a judicial election district determines that a substitution is no longer desirable, then all three magistrate positions shall be terminated. However, a reversion pursuant to this subsection shall not take effect until the terms of the three magistrates expire. Upon the termination of the magistrate positions created under

this section, an appointment shall be made to reestablish the term of office for a district associate judge as provided in sections 602.6304 and 602.6305.

2006 Acts, ch 1060, §2

Referred to in §602.6301, 602.6401, 602.6403

**602.6304 Appointment and resignation of district associate judges.**

1. The district associate judges authorized by sections 602.6301 and 602.6302 shall be appointed by the district judges of the judicial election district from persons nominated by the county magistrate appointing commission. In the case of a district associate judge to be appointed to more than one county, the appointment shall be from persons nominated by the county magistrate appointing commissions acting jointly and in the case of a district associate judge to be appointed to more than one judicial election district of the same judicial district, the appointment shall be by a majority of the district judges in each judicial election district.

2. In November of any year in which an impending vacancy is created because a district associate judge is not retained in office pursuant to a judicial election, the county magistrate appointing commission shall publicize notice of the vacancy in at least two publications in the official county newspaper. The commission shall accept applications for consideration for nomination as district associate judge for a minimum of fifteen days prior to certifying nominations. The commission shall consider the applications and shall, by majority vote, certify to the chief judge of the judicial district not later than December 15 of that year the names of three applicants who are nominated by the commission for the vacancy. If there are three or fewer applicants the commission shall certify all applicants who meet the statutory qualifications. Nominees shall be chosen solely on the basis of the qualifications of the applicants, and political affiliation shall not be considered.

3. Within thirty days after a county magistrate appointing commission receives notification of an actual or impending vacancy in the office of district associate judge, other than a vacancy referred to in subsection 2, the commission shall certify to the chief judge of the judicial district the names of three applicants who are nominated by the commission for the vacancy. The commission shall publicize notice of the vacancy in at least two publications in the official county newspaper. The commission shall accept applications for consideration for nomination as district associate judge for a minimum of fifteen days prior to certifying nominations. The commission shall consider the applications and shall, by majority vote, certify to the chief judge of the judicial district the names of three applicants who are nominated by the commission for the vacancy. If there are three or fewer applicants the commission shall certify all applicants who meet the statutory qualifications. Nominees shall be chosen solely on the basis of the qualifications of the applicants, and political affiliation shall not be considered. As used in this subsection, a vacancy is created by the death, retirement, resignation, or removal of a district associate judge, or by an increase in the number of positions authorized.

4. Within fifteen days after the chief judge of a judicial district has received the list of nominees to fill a vacancy in the office of district associate judge, the district judges in the judicial election district shall, by majority vote, appoint one of those nominees to fill the vacancy.

5. A district associate judge who seeks to resign from the office of district associate judge shall notify in writing the chief judge of the judicial district as to the district associate judge's intention to resign and the effective date of the resignation. The chief judge of the judicial district, upon receipt of the notice, shall notify the county magistrate appointing commission and the state court administrator of the actual or impending vacancy in the office of district associate judge due to resignation.

6. The supreme court may prescribe rules of procedure to be used by county magistrate appointing commissions when exercising the duties specified in this section.

83 Acts, ch 186, §7304, 10201; 86 Acts, ch 1015, §4; 98 Acts, ch 1115, §13; 2003 Acts, ch 151, §41, 64

Referred to in §602.2301, 602.6113, 602.6303

**602.6305 Term, retention, qualifications.**

1. District associate judges shall serve initial terms and shall stand for retention in office within the judicial election districts of their residences at the judicial election under sections 46.16 through 46.24.

2. A person does not qualify for appointment to the office of district associate judge unless the person is at the time of appointment a resident of the judicial election district in which the vacancy exists, licensed to practice law in Iowa, and will be able, measured by the person's age at the time of appointment, to complete the initial term of office prior to reaching age seventy-two. An applicant for district associate judge shall file a certified application form, to be provided by the supreme court, with the chairperson of the county magistrate appointing commission.

3. A district associate judge must be a resident of the judicial election district in which the office is held during the entire term of office. A district associate judge shall serve within the judicial district in which appointed, as directed by the chief judge, and is subject to reassignment under section 602.6108.

4. District associate judges shall qualify for office as provided in chapter 63 for district judges.

83 Acts, ch 186, §7305, 10201; 86 Acts, ch 1015, §5; 89 Acts, ch 114, §2; 89 Acts, ch 212, §2; 89 Acts, ch 296, §83; 2003 Acts, ch 151, §42; 2004 Acts, ch 1101, §83, 99, 102; 2011 Acts, ch 78, §4

Referred to in §602.6303

**602.6306 Jurisdiction, procedure, appeals.**

1. District associate judges have the jurisdiction provided in section 602.6405 for magistrates, and when exercising that jurisdiction shall employ magistrates' practice and procedure.

2. District associate judges also have jurisdiction in civil actions for money judgment where the amount in controversy does not exceed ten thousand dollars; jurisdiction over involuntary commitment, treatment, or hospitalization proceedings under chapters 125 and 229; jurisdiction of indictable misdemeanors, class "D" felony violations, and other felony arraignments; jurisdiction to enter a temporary or emergency order of protection under chapter 236, and to make court appointments and set hearings in criminal matters; jurisdiction to enter orders in probate which do not require notice and hearing and to set hearings in actions under chapter 633 or 633A; and the jurisdiction provided in section 602.7101 when designated as a judge of the juvenile court. While presiding in these subject matters a district associate judge shall employ district judges' practice and procedure.

3. When a district judge is unable to serve as a result of temporary incapacity, a district associate judge may, by order of the chief judge of the judicial district enrolled in the records of the clerk of the district court, temporarily exercise any judicial authority within the jurisdiction of a district judge during the time of incapacity with respect to the matters or classes of matters specified in that order.

4. Appeals from judgments or orders of district associate judges while exercising the jurisdiction of magistrates shall be governed by the laws relating to appeals from judgments and orders of magistrates. Appeals from judgments or orders of district associate judges while exercising any other jurisdiction shall be governed by the laws relating to appeals from judgments or orders of district judges.

83 Acts, ch 186, §7306, 10201; 86 Acts, ch 1012, §2; 91 Acts, ch 108, §7; 94 Acts, ch 1122, §1; 96 Acts, ch 1131, §2; 2002 Acts, ch 1110, §1; 2006 Acts, ch 1030, §75

Referred to in §331.307, 364.22

**602.6307 Appointment of district associate judge in lieu of full-time associate juvenile judge.**

1. The chief judge of a judicial district may designate by order of substitution that a district associate judge be appointed pursuant to this section in lieu of a full-time associate juvenile judge appointed under section 602.7103B, subject to the following limitations:

*a.* An existing full-time juvenile court judgeship has become vacant or is anticipated to become vacant within one hundred twenty days of an order of substitution.

*b.* The supreme court approves the substitution upon a determination that the substitution will provide a more timely and efficient performance of judicial business within that judicial election district without diminishing the efficiency and performance of the juvenile court.

2. If a district associate judge is substituted for a full-time associate juvenile judge pursuant to this section, the judicial district shall make every effort to grant the juvenile court docket priority over other dockets including granting the highest scheduling priority to juvenile court proceedings involving child custody, termination of parental rights, and child in need of assistance cases.

3. If the chief judge determines the substitution order is no longer desirable, then the order shall be terminated. However, a reversion pursuant to this subsection, irrespective of cause, shall not take effect until the substitute district associate judge fails to be retained in office at a judicial election or otherwise leaves office, whether voluntarily or involuntarily, and the office becomes vacant.

2006 Acts, ch 1060, §3

Referred to in §602.6113, 602.6301

## PART 4

## MAGISTRATES

Referred to in §4.1, 602.1101

**602.6401 Number and apportionment.**

1. Two hundred six magistrates shall be apportioned among the counties as provided in this section. Magistrates appointed pursuant to section 602.6303 or 602.6402 shall not be counted for purposes of this section.

2. By February of each year in which magistrates' terms expire, the state court administrator shall apportion magistrate offices among the counties in accordance with the following criteria:

*a.* The existence of either permanent, temporary, or seasonal populations not included in the current census figures.

*b.* The geographical area to be served.

*c.* Any inordinate number of cases over which magistrates have jurisdiction that were pending at the end of the preceding year.

*d.* The number and types of juvenile proceedings handled by district associate judges.

3. Notwithstanding subsection 2, each county shall be allotted at least one resident magistrate.

4. By March of each year in which magistrates' terms expire, the state court administrator shall give notice to the clerks of the district court and to the chief judges of the judicial districts of the number of magistrates to which each county is entitled. If the state court administrator does not give the notice as required in this subsection by March of each year in which magistrates' terms expire, the existing magistrate apportionment in effect shall remain in effect through the succeeding magistrates' terms, and any apportionment performed pursuant to subsection 2 is void until such succeeding terms expire.

83 Acts, ch 186, §7401, 10201; 2000 Acts, ch 1057, §10, 11; 2005 Acts, ch 171, §3; 2006 Acts, ch 1060, §4; 2006 Acts, ch 1129, §7; 2009 Acts, ch 179, §221, 222

Referred to in §602.6302, 602.6303, 602.6402, 602.6403

2009 amendment to subsection 4 takes effect May 26, 2009, and applies retroactively to January 1, 2009, to void any apportionment for which notice was not given by March 2009; 2009 Acts, ch 179, §222

**602.6402 Additional magistrate allowed.**

In those counties which are allotted one magistrate under section 602.6401 or which are restricted to one magistrate by section 602.6302, the county magistrate appointing commission may, by majority vote, decide to appoint one additional magistrate. If a county

appoints an additional magistrate under this section, each of the two magistrates shall receive one-half of the regular salary of a magistrate.

83 Acts, ch 186, §7402, 10201

Referred to in §602.1501, 602.6401, 602.6403

**602.6403 Appointment, qualification, and resignation of magistrates.**

1. By June 1 of each year in which magistrates' terms expire, the county magistrate appointing commission shall appoint, except as otherwise provided in section 602.6302, the number of magistrates apportioned to the county by the state court administrator under section 602.6401, the number of magistrates required pursuant to substitution orders in effect under section 602.6303, and may appoint an additional magistrate when allowed by section 602.6402. The commission shall not appoint more magistrates than are authorized for the county by this article.

2. The magistrate appointing commission for each county shall prescribe the contents of an application, in addition to any application form provided by the supreme court, for an appointment pursuant to this section. The commission shall publicize notice of any vacancy to be filled in at least two publications in all official county newspapers in the county. The commission shall accept applications for a minimum of fifteen days prior to making an appointment, and shall make available during that period of time any printed application forms the commission prescribes.

3. Within thirty days following receipt of notification of a vacancy in the office of magistrate, the commission shall appoint a person to the office to serve the remainder of the unexpired term. For purposes of this section, vacancy means a death, resignation, retirement, or removal of a magistrate, or an increase in the number of positions authorized.

4. The term of office of a magistrate is four years, commencing August 1, 1989. However, the terms of all magistrates in a county are deemed to expire if a substitution under section 602.6302 or the allocation under section 602.6401 results in a reduction in the number of magistrates in a county where the magistrates hold office.

5. The commission shall promptly certify the names and addresses of appointees to the clerk of the district court and to the chief judge of the judicial district. The clerk of the district court shall certify to the state court administrator the names and addresses of these appointees.

6. Before assuming office, a magistrate shall subscribe and file in the office of the state court administrator the oath of office specified in section 63.6.

7. Before the commencement of the term of a magistrate, the members of the magistrate appointing commission may reconsider the appointment. Written notification of the reasons for reconsideration and time and place for the meeting must be sent to the magistrate appointee and the clerk of the district court. The commission may reconvene and decertify the magistrate appointee for good cause. Notice of the decertification and a statement of the reasons justifying the decertification shall be promptly sent to the clerk of the district court, the chief judge of the judicial district, and the state court administrator.

8. Annually, the state court administrator shall cause a school of instruction to be conducted for magistrates, and each magistrate shall attend prior to the time of taking office unless excused by the chief justice for good cause. A magistrate appointed to fill a vacancy shall attend the first school of instruction that is held following the appointment, unless excused by the chief justice for good cause.

9. A magistrate who seeks to resign from the office of magistrate shall notify in writing the chief judge of the judicial district as to the magistrate's intention to resign and the effective date of the resignation. The chief judge of the judicial district, upon receipt of the notice, shall notify the county magistrate appointing commission and the state court administrator of the vacancy in the office of magistrate due to resignation.

83 Acts, ch 186, §7403, 10201; 89 Acts, ch 114, §3, 4; 89 Acts, ch 212, §3, 4; 90 Acts, ch 1168, §59; 98 Acts, ch 1115, §14, 15; 2003 Acts, ch 151, §43, 64; 2006 Acts, ch 1060, §5

Referred to in §602.2301, 602.6302, 602.8102(89)

**602.6404 Qualifications.**

1. A magistrate shall be a resident of the county of appointment or a resident of a county contiguous to the county of appointment during the magistrate's term of office. A magistrate shall serve within the judicial district in which appointed, as directed by the chief judge, provided that the chief judge may assign a magistrate to hold court outside of the county of appointment for the orderly administration of justice. A magistrate is subject to reassignment under section 602.6108.

2. A person is not qualified for appointment as a magistrate unless the person files a certified application form, to be provided by the supreme court, with the chairperson of the county magistrate appointing commission. A person is not qualified for appointment as a magistrate if at the time of appointment the person has reached age seventy-two.

3. A magistrate shall be an attorney licensed to practice law in this state. However, a magistrate not admitted to the practice of law in this state and who is holding office on April 1, 2009, shall be eligible to be reappointed as a magistrate in the same county for a term commencing August 1, 2009, and subsequent successive terms.

83 Acts, ch 186, §7404, 10201; 87 Acts, ch 115, §76; 89 Acts, ch 114, §5; 89 Acts, ch 212, §5; 96 Acts, ch 1153, §6; 2009 Acts, ch 179, §145; 2011 Acts, ch 78, §5

**602.6405 Jurisdiction — procedure.**

1. Magistrates have jurisdiction of simple misdemeanors regardless of the amount of the fine, including traffic and ordinance violations, and preliminary hearings, search warrant proceedings, county and municipal infractions, and small claims. Magistrates have jurisdiction to determine the disposition of livestock or another animal, as provided in sections 717.5 and 717B.4, if the magistrate determines the value of the livestock or animal is less than ten thousand dollars. Magistrates have jurisdiction to exercise the powers specified in sections 556F.2 and 556F.12, and to hear complaints or preliminary informations, issue warrants, order arrests, make commitments, and take bail. Magistrates have jurisdiction over violations of section 123.49, subsection 2, paragraph "*h*". Magistrates who are admitted to the practice of law in this state have jurisdiction over all proceedings for the involuntary commitment, treatment, or hospitalization of individuals under chapters 125 and 229, except as otherwise provided under section 229.6A; nonlawyer magistrates have jurisdiction over emergency detention and hospitalization proceedings under sections 125.91 and 229.22. Magistrates have jurisdiction to conduct hearings authorized under section 809.4.

2. *a.* Magistrates shall hear and determine violations of and penalties for violations of section 453A.2, subsection 2.

*b.* Magistrates shall forward copies of citations issued for violations of section 453A.2, subsection 2, and of their dispositions to the clerk of the district court. The clerk of the district court shall maintain records of citations issued and the dispositions of citations, and shall forward a copy of the records to the Iowa department of public health.

3. The criminal procedure before magistrates is as provided in chapters 804, 806, 808, 811, 820 and 821 and rules of criminal procedure 2.1, 2.2, 2.5, 2.7, 2.8, and 2.51 to 2.75. The civil procedure before magistrates shall be as provided in chapters 631 and 648.

83 Acts, ch 186, §7405, 10201; 84 Acts, ch 1275, §7; 87 Acts, ch 99, §7; 88 Acts, ch 1092, §1; 90 Acts, ch 1251, §54; 91 Acts, ch 108, §8; 92 Acts, ch 1231, §53; 94 Acts, ch 1103, §5; 96 Acts, ch 1133, §46; 2000 Acts, ch 1105, §8; 2010 Acts, ch 1140, §23

Referred to in §602.6306

## PART 5

## MAGISTRATE APPOINTING COMMISSIONS

**602.6501 Composition of county magistrate appointing commissions.**

1. A magistrate appointing commission is established in each county. The commission shall be composed of the following members:

*a.* A district judge designated by the chief judge of the judicial district to serve until a successor is designated.

*b.* Three members appointed by the board of supervisors, or the lesser number provided in section 602.6503, subsection 1.

*c.* Two attorneys elected by the attorneys in the county, or the lesser number provided in section 602.6504, subsection 1.

2. The clerk of the district court shall maintain a permanent record of the name, address, and term of office of each commissioner.

3. A member of a magistrate appointing commission shall be reimbursed for actual and necessary expenses reasonably incurred in the performance of official duties. Reimbursements are payable by the county in which the member serves, upon certification of the expenses to the county auditor by the clerk of the district court. The district judges of each judicial district may prescribe rules for the administration of this subsection.

83 Acts, ch 186, §7501, 10201; 84 Acts, ch 1219, §36
Referred to in §331.424, 602.1303, 602.8102(88)

**602.6502 Prohibitions to appointment.**

A member of a county magistrate appointing commission shall not be appointed to the office of magistrate, and shall not be nominated for or appointed to the office of district associate judge, office of associate juvenile judge, or office of associate probate judge. A member of the commission shall not be eligible to vote for the appointment or nomination of a family member, current law partner, or current business partner. For purposes of this section, *"family member"* means a spouse, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, father, mother, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

83 Acts, ch 186, §7502, 10201; 2007 Acts, ch 86, §8

**602.6503 Commissioners appointed by a county.**

1. The board of supervisors of each county shall appoint three electors to the magistrate appointing commission for the county for six-year terms beginning January 1, 1979, and each sixth year thereafter. However, if there is only one attorney elected pursuant to section 602.6504, the county board of supervisors shall only appoint two commissioners, and if no attorney is elected, the board of supervisors shall only appoint one commissioner.

2. The board of supervisors shall not appoint an attorney or an active law enforcement officer to serve as a commissioner.

3. The county auditor shall certify to the clerk of the district court the name, address, and expiration date of term for all appointees of the board of supervisors.

83 Acts, ch 186, §7503, 10201
Referred to in §331.321, 331.502, 602.6501

**602.6504 Commissioners elected by attorneys.**

1. The resident attorneys of each county shall elect two resident attorneys of the county to the magistrate appointing commission for six-year terms beginning on January 1, 1979, and each sixth year thereafter. An election shall be held in December preceding the commencement of new terms. The attorneys in a county may elect only one commissioner if there is only one who is qualified and willing to serve and if there are no resident attorneys in a county or none is willing to serve as a commissioner, none shall be elected.

2. A county attorney shall not be elected to the commission.

3. An attorney is eligible to vote in elections of magistrate appointing commissioners within a county if eligible to vote under sections 46.7 and 46.8, and if a resident of the county.

4. In order to be placed on the ballot for county magistrate appointing commission, an eligible attorney elector shall file a nomination petition in the office of the clerk of court on or before November 30 of the year in which the election for attorney positions is to occur. This subsection does not preclude write-in votes at the time of the election.

5. When an election of magistrate appointing commissioners is to be held, the clerk of the

district court for each county shall cause to be mailed to each eligible attorney a ballot that is in substantially the following form:

BALLOT
County Magistrate Appointing Commission

To be cast by the resident members of the bar of ..... county.

Vote for (state number) for ..... county judicial magistrate appointing commissioner(s) for term commencing .....
.....
.....

To be counted, this ballot must be completed and mailed or delivered to clerk of the district court, ....., no later than December 31, ..... (year) (or the appropriate date in case of an election to fill a vacancy).

83 Acts, ch 186, §7504, 10201; 86 Acts, ch 1119, §3; 2000 Acts, ch 1058, §64
Referred to in §602.6501, 602.6503

**602.6505 Vacancy.**

A vacancy in the office of magistrate appointing commissioner shall be filled for the unexpired term in the same manner as the original appointment was made.

83 Acts, ch 186, §7505, 10201

PART 6

DISTRICT COURT ADMINISTRATION

**602.6601 Court attendants.**

1. The district court administrator of each judicial district shall employ and supervise court attendants as authorized by the chief judge.

2. A court attendant shall assist judicial officers during proceedings in court and shall perform other duties as prescribed by the supreme court or by the chief judge of the judicial district.

83 Acts, ch 186, §7601, 10201
Referred to in §602.11101, 602.11113
Certain bailiffs employed as court attendants; §602.11101, 602.11113

**602.6602 Referees and special masters.**

A person who is appointed as a referee or special master, or who otherwise is appointed by a court pursuant to law or court rule to exercise a judicial function, is subject to the supervision of the judicial officer making the appointment.

83 Acts, ch 186, §7602, 10201
Referred to in §602.1508

**602.6603 Court reporters.**

1. Each district judge shall appoint a court reporter who shall, upon the request of a party in a civil or criminal case, report the evidence and proceedings in the case, and perform all duties as provided by law.

2. Each district associate judge may appoint a court reporter, subject to the approval of the chief judge of the judicial district.

3. If a chief judge of a judicial district determines that it is necessary to employ an additional court reporter because of an extraordinary volume of work, or because of the temporary illness or incapacity of a regular court reporter, the chief judge may appoint a temporary court reporter who shall serve as required by the chief judge.

4. If a regularly appointed court reporter becomes disabled, or if a vacancy occurs in a regularly appointed court reporter position, the judge may appoint a competent uncertified shorthand reporter for a period of time of up to six months, upon verification by the chief judge that a diligent but unsuccessful search has been conducted to appoint a certified shorthand reporter to the position and, in a disability case, that the regularly appointed court reporter is disabled. An uncertified shorthand reporter shall not be reappointed to the position unless the reporter becomes a certified shorthand reporter within the period of appointment under this subsection.

5. Except as provided in subsection 4, a person shall not be appointed to the position of court reporter of the district court unless the person has been certified as a shorthand reporter by the board of examiners under article 3.

6. Each court reporter shall take an oath faithfully to perform the duties of office, which shall be filed in the office of the clerk of district court.

7. A court reporter may be removed for cause with due process by the judicial officer making the appointment.

8. If a judge dies, resigns, retires, is removed from office, becomes disabled, or fails to be retained in office and the judicial vacancy is eligible to be filled, the court reporter appointed by the judge shall serve as a court reporter, as directed by the chief judge or the chief judge's designee, until the successor judge appoints a successor court reporter. The court reporter shall receive the reporter's regular salary and benefits during the period of time until a successor court reporter is appointed or until the currently appointed court reporter is reappointed.

83 Acts, ch 186, §7603, 10201; 85 Acts, ch 197, §15, 16; 89 Acts, ch 110, §1; 2000 Acts, ch 1057, §12

Referred to in §602.3201

**602.6604 Dockets.**

1. The clerk of the district court shall furnish a magistrate, district associate judge, or district judge acting as a magistrate, with a docket in which the officer shall enter all proceedings except small claims. The docket shall be indexed and shall contain for each case the title and nature of the action, the place of hearing, appearances, and notations of the documents filed with the judicial officer, the proceedings in the case and orders made, the verdict and judgment including costs, any satisfaction of the judgment, whether the judgment was certified to the clerk of the district court, whether an appeal was taken, and the amount of any appeal bond.

2. The chief judge of a judicial district may order that criminal proceedings which are within the jurisdictions of magistrates and district associate judges be combined into centralized dockets for the county if the chief judge determines that administration could be improved by this procedure. When so ordered, a centralized docket shall be maintained in lieu of individual dockets, and the clerk of the district court shall compile a centralized docket in the manner prescribed for an individual docket. The chief judge may assign actions and proceedings on centralized dockets to judicial officers having jurisdiction as the chief judge deems necessary.

83 Acts, ch 186, §7604, 10201

Referred to in §602.8102(90)

**602.6605 Funds, reports.** Repealed by 2006 Acts, ch 1129, § 15.

**602.6606 Administrative reports.** Repealed by 2006 Acts, ch 1129, § 15.

**602.6607 Control of records — vacancies.**

Whenever a magistrate, or a district associate judge or district judge acting as a magistrate, leaves office, all funds, dockets, and records relating to the vacated office shall be delivered by the judicial officer to the clerk who issued the docket.

83 Acts, ch 186, §7607, 10201

**602.6608 Child support referee.**

1. The chief judge may appoint and may remove for cause with due process a referee to preside over child support proceedings.

2. Qualifications for a referee appointed under this section include, at a minimum, all of the following:

*a.* The referee shall be an attorney currently licensed to practice law in the state.

*b.* The referee shall have at least five years of experience in the practice of law.

*c.* The referee shall have at least two years of experience in the practice of family law, including experience in the area of child support, in the state of Iowa.

3. Duties of the referee are limited to presiding over child and medical support proceedings which are delegated to the referee by the chief judge or jointly by the chief judges of the affected judicial districts if the referee is authorized to preside over proceedings in more than one judicial district.

4. The compensation of the referee shall be established by the court.

93 Acts, ch 79, §30

PART 7

SPECIAL PROVISIONS

**602.6701 Circuit court records.**

1. The district court shall succeed to and have jurisdiction over the records of the circuit court, and may enforce all judgments, decrees, and orders of the circuit court in the same manner and to the same extent as it exercises jurisdiction over its own records, and, for the purposes of the issuance of process and any other acts necessary to the enforcement of the orders, judgments, and decrees of the circuit court, the records of the circuit court shall be deemed records of the district court.

2. Transcripts and process from the judgments, decrees, and records of the circuit court shall be issued by the clerk of the district court, and under the seal of the clerk's office.

83 Acts, ch 186, §7701, 10201

**602.6702 Counties bordering on Missouri river.**

The jurisdiction of the courts of the state in all civil and criminal actions and proceedings, shall extend in counties bordering on the Missouri river to the boundary of the state as provided in the compact with the state of Nebraska, and to all lands and territory lying along the river which have been adjudged by the United States supreme court or the supreme court of this state to be within the state of Iowa, and to the other lands and territory along the river over which the courts of this state have exercised jurisdiction.

83 Acts, ch 186, §7702, 10201

**602.6703 Declaratory judgment to adjudicate constitutional nexus issues regarding taxation.**

1. District courts have original jurisdiction over civil actions seeking declaratory judgment when both of the following apply:

*a.* The party seeking declaratory relief is a business that is any of the following:

(1) Organized under the laws of this state.

(2) A sole proprietorship owned by a domiciliary of this state.

(3) Authorized to do business in this state.

*b.* The responding party is a government official of another state, or political subdivision of another state, who asserts that the business in question is obliged to collect sales or use taxes for such state or political subdivision based upon conduct of the business that occurs wholly or partially within that state or political subdivision.

2. A business meeting the requirements and facing the circumstances described in subsection 1 shall be entitled to declaratory relief on the issue of whether the requirement of another state, or political subdivision of another state, that the business collect and remit

sales or use taxes to that state, or political subdivision, in the factual circumstances of the business' operations giving rise to the demand, constitutes an undue burden on interstate commerce within the meaning of the Constitution of the United States.

2005 Acts, ch 140, §68

## ARTICLE 7

## JUVENILE COURT

Referred to in §602.8102(42)

## PART 1

## THE COURT

**602.7101 Juvenile court.**

1. A juvenile court is established in each county. The juvenile court is within the district court and has the jurisdiction provided in chapter 232.

2. The jurisdiction of the juvenile court may be exercised by any district judge, and by any district associate judge who is designated by the chief judge as a judge of the juvenile court.

3. The chief judge shall designate one or more of the district judges and district associate judges to act as judges of the juvenile court for a county. The chief judge may designate a juvenile court judge to preside in more than one county.

4. The designation of a judicial officer as a juvenile court judge does not deprive the officer of other judicial functions. Any district judge may act as a juvenile court judge during the absence or inability to act, or upon the request, of the designated juvenile court judge.

5. The juvenile court is always open for the transaction of business, but the hearing of a matter that requires notice shall be had at a time and place fixed by the juvenile court judge.

83 Acts, ch 186, §8101, 10201

Referred to in §232.2, 600A.2, 602.6306

**602.7102 Court records.**

1. The juvenile court is a court of record, and its proceedings, orders, findings, and decisions shall be entered in books that are kept for that purpose and that are identified as juvenile court records.

2. The clerk of the district court is the clerk of the juvenile court for the county.

3. The clerk shall, if practicable, notify a convenient juvenile court officer in advance when a child is to be brought before the court.

83 Acts, ch 186, §8102, 10201

**602.7103 Associate juvenile judge — jurisdiction — appeals.**

1. An associate juvenile judge shall have the same jurisdiction to conduct juvenile court proceedings, to issue warrants, nontestimonial identification orders, and contempt arrest warrants for adults in juvenile court proceedings, and to issue orders, findings, and decisions as the judge of the juvenile court. However, the chief judge may limit the exercise of juvenile court jurisdiction by the associate juvenile judge.

2. The parties to a proceeding heard by an associate juvenile judge are entitled to appeal the order, finding, or decision of an associate juvenile judge, in the manner of an appeal from orders, findings, or decisions of district court judges. An appeal does not automatically stay the order, finding, or decision of an associate juvenile judge.

83 Acts, ch 186, §8103, 10201; 88 Acts, ch 1095, §1; 89 Acts, ch 296, §84; 92 Acts, ch 1124, §4; 94 Acts, ch 1172, §39; 96 Acts, ch 1134, §5; 99 Acts, ch 93, §7; 99 Acts, ch 208, §60

**602.7103A Part-time associate juvenile judge — appointment — removal — qualifications.**

The chief judge may appoint and may remove for cause with due process a part-time associate juvenile judge. The part-time associate juvenile judge shall be an attorney admitted to practice law in this state, and shall be qualified for duties by training and experience.

99 Acts, ch 93, §8

**602.7103B Appointment and resignation of full-time associate juvenile judges.**

1. Full-time associate juvenile judges shall be appointed by the district judges of the judicial election district from persons nominated by the county magistrate appointing commission. In the case of a full-time associate juvenile judge to be appointed to more than one county, the appointment shall be from persons nominated by the county magistrate appointing commissions acting jointly and in the case of a full-time associate juvenile judge to be appointed to more than one judicial election district of the same judicial district, the appointment shall be by a majority of the district judges in each judicial election district.

2. In November of any year in which an impending vacancy is created because a full-time associate juvenile judge is not retained in office pursuant to a judicial election, the county magistrate appointing commission shall publicize notice of the vacancy in at least two publications in the official county newspaper. The commission shall accept applications for consideration for nomination as full-time associate juvenile judge for a minimum of fifteen days prior to certifying nominations. The commission shall consider the applications and shall, by majority vote, certify to the chief judge of the judicial district not later than December 15 of that year the names of three applicants who are nominated by the commission for the vacancy. If there are three or fewer applicants, the commission shall certify all applicants who meet the statutory qualifications. Nominees shall be chosen solely on the basis of the qualifications of the applicants, and political affiliation shall not be considered.

3. Within thirty days after a county magistrate appointing commission receives notification of an actual or impending vacancy in the office of full-time associate juvenile judge, other than a vacancy referred to in subsection 2, the commission shall certify to the chief judge of the judicial district the names of three applicants who are nominated by the commission for the vacancy. The commission shall publicize notice of the vacancy in at least two publications in the official county newspaper. The commission shall accept applications for consideration for nomination as full-time associate juvenile judge for a minimum of fifteen days prior to certifying nominations. The commission shall consider the applications and shall, by majority vote, certify to the chief judge of the judicial district the names of three applicants who are nominated by the commission for the vacancy. If there are three or fewer applicants, the commission shall certify all applicants who meet the statutory qualifications. Nominees shall be chosen solely on the basis of the qualifications of the applicants, and political affiliation shall not be considered. As used in this subsection, a vacancy is created by the death, retirement, resignation, or removal of a full-time associate juvenile judge, or by an increase in the number of positions authorized.

4. Within fifteen days after the chief judge of a judicial district has received the list of nominees to fill a vacancy in the office of full-time associate juvenile judge, the district judges in the judicial election district shall, by majority vote, appoint one of those nominees to fill the vacancy.

5. A full-time associate juvenile judge who seeks to resign from the office of full-time associate juvenile judge shall notify in writing the chief judge of the judicial district as to the full-time associate juvenile judge's intention to resign and the effective date of the resignation. The chief judge of the judicial district, upon receipt of the notice, shall notify the county magistrate appointing commission and the state court administrator of the actual or impending vacancy in the office of full-time associate juvenile judge due to resignation.

6. The supreme court may prescribe rules of procedure to be used by county magistrate appointing commissions when exercising the duties specified in this section.

99 Acts, ch 93, §9, 15; 99 Acts, ch 208, §61; 2003 Acts, ch 151, §44, 64

Referred to in §602.2301, 602.6113, 602.6307

**602.7103C Full-time associate juvenile judges — term, retention, qualifications.**

1. Full-time associate juvenile judges shall serve terms and shall stand for retention in office within the judicial election districts of their residences as provided under sections 46.16 through 46.24.

2. A person does not qualify for appointment to the office of full-time associate juvenile judge unless the person is at the time of appointment a resident of the county in which the vacancy exists, licensed to practice law in Iowa, and will be able, measured by the person's age at the time of appointment, to complete the initial term of office prior to reaching age seventy-two. An applicant for full-time associate juvenile judge shall file a certified application form, to be provided by the supreme court, with the chairperson of the county magistrate appointing commission.

3. A full-time associate juvenile judge must be a resident of a county in which the office is held during the entire term of office. A full-time associate juvenile judge shall serve within the judicial district in which appointed, as directed by the chief judge, and is subject to reassignment under section 602.6108.

4. Full-time associate juvenile judges shall qualify for office as provided in chapter 63 for district judges.

99 Acts, ch 93, §10, 15

**602.7104 Physicians and nurses.**

1. In a county having a population of one hundred twenty-five thousand or more, the judges of the juvenile court may appoint a physician and a nurse, prescribe their duties, and remove them.

2. Appointees shall receive salaries and shall be reimbursed for expenses incurred in the performance of duties, as prescribed by the supreme court.

83 Acts, ch 186, §8104, 10201

## PART 2

## PROBATION AND COURT SERVICES

**602.7201 Administration and supervision.**

1. Probation and other juvenile court services within a judicial district shall be administered and supervised by the chief juvenile court officer.

2. The juvenile court officers and other personnel employed in juvenile court service offices are subject to the supervision of the chief juvenile court officer.

3. The chief juvenile court officer may employ, shall supervise, and may remove for cause with due process secretarial, clerical, and other staff within juvenile court service offices as authorized by the chief judge.

83 Acts, ch 186, §8201, 10201

**602.7202 Juvenile court officers.**

1. Subject to the approval of the chief judge of the judicial district, the chief juvenile court officer shall appoint juvenile court officers to serve the juvenile court. Juvenile court officers may be required to serve in two or more counties within the judicial district.

2. Juvenile court officers shall be selected, appointed, and removed in accordance with rules, standards, and qualifications prescribed by the supreme court.

3. Juvenile court officers have the duties prescribed in chapter 232, subject to the direction of the judges of the juvenile court. A judge of the juvenile court shall not attempt to direct or influence a juvenile court officer in the performance of the officer's duties.

4. A juvenile court officer has the powers of a peace officer while engaged in the discharge of duties.

83 Acts, ch 186, §8202, 10201

Referred to in §232.2, 801.4

**602.7203 Juvenile victim restitution.**

The judicial branch shall administer the juvenile victim restitution program created in chapter 232A.

90 Acts, ch 1247, §19; 98 Acts, ch 1047, §59

## ARTICLE 8

## CLERK OF DISTRICT COURT

Referred to in §602.1215, 602.1304, 602.1305

**602.8101 Office of the clerk of the district court.**

1. The office of clerk of the district court is an appointive office, as provided in section 602.1215.

2. A person appointed to the office of clerk shall qualify by taking the oath of office as provided in section 63.10 and giving bond as provided in chapter 64.

3. The clerk may employ staff when authorized under section 602.1402 and when authorized by the chief judge of the judicial district. The clerk is responsible for the acts of these employees. The clerk shall designate one or more employees who shall give bond as provided in chapter 64.

83 Acts, ch 186, §9101, 10201; 2004 Acts, ch 1120, §3

**602.8102 General duties.**

The clerk shall:

1. Keep the office of the clerk at the county seat.

2. Attend sessions of the district court.

3. Keep the records, papers, and seal, and record the proceedings of the district court as provided by law under the direction of the chief judge of the judicial district.

4. Upon the death of a judge or magistrate of the district court, give written notice to the department of management and the department of administrative services of the date of death. The clerk shall also give written notice of the death of a justice of the supreme court, a judge of the court of appeals, or a judge or magistrate of the district court who resides in the clerk's county to the state commissioner of elections, as provided in section 46.12.

5. When money in the amount of five hundred dollars or more is paid to the clerk to be paid to another person and the money is not disbursed within thirty days, notify the person who is entitled to the money or for whose account the money is paid or the attorney of record of the person. The notice shall be given by certified mail within forty days of the receipt of the money to the last known address of the person or the person's attorney and a memorandum of the notice shall be made in the proper record. If the notice is not given, the clerk and the clerk's sureties are liable for interest at the rate specified in section 535.2, subsection 1, on the money from the date of receipt to the date that the money is paid to the person entitled to it or the person's attorney.

6. On each process issued, indicate the date that it is issued, the clerk's name who issued it, and the seal of the court.

7. Upon return of an original notice to the clerk's office, enter in the appearance or combination docket information to show which parties have been served the notice and the manner and time of service.

8. When entering a lien or indexing an action affecting real estate in the clerk's office, enter the year, month, day, hour, and minute when the entry is made. The clerk shall mail a copy of a mechanic's lien to the owner of the building, land, or improvement which is charged with the lien as provided in section 572.8.

9. Enter in the appearance docket a memorandum of the date of filing of all petitions, demurrers, answers, motions, or papers of any other description in the cause. A pleading of any description is considered filed when the clerk entered the date the pleading was received on the pleading and the pleading shall not be taken from the clerk's office until the memorandum is made. The memorandum shall be made within two business days of a new

petition or order being filed, and as soon as practicable for all other pleadings. Thereafter, when a demurrer or motion is sustained or overruled, a pleading is made or amended, or the trial of the cause, rendition of the verdict, entry of judgment, issuance of execution, or any other act is done in the progress of the cause, a similar memorandum shall be made of the action, including the date of action and the number of the book and page of the record where the entry is made. The appearance docket is an index of each suit from its commencement to its conclusion.

10. When title to real estate is finally established in a person by a judgment or decree of the district court or by decision of an appellate court or when the title to real estate is changed by judgment, decree, will, proceeding, or order in probate, certify the final decree, judgment, or decision under seal of the court to the auditor of the county in which the real estate is located.

11. Refund amounts less than three dollars only upon written application.

12. At the order of a justice of the supreme court, docket without fee any civil or criminal case transferred from a military district under martial law as provided in section 29A.45.

13. Reserved.

14. Maintain a bar admission list as provided in section 46.8.

15. Monthly, notify the county commissioner of registration and the state registrar of voters of persons seventeen and one-half years of age and older who have been convicted of a felony during the preceding calendar month or persons who at any time during the preceding calendar month have been legally declared to be a person who is incompetent to vote as that term is defined in section 48A.2.

16. Reserved.

17. Reserved.

18. Reserved.

19. Keep a book of the record of official bonds and record the official bonds of magistrates as provided in section 64.24.

20. Carry out duties relating to proceedings for the removal of a public officer as provided in sections 66.4 and 66.17.

21. Reserved.

22. Reserved.

23. Carry out duties relating to enforcing orders of the employment appeal board as provided in section 88.9, subsection 2.

24. Certify the imposition of a mulct tax against property creating a public nuisance to the auditor as provided in section 99.28.

25. Carry out duties relating to the judicial review of orders of the elevator safety board as provided in section 89A.10, subsection 2.

26. With sufficient surety, approve an appeal bond for judicial review of an order or action of the department of natural resources relating to dams and spillways as provided in section 464A.8.

27. Docket an appeal from the fence viewer's decision or order as provided in section 359A.23.

28. Certify to the recorder the fact that a judgment has been rendered upon an appeal of a fence viewer's order as provided in section 359A.24.

29. Reserved.

30. Approve bond sureties and enter in the lien index the undertakings of bonds for abatement relating to the illegal manufacture, sale, or consumption of alcoholic liquors as provided in sections 123.76, 123.79, and 123.80.

31. Destroy all records and files of a court proceeding maintained under section 135L.3 in accordance with section 135L.3, subsection 3, paragraph "*o*".

32. Reserved.

33. Furnish to the Iowa department of public health a certified copy of a judgment relating to the suspension or revocation of a professional license.

34. Reserved.

35. Send notice of the conviction, judgment, and sentence of a person violating the uniform controlled substances laws to the state board or officer who issued a license or

registered the person to practice a profession or to conduct business as provided in section 124.412.

36. Carry out duties relating to the commitment of a person with an intellectual disability as provided in sections 222.37 through 222.40.

37. Keep a separate docket of proceedings of cases relating to persons with an intellectual disability as provided in section 222.57.

38. Reserved.

39. Refer persons applying for voluntary admission to a community mental health center for a preliminary diagnostic evaluation as provided in section 225C.16, subsection 2.

40. Reserved.

41. Carry out duties relating to the involuntary commitment of persons with mental impairments as provided in chapter 229.

42. Serve as clerk of the juvenile court and carry out duties as provided in chapter 232 and article 7 of this chapter.

43. Submit to the director of the division of child and family services of the department of human services a duplicate of the findings of the court related to adoptions as provided in section 235.3, subsection 7.

44. Reserved.

45. Reserved.

46. Carry out duties relating to reprieves, pardons, commutations, remission of fines and forfeitures, and restoration of citizenship as provided in sections 914.5 and 914.6.

47. Record support payments made pursuant to an order entered under chapter 252A, 252F, 598, or 600B, or under a comparable statute of a foreign jurisdiction and through setoff of a state or federal income tax refund or rebate, as if the payments were received and disbursed by the clerk; forward support payments received under section 252A.6 to the department of human services and furnish copies of orders and decrees awarding support to parties receiving welfare assistance as provided in section 252A.13.

47A. Accept a check, share draft, draft, or written order on a bank, savings and loan association, credit union, corporation, or person as payment of a support obligation which is payable to the clerk, in accordance with procedures established by the clerk to assure that such negotiable instruments will not be dishonored. The friend of court may perform the clerk's responsibilities under this subsection.

47B. Perform the duties relating to establishment and operation of a state case registry pursuant to section 252B.24.

47C. Perform duties relating to implementation and operation of requirements for the collection services center pursuant to section 252B.13A, subsection 2.

48. Reserved.

49. Enter a judgment based on the transcript of an appeal to the state board of education against the party liable for payment of costs as provided in section 290.4.

50. Certify the final order of the district court upon appeal of an assessment within a secondary road assessment district to the auditor as provided in section 311.24.

50A. Assist the state department of transportation in suspending, pursuant to section 321.210A, the driver's licenses of persons who fail to timely pay criminal fines or penalties, surcharges, or court costs related to the violation of a law regulating the operation of a motor vehicle.

51. Forward to the state department of transportation a copy of the record of each conviction or forfeiture of bail of a person charged with the violation of the laws regulating the operation of vehicles on public roads as provided in sections 321J.2 and 321.491.

52. Reserved.

53. If a person fails to satisfy a judgment relating to motor vehicle financial responsibility within sixty days, forward to the director of the state department of transportation a certified copy of the judgment as provided in section 321A.12.

54. Approve a bond of a surety company or a bond with at least two individual sureties owning real estate in this state as proof of financial responsibility as provided in section 321A.24.

55. Carry out duties under the Iowa motor vehicle dealers licensing Act as provided in sections 322.10 and 322.24.

56. Carry out duties relating to the enforcement of motor fuel tax laws as provided in sections 452A.66 and 452A.67.

57. Reserved.

58. Upon order of the director of revenue, issue a commission for the taking of depositions as provided in section 421.17, subsection 8.

58A. Assist the department of administrative services in setting off against debtors' income tax refunds or rebates under section 8A.504, debts which are due, owing, and payable to the clerk of the district court as criminal fines, civil penalties, surcharges, or court costs.

59. Reserved.

60. With acceptable sureties, approve the bond of a petitioner for a tax appeal as provided in section 422.29, subsection 2.

61. Certify the final decision of the district court in an appeal of the tax assessments as provided in section 441.39. Costs of the appeal to be assessed against the board of review or a taxing body shall be certified to the treasurer as provided in section 441.40.

62. Certify a final order of the district court relating to the apportionment of tax receipts to the auditor as provided in section 449.7.

63. Carry out duties relating to the inheritance tax as provided in chapter 450.

64. Deposit funds held by the clerk in an approved depository as provided in section 12C.1.

65. Carry out duties relating to appeals and certification of costs relating to levee and drainage districts as provided in sections 468.86 through 468.95.

66. Carry out duties relating to the condemnation of land as provided in chapter 6B.

67. Forward civil penalties collected for violations relating to the siting of electric power generators to the treasurer of state as provided in section 476A.14, subsection 1.

68. Certify a copy of a decree of dissolution of a business corporation to the secretary of state as provided in section 490.1433.

69. With acceptable sureties, approve the bond of a petitioner filing an appeal for review of an order of the commissioner of insurance as provided in section 507A.7.

70. Certify a copy of a decree of dissolution of a nonprofit corporation to the secretary of state and the recorder in the county in which the corporation is located as provided in section 504.1434.

71. Carry out duties relating to the enforcement of decrees and orders of reciprocal states under the Iowa unauthorized insurers Act as provided in section 507A.11.

72. Reserved.

73. Certify copies of a decree dissolving a credit union as provided in section 533.503, subsection 4.

74. Refuse to accept the filing of papers to institute legal action under the Iowa consumer credit code, chapter 537, if proper venue is not adhered to as provided in section 537.5113.

75. Receive payment of money due to a person who is absent from the state if the address or location of the person is unknown as provided in section 538.5.

76. Carry out duties relating to the appointment of the department of agriculture and land stewardship as receiver for agricultural commodities on behalf of a warehouse operator whose license is suspended or revoked as provided in section 203C.3.

77. Reserved.

78. Certify an acknowledgment of a written instrument relating to real estate as provided in section 9B.10 or 558.20.

79. Reserved.

80. With acceptable sureties, endorse a bond sufficient to settle a dispute between adjoining owners of a common wall as provided in section 563.11.

81. Carry out duties relating to cemeteries as provided in section 523I.602.

82. Carry out duties relating to liens as provided in chapters 249A, 574, 580, 582, and 584.

83. Reserved.

84. Carry out duties relating to the dissolution of a marriage as provided in chapter 598.

85. Carry out duties relating to the custody of children as provided in chapter 598B.

86. Carry out duties relating to adoptions as provided in chapter 600.
87. Enter upon the clerk's records actions taken by the court at a location which is not the county seat as provided in section 602.6106.
88. Maintain a record of the name, address, and term of office of each member of the county magistrate appointing commission as provided in section 602.6501.
89. Certify to the state court administrator the names and addresses of the magistrates appointed by the county magistrate appointing commission as provided in section 602.6403.
90. Furnish an individual or centralized docket for the magistrates of the county as provided in section 602.6604.
91. Serve as an ex officio jury commissioner and notify appointive commissioners of their appointment as provided in sections 607A.9 and 607A.13.
92. Carry out duties relating to the selection of jurors as provided in chapter 607A.
93. Carry out duties relating to the revocation or suspension of an attorney's authority to practice law as provided in article 10 of this chapter.
94. File and index petitions and municipal infraction citations affecting real estate as provided in sections 617.10 through 617.15.
95. Designate the newspapers in which the notices pertaining to the clerk's office shall be published as provided in section 618.7.
96. With acceptable surety, approve a bond of the plaintiff in an action for the payment of costs which may be adjudged against the plaintiff as provided in section 621.1.
97. Issue subpoenas for witnesses as provided in section 622.63.
98. Carry out duties relating to trials and judgments as provided in sections 624.8 through 624.20 and 624.37.
99. Collect jury fees and court reporter fees as required by chapter 625.
100. Reserved.
101. Carry out duties relating to executions as provided in chapter 626.
102. Carry out duties relating to the redemption of property as provided in sections 628.13, 628.18, and 628.20.
103. Record statements of expenditures made by the holder of a sheriff's sale certificate in the encumbrance book and lien index as provided in section 629.3.
104. Carry out duties relating to small claim actions as provided in chapter 631.
105. Carry out duties of the clerk of the probate court as provided in chapter 633.
105A. Provide written notice to all duly appointed guardians and conservators of their liability as provided in sections 633.633A and 633.633B.
105B. Facilitate the collection of court debt pursuant to section 602.8107.
106. Carry out duties relating to the administration of small estates as provided in chapter 635.
107. Carry out duties relating to the attachment of property as provided in chapter 639.
108. Carry out duties relating to garnishment as provided in chapter 642.
109. With acceptable surety, approve bonds of the plaintiff desiring immediate delivery of the property in an action of replevin as provided in sections 643.7 and 643.12.
110. Carry out duties relating to the disposition of lost property as provided in chapter 556F.
111. Carry out duties relating to the recovery of real property as provided in section 646.23.
112. Endorse the court's approval of a restored record as provided in section 647.3.
113. Reserved.
114. Carry out duties relating to the issuance of a writ of habeas corpus as provided in sections 663.9, 663.43, and 663.44.
115. Accept and docket an application for postconviction review of a conviction as provided in section 822.3.
116. Report all fines, forfeited recognizances, penalties, and forfeitures as provided in section 602.8106, subsection 4, and section 666.6.
117. Issue a warrant for the seizure of a boat or raft as provided in section 667.2.
118. Carry out duties relating to the changing of a person's name as provided in chapter 674.

119. Notify the state registrar of vital statistics of a judgment determining the paternity of a child as provided in section 600B.36.

120. Enter a judgment made by confession and issue an execution of the judgment as provided in section 676.4.

121. With acceptable surety, approve the bond of a receiver as provided in section 680.3.

122. Carry out duties relating to the assignment of property for the benefit of creditors as provided in chapter 681.

123. Carry out duties relating to the certification of surety companies and the investment of trust funds as provided in chapter 636.

124. Maintain a separate docket for petitions requesting that the record and evidence in a judicial review proceeding be closed as provided in section 692.5.

125. Furnish a disposition of each criminal complaint or information or juvenile delinquency petition, alleging a delinquent act which would be a serious or aggravated misdemeanor or felony if committed by an adult, filed in the district or juvenile court to the department of public safety as provided in section 692.15.

125A. Forward information that a person has been disqualified from possessing, shipping, transporting, or receiving a firearm pursuant to section 724.31 to the department of public safety.

126. Carry out duties relating to the issuance of warrants to persons who fail to appear to answer citations as provided in section 805.5.

126A. Upon the failure of a person charged to appear in person or by counsel to defend against the offense charged pursuant to a uniform citation and complaint as provided in section 805.6, enter a conviction and render a judgment in the amount of the appearance bond in satisfaction of the penalty plus court costs.

127. Provide for a traffic and scheduled violations office for the district court and service the locked collection boxes at weigh stations as provided in section 805.7.

128. Issue a summons to corporations to answer an indictment as provided in section 807.5.

129. Carry out duties relating to the disposition of seized property as provided in chapter 809.

130. Docket undertakings of bail as liens on real estate and enter them upon the lien index as provided in section 811.4.

131. Hold the amount of forfeiture and judgment of bail in the clerk's office for ninety days as provided in section 811.6.

132. Carry out duties relating to appeals from the district court as provided in chapter 814.

133. Reserved.

134. Notify the director of the Iowa department of corrections of the commitment of a convicted person as provided in section 901.7.

135. Carry out duties relating to deferred judgments, probations, and restitution as provided in sections 907.4 and 907.8, and chapter 910.

135A. Assess the surcharges provided by sections 911.1, 911.2, 911.3, and 911.4.

135B. Reserved.

136. Carry out duties relating to the impaneling and proceedings of the grand jury as provided in rule of criminal procedure 2.3, Iowa court rules.

137. Issue subpoenas upon application of the prosecuting attorney and approval of the court as provided in rule of criminal procedure 2.5, Iowa court rules.

138. Issue summons or warrants to defendants as provided in rule of criminal procedure 2.7, Iowa court rules.

139. Carry out duties relating to the change of venue as provided in rule of criminal procedure 2.11, Iowa court rules.

140. Issue blank subpoenas for witnesses at the request of the defendant as provided in rule of criminal procedure 2.15, Iowa court rules.

141. Carry out duties relating to the entry of judgment as provided in rule of criminal procedure 2.23, Iowa court rules.

142. Carry out duties relating to the execution of a judgment as provided in rule of criminal procedure 2.26, Iowa court rules.

143. Carry out duties relating to the trial of simple misdemeanors as provided in rules of criminal procedure 2.51 through 2.75, Iowa court rules.

144. Serve notice of an order of judgment entered as provided in rule of civil procedure 1.442, Iowa court rules.

145. If a party is ordered or permitted to plead further by the court, serve notice to attorneys of record as provided in rule of civil procedure 1.444, Iowa court rules.

146. Maintain a motion calendar as provided in rule of civil procedure 1.431, Iowa court rules.

147. Provide notice of a judgment, order, or decree as provided in rule of civil procedure 1.453, Iowa court rules.

148. Issue subpoenas as provided in rules of civil procedure 1.715 and 1.1701, Iowa court rules.

149. Tax the costs of taking a deposition as provided in rule of civil procedure 1.716, Iowa court rules.

150. With acceptable sureties, approve a bond filed for change of venue under rule of civil procedure 1.801, Iowa court rules.

151. Transfer the papers relating to a case transferred to another court as provided in rule of civil procedure 1.807, Iowa court rules.

152. Reserved.

153. Reserved.

154. Carry out duties relating to the impaneling of jurors as provided in rules of civil procedure 1.915 through 1.918, Iowa court rules.

155. Furnish a referee, auditor, or examiner with a copy of the order of appointment as provided in rule of civil procedure 1.935, Iowa court rules.

156. Mail notice of the filing of the referee's, auditor's, or examiner's report to the attorneys of record as provided in rule of civil procedure 1.942, Iowa court rules.

157. Carry out duties relating to the entry of judgments as provided in rules of civil procedure 1.955, 1.958, 1.960, 1.961, and 1.962, Iowa court rules.

158. Carry out duties relating to defaults and judgments on defaults as provided in rules of civil procedure 1.972, 1.973, and 1.974, Iowa court rules.

159. Notify the attorney of record if exhibits used in a case are to be destroyed as provided in rule of civil procedure 1.1014, Iowa court rules.

160. Docket the request for a hearing on a sale of property as provided in rule of civil procedure 1.1221, Iowa court rules.

161. With acceptable surety, approve the bond of a citizen commencing an action of quo warranto as provided in rule of civil procedure 1.1302, Iowa court rules.

162. Carry out duties relating to the issuance of a writ of certiorari as provided in rules of civil procedure 1.1401 through 1.1412, Iowa court rules.

163. Carry out duties relating to the issuance of an injunction as provided in rules of civil procedure 1.1501 through 1.1511, Iowa court rules.

164. Carry out other duties as provided by law.

83 Acts, ch 96, §159, 160; 83 Acts, ch 186, §9102, 10201; 85 Acts, ch 21, §45, 46; 85 Acts, ch 82, §2; 85 Acts, ch 178, §10, 11; 85 Acts, ch 195, §53; 85 Acts, ch 197, §17 – 19; 85 Acts, ch 201, §3; 86 Acts, ch 1108, §7; 86 Acts, ch 1112, §12; 86 Acts, ch 1140, §2; 86 Acts, ch 1220, §40; 87 Acts, ch 41, §1; 87 Acts, ch 115, §77, 78; 87 Acts, ch 157, §3; 88 Acts, ch 1134, §102 – 104; 88 Acts, ch 1158, §97; 89 Acts, ch 50, §13; 89 Acts, ch 83, §80; 89 Acts, ch 178, §6; 90 Acts, ch 1035, §2; 90 Acts, ch 1081, §3; 90 Acts, ch 1205, §61; 90 Acts, ch 1236, §52; 91 Acts, ch 86, §2; 91 Acts, ch 116, §8; 91 Acts, ch 267, §415; 92 Acts, ch 1163, §111 – 114; 93 Acts, ch 70, §8, 9; 93 Acts, ch 79, §52; 93 Acts, ch 110, §7; 93 Acts, ch 180, §51; 94 Acts, ch 1046, §25; 94 Acts, ch 1124, §1; 94 Acts, ch 1169, §62; 94 Acts, ch 1173, §39; 95 Acts, ch 67, §46; 95 Acts, ch 91, §3; 95 Acts, ch 124, §22, 26; 95 Acts, ch 143, §10; 95 Acts, ch 191, §26; 96 Acts, ch 1129, §103, 113; 97 Acts, ch 23, §75; 97 Acts, ch 126, §45; 97 Acts, ch 173, §16; 98 Acts, ch 1071, §1; 98 Acts, ch 1073, §10; 98 Acts, ch 1115, §16; 98 Acts, ch 1170, §14, 18; 98 Acts, ch 1185, §9; 99 Acts, ch 96, §49; 99 Acts, ch 103, §46; 99 Acts, ch 151, §84, 89; 2000 Acts, ch 1145, §23; 2001 Acts, ch 168, §1; 2002 Acts, ch 1119, §107; 2002 Acts, ch 1134, §112, 115; 2003 Acts, ch 44, §114; 2003 Acts, ch 82, §20; 2003 Acts, ch 145, §272, 286; 2003 Acts, ch 151, §45, 46; 2004 Acts, ch 1049,

§189, 191, 192; 2004 Acts, ch 1052, §4; 2004 Acts, ch 1107, §28, 30; 2004 Acts, ch 1119, §2, 3; 2004 Acts, ch 1120, §4; 2005 Acts, ch 3, §102, 115, 118; 2005 Acts, ch 19, §117; 2005 Acts, ch 107, §7, 14; 2005 Acts, ch 128, §70; 2005 Acts, ch 167, §58, 66; 2006 Acts, ch 1129, §8, 9; 2006 Acts, ch 1132, §1, 16; 2006 Acts, ch 1185, §124; 2007 Acts, ch 134, §6, 28; 2007 Acts, ch 174, §97; 2008 Acts, ch 1088, §136; 2008 Acts, ch 1172, §24; 2010 Acts, ch 1050, §5; 2010 Acts, ch 1178, §3, 19; 2012 Acts, ch 1017, §26, 28; 2012 Acts, ch 1019, §137; 2012 Acts, ch 1050, §54, 60; 2012 Acts, ch 1105, §26 – 28; 2012 Acts, ch 1138, §13; 2013 Acts, ch 54, §1

Referred to in §598.22

2007 amendment to subsection 106 applies to estates of decedents dying on or after July 1, 2007; 2007 Acts, ch 134, §28

2010 amendment adding new subsection 125A takes effect January 1, 2011; 2010 Acts, ch 1178, §19

2012 amendment to subsection 82 takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; notice provisions contained in 2012 Acts, ch 1105, relating to residential construction apply only to material furnished or labor performed after January 1, 2013; 2012 Acts, ch 1105, §27, 28; 2012 Acts, ch 1138, §13

For future strike of subsections 36 and 37 effective July 1, 2014, see 2013 Acts, ch 130, §33, 35

Subsection 131 amended

**602.8102A Notices returned for unknown address — resending.**

Notwithstanding any other provision of the Code to the contrary, and subject to rules prescribed by the supreme court, if the clerk of the district court sends a mailing or notice to a person or party and the mailing or notice is returned by the postal service to the clerk of the district court as undeliverable, the clerk is not required to send a repeat or subsequent mailing or notice unless the clerk receives an updated mailing address.

2005 Acts, ch 171, §4

**602.8103 General powers.**

The clerk may:

1. Administer oaths and take affirmations as provided in section 63A.1.

2. Reproduce original records of the court by any reasonably permanent legible means including, but not limited to, reproduction by photographing, photostating, microfilming, computer cards, and electronic digital format. The reproduction shall include proper indexing. The reproduced record has the same authenticity as the original record. The supreme court shall adopt rules to provide for continued evaluation of the accessibility of records stored or reproduced in electronic digital format.

3. After the original record is reproduced and after approval of a majority of the judges of the district court by court order, destroy the original records including, but not limited to, dockets, journals, scrapbooks, files, and marriage license applications. The order shall state the specific records which are to be destroyed. An original court file shall not be destroyed until after the contents have been reproduced. As used in this subsection and subsection 4, "*destroy*" includes the transmission of the original records which are of general historical interest to any recognized historical society or association.

4. Destroy the following original records without prior court order or reproduction except as otherwise provided in this subsection:

*a.* Records including, but not limited to, journals, scrapbooks, and files, forty years after final disposition of the case. However, judgments, decrees, stipulations, records in criminal proceedings, probate records, and orders of court shall not be destroyed unless they have been reproduced as provided in subsection 2.

*b.* Administrative records, after five years, including, but not limited to, warrants, subpoenas, clerks' certificates, statements, praecipes, and depositions.

*c.* Records, dockets, and court files of civil and criminal actions heard in the municipal court which were transferred to the clerk, other than juvenile and adoption proceedings, or heard in justice of the peace proceedings, after a period of twenty years from the date of filing of the actions.

*d.* Original court files on dissolutions of marriage, one year after dismissal by the parties or under rule of civil procedure 1.943, Iowa court rules.

*e.* Small claims files, one year after dismissal with or without prejudice.

*f.* Uniform traffic citations in the magistrate court or traffic and scheduled violations office, one year after final disposition.

*g.* Court reporters' notes and certified transcripts of those notes in civil cases, ten years

after final disposition of the case. For purposes of this section, "*final disposition*" means one year after dismissal of the case, after judgment or decree without appeal, or after procedendo or dismissal of appeal is filed in cases where appeal is taken.

*h.* Court reporters' notes and certified transcripts of those notes in criminal cases, ten years after dismissal of all charges, or ten years after the expiration of all sentences imposed or the date probation is granted, whichever later occurs. For purposes of this subsection "*sentences imposed*" include all sentencing options pursuant to section 901.5.

*i.* Court files, as provided by rules prescribed by the supreme court, ten years after final disposition in civil cases, or ten years after expiration of all sentences in criminal cases. For purposes of this paragraph, "*purging*" means the removal and destruction of documents in the court file which have no legal, administrative, or historical value. Purging shall be done without reproduction of the removed documents. For purposes of this paragraph, "*civil cases*" does not include juvenile, mental health, probate, or adoption proceedings.

*j.* Court reporters' notes and certified transcripts of those notes in mental health hearings under section 229.12 and substance abuse hearings under section 125.82, ninety days after the respondent has been discharged from involuntary custody.

*k.* Complaints, trial informations, and uniform citations and complaints relating to parking violations under sections 321.236, 321.239, 321.358, 321.360, and 321.361, one year after final disposition.

5. Invest money which is paid to the clerk to be paid to any other person in any of the following:

*a.* A savings account of a supervised financial organization as defined in section 537.1301, subsection 44, except a credit union operating pursuant to chapter 533. The provisions of chapter 12C relating to the deposit and investment of public funds apply to the deposit and investment of the money except that a supervised financial organization other than a credit union may be designated as a depository and the money shall be available upon demand. The interest earnings shall be paid into the general fund of the state, except as otherwise provided by law.

*b.* An open-end management investment company organized in trust form registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, and operated in accordance with 17 C.F.R. § 270.2a-7, the portfolio of which is limited to obligations of the United States of America or agencies or instrumentalities of the United States of America and to repurchase agreements fully collateralized by obligations of the United States of America or an agency or instrumentality of the United States of America if the investment company takes delivery of the collateral either directly or through an authorized custodian.

6. Establish and maintain a procedure to set off against amounts held by the clerk of the district court and payable to the person any debt which is in the form of a liquidated sum due, owing and payable to the clerk. The procedure shall meet all of the following conditions:

*a.* Before setoff, the clerk shall provide written notice to the debtor of the clerk's claim to all or a portion of the amount held by the clerk for the debtor and the clerk's right to recover the amount of the claim through the setoff procedure, the opportunity to request in writing, that a jointly or commonly owned right to payment be divided among owners, and the opportunity to give written notice to the clerk of the district court of the person's intent to contest the amount of the claim. The debtor must file a notice of intent to contest the claim within fifteen days after the mailing of the notice of claim by the clerk or, if the notice of claim was provided by the clerk at the time the debtor appeared in the clerk's office to claim payment, within fifteen days of that date.

*b.* Upon the request of the debtor or the owner of a jointly or commonly owned right to payment, the clerk of the district court shall divide the payment. Unless otherwise stated in a judgment or court order, any jointly or commonly owned right to payment is presumed to be owned in equal portions by joint or common owners.

*c.* Upon timely filing of a notice of intent to contest the setoff, the matter shall be set for hearing before a judge or magistrate. The clerk shall notify the debtor in writing of the time and date of the hearing.

*d.* If the claim is not contested or upon final determination of a contested claim authorizing

a setoff, the clerk shall set off the debt against any amount the clerk is holding for payment to the debtor and pay any balance of the amount to the debtor. The amount set off shall be applied by the clerk of the district court according to the order of priority set out in section 602.8107, subsection 2.

83 Acts, ch 186, §9103, 10201; 88 Acts, ch 1030, §1, 2; 89 Acts, ch 160, §1; 94 Acts, ch 1070, §1; 96 Acts, ch 1019, §2 – 4; 97 Acts, ch 128, §2; 99 Acts, ch 144, §7; 2002 Acts, ch 1119, § 106; 2007 Acts, ch 71, §2; 2013 Acts, ch 90, §169

Subsection 5 amended

**602.8103A Transmission of record on appeal.**

1. *a.* The clerk of the district court shall be solely responsible for transmitting the record on appeal to the clerk of the supreme court in civil and criminal proceedings. The clerk of the district court shall only transmit the record to the clerk of the supreme court upon the request of the appellee, appellant, the attorney for the appellee or appellant, or the appellate court.

*b.* The requirements of paragraph *"a"* shall not be delegated to another party. The appellee, appellant, the attorney for the appellee or appellant, or any agent of the appellee or appellant shall not transmit any part of the appellate record to the clerk of the supreme court.

2. For purposes of this section, the record on appeal consists of the original documents and exhibits filed in district court, transcripts of the proceedings, and a certified copy of the docket and court calendar entries prepared by the clerk of the district court in the case under appeal. Exhibits of unusual size or bulk are not required to be transmitted by the clerk of the district court unless requested by the appellee, appellant, the attorney for the appellee or appellant, or the appellate court.

3. If a request is made pursuant to subsection 1, within seven days of the filing of the final briefs in the appeal, the clerk of the district court shall transmit any of the remaining record to the clerk of the supreme court.

2013 Acts, ch 6, §1

NEW section

**602.8104 Records and books.**

1. The records of the court consist of the original papers filed in all proceedings.

2. The following books shall be kept by the clerk:

*a.* A record book which contains the entries of the proceedings of the court and which has an index referring to each proceeding in each cause under the names of the parties, both plaintiff and defendant, and under the name of each person named in either party.

*b.* A judgment docket which contains an abstract of the judgments having separate columns for the names of the parties, the date of the judgment, the damages recovered, costs, the date of the issuance and return of executions, the entry of satisfaction, and other memoranda. The docket shall have an index containing the information specified in paragraph *"a"*.

*c.* A cash journal in which is listed in detail the costs and fees in each action or proceeding under the title of the action or proceeding. The cash journal shall also have an index containing the information specified in paragraph *"a"*.

*d.* An encumbrance book in which the sheriff shall enter a statement of the levy of each attachment on real estate.

*e.* An appearance docket in which the titles of all actions or special proceedings shall be entered. The actions or proceedings shall be numbered consecutively in the order in which they commence and shall include the full names of the parties, plaintiffs and defendants, as contained in the petition or as subsequently made parties by a pleading, proceeding, or order. The entries provided for in this paragraph and paragraphs *"b"* and *"c"* may be combined in one book, the combination docket, which shall also have an index containing the information specified in paragraph *"a"*.

*f.* A lien book in which an index of all liens in the court is kept.

*g.* A record of official bonds as provided in section 64.24.

*h.* A hospital lien docket as provided in section 582.4.

*i.* A book in which the deposits of funds, money, and securities kept by the clerk are recorded as provided in section 636.37.

*j.* A record book of certificates of deposit, not in the clerk's name, which are being held by the clerk on behalf of a conservatorship, trust, or estate pursuant to a court order as provided in section 636.37.

83 Acts, ch 186, §9104, 10201; 85 Acts, ch 67, §60; 91 Acts, ch 116, §9, 10; 97 Acts, ch 23, §76; 2004 Acts, ch 1120, §5; 2005 Acts, ch 128, §71; 2009 Acts, ch 21, §9, 10

Referred to in §631.2

**602.8105 Fees for civil cases and other services — collection and disposition.**

1. The clerk of the district court shall collect the following fees:

*a.* Except as otherwise provided in this subsection, for filing and docketing a petition, one hundred eighty-five dollars. In counties having a population of ninety-eight thousand or over, an additional five dollars shall be charged and collected to be known as the journal publication fee and used for the purposes provided for in section 618.13.

*b.* For filing and docketing a petition pursuant to chapter 598 other than a dissolution of marriage petition, one hundred dollars.

*c.* For filing and docketing an application for modification of a dissolution decree to which a written stipulation is attached at the time of filing containing the agreement of the parties to the terms of modification, one hundred dollars.

*d.* For entering a final decree of dissolution of marriage, fifty dollars. It is the intent of the general assembly that the funds generated from the dissolution fees be appropriated and used for sexual assault and domestic violence centers.

*e.* For filing and docketing a petition for adoption pursuant to chapter 600, one hundred dollars. For multiple adoption petitions filed at the same time by the same petitioner under section 600.3, the filing fee and any court costs for any petition filed in addition to the first petition filed are waived.

*f.* For filing and docketing a small claims action, the amounts specified in section 631.6.

*g.* For an appeal from a judgment in small claims or for filing and docketing a writ of error, one hundred eighty-five dollars.

*h.* For a motion to show cause in a civil case, fifty dollars.

*i.* For filing and docketing a transcript of the judgment in a civil case, fifty dollars.

*j.* For filing a tribal judgment, one hundred dollars.

2. The clerk of the district court shall collect the following fees for miscellaneous services:

*a.* For filing and entering any other statutory lien, fifty dollars.

*b.* For a certificate and seal, twenty dollars. However, there shall be no charge for a certificate and seal to an application to procure a pension, bounty, or back pay for a member of the armed services or other person.

*c.* For certifying a change in title of real estate, fifty dollars.

*d.* For filing a praecipe to issue execution under chapter 626, twenty-five dollars. The fee shall be recoverable by the creditor from the debtor against whom the execution is issued. A fee payable by a political subdivision of the state under this paragraph shall be collected by the clerk of the district court as provided in section 602.8109. However, the fee shall be waived and shall not be collected from a political subdivision of the state if a county attorney or county attorney's designee is collecting a delinquent judgment pursuant to section 602.8107, subsection 4.

*e.* For filing a praecipe to issue execution under chapter 654, fifty dollars.

*f.* For filing a confession of judgment under chapter 676, fifty dollars if the judgment is five thousand dollars or less, and one hundred dollars if the judgment exceeds five thousand dollars.

*g.* For filing a lis pendens, fifty dollars.

*h.* For applicable convictions under section 692A.110 prior to July 1, 2009, a civil penalty of two hundred dollars, and for applicable convictions under section 692A.110 on or after July 1, 2009, a civil penalty of two hundred fifty dollars.

*i.* Other fees provided by law.

3. The clerk of the district court shall pay to the treasurer of state all fees which have come

into the clerk's possession and which are unclaimed pursuant to section 556.8 accompanied by a form prescribed by the treasurer. Claims for payment of the moneys must be filed pursuant to chapter 556.

4. The clerk of the district court shall collect a civil penalty assessed against a retailer pursuant to section 126.23B. Any moneys collected from the civil penalty shall be distributed to the city or county that brought the enforcement action for a violation of section 126.23A.

83 Acts, ch 186, §9105, 10201; 83 Acts, ch 204, §14; 85 Acts, ch 175, §11; 85 Acts, ch 195, §54; 85 Acts, ch 197, §20 – 23; 86 Acts, ch 1011, §1; 86 Acts, ch 1238, §24; 87 Acts, ch 98, §5; 87 Acts, ch 234, §312; 88 Acts, ch 1258, §1; 89 Acts, ch 83, §81; 89 Acts, ch 207, §1; 89 Acts, ch 287, §7; 91 Acts, ch 48, §1; 91 Acts, ch 116, §11 – 13; 91 Acts, ch 218, §21 – 24; 91 Acts, ch 219, §15, 16; 92 Acts, ch 1240, §20; 94 Acts, ch 1074, §5; 95 Acts, ch 91, §4; 95 Acts, ch 124, §23, 26; 2000 Acts, ch 1188, §3; 2002 Acts, ch 1126, §1; 2003 Acts, ch 44, §102; 2004 Acts, ch 1127, §2; 2005 Acts, ch 15, §5, 14; 2005 Acts, ch 171, §5; 2006 Acts, ch 1052, §1; 2006 Acts, ch 1144, §7, 8; 2007 Acts, ch 71, §3; 2007 Acts, ch 196, §8; 2009 Acts, ch 119, §44; 2009 Acts, ch 179, §54 – 60, 72; 2010 Acts, ch 1159, §9; 2011 Acts, ch 34, §135; 2013 Acts, ch 90, §170

Referred to in §126.23B, 582.4, 602.9104A, 626A.5, 626C.6, 626D.3, 674.10, 692A.110

Subsection 2, paragraph a stricken and former paragraphs b – j redesignated as a – i

**602.8106 Collection of fees in criminal cases and disposition of fees and fines.**

1. The clerk of the district court shall collect the following fees:

*a.* Except as otherwise provided in paragraphs "*b*" and "*c*", for filing and docketing a criminal case to be paid by the county or city which has the duty to prosecute the criminal action, payable as provided in section 602.8109, one hundred dollars. When judgment is rendered against the defendant, costs collected from the defendant shall be paid to the county or city which has the duty to prosecute the criminal action to the extent necessary for reimbursement for fees paid. However, the fees which are payable by the county to the clerk of the district court for services rendered in criminal actions prosecuted under state law and the court costs taxed in connection with the trial of those actions or appeals from the judgments in those actions are waived.

*b.* For filing and docketing of a complaint or information for a simple misdemeanor and a complaint or information for a nonscheduled simple misdemeanor under chapter 321, sixty dollars.

*c.* For filing and docketing a complaint or information or uniform citation and complaint for parking violations under sections 321.236, 321.239, 321.358, 321.360, and 321.361, eight dollars, effective January 1, 2004. The court costs in cases of parking meter and overtime parking violations which are contested, and charged and collected pursuant to section 321.236, subsection 1, or pursuant to a uniform citation and complaint, are eight dollars per information or complaint or per uniform citation and complaint effective January 1, 1991.

*d.* For court costs in scheduled violation cases where a court appearance is required, sixty dollars.

*e.* For court costs in scheduled violation cases where a court appearance is not required, sixty dollars.

*f.* For an appeal of a simple misdemeanor to the district court, seventy-five dollars.

*g.* For a motion to show cause in a criminal case, the fee shall be the same amount as the fee for filing and docketing a complaint, information, or citation for the underlying criminal case from which the motion arises.

*h.* For a probation revocation, the fee shall be the same amount as the fee for filing and docketing a complaint, information, or citation for the underlying case from which the revocation arises.

2. The clerk of the district court shall remit ninety percent of all fines and forfeited bail to the city that was the plaintiff in any action, and shall provide that city with a statement showing the total number of cases, the total of all fines and forfeited bail collected, and the total of all cases dismissed. The remaining ten percent shall be submitted to the state court administrator.

3. The clerk of the district court shall remit all fines and forfeited bail for violation of a county ordinance, except an ordinance relating to vehicle speed or weight restrictions, to

the county treasurer of the county that was the plaintiff in the action, and shall provide that county with a statement showing the total number of cases, the total of all fines and forfeited bail collected, and the total of all cases dismissed. However, if a county ordinance provides a penalty for a violation which is also penalized under state law, the fines and forfeited bail collected for the violation shall be submitted to the state court administrator.

4. The clerk of the district court shall submit all other fines, fees, costs, and forfeited bail received from a magistrate to the state court administrator.

83 Acts, ch 186, §9106, 10201, 10204; 83 Acts, ch 204, §15, 16; 85 Acts, ch 195, §55, 56; 85 Acts, ch 197, §24, 25; 89 Acts, ch 293, §17; 90 Acts, ch 1170, §4; 91 Acts, ch 116, §14; 91 Acts, ch 218, §25; 91 Acts, ch 219, §17; 92 Acts, 2nd Ex, ch 1001, §502; 93 Acts, ch 47, §18; 94 Acts, ch 1074, §6; 95 Acts, ch 143, §11; 2003 Acts, ch 151, §47; 2004 Acts, ch 1120, §6; 2005 Acts, ch 165, §4; 2006 Acts, ch 1166, §5; 2007 Acts, ch 180, §2; 2009 Acts, ch 21, §11; 2009 Acts, ch 179, §61, 72; 2010 Acts, ch 1061, §75

Referred to in §321.236, 331.307, 364.22, 453A.3, 602.8102(116), 602.8107, 602.9104A, 805.6, 805.11, 805.12

**602.8107 Collection of court debt.**

1. As used in this section, *"court debt"* means all fines, penalties, court costs, fees, forfeited bail, surcharges under chapter 911, victim restitution, court-appointed attorney fees or expenses of a public defender ordered pursuant to section 815.9, or fees charged pursuant to section 356.7 or 904.108.

2. *Clerk of the district court collection.* Court debt shall be owed and payable to the clerk of the district court. All amounts collected shall be distributed pursuant to sections 602.8106 and 602.8108 or as otherwise provided by this Code. The clerk may accept payment of an obligation or a portion thereof by credit card. Any fees charged to the clerk with respect to payment by credit card may be paid from receipts collected by credit card.

*a.* If the clerk receives payment from a person who is an inmate at a correctional institution or who is under the supervision of a judicial district department of correctional services, the payment shall be applied to the balance owed under the identified case number of the case which has resulted in the placement of the person at a correctional institution or under the supervision of the judicial district department of correctional services.

*b.* If a case number is not identified, the clerk shall apply the payment to the balance owed in the criminal case with the oldest judgment against the person.

*c.* Payments received under this section shall be applied in the following priority order:

(1) Pecuniary damages as defined in section 910.1, subsection 3.

(2) Fines or penalties and criminal penalty and law enforcement initiative surcharges.

(3) Crime victim compensation program reimbursement.

(4) Court costs, including correctional fees assessed pursuant to sections 356.7 and 904.108, court-appointed attorney fees, or public defender expenses.

*d.* The court debt is deemed delinquent if it is not paid within thirty days after the date it is assessed. An amount which was ordered by the court to be paid on a date fixed in the future pursuant to section 909.3 is deemed delinquent if it is not received by the clerk within thirty days after the fixed future date set out in the court order. If an amount was ordered to be paid by installments, and an installment is not received within thirty days after the date it is due, the entire amount of the court debt is deemed delinquent.

3. *Collection by centralized collection unit of department of revenue.* Thirty days after court debt has been assessed, or if an installment payment is not received within thirty days after the date it is due, the judicial branch shall assign a case to the centralized collection unit of the department of revenue or its designee to collect debts owed to the clerk of the district court for a period of one year. In addition, court debt which is being collected under an installment agreement pursuant to section 321.210B which is in default that remains delinquent shall also be assigned to the centralized collection unit of the department of revenue or its designee for a period of one year. If a county attorney has filed with the clerk of the district court a full commitment to collect delinquent court debt pursuant to subsection 4, the court debt in a case shall be assigned after sixty days to the county attorney as provided in subsection 4, if the court debt in a case has not been placed in an established payment plan by the centralized collection unit. For all other delinquent court debt not

assigned to a county attorney pursuant to subsection 4, the delinquent court debt shall be assigned to a private collection designee as provided in subsection 5, after one year, if the delinquent court debt in a case has not been placed in an established payment plan by the centralized collection unit.

*a.* The department of revenue may impose a fee established by rule to reflect the cost of processing which shall be added to the debt owed to the clerk of the district court. Any amounts collected by the unit shall first be applied to the processing fee. The remaining amounts shall be remitted to the clerk of the district court for the county in which the debt is owed. The judicial branch may prescribe rules to implement this subsection. These rules may provide for remittance of processing fees to the department of revenue or its designee.

*b.* Satisfaction of the outstanding court debt occurs only when all fees or charges and the outstanding court debt is paid in full. Payment of the outstanding court debt only shall not be considered payment in full for satisfaction purposes.

4. *County attorney collection.* The county attorney or the county attorney's designee may collect court debt sixty days after the court debt is deemed delinquent pursuant to subsection 2. In order to receive a percentage of the amounts collected pursuant to this subsection, the county attorney must file annually with the clerk of the district court on or before July 1 a notice of full commitment to collect delinquent court debt for all cases assigned to the county for collection by the court. The annual notice shall contain a list of procedures which will be initiated by the county attorney.

*a.* This subsection does not apply to amounts collected for victim restitution, the victim compensation fund, the criminal penalty surcharge, sex offender civil penalty, drug abuse resistance education surcharge, the law enforcement initiative surcharge, county enforcement surcharge, amounts collected as a result of procedures initiated under subsection 5 or under section 8A.504, or fees charged pursuant to section 356.7.

*b.* Amounts collected by the county attorney or the county attorney's designee shall be distributed in accordance with paragraphs "*c*" and "*d*".

*c.* (1) Forty percent of the amounts collected by the county attorney or the person procured or designated by the county attorney shall be deposited in the general fund of the county if the county attorney has filed the notice required by this subsection, unless the county attorney has discontinued collection efforts on a particular delinquent amount.

(2) The remaining sixty percent shall be paid to the clerk of the district court each fiscal year for distribution under section 602.8108. However, if such amount, when added to the amount deposited into the general fund of the county pursuant to subparagraph (1), exceeds the following applicable threshold amount, the excess shall be distributed as provided in paragraph "*d*":

(a) For a county with a population greater than one hundred fifty thousand, an amount up to five hundred thousand dollars.

(b) For a county with a population greater than one hundred thousand but not more than one hundred fifty thousand, an amount up to four hundred thousand dollars.

(c) For a county with a population greater than fifty thousand but not more than one hundred thousand, an amount up to two hundred fifty thousand dollars.

(d) For a county with a population greater than twenty-six thousand but not more than fifty thousand, an amount up to one hundred thousand dollars.

(e) For a county with a population greater than fifteen thousand but not more than twenty-six thousand, an amount up to fifty thousand dollars.

(f) For a county with a population equal to or less than fifteen thousand, an amount up to twenty-five thousand dollars.

*d.* Any additional moneys collected by an individual county after the distributions in paragraph "*c*" shall be distributed by the state court administrator as follows: forty percent of any additional moneys collected by the county attorney or the person procured or designated by the county attorney shall be deposited in the general fund of the county where the moneys were collected; twenty percent of the remaining sixty percent collected by the county attorney or the person procured or designated by the county attorney shall be deposited with the office of the county attorney that collected the moneys; and the remainder shall be paid to the clerk of the district court for distribution under section 602.8108 or

the state court administrator may distribute the remainder under section 602.8108 if the additional moneys have already been received by the state court administrator.

*e.* (1) A county may enter into an agreement pursuant to chapter 28E with one or more other counties for the purpose of collecting delinquent court debt pursuant to this subsection.

(2) Notwithstanding paragraph "*c*", if a county subject to the threshold amount in paragraph "*c*", subparagraph (2), subparagraph division (e) or (f) enters into such an agreement exclusively with a county or counties subject to the threshold amount in paragraph "*c*", subparagraph (2), subparagraph division (e) or (f), the threshold amount applicable to all of the counties combined shall be a single threshold amount, equal to the threshold amount attributable to the county with the largest population.

*f.* Beginning July 1, 2010, and every fiscal year thereafter, amounts collected and distributed pursuant to this subsection shall be equal to or greater than twenty-five thousand dollars for each county or twenty-five thousand dollars in the aggregate for counties that have entered into an agreement pursuant to chapter 28E. If a county, or counties that have entered into a chapter 28E agreement, fails to meet the minimum threshold established in this paragraph, the county, or counties under the chapter 28E agreement, shall be ineligible to participate in the county attorney collection program the following fiscal year. In the event a county is ineligible to collect under this program, the county may apply to the state debt coordinator established in section 421C.1* to reenter the program following the fiscal year of ineligibility.

*g.* A county participating in the county attorney collection program shall file an annual collection report with the state debt coordinator established in section 421C.1.* Counties that have entered into a chapter 28E agreement to participate in the county attorney collection program may file one report, detailing collections in each county that is a party to the agreement.

5. *Assignment to private collection designee.*

*a.* The judicial branch shall contract with a private collection designee for the collection of court debt one year after the court debt in a case is deemed delinquent pursuant to subsection 2 if the county attorney is not collecting the court debt in a case pursuant to subsection 4. The judicial branch shall solicit requests for proposals prior to entering into any contract pursuant to this subsection.

*b.* The contract shall provide for a collection fee of up to twenty-five percent of the amount of the court debt in a case deemed delinquent. The collection fee as calculated shall be added to the amount of the court debt deemed delinquent. The amount of the court debt deemed delinquent and the collection fee shall be owed by and collected from the defendant. The collection fee shall be used to compensate the private collection designee. The contract may also assess the private collection designee an initial fee for entering into the contract.

*c.* The judicial branch may consult with the department of revenue and the department of administrative services when entering into the contract with the private collection designee.

*d.* Subject to the provisions of paragraph "*b*", the amounts collected pursuant to this subsection shall be distributed as provided in subsection 2. Any initial fee collected by the judicial branch shall be deposited into the general fund of the state.

*e.* The judicial branch or the private collection designee shall file with the clerk of the district court a notice of the satisfaction of each portion of the court debt to the full extent of the moneys collected in satisfaction of the court debt. The clerk of the district court shall record the notice and enter a satisfaction for the amounts collected.

6. *Write off of old debt.* If any portion of the court debt in a case remains uncollected after sixty-five years from the date of imposition, the judicial branch shall write off the debt as uncollectible and close the case file for the purposes of collection pursuant to this section.

7. *Reports.* The judicial branch shall prepare a report aging the court debt. The report shall include the amounts collected by the private collection designee, the distribution of these amounts, and the amount of the fee collected by the private collection designee. In addition, the report shall include the amounts written off pursuant to subsection 6. The judicial branch shall provide the report to the co-chairpersons and ranking members of the

joint appropriations subcommittee on the justice system, the legislative services agency, and the department of management by December 15 of each year.

93 Acts, ch 110, §8; 94 Acts, ch 1023, §118; 94 Acts, ch 1142, §2, 3; 95 Acts, ch 169, §6 – 8, 10; 96 Acts, ch 1219, §72; 97 Acts, ch 128, §3; 98 Acts, ch 1047, §60; 98 Acts, ch 1116, §2; 2001 Acts, ch 168, §2; 2002 Acts, ch 1119, §96; 2003 Acts, ch 145, §273, 286; 2004 Acts, ch 1101, §84; 2004 Acts, ch 1119, §4; 2004 Acts, ch 1175, §199, 200; 2007 Acts, ch 196, §9 – 11; 2008 Acts, ch 1172, §25; 2009 Acts, ch 41, §263; 2009 Acts, ch 119, §45; 2010 Acts, ch 1146, §16 – 21; 2012 Acts, ch 1063, §4; 2013 Acts, ch 90, §171

Referred to in §96.11, 321.11A, 321.40, 321.210A, 321.210B, 331.756(5d), 602.8102(105B), 602.8103, 602.8105, 901.5B, 907.7, 907.9

Surcharges, see chapter 911

Victim compensation fund, see §915.94

Processing or collection fee for court debt imposed, assessed, or deemed delinquent prior to July 1, 2008, to be added to court debt and collected under this section as amended; 2008 Acts, ch 1172, §32

*Former chapter 421C, establishing the office of state debt coordinator, is repealed effective January 1, 2014; corrective legislation is pending

Subsection 1 amended

**602.8108 Distribution of court revenue.**

1. The clerk of the district court shall establish an account and deposit in this account all revenue and other receipts. Not later than the fifteenth day of each month, the clerk shall distribute all revenues received during the preceding calendar month. Each distribution shall be accompanied by a statement disclosing the total amount of revenue received during the accounting period and any adjustments of gross revenue figures that are necessary to reflect changes in the balance of the account, including but not limited to reductions resulting from the dishonor of checks previously accepted by the clerk.

2. Except as otherwise provided, the clerk of the district court shall report and submit to the state court administrator, not later than the fifteenth day of each month, the fines and fees received during the preceding calendar month. Except as provided in subsections 3, 4, 5, 7, 8, 9, and 10, the state court administrator shall deposit the amounts received with the treasurer of state for deposit in the general fund of the state. The state court administrator shall report to the legislative services agency within thirty days of the beginning of each fiscal quarter the amount received during the previous quarter in the account established under this section.

3. The clerk of the district court shall remit to the state court administrator, not later than the fifteenth day of each month, ninety-five percent of all moneys collected from the criminal penalty surcharge provided in section 911.1 during the preceding calendar month. The clerk shall remit the remainder to the county treasurer of the county that was the plaintiff in the action or to the city that was the plaintiff in the action. Of the amount received from the clerk, the state court administrator shall allocate seventeen percent to be deposited in the victim compensation fund established in section 915.94, and eighty-three percent to be deposited in the general fund.

4. The clerk of the district court shall remit all moneys collected from the drug abuse resistance education surcharge provided in section 911.2 to the state court administrator for deposit in the general fund of the state and the amount deposited is appropriated to the governor's office of drug control policy for use by the drug abuse resistance education program and other programs directed for a similar purpose.

5. The clerk of the district court shall remit all moneys collected from the assessment of the law enforcement initiative surcharge provided in section 911.3 to the state court administrator no later than the fifteenth day of each month for deposit in the general fund of the state.

6. The clerk of the district court shall remit all moneys collected from the county enforcement surcharge pursuant to section 911.4 to the county where the citation was issued for deposit in the county general fund no later than the fifteenth day of each month.

7. A court technology and modernization fund is established as a separate fund in the state treasury. The state court administrator shall allocate one million dollars of the moneys received under subsection 2 to be deposited in the fund, which shall be administered by the supreme court and shall be used to enhance the ability of the judicial branch to process cases more quickly and efficiently, to electronically transmit information to state government, local governments, law enforcement agencies, and the public, and to improve public access to the court system.

8. The state court administrator shall allocate all of the fines and fees attributable to commercial vehicle violation citations issued by motor vehicle division personnel of the state department of transportation to the treasurer of state for deposit in the road use tax fund.

9. The state court administrator shall allocate fifty percent of all of the fines attributable to littering citations issued pursuant to sections 321.369, 321.370, and 461A.43 to the treasurer of state for deposit in the general fund of the state and such moneys are appropriated to the state department of transportation for purposes of the cleanup of litter and illegally discarded solid waste.

10. The clerk of the district court shall remit to the treasurer of state, not later than the fifteenth day of each month, all moneys collected from the sex offender civil penalty provided in section 692A.110 during the preceding calendar month. Of the amount received from the clerk, the treasurer of state shall allocate ten percent to be deposited in the court technology and modernization fund established in subsection 7. The treasurer of state shall deposit the remainder into the sex offender registry fund established in section 692A.119.

83 Acts, ch 186, §9108, 10201; 91 Acts, ch 116, §15; 94 Acts, ch 1074, §7; 96 Acts, ch 1216, §31; 96 Acts, ch 1218, §38, 39, 71; 98 Acts, ch 1047, §61; 98 Acts, ch 1090, §73, 84; 98 Acts, ch 1212, §8; 2000 Acts, ch 1222, §15; 2001 Acts, ch 168, §3; 2001 Acts, ch 182, §10; 2002 Acts, ch 1175, §44; 2003 Acts, ch 35, §45, 49; 2004 Acts, ch 1111, §3; 2004 Acts, ch 1119, §5; 2005 Acts, ch 3, §103; 2005 Acts, ch 143, §1, 2; 2005 Acts, ch 165, §5, 6; 2005 Acts, ch 179, §138; 2006 Acts, ch 1030, §76; 2006 Acts, ch 1087, §2, 3; 2006 Acts, ch 1166, §6 – 8; 2006 Acts, ch 1182, §64; 2007 Acts, ch 215, §65; 2009 Acts, ch 119, §46, 47

Referred to in §321.210B, 331.427, 364.3, 602.1302, 602.1304, 602.8107, 602.8108A, 602.11101, 625.8, 631.6, 633.20, 633.31, 692A.110, 907.14, 911.1, 911.2, 911.3, 911.4

Use of court technology and modernization fund; reporting; 2009 Acts, ch 172, §1; 2010 Acts, ch 1185, §1; 2011 Acts, ch 135, §1, 7; 2012 Acts, ch 1137, §1; 2013 Acts, ch 133, §1, 7

Section not amended; footnote revised

**602.8108A Prison infrastructure fund.**

1. The Iowa prison infrastructure fund is created and established as a separate and distinct fund in the state treasury. Notwithstanding any other provision of this chapter to the contrary, the first eight million dollars and, beginning July 1, 1997, the first nine million five hundred thousand dollars, of moneys remitted to the treasurer of state from fines, fees, costs, and forfeited bail collected by the clerks of the district court in criminal cases, including those collected for both scheduled and nonscheduled violations, collected in each fiscal year commencing with the fiscal year beginning July 1, 1995, shall be deposited in the fund. Beginning July 1, 2009, the treasurer of state shall certify to the judicial branch the annual amount of funds necessary to be remitted for deposit into the fund for that fiscal year and such moneys shall be remitted to the treasurer of state from fines, fees, costs, and forfeited bail collected by the clerks of the district court in criminal cases, including those collected for both scheduled and nonscheduled violations, for debt payments expected to be paid from the fund. Interest and other income earned by the fund shall be deposited in the fund. However, beginning with the fiscal year beginning July 1, 1998, all fines and fees attributable to commercial vehicle violation citations issued after July 1, 1998, shall be deposited as provided in section 602.8108, subsection 8. The moneys in the fund are appropriated and shall have priority and precedence for the purpose of paying the principal of, premium, if any, and interest on bonds issued by the Iowa finance authority under section 16.177. Any remaining moneys not otherwise appropriated for purposes of paying the principal, premium, and interest on the bonds issued by the Iowa finance authority pursuant to section 16.177 shall be available and appropriated to the treasurer of state pursuant to section 12.80. Except as otherwise provided in subsection 2, amounts in the funds shall not be subject to appropriation for any purpose by the general assembly, but shall be used only for the purposes set forth in this section. The treasurer of state shall act as custodian of the fund and disburse amounts contained in it as directed by the department of corrections including the automatic disbursement of funds pursuant to the terms of bond indentures and documents and security provisions to trustees and custodians. The treasurer of state is authorized to invest the funds deposited in the fund subject to any limitations contained

in any applicable bond proceedings. Any amounts remaining in the fund at the end of each fiscal year shall be transferred to the general fund of the state.

2. If the treasurer of state determines that bonds cannot be issued pursuant to this section and sections 12.80 and 16.177 or if there are any remaining moneys at the end of a fiscal year after the appropriations are paid pursuant to sections 12.80 and 16.177, the treasurer of state shall deposit the moneys in the prison infrastructure fund into the general fund of the state.

94 Acts, ch 1196, §21; 95 Acts, ch 202, §12; 96 Acts, ch 1216, §32; 98 Acts, ch 1212, §9; 2008 Acts, ch 1179, §57

Referred to in §12.80, 16.177, 602.1304

**602.8109 Settlement of accounts of cities and counties.**

1. A city or a county shall pay court costs and other fees payable to the clerk of the district court for services rendered upon receipt of a statement from the clerk disclosing the amount due.

2. The clerk of the district court shall deliver a statement to the county auditor no later than the fifteenth day of each month disclosing all of the following:

*a.* The specific amounts of statutory fees and costs that are payable by the county to the clerk for services rendered by the clerk or other state officers or employees during the preceding month in connection with each civil or criminal action, and the total of all of these fees and costs.

*b.* Any amounts collected by the clerk of the district court during the preceding month as costs in an action when these amounts are payable by law to the county as reimbursement for costs incurred by the county in connection with a civil or criminal action, and the total of all of these amounts.

3. If the amount owed by the county under subsection 2, paragraph *"a"* for a calendar month is greater than the amount due to the county under subsection 2, paragraph *"b"* for that month, the county shall remit the difference to the clerk of the district court no later than the last day of the month in which the statement under subsection 2 is received.

4. If the amount due to the county under subsection 2, paragraph *"b"* for a calendar month is greater than the amount owed by the county under subsection 2, paragraph *"a"* for that month, the clerk of the district court shall remit the difference to the county treasurer no later than the last day of the month in which the statement under subsection 2 is delivered.

5. The clerk of the district court shall deliver a statement to the city clerk no later than the fifteenth day of each month disclosing all of the following:

*a.* The specific amounts of statutory fees and costs that are payable by the city to the clerk of the district court for services rendered by the clerk or other state officers or employees during the preceding month in connection with each civil or criminal action, and the total of all such fees and costs.

*b.* Any amounts collected by the clerk of the district court during the preceding month as costs in an action when such amounts are payable by law to the city as reimbursement for costs incurred by the city in connection with a civil or criminal action, and the total of all such amounts.

6. If the amount owed by the city under subsection 5, paragraph *"a"*, for a calendar month is greater than the amount due to the city under subsection 5, paragraph *"b"*, for that month, the city shall remit the difference to the clerk of the district court no later than the last day of the month in which the statement under subsection 5 is received.

7. If the amount due the city under subsection 5, paragraph *"b"*, for a calendar month is greater than the amount owed by the city under subsection 5, paragraph *"a"*, for that month, the clerk of the district court shall remit the difference to the city clerk no later than the last day of the month in which the statement under subsection 5 is delivered.

8. Amounts not paid as required under subsection 3, 4, 6, or 7 shall bear interest for each day of delinquency at the rate in effect as of the day of delinquency for time deposits of public funds for eighty-nine days, as established under section 12C.6.

83 Acts, ch 186, §9109, 10201; 2007 Acts, ch 196, §12 – 14; 2011 Acts, ch 34, §136

Referred to in §331.506, 602.8105, 602.8106

# ARTICLE 9

# JUDICIAL RETIREMENT

Referred to in §8F.2, 12B.10, 12B.10A, 12B.10B, 12B.10C, 509A.13A, 602.1209, 602.1611, 602.11115, 602.11116

## PART 1

## JUDICIAL RETIREMENT SYSTEM

**602.9101 System created.**

A retirement system is hereby created and established to be known as the "Judicial Retirement System", hereinafter called the "system".

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §605A.1]
83 Acts, ch 186, §10202(2)
CS83, §602.9101

**602.9102 Administered by court administrator.**

The court administrator shall be vested with authority to administer the system and related reports and may promulgate rules therefor not inconsistent with the provisions of this article.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §605A.2]
83 Acts, ch 186, §10202(2)
CS83, §602.9102

**602.9103** Repealed by 86 Acts, ch 1243, § 44.

**602.9104 Deductions from judges' salaries — contributions by state.**

1. *a.* A judge to whom this article applies shall be paid an amount equal to the basic salary of the judge as set by the general assembly reduced by an amount designated as the judge's required contribution to the judicial retirement fund. The amount designated as the judge's required contribution shall be paid by the state in the manner provided in subsection 2.

*b.* The state shall contribute annually to the judicial retirement fund an amount equal to the state's required contribution for all judges covered under this article.

2. The amount designated as the judge's required contribution to the judicial retirement fund shall be paid by the department of administrative services from the general fund of the state to the court administrator for deposit with the treasurer of state to the credit of the judicial retirement fund. Moneys in the fund are appropriated for the payment of annuities, refunds, and allowances provided by this article, except that the amount of the appropriations affecting payment of annuities, refunds, and allowances to judges of the municipal and superior court is limited to that part of the fund accumulated for their benefit as provided in this article. The corpus and income of the fund shall be used only for the exclusive benefit of the judges covered under this article, their survivors, or an alternate payee who is assigned benefits pursuant to a domestic relations order.

3. A judge covered under this article is deemed to consent to the reduction in basic salary as provided in subsection 1.

4. As used in this section, unless the context otherwise requires:

*a.* *"Actuarial valuation"* means an actuarial valuation of the judicial retirement system or an annual actuarial update of an actuarial valuation, as required pursuant to section 602.9116.

*b.* *"Fully funded status"* means that the most recent actuarial valuation reflects that the funded status of the system is at least one hundred percent, based upon the benefits provided for judges through the judicial retirement system as of July 1, 2006.

*c.* *"Judge's required contribution"* means an amount equal to the basic salary of the judge multiplied by the following applicable percentage:

(1) For the fiscal year beginning July 1, 2008, and ending June 30, 2009, seven and seven-tenths percent.

(2) For the fiscal year beginning July 1, 2009, and ending June 30, 2010, eight and seven-tenths percent.

(3) For the fiscal year beginning July 1, 2010, and for each subsequent fiscal year until the system attains fully funded status, nine and thirty-five hundredths percent.

(4) Commencing with the first fiscal year in which the system attains fully funded status, and for each subsequent fiscal year, the percentage rate equal to forty percent of the required contribution rate.

*d.* *"Required contribution rate"* means that percentage of the basic salary of all judges covered under this article equal to the actuarially required contribution rate determined by the actuary pursuant to section 602.9116.

*e.* *"State's required contribution"* means an amount equal to the basic salary of all judges covered under this article multiplied by the following applicable percentage:

(1) For the fiscal year beginning July 1, 2008, and for each subsequent fiscal year until the system attains fully funded status, thirty and six-tenths percent.

(2) Commencing with the first fiscal year in which the system attains fully funded status, and for each subsequent fiscal year, the percentage rate equal to sixty percent of the required contribution rate.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §605A.4]

83 Acts, ch 186, §10202(2)

CS83, §602.9104

86 Acts, ch 1243, §35; 91 Acts, ch 116, §16; 94 Acts, ch 1183, §82; 2000 Acts, ch 1077, §112 – 114; 2003 Acts, ch 145, §286; 2006 Acts, ch 1091, §12; 2008 Acts, ch 1171, §54, 55

Referred to in §602.9104A, 602.9108, 602.9116, 602.11115, 602.11116

Legislative intent regarding contribution rates when system attains fully funded status; notification, study, and report regarding adequate financing of system when fully funded status achieved; 2000 Acts, ch 1077, §117

**602.9104A Moneys deposited in the judicial retirement fund — limitations — intent.**

1. As used in this section, unless the context otherwise requires, *"court revenues"* means any court costs, fees, fines, penalties, surcharges, forfeited bail, or similar charges collected by the court, or interest on such amounts.

2. Notwithstanding section 602.8105, 602.8106, or 631.6, or any other provision of law to the contrary, court revenues shall not be deposited in the judicial retirement fund established in section 602.9104. If a provision of law provides for the deposit of court revenues in the judicial retirement fund, those court revenues shall be deposited in the general fund.

3. The judicial retirement fund shall consist of the contributions specified in section 602.9104, as well as the corpus and income of the fund as provided in section 602.9104.

4. It is the intent of the general assembly that the judicial retirement system be funded from contributions based upon the basic salary of the judges covered by this article, rather than from court revenues.

94 Acts, ch 1183, §83

**602.9105 Rollovers of judges' accounts.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Direct rollover"* means a payment by the system to the eligible retirement plan specified by the judge covered under this article or the judge's surviving spouse.

*b.* (1) *"Eligible retirement plan"* means either of the following that accepts an eligible rollover distribution from a judge covered by this article or a judge's surviving spouse:

(a) An individual retirement account in accordance with section 408(a) of the federal Internal Revenue Code.

(b) An individual retirement annuity in accordance with section 408(b) of the federal Internal Revenue Code.

(2) In addition, an *"eligible retirement plan"* includes an annuity plan in accordance with section 403(a) of the federal Internal Revenue Code, or a qualified trust in accordance with section 401(a) of the federal Internal Revenue Code, that accepts an eligible rollover distribution from a judge covered by this article.

*c.* *"Eligible rollover distribution"* means all or any portion of a judge's account, except that an eligible rollover distribution does not include any of the following:

(1) A distribution that is one of a series of substantially equal periodic payments, which occur annually or more frequently, made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary, or made for a specified period of ten years or more.

(2) A distribution to the extent that the distribution is required pursuant to section 401(a)(9) of the federal Internal Revenue Code.

(3) The portion of any distribution that is not includible in the gross income of the distributee, determined without regard to the exclusion for net unrealized appreciation with respect to employer securities.

(4) A distribution of less than two hundred dollars of taxable income.

2. Effective January 1, 1993, a judge covered by this article or a judge's surviving spouse may elect, at the time and in the manner prescribed by the state court administrator, to have the system pay all or a portion of an eligible rollover distribution directly to an eligible retirement plan, specified by the judge or the judge's surviving spouse, in a direct rollover. If a judge or a judge's surviving spouse elects a partial direct rollover, the amount of funds elected for the partial direct rollover must equal or exceed five hundred dollars.

94 Acts, ch 1183, §84; 2013 Acts, ch 30, §261
Code editor directive applied

**602.9106 Retirement.**

Any person who shall have become separated from service as a judge of any of the courts included in this article and who has had an aggregate of at least four years of service as a judge of one or more of such courts and shall have attained the age of sixty-five years or who has had twenty years of consecutive service as a judge of one or more of said courts and shall have attained the age of fifty years, and who shall have otherwise qualified as provided in this article, shall be entitled to an annuity as hereinafter provided.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §605A.6]
83 Acts, ch 186, §10202(2)
CS83, §602.9106
2006 Acts, ch 1091, §13
Referred to in §602.1612, 602.9112, 602.9203

**602.9107 Amount of annuity.**

1. *a.* The annual annuity of a judge under this system is an amount equal to three and one-fourth percent of the judge's average annual basic salary for the judge's highest three years as a judge of one or more of the courts included in this article, multiplied by the judge's years of service as a judge of one or more of the courts for which contributions were made to the system. However, an annual annuity shall not exceed an amount equal to a specified percentage of the highest basic annual salary which the judge is receiving or had received as of the time the judge became separated from service. Forfeitures shall not be used to increase the annuities a judge or survivor would otherwise receive under the system.

*b.* "*Specified percentage*", for purposes of this section, means as follows:

(1) For judges who retire and receive an annuity prior to July 1, 1998, the specified percentage shall be fifty percent.

(2) For judges who retire and receive an annuity on or after July 1, 1998, but before July 1, 2000, the specified percentage shall be fifty-two percent.

(3) For judges who retire and receive an annuity on or after July 1, 2000, but before July 1, 2001, the specified percentage shall be fifty-six percent.

(4) For judges who retire and receive an annuity on or after July 1, 2001, but before July 1, 2006, the specified percentage shall be sixty percent.

(5) For judges who retire and receive an annuity on or after July 1, 2006, the specified percentage shall be sixty-five percent.

2. *a.* A judge shall not receive under this article in any calendar year an annuity benefit which, if received in the form of a straight life annuity with no ancillary benefits, exceeds the lesser of the following:

(1) A dollar limitation of ninety thousand dollars adjusted each January 1 to the dollar

limitation determined by the federal commissioner of internal revenue pursuant to section 415(d) of the United States Internal Revenue Code, as amended.

(2) A compensation limit of one hundred percent of the average compensation paid to the judge during those three consecutive calendar years as a judge of one or more of the courts included in this article which give the highest average.

*b.* The limitations of this subsection do not apply to an annuity benefit which is less than ten thousand dollars.

3. *a.* The limitations in subsection 2 shall be adjusted as follows:

(1) If the annuity begins prior to the sixty-second birthday of the judge, the dollar limitation shall be equal to an annual annuity benefit which is equal to the actuarial equivalent of an annuity benefit commencing on the sixty-second birthday of the judge, but not below seventy-five thousand dollars.

(2) If the annuity begins after the sixty-fifth birthday of the judge, the dollar limitation shall be equal to an annual annuity benefit which is the actuarial equivalent of an annuity benefit commencing on the sixty-fifth birthday of the judge.

(3) If the annuity begins prior to the judge having ten years of creditable service, the dollar limitation, the one hundred percent of average compensation limitation, and the exception for an annuity benefit which is less than ten thousand dollars, shall be reduced by a fraction, the numerator of which is the total years and months of creditable service, and the denominator of which is ten.

*b.* For purposes of the limitations of this subsection, the actuarial equivalent shall be determined from actuarial tables using the 1983 group annuity table for males and five percent interest compounded annually. The value of the joint and survivorship feature of an annuity shall not be taken into account in applying the limitations of this section.

4. This section is intended to meet the requirements of section 415 of the United States Internal Revenue Code and shall be construed in accordance with that section, and shall, by this reference, incorporate any subsequent changes to that section which apply to the judicial retirement system.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §605A.7]

83 Acts, ch 186, §10202(2)

CS83, §602.9107

86 Acts, ch 1243, §36; 98 Acts, ch 1183, §101; 2000 Acts, ch 1077, §115; 2002 Acts, ch 1135, §54; 2006 Acts, ch 1091, §14 – 16; 2013 Acts, ch 30, §261

Referred to in §602.9115A, 602.9204, 602.9208

Code editor directive applied

**602.9107A Optional retirement and decreased annuity.** Repealed by 2006 Acts, ch 1091, § 25. See § 602.9106.

**602.9107B Minimum annuity benefit.**

A judge, or a survivor of a judge, who retired before July 1, 1977, and who is receiving an annuity pursuant to this article, shall, commencing with an annuity paid on or after July 1, 1998, be paid a minimum monthly annuity payment of five hundred dollars.

98 Acts, ch 1183, §102

**602.9107C Iowa public employees' retirement system — service credit.**

1. A judge under this system who has at least four years of service as a judge of any of the courts included in this article and who was a member of the Iowa public employees' retirement system as provided in chapter 97B, but who was not retired under that system, upon submitting verification of membership and service in the Iowa public employees' retirement system to the court administrator, including proof that the judge has no further claim upon a retirement benefit from that public system, may make contributions as provided by this section to the system either for the entire period of service in the other public system, or for partial service in the other public system in increments of one or more calendar quarters, and receive credit for that service under the system.

2. The contributions required to be made for purposes of this section shall be in an amount equal to the actuarial cost of the service purchase. For purposes of this subsection,

the actuarial cost of the service purchase is an amount determined by the court administrator in accordance with actuarial tables, as reported to the court administrator by the system's actuary, which reflects the actuarial cost necessary to fund an increased retirement annuity resulting from the purchase of additional service.

3. A judge eligible for an increased retirement annuity because of the payment of contributions under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which the judge pays contributions under this section.

4. The court administrator shall ensure that the judge, in exercising an option provided in this section, does not exceed the amount of annual additions to a judge's account permitted pursuant to section 415 of the Internal Revenue Code.

2002 Acts, ch 1135, §55; 2006 Acts, ch 1091, §17

**602.9108 Individual accounts — refunding.**

The amount designated as the judge's contribution to the judicial retirement fund in section 602.9104 and all amounts paid into the fund by a judge shall be credited to the individual account of the judge. If a judge covered under this article becomes separated from service as a judge before the judge completes an aggregate of four years of service as a judge of one or more of the courts, the total amount in the judge's individual account shall be returned to the judge or the judge's legal representatives within one year of the separation. If a judge, who is covered under this article and who has completed an aggregate of four years or more of service as a judge of one or more of the courts, dies before retirement, without a survivor, the total amount in the judge's individual account shall be paid in one sum to the judge's legal representatives within one year of the judge's death. If an annuitant under this section dies without a survivor, and without having received in annuities an amount equal to the total amount in the judge's individual account at the time of separation from service, the amount remaining to the annuitant's credit shall be paid in one sum to the annuitant's legal representatives within one year of the annuitant's death.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §605A.8]
83 Acts, ch 186, §10202(2)
CS83, §602.9108
86 Acts, ch 1243, §37; 2006 Acts, ch 1091, §18
Referred to in §602.9115A

**602.9109 Payment of annuities.**

Annuities granted under the terms of this article are due and payable in monthly installments on the last business day of each month following the month or other period for which the annuity has accrued and shall continue during the life of the annuitant; and payment of all annuities, refunds, and allowances granted under this article shall be made by checks or warrants drawn and issued by the director of the department of administrative services. Applications for annuities shall be in such form as the director of the department of administrative services may prescribe.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §605A.9]
83 Acts, ch 186, §10202(2)
CS83, §602.9109
85 Acts, ch 197, §28; 89 Acts, ch 228, §8; 2003 Acts, ch 145, §286
Referred to in §602.9204

**602.9110 Other public employment prohibited.**

No annuity shall be paid to any person, except a survivor, entitled to receive an annuity hereunder while the person is serving as a state officer or employee.

However, this section does not prohibit the payment of an annuity to a senior judge while serving as provided in section 602.9206.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §605A.10]
83 Acts, ch 186, §10202(2)
CS83, §602.9110

**602.9111 Investment of fund.**

1. So much of the judicial retirement fund as may not be necessary to be kept on hand for the making of disbursements under this article shall be invested by the treasurer of state in any investments authorized for the Iowa public employees' retirement system in section 97B.7A and subject to the requirements of chapters 12F and 12H, and the earnings therefrom shall be credited to the fund. The treasurer of state may execute contracts and agreements with investment advisors, consultants, and investment management and benefit consultant firms in the administration of the judicial retirement fund.

2. Investment management expenses shall be charged to the investment income of the fund and there is appropriated from the fund an amount required for the investment management expenses. The court administrator shall report the investment management expenses for the fiscal year as a percent of the market value of the system.

3. For purposes of this section, investment management expenses are limited to the following:

*a.* Fees for investment advisors, consultants, and investment management and benefit consultant firms hired by the treasurer of state in administering the fund.

*b.* Fees and costs for safekeeping fund assets.

*c.* Costs for performance and compliance monitoring, and accounting for fund investments.

*d.* Any other costs necessary to prudently invest or protect the assets of the fund.

4. The state court administrator and the treasurer of state, and their employees, are not personally liable for claims based upon an act or omission of the person performed in the discharge of the person's duties concerning the judicial retirement fund, except for acts or omissions which involve malicious or wanton misconduct.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §605A.11]

83 Acts, ch 186, §10202(2)

CS83, §602.9111

84 Acts, ch 1180, §10; 96 Acts, ch 1187, §109; 2001 Acts, ch 68, §18, 24; 2007 Acts, ch 39, §13; 2011 Acts, ch 82, §13

**602.9112 Voluntary retirement for disability.**

Any judge of the supreme, district or municipal court, including a district associate judge, or a judge of the court of appeals, who shall have served as a judge of one or more of such courts for a period of four years in the aggregate and who believes the judge has become permanently incapacitated, physically or mentally, to perform the duties of the judge's office may personally or by the judge's next friend or guardian file with the court administrator a written application for retirement. The application shall be filed in duplicate and accompanied by an affidavit as to the duration and particulars of the judge's service and the nature of the judge's incapacity. The court administrator shall forthwith transmit one copy of the application and affidavit to the chief justice who shall request the attorney general in writing to cause an investigation to be made relative to the claimed incapacity and report back the results thereof in writing. If the chief justice finds from the report of the attorney general that the applicant is permanently incapacitated, physically or mentally, to perform the duties of the applicant's office the chief justice shall by endorsement thereon declare the applicant retired, and the office vacant, and shall file the report in the office of the court administrator, and a copy in the office of the secretary of state. From the date of such filing the applicant shall be deemed retired from the applicant's office and entitled to the benefits of this article to the same extent as if the applicant had retired under the provisions of section 602.9106.

[C66, 71, 73, 75, 77, 79, 81, §605A.12]

83 Acts, ch 186, §10202(2)

CS83, §602.9112

2006 Acts, ch 1091, §19

Referred to in §602.9207

**602.9113 Retirement benefits for disability.**

An adjudication as to permanent physical or mental disability under the provisions of article 2, part 1 shall entitle the judge to the same retirement benefits as provided for voluntary retirement for such cause.

[C66, 71, 73, 75, 77, 79, 81, §605A.13]
83 Acts, ch 186, §10202(2)
CS83, §602.9113

**602.9114 Forfeiture of benefits — refund.**

If a judge covered under this part is removed for cause other than permanent disability the judge and the judge's survivor shall forfeit the right to any retirement benefits under the system but the total amount in the judge's individual account shall be returned to the judge or the judge's legal representatives within one year of the removal.

[C66, 71, 73, 75, 77, 79, 81, §605A.14]
83 Acts, ch 186, §10202(2)
CS83, §602.9114
86 Acts, ch 1243, §38

**602.9115 Annuity for survivor of annuitant.**

The survivor of a judge who was qualified for retirement compensation under the system at the time of the judge's death, is entitled to receive an annuity of one-half of the amount of the annuity the judge was receiving or would have been entitled to receive at the time of the judge's death, or if the judge died before age sixty-five, then one-half of the amount the judge would have been entitled to receive at age sixty-five based on the judge's years of service for which contributions were made to the system. The annuity shall begin on the judge's death or upon the survivor's reaching age sixty, whichever is later. However, a survivor less than sixty years old may elect to receive a decreased retirement annuity to begin on the judge's death by filing a written election with the state court administrator. The election is subject to the approval of the state court administrator. The amount of the decreased retirement annuity shall be the actuarial equivalent of the amount of the annuity otherwise payable to the survivor under this section.

For the purposes of this article *"survivor"* means the surviving spouse of a person who was a judge, if married to the judge for at least one year preceding the judge's death.

If the judge dies leaving a survivor but without receiving in annuities an amount equal to the judge's credit, the balance shall be credited to the account of the judge's survivor, and if the survivor dies without receiving in annuities an amount equal to the balance, the amount remaining shall be paid to the survivor's legal representatives within one year of the survivor's death.

[C73, 75, 77, 79, 81, §605A.15]
83 Acts, ch 186, §10202(2)
CS83, §602.9115
84 Acts, ch 1285, §29; 86 Acts, ch 1243, §39
Referred to in §602.9115A, 602.9209

**602.9115A Optional annuity for judge and survivor.**

In lieu of the annuities and refunds provided for judges and judges' survivors under sections 602.9107, 602.9108, 602.9115, 602.9204, 602.9208, and 602.9209, judges may elect to receive an optional retirement annuity during the judge's lifetime and have the optional retirement annuity, or a designated fraction of the optional retirement annuity, continued and paid to the judge's survivor after the judge's death and during the lifetime of the survivor.

The judge shall make the election request in writing to the state court administrator prior to retirement. The election is subject to the approval of the state court administrator. The judge may revoke the election prior to retirement by written request to the state court administrator, but cannot revoke the election after retirement.

The optional retirement annuity shall be the actuarial equivalent of the amounts of the annuities payable to judges and survivors under sections 602.9107, 602.9115, 602.9204,

602.9208, and 602.9209. The actuarial equivalent shall be based on the mortality and interest assumptions set out in section 602.9107, subsection 3.

If the judge dies without a survivor, prior to retirement or prior to receipt in annuities of an amount equal to the total amount remaining to the judge's credit at the time of separation from service, the election is null and void and the refunding provisions of section 602.9108 apply.

If the judge dies with a survivor prior to retirement, the election remains valid and the survivor is entitled to receive the annuity beginning at the death of the judge.

If the judge dies with a survivor and the survivor subsequently dies prior to receipt in annuities by both the judge and the survivor of an amount equal to the total amount remaining to the judge's credit at the time of separation from service, the election remains valid and the refunding provision of section 602.9115 applies.

86 Acts, ch 1243, §40; 92 Acts, ch 1236, §402, 403; 2006 Acts, ch 1091, §20

**602.9116 Actuarial valuation.**

1. The court administrator shall cause an actuarial valuation to be made of the assets and liabilities of the judicial retirement fund at least once every four years commencing with the fiscal year beginning July 1, 1981. For each fiscal year in which an actuarial valuation is not conducted, the court administrator shall cause an annual actuarial update to be prepared for the purpose of determining the adequacy of the contribution rates specified in section 602.9104. The court administrator shall adopt actuarial methods and assumptions, mortality tables, and other necessary factors for use in the actuarial calculations required for the valuation upon the recommendation of the actuary. In addition, effective with the fiscal year beginning July 1, 2008, the actuarial valuation or actuarial update required to be conducted shall include information as required by section 97D.5. Following the actuarial valuation or annual actuarial update, the court administrator shall determine the condition of the system, determine the actuarially required contribution rate for each fiscal year which is the rate required by the system to discharge its liabilities, stated as a percentage of the basic salary of all judges covered under this article, and shall report any findings and recommendations to the general assembly.

2. The cost of the actuarial valuation or annual actuarial update shall be paid from the judicial retirement fund.

[C81, §605A.18]

83 Acts, ch 186, §10202(2)

CS83, §602.9116

94 Acts, ch 1183, §85; 2006 Acts, ch 1091, §21; 2007 Acts, ch 22, §102; 2008 Acts, ch 1171, §56

Referred to in §602.9104

## PART 2

## IOWA SENIOR JUDGE ACT

Referred to in §602.1101

**602.9201 Short title.**

This part may be cited and referred to as the *"Iowa Senior Judge Act"*.

[C81, §605A.21]

83 Acts, ch 186, §10202(2)

CS83, §602.9201

**602.9202 Definitions.**

As used in this part unless the context otherwise requires:

1. *"Retired senior judge"* means a senior judge who has been retired from a senior judgeship as provided in section 602.9207.

2. *"Roster of senior judges"* means the roster maintained by the clerk of the supreme court under section 602.9203, subsection 3.

3. *"Senior judge"* means a supreme court judge, court of appeals judge, district court judge, district associate judge, full-time associate juvenile judge, or full-time associate probate judge, who meets the requirements of section 602.9203 and who has not been retired or removed from the roster of senior judges under section 602.9207 or 602.9208.

4. *"Senior judge retirement age"* means seventy-eight years of age or, if the senior judge is reappointed as a senior judge for an additional one-year term upon attaining seventy-eight years of age, and then to a succeeding one-year term, pursuant to section 602.9203, eighty years of age.

5. *"Twelve-month period"* means each successive one-year period commencing on the date a retired judge becomes a senior judge and while the judge continues to be a senior judge.

[C81, §605A.22]

83 Acts, ch 186, §10202(2)

CS83, §602.9202

2002 Acts, ch 1135, §56; 2008 Acts, ch 1191, §149; 2012 Acts, ch 1021, §106; 2012 Acts, ch 1138, §75

Referred to in §595.10

**602.9203 Senior judgeship requirements — appointment and term.**

1. A supreme court judge, court of appeals judge, district judge, district associate judge, full-time associate juvenile judge, or full-time associate probate judge, who qualifies under subsection 2 may become a senior judge by filing with the clerk of the supreme court a written election in the form specified by the supreme court. The election shall be filed within six months of the date of retirement.

2. A judicial officer referred to in subsection 1 may be appointed, at the discretion of the supreme court, for a two-year term as a senior judge if the judicial officer meets all of the following requirements:

*a.* Retires from office on or after July 1, 1977, whether or not the judicial officer is of mandatory retirement age.

*b.* Meets the minimum requirements for entitlement to an annuity as specified in section 602.9106. However, a judge who elects to retire prior to attaining the age of sixty-five and who has not had twenty years of consecutive service, may serve as a senior judge, but shall not be paid an annuity pursuant to section 602.9204 until attaining age sixty-five.

*c.* Agrees in writing on a form prescribed by the supreme court to be available as long as the judicial officer is a senior judge to perform judicial duties as assigned by the supreme court for an aggregate period of thirteen weeks out of each successive twelve-month period.

*d.* Submits evidence to the satisfaction of the supreme court that as of the date of retirement the judicial officer does not suffer from a permanent physical or mental disability which would substantially interfere with the performance of duties agreed to under paragraph "*c*" of this subsection.

*e.* Submits evidence to the satisfaction of the supreme court that since the date of retirement the judicial officer has not engaged in the practice of law.

3. The clerk of the supreme court shall maintain a book entitled "Roster of Senior Judges", and shall enter in the book the name of each judicial officer who files a timely election under subsection 1 and qualifies under subsection 2. A person shall be a senior judge upon entry of the person's name in the roster of senior judges and until the person becomes a retired senior judge as provided in section 602.9207, or until the person's name is stricken from the roster of senior judges as provided in section 602.9208, or until the person dies.

4. The supreme court shall cause each senior judge on the roster to actually perform judicial duties during each successive twelve-month period.

5. *a.* A senior judge may be reappointed to additional two-year terms, at the discretion of the supreme court, if the judicial officer meets the requirements of subsection 2.

*b.* A senior judge may be reappointed to a one-year term upon attaining seventy-eight years of age and to a succeeding one-year term, at the discretion of the supreme court, if the judicial officer meets the requirements of subsection 2.

[C81, §605A.23]

83 Acts, ch 186, §10202(2)
CS83, §602.9203
85 Acts, ch 94, §1, 2; 89 Acts, ch 162, §1; 95 Acts, ch 145, § 1, 2; 2002 Acts, ch 1135, §57; 2006 Acts, ch 1091, §22; 2008 Acts, ch 1191, §150; 2011 Acts, ch 78, §6 – 8
Referred to in §602.9202, 602.9204, 602.9206

**602.9204 Salary — annuity of senior judge and retired senior judge.**

1. *a.* A judge who retires on or after July 1, 1994, and who is appointed a senior judge under section 602.9203 shall be paid a salary as determined by the general assembly.

*b.* A senior judge or retired senior judge shall be paid an annuity under the judicial retirement system in the manner provided in section 602.9109, but computed under this section in lieu of section 602.9107, as follows:

(1) The annuity paid to a senior judge or retired senior judge shall be an amount equal to the applicable percentage multiplier of the basic senior judge salary, multiplied by the judge's years of service prior to retirement as a judge of one or more of the courts included under this article, for which contributions were made to the system, except the annuity of the senior judge or retired senior judge shall not exceed an amount equal to the applicable specified percentage of the basic senior judge salary used in calculating the annuity.

(2) However, following the twelve-month period during which the senior judge or retired senior judge attains senior judge retirement age, the annuity paid to the person shall be an amount equal to the applicable percentage multiplier of the basic senior judge salary cap, multiplied by the judge's years of service prior to retirement as a judge of one or more of the courts included under this article, for which contributions were made to the system, except that the annuity shall not exceed an amount equal to the applicable specified percentage of the basic senior judge salary cap.

*c.* A senior judge or retired senior judge shall not receive benefits calculated using a basic senior judge salary established after the twelve-month period in which the senior judge or retired senior judge attains senior judge retirement age.

*d.* The state shall provide, regardless of age, to an active senior judge or a senior judge with six years of service as a senior judge and to the judge's spouse, and pay for medical insurance until the judge attains senior judge retirement age.

2. As used in this section, unless the context otherwise requires:

*a.* *"Applicable percentage multiplier"* means as follows:

(1) For a senior judge or retired senior judge who retired as a judge and received an annuity prior to July 1, 2006, three percent.

(2) For a senior judge or a retired senior judge who retired as a judge and received an annuity on or after July 1, 2006, three and one-fourth percent.

*b.* *"Applicable specified percentage"* means, for a senior judge or retired senior judge, the specified percentage, as defined in section 602.9107, subsection 1, that applied on the date the judge was separated from full-time service.

*c.* *"Basic senior judge salary"* means the highest basic annual salary which the judge is receiving or had received as of the time the judge became separated from full-time service, as would be used in computing an annuity pursuant to section 602.9107 without service as a senior judge, plus seventy-five percent of the escalator.

*d.* *"Basic senior judge salary cap"* means the basic senior judge salary, at the end of the twelve-month period during which the senior judge or retired senior judge attained senior judge retirement age, of the office in which the person last served as a judge before retirement as a judge or senior judge.

*e.* *"Escalator"* means the difference between the current basic salary, as of the time each payment is made up to and including the twelve-month period during which the senior judge or retired senior judge attains senior judge retirement age, of the office in which the senior judge last served as a judge before retirement as a judge or senior judge, and the basic annual salary which the judge is receiving at the time the judge becomes separated from full-time

service as a judge of one or more of the courts included in this article, as would be used in computing an annuity pursuant to section 602.9107 without service as a senior judge.

[C81, §605A.24]

83 Acts, ch 186, §10202(2)

CS83, §602.9204

86 Acts, ch 1243, §41; 89 Acts, ch 162, §2; 92 Acts, ch 1201, §73, 76; 92 Acts, 2nd Ex, ch 1001, §116; 94 Acts, ch 1183, §86, 90; 95 Acts, ch 145, §3, 4; 99 Acts, ch 200, §22; 2000 Acts, ch 1077, §116; 2002 Acts, ch 1135, §58; 2006 Acts, ch 1091, §23, 24; 2008 Acts, ch 1191, §151, 152

Referred to in §602.9115A, 602.9203, 602.9208

Interpretive memorandum by the Iowa Supreme Court filed July 22, 1982

**602.9205 Practice of law prohibited.**

A senior judge shall not practice law.

[C81, §605A.25]

83 Acts, ch 186, §10202(2)

CS83, §602.9205

**602.9206 Temporary service by senior judge.**

Section 602.1612 does not apply to a senior judge but does apply to a retired senior judge. During the tenure of a senior judge, if the judge is able to serve, the judge may be assigned by the supreme court to temporary judicial duties on courts of this state without salary for an aggregate of thirteen weeks out of each twelve-month period, and for additional weeks with the judge's consent. A senior judge shall not be assigned to judicial duties on the supreme court unless the judge has been appointed to serve on the supreme court prior to retirement. While serving on temporary assignment, a senior judge has and may exercise all of the authority of the office to which the judge is assigned, shall continue to be paid the judge's annuity as senior judge, shall be reimbursed for the judge's actual expenses to the extent expenses of a district judge are reimbursable under section 602.1509, may, if permitted by the assignment order, appoint a temporary court reporter, who shall be paid the remuneration and reimbursement for actual expenses provided by law for a reporter in the court to which the senior judge is assigned, and, if assigned to the court of appeals or the supreme court, shall be given the assistance of a law clerk and a secretary designated by the court administrator of the judicial branch from the court administrator's staff. Each order of temporary assignment shall be filed with the clerks of court at the places where the senior judge is to serve.

A senior judge also shall be available to serve in the capacity of administrative law judge under chapter 17A, and the supreme court may assign a senior judge for temporary duties as an administrative law judge. A senior judge shall not be required to serve a period of time as an administrative law judge which, when added to the period of time being served by the person as a judge, if any, would exceed the maximum period of time the person agreed to serve pursuant to section 602.9203, subsection 2.

[C81, §605A.26]

83 Acts, ch 186, §10202(2)

CS83, §602.9206

88 Acts, ch 1109, §30; 90 Acts, ch 1271, §1512; 98 Acts, ch 1047, §62; 98 Acts, ch 1202, §43, 46

Referred to in §4.1, 602.1101, 602.9110

**602.9207 Retirement of senior judge.**

1. A senior judge shall cease to be a senior judge upon completion of the twelve-month period during which the judge attains senior judge retirement age. The clerk of the supreme court shall make a notation of the retirement of a senior judge in the roster of senior judges, at which time the senior judge shall become a retired senior judge.

2. A senior judge is subject to retirement under article 2, part 1 for the causes specified in section 602.2106, subsection 3, paragraph "*a*". A senior judge may request and be granted retirement in the manner provided in section 602.9112. When a senior judge is retired as

provided in this subsection the clerk of the supreme court shall make a notation of the retirement of the senior judge in the roster of senior judges, at which time the senior judge shall become a retired senior judge.

[C81, §605A.27]
83 Acts, ch 186, §10202(2)
CS83, §602.9207
2008 Acts, ch 1191, §153
Referred to in §602.1612, 602.9202, 602.9203

**602.9208 Relinquishment of senior judgeship — removal for cause — retirement annuity.**

1. A senior judge, at any time prior to the end of the twelve-month period during which the judge attains senior judge retirement age, may submit to the clerk of the supreme court a written request that the judge's name be stricken from the roster of senior judges. Upon the receipt of the request the clerk shall strike the name of the person from the roster of senior judges, at which time the person shall cease to be a senior judge. A person who relinquishes a senior judgeship as provided in this subsection may be assigned to temporary judicial duties as provided in section 602.1612.

2. A senior judge is subject to removal under the provisions of article 2, part 1 for any of the causes specified in section 602.2106, subsection 3, paragraph *"b"*. When a person is removed from a senior judgeship as provided in this subsection the clerk of the supreme court shall strike the name of the person from the roster of senior judges, at which time the person shall cease to be a senior judge.

3. A person who relinquishes a senior judgeship in the manner provided in subsection 1 or who is not reappointed shall be paid a retirement annuity that commences on the effective date of the relinquishment or the date of the completion of the term or appointment and shall be based upon the number of years the person served as a senior judge. A person who serves six or more years as a senior judge shall be paid a retirement annuity that is in an amount equal to the amount of the annuity the person is receiving on the effective date of the relinquishment or the date of the completion of the term or appointment in lieu of an amount determined according to section 602.9204. If the person serves less than six years as a senior judge, the person shall be paid a retirement annuity that is in an amount equal to an amount determined according to section 602.9107 added to an amount equal to the number of years the person served as a senior judge, divided by six, multiplied by the difference between the amount of the annuity the person is receiving on the effective date of the relinquishment and the amount determined according to section 602.9107. A person who is removed from a senior judgeship as provided in subsection 2 shall be paid a retirement annuity that commences on the effective date of the removal and is in an amount determined according to section 602.9107 in lieu of section 602.9204, and any service and annuity of the person as a senior judge is disregarded.

[C81, §605A.28]
83 Acts, ch 186, §10202(2)
CS83, §602.9208
84 Acts, ch 1234, §1; 95 Acts, ch 145, §5; 2008 Acts, ch 1191, §154
Referred to in §602.1612, 602.9115A, 602.9202, 602.9203, 602.9209

**602.9209 Survivor's annuity.**

1. A survivor of a senior judge, a retired senior judge, or a person who relinquished a senior judgeship under section 602.9208, subsection 1, shall be paid an annuity in lieu of that specified in section 602.9115, which is equal to one-half the amount of the annuity the senior judge, retired senior judge, or person who relinquished a senior judgeship was receiving at the time of death, provided the survivor is qualified under section 602.9115 to receive an annuity.

2. A survivor of a person whose name is stricken from the roster of senior judges because of removal from a senior judgeship under section 602.9208, subsection 2, shall be paid

an annuity equal to one-half of the amount the person was receiving at the time of death, provided the survivor is qualified under section 602.9115 to receive an annuity.

[C81, §605A.29]
83 Acts, ch 186, §10202(2)
CS83, §602.9209
84 Acts, ch 1234, §2
Referred to in §602.9115A

## ARTICLE 10

## ATTORNEYS AND COUNSELORS

Referred to in §252J.8, 261.126, 272D.8, 556.2C, 556.11, 602.1209, 602.8102(93)

See also Iowa Ct.R., ch 31 – 45

**602.10101 Admission to practice.**

The power to admit persons to practice as attorneys and counselors in the courts of this state, or any of them, is vested exclusively in the supreme court which shall adopt and promulgate rules to carry out the intent and purpose of this article.

[C97, §309, 315; S13, §315; C24, 27, 31, 35, 39, §**10907, 10918;** C46, 50, 54, 58, 62, 66, 71, 73, §610.1, 610.12; C75, 77, 79, 81, §610.1]
83 Acts, ch 186, §10202(2)
CS83, §602.10101
Referred to in §96.3
See Iowa Ct.R., ch 31 in the publication, "Iowa Court Rules"

**602.10102 Qualifications for admission.**

Every applicant for such admission shall be a person of honesty, integrity, trustworthiness, truthfulness and one who appreciates and will adhere to a code of conduct for lawyers as adopted by the supreme court. The applicant shall be an inhabitant of this state, and shall have actually and in good faith pursued a regular course of study of the law and shall have graduated from some reputable law school. The application form shall not contain a recent photograph of the applicant. An applicant shall not be ineligible for registration because of age, citizenship, sex, race, religion, marital status or national origin although the application form may require citizenship information. The board may consider the past record of guilty pleas and convictions of public offenses of an applicant. Character references may be required; however, such references shall not be restricted to lawyers.

[C51, §1610; R60, §2700; C73, §208; C97, §310; S13, §310; C24, 27, 31, 35, 39, §**10908;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.2]
83 Acts, ch 186, §10202(2)
CS83, §602.10102

**602.10103 Board of law examiners.**

There is established a board of law examiners which shall consist of five persons admitted to practice law in this state and two persons not admitted to practice law in this state who shall represent the general public. Members shall be appointed by the supreme court. A member admitted to practice law shall be actively engaged in the practice of law in this state.

[S13, §311-a; C24, 27, 31, 35, 39, §**10910;** C46, 50, 54, 58, 62, 66, 71, 73, §610.4; C75, 77, 79, 81, §610.3]
83 Acts, ch 186, §10202(2)
CS83, §602.10103

**602.10104 Examinations.**

Every applicant shall be examined by the board concerning the applicant's learning and skill in the law. The sufficiency of the education of the applicant may be determined by written examination or in such other manner as the board shall prescribe. The board shall hold at least one meeting each year at the seat of government. Examinations shall be given as often

as deemed necessary as determined by the court, but shall be conducted at least one time per year. All examinations in theory shall be in writing and the identity of the person taking the examination shall be concealed until after the examination papers have been graded. For examinations in practice, the identity of the person taking the examination shall also be concealed as far as possible.

An applicant who fails the examination once shall be allowed to take the examination at the next scheduled time. Thereafter, the applicant shall be allowed to take the examination at the discretion of the court. An applicant who has failed the examination may request in writing information from the court concerning the applicant's examination grade and subject areas or questions which the applicant failed to answer correctly, except that if the court administers a uniform, standardized examination, the court shall only be required to provide the examination grade and such other information concerning the applicant's examination results which are available to the court.

[C97, §311; S13, §311; C24, 27, 31, 35, 39, §**10909;** C46, 50, 54, 58, 62, 66, 71, 73, §610.3; C75, 77, 79, 81, §610.4]

83 Acts, ch 186, §10202(2)

CS83, §602.10104

**602.10105 Term of office.**

Appointments shall be for three-year terms and shall commence on July 1 of the year in which the appointment is made. Vacancies shall be filled for the unexpired term by appointment of the supreme court. Members shall serve no more than three terms or nine years, whichever is less.

[S13, §311-a; C24, 27, 31, 35, 39, §**10911;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.5]

83 Acts, ch 186, §10202(2)

CS83, §602.10105

**602.10106 Oath — compensation.**

The members thus appointed shall take and subscribe an oath to be administered by one of the judges of the supreme court to faithfully and impartially discharge the duties of the office. The members shall, in addition to receiving actual and necessary expenses, set the per diem compensation for themselves and the temporary examiners appointed under section 602.10107 at a rate not exceeding the per diem specified in section 7E.6 for each day actually engaged in the discharge of their duties. The duties shall include the traveling to and from the place of examination, the preparation and conducting of examinations, and the reading of the examination papers. The per diem authorized under this section shall be reasonably apportioned in relation to the funds appropriated to the board.

[S13, §311-a; C24, 27, 31, 35, 39, §**10912;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.6]

83 Acts, ch 186, §10202(2)

CS83, §602.10106

90 Acts, ch 1256, §54

**602.10107 Temporary appointments — expenses.**

The supreme court may appoint from time to time, when necessary, temporary examiners to assist the board, who shall receive their actual and necessary expenses to be paid from funds appropriated to the board.

The members of the board authorized to grade examinations shall make the final decision on passage or failure of each applicant, subject to the rules of the supreme court. The board shall, also, recommend to the supreme court for admission to practice law in this state all

applicants who pass the examination and who meet the requisite character requirements. The supreme court shall make the final decision in determining who shall be admitted.

[S13, §311-a; C24, 27, 31, 35, 39, §**10913;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.7]

83 Acts, ch 186, §10202(2)

CS83, §602.10107

Referred to in §602.10106

**602.10108 Fees — appropriation.**

1. The supreme court shall set the fees for examination and for admission. The fees for examination shall be based upon the annual cost of administering the examinations. The fees for admission shall be based upon the costs of conducting an investigation of the applicant and the administrative costs of sustaining the board.

2. Fees shall be collected by the board and are appropriated to the judicial branch and shall be used to offset the costs of administering this article 10.

[S13, §311-b; C24, 27, 31, 35, 39, §**10914;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.8]

83 Acts, ch 186, §10202(2)

CS83, §602.10108

2010 Acts, ch 1159, §10; 2013 Acts, ch 45, §2

Subsection 2 amended

**602.10109 Practitioners from other states.**

Any person who is a resident of this state, and has been admitted to the bar of any other state in the United States or the District of Columbia, may, in the discretion of the court, be admitted to practice in this state without examination or proof of a period of study. The person, in the application for admission to practice law in this state, in addition to all other requirements stated in this chapter, shall establish that the person has practiced law for five full years under license in such jurisdiction within the seven years immediately preceding the date of application and still holds a license to practice law. The teaching of law as a full-time instructor in a recognized law school in this state or some other state shall for the purpose of this section be deemed the practice of law. Any person who has discharged actual legal duties as a member of the armed services of the United States shall be deemed to have practiced law for the purposes of this section if certified to as such by the judge advocate general of the service. The court may charge an investigation fee based upon the cost of conducting the investigation as determined by the court.

[C97, §313; S13, §313; C24, 27, 31, 35, 39, §**10916;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.10]

83 Acts, ch 186, §10202(2)

CS83, §602.10109

See Iowa Ct.R. 31.12 and 31.13

**602.10110 Oath or affirmation.**

All persons on being admitted to the bar shall take an oath or affirmation, as promulgated by the supreme court, declaring to support the Constitutions of the United States and of the state of Iowa, and to faithfully discharge, according to the best of their ability, the duties of an attorney.

[C51, §1613; R60, §2703; C73, §208; C97, §314; C24, 27, 31, 35, 39, §**10917;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.11]

83 Acts, ch 186, §10202(2)

CS83, §602.10110

2005 Acts, ch 179, §76, 89

**602.10111 Nonresident attorney — appointment of local attorney.**

Any member of the bar of another state, actually engaged in any cause or matter pending in any court of this state, may be permitted by such court to appear in and conduct such cause or matter while retaining the attorney's residence in another state, without being subject to

this article; provided that at the time the attorney enters an appearance the attorney files with the clerk of such court the written appointment of some attorney resident and admitted to practice in the state of Iowa, upon whom service may be had in all matters connected with said action, with the same effect as if personally made on such foreign attorney within this state. In case of failure to make such appointment, such attorney shall not be permitted to practice as provided in this section, and all papers filed by the attorney shall be stricken from the files.

[C51, §1612; R60, §2702; C73, §210; C97, §316; S13, §316; C24, 27, 31, 35, 39, §**10919;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.13]

83 Acts, ch 186, §10202(2)

CS83, §602.10111

2009 Acts, ch 133, §173

See Iowa Ct.R. 31.14

**602.10112 Duties of attorneys and counselors.** Repealed by 2005 Acts, ch 179, § 79, 89.

**602.10113 Deceit or collusion.**

An attorney and counselor who is guilty of deceit or collusion, or consents thereto, with intent to deceive a court or judge or a party to an action or proceeding, is liable to be disbarred, and shall forfeit to the injured party treble damages to be recovered in a civil action.

[C51, §1615; R60, §2705; C73, §212; C97, §318; C24, 27, 31, 35, 39, §**10921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.15]

83 Acts, ch 186, §10202(2)

CS83, §602.10113

**602.10114 Authority.**

An attorney and counselor has power to:

1. Execute in the name of a client a bond, or other written instrument, necessary and proper for the prosecution of an action or proceeding about to be or already commenced, or for the prosecution or defense of any right growing out of an action, proceeding, or final judgment rendered therein.

2. Bind a client to any agreement, in respect to any proceeding within the scope of the attorney's or counselor's proper duties and powers; but no evidence of any such agreement is receivable, except the statement of the attorney in person, the attorney's or counselor's written agreement signed and filed with the clerk, or an entry thereof upon the records of the court.

3. Receive money claimed by a client in an action or proceeding during the pendency thereof, or afterwards, unless the attorney or counselor has been previously discharged by the client, and, upon payment thereof, and not otherwise, to discharge the claim or acknowledge satisfaction of the judgment.

[C51, §1616; R60, §2706; C73, §213; C97, §319; C24, 27, 31, 35, 39, §**10922;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.16]

83 Acts, ch 186, §10202(2)

CS83, §602.10114

**602.10115 Proof of authority.**

The court may, on motion of either party and on the showing of reasonable grounds therefor, require the attorney for the adverse party, or for any one of the several adverse parties, to produce or prove by the attorney's own oath, or otherwise, the authority under which the attorney appears, and, until the attorney does so, may stay all proceedings by the attorney on behalf of the parties for whom the attorney assumes to appear.

[C51, §1617; R60, §2707; C73, §214; C97, §320; C24, 27, 31, 35, 39, §**10923;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.17]

83 Acts, ch 186, §10202(2)

CS83, §602.10115

**602.10116 Attorney's lien — notice.**

An attorney has a lien for a general balance of compensation upon:

1. Any papers belonging to a client which have come into the attorney's hands in the course of professional employment.

2. Money in the attorney's hands belonging to a client.

3. Money due a client in the hands of the adverse party, or attorney of such party, in an action or proceeding in which the attorney claiming the lien was employed, from the time of giving notice in writing to such adverse party, or attorney of such party, if the money is in the possession or under the control of such attorney, which notice shall state the amount claimed, and, in general terms, for what services.

4. After judgment in any court of record, such notice may be given, and the lien made effective against the judgment debtor, by entering the same in the judgment or combination docket, opposite the entry of the judgment.

[C51, §1618; R60, §2708; C73, §215; C97, §321; C24, 27, 31, 35, 39, §**10924;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.18]

83 Acts, ch 186, §10202(2)

CS83, §602.10116

Attorney as surety; §621.7, 636.5

**602.10117 Release of lien by bond.**

Any person interested may release such lien by executing a bond in a sum double the amount claimed, or in such sum as may be fixed by any district judge, payable to the attorney, with security to be approved by the clerk of the supreme or district court, conditioned to pay any amount finally found due the attorney for the attorney's services, which amount may be ascertained by suit on the bond.

[C51, §1619; R60, §2709; C73, §216; C97, §322; C24, 27, 31, 35, 39, §**10925;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.19]

83 Acts, ch 186, §10202(2)

CS83, §602.10117

**602.10118 Automatic release.**

Such lien will be released, unless the attorney, within ten days after demand therefor, files with the clerk a full and complete bill of particulars of the services and amount claimed for each item, or written contract with the party for whom the services were rendered.

[C73, §216; C97, §322; C24, 27, 31, 35, 39, §**10926;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.20]

83 Acts, ch 186, §10202(2)

CS83, §602.10118

**602.10119 Unlawful retention of money.**

An attorney who receives the money or property of a client in the course of the attorney's professional business, and refuses to pay or deliver it in a reasonable time, after demand, is guilty of a theft and punished accordingly.

[C51, §1627; R60, §2717; C73, §224; C97, §330; C24, 27, 31, 35, 39, §**10927;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.21]

83 Acts, ch 186, §10202(2)

CS83, §602.10119

Referred to in §602.10120

**602.10120 Excuse for nonpayment.**

When the attorney claims to be entitled to a lien upon the money or property, the attorney is not liable to the penalties of section 602.10119 until the person demanding the money proffers sufficient security for the payment of the amount of the attorney's claim, when it is legally ascertained. Nor is the attorney in any case liable as aforesaid, provided the attorney

gives sufficient security that the attorney will pay over the whole or any portion thereof to the claimant when the claimant is found entitled thereto.

[C51, §1628, 1629; R60, §2718, 2719; C73, §225, 226; C97, §331; C24, 27, 31, 35, 39, §**10928;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 610.22]

83 Acts, ch 186, §10202(2)

CS83, §602.10120

**602.10121 Revocation of license.**

The supreme court may revoke or suspend the license of an attorney to practice law in this state.

[C51, §1620; R60, §2710; C73, §217; C97, §323; C24, 27, 31, 35, 39, §**10929;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.23]

83 Acts, ch 186, §10202(2)

CS83, §602.10121

**602.10122 Grounds of revocation.**

The following are sufficient causes for revocation or suspension:

1. When the attorney has been convicted of a felony. The record of conviction is conclusive evidence.

2. When the attorney is guilty of a willful disobedience or violation of the order of the court, requiring the attorney to do or forbear an act connected with or in the course of the attorney's profession.

3. A willful violation of any of the duties of an attorney or counselor as hereinbefore prescribed.

4. Doing any other act to which such a consequence is by law attached.

5. Soliciting legal business for the attorney or office, either by the attorney or representative. Nothing herein contained shall be construed to prevent or prohibit listing in legal or other directories, law lists and other similar publications, or the publication of professional cards in any such lists, directories, newspapers or other publication.

[C51, §1621; R60, §2711; C73, §218; C97, §324; C24, 27, 31, 35, 39, §**10930;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.24]

83 Acts, ch 186, §10202(2)

CS83, §602.10122

**602.10123 Proceedings.**

The proceedings to remove or suspend an attorney may be commenced by the direction of the court or on the petition of any individual. In the former case, the court must direct some attorney to draw up the accusation; in the latter, the accusation must be drawn up and sworn to by the person making it.

[C51, §1622; R60, §2712; C73, §219; C97, §325; S13, §325; C24, 27, 31, 35, 39, §**10931;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.25]

83 Acts, ch 186, §10202(2)

CS83, §602.10123

93 Acts, ch 85, §4

**602.10124 Costs.**

If an action is commenced by direction of the court, the costs shall be taxed and disposed of as in criminal cases; provided that no allowance shall be made in such case for the payment of attorney fees.

[S13, §325; C24, 27, 31, 35, 39, §**10932;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.26]

83 Acts, ch 186, §10202(2)

CS83, §602.10124

**602.10125 Attorney general — appropriateness of procedure — order for appearance.**

If an action is commenced on the petition of an individual, the court shall notify and refer the matter to the attorney general. The attorney general, within thirty days of the referral,

shall submit a report to the court concerning the appropriateness of bringing the action under this chapter. The court shall not proceed with consideration of the merits of the complaint until the report from the attorney general is received. If the court deems the accusation sufficient to justify further action, the court shall determine whether the complaint is more appropriately pursued under this chapter rather than the procedures established under Iowa court rules, ch. 35. If the court finds that proceeding under this chapter is more appropriate, it shall cause an order to be entered requiring the accused to appear and answer in the court where the accusation has been filed on the day fixed in the order, and shall cause a copy of the accusation and order to be served upon the accused personally.

[C51, §1623; R60, §2713; C73, §220; C97, §326; C24, §10933; C27, 31, 35, §10934-b1; C39, §**10934.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.27]

83 Acts, ch 101, §122; 83 Acts, ch 186, §10202(2)

CS83, §602.10125

93 Acts, ch 85, §5; 2006 Acts, ch 1010, §153

**602.10126 Copy of accusation — duty of clerk.**

The clerk of the district court shall immediately certify to the clerk of the supreme court a copy of the accusation.

[C27, 31, 35, §10934-b2; C39, §**10934.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.28]

83 Acts, ch 186, §10202(2)

CS83, §602.10126

**602.10127 Notice to attorney general — duty.**

Thereupon the chief justice of the supreme court shall notify the attorney general of such accusation and cause a copy thereof to be delivered to the attorney general, and it shall thereupon become the duty of the attorney general to superintend either through the attorney general's office, or through a special assistant to be designated by the attorney general, the prosecution of such charges.

[C27, 31, 35, §10934-b3; C39, §**10934.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.29]

83 Acts, ch 186, §10202(2)

CS83, §602.10127

**602.10128 Trial court.**

The supreme court shall designate three district judges to sit as a court to hear and decide such charges.

[C27, 31, 35, §10934-b4; C39, §**10934.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.30]

83 Acts, ch 186, §10202(2)

CS83, §602.10128

**602.10129 Time and place of hearing.**

The hearing shall be at such time as the chief justice of the supreme court may designate, and shall be held within the county where the accusation was originally filed.

[C27, 31, 35, §10934-b5; C39, §**10934.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.31]

83 Acts, ch 186, §10202(2)

CS83, §602.10129

**602.10130 Determination of issues.**

The determination of all issues shall be heard before the said judges selected by the supreme court as herein provided for.

[C27, 31, 35, §10934-b6; C39, §**10934.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.32]

83 Acts, ch 186, §10202(2)

CS83, §602.10130

**602.10131 Record and judgment.**

The records and judgment at such trial shall constitute a part of the records of the district court in the county in which the accusations are originally filed.

[C27, 31, 35, §10934-b7; C39, §**10934.7;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.33]

83 Acts, ch 186, §10202(2)

CS83, §602.10131

**602.10132 Pleadings — evidence — preservation.**

To the accusation, the accused may plead or demur and the issues joined thereon shall in all cases be tried by said judges so selected and all of the evidence at such trial shall be reduced to writing, filed and preserved.

[C51, §1624; R60, §2714; C73, §221; C97, §327; C24, §10934; C27, 31, 35, §10934-b8; C39, §**10934.8;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.34]

83 Acts, ch 186, §10202(2)

CS83, §602.10132

**602.10133 Costs and expenses.**

The court costs incident to such proceedings and the reasonable expense of the judges in attending the hearing after being approved by the supreme court shall be paid as an expense authorized by the executive council from the appropriations addressed in section 7D.29.

[C27, 31, 35, §10934-b9; C39, §**10934.9;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.35]

83 Acts, ch 186, §10202(2)

CS83, §602.10133

2011 Acts, ch 131, §38, 158

**602.10134 Plea of guilty or failure to plead.**

If the accused plead guilty, or fail to answer, the court shall proceed to render such judgment as the case requires.

[C51, §1625; R60, §2715; C73, §222; C97, §328; C24, 27, 31, 35, 39, §**10935;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.36]

83 Acts, ch 186, §10202(2)

CS83, §602.10134

**602.10135 Appeal.**

In case of a removal or suspension being ordered, an appeal therefrom lies to the supreme court, and all the original papers, together with a transcript of the record, shall thereupon be transferred to the supreme court, to be there considered and finally acted upon. A judgment of acquittal by a court of record is final.

[C51, §1626; R60, §2716; C73, §223; C97, §329; C24, 27, 31, 35, 39, §**10936;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.37]

83 Acts, ch 186, §10202(2)

CS83, §602.10135

**602.10136 Certification of judgment.**

When a judgment has been entered in any court of record in the state revoking or suspending the license of any attorney at law to practice in the said court, the clerk of the court in which the judgment is rendered shall immediately certify to the clerk of the supreme court the order or judgment of the court in said cause.

[S13, §329-a; C24, 27, 31, 35, 39, §**10937;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §610.38]

83 Acts, ch 186, §10202(2)

CS83, §602.10136

**602.10137 Renewals.**

The right to practice law in this state shall be renewed in multiyear intervals by the supreme court upon such conditions as the court shall determine. Any moneys received from those

persons admitted to practice law and which are designated for a client security fund or similar fund created by the supreme court shall be separately retained and administered by said court in accordance with rules promulgated by it.

[C75, 77, 79, 81, §610.45]
83 Acts, ch 186, §10202(2)
CS83, §602.10137

**602.10138 Client security fund not an insurance company.**

A client security fund established by the supreme court is not an insurance company and the insurance laws of this state and the rules of the commissioner of insurance are not applicable to such a client security fund.

[C75, 77, 79, 81, §610.46]
83 Acts, ch 186, §10202(2)
CS83, §602.10138
See Iowa Ct.R. 39.3

**602.10139 Officers.**

The board shall organize following its appointment and shall elect a chairperson and vice chairperson.

[S13, §311-a; C24, 27, 31, 35, 39, §**10910;** C46, 50, 54, 58, 62, 66, 71, 73, §610.4; C75, 77, 79, 81, §610.47]
83 Acts, ch 186, §10202(2)
CS83, §602.10139

**602.10140 Public members.**

The public members of the board shall be allowed to participate in the administrative, clerical, or ministerial functions incident to giving the examination, but shall not determine the content of the examination or determine the correctness of the answers. The public members shall participate in the determination of whether or not each applicant meets the requisite character requirements.

[C75, 77, 79, 81, §610.48]
83 Acts, ch 186, §10202(2)
CS83, §602.10140

**602.10141 Disclosure of confidential information.**

1. A member of the board shall not disclose information relating to the following:

*a.* Criminal history or prior misconduct of the applicant.

*b.* Information relating to the contents of the examination.

*c.* Information relating to the examination results other than final score except for information about the results of an examination which is given to the person who took the examination.

2. A member of the board who willfully communicates or seeks to communicate such information, and any person who willfully requests, obtains, or seeks to obtain such information, is guilty of a simple misdemeanor.

[C75, 77, 79, 81, §610.49]
83 Acts, ch 186, §10202(2)
CS83, §602.10141
2013 Acts, ch 30, §261
Code editor directive applied

## ARTICLE 11

## TRANSITION PROVISIONS

**602.11101 Implementation by court component.**

1. The state shall assume responsibility for components of the court system according to the following schedule:

*a.* On October 1, 1983, the state shall assume the responsibility for and the costs of jury fees and mileage as provided in section 607A.8 and on July 1, 1984, the state shall assume the responsibility for and the costs of prosecution witness fees and mileage and other witness fees and mileage assessed against the prosecution in criminal actions prosecuted under state law as provided in sections 622.69 and 622.72.

*b.* Court reporters shall become court employees on July 1, 1984. The state shall assume the responsibility for and the costs of court reporters on July 1, 1984.

*c.* Bailiffs who perform services for the court, other than law enforcement services, shall become court employees on January 1, 1985, and shall be called court attendants. The state shall assume the responsibility for and the costs of court attendants on January 1, 1985. Section 602.6601 takes effect on January 1, 1985.

*d.* (1) Juvenile probation officers shall become court employees on July 1, 1985. The state shall assume the responsibility for and the costs of juvenile probation officers on July 1, 1985.

(2) Until July 1, 1985, the county shall remain responsible for the compensation of juvenile court referees. Effective July 1, 1985, the state shall assume the responsibility for the compensation of juvenile court referees.

*e.* (1) Clerks of the district court shall become court employees on July 1, 1986. The state shall assume the responsibility for and the costs of the offices of the clerks of the district court on July 1, 1986. Persons who are holding office as clerks of the district court on July 1, 1986, are entitled to continue to serve in that capacity until the expiration of their respective terms of office. The district judges of a judicial election district shall give first and primary consideration for appointment of a clerk of the district court to serve the court beginning in 1989 to a clerk serving on and after July 1, 1986, until the expiration of the clerk's elected term of office. A vacancy in the office of clerk of the district court occurring on or after July 1, 1986, shall be filled as provided in section 602.1215.

(2) Until July 1, 1986, the county shall remain responsible for the compensation of and operating costs for court employees not presently designated for state financing and for miscellaneous costs of the judicial branch related to furnishings, supplies, and equipment purchased, leased, or maintained for the use of judicial officers, referees, and their staff. Effective July 1, 1986, the state shall assume the responsibility for the compensation of and operating costs for court employees presently designated for state financing and for miscellaneous costs of the judicial branch related to furnishings, supplies, and equipment purchased, leased, or maintained for the use of judicial officers, referees, and their staff. However, the county shall at all times remain responsible for the provision of suitable courtrooms, offices, and other physical facilities pursuant to section 602.1303, subsection 1, including paint, wall covering, and fixtures in the facilities.

(3) Until July 1, 1986, the county shall remain responsible for the compensation of and operating costs for probate referees and judicial hospitalization referees and their staffs. Effective July 1, 1986, the state shall assume the responsibility for the compensation of and operating costs for probate referees and judicial hospitalization referees and their staffs.

(4) Until July 1, 1986, the county shall remain responsible for necessary fees and costs related to certain court reporters. Effective July 1, 1986, the state shall assume the responsibility for necessary fees and costs related to certain court reporters.

*f.* The county shall remain responsible for the court-ordered costs of conciliation procedures under section 598.16.

2. *a.* For the period beginning July 1, 1983, and ending June 30, 1987, the provisions of division I (articles 1 through 10) take effect only to the extent that the provisions do not conflict with the scheduled state assumption of responsibility for the components of the court

system, and the amendments and repeals of divisions II and III take effect only to the extent necessary to implement that scheduled state assumption of responsibility. If an amendment or repeal to a Code section in division II or III is not effective during the period beginning July 1, 1983, and ending June 30, 1987, the Code section remains in effect for that period. On July 1, 1987, 1983 Iowa Acts, chapter 186, takes effect in its entirety.

*b.* However, if the state does not fully assume the costs for a fiscal year of a component of the court system in accordance with the scheduled assumption of responsibility, the state shall not assume responsibility for that component, and the schedule of state assumption of responsibility shall be delayed. The delayed schedule of state assumption of responsibility shall again be followed for the fiscal year in which the state fully assumes the costs of that component. For the fiscal year for which the state's assumption of the responsibility for a court component is delayed, the clerk of the district court shall not reduce the percentage remittance to the counties from the court revenue distribution account under section 602.8108. The clerk shall resume the delayed schedule of reductions in county remittances for the fiscal year in which the state fully assumes the costs of that court component. If the schedules of state assumption of responsibility and reductions in county remittances are delayed, the transition period beginning July 1, 1983, and ending June 30, 1987, is correspondingly lengthened, and 1983 Iowa Acts, chapter 186, takes effect in its entirety only at the end of the lengthened transition period.

3. The supreme court shall prescribe temporary rules, prior to the dates on which the state assumes responsibility for the components of the court system, as necessary to implement the administrative and supervisory provisions of 1983 Iowa Acts, chapter 186, and as necessary to determine the applicability of specific provisions of 1983 Iowa Acts, chapter 186, in accordance with the scheduled state assumption of responsibility for the components of the court system.

83 Acts, ch 186, §10201, 10301; 84 Acts, ch 1301, §15; 85 Acts, ch 197, §29 – 31; 86 Acts, ch 1108, §8; 86 Acts, ch 1111, §1; 98 Acts, ch 1047, §63, 64; 2007 Acts, ch 126, §100; 2013 Acts, ch 90, §172

Referred to in §602.1302, 602.11102

Section amended

**602.11102 Accrued employee rights.**

1. Persons who were paid salaries by the counties or judicial districts immediately prior to becoming state employees as a result of this chapter shall not forfeit accrued vacation, accrued sick leave, or longevity, except as provided in this section.

2. As a part of its rulemaking authority under section 602.11101, the supreme court, after consulting with the state comptroller, shall prescribe rules to provide for the following:

*a.* Each person referred to in subsection 1 shall have to the person's credit as a state employee commencing on the date of becoming a state employee the number of accrued vacation days that was credited to the person as a county employee as of the end of the day prior to becoming a state employee.

*b.* Each person referred to in subsection 1 shall have to the person's credit as a state employee commencing on the date of becoming a state employee the number of accrued days of sick leave that was credited to the person as a county employee as of the end of the day prior to becoming a state employee. However, the number of days of sick leave credited to a person under this subsection and eligible to be taken when sick or eligible to be received upon retirement shall not respectively exceed the maximum number of days, if any, or the maximum dollar amount as provided in section 70A.23 that state employees generally are entitled to accrue or receive according to rules in effect as of the date the person becomes a state employee.

*c.* Commencing on the date of becoming a state employee, each person referred to in subsection 1 is entitled to claim the person's most recent continuous period of service in full-time county employment as full-time state employment for purposes of determining the number of days of vacation which the person is entitled to earn each year. The actual vacation benefit, including the limitation on the maximum accumulated vacation leave, shall

be determined as provided in section 70A.1 according to rules in effect for state employees of comparable longevity, irrespective of any greater or lesser benefit as a county employee.

*d.* Notwithstanding paragraphs "*b*" and "*c*", for the period beginning July 1, 1984, and ending June 30, 1986, court reporters who become state employees as a result of this chapter are not subject to the sick leave and vacation accrual limitations generally applied to state employees. However, court reporters are subject to the maximum dollar limitation upon retirement as provided in section 70A.23.

83 Acts, ch 186, §10201, 10302; 85 Acts, ch 195, §57; 85 Acts, ch 197, §32

**602.11103 Life, health, and disability insurance.**

Persons who were covered by county employee life insurance and accident and health insurance plans prior to becoming state employees as a result of this chapter shall be permitted to apply prior to becoming state employees for life insurance and health and accident insurance plans that are available to state employees so that those persons do not suffer a lapse of insurance coverage as a result of this chapter. The supreme court, after consulting with the state comptroller, shall prescribe rules and distribute application forms and take other actions as necessary to enable those persons to elect to have insurance coverage that is in effect on the date of becoming state employees. The actual insurance coverage available to a person shall be determined by the plans that are available to state employees, irrespective of any greater or lesser benefits as a county or judicial district employee.

Commencing on the date of becoming a state employee, each person referred to in this section is entitled to claim the person's most recent continuous period of service in full-time county or judicial district employment as full-time state employment for purposes of determining disability benefits as provided in section 70A.20 according to rules in effect for state employees of comparable longevity, irrespective of any greater or lesser benefit as a county or judicial district employee.

83 Acts, ch 186, §10201, 10303; 85 Acts, ch 197, §33

**602.11104** Repealed by 84 Acts, ch 1301, § 17.

**602.11105 Hiring moratorium.**

1. Commencing one year prior to each category of employees becoming state employees as a result of this Act*, new employees shall not be hired and vacancies shall not be filled, except as provided in subsection 2, with respect to any of the following agencies or positions:

*a.* Offices of the clerks of the district court.

*b.* District court administrators.

*c.* Juvenile probation offices.

*d.* Court reporters.

*e.* Any other position of employment that is supervised by a district court judicial officer or by a person referred to or employed in an office referred to in paragraph "*a*", "*b*", "*c*", or "*d*".

2. A new employee position or vacancy that is subject to subsection 1 may be filled upon approval by the chief judge of the judicial district. The employer seeking to fill the new position or vacancy shall submit a request to the chief judge in the form prescribed by the supreme court, and shall be governed by the decision of the chief judge. The chief judge shall obtain the advice of the district judges of the judicial district respecting decisions to be made under this subsection.

83 Acts, ch 186, §10201, 10305

*See 83 Acts, ch 186

**602.11106 Employee reclassification moratorium.**

Commencing one year prior to county employees becoming state employees as a result of this Act,* the county employees shall not be promoted or demoted, and shall not be subject to a reduction in salary or a reduction in other employee benefits, except after approval by the chief judge of the judicial district. An employer wishing to take any of these actions shall

apply to the chief judge in a writing that discloses the proposed action, the reasons for the action, and the statutory or other authority for the action. The chief judge shall not approve any proposed action that is in violation of an employee's rights or that is extraordinary when compared with customary practices and procedures of the employer. The chief judge shall obtain the advice of the district judges of the judicial district respecting decisions to be made under this section.

83 Acts, ch 186, §10201, 10306

*See 83 Acts, ch 186

**602.11107 Court property.**

1. Commencing on the date when each category of employees becomes state employees as a result of this Act,* public property referred to in subsection 2 that on the day prior to that date is in the custody of a person or agency referred to in subsection 3 shall not become property of the judicial branch but shall be devoted for the use of the judicial branch in its course of business. The judicial branch shall only be responsible for maintenance contracts or contracts for purchase entered into by the judicial branch. Upon replacement of the property by the judicial branch, the property shall revert to the use of the appropriate county. However, if the property is personal property of a historical nature, the property shall not become property of the judicial branch, and the county shall make the property available to the judicial branch for the judicial branch's use within the county courthouse until the court no longer wishes to use the property, at which time the property shall revert to the use of the appropriate county.

2. This section applies to the following property:

*a.* Books, accounts and records that pertain to the operation of the district court.

*b.* Forms, materials, and supplies that are consumed in the usual course of business.

*c.* Tables, chairs, desks, lamps, curtains, window blinds, rugs and carpeting, flags and flag standards, pictures and other wall decorations, and other similar furnishings.

*d.* Typewriters, adding machines, desk calculators, cash registers and similar business machines, reproduction machines and equipment, microfiche projectors, tape recorders and associated equipment, microphones, amplifiers and speakers, film projectors and screens, overhead projectors, and similar personal property.

*e.* Filing cabinets, shelving, storage cabinets, and other property used for storage.

*f.* Books of statutes, books of ordinances, books of judicial decisions, and reference books, except those that are customarily held in a law library for use by the public.

*g.* All other personal property that is in use in the operation of the district court.

3. This section applies to the following persons and agencies:

*a.* Clerks of the district court.

*b.* Judicial officers.

*c.* District court administrators.

*d.* Juvenile probation officers.

*e.* Court reporters.

*f.* Persons who are employed by a person referred to in paragraphs "*a*" through "*e*".

4. Subsections 1 through 3 and 5 do not apply to electronic data storage equipment, commonly referred to as computers, or to computer terminals or any machinery, equipment, or supplies used in the operation of computers. Those counties that were providing computer services to the district court shall continue to provide these services until the general assembly provides otherwise. The state shall reimburse these counties for the cost of providing these services. Each county providing computer services to the district court shall submit a bill for these services to the supreme court at the end of each calendar quarter. Reimbursement shall be payable from funds appropriated to the supreme court for operating expenses of the district court, and shall be paid within thirty days after receipt by the supreme court of the quarterly billing.

5. Personal property of a type that is subject to subsections 1 through 3 shall be subject to the control of the chief judge of the judicial district commencing on the date when each category of employees becomes state employees as a result of this Act.* On and after that date the chief judge of the judicial district may issue necessary orders to preserve the use of

the property by the district court. Commencing on that date, the chief judge, subject to the direction of the supreme court, shall establish and maintain an inventory of property used by the district court.

83 Acts, ch 186, §10201, 10307; 98 Acts, ch 1047, §65

*See 83 Acts, ch 186

**602.11108 Collective bargaining.**

A person who becomes a state employee as a result of this chapter is a public employee, as defined in section 20.3, subsection 9, for purposes of chapter 20. The person may bargain collectively on and after July 1, 1983, as provided by law for a court employee. However, if the person is subject to a collective bargaining agreement negotiated prior to July 1, 1983, the person is entitled to the rights and benefits obtained by the person pursuant to that contract after July 1, 1983, until that contract expires. If the person is subject to a collective bargaining agreement negotiated by a public employer other than the state court administrator on or after July 1, 1983, the person is not entitled to any rights or benefits obtained by the person pursuant to that contract after becoming a state employee.

Commencing one year prior to each category of employees becoming state employees as a result of this chapter, the state court administrator shall assume the position of public employer of those employees of that category for the sole purpose of negotiating a collective bargaining agreement with those employees to be effective upon the date those employees became state employees as a result of this chapter.

83 Acts, ch 186, §10201, 10308; 85 Acts, ch 197, §34

**602.11109** Repealed by 85 Acts, ch 195, § 67.

**602.11110 Judgeships for election districts 5A and 5C.**

As soon as practicable after January 1, 1985, the supreme court administrator shall recompute the number of judgeships to which judicial election districts 5A and 5C are entitled. Notwithstanding section 602.6201, subsection 2, the seventeen incumbent district judges in judicial election district 5A on December 31, 1984, may reside in either judicial election district 5A or 5C beginning January 1, 1985. The supreme court administrator shall apportion to judicial election district 5C those incumbent district judges who were appointed to replace district judges residing in Polk county or who were appointed to fill newly created judgeships while residing in Polk county. The incumbent district judges residing in Polk county on January 1, 1985, who are not so apportioned to judicial election district 5C shall be apportioned to judicial election district 5A but shall be reapportioned to judicial election district 5C, in the order of their seniority as district judges, as soon as the first vacancies occur in judicial election district 5C due to death, resignation, retirement, removal, or failure of retention. Such a reapportionment constitutes a vacancy in judicial election district 5A for purposes of section 602.6201. Notwithstanding section 602.6201, subsection 2, the seventeen incumbent district judges in judicial election district 5A on December 31, 1984, shall stand for retention in the judicial election district to which the district judges are apportioned or reapportioned under this section. Commencing on January 1, 1985, vacancies within judicial election districts 5A and 5C shall be determined and filled under section 602.6201, subsections 4 through 8. For purposes of the recomputations, the supreme court administrator shall determine the average case filings for the latest available three-year period by reallocating the actual case filings during the three-year period to judicial election districts 5A and 5C as if they existed throughout the three-year period.

83 Acts, ch 186, §10201, 10310; 85 Acts, ch 197, §35

**602.11111 Judicial nominating commissions for election districts 5A and 5C.**

The membership of district judicial nominating commissions for judicial election districts 5A and 5C shall be as provided in chapter 46, subject to the following transition provisions:

1. Those judicial nominating commissioners of judicial election district 5A who are residents of Polk county shall be disqualified from serving in election district 5A on January

1, 1985, and their offices shall be deemed vacant. The vacancies thus created shall be filled as provided in section 46.5 for the remainder of the unexpired terms.

2. After January 1, 1985, the governor shall appoint five eligible electors of judicial election district 5C to the district judicial nominating commission for terms commencing immediately upon appointment. Two of the appointees shall serve terms ending January 31, 1988, two of the appointees shall serve terms ending January 31, 1990, and the remaining appointee shall serve a term ending January 31, 1992, as determined by the governor. At the end of these terms and each six years thereafter the governor shall appoint commissioners pursuant to section 46.3.

3. After January 1, 1985, elective judicial nominating commissioners for judicial election district 5C shall be elected as provided in chapter 46 to terms of office commencing immediately upon election. One of those elected shall serve a term ending January 31, 1988, two shall serve terms ending January 31, 1990, and two shall serve terms ending January 31, 1992, as determined by the drawing of lots by the persons elected. At the end of these terms and every six years thereafter elective commissioners shall be elected pursuant to chapter 46.

83 Acts, ch 186, §10201, 10311

**602.11112 Fifth judicial election district.**

The provisions of section 602.6109, Code 2003, relating to the division of the fifth judicial district into judicial election districts 5A, 5B, and 5C take effect January 1, 1985.

83 Acts, ch 186, §10201, 10312; 2004 Acts, ch 1086, §97

**602.11113 Bailiffs employed as court attendants.**

Persons who were employed as bailiffs and who were performing services for the court, other than law enforcement services, immediately prior to the effective date of section 602.6601, shall be employed by the district court administrators as court attendants under section 602.6601 on the effective date of that section.

83 Acts, ch 186, §10201, 10313

**602.11114 Temporary service by certain retired judicial magistrates.**

Persons who retired before January 1, 1981, and who were judicial magistrates at the time of retirement and who meet the qualifications of a district associate judge are considered to be district associate judges for the purposes of section 602.1612.

83 Acts, ch 186, §10201, 10314

**602.11115 District associate judges' retirement.**

If a full-time judicial magistrate who became a district associate judge on January 1, 1981, pursuant to statute or a person who was appointed a district associate judge between January 1, 1981, and June 30, 1984, is a member of the Iowa public employees' retirement system on June 30, 1984, the district associate judge may elect, by informing the state court administrator by June 30, 1984, one of the following retirement benefit options to be effective July 1, 1984:

1. To remain covered under the Iowa public employees' retirement system pursuant to chapter 97B.

2. To commence coverage under the judicial retirement system pursuant to article 9, part 1, effective July 1, 1984, but to become an inactive member of the Iowa public employees' retirement system pursuant to chapter 97B and remain eligible for benefits under sections 97B.49A through 97B.49H for the period of membership service under chapter 97B.

3. To commence coverage under the judicial retirement system pursuant to article 9, part 1, retroactive to the date the district associate judge became a district associate judge or a full-time judicial magistrate, whichever was earlier, and to cease to be a member of the Iowa public employees' retirement system, effective July 1, 1984. The department of personnel shall transmit by January 1, 1985, to the state court administrator for deposit in the judicial retirement fund the district associate judge's accumulated contributions as defined in section 97B.1A, subsection 2 for the judge's period of membership service as a district associate

judge or full-time judicial magistrate, or both. Before July 1, 1986, or at retirement previous to that date, a district associate judge who becomes a member of the judicial retirement system pursuant to this subsection shall contribute to the judicial retirement fund an amount equal to the difference between four percent of the district associate judge's total basic salary for the entire period of service before July 1, 1984, as a district associate judge or judicial magistrate, or both, and the district associate judge's accumulated contributions transmitted by the department of personnel to the state court administrator pursuant to this subsection. The district associate judge's contribution shall not be limited to the amount specified in section 602.9104, subsection 1. The state court administrator shall credit a district associate judge with service under the judicial retirement system for the period of service for which contributions at the four percent level are made.

84 Acts, ch 1285, §28; 98 Acts, ch 1183, §73, 82; 2003 Acts, ch 145, §286; 2004 Acts, ch 1086, §98

Referred to in §602.1611

**602.11116 Associate juvenile judges and associate probate judges — retirement.**

If a full-time associate juvenile judge or full-time associate probate judge is a member of the Iowa public employees' retirement system on June 30, 1998, the associate juvenile judge or associate probate judge shall elect, by informing the state court administrator by June 30, 1998, one of the following retirement benefit options to be effective July 1, 1998:

1. To remain a member under the Iowa public employees' retirement system pursuant to chapter 97B.

2. To commence membership under the judicial retirement system pursuant to article 9, part 1, effective July 1, 1998, but to become an inactive member of the Iowa public employees' retirement system pursuant to chapter 97B and remain eligible for benefits under sections 97B.49A through 97B.49H, as applicable, for the period of membership service under chapter 97B.

3. To commence membership under the judicial retirement system pursuant to article 9, part 1, retroactive to the date the associate juvenile judge or associate probate judge became an associate juvenile judge or associate probate judge, and to cease to be a member of the Iowa public employees' retirement system, effective July 1, 1998. The department of personnel shall transmit by January 1, 1999, to the state court administrator for deposit in the judicial retirement fund the associate juvenile judge's or associate probate judge's accumulated contributions as defined in section 97B.1A, subsection 2, for the judge's period of membership service as an associate juvenile judge or associate probate judge. Before July 1, 2000, or at retirement previous to that date, an associate juvenile judge or associate probate judge who becomes a member of the judicial retirement system pursuant to this subsection shall contribute to the judicial retirement fund an amount equal to the difference between four percent of the associate juvenile judge's or associate probate judge's total salary received for the entire period of service before July 1, 1998, as an associate juvenile judge or associate probate judge, and the associate juvenile judge's or associate probate judge's accumulated contributions transmitted by the department of personnel to the state court administrator pursuant to this subsection. The associate juvenile judge's or associate probate judge's contribution shall not be limited to the amount specified in section 602.9104, subsection 1. The state court administrator shall credit an associate juvenile judge or associate probate judge with service under the judicial retirement system for the period of service for which contributions at the four percent level are made.

98 Acts, ch 1183, §103, 104; 2003 Acts, ch 145, §286; 2005 Acts, ch 3, §104

Referred to in §602.1611

# CHAPTERS 603 to 607

RESERVED

# CHAPTER 607A

## JURIES

Referred to in §331.322, 331.502, 602.1303, 602.8102(92)

See also R.C.P. 1.915 – 1.918 and R.Cr.P. 2.18


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### 607A.1 Declaration of policy.

It is the policy of this state that all persons be selected at random from a fair cross section of the population of the area served by the court, and that a person shall have both the opportunity in accordance with the provisions of law to be considered for jury service in this state and the obligation to serve as a juror when selected.

86 Acts, ch 1108, §9
Referred to in §607A.16, 607A.24

### 607A.2 Prohibition of discrimination.

A person shall not be excluded from jury service or from consideration for jury service in this state on account of age if the person is eighteen years of age or older, race, creed, color, sex, national origin, religion, economic status, physical disability, or occupation.

86 Acts, ch 1108, §10
Referred to in §607A.16, 607A.24

### 607A.3 Definitions.

As used in this chapter, unless the context otherwise requires:

1. *"Clerk"* means clerk of the district court or the clerk's designee.

2. *"Court"* means the district court of this state and includes, when the context requires, a judicial officer as defined in section 602.1101.

3. *"Juror"* means any person selected for service on either the grand or petit jury who attends court when originally instructed to report or is deferred to a future date uncertain, or is on-call and available to report to court when so needed and so requested by the court.

4. *"Jury wheel"* means a physical device or electronic data processing system for storage of the names and addresses or identifying numbers of prospective jurors.

5. *"Master list"* means the list of names taken from the source lists for possible jury service.

6. *"Motor vehicle operators list"* means the official records maintained by the state of the names and addresses of those individuals in the respective counties retaining valid motor vehicle operator's licenses on or before March 15 of each odd-numbered year.

7. *"Panel"* means those jurors drawn or assigned for service to a courtroom, judge, or trial.

8. *"Person with a disability"* means a person who is not physically able to operate a motor vehicle or use public transportation without assistance due to a physical disability.

9. *"Pool"* means the sum total of prospective jurors reporting for service and not drawn or assigned to a courtroom, judge or trial.

10. *"Random selection"* means the selection of names in a manner immune to any subjective bias so that no recognizable class of the population from which names are being selected can be purposefully included or excluded.

11. *"Source lists"* means the voter registration list, the motor vehicle operators list and other comprehensive lists of persons residing in a county as identified pursuant to section 607A.22.

12. *"Term of service"* means the period of time a juror is requested to serve.

13. *"Voter registration list"* means the official records maintained by the state of names and addresses of persons registered to vote on or before March 15 of each odd-numbered year.

86 Acts, ch 1108, §11; 87 Acts, ch 85, §1, 2; 90 Acts, ch 1233, §37; 96 Acts, ch 1163, §1; 96 Acts, ch 1219, §31

**607A.4 Jury service — minimum qualifications — disqualification — documentation.**

1. To serve or to be considered for jury service, a person must possess the following minimum qualifications:

*a.* Be eighteen years of age or older.

*b.* Be a citizen of the United States.

*c.* Be able to understand the English language in a written, spoken, or manually signed mode.

*d.* Be able to receive and evaluate information such that the person is capable of rendering satisfactory juror service.

2. However, a person possessing the minimum qualifications for service or consideration for service may be disqualified for service or consideration for service if the person has, directly or indirectly, requested to be placed on a list for juror service.

3. A person who claims disqualification for any of the grounds identified in this section may, upon the person's own volition, or shall, upon the court's volition, submit in writing to the court's satisfaction, documentation that verifies disqualification from juror service.

86 Acts, ch 1108, §12

Referred to in §607A.16, 607A.24

**607A.5 Automatic excuse from jury service.**

A person shall be excused from jury service if the person submits written documentation verifying, to the court's satisfaction, that the person is solely responsible for the daily care of a person with a permanent disability living in the person's household and that the performance of juror service would cause substantial risk of injury to the health of the person with a disability, or that the person is the mother of a breastfed child and is responsible for the daily care of the child. However, if the person is regularly employed at a location other than the person's household, the person shall not be excused under this section.

86 Acts, ch 1108, §13; 94 Acts, ch 1196, §22; 96 Acts, ch 1129, §104

**607A.6 Discretionary excuse from jury service.**

The court may defer a term of grand or petit juror service upon a finding of hardship, inconvenience, or public necessity; however the juror may be required to serve at a later date established by the court. The court may excuse a person from grand juror service,

considering the length of grand juror service, in part or in full, upon a finding that such service would threaten the person's economic, physical, or emotional well-being, or the well-being of another person who is dependent upon the person, or other similar findings of extreme hardship. The courts shall exercise this authority strictly. However, in exercising this authority the court shall allow the employer of the person being asked to serve to give testimony in support of a request by the person for deferral or excuse. The court may dismiss a juror at any time in the interest of justice.

86 Acts, ch 1108, §14
Referred to in §607A.42

**607A.7 False excuse — prohibited requests — penalty.**

A person who knowingly makes a false affidavit, statement, or claim, for the purpose of relieving the person or another person from juror service, or a person who requests the court to select the person as a juror for a particular case, commits contempt.

86 Acts, ch 1108, §15

**607A.8 Fees and expenses for jurors.**

1. A grand juror and a petit juror in all courts shall receive thirty dollars as compensation for each day's service or attendance, including attendance required for the purpose of being considered for service. The supreme court may adopt rules that allow additional compensation for jurors whose attendance and service exceeds seven days.

2. A grand juror and a petit juror in all courts shall receive reimbursement for mileage expenses at the rate specified by the supreme court for each mile traveled each day to and from the residence of the juror to the place of service or attendance, and shall receive reimbursement for actual expenses of parking, as determined by the clerk of the district court. A juror who is a person with a disability may receive reimbursement for the costs of alternate transportation from the residence of the juror to the place of service or attendance. A juror shall not receive reimbursement for mileage expenses or actual expenses of parking when the juror travels in a vehicle for which another juror is receiving reimbursement for mileage and parking expenses.

3. A grand juror or a petit juror in all courts may waive the right of the juror to receive compensation under subsection 1 or reimbursement under subsection 2.

86 Acts, ch 1108, §16; 96 Acts, ch 1163, §2; 96 Acts, ch 1219, §32; 2005 Acts, ch 171, §8; 2007 Acts, ch 210, §4; 2010 Acts, ch 1159, §11
Referred to in §602.11101

**607A.9 Ex officio commissions.**

In counties utilizing a jury commission for the drawing of jurors, the clerk of the district court and the county auditor shall ex officio constitute the jury commission but shall receive no extra compensation for acting as jury commissioners. If any of the above offices have been consolidated, the chief judge of the judicial district shall select another elected county officer to serve as a jury commissioner.

86 Acts, ch 1108, §17; 2003 Acts, ch 5, §4
Referred to in §331.502, 602.8102(91)

**607A.10 Appointive commission — master list.**

In each county, the chief judge of the judicial district in which the county is located shall, on or before March 1 of each odd-numbered year, appoint three competent electors as a jury commission to draw up the master list for the two years beginning the following July 1. The names for the master list shall be taken from the source lists. If all of the source lists are not used to draw up the master list, then the names drawn must be selected in a random manner.

86 Acts, ch 1108, §18; 87 Acts, ch 85, §3; 2000 Acts, ch 1057, §13

**607A.11 Limitation on appointment.**

More than two members of the appointive commission shall not be residents of the city in which the courthouse of the county in which they are appointed, is located, and a person shall

not be appointed who has solicited the appointment; nor shall any county officer or attorney at law be appointed a member of the commission.
86 Acts, ch 1108, §19

**607A.12 Manner of appointment.**
The appointment shall be in writing signed by the chief judge of the judicial district and shall be filed and made a matter of record in the office of the clerk of the district court.
86 Acts, ch 1108, §20; 2000 Acts, ch 1057, §14

**607A.13 Clerk to notify.**
The clerk of the district court shall at once notify each appointive commissioner of the appointment.
86 Acts, ch 1108, §21
Referred to in §602.8102(91)

**607A.14 Vacancy.**
If a vacancy occurs in the appointive commission through death, removal, or inability of a member of the commission to act, the chief judge of the judicial district shall appoint a person to act during the remainder of the unexpired term.
86 Acts, ch 1108, §22; 2000 Acts, ch 1057, §15

**607A.15 Qualification — tenure.**
The appointive commissioners shall qualify on or before the tenth day of March, following their appointment, by taking the oath of office required of civil officers. The oath shall be subscribed by them and filed in the office of the clerk of the district court. They shall hold office for the term of two years and until their successors are duly appointed and qualified.
86 Acts, ch 1108, §23; 87 Acts, ch 85, §4

**607A.16 Instructions to appointive commission.**
The chief judge of the judicial district shall give instructions to appointive jury commissioners at the time of their appointment as to their duties, and shall call their attention to sections 607A.1, 607A.2, 607A.4 and 607A.22.
86 Acts, ch 1108, §24; 2000 Acts, ch 1057, §16

**607A.17 Compensation and expenses.**
Each appointive commissioner shall, in addition to actual expenses, receive a compensation of ten dollars for each day employed by the appointive commissioner in the discharge of the appointive commissioner's official duties.
86 Acts, ch 1108, §25

**607A.18 Assistants.**
The commissioners may employ assistants in preparing the jury lists as they may deem necessary, and the board of supervisors shall allow reasonable compensation to the assistants.
86 Acts, ch 1108, §26

**607A.19 Jury commissions not required.**
In counties utilizing electronic data processing techniques and equipment for the drawing of jurors, ex officio or appointive jury commissions need not be appointed provided that proper records are retained by the jury manager that document, to the court's satisfaction, that the procedures utilized to randomly select the names of the prospective petit and grand jurors meet the requirements of this chapter. The decision to use electronic data processing techniques and equipment in lieu of a jury commission shall be made by the chief judge of the judicial district in which the county is located.
86 Acts, ch 1108, §27

**607A.20 Jury manager.**

If the chief judge of the judicial district uses electronic data processing techniques and equipment for the drawing of jurors in lieu of a jury commission, the chief judge shall, after consultation with the clerk, district court administrator and county auditor, appoint an individual to serve as the jury manager for the county. The jury manager shall be responsible for the implementation of this chapter for the county. The jury manager shall update the master list from the source lists at least once every two years beginning January 1 after the general election is held.

86 Acts, ch 1108, §28

**607A.21 Jury lists.**

The appointive jury commission or jury manager shall select and return to the clerk of the district court the following:

1. The list of grand jurors: A list of names and addresses of one hundred and fifty persons selected from the source lists from which to draw grand jurors.

2. The list of petit jurors: A list of names and addresses of persons selected from the source lists equal to the number of names necessary to provide jurors needed by the court, with the number to be determined by the jury commission or jury manager.

86 Acts, ch 1108, §29; 87 Acts, ch 85, §5

Referred to in §607A.24, 607A.27

**607A.22 Use of source lists — information provided.**

1. The appointive jury commission or the jury manager shall use both of the following source lists in preparing grand and petit jury lists:

*a.* The current voter registration list.

*b.* The current motor vehicle operators list.

2. The appointive jury commission or the jury manager may use any other current comprehensive list of persons residing in the county, including but not limited to the lists of public utility customers, which the appointive jury commission or jury manager determines are useable for the purpose of a juror source list.

3. The applicable state and local government officials shall furnish, upon request, the appointive jury commission or jury manager with copies of lists necessary for the formulation of source lists at no cost to the commission, manager, or county.

4. The jury manager or jury commission may request a consolidated source list. A consolidated source list contains all the names and addresses found in either the voter registration list or the motor vehicle operators list, but does not duplicate an individual's name within the consolidated list. State officials shall cooperate with one another to prepare consolidated lists. The jury manager or jury commission may further request that only a randomly chosen portion of the consolidated list be prepared which may consist of either a certain number of names or a certain percentage of all the names in the consolidated list, as specified by the jury manager or jury commission.

86 Acts, ch 1108, §30; 87 Acts, ch 85, §6; 92 Acts, ch 1093, §1; 2013 Acts, ch 30, §184

Referred to in §607A.3, 607A.16, 607A.24

Section amended

**607A.23 Judicial division of county.**

In counties which are divided for judicial purposes, and in which court is held at more than one place, each division shall be treated as a separate county, and the grand and petit jurors, selected to serve in the respective courts, shall be drawn from the division of the county in which the court is held and at which the persons are required to serve.

86 Acts, ch 1108, §31

Referred to in §607A.24

**607A.24 Certification.**

The jury lists required to be prepared by this chapter shall be certified by the appointive jury commission or the jury manager in substantially the following form:

We/I, ..... constituting the jury commission/the jury manager for ..... county, certify that the foregoing lists do not, to our/my knowledge and belief, contain the name of any person who is not qualified for juror service under Iowa Code section 607A.4 and that the lists were selected in compliance with Iowa Code sections 607A.1, 607A.2, and 607A.21 through 607A.23.

86 Acts, ch 1108, §32

**607A.25 Filing of lists.**

The appointive jury commission or jury manager, after certifying the jury lists, shall place the lists in sealed containers, and deposit the lists in the office of the clerk or jury manager who shall keep them in a secure area. The lists may also be stored by means of electronic data processing procedures and equipment.

86 Acts, ch 1108, §33

**607A.26 Preservation of records.**

The clerk or jury manager shall preserve all records and lists compiled and maintained in connection with the selection and service of jurors for four years, or for any longer period ordered by the chief judge of the judicial district.

86 Acts, ch 1108, §34

**607A.27 Preparation for drawing of panels.**

1. The names entered upon the appointive jury commission's or jury manager's lists and deposited in the office of the clerk or jury manager constitute the grand and petit master lists, from which grand and petit jurors shall be drawn.

2. Within ten days after the lists are deposited in the office of the clerk or jury manager, the clerk or jury manager shall do either of the following:

*a.* Prepare from the lists separate ballots, uniform in size, shape, and appearance, and folded to conceal information on the ballot. The ballots for grand and petit jurors shall be kept separate and each ballot shall contain the name and place of residence of each prospective juror.

*b.* Use electronic data processing equipment for the storage of names of the grand and petit jurors. The numerical division required in section 607A.21 need not be used when a jury wheel is used for the preparation of the lists.

86 Acts, ch 1108, §35; 2013 Acts, ch 30, §185
Section amended

**607A.28 Ballot boxes — sealed and custody — security of programs.**

In counties using an ex officio jury commission, the ballots containing the names of the grand and petit jurors shall be deposited in separate boxes which shall be plainly marked to show the class of jurors whose names are contained in each box, and shall have only one aperture through which a hand may be inserted. The boxes shall then be sealed by the auditor, in the presence of the clerk, and deposited with the clerk or jury manager.

In counties using a jury manager, the lists containing the names of the grand and petit jurors shall be stored electronically or manually processed by the jury manager and shall be accessible to only the manager or the manager's designee.

86 Acts, ch 1108, §36

**607A.29 Length of service.**

In any two-year period, a person shall not be required:

1. To serve or attend court for prospective juror service for more than a term of service ordered by the court, not to exceed three months, unless necessary to complete service in a particular case.

2. To serve on more than one grand jury.

3. To serve or attend as both a grand and a petit juror.
86 Acts, ch 1108, §37

**607A.30 Time of drawing.**
In counties using an ex officio jury commission, the required number of jurors shall be drawn by the commission, or a majority of its members, at the office of the clerk at a time agreed to by the commissioners.
In counties using a jury manager, the manager shall arrange for the selection of the required number of jurors at a time and place chosen by the manager.
The chief judge of the judicial district may by order prescribe the time for the drawing by the ex officio commission or the manager.
The jurors thus selected constitute the jury pool and shall be notified by the clerk or jury manager by regular mail when called.
86 Acts, ch 1108, §38

**607A.31 Notice of drawing.**
In counties using ex officio jury commissions, the clerk, at least five days prior to the day for drawing, shall notify in writing the other jury commissioners of the time and place of the drawing.
86 Acts, ch 1108, §39

**607A.32 Absence of commissioner.**
In counties using an ex officio jury commission, in the absence or inability to act of any one of the commissioners, the jury commissioner's deputy or designee shall act as the commissioner.
86 Acts, ch 1108, §40

**607A.33 Details of drawing.**
1. In counties using an ex officio jury commission, at the time of drawing the appropriate ballot box shall first be thoroughly shaken in the presence of the commissioners attending the drawing. Next, the seal on the opening of the box shall be broken in the presence of the commissioners. A commissioner shall then, without looking at the ballots, successively draw the required number of names from the box, and successively pass the ballots to another commissioner, who shall open the ballots as they are drawn, and read aloud the names on the ballots, and enter the names in writing on the appropriate list.
2. In counties using a jury manager, a computerized program for the random selection and printing of the names may be used to draw the required number of jurors needed.
86 Acts, ch 1108, §41
Referred to in §607A.35

**607A.34 Resealing of box.**
In counties using an ex officio jury commission, after the required number of grand or petit jurors have been drawn in the manner provided, and their names entered on the lists, the ballot box or boxes shall again be sealed by the commissioners and returned to the custody of the clerk.
86 Acts, ch 1108, §42

**607A.35 Filing list — notice to report.**
After the list or lists have been drawn in the manner provided in section 607A.33, the list or lists shall be filed in the office of the clerk or jury manager and immediately upon the request of the court the clerk or manager shall issue a notice to report, by regular mail, to the persons so drawn to appear at the courthouse at times as the court prescribes, for service as petit or grand jurors.
86 Acts, ch 1108, §43

**607A.36 Contempt.**

If a person fails to appear when notified to report or at a regularly scheduled meeting, without providing a sufficient cause, the court may issue an order requiring the person to appear and show cause why the person should not be punished for contempt, and unless the person provides a sufficient cause for the failure, the person may be punished for contempt.

86 Acts, ch 1108, §44

**607A.37 Cancellation for illegality.**

If the court determines that the petit or grand jurors have been illegally selected, drawn, or notified to report, the court may set aside the order under which the jurors were notified and direct that a new drawing, selection and notification of a sufficient number of replacement jurors take place. In that case, the ex officio jury commission shall meet at the office of the clerk, at the time the court directs, and proceed in the manner provided for the drawing of the original panel, to draw the required number of replacement jurors.

86 Acts, ch 1108, §45

**607A.38 Discharged jurors — notification.**

Jurors who have been discharged for any reason may, during the calendar quarter, be instructed to again report if the business of the court necessitates such action.

86 Acts, ch 1108, §46

**607A.39 Additional jurors.**

The court may order as many additional jurors drawn for a pool or panel as the court deems necessary.

86 Acts, ch 1108, §47

Referred to in §607A.41

**607A.40 Discharge of panel.**

The court may at any time discharge the panel of jurors, or any part of it, and order a new panel, or the number of jurors as deemed necessary, to be drawn.

86 Acts, ch 1108, §48

Referred to in §607A.41

**607A.41 Method of subsequent drawing.**

The names of the jurors drawn under sections 607A.39 and 607A.40 shall be drawn by the ex officio commission or the jury manager in the manner provided for the drawing of an original pool or panel.

86 Acts, ch 1108, §49

**607A.42 Disposition of names drawn.**

The names of prospective jurors who have been drawn and are eligible to serve on the petit or grand jury and who do not serve shall be omitted from the respective ballot box or selection program.

At the discretion of the court, the jury manager, or the clerk, a person excused from service on one panel may be required to serve on a succeeding panel if the reason for the person's being excused is authorized under section 607A.6. In counties using an ex officio jury commission, the ballots of jurors who appear and serve during any term of service shall be destroyed. In counties using a jury manager, the names of jurors who appear and serve during any term of service shall be stricken from the selection program.

86 Acts, ch 1108, §50

**607A.43 Correcting illegality in original lists.**

If the court for any reason determines that there has been such substantial failure to comply with the law relative to selection, preparation, or return of grand or petit lists that lawful grand or petit jurors cannot be drawn, or that the lists are exhausted or insufficient for the needs of the court, the court shall order the ex officio jury commission or the jury manager

to convene at a fixed time and place to prepare lists in lieu of the lists which have been found to be illegal, or an additional list or lists as the court deems necessary.
86 Acts, ch 1108, §51

**607A.44 Notice to ex officio jury commission or jury manager.**
If the commission or manager is required to meet for the purpose of drawing jurors under the order of the court, the clerk shall at once notify each commissioner or the jury manager of the order, if appropriate, and the time and place fixed for the meeting and, if necessary, the court may order the notice to be served by the sheriff.
86 Acts, ch 1108, §52
Referred to in §331.653

**607A.45 Employer prohibited from penalizing employee — penalty — action for lost wages.**
1. An employer shall not deprive an employee of employment or threaten or otherwise coerce an employee with respect to the employee's employment because the employee receives a notice to report, responds to the notice, serves as a juror, or attends court for prospective juror service. An employer who violates this subsection commits contempt.
2. If an employer discharges an employee in violation of subsection 1, the employee may within sixty days of the discharge bring a civil action for the recovery of wages lost as a result of the violation and for an order requiring the reinstatement of the employee. Damages recoverable shall not exceed lost wages for a period of six weeks. If the employee prevails, the employee shall be allowed reasonable attorney fees as determined by the court.
86 Acts, ch 1108, §53

**607A.46 Delinquency of officers.**
A judicial officer, court employee, or other governmental official who intentionally fails to perform a legal duty imposed by this chapter, or who acts with willful malfeasance in the discharge of a legal duty imposed by this chapter, commits a serious misdemeanor.
86 Acts, ch 1108, §54

**607A.47 Juror questionnaire.**
The court may, on its own motion, or upon the motion of a party to the case or upon the request of a juror, order the sealing or partial sealing of a completed juror questionnaire, if the court finds that it is necessary to protect the safety or privacy of a juror or a family member of a juror.
2007 Acts, ch 210, §5

# CHAPTERS 608 and 609

RESERVED

# CHAPTER 610

DEFERRAL OF COSTS
(In forma pauperis)

Referred to in §610A.1


610.1 Affidavit — contents — tolling of limitations.
610.2 Directions by court.
610.3 Deferral of costs.
610.4 Order to pay fees, costs, or security — dismissal for failure.
610.5 Penalty.

**610.1 Affidavit — contents — tolling of limitations.**

A court of the district court, court of appeals, or supreme court shall authorize the commencement, prosecution, or defense of a suit, action, proceeding, or appeal, whether civil or criminal, without the prepayment of fees, costs, or security upon a showing that the person is unable to pay such costs or give security. The person shall submit an affidavit stating the nature of the suit, action, proceeding, or appeal and the affiant's belief that there is an entitlement to redress. Such affidavit shall also include a brief financial statement showing the person's inability to pay costs, fees, or give security. Any authorization to proceed without prepayment of fees, costs, or security under this chapter may be made by the court without hearing. The filing of an affidavit to proceed without the prepayment of fees, costs, or security tolls the applicable statute of limitations. Upon the denial of an application and affidavit to proceed without the prepayment of fees, costs, or security, the person shall have the remainder of the limitations period in which to pay fees, costs, or give security. This section does not allow the deferral of the cost of a transcript.

Notwithstanding the provisions of this section, the court shall deny the application and affidavit of an inmate who has had three or more actions dismissed pursuant to section 610A.2. Such inmate shall not be permitted to proceed without prepayment of fees, cost, or security pursuant to this chapter.

86 Acts, ch 1088, §1; 87 Acts, ch 115, §79; 98 Acts, ch 1147, §1, 6

Referred to in §610A.1

**610.2 Directions by court.**

When an application and supporting affidavit pursuant to this chapter are filed with the court and approved by the court in a civil or criminal action, the court shall direct the appropriate officers of the court to issue and serve all necessary writs, process, and proceedings.

86 Acts, ch 1088, §2; 88 Acts, ch 1134, §105

**610.3 Deferral of costs.**

When an application and supporting affidavit are filed and approved by the court and a civil or criminal proceeding is instituted, the court shall order that all fees, costs, and security be deferred until final disposition of the proceeding.

86 Acts, ch 1088, §3; 88 Acts, ch 1134, §106

**610.4 Order to pay fees, costs, or security — dismissal for failure.**

If after entry of an order authorizing prosecution of the case without prepayment of fees, costs, or security, the court finds that the affidavit of inability to pay was without merit, the court may order the person to pay the fees, costs, or security within fourteen days or the case will be dismissed.

86 Acts, ch 1088, §4

**610.5 Penalty.**

A person who knowingly and wrongfully invokes the privileges of this chapter without just cause, or who knowingly makes a false statement regarding the person's inability to pay fees, costs, or security, is guilty of perjury and shall be punished as provided in section 720.2.

86 Acts, ch 1088, §5

Referred to in §610A.2

# CHAPTER 610A

## CIVIL LITIGATION BY INMATES AND PRISONERS

610A.1 Actions or appeals brought by inmates or prisoners.
610A.2 Dismissal of action or appeal.
610A.3 Penalties.
610A.4 Cost setoff.

**610A.1 Actions or appeals brought by inmates or prisoners.**

1. Notwithstanding section 610.1 or 822.5, if the person bringing a civil action or appeal is an inmate of an institution or facility under the control of the department of corrections or a prisoner of a county or municipal jail or detention facility, the inmate or prisoner shall pay in full all fees and costs associated with the action or appeal.

*a.* Upon filing of the action or appeal, the court shall order the inmate or prisoner to pay a minimum of twenty percent of the required filing fee before the court will take any further action on the inmate's or prisoner's action or appeal and shall also order the inmate or prisoner to make monthly payments of ten percent of all outstanding fees and costs associated with the inmate's or prisoner's action or appeal.

*b.* If the inmate has an inmate account under section 904.702, the department of corrections shall withdraw moneys maintained in the account for the payment of fees and costs associated with the inmate's action or appeal in accordance with the court's order until the required fees and costs are paid in full. The inmate shall file a certified copy of the inmate's account balance with the court at the time the action or appeal is filed.

*c.* An inmate may authorize the department of corrections to make or the inmate may make an initial or subsequent payment beyond that required by this section.

*d.* The court may dismiss any civil action or appeal in which the inmate or prisoner has previously failed to pay fees and costs in accordance with this section.

*e.* If the inmate has unsuccessfully prosecuted three or more frivolous actions in the preceding five-year period, the court may stay the proceeding in accordance with section 617.16.

*f.* If the inmate has had three or more actions dismissed pursuant to section 610A.2, the inmate shall not be permitted to file an action pursuant to chapter 610.

2. The court may make the authorization provided for in section 610.1 if it finds that the inmate does not have sufficient moneys in the inmate's account or sufficient moneys flowing into the account to make the payments required in this section or, in the case of a prisoner of a county or municipal jail or detention facility, that the prisoner otherwise meets the requirements of section 610.1.

3. In any civil case filed by a petitioner who is an inmate or prisoner, the respondent may review the petition and, if applicable, file a pre-answer motion asserting, in addition to any other defense that must be asserted in such a motion under the rules of civil procedure, that the action or any portion of the action should be dismissed pursuant to this chapter because the action or any portion of the action is frivolous or malicious, fails to state a claim upon which relief can be granted, or is otherwise subject to dismissal under section 610A.2.

95 Acts, ch 167, §1; 96 Acts, ch 1079, §17; 98 Acts, ch 1147, §2, 3, 6
Referred to in §904.702

**610A.2 Dismissal of action or appeal.**

1. In addition to the penalty provided in section 610.5, if applicable, or any other applicable penalty under the Code, the court may dismiss an action or appeal that is subject to this chapter, in whole or in part, on a finding of any of the following:

*a.* The allegation of inability to pay asserted in an accompanying affidavit is false.

*b.* The action, claim, defense, or appeal is frivolous or malicious in whole or in part.

*c.* The inmate or prisoner has knowingly presented false testimony or evidence, or has attempted to create or present false testimony or evidence in support of the action, claim, defense, or appeal.

*d.* The actions of the inmate or prisoner in pursuing the action, claim, defense, or appeal constitute an abuse of the discovery process.

2. In determining whether an action or appeal is frivolous or malicious, the court may consider the following:

*a.* Whether the action, claim, defense, or appeal is without substantial justification, or otherwise has no arguable basis in law or fact, including that the action, claim, defense, or appeal fails to state a claim upon which relief could be granted, or the action, claim, defense, or appeal cannot be supported by a reasonable argument for a change in existing law.

*b.* Whether the action, claim, defense, or appeal is substantially similar to a previous

action, claim, defense, or appeal, that was determined to be frivolous or malicious, either in that it is brought against the same party or in that the claim arises from the same operative facts.

*c.* Whether the action, claim, defense, or appeal is intended solely or primarily for harassment.

*d.* The fact that evidentiary support for the action, claim, defense, or appeal is unavailable, or is not likely to be discovered after investigation.

*e.* Whether the action, claim, defense, or appeal is asserted with an improper purpose, including but not limited to, causing an unnecessary expansion or delay in proceedings, increasing the cost of proceedings, or harassing an opponent.

*f.* Whether the defendant is immune from providing the relief sought.

3. In making the determination under subsection 1, the court may hold a hearing before or after service of process on its own motion or on the motion of a party. The hearing may be held by telephone or video conference on the motion of the court or of a party.

4. The court may dismiss the entire action or appeal or a portion of the action or appeal before or after service of process. If a portion of the action or appeal is dismissed, the court shall also designate the issues and defendants on which the action or appeal is to proceed without paying fees and costs. This order is not subject to interlocutory appeal.

95 Acts, ch 167, §2; 98 Acts, ch 1147, §4, 6
Referred to in §610.1, 610A.1, 610A.3, 903A.3

**610A.3 Penalties.**

1. If an action or appeal brought by an inmate or prisoner in state court is dismissed pursuant to section 610A.2, or, if brought in federal court, is dismissed under any of the principles enumerated in section 610A.2, the inmate shall be subject to the following penalties:

*a.* The loss of some or all of the earned time credits acquired by the inmate or prisoner. Previous dismissals under section 610A.2 may be considered in determining the appropriate level of penalty.

*b.* If the inmate or prisoner has no earned time credits to deduct, the order of the court or the disciplinary hearing may deduct up to fifty percent of the average balance of the inmate account under section 904.702 or of any prisoner account.

2. The court may make an order deducting the credits or the credits may be deducted pursuant to a disciplinary hearing pursuant to chapter 903A at the facility at which the inmate is held.

95 Acts, ch 167, §3; 98 Acts, ch 1147, §5, 6; 2000 Acts, ch 1173, §1, 10
Referred to in §903A.3

**610A.4 Cost setoff.**

The state or a county or municipality shall have the right to set off the cost of incarceration of an inmate or prisoner at any time, following notice and hearing, against any claim made by or monetary obligation owed to an inmate or prisoner for whom the cost of incarceration can be calculated.

95 Acts, ch 167, §4; 96 Acts, ch 1079, §18

# SUBTITLE 3

## CIVIL PROCEDURE

Rules of civil and appellate procedure and rules of evidence
are published in the compilation "Iowa Court Rules"

# CHAPTER 611

## ACTIONS

For Iowa court rules concerning substitution of parties,
see R.C.P. 1.221 – 1.227


611.1 "Proceedings" classified.
611.2 Civil and special actions.
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611.4 Equitable proceedings.
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611.19 Successive actions.
611.20 Actions survive.
611.21 Civil remedy not merged in crime.
611.22 Actions by or against legal representatives — substitution.
611.23 Civil actions involving allegations of sexual abuse or domestic abuse — counseling.


**611.1 "Proceedings" classified.**

Every proceeding in court is an action, and is civil, special, or criminal.

[R60, §2605; C73, §2504; C97, §3424; C24, 27, 31, 35, 39, §**10938;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.1]

**611.2 Civil and special actions.**

A civil action is a proceeding in a court of justice in which one party, known as the plaintiff, demands against another party, known as the defendant, the enforcement or protection of a private right, or the prevention or redress of a private wrong. It may also be brought for the recovery of a penalty or forfeiture.

Every other proceeding in a civil case is a special action.

[R60, §2606, 2607, 2609; C73, §2505, 2506; C97, §3425; C24, 27, 31, 35, 39, §**10939;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.2]

**611.3 Forms of action.**

All forms of action are abolished, but proceedings in civil actions may be of two kinds, ordinary or equitable.

[R60, §2608, 2610; C73, §2507; C97, §3426; C24, 27, 31, 35, 39, §**10940;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.3]

**611.4 Equitable proceedings.**

The plaintiff may prosecute an action by equitable proceedings in all cases where courts of equity, before the adoption of this Code, had jurisdiction, and must so proceed in all cases where such jurisdiction was exclusive.

[R60, §2611; C73, §2508; C97, §3427; C24, 27, 31, 35, 39, §**10941;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.4]

**611.5 Action on note and mortgage.**

An action on a note, together with a mortgage or deed of trust for the foreclosure of the same, shall be by equitable proceedings. An action on the bond or note alone, without regard therein to the mortgage or deed of trust, shall be by ordinary proceedings.

[R60, §4179; C73, §2509; C97, §3428; C24, 27, 31, 35, 39, §**10942;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.5]

Actions on certain judgments prohibited, chapter 615
Related provision, §654.4

**611.6 Ordinary proceedings.**

In all other cases, unless otherwise provided, the plaintiff must prosecute an action by ordinary proceedings.

[R60, §2612; C73, §2513; C97, §3431; C24, 27, 31, 35, 39, §**10943;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.6]

**611.7 Error — effect of.**

An error of the plaintiff as to the kind of proceedings adopted shall not cause the abatement or dismissal of the action, but merely a change into the proper proceedings, and a transfer to the proper docket.

[R60, §2613; C73, §2514; C97, §3432; C24, 27, 31, 35, 39, §**10944;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.7]

**611.8 Correction by plaintiff.**

Such error may be corrected by the plaintiff without motion at any time before the defendant has answered, or afterwards on motion in court.

[R60, §2614; C73, §2515; C97, §3433; C24, 27, 31, 35, 39, §**10945;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.8]

**611.9 Correction on motion.**

The defendant may have the correction made by motion at or before the filing of an answer, where it appears by the provisions of this Code wrong proceedings have been adopted.

[R60, §2615, 2616; C73, §2516; C97, §3434; C24, 27, 31, 35, 39, §**10946;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.9]

**611.10 Equitable issues.**

Where the action has been properly commenced by ordinary proceedings, either party shall have the right, by motion, to have any issue heretofore exclusively cognizable in equity tried in the manner hereinafter prescribed in cases of equitable proceedings; and if all the issues were such, though none were exclusively so, the defendant shall be entitled to have them all tried as in cases of equitable proceedings.

[R60, §2617; C73, §2517; C97, §3435; C24, 27, 31, 35, 39, §**10947;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.10]

**611.11 Court may order change.**

If there is more than one party plaintiff or defendant, who fail to unite on the kind of proceedings to be adopted, the court, on its own motion, may direct such proceedings to be changed to the same extent as if the parties had united in asking it to be done.

[C73, §2518; C97, §3436; C24, 27, 31, 35, 39, §**10948;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.11]

**611.12 Errors waived.**

An error as to the kind of proceedings adopted in the action is waived by a failure to move for its correction at the time and in the manner prescribed in this chapter; and all errors in the decisions of the court are waived unless excepted to at the time, save final judgments and interlocutory or final decrees entered of record.

[R60, §2619; C73, §2519; C97, §3437; C24, 27, 31, 35, 39, §**10949;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.12]

**611.13 Uniformity of procedure.**

The provisions of this Code concerning the prosecution of a civil action apply to both ordinary and equitable proceedings unless the contrary appears, and shall be followed in special actions not otherwise regulated, so far as applicable.

[C51, §2516; R60, §2620, 4173; C73, §2520; C97, §3438; C24, 27, 31, 35, 39, §**10950;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.13]

**611.14 Title of cause.**

The title of the cause shall not be changed in any of its stages of transit from one court to another.

[R60, §2949; C73, §2721; C97, §3631; C24, 27, 31, 35, 39, §**10951;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.14]

**611.15 Judgments annulled in equity.**

Judgment obtained in an action by ordinary proceedings shall not be annulled or modified by any order in an action by equitable proceedings, except for a defense which has arisen or been discovered since the judgment was rendered. But such judgment does not prevent the recovery of any claim, though such claim might have been used by way of counterclaim in the action on which the judgment was recovered.

[R60, §2621; C73, §2522; C97, §3440; C24, 27, 31, 35, 39, §**10952;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.15]

See R.C.P. 1.241

**611.16 Action to obtain discovery.**

No action to obtain a discovery shall be brought, except, where a person or corporation is liable either jointly or severally with others by the same contract, an action may be brought against any parties who are liable, to obtain discovery of the names and residences of the others.

[R60, §4127; C73, §2523; C97, §3441; C24, 27, 31, 35, 39, §**10953;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.16]

**611.17 Petition for discovery.**

In such action the plaintiff shall state in the petition, in effect, that the plaintiff has used due diligence, without success, to obtain the information asked to be discovered, and that the plaintiff does not believe the parties to the contract who are known to the plaintiff have property sufficient to satisfy the plaintiff's claim. The petition shall be verified.

[R60, §4127; C73, §2523; C97, §3441; C24, 27, 31, 35, 39, §**10954;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.17]

**611.18 Costs.**

The cost of such action shall be paid by the plaintiff unless the discovery be resisted.

[R60, §4127; C73, §2523; C97, §3441; C24, 27, 31, 35, 39, §**10955;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.18]

**611.19 Successive actions.**

Successive actions may be maintained upon the same contract or transaction whenever, after the former action, a new cause of action has arisen thereon or therefrom.

[R60, §4128; C73, §2524; C97, §3442; C24, 27, 31, 35, 39, §**10956;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.19]

**611.20 Actions survive.**

All causes of action shall survive and may be brought notwithstanding the death of the person entitled or liable to the same.

[C51, §2502; R60, §3467; C73, §2525; C97, §3443; C24, 27, 31, 35, 39, §**10957;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.20]

Referred to in §611.22

**611.21 Civil remedy not merged in crime.**

The right of civil remedy is not merged in a public offense and is not restricted for other violation of law, but may in all cases be enforced independently of and in addition to the punishment of the former.

[C51, §2500; R60, §4110; C73, §2526; C97, §3444; C24, 27, 31, 35, 39, §**10958;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.21]

85 Acts, ch 197, §36

Referred to in §611.22

**611.22 Actions by or against legal representatives — substitution.**

Any action contemplated in sections 611.20 and 611.21 may be brought, or the court, on motion, may allow the action to be continued, by or against the legal representatives or successors in interest of the deceased. Such action shall be deemed a continuing one, and to have accrued to such representative or successor at the time it would have accrued to the deceased if the deceased had survived. If such is continued against the legal representative of the defendant, a notice shall be served on the legal representative as in case of original notices.

[C51, §1699; R60, §4111; C73, §2527; C97, §3445; C24, 27, 31, 35, 39, §**10959;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §611.22]

Manner of service, R.C.P. 1.302 – 1.315

**611.23 Civil actions involving allegations of sexual abuse or domestic abuse — counseling.**

In a civil case in which a plaintiff is seeking relief or damages for alleged sexual abuse as defined in section 709.1 or domestic abuse as defined in section 236.2, the plaintiff may seek, and the court may grant, an order requiring the defendant to receive professional counseling, in addition to any other appropriate relief or damages.

91 Acts, ch 181, §1

# CHAPTER 612

## JOINDER OF ACTIONS

For Iowa court rules concerning joinder, misjoinder, and nonjoinder, see R.C.P. 1.231 – 1.237

# CHAPTER 613

## PARTIES — CAUSES OF ACTION — LIABILITY

For Iowa court rules concerning parties and capacity, see R.C.P. 1.201 – 1.212
For Iowa court rules concerning substitution of parties, see R.C.P. 1.221 – 1.227
For Iowa court rules concerning interpleader, see R.C.P. 1.251 – 1.257
For Iowa court rules concerning class actions, see R.C.P. 1.261 – 1.279


613.1 Joint and several obligations.
613.2 Adjudication.
613.3 Repealed by 84 Acts, ch 1293, §12.
613.4 through 613.6 Repealed by 65 Acts, ch 413, §10102.
613.7 Written instrument.
613.8 Actions against state.
613.9 Service on state.
613.10 Status of state as defendant.
613.11 Actions against department of transportation.
613.12 Venue.
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613.14 Limitation.
613.15 Injury or death of spouse or parent — measure of recovery.
613.15A Injury to or death of a child.
613.16 Parental responsibility for actions of children.
613.17 Emergency assistance in an accident.
613.18 Limitation on products liability of nonmanufacturers.
613.19 Personal liability.
613.20 Limitation on liability for motor vehicle operation — felons.
613.21 Immunity from civil suit.


**613.1 Joint and several obligations.**

Where two or more persons are bound by contract or by judgment, decree, or statute, whether jointly only, or jointly and severally, or severally only, including the parties to negotiable paper, common orders, and checks, and sureties on the same or separate instruments, or by any liability growing out of the same, the action thereon may, at the plaintiff's option, be brought against any or all of them. When any of those so bound are dead, the action may be brought against any or all of the survivors, with any or all of the representatives of the decedents, or against any or all such representatives.

[C51, §1681, 1682; R60, §2764; C73, §2550; C97, §3465; C24, 27, 31, 35, 39, §**10975;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §613.1]

Separate trials, R.C.P. 1.914

**613.2 Adjudication.**

An action or judgment against any one or more of several persons jointly bound shall not be a bar to proceedings against the others.

[R60, §2764; C73, §2550; C97, §3465; C24, 27, 31, 35, 39, §**10976;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §613.2]

**613.3** Repealed by 84 Acts, ch 1293, § 12.

**613.4 through 613.6** Repealed by 65 Acts, ch 413, § 10102.

**613.7 Written instrument.**

When an action is founded on a written instrument, it may be brought by or against any of the parties thereto by the same name and description as those by which they are designated in such instrument.

[C51, §1692; R60, §2786; C73, §2558; C97, §3473; C24, 27, 31, 35, 39, §**10988;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §613.7]

**613.8 Actions against state.**

Upon the conditions herein provided for the protection of the state, the consent of the state be and it is hereby given, to be made a party in any suit or action which is now pending or which may hereafter be brought in any of the district courts of Iowa, any of the United States district courts within the state or in any other court of or in Iowa having jurisdiction of the subject matter, involving the title to real estate, the partition of real estate, the foreclosure of liens or mortgages against real estate or the determination of the priorities of liens or claims against real estate, for the purpose of obtaining an adjudication touching or pertaining to any mortgage or other lien or claim which the state may have or claim to the real estate involved. The petition in such action shall specifically allege the interest or apparent interest of the state and the specific facts upon which the claim against the state is based and it shall be legally insufficient to allege said claim in general terms.

[C35, §10990-g1; C39, §**10990.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §613.8]

Referred to in §613.10

**613.9 Service on state.**

Service upon the state shall be made by serving a copy of the original notice with a copy of the petition upon the county attorney for the county, or counties, in which the real estate is located, and by sending a copy of the original notice and petition by certified mail to the attorney general, at Des Moines. The state shall appear within thirty days after the day such notice is served upon the county attorney or within thirty days after such notice is mailed to the attorney general, whichever is later.

[C35, §10990-g2; C39, §**10990.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §613.9]

Referred to in §613.10

**613.10 Status of state as defendant.**

After compliance with sections 613.11 and 613.12 and sections 613.8 and 613.9 the state of Iowa shall have the same standing as any other plaintiff or defendant and any and all orders, judgments, or decrees rendered and entered in any such action shall be binding on the state of Iowa in the same manner and degree as any other party to an action against whom such an order, judgment, or decree is entered, and the state of Iowa shall have the same rights in respect to the trial of such cause and in respect to any orders, judgments, or decrees entered therein, together with all rights of appeal, as any other similarly situated party would have.

[C35, §10990-g3; C39, §**10990.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §613.10]

**613.11 Actions against department of transportation.**

The state of Iowa hereby waives immunity from suit and consents to the jurisdiction of any court in which an action is brought against the state department of transportation respecting any claim, right, or controversy arising out of the work performed, or by virtue of the provisions of any construction contract entered into by the department. Such action shall be heard and determined pursuant to rules otherwise applicable to civil actions brought in the particular court having jurisdiction of the suit and the parties to the suit shall have the right of appeal from any judgment, decree, or decision of the trial court to the appropriate appellate court under applicable rules of appeal.

[C66, 71, 73, 75, 77, 79, 81, §613.11]

Referred to in §573.15, 613.10, 613.14

**613.12 Venue.**

Any such action shall name the Iowa state department of transportation as defendant and the venue for trial shall be in the county, or in the federal court district, where all or part of the construction work was performed.

[C66, 71, 73, 75, 77, 79, 81, §613.12]

Referred to in §613.10

**613.13 Service of notice.**

Service upon the state of Iowa shall be made by serving an original notice or summons, with a copy of the petition attached, upon any member of the Iowa state department of transportation in the manner provided for the service of original notices in actions brought in the district courts of the state of Iowa, or by serving summonses upon any member of the said department in the manner provided for service of summons in actions brought in United States district courts, except only that the state shall be required to appear within thirty days after the day such notice or summons is served upon a member of the said department.

[C66, 71, 73, 75, 77, 79, 81, §613.13]

**613.14 Limitation.**

Actions against the state of Iowa authorized under the provisions of section 613.11 may be instituted within three years from the date of the completion or acceptance of the work, whichever date is later, except that this should not apply to contracts completed and accepted and for which final payment was made previous to July 4, 1963.

[C66, 71, 73, 75, 77, 79, 81, §613.14]

**613.15 Injury or death of spouse or parent — measure of recovery.**

In any action for damages because of the wrongful or negligent injury or death of a woman, there shall be no disabilities or restrictions, and recovery may be had on account thereof in the same manner as in cases of damage because of the wrongful or negligent injury or death of a man. In addition she, or her administrator for her estate, may recover for physician's services, nursing and hospital expense, and in the case of both women and men, such person, or the appropriate administrator, may recover the value of services and support as spouse or parent, or both, as the case may be, in such sum as the jury deems proper; provided, however, recovery for these elements of damage may not be had by the spouse and children, as such, of any person who, or whose administrator, is entitled to recover same.

[SS15, §3477-a; C24, 27, §10463; C31, 35, §10991-d1; C39, §**10991.1;** C46, 50, 54, 58, 62, §613.11; C66, 71, 73, 75, 77, 79, 81, §613.15]

**613.15A Injury to or death of a child.**

A parent or the parents of a child may recover for the expense and actual loss of services, companionship, and society resulting from injury to or death of a minor child and may recover for the expense and actual loss of services, companionship, and society resulting from the death of an adult child.

2007 Acts, ch 132, §1, 3

**613.16 Parental responsibility for actions of children.**

1. The parent or parents of an unemancipated minor child under the age of eighteen years shall be liable for actual damages to person or property caused by unlawful acts of such child. However, a parent who is not entitled to legal custody of the minor child at the time of the unlawful act shall not be liable for such damages.

2. The legal obligation of the parent or parents of an unemancipated minor child under the age of eighteen years to pay damages shall be limited as follows:

*a.* Not more than two thousand dollars for any one act.

*b.* Not more than five thousand dollars, payable to the same claimant, for two or more acts.

3. The word "*person*" for the purpose of this section shall include firm, association, partnership or corporation.

4. When an action is brought on parental responsibility for acts of their children, the parents shall be named as defendants therein and, in addition, the minor child shall be named as a defendant. The filing of an answer by the parents shall remove any requirement that a guardian ad litem be required.

[C71, 73, 75, 77, 79, 81, §613.16]

94 Acts, ch 1172, §40

Referred to in §624.38, 645.3

**613.17 Emergency assistance in an accident.**

1. A person, who in good faith renders emergency care or assistance without compensation, shall not be liable for any civil damages for acts or omissions occurring at the place of an emergency or accident or while the person is in transit to or from the emergency or accident or while the person is at or being moved to or from an emergency shelter unless such acts or omissions constitute recklessness or willful and wanton misconduct. An emergency includes but is not limited to a disaster as defined in section 29C.2 or the period of time immediately following a disaster for which the governor has issued a proclamation of a disaster emergency pursuant to section 29C.6.

*a.* For purposes of this subsection, if a volunteer fire fighter, a volunteer operator or attendant of an ambulance or rescue squad service, a volunteer paramedic, a volunteer emergency medical technician, or a volunteer registered member of the national ski patrol system receives nominal compensation not based upon the value of the services performed, that person shall be considered to be receiving no compensation.

*b.* For purposes of this subsection, operation of a motor vehicle in compliance with section 321.231 by a volunteer fire fighter, volunteer operator, or attendant of an ambulance or rescue squad service, a volunteer paramedic, or volunteer emergency medical technician shall be considered rendering emergency care or assistance.

*c.* For purposes of this subsection, a person rendering emergency care or assistance includes a person involved in a workplace rescue arising out of an emergency or accident.

2. The following persons or entities, while acting reasonably and in good faith, who render emergency care or assistance relating to the preparation for and response to a sudden cardiac arrest emergency, shall not be liable for any civil damages for acts or omissions arising out of the use of an automated external defibrillator, whether occurring at the place of an emergency or accident or while such persons are in transit to or from the emergency or accident or while such persons are at or being moved to or from an emergency shelter:

*a.* A person or entity that acquires an automated external defibrillator.

*b.* A person or entity that owns, manages, or is otherwise responsible for the premises on which an automated external defibrillator is located if the person or entity maintains the automated external defibrillator in a condition for immediate and effective use at all times, subject to standards developed by the department of public health by rule.

*c.* A person who retrieves an automated external defibrillator in response to a perceived sudden cardiac arrest emergency.

*d.* A person who uses, attempts to use, or fails to use an automated external defibrillator in response to a perceived sudden cardiac arrest emergency.

*e.* A person or entity that provides instruction in the use of an automated external defibrillator.

[C71, 73, 75, 77, 79, 81, §613.17; 82 Acts, ch 1198, §1]

91 Acts, ch 182, §1; 96 Acts, ch 1219, §74; 2008 Acts, ch 1052, §1; 2009 Acts, ch 40, §1

Referred to in §139A.2, 141A.1

See also §915.3

**613.18 Limitation on products liability of nonmanufacturers.**

1. A person who is not the assembler, designer, or manufacturer, and who wholesales, retails, distributes, or otherwise sells a product is:

*a.* Immune from any suit based upon strict liability in tort or breach of implied warranty of merchantability which arises solely from an alleged defect in the original design or manufacture of the product.

*b.* Not liable for damages based upon strict liability in tort or breach of implied warranty of

merchantability for the product upon proof that the manufacturer is subject to the jurisdiction of the courts of this state and has not been judicially declared insolvent.

2. A person who is a retailer of a product and who assembles a product, such assembly having no causal relationship to the injury from which the claim arises, is not liable for damages based upon strict liability in tort or breach of implied warranty of merchantability which arises from an alleged defect in the original design or manufacture of the product upon proof that the manufacturer is subject to the jurisdiction of the courts of this state and has not been judicially declared insolvent.

3. An action brought pursuant to this section, where the claimant certifies that the manufacturer of the product is not yet identifiable, tolls the statute of limitations against such manufacturer until such time as discovery in the case has identified the manufacturer.

86 Acts, ch 1211, §32
Referred to in §455B.803

**613.19 Personal liability.**

A director, officer, employee, member, trustee, or volunteer, of a nonprofit organization is not liable on the debts or obligations of the nonprofit organization and a director, officer, employee, member, trustee, or volunteer is not personally liable for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for acts or omissions which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit. For purposes of this section, "*nonprofit organization*" includes an unincorporated club, association, or other similar entity, however named, if no part of its income or profit is distributed to its members, directors, or officers.

87 Acts, ch 212, §19

**613.20 Limitation on liability for motor vehicle operation — felons.**

1. Except as provided in subsection 2, in an action to recover damages arising out of the operation or use of a motor vehicle, a person shall not recover noneconomic losses including, but not limited to, pain and suffering if the injured person was the operator of a motor vehicle, a passenger in a motor vehicle, or a pedestrian and the person's injuries were proximately caused by the person's commission of any felony, or immediate flight therefrom, and the injured person was duly convicted of that felony.

2. This section does not apply if the injured person is found to have no fault in the accident.

3. If a person injured in a motor vehicle accident has been formally charged with the violation of the felony referred to in subsection 1, but a final determination regarding guilt has not been made, liability and uninsured and underinsured motorist insurers, to whom a claim for damages has been presented, shall advise the injured party that settlement of the claim will not be resolved until a final judgment is rendered on the charges. The injured party claiming damages shall provide evidence of the outcome of any criminal charges.

2000 Acts, ch 1062, §1

**613.21 Immunity from civil suit.**

An employee of an accredited public school district, accredited nonpublic school, or area education agency shall be immune from civil suit for reasonable acts undertaken in good faith relating to participation in the making of a report and any resulting investigation or administrative or judicial proceedings regarding violence, threats of violence, or other inappropriate activity against a school employee or student, pursuant to the provisions of section 280.27.

2000 Acts, ch 1162, §2

# CHAPTER 613A

RESERVED

# CHAPTER 614

## LIMITATIONS OF ACTIONS

Referred to in §206.14, 354.21

For Iowa court rule concerning commencement of actions, tolling, and coversheet, see R.C.P. 1.301
Method of computing time, §4.1(34)
Limitations of state tort claims, §669.13
Limitations of criminal actions, chapter 802
National guard military service excluded in computation of period limited by law, rule, or order, §29A.98

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## GENERAL PROVISIONS

**614.1 Period.**

Actions may be brought within the times herein limited, respectively, after their causes accrue, and not afterwards, except when otherwise specially declared:

1. *Penalties or forfeitures under ordinance.* Those to enforce the payment of a penalty or forfeiture under an ordinance, within one year.

2. *Injuries to person or reputation — relative rights — statute penalty.* Those founded on injuries to the person or reputation, including injuries to relative rights, whether based on contract or tort, or for a statute penalty, within two years.

2A. *With respect to products.*

*a.* Those founded on the death of a person or injuries to the person or property brought against the manufacturer, assembler, designer, supplier of specifications, seller, lessor, or distributor of a product based upon an alleged defect in the design, inspection, testing,

manufacturing, formulation, marketing, packaging, warning, labeling of the product, or any other alleged defect or failure of whatever nature or kind, based on the theories of strict liability in tort, negligence, or breach of an implied warranty shall not be commenced more than fifteen years after the product was first purchased, leased, bailed, or installed for use or consumption unless expressly warranted for a longer period of time by the manufacturer, assembler, designer, supplier of specifications, seller, lessor, or distributor of the product. This subsection shall not affect the time during which a person found liable may seek and obtain contribution or indemnity from another person whose actual fault caused a product to be defective. This subsection shall not apply if the manufacturer, assembler, designer, supplier of specifications, seller, lessor, or distributor of the product intentionally misrepresents facts about the product or fraudulently conceals information about the product and that conduct was a substantial cause of the claimant's harm.

*b.* (1) The fifteen-year limitation in paragraph *"a"* shall not apply to the time period in which to discover a disease that is latent and caused by exposure to a harmful material, in which event the cause of action shall be deemed to have accrued when the disease and such disease's cause have been made known to the person or at the point the person should have been aware of the disease and such disease's cause. This subsection shall not apply to cases governed by subsection 11 of this section.

(2) As used in this paragraph, *"harmful material"* means silicone gel breast implants, which were implanted prior to July 12, 1992; and chemical substances commonly known as asbestos, dioxins, tobacco, or polychlorinated biphenyls, whether alone or as part of any product; or any substance which is determined to present an unreasonable risk of injury to health or the environment by the United States environmental protection agency pursuant to the federal Toxic Substance Control Act, 15 U.S.C. § 2601 et seq., or by this state, if that risk is regulated by the United States environmental protection agency or this state.

3. *Against sheriff or other public officer.* Those against a sheriff or other public officer for the nonpayment of money collected on execution within three years of collection.

4. *Unwritten contracts — injuries to property — fraud — other actions.* Those founded on unwritten contracts, those brought for injuries to property, or for relief on the ground of fraud in cases heretofore solely cognizable in a court of chancery, and all other actions not otherwise provided for in this respect, within five years, except as provided by subsections 8 and 10.

5. *Written contracts — judgments of courts not of record — recovery of real property and rent.*

*a.* Except as provided in paragraph *"b"*, those founded on written contracts, or on judgments of any courts except those provided for in subsection 6, and those brought for the recovery of real property, within ten years.

*b.* Those founded on claims for rent, within five years.

6. *Judgments of courts of record.* Those founded on a judgment of a court of record, whether of this or of any other of the United States, or of the federal courts of the United States, within twenty years, except that a time period limitation shall not apply to an action to recover a judgment for child support, spousal support, or a judgment of distribution of marital assets.

7. *Judgment quieting title.* No action shall be brought to set aside a judgment or decree quieting title to real estate unless the same shall be commenced within ten years from and after the rendition thereof.

8. *Wages.* Those founded on claims for wages or for a liability or penalty for failure to pay wages, within two years.

9. *Malpractice.*

*a.* Except as provided in paragraph *"b"*, those founded on injuries to the person or wrongful death against any physician and surgeon, osteopathic physician and surgeon, dentist, podiatric physician, optometrist, pharmacist, chiropractor, physician assistant, or nurse, licensed under chapter 147, or a hospital licensed under chapter 135B, arising out of patient care, within two years after the date on which the claimant knew, or through the use of reasonable diligence should have known, or received notice in writing of the existence of, the injury or death for which damages are sought in the action, whichever of the dates

occurs first, but in no event shall any action be brought more than six years after the date on which occurred the act or omission or occurrence alleged in the action to have been the cause of the injury or death unless a foreign object unintentionally left in the body caused the injury or death.

*b*. An action subject to paragraph "*a*" and brought on behalf of a minor who was under the age of eight years when the act, omission, or occurrence alleged in the action occurred shall be commenced no later than the minor's tenth birthday or as provided in paragraph "*a*", whichever is later.

10. *Secured interest in farm products*. Those founded on a secured interest in farm products, within two years from the date of sale of the farm products against the secured interest of the creditor.

11. *Improvements to real property*. In addition to limitations contained elsewhere in this section, an action arising out of the unsafe or defective condition of an improvement to real property based on tort and implied warranty and for contribution and indemnity, and founded on injury to property, real or personal, or injury to the person or wrongful death, shall not be brought more than fifteen years after the date on which occurred the act or omission of the defendant alleged in the action to have been the cause of the injury or death. However, this subsection does not bar an action against a person solely in the person's capacity as an owner, occupant, or operator of an improvement to real property.

12. *Sexual abuse or sexual exploitation by a counselor, therapist, or school employee*. An action for damages for injury suffered as a result of sexual abuse, as defined in section 709.1, by a counselor, therapist, or school employee, as defined in section 709.15, or as a result of sexual exploitation by a counselor, therapist, or school employee shall be brought within five years of the date the victim was last treated by the counselor or therapist, or within five years of the date the victim was last enrolled in or attended the school.

13. *Public bonds or obligations*. Those founded on the cancellation, transfer, redemption, or replacement of public bonds or obligations by an issuer, trustee, transfer agent, registrar, depository, paying agent, or other agent of the public bonds or obligations, within eleven years of the cancellation, transfer, redemption, or replacement of the public bonds or obligations.

14. *County collection of taxes*. No time limitation shall apply to an action brought by a county under section 445.3 to collect delinquent real property taxes levied on or after April 1, 1992.

[C51, §1659; R60, §1075, 1865, 2740; C73, §486, 2529; C97, §3447; S13, §2963-g, 3447; C24, 27, 31, 35, 39, §**11007;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.1]

83 Acts, ch 69, §1, 2; 86 Acts, ch 1120, §1; 91 Acts, ch 130, §3; 92 Acts, ch 1199, §1; 93 Acts, ch 89, §3; 95 Acts, ch 108, §21; 97 Acts, ch 175, §235; 97 Acts, ch 197, §5, 6, 16; 98 Acts, ch 1100, §78; 2002 Acts, ch 1050, §51; 2003 Acts, ch 180, §62; 2007 Acts, ch 40, §1; 2008 Acts, ch 1032, §83; 2008 Acts, ch 1088, §141; 2013 Acts, ch 95, §1

Referred to in §222.82, 522B.17A, 522D.9, 614.8, 715B.4, 910.15

Subsection 5 amended

**614.2 Death of party to be charged.**

In all cases where by the death of the party to be charged, the bringing of an action against the party's estate shall have been delayed beyond the period provided for by statute, the time within which action may be brought against the estate is hereby extended for six months from the date of the death of said decedent.

[S13, §3447-a; C24, 27, 31, 35, 39, §**11008;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.2]

**614.3 Judgments.**

No action shall be brought upon any judgment against a defendant therein, rendered in any court of record of this state, within nine years after the rendition thereof, without leave of the court for good cause shown, and, if the adverse party is a resident of this state, upon reasonable notice of the application therefor to the adverse party; nor on a judgment of a justice of the peace in the state within nine years after the same is rendered, unless the docket of the justice or record of such judgment is lost or destroyed; but the time during which an

action on a judgment is prohibited by this section shall not be excluded in computing the statutory period of limitation for an action thereon.

[C73, §2521; C97, §3439; S13, §3439; C24, 27, 31, 35, 39, §**11009;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.3]

Action on certain judgments prohibited, chapter 615
Lien of judgments, §624.23

**614.4 Fraud — mistake — trespass.**

In actions for relief on the ground of fraud or mistake, and those for trespass to property, the cause of action shall not be deemed to have accrued until the fraud, mistake, or trespass complained of shall have been discovered by the party aggrieved.

[C51, §1660; R60, §2741; C73, §2530; C97, §3448; C24, 27, 31, 35, 39, §**11010;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.4]

**614.4A Identity theft.**

In actions for relief on the ground of identity theft under section 714.16B, the cause of action shall not be deemed to have accrued until the identity theft complained of is discovered by the party aggrieved.

2005 Acts, ch 18, §1

**614.5 Open account.**

When there is a continuous, open, current account, the cause of action shall be deemed to have accrued on the date of the last item therein, as proved on the trial.

[C51, §1662; R60, §2743; C73, §2531; C97, §3449; C24, 27, 31, 35, 39, §**11011;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.5]

**614.6 Nonresident or unknown defendant.**

The period of limitation above described shall be computed omitting any time when:

1. The defendant is a nonresident of the state, or

2. In those cases involving personal injuries or death resulting from a felony or indictable misdemeanor, while the identity of the defendant is unknown after diligent effort has been made to discover it. The provisions of this section shall be effective January 1, 1970, and to this extent the provisions are retroactive.

[C51, §1664; R60, §2745; C73, §2533; C97, §3451; C24, 27, 31, 35, 39, §**11013;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.6]

**614.7 Bar in foreign jurisdiction.**

When a cause of action has been fully barred by the laws of any country where the defendant has previously resided, such bar shall be the same defense here as though it had arisen under the provisions of this chapter; but this section shall not apply to causes of action arising within this state.

[C51, §1665; R60, §2746; C73, §2534; C97, §3452; C24, 27, 31, 35, 39, §**11014;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.7]

**614.8 Minors and persons with mental illness.**

1. The times limited for actions in this chapter, or chapter 216, 669, or 670, except those brought for penalties and forfeitures, are extended in favor of persons with mental illness, so that they shall have one year from and after the termination of the disability within which to file a complaint pursuant to chapter 216, to make a claim pursuant to chapter 669, or to otherwise commence an action.

2. Except as provided in section 614.1, subsection 9, the times limited for actions in this chapter, or chapter 216, 669, or 670, except those brought for penalties and forfeitures, are extended in favor of minors, so that they shall have one year from and after attainment of

majority within which to file a complaint pursuant to chapter 216, to make a claim pursuant to chapter 669, or to otherwise commence an action.

[C51, §1666; R60, §2747; C73, §2535; C97, §3453; C24, 27, 31, 35, 39, §**11015;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.8]

96 Acts, ch 1129, §113; 97 Acts, ch 197, §7, 16; 2007 Acts, ch 110, §2

Referred to in §216.15, 229.27, 252A.5A, 252F.2, 587.12, 600B.33, 614.19, 614.27, 669.13, 670.5

**614.8A Damages for child sexual abuse — time limitation.**

An action for damages for injury suffered as a result of sexual abuse which occurred when the injured person was a child, but not discovered until after the injured person is of the age of majority, shall be brought within four years from the time of discovery by the injured party of both the injury and the causal relationship between the injury and the sexual abuse.

90 Acts, ch 1241, §2

**614.9 Exception in case of death.**

If the person having a cause of action dies within one year next previous to the expiration of the limitation above provided for, such limitation shall not apply until one year after such death.

[C51, §1667; R60, §2748; C73, §2536; C97, §3454; C24, 27, 31, 35, 39, §**11016;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.9]

**614.10 Failure of action.**

If, after the commencement of an action, the plaintiff, for any cause except negligence in its prosecution, fails therein, and a new one is brought within six months thereafter, the second shall, for the purposes herein contemplated, be held a continuation of the first.

[C51, §1668; R60, §2749; C73, §2537; C97, §3455; C24, 27, 31, 35, 39, §**11017;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.10]

**614.11 Admission in writing — new promise.**

Causes of action founded on contract are revived by an admission in writing, signed by the party to be charged, that the debt is unpaid, or by a like new promise to pay the same.

[C51, §1670; R60, §2751; C73, §2539; C97, §3456; C24, 27, 31, 35, 39, §**11018;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.11]

**614.12 Counterclaim.**

A counterclaim may be pleaded as a defense to any cause of action, notwithstanding it is barred by the provisions of this chapter, if it was the property of the party pleading it at the time it became barred, and was not barred at the time the claim sued on originated; but no judgment thereon, except for costs, can be rendered in favor of the party so pleading it.

[R60, §2752; C73, §2540; C97, §3457; C24, 27, 31, 35, 39, §**11019;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.12]

**614.13 Injunction.**

When the commencement of an action shall be stayed by injunction or statutory prohibition, the time of the continuance of such injunction or prohibition shall not be part of the time limited for the commencement of the action, except as herein otherwise provided.

[C73, §2541; C97, §3458; C24, 27, 31, 35, 39, §**11020;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.13]

**614.13A Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

SPECIAL LIMITATIONS

**614.14 Real estate interest transferred by trustee.**

1. If an interest in real estate is held of record by a trustee, a bona fide purchaser acquires all rights in the real estate which the trustee and the beneficiary of the trust had and any rights of persons claiming by, through or under them, free of any adverse claim including but not limited to claims arising under section 561.13 or claims relating to an interest in real estate arising under section 633.238.

2. A bona fide purchaser is a purchaser for value in good faith and without notice of any adverse claim, who has relied on a current, recorded affidavit in substantially the following form delivered to the purchaser:

[Individual trustee]
Affidavit in re
[insert legal description]

I, ....., being first duly sworn and under oath state of my personal knowledge that:

1. I am the trustee under the trust dated ....., to which the above-described real estate was conveyed to the trustee by ....., pursuant to an instrument recorded the ..... day of ..... (month), ..... (year), recorded in the office of the ..... County Recorder in ..... [insert recording data].

2. I am the presently existing trustee under the trust and am authorized to ..... [describe the transfer to be made by the trustee to the bona fide purchaser], without any limitation or qualification whatsoever.

3. The trust is in existence and I as trustee am authorized to transfer the interests in the real estate as described in paragraph 2, free and clear of any adverse claims.

.....
[signature of affiant]

Sworn to and subscribed before me by ..... on this ..... day of ..... (month), ..... (year)

.....
[Notary Public in and for
the State of .....]

[Corporate trustee]
Affidavit in re
[insert legal description]

I, ....., being first duly sworn and under oath state of my personal knowledge that:

1. ..... is the trustee under the trust dated ....., to which the above-described real estate was conveyed to the trustee by ....., pursuant to an instrument recorded the ..... day of ..... (month), ..... (year), recorded in the office of the ..... County Recorder in ..... [insert recording data].

2. ..... is the presently existing trustee under the trust and is authorized to ..... [describe the transfer to be made by the trustee to the bona fide purchaser], without any limitation or qualification whatsoever, and I am ..... [officer] of the corporate trustee.

3. The trust is in existence and ..... as trustee is authorized to transfer the interests in the real estate as described in paragraph 2, free and clear of any adverse claims.

.....
[signature of affiant]

Sworn to and subscribed before me by ....., on this ..... day of ..... (month), ..... (year)

.....
[Notary Public in and for
the State of .....]

3. As used in this section, *"adverse claim"* includes a claim that a transfer was or would be wrongful, a claim that a particular adverse person is the owner of or has an interest in the real estate, and a claim that would be disclosed by the examination of any document not of record.

4. Unless clearly provided to the contrary by the instrument of transfer to a purchaser, a trustee transferring an interest in real estate warrants to the transferee all of the following:

*a.* That the trust pursuant to which the transfer is made is duly executed and in existence.

*b.* That, to the knowledge of the trustee, the person creating the trust was under no disability or infirmity at the time the trust was created.

*c.* That the transfer by the trustee to the purchaser is effective and rightful.

*d.* That the trustee knows of no facts or legal claims which might impair the validity of the trust or the validity of the transfer.

5. *a.* A person holding an adverse claim arising or existing prior to January 1, 2009, by reason of a transfer of an interest in real estate by a trustee, or a purported trustee, shall not file an action to enforce such claim after December 31, 2010, at law or in equity, in any court to recover or establish any interest in or claim to such real estate, legal or equitable, against the holder of the record title to the real estate.

*b.* An action based upon an adverse claim arising on or after January 1, 2009, by reason of a transfer of an interest in real estate by a trustee, or a purported trustee, shall not be maintained either at law or in equity, in any court to recover or establish any interest in or claim to such real estate, legal or equitable, against the holder of the record title to the real estate, legal or equitable, more than one year after the date of recording of the instrument from which such claim may arise.

6. An interest in real estate held of record at any time by a trust shall be deemed to be held of record by the trustee of such trust.

7. This section shall not be construed to limit any personal action against the trustee or purported trustee.

[S13, §3447; C24, 27, 31, 35, 39, §**11021;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.14]

91 Acts, ch 183, §33; 92 Acts, ch 1014, §1, 2; 92 Acts, ch 1163, §115; 99 Acts, ch 56, §1; 2000 Acts, ch 1058, §65; 2008 Acts, ch 1119, §12, 13, 39; 2009 Acts, ch 52, §1, 14

Referred to in §614.16

2009 amendment to subsection 6 applies retroactively to all trusts in existence on or after July 1, 1999; 2009 Acts, ch 52, §14

**614.14A Real estate interests transferred by entities.**

1. As used in this section, unless the context otherwise requires:

*a.* (1) *"Adverse claim"* means a claim that the transfer of an interest in real estate to a transferee is invalid and should be set aside based on an allegation that the execution and delivery of a deed or real estate contract was not authorized by the entity.

(2) *"Adverse claim"* does not include a claim that a deed or real estate contract purports to transfer a greater interest than the entity legally could transfer.

*b.* *"Entity"* means the same as defined in section 558.72.

2. A transfer of an interest in real estate situated in this state by an entity by a deed or real estate contract is subject to the provisions of this section.

3. *a.* With regard to any deed or real estate contract executed by an entity and filed of

record with the recorder of the county in which the real estate is situated, which is recorded prior to July 1, 2013, the holder of an adverse claim shall not file an action, at law or in equity, to enforce the adverse claim or to invalidate such transfer five years after July 1, 2013.

*b.* With regard to any deed or real estate contract executed by an entity and filed of record with the recorder of the county in which the real estate is situated, which is recorded on or after July 1, 2013, the holder of an adverse claim shall not file an action, at law or in equity, to enforce the adverse claim or to invalidate such transfer more than two years after the date of recording of the instrument.

4. This section shall not be construed to limit any personal action against a person who executed an instrument purportedly transferring an interest in real estate on behalf of an entity for damages based on a claim arising out of an allegation that the execution and delivery of the instrument was not authorized by the entity or that a warranty required in section 558.72 was false.

2013 Acts, ch 108, §6
Referred to in §558.72
NEW section

**614.15 Spouse failing to join in conveyance.**

1. In all cases where the holder of the legal or equitable title or estate to real estate situated within this state, prior to July 1, 1981, conveyed the real estate or any interest in the real estate by deed, mortgage, or other instrument, and the spouse failed to join in the conveyance, the spouse or the heirs at law, personal representatives, devisees, grantees, or assignees of the spouse are barred from recovery unless suit is brought for recovery within one year after July 1, 1991. But in case the right to the distributive share has not accrued by the death of the spouse executing the instrument, then the one not joining is authorized to file in the recorder's office of the county where the land is situated, a notice with affidavit setting forth affiant's claim, together with the facts upon which the claim rests, and the residence of the claimants. If the notice is not filed within two years from July 1, 1991, the claim is barred forever. Any action contemplated in this section may include land situated in different counties, by giving notice as provided by section 617.13.

2. In all cases where the holder of the legal or equitable title or estate to real estate situated within this state, after July 1, 1981, conveyed the real estate or any interest in the real estate by deed, mortgage, or other instrument, and the spouse failed to join in the conveyance, the spouse or the heirs at law, personal representative, devisees, grantees, or assignees of the spouse are barred from recovery unless suit is brought for recovery within ten years from the date of the conveyance. However, in the case where the right to the distributive share has not accrued by the death of the spouse executing the instrument, then the party not joining is authorized to file in the recorder's office in the county where the land is situated, a notice with affidavit setting forth the affiant's claim, together with the facts upon which the claim is based, and the residence of the claimants. If the notice is not filed within ten years from the date of the execution of the instrument the claim is barred forever. Any action contemplated in this section may include land situated in different counties by giving notice as provided in section 617.13. The effect of filing the notice with affidavit shall extend for a further period of ten years the time within which the action may be brought. Successive notices may be filed extending this period.

[S13, §3447-b; C24, 27, 31, 35, 39, §**11022;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.15]

91 Acts, ch 183, §34; 93 Acts, ch 14, §1
Referred to in §561.13, 614.16, 614.20

**614.16 Interpretative clause.**

Sections 614.14 and 614.15 do not affect litigation pending on July 1, 1991, nor do they operate to revive rights or claims barred previous to that date, nor permit an action to be brought or maintained upon any claim or cause of action which is barred by a statute in force prior to July 1, 1991.

[C24, 27, 31, 35, 39, §**11023;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.16]

91 Acts, ch 183, §35

**614.17 Claims to real estate antedating 1980.**

1. An action based upon a claim arising or existing prior to January 1, 1980, shall not be maintained, either at law or in equity, in any court to recover real estate in this state or to recover or establish any interest in or claim to real estate, legal or equitable, against the holder of the record title to the real estate in possession, when the holder of the record title and the holder's immediate or remote grantors are shown by the record to have held chain of title to the real estate, since January 1, 1980, unless the claimant in person, or by the claimant's attorney or agent, or if the claimant is a minor or under legal disability, by the claimant's guardian, trustee, or either parent, within one year from and after July 1, 1991, files in the office of the recorder of deeds of the county in which the real estate is situated, a statement in writing, which is duly acknowledged, definitely describing the real estate involved, the nature and extent of the right or interest claimed, and stating the facts upon which the claim is based.

2. For the purposes of this section, section 614.17A, and sections 614.18 to 614.20, a person who holds title to real estate by will or descent from a person who held the title of record to the real estate at the date of that person's death or who holds title by decree or order of a court, or under a tax deed, trustee's, referee's, guardian's, executor's, administrator's, receiver's, assignee's, master's in chancery, or sheriff's deed, holds chain of title the same as though holding by direct conveyance.

3. For the purposes of this section and section 614.17A, such possession of real estate may be shown of record by affidavits showing the possession, and when the affidavits have been filed and recorded, it is the duty of the recorder to index the applicable entries specified in sections 558.49 and 558.52 and to index the name of the owner in possession, as named in the affidavits, and in like manner, the affidavits may be filed and recorded where any action was barred on any claim by this section as in force prior to July 1, 1991.

[C24, 27, 31, 35, 39, §**11024;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.17]

91 Acts, ch 183, §36; 2007 Acts, ch 101, §5

Referred to in §614.17A, 614.19, 614.20

**614.17A Claims to real estate after 1992.**

1. After July 1, 1992, an action shall not be maintained in a court, either at law or in equity, in order to recover or establish an interest in or claim to real estate if all the following conditions are satisfied:

*a.* The action is based upon a claim arising more than ten years earlier or existing for more than ten years.

*b.* The action is against the holder of the record title to the real estate in possession.

*c.* The holder of the record title to the real estate in possession and the holder's immediate or remote grantors are shown by the record to have held chain of title to the real estate for more than ten years.

2. *a.* The claimant within ten years of the date on which the claim arose or first existed must file with the county recorder in the county where the real estate is located a written statement which is duly acknowledged and definitely describes the real estate involved, the nature and extent of the right of interest claimed, and the facts upon which the claim is based. The claimant must file the statement in person or by the claimant's attorney or agent. If the claimant is a minor or under a legal disability, the statement must be filed by the claimant's guardian, trustee, or by either parent.

*b.* The filing of a claim shall extend for a further period of ten years the time within which such action may be brought by any person entitled to bring the claim. The person may file extensions for successive claims.

3. Nothing in this section shall be construed to revive any cause of action barred by section 614.17.

91 Acts, ch 183, §37; 2013 Acts, ch 30, §261

Referred to in §614.17, 614.18, 614.19, 614.20

Code editor directive applied

**614.18 Claim recorded and indexed.**

Any such claim so filed shall be recorded, and the entries required in section 614.17A and any applicable entries specified in sections 558.49 and 558.52 indexed, in the office of the recorder of the county where such real estate is situated.

[C24, 27, 31, 35, 39, §**11025;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.18]

2007 Acts, ch 101, §6

Referred to in §614.17, 614.19, 614.20, 614.26

**614.18A Judgment and decree affecting real property.**

In an action in which the court had jurisdiction of the aggrieved party, a motion or other legal proceeding attacking the validity of the judgment or decree based on noncompliance with the requirements of rule of civil procedure 1.972 shall not affect the interests of any purchaser or mortgagee for value of the real property involved unless the motion or proceeding is initiated within thirty days after the recording of the sheriff's deed or within ninety days after the filing of a judgment or decree not providing for the issuance of a sheriff's deed.

2009 Acts, ch 51, §1, 17

Referred to in §614.17, 614.20

Section applies to sheriffs' deeds recorded and judgments entered on or after July 1, 2009; 2009 Acts, ch 51, §17

**614.19 Inapplicability of provision regarding minors and persons with mental illness.**

The provisions of section 614.8 as to the rights of minors and persons with mental illness shall not be applicable against the provisions of sections 614.17, 614.17A, 614.18, and 614.20.

[C24, 27, 31, 35, 39, §**11026;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.19]

96 Acts, ch 1129, §113; 2000 Acts, ch 1069, §1

Referred to in §229.27, 614.17, 614.20

**614.20 Limitation on Act.**

Sections 614.17 to 614.19 do not limit or extend the time within which actions by a spouse to recover dower or distributive share in real estate within this state may be brought or maintained under the provisions of section 614.15, nor do they limit or extend the time within which actions may be brought or maintained to foreclose or enforce any real estate mortgage, bond for deed, trust deed, or contract for the sale or conveyance of real estate under the provisions of section 614.21, nor do they revive or permit an action to be brought or maintained upon any claim or cause of action which is barred by a statute which is in force prior to July 1, 1991; nor do they affect litigation pending on July 1, 1991.

[C24, 27, 31, 35, 39, §**11027;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.20]

91 Acts, ch 183, §38

Referred to in §614.17, 614.19

**614.21 Foreclosure of ancient mortgages.**

1. An action to foreclose or enforce any real estate mortgage, bond for deed, trust deed, or contract for the sale or conveyance of real estate, after twenty years from the date thereof, as shown by the record of such instrument, shall be barred, unless either of the following:

*a.* The record of such instrument shows that less than ten years have elapsed since the date of maturity of the indebtedness or part thereof, secured thereby, or since the right of action has accrued.

*b.* The record shows an extension of the maturity of the instrument or of the debt or a part thereof, and that ten years from the expiration of the time of such extension have not yet expired.

2. The date of maturity, when different than as appears by the record of the instrument, and the date of maturity of any extension of said indebtedness or part thereof, may be shown at any time prior to the expiration of the periods of limitation specified in subsection 1 by the holder of the debt or the owner or assignee of the instrument filing an extension agreement, duly acknowledged as the original instrument was required to be acknowledged, in the office of the recorder where the instrument is recorded.

3. This section shall also apply to any instrument described in this section which is not of record but which is described or referred to in any other instrument which is filed of record.

The limitation shall be ten years from the due date of the instrument referred to if disclosed in the record and, if not so disclosed, then within ten years from the date the instrument containing such reference is recorded.

4. *a.* A vendee of a real estate contract or bond for deed, the vendor of which is barred by this section from maintaining an action to foreclose or enforce the contract or bond, or a vendee who is entitled to immediate issuance of a deed in fulfillment of contract or bond and who is in physical possession of the property, may serve the vendor with a demand for a deed as provided in the contract. For purposes of this subsection, *"vendee"* includes a vendee's successor in interest. The notice may be served personally or by publication, on the same conditions, and in the same manner as is provided for the service of original notices, except that when the notice is served by publication an affidavit shall not be required before publication. Service by publication shall be deemed complete on the day of the last publication. Service may be made on a judgment creditor of the deceased vendor or any other person who is, as a matter of record, interested in the estate of a deceased vendor, in the manner provided in section 654.4A, subsections 4 and 5.

*b.* The demand shall state that if a deed is not provided within forty-five days of service and an action to foreclose or forfeit the contract has not been commenced within such forty-five-day period, the vendee may file an affidavit showing service and compliance with this subsection whereupon the auditor shall correct the county records as provided in section 558.67 to indicate that the rights of the vendor have vested in the vendee.

[S13, §3447-c; C24, 27, 31, 35, 39, §**11028;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.21]

2006 Acts, ch 1031, §14; 2013 Acts, ch 83, §2
Referred to in §614.20
Section amended

**614.22 Action affecting ancient deeds.**

1. An action shall not be maintained to set aside, cancel, annul, declare void or invalid, or to redeem from a tax deed, guardian's deed, executor's deed, administrator's deed, receiver's deed, referee's deed, assignee's deed, or sheriff's deed which has been recorded in the office of the recorder of the county or counties in this state in which the land described in the deed is situated prior to January 1, 1980, unless the action is commenced prior to January 1, 1992, and if an action to set aside, cancel, annul, declare void or invalid, or to redeem from the deed is not commenced prior to January 1, 1992, then the deed and all the proceedings upon which the deed is based are valid and unimpeachable and effective to convey title as stated in the deed, without exception for infancy, mental illness, absence from the state, or other disability or cause; provided that this subsection and section 614.23 do not apply to real property described in a deed which is not in the possession of those claiming title under the deed.

2. *a.* On and after January 1, 1992, an action shall not be maintained to set aside, cancel, annul, declare void or invalid, or to redeem from a tax deed, guardian's deed, executor's deed, administrator's deed, receiver's deed, referee's deed, assignee's deed, or sheriff's deed, if the deed has been recorded in the office of the recorder for more than ten years. The deed must be recorded in the office of the recorder of the county or counties in which the land described in the deed is situated. If an action under this subsection is not commenced within ten years of the recording of the deed, then the deed and all proceedings upon which the deed is based are valid and unimpeachable and effective to convey title as stated in the deed, without exception for infancy, mental illness, absence from the state, or other disability or cause.

*b.* However, this subsection and section 614.23 do not apply to real property described in a deed which is not in the possession of those claiming title under the deed.

[SS15, §3447-d; C24, 27, 31, 35, 39, §**11029;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.22]

91 Acts, ch 183, §39; 2000 Acts, ch 1069, §2; 2013 Acts, ch 30, §261
Referred to in §229.27, 614.23
Legalizing Acts, chapter 589
Code editor directive applied

**614.23 How "possession" established.**

The possession of the persons claiming title as provided for in section 614.22 may be established by affidavit recorded in the office of the recorder of the county or counties in this state in which the deed to the land referred to in said affidavit is recorded.

[SS15, §3447-e; C24, 27, 31, 35, 39, §**11030;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §614.23]

Referred to in §614.22

**614.24 Reversion or use restrictions on land — preservation.**

1. No action based upon any claim arising or existing by reason of the provisions of any deed or conveyance or contract or will reserving or providing for any reversion, reverted interests or use restrictions in and to the land therein described shall be maintained either at law or in equity in any court to recover real estate in this state or to recover or establish any interest therein or claim thereto, legal or equitable, against the holder of the record title to such real estate in possession after twenty-one years from the recording of such deed of conveyance or contract or after twenty-one years from the admission of said will to probate unless the claimant shall, personally, or by the claimant's attorney or agent, or if the claimant is a minor or under legal disability, by the claimant's guardian, trustee, or either parent or next friend, file a verified claim with the recorder of the county wherein said real estate is located within said twenty-one year period. In the event said deed was recorded or will was admitted to probate more than twenty years prior to July 4, 1965, then said claim may be filed on or before one year after July 4, 1965. Such claims shall set forth the nature thereof, also the time and manner in which such interest was acquired. For the purposes of this section, the claimant shall be any person or persons claiming any interest in and to said land or in and to such reversion, reverter interest or use restriction, whether the same is a present interest or an interest which would come into existence if the happening or contingency provided in said deed or will were to happen at once. Said claimant further shall include any member of a class of persons entitled to or claiming such rights or interests.

2. The provisions of this section requiring the filing of a verified claim shall not apply to the reversion of railroad property if the reversion is caused by the property being abandoned for railway purposes and the abandonment occurs after July 1, 1980. The holder of such a reversionary interest may bring an action based upon the interest regardless of whether a verified claim has been filed under this section at any time after July 4, 1965.

3. This section shall not impair the validity of an environmental covenant established pursuant to chapter 455I.

[C66, 71, 73, 75, 77, 79, 81, §614.24]

2005 Acts, ch 102, §18; 2007 Acts, ch 22, §103

Referred to in §229.27, 327G.77, 455I.9, 457A.2, 614.26, 614.27, 614.28

**614.25 Effect of filing claim.**

The filing of such claim shall extend for a further period of twenty-one years the time within which such action may be brought by any person entitled thereto, and successive claims for further like extensions may be filed.

[C66, 71, 73, 75, 77, 79, 81, §614.25]

Referred to in §455I.9, 457A.2, 614.26, 614.27, 614.28

**614.26 Indexing.**

The provisions of section 614.18 are made applicable to the provisions of sections 614.24 to 614.28.

[C66, 71, 73, 75, 77, 79, 81, §614.26]

Referred to in §455I.9, 457A.2, 614.27, 614.28

**614.27 Persons under disability.**

The provisions of section 614.8 as to the rights of minors and persons with mental illness shall not be applicable against the provisions of sections 614.24 to 614.28.

[C66, 71, 73, 75, 77, 79, 81, §614.27]

96 Acts, ch 1129, §113

Referred to in §229.27, 455I.9, 457A.2, 614.26, 614.28

**614.28 Barred claims.**

The provisions of sections 614.24 to 614.27, inclusive, or the filing of a claim or claims, hereunder, shall not revive or permit an action to be brought or maintained upon any claim or cause of action which is barred by any other statute. Provided further, that nothing contained in these sections shall affect litigation pending on July 4, 1965.

[C66, 71, 73, 75, 77, 79, 81, §614.28]

Referred to in §455I.9, 457A.2, 614.26, 614.27

MARKETABLE RECORD TITLE

**614.29 Definitions.**

As used in this chapter:

1. *"Marketable record title"* means a title of record, as indicated in section 614.31, which operates to extinguish such interests and claims, existing prior to the effective date of the root of title, as are stated in section 614.33.

2. *"Records"* includes probate and other official public records, as well as records in the office of the county recorder.

3. *"Recording"*, when applied to the official public records of a probate or other court, includes filing.

4. *"Person dealing with the land"* includes a purchaser of any estate or interest therein, a mortgagee, a levying or attaching creditor, a land contract vendee, or any other person, corporation, or entity seeking to acquire an estate or interest therein, or impose a lien thereon.

5. *"Root of title"* means that conveyance or other title transaction or other link in the chain of title of a person, purporting to create the interest claimed by such person, upon which the person relies as a basis for the marketability of the person's title, and which was the most recent to be recorded or established as of a date forty years prior to the time when marketability is being determined. The effective date of the *"root of title"* is the date on which it is recorded.

6. *"Title transaction"* means any transaction affecting title to any interest in land, including title by will or descent, title by tax deed, or deed by trustee, referee, guardian, executor, administrator, master in chancery, sheriff, or any other form of deed or decree of any court, as well as warranty deed, quitclaim deed, mortgage, or transfer or conveyance of any kind.

[C71, 73, 75, 77, 79, 81, §614.29]

2004 Acts, ch 1052, §5

Referred to in §257B.28, 455I.9, 457A.2, 614.31

**614.30 Construction liberal.**

This chapter shall be liberally construed to effect the legislative purpose of simplifying and facilitating land title transactions by allowing persons to rely on a record chain of title as described in section 614.31, subject only to such limitations as appear in section 614.32.

[C71, 73, 75, 77, 79, 81, §614.30]

2004 Acts, ch 1052, §6

Referred to in §257B.28, 455I.9, 457A.2

**614.31 Forty-year chain of title.**

Any person who has an unbroken chain of title of record to any interest in land for forty years or more, shall be deemed to have a marketable record title to such interest as defined in section 614.29, subject only to the matters stated in section 614.32. A person shall be deemed to have such an unbroken chain of title when the official public records disclose a conveyance or other title transaction, of record not less than forty years at the time the marketability is to be determined, which said conveyance or other title transaction purports to create such interest, either in:

1. The person claiming such interest, or

2. Some other person from whom, by one or more conveyances or other title transactions of record, such purported interest has become vested in the person claiming such interest;

with nothing appearing of record, in either case, purporting to divest such claimant of such purported interest.

[C71, 73, 75, 77, 79, 81, §614.31]

Referred to in §257B.28, 455I.9, 457A.2, 614.29, 614.30

**614.32 What interests and rights subject.**

Such marketable record title shall be subject to:

1. All interests and defects which are inherent in the muniments of which such chain of record title is formed; provided however, that a general reference in such muniments, or any of them, to easements, use restrictions or other interests created prior to the root of title shall not be sufficient to preserve them, unless specific identification be made therein of a recorded title transaction which creates such easement, use restriction, or other interest.

2. All interest preserved by the filing of proper notice or by possession by the same owner continuously for a period of forty years or more, in accordance with section 614.34.

3. The rights of any person arising from a period of adverse possession or user, which was in whole or in part subsequent to the effective date of the root of title.

4. Any interest arising out of a title transaction which has been recorded subsequent to the effective date of the root of title from which the unbroken chain of title of record is started; provided such recording shall not revive or give validity to any interest which has been extinguished prior to the time of the recording by the operation of section 614.33.

5. The exceptions as stated and set forth in section 614.36.

6. All interests created by an environmental covenant established pursuant to chapter 455I.

[C71, 73, 75, 77, 79, 81, §614.32]

2005 Acts, ch 102, §19

Referred to in §257B.28, 455I.9, 457A.2, 614.30, 614.31, 614.33

**614.33 Free and clear of other interests not stated.**

Subject to the matters stated in section 614.32, such marketable record title shall be held by its owner and shall be taken by any person dealing with the land free and clear of all interests, claims or charges whatsoever, the existence of which depends upon any act, transaction, event or omission that occurred prior to the effective date of the root of title. All such interests, claims or charges, however denominated, whether legal or equitable, present or future, whether such interest, claims or charges are asserted by a person able to assert a claim on the person's own behalf or under a disability, whether such person is within or without the state, whether such person is natural or corporate, or is private or governmental, are hereby declared to be null and void.

[C71, 73, 75, 77, 79, 81, §614.33]

Referred to in §257B.28, 455I.9, 457A.2, 614.29, 614.32

**614.34 Preserving interest during forty-year period.**

1. Any person claiming an interest in land may preserve and keep effective such interest by filing for record during the forty-year period immediately following the effective date of the root of title of the person whose record title would otherwise be marketable, a notice in writing duly verified by oath or affirmation setting forth the nature of the claim. No disability or lack of knowledge of any kind on the part of anyone shall suspend the running of said forty-year period. Such notice may be filed for record by the claimant or by any other person acting on behalf of any claimant who is:

*a.* Under a disability,

*b.* Unable to assert a claim on the claimant's own behalf, or

*c.* One of a class, but whose identity cannot be established or is uncertain at the time of filing such notice of claim for record.

2. If the same record owner of any possessory interest in land has been in possession of such land continuously for a period of forty years or more, during which period no title transaction with respect to such interest appears of record in the chain of title, and no notice has been filed by the record owner or on the record owner's behalf as provided in subsection 1, and such possession continues to the time when marketability is being determined, such

period of possession shall be deemed equivalent to the filing of the notice immediately preceding the termination of the forty-year period described in subsection 1.

[C71, 73, 75, 77, 79, 81, §614.34]

Referred to in §257B.28, 455I.9, 457A.2, 614.32

**614.35 Recording interest.**

To be effective and to be entitled to record, the notice above referred to shall contain an accurate and full description of all land affected by such notice which description shall be set forth in particular terms and not by general inclusions; but if the claim is founded upon a recorded instrument, then the description in such notice may be the same as that contained in such recorded instrument. Such notice shall be filed for record in the office of the county recorder of the county or counties where the land described in the notice is situated. The recorder of each county shall accept all such notices presented to the recorder which describe land located in the county in which the recorder serves and shall enter and record full copies of the notices and shall index the applicable entries specified in sections 558.49 and 558.52, and each recorder shall be entitled to charge the same fees for the recording of the notices as are charged for recording deeds. In indexing such notices in the recorder's office each recorder shall enter such notices under the grantee indexes of deeds in the names of the claimants appearing in such notices.

[C71, 73, 75, 77, 79, 81, §614.35]

2006 Acts, ch 1031, §15; 2007 Acts, ch 101, §7

Referred to in §257B.28, 331.602, 331.607, 455I.9, 457A.2

**614.36 Lessors, reversioners, and easements.**

This chapter shall not be applied to bar any lessor or lessor's successor as a reversioner of the lessor's right to possession on the expiration of any lease; or to bar or extinguish any easement or interest in the nature of an easement, the existence of which is apparent from or can be proved by physical evidence of its use; or to bar any right, title or interest of the United States, by reason of failure to file the notice herein required.

[C71, 73, 75, 77, 79, 81, §614.36]

2004 Acts, ch 1052, §7

Referred to in §257B.28, 455I.9, 457A.2, 614.32

**614.37 Limitation statutes not extended.**

Nothing contained in this chapter shall be construed to extend the period for the bringing of an action or for the doing of any other required act under any statutes of limitations, nor, except as herein specifically provided, to effect the operation of any statutes governing the effect of the recording or the failure to record any instrument affecting land. It is intended that nothing contained in this chapter be interpreted to revive or extend the period of filing a claim or bringing an action that may be limited or barred by any other statute.

[C71, 73, 75, 77, 79, 81, §614.37]

2004 Acts, ch 1052, §8; 2004 Acts, ch 1175, §387

Referred to in §257B.28, 455I.9, 457A.2

**614.38 Period extension in certain cases.**

If the forty-year period specified in this chapter shall have expired prior to one year after July 1, 1969, such period shall be extended one year after July 1, 1969.

[C71, 73, 75, 77, 79, 81, §614.38]

2004 Acts, ch 1052, §9

Referred to in §257B.28, 455I.9, 457A.2

# CHAPTER 615

## LIMITATIONS ON JUDGMENTS

Referred to in §654.17B

Method of computing time, §4.1(34)


615.1 Execution on certain judgments prohibited.
615.1A Execution on judgment — claim for rent.
615.2 Revival of certain judgments prohibited.
615.3 Future judgments without foreclosure.
615.4 Chapter inapplicable in certain situations.


**615.1 Execution on certain judgments prohibited.**

1. After the expiration of a period of two years from the date of entry of judgment, exclusive of any time during which execution on the judgment was stayed pending a bankruptcy action or order of court, a judgment entered in any of the following actions shall be null and void, all liens shall be extinguished, and no execution shall be issued except as a setoff or counterclaim:

*a.* For a real estate mortgage, deed of trust, or real estate contract executed prior to July 1, 2009, an action for the foreclosure of the real estate mortgage, deed of trust, or real estate contract upon property which at the time the foreclosure is commenced is either used for an agricultural purpose as defined in section 535.13 or as a one-family or two-family dwelling which is the residence of the mortgagor.

*b.* For a real estate mortgage, deed of trust, or real estate contract executed on or after July 1, 2009, an action for the foreclosure of the real estate mortgage, deed of trust, or real estate contract upon property which at the time of the execution of the mortgage, deed, or contract is either used for, or is being acquired for, an agricultural purpose as defined in section 535.13 or as a one-family or two-family dwelling which is the residence of the mortgagor.

2. As used in this section, "*mortgagor*" means a mortgagor or a borrower executing a deed of trust as provided in chapter 654 or a vendee of a real estate contract.

[C35, §11033-e1; C39, §**11033.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §615.1]

94 Acts, ch 1115, §1; 2006 Acts, ch 1132, §2, 16; 2008 Acts, ch 1031, §66; 2009 Acts, ch 51, §2, 17; 2013 Acts, ch 95, §2

Referred to in §654.1A, 654.17

See also §654.1A, 654.6

2009 amendment to subsection 1, applies to judgments entered on or after July 1, 2009; 2009 Acts, ch 51, §17

Subsection 1 amended

**615.1A Execution on judgment — claim for rent.**

After the expiration of a period of five years from the date of entry of judgment in an action on a claim for rent, exclusive of any time during which execution on the judgment was stayed pending a bankruptcy action or order of court, such judgment shall be null and void, all liens shall be extinguished, and no execution shall be issued. However, in the event that the judgment or the right to collect thereon is sold or otherwise assigned for value to a third party other than a state or federally chartered bank or credit union, such judgment shall be null and void, all liens shall be extinguished, and no execution shall be issued after the expiration of two years from the date of entry of the judgment, exclusive of any time during which execution on the judgment was stayed pending a bankruptcy action or order of court.

2013 Acts, ch 95, §3

NEW section

**615.2 Revival of certain judgments prohibited.**

An action or proceedings shall not be brought in any court of this state for the purpose of renewing or extending such judgment. Provided, however, that nothing herein shall prevent the continuance of such judgment in force against the property subject to foreclosure only for

a longer period by the voluntary written stipulation of the judgment creditor and the equitable titleholders, filed in the action or proceedings.

[C35, §11033-e2; C39, §**11033.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §615.2]
2006 Acts, ch 1132, §3, 16

**615.3 Future judgments without foreclosure.**

A judgment hereafter rendered on a promissory obligation secured by a mortgage, deed of trust, or real estate contract upon property which at the time of the judgment is either used for an agricultural purpose as defined in section 535.13 or a one-family or two-family dwelling which is the residence of the mortgagor, but without foreclosure against the security, shall not be subject to renewal by action thereon, and, after the lapse of two years from the date of rendition, shall be without force and effect for any purpose whatsoever except as a setoff or counterclaim. As used in this section, *"mortgagor"* means a mortgagor of a mortgage or a borrower executing a deed of trust as provided in chapter 654 or the vendee of a real estate contract.

[C35, §11033-g1; C39, §**11033.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §615.3]
94 Acts, ch 1115, §2; 94 Acts, ch 1199, §67; 95 Acts, ch 49, §22
Referred to in §654.1A
See also §654.1A

**615.4 Chapter inapplicable in certain situations.**

This chapter shall not be applied to actions which are subject to an agreement entered into pursuant to either section 628.26A or section 654.19.

85 Acts, ch 252, §42

# CHAPTER 616

## PLACE OF BRINGING ACTIONS

Referred to in §523H.3, 537A.10

For Iowa court rules concerning change of venue,
see R.C.P. 1.801 – 1.808
Change of venue, chapter 623


616.1 Real property.
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**616.1 Real property.**

Actions for the recovery of real property, or of an estate therein, or for the determination of such right or interest, or for the partition of real property, must be brought in the county in which the subject of the action or some part thereof is situated.

[C51, §1703; R60, §2795; C73, §2576; C97, §3491; C24, 27, 31, 35, 39, §**11034;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.1]
Real estate foreclosure, §654.3

**616.2 Injuries to real property.**

Actions for injuries to real property may be brought either in the county where the property is, or where the defendant resides.

[C73, §2577; C97, §3492; C24, 27, 31, 35, 39, §**11035;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.2]

**616.3 Local actions.**

Actions for the following causes must be brought in the county where the cause, or some part thereof, arose:

1. *For fines, penalties, or forfeitures.* Those for the recovery of a fine, penalty, or forfeiture imposed by a statute; but when the offense for which the claim is made was committed on a watercourse or road which is the boundary of two counties, the action may be brought in either of them.

2. *Against public officers.* Those against a public officer or person specially appointed to execute the public officer's duties, for an act done by the officer or person in virtue or under color of the public office, or against one who by the officer's or person's command or in the officer's or person's aid shall do anything touching the duties of such officer, or for neglect of official duty.

3. *On official bonds.* Those on the official bond of a public officer.

4. *Actions on bonds of executor or guardian.* Those on the bond of an executor, administrator, or guardian may be brought in the county in which the appointment was made and such bond filed.

5. *Actions on other bonds.* Actions on all other bonds provided for or authorized by law may be brought in the county in which such bond was filed and approved.

[R60, §2796; C73, §2579; C97, §3494; S13, §3494; C24, 27, 31, 35, 39, §**11036;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.3]

**616.4 Nonresident — attachment.**

An action against a nonresident of the state, when aided by an attachment, may be brought in any county of the state wherein any part of the property sought to be attached may be found, or wherein any part was situated when the action was commenced, or where the defendant is personally served in this state.

[C51, §1703; R60, §2797; C73, §2580; C97, §3495; C24, 27, 31, 35, 39, §**11037;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.4]

**616.5 Resident — attachment.**

Except as hereinafter provided, an action against a resident of this state must be brought in the county of the defendant's residence, or that in which the contract was to be performed, except that, if an action be duly brought against such defendant in any other county by virtue of any of the provisions of this chapter, then such action may, if legal cause for an attachment exist, be aided by attachment.

[R60, §2797; C73, §2580; C97, §3495; C24, 27, 31, 35, 39, §**11038;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.5]

**616.6 Transfer — attached property held.**

Should such action be brought against a resident of this state in any other county than that of the defendant's residence, the defendant may have the place of trial changed to the district court of the county wherein the defendant resides, in the same manner and upon the same terms as provided in rule of civil procedure 1.808, and the property attached shall not be released because said action was brought in the wrong county, but shall be held and subject in the same manner as if said action had been brought in the county of defendant's residence.

[R60, §2797; C73, §2580; C97, §3495; C24, 27, 31, 35, 39, §**11039;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.6]

**616.7 Place of contract.**

When, by its terms, a written contract is to be performed in any particular place, action for a breach thereof may, except as otherwise provided, be brought in the county wherein such place is situated.

[C51, §1704; R60, §2798; C73, §2581; C97, §3496; C24, 27, 31, 35, 39, §**11040;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.7]

**616.8 Certain carriers and transmission companies — actions against.**

An action may be brought against any railway corporation, the owner of stages, or other line of coaches or cars, express, canal, steamboat and other river crafts, telegraph and telephone companies, or the owner of any line for the transmission of electric current for lighting, power, or heating purposes, and the lessees, companies, or persons operating the same, in any county through which such road or line passes or is operated.

[C73, §2582; C97, §3497; S13, §3497; C24, 27, 31, 35, 39, §**11041;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.8]

**616.9 Construction companies.**

An action may be brought against any corporation, company, or person engaged in the construction of a railway, canal, telegraph or telephone line, oil, gas, or gasoline transmission lines, highway, or public drainage improvement, on any contract relating thereto, or to any part thereof, or for damages in any manner growing out of the contract or work thereunder, in any county where such contract was made, or performed in whole or in part, or where the work was done out of which the damage claimed arose.

[C73, §2583; C97, §3498; C24, 27, 31, 35, 39, §**11042;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.9]

**616.10 Insurance companies.**

Insurance companies may be sued in any county in which their principal place of business is kept, or in which the contract of insurance was made, or in which the loss insured against occurred, or, in case of insurance against death or disability, in the county of the domicile of the insured at the time the loss occurred, or in the county of plaintiff's residence. As used in this section the term *"insurance companies"* includes nonprofit hospital service corporations and nonprofit medical service corporations which have incorporated under the provisions of chapter 504, Code 1989, or current chapter 504.

[C73, §2584; C97, §3499; C24, 27, 31, 35, 39, §**11043;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.10]

91 Acts, ch 97, §60; 2003 Acts, ch 108, §105; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394

**616.11 Nonlife insurance assessments.**

No court other than that of the county in which the member resides shall have jurisdiction of actions to collect assessments levied by associations organized under the provisions of chapter 518A but such actions shall be brought in the county of the member's residence, any statement or agreement in the policy or contract of insurance, the application therefor, or any other contract entered into between the member and the association to the contrary notwithstanding.

[C24, 27, 31, 35, 39, §**11044;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.11]

**616.12 Nonlife insurance premiums or notes.**

No court other than that of the county in which the policyholder resides shall have jurisdiction of actions to collect premiums or premium notes payable or given for insurance other than life, but such actions shall be brought in the county of the policyholder's residence, any statement or agreement in the policy or contract of insurance, the application therefor, or any other contract entered into between the policyholder and the company or its agent to the contrary notwithstanding.

[C27, 31, 35, §11044-a1; C39, §**11044.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.12]

**616.13 Operators of coal mines.**

An action may be brought against any corporation, company, or person, owning, leasing, operating, or maintaining a coal mine, in the county where said mine is located, on any contract, or for any tort, in any manner connected with or growing out of the construction, use, or operation of said mine.

[S13, §3499-a; C24, 27, 31, 35, 39, §**11045;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.13]

**616.14 Office or agency.**

When a corporation, company, or individual has an office or agency in any county for the transaction of business, any actions growing out of or connected with the business of that office or agency may be brought in the county where such office or agency is located.

[C51, §1705; R60, §2801; C73, §2585; C97, §3500; C24, 27, 31, 35, 39, §**11046;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.14]

**616.15 Surety companies.**

1. Suit may be brought against any company or corporation furnishing or pretending to furnish surety, fidelity, or other bonds in this state, in any county in which the principal place of business of such company or corporation is maintained in this state, or in any county wherein is maintained its general office for the transaction of its Iowa business, or in the county where the principal resides at the time of bringing suit, or in the county where the principal did reside at the time the bond or other undertaking was executed; and in the case of bonds furnished by any such company or corporation for any building or improvement, either public or private, action may be brought in the county wherein said building or improvement or any part thereof is located.

2. The secretary of state shall serve as the agent for service of process for the purposes of 31 U.S.C. § 9306, of any surety company or corporation for a surety bond written by that surety company or corporation for the federal government and issued in this state as required or permitted under federal law, if the surety company or corporation is licensed in this state and cannot be otherwise served with process. Notwithstanding section 507.14, upon request of the secretary of state, the commissioner of insurance shall provide the secretary of state with the name and address of the person designated for consent to service of process by the surety company or corporation which is on file with the commissioner.

[S13, §3500-a; C24, 27, 31, 35, 39, §**11047;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.15]

2006 Acts, ch 1117, §126

**616.16 Municipal corporations in certain counties.**

Actions against municipal corporations in all counties where the district court convenes in more than one place must be brought in the county and at the place where court is held nearest to where the cause or subject of the action originated.

[S13, §3504-a; C24, 27, 31, 35, 39, §**11048;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.16]

**616.17 Personal actions.**

Personal actions, except as otherwise provided, must be brought in a county in which some of the defendants actually reside, but if neither of them have a residence in the state, they may be sued in any county in which either of them may be found.

[C51, §1701; R60, §2800; C73, §2586; C97, §3501; C24, 27, 31, 35, 39, §**11049;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.17]

Referred to in §616.20

**616.18 Personal injury or damage actions.**

Actions arising out of injuries to a person or damage to property may be brought in the county in which the defendant, or one of the defendants, is a resident or in the county in which the injury or damage is sustained.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.18]

**616.19 Negotiable paper.**

In all actions upon negotiable paper, except when made payable at a particular place, in which any maker thereof, being a resident of the state, is defendant, the place of trial shall be limited to a county wherein some one of such makers resides.

[C73, §2586; C97, §3501; C24, 27, 31, 35, 39, §**11050;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.19]

Referred to in §616.20

**616.20 Right of nonresident defendant.**

Where an action provided for in sections 616.17 and 616.19 is against several defendants, some of whom are residents and others nonresidents of the county, and the action is dismissed as to the residents, or judgment is rendered in their favor, or there is a failure to obtain judgment against such residents, such nonresidents may, upon motion, have said cause dismissed, with reasonable compensation for trouble and expense in attending at the wrong county, unless they, having appeared to the action, fail to object before judgment is rendered against them.

[C73, §2587; C97, §3502; C24, 27, 31, 35, 39, §**11051;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.20]

**616.21 Change of residence.**

If, after the commencement of an action in the county of the defendant's residence, the defendant removes therefrom, the service of notice upon the defendant in another county shall have the same effect as if it had been made in the county from which the defendant removed.

[C73, §2588; C97, §3503; C24, 27, 31, 35, 39, §**11052;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §616.21]

# CHAPTER 617

## COMMENCING ACTIONS

For Iowa court rules concerning commencement of actions, see R.C.P. 1.301 – 1.315


617.1 Process — criminal defendant.
617.2 Penalty — amendment.
617.3 Foreign corporations or nonresidents contracting or committing torts in Iowa.
617.4 Consolidated railways.
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617.6 Other corporations.
617.7 Unknown defendants.
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617.9 Unserved parties — optional procedure.
617.10 Real estate — action indexed.
617.11 Lis pendens.
617.12 Exceptions.
617.13 Real estate in other county.
617.14 Constructive notice.
617.15 Notice perpetuated.
617.16 Frivolous actions.


**617.1 Process — criminal defendant.**

Any defendant in any criminal action pending or to be brought in any court in the state of Iowa may be served with process, either civil or criminal, in any other action pending or to be brought against the defendant in the courts of this state while the defendant is present in this state, either voluntarily or involuntarily.

[C39, §**11056.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.1]

**617.2 Penalty — amendment.**

If a notice is not filed or returned by the sheriff to the person from whom it was received, or if the return thereon is defective, the officer making the same shall be guilty of a simple misdemeanor, and the officer shall be liable to an action for damages by any person aggrieved thereby. The court may, before or after judgment is entered, permit an amendment according to the truth of the case.

[R60, §2820; C73, §2606; C97, §3521; C24, 27, 31, 35, 39, §**11063;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.2]

**617.3 Foreign corporations or nonresidents contracting or committing torts in Iowa.**

1. If the action is against any corporation or person owning or operating any railway or canal, steamboat or other rivercraft, or any telegraph, telephone, stage, coach, or carline, or against any express company, or against any foreign corporation, service may be made upon any general agent of such corporation, company, or person, wherever found, or upon any station, ticket, or other agent, or person transacting the business thereof or selling tickets therefor in the county where the action is brought; if there is no such agent in said county, then service may be had upon any such agent or person transacting said business in any other county.

2. If a foreign corporation makes a contract with a resident of Iowa to be performed in whole or in part by either party in Iowa, or if such foreign corporation commits a tort in whole or in part in Iowa against a resident of Iowa, such acts shall be deemed to be doing business in Iowa by such foreign corporation for the purpose of service of process or original notice on such foreign corporation under this section, and, if the corporation does not have a registered agent or agents in the state of Iowa, shall be deemed to constitute the appointment of the secretary of state of the state of Iowa to be its true and lawful attorney upon whom may be served all lawful process or original notice in actions or proceedings arising from or growing out of such contract or tort. If a nonresident person makes a contract with a resident of Iowa to be performed in whole or in part by either party in Iowa, or if such person commits a tort in whole or in part in Iowa against a resident of Iowa, such acts shall be deemed to be doing business in Iowa by such person for the purpose of service of process or original notice on such person under this section, and shall be deemed to constitute the appointment of the secretary of state of the state of Iowa to be the true and lawful attorney of such person upon whom may be served all lawful process or original notice in actions or proceedings arising from or growing out of such contract or tort. The term *"nonresident person"* shall include any person who was, at the time of the contract or tort, a resident of the state of Iowa but who removed from the state before the commencement of such action or proceedings and ceased to be a resident of Iowa or, a resident who has remained continuously absent from the state for at least a period of six months following commission of the tort. The making of the contract or the committing of the tort shall be deemed to be the agreement of such corporation or such person that any process or original notice so served shall be of the same legal force and effect as if served personally upon such defendant within the state of Iowa. The term *"resident of Iowa"* shall include any Iowa corporation, any foreign corporation holding a certificate of authority to transact business in Iowa, any individual residing in Iowa, and any partnership or association one or more of whose members is a resident of Iowa.

3. Service of such process or original notice shall be made by filing duplicate copies of said process or original notice with said secretary of state, together with a fee of ten dollars, and by mailing to the defendant and to each of them if more than one, by registered or certified mail, a notification of said filing with the secretary of state, the same to be so mailed within ten days after such filing with the secretary of state. Such notification shall be mailed to each foreign corporation at the address of its principal office in the state or country under the laws of which it is incorporated and to each such nonresident person at an address in the state of residence. The defendant shall have sixty days from the date of such filing with the secretary of state within which to appear. Proof of service shall be made by filing in court the duplicate copy of the process or original notice with the secretary of state's certificate of filing, and the affidavit of the plaintiff or the plaintiff's attorney of compliance herewith.

4. The secretary of state shall keep a record of all processes or original notices so served

upon the secretary of state, recording therein the time of service and the secretary of state's actions with reference thereto, and the secretary of state shall promptly return one of said duplicate copies to the plaintiff or the plaintiff's attorney, with a certificate showing the time of filing thereof in the secretary of state's office.

5. The original notice of suit filed with the secretary of state shall be in form and substance the same as provided in rule of civil procedure 1.1901, form 3, Iowa court rules.

6. The notification of filing shall be in substantially the following form, to wit:

To ..... (Here insert the name of each defendant with proper address.) You will take notice that an original notice of suit or process against you, a copy of which is hereto attached, was duly served upon you at Des Moines, Iowa by filing a copy of said notice or process on the ..... day of ..... (month), ..... (year), with the secretary of state of the state of Iowa.

Dated at ....., Iowa, this ..... day of ..... (month), ..... (year)

.....
Plaintiff
By
.....
Attorney for Plaintiff

7. Actions against foreign corporations or nonresident persons as contemplated by this law may be brought in the county of which plaintiff is a resident, or in the county in which any part of the contract is or was to be performed or in which any part of the tort was committed.

[C51, §1727; R60, §2825; C73, §2611; C97, §3529; S13, §3529; C24, 27, 31, 35, 39, §**11072;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.3; 81 Acts, ch 21, §20]

83 Acts, ch 101, §123; 2000 Acts, ch 1058, §56; 2002 Acts, ch 1119, §106; 2007 Acts, ch 126, §101; 2011 Acts, ch 25, §70

Referred to in §85.3, 489.116, 490.504, 533A.2, 537.1203, 548.115, 631.4, 631.6

**617.4 Consolidated railways.**

If the action is against any railway corporation which has sold or leased its property and franchises to any other railway corporation as authorized by section 327E.2, service of the original notice may be made upon any station, ticket, or other agent of the merged, vendee, or lessee corporation in the county where the action is brought; if there is no such agent in said county, then service may be made upon such agent or person in any other county.

[S13, §3529; C24, 27, 31, 35, 39, §**11073;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.4]

Referred to in §489.116, 490.504

**617.5 Insurance company.**

If the action is against an insurance company, for loss or damage upon any contract of insurance or indemnity, service may be had upon any general agent of the company wherever found, or upon any recording agent or agent who has authority to issue policies.

[C97, §3530; C24, 27, 31, 35, 39, §**11074;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.5]

Referred to in §489.116, 490.504

Actions against bonding companies, §636.20, 636.21

**617.6 Other corporations.**

When the action is against any other corporation, service may be made on any trustee or officer thereof, or on any agent employed in the general management of its business, or on any of the last known or acting officers of such corporation.

[C51, §1726; R60, §2824; C73, §2612; C97, §3531; C24, 27, 31, 35, 39, §**11077;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.6]

Referred to in §489.116, 490.504

**617.7 Unknown defendants.**

Where it is necessary to make an unknown person defendant, the petition shall be sworn to and state the claim of plaintiff with reference to the property involved in the action, that the name and residence of such person is unknown to the plaintiff, and that the plaintiff has sought diligently to learn the same.

[R60, §2836; C73, §2622; C97, §3538; SS15, §3538; C24, 27, 31, 35, 39, §**11082;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.7]

**617.8 Holidays.**

No person shall be held to answer or appear in any court on any day now or hereafter made a legal holiday.

[C97, §3541; S13, §3541; C24, 27, 31, 35, 39, §**11090;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.8]

Legal public holidays, §1C.1

**617.9 Unserved parties — optional procedure.**

When the action is against two or more defendants, and one or more of them shall have been served, but not all, the plaintiff may proceed as follows:

If the action is against defendants who are jointly, or jointly and severally, or severally liable only, the plaintiff may, without prejudice to the plaintiff's rights in that or any other action against those not served, proceed against those served in the same manner as if they were the only defendants; if the plaintiff recovers against those jointly liable only, the plaintiff may take judgment against all thus liable, which may be enforced against the joint and separate property of those served, but not against the separate property of those not served, until they have had opportunity to show cause why judgment should not be enforced against their separate property.

[R60, §2841; C73, §2627; C97, §3542; C24, 27, 31, 35, 39, §**11091;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.9]

**617.10 Real estate — action indexed.**

1. When a petition or municipal infraction citation affecting real estate is filed, the clerk of the district court where the petition or municipal infraction citation is filed shall index the petition or municipal infraction citation in an index book under the tract number which describes the property, entering in each instance the case number as a guide to the record of court proceedings which affect the real estate. If the petition or municipal infraction citation is amended to include other parties or other lands, the amended petition or municipal infraction citation shall be similarly indexed. When a final result is determined in the case, the result shall be indicated in the index book wherever indexed.

2. As used in this section, *"book"* means any mode of permanent recording, including but not limited to card files, microfilm, microfiche, and electronic records.

[R60, §2842; C73, §2628; C97, §3543; S13, §3543; C24, 27, 31, 35, 39, §**11092;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.10]

2007 Acts, ch 71, §4; 2010 Acts, ch 1050, §6

Referred to in §364.22, 446.7, 575.1, 602.8102(94), 617.11, 655A.3, 657.2A, 657A.12

**617.11 Lis pendens.**

1. When a petition or municipal infraction citation affecting real estate is indexed pursuant to section 617.10, either action shall be considered pending so as to charge all third persons with notice of its pendency, and while pending no interest can be acquired by third persons in the subject matter thereof as against the plaintiff's rights.

2. If a claim of interest against the property is acquired prior to the indexing of a petition affecting real estate and filed by anyone other than a city and such claim is not indexed or filed of record prior to the indexing of the petition, it is subject to the pending action as provided in subsection 1, unless any of the following occurs:

*a.* The claimant intervenes in the pending action prior to entry of judgment.

*b.* The claimant, prior to transfer of an interest in the property to a bona fide third-party transferee, records an affidavit showing that the party seeking relief under the pending action

had, prior to the indexing of the petition, actual notice of the claim of interest and of the identity of the claimant.

3. If a claim of interest against the property is acquired prior to the indexing of a petition or municipal infraction citation affecting real estate and filed by a city and such claim is not indexed or filed of record prior to the indexing of the petition or citation, it is subject to the pending action as provided in subsection 1, unless either of the following occurs:

*a.* The claimant intervenes in the pending action and obtains relief from the court prior to entry of judgment.

*b.* Within ninety days after entry of judgment, the claimant files an application to reopen a petition or municipal infraction citation affecting real estate and filed by a city and proves at the hearing on the application that the claimant is entitled to relief because the city had actual notice of the claim of interest and of the identity of the claimant prior to the indexing of the petition or citation.

4. Subsections 2 and 3 shall not apply to a mechanic's lien filed pursuant to chapter 572 or to a person who has taken possession of the property for value prior to the indexing of the petition or citation.

[R60, §2842; C73, §2628; C97, §3543; S13, §3543; C24, 27, 31, 35, 39, §**11093;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.11]

2012 Acts, ch 1053, §1; 2012 Acts, ch 1138, §76

Referred to in §575.1, 602.8102(94)

**617.12 Exceptions.**

If the real property affected is situated in the county where the petition or municipal infraction citation is filed it shall be unnecessary to show in said index lands not situated in said county.

[R60, §2842; C73, §2628; C97, §3543; S13, §3543; C24, 27, 31, 35, 39, §**11094;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.12]

2010 Acts, ch 1050, §7

Referred to in §575.1, 602.8102(94)

**617.13 Real estate in other county.**

When any part of real property, the subject of an action, is situated in any other county than the one in which the action is brought, the plaintiff must, in order to affect third persons with constructive notice of the pendency of the action, file with the clerk of the district court of the other county a notice of the pendency of the action, containing the names of the parties, the object of the action, and a description of the property in that county affected by the action. The clerk shall at once index and enter a memorandum of the notice in the encumbrance book.

[R60, §2843; C73, §2629; C97, §3544; C24, 27, 31, 35, 39, §**11095;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.13]

89 Acts, ch 83, §83

Referred to in §575.1, 602.8102(94), 614.15

**617.14 Constructive notice.**

From the time of such indexing, the pendency of the action shall be constructive notice to subsequent purchasers or encumbrancers thereof, who shall be bound by all the proceedings taken after the filing of such notice, to the same extent as if parties to the action.

[R60, §2843; C73, §2629; C97, §3544; C24, 27, 31, 35, 39, §**11096;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.14]

Referred to in §575.1, 602.8102(94)

**617.15 Notice perpetuated.**

Within two months after the determination of the action, there shall also be filed with such clerk a certified copy of the final order, judgment, or decree, who shall enter and index

the same as though rendered in that county, or such notice of pendency shall cease to be constructive notice.

[R60, §2843; C73, §2629; C97, §3544; C24, 27, 31, 35, 39, §**11097;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §617.15]

Referred to in §575.1, 602.8102(94)

**617.16 Frivolous actions.**

If a party commencing an action has in the preceding five-year period unsuccessfully prosecuted three or more actions, the court may, if it deems the actions to have been frivolous, stay the proceedings until that party furnishes an undertaking secured by cash or approved sureties to pay all costs resulting to opposing parties to the action including a reasonable attorney fee.

86 Acts, ch 1211, §36

Referred to in §610A.1

# CHAPTER 618

## PUBLICATION AND POSTING OF NOTICES

Referred to in §331.303

For Iowa court rule concerning effect of notice by posting, see R.C.P. 1.1804

Counties; see also chapter 349


618.1 Publications in English.
618.2 Violation.
618.3 Requirements for newspaper for official publication.
618.4 Change in name — effect.
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618.8 Refusal to publish.
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618.15 Service by certified mail.
618.16 Zoned editions of same newspaper.
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**618.1 Publications in English.**

All notices, proceedings, and other matter whatsoever, required by law or ordinance to be published in a newspaper, shall be published only in the English language and in newspapers published primarily in the English language.

[C73, §306, 307; C97, §549; S13, §549; C24, 27, 31, 35, 39, §**11098;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.1]

2006 Acts, ch 1019, §1

Referred to in §618.2

**618.2 Violation.**

Any public official who violates the provisions of section 618.1 or who willfully fails to make publication as now required of the public official by law of any notice, report of proceedings or other matter whatsoever, shall be guilty of a simple misdemeanor.

[C97, §550; C24, 27, 31, 35, 39, §**11099;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.2]

**618.3 Requirements for newspaper for official publication.**

For the purpose of establishing and giving assured circulation to all notices and reports of proceedings required by statute to be published within the state, if newspapers are required to be used, only a newspaper which meets all of the following requirements shall be designated for official publication purposes:

1. Is a newspaper of general circulation that has been published at least once a week for

at least fifty weeks per year within the area and regularly mailed through the post office of entry for at least two years.

2. Has a list of subscribers who have paid, or promised to pay, at more than a nominal rate, for copies to be received during a stated period.

3. Devotes at least twenty-five percent of its total column space in more than one-half of its issues during any twelve-month period to information of a public character other than advertising.

4. Is paid for by at least fifty percent of the persons or subscribers to whom it is distributed.

[C35, §11099-e1; C39, §**11099.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.3]

86 Acts, ch 1183, §4; 2003 Acts, ch 76, §1

Referred to in §10.9, 49.53, 455B.265, 618.14

**618.4 Change in name — effect.**

A change of name or ownership of a newspaper thus designated that does not affect its general circulation as above required shall in no way disqualify such newspaper for selection in making such publication of legal notices.

[C35, §11099-e2; C39, §**11099.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.4]

**618.5 Permissible selection.**

Publications may be made in a newspaper published at least once a week.

[C73, §3832; C97, §1293; S13, §1293; C24, 27, 31, 35, 39, §**11100;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.5]

2003 Acts, ch 108, §106

**618.6 Selection by plaintiff.**

The plaintiff or executor or the plaintiff's or executor's attorney, in all publications concerning actions, executions, and estates, may designate the newspaper in which such publication shall be made.

[C73, §3832; C97, §1293; S13, §1293; C24, 27, 31, 35, 39, §**11101;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.6]

**618.7 Selection by county officers.**

The clerk of the district court, sheriff, auditor, treasurer, and recorder shall designate the newspapers in which the notices pertaining to their respective offices shall be published and the board of supervisors shall designate the newspapers in which all other county notices and proceedings, not required to be published in the official county newspapers, shall be published.

[R60, §314; C73, §306; C97, §549; S13, §549; C24, 27, 31, 35, 39, §**11102;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.7]

Referred to in §331.502, 331.552, 331.602, 331.653, 602.8102(95)

**618.8 Refusal to publish.**

If publication be refused when copy therefor, with the cost or security for payment of the cost, is tendered, such publication may be made in some other newspaper of general circulation at or nearest to the county seat, with the same effect as if made in the newspaper so refusing.

[C73, §3832; C97, §1293; S13, §1293; C24, 27, 31, 35, 39, §**11103;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.8]

**618.9 Days of publication.**

When the publication is in a newspaper which is published more than once a week, the succeeding publications of such notice shall be on the same day of the week as the first publication. This section shall not apply to any notice for the publication of which provision inconsistent herewith is specially made.

[S13, §1293-a; C24, 27, 31, 35, 39, §**11104;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.9]

2003 Acts, ch 108, §107

**618.10 Payment for publication.**

Publications required by law shall, in the first instance, be paid for by the party causing publication, and shall be taxed as costs in the proceeding.

[C51, §2558; R60, §4165; C73, §3838; C97, §1296; C24, 27, 31, 35, 39, §**11105;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.10]

**618.11 Fees for publication.**

The compensation, when not otherwise fixed, for the publication in a newspaper of any notice, order, citation, or other publication required or allowed by law shall be at a rate of thirty-four cents for one insertion and twenty-three cents for each subsequent insertion for each line of eight point type two inches in length, or its equivalent. Beginning June 1, 2001, and each June 1 thereafter, the director of the department of administrative services shall calculate a new rate for the following fiscal year as prescribed in this section, and shall publish this rate as a notice in the Iowa administrative bulletin prior to the first day of the following calendar month. The new rate shall be effective on the first day of the calendar month following its publication. The rate shall be calculated by applying the percentage change in the consumer price index for all urban consumers for the last available twelve-month period published in the federal register by the federal department of labor, bureau of labor statistics, to the existing rate as an increase or decrease in the rate rounded to the nearest one-tenth of a cent. The calculation and publication of the rate by the director of the department of administrative services shall be exempt from the provisions of chapters 17A and 25B.

[C73, §3832; C97, §1293; S13, §1293; C24, 27, 31, 35, 39, §**11106;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.11]

86 Acts, ch 1183, §5; 96 Acts, ch 1098, §4; 98 Acts, ch 1119, §25; 98 Acts, ch 1164, §40; 2000 Acts, ch 1148, §2; 2003 Acts, ch 145, §274

Referred to in §331.302, 349.17, 380.9

**618.12 Fee for posting.**

In all cases where an officer in the discharge of the officer's duty is required to post an advertisement or notice, the officer shall, when not otherwise provided, be allowed twenty-five cents, and the same mileage as a sheriff.

[C51, §2558; R60, §4165; C73, §3838; C97, §1296; C24, 27, 31, 35, 39, §**11107;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.12]

**618.13 Publication of docket in certain counties.**

When the petition provided for in rule of civil procedure 1.403 is filed with the clerk of the district court in a county of ninety-eight thousand population or over, the names of the parties plaintiff and defendant in such action, the description of the real estate involved, if any, except for quieting title, partition, and suits involving tax assessments, and the names of the attorneys for the plaintiff, and the docket number assigned to such case, may, in the event the majority of the judges of the judiciary district in which such county lies, so direct, be published once in a daily newspaper having a general circulation in said county; such paper to be designated by a majority of the judges of the district court. Provided, that whenever thereafter such case is assigned for trial or any other pleadings are filed therein, or court action taken with reference thereto, except general orders of court for continuations, the title of such case and kind of pleading shall be published, and if it is in an assignment for trial it shall be carried in printed assignment from day to day until final disposition.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.13]

92 Acts, ch 1240, §21

Referred to in §602.8105, 622.93, 624.8

**618.14 Publication of matters of public importance.**

The governing body of any municipality or other political subdivision of the state may publish, as straight matter or display, any matter of general public importance, in one or more newspapers, as defined in section 618.3 published in and having general circulation in such

municipality or political subdivision, at the legal or appropriate commercial rate, according to the character of the matter published.

In the event there is no such newspaper published in such municipality or political subdivision or in the event publication in more than one such newspaper is desired, publication may be made in any such newspaper having general circulation in such municipality or political subdivision.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §618.14]

87 Acts, ch 221, §34

Referred to in §28M.4, 330A.8, 331.305, 331.403, 536A.11

**618.15 Service by certified mail.**

Wherever used in this Code, the following words shall have the meanings respectively ascribed to them unless such meanings are repugnant to the context:

1. The words, "certified mail" mean any form of mail service, by whatever name, provided by the United States post office where the post office provides the mailer with a receipt to prove mailing.

2. The words, "restricted certified mail" mean any form of certified mail as defined in subsection 1 which carries on the face thereof, in a conspicuous place where it will not be obliterated, the endorsement, "Deliver to addressee only", and for which the post office provides the mailer with a return receipt showing the date of delivery, the place of delivery, and person to whom delivered.

[C31, 35, §5079-d16; C39, §**5038.06;** C46, 50, 54, §321.503; C58, 62, 66, 71, 73, 75, 77, 79, 81, §618.15]

Referred to in §249F.3, 305B.3, 323.2, 323.3, 458A.22, 522B.14, 562A.8, 562A.29A, 562B.9, 562B.27A, 648.3, 648.5

**618.16 Zoned editions of same newspaper.**

Publication requirements for governmental subdivisions of the state shall be deemed satisfied when publication is made in editions or zoned editions which are delivered to an area within the jurisdiction of the subdivision making the publication even though publication is not made in other editions of the same newspaper.

86 Acts, ch 1183, §6; 89 Acts, ch 214, §6

**618.17 Minimum type size.**

A publication required by law shall be printed in type no smaller than six point.

89 Acts, ch 214, §7

Referred to in §10.9

**618.18 Timely publication required.**

When a publication required by law is not published within one month of submission to the newspaper, the maximum compensation established by law shall be reduced by twenty-five percent.

89 Acts, ch 214, §8

# CHAPTER 619

## PLEADINGS AND MOTIONS

For Iowa court rules concerning pleadings and motions, see R.C.P. 1.401 – 1.458
For Iowa court rules concerning discovery and inspection, see R.C.P. 1.501 – 1.517


619.1 Nonnecessity for prayer.
619.2 Exception.
619.3 Exception — limit on pleading extension.
619.4 Taking files from office.
619.5 Withdrawal of motion or demurrer.
619.6 Counterclaim by comaker or surety.
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619.15 Bond — breaches of.
619.16 Immaterial errors disregarded.
619.17 Contributory fault — burden.
619.18 Money damages not to be stated.
619.19 Verification not required — affidavits.


**619.1 Nonnecessity for prayer.**

In the defense part of an answer or reply, it shall not be necessary to make a prayer for judgment.

[R60, §2883; C73, §2658; C97, §3569; C24, 27, 31, 35, 39, §**11118;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.1]

**619.2 Exception.**

If the action challenges the legality, validity or constitutionality of a proposed constitutional amendment, the defendant shall plead within three days after service of the original notice.

[C31, 35, §11121-d1; C39, §**11121.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.2]

Referred to in §619.3

**619.3 Exception — limit on pleading extension.**

If the action challenges the legality, validity or constitutionality of a proposed constitutional amendment, the court shall not extend the time to plead more than two days beyond the time fixed in section 619.2.

[C31, 35, §11123-d1; C39, §**11123.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.3]

**619.4 Taking files from office.**

The original files shall be taken from the clerk's office only on order of the judge by leaving with the clerk a receipt for the same.

[C97, §3558; SS15, §3558; C24, 27, 31, 35, 39, §**11126;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.4]

**619.5 Withdrawal of motion or demurrer.**

A motion or demurrer once filed shall not be withdrawn without the consent of the adverse party in writing, or given in open court, or of the court.

[R60, §2870; C73, §2642; C97, §3556; C24, 27, 31, 35, 39, §**11139;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.5]

**619.6 Counterclaim by comaker or surety.**

A comaker or surety, when sued alone, may, with the consent of the comaker or principal, make use of by way of counterclaim of a debt or liquidated demand due from the plaintiff at the commencement of the action to such comaker or principal, but the plaintiff may meet such counterclaim in the same way as if made by the comaker or principal.

[R60, §2887; C73, §2661; C97, §3572; C24, 27, 31, 35, 39, §**11153;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.6]

**619.7 Mitigating facts.**

In any action brought to recover damages for an injury to person, character, or property, the defendant may set forth, in a distinct division of the defendant's answer, any facts, of which evidence is legally admissible, to mitigate or otherwise reduce the damages, whether a complete defense or justification be pleaded or not, and the defendant may give in evidence the mitigating circumstances, whether the defendant proves the defense or justification or not.

[R60, §2929; C73, §2682; C97, §3593; C24, 27, 31, 35, 39, §**11172;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.7]

**619.8 Necessity to plead.**

No mitigating circumstances shall be proved unless pleaded, except such as are shown by or grow out of the testimony introduced by the adverse party.

[R60, §2929; C73, §2682; C97, §3593; C24, 27, 31, 35, 39, §**11173;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.8]

**619.9 Amount of proof.**

A party shall not be compelled to prove more than is necessary to entitle the party to the relief asked for, or any lower degree included therein, nor more than sufficient to sustain the party's defense.

[R60, §2966; C73, §2729; C97, §3639; C24, 27, 31, 35, 39, §**11181;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.9]

**619.10 Evidence under denial.**

Under a denial of an allegation, no evidence shall be introduced which does not tend to negative some fact the party making the controverted allegation is bound to prove.

[R60, §2944; C73, §2704; C97, §3615; C24, 27, 31, 35, 39, §**11196;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.10]

**619.11 Pleading conveyance.**

When a party claims by conveyance, the party may state it according to its legal effect or name.

[R60, §2952; C73, §2723; C97, §3633; C24, 27, 31, 35, 39, §**11212;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.11]

**619.12 Pleading estate.**

It shall not be necessary to allege the commencement of either a particular or a superior estate, unless it be essential to the merits of the case.

[R60, §2954; C73, §2724; C97, §3634; C24, 27, 31, 35, 39, §**11213;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.12]

**619.13 Injuries to goods.**

In actions for injuries to goods and chattels, their kind or species shall be alleged.

[R60, §2956; C73, §2725; C97, §3635; C24, 27, 31, 35, 39, §**11214;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.13]

**619.14 Injuries to real property.**

In actions for injuries to real property, the petition shall describe the property, and when the injury is to an incorporeal hereditament, shall describe the property in respect of which the right is claimed, as well as the right itself, either by the numbers by which the property is designated in the national survey, or by its abuttals, or by its courses and distances, or by any name which it has acquired by reputation certain enough to identify it.

[R60, §2958; C73, §2726; C97, §3636; C24, 27, 31, 35, 39, §**11215;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.14]

**619.15 Bond — breaches of.**

In an action on a bond with conditions, the party suing thereon shall notice the conditions and allege the facts constituting the breaches relied on.

[C51, §1818; R60, §2960; C73, §2728; C97, §3638; C24, 27, 31, 35, 39, §**11217;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.15]

**619.16 Immaterial errors disregarded.**

The court, in every stage of an action, must disregard any error or defect in the proceeding which does not affect the substantial rights of the adverse party; and no judgment shall be reversed or affected by reason of such error or defect.

[R60, §2978; C73, §2690; C97, §3601; C24, 27, 31, 35, 39, §**11228;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §619.16]

Immaterial exceptions, §624.15

**619.17 Contributory fault — burden.**

A plaintiff does not have the burden of pleading and proving the plaintiff's freedom from contributory fault. If a defendant relies upon contributory fault of a plaintiff to diminish the amount to be awarded as compensatory damages, the defendant has the burden of pleading and proving fault of the plaintiff, if any, and that it was a proximate cause of the injury or damage. As used in this section, *"plaintiff"* includes a defendant filing a counterclaim or cross-petition, and the term *"defendant"* includes a plaintiff against whom a counterclaim or cross-petition has been filed.

[C66, 71, 73, 75, 77, 79, 81, §619.17]

84 Acts, ch 1293, §13

Comparative fault; see chapter 668

Section not amended; editorial change applied

**619.18 Money damages not to be stated.**

In an action for personal injury or wrongful death, the amount of money damages demanded shall not be stated in the petition, original notice, or any counterclaim or cross-petition. However, a party filing the petition, original notice, counterclaim, or cross-petition shall certify to the court that the action meets applicable jurisdictional requirements for amount in controversy.

[C77, 79, 81, §619.18]

86 Acts, ch 1211, §37

**619.19 Verification not required — affidavits.**

1. Pleadings need not be verified unless otherwise required by statute. Where a pleading is verified, it is not necessary that subsequent pleadings be verified unless otherwise required by statute.

2. The signature of a party, the party's legal counsel, or any other person representing the party, to a motion, pleading, or other paper is a certificate that:

*a.* The person has read the motion, pleading, or other paper.

*b.* To the best of the person's knowledge, information, and belief, formed after reasonable inquiry, it is grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law.

*c.* It is not interposed for any improper purpose, such as to harass or cause an unnecessary delay or needless increase in the cost of litigation.

3. If a motion, pleading, or other paper is not signed, it shall be stricken unless it is signed promptly after the omission is called to the attention of the pleader or movant.

4. If a motion, pleading, or other paper is signed in violation of this section, the court, upon motion or upon its own initiative, shall impose upon the person signing, the represented party, or both, an appropriate sanction, which may include an order to pay the other party or parties the amount of the reasonable expenses incurred because of the filing of the motion, pleading, or other paper, including a reasonable attorney fee.

86 Acts, ch 1211, §38; 2013 Acts, ch 30, §186

Section amended

# CHAPTER 620

## MOTIONS AND ORDERS

For Iowa court rules concerning motions,
see R.C.P. 1.431 – 1.435
For Iowa court rules concerning court action,
see R.C.P. 1.451 – 1.458
For Iowa court rules concerning pretrial procedure,
see R.C.P. 1.601 – 1.604

# CHAPTER 621

## SECURITY FOR COSTS

Deferral of costs in civil and criminal proceedings; see chapter 610


| | | | |
|---|---|---|---|
| 621.1 | Bond for costs. | 621.5 | Becoming nonresident. |
| 621.2 | Nonresident intervenor — action in probate. | 621.6 | Additional security. |
| 621.3 | Procedure. | 621.7 | Prohibited sureties. |
| 621.4 | Dismissal for failure to furnish. | 621.8 | Judgment on bond. |
| | | 621.9 | Cash in lieu of bond. |


**621.1 Bond for costs.**

If a defendant, at any time before answering shall make and file an affidavit stating that the defendant has a good defense in whole or in part, the plaintiff, or party bringing the action or proceeding, if the plaintiff or party is a nonresident of this state, or a private or foreign corporation, before any other proceedings in the action, must file in the clerk's office a bond with sureties to be approved by the clerk, in an amount to be fixed by the court, for the payment of all costs which may legally be adjudged against plaintiff.

[R60, §3442; C73, §2927; C97, §3847; S13, §3847; C24, 27, 31, 35, 39, §**11245;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §621.1]

Referred to in §602.8102(96), 621.4, 621.5

**621.2 Nonresident intervenor — action in probate.**

A nonresident intervenor or party bringing an action in probate shall be required in like manner to give bond on motion of any party required to answer or defend.

[S13, §3847; C24, 27, 31, 35, 39, §**11246;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §621.2]

Referred to in §621.4, 621.5

**621.3 Procedure.**

The application for such security shall be by motion, filed with the case, and the facts supporting it must be shown by affidavits annexed thereto, which may be responded to by counter affidavits on or before the hearing of the motion, and each party shall file all the affidavits at once, and none thereafter.

[R60, §3448; C73, §2927; C97, §3847; S13, §3847; C24, 27, 31, 35, 39, §**11247;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §621.3]

Referred to in §621.4, 621.5

**621.4 Dismissal for failure to furnish.**

An action in which a bond for costs is required by sections 621.1 to 621.3, inclusive, shall be dismissed, if a bond is not given in such time as the court allows.

[R60, §3443; C73, §2928; C97, §3848; C24, 27, 31, 35, 39, §**11248;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §621.4]

Referred to in §621.5

**621.5 Becoming nonresident.**

If the plaintiff or any intervenor in an action, after its institution and at any time before its final determination, becomes a nonresident of this state, the plaintiff or intervenor may be required to give security for costs in the manner provided in sections 621.1 to 621.4, inclusive.

[R60, §3444; C73, §2929; C97, §3849; S13, §3849; C24, 27, 31, 35, 39, §**11249;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §621.5]

**621.6 Additional security.**

In an action in which a bond for costs has been given, the defendant may, at any time before trial, make a motion for additional security, and if on such motion the court is satisfied that the surety in the plaintiff's bond has removed from the state, or it is not sufficient for the amount thereof, it may dismiss the action unless, in a reasonable time to be fixed by the court, sufficient security is given by the plaintiff.

[R60, §3445; C73, §2930; C97, §3850; C24, 27, 31, 35, 39, §**11250;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §621.6]

**621.7 Prohibited sureties.**

No attorney or other officer of the court shall be received as security in any proceeding in court.

[R60, §3446; C73, §2931; C97, §3851; C24, 27, 31, 35, 39, §**11251;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §621.7]

Similar provision, §636.5

**621.8 Judgment on bond.**

After final judgment has been rendered in an action in which security for costs has been given as above required, the court may, on motion of the defendant or any other person having the right to such costs or any part thereof, render judgment summarily, in the name of the defendant or the defendant's legal representatives, against the sureties for costs, for the amount of costs adjudged against the plaintiff, or so much thereof as may remain unpaid.

[R60, §3447; C73, §2932; C97, §3852; C24, 27, 31, 35, 39, §**11252;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §621.8]

**621.9 Cash in lieu of bond.**

In all cases in which a bond for security for costs is required, the party required to give such security may deposit in cash the amount fixed in said bond with the clerk of the district court in lieu of said bond.

[S13, §3852-a; C24, 27, 31, 35, 39, §**11253;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §621.9]

# CHAPTER 622

## EVIDENCE

Referred to in §522B.16A, 622B.6

For Iowa court rules concerning depositions,
see R.C.P. 1.701 – 1.717
For Iowa court rules concerning perpetuation of testimony,
see R.C.P. 1.721 – 1.728
Presumption of death of missing persons, §633.517 – 633.520

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## GENERAL PRINCIPLES

**622.1 Certification under penalty of perjury.**

1. When the laws of this state or any lawful requirement made under them requires or permits a matter to be supported by a sworn statement written by the person attesting the matter, the person may attest the matter by an unsworn written statement if that statement recites that the person certifies the matter to be true under penalty of perjury under the laws of this state, states the date of the statement's execution and is subscribed by that person. This section does not apply to acknowledgments where execution is required by law, to a document which is to be recorded under chapter 558 or to a self-proved will under section 633.279, subsection 2.

2. The certification described in subsection 1 may be in substantially the following form:

I certify under penalty of perjury and pursuant to the laws of the state of Iowa that the preceding is true and correct.

..... .....
Date Signature

84 Acts, ch 1048, §1
Referred to in §252F.3

**622.2 Credibility.**

Facts which have heretofore caused the exclusion of testimony may still be shown for the purpose of lessening its credibility.

[C51, §2389; R60, §3979; C73, §3637; C97, §4602; C24, 27, 31, 35, 39, §**11255;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.2]

**622.3 Interest.**

No person offered as a witness in any action or proceeding in any court, or before any officer acting judicially, shall be excluded by reason of the person's interests in the event of the action or proceeding, or because the person is a party thereto, except as provided in this chapter.

[R60, §3980; C73, §3638; C97, §4603; C24, 27, 31, 35, 39, §**11256;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.3]

**622.4 through 622.7** Repealed by 83 Acts, ch 37, § 7.

**622.8 Witness for each other.**

In all civil and criminal cases the husband and wife may be witnesses for each other.

[C51, §2391; R60, §3983; C73, §3641; C97, §4606; S13, §4606; C24, 27, 31, 35, 39, §**11261;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.8]

**622.9 Communications between husband and wife.**

Neither husband nor wife can be examined in any case as to any communication made by the one to the other while married, nor shall they, after the marriage relation ceases, be permitted to reveal in testimony any such communication made while the marriage subsisted.

[C51, §2392; R60, §3984; C73, §3642; C97, §4607; C24, 27, 31, 35, 39, §**11262;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.9]
Referred to in §232.74

**622.10 Communications in professional confidence — exceptions — required consent to release of medical records after commencement of legal action — application to court.**

1. A practicing attorney, counselor, physician, surgeon, physician assistant, advanced registered nurse practitioner, mental health professional, or the stenographer or confidential clerk of any such person, who obtains information by reason of the person's employment, or a member of the clergy shall not be allowed, in giving testimony, to disclose any confidential communication properly entrusted to the person in the person's professional capacity, and necessary and proper to enable the person to discharge the functions of the person's office according to the usual course of practice or discipline.

2. The prohibition does not apply to cases where the person in whose favor the prohibition is made waives the rights conferred; nor does the prohibition apply to physicians or surgeons, physician assistants, advanced registered nurse practitioners, mental health professionals, or to the stenographer or confidential clerk of any physicians or surgeons, physician assistants, advanced registered nurse practitioners, or mental health professionals, in a civil action in which the condition of the person in whose favor the prohibition is made is an element or factor of the claim or defense of the person or of any party claiming through or under the person. The evidence is admissible upon trial of the action only as it relates to the condition alleged.

3. *a.* In a civil action in which the condition of the plaintiff in whose favor the prohibition is made is an element or factor of the claim or defense of the adverse party or of any party claiming through or under the adverse party, the adverse party shall make a written request for records relating to the condition alleged upon the plaintiff's attorney for a legally sufficient patient's waiver under federal and state law. Upon receipt of a written request, the plaintiff shall execute a legally sufficient patient's waiver and release it to the adverse party making the request within sixty days of receipt of the written request. The patient's waiver may require a physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional to do all of the following:

(1) Provide a complete copy of the patient's records including but not limited to any reports or diagnostic imaging relating to the condition alleged.

(2) Consult with the attorney for the adverse party prior to providing testimony regarding the plaintiff's medical history and the condition alleged and opinions regarding health etiology and prognosis for the condition alleged subject to the limitations in paragraphs "*c*" and "*e*".

*b.* If a plaintiff fails to sign a waiver within the prescribed time period, the court may order disclosure or compliance. The failure of a party to comply with the court's order may be grounds for dismissal of the action or any other relief authorized under the rules of civil procedure.

*c.* Any physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional who provides records, provides information during consultation, or otherwise responds in good faith to a request pursuant to paragraph "*a*" shall be immune with respect to all civil or criminal penalties, claims, or actions of any kind with respect to this section.

*d.* Any physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional who provides records or consults with the attorney for any party shall be entitled to charge a reasonable fee for production of the records, diagnostic imaging, and consultation. Any party seeking consultation shall be responsible for payment of all charges. The fees for copies of any records shall be as specified in subsection 6.

*e.* Defendant's counsel shall provide a written notice to plaintiff's attorney in a manner consistent with the Iowa rules of civil procedure providing for notice of deposition at least ten days prior to any meeting with plaintiff's physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional. Plaintiff's attorney has the right to be present at all such meetings, or participate in telephonic communication with the physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional and attorney for the defendant. Prior to scheduling any meeting or engaging in any communication with the physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional, attorney

for the defendant shall confer with plaintiff's attorney to determine a mutually convenient date and time for such meeting or telephonic communication. Plaintiff's attorney may seek a protective order structuring all communication by making application to the court at any time.

*f.* The provisions of this subsection do not apply to actions or claims brought pursuant to chapter 85, 85A, or 85B.

4. *a.* Except as otherwise provided in this subsection, the confidentiality privilege under this section shall be absolute with regard to a criminal action and this section shall not be construed to authorize or require the disclosure of any privileged records to a defendant in a criminal action unless either of the following occur:

(1) The privilege holder voluntarily waives the confidentiality privilege.

(2) (a) The defendant seeking access to privileged records under this section files a motion demonstrating in good faith a reasonable probability that the information sought is likely to contain exculpatory information that is not available from any other source and for which there is a compelling need for the defendant to present a defense in the case. Such a motion shall be filed not later than forty days after arraignment under seal of the court. Failure of the defendant to timely file such a motion constitutes a waiver of the right to seek access to privileged records under this section, but the court, for good cause shown, may grant relief from such waiver.

(b) Upon a showing of a reasonable probability that the privileged records sought may likely contain exculpatory information that is not available from any other source, the court shall conduct an in camera review of such records to determine whether exculpatory information is contained in such records.

(c) If exculpatory information is contained in such records, the court shall balance the need to disclose such information against the privacy interest of the privilege holder.

(d) Upon the court's determination, in writing, that the privileged information sought is exculpatory and that there is a compelling need for such information that outweighs the privacy interests of the privilege holder, the court shall issue an order allowing the disclosure of only those portions of the records that contain the exculpatory information. The court's order shall also prohibit any further dissemination of the information to any person, other than the defendant, the defendant's attorney, and the prosecutor, unless otherwise authorized by the court.

*b.* Privileged information obtained by any means other than as provided in paragraph "*a*" shall not be admissible in any criminal action.

5. If an adverse party desires the oral deposition, either discovery or evidentiary, of a physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional to which the prohibition would otherwise apply or the stenographer or confidential clerk of a physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional or desires to call a physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional to which the prohibition would otherwise apply or the stenographer or confidential clerk of a physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional as a witness at the trial of the action, the adverse party shall file an application with the court for permission to do so. The court upon hearing, which shall not be ex parte, shall grant permission unless the court finds that the evidence sought does not relate to the condition alleged. At the request of any party or at the request of the deponent, the court shall fix a reasonable fee to be paid to a physician or surgeon, physician assistant, advanced registered nurse practitioner, or mental health professional by the party taking the deposition or calling the witness.

6. At any time, upon a written request from a patient, a patient's legal representative or attorney, or an adverse party pursuant to subsection 3, any provider shall provide copies of the requested records or images to the requester within thirty days of receipt of the written request. The written request shall be accompanied by a legally sufficient patient's waiver unless the request is made by the patient or the patient's legal representative or attorney.

*a.* The fee charged for the cost of producing the requested records or images shall be based upon the actual cost of production. If the written request and accompanying patient's

waiver, if required, authorizes the release of all of the patient's records for the requested time period, including records relating to the patient's mental health, substance abuse, and acquired immune deficiency syndrome-related conditions, the amount charged shall not exceed the rates established by the workers' compensation commissioner for copies of records in workers' compensation cases. If requested, the provider shall include an affidavit certifying that the records or images produced are true and accurate copies of the originals for an additional fee not to exceed ten dollars.

*b.* A patient or a patient's legal representative or a patient's attorney is entitled to one copy free of charge of the patient's complete billing statement, subject only to a charge for the actual costs of postage or delivery charges incurred in providing the statement. If requested, the provider or custodian of the record shall include an affidavit certifying the billing statements produced to be true and accurate copies of the originals for an additional fee not to exceed ten dollars.

*c.* Fees charged pursuant to this subsection are exempt from the sales tax pursuant to section 423.3, subsection 96. A provider providing the records or images may require payment in advance if an itemized statement demanding such is provided to the requesting party within fifteen days of the request. Upon a timely request for payment in advance, the time for providing the records or images shall be extended until the greater of thirty days from the date of the original request or ten days from the receipt of payment.

*d.* If a provider does not provide to the requester all records or images encompassed by the request or does not allow a patient access to all of the patient's medical records encompassed by the patient's request to examine the patient's records, the provider shall give written notice to the requester or the patient that providing the requested records or images would be a violation of the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

*e.* As used in this subsection:

(1) *"Records"* and *"images"* include electronic media and data containing a patient's health or billing information and *"copies"* includes patient records or images provided in electronic form, regardless of the form of the originals. If consented to by the requesting party, records and images produced pursuant to this subsection may be produced on electronic media.

(2) *"Provider"* means any physician or surgeon, physician assistant, advanced registered nurse practitioner, mental health professional, hospital, nursing home, or other person, entity, facility, or organization that furnishes, bills, or is paid for health care in the normal course of business.

7. For the purposes of this section, *"mental health professional"* means a psychologist licensed under chapter 154B, a registered nurse licensed under chapter 152, a social worker licensed under chapter 154C, a marital and family therapist licensed under chapter 154D, a mental health counselor licensed under chapter 154D, or an individual holding at least a master's degree in a related field as deemed appropriate by the board of behavioral science.

8. A qualified school guidance counselor, who is licensed by the board of educational examiners under chapter 272 and who obtains information by reason of the counselor's employment as a qualified school guidance counselor, shall not be allowed, in giving testimony, to disclose any confidential communications properly entrusted to the counselor by a pupil or the pupil's parent or guardian in the counselor's capacity as a qualified school guidance counselor and necessary and proper to enable the counselor to perform the counselor's duties as a qualified school guidance counselor.

[C51, §2393, 2394; R60, §3985, 3986; C73, §3643; C97, §4608; S13, §4608; C24, 27, 31, 35, 39, §**11263;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.10; 82 Acts, ch 1242, §1]

88 Acts, ch 1134, §107; 88 Acts, ch 1262, §10; 91 Acts, ch 229, §11; 97 Acts, ch 197, §8, 16; 2007 Acts, ch 10, §179; 2008 Acts, ch 1031, §67; 2008 Acts, ch 1191, §81 – 83; 2011 Acts, ch 8, §2, 3; 2012 Acts, ch 1110, §22

Referred to in §2C.9, 228.6, 232.68, 232.74, 235A.15, 272C.6, 423.3, 514B.30

Wounds and burn injuries connected to criminal offenses; §147.112 and 147.113A

Disclosures of mental health and psychological information, see chapter 228

**622.10A Tax advice — confidential communications.**

1. With respect to communications involving tax advice between a taxpayer and a federally authorized tax practitioner, the same protections of confidentiality which apply to a communication between a taxpayer and an attorney shall also apply to that communication to the extent the communication would be considered a privileged communication if it were between a taxpayer and an attorney.

2. The confidentiality privilege under this section applies to either of the following:

*a.* A noncriminal tax matter before the Iowa department of revenue.

*b.* A noncriminal tax proceeding in federal or state court brought by or against the state of Iowa.

3. As used in this section:

*a.* *"Federally authorized tax practitioner"* means an individual who is authorized under federal law to practice before the internal revenue service if such practice is subject to federal regulation under 31 U.S.C. § 330.

*b.* *"Tax advice"* means advice given by an individual with respect to a matter which is within the scope of the individual's authority to practice described in paragraph *"a"*.

4. The confidentiality privilege under this section shall not apply to a written communication between a federally authorized tax practitioner and a director, shareholder, officer, employee, agent, or representative of a corporation in connection with the promotion of the direct or indirect participation of that corporation in a tax shelter as defined in section 6662(d)(2)(C)(iii) of the Internal Revenue Code.

99 Acts, ch 25, §1; 2003 Acts, ch 145, §286

**622.11 Public officers.**

A public officer cannot be examined as to communications made to the public officer in official confidence, when the public interests would suffer by the disclosure.

[C51, §2395; R60, §3987; C73, §3644; C97, §4609; C24, 27, 31, 35, 39, §**11264;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.11]

Referred to in §462A.7

**622.12** Repealed by 83 Acts, ch 37, § 7.

**622.13 Civil liability.**

No witness is excused from answering a question upon the mere ground that the witness would be thereby subjected to a civil liability.

[C51, §2396; R60, §3988; C73, §3646; C97, §4611; C24, 27, 31, 35, 39, §**11266;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.13]

**622.14 through 622.16** Repealed by 74 Acts, ch 1272, § 4.

**622.17 through 622.20** Repealed by 83 Acts, ch 37, § 7.

**622.21 Writing and printing.**

When an instrument consists partly of written and partly of printed form, the former controls the latter, if the two are inconsistent.

[C51, §2400; R60, §3993; C73, §3651; C97, §4616; C24, 27, 31, 35, 39, §**11274;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.21]

**622.22 Understanding of parties to agreement.**

When the terms of an agreement have been intended in a different sense by the parties to it, that sense is to prevail against either party in which a party had reason to suppose the other understood it.

[C51, §2401; R60, §3994; C73, §3652; C97, §4617; C24, 27, 31, 35, 39, §**11275;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.22]

**622.23 Historical and scientific works.**

Historical works, books of science or art, and published maps or charts, when made by persons indifferent between the parties, are presumptive evidence of facts of general notoriety or interest therein stated.

[C51, §2402; R60, §3995; C73, §3653; C97, §4618; C24, 27, 31, 35, 39, §**11276;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.23]

**622.24 Subscribing witness — substitute proof.**

When a subscribing witness denies or does not recollect the execution of the instrument to which the witness' name is subscribed as such witness, its execution may be proved by other evidence.

[C51, §2403; R60, §3996; C73, §3654; C97, §4619; C24, 27, 31, 35, 39, §**11277;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.24]

**622.25 Handwriting.**

Evidence respecting handwriting may be given by experts, by comparison, or by comparison by the jury, with writings of the same person which are proved to be genuine.

[C51, §2404; R60, §3997; C73, §3655; C97, §4620; C24, 27, 31, 35, 39, §**11278;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.25]

**622.26 Private writing — acknowledgment.**

Every private writing, except a last will and testament, after being acknowledged or proved and certified in the manner prescribed for the proof or acknowledgment of conveyances of real property, may be read in evidence without further proof.

[C51, §2407; R60, §4000; C73, §3656; C97, §4621; C24, 27, 31, 35, 39, §**11279;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.26]

**622.27 Entries and writings of deceased person.**

The entries and other writings of a person deceased, who was in a position to know the facts therein stated, made at or near the time of the transaction, are presumptive evidence of such facts, when the entry was made against the interest of the person so making it, or when made in a professional capacity or in the ordinary course of professional conduct, or when made in the performance of a duty specially enjoined by law.

[C51, §2405; R60, §3998; C73, §3657; C97, §4622; C24, 27, 31, 35, 39, §**11280;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.27]

**622.28 Writing or record — when admissible — absence of record — effect.**

Any writing or record, whether in the form of an entry in a book, or otherwise, including electronic means and interpretations thereof, offered as memoranda or records of acts, conditions or events to prove the facts stated therein, shall be admissible as evidence if the judge finds that they were made in the regular course of a business at or about the time of the act, condition or event recorded, and that the sources of information from which made and the method and circumstances of their preparation were such as to indicate their trustworthiness, and if the judge finds that they are not excludable as evidence because of any rule of admissibility of evidence other than the hearsay rule.

Evidence of the absence of a memorandum or record from the memoranda or records of a business of an asserted act, event or condition, shall be admissible as evidence to prove the nonoccurrence of the act or event, or the nonexistence of the condition, if the judge finds that it was in the regular course of that business to make such memoranda of all such acts, events or conditions at the time thereof or within a reasonable time thereafter, and to preserve them.

The term business, as used in this section, includes business, profession, occupation, and calling of every kind.

[C51, §2406; R60, §3999; C73, §3658; C97, §4623; S13, §4623; C24, 27, 31, 35, 39, §**11281, 11282;** C46, 50, 54, 58, §622.28, 622.29; C62, 66, 71, 73, 75, 77, 79, 81, §622.28]

Referred to in §622.30

**622.29 Facsimiles of signatures.** Repealed by 2006 Acts, ch 1174, § 6. See § 602.1614.

**622.30 Photographic copies — originals destroyed.**

1. In all cases where depositions are taken by either method provided by law, outside of the county in which the case is for trial where books of account are competent evidence in the case, the party desiring to offer the entries of said books as evidence may cause the same to be photographed by or under the direction of the officer taking the deposition and such photographic copy when certified by such officer with the officer's seal attached shall be attached to the deposition, and if the record shows affirmatively the preliminary proof required by section 622.28, such copy shall be admitted in evidence with the same force and effect as the original.

2. If any business, institution, member of a profession or calling, or any department or agency of government, in the regular course of business or activity has kept or recorded any memorandum, writing, entry print, representation or combination thereof, of any act, transaction, occurrence or event and in the regular course of business has caused any or all of the same to be recorded, copied, or reproduced by any photographic, photostatic, microfilm, microcard, miniature photographic, electronic imaging, electronic data processing, or other process which accurately reproduces or forms a durable medium for accurately and legibly reproducing an unaltered image or reproduction of the original, the original may be destroyed in the regular course of business unless held in a custodial or fiduciary capacity or unless its preservation is required by law, except if the originals are records, reports, or other papers of a county officer they shall not be destroyed until they have been preserved for ten years. Such reproduction, when satisfactorily identified, is as admissible in evidence as the original itself in any judicial or administrative proceeding whether the original is in existence or not and an enlargement or facsimile of such reproduction is likewise admissible in evidence if the original recording, copy, or reproduction is in existence and available for inspection under direction of court. The introduction of a reproduced record, enlargement or facsimile, does not preclude admission of the original.

[S13, §4623; C24, 27, 31, 35, 39, §**11283;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.30]

91 Acts, ch 83, §1

Referred to in §452A.80

**622.31 Evidence of regret or sorrow.**

In any civil action for professional negligence, personal injury, or wrongful death or in any arbitration proceeding for professional negligence, personal injury, or wrongful death against a person in a profession regulated by one of the boards listed in section 272C.1 or in any other licensed profession recognized in this state, a hospital licensed pursuant to chapter 135B, or a health care facility licensed pursuant to chapter 135C, based upon the alleged negligence in the practice of that profession or occupation, that portion of a statement, affirmation, gesture, or conduct expressing sorrow, sympathy, commiseration, condolence, compassion, or a general sense of benevolence that was made by the person to the plaintiff, relative of the plaintiff, or decision maker for the plaintiff that relates to the discomfort, pain, suffering, injury, or death of the plaintiff as a result of an alleged breach of the applicable standard of care is inadmissible as evidence. Any response by the plaintiff, relative of the plaintiff, or decision maker for the plaintiff to such statement, affirmation, gesture, or conduct is similarly inadmissible as evidence.

2006 Acts, ch 1128, §4; 2007 Acts, ch 10, §180; 2007 Acts, ch 126, §102

**622.32 Statute of frauds.**

Except when otherwise specially provided, no evidence of the following enumerated contracts is competent, unless it be in writing and signed by the party charged or by the party's authorized agent:

1. Those made in consideration of marriage.
2. Those wherein one person promises to answer for the debt, default, or miscarriage of

another, including promises by executors to pay the debt of the decedent from their own estate.

3. Those for the creation or transfer of any interest in lands, except leases for a term not exceeding one year.

4. Those that are not to be performed within one year from the making thereof.

[C51, §2409, 2410; R60, §4006, 4007; C73, §3663, 3664; C97, §4625; C24, 27, 31, 35, 39, §**11285;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.32]

Referred to in §622.33, 622.34
Declarations of trust, §557.10
Party walls, §563.12

**622.33 Exception.**

The provisions of subsection 3 of section 622.32 do not apply where the purchase money, or any portion thereof, has been received by the vendor, or when the vendee, with the actual or implied consent of the vendor, has taken and held possession of the premises under and by virtue of the contract, or when there is any other circumstance which, by the law heretofore in force, would have taken the case out of the statute of frauds.

[C51, §2411; R60, §4008; C73, §3665; C97, §4626; C24, 27, 31, 35, 39, §**11286;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.33]

Referred to in §622.34

**622.34 Contract not denied in the pleadings.**

The provisions of sections 622.32 and 622.33, relating merely to the proof of contracts, shall not prevent the enforcement of those not denied in the pleadings, except in cases when the contract is sought to be enforced, or damages recovered for the breach thereof, against some person other than the person who made it.

[C51, §2412; R60, §4009; C73, §3666; C97, §4627; C24, 27, 31, 35, 39, §**11287;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.34]

2013 Acts, ch 90, §173
Section amended

**622.35 Party made witness.**

The oral evidence of the maker against whom the unwritten contract is sought to be enforced shall be competent to establish the same.

[C51, §2413; R60, §4010; C73, §3667; C97, §4628; C24, 27, 31, 35, 39, §**11288;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.35]

**622.36 Instruments affecting real estate — adoption of minors.**

Every instrument in writing affecting real estate, or the adoption of minors, which is acknowledged or proved and certified as required, may be read in evidence without further proof.

[C51, §1227; R60, §2235, 4001; C73, §3659; C97, §4629; C24, 27, 31, 35, 39, §**11289;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.36]

**622.37 through 622.40** Repealed by 83 Acts, ch 37, § 7.

**622.41 United States and state patents.**

United States and state patents for land in the state, and duly certified copies thereof from the general land office of the United States, or the state land office, that have been or may be recorded in the recorder's office of the county in which the land is situated, shall be matters of record and such record, and copies thereof, certified to by the recorder, may be received and read in evidence in all courts, with like effect as the record of other instruments, and other certified copies of original papers recorded in the recorder's office; and such patents and certified copies may be recorded without an acknowledgment.

[C97, §4633; S13, §4633; C24, 27, 31, 35, 39, §**11294;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.41]

Referred to in §622.51

**622.42 Field notes and plats.**

A copy of the field notes of any licensed professional land surveyor, or a plat made by the surveyor and certified under oath as correct, may be received as evidence to show the shape or dimensions of a tract of land, or any other fact the ascertainment of which requires the exercise of scientific skill or calculation only.

[C51, §2431; R60, §4046; C73, §3701; C97, §4634; C24, 27, 31, 35, 39, §**11295;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.42]

2012 Acts, ch 1009, §32

Referred to in §622.51

**622.43 Records and entries in public offices.**

Duly certified copies of all records and entries or papers belonging to any public office, or by authority of law filed to be kept therein, shall be evidence in all cases of equal credibility with the original record or papers so filed.

[C51, §2432; R60, §4047; C73, §3702; C97, §4635; C24, 27, 31, 35, 39, §**11296;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.43]

Referred to in §321.556, 622.51

See Authentication of Records, preceding United States Constitution in Vol I

Notarial acts, chapter 9B

Similar provision, §446.36

**622.44 Copies of books of original entries.**

Copies of entries made in the book of "copies of original entries", kept as a record in the office of the county recorder, when such book has been compared with the originals and certified as true copies by the register of the United States land office at which such original entries were made, may, when certified by the recorder to be true copies, be received and read in evidence in all of the courts, with like effect as certified copies of original papers recorded in the recorder's office.

[R60, §4049; C73, §3704; C97, §4636; C24, 27, 31, 35, 39, §**11297;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.44]

Referred to in §331.607, 622.45, 622.51

**622.45 Additional entries.**

Copies of additional entries shall, from time to time, be procured as made, certified as required in section 622.44, and entered in the book of "copies of original entries", until all the lands in the county have been entered and so certified.

[R60, §4050; C73, §3705; C97, §4637; C24, 27, 31, 35, 39, §**11298;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.45]

Referred to in §622.51

**622.46 Officer to give copies of records.**

Every officer having the custody of a public record or writing shall furnish any person, upon demand and payment of the legal fees therefor, a certified copy thereof.

[C51, §2433; R60, §4051; C73, §3706; C97, §4638; C24, 27, 31, 35, 39, §**11299;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.46]

Referred to in §22.2, 321.11, 622.51

**622.47 Maps in office of surveyor general.**

Copies of all maps, official letters, and other documents in the office of the surveyor general of the United States, when certified by that officer according to law, shall be received by the courts of this state as presumptive evidence of the existence and contents of the originals, and that they are copies of the originals, notwithstanding such maps, official letters, or other papers, may themselves be copied.

[R60, §4052; C73, §3707; C97, §4639; C24, 27, 31, 35, 39, §**11300;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.47]

Referred to in §622.51

**622.48 Certificate as to loss of paper.**

The certificate of a public officer, that the public officer has made diligent and ineffectual search for a paper in the officer's office, is of the same efficacy in all cases as if such officer had personally appeared and sworn to such facts.

[C51, §2434; R60, §4053; C73, §3708; C97, §4640; C24, 27, 31, 35, 39, §**11301;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.48]

Referred to in §622.51

**622.49 Duplicate receipt of receiver of land office.**

The usual duplicate receipt of the receiver of any land office, or the certificate of such receiver that the books of the receiver's office show the sale of a tract of land to a certain individual, is proof of title, equivalent to a patent, against all but the holder of an actual patent.

[C51, §2435; R60, §4054; C73, §3709; C97, §4641; C24, 27, 31, 35, 39, §**11302;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.49]

Referred to in §622.51

**622.50 Certificate of register or receiver.**

The certificate of the register or receiver of any land office of the United States, as to the entry of land within the register's or receiver's district, shall be presumptive evidence of title, in the person entering, to the real estate therein named.

[R60, §4055; C73, §3710; C97, §4642; C24, 27, 31, 35, 39, §**11303;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.50]

Referred to in §622.51

**622.51 Official signature presumed genuine.**

In the cases contemplated in sections 622.41 to 622.50, the signature of the officer shall be presumed to be genuine until the contrary is shown.

[C51, §2436; R60, §4056; C73, §3711; C97, §4643; C24, 27, 31, 35, 39, §**11304;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.51]

**622.51A Computer printouts.**

For purposes of chapters 714 and 716, computer printouts shall be admitted as evidence of any computer software, program, or data contained in or taken from a computer, notwithstanding an applicable rule of evidence to the contrary.

2000 Acts, ch 1201, §5

**622.52 Effect on rules.**

Sections 622.53 through 622.63, are not a limitation of the Iowa rules of evidence.

[C51, §2437; R60, §4057; C73, §3712; C97, §4644; C24, 27, 31, 35, 39, §**11305;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.52]

83 Acts, ch 37, §3

**622.53 Judicial record — state or federal courts.**

A judicial record of this state, including the filed certified shorthand notes of the official court reporter as transcribed or a court of the United States may be proved by the production of the original, or a copy of it certified by the clerk or person having the legal custody of it, authenticated by the custodian's seal of office, if there is a seal. That of another state may be proved by the attestation of the clerk and the seal of the court annexed, if there is a seal, together with a certificate of a judge, chief justice, or presiding magistrate that the attestation is in due form of law.

[C51, §2438; R60, §4058; C73, §3713; C97, §4645; C24, 27, 31, 35, 39, §**11306;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.53]

83 Acts, ch 37, §4

Referred to in §252D.20, 622.52

**622.54 Of a justice of the peace.**

The official certificate of a justice of the peace of any of the United States to any judgment and the preliminary proceedings before the justice of the peace, supported by the official certificate of the clerk of any court of record within the county in which such justice resides, stating that the justice is an acting justice of the peace of that county, and that the signature to the justice's certificate is genuine, is sufficient evidence of such proceedings and judgment.

[C51, §2439; R60, §4059; C73, §3714; C97, §4646; C24, 27, 31, 35, 39, §**11307;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.54]

Referred to in §622.52

**622.55 Of a foreign country.**

Copies of records and proceedings in the courts of a foreign country may be admitted in evidence upon being authenticated as follows:

1. By the official attestation of the clerk or officer in whose custody such records are legally kept.

2. By the certificate of one of the judges or magistrates of such court, that the person so attesting is the clerk or officer legally entrusted with the custody of such records, and that the signature to the clerk's or officer's attestation is genuine.

3. By the official certificate of the officer who has the custody of the principal seal of the government under whose authority the court is held, attested by said seal, stating that such court is duly constituted, specifying the general nature of its jurisdiction, and verifying the seal of the court.

[C51, §2440; R60, §4060; C73, §3715; C97, §4647; C24, 27, 31, 35, 39, §**11308;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.55]

Referred to in §622.52

**622.56 Presumption of regularity.**

The proceedings of all officers and courts of limited and inferior jurisdiction within the state shall be presumed regular, except in regard to matters required to be entered of record, and except where otherwise expressly declared.

[C51, §2512; R60, §4120; C73, §3669; C97, §4648; C24, 27, 31, 35, 39, §**11309;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.56]

Referred to in §622.52

**622.57 Executive acts.**

Acts of the executive of the United States, or of this or any other state of the Union, or of a foreign government, are proved by the records of the state department of the respective governments, or by public documents purporting to have been printed by order of the legislatures of those governments, respectively, or by either branch thereof.

[C51, §2441; R60, §4061; C73, §3716; C97, §4649; C24, 27, 31, 35, 39, §**11310;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.57]

Referred to in §622.52

**622.58 Proceedings of legislature.**

The proceedings of the legislature of this or any other state of the Union, or of the United States, or of any foreign government, are proved by the journals of those bodies, respectively, or of either branch thereof, and either by copies officially certified by the clerk of the house in which the proceeding was had, or by a copy purporting to have been printed by its order.

[C51, §2442; R60, §4062; C73, §3717; C97, §4650; C24, 27, 31, 35, 39, §**11311;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.58]

Referred to in §622.52

**622.59 Printed copies of statutes.**

Printed copies of the statute laws of this or any other of the United States, or of Congress, or of any foreign government, purporting or proved to have been published under the authority thereof, or proved to be commonly admitted as evidence of the existing laws in the courts of

such state or government, shall be admitted in the courts of this state as presumptive evidence of such laws.

[C51, §2443; R60, §4063; C73, §3718; C97, §4651; C24, 27, 31, 35, 39, §**11312;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.59]

Referred to in §622.52

**622.60 Written law or public writing.**

The public seal of the state or county, affixed to a copy of the written law or other public writing, is admissible as evidence of such law or writing, respectively.

[C51, §2444; R60, §4064; C73, §3719; C97, §4652; C24, 27, 31, 35, 39, §**11313;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.60]

Referred to in §622.52

**622.61 Foreign unwritten law.**

The unwritten laws of any other state or government may be proved as facts by parol evidence, or by the books of reports of cases adjudged in their courts.

[C51, §2444; R60, §4064; C73, §3719; C97, §4652; C24, 27, 31, 35, 39, §**11314;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.61]

Referred to in §622.52

**622.62 Ordinances of city.**

1. The printed copies of a city code and of supplements to it which are purported or proved to have been compiled pursuant to section 380.8 shall be admitted in the courts of this state as presumptive evidence of the ordinances contained therein. When properly pleaded, the courts of this state shall take judicial notice of ordinances contained in a city code or city code supplement.

2. The printed copies of an ordinance of any city which has not been compiled in a city code or a supplement pursuant to section 380.8 but which has been published by authority of the city, or transcripts of any ordinance, act, or proceeding thereof recorded in any book, or entries on any minutes or journals kept under direction of the city, and certified by the city clerk, shall be received in evidence for any purpose for which the original ordinances, books, minutes, or journals would be received, and with the same effect. The clerk shall furnish such transcripts, and be entitled to charge therefor at the rate that the clerk of the district court is entitled to charge for transcripts of records from that court.

3. The actions of any court of this state in taking judicial notice of the existence and content of a city ordinance in any proceeding which was commenced between the first day of July, 1973, and April 17, 1976, shall be conclusively presumed to be lawful, and to the extent required by this section, this section is retroactive.

[R60, §1076; C73, §3720; C97, §4653; C24, 27, 31, 35, 39, §**11315;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.62]

2011 Acts, ch 25, §71

Referred to in §622.52

**622.63 Subpoenas.**

The clerks of the several courts shall, on application of any person having a cause or matter pending in court, issue a subpoena for witnesses under the seal of the court, inserting all the names required by the applicant in one subpoena, if practicable, which may be served by the sheriff of the county, or by the party or any other person.

[R60, §4012; C73, §3671; C97, §4658; C24, 27, 31, 35, 39, §**11320;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.63]

Referred to in §602.8102(97), 622.52, 631.3

**622.64 Proof of service — costs.**

When a subpoena is served by any person other than the sheriff or constable, proof thereof shall be shown by affidavit; but no costs for serving the same shall be allowed.

[R60, §4012; C73, §3671; C97, §4658; C24, 27, 31, 35, 39, §**11321;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.64]

Referred to in §631.3

**622.65 To whom directed — duces tecum.**

The subpoena shall be directed to the person therein named, requiring the person to attend at a particular time or place to testify as a witness, and it may contain a clause directing the witness to bring with the witness any book, writing, or other thing under the witness' control, which the witness is bound by law to produce as evidence.

[C51, §2415; R60, §4013; C73, §3672; C97, §4659; C24, 27, 31, 35, 39, §**11322;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.65]

Referred to in §124.502, 631.3

**622.66 How far compelled to attend.**

Witnesses in civil cases cannot be compelled to attend the district or appellate court out of the state where they are served.

[C51, §2416; R60, §4014; C73, §3673; C97, §4660; C24, 27, 31, 35, 39, §**11323;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.66]

87 Acts, ch 137, §1

Referred to in §631.3

Limit on taxation of costs, §625.2

**622.67 Deposit — effect.**

The court, for good cause shown, upon deposit with the clerk of the court of sufficient money to pay the fee and mileage of a witness, may order the clerk to issue a subpoena requiring the attendance of the witness from a greater distance within the state. The subpoena shall show that it is issued under this section. If the party requesting the subpoena is a county or the state, the court may order the issuance of the subpoena without the deposit of the fee and mileage.

[C24, 27, 31, 35, 39, §**11324;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.67]

83 Acts, ch 186, §10113, 10201

Referred to in §631.3

**622.68** Repealed by 83 Acts, ch 186, § 10201, 10203.

**622.69 Witness fees.**

Witnesses shall receive ten dollars for each full day's attendance, and five dollars for each attendance less than a full day, and mileage expenses pursuant to section 602.1509 for each mile actually traveled.

Witness fees to be received by an inmate, while in the custody of the department of corrections, shall be applied either toward payment of any restitution owed by the inmate or to the crime victim compensation program established in sections 915.80 through 915.94.

[C51, §2544; R60, §4153; C73, §3814; C97, §4661; C24, 27, 31, 35, 39, §**11326;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.69; 81 Acts, ch 191, §2]

93 Acts, ch 46, §3; 96 Acts, ch 1163, §3; 98 Acts, ch 1090, §74, 84

Referred to in §91.10, 602.11101, 631.3

**622.70 Attorney, juror, or officer.**

An attorney, juror, or officer, who is in habitual attendance on the court for the court session at which the attorney, juror, or officer is examined as a witness, shall be entitled to but one day's attendance.

[C51, §2544; R60, §4153; C73, §3814; C97, §4661; C24, 27, 31, 35, 39, §**11327;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.70]

**622.71 Peace officer.**

No peace officer who receives a regular salary, or any other public official shall, in any case, receive fees as a witness for testifying in regard to any matter coming to the officer's or official's knowledge in the discharge of the officer's or official's official duties in such case in a court in the county of the officer's or official's residence, except police officers who are called as witnesses when not on duty.

[C97, §4661; C24, 27, 31, 35, 39, §**11328;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.71]

**622.71A Volunteer fire fighters — witness compensation.**

A volunteer fire fighter, as defined in section 85.61, who is subpoenaed to appear as a witness in connection with a matter regarding an event or transaction which the fire fighter perceived or investigated in the course of duty as a volunteer fire fighter, shall receive reasonable compensation as determined by the court from the party who subpoenaed the volunteer fire fighter. The daily compensation shall be equal to the average daily wage paid to full-time fire fighters of the same rank within the judicial district. However, the requirements of this section are not applicable if a volunteer fire fighter will receive the volunteer fire fighter's regular salary or other compensation pursuant to the policy of the volunteer fire fighter's regular employer, for the period of time required for travel to and from where the court or other tribunal is located and while the volunteer fire fighter is required to remain at that place pursuant to the subpoena.

95 Acts, ch 19, §1

**622.72 Expert witnesses — fee.**

Witnesses called to testify only to an opinion founded on special study or experience in any branch of science, or to make scientific or professional examinations and state the result thereof, shall receive additional compensation, to be fixed by the court, with reference to the value of the time employed and the degree of learning or skill required; but such additional compensation shall not exceed one hundred fifty dollars per day while so employed.

[C73, §3814; C97, §4661; C24, 27, 31, 35, 39, §**11329;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.72]

Referred to in §602.11101, 815.5
Superintendent of state hospital, §226.5

**622.73** Repealed by 83 Acts, ch 186, § 10201, 10203.

**622.74 Fees in advance.**

Witnesses, except parties to the action, are entitled to receive in advance, if demanded when subpoenaed, their traveling fees to and from the court, with their fees for one day's attendance. At the commencement of each day after the first, they are further entitled, on demand, to receive the legal fees for that day in advance. If not thus paid, they are not compelled to attend or remain as witnesses.

[C51, §2417; R60, §4015; C73, §3674; C97, §4662; C24, 27, 31, 35, 39, §**11331;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.74]

**622.75 Reimbursement to party, county or city.**

When a county or city or any party has paid the fees of any witness, and the same is afterward collected from the defendant or adverse party, the county, city or person so paying the same shall, upon the production of the receipt of such witness or other satisfactory evidence, be entitled to such fee.

[C73, §3817; C97, §4663; C24, 27, 31, 35, 39, §**11332;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.75]

**622.76 Failure to attend or testify — liability.**

For a failure to obey a valid subpoena without a sufficient cause or excuse, or for a refusal to testify after appearance, the delinquent is guilty of a contempt of court and subject to be proceeded against by attachment. The delinquent is also liable to the party by whom the delinquent was subpoenaed for all consequences of such delinquency, with fifty dollars additional damages.

[C51, §2418; R60, §4016; C73, §3675; C97, §4664; C24, 27, 31, 35, 39, §**11333;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.76]

Referred to in §622.79, 631.3
Contempts, chapter 665

**622.77 Proceedings for contempt.**

Before a witness is so liable for a contempt for not appearing, the witness must be served personally with the process, by reading it to the witness, and leaving a copy thereof with the witness, if demanded, and it must be shown that the fees and traveling expenses allowed by law were tendered to the witness, if required; or it must appear that a copy of the subpoena, if left at the witness' usual place of residence, came into the witness' hands, with the fees and traveling expenses above mentioned.

[C51, §2419; R60, §4017; C73, §3676; C97, §4665; C24, 27, 31, 35, 39, §**11334;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.77]

Referred to in §622.79, 631.3

**622.78 Serving subpoena.**

If a witness hides, or in any manner attempts to avoid being personally served with a subpoena, any sheriff having the subpoena may use all necessary and proper means to serve the same, and may for that purpose break into any building or other place where the witness is to be found, having first made known the sheriff's business and demanded admission.

[C51, §2420; R60, §4018; C73, §3677; C97, §4666; C24, 27, 31, 35, 39, §**11335;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.78]

Referred to in §622.79

**622.79 When party fails to obey subpoena.**

In addition to the remedies provided in sections 622.76 through 622.78, if a party to an action in the party's own right, on being duly subpoenaed, fails to appear and give testimony, the other party may, at the other party's election, have a continuance of the cause at the cost of the delinquent.

[C51, §2421; R60, §4024; C73, §3683; C97, §4667; C24, 27, 31,35, 39, §**11336;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.79]

2013 Acts, ch 90, §174

Section amended

**622.80 Pleading taken true.**

Or if the delinquent party shows by the party's own testimony, or otherwise, that the party could not have a full personal knowledge of the transaction, the court may order the party's pleading to be taken as true; subject to be reconsidered by the court within a reasonable time thereafter, upon satisfactory reasons being shown for the delinquency.

[C51, §2422; R60, §4025; C73, §3684; C97, §4668; C24, 27, 31, 35, 39, §**11337;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.80]

**622.81 Authority to subpoena.**

Any officer or board authorized to hear evidence shall have authority to subpoena witnesses and compel them to attend and testify, in the same manner as officers authorized to take depositions.

[C97, §4669; C24, 27, 31, 35, 39, §**11338;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.81]

Enforcing attendance, §622.84, 622.102

**622.82 Prisoner produced.**

A person confined in a penitentiary or jail in the state may, by order of any court of record, be required to be produced for oral examination in the county where the person is imprisoned, and in a criminal case in any county in the state; but in all other cases the person's examination must be by a deposition.

[R60, §4019; C73, §3678; C97, §4670; C24, 27, 31, 35, 39, §**11339;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.82]

**622.83 Deposition of.**

While a prisoner's deposition is being taken, the prisoner shall remain in the custody of the officer having the prisoner in charge, who shall afford reasonable facilities for the taking thereof.

[R60, §4020; C73, §3679; C97, §4671; C24, 27, 31, 35, 39, §**11340;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.83]

**622.84 Subpoenas — enforcing obedience.**

1. When, by the laws of this or any other state or country, testimony may be taken in the form of depositions to be used in any of the courts thereof, the person authorized to take the depositions may issue subpoenas for witnesses, which must be served by the same officers and returned in the same manner as is required in district court, and obedience to the subpoenas may be enforced in the same way and to the same extent, or the person may report the matter to the district court who may enforce obedience as though the action was pending in the district court.

2. If a witness is located in any other state or country and refuses to voluntarily submit to the deposition, the court of jurisdiction in this state may, upon the application of any party, petition the court of competent jurisdiction in the foreign jurisdiction where the witness is located to issue subpoenas or make other appropriate orders to compel the witness' attendance at the deposition.

[C51, §2477 – 2479; R60, §4021 – 4023; C73, §3680 – 3682; C97, §4672; C24, 27, 31, 35, 39, §**11341;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.84]

89 Acts, ch 230, §22; 90 Acts, ch 1041, §1

Similar provision, §622.102

**622.85 Affidavits — before whom made.**

An affidavit is a written declaration made under oath, without notice to the adverse party, before any person authorized to administer oaths within or without the state.

[R60, §4030, 4035; C73, §3689, 3690; C97, §4673; C24, 27, 31, 35, 39, §**11342;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.85]

Referred to in §435.26

Perpetuating testimony, R.C.P. 1.721 et seq.

**622.86 Foreign affidavits.**

Those taken out of the state before any judge or clerk of a court of record, or before a notarial officer as provided in chapter 9B, or a commissioner appointed by the governor of this state to take acknowledgment of deeds in the state where such affidavit is taken, are of the same credibility as if taken within the state.

[C51, §2475; R60, §4036; C73, §3691; C97, §4674; C24, 27, 31, 35, 39, §**11343;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.86]

2012 Acts, ch 1050, §55, 60; 2013 Acts, ch 140, §102

Section amended

**622.87 How affidavits compelled.**

When a person is desirous of obtaining the affidavit of another who is unwilling to make the same fully, the person may apply by petition to any officer competent to take depositions, stating the object for which the person desires the affidavit.

[C51, §2480; R60, §4038; C73, §3692; C97, §4675; C24, 27, 31, 35, 39, §**11344;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.87]

**622.88 Subpoena issued.**

If the officer is satisfied that the object is legal and proper, the officer shall issue a subpoena to bring the witness before the officer, and, if the witness fails then to make a full affidavit of the facts within the witness' knowledge to the extent required of the witness by the officer,

the latter may proceed to take the witness' deposition by question and answer in the usual way, which may be used instead of an ordinary affidavit.

[C51, §2481; R60, §4039; C73, §3693; C97, §4676; C24, 27, 31, 35, 39, §**11345;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.88]

**622.89 Notice.**

The officer may, in the officer's discretion, require notice of the taking of such affidavit or deposition to be given to any person interested in the subject matter, and allow the person to be present and cross-examine such witness.

[C51, §2482; R60, §4040; C73, §3694; C97, §4677; C24, 27, 31, 35, 39, §**11346;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.89]

**622.90 Cross-examination.**

The court or officer to whom any affidavit is presented as a basis for some action, in relation to which any discretion is lodged with such court or officer, may require the witness to be brought before it or the officer and submit to a cross-examination by the opposite party.

[C51, §2483; R60, §4041; C73, §3695; C97, §4678; C24, 27, 31, 35, 39, §**11347;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.90]

**622.91 Signature and seal — presumption.**

The signature and seal of such officers as are authorized to take depositions or affidavits, having a seal, and the simple signature of such as have no seal, are presumptive evidence of the genuineness thereof, as well as of the official character of the officer, except as otherwise declared.

[C51, §2476; R60, §4037; C73, §3696; C97, §4679; C24, 27, 31, 35, 39, §**11348;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.91]

**622.92 Newspaper publications — how proved.**

Publications required to be made in a newspaper may be proved by the affidavit of any person having knowledge of the fact, specifying the times when and the paper in which the publication was made, but such affidavit must be made within six months after the last day of publication.

[C51, §2427; R60, §4042; C73, §3697; C97, §4680; C24, 27, 31, 35, 39, §**11349;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.92]

Proof of publication, R.C.P. 1.314

**622.93 Applicability in certain counties.**

Proof of the publication of the filing in the district court of the petitions as provided for in section 618.13 and a charge on the basis of one dollar for each petition shall be made once each month by the publisher, presented to the clerk of the district court for verification and approval, and filed with the county auditor to be presented to the board of supervisors, which shall order the claim for the publications paid.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §622.93; 81 Acts, ch 117, §1096]

83 Acts, ch 123, §198, 209

Referred to in §331.424

**622.94 Proof of serving or posting notices.**

The posting up or service of any notice or other paper required by law may be proved by the affidavit of any competent witness attached to a copy of said notice or paper, and made within six months of the time of such posting up.

[C51, §2428; R60, §4043; C73, §3698; C97, §4681; C24, 27, 31, 35, 39, §**11350;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.94]

**622.95 Other facts.**

Any other fact which is required to be shown by affidavit, and which may be required for future use in any action or other proceeding, may be proved by pursuing the course above indicated, as nearly as the circumstances of the case will admit.

[C51, §2429; R60, §4044; C73, §3699; C97, §4682; C24, 27, 31, 35, 39, §**11351;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.95]

**622.96 How perpetuated — presumption of fact.**

Proof so made may be perpetuated and preserved for future use by filing the papers above mentioned in the office of the clerk of the district court of the county where the act is done. The original affidavit appended to the notice or paper, if there is one, and, if not, the affidavit by itself is presumptive evidence of the facts stated therein, but does not preclude other modes of proof now held sufficient.

[C51, §2430; R60, §4045; C73, §3700; C97, §4683; C24, 27, 31, 35, 39, §**11352;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.96]

REPORTER'S NOTES AS EVIDENCE

**622.97 Authorized use.**

The original shorthand notes of the evidence or any part thereof heretofore or hereafter taken upon the trial of any cause or proceeding, in any court of record of this state, by the shorthand reporter of such court, or any transcript thereof, duly certified by such reporter, when material and competent, shall be admissible in evidence on any retrial of the case or proceeding in which the same were taken, and for purposes of impeachment in any case, and shall have the same force and effect as a deposition, subject to the same objections so far as applicable.

[S13, §245-a; C24, 27, 31, 35, 39, §**11353;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.97]

**622.98 Transcript must be complete.**

No portion of the transcript of the shorthand notes of the evidence of any witness shall be admissible as such deposition, unless it shall appear from the certificate or verification thereof that the whole of the shorthand notes of the evidence of such witness, upon the trial or hearing in which the same was given, is contained in such transcript, but the party offering the same shall not be compelled to offer the whole of such transcript.

[S13, §245-a; C24, 27, 31, 35, 39, §**11354;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.98]

**622.99 Certification.**

It shall be the duty of any such reporter, upon demand by any party to any cause or proceeding, or by the attorney of such party, when such shorthand notes are offered in evidence, to read the same before the court, judge, referee, or jury, or to furnish to any person when demanded a certified transcript of the shorthand notes of the evidence of any one or more witnesses, upon payment of the reporter's fees therefor.

[S13, §245-a; C24, 27, 31, 35, 39, §**11355;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.99]

**622.100 Sworn verification.**

When the reporter taking such notes in any case or proceeding in court has ceased to be the reporter of such court, any transcript by the reporter made therefrom and sworn to by the reporter before any person authorized to administer an oath as a full, true, and complete transcript of the notes of the testimony of the witness, a transcript of whose testimony is

demanded, shall have the same force and effect as though duly certified by the reporter of said court.

[S13, §245-a; C24, 27, 31, 35, 39, §**11356;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.100]

**622.101 Identification of exhibits.**

When any exhibit, record, or document is referred to in such shorthand notes or transcript thereof, the identity of such exhibit, record, or document, as the one referred to by the witness, may be proven either by the reporter or any other person who heard the evidence of the witness given on the stand.

[S13, §245-a; C24, 27, 31, 35, 39, §**11357;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.101]

## DEPOSITIONS

**622.102 Refusal to appear or testify.**

Any witness who refuses to obey such subpoena or after appearance refuses to testify shall be reported by the officer or commissioner to the district court of the county where the subpoena was issued.

[C24, 27, 31, 35, 39, §**11367;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.102]

Similar provision, §622.84

**622.103** Repealed by 70 Acts, ch 1268, § 4.

**622.104 Witness fees.**

A witness appearing before an officer directed to take the witness' deposition is entitled to the same fees and mileage as a witness in the court in which the deposition is to be used. If subpoenaed, such a witness is entitled to fees and mileage in advance, as in other cases.

[C97, §4716; C24, 27, 31, 35, 39, §**11398;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §622.104]

Fees and mileage, §622.69 – 622.75

## DOCUMENTS FILED WITH STATE OR DIVISIONS

**622.105 Evidence of date mailed.**

Any report, claim, tax return, statement, or any payment required or authorized to be filed or made to the state, or any political subdivision which is transmitted through the United States mail or mailed but not received by the state or political subdivision or received and the cancellation mark is illegible, erroneous or omitted, shall be deemed filed or made and received on the date it was mailed if the sender establishes by competent evidence that the report, claim, tax return, statement, or payment was deposited in the United States mail on or before the date for filing or paying. In the event of nonreceipt of any such report, tax return, statement, or payment, the sender shall file a duplicate within thirty days of receiving written notification of nonreceipt of such report, tax return, statement, or payment. Filing of a duplicate within thirty days of receiving written notification shall be considered to be a filing made on the date of the original filing.

For the purposes of this section *"competent evidence"* means evidence, in addition to the testimony of the sender, sufficient or adequate to prove that the document was mailed on a specified date which evidence is credible and of such a nature to reasonably support the determination that the letter was mailed on a specified date.

[C77, 79, 81, §622.105]

**622.106 Certified or registered mail.**

If any report, claim, tax return, statement, or payment is sent by United States mail and either registered or certified, a record authenticated by the United States post office shall be considered competent evidence that the report, claim, tax return, statement, or payment was delivered to the state or political subdivision to which addressed, and the date of registration or certification shall be deemed the postmarked date.

[C77, 79, 81, §622.106]

# CHAPTER 622A

## INTERPRETERS IN LEGAL PROCEEDINGS


| | | | |
|---|---|---|---|
| 622A.1 | Definitions. | 622A.5 | Oath. |
| 622A.2 | Who entitled to interpreter. | 622A.6 | Qualifications and integrity. |
| 622A.3 | Costs — when taxed. | 622A.7 | Rules. |
| 622A.4 | Fee set by court — payment. | 622A.8 | Tape recording. |


**622A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrative agency"* means any department, board, commission, or agency of the state or any political subdivision of the state.

2. *"Legal proceeding"* means any action before any court, or any legal action preparatory to appearing before any court, whether civil, criminal, or juvenile in nature; and any proceeding before any administrative agency which is quasi-judicial in nature and which has direct legal implications to any person.

[C71, 73, 75, 77, 79, 81, §622A.1]

2006 Acts, ch 1041, §7; 2007 Acts, ch 126, §103

**622A.2 Who entitled to interpreter.**

Every person who cannot speak or understand the English language and who is a party to any legal proceeding or a witness therein, shall be entitled to an interpreter to assist such person throughout the proceeding.

[C71, 73, 75, 77, 79, 81, §622A.2]

**622A.3 Costs — when taxed.**

1. An interpreter shall be appointed without expense to the person requiring assistance in the following cases:

*a.* If the person requiring assistance is a witness in the civil legal proceeding.

*b.* If the person requiring assistance is indigent and financially unable to secure an interpreter.

2. In civil cases, every court shall tax the cost of an interpreter the same as other court costs. In criminal cases, where the defendant is indigent, the interpreter shall be considered as a defendant's witness under rule of criminal procedure 2.15 for the purpose of receiving fees, except that subpoenas shall not be required. If the proceeding is before an administrative agency, that agency shall provide such interpreter but may require that a party to the proceeding pay the expense thereof.

3. Moneys recovered as court costs for interpreters paid through the revolving fund established in section 602.1302, subsection 3, shall be deposited in that fund.

[C71, 73, 75, 77, 79, 81, §622A.3]

99 Acts, ch 144, §8

**622A.4 Fee set by court — payment.**

Every interpreter appointed by a court or administrative agency shall receive a fee to be set by the court or administrative agency. If the interpreter is appointed by the court in a

civil case for a person who is indigent and unable to secure an interpreter, the fee for the interpreter shall be paid from the revolving fund established in section 602.1302, subsection 3.

[C71, 73, 75, 77, 79, 81, §622A.4]
99 Acts, ch 144, §9

**622A.5 Oath.**

Every interpreter in any legal proceeding shall take the same oath as any other witness.
[C71, 73, 75, 77, 79, 81, §622A.5]

**622A.6 Qualifications and integrity.**

Any court or administrative agency may inquire into the qualifications and integrity of any interpreter, and may disqualify any person from serving as an interpreter.
[C71, 73, 75, 77, 79, 81, §622A.6]

**622A.7 Rules.**

The supreme court, after consultation with the commission of Latino affairs of the department of human rights and other appropriate departments, shall adopt rules governing the qualifications and compensation of interpreters appearing in proceedings before a court or grand jury under this chapter. However, an administrative agency which is subject to chapter 17A may adopt rules differing from those of the supreme court governing the qualifications and compensation of interpreters appearing in proceedings before that agency.
84 Acts, ch 1137, §1

**622A.8 Tape recording.**

A tape recording of the portion of proceedings where non-English testimony is given shall be made and maintained.
84 Acts, ch 1137, §2

# CHAPTER 622B

## DEAF AND HARD-OF-HEARING PERSONS — INTERPRETERS

Procedures upon arrest of deaf or hard-of-hearing persons; see §804.31


| | | | |
|---|---|---|---|
| 622B.1 | Definitions — rules. | 622B.5 | Oath. |
| 622B.2 | Interpreter appointed. | 622B.6 | Privileged. |
| 622B.3 | Notice of need. | 622B.7 | Fee. |
| 622B.4 | List. | 622B.8 | Disqualification. |


**622B.1 Definitions — rules.**

1. As used in this chapter, unless the context otherwise requires:

*a.* *"Administrative agency"* means any department, board, commission, or agency of the state or any political subdivision of the state.

*b.* *"Deaf person"* means an individual who uses sign language as the person's primary mode of communication and who may use interpreters to facilitate communication.

*c.* *"Hard-of-hearing person"* means an individual who is unable to hear and distinguish sounds within normal conversational range and who needs to use speechreading, assistive listening devices, or oral interpreters to facilitate communication.

*d.* *"Interpreter"* means an oral interpreter or sign language interpreter.

*e.* *"Oral interpreter"* means an interpreter who is fluent in transliterating, paraphrasing, and voicing.

*f.* *"Sign language interpreter"* means an interpreter who is able to interpret from sign language to English and English to sign language.

2. The supreme court, after consultation with the department of human rights, shall

adopt rules governing the qualifications and compensation of interpreters appearing in a proceeding before a court, grand jury, or administrative agency under this chapter. However, an administrative agency which is subject to chapter 17A may adopt rules differing from those of the supreme court governing the qualifications and compensation of interpreters appearing in proceedings before that agency.

[C81, §622B.1]

85 Acts, ch 131, §1; 88 Acts, ch 1134, §108; 93 Acts, ch 75, §7

Referred to in §804.31

Rules adopted by the supreme court are published in the compilation "Iowa Court Rules"

**622B.2 Interpreter appointed.**

If a deaf or hard-of-hearing person is a party to, a witness at, or a participant in a proceeding before a grand jury, court, or administrative agency of this state, the court or administrative agency shall appoint an interpreter without expense to the deaf or hard-of-hearing person to interpret or translate the proceedings to the deaf or hard-of-hearing person and to interpret or translate the person's testimony unless the deaf or hard-of-hearing person waives the right to an interpreter.

[C81, §622B.2]

93 Acts, ch 75, §8

Referred to in §804.31

**622B.3 Notice of need.**

When a deaf or hard-of-hearing person is entitled to an interpreter, the deaf or hard-of-hearing person shall notify the presiding official within three days after receiving notice of the proceeding, stating the disability and requesting the services of an interpreter. If the deaf or hard-of-hearing person receives notification of an appearance less than five days prior to the proceeding, that person shall notify the presiding official requesting an interpreter as soon as practicable or may apply for a continuance until an interpreter is appointed.

[C81, §622B.3]

93 Acts, ch 75, §9

**622B.4 List.**

The office of deaf services of the department of human rights shall prepare and continually update a listing of qualified and available interpreters. The courts and administrative agencies shall maintain a directory of qualified interpreters for deaf and hard-of-hearing persons as furnished by the department of human rights. The office of deaf services shall maintain a list of interpreters which shall be made available to a court, administrative agency, or interested parties to an action using the services of an interpreter.

[C81, §622B.4]

88 Acts, ch 1134, §109; 93 Acts, ch 75, §10; 96 Acts, ch 1162, §1

**622B.5 Oath.**

Before participating in a proceeding, an interpreter shall take an oath that the interpreter will make a true interpretation in an understandable manner to the person for whom the interpreter is appointed and that the interpreter will interpret or translate the statements of the deaf or hard-of-hearing person to the best of the interpreter's skills and judgment.

[C81, §622B.5]

93 Acts, ch 75, §11

**622B.6 Privileged.**

Communication between a deaf or hard-of-hearing person and a third party which is privileged under chapter 622 in which the interpreter participates as an interpreter shall be privileged to the interpreter.

[C81, §622B.6]

93 Acts, ch 75, §12

**622B.7 Fee.**

An interpreter appointed under this chapter is entitled to a reasonable fee and expenses as determined by the rules applying to that proceeding. This schedule shall be furnished to all courts and administrative agencies and maintained by them. If the interpreter is appointed by the court, the fee and expenses shall be paid by the county and if the interpreter is appointed by an administrative agency, the fee and expenses shall be paid out of funds available to the administrative agency.

[C81, §622B.7]

83 Acts, ch 123, §199, 209; 93 Acts, ch 75, §13

Referred to in §331.424

**622B.8 Disqualification.**

On motion of a party or on its own motion, a court or administrative agency shall inquire into the qualifications and integrity of an interpreter. A court or administrative agency may disqualify for good reason any person from serving as an interpreter in that proceeding. If an interpreter is disqualified, the court or administrative agency shall appoint another interpreter.

[C81, §622B.8]

# CHAPTER 623

## CHANGE OF VENUE

For Iowa court rules concerning change of venue in civil actions, see R.C.P. 1.801 – 1.808
For Iowa court rule concerning change of venue in criminal actions, see R.Cr.P. 2.11(10)

# CHAPTER 624

## TRIAL AND JUDGMENT

For Iowa court rules concerning trials, see R.C.P. 1.901 – 1.947
For Iowa court rules concerning judgments generally, see R.C.P. 1.951 – 1.962
For Iowa court rules concerning defaults and judgments thereon, see R.C.P. 1.971 – 1.977
For Iowa court rules concerning summary judgments, see R.C.P. 1.981 – 1.983
For Iowa court rules concerning proceedings after judgment, see R.C.P. 1.1001 – 1.1020
For Iowa court rules concerning declaratory judgments, see R.C.P. 1.1101 – 1.1109

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MINOR'S LIABILITY

624.38 Minor's liability for own acts.

## GENERAL PROVISIONS

**624.1 Evidence in ordinary actions.**

All issues of fact in ordinary actions shall be tried upon oral evidence taken in open court, except that depositions may be used as provided by law.

A party may interrogate any unwilling or hostile witness by leading questions. A party may call an adverse party or an officer, director, or managing agent of a public or private corporation or of a partnership or association which is an adverse party, and interrogate the party or person by leading questions and contradict and impeach the party or person in all respects as if the party or person had been called by the adverse party, and the witness thus called may be contradicted and impeached by or on behalf of the adverse party also, and may be cross-examined by the adverse party only upon the subject matter of the examination in chief.

[R60, §2999; C73, §2741; C97, §3651; C24, 27, 31, 35, 39, §**11430;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.1]

Depositions, R.C.P. 1.701 – 1.717

**624.2 Ordinary actions — evidence on appeal.**

Upon appeal, in ordinary actions no evidence shall go to the appellate court except such as may be necessary to explain any exception taken in the cause, and such court shall hear and try the case only on the legal errors so presented.

[R60, §2999; C73, §2741; C97, §3651; C24, 27, 31, 35, 39, §**11431;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.2]

Iowa Constitution, Art. V, §4

**624.3 Evidence in equitable actions.**

In actions cognizable in equity, wherein issues of fact are joined, the court may order the evidence or any part thereof to be taken in the form of depositions, or either party may take depositions as authorized by law, and may in the discretion of the court be granted a continuance for that purpose.

[R60, §2999; C73, §2742; C97, §3652; S13, §3652; C24, 27, 31, 35, 39, §**11432;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.3]

**624.4 Equitable actions — evidence on appeal.**

The evidence in actions cognizable in equity shall be presented on appeal to the appellate court, which shall try such causes anew. However, upon further review by the supreme court of equity actions heard by the court of appeals the review may be limited in scope as provided in the rules of appellate procedure.

[R60, §2999; C73, §2742; C97, §3652; S13, §3652; C24, 27, 31, 35, 39, §**11433;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.4]

**624.5 Abstracts in equity causes.**

In equitable causes, where the evidence is taken in the form of depositions, the district court may require to be submitted with the arguments an abstract of the pleadings and evidence, substantially as required by the rules of appellate procedure for abstracts in appeals in equitable causes, except that the same need not be printed.

[C97, §3653; C24, 27, 31, 35, 39, §**11434;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.5]

**624.6 When triable.**

Causes shall be triable at any time after the expiration of twenty days after legal and timely service has been made.

[C51, §1763; R60, §3007; C73, §2744; C97, §3655; C24, 27, 31, 35, 39, §**11436;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.6]

**624.7 Exception.**

If the action challenges the legality, validity, or constitutionality of a proposed constitutional amendment, the cause shall be tried within three days after the issues are made up.

[C31, 35, §11436-d1; C39, §**11436.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.7]

**624.8 Calendar.**

The clerk shall keep a calendar of criminal causes, arranging them in the order of their commencement and, if the court so order, shall, under the direction of the court, apportion the same to as many days as is believed necessary, and, at the request of any party to a cause or the party's attorney, shall issue subpoenas accordingly. The clerk shall furnish the court and bar with a sufficient number of copies of the calendar on or before January 15, April 15, July 15 and October 15 of each year, furnish the court and bar with a sufficient number of copies of a supplement thereto, which shall include the new causes only, but the publication of the assignments as provided in section 618.13 shall be in lieu of the publishing of a court calendar except that the first two daily publications of said paper shall be furnished free by the publisher to any attorney who shall request the clerk for the same.

[C51, §1761, 1762; R60, §3005; C73, §2747; C97, §3661; C24, 27, 31, 35, 39, §**11441;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.8]

Referred to in §602.8102(98)

**624.9 Detailed report of trial.**

In all appealable actions triable by ordinary or equitable proceedings, any party thereto shall be entitled to have reported the whole proceedings upon the trial or hearing, and the court shall direct the reporter to make such report in writing or shorthand, which shall contain the date of the commencement of the trial, the proceedings impaneling the jury, and any objections thereto with the rulings thereon, the oral testimony at length, and all offers thereof, all objections thereto, the rulings thereon, the identification as exhibits, by letter or number or other appropriate mark, of all written or other evidence offered, and by sufficient reference thereto, made in the report, to make certain the object or thing offered, all objections to such evidence and the rulings thereon, all motions or other pleas orally made and the rulings thereon, the fact that the testimony was closed, the portions of arguments objected to, when so ordered by the court, all objections thereto with the rulings thereon, all oral comments or statements of the court during the progress of the trial, and any exceptions taken thereto, the fact that the jury is instructed, all objections and exceptions to instructions given by the court on its own motion, the fact that the case is given to the jury, the return of the verdict and action thereon of whatever kind, and any other proceedings before the court or jury which might be preserved and made of record by bill of exceptions, and shall note that exception was saved by the party adversely affected to every ruling made by the court.

[C97, §3675; C24, 27, 31, 35, 39, §**11456;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.9]

Referred to in §232.41, 232.94, 232.115, 602.8102(98)

**624.10 Certification — ipso facto bill.**

Such report shall be certified by the trial judge and reporter, when demanded by either party, to the effect that it contains a full, true, and complete report of all proceedings had

that are required to be kept, and, when so certified, the same shall be filed by the clerk and, with all matters set out or identified therein, shall be a part of the record in such action, and constitute a complete bill of exceptions.

[C97, §3675; C24, 27, 31, 35, 39, §**11457;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.10]

Referred to in §602.8102(98)
When bill necessary, R.C.P. 1.1001(1)
Certification by successor, R.C.P. 1.1001(4)

**624.11 Matters excluded.**

On a trial before a jury it shall not be necessary to take down arguments of counsel or statements of the court, except the rulings, when not made in the presence of the jury.

[C97, §3675; C24, 27, 31, 35, 39, §**11458;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.11]

Referred to in §602.8102(98)

**624.11A Juror challenge — municipal taxpayers.**

When selecting a jury in a trial in which a municipality is a defendant, a juror challenge based on the potential juror's status as a taxpayer of that municipality shall not be allowed unless a real, substantial, and immediate interest is shown which would unfairly prejudice the plaintiff.

84 Acts, ch 1181, §10
Referred to in §602.8102(98)

**624.12 Panel exhausted.**

If for any reason the regular panel is exhausted without a jury being selected, it shall be completed in the manner provided in the chapters upon selecting, drawing, and summoning juries.

[C97, §3698; C24, 27, 31, 35, 39, §**11482;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.12]

Referred to in §602.8102(98)
Juries, see chapter 607A

**624.13 Interlocutory questions.**

Upon interlocutory questions, the party moving the court or objecting to testimony shall be heard first; the respondent may then reply by one counsel, and the mover rejoining, confining remarks to the points first stated and a pertinent answer to respondent's argument. Argument on the questions shall then be closed, unless further requested by the court.

[R60, §3046; C73, §2779; C97, §3700; C24, 27, 31, 35, 39, §**11486;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.13]

Referred to in §602.8102(98)

**624.14 Juror as witness — grounds to set aside verdict.**

If a juror has personal knowledge respecting a fact in controversy in a cause, the juror must declare the fact of the knowledge in accordance with rule of evidence 5.606(a), and the juror may not testify in the trial of the case in which the juror is sitting. Proof of such a declaration may be made by any juror in support of a motion to set aside a verdict.

[C51, §3010; R60, §4801; C73, §4433; C97, §5381; C24, §13858; C27, 31, 35, §11496-b1, 13858; C39, §**11496.1, 13858;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §624.14, 780.17; C79, 81, §624.14]

83 Acts, ch 37, §5
Referred to in §602.8102(98)

**624.15 Must be on material point.**

No exception shall be regarded in an appellate court unless the ruling has been on a material point, and the effect thereof prejudicial to the rights of the party excepting.

[R60, §3111; C73, §2836; C97, §3754; C24, 27, 31, 35, 39, §**11548;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.15]

Referred to in §602.8102(98)
Errors disregarded, §619.16

**624.16 Costs of new trial.**

The cost of all new trials shall either abide the event of the action or be paid by the party to whom such new trial is granted, according to the order of the court, to be made at the time of granting such new trial.

[R60, §3117; C73, §2840; C97, §3762; C24, 27, 31, 35, 39, §**11560;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.16]

Referred to in §602.8102(98)

**624.17 Special execution — pleading.**

Where any other than a general execution of the common form is required, the party must state in the pleading the facts entitling the party thereto, and the judgment may be entered in accordance with the finding of the court or jury thereon.

[R60, §3125; C73, §2852; C97, §3772; C24, 27, 31, 35, 39, §**11570;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.17]

Referred to in §602.8102(98)

**624.18 Designation and calculation of damages.**

1. In all actions where the plaintiff recovers a sum of money, the amount to which the plaintiff is entitled may be awarded the plaintiff by the judgment generally, without any distinction being therein made as to whether such sum is recovered by way of debt or damages.

2. In all personal injury actions where the plaintiff recovers a sum of money that, according to special verdict, is intended, in whole or in part, to address the future damages of the plaintiff, that portion of the judgment that reflects the future damages shall be adjusted by the court or the finder of fact to reflect the present value of the sum.

3. Under no circumstances shall there be a reduction to present value more than one time by either the trier of fact or the court.

[R60, §3144; C73, §2862; C97, §3782; C24, 27, 31, 35, 39, §**11580;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.18]

97 Acts, ch 197, §9, 16

Referred to in §602.8102(98), 668.3

**624.19 Court acting as jury.**

The provisions of this chapter relative to juries are intended to be applied to the court when acting as a jury on the trial of a cause, so far as they are applicable and not incompatible with other provisions herein contained.

[C51, §1823; R60, §3145; C73, §2863; C97, §3783; C24, 27, 31, 35, 39, §**11581;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.19]

Referred to in §602.8102(98)

**624.20 Satisfaction of judgment.**

Where a judgment is set aside or satisfied by execution or otherwise, the clerk shall at once enter a memorandum thereof on the column left for that purpose in the judgment docket. However, the clerk may enter satisfaction of judgment if the amount of the judgment that is unsatisfied is three dollars or less.

[C51, §1819; R60, §3141; C73, §2865; C97, §3785; C24, 27, 31, 35, 39, §**11583;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.20]

2000 Acts, ch 1032, §3; 2003 Acts, ch 151, §48

Referred to in §602.8102(98)

**624.21** Repealed by 93 Acts, ch 70, § 15.

**624.22 Personal judgment — when authorized.**

A personal judgment may be rendered against a defendant, whether the defendant appears or not, who has been served in any mode provided in this Code other than by publication, whether served within or without this state, if such defendant is a resident of the state.

[R60, §3164; C73, §2881; C97, §3800; C24, 27, 31, 35, 39, §**11601;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.22]

**624.23 Liens of judgments — real estate — homesteads — support judgments.**

1. Judgments in the appellate or district courts of this state, or in the circuit or district court of the United States within the state, are liens upon the real estate owned by the defendant at the time of such rendition, and also upon all the defendant may subsequently acquire, for the period of ten years from the date of the judgment.

2. *a.* Judgment liens described in subsection 1 do not attach to real estate of the defendant, occupied as a homestead pursuant to chapter 561, except as provided in section 561.21 or if the real estate claimed as a homestead exceeds the limitations prescribed in sections 561.1 through 561.3.

*b.* A claim of lien against real estate claimed as a homestead is barred unless execution is levied within thirty days of the time the defendant, the defendant's agent, or a person with an interest in the real estate has served written demand on the owner of the judgment. The demand shall state that the lien and all benefits derived from the lien as to the real estate alleged to be or to have been a homestead shall be forfeited unless the owner of the judgment levies execution against that real estate within thirty days from the date of service of the demand. The demand shall contain an affidavit setting forth facts indicating why the judgment is not believed to be a lien against the real estate. A warranty of title by a former occupying homeowner in a conveyance for value constitutes a claim of exemption against all judgments against the current homeowner or the current homeowner's spouse not specifically exempted in the conveyance. Written demand shall be served in any manner authorized for service of original notice under the Iowa rules of civil procedure or in a manner provided in section 654.4A, subsections 1 through 3. A copy of the written demand and proof of service of the written demand shall be filed in the court file of the case in which the judgment giving rise to the alleged lien was entered.

*c.* A party serving a written demand under this subsection may obtain an immediate court order releasing the claimed lien by posting with the clerk of court a cash bond in an amount of at least one hundred twenty-five percent of the outstanding balance owed on the judgment. The court may order that in lieu of posting the bond with the clerk of court, the bond may be deposited in either the trust account of an attorney licensed to practice law in this state or in a federally insured depository institution, along with the restriction that the bond not be disbursed except as the court may direct. A copy of the court order shall be served along with a written demand under this subsection. Thereafter, any execution on the judgment shall be against the bond, subject to all claims and defenses which the moving party had against the execution against the real estate, including but not limited to a lack of equity in the property to support the lien in its proper priority. The bond shall be released upon demand of its principal or surety if no execution is ordered on the judgment within thirty days of completion of service of the written demand under this subsection.

3. Judgment liens described in subsection 1 shall not attach to subsequently acquired real estate owned by the defendant if the personal liability of the defendant on the judgment has been discharged under the bankruptcy laws of the United States.

4. *a.* In addition to other provisions relating to the attachment of liens, full faith and credit shall be afforded to liens arising for overdue support due on support judgments entered by a court or administrative agency of another state on real estate in this state owned by the obligor, for the period of ten years from the date of the judgment. Notwithstanding any other provisions of law, including but not limited to the formatting of forms or requirement of signatures, the lien attaches on the date that a notice of interstate lien promulgated by the United States secretary of health and human services is filed with the clerk of district court in the county where the real estate is located.

*b.* The lien shall apply only prospectively as of the date of attachment to all real estate the obligor may subsequently acquire and does not retroactively apply to the chain of title for any real estate that the obligor had disposed of prior to the date of attachment.

5. A judgment lien attaching to the real estate of a city may be discharged at any time by the city filing with the clerk of the district court in which the judgment was entered a bond in the amount for which the judgment was entered, including court costs and accruing interest, with surety or sureties to be approved by the clerk, conditioned for the payment of the judgment amount, interest, and court costs. If the real estate is located in a county

other than that in which the judgment was entered, the clerk of the district court in which the judgment was entered shall certify to the clerk of the district court of the county in which the real estate is located that the bond has been filed.

6. A judgment against a city shall not give rise to a lien attaching to the streets, alleys, or utility easements of a city or attaching to the real estate of a city which is used by the city for transportation, health, safety, or utility purposes.

7. If a case file has been sealed by the court, or if by law the court records in a case are not available to the general public, any judgments entered in the case shall not become a lien on real property until either the identity of the judgment creditor becomes public record, or until the judgment creditor, in a public document in the case in which judgment is entered, designates an agent and office, consistent with the requirements of section 490.501, on which process on the judgment creditor may be served. Service may be made on the agent in the same manner as service may be made on a corporate agent pursuant to section 490.504. An agent who has resigned without designating a successor agent and office and who is otherwise unavailable for service may be served in the manner provided in section 490.504, subsection 2, at the agent's office of record.

[C51, §2485, 2489; R60, §4105, 4109; C73, §2882; C97, §3801; C24, 27, 31, 35, 39, §**11602;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.23; 82 Acts, ch 1002, §1 – 3]

85 Acts, ch 100, §8; 86 Acts, ch 1014, §1; 89 Acts, ch 102, §8; 97 Acts, ch 175, §202; 2002 Acts, ch 1089, §1; 2006 Acts, ch 1132, §4, 16; 2010 Acts, ch 1021, §1; 2011 Acts, ch 6, §1

Referred to in §232.141, 631.1

Judgment lien for alcoholic beverage violations, §123.113

Special limitations on judgments, chapter 615

**624.24 When judgment lien attaches.**

When the real estate lies in the county wherein the judgment of the district court of this state or of the circuit or district courts of the United States was entered in the judgment docket and lien index kept by the clerk of the court having jurisdiction, the lien shall attach from the date of such entry of judgment, but if in another it will not attach until an attested copy of the judgment is filed in the office of the clerk of the district court of the county in which the real estate lies except for a foreign judgment pursuant to chapter 626A, foreign-country money judgment pursuant to chapter 626B, or tribal court judgment pursuant to chapter 626D, which shall not attach until proceedings to challenge such judgment as authorized by its chapter have been concluded, and the district court finds that any such judgment is entitled to recognition. In such cases, the lien shall attach on the date the clerk of court files an attested copy of the judgment in the office of the clerk of the district court of the county in which the real estate lies.

[C51, §2486, 2487; R60, §4106, 4107; C73, §2883, 2884; C97, §3802; S13, §3802; C24, 27, 31, 35, 39, §**11603;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.24]

85 Acts, ch 100, §9; 86 Acts, ch 1014, §2; 2007 Acts, ch 192, §1; 2010 Acts, ch 1053, §12, 13

Referred to in §626A.3, 626D.3

**624.24A Liens of support judgments — titled personal property.**

1. In addition to other provisions relating to the attachment of liens, support judgments in the appellate or district courts of this state are liens upon the personal property titled in this state and owned by the obligor at the time of such rendition or subsequently acquired by the obligor.

2. The lien shall attach from the date of the notation on the title.

3. *a.* In addition to other provisions relating to the attachment of liens, full faith and credit shall be afforded to a lien arising for overdue support due on support judgments entered by a court or administrative agency of another state on personal property titled in this state and owned by the obligor. In this state a lien attaches on the date that a notice of interstate lien promulgated by the United States secretary of health and human services is filed with the clerk of district court in the county where the personal property is titled and the lien is noted on the title.

*b.* The lien shall apply only prospectively as of the date of attachment, shall attach to any titled personal property the obligor may subsequently acquire, and does not retroactively

apply to the chain of title for any personal property that the obligor had disposed of prior to the date of attachment.

97 Acts, ch 175, §203; 2013 Acts, ch 30, §261
Code editor directive applied

**624.25 Appellate court judgments.**

The lien of judgments of the appellate courts of Iowa shall not attach to any real estate until an attested copy of the judgment is filed in the office of the clerk of the district court of the county in which the real estate lies.

[S13, §3802; C24, 27, 31, 35, 39, §**11604;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.25]

**624.26 Docketing transcript.**

Such clerk shall, on the filing of such transcript of the judgment of the appellate or district court of this state or of the circuit or district court of the United States in the clerk's office, immediately proceed to docket and index the same, in the same manner as though rendered in the court of the clerk's own county.

[C51, §2488; R60, §4108; C73, §2885; C97, §3803; C24, 27, 31, 35, 39, §**11605;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.26]

**624.27 Judgment against railway.**

A judgment against any railway, interurban railway, or street railway corporation or partnership, for an injury to any person or property, and any claim for compensation under the workers' compensation Act for personal injuries sustained by their employees arising out of and in the course of their employment, shall be a lien upon the property of such corporation or partnership within the county where the judgment was recovered or in which occurred the injury for which compensation is due.

[C73, §1309; C97, §2075; C24, 27, 31, 35, 39, §**11606;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.27]

2008 Acts, ch 1032, §106

**624.28 Priority.**

Said lien shall be prior and superior to the lien of any mortgage or trust deed executed since July 4, 1862, by any railway corporation or partnership, and prior and superior to the lien of any mortgage or trust deed executed after August 9, 1897, by any interurban railway or street railway corporation or partnership.

[C73, §1309; C97, §2075; C24, 27, 31, 35, 39, §**11607;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.28]

2008 Acts, ch 1032, §106

**624.29 Conveyance by commissioner.**

Real property may be conveyed by a commissioner appointed by the court:

1. Where, by judgment in an action, a party is ordered to convey such property to another.
2. Where such property has been sold under a judgment or order of the court, and the purchase price has been paid.

[R60, §3165; C73, §2886; C97, §3805; C24, 27, 31, 35, 39, §**11613;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.29]

**624.30 Deed.**

The deed of the commissioner shall refer to the judgment, orders, and proceedings authorizing the conveyance.

[R60, §3166; C73, §2887; C97, §3806; C24, 27, 31, 35, 39, §**11614;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.30]

**624.31 Conveys title.**

A conveyance made in pursuance of a judgment shall pass to the grantee the title of the parties ordered to convey the land.

[R60, §3167; C73, §2888; C97, §3807; C24, 27, 31, 35, 39, §**11615;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.31]

**624.32 Other parties.**

A conveyance made in pursuance of a sale ordered by the court shall pass to the grantee the title of all the parties to the action or proceeding.

[R60, §3168; C73, §2889; C97, §3808; C24, 27, 31, 35, 39, §**11616;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.32]

**624.33 Approval by court.**

A conveyance by a commissioner shall not pass any right until it has been approved by the court, which approval shall be endorsed on the conveyance and recorded with it.

[R60, §3169; C73, §2890; C97, §3809; C24, 27, 31, 35, 39, §**11617;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.33]

**624.34 Form.**

The conveyance shall be signed by the commissioner only, without affixing the names of the parties whose title is conveyed, but the names of such parties shall be recited in the body of the conveyance.

[R60, §3170; C73, §2891; C97, §3810; C24, 27, 31, 35, 39, §**11618;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.34]

**624.35 Recorded.**

The conveyance shall be recorded in the office in which, by law, it should have been recorded had it been made by the parties whose title is conveyed by it.

[R60, §3171; C73, §2892; C97, §3811; C24, 27, 31, 35, 39, §**11619;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.35]

Referred to in §331.602

**624.36** Repealed by 67 Acts, ch 400, § 164.

**624.37 Satisfaction of judgment — penalty.**

1. When the amount due upon judgment is paid off, or satisfied in full, the party entitled to the proceeds thereof, or those acting for that party, must acknowledge satisfaction of the judgment by the execution of an instrument referring to it, duly acknowledged or notarized in the manner prescribed in chapter 9B, and filed in the office of the clerk in every county wherein the judgment is a lien. A failure to acknowledge satisfaction of the judgment in such manner within thirty days after having been requested to do so in a writing containing a draft release of the judgment shall subject the delinquent party to a penalty of four hundred dollars to be recovered by a motion filed in the court that rendered the original judgment requesting that the payor of the judgment, if different from the judgment debtor, be subrogated to the rights of the judgment creditor, that the court determine the amount currently owed on the judgment, or any other relief as may be necessary to accomplish payment and satisfaction of the judgment. If the motion relates to a lien of judgment as to specific property, the motion may be filed by a person with an interest in the property.

2. Upon the filing of an affidavit to the motion that a judgment creditor cannot be located or is unresponsive to requests to accept payment within the thirty-day period described in subsection 1, and upon court order, payment upon a judgment may be made to the treasurer of state as provided in chapter 556 and the treasurer's receipt for the funds is conclusive proof of payment on the judgment.

[C97, §3804; C24, 27, 31, 35, 39, §**11621;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §624.37]

90 Acts, ch 1030, §1; 99 Acts, ch 144, §10; 2011 Acts, ch 6, §2; 2012 Acts, ch 1050, §56, 60

Referred to in §602.8102(98), 631.1

MINOR'S LIABILITY

**624.38 Minor's liability for own acts.**

The provisions of section 613.16 shall not limit any liability of any minor for the minor's own acts and shall not limit any liability imposed by the common law or by any other provision of the Code.

[C71, 73, 75, 77, 79, 81, §624.38]

# CHAPTER 624A

## PROCEDURE TO VACATE OR MODIFY JUDGMENTS

For Iowa court rules concerning proceedings after judgment, see R.C.P. 1.1001 – 1.1020

624A.1 Time limit.
624A.2 Cause of action or defense — necessity.
624A.3 Injunction.

**624A.1 Time limit.**

Such proceedings must be commenced within one year after the judgment or order was made, unless the party entitled thereto is a minor or person of unsound mind, and then within one year after the removal of such disability.

[R60, §3501; C73, §3157; C97, §4094; C24, 27, 31, 35, 39, §**12793;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §683.1]

C93, §624A.1

**624A.2 Cause of action or defense — necessity.**

The judgment shall not be vacated on motion or petition until it is adjudged there is a cause of action or defense to the action in which the judgment is rendered.

[R60, §3503; C73, §3159; C97, §4096; C24, 27, 31, 35, 39, §**12796;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §683.2]

C93, §624A.2

**624A.3 Injunction.**

The party seeking to vacate or modify a judgment or order may have an injunction suspending proceedings on the whole or part thereof, which shall be granted by the court upon its being rendered probable, by affidavit or verified petition, or by exhibition of the record, that the party is entitled to the relief asked.

[R60, §3505; C73, §3161; C97, §4098; C24, 27, 31, 35, 39, §**12799;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §683.3]

C93, §624A.3

# CHAPTER 625

## COSTS

Referred to in §602.8102(99)

See transition provisions in chapter 602, article 11
Deferral of costs in civil and criminal proceedings; see chapter 610


625.1 Recoverable by successful party.
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**625.1 Recoverable by successful party.**

Costs shall be recovered by the successful against the losing party.

[C51, §1811; R60, §3449; C73, §2933; C97, §3853; S13, §3853; C24, 27, 31, 35, 39, §**11622;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.1]

**625.2 Witness fees — limitation.**

The losing party, however, shall not be assessed with the cost of mileage of any witness for a distance of more than one hundred miles from the place of trial, unless otherwise ordered by the court at the time of entering judgment.

[S13, §3853; C24, 27, 31, 35, 39, §**11623;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.2]

**625.3 Apportionment generally.**

Where the party is successful as to a part of the party's demand, and fails as to part, unless the case is otherwise provided for, the court on rendering judgment may make an equitable apportionment of costs.

[C51, §1811; R60, §3449; C73, §2933; C97, §3853; S13, §3853; C24, 27, 31, 35, 39, §**11624;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.3]

**625.4 Apportionment among numerous parties.**

In actions where there are several plaintiffs or several defendants, the costs shall be apportioned according to the several judgments rendered; and where there are several causes of action embraced in the same petition, or several issues, the plaintiff shall recover costs upon the issues determined in the plaintiff's favor, and the defendant upon those determined in the defendant's favor.

[R60, §3451; C73, §2934; C97, §3854; C24, 27, 31, 35, 39, §**11625;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.4]

Apportionment between heirs and devisees, §633.476

**625.5 Liability of successful party.**

All costs accrued at the instance of the successful party, which cannot be collected of the other party, may be recovered on motion by the person entitled to them against the successful party.

[R60, §3452; C73, §2935; C97, §3855; C24, 27, 31, 35, 39, §**11626;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.5]

**625.6 Cost of procuring testimony.**

The necessary fees paid by the successful party in procuring copies of deeds, bonds, wills, or other records filed as a part of the testimony shall be taxed in the bill of costs.

[R60, §3453; C73, §2936; C97, §3856; C24, 27, 31, 35, 39, §**11627;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.6]

**625.7 Postage.**

Postage paid by the officers of the court, or by the parties, in sending process, depositions, and other papers being part of the record, by mail, shall be taxed in the bill of costs.

[R60, §3454; C73, §2937; C97, §3857; C24, 27, 31, 35, 39, §**11628;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.7]

**625.8 Jury and reporter fees.**

1. The clerk of the district court shall tax as a court cost a jury fee of one hundred dollars in every action tried to a jury.

2. The clerk of the district court shall tax as a court cost a fee of forty dollars per day for the services of a court reporter.

3. Revenue from the fees required by this section shall be deposited in the account established under section 602.8108.

[C73, §3812; C97, §3872; C24, 27, 31, 35, 39, §**11629;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.8]

83 Acts, ch 186, §10114, 10201; 94 Acts, ch 1074, §8; 2002 Acts, ch 1126, §2; 2009 Acts, ch 179, §62, 72

**625.9 Transcripts — retaxation.**

The fees of shorthand reporters for making transcripts of the notes in any case or any portion thereof, as directed by any party thereto, shall be taxed as costs, as shall also the fees of the clerk for making any transcripts of the record required on appeal, but such taxation may be revised by an appellate court on motion on the appeal, without any motion in the lower court for the retaxation of costs.

[C97, §3875; C24, 27, 31, 35, 39, §**11631;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.9]

**625.10 Defense arising after action brought.**

When a pleading contains as a defense matter which arose after the commencement of the action, whether such matter of defense is pleaded alone or with other matter of defense which arose before the action, the party affected by such matter may confess the same, and shall be entitled to the costs of the action to the time of such pleading.

[R60, §3455; C73, §2938; C97, §3858; C24, 27, 31, 35, 39, §**11632;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.10]

**625.11 Dismissal of action or abatement.**

When a plaintiff dismisses the action or any part thereof, or suffers it to abate by the death of the defendant or other cause, or where the action abates by the death of the plaintiff, and the plaintiff's representatives fail to revive the same, judgment for costs may be rendered against such plaintiff or representative, and, if against a representative, shall be paid as other claims against the estate.

[R60, §3456; C73, §2939; C97, §3859; C24, 27, 31, 35, 39, §**11633;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.11]

**625.12 Between coparties.**

Coparties against whom judgment has been recovered are entitled, as between themselves, to a taxation of the costs of witnesses whose testimony was obtained at the instance of one of the coparties and inured exclusively to a coparty's benefits.

[R60, §3457; C73, §2940; C97, §3860; C24, 27, 31, 35, 39, §**11634;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.12]

**625.13 Dismissal for want of jurisdiction.**

Where an action is dismissed from any court for want of jurisdiction the costs shall be adjudged against the party attempting to institute or bring up the same.

[R60, §3458; C73, §2941; C97, §3861; C24, 27, 31, 35, 39, §**11635;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.13]

**625.14 Costs taxable.**

The clerk shall tax in favor of the party recovering costs the allowance of the party's witnesses, the fees of officers, the compensation of referees, the necessary expenses of taking depositions by commission or otherwise, and any further sum for any other matter which the court may have awarded as costs in the progress of the action, or may allow.

[R60, §3459; C73, §2942; C97, §3862; C24, 27, 31, 35, 39, §**11636;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.14]

**625.15 Liability of nonparty.**

In actions in which the cause of action shall, by assignment after the commencement thereof, or in any other manner, become the property of a person not a party to the action, such party shall be liable for the costs in the same manner as if the person were a party.

[R60, §3460; C73, §2943; C97, §3863; C24, 27, 31, 35, 39, §**11637;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.15]

**625.16 Retaxation.**

Any person aggrieved by the taxation of a bill of costs may, upon application, have the same retaxed by the court, or by a referee appointed by the court in which the application or proceeding was had, and in such retaxation all errors shall be corrected.

[C51, §1813; R60, §3461; C73, §2944; C97, §3864; C24, 27, 31, 35, 39, §**11638;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.16]

**625.17 Liability of clerk.**

If the party aggrieved shall have paid any unlawful charge by reason of the first taxation, the clerk shall pay the costs of retaxation, and also to the party aggrieved the amount which the party may have paid by reason of the allowing of such unlawful charges.

[C51, §1813; R60, §3461; C73, §2944; C97, §3864; C24, 27, 31, 35, 39, §**11639;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.17]

**625.18 Bill of costs on appeal.**

In cases of appeals from a trial court, the supreme court clerk, if judgment is rendered in the supreme court or court of appeals or both, shall make a complete bill of costs in that court which shall be filed in the office of the clerk of the trial court and taxed with the costs in the action therein.

[R60, §3462; C73, §2945; C97, §3865; C24, 27, 31, 35, 39, §**11640;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.18]

**625.19 Costs in appellate courts.**

When the costs accrued in the appellate courts and the trial court are paid to the clerk of the trial court, the clerk shall pay them to the persons entitled thereto.

[R60, §3463; C73, §2946; C97, §3866; C24, 27, 31, 35, 39, §**11641;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.19]

**625.20** Repealed by 75 Acts, ch 249, § 2.

**625.21 Interest.**

Except for an action brought pursuant to chapter 668, when the judgment is for the recovery of money, interest from the time of the verdict or report until judgment is finally entered shall be added to the costs of the party entitled to the costs.

[R60, §3466; C73, §2948; C97, §3868; C24, 27, 31, 35, 39, §**11643;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.21]

87 Acts, ch 157, §4; 91 Acts, ch 116, §17

Interest on judgments, §535.3

**625.22 Attorney fees — costs.**

When judgment is recovered upon a written contract containing an agreement to pay an attorney fee, the court shall allow and tax as a part of the costs a reasonable attorney fee to be determined by the court.

In an action against the maker to recover payment on a dishonored check or draft, as defined in section 554.3104, the plaintiff, if successful, may recover, in addition to all other costs or surcharges provided by law, all court costs incurred, including a reasonable attorney fee, or an individual's cost of processing a small claims recovery such as lost time and transportation costs from the maker of the check or draft. However, lost time and transportation costs of an assignee shall not be awarded under section 631.14 to a person who in the regular course of business takes assignments of instruments or accounts pursuant to chapter 539. Only actual out-of-pocket expenses incurred in obtaining the small claim recovery may be awarded to the assignee. Any additional charges shall be determined by the court. If the defendant is successful in the action and the court determines the action was frivolous, the court may award the defendant reasonable attorney fees.

[C97, §3869; C24, 27, 31, 35, 39, §**11644;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.22]

84 Acts, ch 1217, §2; 87 Acts, ch 137, §2

Referred to in §554.3513, 625.24, 631.17

**625.23 Limitations.**

If action is commenced and the claim paid off before return day, the amount shall be one-half of the sum above provided, and if it is paid after the return day but before judgment, three-fourths of said sum; but no fee shall be allowed in any case if an action has not been commenced, or expense incurred, nor shall any greater sum be allowed, any agreement in the contract to the contrary notwithstanding.

[C97, §3869; C24, 27, 31, 35, 39, §**11645;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.23]

Referred to in §625.24

**625.24 Affidavit required.**

The attorney fee allowed in sections 625.22 and 625.23 shall not be taxed in any case unless it appears by affidavit of the attorney that there is not and has not been an agreement between the attorney and the attorney's client or any other person, express or implied, for any division or sharing of the fee to be taxed. This limitation does not apply to a practicing attorney engaged with the attorney as an attorney in the cause. The affidavit shall be filed prior to any attorney fees being taxed. When fees are taxed, they shall be only in favor of a regular attorney and as compensation for services actually rendered in the action.

[C97, §3870; C24, 27, 31, 35, 39, §**11646;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.24]

85 Acts, ch 72, §1

**625.25 Opportunity to pay.**

No such attorney fee shall be taxed if the defendant is a resident of the county and the action is not aided by an attachment, unless it shall be made to appear that such defendant had information of and a reasonable opportunity to pay the debt before action was brought. This

provision, however, shall not apply to contracts made payable by their terms at a particular place, the maker of which has not tendered the sum due at the place named in the contract.

[C97, §3871; C24, 27, 31, 35, 39, §**11647;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §625.25]

Referred to in §654.4B

**625.26 and 625.27** Reserved.

**625.28 Definitions.**

As used in section 625.29, unless the context otherwise requires:

1. *"Fees and other expenses"* include the reasonable attorney fees and reasonable expenses of expert witnesses plus court costs, but they do not include any portion of an attorney's fees or salary paid by a unit of local, state, or federal government for the attorney's services in the case.

2. *"State"* includes the state of Iowa, an agency of the state, or any official of the state acting in an official capacity.

83 Acts, ch 107, §1, 3

Referred to in §23A.4

**625.29 Fees — expenses.**

1. Unless otherwise provided by law, and if the prevailing party meets the eligibility requirements of subsection 2, the court in a civil action brought by the state or an action for judicial review brought against the state pursuant to chapter 17A other than for a rulemaking decision, shall award fees and other expenses to the prevailing party unless the prevailing party is the state. However, the court shall not make an award under this section if it finds one of the following:

*a.* The position of the state was supported by substantial evidence.

*b.* The state's role in the case was primarily adjudicative.

*c.* Special circumstances exist which would make the award unjust.

*d.* The action arose from a proceeding in which the role of the state was to determine the eligibility or entitlement of an individual to a monetary benefit or its equivalent or to adjudicate a dispute or issue between private parties or to establish or fix a rate.

*e.* The proceeding was brought by the state pursuant to Title XVI.*

*f.* The proceeding involved eminent domain, foreclosure, collection of judgment debts, or was a proceeding in which the state was a nominal party.

*g.* The proceeding involved the department of administrative services under chapter 8A, subchapter IV.

*h.* The proceeding is a tort claim.

2. To be eligible for an award of fees and other expenses under this section, the prevailing party shall be one of the following:

*a.* A natural person.

*b.* A sole proprietorship, partnership, corporation, association, or public or private organization, any of which meets the following criteria:

(1) Its average daily employment was twenty persons or less for the twelve months preceding the filing of the action.

(2) Its gross receipts for the twelve-month period preceding the filing of the action were one million dollars or less, or its average gross receipts for the three twelve-month periods preceding the filing of the action were two million dollars or less.

3. A party seeking an award for fees and other expenses under this section must file a claim for relief as a part of the civil action or as a part of the action for judicial review brought against the state pursuant to chapter 17A. If the amount sought includes an attorney's fees or fees for an expert, the application shall include an itemized statement for these fees indicating the actual time expended in representing the party and the rate at which the fees were computed. The party seeking relief must establish that the state's case was not supported by substantial evidence.

4. The court, in its discretion, may reduce the amount to be awarded pursuant to this

section, or deny an award, to the extent that the prevailing party, during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy.

5. An award pursuant to this section shall not personally obligate any officer or employee of this state for payment.

6. Fees and other expenses awarded under this section may be ordered in addition to any compensation awarded in a judgment. When awarding fees and other expenses against the state under this section, the court shall order the auditor of state to issue a warrant drawn on the state general fund for the amount of the award. The treasurer of state shall pay the warrant. However, if the court finds that an agency of state government, against which fees and other expenses are awarded for an action for judicial review of an agency proceeding under chapter 17A, has acted in bad faith in initiating an action deemed frivolous or without merit, then the agency shall make the payment ordered from the moneys appropriated to that agency.

7. Each agency that pays fees or other expenses for an action for judicial review of an agency proceeding under chapter 17A shall report annually to the chairs and ranking members of the appropriate appropriations subcommittees of the general assembly the amount of fees or other expenses paid during the preceding fiscal year by that agency. In its report the agency shall describe the number, nature, and amount of the awards, the claims involved in the action, and other relevant information which might aid the general assembly in evaluating the scope and impact of these awards.

83 Acts, ch 107, §2, 3; 88 Acts, ch 1134, §110; 2003 Acts, ch 145, §275

Referred to in §625.28

*This provision does not include chapters 709A, 718A, 822, 904, 913, and 914, which were moved into Title XVI by the Code editor. Chapters 709A, 718A, 822, 904, 913, and 914 contain the applicable provisions pertaining to those chapters.

# CHAPTER 625A

## APPELLATE COURT PROCEDURE

See Rules of Appellate Procedure in the publication "Iowa Court Rules"


625A.1 Mistake of clerk below.
625A.2 Motion for new trial.
625A.3 Time for appealing in re constitutional test.
625A.4 Coparties not joining.
625A.5 Appeal from part of judgment or order — effect.
625A.6 Filing in re action to test constitutionality.
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625A.14 Remand — process.
625A.15 Restitution of property.
625A.16 Title not affected.
625A.17 Death of party — continuance.
625A.18 Executions.


**625A.1 Mistake of clerk below.**

A mistake of the clerk shall not be ground for an appeal until the same has been presented to and acted upon by the court below.

[R60, §3498; C73, §3167; C97, §4104; C24, 27, 31, 35, 39, §**12826;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.1]

C93, §625A.1

**625A.2 Motion for new trial.**

An appellate court on appeal may review and reverse any judgment or order of the district court, although no motion for a new trial was made in such court.

[C73, §3169; C97, §4106; C24, 27, 31, 35, 39, §**12828;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.2]

C93, §625A.2

**625A.3 Time for appealing in re constitutional test.**

If the action challenges the legality, validity or constitutionality of a proposed constitutional amendment, notice of appeal may be taken within three days from and after the entry of the decree in district court, and not afterwards.

[C31, 35, §12832-d1; C39, §**12832.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.3]

C93, §625A.3

**625A.4 Coparties not joining.**

Coparties, refusing to join in an appeal, cannot afterward appeal, or derive any benefit therefrom, unless from the necessity of the case, but they shall be held to have joined, and be liable for their proportion of the costs, unless they appear and object thereto.

[C51, §1980, 1981; R60, §3518, 3519; C73, §3175, 3176; C97, §4112; C24, 27, 31, 35, 39, §**12835;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.4]

C93, §625A.4

**625A.5 Appeal from part of judgment or order — effect.**

An appeal from part of an order, or from one of the judgments of a final adjudication, or from part of a judgment, shall not disturb, delay, or affect the rights of any party to any judgment or order, or part of a judgment or order, not appealed from.

[R60, §3510; C73, §3177; C97, §4113; C24, 27, 31, 35, 39, §**12836;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.5]

C93, §625A.5

**625A.6 Filing in re action to test constitutionality.**

If the action challenges the legality, validity or constitutionality of a proposed constitutional amendment, an abstract of record shall be filed within five days after the service of notice of appeal, unless additional time, not to exceed three days, be granted by the chief justice.

[C31, 35, §12847-d1; C39, §**12847.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.6]

C93, §625A.6

**625A.7 Transmission.** Repealed by 2013 Acts, ch 6, § 2.

**625A.8 Return of original papers.**

If a new trial is granted by an appellate court, the clerk, as soon as the cause is at an end therein, shall transmit to the clerk of the court below all original papers or exhibits certified up from said court, and may at any time return any such papers when no new trial is awarded.

[C97, §4126; C24, 27, 31, 35, 39, §**12856;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.8]

C93, §625A.8

**625A.9 Execution on unstayed part of judgment — supersedeas bond waived.**

1. The taking of the appeal from part of a judgment or order, and the filing of a bond, does not stay execution as to that part of the judgment or order not appealed from.

2. *a.* (1) Except as provided in paragraph *"b"*, if the judgment or order appealed from is for money, such bond shall not exceed one hundred ten percent of the amount of the money judgment.

(2) The court may set a bond in an amount in excess of one hundred ten percent of the amount of the money judgment upon making specific findings justifying such an amount, and in doing so, shall consider, but shall not be limited to consideration of, the following criteria:

(a) The availability and cost of the bond or other form of adequate security.

(b) The assets of the judgment debtor and of the judgment debtor's insurer or indemnitor, if any.

(c) The potential adverse effects of the bond on the judgment debtor, including, but not limited to, the potential adverse effects on the judgment debtor's employees, financial stability, and business operations.

(d) The potential adverse effects of the bond on the judgment creditor and third parties, including public entities.

(e) In a class action suit, the adequacy of the bond to compensate all members of the class.

*b.* Notwithstanding paragraph "*a*", in no case shall a bond exceed one hundred million dollars, regardless of the value of the money judgment. This limitation shall not apply in cases where the court finds that the defendant intentionally dissipated the defendant's assets outside the ordinary course of business for the purpose of evading payment of the judgment.

3. Upon motion and for good cause shown, the district court may stay all proceedings under the order or judgment being appealed and permit the state or any of its political subdivisions to appeal a judgment or order to the supreme court without the filing of a supersedeas bond.

[C51, §1985; R60, §3532; C73, §3191; C97, §4129; C24, 27, 31, 35, 39, §**12862;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.9]

C93, §625A.9

2003 Acts, 1st Ex, ch 1, §115, 133

[2003 Acts, 1st Ex, ch 1, §115, 133, amendments to this section stricken pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, 1st Ex, ch 1001, §5, 6, 8; 2013 Acts, ch 30, §187

Subsection 2, paragraph a amended

**625A.10 Execution recalled.**

If execution has issued prior to the filing of the bond, the clerk shall countermand the same.

[C51, §1987; R60, §3533; C73, §3192; C97, §4130; C24, 27, 31, 35, 39, §**12863;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.10]

C93, §625A.10

**625A.11 Surrender of property.**

Property levied upon and not sold at the time such countermand is received by the sheriff shall be at once delivered to the judgment debtor.

[C51, §1988; R60, §3534; C73, §3193; C97, §4131; C24, 27, 31, 35, 39, §**12864;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.11]

C93, §625A.11

**625A.12 Bond for costs.**

The appellant may be required to give security for costs under the same circumstances and upon the same showing as plaintiffs in civil actions in the inferior court may be.

[R60, §3526; C73, §3210; C97, §4135; C24, 27, 31, 35, 39, §**12868;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.12]

C93, §625A.12

Cost bond, chapter 621

**625A.13 Arguments in re constitutional test.**

If the action challenges the legality, validity or constitutionality of a proposed constitutional amendment, the appellant shall file a written argument with the supreme court within ten days after the filing of the abstract and appellee shall file an argument within ten days thereafter, and appellant shall then file a reply within three days. The cause shall then be submitted to the supreme court in regular or special en banc session as soon thereafter as the chief justice may order.

[C31, 35, §1287-d1; C39, §**12871.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.13]

C93, §625A.13

**625A.14 Remand — process.**

If an appellate court affirms the judgment or order of an inferior court, it may send the cause to the appropriate court below to have the same carried into effect, or may issue the necessary process for this purpose, directed to the sheriff of the proper county, as the party may require.

[C51, §1991; R60, §3539; C73, §3197; C97, §4143; C24, 27, 31, 35, 39, §**12875;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.14]

C93, §625A.14

Referred to in §331.653

**625A.15 Restitution of property.**

If, by the decision of an appellate court, the appellant becomes entitled to a restoration of any part of the money or property that was taken from the appellant by means of a judgment or order, either the appellate court or the court below may direct execution or writ of restitution to issue for the purpose of restoring to the appellant such property or its value.

[C51, §1992; R60, §3540; C73, §3198; C97, §4145; C24, 27, 31, 35, 39, §**12877;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.15]

C93, §625A.15

**625A.16 Title not affected.**

Property acquired by a purchaser in good faith under a judgment subsequently reversed shall not be affected thereby.

[C51, §1993; R60, §3541; C73, §3199; C97, §4146; C24, 27, 31, 35, 39, §**12878;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.16]

C93, §625A.16

**625A.17 Death of party — continuance.**

The death of one or all of the parties shall not cause the proceedings to abate, but the names of the proper persons shall be substituted, as is provided in such cases in the district court, and the case may proceed. The court may also, in such case, grant a continuance when such a course will be calculated to promote the ends of justice.

[R60, §3520; C73, §3211; C97, §4150; C24, 27, 31, 35, 39, §**12884;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.17]

C93, §625A.17

**625A.18 Executions.**

Executions issued from the appellate courts shall be like those from the district court, attended with the same consequences, and returnable in the same time.

[R60, §3552; C73, §3215; C97, §4153; C24, 27, 31, 35, 39, §**12888;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §686.18]

C93, §625A.18

Execution generally, chapter 626

# CHAPTER 626

## EXECUTION

Referred to in §10A.108, 96.14, 252B.6A, 331.653, 356.7, 422.26, 424.11, 521A.14, 602.8102(101), 602.8105, 809A.12

For Iowa court rules concerning execution and duty of officer, endorsement, and levy on personalty, see R.C.P. 1.1018 – 1.1020
See also reference in §639.23
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**626.1 Enforcement of judgments and orders.**

Judgments or orders requiring the payment of money, or the delivery of the possession of property, are to be enforced by execution. Obedience to those requiring the performance of any other act is to be coerced by attachment as for a contempt.

[C51, §1885; R60, §3247; C73, §3026; C97, §3954; C24, 27, 31, 35, 39, §**11648;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.1]

Contempts, chapter 665; exceptions, §598.23

Enjoining enforcement, R.C.P. 1.1510

**626.2 Within what time — to what counties.**

Executions may issue at any time before the judgment is barred by the statute of limitations; and upon those in the district and appellate courts, into any county which the party ordering may direct.

[C51, §1886, 1888; R60, §3246, 3248; C73, §3025, 3027; C97, §3955; S13, §3955; C24, 27, 31, 35, 39, §**11649;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.2]

Issuance prohibited, chapter 615

**626.3 Limitation on number.**

Only one execution shall be in existence at the same time.

[R60, §3246; C73, §3025; C97, §3955; S13, §3955; C24, 27, 31, 35, 39, §**11650;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.3]

**626.4 Lost writ.**

When the plaintiff in judgment shall file in any court in which a judgment has been entered an affidavit made by the plaintiff, the plaintiff's agent or attorney, or by the officer to whom the execution was issued, that an outstanding execution has been lost or destroyed, the clerk of such court may issue a duplicate execution as of the date of the lost execution, which shall have the same force and effect as the original execution, and any levy made under the execution so lost shall have the same force and effect under the duplicate execution as under the original.

[S13, §3955; C24, 27, 31, 35, 39, §**11651;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.4]

**626.5 Expiration of lost writ — effect.**

When the lost execution shall have expired by limitation and such affidavit is filed, an execution may issue as it might if such lost execution had been duly returned.

[S13, §3955; C24, 27, 31, 35, 39, §**11652;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.5]

**626.6 Issuance on Sunday.**

An execution may be issued and executed on Sunday, when an affidavit is filed by the plaintiff, or some person in the plaintiff's behalf, stating that the plaintiff or person believes the plaintiff or person will lose the plaintiff's judgment unless process issues on that day.

[R60, §3263; C73, §3028; C97, §3956; C24, 27, 31, 35, 39, §**11653;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.6]

Analogous or related provisions, §602.1602, 639.5, 643.3, and 667.3

**626.7 Issuance on demand.**

Upon the rendition of judgment, execution may be at once issued by the clerk on the demand of the party entitled thereto.

[R60, §3265; C73, §3029; C97, §3957; C24, 27, 31, 35, 39, §**11654;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.7]

**626.8 Record kept.**

The clerk shall enter on the judgment docket the date of its issuance and to what county and officer issued, the return of the officer, with the date thereof; the dates and amount of

all moneys received or paid out of the office thereon; which entries shall be made at the time each act is done.

[R60, §3265; C73, §3029; C97, §3957; C24, 27, 31, 35, 39, §**11655;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.8]

**626.9 Entries in foreign county.**

In case execution is issued to a county other than that in which judgment is rendered, and is levied upon real estate in such county, an entry thereof shall be made upon the encumbrance book of that county by the officer making it, showing the same particulars as are required in case of the attachment of real estate, which shall be bound from the time of such entry.

[R60, §3249; C73, §3031; C97, §3958; S13, §3958; C24, 27, 31, 35, 39, §**11656;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.9]

**626.10 Duplicate returns and record.**

If real estate is sold under said execution the officer shall make return thereof in duplicate, one of which shall be appended to the execution and returned to the court from which it is issued, the other with a copy of the execution to the district court of the county in which the real estate is situated, which shall be filed by the clerk and handled in the same manner as if such judgment had been rendered and execution issued from the court.

[S13, §3958; C24, 27, 31, 35, 39, §**11657;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.10]

95 Acts, ch 91, §5

**626.11 Return from foreign county.**

When sent into any county other than that in which the judgment was rendered, return may be made by mail. Money cannot thus be sent, except by direction of the party entitled thereto, or the party's attorney.

[C51, §1889; R60, §3250; C73, §3032; C97, §3959; C24, 27, 31, 35, 39, §**11658;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.11]

**626.12 Form of execution.**

The execution must intelligibly refer to the judgment, stating the time when and place at which it was rendered, the names of the parties to the action as well as to the judgment, its amount, and the amount still to be collected thereon, if for money; if not, it must state what specific act is required to be performed. If it is against the property of the judgment debtor, it shall require the sheriff to satisfy the judgment and interest out of property of the debtor subject to execution.

[C51, §1890; R60, §3251; C73, §3033; C97, §3960; C24, 27, 31, 35, 39, §**11659;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.12]

**626.13 Property in hands of others.**

If it is against real or personal property in the hands of personal representatives, heirs, devisees, legatees, tenants of real property, or trustees, it shall require the sheriff to satisfy the judgment and interest out of such property.

[R60, §3252; C73, §3034; C97, §3961; C24, 27, 31, 35, 39, §**11660;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.13]

**626.14 Delivery of possession and money recovery.**

If it is for the delivery of the possession of real or personal property, it shall require the sheriff to deliver the possession of the same, particularly describing it, to the party entitled thereto, and may, at the same time, require the party to satisfy any costs, damages, or rents and profits, with interest, recovered by the same judgment, out of the property of the party against whom it was rendered subject to execution.

The value of the property for which judgment was recovered shall be specified therein, if a

delivery thereof cannot be had, and it shall in that respect be regarded as an execution against property.

[R60, §3253; C73, §3035; C97, §3962; C24, 27, 31, 35, 39, §**11661;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.14]

**626.15 Performance of other acts.**

When it requires the performance of any other act, a certified copy of the judgment may be served on the person against whom it is rendered, or upon the person or officer who is required thereby, or by law, to obey the same, and the person's obedience thereto enforced.

[R60, §3254; C73, §3036; C97, §3963; C24, 27, 31, 35, 39, §**11662;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.15]

**626.16 Receipt and return.**

Every officer who receives an execution shall provide a receipt, if required, stating the hour when the same was received, and shall make sufficient return of the execution, together with the money collected, on or before the one hundred twentieth day from the date of its issuance.

[R60, §3255; C73, §3037; C97, §3964; C24, 27, 31, 35, 39, §**11663;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.16]

2006 Acts, ch 1081, §1; 2006 Acts, ch 1129, §10

Referred to in §642.23

**626.17 Principal and surety — order of liability.**

The clerk issuing an execution on a judgment against principal and surety shall state in the execution the order of liability recited in the judgment, and the officer serving it shall exhaust the property of the principal first, and of the other defendants in the order of liability thus stated. To obtain the benefits of this section, the order of liability must be recited in the execution, and the officer holding it must separately return thereon the amount collected from the principal debtor and surety.

[C51, §1915; R60, §3258, 3260, 3261, 3303; C73, §3039, 3041, 3042, 3071; C97, §3966; C24, 27, 31, 35, 39, §**11665;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.17]

Referred to in §626.18

Analogous provisions, §626.64, and R.C.P. 1.956

**626.18 Duty to point out property.**

Each person subsequently liable shall, if requested by the officer, point out property owned by the party liable, before that person, to obtain the benefits of the provision of section 626.17.

[R60, §3259; C73, §3040; C97, §3966; C24, 27, 31, 35, 39, §**11666;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.18]

**626.19 Surety subrogated.**

When the principal and surety are liable for any claim, such surety may pay the same, and recover thereon against all liable to the surety. If a judgment against principal and surety has been paid by the surety, the surety shall be subrogated to all the rights of the creditor, and may take an assignment thereof, and enforce the same by execution or otherwise, as the creditor could have done. All questions between the parties thereto may be heard and determined on motion by the court upon such notice as may be prescribed by it.

[C97, §3967; C24, 27, 31, 35, 39, §**11667;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.19]

See R.C.P. 1.982

**626.20 Entry on encumbrance book.**

If real estate is levied upon, except by virtue of a special execution issued in cases foreclosing recorded liens, the officer making the levy shall make an entry in the encumbrance book in the office of the clerk of the district court of the county where the real estate is located, which entry shall constitute notice to all persons of such levy. Such entry

shall contain the number and title of the case, date of levy, date of the entry, amount claimed, description of the real estate levied upon, and signature of the officer.

[C31, 35, §11668-c1; C39, §**11668.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.20]

Analogous provision, §639.28

**626.21 Choses in action.**

Judgments, money, bank bills, and other things in action may be levied upon, and sold or appropriated thereunder, and an assignment thereof by the officer shall have the same effect as if made by the defendant.

[C51, §1893; R60, §3272; C73, §3046; C97, §3971; C24, 27, 31, 35, 39, §**11672;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.21]

**626.22 Levy on judgment.**

The levy upon a judgment shall be made by entering upon the judgment docket a memorandum of such fact, giving the names of the parties plaintiff and defendant, the court from which the execution issued, and the date and hour of such entry, which shall be signed by the officer serving the execution, and a return made on the execution of the officer's doings in the premises.

[C97, §3971; C24, 27, 31, 35, 39, §**11673;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.22]

**626.23 Persons indebted may pay officer.**

After the rendition of judgment, any person indebted to the defendant in execution may pay to the sheriff the amount of such indebtedness, or so much thereof as is necessary to satisfy the execution, and the person's receipt shall be a sufficient discharge therefor.

[C51, §1894; R60, §3273; C73, §3047; C97, §3972; C24, 27, 31, 35, 39, §**11674;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.23]

**626.24 Levy against municipal corporation — tax.**

If no property of a municipal corporation against which execution has issued can be found, or if the judgment creditor elects not to issue execution against such corporation, a tax must be levied as early as practicable to pay off the judgment. When a tax has been so levied and any part thereof shall be collected, the treasurer of such corporation shall pay the same to the clerk of the court in which the judgment was rendered, in satisfaction thereof.

[C51, §1896; R60, §3275; C73, §3049; C97, §3973; C24, 27, 31, 35, 39, §**11675;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.24]

**626.25 Unsecured interest in hands of third persons.**

Any interest which is not represented by a security as defined in the uniform commercial code, section 554.8102, owned by the defendant in any company or corporation, and also debts due the defendant and property of the defendant in the hands of third persons, may be levied upon in the manner provided for attaching the same.

[C51, §1892; R60, §3269; C73, §3050; C97, §3974; C24, 27, 31, 35, 39, §**11676;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.25]

Garnishment, chapter 642

**626.26 Garnishment.**

Property of the defendant in the possession of another, or debts due the defendant, may be reached by garnishment.

[R60, §3270; C73, §3051; C97, §3975; C24, 27, 31, 35, 39, §**11677;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.26]

Garnishment, chapter 642

**626.27 Expiration or return of execution.**

Proceedings by garnishment on execution shall not be affected by its expiration or its return.

[R60, §3271; C73, §3052; C97, §3976; C24, 27, 31, 35, 39, §**11678;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.27]

Garnishment, chapter 642

**626.28 Return of garnishment — action docketed.**

Where parties have been garnished under it, the officer shall return to the clerk of court a copy of the execution with all the officer's doings thereon, so far as they relate to the garnishments, and the clerk shall docket an action thereon without fee, and thereafter the proceedings shall conform to proceedings in garnishment under attachments as nearly as may be.

[R60, §3271; C73, §3052; C97, §3976; C24, 27, 31, 35, 39, §**11679;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.28]

Garnishment, chapter 642

**626.29 Distress warrant by director of revenue, director of inspections and appeals, or director of workforce development.**

In the service of a distress warrant issued by the director of revenue for the collection of taxes administered by or debts to be collected by the department of revenue, in the service of a distress warrant issued by the director of inspections and appeals for the collection of overpayment debts owed to the department of human services, or in the service of a distress warrant issued by the director of the department of workforce development for the collection of employment security contributions, the property of the taxpayer or the employer in the possession of another, or debts due the taxpayer or the employer, may be reached by garnishment.

[C39, §**11679.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.29; 81 Acts, ch 192, §1]

93 Acts, ch 53, §3; 94 Acts, ch 1165, §41; 96 Acts, ch 1186, § 23; 2003 Acts, ch 145, §286

Garnishment, chapter 642

**626.30 Expiration or return of distress warrant.**

Proceedings by garnishment under a distress warrant issued by the Iowa director of revenue or the director of inspections and appeals shall not be affected by its expiration or its return.

[C39, §**11679.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.30]

93 Acts, ch 53, §4; 2003 Acts, ch 145, §286

Garnishment, chapter 642

**626.31 Return of garnishment — action docketed — distress action.**

Where parties have been garnished under a distress warrant issued by the director of revenue or the director of inspections and appeals, the officer shall make return thereof to the court in the county where the garnishee lives, if the garnishee lives in Iowa, otherwise in the county where the taxpayer resides, if the taxpayer lives in Iowa; and if neither the garnishee nor the taxpayer lives in Iowa, then to the district court in Polk county, Iowa; the officer shall make return in the same manner as a return is made on a garnishment made under a writ of execution so far as they relate to garnishments, and the clerk of the district court shall docket an action thereon without fee the same as if a judgment had been recovered against the taxpayer in the county where the return is made, an execution issued thereon, and garnishment made thereunder, and thereafter the proceedings shall conform to proceedings in garnishment under attachments as nearly as may be.

[C39, §**11679.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.31]

93 Acts, ch 53, §5; 2003 Acts, ch 145, §286

Garnishment, chapter 642

**626.32 Joint or partnership property.**

When an officer has an execution against a person who owns property jointly or in common with another, such officer may levy on and take possession of the property owned jointly or

in common, sufficiently to enable the officer to appraise and inventory the same, and for that purpose shall call to the officer's assistance three disinterested persons, which inventory and appraisement shall be returned by the officer with the execution, and shall state in the officer's return who claims to own the property.

[C51, §1917; R60, §3287; C73, §3053; C97, §3977; C24, 27, 31, 35, 39, §**11680;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.32]

Analogous provisions, §639.37 et seq.

**626.33 Lien — equitable proceeding — receiver.**

The plaintiff shall, from the time such property is so levied on, have a lien on the interest of the defendant therein, and may commence an action by equitable proceedings to ascertain the nature and extent of such interest and to enforce the lien; and, if deemed necessary or proper, the court may appoint a receiver under the circumstances provided in the chapter relating to receivers.

[R60, §3289 – 3291; C73, §3054; C97, §3978; C24, 27, 31, 35, 39, §**11681;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.33]

Receivers, chapter 680

**626.34 Personal property subject to security interest — payment.**

Personal property subject to a security interest not exempt from execution may be taken on attachment or execution issued against the debtor, if the officer, or the attachment or execution creditor, within ten days after such levy, shall pay to the secured party the amount of the secured debt and interest accrued, or deposit the same with the clerk of the district court of the county from which the attachment or execution issued, for the use of the secured party, or secure the same as in this chapter provided.

[C97, §3979; C24, 27, 31, 35, 39, §**11682;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.34]

Applicable to attachments, §639.40

**626.35 Interest on secured debt.**

When the secured debt is not due as shown by the security agreement, the officer or the attachment or execution creditor, must also pay or deposit with the clerk interest on the principal sum at the rate specified in the security agreement for the term of sixty days from the date of the deposit, unless the debt secured falls due in a less time, in which case interest shall be deposited for such shorter period.

[C97, §3980; C24, 27, 31, 35, 39, §**11683;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.35]

**626.36 Failure to pay, deposit, or give security.**

If within ten days after such levy the attachment or execution creditor does not pay the amount, make the deposit, or give the security required, the levy shall be discharged, and the property restored to the possession of the person from whom it was taken and the creditor shall be liable to the secured party for any damages sustained by reason of such levy.

[C97, §3981; C24, 27, 31, 35, 39, §**11684;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.36]

**626.37 Creditor subrogated.**

When such sum is paid to the secured party or deposited with the clerk, the attachment or execution creditor shall be subrogated to all the rights of such holder, and the proceeds of the sale of the collateral shall be first applied to the discharge of such indebtedness and the costs incurred under the writ of attachment or execution.

[C97, §3982; C24, 27, 31, 35, 39, §**11685;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.37]

**626.38 Holder reinstated.**

If, for any reason, the levy upon the collateral is discharged or released without a sale thereof, the attachment or execution creditor who has paid or deposited the amount of the

secured debt shall have all the rights under such security agreement possessed by the secured party at the time of the levy. If the secured party thereof desires to be reinstated in the party's rights thereunder, the party may repay the money received by the party, with interest thereon at the rate borne by the secured debt for the time it has been held by the party, and demand the return of the security agreement, whereupon the party's rights thereunder shall revest in the party, and the attachment or execution creditor shall be entitled to the deposit made, or any part thereof remaining in the hands of the clerk, or any money returned to the clerk by the secured party.

[C97, §3983; C24, 27, 31, 35, 39, §**11686;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.38]

**626.39 Statement of amount due.**

The secured party, before receiving the money tendered to the party by the attaching or execution creditor or which was deposited with the clerk, shall state by a signed memorandum the amount due or to become due and deliver the same along with the security agreement, unless it has been filed as the financing statement, to the person paying the said amount or the clerk with whom the deposit is made, and the secured party shall only receive the amount so stated to be due, and the surplus, if any, shall be returned to the person making the deposit.

[C97, §3984; C24, 27, 31, 35, 39, §**11687;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.39]

**626.40 Indemnifying bond.**

When the attaching or execution creditor thus pays or deposits the amount of the claim under the security agreement, the creditor shall not be required to give an indemnifying bond on notice to the sheriff by the holder of the security agreement of the holder's right to the property thereunder, or if one has been given, it shall be released.

[C97, §3985; C24, 27, 31, 35, 39, §**11688;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.40]

**626.41 Sale — costs — surplus.**

If under execution sale the collateral does not sell for enough to pay the secured debt, interest, and costs of sale, the judgment creditor shall be liable for all costs thus made, but if a greater sum is realized, the officer conducting the sale shall at once pay to the secured party the amount due thereunder, and apply the surplus on the execution.

[C97, §3986; C24, 27, 31, 35, 39, §**11689;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.41]

**626.42 Statement of indebtedness.**

For the purpose of enabling the attaching or execution creditor to determine the amount to be tendered or deposited to hold the levy under the writ of attachment or execution, the person entitled to receive payment of the secured debt shall deliver to any such person, upon written demand therefor, a statement in writing under oath, showing the nature and amount of the original debt, the date and the amount of each payment, if any, which has been made thereon, and an itemized statement of the amount then due and unpaid.

[C97, §3987; C24, 27, 31, 35, 39, §**11690;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.42]

**626.43 Contest as to validity or amount.**

If the right of the secured party to receive such or any sum is for any reason questioned by the levying creditor, the party may, within ten days after levy, or after demand is made for a statement of the amount due as above provided, commence an action in equity or contest such right upon filing a bond in a penalty double the amount of such security interest, or double the value of the property levied upon, conditioned either for the payment of any sum found due

on said security interest to the person entitled thereto, or for the value of the property levied upon, as the party ordering the levy may elect, with sureties to be approved by the clerk.

[C97, §3988; S13, §3988; C24, 27, 31, 35, 39, §**11691;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.43]

**626.44 Nonresident — service — transfer of action.**

If such secured party is a nonresident or the party's residence is unknown, service may be made by publication as in other actions, but if such residence becomes known before final submission, the court may order personal service to be made. If commenced at law, the court may transfer the same to the equity side as in other cases.

[C97, §3988; S13, §3988; C24, 27, 31, 35, 39, §**11692;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.44]

Service by publication, R.C.P. 1.310

**626.45 Receiver — decree — costs.**

The court may appoint a receiver, and shall determine the amount due on the security agreement, the value of the property levied upon, and all other questions properly presented, and may continue and preserve or dismiss the lien of the levy, the costs to be taxed to the losing party as in other cases.

[C97, §3988; S13, §3988; C24, 27, 31, 35, 39, §**11693;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.45]

Costs, chapter 625

**626.46 Various security agreements — priority.**

If there are two or more security agreements, the creditor may admit the validity of one or more, and make the required deposit as to such, and contest the other, and where there are two or more such security agreements, each of which is questioned, a failure to establish the invalidity of all shall not defeat the rights of the levying creditor, but in such case the decree shall determine the priority of liens, and direct the order of payment out of the proceeds of the property which shall be sold under special execution to be awarded in said cause.

[C97, §3988; S13, §3988; C24, 27, 31, 35, 39, §**11694;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.46]

**626.47 Other remedies.**

Nothing in this chapter contained shall be construed to forbid or in any way affect the right of a creditor to contest in any other way the validity of any security agreement.

[C97, §3988; S13, §3988; C24, 27, 31, 35, 39, §**11695;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.47]

**626.48 Failure to make statement — effect.**

A failure to make the statement, when required as above provided, shall have the effect to postpone the priority of the security interest and give the levy of the writ of attachment or execution priority over the claim of the holder thereof.

[C97, §3989; C24, 27, 31, 35, 39, §**11696;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.48]

**626.49 Where secured party garnished.**

If the secured party, before the levy of a writ of attachment or execution, has been garnished at the suit of a creditor of a debtor, a creditor desiring to seize the collateral under a writ of attachment or execution shall pay to the secured party, or deposit with the clerk, in addition to the secured debt, the sum claimed under the garnishment, and the provisions of this chapter, so far as applicable, in all respects shall govern proceedings relating thereto.

[C97, §3990; C24, 27, 31, 35, 39, §**11697;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.49]

Garnishment, chapter 642

**626.50 Duty to levy — notice of ownership or exemption — notice to defendant.**

An officer is bound to levy an execution on any personal property in the possession of, or that the officer has reason to believe belongs to, the defendant, or on which the plaintiff directs the officer to levy, after having received written instructions for the levy from the plaintiff or the attorney who had the execution issued to the sheriff, unless the officer has received notice in writing under oath from some other person, or that person's agent or attorney, that the property belongs to the person, stating the nature of the person's interests in the property, how and from whom the person acquired the property, and the consideration paid for the property; or from the defendant, that the property is exempt from execution.

The officer making the levy shall promptly serve written notice of the levy on the defendant. The notice shall be served in the same manner as provided for original notice.

This section is not applicable to garnishment proceedings.

[C51, §1916; R60, §3277; C73, §3055; C97, §3991; C24, 27, 31, 35, 39, §**11698;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.50]

88 Acts, ch 1062, §1; 88 Acts, ch 1133, §3; 92 Acts, ch 1092, §1

Applicable to attachments, §639.41

**626.51 Failure to give notice — effect.**

Failure to give such notice shall not deprive the party of any other remedy.

[C97, §3991; C24, 27, 31, 35, 39, §**11699;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.51]

**626.52 Right to release levy.**

If after levy the officer receives such notice, such officer may release the property unless a bond is given as provided in section 626.54.

[C51, §1916; R60, §3277; C73, §3055; C97, §3991; C24, 27, 31, 35, 39, §**11700;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.52]

**626.53 Exemption from liability.**

The officer shall be protected from all liability by reason of such levy until the officer receives such written notice.

[C51, §1916; R60, §3277; C73, §3055; C97, §3991; C24, 27, 31, 35, 39, §**11701;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.53]

**626.54 Indemnifying bond — sale and return.**

When the officer receives such notice the officer may forthwith give the plaintiff, the plaintiff's agent, or attorney, notice that an indemnifying bond is required. Bond may thereupon be given by or for the plaintiff, with one or more sufficient sureties, to be approved by the officer, to the effect that the obligors will indemnify the officer against the damages which the officer may sustain in consequence of the seizure or sale of the property, and will pay to any claimant thereof the damages the claimant may sustain in consequence of the seizure or sale, and will warrant to any purchaser of the property such estate or interest therein as is sold; and thereupon the officer shall proceed to subject the property to the execution, and shall return the indemnifying bond to the court from which the execution issued.

[R60, §3277; C73, §3056; C97, §3992; C24, 27, 31, 35, 39, §**11702;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.54]

Referred to in §626.52

Applicable to attachments, §639.41

**626.55 Failure to give bond.**

If such bond is not given, the officer may refuse to levy, or if the officer has done so, and the bond is not given in a reasonable time after it is required by the officer, the officer may restore the property to the person from whose possession it was taken, and the levy shall stand discharged.

[R60, §3278; C73, §3057; C97, §3993; C24, 27, 31, 35, 39, §**11703;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.55]

**626.56 Application of proceeds.**

Where property for the sale of which the officer is indemnified sells for more than enough to satisfy the execution under which it was taken, the surplus shall be paid into the court to which the indemnifying bond is directed to be returned. The court may order such disposition or payment of the money to be made, temporarily or absolutely, as may be proper in respect to the rights of the parties interested.

[R60, §3280; C73, §3059; C97, §3994; C24, 27, 31, 35, 39, §**11704;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.56]

**626.57** Repealed by 72 Acts, ch 1124, § 282.

**626.58 Stay of execution — exceptions.**

On all judgments for the recovery of money, except those rendered on any appeal or writ of error, or in favor of a laborer or mechanic for wages, or against one who is surety in the stay of execution, or against any officer, person, or corporation, or the sureties of any of them, for money received in a fiduciary capacity, or for the breach of any official duty, there may be a stay of execution, if the defendant therein shall, within ten days from the entry of judgment, procure one or more sufficient freehold sureties to enter into a bond, acknowledging themselves security for the defendant for the payment of the judgment, interest, and costs from the time of rendering judgment until paid, as follows:

1. If the sum for which judgment was rendered, inclusive of costs, does not exceed one hundred dollars, three months.
2. If such sum and costs exceed one hundred dollars, six months.

[R60, §3293; C73, §3061; C97, §3996; C24, 27, 31, 35, 39, §**11706;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.58]

**626.59 Affidavit of surety.**

Officers approving stay bonds shall require the affidavit of the signers thereof, unless waived in writing by the party in whose favor the judgment is rendered, that they own property not exempt from execution, and aside from encumbrance, to the value of twice the amount of the judgment.

[C73, §3062; C97, §3997; C24, 27, 31, 35, 39, §**11707;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.59]

**626.60 Stay waives appeal.**

No appeal shall be allowed after a stay of execution has been obtained.

[R60, §3294; C73, §3063; C97, §3998; C24, 27, 31, 35, 39, §**11708;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.60]

**626.61 Bond — approval — recording — effect.**

The sureties for stay of execution may be taken and approved by the clerk, and the bond shall be recorded in a book kept for that purpose, and have the force and effect of a judgment confessed from the date thereof against their property, and shall be indexed in the proper judgment docket, as in case of other judgments.

[R60, §3295, 3298; C73, §3064; C97, §3999; C24, 27, 31, 35, 39, §**11709;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.61]

**626.62 Execution recalled.**

When the bond is accepted and approved after execution has been issued, the clerk shall immediately notify the sheriff of the stay, and the officer shall forthwith return the execution with the officer's doings thereon.

[R60, §3296; C73, §3065; C97, §4000; C24, 27, 31, 35, 39, §**11710;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.62]

**626.63 Property released.**

All property levied on before stay of execution, and all written undertakings for the delivery of personal property to the sheriff, shall be relinquished by the officer, upon stay of execution being entered.

[R60, §3297; C73, §3066; C97, §4001; C24, 27, 31, 35, 39, §**11711;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.63]

**626.64 Execution against principal and sureties.**

At the expiration of the stay, the clerk shall issue a joint execution against the property of all the judgment debtors and sureties, describing them as debtors or sureties therein, and the liability of such sureties shall be subject to that of their principal as provided in this chapter.

[R60, §3299; C73, §3067; C97, §4002; C24, 27, 31, 35, 39, §**11712;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.64]

Analogous provisions, §626.17, R.C.P. 1.956

**626.65 Objections by surety.**

When any court shall render judgment against two or more persons, any of whom is surety for any other in the contract on which judgment is founded, there shall be no stay of execution allowed, if the surety objects thereto at or before the time of rendering the judgment, whereupon it shall be ordered by the court that there be no stay, unless the surety for the stay of execution will undertake specifically to pay the judgment in case the amount thereof cannot be levied of the principal defendant, and the judgment shall recite that the liability of such stay is prior to that of the objecting surety.

[R60, §3300; C73, §3068; C97, §4003; C24, 27, 31, 35, 39, §**11713;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.65]

**626.66 Stay terminated by surety.**

Any surety for the stay of execution may file with the clerk an affidavit, stating that the surety verily believes the surety will be compelled to pay the judgment, interest, and costs thereon unless execution issues immediately, and gives notice thereof in writing to the party for whom the surety is surety; and the clerk shall thereupon issue execution forthwith, unless other sufficient surety be entered before the clerk within five days after such notice is given as in other cases.

[R60, §3301; C73, §3069; C97, §4004; C24, 27, 31, 35, 39, §**11714;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.66]

**626.67 Other security given.**

If other sufficient surety is given, it shall have the force of the original surety entered before the filing of the affidavit, and shall discharge the original surety.

[R60, §3302; C73, §3070; C97, §4005; C24, 27, 31, 35, 39, §**11715;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.67]

**626.68 Lien not released.**

Where a stay of execution has been taken, such confessed judgment shall not release any judgment lien by virtue of the original judgment for the amount then due.

[R60, §3303; C73, §3071; C97, §4006; C24, 27, 31, 35, 39, §**11716;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.68]

**626.69 Labor or wage claims preferred.**

When the property of any company, corporation, firm, or person shall be seized upon by any process of any court, or placed in the hands of a receiver, trustee, or assignee, or seized by the action of creditors, for the purpose of paying or securing the payment of the debts of such company, corporation, firm, or person, the debts, or wages as defined under section 91A.2, subsection 7, owing to all laborers or employees other than officers of such companies, for labor or work performed or services rendered within six months preceding the seizure or transfer of such property, shall be considered and treated as a preferred debt and paid in full,

or if there are insufficient funds realized from such property to pay the same in full, then, after the payment of costs, ratably out of the funds remaining.

[C97, §4019; S13, §4019; C24, 27, 31, 35, 39, §**11717;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.69]

2006 Acts, ch 1025, §1

Referred to in §626.71, 626.76, 680.7

Labor or wage claims preferred, §633.425, 680.7, 681.13

**626.70 Exceptions.**

Such preference shall be junior and inferior to mechanics' liens for labor in opening and developing coal mines.

[C97, §4019; S13, §4019; C24, 27, 31, 35, 39, §**11718;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.70]

**626.71 Statement of claim — allowance.**

Any employee desiring to enforce a claim for wages, at any time after the seizure of the property under execution or writ of attachment or under any other authority, and before sale thereof is ordered, shall present to the officer levying on such property or to such receiver, trustee, or assignee, or to the court having custody of such property or from which such process issued, or person charged with such property, a statement under oath, showing the amount due after allowing all just credits and setoffs, and the kind of work for which such wages are due, and when performed; and unless objection be made thereto as provided in section 626.72, such claim shall be allowed and paid to the person entitled thereto, after first paying all costs occasioned by the proceeding out of the proceeds of the sale of the property so seized or placed in the hands of a receiver, trustee, or assignee, or court, or person charged with the same, subject, however, to the provisions of section 626.69.

[C97, §4020; S13, §4020; C24, 27, 31, 35, 39, §**11719;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.71]

Referred to in §626.76

**626.72 Contest.**

Any person interested may contest any claim or part thereof by filing objections thereto, supported by affidavit, with such court, receiver, trustee, or assignee, and its validity shall be determined in the same way the validity of other claims are which are sought to be enforced against such property, provided that where the claim is filed with a person charged with the property other than the officers above enumerated and a contest is made, the cause shall be transferred to the district court, and there docketed and determined.

[C97, §4021; S13, §4021; C24, 27, 31, 35, 39, §**11720;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.72]

Referred to in §626.71

**626.73 Priority.**

Claims of employees for labor or wages, if not contested, or if allowed after contest, shall have priority, unless otherwise stated in this chapter, over all claims against or liens upon such property, except prior mechanics' liens for labor in opening or developing coal mines as allowed by law.

[C97, §4022; C24, 27, 31, 35, 39, §**11721;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.73]

2006 Acts, ch 1025, §2

**626.74 Notice of sale.**

The officer must give four weeks' notice of the time and place of selling real property, and three weeks' notice of personal property.

[C51, §1905; R60, §3310; C73, §3079; C97, §4023; C24, 27, 31, 35, 39, §**11722;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.74]

Referred to in §626.77

**626.75 Posting and publication — compensation.**

Notice shall be posted in at least three public places of the county, one of which shall be at the county courthouse. In addition to which, in case of the sale of real estate, or where personal property with a value of two hundred dollars or greater is to be sold, there shall be two weekly publications of such notice in some newspaper printed in the county, to be selected by the party causing the notice to be given, the first at least four weeks in the case of real estate, or three weeks in the case of personal property, before the date of sale, and the second at a later time before the date of sale. The compensation for such publication shall be the same as is provided by law for legal notices.

[C51, §1906; R60, §3311; C73, §3080; C97, §4024; S13, §4024; C24, 27, 31, 35, 39, §**11723;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.75]

90 Acts, ch 1058, §1

Referred to in §626.77

**626.76 Labor commissioner to represent.**

The labor commissioner, appointed pursuant to section 91.2, may, at the labor commissioner's discretion, represent laborers or employees seeking payment for labor or wage claims from the receiver, trustee, or assignee, or the court, or the person charged with the property, in accordance with and subject to the provisions of sections 626.69 and 626.71.

2006 Acts, ch 1024, §1, 2

**626.77 Penalty for selling without notice.**

An officer selling without the notice prescribed in sections 626.74 and 626.75, shall forfeit one hundred dollars to the defendant in execution, in addition to the actual damages sustained by either party; but the validity of the sale is not thereby affected.

[C51, §1907; R60, §3312; C73, §3081; C97, §4027; S13, §4027; C24, 27, 31, 35, 39, §**11725;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.77]

**626.78 Notice to defendant.**

If the debtor is in actual occupation and possession of any part of the land levied on, the officer having the execution shall, at least twenty days previous to such sale, serve the debtor with written notice, stating that the execution is levied on said land, and mentioning the time and place of sale, which notice shall be served in the manner provided by rule of civil procedure 1.305(1). However, upon the filing of an affidavit that the debtor is intentionally evading service of process or otherwise cannot be served despite repeated and diligent attempts, the notice may be served by placing the notice in a plain opaque envelope, addressed to the defendant and marked personal and confidential, by affixing the envelope to a main entrance of the premises subject to sale, and by mailing a copy of the notice to the debtor at the debtor's last known address by ordinary mail.

[R60, §3318; C73, §3087; C97, §4025; S13, §4025; C24, 27, 31, 35, 39, §**11726;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.78]

2006 Acts, ch 1132, §5, 16

Referred to in §626.79

2006 amendments apply to actions commenced on or after July 1, 2006; 2006 Acts, ch 1132, §16

**626.79 Setting aside sale.**

Sales made without the notice required in section 626.78 may be set aside on motion made within ninety days thereafter.

[R60, §3318; C73, §3087; C97, §4025; S13, §4025; C24, 27, 31, 35, 39, §**11727;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.79]

**626.80 Time and manner.**

The sale must be at public auction, between nine o'clock in the forenoon and four o'clock in the afternoon, and the hour of the commencement of the sale must be fixed in the notice.

The sheriff shall receive and give a receipt for a sealed written bid submitted prior to the public auction. The sheriff may require all sealed written bids to be accompanied by payment of any fees required to be paid at the public auction by the purchaser, to be returned

if the person submitting the sealed written bid is not the purchaser. The sheriff shall keep all written bids sealed until the commencement of the public auction, at which time the sheriff shall open and announce the written bids as though made in person. A party who has appeared in the foreclosure may submit a written bid, which shall include a facsimile number or electronic mail address where the party can be notified of the results of the sale. If a party submitting a winning written bid does not pay the amount of the bid in certified funds in the manner in which the sheriff in the notice directs, such bid shall be deemed canceled and the sheriff shall certify the next highest bidder as the successful bidder of the sale either within twenty-four hours for an electronic funds transfer or forty-eight hours otherwise, of notification of the sale results. A sheriff may refuse to accept written bids from a bidder other than the judgment creditor if the bidder or the bidder's agent in the action has demonstrated a pattern of nonpayment on previously accepted bids.

[C51, §1908; R60, §3313; C73, §3082; C97, §4028; C24, 27, 31, 35, 39, §**11728;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.80]

89 Acts, ch 123, §1; 2006 Acts, ch 1132, §6, 16

State or municipality as purchaser, chapter 569

2006 amendments apply to actions commenced on or after July 1, 2006; 2006 Acts, ch 1132, §16

**626.81 Sale postponed.**

When there are no bidders, or when the amount offered is grossly inadequate, when from any cause the sale is prevented from taking place on the day fixed, when requested by the judgment creditor, or when the parties so agree, the officer may postpone the sale without being required to give any further notice thereof, which postponement shall be publicly announced at the time the sale was to have been made, but not more than two such adjournments of not more than sixty days in the aggregate shall be made, except by agreement of the parties in writing and made a part of the return upon the execution.

[C51, §1909; R60, §3314; C73, §3083; C97, §4029; C24, 27, 31, 35, 39, §**11729;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.81]

2009 Acts, ch 51, §3, 17

2009 amendment applies to judgments entered on or after July 1, 2009; 2009 Acts, ch 51, §17; 2009 Acts, ch 179, §49

**626.82 Overplus.**

When the property sells for more than the amount required to be collected, the overplus must be paid to the debtor, unless the officer has another execution in the officer's hands on which said overplus may be rightfully applied, or unless there are liens upon the property which ought to be paid therefrom, and the holders thereof make claim to such surplus and demand application thereon, in which case the officer shall pay the same into the hands of the clerk of the district court, and it shall be applied as ordered by the court.

[C51, §1910; R60, §3315; C73, §3084; C97, §4030; C24, 27, 31, 35, 39, §**11730;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.82]

**626.83 Deficiency — additional execution.**

If the property levied on sells for less than sufficient to satisfy the execution, the judgment holder may order out another, which shall be credited with the amount of the previous sale. The proceedings under the second execution shall conform to those hereinbefore prescribed.

[C51, §1911; R60, §3316; C73, §3085; C97, §4031; C24, 27, 31, 35, 39, §**11731;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.83]

**626.84 Plan of division of land.**

At any time before nine o'clock a.m. of the day of the sale, the debtor may deliver to the officer a plan of division of the land levied on, subscribed by the debtor, and in that case the officer shall sell, according to said plan, so much of the land as may be necessary to satisfy the debt and costs, and no more. If no such plan is furnished, the officer may sell without any division.

[R60, §3319; C73, §3088; C97, §4032; C24, 27, 31, 35, 39, §**11732;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.84]

**626.85 Failure of purchaser to pay — optional procedure.**

When the purchaser fails to pay the money when demanded, the judgment holder or the holder's attorney may elect to proceed against the purchaser for the amount; otherwise the sheriff shall treat the sale as a nullity, and may sell the property on the same day, or after postponement as above authorized.

[C51, §1913; R60, §3320; C73, §3089; C97, §4033; C24, 27, 31, 35, 39, §**11733;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.85]

**626.86 Sales vacated for lack of lien.**

When any person shall purchase at a sheriff's sale any real estate on which the judgment upon which the execution issued was not a lien at the time of the levy, and which fact was unknown to the purchaser, the court shall set aside such sale on motion, notice having been given to the debtor as in case of action, and a new execution may be issued to enforce the judgment, and, upon the order being made to set aside the sale, the sheriff or judgment creditor shall pay over to the purchaser the purchase money; said motion may also be made by any person interested in the real estate.

[R60, §3321; C73, §3090; C97, §4034; C24, 27, 31, 35, 39, §**11734;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.86]

**626.87 Money — things in action.**

Money levied upon may be appropriated without being advertised or sold, and so may bank bills, drafts, promissory notes, or other papers of the like character, if the plaintiff will receive them at their par value as cash, or if the officer can exchange them for cash at that value.

[C51, §1914; R60, §3322; C73, §3091; C97, §4035; C24, 27, 31, 35, 39, §**11735;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.87]

**626.88 Real estate of deceased judgment debtor.**

When a judgment has been obtained against a decedent in the decedent's lifetime, the plaintiff may file a petition in the office of the clerk of the court where the judgment is rendered, against the executor, the heirs, and devisees of real estate, if such there be, setting forth the facts, and that there is real estate of the deceased, describing its location and extent, and praying the court to award execution against the same.

[C51, §1918; R60, §3323; C73, §3092; C97, §4036; C24, 27, 31, 35, 39, §**11736;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.88]

**626.89 Notice.**

The person against whom the petition is filed shall be notified by the plaintiff to appear within twenty days following completion of service and show cause, if any, why execution should not be awarded.

[C51, §1919; R60, §3324; C73, §3093; C97, §4037; C24, 27, 31, 35, 39, §**11737;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.89]

**626.90 Service and return.**

The notice must be served and returned in the ordinary manner, and the same length of time shall be allowed for appearance as in civil actions, and service of such notice on nonresident defendants may be had in such cases by publication.

[C51, §1920; R60, §3325; C73, §3094; C97, §4038; C24, 27, 31, 35, 39, §**11738;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.90]

See also R.C.P. 1.303

Service by publication, R.C.P. 1.310

**626.91 Execution awarded.**

At the proper time, the court shall award the execution, unless sufficient cause is shown to the contrary, but the nonage of the heirs or devisees shall not be held such sufficient cause.

[C51, §1921, 1922; R60, §3326, 3327; C73, §3095, 3096; C97, §4039; C24, 27, 31, 35, 39, §**11739;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.91]

**626.92 Mutual judgments — setoff.**

Mutual judgments, executions on which are in the hands of the same officer, may be set off the one against the other, except the costs, but if the amount collected on the large judgment is sufficient to pay the costs of both, such costs shall be paid therefrom.

[C51, §1923; R60, §3328; C73, §3097; C97, §4040; C24, 27, 31, 35, 39, §**11740;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.92]

**626.93 Personal property and leasehold interests — appraisement.**

Personal property, and leasehold interests in real property having less than two years of an unexpired term, levied upon and advertised for sale on execution, must be appraised before sale by two disinterested householders of the neighborhood, one of whom shall be chosen by the execution debtor and the other by the plaintiff, or, in case of the absence of either party, or if either or both parties neglect or refuse to make choice, the officer making the levy shall choose one or both, as the case may be, who shall forthwith return to said officer a just appraisement, under oath, of said property if they can agree; if they cannot, they shall choose another disinterested householder, and with that householder's assistance shall complete such appraisement, and the property shall not, upon the first offer, be sold for less than two-thirds of said valuation; but if offered at the same place and hour of the day as advertised upon three successive days, and no bid is received equal to two-thirds of the appraised value thereof, then it may be sold for one-half of said valuation.

[C73, §3100; C97, §4041; C24, 27, 31, 35, 39, §**11741;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.93]

Referred to in §626.94

**626.94 Property unsold — optional procedure.**

Subject to the provisions of section 626.93, when property is unsold for want of bidders, the levy still holds good; and, if there be sufficient time, it may again be advertised, or the execution returned and one issued commanding the officer to sell the property, describing it, previously levied on, to which a clause may be added that, if such property does not produce a sum sufficient to satisfy such execution, the officer shall proceed to make an additional levy, on which the officer shall proceed as on other executions; or the plaintiff may, in writing filed with the clerk, abandon such levy, upon paying the costs thereof; in which case execution may issue with the same effect as if none had ever been issued.

[C51, §1912; R60, §3317; C73, §3086; C97, §4042; C24, 27, 31, 35, 39, §**11742;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.94]

**626.95 Deed or certificate.**

If the property sold is not subject to redemption, the sheriff must execute a deed therefor to the purchaser; but, if subject to redemption, a certificate, containing a description of the property and the amount of money paid by such purchaser, and stating that, unless redemption is made within one year thereafter, or such other time as may be specifically provided for particular actions according to law, the purchaser or the purchaser's heirs or assigns will be entitled to a deed for the same.

[C51, §1925; R60, §3331; C73, §3101; C97, §4044; C24, 27, 31, 35, 39, §**11743;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.95]

**626.96 Duplicate issued in case of loss.**

When any person, firm, or corporation to whom a sheriff's certificate of sale has been issued or an assignee thereof shall file in the office of the clerk of the district court in which the certificate was issued and in said action, a verified application signed by the purchaser or assignee, the purchaser's or assignee's agent, legal representative or attorney that the outstanding sheriff's certificate of sale in said action has been lost or destroyed, the court shall fix a time for hearing thereon and prescribe the notice therefor and the manner of service thereof on the parties to said action or their successors in interest, and on said hearing if the court finds that the sheriff's certificate of sale issued in said cause has been lost or destroyed, shall order the sheriff of said county to issue a duplicate certificate of sale as of the date of the

original certificate which shall have the same force and effect as the original, and any deed executed thereunder shall have the same force and effect as if executed under the original certificate of sale.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.96]

**626.97 Cancellation after eight years.**

After eight years have elapsed from the date of issuance of any sheriff's certificate of sale, and no action has been taken by the holder of such certificate to obtain a deed thereunder, it shall be the duty of the sheriff and clerk of the district court to cancel such sale and certificate of record and all rights thereunder shall be barred.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.97]

**626.98 Deed.**

If the debtor or the debtor's assignee fails to redeem, the sheriff then in office must, at the end of the period for redemption provided by law for the particular action, execute a deed to the person who is entitled to the certificate as hereinbefore provided, or to that person's assignee. If the person entitled is dead, the deed shall be made to the person's heirs.

[C51, §1946; R60, §3354; C73, §348, 3124; C97, §4062; C24, 27, 31, 35, 39, §**11744;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.98]

**626.99 Constructive notice — recording.**

The purchaser of real estate at a sale on execution need not place any evidence of the person's purchase upon record until sixty days after the expiration of the full time of redemption. Up to that time the publicity of the proceedings is constructive notice of the rights of the purchaser.

[C51, §1947; R60, §3355; C73, §3125; C97, §4063; C24, 27, 31, 35, 39, §**11745;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.99]

**626.100 Presumption.**

Deeds executed by a sheriff in pursuance of the sales contemplated in this chapter are presumptive evidence of the regularity of all previous proceedings in the case, and may be given in evidence without preliminary proof.

[C51, §1948; R60, §3356; C73, §3126; C97, §4064; C24, 27, 31, 35, 39, §**11746;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.100]

**626.101 Damages for injury to property.**

When real estate has been sold on execution, the purchaser thereof, or any person who has succeeded to the purchaser's interest, may, after the estate becomes absolute, recover damages for any injury to the property committed after the sale and before possession is delivered under the conveyance.

[C51, §1949; R60, §3357; C73, §3127; C97, §4065; C24, 27, 31, 35, 39, §**11747;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.101]

Recovery for waste, §658.7

**626.102** Repealed by 72 Acts, ch 1124, § 282.

**626.103 Death of holder of judgment.**

The death of any or all of the joint owners of a judgment shall not prevent an execution being issued thereon, but on any such execution the clerk shall endorse the fact of the death of such of them as are dead, and if all are dead, the names of their personal representatives, if the judgment passed to the personal representatives, or the names of the heirs of such deceased person, if the judgment was for real property.

[R60, §3482; C73, §3130; C97, §4067; C24, 27, 31, 35, 39, §**11749;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.103]

**626.104 Officer's duty.**

In acting upon an execution, so endorsed, the sheriff shall proceed as if the surviving owners, or the personal representatives or heirs as above provided, were the only owners of the judgment upon which it was issued, and take bonds accordingly.

[R60, §3483; C73, §3131; C97, §4068; C24, 27, 31, 35, 39, §**11750;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.104]

**626.105 Affidavit required.**

Before making the endorsements as above provided, an affidavit shall be filed with the clerk by one of the owners of such judgment, or one of such personal representatives or heirs, or their attorney, of the death of such owners as are dead, and that the persons named as such are the personal representatives or heirs, and in the case of personal representatives they shall file with the clerk a certificate of their qualification, unless their appointment is by the court from which the execution issues, in which case the record of such appointment shall be sufficient evidence of the fact.

[R60, §3484; C73, §3132; C97, §4069; C24, 27, 31, 35, 39, §**11751;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.105]

**626.106 Execution quashed.**

Any debtor in such a judgment may move the court to quash an execution on the ground that the personal representatives or heirs of a deceased judgment creditor are not properly stated in the endorsement on the execution.

[R60, §3486; C73, §3134; C97, §4070; C24, 27, 31, 35, 39, §**11752;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.106]

**626.107 Death of part of defendants.**

The death of part of the joint debtors in a judgment shall not prevent execution being issued thereon, but, when issued, it shall operate alone on the survivors and their property.

[R60, §3485; C73, §3133; C97, §4071; C24, 27, 31, 35, 39, §**11753;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.107]

**626.108 Fee bill execution.**

After the expiration of sixty days from the rendition of a final judgment not appealed, removed, or reversed, the clerk of the court may, and, upon demand of any party entitled to any part thereof, shall, issue a fee bill for all costs of such judgment, which shall have the same force and effect as an execution issued by such officer; and shall be served and executed in the same manner.

[C73, §3842; C97, §1299; C24, 27, 31, 35, 39, §**11754;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §626.108]

**626.109 Public property — state.**

A judgment against a department, agency, division, or official of the state does not create or constitute a lien against public property held by the state.

93 Acts, ch 87, §13

See also §627.18

Retroactive applicability to all judgments; 93 Acts, ch 87, §14

# CHAPTER 626A

## ENFORCEMENT OF FOREIGN JUDGMENTS

Referred to in §624.24


| | | | |
|---|---|---|---|
| 626A.1 | Definition. | 626A.5 | Fee. |
| 626A.2 | Filing and status of foreign judgments. | 626A.6 | Optional procedure. |
| 626A.3 | Notice of filing. | 626A.7 | Uniformity of interpretation. |
| 626A.4 | Stay. | 626A.8 | Short title. |


**626A.1 Definition.**

As used in this chapter unless the context otherwise requires, *"foreign judgment"* means a judgment, decree, or order of a court of the United States or of any other court which is entitled to full faith and credit in this state.

[C81, §626A.1]

**626A.2 Filing and status of foreign judgments.**

1. A copy of a foreign judgment authenticated in accordance with an Act of Congress or the statutes of this state may be filed in the office of the clerk of the district court of a county of this state which would have venue if the original action was being commenced in this state. The clerk shall treat the foreign judgment in the same manner as a judgment of the district court of this state. A judgment so filed has the same effect and is subject to the same procedures, defenses and proceedings for reopening, vacating, or staying as a judgment of the district court of this state and may be enforced or satisfied in like manner.

2. A proceeding to enforce a child support order is governed by 28 U.S.C. § 1738B.

[C81, §626A.2]

96 Acts, ch 1141, §32; 97 Acts, ch 175, §236

**626A.3 Notice of filing.**

1. At the time of the filing of the foreign judgment, the judgment creditor or the creditor's lawyer shall make and file with the clerk of court an affidavit setting forth the name and last known post office address of the judgment debtor, and the judgment creditor.

2. Promptly upon the filing of the foreign judgment and the affidavit as provided in subsection 1, the clerk shall mail notice of the filing of the foreign judgment to the judgment debtor at the address given and shall make a note of the mailing in the docket. The notice shall include the name and post office address of the judgment creditor and the judgment creditor's lawyer, if any, in this state.

3. No execution or other process for enforcement of a foreign judgment filed under this chapter shall issue until the expiration of twenty days after the date the judgment is filed.

4. The filing of a foreign judgment under this chapter shall not create a lien upon any real estate until after the expiration of the time provided for in this chapter for challenging the conclusiveness of the foreign judgment and pursuant to section 624.24.

[C81, §626A.3]

2007 Acts, ch 192, §2

**626A.4 Stay.**

1. If the judgment debtor shows the district court in which the judgment is filed that an appeal from the foreign judgment is pending or will be taken, or that a stay of execution has been granted, the court shall stay enforcement of the foreign judgment until the appeal is concluded, the time for appeal expires, or the stay of execution expires or is vacated, upon proof that the judgment debtor has furnished the security for the satisfaction of the judgment required by the state in which it was rendered.

2. If the judgment debtor shows the district court in which the judgment is filed that grounds exist upon which enforcement of a judgment of the district court of this state would be stayed, the court shall stay enforcement of the foreign judgment for an appropriate

period, upon requiring the same security for satisfaction of the judgment which is required in this state.

[C81, §626A.4]

**626A.5 Fee.**

For filing a foreign judgment, the clerk shall collect a fee in the amount collected for filing and docketing a petition under section 602.8105, subsection 1, paragraph *"a"*.

[C81, §626A.5]

94 Acts, ch 1074, §9

**626A.6 Optional procedure.**

The right of a judgment creditor to bring an action to enforce the creditor's judgment instead of proceeding under this chapter remains unimpaired.

[C81, §626A.6]

**626A.7 Uniformity of interpretation.**

This chapter shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it.

[C81, §626A.7]

**626A.8 Short title.**

This chapter may be cited as the *"Uniform Enforcement of Foreign Judgments Act"*.

[C81, §626A.8]

# CHAPTER 626B

## UNIFORM FOREIGN-COUNTRY MONEY JUDGMENTS RECOGNITION ACT

Referred to in §624.24


626B.1 through 626B.8 Repealed by 2010 Acts, ch 1053, §12, 14.
626B.101 Short title.
626B.102 Definitions.
626B.103 Applicability.
626B.104 Standards for recognition of foreign-country judgment.
626B.105 Personal jurisdiction.
626B.106 Procedure for recognition of foreign-country judgment.
626B.107 Effect of recognition of foreign-country judgment.
626B.108 Stay of proceedings pending appeal of foreign-country judgment.
626B.109 Statute of limitations.
626B.110 Uniformity of interpretation.
626B.111 Savings clause.


**626B.1 through 626B.8** Repealed by 2010 Acts, ch 1053, §12, 14.

**626B.101 Short title.**

This chapter may be cited as the *"Uniform Foreign-Country Money Judgments Recognition Act"*.

2010 Acts, ch 1053, §1, 12

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

**626B.102 Definitions.**

As used in this chapter:

1. *"Foreign country"* means a government other than any of the following:

*a.* The United States.

*b.* A state, district, commonwealth, territory, or insular possession of the United States.

*c.* Any other government with regard to which the decision in this state as to whether to

recognize a judgment of that government's courts is initially subject to determination under the full faith and credit clause of Article IV, section 1, of the Constitution of the United States.

*d.* Any Indian or Alaska native tribe, band, nation, pueblo, village, or community that the United States secretary of the interior recognizes as an Indian tribe.

2. *"Foreign-country judgment"* means a judgment of a court of a foreign country.

2010 Acts, ch 1053, §2, 12

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

**626B.103 Applicability.**

1. Except as otherwise provided in subsection 2, this chapter applies to a foreign-country judgment to the extent that all of the following apply to the judgment:

*a.* It grants or denies recovery of a sum of money.

*b.* Under the law of the foreign country where rendered, it is final, conclusive, and enforceable.

2. This chapter does not apply to a foreign-country judgment, even if the judgment grants or denies recovery of a sum of money, to the extent that the judgment is any of the following:

*a.* A judgment for taxes.

*b.* A fine or other penalty.

*c.* A judgment for divorce, support, or maintenance, or other judgment rendered in connection with domestic relations.

3. A party seeking recognition of a foreign-country judgment has the burden of establishing that this chapter applies to the foreign-country judgment.

2010 Acts, ch 1053, §3, 12

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

**626B.104 Standards for recognition of foreign-country judgment.**

1. Except as otherwise provided in subsections 2 and 3, a court of this state shall recognize a foreign-country judgment to which this chapter applies.

2. A court of this state shall not recognize a foreign-country judgment if any of the following applies:

*a.* The judgment was rendered under a judicial system that does not provide impartial tribunals or procedures compatible with the requirements of due process of law.

*b.* The foreign court did not have personal jurisdiction over the defendant.

*c.* The foreign court did not have jurisdiction over the subject matter.

3. A court of this state need not recognize a foreign-country judgment if any of the following apply:

*a.* The defendant in the proceeding in the foreign court did not receive notice of the proceeding in sufficient time to enable the defendant to defend.

*b.* The judgment was obtained by fraud that deprived the losing party of an adequate opportunity to present its case.

*c.* The judgment or the cause of action on which the judgment is based is repugnant to the public policy of this state or of the United States.

*d.* The judgment conflicts with another final and conclusive judgment.

*e.* The proceeding in the foreign court was contrary to an agreement between the parties under which the dispute in question was to be determined otherwise than by proceedings in that foreign court.

*f.* In the case of jurisdiction based only on personal service, the foreign court was a seriously inconvenient forum for the trial of the action.

*g.* The judgment was rendered in circumstances that raise substantial doubt about the integrity of the rendering court with respect to the judgment.

*h.* The specific proceeding in the foreign court leading to the judgment was not compatible with the requirements of due process of law.

4. A party resisting recognition of a foreign-country judgment has the burden of establishing that a ground for nonrecognition stated in subsection 2 or 3 exists.

2010 Acts, ch 1053, §4, 12

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

**626B.105 Personal jurisdiction.**

1. A foreign-country judgment shall not be refused recognition for lack of personal jurisdiction if any of the following apply:

*a.* The defendant was served with process personally in the foreign country.

*b.* The defendant voluntarily appeared in the proceeding, other than for the purpose of protecting property seized or threatened with seizure in the proceeding or of contesting the jurisdiction of the court over the defendant.

*c.* The defendant, before the commencement of the proceeding, had agreed to submit to the jurisdiction of the foreign court with respect to the subject matter involved.

*d.* The defendant was domiciled in the foreign country when the proceeding was instituted or was a corporation or other form of business organization that had its principal place of business in, or was organized under the laws of, the foreign country.

*e.* The defendant had a business office in the foreign country and the proceeding in the foreign court involved a cause of action arising out of business done by the defendant through that office in the foreign country.

*f.* The defendant operated a motor vehicle or airplane in the foreign country and the proceeding involved a cause of action arising out of that operation.

2. The list of bases for personal jurisdiction in subsection 1 is not exclusive. The courts of this state may recognize bases of personal jurisdiction other than those listed in subsection 1 as sufficient to support a foreign-country judgment.

2010 Acts, ch 1053, §5, 12

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

**626B.106 Procedure for recognition of foreign-country judgment.**

1. If recognition of a foreign-country judgment is sought as an original matter, the issue of recognition shall be raised by filing an action seeking recognition of the foreign-country judgment.

2. If recognition of a foreign-country judgment is sought in a pending action, the issue of recognition may be raised by counterclaim, cross-claim, or affirmative defense.

2010 Acts, ch 1053, §6, 12

Referred to in §626B.107

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

**626B.107 Effect of recognition of foreign-country judgment.**

If the court in a proceeding under section 626B.106 finds that the foreign-country judgment is entitled to recognition under this chapter then, to the extent that the foreign-country judgment grants or denies recovery of a sum of money, the foreign-country judgment is all of the following:

1. Conclusive between the parties to the same extent as the judgment of a sister state entitled to full faith and credit in this state would be conclusive.

2. Enforceable in the same manner and to the same extent as a judgment rendered in this state.

2010 Acts, ch 1053, §7, 12

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

**626B.108 Stay of proceedings pending appeal of foreign-country judgment.**

If a party establishes that an appeal from a foreign-country judgment is pending or will be taken, the court may stay any proceedings with regard to the foreign-country judgment until

the appeal is concluded, the time for appeal expires, or the appellant has had sufficient time to prosecute the appeal and has failed to do so.

2010 Acts, ch 1053, §8, 12

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

**626B.109 Statute of limitations.**

An action to recognize a foreign-country judgment must be commenced within the earlier of the time during which the foreign-country judgment is effective in the foreign country or fifteen years from the date that the foreign-country judgment became effective in the foreign country.

2010 Acts, ch 1053, §9, 12

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

**626B.110 Uniformity of interpretation.**

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact the *"Uniform Foreign-Country Money Judgments Recognition Act"*.

2010 Acts, ch 1053, §10, 12

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

**626B.111 Savings clause.**

This chapter does not prevent the recognition under principles of comity or otherwise of a foreign-country judgment not within the scope of this chapter.

2010 Acts, ch 1053, §11, 12

Section applies to all actions commenced on or after July 1, 2010, in which the issue of recognition of a foreign-country judgment is raised; 2010 Acts, ch 1053, §12

# CHAPTER 626C

## REAL ESTATE TITLES AND BANKRUPTCY


| | | | |
|---|---|---|---|
| 626C.1 | Definition. | 626C.4 | Stay. |
| 626C.2 | Filing and status of bankruptcy transcripts. | 626C.5 | Amendment. |
| | | 626C.6 | Fee. |
| 626C.3 | Notice of filing. | 626C.7 | Optional procedure. |


**626C.1 Definition.**

As used in this chapter, unless the context otherwise requires, *"bankruptcy transcript"* means a document or documents certified by the clerk or deputy clerk of any United States bankruptcy court as being true and correct copies of documents on file with the United States bankruptcy court of any district in the United States which is entitled to full faith and credit in this state. *"Bankruptcy transcript"* includes a bankruptcy court clerk's certificate of the proceedings that have transpired in a bankruptcy as is necessary to satisfy all applicable title standards of this state.

98 Acts, ch 1150, §1

**626C.2 Filing and status of bankruptcy transcripts.**

A bankruptcy transcript authenticated in accordance with an Act of Congress or the statutes of the state may be filed in the office of the clerk of the district court of a county in which real estate affected by the bankruptcy is located.

98 Acts, ch 1150, §2

**626C.3 Notice of filing.**

1. At the time of the filing of the bankruptcy transcript, the person filing the transcript

shall make and file with the clerk of the district court an affidavit setting forth the name and last known post office address of the owner of the affected real estate and of the person filing the bankruptcy transcript.

2. Within three business days upon the filing of the bankruptcy transcript and the affidavit as provided in subsection 1, the clerk shall mail notice of the filing of the bankruptcy transcript to the owner of the affected real estate at the address given and shall make a note of the mailing in the docket. The notice shall include the name and post office address of the person filing the bankruptcy transcript and the attorney for that person, if any, in this state.

98 Acts, ch 1150, §3

**626C.4 Stay.**

1. If the real estate owner files an application for stay within twenty days of the date of mailing the notice of filing the bankruptcy transcript by the clerk with the district court in which the bankruptcy transcript is filed that an appeal from any portion of the bankruptcy transcript is pending or will be taken, or that a stay of execution has been granted, the court shall stay the effect of the bankruptcy transcript until the appeal is concluded, the time for appeal expires, or the stay of execution expires or is vacated.

2. The district court for the county in which the bankruptcy transcript is filed has no jurisdiction to stay the effects of the bankruptcy transcript either as initially filed or as amended if the transcript contains a certificate by the clerk of the bankruptcy court of any of the following:

*a.* The order affecting real estate has not been appealed and the time for filing an appeal has expired.

*b.* The order affecting real estate has been appealed and the order has been affirmed on appeal and is not further appealable.

*c.* An appeal from the order affecting real estate has been filed and no stay from that order has been granted by the bankruptcy court to the appealing party.

3. An amendment to the bankruptcy transcript demonstrating the finality of the bankruptcy court proceedings shall terminate any jurisdiction of the district court to stay the effects of the bankruptcy transcript.

98 Acts, ch 1150, §4

**626C.5 Amendment.**

A bankruptcy transcript may be amended as necessary to clear title to all real estate located in the county of filing which is affected by any bankruptcy without payment of any additional fee.

98 Acts, ch 1150, §5

**626C.6 Fee.**

For filing a bankruptcy transcript, the clerk shall collect a fee in the amount collected for filing and docketing a petition under section 602.8105, subsection 1, paragraph "*a*".

98 Acts, ch 1150, §6

**626C.7 Optional procedure.**

The right of a party in interest or the owner of real estate to record all documents necessary to clear title to real estate involved in a bankruptcy case, instead of proceeding under this chapter, remains unimpaired.

98 Acts, ch 1150, §7

# CHAPTER 626D

## RECOGNITION AND ENFORCEMENT OF TRIBAL COURT CIVIL JUDGMENTS

Referred to in §624.24


626D.1 Title.
626D.2 Definitions.
626D.3 Filing procedures.
626D.4 Responses.
626D.5 Recognition and enforcement of tribal judgments.
626D.6 Stay — bond requirement on appeal.
626D.7 Contacting courts.
626D.8 Applicability.


**626D.1 Title.**

This chapter shall be cited as the *"Recognition and Enforcement of Tribal Court Civil Judgments Act"*.

2007 Acts, ch 192, §4

**626D.2 Definitions.**

As used in this chapter:

1. *"Tribal court"* means any court of any Indian or Alaska native tribe, band, nation, pueblo, village, or community that the United States secretary of the interior recognizes as an Indian tribe.

2. *"Tribal judgment"* means a written, civil judgment, order, or decree of a tribal court of record duly authenticated in accordance with the laws and procedures of the tribe or tribal court of record and in accordance with this chapter. For purposes of this subsection, a *"tribal court of record"* is considered a court of record if the court maintains a permanent record of the tribal court's proceedings, maintains either a transcript or electronic record of the tribal court's proceedings, and provides that a final judgment of a tribal court is reviewable on appeal.

2007 Acts, ch 192, §5

**626D.3 Filing procedures.**

1. A copy of any tribal judgment may be filed in the office of the clerk of court in any county in this state.

2. The person filing the tribal judgment shall make and file with the clerk of court an affidavit setting forth the name and last known address of the party seeking enforcement and the responding party. Upon the filing of the tribal judgment and accompanying affidavit, the enforcing party shall serve upon the responding party a notice of filing of the tribal judgment together with a copy of the tribal judgment in accordance with Iowa rule of civil procedure 1.442. The enforcing party shall file proof of service or mailing with the clerk of court. The notice of filing shall include the name and address of the enforcing party and the enforcing party's attorney, if any, and shall include the text contained in sections 626D.4 and 626D.5.

3. The filing of a tribal judgment shall not create a lien upon any real estate until such time as all challenges, if any, to the recognition and enforcement of the tribal judgment are concluded pursuant to sections 626D.4 and 626D.5. Upon a final and conclusive determination of enforceability of the tribal judgment, the judgment shall constitute a lien upon real estate pursuant to section 624.24.

4. The clerk of the district court shall collect a fee as provided in section 602.8105, subsection 1, for filing a tribal judgment.

2007 Acts, ch 192, §6; 2010 Acts, ch 1061, §76; 2010 Acts, ch 1159, §12

Referred to in §626D.7

**626D.4 Responses.**

Any objection to the enforcement of a tribal judgment shall be filed within thirty days of receipt of the mailing of the notice of filing the tribal judgment. If an objection is filed within

such time period, the court shall set a time period for a formal response to the objection and may set the matter for hearing.

2007 Acts, ch 192, §7

Referred to in §626D.3, 626D.5

**626D.5 Recognition and enforcement of tribal judgments.**

1. Unless objected to pursuant to section 626D.4, a tribal judgment shall be recognized and enforced by the courts of this state to the same extent and with the same effect as any judgment, order, or decree of a court of this state.

2. If no objections are timely filed, the clerk shall issue a certification that no objections were timely filed and the tribal judgment shall be enforceable in the same manner as if issued by a valid court of this state.

3. A tribal judgment shall not be recognized and enforced if the objecting party demonstrates by a preponderance of the evidence at least one of the following:

*a.* The tribal court did not have personal or subject matter jurisdiction.

*b.* A party was not afforded due process.

4. The court may decline to recognize and enforce a tribal judgment on equitable grounds for any of the following reasons:

*a.* The tribal judgment was obtained by extrinsic fraud.

*b.* The tribal judgment conflicts with another filed judgment that is entitled to recognition in this state.

*c.* The tribal judgment is inconsistent with the parties' contractual choice of forum provided the contractual choice of forum issue was timely raised in the tribal court.

*d.* The tribal court does not recognize and enforce judgments of the courts of this state under standards similar to those provided in this chapter.

*e.* The cause of action or defense upon which the tribal judgment is based is repugnant to the fundamental public policy of the United States or this state.

2007 Acts, ch 192, §8; 2011 Acts, ch 34, §137

Referred to in §626D.3, 626D.7

**626D.6 Stay — bond requirement on appeal.**

1. If the objecting party demonstrates to the court that an appeal from the tribal judgment is pending or will be taken or that a stay of execution has been granted, the court may stay enforcement of the tribal judgment until the appeal is concluded, the time for appeal expires, or the stay of execution expires or is vacated.

2. If a party appeals a district court's ruling on the recognition and enforcement of a tribal judgment, the court, upon application of the opposing party, shall require the same security for satisfaction of the judgment which is required in this state.

2007 Acts, ch 192, §9

**626D.7 Contacting courts.**

The district court, after notice to the parties, may attempt to resolve any issues raised regarding a tribal judgment pursuant to section 626D.3 or 626D.5, by contacting the tribal court judge who issued the judgment.

2007 Acts, ch 192, §10

**626D.8 Applicability.**

This chapter shall govern the procedures for the recognition and enforcement by the courts of this state of a civil judgment, order, or decree issued by a tribal court of any federally recognized Indian tribe emanating from a cause of action that accrued on or after July 1, 2007. The date that a cause of action accrues shall be determined under the appropriate laws of this state. This chapter does not impair the right of a party to seek enforcement under any other existing laws or procedures.

2007 Acts, ch 192, §11

# CHAPTER 627

## EXEMPTIONS

Referred to in §10A.108, 64.15, 64.15A, 509.12

Avails of life and accident insurance and wrongful death, §633.333, 633.336


627.1 Repealed by 81 Acts, ch 182, §5.
627.2 Who deemed resident.
627.3 Failure to claim exemption.
627.4 Absconding debtor.
627.5 Purchase money.
627.6 General exemptions.
627.6A Exemptions for support — pensions and similar payments.
627.7 Motor vehicle.
627.8 Pension money.
627.9 Homestead bought with pension money.
627.10 Bankruptcy exemption.
627.11 Exception under decree for spousal support.
627.12 Exception under decree for child support.
627.13 Workers' compensation.
627.14 through 627.16 Repealed by 81 Acts, ch 182, §5.
627.17 Sending claims out of state.
627.18 Public property.
627.19 Adopted child assistance.


**627.1** Repealed by 81 Acts, ch 182, § 5.

**627.2 Who deemed resident.**

Any person coming into this state with the intention of remaining shall be considered a resident.

[C51, §1902; R60, §3308; C73, §3076; C97, §4014; C24, 27, 31, 35, 39, §**11756;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.2]

**627.3 Failure to claim exemption.**

Any person entitled to any of the exemptions mentioned in this chapter does not waive the person's rights thereto by failing to designate or select such exempt property, or by failing to object to a levy thereon, unless the person fails or neglects to do so when required in writing by the officer about to levy thereon.

[C51, §1898, 1899; R60, §3304, 3305, 3308; C73, §3072; C97, §4017; C24, 27, 31, 35, 39, §**11757;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.3]

**627.4 Absconding debtor.**

When a debtor absconds and leaves the debtor's family, such property as is exempt to the debtor under this chapter shall be exempt in the hands of the debtor's spouse and children, or either of them.

[R60, §3309; C73, §3078; C97, §4016; C24, 27, 31, 35, 39, §**11758;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.4]

**627.5 Purchase money.**

None of the exemptions prescribed in this chapter shall be allowed against an execution issued for the purchase money of property claimed to be exempt, and on which such execution is levied.

[C73, §3077; C97, §4015; C24, 27, 31, 35, 39, §**11759;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.5]

**627.6 General exemptions.**

A debtor who is a resident of this state may hold exempt from execution the following property:

1. The debtor's interest in:

*a.* Any wedding or engagement ring owned or received by the debtor or the debtor's dependents. However, any interest acquired in one or more wedding or engagement rings owned or received by the debtor or the debtor's dependents after the date of marriage and

within two years of the date the execution is issued or an exemption is claimed shall not exceed a value equal to seven thousand dollars in the aggregate minus the amount claimed by the debtor for any other jewelry claimed in paragraph "*b*".

*b.* All jewelry of the debtor and the debtor's dependents owned or received by the debtor or the debtor's dependents, not to exceed in value two thousand dollars in the aggregate.

2. One shotgun, and either one rifle or one musket.

3. Private libraries, family bibles, portraits, pictures and paintings not to exceed in value one thousand dollars in the aggregate.

4. An interment space or an interest in a public or private burying ground, not exceeding one acre for any defendant.

5. The debtor's interest in all wearing apparel of the debtor and the debtor's dependents kept for actual use and the trunks or other receptacles necessary for the wearing apparel, musical instruments, household furnishings, and household goods which include, but are not limited to, appliances, radios, television sets, record or tape playing machines, compact disc players, satellite dishes, cable television equipment, computers, software, printers, digital video disc players, video players, and cameras held primarily for the personal, family, or household use of the debtor and the debtor's dependents, not to exceed in value seven thousand dollars in the aggregate.

6. The interest of an individual in any accrued dividend or interest, loan or cash surrender value of, or any other interest in a life insurance policy owned by the individual if the beneficiary of the policy is the individual's spouse, child, or dependent. However, the amount of the exemption shall not exceed ten thousand dollars in the aggregate of any interest or value in insurance acquired within two years of the date execution is issued or exemptions are claimed, or for additions within the same time period to a prior existing policy which additions are in excess of the amount necessary to fund the amount of face value coverage of the policies for the two-year period. For purposes of this unnumbered paragraph, acquisitions shall not include such interest in new policies used to replace prior policies to the extent of any accrued dividend or interest, loan or cash surrender value of, or any other interest in the prior policies at the time of their cancellation.

*a.* In the absence of a written agreement or assignment to the contrary, upon the death of the insured any benefit payable to the spouse, child, or dependent of the individual under a life insurance policy shall inure to the separate use of the beneficiary independently of the insured's creditors.

*b.* A benefit or indemnity paid under an accident, health, or disability insurance policy is exempt to the insured or in case of the insured's death to the spouse, child, or dependent of the insured, from the insured's debts.

*c.* In case of an insured's death the avails of all matured policies of life, accident, health, or disability insurance payable to the surviving spouse, child, or dependent are exempt from liability for all debts of the beneficiary contracted prior to death of the insured, but the amount thus exempted shall not exceed fifteen thousand dollars in the aggregate.

7. Professionally prescribed health aids for the debtor or a dependent of the debtor.

8. The debtor's rights in:

*a.* A social security benefit, unemployment compensation, or any public assistance benefit.

*b.* A veteran's benefit.

*c.* A disability or illness benefit.

*d.* Alimony, support, or separate maintenance, to the extent reasonably necessary for the support of the debtor and dependents of the debtor.

*e.* A payment or a portion of a payment under a pension, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, unless the payment or a portion of the payment results from contributions to the plan or contract by the debtor within one year prior to the filing of a bankruptcy petition, which contributions are above the normal and customary contributions under the plan or contract, in which case the portion of the payment attributable to the contributions above the normal and customary rate is not exempt.

*f.* (1) Contributions and assets, including the accumulated earnings and market increases in value, in any of the plans or contracts as follows:

(a) All transfers, in any amount, from a trust forming part of a stock, bonus, pension, or profit-sharing plan of an employer defined in section 401(a) of the Internal Revenue Code and of which the trust assets are exempt from taxation under section 501(a) of the Internal Revenue Code and covered by the Employee Retirement Income Security Act of 1974 (ERISA), as codified at 29 U.S.C. § 1001 et seq., to either of the following:

(i) A succeeding trust authorized under federal law on or after April 25, 2001.

(ii) An individual retirement account or individual retirement annuity established under section 408(d)(3) of the Internal Revenue Code, from which the total value, including accumulated earnings and market increases in value, may be contributed to a succeeding trust authorized under federal law on or after April 25, 2001. For purposes of this subparagraph division, transfers, in any amount, from an individual retirement account or individual retirement annuity established under section 408(d)(3) of the Internal Revenue Code to an individual retirement account or individual retirement annuity established under section 408(d)(3) of the Internal Revenue Code, or an individual retirement account established under section 408(a) of the Internal Revenue Code, or an individual retirement annuity established under section 408(b) of the Internal Revenue Code, or a Roth individual retirement account, or a Roth individual retirement annuity established under section 408A of the Internal Revenue Code are exempt.

(b) (i) All transfers, in any amount, from an eligible retirement plan to an individual retirement account, an individual retirement annuity, a Roth individual retirement account, or a Roth individual retirement annuity established under section 408A of the Internal Revenue Code shall be exempt from execution and from the claims of creditors.

(ii) As used in this subparagraph division, "*eligible retirement plan*" means the funds or assets in any retirement plan established under state or federal law that meet all of the following requirements:

(A) Can be transferred to an individual retirement account or individual retirement annuity established under sections 408(a) and 408(b) of the Internal Revenue Code or Roth individual retirement accounts and Roth individual retirement annuities established under section 408A of the Internal Revenue Code.

(B) Are either exempt from execution under state or federal law or are excluded from a bankruptcy estate under 11 U.S.C. § 541(c)(2) et seq.

(c) Retirement plans established pursuant to qualified domestic relations orders, as defined in 26 U.S.C. § 414. However, nothing in this section shall be construed as making any retirement plan exempt from the claims of the beneficiary of a qualified domestic relations order or from claims for child support or alimony.

(d) For simplified employee pension plans, self-employed pension plans (also known as Keogh plans or H.R. 10 plans), individual retirement accounts established under section 408(a) of the Internal Revenue Code, individual retirement annuities established under section 408(b) of the Internal Revenue Code, savings incentive matched plans for employees, salary reduction simplified employee pension plans (also known as SARSEPs), and similar plans for retirement investments authorized in the future under federal law, the exemption for contributions shall not exceed, for each tax year of contributions, the actual amount of the contribution deducted on the debtor's tax return or the maximum amount which could be contributed to an individual retirement account established under section 408(a) of the Internal Revenue Code and deducted in the tax year of the contribution, whichever is less. The exemption for accumulated earnings and market increases in value of plans under this subparagraph division shall be limited to an amount determined by multiplying all the accumulated earnings and market increases in value by a fraction, the numerator of which is the total amount of exempt contributions as determined by this subparagraph division, and the denominator of which is the total of exempt and nonexempt contributions to the plan.

(e) For Roth individual retirement accounts and Roth individual retirement annuities established under section 408A of the Internal Revenue Code and similar plans for retirement investments authorized in the future under federal law, the exemption for contributions shall not exceed, for each tax year of contributions, the actual amount of the contribution

or the maximum amount which federal law allows to be contributed to such plans. The exemption for accumulated earnings and market increases in value of plans under this subparagraph division shall be limited to an amount determined by multiplying all of the accumulated earnings and market increases in value by a fraction, the numerator of which is the total amount of exempt contributions as determined by this subparagraph division, and the denominator of which is the total of exempt and nonexempt contributions to the plan.

(f) For all contributions to plans described in subparagraph divisions (d) and (e), the maximum contribution in each of the two tax years preceding the claim of exemption or filing of a bankruptcy shall be limited to the maximum deductible contribution to an individual retirement account established under section 408(a) of the Internal Revenue Code, regardless of which plan for retirement investment has been chosen by the debtor.

(g) Exempt assets transferred from any individual retirement account, individual retirement annuity, Roth individual retirement account, or Roth individual retirement annuity to any other individual retirement account, individual retirement annuity, Roth individual retirement annuity, or Roth individual retirement account established under section 408A of the Internal Revenue Code shall continue to be exempt regardless of the number of times transferred between individual retirement accounts, individual retirement annuities, Roth individual retirement annuities, or Roth individual retirement accounts.

(2) For purposes of this paragraph *"f"*, *"market increases in value"* shall include, but shall not be limited to, dividends, stock splits, interest, and appreciation. *"Contributions"* means contributions by the debtor and by the debtor's employer.

9. The debtor's interest in one motor vehicle, not to exceed in value seven thousand dollars.

10. In the event of a bankruptcy proceeding, the debtor's interest in accrued wages and in state and federal tax refunds as of the date of filing of the petition in bankruptcy, not to exceed one thousand dollars in the aggregate. This exemption is in addition to the limitations contained in sections 642.21 and 537.5105.

11. If the debtor is engaged in any profession or occupation other than farming, the proper implements, professional books, or tools of the trade of the debtor or a dependent of the debtor, not to exceed in value ten thousand dollars in the aggregate.

12. If the debtor is engaged in farming and does not exercise the delay of the enforceability of a deficiency judgment or general execution under section 654.6 in relation to the execution under which the exemption is claimed, any combination of the following, not to exceed a value of ten thousand dollars in the aggregate:

*a.* Implements and equipment reasonably related to a normal farming operation. This exemption is in addition to a motor vehicle held exempt under subsection 9.

*b.* Livestock and feed for the livestock reasonably related to a normal farming operation.

13. If the debtor is engaged in farming the agricultural land upon the commencement of an action for the foreclosure of a mortgage on the agricultural land or for the enforcement of an obligation secured by a mortgage on the agricultural land, if a deficiency judgment is issued against the debtor, and if the debtor does not exercise the delay of the enforceability of the deficiency judgment or general execution under section 654.6 in relation to the execution under which the exemption is claimed, the disposable earnings of the debtor are exempt from garnishment to enforce the deficiency judgment after two years from the entry of the deficiency judgment, sections 642.21 and 642.22 notwithstanding. However, earnings paid to the debtor directly or indirectly by the debtor are not exempt.

14. The debtor's interest, not to exceed one thousand dollars in the aggregate, in any cash on hand, bank deposits, credit union share drafts, or other deposits, wherever situated, or in any other personal property whether otherwise exempt or not under this chapter.

15. *a.* The debtor's interest, not to exceed five hundred dollars in the aggregate, in any combination of the following property:

(1) Any residential rental deposit held by a landlord as a security deposit, as well as any interest earned on such deposit as a result of any statute or rule requiring that such deposit be placed in an interest-bearing account.

(2) Any residential utility deposit held by any electric, gas, telephone, or water company as a condition for initiation or reinstatement of such utility service, as well as any interest

earned on such deposit as a result of any statute or rule requiring that such deposit be placed in an interest-bearing account.

(3) Any rent paid to the landlord in advance of the date due under any unexpired residential lease.

*b.* Notwithstanding the provisions of this subsection, a debtor shall not be permitted to claim these exemptions against a landlord or utility company, with regard to sums held under the terms of a rental agreement, or for utility services furnished to the debtor.

16. The debtor's interest in payments reasonably necessary for the support of the debtor or the debtor's dependents to or for the benefit of the debtor or the debtor's dependents, including structured settlements, resulting from personal injury to the debtor or the debtor's dependents or the wrongful death of a decedent upon which the debtor or the debtor's dependents were dependent.

[C51, §1898, 1899; R60, §3304, 3305, 3308; C73, §3072; C97, §4008; C24, 27, 31, 35, 39, §**11760;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.6; 81 Acts, ch 182, §3]

86 Acts, ch 1216, §4 – 6; 88 Acts, ch 1255, §3 – 7; 92 Acts, ch 1061, §1, 2; 96 Acts, ch 1136, §1; 99 Acts, ch 131, §1 – 3; 2001 Acts, ch 80, §1 – 4; 2001 Acts, ch 176, §77; 2006 Acts, ch 1086, §1, 2; 2007 Acts, ch 114, §1; 2007 Acts, ch 126, §104; 2010 Acts, ch 1059, §1; 2013 Acts, ch 30, §188, 189, 261

Referred to in §627.6A
Exemptions denied for violators of alcoholic beverage laws, §123.113
Judgment for exempt property, §643.22
Code editor directive applied
Subsection 6 amended
Subsection 8, paragraph f amended

**627.6A Exemptions for support — pensions and similar payments.**

1. Notwithstanding the provisions of section 627.6, a debtor shall not be permitted to claim exemptions with regard to payment or a portion of payment under a pension, annuity, individual retirement account, profit-sharing plan, universal life insurance policy, or similar plan or contract due to illness, disability, death, age, or length of service for child, spousal, or medical support.

2. In addition to subsection 1, if another provision of law otherwise provides that payments, income, or property are subject to attachment for child, spousal, or medical support, those provisions shall supersede section 627.6.

97 Acts, ch 175, §237

**627.7 Motor vehicle.**

No motor vehicle shall be held exempt from any order, judgment, or decree for damages occasioned by the use of said motor vehicle upon a public highway of this state.

[C31, 35, §11760-c1; C39, §**11760.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.7]

**627.8 Pension money.**

All money received by any person, a resident of the state, as a pension from the United States government, whether the same shall be in the actual possession of such pensioner, or deposited, loaned, or invested by the pensioner, shall be exempt from execution, whether such pensioner shall be the head of a family or not.

[C97, §4009; C24, 27, 31, 35, 39, §**11761;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.8]

**627.9 Homestead bought with pension money.**

The homestead of every such pensioner, whether the head of a family or not, purchased and paid for with any such pension money, or the proceeds or accumulations thereof, shall also be exempt; and such exemption shall apply to debts of such pensioner contracted prior to the purchase of the homestead.

[C97, §4010; C24, 27, 31, 35, 39, §**11762;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.9]

**627.10 Bankruptcy exemption.**

A debtor to whom the law of this state applies on the date of filing of a petition in bankruptcy is not entitled to elect to exempt from property of the bankruptcy estate the property that is

specified in 11 U.S.C. § 522(d) (1979). This section is enacted for the purpose set forth in 11 U.S.C. § 522(b)(1) (1979).

[81 Acts, ch 182, §2]

**627.11 Exception under decree for spousal support.**

If the party in whose favor the order, judgment, or decree for the support of a spouse was rendered has not remarried, the personal earnings of the debtor are not exempt from an order, judgment, or decree for temporary or permanent support, as defined in section 252D.16, of a spouse, nor from an installment of an order, judgment, or decree for the support of a spouse.

[C24, 27, 31, 35, 39, §**11764;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.11]

85 Acts, ch 178, §12; 97 Acts, ch 175, §238

Referred to in §512B.18

**627.12 Exception under decree for child support.**

The personal earnings of the debtor are not exempt from an order, judgment, or decree for the support, as defined in section 252D.16, of a child, nor from an installment of an order, judgment, or decree for the support of a child.

[C24, 27, 31, 35, 39, §**11765;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.12]

85 Acts, ch 178, §13; 97 Acts, ch 175, §239

Referred to in §512B.18, 642.21

**627.13 Workers' compensation.**

Notwithstanding the provisions of sections 554.9406 and 554.9408, any compensation due or that may become due an employee or dependent under chapter 85, 85A, or 85B is exempt from garnishment, attachment, execution, and assignment of income, except for the purposes of enforcing child, spousal, or medical support obligations. For the purposes of enforcing child, spousal, or medical support obligations, an assignment of income, garnishment or attachment of or the execution against compensation due an employee under chapter 85, 85A, or 85B is not exempt but shall be limited as specified in 15 U.S.C. § 1673(b).

[C24, 27, 31, 35, 39, §**11766;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.13]

92 Acts, ch 1195, §511; 94 Acts, ch 1171, §50; 2001 Acts, ch 87, §8

**627.14 through 627.16** Repealed by 81 Acts, ch 182, § 5.

**627.17 Sending claims out of state.**

Whoever, whether as principal, agent, or attorney, with intent to deprive a resident in good faith of the state of the benefit of the exemption laws thereof, sends a claim against such resident and belonging to a resident, to another state for action, or causes action to be brought on such claim in another state, or assigns or transfers such claim to a nonresident of the state, with intent that action thereon be brought in the courts of another state, the action in either case being one which might have been brought in this state, and the property or debt sought to be reached by such action being such as might, but for the exemptions laws of this state, have been reached by action in the courts of this state, shall be guilty of a simple misdemeanor.

[C97, §4018; C24, 27, 31, 35, 39, §**11770;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.17]

**627.18 Public property.**

Public buildings owned by the state, or any county, city, school district, or other municipal corporation, or any other public property which is necessary and proper for carrying out the general purpose for which such corporation is organized, are exempt from execution.

[C51, §1895; R60, §3274; C73, §3048; C97, §4007; C24, 27, 31, 35, 39, §**11771;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §627.18; 81 Acts, ch 182, §4]

See also §626.109

**627.19 Adopted child assistance.**

Any financial assistance due or that may become due, under the provisions of sections 600.17 through 600.22, shall be exempt from garnishment, attachment, and execution.

[C73, 75, 77, 79, 81, §627.19]

# CHAPTER 628

## REDEMPTION

Referred to in §654.16, 654.25


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**628.1 Place of redemption.**

All redemptions made under the provisions of this chapter shall be made in the county where the sale is had.

[S13, §4051; C24, 27, 31, 35, 39, §**11772;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.1]

**628.1A Application of this chapter.**

This chapter does not apply in an action to foreclose a real estate mortgage if the plaintiff has elected foreclosure without redemption under section 654.20.

87 Acts, ch 142, §16

**628.2 When sale absolute.**

When real property has been levied upon, if the estate is less than a leasehold having two years of an unexpired term, the sale is absolute, but if of a larger amount, it is redeemable as hereinafter prescribed.

[C51, §1924; R60, §3329, 3330; C73, §3098, 3099; C97, §4043; C24, 27, 31, 35, 39, §**11773;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.2]

**628.3 Redemption by debtor.**

The debtor may redeem real property at any time within one year from the day of sale, and will, in the meantime, be entitled to the possession thereof; and for the first six months thereafter such right of redemption is exclusive. Any real property redeemed by the debtor shall thereafter be free and clear from any liability for any unpaid portion of the judgment under which said real property was sold.

[C51, §1926, 1927; R60, §3332, 3333; C73, §3102, 3103; C97, §4045; C24, 27, 31, 35, 39, §**11774;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.3]

Referred to in §535.8, 628.26, 628.26A

See §628.28 on redemption period and right

**628.4 Redemption prohibited.**

A party who has stayed execution on the judgment is not entitled to redeem.

[C73, §3102; C97, §4045; C24, 27, 31, 35, 39, §**11775;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.4]

83 Acts, ch 186, §10115, 10201; 87 Acts, ch 142, §1

**628.5 Redemption by creditors.**

If no redemption is made by the debtor as above provided, thereafter, and at any time within nine months from the day of sale, said redemption may be made by a mortgagee before or after the debt secured by the mortgage falls due, or by any creditor whose claim becomes a lien prior to the expiration of the time allowed for such redemption.

[C51, §1927, 1928; R60, §3333, 3334; C73, §3103, 3104; C97, §4046; C24, 27, 31, 35, 39, §**11776;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.5]

Referred to in §535.8, 628.26, 628.27, 628.28

See §628.28 on redemption period and right

**628.6 Mechanic's lien before judgment.**

A mechanic's lien before judgment thereon is not of such character as to entitle the holder to redeem.

[C51, §1927; R60, §3333; C73, §3103; C97, §4046; C24, 27, 31, 35, 39, §**11777;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.6]

**628.7 Probate creditor.**

The owner of a claim which has been allowed and established against the estate of a decedent may redeem as in this chapter provided, by making application to the district court of the district where the real estate to be redeemed is situated. Such application shall be heard after notice to such parties as said court may direct, and shall be determined with due regard to rights of all persons interested.

[C97, §4046; C24, 27, 31, 35, 39, §**11778;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.7]

**628.8 Redemption by creditors from each other.**

Creditors having the right of redemption may redeem from each other within the time above limited, and in the manner herein provided.

[C51, §1929; R60, §3335; C73, §3105; C97, §4047; C24, 27, 31, 35, 39, §**11779;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.8]

**628.9 Senior creditor.**

When a senior creditor thus redeems from the senior creditor's junior, the senior creditor is required to pay off only the amount of those liens which are paramount to the senior creditor's own, with the interest and costs appertaining to those liens.

[C51, §1931; R60, §3337; C73, §3107; C97, §4048; C24, 27, 31, 35, 39, §**11780;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.9]

**628.10 Junior may prevent.**

The junior creditor may in all such cases prevent a redemption by the holder of the paramount lien by paying off the lien, or by leaving with the clerk beforehand the amount necessary therefor, and a junior judgment creditor may redeem from a senior judgment creditor.

[C51, §1932; R60, §3338, 3339; C73, §3108, 3109; C97, §4049; C24, 27, 31, 35, 39, §**11781;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.10]

**628.11 Terms.**

The terms of redemption, when made by a creditor, in all cases shall be the reimbursement of the amount bid or paid by the holder of the certificate, including all costs, with interest the

same as the lien redeemed from bears on the amount of such bid or payment, from the time thereof.

[C51, §1930; R60, §3336; C73, §3106; C97, §4050; C24, 27, 31, 35, 39, §**11782;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.11]

Advancements to protect lien, §629.2

**628.12 Mortgage not matured — interest.**

Where a mortgagee whose claim is not yet due is the person from whom the redemption is thus to be made, the mortgagee shall receive on such mortgage only the amount of the principal thereby secured, with unpaid interest thereon to the time of such redemption.

[C51, §1930; R60, §3336; C73, §3106; C97, §4050; C24, 27, 31, 35, 39, §**11783;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.12]

**628.13 By holder of title.**

The terms of redemption, when made by the titleholder, shall be the payment into the clerk's office of the amount of the certificate, and all sums paid by the holder thereof in effecting redemptions, added to the amount of the holder's own lien, or the amount the holder has credited thereon, if less than the whole, with interest at contract rate on the certificate of sale from its date, and upon sums so paid by way of redemption from date of payment, and upon the amount credited on the holder's own judgment from the time of said credit, in each case including costs.

Redemption may also be made by the titleholder presenting to the clerk of the district court the sheriff's certificate of sale properly assigned to the titleholder, whereupon the clerk of the district court shall cancel the certificate.

[C51, §1930; R60, §3336; C73, §3106; C97, §4051; S13, §4051; C24, 27, 31, 35, 39, §**11784;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.13]

95 Acts, ch 91, §6

Referred to in §602.8102(102)

**628.14 By junior from senior creditor.**

When a senior redeems from a junior creditor, the latter may, in return, redeem from the former, and so on, as often as the land is taken from the creditor by virtue of a paramount lien.

[C51, §1933; R60, §3341; C73, §3111; C97, §4052; C24, 27, 31, 35, 39, §**11785;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.14]

**628.15 After nine months.**

After the expiration of nine months from the day of sale, the creditors can no longer redeem from each other, except as hereinafter provided.

[C51, §1934; R60, §3342; C73, §3112; C97, §4053; C24, 27, 31, 35, 39, §**11786;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.15]

Referred to in §535.8, 628.26, 628.27, 628.28

See §628.28 on redemption period and right

**628.16 Who gets property.**

Unless the defendant redeems, the purchaser, or the creditor who has last redeemed prior to the expiration of the nine months aforesaid, will hold the property absolutely.

[C51, §1935; R60, §3343; C73, §3113; C97, §4054; C24, 27, 31, 35, 39, §**11787;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.16]

Referred to in §535.8, 628.26, 628.27, 628.28

See §628.28 on redemption period and right

**628.17 Claim extinguished.**

In case it is thus held by a redeeming creditor, the redeeming creditor's lien, and the claim out of which it arose, will be held to be extinguished, unless the redeeming creditor pursues the course pointed out in sections 628.18 to 628.20, inclusive.

[C51, §1936; R60, §3344; C73, §3114; C97, §4055; C24, 27, 31, 35, 39, §**11788;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.17]

**628.18 Mode of redemption.**

The mode of redemption by a lienholder shall be by paying into the clerk's office the amount necessary to effect the same, computed as above provided, and filing therein the lienholder's affidavit, or that of the lienholder's agent or attorney, stating as nearly as practicable the nature of the lien and the amount still due and unpaid thereon.

[C51, §1938, 1940; R60, §3346, 3348; C73, §3116, 3118; C97, §4056; C24, 27, 31, 35, 39, §**11789;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.18]

Referred to in §602.8102(102), 628.17

**628.19 Credit on lien.**

If the lienholder is unwilling to hold the property and credit the debtor thereon the full amount of the lienholder's lien, the lienholder must state the utmost amount the lienholder is willing to credit the debtor with.

[R60, §3345; C73, §3115; C97, §4056; C24, 27, 31, 35, 39, §**11790;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.19]

Referred to in §628.17

**628.20 Excess payment — credit.**

If the amount paid to the clerk is in excess of the prior bid and liens, the clerk shall refund the excess to the party paying the amount. If the clerk is the clerk of the district court where the judgment giving rise to the lien was entered, the clerk shall credit upon the lien the full amount thereof, including interest and costs, or such less amount as the lienholder is willing to credit therein, as shown by the affidavit filed.

[C51, §1937, 1939, 1941; R60, §3340, 3347, 3349; C73, §3110, 3117, 3119; C97, §4056; C24, 27, 31, 35, 39, §**11791;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.20]

95 Acts, ch 91, §7

Referred to in §602.8102(102), 628.17

**628.21 Contest determined.**

In case any question arises as to the right to redeem, or the amount of any lien, the person claiming such right may deposit the necessary amount therefor with the clerk, accompanied with the affidavit above required, and also stating therein the nature of such question or objection, which question or objection shall be submitted to the court as soon as practicable thereafter, upon such notice as it shall prescribe of the time and place of the hearing of the controversy, at which time and place the matter shall be tried upon such evidence and in such manner as may be prescribed, and the proper order made and entered of record in the cause in which execution issued, and the money so paid in shall be held by the clerk subject to the order made.

[C97, §4057; C24, 27, 31, 35, 39, §**11792;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.21]

**628.22 Assignment of certificate.**

A creditor redeeming as above contemplated is entitled to receive an assignment of the certificate issued by the sheriff to the original purchaser as hereinbefore directed.

[C51, §1942; R60, §3350; C73, §3120; C97, §4058; C24, 27, 31, 35, 39, §**11793;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.22]

**628.23 Redemption of part of property.**

When the property has been sold in parcels, any distinct portion may be redeemed by itself.

[C51, §1943; R60, §3351; C73, §3121; C97, §4059; C24, 27, 31, 35, 39, §**11794;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.23]

**628.24 Interest of tenant in common.**

When the interests of several tenants in common have been sold on execution, the undivided portion of any or either of them may be redeemed separately.

[C51, §1944; R60, §3352; C73, §3122; C97, §4060; C24, 27, 31, 35, 39, §**11795;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.24]

**628.25 Transfer of debtor's right.**

The rights of a debtor in relation to redemption are transferable, and the assignee has the like power to redeem.

[C51, §1945; R60, §3353; C73, §3123; C97, §4061; C24, 27, 31, 35, 39, §**11796;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §628.25]

**628.26 Agreement to reduce period of redemption.**

The mortgagor and the mortgagee of real property consisting of less than ten acres in size may agree and provide in the mortgage instrument that the period of redemption after sale on foreclosure of said mortgage as set forth in section 628.3 be reduced to six months, provided the mortgagee waives in the foreclosure action any rights to a deficiency judgment against the mortgagor which might arise out of the foreclosure proceedings. In such event the debtor will, in the meantime, be entitled to the possession of said real property; and if such redemption period is so reduced, for the first three months after sale such right of redemption shall be exclusive to the debtor, and the time periods in sections 628.5, 628.15, and 628.16, shall be reduced to four months.

[C62, 66, 71, 73, 75, 77, 79, 81, §628.26]

Referred to in §654.25

**628.26A Agreement to extend period of redemption — agricultural land.**

Notwithstanding section 628.3, the debtor and the mortgagee of agricultural land after the filing of the foreclosure petition, may enter into a written agreement to extend the debtor's period of redemption up to five years, and may set forth other terms and conditions of the extended redemption as agreed upon by the parties, including allowing the debtor to lease the property. However, the rights of the debtor and other parties who have a secured interest in the agricultural land shall not be reduced beyond those set forth in this chapter. The agreement entered into by the debtor and the mortgagee pursuant to this section must be approved by the court and shall be filed in the foreclosure proceedings. An agreement pursuant to this section does not constitute an equitable mortgage.

85 Acts, ch 252, §43

Referred to in §615.4

**628.27 Redemption where property abandoned.**

The mortgagor and the mortgagee of any tract of real property consisting of less than ten acres in size may also agree and provide in the mortgage instrument that the court in a decree of foreclosure may find affirmatively that the tract has been abandoned by the owners and those persons personally liable under the mortgage at the time of such foreclosure, and that should the court so find, and if the mortgagee shall waive any rights to a deficiency judgment against the mortgagor or the mortgagor's successors in interest in the foreclosure action, then the period of redemption after foreclosure shall be reduced to sixty days. If the redemption period is so reduced, the mortgagor or the mortgagor's successors in interest or the owner shall have the exclusive right to redeem for the first thirty days after such sale and the times of redemption by creditors provided in sections 628.5, 628.15 and 628.16 shall be reduced to forty days. Entry of appearance by pleading or docket entry by or on behalf of the mortgagor shall be a presumption that the property is not abandoned.

[C71, 73, 75, 77, 79, 81, §628.27]

Referred to in §654.25

**628.28 Redemption of property not used for agricultural or certain residential purposes.**

1. If real property is not used for agricultural purposes, as defined in section 535.13, and is not the residence of the debtor, or if it is the residence of the debtor but not a single-family or two-family dwelling, then the period of redemption after foreclosure is one hundred eighty days. For the first ninety days after the sale the right of redemption is exclusive to the debtor and the time periods provided in sections 628.5, 628.15 and 628.16 are reduced to one hundred thirty-five days. If a deficiency judgment has been waived the period of redemption is reduced to ninety days. For the first thirty days after the sale the redemption is exclusively the right

of the debtor and the time periods provided in sections 628.5, 628.15 and 628.16 are reduced to sixty days.

2. If real property is not used for agricultural purposes, as defined in section 535.13, and is a single-family or two-family dwelling which is the residence of the debtor at the time of foreclosure but the court finds that after foreclosure the dwelling has ceased to be the residence of the debtor and if there are no junior creditors, the court shall order the period of redemption reduced to thirty days from the date of the court order. If there is a junior creditor, the court shall order the redemption period reduced to sixty days. For the first thirty days redemption is the exclusive right of the debtor and the time periods provided in sections 628.5, 628.15 and 628.16 are reduced to forty-five days.

84 Acts, ch 1116, §1; 85 Acts, ch 195, §58; 87 Acts, ch 98, §3
Referred to in §654.1A
See also §654.1A

**628.29 Redemption by creditor pursuant to alternative foreclosure.**

A lienholder of record may redeem real property which has been foreclosed by a mortgagee pursuant to the alternative voluntary foreclosure procedure provided in section 654.18. The junior lienholders' redemption period shall be thirty days commencing the day the notice required by section 654.18, subsection 1, paragraph "*e*" is sent. The redemption shall be made by payment to the mortgagee of the amount of the debt secured by the mortgage including any protective advances made pursuant to chapter 629. Upon payment, the mortgagee shall convey the property by special warranty deed to the redeeming junior lienholder.

85 Acts, ch 252, §44
Referred to in §654.18

# CHAPTER 629

## PROTECTION OF ADVANCEMENTS

Referred to in §628.29


629.1 Lienholder's advancements protected — affidavit filed.
629.2 Redemption — payment of advances.
629.3 Record of lien.
629.4 Lienholder's advancements — enforcement.


**629.1 Lienholder's advancements protected — affidavit filed.**

The holder of a sheriff's sale certificate or junior or senior lien upon real estate after the payment of any delinquency of taxes or special assessment, insurance premiums or money for necessary repairs, maintenance or preservation of the property, interest on a senior lien, or any sum to cure a breach of a condition of a senior encumbrance, may file with the clerk of the district court in the county in which the land is situated, a verified statement of the expenditures and their dates, together with a description of the real estate, the name of the record owner, and a reference to the interest of the record owner.

[C24, 27, 31, 35, 39, §**11797;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §629.1]
84 Acts, ch 1248, §3
Referred to in §629.4

**629.2 Redemption — payment of advances.**

When such advancements have been made by the holder of a sheriff's sale certificate the sum so advanced shall be a part of the amount required to redeem from said sheriff's sale.

[C24, 27, 31, 35, 39, §**11798;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §629.2]

**629.3 Record of lien.**

It shall be the duty of the clerk of the district court to record the statements so filed in the encumbrance book and to enter the same in the lien index. Payments advanced after

execution has been issued upon the junior lien, shall be added to the execution upon receipt, by the sheriff, of a verified statement of such advancements and when the redemption period has expired the clerk shall release them on the clerk's record.

[C24, 27, 31, 35, 39, §**11799;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §629.3]

Referred to in §331.653, 602.8102(103)

**629.4 Lienholder's advancements — enforcement.**

When an advancement described in section 629.1 has been made by the holder of a junior or senior lien, the amount of that expenditure plus the interest on it shall be added to the amount of the lienholder's original lien and have the same priority as the original lien and the lienholder may recover the increased amount in any action brought for the foreclosure of the junior or senior lien referred to in the verified statement.

84 Acts, ch 1248, §2

# CHAPTER 630

## PROCEEDINGS AUXILIARY TO EXECUTION

Referred to in §441.17, 537.5104


630.1 Debtor examined.
630.2 Affidavit as to property.
630.3 By whom order granted.
630.3A Hearing to determine judgment debtor's income.
630.4 Debtor interrogated.
630.5 Witnesses examined.
630.6 Disposition of property.
630.7 Receiver — injunction.
630.8 Equitable interest sold.
630.9 Sheriff as receiver.
630.10 Continuance.
630.11 Debtor failing to appear — contempt.
630.12 Service of order.
630.13 Compensation.
630.14 Warrant of arrest.
630.15 Bond.
630.16 Equitable proceedings.
630.17 Answers verified — petition taken as true.
630.18 Lien created.
630.19 Surrender of property enforced.


**630.1 Debtor examined.**

When execution against the property of a judgment debtor, or one of several debtors in the same judgment, has been issued from the district court or an appellate court to the sheriff of the county where such debtor resides, or if the debtor does not reside in the state, to the sheriff of the county where the judgment was rendered, and execution issued thereon is returned unsatisfied in whole or in part, the owner of the judgment is entitled to an order for the appearance and examination of the debtor.

[C51, §1953; R60, §3375; C73, §3135; C97, §4072; C24, 27, 31, 35, 39, §**11800;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.1]

**630.2 Affidavit as to property.**

The like order may be obtained at any time after the issuing of an execution, upon proof, by the affidavit of the party or otherwise, to the satisfaction of the court who is to grant the same, that any judgment debtor has property which the debtor unjustly refuses to apply towards the satisfaction of the judgment.

[C51, §1954; R60, §3376; C73, §3136; C97, §4073; C24, 27, 31, 35, 39, §**11801;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.2]

**630.3 By whom order granted.**

Such order may be made by the district court in which the judgment was rendered, or by the district court of the county to which execution has been issued. The debtor may be required

to appear and answer before either of such courts, or before a referee appointed for that purpose by the court who issued the order, to report either the evidence or the facts.

[C51, §1955; R60, §3377, 3385; C73, §3137; C97, §4074; C24, 27, 31, 35, 39, §**11802;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.3]

**630.3A Hearing to determine judgment debtor's income.**

At any time after the rendition of judgment the court, upon application of the judgment creditor or the judgment debtor and upon notice to the adverse party as the court shall direct, shall conduct a hearing to determine the reasonably expected annual earnings of the judgment debtor for the current calendar year and the applicable limitation upon garnishment as provided in section 642.21. The court shall also consider in the interest of justice whether a greater amount than provided in section 642.21 shall be exempt from garnishment. In making the determination the court shall consider the age, number and circumstances of the dependents of the debtor, existing federal poverty level guidelines, the debtor's maintenance and support needs, the debtor's other financial obligations and any other relevant information. An order reducing the garnishment may be modified or vacated upon the application of a party to the court, notice to the adverse party, and a showing at a hearing of changed circumstances. An additional filing fee shall not be assessed for proceedings under this section.

84 Acts, ch 1239, §8

Referred to in §642.14

**630.4 Debtor interrogated.**

The debtor, on the debtor's appearance, may be interrogated in relation to any facts calculated to show the amount of the debtor's property, or the disposition which has been made of it, or any other matter pertaining to the purpose for which the examination is permitted to be made. The interrogatories and answers shall be reduced to writing and preserved by the court or officer before whom they are taken. All examinations and answers under this chapter shall be on oath.

[C51, §1956; R60, §3378; C73, §3138; C97, §4075; C24, 27, 31, 35, 39, §**11803;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.4]

**630.5 Witnesses examined.**

Witnesses may be required by order of the court or by subpoenas from the referee, to appear and testify upon any proceedings under this chapter, in the same manner as upon the trial of an issue.

[R60, §3379; C73, §3139; C97, §4076; C24, 27, 31, 35, 39, §**11804;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.5]

**630.6 Disposition of property.**

If any property, rights, or credits subject to execution are thus ascertained, an execution may be issued and the same levied upon. The court may order any property of the judgment debtor not exempt, in the hands of the debtor or others or due the debtor, to be delivered up, or in any other mode applied towards the satisfaction of the judgment.

[C51, §1957; R60, §3380; C73, §3140; C97, §4077; C24, 27, 31, 35, 39, §**11805;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.6]

**630.7 Receiver — injunction.**

The court may also, by order, appoint the sheriff of the proper county or other suitable person, a receiver of the property of the judgment debtor, or by injunction forbid a transfer or other disposition of the property of the judgment debtor, not exempt by law, or any interference therewith.

[R60, §3381; C73, §3141; C97, §4078; C24, 27, 31, 35, 39, §**11806;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.7]

Referred to in §331.653

**630.8 Equitable interest sold.**

If it shall appear that the judgment debtor has any equitable interest in real estate in the county in which proceedings are had, as mortgagor, mortgagee, or otherwise, and the interest of said debtor can be ascertained as between the debtor and the person holding the legal estate or having any lien on or interest in the same, without controversy as to the interest of such person, the receiver may be ordered to sell and convey the same, or the debtor's equitable interest therein, in the same manner as is provided for the sale of real estate upon execution.

[R60, §3382; C73, §3142; C97, §4079; C24, 27, 31, 35, 39, §**11807;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.8]

Sale of real estate, §626.74 et seq.

**630.9 Sheriff as receiver.**

If the sheriff is appointed receiver, the sheriff and the sheriff's sureties shall be liable on the sheriff's official bond for the faithful discharge of the sheriff's duties as such.

[R60, §3383; C73, §3143; C97, §4080; C24, 27, 31, 35, 39, §**11808;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.9]

Referred to in §331.653

**630.10 Continuance.**

The court or referee acting under the provisions of this chapter shall have power to continue the proceedings from time to time until they shall be completed.

[R60, §3384; C73, §3144; C97, §4081; C24, 27, 31, 35, 39, §**11809;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.10]

**630.11 Debtor failing to appear — contempt.**

Should the judgment debtor fail to appear after being personally served with notice to that effect, or should the debtor fail to make full answers to all proper interrogatories propounded to the debtor, the debtor will be guilty of contempt, and may be arrested and imprisoned until the debtor complies with the requirements of the law in this respect. If any person, party, or witness disobey an order of the court, judge, or referee, duly served, such person, party, or witness may be punished as for contempt.

[C51, §1958; R60, §3386; C73, §3145; C97, §4082; C24, 27, 31, 35, 39, §**11810;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.11]

Contempts, chapter 665

**630.12 Service of order.**

The order mentioned herein shall be in writing and signed by the court, judge, or referee making the same, and be served in the same manner as an original notice in other cases.

[R60, §3387; C73, §3146; C97, §4083; C24, 27, 31, 35, 39, §**11811;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.12]

**630.13 Compensation.**

Sheriffs, referees, receivers, and witnesses shall receive such compensation as is allowed for like services in other cases, to be taxed as costs in the case, and the collection thereof from such party or parties as ought to pay the same shall be enforced by an order or execution.

[R60, §3388; C73, §3147; C97, §4084; C24, 27, 31, 35, 39, §**11812;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.13]

**630.14 Warrant of arrest.**

Upon proof, to the satisfaction of the court or judge authorized to grant the order aforesaid, that there is danger that the defendant will leave the state, or that the defendant will hide, such court or judge, instead of the order, may issue a warrant for the arrest of the debtor,

and for bringing the debtor forthwith before the court or judge, upon which being done, the debtor may be examined in the same manner and with the like effect as is above provided.

[C51, §1959; R60, §3389; C73, §3148; C97, §4085; C24, 27, 31, 35, 39, §**11813;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.14]

Approval of warrant and expenses, §70A.12, 70A.13

**630.15 Bond.**

Upon being brought before the court or judge, the debtor may enter into an undertaking in such sum as the court or officer shall prescribe, with one or more sureties, that the debtor will attend from time to time for examination before the court or judge as shall be directed, and will not, in the meantime, dispose of the debtor's property, or any part thereof; in default whereof the debtor shall continue under arrest, and may be committed to jail for safekeeping until the examination shall be concluded.

[R60, §3390; C73, §3149; C97, §4086; C24, 27, 31, 35, 39, §**11814;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.15]

**630.16 Equitable proceedings.**

At any time after the rendition of a judgment, an action by equitable proceedings may be brought to subject any property, money, rights, credits, or interest therein belonging to the defendant to the satisfaction of such judgment. In such action, persons indebted to the judgment debtor, or holding any property or money in which such debtor has any interest, or the evidences of securities for the same, may be made defendants.

[R60, §3391; C73, §3150; C97, §4087; C24, 27, 31, 35, 39, §**11815;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.16]

Referred to in §630.18

Grantor deemed equitable owner, §639.30

**630.17 Answers verified — petition taken as true.**

The answers of all defendants shall be verified by their own oath, and not by that of an agent or attorney, and the court shall enforce full and explicit discoveries in such answers by process of contempt; or, upon failure to answer the petition, or any part thereof, as fully and explicitly as the court may require, the same, or such part not thus answered, shall be deemed true, and such order made or judgment rendered as the nature of the case may require.

[R60, §3392; C73, §3151; C97, §4088; C24, 27, 31, 35, 39, §**11816;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.17]

Referred to in §630.18

Contempts, chapter 665

**630.18 Lien created.**

In the case contemplated in sections 630.16 and 630.17, a lien shall be created on the property of the judgment debtor, or the debtor's interest therein, in the hands of any defendant or under the defendant's control, which is sufficiently described in the petition, from the time of the service of notice and copy of the petition on the defendant holding or controlling such property or any interest therein.

[R60, §3393, 3394; C73, §3152; C97, §4089; C24, 27, 31, 35, 39, §**11817;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.18]

**630.19 Surrender of property enforced.**

The court shall enforce the surrender of the money or securities therefor, or of any other property of the defendant in the execution, which may be discovered in the action, and for this purpose may commit to jail any defendant or garnishee failing or refusing to make such surrender until it shall be done, or the court is satisfied that it is out of the defendant's or garnishee's power to do so.

[R60, §3395; C73, §3153; C97, §4090; C24, 27, 31, 35, 39, §**11818;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §630.19]

Analogous provisions, §633.112, 680.10

# CHAPTER 631

## SMALL CLAIMS

Referred to in §169C.5, 331.307, 364.22, 537.5110, 562B.6, 564A.4, 602.6405, 602.8102(104), 648.5


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**631.1 Small claims — jurisdiction.**

1. The following actions or claims are small claims and shall be commenced, heard and determined as provided in this chapter:

*a.* A civil action for a money judgment where the amount in controversy is four thousand dollars or less for actions commenced before July 1, 2002, exclusive of interest and costs.

*b.* A civil action for a money judgment where the amount in controversy is five thousand dollars or less for actions commenced on or after July 1, 2002, exclusive of interest and costs.

2. The district court sitting in small claims shall have concurrent jurisdiction of an action for forcible entry and detainer which is based on those grounds set forth in section 648.1, subsections 1, 2, 3 and 5. When commenced under this chapter, the action shall be a small claim for the purposes of this chapter.

3. The district court sitting in small claims has concurrent jurisdiction of an action of replevin if the value of the property claimed is four thousand dollars or less for actions commenced before July 1, 2002, and five thousand dollars or less for actions commenced on or after July 1, 2002. When commenced under this chapter, the action is a small claim for the purposes of this chapter.

4. The district court sitting in small claims has concurrent jurisdiction of motions and orders relating to executions against personal property, including garnishments, where the value of the property or garnisheed money involved is four thousand dollars or less for actions commenced before July 1, 2002, and five thousand dollars or less for actions commenced on or after July 1, 2002.

5. The district court sitting in small claims has concurrent jurisdiction of an action for abandonment of a manufactured or mobile home or personal property pursuant to section 555B.3, if no money judgment in excess of four thousand dollars is sought for actions commenced before July 1, 2002, and five thousand dollars or less for actions commenced on or after July 1, 2002. If commenced under this chapter, the action is a small claim for the purposes of this chapter.

6. The district court sitting in small claims has concurrent jurisdiction of an action to challenge a mechanic's lien pursuant to sections 572.24 and 572.32.

7. The district court sitting in small claims has concurrent jurisdiction of an action for the collection of taxes brought by a county treasurer pursuant to sections 445.3 and 445.4 where the amount in controversy is five thousand dollars or less for actions commenced on or after July 1, 2003, exclusive of interest and costs.

8. The district court sitting in small claims has concurrent jurisdiction of motions and orders relating to releases of judgments in whole or in part including motions and orders under section 624.23, subsection 2, paragraph "*c*" and section 624.37, where the amount owing on the judgment, including interests and costs, is five thousand dollars or less.

[C73, 75, 77, 79, 81, §631.1]

83 Acts, ch 63, §1, 5; 86 Acts, ch 1077, §1; 90 Acts, ch 1038, §1; 93 Acts, ch 154, §18; 94 Acts, ch 1117, §1; 95 Acts, ch 49, §23; 99 Acts, ch 79, §5; 2001 Acts, ch 153, §15; 2001 Acts, ch 176,

§80; 2002 Acts, ch 1087, §1, 2; 2003 Acts, ch 178, §20; 2011 Acts, ch 6, §3; 2013 Acts, ch 90, §175

Referred to in §331.307, 364.22

Jurisdictional amount to revert to $4,000 if a proper court declares the $5,000 amount unconstitutional; 2002 Acts, ch 1087, §3

Subsection 1 amended

**631.2 Jurisdiction and procedures.**

1. The district court sitting in small claims shall exercise the jurisdiction conferred by this chapter, and shall determine small claims according to the statutes and the rules prescribed by this chapter. Except when transferred from the small claims docket as provided in section 631.8, small claims may be tried by a judicial magistrate, a district associate judge, or a district judge.

2. The clerk of the district court shall maintain a separate small claims docket which shall contain all matters relating to small claims which are required by section 602.8104, subsection 2, paragraph "*e*", to be contained in a combination docket.

3. Statutes and rules relating to venue and jurisdiction shall apply to small claims, except that a provision of this chapter which is inconsistent therewith shall supersede that statute or rule.

[C73, §631.2, 631.3; C75, 77, 79, 81, §631.2]

83 Acts, ch 101, §124; 83 Acts, ch 186, §10116, 10201

**631.3 Commencement of actions — clerk to furnish forms — subpoena.**

1. All actions shall be commenced by the filing of an original notice with the clerk. At the time of filing, the clerk shall enter on the original notice and the copies to be served, the file number and the date the action is filed.

2. The clerk shall furnish standard forms as provided in section 631.15, as such pleadings may be required. The clerk may furnish information to any party to enable the party to complete a form.

3. The clerk shall cause to be entered upon each copy of the original notice and in the docket the time within which the defendant is required to appear, which time shall be determined in accordance with section 631.4.

4. Upon the request of a party to the action, the clerk or a judicial officer shall issue subpoenas for the attendance of witnesses at a hearing. Sections 622.63 to 622.67, 622.69, 622.76 and 622.77 apply to subpoenas issued pursuant to this chapter.

[C73, §631.3, 631.5; C75, 77, 79, 81, §631.3]

83 Acts, ch 186, §10117, 10201; 84 Acts, ch 1322, §1

**631.4 Service — time for appearance.**

The manner of service of original notice and the times for appearance shall be as provided in this section.

1. *Actions for money judgment or replevin.* In an action for money judgment or an action of replevin the clerk shall cause service to be obtained as follows, and the defendant is required to appear within the period of time specified:

*a.* If the defendant is a resident of this state, or if the defendant is a nonresident of this state and is subject to the jurisdiction of the court under rule of civil procedure 1.306, the plaintiff may elect service under this paragraph, and upon receipt of the prescribed costs the clerk shall mail to the defendant by certified mail, restricted delivery, return receipt to the clerk requested, a copy of the original notice together with a conforming copy of an answer form. However, if the defendant is a corporation, partnership, or association, the clerk shall mail to the defendant by certified mail, return receipt to the clerk requested, a copy of the original notice with a conforming copy of an answer form. The defendant is required to appear within twenty days following the date service is made.

*b.* If the defendant is a resident of this state, or if the defendant is a nonresident of this state and is subject to the jurisdiction of the court under rule of civil procedure 1.306, the plaintiff may elect service under this paragraph, and upon receipt of the prescribed costs the clerk shall cause a copy of the original notice and a conforming copy of an answer form to be delivered to a peace officer or other person for personal service as provided in rule of civil

procedure 1.302(5), 1.305, or 1.306. The defendant is required to appear within twenty days following the date service is made.

*c.* If the defendant is a nonresident of this state and is subject to the jurisdiction of the court under rule of civil procedure 1.306, the plaintiff may elect service in any other manner that is approved by the court as provided in that rule, and the defendant is required to appear within sixty days after the date of service.

*d.* If the defendant is a nonresident of this state and is subject to the jurisdiction of the court under section 617.3, the plaintiff may elect that service be made as provided in that section. The clerk shall collect the prescribed fees and costs, and shall cause duplicate copies of the original notice to be filed with the secretary of state and shall cause a copy of the original notice and a conforming copy of an answer form to be mailed to the defendant in the manner prescribed in section 617.3. The defendant is required to appear within sixty days from the date of filing with the secretary of state.

2. *Actions for forcible entry and detainer.* The manner of service of original notice and the times for appearance for an action for forcible entry and detainer shall be governed by the requirements of chapter 648.

3. *Actions for abandonment of manufactured or mobile homes or personal property pursuant to chapter 555B.*

*a.* In an action for abandonment of a manufactured or mobile home or personal property, the clerk shall set a date, time, and place for hearing, and shall cause service to be made as provided in this subsection.

*b.* Original notice shall be served personally on each defendant as provided in section 555B.4.

[C73, §631.3 – 631.5; C75, 77, 79, 81, §631.4]

84 Acts, ch 1322, §2; 86 Acts, ch 1077, §2; 93 Acts, ch 154, §19, 20; 95 Acts, ch 125, §13; 96 Acts, ch 1203, §7; 99 Acts, ch 155, §13, 14; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2004 Acts, ch 1101, §85; 2009 Acts, ch 21, §12; 2010 Acts, ch 1017, §7, 11

Referred to in §631.3

**631.5 Appearance — default.**

This section applies to all small claims except actions for forcible entry and detainer pursuant to chapter 648 and actions for abandonment of mobile homes or personal property pursuant to chapter 555B.

1. *Appearance.* A defendant may appear in person or by attorney, and by the denial of a claim a defendant does not waive any defenses.

2. *Hearing set.* If all defendants either have entered a timely appearance or have defaulted, the clerk shall assign a contested claim to the small claims calendar for hearing at a place and time certain. The time of hearing shall be not less than five days nor more than twenty days after the latest timely appearance, unless otherwise ordered by the court. The clerk shall transmit the original notice and all other papers relating to the case to the judicial officer to whom the case is assigned, and copies of all papers so transmitted shall be retained in the clerk's office.

3. *Partial service.* If the plaintiff has joined more than one defendant, and less than all defendants are served with notice as determined by subsection 4, the plaintiff may elect to proceed against all defendants served or may elect to have a continuance, issuable by the clerk, to a date certain not more than sixty days thereafter. If the plaintiff elects to proceed, the action shall be dismissed without prejudice as against each defendant not served with notice.

4. *Return of service.* Proper notice shall be established by a signed return receipt or a return of service as provided in rule of civil procedure 1.308.

5. *Notification to parties.* When a small claim is set for hearing the clerk immediately shall notify by ordinary mail each party or the attorney representing the party, and the judicial officer to whom the action is assigned, of the date, time and place of hearing.

6. *Default.* If a defendant fails to appear and the clerk in accordance with subsection 4 determines that proper notice has been given, judgment shall be rendered against the

defendant by the clerk if the relief is readily ascertainable. If the relief is not readily ascertainable the claim shall be assigned to a judicial magistrate for determination.

[C75, 77, 79, 81, §631.5]

84 Acts, ch 1322, §3, 4; 93 Acts, ch 154, §21; 2003 Acts, ch 151, §49; 2004 Acts, ch 1101, §86

Referred to in §631.9

**631.6 Fees and costs.**

1. The clerk of the district court shall collect the following fees and costs in small claims actions, which shall be paid in advance and assessed as costs in the action:

*a.* Fees for filing and docketing shall be eighty-five dollars.

*b.* Fees for service of notice on nonresidents are as provided in section 617.3.

*c.* Postage charged for the mailing of original notice shall be ten dollars.

*d.* Fees for personal service by peace officers or other officials of the state are the amounts specified by law.

2. The amounts collected for filing and docketing shall be distributed as provided in section 602.8108.

[C73, §631.5, 631.6; C75, 77, 79, 81, §631.6; 81 Acts, ch 189, §5, 7]

83 Acts, ch 63, §2, 3, 4; 83 Acts, ch 101, §125; 83 Acts, ch 186, §10118, 10201; 85 Acts, ch 195, §59; 85 Acts, ch 197, §37, 38; 88 Acts, ch 1258, §2; 89 Acts, ch 83, §84; 91 Acts, ch 116, §18; 91 Acts, ch 218, §26; 91 Acts, ch 219, §34; 94 Acts, ch 1074, §10; 2002 Acts, ch 1126, §3; 2003 Acts, ch 151, §50; 2006 Acts, ch 1144, §9; 2009 Acts, ch 179, §63, 72

Referred to in §602.8105, 602.9104A

**631.7 Parties, pleadings, and motions.**

1. Except as specifically provided in this chapter, there shall be no written pleadings or motions unless the court in the interests of justice permits them, in which event they shall be similar in form to the original notice.

2. Motions, except a motion under rule of civil procedure 1.246, shall be heard only at the time set for a hearing on the merits.

3. Except as provided in section 631.8, subsection 4, a counterclaim, cross-petition or intervention shall be in writing and in the form promulgated under section 631.15. Copies shall be submitted for each party appearing, and shall be mailed by ordinary mail to those parties by the clerk. A cross-petition against persons not a party to the action shall be made pursuant to rule of civil procedure 1.246 and the new party shall be served with notice as provided in this chapter.

4. The rules of civil procedure pertaining to actions, joinder of actions, parties and intervention shall apply to small claims actions, except that rule of civil procedure 1.241 shall not apply. No counterclaim is necessary to assert an offset arising out of the subject matter of the plaintiff's claim. A counterclaim, cross-petition, or intervention against an existing party is deemed denied and no responsive pleading by such party is required.

[C73, §631.7, 631.8; C75, 77, 79, 81, §631.7]

**631.8 Procedure.**

1. Small claims not determined within ninety days following the expiration of any period of continuance or following the last entry placed on the record for that action shall be dismissed by the clerk without prejudice.

2. In small claims actions, if a party joins a small claim with one which is not a small claim, the court shall:

*a.* Order the small claim to be heard under this chapter and dismiss the other claim without prejudice, or

*b.* As to parties who have appeared or are existing parties, either order the small claim to be heard under this chapter and the other claim to be tried by regular procedure or order both claims to be tried by regular procedure.

3. If commenced as a regular civil action or under the statutes relating to probate proceedings, a small claim shall be transferred to the small claims docket. A small claim commenced as a regular action shall not be dismissed but shall be transferred to the small claims docket. Civil and probate actions not small claims but commenced hereunder shall

be dismissed without prejudice except for defendants who have appeared, as to whom such actions shall be transferred to the combination or probate docket, as appropriate.

4. In small claims actions, a counterclaim, cross claim, or intervention in a greater amount than that of a small claim shall be in the form of a regular pleading. A copy shall be filed for each existing party. New parties, when permitted by order, may be brought in under rule of civil procedure 1.246 and shall be given notice under the rules of civil procedure pertaining to commencement of actions. The court shall either order such counterclaim, cross claim, or intervention to be tried by regular procedure and the other claim to be heard under this division, or order the entire action to be tried by regular procedure.

5. In regular action, when a party joins a small claim with one which is not a small claim, regular procedure shall apply to both unless the court transfers the small claim to the small claims docket for hearing under this division.

6. In regular actions, a counterclaim, cross claim, or intervention in the amount of a small claim shall be pleaded, tried, and determined by regular procedure, unless the court transfers the small claim to the small claims docket for hearing under this division.

7. Pleadings which are not in correct form under this section shall be ordered amended so as to be in correct form; but a small claim which is proceeding under this chapter need not be amended although in the form of a regular pleading.

8. Copies of any papers filed by the parties which are not required to be served, shall be mailed or delivered by the clerk as provided in rule of civil procedure 1.442.

[C73, §631.2, 631.8; C75, 77, 79, 81, §631.8]

2013 Acts, ch 30, §162

Referred to in §631.2, 631.7

Subsection 2, paragraph b amended

**631.9 Jurisdiction determined.**

At the time set for the hearing of a small claim, the court first shall determine that proper notice as provided in section 631.5, subsection 4, has been given a party before proceeding further as to that party, unless the party has appeared or is an existing party, and also shall determine that the action is properly brought as a small claim.

[C73, 75, 77, 79, 81, §631.9]

**631.10 Failure to appear — effect.**

Unless good cause to the contrary is shown, if the parties fail to appear at the time of hearing the claim shall be dismissed without prejudice by the court; if the plaintiff fails to appear but the defendant appears, the claim shall be dismissed with prejudice by the court with costs assessed to the plaintiff; and if the plaintiff appears but the defendant fails to appear, judgment may be rendered against the defendant by the court. The filing by the plaintiff of a verified account, or an instrument in writing for the payment of money with an affidavit the same is genuine, shall constitute an appearance by plaintiff for the purpose of this section.

[C73, 75, 77, 79, 81, §631.10]

**631.11 Hearing.**

1. *Informality.* The hearing shall be to the court, shall be simple and informal, and shall be conducted by the court itself, without regard to technicalities of procedure.

2. *Evidence.* The court shall swear the parties and their witnesses, and examine them in such a way as to bring out the truth. The parties may participate, either personally or by attorney. The court may continue the hearing from time to time and may amend new or amended pleadings, if justice requires.

3. *Record.* Upon the trial, the judicial magistrate shall make detailed minutes of the testimony of each witness and append the exhibits or copies thereof to the record. The proceedings upon trial shall not be reported by a certified court reporter, unless the party provides the reporter at such party's expense. If the proceedings are not reported by a certified court reporter, the magistrate shall cause the proceedings upon trial to be recorded electronically, and both parties shall be notified in advance of that recording. If the proceedings have been recorded electronically, the recording shall be retained under the

jurisdiction of the magistrate unless appealed, and upon appeal shall be transcribed only by a person designated by the court under the supervision of the magistrate.

4. *Judgment.* Judgment shall be rendered, based upon applicable law and upon a preponderance of the evidence.

5. *Destruction of recordings.* Unless an appeal is taken, an electronic recording of a proceeding in small claims shall be retained until the time for appeal has expired as specified in section 631.13. Thereafter, the magistrate may direct that the recording tape or other device be erased and used for subsequent recordings. If the proceeding is appealed, the recording may be erased following entry of judgment by the district judge hearing the appeal.

[C73, 75, 77, 79, 81, §631.11]

2009 Acts, ch 75, §1

**631.12 Entry of judgment — setting aside default judgment.**

The clerk shall immediately enter the judgment in the small claims docket and district court lien book, without recording. Such relief shall be granted as is appropriate. Upon entering judgment, the court may provide for installment payments to be made directly by the party obligated to the party entitled thereto; and in such event execution shall not issue as long as such payments are made but execution shall issue for the full unpaid balance of the judgment upon the filing of an affidavit of default. When entered on the small claims docket and district court lien book, a small claims judgment shall constitute a lien to the same extent as regular judgments entered on the district court judgment docket and lien book; but if a small claims judgment requires installment payments, it shall not be enforceable until an affidavit of default is filed.

A defendant may move to set aside a default judgment in the manner provided for doing so in district court by rule of civil procedure 1.977.

[C73, 75, 77, 79, 81, §631.12]

84 Acts, ch 1322, §5; 99 Acts, ch 144, §11

**631.13 Appeals.**

1. *Notice.* An appeal from a judgment in small claims may be taken by any party by giving oral notice to the court at the conclusion of the hearing, or by filing a written notice of appeal with the clerk within twenty days after judgment is rendered. In either case, the appealing party shall pay to the clerk within that twenty days the usual district court docket fee to perfect the appeal. No appeal shall be taken after twenty days.

2. *Stay of judgment.* Execution of judgment shall be stayed upon the filing with the clerk of the district court an appeal bond with surety approved by the clerk, in the sum specified in the judgment.

3. *Transcript.* Within twenty days after an appeal is taken, unless extended by order of a district judge or by stipulation of the parties, any party may file with the clerk as part of the record a transcript of the official report, if any, or in the event the report was made electronically, a transcription of the recording. If a transcription of an electronic recording is filed, the record on appeal shall contain the tape or other medium on which the proceedings were preserved. A transcription of an electronic recording shall be provided any party upon request and upon payment by the party of the actual costs of transcription.

4. *Procedure on appeal.*

*a.* (1) The appeal shall be promptly heard upon the record thus filed without further evidence. If the original action was tried by a district judge, the appeal shall be decided by a different district judge. If the original action was tried by a district associate judge, the appeal shall be decided by a district judge. If the original action was tried by a judicial magistrate, the appeal shall be decided by a district judge or a district associate judge. The judge shall decide the appeal without regard to technicalities or defects which have not prejudiced the substantial rights of the parties, and may affirm, reverse, or modify the judgment, or render judgment as the judge or magistrate should have rendered.

(2) If the record, in the opinion of the deciding judge, is inadequate for the purpose of rendering a judgment on appeal, the judge may order that additional evidence be presented

relative to one or more issues, and may enter any other order which is necessary to protect the rights of the parties. The judge shall take minutes of any additional evidence, but the hearing shall not be reported by a certified court reporter.

*b.* Upon entry of judgment the clerk may cause any recording tape or other device contained in the record to be erased for subsequent use.

[C73, 75, 77, 79, 81, §631.13]

84 Acts, ch 1322, §6, 7; 2013 Acts, ch 30, §261

Referred to in §331.307, 364.22, 631.11

Code editor directive applied

**631.14 Representation in small claims actions.**

1. Actions constituting small claims may be brought or defended by an individual, partnership, association, corporation, or other entity. In actions in which a person other than an individual is a party, that person may be represented by an officer or an employee.

2. *a.* In actions concerning residential rental property that is titled in the name of one or more individuals, an employee of one or more of the titled owners, or an officer or employee of a property management entity acting on behalf of one or more of the titled owners, may bring or defend an action in the name of the titled owners, the property management entity, or the name by which the property is commonly known.

*b.* Notwithstanding any other provision to the contrary, if the defendant or plaintiff has been improperly named in the petition in an action concerning residential rental property, the real party in interest shall be substituted at the time the error is identified and the action shall not be dismissed or delayed except to the extent necessary to identify and serve the real parties in interest.

3. A person who in the regular course of business takes assignments of instruments or accounts pursuant to chapter 539, which assignments constitute small claims, may bring an action on an assigned instrument or account in the person's own name and need not be represented by an attorney, provided that in an action brought to recover payment on a dishonored check or draft, as defined in section 554.3104, the action is brought in the county of residence of the maker of the check or draft or in the county where the draft or check was first presented. Any person, however, may be represented in a small claims action by an attorney.

[C75, 77, 79, 81, §631.14; 82 Acts, ch 1235, §3]

87 Acts, ch 137, §5; 2006 Acts, ch 1185, §87; 2013 Acts, ch 30, §261

Referred to in §625.22

Code editor directive applied

**631.15 Standard forms.**

The supreme court shall prescribe standard forms of pleadings to be used in small claims actions. Standard forms promulgated by the supreme court shall be the exclusive forms used.

[C73, §631.4; C75, 77, 79, 81, §631.15]

83 Acts, ch 101, §126

Referred to in §631.3, 631.7

Forms prescribed by the supreme court are published in the compilation "Iowa Court Rules"

**631.16 Discretionary review.**

1. A civil action originally tried as a small claim shall not be appealed to the supreme court except by discretionary review as provided herein.

2. *"Discretionary review"* is the process by which the supreme court may exercise its discretion, in like manner as under the rules pertaining to interlocutory appeals and certiorari in civil cases, to review specified matters not subject to appeal as a matter of right. The supreme court may adopt additional rules to control access to discretionary review.

3. The party seeking review shall be known as the appellant and the adverse party as the appellee, but the title of the action shall not be changed from that in the court below.

4. The record and case shall be presented to the appellate court as provided by the rules of appellate procedure; and the provisions of law in civil procedure relating to the filing of decisions and opinions of the appellate court shall apply in such cases.

5. The appellate court, after an examination of the entire record, may dispose of the case

by affirmation, reversal or modification of the lower court judgment, and may order a new trial.

6. The decision of the appellate court with any opinion filed or judgment rendered must be recorded by the supreme court clerk. Procedendo shall be issued as provided in the rules of appellate procedure.

7. The jurisdiction of the appellate court shall cease when procedendo is issued. All proceedings for executing the judgment shall be had in the trial court or by its clerk.

[C73, §602.71; C75, 77, 79, 81, §631.16]

85 Acts, ch 157, §1, 2

Rules adopted by the supreme court are published in the compilation "Iowa Court Rules"

**631.17 Prohibited practices.**

1. The district court, after due notice and hearing, may bar a person from appearing on the person's own behalf in any court governed by this chapter on a cause of action purchased by or assigned for collection to that person for any of the following:

*a.* Falsely holding oneself out as an attorney at law.

*b.* Repeatedly filing claims for costs allowed under section 625.22 which have been found by the court to have been exaggerated or without merit.

*c.* A pattern of conduct in violation of chapter 537, article 7.

2. A person barred pursuant to subsection 1 shall not derive any benefit, directly or indirectly, from any case brought pursuant to this chapter within the purview of the order of bar issued by the district court.

3. The district court shall dismiss any pending case based on a cause of action purchased or assigned for collection brought on the person's own behalf by a person barred pursuant to subsection 1, and shall assess the costs against that person.

4. The district court shall dismiss any case subsequently brought directly or indirectly by a person subject to a bar pursuant to subsection 1 in violation of that subsection and shall assess all costs to that person, and the court shall assess a further civil penalty of one hundred dollars against that person for each such case dismissed.

5. The district court shall retain jurisdiction over a person barred pursuant to subsection 1 and may punish violations of the court's order of bar as a matter of criminal contempt.

86 Acts, ch 1238, §25; 87 Acts, ch 98, §6; 2011 Acts, ch 25, §72; 2012 Acts, ch 1021, §107

# SUBTITLE 4

## PROBATE — FIDUCIARIES

# CHAPTER 632

RESERVED

# CHAPTER 633

## PROBATE CODE

Referred to in §10.1, 135.29, 135C.24, 141A.1, 144B.6, 217.13, 222.34, 231E.5, 231E.6, 231E.8, 231E.12, 232.3, 235B.2, 235B.3, 235B.18, 235E.1, 235E.2, 239B.13, 252B.6A, 455B.172, 558A.1, 565B.24, 602.6306, 602.8102(105), 633A.1107, 633A.3110, 635.1, 635.7, 635.8, 635.13, 815.11

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633.7101 Repealed by 2005 Acts, ch 38, §50.

# DIVISION I

# INTRODUCTION AND DEFINITIONS

## PART 1

## INTRODUCTION

**633.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Probate Code"*.
[C66, 71, 73, 75, 77, 79, 81, §633.1]

**633.2 How probate code to take effect.**

1. *Effective date.* This probate code shall take effect and be in force on and after January 1, 1964. The procedure herein prescribed shall govern all proceedings in probate

brought after the effective date of this probate code. It shall also govern further procedure in proceedings in probate then pending, except to the extent that, in the opinion of the court, its application in particular proceedings or parts thereof would not be feasible or would work injustice, in which event the former procedure shall apply.

2. *Rights not affected.* No act done in any proceeding commenced before this probate code takes effect and no accrued or vested right shall be impaired by its provisions. When a right has been acquired, extinguished, or barred upon the expiration of a prescribed period of time governed by the provision of any statute in force before this probate code takes effect, such provision shall remain in force and be deemed a part of this probate code with respect to such right.

[C66, 71, 73, 75, 77, 79, 81, §633.2]

2005 Acts, ch 38, §51

## PART 2

## DEFINITIONS AND USE OF TERMS

**633.3 Definitions and use of terms.**

When used in this probate code, unless otherwise required by the context, or another division of this probate code, the following words and phrases shall be construed as follows:

1. *Administrator* — any person appointed by the court to administer an intestate estate.
2. *Bequeath* — includes the word *"devise"* when used as a verb.
3. *Bequest* — includes the word *"devise"* when used as a noun.
4. *Charges* — includes costs of administration, funeral expenses, cost of monument, and federal and state estate taxes.
5. *Child* — includes an adopted child but does not include a grandchild or other more remote descendants, nor, except as provided in sections 633.221 and 633.222, a biological child.
6. *Clerk* — *"clerk of the district court"* in the county in which the matter is pending and includes the term *"clerk of the probate court"*.
7. *Conservator* — a person appointed by the court to have the custody and control of the property of a ward under the provisions of this probate code.
8. *Costs of administration* — includes court costs, fiduciary's fees, attorney fees, all appraisers' fees, premiums on corporate surety bonds, statutory allowance for support of surviving spouse and children, cost of continuation of abstracts of title, recording fees, transfer fees, transfer taxes, agents' fees allowed by order of court, interest expense, including but not limited to interest payable on extension of federal and state estate tax, and all other fees and expenses allowed by order of court in connection with the administration of the estate. Court costs shall include expenses of selling property.
9. *Court* — the Iowa district court sitting in probate and includes any Iowa district judge.
10. *Debts* — includes liabilities of the decedent which survive, whether arising in contract, tort or otherwise.
11. *Devise* — when used as a noun, includes testamentary disposition of property, both real and personal.
12. *Devise* — when used as a verb, to dispose of property, both real and personal, by a will.
13. *Devisee* — includes legatee.
14. *Distributee* — a person entitled to any property of the decedent under the decedent's will or under the statutes of intestate succession.
15. *Estate* — the real and personal property of either a decedent or a ward, and may also refer to the real and personal property of a trust described in section 633.10.
16. *Executor* — means any person appointed by the court to administer the estate of a testate decedent.
17. *Fiduciary* — includes personal representative, executor, administrator, guardian, conservator, and the trustee of any trust described in section 633.10.

18. *Full age* — the state of legal majority attained through arriving at the age of eighteen years or through having married, even though such marriage is terminated by divorce.

19. *Functional limitations* — means the behavior or condition of a person which impairs the person's ability to care for the person's personal safety or to attend to or provide for necessities for the person.

20. *Guardian* — the person appointed by the court to have the custody of the person of the ward under the provisions of this probate code.

21. *Guardian of the property* — at the election of the person appointed by the court to have the custody and care of the property of a ward, the term *"guardian of the property"* may be used, which term shall be synonymous with the term *"conservator"*.

22. *Heir* — any person, except the surviving spouse, who is entitled to property of a decedent under the statutes of intestate succession.

23. *Incompetent* — means the condition of any person who has been adjudicated by a court to meet at least one of the following conditions:

*a.* To have a decision-making capacity which is so impaired that the person is unable to care for the person's personal safety or to attend to or provide for necessities for the person such as food, shelter, clothing, or medical care, without which physical injury or illness may occur.

*b.* To have a decision-making capacity which is so impaired that the person is unable to make, communicate, or carry out important decisions concerning the person's financial affairs.

*c.* To have a decision-making capacity which is so impaired that both paragraphs *"a"* and *"b"* are applicable to the person.

24. *Issue* — for the purposes of intestate succession, includes all lawful lineal descendants of a person, whether biological or adopted, except those who are the lineal descendants of the person's living descendants.

25. *Legacy* — a testamentary disposition of personal property.

26. *Legatee* — a person entitled to personal property under a will.

27. *Letters* — includes letters testamentary, letters of administration, letters of guardianship, letters of conservatorship, and letters of trusteeship.

28. *Minor* — a person who is not of full age.

29. *Person* — includes natural persons and corporations.

30. *Personal representative* — includes executor and administrator.

31. *Property* — includes both real and personal property.

32. *Surviving spouse* — the surviving wife or husband, as the case may be.

33. *Temporary administrator* — any person appointed by the court to care for an estate pending the probating of a proposed will, or to handle any special matter designated by the court.

34. *Trustee* — the person or persons serving as trustee of a trust described in section 633.10.

35. *Trusts* — includes only those trusts described in section 633.10.

36. *Will* — includes codicil; it also includes a testamentary instrument that merely appoints an executor, and a testamentary instrument that merely revokes or revives another will.

[C51, §1286; R60, §2318; C73, §2336; C97, §3280; C24, 27, 31, 35, 39, §**11860;** C46, 50, 54, 58, 62, §633.15; C66, 71, 73, 75, 77, 79, 81, §633.3]

94 Acts, ch 1046, §26; 97 Acts, ch 178, §1, 2; 2005 Acts, ch 38, §2 – 5, 51; 2006 Acts, ch 1010, §154; 2008 Acts, ch 1119, §14; 2011 Acts, ch 34, §138; 2012 Acts, ch 1021, §108

Referred to in §231E.3, 232.2, 249A.53, 450.1, 523A.102, 600A.2, 633.63, 633.89, 633.551, 633.701, 633A.3113

Section not amended; editorial change applied

**633.4** Repealed by 2000 Acts, ch 1188, § 4.

**633.5 Nonestate property — insurance proceeds.**

A decedent's estate shall not include life insurance proceeds, unless the proceeds are payable to the decedent's estate.

94 Acts, ch 1153, §7

**633.6 through 633.9** Reserved.

## DIVISION II

## PROBATE COURT, CLERK OF PROBATE COURT, AND PROCEDURE IN PROBATE

## PART 1

## PROBATE COURT

**633.10 Jurisdiction.**

In addition to the jurisdiction granted the district court under the trust code, chapter 633A, or elsewhere, the district court sitting in probate shall have jurisdiction of:

1. *Estates of decedents and absentees.* The probate and contest of wills; the appointment of personal representatives; the granting of letters testamentary and of administration; the administration, settlement and distribution of estates of decedents and absentees, whether such estates consist of real or personal property or both.

2. *Construction of wills.* The construction of wills during the administration of the estate, whether said construction be incident to such administration, or as a separate proceeding.

3. *Conservatorships and guardianships.* The appointment of conservators and guardians; the granting of letters of conservatorship and guardianship; the administration, settlement and closing of conservatorships and guardianships.

4. *Trusts and trustees.*

*a.* The ongoing administration and supervision, including but not limited to the appointment of trustees, the granting of letters of trusteeship, trust administration, and trust settlement and closing, of the following trusts:

(1) A trust that was in existence on July 1, 2005, and that is subject to continuous court supervision.

(2) A trust established by court decree that is subject to continuous court supervision.

*b.* A trust described in paragraph *"a"* shall be governed by this chapter and the provisions of chapter 633A which are not inconsistent with the provisions of this chapter.

*c.* A trust not described in paragraph *"a"* shall be governed exclusively by chapter 633A and shall be subject to the jurisdiction of the district court sitting in probate only as provided in section 633A.6101.

*d.* Upon joint application by all trustees administering a trust described in paragraph *"a"* and following notice to the beneficiaries pursuant to section 633.40, the court shall release the trust from further jurisdiction unless a beneficiary objects. The court whose decree created the trust may release the trust from continuous court supervision following notice to the beneficiary pursuant to section 633.40. If such judicial release occurs for a trust previously governed by this chapter, such trust shall be governed by chapter 633A and the district court sitting in probate only as provided in section 633A.6101.

5. *Actions for accounting.* An action for an accounting against a beneficiary of a transfer on death security registration, pursuant to chapter 633D.

[C73, §2312; C97, §225; C24, 27, 31, 35, 39, §**10763, 10764;** C46, 50, 54, 58, 62, §604.3, 604.4; C66, 71, 73, 75, 77, 79, 81, §633.10]

85 Acts, ch 154, §1; 91 Acts, ch 36, §1; 97 Acts, ch 178, §3; 99 Acts, ch 56, §2; 2005 Acts, ch 38, §6 – 8, 55; 2005 Acts, ch 179, §139; 2006 Acts, ch 1010, §155

Referred to in §633.3, 633.27, 633.751, 633A.1107, 633A.6101

Applicability of probate code to trusts, see §633.751

See also §633A.1107

**633.11 Declaratory judgments — determination of heirship — distribution.**

During the administration of an estate, the district court sitting in probate shall have full, legal and equitable powers to make declaratory judgments in all matters involved in the administration of the estate, including those pertaining to the title of real estate, the determination of heirship, and the distribution of the estate. It shall have full, legal and equitable powers to enter final orders and decrees in all probate matters to effectuate its jurisdiction and to carry out its orders, judgments and decrees.

[C66, 71, 73, 75, 77, 79, 81, §633.11]

**633.12 County of jurisdiction.**

The court of each county shall have original and exclusive jurisdiction to administer the estates of all persons who are residents of the county, or who were residents at the time of their death, and all nonresidents of the state who have property, or who die leaving property in the county subject to administration, or whose property is afterwards brought into the county; to appoint conservators for nonresidents having property in the county; and to appoint conservators and guardians of residents of the county.

[C73, §2312; C97, §225; C24, 27, 31, 35, 39, §**10763, 10764;** C46, 50, 54, 58, 62, §604.3, 604.4; C66, 71, 73, 75, 77, 79, 81, §633.12]

**633.13 Extent of jurisdiction.**

The court of the county in which a will is probated, or in which administration, conservatorship or guardianship is granted, shall have jurisdiction coextensive with the state in the settlement of the estate, and in the sale and distribution thereof.

A district judge or a district associate judge has statewide jurisdiction to enter orders in probate matters not requiring notice and hearing, although the judge is not a judge of or present in the district in which the probate matter is pending. The orders shall be made in conformity with the rules of the district in which the probate matter is pending.

[R60, §2472; C73, §2319; C97, §3265; C24, 27, 31, 35, 39, §**11825;** C46, 50, 54, 58, 62, §631.7; C66, 71, 73, 75, 77, 79, 81, §633.13]

83 Acts, ch 186, §10119, 10201; 94 Acts, ch 1122, §2

**633.14 Concurrent jurisdiction.**

When a case is originally within the jurisdiction of the courts of two or more counties, the one which first takes cognizance thereof by the commencement of the proceedings shall retain the same throughout.

[C51, §1274; R60, §2306; C73, §2318; C97, §3264; C24, 27, 31, 35, 39, §**11824;** C46, 50, 54, 58, 62, §631.6; C66, 71, 73, 75, 77, 79, 81, §633.14]

**633.15 Probate court always open.** Repealed by 2003 Acts, ch 151, § 62.

**633.16 Control of probate records.**

The court shall have jurisdiction and supervision of the probate records of the clerk, and may direct the destruction of records it deems to be old, obsolete or unnecessary.

[C66, 71, 73, 75, 77, 79, 81, §633.16]

93 Acts, ch 70, §10

**633.17 Judge disqualified — procedure.**

When a judge is disqualified from acting in a probate matter, the matter shall be heard before another judge of the same district, or shall be transferred to the court of another district, or a judge of another district shall be procured to hold court for the hearing of the matter.

[C73, §2317; C97, §3263; C24, 27, 31, 35, 39, §**11823;** C46, 50, 54, 58, 62, §631.5; C66, 71, 73, 75, 77, 79, 81, §633.17]

83 Acts, ch 186, §10120, 10201

Disqualification of judicial officer, see §602.1606

**633.18 Rules in probate.**

1. Actions and proceedings under this chapter are subject to rules prescribed by the supreme court under section 602.4201.

2. The judicial officers of a judicial district, excluding the magistrates, acting under section 602.1213 may prescribe rules for probate actions and proceedings within the district, but these rules must be consistent with this chapter, and are subject to the approval of the supreme court.

[C66, 71, 73, 75, 77, 79, 81, §633.18]

83 Acts, ch 186, §10121, 10201; 96 Acts, ch 1153, §7

Rules adopted by the supreme court are published in the compilation "Iowa Court Rules"

**633.19 Process revoked.**

Any process or authority emanating from the court in probate matters may for good cause be revoked and a new one issued.

[C51, §1275; R60, §2307; C73, §2320; C97, §3266; C24, 27, 31, 35, 39, §**11827;** C46, 50, 54, 58, 62, §631.9; C66, 71, 73, 75, 77, 79, 81, §633.19]

**633.20 Referee — clerk — associate probate judge.**

1. The chief judge of the judicial district may appoint a referee in probate for the auditing of the accounts of fiduciaries and for the performance of other ministerial duties the chief judge prescribes. A person shall not be appointed as referee in a matter where the person is acting as a fiduciary or as the attorney.

2. The chief judge of the judicial district may appoint the clerk as referee in probate. In such cases, the fees received by the clerk for serving in the capacity of referee are fees of the office of the clerk of court and shall be deposited in the account established under section 602.8108.

3. A person appointed as an associate probate judge shall have jurisdiction to audit accounts of fiduciaries and to perform ministerial duties as a referee provided in this section and shall have additional jurisdiction to perform the judicial functions provided in section 633.20D.

[C73, §2412; C97, §3393; C24, 27, 31, 35, 39, §**12041;** C46, 50, 54, 58, 62, §638.1; C66, 71, 73, 75, 77, 79, 81, §633.20]

83 Acts, ch 186, §10122, 10201; 93 Acts, ch 70, §11; 94 Acts, ch 1074, §11; 99 Acts, ch 93, §11; 2000 Acts, ch 1057, §17; 2010 Acts, ch 1159, §13

**633.20A Part-time associate probate judge — appointment — removal — qualifications.**

The chief judge of a judicial district may appoint a part-time associate probate judge and may remove the part-time associate probate judge for cause following a hearing. The part-time associate probate judge shall be an attorney admitted to practice law in this state and shall be qualified for the position by training and experience.

99 Acts, ch 93, §12; 2000 Acts, ch 1154, §38

**633.20B Appointment and resignation of full-time associate probate judges.**

1. Full-time associate probate judges shall be appointed by the district judges of the judicial election district from persons nominated by the county magistrate appointing commission. In the case of a full-time associate probate judge to be appointed to more than one county, the appointment shall be from persons nominated by the county magistrate

appointing commissions acting jointly and in the case of a full-time associate probate judge to be appointed to more than one judicial election district of the same judicial district, the appointment shall be by a majority of the district judges in each judicial election district.

2. In November of any year in which an impending vacancy is created because a full-time associate probate judge is not retained in office pursuant to a judicial election, the county magistrate appointing commission shall publicize notice of the vacancy in at least two publications in the official county newspaper. The commission shall accept applications for consideration for nomination as full-time associate probate judge for a minimum of fifteen days prior to certifying nominations. The commission shall consider the applications and shall, by majority vote, certify to the chief judge of the judicial district not later than December 15 of that year the names of three applicants who are nominated by the commission for the vacancy. If there are three or fewer applicants, the commission shall certify all applicants who meet the statutory qualifications. Nominees shall be chosen solely on the basis of the qualifications of the applicants, and political affiliation shall not be considered.

3. Within thirty days after a county magistrate appointing commission receives notification of an actual or impending vacancy in the office of full-time associate probate judge, other than a vacancy referred to in subsection 2, the commission shall certify to the chief judge of the judicial district the names of three applicants who are nominated by the commission for the vacancy. The commission shall publicize notice of the vacancy in at least two publications in the official county newspaper. The commission shall accept applications for consideration for nomination as full-time associate probate judge for a minimum of fifteen days prior to certifying nominations. The commission shall consider the applications and shall, by majority vote, certify to the chief judge of the judicial district the names of three applicants who are nominated by the commission for the vacancy. If there are three or fewer applicants, the commission shall certify all applicants who meet the statutory qualifications. Nominees shall be chosen solely on the basis of the qualifications of the applicants, and political affiliation shall not be considered. As used in this subsection, a vacancy is created by the death, retirement, resignation, or removal of a full-time associate probate judge, or by an increase in the number of positions authorized.

4. Within fifteen days after the chief judge of a judicial district has received the list of nominees to fill a vacancy in the office of full-time associate probate judge, the district judges in the judicial election district shall, by majority vote, appoint one of those nominees to fill the vacancy.

5. A full-time associate probate judge who seeks to resign from the office of full-time associate probate judge shall notify in writing the chief judge of the judicial district as to the full-time associate probate judge's intention to resign and the effective date of the resignation. The chief judge of the judicial district, upon receipt of the notice, shall notify the county magistrate appointing commission and the state court administrator of the actual or impending vacancy in the office of full-time associate probate judge due to resignation.

6. The supreme court may prescribe rules of procedure to be used by county magistrate appointing commissions when exercising the duties specified in this section.

99 Acts, ch 93, §13, 15; 99 Acts, ch 208, §62; 2003 Acts, ch 151, §51, 64
Referred to in §602.2301, 602.6113

**633.20C Full-time associate probate judges — term, retention, qualifications.**

1. Full-time associate probate judges shall serve terms and shall stand for retention in office within the judicial election districts of their residences as provided under sections 46.16 through 46.24.

2. A person does not qualify for appointment to the office of full-time associate probate judge unless the person is at the time of appointment a resident of the county in which the vacancy exists, licensed to practice law in Iowa, and will be able, measured by the person's age at the time of appointment, to complete the initial term of office prior to reaching age seventy-two. An applicant for full-time associate probate judge shall file a certified application form, to be provided by the supreme court, with the chairperson of the county magistrate appointing commission.

3. A full-time associate probate judge must be a resident of a county in which the office is held during the entire term of office. A full-time associate probate judge shall serve within the judicial district in which appointed, as directed by the chief judge, and is subject to reassignment under section 602.6108.

4. Full-time associate probate judges shall qualify for office as provided in chapter 63 for district judges.

99 Acts, ch 93, §14, 15

**633.20D Associate probate judge — jurisdiction — appeals.**

1. An associate probate judge shall have the same jurisdiction to conduct probate court proceedings, to issue no-contact or protective orders, injunctions, contempt orders for adults in probate court proceedings, and to issue orders, findings, and decisions as the judge of the probate court. However, the chief judge may limit the exercise of probate court jurisdiction by the associate probate judge.

2. The parties to a proceeding heard by an associate probate judge are entitled to appeal the order, finding, or decision of an associate probate judge, in the manner of an appeal from orders, findings, or decisions of district court judges. An appeal does not automatically stay the order, finding, or decision of an associate probate judge.

2010 Acts, ch 1159, §14

Referred to in §633.20

**633.21 Appraisers' fees and referees' fees fixed by rule.**

The district judges of each judicial district shall by rule fix the fees of probate referees, and also provide, insofar as practicable, a uniform schedule of compensation for inheritance tax appraisers, other appraisers, brokers, and agents employed at estate expense.

[C66, 71, 73, 75, 77, 79, 81, §633.21]

83 Acts, ch 186, §10123, 10201

## PART 2

## CLERK OF PROBATE COURT

**633.22 Probate powers of clerk.**

The clerk shall have and may exercise within the county all the powers and jurisdiction of the court and of the judge thereof, in the following matters:

1. The appointment of personal representatives who are residents of the state, guardians and conservators for minors, the fixing and determining of the amount of the bond, or waiving the same when permitted by law or by will, and the approval of any and all bonds given by fiduciaries in the discharge of their duties.

2. The examination and approval of all intermediate and interlocutory accounts and reports of fiduciaries.

3. The admission of wills of decedents to probate, when not contested, and the making of necessary orders in relation thereto, including orders for the issuance of commissions to take depositions. Proof may be made before the clerk in the same manner as is made in open court.

4. The making of all necessary orders in relation to the personal effects of a deceased person, where no objection is filed, and perform all other acts within the clerk's jurisdiction, as provided in this probate code.

5. The approval, when notice has been waived by all persons interested, of petitions and reports, or joint petitions and reports, in respect to the sale, mortgage, pledge, lease or exchange of property pursuant to sections 633.386 to 633.400.

6. The entering of routine scheduling orders in probate matters as established by the chief judge in each judicial district.

[C51, §1276; R60, §2308; C73, §2315, 2321; C97, §250, 3267, 3268; S13, §3268; C24, 27, 31, 35, 39, §**11828, 11832, 11838;** C46, 50, 54, 58, 62, §631.10, 632.1, 632.7; C66, 71, 73, 75, 77, 79, 81, §633.22]

94 Acts, ch 1050, §1; 2005 Acts, ch 38, §51

Referred to in §633.23

**633.23 Clerk's actions reviewed.**

Any person aggrieved by any order made or entered by the clerk under the powers conferred in section 633.22, subsections 1 to 4, may have the same reviewed in court upon motion filed within six months or before the hearing on the final report of the fiduciary, whichever is the earlier, and upon such notice as provided in section 633.40.

[C97, §251; C24, 27, 31, 35, 39, §**11834;** C46, 50, 54, 58, 62, §632.3; C66, 71, 73, 75, 77, 79, 81, §633.23]

**633.24 Docketing and hearing.**

Upon the filing of such a motion, the clerk shall place the cause or proceeding on the docket without additional docket fee, and the matter shall stand for hearing or trial de novo in open court.

[C97, §251; C24, 27, 31, 35, 39, §**11835;** C46, 50, 54, 58, 62, §632.4; C66, 71, 73, 75, 77, 79, 81, §633.24]

**633.25 Validity of clerk's orders.**

The records, orders, and judgments made and entered by the clerk, as hereinbefore provided, and not reversed, set aside, or modified by the court, shall stand, and shall be of the same force, validity, and effect, and be entitled to the same faith and credit, as if they had been made by the court.

[C97, §252; C24, 27, 31, 35, 39, §**11836;** C46, 50, 54, 58, 62, §632.5; C66, 71, 73, 75, 77, 79, 81, §633.25]

**633.26 Clerk not to prepare reports.**

A clerk of the district court or employee of the clerk shall not act as attorney for a fiduciary, or make or assist in making, drafting, or filling out any report of any fiduciary or any other report to be filed in the clerk's office.

[C97, §252; C24, 27, 31, 35, 39, §**11837;** C46, 50, 54, 58, 62, §632.6; C66, 71, 73, 75, 77, 79, 81, §633.26]

90 Acts, ch 1233, §38

**633.27 Probate docket.**

The clerk shall keep a book to be known as the "Probate Docket", which shall show:

1. The name of every deceased person whose estate is administered or whose will is admitted to probate, and the date of the person's death.

2. The name of each person as to whom application for conservatorship or guardianship is made.

3. The names of all the heirs in intestate estates and the surviving spouse of such deceased intestate, and their ages and places of residence, so far as they can be ascertained.

4. The title of each trust described in section 633.10 that has not been released by the court from continuous court supervision.

5. A note of every sale of real estate made under the order of the court, with a reference to the volume and page of the record where a complete record thereof may be found.

[C73, §2490; C97, §3411; C24, 27, 31, 35, 39, §**11841;** C46, 50, 54, 58, 62, §632.10; C66, 71, 73, 75, 77, 79, 81, §633.27]

2005 Acts, ch 38, §9

**633.27A Docketing guardianship and conservatorship proceedings.**

When a petition is filed for a conservatorship or guardianship, or a combined petition as provided in section 633.627, the administration thereof shall be treated as a separate proceeding, with a separate docket number, from the date of the filing of the petition. The clerk shall clearly indicate on the docket whether the proceedings are voluntary or involuntary and whether a guardianship, a conservatorship, or combined.

89 Acts, ch 178, §7

**633.28 Docketing trust proceedings.** Repealed by 2005 Acts, ch 38, § 50.

**633.29** Repealed by 99 Acts, ch 144, § 15.

**633.30** Repealed by 93 Acts, ch 70, § 15.

**633.31 Calendar — fees in probate.**

1. The clerk shall keep a court calendar, and enter thereon such matters as the court may prescribe.

2. The clerk shall charge and collect the following fees in connection with probate matters, which shall be deposited in the account established under section 602.8108:

*a.* For services performed in short form probates pursuant to sections 450.22 and 450.44 ..... $ 15.00

*b.* For services performed in probate of will without administration ..... 15.00

*c.* For filing and indexing a transcript 50.00

*d.* For taking and approving a bond, or the sureties on a bond ..... 20.00

*e.* For entering a rule or order ..... 10.00

*f.* For certificate and seal ..... 10.00

*g.* For making a complete record where real estate is sold ..... per 100 words ..... .20

*h.* For making a transcript or copies of orders or records filed in the clerk's office ..... per 100 words ..... .50

*i.* For certifying change of title ..... 20.00

*j.* For issuing commission to appraisers ..... 2.00

*k.* For other services performed in the settlement of the estate of any decedent, minor, person with mental illness, or other persons laboring under legal disability, except where actions are brought by the administrator, guardian, trustee, or person acting in a representative capacity or against that person, or as may be otherwise provided herein, where the value of the personal property and real estate of such a person falls within the following indicated amounts, the fee opposite such amount shall be charged.

(1) Up to $3,000.00 ..... 5.00

(2) 3,000.00 to 5,000.00 ..... 10.00

(3) 5,000.00 to 7,000.00 ..... 15.00

(4) 7,000.00 to 10,000.00 ..... 20.00

(5) 10,000.00 to 15,000.00 ..... 25.00

(6) 15,000.00 to 25,000.00 ..... 30.00

(7) For each additional $25,000.00 or major fraction thereof ..... 50.00

*l.* For services performed in small estate administration ..... 15.00

3. The fee set forth in subsection 2, paragraph "*k*", shall not be charged on any property

transferred to a testamentary trust from an estate that has been administered in this state and for which court costs have been assessed and paid.

[C97, §3269; C24, 27, 31, 35, 39, §**11844;** C46, 50, 54, 58, 62, §632.13; C66, 71, 73, 75, 77, 79, 81, §633.31]

83 Acts, ch 186, §10124, 10201; 88 Acts, ch 1258, §3; 89 Acts, ch 207, §2; 94 Acts, ch 1074, §12, 13; 96 Acts, ch 1129, §113; 99 Acts, ch 56, §3; 2004 Acts, ch 1120, §7; 2007 Acts, ch 180, §3; 2009 Acts, ch 179, §64, 72

**633.32 Delinquent inventories and reports.**

1. On June 1 and December 1 of each year, the clerk shall notify the fiduciary and the fiduciary's attorney of any delinquent inventories or reports due by law in any pending estate, trust, guardianship, or conservatorship, and that unless such delinquent inventory or report is filed within sixty days thereafter, the matter shall be reported to the presiding judge. If the delinquent inventory is not filed within the time so specified, the fiduciary will be subject to removal under the provisions of section 633.65 of this Code.

2. On August 1 and February 1 of each year, the clerk shall report to the presiding judge all delinquent inventories or reports in estates, trusts, guardianships, or conservatorships on which such notice has been given and no report or inventory has been filed in response to the notice.

3. The reports required by this section shall indicate thereon all cases in which the attorney, or the fiduciary or the fiduciary's surety, is deceased, or insolvent, or cannot be found, or has removed from this state, and where it is shown by said reports, or it otherwise appears that there are no known assets belonging to the estate, the judge may, on the judge's own motion, order said estate closed, and may, in the judge's discretion, waive costs, or, on reasonable notice to the fiduciary, tax costs against the fiduciary. Such order shall not operate to prevent the reopening of such estate.

[C97, §3269; C24, 27, 31, 35, 39, §**11845;** C46, 50, 54, 58, 62, §632.14; C66, 71, 73, 75, 77, 79, 81, §633.32]

2000 Acts, ch 1150, §1

## PART 3

## PROCEDURE IN PROBATE

**633.33 Nature of proceedings in probate.**

Actions to set aside or contest wills, for the involuntary appointment of guardians and conservators, and for the establishment of contested claims shall be triable in probate as law actions, and all other matters triable in probate shall be tried by the probate court as a proceeding in equity.

[C66, 71, 73, 75, 77, 79, 81, §633.33]

**633.34 Applicability of rules of civil procedure.**

All actions triable in probate shall be governed by the rules of civil procedure, except as provided otherwise in this probate code.

[C66, 71, 73, 75, 77, 79, 81, §633.34]

2005 Acts, ch 38, §51

**633.35 Reports and applications for orders.**

All petitions, reports, and applications for orders in probate must be in writing, verified, acknowledged or certified, and self-explanatory. If the petition, report, or application is certified, substantially the following language shall be used:

I certify under penalty of perjury and pursuant to the laws of the state of Iowa that the preceding is true and correct.

[C97, §3421; C24, 27, 31, 35, 39, §**12072;** C46, 50, 54, 58, 62, §638.35; C66, 71, 73, 75, 77, 79, 81, §633.35]
89 Acts, ch 35, §1
Referred to in §450.58

**633.36 Orders in probate.**
All orders and decrees of the court sitting in probate are final decrees as to the parties having notice and those who have appeared without notice.
[C66, 71, 73, 75, 77, 79, 81, §633.36]

**633.37 Orders without notice.**
All orders entered without notice or appearance are reviewable by the court at any time prior to the entry of the order approving the final report.
[C66, 71, 73, 75, 77, 79, 81, §633.37]

**633.38 Time and place of hearing.**
Except as otherwise provided in this probate code, the hearing of any matter requiring notice shall be had at such time and place as the court may fix.
[C73, §2313; C97, §3261; C24, 27, 31, 35, 39, §**11820;** C46, 50, 54, 58, 62, §631.2; C66, 71, 73, 75, 77, 79, 81, §633.38]
2005 Acts, ch 38, §51

**633.39 Place of hearing — noncontest or agreement.**
In cases where no objection, resistance or appearance has been filed, or by agreement, such hearing may be had at any place within the judicial district.
[C97, §3261; C24, 27, 31, 35, 39, §**11821;** C46, 50, 54, 58, 62, §631.3; C66, 71, 73, 75, 77, 79, 81, §633.39]

**633.40 Notice in probate proceedings.**
1. *Court prescribing notice.* Except as otherwise provided in this probate code, the court shall fix the time and place of hearing of any matter requiring notice and shall prescribe a time for the hearing not less than twenty days after the date the notice is served unless the court finds there is good cause shown to shorten the time period to less than twenty days. The court shall also prescribe the manner of service of the notice of such hearing.
2. *Notice by publication.* In the case of proceedings against unknown persons or persons whose address or whereabouts are unknown, the court shall prescribe that notice may be served by publication within the time and in the manner provided by the rules of civil procedure.
3. *No notice by posting.* No notice shall be served at any time by posting.
4. *Notice otherwise provided.* In lieu of the foregoing the notice may direct each interested party to file the party's objections thereto in writing, if any, on or before a date certain, to be set out in the notice and to be not less than twenty days after the day the notice is served upon the party and that unless the party does so file objections in writing that the party will be forever barred from making any objections thereto. Said notice shall be served upon each interested party personally in compliance with the rules of civil procedure, or upon those parties not under legal disability by ordinary United States mail. In the event objections thereto are timely filed, the court shall fix the time and place of the hearing for the judicial determination of the issues raised.
5. *Notice by mail.* When notice in probate proceedings is served upon an interested party by United States mail, the service is made and completed when the notice being served is enclosed in a sealed envelope with the proper postage thereon addressed to the interested

party at the party's last known post office address and is deposited in a mail receptacle provided by the United States postal service.

[C73, §2314; C97, §3262; C24, 27, 31, 35, 39, §**11822;** C46, 50, 54, 58, 62, §631.4; C66, 71, 73, 75, 77, 79, 81, §633.40]

2005 Acts, ch 38, §51; 2009 Acts, ch 52, §2, 14

Referred to in §633.10, 633.23, 633.237, 633.374, 633.376, 633.389, 633.478, 633.554, 633.568, 633.677, 633.754, 633A.3114, 633A.3115, 635.8

2009 amendment to subsection 1 applies to orders setting hearings entered on or after July 1, 2009; 2009 Acts, ch 52, §14

**633.41 Consular representatives — notice.**

Whenever in the course of the administration of any estate, it shall appear that any subject, citizen, or national of a foreign country is interested as an heir, devisee, legatee, or otherwise, and the address of such person is unknown to the personal representative, the personal representative shall give notice by mail to the consular representative of such country for Iowa of the pendency of such proceedings and of the particular interest of such foreign subject. If such consular representative shall not have filed the representative's designation and address with the clerk, then such notice shall be mailed to the chief diplomatic representative of such foreign country at Washington, D.C. Failure to give such notice shall in no event and in no manner affect title to property.

[C27, 31, 35, §11845-b1; C39, §**11845.1;** C46, 50, 54, 58, 62, §632.15; C66, 71, 73, 75, 77, 79, 81, §633.41]

**633.42 Requests for notice.**

At any time after the issuance of letters testamentary or of administration upon a decedent's estate, any person interested in the estate may file with the clerk a written request, in triplicate, for notice of the time and place of all hearings in such estate for which notice is required by law, by rule of court, or by an order in such estate. The request for notice shall state the name and post office address of such person and the name and post office address of the attorney, if any, for the party requesting the notice. The clerk shall docket the request, and transmit the duplicates to the personal representative of the estate of the decedent and to the personal representative's attorney of record, if any. Thereafter, the personal representative shall, unless otherwise ordered by the court, serve, by ordinary mail, upon such person, or the person's attorney, if any, a notice of each hearing.

[C66, 71, 73, 75, 77, 79, 81, §633.42]

93 Acts, ch 111, §1

Referred to in §633.43, 654.4A

**633.43 Notice and appearance.**

In any matter pending in the probate court, the attorney general may request notice of all hearings therein as provided by section 633.42, and may, with the approval of the court, intervene in behalf of the public interest. The court, on its own motion, in any such matter involving the public interest, may direct the fiduciary to give notice of the hearing to the attorney general.

[C66, 71, 73, 75, 77, 79, 81, §633.43]

**633.44 Waiver of service of notice.**

Any notice required under this probate code, or by order of court, may be waived in writing by the person, or the fiduciary, entitled to receive such notice.

[C66, 71, 73, 75, 77, 79, 81, §633.44]

2005 Acts, ch 38, §51

**633.45 Notice of order served on fiduciary and attorney.**

When the court makes an order affecting a fiduciary, it shall be served upon the fiduciary and the fiduciary's attorney of record in such manner as the court may prescribe.

[R60, §2474, 2475, 2476; C73, §2479, 2480, 2481; C97, §3403, 3404; S13, §3403; C24, 27, 31, 35, 39, §**12055, 12056;** C46, 50, 54, 58, 62, §638.15, 638.16; C66, 71, 73, 75, 77, 79, 81, §633.45]

**633.46 Proof of publication.**

Proof of the publication of all notices that are by this probate code or by order of court required to be published shall be made by an affidavit of the publisher or of any employee having knowledge of the facts.

[C66, 71, 73, 75, 77, 79, 81, §633.46]

2005 Acts, ch 38, §51

**633.47 Proof of service and payment of costs.**

Proof of service of any notice, required by this probate code or by order of court, including those by publication, shall be filed with the clerk. The costs of serving any notice given by the fiduciary shall be paid directly by the estate.

[C66, 71, 73, 75, 77, 79, 81, §633.47]

2003 Acts, ch 151, §52; 2005 Acts, ch 38, §51

**633.48 Certified copies affecting foreign real estate.**

A certified copy of any proceedings, order, judgment, or deed, affecting real estate in any county other than that in which administration or conservatorship is originally granted, shall be furnished to the clerk of the court of the county where such real estate is situated. Upon receipt of the certified copy, the clerk of court shall assign a probate case number to the certified copy and file the copy using the name of the probate proceeding in the county sending the copy. The file created by the county receiving a certified copy as provided in this section shall not be considered an active file for administrative purposes.

[C97, §3265; C24, 27, 31, 35, 39, §**11826;** C46, 50, 54, 58, 62, §631.8; C66, 71, 73, 75, 77, 79, 81, §633.48]

99 Acts, ch 144, §12

**633.49 Transfer to another county.**

In any proceeding in probate, the court may, upon written showing, supported by affidavit, and on such notice to interested parties as the court may prescribe, transfer such proceeding to any other county, when it is made to appear that such transfer will be in furtherance of justice. Thereupon, the matter shall be pending in such other county.

[C24, 27, 31, 35, 39, §**11829;** C46, 50, 54, 58, 62, §631.11; C66, 71, 73, 75, 77, 79, 81, §633.49]

**633.50 Certified copy of transferring court's records.**

The clerk of the court which orders such a transfer shall retain the original files and papers, but shall make a certified copy thereof and of all record entries pertaining to the proceedings. The clerk of court shall at once file the same in the office of the clerk of the court to which the transfer has been made.

[C24, 27, 31, 35, 39, §**11830;** C46, 50, 54, 58, 62, §631.12; C66, 71, 73, 75, 77, 79, 81, §633.50]

Referred to in §633.51

**633.51 Filing of certified copy by receiving court.**

The clerk of the court to which the proceedings are transferred shall file, within a new file of the clerk's county, the certified copy of the record entries referred to in section 633.50.

[C24, 27, 31, 35, 39, §**11831;** C46, 50, 54, 58, 62, §631.13; C66, 71, 73, 75, 77, 79, 81, §633.51]

99 Acts, ch 144, §13

**633.52 Mistakes corrected.**

Mistakes in settlements may be corrected at any time before the final discharge of any fiduciary on such notice, if any, as the court may direct.

[C51, §1432; R60, §2457; C73, §2474; C97, §3398; C24, 27, 31, 35, 39, §**12049;** C46, 50, 54, 58, 62, §638.9; C66, 71, 73, 75, 77, 79, 81, §633.52]

**633.53 Submission and retention of vouchers and receipts.**

In all accountings filed by fiduciaries, vouchers or receipts for all disbursements shall be filed or submitted by the fiduciary upon written request of any interested party, or upon order of court. After an order, or decree, has been entered approving such accounting, any vouchers

or receipts which have been filed may be withdrawn under order of the court. Vouchers or receipts not filed, or which have been withdrawn, shall be preserved by the fiduciary until the accounting of such fiduciary becomes final.

[C66, 71, 73, 75, 77, 79, 81, §633.53]

**633.54 through 633.62** Reserved.

## DIVISION III

## GENERAL PROVISIONS RELATING TO FIDUCIARIES

## PART 1

## QUALIFICATION, APPOINTMENT, SUBSTITUTION, AND REMOVAL OF FIDUCIARIES

**633.63 Qualification of fiduciary — resident.**

1. Any natural person of full age, who is a resident of this state, is qualified to serve as a fiduciary, except any of the following:

*a.* A person who is incompetent.

*b.* Any other person whom the court determines to be unsuitable.

2. Banks and trust companies organized under the laws of the United States or state banks, when approved by the superintendent of banking under section 524.1001, and trust companies authorized to engage in trust business pursuant to section 524.1005, are authorized to act in a fiduciary capacity in Iowa.

3. A private nonprofit corporation organized under chapter 504, Code 1989, or current chapter 504 is qualified to act as a guardian, as defined in section 633.3, or a conservator, as defined in section 633.3, if the corporation does not possess a proprietary or legal interest in an organization which provides direct services to the individual.

4. The state or a local substitute decision maker as defined in section 231E.3 is authorized to act in a fiduciary capacity in this state in accordance with chapter 231E.

[C51, §1304, 1305; R60, §2336, 2337; C73, §2345, 2346; C97, §3288, 3289; C24, 27, 31, 35, 39, §**11871, 11872;** C46, 50, 54, 58, 62, §633.27, 633.28; C66, 71, 73, 75, 77, 79, 81, §633.63]

85 Acts, ch 31, §1; 86 Acts, ch 1131, §1; 89 Acts, ch 178, §8; 89 Acts, ch 257, §32; 96 Acts, ch 1129, §105; 98 Acts, ch 1118, §1; 2003 Acts, ch 108, §108; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394; 2005 Acts, ch 175, §144, 145; 2010 Acts, ch 1137, §3

Referred to in §173.22A, 217.41, 231E.10, 256.88, 260C.32, 262.9, 303.7, 303.9, 501A.601, 524.107, 633.64, 633.65, 633.649, 635.1

**633.64 Qualification of fiduciary — nonresident.**

The court may, upon application, appoint the following nonresidents as fiduciaries:

1. *Natural persons.* A natural person who is a nonresident of this state and who is otherwise qualified under the provisions of section 633.63, provided a resident fiduciary is appointed to serve with such nonresident fiduciary; and provided further that the court, for good cause shown, may appoint such nonresident fiduciary to serve alone without the appointment of a resident fiduciary.

2. *Banks and trust companies.* Banks and trust companies organized under the laws of the United States or of another state and authorized to act in a fiduciary capacity in another state, if banks and trust companies of this state are permitted to act as fiduciary under similar conditions in the state where such bank or trust company is located.

[C66, 71, 73, 75, 77, 79, 81, §633.64]

Referred to in §524.107, 633.65, 633.649, 635.1

**633.65 Removal of fiduciary.**

When any fiduciary is, or becomes, disqualified under sections 633.63 and 633.64, has mismanaged the estate, failed to perform any duty imposed by law, or by any lawful order of court, or ceases to be a resident of the state, then the court may remove the fiduciary. The court may upon its own motion, and shall upon the filing of a verified petition by any person interested in the estate, including a surety on the fiduciary's bond, order the fiduciary to appear and show cause why the fiduciary should not be removed. Any such petition shall specify the grounds of complaint. The removal of a fiduciary after letters are duly issued to the fiduciary shall not invalidate the fiduciary's official acts performed prior to removal.

[C51, §1306, 1509, 1510; R60, §2338, 2561, 2562; C73, §2247, 2251, 2496 – 2500; C97, §3198, 3201, 3416 – 3418; S13, §3228-g; C24, 27, §12066 – 12068, 12600, 12604, 12643; C31, 35, §12066 – 12068, 12600, 12604, 12643, 12644-c12; C39, §**12066 – 12068, 12600, 12604, 12643, 12644.12;** C46, 50, 54, 58, 62, §638.29 – 638.31, 668.27, 668.31, 671.12, 672.12; C66, 71, 73, 75, 77, 79, 81, §633.65]

Referred to in §231E.7, 524.1007, 524.1008, 633.32, 633.649

**633.66 Appointment of successor fiduciary.**

When any fiduciary fails to qualify, dies, is removed by the court, or resigns, and such resignation is accepted by the court, the court may, and if the fiduciary were the sole or last surviving fiduciary, and the administration has not been completed, the court shall appoint another fiduciary in the former's place.

[C51, §1303, 1307; R60, §2335, 2339; C73, §2347, 2348; C97, §3290, 3291; C24, 27, 31, 35, 39, §**11873, 11874;** C46, 50, 54, 58, 62, §633.29, 633.30; C66, 71, 73, 75, 77, 79, 81, §633.66]

Referred to in §633.649

**633.67 Powers of surviving cofiduciary.**

When the instrument creating the estate or trust requires two or more fiduciaries, and a vacancy occurs on account of the death, resignation, or removal of one of the fiduciaries, during the period of the vacancy thus created, the remaining fiduciary or fiduciaries shall have all the rights, titles and powers, whether discretionary or otherwise, of all the fiduciaries.

[C66, 71, 73, 75, 77, 79, 81, §633.67]

Referred to in §633.649

**633.68 Powers of successor fiduciary.**

When a successor fiduciary is appointed, the successor shall have all the rights, powers, titles and duties of the predecessor, except that the successor shall not exercise powers given in the instrument creating the powers that by its express terms are personal to the fiduciary therein designated.

[C66, 71, 73, 75, 77, 79, 81, §633.68]

Referred to in §633.649

**633.69 Substitution — effect.**

The substitution of a fiduciary shall occasion no delay in the administration of an estate. The periods herein specified within which acts are to be performed after the appointment of a fiduciary shall, unless otherwise ordered by the court, be computed from the issuing of the letters to the first fiduciary.

[C51, §1308; R60, §2340; C73, §2349; C97, §3292; C24, 27, 31, 35, 39, §**11875;** C46, 50, 54, 58, 62, §633.31; C66, 71, 73, 75, 77, 79, 81, §633.69]

Referred to in §633.649

**633.70 Property delivered — penalty.**

Upon the removal of any fiduciary, the fiduciary shall be required by order of the court to deliver to the person who may be entitled thereto all the property in the fiduciary's hands or under the fiduciary's control belonging to the estate, and if the fiduciary fails or refuses to

comply with any proper order of the court, the fiduciary may be committed to the jail of the county until the fiduciary does.

[C51, §1509; R60, §2561, 2563; C73, §2251, 2252, 2501, 2502; C97, §3201, 3419; C24, 27, 31, 35, 39, §**12069, 12601, 12602;** C46, 50, 54, 58, 62, §638.32, 668.28, 668.29; C66, 71, 73, 75, 77, 79, 81, §633.70]

Referred to in §633.649

Removal of fiduciary under §633.65 constitutes effective turnover order; see R.Prob.P. 7.1

**633.71 Legal effect of appointment.**

By qualifying as fiduciary any person, resident or nonresident, submits to the jurisdiction of the court making the appointment of the fiduciary and, in addition, shall be deemed to agree that:

1. All property coming into the fiduciary's hands is subject to the jurisdiction of the court wherein are pending the proceedings in which the fiduciary is serving, and

2. The fiduciary is subject to all orders entered by the court in the proceedings in which the fiduciary is serving and that notices served upon the fiduciary with respect thereto in compliance with the procedure prescribed by the probate code shall have the same force and effect as if such service had been personally made upon the fiduciary within the state.

3. The fiduciary shall be subject to the jurisdiction of the courts of this state in all actions and proceedings against the fiduciary arising from or growing out of the fiduciary relationship and activities and that the service of process in such actions and proceedings may be made upon the fiduciary by serving the original notice upon the fiduciary outside this state and that such service shall have the same force and effect as though the service had been personally made upon the fiduciary within this state.

4. The clerk of the court in which is pending the proceedings in which the fiduciary is serving is the lawful attorney or resident agent of such nonresident fiduciary upon whom service of process may be made whether such process be an order of the court entered in the proceedings in which the fiduciary is serving or an original notice of an action arising from or growing out of the fiduciary relationship and activities of the nonresident fiduciary.

[C71, 73, 75, 77, 79, 81, §633.71]

2005 Acts, ch 38, §51

Referred to in §633.649

**633.72 Manner of service.**

1. Service of an original notice of an action or process upon a nonresident fiduciary as herein provided may be made upon such fiduciary either by:

*a.* Delivering four copies of said notice or of said process to the clerk of court wherein the proceedings in which such fiduciary is serving are pending; or

*b.* Mailing four copies of said original notice or of said process by certified mail addressed to said clerk of court by the clerk's official title.

2. Upon receipt of said copies, such clerk of court shall immediately acknowledge and accept service thereof on behalf of the nonresident fiduciary by writing thereon or attaching thereto written acknowledgment and acceptance of such service on behalf of such nonresident fiduciary, giving the date thereof.

3. The clerk of court shall forthwith:

*a.* File one copy in the action or proceedings to which it relates if pending in the court of which the clerk is clerk, or transmit such notice or process and acknowledgment and acceptance of the service thereof by certified mail to the clerk of court in which the action or proceedings is pending.

*b.* Mail one copy of such original notice or process and a copy of the written acknowledgment and acceptance of service thereof by certified mail to the nonresident fiduciary at the last address of such fiduciary as shown by the records in the proceedings in which such fiduciary is serving.

*c.* Mail one copy of such original notice or process and a copy of the written acknowledgment and acceptance of service thereof by certified mail to the attorney of record for such fiduciary.

*d.* Retain a copy of such original notice or process for the clerk's files.

4. Said service upon the clerk of court as herein provided shall have the same force and effect as if served upon the nonresident fiduciary personally within the state of Iowa on the date stated in said acknowledgment and acceptance of such service by the clerk of court.

[C71, 73, 75, 77, 79, 81, §633.72]

Referred to in §633.649

**633.73 through 633.75** Reserved.

## PART 2

## POWERS APPLICABLE TO ALL FIDUCIARIES

**633.76 Two or more fiduciaries — exercise of powers.**

Where there are two or more fiduciaries, they shall all concur in the exercise of the powers conferred upon them, unless the instrument creating the estate provides to the contrary. In the event that the fiduciaries cannot concur upon the exercise of any power, any one of the fiduciaries may apply to the court for directions, and the court shall make such orders as it may deem to be to the best interests of the estate.

[C66, 71, 73, 75, 77, 79, 81, §633.76]

Referred to in §633.649

**633.76A Exception — voting of publicly traded securities.**

Where there are two or more fiduciaries, a fiduciary may delegate to another fiduciary the power to vote publicly traded securities, unless the instrument creating the estate provides to the contrary. The delegating fiduciary shall not be personally liable for the manner in which such securities are voted by the fiduciary to whom the power is delegated.

91 Acts, ch 36, §2

Referred to in §633.649

**633.77 Receipts by one fiduciary.**

One of the several fiduciaries may receive and receipt for any money, which receipt shall be given by the fiduciary in the fiduciary's own name only, and the fiduciary must individually account for all the money thus received and receipted for by the fiduciary, and this shall not charge any cofiduciary, except insofar as it can be shown to have come into the cofiduciary's hands.

[C51, §1442; R60, §2467; C73, §2478; C97, §3402; C24, 27, 31, 35, 39, §**12054;** C46, 50, 54, 58, 62, §638.14; C66, 71, 73, 75, 77, 79, 81, §633.77]

Referred to in §633.649

**633.78 Third parties protected.**

A person who in good faith pays or transfers to a fiduciary any money or other property which the fiduciary as such is authorized to receive, is not responsible for the proper application thereof by the fiduciary; and any right or title acquired from the fiduciary in consideration of such payment or transfer is not invalid in consequence of a misapplication by the fiduciary.

[C66, 71, 73, 75, 77, 79, 81, §633.78]

Referred to in §633.649

**633.79 Fiduciaries considered as one.**

In an action against several fiduciaries, in their fiduciary capacity, they shall be considered one person, and judgment may be taken against all as such, although not all were served with notice.

[C51, §1437; R60, §2462; C73, §2489; C97, §3410; C24, 27, 31, 35, 39, §**12062;** C46, 50, 54, 58, 62, §638.22; C66, 71, 73, 75, 77, 79, 81, §633.79]

Referred to in §633.649

**633.80 Fiduciary of a fiduciary.**

A fiduciary has no authority to act in a matter wherein the fiduciary's decedent or ward was merely a fiduciary, except that the fiduciary shall file a report and accounting on behalf of the decedent or ward in said matter.

[C51, §1438; R60, §2463; C73, §2483; C97, §3406; C24, 27, 31, 35, 39, §**12058;** C46, 50, 54, 58, 62, §638.18; C66, 71, 73, 75, 77, 79, 81, §633.80]

Referred to in §633.649

**633.81 Suit by and against fiduciary.**

Any fiduciary may sue, be sued and defend in such capacity.

[R60, §1452; C73, §2275; C97, §3224; C24, 27, 31, 35, 39, §**12582;** C46, 50, 54, 58, 62, §668.10; C66, 71, 73, 75, 77, 79, 81, §633.81]

Referred to in §633.649

**633.82 Designation of attorney.**

The designation of the attorney employed by the fiduciary to assist in the administration of the estate shall be filed in the estate proceedings. The designation shall state the attorney's name, post office address, and telephone number. The designation shall clearly state the name of the attorney who is in charge of the case and the attorney's name shall not be listed by firm name only.

[C66, 71, 73, 75, 77, 79, 81, §633.82; 82 Acts, ch 1060, §1]

Referred to in §633.649

**633.83 Continuation of business.**

Upon a showing of advantage to the estate, the court may authorize the fiduciary to continue any business of the estate for the benefit thereof. The order may be without notice, or after such notice as the court may prescribe. The court may on its own motion, and upon the application of any interested party shall, review such authorization, and upon such review, may revoke or modify the same. The order may provide:

1. For the conduct of the business solely by the fiduciary, or jointly with one or more other persons; for the formation of a partnership for the conduct of such business; or for the formation of, or for the fiduciary to join in the formation of a corporation for the conduct of such business;

2. For the extent of the liability of the estate, or any part thereof, or of the fiduciary, for obligations incurred in the continuation of the business;

3. As to whether liabilities incurred in the conduct of the business are to be chargeable solely to the part of the estate set aside for use in the business, or to the estate as a whole;

4. As to the period of time for which the business may be conducted; and

5. Such other conditions, restrictions, regulations and requirements as the court may order.

[C51, §1327; R60, §2359; C73, §2407; C97, §3337; C24, 27, 31, 35, 39, §**11956;** C46, 50, 54, 58, 62, §635.52; C66, 71, 73, 75, 77, 79, 81, §633.83]

Referred to in §633.649

**633.84 Delegation of authority.**

Under order of court, with or without notice, a fiduciary may engage, at estate expense, outside specialists, and may delegate to them, or consult with them for advice regarding the performance of aspects of the estate management which require professional skills or facilities which the fiduciary does not possess, or does not possess in sufficient degree, and the fiduciary may employ, at estate expense, subordinates and agents to perform ministerial acts and carry on or complete details of estate business under the policies and terms established by the fiduciary.

[C66, 71, 73, 75, 77, 79, 81, §633.84]

Referred to in §633.86, 633.649

**633.85 Liability of fiduciary employing agents.**

The fiduciary shall not be personally liable for the acts or omissions of any such specialist, subordinate or agent, unless it can be shown that said acts or omissions would have been a breach of duty by the fiduciary had the fiduciary personally done it, and that,

1. The fiduciary directed or permitted the breach; or
2. The fiduciary did not select or retain the said specialist, subordinate or agent with reasonable care; or
3. The fiduciary did not properly supervise the specialist, subordinate or agent; or
4. The fiduciary approved, acquiesced or cooperated in the neglect, omission, misconduct or default by the specialist, subordinate or agent.

[C66, 71, 73, 75, 77, 79, 81, §633.85]
Referred to in §633.649

**633.86 Reduction of fees when agents are employed.**

The court shall, in fixing the fees of any fiduciary, consider the compensation allowed to any person employed by the fiduciary under the provisions of section 633.84. If the court determines that the services rendered by such person were services that would normally have been performed by the fiduciary, the compensation of the fiduciary may, in the court's discretion, be reduced by all or any part of the compensation allowed to any such person.

[C66, 71, 73, 75, 77, 79, 81, §633.86]
Referred to in §633.649

**633.87 Deposit of money in banks.**

A fiduciary may deposit moneys and other assets belonging to the estate in any banking institution authorized to do business in the state of Iowa.

[C66, 71, 73, 75, 77, 79, 81, §633.87]
Referred to in §633.649

**633.88 Law governing administration of estates of nonresidents.**

Except as otherwise provided in this probate code, all provisions of the law relating to the administration of domestic estates and to the fiduciaries appointed therein, shall apply to the administration of the estate of a nonresident, the appointment of the fiduciary therein, and the granting of letters.

[C66, 71, 73, 75, 77, 79, 81, §633.88]
2005 Acts, ch 38, §51
Referred to in §633.649

**633.89 Power of fiduciary or custodian to deposit securities.**

A fiduciary as defined in section 633.3, holding securities, and a bank as defined in section 524.103, which is holding securities as a managing agent or as a custodian, including a custodian for a fiduciary, may deposit securities in a clearing corporation, as defined in section 554.8102, which is located within or without the state of Iowa, if the clearing corporation is federally regulated. A depositing bank is subject to rules adopted by the superintendent of banking, with respect to state banks, and by the comptroller of the currency, with respect to national banking associations.

Certificates representing deposited securities of the same class of the same issuer may merge securities deposited by a fiduciary, or by a bank acting as a managing agent or custodian, with securities deposited by any other person and may be held in the name of the clearing corporation or its nominee. The records of a depositing fiduciary and a depositing bank acting as a managing agent or custodian at all times must identify the persons on whose behalf securities have been deposited. Title to deposited securities may be transferred by entry on the books of a clearing corporation without physical delivery of the securities.

On demand by the owner, a bank depositing securities in a clearing corporation as a managing agent or as a custodian shall identify in writing the securities so deposited. On demand by any party to the accounting of a fiduciary, the fiduciary shall identify in writing the securities deposited in a clearing corporation for its account as fiduciary.

This section applies regardless of the date of the agreement, instrument, or court order under which the fiduciary or bank was appointed.

[C75, 77, 79, 81, §633.89]

96 Acts, ch 1138, §79, 84

Referred to in §524.1006, 633.649

**633.90 through 633.92** Reserved.

PART 3

SPECIAL PROVISIONS RELATING TO PROPERTY

**633.93 Limitation on actions affecting deeds.**

No action for recovery of any real estate sold by any fiduciary can be maintained by any person claiming under the deceased, the ward, or a beneficiary, unless brought within five years after the date of the recording of the conveyance.

[C66, 71, 73, 75, 77, 79, 81, §633.93]

Referred to in §633.649

**633.94 Platting.**

When it is for the best interests of the estate in order to dispose of real property, the court may, upon application by the fiduciary, or any other interested person, after notice and upon good cause shown, authorize the fiduciary, either alone or together with other owners, to plat any land belonging to the estate in accordance with the statutes in regard to platting. The court may authorize the fiduciary to execute any instruments which may be required of the titleholder or proprietor in connection with the platting of such land.

[C66, 71, 73, 75, 77, 79, 81, §633.94]

Referred to in §633.649

See also chapter 354

**633.95 Release of liens and mortgages.**

Any fiduciary qualified under the laws of this state may, without prior order of court, release or discharge, in whole or in part any mortgage, judgment or other lien held by the estate.

[C51, §1337; R60, §2369; C73, §2383; C97, §3319; S13, §3307-a; C24, 27, 31, 35, 39, §**11897, 11929;** C46, 50, 54, 58, 62, §633.53, 635.18; C66, 71, 73, 75, 77, 79, 81, §633.95]

Referred to in §633.98, 633.649

See §636.26

**633.96 Specific performance voluntary.**

When an estate is under such an obligation to convey property as might be enforced by suit for specific performance, the fiduciary may without prior order of court execute such conveyance.

[C51, §1435, 1436; R60, §2460, 2461; C73, §2487, 2488; C97, §3409; C24, 27, 31, 35, 39, §**12061;** C46, 50, 54, 58, 62, §638.21; C66, 71, 73, 75, 77, 79, 81, §633.96]

Referred to in §633.98, 633.649

**633.97 Specific performance involuntary.**

When an estate is under obligation to convey property, the court may, upon application of any interested person, with or without notice as the court may direct, require the fiduciary to execute such a conveyance.

[C51, §1435, 1436; R60, §2460, 2461; C73, §2487, 2488; C97, §3409; C24, 27, 31, 35, 39, §**12061;** C46, 50, 54, 58, 62, §638.21; C66, 71, 73, 75, 77, 79, 81, §633.97]

Referred to in §633.98, 633.649

**633.98 Certificate of appointment and authority.**

When any instrument executed in accordance with sections 633.95 to 633.97, inclusive, is to be recorded in a county other than the county in which the estate is pending, there shall also

be recorded a certificate executed by the clerk of the court making the appointment, with seal affixed, showing the name of the court making the appointment, the date of the same, and that such fiduciary had not been discharged at the time of the execution of such instrument.

[C97, §3308; SS15, §3308; C24, 27, 31, 35, 39, §**11898;** C46, 50, 54, 58, 62, §633.54; C66, 71, 73, 75, 77, 79, 81, §633.98]

Referred to in §633.649

**633.99 Federal stock authority to purchase.**

When the court shall enter an order authorizing the fiduciary to execute a mortgage to encumber any property of the estate to secure a loan obtained from any association or corporation created, or which may be created, by authority of the United States and as an instrumentality of the United States, the court may authorize the fiduciary to purchase stock in an association or corporation, when such a purchase of stock is necessary or required as an incident to, or condition of, obtaining the loan, and to mortgage the estate property for such purpose, as well as to make payment for the stock so purchased from the proceeds of the loan so obtained.

[C35, §11951-g1; C39, §**11951.1;** C46, 50, 54, 58, 62, §635.41; C66, 71, 73, 75, 77, 79, 81, §633.99]

Referred to in §633.649

**633.100 Waiver of exemption.**

Any deed or mortgage executed by a fiduciary under order of court shall have the effect of waiving any exemption as to homestead or otherwise of any person owning an interest in said real estate as fully as such owner could do if the owner were sui juris.

[C35, §11951-g3, 12644-g1, -g2, -g3, -g4, -g5; C39, §**11951.3, 12644.21 – 12644.25;** C46, 50, 54, 58, 62, §635.43, 673.1 – 673.5; C66, 71, 73, 75, 77, 79, 81, §633.100]

Referred to in §633.649

**633.101 Appraisal.**

At any time that the court may determine it to be to the best interests of the estate, it may order an appraisal of any or all of the property of an estate.

[C66, 71, 73, 75, 77, 79, 81, §633.101]

Referred to in §633.649

**633.102 Costs and expenses.**

In connection with the sale, mortgage, lease, pledge or exchange of property, the court may authorize the fiduciary to pay, out of the proceeds realized therefrom or out of other funds of the estate, the customary and reasonable auctioneers' and brokers' fees and any necessary expenses for abstracting, survey, revenue stamps, and other necessary costs and expenses in connection therewith.

[C66, 71, 73, 75, 77, 79, 81, §633.102]

Referred to in §633.649

**633.103** Repealed by 99 Acts, ch 124, § 32.

**633.104 through 633.107** Reserved.

# PART 4

# PROVISIONS RELATING TO ADMINISTRATION BY ALL FIDUCIARIES

## SUBPART A

## GENERAL PROVISIONS

**633.108 Small distributions to minors — payment.**

Whenever a minor becomes entitled under the terms of a will to a bequest or legacy, or to a share of the estate of an intestate, and the value of the bequest, legacy, or share does not exceed the sum of twenty-five thousand dollars, the personal representative may pay the bequest, legacy, or share to a custodian under any uniform transfers to minors Act. Receipt by the custodian, when presented to the court or filed with the report of distribution of the fiduciary, shall have the same force and effect as though the payment had been made to a duly appointed and qualified conservator for the minor.

[C39, §**12077.1;** C46, 50, 54, 58, 62, §638.41; C66, 71, 73, 75, 77, 79, 81, §633.108; 81 Acts, ch 193, §1; 82 Acts, ch 1052, §1]

95 Acts, ch 63, §3; 2000 Acts, ch 1150, §2; 2005 Acts, ch 38, §10

Referred to in §633.649

See also chapter 565B, §633.574, 633.681, R.C.P. 1.1228

**633.109 Inability to distribute estate funds.**

Any fiduciary having in the fiduciary's possession or under the fiduciary's control any funds, moneys or securities due or to become due to any other person to whom payment or delivery cannot be made as shown by the report of the fiduciary on file, may, upon order of court, deposit such property with the clerk and take the receipt of the clerk for the same. Such receipt shall specifically state from whom said property was derived, the description thereof, and the name of the person entitled to the same. Thereafter, such funds shall be held and disposed of by the clerk in accordance with the provisions of chapter 636.

[C66, 71, 73, 75, 77, 79, 81, §633.109]

Referred to in §633.649

See §636.31, 636.34

**633.110 Receipts taken.**

If such fiduciary shall otherwise discharge all the duties imposed by such appointment, the fiduciary may take the receipts of the clerk for such funds, moneys, or securities so deposited, which receipts shall specifically set forth from whom said funds, moneys, or securities were derived, the amount thereof, and the name of the person to whom due or to become due, if known.

[C66, 71, 73, 75, 77, 79, 81, §633.110]

Referred to in §633.649

See §636.32

**633.111 Final discharge period.**

Such fiduciary may file such receipts with the final report, and if it shall be made to appear to the satisfaction of the court that the fiduciary has in all other respects complied with the law governing the appointment and duties, the court may approve such final report and enter the fiduciary's discharge.

[C66, 71, 73, 75, 77, 79, 81, §633.111]

Referred to in §633.649

See §636.33

**633.112 Discovery of property.**

The court may require any person suspected of having possession of any property, including records and documents, of the decedent, ward, or the estate, or of having had such property under the person's control, to appear and submit to an examination under oath touching such

matters, and if on such examination it appears that the person has the wrongful possession of any such property, the court may order the delivery thereof to the fiduciary. Such a person shall be liable to the estate for all damages caused by the person's acts.

[C51, §1334, 1439; R60, §2366, 2464; C73, §2379, 2484; C97, §3315, 3407; C24, 27, 31, 35, 39, §**11925, 12059;** C46, 50, 54, 58, 62, §635.14, 638.19; C66, 71, 73, 75, 77, 79, 81, §633.112]

Referred to in §633.113, 633.649

Similar provisions, §630.19, 680.10

**633.113 Commitment.**

If, upon being served with an order of the court requiring appearance for interrogation, as provided in section 633.112, any person fails to appear in accordance therewith, or if, having appeared, the person refuses to answer any question which the court thinks proper to be put to the person in the course of such examination, or if the person fails to comply with the order of the court requiring the delivery of the property to the fiduciary, the person may be committed to the jail of the county until the person does.

[C51, §1335; R60, §2367; C73, §2380; C97, §3316; C24, 27, 31, 35, 39, §**11926;** C46, 50, 54, 58, 62, §635.15; C66, 71, 73, 75, 77, 79, 81, §633.113]

2008 Acts, ch 1031, §68; 2008 Acts, ch 1032, §84

Referred to in §633.649

**633.114 Compromise of claims held by an estate.**

When it appears for the best interest of the estate, the fiduciary may, subject to approval of the court, effect a compromise with any debtor or other obligor, or extend, renew, or in any other manner, modify the terms of any obligation owing to the estate. If the fiduciary holds a mortgage, pledge, or other lien upon property of another person, the fiduciary may, in lieu of foreclosure, accept a conveyance or transfer of such encumbered assets from the owner thereof in satisfaction of the indebtedness secured by such lien, if it appears for the best interests of the estate, and if the court shall so order.

[C51, §1336; R60, §2368; C73, §2382; C97, §3318; C24, 27, 31, 35, 39, §**11928;** C46, 50, 54, 58, 62, §635.17; C66, 71, 73, 75, 77, 79, 81, §633.114]

Referred to in §633.649

**633.115 Compromise of claims against an estate.**

When a claim against an estate has been filed, or suit thereon is pending, the creditor and the fiduciary may, if it appears for the best interests of the estate, subject to approval of the court, compromise the claim, whether it is due or not due, absolute or contingent, liquidated or unliquidated.

[C51, §1336; R60, §2368; C73, §2382; C97, §3318; C24, 27, 31, 35, 39, §**11928;** C46, 50, 54, 58, 62, §635.17; C66, 71, 73, 75, 77, 79, 81, §633.115]

Referred to in §633.649

**633.116 Abandonment of property.**

When any property is valueless, or is so encumbered, or in such condition, that it is of no benefit to the estate, the court may order the fiduciary to abandon it, or make such other disposition of it as may be suitable in the premises.

[C66, 71, 73, 75, 77, 79, 81, §633.116]

Referred to in §633.649

**633.117 Encumbered assets.**

When any assets of the estate are encumbered by mortgage, pledge or other lien, the fiduciary may pay such encumbrance or any part thereof, renew or extend any obligation secured by the encumbrance, or may convey or transfer such assets to the creditor in satisfaction of the lien, in whole or in part, whether or not the holder of the encumbrance has filed a claim, or the fiduciary may purchase lands claimed or contracted for by the decedent, if it appears to be for the best interests of the estate and if the court shall so order.

The making of such payment shall not increase the share of the distributee entitled to such encumbered assets.

[C51, §1380; R60, §2412; C73, §2428; C97, §3354; C24, 27, 31, 35, 39, §**11977;** C46, 50, 54, 58, 62, §635.72; C66, 71, 73, 75, 77, 79, 81, §633.117]

Referred to in §633.649
See also §633.423

**633.118 Attorney appointed for persons not represented.**

At or before the hearing in any proceedings under this probate code, where all the parties interested in the estate are required to be notified thereof, the court, in its discretion, may appoint some competent attorney to represent any interested person who has been served with notice and who is otherwise unrepresented. The appointment of an attorney under the provisions of this section, shall be in lieu of appointment of a guardian ad litem provided for in the rules of civil procedure.

[C97, §3423; C24, 27, 31, 35, 39, §**12074;** C46, 50, 54, 58, 62, §638.37; C66, 71, 73, 75, 77, 79, 81, §633.118]

2005 Acts, ch 38, §51

Referred to in §633.120, 633.121, 633.649

**633.119 Order and authority thereunder.**

The order making the appointment of such attorney must specify the names of the parties, so far as known, for whom the attorney is appointed, and the attorney will be authorized to represent such parties in all such proceedings subsequent to the appointment.

[C97, §3423; C24, 27, 31, 35, 39, §**12075;** C46, 50, 54, 58, 62, §638.38; C66, 71, 73, 75, 77, 79, 81, §633.119]

Referred to in §633.649

**633.120 Compensation.**

Any attorney so appointed under the authority of section 633.118 shall be paid for services out of the estate, as a part of the costs of administration, a fee to be fixed by the court, and upon distribution of the estate, the fee may be charged to the party represented by the attorney.

[C97, §3423; C24, 27, 31, 35, 39, §**12076;** C46, 50, 54, 58, 62, §638.39; C66, 71, 73, 75, 77, 79, 81, §633.120]

Referred to in §633.649

**633.121 Substitution — division of fee.**

The court may substitute another attorney for the one first appointed under the authority of section 633.118, in which case the fees must be divided in proportion to the services rendered.

[C97, §3423; C24, 27, 31, 35, 39, §**12077;** C46, 50, 54, 58, 62, §638.40; C66, 71, 73, 75, 77, 79, 81, §633.121]

Referred to in §633.649

**633.122 Settlement contested.**

The acts of the fiduciary without prior approval of court after notice, may be contested by any interested person at or before the entry of the order discharging the fiduciary.

[C51, §1431; R60, §2456; C73, §2475; C97, §3399; C24, 27, 31, 35, 39, §**12050;** C46, 50, 54, 58, 62, §638.10; C66, 71, 73, 75, 77, 79, 81, §633.122]

Referred to in §633.649

## SUBPART B

## INVESTMENTS BY FIDUCIARIES

**633.123 Prudent investments — fiduciaries.**

1. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing property for the benefit of another, a fiduciary shall consider all of the following circumstances along with the circumstances identified in section 633A.4302, if applicable:

*a.* The length of time the fiduciary will have control over the estate assets and the anticipated costs of complying with the provisions of this section.

*b.* The unique nature of all of the following:

(1) The duties of a personal representative or conservator.

(2) The assets, income, expenses, and distribution requirements of the estate.

(3) The needs and rights of the beneficiaries or the ward.

*c.* The express provisions of a will, codicil, or other controlling instrument.

2. The standards identified in this section shall be applied differently than similar standards for investment and management of trust property. Special consideration shall be given to the expected term of estates. Because some estates will have limited duration, there may be situations where an investment or a change in an investment is not warranted.

2007 Acts, ch 134, §7, 28

Referred to in §633.649

**633.123A Investments in investment companies and investment trusts.**

1. *a.* Notwithstanding any other provision of law, a bank or trust company acting as a fiduciary, in addition to other investments authorized by law for the investment of funds by a fiduciary or by the instrument governing the fiduciary and in the exercise of its investment discretion or at the direction of another person authorized to direct investment of funds held by the fiduciary, may invest and reinvest such funds in the securities of an open-end or closed-end management investment company or investment trust registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq. Investment and reinvestment under this section is allowed as long as the portfolio of such investment company or investment trust consists substantially of investments not otherwise prohibited by chapter 633A, subchapter IV, part 3, or by the governing instrument.

*b.* Investment and reinvestment under this section is not precluded merely because the bank or trust company or an affiliate of the bank or trust company provides the services of an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, or manager to the investment company or investment trust and receives a reasonable fee for the services.

2. This section is applicable to all fiduciaries whether the will, agreement, or other instrument under which they are acting now exists on or before July 1, 1996.

96 Acts, ch 1008, §3; 99 Acts, ch 125, §105, 109; 2005 Acts, ch 38, §55; 2013 Acts, ch 30, §261

Referred to in §412.4, 633.649

Code editor directive applied

## SUBPART C

## APPOINTMENT OF A NOMINEE BY BANKING INSTITUTIONS ACTING IN A FIDUCIARY CAPACITY

**633.124 Investment may be held in name of nominee of bank or trust company.**

Any state or national bank or trust company, when acting with the consent of its cofiduciary, if any, may cause any investment held in any such capacity to be registered and held in the name of a nominee or nominees of such bank or trust company. Such cofiduciary is hereby empowered to give such consent unless it is specifically forbidden in the instrument creating the fiduciary relationship. Such bank or trust company shall be liable for the acts of any such nominee with respect to any investment so registered.

[C66, 71, 73, 75, 77, 79, 81, §633.124]

Referred to in §633.649

**633.125 Records of bank or trust company to show ownership.**

The records of said bank or trust company shall at all times show the ownership of any such investment, which investment shall be in the possession and control of such bank or trust company and be kept separate and apart from the assets of such bank or trust company.

[C66, 71, 73, 75, 77, 79, 81, §633.125]

Referred to in §633.649

## SUBPART D

## COMMON TRUST FUNDS

**633.126 Definitions.**

1. *"Common trust fund"* means a fund maintained by a bank or trust company exclusively for the collective investment and reinvestment of moneys contributed thereto by that bank or trust company, or by another bank or trust company at least eighty percent of the voting stock of which is owned or controlled by a bank holding company which owns or controls at least eighty percent of the voting stock of the bank or trust company maintaining the common trust fund, in its capacity as a fiduciary or cofiduciary.

2. *"Fiduciary"*, for the purposes of this section and sections 633.127 to 633.129, means acting in any of the following capacities, namely: testamentary trustee appointed by any court, trustee under any written agreement, declaration or instrument of trust, executor, administrator, guardian, or conservator, custodian under chapter 565B, or other capacity permitted under any state or federal law or regulation governing collective investment funds maintained by a bank or trust company.

[C62, §533A.1 – 533A.5; C66, 71, 73, 75, 77, 79, 81, §633.126]

92 Acts, ch 1012, §2

Referred to in §633.129, 633.649

**633.127 Establishment of common trust funds.**

Any bank or trust company qualified to act as fiduciary in this state may establish common trust funds, or may utilize one or more common trust funds previously established by it, for the purpose of furnishing investments to itself as fiduciary, or to itself and others, as cofiduciaries, or to another bank or trust company as fiduciary or cofiduciary; and may, as a fiduciary or cofiduciary, invest funds which it lawfully holds for investment in interests in common trust funds maintained by it or by another bank or trust company at least eighty percent of the voting stock of which is owned or controlled by a bank holding company which owns or controls at least eighty percent of the common stock of the bank or trust company investing such funds, if such investment is not prohibited by the instrument, judgment, decree, or order creating such fiduciary relationship, and if, in the case of cofiduciaries, the bank or trust company procures the consent of its cofiduciaries to such investment. If the instrument creating the fiduciary relationship gives to the bank or trust company the exclusive right to select investments, the consent of the cofiduciary shall not be required.

[C58, §532.21; C62, §532.21, 533A.1 – 533A.5; C66, 71, 73, 75, 77, 79, 81, §633.127]

Referred to in §633.126, 633.129, 633.649

**633.128 Court accountings.**

1. Unless ordered by a court of competent jurisdiction, the bank or trust company operating such common trust funds is not required to render a court accounting with regard to such funds; but it may, by application to the court, secure approval of such an accounting on such conditions as the court may establish.

2. When an accounting of a common trust fund is presented to a court for approval, the court shall assign a time and place for hearing, and order notice thereof by all of the following:

*a.* Publication once each week for three consecutive weeks in a newspaper of general circulation, published in the county in which the bank or trust company operating the common trust fund is located, the first publication to be not less than twenty days prior to the date of hearing.

*b.* Sending by ordinary mail not less than fourteen days prior to the date of hearing, a copy of the notice prescribed to all beneficiaries of the trust participating in the common trust fund whose names are known to the bank or trust company from the records kept by it in the regular course of business in the administration of said trusts, directed to them at the addresses shown by such records.

*c.* Such further notice, if any, as the court may order.

[C58, §532.21; C62, §532.21, 533A.1 – 533A.5; C66, 71, 73, 75, 77, 79, 81, §633.128]
2013 Acts, ch 90, §176
Referred to in §633.126, 633.129, 633.649
Section amended

**633.129 Uniformity of interpretation.**

Sections 633.126 to 633.128 shall be so interpreted and construed as to effectuate their general purpose to make uniform the law of those states which enact the common trust funds.

[C62, §533A.4; C66, 71, 73, 75, 77, 79, 81, §633.129]
Referred to in §633.126, 633.649

SUBPART E

SIMPLIFICATION OF FIDUCIARY
SECURITY TRANSFERS

**633.130 through 633.138** Repealed by 96 Acts, ch 1138, § 82, 84.

**633.139 through 633.143** Reserved.

PART 5

POWERS OF FOREIGN FIDUCIARIES

**633.144 Mortgages and judgments.**

Judgments rendered by any court in the state of Iowa and mortgages belonging to an estate, trust, or to a person under conservatorship may, without prior order of court, be released, discharged or assigned, in whole or in part as to any particular property, and deeds may be executed in performance of real estate contracts entered into before the creation of the estate, trust, or conservatorship, by any foreign fiduciary, receiver, referee, assignee or commissioner, or by any other person acting in a fiduciary capacity appointed by a court of record of any foreign state or country, where a statement is filed by said fiduciary that no fiduciary, receiver, referee, assignee, or commissioner has been appointed and qualified in this state. Such release, satisfaction, discharge, assignment or deed may be made without any order of court in any manner or by any instrument which would be valid and effective if made by a like officer qualified under the law of this state.

[S13, §3307-a; C24, 27, 31, 35, 39, §**11897;** C46, 50, 54, 58, 62, §633.53; C66, 71, 73, 75, 77, 79, 81, §633.144]
Referred to in §633.145, 633.649

**633.145 Certificate of appointment and authority.**

Before any instrument executed by such foreign fiduciary or officer as authorized by section 633.144 shall be effective, a certificate executed by the court or clerk making the appointment, with seal attached, if such officer has a seal, shall be recorded. Such certificates shall state the name of the court making such appointment, the date of the appointment, and that such fiduciary or officer has not been discharged at the time of the execution of said instrument.

[C97, §3308; SS15, §3308; C24, 27, 31, 35, 39, §**11898;** C46, 50, 54, 58, 62, §633.54; C66, 71, 73, 75, 77, 79, 81, §633.145]
Referred to in §633.649

**633.146 Filing of certificate.**

The certificate aforesaid shall be filed for record:

1. In the case of judgments, in the office of the clerk in which the judgment is of record or in which it has been filed, and

2. In the case of mortgages and deeds executed in performance of real estate contracts, in the office of the appropriate county recorder.

[C97, §3308; SS15, §3308; C24, 27, 31, 35, 39, §**11899;** C46, 50, 54, 58, 62, §633.55; C66, 71, 73, 75, 77, 79, 81, §633.146]

Referred to in §633.649

**633.147 Record.**

Such certificate shall be recorded by the proper officer in the judgment records of the court in which the same appears of record, or in the appropriate chattel or real estate records, as the case may be.

[C97, §3308; SS15, §3308; C24, 27, 31, 35, 39, §**11900;** C46, 50, 54, 58, 62, §633.56; C66, 71, 73, 75, 77, 79, 81, §633.147]

Referred to in §633.649

**633.148 Maintaining actions.**

When there is no administration of an estate nor a petition therefor pending, in this state, a foreign fiduciary may maintain actions and proceedings in this state subject to the requirements and conditions imposed upon nonresident suitors generally.

[C66, 71, 73, 75, 77, 79, 81, §633.148]

Referred to in §633.649

**633.149 Filing of bond.**

At the time of commencing any action or proceeding in any court of this state, the foreign fiduciary shall file with the court an authenticated copy of the fiduciary's appointment, and of the fiduciary's official bond, if the fiduciary has given a bond. If the court believes that the security furnished by the fiduciary in the domiciliary administration is insufficient to cover the proceeds of the action or the proceeding, or for any other reason or cause, it may at any time order the action or proceeding stayed until sufficient security is furnished in the action or proceeding.

[C66, 71, 73, 75, 77, 79, 81, §633.149]

Referred to in §633.649

**633.150 through 633.154** Reserved.

## PART 6

## LIABILITY OF FIDUCIARIES

**633.155 Self-dealing by fiduciary prohibited.**

No fiduciary shall in any manner engage in self-dealing, except on order of court after notice to all interested persons, and shall derive no profit other than the fiduciary's distributive share in the estate from the sale or liquidation of any property belonging to the estate. Every application of a fiduciary seeking an order under the provisions of this section shall specify in detail the reasons for such application and the facts justifying the requested order. The notice shall have a copy of the application attached, or, if published, it shall contain a detailed statement of the reasons and facts justifying the requested order.

[C51, §1427; R60, §2452; C73, §2473; C97, §3397; C24, 27, 31, 35, 39, §**12048;** C46, 50, 54, 58, 62, §638.8; C66, 71, 73, 75, 77, 79, 81, §633.155]

Referred to in §633.156, 633.649

**633.156 Deposits by corporate fiduciaries.**

Section 633.155 shall not be construed to prohibit a corporate fiduciary from making a deposit of estate funds in its own banking department or in the banking department of an affiliated bank. For purposes of this section, "*affiliated bank*" means any bank that controls,

directly or indirectly, the fiduciary or is controlled, directly or indirectly, by an entity which also controls, directly or indirectly, the fiduciary.

[C66, 71, 73, 75, 77, 79, 81, §633.156]

95 Acts, ch 164, §1

Referred to in §633.649

**633.157 Liability for property of estate.**

Every fiduciary shall be liable for, and chargeable in the fiduciary's accounts with, all of the estate that comes into the fiduciary's possession at any time, including all the income therefrom; but the fiduciary shall not be accountable for any debts due to the estate or other assets of the estate that remain uncollected without the fiduciary's fault. The fiduciary shall not be entitled to profit from the increase in value of any asset of the estate, nor shall the fiduciary be chargeable with loss resulting, without the fiduciary's fault, from the decrease in value or the destruction of any part of the estate, excepting, only to the extent of the fiduciary's pro rata share in such gain or loss as one of the distributees of the estate.

[C51, §1425, 1427; R60, §2450, 2452; C73, §2471, 2473; C97, §3395, 3397; C24, 27, 31, 35, 39, §**12046, 12048;** C46, 50, 54, 58, 62, §638.6, 638.8; C66, 71, 73, 75, 77, 79, 81, §633.157]

Referred to in §633.649

**633.158 Liability for property not a part of estate.**

Every fiduciary shall be chargeable in the fiduciary's accounts with property not a part of the estate that comes into the fiduciary's hands at any time, and shall be liable to the persons entitled thereto, if:

1. The property was received under a duty imposed upon the fiduciary by law in the capacity of fiduciary; or

2. The fiduciary has commingled such property with the assets of the estate.

[C66, 71, 73, 75, 77, 79, 81, §633.158]

Referred to in §633.649

**633.159 Judgment — execution.**

If judgment is rendered against a fiduciary for costs in any action prosecuted or defended by the fiduciary in that capacity, execution shall be awarded against the fiduciary as for the fiduciary's own debt, if it appears to the court that such action was prosecuted or defended without reasonable cause.

[C51, §1433; R60, §2458; C73, §2477; C97, §3401; C24, 27, 31, 35, 39, §**12053;** C46, 50, 54, 58, 62, §638.13; C66, 71, 73, 75, 77, 79, 81, §633.159]

Referred to in §633.649

**633.160 Breach of duty.**

Every fiduciary shall be liable and chargeable in the fiduciary's accounts for neglect or unreasonable delay in collecting the credits or other assets of the estate or in selling, mortgaging or leasing the property of the estate; for neglect in paying over money or delivering property of the estate the fiduciary shall have in the fiduciary's hands; for failure to account for or to close the estate within the time provided by this probate code; for any loss to the estate arising from the fiduciary's embezzlement or commingling of the assets of the estate with other property; for loss to the estate through self-dealing; for any loss to the estate arising from wrongful acts or omissions of any cofiduciaries which the fiduciary could have prevented by the exercise of ordinary care; and for any other negligent or willful act or nonfeasance in the fiduciary's administration of the estate by which loss to the estate arises.

[C51, §1428; R60, §2453; C73, §2482; C97, §3405; C24, 27, 31, 35, 39, §**12057;** C46, 50, 54, 58, 62, §638.17; C66, 71, 73, 75, 77, 79, 81, §633.160]

2005 Acts, ch 38, §51

Referred to in §633.649

**633.161 Examination of fiduciaries.**

The fiduciary may be examined under oath by the court upon any matter relating to the fiduciary's accounts.

[C51, §1424; R60, §2449; C73, §2470; C97, §3395; C24, 27, 31, 35, 39, §**12045;** C46, 50, 54, 58, 62, §638.5; C66, 71, 73, 75, 77, 79, 81, §633.161]

Referred to in §633.649

**633.162 Penalty.**

In fixing the fees of any fiduciary, the court shall take into consideration any violation of this probate code by the fiduciary, and may diminish the fee of such fiduciary to the extent the court may determine to be proper.

[C66, 71, 73, 75, 77, 79, 81, §633.162]

2005 Acts, ch 38, §51

Referred to in §633.649

**633.163 through 633.167** Reserved.

PART 7

OATH AND BOND OF FIDUCIARIES

**633.168 Oath — certification.**

Every fiduciary, before entering upon the duties of the fiduciary's office, shall subscribe an oath or certify under penalties of perjury that the fiduciary will faithfully discharge the duties imposed by law, according to the best of the fiduciary's ability.

[C51, §1276, 1316, 1317, 1496; R60, §2308, 2348, 2349, 2548; C73, §2246, 2321, 2362, 2363; C97, §3197, 3267, 3268, 3301; S13, §3268; C24, 27, 31, 35, 39, §**11828, 11838, 11887, 12577, 12579;** C46, 50, 54, 58, 62, §631.10, 632.7, 633.43, 668.5, 668.7; C66, 71, 73, 75, 77, 79, 81, §633.168]

2007 Acts, ch 134, §8, 28

**633.169 Bond.**

Except as herein otherwise provided, every fiduciary shall execute and file with the clerk a bond with sufficient surety or sureties, as hereinafter provided. It shall be conditioned upon the faithful discharge of all the duties of the fiduciary's office according to law, including the duty to account. It shall be procured at the expense of the estate, if an approved surety company bond is furnished.

[C51, §1276, 1316, 1317; R60, §2308, 2348, 2349; C73, §2321, 2350, 2362, 2363; C97, §3267, 3268, 3293, 3301; S13, §3268; C24, 27, 31, 35, 39, §**11828, 11838, 11876, 11887;** C46, 50, 54, 58, 62, §631.10, 632.7, 633.32, 633.43; C66, 71, 73, 75, 77, 79, 81, §633.169]

**633.170 Amount of bond.**

1. *How determined.* Except as herein otherwise provided, the court or the clerk shall fix the penalty of the bond in an amount equal to the value of the personal property of the estate, plus the estimated gross annual income of the estate during the period of administration.

2. *Bonds fixed by clerk.* Unless a bond is waived by will under the authority of section 633.172, or by other instrument creating the estate, or in accordance with section 633.173, or by prior order of court, the clerk shall fix the bond in the amount provided by subsection 1 of this section. The clerk shall not thereafter increase or decrease a bond.

[C51, §1276, 1316, 1317; R60, §2308, 2348, 2349; C73, §2321, 2350, 2362, 2363; C97, §3267, 3268, 3293, 3301; S13, §3268; C24, 27, 31, 35, 39, §**11828, 11838, 11876, 11887, 12578;** C46, 50, 54, 58, 62, §631.10, 632.7, 633.32, 633.43, 668.6; C66, 71, 73, 75, 77, 79, 81, §633.170]

**633.171 Approval by clerk.**

The bond shall not be deemed sufficient until it has been examined and approved by the clerk who shall endorse such approval thereon. In the event that the bond is not approved,

the fiduciary shall, within such time as the court or the clerk directs, secure and file a bond with satisfactory surety or sureties.

[C51, §1276, 1316, 1317; R60, §2308, 2348, 2349; C73, §2321, 2350, 2362, 2363; C97, §3267, 3268, 3293, 3301; S13, §3268; C24, 27, 31, 35, 39, §**11828, 11838, 11876, 11887;** C46, 50, 54, 58, 62, §631.10, 632.7, 633.32, 633.43; C66, 71, 73, 75, 77, 79, 81, §633.171]

**633.172 Will — waiver of bond.**

1. When, by the terms of the will, the testator has directed or expressed the desire that no bond shall be required, such direction or expression shall be construed to be a waiver of the posting of a bond by the fiduciary for all purposes, and no bond shall be required unless the court for good cause finds it proper to require one; if no bond is initially required, the court may nevertheless, for good cause, at any subsequent time require that a bond be given.

2. Unless otherwise required by the instrument creating the relationship, or by order of court, bank and trust companies shall not be required to provide any bond.

[C51, §1276, 1316, 1317; R60, §2308, 2348, 2349; C73, §2321, 2350, 2362, 2363; C97, §3267, 3268, 3293, 3301; S13, §3268; C24, 27, 31, 35, 39, §**11828, 11838, 11876, 11887;** C46, 50, 54, 58, 62, §631.10, 632.7, 633.32, 633.43; C66, 71, 73, 75, 77, 79, 81, §633.172]

86 Acts, ch 1131, §2

Referred to in §633.170, 633.175

**633.173 Waiver of bond by distributees.**

If the distributees, in writing waive the statutory requirement that a bond shall be filed by the fiduciary with the clerk, and the court finds that the interests of the creditors will not thereby be prejudiced, no bond shall be required.

[C51, §1276, 1316, 1317; R60, §2308, 2348, 2349; C73, §2321, 2350, 2362, 2363; C97, §3267, 3268, 3293, 3301; S13, §3268; C24, 27, 31, 35, 39, §**11828, 11838, 11876, 11887;** C46, 50, 54, 58, 62, §631.10, 632.7, 633.32, 633.43; C66, 71, 73, 75, 77, 79, 81, §633.173]

Referred to in §633.170

Attorneys acting as fiduciaries, see Iowa Ct.R. 39.13

**633.174 Guardians — bond.**

When the guardian appointed for a person is not the conservator of the property of that person, no bond shall be required of the guardian, unless the court for good cause finds it proper to require one. If no bond is initially required, the court may, nevertheless, for good cause, at any subsequent time, require that a bond be given.

[C51, §1276, 1316, 1317, 1496; R60, §2308, 2348, 2349, 2548; C73, §2246, 2321, 2350, 2362, 2363; C97, §3197, 3267, 3268, 3293, 3301; S13, §3268; C24, 27, §11828, 11838, 11876, 11887, 12579; C31, 35, §11828, 11838, 11876, 11887, 12579, 12644-c10; C39, §**11828, 11838, 11876, 11887, 12579, 12644.10;** C46, 50, 54, 58, 62, §631.10, 632.7, 633.32, 633.43, 668.7, 672.9; C66, 71, 73, 75, 77, 79, 81, §633.174]

**633.175 Waiver of bond by court.**

The court, for good cause shown, may exempt any fiduciary from giving bond, if the court finds that the interests of creditors and distributees will not thereby be prejudiced. However, the court, except as provided in section 633.172, subsection 2, shall not exempt a conservator from giving bond in a conservatorship with total assets of more than twenty-five thousand dollars, excluding real property, unless it is a voluntary conservatorship in which the petitioner is eighteen years of age or older and has waived bond in the petition.

[C51, §1276, 1316, 1317, 1496; R60, §2308, 2348, 2349, 2548; C73, §2246, 2321, 2350, 2362, 2363; C97, §3197, 3267, 3268, 3293, 3301; S13, §3268; C24, 27, 31, 35, 39, §**11828, 11838, 11876, 11887, 12577;** C46, 50, 54, 58, 62, §631.10, 632.7, 633.32, 633.43, 668.5; C66, 71, 73, 75, 77, 79, 81, §633.175]

91 Acts, ch 36, §5; 92 Acts, ch 1012, §3; 2008 Acts, ch 1119, §15, 39

Administering moneys paid by United States department of veterans affairs, see §633.622

Attorneys acting as fiduciaries, see Iowa Ct.R. 39.13

**633.176 Reduction of bond by deposit.**

Personal property of the estate may be deposited with a bank or trust company located in the state of Iowa upon such terms as may be prescribed by order of the court. The amount of the bond of the fiduciary may be then reduced as the court may determine.

[C51, §1276, 1316, 1317; R60, §2308, 2348, 2349; C73, §2321, 2350, 2362, 2363; C97, §3267, 3268, 3293, 3301; S13, §3268; C24, 27, 31, 35, 39, §**11828, 11838, 11876, 11887;** C46, 50, 54, 58, 62, §631.10, 632.7, 633.32, 633.43; C66, 71, 73, 75, 77, 79, 81, §633.176]

**633.177 Deposit in lieu of bond.**

The court may permit the fiduciary to deposit cash or other prescribed securities of the fiduciary's own in lieu of bond.

[C51, §1276, 1316, 1317; R60, §2308, 2348, 2349; C73, §2321, 2350, 2362, 2363; C97, §3267, 3268, 3293, 3301; S13, §3268; C24, 27, 31, 35, 39, §**11828, 11838, 11876, 11887;** C46, 50, 54, 58, 62, §631.10, 632.7, 633.32, 633.43; C66, 71, 73, 75, 77, 79, 81, §633.177]

**633.178 Letters.**

Upon the filing of an oath of office or certification and a bond, if any is required, the clerk shall issue letters under the seal of the court, giving the fiduciary the powers authorized by law.

[C51, §1319; R60, §2351; C73, §2365; C97, §3303; C24, 27, 31, 35, 39, §**11889;** C46, 50, 54, 58, 62, §633.45; C66, 71, 73, 75, 77, 79, 81, §633.178]

2007 Acts, ch 134, §9, 28

**633.179 Review by clerk when inventory is filed.**

At the time the inventory of the estate is filed, the clerk shall review the amount of bond, and report to the court as to any apparent insufficiency thereof.

[C66, 71, 73, 75, 77, 79, 81, §633.179]

**633.180 Bond changed.**

The court may at any time require a new bond, or increase or decrease the amount of the penalty of the bond of any fiduciary, when good cause therefor appears.

[C51, §1510; R60, §2562; C73, §2247; C97, §3198; C24, 27, §12604; C31, 35, §12604, 12644-c9; C39, §**12604, 12644.09;** C46, 50, 54, 58, 62, §668.31, 672.9; C66, 71, 73, 75, 77, 79, 81, §633.180]

**633.181 Obligees of bond — joint and several liability.**

The bond of the fiduciary shall run to the use of all persons interested in the estate, and shall be for the security and benefit of such persons. The sureties shall be jointly and severally liable with the fiduciary, and with each other.

[C66, 71, 73, 75, 77, 79, 81, §633.181]

**633.182 Qualifications for sureties.**

Qualifications for sureties on probate bonds shall be the same as those provided by section 636.4 or section 636.14, provided, however, that no attorney shall act as surety on any such bond.

[C66, 71, 73, 75, 77, 79, 81, §633.182]

**633.183 Authority for fiduciary and surety to enter into agreement for deposit of property or joint control.**

It shall be lawful for the fiduciary to agree with the fiduciary's surety for the deposit of any or all moneys and other property of the estate with a bank, safe deposit or trust company, authorized by law to do business as such, or other depository approved by the court, if such deposit is otherwise proper, in such manner as to prevent the withdrawal of such moneys or other property without the written consent of the surety, or on order of the court made on such notice to the surety as the court may direct.

[C66, 71, 73, 75, 77, 79, 81, §633.183]

See also §636.47

**633.184 Release of sureties before estate fully administered.**

1. *Release for cause.* For good cause, the court may, before the estate is fully administered, order the release of the sureties of the fiduciary and require the fiduciary to furnish a new bond.

2. *Extent of liability of original and new sureties.* The original sureties shall be liable for all breaches of the obligation of the bond up to the time of filing of the new bond and the approval thereof by the clerk, but not for acts and omissions of the fiduciary thereafter. The new bond shall bind the sureties thereon with respect to acts and omissions of the fiduciary from the time when the sureties on the original bond are no longer liable therefor.

[C51, §1318; R60, §2350; C73, §2364; C97, §3302; C24, 27, 31, 35, 39, §**11888;** C46, 50, 54, 58, 62, §633.44; C66, 71, 73, 75, 77, 79, 81, §633.184]

**633.185 Insolvency of fiduciary.**

If, at any time, a fiduciary becomes insolvent after qualifying as such fiduciary, and after the maturity of a debt owing by such fiduciary to the estate, then the fiduciary and the sureties on the bond shall be liable to the estate for the indebtedness owing by the fiduciary to the estate. If the fiduciary is not solvent at any time after qualification and after the maturity of the debt, the sureties on the bond shall not be liable to the estate for the indebtedness.

[C66, 71, 73, 75, 77, 79, 81, §633.185]

**633.186 Suit on bond.**

1. *Execution of bond deemed as appearance.* The execution and filing of the bond by a fiduciary, any other provisions of law notwithstanding, shall be deemed an appearance by the surety in the proceeding for the administration of the estate including all hearings with respect to the bond.

2. *Summary enforcement in proceedings for administration.* Subject to the provisions of subsection 3 hereof, the court may, upon the breach of the obligation of the bond of a fiduciary, after notice to the obligors on the bond and to such other persons as the court directs, summarily determine the damages as a part of the proceeding for the administration of the estate, and by appropriate process enforce the collection thereof from those liable on the bond. Such determination and enforcement may be made by the court upon its own motion or upon application of a successor fiduciary, or of any other interested person. The court may hear the application at the time of settling the accounts of the defaulting fiduciary or at such other time as the court may direct. Damages shall be assessed on behalf of all interested persons and may be paid over to the successor or other nondefaulting fiduciary and distributed as other assets held by the fiduciary in the fiduciary's official capacity.

3. *Enforcement by separate suit.* If the estate is already distributed, or if, for any reason, the procedure to recover on the bond provided in subsection 2 hereof, is inadequate, any interested person may bring a separate suit in a court of competent jurisdiction on the person's own behalf for damages suffered by the person by reason of the default of the fiduciary.

4. *Bond not void upon first recovery.* The bond of the fiduciary shall not be void upon the first recovery, but may be proceeded upon from time to time until the whole penalty is exhausted.

5. *Denial of liability by surety — intervention.* If the court has already determined the liability of the fiduciary, the sureties shall not be permitted thereafter to deny such liability in any action or hearing to determine their liability; but the surety may intervene in any hearing to determine the liability of the fiduciary.

[C51, §1387, 1389, 1509; R60, §2419, 2421, 2561; C73, §2251, 2435; C97, §3201, 3361; C24, 27, 31, 35, 39, §**11984, 11985, 12603;** C46, 50, 54, 58, 62, §635.79, 635.80, 668.30; C66, 71, 73, 75, 77, 79, 81, §633.186]

Referred to in §633.487

See §636.20

**633.187 Limitation of action on bond.**

No proceedings upon the bond of a fiduciary shall be brought subsequent to two years after the discharge of the fiduciary or six months after the discovery of fraud, whichever is later.

[C66, 71, 73, 75, 77, 79, 81, §633.187]

**633.188 through 633.196** Reserved.

## PART 8

## COMPENSATION OF FIDUCIARIES AND ATTORNEYS

Referred to in §231E.4, 231E.5

**633.197 Compensation.**

1. Personal representatives shall be allowed such reasonable fees as may be determined by the court for services rendered, but not in excess of the following commissions upon the gross assets of the estate listed in the probate inventory, which shall be received as full compensation for all ordinary services:

*a.* For the first one thousand dollars, six percent.

*b.* For the overplus between one and five thousand dollars, four percent.

*c.* For all sums over five thousand dollars, two percent.

2. For purposes of this section, the gross assets of the estate shall not include life insurance proceeds, unless payable to the decedent's estate.

[C51, §1429; R60, §2454; C73, §2494; C97, §3415; C24, 27, 31, 35, 39, §**12063;** C46, 50, 54, 58, 62, §638.23; C66, 71, 73, 75, 77, 79, 81, §633.197]

94 Acts, ch 1153, §8; 2005 Acts, ch 38, §11; 2013 Acts, ch 30, §190

See also §633.86 and 633.162

Section amended

**633.198 Attorney fee.**

There shall also be allowed and taxed as part of the costs of administration of estates as an attorney fee for the personal representative's attorney, such reasonable fee as may be determined by the court, for services rendered, but not in excess of the schedule of fees herein provided for personal representatives.

[C24, 27, 31, 35, 39, §**12064;** C46, 50, 54, 58, 62, §638.24; C66, 71, 73, 75, 77, 79, 81, §633.198]

**633.199 Expenses and extraordinary services.**

Such further allowances as are just and reasonable may be made by the court to personal representatives and their attorneys for actual necessary and extraordinary expenses and services. Necessary and extraordinary services shall be construed to include but not be limited to services in connection with real estate, tax issues, disputed matters, nonprobate assets, reopening the estate, location of unknown and lost heirs and beneficiaries, and management and disposition of unusual assets. Relevant factors to be considered in determining the value of such services shall include but not be limited to the following:

1. Time necessarily spent by the personal representatives and their attorneys.
2. Nature of the matters or issues and the extent of the services provided.
3. Complexity of the issues and the importance of the issues to the estate.
4. Responsibilities assumed.
5. Resolution.
6. Experience and expertise of the personal representatives and their attorneys.

[C51, §1430; R60, §2455; C73, §2495; C97, §3415; C24, 27, 31, 35, 39, §**12065;** C46, 50, 54, 58, 62, §638.25; C66, 71, 73, 75, 77, 79, 81, §633.199]

2007 Acts, ch 134, §10, 28

**633.200 Compensation of other fiduciaries and their attorneys.**

The court shall allow and fix from time to time the compensation for fiduciaries, other than personal representatives, and their attorneys for such services as they shall render as shown by an itemized claim or report made and filed setting forth what such services consist of during the period of time they continue to act in such capacities.

[C51, §1515; R60, §2567; C73, §2256; C97, §3205; C24, 27, §12599; C31, 35, §12065-d1, 12599; C39, §**12065.1, 12599;** C46, 50, 54, 58, 62, §638.26, 668.26; C66, 71, 73, 75, 77, 79, 81, §633.200]

**633.201 Court officers as fiduciaries.**

Judges, clerks, and deputy clerks serving as fiduciaries shall not be allowed any compensation for services as such fiduciaries. A judge, clerk, or deputy clerk serving as a fiduciary may be compensated for fiduciary services if the services are for a family member's estate, trust, guardianship, or conservatorship. For purposes of this section, "*family member*" means a spouse, child, grandchild, parent, grandparent, sibling, niece, nephew, cousin, or other relative or individual with significant personal ties to the fiduciary.

[C66, 71, 73, 75, 77, 79, 81, §633.201]

2007 Acts, ch 86, §9

**633.202 Affidavit relative to compensation.**

In no case shall the compensation of fiduciaries and their attorneys be allowed or paid until there shall have been filed with the clerk of the district court in which administration of the estate is pending an affidavit of the fiduciary, or attorney, as the case may be, stating that there is no contract, agreement, or arrangement, either oral or written, express or implied, contemplating any division of compensation for such services, or participation therein, directly or indirectly, by any other person, firm, or corporation with such fiduciary or attorney, unless it be with a regular and bona fide law partner, or with one jointly serving with them in the same capacity in relation to the estate in which such compensation is allowed, in which event the affidavit shall show such fact.

[C31, 35, §12065-d2; C39, §**12065.2;** C46, 50, 54, 58, 62, §638.27; C66, 71, 73, 75, 77, 79, 81, §633.202]

Referred to in §633.203

**633.203 Affidavit for corporate fiduciary.**

In any case where a corporation is acting as a fiduciary under and by virtue of the provisions of chapter 524, division X, the affidavit required by section 633.202 shall be executed and made by an officer of such corporation.

[C31, 35, §12065-d3; C39, §**12065.3;** C46, 50, 54, 58, 62, §638.28; C66, 71, 73, 75, 77, 79, 81, §633.203]

**633.204 Fees of deceased fiduciary.**

When a fiduciary dies, all fees to which the fiduciary's personal representative and the fiduciary's attorney are entitled shall be a charge against the estate assets until paid.

[C66, 71, 73, 75, 77, 79, 81, §633.204]

**633.205 through 633.209** Reserved.

# DIVISION IV

# INTESTATE SUCCESSION

## PART 1

## RULES OF INHERITANCE

**633.210 Rules of descent.**

The estate of a person dying intestate shall descend as provided in sections 633.211 to 633.226.

[C51, §1390; R60, §2422; C73, §2436; C97, §3362; C24, 27, 31, 35, 39, §**11986;** C46, 50, 54, 58, 62, §636.1; C66, 71, 73, 75, 77, 79, 81, §633.210]

Referred to in §910.3B

**633.211 Share of surviving spouse if decedent left no issue or left issue all of whom are issue of surviving spouse.**

If the decedent dies intestate leaving a surviving spouse and leaving no issue or leaving issue all of whom are the issue of the surviving spouse, the surviving spouse shall receive the following share:

1. All the value of all the legal or equitable estates in real property possessed by the decedent at any time during the marriage, which have not been sold on execution or by other judicial sale, and to which the surviving spouse has made no relinquishment of right.

2. All personal property that, at the time of death, was, in the hands of the decedent as the head of a family, exempt from execution.

3. All other personal property of the decedent which is not necessary for the payment of debts and charges.

[C51, §1329, 1390, 1394, 1421; R60, §2361, 2422, 2477, 2479; C73, §2371, 2436, 2440; C97, §3312, 3362, 3366; C24, 27, 31, 35, 39, §**11918, 11986, 11990, 11991;** C46, 50, 54, 58, 62, §635.7, 636.1, 636.5, 636.6; C66, 71, 73, 75, 77, 79, 81, §633.211]

85 Acts, ch 19, §1

Referred to in §633.210, 633.218, 633.246, 633.267, 633.272, 633.436, 633A.3106

**633.212 Share of surviving spouse if decedent left issue some of whom are not issue of surviving spouse.**

If the decedent dies intestate leaving a surviving spouse and leaving issue some of whom are not the issue of the surviving spouse, the surviving spouse shall receive the following share:

1. One-half in value of all the legal or equitable estates in real property possessed by the decedent at any time during the marriage, which have not been sold on execution or by other judicial sale, and to which the surviving spouse has made no relinquishment of right.

2. All personal property that, at the time of death, was in the hands of the decedent as the head of a family, exempt from execution.

3. One-half of all other personal property of the decedent which is not necessary for the payment of debts and charges.

4. If the property received by the surviving spouse under subsections 1, 2 and 3 of this section is not equal in value to the sum of fifty thousand dollars, then so much additional of any remaining homestead interest and of the remaining real and personal property of the decedent that is subject to payment of debts and charges against the decedent's estate, after payment of the debts and charges, even to the extent of the whole of the net estate, as necessary to make the amount of fifty thousand dollars.

[C51, §1410; R60, §2495; C73, §2455; C97, §3379; S13, §3379, 3381-a; C24, 27, 31, 35, 39, §**12017;** C46, 50, 54, 58, 62, §636.32; C66, 71, 73, 75, 77, 79, 81, §633.212]

85 Acts, ch 19, §2

Referred to in §633.210, 633.218, 633.246, 633.267, 633.272, 633.436, 633A.3106

**633.213 Appraisal.**

Prior to the settlement of every intestate estate in which there is a surviving spouse, and in which appraisal has not been waived by the surviving spouse and all the heirs of the decedent, the court, upon application of the personal representative, the surviving spouse, or any of the heirs of the decedent, shall appoint three competent disinterested appraisers to appraise the estate and to make their report to the court, at the time as the court may direct by order, unless the court, after notice, finds further appraisal unnecessary. In the appraisement, the homestead, if any, shall be appraised separately.

[C24, 27, 31, 35, 39, §**12018;** C46, 50, 54, 58, 62, §636.33; C66, 71, 73, 75, 77, 79, 81, §633.213]
84 Acts, ch 1067, §47
Referred to in §633.210, 633.214

**633.214 Procedure determined by court.**

At the time it appoints the appraisers provided for by section 633.213 the court shall prescribe the kind of notice and the method of service thereof, whether by publication or otherwise.

[C24, 27, 31, 35, 39, §**12019;** C46, 50, 54, 58, 62, §636.34; C66, 71, 73, 75, 77, 79, 81, §633.214]
Referred to in §633.210

**633.215 Notice.**

Such notice shall designate the names of the appraisers, the time and place of the appraisement, and the date on which the appraisers shall file with the clerk the report of their appraisement, directed to all persons interested in such appraisement.

[C24, 27, 31, 35, 39, §**12020;** C46, 50, 54, 58, 62, §636.35; C66, 71, 73, 75, 77, 79, 81, §633.215]
Referred to in §633.210

**633.216 Objections.**

All persons interested in such report and having objections to it and the appraisement, shall file their objections within ten days after the date fixed in said notice for the filing of the report of such appraisement.

[C24, 27, 31, 35, 39, §**12021;** C46, 50, 54, 58, 62, §636.36; C66, 71, 73, 75, 77, 79, 81, §633.216]
Referred to in §633.210

**633.217 Trial.**

Such objections, if any, shall be tried to the court as in equity, and the court shall enter a final order in the matter.

[C24, 27, 31, 35, 39, §**12022;** C46, 50, 54, 58, 62, §636.37; C66, 71, 73, 75, 77, 79, 81, §633.217]
Referred to in §633.210

**633.218 Right of spouse to select property.**

After such proceedings, and after payment of debts and charges, the surviving spouse shall have the right to select from the property so appraised, at its appraised value thus fixed, property equal in value to the amount to which the spouse is entitled under section 633.211 or 633.212 which selection shall be in writing filed with the clerk of court.

[C24, 27, 31, 35, 39, §**12023;** C46, 50, 54, 58, 62, §636.38; C66, 71, 73, 75, 77, 79, 81, §633.218]
Referred to in §633.210

**633.219 Share of others than surviving spouse.**

The part of the intestate estate not passing to the surviving spouse, or if there is no surviving spouse, the entire net estate passes as follows:

1. To the issue of the decedent per stirpes.

2. If there is no surviving issue, to the parents of the decedent equally; and if either parent is dead, the portion that would have gone to such deceased parent shall go to the survivor.

3. If there is no person to take under either subsection 1 or 2 of this section, the estate shall be divided and set aside into two equal shares. One share shall be distributed to the issue of the decedent's mother per stirpes and one share shall be distributed to the issue of the decedent's father per stirpes. If there are no surviving issue of one deceased parent,

the entire estate passes to the issue of the other deceased parent in accordance with this subsection.

4. If there is no person to take under subsection 1, 2, or 3 of this section, and the decedent is survived by one or more grandparents or issue of grandparents, half the estate passes to the paternal grandparents, if both survive, or to the surviving paternal grandparent if only one survives. If neither paternal grandparent survives, this half share shall be further divided into two equal subshares. One subshare shall be distributed to the issue of the decedent's paternal grandmother per stirpes and one subshare shall be distributed to the issue of the decedent's paternal grandfather per stirpes. If there are no surviving issue of one deceased paternal grandparent, the entire half share passes to the issue of the other deceased paternal grandparent and their issue in the same manner. The other half of the decedent's estate passes to the maternal grandparents and their issue in the same manner. If there are no surviving grandparents or issue of grandparents on either the paternal or maternal side, the entire estate passes to the decedent's surviving grandparents or their issue on the other side in accordance with this subsection.

5. If there is no person to take under subsection 1, 2, 3, or 4 of this section, and the decedent is survived by one or more great-grandparents or issue of great-grandparents, the estate passes equally to each set of great-grandparents, or to their issue, if any survive, per stirpes.

6. If there is no person to take under subsection 1, 2, 3, 4, or 5 of this section, the portion uninherited shall go to the issue of the deceased spouse of the intestate, per stirpes. If the intestate has had more than one spouse who died in lawful wedlock, it shall be equally divided between the issue, per stirpes, of those deceased spouses.

7. If there is no person who qualifies under either subsection 1, 2, 3, 4, 5, or 6 of this section, the intestate property shall escheat to the state of Iowa.

[C51, §1408 – 1411, 1413, 1414; R60, §2436, 2437, 2439, 2440, 2495 – 2497; C73, §2453 – 2458, 2460; C97, §3378 – 3382, 3387; S13, §3379, 3381-a, -b, -c; C24, 27, 31, 35, 39, §**12016, 12017, 12024 – 12028, 12035;** C46, 50, 54, 58, 62, §636.31, 636.32, 636.39 – 636.43, 636.50; C66, 71, 73, 75, 77, 79, 81, §633.219]

93 Acts, ch 111, §2; 95 Acts, ch 63, §4; 2000 Acts, ch 1012, §1

Referred to in §633.210, 633.267, 633.304, 633.305, 633A.3106, 633A.3110

**633.220 Afterborn heirs — time of determining relationship.**

Heirs of an intestate, begotten before the intestate's death but born thereafter, shall inherit as if they had been born in the lifetime of the intestate and had survived the intestate. With this exception, the intestate succession shall be determined by the relationships existing at the time of the death of the intestate.

[C51, §1284, 1285; R60, §2316, 2317; C73, §2334, 2335; C97, §3279; S13, §3279; C24, 27, 31, 35, 39, §**11858;** C46, 50, 54, 58, 62, §633.13; C66, 71, 73, 75, 77, 79, 81, §633.220]

Referred to in §633.210

**633.220A Posthumous child.**

1. For the purposes of rules relating to intestate succession, a child of an intestate conceived and born after the intestate's death or born as the result of the implantation of an embryo after the death of the intestate is deemed a child of the intestate as if the child had been born during the lifetime of the intestate and had survived the intestate, if all of the following conditions are met:

*a.* A genetic parent-child relationship between the child and the intestate is established.

*b.* The intestate, in a signed writing, authorized the intestate's surviving spouse to use the deceased parent's genetic material to initiate the posthumous procedure that resulted in the child's birth.

*c.* The child is born within two years of the death of the intestate.

2. Any heir of the intestate whose interest in the intestate's estate would be reduced by the birth of a child born as provided in subsection 1 shall have one year from the birth of the child within which to bring an action challenging the child's right to inherit under this chapter.

3. For the purposes of this section, *"genetic material"* means sperm, eggs, or embryos.
2011 Acts, ch 18, §2
Referred to in §633.210

**633.221 Biological child — inherit from mother.**
Unless the child has been adopted, a biological child shall inherit from the child's biological mother, and she from the child.
[C51, §1415; R60, §2441; C73, §2465; C97, §3384; C24, 27, 31, 35, 39, §**12030;** C46, 50, 54, 58, 62, §636.45; C66, 71, 73, 75, 77, 79, 81, §633.221]
94 Acts, ch 1046, §27
Referred to in §633.3, 633.210

**633.222 Biological child — inherit from father.**
Unless the child has been adopted, a biological child inherits from the child's biological father if the evidence proving paternity is available during the father's lifetime, or if the child has been recognized by the father as his child; but the recognition must have been general and notorious, or in writing. Under such circumstances, if the recognition has been mutual, and the child has not been adopted, the father may inherit from his biological child.
[C51, §1416, 1417; R60, §2442, 2443; C73, §2466, 2467; C97, §3385; C24, 27, 31, 35, 39, §**12031;** C46, 50, 54, 58, 62, §636.46; C66, 71, 73, 75, 77, 79, 81, §633.222]
86 Acts, ch 1086, §1; 94 Acts, ch 1046, §28
Referred to in §633.3, 633.210

**633.223 Effect of adoption.**
1. Except as provided in subsection 3, a lawful adoption extinguishes the right of intestate succession of an adopted person from and through the adopted person's biological parents. The adopted person inherits from and through the adoptive parents in the same manner as a biological child inherits from and through the child's biological parents.
2. Except as provided in subsection 3, a lawful adoption extinguishes the right of intestate succession of a biological parent from and through the parent's biological child who is adopted. The adoptive parents inherit from and through the adopted person in the same manner as biological parents inherit from and through the parents' biological child.
3. An adoption of a person by the spouse or surviving spouse of a biological parent has no effect on the relationship for inheritance purposes between the adopted person and that biological parent or biological parent's heirs. An adoption of a person by the spouse or surviving spouse of a biological parent after the death of the other biological parent has no effect on the relationship for inheritance purposes between the adopted person and the deceased biological parent's heirs.
4. A person inherits through an adopted person, an adoptive parent, or a biological parent of an adopted person only if the adopted person, adoptive parent, or biological parent of an adopted person would have inherited under subsection 1, 2, or 3.
[C66, 71, 73, 75, 77, 79, 81, §633.223; 81 Acts, ch 194, §1]
94 Acts, ch 1046, §29
Referred to in §633.210

**633.224 Advancements — in general.**
When the owner of property transfers it as an advancement to a person who would be an heir of such transferor were the latter to die at that time, and the transferor dies intestate, then the property thus advanced shall be counted toward the share of the transferee in the estate, which for this purpose only shall be increased by the value of the advancement at the time the advancement was made. The transferee shall have no liability to the estate for such part, if any, of the advancement as may be in excess of the transferee's share in the estate as

thus determined. Every gratuitous inter vivos transfer is presumed to be an absolute gift, and not an advancement. Such presumption is rebuttable.

[C51, §1419, 1420; R60, §2445, 2446; C73, §2459; C97, §3383; C24, 27, 31, 35, 39, §**12029;** C46, 50, 54, 58, 62, §636.44; C66, 71, 73, 75, 77, 79, 81, §633.224]

2013 Acts, ch 30, §163

Referred to in §633.210, 633.225, 633.226

Section amended

**633.225 Valuation of advancements.**

An advancement under section 633.224 shall be valued as of the time when the advancee came into possession or enjoyment or as of the date of the death of the intestate, whichever first occurs.

[C51, §1419, 1420; R60, §2445, 2446; C73, §2459; C97, §3383; C24, 27, 31, 35, 39, §**12029;** C46, 50, 54, 58, 62, §636.44; C66, 71, 73, 75, 77, 79, 81, §633.225]

Referred to in §633.210

**633.226 Death of advancee before intestate.**

If an advancee under section 633.224 dies before the intestate, leaving an heir who takes from the intestate, the advancement shall be taken into account in the same manner as if it had been made directly to such heir. If such heir is entitled to a lesser share in the estate than the advancee would have been entitled to, had the advancee survived the intestate, then the heir shall be charged with only such proportion of the advancement as the amount the heir would have inherited, had there been no advancement, bears to the amount which the advancee would have inherited, had there been no advancement.

[C51, §1419, 1420; R60, §2445, 2446; C73, §2459; C97, §3383; C24, 27, 31, 35, 39, §**12029;** C46, 50, 54, 58, 62, §636.44; C66, 71, 73, 75, 77, 79, 81, §633.226]

Referred to in §633.210

## PART 2

## PROCEDURE FOR OPENING ADMINISTRATION OF INTESTATE ESTATES

**633.227 Administration granted.**

Where there is no will, administration shall be granted to any qualified person on the petition of:

1. The surviving spouse;
2. The heirs of the decedent;
3. Creditors of the decedent;
4. Other persons showing good grounds therefor.

[C51, §1311, 1312; R60, §2343, 2344; C73, §2354, 2355; C97, §3297; C24, 27, 31, 35, 39, §**11883;** C46, 50, 54, 58, 62, §633.39; C66, 71, 73, 75, 77, 79, 81, §633.227]

Referred to in §635.1

**633.228 Time allowed.**

1. To file such petition, there shall be allowed, commencing with the death of the decedent:

*a.* To the surviving spouse, a period of twenty days.

*b.* To each other class in succession, a period of ten days.

2. The period allowed each class shall be advanced to the period allowed the preceding class if there is no member of such preceding class. Any member of any class may file such petition after the expiration of the period allowed to the member if letters have not been issued prior thereto.

[C51, §1313; R60, §2345; C73, §2356; C97, §3298; C24, 27, 31, 35, 39, §**11884;** C46, 50, 54, 58, 62, §633.40; C66, 71, 73, 75, 77, 79, 81, §633.228]

2013 Acts, ch 30, §191

Referred to in §635.1

Section amended

**633.229 Petition for administration of an intestate estate.**

The petition for administration of an intestate estate shall contain the following:

1. The name, domicile and date of death of the decedent.

2. If the decedent was domiciled outside the state at the time of the decedent's death, a statement that the decedent had property within the county in which the petition is filed, or any other basis for jurisdiction in such county.

3. The name and address of the surviving spouse, if any, and the name and address of each heir so far as known to the petitioner.

4. The estimated value of the personal property of the estate plus the estimated gross annual income of the estate during the period of administration.

[C66, 71, 73, 75, 77, 79, 81, §633.229]

**633.230 Notice in intestate estates.**

1. In intestate matters, the administrator, as soon as letters are issued, shall cause to be published once each week for two consecutive weeks in a daily or weekly newspaper of general circulation published in the county in which the estate is pending, and at any time during the pendency of administration that the administrator has knowledge of the name and address of a person believed to own or possess a claim which will not or may not be paid or otherwise satisfied during administration, provide by ordinary mail to each such claimant at the claimant's last known address, a notice of appointment which shall be in substantially the following form:

NOTICE OF APPOINTMENT OF
ADMINISTRATOR AND
NOTICE TO CREDITORS

In the District Court of Iowa
in and for ..... County.
In the Estate of ....., Deceased
Probate No. .....

To All Persons Interested in the Estate of ....., Deceased, who died on or about ..... (date):

You are hereby notified that on the ..... day of ..... (month), ..... (year), the undersigned was appointed administrator of the estate.

Notice is hereby given that all persons indebted to the estate are requested to make immediate payment to the undersigned, and creditors having claims against the estate shall file them with the clerk of the above named district court, as provided by law, duly authenticated, for allowance, and unless so filed by the later to occur of four months from the second publication of this notice or one month from the date of the mailing of this notice (unless otherwise allowed or paid) a claim is thereafter forever barred.

Dated this ..... day of ..... (month), ..... (year)

.....
Administrator of the estate
.....
Address
.....
Attorney for the administrator
.....
Address

Date of second publication
..... day of ..... (month), ..... (year)
(Date to be inserted by publisher)

2. An action based upon the failure to give notice by mail required by this section, section 633.304 or 633.305, to heirs of a decedent or to persons known by the personal representative to own or possess a claim in any estate in which the personal representative was discharged prior to July 1, 1989, shall not be maintained in any court in this state unless commenced prior to July 1, 1991.

[C66, 71, 73, 75, 77, 79, 81, §633.230]

84 Acts, ch 1080, §1, 2; 89 Acts, ch 35, §2; 90 Acts, ch 1036, §1; 2000 Acts, ch 1058, §66

Referred to in §590.1, 633A.3109, 633A.3111, 635.13

**633.231 Notice in intestate estates — medical assistance claims.**

1. Upon opening administration of an intestate estate, the administrator shall, in accordance with section 633.410, provide by electronic transmission on a form approved by the department of human services to the entity designated by the department of human services, a notice of opening administration of the estate and of the appointment of the administrator, which shall include a notice to file claims with the clerk or to provide electronic notification to the administrator that the department has no claim within six months from the date of sending this notice, or thereafter be forever barred.

2. The notice shall be in substantially the following form:

NOTICE OF OPENING ADMINISTRATION
OF ESTATE, OF APPOINTMENT OF
ADMINISTRATOR, AND NOTICE
TO CREDITOR

In the District Court of Iowa
In and for ..... County.
In the Estate of ....., Deceased
Probate No. .....

To the Department of Human Services Who May Be Interested in the Estate of ....., Deceased, who died on or about ..... (date):

You are hereby notified that on the ..... day of ..... (month), ..... (year), an intestate estate was opened in the above-named court and that ..... was appointed administrator of the estate.

You are further notified that the birthdate of the deceased is ..... and the deceased's social security number is .....-.....-..... The name of the spouse is ..... The birthdate of the spouse is ..... and the spouse's social security number is .....-.....-....., and that the spouse of the deceased is alive as of the date of this notice, or deceased as of ..... (date).

You are further notified that the deceased was/was not a disabled or a blind child of the medical assistance recipient by the name of ....., who had a birthdate of ..... and a social security number of .....-.....-....., and the medical assistance debt of that medical assistance recipient was waived pursuant to section 249A.53, subsection 2, paragraph *"a"*, subparagraph (1), and is now collectible from this estate pursuant to section 249A.53, subsection 2, paragraph *"b"*.

Notice is hereby given that if the department of human services has a claim against the estate for the deceased person or persons named in this notice, the claim shall be filed with the clerk of the above-named district court, as provided by law, duly authenticated, for allowance within six months from the date of sending this notice and, unless otherwise allowed or paid, the claim is thereafter forever barred. If the department does not have a claim, the department

shall return the notice to the administrator with notification stating the department does not have a claim within six months from the date of sending this notice.

Dated this ..... day of ..... (month), ..... (year)

.....
Administrator of estate

.....
Address

.....
Attorney for administrator

.....
Address

2001 Acts, ch 109, §1; 2002 Acts, ch 1119, §97; 2007 Acts, ch 134, §11; 2010 Acts, ch 1137, §4; 2011 Acts, ch 34, §139

Referred to in §633.410, 635.13

Section not amended; internal reference change applied

**633.232 through 633.235** Reserved.

## DIVISION V

## RIGHTS OF SURVIVING SPOUSE

Referred to in §249A.3

## PART 1

## RIGHT TO TAKE AGAINST THE WILL

**633.236 Right of elective share of surviving spouse.**

When a married person domiciled in Iowa at the time of death dies, the surviving spouse shall have the right to take an elective share under the provisions of sections 633.237 through 633.246. If the surviving spouse has a conservator, the court may authorize or direct the conservator to elect the share as the court deems appropriate under the circumstances.

[C51, §1407; R60, §2435; C73, §2452; C97, §3376; S13, §3376; C24, 27, 31, 35, 39, §**12006, 12010;** C46, 50, 54, 58, 62, §636.21, 636.25; C66, 71, 73, 75, 77, 79, 81, §633.236]

88 Acts, ch 1064, §1; 2005 Acts, ch 38, §12

Referred to in §633.237, 633.245, 633.246, 633.247, 633.264, 633.647

Effect on medical assistance eligibility, see §249A.3(11) and 633.246A

**633.237 Presumption against filing elective share.**

1. Following the appointment of a personal representative of the estate of the decedent, the personal representative shall cause to be served a written notice upon the surviving spouse pursuant to section 633.40, subsection 5, notifying the surviving spouse that unless, within four months after service of the notice, the spouse files an election in writing with the clerk of court electing the share as set forth in section 633.236 and sections 633.238 through 633.246, the spouse shall be deemed to take under the will or to receive the intestate share. If, within the four-month period following service of the notice, an affidavit is filed setting forth that the surviving spouse is incapable of making the election and does not have a conservator, the personal representative shall make application to the court for an order pursuant to section 633.244.

2. Following the death of a settlor of a revocable trust, the trustee of such revocable trust shall cause to be served a written notice upon the surviving spouse pursuant to section 633.40, subsection 5, notifying the surviving spouse that unless, within four months after service of the notice, the spouse files an election with the trustee electing the share as set forth in section 633.236 and sections 633.238 through 633.246, the spouse shall be deemed to take under the

terms of the revocable trust. If, within the four-month period following service of the notice, an affidavit is filed setting forth that the surviving spouse is incapable of making the election and does not have a conservator, the trustee shall make application to the court for an order pursuant to section 633.244.

3. If the surviving spouse has a conservator, notice shall be given to the conservator and the spouse pursuant to subsections 1 and 2.

4. The notice provisions under subsections 1 and 2 are not applicable if the surviving spouse or the spouse's conservator files, at any time, an election to take under the will, receive the intestate share, or take under the revocable trust. If the surviving spouse fails to file an election under this section within four months of the date notice is served, it shall be conclusively presumed that the surviving spouse elects to take under the will, receive the intestate share, or take under the revocable trust.

5. Upon application of the surviving spouse or the spouse's conservator filed before the time for making the election expires, the court may extend the period in which the surviving spouse may make the election.

[C73, §2452; C97, §3376; S13, §3376; C24, 27, 31, 35, 39, §**12007, 12010;** C46, 50, 54, 58, 62, §636.22, 636.25; C66, 71, 73, 75, 77, 79, 81, §633.237]

84 Acts, ch 1080, §3; 88 Acts, ch 1064, §2; 2005 Acts, ch 38, §13; 2009 Acts, ch 52, §3, 14; 2012 Acts, ch 1123, §3, 32

Referred to in §633.236, 633.241, 633.246, 633A.3110, 635.13

2009 amendment to subsection 4 applies to estates of decedents and revocable trusts of settlors dying on or after July 1, 2009; 2009 Acts, ch 52, §14

2012 amendment to subsections 1, 2, and 4, applies to estates of decedents dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633.238 Elective share of surviving spouse.**

1. The elective share of the surviving spouse shall be limited to all of the following:

*a.* One-third in value of all the legal or equitable estates in real property possessed by the decedent at any time during the marriage which have not been sold on execution or other judicial sale, and to which the surviving spouse has made no express written relinquishment of right.

*b.* All personal property that, at the time of death, was in the hands of the decedent as the head of a family, exempt from execution.

*c.* One-third of all personal property of the decedent that is not necessary for the payment of debts and charges.

*d.* One-third in value of the property held in trust not necessary for the payment of debts and charges over which the decedent was a grantor and retained at the time of death the power to alter, amend, or revoke the trust, or over which the decedent waived or rescinded any such power within one year of the date of death, and to which the surviving spouse has not made any express written relinquishment.

2. The elective share described in this section shall be in lieu of any property the spouse would otherwise receive under the last will and testament of the decedent, through intestacy, or under the terms of a revocable trust.

[C51, §1329, 1390, 1394, 1421; R60, §2361, 2422, 2477, 2479; C73, §2371, 2436, 2440; C97, §3312, 3362, 3366; C24, 27, 31, 35, 39, §**11918, 11986, 11990, 11991;** C46, 50, 54, 58, 62, §635.7, 636.1, 636.5, 636.6; C66, 71, 73, 75, 77, 79, 81, §633.238]

2005 Acts, ch 38, §14; 2009 Acts, ch 52, §4, 14

Referred to in §614.14, 633.236, 633.237, 633.239, 633.240, 633.246

2009 amendment to subsection 1, unnumbered paragraph 1, applies to estates of decedents and revocable trusts of settlors dying on or after July 1, 2009; 2009 Acts, ch 52, §14

**633.239 Share to embrace homestead.**

The share of the surviving spouse in such real estate shall be set off in such manner as to include the homestead, or so much thereof as will be equal to the share allotted to the spouse pursuant to section 633.238 unless the spouse prefers a different arrangement, but no such

different arrangement shall be allowed unless there is sufficient property remaining to pay the claims and charges against the decedent's estate.

[C51, §1395; R60, §2426; C73, §2441; C97, §3367; C24, 27, 31, 35, 39, §**11992;** C46, 50, 54, 58, 62, §636.7; C66, 71, 73, 75, 77, 79, 81, §633.239]

2005 Acts, ch 38, §15

Referred to in §633.236, 633.237

**633.240 Election to receive homestead.**

In estates in which the surviving spouse has filed an election and in all intestate estates, whether an election is filed or not, the surviving spouse or the spouse's conservator, if applicable, may, in lieu of the spouse's share in the real property possessed by the decedent at any time during the marriage, which has not been sold on execution or other judicial sale, and to which the surviving spouse has made no express written relinquishment of right, elect to receive a life estate in the homestead. Such election shall be made and entered of record as provided in section 633.245. In making such election, the surviving spouse shall have all the rights as to the personal property provided in section 633.238, subsection 1, paragraphs *"b"*, *"c"*, and *"d"*. In case of failure to make such election, the right to receive the life estate in the homestead shall be waived.

[C97, §3377; S13, §3377; C24, 27, 31, 35, 39, §**12012;** C46, 50, 54, 58, 62, §636.27; C66, 71, 73, 75, 77, 79, 81, §633.240]

88 Acts, ch 1064, §3; 2005 Acts, ch 38, §16

Referred to in §633.236, 633.237, 633.245, 633.246, 633.647

**633.241 Time for election to receive life estate in homestead.**

If the surviving spouse does not make an election to receive the life estate in the homestead and file it with the clerk within four months from the date of service of notice under section 633.237, it shall be conclusively presumed that the surviving spouse waives the right to make the election. The court on application may, prior to the expiration of the period of four months, for cause shown, enter an order extending the time for making the election.

[C97, §3377; S13, §3377; C24, 27, 31, 35, 39, §**12013;** C46, 50, 54, 58, 62, §636.28; C66, 71, 73, 75, 77, 79, 81, §633.241]

84 Acts, ch 1080, §4; 2005 Acts, ch 38, §17; 2008 Acts, ch 1119, §16, 39

Referred to in §633.236, 633.237

**633.242 Rights of election personal to surviving spouse.**

The right of the surviving spouse to take an elective share, and the right of the surviving spouse to receive a life estate in the homestead, are personal. They are not transferable and cannot be exercised for the spouse subsequent to the spouse's death. If the surviving spouse dies prior to filing an election, it shall be conclusively presumed that the surviving spouse does not take such elective share.

[C66, 71, 73, 75, 77, 79, 81, §633.242]

2005 Acts, ch 38, §18

Referred to in §633.236, 633.237

**633.243 Filing elections.**

The filing of the elective share and the election to receive a life estate in the homestead shall be filed in the office of the clerk in which the decedent's estate is being administered and served on the trustee of the revocable trust. The court where the election is filed shall have exclusive jurisdiction over all matters regarding elections under this chapter.

[C24, 27, 31, 35, 39, §**12010;** C46, 50, 54, 58, 62, §636.25; C66, 71, 73, 75, 77, 79, 81, §633.243]

2005 Acts, ch 38, §19

Referred to in §633.236, 633.237

**633.244 Incompetent spouse — election by court.**

In case an affidavit is filed that the surviving spouse is incapable of determining whether to take the elective share, or to elect to receive a life estate in the homestead, and does not have a conservator, the court shall fix a time and place of hearing on the matter and cause a notice thereof to be served upon the surviving spouse in such manner and for such time as the court

may direct. At the hearing, a guardian ad litem shall be appointed to represent the spouse and the court shall enter such orders as it deems appropriate under the circumstances. The guardian ad litem shall be a practicing attorney.

[S13, §3376, 3377; C24, 27, 31, 35, 39, §**12011, 12014;** C46, 50, 54, 58, 62, §636.26, 636.29; C66, 71, 73, 75, 77, 79, 81, §633.244]

88 Acts, ch 1064, §4; 90 Acts, ch 1271, §1513; 2005 Acts, ch 38, §20

Referred to in §229.27, 633.236, 633.237, 633.245, 633.246

**633.245 Record of election.**

The elections of the surviving spouse under section 633.236, 633.240 or 633.244 shall be entered on the proper records of the court.

[C73, §2452; C97, §3376; S13, §3376; C24, 27, 31, 35, 39, §**12008;** C46, 50, 54, 58, 62, §636.23; C66, 71, 73, 75, 77, 79, 81, §633.245]

Referred to in §633.236, 633.237, 633.240

**633.246 Election not subject to change.**

1. An election by or on behalf of a surviving spouse to take the share provided in section 633.211, 633.212, 633.236, 633.238, 633.240, or 633.244 shall be binding and shall not be subject to change except for such causes as would justify an equitable decree for the rescission of a deed.

2. An affirmative election to take under the will, receive the intestate share, or take under the revocable trust shall be irrevocable when filed as provided in section 633.237.

[C66, 71, 73, 75, 77, 79, 81, §633.246]

2009 Acts, ch 52, §5, 14; 2012 Acts, ch 1123, §4, 32

Referred to in §633.236, 633.237

2009 amendment to this section applies to estates of decedents and revocable trusts of settlors dying on or after July 1, 2009; 2009 Acts, ch 52, §14

2012 amendment to this section applies to estates of decedents dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633.246A Medical assistance eligibility.**

Unless precluded from doing so under the terms of a premarital agreement, the failure of a surviving spouse to make an election under this division constitutes a transfer of assets for the purpose of determining eligibility for medical assistance pursuant to chapter 249A to the extent that the value received by making the election would have exceeded the value of property received absent the election.

2000 Acts, ch 1060, §7; 2005 Acts, ch 38, §21; 2006 Acts, ch 1104, §2

## PART 2

## PROCEDURE FOR SETTING OFF ELECTIVE SHARE

**633.247 Setting off elective share of surviving spouse.**

The share of the surviving spouse under section 633.236 may be set off by the mutual consent of all parties in interest, or by referees appointed by the court. An application to have the share set off by referees shall be made by an interested party in writing by filing with the clerk of court. A copy of such application shall be sent to all interested parties.

[C51, §1396, 1397; R60, §2427, 2428; C73, §2443, 2444; C97, §3369; S13, §3377; C24, 27, 31, 35, 39, §**11994, 12015;** C46, 50, 54, 58, 62, §636.9, 636.30; C66, 71, 73, 75, 77, 79, 81, §633.247]

84 Acts, ch 1080, §5; 88 Acts, ch 1064, §5; 2005 Acts, ch 38, §22

Referred to in §633.253

**633.248 Referee — notice.**

In the absence of mutual consent of all interested parties to the appointment of referees, the court shall fix a time and place for hearing upon such application and of the fact that referees

will be appointed if such application is granted, and shall prescribe the time and manner of the service of notice of the hearing.

[C51, §1398; R60, §2429; C73, §2445; C97, §3370; C24, 27, 31, 35, 39, §**11995;** C46, 50, 54, 58, 62, §636.10; C66, 71, 73, 75, 77, 79, 81, §633.248]

2005 Acts, ch 38, §23

Referred to in §633.253

**633.249 Mode of setting off share in real estate.**

The referees may employ a licensed professional land surveyor, and may cause the shares in real estate to be set off by legally sufficient land descriptions. They shall make a report of their proceedings to the court as early as reasonably possible.

[C51, §1399; R60, §2430; C73, §2446; C97, §3371; C24, 27, 31, 35, 39, §**11996;** C46, 50, 54, 58, 62, §636.11; C66, 71, 73, 75, 77, 79, 81, §633.249]

2012 Acts, ch 1009, §33

Referred to in §633.253

**633.250 Report — delinquency.**

The court may require a report by such a time as it deems reasonable. If the referees fail to obey this or any other of its orders, the court may discharge them and appoint others in their stead, and impose upon the first referees the payment of all costs previously made, unless they show good cause against it.

[C51, §1400; R60, §2431; C73, §2447; C97, §3372; C24, 27, 31, 35, 39, §**11997;** C46, 50, 54, 58, 62, §636.12; C66, 71, 73, 75, 77, 79, 81, §633.250]

Referred to in §633.253

**633.251 Confirmation — new reference.**

The court may set the report for hearing and prescribe the notice to be given to interested parties. The court may confirm the report, or may set it aside and refer the matter to the same or other referees, at its discretion.

[C51, §1401; R60, §2432; C73, §2448; C97, §3373; C24, 27, 31, 35, 39, §**11998;** C46, 50, 54, 58, 62, §636.13; C66, 71, 73, 75, 77, 79, 81, §633.251]

Referred to in §633.253

**633.252 Confirmation conclusive — possession.**

An order confirming a report of the referee shall be binding and conclusive unless appealed within thirty days and the surviving spouse may bring an action to obtain possession of any assets set apart to the surviving spouse. Such elective share constitutes a judgment lien in favor of such surviving spouse against the possessor of such assets.

[C51, §1402; R60, §2433; C73, §2449; C97, §3373; C24, 27, 31, 35, 39, §**11999;** C46, 50, 54, 58, 62, §636.14; C66, 71, 73, 75, 77, 79, 81, §633.252]

2005 Acts, ch 38, §24

Referred to in §633.253

**633.253 Right contested.**

Nothing in sections 633.247 through 633.252 shall prevent any person interested from controverting the right of the surviving spouse to the share thus set apart before confirmation of the report of the referees.

[C51, §1403; R60, §2434; C73, §2450; C97, §3374; C24, 27, 31, 35, 39, §**12000;** C46, 50, 54, 58, 62, §636.15; C66, 71, 73, 75, 77, 79, 81, §633.253]

**633.254 Sale — division of proceeds.**

If it appears to the court, upon application of the personal representative, the surviving spouse, or the report of the referee, that the property, or any part of it, cannot be advantageously divided, the court may order the whole, or any part of such property, sold, and the share of the surviving spouse in the proceeds paid over to the surviving spouse.

[C51, §1404; R60, §2478; C73, §2451; C97, §3375; C24, 27, 31, 35, 39, §**12001;** C46, 50, 54, 58, 62, §636.16; C66, 71, 73, 75, 77, 79, 81, §633.254]

Referred to in §633.256, 633.258

**633.255 Purchase of new homestead.**

In case the homestead is sold, the surviving spouse may use any or all of the spouse's share to procure a homestead which shall be exempt from liability for all debts from which the former homestead would have been exempt.

[C51, §1406; C73, §2451; C97, §3375; C24, 27, 31, 35, 39, § **12002;** C46, 50, 54, 58, 62, §636.17; C66, 71, 73, 75, 77, 79, 81, §633.255]

**633.256 Security to avoid sale.**

No sale shall be made under section 633.254 if anyone interested gives security to the satisfaction of the court, conditioned to pay the surviving spouse the appraised value of the share with seven percent interest on the same, within such reasonable time as the court may fix, not exceeding one year.

[C51, §1405; C73, §2451; C97, §3375; C24, 27, 31, 35, 39, §**12003;** C46, 50, 54, 58, 62, §636.18; C66, 71, 73, 75, 77, 79, 81, §633.256]

**633.257 Security by surviving spouse.**

If no such arrangement is made, the surviving spouse may keep the property by giving like security to pay the claims of all others interested upon like terms.

[C51, §1405; C73, §2451; C97, §3375; C24, 27, 31, 35, 39, §**12004;** C46, 50, 54, 58, 62, §636.19; C66, 71, 73, 75, 77, 79, 81, §633.257]

**633.258 Sale prohibited.**

Such sale under section 633.254 shall not be ordered so long as those in interest shall express a contrary desire and agree upon some mode of sharing and dividing the rents, profits, or use thereof, or shall consent that the court shall order the division of such rents, profits or use.

[C51, §1405; R60, §2478; C73, §2451; C97, §3375; C24, 27, 31, 35, 39, §**12005;** C46, 50, 54, 58, 62, §636.20; C66, 71, 73, 75, 77, 79, 81, §633.258]

**633.259 through 633.263** Reserved.

## DIVISION VI

## WILLS

### PART 1

### GENERAL PROVISIONS RELATING TO WILLS

**633.264 Disposal of property by will.**

Subject to the rights of the surviving spouse to take an elective share as provided by section 633.236, any person of full age and sound mind may dispose by will of all the person's property, except an amount sufficient to pay the debts and charges against the person's estate.

[C51, §1277, 1407; R60, §2309, 2435; C73, §2322, 2452; C97, §3270, 3376; S13, §3376; C24, 27, 31, 35, 39, §**11846, 12006;** C46, 50, 54, 58, 62, §633.1, 636.21; C66, 71, 73, 75, 77, 79, 81, §633.264]

2005 Acts, ch 38, §25; 2006 Acts, ch 1030, §77

**633.265 Procedure prescribed by will.**

When the interests of creditors will not thereby be prejudiced, a testator may prescribe the entire manner in which the testator's estate shall be administered, and, also, the manner in which the testator's affairs shall be conducted until the testator's estate is finally settled.

[C51, §1326; R60, §2358; C73, §2406; C97, §3336; C24, 27, 31, 35, 39, §**11955;** C46, 50, 54, 58, 62, §635.51; C66, 71, 73, 75, 77, 79, 81, §633.265]

See also §633.172

**633.266 Adjusted gross estate.**

Unless otherwise defined, *"adjusted gross estate"* in a will means the entire value of the gross estate as determined under the federal estate tax less the aggregate amount of the deductions allowed by sections 2053 and 2054 of the Internal Revenue Code as defined in section 422.3.

[82 Acts, ch 1053, §1]

2006 Acts, ch 1140, §9 – 11

Referred to in §633A.1102

Internal Revenue Code definition is updated regularly; for applicable definition in a prior tax year, refer to Iowa Acts and Code or Code Supplement for that year

**633.267 Children born or adopted after execution of will.**

1. If a testator fails to provide in the testator's will for any child of the testator born to or adopted by the testator after the execution of the testator's last will, such child, whether born before or after the testator's death, shall receive a share in the estate of the testator equal in value to that which the child would have received under section 633.219, after taking into account the spouse's intestate share under section 633.211 or section 633.212, whichever section or sections are applicable, if the testator had died intestate, unless it appears from the will that such omission was intentional.

2. *a.* For the purposes of this section, a child born after the testator's death includes a child of the testator conceived and born after the testator's death, or a child born as the result of the implantation of an embryo after the testator's death, if all of the following conditions are met:

(1) A genetic parent-child relationship between the child and the testator is established.

(2) The testator, in a signed writing, authorized the testator's surviving spouse to use the deceased parent's genetic material to initiate the posthumous procedure that resulted in the child's birth or the testator by specific reference to the genetic material, bequeathed the genetic material to the other parent in a valid will.

(3) The child is born within two years of the death of the testator.

*b.* Any child of the testator whose share of the estate would be reduced by the birth of a child born as provided in paragraph *"a"* shall have one year from the birth of the child within which to bring an action challenging the child's right to a share of the estate under this section.

*c.* For the purposes of this subsection, *"genetic material"* means sperm, eggs, or embryos.

[C51, §1284, 1285; R60, §2316, 2317; C73, §2334, 2335; C97, §3279; S13, §3279; C24, 27, 31, 35, 39, §**11858;** C46, 50, 54, 58, 62, §633.13; C66, 71, 73, 75, 77, 79, 81, §633.267]

88 Acts, ch 1064, §6; 2008 Acts, ch 1119, §17, 39; 2011 Acts, ch 18, §3

Referred to in §633.477, 633A.3106

**633.268 Presumption attending devise to spouse.**

Where the testator's spouse is named as a devisee in a will, it shall be presumed, unless the intent is clear and explicit to the contrary, and except as provided in section 633.272, that such devise is in lieu of the intestate share and homestead rights of the surviving spouse.

[C97, §3270; C24, 27, 31, 35, 39, §**11847;** C46, 50, 54, 58, 62, §633.2; C66, 71, 73, 75, 77, 79, 81, §633.268]

**633.269 After acquired property.**

Any property acquired by the testator after the making of the testator's will shall pass thereby, and in like manner as if title thereto were vested in the testator at the time of making the will, unless the intent is clear and explicit to the contrary.

[C51, §1278; R60, §2310; C73, §2323; C97, §3271; C24, 27, 31, 35, 39, §**11849;** C46, 50, 54, 58, 62, §633.4; C66, 71, 73, 75, 77, 79, 81, §633.269]

**633.270 Contractual or mutual wills.**

No will shall be construed to be contractual or mutual, unless in such will the testator shall expressly state the intent that such will shall be so construed.

[C66, 71, 73, 75, 77, 79, 81, §633.270]

**633.271 Effect of divorce or dissolution.**

1. If after making a will the testator is divorced or the testator's marriage is dissolved, all provisions in the will in favor of the testator's spouse or of a relative of the testator's spouse, including but not limited to dispositions, appointments of property, and nominations to serve in any fiduciary or representative capacity, are revoked by the divorce or dissolution of marriage, unless the will provides otherwise.

2. Unless the will provides otherwise, in the event the testator and spouse remarry each other, the provisions of the will revoked by the divorce or dissolution of marriage shall be reinstated unless otherwise revoked by the testator, except for provisions in favor of a person who died prior to the remarriage which shall not be reinstated.

3. For the purposes of this section, *"relative of the testator's spouse"* means a person who is related to the divorced testator's former spouse by blood, adoption, or affinity, and who, subsequent to a divorce or dissolution of marriage, ceased to be related to the testator by blood, adoption, or affinity.

[C66, 71, 73, 75, 77, 79, 81, §633.271]

2000 Acts, ch 1150, §3; 2005 Acts, ch 38, §26

**633.272 Partial intestacy.**

If part but not all of the estate of a decedent is validly disposed of by will, the part not disposed of by will shall be distributed as provided herein for intestate estates. If the testator left a surviving spouse, and the spouse does not take an elective share, the spouse shall receive, in addition to the property given to the spouse by the will, so much of the intestate property subject to the payment of its proportionate share of debts and charges as the spouse would receive pursuant to section 633.211 or 633.212.

[C66, 71, 73, 75, 77, 79, 81, §633.272]

94 Acts, ch 1165, §42; 2007 Acts, ch 134, §12, 28

Referred to in §633.268

**633.273 Antilapse statute.**

1. If a devisee dies before the testator, leaving issue who survive the testator, the devisee's issue who survive the testator shall inherit the property devised to the devisee per stirpes, unless from the terms of the will, the intent is clear and explicit to the contrary.

2. A person who would have been a devisee under a class gift, if the person had survived the testator, is treated as a devisee for purposes of this section, provided the person's death occurred after the execution of the will, unless from the terms of the will, the intent is clear and explicit to the contrary.

[C51, §1287; R60, §2319; C73, §2337; C97, §3281; C24, 27, 31, 35, 39, §**11861;** C46, 50, 54, 58, 62, §633.16; C66, 71, 73, 75, 77, 79, 81, §633.273]

89 Acts, ch 130, §1; 95 Acts, ch 63, §5

Referred to in §633.273A, 633.274

**633.273A Disposition of failed devise.**

Unless from the terms of the will the intent is clear and explicit to the contrary, and except as provided in section 633.273:

1. A devise, other than a residuary devise, that fails for any reason becomes a part of the residuary estate.

2. If the residuary estate is devised to two or more persons, the share of a residuary devisee that fails for any reason passes to the other residuary devisee or to the other residuary devisees in proportion to the interest of each in the remaining part of the residuary estate.

2013 Acts, ch 33, §1, 9

Section applies to estates of decedents dying on or after July 1, 2013; 2013 Acts, ch 33, §9

NEW section

**633.274 Exception to antilapse statute.**

The devise to a spouse of the testator, where the spouse does not survive the testator, shall lapse notwithstanding the provisions of section 633.273, unless from the terms of the will, the intent is clear and explicit to the contrary.

[C66, 71, 73, 75, 77, 79, 81, §633.274]

**633.275 Testamentary additions to trusts.**

A devise or bequest, the validity of which is determinable by the law of this state, may be made by a will to the trustee of a trust established, or to be established, by the testator, or by the testator and some other person or persons, or by some other person or persons, including a funded or unfunded life insurance trust, although the trustor has reserved some or all rights of ownership of the insurance contracts, if the trust is identified in the testator's will, and if its terms are set forth in a written instrument other than a will executed before or concurrently with the execution of the testator's will, or in the valid last will of a person who has predeceased the testator regardless of the existence, size, or character of the corpus of the trust. The devise or bequest is not invalid because the trust is amendable or revocable, or both, or because the trust was amended after the execution of the will or after the death of the testator. Unless the testator's will provides otherwise, the property so devised or bequeathed shall not be deemed to be held under a testamentary trust of the testator, but shall become a part of the trust to which it is given and shall be administered and disposed of in accordance with the instrument or will setting forth the terms of the trust, including any amendments thereto made before the death of the testator, regardless of whether any such amendment was made before or after the execution of the testator's will, and, if the testator's will so provides, including any amendments to the trust made after the death of the testator. A revocation or termination of the trust before the death of the testator causes the devise or bequest to lapse. This section does not invalidate a devise or bequest made by a will executed prior to January 1, 1964.

[C66, 71, 73, 75, 77, 79, 81, §633.275, 633.276; 81 Acts, ch 195, §1]

Referred to in §633.277

**633.276 Separate identification of bequest.**

A will may refer to a written statement, letter, or list to dispose of items of tangible personal property not otherwise specifically disposed of by the will, except tangible personal property used in trade or business. Tangible personal property, for purposes of this section, includes household goods, furnishings, furniture, personal effects, clothing, jewelry, books, works of art, ornaments, and automobiles. If the writing is dated and is either in the handwriting of the testator or is signed by testator, and if it describes the items and distributees with reasonable certainty, the personal representative shall distribute the described items of tangible personal property to the distributees entitled to them. The writing may be referred to as one to be in existence at the time of the testator's death. The writing may be prepared before or after the execution of the will. The writing may be altered, added to, or changed in any respect by the testator after its preparation, and it may be a writing which has no significance apart from its effect upon the dispositions made by the will. Property passing by the writing shall be considered as property passing as a specific bequest under will.

[81 Acts, ch 195, §2]

Referred to in §450.4

**633.277 Uniformity of interpretation.**

Section 633.275 shall be so construed as to effectuate its general purpose to make uniform the law of those states which have adopted a similar provision.

[C66, 71, 73, 75, 77, 79, 81, §633.277]

**633.278 Devise of encumbered property.**

When any property subject to a mortgage, other lien or security interest, is specifically devised, the devisee shall take such property so devised subject to such mortgage, other lien or security interest, unless the will provides expressly or by necessary implication that such mortgage, other lien or security interest be otherwise paid. If there is a testamentary direction to discharge such mortgage, other lien or security interest, the rules of abatement specified in section 633.436 shall be applied.

[C66, 71, 73, 75, 77, 79, 81, §633.278]

## PART 2

## EXECUTION AND REVOCATION

**633.279 Signed and witnessed.**

1. *Formal execution.* All wills and codicils, except as provided in section 633.283, to be valid, must be in writing, signed by the testator, or by some person in the testator's presence and by the testator's express direction writing the testator's name thereto, and declared by the testator to be the testator's will, and witnessed, at the testator's request, by two competent persons who signed as witnesses in the presence of the testator and in the presence of each other; provided, however, that the validity of the execution of any will or instrument which was executed prior to January 1, 1964, shall be determined by the law in effect immediately prior to said date.

2. *Self-proved will.*

*a.* An attested will may be made self-proved at the time of its execution, or at any subsequent date, by the acknowledgment thereof by the testator and the affidavits of the witnesses, each made before a person authorized to administer oaths and take acknowledgments under the laws of this state, and evidenced by such person's certificate, under seal, attached or annexed to the will, in form and content substantially as follows:

Affidavit
State of..... )
County of..... ) ss

We, the undersigned, ....., ..... and ....., the testator and the witnesses, respectively, whose names are signed to the attached or foregoing instrument, being first duly sworn, declare to the undersigned authority that at the date of the instrument, we all knew the identity of each other; the instrument was exhibited to the witnesses by the testator, who declared it to be the testator's last will and testament and was signed by the testator or by another at the direction of the testator at ....., in the County of ....., State of ....., on the date shown in the instrument, and in the presence of each other as subscribing witnesses; that we, as witnesses, declare to the undersigned authority that in our presence the testator executed and acknowledged such will as the testator's will and that we, in the testator's presence, at the testator's request, and in the presence of each other, did subscribe our names thereto as attesting witnesses on the date of such will; and that the witnesses were sixteen years of age or older.

.....
Testator
.....
Witness
.....
Witness
.....

Subscribed, sworn and acknowledged before me by ....., the testator; and subscribed and sworn before me by ..... and ....., witnesses, this ..... day of ..... (month), ..... (year)

.....
Notary Public, or other notarial
officer authorized to take
(Stamp) and certify acknowledgments
and administer oaths

*b.* A self-proved will shall constitute proof of due execution of such instrument as required by section 633.293 and may be admitted to probate without testimony of witnesses.

[C51, §1281; R60, §2313; C73, §2326; C97, §3274; C24, 27, 31, 35, 39, §**11852;** C46, 50, 54, 58, 62, §633.7; C66, 71, 73, 75, 77, 79, 81, §633.279]

2000 Acts, ch 1058, §56; 2011 Acts, ch 25, §73; 2012 Acts, ch 1050, §57, 60; 2013 Acts, ch 33, §2, 9

Referred to in §622.1

2013 amendment to subsection 2, paragraph a, applies to estates of decedents dying on or after July 1, 2013; 2013 Acts, ch 33, §9

Subsection 2, paragraph a stricken and rewritten

**633.280 Competency of witnesses.**

Any person who is sixteen years of age, or older, and who is competent to be a witness generally in this state, may act as an attesting witness to a will.

[C66, 71, 73, 75, 77, 79, 81, §633.280]

**633.281 Interest of witnesses.**

No will is invalidated because attested by an interested witness; but any interested witness shall, unless the will is also attested by two competent and disinterested witnesses, forfeit so much of the provisions therein made for the interested witness as in the aggregate exceeds in value, as of the date of the decedent's death, that which the interested witness would have received had the testator died intestate. No attesting witness is interested unless the witness is devised or bequeathed some portion of the testator's estate.

[C51, §1282, 1283; R60, §2314, 2315; C73, §2327, 2328; C97, §3275; C24, 27, 31, 35, 39, §**11854;** C46, 50, 54, 58, 62, §633.9; C66, 71, 73, 75, 77, 79, 81, §633.281]

**633.282 Defect cured by codicil.**

If a codicil to a defectively executed will is duly executed, and such will is clearly identified in said codicil, the will and the codicil shall be considered as one instrument and the execution of both shall be deemed sufficient.

[C97, §3274; C24, 27, 31, 35, 39, §**11853;** C46, 50, 54, 58, 62, §633.8; C66, 71, 73, 75, 77, 79, 81, §633.282]

**633.283 Will executed in foreign state or country.**

A will executed outside this state, in the mode prescribed by the law, either of the place where executed or of the testator's domicile, shall be deemed to be legally executed, and shall be of the same force and effect as if executed in the mode prescribed by the laws of this state, provided said will is in writing and subscribed by the testator.

[C97, §3309; C24, 27, 31, 35, 39, §**11893;** C46, 50, 54, 58, 62, §633.49; C66, 71, 73, 75, 77, 79, 81, §633.283]

Referred to in §633.279

**633.284 Revocation — cancellation — revival.**

A will can be revoked in whole or in part only by being canceled or destroyed by the act or direction of the testator, with the intention of revoking it, or by the execution of a subsequent will. When done by cancellation, the revocation must be witnessed in the same manner as the making of a new will. No will, nor any part thereof, which shall be in any manner revoked, or which shall be or become invalid, can be revived otherwise than by a re-execution thereof, or by the execution of another will or codicil in which the revoked or invalid will, or part thereof, is incorporated by reference.

[C51, §1288, 1289; R60, §2320, 2321; C73, §2329, 2330; C97, §3276; S13, §3276; C24, 27, 31, 35, 39, §**11855;** C46, 50, 54, 58, 62, § 633.10; C66, 71, 73, 75, 77, 79, 81, §633.284]

PART 3

CUSTODY

**633.285 Custodian — filing — penalty.**

After being informed of the death of the testator, the person having custody of the testator's will shall deliver it to the court having jurisdiction of the testator's estate. Every person who willfully refuses or fails to deliver a will after being ordered by the court to do so shall be guilty of contempt of court. The person shall also be liable to any person aggrieved for the damages which may be sustained by such refusal or failure.

[C51, §1291, 1292; R60, §2323, 2324; C73, §2338, 2339; C97, §3282; C24, 27, 31, 35, 39, §**11862;** C46, 50, 54, 58, 62, §633.17; C66, 71, 73, 75, 77, 79, 81, §633.285]

Referred to in §633.286

**633.286 Deposit of will with clerk.**

The clerk shall maintain a file for the safekeeping of wills. There shall be placed therein wills deposited with the clerk by living testators or by persons on their behalf, and wills of deceased testators not accompanied by petitions for the probate thereof, when deposited with the clerk by persons having custody thereof as provided in section 633.285.

[C51, §1290; R60, §2322; C73, §2331; C97, §3277; C24, 27, 31, 35, 39, §**11856;** C46, 50, 54, 58, 62, §633.11; C66, 71, 73, 75, 77, 79, 81, §633.286]

Referred to in §633.645

**633.287 Manner of deposit.**

Every such will shall be enclosed in a sealed wrapper. The clerk shall indorse thereon the name of the testator, the name of the depositor, the date of deposit, and, if provided, the name of the person to be notified of the deposit of such will upon the death of the testator. The clerk shall hold such will until disposed of as provided in section 633.288 or 633.289.

[C66, 71, 73, 75, 77, 79, 81, §633.287]

Referred to in §633.645

**633.288 Delivery by clerk during lifetime of testator.**

During the lifetime of the testator, such will shall be delivered only to the testator, or to some person authorized by the testator by an order in writing duly acknowledged.

[C66, 71, 73, 75, 77, 79, 81, §633.288]

Referred to in §633.287, 633.645

**633.289 Delivery by clerk after death of testator.**

After being informed of the death of a testator, the clerk shall notify the person, if any, named in the indorsement on the wrapper of said will. If no petition for the probate thereof has been filed within thirty days after the death of the testator, it shall be publicly opened, and the court shall make such orders as it deems appropriate for the disposition of said will. The clerk shall notify the executor named therein and such other persons as the court shall designate of such action. If the proper venue is in another court, the clerk, upon request,

shall transmit such will to such court, but before such transmission, the clerk shall make a true copy thereof and retain the same in the clerk's files.

[C66, 71, 73, 75, 77, 79, 81, §633.289]

Referred to in §633.287, 633.645

## PART 4

## PROCEDURE FOR PROBATE OF WILLS

**633.290 Petitions after death of testator.**

1. After the death of the testator, any interested person may file a verified petition in the district court of the proper county for any of the following:

*a.* To have the will admitted to probate.

*b.* For the appointment of the executor.

*c.* To request a hearing before the will is admitted to probate.

*d.* To request a hearing before the appointment of the executor.

*e.* For the production of the purported will of the decedent to be filed by the person believed by the petitioner to be in possession of the will.

2. Petitions for any of the reasons specified in subsection 1 may be combined.

[C66, 71, 73, 75, 77, 79, 81, §633.290]

2013 Acts, ch 30, §192; 2013 Acts, ch 33, §3, 9

Referred to in §635.1

2013 amendment to section by 2013 Acts, ch 33, §3 applies to petitions filed on or after July 1, 2013; 2013 Acts, ch 33, §9

See Code editor's note on simple harmonization

Section amended

**633.291 Contents of petition for probate of will.**

A petition for probate of a will shall state:

1. The name, domicile, and date of death of the decedent.

2. If the decedent was not domiciled in the state at the time of the decedent's death, then, that the decedent had property within the county in which the petition is filed, or any other basis for jurisdiction in such county.

[C66, 71, 73, 75, 77, 79, 81, §633.291]

**633.292 Contents of petition for appointment of executor.**

A petition for the appointment of an executor shall state the name and address of the person nominated or proposed as executor, and that such person is qualified to act as executor. If the person proposed in said petition is not the person nominated in the will, the petition shall state the reason why the person nominated is not proposed as executor. Unless bond is waived in the will, the petition shall state the estimated value of the personal property of the estate plus the estimated gross annual income of the estate during the period of administration.

[C66, 71, 73, 75, 77, 79, 81, §633.292]

**633.293 Hearing upon petition.**

Upon the filing of a petition for probate of a will, the court or the clerk may, in its or the clerk's discretion, hear it forthwith, or at such time and place as the court or clerk may direct, with or without requiring notice, and upon proof of due execution of the will, admit the same to probate.

[C51, §1294; R60, §2326; C73, §2341; C97, §3284; S13, §3284; C24, 27, 31, 35, 39, §**11865;** C46, 50, 54, 58, 62, §633.20; C66, 71, 73, 75, 77, 79, 81, §633.293]

Referred to in §633.279

**633.294 Order of preference for appointment of executor.**

Letters testamentary may be granted to one or more persons found to be qualified. Preference for appointment shall be in the following order:

1. The person designated in the will;

2. Any beneficiary named in the will, or a person nominated by the beneficiaries;

3. Any creditor of the deceased, or a person nominated by such creditor;
4. Such other person as the court may find to be qualified.

[C66, 71, 73, 75, 77, 79, 81, §633.294]

**633.295 Testimony of witnesses.**

The proof may be made by the oral or written testimony of one or more of the subscribing witnesses to the will. If such testimony is in writing, it shall be substantially in the following form executed and sworn to after the death of the decedent:

In the District Court of Iowa
In and for ..... County
In the Matter of the Estate of .....
....., Deceased
Probate No. .....
Testimony of Subscribing
Witness on Probate of Will.
State of ..... )
..... County ) ss

I, ....., being first duly sworn, state:

I reside in the County of ....., State of .....; I knew the identity of the testator on the ..... day of ..... (month), ..... (year), the date of the instrument, the original or exact reproduction of which is attached hereto, now shown to me, and purporting to be the last will and testament of the said ....., deceased; I am one of the subscribing witnesses to said instrument; at the said date of said instrument, I knew the identity of ....., the other subscribing witness; that said instrument was exhibited to me and to the other subscribing witness by the testator, who declared the same to be the testator's last will and testament, and was signed by the testator at ....., in the County of ....., State of ....., on the date shown in said instrument, in the presence of myself and the other subscribing witness; and the other subscribing witness and I then and there, at the request of the testator, in the presence of said testator and in the presence of each other, subscribed our names thereto as witnesses.

.....
Name of witness
.....
Address

Subscribed and sworn to before me this ..... day of ..... (month), ..... (year)

.....
Notary Public in and for
(Stamp) the State of .....

[C66, 71, 73, 75, 77, 79, 81, §633.295]
2000 Acts, ch 1058, §56; 2012 Acts, ch 1050, §58, 60; 2013 Acts, ch 33, §4, 9
Referred to in §633.296, 633.319
2013 amendment to section applies to estates of decedents dying on or after July 1, 2013; 2013 Acts, ch 33, §9
Section amended

**633.296 Deposition.**

If it is desired to prove the execution of the will by deposition, rather than by use of the affidavit form provided in section 633.295, upon application, the clerk shall issue a commission to some officer authorized by the law of this state to take depositions, with

the will annexed, and the officer taking the deposition shall exhibit it to the witness for identification, and, when identified by the witness, shall mark it as "Exhibit ....." and cause the witness to connect the witness' identification with it as such exhibit. Before sending out the commission, the clerk shall make and retain in the clerk's office a true copy of such will.

[C97, §3285; C24, 27, 31, 35, 39, §**11866;** C46, 50, 54, 58, 62, §633.21; C66, 71, 73, 75, 77, 79, 81, §633.296]

**633.297 Witnesses unavailable.**

If all of such witnesses are deceased or otherwise not available, then it shall be permissible to prove said will by the sworn testimony of two credible disinterested witnesses that the signature to the will is in the handwriting of the person whose will it purports to be, and that the signatures of the witnesses are in the handwriting of such witnesses, or it may be proved by other sufficient evidence of the execution of such will.

[C46, 50, 54, 58, 62, §633.22; C66, 71, 73, 75, 77, 79, 81, §633.297]

Other evidence, proof, §622.24

**633.298 Order admitting or disallowing probate of will.**

The court or the clerk shall enter an order either admitting said will to probate, or disallowing probate because of insufficient proof thereof.

[C66, 71, 73, 75, 77, 79, 81, §633.298]

**633.299 Order appointing executor.**

If a petition for appointment of an executor has been filed, the order admitting the will to probate shall include appointment of an executor thereof, unless the court or clerk shall determine that no appointment should be made at such time.

[C51, §1299, 1302; R60, §2331, 2334; C73, §2332, 2333; C97, §3278; C24, 27, 31, 35, 39, §**11857;** C46, 50, 54, 58, 62, §633.12; C66, 71, 73, 75, 77, 79, 81, §633.299]

**633.300 Certificate of probate.**

When a will has been admitted to probate the clerk shall have a certificate of such fact, endorsed thereon or annexed thereto, signed by the clerk and attested by the seal of the court; and, when so certified, it, or the transcript of the record properly authenticated, may be read in evidence in all courts without further proof.

[C51, §1300; R60, §2332; C73, §2342; C97, §3286; C24, 27, 31, 35, 39, §**11867;** C46, 50, 54, 58, 62, §633.23; C66, 71, 73, 75, 77, 79, 81, §633.300]

93 Acts, ch 70, §13

Referred to in §633.301

**633.301 Copy of will for executor.**

When a will has been admitted to probate and certified pursuant to section 633.300, the clerk shall cause a certified copy thereof to be placed in the hands of the executor to whom letters are issued. The clerk shall retain the will in a separate file provided for that purpose until the time for contest has expired, and promptly thereafter shall place it with the files of the estate.

[C51, §1295, 1298; R60, §2327, 2330; C73, §2343, 2344; C97, §3287; S13, §3287; C24, 27, 31, 35, 39, §**11868;** C46, 50, 54, 58, 62, §633.24; C66, 71, 73, 75, 77, 79, 81, §633.301]

93 Acts, ch 70, §14; 2003 Acts, ch 151, §53

Referred to in §633.302

**633.302 Clerk filing copies of will.**

When the clerk places an original will in a separate file as provided in section 633.301, the clerk shall place and keep a true copy of such will in the probate file containing the proceedings in the estate which it governs.

[C66, 71, 73, 75, 77, 79, 81, §633.302]

**633.303 Charitable trusts — copy of wills to attorney general.** Repealed by 2009 Acts, ch 35, § 3. See § 633A.5107 and 633A.5108.

**633.304 Notice of probate of will with administration.**

1. As used in this section, "*heir*" means only such person as would, in an intestate estate, be entitled to a share under section 633.219.

2. On admission of a will to probate, the executor, as soon as letters are issued, shall cause to be published once each week for two consecutive weeks in a daily or weekly newspaper of general circulation published in the county in which the estate is pending and at any time during the pendency of administration that the executor has knowledge of the name and address of a person believed to own or possess a claim which will not or may not be paid or otherwise satisfied during administration, provide by ordinary mail to each such claimant at the claimant's last known address, and as soon as practicable give notice, except to any executor, by ordinary mail to the surviving spouse, each heir of the decedent and each devisee under the will admitted to probate whose identities are reasonably ascertainable, at such persons' last known addresses, a notice of admission of the will to probate and of the appointment of the executor, in which shall be included a notice that any action to set aside the probate of the will must be brought within the later to occur of four months from the date of the second publication of the notice or one month from the date of mailing of this notice or thereafter be forever barred, and in which shall be included a notice to debtors to make payment, and to creditors having claims against the estate to file them with the clerk within four months from the second publication of the notice, or thereafter be forever barred.

3. The notice shall be substantially in the following form:

Notice of Probate of Will,
of Appointment of Executor,
and Notice to Creditors

In the District Court of Iowa
in and for ..... County.
Probate No.
.....
In the Estate of ....., Deceased
To All Persons Interested in the Estate of ....., Deceased, who died on or about ..... (date):

You are hereby notified that on the ..... day of ..... (month), ..... (year), the last will and testament of ....., deceased, bearing date of the ..... day of ..... (month), ..... (year), was admitted to probate in the above named court and that ..... was appointed executor of the estate. Any action to set aside the will must be brought in the district court of said county within the later to occur of four months from the date of the second publication of this notice or one month from the date of mailing of this notice to all heirs of the decedent and devisees under the will whose identities are reasonably ascertainable, or thereafter be forever barred.

Notice is further given that all persons indebted to the estate are requested to make immediate payment to the undersigned, and creditors having claims against the estate shall file them with the clerk of the above named district court, as provided by law, duly authenticated, for allowance, and unless so filed by the later to occur of four months from the second publication of this notice or one month from the date of mailing of this notice (unless otherwise allowed or paid) a claim is thereafter forever barred.

Dated this ..... day of ..... (month), ..... (year)
.....
Executor of estate
.....
Address
.....
Attorney for executor
.....
Address
Date of second publication
..... day of ..... (month), ..... (year)
(Date to be inserted by publisher)

[C51, §1357, 1358; R60, §2389, 2390; C73, §2366; C97, §3304; C24, 27, 31, 35, 39, §**11890;** C46, 50, 54, 58, 62, §633.46; C66, 71, 73, 75, 77, 79, 81, §633.304]
84 Acts, ch 1080, §6; 89 Acts, ch 35, §3; 93 Acts, ch 111, §3; 2000 Acts, ch 1058, §67; 2000 Acts, ch 1150, §4; 2002 Acts, ch 1119, §98; 2013 Acts, ch 90, §217
Referred to in §590.1, 633.230, 633.305, 633A.3109, 633A.3111, 635.13
Section amended

**633.304A Notice of probate of will — medical assistance claims.**

1. On admission of a will to probate, the executor shall, in accordance with section 633.410, provide by electronic transmission on a form approved by the department of human services to the entity designated by the department of human services, a notice of admission of the will to probate and of the appointment of the executor, which shall include a notice to file claims with the clerk or to provide electronic notification to the executor that the department has no claim within six months of sending this notice, or thereafter be forever barred.

2. The notice shall be in substantially the following form:

NOTICE OF PROBATE OF WILL,
OF APPOINTMENT OF EXECUTOR,
AND NOTICE TO CREDITORS

In the District Court of Iowa
In and for ..... County.
In the Estate of ....., Deceased
Probate No. .....

To the Department of Human Services, Who May Be Interested in the Estate of ....., Deceased, who died on or about ..... (date):

You are hereby notified that on the ..... day of ..... (month), ..... (year), the last will and testament of ....., deceased, bearing date of the ..... day of ..... (month), ..... (year), was admitted to probate in the above-named court and that ..... was appointed executor of the estate.

You are further notified that the birthdate of the deceased is ..... and the deceased's social security number is .....-.....-..... The name of the spouse is ..... The birthdate of the spouse is ..... and the spouse's social security number is .....-.....-....., and that the spouse of the deceased is alive as of the date of this notice, or deceased as of ..... (date).

You are further notified that the deceased was/was not a disabled or a blind child of the medical assistance recipient by the name of ....., who had a birthdate of ..... and a social security

number of .....-.....-....., and the medical assistance debt of that medical assistance recipient was waived pursuant to section 249A.53, subsection 2, paragraph *"a"*, subparagraph (1), and is now collectible from this estate pursuant to section 249A.53, subsection 2, paragraph *"b"*.

Notice is hereby given that if the department of human services has a claim against the estate for the deceased person or persons named in this notice, the claim shall be filed with the clerk of the above-named district court, as provided by law, duly authenticated, for allowance within six months from the date of sending this notice and, unless otherwise allowed or paid, the claim is thereafter forever barred. If the department does not have a claim, the department shall return the notice to the executor with notification that the department does not have a claim within six months from the date of sending this notice.

Dated this ..... day of ..... (month), ..... (year)

.....
Executor of estate
.....
Address
.....
Attorney for executor
.....
Address

2001 Acts, ch 109, §2; 2002 Acts, ch 1119, §99; 2007 Acts, ch 134, §13; 2010 Acts, ch 1137, §5

Referred to in §633.410, 635.13

Section not amended; internal reference change applied

**633.305 Notice if no administration.**

1. On admission of a will to probate without administration of the estate, the proponent shall cause to be published, in the manner prescribed in section 633.304, a notice of the admission of the will to probate. As soon as practicable following the admission of the will to probate, the proponent shall give notice of the admission of the will to probate by ordinary mail addressed to the surviving spouse, each heir of the decedent, and each devisee under the will admitted to probate whose identities are reasonably ascertainable, at such persons' last known addresses. The notice of the admission of the will to probate shall include a notice that any action to set aside the will must be brought within the later to occur of four months from the date of the second publication of the notice or one month from the date of mailing of this notice, or thereafter be barred.

2. As used in this section, *"heir"* means only such person as would, in an intestate estate, be entitled to a share under section 633.219.

3. The notice shall be substantially in the following form:

Notice of Proof of Will
Without Administration

In the District Court of Iowa
in and for ..... County.
Probate No.
.....
In the Estate of ....., Deceased
To All Persons Interested in the Estate of ....., Deceased, who died on or about ..... (date):

You are hereby notified that on the ..... day of ..... (month), ..... (year), the last will and testament of

....., deceased, bearing date of the ..... day of ..... (month), ..... (year), was admitted to probate in the above named court and there will be no present administration of the estate. Any action to set aside the will must be brought in the district court of the county within the later to occur of four months from the date of the second publication of this notice or one month from the date of mailing of this notice to all heirs of the decedent and devisees under the will whose identities are reasonably ascertainable, or thereafter be forever barred.

Dated this ..... day of ..... (month), ..... (year)

.....
Proponent
.....
Attorney for estate
.....
Address

Date of second publication
..... day of ..... (month), ..... (year)
(Date to be inserted by publisher)

[C66, 71, 73, 75, 77, 79, 81, §633.305]

84 Acts, ch 1080, §7; 89 Acts, ch 35, §4; 93 Acts, ch 111, §4; 2000 Acts, ch 1058, §68; 2000 Acts, ch 1150, §5; 2002 Acts, ch 1119, §100; 2006 Acts, ch 1129, §11; 2008 Acts, ch 1032, §85

Referred to in §590.1, 633.230

**633.306 Record in foreign county.**

Whenever it shall appear that the testator died seized of real estate located in a county of this state other than that in which probate is granted, a complete transcript, properly authenticated, of the record entry of the order of court admitting the will to probate, and, if a copy of such will is not contained therein, a certified copy of such will shall be attached thereto, and the same shall be filed by the clerk in the office of the clerk of the district court in such other county, who shall cause the same to be entered in the probate docket, and said transcript shall be recorded in full in the book kept for the recording of wills in such county. When so recorded, such record may be read in evidence in all courts without further proof.

[S13, §3287; C24, 27, 31, 35, 39, §**11869;** C46, 50, 54, 58, 62, §633.25; C66, 71, 73, 75, 77, 79, 81, §633.306]

See also §633.401

**633.307 Costs of transcript.**

The cost of such transcript and of the recording thereof shall be taxed against the estate of the decedent unless administration thereof is closed, in which event it shall be paid by the owner of the real estate involved.

[S13, §3287; C24, 27, 31, 35, 39, §**11870;** C46, 50, 54, 58, 62, §633.26; C66, 71, 73, 75, 77, 79, 81, §633.307]

## PART 5

## ACTIONS TO SET ASIDE OR CONTEST OF WILLS

**633.308 Setting aside probate of will.**

Any interested person may petition to set aside the probate of a will by filing a written petition in the probate proceedings. The petition for such purpose shall state the grounds therefor.

[C51, §1297; R60, §2329; C73, §2353; C97, §3296; C24, 27, 31, 35, 39, §**11882;** C46, 50, 54, 58, 62, §633.38; C66, 71, 73, 75, 77, 79, 81, §633.308]

**633.309 Time within which action must be commenced.**

An action to contest or set aside the probate of a will must be commenced in the court in which the will was admitted to probate within the later to occur of four months from the date of second publication of notice of admission of the will to probate or one month following the mailing of the notice to all heirs of the decedent and devisees under the will whose identities are reasonably ascertainable, at such persons' last known addresses.

[C51, §1659; R60, §1075, 1865, 2740; C73, §486, 2529; C97, §3447; S13, §2963-g, 3447; C24, 27, 31, 35, 39, §**11007;** C46, 50, 54, 58, 62, §614.1(3); C66, 71, 73, 75, 77, 79, 81, §633.309]

84 Acts, ch 1080, §8; 89 Acts, ch 35, §5

**633.310 Objections prior to admission of will to probate.**

Nothing herein contained shall prevent any interested person from filing objections to probate of a proposed will prior to probate thereof. If such objections are filed prior to the admission of the will to probate, the will shall not be admitted to probate pending trial and determination as to whether or not said instrument is the last will of the decedent.

[C24, 27, 31, 35, 39, §**11833;** C46, 50, 54, 58, 62, §632.2; C66, 71, 73, 75, 77, 79, 81, §633.310]

**633.311 Contest or objection shall be tried as a law action.**

An action objecting to the probate of a proffered will, or to set aside a will, is triable in the probate court as an action at law, and the rules of civil procedure governing law actions, including demand for jury trial, shall be applicable thereto.

[C97, §3283; C24, 27, 31, 35, 39, §**11864;** C46, 50, 54, 58, 62, §633.19; C66, 71, 73, 75, 77, 79, 81, §633.311]

**633.312 Joinder of parties.**

In all actions to contest or set aside a will, all known interested parties who have not joined with the contestants as plaintiffs in the action, shall be joined with proponents as defendants. When additional interested parties become known, the court shall order them brought in as party defendants. All such defendants shall be brought in by serving them with notice pursuant to the rules of civil procedure.

[C66, 71, 73, 75, 77, 79, 81, §633.312]

**633.313 Election of defendants to join with contestants.**

Any person named as a defendant in an action to contest or set aside a will may, at time of appearance, or by leave of court at any time thereafter, elect to join with the contestants.

[C66, 71, 73, 75, 77, 79, 81, §633.313]

**633.314 Taxation of costs.**

The court shall tax the costs in an action to contest or set aside a will. No costs shall be taxed against a losing party who has been joined in the action but who does not appear.

[C66, 71, 73, 75, 77, 79, 81, §633.314]

**633.315 Allowance for defending will.**

When any person is designated as executor in a will, or has been appointed as executor, and defends or prosecutes any proceedings in good faith and with just cause, whether successful or not, that person shall be allowed out of the estate necessary expenses and disbursements, including reasonable attorney fees in such proceedings.

[C66, 71, 73, 75, 77, 79, 81, §633.315]

**633.316 Notice to devisees in other wills.**

If the ground of objection is that another will of the decedent has been discovered, each devisee named in such other will shall be joined in the action.

[C66, 71, 73, 75, 77, 79, 81, §633.316]

**633.317 Where will is filed after letters of administration have been granted.**
If, after letters of administration have been granted, a will of the decedent is admitted to probate, such letters of administration are thereby revoked, and the person to whom such letters were issued shall promptly file a final report and make an accounting to the court.
[C66, 71, 73, 75, 77, 79, 81, §633.317]

**633.318 Where will is filed after letters testamentary have been granted.**
If, after a will has been admitted to probate, another instrument purporting to be the will of the decedent, which has not been previously presented for probate, is filed, the court shall determine whether or not the former grant of letters should be revoked pending determination of which instrument constitutes the will of the decedent.
[C66, 71, 73, 75, 77, 79, 81, §633.318]

**633.319 Proof of execution.**
If the lack of the due execution of a will constitutes a ground for objection, proof of such execution shall not be made by affidavit as provided in section 633.295.
[C66, 71, 73, 75, 77, 79, 81, §633.319]

**633.320 Declaratory judgment to determine last will.**
The executor or any person named as a beneficiary in a will may bring an action for a declaratory judgment to have such will declared to be the last will of the decedent. In such action, all known interested persons, including heirs of the decedent and persons named as beneficiaries in said instrument and other known instruments purporting to be wills of the decedent, shall be joined as parties.
[C66, 71, 73, 75, 77, 79, 81, §633.320]

**633.321 through 633.329** Reserved.

## DIVISION VII

## ADMINISTRATION OF ESTATES OF DECEDENTS

### PART 1

### GENERAL PROVISIONS — LIMITATION

**633.330 Character of proceedings.**
The administration of the estate of a decedent from the filing of the petition for probate and admission or for administration until the order approving the final report and discharge of the last personal representative shall be considered as one proceeding for purposes of jurisdiction. Such entire proceeding is a proceeding in rem.
[C66, 71, 73, 75, 77, 79, 81, §633.330]
Referred to in §633.515, 635.7

**633.331 Limitation of administration.**
Probate of a will, original administration of an intestate estate, or ancillary administration of an estate, shall not be granted after five years from the death of the decedent, whether the decedent died within or without this state, unless a petition for probate or administration is filed prior to the expiration of the five-year period. However, this section does not apply to the probate of a will of a decedent who died prior to January 1, 1964.
[C51, §1325; R60, §2357; C73, §2367; C97, §3305; S13, § 3305; C24, 27, 31, 35, 39, §**11891;** C46, 50, 54, 58, 62, §633.47; C66, 71, 73, 75, 77, 79, 81, §633.331; 81 Acts, ch 196, §1; 82 Acts, ch 1076, §1]

## EXEMPT PROPERTY AND INSURANCE

**633.332 Exempt personal property.**

When the decedent left a surviving spouse, all personal property which in the hands of the decedent as head of a family would be exempt from execution, which is bequeathed or set aside to the surviving spouse in accordance with the provisions of this chapter, shall be exempt in the hands of such surviving spouse as in the hands of the decedent.

[C51, §1329; R60, §2361; C73, §2371; C97, §3312; C24, 27, 31, 35, 39, §**11918;** C46, 50, 54, 58, 62, §635.7; C66, 71, 73, 75, 77, 79, 81, §633.332]

**633.333 Proceeds of insurance.**

The avails of any life or accident insurance, or other sum of money made payable to the decedent's estate by any mutual aid or benevolent society upon the death or disability of a member thereof, are not subject to the debts of the decedent, except by contract or by express provision in the will, and shall be disposed of like other property left by the decedent.

[C51, §1330; R60, §2362; C73, §1182, 2372; C97, §3313; C24, 27, 31, 35, 39, §**11919;** C46, 50, 54, 58, 62, §635.8; C66, 71, 73, 75, 77, 79, 81, § 633.333]

**633.334 Surviving spouse included as "heir".**

The words *"heirs"* and *"legal heirs"*, and other equivalent words used to designate the beneficiaries in any life insurance policy or certificate of membership in any mutual aid or benevolent association, where no contrary intention is expressed in such instrument, shall be construed to include the surviving husband or wife of the insured.

[C97, §3313; C24, 27, 31, 35, 39, §**11921;** C46, 50, 54, 58, 62, §635.10; C66, 71, 73, 75, 77, 79, 81, §633.334]

**633.335 Share of survivor.**

The share of such survivor in the proceeds of such policy or certificate made payable as aforesaid shall be the same as that provided by law for the distribution of the personal property of intestates.

[C97, §3313; C24, 27, 31, 35, 39, §**11922;** C46, 50, 54, 58, 62, §635.11; C66, 71, 73, 75, 77, 79, 81, §633.335]

## WRONGFUL DEATH

**633.336 Damages for wrongful death.**

When a wrongful act produces death, damages recovered as a result of the wrongful act shall be disposed of as personal property belonging to the estate of the deceased; however, if the damages include damages for loss of services and support of a deceased spouse, parent, or child, the damages shall be apportioned by the court among the surviving spouse, children, and parents of the decedent in a manner as the court may deem equitable consistent with the loss of services and support sustained by the surviving spouse, children, and parents respectively. Any recovery by a parent for the death of a child shall be subordinate to the recovery, if any, of the spouse or a child of the decedent. If the decedent leaves a spouse, child, or parent, damages for wrongful death shall not be subject to debts and charges of the decedent's estate, except for amounts to be paid to the department of human services for payments made for medical assistance pursuant to chapter 249A, paid on behalf of the decedent from the time of the injury which gives rise to the decedent's death up until the date of the decedent's death.

[R60, §4111; C73, §2526; C97, §3313; C24, 27, 31, 35, 39, §**11920;** C46, 50, 54, 58, 62, §635.9; C66, 71, 73, 75, 77, 79, 81, §633.336]

89 Acts, ch 111, §2; 2007 Acts, ch 132, §2, 3

**633.337 through 633.341** Reserved.

## PART 2

## TEMPORARY ADMINISTRATION

**633.342 Appointment of temporary administrator pending administration.**

1. When, from any cause, probate of a will or administration cannot be immediately granted, a temporary administrator may be appointed to collect, manage, preserve and dispose of the property of the deceased, as the court may prescribe, and no appeal from such appointment shall prevent the administrator's proceeding in the discharge of the administrator's duties.

2. Such temporary administrator shall make and file an inventory of the property of the deceased in the same manner as is required of personal representative, and shall preserve such property from injury, and may do all needful acts under the direction of the court, including the sale of property and the payment of claims as directed by the court. Upon the granting of administration, the powers of the temporary administrator shall cease, and the administration of the estate shall be transferred to the personal representative to whom letters are granted.

[C51, §1320 – 1324; R60, §2352 – 2356; C73, §2357 – 2361; C97, §3299, 3300; C24, 27, 31, 35, 39, §**11885, 11886;** C46, 50, 54, 58, 62, §633.41, 633.42; C66, §633.342, 633.343; C71, 73, 75, 77, 79, 81, §633.342]

**633.343 Appointment of temporary administrator during administration.**

At any time during the administration of an estate, the court, for good cause shown, may appoint a temporary administrator to carry out such orders of the court as may be necessary for the proper administration of such estate. No appeal from such appointment shall prevent the temporary administrator from proceeding in the discharge of the administrator's duties.

[C71, 73, 75, 77, 79, 81, §633.343]

**633.344 through 633.347** Reserved.

## PART 3

## TITLE AND POSSESSION OF DECEDENT'S PROPERTY

**633.348 Right to retain existing property.**

Notwithstanding the provisions of chapter 633A, subchapter IV, part 3, of this chapter, any personal representative may continue to hold any investment or property originally received by the personal representative and also any increase thereof.

[C66, 71, 73, 75, 77, 79, 81, §633.348]

99 Acts, ch 125, §106, 109; 2005 Acts, ch 38, §55

**633.349 Security to sustain devise or bequest.**

When a person by will makes such a disposition of the person's property as to prejudice the rights of creditors, the will may be sustained, by giving security to the satisfaction of the court for the payment of the debts and charges to the extent of the value of the property devised.

[C51, §1339; R60, §2371; C73, §2384; C97, §3320; C24, 27, 31, 35, 39, §**11930;** C46, 50, 54, 58, 62, §635.19; C66, 71, 73, 75, 77, 79, 81, §633.349]

**633.350 Title to decedent's estate — when property passes — possession and control thereof — liability for administration expenses, debts, and family allowance.**

Except as otherwise provided in this probate code, when a person dies, the title to the person's property, real and personal, passes to the person to whom it is devised by the person's last will, or, in the absence of such disposition, to the persons who succeed to the estate as provided in this probate code, but all of the property shall be subject to the possession of

the personal representative as provided in section 633.351 and to the control of the court for the purposes of administration, sale, or other disposition under the provisions of law, and such property, except homestead and other exempt property, shall be chargeable with the payment of debts and charges of the estate. There shall be no priority as between real and personal property, except as provided in this probate code or by the will of the decedent. If real property is titled at any time in a decedent's estate, such property shall be treated as titled in the name of the personal representative of the estate.

[C66, 71, 73, 75, 77, 79, 81, §633.350]

2005 Acts, ch 38, §51; 2009 Acts, ch 52, §6, 14; 2012 Acts, ch 1123, §5

2009 amendment to this section applies retroactively to conveyances occurring on or after July 1, 1999; 2009 Acts, ch 52, §14

**633.351 Possession of real and personal property.**

During the period of administration, the personal representative shall take possession of the decedent's real estate, except the homestead and other property exempt to the surviving spouse. Every personal representative shall take possession of all the personal property of the decedent, except the property exempt to the surviving spouse. The personal representative may maintain an action for the possession of such real and personal property or to determine the title to any property of the decedent. Until property is distributed, the personal representative shall take reasonable steps to safeguard such property, pay any expenses related to such property, and collect any income generated by such property. Unless otherwise provided by the decedent's will, all such expenses shall be paid from the residuary estate and all such income shall be considered a part of the residuary estate.

[C51, §1327; R60, §2359; C73, §2402 – 2404, 2407; C97, §3333, 3334, 3337; C24, 27, 31, 35, 39, §**11952, 11953, 11956;** C46, 50, 54, 58, 62, §635.48, 635.49, 635.52; C66, 71, 73, 75, 77, 79, 81, §633.351]

2012 Acts, ch 1123, §6

Referred to in §633.350

**633.352 Collection of rents and payment of taxes and charges.**

Unless otherwise provided by the will, the provisions of chapter 637 that conflict with this division VII, part 3, shall not apply to the allocation and distribution of estate income.

[C73, §2403 – 2405; C97, §3334, 3335; C24, 27, 31, 35, 39, §**11953, 11954;** C46, 50, 54, 58, 62, §635.49, 635.50; C66, 71, 73, 75, 77, 79, 81, §633.352]

99 Acts, ch 124, §31; 2012 Acts, ch 1123, §7; 2013 Acts, ch 30, §164

Section amended

**633.353 Surrender of possession upon application by personal representative.**

Upon application by the personal representative, and after such notice, if any, as the court may prescribe, for good cause shown, the court may enter an order authorizing said personal representative to surrender any of such property to the person or persons who, under the will or under the rules of intestate succession, will ultimately be entitled to such property.

[C66, 71, 73, 75, 77, 79, 81, §633.353]

**633.354 Surrender of possession upon application by any interested person.**

Upon application of any interested person and after such notice to the personal representative and to such other persons, if any, as the court may prescribe, and for good cause shown, the court may enter an order authorizing said personal representative to surrender any of such property to the person or persons who, under the will or under the rules of intestate succession, will ultimately be entitled to such property. The court may require a bond or other security conditioned as it may determine in connection with the delivery of such property.

[C66, 71, 73, 75, 77, 79, 81, §633.354]

**633.355 Delivery of specific devise after twelve months.**

Unless the court, for cause shown, determines that the possession of the personal representative shall continue for a longer period, the personal representative shall deliver all specifically devised property to the devisees entitled thereto after the expiration of twelve

months from the date of appointment of the personal representative. This section shall not preclude the court from directing that such delivery be made before such period has expired, nor shall the personal representative be prevented from delivering such property at an earlier time.

[C51, §1381 – 1383; R60, §2413 – 2415; C73, §2429 – 2431; C97, §3355 – 3357; C24, 27, 31, 35, 39, §**11978 – 11980;** C46, 50, 54, 58, 62, §635.73 – 635.75; C66, 71, 73, 75, 77, 79, 81, §633.355]

2012 Acts, ch 1123, §8

**633.356 Distribution of property by affidavit.**

1. When the gross value of the decedent's personal property that would otherwise be distributed by will or intestate succession does not exceed twenty-five thousand dollars and there is no real property or the real property passes to persons exempt from inheritance tax pursuant to section 450.9 as joint tenants with right of survivorship, and if forty days have elapsed since the death of the decedent, the successor of the decedent as defined in subsection 2 may, by filing an affidavit prepared pursuant to subsection 3 or 8, and without procuring letters of appointment, do any of the following with respect to one or more particular items of such personal property:

*a.* Receive any particular item of tangible personal property of the decedent.

*b.* Have any evidence of a debt, obligation, interest, right, security, or chose in action belonging to the decedent transferred.

*c.* Collect the proceeds from any life insurance policy or any other item of property for which a beneficiary has not been designated.

2. *"Successor of the decedent"* means:

*a.* If the decedent died testate, the beneficiary or beneficiaries who succeeded to the particular item of property of the decedent under the decedent's will. For the purposes of this subsection the trustee of a trust created during the decedent's lifetime is a beneficiary under the decedent's will if the trust succeeds to the particular item of property under the decedent's will.

*b.* If the decedent died intestate, the person or persons who succeeded to the particular item of property of the decedent under the laws of intestate succession of this state.

3. *a.* To collect money, receive tangible personal property, or have evidences of intangible personal property transferred under this chapter, the successor of the decedent shall furnish to the holder of the decedent's property an affidavit under penalty of perjury stating all of the following:

(1) The decedent's name, social security number, and the date and place of the decedent's death.

(2) That at least forty days have elapsed since the death of the decedent, as shown by an attached certified copy of the death certificate of the decedent.

(3) That the gross value of the decedent's personal property that would otherwise be distributed by will or intestate succession does not exceed twenty-five thousand dollars and there is no real property or the real property passes to persons exempt from inheritance tax pursuant to section 450.9 as joint tenants with right of survivorship.

(4) A description of the property of the decedent that is to be paid, transferred, or delivered to the successor.

(5) The name, address, and social security number of the successor of the decedent to the described property, and whether the successor is under a legal disability.

(6) If applicable, that attached copy of the decedent's will is the last will of the decedent and has been admitted to probate or otherwise filed in the office of a clerk of the district court.

(7) That no persons other than those listed in the affidavit have a right to the interest of the decedent in the described property.

(8) That the affiant requests that the described property be paid, delivered, or transferred to the successors of the decedent to the described property.

(9) That the affiant affirms under penalty of perjury that the affidavit is true and correct.

*b.* More than one person may execute an affidavit under this subsection.

4. *a.* If the decedent had evidence of ownership of the property described in the affidavit

and the holder of the property would have the right to require presentation of the evidence of ownership before the duty of the holder to pay, deliver, or transfer the property to the decedent would have arisen, the evidence of the ownership, if available, shall be presented with the affidavit to the holder of the decedent's property.

*b.* If the evidence of ownership is not presented to the holder of the property, the holder may require, as a condition for the payment, delivery, or transfer of the property, that the successor provide the holder with a bond in a reasonable amount determined by the holder to be sufficient to indemnify the holder against all liability, claims, demands, loss, damages, costs, and expenses that the holder may incur or suffer by reason of the payment, delivery, or transfer of the property. This subsection does not preclude the holder and the successor from dispensing with the requirement that a bond be provided, and instead entering into an agreement satisfactory to the holder concerning the duty of the successor to indemnify the holder.

*c.* Judgments rendered by any court in this state and mortgages belonging to a decedent whose personal property is being distributed pursuant to this section may, without prior order of court, be released, discharged, or assigned, in whole or in part, as to any particular property, and deeds may be executed in performance of real estate contracts entered into by the decedent, where an affidavit made pursuant to subsection 3 or 8 is filed in the office of the county recorder of the county wherein any judgment, mortgage, or real estate contract appears of record.

5. Reasonable proof of the identity of each successor of the decedent seeking distribution by virtue of the affidavit shall be provided to the satisfaction of the holder of the decedent's property.

6. *a.* If the requirements of this section are satisfied:

(1) The property described in the affidavit shall be paid, delivered, or transferred to the successor of the decedent's interest in the property.

(2) A transfer agent of a security described in the affidavit shall change registered ownership on the books of the corporation from the decedent to the person listed on the affidavit as the successor of the decedent's interest.

*b.* If the holder of the decedent's property refuses to pay, deliver, or transfer any property or evidence thereof to the successor of the decedent within a reasonable time, the successor may recover the property or compel its payment, delivery, or transfer in an action brought for that purpose against the holder of the property. If an action is brought against the holder under this subsection, the court shall award attorney's fees to the person bringing the action if the court finds that the holder of the decedent's property acted unreasonably in refusing to pay, deliver, or transfer the property to the person as required by this subsection.

7. *a.* If the requirements of this section are satisfied, receipt by the holder of the decedent's property of the affidavit under subsection 3 or 8 constitutes sufficient acquittance for the payment of money, delivery of property, or transferring the registered ownership of property pursuant to this chapter and discharges the holder from any further liability with respect to the money or property. The holder may rely in good faith on the statements in the affidavit and has no duty to inquire into the truth of any statement in the affidavit.

*b.* If the requirements of this section are satisfied, the holder is not liable for any debt owed by the decedent by reason of paying money, delivering property, or transferring registered ownership of property pursuant to this chapter.

8. *a.* When a deceased distributee is entitled to money or property claimed in an affidavit presented under this section with respect to a deceased person whose estate is being administered in this state, the personal representative of the person whose estate is being administered shall present the affidavit to the court in which the estate is being administered. The court shall direct the personal representative to pay the money or deliver the property to the person identified by the affidavit as the successor of the deceased distributee to the extent that the court determines that the deceased distributee was entitled to the money or property under the will or the laws of intestate succession.

*b.* When the department of human services is entitled to money or property of a decedent pursuant to section 249A.53, subsection 2, and no affidavit has been presented by a successor of the decedent as defined in subsection 2, within ninety days of the date

of the decedent's death, the funds in the account or other property, up to the amount of the claim of the department, shall be paid to the department upon presentation by the department or an entity designated by the department of an affidavit to the holder of the decedent's property. Such affidavit shall include the information specified in subsection 3, except that the department may submit proof of payment of funeral expenses as verification of the decedent's death instead of a certified copy of the decedent's death certificate. The amount of the department's claim shall also be included in the affidavit, which shall entitle the department to receive the funds as a successor of the decedent. The department shall issue a refund within sixty days to any claimant with a superior priority pursuant to section 633.425, if notice of such claim is given to the department, or to the entity designated by the department to receive notice, within one year of the department's receipt of funds. This paragraph shall apply to funds or property of the decedent transferred to the custody of the treasurer of state as unclaimed property pursuant to chapter 556.

9. The procedure provided by this section may be used only if no administration of the decedent's estate is pending.

91 Acts, ch 36, §6; 2001 Acts, ch 140, §3 – 5; 2004 Acts, ch 1015, §2 – 6; 2006 Acts, ch 1104, §3; 2010 Acts, ch 1137, §6; 2013 Acts, ch 30, §261; 2013 Acts, ch 33, §5

See Code editor's note on simple harmonization
Code editor directive applied
Subsection 3, paragraph a, subparagraph (3) amended

**633.357 Custodial independent retirement accounts.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Custodial independent retirement account"* means an individual retirement account in accordance with section 408(a) of the Internal Revenue Code or a Roth individual retirement account in accordance with section 408A of the Internal Revenue Code, the assets of which are not held in trust.

*b.* *"Designator"* means a person entitled to designate the beneficiary or beneficiaries of a custodial independent retirement account.

2. The assets of a custodial independent retirement account shall pass on or after the death of the designator of the custodial independent retirement account to the beneficiary or beneficiaries specified in the custodial independent retirement account agreement signed by the designator or designated by the designator in writing pursuant to the custodial independent retirement account agreement. Assets that pass to a beneficiary pursuant to this section shall not be considered part of the designator's probate estate except to the extent that the designator's estate is a beneficiary. The designation of a beneficiary shall not be considered testamentary and does not have to be witnessed.

3. This section applies to a custodial independent retirement account established and a beneficiary designation made prior to, on, or after July 1, 1999. This section shall be considered to be declarative of the law as the law existed immediately prior to July 1, 1999.

4. This section shall not be construed to imply that assets or benefits that are payable upon the death of a person to a beneficiary or beneficiaries designated in or pursuant to a written arrangement not described in this section, other than a will, are part of the person's probate estate or that the arrangement is testamentary.

99 Acts, ch 56, §4

**633.358 through 633.360** Reserved.

## PART 4

## INVENTORY

**633.361 Report and inventory.**

Within ninety days after qualification by the personal representative, unless a longer time is granted by the court, the personal representative shall file with the clerk a report and inventory of the property of the decedent, so far as the same has come to the knowledge

of the personal representative. The report and inventory shall be verified or affirmed under penalty of perjury. It shall include the following information:

1. Name, age and residence of decedent.
2. Date of death.
3. Whether decedent died testate or intestate.
4. Name and post office address of the personal representative.
5. Name and post office address of the surviving spouse, if any.
6. Name, relationship and post office address of each beneficiary under the will (if the decedent died testate) or of each heir (if the decedent died intestate). If any persons take by representation, the personal representative shall list the deceased person through whom those persons take and shall also list the persons taking under that deceased person.
7. If the decedent died testate, the name and address of each child, if any, born to or adopted by decedent after execution of the will.
8. Legal descriptions and estimated values of all the real estate of the decedent in the state of Iowa.
9. Legal descriptions and estimated values of all real estate of the decedent outside of the state of Iowa.
10. Personal property regarded as exempt from execution, with estimated values.
11. All other personal property of the decedent, with estimated values.
12. A listing of all other items, with estimated values, which are subject to Iowa inheritance tax or federal estate tax.
13. A report concerning any reductions in the amount of unified credit available for federal estate tax purposes.

[C51, §1328; R60, §2360; C73, §2370; C97, §3310; S13, §1481-a26; C24, §7319, 11913; C27, 31, 35, 39, §**11913;** C46, 50, 54, 58, 62, §635.1; C66, 71, 73, 75, 77, 79, 81, §633.361]

83 Acts, ch 177, §36, 38; 84 Acts, ch 1092, §1

Referred to in §450.22, 635.7

**633.362 Filing mandatory.**

Such inventory must be filed in all cases, notwithstanding the provisions of any will or the action of any heirs or devisees waiving the filing thereof, and no administration shall be closed until the same has been filed.

[C97, §3310; C24, 27, 31, 35, 39, §**11915;** C46, 50, 54, 58, 62, §635.4; C66, 71, 73, 75, 77, 79, 81, §633.362]

**633.363 Reporting failure to court.**

The failure of the personal representative promptly to make said inventory and report shall be forthwith reported by the clerk to the court for such order as may be necessary to enforce the making and filing of the same.

[C27, 31, 35, §11913-b1; C39, §**11913.1;** C46, 50, 54, 58, 62, §635.2; C66, 71, 73, 75, 77, 79, 81, §633.363]

**633.364 Supplementary inventory.**

Whenever any additional information or property not mentioned in the inventory comes to the knowledge of a personal representative, the personal representative shall make a supplementary inventory thereof, such supplementary inventory to be filed within thirty days after such discovery.

[C51, §1333; R60, §2365; C73, §2376; C97, §3310; C24, 27, 31, 35, 39, §**11914;** C46, 50, 54, 58, 62, §635.3; C66, 71, 73, 75, 77, 79, 81, §633.364]

**633.365 Appraisement.**

Property belonging to the estate need not be appraised unless required for inheritance tax purposes, under the provisions of this probate code, or by order of court.

[C51, §1331, 1332; R60, §2363, 2364; C73, §2373, 2374, 2378; C97, §3311; S13, §3311; C24, 27, 31, 35, 39, §**11916, 11917;** C46, 50, 54, 58, 62, §635.5, 635.6; C66, 71, 73, 75, 77, 79, 81, §633.365]

2005 Acts, ch 38, §51

**633.366 Debts of executor.**

The naming of any person as executor in a will shall not operate as a discharge or bequest of any right of action owned by the testator against such persons, if it is a right that otherwise survives against such person. Every such right of action shall be included among the assets of the decedent in the inventory.

[C66, 71, 73, 75, 77, 79, 81, §633.366]

**633.367 Inventory and appraisement as evidence.**

Inventories and appraisements may be given in evidence in all proceedings, but shall not be conclusive, and other evidence may be introduced to vary the effect thereof.

[C66, 71, 73, 75, 77, 79, 81, §633.367]

**633.368 Property for payment of creditor's claims.**

The property liable for the payment of debts and charges against a decedent's estate shall include all property transferred by the decedent with intent to defraud the decedent's creditors or any of them, or transferred by any other means which is in law void or voidable as against the creditors or any of them; and the right to recover such property, so far as necessary for the payment of the debts and charges against the estate of the decedent, shall be exclusively in the personal representative, who shall take such steps as may be necessary to recover the same. Such property shall constitute general assets for the payment of all creditors.

[C73, §2381; C97, §3317; C24, 27, 31, 35, 39, §**11927;** C46, 50, 54, 58, 62, §635.16; C66, 71, 73, 75, 77, 79, 81, §633.368]

**633.369 through 633.373** Reserved.

## PART 5

## ALLOWANCE FOR SURVIVING SPOUSE AND MINOR CHILDREN

**633.374 Allowance to surviving spouse.**

1. The personal representative of the estate shall mail to the surviving spouse pursuant to section 633.40, subsection 5, a written notice regarding the right to request a spousal allowance. The notice shall inform the surviving spouse of the surviving spouse's right to submit an application to the court within four months of service of the notice, for support for a period of twelve months following the death of the decedent, and for support of the decedent's dependents who reside with the spouse for the same period of time.

2. The court shall, upon application, set off and order paid to the surviving spouse, as part of the costs of administration, sufficient of the decedent's property including assets held in a revocable trust of which the decedent is the settlor to the extent that estate assets are not sufficient as it deems reasonable for the proper support of the surviving spouse for the period of twelve months following the death of the decedent. Notice of hearing upon the application shall be given to the surviving spouse, personal representative if the application is not made by the personal representative, trustee of any revocable trust of which the decedent is the settlor, and all other interested persons. The court shall take into consideration the station in life of the surviving spouse, the assets and condition of the estate and any revocable trust

of which the decedent is the settlor, the nonprobate assets received by the surviving spouse by reason of the death of the decedent, and the income and other resources of the surviving spouse. If the trustee of a revocable trust of which the decedent was a settlor has previously made payments under section 633A.3114 to the spouse, the court shall reduce the award by the amount of such payments. The allowance shall also include such additional amount as the court deems reasonable for the proper support, during such period, of dependents of the decedent who reside with the surviving spouse. Such allowance to the surviving spouse shall not abate upon the death or remarriage of such spouse. If an application for support has not been filed within four months following service of the notice by or on behalf of the surviving spouse and the dependents of the decedent who reside with the surviving spouse, the surviving spouse and the dependents of the decedent shall be deemed to have waived the right to apply for support during the administration of the estate.

3. A surviving spouse who qualifies for a support allowance under this section may waive the right to such allowance for the surviving spouse and for the dependents of the decedent who reside with the surviving spouse by filing an affidavit acknowledging receipt of notice and irrevocably waiving the right to support under this section.

[C51, §1338; R60, §2370; C73, §2375, 2377; C97, §3314; C24, 27, 31, 35, 39, §**11923, 11924;** C46, 50, 54, 58, 62, §635.12, 635.13; C66, 71, 73, 75, 77, 79, 81, §633.374]

2008 Acts, ch 1119, §18, 39; 2012 Acts, ch 1123, §9, 32

Referred to in §633.376

2012 amendment to this section applies to estates of decedents dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633.375 Review of allowance to surviving spouse.**

The court may, upon the petition of any interested person, and after hearing pursuant to notice to all interested parties, review the allowance and increase or decrease the amount and make such other orders as it may deem proper.

[C51, §1338; R60, §2370; C73, §2375, 2377; C97, §3314; C24, 27, 31, 35, 39, §**11923;** C46, 50, 54, 58, 62, §635.12; C66, 71, 73, 75, 77, 79, 81, §633.375]

2012 Acts, ch 1123, §10, 32

2012 amendment to this section applies to estates of decedents dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633.376 Allowance to children who do not reside with surviving spouse.**

1. The court may also make an allowance under the same terms and conditions as provided in section 633.374 of an amount the court deems reasonable in light of the assets and condition of the estate, to provide for proper support during the period of twelve months following the decedent's death to a child of the decedent who does not reside with the surviving spouse and is any of the following:

*a.* Less than eighteen years of age.

*b.* Between the ages of eighteen and twenty-two years who is any of the following:

(1) Regularly attending an accredited school in pursuance of a course of study leading to a high school diploma or its equivalent.

(2) Regularly attending a course of vocational-technical training either as a part of a regular school program or under special arrangements adapted to the individual person's needs.

(3) Is, in good faith, a full-time student in a college, university, or community college.

(4) Has been accepted for admission to a college, university, or community college and the next regular term has not yet begun.

*c.* Is a child of any age who is dependent because of physical or mental disability.

2. The estate's personal representative shall mail pursuant to section 633.40, subsection 5, to the legal guardian of each child qualified under subsection 1 and to each child or the guardian ad litem for such child if necessary, who has no legal guardian, a written notice regarding the right to request an allowance. The notice shall inform the child and the child's guardian or guardian ad litem, if applicable, of the right to submit an application to the court, within four months after service of the notice, for support for a period of twelve months following the decedent's death. If an application for support has not been filed within four months after service of the notice by or on behalf of the child qualifying for support under subsection 1, the child shall be deemed to have waived the right to support under this section.

A child who qualifies for support under this section or the child's guardian or guardian ad litem may waive the child's right to such support by filing an affidavit acknowledging receipt of notice and irrevocably waiving the child's right to support under this section.

[C66, 71, 73, 75, 77, 79, 81, §633.376]

83 Acts, ch 101, §127; 86 Acts, ch 1245, §1497; 90 Acts, ch 1253, §120; 2009 Acts, ch 52, §7, 14; 2012 Acts, ch 1123, §11, 32; 2013 Acts, ch 90, §177

2012 amendment to this section applies to estates of decedents dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

Subsection 2 amended

**633.377 Review of allowance to minor children.**

The court may, upon the petition of any interested person, and after hearing pursuant to notice to all interested parties, review the allowance made to the minor children who do not reside with the surviving spouse and may increase or decrease the amount and make such other orders as it may deem proper.

[C51, §1338; R60, §2370; C73, §2375, 2377; C97, §3314; C24, 27, 31, 35, 39, §**11923;** C46, 50, 54, 58, 62, §635.12; C66, 71, 73, 75, 77, 79, 81, §633.377]

2012 Acts, ch 1123, §12, 32

2012 amendment to this section applies to estates of decedents dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633.378 through 633.382** Reserved.

## PART 6

## SALE OF PROPERTY

**633.383 When power given in will.**

When power to sell, mortgage, lease, pledge or exchange property of the estate has been given to any personal representative under the terms of any will, the statutory requirements with reference to procedure for such purposes shall not apply.

[C51, §1297; R60, §2329; C73, §2353; C97, §3295, 3296; C24, 27, 31, 35, 39, §**11879 – 11882;** C46, 50, 54, 58, 62, §633.35 – 633.38; C66, 71, 73, 75, 77, 79, 81, §633.383]

**633.384 Equitable conversion and power of sale.**

A testamentary direction to sell real property, and the exercise of a testamentary power of sale of real property, shall constitute an equitable conversion of real estate into personal property, but shall not affect distribution of the estate under the provisions of the will.

[C51, §1297; R60, §2329; C73, §2353; C97, §3295, 3296; C24, 27, 31, 35, 39, §**11879 – 11882;** C46, 50, 54, 58, 62, §633.35 – 633.38; C66, 71, 73, 75, 77, 79, 81, §633.384]

**633.385 Conversion.**

1. *When realty treated as personalty.* Real property acquired by the personal representative by the completion of foreclosure proceedings, or by the forfeiture of real estate contracts, after the death of the decedent shall be deemed to be personal property for the purpose of administration and distribution of the estate.

2. *When personalty treated as realty.* In all cases of sale of real property by a personal representative under order of court, the surplus of the proceeds of such sale remaining after the payment of debts and charges shall be deemed to be real property and disposed of in the same proportions as the real property would have been if it had not been sold.

[C66, 71, 73, 75, 77, 79, 81, §633.385]

**633.386 Sale, mortgage, pledge, lease or exchange of property — purposes.**

1. Any real or personal property belonging to the decedent, except exempt personal property and the homestead, may be sold, mortgaged, pledged, leased or exchanged by the personal representative for any of the following purposes:

*a.* The payment of debts and charges against the estate;

*b.* The distribution of the estate or any part thereof;

*c.* Any other purpose in the best interests of the estate.

2. Exempt personal property under such provisions as the court may direct, if not set off to the surviving spouse, may be sold, mortgaged, pledged, leased, or exchanged, provided that the surviving spouse consents thereto.

3. The homestead, under such provisions as the court may direct, if not set off to the surviving spouse and if the surviving spouse has not elected to occupy the homestead, may be sold, mortgaged, pledged, leased or exchanged.

4. The proceeds from the sale of any exempt personal property or from the sale of the homestead shall be held by the personal representative subject to the rights of the surviving spouse or issue, unless such surviving spouse or issue has expressly waived the rights to such proceeds.

[C51, §1341 – 1343; R60, §2373 – 2375; C73, §2386 – 2388; C97, §3322, 3323; C24, 27, 31, §11932, 11933; C35, §11932, 11933, 11951-g2; C39, §**11932, 11933, 11951.2;** C46, 50, 54, 58, 62, §635.21 – 635.23, 635.42; C66, 71, 73, 75, 77, 79, 81, §633.386]

Referred to in §633.22

**633.387 Sale of personal property without order of court.**

Personal property of a perishable nature and personal property for which there is a regularly established market may be sold by the personal representative without order of court.

[C51, §1341; R60, §2373; C73, §2386; C97, §3322; C24, 27, 31, 35, 39, §**11932;** C46, 50, 54, 58, 62, §635.21; C66, 71, 73, 75, 77, 79, 81, §633.387]

Referred to in §450.7, 633.22

**633.388 Petition to sell, mortgage, exchange, pledge or lease property.**

A petition to sell, mortgage, exchange, pledge or lease any real or personal property shall set forth the reasons for the application and describe the property involved. It may apply for different authority as to separate parts of the property; or it may apply in the alternative for authority to sell, mortgage, exchange, pledge or lease. Whenever it is for the best interests of the estate, real and personal property of the estate may be sold, mortgaged, exchanged, pledged or leased as a unit.

[C51, §1342, 1343; R60, §2374, 2375; C73, §2387, 2388; C97, §3323; C24, 27, §11933; C35, §11933, 11951-g4; C39, §**11933, 11951.4;** C46, 50, 54, 58, 62, §635.23, 635.44; C66, 71, 73, 75, 77, 79, 81, §633.388]

Referred to in §633.22, 633.391, 633.400

**633.389 Notice on sale, mortgage, exchange, pledge or lease of property.**

Upon the filing of the petition unless notice is waived in writing, notice in accordance with section 633.40, shall be served on all persons interested in the property, provided that as to personal property and as to the lease of real property not specifically devised, for a period not to exceed one year, the court may hear the petition without notice. When notice is required, the notice shall state briefly the nature of the application. Upon satisfactory proof, the court may order the sale, mortgage, exchange, pledge or lease of the property described, or any part of the property, at a price and upon terms and conditions as the court may authorize. For the purposes of this section, the term *"all persons interested"* includes only distributees in the estate and persons who have requested notice as provided by this probate code.

[C51, §1342 – 1344; R60, §2374 – 2376; C73, §2387 – 2389; C97, §3323, 3324; C24, §11933, 11934, 11935; C27, 31, §11933, 11935; C35, §11933, 11935, 11951-g5; C39, §**11933, 11935, 11951.5;** C46, 50, 54, 58, 62, §635.23 – 635.25, 635.45; C66, 71, 73, 75, 77, 79, 81, §633.389; 81 Acts, ch 193, §2]

2005 Acts, ch 38, §51

Referred to in §633.22

**633.390 Sale subject to mortgage.**

When a claim is secured by a mortgage on property, the court may, with the consent of the mortgagee, order the sale of the property subject to the mortgage, and such consent shall release the estate should a deficiency later appear.

[C66, 71, 73, 75, 77, 79, 81, §633.390]

Referred to in §633.22

**633.391 Quieting adverse claims.**

A petition to determine questions of conflicting and controverted title, or to remove clouds from any title or interest of property involved, may be combined with the petition provided in section 633.388.

[C66, 71, 73, 75, 77, 79, 81, §633.391]

Referred to in §633.22

**633.392 Terms of sale.**

In all sales of property, the court may authorize credit to be given by the personal representative on such terms as the court may prescribe. Credit for more than twelve months shall be extended only after hearing pursuant to notice to interested parties.

[C51, §1347, 1348, 1350; R60, §2379, 2380, 2382; C73, §2392, 2393, 2395; C97, §3326; C24, 27, 31, 35, 39, §**11938;** C46, 50, 54, 58, 62, §635.27; C66, 71, 73, 75, 77, 79, 81, §633.392]

Referred to in §633.22

**633.393 Purchase by holder of lien.**

At any sale of real or personal property upon which there is a mortgage, pledge or other lien, the holder of such lien may become the purchaser, and may apply the amount of the lien on the purchase price in the following manner. If no claim thereon has been filed or allowed, the court, at the hearing on the report of sale and for confirmation of the sale, may examine into the validity and enforceability of the lien or charge and the amount due thereunder and secured thereby, and may authorize the personal representative to accept the receipt of such purchaser for the amount due thereunder and secured thereby as payment pro tanto. If such mortgage, pledge or other lien is a valid claim against the estate and has been allowed, the receipt of the purchaser for the amount due the purchaser from the proceeds of the sale is a payment pro tanto. If the amount for which the property is purchased, whether or not a claim for it has been filed or allowed, is insufficient to defray the expenses and discharge the mortgage, pledge or other lien, the purchaser must pay an amount sufficient to pay the balance of such expenses. Nothing permitted under the terms of this section shall be deemed to be an allowance of a claim based upon such mortgage, pledge or other lien.

[C66, 71, 73, 75, 77, 79, 81, §633.393]

Referred to in §633.22

**633.394 Order to sell, mortgage, pledge, exchange or lease to be refused if bond given.**

1. *Bond to prevent sale.* Any person interested in the estate may prevent a sale, mortgage, pledge, exchange or lease of the whole or any part of the real estate or personal property for any purpose, by giving bond to the satisfaction of the court, conditioned that the person will pay such demands against the estate as the court shall require, not to exceed the value of the property thus kept from sale, mortgage, pledge, exchange, or lease, as soon as called upon by the court for that purpose.

2. *Breach of bond — procedure.* If the conditions of such bond are broken, the property will be liable for the debts, unless it has passed into the hands of innocent purchasers, and the executor or administrator may take possession thereof and sell it under the direction of the court, or may prosecute the bond, or pursue both remedies at the same time, if the court so directs.

3. *Effect of bond.* If the conditions of the bond are complied with, the property shall pass by devise, bequest, distribution, or descent in the same manner as though there had been no debts against the estate.

[C51, §1351 – 1353; R60, §2383 – 2385; C73, §2396 – 2398; C97, §3328, 3329; C24, 27, 31, 35, 39, §**11941 – 11943;** C46, 50, 54, 58, 62, §635.30 – 635.32; C66, 71, 73, 75, 77, 79, 81, §633.394]

Referred to in §633.22

**633.395 Validity of proceedings.**

No proceedings for sale, mortgage, pledge, lease, exchange or conveyance by a personal representative of property belonging to the estate shall be subject to collateral attack on account of any irregularity in the proceedings which is not such as to deprive the court of jurisdiction.

[C66, 71, 73, 75, 77, 79, 81, §633.395]

Referred to in §633.22

**633.396 Order for sale, mortgage, pledge, exchange or lease of real property.**

The order shall describe the property to be sold, mortgaged, pledged, exchanged or leased, and may designate the sequence in which the several parcels shall be sold, mortgaged, pledged, exchanged or leased. An order for sale may direct whether the property shall be sold at private sale or public auction, and, if the latter, the place or places of sale. The order of sale may prescribe the terms, conditions and manner of sale. The court may, in its discretion, provide for appraisal for its guidance as to value of the property, and determine whether or not additional bond shall be deposited by the personal representative. If real property is to be mortgaged, it may fix the maximum amount of principal, the earliest and latest dates of maturity, and the purposes for which the proceeds shall be used. An order for sale, mortgage, pledge, exchange or lease shall remain in force until terminated by the court.

[C51, §1345 – 1350; R60, §2377 – 2382; C73, §2390 – 2395; C97, §3325 – 3327; C24, 27, 31, 35, 39, §**11937 – 11940;** C46, 50, 54, 58, 62, §635.26 – 635.29; C66, 71, 73, 75, 77, 79, 81, §633.396]

Referred to in §633.22

**633.397 Sale at public auction.**

In all sales of property at public auction, the personal representative shall give such notice, in such form and manner, and to such persons or parties, as the court may prescribe. If no provision for notice is made by the court, the notice shall be published once each week for two consecutive weeks in some newspaper of general circulation in the county where sale is to be held, the last publication to be not less than one day nor more than seven days before the day of sale. If the property to be sold is located in more than one county, the sale may be held and notice given in any one or more of said counties. Unless otherwise provided by order of the court, the notice shall state the time and place of the sale and describe the property to be sold. Proof of service of the notice required shall be filed before confirmation of the sale.

[C51, §1347, 1348, 1350; R60, §2379, 2380, 2382; C73, §2392, 2393, 2395; C97, §3326; C24, 27, 31, 35, 39, §**11938;** C46, 50, 54, 58, 62, §635.27; C66, 71, 73, 75, 77, 79, 81, §633.397]

Referred to in §633.22

**633.398 Adjournment of sale at public auction.**

The personal representative may adjourn any sale from time to time when, in the personal representative's discretion, it is deemed for the best interests of the estate to do so, but no adjournment shall be to a time more than three months from the date first fixed for the sale. Every adjournment shall be announced publicly at the time and place at which adjournment is made.

[C51, §1347, 1348, 1350; R60, §2379, 2380, 2382; C73, §2392, 2393, 2395; C97, §3326; C24, 27, 31, 35, 39, §**11938;** C46, 50, 54, 58, 62, §635.27; C66, 71, 73, 75, 77, 79, 81, §633.398]

Referred to in §633.22

**633.399 Report for approval.**

After making any such sale, mortgage, exchange or lease of real property, the personal representative shall make a verified report thereof to the court. The court shall examine said report, and if satisfied that the sale, mortgage, exchange, or lease has been at a price and upon terms advantageous to the estate, and, in all respects, made in conformity with law, and that it ought to be confirmed, shall confirm the same and order the personal representative to deliver a deed, mortgage, lease or other proper instruments to the persons entitled thereto; provided, however, that in the event said real property has been sold at private sale without an appraisal for inheritance tax purposes or for purpose of such sale, or, if it has been so

appraised and has been sold at private sale for less than the appraised value thereof, then, upon the filing of such report, the court may enter an order fixing a time and place for hearing thereon and prescribe a notice of such hearing to be served upon all interested persons, any one of whom, prior to the time fixed for such hearing, may file written objections to the entry of an order approving said sale. If not satisfied that the sale, mortgage, exchange, or lease has been made in conformity with law and that it is to the best interests of the estate, the court may reject the sale, mortgage, exchange, or lease, and enter such orders as the court may deem advisable.

[C51, §1354, 1355; R60, §2386, 2387; C73, §2399, 2400; C97, §3330, 3331; C24, 27, 31, §11944 – 11947; C35, §11944 – 11947, 11951-g6, -g7; C39, §**11944 – 11947, 11951.6, 11951.7;** C46, 50, 54, 58, 62, §635.33 – 635.36, 635.46, 635.47; C66, 71, 73, 75, 77, 79, 81, §633.399]

Referred to in §633.22, 633.400

**633.400 Joining report with petition.**

The report of any private sale, mortgage, exchange, or lease of real property, as provided in section 633.399, may be joined with the petition provided in section 633.388.

[C66, 71, 73, 75, 77, 79, 81, §633.400]

Referred to in §633.22

**633.401 Record in foreign county.**

When real property so conveyed or encumbered is located in a county other than that in which such proceedings are had, a complete transcript of the record of all proceedings relating thereto shall be filed by the personal representative in the office of the clerk in such county.

[C97, §3331; C24, 27, 31, 35, 39, §**11949;** C46, 50, 54, 58, 62, §635.38; C66, 71, 73, 75, 77, 79, 81, §633.401]

**633.402 Sale defined.**

For purposes of part 6 of this division, sale of property includes but is not limited to the granting of an easement, the granting of an option, the granting of a right of refusal and the granting or conveyance of any other interest, title or right regarding property.

[81 Acts, ch 193, §3]

**633.403 through 633.409** Reserved.

## PART 7

## CLAIMS AGAINST DECEDENT'S ESTATE, AND TIME AND MANNER OF FILING CLAIMS

Referred to in §231E.5, 231E.8

**633.410 Limitation on filing claims against decedent's estate.**

1. All claims against a decedent's estate, other than charges, whether due or to become due, absolute or contingent, liquidated or unliquidated, founded on contract or otherwise, are forever barred against the estate, the personal representative, and the distributees of the estate, unless filed with the clerk within the later to occur of four months after the date of the second publication of the notice to creditors or, as to each claimant whose identity is reasonably ascertainable, one month after service of notice by ordinary mail to the claimant's last known address.

2. Notwithstanding subsection 1, claims for debts created under section 249A.53, subsection 2, relating to the recovery of medical assistance payments shall be barred under this section unless filed with the clerk within six months after sending notice by electronic transmission, on the form prescribed in section 633.231 for intestate estates or on the form prescribed in section 633.304A for testate estates, to the entity designated by the department of human services to receive notice.

3. Notice is not required to be given by mail to any creditor whose claim will be paid

or otherwise satisfied during administration and the personal representative may waive the limitation on filing provided under this section. This section does not bar claims for which there is insurance coverage, to the extent of the coverage, or claimants entitled to equitable relief due to peculiar circumstances.

[C51, §1373; R60, §2405; C73, §2421; C97, §3349; C24, 27, 31, 35, 39, §**11972;** C46, 50, 54, 58, 62, §635.68; C66, 71, 73, 75, 77, 79, 81, §633.410]

84 Acts, ch 1080, §9; 85 Acts, ch 92, §1; 89 Acts, ch 35, §6; 95 Acts, ch 68, §7; 2001 Acts, ch 109, §3; 2007 Acts, ch 134, §14; 2010 Acts, ch 1137, §7

Referred to in §633.231, 633.304A, 633.413, 633.414, 633.415, 633.444

Section not amended; internal reference change applied

**633.411 Pleading statute of limitations.**

It shall be within the discretion of the personal representative to determine whether or not the applicable statute of limitations shall be pleaded to bar a claim which the personal representative believes to be just, provided, however, that this section shall not apply where the personal representative was appointed upon the application of a creditor.

[C66, 71, 73, 75, 77, 79, 81, §633.411]

**633.412 When claim not affected by statute of limitations.**

A claim shall not be barred by the statute of limitations if the claim was not barred at the time of the decedent's death and is filed against the decedent's estate within four months from the date of the decedent's death.

[C51, §1373; R60, §2405; C73, §2421; C97, §3349; C24, 27, 31, 35, 39, §**11972;** C46, 50, 54, 58, 62, §635.68; C66, 71, 73, 75, 77, 79, 81, §633.412]

84 Acts, ch 1080, §10

Referred to in §633.414

**633.413 Claims barred when no administration commenced.**

All claims barrable under the provisions of section 633.410 shall, in any event, be barred if administration of the estate, whether testate or intestate, original or ancillary is not commenced within five years after the death of the decedent.

[C51, §1325, 1356; R60, §2357, 2388; C73, §2367, 2401; C97, §3305, 3332; S13, §3305; C24, 27, 31, 35, 39, §**11891, 11951;** C46, 50, 54, 58, 62, §633.47, 635.40; C66, 71, 73, 75, 77, 79, 81, §633.413]

Referred to in §633.414

**633.414 Liens not affected by failure to file claim.**

Nothing in sections 633.410, 633.412 and 633.413 shall affect or prevent any action or proceeding to enforce any mortgage, pledge or other lien upon property of the estate.

[C66, 71, 73, 75, 77, 79, 81, §633.414]

**633.415 Commencement or continuance of separate action.**

Any action pending against the decedent at the time of the decedent's death that survives, shall also be considered a claim filed against the estate if notice of substitution is served upon the personal representative as defendant within the time provided for filing claims in section 633.410; however, this provision shall not bar parties entitled to equitable relief due to peculiar circumstances. A copy of the proof of service of notice of such proceedings shall be filed in the probate proceedings but shall not be jurisdictional.

A separate action based on a debt or other liability of the decedent may be commenced against a personal representative of the decedent in lieu of filing a claim in the estate. Such an action shall be commenced by serving an original notice on the personal representative within the time provided for filing claims in section 633.410 and such action shall also be considered a claim filed against the estate. Such action may be commenced only in a county wherein the venue would have been proper had the decedent survived and the action been commenced against the decedent. A copy of the proof of service of notice shall be filed in the probate proceedings but shall not be jurisdictional.

A judgment or decree in favor of the plaintiff in any such action shall constitute an adjudication against the estate.

In all cases where by the death of the party to be charged, the bringing of the action against the estate shall have been delayed beyond the period provided by the statute of limitations, the action may be brought if the original notice is served on the personal representative as defendant, and proof of service of notice of such proceeding is filed in the probate proceedings within the time provided for filing claims in section 633.410.

[C51, §1373; R60, §2405; C73, §2421; C97, §3349; C24, 27, 31, 35, 39, §**11972;** C46, 50, 54, 58, 62, §635.68; C66, 71, 73, 75, 77, 79, 81, §633.415]

Referred to in §633.416, 633.417

**633.416 Compulsory counterclaims — rules of civil procedure.**

In an action commenced by or against the fiduciary under the provisions of section 633.415, or in any action pending by or against the decedent that survives under the provisions of section 633.415, the rules of civil procedure as to compulsory counterclaims shall apply in such action.

[C66, 71, 73, 75, 77, 79, 81, §633.416]

See R.C.P. 1.241 et seq.

**633.417 Separate action in lieu of proceeding on claims.**

The provisions of sections 633.438 to 633.448 are not applicable to actions continued or commenced under section 633.415.

[C66, 71, 73, 75, 77, 79, 81, §633.417]

**633.418 Form and verification of claims — general requirements.**

No claim shall be allowed against an estate on application of the claimant unless it shall be in writing, filed in duplicate with the clerk, stating the claimant's name and address, describing the nature and the amount thereof, if ascertainable, and accompanied by the affidavit of the claimant, or someone for the claimant, that the amount is justly due, or if not yet due, when it will or may become due, that no payments have been made thereon which are not credited, and that there are no offsets to the same, to the knowledge of the affiant, except as therein stated. If the claim is contingent, the nature of the contingency shall also be stated. The duplicate of said claim shall be mailed by the clerk to the personal representative or the personal representative's attorney of record.

[C51, §1359; R60, §2391; C73, §2408; C97, §3338; C24, 27, 31, 35, 39, §**11957, 11958;** C46, 50, 54, 58, 62, §635.53, 635.54; C66, 71, 73, 75, 77, 79, 81, §633.418]

**633.419 Requirements when claim founded on written instrument.**

If a claim is founded on a written instrument, the original or a copy thereof with all endorsements must be attached to the claim. The original instrument must be exhibited to the personal representative or court, upon demand, unless it is lost or destroyed, in which case its loss or destruction must be stated in the claim.

[C51, §1359; R60, §2391; C73, §2408; C97, §3338; C24, 27, 31, 35, 39, §**11957;** C46, 50, 54, 58, 62, §635.53; C66, 71, 73, 75, 77, 79, 81, §633.419]

**633.420 How claim entitled.**

All claims filed against the estate shall be entitled in the name of the claimant against the personal representative as such, naming the estate, and in all further proceedings thereon that title shall be preserved.

[C73, §2409; C97, §3339; C24, 27, 31, 35, 39, §**11960;** C46, 50, 54, 58, 62, §635.56; C66, 71, 73, 75, 77, 79, 81, §633.420]

**633.421 Unsecured claims not yet due.**

Upon proof of an unsecured claim which will become due at some future time, the same may be paid if the claimant will consent to such discount as the court thinks reasonable; otherwise,

the court shall direct the investment of an amount which will provide for the payment of the claim when it becomes due.

[C51, §1364, 1377; R60, §2396, 2409; C73, §2413, 2425; C97, §3342, 3352; C24, 27, 31, 35, 39, §**11964, 11975;** C46, 50, 54, 58, 62, §635.60, 635.70; C66, 71, 73, 75, 77, 79, 81, §633.421]

**633.422 Secured claims not yet due.**

When a creditor holds any security for a claim not yet due, the creditor may file the claim as a claim not yet due with the right of withdrawing the claim if the compromise offer is not satisfactory, and, after such withdrawal, rely entirely on the creditor's security, or the creditor may elect to rely entirely on the creditor's security without the necessity of filing a claim.

[C51, §1364, 1377; R60, §2396, 2409; C73, §2413, 2425; C97, §3342, 3352; C24, 27, 31, 35, 39, §**11964, 11975;** C46, 50, 54, 58, 62, §635.60, 635.70; C66, 71, 73, 75, 77, 79, 81, §633.422]

**633.423 Procedure for secured claims.**

When a creditor holds any security for the creditor's claim, the security shall be described in the claim. If the claim is secured by a mortgage, pledge or other lien which has been recorded, it shall be sufficient to describe the lien by date, and refer to the volume, page and place of recording. The claim shall be allowed in the amount remaining unpaid at the time of its allowance, and the judgment allowing it shall describe the security. Payment of the claim shall be upon the basis of the full amount thereof if the creditor shall surrender the creditor's security; otherwise payment shall be upon the basis of one of the following:

1. If the creditor shall exhaust the security before receiving payment, then upon the full amount of the claim allowed, less the amount realized upon exhausting the security; or

2. If the creditor shall not have exhausted, or shall not have the right to exhaust, the security, then upon the full amount of the claim allowed, less the value of the security determined by agreement, or as the court may direct.

[C66, 71, 73, 75, 77, 79, 81, §633.423]

**633.424 Contingent claims.**

Contingent claims which cannot be allowed as absolute debts shall, nevertheless, be filed in the court and proved. If allowed as a contingent claim, the order of allowance shall state the nature of the contingency. If such claim shall become absolute before distribution of the estate, it shall be paid in the same manner as absolute claims of the same class. In all other cases, the court may provide for the payment of contingent claims in any one of the following methods:

1. The creditor and personal representative may determine, by agreement, arbitration or compromise, the value thereof, according to its probable present worth, and upon approval thereof by the court, it may be allowed and paid in the same manner as an absolute claim, or

2. The court may order the personal representative to make distribution of the estate but to retain sufficient funds to pay the claim if and when the same becomes absolute; but, for this purpose, the estate shall not be kept open longer than two years after distribution of the remainder of the estate; and if such claim has not become absolute within that time, distribution shall be made to the distributees of the funds so retained, after paying any costs and expenses accruing during such period, and such distributees shall be liable to the creditor to the extent of the estate received by them, if such contingent claim thereafter becomes absolute. When distribution is so made to distributees, the court may require such distributees to give bond for the satisfaction of their liability to the contingent creditor, or

3. The court may order distribution of the estate as though such contingent claim did not exist, but the distributees shall be liable to the creditor to the extent of the estate received by them, if the contingent claim thereafter becomes absolute; and the court may require such distributees to give bond for the performance of their liability to the contingent creditor, or

4. Such other method as the court may order.

[C51, §1365; R60, §2397; C73, §2414; C97, §3343; C24, 27, 31, 35, 39, §**11965;** C46, 50, 54, 58, 62, §635.61; C66, 71, 73, 75, 77, 79, 81, §633.424]

## CLASSIFICATION, ALLOWANCE, AND PAYMENT OF DEBTS AND CHARGES

**633.425 Classification of debts and charges.**

In any estate in which the assets are, or appear to be, insufficient to pay in full all debts and charges of the estate, the personal representative shall classify the debts and charges as follows:

1. Court costs.
2. Other costs of administration.
3. Reasonable funeral and burial expenses.
4. All debts and taxes having preference under the laws of the United States.
5. Reasonable and necessary medical and hospital expenses of the last illness of the decedent, including compensation of persons attending at the decedent's last illness.
6. All taxes having preferences under the laws of this state.
7. Any debt for medical assistance paid pursuant to section 249A.53, subsection 2.
8. All debts owing to employees for labor performed during the ninety days next preceding the death of the decedent.
9. All unpaid support payments as defined in section 598.1, subsection 9, and all additional unpaid awards and judgments against the decedent in any dissolution, separate maintenance, uniform support, or paternity action to the extent that the support, awards, and judgments have accrued at the time of death of the decedent.
10. All other claims allowed.

[C51, §1370 – 1372, 1374, 1376, 1378, 1379; R60, §2402 – 2404, 2406, 2408, 2410, 2411; C73, §2418 – 2420, 2422, 2424, 2426, 2427; C97, §3347, 3348, 3350, 3353; S13, §3348; C24, 27, 31, 35, 39, §**11969 – 11971, 11973, 11976;** C46, 50, 54, 58, 62, §635.65 – 635.67, 635.69, 635.71; C66, 71, 73, 75, 77, 79, 81, §633.425; 82 Acts, ch 1197, §1]

94 Acts, ch 1120, §11

Referred to in §230.30, 249A.53, 252.13, 331.805, 633.356, 633.426, 633A.3104

Labor or wage claims preferred, §626.69, 680.7, 681.13

Section not amended; internal reference change applied

**633.426 Order of payment of debts and charges.**

Payment of debts and charges of the estate shall be made in the order provided in section 633.425, without preference of any claim over another of the same class. If the assets of the estate are insufficient to pay in full all of the claims of a class, then such claims shall be paid on a pro rata basis, without preference between claims then due and those of the same class not due.

[C51, §1378, 1379; R60, §2410, 2411; C73, §2426, 2427; C97, §3353; C24, 27, 31, 35, 39, §**11976;** C46, 50, 54, 58, 62, §635.71; C66, 71, 73, 75, 77, 79, 81, §633.426]

2008 Acts, ch 1032, §86

Referred to in §633A.3104

**633.427 Payment of contingent claims by distributees — contribution.**

If a contingent claim has been filed and allowed against an estate and all the assets of the estate have been distributed, and the claim becomes absolute, the creditor has the right to recover on the claim against those distributees whose distributive shares have been increased because the amount of the claim as finally determined was not paid prior to final distribution, if an action for recovery is commenced within four months after the claim becomes absolute. Such distributees are jointly and severally liable, but a distributee is not liable for an amount exceeding the amount of the estate or fund so distributed to that distributee. If more than one distributee is liable to the creditor, the creditor shall make parties to the action all such distributees who can be reached by process. By its judgment, the court shall determine the amount of the liability of each of the distributees as between themselves, but if any distributee is insolvent or unable to pay that distributee's proportion, or is beyond the reach of process, the others, to the extent of their respective liabilities, are nevertheless liable to the creditor for the whole amount of the creditor's debt. If any person liable for the debt fails to pay

that person's just proportion to the creditors, the person is liable to indemnify all who, by reason of the failure, have paid more than their just proportion of the debt, the indemnity to be recovered in the same action or in separate actions.

[C66, 71, 73, 75, 77, 79, 81, §633.427]

84 Acts, ch 1080, §11

**633.428 Allowance by personal representative.**

Where a claim has been filed and is admitted in writing by the personal representative, it shall stand allowed in the absence of fraud or collusion.

[C73, §2410; C97, §3340; S13, §3340; C24, 27, 31, 35, 39, §**11961;** C46, 50, 54, 58, 62, §635.57; C66, 71, 73, 75, 77, 79, 81, §633.428]

**633.429 Compelling payment of claims.**

No claimant shall be entitled to compel payment unless the claimant's claim has been duly filed and allowed.

[C66, 71, 73, 75, 77, 79, 81, §633.429]

**633.430 Execution and levies prohibited.**

No execution shall issue upon, nor shall any levy be made against, any property of the estate under any judgment against a decedent or a personal representative, but the provisions of this section shall not be construed to prevent the enforcement of mortgages.

[C51, §1368; R60, §2400; C73, §2416; C97, §3345; C24, 27, 31, 35, 39, §**11967;** C46, 50, 54, 58, 62, §635.63; C66, 71, 73, 75, 77, 79, 81, §633.430]

**633.431 Claims of personal representative.**

If the personal representative is a creditor of the decedent, the personal representative shall file the claim as other creditors, and the court shall appoint some competent person as temporary administrator to represent the estate in the matter of allowing or disallowing such claim. The same procedure shall be followed in the case of corepresentatives where all such representatives are creditors of the estate; but if one of the corepresentatives is not a creditor of the estate, such disinterested representative shall represent the estate in the matter of allowing or disallowing such claim against the estate by a corepresentative.

[C51, §1369; R60, §2401; C73, §2417; C97, §3346; C24, 27, 31, 35, 39, §**11968;** C46, 50, 54, 58, 62, §635.64; C66, 71, 73, 75, 77, 79, 81, §633.431]

**633.432 Allowance or disallowance of claim of personal representative.**

The temporary administrator shall, after investigation, file a report with the court recommending the allowance or disallowance of such claim. Unless the court allows the claim, it shall then be disposed of as a contested claim in accordance with the provisions of sections 633.439 to 633.448.

[C66, 71, 73, 75, 77, 79, 81, §633.432]

**633.433 Payment of debts and charges before expiration of four months' period.**

As soon as the personal representative is possessed of sufficient means over and above the other costs of administration, the personal representative shall pay any allowance made by the court for the surviving spouse and children of the decedent, and may pay the expenses of funeral, burial, and last illness. Prior to the expiration of four months after the date of the second publication of notice to creditors, the personal representative shall pay other debts and charges against the estate as the court orders, and the court may require bond or other security to be given by the creditor to refund such part of the payment as may be necessary to make payment in accordance with this probate code. All payments made by the personal representative without order of court are at the personal representative's own peril.

[C51, §1370, 1371, 1374, 1376, 1378, 1379; R60, §2402, 2403, 2406, 2408, 2410, 2411; C73, §2418, 2419, 2422, 2424, 2426, 2427; C97, §3347, 3350, 3353; C24, 27, 31, 35, 39, §**11969, 11973, 11976;** C46, 50, 54, 58, 62, §635.65, 635.69, 635.71; C66, 71, 73, 75, 77, 79, 81, §633.433]

84 Acts, ch 1080, §12; 2005 Acts, ch 38, §51

**633.434 Payment of debts and charges after expiration of four months' period.**

The personal representative shall, as soon as practicable following appointment, make reasonably diligent efforts to ascertain the names and addresses of all persons believed to own or possess claims against a decedent's estate.

Upon the expiration of the later to occur of four months after the date of the second publication of notice to creditors or one month after the service of the notice by ordinary mail upon all claimants whose identities are reasonably ascertainable, at their last known addresses and whose claims will not or may not be paid or otherwise satisfied during administration, the personal representative shall pay the debts and charges against the estate in accordance with this probate code. If it appears at any time that the estate is or may be insolvent, that there are insufficient funds on hand, or that there is other good and sufficient cause, the personal representative may report that fact to the court and apply for any order that the personal representative deems necessary.

[C51, §1370, 1371, 1374, 1376, 1378, 1379; R60, §2402, 2403, 2406, 2408, 2410, 2411; C73, §2418, 2419, 2422, 2424, 2426, 2427; C97, §3347, 3350, 3353; C24, 27, 31, 35, 39, §**11969, 11973, 11976;** C46, 50, 54, 58, 62, §635.65, 635.69, 635.71; C66, 71, 73, 75, 77, 79, 81, §633.434]

84 Acts, ch 1080, §13; 89 Acts, ch 35, §7; 2005 Acts, ch 38, §27

**633.435 Debts and charges not filed.**

The personal representative may pay any valid debts and charges against the estate even though no claim for such debts and charges has been filed, but all such payments made by the personal representative shall be at the personal representative's own peril.

[C66, 71, 73, 75, 77, 79, 81, §633.435]

**633.436 General order for abatement.**

1. Except as provided in sections 633.211 and 633.212, shares of the distributees shall abate, for the payment of debts and charges, federal and state estate taxes, legacies, the shares of children born or adopted after the making of a will, or the share of the surviving spouse who elects to take against the will, without any preference or priority as between real and personal property, in the following order:

*a.* Property not disposed of by the will;

*b.* Property devised to the residuary devisee, except property devised to a surviving spouse who takes under the will;

*c.* Property disposed of by the will, but not specifically devised and not devised to the residuary devisee, except property devised to a surviving spouse who takes under the will;

*d.* Property specifically devised, except property devised to a surviving spouse who takes under the will;

*e.* Property devised to a surviving spouse who takes under the will.

2. A general devise charged on any specific property or fund shall, for purposes of abatement, be deemed property specifically devised to the extent of the value of the property on which it is charged. Upon the failure or insufficiency of the property on which it is charged, it shall be deemed property not specifically devised to the extent of such failure or insufficiency.

[C51, §1284, 1285; R60, §2316, 2317; C73, §2334, 2335; C97, §3279; S13, §3279, 3279-a; C24, 27, 31, 35, 39, §**11858, 11859;** C46, 50, 54, 58, 62, §633.13, 633.14; C66, 71, 73, 75, 77, 79, 81, §633.436]

85 Acts, ch 19, §3; 2008 Acts, ch 1119, §19; 2010 Acts, ch 1138, §58

Referred to in §633.278, 633.437

**633.437 Contrary provision as to abatement.**

1. When provisions of the will, trust or other testamentary instrument of the decedent provide explicitly for an order of abatement contrary to the provisions of section 633.436, the provisions of the will or other testamentary instrument shall determine the order of abatement.

2. Except as provided in subsection 1 of this section, if the provisions of the will, the testamentary plan, or the express or the implied purpose of the devise would be defeated by

the order of abatement as provided in section 633.436, then upon application to the court by a fiduciary or a distributee, and after notice to all interested parties, the court shall determine the order for abatement of the shares of distributees in such other manner as may be found necessary to give effect to the intention of the testator. In order to change the order of abatement as provided in section 633.436, it will be necessary for the court to find it clear and convincing that the provisions of the will, the testamentary plan, or the express or implied purpose of the devise would be defeated by the order of abatement stated in section 633.436.

[C66, 71, 73, 75, 77, 79, 81, §633.437]

## DENIAL AND CONTEST OF CLAIMS

**633.438 General denial of claims.**

Where a claim has been filed, but not admitted in writing by the personal representative before a request for hearing has been given as hereinafter provided, the claim shall be considered as denied without any pleading on behalf of the personal representative.

[C73, §2410; C97, §3340; S13, §3340; C24, 27, 31, 35, 39, §**11961;** C46, 50, 54, 58, 62, §635.57; C66, 71, 73, 75, 77, 79, 81, §633.438]

Referred to in §633.417, 633.666

**633.439 Disallowance by personal representative.**

At any time after the filing of a claim against an estate, the personal representative may give the claimant and the claimant's attorney of record, if any, written notice of disallowance of claim. The notice shall be given by certified mail addressed to the claimant at the address stated in the claim and to the claimant's attorney of record, if any.

[C66, 71, 73, 75, 77, 79, 81, §633.439; 81 Acts, ch 193, §4]

Referred to in §633.417, 633.432, 633.666

**633.440 Contents of notice of disallowance.**

Such a notice of disallowance shall advise the claimant that the claim has been disallowed and will be forever barred unless the claimant shall within twenty days after the date of mailing the notice, file a request for hearing on the claim with the clerk, and mail a copy of such request for hearing to the personal representative and the attorney of record, if any, by certified mail.

[C66, 71, 73, 75, 77, 79, 81, §633.440]

99 Acts, ch 56, §5

Referred to in §633.417, 633.432, 633.666

**633.441 Proof of service.**

Proof of service of the notice of disallowance shall be made by affidavit, shall show the date and place of mailing, and shall be filed with the clerk.

[C66, 71, 73, 75, 77, 79, 81, §633.441]

Referred to in §633.417, 633.432, 633.666

**633.442 Claims barred after twenty days.**

Unless the claimant shall within twenty days after the date of mailing the notice of disallowance, file a request for hearing with the clerk and mail a copy of the request for hearing to the personal representative and to the attorney of record, if any, the claim shall be deemed disallowed, and shall be forever barred.

[C66, 71, 73, 75, 77, 79, 81, §633.442]

Referred to in §633.417, 633.432, 633.443, 633.666

**633.443 Request for hearing by claimant.**

At the time of the filing of a claim against an estate, or at any time thereafter prior to the time that the claim may be barred by the provisions of section 633.442, or the approval of the final report of the personal representative after notice to the claimant, the claimant may file a

request for hearing with the clerk, and mail a copy of the request for hearing to the personal representative and attorney of record, if any.

[C51, §1359, 1361; R60, §2391, 2393; C73, §2408; C97, §3338; C24, 27, 31, 35, 39, §**11959;** C46, 50, 54, 58, 62, §635.55; C66, 71, 73, 75, 77, 79, 81, §633.443]

Referred to in §633.417, 633.432, 633.666

**633.444 Applicability of rules of civil procedure.**

Within twenty days from the filing of the request for hearing on a claim, the personal representative shall move or plead to said claim in the same manner as though the claim were a petition filed in an ordinary action, and thereafter, all provisions of law and rules of civil procedure applicable to motions, pleadings and the trial of ordinary actions shall apply; provided, however, that a restatement of such claim shall not be barred by the provisions of section 633.410.

[C66, 71, 73, 75, 77, 79, 81, §633.444]

Referred to in §633.417, 633.432, 633.666

**633.445 Offsets and counterclaims.**

At the time of the filing of an answer to a claim, the personal representative shall plead all offsets against the claim, and shall plead all counterclaims against the claimant of which the personal representative has knowledge. An offset or counterclaim may or may not diminish or defeat the recovery sought by the opposing party. It may claim relief exceeding the amount, or different in kind, from that sought in the claim.

[C66, 71, 73, 75, 77, 79, 81, §633.445]

Referred to in §633.417, 633.432, 633.666

**633.446 Burden of proof.**

The burden of proving that a claim is unpaid shall not be placed upon the party filing a claim against the estate; but the personal representative may on the trial of the cause, subject the claimant to an examination on the question of payment or consideration, and the estate shall not be concluded or bound thereby.

[C97, §3340; S13, §3340; C24, 27, 31, 35, 39, §**11962;** C46, 50, 54, 58, 62, §635.58; C66, 71, 73, 75, 77, 79, 81, §633.446]

Referred to in §633.417, 633.432, 633.666

**633.447 Trial and hearing.**

The trial of a claim and the offsets or counterclaims, if any, shall be to the court without a jury; provided, however, that the court may, in its discretion, either on its own motion or upon the motion of any party, submit the same to a jury; and provided further, that in the event that the amount of the claim or a counterclaim exceeds the sum of three hundred dollars, either party shall be entitled to a jury trial, if written demand therefor is made as provided in the rules of civil procedure in relation to the trial of ordinary actions.

[C51, §1360, 1362, 1366; R60, §2392, 2394, 2398; C73, §2411, 2415; C97, §3341, 3344; C24, 27, 31, 35, 39, §**11963, 11966;** C46, 50, 54, 58, 62, §635.59, 635.62; C66, 71, 73, 75, 77, 79, 81, §633.447]

Referred to in §633.417, 633.432, 633.666

See R.C.P. 1.902

**633.448 Allowance and judgment.**

Upon the trial of a claim, offsets and counterclaims, the amount owing by or to the estate, if any, shall be determined. A claim against the estate shall be allowed for the net amount. Judgment shall be rendered for any amount found to be due the estate. If a judgment is rendered against a claimant for any net amount, execution may issue in the same manner as on judgments in civil cases.

[C66, 71, 73, 75, 77, 79, 81, §633.448]

Referred to in §633.417, 633.432, 633.666

**633.449 Payment of federal estate taxes.**

All federal estate taxes, distinguished from state inheritance and estate taxes, owing by the estate of a decedent shall be paid from the property of the estate, unless the will of the decedent, or other trust instrument, provides expressly to the contrary.

[C66, 71, 73, 75, 77, 79, 81, §633.449]

2008 Acts, ch 1119, §20; 2010 Acts, ch 1138, §59

**633.450 through 633.468** Reserved.

## PART 8

## ACCOUNTING, DISTRIBUTION, FINAL REPORT, AND DISCHARGE

Referred to in §231E.5

**633.469 Interlocutory report.**

The personal representative may at any time file an interlocutory accounting to the court showing the condition of the estate, its debts and property, the amount of money received, and the disposition made of any of the assets of the estate.

The court may on application of any interested party, or on its own motion, order such an accounting at any time. Such an accounting shall embrace all matters directed by the court. The court may order such further accountings from time to time as it may determine to be to the best interests of the estate.

[C51, §1422, 1423; R60, §2447, 2448; C73, §2469; C97, §3394, 3420; C24, 27, 31, 35, 39, §**12042, 12043, 12070;** C46, 50, 54, 58, 62, §638.2, 638.3, 638.33; C66, 71, 73, 75, 77, 79, 81, §633.469]

**633.470 Waiver of accounting.**

The distributee, if under no legal disability, may waive the accounting.

[C66, 71, 73, 75, 77, 79, 81, §633.470]

**633.471 Right of retainer.**

When a distributee of an estate is indebted to the estate, or if a distributee takes as an heir of a deceased devisee indebted to the estate, the amount of such indebtedness, if due, or the present worth of the indebtedness, if not due, shall be treated as a setoff and retained by the personal representative out of any testate or intestate property, real or personal, of the estate to which such distributee is entitled. In intestate estates, the personal representative shall have the same right of setoff and retainer against an heir whose ancestor was indebted to the estate. The right of setoff and retainer shall be prior and superior to the rights of judgment creditors, heirs or assigns of such distributee.

[C51, §1383 – 1386; R60, §2415 – 2418; C73, §2431 – 2434; C97, §3357 – 3360; C24, 27, 31, 35, 39, §**11980 – 11983;** C46, 50, 54, 58, 62, §635.75 – 635.78; C66, 71, 73, 75, 77, 79, 81, §633.471]

2012 Acts, ch 1123, §13, 32

2012 amendment to this section applies to estates of decedents dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633.472 Property distributed in kind.**

Property not otherwise disposed of by the personal representative may be distributed in kind.

[C51, §1384, 1385, 1392; R60, §2416, 2417, 2424; C73, §2432, 2433, 2438; C97, §3358, 3359, 3364; C24, 27, 31, 35, 39, §**11981, 11982, 11988;** C46, 50, 54, 58, 62, §635.76, 635.77, 636.3; C66, 71, 73, 75, 77, 79, 81, §633.472]

**633.473 Final settlement — time limit.**

Final settlement shall be made within three years, after the second publication of the notice to creditors, unless otherwise ordered by the court after notice to all interested parties.

[C51, §1393; R60, §2425; C73, §2439, 2469; C97, §3365, 3394; C24, 27, 31, 35, 39, §**11989, 12044;** C46, 50, 54, 58, 62, §636.4, 638.4; C66, 71, 73, 75, 77, 79, 81, §633.473]

Referred to in §635.8

**633.474** Repealed by 83 Acts, ch 44, § 2.

**633.475 Compromise of personal taxes.**

For the purpose of facilitating the speedy settlement and distribution of estates, the county treasurer of such county, by and with the consent of the board of supervisors may compromise and agree upon the amount of personal taxes at any time due or to become due the county from an estate, and payment in accordance with such compromise or agreement shall be for the satisfaction of all taxes in such estate matter. No compensation shall be allowed any person because of such compromise or agreement.

[C39, §**12781.1, 12781.2;** C46, 50, 54, 58, 62, §682.35, 682.36; C66, 71, 73, 75, 77, 79, 81, §633.475]

**633.476 Action against distributees — costs — tender.**

In an action against the distributees, where the judgment is to be against them in proportion to the respective amounts received by them from the estate, costs awarded against them shall be in like proportion, and anyone may tender the amount due from that distributee to the plaintiff, which shall have the same effect, as far as the distributee is concerned, as though that distributee were the sole defendant.

[C51, §1440, 1441; R60, §2465, 2466; C73, §2485, 2486; C97, §3408; C24, 27, 31, 35, 39, §**12060;** C46, 50, 54, 58, 62, §638.20; C66, 71, 73, 75, 77, 79, 81, §633.476]

**633.477 Final report.**

Each personal representative shall, in the personal representative's final report, set forth:

1. An accurate description of all the real estate of which the decedent died seized, stating the nature and extent of the decedent's interest therein, which has not been sold and conveyed by the personal representative.
2. Whether the deceased died testate or intestate.
3. The name and place of residence of the surviving spouse, or that none survived the deceased.
4. In intestate estates, the name and place of residence of each of the heirs and their relationship to the deceased.
5. In testate estates, the name and place of residence of each of the devisees and their relationship to the deceased, and the name and residence of after-born children, if any, as defined in section 633.267.
6. Whether any legacy or devise remains a charge on the real estate, and, if so, the nature and amount thereof.
7. Whether any distributee is under any legal disability.
8. The name of the conservator or trustee for any distributee, and the court from which the letters were issued.
9. An accounting of all property coming into the hands of the personal representative and a detailed accounting of all cash receipts and disbursements. The accounting may be omitted if waived by all interested parties.
10. A statement as to whether or not all statutory requirements pertaining to taxes have been complied with including whether the federal estate tax due has been paid, whether a lien continues to exist for any federal estate tax, and whether inheritance tax was paid or a return was filed in this state.
11. Upon the request of the personal representative, an itemization of services performed, time spent for such services, and responsibilities assumed by the personal representative's attorney for all estates of decedents dying after January 1, 1981. If the itemization is not

included, there shall be set forth a statement that the personal representative was informed of the provisions of this subsection and did not request the itemization.

12. A statement as to whether all statutory requirements pertaining to claims have been complied with and a statement as to whether all claims, including charges, have been paid and whether a lien continues to exist on any property as security for any claim.

13. A statement as to whether the decedent left any genetic material, and if the decedent left genetic material, if the personal representative has reserved sufficient estate assets to fund the distribution to which posthumous heirs, if any, would be entitled to receive; that the personal representative will wait until two years after the decedent's date of death to make final distributions; and that the personal representative will submit a supplemental report after such final distributions have been made.

[C73, §2491; C97, §3412; C24, 27, 31, 35, 39, §**12071;** C46, 50, 54, 58, 62, §638.34; C66, 71, 73, 75, 77, 79, 81, §633.477]

87 Acts, ch 54, §1; 89 Acts, ch 35, §8; 2005 Acts, ch 38, §28; 2011 Acts, ch 18, §4

Referred to in §633.479

**633.478 Notice of application for discharge.**

A personal representative shall not be discharged from further duty or responsibility upon final settlement until notice of the final report or of an application for discharge has been served upon all persons interested, in accordance with section 633.40, unless notice is waived. An order prescribing notice may be made before or after the filing of the final report.

[C97, §3422; C24, 27, 31, 35, 39, §**12073;** C46, 50, 54, 58, 62, §638.36; C66, 71, 73, 75, 77, 79, 81, §633.478; 81 Acts, ch 193, §5]

Referred to in §633.479

**633.479 Discharge.**

Upon final settlement of an estate, an order shall be entered discharging the personal representative from further duties and responsibilities. The order approving the final report shall constitute a waiver of the omission from the final report of any of the recitals required in section 633.477.

An order approving the final report and discharging the personal representative shall not be required if all distributees otherwise entitled to notice are adults, under no legal disability, have signed waivers of notice as provided in section 633.478, have signed statements of consent agreeing that the prayer of the final report shall constitute an order approving the final report and discharging the personal representative, and if the statements of consent are dated not more than thirty days prior to the date of the final report, and if compliance with sections 422.27 and 450.58 have been fulfilled and receipts, sworn statements, and certificates, as any of these that are required, are on file. In those instances final order shall not be required and the prayer of the final report shall be considered as granted and shall have the same force and effect as an order of discharge of the personal representative and an order approving the final report.

[C51, §1434; R60, §2459; C73, §2476; C97, §3400; C24, 27, 31, 35, 39, §**12052;** C46, 50, 54, 58, 62, §638.12; C66, 71, 73, 75, 77, 79, 81, §633.479]

83 Acts, ch 44, §1; 2003 Acts, ch 151, §54; 2004 Acts, ch 1073, §50

Referred to in §633.480

**633.480 Certificate to county recorder for tax purposes with administration.**

After discharge as provided in section 633.479, the personal representative shall deliver to the county recorder of the county in which the real estate is situated a certificate pertaining to each parcel of real estate described in the final report of the personal representative which has not been sold by the personal representative. The certificate shall include the name and complete mailing address, as shown on the final report, of the individual or entity in whose name each parcel of real estate is to be taxed. The county recorder shall deliver the certificate to the county auditor as provided in section 558.58.

[C66, 71, 73, 75, 77, 79, 81, §633.480; 82 Acts, ch 1054, §2, ch 1118, §1]

84 Acts, ch 1221, §7; 91 Acts, ch 116, §19; 2001 Acts, ch 45, §10; 2003 Acts, ch 151, §55

Referred to in §633.481, 635.7

**633.481 Certificate to county recorder for tax purposes without administration.**

When an inventory or report is filed under section 450.22, without administration of the estate of the decedent, the heir or heir's attorney shall prepare and deliver to the county recorder of the county in which the real estate is situated a certificate pertaining to each parcel of real estate described in the inventory or report. Any fees for certificates or recording fees required by this section or section 633.480 shall be assessed as costs of administration. The fees for recording and indexing the instrument shall be as provided in section 331.604. The county recorder shall deliver the certificates to the county auditor as provided in section 558.58.

[C66, 71, 73, 75, 77, 79, 81, §633.481; 82 Acts, ch 1054, §3]

84 Acts, ch 1221, §8; 86 Acts, ch 1079, §6; 90 Acts, ch 1081, §4; 2003 Acts, ch 151, §56; 2009 Acts, ch 27, §37

Referred to in §635.7

**633.482 through 633.486** Reserved.

PART 9

REOPENING

**633.487 Limitation on rights.**

No person, having been served with notice of the hearing upon the final report and accounting of a personal representative or having waived such notice, shall, after the entry of the final order approving the same and discharging the said personal representative, have any right to contest, in any proceeding, other than by appeal, the correctness or the legality of the inventory, the accounting, distribution, or other acts of the personal representative, or the list of heirs set forth in the final report of the personal representative, provided, however, that nothing contained in this section shall prohibit any action against the personal representative and the personal representative's surety under the provisions of section 633.186 on account of any fraud committed by the personal representative.

[C97, §3422; C24, 27, 31, 35, 39, §**12073;** C46, 50, 54, 58, 62, §638.36; C66, 71, 73, 75, 77, 79, 81, §633.487]

**633.488 Reopening settlement.**

Whenever a final report has been approved and a final accounting has been settled in the absence of any person adversely affected and without notice to the person, the hearing on such report and accounting may be reopened at any time within five years from the entry of the order approving the same, upon the application of such person, and, upon a hearing, after such notice as the court may prescribe to be served upon the personal representative and the distributees, the court may require a new accounting, or a redistribution from the distributees. In no event, however, shall any distributee be liable to account for more than the property distributed to that distributee. If any property of the estate shall have passed into the hands of good faith purchasers for value, the rights of such purchasers shall not, in any way, be affected.

[C51, §1431; R60, §2456; C73, §2475; C97, §3399; C24, 27, 31, 35, 39, §**12051;** C46, 50, 54, 58, 62, §638.11; C66, 71, 73, 75, 77, 79, 81, §633.488]

**633.489 Reopening administration.**

Upon the petition of any interested person, the court may, with such notice as it may prescribe, order an estate reopened if other property be discovered, if any necessary act remains unperformed, or for any other proper cause appearing to the court. It may reappoint the personal representative, or appoint another personal representative, to administer any additional property or to perform other such acts as may be deemed necessary. The provisions of law as to original administration shall apply, insofar as applicable, to

accomplish the purpose for which the estate is reopened, but a claim which is already barred can, in no event, be asserted in the reopened administration.

[S13, §3305; C24, 27, 31, 35, 39, §**11892;** C46, 50, 54, 58, 62, §633.48; C66, 71, 73, 75, 77, 79, 81, §633.489]

**633.490 through 633.494** Reserved.

## DIVISION VIII

## FOREIGN WILLS AND ANCILLARY ADMINISTRATION

### PART 1

### FOREIGN WILLS

**633.495 Admission of wills of nonresidents.**

A will of a nonresident of this state, not probated in any other state or county, may be admitted to probate in any county of this state where either real or personal property of the deceased nonresident is located.

[C66, 71, 73, 75, 77, 79, 81, §633.495]

**633.496 Foreign probated wills.**

A will probated in any other state or country shall be admitted to probate in this state upon the production of a copy thereof and of the original record of probate, authenticated by the certificate of the clerk of the court in which such probation was made, or, if there be no clerk, then by the certificate of the judge of such court, and by the seal of office of such officer if the officer or office has a seal.

[C51, §1296; R60, §2328; C73, §2351; C97, §3294; C24, 27, 31, 35, 39, §**11877;** C46, 50, 54, 58, 62, §633.33; C66, 71, 73, 75, 77, 79, 81, §633.496]

**633.497 Foreign wills as a muniment of title.**

After the expiration of the five-year period from the date of the death of the decedent, an exemplified copy of a will which has not been denied probate in Iowa, and of the order admitting it to probate in a foreign state or country, may be recorded in the office of the county recorder of any county where real estate owned by the testator is located. The record of such a will and of the order admitting the will to probate shall operate to dispose of said property as though said will had been admitted to probate in this state. Nothing contained in this section shall operate to defeat the rights, acquired prior to such record, of purchasers for value whose rights are shown of record.

[C66, 71, 73, 75, 77, 79, 81, §633.497]

**633.498 Foreign wills — procedure.**

All provisions of law relating to the carrying of domestic wills into effect after their probate shall apply, so far as applicable, to foreign wills admitted to probate in this state.

[C73, §2352; C97, §3295; C24, 27, 31, 35, 39, §**11878;** C46, 50, 54, 58, 62, §633.34; C66, 71, 73, 75, 77, 79, 81, §633.498]

**633.499** Reserved.

## PART 2

## ANCILLARY ADMINISTRATION

**633.500 Appointment of foreign administrator.**

Notwithstanding any other provision of this probate code, if administration of the estate of a deceased intestate nonresident has been granted in accordance with the law of the state where the nonresident resided, the duly qualified administrator of the estate of the nonresident may upon application be appointed administrator in this state, unless another has already been appointed and provided that a resident administrator be appointed to serve with the nonresident administrator; provided further, however, that for good cause shown, the court may appoint the nonresident administrator to act alone without the appointment of a resident administrator.

[C51, §1309; R60, §2341; C73, §2368; C97, §3306; C24, 27, 31, 35, 39, §**11894;** C46, 50, 54, 58, 62, §633.50; C66, 71, 73, 75, 77, 79, 81, §633.500]

2005 Acts, ch 38, §51

Referred to in §633.501

**633.501 Application for appointment of foreign administrator.**

The application for any such appointment under section 633.500 shall contain the name and address of the foreign administrator and of the resident administrator, if any, to be appointed, and shall be accompanied by a certificate of the clerk of the court of original jurisdiction certifying that such estate is under administration, and a certification of the original letters or other authority authorizing the nonresident administrator to act in that estate.

[C66, 71, 73, 75, 77, 79, 81, §633.501]

**633.502 Appointment of foreign fiduciary.**

Notwithstanding any other provision of this probate code, the duly qualified fiduciary under a will admitted to probate in another state, may upon application be appointed fiduciary in this state, after said will has been admitted to probate in this state, provided that a resident fiduciary be appointed to serve with the nonresident fiduciary; provided further, however, that, for good cause shown, the court may appoint, the nonresident fiduciary to act alone without the appointment of a resident fiduciary.

[C51, §1310; R60, §2342; C73, §2369; C97, §3306; C24, 27, 31, 35, 39, §**11895;** C46, 50, 54, 58, 62, §633.51; C66, 71, 73, 75, 77, 79, 81, §633.502]

2005 Acts, ch 38, §51

**633.503 Application for appointment of foreign executor or trustee.**

The application for appointment of a nonresident executor or trustee shall include the name and address of the nonresident executor or trustee, and the name and address of the resident executor or trustee, if any, to be appointed. It shall be accompanied by a certificate of the clerk of the foreign court granting the original letters or other authority conferring the power upon the nonresident executor or trustee to act as such. The application shall also state the cause for the appointment of the nonresident executor or trustee to act as the sole executor or trustee, if such appointment is desired. When the will has not been admitted to probate in any other state, the application shall include the name and address of the executor or trustee, if any, named in the will of the nonresident, and of the resident executor or trustee to be appointed.

[C66, 71, 73, 75, 77, 79, 81, §633.503]

**633.504 Removal of property — payment of claims.**

In all estates of nonresidents, being administered in this state, the court may require payment of all claims filed and allowed belonging to residents of this state, and all legacies

or distributive shares payable to residents of this state, before allowing any of the property in the estate to be removed from the state.

[C97, §3306; C24, 27, 31, 35, 39, §**11896;** C46, 50, 54, 58, 62, §633.52; C66, 71, 73, 75, 77, 79, 81, §633.504]

**633.505 through 633.509** Reserved.

DIVISION IX

ESTATES OF ABSENTEES

**633.510 Administration authorized — petition.**

Administration may be had upon the estate of an absentee. A petition therefor must be filed in the office of the clerk and must allege:

1. Whether the absentee was a resident or a nonresident of this state, and the absentee's address at the absentee's last known domicile; that the absentee has, without known cause, left the absentee's usual place of residence, and concealed the absentee's whereabouts from the absentee's family, for a period of five years.

2. That the said absentee has property in this state (describing it with reasonable certainty), all or part of which is situated in the county in which the petition is filed.

3. The names of the persons, so far as known to the petitioner, who would be entitled to share in the estate of the absentee if the absentee were dead.

4. In the case of a nonresident, whether administration upon the estate has been granted in the state of last known domicile.

5. Facts showing that the petitioner is a party who would be entitled to administer the estate of the said absentee in case the absentee were known to be dead.

[C97, §3307; S13, §3307; C24, 27, 31, 35, 39, §**11901;** C46, 50, 54, 58, 62, §634.1; C66, 71, 73, 75, 77, 79, 81, §633.510]

**633.511 Notice.**

Upon filing of such petition, the court shall, by a proper order, prescribe the notice and the return day therein, which shall be addressed to and served upon such absentee and the alleged distributees of the absentee's estate.

[C97, §3307; S13, §3307; C24, 27, 31, 35, 39, §**11902;** C46, 50, 54, 58, 62, §634.2; C66, 71, 73, 75, 77, 79, 81, §633.511]

**633.512 Service.**

Said notice shall in all cases be served:

1. By publication in the county in which the petition is filed, once each week for three consecutive weeks, in a newspaper designated by the court; and

2. Upon all the alleged distributees of the estate of said absentee by ordinary mail addressed to them at their last known address.

[C97, §3307; S13, §3307; C24, 27, 31, 35, 39, §**11903;** C46, 50, 54, 58, 62, §634.3; C66, 71, 73, 75, 77, 79, 81, §633.512]

**633.513 Proof of service — filing.**

Proof of the publication and service of such notice shall be filed with the clerk aforesaid on or before the day set for hearing.

[C97, §3307; S13, §3307; C24, 27, 31, 35, 39, §**11904;** C46, 50, 54, 58, 62, §634.4; C66, 71, 73, 75, 77, 79, 81, §633.513]

**633.514 Hearing — continuance — orders.**

If, on the day set for hearing, the absentee fails to appear, the court shall appoint some disinterested person as guardian ad litem to appear for the absentee and all distributees not appearing, and said cause shall thereupon stand continued for twenty days. The guardian

ad litem shall be a practicing attorney. The court shall have authority to make further continuance upon proper showing. The guardian ad litem shall investigate the matter and things alleged in the petition. Upon the further hearing, the court shall hear the proofs, and, if satisfied of the truth of the allegations of the petition, shall enter an order establishing the death of the absentee as a matter of law.

[C97, §3307; S13, §3307; C24, 27, 31, 35, 39, §**11905;** C46, 50, 54, 58, 62, §634.5; C66, 71, 73, 75, 77, 79, 81, §633.514]

90 Acts, ch 1271, §1514

Referred to in §633.515

**633.515 Administration.**

Upon the entry of such further order under section 633.514, administration of the estate of such absentee, whether testate or intestate, shall proceed as provided herein for the administration of the estates of other decedents, notwithstanding the provisions of section 633.330.

[S13, §3307, 3307-a; C24, 27, 31, 35, 39, §**11906 – 11910;** C46, 50, 54, 58, 62, §634.6 – 634.10; C66, 71, 73, 75, 77, 79, 81, §633.515]

**633.516 Rights of absentee barred — sale by spouse.**

An order establishing the death of an absentee forever bars the rights of homestead and distributive share of the absentee, and the absentee's interest in and to any real estate owned or held by the spouse of the absentee, and in which the spouse may have a legal or equitable interest. Conveyance of any such real estate by the spouse, after four months from date of publication of second notice of the appointment of a personal representative, is free and clear of any claim or right of homestead or distributive share on the part of the absentee.

[S13, §3307-b; C24, 27, 31, 35, 39, §**11911;** C46, 50, 54, 58, 62, §634.11; C66, 71, 73, 75, 77, 79, 81, §633.516]

84 Acts, ch 1080, §14

**633.517 Missing soldiers or sailors — presumption of death.**

1. A written finding of presumed death, made by the secretary of defense, or other officer or employee of the United States authorized to make such finding, pursuant to the federal Missing Persons Act, 56 Stat. 143, 1092, and P.L. 408, Ch. 371, 2d Session 78th Congress codified at 10 U.S.C. § 1501 et seq., as now or hereafter amended, or a duly certified copy of such a finding, shall be received in any court, office, or other place in this state, as evidence of the death of the person therein found to be dead, and of the date, circumstances, and place of the disappearance.

2. An official written report or record, or a duly certified copy thereof, that a person is missing, missing in action, interned in a neutral country, or beleaguered, besieged, or captured by an enemy, or is dead, or is alive, made by any officer or employee of the United States authorized by the Act referred to in subsection 1 of this section, or by any other law of the United States, to make such a report or record, shall be received in any court, office or other place in this state as evidence that such person is missing, missing in action, interned in a neutral country, or beleaguered, besieged, or captured by an enemy, or is dead, or is alive, as the case may be.

3. For the purposes of subsections 1 and 2 of this section, any finding, report, or record, or duly certified copy thereof, purporting to have been signed by such an officer or employee of the United States as is described in said subsections, shall prima facie be deemed to have been signed and issued by such an officer or employee pursuant to law, and the person signing the same shall prima facie be deemed to have acted within the scope of the person's authority. If a copy purports to have been certified by a person authorized by law to certify the same, such certified copy shall be prima facie evidence of the person's authority so to certify.

[C46, 50, 54, 58, 62, §634.12; C66, 71, 73, 75, 77, 79, 81, §633.517]

2010 Acts, ch 1061, §77

**633.518 Presumption of death — petition and inquiry.**

If a petition is presented by an interested person to a district judge or magistrate alleging that a designated person has disappeared and after a diligent search cannot be found, and if it appears to the satisfaction of the judge or magistrate that the circumstances surrounding the disappearance afford reasonable grounds for the belief that the person has suffered death from accidental or other violent means, the judge or magistrate shall summon and impanel a jury of six qualified persons to inquire into the facts surrounding and the presumption to be raised from the disappearance. If no one submits a petition within forty days of the reported disappearance, a judge or magistrate may submit the petition from personal knowledge of the case.

2002 Acts, ch 1108, §28

**633.519 Presumption of death — verdict and entry of order.**

If a jury in an inquiry regarding the disappearance of an individual renders a unanimous verdict in writing that sufficient evidence has been presented to them from which it fairly may be presumed that the missing person has met death, and if the judge or magistrate concurs in the verdict, then, after a period of six months has elapsed, the person shall be presumed to be dead and the judge or magistrate shall enter an order to that effect. However, in cases where there is clear and convincing evidence of the presumed death, the judge or magistrate may enter the order prior to the elapsing of the six-month period.

2002 Acts, ch 1108, §29

**633.520 Presumption of death — natural or man-made disaster.**

A written finding of presumed death of a person resulting from a natural or man-made disaster, made by a local, state, or federal officer or employee authorized to make such a finding, or a duly certified copy of such a finding, shall be received by a judge or magistrate as evidence of the death of the person therein found to be dead, and of the date, circumstances, and place of the disappearance. Upon receipt of such evidence the judge or magistrate may enter an order of presumption of death of the person. Upon presentation of a certified court order, a certificate of death shall be filed pursuant to section 144.26.

2002 Acts, ch 1108, §30

**633.521 and 633.522** Reserved.

## DIVISION X

## UNIFORM SIMULTANEOUS DEATH ACT

**633.523 No sufficient evidence of survivorship.**

Where the title to property or the devolution thereof depends upon priority of death, and there is no sufficient evidence that the persons have died otherwise than simultaneously, the property of each person shall be disposed of as if the person had survived, except as provided otherwise in sections 633.524 to 633.527.

[C46, 50, 54, 58, 62, §637.1; C66, 71, 73, 75, 77, 79, 81, §633.523]

Referred to in §633.527, 633.528, 633A.4704

**633.524 Beneficiaries of another person's disposition of property.**

Where two or more beneficiaries are designated to take successively, by reason of survivorship, under another person's disposition of property, and there is no sufficient evidence that these beneficiaries have died otherwise than simultaneously, the property thus disposed of shall be divided into as many equal portions as there are successive beneficiaries, and these portions shall be distributed respectively to those who would have taken in the event that each designated beneficiary had survived.

[C46, 50, 54, 58, 62, §637.2; C66, 71, 73, 75, 77, 79, 81, §633.524]

Referred to in §633.523, 633.527, 633.528, 633A.4704

**633.525 Joint tenants.**

Where there is no sufficient evidence that two joint tenants have died otherwise than simultaneously, the property so held shall be distributed one-half as if one had survived and one-half as if the other had survived. If there are more than two joint tenants and all of them have so died, the property thus distributed shall be in the proportion that one bears to the whole number of joint tenants.

[C46, 50, 54, 58, 62, §637.3; C66, 71, 73, 75, 77, 79, 81, §633.525]

Referred to in §633.523, 633.528, 633A.4704

**633.526 Insurance policies.**

Where the insured and the beneficiary in a policy of life or accident insurance have died, and there is no sufficient evidence that they have died otherwise than simultaneously, the proceeds of the policy shall be distributed as if the insured had survived the beneficiary.

[C46, 50, 54, 58, 62, §637.4; C66, 71, 73, 75, 77, 79, 81, §633.526]

Referred to in §633.523, 633.527, 633.528, 633A.4704

**633.527 Limitation of application.**

Sections 633.523, 633.524 and 633.526 shall not apply in the case of wills, living trusts, deeds, contracts of insurance, or other contracts wherein provision has been made for distribution of property different from the provisions of those sections.

[C46, 50, 54, 58, 62, §637.6; C66, 71, 73, 75, 77, 79, 81, §633.527]

2003 Acts, ch 95, §5

Referred to in §633.523, 633.528, 633A.4704

**633.528 Uniformity of interpretation.**

Sections 633.523 to 633.527 shall be so construed and interpreted as to effectuate their general purpose to make uniform the law relating to simultaneous death.

[C46, 50, 54, 58, 62, §637.7; C66, 71, 73, 75, 77, 79, 81, §633.528]

Referred to in §633A.4704

**633.529 through 633.534** Reserved.

## DIVISION XI

## FELONIOUS DEATH

**633.535 Person causing death.**

1. A person who intentionally and unjustifiably causes or procures the death of another shall not receive any property, benefit, or other interest by reason of the death as an heir, distributee, beneficiary, appointee, or in any other capacity whether the property, benefit, or other interest passed under any form of title registration, testamentary or nontestamentary instrument, intestacy, renunciation, or any other circumstance. The property, benefit, or other interest shall pass as if the person causing death died before the decedent.

2. A joint tenant who intentionally and unjustifiably causes or procures the death of another joint tenant which affects their interests so that the share of the decedent passes as the decedent's property has no rights by survivorship. This provision applies to joint tenancies and tenancies by the entireties in real and personal property, joint and multiple-party accounts in banks, savings and loan associations, credit unions, and other institutions, and any other form of co-ownership with survivorship rights.

3. A named beneficiary of a bond, life insurance policy, or any other contractual arrangement who intentionally and unjustifiably causes or procures the death of the principal obligee or person upon whose life the policy is issued or whose death generates the benefits under any other contractual arrangement is not entitled to any benefit under the

bond, policy, or other contractual arrangement, and the benefits become payable as though the person causing death had predeceased the decedent.

[C97, §3386; S13, §3386; C24, 27, 31, 35, 39, §**12032;** C46, 50, 54, 58, 62, §636.47; C66, 71, 73, 75, 77, 79, 81, §633.535]

87 Acts, ch 9, §1; 88 Acts, ch 1134, §111

Referred to in §633.536, 633.537

**633.536 Procedure to deny benefits to a person causing death.**

A determination under section 633.535 may be made by any court of competent jurisdiction by a preponderance of the evidence separate and apart from any criminal proceeding arising from the death. However, such a civil proceeding shall not proceed to trial, and the person causing death is not required to submit to discovery in such a civil proceeding until the criminal proceeding has been finally determined by the trial court, or in the event no criminal charge has been brought, until six months after the date of death. A person convicted of murder or voluntary manslaughter of the decedent is conclusively presumed to have intentionally and unjustifiably caused the death for purposes of this section and section 633.535.

[C97, §3386; S13, §3386; C24, 27, 31, 35, 39, §**12033;** C46, 50, 54, 58, 62, §636.48; C66, 71, 73, 75, 77, 79, 81, §633.536]

87 Acts, ch 9, §2

**633.537 Third party nonliability.**

Any insurance company, bank, or other obligor making payment according to the terms of its policy or obligation is not liable by reason of section 633.535 unless prior to payment it has received at its home office or principal address written notice of the claimed applicability of section 633.535.

[C97, §3386; S13, §3386; C24, 27, 31, 35, 39, §**12034;** C46, 50, 54, 58, 62, §636.49; C66, 71, 73, 75, 77, 79, 81, §633.537]

87 Acts, ch 9, §3

**633.538 through 633.542** Reserved.

## DIVISION XII

## PROCEEDINGS FOR ESCHEAT

**633.543 Proceedings for escheat.**

When the court has reason to believe that any property of the estate of a decedent within the county should by law escheat, the court must forthwith inform the attorney general of the state of Iowa thereof, and appoint some suitable person as personal representative to take charge of such property, unless a personal representative has already been appointed.

[C51, §1443; R60, §2468; C73, §2461; C97, §3388; C24, 27, 31, 35, 39, §**12036;** C46, 50, 54, 58, 62, §636.51; C66, 71, 73, 75, 77, 79, 81, §633.543]

**633.544 Notice to persons interested.**

The personal representative must give such notice of the death of the deceased, and of the amount and kind of property left by the decedent within the state, as, in the opinion of the court appointing the personal representative shall be best calculated to notify those interested, or supposed to be interested, in the property.

[C51, §1444; R60, §2469; C73, §2462; C97, §3389; C24, 27, 31, 35, 39, §**12037;** C46, 50, 54, 58, 62, §636.52; C66, 71, 73, 75, 77, 79, 81, §633.544]

**633.545 Sale — proceeds.**

If within six months from the giving of notice, a claimant does not appear, the property may be sold and the proceeds paid over by the personal representative to the department of administrative services for the benefit of the permanent school fund.

[C51, §1445; R60, §2470; C73, §2463; C97, §3390; C24, 27, 31, 35, 39, §**12038;** C46, 50, 54, 58, 62, §636.53; C66, 71, 73, 75, 77, 79, 81, §633.545]

83 Acts, ch 185, §56, 62; 88 Acts, ch 1134, §112; 2003 Acts, ch 145, §286

**633.546 Payment to person entitled.**

The money or any portion of it shall be paid at any time within ten years after the sale of the property or the appropriation of the money, but not afterwards, to anyone showing entitlement thereto.

[C51, §1446; R60, §2471; C73, §2464; C97, §3391; C24, 27, 31, 35, 39, §**12039;** C46, 50, 54, 58, 62, §636.54; C66, 71, 73, 75, 77, 79, 81, §633.546]

**633.547 through 633.550** Reserved.

## DIVISION XIII

## OPENING GUARDIANSHIPS AND CONSERVATORSHIPS

**633.551 Guardianships and conservatorships — general provisions.**

1. The determination of incompetency of the proposed ward or ward and the determination of the need for the appointment of a guardian or conservator or of the modification or termination of a guardianship or conservatorship shall be supported by clear and convincing evidence.

2. The burden of persuasion is on the petitioner in an initial proceeding to appoint a guardian or conservator. In a proceeding to modify or terminate a guardianship or conservatorship, if the guardian or conservator is the petitioner, the burden of persuasion remains with the guardian or conservator. In a proceeding to terminate a guardianship or conservatorship, if the ward is the petitioner, the ward shall make a prima facie showing of some decision-making capacity. Once a prima facie showing is made, the burden of persuasion is on the guardian or conservator to show by clear and convincing evidence that the ward is incompetent.

3. In determining whether a guardianship or conservatorship is to be established, modified, or terminated, the district court shall consider if a limited guardianship or conservatorship pursuant to section 633.635 or 633.637 is appropriate. In making the determination, the court shall make findings of fact to support the powers conferred on the guardian or conservator.

4. In proceedings to establish, modify, or terminate a guardianship or conservatorship, in determining if the proposed ward or ward is incompetent as defined in section 633.3, the court shall consider credible evidence from any source to the effect of third-party assistance in meeting the needs of the proposed ward or ward. However, neither party to the action shall have the burden to produce such evidence relating to third-party assistance.

5. Except as otherwise provided in sections 633.672 and 633.673, in proceedings to establish a guardianship or conservatorship, the costs, including attorney fees and expert witness fees, shall be assessed against the ward or the ward's estate unless the proceeding is dismissed either voluntarily or involuntarily, in which case fees and costs may be assessed against the petitioner for good cause shown.

97 Acts, ch 178, §4; 2007 Acts, ch 134, §15, 28

Referred to in §633.556, 633.570, 633.635, 633.717

## PART 1

## OPENING GUARDIANSHIPS

**633.552 Petition for appointment of guardian.**

Any person may file with the clerk a verified petition for the appointment of a guardian. The petition shall state the following information so far as known to the petitioner.

1. The name, age and post office address of the proposed ward.

2. That the proposed ward is in either of the following categories:

*a.* Is a person whose decision-making capacity is so impaired that the person is unable to care for the person's personal safety or to attend to or provide for necessities for the person such as food, shelter, clothing, or medical care, without which physical injury or illness might occur.

*b.* Is a minor.

3. The name and post office address of the proposed guardian, and that such person is qualified to serve in that capacity.

4. That the proposed ward is a resident of the state of Iowa or is present in the state, and that the ward's best interests require the appointment of a guardian in this state.

5. The name and address of the person or institution, if any, having the care, custody or control of the proposed ward.

[R60, §1449; C73, §2272; C97, §3219; C24, 27, §12614, 12616; C31, 35, §12614, 12616, 12644-c3; C39, §**12614, 12616, 12644.03;** C46, 50, 54, 58, 62, §670.2, 670.4, 672.3; C66, 71, 73, 75, 77, 79, 81, §633.552]

84 Acts, ch 1299, §10; 85 Acts, ch 29, §1; 97 Acts, ch 178, §5

Referred to in §229.27, 235B.18, 235B.19, 633.635, 633.675, 633.717

**633.553** Repealed by 84 Acts, ch 1299, § 19.

**633.554 Notice to proposed ward.**

1. *a.* If the proposed ward is an adult, notice of the filing of the petition shall be served upon the proposed ward in the manner of an original notice and the content of the notice is governed by the rules of civil procedure governing original notice.

*b.* Except where the proposed ward is the petitioner, notice shall also be served upon the ward's spouse. If the proposed ward has no spouse, notice shall be served upon the proposed ward's adult children, if any.

2. *a.* If the proposed ward is a minor or if the proposed ward is an adult under a standby petition and the court determines, pursuant to section 633.561, subsection 1, paragraph "*b*", that the proposed ward is entitled to representation, notice in the manner of original notice, or another form of notice ordered by the court, given to the attorney appointed to represent the ward is notice to the proposed ward.

*b.* Notice shall also be served upon:

(1) The parents of the proposed ward, if the proposed ward is a minor.

(2) The spouse of the proposed ward, if the proposed ward is an adult. If the proposed ward has no spouse, notice shall be served upon the proposed ward's adult children, if any.

3. Service of notice under this section upon persons other than the proposed ward shall be made upon such persons whose identities are reasonably ascertainable pursuant to section 633.40, subsection 5. Proof of service shall be made by affidavit, to which copies of all documents served shall be attached.

[C31, 35, §12644-c4; C39, §**12644.04;** C46, 50, 54, 58, 62, §672.4; C66, 71, 73, 75, 77, 79, 81, §633.554]

84 Acts, ch 1299, §11; 85 Acts, ch 29, §2; 85 Acts, ch 148, §6; 2000 Acts, ch 1036, §1

Referred to in §229.27, 235B.18, 633.562

**633.555 Pleadings and trial — rules of civil procedure.**

All other pleadings and the trial of the cause shall be governed by the rules of civil procedure. The cause shall be tried as a law action, and either party shall be entitled to a jury trial if demand is made therefor as provided by the rules of civil procedure.

[C73, §2273; C97, §3220; C24, 27, §12621; C31, 35, §12621, 12644-c6; C39, §**12621, 12644.06;** C46, 50, 54, 58, 62, §670.9, 672.6; C66, 71, 73, 75, 77, 79, 81, §633.555]

Referred to in §229.27, 235B.18

See R.C.P. 1.902

**633.556 Appointment of guardian.**

1. If the allegations of the petition as to the status of the proposed ward and the necessity for the appointment of a guardian are proved by clear and convincing evidence, the court may appoint a guardian. If the court appoints a guardian based upon mental incapacity of the proposed ward because the proposed ward is a person with an intellectual disability, as defined in section 4.1, the court shall make a separate determination as to the ward's competency to vote. The court shall find a ward incompetent to vote only upon determining that the person lacks sufficient mental capacity to comprehend and exercise the right to vote.

2. In all proceedings to appoint a guardian, the court shall consider the functional limitations of the proposed ward and whether a limited guardianship, as authorized in section 633.635, is appropriate.

3. Section 633.551 applies to the appointment of a guardian.

[R60, §1449; C73, §2272; C97, §3219; C24, 27, 31, 35, 39, §**12614;** C46, 50, 54, 58, 62, §670.2; C66, 71, 73, 75, 77, 79, 81, §633.556]

97 Acts, ch 178, §6; 98 Acts, ch 1100, §79; 98 Acts, ch 1185, §10; 2002 Acts, ch 1134, §113, 115; 2012 Acts, ch 1019, §138

Referred to in §48A.2, 229.27, 235B.18

**633.557 Appointment of guardian on voluntary petition.**

1. A guardian may also be appointed by the court upon the verified petition of the proposed ward, without further notice, if the proposed ward is other than a minor under the age of fourteen years, provided the court determines that such an appointment will inure to the best interest of the applicant. However, if an involuntary petition is pending, the court shall be governed by section 633.634. The petition shall provide the proposed ward notice of a guardian's powers as provided in section 633.562.

2. In all proceedings to appoint a guardian, the court shall consider whether a limited guardianship, as authorized in section 633.635, is appropriate.

[C51, §1495; R60, §2547; C73, §2244; C97, §3195; C24, 27, 31, 35, 39, §**12576, 12617;** C46, 50, 54, 58, 62, §668.4, 670.5; C66, 71, 73, 75, 77, 79, 81, §633.557]

89 Acts, ch 178, §9; 97 Acts, ch 178, §7

Referred to in §633.634

See also §633.572

**633.558 Appointment of temporary guardian.**

A temporary guardian may be appointed, but only after a hearing on such notice, and subject to such conditions, as the court shall prescribe.

[C73, §2273; C97, §3220; C24, 27, 31, §12620; C35, §12620, 12644-c5; C39, §**12620, 12644.05;** C46, 50, 54, 58, 62, §670.8, 672.5; C66, 71, 73, 75, 77, 79, 81, §633.558]

**633.559 Preference as to appointment of guardian.**

Except for a minor child for whom the court's jurisdiction over the child's guardianship was established pursuant to transfer of the child's case in accordance with section 232.104, the parents of a minor child, or either of them, if qualified and suitable, shall be preferred over all others for appointment as guardian. Preference shall then be given to any person, if qualified and suitable, nominated as guardian for a minor child by a will executed by the parent having custody of a minor child, and any qualified and suitable person requested by a minor fourteen years of age or older, or by standby petition executed by a person having

physical and legal custody of a minor. Subject to these preferences, the court shall appoint as guardian a qualified and suitable person who is willing to serve in that capacity.

[C51, §1491, 1492, 1495, 1498; R60, §2543, 2544, 2547, 2550; C73, §2241, 2242, 2244, 2249; C97, §3192, 3193, 3195; C24, 27, 31, 35, 39, §**12573, 12574, 12576;** C46, 50, 54, 58, 62, §668.1, 668.2, 668.4; C66, 71, 73, 75, 77, 79, 81, §633.559]

94 Acts, ch 1153, §9; 2010 Acts, ch 1143, §2

**633.560 Appointment of guardian on a standby basis.**

A petition for the appointment of a guardian on a standby basis may be filed by any person under the same procedure and requirements as provided in sections 633.591 to 633.597, for appointment of standby conservator, insofar as applicable. In all proceedings to appoint a guardian, the court shall consider whether a limited guardianship, as authorized in section 633.635, is appropriate.

[C66, 71, 73, 75, 77, 79, 81, §633.560]

97 Acts, ch 178, §8

**633.561 Representation.**

1. In a proceeding for the appointment of a guardian:

*a.* If the proposed ward is an adult and is not the petitioner, the proposed ward is entitled to representation. Upon the filing of the petition, the court shall appoint an attorney to represent the proposed ward, set a hearing on the petition, and provide for notice of the appointment of counsel and the date for hearing.

*b.* If the proposed ward is either a minor or an adult under a standby petition, the court shall determine whether, under the circumstances of the case, the proposed ward is entitled to representation. The determination regarding representation may be made with or without notice to the proposed ward, as the court deems necessary. If the court determines that the proposed ward is entitled to representation, the court shall appoint an attorney to represent the proposed ward. After making the determination regarding representation, the court shall set a hearing on the petition, and provide for notice on the determination regarding representation and the date for hearing.

*c.* The court may take action under paragraph *"a"* or *"b"* prior to the service of the original notice upon the proposed ward.

*d.* The court may reconsider the determination regarding representation upon application by any interested person.

*e.* The court may discharge the attorney appointed by the court if it appears upon the application of the proposed ward or any other interested person that the ward has privately retained an attorney who has filed an appearance on behalf of the proposed ward.

2. The court shall ensure that all proposed wards entitled to representation have been provided with notice of the right to representation and right to be personally present at all proceedings and shall make findings of fact in any order of disposition setting out the manner in which notification was provided.

3. If the proposed ward is entitled to representation and is indigent or incapable of requesting counsel, the court shall appoint an attorney to represent the proposed ward. The cost of court appointed counsel for indigents shall be assessed against the county in which the proceedings are pending. For the purposes of this subsection, the court shall find a person is indigent if the person's income and resources do not exceed one hundred fifty percent of the federal poverty level or the person would be unable to pay such costs without prejudicing the person's financial ability to provide economic necessities for the person or the person's dependents.

4. An attorney appointed pursuant to this section shall:

*a.* Ensure that the proposed ward has been properly advised of the nature and purpose of the proceeding.

*b.* Ensure that the proposed ward has been properly advised of the ward's rights in a guardianship proceeding.

*c.* Personally interview the proposed ward.

*d.* File a written report stating whether there is a return on file showing that proper

service on the proposed ward has been made and also stating that specific compliance with paragraphs *"a"* through *"c"* has been made or stating the inability to comply by reason of the proposed ward's condition.

*e.* Represent the proposed ward.

*f.* Ensure that the guardianship procedures conform to the statutory and due process requirements of Iowa law.

5. In the event that an order of appointment is entered, the attorney appointed pursuant to this section, to the extent possible, shall:

*a.* Inform the proposed ward of the effects of the order entered for appointment of guardian.

*b.* Advise the ward of the ward's rights to petition for modification or termination of the guardianship.

*c.* Advise the ward of the rights retained by the ward.

6. If the court determines that it would be in the ward's best interest to have legal representation with respect to any proceedings in a guardianship, the court may appoint an attorney to represent the ward at the expense of the ward or the ward's estate, or if the ward is indigent the cost of the court appointed attorney shall be assessed against the county in which the proceedings are pending.

7. If the court determines upon application that it is appropriate or necessary, the court may order that the attorney appointed pursuant to this section be given copies of and access to the proposed ward's health information by describing with reasonable specificity the health information to be disclosed or accessed, for the purpose of fulfilling the attorney's responsibilities pursuant to this section.

84 Acts, ch 1299, §12; 85 Acts, ch 29, §3; 85 Acts, ch 148, §7; 89 Acts, ch 178, §10; 2000 Acts, ch 1036, §2; 2012 Acts, ch 1123, §14, 32

Referred to in §633.554

Subsection 7 applies to all judicial proceedings on or after July 1, 2012, in which an order for the appointment of a guardian is sought or has been issued; 2012 Acts, ch 1123, §32

**633.562 Notification of guardianship powers.**

In a proceeding for the appointment of a guardian, the proposed ward shall be given written notice which advises the proposed ward that if a guardian is appointed, the guardian may, without court approval, provide for the care of the ward, manage the ward's personal property and effects, assist the ward in developing self-reliance and receiving professional care, counseling, treatment or services as needed, and ensure that the ward receives necessary emergency medical services. The notice shall also advise the proposed ward that, upon the court's approval, the guardian may change the ward's permanent residence to a more restrictive residence, and arrange for major elective surgery or any other nonemergency major medical procedure. The notice shall clearly advise the proposed ward in boldface type of a minimum size of ten points, of the right to counsel and the potential deprivation of the proposed ward's civil rights. The notice shall also state that the proposed ward may use the ward's own attorney instead of an attorney appointed by the court. In an involuntary guardianship proceeding, the notice shall be served upon the proposed ward with the notice of the filing of the petition as provided in section 633.554.

89 Acts, ch 178, §11; 2000 Acts, ch 1036, §3

Referred to in §633.557

**633.563 through 633.565** Reserved.

## PART 2

## OPENING CONSERVATORSHIPS

**633.566 Petition for appointment of conservator.**

Any person may file with the clerk a verified petition for the appointment of a conservator. The petition shall state the following information, so far as known to the petitioner:

1. The name, age, and post office address of the proposed ward.

2. That the proposed ward is in either of the following categories:

*a.* Is a person whose decision-making capacity is so impaired that the person is unable to make, communicate, or carry out important decisions concerning the person's financial affairs.

*b.* Is a minor.

3. The name and post office address of the proposed conservator, and that such person is qualified to serve in that capacity.

4. The estimated present value of the real estate, the estimated value of the personal property, and the estimated gross annual income of the estate. If any money is payable, or to become payable, to the proposed ward by the United States through the United States department of veterans affairs, the petition shall so state.

5. The name and address of the person or institution, if any, having the care, custody, or control of the proposed ward.

6. That the proposed ward resides in the state of Iowa, is a nonresident, or that the proposed ward's residence is unknown, and that the proposed ward's best interests require the appointment of a conservator in the state of Iowa.

[C51, §1493, 1494; R60, §1449, 2545, 2546; C73, §2243, 2253, 2272, 2273; C97, §3194, 3202, 3219, 3220; C24, 27, §12575, 12605, 12614, 12619; C31, 35, §12575, 12605, 12614, 12619, 12644-c3; C39, §**12575, 12605, 12614, 12619, 12644.03;** C46, 50, 54, 58, 62, §668.3, 668.32, 670.2, 670.7, 672.3; C66, 71, 73, 75, 77, 79, 81, §633.566]

84 Acts, ch 1299, §13; 85 Acts, ch 29, §4; 97 Acts, ch 178, §9; 2009 Acts, ch 26, §18

Referred to in §633.675, 633.717

**633.567** Repealed by 84 Acts, ch 1299, § 19.

**633.568 Notice to proposed ward.**

1. *a.* If the proposed ward is an adult, notice of the filing of the petition shall be served upon the proposed ward in the manner of an original notice and the content of the notice is governed by the rules of civil procedure governing original notice.

*b.* Except where the ward is the petitioner, notice shall also be served upon the ward's spouse. If the ward has no spouse, notice shall be served upon the ward's adult children, if any.

2. *a.* If the proposed ward is a minor or if the proposed ward is an adult under a standby petition and the court determines, pursuant to section 633.575, subsection 1, paragraph "*b*", that the proposed ward is entitled to representation, notice in the manner of original notice, or another form of notice ordered by the court, given to the attorney appointed to represent the ward is notice to the proposed ward.

*b.* Notice shall also be served upon:

(1) The parents of the proposed ward, if the ward is a minor.

(2) The spouse of the proposed ward, if the proposed ward is an adult. If the ward has no spouse, notice shall be served upon the proposed ward's adult children, if any.

3. Service of notice under this section upon persons other than the proposed ward shall be made upon such persons whose identities are reasonably ascertainable pursuant to section 633.40, subsection 5. Proof of service shall be made by affidavit, to which copies of all documents served shall be attached.

[C31, 35, §12644-c4; C39, §**12644.04;** C46, 50, 54, 58, 62, §672.4; C66, 71, 73, 75, 77, 79, 81, §633.568]

84 Acts, ch 1299, §14; 85 Acts, ch 29, §5; 85 Acts, ch 148, §8; 2000 Acts, ch 1036, §4; 2002 Acts, ch 1119, §190

Referred to in §633.576

**633.569 Pleadings and trial — rules of civil procedure.**

All other pleadings and the trial of the cause shall be governed by the rules of civil procedure. The cause shall be tried as a law action, and either party shall be entitled to a jury trial if demand is made therefor as provided by the rules of civil procedure.

[C73, §2273; C97, §3220; C24, 27, §12621; C31, 35, §12621, 12644-c6; C39, §**12621, 12644.06;** C46, 50, 54, 58, 62, §670.9, 672.6; C66, 71, 73, 75, 77, 79, 81, §633.569]

See R.C.P. 1.902

**633.570 Appointment of conservator.**

1. If the allegations of the petition as to the status of the proposed ward and the necessity for the appointment of a conservator are proved by clear and convincing evidence, the court may appoint a conservator.

2. In all proceedings to appoint a conservator, the court shall consider the functional limitations of the person and whether a limited conservatorship, as authorized in section 633.637, is appropriate.

3. Section 633.551 applies to the appointment of a conservator.

[R60, §1449; C73, §2272; C97, §3219; C24, 27, §12614, 12616; C31, 35, §12614, 12616, 12644-c8; C39, §**12614, 12616, 12644.08;** C46, 50, 54, 58, 62, §670.2, 670.4, 672.8; C66, 71, 73, 75, 77, 79, 81, §633.570]

97 Acts, ch 178, §10

**633.571 Preference as to appointment of conservator.**

The parents of a minor, or either of them, if qualified and suitable, shall be preferred over all others for appointment as conservator. Preference shall then be given to any person, if qualified and suitable, nominated as conservator for a minor child by a will executed by the parent having custody of a minor child, and any qualified and suitable person requested by a minor fourteen years of age or older, or by standby petition executed by a person having physical and legal custody of a minor. Subject to these preferences, the court shall appoint as conservator a qualified and suitable person who is willing to serve in that capacity.

[C51, §1491, 1492, 1495, 1498; R60, §2543, 2544, 2547, 2550; C73, §2241, 2242, 2244, 2249; C97, §3192, 3193, 3195; C24, 27, 31, 35, 39, §**12573, 12574, 12576;** C46, 50, 54, 58, 62, §668.1, 668.2, 668.4; C66, 71, 73, 75, 77, 79, 81, §633.571]

94 Acts, ch 1153, §10

**633.572 Appointment of conservator on voluntary petition.**

1. A conservator may also be appointed by the court upon the verified petition of the proposed ward, without further notice, if the proposed ward is other than a minor under the age of fourteen years, provided the court determines that such an appointment will inure to the best interest of the applicant. However, if an involuntary petition is pending, the court shall be governed by section 633.634. The petition shall provide the proposed ward notice of a conservator's powers as provided in section 633.576.

2. In all proceedings to appoint a conservator, the court shall consider whether a limited conservatorship, as authorized in section 633.637, is appropriate.

[C51, §1495; R60, §2547; C73, §2244; C97, §3195; C24, 27, 31, 35, 39, §**12576, 12617, 12618;** C46, 50, 54, 58, 62, §668.4, 670.5, 670.6; C66, 71, 73, 75, 77, 79, 81, §633.572]

89 Acts, ch 178, §12; 97 Acts, ch 178, §11

Referred to in §633.634

See also §633.557

**633.573 Appointment of temporary conservator.**

Except as provided in section 235B.19, a temporary conservator may be appointed but only after a hearing on such notice, and subject to such conditions, as the court shall prescribe.

[C73, §2273; C97, §3220; C24, 27, §12620; C31, 35, §12620, 12644-c5; C39, §**12620, 12644.05;** C46, 50, 54, 58, 62, §670.8, 672.5; C66, 71, 73, 75, 77, 79, 81, §633.573]

2006 Acts, ch 1080, §2

Referred to in §235B.19

**633.574 Procedure in lieu of conservatorship.**

If a conservator has not been appointed, money due a minor or other property to which a minor is entitled, not exceeding in the aggregate twenty-five thousand dollars in value, shall be paid or delivered to a custodian under any uniform transfers to minors Act. The written receipt of the custodian constitutes an acquittance of the person making the payment of money or delivery of property.

[C51, §1493, 1494; R60, §2545, 2546; C73, §2243; C97, §3194; C24, 27, 31, 35, 39, §**12575;** C46, 50, 54, 58, 62, §668.3; C66, 71, 73, 75, 77, 79, 81, §633.574; 82 Acts, ch 1052, §2]

84 Acts, ch 1067, §48; 95 Acts, ch 63, §6; 2005 Acts, ch 38, §29

See also chapter 565B, §633.108, 633.681, R.C.P. 1.1228

**633.575 Representation.**

1. In a proceeding for the appointment of a conservator:

*a.* If the proposed ward is an adult and is not the petitioner, the proposed ward is entitled to representation. Upon the filing of the petition, the court shall appoint an attorney to represent the proposed ward, set a hearing on the petition, and provide for notice of the appointment of counsel and the date for hearing.

*b.* If the proposed ward is either a minor or an adult under a standby petition, the court shall determine whether, under the circumstances of the case, the proposed ward is entitled to representation. The determination regarding representation may be made with or without notice to the proposed ward, as the court deems necessary. If the court determines that the proposed ward is entitled to representation, the court shall appoint an attorney to represent the proposed ward. After making the determination regarding representation, the court shall set a hearing on the petition, and provide for notice on the determination regarding representation and the date for hearing.

*c.* The court may take action under paragraph *"a"* or *"b"* prior to the service of the original notice upon the proposed ward.

*d.* The court may reconsider the determination regarding representation upon application by any interested person.

*e.* The court may discharge the attorney appointed by the court if it appears upon the application of the proposed ward or any other interested person that the ward has privately retained an attorney who has filed an appearance on behalf of the proposed ward.

2. The court shall ensure that all proposed wards entitled to representation have been provided with notice of the right to representation and right to be personally present at all proceedings and shall make findings of fact in any order of disposition setting out the manner in which notification was provided.

3. If the proposed ward is entitled to representation and is indigent or incapable of requesting counsel, the court shall appoint an attorney to represent the proposed ward. The cost of court appointed counsel for indigents shall be assessed against the county in which the proceedings are pending. For the purposes of this subsection, the court may find a person is indigent if the person's income and resources do not exceed one hundred fifty percent of the federal poverty level or the person would be unable to pay such costs without prejudicing the person's financial ability to provide economic necessities for the person or the person's dependents.

4. An attorney appointed pursuant to this section, to the extent possible, shall:

*a.* Ensure that the proposed ward has been properly advised of the nature of the proceeding and its purpose.

*b.* Ensure that the proposed ward has been properly advised of the ward's rights in a conservatorship proceeding.

*c.* Personally interview the proposed ward.

*d.* File a written report stating whether there is a return on file showing that proper service on the proposed ward has been made and also stating that specific compliance with paragraphs *"a"* through *"c"* has been made or stating the inability to comply by reason of the proposed ward's condition.

*e.* Represent the proposed ward.

*f.* Ensure that the conservatorship procedures conform to the statutory and due process requirements of Iowa law.

5. In the event that an order of appointment is entered, the attorney appointed pursuant to this section, to the extent possible, shall:

*a.* Inform the proposed ward of the effects of the order entered for appointment of conservator.

*b.* Advise the ward of the ward's rights to petition for modification or termination of conservatorship.

*c.* Advise the ward of the rights retained by the ward.

6. If the court determines that it would be in the ward's best interest to have legal representation with respect to any proceedings in a conservatorship, the court may appoint an attorney to represent the ward at the expense of the ward or the ward's estate, or if the ward is indigent the cost of the court appointed attorney shall be assessed against the county in which the proceedings are pending.

7. If the court determines upon application that it is appropriate or necessary, the court may order that the attorney appointed pursuant to this section be given copies of and access to the proposed ward's health information by describing with reasonable specificity the health information to be disclosed or accessed, for the purpose of fulfilling the attorney's responsibilities pursuant to this section.

84 Acts, ch 1299, §15; 85 Acts, ch 29, §6; 85 Acts, ch 148, §9; 89 Acts, ch 178, §13; 2000 Acts, ch 1036, §5; 2013 Acts, ch 33, §6, 9

Referred to in §633.568

Subsection 7 applies to all judicial proceedings held on or after July 1, 2013, in which an order for the appointment of a conservatorship is sought or has been issued; 2013 Acts, ch 33, §9

NEW subsection 7

**633.576 Notification of conservatorship powers.**

In a proceeding for the appointment of a conservator, the proposed ward shall be given written notice which advises the proposed ward that if a conservator is appointed, the conservator may, without court approval, manage the proposed ward's principal, income, and investments, sue and defend any claim by or against the ward, sell and transfer personal property, and vote at corporate meetings. The notice shall also advise the proposed ward that, upon the court's approval, the conservator may invest the ward's funds, execute leases, make payments to or for the benefit of the ward, support the ward's legal dependents, compromise or settle any claim, and do any other thing that the court determines is in the ward's best interests. The notice shall clearly advise the proposed ward, in boldface type of a minimum size of ten points, of the right to counsel and the potential deprivation of the proposed ward's civil rights. The notice shall also state that the proposed ward may use the ward's own attorney instead of an attorney appointed by the court. In an involuntary conservatorship proceeding, the notice shall be served upon the proposed ward with the notice of the filing of the petition as provided in section 633.568.

89 Acts, ch 178, §14; 2000 Acts, ch 1036, §6

Referred to in §633.572, 633.591

**633.577 through 633.579** Reserved.

## PART 3

## CONSERVATORSHIPS FOR ABSENTEES

**633.580 Petition for appointment of conservator for absentee.**

When a person owns property located in the state of Iowa, the person's whereabouts are unknown, and no provision for the care, control, and supervision of such property has been made, with the result that such property is likely to be lost or damaged, or that the dependents of such owner are likely to be deprived of means of support because of such absence, it shall be proper for any person to file with the clerk a petition for the appointment of a conservator

of such property of the absentee. The petition shall state the following information, so far as known to the petitioner:

1. The name, age, and last known post office address of the proposed ward.
2. The facts concerning the disappearance of the absentee.
3. The name and post office address of the proposed conservator, and that the proposed conservator is qualified to serve in that capacity.
4. A general description of the property of the proposed ward within this state and of the proposed ward's right to receive property; also, the estimated present value of the real estate, the estimated value of the personal property, and the estimated gross annual income of the estate. If any money is payable, or to become payable, to the proposed ward by the United States through the United States department of veterans affairs, the petition shall so state.
5. That the property of the absentee is likely to be lost or damaged, or that the absentee's dependents are likely to be deprived of means of support, because of the absence, and that no proper provision has been made for the care, control, and supervision over such property.

[S13, §3228-a; C24, 27, 31, 35, 39, §**12632;** C46, 50, 54, 58, 62, §671.1; C66, 71, 73, 75, 77, 79, 81, §633.580]

2009 Acts, ch 26, §19

**633.581 Original notice governed by rules of civil procedure.**

Notice of the filing of such a petition and of the hearing thereon shall be served upon the absentee by publication in the manner of an original notice and the rules of civil procedure governing original notices by publication shall also govern such a notice as to content.

[S13, §3228-a; C24, 27, 31, 35, 39, §**12633;** C46, 50, 54, 58, 62, §671.2; C66, 71, 73, 75, 77, 79, 81, §633.581]

**633.582 Notice on county attorney.**

Such notice shall also be served on the county attorney of the county in which the petition is filed and on the spouse and children of the absentee as provided by the rules of civil procedure. If there is no spouse or children, such notice shall be served on such persons and in such manner as the court may prescribe.

[S13, §3228-a; C24, 27, 31, 35, 39, §**12634;** C46, 50, 54, 58, 62, §671.3; C66, 71, 73, 75, 77, 79, 81, §633.582]

**633.583 Pleadings and trial — rules of civil procedure.**

All other pleadings and the trial of the cause shall be governed by the rules of civil procedure.

[S13, §3228-a; C24, 27, 31, 35, 39, §**12635;** C46, 50, 54, 58, 62, §671.4; C66, 71, 73, 75, 77, 79, 81, §633.583]

**633.584 Appointment of conservator.**

In the event that the absentee does not appear at said hearing, the court shall hear the petition and the proof offered. All evidence shall be made a part of a transcript to be filed in such proceedings. If the allegations of the petition are proved, the court may appoint a conservator.

[S13, §3228-b, -c; C24, 27, 31, 35, 39, §**12636, 12637, 12639;** C46, 50, 54, 58, 62, §671.5, 671.6, 671.8; C66, 71, 73, 75, 77, 79, 81, §633.584]

**633.585 Appointment of temporary conservator.**

A temporary conservator may be appointed, but only after a hearing on such notice, and subject to such conditions as the court shall prescribe.

[C66, 71, 73, 75, 77, 79, 81, §633.585]

**633.586 through 633.590** Reserved.

## PART 4

## STANDBY CONSERVATORSHIPS

**633.591 Voluntary petition for appointment of conservator — standby basis.**

Any person of full age and sound mind may execute a verified petition for the voluntary appointment of a conservator of the person's property upon the express condition that such petition shall be acted upon by the court only upon the occurrence of an event specified or the existence of a described condition of the mental or physical health of the petitioner, the occurrence of which event, or the existence of which condition, shall be established in the manner directed in the petition. The petition, if executed on or after January 1, 1991, shall advise the proposed ward of a conservator's powers as provided in section 633.576.

[C66, 71, 73, 75, 77, 79, 81, §633.591]

89 Acts, ch 178, §15; 90 Acts, ch 1036, §2; 91 Acts, ch 36, §7

Referred to in §633.560, 633.634

**633.591A Voluntary petition for appointment of conservator for a minor — standby basis.**

A person having physical and legal custody of a minor may execute a verified petition for the appointment of a standby conservator of the proposed ward's property, upon the express condition that the petition shall be acted upon by the court only upon the occurrence of an event specified or the existence of a described condition of the mental or physical health of the petitioner, the occurrence of which event, or the existence of which condition, shall be established in the manner directed in the petition.

94 Acts, ch 1153, §11

Referred to in §633.560

**633.592 Petition may nominate conservator.**

Such petition may nominate a person for appointment to serve as such conservator, and may request that the appointment be made without bond, or with bond of a certain stated sum. The court in appointing the conservator shall give due regard to such nomination and other requests and recommendations contained in the petition.

[C66, 71, 73, 75, 77, 79, 81, §633.592]

Referred to in §633.560

**633.593 Deposit of petition.**

Such petition may be deposited with the clerk of the county in which the party resides, or with any person, firm, bank or trust company selected by the petitioner.

[C66, 71, 73, 75, 77, 79, 81, §633.593]

Referred to in §633.560, 633.595

**633.594 Revocation of petition.**

Such petition may be revoked by the petitioner at any time before appointment of a conservator by the court, provided that the petitioner is of sound mind. Revocation shall be accomplished by the destruction of the petition by the petitioner, or by the execution of an acknowledged instrument of revocation. If the petition has been deposited with the clerk, the revocation may likewise be deposited there.

[C66, 71, 73, 75, 77, 79, 81, §633.594]

Referred to in §633.560

**633.595 Filing petition upon occurrence of condition.**

At any time after the deposit of the petition with the clerk, and before its revocation, it may be brought on for hearing by the filing of a verified statement to the effect that the occurrence of the event or the condition provided for in the petition has come to pass. If the petition has not been deposited with the clerk under the provisions of section 633.593, then it may be

brought on for hearing at any time by the filing of it and such a verified statement with the clerk of the county in which the person who executed the petition then resides.

[C66, 71, 73, 75, 77, 79, 81, §633.595]

Referred to in §633.560

**633.596 Considerations — appointment of conservator.**

At the time a standby petition is filed under this part, the court shall consider whether a limited conservatorship, as authorized in section 633.637, is appropriate.

[C66, 71, 73, 75, 77, 79, 81, §633.596]

97 Acts, ch 178, §12

Referred to in §633.560

**633.597 Conservator shall have same powers and duties.**

The powers and duties of such a conservator shall be the same as those of a conservator appointed in response to any of the other petitions authorized in this probate code.

[C66, 71, 73, 75, 77, 79, 81, §633.597]

2005 Acts, ch 38, §51

Referred to in §633.560

**633.598 through 633.602** Reserved.

## PART 5

## FOREIGN CONSERVATORS

**633.603 Appointment of foreign conservators.**

When there is no conservatorship, nor any application therefor pending, in this state, the duly qualified foreign conservator or guardian of a nonresident ward may, upon application, be appointed conservator of the property of such person in this state; provided that a resident conservator is appointed to serve with the foreign conservator; and provided further, that for good cause shown, the court may appoint the foreign conservator to act alone without the appointment of a resident conservator.

[C51, §1512; R60, §2564; C73, §2266; C97, §3213; C24, 27, 31, 35, 39, §**12606;** C46, 50, 54, 58, 62, §669.1; C66, 71, 73, 75, 77, 79, 81, §633.603]

**633.604 Application.**

The application for appointment of a foreign conservator or guardian as conservator in this state shall include the name and address of the nonresident ward, and of the nonresident conservator or guardian, and the name and address of the resident conservator to be appointed. It shall be accompanied by a certified copy of the original letters or other authority conferring the power upon the foreign conservator or guardian to act as such. The application shall also state the cause for the appointment of the foreign conservator to act as sole conservator, if such be the case.

[C51, §1513; R60, §2565; C73, §2267; C97, §3214; C24, 27, 31, 35, 39, §**12607;** C46, 50, 54, 58, 62, §669.2; C66, 71, 73, 75, 77, 79, 81, §633.604]

**633.605 Personal property.**

A foreign conservator or guardian of a nonresident may be authorized by the court of the county wherein such ward has personal property to receive the same upon compliance with the provisions of sections 633.606, 633.607 and 633.608.

[C73, §2269; C97, §3216; C24, 27, 31, 35, 39, §**12609;** C46, 50, 54, 58, 62, §669.4; C66, 71, 73, 75, 77, 79, 81, §633.605]

**633.606 Copy of bond.**

Such foreign conservator or guardian shall file in the office of the clerk in the county where the property is situated, a certified copy of the conservator's or guardian's official bond,

duly authenticated by the court granting the letters, and shall also execute a receipt for the property received by the conservator or guardian.

[C51, §1514; R60, §2566; C73, §2268, 2270; C97, §3215, 3217; C24, 27, 31, 35, 39, §**12608, 12610;** C46, 50, 54, 58, 62, §669.3, 669.5; C66, 71, 73, 75, 77, 79, 81, §633.606]

Referred to in §633.605

**633.607 Order for delivery.**

Upon the filing of the bond as above provided, and the court being satisfied with the amount thereof, it shall order the personal property of the ward delivered to such conservator or guardian.

[C73, §2271; C97, §3218; C24, 27, 31, 35, 39, §**12611;** C46, 50, 54, 58, 62, §669.6; C66, 71, 73, 75, 77, 79, 81, §633.607]

Referred to in §633.605

**633.608 Recording of bond — notice to court.**

The clerk shall record the bonds and the receipt, and notify by mail the court which granted the letters of conservatorship or guardianship of the amount of property delivered to the fiduciary and the date of delivery thereof.

[C73, §2271; C97, §3218; C24, 27, 31, 35, 39, §**12612;** C46, 50, 54, 58, 62, §669.7; C66, 71, 73, 75, 77, 79, 81, §633.608]

Referred to in §633.605

**633.609 through 633.613** Reserved.

## PART 6

## CONSERVATORSHIPS INVOLVING VETERANS ADMINISTRATION

**633.614 Application of other provisions to veterans' conservatorships.**

Whenever moneys are paid or are payable pursuant to any law of the United States through the United States department of veterans affairs to a conservator or a guardian, the provisions of sections 633.615, 633.617, and 633.622 shall apply to the administration of said moneys. However, such provisions shall be construed to be supplementary to the other provisions for conservators, and shall not be exclusive of such provisions.

[C31, 35, §12644-c2; C39, §**12644.02;** C46, 50, 54, 58, 62, §672.2; C66, 71, 73, 75, 77, 79, 81, §633.614]

2009 Acts, ch 26, §20

**633.615 Secretary of veterans affairs — party in interest.**

The secretary of veterans affairs of the United States, the secretary's successor, or the designee of either, shall be a party in interest in any proceeding for the appointment or removal of a conservator, or for the termination of the conservatorship, and in any suit or other proceeding, including reports and accountings, affecting in any manner the administration of those assets that were derived in whole or in part from benefits paid by the United States department of veterans affairs. Not less than fifteen days prior to the time set for a hearing in any such matters, notice, in writing, of the time and place thereof shall be given by mail to the office of the United States department of veterans affairs having jurisdiction over the area in which such matter is pending.

[C31, 35, §12644-c4, -c11; C39, §**12644.04, 12644.11;** C46, 50, 54, 58, 62, §672.4, 672.11; C66, 71, 73, 75, 77, 79, 81, §633.615]

2009 Acts, ch 26, §21

Referred to in §633.614

**633.616** Repealed by 75 Acts, ch 208, § 17.

**633.617 Ward rated incompetent by United States department of veterans affairs.**

Upon the trial of an issue arising upon a prayer for the appointment of either a temporary or a permanent conservator, a certificate of the secretary of the United States department of veterans affairs, or the secretary's representative, setting forth the fact that the defendant veteran has been rated incompetent by the United States department of veterans affairs upon examination in accordance with the laws and regulations governing the United States department of veterans affairs, shall be prima facie evidence of the necessity for such appointment, and the court may appoint a conservator for the property of such person.

[C31, 35, §12644-c3, -c7; C39, §**12644.03, 12644.07;** C46, 50, 54, 58, 62, §672.3, 672.7; C66, 71, 73, 75, §633.616; C77, 79, 81, §633.617]

2009 Acts, ch 26, §22

Referred to in §633.614

**633.618 through 633.621** Repealed by 75 Acts, ch 208, § 17.

**633.622 Bond requirements.**

In administering moneys paid by the United States department of veterans affairs, the conservator, unless it is a bank or trust company qualified to act as a fiduciary in this state, shall execute and file with the clerk a bond by a recognized surety company equal to such moneys and the annual income therefrom, plus the expected annual United States department of veterans affairs benefit payments.

[C31, 35, §12644-c14, -c15; C39, §**12644.14, 12644.15;** C46, 50, 54, 58, 62, §672.14, 672.15; C66, 71, 73, 75, 77, 79, 81, §633.622]

2009 Acts, ch 26, §23

Referred to in §633.614

**633.623 through 633.626** Reserved.

## PART 7

## COMBINING PETITION FOR GUARDIAN AND CONSERVATOR

**633.627 Combining petitions.**

The petitions for the appointment of a guardian and a conservator may be combined and the cause tried in the same manner as a petition for the appointment of a conservator.

[C66, 71, 73, 75, 77, 79, 81, §633.627]

Referred to in §633.27A

**633.628 Same person as guardian and conservator.**

The same person may be appointed to serve as both guardian and conservator.

[C66, 71, 73, 75, 77, 79, 81, §633.628]

**633.629 through 633.632** Reserved.

# DIVISION XIV

# ADMINISTRATION OF GUARDIANSHIPS AND CONSERVATORSHIPS

## PART 1

## APPOINTMENT AND QUALIFICATION OF GUARDIANS AND CONSERVATORS

**633.633 Provisions applicable to all fiduciaries shall govern.**

The provisions of this probate code applicable to all fiduciaries shall govern the appointment, qualification, oath and bond of guardians and conservators, except that a guardian shall not be required to give bond unless the court, for good cause, finds that the best interests of the ward require a bond. The court shall then fix the terms and conditions of such bond.

[C51, §1496; R60, §2548; C73, §2246; C97, §3197; S13, §3228-d; C24, 27, §12577 – 12579, 12640; C31, 35, §12577 – 12579, 12640, 12644-c9; C39, §**12577 – 12579, 12640, 12644.09;** C46, 50, 54, 58, 62, §668.5 – 668.7, 671.9, 672.9; C66, 71, 73, 75, 77, 79, §633.634; C81, §633.633]

2005 Acts, ch 38, §51

**633.633A Liability of guardians and conservators.**

Guardians and conservators shall not be held personally liable for actions or omissions taken or made in the official discharge of the guardian's or conservator's duties, except for any of the following:

1. A breach of fiduciary duty imposed by this probate code.
2. Willful or wanton misconduct in the official discharge of the guardian's or conservator's duties.

89 Acts, ch 178, §16; 2005 Acts, ch 38, §51

Referred to in §602.8102(105A)

**633.633B Tort liability of guardians and conservators.**

The fact that a person is a guardian or conservator shall not in itself make the person personally liable for damages for the acts of the ward.

89 Acts, ch 178, §17

Referred to in §602.8102(105A)

**633.634 Combination of voluntary and standby petitions with involuntary petition for hearing.**

If prior to the time of hearing on a petition for the appointment of a guardian or a conservator, a petition is filed under the provisions of section 633.557, 633.572 or 633.591, the court shall combine the hearing on such petitions and determine who shall be appointed guardian or conservator, and such petition shall be triable to the court.

[C66, 71, 73, 75, 77, 79, §633.635; C81, §633.634]

Referred to in §633.557, 633.572

**633.635 Responsibilities of guardian.**

1. Based upon the evidence produced at the hearing, the court may grant a guardian the following powers and duties which may be exercised without prior court approval:

*a.* Providing for the care, comfort and maintenance of the ward, including the appropriate training and education to maximize the ward's potential.

*b.* Taking reasonable care of the ward's clothing, furniture, vehicle and other personal effects.

*c.* Assisting the ward in developing maximum self-reliance and independence.

*d.* Ensuring the ward receives necessary emergency medical services.

*e.* Ensuring the ward receives professional care, counseling, treatment, or services as needed. If necessitated by the physical or mental disability of the ward, the provision of

professional care, counseling, treatment, or services limited to the provision of routine physical and dental examinations and procedures under anesthesia is included, if the anesthesia is provided within the scope of the health care practitioner's scope of practice.

*f.* Any other powers or duties the court may specify.

2. A guardian may be granted the following powers which may only be exercised upon court approval:

*a.* Changing, at the guardian's request, the ward's permanent residence if the proposed new residence is more restrictive of the ward's liberties than the current residence.

*b.* Arranging the provision of major elective surgery or any other nonemergency major medical procedure. For the purposes of this paragraph, "*major elective surgery*" and "*nonemergency major medical procedure*" do not include the provision to the ward of professional care, counseling, treatment, or services limited to the provision of routine physical and dental examinations and procedures under anesthesia, if the use of anesthesia is necessitated by the physical or mental disability of the ward, and if the anesthesia is provided within the scope of the health care practitioner's scope of practice.

*c.* Consent to the withholding or withdrawal of life-sustaining procedures in accordance with chapter 144A.

3. For the purposes of this section:

*a.* "*Routine dental examinations and procedures*" includes preventive services, diagnostic services, restorative services, periodontal services, endodontic services, oral surgery, prosthetic services, and orthodontic procedures.

*b.* "*Routine physical examinations and procedures*" includes examinations and procedures performed for the purpose of general treatment or diagnosis or for the purpose of treatment or diagnosis related to a specific illness, symptom, complaint, or injury.

4. The court may take into account all available information concerning the capabilities of the ward and any additional evaluation deemed necessary, including the availability of third-party assistance to meet the needs of the ward or proposed ward, and may direct that the guardian have only a specially limited responsibility for the ward. In that event, the court shall state those areas of responsibility which shall be supervised by the guardian and all others shall be retained by the ward. The court may make a finding that the ward lacks the capacity to contract a valid marriage.

5. From time to time, upon a proper showing, the court may modify the respective responsibilities of the guardian and the ward, after notice to the ward and an opportunity to be heard. Any modification that would be more restrictive or burdensome for the ward shall be based on clear and convincing evidence that the ward continues to fall within the categories of section 633.552, subsection 2, paragraph "*a*" or "*b*", and that the facts justify a modification of the guardianship. Section 633.551 applies to the modification proceedings. Any modification that would be less restrictive for the ward shall be based upon proof in accordance with the requirements of section 633.675.

[C81, §633.635]

84 Acts, ch 1299, §16; 85 Acts, ch 29, §7; 87 Acts, ch 100, §2; 91 Acts, ch 93, §4; 97 Acts, ch 178, §13, 14; 2000 Acts, ch 1063, §1 – 3

Referred to in §144A.7, 633.551, 633.556, 633.557, 633.560

## PART 2

## RIGHTS AND TITLE OF WARD

**633.636 Effect of appointment of guardian or conservator.**

The appointment of a guardian or conservator shall not constitute an adjudication that the ward is of unsound mind.

[C66, 71, 73, 75, 77, 79, 81, §633.636]

**633.637 Powers of ward.**

A ward for whom a conservator has been appointed shall not have the power to convey, encumber, or dispose of property in any manner, other than by will if the ward possesses the requisite testamentary capacity, unless the court determines that the ward has a limited ability to handle the ward's own funds. If the court makes such a finding, it shall specify to what extent the ward may possess and use the ward's own funds.

Any modification of the powers of the ward that would be more restrictive of the ward's control over the ward's financial affairs shall be based upon clear and convincing evidence and the burden of persuasion is on the conservator. Any modification that would be less restrictive of the ward's control over the ward's financial affairs shall be based upon proof in accordance with the requirements of section 633.675.

[C66, 71, 73, 75, 77, 79, 81, §633.637]

97 Acts, ch 178, §15

Referred to in §633.551, 633.570, 633.572, 633.596, 633.638

**633.638 Presumption of fraud.**

If a conservator be appointed, all contracts, transfers and gifts made by the ward after the filing of the petition shall be presumed to be a fraud against the rights and interest of the ward except as otherwise directed by the court pursuant to section 633.637.

[C24, 27, 31, 35, 39, §**12622;** C46, 50, 54, 58, 62, §670.10; C66, 71, 73, 75, 77, 79, 81, §633.638]

See also §633.650

**633.639 Title to ward's property.**

The title to all property of the ward is in the ward and not the conservator subject, however, to the possession of the conservator and to the control of the court for the purposes of administration, sale or other disposition, under the provisions of the law. Any real property titled at any time in the name of a conservatorship shall be deemed to be titled in the ward's name subject to the conservator's right of possession.

[C66, 71, 73, 75, 77, 79, 81, §633.639]

2009 Acts, ch 52, §8, 14

2009 amendment to this section applies retroactively to conveyances occurring on or after July 1, 1999; 2009 Acts, ch 52, §14

**633.640 Conservator's right to possession.**

Every conservator shall have a right to, and shall take, possession of all of the real and personal property of the ward. The conservator shall pay the taxes and collect the income therefrom until the conservatorship is terminated. The conservator may maintain an action for the possession of the property, and to determine the title to the same.

[C73, §2245; C97, §3196; C24, 27, 31, 35, 39, §**12584, 12585;** C46, 50, 54, 58, 62, §668.11, 668.12; C66, 71, 73, 75, 77, 79, 81, §633.640]

## PART 3

## DUTIES AND POWERS OF CONSERVATOR

**633.641 Duties of conservator.**

It is the duty of the conservator of the estate to protect and preserve it, to invest it prudently, to account for it as herein provided, and to perform all other duties required of the conservator by law, and at the termination of the conservatorship, to deliver the assets of the ward to the person entitled thereto.

The conservator shall report to the department of human services the assets and income of any ward receiving medical assistance under chapter 249A. Reports shall be made upon establishment of a conservatorship for an individual applying for or receiving medical assistance, upon application for benefits on behalf of the ward, upon annual or semiannual review of continued medical assistance eligibility, when any significant change in principal or income occurs in the conservatorship account, or as otherwise requested by the department of human services. Written reports shall be provided to the department of human services

county office for the county in which the ward resides or the county office in which the ward's medical assistance is administered.

[C51, §1499; R60, §2551; C73, §2250; C97, §3200; S13, §3228-d; C24, 27, 31, 35, 39, §**12581, 12640;** C46, 50, 54, 58, 62, §668.9, 671.9; C66, 71, 73, 75, 77, 79, 81, §633.641]

94 Acts, ch 1112, §2

**633.642** Repealed by 85 Acts, ch 29, § 11.

**633.643 Disposal of will by conservator.**

When an instrument purporting to be the will of the ward comes into the hands of a conservator, the conservator shall immediately deliver it to the court.

[C66, 71, 73, 75, 77, 79, 81, §633.643]

Referred to in §633.644, 633.645

**633.644 Court order to preserve testamentary intent of ward.**

Upon receiving an instrument purporting to be the will of a living ward under the provisions of section 633.643, the court may open said will and read it. The court with or without notice, as it may determine, may enter such orders in the conservatorship as it deems advisable for the proper administration of the conservatorship in light of the expressed testamentary intent of the ward.

[C66, 71, 73, 75, 77, 79, 81, §633.644]

**633.645 Court to deliver will to clerk.**

An instrument purporting to be the will of a ward coming into the hands of the court under the provisions of section 633.643, shall thereafter be resealed by the court and be deposited with the clerk to be held by said clerk as provided in sections 633.286 through 633.289.

[C66, 71, 73, 75, 77, 79, 81, §633.645]

**633.646 Powers of the conservator without order of court.**

The conservator shall have the full power, without prior order of court, with relation to the estate of the ward:

1. To collect, receive, receipt for any principal or income, and to enforce, defend against or prosecute any claim by or against the ward or the conservator; to sue on and defend claims in favor of, or against, the ward or the conservator.
2. To sell and transfer personal property of a perishable nature and personal property for which there is a regularly established market.
3. To vote at corporate meetings in person or by proxy.
4. To receive additional property from any source.
5. Notwithstanding the provisions of chapter 633A, subchapter IV, part 3, to continue to hold any investment or other property originally received by the conservator, and also any increase thereof, pending the timely filing of the first annual report.

[S13, §3228-d; C24, 27, 31, 35, 39, §**12640;** C46, 50, 54, 58, 62, §671.9; C66, 71, 73, 75, 77, 79, 81, §633.646]

99 Acts, ch 125, §107, 109; 2005 Acts, ch 38, §55

**633.647 Powers of conservator subject to the approval of the court.**

Conservators shall have the following powers subject to the approval of the court after hearing on such notice, if any, as the court may prescribe:

1. To invest the funds belonging to the ward.
2. To execute leases.
3. To make payments to, or for the benefit of, the ward in any of the following ways:

*a.* Directly to the ward;
*b.* Directly for the maintenance, welfare and education of the ward;
*c.* To the legal guardian of the person of the ward; or
*d.* To anyone who at the time shall have the custody and care of the person of the ward.

4. To apply any portion of the income or of the estate of the ward for the support of any person for whose support the ward is legally liable.

5. To compromise or settle any claim by or against the ward or the conservator; to adjust, arbitrate or compromise claims in favor of or against the ward or the conservator.

6. To make an election for the ward who is a surviving spouse as provided in sections 633.236 and 633.240.

7. To exercise the right to disclaim on behalf of the ward as provided in section 633E.5.

8. To do any other thing that the court determines to be to the best interests of the ward and the ward's estate.

[C97, §3225; S13, §3225, 3228-d; C24, 27, 31, 35, 39, §**12629, 12640;** C46, 50, 54, 58, 62, §670.17, 671.9; C66, 71, 73, 75, 77, 79, 81, §633.647]

88 Acts, ch 1064, §7; 2002 Acts, ch 1086, §3, 21; 2004 Acts, ch 1015, §7; 2005 Acts, ch 38, §55

Referred to in §633.648

**633.648 Appointment of attorney in compromise of personal injury settlements.**

Notwithstanding the provisions of section 633.647 prior to authorizing a compromise of a claim for damages on account of personal injuries to the ward, the court may order an independent investigation by an attorney other than by the attorney for the conservator. The cost of such investigation, including a reasonable attorney fee, shall be taxed as part of the cost of the conservatorship.

[C66, 71, 73, 75, 77, 79, 81, §633.648]

**633.649 Powers of conservators — same as all fiduciaries.**

Except as expressly modified herein, conservators shall have the powers relating to all fiduciaries as set out in sections 633.63 to 633.162.

[S13, §3228-d; C24, 27, 31, 35, 39, §**12640;** C46, 50, 54, 58, 62, §671.9; C66, 71, 73, 75, 77, 79, 81, §633.649]

**633.650 Breach of contracts.**

Under order of court, for good cause shown, after such notice as the court may prescribe, a conservator shall have the power to breach contracts of the ward entered into by the ward prior to the appointment of the conservator, thereby incurring such liability of the ward's estate for such breach as the ward would have incurred for such breach if the ward had been competent.

[R60, §1454; C73, §2277; C97, §3226; C24, 27, 31, 35, 39, §**12586;** C46, 50, 54, 58, 62, §668.13; C66, 71, 73, 75, 77, 79, 81, §633.650]

See also §633.638

**633.651** Repealed by 89 Acts, ch 178, § 21.

## PART 4

## TRANSFERRING, ENCUMBERING, AND LEASING PROPERTY BY CONSERVATOR

**633.652 Procedure applicable to personal representatives shall govern.**

Conservators shall have the power to sell, mortgage, exchange, pledge and lease real and personal property belonging to the ward, including the homestead and exempt personal property, when it appears to be to the best interests of the ward, in the same manner and by the same procedure that is provided in this probate code for sale, mortgage, exchange, pledge and lease by personal representatives in administration of estates of decedents.

[C51, §1500 – 1508; R60, §1453, 2552 – 2560; C73, §2257 – 2265, 2276; C97, §3206 – 3212, 3225; S13, §3225; C24, 27, 31, §12587 – 12596, 12628; C35, §12587 – 12596, 12628, 12644-g1,

-g2, -g3, -g4, -g5; C39, §**12587 – 12596, 12628, 12644.21 – 12644.25;** C46, 50, 54, 58, 62, §668.14 – 668.23, 670.16, 673.1 – 673.5; C66, 71, 73, 75, 77, 79, 81, §633.652]
2005 Acts, ch 38, §51
See §597.6 – 597.9

## PART 5

## CLAIMS

**633.653 Claims against the ward, the conservatorship or the conservator in that capacity.**
Claims accruing before or after the appointment of the conservator, and whether arising in contract or tort or otherwise, after being allowed or established as provided in sections 633.654 to 633.656, shall be paid by the conservator from the assets of the conservatorship.
[C66, 71, 73, 75, 77, 79, 81, §633.653]

**633.653A Claims for cost of medical care or services.**
The provision of medical care or services to a ward who is a recipient of medical assistance under chapter 249A creates a claim against the conservatorship for the amount owed to the provider under the medical assistance program for the care or services. The amount of the claim, after being allowed or established as provided in this part, shall be paid by the conservator from the assets of the conservatorship.
93 Acts, ch 106, §9

**633.654 Form and verification of claims — general requirements.**
No claim shall be allowed against the estate of a ward upon application of the claimant unless it shall be in writing, filed in duplicate with the clerk, stating the claimant's name and address, and describing the nature and the amount thereof, if ascertainable. It shall be accompanied by the affidavit of the claimant, or of someone for the claimant, that the amount is justly due, or if not due, when it will or may become due, that no payments have been made thereon which are not credited, and that there are no offsets to the same, to the knowledge of the affiant, except as therein stated. The duplicate of said claim shall be mailed by the clerk to the conservator or the conservator's attorney of record; however, valid contract claims arising in the ordinary course of the conduct of the business or affairs of the ward by the conservator may be paid by the conservator without requiring affidavit or filing.
[C66, 71, 73, 75, 77, 79, 81, §633.654]
Referred to in §633.653, 633.664

**633.655 Requirements when claim founded on written instrument.**
If a claim is founded upon a written instrument, the original of such instrument, or a copy thereof, with all endorsements, must be attached to the claim. The original instrument must be exhibited to the conservator or to the court, upon demand, unless it has been lost or destroyed, in which case, its loss or destruction must be stated in the claim.
[C51, §1359; R60, §2391; C73, §2408; C97, §3338; C24, 27, 31, 35, 39, §**11957, 11958;** C46, 50, 54, 58, 62, §635.53, 635.54; C66, 71, 73, 75, 77, 79, 81, §633.655]
Referred to in §633.653

**633.656 How claim entitled.**
All claims filed against the estate of the ward shall be entitled in the name of the claimant against the conservator as such, naming the conservator, and in all further proceedings thereon, this title shall be preserved.
[C73, §2409; C97, §3339; C24, 27, 31, 35, 39, §**11960;** C46, 50, 54, 58, 62, §635.56; C66, 71, 73, 75, 77, 79, 81, §633.656]
Referred to in §633.653

**633.657 Filing of claim required.**
The filing of a claim in the conservatorship tolls the statute of limitations applicable to such claim.
[C66, 71, 73, 75, 77, 79, 81, §633.657]

**633.658 Compelling payment of claims.**
No claimant shall be entitled to compel payment until the claimant's claim has been duly filed and allowed.
[C66, 71, 73, 75, 77, 79, 81, §633.658]
Referred to in §633.664

**633.659 Allowance by conservator.**
When a claim has been filed and has been admitted in writing by the conservator, it shall stand allowed, in the absence of fraud or collusion.
[C66, 71, 73, 75, 77, 79, 81, §633.659]

**633.660 Execution and levy prohibited.**
No execution shall issue upon, nor shall any levy be made against, any property of the estate of a ward under any judgment against the ward or a conservator, but the provisions of this section shall not be so construed as to prevent the enforcement of a mortgage, pledge or other lien upon property in an appropriate proceeding.
[C66, 71, 73, 75, 77, 79, 81, §633.660]

**633.661 Claims of conservators.**
If the conservator is a creditor of the ward, the conservator shall file the claim as other creditors, and the court shall appoint some competent person as temporary conservator to represent the ward at the hearing on the conservator's claim. The same procedure shall be followed in the case of coconservators where all such conservators are creditors of the ward; but if one of the coconservators is not a creditor of the ward, such disinterested conservator shall represent the ward at the hearing on any claim against the ward by a coconservator.
[C51, §1369; R60, §2401; C73, §2417; C97, §3346; C24, 27, 31, 35, 39, §**11968;** C46, 50, 54, 58, 62, §635.64; C66, 71, 73, 75, 77, 79, 81, §633.661]

**633.662 Claims not filed.**
The conservator may pay any valid claim against the estate of the ward even though such claim has not been filed, but all such payments made by the conservator shall be at the conservator's own peril.
[C66, 71, 73, 75, 77, 79, 81, §633.662]

**633.663 Waiver of statute of limitations by conservator.**
It shall be within the discretion of the conservator to determine whether or not the applicable statute of limitation shall be invoked to bar a claim which the conservator believes to be just, and the conservator's decision as to the invoking of such statute shall be final.
[C66, 71, 73, 75, 77, 79, 81, §633.663]

**633.664 Liens not affected by failure to file claim.**
Nothing in sections 633.654 and 633.658 shall affect or prevent an action or proceeding to enforce any mortgage, pledge or other lien upon the property of the ward.
[C66, 71, 73, 75, 77, 79, 81, §633.664]

**633.665 Separate actions and claims.**
Any action pending against the ward at the time the conservator is appointed shall also be considered a claim filed in the conservatorship if notice of substitution is served on the conservator as defendant, and a duplicate of the proof of service of notice of such proceeding is filed in the conservatorship proceeding.
A separate action based on a debt or other liability of the ward may be commenced against the conservator as such in lieu of filing a claim in the conservatorship. Such an action shall

be commenced by serving an original notice on the conservator and filing a duplicate of the proof of service of notice of such proceeding in the conservatorship proceeding. Such an action shall also be considered a claim filed in the conservatorship. Such an action may be commenced only in a county where the venue would have been proper if there were no conservatorship and the action had been commenced against the ward.

[C66, 71, 73, 75, 77, 79, 81, §633.665]

Referred to in §633.666

**633.666 Denial and contest of claims.**

The provisions of sections 633.438 to 633.448 shall be applicable to the denial and contest of claims against conservatorships, but shall not be applicable to actions continued or commenced under section 633.665.

[C66, 71, 73, 75, 77, 79, 81, §633.666]

**633.667 Payment of claims in insolvent conservatorships.**

When it appears that the assets in a conservatorship are insufficient to pay in full all the claims against such conservatorship, the conservator shall report such matter to the court, and the court shall, upon hearing, with notice to all persons who have filed claims in the conservatorship, make an order for the pro rata payment of claims giving claimants the same priority, if any, as they would have if the ward were not under conservatorship.

[R60, §1455; C73, §2278; C97, §3227; C24, 27, 31, 35, 39, §**12630;** C46, 50, 54, 58, 62, §670.18; C66, 71, 73, 75, 77, 79, 81, §633.667]

## PART 6

## GIFTS

**633.668 Conservator may make gifts.**

For good cause shown and under order of court, a conservator may make gifts on behalf of the ward out of the assets under a conservatorship to persons or religious, educational, scientific, charitable, or other nonprofit organizations to whom or to which such gifts were regularly made prior to the commencement of the conservatorship, or on a showing to the court that such gifts would benefit the ward or the ward's estate from the standpoint of income, gift, estate or inheritance taxes. The making of gifts out of the assets must not foreseeably impair the ability to provide adequately for the best interests of the ward.

[C66, 71, 73, 75, 77, 79, 81, §633.668]

85 Acts, ch 29, §8

## PART 7

## GUARDIAN'S REPORTS

**633.669 Reporting requirements — assistance by clerk.**

1. A guardian appointed under this chapter shall file with the court the following written verified reports:

*a.* An initial report within sixty days of the guardian's appointment.

*b.* An annual report, within ninety days of the close of the reporting period, unless the court otherwise orders on good cause shown.

*c.* A final report within thirty days of the termination of the guardianship under section 633.675 unless that time is extended by the court.

2. Reports required by this section must include:

*a.* The current mental and physical condition of the ward.

*b.* The present living arrangement of the ward, including a description of each residence where the ward has resided during the reporting period.

*c.* A summary of the medical, educational, vocational and other professional services provided for the ward.

*d.* A description of the guardian's visits with and activities on behalf of the ward.

*e.* A recommendation as to the need for continued guardianship.

*f.* Other information requested by the court or useful in the opinion of the guardian.

3. The court shall develop a simplified uniform reporting form for use in filing the required reports.

4. The clerk of the court shall notify the guardian in writing of the reporting requirements and shall provide information and assistance to the guardian in filing the reports.

5. Reports of guardians shall be reviewed and approved by a district court judge or referee.

6. Reports required by this section shall, if requested, be served on the attorney appointed to represent the ward in the guardianship proceeding and all other parties appearing in the proceeding.

[C66, 71, 73, 75, 77, 79, 81, §633.669]

84 Acts, ch 1299, §17; 85 Acts, ch 29, §9; 2007 Acts, ch 134, §16, 28

Referred to in §232.104

## PART 8

## CONSERVATOR'S INVENTORY AND REPORTS

**633.670 Inventory — reporting requirements.**

1. A conservator appointed under this chapter shall file with the court:

*a.* An inventory within sixty days of the conservator's appointment. This inventory shall include all property of the ward that has come into the conservator's possession or of which the conservator has knowledge. When additional property comes into the possession of the conservator or to the knowledge of the conservator, a supplemental inventory shall be filed within thirty days.

*b.* Written verified reports and accountings as follows:

(1) Annually, within ninety days of the close of the reporting period, unless the court otherwise orders on good cause shown.

(2) Within thirty days following the date of removal.

(3) Upon filing resignation and before the resignation is accepted by the court.

(4) Within sixty days following the date of termination.

(5) At other times as the court may order.

2. The clerk of court shall notify the conservator in writing of the reporting requirements.

3. Reports of conservators shall be reviewed and approved by a district court judge or referee.

[R60, §2568, 2569; C73, §2254, 2255; C97, §3203, 3204, 3222; C24, 27, §12597, 12598, 12627; C31, 35, §12597, 12598, 12627, 12644-c11; C39, §**12597, 12598, 12627, 12644.11;** C46, 50, 54, 58, 62, §668.24, 668.25, 670.15, 672.11; C66, 71, 73, 75, 77, 79, 81, §633.670]

84 Acts, ch 1299, §18; 85 Acts, ch 29, §10; 2007 Acts, ch 134, §17, 28

Referred to in §633.671

**633.671 Requirements of report and accounting.**

The report and accounting required by section 633.670 shall account for all of the period since the close of the accounting contained in the next previous report, and shall include the following information as far as applicable:

1. The balance of funds on hand at the close of the last previous accounting, and all amounts received from whatever source during the period covered by the accounting.

2. All disbursements made during the period covered by the accounting.

3. Any changes in investments since the last previous report, including a list of all assets, and recommendations of the conservator for the retention or disposition of any property held by the conservator.

4. The amount of the bond and the name of the surety on it.

5. The residence or physical location of the ward.

6. The general physical and mental condition of the ward.

7. Such other information as shall be necessary to show the condition of the affairs of the conservatorship.

[R60, §2568, 2569; C73, §2254, 2255; C97, §3203, 3204; C24, 27, §12597, 12598; C31, 35, §12597, 12598, 12644-c11; C39, §**12597, 12598, 12644.11;** C46, 50, 54, 58, 62, §668.24, 668.25, 672.11; C66, 71, 73, 75, 77, 79, 81, §633.671]

## PART 9

## COSTS AND ACCOUNTS

**633.672 Payment of court costs in conservatorships.**

No order shall be entered approving an annual report of a conservator until the court costs which have been docketed have been paid or provided for. The court may, upon application, enter an order waiving payment of the court costs in indigent cases. However, if the conservatorship subsequently becomes financially capable of paying any waived costs, the conservator shall immediately pay the costs.

[C66, 71, 73, 75, 77, 79, 81, §633.672]

89 Acts, ch 178, §18

Referred to in §633.551

**633.673 Court costs in guardianships.**

The ward or the ward's estate shall be charged with the court costs of a ward's guardianship, including the guardian's fees and the fees of the attorney for the guardian. The court may, upon application, enter an order waiving payment of the court costs in indigent cases. However, if the ward or ward's estate becomes financially capable of paying any waived costs, the costs shall be paid immediately.

[C97, §3222; S13, §3228-f; C24, 27, 31, 35, 39, §**12626, 12642;** C46, 50, 54, 58, 62, §670.14, 671.11; C66, 71, 73, 75, 77, 79, 81, §633.673]

89 Acts, ch 178, §19

Referred to in §633.551

**633.674 Settlement of accounts.**

The court shall settle each account filed by a conservator by allowing or disallowing it, either in whole or in part, or by surcharging the account against the conservator.

[C66, 71, 73, 75, 77, 79, 81, §633.674]

## PART 10

## TERMINATION OF GUARDIANSHIPS AND CONSERVATORSHIPS

**633.675 Cause for termination.**

1. A guardianship shall cease, and a conservatorship shall terminate, upon the occurrence of any of the following circumstances:

*a.* If the ward is a minor, when the ward reaches full age.

*b.* The death of the ward.

*c.* A determination by the court that the ward is no longer a person whose decision-making capacity is so impaired as to bring the ward within the categories of section 633.552, subsection 2, paragraph "*a*", or section 633.566, subsection 2, paragraph "*a*". In a proceeding to terminate a guardianship or a conservatorship, the ward shall make a prima facie showing that the ward has some decision-making capacity. Once the ward has made that showing, the guardian or conservator has the burden to prove by clear and convincing evidence that the ward's decision-making capacity is so impaired, as provided in section 633.552, subsection

2, paragraph *"a"*, or section 633.566, subsection 2, paragraph *"a"*, that the guardianship or conservatorship should not be terminated.

*d.* Upon determination by the court that the conservatorship or guardianship is no longer necessary for any other reason.

2. Notwithstanding subsection 1, paragraphs *"a"* through *"d"*, if the court appointed a guardian for a minor child for whom the court's jurisdiction over the child's guardianship was established pursuant to transfer of the child's case in accordance with section 232.104, the court shall not enter an order terminating the guardianship before the child becomes age eighteen unless the court finds by clear and convincing evidence that the best interests of the child warrant a return of custody to the child's parent.

[S13, §3228-e; C24, 27, 31, 35, 39, §**12641;** C46, 50, 54, 58, 62, §671.10, 672.21; C66, 71, 73, 75, 77, 79, 81, §633.675]

97 Acts, ch 178, §16; 2010 Acts, ch 1143, §3; 2011 Acts, ch 25, §74

Referred to in §633.635, 633.637, 633.669

**633.676 Assets exhausted.**

At any time that the assets of the ward's estate do not exceed the amount of the charges and claims against it, the court may direct the conservator to proceed to terminate the conservatorship.

[C46, 50, 54, 58, 62, §668.33; C66, 71, 73, 75, 77, 79, 81, §633.676]

**633.677 Accounting to ward — notice.**

Upon the termination of a conservatorship, the conservator shall pay the costs of administration and shall render a full and complete accounting to the ward or the ward's personal representative and to the court. Notice of the final report of a conservator shall be served on the ward or the ward's personal representative, in accordance with section 633.40, unless notice is waived. An order prescribing notice may be made before or after the filing of the final report.

[C46, 50, 54, 58, 62, §672.21; C66, 71, 73, 75, 77, 79, 81, §633.677; 81 Acts, ch 193, §6]

**633.678 Delivery of assets.**

Upon the termination of a conservatorship, all assets of the conservatorship shall be delivered, under direction of the court, to the person or persons entitled to them.

[C46, 50, 54, 58, 62, §668.33; C66, 71, 73, 75, 77, 79, 81, §633.678]

**633.679 Petition to terminate — cases transferred from juvenile court — request for voting rights reinstatement.**

1. Except as otherwise provided in subsection 2, at any time after the appointment of a guardian or conservator, the person under guardianship or conservatorship may apply to the court by petition, alleging that the person is no longer a proper subject thereof, and asking that the guardianship or conservatorship be terminated.

2. Unless the child or guardian dies or other exceptional circumstances arise, if the court has appointed a guardian for a minor child for whom the court's jurisdiction over the child's guardianship was established pursuant to transfer of the child's case in accordance with section 232.104, a petition shall not be filed asking that the guardianship be terminated or modified until at least six months has elapsed from the date the order was entered appointing the guardian.

3. A person under an order appointing a guardian which order found the person incompetent to vote may include a request for reinstatement of the person's voting rights in a petition to terminate the guardianship or by filing a separate petition for modification of this determination.

[C97, §3222; C24, 27, 31, 35, 39, §**12623;** C46, 50, 54, 58, 62, §670.11; C66, 71, 73, 75, 77, 79, 81, §633.679]

89 Acts, ch 178, §20; 98 Acts, ch 1185, §11; 2010 Acts, ch 1143, §4

**633.680 Limit on application to terminate.**

If any petition for terminating such guardianship or conservatorship shall be denied, no other petition shall be filed therefor until at least six months shall have elapsed since the denial of the former one.

[C97, §3222; C24, 27, 31, 35, 39, §**12627;** C46, 50, 54, 58, 62, §670.15; C66, 71, 73, 75, 77, 79, 81, §633.680]

**633.681 Assets of minor ward exhausted.**

When the assets of a minor ward's conservatorship are exhausted or consist of personal property only of an aggregate value not in excess of twenty-five thousand dollars, the court, upon application or upon its own motion, may terminate the conservatorship. The order for termination shall direct the conservator to deliver any property remaining after the payment of allowed claims and expenses of administration to a custodian under any uniform transfers to minors Act. Such delivery shall have the same force and effect as if delivery had been made to the ward after attaining majority.

[C46, 50, 54, 58, 62, §668.33; C66, 71, 73, 75, 77, 79, 81, §633.681; 82 Acts, ch 1052, §3]
98 Acts, ch 1118, §2; 2005 Acts, ch 38, §30

**633.682 Discharge of conservator and release of bond.**

Upon settlement of the final accounting of a conservator, and upon determining that the property of the ward has been delivered to the person or persons lawfully entitled thereto, the court shall discharge the conservator and exonerate the surety on the conservator's bond.

[S13, §3228-h; C24, 27, 31, 35, 39, §**12644;** C46, 50, 54, 58, 62, §671.13, 672.21; C66, 71, 73, 75, 77, 79, 81, §633.682]

**633.683 through 633.698** Reserved.

## DIVISION XV

## UNIFORM ADULT GUARDIANSHIP AND PROTECTIVE PROCEEDINGS JURISDICTION ACT

### PART 1

### GENERAL PROVISIONS

**633.699 Powers of trustees.** Transferred to § 633.750; 2010 Acts, ch 1086, § 25.

**633.699A Modification or termination of uneconomical testamentary trust.** Repealed by 2005 Acts, ch 38, § 50. See § 633.751, 633A.2205, 633A.5103.

**633.699B Applicability of law.** Transferred to § 633.751; 2010 Acts, ch 1086, § 25.

**633.700 Short title.**

This division shall be known and may be cited as the *"Iowa Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act"*.

2010 Acts, ch 1086, §1, 24, 25
Former §633.700 transferred to §633.752 pursuant to directive in 2010 Acts, ch 1086, §25
Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

**633.701 Definitions.**

As used in this division, unless the context otherwise requires:

1. *"Adult"* means an individual who is eighteen years of age or older.
2. *"Conservator"* means a person appointed by the court to have the custody and control of the property of an adult under the provisions of this chapter.

3. *"Court"* means, when referring to a court of this state, the district court sitting in probate with jurisdiction of conservatorships and guardianships.

4. *"Foreign judgment"* means a judgment, decree, or order of a court of the United States or of any other court that meets any of the following requirements:

*a.* Is entitled to full faith and credit in this state.

*b.* Appoints a guardian or conservator in the issuing jurisdiction.

5. *"Guardian"* means a person appointed by the court to make decisions regarding the adult under the provisions of this chapter.

6. *"Guardianship order"* means an order appointing a guardian as defined in section 633.3.

7. *"Guardianship proceeding"* means a judicial proceeding in which an order for the appointment of a guardian is sought or has been issued.

8. *"Incapacitated person"* means an adult who has been adjudged by a court to meet one of the following conditions:

*a.* Has a decision-making capacity which is so impaired that the person is unable to care for the person's personal safety or to attend to or provide for necessities for the person such as food, shelter, clothing, or medical care, without which physical injury or illness may occur.

*b.* Has a decision-making capacity which is so impaired that the person is unable to make, communicate, or carry out important decisions concerning the person's financial affairs.

9. *"Party"* means the respondent, petitioner, guardian, conservator, or any other person allowed by the court to participate in a guardianship or protective proceeding.

10. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, or government; governmental subdivision, agency, or instrumentality; or any other legal or commercial entity.

11. *"Protected person"* means an adult for whom a conservatorship has been issued.

12. *"Protective order"* means an order appointing a conservator as defined in section 633.3. *"Protective order"* does not include protective orders issued pursuant to chapter 664A or protective orders issued pursuant to sections 235B.18 and 235B.19.

13. *"Protective proceeding"* means a judicial proceeding in which a conservatorship is sought or has been granted.

14. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

15. *"Respondent"* means an adult for whom a conservatorship or guardianship is sought.

16. *"State"* means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, a federally recognized Indian tribe, or any territory or insular possession subject to the jurisdiction of the United States.

2010 Acts, ch 1086, §2, 24, 25

Former §633.701 transferred to 633.753 pursuant to directive in 2010 Acts, ch 1086, §25

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

**633.702 International application.**

A court of this state shall treat a foreign country as if it were a state of the United States for the purpose of applying this part and parts 2, 3, and 5.

2010 Acts, ch 1086, §3, 24, 25

Former §633.702 transferred to 633.754 pursuant to directive in 2010 Acts, ch 1086, §25

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

**633.703 Communication between courts.**

1. A court of this state may communicate with a court in another state concerning a proceeding arising under this division. The court may allow the parties to participate in the communication. Except as otherwise provided in subsection 2, the court shall make a record of the communication. The record may be limited to the fact that the communication occurred.

2. Communication between courts concerning schedules, calendars, court records, and other administrative matters may occur without making a record.

2010 Acts, ch 1086, §4, 24, 25

Former §633.703 transferred to §633.755 pursuant to directive in 2010 Acts, ch 1086, §25

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

**633.704 Cooperation between courts.**

1. In a guardianship or protective proceeding in this state, a court of this state may request the appropriate court of another state to do any of the following:

*a.* Hold an evidentiary hearing.

*b.* Order a person in the other state to produce evidence or give testimony pursuant to procedures of that state.

*c.* Order that an evaluation or assessment be made of the respondent.

*d.* Order any appropriate investigation of a person involved in a proceeding.

*e.* Forward to the court of this state a certified copy of the transcript or other record of the hearing pursuant to paragraph "*a*" or any other proceeding, the evidence otherwise produced pursuant to paragraph "*b*", and any evaluation or assessment prepared in compliance with an order pursuant to paragraph "*c*" or "*d*".

*f.* Issue any order necessary to assure the appearance in the proceeding of a person whose presence is necessary for the court to make a determination, including the respondent.

*g.* Issue an order authorizing the release of medical, financial, criminal, or other relevant information in that state, including protected health information as defined in 45 C.F.R. § 164.504, as amended.

2. If a court of another state in which a guardianship or protective proceeding is pending requests the assistance described in subsection 1, a court of this state has jurisdiction for the limited purpose of granting the request or making reasonable efforts to comply with the request.

2010 Acts, ch 1086, §5, 24, 25; 2013 Acts, ch 90, §178

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

Subsection 2 amended

## PART 2

## JURISDICTION

Referred to in §633.702

**633.705 Taking testimony in another state.**

1. In addition to other procedures that may be available in a guardianship or protective proceeding, the testimony of a witness who is located in another state may be offered by deposition or other means allowable in this state for testimony taken in another state. The court on its own motion may order that the testimony of a witness be taken in another state and may prescribe the manner in which and the terms upon which the testimony is to be taken.

2. In a guardianship or protective proceeding, a court in this state may permit a witness located in another state to be deposed or to testify by telephone, audiovisual means, or other electronic means. A court of this state shall cooperate with courts of other states in designating an appropriate location for the deposition or testimony.

3. Documentary evidence transmitted from another state to a court of this state by technological means that do not produce an original writing shall not be excluded from evidence on an objection based on the best evidence rule.

2010 Acts, ch 1086, §6, 24, 25

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

**633.706 Definitions.**

As used in this part, unless the context otherwise requires:

1. "*Emergency*" means a circumstance that likely will result in substantial harm to a

respondent's health, safety, or welfare, and for which the appointment of a guardian is necessary because no other person has authority and is willing to act on the respondent's behalf.

2. *"Home state"* means either of the following:

*a.* The state in which the respondent was physically present, including any period of temporary absence, for at least six consecutive months immediately before the filing of a petition for a protective order or the appointment of a guardian.

*b.* The state in which the respondent was physically present, including any period of temporary absence, for at least six consecutive months ending within the six months prior to the filing of a petition for a protective order or the appointment of a guardian.

3. *"Significant-connection state"* means a state, other than the home state, with which a respondent has a significant connection other than mere physical presence and in which substantial evidence concerning the respondent is available.

2010 Acts, ch 1086, §7, 24, 25

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

**633.707 Significant connection factors.**

In determining whether a respondent has a significant connection with a particular state, the court shall consider all of the following:

1. The location of the respondent's family and other persons required to be notified of the guardianship or protective proceeding.

2. The length of time the respondent at any time was physically present in the state and the duration of any absence.

3. The location of the respondent's property.

4. The extent to which the respondent has ties to the state such as voter registration, state or local tax return filing, vehicle registration, driver's license, social relationships, and receipt of services.

2010 Acts, ch 1086, §8, 24, 25; 2011 Acts, ch 25, §75

Referred to in §633.716

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

**633.708 Exclusive basis.**

This part provides the exclusive jurisdictional basis for a court of this state to appoint a guardian or issue a protective order for an adult.

2010 Acts, ch 1086, §9, 24, 25

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

**633.709 Jurisdiction.**

A court of this state has jurisdiction to appoint a guardian or issue a protective order for a respondent if any of the following apply:

1. This state is the respondent's home state.

2. This state is a significant-connection state and, on the date the petition is filed, any of the following apply:

*a.* The respondent does not have a home state or a court of the respondent's home state has declined to exercise jurisdiction because this state is a more appropriate forum.

*b.* The respondent has a home state, a petition for an appointment or order is not pending in a court of that state or another significant-connection state, and, before the court makes the appointment or issues the order, all of the following apply:

(1) A petition for an appointment or order is not filed in the respondent's home state.

(2) An objection to the court's jurisdiction is not filed by a person required to be notified of the proceeding.

(3) The court in this state concludes that it is an appropriate forum under the factors set forth in section 633.712.

3. Either of the following apply:

*a.* This state does not have jurisdiction under either subsection 1 or 2, the respondent's home state and all significant-connection states have declined to exercise jurisdiction because

this state is the more appropriate forum, and jurisdiction in this state is consistent with the Constitution of the State of Iowa and the Constitution of the United States.

*b.* The requirements for special jurisdiction under section 633.710 are met.

2010 Acts, ch 1086, §10, 24, 25

Referred to in §633.710, 633.712, 633.713, 633.715

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

**633.710 Special jurisdiction.**

1. A court of this state lacking jurisdiction under section 633.709 has special jurisdiction to do any of the following:

*a.* Appoint a guardian in an emergency for a period not to exceed ninety days for a respondent who is physically present in this state.

*b.* Issue a protective order with respect to real or tangible personal property located in this state.

*c.* Appoint a guardian or conservator for an incapacitated or protected person for whom a provisional order to transfer the proceeding from another state has been issued under procedures similar to section 633.716.

2. If a petition for the appointment of a guardian in an emergency is brought in this state and this state was not the respondent's home state on the date the petition was filed, the court shall dismiss the proceeding at the request of the court of the home state, if any, whether dismissal is requested before or after the emergency appointment.

2010 Acts, ch 1086, §11, 24, 25

Referred to in §633.709, 633.711, 633.715

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

**633.711 Exclusive and continuing jurisdiction.**

Except as otherwise provided in section 633.710, a court that has appointed a guardian or issued a protective order consistent with this chapter has exclusive and continuing jurisdiction over the proceeding until terminated by the court or the appointment or order expires by its own terms.

2010 Acts, ch 1086, §12, 24, 25

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

**633.712 Appropriate forum.**

1. A court of this state with jurisdiction under section 633.709 to appoint a guardian or issue a protective order may decline to exercise its jurisdiction if it determines at any time that a court of another state is a more appropriate forum.

2. If a court of this state declines to exercise its jurisdiction under subsection 1, the court shall either dismiss or stay the proceeding. The court may impose any condition the court considers just and proper, including the condition that a petition for the appointment of a guardian or issuance of a protective order be filed promptly in another state.

3. In determining whether it is an appropriate forum, the court shall consider all of the following:

*a.* Any expressed preference of the respondent.

*b.* Whether abuse, neglect, or exploitation of the respondent has occurred or is likely to occur and which state could best protect the respondent from the abuse, neglect, or exploitation.

*c.* The length of time the respondent was physically present in or was a legal resident of this state or another state.

*d.* The distance of the respondent from the court in each state.

*e.* The financial circumstances of the respondent's estate.

*f.* The nature and location of the evidence.

*g.* The ability of the court in each state to decide the issue expeditiously and the procedures necessary to present evidence.

*h.* The familiarity of the court of each state with the facts and issues in the proceeding.

*i.* If an appointment were to be made, the court's ability to monitor the conduct of the guardian or conservator.

2010 Acts, ch 1086, §13, 24, 25

Referred to in §633.709, 633.713

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

**633.713 Jurisdiction declined by reason of conduct.**

If at any time a court of this state determines that the court acquired jurisdiction to appoint a guardian or issue a protective order because of unjustifiable conduct, the court may do any of the following:

1. Decline to exercise jurisdiction.

2. Exercise jurisdiction for the limited purpose of fashioning an appropriate remedy to ensure the health, safety, and welfare of the respondent or the protection of the respondent's property or prevent a repetition of the unjustifiable conduct, including staying the proceeding until a petition for the appointment of a guardian or issuance of a protective order is filed in a court of another state having jurisdiction.

3. Continue to exercise jurisdiction after considering all of the following:

*a.* The extent to which the respondent and all persons required to be notified of the proceedings have acquiesced in the exercise of the court's jurisdiction.

*b.* Whether it is a more appropriate forum than the court of any other state under the factors set forth in section 633.712.

*c.* Whether the court of any other state would have jurisdiction under factual circumstances in substantial conformity with the jurisdictional standards of section 633.709.

4. If a court of this state determines that the court acquired jurisdiction to appoint a guardian or issue a protective order because a party seeking to invoke its jurisdiction engaged in unjustifiable conduct, the court may assess necessary and reasonable expenses against that party, including attorney fees, investigative fees, court costs, communication expenses, witness fees and expenses, and travel expenses. The court shall not assess fees, costs, or expenses of any kind against this state or a governmental subdivision, agency, or instrumentality of this state unless authorized by law other than this division.

2010 Acts, ch 1086, §14, 24, 25

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

**633.714 Notice of proceeding.**

If a petition for the appointment of a guardian or issuance of a protective order is brought in this state and this state was not the respondent's home state on the date the petition was filed, in addition to complying with the notice requirements of this state, notice of the petition must be given to those persons who would be entitled to notice of the petition if a proceeding were brought in the respondent's home state. The notice must be given in the same manner as notice is required to be given in this state.

2010 Acts, ch 1086, §15, 24, 25

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

## PART 3

## TRANSFER OF GUARDIANSHIP OR CONSERVATORSHIP

Referred to in §633.702

**633.715 Proceedings in more than one state.**

Except for a petition for the appointment of a guardian in an emergency or issuance of a protective order limited to property located in this state under section 633.710, if a petition for the appointment of a guardian or issuance of a protective order is filed in this state and in another state and neither petition has been dismissed or withdrawn, the following rules apply:

1. If the court in this state has jurisdiction under section 633.709, it may proceed with the case unless a court in another state acquires jurisdiction under provisions similar to section 633.709 before the appointment or issuance of the order.

2. If the court in this state does not have jurisdiction under section 633.709, whether at the time the petition is filed or at any time before the appointment or issuance of the order, the court shall stay the proceeding and communicate with the court in the other state. If the court in the other state has jurisdiction, the court in this state shall dismiss the petition unless the court in the other state determines that the court in this state is a more appropriate forum.

2010 Acts, ch 1086, §16, 24, 25

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

**633.716 Transfer of guardianship or conservatorship to another state.**

1. A guardian or conservator appointed in this state may petition the court to transfer the guardianship or conservatorship to another state.

2. Notice of a petition under subsection 1 shall be given to the persons that would be entitled to notice of a petition in this state for the appointment of a guardian or conservator.

3. On the court's own motion or on request of the guardian or conservator, the incapacitated or protected person, or other person required to be notified of the petition, the court shall hold a hearing on a petition filed pursuant to subsection 1.

4. The court shall issue an order provisionally granting a petition to transfer a guardianship and shall direct the guardian to petition for guardianship in the other state if the court is satisfied that the guardianship will be accepted by the court in the other state and the court finds all of the following:

*a.* The incapacitated person is physically present in or is reasonably expected to move permanently to the other state.

*b.* An objection to the transfer has not been made or, if an objection has been made, the objector has not established that the transfer would be contrary to the interests of the incapacitated person.

*c.* Plans for care and services for the incapacitated person in the other state are reasonable and sufficient.

5. The court shall issue a provisional order granting a petition to transfer a conservatorship and shall direct the conservator to petition for conservatorship in the other state if the court is satisfied that the conservatorship will be accepted by the court of the other state and the court finds all of the following:

*a.* The protected person is physically present in or is reasonably expected to move permanently to the other state, or the protected person has a significant connection to the other state considering the factors in section 633.707.

*b.* An objection to the transfer has not been made or, if an objection has been made, the objector has not established that the transfer would be contrary to the interests of the protected person.

*c.* Adequate arrangements will be made for management of the protected person's property.

6. The court shall issue a final order confirming the transfer and terminating the guardianship or conservatorship upon its receipt of all of the following:

*a.* A provisional order accepting the proceeding from the court to which the proceeding is to be transferred which is issued under provisions similar to section 633.717.

*b.* The documents required to terminate a guardianship or conservatorship in this state.

2010 Acts, ch 1086, §17, 24, 25

Referred to in §633.710, 633.717

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

## PART 4

## REGISTRATION AND RECOGNITION OF ORDERS FROM OTHER STATES

**633.717 Accepting guardianship or conservatorship transferred from another state.**

1. To confirm transfer of a guardianship or conservatorship transferred to this state under provisions similar to section 633.716, the guardian or conservator must petition the court in

this state to accept the guardianship or conservatorship. The petition must include a certified copy of the other state's provisional order of transfer.

2. Notice of a petition under subsection 1 must be given to those persons that would be entitled to notice if the petition were to petition for the appointment of a guardian or issuance of a protective order in both the transferring state and this state. The notice must be given in the same manner as notice is required to be given in this state.

3. On the court's own motion or on request of the guardian or conservator, the incapacitated or protected person, or other person required to be notified of the proceeding, the court shall hold a hearing on a petition filed pursuant to subsection 1.

4. The court shall issue an order provisionally granting a petition filed under subsection 1 unless any of the following applies:

*a.* An objection is made and the objector establishes that transfer of the proceeding would be contrary to the interests of the incapacitated or protected person.

*b.* The guardian or conservator is ineligible for appointment in this state.

5. The court shall issue a final order accepting the proceeding and appointing the guardian or conservator as guardian or conservator in this state upon its receipt from the court from which the proceeding is being transferred of a final order issued under provisions similar to section 633.716 transferring the proceeding to this state.

6. Not later than ninety days after issuance of a final order accepting transfer of a guardianship or conservatorship, the court shall determine whether the guardianship or conservatorship needs to be modified to conform to the laws of this state.

7. Subject to subsections 4 and 6, in granting a petition under this section, the court shall recognize a guardianship or conservatorship order from the other state, including the determination of the incapacitated or protected person's incapacity and the appointment of the guardian or conservator.

8. The denial by a court of this state of a petition to accept a guardianship or conservatorship transferred from another state does not affect the ability of the guardian or conservator to seek appointment as guardian or conservator in this state under section 633.551, 633.552, or 633.566, if the court has jurisdiction to make an appointment other than by reason of the provisional order of transfer.

2010 Acts, ch 1086, §18, 24, 25; 2011 Acts, ch 34, §140

Referred to in §633.716

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

**633.718 Registration of guardianship orders.**

If a guardian has been appointed in another state and a petition for the appointment of a guardian is not pending in this state, the guardian appointed in the other state, after giving notice to the appointing court of an intent to register, may register the guardianship order in this state by filing as a foreign judgment in a court, in any appropriate county of this state, certified copies of the order and letters of office.

2010 Acts, ch 1086, §19, 24, 25

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

**633.719 Registration of protective orders.**

If a conservator has been appointed in another state and a petition for a protective order is not pending in this state, the conservator appointed in the other state, after giving notice to the appointing court of an intent to register, may register the protective order in this state by filing as a foreign judgment in a court of this state, in any county in which property belonging to the protected person is located, certified copies of the order and letters of office and of any bond.

2010 Acts, ch 1086, §20, 24, 25

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

## PART 5

## MISCELLANEOUS PROVISIONS

Referred to in §633.702

**633.720 Effect of registration.**

1. Upon registration of a guardianship or protective order from another state, the guardian or conservator may exercise in this state all powers authorized in the order of appointment except as prohibited under the laws of this state, including maintaining actions and proceedings in this state and, if the guardian or conservator is not a resident of this state, subject to any conditions imposed upon nonresident parties.

2. A court of this state may grant any relief available under this division and other law of this state to enforce a registered order.

2010 Acts, ch 1086, §21, 24, 25

Section applies to guardianship and protective proceedings in existence on or after July 1, 2010; 2010 Acts, ch 1086, §24

**633.721 Uniformity of application and construction.**

In applying and construing this uniform Act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

2010 Acts, ch 1086, §22, 24, 25

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

**633.722 Relation to Electronic Signatures in Global and National Commerce Act.**

This division modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but does not modify, limit, or supersede section 101(c) of that Act, 15 U.S.C. § 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that Act, 15 U.S.C. § 7003(b).

2010 Acts, ch 1086, §23 – 25

Section applies to proceedings begun before July 1, 2010, regardless of whether a guardianship or protective order has been issued; 2010 Acts, ch 1086, §24

**633.723 through 633.749** Reserved.

## DIVISION XVI

## TRUSTS

**633.750 Powers of trustees.**

Unless it is otherwise provided by the will creating a testamentary trust, the instrument creating an express trust, or by an order or decree duly entered by a court of competent jurisdiction, a trustee shall have all the powers granted a trustee under sections 633A.4401 and 633A.4402. Documents incorporating by reference powers granted a trustee under the probate code or under this section shall be interpreted accordingly, even if the execution or adoption of the instrument creating the trust occurred prior to July 1, 2005.

[C66, 71, 73, 75, 77, 79, 81, §633.699]

97 Acts, ch 158, §45; 2005 Acts, ch 38, §31, 55; 2010 Acts, ch 1086, §25

C2011, §633.750

**633.751 Applicability of law.**

The terms of this division, and all other terms of this probate code relating to trusts and trustees, shall apply only to trusts that remain under continuous court supervision pursuant to section 633.10 and to trusts that have not been released from such continuous supervision pursuant to section 633.10. Regarding all such trusts, the terms of this chapter shall supersede any inconsistent terms in the trust code, chapter 633A, and such trusts shall be governed by terms of the trust code, chapter 633A, that are not inconsistent with this probate code.

2005 Acts, ch 38, §32

CS2005, §633.699B
2006 Acts, ch 1010, §156; 2010 Acts, ch 1086, §25
C2011, §633.751

**633.752 Intermediate report of trustees.**

Unless specifically relieved from so doing by the instrument creating the trust or by order of the court, the trustee shall make a written report under oath to the court once each year within ninety days of the close of the reporting period, and more often if required by the court. Such report shall state:

1. The period covered by the report.
2. All changes in beneficiaries since the last previous report.
3. Any changes in investments since the last previous report, including a list of all assets, and recommendations of the trustee for the retention or disposition of any property held by the trustee.
4. A detailed accounting for all cash receipts and disbursements, and for all property of the trust, unless such accounting shall be waived in writing by all beneficiaries.

[C66, 71, 73, 75, 77, 79, 81, §633.700]
2005 Acts, ch 3, §105; 2007 Acts, ch 134, §18, 28; 2008 Acts, ch 1032, §87; 2010 Acts, ch 1086, §25
C2011, §633.752
Referred to in §633.753

**633.753 Final report of trustee.**

Upon the partial or total termination of a trust, or upon the transfer of the trusteeship due to resignation, removal, dissolution, or other disqualification of the trustee of any trust pending in court, the trustee shall make a final report to the court, showing for the period since the filing of the last report the facts required for an intermediate report; provided, however, that unless specifically required by the court to do so, the trustee shall not in any event, be required to report such facts for any period of time as to which the trustee has, under any of the provisions of section 633.752, been expressly relieved from reporting. In any event, the final report of the trustee shall include the following:

1. The name and last known address of each beneficiary.
2. A statement as to those beneficiaries who are known to be minors or under any other legal disability.
3. Distributions made or to be made to each beneficiary at the time of such termination.

[C66, 71, 73, 75, 77, 79, 81, §633.701]
2010 Acts, ch 1086, §25
C2011, §633.753
Referred to in §633.755

**633.754 Notice of application for discharge.**

No final report of a trustee of a trust pending in court shall be approved, and no such trustee shall be discharged from further duty or responsibility upon final settlement, until notice of the trustee's application for discharge shall have been served upon all persons interested, in accordance with section 633.40, unless notice is waived. An order prescribing notice may be made before or after the filing of the final report.

[C66, 71, 73, 75, 77, 79, 81, §633.702]
2010 Acts, ch 1086, §25
C2011, §633.754

**633.755 Discharge.**

Upon final settlement of a trust, an order shall be entered discharging the trustee from further duties and responsibilities. The order approving the final report shall constitute a waiver of the omission from the final report of any of the recitals required in section 633.753.

[C66, 71, 73, 75, 77, 79, 81, §633.703]
2010 Acts, ch 1086, §25
C2011, §633.755

## DIVISION XVII

## POWERS OF ATTORNEY

Transferred to chapter 633B; 2005 Acts, ch 38, § 53

## DIVISION XVIII

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Transferred to chapter 633C; 2005 Acts, ch 38, § 53

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Transferred to chapter 633D; 2005 Acts, ch 38, § 53

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## UNIFORM DISCLAIMER OF PROPERTY INTEREST ACT

Transferred to chapter 633E; 2005 Acts, ch 38, § 53

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**633.1101 through 633.6308** Transferred to chapter 633A; 2005 Acts, ch 38, § 54.

**633.7101** Repealed by 2005 Acts, ch 38, § 50. See § 633A.1107.

# CHAPTER 633A

## IOWA TRUST CODE

Referred to in §9H.1, 10.1, 455B.172, 523I.806, 558A.1, 602.6306, 633.10, 633.751, 633C.4, 815.11

Transferred from ch 633, division XXI, in Code Supplement 2005
pursuant to Code editor directive; 2005 Acts, ch 38, §54
For applicability of chapter 633 and this chapter to trusts
subject to continuous court supervision,
see §633.10, 633.751, and 633A.1107

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## SUBCHAPTER I

## DEFINITIONS AND GENERAL PROVISIONS

**633A.1101 Short title.**

This chapter may be cited as the *"Iowa Trust Code"* or *"Trust Code"*.

99 Acts, ch 125, §1, 109
C2001, §633.1101
2005 Acts, ch 38, §52, 54
CS2005, §633A.1101

**633A.1102 Definitions.**

For purposes of this chapter:

1. *"Adjusted gross estate"*, as it relates to a trust, means the same as defined in section 633.266.

2. *"Beneficiary"*, as it relates to a trust beneficiary, includes a person who has any present or future interest in the trust, vested or contingent, and also includes the owner of an interest by assignment or other transfer.

3. *"Charitable trust"* means a trust created for a charitable purpose as specified in section 633A.5101.

4. *"Competency"* means any one of the following:

*a.* In the case of a revocable transfer, *"competency"* means the degree of understanding required to execute a will.

*b.* In the case of an irrevocable transfer, *"competency"* means the ability to understand the effect the gift may have on the future financial security of the donor and anyone who may be dependent on the donor.

5. *"Conservator"* means a person appointed by a court to manage the estate of a minor or adult individual.

6. *"Court"* means any Iowa district court.

7. *"Fiduciary"* includes a personal representative, executor, administrator, guardian, conservator, and trustee.

8. *"Guardian"* means a person appointed by a court to make decisions with respect to the support, care, education, health, and welfare of a minor or adult individual, but excludes one who is merely a guardian ad litem. A minor's custodial parent shall be deemed to be the child's guardian in the absence of a court-appointed guardian.

9. *"Instrument"* means a signed writing.

10. *"Interested person"* includes a trustee, an acting successor trustee, a beneficiary who may receive income or principal currently from the trust, or would receive principal of the trust if the trust were terminated at the time relevant to the determination, and a fiduciary representing an interested person. The meaning as it relates to particular persons may vary from time to time according to the particular purpose of, and matters involved in, any proceeding.

11. *"Person"* means an individual or any legal or commercial entity.

12. *"Petition"* includes a complaint or statement of claim.

13. *"Property"* means anything that may be the subject of ownership, whether real or personal, legal or equitable, tangible or intangible, and includes any interest in such item, including a chose in action, claim, or beneficiary designation under a policy of insurance, employees' trust, or other arrangement, whether revocable or irrevocable.

14. *"Qualified beneficiary"* means a beneficiary who, on the date the beneficiary's qualification is determined, is any of the following:

*a.* Eligible to receive distributions of income or principal from the trust.

*b.* Would receive property from the trust upon immediate termination of the trust.

15. *"Settlor"* means a person, including a testator, who creates a trust.

16. *"State"* means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States.

17. *"Term"* or *"terms"*, when used in relation to a trust, means the manifestation of the settlor's intent regarding a trust's provisions at the time of the trust's creation or amendment. *"Term"* includes those concepts expressed directly in writing, as well as those inferred from constructional preferences or rules, or by other proof admissible under the rules of evidence.

18. *"Trust"* means an express trust, charitable or noncharitable, with additions thereto, wherever and however created, including a trust created or determined by a judgment or decree under which the trust is to be administered in the manner of an express trust. *"Trust"* does not include any of the following:

*a.* A Totten trust account.

*b.* A custodial arrangement pursuant to the uniform transfers to minors Act of any state.

*c.* A business trust that is taxed as a partnership or corporation.

*d.* An investment trust subject to regulation under the laws of this state or any other jurisdiction.

*e.* A common trust fund.

*f.* A voting trust.

*g.* A security arrangement.

*h.* A transfer in trust for purpose of suit or enforcement of a claim or right.

*i.* A liquidation trust.

*j.* A trust for the primary purpose of paying debts, dividends, interest, salaries, wages, profits, pensions, or employee benefits of any kind.

*k.* An arrangement under which a person is a nominee or escrow agent for another.

*l.* Constructive or resulting trusts.

*m.* Burial, funeral, and perpetual care trusts.

19. *"Trust company"* means a person who has qualified to engage in and conduct a trust business in this state.

20. *"Trustee"* includes an original, additional, or successor trustee, whether or not appointed or confirmed by a court.

99 Acts, ch 125, §2, 109; 2000 Acts, ch 1150, §7

C2001, §633.1102

2002 Acts, ch 1107, §1; 2003 Acts, ch 95, §6; 2004 Acts, ch 1015, §25; 2005 Acts, ch 38, §35, 52, 54, 55

CS2005, §633A.1102

Referred to in §633A.1107

**633A.1103 Per stirpes rule of descent.**

Unless the trust instrument provides otherwise, all gifts to multigeneration classes shall be per stirpes.

99 Acts, ch 125, §3, 109

C2001, §633.1103

2005 Acts, ch 38, §54

CS2005, §633A.1103

**633A.1104 Common law of trusts.**

Except to the extent that this chapter modifies the common law governing trusts, the common law of trusts shall supplement this trust code.

99 Acts, ch 125, §4, 109

C2001, §633.1104

2005 Acts, ch 38, §52, 54

CS2005, §633A.1104

**633A.1105 Trust terms control.**

The terms of a trust shall always control and take precedence over any section of this trust code to the contrary. If a term of the trust modifies or makes any section of this trust code inapplicable to the trust, the common law shall apply to any issues raised by such term.

99 Acts, ch 125, §5, 109

C2001, §633.1105

2003 Acts, ch 95, §7; 2004 Acts, ch 1015, §26; 2005 Acts, ch 38, §54

CS2005, §633A.1105

**633A.1106 General rule concerning application of the Iowa trust code.**

1. This trust code applies to all trusts within the scope of this trust code, regardless of whether the trust was created before, on, or after July 1, 2000, except as otherwise stated in this trust code.

2. This trust code applies to all proceedings concerning trusts within the scope of this trust code commenced on or after July 1, 2000.

3. This trust code applies to all trust proceedings commenced before July 1, 2000, unless the court finds that application of a particular provision of this trust code would substantially

interfere with the effective conduct of the proceedings or the rights of the parties or other interested persons. In that case, the particular provision of this trust code at issue shall not apply, and the court shall apply prior law.

99 Acts, ch 125, §6, 109
C2001, §633.1106
2005 Acts, ch 38, §54
CS2005, §633A.1106

**633A.1107 Scope of trust code.**

1. Except as otherwise provided in subsection 2, this trust code shall apply to trusts, as defined in section 633A.1102, that are intentionally created, or deemed to be intentionally created, by individuals and other entities.

2. With regard to trusts described in section 633.10 that have not been judicially released from continuous court supervision, this trust code shall apply only to the extent not inconsistent with the relevant provisions of chapter 633. With regard to all other trusts defined in section 633A.1102, the terms of chapter 633 shall be inapplicable, and the terms of this trust code shall prevail over any inconsistent provisions of Iowa law.

99 Acts, ch 125, §7, 109
C2001, §633.1107
2005 Acts, ch 38, §36, 54, 55
CS2005, §633A.1107
See also §633.10 and 633.751

**633A.1108 Governing law.**

1. A trust not created by will is validly created if its creation complies with the law of the jurisdiction in which the trust instrument was executed, or the law of the jurisdiction in which at the time the trust was created the settlor was domiciled, had a place of abode, or was a national.

2. The meaning and effect of the terms of the trust not created by will shall be determined by any of the following:

*a.* Except as provided in paragraph "*c*", the law of the jurisdiction designated in the terms of the trust, on the condition that at the time the trust was created the designated jurisdiction had a substantial relationship to the trust. A jurisdiction has a substantial relationship to the trust if it is the residence or domicile of the settlor or of any qualified beneficiary, the location of a substantial portion of the assets of the trust, or a place where the trustee was domiciled or had a place of business.

*b.* Except as provided in paragraph "*c*", in the absence of a controlling designation in the terms of the trust, the law of the jurisdiction that has the most significant relationship to the matter at issue.

*c.* As to real property, the law of the jurisdiction where the real property is located.

2003 Acts, ch 95, §8
CS2003, §633.1108
2005 Acts, ch 38, §54
CS2005, §633A.1108

## SUBCHAPTER II

## CREATION, VALIDITY, MODIFICATION, AND TERMINATION OF TRUSTS

## PART 1

## CREATION AND VALIDITY OF TRUSTS

**633A.2101 Methods of creating trusts.**

A trust may be created by any of the following methods:

1. Transfer of property to another person as trustee during the settlor's lifetime, or by will taking effect upon the settlor's death.
2. Declaration by the owner of property that the owner holds property as trustee.
3. Exercise of a power of appointment in favor of another person as trustee.
4. A promise enforceable by the trustee to transfer property to the trustee.

99 Acts, ch 125, §8, 109
C2001, §633.2101
2005 Acts, ch 38, §54
CS2005, §633A.2101

**633A.2102 Requirements for validity.**

1. A trust is created only if all of the following elements are satisfied:

*a.* The settlor was competent and indicated an intention to create a trust.

*b.* The same person is not the sole trustee and sole beneficiary.

*c.* The trust has a definite beneficiary or a beneficiary who will be definitely ascertained within the period of the applicable rule against perpetuities, unless the trust is a charitable trust, an honorary trust, or a trust for pets.

*d.* The trustee has duties to perform.

2. A power in a trustee to select a beneficiary from an indefinite class is valid. If the power is not exercised within a reasonable time, the power fails and the property passes to the person or persons who would have taken the property had the power not been conferred.

3. A trust is not merged or invalid because a person, including but not limited to the settlor of the trust, is or may become the sole trustee and the sole holder of the present beneficial interest in the trust, provided that one or more other persons hold a beneficial interest in the trust, whether such interest be vested or contingent, present or future, and whether created by express provision of the instrument or as a result of reversion to the settlor's estate.

99 Acts, ch 125, §9, 109
C2001, §633.2102
2002 Acts, ch 1107, §2; 2003 Acts, ch 95, §9; 2005 Acts, ch 38, §54
CS2005, §633A.2102

**633A.2103 Statute of frauds.**

1. A trust is enforceable when evidenced by either of the following:

*a.* A written instrument signed by the trustee, or by the trustee's agent if authorized in writing.

*b.* A written instrument conveying the trust property signed by the settlor, or by the settlor's agent if authorized in writing.

2. If an owner of property declares that property is held upon a trust, the written instrument evidencing the trust must be signed by the settlor according to one of the following:

*a.* Before or at the time of the declaration.

*b.* After the time of the declaration but before the settlor has transferred the property.

3. If an owner of property while living transfers property to another person to hold upon a trust, the written instrument evidencing the trust must be signed according to one of the following:

*a.* By the settlor, concurrently with or before the transfer.

*b.* By the trustee, concurrently with or before the transfer, or after the transfer but before the trustee has transferred the property to a third person.

4. Oral trusts that have not been reduced to writing as specified in this section are not enforceable. This section does not affect the power of a court to declare a resulting or constructive trust in the appropriate case or to order other relief where appropriate.

99 Acts, ch 125, §10, 109
C2001, §633.2103
2003 Acts, ch 95, §10, 11; 2005 Acts, ch 38, §54
CS2005, §633A.2103

**633A.2104 Trust purposes.**

1. A trust is created only if it has a private or charitable purpose that is not unlawful or against public policy.

2. A trust created for a private purpose must be administered for the benefit of its beneficiaries.

99 Acts, ch 125, §11, 109
C2001, §633.2104
2005 Acts, ch 38, §54
CS2005, §633A.2104

**633A.2105 Honorary trusts — trusts for pets.**

1. A trust for a lawful noncharitable purpose for which there is no definite or definitely ascertainable beneficiary is valid but may be performed by the trustee for only twenty-one years, whether or not the terms of the trust contemplate a longer duration.

2. A trust for the care of an animal living at the settlor's death is valid. The trust terminates when no living animal is covered by its terms.

3. A portion of the property of a trust authorized by this section shall not be converted to any use other than its intended use unless the terms of the trust so provide or the court determines that the value of the trust property substantially exceeds the amount required.

4. The intended use of a trust authorized by this section may be enforced by a person designated for that purpose in the terms of the trust or, if none, by a person appointed by the court.

99 Acts, ch 125, §12, 109
C2001, §633.2105
2005 Acts, ch 38, §54
CS2005, §633A.2105

**633A.2106 Resulting trusts.**

1. Where the owner of property gratuitously transfers the property and manifests in the trust instrument an intention that the transferee should hold the property in trust but the trust fails, the transferee holds the trust estate as a resulting trust for the transferor or the transferor's estate, unless either of the following is true:

*a.* The transferor manifested in the trust instrument an intention that no resulting trust should arise.

*b.* The intended trust fails for illegality and the policy against unjust enrichment of the transferee is outweighed by the policy against giving relief to a person who has entered into an illegal transaction.

2. Where the owner of property gratuitously transfers the property subject to a trust which is properly declared and which has been fully performed without exhausting the trust estate, the trustee holds the surplus as a resulting trust for the transferor or the transferor's estate, unless the transferor manifested in the trust instrument an intention that no resulting trust of the surplus should arise.

3. If the transferor's estate is the recipient of property under this section and the administration of that estate has been closed and there is no question as to the proper recipients of the property, it is not necessary to reopen the estate administration for the purpose of distribution.

99 Acts, ch 125, §13, 109; 2000 Acts, ch 1150, §8
C2001, §633.2106
2005 Acts, ch 38, §54
CS2005, §633A.2106
Referred to in §633A.4701

**633A.2107 Constructive trusts.**

A constructive trust arises when a person holding title to property is subject to an equitable duty to convey the property to another, on the ground that the person holding title would be unjustly enriched if the person were permitted to retain the property.

99 Acts, ch 125, §14, 109
C2001, §633.2107
2005 Acts, ch 38, §54
CS2005, §633A.2107

## PART 2

## MODIFICATION AND TERMINATION OF TRUSTS

**633A.2201 Termination of trust.**

1. In addition to the methods specified in sections 633A.2202 through 633A.2206, a trust terminates when any of the following occurs:

*a.* The term of the trust expires.
*b.* The trust purpose is fulfilled.
*c.* The trust purpose becomes unlawful or impossible to fulfill.
*d.* The trust is revoked.

2. On termination of a trust, the trustee may exercise the powers necessary to wind up the affairs of the trust and distribute the trust property to those entitled to the trust property.

99 Acts, ch 125, §15, 109; 2000 Acts, ch 1150, §9
C2001, §633.2201
2002 Acts, ch 1107, §3; 2005 Acts, ch 38, §54, 55
CS2005, §633A.2201

**633A.2202 Modification or termination by settlor and all beneficiaries.**

1. An irrevocable trust may be modified or terminated upon the consent of the settlor and all of the beneficiaries.

2. Upon termination of the trust, the trustee shall distribute the trust property as agreed by the settlor and all beneficiaries, or in the absence of unanimous agreement, as ordered by the court.

3. For purposes of this section, the consent of a person who may bind a beneficiary or otherwise act on a beneficiary's behalf is considered the consent of the beneficiary.

99 Acts, ch 125, §16, 109
C2001, §633.2202
2005 Acts, ch 38, §54
CS2005, §633A.2202
Referred to in §633A.2201, 633A.6301

**633A.2203 Termination of irrevocable trust or modification of dispositive provisions of irrevocable trust by court.**

1. An irrevocable trust may be terminated or its dispositive provisions modified by the

court with the consent of all of the beneficiaries if continuance of the trust on the same or different terms is not necessary to carry out a material purpose.

2. Upon termination of the trust, the court shall order the distribution of trust property in accordance with the probable intention of the settlor.

3. For purposes of this section, the consent of a person who may bind a beneficiary is considered the consent of the beneficiary.

4. For the purposes of this section, removal of the trustee or the addition of a provision to the trust instrument allowing a beneficiary or a group of beneficiaries to remove the trustee or to appoint a new trustee shall not be allowed as a modification under this section. This subsection shall not operate to limit the scope of dispositive provisions for the purposes of this section.

5. A spendthrift provision, or a provision giving the trustee discretion to distribute income or principal to a beneficiary or among beneficiaries, in the terms of the trust is presumed to constitute a material purpose of the trust.

99 Acts, ch 125, §17, 109; 2000 Acts, ch 1150, §10
C2001, §633.2203
2005 Acts, ch 38, §54
CS2005, §633A.2203
2009 Acts, ch 52, §9, 14; 2012 Acts, ch 1123, §15, 32
Referred to in §633A.2201, 633A.6301, 633A.6308
2009 amendment to this section applies to all proceedings to modify dispositive provisions of or to terminate an irrevocable trust on or after July 1, 2009; 2009 Acts, ch 52, §14
Subsection 5 applies to trusts in existence on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633A.2204 Modification of administrative provisions by court for change of circumstances.**

On petition by a trustee or beneficiary, the court may modify the administrative provisions of the trust, if, owing to circumstances not known to the settlor and not anticipated by the settlor, the continuation of the trust under its terms would defeat or substantially impair the accomplishment of the purposes of the trust. If necessary to carry out the purposes of the trust, the court may order the trustee to do acts that are not authorized or are forbidden by the trust instrument.

2000 Acts, ch 1150, §11
C2001, §633.2204
2005 Acts, ch 38, §54
CS2005, §633A.2204
Referred to in §633A.2201

**633A.2205 Noncharitable trust with uneconomically low value.**

1. On petition by a trustee or beneficiary, the court may terminate or modify a noncharitable trust or appoint a new trustee if the court determines that the value of the trust property is insufficient to justify the cost of administration involved and that continuation of the trust under its existing terms would defeat or significantly impair the accomplishment of the trust purposes.

2. Upon termination of a trust under this section, the trustee shall distribute the trust property in accordance with the probable intention of the settlor under the circumstances. Extrinsic evidence is admissible for the purpose of ascertaining the probable intention of the settlor.

99 Acts, ch 125, §18, 109
C2001, §633.2205
2002 Acts, ch 1107, §4; 2005 Acts, ch 38, §54
CS2005, §633A.2205
Referred to in §633A.2201

**633A.2206 Reformation — tax objectives.**

1. The court may reform the terms of the trust, even if unambiguous, to conform to the settlor's intent if it is proved by clear and convincing evidence that the settlor's intent and the terms of the trust were affected by a mistake of fact or law whether expressed or induced.

2. The terms of the trust may be construed or modified, in a manner that does not violate the settlor's probable intent, to achieve the settlor's tax objectives.

99 Acts, ch 125, §19, 109
C2001, §633.2206
2002 Acts, ch 1107, §5; 2005 Acts, ch 38, §54
CS2005, §633A.2206
Referred to in §633A.2201

**633A.2207 Combination of trusts.**

1. A trustee, without approval of court, may combine two or more trusts with substantially similar beneficial interests unless the trust is a court reporting trust.

2. On petition by a trustee or beneficiary, the court may combine two or more trusts, whether or not the beneficial interests are substantially similar, if the court determines that administration as a single trust will not defeat or significantly impair the accomplishment of the trust purposes or the rights of the beneficiaries.

3. Where the court orders the combination of two trusts that are not essentially identical, the court shall include in its order a finding as to which trust provisions control.

99 Acts, ch 125, §20, 109; 2000 Acts, ch 1150, §12
C2001, §633.2207
2005 Acts, ch 38, §54
CS2005, §633A.2207

**633A.2208 Division of trusts.**

1. Without approval of a court, a trustee may divide a trust into two or more separate trusts with substantially similar terms if the division will not defeat or substantially impair the accomplishment of the trust purposes or the rights of the beneficiaries unless the trust is a court reporting trust.

2. On petition by a trustee or beneficiary, the court may divide a trust into two or more separate trusts, whether or not their terms are similar, if the court determines that dividing the trust is in the best interest of the beneficiaries and will not defeat or substantially impair the accomplishment of the trust purposes or the rights of the beneficiaries. To facilitate the division, the trustee may divide the trust assets in kind, by pro rata or non-pro rata division, or by any combination of the methods.

3. By way of illustration and without limitation, a trust may be divided pursuant to this section to allow a trust to qualify as a marital deduction trust for tax purposes, as a qualified subchapter S trust for federal income tax purposes, as a separate trust for federal generation skipping tax purposes, or for any other federal or state income, estate, excise, or inheritance tax benefit, or to facilitate the administration of a trust.

99 Acts, ch 125, §21, 109; 2000 Acts, ch 1150, §13
C2001, §633.2208
2005 Acts, ch 38, §37, 54
CS2005, §633A.2208

## PART 3

## CREDITORS' RIGHTS, SPENDTHRIFT TRUSTS, AND DISCRETIONARY TRUSTS

**633A.2301 Rights of beneficiary, creditor, and assignee.**

To the extent a beneficiary's interest is not subject to a spendthrift provision, and subject to sections 633A.2305 and 633A.2306, the court may authorize a creditor or assignee of the beneficiary to reach the beneficiary's interest by levy, attachment, or execution of present or future distributions to or for the benefit of the beneficiary or other means.

99 Acts, ch 125, §22, 109

C2001, §633.2301
2004 Acts, ch 1015, §27; 2005 Acts, ch 38, §38, 54, 55
CS2005, §633A.2301
2008 Acts, ch 1119, §21; 2008 Acts, ch 1191, §131

**633A.2302 Spendthrift protection recognized.**

Except as otherwise provided in section 633A.2303:

1. A term of a trust providing that the interest of a beneficiary is held subject to a "spendthrift trust", or words of similar import, is sufficient to restrain both voluntary and involuntary transfer, assignment, and encumbrance of the beneficiary's interest.

2. A beneficiary shall not transfer, assign, or encumber an interest in a trust in violation of a valid spendthrift provision, and a creditor or assignee of the beneficiary of a spendthrift trust shall not reach the interest of the beneficiary or a distribution by the trustee before its receipt by the beneficiary.

3. Notwithstanding subsections 1 and 2, the interest of a beneficiary of a valid spendthrift trust may be reached to satisfy an enforceable claim against the beneficiary or the beneficiary's estate for either of the following:

*a.* Services or supplies for necessaries provided to or for the beneficiary.

*b.* Tax claims by the United States to the extent authorized by federal law or an applicable provision of the Code.

99 Acts, ch 125, §23, 109
C2001, §633.2302
2004 Acts, ch 1015, §28; 2005 Acts, ch 38, §54
CS2005, §633A.2302
2008 Acts, ch 1119, §22

**633A.2303 Spendthrift trusts for the benefit of settlor.**

A term of a trust prohibiting an involuntary transfer of a beneficiary's interest shall be invalid as against claims by any creditors of the beneficiary if the beneficiary is the settlor.

99 Acts, ch 125, §24, 109
C2001, §633.2303
2005 Acts, ch 38, §39, 54
CS2005, §633A.2303
2008 Acts, ch 1119, §23
Referred to in §633A.2302

**633A.2304 Amount reachable by creditors or transferees of settlor.**

1. If a settlor is a beneficiary of a trust created by the settlor, a transferee or creditor of the settlor may reach the maximum amount that the trustee could pay to or for the settlor's benefit.

2. In the case of a trust with multiple settlors, the amount the creditors or transferees of a particular settlor may reach shall not exceed the portion of the trust attributable to that settlor's contribution.

3. The assets of an irrevocable trust shall not become subject to the claims of creditors of the settlor of a trust solely due to a provision in the trust that allows a trustee of the trust to reimburse the settlor for income taxes payable on the income of the trust. This subsection shall not limit the rights of the creditor of the settlor to assert a claim against the assets of the trust due to the retention or grant of any rights to the settlor under the trust instrument or any other beneficial interest of the settlor other than as specifically set forth in this subsection.

2008 Acts, ch 1119, §24

**633A.2305 Discretionary trusts — effect of standard.**

1. Whether or not a trust contains a spendthrift provision, a creditor or assignee of a beneficiary shall not compel a distribution that is subject to the trustee's discretion, even if any of the following occur:

*a.* The discretion is expressed in the form of a standard of distribution.

*b.* The trustee has abused its discretion.

2. This section shall not apply to a creditor of a beneficiary or to a creditor of a deceased beneficiary enforcing an interest in a trust, if any, given to a beneficiary by the trust instrument.

2008 Acts, ch 1119, §25
Referred to in §633A.2301

**633A.2306 Court action — trustee's discretion.**

1. If a trustee has discretion as to payments to a beneficiary, and refuses to make payments or exercise its discretion, the court shall neither order the trustee to exercise its discretion nor order payment from any such trust, if any such payment would inure, directly or indirectly, to the benefit of a creditor of the beneficiary.

2. Notwithstanding subsection 1, the court may order payment to a creditor of a beneficiary or to a creditor of a deceased beneficiary if the beneficiary has or had an interest in the trust.

2008 Acts, ch 1119, §26
Referred to in §633A.2301

**633A.2307 Overdue mandatory distribution.**

1. A creditor or assignee of a beneficiary may reach a mandatory distribution of income or principal, including a distribution upon termination of the trust, if the trustee has not made the distribution to the beneficiary within a reasonable time after the required distribution date.

2. For the purposes of this section, "*mandatory distribution*" means a distribution required by the express terms of the trust of any of the following:

*a.* All of the income, net income, or principal of the trust.

*b.* A fraction or percentage of the income or principal of the trust.

*c.* A specific dollar amount from the trust.

3. A distribution that is subject to a condition shall not be considered a mandatory distribution.

4. If a creditor or assignee of a beneficiary is permitted to reach a mandatory distribution under this section, the sole remedy of the creditor or assignee shall be to apply to the court having jurisdiction of the trust after a reasonable period of time has expired, for a judgment ordering the trustee to pay to the creditor or the assignee a sum of money equal to the lesser of the amount of the debt or assignment, or the amount of the mandatory distribution described in subsection 2. Any other remedy, including but not limited to attachment or garnishment of any interest in the trust, recovery of court costs or attorney fees, or placing a lien of any type on any trust property or on the interest of any beneficiary in the trust, shall not be permitted or ordered by any court. Any writing signed by the beneficiary, allowing any remedy other than payment of the mandatory distribution not made to the beneficiary within a reasonable time after required distribution date, shall be void and shall not be enforced by any court.

2008 Acts, ch 1119, §27

## SUBCHAPTER III

## PROVISIONS RELATING TO REVOCABLE TRUSTS

**633A.3101 Competency to create, revoke, or modify a revocable trust.**

1. To create, revoke, or modify a revocable trust, the settlor must be competent. An aggrieved person shall have all causes of action and remedies available to the aggrieved person in attacking the creation, revocation, or modification of a revocable trust as one would if attacking the propriety of the execution of a will.

2. The level of competency required of a settlor to direct the actions of the trustee, or to

contribute property to, or to withdraw property from, a trust is the same as that required to create a revocable trust.

99 Acts, ch 125, §25, 109; 2000 Acts, ch 1150, §14
C2001, §633.3101
2005 Acts, ch 38, §54
CS2005, §633A.3101

**633A.3102 Revocation or modification.**

1. Unless the terms of the trust expressly provide that the trust is irrevocable, the settlor may revoke or modify the trust. This subsection does not apply to trusts created under instruments executed before July 1, 2000.

2. Except as otherwise provided by the terms of the trust, if a trust is created or funded by more than one settlor, each settlor may revoke or modify the trust as to the portion of the trust contributed by that settlor.

3. A trust that is revocable by the settlor may be revoked or modified by any of the following methods:

*a.* By compliance with any method specified by the terms of the trust.

*b.* Unless the terms of the trust expressly make the method specified exclusive, then either of the following:

(1) By a writing, other than a will, signed by the settlor and delivered to the trustee during the settlor's lifetime.

(2) By a later will or codicil expressly referring to the trust and which makes a devise of the property that would otherwise have passed by the terms of the trust.

4. Upon termination of a revocable trust, the trustee must distribute the trust property as the settlor directs.

5. The settlor's powers with respect to revocation or modification may be exercised by an agent under a power of attorney only if all of the following apply:

*a.* The trust instrument expressly authorizes an agent under a power of attorney to exercise such powers.

*b.* The power of attorney expressly authorizes an agent acting under the power of attorney to exercise such powers.

99 Acts, ch 125, §26, 109
C2001, §633.3102
2005 Acts, ch 38, §54
CS2005, §633A.3102
2006 Acts, ch 1104, §4; 2012 Acts, ch 1123, §16, 32
2012 amendment to subsection 5 applies to revocable trusts and powers of attorney in existence on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633A.3103 Other rights of settlor.**

Except to the extent the terms of the trust otherwise provide, while a trust is revocable, all of the following apply unless the trustee actually knows that the individual holding the power to revoke the trust is not competent:

1. The holder of the power, and not the beneficiary, has the rights afforded beneficiaries.

2. The duties of the trustee are owed to the holder of the power.

3. The trustee shall follow a written direction given by the holder of the power, or a person to whom the power has been delegated in writing, without liability for so doing, so long as the action by the delegate is authorized by the trust unless the trustee actually knows that the direction violates the terms of the trust.

99 Acts, ch 125, §27, 109
C2001, §633.3103
2005 Acts, ch 38, §54
CS2005, §633A.3103
2006 Acts, ch 1104, §5
Referred to in §633A.3105, 633A.6202

**633A.3104 Claims against revocable trust.**

1. During the lifetime of the settlor, the trust property of a revocable trust is subject to the debts of the settlor to the extent of the settlor's power of revocation.

2. Following the death of a settlor, if the settlor's estate is inadequate to satisfy the debts of the settlor and the charges of the settlor's estate, the property of a revocable trust, to the extent of the value of the property over which the settlor had a power of revocation, is subject to all of the following:

*a.* The charges of the settlor's estate.

*b.* The debts of the settlor unless barred as provided in section 633A.3109.

3. The personal representative of the settlor's estate shall submit a statement to the trustee within the period for filing claims against the trust of the amount by which the assets of the estate are insufficient to pay the debts and charges. Subject to the provisions of section 633A.3111, the trustee shall remit to the personal representative the amount needed to pay the charges and shall pay the debts directly to the creditors unless the trustee and personal representative agree to a different manner of payment.

4. If a revocable trust becomes subject to the debts of a settlor and the charges of the settlor's estate pursuant to this section, following the payment of the proper costs of administration of the trust and any claims against the trust, the debts and charges of the settlor's estate payable by the trust shall be classified pursuant to sections 633.425 and 633.426 as such sections exist on the date of the settlor's death and paid in the order listed therein to the extent the settlor's estate is inadequate to satisfy the listed debts and charges.

99 Acts, ch 125, §28, 109; 2000 Acts, ch 1150, §15
C2001, §633.3104
2005 Acts, ch 38, §54
CS2005, §633A.3104
2006 Acts, ch 1104, §6; 2012 Acts, ch 1123, §17, 18, 32
2012 amendments to subsection 2 and adding new subsection 3 apply to trusts of settlors dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633A.3105 Rights of and claims against holder of general power of appointment.**

1. The holder of a presently exercisable general power of appointment over trust property has the rights of a holder of the power to revoke a trust under section 633A.3103 to the extent of the property subject to the power.

2. Property in trust subject to a presently exercisable general power of appointment is chargeable with the debts of the holder and charges of the holder's estate to the same extent as if the holder was a settlor and the power of appointment was a power of revocation.

99 Acts, ch 125, §29, 109
C2001, §633.3105
2005 Acts, ch 38, §54, 55
CS2005, §633A.3105
2006 Acts, ch 1104, §7

**633A.3106 Children born or adopted after execution of a revocable trust.**

1. When a settlor fails to provide in a revocable trust for any of the settlor's children born to or adopted by the settlor after the execution of the trust or the last amendment to the trust, such child, whether born before or after the settlor's death, shall receive a share of the trust equal in value to that which the child would have received under section 633.219, after taking into account the spouse's intestate share under section 633.211 or section 633.212, whichever is applicable, as if the settlor had died intestate, unless it appears from the terms of the trust or decedent's will that such omission was intentional.

2. For the purposes of this section, a child born after the death of the settlor who would have been entitled to a share of the settlor's probate estate pursuant to section 633.267 shall be treated as a child of the settlor.

99 Acts, ch 125, §30, 109
C2001, §633.3106
2005 Acts, ch 38, §54

CS2005, §633A.3106
2008 Acts, ch 1119, §28, 39; 2011 Acts, ch 18, §5; 2012 Acts, ch 1021, §109

**633A.3107 Effect of divorce or dissolution.**

1. If, after executing a revocable trust, the settlor is divorced or the settlor's marriage is dissolved, all provisions in the trust in favor of the settlor's spouse or of a relative of the settlor's spouse, including but not limited to dispositions, appointments of property, and nominations to serve in any fiduciary or representative capacity, are revoked by divorce or dissolution of marriage unless the trust instrument provides otherwise.

2. Unless the trust instrument provides otherwise, in the event the settlor and spouse remarry each other, the provisions of the revocable trust revoked by the divorce or dissolution of marriage shall be reinstated unless otherwise modified by the settlor, except for provisions in favor of a person who died prior to the remarriage which shall not be reinstated.

3. For the purposes of this section, *"relative of the settlor's spouse"* means a person who is related to the divorced settlor's former spouse by blood, adoption, or affinity, and who, subsequent to the divorce or dissolution of marriage, ceased to be related to the settlor by blood, adoption, or affinity.

99 Acts, ch 125, §31, 109; 2000 Acts, ch 1150, §16
C2001, §633.3107
2005 Acts, ch 38, §40, 54
CS2005, §633A.3107
2013 Acts, ch 30, §193
Subsection 2, unnumbered paragraph 2 redesignated as subsection 3

**633A.3108 Limitation on contest of revocable trust.**

Unless previously barred by adjudication, consent, or other limitation, if notice is published or given as provided in section 633A.3110 within one year of the settlor's death, a proceeding to contest the validity of a revocable trust must be brought within the period specified in that notice. If notice is not published or given within that period, a proceeding to contest the validity of a trust must be brought no later than one year following the death of the settlor.

99 Acts, ch 125, §32, 109; 2000 Acts, ch 1150, §17
C2001, §633.3108
2005 Acts, ch 38, §54, 55
CS2005, §633A.3108
2008 Acts, ch 1119, §29, 39; 2012 Acts, ch 1123, §19, 32
Referred to in §633A.3110
2012 amendment to this section applies to trusts of settlors dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633A.3109 Limitation on creditor rights against revocable trust assets after settlor's death.**

1. If notice is published or given as provided in section 633A.3110 within one year of the settlor's death, any claim against the trust assets will be forever barred unless the creditor files a claim as provided for and within the period specified in the notice.

2. If notice is not published or given, a creditor of a deceased settlor of a revocable trust must bring suit to enforce its claim against the assets of the decedent's trust within one year of the decedent's death or be forever barred from collecting against the trust assets. The one-year limitation period shall not be extended by the commencement of probate administration for the settlor.

3. The notice under sections 633.230 and 633.304 in probate of the settlor's estate does not affect a creditor's claim under this section.

99 Acts, ch 125, §33, 109; 2000 Acts, ch 1150, §18
C2001, §633.3109
2002 Acts, ch 1119, §101; 2005 Acts, ch 38, §54, 55
CS2005, §633A.3109
2006 Acts, ch 1104, §8, 16; 2012 Acts, ch 1123, §20, 32
Referred to in §633A.3104, 633A.3110
2012 amendment to this section applies to trusts of settlors dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633A.3110 Notice to creditors, heirs, and surviving spouse.**

1. As used in this section, *"heir"* means only such person who would, in an intestate estate, be entitled to a share under section 633.219.

2. The trustee may give notice as described herein to creditors, heirs, and the surviving spouse of the settlor for the purpose of establishing their rights to contest the trust and to file claims against the trust assets.

*a.* No later than the end of the one-year period beginning with the settlor's date of death, the trustee may publish a notice once each week for two consecutive weeks in a daily or weekly newspaper of general circulation published in the county in which the settlor was a resident at the time of death. If the settlor was not a resident of Iowa, but the principal place of administration is in Iowa, the trustee shall publish notice in the county that is the principal place of administration pursuant to section 633A.6102.

*b.* If notice is published pursuant to paragraph *"a"*, the trustee shall also give notice by ordinary mail within one year of the settlor's death to the surviving spouse and the heirs of the decedent whose identities are reasonably ascertainable, at such person's last known address.

*c.* If notice is published pursuant to paragraph *"a"*, the trustee shall also give notice to creditors of the settlor who are known or reasonably ascertainable within the period for filing claims specified in the published notice and who the trustee believes own or possess a claim, which will not or may not be paid or otherwise satisfied during the administration of the trust, by ordinary mail to each person at the person's last known address.

*d.* The notices described in this subsection shall, if given, include notification of the settlor's death, and the fact that any action to contest the validity of the trust must be brought within the later to occur of four months from the date of the second publication of the notice made pursuant to paragraph *"a"* or thirty days from the date of mailing of the notice pursuant to paragraph *"b"*, and that any claim against the trust assets will be forever barred unless proof of a creditor's claim is mailed to the trustee by certified mail, return receipt requested, within the later to occur of four months from the date of second publication of notice made pursuant to paragraph *"a"* or thirty days from the date of mailing of the notice pursuant to paragraph *"b"*, if required. A person who is not entitled to receive a mailed notice or who does not make a claim within the appropriate period is forever barred from asserting any claim against the trust or the trust assets.

3. If notice is published pursuant to subsection 2, paragraph *"a"*, claims of creditors that are discovered or which become reasonably ascertainable after the end of the notice period are barred.

4. If notice is not published and given as provided in this section, the right to challenge the trust and file claims against the trust assets are limited as provided in sections 633A.3108 and 633A.3109.

5. The notice described in subsection 2 shall be substantially in the following form:

To all persons regarding ....., deceased, who died on or about .....(date). You are hereby notified that ..... is the trustee of the ..... Trust.

Any action to contest the validity of the trust must be brought in the District Court of .... County, Iowa, within the later to occur of four months from the date of second publication of this notice, or thirty days from the date of mailing this notice to all heirs of the decedent settlor and the spouse of the decedent settlor whose identities are reasonably ascertainable. Any suit not filed within this period shall be forever barred.

Notice is further given that any person or entity possessing a claim against the trust must mail proof of the claim to the trustee at the address listed below via certified mail, return receipt requested, by the later to occur of four months from the second publication of this notice or thirty days from the date of mailing this notice if required, or the claim shall be forever barred, unless paid or otherwise satisfied.

Dated this ..... day of .....(month), .....(year)
..... Trust
.....
Trustee
Address: .....
.....
Date of second publication
..... day of .....(month), .....(year)

6. The proof of claim must be in writing stating the party's name and address and describing the nature and amount of the claim, if ascertainable, and accompanied by an affidavit of the party or a representative of the party verifying the amount that is due, or when the amount will become due, that no payments have been made on the claim that are not credited, and that no offsets to the claim exist.

7. At any time after receipt by the trustee of a proof of claim, the trustee may give the party submitting the claim a written notice of disallowance of the claim. The notice shall be given by certified mail, return receipt requested, addressed to the party at the address stated in the claim, and to the attorney of record of the party submitting the claim. Such notice of disallowance shall advise the party submitting the claim that the claim has been disallowed and will be forever barred unless suit is filed against the trustee to enforce the claim within thirty days of the date of the mailing of the notice of disallowance. If suit is filed, the provisions in chapter 633 relating to actions to enforce a claim shall apply with the trust and trustee substituted for the estate and personal representative.

8. The trustee and creditor may agree to extend the limitations period for filing an action to enforce the claim. If the creditor fails to properly file its claim within the established time period or bring an action to enforce its claim within the established time period, the creditor's claim shall be forever barred.

9. The trustee shall give notice to the beneficiaries of the trust as required by section 633A.4213.

10. The trustee shall give notice to the surviving spouse of the right to elect to take an elective share of the trust as required by section 633.237 and the right to an allowance for the surviving spouse and any dependents of the settlor residing with the surviving spouse as required by section 633A.3114.

11. The trustee shall give notice to eligible children not residing with the surviving spouse of their right to an allowance as required by section 633A.3115.

99 Acts, ch 125, §34, 109
C2001, §633.3110
2005 Acts, ch 38, §54
CS2005, §633A.3110
2012 Acts, ch 1123, §21, 32; 2013 Acts, ch 90, §179
Referred to in §633A.3108, 633A.3109
2012 amendment to this section applies to trusts of settlors dying on or after July 1, 2012; 2012 Acts, ch 1123, §32
Section amended

**633A.3111 Rights of trustee regarding claims in a probate administration.**

1. If administration of an estate is commenced in which a revocable trust or a trust in which a holder had at the date of the holder's death a presently exercisable general power of appointment could be held responsible for the payment of debts of the settlor or holder and the charges of the settlor's or holder's estate, the trustee of the trust shall be an interested party in the administration of the estate.

2. The trustee shall receive notice of all potential claims against the trust assets from the personal representative of the estate and must either authorize the payments for which the trust may be found liable or be given the opportunity to dispute or defend any such payment.

3. If debts of the settlor are paid from trust property, the trustee or trust beneficiaries shall have a right to be reimbursed from the settlor's estate for such payment until the final

report of the settlor's estate has been approved, unless the debts have been barred from being collected from the estate by notice pursuant to section 633.230 or 633.304.

99 Acts, ch 125, §35, 109; 2000 Acts, ch 1150, §19
C2001, §633.3111
2005 Acts, ch 38, §54
CS2005, §633A.3111
2006 Acts, ch 1104, §9; 2012 Acts, ch 1123, §22
Referred to in §633A.3104

**633A.3112 Trustee's liability for distributions.**

1. A trustee who distributes trust assets without making adequate provisions for the payment of debts and charges that are known or reasonably ascertainable at the time of the distribution shall be jointly and severally liable with the beneficiaries to the extent of the distributions made.

2. A trustee shall be entitled to indemnification from the beneficiaries for all amounts paid for debts and charges under this section, to the extent of distributions made.

2005 Acts, ch 38, §41, 55; 2006 Acts, ch 1104, §10; 2008 Acts, ch 1119, §30; 2011 Acts, ch 34, §141; 2012 Acts, ch 1123, §23, 32
2012 amendment to this section applies to trusts of settlors dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633A.3113 Definitions — revocable trusts.**

As used in this subchapter:

1. *"Charges"* means the same as defined in section 633.3.
2. *"Costs of administration"* means the same as defined in section 633.3.
3. *"Debts"* means the same as defined in section 633.3.

2012 Acts, ch 1123, §24, 32
Section applies to trusts of settlors dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633A.3114 Allowance to surviving spouse.**

1. Unless a personal representative has been appointed for the settlor's estate, following the death of a settlor of a revocable trust, the trustee of such revocable trust shall mail a written notice to the surviving spouse pursuant to section 633.40, subsection 5, notifying the surviving spouse of the surviving spouse's right to submit an application to the trustee, within four months of service of the notice, for a support allowance for a period of twelve months following the death of the settlor, and for a support allowance for the settlor's dependents who reside with the spouse for the same period of time.

2. Upon receipt of an application for a support allowance, the trustee may set off and pay to the surviving spouse a sufficient amount of trust assets the trustee deems reasonable for the proper support of the surviving spouse for the period of twelve months following the death of the settlor. The trustee shall take into consideration the station of life of the settlor's surviving spouse, the assets and condition of the trust, the probate and nonprobate assets received by the surviving spouse by reason of the settlor's death, and the income and other resources of the surviving spouse. The allowance may also include such additional amount as the trustee deems reasonable for the proper support, during such period, of the dependents of the settlor who reside with the surviving spouse. If an application for a support allowance has not been filed within four months following service of the notice by or on behalf of the surviving spouse and the dependents of the settlor who reside with the surviving spouse, the surviving spouse and dependents of the settlor shall be deemed to have waived the right to apply for a support allowance during the administration of the trust.

3. A surviving spouse who qualifies for a support allowance under this section may waive the right to such allowance for the surviving spouse and for the dependents of the settlor who reside with the surviving spouse by submitting an affidavit with the trustee acknowledging receipt of notice and irrevocably waiving the right to an allowance under this section.

4. The opening of an estate for the settlor shall terminate the right of the surviving spouse to apply for a spousal allowance from the trustee of the settlor's revocable trust or to receive additional support payments from the trust unless the personal representative consents to a continuation of the support payments. If a spousal allowance has been paid from trust assets,

the trustee or trust beneficiaries shall have a right subject to court approval to be reimbursed from the settlor's estate for such payment until the final report of the settlor's estate has been approved.

2012 Acts, ch 1123, §25, 32

Referred to in §633.374, 633A.3110, 633A.3115

Section applies to trusts of settlors dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

**633A.3115 Allowance to children who do not reside with surviving spouse.**

1. If the trustee is required to give notice under section 633A.3114, the trustee shall also mail, pursuant to section 633.40, subsection 5, to the legal guardian of each child qualified under subsection 2 and to each such child or the guardian ad litem for such child if necessary, who has no legal guardian, a written notice regarding the right to request an allowance. The notice shall inform the child and the child's guardian or guardian ad litem, if applicable, of the right to submit an application to the trustee within four months after service of the notice, for a support allowance for a period of twelve months following the decedent's death.

2. Upon receipt of an application for a support allowance, the trustee may make an allowance of an amount the trustee deems reasonable in light of the assets and condition of the trust, to provide for proper support during the period of twelve months following the decedent's death to a child of the decedent who does not reside with the settlor's surviving spouse and is any of the following:

*a.* Less than eighteen years of age.

*b.* Between the ages of eighteen and twenty-two years who is any of the following:

(1) Regularly attending an accredited school in pursuance of a course of study leading to a high school diploma or its equivalent.

(2) Regularly attending a course of vocational-technical training either as a part of a regular school program or under special arrangements adapted to the individual person's needs.

(3) Is, in good faith, a full-time student in a college, university, or community college.

(4) Has been accepted for admission to a college, university, or community college and the next regular term has not yet begun.

*c.* Is a child of any age and dependent because of physical or mental disability.

3. If an application for a support allowance has not been filed within four months after service of the notice by or on behalf of the child qualifying for an allowance under subsection 2, the child shall be deemed to have waived the right to an allowance under this section. A child who qualifies for an allowance under this section or the guardian or guardian ad litem for the child, if any, may waive the child's right to such an allowance by submitting an affidavit to the trustee acknowledging receipt of notice and irrevocably waiving the child's right to an allowance under this section.

4. The opening of an estate for the settlor shall terminate the right of a child to apply for an allowance from the trustee of the settlor's revocable trust or to receive additional support payments from the trust unless the personal representative consents to a continuation of support payments. If an allowance has been paid from trust assets, the trustee or trust beneficiaries shall have a right to be reimbursed subject to court approval from the settlor's estate for such payment until the final report of the settlor's estate has been approved.

2012 Acts, ch 1123, §26, 32; 2013 Acts, ch 90, §180

Referred to in §633A.3110

Section applies to trusts of settlors dying on or after July 1, 2012; 2012 Acts, ch 1123, §32

Subsections 1 and 3 amended

## SUBCHAPTER IV

## TRUST ADMINISTRATION

## PART 1

## OFFICE OF TRUSTEE

**633A.4101 Acceptance or declination to serve as trustee.**

1. A person named as trustee accepts the office of trustee by doing one of the following:

*a.* Signing the trust instrument, or signing a separate written acceptance.

*b.* Except as provided in subsection 3, knowingly accepting delivery of the trust property or exercising powers or performing duties as trustee.

2. A person named as trustee who has not yet accepted the office of trustee may in writing decline to serve as trustee.

3. If there is an immediate risk of damage to the trust property, the person named as trustee may act to preserve the trust property without accepting the office of trustee, if within a reasonable time after acting, the person delivers a written declination to serve to the settlor, or if the settlor is dead or lacks capacity, to the beneficiaries eligible to receive income or principal distributions from the trust.

99 Acts, ch 125, §36, 109; 2000 Acts, ch 1150, §20
C2001, §633.4101
2005 Acts, ch 38, §54
CS2005, §633A.4101

**633A.4102 Trustee's bond.**

1. A trustee is not required to give a bond to secure performance of the trustee's duties unless one of the following applies:

*a.* A bond is expressly required by the terms of the trust.

*b.* A bond is found by the court to be necessary to protect the interests of beneficiaries, regardless of the terms of the trust.

2. If a bond is required, it must be filed, and be in an amount and with sureties and liabilities as the court may order. The court may excuse a requirement of a bond, reduce or increase the amount of a bond, release a surety, or permit the substitution of another bond with the same or different sureties.

3. The amount of a bond otherwise required may be reduced by the value of trust property deposited with a financial institution in a manner that prevents its unauthorized disposition, and by the value of real property which the trustee, by express limitation of power, lacks power to convey without court authorization.

4. Except as otherwise provided by the terms of the trust or ordered by the court, the cost of a bond is charged to the trust.

5. A bank or trust company shall not be required to give a bond, whether or not the terms of the trust require a bond.

99 Acts, ch 125, §37, 109
C2001, §633.4102
2005 Acts, ch 38, §54
CS2005, §633A.4102
Referred to in §633A.6105

**633A.4103 Actions by cotrustees.**

Unless the terms of the trust provide otherwise, the following apply to actions of cotrustees:

1. A power held by cotrustees may be exercised by majority action.

2. If impasse occurs due to the failure to reach a majority decision, any trustee may petition the court to decide the issue, or a majority of the trustees may consent to an alternative form of dispute resolution.

3. If a vacancy occurs in the office of a cotrustee, the remaining cotrustees may act for the trust as if they are the only trustees.

4. If a cotrustee is unavailable to perform duties because of absence, illness, or other temporary incapacity, the remaining cotrustees may act for the trust, as if they were the only trustees, if necessary to accomplish the purposes of the trust or to avoid irreparable injury to the trust property.

99 Acts, ch 125, §38, 109
C2001, §633.4103
2005 Acts, ch 38, §54
CS2005, §633A.4103

**633A.4104 Vacancy in office of trustee.**

A vacancy in the office of trustee exists if any of the following occurs:

1. The person named as trustee declines to serve as trustee.
2. The person named as trustee cannot be identified or does not exist.
3. The trustee resigns or is removed.
4. The trustee dies.
5. A guardian or conservator of the trustee's person or estate is appointed.

99 Acts, ch 125, §39, 109; 2000 Acts, ch 1150, §21
C2001, §633.4104
2005 Acts, ch 38, §54
CS2005, §633A.4104

**633A.4105 Filling vacancy.**

1. A trustee must be appointed to fill a vacancy in the office of the trustee only if the trust has no trustee or the terms of the trust require a vacancy in the office of cotrustee to be filled.

2. A vacancy in the office of trustee shall be filled according to the following:

*a.* By the person named in or nominated pursuant to the method specified by the terms of the trust.

*b.* If the terms of the trust do not name a person or specify a method for filling the vacancy, or if the person named or nominated pursuant to the method specified fails to accept, one of the following methods shall be used:

(1) By majority vote of all qualified beneficiaries, who are adults, and the representative of any minor or incompetent qualified beneficiary as provided in section 633A.6303.

(2) By a person appointed by the court on petition of an interested person or of a person named as trustee by the terms of the trust. The court, in selecting a trustee, shall consider any nomination made by the adult beneficiaries and representatives of any minor and incompetent beneficiaries as designated in section 633A.6303.

99 Acts, ch 125, §40, 109; 2000 Acts, ch 1150, §22
C2001, §633.4105
2002 Acts, ch 1107, §6, 7; 2003 Acts, ch 44, §103; 2003 Acts, ch 95, §12; 2005 Acts, ch 38, §54, 55
CS2005, §633A.4105

**633A.4106 Resignation of trustee.**

1. A trustee who has accepted a trust may resign by any of the following methods:

*a.* As provided by the terms of the trust.

*b.* With the consent of the person holding the power to revoke the trust if the holder is competent or is represented by a guardian, conservator, or agent.

*c.* With the consent of the qualified beneficiaries who are adults if the trust is irrevocable or the holder of the power to revoke lacks competency or is not represented by a guardian, conservator, or agent.

*d.* Upon written notice to the holder of the power to revoke if the holder substantially changes the trustee's duties and the trustee does not concur.

*e.* By filing a petition to resign under section 633A.6202. The resignation takes effect ninety days after the filing, or upon approval of the petition by the court, whichever first

occurs. The court must accept the trustee's resignation but may impose such orders and conditions as are reasonably necessary for the protection of the trust property, including the appointment of a receiver or temporary trustee.

2. The liability for acts or omissions of a resigning trustee or of any sureties on the trustee's bond is not released or affected by the trustee's resignation.

99 Acts, ch 125, §41, 109
C2001, §633.4106
2002 Acts, ch 1107, §8; 2005 Acts, ch 38, §54, 55
CS2005, §633A.4106

**633A.4107 Removal of trustee.**

1. A trustee may be removed in accordance with the terms of the trust, or on petition of a settlor, cotrustee, or beneficiary under section 633A.6202.

2. The court may remove a trustee, or order other appropriate relief if any of the following occurs:

*a.* If the trustee has committed a material breach of the trust.

*b.* If the trustee is unfit to administer the trust.

*c.* If hostility or lack of cooperation among cotrustees impairs the administration of the trust.

*d.* If the trustee's investment performance is consistently and substantially substandard.

*e.* If the trustee's compensation is excessive under the circumstances.

*f.* If the trustee merges with another institution or the location or place of administration of the trust changes.

*g.* For other good cause shown.

3. If it appears to the court that trust property or the interests of a beneficiary may suffer loss or injury pending a final decision on a petition for removal of a trustee, the court may suspend the powers of the trustee, compel the trustee to surrender trust property to a cotrustee, receiver, or temporary trustee, or order other appropriate relief.

99 Acts, ch 125, §42, 109; 2000 Acts, ch 1150, §23
C2001, §633.4107
2003 Acts, ch 95, §13; 2005 Acts, ch 38, §54, 55
CS2005, §633A.4107

**633A.4108 Delivery of property by former trustee.**

Unless a cotrustee remains in office, a former trustee, or if the trustee's appointment terminated because of death or disability, the former trustee's personal representative or guardian or conservator, is responsible for and has the powers necessary to protect the trust property and other powers essential to the trust's administration until the property is delivered to a successor trustee or a person appointed by the court to receive the property.

99 Acts, ch 125, §43, 109
C2001, §633.4108
2005 Acts, ch 38, §54
CS2005, §633A.4108

**633A.4109 Compensation of trustee.**

1. If the terms of the trust do not specify the trustee's compensation, a trustee or cotrustee is entitled to compensation that is reasonable under the circumstances.

2. If the terms of the trust specify the trustee's compensation, the trustee is entitled to be compensated as so provided, except that upon proper showing, the court may allow more or less compensation in the following instances:

*a.* If the duties of the trustee are substantially different from those contemplated when the trust was created.

*b.* If the compensation specified by the terms of the trust would be inequitable, or unreasonably low or high.

*c.* In extraordinary circumstances calling for equitable relief.

99 Acts, ch 125, §44, 109

C2001, §633.4109
2005 Acts, ch 38, §54
CS2005, §633A.4109

**633A.4110 Repayment for expenditures.**

A trustee is entitled to be repaid out of the trust property, with interest as appropriate, for all of the following expenditures:

1. Expenditures that were properly incurred in the administration of the trust.
2. To the extent that they benefited the trust, expenditures that were not properly incurred in the administration of the trust.

99 Acts, ch 125, §45, 109
C2001, §633.4110
2005 Acts, ch 38, §54
CS2005, §633A.4110

**633A.4111 Notice of increased trustee's fee.**

1. As used in this section, *"trustee's fee"* includes a trustee's periodic base fee, rate of percentage compensation, minimum fee, hourly rate, and transaction charge, but does not include fees for extraordinary services.
2. A trustee shall not charge an increased trustee's fee for administration of a trust unless the trustee first gives at least thirty days' written notice of the increased fee to all of the following beneficiaries:

*a.* Each qualified beneficiary.
*b.* Each beneficiary who was given the last preceding accounting.
*c.* Each beneficiary who has made a written request to the trustee for notice of an increased trustee's fee, and has given an address for receiving notice by mail.

3. If a beneficiary files a petition for review of an increased trustee's fee or for removal of a trustee and serves a copy of the petition on the trustee within the thirty-day period, the increased fee does not take effect until otherwise ordered by the court or the petition is dismissed.

99 Acts, ch 125, §46, 109; 2000 Acts, ch 1150, §24
C2001, §633.4111
2002 Acts, ch 1107, §9; 2005 Acts, ch 38, §54
CS2005, §633A.4111

## PART 2

## FIDUCIARY DUTIES OF TRUSTEE

**633A.4201 Duty to administer trust — alteration by terms of trust.**

1. On acceptance of a trust, the trustee shall administer the trust according to the terms of the trust and according to this trust code, except to the extent the terms of the trust provide otherwise.
2. The terms of the trust may expand, restrict, eliminate, or otherwise alter the duties prescribed by this trust code, and the trustee may reasonably rely on those terms, but nothing in this trust code authorizes a trustee to act in bad faith or in disregard of the purposes of the trust or the interest of the beneficiaries.

99 Acts, ch 125, §47, 109
C2001, §633.4201
2005 Acts, ch 38, §54
CS2005, §633A.4201

**633A.4202 Duty of loyalty — impartiality — confidential relationship.**

1. A trustee shall administer the trust solely in the interest of the beneficiaries, and shall act with due regard to their respective interests.

2. Any transaction involving the trust which is affected by a material conflict between the trustee's fiduciary and personal interests is voidable by a beneficiary affected by the transaction unless one of the following applies:

*a.* The transaction was expressly authorized by the terms of the trust.

*b.* The beneficiary consented to or affirmed the transaction or released the trustee from liability as provided in section 633A.4506.

*c.* The transaction is approved by the court after notice to interested persons.

3. A transaction affected by a material conflict between personal and fiduciary interests includes any sale, encumbrance, or other transaction involving the trust property entered into by the trustee, the spouse, descendant, agent, or attorney of a trustee, or corporation or other enterprise in which the trustee has a substantial beneficial interest.

4. A transaction not involving trust property between a trustee and a beneficiary which occurs during the existence of the trust or while the trustee retains significant influence over the beneficiary and from which the trustee obtains an advantage is an abuse of a confidential relationship unless the trustee establishes that the transaction was fair.

5. This section does not apply to any of the following:

*a.* An agreement between a trustee and a beneficiary relating to the appointment of the trustee.

*b.* The payment of compensation to the trustee, whether by agreement, the terms of the trust, or this trust code.

*c.* A transaction between a trust and another trust, decedent's or conservatorship estate of which the trustee is a fiduciary if the transaction is fair to the beneficiaries of the trust.

*d.* An investment by a trustee in securities of an investment company or investment trust to which the trustee, or its affiliate, provides services in a capacity other than as trustee if the investment complies with the prudent investor rule. The trustee may be compensated by the investment company or investment trust for providing services from fees charged to the trust if the trustee provides annual notice and a copy of the trustee's annual report, including the rate and method by which the trustee's compensation was determined, to the persons specified in section 633A.4213.

*e.* A deposit of trust money in a regulated financial service institution operated by the trustee.

99 Acts, ch 125, §48, 109
C2001, §633.4202
2002 Acts, ch 1107, §10; 2005 Acts, ch 38, §54, 55
CS2005, §633A.4202

**633A.4203 Standard of prudence.**

A trustee shall administer the trust with the reasonable care, skill, and caution as a prudent person would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust.

99 Acts, ch 125, §49, 109
C2001, §633.4203
2005 Acts, ch 38, §54
CS2005, §633A.4203

**633A.4204 Costs of administration.**

A trustee may only incur costs that are reasonable in relation to the trust property, purposes, and other circumstances of the trust.

99 Acts, ch 125, §50, 109
C2001, §633.4204
2005 Acts, ch 38, §54
CS2005, §633A.4204

**633A.4205 Special skills.**

A trustee who has special skills or expertise, or is named trustee in reliance upon the trustee's representation that the trustee has special skills or expertise, has a duty to use those special skills or expertise.

99 Acts, ch 125, §51, 109
C2001, §633.4205
2005 Acts, ch 38, §54
CS2005, §633A.4205

**633A.4206 Delegation.**

1. A trustee shall not delegate to an agent or cotrustee the entire administration of the trust or the responsibility to make or participate in the making of decisions with respect to discretionary distributions, but a trustee may otherwise delegate the performance of functions that a prudent trustee of comparable skills might delegate under similar circumstances.

2. The trustee shall exercise reasonable care, skill, and caution in the following activities:

*a.* Selecting an agent.

*b.* Establishing the scope and terms of a delegation, consistent with the purposes and terms of the trust.

*c.* Periodically reviewing an agent's overall performance and compliance with the terms of the delegation.

*d.* Redressing an action or decision of an agent which would constitute a breach of trust if performed by the trustee.

3. A trustee who complies with the requirements of subsections 1 and 2 is not liable to the beneficiaries or to the trust for the decisions or actions of the agent to whom a function was delegated.

4. In performing a delegated function, an agent shall exercise reasonable care to comply with the terms of the delegation.

5. By accepting the delegation of a trust function from the trustee of a trust that is subject to the law of this state, an agent submits to the jurisdiction of the courts of this state.

99 Acts, ch 125, §52, 109
C2001, §633.4206
2005 Acts, ch 38, §54
CS2005, §633A.4206

**633A.4207 Directory powers.**

1. While a trust is revocable, the trustee may follow a written direction of the settlor that is contrary to the terms of the trust.

2. If the terms of the trust confer upon a person other than the settlor of a revocable trust power to direct certain actions of the trustee, the trustee shall act in accordance with an exercise of the power unless the trustee knows the attempted exercise violates the terms of the trust or the trustee knows that the person holding the power is not competent.

3. A person other than a beneficiary who holds a power to direct is presumptively a fiduciary who is required to act in good faith with regard to the purposes of the trust and the interests of the beneficiaries. The holder of a power to direct is liable for any loss that results from a breach of a fiduciary duty.

99 Acts, ch 125, §53, 109
C2001, §633.4207
2003 Acts, ch 95, §14; 2005 Acts, ch 38, §54
CS2005, §633A.4207
2006 Acts, ch 1104, §11

**633A.4208 Cotrustees.**

1. If a trust has more than one trustee, each trustee shall perform all of the following duties:

*a.* Participate in the administration of the trust.

*b*. Take reasonable steps to prevent a cotrustee from committing a breach of trust, and to compel a cotrustee to redress a breach of trust.

2. A trustee who complies with subsection 1 is not liable to the beneficiaries or to the trust for the decisions or actions of a cotrustee.

99 Acts, ch 125, §54, 109
C2001, §633.4208
2005 Acts, ch 38, §54
CS2005, §633A.4208

**633A.4209 Control and safeguarding of trust property.**

A trustee shall take reasonable steps under the circumstances to take control of and to safeguard the trust property unless it is in the best interests of the trust to abandon or refuse acceptance of the property.

99 Acts, ch 125, §55, 109
C2001, §633.4209
2005 Acts, ch 38, §54
CS2005, §633A.4209

**633A.4210 Separation and identification of trust property.**

A trustee shall do all of the following:

1. Keep the trust property separate from other property of the trustee unless the trust provides otherwise.

2. Cause the trust property to be designated in such a manner that the interest of the trust clearly appears.

99 Acts, ch 125, §56, 109
C2001, §633.4210
2005 Acts, ch 38, §54
CS2005, §633A.4210

**633A.4211 Enforcement and defense of claims and actions.**

A trustee shall take reasonable steps to enforce claims of the trust, to defend claims against the trust, and to defend against actions that may result in a loss to the trust.

99 Acts, ch 125, §57, 109
C2001, §633.4211
2002 Acts, ch 1107, §11; 2005 Acts, ch 38, §54
CS2005, §633A.4211

**633A.4212 Prior fiduciaries.**

A trustee shall take reasonable steps to do all of the following:

1. Compel a former trustee or other fiduciary to deliver trust property to the trustee.

2. Redress a breach of trust known to the trustee to have been committed by a prior trustee or other fiduciary.

99 Acts, ch 125, §58, 109
C2001, §633.4212
2005 Acts, ch 38, §54
CS2005, §633A.4212

**633A.4213 Duty to inform and account.**

A trustee of an irrevocable trust shall keep the qualified beneficiaries of the trust reasonably informed about the administration of the trust and the material facts necessary to protect the beneficiaries' interests.

1. The trustee shall inform each qualified beneficiary of the beneficiary's right to receive an annual accounting and a copy of the trust instrument. The trustee shall also inform each qualified beneficiary about the process necessary to obtain an annual accounting or a copy of the trust instrument, if not provided. The trustee shall further inform each qualified beneficiary whether the beneficiary will, or will not, receive an annual accounting if the

beneficiary fails to take any action. If a qualified beneficiary has previously been provided the notice required by this section, additional notice shall not be required due to a change of trustees or a change in the composition of the qualified beneficiaries.

2. The trustee shall provide the notice required in subsection 1 to each qualified beneficiary within a reasonable time following any of the following events:

*a.* The commencement of the trust administration.

*b.* The trustee becoming aware that there is a new qualified beneficiary or a representative of any minor or incompetent beneficiary.

*c.* The trust becoming irrevocable.

*d.* The time that no person, except the trustee, has the right to change the beneficiaries of the trust.

3. Except as provided in subsection 4, a trustee shall provide annually to each adult beneficiary and the representative of any minor or incompetent beneficiary who may receive a distribution of income or principal during the accounting time period, an accounting, unless an accounting has been waived specifically for that accounting time period.

4. If a settlor has retained the right to change the beneficiaries of the trust or if a party is the holder of a presently exercisable general power of appointment, the trustee shall only be required to report to the settlor or the party.

5. *a.* If the trustee has refused, after written request, to provide an accounting or other required notice under this section to a qualified beneficiary, the court may do any of the following:

(1) Order the trustee to comply with the trustee's duties under this section.

(2) Assess costs, including attorney fees, against the trustee personally.

*b.* Except as provided in paragraph *"a"*, the only consequence to a trustee's failure to provide the required accounting or notice is that the trustee shall not be able to rely upon the statute of limitations under section 633A.4504.

6. The format and content of an accounting required by this section shall be within the discretion of the trustee, as long as sufficient to reasonably inform the beneficiary of the condition and activities of the trust during the accounting period.

7. This section does not apply to any trust created prior to July 1, 2002. This section applies to any trust created on or after July 1, 2002, unless the settlor has specifically waived the requirements of this section in the trust instrument. Waiver of this section shall not bar any beneficiary's common-law right to an accounting, and shall not provide any immunity to a trustee, acting under the terms of the trust, for liability to any beneficiary who discovers facts giving rise to a cause of action against the trustee.

99 Acts, ch 125, §59, 109

C2001, §633.4213

2001 Acts, ch 176, §78; 2002 Acts, ch 1107, §12; 2002 Acts, ch 1175, §93; 2003 Acts, ch 95, §15; 2005 Acts, ch 38, §54, 55

CS2005, §633A.4213

2006 Acts, ch 1104, §12, 13, 16; 2012 Acts, ch 1123, §27

Referred to in §633A.3110, 633A.4202, 633A.4502, 633A.4504, 633A.5107

**633A.4214 Duties with regard to discretionary powers.**

1. A trustee shall exercise a discretionary power within the bounds of reasonable judgment and in accordance with applicable fiduciary principles and the terms of the trust.

2. Notwithstanding the use of such terms as "absolute", "sole", or "uncontrolled" in the grant of discretion, a trustee shall act in accordance with fiduciary principles and shall not act in bad faith or in disregard of the purposes of the trust or the power. Absent an abuse of discretion, a trustee's exercise of discretion is not subject to control by a court.

3. Subject to paragraph *"c"* and unless the terms of the trust expressly indicate that a rule in this subsection does not apply, all of the following shall apply:

*a.* A person other than a settlor who is a beneficiary and trustee of a trust that confers on the trustee the power to make discretionary distributions to or for the trustee's personal benefit may exercise the power only in accordance with an ascertainable standard relating

to the trustee's individual health, education, support, or maintenance within the meaning of section 2041(b)(1)(A) or 2514(c)(1) of the Internal Revenue Code of 1986.

*b.* A trustee shall not exercise a power to make discretionary distributions to satisfy a legal obligation of support that the trustee personally owes to another person.

*c.* This subsection does not apply to the following:

(1) A power held by the settlor's spouse who is the trustee of a trust for which a marital deduction, as defined in section 2056(b)(5) or 2523(e) of the Internal Revenue Code of 1986, was previously allowed.

(2) A trust that may be revoked or amended by the settlor.

(3) A trust, if contributions to the trust qualify for an annual exclusion under section 2503(c) of the Internal Revenue Code of 1986.

4. A power whose exercise is limited or prohibited by subsection 3 may be exercised by a majority of the remaining trustees whose exercise of the power is not so limited or prohibited. If the power of all trustees is so limited or prohibited, the court may appoint a special fiduciary with authority to exercise the power.

99 Acts, ch 125, §60, 109

C2001, §633.4214

2002 Acts, ch 1107, §13; 2003 Acts, ch 95, §16; 2003 Acts, ch 108, §109; 2005 Acts, ch 38, §54

CS2005, §633A.4214

## PART 3

## UNIFORM PRUDENT INVESTOR ACT

Referred to in §262.14, 412.4, 633.123A, 633.348, 633.646

**633A.4301 Short title.**

This part may be cited as the *"Uniform Prudent Investor Act"*.

99 Acts, ch 125, §61, 109

C2001, §633.4301

2005 Acts, ch 38, §54, 55

CS2005, §633A.4301

**633A.4302 Standard of care — portfolio strategy — risk and return objectives.**

1. A trustee shall invest and manage trust property as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution.

2. A trustee's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.

3. A trustee shall consider all of the following circumstances, to the extent relevant to the trust or its beneficiaries in investing and managing trust property:

*a.* General economic conditions.

*b.* The possible effect of inflation or deflation.

*c.* The expected tax consequences of investment decisions or strategies.

*d.* The role that each investment or course of action plays within the overall trust portfolio, which may include financial assets, interests in closely held enterprises, tangible and intangible personal property, and real property.

*e.* The expected total return from income and the appreciation of capital.

*f.* Other resources of the beneficiaries.

*g.* Needs for liquidity, regularity of income, and preservation or appreciation of capital.

*h.* An asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries.

4. A trustee shall make a reasonable effort to verify facts relevant to the investment and management of trust property.

5. A trustee may invest in any kind of property or type of investment consistent with the standards of this part.

99 Acts, ch 125, §62, 109
C2001, §633.4302
2005 Acts, ch 38, §54, 55
CS2005, §633A.4302
Referred to in §523A.203, 633.123

**633A.4303 Diversification.**

A trustee shall diversify the investments of the trust unless the trustee reasonably determines that the purposes of the trust are better served without diversifying.

99 Acts, ch 125, §63, 109
C2001, §633.4303
2005 Acts, ch 38, §54
CS2005, §633A.4303

**633A.4304 Duties at inception of trusteeship.**

Within a reasonable time after accepting a trusteeship or receiving trust property, a trustee shall review the trust property and make and implement decisions concerning the retention and disposition of assets, in order to bring the trust portfolio into compliance with the purposes, terms, distribution requirements, and other circumstances of the trust, and with the requirements of this part.

99 Acts, ch 125, §64, 109
C2001, §633.4304
2005 Acts, ch 38, §54, 55
CS2005, §633A.4304

**633A.4305 Loyalty.**

A trustee shall invest and manage the trust property solely in the interest of the beneficiaries.

99 Acts, ch 125, §65, 109
C2001, §633.4305
2005 Acts, ch 38, §54
CS2005, §633A.4305

**633A.4306 Impartiality.**

If a trust has two or more beneficiaries, the trustee shall act impartially in investing and managing the trust property, taking into account any differing interests of the beneficiaries.

99 Acts, ch 125, §66, 109
C2001, §633.4306
2005 Acts, ch 38, §54
CS2005, §633A.4306

**633A.4307 Investment costs.**

In investing and managing trust property, a trustee may only incur costs that are appropriate and reasonable in relation to the property, the purposes of the trust, and the skills of the trustee.

99 Acts, ch 125, §67, 109
C2001, §633.4307
2005 Acts, ch 38, §54
CS2005, §633A.4307

**633A.4308 Reviewing compliance.**

Compliance with the prudent investor rule is determined in light of the facts and circumstances existing at the time of a trustee's decision or action and not by hindsight.

99 Acts, ch 125, §68, 109
C2001, §633.4308
2005 Acts, ch 38, §54
CS2005, §633A.4308

**633A.4309 Language invoking prudent investor rule.**

The following terms or comparable language in the provisions of a trust, unless otherwise limited or modified, authorizes any investment or strategy permitted under this trust code:

1. Investments permissible by law for investment of trust funds.
2. Legal investments.
3. Authorized investments.
4. Using the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.
5. Prudent man rule.
6. Prudent trustee rule.
7. Prudent person rule.
8. Prudent investor rule.

99 Acts, ch 125, §70, 109
C2001, §633.4309
2005 Acts, ch 38, §54
CS2005, §633A.4309

## PART 4

## POWERS OF TRUSTEES

**633A.4401 General powers — fiduciary duties.**

1. A trustee, without authorization by the court, may exercise the following powers:

*a.* The powers conferred by the terms of the trust.

*b.* Except as limited by the terms of the trust, powers conferred by this trust code.

2. This part does not affect the power of the court to relieve a trustee from restrictions in the terms of the trust on the exercise of powers, to confer on a trustee additional powers whether or not authorized by the terms of the trust, or to restrict the exercise of a power otherwise given to the trustee by the terms of the trust or this trust code.

3. The grant of a power to a trustee, whether by the terms of the trust, this trust code, or the court, does not in itself govern the exercise of the power. In exercising a power, the trustee shall act in accordance with fiduciary principles.

99 Acts, ch 125, §71, 109
C2001, §633.4401
2005 Acts, ch 38, §54, 55
CS2005, §633A.4401
Referred to in §633.750

**633A.4402 Specific powers of trustees.**

In addition to the powers conferred by the terms of the trust, a trustee may perform all actions necessary to accomplish the proper management, investment, and distribution of the trust property, including the following powers:

1. Collect, hold, and retain trust property received from a settlor or any other person. The property may be retained even though it includes property in which the trustee is personally interested.

2. Accept or refuse to accept additions to the property of the trust from a settlor or any other person.

3. With respect to an interest in a proprietorship, partnership, limited liability company, business trust, corporation, or other form of business or enterprise, continue or participate in the operation of a business or other enterprise that is part of the trust and take any action that may be taken by shareholders, members, or property owners, including merging, dissolving, or otherwise changing the form of a business organization and contributing additional capital.

4. Deposit trust funds in an account in a financial institution, including a financial institution operated by the trustee.

5. Acquire or dispose of property, for cash or on credit, at public or private sale, or by exchange.

6. Manage, control, divide, develop, improve, exchange, partition, change the character of, or abandon trust property. Consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution, or liquidation of a corporation or other business enterprise, and participate in voting trusts, pooling arrangements, and foreclosures, and in connection therewith, deposit securities with and transfer title and delegate discretion to any protective or other committee as the trustee considers advisable.

7. Encumber, mortgage, or pledge trust property for a term within or extending beyond the term of the trust in connection with the exercise of a power vested in the trustee.

8. Make ordinary or extraordinary repairs, alterations, or improvements in buildings or other trust property; demolish improvements; and raze existing or erect new party walls or buildings.

9. Subdivide or develop land, dedicate land to public use, make or obtain the vacation of plats and adjust boundaries, adjust differences in valuation on exchange or partition by giving or receiving consideration, and dedicate easements to public use without consideration.

10. Enter into a lease for any purpose as lessor or lessee with or without the option to purchase or renew and for a term within or extending beyond the term of the trust.

11. Enter into a lease or arrangement for exploration and removal of gas, oil, or other minerals or geothermal energy, and enter into a community oil lease or a pooling or unitization agreement.

12. Grant an option involving disposition of trust property or take an option for the acquisition of property, including an option that is exercisable beyond the duration of the trust.

13. With respect to shares of stock of a domestic or foreign corporation, any membership in a nonprofit corporation, or other property, the trustee may do the following:

*a.* Vote in person, and give proxies to exercise, any voting rights with respect to the shares, memberships, or property.

*b.* Waive notice of a meeting or give consent to the holding of a meeting.

*c.* Authorize, ratify, approve, or confirm any action that could be taken by shareholders, members, or property owners.

14. Pay calls, assessments, and any other sums chargeable or accruing against or on account of securities.

15. Sell or exercise stock subscription or conversion rights.

16. Select a mode of payment under any employee benefit or retirement plan, annuity, or life insurance payable to the trustee, and exercise rights thereunder, including the right to indemnification for expenses and against liabilities, and take appropriate action to collect proceeds.

17. Hold a security in the name of a nominee or in other form without disclosure of the trust so that title to the security may pass by delivery.

18. Deposit securities in a securities' depository.

19. Insure the property of the trust against damage or loss and insure the trustee against liability with respect to third persons.

20. Borrow money for any trust purpose to be repaid from trust property.

21. Pay or contest any claim; settle a claim by or against the trust by compromise, arbitration, or otherwise; and release, in whole or in part, a claim belonging to the trust.

22. Pay taxes, assessments, reasonable compensation of the trustee and of employees and

agents of the trust, and other expenses incurred in the collection, care, administration, and protection of the trust.

23. Make loans out of trust property to a beneficiary on terms and conditions the trustee considers to be fair and reasonable under the circumstances, and guarantee loans to the beneficiary by encumbrances on trust property.

24. Pay an amount distributable to a beneficiary, whether or not the beneficiary is under a legal disability, by paying the amount to the beneficiary or by paying the amount to another person for the use or benefit of the beneficiary.

25. Upon distribution of trust property or the division or termination of a trust, make distribution in divided or undivided interests, allocate particular assets in proportionate or disproportionate shares, value the trust property for those purposes, and adjust for resulting differences in valuation.

26. Employ accountants, attorneys, investment advisors, appraisers, or other persons, even if they are associated or affiliated with the trustee, to advise or assist the trustee in the performance of administrative duties.

27. With respect to any actual or potential violation of any environmental law affecting property held directly or indirectly by the trustee, a trustee shall do all of the following:

*a.* Inspect or investigate property the trustee holds or has been asked to hold or property owned or operated by an organization in which the trustee holds an interest in or has been asked to hold an interest in, and expend trust funds therefore, for the purpose of determining any potential environmental law violations with respect to the property.

*b.* Take action to prevent, abate, or otherwise remedy any actual or potential violation of any environmental law affecting property held directly or indirectly by the trustee, whether taken before or after the assertion of a claim or the initiation of governmental enforcement.

*c.* Decline to accept property into trust or disclaim any power with respect to property that is or may be burdened with liability for violation of any environmental law.

*d.* Negotiate claims against the trust which may be asserted for an alleged violation of environmental law.

*e.* Pay the expense of any inspection, review, abatement, or remedial action to comply with environmental law.

28. Withhold funds from distribution for the purpose of maintaining a reserve for any valid business purpose, or as a depletion reserve, if, in the trustee's discretion, the failure to do so would unfairly, and materially, reduce the value of the interest of the remainder.

29. Execute and deliver instruments that are useful to accomplish or facilitate the exercise of the trustee's powers.

30. Prosecute or defend an action, claim, or proceeding in order to protect trust property.

31. Resolve a dispute concerning the interpretation of the trust or its administration by mediation, arbitration, or other procedure for alternative dispute resolution.

32. Upon termination of the trust, exercise the powers necessary to conclude the administration of the trust and distribute the trust property to the person or persons entitled to the trust property.

99 Acts, ch 125, §72, 109
C2001, §633.4402
2002 Acts, ch 1107, §14, 15; 2005 Acts, ch 38, §54
CS2005, §633A.4402
Referred to in §633.750

## PART 5

## LIABILITY OF TRUSTEES TO BENEFICIARIES

**633A.4501 Violations of duties — breach of trust.**

1. A violation by a trustee of a duty the trustee owes a beneficiary is a breach of trust.

2. The remedies of a beneficiary for breach of trust are exclusively equitable and any action shall be brought in a court of equity.

99 Acts, ch 125, §73, 109
C2001, §633.4501
2005 Acts, ch 38, §54
CS2005, §633A.4501

**633A.4502 Breach of trust — actions.**

1. Except as provided in section 633A.4213, to remedy a breach of trust which has occurred or may occur, a beneficiary or cotrustee of the trust may request the court to do any of the following:

*a.* Compel the trustee to perform the trustee's duties.

*b.* Enjoin the trustee from committing a breach of trust.

*c.* Compel the trustee to redress a breach of trust by payment of money or otherwise.

*d.* Appoint a receiver or temporary trustee to take possession of the trust property and administer the trust.

*e.* Remove the trustee.

*f.* Reduce or deny compensation to the trustee.

*g.* Subject to section 633A.4603, nullify an act of the trustee, impose an equitable lien or a constructive trust on trust property, or trace trust property wrongfully disposed of and recover the property or its proceeds.

*h.* Order any other appropriate relief.

2. The exception created in subsection 1 of this section does not apply to any trust created prior to July 1, 2002.

99 Acts, ch 125, §74, 109
C2001, §633.4502
2002 Acts, ch 1107, §16; 2005 Acts, ch 38, §54, 55
CS2005, §633A.4502
2009 Acts, ch 52, §10; 2010 Acts, ch 1137, §8

**633A.4503 Breach of trust — liability.**

A beneficiary may charge a trustee who commits a breach of trust with the amount required to restore the value of the trust property and trust distributions to what they would have been had the breach not occurred, or, if greater, the amount of profit lost by reason of the breach.

99 Acts, ch 125, §75, 109
C2001, §633.4503
2005 Acts, ch 38, §54
CS2005, §633A.4503

**633A.4504 Limitation of action against trustee.**

1. Unless previously barred by adjudication, consent, or other limitation, a claim against a trustee for breach of trust is barred as to a beneficiary who has received an accounting pursuant to section 633A.4213 or other report that adequately discloses the existence of the claim, unless a proceeding to assert the claim is commenced within one year after the receipt of the accounting or report. An accounting or report adequately discloses the existence of a claim if it provides sufficient information so that the beneficiary knows of the claim or reasonably should have inquired into its existence.

2. For the purpose of subsection 1, a beneficiary is deemed to have received an accounting or report in the following instances:

*a.* In the case of an adult who is reasonably capable of understanding the accounting or report, if it is received by the adult personally.

*b.* In the case of an adult who is not reasonably capable of understanding the accounting or report, if it is received by the adult's legal representative, including a guardian ad litem or other person appointed for this purpose.

*c.* In the case of a minor, if it is received by the minor's guardian or conservator or, if the

minor does not have a guardian or conservator, if it is received by a parent of the minor who does not have a conflict of interest.

3. Any claim for breach of trust against a trustee who has presented an accounting or report to a beneficiary more than one year prior to July 1, 2000, shall be time barred unless some exception stated in this section applies which tolls the statute. Any claim arising under this section within one year of July 1, 2000, shall be time barred after one year unless an exception applies to toll the statute.

4. For the purposes of this section, *"report"* means a document including but not limited to a letter, delivered by or on behalf of the trustee to a beneficiary of the trust.

99 Acts, ch 125, §76, 109; 2000 Acts, ch 1150, §25
C2001, §633.4504
2005 Acts, ch 38, §54
CS2005, §633A.4504
2012 Acts, ch 1123, §28; 2013 Acts, ch 33, §7, 9
Referred to in §633A.4213, 633A.5108
2013 amendment to subsection 3 applies retroactively to all reports and accountings provided by a trustee, unless an exception applies, to one year from July 1, 2000; 2013 Acts, ch 33, §9
Subsection 3 amended

**633A.4505 Exculpation of trustee.**

A provision in the terms of the trust relieving a trustee of liability for breach of trust is unenforceable to the extent that it does either of the following:

1. Relieves a trustee of liability for breach of trust committed intentionally, with gross negligence, in bad faith, or with reckless indifference to the interest of the beneficiary, or for any profit derived by the trustee from the breach.

2. Was inserted as the result of an abuse by the trustee of a fiduciary or confidential relationship to the settlor.

99 Acts, ch 125, §77, 109
C2001, §633.4505
2005 Acts, ch 38, §54
CS2005, §633A.4505

**633A.4506 Beneficiary's consent, release, or affirmance — nonliability of trustee.**

1. A beneficiary shall not hold a trustee liable for a breach of trust if the beneficiary does any of the following:

*a.* Consents to the conduct constituting the breach.

*b.* Releases the trustee from liability for the breach.

*c.* Affirms the transaction constituting the breach.

2. A beneficiary may hold a trustee liable for breach of trust despite a consent, release, or affirmance by the beneficiary if, at the time of the consent, release, or affirmance, all of the following applied:

*a.* The beneficiary did not know of the beneficiary's rights.

*b.* The beneficiary did not know the material facts known to the trustee or which the trustee should have known.

*c.* The trustee did not reasonably believe that the beneficiary knew the beneficiary's rights and that the beneficiary knew material facts known to the trustee or which the trustee should have known.

3. A beneficiary may hold a trustee liable for breach of a trust despite a consent, release, or affirmance by the beneficiary if the consent, release, or affirmance was induced by improper conduct of the trustee.

99 Acts, ch 125, §78, 109
C2001, §633.4506
2002 Acts, ch 1107, §17, 18; 2003 Acts, ch 95, §17; 2005 Acts, ch 38, §54
CS2005, §633A.4506
Referred to in §633A.4202

**633A.4507 Attorney fees and costs.**

In a judicial proceeding involving the administration of a trust, the court, as justice and equity may require, may award costs and expenses, including reasonable attorney fees, to any party, to be paid by another party or from the trust that is the subject of the controversy.

2004 Acts, ch 1015, §29
C2005, §633.4507
2005 Acts, ch 38, §54
CS2005, §633A.4507

PART 6

RIGHTS OF THIRD PARTIES

**633A.4601 Personal liability — limitations.**

1. Except as otherwise provided in the contract or in this part, a trustee is not personally liable on a contract properly entered into in the trustee's fiduciary capacity in the course of administration of the trust unless the trustee fails to reveal the representative capacity or identify the trust in the contract.

2. A trustee is personally liable for obligations arising from ownership or control of trust property, including liability for environmental law violations, and for torts committed in the course of administering a trust only if the trustee is personally at fault.

3. A claim based on a contract entered into by a trustee in the trustee's representative capacity, on an obligation arising from ownership or control of trust property, or on a tort committed in the course of administering a trust may be asserted against the trust by proceeding against the trustee in the trustee's representative capacity, whether or not the trustee is personally liable on the claim.

4. A question of liability as between the trust and the trustee personally may be determined in a proceeding brought under section 633A.6202.

99 Acts, ch 125, §79, 109
C2001, §633.4601
2002 Acts, ch 1107, §19; 2005 Acts, ch 38, §54, 55
CS2005, §633A.4601

**633A.4602 Dissenting cotrustees.**

1. A cotrustee who does not join in exercising a power is not liable to a third party for the consequences of the exercise of the power.

2. A dissenting cotrustee who joins in an action at the direction of the majority cotrustees is not liable to a third party for the action if the dissenting cotrustee expresses the dissent in writing to any other cotrustee at or before the action is taken.

3. This section does not excuse a cotrustee from liability for failure to discharge a cotrustee's duties as a trustee.

99 Acts, ch 125, §80, 109
C2001, §633.4602
2005 Acts, ch 38, §54
CS2005, §633A.4602

**633A.4603 Obligations of third parties.**

1. With respect to a third party dealing with a trustee or assisting a trustee in the conduct of a transaction, if the third party acts in good faith and for a valuable consideration and without knowledge that the trustee is exceeding the trustee's powers or is improperly exercising them, the following apply:

*a.* A third party is not bound to inquire as to whether a trustee has power to act or is properly exercising a power and may assume without inquiry the existence of a trust power and its proper exercise.

*b.* A third party is fully protected in dealing with or assisting a trustee, as if the trustee has and is properly exercising the power the trustee purports to exercise.

2. A third party who acts in good faith is not bound to ensure the proper application of trust property paid or delivered to the trustee.

3. If a third party acting in good faith and for a valuable consideration enters into a transaction with a former trustee without knowledge that the person is no longer a trustee, the third party is fully protected as if the former trustee were still a trustee.

99 Acts, ch 125, §81, 109
C2001, §633.4603
2005 Acts, ch 38, §54
CS2005, §633A.4603
Referred to in §633A.4502

**633A.4604 Certification of trust.**

1. A trustee may present a certification of trust to any person in lieu of providing a copy of the trust instrument to establish the trust's existence or terms or the trustee's authority.

2. The certification must contain a statement that the trust has not been revoked, modified, or amended in any manner which would cause the representations contained in the certification of trust to be incorrect and must contain a statement that it is being signed by all of the currently acting trustees of the trust and is sworn and subscribed to under penalty of perjury before a notary public as provided in chapter 9B.

3. A certification of trust need not contain the dispositive provisions of the trust which set forth the distribution of the trust estate.

4. A person may require that the trustee offering the certification of trust provide proof of the trustee's identity and copies of those excerpts from the original trust instrument and amendments to the original trust instrument which designate the trustee and confer upon the trustee the power to act in the pending transaction.

5. A person who acts in reliance upon a certification of trust after taking reasonable steps to verify the identity of the trustee and without knowledge that the representations contained in the certification are incorrect is not liable to any person for so acting and may assume without inquiry the existence of the facts contained in the certification. The period of time to verify the identity of the trustee shall not exceed ten business days from the date the person received the certification of trust. Knowledge shall not be inferred solely from the fact that a copy of all or part of the trust instrument is held by the person relying upon the trust certification. A transaction, and a lien created by a transaction, entered into by the trustee and a person acting in reliance upon a certification of trust is enforceable against the trust assets.

6. A person making a demand for the trust instrument in addition to a certification of trust or excerpts shall be liable for damages, including attorney fees, incurred as a result of the refusal to accept the certification of trust or excerpts in lieu of the trust instrument if the court determines that the person acted unreasonably in requesting the trust instrument.

7. *a.* If a trustee has provided a certification of trust and a person refuses to pay, deliver, or transfer any property owed to or owned by the trust within a reasonable time thereafter, the trustee may bring an action under this subsection and the court may award any or all of the following to the trustee:

(1) Any damages sustained by the trust.

(2) The costs of the action.

(3) A penalty in an amount of not less than five hundred dollars and not more than ten thousand dollars.

(4) Reasonable attorney fees, based on the value of the time reasonably expended by the attorney and not on the amount of the recovery on behalf of the trustee.

*b.* An action shall not be brought under this subsection more than one year after the date of the occurrence of the alleged violation.

8. This section does not limit the rights of beneficiaries to obtain copies of the trust instrument or rights of others to obtain copies in a proceeding concerning the trust.

99 Acts, ch 125, §82, 109

C2001, §633.4604
2005 Acts, ch 38, §54
CS2005, §633A.4604
2010 Acts, ch 1137, §9; 2012 Acts, ch 1050, §59, 60
Referred to in §524.810A

**633A.4605 Liability for wrongful taking, concealing, or disposing of trust property.**

A person who, in bad faith, wrongfully takes, conceals, or disposes of trust property is liable for twice the value of the property, attorney fees, court costs, and where consistent with existing law, punitive damages, recoverable in an action by a trustee for the benefit of the trust.

99 Acts, ch 125, §83, 109
C2001, §633.4605
2005 Acts, ch 38, §54
CS2005, §633A.4605

**633A.4606 Interest as general partner.**

1. Except as otherwise provided in subsection 3 or unless personal liability is imposed in the contract, a trustee who holds an interest as a general partner in a general or limited partnership is not personally liable on a contract entered into by the partnership after the trust's acquisition of the interest if the fiduciary capacity was disclosed in the contract or in a statement previously filed pursuant to section 486A.303 or 488.201.

2. Except as otherwise provided in subsection 3, a trustee who holds an interest as a general partner is not personally liable for torts committed by the partnership or for obligations arising from ownership or control of the interest unless the trustee is personally at fault.

3. The immunity provided by this section does not apply if an interest in the partnership is held by the trustee in a capacity other than that of trustee or is held by the trustee's spouse or one or more of the trustee's descendants, siblings, or parents, or the spouse of any of the trustee's descendants, siblings, or parents.

4. If the trustee of a revocable trust holds an interest as a general partner, the settlor shall be personally liable for contracts and other obligations of the partnership as if the settlor were a general partner.

2012 Acts, ch 1123, §29, 32
Section applies to trusts in existence on or after July 1, 2012; 2012 Acts, ch 1123, §32

## PART 7

## TRUST CONSTRUCTION

**633A.4701 Survivorship with respect to future interests under terms of trust — substitute takers.**

1. Unless otherwise specifically stated by the terms of the trust, the interest of each beneficiary is contingent on the beneficiary surviving until the date on which the beneficiary becomes entitled to possession or enjoyment of the beneficiary's interest in the trust.

2. If a beneficiary dies prior to becoming entitled to possession or enjoyment of the beneficiary's interest and the terms of the trust provide for an alternate beneficiary who is living on the date the interest becomes possessory, the alternate beneficiary succeeds to the interest in accordance with the terms of the trust.

3. If a beneficiary dies prior to becoming entitled to possession or enjoyment of the beneficiary's interest and no alternate beneficiary is named in the trust, and the beneficiary has issue who are living on the date the interest becomes possessory, the issue of the beneficiary who are living on such date shall receive the interest of the beneficiary.

4. If both a beneficiary of an interest and any alternate beneficiary of that interest named in the trust die prior to the interest becoming possessory, and the beneficiary has no issue who

are living on the date the interest becomes possessory, the issue of the alternate beneficiary who are living on such date shall take the interest of the beneficiary.

5. If both the beneficiary of an interest and any alternate beneficiary of that interest named in the trust die prior to the interest becoming possessory, and neither the beneficiary nor the alternate beneficiary has issue who are living on the date the interest becomes possessory, the beneficiary's interest shall be distributed to the takers of the settlor's residuary estate, or, if the trust is the sole taker of the settlor's residuary estate, in accordance with section 633A.2106.

6. If both the beneficiary of an interest and any alternate beneficiary of that interest named in the trust die prior to the interest becoming possessory, and both the beneficiary and the alternate beneficiary have issue who are living on the date the interest becomes possessory, the issue of the beneficiary succeed to the interest of the beneficiary. The issue of the alternate beneficiary shall not succeed to any part of the interest of the beneficiary.

7. For the purposes of this section, persons appointed under a power of appointment shall be considered beneficiaries under this section and takers in default of appointment designated by the instrument creating the power of appointment shall be considered alternate beneficiaries under this section.

8. Subsections 2, 3, 4, 5, 6, and 7 do not apply to any interest subject to an express condition of survivorship imposed by the terms of the trust. For the purposes of this section, words of survivorship including, but not limited to, "my surviving children", "if a person survives" a named period, and terms of like import, shall be construed to create an express condition of survivorship. Words of survivorship include language requiring survival to the distribution date or to any earlier or unspecified time, whether those words are expressed in condition precedent, condition subsequent, or any other form.

9. For the purposes of this section, a term of the trust requiring that a beneficiary survive a person whose death does not make the beneficiary entitled to possession or enjoyment of the beneficiary's interest in the trust shall not be considered as "otherwise specifically stated by the terms of the trust" nor as an "express condition of survivorship imposed by the terms of the trust".

10. If an interest to which this section applies is given to a class, other than a class described as "issue", "descendants", "heirs of the body", "heirs", "next of kin", "relatives", "family", or a class described by language of similar import, the members of the class who are living on the date on which the class becomes entitled to possession or enjoyment of the interest shall be considered as alternate beneficiaries under this section. However, neither the residuary beneficiaries under the settlor's will nor the settlor's heirs shall be considered as alternate beneficiaries for the purposes of this section.

99 Acts, ch 125, §84, 109
C2001, §633.4701
2003 Acts, ch 95, §18, 19; 2005 Acts, ch 38, §42, 43, 54, 55
CS2005, §633A.4701

**633A.4702 Discretionary language prevails over other standard.**

In the absence of clear and convincing evidence to the contrary, language in a governing instrument granting a trustee discretion to make or withhold a distribution shall prevail over any language in the governing instrument indicating that the beneficiary may have a legally enforceable right to distributions or indicating a standard for payments or distributions.

2004 Acts, ch 1015, §30
C2005, §633.4702
2005 Acts, ch 38, §54
CS2005, §633A.4702

**633A.4703 General order for abatement.**

Except as otherwise provided by the governing instrument, where necessary to abate shares of the beneficiaries of a trust for the payment of debts and charges, federal and state estate taxes, bequests, the share of the surviving spouse who takes an elective share, and the shares

of children born or adopted after the execution of the trust, abatement shall occur in the following order:

1. Shares allocated to the residuary beneficiaries of the trust shall be abated first, on a pro rata basis.

2. Shares defined by a dollar amount, on a pro rata basis.

3. Shares described as specific items of property whether tangible or intangible shall be abated last, and such abatement shall be done as equitably by the trustee among the various beneficiaries as circumstances reasonably allow.

4. Notwithstanding subsections 1, 2, or 3, a disposition in favor of the settlor's surviving spouse who does not take an elective share shall not be abated where such abatement would have the effect of increasing the amount of federal estate or federal gift taxes payable by a person or an entity.

2005 Acts, ch 38, §44; 2007 Acts, ch 134, §19, 20, 28; 2008 Acts, ch 1119, §31; 2010 Acts, ch 1138, §60

**633A.4704 Simultaneous death.**

If the determination of the successor of a beneficial interest in a trust is dependent upon whether a beneficiary has survived the death of a settlor, of another beneficiary, or of any other person, the uniform simultaneous death Act, sections 633.523 through 633.528, shall govern the determination of who shall be considered to have died first.

2005 Acts, ch 38, §45

**633A.4705 Principal and income.**

Chapter 637 shall apply to trusts subject to this chapter.

2005 Acts, ch 38, §46

**633A.4706 Small distributions to minors — payment.**

When a minor becomes entitled under the terms of the trust to a beneficial interest in the trust upon the distribution of the trust fund and the value of the interest does not exceed the sum of twenty-five thousand dollars, the trustee may pay the interest to a custodian under any uniform transfers to minors Act. Receipt by the custodian shall have the same force and effect as though payment had been made to a duly appointed and qualified conservator for the minor.

2005 Acts, ch 38, §47

Uniform transfers to minors, see chapter 565B

**633A.4707 Person causing death.**

A person who intentionally and unjustifiably causes or procures the death of another shall not receive any property, benefit, or other interest as a beneficiary of a trust by reason of such death. Any property, benefit, or other interest that such person would have received because of such death shall be distributed as if the person causing the death died before the person whose death was intentionally and unjustifiably caused or procured.

2006 Acts, ch 1104, §14, 16

## SUBCHAPTER V

## CHARITABLE TRUSTS

**633A.5101 Charitable purposes.**

1. A charitable trust may be created for the relief of poverty, the advancement of education or religion, the promotion of health, or any other purpose the accomplishment of which is beneficial to the community.

2. If the terms of the trust do not indicate a particular charitable purpose or beneficiaries, the trustee may select one or more charitable purposes or beneficiaries.

99 Acts, ch 125, §85, 109

C2001, §633.5101
2005 Acts, ch 38, §54
CS2005, §633A.5101
Referred to in §633A.1102

**633A.5102 Application of cy pres.**

Unless the terms of the trust provide to the contrary the following apply:

1. A charitable trust does not fail, in whole or in part, if a particular purpose for which the trust was created becomes impracticable, unlawful, or impossible to fulfill.

2. If a particular charitable purpose for which a trust was created becomes impracticable, unlawful, or impossible to fulfill, the court may modify the terms of the trust or direct that the property of the trust be distributed in whole or in part in a manner best meeting the settlor's general charitable purposes. If an administrative provision of a charitable trust becomes impracticable, unlawful, impossible to fulfill, or otherwise impairs the effective administration of the trust, the court may modify the provision.

99 Acts, ch 125, §86, 109
C2001, §633.5102
2005 Acts, ch 38, §54
CS2005, §633A.5102

**633A.5103 Trust with uneconomically low value.**

1. On petition by a trustee or other interested person, if the court determines that the value of the trust property is insufficient to justify the cost of administration involved, the court may appoint a new trustee or may modify or terminate the charitable trust.

2. Upon termination of a trust under this section, the court shall distribute the trust property in a manner consistent with the settlor's charitable purposes.

99 Acts, ch 125, §87, 109
C2001, §633.5103
2005 Acts, ch 38, §54
CS2005, §633A.5103

**633A.5104 Interested persons — proceedings.**

The settlor, or if the settlor is deceased or not competent, the settlor's designee named or designated pursuant to section 633A.5106, the trustee, the attorney general, and any charitable entity or other person with a special interest in the trust shall be interested persons in a proceeding involving a charitable trust.

99 Acts, ch 125, §88, 109
C2001, §633.5104
2005 Acts, ch 38, §54
CS2005, §633A.5104
2008 Acts, ch 1119, §32, 39

**633A.5105 Charitable trusts.**

In addition to the provisions of this chapter, a charitable trust that is a private foundation shall be governed by the provisions of chapter 634.

2005 Acts, ch 38, §48

**633A.5106 Settlor — enforcement of charitable trust — designation.**

A settlor may maintain an action to enforce a charitable trust established by the settlor and may designate, either in the agreement establishing the trust or in a written statement signed by the settlor and delivered to the trustee, a person or persons, by name or by description, whether or not born at the time of such designation, to enforce the charitable trust if the settlor is deceased or not competent.

2008 Acts, ch 1119, §33, 39
Referred to in §633A.5104

**633A.5107 Filing requirements.**

1. The provisions of this section apply to the following charitable trusts administered in this state with assets in excess of twenty-five thousand dollars:

*a.* A nonprofit entity as defined in section 501(c)(3) of the Internal Revenue Code, as defined in section 422.3.

*b.* A charitable remainder trust as defined in section 664(d) of the Internal Revenue Code, as defined in section 422.3.

*c.* A charitable lead trust as defined in sections 2055(e)(2)(b) and 2522(c)(2)(b) of the Internal Revenue Code, as defined in section 422.3.

2. *a.* Within sixty days from the creation of a charitable trust, as described in subsection 1, the trustee shall register the charitable trust with the attorney general. The trustee shall register the charitable trust on a form provided by the attorney general. The trustee shall also submit a copy of the trust instrument to the attorney general as required by the attorney general.

*b.* The trustee of a charitable trust, as described in subsection 1, shall annually file a copy of the charitable trust's annual report with the attorney general. The annual report may be the same report submitted to the persons specified in section 633A.4213, the charitable trust's most recent annual federal tax filings, or an annual report completed on a form provided by the attorney general.

*c.* The attorney general may require that documents be filed electronically, including forms, trust instruments, and reports. In addition, the attorney general may require the use of electronic signatures as defined in section 554D.103.

3. Any document provided to the office of the attorney general in connection with a charitable remainder trust or a charitable lead trust, as described in subsection 1, shall not be considered a public record pursuant to chapter 22. The attorney general shall keep the identities and interest of the noncharitable beneficiaries confidential except to the extent that disclosure is required by a court.

4. The attorney general is authorized to adopt administrative rules in accordance with the provisions of chapter 17A for the administration and enforcement of this chapter.

5. For a charitable trust described in subsection 1, created prior to July 1, 2009, and still in existence, the trustee shall register the trust with and submit a current copy of the trust instrument and financial report to the attorney general not later than one hundred thirty-five days after the close of the trust's next fiscal year following July 1, 2009. The trustee shall comply with the remainder of this section as if the charitable trust were created on or after July 1, 2009.

2009 Acts, ch 35, §1; 2009 Acts, ch 179, §45

**633A.5108 Role of the attorney general.**

The attorney general may investigate a charitable trust to determine whether the charitable trust is being administered in accordance with law and the terms and purposes of the trust. The attorney general may apply to a district court for such orders that are reasonable and necessary to carry out the terms and purposes of the trust and to ensure the trust is being administered in accordance with applicable law. Limitation of action provisions contained in section 633A.4504 apply.

2009 Acts, ch 35, §2

## SUBCHAPTER VI

## PROCEEDINGS CONCERNING TRUSTS

## PART 1

## JURISDICTION AND VENUE

**633A.6101 Subject matter jurisdiction.**

1. The district court sitting in probate has exclusive jurisdiction of proceedings concerning the internal affairs of a trust and of actions and proceedings to determine the existence of a trust, actions and proceedings by or against creditors or debtors of a trust, and other actions and proceedings involving a trust and third persons. Such jurisdiction may be invoked by any interested party at any time.

2. Unless a trust is under continuous court supervision pursuant to section 633.10, subsection 4, the trust shall not be subject to the jurisdiction of the probate court and the court shall not issue letters of appointment.

99 Acts, ch 125, §89, 109
C2001, §633.6101
2002 Acts, ch 1107, §20; 2005 Acts, ch 38, §49, 54
CS2005, §633A.6101
2010 Acts, ch 1137, §10
Referred to in §633.10

**633A.6102 Principal place of administration of trust.**

1. Unless otherwise designated in the terms of the trust, the principal place of administration of a trust is the usual place where the day-to-day activity of the trust is carried on by the trustee or the trustee's representative who is primarily responsible for the administration of the trust.

2. If the principal place of administration of the trust cannot be determined under subsection 1, it must be determined as follows:

*a.* If the trust has one trustee, the principal place of administration of the trust is the trustee's residence or usual place of business.

*b.* If the trust has more than one trustee, the principal place of administration of the trust is the residence or usual place of business of any of the cotrustees as agreed upon by them or, if not, the residence or usual place of business of any of the cotrustees.

99 Acts, ch 125, §90, 109
C2001, §633.6102
2005 Acts, ch 38, §54
CS2005, §633A.6102
Referred to in §633A.3110

**633A.6103 Jurisdiction over trustees and beneficiaries.**

1. By accepting the trusteeship of a trust having its principal place of administration in this state, the trustee submits personally to the jurisdiction of the court.

2. To the extent of their interests in the trust, all beneficiaries of a trust having its principal place of administration in this state are subject to the jurisdiction of the court.

99 Acts, ch 125, §91, 109
C2001, §633.6103
2005 Acts, ch 38, §54
CS2005, §633A.6103

**633A.6104 County of venue.**

1. A proceeding may be commenced in the county in which the trust's principal place of administration is or is to be located and if the trust is created by will, also in the county in which the decedent's estate is administered.

2. If a trust not created by will has no trustee, a proceeding for appointing a trustee shall be commenced in the county in which a beneficiary resides or the trust property, or some portion of the trust property, is located.

3. Except as otherwise provided in subsections 1 and 2, a proceeding shall be commenced in accordance with the rules applicable to civil actions generally.

99 Acts, ch 125, §92, 109
C2001, §633.6104
2005 Acts, ch 38, §54
CS2005, §633A.6104

**633A.6105 Transfer of jurisdiction.**

1. The court may transfer the place of administration of a trust to or from this state or transfer some or all of the trust property to a trustee in or outside this state if it finds that the transfer of the trust property to a trustee in this or another jurisdiction, or the transfer of the place of administration of a trust to this or another jurisdiction, will promote the best interests of the trust and those interested in it, taking into account the economical and convenient administration of the trust and the views of the qualified beneficiaries.

2. A new trustee to whom the trust property is to be transferred shall be qualified, willing, and able to administer the trust or trust property under the terms of the trust.

3. If the trust or any portion of the trust property is transferred to another jurisdiction and if approval of the transfer by the other court is required under the law of the other jurisdiction, the proper court in the other jurisdiction must have approved the transfer in order for the transfer to be effective.

4. If a transfer is ordered, the court may direct the manner of transfer and impose terms and conditions as may be just, including a requirement for the substitution of a successor trustee in any pending litigation in this state. A delivery of property in accordance with the order of the court is a full discharge of the trustee with respect to all property specified in the order.

5. If the court grants a petition to transfer a trust or trust property to this state, the court shall require the trustee to give a bond, if necessary under the law of the other jurisdiction or of this state, and may require bond as provided in section 633A.4102.

6. Without precluding the right of the court to order, approve, or disapprove a transfer, the trustee, in furtherance of the trustee's duty to administer the trust at a place appropriate to its purpose or administration, and the interests of the beneficiaries, may transfer the trust's principal place of administration to another state or to a jurisdiction outside the United States.

99 Acts, ch 125, §93, 109
C2001, §633.6105
2002 Acts, ch 1107, §21; 2003 Acts, ch 95, §20; 2005 Acts, ch 38, §54, 55
CS2005, §633A.6105

## PART 2

## JUDICIAL PROCEEDINGS CONCERNING TRUSTS

**633A.6201 Judicial intervention intermittent.**

The administration of trusts shall proceed expeditiously and free of judicial intervention, except to the extent the jurisdiction of the court is invoked by interested parties or otherwise exercised as provided by law.

99 Acts, ch 125, §94, 109
C2001, §633.6201
2005 Acts, ch 38, §54
CS2005, §633A.6201

**633A.6202 Petitions — purposes of proceedings.**

1. Except as otherwise provided in section 633A.3103, a trustee or beneficiary of a trust may petition the court concerning the internal affairs of the trust or to determine the existence of the trust.

2. Proceedings concerning the internal affairs of a trust include proceedings to do any of the following:

*a.* Construe and determine the terms of a trust.

*b.* Determine the existence of any immunity, power, privilege, duty, or right.

*c.* Determine the validity of a trust provision.

*d.* Ascertain beneficiaries and determine to whom property shall pass or be delivered upon final or partial termination of the trust.

*e.* Settle accounts and pass upon the acts of the trustee, including the exercise of discretionary powers.

*f.* Instruct the trustee.

*g.* Compel the trustee to report information about the trust or account to the beneficiary.

*h.* Grant powers to or modify powers of the trustee.

*i.* Fix or allow payment of the trustee's compensation or review the reasonableness of the compensation.

*j.* Appoint or remove a trustee.

*k.* Accept the resignation of a trustee.

*l.* Compel redress of a breach of trust by any available remedy.

*m.* Approve or direct the modification or termination of the trust.

*n.* Approve or direct the combination or division of trusts.

*o.* Authorize or direct transfer of a trust or trust property to or from another jurisdiction.

*p.* Determine liability of a trust for debts or the expenses of administration of the estate of a deceased settlor.

*q.* Determine any other issue that will aid in the administration of the trust.

99 Acts, ch 125, §95, 109
C2001, §633.6202
2002 Acts, ch 1119, §191; 2005 Acts, ch 38, §54, 55
CS2005, §633A.6202
Referred to in §633A.4106, 633A.4107, 633A.4601, 633A.6301

## PART 3

## SETTLEMENT AGREEMENTS AND REPRESENTATION

**633A.6301 Definition and applicability.**

1. For purposes of this part, "*fiduciary matter*" includes any item listed in section 633A.6202, subsection 2.

2. Persons interested in a fiduciary matter may approve a judicial settlement and represent and bind other persons interested in the fiduciary matter.

3. Notice to a person who may represent and bind another person under this trust code has the same effect as if notice were given directly to the person represented.

4. Section 633A.6301, subsection 4, Code 2009, applies to written consents executed prior to July 1, 2010.

5. A settlor shall not represent and bind a beneficiary under this trust code with respect to the termination or modification of a trust pursuant to section 633A.2202 or 633A.2203.

99 Acts, ch 125, §96, 109
C2001, §633.6301
2002 Acts, ch 1107, §22; 2003 Acts, ch 95, §21; 2005 Acts, ch 38, §54, 55
CS2005, §633A.6301
2006 Acts, ch 1104, §15, 16; 2010 Acts, ch 1137, §11

**633A.6302 Representation by holders of powers.**

1. The holders or all coholders of a power of revocation or presently exercisable general power of appointment, including one in the form of a power of amendment, may represent and bind the persons whose interests, as objects, takers in default, or otherwise, are subject to the power.

2. To the extent there is no conflict of interest between the holders and the persons represented with respect to the fiduciary matter, persons whose interests are subject to a general testamentary power of appointment may be represented and bound by the holder or holders of the power.

99 Acts, ch 125, §97, 109
C2001, §633.6302
2005 Acts, ch 38, §54
CS2005, §633A.6302
Referred to in §633A.6305

**633A.6303 Representation by fiduciaries and parents.**

To the extent there is no conflict of interest between the representer and those represented with respect to the fiduciary matter, the following are permitted:

1. A conservator may represent and bind the person whose estate the conservator controls.

2. A trustee may represent and bind the beneficiaries of the trust.

3. A personal representative may represent and bind the persons interested in the decedent's estate.

4. If no conservator has been appointed, a parent may represent and bind a minor child.

99 Acts, ch 125, §98, 109
C2001, §633.6303
2005 Acts, ch 38, §54
CS2005, §633A.6303
Referred to in §633A.4105, 633A.6305

**633A.6304 Representation by holders of similar interests.**

Unless otherwise represented, a minor or an incompetent, unborn, or unascertained person may be represented by and bound by another person having a substantially identical interest with respect to the fiduciary matter but only to the extent that the person's interest is adequately represented.

99 Acts, ch 125, §99, 109
C2001, §633.6304
2005 Acts, ch 38, §54
CS2005, §633A.6304

**633A.6305 Notice of judicial settlement.**

1. Notice of a judicial settlement shall be given to every interested person or to one who can bind an interested person as described in sections 633A.6302 and 633A.6303.

2. Notice may be given to a person or to another who may bind the person.

3. Notice is given to unborn or unascertained persons who are not represented under sections 633A.6302 and 633A.6303, by giving notice to all known persons whose interests in the proceedings are substantially identical to those of the unborn or unascertained persons.

99 Acts, ch 125, §100, 109
C2001, §633.6305
2005 Acts, ch 38, §54, 55
CS2005, §633A.6305

**633A.6306 Appointment of guardian ad litem.**

1. At any point in a judicial proceeding, the court may appoint a guardian ad litem to represent and approve a settlement on behalf of the interest of a minor, an incapacitated, unborn, or unascertained person, or a person whose identity or address is unknown, if the court determines that representation of the interest otherwise would be inadequate.

2. If not precluded by conflict of interest, a guardian ad litem may be appointed to represent several persons or interests.

3. The court shall set out its reasons for appointing a guardian ad litem as a part of the record of the proceeding.

4. In approving a judicially supervised settlement, a guardian ad litem may consider general family benefit.

99 Acts, ch 125, §101, 109
C2001, §633.6306
2005 Acts, ch 38, §54
CS2005, §633A.6306

**633A.6307 Appointment of special representative.**

1. In connection with a nonjudicial settlement, the court may appoint a special representative to represent the interests of and approve a settlement on behalf of designated persons.

2. If not precluded by a conflict of interest, a special representative may be appointed to represent several persons or interests.

3. In approving a settlement, a special representative may consider general family benefit. As a condition for approval, a special representative may require that those represented receive a benefit.

99 Acts, ch 125, §102, 109
C2001, §633.6307
2005 Acts, ch 38, §54
CS2005, §633A.6307

**633A.6308 Nonjudicial settlement agreements.**

1. For purposes of this part, *"interested persons"* means persons whose consent would be required in order to achieve a binding settlement were the settlement to be approved by the court.

2. Except as otherwise provided in subsection 3, or as to a modification or termination of a trust under section 633A.2203, interested persons may enter into a binding nonjudicial settlement agreement with respect to any matter involving a trust.

3. A nonjudicial settlement is valid only to the extent the settlement does not violate a material purpose of the trust and includes terms and conditions that could be properly approved by the court under this trust code or other applicable law.

4. Matters that may be resolved by a nonjudicial settlement agreement include any of the following:

*a.* The interpretation or construction of the terms of the trust.

*b.* The approval of a trustee's report or accounting.

*c.* Direction to a trustee to refrain from performing a particular act or the grant to a trustee of any necessary or desirable power.

*d.* The resignation or appointment of a trustee and the determination of a trustee's compensation.

*e.* The transfer of a trust's principal place of administration.

*f.* The liability of a trustee for an action relating to the trust.

5. Any interested person may request the court to approve a nonjudicial settlement agreement, to determine whether the representation provided was adequate, and to determine whether the agreement contains terms and conditions the court could have properly approved.

2003 Acts, ch 95, §22
CS2003, §633.6308
2005 Acts, ch 38, §54, 55
CS2005, §633A.6308

# CHAPTER 633B

## POWERS OF ATTORNEY

See also chapter 144B concerning
durable power of attorney for health care
Transferred from ch 633, division XVII, in Code Supplement 2005
pursuant to Code editor directive; 2005 Acts, ch 38, §53

633B.1 When power of attorney not affected by disability.
633B.2 Other powers of attorney not revoked until notice of death or disability.

**633B.1 When power of attorney not affected by disability.**

1. Whenever a principal designates another the principal's attorney in fact or agent by a power of attorney in writing and the writing contains the words "This power of attorney shall not be affected by disability of the principal", or "This power of attorney shall become effective upon the disability of the principal", or similar words showing the intent of the principal that the authority conferred shall be exercisable notwithstanding the principal's disability, the authority of the attorney in fact or agent is exercisable as provided in the power on behalf of the principal notwithstanding later disability or incapacity of the principal or later uncertainty as to whether the principal is dead or alive. All acts done by the attorney in fact or agent pursuant to the power during any period of disability or incompetence or uncertainty as to whether the principal is dead or alive have the same effect and inure to the benefit of and bind the principal and the principal's heirs, devisees and personal representatives as if the principal were alive, competent and not disabled. If a conservator thereafter is appointed for the principal, the attorney in fact or agent, during the continuance of the appointment, shall account to the conservator rather than the principal, and the conservator shall have the power to revoke the power of attorney on behalf of the principal.

2. An affidavit, executed by the attorney in fact or agent stating that the attorney in fact or agent did not have, at the time of doing an act pursuant to the power of attorney, actual knowledge of the revocation or termination of the power of attorney by death or by the act of the principal, is, in the absence of fraud, conclusive proof of the nonrevocation or nontermination of the power at that time. If the exercise of the power requires execution and delivery of any instrument which is recordable, the affidavit when properly acknowledged is also recordable.

3. Receipt of the affidavit described in subsection 2 by the holder of the principal's property constitutes sufficient acquittance for the payment of money, delivery of property, or transfer of a registered ownership of property as directed by the attorney in fact or agent and discharges the holder from further liability with respect to the money or property, if the holder has taken reasonable steps to verify the identity of the person acting as attorney in fact or agent. The holder of the principal's property may rely in good faith on the statements contained in the affidavit and has no duty to inquire into the truth of any statements in the affidavit.

4. If an attorney in fact or agent has provided the affidavit described in subsection 2 and the holder of the principal's property refuses to pay, deliver, or transfer any property or evidence thereof within a reasonable amount of time, the principal, acting through the attorney in fact or agent, may recover the property or compel its payment, delivery, or transfer in an action brought for that purpose against the holder of the property.

*a.* If an action is brought against the holder under this subsection and the court finds that the holder of the principal's property acted unreasonably in refusing to pay, deliver, or transfer the property as directed by the attorney in fact, the court may award any or all of the following to the principal:

(1) Damages sustained by the principal.

(2) Costs of the action.

(3) A penalty in an amount determined by the court, not less than five hundred dollars nor more than one thousand dollars.

(4) Reasonable attorney fees, as determined by the court, based on the value of the time

reasonably expended by the attorney and not by the amount of the recovery on behalf of the principal.

*b.* No action shall be brought pursuant to this section more than one year after the date of the occurrence of the violation.

[C77, 79, 81, §633.705]

2000 Acts, ch 1150, §6; 2005 Acts, ch 38, §33, 53

CS2005, §633B.1

Referred to in §144A.7, 231E.3, 633B.2

**633B.2 Other powers of attorney not revoked until notice of death or disability.**

1. The death, disability, or incompetence of any principal who has executed a power of attorney in writing other than a power as described by section 633B.1 does not revoke or terminate the agency as to the attorney in fact, agent, or other person who, without actual knowledge of the death, disability, or incompetence of the principal, acts in good faith under the power of attorney or agency. Any action so taken, unless otherwise invalid or unenforceable, binds the principal and the principal's heirs, devisees, and personal representatives.

2. An affidavit, executed by the attorney in fact or agent stating that the attorney in fact or agent did not have, at the time of doing an act pursuant to the power of attorney, actual knowledge of the revocation or termination of the power of attorney, by death, disability, or incompetence, is, in the absence of fraud, conclusive proof of the nonrevocation or nontermination of the power at that time. If the exercise of the power requires execution and delivery of any instrument which is recordable, the affidavit when properly acknowledged is likewise recordable.

3. Receipt, by the holder of the principal's property, of the affidavit described in subsection 2 constitutes sufficient acquittance for the payment of money, delivery of property, or transfer of the registered ownership of property as directed by the attorney in fact or agent and discharges the holder from any further liability to any person with respect to the money or the property, if the holder has taken reasonable steps to verify the identity of the person acting as attorney in fact or agent. The holder of the principal's property may rely in good faith on the statements in the affidavit and has no duty to inquire into the truth of any of the statements in the affidavit.

4. If an attorney in fact or agent has provided the affidavit described in subsection 2 and the holder of the principal's property refuses to pay, deliver, or transfer any property or evidence thereof within a reasonable amount of time, the principal, acting through the attorney in fact may recover the property or compel its payment, delivery, or transfer in an action brought for that purpose against the holder of the property.

*a.* If an action is brought against the holder under this subsection and the court finds that the holder of the principal's property acted unreasonably in refusing to pay, deliver, or transfer the property as directed by the attorney in fact, the court may award any or all of the following to the principal:

(1) Damages sustained by the principal.

(2) Costs of the action.

(3) A penalty in an amount determined by the court, not less than five hundred dollars nor more than one thousand dollars.

(4) Reasonable attorney fees, as determined by the court, based on the value of the time reasonably expended by the attorney and not by the amount of the recovery on behalf of the principal.

*b.* No action shall be brought pursuant to this section more than one year after the date of the occurrence of the violation.

5. This section shall not be construed to alter or affect any provision for revocation or termination contained in the power of attorney.

[C77, 79, 81, §633.706]

2005 Acts, ch 38, §34, 53, 55

CS2005, §633B.2

# CHAPTER 633C

## MEDICAL ASSISTANCE TRUSTS

Transferred from ch 633, division XVIII, in Code Supplement 2005
pursuant to Code editor directive; 2005 Acts, ch 38, §53


633C.1 Definitions.
633C.2 Disposition of medical assistance special needs trusts.
633C.3 Disposition of medical assistance income trusts.
633C.4 Other powers of trustees.
633C.5 Cooperation.


**633C.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Available monthly income"* means in reference to a medical assistance income trust beneficiary, any income received directly by the beneficiary, not from the trust, that counts as income in determining eligibility for medical assistance and any amounts paid to or otherwise made available to the beneficiary by the trustee pursuant to section 633C.3, subsection 1, paragraph *"b"*, or section 633C.3, subsection 2, paragraph *"b"*.

2. *"Beneficiary"* means the original beneficiary of a medical assistance special needs trust or medical assistance income trust, whose assets funded the trust.

3. *"Institutionalized individual"* means an individual receiving nursing facility services, a level of care in any institution equivalent to nursing facility services, or home and community-based services under the medical assistance home and community-based services waiver program.

4. *"Maximum monthly medical assistance payment rate for services in an intermediate care facility for persons with an intellectual disability"* means the allowable rate established by the department of human services and as published in the Iowa administrative bulletin.

5. *"Medical assistance"* means medical assistance as defined in section 249A.2.

6. *"Medical assistance income trust"* means a trust or similar legal instrument or device that meets the criteria of 42 U.S.C. § 1396p(d)(4)(B)(i)-(ii).

7. *"Medical assistance special needs trust"* means a trust or similar legal instrument or device that meets the criteria of 42 U.S.C. § 1396p(d)(4)(A) or (C).

8. *"Special needs of the beneficiary attributable to the beneficiary's disability"* means only those needs that would not exist but for the beneficiary's disability, not including ordinary needs, such as ordinary support and maintenance, education, and entertainment, that would exist regardless of disability.

9. *"Statewide average charge for state mental health institute care"* means the statewide average charge for such care as calculated by the department of human services and as published in the Iowa administrative bulletin.

10. *"Statewide average charge for nursing facility services"* means the statewide average charge for such care, excluding charges by Medicare-certified, skilled nursing facilities, as calculated by the department of human services and as published in the Iowa administrative bulletin.

11. *"Statewide average charge to private-pay patients for psychiatric medical institutions for children care"* means the statewide average charge for such care as calculated by the department of human services and as published in the Iowa administrative bulletin.

12. *"Total monthly income"* means in reference to a medical assistance income trust beneficiary, income received directly by the beneficiary, not from the trust, that counts as income in determining eligibility for medical assistance, income of the beneficiary received by the trust that would otherwise count as income in determining the beneficiary's eligibility for medical assistance, and income or earnings of the trust received by the trust.

94 Acts, ch 1120, §3

C95, §633.707

96 Acts, ch 1129, §106; 2004 Acts, ch 1086, §99; 2004 Acts, ch 1166, §1; 2005 Acts, ch 38, §52, 53, 55

CS2005, §633C.1
2012 Acts, ch 1019, §139
Referred to in §249A.12

**633C.2 Disposition of medical assistance special needs trusts.**

Regardless of the terms of a medical assistance special needs trust, any income received or asset added to the trust during a one-month period shall be expended as provided for medical assistance income trusts under section 633C.3, on a monthly basis, during the life of the beneficiary. Any increase in income or principal retained in the trust from a previous month may be expended, during the life of the beneficiary, only for reasonable and necessary expenses of the trust, not to exceed ten dollars per month without court approval, for special needs of the beneficiary attributable to the beneficiary's disability and approved by the district court, for medical care or services that would otherwise be covered by medical assistance under chapter 249A, or to reimburse the state for medical assistance paid on behalf of the beneficiary.

94 Acts, ch 1120, §4
C95, §633.708
95 Acts, ch 68, §8; 2005 Acts, ch 38, §53, 55
CS2005, §633C.2
Referred to in §249A.3, 633C.4, 633C.5

**633C.3 Disposition of medical assistance income trusts.**

1. Regardless of the terms of a medical assistance income trust, if the beneficiary's total monthly income is less than the average statewide charge for nursing facility services to a private pay resident of a nursing facility, then, during the life of the beneficiary, any property received or held by the trust shall be expended only as follows, as applicable, and in the following order of priority:

*a.* A reasonable amount may be paid or set aside each month for necessary expenses of the trust, not to exceed ten dollars per month without court approval.

*b.* From the remaining principal or income of the trust, amounts may be paid for expenses that qualify as required deductions from income pursuant to 42 C.F.R. § 435.725(c) or 435.726(c) for purposes of determining the amount by which medical assistance payments under chapter 249A for institutional services or for home and community-based services provided under a federal waiver will be reduced based on the beneficiary's income.

*c.* If the beneficiary is an institutionalized individual or receiving home and community-based services provided under a federal waiver, the remaining principal or income of the trust shall be paid directly to the provider of institutional care or home and community-based services, on a monthly basis, for any cost not paid under paragraph *"b"*, to reduce any amount paid as medical assistance under chapter 249A.

*d.* Any remaining principal or income of the trust may, at the trustee's discretion or as directed by the terms of the trust, be paid directly to providers of other medical care or services that would otherwise be covered by medical assistance, paid to the state as reimbursement for medical assistance paid on behalf of the beneficiary, or retained by the trust.

2. Regardless of the terms of a medical assistance income trust, if the beneficiary's total monthly income is at or above the average statewide charge for nursing facility services to a private-pay resident, then, during the life of the beneficiary, any property received or held by the trust shall be expended only as follows, as applicable, in the following order of priority:

*a.* A reasonable amount may be paid or set aside each month for necessary expenses of the trust, not to exceed ten dollars per month without court approval.

*b.* All remaining property received or held by the trust shall be paid to or otherwise made available to the beneficiary on a monthly basis, to be counted as income or a resource in determining eligibility for medical assistance under chapter 249A.

3. Subsections 1 and 2 shall apply to the following beneficiaries; however, the following amounts indicated shall be applied in lieu of the statewide average charge for nursing facility services:

*a.* For a beneficiary who meets the medical assistance level of care requirements for services in an intermediate care facility for persons with an intellectual disability and who either resides in an intermediate care facility for persons with an intellectual disability or is eligible for services under the medical assistance home and community-based services waiver except that the beneficiary's income exceeds the allowable maximum, the applicable rate is the maximum monthly medical assistance payment rate for services in an intermediate care facility for persons with an intellectual disability.

*b.* For a beneficiary who meets the medical assistance level of care requirements for services in a psychiatric medical institution for children and who resides in a psychiatric medical institution for children, the applicable rate is the statewide average charge to private-pay patients for psychiatric medical institution for children care.

*c.* For a beneficiary who meets the medical assistance level of care requirements for services in a state mental health institute and who either resides in a state mental health institute or is eligible for services under a medical assistance home and community-based services waiver except that the beneficiary's income exceeds the allowable maximum, the applicable rate is the statewide average charge for state mental health institute care.

*d.* For a beneficiary who meets the medical assistance level of care requirements for services in a nursing facility and is receiving care or is receiving specialized care such as an adult receiving Alzheimer's care, a child receiving skilled nursing facility care, or an adult or child receiving skilled nursing facility care for neurological disorders, the applicable rate is the statewide average charge for nursing facility services for the services or specialized services provided.

94 Acts, ch 1120, §5
C95, §633.709
96 Acts, ch 1129, §113; 2004 Acts, ch 1086, §100; 2004 Acts, ch 1166, §2; 2005 Acts, ch 38, §53
CS2005, §633C.3
2007 Acts, ch 136, §1; 2012 Acts, ch 1019, §140
Referred to in §249A.3, 633C.1, 633C.2, 633C.4, 633C.5

**633C.4 Other powers of trustees.**

1. Sections 633C.2 and 633C.3 shall not be construed to limit the authority of the trustees to invest, sell, or otherwise manage property held in trust.

2. The trustee of a medical assistance income trust or a medical assistance special needs trust is a fiduciary for purposes of chapter 633A and, in the exercise of the trustee's fiduciary duties, the state shall be considered a beneficiary of the trust. Regardless of the terms of the trust, the trustee shall not take any action that is not prudent in light of the state's interest in the trust.

94 Acts, ch 1120, §6
C2005, §633.710
2005 Acts, ch 38, §53, 55
CS2005, §633C.4
2006 Acts, ch 1030, §78

**633C.5 Cooperation.**

1. The department of human services shall cooperate with the trustee of a medical assistance special needs trust or a medical assistance income trust in determining the appropriate disposition of the trust under sections 633C.2 and 633C.3.

2. The trustee of a medical assistance special needs trust or medical assistance income trust shall cooperate with the department of human services in supplying information regarding a trust established under this chapter.

94 Acts, ch 1120, §7
C2005, §633.711
2005 Acts, ch 38, §52, 53, 55
CS2005, §633C.5

# CHAPTER 633D

## TRANSFER ON DEATH SECURITY REGISTRATION

Referred to in §633.10

Transferred from ch 633, division XIX, in Code Supplement 2005
pursuant to Code editor directive; 2005 Acts, ch 38, §53


633D.1 Short title — rules of construction.
633D.2 Definitions.
633D.3 Registration in beneficiary form — sole or joint tenancy ownership.
633D.4 Registration in beneficiary form — applicable law.
633D.5 Origination of registration in beneficiary form.
633D.6 Form of registration in beneficiary form.
633D.7 Effect of registration in beneficiary form.
633D.8 Claims against a beneficiary of a transfer on death security registration.
633D.9 Death of the owner.
633D.10 Protection of registering entity.
633D.11 Nontestamentary transfer on death.
633D.12 Terms, conditions, and forms for registration.


**633D.1 Short title — rules of construction.**

1. This chapter shall be known and may be cited as the uniform transfer on death security registration Act.

2. The provisions of this chapter shall be liberally construed and applied to promote its underlying purposes and policy and to make uniform the laws with respect to the subject of its provisions among states enacting this uniform Act.

3. Unless displaced by the particular provisions of this chapter, the principles of law and equity supplement the provisions of this chapter.

97 Acts, ch 178, §17
CS97, §633.800
2005 Acts, ch 38, §52, 53
CS2005, §633D.1

**633D.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Beneficiary form"* means a registration of a security which indicates the present owner of the security and the intention of the owner regarding the person who will become the owner of the security upon the death of the owner.

2. *"Devisee"* means any person designated in a will to receive a disposition of real or personal property.

3. *"Heir"* means a person, including the surviving spouse, who is entitled under the statutes of intestate succession to the property of a decedent.

4. *"Register"* means to issue a certificate showing the ownership of a certificated security or, in the case of an uncertificated security, to initiate or transfer an account showing ownership of the security.

5. *"Registering entity"* means a person who originates or transfers a security title by registration, including a broker maintaining security accounts for customers and a transfer agent or other person acting for or as an issuer of securities.

6. *"Security"* means a security as defined in section 502.102. For purposes of this chapter, *"security"* includes, but is not limited to, a certificated security, an uncertificated security, and a security account.

7. *"Security account"* means any of the following:

*a.* Any of the following:

(1) A reinvestment account associated with a security.

(2) A securities account with a broker.

(3) A cash balance in a brokerage account.

(4) Cash, interest, earnings, or dividends earned or declared on a security in an account, a

reinvestment account, or a brokerage account, whether or not credited to the account before the owner's death.

*b.* A cash balance or other property held for or due to the owner of a security as a replacement for or product of an account security, whether or not credited to the account before the owner's death.

*c.* An investment management or custody account with a bank, trust company, or a trust division of a bank with trust powers, including the securities in the account, cash balance in the account, cash, cash equivalents, interest, earnings, and dividends earned or declared on a security in the account whether or not credited to the account before the owner's death. For purposes of this paragraph, *"bank"* means an entity as defined in section 12C.1.

8. *"State"* includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession subject to the legislative authority of the United States.

97 Acts, ch 178, §18
CS97, §633.801
2000 Acts, ch 1147, §33; 2002 Acts, ch 1002, §2; 2005 Acts, ch 38, §52, 53
CS2005, §633D.2

**633D.3 Registration in beneficiary form — sole or joint tenancy ownership.**

Only an individual whose registration of a security shows sole ownership by one individual or multiple ownership by two or more individuals with a right of survivorship, rather than as tenants in common, may obtain registration in beneficiary form. Multiple owners of a security registered in beneficiary form shall hold as joint tenants with rights of survivorship, tenants by the entireties, or owners of community property held in survivorship form and not as tenants in common.

97 Acts, ch 178, §19
CS97, §633.802
2005 Acts, ch 38, §53
CS2005, §633D.3

**633D.4 Registration in beneficiary form — applicable law.**

1. A security may be registered in beneficiary form if the form is authorized by this chapter or a similar statute of the state of any of the following:

*a.* The state of organization of the issuer or registering entity.

*b.* The state of location of the registering entity's principal office.

*c.* The state of location of the office of the entity's transfer agent or the office of the entity making the registration.

*d.* The state of the address listed as the owner's at the time of registration.

2. A registration governed by the law of a jurisdiction in which this chapter or a similar statute is not in force or was not in force when a registration in beneficiary form was made is presumed to be valid and authorized as a matter of contract law.

97 Acts, ch 178, §20
CS97, §633.803
2005 Acts, ch 38, §52, 53
CS2005, §633D.4

**633D.5 Origination of registration in beneficiary form.**

A security, whether evidenced by a certificate or account, is registered in beneficiary form when the registration includes a designation of a beneficiary to take the ownership at the death of the owner or the deaths of all multiple owners.

97 Acts, ch 178, §21
CS97, §633.804
2005 Acts, ch 38, §53
CS2005, §633D.5

**633D.6 Form of registration in beneficiary form.**

Registration in beneficiary form may be shown by any of the following, appearing after the name of the registered owner and before the name of a beneficiary:

1. The words "transfer on death" or the abbreviation "TOD".
2. The words "pay on death" or the abbreviation "POD".

97 Acts, ch 178, §22
CS97, §633.805
2005 Acts, ch 38, §53
CS2005, §633D.6

**633D.7 Effect of registration in beneficiary form.**

The designation of a transfer on death or pay on death beneficiary on a registration in beneficiary form has no effect on ownership until the owner's death. A registration of a security in beneficiary form may be canceled or changed at any time by the sole owner or all surviving owners without the consent of the beneficiary.

97 Acts, ch 178, §23
CS97, §633.806
2005 Acts, ch 38, §53
CS2005, §633D.7

**633D.8 Claims against a beneficiary of a transfer on death security registration.**

1. If other assets of the estate of a deceased owner are insufficient to pay debts, taxes, and expenses of administration, including statutory allowances to the surviving spouse and children, a transfer at death of a security registered in beneficiary form is not effective against the estate of the deceased sole owner, or if multiple owners, against the estate of the last owner to die, to the extent needed to pay debts, taxes, and expenses of administration, including statutory allowances to the surviving spouse and children.

2. A beneficiary of a transfer on death security registration under this chapter is liable to account to the personal representative of the deceased owner for the value of the security as of the time of the deceased owner's death to the extent necessary to discharge debts, taxes, and expenses of administration, including statutory allowances to the surviving spouse and children. A proceeding against a beneficiary to assert liability shall not be commenced unless the personal representative has received a written demand by the surviving spouse, a creditor, a child, or a person acting for a minor child of the deceased owner.

3. An action for an accounting under this section must be commenced within two years after the death of the owner.

4. A beneficiary against whom a proceeding is brought may elect to transfer to the personal representative the security registered in the name of the beneficiary if the beneficiary still owns the security, or the net proceeds received by the beneficiary upon disposition of the security by the beneficiary. Such transfer fully discharges the beneficiary from all liability under this section.

5. A beneficiary against whom a proceeding for an accounting is brought may join as a party to the proceeding a beneficiary of any other security registered in beneficiary form by the deceased owner.

6. Amounts recovered by the personal representative with respect to a security shall be administered as part of the deceased owner's estate.

7. A district court in this state shall have subject matter jurisdiction over a claim against a designated beneficiary brought by the decedent's personal representative or by a claimant to an interest in a security registered under this chapter. Any provision in a security registration form restricting jurisdiction over a claim, or restricting a choice of forum, to a forum outside this state is void.

8. In an action for an accounting brought under this section, where the deceased owner was domiciled in this state, the laws of this state shall apply.

97 Acts, ch 178, §24
CS97, §633.807

2005 Acts, ch 38, §52, 53
CS2005, §633D.8

**633D.9 Death of the owner.**

On the death of a sole owner or on the death of the sole surviving owner of multiple owners, the ownership of securities registered in beneficiary form passes to the beneficiary or beneficiaries who survive all owners. On proof of death of all owners and compliance with any applicable requirements of the registering entity, a security registered in beneficiary form may be reregistered in the name of the beneficiary or beneficiaries who survived the death of all owners. A registering entity shall provide notice to the department of revenue of all reregistrations made pursuant to this chapter. The notice shall include the name, address, and social security number of the decedent and all transferees. Until the division of the security after the death of all owners, multiple beneficiaries surviving the death of all owners hold their interests as tenants in common. If no beneficiary survives the death of all owners, the security belongs to the estate of the deceased sole owner or the estate of the last to die of multiple owners.

97 Acts, ch 178, §25
CS97, §633.808
2003 Acts, ch 145, §286; 2005 Acts, ch 38, §52, 53
CS2005, §633D.9
Referred to in §633D.10

**633D.10 Protection of registering entity.**

1. A registering entity is not required to offer or to accept a request for security registration in beneficiary form. If a registration in beneficiary form is offered by a registering entity, the owner requesting registration in beneficiary form assents to the protections provided to the registering entity by this chapter.

2. By accepting a request for registration of a security in beneficiary form, the registering entity agrees that the registration in beneficiary form shall be implemented on the death of the deceased owners as provided in this chapter.

3. *a.* A registering entity is discharged from all claims to a security by the estate, creditors, heirs, or devisees of a deceased owner if the registering entity registers a transfer of the security in accordance with section 633D.9 and does so in good faith reliance on all of the following:

(1) The registration.

(2) The provisions of this chapter.

(3) Information provided by affidavit of the personal representative of the deceased owner, the surviving beneficiary, or the surviving beneficiary's representative, or other information available to the registering entity.

*b.* The protections of this chapter do not extend to a reregistration or payment made after a registering entity has received written notice from any claimant to any interest in the security objecting to implementation of a registration in beneficiary form. No other notice or other information available to the registering entity affects its right to protection under this chapter.

4. The protection provided by this chapter to the registering entity of a security does not affect the rights of beneficiaries in disputes between themselves and other claimants to ownership of the transferred security, its value, or its proceeds.

97 Acts, ch 178, §26
CS97, §633.809
2005 Acts, ch 38, §52, 53, 55
CS2005, §633D.10
2013 Acts, ch 30, §261
Code editor directive applied

**633D.11 Nontestamentary transfer on death.**

1. A transfer on death resulting from a registration in beneficiary form shall be effective by reason of the contract regarding the registration between the owner and the registering entity under the provisions of this chapter, and is not testamentary.

2. The provisions of this chapter do not limit the rights of creditors or security owners against beneficiaries and other transferees under other laws of this state.

97 Acts, ch 178, §27
CS97, §633.810
2005 Acts, ch 38, §52, 53
CS2005, §633D.11

**633D.12 Terms, conditions, and forms for registration.**

1. A registering entity offering to accept registrations in beneficiary form may establish the terms and conditions under which the registering entity receives requests for either of the following:

*a.* Registration in beneficiary form.

*b.* Implementation of registrations in beneficiary form, including requests for cancellation of previously registered transfer on death or pay on death beneficiary designations and requests for reregistration to effect a change of beneficiary.

2. *a.* The terms and conditions established by the registering entity may provide for proving death, avoiding or resolving problems concerning fractional shares, designating primary and contingent beneficiaries, and substituting a named beneficiary's descendants to take in place of the named beneficiary in the event of the beneficiary's death. Substitution may be indicated by appending to the name of the beneficiary the letters "LDPS" standing for "lineal descendants per stirpes". This designation shall substitute a deceased beneficiary's descendants who survive the owner for a beneficiary who fails to survive, with the descendants to be identified and to share in accordance with the law of the beneficiary's domicile at the owner's death governing inheritance by descendants of an intestate. Other forms of identifying beneficiaries who are to take on one or more contingencies, and rules for providing proofs and assurances needed to satisfy reasonable concerns by registering entities regarding conditions and identities relevant to accurate implementation of registrations in beneficiary form, may be contained in a registering entity's terms and conditions.

*b.* The following are illustrations of registrations in beneficiary form which a registering entity may authorize:

(1) Sole owner-sole beneficiary: OWNER'S NAME transfer on death (TOD) or pay on death (POD) to BENEFICIARY'S NAME.

(2) Multiple owners-sole beneficiary: OWNERS' NAMES, as joint tenants or tenants in the entirety, transfer on death (TOD) or pay on death (POD) to BENEFICIARY'S NAME.

(3) Multiple owners-primary and secondary (substituted) beneficiaries: OWNERS' NAMES as joint tenants or tenants in the entirety, transfer on death (TOD) or pay on death (POD) to BENEFICIARY'S NAME, or lineal descendants per stirpes.

97 Acts, ch 178, §28
CS97, §633.811
2005 Acts, ch 38, §53
CS2005, §633D.12

# CHAPTER 633E

## UNIFORM DISCLAIMER OF PROPERTY INTEREST ACT

Transferred from ch 633, division XX, in Code Supplement 2005
pursuant to Code editor directive; 2005 Acts, ch 38, §53


633E.1 Short title.
633E.2 Definitions.
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633E.10 Disclaimer by appointee, object, or taker in default of exercise of power of appointment.
633E.11 Disclaimer of power held in fiduciary capacity.
633E.12 Delivery or filing.
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633E.14 Chapter supplemented by other law.
633E.15 Medical assistance eligibility.
633E.16 Application to existing relationship.
633E.17 Severability.


**633E.1 Short title.**

This chapter shall be known and may be cited as the *"Iowa Uniform Disclaimer of Property Interest Act"*.

2004 Acts, ch 1015, §8
C2005, §633.901
2005 Acts, ch 38, §52, 53
CS2005, §633E.1

**633E.2 Definitions.**

For purposes of this chapter, the following definitions shall apply:

1. *"Disclaimant"* means the person to whom a disclaimed interest or power would have passed had the disclaimer not been made.

2. *"Disclaimed interest"* means the interest the disclaimant refuses to accept that would have passed to the disclaimant had the disclaimer not been made.

3. *"Disclaimer"* means the refusal to accept an interest in or power over property.

4. *"Fiduciary"* means a personal representative, trustee, agent acting under a power of attorney, or other person authorized to act as a fiduciary with respect to the property of another person.

5. *"Jointly held property"* means property held in the name of two or more persons under an arrangement in which all holders have concurrent interests and under which the last surviving holder is entitled to the whole of the property.

6. *"Person"* means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; joint venture; government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.

7. *"State"* means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States. The term includes any Indian tribe or band, or Alaskan village, recognized by federal law or formally acknowledged by a state.

8. *"Trust"* means any of the following:

*a.* An express trust, charitable or noncharitable, with additions thereto, whenever and however created.

*b.* A trust created pursuant to a statute, judgment, or decree which requires the trust to be administered in the manner of an express trust.

2004 Acts, ch 1015, §9
C2005, §633.902

2005 Acts, ch 38, §52, 53
CS2005, §633E.2

**633E.3 Scope.**

This chapter applies to disclaimers of any interest in or power over property, whenever and however created.

2004 Acts, ch 1015, §10
C2005, §633.903
2005 Acts, ch 38, §52, 53
CS2005, §633E.3

**633E.4 Tax qualified disclaimer.**

Except as provided in sections 633E.13 and 633E.15, notwithstanding any other provision of this chapter, any disclaimer or transfer that meets the requirements of section 2518 of the Internal Revenue Code, and the regulations promulgated thereunder, for the purpose of being a tax qualified disclaimer with the effect that the disclaimed or transferred interest is treated as never having been transferred to the disclaimant is effective as a disclaimer under this chapter. For purposes of this section, *"Internal Revenue Code"* means the same as defined in section 422.3.

2004 Acts, ch 1015, §11
C2005, §633.904
2005 Acts, ch 38, §52, 53
CS2005, §633E.4
2010 Acts, ch 1020, §1
Referred to in §633E.7

**633E.5 Power to disclaim — general requirements — when irrevocable.**

1. A person may disclaim, in whole or in part, any interest in or power over property, including a power of appointment, whenever and however acquired. A person may disclaim the interest or power even if its creator imposed a spendthrift provision or similar restriction on transfer or a restriction or limitation on the right to disclaim.

2. Except to the extent a fiduciary's right to disclaim is expressly restricted or limited by another statute of this state or by the instrument creating the fiduciary relationship, or a disclaimer by a fiduciary would be a breach of trust, a fiduciary may disclaim, in whole or in part, any interest in or power over property, including a power of appointment, whether acting in a personal or representative capacity. A fiduciary may disclaim the interest or power even if the creator imposed a spendthrift provision or similar restriction on transfer or a restriction or limitation on the right to disclaim, or an instrument other than the instrument that created the fiduciary relationship imposed a restriction or limitation on the right to disclaim.

3. To be effective, a disclaimer must be in a writing or other record, declare the disclaimer, describe the interest or power disclaimed, be signed by the person making the disclaimer, and be delivered or filed in the manner provided in section 633E.12. In this subsection, *"record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

4. A partial disclaimer may be expressed as a fraction, percentage, monetary amount, term of years, limitation of a power, or any other interest or estate in the property.

5. A disclaimer becomes irrevocable when it is delivered or filed pursuant to section 633E.12 or when it becomes effective as provided in sections 633E.6 through 633E.11, whichever occurs later.

6. A disclaimer made under this chapter is not a transfer, assignment, or release.

2004 Acts, ch 1015, §12
C2005, §633.905
2005 Acts, ch 3, §106; 2005 Acts, ch 38, §52, 53, 55
CS2005, §633E.5
Referred to in §249A.3, 633.647

**633E.6 Effect of disclaimer of interest in property.**

1. As used in this section:

*a.* "*Future interest*" means an interest that takes effect in possession or enjoyment, if at all, later than the time of its creation.

*b.* "*Time of distribution*" means the time when a disclaimed interest would have taken effect in possession or enjoyment.

2. Except for a disclaimer governed by section 633E.7 or 633E.8, the following rules apply to a disclaimer of an interest in property:

*a.* The disclaimer takes effect as of the time the instrument creating the interest becomes irrevocable, or, if the interest arose under the law of intestate succession, as of the time of the intestate's death.

*b.* The disclaimed interest passes according to any provision in the instrument creating the interest providing for the disposition of the interest, should it be disclaimed, or of disclaimed interests in general.

*c.* If the instrument does not contain a provision described in paragraph "*b*", the following rules shall apply:

(1) If the disclaimant is an individual, the disclaimed interest passes as if the disclaimant had died immediately before the time of distribution.

(2) If the disclaimant is not an individual, the disclaimed interest passes as if the disclaimant did not exist.

*d.* Upon the disclaimer of a preceding interest, a future interest held by a person other than the disclaimant takes effect as if the disclaimant had died or ceased to exist immediately before the time of distribution, but a future interest held by the disclaimant of the preceding interest is not accelerated in possession or enjoyment.

*e.* For purposes of this section, if an individual disclaims a future interest not held in trust, the disclaimed future interest passes as if that interest had been held in trust.

2004 Acts, ch 1015, §13
C2005, §633.906
2005 Acts, ch 38, §53, 55
CS2005, §633E.6
Referred to in §633E.5

**633E.7 Disclaimer of rights of survivorship in jointly held property.**

1. Upon the death of a holder of jointly held property, either of the following may occur:

*a.* If, during the deceased holder's lifetime, the deceased holder could have unilaterally regained a portion of the property attributable to the deceased holder's contribution without the consent of any other holder, a surviving holder may disclaim, in whole or in part, a fractional share of that portion of the property attributable to the deceased holder's contributions determined by dividing the number one by the number of joint holders alive immediately after the death of the holder to whose death the disclaimer relates.

*b.* For all other jointly held property, a surviving holder may disclaim, in whole or in part, a fraction of the whole of the property the numerator of which is one and the denominator of which is the product of the number of joint holders alive immediately before the death of the holder to whose death the disclaimer relates multiplied by the number of joint holders alive immediately after the death of the holder to whose death the disclaimer relates.

2. A disclaimer under subsection 1 takes effect as of the death of the holder of jointly held property to whose death the disclaimer relates.

3. An interest in jointly held property disclaimed by a surviving holder of the property passes as if the disclaimant predeceased the holder to whose death the disclaimer relates.

4. A noncitizen spouse who is a surviving joint tenant of real property interests created after July 13, 1988, can disclaim the spouse's interest to the full extent permitted under section 633E.4.

2004 Acts, ch 1015, §14
C2005, §633.907
2005 Acts, ch 38, §53

CS2005, §633E.7
2010 Acts, ch 1020, §2, 3
Referred to in §633E.5, 633E.6

**633E.8 Disclaimer of interest by trustee.**

If a trustee disclaims an interest in property that otherwise would have become trust property, the interest does not become trust property.

2004 Acts, ch 1015, §15
C2005, §633.908
2005 Acts, ch 38, §53
CS2005, §633E.8
Referred to in §633E.5, 633E.6

**633E.9 Disclaimer of power of appointment or other power not held in fiduciary capacity.**

If a holder disclaims a power of appointment or other power not held in a fiduciary capacity, the following rules shall apply:

1. If the holder has not exercised the power, the disclaimer takes effect as of the time the instrument creating the power becomes irrevocable.

2. If the holder has exercised the power and the disclaimer is of a power other than a presently exercisable general power of appointment, the disclaimer takes effect immediately after the last exercise of the power.

3. The instrument creating the power is construed as if the power expired when the disclaimer became effective.

2004 Acts, ch 1015, §16
C2005, §633.909
2005 Acts, ch 38, §53
CS2005, §633E.9
Referred to in §633E.5

**633E.10 Disclaimer by appointee, object, or taker in default of exercise of power of appointment.**

1. For purposes of this section, all of the following rules shall apply:

*a.* An appointee is a person to whom a holder of a power has effectively appointed the property subject to the power.

*b.* An object of a power is a person to whom a holder of a power may appoint the property subject to the power sometime in the future.

*c.* A taker in default of the exercise of a power of appointment is a person designated by the person creating the power in the holder to take the property subject to the power if the power has not been effectively exercised.

2. A disclaimer of an interest in property by an appointee of a power of appointment takes effect as of the time the instrument by which the holder exercises the power becomes irrevocable.

3. A disclaimer of an interest in property by an object or taker in default of an exercise of a power of appointment takes effect as of the time the instrument creating the power becomes irrevocable.

2004 Acts, ch 1015, §17
C2005, §633.910
2005 Acts, ch 38, §53
CS2005, §633E.10
Referred to in §633E.5

**633E.11 Disclaimer of power held in fiduciary capacity.**

1. If a fiduciary disclaims a power held in a fiduciary capacity which has not been exercised, the disclaimer takes effect as of the time the instrument creating the power becomes irrevocable.

2. If a fiduciary disclaims a power held in a fiduciary capacity which has been exercised, the disclaimer takes effect immediately after the last exercise of the power.

3. A disclaimer under this section is effective as to another fiduciary if the disclaimer so provides and the fiduciary disclaiming has the authority to bind the estate, trust, or other person for whom the fiduciary is acting.

2004 Acts, ch 1015, §18
C2005, §633.911
2005 Acts, ch 38, §53
CS2005, §633E.11
Referred to in §633E.5

**633E.12 Delivery or filing.**

1. For the purposes of this section, "*beneficiary designation*" means an instrument, other than an instrument creating a trust, naming the beneficiary of any of the following:

*a.* An annuity or insurance policy.

*b.* An account with a designation for payment on death.

*c.* A security registered in beneficiary form.

*d.* A pension, profit-sharing, retirement, or other employment-related benefit plan.

*e.* Any other nonprobate transfer at death.

2. Subject to subsections 3 through 12, delivery of a disclaimer may be effected by personal delivery, first class mail, or any other method likely to result in its receipt.

3. In the case of an interest created under the law of intestate succession or an interest created by will, other than an interest in a testamentary trust, the following shall apply:

*a.* A disclaimer must be delivered to the personal representative of the decedent's estate.

*b.* If no personal representative is then serving, a disclaimer must be filed with a court having jurisdiction to appoint the personal representative.

4. In the case of an interest in a testamentary trust, one of the following shall apply:

*a.* A disclaimer must be delivered to the trustee then serving, or if no trustee is then serving, to the personal representative of the decedent's estate.

*b.* If no personal representative is then serving, a disclaimer shall be filed with a court having jurisdiction to enforce the trust.

5. In the case of an interest in an inter vivos trust, one of the following shall apply:

*a.* A disclaimer must be delivered to the trustee then serving.

*b.* If no trustee is then serving, a disclaimer must be filed with a court having jurisdiction to enforce the trust.

*c.* If a disclaimer is made before the time the instrument creating the trust becomes irrevocable, the disclaimer must be delivered to the settlor of a revocable trust or the transferor of the interest.

6. In the case of a disclaimer of an interest created by a beneficiary designation made before the time the designation becomes irrevocable, the disclaimer must be delivered to the person making the beneficiary designation.

7. In the case of a disclaimer of an interest created by a beneficiary designation made after the time the designation becomes irrevocable, the disclaimer must be delivered to the person obligated to distribute the interest.

8. In the case of a disclaimer by a surviving holder of jointly held property, the disclaimer must be delivered to the person to whom the disclaimed interest passes.

9. In the case of a disclaimer by an object or taker in default of an exercise of a power of appointment at any time after the power was created, one of the following shall apply:

*a.* The disclaimer must be delivered to the holder of the power or to the fiduciary acting under the instrument that created the power.

*b.* If no fiduciary is then serving, the disclaimer must be filed with a court having authority to appoint the fiduciary.

10. In the case of a disclaimer by an appointee of a nonfiduciary power of appointment, one of the following shall apply:

*a.* The disclaimer must be delivered to the holder, the personal representative of the holder's estate, or to the fiduciary under the instrument that created the power.

*b.* If no fiduciary is then serving, the disclaimer must be filed with a court having authority to appoint the fiduciary.

11. In the case of a disclaimer by a fiduciary of a power over a trust or estate, the disclaimer must be delivered as provided in subsection 3, 4, or 5, as if the power disclaimed were an interest in property.

12. In the case of a disclaimer of a power by an agent, the disclaimer must be delivered to the principal or the principal's representative.

13. In addition to the foregoing, all of the following shall apply:

*a.* A copy of any instrument of disclaimer affecting real estate shall be filed in the office of the county recorder of the county where the real estate is located. Failure to file, record, or register the disclaimer does not affect its validity as between the disclaimant and persons to whom the property interest or power passes by reason of the disclaimer.

*b.* A copy of an instrument of disclaimer, regardless of its subject, may be filed with the clerk of court of the county in which proceedings for administration have been commenced, if applicable.

2004 Acts, ch 1015, §19
C2005, §633.912
2005 Acts, ch 38, §53
CS2005, §633E.12
Referred to in §421.27, 633E.5

**633E.13 When disclaimer barred or limited.**

1. A disclaimer is barred by a written waiver of the right to disclaim.

2. A disclaimer of an interest in property is barred if any of the following events occur before the disclaimer becomes effective:

*a.* The disclaimant accepts the interest sought to be disclaimed.

*b.* The disclaimant voluntarily assigns, conveys, encumbers, pledges, or transfers the interest sought to be disclaimed or contracts to do so.

*c.* A judicial sale of the interest sought to be disclaimed occurs.

3. A disclaimer, in whole or part, of the future exercise of a power held in a fiduciary capacity is not barred by its previous exercise.

4. A disclaimer, in whole or part, of the future exercise of a power not held in a fiduciary capacity is not barred by its previous exercise unless the power is exercisable in favor of the disclaimant.

5. A disclaimer is barred or limited if so provided by law other than this chapter, except as provided in subsection 7.

6. A disclaimer of a power over property which is barred by this section is ineffective. A disclaimer of an interest in property which is barred by this section takes effect as a transfer of the interest disclaimed to the persons who would have taken the interest under this chapter had the disclaimer not been barred.

7. A disclaimer may be made at any time unless otherwise barred and any other law that would bar a disclaimer due to the passage of time shall not apply under this chapter.

2004 Acts, ch 1015, §20
C2005, §633.913
2005 Acts, ch 38, §52, 53
CS2005, §633E.13
2010 Acts, ch 1020, §4, 5
Referred to in §633E.4, 633E.16

**633E.14 Chapter supplemented by other law.**

1. Unless displaced by a provision of this chapter, the principles of law and equity supplement this chapter.

2. This chapter does not limit any right of a person to disclaim an interest in or power over property under a statute other than this chapter.

2004 Acts, ch 1015, §21
C2005, §633.914

2005 Acts, ch 38, §52, 53
CS2005, §633E.14
2010 Acts, ch 1020, §6

**633E.15 Medical assistance eligibility.**

A disclaimer of any property, interest, or right pursuant to the provisions of this chapter constitutes a transfer of assets for the purpose of determining eligibility for medical assistance under chapter 249A in an amount equal to the value of the property, interest, or right disclaimed.

2004 Acts, ch 1015, §22
C2005, §633.915
2005 Acts, ch 38, §52, 53
CS2005, §633E.15
Referred to in §633E.4

**633E.16 Application to existing relationship.**

Except as otherwise provided in section 633E.13, an interest in or power over property existing on July 1, 2004, as to which the time for delivering or filing a disclaimer under law superseded by this chapter has not expired may be disclaimed after July 1, 2004.

2004 Acts, ch 1015, §23
C2005, §633.916
2005 Acts, ch 38, §52, 53, 55
CS2005, §633E.16

**633E.17 Severability.**

If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or application of the chapter which can be given effect without the invalid provisions or application, and to this end, the provisions of the chapter are severable.

2004 Acts, ch 1015, §24
C2005, §633.917
2005 Acts, ch 38, §52, 53
CS2005, §633E.17

# CHAPTER 634

## PRIVATE FOUNDATIONS AND CHARITABLE TRUSTS

Referred to in §633A.5105


| | | | |
|---|---|---|---|
| 634.1 | Applicability. | 634.5 | Internal Revenue Code defined. |
| 634.2 | Statutory provisions as part of the trust. | 634.6 | Statutory exception in trust. |
| 634.3 | Distribution to avoid tax liability. | 634.7 | Public grants by private foundations or trusts. |
| 634.4 | Limitations. | | |


**634.1 Applicability.**

This chapter shall apply only to trusts which are private foundations as defined in section 509 of the Internal Revenue Code, charitable trusts as described in section 4947(a) (1) of the Internal Revenue Code, or split-interest trusts as described in section 4947(a) (2) of the Internal Revenue Code. With respect to any such trust created after December 31, 1969, this chapter shall apply from such trust's creation. With respect to any such trust created before January 1, 1970, this chapter shall apply only to such trust's federal taxable years beginning after December 31, 1971.

[C73, 75, 77, 79, 81, §634.1]

**634.2 Statutory provisions as part of the trust.**

1. The trust instrument of each trust to which this chapter applies shall be deemed to contain provisions prohibiting the trustee from doing any of the following:

*a.* Engaging in any act of self-dealing, as defined in section 4941(d) of the Internal Revenue Code, which would give rise to any liability for the tax imposed by section 4941(a) of the Internal Revenue Code.

*b.* Retaining any excess business holdings, as defined in section 4943(c) of the Internal Revenue Code, which would give rise to any liability for the tax imposed by section 4943(a) of the Internal Revenue Code.

*c.* Making any investments which would jeopardize the carrying out of any of the exempt purposes of the trust, within the meaning of section 4944 of the Internal Revenue Code, so as to give rise to any liability for the tax imposed by section 4944(a) of the Internal Revenue Code.

*d.* Making any taxable expenditures, as defined in section 4945(d) of the Internal Revenue Code, which would give rise to any liability for the tax imposed by section 4945(a) of the Internal Revenue Code.

2. However, this section shall not apply either to those split-interest trusts or to amounts thereof which are not subject to the prohibitions applicable to private foundations by reason of the provisions of section 4947 of the Internal Revenue Code.

[C73, 75, 77, 79, 81, §634.2]

2013 Acts, ch 90, §218

Referred to in §634.6

Section amended

**634.3 Distribution to avoid tax liability.**

The trust instrument of each trust to which this chapter applies, except split-interest trusts, shall be deemed to contain a provision requiring the trustee to distribute for the purposes specified in the trust instrument for each taxable year of the trust amounts at least sufficient to avoid liability for the tax imposed by section 4942(a) of the Internal Revenue Code.

[C73, 75, 77, 79, 81, §634.3]

Referred to in §634.6

**634.4 Limitations.**

Nothing in this chapter shall impair the rights and powers of the courts or the attorney general of this state with respect to any trust.

[C73, 75, 77, 79, 81, §634.4]

**634.5 Internal Revenue Code defined.**

All references to sections of the Internal Revenue Code mean the Internal Revenue Code as defined in section 422.3.

[C73, 75, 77, 79, 81, §634.5]

84 Acts, ch 1305, §41

**634.6 Statutory exception in trust.**

Nothing in this chapter shall limit the power of a person who creates a trust after July 1, 1971, or the power of a person who has retained or has been granted the right to amend a trust created before July 1, 1971, to include a specific provision in the trust instrument or an amendment to the trust instrument as the case may be, which provides that some or all of the provisions of sections 634.2 and 634.3 shall have no application to such trust.

[C73, 75, 77, 79, 81, §634.6]

**634.7 Public grants by private foundations or trusts.**

A grant, by a trust organized and funded prior to January 1, 1992, to which this chapter applies, to the state of Iowa, or a political subdivision, or agency of the state or political subdivision, for purposes of economic development, shall be regarded as a charitable contribution if made prior to January 1, 1994.

92 Acts, ch 1244, §48

# CHAPTER 634A

## SUPPLEMENTAL NEEDS TRUSTS FOR PERSONS WITH DISABILITIES

634A.1 Definitions.
634A.2 Supplemental needs trust — requirements.

**634A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Person with a disability"* means a person to whom one of the following applies, prior to creation of a trust which otherwise qualifies as a supplemental needs trust for the person's benefit:

*a.* Is considered to be a person with a disability under the disability criteria specified in Tit. II or Tit. XVI of the federal Social Security Act.

*b.* Has a physical or mental illness or condition which, in the expected natural course of the illness or condition, to a reasonable degree of medical certainty, is expected to continue for a continuous period of twelve months or more and substantially impairs the person's ability to provide for the person's care or custody.

2. *"Supplemental needs trust"* means an inter vivos or testamentary trust created for the benefit of a person with a disability and funded by a person other than the trust beneficiary or the beneficiary's spouse, and which is declared to be a supplemental needs trust in the instrument creating the trust. *"Supplemental needs trust"* shall include, but is not limited to, a trust created for the benefit of a person with a disability and funded solely with moneys awarded as damages in a personal injury case or moneys received in the settlement of a personal injury case provided that the trust is created within six months of receiving the award or settlement, the trust is irrevocable, the beneficiary is not named a trustee of the trust, and the instrument creating the trust declares the trust to be a supplemental needs trust.

97 Acts, ch 112, §1; 2012 Acts, ch 1023, §84

**634A.2 Supplemental needs trust — requirements.**

1. A supplemental needs trust established in compliance with this chapter is in keeping with the public policy of this state and is enforceable.

2. A supplemental needs trust established under this chapter shall comply with all of the following:

*a.* Shall be established as a discretionary trust for the purpose of providing a supplemental source for payment of expenses which include but are not limited to the reasonable living expenses and basic needs of a person with a disability only if benefits from publicly funded benefit programs are not sufficient to provide adequately for those expenses and needs.

*b.* Shall contain provisions which prohibit disbursements that would result in replacement, reduction, or substitution for publicly funded benefits otherwise available to the beneficiary or in rendering the beneficiary ineligible for publicly funded benefits. The supplemental needs trust shall provide for distributions only in a manner and for purposes that supplement or complement the benefits available under medical assistance, state supplementary assistance, and other publicly funded benefit programs for persons with disabilities.

3. For the purpose of establishing eligibility of a person as a beneficiary of a supplemental needs trust, disability may be established conclusively by the written opinion of a licensed professional who is qualified to diagnose the illness or condition, if confirmed by the written opinion of a second licensed professional who is also qualified to diagnose the illness or condition.

4. A supplemental needs trust is not enforceable if the trust beneficiary becomes a patient or resident after sixty-four years of age in a state institution or nursing facility for six months or more and, due to the beneficiary's medical need for care in an institutional setting, there is no reasonable expectation, as certified by the beneficiary's attending physician, that the beneficiary will be discharged from the facility. For the purposes of this subsection, a

beneficiary participating in a group residential program is not a patient or resident of a state institution or nursing facility.

5. The trust income and assets of a supplemental needs trust are considered available to the beneficiary for medical assistance or other public assistance program purposes to the extent that income and assets are considered available in accordance with the methodology applicable to a particular program.

6. A supplemental needs trust is not subject to administration in the Iowa district court sitting in probate. A trustee of a supplemental needs trust has all powers and shall be subject to all the duties and liabilities of a trustee as provided in the probate code, except the duty of reporting to or obtaining approval of the court.

7. Notwithstanding the prohibition of the funding of a supplemental needs trust by the beneficiary or the beneficiary's spouse, a supplemental needs trust may be established with the proceeds of back payments made by the United States social security administration resulting from a judgment regarding the regulatory schemes for determination of the disability of a child.

97 Acts, ch 112, §2

For medical assistance trusts, see chapter 633C

# CHAPTER 635

## ADMINISTRATION OF SMALL ESTATES

Referred to in §602.8102(106)


635.1 When applicable.
635.2 Petition requirements.
635.3 through 635.6 Repealed by 2007 Acts, ch 134, §26, 28.
635.7 Report and inventory — value and conversion.
635.8 Closing by sworn statement.
635.9 and 635.10 Repealed by 2007 Acts, ch 134, §26, 28.
635.11 Statement in notice by clerk. Repealed by 2006 Acts, ch 1129, §15.
635.12 Repealed by 2007 Acts, ch 134, §26, 28.
635.13 Notice — claims.
635.14 Repealed by 2007 Acts, ch 134, §26, 28.


### 635.1 When applicable.

When the gross value of the probate assets of a decedent subject to the jurisdiction of this state does not exceed one hundred thousand dollars, and upon a petition as provided in section 635.2 of an authorized petitioner in accordance with sections 633.227 and 633.228, or section 633.290, subsection 1, paragraph "*a*" or "*b*", the clerk shall issue letters of appointment for administration to the proposed personal representative named in the petition, if qualified to serve pursuant to section 633.63 or upon court order pursuant to section 633.64. Unless otherwise provided in this chapter, the provisions of chapter 633 apply to an estate probated pursuant to this chapter.

[C75, 77, 79, 81, §635.1; 81 Acts, ch 199, §1; 82 Acts, ch 1204, §1 – 4]

89 Acts, ch 25, §1; 2007 Acts, ch 134, §21, 28; 2008 Acts, ch 1119, §34; 2013 Acts, ch 33, §8, 9

Referred to in §635.2, 635.7, 635.8

2013 amendment to section applies to petitions filed on or after July 1, 2013; 2013 Acts, ch 33, §9

Section amended

### 635.2 Petition requirements.

The petition for administration of a small estate must contain the following:

1. The name, domicile, and date of death of the decedent.

2. The name and address of the surviving spouse, and the name and relationship of each beneficiary in a testate estate or known heirs in an intestate estate.

3. Whether the decedent died intestate or testate, and, if testate, the date the will was executed.

4. A statement that the probate property of the decedent subject to the jurisdiction of this state does not have an aggregate gross value of more than the amount permitted under the provisions of section 635.1 and the approximate amount of personal property and income for the purposes of setting a bond.

5. The name and address of the proposed personal representative.

[C75, 77, 79, 81, §635.2; 81 Acts, ch 199, §2, 3]

89 Acts, ch 25, §2; 2007 Acts, ch 134, §22, 28; 2008 Acts, ch 1119, §35

Referred to in §635.1

**635.3 through 635.6** Repealed by 2007 Acts, ch 134, § 26, 28.

**635.7 Report and inventory — value and conversion.**

1. The personal representative is required to file the report and inventory for which provision is made in section 633.361, including all probate and nonprobate assets. This chapter does not exempt the personal representative from complying with the requirements of section 422.27, 450.22, 450.58, 633.480, or 633.481, and the administration of an estate whether converted to or from a small estate shall be considered one proceeding pursuant to section 633.330.

2. The report and inventory shall show the gross value of probate assets subject to the jurisdiction of this state.

3. If the gross value of probate assets subject to the jurisdiction of this state exceeds the amount permitted for a small estate under section 635.1, the estate shall be administered as provided in chapter 633.

4. If the report and inventory in an estate probated pursuant to chapter 633 shows the gross value of the probate assets subject to the jurisdiction of this state does not exceed the amount permitted under section 635.1, the estate shall be administered as a small estate upon the filing of a statement by the personal representative that the estate is a small estate.

5. Other interested parties may convert proceedings from a small estate to a regular estate or from a regular estate to a small estate only upon good cause shown with approval from the court.

[C75, 77, 79, 81, §635.7; 81 Acts, ch 199, §8]

89 Acts, ch 25, §3; 2003 Acts, ch 151, §57; 2004 Acts, ch 1120, §8; 2007 Acts, ch 134, §23, 28; 2012 Acts, ch 1123, §30

**635.8 Closing by sworn statement.**

1. The personal representative shall file with the court a closing statement and proof of service thereof within a reasonable time from the date of issuance of the letters of appointment. The closing statement shall be verified or affirmed under penalty of perjury stating all of the following:

*a.* To the best knowledge of the personal representative, the gross value of the probate assets subject to the jurisdiction of this state does not exceed the amount permitted under section 635.1.

*b.* The estate has been fully administered and will be distributed to persons entitled thereto if no objection is filed to the closing statement and the accounting and proposed distribution within thirty days after service thereof.

*c.* An accounting and proposed distribution of the estate including an accurate description of all the real estate of which the decedent died seized, stating the nature and extent of the interest in the real estate and its disposition.

*d.* A copy of the closing statement and a notice of an opportunity to object to and request a hearing has been sent, as provided in section 633.40, to all interested parties.

*e.* A statement as to whether or not all statutory requirements pertaining to taxes have been complied with, including whether federal estate tax due has been paid, whether a lien continues to exist for any federal estate tax, and whether inheritance tax was paid or a tax return was filed in this state.

*f.* The amount of fees to be paid to the personal representative and the personal

representative's attorney with the appropriate documentation showing compliance with subsection 4.

2. If no actions or proceedings involving the estate are pending in the court thirty days after service of the closing statement, the estate shall be distributed according to the closing statement.

3. The estate shall close and the personal representative shall be discharged upon the earlier of either of the following:

*a.* The filing of an affidavit of mailing or other proof of service of the closing statement and a statement of asset distribution by the personal representative.

*b.* Sixty days after the filing of the closing statement and an affidavit of mailing or other proof of service thereof.

4. The fees for the personal representative shall not exceed three percent of the gross value of the probate assets of the estate, unless the personal representative itemizes the personal representative's services to the estate. The personal representative's attorney shall be paid reasonable fees as approved by the court or as agreed to in writing by the personal representative and such writing shall be executed by the time of filing the probate inventory. All interested parties shall have the opportunity to object and request a hearing as to all fees reported in the closing statement.

5. If a closing statement is not filed within twelve months of the date of issuance of a letter of appointment, an interlocutory report shall be filed within such time period. Such report shall be provided to all interested parties at least once every six months until the closing statement has been filed unless excused by the court for good cause shown. The provisions of section 633.473 requiring final settlement within three years shall apply to an estate probated pursuant to this chapter. A closing statement filed under this section has the same effect as final settlement of the estate under chapter 633.

[C75, 77, 79, 81, §635.8; 81 Acts, ch 199, §9]

89 Acts, ch 25, §4; 2007 Acts, ch 134, §24, 28; 2008 Acts, ch 1119, §36; 2009 Acts, ch 52, §11, 14; 2012 Acts, ch 1123, §31

2009 amendment to subsection 1, unnumbered paragraph 1, applies to estates of decedents dying on or after July 1, 2009; 2009 Acts, ch 52, §14

**635.9 and 635.10** Repealed by 2007 Acts, ch 134, § 26, 28.

**635.11 Statement in notice by clerk.** Repealed by 2006 Acts, ch 1129, § 15.

**635.12** Repealed by 2007 Acts, ch 134, § 26, 28.

**635.13 Notice — claims.**

If a petition for administration of a small estate is granted, the notice as provided in section 633.237, and either sections 633.230 and 633.231 or sections 633.304 and 633.304A shall be given. Creditors having claims against the estate must file them with the clerk within the applicable time periods provided in such notices. The notice has the same force and effect as in chapter 633. Claimants of the estate shall be interested parties of the estate as long as the claims are pending in the estate.

[81 Acts, ch 199, §12]

84 Acts, ch 1080, §15; 89 Acts, ch 25, §6; 2007 Acts, ch 134, §25, 28

**635.14** Repealed by 2007 Acts, ch 134, § 26, 28.

# CHAPTER 636

## SURETIES — FIDUCIARIES — TRUSTS — INVESTMENTS

Referred to in §12.28, 331.301, 331.402, 364.4, 384.24A, 602.8102(123), 633.109


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## SURETY BONDS

**636.1 Security to be by bond.**

Whenever security is required to be given by law or by order or judgment of a court, and no particular mode is prescribed, it shall be by bond.

[C51, §2505; R60, §4113; C73, §246; C97, §355; C24, 27, 31, 35, 39, §**12751;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.1]

C93, §636.1

See chapter 633, division III, part 7

**636.2 Payee.**

Such security, when not otherwise directed, may, if for the benefit of individuals, be given to the party intended to be secured thereby; if in relation to the public matters concerning the inhabitants of one county or part of a county, it may be made payable to the county; if

concerning the inhabitants of more than one county, it may be made payable to the state, but a mere mistake in these respects will not vitiate the security.

[C51, §2506; R60, §4114; C73, §247; C97, §356; C24, 27, 31, 35, 39, §**12752;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.2]

C93, §636.2

See §633.181

**636.3 Defects rectified.**

No defective bond or other security or affidavit in any case shall prejudice the party giving or making it, provided it be so rectified, within a reasonable time after the defect is discovered, as not to cause essential injury to the other party.

[C51, §2511; R60, §4119; C73, §248; C97, §357; C24, 27, 31, 35, 39, §**12753;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.3]

C93, §636.3

**636.4 Qualifications of sureties.**

Each personal surety shall execute and file with the clerk an affidavit that the surety owns real estate subject to execution, other than real estate held in joint tenancy between persons other than cosureties, equal to double the amount of the bond, and shall include in the affidavit the total amount of the surety's obligations as surety on other official or statutory bonds. If there are two or more sureties on the same bond, they must in the aggregate have the qualification prescribed in this section.

[R60, §4126; C73, §249; C97, §358; S13, §358; C24, 27, 31, 35, 39, §**12754;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.4]

85 Acts, ch 71, §1

C93, §636.4

Referred to in §633.182, 636.5

**636.5 Attorneys not receivable as surety.**

Attorneys at law shall not be accepted as sureties upon any official bonds provided for in section 636.4.

[S13, §358; C24, 27, 31, 35, 39, §**12755;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.5]

C93, §636.5

Referred to in §636.7

See §633.182

Similar provision, §621.7

**636.6 New bond required.**

Whenever the board of supervisors of any county shall have knowledge that any attorney at law is surety upon any official bond, above referred to, it shall require said officer to forthwith file a new bond.

[S13, §358; C24, 27, 31, 35, 39, §**12756;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.6]

C93, §636.6

Referred to in §331.322, 636.7

See §633.180

**636.7 Surety bound notwithstanding disqualification.**

Nothing in sections 636.5 and 636.6 shall exempt such person from any liability upon the bond signed by the person.

[S13, §358; C24, 27, 31, 35, 39, §**12757;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.7]

C93, §636.7

**636.8 Affidavit of sureties — effect of.**

The officer whose duty it is to take a surety in any bond provided for or authorized by law shall require the person offered as surety to make affidavit of the person's qualification, which affidavit may be made before such officer, or other officer authorized to administer oaths.

[R60, §4125; C73, §250; C97, §359; C24, 27, 31, 35, 39, §**12758;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.8]

C93, §636.8

**636.9 Effect of affidavit.**

The taking of such an affidavit shall not exempt the officer from any liability to which the officer might otherwise be subject for taking insufficient security.

[R60, §4125; C73, §250; C97, §359; C24, 27, 31, 35, 39, §**12759;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.9]

C93, §636.9

**636.10 Appeal bonds — presumption.**

The filing by an approving officer of a duly tendered appeal bond in an appeal to any court shall carry the presumption until the contrary is established that said officer approved the bond even though no formal approval is endorsed on the bond.

[C31, 35, §12759-c1; C39, §**12759.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.10]

C93, §636.10

SURETY COMPANIES

**636.11 Authority to act as surety — agent qualifications.**

1. The commissioner of insurance shall annually file with the clerk of the district court of each county a complete list of the corporate sureties to whom the commissioner has issued a current certificate of authority to transact the business of a surety in this state.

2. An agent for a company authorized to engage in the business of becoming surety upon bonds pursuant to subsection 1 must be a resident of this state for the purpose of acting on behalf of the surety company with respect to any bond or bail in criminal cases.

[C97, §359; C24, 27, 31, 35, 39, §**12760;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.11]

88 Acts, ch 1034, §1; 91 Acts, ch 213, §33

C93, §636.11

**636.12 Certificate revoked — notice.**

Should said authority be withdrawn at any time, the commissioner of insurance shall at once notify the clerk of each district court to that effect.

[C97, §359; C24, 27, 31, 35, 39, §**12761;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.12]

C93, §636.12

**636.13 Record by clerk.** Repealed by 2004 Acts, ch 1120, § 9.

**636.14 Guaranty company as surety.**

Whenever any person who now or hereafter may be required or permitted to give a bond applies for the approval thereof, any officer or body who is now or shall hereafter be required to approve the sufficiency of such bond shall accept and approve the same, whenever its conditions are guaranteed by a company or corporation duly organized or incorporated under the laws of this state, or authorized to do business therein, and to guarantee the fidelity of persons holding positions of public or private trust, or secure any bond above referred to, and

which company shall have the certificate of the commissioner of insurance authorizing it to do business therein, as provided in chapter 515.

[C97, §360; SS15, §360; C24, 27, 31, 35, 39, §**12763;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.14]

C93, §636.14

Referred to in §633.182, 636.15, 636.18

**636.15 Payment of premiums.**

The premium for any such guaranty or surety company bond as defined in section 636.14, may, by the approval of the court, be paid out of the trust funds in the hands of the party of whom the bond is required.

[SS15, §360; C24, 27, 31, 35, 39, §**12764;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.15]

C93, §636.15

Referred to in §636.18

**636.16 Certificate as authority.**

The certificate of the commissioner of insurance, to the effect that such company has complied with the requirements of chapter 515 and is authorized to do business in this state, shall be sufficient evidence to authorize the officer or body having the approval of such bond to accept and approve the same.

[C97, §360; SS15, §360; C24, 27, 31, 35, 39, §**12765;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.16]

C93, §636.16

Referred to in §636.18

**636.17 Limitation on acceptance.**

No such security shall be accepted on any bond for an amount in excess of ten percent of the paid-up cash capital of such company or corporation unless the excess shall be reinsured in some other company or corporation authorized to do business in the state and in no case to exceed ten percent of the capital of the reinsuring company and provided that a certificate of such reinsurance shall be furnished to the insured.

[C97, §360; SS15, §360; C24, 27, 31, 35, 39, §**12766;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.17]

C93, §636.17

Referred to in §636.18

**636.18 Criminal bonds.**

Nothing contained in sections 636.14 to 636.17 shall apply to bonds in criminal cases.

[C97, §360; SS15, §360; C24, 27, 31, 35, 39, §**12767;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.18]

C93, §636.18

**636.19 Release.**

Such company or corporation may be released from its liability as such surety on any bond on the same terms and conditions, and in the same manner, as is by law prescribed for the release of natural persons as such sureties; it being the intent of this chapter to enable companies created, incorporated, or chartered for such purposes to become surety on bonds required by law, subject to all the rights and liabilities of natural persons.

[C97, §361; C24, 27, 31, 35, 39, §**12768;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.19]

C93, §636.19

Discharge of sureties, chapter 65

**636.20 Suit on bond — service.**

Whenever suit is required to be brought on any bond given by such company, service shall be had upon any agent of such company in this state, and if there is no agent in the state, then

service may be had by serving the commissioner of insurance fifteen days before the term of court in which the suit is sought to be brought.

[C97, §362; C24, 27, 31, 35, 39, §**12769;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.20]
C93, §636.20
See §633.186

**636.21 Commissioner as process agent.**

It shall be the duty of the commissioner of insurance, upon service being made upon the commissioner, to immediately mail a copy of such notice to such company at their principal place of business, and any notice so served shall be deemed to be good and sufficient service on any such company.

[C97, §362; C24, 27, 31, 35, 39, §**12770;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.21]
C93, §636.21
See §633.186

**636.22 Estoppel — stockholders liable.**

Any company which shall execute any bond as surety under the provisions of this chapter shall be estopped, in any proceeding to enforce the liability which it shall have assumed to incur, to deny its corporate power to execute such instrument or assume such liability; and the private property of the stockholders shall be liable for the debts of the corporation to the full amount of the capital stock held by such stockholders.

[C97, §363; C24, 27, 31, 35, 39, §**12771;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.22]
C93, §636.22

## INVESTMENT OF FUNDS

**636.23 Authorized securities.**

All proposed investments of trust funds by fiduciaries shall first be reported to the court or a judge for approval and be approved and unless otherwise authorized or directed by the court under authority of which the fiduciary acts, or by the will, trust agreement, or other document which is the source of authority, a trustee, executor, administrator, or guardian shall invest all moneys received by such fiduciary, to be by the fiduciary invested, in securities which at the time of the purchase thereof are included in one or more of the following classes:

1. *Federal bonds.* Bonds or other interest-bearing obligations of the United States for the payment of which the faith and credit of the United States is pledged.

2. *Federal bank bonds.* Bonds, notes or other obligations issued by any federal land bank, federal intermediate credit bank, bank for cooperatives, or any or all of the federal farm credit banks, and in bonds issued by any federal home loan bank under the Act of Congress known and cited as the federal Home Loan Bank Act, [12 U.S.C. § 1421 – 1449] and the Acts amendatory thereof.

3. *State bonds.* Bonds or other interest-bearing obligations of any state in the United States for the payment of which the faith and credit of such state is pledged and which state has not defaulted in the payment of any of its bonded debts within the ten preceding years.

4. *Municipal bonds.* Bonds, or other interest-bearing obligations, which are a direct obligation of a county, township, city, school district, or other municipal corporation or district, having power to levy general taxes in the state of Iowa, and also bonds or other interest-bearing obligations which are a direct obligation of a county, township, city, village, school district, or other municipal corporation or district, having power to levy general taxes in any adjoining state, and having a population of not less than five thousand. However, the total funded indebtedness of a municipality enumerated in this subsection shall not exceed ten percent of the assessed value of the taxable property in the municipality, as ascertained by the last assessment for tax purposes, and the municipality or district shall not have defaulted in the payment of any of its bonded indebtedness within the ten preceding years.

5. *Real estate mortgage bonds.* Notes or bonds of any individual secured by a first mortgage on improved real estate located in this state, provided the aggregate amount of

such notes and/or bonds secured by such first mortgage, does not exceed fifty percent of the value of the mortgage property as determined by the fiduciary; any such loan may be made in an amount not to exceed seventy-five percentum of the appraised value of the real estate offered as security and for a term not longer than twenty years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within the period ending on the date of its maturity.

6. *Corporate mortgages.* Notes or bonds of any corporation secured by a first mortgage on improved real estate located in this or any adjoining state upon which no default in payment of principal or interest shall have occurred within five preceding years provided the aggregate amount of such notes and/or bonds secured by such first mortgage does not exceed fifty percent of the value of the mortgage property as determined by the fiduciary.

7. *Railroad bonds.* Bonds of any railroad corporation which are secured by a first lien mortgage or trust deed upon not less than one hundred miles of main track in the United States and which mortgage or trust deed has been outstanding not less than fifteen years and upon which bonds issued thereunder there has been no default in the payment of principal and/or interest since the date of said such trust deed.

8. *Bonds guaranteed by railroad.* Bonds of any corporation secured by a first lien upon any railroad terminal depot, tunnel, or bridge in the United States used by two or more railroad companies which have guaranteed the payment of principal and interest of such bonds and have otherwise covenanted or agreed to pay the same, provided at least one of said railroad companies meets the following requirements:

*a.* Has earned net income equal to at least four percent of the par value of its outstanding capital stock for five preceding years, and

*b.* Has regularly and punctually paid interest and maturing principal on all of its mortgage indebtedness for five preceding years.

*c.* Has outstanding capital stock of the par value of at least one-third of its total mortgage indebtedness.

9. *Public utility bonds.* Bonds of any corporation supplying either water, electric energy, or artificial manufactured gas or two or more thereof for light, heat, power, water, or other purposes, or furnishing telephone or telegraph service, provided that such bonds are secured by a first mortgage on all property used in the business of the issuing corporation or by a first and refunding mortgage containing provision for retiring all prior liens, and provided further, that the issuing corporation is incorporated within the United States, and if operating entirely outside this state is operating in a state or other jurisdiction having a public utilities commission with regulatory powers, and providing such operating corporation has annual gross earnings of at least one million dollars, seventy-five percent of which gross earnings have come from the sale of water, gas, or electricity, or the rendering of telephone or telegraph service and not more than fifteen percent from any other one kind of business and which corporation has a record on its behalf or for its predecessors or constituent companies, of having officially reported net earnings at least twice its interest charges on all mortgage indebtedness for the period of five years immediately preceding the investment and having outstanding stock the book value of which is not less than two-thirds of its total funded debt, and which corporation shall have all franchises to operate in the territory it serves in which at least seventy-five percent of its gross income is earned, which franchise shall extend at least five years beyond the maturity of such bonds or which have indeterminate permits or agreements with duly constituted public authorities, or in the bonds of any constituent or subsidiary company of any such operating company which are secured by a first mortgage on all property of such constituent or subsidiary company, provided such bonds are to be retired or refunded by a junior mortgage, the bonds of which are eligible hereunder.

10. *Savings associations.* Shares of federal savings associations organized under the laws of the United States of America.

11. *Bonds and debentures guaranteed by the federal government.* Bonds, debentures, or other interest-bearing obligations, the payment of which is guaranteed by the United States of America.

12. *Stock in federal government instrumentalities.* Stock in any association or

corporation created or which may be created by authority of the United States and as an instrumentality of the United States, when the purchase of said stock is necessary or required as an incident or condition of obtaining a loan from any association or corporation created or which may be created by authority of the United States and as an instrumentality of the United States.

13. *Life, endowment or annuity contracts of legal reserve life insurance companies authorized to do business in Iowa.* The purchase of contracts authorized by this subsection shall be limited to executors or the successors to their powers when specifically authorized by will, and to guardians and trustees, in an amount not to exceed twenty-five percent of the value of the ward's property in possession of the fiduciary. Such contract may be issued on the life or lives of a ward or wards or beneficiary or beneficiaries of a trust fund created by will or trust agreement, or upon the life or lives of persons in whose life or lives such ward or beneficiary has an insurable interest. The proceeds or avails of such contract shall be the sole property of the person or persons whose funds are invested therein.

14. *Limitation as to court-approved investments.* This section does not prohibit investment of such funds in a savings account or time certificate of deposit of a bank or savings association located within the city or its county of this state and when first approved by the court. However, a city that is the trustee of a cemetery as provided in section 523I.508 may invest perpetual care funds in a savings account or certificates of deposit at a bank located in this state without court approval.

15. *When court approval not required.* Nothing in this section contained shall be construed as modifying the probate code nor be construed as requiring investments of trust funds by fiduciaries to be reported to any court or judge for approval where the trust agreement or other document under which the fiduciary is acting is not being administered under the jurisdiction of any court or by its terms specifically exempts the fiduciary from reporting any such investments for approval.

16. *Investments included — government obligations.* Federal bonds, federal bank bonds, and bonds and debentures guaranteed by the federal government which are authorized investments under subsections 1, 2, and 11 include investments in an investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. § 80a, the portfolio of which is limited to the United States government obligations described in subsections 1, 2, and 11 and to repurchase agreements fully collateralized by such United States government obligations, if the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian.

[C51, §2507; R60, §4115; C73, §251; C97, §364; S13, §364; C24, 27, 31, 35, 39, §**12772;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.23]

86 Acts, ch 1032, §2; 89 Acts, ch 296, §85

C93, §636.23

2005 Acts, ch 128, §72; 2012 Acts, ch 1017, §154

Referred to in §37.24, 468.151, 523I.602, 636.24, 636.25, 636.26

See §633.127, 633A.4302

Institutional funds, investment authority; §540A.103

**636.24 Population and indebtedness.**

The population specified in section 636.23 shall be determined by the last preceding official federal census. The indebtedness of any municipality or governmental subdivision shall be determined by the official certificate of the officer of such municipality or district in charge of its public accounts.

[C31, 35, §12772-c1; C39, §**12772.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.24]

C93, §636.24

Referred to in §636.25

See §633.127

**636.25 Existing investments.**

Any fiduciary not governed by the probate code may by and with the consent of the court having jurisdiction over such fiduciary or under permission of the instrument creating the trust, continue to hold any investment originally received by the fiduciary under the trust

or any increase thereof. Such fiduciary may also make investments which the fiduciary may deem necessary to protect and safeguard investments already made according to the provisions of this and sections 636.23 and 636.24.

[C31, 35, §12772-c2; C39, §**12772.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.25]

C93, §636.25

Referred to in §636.26

See §633.127, 633A.4302

**636.26 Security subject to court order.**

When any investment is made pursuant to approval of the court as required by section 636.23 or made or held by and with the consent of the court as provided in section 636.25, such investment shall not be transferred and any security taken to secure such investment shall not be discharged or impaired prior to payment or satisfaction thereof without an order of the court to that effect, unless otherwise authorized by the will, trust agreement or other document under which the fiduciary is acting. Nothing herein contained shall be construed as requiring the approval of any court to release or discharge of record any mortgage or other lien held by any fiduciary upon the payment or satisfaction thereof in full.

All releases or discharges of record of mortgages or other liens prior to July 4, 1951, by any fiduciary without an order of court where such order was required by section 682.26, Code 1950, are hereby declared to be valid and effective from the filing or recording thereof without such order of court being had and obtained, unless within six months after said date a statement is filed under oath by the claimant or on the claimant's behalf if under disability with the county recorder where such release or discharge was filed or recorded setting forth the claim upon which the invalidity of such release or discharge is based. Nothing herein contained shall affect pending litigation.

[C51, §2508; R60, §4116; C73, §252; C97, §365; C24, 27, 31, 35, 39, §**12773;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.26]

C93, §636.26

See §633.95

**636.27 Collection, application of funds, and reinvestment.**

The clerk or other person appointed in such cases to make the investment must receive all moneys as they become due thereon, and apply or reinvest the same under the direction of the court, unless the court appoints some other person to do such acts.

[C51, §2509; R60, §4117; C73, §253; C97, §366; C24, 27, 31, 35, 39, §**12774;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.27]

C93, §636.27

**636.28 Annual accounting.**

Once in each year, and more often if required by the court, the person so appointed must, on oath, render to the court an account in writing of all moneys so received by that person, and of the application thereof.

[C51, §2510; R60, §4118; C73, §254; C97, §367; C24, 27, 31, 35, 39, §**12775;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.28]

C93, §636.28

2005 Acts, ch 3, §107

See §633.469, 633.470, 633.671, 633.752

## ESTATE AND TRUST FUNDS

**636.29 Property or funds in litigation — deposit.**

When it is admitted by the pleadings, or shown by the examination of a party, that the party has in the party's possession, or under the party's control, any money or property capable of delivery, which is in any degree the subject of litigation, and which is held by the party as trustee for another party, the court may order the same to be deposited in the office of the clerk, or delivered to such party, with or without security, subject to the further direction of

the court; or may order such money to be deposited in a bank, with the consent of the parties in interest, to the credit of the court in which the action is pending, and the same shall be paid out by such bank only upon the check of the clerk, annexed to a certified copy of the order of the court directing such payment.

[R60, §3416; C73, §255; C97, §368; C24, 27, 31, 35, 39, §**12776;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.29]

C93, §636.29

**636.30 Enforcement of order.**

Whenever a court, in the exercise of its authority, has ordered the deposit or delivery of money or other property, and the order is disobeyed, such court, besides punishing the disobedience, may make an order requiring the sheriff to take the money or property, and deposit or deliver it in conformity with the directions of the court, and in such cases the sheriff has the same power as when acting under an order for the delivery of personal property.

[R60, §3417, 3418; C73, §256, 257; C97, §369; C24, 27, 31, 35, 39, §**12777;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.30]

C93, §636.30

Referred to in §331.653

**636.31 Inability to distribute trust funds — deposit.**

Whenever any fiduciary not governed by the probate code shall desire to make a final report, and shall then have in the fiduciary's possession or under the fiduciary's control any funds, moneys, or securities due, or to become due, to any heir, legatee, devisee, or other person, whose place of residence is unknown to such fiduciary, or to whom payment of the amount due cannot be made as shown by the report on file, such funds, moneys, or securities may upon order of the court and after such notice as the court may prescribe, be deposited with the clerk of the district court of the county wherein such appointment was made.

[C97, §370; S13, §370; C24, 27, 31, 35, 39, §**12778;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.31]

C93, §636.31

See §633.109

**636.32 Receipt taken.**

If said fiduciary shall otherwise discharge all the duties imposed upon that fiduciary by such appointment, the fiduciary may take the receipt of the clerk of the district court for such funds, moneys, or securities so deposited, which receipt shall specifically set forth from whom said funds, moneys, or securities, were derived, the amount thereof, and the name of the person to whom due or to become due, if known.

[C97, §370; S13, §370; C24, 27, 31, 35, 39, §**12779;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.32]

C93, §636.32

See §633.110

**636.33 Final discharge.**

Said fiduciary may file such receipt with the fiduciary's final report, and if it shall be made to appear to the satisfaction of the court that the fiduciary has in all other respects complied with the law governing the fiduciary's appointment and duties, the court may approve such final report and enter the fiduciary's discharge.

[C97, §370; S13, §370; C24, 27, 31, 35, 39, §**12780;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.33]

C93, §636.33

Fiduciaries' reports, §422.27

See §633.111

**636.34 Notice of deposit.**

Notice of such contemplated deposit, and of final report, shall be given for the same time and in the same manner as is now required in cases of final report by personal representatives under the probate code.

[C97, §370; S13, §370; C24, 27, 31, 35, 39, §**12781;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.34]

C93, §636.34

Notice, §633.478, 633.487

See §633.109

**636.35 and 636.36** Reserved.

**636.37 Duty of clerk.**

1. The clerk of the district court with whom any deposit of funds, moneys, or securities shall be made, as provided by any law or an order of court, shall enter in a book, to be provided and kept for that purpose, the amount of such deposit, the character thereof, the date of its deposit, from whom received, from what source derived, to whom due or to become due, if known.

2. A separate book shall be maintained for all certificates of deposit not in the name of the clerk of the district court that are being held by the clerk on behalf of a conservatorship, trust, or estate. The book shall list the relevant details of the transaction, including but not limited to the name of the conservator, trustee, or executor, and cross references to the court orders opening and closing the conservatorship, trust, or estate.

[C97, §371; S13, §371; C24, 27, 31, 35, 39, §**12782;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.37]

C93, §636.37

2009 Acts, ch 21, §13

Referred to in §602.8104

**636.38 Liability.**

The clerk shall be liable upon the clerk's bond for all such funds, moneys, or securities which may be deposited with the clerk and shall make complete verified statements thereof as required by the supreme court.

[C97, §371; S13, §371; C24, 27, 31, 35, 39, §**12783;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.38]

91 Acts, ch 258, §63

C93, §636.38

**636.39 through 636.44** Reserved.

FEDERAL SECURITIES

**636.45 Federally insured loans.**

1. Insurance companies, savings associations, trustees, guardians, executors, administrators, and other fiduciaries, the state and its political subdivisions, and institutions and agencies thereof, and all other persons, associations, and corporations:

*a.* May make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are eligible for insurance pursuant to Tit. I, § 2, of the National Housing Act (1934), codified at 12 U.S.C. ch. 13, and may obtain such insurance;

*b.* May make such loans, secured by real property or leasehold, as the federal housing administrator insures or makes a commitment to insure pursuant to Tit. II of the National Housing Act (1934), and may obtain such insurance; and

*c.* May make real property loans which are guaranteed or insured by the secretary of the United States department of veterans affairs under the provisions of 38 U.S.C. § 3701 et seq.

2. It shall be lawful for insurance companies, savings associations, trustees, guardians,

executors, administrators, and other fiduciaries, the state and its political subdivisions, and institutions and agencies thereof, and all other persons, associations, and corporations, subject to the laws of this state, to originate real estate loans which are guaranteed or insured by the secretary of the United States department of veterans affairs under the provisions of 38 U.S.C. § 3701 et seq., and originate loans secured by real property or leasehold, as the federal housing administrator insures or makes a commitment to insure pursuant to Tit. II of the National Housing Act (1934), and may obtain such insurance and may invest their funds, and the moneys in their custody or possession, eligible for investment, in bonds and notes secured by mortgage or trust deed insured by the federal housing administrator, and in the debentures issued by the federal housing administrator pursuant to Tit. II of the National Housing Act (1934), and in securities issued by national mortgage associations or similar credit institutions now or hereafter organized under Tit. III of the National Housing Act (1934), and in real estate loans which are guaranteed or insured by the secretary of the United States department of veterans affairs under the provisions of 38 U.S.C. § 3701 et seq.

[C35, §12786-g1; C39, §**12786.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.45]

C93, §636.45

2009 Acts, ch 26, §24; 2010 Acts, ch 1061, §78; 2011 Acts, ch 34, §142; 2012 Acts, ch 1017, §155, 156

Referred to in §636.46

**636.46 Inapplicable statutes.**

No law of this state requiring security upon which loans or investments may be made, or prescribing the nature, amount or form of such security, or prescribing or limiting interest rates upon loans or investments which may be made, shall be deemed to apply to loans or investments pursuant to section 636.45.

[C35, §12786-g2; C39, §**12786.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.46]

C93, §636.46

Referred to in §533.316, 535.2, 535.8

## VOLUNTARY AGREEMENTS

**636.47 Deposit and joint control agreements.**

It shall be lawful for any party of whom a bond, undertaking or other obligation is required, to agree with the party's surety or sureties for the deposit of any or all moneys and assets for which the party and the party's surety or sureties are or may be held responsible, with a bank, savings bank, safe-deposit or trust company, authorized by law to do business as such, or with other depository approved by the court if such deposit is otherwise proper, for the safekeeping thereof, and in such manner as to prevent the withdrawal of such money or assets or any part thereof, without the written consent of such surety or sureties, or an order of court made on such notice to such surety or sureties as such court may direct; provided, however, that such agreement shall not in any manner release from or change the liability of the principal or sureties as established by the terms of the said bond.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §682.47]

C93, §636.47

See §633.183

**636.48 through 636.59** Reserved.

## TRUSTS NOT IN PROBATE COURT

**636.60 Powers and duties of trustees not subject to court administration.** Repealed by 2005 Acts, ch 38, §50.

**636.60A Validity of voluntary trusts.** Repealed by 2005 Acts, ch 38, § 50.

**636.61 Adjusted gross estate defined.** Repealed by 2005 Acts, ch 38, § 50. See § 633A.1102(1).

# CHAPTER 637

## UNIFORM PRINCIPAL AND INCOME ACT

Referred to in §633.352, 633A.4705

Chapter applies to every trust or decedent's estate on and after July 1, 2000, except as otherwise provided; see §637.701

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## SUBCHAPTER 1

## DEFINITIONS AND FIDUCIARY DUTIES

**637.101 Short title.**

This Act may be cited as the *"Uniform Principal and Income Act"*.

99 Acts, ch 124, §1

**637.102 Definitions.**

As used in this chapter:

1. *"Accounting period"* means a calendar year, unless another twelve-month period is selected by a fiduciary. The term includes a portion of a calendar year or other twelve-month period that begins when an income interest begins or ends when an income interest ends.

2. *"Beneficiary"* includes, in the case of a decedent's estate, an heir, legatee, and devisee, and, in the case of a trust, an income beneficiary and a remainder beneficiary.

3. *"Fiduciary"* means a personal representative or a trustee. The term includes an executor, administrator, successor personal representative, special administrator, and a person performing substantially the same function.

4. *"Income"* means money or property a fiduciary receives as the current return from a principal asset. The term includes a portion of the receipts from a sale, exchange, or liquidation of a principal asset, to the extent provided in subchapter 4.

5. *"Income beneficiary"* means a person to whom a trust's net income is or may be payable.

6. *"Income interest"* means an income beneficiary's right to receive all or part of the net income, whether the terms of the trust require it to be distributed or authorize it to be distributed in the trustee's discretion.

7. *"Mandatory income interest"* means an income beneficiary's right to receive net income that the terms of the trust require the fiduciary to distribute.

8. *"Net income"* means the total receipts allocated to income during an accounting period minus the disbursements made from income during the period. In this definition, receipts and disbursements include items transferred to or from income during the period under this chapter.

9. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, or any other legal or commercial entity. The term does not include a government or governmental subdivision, agency, or instrumentality.

10. *"Principal"* means property held in trust for distribution to a remainder beneficiary when the trust terminates.

11. *"Remainder beneficiary"* means a person, including another trust, entitled to receive principal when an income interest ends.

12. *"Terms of a trust"* means the manifestation of the intent of a settlor or decedent with respect to the trust, expressed in a manner that admits of its proof in a judicial proceeding, whether by written or spoken words or by conduct.

13. *"Trustee"* includes an original, additional, or successor trustee, whether or not appointed or confirmed by a court.

99 Acts, ch 124, §2

**637.103 Fiduciary duties — general principles.**

1. In allocating receipts and disbursements to or between principal and income, and in any matter within the scope of subchapters 2 and 3, a fiduciary shall do all of the following:

*a.* Administer a trust or estate in accordance with the terms of the trust or the will, even if there is a different provision in this chapter.

*b.* Administer a trust or estate by the exercise of a discretionary power of administration given the fiduciary by the terms of the trust or the will, although the fiduciary may exercise that power in a manner different from a provision of this chapter.

*c.* Administer a trust or estate in accordance with this chapter if the terms of the trust or the will do not contain a different provision or do not give the fiduciary a discretionary power of administration.

*d.* Add a receipt or charge a disbursement to principal to the extent that the terms of the trust and this chapter do not provide a rule for allocating the receipt or disbursement to or between principal and income.

2. In exercising a discretionary power of administration regarding a matter within the scope of this chapter, whether granted by the terms of a trust, a will, or this chapter, a fiduciary shall administer a trust or estate impartially, based on what is fair and reasonable to all of the beneficiaries, unless the terms of the trust or the will clearly manifest an intention that the fiduciary shall or may favor one or more of the beneficiaries. A determination in accordance with this chapter is presumed to be fair and reasonable to all of the beneficiaries.

99 Acts, ch 124, §3

## SUBCHAPTER 2

## DECEDENT'S ESTATE OR TERMINATING INCOME INTEREST

Referred to in §637.103

**637.201 Determination and distribution of net income.**

After a decedent dies, in the case of an estate, or after an income interest in a trust ends, the following rules apply:

1. A fiduciary of an estate or a terminating income interest shall determine the amount of net income and net principal receipts received from property specifically given to a beneficiary under the rules in subchapters 3 through 5 that apply to trustees, and under the rules in subsection 5. The fiduciary shall distribute the net income and net principal receipts to the beneficiary who is to receive the specific property.

2. A fiduciary shall determine the remaining net income of a decedent's estate or a terminating income interest under the rules in subchapters 3 through 5 that apply to trustees, and by doing the following:

*a.* Including in net income all income from property used to discharge liabilities.

*b.* Paying from income or principal, in the fiduciary's discretion, fees of attorneys, accountants, and fiduciaries; court costs and other expenses of administration; and interest on death taxes, but the fiduciary may pay those expenses from income of property passing to a trust for which the fiduciary claims an estate tax marital or charitable deduction only to the extent that the payment of those expenses from income will not cause the loss of the deduction.

*c.* Paying from principal all other disbursements made or incurred in connection with the settlement of a decedent's estate or the winding up of a terminating income interest, including debts, funeral expenses, disposition of remains, family allowances, and death taxes and related penalties that are apportioned to the estate or terminating income interest by the will, the terms of the trust, or applicable law.

3. A fiduciary shall distribute to a beneficiary who receives a pecuniary amount outright the amount, if any, provided by the will, the terms of the trust, or applicable law, from net income determined under subsection 2 or from principal to the extent the net income is insufficient. If a beneficiary is to receive a pecuniary amount outright from a trust after an

income interest ends and no amount is provided for by the terms of the trust or applicable law, the fiduciary shall distribute the amount to which the beneficiary would be entitled under applicable law if the pecuniary amount were required to be paid under a will.

4. A fiduciary shall distribute the net income remaining after distributions required by subsection 3 in the manner described in section 637.202 to all other beneficiaries, including a beneficiary who receives a pecuniary amount in trust, even if the beneficiary holds an unqualified power to withdraw assets from the trust or other presently exercisable general power of appointment over the trust.

5. A fiduciary shall not reduce principal or income receipts from property described in subsection 1 because of a payment described in section 637.501 or 637.502 to the extent that the will, the terms of the trust, or applicable law requires the fiduciary to make the payment from assets other than the property or to the extent that the fiduciary recovers or expects to recover the payment from a third party. The property's net income and principal receipts are determined by including all of the amounts the fiduciary receives or pays with respect to the property, whether those amounts accrued or became due before, on, or after the date of a decedent's death or an income interest's terminating event, and by making a reasonable provision for amounts that the fiduciary believes the estate or terminating income interest may become obligated to pay after the property is distributed.

99 Acts, ch 124, §4

Referred to in §637.202, 637.302, 637.501

**637.202 Distribution to residuary and remainder beneficiaries.**

1. Each beneficiary described in section 637.201, subsection 4, is entitled to receive a portion of the net income equal to the beneficiary's fractional interest in undistributed principal assets, using values as of the distribution date. If a fiduciary makes more than one distribution of assets to beneficiaries to whom this section applies, each beneficiary, including one who does not receive part of the distribution, is entitled, as of each distribution date, to the net income the fiduciary has received after the date of death or terminating event or earlier distribution date but has not distributed as of the current distribution date.

2. In determining a beneficiary's share of net income, the following rules apply:

*a.* The beneficiary is entitled to receive a portion of the net income equal to the beneficiary's fractional interest in the undistributed principal assets immediately before the distribution date, including assets that later may be sold to meet principal obligations.

*b.* The beneficiary's fractional interest in the undistributed principal assets must be calculated without regard to property specifically given to a beneficiary and property required to pay pecuniary amounts not in trust.

*c.* The beneficiary's fractional interest in the undistributed principal assets must be calculated on the basis of the aggregate value of those assets as of the distribution date without reducing the value by any unpaid principal obligation.

*d.* The distribution date for purposes of this section may be the date as of which the fiduciary calculates the value of the assets if that date is reasonably near the date on which assets are actually distributed.

3. The rules in this section apply to net gain or loss realized after the date of death or terminating event or earlier distribution date from the disposition of a principal asset if this section applies to the income from the asset.

4. If a fiduciary does not distribute all of the collected but undistributed net income or gain to each person as of a distribution date, the fiduciary shall maintain appropriate records showing the interest of each beneficiary in that net income or gain.

99 Acts, ch 124, §5; 2000 Acts, ch 1058, §52

Referred to in §637.201

## SUBCHAPTER 3

## APPORTIONMENT AT BEGINNING AND END OF INCOME INTEREST

Referred to in §637.103, 637.201

**637.301 When right to income begins and ends.**

1. An income beneficiary is entitled to net income from the date on which the income interest begins. An income interest begins on the date specified in the terms of the trust or, if no date is specified, on the date an asset becomes subject to a trust or successive income interest.

2. An asset becomes subject to a trust at the first occurrence of one of the following events:

*a.* On the date it is transferred to the trust in the case of an asset that is transferred to a trust during the transferor's life.

*b.* On the date of a testator's death in the case of an asset that becomes subject to a trust by reason of a will, even if there is an intervening period of administration of the testator's estate.

*c.* On the date of an individual's death in the case of an asset that is transferred to a fiduciary by a third party because of the individual's death.

3. An asset becomes subject to a successive income interest on the day after the preceding income interest ends, as determined under subsection 4, even if there is an intervening period of administration to wind up the preceding income interest.

4. An income interest ends on the day before an income beneficiary dies or another terminating event occurs. For purposes of this chapter, an income interest also ends on the last day of a period during which there is no beneficiary to whom a trustee may distribute income.

99 Acts, ch 124, §6

**637.302 Apportionment of receipts and disbursements when decedent dies or income interest begins.**

1. An income receipt or disbursement other than one to which section 637.201, subsection 1, applies must be allocated to principal if its due date occurs before a decedent dies in the case of an estate, or before an income interest begins in the case of a trust or successive income interest.

2. An income receipt or disbursement must be allocated to income if its due date occurs on or after the date on which a decedent dies or an income interest begins and it is a periodic due date. An income receipt or disbursement must be treated as accruing from day to day if its due date is not periodic or it has no due date. The portion of the receipt or disbursement accruing before the date on which a decedent dies or an income interest begins must be allocated to principal and the balance must be allocated to income.

3. An item of income or an obligation is due on the date on which the payor is required to make a payment. If there is no stated payment date, there is no due date for the purposes of this chapter. Distributions to shareholders or other owners from an entity to which section 637.401 applies are deemed to be due on the date fixed by the entity for determining who is entitled to receive the distribution or, if no date is fixed, on the declaration date for the distribution. A due date is periodic for receipts or disbursements that must be paid at regular intervals under a lease or an obligation to pay interest or if an entity customarily makes distributions at regular intervals.

99 Acts, ch 124, §7

**637.303 Apportionment when income interest ends.**

1. For purposes of this section, *"undistributed income"* means net income received before the date on which an income interest ends. The term does not include an item of income or expense that is due or accrued or net income that has been added or is required to be added to principal pursuant to the terms of the trust.

2. When a mandatory income interest ends, the trustee shall pay to a mandatory income

beneficiary who survives that date, or the estate of a deceased mandatory income beneficiary whose death causes the interest to end, the beneficiary's share of the undistributed income that is not disposed of pursuant to the terms of the trust unless the beneficiary has an unqualified power to revoke more than five percent of the trust immediately before the income interest ends. In the latter case, the undistributed income from the portion of the trust that may be revoked must be added to principal.

3. When a trustee's obligation to pay a fixed annuity or a fixed fraction of the value of the trust's assets ends, the trustee shall prorate the final payment if and to the extent required by applicable law to accomplish a purpose of the trust or its settlor relating to income, gift, estate, or other tax requirements.

99 Acts, ch 124, §8

## SUBCHAPTER 4

## ADMINISTRATION OF TRUST

Referred to in §637.102, 637.201

## PART 1

## RECEIPTS FROM ENTITIES

**637.401 Character of receipts.**

1. For purposes of this section, "*entity*" means a corporation, partnership, joint venture, limited liability company, regulated investment company, real estate investment trust, common trust fund, and any other organization in which a trustee has an interest other than a trust or estate to which section 637.402 applies or a business or activity to which section 637.403 applies.

2. Except as otherwise provided in this section, cash received by a trustee from an entity must be allocated to income.

3. Receipts from an entity which must be allocated to principal include the following items:

*a.* Property other than cash, except as otherwise provided in paragraph "*d*".

*b.* Cash or property received in one distribution or a series of related distributions in exchange for part or all of a trust's interest in the entity.

*c.* Cash or property received in total or partial liquidation of the entity.

*d.* Cash or property received from an entity that is a regulated investment company or a real estate investment trust if the distribution is a capital gain dividend for federal income tax purposes.

4. Cash or property is received in partial liquidation according to one of the following principles:

*a.* To the extent that the entity, at or near the time of a distribution, indicates that it is a distribution in partial liquidation.

*b.* If the total amount received in a distribution or series of related distributions is greater than twenty percent of the entity's gross assets, as shown by the entity's year-end financial statements immediately preceding the initial receipt.

5. Cash shall not be received in partial liquidation, nor shall it be taken into account under subsection 4, paragraph "*b*", to the extent that it does not exceed the amount of income tax that a trustee or beneficiary must pay on taxable income of the entity that distributes the cash.

6. A trustee may rely upon a statement made by an entity about the source or character of a distribution if the statement is made at or near the time of distribution by the entity's board of directors or other person or group of persons authorized to exercise powers to pay money or transfer property comparable to those of a corporation's board of directors.

99 Acts, ch 124, §9

Referred to in §637.302, 637.402, 637.427

**637.402 Distribution from trust or estate.**

1. Subject to the terms of a recipient trust, an amount received as a distribution of income from a trust or an estate in which the trust has an interest other than a purchased interest shall be allocated to income.

2. An amount received as a distribution of principal from such a trust or estate shall be allocated to principal.

3. If a trustee purchases an interest in a trust that is an investment entity, or a decedent or donor transfers an interest in such a trust to a trustee, section 637.401 applies to a receipt from the trust.

99 Acts, ch 124, §10
Referred to in §637.401

**637.403 Business and other activities conducted by trustee.**

1. If a trustee who conducts a business or other activity determines that it is in the best interest of all the beneficiaries to account separately for the business or activity instead of accounting for it as part of the trust's general accounting records, the trustee may maintain separate accounting records for its transactions, whether or not its assets are segregated from other trust assets.

2. A trustee who accounts separately for a business or other activity shall determine the extent to which its net cash receipts must be retained for working capital, the acquisition or replacement of fixed assets, and other reasonably foreseeable needs of the business or activity, and the extent to which the remaining net cash receipts are accounted for as principal or income in the trust's general accounting records. If a trustee sells assets of the business or other activity, other than in the ordinary course of the business or activity, the trustee shall account for the net amount received as principal in the trust's general accounting records to the extent the trustee determines that the amount received is no longer required in the conduct of the business.

3. The trustee may maintain separate accounting records for any of the following activities:

*a.* Retail, manufacturing, service, and other traditional business activities.

*b.* Farming.

*c.* Raising and selling livestock and other animals.

*d.* Management of rental properties.

*e.* Extraction of minerals and other natural resources.

*f.* Timber operations.

*g.* Activities to which section 637.426 applies.

99 Acts, ch 124, §11
Referred to in §637.401, 637.413, 637.424, 637.426, 637.503

**637.404 through 637.409** Reserved.

## PART 2

## RECEIPTS NOT NORMALLY APPORTIONED

**637.410 Principal receipts.**

The following items must be allocated to principal:

1. To the extent not allocated to income under this chapter, assets received from any of the following sources:

*a.* A transferor during the transferor's lifetime.

*b.* A decedent's estate.

*c.* A trust with a terminating income interest.

*d.* A payor pursuant to a contract naming the trust or its trustee as beneficiary.

2. Cash or other property received from the sale, exchange, liquidation, or change in form of a principal asset, including realized profit, subject to this subchapter.

3. Amounts recovered from third parties to reimburse the trust because of disbursements described in section 637.502, subsection 1, paragraph "*g*", or for other reasons to the extent not based on the loss of income.

4. Proceeds of property taken by eminent domain, but a separate award made for the loss of income with respect to an accounting period during which a current income beneficiary had a mandatory income interest is income.

5. Net income received in a period during which there is no beneficiary to whom a trustee may or must distribute income.

6. Other receipts, as provided in part 3.

99 Acts, ch 124, §12

**637.411 Rental property.**

1. An amount received as rent of real or personal property, including an amount received for cancellation or renewal of a lease, must be allocated to income.

2. An amount received as a refundable deposit, including a security deposit or a deposit that is to be applied as rent for future periods, must be added to principal and held subject to the terms of the lease and is not available for distribution to a beneficiary until the trustee's contractual obligations have been satisfied with respect to that amount.

99 Acts, ch 124, §13

**637.412 Obligation to pay money.**

1. An amount received as interest, whether determined at a fixed, variable, or floating rate, on an obligation to pay money to the trustee, including an amount received as consideration for prepaying principal, must be allocated to income without any provision for amortization of premium.

2. An amount received from the sale, redemption, or other disposition of an obligation to pay money to the trustee more than one year after it is purchased or acquired by the trustee, including an obligation whose purchase price or value when it is acquired is less than its value at maturity, must be allocated to principal. If the obligation matures within one year after it is purchased or acquired by the trustee, an amount received in excess of its purchase price or its value when acquired by the trust must be allocated to income.

3. This section does not apply to obligations to which sections 637.421 through 637.424, 637.426, and 637.427 apply.

99 Acts, ch 124, §14

**637.413 Insurance policies and similar contracts.**

1. Proceeds from a life insurance policy whose beneficiary is the trust or its trustee or a policy that insures the trust or its trustee against loss for the damage or destruction of, or loss of title to, a principal asset must be allocated to principal. Dividends received from an insurance policy and the proceeds of any other contract in which the trust or its trustee is named as beneficiary must also be allocated to principal.

2. Insurance proceeds must be allocated to income if they are from a policy that insures the trustee against the loss of occupancy or other use by an income beneficiary, the loss of income, or, subject to section 637.403, the loss of profits from a business.

3. This section does not apply to a contract to which section 637.421 applies.

99 Acts, ch 124, §15

**637.414 through 637.419** Reserved.

## PART 3

## RECEIPTS NORMALLY APPORTIONED

**637.420 Insubstantial allocations not required.**

1. If a trustee determines that an allocation between principal and income required by

sections 637.421 through 637.424 or section 637.427 is insubstantial, the trustee may allocate the entire receipt to principal.

2. An allocation is presumed to be insubstantial if either of the following would be true if an allocation was made:

*a.* The amount of the allocation would increase or decrease an accounting period's net income, as determined before the allocation, by less than ten percent.

*b.* The value of the asset producing the receipt for which the allocation would be made is less than ten percent of the total value of the trust's assets at the beginning of the accounting period.

99 Acts, ch 124, §16
Referred to in §637.424

**637.421 Deferred compensation, annuities, and similar payments.**

1. For purposes of this section, the following definitions shall apply:

*a.* *"Payments"* means a payment that a trustee may receive over a fixed number of years or during the life of one or more individuals because of services rendered or property transferred to the payor in exchange for future payments. *"Payments"* include those made in money or property from the payor's general assets or from a separate fund created by the payor. For purposes of subsections 4, 5, 6, and 7, *"payments"* also includes any payment from a separate fund regardless of the reason for the payment.

*b.* *"Separate fund"* includes a private or commercial annuity, an individual retirement account, and a pension, profit sharing, stock bonus, or stock ownership plan.

2. To the extent that a payment is characterized as interest, a dividend or a payment made in lieu of interest or a dividend, a trustee shall allocate the payment to income. The trustee shall allocate to principal the balance of the payment and any other payment received in the same accounting period that is not characterized as interest, a dividend, or an equivalent payment.

3. If no part of a payment is characterized as interest, a dividend, or an equivalent payment, and all or part of the payment is required to be made, a trustee shall allocate to income ten percent of the part that is required to be made during the accounting period and the balance to principal. If no part of a payment is required to be made or the payment received is the entire amount to which the trustee is entitled, the trustee shall allocate the entire payment to principal. For purposes of this subsection, a payment is not required to be made to the extent that the payment is made because the trustee exercises a right of withdrawal.

4. Except as otherwise provided in subsection 5, subsections 6 and 7 apply, and subsections 2 and 3 do not apply in determining the allocation of a payment made from a separate fund to any of the following:

*a.* A trust to which an election to qualify for a marital deduction had been made under section 2056(b)(7) of the Internal Revenue Code of 1986, as amended.

*b.* A trust that qualifies for a marital deduction under section 2056(b)(5) of the Internal Revenue Code of 1986, as amended.

5. Subsections 4, 6, and 7 do not apply if and to the extent that the series of payments would, without the application of subsection 4, qualify for a marital deduction under section 2056(b)(7)(c) of the Internal Revenue Code of 1986, as amended.

6. A trustee shall determine the internal income of each separate fund for the accounting period as if the separate fund were a trust subject to this chapter. Upon request of the surviving spouse, the trustee shall demand that the person administering the separate fund distribute such internal income to the trust. The trustee shall allocate a payment from the separate fund to income to the extent of the internal income of the separate fund and distribute that amount to the surviving spouse. The trustee shall allocate the balance to principal. Upon request of the surviving spouse, the trustee shall allocate principal to income to the extent the internal income of the separate fund exceeds payments made from the separate fund to the trust during the accounting period.

7. If a trustee cannot determine the internal income of a separate fund but can determine the value of the separate fund, the internal income of the separate fund is deemed to equal

four percent of the value of the fund according to the most recent statement of the value prior to the beginning of the accounting period. If the trustee is unable to determine the internal income of the separate fund and the fund's value, the internal income of the fund is deemed to equal the product of the interest rate and the present value of the expected future payments as determined pursuant to section 7520 of the Internal Revenue Code of 1986, as amended.

8. This section does not apply to a payment made under section 637.422.

99 Acts, ch 124, §17; 2009 Acts, ch 52, §12, 14; 2009 Acts, ch 179, §46

Referred to in §637.412, 637.413, 637.420, 637.422, 637.427

2009 amendment to this section applies as of the decedent's date of death for marital trusts funded beginning on or after January 1, 2009, but for all other marital trusts, applies as of January 1, 2009; 2009 Acts, ch 52, §14

**637.422 Liquidating asset.**

1. In this section, "*liquidating asset*" means an asset whose value will diminish or terminate because the asset is expected to produce receipts for a period of limited duration. The term includes leaseholds, patents, trademarks, copyrights, royalty rights, and rights to receive payments during a period of more than one year under an arrangement that does not provide for the payment of interest on the unpaid balance. The term does not include deferred compensation that is subject to section 637.421, natural resources that are subject to section 637.423, timber that is subject to section 637.424, an activity that is subject to section 637.426, or any asset for which the trustee establishes a reserve for depreciation under section 637.503.

2. A trustee shall allocate to income ten percent of the receipts from a liquidating asset and the balance to principal.

99 Acts, ch 124, §18

Referred to in §637.412, 637.420, 637.421

**637.423 Minerals, water, and other natural resources.**

1. Receipts from an interest in minerals or other natural resources must be allocated according to the type of payment, as follows:

*a.* If received as nominal delay rental or annual rent on a lease, a receipt must be allocated to income.

*b.* If received from a production payment, a receipt must be allocated to income to the extent that the agreement creating the production payment provides a factor for interest or its equivalent. The balance must be allocated to principal.

*c.* If an amount received as a royalty, bonus, or delay rental is more than nominal, ninety percent must be allocated to principal and the balance to income.

*d.* If an amount is received from a working interest or any other interest not provided for in paragraph "*a*", "*b*", or "*c*", ninety percent of the net amount received must be allocated to principal and the balance to income.

2. An amount received on account of an interest in water that is renewable must be allocated to income. If the water is not renewable, ninety percent of the amount must be allocated to principal and the balance to income.

3. This chapter applies without regard to whether a decedent or donor was extracting minerals, water, or other natural resources before the interest became subject to the trust.

4. If a trust owns an interest in minerals, water, or other natural resources on or before July 1, 2000, the trustee may allocate receipts from the interest as provided in this section or in the manner used by the trustee before July 1, 2000. If the trust acquires an interest in minerals, water, or other natural resources after July 1, 2000, the trustee shall allocate receipts from the interest as provided in this section.

99 Acts, ch 124, §19; 2000 Acts, ch 1154, §39

Referred to in §637.412, 637.420, 637.422

**637.424 Timber.**

1. A trustee may account for net receipts from the sale of timber and related products under subsection 2 or section 637.403 or, if the trustee determines that net receipts are insubstantial, may allocate the net receipts to principal. The presumptions in section 637.420 apply in determining whether net receipts are insubstantial. If a trust owns more than one

block of timberland, the trustee may use different methods to account for net receipts from different blocks.

2. If a trustee does not account under section 637.403 for net receipts from the sale of timber and related products or allocate the net receipts to principal because they are insubstantial, the trustee shall allocate the net receipts according to one of the following rules:

*a.* Allocate the net receipts to income to the extent that the amount of timber removed from the land does not exceed the rate of growth of the block as a whole during the accounting periods in which a beneficiary has a mandatory income interest.

*b.* Allocate the net receipts to principal to the extent that the amount of timber removed from the land exceeds the block's rate of growth or the net receipts are from the sale of standing timber.

*c.* Allocate the net receipts to or between income and principal if the net receipts are from the lease of timberland or from a contract to cut timber from land owned by a trust, by determining the amount of timber removed from the land under the lease or contract and applying the rules in paragraphs "*a*" and "*b*".

*d.* Allocate the net receipts to principal to the extent that advance payments, bonuses, and other payments are not allocated pursuant to paragraph "*a*", "*b*", or "c".

3. In determining the net receipts from the sale of timber, a trustee shall deduct and transfer to principal a reasonable amount for depletion.

4. This chapter applies regardless of whether a decedent or transferor was harvesting timber from the property before it became subject to the trust.

5. If a trust owns an interest in timberland on or before July 1, 2000, the trustee may allocate net receipts from the sale of timber and related products as provided in this section or in the manner used by the trustee before July 1, 2000. If the trust acquires an interest in timberland after July 1, 2000, the trustee shall allocate net receipts from the sale of timber and related products as provided in this section.

99 Acts, ch 124, §20; 2000 Acts, ch 1154, §40

Referred to in §637.412, 637.420, 637.422

**637.425 Property not productive of income.**

1. If a marital deduction is allowed for all or part of a trust whose assets consist substantially of property that does not provide the surviving spouse with sufficient income from or use of the trust assets, the spouse may require the trustee to make property productive of income or convert property within a reasonable time. The trustee may decide which action or combination of actions to take.

2. In all other cases, proceeds from the sale or other disposition of an asset are principal without regard to the amount of income the asset produces during any accounting period.

99 Acts, ch 124, §21

**637.426 Derivatives and options.**

1. For purposes of this section, "*derivative*" means a contract or financial instrument or a combination of contracts and financial instruments which gives a trust the right or obligation to participate in some or all changes in the price of a tangible or intangible asset or group of assets, or changes in a rate, an index of prices or rates, or other market indicator for an asset or a group of assets.

2. To the extent that a trustee does not account under section 637.403 for transactions in derivatives, receipts from and disbursements made in connection with those transactions must be allocated to principal.

3. If a trustee grants an option to buy property from the trust, whether or not the trust owns the property when the option is granted, grants an option that permits another person to sell property to the trust, or acquires an option to buy property for the trust or an option to sell an asset owned by the trust, and the trustee or other owner of the asset is required to deliver the asset if the option is exercised, an amount received for granting the option must be allocated to principal, and an amount paid to acquire the option must be paid from principal.

A gain or loss realized upon the exercise of an option, including an option granted to a settlor of the trust for services rendered, must be allocated to principal.

99 Acts, ch 124, §22
Referred to in §637.403, 637.412, 637.422

**637.427 Asset-backed securities.**

1. For purposes of this section, "*asset-backed security*" means an asset whose value is based upon the right it gives the owner to receive distributions from the proceeds of financial assets that provide collateral for the security. The term includes an asset that gives the owner the right to receive only the interest or other current return from the collateral financial assets or only the proceeds from the capital investment in the collateral financial assets. It does not include an asset to which section 637.401 or 637.421 applies.

2. If a trust receives a payment from the interest or other current return and the capital investment of the collateral financial assets, the trustee shall allocate to income the portion of a payment that the payor identifies as being from the interest or other current return, and shall allocate the balance of the payment to principal.

3. If a trust receives one or more payments in exchange for the trust's entire interest in an asset-backed security in one accounting period, the trustee shall allocate the payments to principal. If a payment is one of a series of payments that will result in the liquidation of the trust's interest in the security over more than one accounting period, the trustee shall allocate ten percent of the payment to income and the balance to principal.

99 Acts, ch 124, §23
Referred to in §637.412, 637.420

## SUBCHAPTER 5

## ALLOCATION OF DISBURSEMENTS DURING ADMINISTRATION OF TRUST

Referred to in §637.201

**637.501 Disbursements from income.**

A trustee shall make disbursements from income, to the extent that they are not disbursements to which section 637.201, subsection 2, paragraph "*b*" or "*c*", applies, according to the following:

1. One-half of the regular compensation of the trustee and of any person providing investment advisory or custodial services to the trustee.

2. One-half of all expenses for accountings, judicial proceedings, or other matters that involve both the income and remainder interests.

3. All of the other ordinary expenses incurred in connection with the administration, management, or preservation of trust property and the distribution of income, including interest, ordinary repairs, regularly recurring taxes assessed against principal, and expenses of a proceeding or other matter that concerns primarily the income interest.

4. Recurring premiums on insurance covering the loss of a principal asset or the loss of income from or use of the asset.

99 Acts, ch 124, §24
Referred to in §637.201, 637.502

**637.502 Disbursements from principal.**

1. A trustee shall make disbursements from principal according to the following:

*a.* The remaining one-half of the disbursements described in section 637.501, subsections 1 and 2.

*b.* All of the trustee's compensation calculated on principal as an acceptance, distribution, or termination fee, and disbursements made to prepare property for sale.

*c.* Payments on the principal of a trust debt.

*d.* Expenses of a proceeding that concerns primarily principal, including a proceeding to construe the trust or to protect the trust or its property.

*e.* Insurance premiums paid on a policy not described in section 637.501, subsection 4, of which the trust is the owner and beneficiary.

*f.* Estate, inheritance, and other transfer taxes, including penalties, apportioned to the trust.

*g.* Disbursements related to environmental matters, including reclamation, assessing environmental conditions, remedying and removing environmental contamination, monitoring remedial activities and the release of substances, preventing future releases of substances, collecting amounts from persons liable or potentially liable for the costs of those activities, penalties imposed under environmental laws or regulations and other payments made to comply with those laws or regulations, statutory or common law claims by third parties, and defending claims based on environmental matters.

2. If a trust owns a policy of insurance on the life of an individual and the trust is not the beneficiary of the policy, premiums paid on the policy are a distribution from principal to the policy beneficiary.

3. If a principal asset is encumbered with an obligation that requires income from that asset to be paid directly to the creditor, the trustee shall transfer from principal to income an amount equal to the income paid to the creditor in reduction of the obligation's principal balance.

99 Acts, ch 124, §25
Referred to in §637.201, 637.410, 637.504

**637.503 Transfers from income to principal for depreciation.**

1. For purposes of this section, "*depreciation*" means a reduction in value of a fixed asset having a useful life of more than one year due to wear, tear, decay, corrosion, or gradual obsolescence.

2. A trustee may transfer to principal a reasonable amount of the net cash receipts from a principal asset that is subject to depreciation, but a transfer shall not be made for depreciation under any of the following circumstances:

*a.* When the depreciation involves the portion of real property used or available for use by a beneficiary as a residence, or tangible personal property held or made available for the personal use or enjoyment of a beneficiary.

*b.* When the depreciation occurs during the administration of a decedent's estate.

*c.* If the trustee is accounting under section 637.403 for the business or activity in which the asset is used.

3. An amount transferred to principal need not be held as a separate fund.

99 Acts, ch 124, §26
Referred to in §637.422

**637.504 Transfers from income to reimburse principal.**

1. If a trustee makes or expects to make a principal disbursement described in this section, the trustee may transfer an appropriate amount from income to principal in one or more accounting periods to reimburse principal or to provide a reserve for future principal disbursements.

2. Principal disbursements to which subsection 1 applies include all of the following, but only to the extent that the trustee has not been and does not expect to be reimbursed by a third party:

*a.* An amount chargeable to income but paid from principal because it is unusually large, including extraordinary repairs.

*b.* A capital improvement to a principal asset, whether in the form of changes to an existing asset or the construction of a new asset, including special assessments.

*c.* Disbursements made to prepare property for rental, including leasehold improvements and broker's commissions.

*d.* Periodic payments on an obligation secured by a principal asset to the extent that the amount transferred from income to principal for depreciation is less than the periodic payments.

*e.* Disbursements described in section 637.502, subsection 1, paragraph "*g*".

3. If the asset whose ownership gives rise to the disbursements becomes subject to a successive income interest after an income interest ends, a trustee may continue to transfer amounts from income to principal as provided in subsection 1.

99 Acts, ch 124, §27

**637.505 Income taxes.**

1. A tax required to be paid by a trustee based on receipts allocated to income must be paid from income.

2. A tax required to be paid by a trustee based on receipts allocated to principal must be paid from principal, even if the tax is called an income tax by the taxing authority.

3. A tax required to be paid by a trustee on the trust's share of an entity's taxable income must be paid according to all of the following principles:

*a.* From income, to the extent that receipts from the entity are allocated only to income.

*b.* From principal, to the extent that receipts from the entity are allocated only to principal.

*c.* Proportionately from principal and income to the extent that receipts from the entity are allocated to both income and principal.

*d.* From principal to the extent that the tax exceeds the total receipts from the entity.

4. After applying subsections 1 through 3, the trustee shall adjust income or principal receipts to the extent that the taxes of the trust are reduced because the trust receives a deduction for payments made to a beneficiary.

99 Acts, ch 124, §28; 2009 Acts, ch 52, §13, 14

2009 amendments to subsections 3 and 4 apply as of the decedent's date of death for marital trusts funded beginning on or after January 1, 2009, but for all other marital trusts, apply as of January 1, 2009; 2009 Acts, ch 52, §14

**637.506 Adjustments between principal and income because of taxes.**

1. A fiduciary may make adjustments between principal and income to offset the shifting of economic interests or tax benefits between income beneficiaries and remainder beneficiaries which arise from any of the following:

*a.* Elections and decisions, other than those described in subsection 2, that the fiduciary makes from time to time regarding tax matters.

*b.* An income tax or any other tax that is imposed upon the fiduciary or a beneficiary as a result of a transaction involving or a distribution from the estate or trust.

*c.* The ownership by an estate or trust of an interest in an entity whose taxable income, whether or not distributed, is includable in the taxable income of the estate, trust, or a beneficiary.

2. If the amount of an estate tax marital deduction or charitable contributions deduction is reduced because a fiduciary deducts an amount that is paid from principal for income tax purposes instead of deducting it for estate tax purposes, and as a result estate taxes paid from principal are increased and income taxes paid by an estate, trust, or beneficiary are decreased, each estate, trust, or beneficiary that benefits from the decrease in income tax shall reimburse the principal from which the increase in estate tax is paid. The total reimbursement must equal the increase in the estate tax to the extent that the principal used to pay the increase would have qualified for a marital deduction or charitable contributions deduction but for the payment. The proportionate share of the reimbursement for each estate, trust, or beneficiary whose income taxes are reduced must be the same as its proportionate share of the total decrease in income tax. An estate or trust shall reimburse principal from income.

99 Acts, ch 124, §29

## SUBCHAPTER 6

## TOTAL RETURN UNITRUSTS

**637.601 Definitions.**

For purposes of this subchapter:

1. "*Disinterested person*" means a person who is not a related or subordinate party as

defined in section 672(c) of the Internal Revenue Code with respect to the person acting as trustee of the trust and excludes the trustor of the trust and any interested trustee.

2. *"Income trust"* means a trust, created by either an inter vivos or a testamentary instrument, which directs or permits the trustee to distribute the net income of the trust to one or more persons, either in fixed proportions or in amounts or proportions determined by the trustee. However, a trust that does not meet this definition is nonetheless an income trust if the trust is subject to taxation under section 2001 or 2501 of the Internal Revenue Code, until the expiration of the period for filing the return, including extensions.

3. *"Interested distributee"* means a person, to whom distributions of income or principal can currently be made, who has the power to remove the existing trustee and designate as successor a person who may be a related or subordinate party, as defined in section 672(c) of the Internal Revenue Code, with respect to such distributee.

4. *"Interested trustee"* means any of the following:

*a.* An individual trustee to whom the net income or principal of the trust can currently be distributed or would be distributed if the trust were to terminate and be distributed.

*b.* Any trustee who may be removed and replaced by an interested distributee.

*c.* An individual trustee whose legal obligation to support a beneficiary may be satisfied by distributions of income and principal of the trust.

5. *"Total return unitrust"* means an income trust which has been converted under and meets the provisions of this subchapter.

6. *"Trustee"* means a person acting as trustee of the trust, except where expressly noted otherwise, whether acting in the trustee's discretion or on the direction of one or more persons acting in a fiduciary capacity.

7. *"Trustor"* means an individual who creates an inter vivos or a testamentary trust.

8. *"Unitrust amount"* means an amount computed as a percentage of the fair market value of the trust.

99 Acts, ch 124, §30; 2002 Acts, ch 1086, §5, 21; 2003 Acts, ch 108, §110
Referred to in §637.613

**637.602 Trustee's authority to convert.**

A trustee, other than an interested trustee, or, where two or more persons are acting as trustee, a majority of the trustees who are not interested trustees, may, in the trustee's sole discretion and without the approval of the court, do any of the following subject to the requirements of section 637.603:

1. Convert an income trust to a total return unitrust.
2. Reconvert a total return unitrust to an income trust.
3. Change the method used to determine the fair market value of the trust.

2002 Acts, ch 1086, §6, 21
Referred to in §637.603, 637.606, 637.613

**637.603 Trustee requirements to convert or change computation method.**

A trustee may proceed to take action under section 637.602 if all of the following apply:

1. The trustee adopts a written policy for the trust as follows:

*a.* In the case of a trust being administered as an income trust, requiring that future distributions from the trust will be unitrust amounts rather than net income.

*b.* In the case of a trust being administered as a total return unitrust, requiring that future distributions from the trust will be net income rather than unitrust amounts.

*c.* Requiring that the method used to determine the fair market value of the trust will be changed as stated in the policy.

2. The trustee sends written notice of the trustee's intention to take any action described in section 637.602, along with copies of such written policy and this subchapter, to all of the following persons:

*a.* The trustor of the trust, if living.

*b.* All living persons who are currently receiving or eligible to receive distributions of income of the trust.

*c.* All living persons who would receive principal of the trust if the trust were to terminate

at the time of the giving of such notice, without regard to the exercise of any power of appointment or, if the trust does not provide for its termination, all living persons who would receive or be eligible to receive distributions of income or principal of the trust if the persons identified in paragraph *"b"* were deceased.

*d.* All persons named in the governing instrument as adviser to or protector of the trust.

3. At least one person receiving notice under subsection 2, paragraphs *"b"* and *"c"*, is legally competent.

4. No person receiving such notice under subsection 2, objects, by written instrument delivered to the trustee, to the proposed action of the trustee within sixty days of receipt of such notice.

2002 Acts, ch 1086, §7, 21; 2003 Acts, ch 44, §104
Referred to in §637.602, 637.613

**637.604 Interested trustee's authority to convert.**

If there is no trustee of the trust other than an interested trustee, the interested trustee or, where two or more persons are acting as trustee and are interested trustees, a majority of such interested trustees may, in the trustee's sole discretion and without the approval of the court, do any of the following subject to the requirements of section 637.605:

1. Convert an income trust to a total return unitrust.

2. Reconvert a total return unitrust to an income trust.

3. Change the method used to determine the fair market value of the trust.

2002 Acts, ch 1086, §8, 21
Referred to in §637.605, 637.606, 637.613

**637.605 Interested trustee requirements to convert or change computation method.**

An interested trustee may proceed to take action under section 637.604 if all of the following apply:

1. The trustee adopts a written policy for the trust as follows:

*a.* In the case of a trust being administered as an income trust, requiring that future distributions from the trust will be unitrust amounts rather than net income.

*b.* In the case of a trust being administered as a total return unitrust, requiring that future distributions from the trust will be net income rather than unitrust amounts.

*c.* Requiring that the method used to determine the fair market value of the trust will be changed as stated in the policy.

2. The trustee appoints a disinterested person who, in the person's sole discretion, but acting in a fiduciary capacity, determines for the trustee the method to be used in determining the fair market value of the trust, and which assets, if any, are to be excluded in determining the unitrust amount.

3. The trustee sends written notice of the trustee's intention to take any action described in section 637.604, along with copies of such written policy, this subchapter, and the determination of the disinterested person to all of the following persons:

*a.* The trustor of the trust, if living.

*b.* All living persons who are currently receiving or eligible to receive distributions of income of the trust.

*c.* All living persons who would receive principal of the trust if the trust were to terminate at the time of the giving of such notice, without regard to the exercise of any power of appointment or, if the trust does not provide for its termination, all living persons who would receive or be eligible to receive distributions of income or principal of the trust if the persons identified in paragraph *"b"* were deceased.

*d.* All persons named in the governing instrument as adviser to or protector of the trust.

4. At least one person receiving notice under subsection 3, paragraphs *"b"* and *"c"*, is legally competent.

5. No person receiving the notice described in subsection 3 objects, by written instrument delivered to the trustee, to the proposed action of the trustee within sixty days of receipt of such notice.

2002 Acts, ch 1086, §9, 21; 2003 Acts, ch 44, §105; 2003 Acts, ch 108, §111
Referred to in §637.604, 637.613

**637.606 Petition to court to convert trust.**

1. If any trustee desires to do any of the following but does not have the ability to or elects not to do so under the provisions of section 637.602 or 637.604, the trustee may petition the court for such order as the trustee deems appropriate:

*a.* Convert an income trust to a total return unitrust.

*b.* Reconvert a total return unitrust to an income trust.

*c.* Change the percentage used to calculate the unitrust amount or the method used to determine the fair market value of the trust.

2. If, however, there is only one trustee of such trust and such trustee is an interested trustee or in the event there are two or more trustees of such trust and a majority of them are interested trustees, the court, in its own discretion or upon the petition of such trustee or trustees or any person interested in the trust, may appoint a disinterested person who, acting in a fiduciary capacity, shall present such information to the court as necessary to enable the court to make its determinations.

2002 Acts, ch 1086, §10, 21; 2013 Acts, ch 30, §261
Referred to in §637.613
Code editor directive applied

**637.607 Valuation of trust.**

The fair market value of the trust shall be determined at least annually, using such valuation date or dates or averages of valuation dates as are deemed appropriate. Assets for which a fair market value cannot be readily ascertained shall be valued using such valuation methods as are deemed reasonable and appropriate. Such assets may be excluded from valuation, provided all income received with respect to such assets is distributed to the extent distributable in accordance with the terms of the governing instrument.

2002 Acts, ch 1086, §11, 21
Referred to in §637.613

**637.608 Payout percentage.**

The annual unitrust payout percentage shall be four percent unless the governing instrument specifically provides a different percentage or the court approves a percentage of not less than three percent or more than five percent after notice of intent to seek a payout percentage other than four percent has been given to all of the following persons:

1. The trustor of the trust, if living.

2. All living persons who are currently receiving or eligible to receive distributions of income of the trust.

3. All living persons who would receive principal of the trust if the trust were to terminate at the time of the giving of such notice without regard to the exercise of any power of appointment or, if the trust does not provide for its termination, all living persons who would receive or be eligible to receive distributions of income or principal of the trust if the persons identified in subsection 2 were deceased.

4. All persons named in the governing instrument as adviser to or protector of the trust.

2002 Acts, ch 1086, §12, 21
Referred to in §637.613

**637.609 Unitrust amount.** Repealed by 2008 Acts, ch 1119, § 38.

**637.610 Procedure upon conversion of income trust to total return unitrust.**

Following the conversion of an income trust to a total return unitrust, the trustee:

1. Shall treat the unitrust amount as if it were net income of the trust for purposes of determining the amount available, from time to time, for distribution from the trust.

2. Shall allocate an amount to trust income, not in excess of the annual unitrust payout amount, in the following order:

*a.* The amount derived from net income, as determined if the trust were other than a total return unitrust.

*b.* The amount derived from other ordinary income as determined for federal income tax purposes.

*c.* The amount derived from net realized short-term capital gains as determined for federal income tax purposes.

*d.* The amount derived from net realized long-term capital gains as determined for federal income tax purposes.

*e.* The amount derived from trust principal.

2002 Acts, ch 1086, §14, 21

Referred to in §637.613

**637.611 Total return unitrust administration.**

In administering a total return unitrust, the trustee may, in the trustee's sole discretion but subject to the provisions of the governing instrument, determine all of the following:

1. The effective date of the conversion.

2. The timing of distributions, including provisions for prorating a distribution for a short year in which a beneficiary's right to payments commences or ceases.

3. Whether distributions are to be made in cash or in kind or partly in cash and partly in kind.

4. If the trust is reconverted to an income trust, the effective date of such reconversion.

5. Such other administrative issues as may be necessary or appropriate to carry out the purposes of this subchapter.

2002 Acts, ch 1086, §15, 21

Referred to in §637.613

**637.612 Principal distributions subject to governing instrument.**

Conversion to a total return unitrust under the provisions of this subchapter shall not affect any other provision of the governing instrument, if any, regarding distributions of principal.

2002 Acts, ch 1086, §16, 21

Referred to in §637.613

**637.613 Construction and applicability.**

This subchapter shall be construed as pertaining to the administration of a trust and shall be available to any trust that is administered in Iowa under Iowa law unless any of the following apply:

1. The governing instrument reflects an intention that the current beneficiary or beneficiaries are to receive an amount other than a reasonable current return from the trust.

2. The trust is a trust described in section 170(f)(2)(B), 664(d), 1361(d), 2702(a)(3), or 2702(b) of the Internal Revenue Code.

3. One or more persons to whom the trustee could distribute income have a power of withdrawal over the trust that is not subject to an ascertainable standard under section 2041 or 2514 of the Internal Revenue Code or that can be exercised to discharge a duty of support the person possesses.

4. The governing instrument expressly prohibits use of this subchapter by specific reference to the subchapter. A provision in the governing instrument that the provisions of sections 637.601 through 637.615 or any corresponding provision of future law shall not be used in the administration of this trust or similar words reflecting such intent shall be sufficient to preclude the use of this subchapter.

2002 Acts, ch 1086, §17, 21

**637.614 Good faith actions.**

Any trustee or disinterested person who in good faith takes or fails to take any action under this subchapter shall not be liable to any person affected by such action or inaction, regardless of whether such person received written notice as provided in this subchapter and regardless of whether such person was under a legal disability at the time of the delivery of such notice. Such person's exclusive remedy shall be to obtain an order of the court directing the trustee to convert an income trust to a total return unitrust, or to reconvert a total return unitrust to an income trust.

2002 Acts, ch 1086, §18, 21

Referred to in §637.613

**637.615 Effective date.**

This subchapter takes effect April 5, 2002, and applies to trusts in existence on that date or created after that date.

2002 Acts, ch 1086, §19, 21

Referred to in §637.613

SUBCHAPTER 7

MISCELLANEOUS PROVISIONS

**637.701 Application of chapter to existing trusts and estates — chapter prevails.**

This chapter applies to every trust or decedent's estate on and after July 1, 2000, except as otherwise expressly provided in the will, the terms of the trust, or this chapter. Notwithstanding any Code provision to the contrary, the provisions of this chapter shall prevail over any other applicable Code provision.

2002 Acts, ch 1086, §20, 21

# CHAPTER 638

RESERVED

# SUBTITLE 5

## SPECIAL ACTIONS

# CHAPTER 639

## ATTACHMENT

Referred to in §331.653, 445.4, 537.5110, 602.8102(107)


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**639.1 Method.**

The plaintiff in a civil action may cause the property of the defendant not exempt from execution to be attached at the commencement or during the progress of the proceeding, by pursuing the course hereinafter prescribed.

[C51, §1846; R60, §3172; C73, §2949; C97, §3876; C24, 27, 31, 35, 39, §**12078;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.1]

**639.2 Proceedings auxiliary.**

If it be subsequent to the commencement of the action, a separate petition or an amendment to the petition must be filed, and in all cases the proceedings relative to the attachment are to be deemed independent of the ordinary proceedings and only auxiliary thereto.

[C51, §1847; R60, §3173; C73, §2950; C97, §3877; C24, 27, 31, 35, 39, §**12079;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.2]

**639.3 Grounds.**

The petition or amendment to petition which asks an attachment, must in all cases be sworn to. It must state one or more of the following grounds:

1. That the defendant is a foreign corporation or acting as such.
2. That the defendant is a nonresident of the state.
3. That the defendant is about to remove the defendant's property out of the state without leaving sufficient remaining for the payment of the defendant's debts.
4. That the defendant has disposed of the defendant's property, in whole or in part, with intent to defraud the defendant's creditors.
5. That the defendant is about to dispose of the defendant's property with intent to defraud the defendant's creditors.
6. That the defendant has absconded, so that the ordinary process cannot be served upon the defendant.
7. That the defendant is about to remove permanently out of the county, and has property therein not exempt from execution, and that the defendant refuses to pay or secure the plaintiff.
8. That the defendant is about to remove permanently out of the state, and refuses to pay or secure the debt due the plaintiff.
9. That the defendant is about to remove the defendant's property or a part thereof out of the county with intent to defraud the defendant's creditors.
10. That the defendant is about to convert the defendant's property or a part thereof into money for the purpose of placing it beyond the reach of the defendant's creditors.
11. That the defendant has property or rights in action which the defendant conceals.
12. That the debt is due for property obtained under false pretenses.
13. That the defendant is about to dispose of property belonging to the plaintiff.
14. That the defendant is about to convert the plaintiff's property or a part thereof into money for the purpose of placing it beyond the reach of the plaintiff.
15. That the defendant is about to move permanently out of state, and refuses to return property belonging to the plaintiff.

[C51, §1848; R60, §3174; C73, §2951; C97, §3878; C24, 27, 31, 35, 39, §**12080;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.3]

87 Acts, ch 80, §25

Referred to in §124.407, 537.5110

**639.4 Alternative statement of grounds.**

The causes for the attachment shall not be stated in the alternative.

[R60, §3242; C73, §3021; C97, §3878; C24, 27, 31, 35, 39, §**12081;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.4]

**639.5 Issued on Sunday.**

Where the petition states, in addition to the other facts required, that the plaintiff will lose the plaintiff's claim unless the attachment issues and is served on Sunday, it may be issued and served on that day.

[C73, §2952; C97, §3879; C24, 27, 31, 35, 39, §**12082;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.5]

Analogous or related provisions, §602.1602, 626.6, 643.3, and 667.3

**639.6 On contract — amount due.**

If the plaintiff's demand is founded on contract, the petition must state that something is due, and, as nearly as practicable, the amount, which must be more than five dollars in order to authorize an attachment.

[C51, §1849; R60, §3175; C73, §2953; C97, §3880; C24, 27, 31, 35, 39, §**12083;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.6]

**639.7 Value of property attached.**

The amount thus sworn to is intended as a guide to the sheriff, who must, as nearly as the circumstances of the case will permit, levy upon property fifty percent greater in value than that amount.

[C51, §1850; R60, §3176; C73, §2954; C97, §3881; C24, 27, 31, 35, 39, §**12084;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.7]

**639.8 Allowance of value in other cases.**

If the demand is not founded on contract, the original petition must be presented to some judge of the supreme or district court, or the judge of the court from which the issuance of a writ of attachment is sought, who shall make an allowance thereon of the amount in value of the property that may be attached.

[C51, §1851; R60, §3177; C73, §2955; C97, §3882; C24, 27, 31, 35, 39, §**12085;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.8]

**639.9 For debts not due — grounds.**

The property of a debtor may be attached on debts not due, when nothing but time is wanting to fix an absolute indebtedness, and when the petition, in addition to that fact, states one or more of the following grounds:

1. That the defendant is about to dispose of the defendant's property with intent to defraud the defendant's creditors.
2. That the defendant is about to remove or has removed from the state, and refuses to secure the payment of the debt when it falls due, and which removal or contemplated removal was not known to the plaintiff at the time the debt was contracted.
3. That the defendant has disposed of the defendant's property in whole or in part with intent to defraud the defendant's creditors.
4. That the debt was incurred for property obtained under false pretenses.

[C51, §1852; R60, §3178; C73, §2956; C97, §3883; C24, 27, 31, 35, 39, §**12086;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.9]

**639.10 Appearance — judgment — perishable property.**

If, at the time of the service of the attachment, the claim upon which suit is brought is not due, the defendant need not appear in the action until the maturity of the demand, unless the defendant elects to plead, in which event the cause shall stand for trial when it is reached in its regular order, and no final judgment shall be rendered therein before the maturity of the debt unless such election is made, but if perishable property is levied upon, it may be sold as in other attachment cases.

[R60, §3179, 3180; C73, §2957, 2958; C97, §3884; C24, 27, 31, 35, 39, §**12087;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.10]

**639.11 Bond.**

In all cases before it can be issued, the plaintiff must file with the clerk a bond for the use of the defendant, with sureties to be approved by such clerk, in a penalty at least double the value of the property sought to be attached, and in no case less than two hundred fifty dollars conditioned that the plaintiff will pay all damages which the defendant may sustain by reason of the wrongful suing out of the attachment.

[C51, §1853; R60, §3181; C73, §2959; C97, §3885; C24, 27, 31, 35, 39, §**12088;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.11]

**639.12 Bond for levy on real property only.**

In any case where only real property is sought to be attached, the plaintiff shall file such bond in a penalty to be fixed by the court or the clerk, and in such cases, the clerk shall issue a writ thereunder and shall direct therein that real property only shall be attached.

[C31, 35, §12088-d1; C39, §**12088.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.12]

**639.13 Additional security.**

The defendant may, at any time before judgment, move the court for additional security on the part of the plaintiff, and if, on such motion, the court is satisfied that the surety on the plaintiff's bond has removed from the state, or is not sufficient, the attachment may be vacated and restitution directed of any property taken under it, unless, in a reasonable time, to be fixed by the court, security is given by the plaintiff.

[R60, §3182; C73, §2960; C97, §3886; C24, 27, 31, 35, 39, §**12089;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.13]

**639.14 Action on bond.**

In an action on such bond, the plaintiff therein may recover, if the plaintiff shows that the attachment was wrongfully sued out, and that there was no reasonable cause to believe the ground upon which the same was issued to be true, the actual damages sustained, and reasonable attorney's fees to be fixed by the court; and if it be shown such attachment was sued out maliciously, the plaintiff may recover exemplary damages, nor need the plaintiff wait until the principal suit is determined before suing on the bond.

[C51, §1854; R60, §3183; C73, §2961; C97, §3887; C24, 27, 31, 35, 39, §**12090;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.14]

Referred to in §445.4

**639.15 Remedy for falsely suing out — counterclaim.**

The fact stated as a cause of attachment shall not be contested in the action by a mere defense. The defendant's remedy shall be on the bond, but the defendant may in the defendant's discretion sue thereon by way of counterclaim, and in such case shall recover damages as in an original action on such bond.

[R60, §3238; C73, §3017; C97, §3888; C24, 27, 31, 35, 39, §**12091;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.15]

**639.16 Writ to sheriff.**

The clerk shall issue a writ of attachment, directing the sheriff of the county therein named to attach the property of the defendant to the requisite amount therein stated.

[C51, §1856; R60, §3185; C73, §2962; C97, §3889; C24, 27, 31, 35, 39, §**12092;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.16]

**639.17 Several writs to different counties.**

Attachments may be issued from the district court to different counties, and several may, at the option of the plaintiff, be issued at the same time, or in succession and subsequently, until sufficient property has been attached; but only those executed shall be taxed in the costs, unless otherwise ordered by the court.

[C51, §1855, 1858; R60, §3184; C73, §2963; C97, §3890; C24, 27, 31, 35, 39, §**12093;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.17]

**639.18 Surplus levy.**

If more property is attached in the aggregate than the plaintiff is entitled to, the surplus must be abandoned, and the plaintiff pay all costs incurred in relation to such surplus.

[C51, §1858; R60, §3184; C73, §2963; C97, §3890; C24, 27, 31, 35, 39, §**12094;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.18]

**639.19 Property attached.**

The sheriff shall in all cases attach the amount of property directed, if sufficient, not exempt from execution, is found in the sheriff's county, giving that in which the defendant has a legal

and unquestionable title a preference over that in which the defendant's title is doubtful or only equitable.

[C51, §1857; R60, §3186; C73, §2964; C97, §3891; C24, 27, 31, 35, 39, §**12095;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.19]

**639.20 Several attachments.**

Where there are several attachments against the same defendant, they shall be executed in the order in which they were received by the sheriff.

[R60, §3187; C73, §2965; C97, §3892; C24, 27, 31, 35, 39, §**12096;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.20]

**639.21 Following property.**

If, after an attachment has been placed in the hands of the sheriff, any property of the defendant is moved from the county, the sheriff may pursue and attach the same in an adjoining county within twenty-four hours after removal.

[R60, §3188; C73, §2966; C97, §3893; C24, 27, 31, 35, 39, §**12097;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.21]

Analogous provisions, §643.8, 643.9

**639.22** Repealed by 65 Acts, ch 413, § 10102.

**639.23 Judgments — money — things in action.**

Judgments, money, bank bills, and other things in action may be levied upon by the officer under an attachment in the same manner as levies are made under execution, except that notice of such levy shall be given as in levies by attachment, and after judgment such property shall be sold, appropriated, or transferred as provided for in the chapter on executions.

[C51, §1859, 1860; R60, §3194; C73, §2967; C97, §3895; C24, 27, 31, 35, 39, §**12099;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.23]

Executions, chapter 626

Levy on judgments, moneys, etc., §626.21, 626.22

**639.24 Property in possession of another.**

Property of defendant in possession of another, and of which defendant is entitled to the immediate possession, may be seized under attachment by taking possession thereof, in the same manner as though found in the defendant's possession.

[C51, §1859, 1860; R60, §3194; C73, §2967; C97, §3896; C24, 27, 31, 35, 39, §**12100;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.24]

**639.25 Garnishment.**

Property of the defendant in the possession of another, or debts due the defendant, may be attached by garnishment as hereinafter provided.

[C51, §1859, 1860; R60, §3194; C73, §2967; C97, §3897; C24, 27, 31, 35, 39, §**12101;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.25]

Garnishment, chapter 642

**639.26 When property bound.**

Property capable of manual delivery, and attached otherwise than by garnishment, is bound thereby from the time manual custody thereof is taken by the officer under the attachment.

[C51, §1859, 1860, 1874; R60, §3194, 3215; C73, §2967, 2969; C97, §3898; C24, 27, 31, 35, 39, §**12102;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.26]

**639.27 Real estate.**

Real estate or equitable interests therein may be attached.

[R60, §3243; C73, §3022; C97, §3899; C24, 27, 31, 35, 39, §**12103;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.27]

**639.28 Lien.**

The levy shall be a lien thereon from the time of an entry made and signed by the officer making the same upon the encumbrance book in the office of the clerk of the county in which the land is situated, showing the levy, the date thereof, name of the county from which the attachment issued, title of the action, and a description of the land levied on.

[R60, §3243; C73, §3022; C97, §3899; C24, 27, 31, 35, 39, §**12104;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.28]

Analogous provision, §626.20

**639.29 Levy on equitable interest.**

In case of a levy upon any equitable interest in real estate, such entry shall show, in addition to the foregoing matters, the name of the person holding the legal title, and the owner of the alleged equitable interest, where known.

[C97, §3899; C24, 27, 31, 35, 39, §**12105;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.29]

**639.30 Lands fraudulently conveyed.**

The grantor of real estate conveyed in fraud of creditors shall, as to such creditors, be deemed the equitable owner thereof, and such interest may be attached as above provided, when the petition alleges such fraudulent conveyance and the holder of the legal title is made a party to the action.

[C97, §3899; C24, 27, 31, 35, 39, §**12106;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.30]

Conveyances annulled in auxiliary proceedings, §630.16

**639.31 Notice to defendant — return.**

When any property is attached, the officer making the levy shall at once give written notice thereof to the defendant, if found within the county in which the levy is made, and the fact of the giving of such notice, or that the defendant is not found within the county, shall be shown by the officer's return.

[C51, §1859, 1860; R60, §3194; C73, §2967; C97, §3900; C24, 27, 31, 35, 39, §**12107;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.31]

Referred to in §537.5110

**639.32 Notice to party in possession.**

A like notice shall be given to the party in possession of the property attached.

[C51, §1860; R60, §3194; C73, §2967; C97, §3900; C24, 27, 31, 35, 39, §**12108;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.32]

**639.33 Service when party absent.**

If the party required to be notified is not found at the party's usual place of business or residence, such notice may be served upon a member of the party's family over fourteen years of age at such place.

[C97, §3900; C24, 27, 31, 35, 39, §**12109;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.33]

Referred to in §537.5110

**639.34 Examination of defendant.**

Whenever it appears by the affidavit of the plaintiff, or by the return of the attachment, that no property is known to the plaintiff or the officer on which the attachment can be executed, or not enough to satisfy the plaintiff's claim, and it being shown to the court by affidavit that the defendant has property within the state not exempt, the defendant may be required to attend before the court in which the action is pending, or a commissioner appointed for that purpose, and give information on oath respecting the defendant's property.

[R60, §3189; C73, §2968; C97, §3901; C24, 27, 31, 35, 39, §**12110;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.34]

**639.35 Money paid clerk.**

Money attached by the sheriff, or coming into the sheriff's hands by virtue of the attachment, shall be paid, less the sheriff's costs, to the clerk. The clerk shall retain the money until directed otherwise by the court.

[C51, §1875, 1882; R60, §3217; C73, §2971; C97, §3902; C24, 27, 31, 35, 39, §**12111;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.35]

92 Acts, ch 1044, §2

For duties of officer pertaining to execution, see R.C.P. 1.1018

**639.36 Other property.**

The sheriff shall make such disposition of other attached property as may be directed by the court, and, where there is no direction upon the subject, the sheriff shall safely keep the property subject to the order of the court.

[R60, §3218; C73, §2972; C97, §3903; C24, 27, 31, 35, 39, §**12112;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.36]

**639.37 Common or joint property.**

In executing an attachment against a person who owns property jointly or in common with another, the officer may take possession of such property so owned jointly or in common, sufficiently to enable the officer to inventory and appraise the same, and for that purpose shall call to the officer's assistance three disinterested persons; which inventory and appraisement shall be returned by the officer with the attachment, and such return shall state who claims to own such property.

[R60, §3190; C73, §2973; C97, §3904; C24, 27, 31, 35, 39, §**12113;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.37]

Analogous provision, §626.32

**639.38 Lien acquired — action to determine interest.**

The plaintiff shall, from the time such property is taken possession of by the officer, have a lien on the interest of the defendant therein, and may, either before or after the plaintiff obtains judgment in the action in which the attachment issued, commence action by equitable proceedings to ascertain the nature and extent of such interest and to enforce the lien.

[C73, §2974; C97, §3904; C24, 27, 31, 35, 39, §**12114;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.38]

**639.39 Receiver.**

If deemed necessary or proper, the court may appoint a receiver under the circumstances and conditions provided in chapter 680.

[C73, §2974; C97, §3904; C24, 27, 31, 35, 39, §**12115;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.39]

**639.40 Personal property subject to security interest.**

Personal property subject to a security interest may be levied on under attachment in the method provided for levying execution thereon.

[C97, §3905; C24, 27, 31, 35, 39, §**12116;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.40]

Manner of levying, §626.34 et seq.

**639.41 Indemnifying bond.**

The provisions as to notice of ownership and indemnifying bond to be given in cases of levies under execution shall in all respects be applicable to levies made under writs of attachment.

[C97, §3906; C24, 27, 31, 35, 39, §**12117;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.41]

Indemnifying bond, §626.54 et seq.

Notice of ownership, §626.50 et seq.

**639.42 Bond to discharge.**

If the defendant, at any time before judgment, causes a bond to be executed to the plaintiff with sufficient sureties, to be approved by the officer having the attachment, or after the return thereof, by the clerk, to the effect that the defendant will perform the judgment of the court, the attachment shall be discharged, and restitution made of property taken or proceeds thereof.

[R60, §3191; C73, §2994; C97, §3907; C24, 27, 31, 35, 39, §**12118;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.42]

Referred to in §537.5110

Similar provisions, §639.45, 643.12, 667.7

**639.43 Automatic appearance.**

The execution of such bond shall be deemed an appearance of such defendant to the action.

[R60, §3192; C73, §2994; C97, §3907; C24, 27, 31, 35, 39, §**12119;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.43]

**639.44 Judgment on bond.**

Such bond shall be part of the record. If judgment go against the defendant, the same shall be entered against the defendant and sureties.

[R60, §3193; C73, §2995; C97, §3908; C24, 27, 31, 35, 39, §**12120;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.44]

**639.45 Delivery bond.**

The defendant, or any person in whose possession any attached property is found, or any person making affidavit that the person has an interest in it, may, at any time before judgment, discharge the property attached, or any part thereof, by giving bond with security, to be approved by the sheriff, or after the return of the writ, by the clerk, in a penalty at least double the value of the property sought to be released, but if that sum would exceed double the amount of the claim for which an attachment is sued out, then in such sum as equals double the amount of such claim, conditioned that such property or its appraised value shall be delivered to the sheriff, to satisfy any judgment which may be obtained against the defendant in that suit, within twenty days after the rendition thereof. This bond shall be filed with the clerk of the court.

[C51, §1876; R60, §3219; C73, §2996; C97, §3909; C24, 27, 31, 35, 39, §**12121;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.45]

Referred to in §537.5110

Similar provisions, §639.42, 643.12, 667.7

**639.46 Appraisement.**

To determine the value of property in cases where a bond is to be given, unless the parties agree otherwise, the sheriff shall summon two disinterested persons having the qualification of jurors, who, after having been sworn by the sheriff to make the appraisement faithfully and impartially, shall proceed to the discharge of their duty. If such persons disagree as to the value of the property, the sheriff shall decide between them.

[C51, §1877, 1878; R60, §3220; C73, §2997; C97, §3910; C24, 27, 31, 35, 39, §**12122;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.46]

**639.47 Defense in action on delivery bond.**

In an action brought upon such bond, it shall be a sufficient defense that the property for the delivery of which the bond was given did not, at the time of the levy, belong to the defendant against whom the attachment was issued, or was exempt from seizure under such attachment.

[C51, §1879; R60, §3221; C73, §2998; C97, §3911; C24, 27, 31, 35, 39, §**12123;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.47]

**639.48 Perishable property — examination.**

When the sheriff thinks the property attached in danger of serious and immediate waste and decay, or when the keeping of the same will necessarily be attended with such expense as

greatly to depreciate the amount of proceeds to be realized therefrom, or when the plaintiff makes affidavit to that effect, the sheriff may summon three persons having the qualifications of jurors to examine the same.

[C51, §1881; R60, §3222; C73, §2999; C97, §3912; S13, §3912-a; C24, 27, 31, 35, 39, §**12124;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.48]

**639.49 Notice.**

The sheriff shall give the defendant, if within the county, three days' notice of such hearing, and the defendant may appear before such jury and have a personal hearing.

[C51, §1881; R60, §3222; C73, §2999; C97, §3912; S13, §3912-a; C24, 27, 31, 35, 39, §**12125;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.49]

**639.50 Determination and sale.**

If they are of the opinion that the property requires soon to be disposed of, they shall specify in writing a day beyond which they do not deem it prudent that it should be kept in the hands of the sheriff. If such day occurs before the trial day, the sheriff shall thereupon give the same notice as for sale of goods on execution, and for the same length of time, unless the condition of the property renders a more immediate sale necessary. The sale shall be made accordingly. If the defendant gives written consent, such sale may be made without such finding.

[C51, §1881; R60, §3222; C73, §2999; C97, §3912; S13, §3912-a; C24, 27, 31, 35, 39, §**12126;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.50]

Notice of sale, §626.74 et seq.

**639.51 Sheriff's return.**

The sheriff shall return upon every attachment what the sheriff has done under it, which must show the property attached, the time it was attached, and the disposition made of it, by a full and particular inventory; also the appraisement above contemplated when such has been made.

[R60, §3224; C73, §3010; C97, §3923; C24, 27, 31, 35, 39, §**12127;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.51]

**639.52 Garnishment.**

When garnishees are summoned, their names and the time each was summoned must be stated, with a copy of each notice of garnishment served attached as a part of the sheriff's return.

[R60, §3224; C73, §3010; C97, §3923; C24, 27, 31, 35, 39, §**12128;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.52]

**639.53 Description of real estate.**

Where real property is attached, the sheriff shall describe it with certainty to identify it, and, where the sheriff can do so, by a reference to the document reference number where the deed under which the defendant holds is recorded.

[R60, §3224; C73, §3010; C97, §3923; C24, 27, 31, 35, 39, §**12129;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.53]

2001 Acts, ch 44, §29

**639.54 Bonds, notices and moneys.**

The sheriff shall return with the writ all bonds taken under it, any notice of claim to such property by another than the defendant, any indemnifying bond given by the plaintiff in consequence of such notice, and all money and bank bills levied upon or paid to the sheriff thereunder.

[R60, §3224; C73, §3010; C97, §3923; C24, 27, 31, 35, 39, §**12130;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.54]

**639.55 Time of return.**

Such return must be made immediately after the sheriff has attached sufficient property, or all that the sheriff can find.

[R60, §3224; C73, §3010; C97, §3923; C24, 27, 31, 35, 39, §**12131;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.55]

**639.56 Judgment — satisfaction — special execution.**

If judgment is rendered for the plaintiff in any case in which an attachment has been issued, the court shall apply, in satisfaction thereof, any money seized by or paid to the sheriff under such attachment and by the sheriff delivered to the clerk, and any money arising from the sales of perishable property, and if the same is not sufficient to satisfy the plaintiff's claim, the court shall order the issuance of a special execution for the sale of any other attached property which may be under the sheriff's control.

[R60, §3232; C73, §3011; C97, §3924; C24, 27, 31, 35, 39, §**12132;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.56]

**639.57 Court may control property.**

The court may from time to time make and enforce proper orders respecting the property, sales, and application of the money collected.

[R60, §3233; C73, §3012; C97, §3925; C24, 27, 31, 35, 39, §**12133;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.57]

**639.58 Expenses for keeping.**

The sheriff shall be allowed by the court the necessary expenses of keeping the attached property, to be paid by the plaintiff and taxed in the costs.

[R60, §3234; C73, §3013; C97, §3926; C24, 27, 31, 35, 39, §**12134;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.58]

**639.59 Surplus.**

Any surplus of the attached property and its proceeds shall be returned to the defendant.

[R60, §3235; C73, §3014; C97, §3927; C24, 27, 31, 35, 39, §**12135;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.59]

**639.60 Intervention — petition.**

Any person other than the defendant may, before the sale of any attached property, or before the payment to the plaintiff of the proceeds thereof, or any attached debt, present a petition verified by oath to the court, disputing the validity of the attachment, or stating a claim to the property or money, or to an interest in or lien on it, under any other attachment or otherwise, and setting forth the facts upon which the claim is founded.

[R60, §3237; C73, §3016; C97, §3928; C24, 27, 31, 35, 39, §**12136;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.60]

Intervention generally, R.C.P. 1.407

**639.61 Hearing and orders.**

The petitioner's claim shall be in a summary manner investigated. The court may hear the proof or order a reference, or may impanel a jury to inquire into the facts. If it is found that the petitioner has a title to, a lien on, or any interest in such property, the court shall make such order as may be necessary to protect the petitioner's rights.

[R60, §3237; C73, §3016; C97, §3928; C24, 27, 31, 35, 39, §**12137;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.61]

**639.62 Costs.**

The costs of such proceedings shall be paid by either party at the discretion of the court.

[R60, §3237; C73, §3016; C97, §3928; C24, 27, 31, 35, 39, §**12138;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.62]

**639.63 Discharge on motion.**

A motion may be made to discharge the attachment or any part thereof, at any time before trial, for insufficiency of statement of cause thereof, or for other cause making it apparent of record that the attachment should not have issued, or should not have been levied on all or on some part of the property held.

[R60, §3239; C73, §3018; C97, §3929; C24, 27, 31, 35, 39, §**12139;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.63]

Referred to in §537.5110

**639.64 Automatic discharge — canceling entry on encumbrance book.**

If the judgment is rendered in the action for the defendant, or, if the action is dismissed by the court, by the plaintiff, or, by agreement of the parties, or, if judgment has been entered for the plaintiff and has been satisfied of record, the attachment shall, subject to the right of appeal, automatically be discharged and the property attached, or its proceeds, shall be returned to the defendant. If the attachment has been entered on the encumbrance book, it shall be the duty of the clerk to cancel such attachment, and in the entry of cancellation, the clerk shall refer to the entry in the case showing the clerk's authority to cancel said attachment.

[R60, §3236; C73, §3015; C97, §3930; C24, 27, 31, 35, 39, §**12140;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.64]

**639.65 Perfecting appeal from order of discharge.**

When an attachment has been discharged, if the plaintiff then announces the plaintiff's purpose to appeal from such order of discharge, the plaintiff shall have two days in which to perfect an appeal, and during that time such discharge shall not operate to divest any lien or claim under the attachment, nor shall the property be returned, and the appeal, if so perfected, shall operate as a supersedeas thereof.

[R60, §3240; C73, §3019; C97, §3931; C24, 27, 31, 35, 39, §**12141;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.65]

**639.66 Appeal from judgment against plaintiff.**

If a judgment in the action be also given against the plaintiff, the plaintiff must, within the same time, take an appeal thereon, or such discharge shall be final.

[R60, §3241; C73, §3020; C97, §3932; C24, 27, 31, 35, 39, §**12142;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.66]

**639.67 Liberal construction — amendments.**

This chapter shall be liberally construed, and the plaintiff, at any time when objection is made thereto, shall be permitted to amend any defect in the petition, affidavit, bond, writ, or other proceeding; and no attachment shall be quashed or dismissed, or the property attached released, if the defect in any of the proceedings has or can be amended so as to show that a legal cause for the attachment existed at the time it was issued; and the court shall give the plaintiff a reasonable time to perfect such defective proceedings.

[R60, §3242; C73, §3021; C97, §3933; C24, 27, 31, 35, 39, §**12143;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.67]

Amendments generally, R.C.P. 1.402(4), (5) and R.C.P. 1.1009

**639.68 Sheriff or officer.**

The word *"sheriff"*, or *"officer"*, as used in this chapter is meant to apply to the like officer of any other court.

[C51, §1883; R60, §3244; C73, §3023; C97, §3934; C24, 27, 31, 35, 39, §**12144;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.68]

**639.69 Certificate of release.**

When real estate or an equitable interest therein is attached in any county other than that in which the action is commenced, or is pending, and the action is dismissed, or the attachment is dissolved and discharged or satisfied, the clerk of the court of the county wherein such

action is pending must issue a certificate directed to the clerk of the court in which the land is situated giving date of release and setting forth a true copy of the order or release and the clerk shall be allowed as compensation for such service the sum of fifty cents, to be taxed as a part of the costs in the case.

[S13, §3934-a; C24, 27, 31, 35, 39, §**12145;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.69]

**639.70 Filing and recording.**

The clerk of the court receiving such certificate shall file and record the same upon the margin of the encumbrance book at place where the original entry of attachment is found.

[S13, §3934-b; C24, 27, 31, 35, 39, §**12146;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §639.70]

# CHAPTER 640

## SPECIFIC ATTACHMENT

Referred to in §331.653

Seizure of boats or rafts, chapter 667


640.1 When authorized.
640.2 Fraudulently induced sales.
640.3 Granted by court or judge — terms.
640.4 Form of writ.
640.5 Bond to discharge.


**640.1 When authorized.**

In an action to enforce a security interest in or a lien upon personal property, or for the recovery, sale, or partition of such property, or by a plaintiff having a future estate or interest therein for the security of the plaintiff's rights, where it satisfactorily appears by the petition, verified on oath, or by affidavits or the proofs in the cause, that the plaintiff has a just claim, and that the property has been or is about to be sold, concealed, or removed from the state, or where plaintiff states on oath that the plaintiff has reasonable cause to believe, and does believe, that unless prevented by the court the property will be sold, concealed, or removed, an attachment may be granted against the property.

[R60, §3225; C73, §3000; C97, §3913; C24, 27, 31, 35, 39, §**12147;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §640.1]

Referred to in §640.3

**640.2 Fraudulently induced sales.**

In an action by a vendor of property fraudulently purchased to vacate the contract and have a restoration of the property or compensation therefor, where the petition shows such fraudulent purchase of property and the amount of the plaintiff's claim, and is verified, an attachment against the property may be granted.

[R60, §3226; C73, §3001; C97, §3914; C24, 27, 31, 35, 39, §**12148;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §640.2]

Referred to in §640.3

**640.3 Granted by court or judge — terms.**

The attachment in the cases mentioned in sections 640.1 and 640.2 may be granted by the court in which the action is brought, upon such terms and conditions as to security by the plaintiff for the damages which may be occasioned, and with such directions as to the disposition to be made of the property attached as may be just and proper under the circumstances of each case.

[R60, §3227; C73, §3002; C97, §3915; C24, 27, 31, 35, 39, §**12149;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §640.3]

**640.4 Form of writ.**

The attachment shall describe the specific property against which it is issued, and have endorsed upon it the direction of the court as to the disposition to be made of the attached property, and be directed, executed, and returned as other attachments.

[R60, §3230; C73, §3003; C97, §3916; C24, 27, 31, 35, 39, §**12150;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §640.4]

**640.5 Bond to discharge.**

The court may, in any of the cases mentioned under this head of specific attachments, direct the terms and conditions of the bond to be executed by the defendant, with security, in order to obtain a discharge of the attachment or to release the attached property.

[R60, §3231; C73, §3004; C97, §3917; C24, 27, 31, 35, 39, §**12151;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §640.5]

# CHAPTER 641

## ATTACHMENT BY THE STATE

Referred to in §331.653

Actions by state, R.C.P. 1.207


641.1 Indebtedness due the state.
641.2 Attachment authorized.
641.3 No bond required.
641.4 Bond to discharge or release.
641.5 Sheriff indemnified.


**641.1 Indebtedness due the state.**

In all cases in which any person is indebted to the state, or to any officer or agent thereof for the use or benefit of the state, the attorney general shall demand payment or security therefor, when, in the opinion of the attorney general, the debt is not sufficiently secured.

[C73, §3005; C97, §3918; C24, 27, 31, 35, 39, §**12152;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §641.1]

94 Acts, ch 1173, §40

**641.2 Attachment authorized.**

In all actions for money due to the state, or to any agent or officer for the use of the state, it shall be lawful for an attachment to issue against the property or debts of the defendant not exempt from execution, upon the filing of an affidavit of the attorney general, that the attorney general verily believes that a specific amount therein stated is justly due, and the defendant therein has refused to pay or secure the same, and unless an attachment is issued against the property of the defendant there is danger that the amount due will be lost to the state.

[C73, §3006; C97, §3919; C24, 27, 31, 35, 39, §**12153;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §641.2]

94 Acts, ch 1173, §41

Referred to in §641.4, 641.5

**641.3 No bond required.**

The attachment so issued shall be levied as in other cases of attachment, and no bond shall be required of the plaintiff in such cases, and the sheriff shall not be authorized to require any indemnifying bond in case of such levy.

[C73, §3007; C97, §3920; C24, 27, 31, 35, 39, §**12154;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §641.3]

Referred to in §641.4, 641.5

**641.4 Bond to discharge or release.**

An attachment levied under the provisions of sections 641.2 and 641.3 may be discharged, or any property taken thereunder may be released, by the execution of a bond with sufficient sureties, as provided by law in other cases of attachment.

[C73, §3008; C97, §3921; C24, 27, 31, 35, 39, §**12155;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §641.4]

Referred to in §641.5

Delivery bond, §639.45

**641.5 Sheriff indemnified.**

In case any sheriff shall be held liable to pay any damages by reason of the wrongful execution of any writ of attachment issued under sections 641.2 to 641.4 and if a judgment is rendered therefor, the amount thereof, when paid by such sheriff, shall become a claim against the state in the sheriff's favor, and a warrant therefor shall be drawn by the director of the department of administrative services upon proper proof.

[C73, §3009; C97, §3922; C24, 27, 31, 35, 39, §**12156;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §641.5]

2003 Acts, ch 145, §286

# CHAPTER 642

## GARNISHMENT

Referred to in §91A.3, 96.3, 252B.6A, 331.653, 421.17A, 421.17B, 422.26, 602.8102(108)


642.1 Who may be garnished.
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642.22 Validity of garnishment notice — duty to monitor account.
642.23 Support disbursements by the clerk.
642.24 Garnishments — support payment priority.


**642.1 Who may be garnished.**

A sheriff may be garnished for money of the defendant in the sheriff's hands; a judgment debtor of the defendant, when the judgment has not been assigned on the record, or by writing filed in the office of the clerk and by the clerk minuted as an assignment on the margin of the judgment docket; and an executor, for money due from decedent.

[C51, §1862; R60, §3196; C73, §2976; C97, §3936; C24, 27, 31, 35, 39, §**12158;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.1]

Garnishment proceedings by director of revenue, director of inspections and appeals, or director of workforce development, §626.29 – 626.31

Response of garnishee, see R.C.P. 1.304

**642.2 Garnishment of public employer.**

1. The state of Iowa, and all of its governmental subdivisions and agencies, may be garnished, only as provided in this section and the consent of the state and of its governmental subdivisions and agencies to those garnishment proceedings is hereby given. However, notwithstanding the requirements of this chapter, income withholding notices shall be served on the state, and all of its governmental subdivisions and agencies, pursuant to the requirements of chapter 252D.

2. Garnishment pursuant to this section may be made only upon a judgment against an employee of the state, or of a governmental subdivision or agency thereof.

3. No debt of the garnishee is subject to garnishment other than the wages of the public employee.

4. Notwithstanding subsections 2, 3, 6, and 7, any moneys owed to the child support obligor by the state, with the exception of unclaimed property held by the treasurer of state pursuant to chapter 556, and payments owed to the child support obligor through the Iowa public employees' retirement system are subject to garnishment, attachment, execution, or assignment by the child support recovery unit if the child support recovery unit is providing enforcement services pursuant to chapter 252B. Any moneys that are determined payable by the treasurer pursuant to section 556.20, subsection 2, to the child support obligor shall be subject to setoff pursuant to section 8A.504, notwithstanding any administrative rule pertaining to the child support recovery unit limiting the amount of the offset.

5. Except as provided in subsection 1, service upon the garnishee shall be made by serving an original notice with a copy of the judgment against the defendant, and with a copy of the questions specified in section 642.5, by certified mail or by personal service upon the attorney general, county attorney, city attorney, secretary of the school district, or legal counsel of the appropriate governmental unit. The garnishee shall be required to answer within thirty days following receipt of the notice.

6. If it is established that the garnishee owed wages to the defendant at the time of being served with the notice of garnishment, judgment shall be entered, subject to the requirement of section 642.14 against the garnishee in an amount not exceeding the amount recoverable upon the judgment against the defendant employee, but in no event shall the judgment granted be for any amount in excess of that permitted by section 642.21 and section 537.5105.

7. A judgment in garnishment issued pursuant to this section shall be enforceable against a garnishee only to the extent of the defendant's wages actually in the possession of the garnishee, and shall not be enforceable against any property, claims or other rights of the garnishee.

8. A person garnisheed pursuant to this section shall be subject to the provisions of this chapter not inconsistent with this section.

[R60, §3196; C73, §2976; C97, §3936; C24, 27, 31, 35, 39, §**12159;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.2; 81 Acts, ch 200, §1]

92 Acts, ch 1195, §209; 97 Acts, ch 175, §240; 2008 Acts, ch 1187, §127

Referred to in §96.3

**642.3 Fund in court.**

Where the property to be attached is a fund in court, the execution of a writ of attachment shall be by leaving with the clerk of the court a copy thereof, with notice, specifying the fund.

[R60, §3197; C73, §2977; C97, §3937; C24, 27, 31, 35, 39, §**12160;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.3]

**642.4 Death of garnishee.**

If the garnishee dies after the garnishee has been summoned by garnishment and pending the litigation, the proceedings may be revived by or against the garnishee's heirs or legal representatives.

[R60, §3198; C73, §2978; C97, §3938; C24, 27, 31, 35, 39, §**12161;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.4]

**642.5 Sheriff may take answers.**

1. When the plaintiff, in writing, directs the sheriff to take the answer of the garnishee, the sheriff shall put to the garnishee the following questions:

1. Are you in any manner indebted to the defendant in this suit, or do you owe the defendant money or property which is not yet due? If so, state the particulars.

2. Have you in your possession or under your control any property, rights, or credits of the said defendants? If so, what is the value of the same? State all particulars.

3. Do you know of any debts owing the said defendant, whether due or not due, or any property, rights, or credits belonging to the defendant and now in the possession or under the control of others? If so, state the particulars.

4. Do you compensate the defendant in this suit for any personal services whether denominated as wages, salary, commission, bonus or otherwise, including periodic payments pursuant to a pension or retirement program? If so, state the amount of the compensation reasonably anticipated to be paid defendant during the calendar year.

2. The sheriff shall append the examination to the sheriff's return.

[C51, §1864, 1865; R60, §3200, 3201; C73, §2980; C97, §3939; C24, 27, 31, 35, 39, §**12162;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.5]

84 Acts, ch 1239, §9; 2011 Acts, ch 25, §76

Referred to in §642.2, 642.21

**642.6 Garnishee required to appear.**

If the garnishee refuses to answer fully and unequivocally all the foregoing interrogatories, the garnishee shall be notified to appear and answer as above provided, and the garnishee may be so required in any event, if the plaintiff so notifies the garnishee.

[C51, §1866; R60, §3202; C73, §2981; C97, §3940; C24, 27, 31, 35, 39, §**12163;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.6]

**642.7 Examination in court.**

The questions propounded to the garnishee in court may be such as are above prescribed to be asked by the sheriff, and such others as the court may think proper.

[C51, §1867; R60, §3203; C73, §2982; C97, §3941; C24, 27, 31, 35, 39, §**12164;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.7]

**642.8 Witness fees.**

Where the garnishee is required to appear at court, unless the garnishee has refused to answer as contemplated above, the garnishee is entitled to the pay and mileage of a witness, and may, in like manner, require advance payment before any liability shall arise for nonattendance.

[C51, §1868; R60, §3204; C73, §2983; C97, §3942; C24, 27, 31, 35, 39, §**12165;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.8]

Witness fees and mileage, §622.69 – 622.75

**642.9 Failure to appear or answer — cause shown.**

If, duly summoned, and the garnishee's fees tendered when demanded, the garnishee fails to appear and answer the interrogatories propounded to the garnishee without sufficient excuse, the garnishee shall be presumed to be indebted to the defendant to the full amount of the plaintiff's demand, but for a mere failure to appear no judgment shall be rendered against the garnishee until the garnishee has had an opportunity to show cause against the same.

[C51, §1869, 1870; R60, §3205, 3206; C73, §2984, 2985; C97, §3943; C24, 27, 31, 35, 39, §**12166;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.9]

**642.10 Paying or delivering.**

A garnishee may, at any time after answer, be exonerated from further responsibility by paying over to the sheriff the amount owing by the garnishee to the defendant, and placing

at the sheriff's disposal the property of the defendant, or so much of said debts and property as is equal to the value of the property to be attached.

[C51, §1871; R60, §3207; C73, §2986; C97, §3944; C24, 27, 31, 35, 39, §**12167;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.10]

**642.11 Answer controverted.**

When the garnishee has answered the interrogatories propounded to the garnishee, the plaintiff may controvert them by pleading thereto, and an issue may be joined, which shall be tried in the usual manner, upon which trial such answer of the garnishee shall be competent testimony.

[C51, §1872; R60, §3208; C73, §2987; C97, §3945; C24, 27, 31, 35, 39, §**12168;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.11]

**642.12 Notice of controverting pleadings.**

No judgment shall be rendered against a garnishee on a pleading which controverts the garnishee's answer until notice of the filing of the controverting pleading and of the time and place of trial thereon is served on the garnishee for such time and in such manner as the court or judge shall order. A garnishee who has been so notified shall not be entitled to notice of the filing of amendments or of trial thereon.

[C27, 31, 35, §12168-b1; C39, §**12168.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.12]

**642.13 Judgment against garnishee.**

If in any of the above methods it is made to appear that the garnishee was indebted to the defendant, or had any of the defendant's property in the garnishee's hands, at the time of being served with the notice of garnishment, the garnishee will be liable to the plaintiff, in case judgment is finally recovered by the plaintiff, to the full amount thereof, or to the amount of such indebtedness or property held by the garnishee, and the plaintiff may have a judgment against the garnishee for the amount of money due from the garnishee to the defendant in the main action, or for the delivery to the sheriff of any money or property in the garnishee's hands belonging to the defendant in the main action within a time to be fixed by the court, and for the value of the same, as fixed in said judgment, if not delivered within the time thus fixed, unless before such judgment is entered the garnishee has delivered to the sheriff such money or property. Property so delivered shall thereafter be treated as if levied upon under the writ of attachment in the usual manner.

[C51, §1871, 1873; R60, §3207, 3209; C73, §2986, 2988; C97, §3946; C24, 27, 31, 35, 39, §**12169;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.13]

**642.14 Notice.**

Judgment against the garnishee shall not be entered until the principal defendant has had ten days' notice of the garnishment proceedings, to be served in the same manner as original notices. However, if the garnishment is to earnings owed the defendant by the garnishee, judgment may be entered if notice to the defendant is served with the notice of garnishment to the garnishee who shall deliver the notice to the defendant with the remainder of or in lieu of the defendant's earnings. The garnishee shall state in answer to the service of notice of garnishment whether or not service of notice was delivered to the defendant.

The notice required by this section shall contain the full text of section 630.3A.

[C51, §1861; R60, §3195; C73, §2975; C97, §3947; S13, §3947; C24, 27, 31, 35, 39, §**12170;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.14]

84 Acts, ch 1239, §10; 88 Acts, ch 1076, §1

Referred to in §642.2

**642.15 Pleading by defendant — discharge of garnishee.**

The defendant in the main action may, by a suitable pleading filed in the garnishment proceedings, set up facts showing that the debt or the property with which it is sought to charge the garnishee is exempt from execution, or for any other reason is not liable for plaintiff's claim, and if issue thereon be joined by the plaintiff, it shall be tried with the issues

as to the garnishee's liability. If such debt or property, or any part thereof, is found to be thus exempt or not liable, the garnishee shall be discharged as to that part which is exempt or not liable.

[C97, §3948; S13, §3948; C24, 27, 31, 35, 39, §**12171;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.15]

**642.16 When debt not due.**

If the debt of the garnishee to the defendant is not due, execution shall be suspended until its maturity.

[R60, §3210; C73, §2989; C97, §3949; C24, 27, 31, 35, 39, §**12172;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.16]

**642.17 Negotiable paper — indemnity.**

The garnishee shall not be made liable on a debt due by negotiable paper other than negotiable documents of title, or securities as defined in uniform commercial code, section 554.8102, unless such paper is delivered, or the garnishee completely exonerated or indemnified from all liability thereon after the garnishee may have satisfied the judgment.

[R60, §3211; C73, §2990; C97, §3950; C24, 27, 31, 35, 39, §**12173;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.17]

**642.18 Judgment conclusive.**

The judgment in the garnishment action, condemning the property or debt in the hands of the garnishee to the satisfaction of the plaintiff's demand, is conclusive between the garnishee and defendant.

[R60, §3212; C73, §2991; C97, §3951; C24, 27, 31, 35, 39, §**12174;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.18]

**642.19 Docket to show garnishments.**

The docketing of the original case shall contain a statement of all the garnishments therein, and when judgment is rendered against a garnishee, the same shall distinctly refer to the original judgment.

[R60, §3213; C73, §2992; C97, §3952; C24, 27, 31, 35, 39, §**12175;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.19]

**642.20 Appeal.**

An appeal lies in all garnishment cases at the instance of the plaintiff, the defendant, the garnishee, or an intervenor claiming the money or property.

[R60, §3214; C73, §2993; C97, §3953; C24, 27, 31, 35, 39, §**12176;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §642.20]

**642.21 Exemption from net earnings.**

1. The disposable earnings of an individual are exempt from garnishment to the extent provided by the federal Consumer Credit Protection Act, Tit. III, 15 U.S.C. § 1671 – 1677 (1982). The maximum amount of an employee's earnings which may be garnished during any one calendar year is two hundred fifty dollars for each judgment creditor, except as provided in chapter 252D and sections 598.22, 598.23, and 627.12, or when those earnings are reasonably expected to be in excess of twelve thousand dollars for that calendar year as determined from the answers taken by the sheriff or by the court pursuant to section 642.5, question number four. When the employee's earnings are reasonably expected to be more than twelve thousand dollars, the maximum amount of those earnings which may be garnished during a calendar year for each creditor is as follows:

*a.* Employees with expected earnings of twelve thousand dollars or more, but less than sixteen thousand dollars, not more than four hundred dollars may be garnished.

*b.* Employees with expected earnings of sixteen thousand dollars or more, but less than twenty-four thousand dollars, not more than eight hundred dollars may be garnished.

*c.* Employees with expected earnings of twenty-four thousand dollars or more, but less

than thirty-five thousand dollars, not more than one thousand five hundred dollars may be garnished.

*d.* Employees with expected earnings of thirty-five thousand dollars or more, but less than fifty thousand dollars, not more than two thousand dollars may be garnished.

*e.* Employees with expected earnings of fifty thousand dollars or more, not more than ten percent of an employee's expected earnings.

2. No employer shall:

*a.* Withhold from the earnings of an individual an amount greater than that provided by law.

*b.* Dispose of garnished wages in any manner other than ordered by a court of law.

*c.* Discharge an individual by reason of the individual's earnings having been subject to garnishment for indebtedness.

*d.* Be held liable for an amount not earned at the time of the service of notice of garnishment or for the costs of a garnishment action.

3. For the purpose of this section:

*a.* The term *"earnings"* means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program.

*b.* The term *"disposable earnings"* means that part of the earnings of any individual remaining after the deduction from those earnings of any amounts required by law to be withheld.

[C51, §1901; R60, §3307; C73, §3074; C97, §4011; C24, 27, 31, 35, 39, §**11763;** C46, 50, 54, 58, 62, 66, 71, §627.10; C73, 75, 77, 79, 81, §642.21]

84 Acts, ch 1239, §11; 85 Acts, ch 178, §14; 2011 Acts, ch 25, §77

Referred to in §537.5105, 537.5106, 537.5201, 627.6, 630.3A, 642.2, 642.22

**642.22 Validity of garnishment notice — duty to monitor account.**

1. A notice of garnishment served upon a garnishee is effective without serving another notice until the earliest of the following:

*a.* The annual maximum permitted to be garnished under section 642.21 has been withheld.

*b.* The writ of execution expires.

*c.* The judgment is satisfied.

*d.* The garnishment is released by the sheriff at the request of the plaintiff or the plaintiff's attorney.

2. A supervised financial organization, as defined in section 537.1301, subsection 44, which is garnished for an account of a defendant, after paying the sheriff any amounts then in the account, shall monitor the account for any additional amounts at least monthly while the garnishment notice is effective.

3. Expiration of the execution does not affect a garnishee's duties and liabilities respecting property already withheld pursuant to the garnishment.

84 Acts, ch 1239, §12; 85 Acts, ch 93, §1; 86 Acts, ch 1238, §26; 87 Acts, ch 98, §7; 2001 Acts, ch 92, §2

Referred to in §627.6

**642.23 Support disbursements by the clerk.**

Notwithstanding the one-hundred-twenty-day period in section 626.16 for the return of an execution in garnishment for the payment of a support obligation, the sheriff shall promptly deposit any amounts collected with the clerk of the district court, and the clerk shall disburse the amounts, after subtracting applicable fees, within two working days of the filing of an order condemning funds as follows:

1. To the person entitled to the support payments when the clerk of the district court is the official entity responsible for the receipt and disbursement of support payments pursuant to section 252B.14.

2. To the collection services center when the collection services center is the official

entity responsible for the receipt and disbursement of support payments pursuant to section 252B.14.

85 Acts, ch 178, §15; 93 Acts, ch 79, §53; 2006 Acts, ch 1081, §2; 2006 Acts, ch 1129, §12

**642.24 Garnishments — support payment priority.**

The court shall include in any order for garnishment a requirement that any amount garnisheed for the payment of a support obligation, whether or not the amount represents a current or delinquent support obligation, shall first be paid out of the garnisheed funds, after subtracting applicable fees related to the issuance of the specific garnishment, before any amounts garnisheed for other purposes are paid out of the garnisheed funds.

90 Acts, ch 1050, §1

# CHAPTER 643

## REPLEVIN

Referred to in §331.653

Small claims jurisdiction; §631.1


643.1 Where brought — petition.
643.2 Ordinary proceedings — joinder or counterclaim.
643.3 Process on Sunday.
643.4 New parties.
643.5 Writ issued.
643.6 Filing — purpose of bond.
643.7 Bond.
643.8 Wrongful removal — service.
643.9 Following property — duplicate writs.
643.10 Execution of writ.
643.11 Defendant examined.
643.12 Delivery bond.
643.13 Release — return of bond.
643.14 Inspection — appraisement.
643.15 Return of writ.
643.16 Assessment of value and damages — right of possession.
643.17 Judgment.
643.18 Execution.
643.19 Plaintiff's option.
643.20 Judgment on bond.
643.21 Concealment.
643.22 Exemption.


**643.1 Where brought — petition.**

An action of replevin may be brought in any county in which the property or some part thereof is situated. The petition must be verified and must state:

1. A particular description of the property claimed.
2. Its actual value, and, where there are several articles, the actual value of each.
3. The facts constituting the plaintiff's right to the present possession thereof, and the extent of the plaintiff's interest in the property, whether it be full or qualified ownership.
4. That it was neither taken on the order or judgment of a court against the plaintiff, nor under an execution or attachment against the plaintiff or against the property; but if it was taken by either of these modes, then it must state the facts constituting an exemption from seizure by such process.
5. The facts constituting the alleged cause of detention thereof, according to the plaintiff's best belief.
6. The amount of damages which the affiant believes the plaintiff ought to recover for the detention thereof.

[C51, §1703, 1994, 1995; R60, §3553; C73, §3225; C97, §4163; C24, 27, 31, 35, 39, §**12177;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.1]

**643.2 Ordinary proceedings — joinder or counterclaim.**

The action shall be by ordinary proceedings, but there shall be no joinder of any cause of action not of the same kind, nor shall there be allowed any counterclaim.

[R60, §4175; C73, §3226; C97, §4164; C24, 27, 31, 35, 39, §**12178;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.2]

**643.3 Process on Sunday.**

If the plaintiff alleges in the petition that the plaintiff will lose the property unless process issues on Sunday, the order may be issued and served on that day.

[C73, §3227; C97, §4165; C24, 27, 31, 35, 39, §**12179;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.3]

Analogous or related provisions, §602.1602, 626.6, 639.5, and 667.3

**643.4 New parties.**

If a third person claims the property or any part thereof, the plaintiff may amend and bring the third person in as a codefendant, or the defendant may obtain the substitution by the proper mode, or the claimant may intervene by the process of intervention.

[C51, §1684, 1999; R60, §3561; C73, §3228; C97, §4166; C24, 27, 31, 35, 39, §**12180;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.4]

Interpleader, R.C.P. 1.251 – 1.257
Intervention, R.C.P. 1.407

**643.5 Writ issued.**

Upon direction of the court after notice and opportunity for such hearing as it may prescribe, the clerk shall issue a writ under the clerk's hand, and the seal of the court, directed to the proper officer, requiring the officer to take the property therein described and deliver it to the plaintiff.

[C51, §1997; R60, §3555; C73, §3230; C97, §4168; C24, 27, 31, 35, 39, §**12183;** C46, 50, 54, 58, 62, 66, 71, 73, §643.7; C75, 77, 79, 81, §643.5]

**643.6 Filing — purpose of bond.**

A bond shall be filed with the clerk, and be for the use of any person injured by the proceeding.

[C51, §1996; R60, §3554; C73, §3229; C97, §4167; C24, 27, 31, 35, 39, §**12182;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.6]

**643.7 Bond.**

When the plaintiff desires the immediate delivery of the property, the plaintiff shall execute a bond to the defendant, with sureties to be approved by the clerk, in a penalty at least equal to twice the value of the property sought to be taken, conditioned that the plaintiff will appear in court on or before the day fixed in the original notice, and prosecute the action to judgment, and return the property, if a return is awarded, and pay all costs and damages that may be adjudged against the plaintiff.

[C51, §1996; R60, §3554; C73, §3229; C97, §4167; C24, 27, 31, 35, 39, §**12181;** C46, 50, 54, 58, 62, 66, 71, 73, §643.5; C75, 77, 79, 81, §643.7]

Referred to in §602.8102(109)

**643.8 Wrongful removal — service.**

If the petition shows that the property has been wrongfully removed into another county from the one in which the action is commenced, the writ may issue from the county whence the property was wrongfully taken, and may be served in any county where it may be found.

[C73, §3230; C97, §4168; C24, 27, 31, 35, 39, §**12184;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.8]

Analogous provision, §639.21

**643.9 Following property — duplicate writs.**

When any of the property is removed to another county after the commencement of the action, the officer to whom the writ is issued may follow the same and execute the writ in any county of the state where the property is found. For the purpose of following the property, duplicate writs may be issued, if necessary, and served as the original.

[R60, §3556; C73, §3231; C97, §4169; C24, 27, 31, 35, 39, §**12185;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.9]

Analogous provision, §639.21

**643.10 Execution of writ.**

The officer must forthwith execute the writ by taking possession of the property therein described, if it is found in the possession of the defendant or the defendant's agent, or of any other person who obtained possession thereof from the defendant, directly or indirectly, after the writ was placed in the officer's hands, for which purpose the officer may break open any dwelling house or other enclosure, having first demanded entrance and exhibited the officer's authority, if demanded.

[C51, §1998; R60, §3557; C73, §3232; C97, §4170; C24, 27, 31, 35, 39, §**12186;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.10]

**643.11 Defendant examined.**

When it appears by affidavit that the property claimed has been disposed of or concealed so that the writ cannot be executed, the court upon verified petition therefor, may compel the attendance of the defendant or other person claiming or concealing the property, and examine the person on oath as to the situation of the property, and punish a willful obstruction or hindrance or disobedience of the order of the court in this respect as in case of contempt.

[R60, §3558; C73, §3233; C97, §4171; C24, 27, 31, 35, 39, §**12187;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.11]

Contempts, chapter 665

**643.12 Delivery bond.**

The officer, having taken the property or any part thereof, shall forthwith deliver the same to the plaintiff, unless, before the actual delivery to the plaintiff, the defendant executes a bond to the plaintiff, with sureties to be approved by the clerk or officer, conditioned that the defendant will appear in and defend the action, and deliver the property to the plaintiff, if the plaintiff recovers judgment therefor, in as good condition as it was when the action was commenced, and that the defendant will pay all costs and damages that may be adjudged against the defendant for the taking or detention of the property.

[R60, §3560; C73, §3234, 3235; C97, §4172; C24, 27, 31, 35, 39, §**12188;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.12]

Referred to in §602.8102(109)

Similar provisions, §639.42, 639.45, 667.7

**643.13 Release — return of bond.**

Said bond shall be delivered to the officer, who shall return the property to the defendant, append the bond to the writ, return it therewith to the officer issuing it, and refer thereto in the sheriff's return on the writ.

[R60, §3559; C73, §3237; C97, §4172; C24, 27, 31, 35, 39, §**12189;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.13]

**643.14 Inspection — appraisement.**

When the property is so retained by the defendant, the defendant shall permit the officer and plaintiff to inspect the same, and, if the plaintiff so requests, the officer shall cause it to be examined and appraised by two sworn appraisers chosen by the parties to the action, or, in their default, by the officer personally, in the manner provided for other cases of appraisement, and in case they cannot agree the officer shall select a third, and an appraisement agreed to by two of them shall be sufficient, and the officer shall return their appraisement with the writ.

[C73, §3236; C97, §4173; C24, 27, 31, 35, 39, §**12190;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.14]

**643.15 Return of writ.**

The officer must return the writ within sixty days after its issuance or at an earlier time if the court shall order, and shall state fully what the officer has done thereunder. If the officer has taken any property, the officer shall describe the same particularly.

[R60, §3559; C73, §3237; C97, §4174; C24, 27, 31, 35, 39, §**12191;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.15]

**643.16 Assessment of value and damages — right of possession.**

The jury must assess the value of the property and the damages for the taking or detention thereof, whenever by their verdict there will be a judgment for the recovery or the return of the property, and, when required so to do by either party, must find the value of each article, and find which is entitled to the possession, designating the party's right therein, and the value of such right.

[R60, §3082; C73, §3238; C97, §4175; C24, 27, 31, 35, 39, §**12192;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.16]

**643.17 Judgment.**

The judgment shall determine which party is entitled to the possession of the property, and shall designate the party's right therein, and if such party have not the possession thereof, shall also determine the value of the right of such party, which right shall be absolute as to an adverse party, and shall also award such damages to either party as the party may be entitled to for the illegal detention thereof. If the judgment be against the plaintiff for the money value of the property, it shall also be against the sureties on the plaintiff's bond.

[C51, §2000, 2001; R60, §3554, 3562, 3567; C73, §3229, 3239; C97, §4176; C24, 27, 31, 35, 39, §**12193;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.17]

**643.18 Execution.**

The execution shall require the officer to deliver the possession of the property, particularly describing it, to the party entitled thereto, and may at the same time require the officer to satisfy any costs, damages, or rents and profits, with interest, recovered by the same judgment, out of the property of the party against whom it was rendered, subject to execution, and the value of the property for which judgment was recovered to be specified therein if a delivery thereof cannot be had, and shall in that respect be deemed an execution against property.

[R60, §3253; C73, §3240; C97, §4177; C24, 27, 31, 35, 39, §**12194;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.18]

**643.19 Plaintiff's option.**

If the party found to be entitled to the property be not already in possession thereof by delivery under the provisions of this chapter or otherwise, the party may at the party's option have an execution for the delivery of the specific property, or for the value thereof as determined by the jury, and if any article of the property cannot be obtained on execution, the party may take the remainder, with the value of the missing articles.

[R60, §3563, 3568; C73, §3241; C97, §4178; C24, 27, 31, 35, 39, §**12195;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.19]

**643.20 Judgment on bond.**

When property for which a bond has been given as hereinbefore provided is not forthcoming to answer the judgment, and the party entitled thereto so elects, a judgment may be entered against the principal and sureties in the bond for its value.

[C73, §3242; C97, §4179; C24, 27, 31, 35, 39, §**12196;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.20]

**643.21 Concealment.**

When it appears by the return of the officer or by the affidavit of the plaintiff that any specific property which has been adjudged to belong to one party has been concealed or removed by the other, the court may require the concealer or remover to attend and be examined on oath respecting such matter, and may enforce its order in this respect as in case of contempt.

[R60, §3564; C73, §3243; C97, §4180; C24, 27, 31, 35, 39, §**12197;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.21]

Contempts, chapter 665

**643.22 Exemption.**

A money judgment rendered under the provisions of this chapter for property exempt from execution shall also be to the same extent exempt from execution, and from all setoff or diminution by any person, which exemption may, at the election of the party in interest, be stated in the judgment.

[R60, §4176; C73, §3244; C97, §4181; C24, 27, 31, 35, 39, §**12198;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §643.22]

# CHAPTER 644

RESERVED

# CHAPTER 645

RECOVERY OF MERCHANDISE OR DAMAGES

645.1 Definitions.
645.2 Actions for merchandise or damages.
645.3 Liability.

**645.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Mercantile establishment"* includes any place where merchandise is displayed, held, or offered for sale, either retail or wholesale.

2. *"Merchandise"* includes any object, ware, good, commodity, or other similar item displayed or offered for sale.

3. *"Owner"* means an owner of a mercantile establishment and includes a designated representative of the owner.

89 Acts, ch 99, §1; 97 Acts, ch 97, §1

**645.2 Actions for merchandise or damages.**

An action for recovery of merchandise or the purchase price, damages, and costs may be brought by an owner pursuant to this chapter in any court of competent jurisdiction, including a court of small claims if the claim does not exceed jurisdictional limits.

A conviction under chapter 714 is not required as a condition precedent to the maintenance of an action pursuant to this chapter.

89 Acts, ch 99, §2

**645.3 Liability.**

1. A person who knowingly and without claim of right wrongfully appropriates, takes possession of, or alters the price indicia of merchandise of a mercantile establishment without the consent of the owner and with the intent to convert the merchandise to the person's own use without having paid the full purchase price for it, is liable for:

*a.* The return of the merchandise or the purchase price of the merchandise, provided that the merchandise is not evidence in a criminal proceeding under chapter 714.

*b.* Actual damages for any decrease in value of the merchandise returned.

*c.* The greater of fifty dollars or actual costs, not to exceed two hundred dollars, incurred by the owner in recovering the merchandise or damages pursuant to this chapter.

2. Damages awarded under this section shall be reduced by any amount received by the owner pursuant to court ordered restitution under chapter 232A or 910.

3. The parent or parents of an unemancipated minor child under the age of eighteen years

are liable for any judgment awarded against the child pursuant to subsection 1 in accordance with, and subject to the limits established in, section 613.16.

89 Acts, ch 99, §3

# CHAPTER 646

## RECOVERY OF REAL PROPERTY

Referred to in §29A.101


646.1 Ordinary proceedings — joinder — counterclaim.
646.2 Parties.
646.3 Title.
646.4 Tenant in common.
646.5 Service on agent.
646.6 Petition.
646.7 Abstract of title.
646.8 Unwritten muniments of title — unrecorded conveyances.
646.9 Evidence — abstract amended.
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646.11 Landlord substituted.
646.12 Possession.
646.13 Purchase pending suit.
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646.15 Service.
646.16 Verdict — special.
646.17 General verdict.
646.18 Judgment for damages.
646.19 Use and occupation.
646.20 Improvements set off.
646.21 Wanton aggression.
646.22 Tenant — extent of liability.
646.23 Growing crops — bond.
646.24 Writ of possession.
646.25 Judgment for rent accruing.


**646.1 Ordinary proceedings — joinder — counterclaim.**

Actions for the recovery of real property shall be by ordinary proceedings, and there shall be no joinder and no counterclaim therein, except of like proceedings, and as provided in this chapter.

[R60, §4177; C73, §3245; C97, §4182; C24, 27, 31, 35, 39, §**12230;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.1]

**646.2 Parties.**

Any person having a valid subsisting interest in real property, and a right to the immediate possession thereof, may recover the same by action against any person acting as owner, landlord, or tenant of the property claimed.

[C51, §2002; R60, §3569; C73, §3246; C97, §4183; C24, 27, 31, 35, 39, §**12231;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.2]

**646.3 Title.**

The plaintiff must recover on the strength of the plaintiff's own title.

[C51, §2020; R60, §3591; C73, §3247; C97, §4184; C24, 27, 31, 35, 39, §**12232;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.3]

**646.4 Tenant in common.**

In an action by a tenant in common or joint tenant of real property against the cotenant, the plaintiff must show, in addition to the plaintiff's evidence of right, that the defendant either denied the plaintiff's right, or did some act amounting to such denial.

[C51, §2027; R60, §3605; C73, §3248; C97, §4185; C24, 27, 31, 35, 39, §**12233;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.4]

**646.5 Service on agent.**

When the defendant is a nonresident having an agent of record for the property in the state, service may be made upon such agent in the same manner and with the like effect as though made on the principal.

[C51, §2004; R60, §3572; C73, §3249; C97, §4186; C24, 27, 31, 35, 39, §**12234;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.5]

**646.6 Petition.**

The petition may state generally that the plaintiff is entitled to the possession of the premises, particularly describing them, also the quantity of the plaintiff's estate and the extent of the plaintiff's interest therein, and that the defendant unlawfully keeps the plaintiff out of possession, and the damages, if any, which the plaintiff claims for withholding the same; but if the plaintiff claims other damages than the rents and profits, the plaintiff shall state the facts constituting the cause thereof.

[R60, §3570; C73, §3250; C97, §4187; C24, 27, 31, 35, 39, §**12235;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.6]

**646.7 Abstract of title.**

The plaintiff shall attach to the petition, and the defendant to the answer, if the party claims title, an abstract of the title relied on, showing from and through whom such title was obtained, together with a statement showing the page and book where the same appears of record.

[C73, §3251; C97, §4188; C24, 27, 31, 35, 39, §**12236;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.7]

Abstracts, R.C.P. 1.1204

**646.8 Unwritten muniments of title — unrecorded conveyances.**

If such title, or any portion thereof, is not in writing, or does not appear of record, such fact shall be stated in the abstract, and either party shall furnish the adverse party with a copy of any unrecorded conveyance, or furnish a satisfactory reason for not so doing within a reasonable time after demand therefor.

[C73, §3251; C97, §4188; C24, 27, 31, 35, 39, §**12237;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.8]

**646.9 Evidence — abstract amended.**

No written evidence of title shall be introduced on the trial unless it has been sufficiently referred to in such abstract, which, on motion, may be made more specific, or may be amended by the party setting it out.

[C73, §3251; C97, §4188; C24, 27, 31, 35, 39, §**12238;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.9]

**646.10 Answer.**

The answer of the defendant, and each if more than one, must set forth what part of the land the defendant claims and what interest the defendant claims therein generally, and if as mere tenant, the name and residence of the landlord.

[C51, §2005; R60, §3573; C73, §3252; C97, §4189; C24, 27, 31, 35, 39, §**12239;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.10]

**646.11 Landlord substituted.**

When it appears that the defendant is only a tenant, the landlord may be substituted by the service upon the landlord of original notice, or by the landlord's voluntary appearance, in which case the judgment shall be conclusive against the landlord.

[C51, §2003; R60, §3571, 3589; C73, §3253; C97, §4190; C24, 27, 31, 35, 39, §**12240;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.11]

**646.12 Possession.**

When the defendant makes defense it is not necessary to prove the defendant in possession of the premises.

[C51, §2007; R60, §3575; C73, §3254; C97, §4191; C24, 27, 31, 35, 39, §**12241;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.12]

**646.13 Purchase pending suit.**

Any person acquiring title to land or any interest therein, after commencement of an action under this chapter to recover the same, shall take subject to notice of and without prejudice to the rights of the parties to such action.

[R60, §3578; C73, §3255; C97, §4192; C24, 27, 31, 35, 39, §**12242;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.13]

**646.14 Order to enter and survey.**

The court on motion, and after notice to the opposite party, may for cause shown grant an order allowing the party applying therefor to enter upon the land in controversy and make survey thereof for the purposes of the action.

[C51, §2021; R60, §3592; C73, §3256; C97, §4193; C24, 27, 31, 35, 39, §**12243;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.14]

**646.15 Service.**

The order must describe the property, and a copy thereof must be served upon the owner or person having the occupancy and control of the land.

[C51, §2022; R60, §3593; C73, §3257; C97, §4194; C24, 27, 31, 35, 39, §**12244;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.15]

**646.16 Verdict — special.**

The verdict may specify the extent and quantity of the plaintiff's estate and the premises to which the plaintiff is entitled, with reasonable certainty, by metes and bounds and other sufficient description, according to the facts as proved.

[R60, §3594; C73, §3258; C97, §4195; C24, 27, 31, 35, 39, §**12245;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.16]

**646.17 General verdict.**

A general verdict in favor of the plaintiff, without such specifications, entitles the plaintiff to the quantity of interest or estate in the premises as set forth and described in the petition.

[R60, §3595; C73, §3259; C97, §4196; C24, 27, 31, 35, 39, §**12246;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.17]

**646.18 Judgment for damages.**

If the interest of the plaintiff expires before the time in which the plaintiff could be put in possession, the plaintiff can obtain a judgment for damages only.

[C51, §2010; R60, §3579; C73, §3260; C97, §4197; C24, 27, 31, 35, 39, §**12247;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.18]

**646.19 Use and occupation.**

The plaintiff cannot recover for the use and occupation of the premises for more than five years prior to the commencement of the action.

[C51, §2008; R60, §3576; C73, §3261; C97, §4198; C24, 27, 31, 35, 39, §**12248;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.19]

**646.20 Improvements set off.**

When the plaintiff is entitled to damages for withholding or using or injuring the plaintiff's property, the defendant may set off the value of any permanent improvements made thereon to the extent of the damages, unless the defendant prefers to take advantage of the law for the benefit of occupying claimants.

[C51, §2023; R60, §3596; C73, §3262; C97, §4199; C24, 27, 31, 35, 39, §**12249;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.20]

Occupying claimants, chapter 560

**646.21 Wanton aggression.**

In case of wanton aggression on the part of the defendant, the jury may award exemplary damages.

[C51, §2024; R60, §3597; C73, §3263; C97, §4200; C24, 27, 31, 35, 39, §**12250;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.21]

**646.22 Tenant — extent of liability.**

A tenant in possession in good faith, under a lease or license from another, is not liable beyond the rent in arrear at the time of suit brought for the recovery of land, and that which may afterward accrue during the continuance of the tenant's possession.

[R60, §3598; C73, §3264; C97, §4201; C24, 27, 31, 35, 39, §**12251;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.22]

**646.23 Growing crops — bond.**

If the defendant avers that the defendant has a crop sowed, planted, or growing on the premises, the jury, finding for the plaintiff, and also finding that fact, shall further find the value of the premises from the date of the trial until the first day of January next succeeding, and no execution for possession shall be issued until that time, if the defendant executes, with surety to be approved by the clerk, a bond in double such sum to the plaintiff, conditioned to pay at said date the sum so assessed, which shall be part of the record, and shall have the force and effect of a judgment, and if not paid at maturity the clerk, on the application of the plaintiff, shall issue execution thereon against all the obligors.

[R60, §3599; C73, §3265; C97, §4202; C24, 27, 31, 35, 39, §**12252;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.23]

Referred to in §602.8102(111)

**646.24 Writ of possession.**

When the plaintiff shows that the plaintiff is entitled to the immediate possession of the premises, judgment shall be entered and an execution issued accordingly.

[C51, §2009; R60, §3577; C73, §3266; C97, §4203; C24, 27, 31, 35, 39, §**12253;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.24]

**646.25 Judgment for rent accruing.**

The plaintiff may have judgment for the rent or rental value of the premises which accrues after judgment and before delivery of possession, by motion in the court in which the judgment was rendered, ten days' notice thereof in writing being given, unless judgment is stayed by appeal and bond given to suspend the judgment, in which case the motion may be made after the affirmance thereof.

[R60, §3600; C73, §3267; C97, §4204; C24, 27, 31, 35, 39, §**12254;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §646.25]

# CHAPTER 647

## RESTORATION OF LOST RECORDS


| | | | |
|---|---|---|---|
| 647.1 | Action in rem. | 647.4 | Filing of restored records — effect. |
| 647.2 | Proceedings. | 647.5 | Costs of restoration — how paid. |
| 647.3 | Proof required. | | |


**647.1 Action in rem.**

Whenever the public records in the office of any county official in this state have been or shall hereafter be lost or destroyed in any material part, the said county on relation of said public officer or the owner of any real estate affected thereby, may bring an action in rem in equity in the district court of the state in and for the county in which said real estate is situated against all known and unknown persons, firms, or corporations that might have any interest

in said real estate affected by said record, to have said lost or destroyed records restored in whole or in part.

Any number of parcels of land may be included in the same suit; and whenever said action is brought by the owner, the public official in whose office said lost or destroyed public records are required by law to be kept shall be made a defendant therein.

[S13, §4227-a; C24, 27, 31, 35, 39, §**12258;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §647.1]

**647.2 Proceedings.**

The petition, notice, and decree in said action to restore any lost or destroyed records, and all proceedings in said suit, so far as the same relate to unknown defendants, shall conform to the statutes of this state applicable to actions against unknown defendants and unknown claimants; and all known defendants shall be served with notice in the time and manner now provided by law; and whenever said action is brought by the owner of said real estate, all clouds upon said title and defects therein and all adverse claims thereto may be adjudicated in the same suit and title quieted therein.

The provisions of rule of civil procedure 1.1011 shall be applicable to defendants served with original notice in such action by publication.

[S13, §4227-b; C24, 27, 31, 35, 39, §**12259;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §647.2]

Unknown defendants, §617.7

**647.3 Proof required.**

No judgment or decree restoring any lost or destroyed record in such action shall be entered by default, but the court must require proof of the facts alleged in reference thereto and the court shall make such finding of facts and decree as may be sustained by the evidence and may order such lost or destroyed record to be prepared by said public official as completely as the circumstances and proof will permit, and said record when so prepared shall be approved by the court and its approval endorsed thereon by the clerk.

[S13, §4227-c; C24, 27, 31, 35, 39, §**12260;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §647.3]

Referred to in §602.8102(112)

**647.4 Filing of restored records — effect.**

All public records restored as provided by this chapter shall be filed, bound, and indexed the same as original records are required to be, and shall have the same force and effect as the original records before their loss or destruction.

[S13, §4227-d; C24, 27, 31, 35, 39, §**12261;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §647.4]

**647.5 Costs of restoration — how paid.**

Whenever any public record is restored, as provided in this chapter, all court costs and necessary expenses of restoring the same shall be paid by the county to which said records belong, whether said action is commenced or prosecuted by a county official or by the owner of any real estate authorized to maintain such action.

[SS15, §4227-e; C24, 27, 31, 35, 39, §**12262;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §647.5]

# CHAPTER 648

## FORCIBLE ENTRY AND DETAINER

Referred to in §29A.101, 555B.7, 555C.1, 555C.2, 562A.27A, 562B.25, 562B.25A, 562B.27, 602.6405, 631.4, 631.5


648.1 Grounds.
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648.16 Priority of assignment.
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648.19 No joinder or counterclaim — exception.
648.20 Order for removal.
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648.22 Judgment — execution — costs.
648.22A Executions involving mobile homes and manufactured homes.
648.22B Cases where mobile or manufactured home is the subject of a foreclosure action.
648.23 Restitution.


**648.1 Grounds.**

A summary remedy for forcible entry and detainer is allowable:

1. Where the defendant has by force, intimidation, fraud, or stealth entered upon the prior actual possession of another in real property, and detains the same.
2. Where the lessee holds over after the termination of the lease.
3. Where the lessee holds contrary to the terms of the lease.
4. Where the defendant continues in possession after a sale by foreclosure of a mortgage, or on execution, unless the defendant claims by a title paramount to the lien by virtue of which the sale was made, or by title derived from the purchaser at the sale; in either of which cases such title shall be clearly and concisely set forth in the defendant's pleading.
5. For the nonpayment of rent, when due.
6. When the defendant or defendants remain in possession after the issuance of a valid tax deed.

[C51, §2362, 2363; R60, §3952, 3953; C73, §3611, 3612; C97, §4208; C24, 27, 31, 35, 39, §**12263;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.1]

2004 Acts, ch 1101, §87

Referred to in §562A.26, 631.1, 648.3

**648.1A Nonprofit transitional housing exempted.**

This chapter shall not apply to occupancy in housing owned by a nonprofit organization whose purpose is to provide transitional housing for persons released from drug or alcohol treatment facilities or to provide housing for homeless persons. Absent an applicable provision in a lease, contract, or other agreement, a person who unlawfully remains on the premises of such housing may be subject to criminal trespass penalties pursuant to section 716.8.

2003 Acts, ch 154, §3

**648.2 By legal representatives.**

The legal representative of a person who, if alive, might have been plaintiff may bring this action after the person's death.

[C51, §2364; R60, §3954; C73, §3613; C97, §4209; C24, 27, 31, 35, 39, §**12264;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.2]

**648.3 Notice to quit.**

1. Before action can be brought under any ground specified in section 648.1, except section 648.1, subsection 1, three days' notice to quit must be given to the defendant in

writing. However, a landlord who has given a tenant three days' notice to pay rent and has terminated the tenancy as provided in section 562A.27, subsection 2, or section 562B.25, subsection 2, if the tenant is renting the manufactured or mobile home or the land from the landlord, may commence the action without giving a three-day notice to quit.

2. A notice to quit required under subsection 1 shall be served on the defendant according to one or more of the following methods:

*a.* Delivery evidenced by an acknowledgment of delivery that is signed and dated by a resident of the premises who is at least eighteen years of age. Delivery under this paragraph shall be deemed to provide notice to the defendant.

*b.* Personal service pursuant to rule of civil procedure 1.305, Iowa court rules, for the personal service of original notice.

*c.* Posting on the primary entrance door of the premises and mailing by both regular mail and certified mail, as defined in section 618.15, to the address of the premises or to the defendant's last known address, if different from the address of the premises. A notice posted according to this paragraph shall be posted within the applicable time period for serving notice and shall include the date the notice was posted.

3. A notice to quit served by mail under this section is deemed completed four days after the notice is deposited in the mail and postmarked for delivery, whether or not the recipient signs a receipt for the notice.

[C51, §2365; R60, §3955; C73, §3614; C97, §4210; C24, 27, 31, 35, 39, §**12265;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.3; 81 Acts, ch 183, §2]

84 Acts, ch 1054, §1; 2001 Acts, ch 153, §15; 2001 Acts, ch 176, §80; 2010 Acts, ch 1017, §8, 11; 2013 Acts, ch 30, §165

Referred to in §562A.27A, 562A.29A, 562B.25A, 562B.27A

Owner, landlord and tenant provisions, chapters 562, 562A, 562B

Subsection 1 amended

**648.4 Notice terminating tenancy.**

When the tenancy is at will and the action is based on the ground of the nonpayment of rent when due, no notice of the termination of the tenancy other than the three-day notice need be given before beginning the action.

[C24, 27, 31, 35, 39, §**12266;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.4]

Farm tenancies, §562.5 – 562.8

See also §562.4, chapters 562A, 562B

**648.5 Venue — service of original notice — hearing.**

1. An action for forcible entry and detainer shall be brought in a county where all or part of the premises is located. Such an action shall be tried as an equitable action. Upon receipt of the petition, the court shall set a date, time, and place for hearing. The court shall set the date of hearing no later than eight days from the filing date, except that the court shall set a later hearing date no later than fifteen days from the date of filing if the plaintiff requests or consents to the later date of hearing.

2. Original notice shall be served upon a defendant by one or more of the following methods:

*a.* Delivery evidenced by an acknowledgment of service that is signed and dated by a resident of the premises who is at least eighteen years of age. Delivery under this paragraph shall be deemed to provide notice to all tenants or residents of the premises. Service of original notice under this paragraph is invalid if the acknowledgment of service is signed and dated less than three days prior to the hearing.

*b.* Personal service pursuant to rule of civil procedure 1.305, Iowa court rules, for the personal service of original notice. Service of original notice under this paragraph shall not occur less than three days prior to the hearing.

*c.* If service cannot be made following two attempts using a method specified under paragraph "*a*" or "*b*", by posting on the primary entrance door of the premises and mailing by both regular mail and certified mail, as defined in section 618.15, to the address of the premises or to the defendant's last known address, if different from the address of the premises. An original notice posted according to this paragraph shall be posted not less than

three days prior to the hearing and shall include the date the original notice was posted. Service of original notice by mailing shall occur not less than three days prior to the hearing.

3. Service of original notice by mail is deemed completed four days after the notice is deposited in the mail and postmarked for delivery, whether or not the recipient signs a receipt for the original notice.

4. If service of original notice is made by posting and mailing under subsection 2, paragraph "*c*", the plaintiff shall, at or before the time of the hearing, file one or more affidavits describing the time and manner in which the notice was posted and mailed. The plaintiff shall attach copies of the documents that were mailed and posted to the affidavits.

5. A default judgment shall not be entered against a defendant if original notice has not been served on the defendant as required in this section. If the original notice cannot be served within the time periods required in this section, the court may set a new hearing date and time.

6. At the hearing, except for actions commenced as a small claim action under chapter 631, the court shall determine whether a genuine issue of material fact exists in the action. If the court determines that a genuine issue of material fact exists, an evidentiary hearing on the petition shall be held and the court shall continue the hearing to a future date and issue all appropriate orders relating to discovery and trial preparation.

[C51, §2367; R60, §3957; C73, §3616; C97, §4211; C24, 27, 31, 35, 39, §**12267;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.5]

86 Acts, ch 1130, §1; 95 Acts, ch 125, §14; 2004 Acts, ch 1101, §88; 2010 Acts, ch 1017, §9, 11

Referred to in §648.19

**648.6 Notice to lienholders.**

In cases covered by chapter 562B, a plaintiff shall send a copy of the petition, prior to the date set for hearing, by regular, certified, or restricted certified mail to the county treasurer and to each lienholder whose name and address are of record in the office of the county treasurer of the county where the mobile home or manufactured home is located.

98 Acts, ch 1107, §31; 2003 Acts, ch 154, §4

Referred to in §648.22A

**648.7 and 648.8** Repealed by 72 Acts, ch 1124, § 282.

**648.9 Change of venue.**

In any such action a change of place of trial may be had as in other cases.

[C51, §2367; R60, §3957; C73, §3616; C97, §4212; C24, 27, 31, 35, 39, §**12270;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.9]

**648.10 Service by publication.** Repealed by 2010 Acts, ch 1017, § 10, 11.

**648.11 through 648.14** Repealed by 72 Acts, ch 1124, § 282.

**648.15 How title tried.**

When title is put in issue, the cause shall be tried by equitable proceedings.

[C97, §4216; C24, 27, 31, 35, 39, §**12276;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.15]

Referred to in §648.17

**648.16 Priority of assignment.**

Such actions shall be accorded reasonable priority for assignment to assure their prompt disposition. No continuance shall be granted for the purpose of taking testimony in writing.

[C97, §4216; C24, 27, 31, 35, 39, §**12277;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.16]

Referred to in §648.17

**648.17 Remedy not exclusive.**

Nothing contained in sections 648.15 and 648.16 shall prevent a party from suing for trespass or from testing the right of property in any other manner.

[C51, §2371; R60, §3961; C73, §3620; C97, §4216; C24, 27, 31, 35, 39, §**12278;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.17]

**648.18 Possession — bar.**

Thirty days' peaceable possession with the knowledge of the plaintiff after the cause of action accrues is a bar to this proceeding.

[C51, §2372; R60, §3962; C73, §3621; C97, §4217; C24, 27, 31, 35, 39, §**12279;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.18]

Referred to in §648.22A, 648.22B

**648.19 No joinder or counterclaim — exception.**

1. An action under this chapter shall not be filed in connection with any other action, with the exception of a claim for rent or recovery as provided in section 555B.3, 562A.24, 562A.32, 562B.22, 562B.25, or 562B.27, nor shall it be made the subject of counterclaim.

2. When filed with an action for rent or recovery as provided in section 555B.3, 562A.24, 562A.32, 562B.22, 562B.25, or 562B.27, notice of hearing as provided in section 648.5 is sufficient.

3. An action under this chapter that is filed in connection with another action in accordance with this section shall be treated only as a joint filing of separate cases assigned separate case numbers, but with a single filing fee. The court shall not merge the causes of action. The court shall consider the jointly filed cases separately and shall consider each case according to the rules applicable to that type of case.

[C51, §2373; R60, §3963; C73, §3622; C97, §4218; C24, 27, 31, 35, 39, §**12280;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.19]

86 Acts, ch 1130, §3; 88 Acts, ch 1138, §17; 93 Acts, ch 154, §22; 2000 Acts, ch 1210, §1

Referred to in §562B.30

**648.20 Order for removal.**

The order for removal can be executed only in the daytime.

[C51, §2374; R60, §3964; C73, §3623; C97, §4219; C24, 27, 31, 35, 39, §**12281;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.20]

**648.21** Repealed by 72 Acts, ch 1124, § 282.

**648.22 Judgment — execution — costs.**

If the defendant is found guilty, judgment shall be entered that the defendant be removed from the premises, and that the plaintiff be put in possession of the premises, and an execution for the defendant's removal within three days from the judgment shall issue accordingly, to which shall be added a clause commanding the officer to collect the costs as in ordinary cases.

[C51, §2370; R60, §3960; C73, §3619; C97, §4221; C24, 27, 31, 35, 39, §**12283;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.22]

86 Acts, ch 1130, §4; 95 Acts, ch 125, §15

Referred to in §648.22A

**648.22A Executions involving mobile homes and manufactured homes.**

1. In cases covered by chapter 562B, prior to the expiration of three days from the date the judgment is entered pursuant to section 648.22, the plaintiff or defendant may elect to leave a mobile home or manufactured home and its contents in the manufactured home community or mobile home park for up to sixty days after the date of the judgment provided all of the following occur:

*a.* The plaintiff consents and the plaintiff has complied with the provisions of section 648.6.

*b.* The party making the election files a written notice of such election with the court and

sends a copy of the notice of election with a copy of the judgment to the sheriff, the other party at the other party's last known address, each record lienholder, and the county treasurer in the same manner as in section 648.6.

*c.* All utilities to the mobile home or manufactured home are disconnected prior to expiration of three days from the filing of the election. Payment of any reasonable costs incurred in disconnecting utilities and protecting the home from damage is the responsibility of the defendant.

2. During the sixty-day period the defendant may have reasonable access to the home site to show the home to prospective purchasers, prepare the home for removal, remove any personal property, or remove the home, provided that the defendant gives the plaintiff at least twenty-four hours' notice prior to each exercise of the defendant's right of access. The plaintiff may also have reasonable access to the home site to disconnect utilities and to show the home to prospective purchasers sent by the defendant. The plaintiff shall not have the right to sell the home during the sixty-day period unless the defendant enters into a written agreement for the plaintiff to sell the home.

3. During the sixty-day period the defendant shall not occupy the home or be present on the premises between the hours of seven p.m. and seven a.m. A violation of this subsection shall be punishable as contempt.

4. If the plaintiff or defendant finds a purchaser of the home, who is a prospective tenant of the manufactured home community or mobile home park, the provisions of section 562B.19, subsection 3, paragraph "*c*", shall apply.

5. If, within the sixty-day period, the home is not sold to an approved purchaser or removed from the manufactured home community or mobile home park, the plaintiff may sell or dispose of the home in accordance with the provisions of section 555B.9 without an order for disposal, or chapter 555C, and may do so free and clear of all liens, claims, or encumbrances of third parties except any tax lien, at which time all of the following shall occur:

*a.* The proceeds from the sale shall first be applied to any judgments against the defendant obtained by the plaintiff, any unpaid rent or additional costs incurred by plaintiff, and reasonable attorney fees. Any remaining proceeds shall next be applied to any tax lien with the remainder to be held in accordance with section 555B.9, subsection 3, paragraph "*c*".

*b.* Any money judgment against the defendant and in favor of the plaintiff relating to the previous tenancy shall be deemed satisfied, except those arising from independent torts.

*c.* If plaintiff elects to retain the home pursuant to section 555B.9, the county treasurer, upon receipt of a fee equal to the fee specified in section 321.42 for replacement of certificates of title for motor vehicles, and upon receipt of an affidavit submitted by the plaintiff verifying that the home was not sold to an approved purchaser or removed within the time specified in this subsection, shall issue to the plaintiff a new title for the home.

6. A purchaser of the home shall be liable for any unpaid sums due the plaintiff, sheriff, or county treasurer. For the purposes of this section, "*purchaser*" includes a lienholder or other claimant acquiring title to the home in whole or in part by reason of a lien or other claim.

7. Nothing in this section shall prevent the defendant from removing the mobile home or manufactured home prior to the expiration of three days after entry of judgment, after which time a mobile home or manufactured home shall not be removed without the prior payment to the plaintiff of all sums owing at the time of entry of judgment, interest accrued on such sums as provided by law, and per diem rent for that portion of the sixty-day period which has expired prior to removal, and payment of any taxes due on the home which are not abated pursuant to subsection 5.

8. In any case where this section has become operative, section 648.18 does not apply.

9. This section does not preclude the exercise of a lienholder's rights under section 648.22B.

98 Acts, ch 1107, §32; 2001 Acts, ch 153, §16; 2003 Acts, ch 154, §5

**648.22B Cases where mobile or manufactured home is the subject of a foreclosure action.**

1. When a mobile or manufactured home located in a manufactured home community or mobile home park is the subject of an action by a lienholder to foreclose a lienhold interest, the plaintiff may advance all moneys due and owing to the landlord and enter into an agreement with the court to pay to the landlord before delinquency all rent, reasonable upkeep, and other reasonable charges thereafter accruing on the home and space that it occupies, in which case any writ of execution on a judgment under this chapter will be stayed until the home is sold in place as provided by law or removed from the manufactured home community or mobile home park at the plaintiff's expense.

2. When the conditions of subsection 1 have been satisfied, the clerk of court shall so notify the sheriff of the county in which the mobile or manufactured home is located.

3. The landlord shall have standing to intervene in the foreclosure proceedings or to file a separate action to compel compliance with the lienholder's undertaking pursuant to subsection 1 and shall be entitled to recover costs and attorney fees incurred.

4. All expenditures made by a lienholder pursuant to subsection 1 shall be recoverable from the lien debtor in the foreclosure proceedings as protective disbursements whether or not provision is made for such recovery in the documentation of the subject lien.

5. In any case where this section has become operative, the provisions of section 648.18 shall not apply.

2000 Acts, ch 1210, §2; 2001 Acts, ch 153, §16

Referred to in §648.22A

**648.23 Restitution.**

The court, on the trial of an appeal, may issue an execution for removal or restitution, as the case may require.

[C51, §2376; R60, §3966; C73, §3624; C97, §4222; C24, 27, 31, 35, 39, §**12284;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §648.23]

# CHAPTER 649

## QUIETING TITLE


| | | | |
|---|---|---|---|
| 649.1 | Who may bring action. | 649.5 | Demand for quitclaim — attorney fees. |
| 649.2 | Petition. | 649.6 | Equitable proceedings. |
| 649.3 | Notice. | 649.7 | Deeds — recitals — rebuttable and conclusive presumptions. |
| 649.4 | Disclaimer — costs. | 649.8 | Construction of Act. |


**649.1 Who may bring action.**

An action to determine and quiet the title of real property may be brought by anyone, whether in or out of possession, having or claiming an interest therein, against any person claiming title thereto, though not in possession.

[C51, §2025; R60, §3601; C73, §3273; C97, §4223; C24, 27, 31, 35, 39, §**12285;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §649.1]

**649.2 Petition.**

The petition therefor must be under oath, setting forth the nature and extent of the petitioner's estate, and describing the premises as accurately as may be, and that the petitioner is credibly informed and believes the defendant makes or may make some claims adverse to the petitioner, and praying for the establishment of the plaintiff's estate, and that

the defendant be barred and forever estopped from having or claiming any right or title to the premises adverse to the plaintiff.

[R60, §3602; C73, §3274; C97, §4224; C24, 27, 31, 35, 39, §**12286;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §649.2]

**649.3 Notice.**

The notice in such action shall accurately describe the property, and, in general terms, the nature and extent of the plaintiff's claim, and shall be served as in other cases.

[C73, §3274; C97, §4224; C24, 27, 31, 35, 39, §**12287;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §649.3]

**649.4 Disclaimer — costs.**

If the defendant appears and disclaims all right and title adverse to the plaintiff, the defendant shall recover the defendant's costs. In all other cases the costs shall be in the discretion of the court.

[R60, §3603; C73, §3275; C97, §4225; C24, 27, 31, 35, 39, §**12288;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §649.4]

**649.5 Demand for quitclaim — attorney fees.**

If a party, twenty days or more before bringing suit to quiet a title to real estate, requests of the person holding an apparent adverse interest or right therein the execution of a quitclaim deed thereto, and also tenders to the person one dollar and twenty-five cents to cover the expense of the execution and delivery of the deed, and if the person refuses or neglects to comply, the filing of a disclaimer of interest or right shall not avoid the costs in an action afterwards brought, and the court may, in its discretion, if the plaintiff succeeds, assess, in addition to the ordinary costs of court, an attorney fee for plaintiff's attorney, not exceeding twenty-five dollars if there is but a single tract not exceeding forty acres in extent, or a single lot in a city, involved, and forty dollars, if but a single tract exceeding forty acres and not more than eighty acres. In cases in which two or more tracts are included that may not be embraced in one description, or single tracts covering more than eighty acres, or two or more city lots, a reasonable fee may be assessed, not exceeding, proportionately, those provided for in this section.

[C97, §4226; C24, 27, 31, 35, 39, §**12289;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §649.5]
86 Acts, ch 1237, §37

**649.6 Equitable proceedings.**

In all other respects, the action contemplated in this chapter shall be conducted as other actions by equitable proceedings, so far as the same may be applicable, with the modifications prescribed.

[C51, §2026; R60, §3604; C73, §3276; C97, §4227; C24, 27, 31, 35, 39, §**12290;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §649.6]

**649.7 Deeds — recitals — rebuttable and conclusive presumptions.**

In the proof of title to real estate derived from deeds or other conveyances affecting real estate, executed prior to January 1, 1905, where it appears from recitals therein that such deeds or other conveyances have been executed in pursuance to a contract assigned by the original vendee or the vendee's assignee to the grantee in such deeds or other conveyances, the recitals thereof shall be presumptive evidence of the truth of said recitals, and of the fact of said assignment, and that such assignment was made in good faith for a valuable consideration, and no action shall be maintained by such original vendee, assignee, or any person or persons holding by, through, or under such vendee or assignee, against the grantee in said deed or other conveyance, and the grantee's grantees in the record chain of title, and said recitals shall be conclusive evidence of the fact of such assignment and that it was made in good faith and for a valuable consideration.

[C24, 27, 31, 35, 39, §**12291;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §649.7]
Referred to in §649.8

**649.8 Construction of Act.**
Section 649.7 shall not be construed to remove the bar of any other statute of limitations.
[C24, 27, 31, 35, 39, §**12292;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §649.8]

# CHAPTER 650

## DISPUTED CORNERS AND BOUNDARIES

Referred to in §355.4


650.1 When allowed.
650.2 County as party.
650.3 Notice.
650.4 Nature of action.
650.5 Petition.
650.6 Specific issues — acquiescence.
650.7 Commission.
650.8 Oath — assistants.
650.9 Hearing.
650.10 Finding as to acquiescence.
650.11 Adjournments — report.
650.12 Exceptions — hearing in court.
650.13 Decree conclusive.
650.14 Boundaries by acquiescence established.
650.15 Appeal.
650.16 Costs.
650.17 Boundaries by agreement.


**650.1 When allowed.**
When one or more owners of land, the corners and boundaries of which are lost, destroyed, or in dispute, desire to have the same established, they may bring an action in the district court of the county where such lost, destroyed, or disputed corners or boundaries, or part thereof, are situated, against the owners of the other tracts which will be affected by the determination or establishment thereof, to have such corners or boundaries ascertained and permanently established.
[C97, §4228; C24, 27, 31, 35, 39, §**12293;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.1]

**650.2 County as party.**
If any public road is likely to be affected thereby, the proper county shall be made defendant.
[C97, §4228; C24, 27, 31, 35, 39, §**12294;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.2]

**650.3 Notice.**
Notice of such action shall be given as in other cases, and if the defendants or any of them are nonresidents of the state, or unknown, they may be served by publication as is provided by law.
[C97, §4229; C24, 27, 31, 35, 39, §**12295;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.3]

**650.4 Nature of action.**
The action shall be a special one.
[C97, §4230; C24, 27, 31, 35, 39, §**12296;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.4]

**650.5 Petition.**
The only necessary pleading therein shall be the petition of plaintiff describing the land involved, and, so far as may be, the interest of the respective parties, and asking that certain corners and boundaries therein described, as accurately as may be, shall be established.
[C97, §4230; C24, 27, 31, 35, 39, §**12297;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.5]

**650.6 Specific issues — acquiescence.**
Either the plaintiff or defendant may, by proper plea, put in issue the fact that certain alleged boundaries or corners are the true ones, or that such have been recognized and acquiesced in by the parties or their grantors for a period of ten consecutive years, which issue may be tried before commission is appointed, in the discretion of the court.
[C97, §4230; C24, 27, 31, 35, 39, §**12298;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.6]

**650.7 Commission.**

The court in which the action is brought shall appoint a commission of one or more disinterested licensed professional land surveyors, who shall, at a date and place fixed by the court in the order of appointment, proceed to locate the lost, destroyed, or disputed corners and boundaries.

[C97, §4231; C24, 27, 31, 35, 39, §**12299;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.7]
2012 Acts, ch 1009, §34

**650.8 Oath — assistants.**

The commissioners so appointed shall subscribe and file with the clerk, within ten days from the date of their appointment, an oath for the faithful and impartial discharge of their duties, and shall have the power to appoint necessary assistants.

[C97, §4232; C24, 27, 31, 35, 39, §**12300;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.8]

**650.9 Hearing.**

At the time and in the manner specified in the order of court, the commission shall proceed to locate said boundaries and corners, and for that purpose may take the testimony of witnesses as to where the true boundaries and corners are located.

[C97, §4233; C24, 27, 31, 35, 39, §**12301;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.9]

**650.10 Finding as to acquiescence.**

If that issue is presented, the commission shall also take testimony as to whether the boundaries and corners alleged to have been recognized and acquiesced in for ten years or more have in fact been recognized and acquiesced in, and, if it finds affirmatively on such issue, shall incorporate the same into the report to the court.

[C97, §4233; C24, 27, 31, 35, 39, §**12302;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.10]

**650.11 Adjournments — report.**

The proceedings may be adjourned by the commission from time to time as may be necessary, but the survey and location of the corners and boundaries must be completed and the report thereof filed with the clerk of the court within sixty days after its appointment, unless there are good and sufficient reasons for delay.

[C97, §4234; C24, 27, 31, 35, 39, §**12303;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.11]

**650.12 Exceptions — hearing in court.**

Within twenty days after such report is filed, any party interested may file exceptions thereto and the court shall hear and determine them, hearing evidence in addition to that reported by the commission, if necessary, and may approve or modify such report, or again refer the matter to the same or another commission for further report.

[C97, §4235; C24, 27, 31, 35, 39, §**12304;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.12]

**650.13 Decree conclusive.**

The corners and boundaries finally established by the court in such proceeding, or on appeal therefrom, shall be binding upon the parties as the corners or boundaries which had been lost, destroyed, or in dispute.

[C97, §4236; C24, 27, 31, 35, 39, §**12305;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.13]

**650.14 Boundaries by acquiescence established.**

If it is found that the boundaries and corners alleged to have been recognized and acquiesced in for ten years have been so recognized and acquiesced in, such recognized boundaries and corners shall be permanently established.

[C97, §4236; C24, 27, 31, 35, 39, §**12306;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.14]

**650.15 Appeal.**

There shall be no appeal in such proceeding, except from final judgment of the court, taken in the time and manner that other appeals are, and heard as in an action by ordinary proceedings.

[C97, §4237; C24, 27, 31, 35, 39, §**12307;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.15]

**650.16 Costs.**

The costs in the proceeding shall be assessed as the court deems just, and shall be a lien on the land or interest therein owned by the party or parties against whom they are assessed, so far as such land is involved in the proceeding.

[C97, §4238; C24, 27, 31, 35, 39, §**12308;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.16]

86 Acts, ch 1237, §38

**650.17 Boundaries by agreement.**

Any lost or disputed corner or boundary may be determined by written agreement of all parties thereby affected, signed and acknowledged by each as required for conveyances of real estate, clearly designating the same, and accompanied by a plat thereof, which shall be recorded as an instrument affecting real estate, and shall be binding upon their heirs, successors, and assigns.

[C97, §4239; C24, 27, 31, 35, 39, §**12309;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §650.17]

Acknowledgment, §558.20 et seq.

# CHAPTER 651

## PARTITION

Referred to in §499B.13

For Iowa court rules concerning partition of real and personal property, see R.C.P. 1.1201 – 1.1228


651.1 Share of absent owner.
651.2 Answer.
651.3 Partition of part.
651.4 Costs attending transcript.
651.5 Sales disapproved.
651.6 Security to refund money.


**651.1 Share of absent owner.**

The ascertained share of any absent owner shall be retained, or the proceeds invested for the owner's benefit, under like order.

[C51, §2070; R60, §3648; C73, §3280; C97, §4243; C24, 27, 31, 35, 39, §**12317;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §651.1]

**651.2 Answer.**

The answers of the defendants must state, among other things, the amount and nature of their respective interests. They may deny the interest of any of the plaintiffs, and by supplemental pleading, if necessary, may deny the interest of any of the other defendants.

[C51, §2032; R60, §3610; C73, §3282; C97, §4245; C24, 27, 31, 35, 39, §**12318;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §651.2]

**651.3 Partition of part.**

When partition can be conveniently made of part of the premises but not of all, one portion may be partitioned and the other sold, as provided in this chapter.

[C51, §2062; R60, §3640; C73, §3294; C97, §4257; C24, 27, 31, 35, 39, §**12332;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §651.3]

**651.4 Costs attending transcript.**

The costs of making and recording such transcript shall be assessed as part of the costs in the case.

[S13, §4259; C24, 27, 31, 35, 39, §**12338;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §651.4]
86 Acts, ch 1237, §39

**651.5 Sales disapproved.**

If the sales are disapproved, the money paid and the securities given must be returned to the persons respectively entitled thereto.

[C51, §2058; R60, §3636; C73, §3304; C97, §4269; C24, 27, 31, 35, 39, §**12348;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §651.5]

**651.6 Security to refund money.**

The court in its discretion may require all or any of the parties, before they receive the moneys arising from any sale authorized in this chapter, to give satisfactory security to refund the same, with interest, in case it afterward appears that such parties were not entitled thereto.

[C51, §2054; R60, §3632; C73, §3305; C97, §4270; C24, 27, 31, 35, 39, §**12349;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §651.6]

# CHAPTERS 652 and 653

RESERVED

# CHAPTER 654

## FORECLOSURE OF REAL ESTATE MORTGAGES

Referred to in §8.45, 15E.204, 15E.207, 252B.6A, 455B.172, 455B.751, 558A.1, 602.8105, 615.1, 615.3, 654A.1, 654A.6, 654A.8, 655A.8, 809A.12

See also chapter 615

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## GENERAL PROVISIONS

**654.1 Equitable proceedings.**

Except as provided in section 654.18, a deed of trust or mortgage of real estate shall not be foreclosed in any other manner than by action in court by equitable proceedings.

[C51, §2083, 2096; R60, §3660, 3673, 4179; C73, §3319; C97, §4287; C24, 27, 31, 35, 39, §**12372;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.1]

85 Acts, ch 252, §45

**654.1A Maintenance of mortgagor protections — discontinuation of occupation.**

For purposes of sections 615.1, 615.3, 628.28, 654.2D, 654.20, 654.21, and 654.26, property shall be deemed the residence of and occupied by the mortgagor where occupation has ceased because of the effects of natural disaster, injury to the property not willfully caused by the mortgagor, or the mortgagor's national guard duty or federal active duty as those terms are defined in section 29A.1.

2009 Acts, ch 51, §4, 17; 2012 Acts, ch 1072, §39

**654.2 Deeds of trust.**

Deeds of trust of real property may be executed as securities for the performance of contracts, and shall be considered as, and foreclosed like, mortgages.

[C51, §2096; R60, §3673; C73, §3318; C97, §4284; C24, 27, 31, 35, 39, §**12373;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.2]

**654.2A Agricultural land — notice, right to cure default.**

1. A creditor shall not initiate an action pursuant to this chapter to foreclose on a deed of trust or mortgage on agricultural land, as defined in section 9H.1, until the creditor has complied with this section.

2. A creditor who believes in good faith that a borrower on a deed of trust or mortgage on agricultural land is in default may give the borrower notice of the alleged default, and, if the borrower has a right to cure the default, shall give the borrower the notice of right to

cure provided in section 654.2B. The notice is deemed received if sent by certified mail to the borrower.

3. The borrower has a right to cure the default unless the creditor has given the borrower a proper notice of right to cure with respect to two prior defaults on the obligation secured by the deed of trust or mortgage, or the borrower has voluntarily surrendered possession of the agricultural land and the creditor has accepted it in full satisfaction of any debt owing on the obligation in default. The borrower does not have a right to cure the default if the creditor has given the borrower a proper notice of right to cure with respect to a prior default within twelve months prior to the alleged default.

4. If the borrower has a right to cure a default:

*a.* A creditor shall not accelerate the maturity of the unpaid balance of the obligation, demand or otherwise take possession of the land, other than by accepting a voluntary surrender of it, or otherwise attempt to enforce the obligation until forty-five days after a proper notice of right to cure is given. The time period for a request for mediation pursuant to chapter 654A shall run concurrently with the period for the notice to cure under this section.

*b.* Until the expiration of forty-five days after notice is given, the borrower may cure the default by tendering either the amount of all unpaid installments due at the time of tender, without acceleration, plus a delinquency charge of the scheduled annual interest rate plus five percent per annum for the period between the giving of the notice of right to cure and the tender, or the amount stated in the notice of right to cure, whichever is less, or by tendering any performance necessary to cure a default other than nonpayment of amounts due, which is described in the notice of right to cure.

5. The act of curing a default restores to the borrower the borrower's rights under the obligation and the deed of trust or mortgage, except as provided in subsection 3.

6. This section does not prohibit a borrower from voluntarily surrendering possession of the agricultural land, and does not prohibit the creditor from enforcing the creditor's interest in the land at any time after compliance with this section.

86 Acts, ch 1214, §10
Referred to in §654.2D, 654.4B, 654A.6
Legislative findings; 86 Acts, ch 1214, §1

**654.2B Requirements of notice of right to cure.**

The notice of right to cure shall be in writing and shall conspicuously state the name, address, and telephone number of the creditor or other person to which payment is to be made, a brief identification of the obligation secured by the deed of trust or mortgage and of the borrower's right to cure the default, a statement of the nature of the right to cure the default, a statement of the nature of the alleged default, a statement of the total payment, including an itemization of any delinquency or deferral charges, or other performance necessary to cure the alleged default, and the exact date by which the amount must be paid or performance tendered and a statement that if the borrower does not cure the alleged default the creditor or a person acting on behalf of the creditor is entitled to proceed with initiating a foreclosure action or procedure. The failure of the notice of right to cure to comply with one or more provisions of this section is not a defense or claim in any action pursuant to this chapter and does not invalidate any procedure pursuant to chapter 655A, unless the person asserting the defense, claim, or invalidity proves that the person was substantially prejudiced by such failure.

86 Acts, ch 1214, §11; 87 Acts, ch 142, §13; 91 Acts, ch 46, §1
Referred to in §654.2A, 654.2D
Legislative findings; 86 Acts, ch 1214, §1

**654.2C Mediation notice — foreclosure on agricultural property.**

A person shall not initiate a proceeding under this chapter to foreclose a deed of trust or mortgage on agricultural property, as defined in section 654A.1, which is subject to chapter 654A and which is subject to a debt of twenty thousand dollars or more under the deed of trust or mortgage unless the person receives a mediation release under section 654A.11, or unless the court determines after notice and hearing that the time delay required for the mediation

would cause the person to suffer irreparable harm. Title to land that is agricultural property is not affected by the failure of any creditor to receive a mediation release, regardless of its validity.

86 Acts, ch 1214, §12; 87 Acts, ch 73, §1
Legislative findings; 86 Acts, ch 1214, §1

**654.2D Nonagricultural land — notice, right to cure default.**

1. Except as provided in section 654.2A, a creditor shall comply with this section before initiating an action pursuant to this chapter or initiating the procedure established pursuant to chapter 655A to foreclose on a deed of trust or mortgage.

2. A creditor who believes in good faith that a borrower on a deed of trust or mortgage on a homestead is in default shall give the borrower a notice of right to cure as provided in section 654.2B. A creditor gives the notice when the creditor delivers the notice to the consumer or mails the notice to the borrower's residence as defined in section 537.1201, subsection 4.

3. The borrower has a right to cure the default within thirty days from the date the creditor gives the notice.

4. *a.* The creditor shall not accelerate the maturity of the unpaid balance of the obligation, demand or otherwise take possession of the land, otherwise than by accepting a voluntary surrender of it, or otherwise attempt to enforce the obligation until thirty days after a proper notice of right to cure is given.

*b.* Until the expiration of thirty days after notice is given, the borrower may cure the default by tendering either the amount of all unpaid installments due at the time of tender, without acceleration, or the amount stated in the notice of right to cure, whichever is less, or by tendering any other performance necessary to cure a default which is described in the notice of right to cure.

5. The act of curing a default restores to the borrower the borrower's rights under the obligation and the deed of trust or mortgage.

6. This section does not prohibit the creditor from enforcing the creditor's interest in the land at any time after the creditor has complied with this section and the borrower did not cure the alleged default.

7. A borrower has a right to cure the default unless the creditor has given the borrower a proper notice of right to cure with respect to a prior default which occurred within three hundred sixty-five days of the present default.

8. This section does not apply if the creditor is an individual or individuals, or if the mortgaged property is property other than a one-family or two-family dwelling which is the residence of the mortgagor.

9. An affidavit signed by an officer of the creditor that the creditor has complied with this section is deemed to be conclusive evidence of compliance by all persons other than the creditor and the mortgagor.

10. As used in this section, "*creditor*" includes a person acting on behalf of a creditor.

87 Acts, ch 142, §14; 91 Acts, ch 46, §2
Referred to in §654.1A, 654.4B, 714E.1

**654.3 Venue.**

An action for the foreclosure of a mortgage of real property, or for the sale thereof under an encumbrance or charge thereon, shall be brought in the county in which the property to be affected, or some part thereof, is situated.

[C73, §2578; C97, §3493; C24, 27, 31, 35, 39, §**12374;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.3]

**654.4 Separate suits on note and mortgage.**

If separate actions are brought in the same county on the bond or note, and on the mortgage given to secure it, the plaintiff must elect which to prosecute. The other will be discontinued at the plaintiff's cost.

[C51, §2086; R60, §3663; C73, §3320; C97, §4288; C24, 27, 31, 35, 39, §**12375;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.4]

Action on certain judgments prohibited, chapter 615
Related provision, §611.5

**654.4A Service of process — in rem relief.**

In addition to any other form of service authorized by law, where in rem relief is the only relief requested in a foreclosure action or nonjudicial foreclosure under section 654.18 or chapter 655A against either a party or a person to be served with a notice pursuant to section 654.15B, all of the following shall apply:

1. If the person to be served is a judgment creditor, service may be made by certified mail, with proof of delivery, to the judgment creditor's registered agent or to the judgment creditor at the judgment creditor's principal place of business in the state where the business is organized, as indicated by the records in the office of the secretary of state, or to the judgment creditor at the last address indicated in the case in which the judgment was entered.

2. Upon affidavit that service cannot be made on a judgment creditor either pursuant to subsection 1 or by personal service in this state, service may be made by certified mail, with proof of delivery, on the judgment creditor's attorney of record if that attorney is a practicing attorney in this state, along with a copy of this section, and a payment of ten dollars. The attorney shall forward the notice by ordinary mail to the judgment creditor's last known address but the attorney shall have no further duties under this section with respect to the notice.

3. An attorney who agrees to accept service on behalf of a judgment creditor may charge a reasonable fee, not to exceed ten dollars, for accepting service.

4. If a person, other than a governmental taxing unit, is an interested person with respect to a decedent's estate in probate, the person may be named generally as a person interested in the decedent's estate and service of process shall be made by personal service or certified mail, along with proof of delivery, on the attorney for the personal representative. If the estate is probated in this state and a person has requested notice pursuant to section 633.42, the mortgagee shall also serve that person or the person's attorney by ordinary mail at the address specified in the request for notice. A person so served may intervene as a named defendant as a matter of right.

5. If a defendant, other than a governmental taxing unit, is a person whose identity is not reasonably ascertainable, and the person has an interest in a decedent's estate not probated in this state, such person may be named generally as a person with an interest in the decedent's estate and service of process shall be made by publication unless the mortgagee has actual notice that the decedent's estate is probated in another state. A person so served may intervene as a named defendant as a matter of right.

2009 Acts, ch 51, §5, 17; 2012 Acts, ch 1053, §2

Referred to in §614.21, 624.23, 654.18, 655A.4, 656.3

**654.4B Acceleration of indebtedness — notice of mortgage mediation assistance.**

1. Prior to commencing a foreclosure on the accelerated balance of a mortgage loan and after termination of any applicable cure period, including but not limited to those provided in section 654.2A or 654.2D, a creditor shall give the borrower a fourteen-day demand for payment of the accelerated balance to qualify for an award of attorney fees under section 625.25 on the accelerated balance.

2. Prior to filing a petition under this chapter on a one-family or two-family dwelling that is the residence of the owner, the creditor shall inform the owner of the availability of counseling and mediation on a form as the attorney general may prescribe. The notice required by this section shall be mailed by ordinary mail to the owner along with the notice of acceleration or other initial communication from the attorney representing the creditor in the action, and shall also be served on the owner with the original notice and petition seeking foreclosure. If,

following application by the owner or on its own motion, the court finds that the notice was not served on the owner as required by this subsection and that the owner desires counseling or mediation, the court shall grant to the owner a delay of the sheriff's sale or, in the event the sheriff's sale has occurred and the mortgagee or its affiliate was the winning bidder at the sheriff's sale, a delay of the recording of the sheriff's deed. In either case, the delay shall not exceed sixty days. If the affidavit of service for the original notice in the court file indicates that the notice required by this subsection was served on the owner, there shall be a rebuttable presumption that the notice was served as required by this subsection. The court may grant an application for a delay pursuant to this subsection ex parte only if the court file does not show service of the notice on the owner along with the original notice. Objection to the failure of the mortgagee to serve the notice is barred unless an application under this subsection is timely filed and is granted before the date of the sale or recording, respectively. If the court delays the sheriff's sale, the new sale date and time shall be announced orally by the sheriff at the time previously scheduled for sale, and the mortgagee need not republish and serve notice of the rescheduled sale.

2009 Acts, ch 51, §6, 16, 17; 2011 Acts, ch 134, §17, 29; 2012 Acts, ch 1134, §17, 21; 2013 Acts, ch 139, §54

Section takes effect May 1, 2009, and subsection 1 applies to judgments entered on or after July 1, 2009; 2009 Acts, ch 51, §16, 17

Subsection 2, paragraph b stricken and former paragraph a redesignated as an unnumbered paragraph

**654.5 Judgment — sale and redemption.**

1. When a mortgage or deed of trust is foreclosed, the court shall do all of the following:

*a.* Render judgment for the entire amount found to be due.

*b.* Direct the mortgaged property, or so much thereof as is necessary, to be sold to satisfy the judgment, with interest and costs.

*c.* Determine issues of title raised in the pleadings to establish the rights and priorities of the parties and persons served with notice pursuant to section 654.15B in the property subject to foreclosure as may be reasonably necessary to allow a purchaser at a sheriff's sale to obtain clear title.

2. A special execution shall issue under such conditions as the decree may prescribe, and the sale under the special execution is subject to redemption as in cases of sale under general execution unless the plaintiff has elected foreclosure without redemption under section 654.20.

3. The clerk shall provide a copy of the decree by ordinary or electronic mail to all parties in the foreclosure proceeding and all persons served with notices under section 654.15B.

[C51, §2084; R60, §3661; C73, §3321; C97, §4289; C24, 27, 31, 35, 39, §**12376;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.5]

87 Acts, ch 142, §2; 2009 Acts, ch 51, §7, 17

Redemption, chapter 628

2009 amendment to section applies to judgments entered on or after July 1, 2009; 2009 Acts, ch 51, §17; 2009 Acts, ch 179, §49

**654.6 Deficiency — general execution.**

If the mortgaged property does not sell for an amount which is sufficient to satisfy the execution, a general execution may be issued against the mortgagor, unless the parties have stipulated otherwise.

[C51, §2085; R60, §3662; C73, §3322; C97, §4290; C24, 27, 31, 35, 39, §**12377;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.6]

86 Acts, ch 1216, §3, 14; 2011 Acts, ch 34, §143

Referred to in §627.6, 654.25, 654.26

See also §615.1

**654.7 Overplus.**

If there is an overplus remaining after satisfying the mortgage and costs, and if there is no other lien upon the property, such overplus shall be paid to the mortgagor.

[C51, §2089; R60, §3666; C73, §3324; C97, §4291; C24, 27, 31, 35, 39, §**12378;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.7]

**654.8 Junior encumbrancer entitled to assignment.**

At any time prior to the sale, a person having a lien on the property which is junior to the mortgage will be entitled to an assignment of all the interest of the holder of the mortgage, by paying the holder the amount secured, with interest and costs, together with the amount of any other liens of the same holder which are paramount to the person's. The person may then proceed with the foreclosure, or discontinue it, at the person's option.

[C51, §2088; R60, §3665; C73, §3323; C97, §4292; C24, 27, 31, 35, 39, §**12379;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.8]

Referred to in §654.17A, 654.17B

**654.9 Payment of other liens — rebate of interest.**

If there are any other liens on the property sold, or other payments secured by the same mortgage, they shall be paid off in their order. If the money secured by any such lien is not yet due, a rebate of interest, to be fixed by the court must be made by the holder, or the holder's lien on such property will be postponed to those of a junior date, and if there are none such, the balance shall be paid to the mortgagor.

[C51, §2090; R60, §3667; C73, §3325; C97, §4293; C24, 27, 31, 35, 39, §**12380;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.9]

**654.9A Release of superior liens by bond.**

At any time prior to the court's decree, the plaintiff, or a person guaranteeing title of the plaintiff's mortgage, may post a bond with sureties to be approved by the clerk and apply to the court to release the claim against the property of any person claiming a lien superior to that of the plaintiff in the property subject to foreclosure. The bond shall be in an amount not less than twice the amount of the claim, and notice of the bond and the court's order of release shall be served on the claimant. Unless the claimant has appeared in the foreclosure action, the service shall be by personal service. Unless the claimant files an action on the bond within twelve months from service of the notice, the claimant shall be barred from any further remedy. In a successful action on the bond, the court may award the claimant reasonable attorney fees. A guarantor filing such a bond shall be subrogated to any defenses which the plaintiff may have against the adverse claimant, including but not limited to a defense of lack of equity in the mortgaged property to secure the adverse claim in its proper priority.

2006 Acts, ch 1132, §7, 16

**654.10 Amount sold.**

As far as practicable, the property sold must be only sufficient to satisfy the mortgage foreclosed.

[C51, §2091; R60, §3668; C73, §3326; C97, §4294; C24, 27, 31, 35, 39, §**12381;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.10]

**654.11 Foreclosure of title bond.**

In cases where the vendor of real estate has given a bond or other writing to convey the same on payment of the purchase money, and such money or any part thereof remains unpaid after the day fixed for payment, whether time is or is not of the essence of the contract, the vendor may file a petition asking the court to require the purchaser to perform the purchaser's contract, or to foreclose and sell the purchaser's interest in the property.

[C51, §2094; R60, §3671; C73, §3329; C97, §4297; C24, 27, 31, 35, 39, §**12382;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.11]

**654.12 Vendee deemed mortgagor.**

The vendee shall in such cases, for the purpose of the foreclosure, be treated as a mortgagor of the property purchased, and the vendee's rights may be foreclosed in a similar manner.

[C51, §2095; R60, §3672; C73, §3330; C97, §4298; C24, 27, 31, 35, 39, §**12383;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.12]

**654.12A Priority of advances under mortgages.**

1. Subject to section 572.18, if a prior recorded mortgage contains the notice prescribed in this section and identifies the maximum credit available to the borrower, then loans and advances made under the mortgage, up to the maximum amount of credit together with interest thereon, are senior to indebtedness to other creditors under subsequently recorded mortgages and other subsequently recorded or filed liens even though the holder of the prior recorded mortgage has actual notice of indebtedness under a subsequently recorded mortgage or other subsequently recorded or filed lien. So long as credit is available to the borrower, payment of the outstanding mortgage balance to zero shall not extinguish the prior recorded mortgage if it contains the notice prescribed by this section. The notice prescribed by this section for the prior recorded mortgage is as follows:

NOTICE: This mortgage secures credit in the amount of ..... Loans and advances up to this amount, together with interest, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens.

2. However, the priority of a prior recorded mortgage under this section does not apply to loans or advances made after receipt of notice of foreclosure or action to enforce a subsequently recorded mortgage or other subsequently recorded or filed lien.

84 Acts, ch 1272, §2; 90 Acts, ch 1001, §1; 2013 Acts, ch 30, §194
Referred to in §535.10
Section amended

**654.12B Priority of recorded purchase money mortgage lien.**

1. The lien created by a recorded purchase money mortgage shall have priority over and is senior to preexisting judgments against the purchaser and any other right, title, interest, or lien arising either directly or indirectly by, through, or under the purchaser. A mortgage is a purchase money mortgage to the extent it is either:

*a.* Taken or retained by the seller of the real estate to secure all or part of its price, including all costs in connection with the purchase.

*b.* Taken by a lender who, by making an advance or incurring an obligation, provides funds to enable the purchaser to acquire rights in the real estate, including all costs in connection with the purchase, if the funds are in fact so used. Except when it is a refinancing of an existing purchase money mortgage between the same lender and purchaser and no new funds are advanced, a mortgage given to secure funds which are used to pay off another mortgage is not a purchase money mortgage.

2. If more than one purchase money mortgage exists, the first mortgage to be recorded has priority. In order to be entitled to the rights provided by this section, the mortgage must contain a recital that it is a purchase money mortgage. However, failure to include the recital in the mortgage shall not prevent a mortgage otherwise qualifying as a purchase money mortgage from being a purchase money mortgage for purposes other than this section. The rights in this section are in addition to, and the obligations are not in derogation of, all rights provided by common law.

95 Acts, ch 175, §2; 96 Acts, ch 1137, §1, 2; 2013 Acts, ch 30, §261
Referred to in §561.13
Code editor directive applied

**654.13 Pledge of rents — priority.**

Whenever any real estate is encumbered by two or more real estate mortgages which in addition to the lien upon the real estate grant to the mortgagee the right to subject the rents, profits, avails and/or income from said real estate to the payment of the debt secured by such mortgage, the priority of the respective mortgagees under the provisions of their mortgages affecting the rents, profits, avails and/or incomes from the said real estate shall, as between such mortgagees, be in the same order as the priority of the lien of their respective mortgages on the real estate.

[C35, §12383-e1; C39, §**12383.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.13]

**654.14 Preference in receivership — application of rents.**

1. In an action to foreclose a real estate mortgage, if a receiver is appointed to take charge of the real estate, preference shall be given to the owner or person in actual possession, subject to approval of the court, in leasing the mortgaged premises. If the real estate is agricultural land used for farming, as defined in section 9H.1, the owner or person in actual possession shall be appointed as receiver without bond, provided that all parties agree to the appointment. The rents, profits, avails, and income derived from the real estate shall be applied as follows:

*a.* To the cost of receivership.

*b.* To the payment of taxes due or becoming due during said receivership.

*c.* To pay the insurance on buildings on the premises or such other benefits to the real estate, or both, as may be ordered by the court.

*d.* The balance shall be paid and distributed as determined by the court.

2. If the owner or person in actual possession of agricultural land as defined in section 9H.1 is not afforded a right of first refusal in leasing the mortgaged premises by the receiver, the owner or person in actual possession has a cause of action against the receiver to recover either actual damages or a one thousand dollar penalty, and costs, including reasonable attorney's fees. The receiver shall deliver notice to the owner or person in actual possession or the attorney of the owner or person in actual possession, of an offer made to the receiver, the terms of the offer, and the name and address of the person making the offer. The delivery shall be made personally with receipt returned or by certified or registered mail, with the proper postage on the envelope, addressed to the owner or person in actual possession or the attorney of the owner or person in actual possession. An offer shall be deemed to have been refused if the owner or person in actual possession or the attorney of the owner or person in actual possession does not respond within ten days following the date that the notice is mailed.

[C35, §12383-e2; C39, §**12383.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.14]

86 Acts, ch 1214, §13; 87 Acts, ch 142, §3; 2013 Acts, ch 90, §181

Section amended

**654.15 Continuance — moratorium.**

1. *a.* In all actions for the foreclosure of real estate mortgages, deeds of trust of real property, and contracts for the purchase of real estate, when the owner enters an appearance and files an answer admitting some indebtedness and breach of the terms of the designated instrument, which admissions cannot be withdrawn or denied after a continuance is granted, the owner may apply for a continuance of the foreclosure action if the default or inability of the owner to pay or perform is mainly due or brought about by reason of drought, flood, heat, hail, storm, or other climatic conditions or by reason of the infestation of pests which affect the land in controversy. The application must be in writing and filed at or before final decree. Upon the filing of the application the court shall set a day for hearing on the application and provide by order for notice to be given to the plaintiff of the time fixed for the hearing. If the court finds that the application is made in good faith and is supported by competent evidence showing that default in payment or inability to pay is due to drought, flood, heat, hail, storm, or other climatic conditions or due to infestation of pests, the court may continue the foreclosure proceeding as follows:

(1) If the default or breach of terms of the written instrument on which the action is based occurs on or before the first day of March of any year by reason of any of the causes specified in this subsection, causing the loss and failure of crops on the land involved in the previous year, the continuance shall end on the first day of March of the succeeding year.

(2) If the default or breach of terms of the written instrument occurs after the first day of March, but during that crop year and that year's crop fails by reason of any of the causes set out in this subsection, the continuance shall end on the first day of March of the second succeeding year.

(3) Only one continuance shall be granted, except upon a showing of extraordinary circumstances in which event the court may grant a second continuance for a further period as the court deems just and equitable, not to exceed one year.

(4) The order shall provide for the appointment of a receiver to take charge of the property and to rent the property. The owner or person in possession shall be given preference in the occupancy of the property. The receiver, who may be the owner or person in possession, shall collect the rents and income and distribute the proceeds as follows:

(a) For the payment of the costs of receivership.

(b) For the payment of taxes due or becoming due during the period of receivership.

(c) For the payment of insurance on the buildings on the premises.

(d) The remaining balance shall be paid to the owner of the written instrument upon which the foreclosure is based, to be credited on the instrument.

*b.* An owner of a small business may apply for a continuance as provided in this subsection if the real estate subject to foreclosure is used for the small business. The court may continue the foreclosure proceeding if the court finds that the application is made in good faith and is supported by competent evidence showing that the default in payment or inability to pay is due to the economic condition of the customers of the small business, because the customers of the small business have been significantly economically distressed as a result of drought, flood, heat, hail, storm, or other climatic conditions or due to infestation of pests. The length of the continuance shall be determined by the court, but shall not exceed two years.

2. In all actions for the foreclosure of real estate mortgages, deeds of trust of real estate, and contracts for the purchase of real estate, an owner of real estate may apply for a moratorium as provided in this subsection if the governor declares a state of economic emergency. The governor shall state in the declaration the types of real estate eligible for a moratorium continuance, which may include real estate used for farming; designated types of real estate not used for farming, including real estate used for small business; or all real estate. Only property of a type specified in the declaration which is subject to a mortgage, deed of trust, or contract for purchase entered into before the date of the declaration is eligible for a moratorium. In an action for the foreclosure of a mortgage, deed of trust, or contract for purchase of real estate eligible for a moratorium, the owner may apply for a continuation of the foreclosure if the owner has entered an appearance and filed an answer admitting some indebtedness and breach of the terms of the designated instrument. The admissions cannot be withdrawn or denied after a continuance is granted. Applications for continuance made pursuant to this subsection must be filed within one year of the governor's declaration of economic emergency. Upon the filing of an application as provided in this subsection, the court shall set a date for hearing and provide by order for notice to the parties of the time for the hearing. If the court finds that the application is made in good faith and the owner is unable to pay or perform, the court may continue the foreclosure proceeding as follows:

*a.* If the application is made in regard to real estate used for farming, the continuance shall terminate two years from the date of the order. If the application is made in regard to real estate not used for farming, the continuance shall terminate one year from the date of the order.

*b.* Only one continuance shall be granted the applicant for each written instrument or contract under each declaration.

*c.* The court shall appoint a receiver to take charge of the property and to rent the property. The applicant shall be given preference in the occupancy of the property. The receiver, who may be the applicant, shall collect the rents and income and distribute the proceeds as follows:

(1) For the payment of the costs of receivership, including the required interest on the written instrument and the costs of operation.

(2) For the payment of taxes due or becoming due during the period of receivership.

(3) For the payment of insurance deemed necessary by the court including but not limited to insurance on the buildings on the premises and liability insurance.

(4) The remaining balance shall be paid to the owner of the written instrument upon which the foreclosure was based, to be credited against the principal due on the written instrument.

*d.* A continuance granted under this subsection may be terminated if the court finds, after notice and hearing, all of the following:

(1) The party seeking foreclosure has made reasonable efforts in good faith to work with the applicant to restructure the debt obligations of the applicant.

(2) The party seeking foreclosure has made reasonable efforts in good faith to work with the applicant to utilize state and federal programs designed and implemented to provide debtor relief options. For the purposes of subparagraph (1) and this subparagraph, the determination of reasonableness shall take into account the financial condition of the party seeking foreclosure, and the financial strength and the long-term financial survivorship potential of the applicant.

(3) The applicant has failed to pay interest due on the written instrument.

[C39, §**12383.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §654.15]

85 Acts, ch 250, §1, 2; 86 Acts, ch 1216, §7 – 9; 87 Acts, ch 115, §80; 2007 Acts, ch 54, §43; 2013 Acts, ch 30, §261

Code editor directive applied

**654.15A Notice of sale to junior creditors.**

A junior creditor may file and serve on the judgment creditor a request for notice of the sheriff's sale. Such request for notice shall include a facsimile number or electronic mail address where the creditor shall be notified of the sale. At least ten days prior to the date of sale, the attorney for the junior creditor shall file proof of service of such request for notice. Upon motion filed within thirty days of the sale, the court may set aside a sale in which a junior creditor who requests notice is damaged by the failure of the sheriff or the judgment creditor to give notice pursuant to this section.

2006 Acts, ch 1132, §8, 16; 2007 Acts, ch 126, §105

**654.15B Right to intervene — notice.**

A lender may serve a judgment creditor in a foreclosure action with notice in substantially the following form advising the creditor that the property that is the subject of the foreclosure action shall be foreclosed and describing the creditor's interest in the action and that unless such creditor intervenes in the foreclosure action such creditor shall lose the creditor's interest in the mortgaged property. Unless the creditor intervenes within thirty days of the service of notice, the court may adjudicate the creditor's rights against the property as if the creditor had been added as a defendant and default had been entered against the defendant. If a creditor cannot be located for personal service, the plaintiff may, at any time prior to sixty days before the date of trial, amend the petition as a matter of right to add the creditor as a defendant for service by publication as provided by rule. The notice prescribed by this section is as follows:

NOTICE OF PENDING FORECLOSURE

To: (Name and address of creditor)

Date: (Enter date)

(Name of foreclosing party) has filed a foreclosure of mortgage against the property of (titleholder) located at (street address of property) which is legally described as (legal description). This foreclosure was filed as (Plaintiff v. Defendant), Case # (.....), in the Iowa District Court for (.....) County and is intended to foreclose a mortgage dated (date of mortgage) and recorded on (date of recording) in the (county recorder's office). You have an apparent interest in the property because of an apparent judgment lien in (short caption of case, case number, court where judgment entered, and judgment date). If you desire to protect this interest, you have the right to intervene in the foreclosure action within thirty days of the service of notice by filing an intervention with the clerk of court in (.....) County. Unless you intervene in the foreclosure, the foreclosure may eliminate any interest you have in the property but will not otherwise affect your rights. If you have any questions about this notice, contact your attorney. Whether or not you intervene, the

foreclosure may have certain tax consequences to you about which you should consult your tax advisor.

.....

Name, address, and telephone number of attorney representing (name of foreclosing party).

2006 Acts, ch 1132, §9, 16; 2009 Acts, ch 51, §8, 17
Referred to in §654.4A, 654.5, 654.17A
2009 amendment applies to all actions commenced on or after July 1, 2009; 2009 Acts, ch 51, §17

**654.16 Separate redemption of homestead.**

If a sheriff's sale is ordered on agricultural land used for farming, as defined in section 175.2, the mortgagor may, by a date set by the court but not later than ten days before the sale, designate to the court the portion of the land which the mortgagor claims as a homestead. The homestead may be any contiguous portion of forty acres or less of the real estate subject to the sheriff's sale. The homestead shall contain the residence of the mortgagor and shall be as compact as practicable.

If a homestead is designated, the court shall determine the fair market value of the designated homestead before the sheriff's sale. The court may consult with the county appraisers appointed pursuant to section 450.24, or with one or more independent appraisers, to determine the fair market value of the designated homestead.

The mortgagor may redeem the designated homestead by tendering the lesser of either any amount separately bid for the designated homestead at the sheriff's sale pursuant to procedures set forth in chapter 628, or the fair market value, as determined pursuant to this section, of the designated homestead at any time within one year from the date of the sheriff's sale, pursuant to the procedures set forth in chapter 628.

86 Acts, ch 1216, §2; 87 Acts, ch 142, §4, 5; 90 Acts, ch 1245, §2

**654.16A Right of first refusal following recording of sheriff's deed to agricultural land.**

1. Not later than the time a sheriff's deed to agricultural land used for farming, as defined in section 175.2, is recorded, the grantee recording the sheriff's deed shall notify the mortgagor of the mortgagor's right of first refusal. The grantee shall record the sheriff's deed within one year and sixty days from the date of the sheriff's sale. A copy of this section, titled "Notice of Right of First Refusal" is sufficient notice.

2. If, after a sheriff's deed is recorded, the grantee proposes to sell or otherwise dispose of the agricultural land, in a transaction other than a public auction, the grantee shall first offer the mortgagor the opportunity to repurchase the agricultural land on the same terms and at the same price that the grantee proposes to sell or dispose of the agricultural land. If the grantee seeks to sell or otherwise dispose of the agricultural land by public auction, the mortgagor must be given sixty days' notice of all of the following:

*a.* The date, time, place, and procedures of the auction sale.

*b.* Any minimum terms or limitations imposed upon the auction.

3. The grantee is not required to offer the mortgagor financing for the purchase of the agricultural land.

4. The mortgagor has ten business days after being given notice of the terms and price of the proposed sale or disposition, other than a public auction, in which to exercise the right to repurchase the agricultural land by submitting a binding offer to the grantee on the same terms as the proposed sale or other disposition, with closing to occur within thirty days after the offer unless otherwise agreed by the grantee. After the expiration of either the period for offer or the period for closing, without submission of an offer or a closing occurring, the grantee may sell or otherwise dispose of the agricultural land to any other person on the terms upon which it was offered to the mortgagor.

5. Notice of the mortgagor's right of first refusal, a proposed sale, auction, or other disposition, or the submission of a binding offer by the mortgagor, is considered given on the date that notice or offer is personally served on the other party or on the date that notice or offer is mailed to the other party's last known address by registered or certified mail, return

receipt requested. The right of first refusal provided in this section is not assignable, but may be exercised by the mortgagor's successor in interest, receiver, personal representative, executor, or heir only in case of bankruptcy, receivership, or death of the mortgagor.

90 Acts, ch 1245, §3

Referred to in §455B.172, 558A.1

**654.17 Recision of foreclosure.**

1. At any time prior to the recording of the sheriff's deed, and before the mortgagee's rights become unenforceable by operation of the statute of limitations, the judgment creditor, or the judgment creditor who is the successful bidder at the sheriff's sale, may rescind the foreclosure action by filing a notice of recision with the clerk of court in the county in which the property is located along with a filing fee of fifty dollars. In addition, if the original loan documents are contained in the court file, the mortgagee shall pay a fee of twenty-five dollars to the clerk of the district court. Upon the payment of the fee, the clerk shall make copies of the original loan documents for the court file, and return the original loan documents to the mortgagee.

2. Upon the filing of the notice of recision, the mortgage loan shall be enforceable according to the original terms of the mortgage loan and the rights of all persons with an interest in the property may be enforced as if the foreclosure had not been filed. Except as otherwise provided in this section, the filing of a recision shall operate as a setting aside of the decree of foreclosure and a dismissal of the foreclosure without prejudice, with costs assessed against the plaintiff. However, any findings of fact or law shall be preclusive for purposes of any future action unless the court, upon hearing, rules otherwise and the mortgagee shall be permanently barred from a deficiency judgment if the judgment rescinded was subject to the provisions of section 615.1. The mortgagee may charge the mortgagor for the costs, including reasonable attorney fees, of foreclosure and recision if agreed to in writing by the mortgagor.

2006 Acts, ch 1132, §10, 16; 2007 Acts, ch 71, §5; 2007 Acts, ch 126, §106; 2009 Acts, ch 51, §9, 17

2009 amendment to section applies to judgments entered on or after July 1, 2009; 2009 Acts, ch 51, §17; 2009 Acts, ch 179, §49

**654.17A Sale free of liens.**

At any time during the pendency of the foreclosure, the plaintiff may apply to the court for an order approving an offer for a commercially reasonable sale of the property free of the claims of the parties to the action and other persons served with notice pursuant to section 654.15B. A copy of the offer shall be attached to the application and the application shall contain a written consent to the proposed sale by all equitable titleholders who have not abandoned the property. The court may grant the motion unless a party in interest objects in writing during such time as the court may prescribe. A person filing an objection with a claim junior to the plaintiff shall either apply for assignment of senior claims pursuant to section 654.8, otherwise provide adequate protection to senior creditors, or establish that a sheriff's sale is substantially more likely than the proposed sale to provide the creditor with more favorable satisfaction of its lien. Pending resolution of the rights of the parties and persons served with notice pursuant to section 654.15B, the court shall place the net proceeds of the sale in escrow after payment of reasonable closing costs. The rights of such persons to the escrowed funds shall be determined in the same manner as their rights to the property that was sold.

2006 Acts, ch 1132, §11, 16

**654.17B Divestment of junior liens pursuant to loan modification — repeal.**

1. The foreclosing mortgagee and the mortgagor, including any successor in interest of the original mortgagor, of a nonagricultural one-family or two-family dwelling occupied as a residence by the mortgagor may agree in writing to a modification of the mortgage obligation to allow the mortgagor to continue to reside on the property. If such a modification provides for a reduction of at least ten percent in the net present value of the indebtedness owing to the mortgagee, the foreclosing mortgagee and the mortgagor may move that the court divest any junior liens against the property. If the court approves divestment, the court shall

order that the junior lienholder be served personally with copies of the loan modification agreement, a verified current balance of the loan as modified, and the court's order that the junior lienholder's interest in the property be divested unless the junior lienholder, within forty-five days of service, either acts pursuant to section 654.8 to obtain an assignment of the mortgagee's rights as modified or moves to quash the proposed divestment by establishing that the value of the property exceeds the amount of the mortgage debt prior to its modification. Such divestment shall prohibit the junior lienholder from any subsequent action to enforce the junior lienholder's debt against the mortgaged property, but, subject to the provisions of chapter 615, shall not otherwise prejudice any personal right of action the junior lienholder may have to proceed against the mortgagor's other assets.

2. This section is repealed July 1, 2014.

2009 Acts, ch 51, §10, 17

Section applies to all actions commenced on or after July 1, 2009; 2009 Acts, ch 51, §17

**654.17C Military foreclosure protection — notice.**

1. Except as provided under chapter 29A, or the federal Servicemembers Civil Relief Act of 2003, 50 U.S.C. app. 532 and 533, a creditor shall not initiate a proceeding to enforce an obligation payable under its terms in installments under a contract for the purchase of real estate, or secured by a mortgage or other instrument in the nature of a mortgage upon real estate, against a borrower, or a borrower's dependents, who is a member of the national guard or a member of the reserve or regular component of the armed forces of the United States in active duty service. Enforcement of an obligation shall not be permitted under the following circumstances:

*a.* The borrower is a member of the national guard and has been afforded protection under the Iowa national guard civil relief provisions contained in chapter 29A, subchapter VI. A creditor who enforces an obligation in violation of chapter 29A, subchapter VI, is subject to applicable penalty provisions contained in sections 29A.102 and 29A.103.

*b.* The borrower is a member of the reserve or regular component of the armed forces of the United States in active duty service and has been afforded protection under the federal Servicemembers Civil Relief Act of 2003, 50 U.S.C. app. 532 and 533. A creditor who enforces an obligation in violation of the federal Act is subject to applicable penalty provisions contained in the federal Act.

2. The department of veterans affairs and the department of commerce shall coordinate to develop a procedure to inform or notify members of the national guard, reserve, or regular component of the armed forces of the United States, and financial institutions as defined in section 12C.1, of the protections referenced in subsection 1. The notification procedure shall include, at a minimum, posting the information on an official internet site maintained by each department.

2009 Acts, ch 166, §3

## ALTERNATIVE PROCEDURES

**654.18 Alternative nonjudicial voluntary foreclosure procedure.**

1. Upon the mutual written agreement of the mortgagor and mortgagee, a real estate mortgage may be foreclosed pursuant to this section by doing all of the following:

*a.* The mortgagor shall convey to the mortgagee all interest in the real property subject to the mortgage.

*b.* The mortgagee shall accept the mortgagor's conveyance and waive any rights to a deficiency or other claim against the mortgagor arising from the mortgage.

*c.* The mortgagee shall have immediate access to the real property for the purposes of maintaining and protecting the property.

*d.* The mortgagor and mortgagee shall file a jointly executed document with the county recorder in the county where the real property is located stating that the mortgagor and mortgagee have elected to follow the alternative voluntary foreclosure procedures pursuant to this section.

*e.* (1) The mortgagee shall send by certified mail a notice of the election to all junior lienholders as of the date of the conveyance under paragraph "*a*", stating that the junior lienholders have thirty days from the date of mailing to exercise any rights of redemption. The notice may also be given in the manner prescribed in section 656.3 in which case the junior lienholders have thirty days from the completion of publication to exercise the rights of redemption.

(2) In addition to any other form of service authorized by law, service of process in an alternative nonjudicial voluntary foreclosure procedure filed pursuant to this section where in rem relief is the only relief requested shall be served in the manner provided in section 654.4A.

*f.* At the time the mortgagor signs the written agreement pursuant to this subsection, the mortgagee shall furnish the mortgagor a completed form in duplicate, captioned "Disclosure and Notice of Cancellation". The form shall be attached to the written agreement, shall be in ten point boldface type and shall be in the following form:

DISCLOSURE AND NOTICE
OF CANCELLATION

.....
(enter date of transaction)

Under a forced foreclosure Iowa law requires that you have the right to reclaim your property within one year of the date of the foreclosure and that you may continue to occupy your property during that time. If you agree to a voluntary foreclosure under this procedure you will be giving up your right to reclaim or occupy your property.

Under a forced foreclosure, if your mortgage lender does not receive enough money to cover what you owe when the property is sold, you will still be required to pay the difference. If your mortgage lender receives more money than you owe, the difference must be paid to you. If you agree to a voluntary foreclosure under this procedure you will not have to pay the amount of your debt not covered by the sale of your property but you also will not be paid any extra money, if any, over the amount you owe. NOTE: There may be other advantages and disadvantages, including an effect on your income tax liability, to you depending on whether you agree or do not agree to a voluntary foreclosure. If you have any questions or doubts, you are advised to discuss them with your mortgage lender or an attorney.

You may cancel this transaction, without penalty or obligation, within five business days from the above date.

This transaction is entirely voluntary. You cannot be required to sign the attached foreclosure agreement.

This voluntary foreclosure agreement will become final unless you sign and deliver or mail this notice of cancellation to ..... (name of mortgagee) before midnight of ..... (enter proper date).

I HEREBY CANCEL THIS TRANSACTION.

..... .....
DATE SIGNATURE

2. A junior lienholder may redeem the real property pursuant to section 628.29. If a junior lienholder fails to redeem its lien as provided in subsection 1, its lien shall be removed from the property.

3. Until the completion of foreclosure pursuant to this section, the mortgagee shall hold the real property subject to liens of record at the time of the conveyance by the

mortgagor. However, the lien of the mortgagee shall remain prior to liens which were junior to the mortgage at the time of conveyance by the mortgagor to the mortgagee and may be foreclosed as provided otherwise by law.

4. A mortgagee who agrees to a foreclosure pursuant to this section shall not report to a credit bureau that the mortgagor is delinquent on the mortgage. However, the mortgagee may report that this foreclosure procedure was used.

85 Acts, ch 252, §46; 2012 Acts, ch 1053, §3
Referred to in §455B.751, 628.29, 654.1, 654.4A

**654.19 Deed in lieu of foreclosure — agricultural land.**

In lieu of a foreclosure action in court due to default on a recorded mortgage or deed of trust of real property, if the subject property is agricultural land used for farming, as defined in section 9H.1, the mortgagee and mortgagor may enter into an agreement in which the mortgagor agrees to transfer the agricultural land to the mortgagee in satisfaction of all or part of the mortgage obligation as agreed upon by the parties. The agreement may grant the mortgagor a right to purchase the agricultural land for a period not to exceed five years, and may entitle the mortgagor to lease the agricultural land. The agreement shall be recorded with the deed transferring title to the mortgagee. A transfer of title and agreement pursuant to this section does not constitute an equitable mortgage.

85 Acts, ch 252, §47
Referred to in §455B.751, 615.4

**654.20 Foreclosure without redemption — nonagricultural land.**

1. If the mortgaged property is not used for an agricultural purpose as defined in section 535.13, the plaintiff in an action to foreclose a real estate mortgage may include in the petition an election for foreclosure without redemption. The election is effective only if the first page of the petition contains the following notice in capital letters of the same type or print size as the rest of the petition:

NOTICE

THE PLAINTIFF HAS ELECTED FORECLOSURE WITHOUT REDEMPTION. THIS MEANS THAT THE SALE OF THE MORTGAGED PROPERTY WILL OCCUR PROMPTLY AFTER ENTRY OF JUDGMENT UNLESS YOU FILE WITH THE COURT A WRITTEN DEMAND TO DELAY THE SALE. IF YOU FILE A WRITTEN DEMAND, THE SALE WILL BE DELAYED UNTIL TWELVE MONTHS (or SIX MONTHS if the petition includes a waiver of deficiency judgment) FROM ENTRY OF JUDGMENT IF THE MORTGAGED PROPERTY IS YOUR RESIDENCE AND IS A ONE-FAMILY OR TWO-FAMILY DWELLING OR UNTIL TWO MONTHS FROM ENTRY OF JUDGMENT IF THE MORTGAGED PROPERTY IS NOT YOUR RESIDENCE OR IS YOUR RESIDENCE BUT NOT A ONE-FAMILY OR TWO-FAMILY DWELLING. YOU WILL HAVE NO RIGHT OF REDEMPTION AFTER THE SALE. THE PURCHASER AT THE SALE WILL BE ENTITLED TO IMMEDIATE POSSESSION OF THE MORTGAGED PROPERTY. YOU MAY PURCHASE AT THE SALE.

2. If the plaintiff has not included in the petition a waiver of deficiency judgment, then the notice shall include the following:

IF YOU DO NOT FILE A WRITTEN DEMAND TO DELAY THE SALE AND IF THE MORTGAGED PROPERTY IS YOUR RESIDENCE AND IS A ONE-FAMILY OR TWO-FAMILY DWELLING, THEN A DEFICIENCY JUDGMENT WILL NOT BE ENTERED AGAINST YOU. IF YOU DO FILE A WRITTEN

DEMAND TO DELAY THE SALE, THEN A DEFICIENCY JUDGMENT MAY BE ENTERED AGAINST YOU IF THE PROCEEDS FROM THE SALE OF THE MORTGAGED PROPERTY ARE INSUFFICIENT TO SATISFY THE AMOUNT OF THE MORTGAGE DEBT AND COSTS.

IF THE MORTGAGED PROPERTY IS NOT YOUR RESIDENCE OR IS NOT A ONE-FAMILY OR TWO-FAMILY DWELLING, THEN A DEFICIENCY JUDGMENT MAY BE ENTERED AGAINST YOU WHETHER OR NOT YOU FILE A WRITTEN DEMAND TO DELAY THE SALE.

3. If the election for foreclosure without redemption is made, then sections 654.21 through 654.26 apply.

87 Acts, ch 142, §6; 2013 Acts, ch 30, §195
Referred to in §455B.751, 628.1A, 654.1A, 654.5, 654.20A
Section amended

**654.20A Rights reserved.**

A mortgage or deed of trust shall not contain the notice under section 654.20.

87 Acts, ch 142, §15

**654.21 Demand for delay of sale.**

At any time prior to entry of judgment, the mortgagor may file a demand for delay of sale. If the demand is filed, the sale shall be held promptly after the expiration of two months from entry of judgment. However, if the demand is filed and the mortgaged property is the residence of the mortgagor and is a one-family or two-family dwelling, the sale shall be held promptly after the expiration of twelve months, or six months if the petition includes a waiver of deficiency judgment, from entry of judgment. If the demand is filed, the mortgagor and mortgagee subsequently may file a stipulation that the sale may be held promptly after the stipulation is filed and that the mortgagee waives the right to entry of a deficiency judgment. If the stipulation is filed, the sale shall be held promptly after the filing. At any time prior to judgment, the mortgagor may pay the plaintiff the amount claimed in the petition and, if paid, the foreclosure action shall be dismissed. At any time after judgment and before the sale, the mortgagor may pay the plaintiff the amount of the judgment and, if paid, the judgment shall be satisfied of record and the sale shall not be held.

87 Acts, ch 142, §7
Referred to in §654.1A, 654.20, 654.26

**654.22 No demand for delay of sale.**

If the mortgagor does not file a demand for delay of sale, the sale shall be held promptly after entry of judgment.

87 Acts, ch 142, §8
Referred to in §654.20

**654.23 No redemption rights after sale.**

The mortgagor has no right to redeem after sale. Junior lienholders have no right to redeem after sale. The mortgagor or a junior lienholder may purchase at the sale and, if so, acquire the same title as would any other purchaser. If the mortgagor at the sale bids an amount equal to the judgment, the property shall be sold to the mortgagor even though other persons may bid an amount which is more than the judgment. If the mortgagor purchases at the sale, the liens of junior lienholders shall not be extinguished. If a person other than the mortgagor purchases at the sale, the liens of junior lienholders are extinguished.

87 Acts, ch 142, §9
Referred to in §654.20

**654.24 Deed and possession.**

The purchaser at the sale is entitled to an immediate deed and immediate possession.

87 Acts, ch 142, §10

Referred to in §654.20

**654.25 Application of other statutes.**

If the plaintiff has elected foreclosure without redemption, chapter 628 does not apply. A provision in a mortgage permitted by section 628.26 or 628.27 shall not be construed as an agreement by the mortgagee not to elect foreclosure without redemption. The election may be made in any petition filed on or after June 4, 1987. The election for foreclosure without redemption is not a waiver of the plaintiff's rights under section 654.6 except as provided in section 654.26.

87 Acts, ch 142, §11

Referred to in §654.20

**654.26 No deficiency judgment in certain cases.**

If the plaintiff has elected foreclosure without redemption, the plaintiff may include in the petition a waiver of deficiency judgment. If the plaintiff has elected foreclosure without redemption and does not include in the petition a waiver of deficiency judgment, if the mortgaged property is the residence of the mortgagor and is a one-family or two-family dwelling, and if the mortgagor does not file a demand for delay of sale under section 654.21, then the plaintiff shall not be entitled to the entry of a deficiency judgment under section 654.6.

87 Acts, ch 142, §12

Referred to in §654.1A, 654.20, 654.25

# CHAPTER 654A

## FARM MEDITATION — FARMER-CREDITOR DISPUTES

Referred to in §13.13, 13.15, 468.190, 654.2A, 654.2C

Legislative findings; 90 Acts, ch 1143, §1


654A.1 Definitions.
654A.2 and 654A.3 Repealed by 90 Acts, ch 1143, §30.
654A.4 Applicability of chapter.
654A.5 Voluntary mediation proceedings.
654A.6 Mandatory mediation proceedings.
654A.7 Financial analyst and legal assistance.
654A.8 Initial mediation meeting.
654A.9 Duties of mediator.
654A.10 Mediation period.
654A.11 Mediation release.
654A.12 Extension of deadlines.
654A.13 Confidentiality.
654A.14 and 654A.15 Repealed by 90 Acts, ch 1143, §30.
654A.16 Wetland designation.
654A.17 Repealed by 94 Acts, ch 1106, §1.


**654A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural property"* means agricultural land that is principally used for farming as defined in section 9H.1, and personal property that is used as security to finance a farm operation or used as part of a farm operation including equipment, crops, livestock, and proceeds of the security.

2. *"Coordinator"* means the farm assistance program coordinator provided in section 13.13.

3. *"Creditor"* means the holder of a mortgage on agricultural property, a vendor of a real estate contract for agricultural property, a person with a lien or security interest in agricultural property, or a judgment creditor with a judgment against a debtor with agricultural property.

4. *"Farm mediation service"* means the organization selected pursuant to section 13.13.

5. *"File"* means to deliver by the required date by certified mail or another method acknowledging receipt.

6. *"Mediation release"* means an agreement or statement signed by all parties or by less than all the parties and the mediator pursuant to section 654A.11.

7. *"Participate"* or *"participation"* means attending a mediation meeting, and discussing issues, stating a position regarding restructuring, and exchanging information, relating to any of the following: a debt against agricultural property which is real estate under chapter 654; a forfeiture of a contract to purchase agricultural property under chapter 656; a secured interest in agricultural property under chapter 554; or a garnishment, levy, execution, seizure, or attachment of agricultural property; all as referenced in section 654A.6.

86 Acts, ch 1214, §14; 90 Acts, ch 1143, §9, 10
Referred to in §654.2C, 654A.6, 656.8

**654A.2 and 654A.3** Repealed by 90 Acts, ch 1143, § 30. See § 13.13.

**654A.4 Applicability of chapter.**

1. This chapter applies to all creditors of a borrower described under subsection 2 with a secured debt against the borrower of twenty thousand dollars or more.

2. This chapter applies to a borrower who is a natural person operating a farm or any corporation, trust, or limited partnership as defined in section 9H.1.

86 Acts, ch 1214, §17; 89 Acts, ch 108, §2

**654A.5 Voluntary mediation proceedings.**

A borrower who owns agricultural property or a creditor of that borrower may request mediation of the indebtedness by applying to the farm mediation service. The farm mediation service shall make voluntary mediation application forms available. The farm mediation service shall evaluate each request and may direct a mediator to meet with the borrower and creditor to assist in mediation.

86 Acts, ch 1214, §18

**654A.6 Mandatory mediation proceedings.**

1. *a.* A creditor subject to this chapter desiring to initiate a proceeding to enforce a debt against agricultural property which is real estate under chapter 654, to forfeit a contract to purchase agricultural property under chapter 656, to enforce a secured interest in agricultural property under chapter 554, or to otherwise garnish, levy on, execute on, seize, or attach agricultural property, shall file a request for mediation with the farm mediation service. The creditor shall not begin the proceeding subject to this chapter until the creditor receives a mediation release, or until the court determines after notice and hearing that the time delay required for the mediation would cause the creditor to suffer irreparable harm. Title to land that is agricultural property is not affected by the failure of any creditor to receive a mediation release regardless of its validity. The time period for the notice of right to cure provided in section 654.2A shall run concurrently with the time period for the mediation period provided in this section and section 654A.10.

*b.* The requirements of paragraph *"a"* are jurisdictional prerequisites to a creditor filing a civil action that initiates a proceeding subject to this chapter.

2. Upon the receipt of a request for mediation, the farm mediation service shall conduct an initial consultation with the borrower without charge. The borrower may waive mediation after the initial consultation.

3. Unless the borrower waives mediation, the borrower shall file a list containing at least the name and place of business for each creditor as defined in section 654A.1 or apply for an extension to file the list with the farm mediation service within twenty-one days of the service's receipt of a request for mediation.

86 Acts, ch 1214, §19; 87 Acts, ch 73, §2; 89 Acts, ch 108, §3; 2000 Acts, ch 1129, §1
Referred to in §654A.1

**654A.7 Financial analyst and legal assistance.**

1. After receiving a mediation request, the farm mediation service shall refer the borrower

to a financial analyst associated with the Iowa state university extension service ASSIST program. The financial analyst shall assist the borrower in the preparation of information relative to the finances of the borrower for the initial mediation meeting.

2. After receiving the mediation request, the farm mediation service shall notify the borrower that legal assistance may be available without charge through the legal assistance for farmers program provided in chapter 13.

86 Acts, ch 1214, §20

**654A.8 Initial mediation meeting.**

1. Unless the borrower waives mediation, within twenty-one days after receiving a mediation request the farm mediation service shall send a mediation meeting notice to the borrower and to all known creditors of the borrower setting a time and place for an initial mediation meeting between the borrower, the creditors, and a mediator directed by the farm mediation service to assist in mediation. An initial mediation meeting shall be held within twenty-one days of the issuance of the mediation meeting notice.

2. If a creditor subject to this chapter receives a mediation meeting notice under subsection 1, the creditor and the creditor's successors in interest may not continue proceedings to enforce a debt against agricultural property of the borrower under chapter 654, to forfeit a real estate contract for the purchase of agricultural property of the borrower under chapter 656, to enforce a secured interest in agricultural property under chapter 554, or to otherwise garnish, levy on, execute on, seize, or attach agricultural property. Time periods under and affecting those procedures stop running until the farm mediation service issues a mediation release to the creditor.

86 Acts, ch 1214, §21

Referred to in §654A.12

**654A.9 Duties of mediator.**

At the initial mediation meeting and subsequent meetings, the mediator shall:

1. Listen to the borrower and the creditors desiring to be heard.

2. Attempt to mediate between the borrower and the creditors.

3. Advise the borrower and the creditors as to the existence of available assistance programs.

4. Encourage the parties to adjust, refinance, or provide for payment of the debts.

5. Advise, counsel, and assist the borrower and creditors in attempting to arrive at an agreement for the future conduct of financial relations among them.

86 Acts, ch 1214, §22

**654A.10 Mediation period.**

The mediator may call mediation meetings during the mediation period, which is up to forty-two days after the farm mediation service received the mediation request. However, if all parties consent, mediation may continue after the end of the mediation period.

86 Acts, ch 1214, §23

Referred to in §654A.6, 654A.12

**654A.11 Mediation release.**

1. If an agreement is reached between the borrower and the creditors, the mediator shall draft a written mediation agreement, have it signed by the creditors, and submit the agreement to the farm mediation service.

2. The borrower and the creditors who are parties to the mediation agreement may enforce the mediation agreement as a legal contract. The agreement constitutes a mediation release.

3. *a.* If the borrower waives mediation, or if a mediation agreement is not reached, the borrower and the creditors may sign a statement prepared by the mediator that mediation was waived or that the parties did not reach an agreement. If any party does not sign the statement, the mediator shall sign the statement. The statement constitutes a mediation release.

*b.* The mediator shall issue a mediation release unless the creditor fails to personally

attend and participate in all mediation meetings. The mediator shall issue a mediation release if the borrower waives or fails to personally attend and participate in all mediation meetings, regardless of participation by the creditor. However, if a creditor or borrower is not a natural person, the creditor or borrower must be represented by a natural person who is an officer, director, employee, or partner of the creditor or borrower. If a person acts in a fiduciary capacity for the creditor or borrower, the fiduciary may represent the creditor or borrower. If the creditor or borrower or eligible representative is not able to attend and participate as required in this paragraph due to physical infirmity, mental infirmity, or other exigent circumstances determined reasonable by the farm mediation service, the creditor or borrower must be represented by another natural person. Any representative of the creditor or borrower must be authorized to sign instruments provided by this chapter, including a mediation agreement or a statement prepared by the mediator that mediation was waived. This section does not require the creditor or borrower to reach an agreement, including restructuring a debt, in order to receive a mediation release.

4. The mediator shall promptly notify a creditor by certified mail of a denial to issue a mediation release and the reasons for the denial. The notice shall state that the creditor has seven days from the date that the notice is delivered to appeal the mediator's decision to the administrative head of the mediation service, pursuant to procedures adopted by the service. The notice shall state that the creditor may also request another mediation meeting. The action for judicial review shall be brought in equity, and the action shall be limited to whether, based on clear and convincing evidence, the decision of the administrative head is an abuse of discretion. The action may be brought either in the district court of Polk county or in the district court in which the farmer or creditor resides. Upon reversing the decision by the service, the court shall order that the service issue the mediation release.

86 Acts, ch 1214, §24; 89 Acts, ch 108, §4; 90 Acts, ch 1143, §11, 12; 98 Acts, ch 1122, §1
Referred to in §654.2C, 654A.1, 656.8

**654A.12 Extension of deadlines.**

Upon petition by the borrower and all known creditors, the farm mediation service may, for good cause, extend a deadline imposed by section 654A.8 or section 654A.10 for up to thirty days.

86 Acts, ch 1214, §25

**654A.13 Confidentiality.**

If mediation is conducted pursuant to this chapter, the confidentiality of all mediation communications is protected as provided in section 679C.108.

86 Acts, ch 1214, §26; 89 Acts, ch 108, §5; 90 Acts, ch 1143, §13, 14; 98 Acts, ch 1062, §11; 2005 Acts, ch 68, §4

**654A.14 and 654A.15** Repealed by 90 Acts, ch 1143, § 30.

**654A.16 Wetland designation.**

The farm mediation service shall provide for mediation between the department of natural resources and a landowner affected by the preliminary wetland designation provided in section 456B.12. The department shall cease actions relating to inventorying or designating affected land until a mediation release is issued by the farm mediation service. The mediation process shall be conducted according to rules adopted by the attorney general after consultation with the farm mediation service. The rules shall to the extent practical be based on mediation provided under this chapter for borrowers and lenders.

90 Acts, ch 1199, §9
Referred to in §456B.12

**654A.17** Repealed by 94 Acts, ch 1106, § 1.

# CHAPTER 654B

## FARM MEDIATION — CARE AND FEEDING CONTRACTS — NUISANCES

Referred to in §13.13, 13.15, 352.11, 468.190, 657.10

Legislative findings; 90 Acts, ch 1143, §1


654B.1 Definitions.
654B.2 Voluntary mediation proceedings.
654B.3 Mandatory mediation proceedings.
654B.4 Initial mediation meeting.
654B.5 Duties of the mediator — training program.
654B.6 Reserved.
654B.7 Mediation period.
654B.8 Mediation release.
654B.9 Extension of deadlines.
654B.10 Judicial review.
654B.11 Effect of mediation.
654B.12 Repealed by 94 Acts, ch 1106, §1.


**654B.1 Definitions.**

1. *"Care and feeding contract"* means an agreement, either oral or written, between a farm resident and the owner of livestock, under which the farm resident agrees to act as a feeder by promising to care for and feed the livestock on the farm resident's premises.

2. *"Dispute"* means a controversy between a person who is a farm resident and another person, which arises from a claim eligible to be resolved in a civil proceeding in law or equity, if the claim relates to either of the following:

*a.* The performance of either person under a care and feeding contract, if both persons are parties to the contract.

*b.* An action of one person which is alleged to be a nuisance interfering with the enjoyment of the other person.

3. *"Farmland"* means agricultural land that is principally used for farming as defined in section 9H.1.

4. *"Farm mediation service"* means the organization selected pursuant to section 13.13.

5. *"Farm resident"* means a person holding an interest in farmland, in fee, under a real estate contract, or under a lease, if the person manages farming operations on the land. A farm resident includes a natural person, or any corporation, trust, or limited partnership as defined in section 9H.1.

6. *"Mediation release"* means an agreement or statement signed by all parties or by less than all the parties and the mediator pursuant to section 654B.8.

7. *"Nuisance"* means an action injurious to health, indecent, or offensive to the senses, or an obstruction to the free use of property, so as essentially to interfere with the comfortable enjoyment of life or property, including but not limited to nuisances defined in section 657.2, subsections 1 through 5, and 7.

8. *"Other party"* means any person having a dispute with a farm resident.

9. *"Participate"* or *"participation"* means attending a mediation meeting, and having knowledge about and discussing issues concerning a subject relating to a dispute.

90 Acts, ch 1143, §16

**654B.2 Voluntary mediation proceedings.**

A farm resident or other party may request mediation of a dispute by applying to the farm mediation service. The farm mediation service shall make voluntary mediation application forms available. The farm mediation service shall evaluate each request and may direct a mediator to meet with the farm resident and other party to assist in mediation.

90 Acts, ch 1143, §17

**654B.3 Mandatory mediation proceedings.**

1. *a.* A person who is a farm resident, or other party, desiring to initiate a civil proceeding to resolve a dispute, shall file a request for mediation with the farm mediation service. The person shall not begin the proceeding until the person receives a mediation release or until the court determines after notice and hearing that one of the following applies:

(1) The time delay required for the mediation would cause the person to suffer irreparable harm.

(2) The dispute involves a claim which has been brought as a class action.

*b.* The requirements of paragraph *"a"* are jurisdictional prerequisites to a person filing a civil action that initiates a civil proceeding to resolve a dispute subject to this chapter.

2. Upon receipt of the request for mediation, the farm mediation service shall conduct an initial consultation with each party to the dispute privately and without charge. Mediation may be waived after the initial consultation, if the parties agree.

3. Unless mediation is waived by the parties to the dispute, the parties shall file with the farm mediation service information required by the service to conduct mediation.

90 Acts, ch 1143, §18; 2000 Acts, ch 1129, §2

**654B.4 Initial mediation meeting.**

1. Unless both parties to the dispute waive mediation, within twenty-one days after receiving a mediation request, the farm mediation service shall send a mediation meeting notice to all parties to the dispute setting a time and place for an initial mediation meeting between the parties and a mediator directed by the farm mediation service to assist in mediation. An initial mediation meeting shall be held within twenty-one days of the issuance of the mediation meeting notice.

2. If a person receives a mediation meeting notice under this section, the person shall not continue civil proceedings based on a claim relating to a dispute subject to this chapter, unless the court determines after notice and hearing that one of the following applies:

*a.* The time delay required for the mediation would cause the person to suffer irreparable harm.

*b.* The dispute involves a claim which has been brought as a class action.

3. At the meeting, a party participating in mediation may be accompanied by counsel or a consultant to assist the party in mediation.

90 Acts, ch 1143, §19; 98 Acts, ch 1122, §2

Referred to in §654B.9

**654B.5 Duties of the mediator — training program.**

1. The farm mediation service, with the assistance of knowledgeable persons, shall provide a program to train mediators to assist in the mediation of nuisance disputes.

2. At the initial mediation meeting and subsequent meetings, the mediator shall:

*a.* Listen to all involved parties.

*b.* Attempt to mediate between all involved parties.

*c.* Encourage compromise and workable solutions.

*d.* Advise, counsel, and assist the parties in attempting to arrive at an agreement for the future conduct of relations among them.

90 Acts, ch 1143, §20

**654B.6** Reserved.

**654B.7 Mediation period.**

The mediator may call mediation meetings during the mediation period, which is up to forty-two days after the farm mediation service received the mediation request. However, if all parties consent, mediation may continue after the end of the mediation period.

90 Acts, ch 1143, §21

Referred to in §654B.9

**654B.8 Mediation release.**

1. If an agreement is reached between all parties, the mediator shall draft a written mediation agreement, have it signed by the parties, and submit the agreement to the farm mediation service.

2. *a.* The mediator shall issue a mediation release unless the other party desiring to initiate a civil proceeding to resolve the dispute fails to personally attend and participate in all mediation meetings. The mediator shall issue a mediation release if the farm resident waives or fails to personally attend and participate in all mediation meetings, regardless of participation by the other party. However, if the other party or the farm resident is not a

natural person, the other party or farm resident must be represented by a natural person who is an officer, director, employee, or partner of the other party or farm resident. If a person acts in a fiduciary capacity for the other party or farm resident, the fiduciary may represent the other party or farm resident. If the other party or farm resident or eligible representative is not able to attend and participate as required in this paragraph due to physical infirmity, mental infirmity, or other exigent circumstances determined reasonable by the farm mediation service, the other party or farm resident must be represented by another natural person. Any representative of the other party or the farm resident must be authorized to sign instruments provided by this chapter, including a mediation agreement or a statement prepared by the mediator that mediation was waived. This section does not require a party to reach an agreement. This section does not require a person to change a position, alter an activity which is a subject of the dispute, or restructure a contract in order to receive a mediation release.

*b*. The mediator shall promptly notify a party by certified mail of a denial to issue a mediation release and the reasons for the denial. The notice shall state that the party has seven days from the date that the notice is delivered to appeal the mediator's decision, pursuant to procedures adopted by the service. After a final decision by the farm mediation service, the party may seek an action for judicial review pursuant to section 654B.10.

3. The parties to the mediation agreement may enforce the mediation agreement as a legal contract. The agreement constitutes a mediation release.

4. If the parties waive mediation, or if a mediation agreement is not reached, the parties may sign a statement prepared by the mediator that mediation was waived or that the parties did not reach an agreement. If any party does not sign the statement, the mediator shall sign the statement. The statement constitutes a mediation release.

90 Acts, ch 1143, §22; 90 Acts, ch 1199, §10; 98 Acts, ch 1122, §3
Referred to in §654B.1, 657.10

**654B.9 Extension of deadlines.**

Upon petition by all parties, the farm mediation service may, for good cause, extend a deadline imposed by section 654B.4 or section 654B.7 for up to thirty days.

90 Acts, ch 1143, §23

**654B.10 Judicial review.**

An action for judicial review shall be brought in equity, and the action shall be limited to whether, based on clear and convincing evidence, the decision by the administrative head of the mediation service is an abuse of discretion. The action may be brought in either the district court of Polk county or in the district court in which the affected farm resident resides. Upon reversing the decision by the service, the court shall order that the service issue a mediation release.

90 Acts, ch 1143, §24
Referred to in §654B.8

**654B.11 Effect of mediation.**

An interest in property, or rights and obligations under a contract are not affected by the failure of a person to obtain a mediation release regardless of its validity.

Time periods relating to a claim, including applicable statutes of limitations, shall be suspended upon filing a mediation request. Time periods affecting a claim in a civil proceeding shall be suspended upon filing a mediation request. The suspension shall terminate upon signing a mediation release.

90 Acts, ch 1143, §25

**654B.12** Repealed by 94 Acts, ch 1106, § 1.

# CHAPTER 654C

## FARM MEDIATION — ANIMAL FEEDING OPERATION STRUCTURES

Referred to in §13.13, 13.15, 468.190


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|---|---|---|---|
| 654C.1 | Definitions. | 654C.5 | Mediation agreement. |
| 654C.2 | Mediation proceedings. | 654C.6 | Extension of deadlines. |
| 654C.3 | Duties of the mediator. | | |
| 654C.4 | Mediation period. | 654C.7 | Effect of mediation. |


**654C.1 Definitions.**

As used in this chapter, unless otherwise required:

1. *"Animal feeding operation structure"* means the same as defined in section 459.102.

2. *"Dispute"* means a controversy between an owner and a neighbor, which arises from negotiations between the parties to establish an animal feeding operation structure within the separation distance.

3. *"Farm mediation service"* means the organization selected pursuant to section 13.13.

4. *"Neighbor"* means a person benefiting from a separation distance required pursuant to section 459.202 or 459.204, including a person owning a residence other than the owner of the animal feeding operation, a commercial enterprise, bona fide religious institution, educational institution, or a city, authorized to execute a waiver.

5. *"Owner"* means the owner of an animal feeding operation, as defined in section 459.102, which utilizes an animal feeding operation structure.

6. *"Participate"* or *"participation"* means attending a mediation meeting, and having knowledge about and discussing issues concerning a subject relating to a dispute.

7. *"Waiver"* means a waiver executed between an owner and a neighbor as provided in section 459.205.

95 Acts, ch 195, §27

**654C.2 Mediation proceedings.**

1. A person who is an owner or a neighbor may file a request for mediation with the farm mediation service. Upon receipt of the request for mediation, the farm mediation service shall conduct an initial consultation with each party to the dispute privately and without charge. Mediation shall be canceled after the initial consultation, unless both parties agree to proceed.

2. Both parties to the dispute shall file with the farm mediation service information required by the service to conduct mediation.

3. Unless mediation is canceled, within twenty-one days after receiving a mediation request, the farm mediation service shall send a mediation meeting notice to all parties to the dispute setting a time and place for an initial mediation meeting between the parties and a mediator directed by the farm mediation service to assist in mediation. An initial mediation meeting shall be held within twenty-one days of the issuance of the mediation meeting notice.

95 Acts, ch 195, §28

Referred to in §654C.6

**654C.3 Duties of the mediator.**

At the initial mediation meeting and subsequent meetings, the mediator shall:

1. Listen to all involved parties.

2. Attempt to mediate between all involved parties.

3. Encourage compromise and workable solutions.

4. Advise, counsel, and assist the parties in attempting to arrive at an agreement for the future conduct of relations among themselves.

95 Acts, ch 195, §29

**654C.4 Mediation period.**

The mediator may call mediation meetings during the mediation period, which is up to forty-two days after the farm mediation service received the mediation request. However, if all parties consent, mediation may continue after the end of the mediation period.

95 Acts, ch 195, §30

Referred to in §654C.6

**654C.5 Mediation agreement.**

1. If an agreement is reached between all parties, the mediator shall draft a written mediation agreement, which shall be signed by the parties. The mediation agreement shall provide for a waiver which the mediator shall file in the office of the recorder of deeds of the county in which the benefited land is located, as provided in section 459.205. The mediator shall forward a mediation agreement to the farm mediation service.

2. The parties agreeing to mediation shall personally attend and participate in all mediation meetings. However, if a party is not a natural person, the party must be represented by a natural person who is an officer, director, employee, or partner of the party. If a person acts in a fiduciary capacity for a party, the fiduciary may represent the party. If the party or an eligible representative is not able to attend and participate as required in this subsection due to physical infirmity, mental infirmity, or other exigent circumstances determined reasonable by the farm mediation service, the party must be represented by another natural person. Any representative of a party must be authorized to sign instruments provided by this chapter, including a mediation agreement or a statement prepared by the mediator that mediation was waived. This section does not require a party to reach an agreement. This section does not require a person to change a position, alter an activity which is a subject of the dispute, alter an application for a permit for construction of an animal feeding operation, or restructure a contract.

3. The parties to the mediation agreement may enforce the mediation agreement as a legal contract.

4. If the parties do not agree to proceed with mediation, or if a mediation agreement is not reached, the parties may sign a statement prepared by the mediator that mediation proceedings were not conducted or concluded or that the parties did not reach an agreement.

95 Acts, ch 195, §31; 98 Acts, ch 1122, §4

**654C.6 Extension of deadlines.**

Upon petition by all parties, the farm mediation service may, for good cause, extend a deadline imposed by section 654C.2 or 654C.4 for up to thirty days.

95 Acts, ch 195, §32

**654C.7 Effect of mediation.**

An interest in property or rights and obligations under a contract are not affected by the failure of a person to obtain a mediation agreement.

95 Acts, ch 195, §33

# CHAPTER 655

## SATISFACTION OF MORTGAGES


655.1 Written instrument acknowledging satisfaction.
655.2 Repealed by 99 Acts, ch 54, §3.
655.3 Penalty for failure to discharge.
655.4 Entry of foreclosure. Repealed by 2006 Acts, ch 1132, §15, 16.
655.5 Instrument of satisfaction.


**655.1 Written instrument acknowledging satisfaction.**

When the amount due on a mortgage is paid off, the mortgagee, the mortgagee's personal representative or assignee, or those legally acting for the mortgagee, and in case of payment

of a school fund mortgage the county auditor, must acknowledge satisfaction thereof by execution of an instrument in writing, referring to the mortgage, and duly acknowledged and recorded.

[C51, §2093; R60, §3670; C73, §3327; C97, §4295; C24, 27, 31, 35, 39, §**12384;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §655.1]

Referred to in §331.502
Duty of recorder, §558.45

**655.2** Repealed by 99 Acts, ch 54, § 3.

**655.3 Penalty for failure to discharge.**

If a mortgagee, or a mortgagee's personal representative or assignee, upon full performance of the conditions of the mortgage, fails to discharge such mortgage within thirty days after a request for discharge, the mortgagee is liable to the mortgagor and the mortgagor's heirs or assigns, for all actual damages caused by such failure, including reasonable attorney fees. A claim for such damages may be asserted in an action for discharge of the mortgage. If the defendant is not a resident of this state, such action may be maintained upon the expiration of thirty days after the conditions of the mortgage have been performed, without such previous request or tender.

99 Acts, ch 54, §2

**655.4 Entry of foreclosure.** Repealed by 2006 Acts, ch 1132, § 15, 16.

**655.5 Instrument of satisfaction.**

When the judgment is paid in full, the mortgagee shall file with the clerk a satisfaction of judgment which shall release the mortgage underlying the action. A mortgagee who fails to file a satisfaction within thirty days of receiving a written request shall be subject to reasonable damages and a penalty of one hundred dollars plus reasonable attorney fees incurred by the aggrieved party, to be recovered in an action for the satisfaction by the party aggrieved.

[C73, §3328; C97, §4296; C24, 27, 31, 35, 39, §**12388;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §655.5]

85 Acts, ch 159, §11; 90 Acts, ch 1081, §6; 2006 Acts, ch 1129, §14; 2006 Acts, ch 1132, §12, 16; 2007 Acts, ch 85, §1

# CHAPTER 655A

## NONJUDICIAL FORECLOSURE OF NONAGRICULTURAL MORTGAGES

Referred to in §455B.172, 455B.751, 558A.1, 654.2B, 654.2D, 654.4A


655A.1 Title.
655A.2 Conditions prescribed.
655A.3 Notice.
655A.4 Service.
655A.5 Compliance with notice.
655A.6 Rejection of notice.
655A.7 Proof and record of service.
655A.8 Effect of foreclosure — reopening.
655A.9 Application of chapter.


**655A.1 Title.**

This chapter shall be known as the "*Nonjudicial Foreclosure of Nonagricultural Mortgages*".

87 Acts, ch 142, §17

**655A.2 Conditions prescribed.**

Except as provided in section 655A.9, a mortgage may be foreclosed, at the option of the mortgagee, as provided in this chapter.

87 Acts, ch 142, §18

**655A.3 Notice.**

1. *a.* The nonjudicial foreclosure is initiated by the mortgagee by serving on the mortgagor a written notice which shall:

(1) Reasonably identify by a document reference number the mortgage and accurately describe the real estate covered.

(2) Specify the terms of the mortgage with which the mortgagor has not complied. The terms shall not include any obligation arising from acceleration of the indebtedness secured by the mortgage.

(3) State that, unless within thirty days after the completed service of the notice the mortgagor performs the terms in default or files with the recorder of the county where the mortgaged property is located a rejection of the notice pursuant to section 655A.6 and serves a copy of the rejection upon the mortgagee, the mortgage will be foreclosed.

(4) Specify a postal or electronic mail address where rejection of the notice may be served.

*b.* The notice shall contain the following in capital letters of the same type or print size as the rest of the notice:

WITHIN THIRTY DAYS AFTER YOUR RECEIPT OF THIS NOTICE, YOU MUST EITHER CURE THE DEFAULTS DESCRIBED IN THIS NOTICE OR FILE WITH THE RECORDER OF THE COUNTY WHERE THE MORTGAGED PROPERTY IS LOCATED A REJECTION OF THIS NOTICE AND SERVE A COPY OF YOUR REJECTION ON THE MORTGAGEE IN THE MANNER PROVIDED IN SECTION 655A.4. IF YOU WISH TO REJECT THIS NOTICE, YOU SHOULD CONSULT AN ATTORNEY AS TO THE PROPER MANNER TO MAKE THE REJECTION.

IF YOU DO NOT TAKE EITHER OF THE ACTIONS DESCRIBED ABOVE WITHIN THE THIRTY-DAY PERIOD, THE FORECLOSURE WILL BE COMPLETE AND YOU WILL LOSE TITLE TO THE MORTGAGED PROPERTY. AFTER THE FORECLOSURE IS COMPLETE THE DEBT SECURED BY THE MORTGAGED PROPERTY WILL BE EXTINGUISHED.

2. The mortgagee shall also serve a copy of the notice required in subsection 1 on the person in possession of the real estate, if different than the mortgagor, and on all junior lienholders of record.

3. The mortgagee may file a written notice required in subsection 1 together with proof of service on the mortgagor with the recorder of the county where the mortgaged property is located. Such a filing shall have the same force and effect on third parties as an indexed notation entered by the clerk of the district court pursuant to section 617.10, commencing from the filing of proof of service on the mortgagors and terminating on the filing of a rejection pursuant to section 655A.6, an affidavit of completion pursuant to section 655A.7, or the expiration of ninety days from completion of service on the mortgagors, whichever occurs first.

4. As used in this chapter, "*mortgagee*" and "*mortgagor*" include a successor in interest.

87 Acts, ch 142, §19; 2001 Acts, ch 44, §30; 2006 Acts, ch 1132, §13, 16; 2007 Acts, ch 126, §107; 2009 Acts, ch 51, §11, 17; 2012 Acts, ch 1021, §110; 2012 Acts, ch 1053, §4

Referred to in §655A.6, 655A.8

Subsection 1, paragraph a, subparagraph (4) applies to all nonjudicial foreclosures of nonagricultural mortgages commenced on or after July 1, 2009; 2009 Acts, ch 51, §17

**655A.4 Service.**

Notice under this chapter shall be served as provided in the rules of civil procedure for service of original notice or as provided in section 654.4A. Rejection of notice under this chapter shall be served by ordinary or electronic mail addressed as provided in the notice, or if no address is provided, to the last address of the mortgagee known to the mortgagor.

87 Acts, ch 142, §20; 2009 Acts, ch 51, §12, 17; 2012 Acts, ch 1053, §5

Referred to in §655A.3, 655A.6, 655A.7

Notice; R.C.P. 1.302 et seq.

2009 amendment applies to all nonjudicial foreclosures of nonagricultural mortgages commenced on or after July 1, 2009; 2009 Acts, ch 51, §17

**655A.5 Compliance with notice.**

If the mortgagor or a junior lienholder performs, within thirty days of completed service of notice, the breached terms specified in the notice, then the right to foreclose for the breach is terminated.

87 Acts, ch 142, §21
Referred to in §655A.8

**655A.6 Rejection of notice.**

If either the mortgagor, or successor in interest of record including a contract purchaser, within thirty days of service of the notice pursuant to section 655A.3, files with the recorder of the county where the mortgaged property is located, a rejection of the notice reasonably identifying the notice which is rejected together with proofs of service required under section 655A.4 that the rejection has been served on the mortgagee, the notice served upon the mortgagor pursuant to section 655A.3 is of no force or effect.

87 Acts, ch 142, §22; 2001 Acts, ch 44, §31; 2009 Acts, ch 51, §13, 17
Referred to in §655A.3, 655A.8
2009 amendment applies to all nonjudicial foreclosures of nonagricultural mortgages commenced on or after July 1, 2009; 2009 Acts, ch 51, §17

**655A.7 Proof and record of service.**

If the terms and conditions as to which there is default are not performed within the thirty days, the party serving the notice or causing it to be served shall file for record in the office of the county recorder a copy of the notice with proofs of service required under section 655A.4 attached or endorsed on it and, in case of service by publication, a personal affidavit that personal service could not be made within this state, and when those documents are filed and recorded, the record is constructive notice to all parties of the due foreclosure of the mortgage.

87 Acts, ch 142, §23
Referred to in §655A.3, 655A.8

**655A.8 Effect of foreclosure — reopening.**

Upon completion of the filings required under section 655A.7 and if no rejection of notice has been filed pursuant to section 655A.6, then without further act or deed:

1. The mortgagee acquires and succeeds to all interest of the mortgagor in the real estate.
2. All liens which are inferior to the lien of the foreclosed mortgage are extinguished.
3. The indebtedness secured by the foreclosed mortgage is extinguished.
4. If, after completion of the filings required under section 655A.7, it appears that a junior lienholder was not properly served with a notice pursuant to section 655A.3, the mortgagee may serve the lienholder with an amended notice specifying the provisions of the mortgage currently in default. Unless, within thirty days, the junior lienholder performs pursuant to section 655A.5, the mortgagee may file a supplemental affidavit indicating service and nonperformance to extinguish the lien.
5. A foreclosure under this chapter shall not bar a mortgagee or its successor in interest from action under chapter 654 to resolve matters which have not been resolved under this chapter.

87 Acts, ch 142, §24; 2009 Acts, ch 51, §14, 17
2009 amendment applies to all nonjudicial foreclosures of nonagricultural mortgages commenced on or after July 1, 2009; 2009 Acts, ch 51, §17

**655A.9 Application of chapter.**

This chapter does not apply to real estate used for an agricultural purpose as defined in section 535.13, or to a one or two family dwelling which is, at the time of the initiation of the foreclosure, occupied by a legal or equitable titleholder.

87 Acts, ch 142, §25; 2006 Acts, ch 1132, §14, 16; 2009 Acts, ch 51, §15, 17
Referred to in §655A.2
2009 amendment applies to all nonjudicial foreclosures of nonagricultural mortgages commenced on or after July 1, 2009; amendment intended as continuation of prior statute and does not affect prior operation of statute or action taken under prior statute; 2009 Acts, ch 51, §17, 18

# CHAPTER 656

## FORFEITURE OF REAL ESTATE CONTRACTS

Referred to in §8.45, 15E.207, 123.39, 455B.172, 558A.1, 654A.1, 654A.6, 654A.8


656.1 Conditions prescribed.
656.2 Notice.
656.3 Service of notice.
656.4 Compliance with notice.
656.5 Proof and record of service.
656.6 Scope of chapter.
656.7 Attorney fees.
656.8 Mediation notice.
656.9 Defect in forfeiture proceedings — limitation of actions.


**656.1 Conditions prescribed.**

A contract which provides for the sale of real estate located in this state, and for the forfeiture of the vendee's rights in such contract in case the vendee fails, in specified ways, to comply with said contract, shall, nevertheless, not be forfeited or canceled except as provided in this chapter.

[C97, §4299; S13, §4299; C24, 27, 31, 35, 39, §**12389;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §656.1]

Referred to in §656.8

**656.2 Notice.**

1. The forfeiture shall be initiated by the vendor by serving on the vendee a written notice which shall:

*a.* Reasonably identify the contract by a document reference number and accurately describe the real estate covered.

*b.* Specify the terms of the contract with which the vendee has not complied.

*c.* State that unless, within thirty days after the completed service of the notice, the vendee performs the terms in default and pays the reasonable costs of serving the notice, the contract will be forfeited.

*d.* Specify the amount of attorney fees claimed by the vendor pursuant to section 656.7 and state that payment of the attorney fees is not required to comply with the notice and prevent forfeiture.

2. *a.* The vendor shall also serve a copy of the notice required in subsection 1 on the person in possession of the real estate, if different than the vendee; on all the vendee's mortgagees of record; and on a person who asserts a claim against the vendee's interest, except a government or governmental subdivision or agency holding a lien for real estate taxes or assessments, if the person has done both of the following:

(1) Requested, on a form which substantially complies with the following form, that notice of forfeiture be served on the person at an address specified in the request.

REQUEST FOR NOTICE PURSUANT TO
IOWA CODE SECTION 656.2, SUBSECTION 2

The undersigned requests service of notice under Iowa Code sections 656.2 and 656.3 to forfeit the contract recorded on the ..... day of ..... (month), ..... (year), in book or roll ....., image or page ....., office of the ..... county recorder, ..... county, Iowa, wherein ..... is/are seller(s) and ..... is/are buyer(s), for sale of real estate legally described as: [insert complete legal description]

.....

NAME

.....

.....

.....

ADDRESS

CAUTION: Your name and address must be correct. If not correct, you will not receive notice requested because notice need

only be served on you at the above address. If your address changes, a new request for notice must be filed.

(2) Filed the request form for record in the office of the county recorder after acquisition of the vendee's interest but prior to the date of recording of the proof and record of service of notice of forfeiture required by section 656.5 and paid a fee of five dollars.

*b.* The request for notice is valid for a period of five years from the date of filing with the county recorder. The request for notice may be renewed for additional periods of five years by the procedure specified in this subsection. The request for notice may be amended at any time by the procedure specified in this subsection. The request for notice shall be indexed.

*c.* The vendee's mortgagees of record include all assignees of record for collateral purposes.

3. As used in this section, the terms "*vendor*" and "*vendee*" include a successor in interest but the term "*vendee*" excludes a vendee who assigned or conveyed of record all of the vendee's interest in the real estate.

[C97, §4299; S13, §4299; C24, 27, 31, 35, 39, §**12390;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §656.2]

84 Acts, ch 1203, §2; 86 Acts, ch 1237, §41; 87 Acts, ch 166, §1; 91 Acts, ch 161, §1; 2000 Acts, ch 1058, §56; 2001 Acts, ch 44, §32; 2003 Acts, ch 108, §112; 2003 Acts, 1st Ex, ch 2, §44, 209; 2013 Acts, ch 90, §219

Referred to in §656.3, 656.8

Subsection 2 amended

**656.3 Service of notice.**

1. The notice provided for in section 656.2 may be served personally or by publication, on the same conditions, and in the same manner as is provided for the service of original notices, except that when the notice is served by publication an affidavit shall not be required before publication. Service by publication shall be deemed complete on the day of the last publication.

2. The notice provided for in section 656.2 may be served on a judgment creditor of a deceased vendor or on any other person who is, as a matter of record, interested in the estate of a deceased vendor in the manner provided in section 654.4A, subsections 4 and 5.

[C97, §4299; S13, §4299; C24, 27, 31, 35, 39, §**12391;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §656.3]

2013 Acts, ch 83, §3

Referred to in §654.18, 656.2, 656.8

Manner and publication of service, R.C.P. 1.302 – 1.315

Section amended

**656.4 Compliance with notice.**

If the vendee or a mortgagee of the real estate performs, within thirty days of completed service of notice, the breached terms specified in the notice and pays the vendor the reasonable cost of serving the notice, then the right to forfeit for the breach is terminated. The payment of attorney fees pursuant to section 656.7 is not necessary to comply with the notice and prevent forfeiture.

[C97, §4300; S13, §4300; C24, 27, 31, 35, 39, §**12392;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §656.4]

84 Acts, ch 1203, §3

Referred to in §656.8

**656.5 Proof and record of service.**

If the terms and conditions as to which there is default are not performed within said thirty days, the party serving said notice or causing the same to be served, may file for record in the office of the county recorder a copy of the notice aforesaid with proofs of service attached or endorsed thereon (and, in case of service by publication, a personal affidavit that personal

service could not be made within this state), and when so filed and recorded, the said record shall be constructive notice to all parties of the due forfeiture and cancellation of said contract.

[S13, §4300; C24, 27, 31, 35, 39, §**12393;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §656.5]

Referred to in §656.2, 656.8, 656.9

**656.6 Scope of chapter.**

This chapter shall be operative in all cases where the intention of the parties, as gathered from the contract and surrounding circumstances, is to sell or to agree to sell an interest in real estate, any contract or agreement of the parties to the contrary notwithstanding.

[C97, §4301; C24, 27, 31, 35, 39, §**12394;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §656.6]

Referred to in §656.9

**656.7 Attorney fees.**

1. The vendee is liable to the vendor for reasonable attorney fees actually incurred by the vendor necessary for the forfeiture of a contract governed by this chapter. The demand for attorney fees must be stated in the notice served. The maximum liability under this section is fifty dollars. *"Attorney fees"*, as used in this chapter, is limited to reasonable fees for services requiring a lawyer. *"Attorney fees"* does not include clerical services even if the services are performed in a lawyer's office.

2. A vendor seeking payment of attorney fees, when the vendee fails or refuses to pay them, may file a small claims action for enforcement.

84 Acts, ch 1203, §1

Referred to in §656.2, 656.4

**656.8 Mediation notice.**

Notwithstanding sections 656.1 through 656.5, a person shall not initiate proceedings under this chapter to forfeit a real estate contract for the purchase of agricultural property, as defined in section 654A.1, which is subject to an outstanding obligation on the contract of twenty thousand dollars or more unless the person received a mediation release under section 654A.11, or unless the court determines after notice and hearing that the time delay required for the mediation would cause the person to suffer irreparable harm. Title to land that is agricultural property is not affected by the failure of any creditor to receive a mediation release, regardless of its validity.

86 Acts, ch 1214, §28; 87 Acts, ch 73, §3

**656.9 Defect in forfeiture proceedings — limitation of actions.**

1. An action shall not be commenced after July 1, 1992, that asserts a claim against real estate previously subject to a forfeiture proceeding, and such claim is based upon a defect in the forfeiture proceeding, in which the proof and record of service of notice of forfeiture required by section 656.5 has been filed for record in the office of the county recorder prior to July 1, 1991.

2. *a.* An action shall not be commenced by a vendee who is not in possession of the property, or by a party to the forfeiture proceeding who is other than a vendee or vendor, that asserts a claim against real estate previously subject to a forfeiture proceeding, and such claim is based upon a defect in the forfeiture proceeding, in which the proof and record of service of notice of forfeiture required by section 656.6 has been filed of record for more than ten years.

*b.* A vendee who is not in possession of the property, or a party to the forfeiture proceeding who is other than the vendee or vendor, may commence an action described in paragraph *"a"* at any time prior to July 1, 2014, if, as of June 30, 2013, more than nine years but ten years or less have elapsed since the proof and record of service of notice of forfeiture required by section 656.6 was filed of record.

*c.* Subsection 1 and subsection 2, paragraph *"b"*, and this paragraph *"c"* are repealed July 1, 2014.

91 Acts, ch 161, §2; 2013 Acts, ch 83, §4

Section amended

# CHAPTER 657

## NUISANCES

Referred to in §6B.56, 318.6, 318.11, 364.22B, 446.7

Anhydrous ammonia plants, see §200.21
Farm operations, see §352.11


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**657.1 Nuisance — what constitutes — action to abate — electric utility defense.**

1. Whatever is injurious to health, indecent, or unreasonably offensive to the senses, or an obstruction to the free use of property, so as essentially to interfere unreasonably with the comfortable enjoyment of life or property, is a nuisance, and a civil action by ordinary proceedings may be brought to enjoin and abate the nuisance and to recover damages sustained on account of the nuisance. A petition filed under this subsection shall include the legal description of the real property upon which the nuisance is located unless the nuisance is not situated on or confined to a parcel of real property or is portable or capable of being removed from the real property.

2. Notwithstanding subsection 1, in an action to abate a nuisance against an electric utility, an electric utility may assert a defense of comparative fault as set out in section 668.3 if the electric utility demonstrates that in the course of providing electric services to its customers it has complied with engineering and safety standards as adopted by the utilities board of the department of commerce, and if the electric utility has secured all permits and approvals, as required by state law and local ordinances, necessary to perform activities alleged to constitute a nuisance.

[C51, §2131 – 2133; R60, §3713 – 3715; C73, §3331; C97, §4302; C24, 27, 31, 35, 39, §**12395;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §657.1]

95 Acts, ch 195, §34; 2004 Acts, ch 1077, §1; 2005 Acts, ch 3, §108; 2010 Acts, ch 1050, §8

**657.2 What deemed nuisances.**

The following are nuisances:

1. The erecting, continuing, or using any building or other place for the exercise of any trade, employment, or manufacture, which, by occasioning noxious exhalations, unreasonably offensive smells, or other annoyances, becomes injurious and dangerous to the health, comfort, or property of individuals or the public.

2. The causing or suffering any offal, filth, or noisome substance to be collected or to remain in any place to the prejudice of others.

3. The obstructing or impeding without legal authority the passage of any navigable river, harbor, or collection of water.

4. The corrupting or rendering unwholesome or impure the water of any river, stream, or pond, or unlawfully diverting the same from its natural course or state, to the injury or prejudice of others.

5. The obstructing or encumbering by fences, buildings, or otherwise the public roads, private ways, streets, alleys, commons, landing places, or burying grounds.

6. Houses of ill fame, kept for the purpose of prostitution and lewdness, gambling houses, places resorted to by persons participating in criminal gang activity prohibited by chapter 723A, or places resorted to by persons using controlled substances, as defined in section 124.101, subsection 5, in violation of law, or houses where drunkenness, quarreling, fighting, or breaches of the peace are carried on or permitted to the disturbance of others.

7. Billboards, signboards, and advertising signs, whether erected and constructed on

public or private property, which so obstruct and impair the view of any portion or part of a public street, avenue, highway, boulevard, or alley or of a railroad or street railway track as to render dangerous the use thereof.

8. Any object or structure hereafter erected within one thousand feet of the limits of any municipal or regularly established airport or landing place, which may endanger or obstruct aerial navigation, including take-off and landing, unless such object or structure constitutes a proper use or enjoyment of the land on which the same is located.

9. The depositing or storing of flammable junk, such as old rags, rope, cordage, rubber, bones, and paper, by dealers in such articles within the fire limits of a city, unless in a building of fireproof construction, is a public nuisance.

10. The emission of dense smoke, noxious fumes, or fly ash in cities is a nuisance and cities may provide the necessary rules for inspection, regulation and control.

11. Dense growth of all weeds, vines, brush, or other vegetation in any city so as to constitute a health, safety, or fire hazard is a public nuisance.

12. Trees infected with Dutch elm disease in cities.

[C51, §2759, 2761; R60, §4409, 4411; C73, §4089, 4091; C97, §5078, 5080; S13, §713-a, -b, 1056-a19; C24, 27, 31, 35, 39, §**5740, 5741, 6567, 6743, 12396;** C46, 50, §368.3, 368.4, 416.92, 420.54, 657.2; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §657.2]

92 Acts, ch 1163, §116; 92 Acts, ch 1231, §56; 95 Acts, ch 195, §35; 98 Acts, ch 1072, §1

Referred to in §654B.1

See also abandoned or unsafe buildings, chapter 657A; airport hazards, chapter 329; bee colonies, §160.7; billboards or advertising along highways, §306B.5, 306C.19, 318.11; construction in floodways and floodplains, §455B.275; crop pests and diseases, §177A.5; dams or pumping stations, §481A.14; farm operations, §352.11; highway obstructions, §318.6; levees and drainage ditches, §468.149, 468.150; liquor law violations, §123.60; livestock care and feeding contracts, §654B.1; junkyards, §306C.6; nongame species, §481A.42; property used in hunting and fishing violations, §483A.32; prostitution and gambling, chapter 99; restricted residence district violations, §414.24; slaughterhouse violations, §172A.10; unauthorized signs on highways, §321.259

**657.2A Indexing of petition.**

1. When a petition affecting real property is filed by a governmental entity under this chapter, the clerk of the district court shall index the petition pursuant to section 617.10, if the legal description of the affected property is included in or attached to the petition.

2. After filing the petition with the clerk of the district court, the governmental entity shall also file the petition in the office of the county treasurer. The county treasurer shall include a notation of the pendency of the action in the county system, as defined in section 445.1, until the judgment of the court is satisfied or until the action is dismissed. Pursuant to section 446.7, an affected property that is subject to a pending action shall not be offered for sale by the county treasurer at tax sale.

2010 Acts, ch 1050, §9

**657.3 Penalty — abatement.**

Whoever is convicted of erecting, causing, or continuing a public or common nuisance as provided in this chapter, or at common law when the same has not been modified or repealed by statute, where no other punishment therefor is specially provided, shall be guilty of an aggravated misdemeanor and the court may order such nuisance abated, and issue a warrant as hereinafter provided.

[C51, §2762; R60, §4412; C73, §4092; C97, §5081; S13, §5081; C24, 27, 31, 35, 39, §**12397;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §657.3]

**657.4 Process.**

When upon indictment, complaint, or civil action any person is found guilty of erecting, causing, or continuing a nuisance, the court before whom such finding is had may, in addition to the fine imposed, if any, or to the judgment for damages or cost for which a separate execution may issue, order that such nuisance be abated or removed at the expense of the defendant, and, after inquiry into and estimating as nearly as may be the sum necessary to defray the expenses of such abatement, the court may issue a warrant therefor.

[C51, §2763; R60, §4413; C73, §4093; C97, §5082; C24, 27, 31, 35, 39, §**12398;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §657.4]

**657.5** Repealed by 72 Acts, ch 1124, § 282.

**657.6 Stay of execution.**

Instead of issuing such warrant, the court may order the same to be stayed upon motion of the defendant, and upon the defendant's entering into an undertaking to the state, in such sum and with such surety as the court may direct, conditioned either that the defendant will discontinue said nuisance, or that, within a time limited by the court, and not exceeding six months, the defendant will cause the same to be abated and removed, as either is directed by the court; and, upon the defendant's failure to perform the condition of the defendant's undertaking, the same shall be forfeited, and the court, upon being satisfied of such default, may order such warrant forthwith to issue, and action may be brought on such undertaking.

[C51, §2765; R60, §4415; C73, §4095; C97, §5084; C24, 27, 31, 35, 39, §**12400;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §657.6]

**657.7 Expenses — how collected.**

The expense of abating a nuisance by virtue of a warrant can be collected by the officer in the same manner as damages and costs are collected on execution, except that the materials of any buildings, fences, or other things that may be removed as a nuisance may be first levied upon and sold by the officer, and if any of the proceeds remain after satisfying the expense of the removal, such balance must be paid by the officer to the defendant, or to the owner of the property levied upon; and if said proceeds are not sufficient to pay such expenses, the officer must collect the residue thereof.

[C51, §2766; R60, §4416; C73, §4096; C97, §5085; C24, 27, 31, 35, 39, §**12401;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §657.7]

**657.8 Feedlots.**

This chapter shall apply to the operation of a livestock feedlot, only as provided in chapter 172D.

[C77, 79, 81, §657.8]

**657.9 Shooting ranges.**

Before a person improves property acquired to establish, use, and maintain a shooting range by the erection of buildings, breastworks, ramparts, or other works or before a person substantially changes the existing use of a shooting range, the person shall obtain approval of the county zoning commission or the city zoning commission, whichever is appropriate. The appropriate commission shall comply with section 335.8 or 414.6. In the event a county or city does not have a zoning commission, the county board of supervisors or the city council shall comply with section 335.6 or 414.5 before granting the approval.

A person who acquires title to or who owns real property adversely affected by the use of property with a permanently located and improved range shall not maintain a nuisance action against the person who owns the range to restrain, enjoin, or impede the use of the range where there has not been a substantial change in the nature of the use of the range. This section does not prohibit actions for negligence or recklessness in the operation of the range or by a person using the range.

[82 Acts, ch 1193, §1]

84 Acts, ch 1067, §49

**657.10 Mediation notice.**

Notwithstanding this chapter, a person, required under chapter 654B to participate in mediation, shall not begin a proceeding subject to this chapter until the person receives a mediation release under section 654B.8, or until the court determines after notice and hearing that one of the following applies:

1. The time delay required for the mediation would cause the person to suffer irreparable harm.
2. The dispute involves a claim which should be resolved as a class action.

90 Acts, ch 1143, §27

**657.11 Animal feeding operations.**

1. The purpose of this section is to protect animal agricultural producers who manage their operations according to state and federal requirements from the costs of defending nuisance suits, which negatively impact upon Iowa's competitive economic position and discourage persons from entering into animal agricultural production. This section is intended to promote the expansion of animal agriculture in this state by protecting persons engaged in the care and feeding of animals. The general assembly has balanced all competing interests and declares its intent to protect and preserve animal agricultural production operations.

2. An animal feeding operation, as defined in section 459.102, shall not be found to be a public or private nuisance under this chapter or under principles of common law, and the animal feeding operation shall not be found to interfere with another person's comfortable use and enjoyment of the person's life or property under any other cause of action. However, this section shall not apply if the person bringing the action proves that an injury to the person or damage to the person's property is proximately caused by either of the following:

*a.* The failure to comply with a federal statute or regulation or a state statute or rule which applies to the animal feeding operation.

*b.* Both of the following:

(1) The animal feeding operation unreasonably and for substantial periods of time interferes with the person's comfortable use and enjoyment of the person's life or property.

(2) The animal feeding operation failed to use existing prudent generally accepted management practices reasonable for the operation.

3. This section does not apply to a person during any period that the person is classified as a chronic violator under this subsection as to any confinement feeding operation in which the person holds a controlling interest, as defined by rules adopted by the department of natural resources. This section shall apply to the person on and after the date that the person is removed from the classification of chronic violator. For purposes of this subsection, "*confinement feeding operation*" means an animal feeding operation in which animals are confined to areas which are totally roofed, and which are regulated by the department of natural resources or the environmental protection commission.

*a.* (1) A person shall be classified as a chronic violator if the person has committed three or more violations as described in this subsection prior to, on, or after July 1, 1996. In addition, in relation to each violation, the person must have been subject to either of the following:

(a) The assessment of a civil penalty by the department or the commission in an amount equal to three thousand dollars or more.

(b) A court order or judgment for a legal action brought by the attorney general after referral by the department or commission.

(2) Each violation must have occurred within five years prior to the date of the latest violation, counting any violation committed by a confinement feeding operation in which the person holds a controlling interest. A violation occurs on the date the department issues an administrative order to the person assessing a civil penalty of three thousand dollars or more, or on the date the department notifies a person in writing that the department will recommend that the commission refer, or the commission refers the case to the attorney general for legal action, or the date of entry of the court order or judgment, whichever occurs first. A violation under this subsection shall not be counted if the civil penalty ultimately imposed is less than three thousand dollars, the department or commission does not refer the action to the attorney general, the attorney general does not take legal action, or a court order or judgment is not entered against the person. A person shall be removed from the classification of chronic violator on the date on which the person and all confinement feeding operations in which the person holds a controlling interest have committed less than three violations described in this subsection for the prior five years.

*b.* For purposes of counting violations, a continuing and uninterrupted violation shall be considered as one violation. Different types of violations shall be counted as separate violations regardless of whether the violations were committed during the same period. The violation must be a violation of a state statute, or a rule adopted by the department, which applies to a confinement feeding operation and any related animal feeding operation

structure, including an anaerobic lagoon, earthen manure storage basin, formed manure storage structure, or egg washwater storage structure; or any related pollution control device or practice. The structure, device, or practice must be part of the confinement feeding operation. The violation must be one of the following:

(1) Constructing or operating a related animal feeding operation structure or installing or using a related pollution control device or practice, for which the person must obtain a permit, in violation of statute or rules adopted by the department, including the terms or conditions of the permit.

(2) Intentionally making a false statement or misrepresenting information to the department as part of an application for a construction permit for the related animal feeding operation structure, or the installation of the related pollution control device or practice, for which the person must obtain a construction permit from the department.

(3) Failing to obtain a permit or approval by the department for a permit to construct or operate a confinement feeding operation or use a related animal feeding operation structure or pollution control device or practice, for which the person must obtain a permit from the department.

(4) Operating a confinement feeding operation, including a related animal feeding operation structure or pollution control device or practice, which causes pollution to the waters of the state, if the pollution was caused intentionally, or caused by a failure to take measures required to abate the pollution which resulted from an act of God.

(5) Failing to submit a manure management plan as required, or operating a confinement feeding operation required to have a manure management plan without having submitted the manure management plan.

4. This section shall apply regardless of the established date of operation or expansion of the animal feeding operation. A defense against a cause of action provided in this section includes, but is not limited to, a defense for actions arising out of the care and feeding of animals; the handling or transportation of animals; the treatment or disposal of manure resulting from animals; the transportation and application of animal manure; and the creation of noise, odor, dust, or fumes arising from an animal feeding operation.

5. If a court determines that a claim is frivolous, a person who brings the claim as part of a losing cause of action against a person who may raise a defense under this section shall be liable to the person against whom the action was brought for all costs and expenses incurred in the defense of the action.

6. This section does not apply to an injury to a person or damages to property caused by the animal feeding operation before May 21, 1998.

95 Acts, ch 195, §36; 96 Acts, ch 1118, §1; 98 Acts, ch 1209, §38, 39, 53; 99 Acts, ch 114, §58, 59; 2013 Acts, ch 30, §261

Referred to in §266.43, 266.44, 266.45

Code editor directive applied

# CHAPTER 657A

## ABANDONED OR UNSAFE BUILDINGS — ABATEMENT BY REHABILITATION

Referred to in §6B.56, 446.7

Nuisances in general, chapter 657
Alternative procedure for certain disaster-affected property; 2009 Acts, ch 129, §2


657A.1 Definitions.
657A.2 Petition.
657A.3 Interested persons — opportunity to abate public nuisance.
657A.4 Appointment of receiver.
657A.5 Determination of costs of abatement.
657A.6 Powers and duties of receiver.
657A.7 Priority of receiver's mortgage.
657A.8 Assessment of costs.
657A.9 Discharge of receiver.
657A.10 Compensation and liability of receiver.
657A.10A Petition by city for title to abandoned property.
657A.11 Jurisdiction — remedies.
657A.12 Indexing of petition.


**657A.1 Definitions.**

As used in this chapter, unless context requires otherwise:

1. *"Abandoned"* or *"abandonment"* means that a building has remained vacant and has been in violation of the housing code of the city in which the property is located or the housing code applicable in the county in which the property is located if outside the limits of a city for a period of six consecutive months.

2. *"Abate"* or *"abatement"* in connection with property means the removal or correction of hazardous conditions deemed to constitute a public nuisance or the making of improvements needed to effect a rehabilitation of the property consistent with maintaining safe and habitable conditions over the remaining useful life of the property. However, the closing or boarding up of a building or structure that is found to be a public nuisance is not an abatement of the nuisance.

3. *"Building"* means a building or structure located in a city or outside the limits of a city in a county, which is used or intended to be used for residential purposes, and includes a building or structure in which some floors may be used for retail stores, shops, salesrooms, markets, or similar commercial uses, or for offices, banks, civic administration activities, professional services, or similar business or civic uses, and other floors are used, designed, or intended to be used for residential purposes.

4. *"Interested person"* means an owner, mortgagee, lienholder, or other person that possesses an interest of record or an interest otherwise provable in property that becomes subject to the jurisdiction of the court pursuant to this chapter, the city in which the property is located, the county in which the property is located if the property is located outside the limits of a city, and an applicant for the appointment as receiver pursuant to this chapter.

5. *"Neighboring landowner"* means an owner of property which is located within five hundred feet of property that becomes subject to the jurisdiction of the court pursuant to this chapter.

6. *"Owner"* includes a person who is purchasing property by land installment contract or under a duly executed purchase contract.

7. *"Public nuisance"* means a building that is a menace to the public health, welfare, or safety, or that is structurally unsafe, unsanitary, or not provided with adequate safe egress, or that constitutes a fire hazard, or is otherwise dangerous to human life, or that in relation to the existing use constitutes a hazard to the public health, welfare, or safety by reason of inadequate maintenance, dilapidation, obsolescence, or abandonment.

85 Acts, ch 222, §1; 86 Acts, ch 1059, §1; 96 Acts, ch 1204, §27
Referred to in §404.3B, 446.19B, 448.13

**657A.2 Petition.**

1. A petition for abatement under this chapter may be filed in the district court of the county in which the property is located, by the city in which the property is located, by the county if the property is located outside the limits of a city, by a neighboring landowner, or

by a duly organized nonprofit corporation which has as one of its goals the improvement of housing conditions in the county or city in which the property in question is located. A petition for abatement filed under this chapter shall include the legal description of the real property upon which the nuisance or dangerous or unsafe condition is located unless the nuisance or dangerous or unsafe condition is not situated on or confined to a parcel of real property or is portable or capable of being removed from the real property. Service on the owner shall be by personal service or by certified mail, or if service cannot be made by either method, by posting the notice in a conspicuous place on the building and by publication.

2. If a petition filed pursuant to this chapter alleges that a building is abandoned or is in a dangerous or unsafe condition, the city, county, if the property is located outside the limits of a city, neighboring landowner, or nonprofit corporation may apply for an injunction requiring the owner of the building to correct the condition or to eliminate the condition or violation. The court shall conduct a hearing at least twenty days after written notice of the application for an injunction and of the date and time of the hearing is served upon the owner of the building. Notice of the hearing shall be served in the manner provided in subsection 1.

3. If the court finds at the hearing that the building is abandoned or is in a dangerous or unsafe condition, the court shall issue an injunction requiring the owner to correct the condition or to eliminate the violation, or another order that the court considers necessary or appropriate to correct the condition or to eliminate the violation.

4. In a proceeding under this chapter, if the court makes the finding described in subsection 3 and additionally finds that the building in question is a public nuisance and that the owner of the building has been afforded reasonable opportunity to correct the dangerous or unsafe condition found or to eliminate the violation found but has refused or failed to do so, the judge shall cause notice of the findings to be served upon the owner, each mortgagee or other lienholder of record, and other known interested persons, and shall order the persons served to show cause why a receiver should not be appointed to perform work and to furnish material that reasonably may be required to abate the public nuisance. The notice shall be served in the manner provided in subsection 1.

5. In a proceeding under this chapter, if the court determines the building is not abandoned or is not in a dangerous or unsafe condition, the court shall dismiss the petition and may require the petitioner to pay the owner's reasonable attorney fees actually incurred.

85 Acts, ch 222, §2; 87 Acts, ch 113, §1, 2; 96 Acts, ch 1204, §28; 2004 Acts, ch 1165, §9, 11; 2010 Acts, ch 1050, §10

Referred to in §657A.10A

**657A.3 Interested persons — opportunity to abate public nuisance.**

1. Before appointing a receiver to perform work or to furnish material to abate a public nuisance under this chapter, the court shall conduct a hearing at which the court shall offer mortgagees of record, lienholders of record, or other known interested persons in the order of priority of interest in title, the opportunity to undertake the work and to furnish the materials necessary to abate the public nuisance. The court shall require the person selected to demonstrate the ability to undertake promptly the work required and to post security for the performance of the work. All amounts expended by the person toward abating the public nuisance are a lien on the property if the expenditures were approved in advance by the judge and if the person desires the lien. The lien shall bear interest at the rate provided for judgments pursuant to section 535.3, and shall be payable upon terms approved by the judge. If a certified copy of the court order that approved the expenses and the terms of payment for the lien, and a description of the property in question are filed for record within thirty days of the date of issuance of the order in the office of the county recorder of the county in which the property is located, the lien has the same priority as the mortgage of a receiver as provided in section 657A.7.

2. If the court determines at the hearing conducted pursuant to subsection 1, that no interested person can undertake the work and furnish the materials required to abate the public nuisance, or if the court determines at any time after the hearing that an interested person who is undertaking corrective work pursuant to this section cannot or will not proceed, or has not proceeded with due diligence, the court may appoint a receiver to take possession

and control of the property. The receiver shall be appointed in the manner provided in section 657A.4.

85 Acts, ch 222, §3
Referred to in §657A.4, 657A.10A

**657A.4 Appointment of receiver.**

After conducting a hearing pursuant to section 657A.3, the court may appoint a receiver to take possession and control of the property in question. A person shall not be appointed as a receiver unless the person has first provided the court with a viable financial and construction plan for the rehabilitation of the property in question and has demonstrated the capacity and expertise to perform the required work in a satisfactory manner. The appointed receiver may be a financial institution that possesses an interest of record in the property, a nonprofit corporation that is duly organized and exists for the primary purpose of improving housing conditions in the county or city in which the property in question is located, or any person deemed qualified by the court. No part of the net earnings of a nonprofit corporation serving as a receiver under this section shall benefit a private shareholder or individual. Membership on the board of trustees of a nonprofit corporation does not constitute the holding of a public office or employment and is not an interest, either direct or indirect, in a contract or expenditure of money by a city or county. No member of a board of trustees of a nonprofit corporation appointed as receiver is disqualified from holding public office or employment, nor is a member required to forfeit public office or employment by reason of the membership on the board of trustees.

85 Acts, ch 222, §4; 96 Acts, ch 1204, §29
Referred to in §657A.3, 657A.10A

**657A.5 Determination of costs of abatement.**

1. Prior to ordering work or the furnishing of materials to abate a public nuisance under this chapter, the court shall make all of the following findings:

*a.* The estimated cost of the labor, materials, and financing required to abate the public nuisance.

*b.* The estimated income and expenses of the property after the furnishing of the materials and the completion of the repairs and improvements.

*c.* The need for and terms of financing for the performance of the work and the furnishing of the materials.

*d.* If repair and rehabilitation of the property are not found to be feasible, the cost of demolition of the property or the portions of the property that constitute the public nuisance.

2. Upon the written request of all the known interested persons to have the property or portions of the property demolished, the court may order the demolition. However, demolition shall not be ordered unless the requesting persons have paid the costs of demolition, the costs of the receivership, and all notes and mortgages of the receivership.

85 Acts, ch 222, §5
Referred to in §657A.10A

**657A.6 Powers and duties of receiver.**

Before proceeding with the receiver's duties, a receiver appointed by the court shall post a bond in an amount designated by the court. The court may empower the receiver to do the following:

1. Take possession and control of the property, operate and manage the property, establish and collect rents and income, lease and rent the property, and evict tenants. An existing housing or building ordinance violation does not restrict the receiver's authority pursuant to this subsection.

2. Pay all expenses of operating and conserving the property, including but not limited to the cost of electricity, gas, water, sewerage, heating fuel, repairs and supplies, custodian services, taxes, assessments, and insurance premiums, and hire and pay reasonable compensation to a managing agent.

3. Pay prereceivership mortgages and other liens and installments of prereceivership mortgages and other liens.

4. Perform or enter into contracts for the performance of work and the furnishing of materials necessary to abate the public nuisance, and obtain financing for the abatement of the public nuisance.

5. Pursuant to court order, remove and dispose of personal property which is abandoned, stored, or otherwise located on the property, that creates a dangerous or unsafe condition or that constitutes a violation of housing or building regulations or ordinances.

6. Obtain mortgage insurance for a receiver's mortgage from an agency of the federal government.

7. Enter into agreements and take actions necessary to maintain and preserve the property and to comply with housing and building regulations and ordinances.

8. Give the custody of the property and the opportunity to abate the nuisance and operate the property to the owner or to a mortgagee or a lienholder of record.

9. Issue notes and secure the notes by mortgages bearing interest at the rate provided for judgments pursuant to section 535.3, and terms and conditions as approved by the court. When transferred by the receiver in return for valuable consideration in money, material, labor, or services, the notes issued by the receiver are freely transferable.

85 Acts, ch 222, §6
Referred to in §657A.8, 657A.10A

**657A.7 Priority of receiver's mortgage.**

1. If the receiver's mortgage is filed for record in the office of the county recorder of the county in which the property is located within sixty days of the issuance of a secured note, the receiver's mortgage is a first lien upon the property and is superior to claims of the receiver and to all prior or subsequent liens and encumbrances except taxes and assessments. Priority among the receiver's mortgages is determined by the order in which the mortgages are recorded.

2. The creation of a mortgage lien under this chapter prior to or superior to a mortgage of record at the time the receiver's mortgage lien was created does not disqualify a prior recorded mortgage as a legal investment.

85 Acts, ch 222, §7
Referred to in §657A.3, 657A.10A

**657A.8 Assessment of costs.**

The court may assess the costs and expenses set out in section 657A.6, subsection 2, and may approve receiver's fees to the extent that the fees are not covered by the income from the property.

85 Acts, ch 222, §8
Referred to in §657A.10A

**657A.9 Discharge of receiver.**

The receiver may be discharged at any time in the discretion of the court. The receiver shall be discharged when all of the following have occurred:

1. The public nuisance has been abated.

2. The costs of the receivership have been paid.

3. Either all the receiver's notes and mortgages issued pursuant to this chapter have been paid, or all the holders of the notes and mortgages request in writing that the receiver be discharged.

85 Acts, ch 222, §9
Referred to in §657A.10A

**657A.10 Compensation and liability of receiver.**

1. A receiver appointed under this chapter is entitled to receive fees and commissions in the same manner and to the same extent as receivers appointed in actions to foreclose mortgages.

2. The receiver appointed under this chapter is not civilly or criminally liable for actions pursuant to this chapter taken in good faith.

85 Acts, ch 222, §10; 86 Acts, ch 1238, §27
Referred to in §657A.10A

**657A.10A Petition by city for title to abandoned property.**

1. *a.* In lieu of the procedures in sections 657A.2 through 657A.10, a city in which an abandoned building is located may petition the court to enter judgment awarding title to the abandoned property to the city. A petition filed under this section shall include the legal description of the abandoned property. If more than one abandoned building is located on a parcel of real estate, the city may combine the actions into one petition. The owner of the building and grounds, mortgagees of record, lienholders of record, or other known persons who hold an interest in the property shall be named as respondents on the petition.

*b.* The petition shall be filed in the district court of the county in which the property is located. Service on the owner and any other named respondents shall be by certified mail and by posting the notice in a conspicuous place on the building. The action shall be in equity.

2. Not sooner than sixty days after the filing of the petition, the city may request a hearing on the petition.

3. In determining whether a property has been abandoned, the court shall consider the following for each building that is located on the property and named in the petition and the building grounds:

*a.* Whether any property taxes or special assessments on the property were delinquent at the time the petition was filed.

*b.* Whether any utilities are currently being provided to the property.

*c.* Whether the building is unoccupied by the owner or lessees or licensees of the owner.

*d.* Whether the building meets the city's housing code for being fit for human habitation, occupancy, or use.

*e.* Whether the building is exposed to the elements such that deterioration of the building is occurring.

*f.* Whether the building is boarded up.

*g.* Past efforts to rehabilitate the building and grounds.

*h.* The presence of vermin, accumulation of debris, and uncut vegetation.

*i.* The effort expended by the petitioning city to maintain the building and grounds.

*j.* Past and current compliance with orders of the local housing official.

*k.* Any other evidence the court deems relevant.

4. In lieu of the considerations in subsection 3, if the city can establish to the court's satisfaction that all parties with an interest in the property have received proper notice and either consented to the entry of an order awarding title to the property to the city or did not make a good faith effort to comply with the order of the local housing official within sixty days after the filing of the petition, the court shall enter judgment against the respondents granting the city title to the property.

5. If the court determines that the property has been abandoned or that subsection 4 applies, the court shall enter judgment awarding title to the city. The title awarded to the city shall be free and clear of any claims, liens, or encumbrances held by the respondents.

6. If a city files a petition under subsection 1, naming the holder of a tax sale certificate of purchase for the property as a respondent, the city shall also file the petition, along with a verified statement declaring that the property identified in the petition contains an abandoned building, with the county treasurer. Upon receiving the petition and verified statement, the county treasurer shall make an entry in the county system canceling the sale of the property and shall refund the purchase money to the tax sale certificate holder.

2004 Acts, ch 1165, §10, 11; 2010 Acts, ch 1050, §11, 12; 2013 Acts, ch 30, §261
Referred to in §448.13
Code editor directive applied

**657A.11 Jurisdiction — remedies.**

1. An action pursuant to this chapter is exclusively within the jurisdiction of district judges as provided in section 602.6202.

2. This chapter does not prevent a person from using other remedies or procedures to enforce building or housing ordinances or to correct or remove public nuisances.

85 Acts, ch 222, §11

**657A.12 Indexing of petition.**

1. When a petition affecting real property is filed by a governmental entity under this chapter, the clerk of the district court shall index the petition pursuant to section 617.10, if the legal description of the affected property is included in or attached to the petition.

2. After filing the petition with the clerk of the district court, the governmental entity shall also file the petition in the office of the county treasurer. The county treasurer shall include a notation of the pendency of the action in the county system, as defined in section 445.1, until the judgment of the court is satisfied or until the action is dismissed. Pursuant to section 446.7, an affected property that is subject to a pending action shall not be offered for sale by the county treasurer at tax sale.

2010 Acts, ch 1050, §13

# CHAPTER 658

## WASTE AND TRESPASS


| | | | |
|---|---|---|---|
| 658.1 | Definitions. | 658.5 | Estate of remainder or reversion. |
| 658.1A | Treble damages. | 658.6 | Action by heir. |
| 658.2 | Forfeiture and eviction. | 658.7 | Purchaser at execution sale. |
| 658.3 | Who deemed to have committed. | 658.8 | Settlers on lands of state. |
| 658.4 | Treble damages for injury to trees. | 658.9 | Holder of tax certificate. |
| | | 658.10 | Disposition of money. |


**658.1 Definitions.**

As used in this chapter, unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2000 Acts, ch 1148, §1

**658.1A Treble damages.**

If a guardian, tenant for life or years, joint tenant, or tenant in common of real property commit waste thereon, that person is liable to pay three times the damages which have resulted from such waste, to the person who is entitled to sue therefor.

[C51, §2134; R60, §3716; C73, §3332; C97, §4303; C24, 27, 31, 35, 39, §**12402;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §658.1]

C2001, §658.1A

Referred to in §217.13

**658.2 Forfeiture and eviction.**

Judgment of forfeiture and eviction may be rendered against the defendant whenever the amount of damages so recovered is more than two-thirds the value of the interest such defendant has in the property injured, when the action is brought by the person entitled to the reversion.

[C51, §2135; R60, §3717; C73, §3333; C97, §4304; C24, 27, 31, 35, 39, §**12403;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §658.2]

**658.3 Who deemed to have committed.**

Any person whose duty it is to prevent waste, and who fails to use reasonable and ordinary care to avert the same, shall be held to have committed it.

[C51, §2136; R60, §3718; C73, §3334; C97, §4305; C24, 27, 31, 35, 39, §**12404;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §658.3]

Referred to in §217.13

**658.4 Treble damages for injury to trees.**

For willfully injuring any timber, tree, or shrub on the land of another, or in the street or highway in front of another's cultivated ground, yard, or city lot, or on the public grounds

of any city, or any land held by the state for any purpose whatever, the perpetrator shall pay treble damages at the suit of any person entitled to protect or enjoy the property.

[C51, §2137; R60, §3719; C73, §3335; C97, §4306; C24, 27, 31, 35, 39, §**12405;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §658.4]

**658.5 Estate of remainder or reversion.**

The owner of an estate in remainder or reversion may maintain either of the aforesaid actions for injuries done to the inheritance, notwithstanding any intervening estate for life or years.

[C51, §2139; R60, §3721; C73, §3337; C97, §4307; C24, 27, 31, 35, 39, §**12406;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §658.5]

**658.6 Action by heir.**

An heir, whether a minor or of full age, may maintain these actions for injuries done in the time of the heir's ancestor as well as in the heir's own time, unless barred by the statute of limitations.

[C51, §2140; R60, §3722; C73, §3338; C97, §4308; C24, 27, 31, 35, 39, §**12407;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §658.6]

**658.7 Purchaser at execution sale.**

The purchaser of lands or tenements at execution sale may have and maintain an action against any person for either of the causes above mentioned, occurring or existing after such purchase; but this provision shall not be construed to forbid the person occupying the lands in the meantime from using them in the ordinary course of husbandry, or taking timber with which to make suitable repairs thereon, unless the timber so taken shall be of higher grade than required, in which case the person shall be held guilty of waste and liable accordingly.

[C51, §2141 – 2143; R60, §3723 – 3725; C73, §3339 – 3341; C97, §4309; C24, 27, 31, 35, 39, §**12408;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §658.7]

Right of purchaser, §626.101

**658.8 Settlers on lands of state.**

Any person settled upon and occupying any portion of the public lands held by the state is not liable as a trespasser for improving or cultivating it in the ordinary course of husbandry, nor for taking and using timber or other materials necessary and proper to enable the person to do so, provided the timber and other materials are taken from land properly constituting a part of the *"claim"* or tract of land so settled upon and occupied by the person.

[C51, §2144; R60, §3726; C73, §3342; C97, §4310; C24, 27, 31, 35, 39, §**12409;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §658.8]

**658.9 Holder of tax certificate.**

The owner of a treasurer's certificate of purchase of land sold for taxes may recover treble damages of any person willfully committing waste or trespass thereon.

[C73, §3343; C97, §4311; C24, 27, 31, 35, 39, §**12410;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §658.9]

Referred to in §658.10

**658.10 Disposition of money.**

All money recovered in an action brought under section 658.9 shall be paid by the officer collecting it to the auditor of the county in which the lands are situated, which shall be held by the auditor, and an entry thereof made in a book kept for that purpose, until the lands are redeemed, or a treasurer's deed therefor executed to the holder of said certificate. If redemption is made, the money shall be paid to the owner of the land, and if not, to the person to whom the deed is executed.

[C73, §3344; C97, §4312; C24, 27, 31, 35, 39, §**12411;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §658.10]

Referred to in §331.502

# CHAPTER 659

## LIBEL AND SLANDER

Referred to in §280.22


659.1 Pleading.
659.2 Libel — retraction — actual damages.
659.3 Retraction — actual, special, and exemplary damages.
659.4 Candidate — retraction — time — imputing sexual misconduct.
659.5 Defamatory statement by radio.
659.6 Proof of malice.


**659.1 Pleading.**

In an action for slander or libel, it shall not be necessary to state any extrinsic facts for the purpose of showing the application to the plaintiff of any defamatory matter out of which the cause of action arose, or that the matter was used in a defamatory sense; but it shall be sufficient to state the defamatory sense in which such matter was used, and that the same was spoken or published concerning the plaintiff.

[R60, §2928; C73, §2681; C97, §3592; C24, 27, 31, 35, 39, §**12412;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §659.1]

**659.2 Libel — retraction — actual damages.**

In any action for damages for the publication of a libel in a newspaper, free newspaper or shopping guide, or for defamatory statements made on a radio or television station, if the defendant can show that such libelous matter was published or broadcast through misinformation or mistake, the plaintiff shall recover no more than actual damages, unless a retraction be demanded and refused as hereinafter provided. Plaintiff shall serve upon the publisher at the principal place of publication or upon the owner of a radio or television station at the owner's principal place of business a notice specifying the statements claimed to be libelous, and requesting that the same be withdrawn.

[SS15, §3592-a; C24, 27, 31, 35, 39, §**12413;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §659.2]

Referred to in §659.4

**659.3 Retraction — actual, special, and exemplary damages.**

If a retraction or correction thereof be not published in as conspicuous a place and type in said newspaper, free newspaper or shopping guide, as were the statements complained of, in a regular issue thereof published within two weeks after such service, or in case of a defamatory statement on a radio or television station if a retraction or correction thereof be not broadcast at a time considered as favorable as that of the defamatory statement within two weeks after such service, plaintiff may allege such notice, demand, and failure to retract in the complaint and may recover both actual, special, and exemplary damages if the plaintiff's cause of action be maintained. If such retraction be so published or broadcast, the plaintiff may still recover such actual, special, and exemplary damages, unless the defendant shall show that the libelous publication or defamatory statement was made in good faith, without malice, and under a mistake as to the facts.

[SS15, §3592-a; C24, 27, 31, 35, 39, §**12414;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §659.3]

Referred to in §659.4

**659.4 Candidate — retraction — time — imputing sexual misconduct.**

If the plaintiff was a candidate for office at the time of the libelous publication, no retraction shall be available unless published in a conspicuous place on the editorial page, nor if the libel was published within two weeks next before the election. This section and sections 659.2 and 659.3 do not apply to libel imputing sexual misconduct to any persons.

[SS15, §3592-a; C24, 27, 31, 35, 39, §**12415;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §659.4]

85 Acts, ch 99, §11

**659.5 Defamatory statement by radio.**

The owner, lessee, licensee, or operator of a radio broadcasting station, and the agents or employees of any such owner, lessee, licensee, or operator, shall not be liable for any damages for any defamatory statement published or uttered in or as a part of a radio broadcast, by one other than such owner, lessee, licensee, or operator, or agent or employee thereof, if such owner, lessee, licensee, operator, agent, or employee shall prove the exercise of due care to prevent the publication or utterance of such statement in such broadcasts.

[C39, §**12415.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §659.5]

**659.6 Proof of malice.**

In actions for slander or libel, an unproved allegation of the truth of the matter charged shall not be deemed proof of malice, unless the jury on the whole case finds that such defense was made with malicious intent.

[R60, §2929; C73, §2682; C97, §3593; C24, 27, 31, 35, 39, §**12416;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §659.6]

# CHAPTER 660

## QUO WARRANTO

For Iowa court rules concerning quo warranto, see R.C.P. 1.1301 – 1.1307


| | | | |
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| 660.1 | Books and papers. | 660.6 | Action. |
| 660.2 | Action for damages. | 660.7 | Duty of trustees. |
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| 660.4 | Corporation dissolved. | 660.9 | Inventory. |
| 660.5 | Bond. | 660.10 | Powers. |
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**660.1 Books and papers.**

The court, after such judgment, shall order the defendant to deliver over all books and papers in the defendant's custody or under the defendant's control belonging to said office.

[C51, §2159; R60, §3741; C73, §3354; C97, §4322; C24, 27, 31, 35, 39, §**12426;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.1]

**660.2 Action for damages.**

When judgment has been rendered in favor of the claimant, the claimant may, at any time within one year thereafter, bring an action against the defendant, and recover the damages the claimant has sustained by reason of the act of the defendant.

[C51, §2160; R60, §3742; C73, §3355; C97, §4323; C24, 27, 31, 35, 39, §**12427;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.2]

**660.3 Action against officers of corporation.**

When judgment of ouster is rendered against a corporation on account of the misconduct of the directors or officers thereof, such officers shall be jointly and severally liable to an action by anyone injured thereby.

[C51, §2173; R60, §3755; C73, §3359; C97, §4327; C24, 27, 31, 35, 39, §**12431;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.3]

**660.4 Corporation dissolved.**

If a corporation is ousted and dissolved by the proceedings herein authorized, the court shall appoint three disinterested persons as trustees of the creditors and stockholders.

[C51, §2166; R60, §3748; C73, §3360; C97, §4328; C24, 27, 31, 35, 39, §**12432;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.4]

**660.5 Bond.**

Said trustees shall enter into a bond in such a penalty and with such security as the court approves, conditioned for the faithful discharge of their trust.

[C51, §2167; R60, §3749; C73, §3361; C97, §4329; C24, 27, 31, 35, 39, §**12433;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.5]

**660.6 Action.**

Action may be brought on such bond by any person injured by the negligence or wrongful act of the trustees in the discharge of their duties.

[C51, §2168; R60, §3750; C73, §3362; C97, §4330; C24, 27, 31, 35, 39, §**12434;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.6]

**660.7 Duty of trustees.**

The trustees shall proceed immediately to collect the debts and pay the liabilities of the corporation, and to divide the surplus among those thereto entitled.

[C51, §2169; R60, §3751; C73, §3363; C97, §4331; C24, 27, 31, 35, 39, §**12435;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.7]

**660.8 Books delivered.**

The court shall, upon application for that purpose, order any officer of such corporation, or any other person having possession of any of the effects, books, or papers thereof, in any wise necessary for the settlement of its affairs, to deliver the same to the trustees.

[C51, §2170; R60, §3752; C73, §3364; C97, §4332; C24, 27, 31, 35, 39, §**12436;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.8]

**660.9 Inventory.**

As soon as practicable after their appointment, the trustees shall make and file in the office of the clerk of the court an inventory, sworn to by each of them, of all the effects, rights, and credits which come to their possession or knowledge.

[C51, §2171; R60, §3753; C73, §3365; C97, §4333; C24, 27, 31, 35, 39, §**12437;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.9]

**660.10 Powers.**

They shall sue for and recover the debts and property of the corporation, and shall be responsible to the creditors and stockholders, respectively, to the extent of the effects which come into their hands.

[C51, §2172; R60, §3754; C73, §3366; C97, §4334; C24, 27, 31, 35, 39, §**12438;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.10]

**660.11 Penalty for refusing to obey order.**

Any person who without good reason refuses to obey an order of the court, as herein provided, shall be guilty of contempt, and shall be punished accordingly, and shall be further liable for the damages resulting to any person on account of the disobedience of the person who refuses to obey.

[C51, §2174; R60, §3756; C73, §3367; C97, §4335; C24, 27, 31, 35, 39, §**12439;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §660.11]

# CHAPTER 661

## MANDAMUS


661.1 Definition.
661.2 Discretion — exercise of.
661.3 Nature of action.
661.4 Order issued.
661.5 Auxiliary remedy.
661.6 "Enforceable duty" defined.
661.7 Other plain, speedy and adequate remedy.
661.8 When order granted.
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661.10 Other pleadings.
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661.12 Injunction may issue — joinder.
661.13 Peremptory order.
661.14 Form of order — return.
661.15 Performance by another — costs.
661.16 Temporary orders.
661.17 Appeal by state.


**661.1 Definition.**

The action of mandamus is one brought to obtain an order commanding an inferior tribunal, board, corporation, or person to do or not to do an act, the performance or omission of which the law enjoins as a duty resulting from an office, trust, or station.

[R60, §3761; C73, §3373; C97, §4341; S13, §4341; C24, 27, 31, 35, 39, §**12440;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.1]

**661.2 Discretion — exercise of.**

Where discretion is left to the inferior tribunal or person, the mandamus can only compel it to act, but cannot control such discretion.

[C51, §2180; R60, §3763; C73, §3373; C97, §4341; S13, §4341; C24, 27, 31, 35, 39, §**12441;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.2]

**661.3 Nature of action.**

All such actions shall be tried as equitable actions.

[S13, §4341; C24, 27, 31, 35, 39, §**12442;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.3]

**661.4 Order issued.**

The order may be issued by the district court to any inferior tribunal, or to any corporation, officer, or person; and by the supreme court or the court of appeals to any inferior court, if necessary, and in any other case where it is found necessary for either of those courts to exercise its legitimate power.

[C51, §2179, 2181; R60, §3761, 3764; C73, §3374; C97, §4342; C24, 27, 31, 35, 39, §**12443;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.4]

**661.5 Auxiliary remedy.**

The plaintiff in any action, except those brought for the recovery of specific real or personal property, may also, as an auxiliary relief, have an order of mandamus to compel the performance of a duty established in such action.

[R60, §3767; C73, §3375; C97, §4343; C24, 27, 31, 35, 39, §**12444;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.5]

**661.6 "Enforceable duty" defined.**

If such duty, the performance of which is sought to be compelled, is not one resulting from an office, trust, or station, it must be one for the breach of which a legal right to damages is already complete at the commencement of the action, and must also be a duty of which a court of equity would enforce the performance.

[R60, §3767; C73, §3375; C97, §4343; C24, 27, 31, 35, 39, §**12445;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.6]

**661.7 Other plain, speedy and adequate remedy.**

An order of mandamus shall not be issued in any case where there is a plain, speedy and adequate remedy in the ordinary course of the law, save as herein provided.

[C51, §2182; R60, §3765; C73, §3376; C97, §4344; C24, 27, 31, 35, 39, §**12446;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.7]

**661.8 When order granted.**

The order of mandamus is granted on the petition of any private party aggrieved, without the concurrence of the prosecutor for the state, or on the petition of the state by the county attorney, when the public interest is concerned, and is in the name of such private party or of the state, as the case may be in fact brought.

[R60, §3761; C73, §3377; C97, §4345; C24, 27, 31, 35, 39, §**12447;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.8]

**661.9 Petition.**

The plaintiff in such action shall state the plaintiff's claim, and shall also state facts sufficient to constitute a cause for such claim, and shall also set forth that the plaintiff, if a private individual, is personally interested therein, and that the plaintiff sustains and may sustain damage by the nonperformance of such duty, and that performance thereof has been demanded by the plaintiff, and refused or neglected, and shall pray an order of mandamus commanding the defendant to fulfill such duty.

[R60, §3762; C73, §3378; C97, §4346; C24, 27, 31, 35, 39, §**12448;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.9]

**661.10 Other pleadings.**

The pleadings and other proceedings in any action in which a mandamus is claimed shall be the same, as nearly as may be, and costs shall be recoverable by either party, as in an ordinary action for the recovery of damages.

[R60, §3766; C73, §3379; C97, §4347; C24, 27, 31, 35, 39, §**12449;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.10]

**661.11** Repealed by 67 Acts, ch 400, § 197.

**661.12 Injunction may issue — joinder.**

When the action is brought by a private person, it may be joined with a cause of action for such an injunction as may be obtained by ordinary proceedings, or with the causes of actions specified in this chapter, but no other joinder and no counterclaim shall be allowed.

[R60, §4181; C73, §3380; C97, §4348; C24, 27, 31, 35, 39, §**12450;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.12]

**661.13 Peremptory order.**

When the plaintiff recovers judgment, the court may include therein a peremptory order of mandamus directed to the defendant, commanding the defendant forthwith to perform the duty to be enforced, together with a money judgment for damages and costs, upon which an ordinary execution may issue.

[R60, §3768; C73, §3381; C97, §4349; C24, 27, 31, 35, 39, §**12451;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.13]

**661.14 Form of order — return.**

The order commanding the performance of the duty shall be directed to the party and shall be returnable forthwith. No return except that of compliance shall be allowed; however, the court may upon sufficient grounds allow reasonable time for making the return.

[R60, §3769; C73, §3382; C97, §4350; C24, 27, 31, 35, 39, §**12452;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.14]

**661.15 Performance by another — costs.**

The court may, upon application of the plaintiff, besides or instead of proceeding against the defendant by attachment, direct that the act required to be done may be done by the plaintiff or some other person appointed by the court, at the expense of the defendant, and, upon the act being done, the amount of such expense may be ascertained by the court, or by a referee appointed by the court, and the court may render judgment for the amount of the expense and cost, and enforce payment thereof by execution.

[R60, §3770; C73, §3383; C97, §4351; C24, 27, 31, 35, 39, §**12453;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.15]

**661.16 Temporary orders.**

During the pendency of the action, the court may make temporary orders for preventing damage or injury to the plaintiff until the action is decided.

[R60, §3771; C73, §3384; C97, §4352; C24, 27, 31, 35, 39, §**12454;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.16]

**661.17 Appeal by state.**

When the state is a party, it may appeal without security.

[R60, §3772; C73, §3385; C97, §4353; C24, 27, 31, 35, 39, §**12455;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §661.17]

# CHAPTER 662

## CERTIORARI

For Iowa court rules concerning certiorari, see R.C.P. 1.1401 – 1.1412

# CHAPTER 663

## HABEAS CORPUS

Referred to in §331.653

Postconviction procedure, see chapter 822


663.1 Petition.
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663.36 Nonpermissible issues.
663.37 Discharge.
663.38 Plaintiff held.
663.39 Repealed by 70 Acts, ch 1276, §20.
663.40 Plaintiff retained in custody.

663.41 Right to be present waived.
663.42 Disobedience of order.
663.43 Papers filed with clerk.
663.44 Costs.

**663.1 Petition.**

The petition for the writ of habeas corpus must state:

1. That the person in whose behalf it is sought is restrained of the person's liberty, and the person by whom and the place where the person is so restrained, mentioning the names of the parties, if known, and if unknown describing them with as much particularity as practicable.

2. The cause or pretense of such restraint, according to the best information of the applicant; and if by virtue of any legal process, a copy thereof must be annexed, or a satisfactory reason given for its absence.

3. That the restraint is illegal, and wherein.

4. That the legality of the restraint has not already been adjudged upon a prior proceeding of the same character, to the best knowledge and belief of the applicant.

5. Whether application for the writ has been before made to and refused by any court or judge, and if so, a copy of the petition in that case must be attached, with the reasons for the refusal, or satisfactory reasons given for the failure to do so.

[C51, §2213; R60, §3801; C73, §3449; C97, §4417; C24, 27, 31, 35, 39, §**12468;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.1]

Referred to in §822.1

**663.2 Verification — presentation to court.**

The petition must be sworn to by the person confined, or by someone in the confined person's behalf, and presented to some court or officer authorized to allow the writ.

[C51, §2214; R60, §3802; C73, §3450; C97, §4418; C24, 27, 31, 35, 39, §**12469;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.2]

Referred to in §822.1

**663.3 Writ allowed — service.**

The writ may be allowed by the supreme or district court, or by a supreme court judge or district judge, and may be served in any part of the state.

[C51, §2215; R60, §3803; C73, §3451; C97, §4419; C24, 27, 31, 35, 39, §**12470;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.3]

Referred to in §822.1

**663.4 Application — to whom made.**

Application for the writ must be made to the court or judge most convenient in point of distance to the applicant, and the more remote court or judge, if applied to therefor, may refuse the same unless a sufficient reason be stated in the petition for not making the application to the more convenient court or a judge thereof.

[C51, §2217; R60, §3805; C73, §3452; C97, §4420; S13, §4420; C24, 27, 31, 35, 39, §**12471;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.4]

Referred to in §663.5, 822.1

**663.5 Inmates of state or federal institutions.**

When the applicant is confined in a state or federal institution, other than a penal institution, the provisions of section 663.4 relating to the court to which or the judge to whom applications must be made are mandatory, and the convenience or preference of an attorney or witness or other person interested in the release of the applicant shall not be a sufficient reason to authorize a more remote court or judge to assume jurisdiction.

[S13, §4420; C24, 27, 31, 35, 39, §**12472;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.5]

Referred to in §822.1

**663.6 Writ refused.**

If, from the showing of the petitioner, the plaintiff would not be entitled to any relief, the court or judge must refuse to allow the writ.

[C51, §2218; R60, §3806; C73, §3453; C97, §4421; C24, 27, 31, 35, 39, §**12473;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.6]

Referred to in §822.1

**663.7 Reasons endorsed.**

If the writ is disallowed, the court or judge shall cause the reasons thereof to be appended to the petition and returned to the person applying for the writ.

[C51, §2221; R60, §3809; C73, §3454; C97, §4422; C24, 27, 31, 35, 39, §**12474;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.7]

Referred to in §822.1

**663.8 Form of writ.**

If the petition is in accordance with the foregoing requirements, and states sufficient grounds for the allowance of the writ, it shall issue, and may be substantially as follows:

The State of Iowa,

To.....:

You are hereby commanded to have the body of ....., by you unlawfully detained, as is alleged, before the court (or before me, or before ....., judge, etc., as the case may be), at ....., on ..... (or immediately after being served with this writ), to be dealt with according to law, and have you then and there this writ, with a return thereon of your doings in the premises.

[C51, §2219; R60, §3807; C73, §3455; C97, §4423; C24, 27, 31, 35, 39, §**12475;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.8]

2000 Acts, ch 1058, §53

Referred to in §822.1

**663.9 How issued.**

When the writ is allowed by a court, it must be issued by the clerk, but when by a judge, the judge must issue it personally, subscribing the judge's name thereto.

[C51, §2220; R60, §3808; C73, §3456; C97, §4424; C24, 27, 31, 35, 39, §**12476;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.9]

Referred to in §602.8102(114), 822.1

**663.10 Penalty for refusing.**

Any judge, whether acting individually or as a member of the court, who wrongfully and willfully refuses the allowance of the writ when properly applied for, shall forfeit to the party aggrieved the sum of one thousand dollars.

[C51, §2222; R60, §3810; C73, §3457; C97, §4425; C24, 27, 31, 35, 39, §**12477;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.10]

Referred to in §822.1

**663.11 Issuance on judge's own motion.**

When any court or judge authorized to grant the writ has evidence, from a judicial proceeding before the court or judge, that any person within the jurisdiction of such court or officer is illegally restrained of the person's liberty, such court or judge shall issue the writ or cause it to be issued, on the court's or judge's own motion.

[C51, §2223; R60, §3811; C73, §3458; C97, §4426; C24, 27, 31, 35, 39, §**12478;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.11]

Referred to in §822.1

**663.12 County attorney notified.**

The court or officer allowing the writ must cause the county attorney of the proper county to be informed thereof, and of the time and place where and when it is made returnable.

[C51, §2240; R60, §3828; C73, §3459; C97, §4427; C24, 27, 31, 35, 39, §**12479;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.12]

Referred to in §822.1

**663.13 Service of writ.**

The writ may be served by the sheriff, or by any other person appointed in writing for that purpose by the court or judge by whom it is issued or allowed. If served by any other than the sheriff, the person appointed possesses the same power, and is liable to the same penalty for a nonperformance of the duty, as though the person were the sheriff.

[C51, §2224; R60, §3812; C73, §3460; C97, §4428; C24, 27, 31, 35, 39, §**12480;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.13]

Referred to in §822.1

**663.14 Mode.**

The service shall be made by leaving the original writ with the defendant, and preserving a copy thereof on which to make the return of service, but a failure in this respect shall not be held material.

[C51, §2225; R60, §3813; C73, §3461; C97, §4429; C24, 27, 31, 35, 39, §**12481;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.14]

Referred to in §822.1

**663.15 Defendant not found.**

If the defendant cannot be found, or if the defendant has not the plaintiff in custody, the service may be made upon any person who has, in the same manner and with the same effect as though the person had been made defendant therein.

[C51, §2226; R60, §3814; C73, §3462; C97, §4430; C24, 27, 31, 35, 39, §**12482;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.15]

Referred to in §822.1

**663.16 Power of officer.**

If the defendant hides, or refuses admittance to the person attempting to serve the writ, or if the defendant attempts wrongfully to carry the plaintiff out of the county or the state after the service of the writ, the sheriff, or the person who is attempting to serve or who has served it, is authorized to arrest the defendant and bring the defendant, together with the plaintiff, forthwith before the officer or court before whom the writ is made returnable.

[C51, §2227; R60, §3815; C73, §3463; C97, §4431; C24, 27, 31, 35, 39, §**12483;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.16]

Referred to in §822.1

**663.17 Arrest.**

In order to make the arrest, the sheriff or other person having the writ possesses the same power as is given to a sheriff for the arrest of a person charged with a felony.

[C51, §2228; R60, §3816; C73, §3464; C97, §4432; C24, 27, 31, 35, 39, §**12484;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.17]

Referred to in §822.1

**663.18** Repealed by 70 Acts, ch 1276, § 16.

**663.19 Defects in writ.**

The writ must not be disobeyed for any defects of form or misdescription of the plaintiff or defendant, provided enough is stated to show the meaning and intent thereof.

[C51, §2234; R60, §3822; C73, §3466; C97, §4434; C24, 27, 31, 35, 39, §**12486;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.19]

Referred to in §822.1

**663.20 Penalty for eluding writ.**

If the defendant attempts to elude the service of the writ, or to avoid the effect thereof by transferring the plaintiff to another, or by concealing the plaintiff, the defendant shall be guilty of a serious misdemeanor, and any person knowingly aiding or abetting in any such act shall be subject to like punishment.

[C51, §2253; R60, §3841; C73, §3467; C97, §4435; C24, 27, 31, 35, 39, §**12487;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.20]

Referred to in §822.1

**663.21 Refusal to give copy of process.**

An officer refusing to deliver a copy of any legal process by which the officer detains the plaintiff in custody to any person who demands it and tenders the fees therefor, shall forfeit two hundred dollars to the person who demands it.

[C51, §2254; R60, §3842; C73, §3468; C97, §4436; C24, 27, 31, 35, 39, §**12488;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.21]

Referred to in §822.1

**663.22 Preliminary writ.**

The court or judge to whom the application for the writ is made, if satisfied that the plaintiff would suffer any irreparable injury before the plaintiff could be relieved by the proceedings above authorized, may issue an order to the sheriff, or any other person selected instead, commanding the sheriff or other person to bring the plaintiff forthwith before such court or judge.

[C51, §2230; R60, §3818; C73, §3469; C97, §4437; C24, 27, 31, 35, 39, §**12489;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.22]

Referred to in §822.1

**663.23 Arrest of defendant.**

If the evidence is sufficient to justify the arrest of the defendant for a criminal offense committed in connection with the illegal detention of the plaintiff, the order must also direct the arrest of the defendant.

[C51, §2231; R60, §3819; C73, §3470; C97, §4438; C24, 27, 31, 35, 39, §**12490;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.23]

Referred to in §822.1

**663.24 Execution of writ — return.**

The officer or person to whom the order is directed must execute the same by bringing the defendant, and also the plaintiff if required, before the court or judge issuing it, and the defendant must make return to the writ in the same manner as if the ordinary course had been pursued.

[C51, §2232; R60, §3820; C73, §3471; C97, §4439; C24, 27, 31, 35, 39, §**12491;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.24]

Referred to in §822.1

**663.25 Examination.**

The defendant may also be examined and committed, or bailed, or discharged, according to the nature of the case.

[C51, §2233; R60, §3821; C73, §3472; C97, §4440; C24, 27, 31, 35, 39, §**12492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.25]

Referred to in §822.1

**663.26 Informalities.**

Any person served with the writ is to be presumed to be the person to whom it is directed, although it may be directed to the person served by a wrong name or description, or to another person.

[C51, §2235; R60, §3823; C73, §3473; C97, §4441; C24, 27, 31, 35, 39, §**12493;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.26]

Referred to in §822.1

**663.27 Appearance — answer.**

Service being made in any of the modes herein provided, the defendant must appear at the proper time and answer the petition, but no verification shall be required to the answer.

[C51, §2236; R60, §3824, 4182; C73, §3474; C97, §4442; C24, 27, 31, 35, 39, §**12494;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.27]

Referred to in §822.1

**663.28 Body to be produced.**

The defendant must also produce the body of the plaintiff, or show good cause for not doing so.

[C51, §2237; R60, §3825; C73, §3475; C97, §4443; C24, 27, 31, 35, 39, §**12495;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.28]

Referred to in §822.1

**663.29 Penalty — contempt.**

A willful failure to comply with the above requirements will render the defendant liable to be attached for contempt, and to be imprisoned till the defendant complies, and shall subject the defendant to the forfeiture of one thousand dollars to the party thereby aggrieved.

[C51, §2238; R60, §3826; C73, §3476; C97, §4444; C24, 27, 31, 35, 39, §**12496;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.29]

Referred to in §822.1

**663.30 Attachment.**

Such attachment may be served by the sheriff or any other person authorized by the court or judge, who shall also be empowered to produce the body of the plaintiff forthwith, and has, for this purpose, the same powers as are above conferred in similar cases.

[C51, §2239; R60, §3827; C73, §3477; C97, §4445; C24, 27, 31, 35, 39, §**12497;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.30]

Referred to in §822.1

**663.31 Answer.**

The defendant in the answer must state whether the defendant then has, or at any time has had, the plaintiff under the defendant's control and restraint, and if so the cause thereof.

[C51, §2241; R60, §3829; C73, §3478; C97, §4446; C24, 27, 31, 35, 39, §**12498;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.31]

Referred to in §822.1

**663.32 Transfer of plaintiff.**

If the defendant has transferred the plaintiff to another person, the defendant must state that fact, and to whom, and the time thereof, as well as the reason or authority therefor.

[C51, §2242; R60, §3830; C73, §3479; C97, §4447; C24, 27, 31, 35, 39, §**12499;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.32]

Referred to in §822.1

**663.33 Copy of process.**

If the defendant holds the plaintiff by virtue of a legal process or written authority, a copy thereof must be annexed.

[C51, §2243; R60, §3831; C73, §3480; C97, §4448; C24, 27, 31, 35, 39, §**12500;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.33]

Referred to in §822.1

**663.34 Demurrer or reply — trial.**

The plaintiff may demur or reply to the defendant's answer, but no verification shall be required to the reply, and all issues joined therein shall be tried by the judge or court.

[C51, §2244; R60, §3832; C73, §3481; C97, §4449; C24, 27, 31, 35, 39, §**12501;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.34]

Referred to in §822.1

**663.35 Commitment questioned.**

The reply may deny the sufficiency of the testimony to justify the action of the committing magistrate, on the trial of which issue all written testimony before such magistrate may be given in evidence before the court or judge, in connection with any other testimony which may then be produced.

[C51, §2245; R60, §3833; C73, §3482; C97, §4450; C24, 27, 31, 35, 39, §**12502;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.35]

Referred to in §822.1

**663.36 Nonpermissible issues.**

It is not permissible to question the correctness of the action of a court or judge when lawfully acting within the scope of their authority.

[C51, §2246; R60, §3834; C73, §3483; C97, §4451; C24, 27, 31, 35, 39, §**12503;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.36]

Referred to in §822.1

**663.37 Discharge.**

If no sufficient legal cause of confinement is shown, the plaintiff must be discharged.

[C51, §2247; R60, §3835; C73, §3484; C97, §4452; C24, 27, 31, 35, 39, §**12504;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.37]

Referred to in §822.1

**663.38 Plaintiff held.**

Although the commitment of the plaintiff may have been irregular, if the court or judge is satisfied from the evidence that the plaintiff ought to be held or committed, the order may be made accordingly.

[C51, §2248; R60, §3836; C73, §3485; C97, §4453; C24, 27, 31, 35, 39, §**12505;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.38]

Referred to in §822.1

**663.39** Repealed by 70 Acts, ch 1276, § 20.

**663.40 Plaintiff retained in custody.**

Until the sufficiency of the cause of restraint is determined, the defendant may retain the plaintiff in the defendant's custody, and may use all necessary and proper means for that purpose.

[C51, §2250; R60, §3838; C73, §3487; C97, §4455; C24, 27, 31, 35, 39, §**12507;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.40]

Referred to in §822.1

**663.41 Right to be present waived.**

The plaintiff may, in writing, or by attorney, waive the right to be present at the trial, in which case the proceedings may be had in the plaintiff's absence. The writ will in such cases be modified accordingly.

[C51, §2251; R60, §3839; C73, §3488; C97, §4456; C24, 27, 31, 35, 39, §**12508;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.41]

Referred to in §822.1

**663.42 Disobedience of order.**

Disobedience to any order of discharge will subject the defendant to attachment for contempt, and also to the forfeiture of one thousand dollars to the party aggrieved, besides all damages sustained by the plaintiff in consequence thereof.

[C51, §2252; R60, §3840; C73, §3489; C97, §4457; C24, 27, 31, 35, 39, §**12509;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.42]

Referred to in §822.1

**663.43 Papers filed with clerk.**

When the proceedings are before a judge, except when the writ is refused, all the papers in the case, including the judge's final order, shall be filed with the clerk of the district court

of the county wherein the final proceedings were had, and a memorandum thereof shall be entered by the clerk upon the judgment docket.

[C51, §2255; R60, §3843; C73, §3490; C97, §4458; C24, 27, 31, 35, 39, §**12510;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.43]

Referred to in §602.8102(114), 822.1

**663.44 Costs.**

1. If the plaintiff is discharged, the costs shall be assessed to the defendant, unless the defendant is an officer holding the plaintiff in custody under a commitment, or under other legal process, in which case the costs shall be assessed to the county. If the plaintiff's application is refused, the costs shall be assessed against the plaintiff, and, in the discretion of the court, against the person who filed the petition in the plaintiff's behalf.

2. Notwithstanding subsection 1, if the plaintiff is confined in any state institution and is discharged in habeas corpus proceedings, or if the habeas corpus proceedings fail, and costs and fees cannot be collected from the person liable to pay costs and fees, the costs and fees shall be paid by the county in which such state institution is located. The facts of such payment and the proceedings on which it is based, with a statement of the amount of fees or costs incurred, with approval in writing by the presiding judge appended to the statement or endorsed on the statement, shall be certified by the clerk of the district court under the seal of office to the state executive council. The executive council shall review the proceedings and authorize reimbursement for all such fees and costs or such part of the fees and costs as the executive council finds justified, and shall notify the director of the department of administrative services to draw a warrant to such county treasurer for the amount authorized. There is appropriated from moneys in the general fund not otherwise appropriated an amount necessary to pay the reimbursement authorized by the executive council. The costs and fees referred to above shall include any award of fees made to a court appointed attorney representing an indigent party bringing the habeas corpus action.

[C97, §4459; C24, 27, 31, 35, 39, §**12511;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §663.44]

86 Acts, ch 1237, §40; 2003 Acts, ch 145, §286; 2011 Acts, ch 131, §39, 158

Referred to in §8.59, 602.8102(114), 822.1

Appropriation limited for fiscal years beginning July 1, 1993; see §8.59

# CHAPTER 663A

## WRONGFUL IMPRISONMENT

663A.1 Wrongful imprisonment — cause of action.

**663A.1 Wrongful imprisonment — cause of action.**

1. As used in this section, a "*wrongfully imprisoned person*" means an individual who meets all of the following criteria:

*a.* The individual was charged, by indictment or information, with the commission of a public offense classified as an aggravated misdemeanor or felony.

*b.* The individual did not plead guilty to the public offense charged, or to any lesser included offense, but was convicted by the court or by a jury of an offense classified as an aggravated misdemeanor or felony.

*c.* The individual was sentenced to incarceration for a term of imprisonment not to exceed two years if the offense was an aggravated misdemeanor or to an indeterminate term of years under chapter 902 if the offense was a felony, as a result of the conviction.

*d.* The individual's conviction was vacated or dismissed, or was reversed, and no further proceedings can be or will be held against the individual on any facts and circumstances alleged in the proceedings which had resulted in the conviction.

*e.* The individual was imprisoned solely on the basis of the conviction that was vacated, dismissed, or reversed and on which no further proceedings can be or will be had.

2. Upon receipt of an order vacating, dismissing, or reversing the conviction and sentence in a case for which no further proceedings can be or will be held against an individual on any facts and circumstances alleged in the proceedings which resulted in the conviction, the district court shall make a determination whether there is clear and convincing evidence to establish either of the following findings:

*a.* That the offense for which the individual was convicted, sentenced, and imprisoned, including any lesser included offenses, was not committed by the individual.

*b.* That the offense for which the individual was convicted, sentenced, and imprisoned was not committed by any person, including the individual.

3. If the district court finds that there is clear and convincing evidence to support either of the findings specified in subsection 2, the district court shall do all of the following:

*a.* Enter an order finding that the individual is a wrongfully imprisoned person.

*b.* Orally inform the person and the person's attorney that the person has a right to commence a civil action against the state under chapter 669 on the basis of wrongful imprisonment.

4. Within seven days of entry of the order finding that an individual is a wrongfully imprisoned person, the clerk of court shall forward a copy of the order, together with a copy of this section, to the individual named in the order.

5. A claim for wrongful imprisonment under this section is a "claim" for purposes of chapter 669, notwithstanding anything in section 669.14 to the contrary. Notwithstanding section 669.8, however, an action brought under this section shall not preclude or otherwise limit any action or claim for relief based on any negligent or wrongful acts or omissions which arose during the period of the wrongful imprisonment, but which are not related to the facts and circumstances underlying the conviction or proceedings to obtain relief from the conviction.

6. Damages recoverable from the state by a wrongfully imprisoned person under this section are limited to the following:

*a.* The amount of restitution for any fine, surcharge, other penalty, or court costs imposed and paid and any reasonable attorney's fees and expenses incurred in connection with all criminal proceedings and appeals regarding the wrongfully imposed judgment and sentence and such fees and expenses incurred in connection with any civil actions and proceedings for postconviction relief which are related to the wrongfully imposed judgment and sentence.

*b.* An amount of liquidated damages in an amount equal to fifty dollars per day of wrongful imprisonment.

*c.* The value of any lost wages, salary, or other earned income which directly resulted from the individual's conviction and imprisonment, up to twenty-five thousand dollars per year.

*d.* The value of reasonable attorney's fees for services provided in connection with an action under this section.

7. In awarding damages under this section, the state appeal board or the court shall not offset the award by any expenses incurred by the state or any political subdivision of the state in connection with the arrest, prosecution, and imprisonment of the individual, including, but not limited to, expenses for food, clothing, shelter, and medical care.

8. Actions under this section shall be commenced within two years of entry of the district court order adjudging the individual to be a wrongfully imprisoned person.

97 Acts, ch 196, §1

# CHAPTER 664

## INJUNCTIONS

For Iowa court rules concerning injunctions,
see R.C.P. 1.1501 – 1.1511

# CHAPTER 664A

## NO-CONTACT ORDERS — ENFORCEMENT OF PROTECTIVE ORDERS

Referred to in §236.7, 236.18, 331.756(4), 562A.27A, 562B.25A, 633.701


664A.1 Definitions.
664A.2 Applicability.
664A.3 Entry of temporary no-contact order.
664A.4 Notice of no-contact order.
664A.4A Reserved.
664A.5 Modification — entry of permanent no-contact order.
664A.6 Mandatory arrest for violation of no-contact order — immunity for actions.
664A.7 Violation of no-contact order or protective order — contempt or simple misdemeanor penalties.
664A.8 Extension of no-contact order.


**664A.1 Definitions.**

For purposes of this chapter:

1. *"No-contact order"* means a court order issued in a criminal proceeding requiring the defendant to have no contact with the alleged victim, persons residing with the alleged victim, or members of the alleged victim's immediate family, and to refrain from harassing the alleged victim, persons residing with the alleged victim, or members of the alleged victim's family.

2. *"Protective order"* means a protective order issued pursuant to chapter 232, a court order or court-approved consent agreement entered pursuant to chapter 236, including a valid foreign protective order under section 236.19, subsection 3, a temporary or permanent protective order or order to vacate the homestead under chapter 598, or an order that establishes conditions of release or is a protective order or sentencing order in a criminal prosecution arising from a domestic abuse assault under section 708.2A, or a civil injunction issued pursuant to section 915.22.

3. *"Victim"* means a person who has suffered physical, emotional, or financial harm as a result of a public offense, as defined in section 701.2, committed in this state.

2006 Acts, ch 1101, §5; 2007 Acts, ch 180, §4

**664A.2 Applicability.**

1. This chapter applies to no-contact orders issued for violations or alleged violations of sections 708.2A, 708.7, 708.11, 709.2, 709.3, and 709.4, and any other public offense for which there is a victim.

2. A protective order issued in a civil proceeding shall be issued pursuant to chapter 232, 236, 598, or 915. Punishment for a violation of a protective order shall be imposed pursuant to section 664A.7.

2006 Acts, ch 1101, §6; 2007 Acts, ch 180, §5
Referred to in §664A.3, 664A.5, 664A.7, 664A.8

**664A.3 Entry of temporary no-contact order.**

1. When a person is taken into custody for contempt proceedings pursuant to section 236.11 or arrested for any public offense referred to in section 664A.2, subsection 1, and the person is brought before a magistrate for initial appearance, the magistrate shall enter a no-contact order if the magistrate finds both of the following:

*a.* Probable cause exists to believe that any public offense referred to in section 664A.2, subsection 1, or a violation of a no-contact order, protective order, or consent agreement has occurred.

*b*. The presence of or contact with the defendant poses a threat to the safety of the alleged victim, persons residing with the alleged victim, or members of the alleged victim's family.

2. Notwithstanding chapters 804 and 805, a person taken into custody pursuant to section 236.11 or arrested pursuant to section 236.12 may be released on bail or otherwise only after initial appearance before a magistrate as provided in chapter 804 and the rules of criminal procedure or section 236.11, whichever is applicable.

3. A no-contact order issued pursuant to this section shall be issued in addition to any other conditions of release imposed by a magistrate pursuant to section 811.2. The no-contact order has force and effect until it is modified or terminated by subsequent court action in a contempt proceeding or criminal or juvenile court action and is reviewable in the manner prescribed in section 811.2. Upon final disposition of the criminal or juvenile court action, the court shall terminate or modify the no-contact order pursuant to section 664A.5.

4. A no-contact order requiring the defendant to have no contact with the alleged victim's children shall prevail over any existing order which may be in conflict with the no-contact order.

5. A no-contact order issued pursuant to this section shall restrict the defendant from having contact with the victim, persons residing with the victim, or the victim's immediate family.

6. A no-contact order issued pursuant to this section shall specifically include notice that the person may be required to relinquish all firearms, offensive weapons, and ammunition upon the issuance of a permanent no-contact order pursuant to section 664A.5.

2006 Acts, ch 1101, §7; 2007 Acts, ch 180, §6; 2010 Acts, ch 1083, §3
Referred to in §664A.5, 709.22, 915.50

**664A.4 Notice of no-contact order.**

1. The clerk of the district court or other person designated by the court shall provide a copy of the no-contact order to the victim pursuant to this chapter and chapter 915.

2. The clerk of the district court shall provide a notice and copy of the no-contact order to the appropriate law enforcement agencies and the twenty-four-hour dispatcher for the law enforcement agencies in the same manner as provided in section 236.5. The clerk of the district court shall provide a notice and copy of a modification or vacation of a no-contact order in the same manner.

2006 Acts, ch 1101, §8

**664A.4A** Reserved.
For future text of this section, effective April 1, 2014, see 2013 Acts, ch 16, §2, 3

**664A.5 Modification — entry of permanent no-contact order.**

If a defendant is convicted of, receives a deferred judgment for, or pleads guilty to a public offense referred to in section 664A.2, subsection 1, or is held in contempt for a violation of a no-contact order issued under section 664A.3 or for a violation of a protective order issued pursuant to chapter 232, 236, 598, or 915, the court shall either terminate or modify the temporary no-contact order issued by the magistrate. The court may enter a no-contact order or continue the no-contact order already in effect for a period of five years from the date the judgment is entered or the deferred judgment is granted, regardless of whether the defendant is placed on probation.

2006 Acts, ch 1101, §9; 2007 Acts, ch 180, §7
Referred to in §664A.3, 708.2A

**664A.6 Mandatory arrest for violation of no-contact order — immunity for actions.**

1. If a peace officer has probable cause to believe that a person has violated a no-contact order issued under this chapter, the peace officer shall take the person into custody and shall take the person without unnecessary delay before the nearest or most accessible magistrate in the judicial district in which the person was taken into custody.

2. If the peace officer is investigating a domestic abuse assault pursuant to section 708.2A, the officer shall also comply with sections 236.11 and 236.12.

3. A peace officer shall not be held civilly or criminally liable for acting pursuant to this

section provided the peace officer acts in good faith and on reasonable grounds and the peace officer's acts do not constitute a willful or wanton disregard for the rights or safety of another.

2006 Acts, ch 1101, §10; 2007 Acts, ch 180, §8

**664A.7 Violation of no-contact order or protective order — contempt or simple misdemeanor penalties.**

1. Violation of a no-contact order issued under this chapter or a protective order issued pursuant to chapter 232, 236, or 598, including a modified no-contact order, is punishable by summary contempt proceedings.

2. A hearing in a contempt proceeding brought pursuant to this section shall be held not less than five and not more than fifteen days after the issuance of a rule to show cause, as determined by the court.

3. If convicted of or held in contempt for a violation of a no-contact order or a modified no-contact order for a public offense referred to in section 664A.2, subsection 1, or held in contempt of a no-contact order issued during a contempt proceeding brought pursuant to section 236.11, the person shall be confined in the county jail for a minimum of seven days. A jail sentence imposed pursuant to this subsection shall be served on consecutive days. No portion of the mandatory minimum term of confinement imposed by this subsection shall be deferred or suspended. A deferred judgment, deferred sentence, or suspended sentence shall not be entered for a violation of a no-contact order, modified no-contact order, or protective order and the court shall not impose a fine in lieu of the minimum sentence, although a fine may be imposed in addition to the minimum sentence.

4. If convicted or held in contempt for a violation of a civil protective order referred to in section 664A.2, the person shall serve a jail sentence. A jail sentence imposed pursuant to this subsection shall be served on consecutive days. A person who is convicted of or held in contempt for a violation of a protective order referred to in section 664A.2 may be ordered by the court to pay the plaintiff's attorney's fees and court costs.

5. Violation of a no-contact order entered for the offense or alleged offense of domestic abuse assault in violation of section 708.2A or a violation of a protective order issued pursuant to chapter 232, 236, 598, or 915 constitutes a public offense and is punishable as a simple misdemeanor. Alternatively, the court may hold a person in contempt of court for such a violation, as provided in subsection 3.

6. A person shall not be held in contempt or convicted of violations under multiple no-contact orders, protective orders, or consent agreements, for the same set of facts and circumstances that constitute a single violation.

2006 Acts, ch 1101, §11; 2007 Acts, ch 180, §9, 10

Referred to in §598.16, 598.41, 598.41D, 664A.2, 907.3

**664A.8 Extension of no-contact order.**

Upon the filing of an application by the state or by the victim of any public offense referred to in section 664A.2, subsection 1 which is filed within ninety days prior to the expiration of a modified no-contact order, the court shall modify and extend the no-contact order for an additional period of five years, unless the court finds that the defendant no longer poses a threat to the safety of the victim, persons residing with the victim, or members of the victim's family. The number of modifications extending the no-contact order permitted by this section is not limited.

2006 Acts, ch 1101, §12; 2007 Acts, ch 180, §11

# CHAPTER 665

## CONTEMPTS

Referred to in §20.12, 81.4, 123.19, 125.83, 229.13, 252B.26, 331.654, 356A.3, 692A.109, 815.9, 815.11


665.1 "Court" defined.
665.2 Acts constituting contempt.
665.3 In courts of record.
665.4 Punishment.
665.5 Imprisonment.
665.6 Affidavit necessary.
665.7 Notice to show cause.
665.8 Testimony reduced to writing.
665.9 Personal knowledge of court — record required.
665.10 Warrant of commitment.
665.11 Revision by certiorari.
665.12 Indictment not barred.


**665.1 "Court" defined.**

Any officer authorized to punish for contempt is a court within the meaning of this chapter.

[C51, §1608; R60, §2698; C73, §3501; C97, §4470; C24, 27, 31, 35, 39, §**12540;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.1]

**665.2 Acts constituting contempt.**

The following acts or omissions are contempts, and are punishable as such by any of the courts of this state, or by any judicial officer, including judicial magistrates, acting in the discharge of an official duty, as hereinafter provided:

1. Contemptuous or insolent behavior toward such court while engaged in the discharge of a judicial duty which may tend to impair the respect due to its authority.
2. Any willful disturbance calculated to interrupt the due course of its official proceedings.
3. Illegal resistance to any order or process made or issued by it.
4. Disobedience to any subpoena issued by it and duly served, or refusing to be sworn or to answer as a witness.
5. Unlawfully detaining a witness or party to an action or proceeding pending before such court, while going to or remaining at the place where the action or proceeding is thus pending, after being summoned, or knowingly assisting, aiding or abetting any person in evading service of the process of such court.
6. Any other act or omission specially declared a contempt by law.

[C51, §1598; R60, §2688; C73, §3491; C97, §4460; C24, 27, 31, 35, 39, §**12541;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.2]

**665.3 In courts of record.**

In addition to the above, any court of record may punish the following acts or omissions as contempts:

1. Failure to testify before a grand jury, when lawfully required to do so.
2. Assuming to be an officer, attorney, or counselor of the court, and acting as such without authority.
3. Misbehavior as a juror, by improperly conversing with a party or with any other person in relation to the merits of an action in which the juror is acting or is to act as a juror, or receiving a communication from any person in respect to it without immediately disclosing the same to the court.
4. Bribing, attempting to bribe, or in any other manner improperly influencing or attempting to influence a juror to render a verdict, or suborning or attempting to suborn witness.
5. Disobedience by an inferior tribunal, magistrate, or officer to any lawful judgment, order or process of a superior court, or proceeding in any matter in a manner contrary to law, after it has been removed from such tribunal, magistrate or officer.

[C51, §1599; R60, §2689; C73, §3492; C97, §4461; C24, 27, 31, 35, 39, §**12542;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.3]

**665.4 Punishment.**

The punishment for contempt, where not otherwise specifically provided, shall be:

1. In the supreme court or the court of appeals, by a fine not exceeding one thousand dollars or by imprisonment in a county jail not exceeding six months, or by both such fine and imprisonment.

2. Before district judges, district associate judges, and associate juvenile judges by a fine not exceeding five hundred dollars or imprisonment in a county jail not exceeding six months or by both such fine and imprisonment.

3. Before judicial magistrates, by a fine not exceeding one hundred dollars or imprisonment in a county jail not exceeding thirty days.

[C51, §1600; R60, §2690; C73, §3493; C97, §4462; C24, 27, 31, 35, 39, §**12543;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.4]

85 Acts, ch 27, §1; 96 Acts, ch 1134, §6

**665.5 Imprisonment.**

If the contempt consists in an omission to perform an act which is yet in the power of the person to perform, the person may be imprisoned until the person performs it. In that case the act to be performed must be specified in the warrant of the commitment.

[C51, §1601; R60, §2691; C73, §3494; C97, §4463; C24, 27, 31, 35, 39, §**12544;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.5]

**665.6 Affidavit necessary.**

Unless the contempt is committed in the immediate view and presence of the court, or comes officially to its knowledge, an affidavit showing the nature of the transaction is necessary as a basis for further action in the premises.

[C51, §1602; R60, §2692; C73, §3495; C97, §4464; C24, 27, 31, 35, 39, §**12545;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.6]

**665.7 Notice to show cause.**

Before punishing for contempt, unless the offender is already in the presence of the court, the offender must be served personally with an order to show cause against the punishment, and a reasonable time given the offender therefor; or the offender may be brought before the court forthwith, or on a given day, by warrant, if necessary. In either case the offender may, at the offender's option, make a written explanation of the offender's conduct under oath, which must be filed and preserved.

[C51, §1603; R60, §2693; C73, §3496; C97, §4465; C24, 27, 31, 35, 39, §**12546;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.7]

2010 Acts, ch 1159, §15

**665.8 Testimony reduced to writing.**

Where the action of the court is founded upon evidence given by others, such evidence must be in writing, and be filed and preserved.

[C51, §1604; R60, §2694; C73, §3497; C97, §4466; C24, 27, 31, 35, 39, §**12547;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.8]

**665.9 Personal knowledge of court — record required.**

If the court or judge acts upon personal knowledge in the premises, a statement of the facts upon which the order is founded must be entered on the records of the court, or be filed and preserved when the court keeps no record, and shall be a part of the record.

[C51, §1604; R60, §2694; C73, §3497; C97, §4466; C24, 27, 31, 35, 39, §**12548;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.9]

**665.10 Warrant of commitment.**

When the offender is committed, the warrant must state the particular facts and circumstances on which the court acted in the premises, and whether the same was in the knowledge of the court or was proved by witnesses.

[C51, §1605; R60, §2695; C73, §3498; C97, §4467; C24, 27, 31, 35, 39, §**12549;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.10]

**665.11 Revision by certiorari.**

No appeal lies from an order to punish for a contempt, but the proceedings may, in proper cases, be taken to a higher court for revision by certiorari.

[C51, §1606; R60, §2696; C73, §3499; C97, §4468; C24, 27, 31, 35, 39, §**12550;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.11]

**665.12 Indictment not barred.**

The punishment for a contempt constitutes no bar to an indictment, but if the offender is indicted and convicted for the same offense, the court, in passing sentence, must take into consideration the punishment before inflicted.

[C51, §1607; R60, §2697; C73, §3500; C97, §4469; C24, 27, 31, 35, 39, §**12551;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §665.12]

# CHAPTER 666

## OFFICIAL BONDS, FINES AND FORFEITURES

See also chapter 64


666.1 Official bonds construed.
666.2 Prior judgment no bar.
666.3 Fines and forfeitures.
666.4 By whom action prosecuted.
666.5 Collusion.
666.6 Annual report of outstanding fines, penalties, forfeitures, and recognizances.


**666.1 Official bonds construed.**

The official bond of a public officer is to be construed as a security to the body politic or civil corporation of which the person is an officer, and to all the members thereof, severally, who are intended to be secured thereby.

[C51, §2145; R60, §3727; C73, §3368; C97, §4336; C24, 27, 31, 35, 39, §**12552;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §666.1]

Conditions of bond, §64.2

**666.2 Prior judgment no bar.**

A judgment in favor of a party for one delinquency does not preclude the same or another party from an action on the same security for another delinquency, except that sureties can be made liable in the aggregate only to the extent of their undertaking.

[C51, §2147; R60, §3728; C73, §3369; C97, §4337; C24, 27, 31, 35, 39, §**12553;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §666.2]

**666.3 Fines and forfeitures.**

Fines and forfeitures, after deducting court costs, court expenses collectible through the clerk of the court, and fees of collection, if any, and not otherwise disposed of, shall be paid to the treasurer of state for deposit in the general fund of the state.

[C51, §1158, 2148; R60, §3729; C73, §3370; C97, §4338; C24, 27, 31, 35, 39, §**12554;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §666.3]

83 Acts, ch 185, §58, 62; 83 Acts, ch 186, §10126, 10201, 10204

Referred to in §207.10

**666.4 By whom action prosecuted.**

Actions for their recovery may be prosecuted by the officers or persons to whom they by law belong, in whole or in part, or by the public officer into whose hands they are to be paid when collected.

[C51, §2149; R60, §3730; C73, §3371; C97, §4339; C24, 27, 31, 35, 39, §**12555;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §666.4]

**666.5 Collusion.**

A judgment for a penalty or forfeiture, rendered by collusion, does not prevent another action for the same subject matter.

[C51, §2150; R60, §3731; C73, §3372; C97, §4340; C24, 27, 31, 35, 39, §**12556;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §666.5]

**666.6 Annual report of outstanding fines, penalties, forfeitures, and recognizances.**

The clerk of the district court shall make an annual report in writing to the state court administrator no later than August 15 of the fines, penalties, forfeitures, and recognizances which have not been paid, remitted, canceled, or otherwise satisfied during the previous fiscal year.

[C73, §3974; C97, §1302; C24, 27, 31, 35, 39, §**12557;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §666.6; 81 Acts, ch 117, §1239]

83 Acts, ch 185, §59, 62; 83 Acts, ch 186, §10127, 10201; 85 Acts, ch 197, §39; 91 Acts, ch 185, §1; 95 Acts, ch 169, §9

Referred to in §602.8102(116)

# CHAPTER 667

## SEIZURE OF BOATS OR RAFTS


| | | | |
|---|---|---|---|
| 667.1 | Seizure. | 667.9 | Sale. |
| 667.2 | Petition and warrant. | 667.10 | Fractional share sold. |
| 667.3 | Warrant issued on Sunday. | 667.11 | Appeal. |
| 667.4 | Service of notice. | 667.12 | Rights saved. |
| 667.5 | Service of warrant. | 667.13 | Contract alleged. |
| 667.6 | Who may appear. | 667.14 | Lien. |
| 667.7 | Bond to discharge. | 667.15 | Appearance by executing bond. |
| 667.8 | Special execution. | | |


**667.1 Seizure.**

In an action brought against the owners of any boat or raft to recover any debt contracted by such owner, or by the master, agent, clerk, or consignee thereof, for supplies furnished, or for labor done in, about, or on such boat or raft, or for materials furnished in building, repairing, fitting out, furnishing, or equipping the same, or to recover for the nonperformance of any contract relative to the transportation of persons or property thereon, made by any of the persons aforementioned, or to recover damages for injuries to persons or property done by such boat or raft or the officers or crew thereof in connection with its business, a warrant may issue for the seizure of the same as herein provided.

[C51, §2116; R60, §3693, 3698, 3700; C73, §3432, 3445, 3447; C97, §4402; C24, 27, 31, 35, 39, §**12558;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.1]

**667.2 Petition and warrant.**

The petition must be in writing, sworn to, and filed with the clerk who shall thereupon issue a warrant to the proper officer, commanding the officer to seize the boat or raft, its apparel, tackle, furniture, and appendages, and detain the same until released by due course of law.

[C51, §2121; R60, §3701; C73, §3433; C97, §4403; C24, 27, 31, 35, 39, §**12559;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.2]

Referred to in §602.8102(117)

**667.3 Warrant issued on Sunday.**

The warrant may be issued on Sunday, if the plaintiff, the plaintiff's agent, or attorney states in the petition that it would be unsafe to delay proceedings.

[R60, §3702; C73, §3434; C97, §4404; C24, 27, 31, 35, 39, §**12560;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.3]

Analogous or related provisions, §602.1602, 626.6, 639.5, and 643.3

**667.4 Service of notice.**

It shall be sufficient service of the original notice in such an action to serve it on the defendant, or on the master, agent, clerk, or consignee of such boat or raft; if neither of them can be found, it may be served by posting a copy thereof on some conspicuous part of the same.

[C51, §2122; R60, §3703; C73, §3435; C97, §4405; C24, 27, 31, 35, 39, §**12561;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.4]

**667.5 Service of warrant.**

Any marshal of any city may execute the warrant.

[R60, §3704; C73, §3436; C97, §4406; C24, 27, 31, 35, 39, §**12562;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.5]

Approval of warrant and expenses, §70A.12, 70A.13

**667.6 Who may appear.**

Any persons interested in the property seized may appear for the defendant in person or by an agent or attorney, and defend the action, and no continuance shall be granted to the plaintiff while the property is held in custody.

[C51, §2123; R60, §3705; C73, §3437; C97, §4407; C24, 27, 31, 35, 39, §**12563;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.6]

**667.7 Bond to discharge.**

The property seized may be discharged at any time before final judgment, by giving a bond with sureties, to be approved by the officer executing the warrant, or by the clerk who issued it, in a penalty double the plaintiff's demand, conditioned that the obligors therein will pay the amount which may be found due to the plaintiff, together with the costs.

[C51, §2124; R60, §3706; C73, §3438; C97, §4408; C24, 27, 31, 35, 39, §**12564;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.7]

Similar provisions, §639.42, 639.45, 643.12

**667.8 Special execution.**

If judgment is rendered for the plaintiff before the property is thus discharged, a special execution shall be issued against it. If it has been previously discharged, the execution shall issue against the principal and sureties in the bond without further proceedings.

[C51, §2125; R60, §3707; C73, §3439; C97, §4409; C24, 27, 31, 35, 39, §**12565;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.8]

**667.9 Sale.**

The officer must first sell the furniture or appendages of the boat or raft, if by so doing the officer can satisfy the demand. If the officer sells the boat or raft, the officer must do so to the bidder who will advance the amount required to satisfy the execution for lowest fractional share thereof, unless the person defending desires a different and equally convenient mode of sale. The officer making the sale shall execute a bill of sale to the purchaser for the interest sold.

[C51, §2126; R60, §3708; C73, §3440; C97, §4410; C24, 27, 31, 35, 39, §**12566;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.9]

**667.10 Fractional share sold.**

If a fractional share of the boat or raft is thus sold, the purchaser shall hold such share or interest jointly with the other owners.

[C51, §2127; R60, §3709; C73, §3441; C97, §4411; C24, 27, 31, 35, 39, §**12567;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.10]

**667.11 Appeal.**

If an appeal is taken by the defendant before the property is discharged as above provided, the appeal bond, if one is filed, will have the same effect in discharging it as the bond above

contemplated, and execution shall issue against the obligors therein after judgment in the same manner.

[C51, §2128; R60, §3710; C73, §3442; C97, §4412; C24, 27, 31, 35, 39, §**12568;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.11]

Presumption of approval of bond, §636.10

**667.12 Rights saved.**

Nothing herein contained is intended to affect the rights of a plaintiff to sue in the same manner as though the provisions of this chapter had not been enacted.

[C51, §2129; R60, §3711; C73, §3443; C97, §4413; C24, 27, 31, 35, 39, §**12569;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.12]

**667.13 Contract alleged.**

In actions commenced in accordance with the provisions of this chapter, it is sufficient to allege the contract to have been made with the boat or raft itself.

[C51, §2130; R60, §3712; C73, §3444; C97, §4414; C24, 27, 31, 35, 39, §**12570;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.13]

**667.14 Lien.**

Claims growing out of either of the above causes shall be liens upon the boat or raft, its tackle, and appendages, for the term of twenty days from the time the right of action therefor accrued.

[R60, §3699; C73, §3446; C97, §4415; C24, 27, 31, 35, 39, §**12571;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.14]

**667.15 Appearance by executing bond.**

The execution by or for the owner of such boat or raft of a bond, whereby possession of the same is obtained or retained by the owner, shall be an appearance of such owner as a defendant to the action.

[R60, §4130; C73, §3448; C97, §4416; C24, 27, 31, 35, 39, §**12572;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §667.15]

# CHAPTER 668

## LIABILITY IN TORT — COMPARATIVE FAULT

Referred to in §321J.4B, 625.21


668.1 Fault defined.
668.2 Party defined.
668.3 Comparative fault — effect — payment method.
668.4 Joint and several liability.
668.5 Right of contribution.
668.6 Enforcement of contribution.
668.7 Effect of release.
668.8 Tolling of statute.
668.9 Insurance practice.
668.10 Governmental exemptions.
668.11 Disclosure of expert witnesses in liability cases involving licensed professionals.
668.12 Liability for products — defenses.
668.13 Interest on judgments.
668.14 Evidence of previous payment or future right of payment.
668.15 Damages resulting from sexual abuse — evidence.
668.16 Applicability of this chapter.


**668.1 Fault defined.**

1. As used in this chapter, "*fault*" means one or more acts or omissions that are in any measure negligent or reckless toward the person or property of the actor or others, or that subject a person to strict tort liability. The term also includes breach of warranty, unreasonable assumption of risk not constituting an enforceable express consent, misuse of a product for which the defendant otherwise would be liable, and unreasonable failure to avoid an injury or to mitigate damages.

2. The legal requirements of cause in fact and proximate cause apply both to fault as the basis for liability and to contributory fault.

84 Acts, ch 1293, §1

See also §619.17

**668.2 Party defined.**

As used in this chapter, unless otherwise required, *"party"* means any of the following:

1. A claimant.
2. A person named as defendant.
3. A person who has been released pursuant to section 668.7.
4. A third-party defendant.

84 Acts, ch 1293, §2

Referred to in §516A.5, 668.5

**668.3 Comparative fault — effect — payment method.**

1. *a.* Contributory fault shall not bar recovery in an action by a claimant to recover damages for fault resulting in death or in injury to person or property unless the claimant bears a greater percentage of fault than the combined percentage of fault attributed to the defendants, third-party defendants and persons who have been released pursuant to section 668.7, but any damages allowed shall be diminished in proportion to the amount of fault attributable to the claimant.

*b.* Contributory fault shall not bar recovery in an action by a claimant to recover damages for loss of services, companionship, society, or consortium, unless the fault attributable to the person whose injury or death provided the basis for the damages is greater in percentage than the combined percentage of fault attributable to the defendants, third-party defendants, and persons who have been released pursuant to section 668.7, but any damages allowed shall be diminished in proportion to the amount of fault attributable to the person whose injury or death provided the basis for the damages.

2. In the trial of a claim involving the fault of more than one party to the claim, including third-party defendants and persons who have been released pursuant to section 668.7, the court, unless otherwise agreed by all parties, shall instruct the jury to answer special interrogatories or, if there is no jury, shall make findings, indicating all of the following:

*a.* The amount of damages each claimant will be entitled to recover if contributory fault is disregarded.

*b.* The percentage of the total fault allocated to each claimant, defendant, third-party defendant, person who has been released from liability under section 668.7, and injured or deceased person whose injury or death provides a basis for a claim to recover damages for loss of consortium, services, companionship, or society. For this purpose the court may determine that two or more persons are to be treated as a single party.

3. In determining the percentages of fault, the trier of fact shall consider both the nature of the conduct of each party and the extent of the causal relation between the conduct and the damages claimed.

4. The court shall determine the amount of damages payable to each claimant by each other party, if any, in accordance with the findings of the court or jury.

5. If the claim is tried to a jury, the court shall give instructions and permit evidence and argument with respect to the effects of the answers to be returned to the interrogatories submitted under this section.

6. In an action brought under this chapter and tried to a jury, the court shall not discharge the jury until the court has determined that the verdict or verdicts are consistent with the total damages and percentages of fault, and if inconsistencies exist the court shall do all of the following:

*a.* Inform the jury of the inconsistencies.

*b.* Order the jury to resume deliberations to correct the inconsistencies.

*c.* Instruct the jury that it is at liberty to change any portion or portions of the verdicts to correct the inconsistencies.

7. When a final judgment or award is entered, any party may petition the court for a

determination of the appropriate payment method of such judgment or award. If so petitioned the court may order that the payment method for all or part of the judgment or award be by structured, periodic, or other nonlump-sum payments. However, the court shall not order a structured, periodic, or other nonlump-sum payment method if it finds that any of the following are true:

*a.* The payment method would be inequitable.

*b.* The payment method provides insufficient guarantees of future collectibility of the judgment or award.

*c.* Payments made under the payment method could be subject to other claims, past or future, against the defendant or the defendant's insurer.

8. In an action brought pursuant to this chapter the court shall instruct the jury to answer special interrogatories or, if there is no jury, shall make findings on each specific item of requested or awarded damages indicating that portion of the judgment or decree awarded for past damages and that portion of the judgment or decree awarded for future damages. All awards of future damages shall be calculated according to the method set forth in section 624.18.

84 Acts, ch 1293, §3; 86 Acts, ch 1211, §39; 87 Acts, ch 157, §5, 6; 97 Acts, ch 197, §10 – 12, 16

Referred to in §321.445, 657.1, 668.5, 668.6, 668.7, 668.13

**668.4 Joint and several liability.**

In actions brought under this chapter, the rule of joint and several liability shall not apply to defendants who are found to bear less than fifty percent of the total fault assigned to all parties. However, a defendant found to bear fifty percent or more of fault shall only be jointly and severally liable for economic damages and not for any noneconomic damage awards.

84 Acts, ch 1293, §4; 97 Acts, ch 197, §13, 16

**668.5 Right of contribution.**

1. A right of contribution exists between or among two or more persons who are liable upon the same indivisible claim for the same injury, death, or harm, whether or not judgment has been recovered against all or any of them. It may be enforced either in the original action or by a separate action brought for that purpose. The basis for contribution is each person's equitable share of the obligations, including the share of fault of a claimant, as determined in accordance with section 668.3.

2. Contribution is available to a person who enters into a settlement with the claimant only if the liability of the person against whom contribution is sought has been extinguished and only to the extent that the amount paid in settlement was reasonable.

3. Contractual or statutory rights of persons not enumerated in section 668.2 for subrogation for losses recovered in proceedings pursuant to this chapter shall not exceed that portion of the judgment or verdict specifically related to such losses, as shown by the itemization of the judgment or verdict returned under section 668.3, subsection 8, and according to the findings made pursuant to section 668.14, subsection 3, and such contractual or statutory subrogated persons shall be responsible for a pro rata share of the legal and administrative expenses incurred in obtaining the judgment or verdict.

4. Subrogation payment restrictions imposed pursuant to subsection 3 apply to settlement recoveries, but only to the extent that the settlement was reasonable.

84 Acts, ch 1293, §5; 87 Acts, ch 157, §7

Referred to in §455G.13

**668.6 Enforcement of contribution.**

1. If the percentages of fault of each of the parties to a claim for contribution have been established previously by the court as provided in section 668.3, a party paying more than the party's percentage share of damages may recover judgment for contribution upon motion to the court or in a separate action.

2. If the percentages of fault of each of the parties to a claim for contribution have not been established by the court, contribution may be enforced in a separate action, whether

or not a judgment has been rendered against either the person seeking contribution or the person from whom contribution is sought.

3. If a judgment has been rendered, an action for contribution must be commenced within one year after the judgment becomes final. If a judgment has not been rendered, a claim for contribution is enforceable only upon satisfaction of one of the following sets of conditions:

*a.* The person bringing the action for contribution must have discharged the liability of the person from whom contribution is sought by payment made within the period of the statute of limitations applicable to the claimant's right of action and must have commenced the action for contribution within one year after the date of that payment.

*b.* The person seeking contribution must have agreed while the action of the claimant was pending to discharge the liability of the person from whom contribution is sought and within one year after the date of the agreement must have discharged that liability and commenced the action for contribution.

84 Acts, ch 1293, §6

**668.7 Effect of release.**

A release, covenant not to sue, or similar agreement entered into by a claimant and a person liable discharges that person from all liability for contribution, but it does not discharge any other persons liable upon the same claim unless it so provides. However, the claim of the releasing person against other persons is reduced by the amount of the released person's equitable share of the obligation, as determined in section 668.3, subsection 4.

84 Acts, ch 1293, §7
Referred to in §668.2, 668.3

**668.8 Tolling of statute.**

The filing of a petition under this chapter tolls the statute of limitations for the commencement of an action against all parties who may be assessed any percentage of fault under this chapter.

84 Acts, ch 1293, §8
Referred to in §516A.5

**668.9 Insurance practice.**

It shall be an unfair trade practice, as defined in chapter 507B, if an insurer assigns a percentage of fault to a claimant, for the purpose of reducing a settlement, when there exists no reasonable evidence upon which the assigned percentage of fault could be based. The prohibitions and sanctions of chapter 507B shall apply to violations of this section.

84 Acts, ch 1293, §9

**668.10 Governmental exemptions.**

1. In any action brought pursuant to this chapter, the state or a municipality shall not be assigned a percentage of fault for any of the following:

*a.* The failure to place, erect, or install a stop sign, traffic control device, or other regulatory sign as defined in the uniform manual for traffic control devices adopted pursuant to section 321.252. However, once a regulatory device has been placed, created, or installed, the state or municipality may be assigned a percentage of fault for its failure to maintain the device.

*b.* The failure to remove natural or unnatural accumulations of snow or ice, or to place sand, salt, or other abrasive material on a highway, road, or street if the state or municipality establishes that it has complied with its policy or level of service for snow and ice removal or placing sand, salt, or other abrasive material on its highways, roads, or streets.

2. In any action brought pursuant to this chapter, the state shall not be assigned a percentage of fault for contribution unless the party claiming contribution has given the state notice of the claim pursuant to section 669.13.

84 Acts, ch 1293, §10; 2007 Acts, ch 110, §3

**668.11 Disclosure of expert witnesses in liability cases involving licensed professionals.**

1. A party in a professional liability case brought against a licensed professional pursuant

to this chapter who intends to call an expert witness of their own selection, shall certify to the court and all other parties the expert's name, qualifications and the purpose for calling the expert within the following time period:

*a.* The plaintiff within one hundred eighty days of the defendant's answer unless the court for good cause not ex parte extends the time of disclosure.

*b.* The defendant within ninety days of plaintiff's certification.

2. If a party fails to disclose an expert pursuant to subsection 1 or does not make the expert available for discovery, the expert shall be prohibited from testifying in the action unless leave for the expert's testimony is given by the court for good cause shown.

3. This section does not apply to court appointed experts or to rebuttal experts called with the approval of the court.

86 Acts, ch 1211, §40

**668.12 Liability for products — defenses.**

1. In any action brought pursuant to this chapter against an assembler, designer, supplier of specifications, distributor, manufacturer, or seller for damages arising from an alleged defect in the design, testing, manufacturing, formulation, packaging, warning, or labeling of a product, a percentage of fault shall not be assigned to such persons if they plead and prove that the product conformed to the state of the art in existence at the time the product was designed, tested, manufactured, formulated, packaged, provided with a warning, or labeled.

2. Nothing contained in subsection 1 shall diminish the duty of an assembler, designer, supplier of specifications, distributor, manufacturer, or seller to warn concerning subsequently acquired knowledge of a defect or dangerous condition that would render the product unreasonably dangerous for its foreseeable use or diminish the liability for failure to so warn.

3. An assembler, designer, supplier of specifications, distributor, manufacturer, or seller shall not be subject to liability for failure to warn regarding risks and risk-avoidance measures that should be obvious to, or generally known by, foreseeable product users. When reasonable minds may differ as to whether the risk or risk-avoidance measure was obvious or generally known, the issues shall be decided by the trier of fact.

4. In any action brought pursuant to this chapter against an assembler, designer, supplier of specifications, distributor, manufacturer, or seller for damages arising from an alleged defect in packaging, warning, or labeling of a product, a product bearing or accompanied by a reasonable and visible warning or instruction that is reasonably safe for use if the warning or instruction is followed shall not be deemed defective or unreasonably dangerous on the basis of failure to warn or instruct. When reasonable minds may differ as to whether the warning or instruction is reasonable and visible, the issues shall be decided by the trier of fact.

86 Acts, ch 1211, §41; 2004 Acts, ch 1050, §1

**668.13 Interest on judgments.**

Interest shall be allowed on all money due on judgments and decrees on actions brought pursuant to this chapter, subject to the following:

1. Interest, except interest awarded for future damages, shall accrue from the date of the commencement of the action.

2. If the interest rate is fixed by a contract on which the judgment or decree is rendered, the interest allowed shall be at the rate expressed in the contract, not exceeding the maximum rate permitted under section 535.2.

3. Interest shall be calculated as of the date of judgment at a rate equal to the one-year treasury constant maturity published by the federal reserve in the H15 report settled immediately prior to the date of the judgment plus two percent. The state court administrator shall distribute notice monthly of that rate and any changes to that rate to all district courts.

4. Interest awarded for future damages shall not begin to accrue until the date of the entry of the judgment.

5. Interest shall be computed daily to the date of the payment, except as may otherwise be ordered by the court pursuant to a structured judgment under section 668.3, subsection 7.

6. Structured, periodic, or other nonlump-sum payments ordered pursuant to section 668.3, subsection 7, shall reflect interest in accordance with annuity principles.

87 Acts, ch 157, §8; 97 Acts, ch 197, §14, 16; 2001 Acts, ch 87, §9, 10; 2003 Acts, ch 151, §58
Referred to in §202C.3, 535.3, 551A.8, 602.1209

**668.14 Evidence of previous payment or future right of payment.**

1. In an action brought pursuant to this chapter seeking damages for personal injury, the court shall permit evidence and argument as to the previous payment or future right of payment of actual economic losses incurred or to be incurred as a result of the personal injury for necessary medical care, rehabilitation services, and custodial care except to the extent that the previous payment or future right of payment is pursuant to a state or federal program or from assets of the claimant or the members of the claimant's immediate family.

2. If evidence and argument regarding previous payments or future rights of payment is permitted pursuant to subsection 1, the court shall also permit evidence and argument as to the costs to the claimant of procuring the previous payments or future rights of payment and as to any existing rights of indemnification or subrogation relating to the previous payments or future rights of payment.

3. If evidence or argument is permitted pursuant to subsection 1 or 2, the court shall, unless otherwise agreed to by all parties, instruct the jury to answer special interrogatories or, if there is no jury, shall make findings indicating the effect of such evidence or argument on the verdict.

4. This section does not apply to actions governed by section 147.136.

87 Acts, ch 157, §9
Referred to in §668.5

**668.15 Damages resulting from sexual abuse — evidence.**

1. In a civil action alleging conduct which constitutes sexual abuse, as defined in section 709.1, sexual assault, or sexual harassment, a party seeking discovery of information concerning the plaintiff's sexual conduct with persons other than the person who committed the alleged act of sexual abuse, as defined in section 709.1, sexual assault, or sexual harassment, must establish specific facts showing good cause for that discovery, and that the information sought is relevant to the subject matter of the action and reasonably calculated to lead to the discovery of admissible evidence.

2. In an action against a person accused of sexual abuse, as defined in section 709.1, sexual assault, or sexual harassment, by an alleged victim of the sexual abuse, sexual assault, or sexual harassment, for damages arising from an injury resulting from the alleged conduct, evidence concerning the past sexual behavior of the alleged victim is not admissible.

89 Acts, ch 138, §1; 90 Acts, ch 1241, §1

**668.16 Applicability of this chapter.**

This chapter does not apply to Article 3 or 4 of chapter 554.

94 Acts, ch 1167, §119, 122

# CHAPTER 668A

## PUNITIVE OR EXEMPLARY DAMAGES

Referred to in §554.3513

668A.1 Punitive or exemplary damages.

**668A.1 Punitive or exemplary damages.**

1. In a trial of a claim involving the request for punitive or exemplary damages, the court shall instruct the jury to answer special interrogatories or, if there is no jury, shall make findings, indicating all of the following:

*a.* Whether, by a preponderance of clear, convincing, and satisfactory evidence, the conduct of the defendant from which the claim arose constituted willful and wanton disregard for the rights or safety of another.

*b.* Whether the conduct of the defendant was directed specifically at the claimant, or at the person from which the claimant's claim is derived.

2. An award for punitive or exemplary damages shall not be made unless the answer or finding pursuant to subsection 1, paragraph *"a"*, is affirmative. If such answer or finding is affirmative, the jury, or court if there is no jury, shall fix the amount of punitive or exemplary damages to be awarded, and such damages shall be ordered paid as follows:

*a.* If the answer or finding pursuant to subsection 1, paragraph *"b"*, is affirmative, the full amount of the punitive or exemplary damages awarded shall be paid to the claimant.

*b.* If the answer or finding pursuant to subsection 1, paragraph *"b"*, is negative, after payment of all applicable costs and fees, an amount not to exceed twenty-five percent of the punitive or exemplary damages awarded may be ordered paid to the claimant, with the remainder of the award to be ordered paid into a civil reparations trust fund administered by the state court administrator. Funds placed in the civil reparations trust shall be under the control and supervision of the executive council, and shall be disbursed only for purposes of indigent civil litigation programs or insurance assistance programs.

3. The mere allegation or assertion of a claim for punitive damages shall not form the basis for discovery of the wealth or ability to respond in damages on behalf of the party from whom punitive damages are claimed until such time as the claimant has established that sufficient admissible evidence exists to support a prima facie case establishing the requirements of subsection 1, paragraph *"a"*.

86 Acts, ch 1211, §42; 87 Acts, ch 157, §10

# CHAPTER 669

## STATE TORT CLAIMS

Referred to in §8.6, 8A.514, 13.13, 13.22, 13.34, 15E.63, 29A.3A, 29C.6, 29C.8, 89B.6, 96.17, 99G.4, 135.24, 135.143, 135C.30, 163.3A, 173.1, 189.18, 203.12B, 203C.3, 203C.4, 217.13, 217.31, 229.19, 231E.12, 232.13, 235A.20, 235B.11, 313.16, 327C.4, 421.60, 455B.432, 455B.474, 524.217, 552.19, 554.10105, 614.8, 663A.1, 692.6, 904.311, 904.603, 905.2, 907.13

Comparative fault, see chapter 668
This chapter not enacted as a part of this title;
transferred from chapter 25A in Code 1993


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**669.1 Citation and applicability.**

This chapter may be cited as the *"Iowa Tort Claims Act"*. Every provision of this chapter is applicable and of full force and effect notwithstanding any inconsistent provision of the Iowa administrative procedure Act, chapter 17A.

[C66, 71, 73, 75, 77, 79, 81, §25A.1]
C93, §669.1
2003 Acts, ch 44, §114

**669.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Acting within the scope of the employee's office or employment"* means acting in the employee's line of duty as an employee of the state.

2. *"Award"* means any amount determined by the attorney general to be payable to a claimant under section 669.3, and the amount of any compromise or settlement under section 669.9.

3. *"Claim"* means:

*a.* Any claim against the state of Iowa for money only, on account of damage to or loss of property or on account of personal injury or death, caused by the negligent or wrongful act or omission of any employee of the state while acting within the scope of the employee's office or employment, under circumstances where the state, if a private person, would be liable to the claimant for such damage, loss, injury, or death.

*b.* Any claim against an employee of the state for money only, on account of damage to or loss of property or on account of personal injury or death, caused by the negligent or wrongful act or omission of any employee of the state while acting within the scope of the employee's office or employment.

4. *a.* *"Employee of the state"* includes any one or more officers, agents, or employees of the state or any state agency, including members of the general assembly, and persons acting on behalf of the state or any state agency in any official capacity, temporarily or permanently in the service of the state of Iowa, whether with or without compensation, but does not include a contractor doing business with the state. Professional personnel, including physicians, osteopathic physicians and surgeons, osteopathic physicians, optometrists, dentists, nurses, physician assistants, and other medical personnel, who render services to patients or inmates of state institutions under the jurisdiction of the department of human services or the Iowa department of corrections, and employees of the department of veterans affairs, are to be considered employees of the state, whether the personnel are employed on a full-time basis or render services on a part-time basis on a fee schedule or other arrangement. Criminal defendants while performing unpaid community service ordered by the district court, board of parole, or judicial district department of correctional services, or an inmate providing services pursuant to a chapter 28E agreement entered into pursuant to section 904.703, and persons supervising those inmates under and according to the terms of the chapter 28E agreement, are to be considered employees of the state. Members of the Iowa national guard performing duties in a requesting state pursuant to section 29C.21 are to be considered employees of the state solely for the purpose of claims arising out of those duties in the event that the requesting state's tort claims coverage does not extend to such members of the Iowa national guard or is less than that provided under Iowa law.

*b.* *"Employee of the state"* also includes an individual performing unpaid community service under an order of the district court pursuant to section 598.23A.

5. *"State agency"* includes all executive departments, agencies, boards, bureaus, and commissions of the state of Iowa, and corporations whose primary function is to act as, and while acting as, instrumentalities or agencies of the state of Iowa, whether or not authorized to sue and be sued in their own names. This definition does not include a contractor with the state of Iowa. Soil and water conservation districts as defined in section 161A.3, subsection 6, and judicial district departments of correctional services as established in section 905.2 are state agencies for purposes of this chapter.

6. *"State appeal board"* means the state appeal board as defined in section 73A.1.

[C66, 71, 73, 75, 77, 79, 81, §25A.2]

83 Acts, ch 96, §56, 159; 84 Acts, ch 1259, §1; 86 Acts, ch 1172, §1; 87 Acts, ch 23, §1; 89 Acts, ch 83, §13; 90 Acts, ch 1251, §2
C93, §669.2
93 Acts, ch 48, §53; 94 Acts, ch 1171, §51; 96 Acts, ch 1165, §1; 97 Acts, ch 33, §12, 15; 98 Acts, ch 1086, §1; 2001 Acts, ch 158, §37; 2005 Acts, ch 115, §36, 40; 2006 Acts, ch 1185, §104; 2011 Acts, ch 47, §11; 2011 Acts, ch 132, §64, 106
Referred to in §25.1, 80.9A, 135C.30, 203.12B, 203C.3, 203C.4, 669.21

**669.3 Adjustment and settlement of claims.**

1. The attorney general, on behalf of the state of Iowa, shall consider, ascertain, adjust, compromise, settle, determine, and allow any claim that is subject to this chapter.

2. A claim made under this chapter shall be filed with the director of the department of management, who shall acknowledge receipt on behalf of the state.

3. The state appeal board shall adopt rules and procedures for the handling, processing, and investigation of claims, in accordance with chapter 17A.

[C66, 71, 73, 75, 77, 79, 81, §25A.3]
C93, §669.3
2003 Acts, ch 44, §114; 2006 Acts, ch 1185, §105
Referred to in §669.2, 669.15

**669.4 District court to hold hearings.**

The district court of the state of Iowa for the district in which the plaintiff is resident or in which the act or omission complained of occurred, or where the act or omission occurred outside of Iowa and the plaintiff is a nonresident, the Polk county district court has exclusive jurisdiction to hear, determine, and render judgment on any suit or claim as defined in this chapter. However, the laws and rules of civil procedure of this state on change of place of trial apply to such suits.

The state shall be liable in respect to such claims to the same claimants, in the same manner, and to the same extent as a private individual under like circumstances, except that the state shall not be liable for interest prior to judgment or for punitive damages. Costs shall be allowed in all courts to the successful claimant to the same extent as if the state were a private litigant.

The immunity of the state from suit and liability is waived to the extent provided in this chapter.

A suit is commenced under this chapter by serving the attorney general or the attorney general's duly authorized delegate in charge of the tort claims division by service of an original notice. The state shall have thirty days within which to enter its general or special appearance.

[C66, 71, 73, 75, 77, 79, 81, §25A.4; 82 Acts, ch 1055, §1, 2]
C93, §669.4
2006 Acts, ch 1185, §106

**669.5 When suit permitted — employees of the state.**

1. A suit shall not be permitted for a claim under this chapter unless the attorney general has made final disposition of the claim. However, if the attorney general does not make final disposition of a claim within six months after the claim is made in writing to the director of the department of management, the claimant may, by notice in writing, withdraw the claim from consideration and begin suit under this chapter. Disposition of or offer to settle any claim made under this chapter shall not be competent evidence of liability or amount of damages in any suit under this chapter.

2. *a.* Upon certification by the attorney general that a defendant in a suit was an employee of the state acting within the scope of the employee's office or employment at the time of the incident upon which the claim is based, the suit commenced upon the claim shall be deemed to be an action against the state under the provisions of this chapter, and if the state is not already a defendant, the state shall be substituted as the defendant in place of the employee.

*b.* If the attorney general refuses to certify that a defendant was acting within the scope of the defendant's office or employment as described in paragraph "*a*" at the time of the incident

out of which the claim arose, the defendant may petition the court, with notice to the attorney general, for the court to find and certify that the defendant was an employee of the state and was acting within the scope of the defendant's office or employment. The defendant must file the petition within ninety days of the date the attorney general serves notice of the attorney general's refusal to provide certification as provided in paragraph *"a"*. If the court issues the finding and certification, the suit shall be deemed to be brought against the state and subject to the provisions of this chapter and the state shall be substituted as the defendant party unless the state is already a defendant. If the court denies the petition for certification, the order shall not be a final order and is not subject to interlocutory appeal by the defendant.

[C66, 71, 73, 75, 77, 79, 81, §25A.5]
C93, §669.5
2006 Acts, ch 1185, §107
Referred to in §669.13, 669.21

**669.6 Applicable rules.**

In suits under this chapter, the forms of process, writs, pleadings, and actions, and the practice and procedure, shall be in accordance with the rules of civil procedure. The same provisions for counterclaims, setoff, interest upon judgments, and payment of judgments, are applicable as in other suits brought in the district court. However, no writ of execution shall issue against the state or any state agency by reason of a judgment under this chapter.

[C66, 71, 73, 75, 77, 79, 81, §25A.6]
83 Acts, ch 186, §10013, 10201
C93, §669.6

**669.7 Appeal.**

Judgments in the district courts in suits under this chapter shall be subject to appeal to the supreme court of the state in the same manner and to the same extent as other judgments of the district courts.

[C66, 71, 73, 75, 77, 79, 81, §25A.7]
C93, §669.7

**669.8 Judgment as bar.**

The final judgment in any suit under this chapter shall constitute a complete bar to any action by the claimant, by reason of the same subject matter, against the state or the employee of the state whose act or omission gave rise to the claim. However, this section shall not apply if the court rules that the claim is not permitted under this chapter.

[C66, 71, 73, 75, 77, 79, 81, §25A.8]
C93, §669.8
Referred to in §663A.1

**669.9 Compromise and settlement.**

With a view to doing substantial justice, the attorney general is authorized to compromise or settle any suit permitted under this chapter, with the approval of the court in which suit is pending.

[C66, 71, 73, 75, 77, 79, 81, §25A.9]
C93, §669.9
Referred to in §669.2, 669.15

**669.10 Award conclusive on state.**

Any award made under this chapter and accepted by the claimant shall be final and conclusive on all officers of the state of Iowa, except when procured by means of fraud, notwithstanding any other provisions of law to the contrary.

The acceptance by the claimant of such award shall be final and conclusive on the claimant, and shall constitute a complete release by the claimant of any claim against the state and

against the employee of the state whose act or omission gave rise to the claim, by reason of the same subject matter.

[C66, 71, 73, 75, 77, 79, 81, §25A.10]
C93, §669.10

**669.11 Payment of award.**

Any award to a claimant under this chapter, and any judgment in favor of any claimant under this chapter, shall be paid promptly out of appropriations which have been made for such purpose, if any; but any such amount or part thereof which cannot be paid promptly from such appropriations shall be paid promptly out of any money in the state treasury not otherwise appropriated. Payment shall be made only upon receipt of a written release by the claimant in a form approved by the attorney general.

[C66, 71, 73, 75, 77, 79, 81, §25A.11]
C93, §669.11

**669.12 Report by director.**

The director of management shall annually report to the general assembly all claims and judgments paid under this chapter. Such report shall include the name of each claimant, a statement of the amount claimed and the amount awarded, and a brief description of the claim.

[C66, 71, 73, 75, 77, 79, 81, §25A.12]
C93, §669.12

**669.13 Limitation of actions.**

1. Except as provided in section 614.8, a claim or suit otherwise permitted under this chapter shall be forever barred, unless within two years after the claim accrued, the claim is made in writing and filed with the director of the department of management under this chapter. The time to begin a suit under this chapter shall be extended for a period of six months from the date of mailing of notice to the claimant by the attorney general as to the final disposition of the claim or from the date of withdrawal of the claim under section 669.5, if the time to begin suit would otherwise expire before the end of the period.

2. If a claim is made or filed under any other law of this state and a determination is made by a state agency or court that this chapter provides the exclusive remedy for the claim, the two-year period authorized in subsection 1 to make a claim and to begin a suit under this chapter shall be extended for a period of six months from the date of the court order making such determination or the date of mailing of notice to the claimant of such determination by a state agency, if the time to make the claim and to begin the suit under this chapter would otherwise expire before the end of the two-year period. The time to begin a suit under this chapter may be further extended as provided in subsection 1.

3. This section is the only statute of limitations applicable to claims as defined in this chapter.

[C66, 71, 73, 75, 77, 79, 81, §25A.13]
C93, §669.13
2006 Acts, ch 1185, §108; 2007 Acts, ch 110, §4, 6
Referred to in §668.10

**669.14 Exceptions.**

The provisions of this chapter shall not apply with respect to any claim against the state, to:

1. Any claim based upon an act or omission of an employee of the state, exercising due care, in the execution of a statute or regulation, whether or not such statute or regulation be valid, or based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a state agency or an employee of the state, whether or not the discretion be abused.

2. Any claim arising in respect to the assessment or collection of any tax or fee, or the detention of any goods or merchandise by any law enforcement officer.

3. Any claim for damages caused by the imposition or establishment of a quarantine by the state, whether such quarantine relates to persons or property.

4. Any claim arising out of assault, battery, false imprisonment, false arrest, malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit, or interference with contract rights.

5. Any claim by an employee of the state which is covered by the Iowa workers' compensation law or the Iowa occupational disease law, chapter 85A.

6. Any claim by an inmate as defined in section 85.59.

7. A claim based upon damage to or loss or destruction of private property, both real and personal, or personal injury or death, when the damage, loss, destruction, injury or death occurred as an incident to the training, operation, or maintenance of the national guard while not in "state active duty" as defined in section 29A.1.

8. Any claim based upon or arising out of a claim of negligent design or specification, negligent adoption of design or specification, or negligent construction or reconstruction of a highway, secondary road, or street as defined in section 321.1, subsection 78, that was constructed or reconstructed in accordance with a generally recognized engineering or safety standard, criteria, or design theory in existence at the time of the construction or reconstruction. A claim under this chapter shall not be allowed for failure to upgrade, improve, or alter any aspect of an existing highway, secondary road, or street, to new, changed, or altered design standards. In respect to highways and roads, sealcoating, asphalting, patching, resurfacing, ditching, draining, repairing, graveling, rocking, blading, or maintaining an existing highway or road does not constitute reconstruction. This subsection shall not apply to claims based upon gross negligence.

9. Any claim based upon or arising out of a claim of negligent design or specification, negligent adoption of design or specification, or negligent construction or reconstruction of a public improvement as defined in section 384.37, subsection 19, or other public facility that was constructed or reconstructed in accordance with a generally recognized engineering or safety standard, criteria, or design theory in existence at the time of the construction or reconstruction. A claim under this chapter shall not be allowed for failure to upgrade, improve, or alter any aspect of an existing public improvement or other public facility to new, changed, or altered design standards. This subsection shall not apply to claims based upon gross negligence. This subsection takes effect July 1, 1984, and applies to all cases tried or retried on or after July 1, 1984.

10. Any claim based upon the enforcement of chapter 89B.

11. *a.* Any claim for financial loss based upon an act or omission in financial regulation, including but not limited to examinations, inspections, audits, or other financial oversight responsibilities, pursuant to chapter 486, Code 1999, and chapters 87, 203, 203C, 203D, 421B, 486A, 488, and 490 through 553, excluding chapters 540A, 542, 542B, 543B, 543C, 543D, 544A, and 544B.

*b.* This subsection applies to all cases filed on or after July 1, 1986, and does not expand any existing cause of action or create any new cause of action against the state.

12. Any claim based upon the actions of a certified volunteer long-term care ombudsman in the performance of duty if the action is undertaken and carried out in good faith.

13. A claim relating to a swimming pool or spa as defined in section 135I.1 which has been inspected in accordance with chapter 135I, or a swimming pool or spa inspection program, which has been established or certified by the state in accordance with that chapter, unless the claim is based upon an act or omission of an officer or employee of the state and the act or omission constitutes actual malice or a criminal offense.

14. Any claim arising from or related to the collection of a DNA sample for DNA profiling pursuant to section 81.4 or a DNA profiling procedure performed by the division of criminal investigation, department of public safety.

[C66, 71, 73, 75, 77, 79, 81, §25A.14]

83 Acts, ch 198, §11, 12, 27, 29; 84 Acts, ch 1067, §7; 84 Acts, ch 1085, §20; 86 Acts, ch 1211, §8, 9; 88 Acts, ch 1068, §1; 89 Acts, ch 291, §7; 91 Acts, ch 160, §2

C93, §669.14
98 Acts, ch 1216, §37; 99 Acts, ch 129, §18; 2001 Acts, ch 55, §35, 38; 2001 Acts, 2nd Ex, ch 1, §26, 28; 2003 Acts, ch 69, §49; 2004 Acts, ch 1021, §116 – 118; 2004 Acts, ch 1086, §101; 2004 Acts, ch 1101, §90; 2004 Acts, ch 1175, §388; 2005 Acts, ch 3, §114; 2005 Acts, ch 158, §13, 19; 2009 Acts, ch 54, §13; 2013 Acts, ch 18, §33; 2013 Acts, ch 30, §261
Referred to in §189.18, 421.60, 663A.1, 669.23
Legislative intent that subsection 8 not apply to areas of litigation other than highway or road construction or reconstruction; applicability of rule of exclusion; see 83 Acts, ch 198, §27
Code editor directive applied
Subsection 12 amended

**669.15 Attorney fees and expenses — penalty.**
The court rendering a judgment for a claimant under this chapter or the attorney general, making an award under section 669.3 or 669.9, shall, as a part of the judgment or award, determine and allow reasonable attorney fees and expenses. The attorney fees and expenses shall be paid out of but not in addition to the amount of judgment or award recovered, to the attorneys representing the claimant. Any attorney who charges, demands, receives, or collects for services rendered in connection with such claim any amount in excess of that allowed under this section, if recovery be had, shall be guilty of a serious misdemeanor.
[C66, 71, 73, 75, 77, 79, 81, §25A.15]
C93, §669.15
2006 Acts, ch 1185, §109

**669.16 Remedies exclusive.**
From and after March 31, 1965, the authority of any state agency to sue or be sued in its own name shall not be construed to authorize suits against such state agency on claims as defined in this chapter. The remedies provided by this chapter in such cases shall be exclusive.
[C66, 71, 73, 75, 77, 79, 81, §25A.16]
C93, §669.16

**669.17 Adjustment of other claims.**
Nothing contained herein shall be deemed to repeal any provision of law authorizing any state agency to consider, ascertain, adjust, compromise, settle, determine, allow, or pay any claim other than a claim as defined in this chapter.
[C66, 71, 73, 75, 77, 79, 81, §25A.17]
C93, §669.17

**669.18 Extension of time.**
If a claim is made or a suit is begun under this chapter, and if a determination is made by the attorney general or by the court that the claim or suit is not permitted under this chapter for any reason other than lapse of time, the time to make a claim or to begin a suit under any other applicable law of this state shall be extended for a period of six months from the date of the court order making such determination or the date of mailing of notice to the claimant of such determination by the attorney general, if the time to make the claim or begin the suit under such other law would otherwise expire before the end of such period.
[C66, 71, 73, 75, 77, 79, 81, §25A.18]
C93, §669.18
2006 Acts, ch 1185, §110
Limitations of civil actions, see chapter 614

**669.19 Investigation of claims.**
The attorney general shall fully investigate each claim under this chapter and may exercise the authority provided in section 25.5 in performing the investigation.
[C66, 71, 73, 75, 77, 79, 81, §25A.19]
85 Acts, ch 67, §6
C93, §669.19
2006 Acts, ch 1185, §111

**669.20 Liability insurance.**

If a claim or suit against the state is covered by liability insurance, the provisions of the liability insurance policy on defense and settlement shall be applicable notwithstanding any inconsistent provisions of this chapter. The attorney general shall cooperate with the insurance company.

[C66, 71, 73, 75, 77, 79, 81, §25A.20]
C93, §669.20
2006 Acts, ch 1185, §112

**669.21 Employees defended and indemnified.**

1. Except as otherwise provided in subsection 2, the state shall defend any employee, and shall indemnify and hold harmless an employee against any claim as defined in section 669.2, subsection 3, paragraph "*b*", including claims arising under the Constitution, statutes, or rules of the United States or of any state.

2. *a.* The duty to indemnify and hold harmless shall not apply and the state shall be entitled to restitution from an employee if the employee fails to cooperate in the investigation or defense of the claim, as defined in this section, or if, in an action commenced by the state against the employee, it is determined that the conduct of the employee upon which a tort claim or demand was based constituted a willful and wanton act or omission or malfeasance in office.

*b.* The duty to indemnify and hold harmless shall not apply if, in a suit commenced against the employee, the state has been substituted as the defendant in place of the employee, as provided in section 669.5.

[C77, 79, 81, §25A.21]
84 Acts, ch 1259, §2
C93, §669.21
98 Acts, ch 1086, §2; 2006 Acts, ch 1185, §113
Referred to in §29C.8, 135.24, 135.143, 163.3A, 231E.12

**669.22 Actions in federal court.**

The state shall defend any employee, and shall indemnify and hold harmless an employee of the state in any action commenced in federal court under 42 U.S.C. § 1983 against the employee for acts of the employee while acting in the scope of employment. The duty to indemnify and hold harmless shall not apply and the state shall be entitled to restitution from an employee if the employee fails to cooperate in the investigation or defense of the claim or demand, or if, in an action commenced by the state against the employee, it is determined that the conduct of the employee upon which the claim or demand was based constituted a willful and wanton act or omission or malfeasance in office.

[C77, 79, 81, §25A.22]
84 Acts, ch 1259, §3
C93, §669.22
98 Acts, ch 1086, §3; 2010 Acts, ch 1061, §79

**669.23 Employee liability.**

Employees of the state are not personally liable for any claim which is exempted under section 669.14.

84 Acts, ch 1259, §4
C85, §25A.23
C93, §669.23

**669.24 State volunteers.**

A person who performs services for the state government or any agency or subdivision of state government and who does not receive compensation is not personally liable for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for acts or omissions which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit. For

purposes of this section, "*compensation*" does not include payments to reimburse a person for expenses.

87 Acts, ch 212, §1
CS87, §25A.24
C93, §669.24
Referred to in §147A.1, 231E.12

**669.25 Liability.**

A person who performs services for a fair, as defined in section 174.1, and is not a full-time employee of the fair is not personally liable for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for acts or omissions which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

2004 Acts, ch 1019, §30

# CHAPTER 670

## TORT LIABILITY OF GOVERNMENTAL SUBDIVISIONS

Referred to in §89B.6, 137.109, 229.19, 235A.20, 235B.11, 256I.7, 331.606A, 523I.316, 614.8, 692.6

Comparative fault; see chapter 668


670.1 Definitions.
670.2 Liability imposed.
670.3 Actual knowledge of defect as defense.
670.4 Claims exempted.
670.5 Limitation of actions.
670.6 Death — claim presented by another.
670.7 Insurance.
670.8 Officers and employees defended.
670.9 Compromise and settlement.
670.10 Tax to pay judgment or settlement.
670.11 Claims not retrospective.
670.12 Officers and employees — personal liability.
670.13 Default judgments.


**670.1 Definitions.**

As used in this chapter, the following terms shall have the following meanings:

1. "*Governing body*" means the council of a city, county board of supervisors, board of township trustees, local school board, and other boards and commissions exercising quasi-legislative, quasi-executive, and quasi-judicial power over territory comprising a municipality.

2. "*Municipality*" means city, county, township, school district, and any other unit of local government except soil and water conservation districts as defined in section 161A.3, subsection 6.

3. "*Officer*" includes but is not limited to the members of the governing body.

4. "*Tort*" means every civil wrong which results in wrongful death or injury to person or injury to property or injury to personal or property rights and includes but is not restricted to actions based upon negligence; error or omission; nuisance; breach of duty, whether statutory or other duty or denial or impairment of any right under any constitutional provision, statute or rule of law.

[C71, 73, 75, 77, 79, 81, §613A.1]
86 Acts, ch 1172, §2; 86 Acts, ch 1238, §61; 87 Acts, ch 23, §57; 89 Acts, ch 83, §82
C93, §670.1
Referred to in §29C.9, 87.4

**670.2 Liability imposed.**

Except as otherwise provided in this chapter, every municipality is subject to liability for its torts and those of its officers and employees, acting within the scope of their employment or duties, whether arising out of a governmental or proprietary function.

For the purposes of this chapter, employee includes a person who performs services for a municipality whether or not the person is compensated for the services, unless the services are performed only as an incident to the person's attendance at a municipality function.

A person who performs services for a municipality or an agency or subdivision of a municipality and who does not receive compensation is not personally liable for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for acts or omissions which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit. For purposes of this section, "*compensation*" does not include payments to reimburse a person for expenses.

[C71, 73, 75, 77, 79, 81, §613A.2; 82 Acts, ch 1018, §3]
87 Acts, ch 212, §20
C93, §670.2
Referred to in §670.4, 670.5, 670.7, 670.9, 670.10

**670.3 Actual knowledge of defect as defense.**

In any action subject to the provisions of this chapter, an affirmative showing that the injured party had actual knowledge of the existence of the alleged obstruction, disrepair, defect, accumulation, or nuisance at the time of the occurrence of the injury, and a further showing that an alternate safe route was available and known to the injured party, shall constitute a defense to the action.

[C71, 73, 75, 77, 79, 81, §613A.3]
C93, §670.3

**670.4 Claims exempted.**

1. The liability imposed by section 670.2 shall have no application to any claim enumerated in this section. As to any such claim, a municipality shall be liable only to the extent liability may be imposed by the express statute dealing with such claims and, in the absence of such express statute, the municipality shall be immune from liability.

*a.* Any claim by an employee of the municipality which is covered by the Iowa workers' compensation law.

*b.* Any claim in connection with the assessment or collection of taxes.

*c.* Any claim based upon an act or omission of an officer or employee of the municipality, exercising due care, in the execution of a statute, ordinance, or regulation whether the statute, ordinance or regulation is valid, or based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of the municipality or an officer or employee of the municipality, whether or not the discretion is abused.

*d.* Any claim against a municipality as to which the municipality is immune from liability by the provisions of any other statute or where the action based upon such claim has been barred or abated by operation of statute or rule of civil procedure.

*e.* Any claim for punitive damages.

*f.* Any claim for damages caused by a municipality's failure to discover a latent defect in the course of an inspection.

*g.* Any claim based upon or arising out of a claim of negligent design or specification, negligent adoption of design or specification, or negligent construction or reconstruction of a highway, secondary road, or street as defined in section 321.1, subsection 78, that was constructed or reconstructed in accordance with a generally recognized engineering or safety standard, criteria, or design theory in existence at the time of the construction or reconstruction. A claim under this chapter shall not be allowed for failure to upgrade, improve, or alter any aspect of an existing highway, secondary road, or street, to new, changed, or altered design standards. In respect to highways and roads, sealcoating, asphalting, patching, resurfacing, ditching, draining, repairing, graveling, rocking, blading, or maintaining an existing highway or road does not constitute reconstruction. This paragraph shall not apply to claims based upon gross negligence.

*h.* Any claim based upon or arising out of a claim of negligent design or specification, negligent adoption of design or specification, or negligent construction or reconstruction of

a public improvement as defined in section 384.37, subsection 19, or other public facility that was constructed or reconstructed in accordance with a generally recognized engineering or safety standard, criteria, or design theory in existence at the time of the construction or reconstruction. A claim under this chapter shall not be allowed for failure to upgrade, improve, or alter any aspect of an existing public improvement or other public facility to new, changed, or altered design standards. This paragraph shall not apply to claims based upon gross negligence. This paragraph takes effect July 1, 1984, and applies to all cases tried or retried on or after July 1, 1984.

*i.* Any claim based upon an act or omission by an officer or employee of the municipality or the municipality's governing body, in the granting, suspension, or revocation of a license or permit, where the damage was caused by the person to whom the license or permit was issued, unless the act of the officer or employee constitutes actual malice or a criminal offense.

*j.* Any claim based upon an act or omission of an officer or employee of the municipality, whether by issuance of permit, inspection, investigation, or otherwise, and whether the statute, ordinance, or regulation is valid, if the damage was caused by a third party, event, or property not under the supervision or control of the municipality, unless the act or omission of the officer or employee constitutes actual malice or a criminal offense.

*k.* A claim based upon or arising out of an act or omission in connection with an emergency response including but not limited to acts or omissions in connection with emergency response communications services.

*l.* A claim relating to a swimming pool or spa as defined in section 135I.1 which has been inspected by a municipality or the state in accordance with chapter 135I, or a swimming pool or spa inspection program which has been certified by the state in accordance with that chapter, whether or not owned or operated by a municipality, unless the claim is based upon an act or omission of an officer or employee of the municipality and the act or omission constitutes actual malice or a criminal offense.

*m.* A claim based on an act or omission by a county or city pursuant to section 717.2A or chapter 717B relating to either of the following:

(1) Rescuing neglected livestock or another animal by a law enforcement officer.

(2) Maintaining or disposing of neglected livestock or another animal by a county or city.

*n.* Any claim based upon or arising out of a claim of negligent design or specification, negligent adoption of design or specification, or negligent construction or reconstruction of a public facility designed for purposes of skateboarding, in-line skating, bicycling, unicycling, scootering, river rafting, canoeing, or kayaking that was constructed or reconstructed, reasonably and in good faith, in accordance with generally recognized engineering or safety standards or design theories in existence at the time of the construction or reconstruction.

*o.* Any claim based upon or arising out of an act or omission of an officer or employee of the municipality or the municipality's governing body by a person skateboarding, in-line skating, bicycling, unicycling, scootering, river rafting, canoeing, or kayaking on public property when the person knew or reasonably should have known that the skateboarding, in-line skating, bicycling, unicycling, scootering, river rafting, canoeing, or kayaking created a substantial risk of injury to the person and was voluntarily in the place of risk. The exemption from liability contained in this paragraph shall only apply to claims for injuries or damage resulting from the risks inherent in the activities of skateboarding, in-line skating, bicycling, unicycling, scootering, river rafting, canoeing, or kayaking.

2. The remedy against the municipality provided by section 670.2 shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against the officer, employee or agent whose act or omission gave rise to the claim, or the officer's, employee's, or agent's estate.

3. This section does not expand any existing cause of action or create any new cause of action against a municipality.

[C71, 73, 75, 77, 79, 81, §613A.4; 82 Acts, ch 1018, §4, 5]

83 Acts, ch 198, §24 – 27, 29; 86 Acts, ch 1211, §33; 88 Acts, ch 1177, §9, 10; 89 Acts, ch 291, §8

C93, §670.4
94 Acts, ch 1103, §6; 98 Acts, ch 1159, §1; 2003 Acts, ch 162, §2; 2013 Acts, ch 30, §196
Referred to in §670.7, 670.12
Execution of chapter 89B exempt; see §89B.6
Legislative intent that subsection 1, paragraph g, not apply to areas of litigation other than highway or road construction or reconstruction; applicability of rule of exclusion; see 83 Acts, ch 198, §27
Section amended

**670.5 Limitation of actions.**

Except as provided in section 614.8, a person who claims damages from any municipality or any officer, employee or agent of a municipality for or on account of any wrongful death, loss, or injury within the scope of section 670.2 or section 670.8 or under common law shall commence an action therefor within two years after the alleged wrongful death, loss, or injury.
[C71, 73, 75, 77, 79, 81, §613A.5]
C93, §670.5
2007 Acts, ch 110, §5, 6

**670.6 Death — claim presented by another.**

When the claim is one for death by wrongful act or omission, the notice may be presented by the personal representative, surviving spouse, or next of kin, or the consular officer of the foreign country of which the deceased was a citizen, within one year after the alleged injury resulting in such death; but if the person for whose death the claim is made has presented a notice that would have been sufficient had the person lived, an action for wrongful death may be brought without additional notice.
[C71, 73, 75, 77, 79, 81, §613A.6]
C93, §670.6

**670.7 Insurance.**

1. The governing body of a municipality may purchase a policy of liability insurance insuring against all or any part of liability which might be incurred by the municipality or its officers, employees, and agents under section 670.2 and section 670.8 and may similarly purchase insurance covering torts specified in section 670.4. The governing body of a municipality may adopt a self-insurance program, including but not limited to the investigation and defense of claims, the establishment of a reserve fund for claims, the payment of claims, and the administration and management of the self-insurance program, to cover all or any part of the liability. The governing body of a municipality may join and pay funds into a local government risk pool to protect itself against any or all liability. The governing body of a municipality may enter into insurance agreements obligating the municipality to make payments beyond its current budget year to provide or procure the policies of insurance, self-insurance program, or local government risk pool. The premium costs of the insurance, the costs of a self-insurance program, the costs of a local government risk pool, and the amounts payable under the insurance agreements may be paid out of the general fund or any available funds or may be levied in excess of any tax limitation imposed by statute. However, for school districts, the costs shall be included in the district management levy as provided in section 296.7 if the district has certified a district management levy. If the district has not certified a district management levy, the cost shall be paid from the general fund. Any independent or autonomous board or commission in the municipality having authority to disburse funds for a particular municipal function without approval of the governing body may similarly enter into insurance agreements, procure liability insurance, adopt a self-insurance program, or join a local government risk pool within the field of its operation.

2. The procurement of this insurance constitutes a waiver of the defense of governmental immunity as to those exceptions listed in section 670.4 to the extent stated in the policy but shall have no further effect on the liability of the municipality beyond the scope of this chapter, but if a municipality adopts a self-insurance program or joins and pays funds into a local government risk pool the action does not constitute a waiver of the defense of governmental immunity as to the exceptions listed in section 670.4.

3. The existence of any insurance which covers in whole or in part any judgment or award

which may be rendered in favor of the plaintiff, or lack of any such insurance, shall not be material in the trial of any action brought against the governing body of a municipality, or its officers, employees, or agents, and any reference to such insurance, or lack of insurance, is grounds for a mistrial. A self-insurance program or local government risk pool is not insurance and is not subject to regulation under chapters 505 through 523C.

4. The association of Iowa fairs or a fair as defined in section 174.1 shall be deemed to be a municipality as defined in this chapter only for the purpose of joining a local government risk pool as provided in this section.

[C71, 73, 75, 77, 79, 81, §613A.7]
86 Acts, ch 1211, §34; 89 Acts, ch 135, §123
C93, §670.7
94 Acts, ch 1175, §17; 2008 Acts, ch 1139, §3; 2008 Acts, ch 1191, §132
Referred to in §174.8A, 285.10

**670.8 Officers and employees defended.**

1. The governing body shall defend its officers and employees, whether elected or appointed and shall save harmless and indemnify the officers and employees against any tort claim or demand, whether groundless or otherwise, arising out of an alleged act or omission occurring within the scope of their employment or duties. However, the duty to save harmless and indemnify does not apply to awards for punitive damages. The exception for punitive damages does not prohibit a governing body from purchasing insurance to protect its officers and employees from punitive damages. The duty to save harmless and indemnify does not apply and the municipality is entitled to restitution by an officer or employee if, in an action commenced by the municipality against the officer or employee, it is determined that the conduct of the officer or employee upon which the tort claim or demand was based constituted a willful and wanton act or omission. Any independent or autonomous board or commission of a municipality having authority to disburse funds for a particular municipal function without approval of the governing body shall similarly defend, save harmless and indemnify its officers and employees against tort claims or demands.

2. The duties to defend and to save harmless and indemnify shall apply whether or not the municipality is a party to the action and shall include but not be limited to cases arising under 42 U.S.C. § 1983.

3. In the event the officer or employee fails to cooperate in the defense against the claim or demand, the municipality shall have a right of indemnification against that officer or employee.

[C71, 73, 75, 77, 79, 81, §613A.8; 82 Acts, ch 1018, §6]
83 Acts, ch 130, §1
C93, §670.8
2010 Acts, ch 1061, §80
Referred to in §272.27, 331.303, 670.5, 670.7, 670.9, 670.10

**670.9 Compromise and settlement.**

The governing body of any municipality may compromise, adjust and settle tort claims against the municipality, its officers, employees and agents, for damages under sections 670.2 or 670.8 and may appropriate money for the payment of amounts agreed upon.

[C71, 73, 75, 77, 79, 81, §613A.9]
C93, §670.9
Referred to in §331.303

**670.10 Tax to pay judgment or settlement.**

When a final judgment is entered against or a settlement is made by a municipality for a claim within the scope of section 670.2 or 670.8, payment shall be made and the same remedies apply in the case of nonpayment as in the case of other judgments against the municipality. If a judgment or settlement is unpaid at the time of the adoption of the annual budget, the municipality shall budget an amount sufficient to pay the judgment or settlement together with interest accruing on it to the expected date of payment. A tax may be levied in excess of any limitation imposed by statute. However, for school districts the costs of a

judgment or settlement under this section shall be included in the district management levy pursuant to section 298.4.

[C71, 73, 75, 77, 79, 81, §613A.10]
89 Acts, ch 135, §124
C93, §670.10

**670.11 Claims not retrospective.**

This chapter shall have no application to any occurrence or injury claim or action arising prior to January 1, 1968.

[C71, 73, 75, 77, 79, 81, §613A.11]
C93, §670.11

**670.12 Officers and employees — personal liability.**

All officers and employees of municipalities are not personally liable for claims which are exempted under section 670.4, except claims for punitive damages, and actions permitted under section 85.20. An officer or employee of a municipality is not liable for punitive damages as a result of acts in the performance of a duty, unless actual malice or willful, wanton and reckless misconduct is proven.

[82 Acts, ch 1018, §1]
C83, §613A.12
83 Acts, ch 130, §2; 86 Acts, ch 1211, §35
C93, §670.12

**670.13 Default judgments.**

A default judgment shall not be taken against an employee, officer, or agent of a municipality unless the municipality is a party to the action and the time for special appearance, motion or answer by the municipality under rule of civil procedure 1.303 has expired.

[82 Acts, ch 1018, §2]
C83, §613A.13
C93, §670.13

# CHAPTER 670A

## FORCIBLE FELON LIABILITY

670A.1 Definitions.
670A.2 Perpetrator liability.

**670A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Act"* means an act as defined under section 702.2.
2. *"Convicted"* means a finding of guilt, irrespective of imposition or execution of any sentence; a final and valid admission of guilt or a guilty plea; an entry of judgment of conviction; an adjudication of delinquency; a plea of guilty to a delinquency petition; the entry into an informal adjustment agreement or an agreement to the entry of a consent decree regarding a delinquent act.
3. *"Course of criminal conduct"* means an act which when committed constitutes a crime and includes any acts of a victim in defending or attempting to defend against the crime.
4. *"Crime"* means a forcible felony as defined under section 702.11.
5. *"Perpetrator"* means a person who has committed the acts constituting a crime and includes a person who has been convicted of a crime and any person who jointly participates or aids and abets in the commission of a crime.
6. *"Victim"* means a person who is the object of a course of criminal conduct and also includes persons who provide reasonable assistance to or who defend another person who is

exposed to or has suffered serious injury at the time of or immediately after the commission of a crime.

98 Acts, ch 1111, §1

**670A.2 Perpetrator liability.**

1. A perpetrator assumes the risk of and is liable for any loss, injury, or death which results from or arises out of the perpetrator's course of criminal conduct. A crime victim is not liable for any damages caused by any acts of the victim in defending or attempting to defend against the crime if the victim used reasonable force when committing the acts. A perpetrator's assumption of risk and liability does not eliminate a victim's duty to protect against any conditions which the victim knows or has reason to know may create an unreasonable risk of harm. This section shall not apply to perpetrators who, because of mental illness or defect, are incapable of knowing the nature and quality of their acts or are incapable of distinguishing between right and wrong in relation to those acts.

2. For purposes of this section, a certified copy of a guilty plea, an order entering a judgment of guilt, a court record of conviction or adjudication, an order adjudicating a child delinquent, or a record of an informal adjustment agreement shall be conclusive proof of a perpetrator's assumption of risk of and liability for any damage or harm caused to a victim.

3. In addition to any claim for damages, the court shall award a victim reasonable expenses, including attorney's fees and disbursements, which are incurred in the prosecution of the damages claim.

4. Except as necessary to preserve evidence, the court shall stay any action for damages under this section during the pendency of any criminal action which pertains to the course of criminal conduct which forms the basis for a claim for relief under this section.

98 Acts, ch 1111, §2

# CHAPTER 671

## LIABILITY OF HOTELKEEPERS AND STEAMBOAT OWNERS

This chapter not enacted as a part of this title;
transferred from chapter 105 in Code 1993


671.1 Liability for precious articles — safe deposit.
671.2 Exception.
671.3 Nature of liability.
671.4 Limitation on liability.
671.5 Leaving baggage after registering off.
671.6 Forwarding baggage.
671.7 Nonliability — conveyance.
671.8 Liability — conveyance.
671.9 Liability during transit.


**671.1 Liability for precious articles — safe deposit.**

No keeper of any hotel, inn, or eating house, nor the owner of any steamboat, shall be liable to any guest for more than one hundred dollars for the loss of or injury to any money, jewelry, articles of gold or silver manufacture, precious stones, personal ornaments, documents of any kind, or other similar property, if such keeper or owner at all times provides:

1. A metal safe or vault, in good order and fit for the safekeeping of such property.

2. Locks or bolts on the door and proper fastenings on the transoms and windows of the sleeping quarters used by guests.

3. Printed notices posted up in a conspicuous place in the office or other public room and in the quarters occupied by guests, stating that such places for safe deposit are provided for the use and accommodation of guests and patrons.

[C97, §3138; S13, §3138; C24, 27, 31, 35, 39, §**1685;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §105.1]

C93, §671.1

Referred to in §671.2, 671.3

**671.2 Exception.**

1. The limited liability provided in section 671.1 shall not apply where:

*a.* A guest has offered to deliver valuables to the keeper or owner for custody in such metal safe or vault, and

*b.* The keeper or owner has omitted or refused to receive and deposit the valuables in the safe or vault and give such guest a receipt for the valuables.

2. The keeper or owner shall not be required to receive from any one guest for deposit in the keeper's or owner's safe or vault, property having a market value of more than five hundred dollars.

[C97, §3138; S13, §3138; C24, 27, 31, 35, 39, §**1686;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §105.2]

C93, §671.2

2013 Acts, ch 90, §182

Referred to in §671.3

Section amended

**671.3 Nature of liability.**

The liability of such keeper or owner for loss of or injury to personal property placed by any guest in the keeper's or owner's care, other than that described in sections 671.1 and 671.2, shall be that of a depository for hire.

[C24, 27, 31, 35, 39, §**1687;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §105.3]

C93, §671.3

**671.4 Limitation on liability.**

In no event shall the liability of such keeper or owner exceed the following amounts:

1. For each trunk and its contents, two hundred fifty dollars.
2. For each valise and its contents, one hundred fifty dollars.
3. For each box, bundle, or package and its contents, fifty dollars.
4. For any and all other miscellaneous effects of each guest, not exceeding one hundred dollars.

[C24, 27, 31, 35, 39, §**1688;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §105.4]

C93, §671.4

**671.5 Leaving baggage after registering off.**

In case baggage or other personal property of a guest has remained in any hotel, inn, eating house, or steamboat forty-eight hours after the guest has paid the guest's bill and registered off and the relation of keeper and guest has ceased, such keeper or owner may hold such baggage or property at the risk of the owner.

[C24, 27, 31, 35, 39, §**1689;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §105.5]

C93, §671.5

**671.6 Forwarding baggage.**

In case baggage or other property has been forwarded to any hotel, inn, eating house, or steamboat, and the owner of such baggage or property does not within forty-eight hours become a guest, such keeper or owner may hold such baggage or property at the risk of the owner.

[C24, 27, 31, 35, 39, §**1690;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §105.6]

C93, §671.6

**671.7 Nonliability — conveyance.**

No keeper or owner of any hotel, inn or eating house shall be liable by reason of the keeper's or owner's liability or responsibility as innkeeper to any guest for the loss of or damage to the automobile or other conveyance of such guest left in any garage not personally owned and operated by such hotel, inn or eating house or the owner or keeper thereof.

[C31, 35, §1690-c1; C39, §**1690.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §105.7]

C93, §671.7

**671.8 Liability — conveyance.**

The liability of the keeper or owner of any hotel, inn or eating house, for the loss of or damage to the conveyance of any guest or the personal property of such guest left in such conveyance, where said hotel, inn or eating house keeper, is the owner and operator of such garage, shall be that of a bailee for hire, except that such hotel, inn, rooming house or eating house keeper or owner shall not be liable to the guest in an amount in excess of fifty dollars for loss or damage to personal property left in the conveyance unless said guest shall have listed with said hotel, inn, rooming house or eating house, the personal property contained in said automobile or conveyance, at the time the same is left in said garage so owned by and operated by the said hotel, inn, rooming house or eating house.

[C31, 35, §1690-c2; C39, §**1690.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §105.8]
C93, §671.8
Referred to in §671.9

**671.9 Liability during transit.**

Except as provided in section 671.8 no keeper or owner of any hotel, inn, rooming house or eating house shall be liable for the loss of or damage to the personal property kept therein of any guest, while the said conveyance is in transit between the said hotel, inn, rooming house or eating house and any garage in which the same is temporarily stored, nor for any damage done by said conveyance while in transit, unless in said transit the same is being driven or operated by an employee or agent of the said hotel, inn, rooming house or eating house.

[C31, 35, §1690-c3; C39, §**1690.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §105.9]
C93, §671.9

# CHAPTER 672

## DONATIONS OF PERISHABLE FOOD

This chapter not enacted as a part of this title;
transferred from chapter 122B in Code 1993

672.1 Donations of perishable food — donor liability — penalty.

**672.1 Donations of perishable food — donor liability — penalty.**

1. As used in this section unless the context otherwise requires:

*a. "Canned foods"* means canned foods that have been hermetically sealed or commercially processed and prepared for human consumption.

*b. "Charitable or nonprofit organization"* means an organization which is exempt from federal or state income taxation, except that the term does not include organizations which sell or offer to sell donated items of food. The assessment of a nominal fee or request for a donation in connection with the distribution of food by the charitable or nonprofit organization is not a sale.

*c. "Gleaner"* means a person who harvests, for free distribution, an agriculture crop that has been donated by the owner.

*d. "Perishable food"* means food which may spoil or otherwise become unfit for human consumption because of its nature or type of physical condition. This term includes, but is not limited to, fresh and processed meats, poultry, seafood, dairy products, eggs in the shell, fresh fruits and vegetables, and foods which have been packaged, refrigerated, or frozen.

2. A gleaner, or a restaurant, food establishment, food service establishment, school, manufacturer of foodstuffs, meat or poultry establishment licensed pursuant to chapter 189A, or other person who, in good faith, donates food to a charitable or nonprofit organization for ultimate free distribution to needy individuals, or to the department of natural resources or a county conservation board for use in a free interpretive educational program, is not subject to criminal or civil liability arising from the condition of the food if the donor reasonably

inspects the food at the time of the donation and finds the food fit for human consumption. The immunity provided by this subsection does not extend to a donor or gleaner if damages result from the negligence, recklessness, or intentional misconduct of the donor, or if the donor or gleaner has, or should have had, actual or constructive knowledge that the food is tainted, contaminated, or harmful to the health or well-being of the ultimate recipient.

3. A bona fide charitable or nonprofit organization which receives, in good faith, donated food for ultimate distribution to needy individuals either for free or for a nominal fee is not subject to criminal or civil liability arising from the condition of the food, if the charitable or nonprofit organization reasonably inspects the food at the time of donation and at the time of distribution and finds the food fit for human consumption. The immunity provided by this subsection does not extend to a charitable or nonprofit organization if damages result from the negligence, recklessness, or intentional misconduct of the charitable or nonprofit organization or if the charitable or nonprofit organization has or should have had actual or constructive knowledge that the food is tainted, contaminated, or harmful to the health or well-being of the ultimate recipient.

4. The immunity provided by this section is applicable to the good faith donation of canned or perishable food or farm products not readily marketable due to appearance, freshness, grade, surplus or other considerations, but does not apply to canned goods that are defective or cannot be otherwise offered for sale to members of the general public. This does not restrict the authority of a lawful agency to otherwise regulate or ban the use of such food for human consumption. Charitable or nonprofit organizations which regularly accept donated food for distribution pursuant to this section shall request the appropriate local health authorities to inspect the food at regular intervals.

5. A person, including an employee or volunteer for a charitable or nonprofit organization, who sells, or offers to sell, for profit, food that the person knows to be donated pursuant to this section is guilty of a simple misdemeanor. For purposes of this subsection, the assessment of a nominal fee or request for a donation by the charitable or nonprofit organization is not a sale.

[82 Acts, ch 1168, §1]
C83, §122B.1
89 Acts, ch 181, §1
C93, §672.1
2001 Acts, ch 23, §2; 2002 Acts, ch 1050, §52; 2008 Acts, ch 1081, §1

# CHAPTER 673

## DOMESTICATED ANIMAL ACTIVITIES

673.1 Definitions.
673.2 Liability.
673.3 Notice required.

**673.1 Definitions.**

1. *"Claim"* means a claim, counterclaim, cross-claim, complaint, or cause of action recognized by the Iowa rules of civil procedure and brought in court on account of damage to or loss of property or on account of personal injury or death.

2. *"Domesticated animal"* means an animal commonly referred to as a bovine, swine, sheep, goat, domesticated deer, llama, poultry, rabbit, horse, pony, mule, jenny, donkey, or hinny.

3. *"Domesticated animal activity"* means any of the following:

*a.* Riding or driving a domesticated animal.

*b.* Riding as a passenger on a vehicle powered by a domesticated animal.

*c.* Teaching or training a person to ride or drive a domesticated animal or a vehicle powered by a domesticated animal.

*d.* Participating in an activity sponsored by a domesticated animal activity sponsor.

*e.* Participating or assisting a participant in a domesticated animal event.

*f.* Managing or assisting in managing a domesticated animal in a domesticated animal event.

*g.* Inspecting or assisting an inspection of a domesticated animal for the purpose of purchase.

*h.* Providing hoof care including, but not limited to, horseshoeing.

*i.* Providing or assisting in providing veterinary care to a domesticated animal.

*j.* Boarding or keeping a domesticated animal, by the owner of the domesticated animal or on behalf of another person.

*k.* Loading, hauling, or transporting a domesticated animal.

*l.* Breeding domesticated animals.

*m.* Participating in racing.

*n.* Showing or displaying a domesticated animal.

4. *"Domesticated animal activity sponsor"* means a person who owns, organizes, manages, or provides facilities for a domesticated animal activity, including, but not limited to, any of the following:

*a.* Clubs involved in riding, hunting, competing, or performing.

*b.* Youth clubs, including 4-H clubs.

*c.* Educational institutions.

*d.* Owners, operators, instructors, and promoters of a domesticated animal event or domesticated animal facility, including, but not limited to, stables, boarding facilities, clubhouses, rides, fairs, and arenas.

*e.* Breeding farms.

*f.* Training farms.

5. *"Domesticated animal event"* means an event in which a domesticated animal activity occurs, including, but not limited to, any of the following:

*a.* A fair.

*b.* A rodeo.

*c.* An exposition.

*d.* A show.

*e.* A competition.

*f.* A 4-H event.

*g.* A sporting event.

*h.* An event involving driving, pulling, or cutting.

*i.* Hunting.

*j.* An equine event or discipline including, but not limited to, dressage, a hunter or jumper show, polo, steeplechasing, English or western performance riding, a western game, or trail riding.

6. *"Domesticated animal professional"* means a person who receives compensation for engaging in a domesticated animal activity by doing one of the following:

*a.* Instructing a participant.

*b.* Renting the use of a domesticated animal to a participant for the purposes of riding, driving, or being a passenger on a domesticated animal or a vehicle powered by a domesticated animal.

*c.* Renting equipment or tack to a participant.

7. *"Inherent risks of a domesticated animal activity"* means a danger or condition which is an integral part of a domesticated animal activity, including, but not limited to, the following:

*a.* The propensity of a domesticated animal to behave in a manner that is reasonably foreseeable to result in damages to property, or injury or death to a person.

*b.* Risks generally associated with an activity which may include injuries caused by bucking, biting, stumbling, rearing, trampling, scratching, pecking, falling, kicking, or butting.

*c.* The unpredictable reaction by a domesticated animal to unfamiliar conditions, including, but not limited to, a sudden movement; loud noise; an unfamiliar environment; or the introduction of unfamiliar persons, animals, or objects.

*d.* A collision by the domesticated animal with an object or animal.

*e.* The failure of a participant to exercise reasonable care, take adequate precautions, or use adequate control when engaging in the activity, including failing to maintain reasonable control or failing to act in a manner consistent with the person's abilities.

8. *"Participant"* means a person who engages in a domesticated animal activity, regardless of whether the person receives compensation.

9. *"Spectator"* means a person who is in the vicinity of a domesticated animal activity, but who is not a participant.

97 Acts, ch 61, §1

**673.2 Liability.**

A person, including a domesticated animal professional, domesticated animal activity sponsor, the owner of the domesticated animal, or a person exhibiting the domesticated animal, is not liable for the damages, injury, or death suffered by a participant or spectator resulting from the inherent risks of a domesticated animal activity. This section shall not apply to the extent that the claim for damages, injury, or death is caused by any of the following:

1. An act committed intentionally, recklessly, or while under the influence of an alcoholic beverage or other drug or a combination of such substances which causes damages, injury, or death.

2. The use of equipment or tack used in the domesticated animal activity which the defendant provided to a participant, if the defendant knew or reasonably should have known that the equipment or tack was faulty or defective.

3. The failure to notify a participant of a dangerous latent condition on real property in which the defendant holds an interest, which is known or should have been known. The notice may be made by posting a clearly visible warning sign on the property.

4. A domesticated animal activity which occurs in a place designated or intended by an animal activity sponsor as a place for persons who are not participants to be present.

5. A domesticated animal activity which causes damages, injury, or death to a spectator who is in a place where a reasonable person who is alert to inherent risks of domesticated animal activities would not expect a domesticated animal activity to occur.

97 Acts, ch 61, §2

**673.3 Notice required.**

A domesticated animal professional shall post and maintain a sign on real property in which the professional holds an interest, if the professional conducts domesticated animal activities on the property. The location of the sign may be near or on a stable, corral, or arena owned or controlled by the domesticated animal professional. The sign must be clearly visible to a participant. This section does not require a sign to be posted on a domesticated animal or a vehicle powered by a domesticated animal. The notice shall appear in black letters a minimum of one inch high and in the following form:

WARNING

UNDER IOWA LAW, A DOMESTICATED ANIMAL PROFESSIONAL IS NOT LIABLE FOR DAMAGES SUFFERED BY, AN INJURY TO, OR THE DEATH OF A PARTICIPANT RESULTING FROM THE INHERENT RISKS OF DOMESTICATED ANIMAL ACTIVITIES, PURSUANT TO IOWA CODE CHAPTER 673. YOU ARE ASSUMING INHERENT RISKS OF PARTICIPATING IN THIS DOMESTICATED ANIMAL ACTIVITY.

If a written contract is executed between a domesticated animal professional and a participant involving domesticated animal activities, the contract shall contain the same notice in clearly readable print. In addition, the contract shall include the following disclaimer:

A number of inherent risks are associated with a domesticated animal activity. A domesticated animal may behave in a manner that results in damages to property or an

injury or death to a person. Risks associated with the activity may include injuries caused by bucking, biting, stumbling, rearing, trampling, scratching, pecking, falling, or butting.

The domesticated animal may react unpredictably to conditions, including, but not limited to, a sudden movement, loud noise, an unfamiliar environment, or the introduction of unfamiliar persons, animals, or objects.

The domesticated animal may also react in a dangerous manner when a condition or treatment is considered hazardous to the welfare of the animal; a collision occurs with an object or animal; or a participant fails to exercise reasonable care, take adequate precautions, or use adequate control when engaging in a domesticated animal activity, including failing to maintain reasonable control of the animal or failing to act in a manner consistent with the person's abilities.

97 Acts, ch 61, §3; 98 Acts, ch 1100, §80

# CHAPTER 674

## CHANGING NAMES

Referred to in §144.39, 598.37, 602.8102(118)


674.1 Authorization.
674.2 Petition to court.
674.3 Petition copy.
674.4 When granted.
674.5 Contents of decree.
674.6 Notice — consent.
674.7 Copy to Iowa department of public health.
674.8 Copy to counties.
674.9 Former name indicated.
674.10 Fee.
674.11 County clerk's record. Repealed by 2007 Acts, ch 71, §6.
674.12 Repealed by 77 Acts, ch 136, §5.
674.13 Further change barred.
674.14 Indexing in real property record.


**674.1 Authorization.**

A person who has attained the age of majority and who does not have any civil disabilities may apply to the court to change the person's name by filing a verified petition as provided in this chapter. The verified petition may request a name change for minor children of the petitioner as well as the petitioner or a parent may file a verified petition requesting a name change on behalf of a minor child of the parent.

[C51, §2256 – 2260; R60, §3844 – 3848; C73, §3502 – 3506; C97, §4471 – 4475; S13, §4471-b; C24, 27, 31, 35, 39, §**12645;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §674.1; 81 Acts, ch 201, §1]

**674.2 Petition to court.**

The verified petition shall be addressed to the district court of the county where the applicant resides and shall state and provide for each person seeking a name change:

1. The name at the time the petition is filed of the person whose name is to be changed and the person's county of residence. If the person whose name is to be changed is a minor child, the petition shall state the name of the petitioner and the petitioner's relationship to the minor child.
2. A description including height, weight, color of hair, color of eyes, race, sex, and date and place of birth.
3. Residence at time of petition and any prior residences for the past five years.
4. Reason for change of name, briefly and concisely stated.
5. A legal description of all real property in this state owned by the petitioner.
6. The name the petitioner proposes to take.
7. A certified copy of the birth certificate to be attached to the petition. If a certified copy of the birth certificate is not available, the reason for the unavailability shall be stated and another form of identification, which may include documents provided by the United States

department of immigration and naturalization service, shall be attached in lieu of the certified copy of the birth certificate.

[S13, §4471-c; C24, 27, 31, 35, 39, §**12646, 12647;** C46, 50, 54, 58, 62, 66, 71, §674.2, 674.3; C73, 75, 77, 79, 81, §674.2, 674.6; 81 Acts, ch 201, §2]

90 Acts, ch 1008, §1, 2; 99 Acts, ch 150, §2

**674.3 Petition copy.**

A copy of the petition shall be filed by the clerk of court with the division for records and statistics of the Iowa department of public health.

[C73, 75, 77, 79, 81, §674.3]

**674.4 When granted.**

A decree of change of name may be granted any time after thirty days of the filing of the petition.

[S13, §4471-h; C24, 27, 31, 35, 39, §**12653;** C46, 50, 54, 58, 62, 66, 71, §674.9; C73, 75, 77, 79, 81, §674.4]

**674.5 Contents of decree.**

The decree shall describe the petitioner, giving the petitioner's name and former name, height, weight, color of hair, color of eyes, race, sex, date and place of birth and the given name of the spouse and any minor children affected by the change. The decree shall also give a legal description of all real property owned by the petitioner.

[C73, 75, 77, 79, 81, §674.5]

**674.6 Notice — consent.**

If the petitioner is married, the petitioner must give legal notice to the spouse, in the manner of an original notice, of the filing of the petition.

If the petition includes or is filed on behalf of a minor child fourteen years of age or older, the child's written consent to the change of name of that child is required.

If the petition includes or is filed on behalf of a minor child under fourteen, both parents as stated on the birth certificate of the minor child shall file their written consent to the name change. If one of the parents does not consent to the name change, a hearing shall be set on the petition on twenty days' notice to the nonconsenting parent pursuant to the rules of civil procedure. At the hearing the court may waive the requirement of consent as to one of the parents if it finds:

1. That the parent has abandoned the child;
2. That the parent has been ordered to contribute to the support of the child or to financially aid in the child's birth and has failed to do so without good cause; or
3. That the parent does not object to the name change after having been given due and proper notice.

[C73, 75, 77, 79, 81, §674.6; 81 Acts, ch 201, §3]

85 Acts, ch 99, §12

**674.7 Copy to Iowa department of public health.**

When the court grants a decree of change of name, the clerk of the court shall furnish the petitioner with a certified copy of the decree and mail an abstract of a decree requiring a name change to be reflected on a birth certificate to the state registrar of vital statistics of the Iowa department of public health on a form provided by the state registrar.

[C73, 75, 77, 79, 81, §674.7]

**674.8 Copy to counties.**

The clerk of the court shall send a certified copy of the decree to the recorder's office in every county in this state where real property is owned by the petitioner.

[S13, §4471-i; C24, 27, 31, 35, 39, §**12656;** C46, 50, 54, 58, 62, 66, 71, §674.12; C73, 75, 77, 79, 81, §674.8]

**674.9 Former name indicated.**
Any new birth certificate issued to a person granted a change of name shall reflect the former name of the person issued the new birth certificate.
[C73, 75, 77, 79, 81, §674.9; 81 Acts, ch 201, §4]

**674.10 Fee.**
For filing a petition for change of name, the clerk shall collect a fee in the amount collected for filing and docketing a petition under section 602.8105, subsection 1, paragraph *"a"*.
[S13, §4471-g; C24, 27, 31, 35, 39, §**12651, 12652;** C46, 50, 54, 58, 62, 66, 71, §674.7, 674.8; C73, 75, 77, 79, 81, §674.10]
94 Acts, ch 1074, §14

**674.11 County clerk's record.** Repealed by 2007 Acts, ch 71, § 6.

**674.12** Repealed by 77 Acts, ch 136, § 5.

**674.13 Further change barred.**
A person shall not change the person's name more than once under this chapter unless just cause is shown. However, in a decree dissolving a person's marriage, the person's name may be changed back to the name appearing on the person's original birth certificate or to a legal name previously acquired in a former marriage.
[S13, §4471-h; C24, 27, 31, 35, 39, §**12655;** C46, 50, 54, 58, 62, 66, 71, §674.11; C73, 75, 77, 79, 81, §674.13]
88 Acts, ch 1158, §98

**674.14 Indexing in real property record.**
The county recorder and county auditor of each county in which the petitioner owns real property shall collect fees in the amounts specified in sections 331.604 and 331.507, subsection 2, paragraph *"b"*, for indexing a change of name for each parcel of real estate.
[S13, §4471-i; C24, 27, 31, 35, 39, §**12656;** C46, 50, 54, 58, 62, 66, 71, §674.12; C73, 75, 77, 79, 81, §674.14]
85 Acts, ch 159, §12; 2009 Acts, ch 27, §38

# CHAPTER 675

RESERVED

# CHAPTER 676

## JUDGMENT BY CONFESSION

Referred to in §537.3306, 602.8105, 677.1

676.1 Judgment by confession — how entered.
676.2 For money only — contingent liability.
676.3 Statement.
676.4 Judgment — execution.

**676.1 Judgment by confession — how entered.**
A judgment by confession, without action, may be entered by the clerk of the district court.
[C51, §1837; R60, §3397; C73, §2894; C97, §3813; C24, 27, 31, 35, 39, §**12668;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §676.1]

**676.2 For money only — contingent liability.**

The judgment can be only for money due or to become due, or to secure a person against contingent liabilities on behalf of the defendant, and must be for a specified sum.

[C51, §1838; R60, §3398; C73, §2895; C97, §3814; C24, 27, 31, 35, 39, §**12669;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §676.2]

**676.3 Statement.**

A statement in writing must be made, signed, and verified by the defendant, and filed with the clerk, to the following effect:

1. If for money due or to become due, it must state concisely the facts out of which the indebtedness arose, and that the sum confessed therefor is justly due, or to become due, as the case may be.

2. If for the purpose of securing the plaintiff against a contingent liability, it must state concisely the facts constituting such liability, and must show that the sum confessed therefor does not exceed the same.

[C51, §1839; R60, §3399; C73, §2896; C97, §3815; C24, 27, 31, 35, 39, §**12670;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §676.3]

**676.4 Judgment — execution.**

The clerk shall thereupon make an entry of judgment in the clerk's court record for the amount confessed and costs, and shall issue execution thereon as in other cases, when ordered by the party entitled thereto.

[C51, §1840; R60, §3400; C73, §2897; C97, §3816; C24, 27, 31, 35, 39, §**12671;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §676.4]

Referred to in §602.8102(120)

# CHAPTER 677

## OFFER TO CONFESS JUDGMENT


677.1 Offer to confess before action brought.
677.2 Nonacceptance — costs.
677.3 Effect of nonaccepted offer.
677.4 Offer to confess judgment after action brought.
677.5 Nonacceptance — costs.
677.6 Effect of nonaccepted offer.
677.7 Offer to confess after action brought.
677.8 Acceptance — judgment.
677.9 Effect of nonaccepted offer.
677.10 Costs.
677.11 Conditional offer.
677.12 Acceptance — effect.
677.13 Nonacceptance — effect.
677.14 No cause for continuance.


**677.1 Offer to confess before action brought.**

Before an action for the recovery of money is brought against any person, the person may go before the clerk of the county of the person's residence, or of that in which the person having the cause of action resides, and offer to confess judgment in favor of such person for a specified sum on such cause of action, as provided for in chapter 676.

[R60, §3403; C73, §2898; C97, §3817; C24, 27, 31, 35, 39, §**12672;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.1]

**677.2 Nonacceptance — costs.**

If such person, having had the same notice as if the person was a defendant in an action that the offer would be made, of its amount, and of the time and place of making it, refuses to accept it, and afterwards commences an action upon such cause, and does not recover more than the amount so offered to be confessed, the person to whom the offer was made shall pay all the costs of the action.

[R60, §3403; C73, §2898; C97, §3817; C24, 27, 31, 35, 39, §**12673;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.2]

**677.3 Effect of nonaccepted offer.**
On the trial thereof the offer shall not be treated as an admission of the cause of action or amount to which the plaintiff was entitled, nor be given in evidence.
[R60, §3403; C73, §2898; C97, §3817; C24, 27, 31, 35, 39, §**12674;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.3]

**677.4 Offer to confess judgment after action brought.**
After an action for the recovery of money is brought, the defendant may offer in court to confess judgment for part of the amount claimed, or part of the causes involved in the action.
[R60, §3404; C73, §2899; C97, §3818; C24, 27, 31, 35, 39, §**12675;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.4]

**677.5 Nonacceptance — costs.**
If the plaintiff, being present, refuses to accept judgment for such sum in full of the plaintiff's demands in the action, or, having had three days' notice that the offer would be made, of its amount, and of the time of making it, fails to attend, and on the trial does not recover more than was offered to be confessed, the plaintiff shall pay the costs of the defendant incurred after the offer.
[R60, §3404; C73, §2899; C97, §3818; C24, 27, 31, 35, 39, §**12676;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.5]

**677.6 Effect of nonaccepted offer.**
The offer shall not be treated as an admission of the cause of action or amount to which the plaintiff was entitled nor be given in evidence upon the trial.
[R60, §3404; C73, §2899; C97, §3818; C24, 27, 31, 35, 39, §**12677;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.6]

**677.7 Offer to confess after action brought.**
The defendant in an action for the recovery of money only may, at any time after service of notice and before the trial, serve upon the plaintiff or the plaintiff's attorney an offer in writing to allow judgment to be taken against the defendant for a specified sum with costs.
[R60, §3405; C73, §2900; C97, §3819; C24, 27, 31, 35, 39, §**12678;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.7]

**677.8 Acceptance — judgment.**
If the plaintiff accepts the offer, and gives notice thereof to the defendant or the defendant's attorney within five days after the offer is made, the offer, and an affidavit that the notice of acceptance was delivered in the time limited, may be filed by the plaintiff, or the defendant may file the acceptance with a copy of the offer, verified by affidavit; and in either case a minute of the offer and acceptance shall be entered upon the judge's calendar, and judgment shall be rendered by the court accordingly.
[R60, §3405; C73, §2900; C97, §3819; C24, 27, 31, 35, 39, §**12679;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.8]

**677.9 Effect of nonaccepted offer.**
If the notice of acceptance is not given in the period limited, the offer shall be treated as withdrawn, and shall not be given in evidence or mentioned on the trial.
[R60, §3405; C73, §2900; C97, §3819; C24, 27, 31, 35, 39, §**12680;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.9]

**677.10 Costs.**
If the plaintiff fails to obtain judgment for more than was offered by the defendant, the plaintiff cannot recover costs, but shall pay the defendant's costs from the time of the offer.
[R60, §3405; C73, §2900; C97, §3819; C24, 27, 31, 35, 39, §**12681;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.10]

**677.11 Conditional offer.**

In an action for the recovery of money only, the defendant, having answered, may serve upon the plaintiff or the plaintiff's attorney an offer in writing that, if the defendant fails in the defendant's defense, the amount of recovery shall be assessed at a specified sum.

[R60, §3406; C73, §2901; C97, §3820; C24, 27, 31, 35, 39, §**12682;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.11]

**677.12 Acceptance — effect.**

If the plaintiff accepts the offer, and gives notice thereof to the defendant or the defendant's attorney within five days after it was served, or within three days if served in term time, and the defendant fails in the defendant's defense, the judgment shall be for the amount so agreed upon.

[R60, §3406; C73, §2901; C97, §3820; C24, 27, 31, 35, 39, §**12683;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.12]

**677.13 Nonacceptance — effect.**

If the plaintiff does not accept the offer, the plaintiff shall prove the amount to be recovered as if the offer had not been made, and the offer shall not be given in evidence or mentioned on the trial, and if the amount recovered by the plaintiff does not exceed the sum mentioned in the offer, the defendant shall recover the defendant's costs incurred in the defense.

[R60, §3406; C73, §2901; C97, §3820; C24, 27, 31, 35, 39, §**12684;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.13]

**677.14 No cause for continuance.**

The making of any offer pursuant to the provisions of this chapter shall not be cause for a continuance of the action or a postponement of the trial.

[R60, §3407; C73, §2902; C97, §3821; C24, 27, 31, 35, 39, §**12685;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §677.14]

# CHAPTER 678

## SUBMITTING CONTROVERSIES WITHOUT ACTION OR IN ACTION


678.1 Agreed statement of facts.
678.2 Affidavit.
678.3 Judgment.
678.4 Record.
678.5 Judgment enforced.
678.6 Submission of cause pending.
678.7 Pleadings abandoned — lien and custody of property.
678.8 Submission of question of law — agreement as to judgment.
678.9 Costs.


**678.1 Agreed statement of facts.**

Parties to a question in difference, which might be the subject of a civil action, may, without action, present an agreed statement of the facts to any court having jurisdiction of the subject matter.

[C51, §1843; R60, §3408; C73, §3408; C97, §4377; C24, 27, 31, 35, 39, §**12686;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §678.1]

**678.2 Affidavit.**

It must be shown by affidavit that the controversy is real, and that the proceeding is in good faith to determine the rights of the parties thereto.

[C51, §1844; R60, §3409; C73, §3409; C97, §4378; C24, 27, 31, 35, 39, §**12687;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §678.2]

**678.3 Judgment.**

The court shall hear and determine the case and render judgment as if an action were pending.

[C51, §1845; R60, §3410; C73, §3410; C97, §4379; C24, 27, 31, 35, 39, §**12688;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §678.3]

**678.4 Record.**

The statement, the submission, and the judgment shall constitute the record.

[R60, §3411; C73, §3411; C97, §4380; C24, 27, 31, 35, 39, §**12689;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §678.4]

**678.5 Judgment enforced.**

The judgment shall be with costs, and it may be enforced and shall be subject to review in the same manner as if it had been rendered in an action, unless otherwise provided for in the submission.

[R60, §3412; C73, §3412; C97, §4381; C24, 27, 31, 35, 39, §**12690;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §678.5]

**678.6 Submission of cause pending.**

The same may also be done at any time before trial in an action pending, subject to the same requirements and attended by the same results as in a case without action.

[R60, §3413; C73, §3413; C97, §4382; C24, 27, 31, 35, 39, §**12691;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §678.6]

**678.7 Pleadings abandoned — lien and custody of property.**

Such submission of a stated case shall be an abandonment by both parties of all pleadings filed in such cause, and the cause shall stand on the agreed case alone, which must provide for any lien created for attachment, and for any property in the custody of the law, else such lien and custody will be held to be waived.

[R60, §3413; C73, §3413; C97, §4382; C24, 27, 31, 35, 39, §**12692;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §678.7]

**678.8 Submission of question of law — agreement as to judgment.**

The parties may, if they think fit, enter into an agreement in writing that, upon the judgment of the court being given on the question of law raised, particular property therein described, or a sum of money fixed by the parties or to be ascertained by the court or in such manner as the court may direct, shall be delivered to and vested in one of the parties by the other, or, in case of money, shall be paid by one of such parties to the other of them, either with or without costs of the action; and the judgment of the court may be entered for the transfer and delivery of such property, or for such sum as shall be so agreed or ascertained, with or without costs, as the case may be.

[R60, §3414; C73, §3414; C97, §4383; C24, 27, 31, 35, 39, §**12693;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §678.8]

**678.9 Costs.**

In case no agreement is entered into as to the costs, they shall follow the event of the action, and be recovered by the successful party.

[R60, §3415; C73, §3415; C97, §4384; C24, 27, 31, 35, 39, §**12694;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §678.9]

# CHAPTER 679

## INFORMAL DISPUTE RESOLUTION

Chapter repealed by 2012 Acts, ch 1011, §2

# CHAPTER 679A

## ARBITRATION

Referred to in §523H.6


679A.1 Validity of arbitration agreement.
679A.2 Proceedings to compel or stay arbitration.
679A.3 Appointment of arbitrators by district court.
679A.4 Majority action by arbitrators.
679A.5 Hearing.
679A.6 Representation by attorney.
679A.7 Witnesses, subpoenas, depositions.
679A.8 Award.
679A.9 Change of award by arbitrators.
679A.10 Fees and expenses of arbitration.
679A.11 Confirmation of an award.
679A.12 Vacating an award.
679A.13 Modification or correction of award.
679A.14 Judgment or decree on award.
679A.15 Applications to district court.
679A.16 Venue.
679A.17 Appeals.
679A.18 Chapter not retroactive.
679A.19 Disputes between governmental agencies.


**679A.1 Validity of arbitration agreement.**

1. A written agreement to submit to arbitration an existing controversy is valid, enforceable, and irrevocable unless grounds exist at law or in equity for the revocation of the written agreement.

2. A provision in a written contract to submit to arbitration a future controversy arising between the parties is valid, enforceable, and irrevocable unless grounds exist at law or in equity for the revocation of the contract. This subsection shall not apply to any of the following:

*a.* A contract of adhesion.

*b.* A contract between employers and employees.

*c.* Unless otherwise provided in a separate writing executed by all parties to the contract, any claim sounding in tort whether or not involving a breach of contract.

[C51, §2098, 2101; R60, §3675, 3678; C73, §3416, 3418; C97, §4385, 4387; C24, 27, 31, 35, 39, §**12695, 12697;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.1, 679.3; 81 Acts, ch 202, §1]

C83, §679A.1

Referred to in §679A.2

**679A.2 Proceedings to compel or stay arbitration.**

1. On application of a party showing an agreement described in section 679A.1 and the opposing party's refusal to arbitrate, the district court shall order the parties to proceed with arbitration. However, if the opposing party denies the existence of a valid and enforceable agreement to arbitrate, the district court shall proceed to the determination of the issue and shall order arbitration if a valid and enforceable agreement is found to exist. If no such agreement exists, the court shall deny the application.

2. On application, the district court may stay an arbitration proceeding commenced or threatened on a showing that there is no valid and enforceable agreement to arbitrate. The issue, when in substantial and bona fide dispute, shall be tried and the stay ordered if a valid and enforceable agreement to arbitrate does not exist. If an agreement is found to exist, the court shall order the parties to proceed to arbitration.

3. If an issue referable to arbitration under the alleged agreement is involved in an action or proceeding pending in a district court, the application shall be made to that court. Otherwise, the application may be made in a district court as provided in section 679A.16.

4. An action or proceeding involving an issue subject to arbitration shall be stayed if an order for arbitration or an application for an order to arbitrate has been made under this section or, if the issue is severable, the stay may be made with respect to the part of the issue which is subject to arbitration only. When the application is made in such an action or proceeding, the order for arbitration shall include the stay.

5. An order for arbitration shall not be refused on the ground that the claim in issue lacks

merit or because any fault or grounds for the claim sought to be arbitrated have not been shown.

[C51, §2102; R60, §3679; C73, §3419; C97, §4388; C24, 27, 31, 35, 39, §**12698;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.4; 81 Acts, ch 202, §2]

C83, §679A.2

Referred to in §679A.12, 679A.17

**679A.3 Appointment of arbitrators by district court.**

If the arbitration agreement provides a method of appointment of arbitrators, this method shall be followed. In the absence of a method of appointing, or if the agreed method fails or for any reason cannot be followed, or when an arbitrator appointed fails or is unable to act and a successor has not been appointed, the district court on application of a party shall appoint one or more arbitrators. An arbitrator appointed by the district court has the same powers as an arbitrator specifically named in the agreement.

[C97, §4395; C24, 27, 31, 35, 39, §**12712;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.18; 81 Acts, ch 202, §3]

C83, §679A.3

Referred to in §679A.12

**679A.4 Majority action by arbitrators.**

The powers of the arbitrators may be exercised by a majority unless otherwise provided by the agreement or by this chapter.

[81 Acts, ch 202, §4]

**679A.5 Hearing.**

Unless otherwise provided by the agreement:

1. The arbitrators shall determine a time and place for the hearing and cause notification to the parties to be served personally or by registered mail not less than five days before the hearing. Appearance at the hearing waives the notice. The arbitrators may adjourn the hearing as necessary and, on request of a party and for good cause, or upon their own motion may postpone the hearing to a time not later than the date fixed by the agreement for making the award. The arbitrators may hear and determine the controversy upon the evidence produced even if a party duly notified fails to appear.

2. The parties are entitled to be heard, to present evidence material to the controversy and to cross-examine witnesses appearing at the hearing.

3. The hearing shall be conducted by all the arbitrators. If, during the course of the hearing, an arbitrator for any reason ceases to act, the remaining arbitrator or arbitrators may continue with the hearing and determination of the controversy.

[C51, §2105; R60, §3682; C73, §3422; C97, §4391; C24, 27, 31, 35, 39, §**12701;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.7; 81 Acts, ch 202, §5]

C83, §679A.5

Referred to in §679A.12

**679A.6 Representation by attorney.**

A party has the right to be represented by an attorney at any proceeding or hearing under this chapter. A waiver of this right before the proceeding or hearing is ineffective.

[81 Acts, ch 202, §6]

**679A.7 Witnesses, subpoenas, depositions.**

1. The arbitrators may issue subpoenas for the attendance of witnesses and for the production of books, records, documents, and other evidence, and may administer oaths. Subpoenas shall be served, and upon application to the district court by a party or the arbitrators, enforced in the manner provided by law for the service and enforcement of subpoenas in a civil action.

2. On application of a party and for use as evidence, the arbitrators may permit a deposition to be taken, in the manner and upon the terms designated by the arbitrators, of a witness who cannot be subpoenaed or is unable to attend the hearing.

3. All provisions of the law compelling a person under subpoena to testify are applicable.
4. Unless otherwise agreed, fees for attendance as a witness shall be the same as for a witness in the district court.
[C51, §2103; R60, §3680; C73, §3420; C97, §4389; C24, 27, 31, 35, 39, §**12699;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.5; 81 Acts, ch 202, §7]
C83, §679A.7

**679A.8 Award.**
1. The award shall be in writing and signed by the arbitrators joining in the award. The arbitrators shall deliver a copy to each party personally, by registered mail, or as provided in the agreement.
2. A party waives the objection that an award was not made within the proper time unless the party notifies the arbitrators of the party's objection before the award is received.
3. Unless otherwise agreed, an award shall be made within thirty days after the arbitration hearing.
[C51, §2106 – 2108; R60, §3683 – 3685; C73, §3423 – 3425; C97, §4392 – 4394; C24, 27, 31, 35, 39, §**12702 – 12704;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.8 – 679.10; 81 Acts, ch 202, §8]
C83, §679A.8

**679A.9 Change of award by arbitrators.**
On application of a party or, if an application to the district court is pending under sections 679A.11 to 679A.13, on submission to the arbitrators by the district court under the conditions the district court orders, the arbitrators may modify or correct the award upon the grounds stated in section 679A.13, subsection 1, paragraphs "*a*" and "*c*", or for the purpose of clarifying the award. The application shall be made within twenty days after delivery of the award to the applicant. Written notice of the application shall be given to the opposing party, stating that the opposing party must serve any objections to the application within ten days from the notice. The modified or corrected award is subject to sections 679A.11 to 679A.13.
[C51, §2110; R60, §3687; C73, §3427; C97, §4397; C24, 27, 31, 35, 39, §**12706;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.12; 81 Acts, ch 202, §9]
C83, §679A.9

**679A.10 Fees and expenses of arbitration.**
Unless otherwise provided in the agreement to arbitrate, and except for counsel fees, the arbitrators' expenses and fees and any other expenses incurred in the conduct of the arbitration shall be paid as provided in the award.
[C51, §2114; R60, §3691; C73, §3834; C97, §3873; C24, 27, 31, 35, 39, §**12711;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.17; 81 Acts, ch 202, §10]
C83, §679A.10
87 Acts, ch 115, §81

**679A.11 Confirmation of an award.**
Upon application of a party, the district court shall confirm an award, unless within the time limits imposed under sections 679A.12 and 679A.13 grounds are urged for vacating, modifying, or correcting the award, in which case the district court shall proceed as provided in sections 679A.12 and 679A.13.
[81 Acts, ch 202, §11]
Referred to in §679A.9

**679A.12 Vacating an award.**
1. Upon application of a party, the district court shall vacate an award if any of the following apply:
*a.* The award was procured by corruption, fraud, or other illegal means.
*b.* There was evident partiality by an arbitrator appointed as a neutral, corruption in any of the arbitrators, or misconduct prejudicing the rights of a party.

*c.* The arbitrators exceeded their powers.

*d.* The arbitrators refused to postpone the hearing upon sufficient cause being shown for the postponement, refused to hear evidence material to the controversy, or conducted the hearing contrary to the provisions of section 679A.5, in a manner which prejudiced substantially the rights of a party.

*e.* There was no arbitration agreement, the issue was not adversely determined in proceedings under section 679A.2, and the party did not participate in the arbitration hearing without raising the objection.

*f.* Substantial evidence on the record as a whole does not support the award. The court shall not vacate an award on this ground if a party urging the vacation has not caused the arbitration proceedings to be reported, if the parties have agreed that a vacation shall not be made on this ground, or if the arbitration has been conducted under the auspices of the American arbitration association.

2. The fact that the relief awarded could not or would not be granted by a court of law or equity is not ground for vacating or refusing to confirm the award.

3. An application under this section shall be made within ninety days after delivery of a copy of the award to the applicant. However, if the application to vacate an award is predicated upon corruption, fraud, or other illegal means, it shall be made within ninety days after those grounds are known or should have been known.

4. In vacating the award on grounds other than stated in subsection 1, paragraph "*e*", the district court may order a rehearing before new arbitrators chosen as provided in the agreement, or in the absence of a method in the agreement, by the district court in accordance with section 679A.3, or if the award is vacated on grounds set forth in subsection 1, paragraph "*c*" or "*d*" of this section, the district court may order a rehearing before the arbitrators who made the award or their successors appointed in accordance with section 679A.3. The time within which the agreement requires the award to be made is applicable to the rehearing and commences from the date of the order.

[C51, §2110; R60, §3617; C73, §3427; C97, §4397; C24, 27, 31, 35, 39, §**12706;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.12; 81 Acts, ch 202, §12]

C83, §679A.12

Referred to in §679A.9, 679A.11

**679A.13 Modification or correction of award.**

1. Upon application made within ninety days after delivery of a copy of the award to the applicant, the district court shall modify or correct the award if any of the following apply:

*a.* There is an evident miscalculation of figures or an evident mistake in the description of a person, thing, or property referred to in the award.

*b.* The arbitrators have awarded upon a matter not submitted to them and the award may be corrected without affecting the merits of the decision upon the issues submitted.

*c.* The award is imperfect in a matter of form, not affecting the merits of the controversy.

2. If the application is granted, the district court shall modify and correct the award to effect its intent and shall confirm the award as modified and corrected.

[81 Acts, ch 202, §13]

Referred to in §679A.9, 679A.11

**679A.14 Judgment or decree on award.**

Upon the granting of an order confirming, modifying, or correcting an award, a judgment or decree shall be entered in conformity with the order enforced as any other judgment or decree. Costs of the application and the subsequent proceedings and disbursements may be awarded by the district court.

[C51, §2111, 2113; R60, §3688, 3690; C73, §3428, 3430; C97, §4398, 4400; C24, 27, 31, 35, 39, §**12707, 12709;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.13, 679.15; 81 Acts, ch 202, §14]

C83, §679A.14

**679A.15 Applications to district court.**

Except as otherwise provided, an application to the district court under this chapter shall be by motion and shall be heard in the manner and upon the notice provided by law or rule of civil procedure, for the making and hearing of motions. Unless the parties have agreed otherwise, notice of an initial application for an order shall be served in the manner provided by the Iowa rules of civil procedure for the service of original notice in an action.

[81 Acts, ch 202, §15]

**679A.16 Venue.**

An initial application shall be made to the district court of the county in which the agreement provides the arbitration hearing shall be held or, if the hearing has been held, in the county in which it was held. Otherwise the application shall be made in the district court of the county where the adverse party resides or has a place of business or, if the adverse party has no residence or place of business in this state, to the district court of any county. All subsequent applications shall be made to the district court hearing the initial application unless the district court otherwise directs.

[81 Acts, ch 202, §16]

Referred to in §679A.2

**679A.17 Appeals.**

1. An appeal may be taken from:

*a.* An order denying an application to compel arbitration made under section 679A.2.

*b.* An order granting an application to stay arbitration made under section 679A.2, subsection 2.

*c.* An order confirming or denying confirmation of an award.

*d.* An order modifying or correcting an award.

*e.* An order vacating an award without directing a rehearing.

*f.* A judgment or decree entered pursuant to the provisions of this chapter.

2. The appeal shall be taken in the manner and to the same extent as from orders or judgments in a civil action.

[C51, §2112; R60, §3689; C73, §3429; C97, §4399; C24, 27, 31, 35, 39, §**12708;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §679.14; 81 Acts, ch 202, §17]

C83, §679A.17

**679A.18 Chapter not retroactive.**

This chapter applies only to arbitration agreements made on or after July 1, 1981.

[81 Acts, ch 202, §18]

2012 Acts, ch 1011, §1

**679A.19 Disputes between governmental agencies.**

Any litigation between administrative departments, commissions or boards of the state government is prohibited. All disputes between said governmental agencies shall be submitted to a board of arbitration of three members to be composed of two members to be appointed by the departments involved in the dispute and a third member to be appointed by the governor. The decision of the board shall be final.

[C62, 66, 71, 73, 75, 77, 79, 81, §679.19; 81 Acts, ch 202, §19]

C83, §679A.19

Referred to in §8B.21

# CHAPTER 679B

## BOARDS OF ARBITRATION AND CONCILIATION

Referred to in §331.324

APPOINTMENT — POWERS AND DUTIES

679B.1 Petition for appointment.
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679B.3 Governor to appoint for parties.
679B.4 Third appointee.
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679B.6 Oath — organization.
679B.7 Compensation and expenses.
679B.8 Evidence — witnesses.
679B.9 Oath — rule of evidence.
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679B.11 Investigation — report filed — public inspection.
679B.12 Investigation — decision.
679B.13 Decision — report to governor.
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FIRE DEPARTMENT DISPUTES IN CERTAIN CITIES

679B.15 Board of arbitration.
679B.16 Recommendations for appointees.
679B.17 Failure to act.
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679B.19 Organization of board.
679B.20 Costs.
679B.21 Powers of board.
679B.22 Witnesses.
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679B.24 Time limit.
679B.25 Decision.
679B.26 Filing.
679B.27 Nature of decision.

## APPOINTMENT — POWERS AND DUTIES

**679B.1 Petition for appointment.**

When any dispute arises between any person, firm, corporation, or association of employers and their employees or association of employees, of this state, except employers or employees having trade relations directly or indirectly based upon interstate trade relations operating through or by state or international boards of conciliation, which has or is likely to cause a strike or lockout, involving ten or more wage earners, and which does or is likely to interfere with the due and ordinary course of business, or which menaces the public peace, or which jeopardizes the welfare of the community, and the parties thereto are unable to adjust the same, either or both parties to the dispute, or the mayor of the city, or the chairperson of the board of supervisors of the county in which said employment is carried on, or on petition of any twenty-five citizens thereof over the age of eighteen years, or the labor commissioner, after investigation, may make written application to the governor for the appointment of a board of arbitration and conciliation, to which board such dispute may be referred under the provisions of this chapter; and the manager of the business of any person, firm, corporation, or association of such employers, or any organization representing such employees, or if such employees are not members of any organization, then a majority of such employees affected may make the application as provided in this chapter, but in no case shall more than twenty employees be required to join in such application.

[S13, §2477-n; C24, 27, 31, 35, 39, §**1496;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.1]
86 Acts, ch 1245, §944
C87, §679B.1
Referred to in §679B.2

**679B.2 Notification by governor.**

The governor shall at once upon application made to the governor as herein provided, and upon the governor's satisfaction that the dispute comes within the provisions of section 679B.1, notify the parties to the dispute of the application for the appointment of a board of arbitration and conciliation and make request upon each party to the dispute that each of them recommend within three days from the date of notice, the names of five persons who have no

direct interest in such dispute and are willing and ready to act as members of the board, and the governor shall appoint from each list submitted one of such persons recommended.

[S13, §2477-n1; C24, 27, 31, 35, 39, §**1497;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.2]

86 Acts, ch 1245, §944

C87, §679B.2

**679B.3 Governor to appoint for parties.**

Should either of the parties fail or neglect to make any recommendation within the said period, the governor shall, as soon thereafter as possible, appoint a fit person who shall be deemed to be appointed on the recommendation of the parties in default.

[S13, §2477-n1; C24, 27, 31, 35, 39, §**1498;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.3]

86 Acts, ch 1245, §944

C87, §679B.3

**679B.4 Third appointee.**

The members of the board so appointed shall within five days of their appointment recommend to the governor the name of one person who is ready and willing to act as a third member of the board, and upon failure or neglect upon their part to make such recommendation within the said period, or upon the failure or refusal of the person so recommended to act, the governor shall as soon thereafter as possible appoint some person to act as the third member of the board.

[S13, §2477-n1; C24, 27, 31, 35, 39, §**1499;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.4]

86 Acts, ch 1245, §944

C87, §679B.4

**679B.5 Agreement to be bound by decision.**

In all cases when the application is made by both parties to the dispute, they shall set forth in the application whether or not they agree to be bound by the decision of the board of arbitration and conciliation; and if both parties agree to be so bound by such decision, then the same shall be binding and enforceable as set out in section 679B.12.

[S13, §2477-n2; C24, 27, 31, 35, 39, §**1500;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.5]

86 Acts, ch 1245, §944

C87, §679B.5

**679B.6 Oath — organization.**

Each member of the board shall, before entering upon the duties of the member's office, be sworn to a faithful and impartial discharge thereof; they shall organize at once by the choice of one of their number as chairperson, and one of their number as secretary, and shall have power to employ all necessary clerks and stenographers to properly carry out the duties of their appointment.

[S13, §2477-n3; C24, 27, 31, 35, 39, §**1501;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.6]

86 Acts, ch 1245, §944

C87, §679B.6

**679B.7 Compensation and expenses.**

The members of the board shall be paid a per diem as specified in section 7E.6 and shall be reimbursed for actual and necessary expenses, these moneys to be payable out of the state treasury upon warrants drawn by the director of the department of administrative services.

[S13, §2477-n3; C24, 27, 31, 35, 39, §**1502;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.7]

86 Acts, ch 1245, §944

C87, §679B.7
90 Acts, ch 1256, §55; 2003 Acts, ch 145, §286

**679B.8 Evidence — witnesses.**

For the purpose of this inquiry the board shall have all the powers of summoning before it and enforcing the attendance of witnesses, of administering oaths, and of requiring witnesses to give evidence, to produce books, papers, and other documents or things as the board may deem requisite to the full investigation of the matters into which it is inquiring, as are vested in the district court in civil cases.

[S13, §2477-n4; C24, 27, 31, 35, 39, §**1503;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.8]
86 Acts, ch 1245, §944
C87, §679B.8

**679B.9 Oath — rule of evidence.**

Any member of the board may administer an oath, and the board may accept, admit, and call for such evidence as in equity and good conscience it thinks material and proper, whether strictly legal evidence or not.

[S13, §2477-n4; C24, 27, 31, 35, 39, §**1504;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.9]
86 Acts, ch 1245, §944
C87, §679B.9

**679B.10 Subpoenas — by whom served — fees.**

A subpoena or any notice may be delivered or sent to any sheriff, constable, or any police officer who shall forthwith serve the same, and make due return thereof, according to directions. Witnesses in attendance and officers serving subpoenas or notices shall receive the same fees as are allowed in the district court, payable from the state treasury, upon the certificate of the board that such fees are due and correct. The board shall have the same power and authority to maintain and enforce order at the hearings and obedience to its writs of subpoena as is by law conferred upon the district court for like purposes.

[S13, §2477-n4; C24, 27, 31, 35, 39, §**1505;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.10]
86 Acts, ch 1245, §944
C87, §679B.10
Referred to in §331.653
Contempts, chapter 665
Witness fees, §622.69 – 622.75

**679B.11 Investigation — report filed — public inspection.**

The board shall as soon as practical visit the place where the controversy exists and make careful inquiry into the cause, and the said board may, with the consent of the governor, conduct such inquiry beyond the limits of the state. The board shall hear all persons interested who come before it, advise the respective parties what ought to be done or submitted to by either or both of the parties to the dispute to adjust said controversy, and make a written decision thereof, which shall at once be made public and open to public inspection and shall be recorded by the secretary of the board, and a copy of such report shall be filed in the office of the clerk of the city in which the controversy arose and shall be open for public inspection.

[S13, §2477-n5; C24, 27, 31, 35, 39, §**1506;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.11]
86 Acts, ch 1245, §944
C87, §679B.11

**679B.12 Investigation — decision.**

The board of arbitration and conciliation shall within ten days from the date of their appointment, unless such time shall be extended by the governor, complete the investigation of any controversy submitted to them, and during the pendency of such period neither party

shall engage in any strike or lockout. Any decision made by the board shall date from the date of the appointment of the board and shall be binding upon the parties who join in the application as herein provided for a period of one year.

[S13, §2477-n6; C24, 27, 31, 35, 39, §**1507;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.12]

86 Acts, ch 1245, §944

C87, §679B.12

Referred to in §679B.5

**679B.13 Decision — report to governor.**

Within five days after the completion of the investigation, unless the time is extended by the governor for good cause shown, the board or a majority thereof shall render a decision, stating such details as will clearly show the nature of the controversy and the point disposed of by them, and make a written report to the governor of their findings of fact and of their recommendation to each party to the controversy.

[S13, §2477-n7; C24, 27, 31, 35, 39, §**1508;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.13]

86 Acts, ch 1245, §944

C87, §679B.13

**679B.14 Decision filed and published.**

Every decision and report shall be filed in the office of the governor, and a copy served upon each party to the controversy, and a copy furnished to the labor commissioner for publication in the report of the commissioner, who shall cause such decision and report to be published at a rate of not to exceed thirty-three and one-third cents per ten lines of brevier type or its equivalent in two newspapers of general circulation in the county in which the business is located upon which the dispute arose.

All evidence taken and exhibits and documents offered shall be carefully preserved and at the close of the investigation shall be filed in the office of the governor of the state and shall only be subject to inspection upon the governor's order.

[S13, §2477-n7; C24, 27, 31, 35, 39, §**1509;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §90.14]

86 Acts, ch 1245, §944

C87, §679B.14

## FIRE DEPARTMENT DISPUTES IN CERTAIN CITIES

**679B.15 Board of arbitration.**

When any dispute arises between a city having a population of ten thousand or more, or a city under civil service of whatever population, and any city-recognized association of employees of the paid fire department of such city, and the parties are unable to adjust the dispute, either or both parties may make written application to a judge of the district court of the county in which the dispute arises for the appointment of a board of arbitration and conciliation, to which board such dispute may be referred under the provisions of this chapter.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.15]

86 Acts, ch 1245, §944

C87, §679B.15

**679B.16 Recommendations for appointees.**

The judge shall, within ten days after application is made to the judge as provided, notify the parties to the dispute of the application for the appointment of a board of arbitration and conciliation, and shall request each party to recommend within ten days from the date of

receipt of notice, the name of a person who has no direct interest in the dispute and is willing and ready to act as a member of the board.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.16]
86 Acts, ch 1245, §944
C87, §679B.16
Referred to in §679B.17, 679B.18

**679B.17 Failure to act.**

Should either of the parties fail or neglect to make any recommendation within the ten-day period, or if the person recommended fails or refuses to act, the judge shall, as soon thereafter as possible, appoint a person who meets the qualifications provided in section 679B.16. Such person shall be deemed to be appointed on the recommendation of the party in default.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.17]
86 Acts, ch 1245, §944
C87, §679B.17

**679B.18 Third member of board.**

The parties to the dispute and the members of the board so appointed shall, within five days of the appointment, recommend to the judge the name of an additional person who is willing and ready to act as the third member of the board. The person recommended shall meet the qualifications provided in section 679B.16. If the recommendation is not made within the period, or if the person recommended refuses or fails to act, the judge shall as soon thereafter as possible appoint a qualified person to act as the third member of the board.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.18]
86 Acts, ch 1245, §944
C87, §679B.18

**679B.19 Organization of board.**

Each member of the board shall, before entering upon the duties of the member's office, be sworn to a faithful and impartial discharge thereof. The board shall organize at once by the choice of one of their number as chairperson, and one of their number as secretary, and shall have the power to employ all clerks and stenographers necessary to properly carry out the duties of their appointment.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.19]
86 Acts, ch 1245, §944
C87, §679B.19

**679B.20 Costs.**

Each party to the dispute shall assume its own costs of the arbitration proceedings and shall share equally the costs of the third member as well as the general expenses of the board of arbitration and conciliation.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.20]
86 Acts, ch 1245, §944
C87, §679B.20

**679B.21 Powers of board.**

For the purpose of this inquiry the board shall have all the powers vested in the district court in civil cases which the board deems necessary to a full investigation of the dispute, including but not limited to the power to summon and enforce the attendance of witnesses, to administer oaths and to require witnesses to give evidence and produce books and papers. Any member of the board may administer oaths.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.21]
86 Acts, ch 1245, §944
C87, §679B.21

**679B.22 Witnesses.**

A subpoena or any notice may be delivered or sent to any sheriff, or any police officer who shall forthwith serve it and make due return thereof according to direction. Every person who is summoned by an arbitration board and who duly attends as a witness, except witnesses summoned at the request of a party, shall be entitled to an allowance for expenses determined in accordance with the scale in effect at the time with respect to witnesses in the district court in civil cases, and the allowance paid shall be a part of the general expenses of the arbitration board. The board shall have the same power and authority to maintain and enforce order at the hearings and obedience to its writs of subpoena as is by law conferred upon the district court for like purposes.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.22]
86 Acts, ch 1245, §944
C87, §679B.22

**679B.23 Findings and report.**

The board shall as soon as practical visit the place where the dispute exists and make careful inquiry into its cause. The board shall hear all interested persons who come before it and advise the respective parties concerning courses of action to adjust the dispute, and shall put in writing its findings and recommendations. A copy of such report shall be filed by the board secretary in the office of the clerk of the city in which the dispute arose and shall be open for public inspection. All hearings shall be open to the public and press.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.23]
86 Acts, ch 1245, §944
C87, §679B.23

**679B.24 Time limit.**

The board of arbitration and conciliation shall within twenty days from the date of their appointment, unless such time shall be extended by the judge, complete the investigation of any dispute submitted to them.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.24]
86 Acts, ch 1245, §944
C87, §679B.24

**679B.25 Decision.**

Within five days after the completion of the investigation, unless the time is extended by the judge for good cause shown, the board or a majority thereof shall render a decision, stating such details as will clearly show the nature of the controversy and the point disposed of by them, and make a written report to the judge of their findings of fact and of their recommendation to each party to the controversy.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.25]
86 Acts, ch 1245, §944
C87, §679B.25

**679B.26 Filing.**

Every decision and report shall be filed in the office of the clerk of the district court of the county in which the dispute arose, and a copy served upon each party to the controversy, and a copy furnished to the labor commissioner for publication in the report of the commissioner, who shall cause such decision and report to be published in at least one newspaper in the city in which the dispute arose. All evidence taken and exhibits and documents offered shall be carefully preserved and at the close of the investigation shall be filed in the office of the clerk of the district court.

[C62, 66, 71, 73, 75, 77, 79, 81, §90.26]
86 Acts, ch 1245, §944
C87, §679B.26

**679B.27 Nature of decision.**
A decision or report shall be advisory only and shall not be binding on either party.
[C62, 66, 71, 73, 75, 77, 79, 81, §90.27]
86 Acts, ch 1245, §944
C87, §679B.27

# CHAPTER 679C

## MEDIATION

Referred to in §523A.804, 598.7

Former ch 679C repealed by 2005 Acts, ch 68, §21


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679C.104 Privilege against disclosure — admissibility — discovery.
679C.105 Waiver and preclusion of privilege.
679C.106 Exceptions to privilege.
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679C.109 Mediator's disclosure of conflicts of interest — background.
679C.110 Participation in mediation.
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679C.112 Uniformity of application and construction.
679C.113 Severability clause.
679C.114 Application to existing agreements or referrals.
679C.115 Mediator immunity.


**679C.101 Short title.**
This chapter shall be known as the *"Uniform Mediation Act"*.
2005 Acts, ch 68, §6

**679C.102 Definitions.**
As used in this chapter, unless the context otherwise requires:
1. *"Mediation"* means a process in which a mediator facilitates communication and negotiation between parties to assist them in reaching a voluntary agreement regarding their dispute.
2. *"Mediation communication"* means a statement, whether oral or in a record, verbal or nonverbal, that occurs during a mediation or is made for purposes of considering, conducting, participating in, initiating, continuing, or reconvening a mediation or retaining a mediator.
3. *"Mediation party"* means an individual who participates in a mediation and whose agreement is necessary to resolve the dispute.
4. *"Mediator"* means an individual who conducts a mediation.
5. *"Nonparty participant"* means a person, other than a mediation party or mediator, that participates in a mediation.
6. *"Person"* means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; joint venture; government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.
7. *"Proceeding"* means any of the following:
*a.* A judicial, administrative, arbitral, or other adjudicative process, including related prehearing and posthearing motions, conferences, and discovery.
*b.* A legislative hearing or similar process.
8. *"Record"* means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
9. *"Sign"* means any of the following:
*a.* To execute or adopt a tangible symbol with the present intent to authenticate a record.

*b.* To attach or logically associate an electronic symbol, sound, or process to or with a record with the present intent to authenticate a record.

2005 Acts, ch 68, §7
Referred to in §22.7

**679C.103 Scope.**

1. Except as otherwise provided for in subsections 2 and 3, this chapter applies to a mediation that occurs under any of the following circumstances:

*a.* The mediation parties are required to mediate by statute or court or administrative agency rule or referred to mediation by a court, administrative agency, or arbitrator.

*b.* The mediation parties and the mediator agree to mediate in a record that demonstrates an expectation that mediation communications will be privileged against disclosure.

*c.* The mediation parties use as a mediator a person who holds oneself out as a mediator or the mediation is provided by a person who holds oneself out as providing mediation.

2. This chapter shall not apply to a mediation relating to or conducted under any of the following circumstances:

*a.* Relating to the establishment, negotiation, administration, or termination of a collective bargaining relationship.

*b.* Relating to a dispute that is pending under or is part of the processes established by a collective bargaining agreement, except that this chapter applies to a mediation arising out of a dispute that has been filed with an administrative agency or court.

*c.* Conducted by a judge who might make a ruling on the case.

*d.* Conducted at any of the following:

(1) A primary or secondary school if all the parties are students.

(2) A correctional institution for youths if all the parties are residents of that institution.

3. If the mediation parties agree in advance in a signed record, or a record of proceeding reflects agreement by the mediation parties, that all or part of a mediation is not privileged, the privileges under sections 679C.104 through 679C.106 do not apply to the mediation or part agreed upon. However, sections 679C.104 through 679C.106 apply to a mediation communication made by a person that has not received actual notice of the agreement before the communication is made.

2005 Acts, ch 68, §8; 2006 Acts, ch 1010, §157

**679C.104 Privilege against disclosure — admissibility — discovery.**

1. Except as otherwise provided in section 679C.106, a mediation communication is privileged as provided in subsection 2 and is not subject to discovery or admissible in evidence in a proceeding unless the privilege is waived or precluded as provided by section 679C.105.

2. In a proceeding, the following privileges shall apply:

*a.* A mediation party may refuse to disclose, and may prevent any other person from disclosing, a mediation communication.

*b.* A mediator may refuse to disclose a mediation communication, and may prevent any other person from disclosing a mediation communication of the mediator.

*c.* A nonparty participant may refuse to disclose, and may prevent any other person from disclosing, a mediation communication of the nonparty participant.

3. Evidence or information that is otherwise admissible or subject to discovery does not become inadmissible or protected from discovery solely by reason of its disclosure or use in a mediation.

2005 Acts, ch 68, §9; 2006 Acts, ch 1010, §158
Referred to in §679C.103, 679C.105, 679C.106, 679C.109

**679C.105 Waiver and preclusion of privilege.**

1. A privilege under section 679C.104 may be waived in a record or orally during a proceeding if it is expressly waived by all mediation parties and if all of the following apply:

*a.* In the case of the privilege of a mediator, the privilege is expressly waived by the mediator.

*b.* In the case of the privilege of a nonparty participant, the privilege is expressly waived by the nonparty participant.

2. A person that discloses or makes a representation about a mediation communication which prejudices another person in a proceeding is precluded from asserting a privilege under section 679C.104, but only to the extent necessary for the person prejudiced to respond to the disclosure or representation.

3. A person that intentionally uses a mediation to plan, to attempt to commit, or to commit a crime, or to conceal an ongoing crime or ongoing criminal activity is precluded from asserting a privilege pursuant to section 679C.104.

2005 Acts, ch 68, §10
Referred to in §679C.103, 679C.104

**679C.106 Exceptions to privilege.**

1. No privilege exists under section 679C.104 for a mediation communication that involves any of the following:

*a.* An agreement evidenced by a record signed by all mediation parties to the agreement.

*b.* A communication that is available to the public under chapter 22 or made during a session of a mediation which is open, or is required by law to be open, to the public.

*c.* A threat or statement of a plan to inflict bodily injury or commit a crime of violence.

*d.* A plan to commit or attempt to commit a crime, the commission of a crime, or activity to conceal an ongoing crime or ongoing criminal activity.

*e.* A communication that is sought or offered to prove or disprove a claim or complaint of professional misconduct or malpractice filed against a mediator.

*f.* Except as otherwise provided in subsection 3, a communication that is sought or offered to prove or disprove a claim or complaint of professional misconduct or malpractice filed against a mediation party, nonparty participant, or representative of a mediation party based on conduct occurring during a mediation.

*g.* A communication that is sought or offered to prove or disprove abuse, neglect, abandonment, or exploitation in a proceeding in which a child or adult protective services agency is a party, unless the child or adult protection case is referred by a court to mediation and a public agency participates.

2. There is no privilege under section 679C.104 if a court, administrative agency, or arbitrator finds, after a hearing in camera, that the party seeking discovery or the proponent of the evidence has shown that the evidence is not otherwise available, that there is a need for the evidence that substantially outweighs the interest in protecting confidentiality, and that the mediation communication is sought or offered in any of the following situations:

*a.* A court proceeding involving a felony or misdemeanor.

*b.* Except as otherwise provided in subsection 3, a proceeding to prove a claim to rescind or reform a contract or a defense to avoid liability on a contract arising out of the mediation.

3. A mediator shall not be compelled to provide evidence of a mediation communication referred to in subsection 1, paragraph "*f*", or subsection 2, paragraph "*b*".

4. If a mediation communication is not privileged under subsection 1 or 2, only the portion of the communication necessary for the application of the exception from nondisclosure may be admitted. Admission of evidence under subsection 1 or 2 does not render the evidence, or any other mediation communication, discoverable or admissible for any other purpose.

2005 Acts, ch 68, §11
Referred to in §679C.103, 679C.104, 679C.107

**679C.107 Prohibited mediator reports.**

1. Except as required in subsection 2, a mediator shall not make a report, assessment, evaluation, recommendation, finding, or other communication regarding a mediation to a court, administrative agency, or other authority that may make a ruling on the dispute that is the subject of the mediation.

2. A mediator may disclose any of the following:

*a.* Whether the mediation occurred or has terminated, whether a settlement was reached, and attendance.

*b.* A mediation communication as permitted under section 679C.106.

*c.* A mediation communication evidencing abuse, neglect, abandonment, or exploitation of an individual to a public agency responsible for protecting individuals against such mistreatment.

3. A communication made in violation of subsection 1 shall not be considered by a court, administrative agency, or arbitrator.

2005 Acts, ch 68, §12

**679C.108 Confidentiality.**

Unless subject to chapter 21 or 22, mediation communications are confidential to the extent agreed to by the parties or provided by other law or rule of this state.

2005 Acts, ch 68, §13

Referred to in §13.14, 216.15B, 654A.13

**679C.109 Mediator's disclosure of conflicts of interest — background.**

1. Before accepting a mediation, an individual who is requested to serve as a mediator shall do all of the following:

*a.* Make an inquiry that is reasonable under the circumstances to determine whether there are any known facts that a reasonable individual would consider likely to affect the impartiality of the mediator, including a financial or personal interest in the outcome of the mediation and an existing or past relationship with a mediation party or foreseeable participant in the mediation.

*b.* Disclose any such known fact to the mediation parties as soon as is practicable before accepting a mediation.

2. If a mediator learns any fact described in subsection 1 after accepting a mediation, the mediator shall disclose it as soon as is practicable.

3. At the request of a mediation party, an individual who is requested to serve as a mediator shall disclose the mediator's qualifications to mediate a dispute.

4. A person that violates subsection 1, 2, or 7 is precluded by the violation from asserting a privilege under section 679C.104.

5. Subsections 1, 2, 3, and 7 do not apply to an individual acting as a judge.

6. This chapter does not require that a mediator have a special qualification by background or profession.

7. A mediator must be impartial, unless after disclosure of the facts required in subsections 1, 2, and 3 to be disclosed, the parties agree otherwise.

2005 Acts, ch 68, §14; 2006 Acts, ch 1030, §79

**679C.110 Participation in mediation.**

An attorney or other individual designated by a mediation party may accompany the mediation party to and participate in a mediation. A waiver of participation given before the mediation may be rescinded.

2005 Acts, ch 68, §15

**679C.111 Relation to Electronic Signatures in Global and National Commerce Act.**

The provisions of this chapter modify or supersede the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but this chapter does not modify, limit, or supersede section 101c of that Act or authorize electronic delivery of any of the notices described in section 103b of that Act.

2005 Acts, ch 68, §16

**679C.112 Uniformity of application and construction.**

In applying and construing this chapter, consideration should be given to the need to promote uniformity of the law among states that enact the uniform mediation Act.

2005 Acts, ch 68, §17

**679C.113 Severability clause.**

If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end, the provisions of this chapter are severable.

2005 Acts, ch 68, §18

**679C.114 Application to existing agreements or referrals.**

1. This chapter governs a mediation pursuant to a referral or an agreement to mediate made on or after July 1, 2005.

2. On or after July 1, 2005, this chapter governs an agreement to mediate whenever made.

2005 Acts, ch 68, §19

**679C.115 Mediator immunity.**

A mediator or a mediation program shall not be liable for civil damages for a statement, decision, or omission made in the process of mediation unless the act or omission by the mediator or mediation program is made in bad faith, with malicious purpose, or in a manner exhibiting willful or wanton disregard of human rights, safety, or property. This section shall apply to mediation conducted before the workers' compensation commissioner and mediation conducted pursuant to chapter 216.

2005 Acts, ch 68, §20

# CHAPTER 680

## RECEIVERS

Referred to in §523I.212, 639.39, 910.15

See also reference in §626.33


680.1 Appointment.
680.2 Permissible proofs.
680.3 Oath and bond.
680.4 Powers.
680.5 Priority of liens.
680.6 Taxes as prior claim — nonnecessity to file.
680.7 Claims entitled to priority.
680.8 Nonapplicability.
680.9 Legislative intent.
680.10 Discovery of assets.
680.11 Contempt.


**680.1 Appointment.**

On the petition of either party to a civil action or proceeding, wherein the party shows that the party has a probable right to, or interest in, any property which is the subject of the controversy, and that such property, or its rents or profits, are in danger of being lost or materially injured or impaired, and on such notice to the adverse party as the court shall prescribe, the court, if satisfied that the interests of one or both parties will be thereby promoted, and the substantial rights of neither unduly infringed, may appoint a receiver to take charge of and control such property under its direction during the pendency of the action, and may order and coerce the delivery of it to the receiver.

[C51, §1656; R60, §3216, 3419; C73, §2903, 2970; C97, §3822; C24, 27, 31, 35, 39, §**12713;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.1]

Orders executed outside district, R.C.P. 1.442, 1.453

**680.2 Permissible proofs.**

Upon the hearing of the application, affidavits, and such other proof as the court or judge permits, may be introduced, and upon the whole case such order made as will be for the best interest of all parties concerned.

[C73, §2903; C97, §3822; C24, 27, 31, 35, 39, §**12714;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.2]

**680.3 Oath and bond.**

Before entering upon the discharge of the receiver's duties, the receiver must be sworn faithfully to discharge the trust to the best of the receiver's ability, and must also file with the clerk a bond with sureties, to be approved by the clerk, in a penalty to be fixed by the court, and conditioned for the faithful discharge of the receiver's duties, and that the receiver will obey the orders of the court in respect thereto.

[C51, §1657; R60, §3420; C73, §2904; C97, §3823; C24, 27, 31, 35, 39, §**12715;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.3]

Referred to in §523I.212, 602.8102(121)

**680.4 Powers.**

Subject to the control of the court, a receiver has power to bring and defend actions, to take and keep possession of property, to collect debts, to receive the rents and profits of real property, and, generally, to do such acts in respect to the property committed to the receiver as may be authorized by law or ordered by the court.

[C51, §1658; R60, §3421; C73, §2905; C97, §3824; C24, 27, 31, 35, 39, §**12716;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.4]

**680.5 Priority of liens.**

Persons having liens upon the property placed in the hands of a receiver shall, if there is a contest as to their priority, submit them to the court for determination.

[C97, §3825; S13, §3825; C24, 27, 31, 35, 39, §**12717;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.5]

**680.6 Taxes as prior claim — nonnecessity to file.**

When the assets of any corporation, partnership, or person shall be placed in the hands of a receiver, all taxes against said corporation, partnership, or person, whether levied under the laws of the state or ordinances of municipal corporations, shall be entitled to priority and be first paid in full by the receiver and claims therefor need not be filed with said receiver.

[S13, §3825; C24, 27, 31, 35, 39, §**12718;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.6]

**680.7 Claims entitled to priority.**

When the property of any person, partnership, company, or corporation has been placed in the hands of a receiver for distribution, after the payment of all costs the following claims shall be entitled to priority of payment in the order named:

1. Taxes or other debts entitled to preference under the laws of the United States.
2. Debts due or taxes assessed and levied for the benefit of the state, county, or other municipal corporation in this state.
3. Debts owing to employees for labor or work performed or services rendered as provided in section 626.69.

[S13, §3825-a; C24, 27, 31, 35, 39, §**12719;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.7]

2006 Acts, ch 1025, §3

Referred to in §680.8, 680.9

Bank receivership, see chapter 524

Labor or wage claims preferred, §626.69, 633.425, 681.13

**680.8 Nonapplicability.**

The provisions of section 680.7 shall not apply to the receivership of state banks, as defined in section 524.105, trust companies, or private banks. In addition, in the receivership of such state banks and trust companies, or private banks, no preference or priority shall be allowed as is provided in section 680.7 except for labor or wage claims as provided by statute.

[C27, 31, 35, §12719-a1; C39, §**12719.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.8]

2006 Acts, ch 1025, §4; 2007 Acts, ch 22, §104

Referred to in §680.9

Labor or wage claims preferred, §626.69, 633.425, 681.13

**680.9 Legislative intent.**

The provisions of section 680.8 are declaratory of the intent of the legislature and of its interpretation of the provisions of section 680.7.

[C27, 31, 35, §12719-a2; C39, §**12719.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.9]

**680.10 Discovery of assets.**

The court having direction or control of a receiver may, on its own motion, or on motion of the receiver, require any person suspected of having taken wrongful possession of any of the effects of any person, corporation, or partnership for which said receiver has been appointed, or of having had such effects under the person's control, or any officer or agent of any such suspected person, to appear and submit to an examination, under oath, touching such matters, and if, on such examination, it appears that the person examined has the wrongful possession of any such property, the court may order the delivery thereof to the receiver.

[C27, 31, 35, §12719-b1; C39, §**12719.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.10]

Analogous provisions, §630.19, 633.112

**680.11 Contempt.**

If, on being served with the order of the court requiring the person to do so, any person fails to appear in accordance therewith, or if, having appeared, the person refuses to answer any questions which the court thinks proper to be put to the person in the course of such examination, or if the person fails to comply with the order of the court requiring the person to deliver any such property or effects to the receiver, the person may be committed to the jail of the county until the person does.

[C27, 31, 35, §12719-b2; C39, §**12719.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §680.11]

# CHAPTER 681

## ASSIGNMENT FOR BENEFIT OF CREDITORS

Referred to in §523H.7, 537A.10, 602.8102(122)


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681.28 Accounting and delivery.
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681.30 Additional security — misconduct.
681.31 Repealed by 67 Acts, ch 400, §216.


**681.1 Must be without preferences.**

No general assignment of property by an insolvent person, firm, or corporation, or in contemplation of insolvency, for the benefit of creditors, shall be valid unless it be made for

the benefit of all the creditors in proportion to the amount of their respective claims; and in every such assignment the assent of the creditors shall be presumed.

[C51, §977, 978; R60, §1826, 1827; C73, §2115, 2116; C97, §3071; C24, 27, 31, 35, 39, §**12720;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 681.1]

**681.2 How made.**

Every such assignment shall be by an instrument in writing, setting forth the name of the assignor, the assignor's residence and business, the name of the assignee and the assignee's residence and business, and, in a general way, the property assigned and its location, and the purpose of the assignment.

[C97, §3072; C24, 27, 31, 35, 39, §**12721;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.2]

**681.3 Execution — record and index.**

It shall be signed and acknowledged in the manner prescribed for the execution and acknowledgment of deeds, and recorded in the office of the recorder of the county where the assignor resides, and in any other county in the state in which the assignor has real property to be assigned thereby, in the records of deeds, and indexed in the proper index books.

[R60, §1828; C73, §2117; C97, §3072; C24, 27, 31, 35, 39, §**12722;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.3]

**681.4 Inventory — list of creditors.**

The assignor shall annex to such instrument an inventory, under oath, of the assignor's estate, real and personal, according to the best of the assignor's knowledge, and a list of the assignor's creditors and the amount of their respective demands, but such inventory shall not be conclusive as to the amount of the debtor's estate.

[R60, §1828; C73, §2117; C97, §3072; C24, 27, 31, 35, 39, §**12723;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.4]

**681.5 Effect of assignment.**

Such assignment shall vest in the assignee the title to any other property belonging to the debtor at the time of making the assignment, not exempt from execution.

[R60, §1828; C73, §2117; C97, §3072; C24, 27, 31, 35, 39, §**12724;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.5]

**681.6 Filing with clerk.**

As soon as such assignment is recorded, it shall be filed, with the inventory and list of creditors, in the office of the clerk of the district court, as shall all subsequent papers connected with such proceedings.

[R60, §1828; C73, §2117; C97, §3072; C24, 27, 31, 35, 39, §**12725;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.6]

**681.7 Inventory and appraisement — bond.**

The assignee shall forthwith file with the clerk of the district court where such assignor resides a true and full inventory and valuation of said estate under oath, so far as the same has come to the assignee's knowledge, and shall then enter into bonds to said clerk, for the use of the creditors, in double the amount of the inventory and valuation, with one or more sureties to be approved by said clerk, for the faithful performance of said trust, and the assignee may thereupon proceed to perform any duty necessary to carry into effect the purpose of said assignment.

[R60, §1830; C73, §2118; C97, §3073; C24, 27, 31, 35, 39, §**12726;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.7]

**681.8 Notice of assignment — notice to creditors.**

The assignee shall forthwith give notice of such assignment by publication in some newspaper in the county, which shall be continued, once each week, at least six weeks, and forthwith send a notice by mail to each creditor of whom the assignee shall be informed,

directed to the creditor's usual place of residence, requiring such creditor to file in the office of the clerk of the district court within three months thereafter the creditor's claims under oath.

[R60, §1829; C73, §2119; C97, §3074; S13, §3074; C24, 27, 31, 35, 39, §**12727;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.8]

Referred to in §681.9

**681.9 Claims filed.**

The claims of all creditors, clearly and distinctly stated and sworn to by the claimant, or by some person acquainted with the facts, shall be filed in the office of the clerk of the district court within three months from the date of the first publication provided for in section 681.8, unless the court extends such time for all or some of such claimants, which it may do in its discretion where peculiar circumstances seem to justify such extension, but in no case shall such time be extended beyond nine months.

[C97, §3075; C24, 27, 31, 35, 39, §**12728;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.9]

**681.10 Report required.**

At the expiration of three months from the time of first publishing notice, the assignee shall report and file with the clerk of the court a true and full list, under oath, of all such creditors of the assignor as shall have claimed to be such, with a statement of their claims, an affidavit of publication of notice, and a list of the creditors, with their places of residence, to whom notice has been sent by mail, and the date of mailing the same.

[R60, §1831; C73, §2120; C97, §3076; C24, 27, 31, 35, 39, §**12729;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.10]

**681.11 Claims contested.**

Any person interested may appear within three months after such report is filed and contest the claim or demand of any creditor by written exceptions thereto filed with the clerk, who shall forthwith cause notice thereof to be given to the creditor, which shall be served as in case of an original notice.

The action shall be accorded reasonable priority for assignment to assure its prompt disposition. The court may order a trial by jury but if it does not, it shall hear the proofs and allegations of the parties in the case and render such judgment thereon as shall be just.

[R60, §1832; C73, §2121; C97, §3077; C24, 27, 31, 35, 39, §**12730;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.11]

**681.12 Priority of taxes — nonnecessity to file claim.**

In all assignments of property for the benefit of creditors, assessments thereof, or taxes levied thereon, whether under the laws of the state or ordinances of municipal corporations, shall be entitled to priority, and paid in full by the assignee, and claims therefor need not be filed with the assignee.

[C97, §3078; C24, 27, 31, 35, 39, §**12731;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.12]

Referred to in §681.14

**681.13 Labor claims preferred.**

If the claim of any creditor is for personal services rendered the assignor within ninety days next preceding the execution of the assignment, it shall be paid in full.

[C97, §3079; C24, 27, 31, 35, 39, §**12732;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.13]

Referred to in §681.14

Labor or wage claims preferred, §626.69, 633.425, 680.7

**681.14 Dividends — compensation.**

Subject to the provisions contained in sections 681.12 and 681.13, if no exception be made to the claim of any creditor, or if the same has been adjudicated, the court shall order the assignee to make, from time to time, fair and equal dividends among the creditors of the

assets in the assignee's hands in proportion to their claims, and as soon as may be to render a final account of said trust to said court, which may allow such compensation to said assignee in the final settlement as may be considered just and right.

[C73, §2122; C97, §3079; C24, 27, 31, 35, 39, §**12733;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.14]

**681.15 Absent creditor.**

If, upon making the final dividend to the creditors, the assignee shall be unable, after reasonable efforts, to ascertain the place of residence of any creditor, or any person who is authorized to receive the dividend due the person, the assignee shall report the same to the court, with evidence showing diligent attempts to find such creditor or person authorized to receive the dividend, whereupon the court may, in its discretion, order the distribution of the unclaimed dividend among the other creditors.

[C97, §3079; C24, 27, 31, 35, 39, §**12734;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.15]

**681.16 Power of court.**

The assignee shall be at all times subject to the order and supervision of the court, and from time to time may be compelled by citation or attachment to file reports of the assignee's proceedings and of the situation and condition of the trust, and to proceed in the execution of the duties required by this chapter.

[R60, §1834, 1842; C73, §2123; C97, §3080; C24, 27, 31, 35, 39, §**12735;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.16]

**681.17 Disposal of property — time limit.**

The assignee shall dispose of all personal property and divide the proceeds of the same among creditors as they may be entitled thereto within six months from the date of the assignment, and shall dispose of real estate within one year from such date, and make full settlement by that time, unless the court, for good reason shown, shall extend the time within which such disposition or settlement shall be made.

[C97, §3080; C24, 27, 31, 35, 39, §**12736;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.17]

**681.18 Neglect to file inventory or list.**

No assignment shall be declared fraudulent or void for want of any list or inventory, as provided in this chapter.

[R60, §1835; C73, §2124; C97, §3081; C24, 27, 31, 35, 39, §**12737;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.18]

**681.19 Examination of debtor.**

The court may, upon application of the assignee or any creditor, compel the appearance in person of the debtor before such court or forthwith to answer under oath such matters as may be inquired of the debtor, and such debtor may be fully examined under oath as to the amount and situation of the debtor's estate, and the names of the creditors and amounts due to each, with their places of residence, and may be compelled to deliver to the assignee any property or estate embraced in the assignment.

[R60, §1835; C73, §2124; C97, §3081; C24, 27, 31, 35, 39, §**12738;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.19]

**681.20 Additional inventory and security.**

The assignee shall, from time to time, file with the clerk of the court an inventory and valuation of any additional property which may come into the assignee's hands under said assignment after the filing of the first inventory, and the clerk may thereupon require the assignee to give additional security.

[R60, §1836; C73, §2125; C97, §3082; C24, 27, 31, 35, 39, §**12739;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.20]

**681.21 Claims not due.**

Any creditor may claim debts to become due, as well as debts due, but on debts not due a reasonable rebate shall be made when the same are not drawing interest.

[R60, §1837; C73, §2126; C97, §3083; C24, 27, 31, 35, 39, §**12740;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.21]

**681.22 Claims filed after three months.**

All creditors who shall not file their claims within three months from the publication of notice, as aforesaid, shall not participate in the dividends until after the payment in full of all claims presented within said term, and allowed by the court, unless the court has extended the time for filing such claims, except as provided by this chapter.

[R60, §1837; C73, §2126; C97, §3083; C24, 27, 31, 35, 39, §**12741;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.22]

**681.23 Sale of property generally.**

The assignee may dispose of and sell all the estate assigned, real and personal, which the debtor had at the time of the assignment, may sue for and recover in the assignee's name everything belonging or appertaining to said estate, and generally do whatever the debtor might have done in the premises.

[R60, §1838; C73, §2127; C97, §3084; C24, 27, 31, 35, 39, §**12742;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.23]

**681.24 Sale of real estate.**

No sale of real estate belonging to said trust shall be made without notice, published as in case of sales of real estate on execution, unless the court shall otherwise order.

[R60, §1838; C73, §2127; C97, §3084; C24, 27, 31, 35, 39, §**12743;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.24]

Sale of real estate, §626.74 et seq.

**681.25 Approval of sales.**

No such sales shall be valid until approved by such court.

[C97, §3084; C24, 27, 31, 35, 39, §**12744;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.25]

**681.26 Mandatory removal of assignee.**

Upon a written application of two-thirds of the creditors in number, and two-thirds in amount, the court shall remove the assignee and appoint in the assignee's stead a person approved by the creditors in the same number and amount.

[C97, §3085; C24, 27, 31, 35, 39, §**12745;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.26]

**681.27 Permissive removal of assignee.**

If an assignee shall reside out of the state, or become mentally ill or otherwise incapable of discharging the trust, the court may, upon ten days' notice to the assignee or the assignee's attorney remove the assignee and appoint another in the assignee's stead.

[C97, §3085; C24, 27, 31, 35, 39, §**12746;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.27]

96 Acts, ch 1129, §113

**681.28 Accounting and delivery.**

The person so removed shall immediately turn over to the clerk of the district court, or any person appointed by the court, all moneys and property of the estate in the person's hands.

[C97, §3085; C24, 27, 31, 35, 39, §**12747;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.28]

**681.29 Death of assignee — failure to act.**

If an assignee dies before the closing of the assignee's trust, or in case any assignee shall fail or neglect for the period of twenty days after the making of any assignment to file an inventory and valuation, and give bond as required by this chapter, the district court of the county where such assignment may be recorded, on the application of any person interested, shall appoint some person to execute the trust, who shall, on giving bond with sureties as required of an assignee, have all of the powers of the assignee first appointed, and be subject to all the duties hereby imposed.

[R60, §1839; C73, §2128; C97, §3086; C24, 27, 31, 35, 39, §**12748;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.29]

**681.30 Additional security — misconduct.**

In case any bond or surety is found to be insufficient, or, on complaint before the court, it shall be made to appear that any assignee is guilty of wasting or misapplying the trust estate, such court may require additional security, may remove the assignee and appoint another in the assignee's place, and such person so appointed, on giving bond, shall execute such duties, and may demand and sue for all estate in the hands of the person removed, and recover the amount and value of all moneys and property or estate wasted and misapplied, from such person and the person's sureties.

[R60, §1839; C73, §2128; C97, §3086; C24, 27, 31, 35, 39, §**12749;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §681.30]

**681.31** Repealed by 67 Acts, ch 400, § 216.

# CHAPTER 682

## STRUCTURED SETTLEMENT PROTECTION

682.1 Short title.
682.2 Definitions.
682.3 Required disclosures to payee.
682.4 Approval of transfers of structured settlement payment rights.
682.5 Effects of transfer of structured settlement payment rights.
682.6 Procedure for approval of transfers.
682.7 General provisions — construction — penalties.

**682.1 Short title.**

This chapter shall be known and may be cited as the *"Structured Settlement Protection Act"*.

2001 Acts, ch 85, §1, 8

**682.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Annuity issuer"* means an issuer that has issued an insurance contract used to fund periodic payments under a structured settlement.

2. *"Dependents"* means a payee's spouse and minor children and all other family members and other persons for whom the payee is legally obligated to provide support, including alimony.

3. *"Discounted present value"* means the fair present value of future payments, as determined by discounting such payments to the present using the most recently published applicable federal rate for determining the present value of an annuity, as issued by the United States internal revenue service.

4. *"Gross advance amount"* means the sum payable to the payee or for the payee's account as consideration for a transfer of structured settlement payment rights before any reductions for transfer expenses or other deductions to be made from such consideration.

5. *"Independent professional advice"* means advice of an attorney, certified public accountant, actuary, or other licensed professional advisor.

6. *"Interested parties"* means, with respect to a structured settlement, the payee, a beneficiary irrevocably designated under the annuity contract to receive payments following the payee's death, the annuity issuer, the structured settlement obligor, and any other party that has continuing rights or obligations under the structured settlement.

7. *"Net advance amount"* means the gross advance amount less the aggregate amount of the actual and estimated transfer expenses required to be disclosed under section 682.3, subsection 5.

8. *"Payee"* means an individual who is receiving tax-free payments under a structured settlement and proposes to make a transfer of payment rights.

9. *"Periodic payments"* means both recurring payments and scheduled future lump sum payments.

10. *"Qualified assignment agreement"* means an agreement providing for a qualified assignment within the meaning of section 130 of the Internal Revenue Code.

11. *"Responsible administrative authority"* means, with respect to a structured settlement, any government authority vested by law with exclusive jurisdiction over the settled claim resolved by the structured settlement.

12. *"Settled claim"* means the original tort claim or workers' compensation claim resolved by a structured settlement.

13. *"Structured settlement"* means an arrangement for periodic payment of damages for personal injuries established by settlement or judgment in resolution of a tort claim or for periodic payments in settlement of a workers' compensation claim.

14. *"Structured settlement agreement"* means the agreement, judgment, stipulation, or release embodying the terms of a structured settlement.

15. *"Structured settlement obligor"* means, with respect to a structured settlement, the party that has the continuing periodic payment obligation to the payee under a structured settlement agreement or a qualified assignment agreement.

16. *"Structured settlement payment rights"* means rights to receive periodic payments under a structured settlement, whether from the structured settlement obligor or the annuity issuer, if any of the following exists:

*a.* One of the following is true:

(1) The payee is domiciled in this state.

(2) The domicile or principal place of business of a structured settlement obligor or the annuity issuer is located in this state.

*b.* The structured settlement agreement was approved by a court or responsible administrative authority in this state.

*c.* The structured settlement agreement is expressly governed by the laws of this state.

17. *"Terms of the structured settlement"* means, with respect to a structured settlement, the terms of the structured settlement agreement, the annuity contract, any qualified assignment agreement, and any order or approval of any court or responsible administrative authority or other government authority authorizing or approving the structured settlement.

18. *"Transfer"* means any sale, assignment, pledge, hypothecation, or other alienation or encumbrance of structured settlement payment rights made by a payee for consideration. *"Transfer"* does not include the creation or perfection of a security interest in structured settlement payment rights under a blanket security agreement entered into with an insured depository institution, in the absence of any action to redirect the structured settlement payments to such insured depository institution, or an agent or successor in interest thereof, or otherwise to enforce such blanket security interest against the structured settlement payment rights.

19. *"Transfer agreement"* means the agreement providing for transfer of structured settlement payment rights.

20. *"Transferee"* means a party acquiring or proposing to acquire structured settlement payment rights through a transfer.

21. *"Transfer expenses"* means all expenses of a transfer that are required under the transfer agreement to be paid by the payee or deducted from the gross advance amount,

including, without limitation, court filing fees, attorney fees, escrow fees, lien recordation fees, judgment and lien search fees, finders' fees, commissions, and other payments to a broker or other intermediary. *"Transfer expenses"* does not include preexisting obligations of the payee payable for the payee's account from the proceeds of a transfer.

2001 Acts, ch 85, §2, 8

**682.3 Required disclosures to payee.**

Not less than three days prior to the date on which a payee signs a transfer agreement, the transferee shall provide to the payee a separate disclosure statement, in bold type no smaller than fourteen points, setting forth all of the following:

1. The amounts and due dates of the structured settlement payments to be transferred.
2. The aggregate amount of the structured settlement payments.
3. The discounted present value of the payments to be transferred which shall be identified as the *"calculation of current value of the transferred structured settlement payments under federal standards for valuing annuities"*, and the amount of the applicable federal rate used in calculating the discounted present value.
4. The gross advance amount.
5. An itemized listing of all applicable transfer expenses, other than attorney fees and related disbursements payable in connection with the transferee's application for approval of the transfer, and the transferee's best estimate of the amount of any such fees and disbursements.
6. The net advance amount.
7. The amount of any penalties or liquidated damages payable by the payee in the event of any breach of the transfer agreement by the payee.
8. A statement that the payee has the right to cancel the transfer agreement, without penalty or further obligation, not later than the third business day after the agreement is signed by the payee.

2001 Acts, ch 85, §3, 8

Referred to in §682.2, 682.6, 682.7

**682.4 Approval of transfers of structured settlement payment rights.**

1. A transfer of structured settlement payment rights shall not be effective and a structured settlement obligor or annuity issuer shall not be required to make any payment directly or indirectly to a transferee of structured settlement payment rights unless the transfer has been approved in advance in a final court order or order of a responsible administrative authority based on express findings by such court or responsible administrative authority regarding all of the following:

*a.* The transfer is in the best interest of the payee, taking into account the welfare and support of the payee's dependents.

*b.* The payee has been advised in writing by the transferee to seek independent professional advice regarding the transfer and has either received such advice or knowingly waived such advice in writing.

*c.* The transfer does not contravene any applicable statute or the order of any court or other government authority.

2. If the structured settlement agreement or transfer agreement includes a provision requiring the terms of the structured settlement agreement or transfer agreement to remain confidential, the court or responsible administrative authority shall conduct in camera proceedings relating to the approval of the transfer agreement and shall not include any financial terms from the structured settlement agreement or the transfer agreement in the order required under subsection 1.

2001 Acts, ch 85, §4, 8

Referred to in §682.6, 682.7

**682.5 Effects of transfer of structured settlement payment rights.**

1. The structured settlement obligor and the annuity issuer shall, as to all parties except the transferee, be discharged and released from any and all liability for the transferred payments.

2. The transferee shall be liable to the structured settlement obligor and the annuity issuer for all of the following:

*a.* If the transfer contravenes the terms of the structured settlement, any taxes incurred by the structured settlement obligor and the annuity issuer as a consequence of the transfer.

*b.* Any other liabilities or costs, including reasonable costs and attorney fees, arising from compliance by such parties with the order of the court or responsible administrative authority or arising as a consequence of the transferee's failure to comply with this chapter.

3. An annuity issuer and the structured settlement obligor shall not be required to divide any periodic payment between the payee and any transferee or assignee or between two or more transferees or assignees.

4. Any further transfer of structured settlement payment rights by the payee may be made only after compliance with all of the requirements of this chapter.

2001 Acts, ch 85, §5, 8

**682.6 Procedure for approval of transfers.**

1. An application under this chapter for approval of a transfer of structured settlement payment rights shall be made by the transferee and may be brought in the county in which the payee resides, in the county in which the structured settlement obligor or the annuity issuer maintains its principal place of business, or in any court or before any responsible administrative authority which approved the structured settlement agreement.

2. Not less than twenty days prior to the scheduled hearing on any application for approval of a transfer of structured settlement payment rights under section 682.4, the transferee shall file with the court or responsible administrative authority and serve on all interested parties a notice of the proposed transfer and the application for its authorization. All of the following shall be included with the notice:

*a.* A copy of the transferee's application.

*b.* A copy of the transfer agreement.

*c.* A copy of the disclosure statement required under section 682.3.

*d.* A listing of each of the payee's dependents, together with each dependent's age.

*e.* Notification that any interested party is entitled to support, oppose, or otherwise respond to the transferee's application, either in person or by counsel, by submitting written comments to the court or responsible administrative authority, or by participating in the hearing.

*f.* Notification of the time and place of the hearing and notification of the manner in which and the time by which written responses to the application must be filed, which shall not be less than fifteen days after service of the transferee's notice, in order to be considered by the court or responsible administrative authority.

3. If a structured settlement agreement or transfer agreement includes a provision requiring the terms of the structured settlement agreement or transfer agreement to remain confidential, the financial terms of the structured settlement agreement and the transfer agreement shall be made available to the court or responsible administrative authority for purposes of any in camera proceedings, but shall not be disclosed in the copies of the transfer agreement and disclosure statement filed as a part of the public record.

2001 Acts, ch 85, §6, 8

**682.7 General provisions — construction — penalties.**

1. The provisions of this chapter shall not be waived by a payee.

2. A transfer agreement entered into on or after the thirtieth day after July 1, 2001, by a payee who resides in this state shall provide that disputes under the transfer agreement, including any claim that the payee has breached the agreement, shall be determined under the laws of this state. A transfer agreement shall not authorize the transferee or any other party to confess judgment or consent to entry of judgment against the payee.

3. A transfer of structured settlement payment rights shall not extend to any payments that are life-contingent unless, prior to the date on which the payee signs the transfer agreement, the transferee has established and has agreed to maintain procedures reasonably satisfactory to the annuity issuer and the structured settlement obligor for both of the following:

*a.* Periodically confirming the payee's survival.

*b.* Giving the annuity issuer and the structured settlement obligor prompt written notice in the event of the payee's death.

4. A payee who proposes to make a transfer of structured settlement payment rights shall not incur any penalty, forfeit any application fee or other payment, or otherwise incur any liability to the proposed transferee or any assignee based on any failure of the transfer to satisfy the conditions of this chapter.

5. This chapter shall not be construed to authorize any transfer of structured settlement payment rights in contravention of any law or to imply that any transfer under a transfer agreement entered into prior to July 1, 2001, is valid or invalid.

6. Compliance with the requirements set forth in section 682.3 and fulfillment of the conditions set forth in section 682.4 shall be solely the responsibility of the transferee in any transfer of structured settlement payment rights, and neither the structured settlement obligor nor the annuity issuer shall bear any responsibility for, or any liability arising from, noncompliance with the requirements or failure to fulfill the conditions.

2001 Acts, ch 85, §7

# CHAPTER 683

RESERVED

# CHAPTER 684

## FRAUDULENT TRANSFERS

Referred to in §252B.6A


684.1 Definitions.
684.2 Insolvency.
684.3 Value.
684.4 Transfers fraudulent as to present and future creditors.
684.5 Transfers fraudulent as to present creditors.
684.6 When transfer is made or obligation is incurred.
684.7 Remedies of creditors.
684.8 Defenses, liability, and protection of transferee.
684.9 Extinguishment of cause of action.
684.10 Supplementary provisions.
684.11 Uniformity of application and construction.
684.12 Short title.


**684.1 Definitions.**

As used in this chapter:

1. *"Affiliate"* means any of the following:

*a.* A person who directly or indirectly owns, controls, or holds with power to vote, twenty percent or more of the outstanding voting securities of the debtor, other than a person who holds the securities as either of the following:

(1) As a fiduciary or agent without sole discretionary power to vote the securities.

(2) Solely to secure a debt, if the person has not exercised the power to vote.

*b.* A corporation twenty percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor or a person who directly or indirectly owns, controls, or holds with power to vote, twenty percent or more of the outstanding voting securities of the debtor, other than a person who holds the securities as either of the following:

(1) As a fiduciary or agent without sole power to vote the securities.

(2) Solely to secure a debt, if the person has not in fact exercised the power to vote.

*c.* A person whose business is operated by the debtor under a lease or other agreement, or a person substantially all of whose assets are controlled by the debtor.

*d.* A person who operates the debtor's business under a lease or other agreement or controls substantially all of the debtor's assets.

2. *"Asset"* means property of a debtor, but does not include any of the following:

*a.* Property to the extent it is encumbered by a valid lien.

*b.* Property to the extent it is generally exempt under nonbankruptcy law.

*c.* An interest in property held in tenancy by the entireties to the extent it is not subject to process by a creditor holding a claim against only one tenant.

3. *"Claim"* means a right to payment, whether or not the right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.

4. *"Creditor"* means a person who has a claim.

5. *"Debt"* means liability on a claim.

6. *"Debtor"* means a person who is liable on a claim.

7. *"Insider"* includes all of the following:

*a.* If the debtor is an individual, all of the following:

(1) A relative of the debtor or of a general partner of the debtor.

(2) A partnership in which the debtor is a general partner.

(3) A general partner in a partnership described in subparagraph (2).

(4) A corporation of which the debtor is a director, officer, or person in control.

*b.* If the debtor is a corporation, all of the following:

(1) A director of the debtor.

(2) An officer of the debtor.

(3) A person in control of the debtor.

(4) A partnership in which the debtor is a general partner.

(5) A general partner in a partnership described in subparagraph (4).

(6) A relative of a general partner, director, officer, or person in control of the debtor.

*c.* If the debtor is a partnership, all of the following:

(1) A general partner in the debtor.

(2) A relative of a general partner in, or a general partner of, or a person in control of the debtor.

(3) Another partnership in which the debtor is a general partner.

(4) A general partner in a partnership described in subparagraph (3).

(5) A person in control of the debtor.

*d.* An affiliate, or an insider of an affiliate as if the affiliate were the debtor.

*e.* A managing agent of the debtor.

8. *"Lien"* means a charge against or an interest in property to secure payment of a debt or performance of an obligation, and includes a security interest created by agreement, a judicial lien obtained by legal or equitable process or proceedings, a common-law lien, or a statutory lien.

9. *"Property"* means anything that may be the subject of ownership.

10. *"Relative"* means an individual related by consanguinity within the third degree as determined by the common law, a spouse, or an individual related to a spouse within the third degree as so determined, and includes an individual in an adoptive relationship within the third degree.

11. *"Transfer"* means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with an asset or an interest in an asset, and includes payment of money, release, lease, and creation of a lien or other encumbrance.

12. *"Valid lien"* means a lien that is effective against the holder of a judicial lien subsequently obtained by legal or equitable process or proceedings.

94 Acts, ch 1121, §5

**684.2 Insolvency.**

1. A debtor is insolvent if the sum of the debtor's debts is greater than all of the debtor's assets, at a fair valuation.

2. A debtor who is generally not paying the debtor's debts as they become due is presumed to be insolvent.

3. A partnership is insolvent under subsection 1 if the sum of the partnership's debts is greater than the aggregate, at a fair valuation, of all of the partnership's assets, and the sum of the excess of the value of each general partner's nonpartnership assets over the partner's nonpartnership debts.

4. Assets under this section do not include property that has been transferred, concealed, or removed with intent to hinder, delay, or defraud creditors or that has been transferred in a manner making the transfer voidable under this chapter.

5. Debts under this section do not include an obligation to the extent it is secured by a valid lien on property of the debtor not included as an asset.

94 Acts, ch 1121, §6

**684.3 Value.**

1. Value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied, but value does not include an unperformed promise made otherwise than in the ordinary course of the promisor's business to furnish support to the debtor or another person.

2. For the purposes of section 684.4, subsection 1, paragraph *"b"*, and section 684.5, a person gives a reasonably equivalent value if the person acquires an interest of the debtor in an asset pursuant to a regularly conducted, noncollusive foreclosure sale or execution of a power of sale for the acquisition or disposition of the interest of the debtor upon default under a mortgage, deed of trust, or security agreement.

3. A transfer is made for present value if the exchange between the debtor and the transferee is intended by them to be contemporaneous and is in fact substantially contemporaneous.

94 Acts, ch 1121, §7

**684.4 Transfers fraudulent as to present and future creditors.**

1. A transfer made or obligation incurred by a debtor is fraudulent as to a creditor, whether the creditor's claim arose before or after the transfer was made or the obligation was incurred, if the debtor made the transfer or incurred the obligation under any of the following circumstances:

*a.* With actual intent to hinder, delay, or defraud any creditor of the debtor.

*b.* Without receiving a reasonably equivalent value in exchange for the transfer or obligation, if either of the following applies:

(1) The debtor was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction.

(2) The debtor intended to incur, or believed or reasonably should have believed that the debtor would incur, debts beyond the debtor's ability to pay as they became due.

2. In determining actual intent under subsection 1, paragraph *"a"*, consideration may be given, among other factors, to any or all of the following:

*a.* Whether the transfer or obligation was to an insider.

*b.* Whether the debtor retained possession or control of the property transferred after the transfer.

*c.* Whether the transfer or obligation was disclosed or concealed.

*d.* Whether, before the transfer was made or obligation was incurred, the debtor had been sued or threatened with suit.

*e.* Whether the transfer was of substantially all the debtor's assets.

*f.* Whether the debtor absconded.

*g.* Whether the debtor removed or concealed assets.

*h.* Whether the value of the consideration received by the debtor was reasonably equivalent to the value of the asset transferred or the amount of the obligation incurred.

*i.* Whether the debtor was insolvent or became insolvent shortly after the transfer was made or the obligation was incurred.

*j.* Whether the transfer occurred shortly before or shortly after a substantial debt was incurred.

*k.* Whether the debtor transferred the essential assets of the business to a lienor who transferred the assets to an insider of the debtor.

94 Acts, ch 1121, §8
Referred to in §684.3, 684.8, 684.9

**684.5 Transfers fraudulent as to present creditors.**

1. A transfer made or obligation incurred by a debtor is fraudulent as to a creditor whose claim arose before the transfer was made or the obligation was incurred if the debtor made the transfer or incurred the obligation without receiving a reasonably equivalent value in exchange for the transfer or obligation and the debtor was insolvent at that time or the debtor became insolvent as a result of the transfer or obligation.

2. A transfer made by a debtor is fraudulent as to a creditor whose claim arose before the transfer was made if the transfer was made to an insider for an antecedent debt, the debtor was insolvent at that time, and the insider had reasonable cause to believe that the debtor was insolvent.

94 Acts, ch 1121, §9
Referred to in §684.3, 684.8, 684.9

**684.6 When transfer is made or obligation is incurred.**

For the purposes of this chapter:

1. A transfer is made under either of the following circumstances:

*a.* With respect to an asset that is real property other than a fixture, but including the interest of a seller or purchaser under a contract for the sale of the asset, when the transfer is so far perfected that a good-faith purchaser of the asset from the debtor against whom applicable law permits the transfer to be perfected cannot acquire an interest in the asset that is superior to the interest of the transferee.

*b.* With respect to an asset that is not real property or that is a fixture, when the transfer is so far perfected that a creditor on a simple contract cannot acquire a judicial lien otherwise than under this chapter that is superior to the interest of the transferee.

2. If applicable law permits the transfer to be perfected as provided in subsection 1 and the transfer is not so perfected before the commencement of an action for relief under this chapter, the transfer is deemed made immediately before the commencement of the action.

3. If applicable law does not permit the transfer to be perfected as provided in subsection 1, the transfer is made when it becomes effective between the debtor and the transferee.

4. A transfer is not made until the debtor has acquired rights in the asset transferred.

5. An obligation is incurred under either of the following circumstances:

*a.* If oral, when it becomes effective between the parties.

*b.* If evidenced by a writing, when the writing executed by the obligor is delivered to or for the benefit of the obligee.

94 Acts, ch 1121, §10

**684.7 Remedies of creditors.**

1. In an action for relief against a transfer or obligation under this chapter, a creditor, subject to the limitations in section 684.8, may obtain any of the following:

*a.* Avoidance of the transfer or obligation to the extent necessary to satisfy the creditor's claim.

*b.* A remedy by any special action available under this subtitle, including attachment or other provisional remedy, against the asset transferred or other property of the transferee.

*c.* Subject to applicable principles of equity and in accordance with applicable rules of civil procedure, any of the following:

(1) An injunction against further disposition by the debtor or a transferee, or both, of the asset transferred or of other property.

(2) Appointment of a receiver to take charge of the asset transferred or of other property of the transferee.

(3) Any other relief the circumstances may require.

2. If a creditor has obtained a judgment on a claim against the debtor, the creditor, if the court so orders, may levy execution on the asset transferred or its proceeds.

94 Acts, ch 1121, §11
Referred to in §684.8

**684.8 Defenses, liability, and protection of transferee.**

1. A transfer or obligation is not voidable under section 684.7, subsection 1, paragraph *"a"*, against a person who took in good faith and for a reasonably equivalent value or against any subsequent transferee or obligee.

2. Except as otherwise provided in this section, to the extent a transfer is voidable in an action by a creditor under section 684.7, subsection 1, paragraph *"a"*, the creditor may recover judgment for the value of the asset transferred, as adjusted under subsection 3, or the amount necessary to satisfy the creditor's claim, whichever is less. The judgment may be entered against either of the following:

*a.* The first transferee of the asset or the person for whose benefit the transfer was made.

*b.* Any subsequent transferee other than a good-faith transferee or obligee who took for value or from any subsequent transferee or obligee.

3. If the judgment under subsection 2 is based upon the value of the asset transferred, the judgment must be for an amount equal to the value of the asset at the time of the transfer, subject to adjustment as the equities may require.

4. Notwithstanding voidability of a transfer or an obligation under this chapter, a good-faith transferee or obligee is entitled, to the extent of the value given the debtor for the transfer or obligation, to any of the following:

*a.* A lien on or a right to retain any interest in the asset transferred.

*b.* Enforcement of any obligation incurred.

*c.* A reduction in the amount of the liability on the judgment.

5. A transfer is not voidable under section 684.4, subsection 1, paragraph *"b"*, or section 684.5 if the transfer results from either of the following:

*a.* Termination of a lease upon default by the debtor when the termination is pursuant to the lease and applicable law.

*b.* Enforcement of a security interest in compliance with chapter 554, article 9.

6. A transfer is not voidable under section 684.5, subsection 2, in any of the following circumstances:

*a.* To the extent the insider gave new value to or for the benefit of the debtor after the transfer was made unless the new value was secured by a valid lien.

*b.* If made in the ordinary course of business or financial affairs of the debtor and the insider.

*c.* If made pursuant to a good-faith effort to rehabilitate the debtor and the transfer secured present value given for that purpose as well as an antecedent debt of the debtor.

94 Acts, ch 1121, §12
Referred to in §684.7

**684.9 Extinguishment of cause of action.**

A cause of action with respect to a fraudulent transfer or obligation under this chapter is extinguished unless action is brought as follows:

1. Under section 684.4, subsection 1, paragraph *"a"*, within five years after the transfer was made or the obligation was incurred or, if later, within one year after the transfer or obligation was or could reasonably have been discovered by the claimant.

2. Under section 684.4, subsection 1, paragraph *"b"*, or section 684.5, subsection 1, within five years after the transfer was made or the obligation was incurred.

3. Under section 684.5, subsection 2, within one year after the transfer was made or the obligation was incurred.

94 Acts, ch 1121, §13

**684.10 Supplementary provisions.**

Unless displaced by the provisions of this chapter, the principles of law and equity, including the law merchant and the law relating to principal and agent, estoppel, laches,

fraud, misrepresentation, duress, coercion, mistake, insolvency, or other validating or invalidating cause, supplement its provisions.
94 Acts, ch 1121, §14

**684.11 Uniformity of application and construction.**
This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it.
94 Acts, ch 1121, §15

**684.12 Short title.**
This chapter may be cited as the *"Uniform Fraudulent Transfer Act."*
94 Acts, ch 1121, §16

# CHAPTER 684A

## QUESTIONS OF LAW IN SUPREME COURT CERTIFIED


| | |
|---|---|
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**684A.1 Power to answer.**
The supreme court may answer questions of law certified to it by the supreme court of the United States, a court of appeals of the United States, a United States district court or the highest appellate court or the intermediate appellate court of another state, when requested by the certifying court, if there are involved in a proceeding before it questions of law of this state which may be determinative of the cause then pending in the certifying court and as to which it appears to the certifying court there is no controlling precedent in the decisions of the appellate courts of this state.
[C81, §684A.1]
Referred to in §684A.2

**684A.2 Method of invoking.**
This chapter may be invoked by an order of a court referred to in section 684A.1 upon the court's own motion or upon the motion of a party to the cause.
[C81, §684A.2]

**684A.3 Contents of certification order.**
A certification order shall set forth the questions of law to be answered and a statement of facts relevant to the questions certified, showing fully the nature of the controversy in which the questions arose.
[C81, §684A.3]

**684A.4 Preparation of certification order.**
The certification order shall be prepared by the certifying court, signed by the judge presiding at the hearing, and forwarded to the supreme court by the clerk of the certifying court under its official seal. The supreme court may require the original or copies of all or of a portion of the record before the certifying court to be filed with the certification order, if, in the opinion of the supreme court, the record or portion of it is necessary in answering the questions.
[C81, §684A.4]

**684A.5 Costs of certification.**

Fees and costs shall be the same as in civil appeals docketed before the supreme court and shall be equally divided between the parties unless otherwise ordered by the certifying court in its order of certification.

[C81, §684A.5]

**684A.6 Procedure.**

The supreme court may prescribe rules of procedure concerning the answering and certification of questions of law under this chapter.

[C81, §684A.6]

83 Acts, ch 186, §10128, 10201; 98 Acts, ch 1115, §17, 21

Rules adopted by the supreme court are published in the compilation "Iowa Court Rules"

**684A.7 Opinion.**

The written opinion of the supreme court stating the law governing the questions certified shall be sent by the clerk under the seal of the supreme court to the certifying court and to the parties.

[C81, §684A.7]

**684A.8 Power to certify.**

The supreme court or the court of appeals, on its own motion or the motion of a party, may order certification of questions of law to the highest court of another state when it appears to the certifying court that there are involved in a proceeding before the court questions of law of the receiving state which may be determinative of the cause then pending in the certifying court and it appears to the certifying court that there are no controlling precedents in the decisions of the highest court or intermediate appellate courts of the receiving state.

[C81, §684A.8]

**684A.9 Procedure on certifying.**

The procedures for certification from this state to the receiving state are those provided in the laws of the receiving state.

[C81, §684A.9]

**684A.10 Construction.**

This chapter shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

[C81, §684A.10]

**684A.11 Title.**

This chapter may be cited as the "*Uniform Certification of Questions of Law Act*".

[C81, §684A.11]

# CHAPTER 685

## FALSE CLAIMS

Referred to in §249A.45, 249A.47, 249A.49

Annual report by attorney general to chairperson and ranking members of committees on judiciary, legislative caucus staffs, and legislative services agency providing statistics on cases filed, courts in which cases were filed, qui tam plaintiffs, recovery amounts, and apportionment of recovery amounts; 2010 Acts, ch 1031, §345


685.1 Definitions.
685.2 Acts subjecting person to treble damages, costs, and civil penalties — exceptions.
685.3 Investigations and prosecutions — powers of prosecuting authority — civil actions by individuals as qui tam plaintiffs and as private citizens — jurisdiction of courts.
685.4 Procedure — statute of limitations.
685.5 Jurisdiction.
685.6 Civil investigative demands.
685.7 Rulemaking authority.


**685.1 Definitions.**

1. *"Claim"* means any request or demand, whether pursuant to a contract or otherwise, for money or property and whether the state has title to the money or property, which is presented to an officer, employee, agent, or other representative of the state or to a contractor, grantee, or other person if the money or property is to be spent or used on the state's behalf or to advance a state program or interest, and if the state provides any portion of the money or property which is requested or demanded, or if the state will reimburse directly or indirectly such contractor, grantee, or other person for any portion of the money or property which is requested or demanded. *"Claim"* does not include any requests or demands for money or property that the state has paid to an individual as compensation for state employment or as an income subsidy with no restrictions on that individual's use of the money or property.

2. *"Custodian"* means the custodian, or any deputy custodian, designated by the attorney general under section 685.6.

3. *"Documentary material"* includes the original or any copy of any book, record, report, memorandum, paper, communication, tabulation, chart, or other document, or data compilations stored in or accessible through computer or other information retrieval systems, together with instructions and all other materials necessary to use or interpret such data compilations, and any product of discovery.

4. *"False claims law"* means this chapter.

5. *"False claims law investigation"* means any inquiry conducted by a false claims law investigator for the purpose of ascertaining whether any person is or has been engaged in any violation of a false claims law.

6. *"False claims law investigator"* means any attorney or investigator employed by the department of justice who is charged with the duty of enforcing or carrying into effect any false claims law, or any officer or employee of the state acting under the direction and supervision of such attorney or investigator in connection with a false claims law investigation.

7. *a.* *"Knowing"* or *"knowingly"* means that a person with respect to information, does any of the following:

(1) Has actual knowledge of the information.

(2) Acts in deliberate ignorance of the truth or falsity of the information.

(3) Acts in reckless disregard of the truth or falsity of the information.

*b.* *"Knowing"* or *"knowingly"* does not require proof of specific intent to defraud.

8. *"Material"* means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

9. *"Obligation"* means an established duty, whether or not fixed, arising from an express

or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.

10. *"Official use"* means any use that is consistent with the law, and the regulations and policies of the department of justice, including use, in connection with internal department of justice memoranda and reports; communications between the department of justice and a federal, state, or local government agency or a contractor of a federal, state, or local government agency, undertaken in furtherance of a department of justice investigation or prosecution of a case; interviews of any qui tam plaintiff or other witness; oral examinations; depositions; preparation for and response to civil discovery requests; introduction into the record of a case or proceeding; applications, motions, memoranda and briefs submitted to a court or other tribunal; and communications with government investigators, auditors, consultants and experts, the counsel of other parties, and arbitrators and mediators, concerning an investigation, case, or proceeding.

11. *"Original source"* means an individual who prior to a public disclosure under section 685.3, subsection 5, paragraph *"c"*, has voluntarily disclosed to the state the information on which the allegations or transactions in a claim are based; or who has knowledge that is independent of and materially adds to the publicly disclosed allegations or transactions, and has voluntarily provided the information to the state before filing an action under this chapter.

12. *"Person"* means any natural person, partnership, corporation, association, or other legal entity, including any state or political subdivision of the state.

13. *"Product of discovery"* includes all of the following:

*a.* The original or duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission, which is obtained by any method of discovery in any judicial or administrative proceeding of an adversarial nature.

*b.* Any digest, analysis, selection, compilation, or derivation of any item listed in paragraph *"a"*.

*c.* Any index or other manner of access to any item listed in paragraph *"a"*.

14. *"Qui tam plaintiff"* means a private plaintiff who brings an action under this chapter on behalf of the state.

15. *"State"* means the state of Iowa.

2010 Acts, ch 1031, §338; 2011 Acts, ch 129, §100, 101, 156

**685.2 Acts subjecting person to treble damages, costs, and civil penalties — exceptions.**

1. A person who commits any of the following acts is liable to the state for a civil penalty of not less than and not more than the civil penalty allowed under the federal False Claims Act, as codified in 31 U.S.C. § 3729 et seq., as may be adjusted in accordance with the inflation adjustment procedures prescribed in the federal Civil Penalties Inflation Adjustment Act of 1990, Pub. L. No. 101-410, for each false or fraudulent claim, plus three times the amount of damages which the state sustains:

*a.* Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval.

*b.* Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim.

*c.* Conspires to commit a violation of paragraph *"a"*, *"b"*, *"d"*, *"e"*, *"f"*, or *"g"*.

*d.* Has possession, custody, or control of property or money used, or to be used, by the state and knowingly delivers, or causes to be delivered, less than all of that money or property.

*e.* Is authorized to make or deliver a document certifying receipt of property used, or to be used, by the state and, intending to defraud the state, makes or delivers the receipt without completely knowing that the information on the receipt is true.

*f.* Knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the state, or a member of the Iowa national guard, who lawfully may not sell or pledge property.

*g.* Knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the state, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the state.

2. Notwithstanding subsection 1, the court may assess not less than two times the amount of damages which the state sustains because of the act of the person described in subsection 1, if the court finds all of the following:

*a.* The person committing the violation furnished officials of the state responsible for investigating false claims violations with all information known to such person about the violation within thirty days after the date on which the person first obtained the information.

*b.* The person fully cooperated with the state investigation of such violation.

*c.* At the time the person furnished the state with the information about the violation, a criminal prosecution, civil action, or administrative action had not commenced under this chapter with respect to such violation, and the person did not have actual knowledge of the existence of an investigation into such violation.

3. A person violating this section shall also be liable to the state for the costs of a civil action brought to recover any such penalty or damages.

4. Any information furnished pursuant to subsection 2 is deemed confidential information exempt from disclosure pursuant to chapter 22.

5. This section shall not apply to claims, records, or statements made under Title X relating to state revenue and taxation.

2010 Acts, ch 1031, §339; 2011 Acts, ch 129, §102, 156
Referred to in §685.3, 685.4, 685.5

**685.3 Investigations and prosecutions — powers of prosecuting authority — civil actions by individuals as qui tam plaintiffs and as private citizens — jurisdiction of courts.**

1. The attorney general shall diligently investigate a violation under section 685.2. If the attorney general finds that a person has violated or is violating section 685.2, the attorney general may bring a civil action under this section against that person.

2. *a.* A person may bring a civil action for a violation of this chapter for the person and for the state, in the name of the state. The person bringing the action shall be referred to as the qui tam plaintiff. Once filed, the action may be dismissed only if the court and the attorney general provide written consent to the dismissal and the reasons for such consent.

*b.* A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses shall be served on the attorney general pursuant to the Iowa rules of civil procedure. The complaint shall also be filed in camera, shall remain under seal for at least sixty days, and shall not be served on the defendant until the court so orders. The state may elect to intervene and proceed with the action within sixty days after the state receives both the complaint and the material evidence and the information.

*c.* The state may, for good cause shown, move the court for extensions of the time during which the complaint remains under seal under paragraph "*b*". Any such motions may be supported by affidavits or other submissions in camera. The defendant shall not be required to respond to any complaint filed under this section until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 1.302 of the Iowa rules of civil procedure.

*d.* Before the expiration of the sixty-day period or any extensions obtained under paragraph "*c*", the state shall do one of the following:

(1) Proceed with the action, in which case the action shall be conducted by the state.

(2) Notify the court that the state declines to take over the action, in which case the qui tam plaintiff shall have the right to conduct the action.

*e.* When a person brings an action under this section, no person other than the state may intervene or bring a related action based on the facts underlying the pending action.

3. *a.* If the state proceeds with the action, the state shall have the primary responsibility for prosecuting the action, and shall not be bound by an act of the qui tam plaintiff. Such qui tam plaintiff shall have the right to continue as a party to the action, subject to the limitations specified in paragraph "*b*".

*b.* (1) The state may move to dismiss the action, notwithstanding the objections of the qui tam plaintiff if the qui tam plaintiff has been notified by the state of the filing of the motion and the court has provided the qui tam plaintiff with an opportunity for a hearing on the motion.

(2) The state may settle the action with the defendant notwithstanding the objections of

the qui tam plaintiff if the court determines, after a hearing, that the proposed settlement is fair, adequate, and reasonable under all of the circumstances. Upon a showing of good cause, such hearing may be held in camera.

(3) Upon a showing by the state that unrestricted participation during the course of the litigation by the qui tam plaintiff would interfere with or unduly delay the state's prosecution of the case, or would be repetitious, irrelevant, or for purposes of harassment, the court may, in its discretion, impose limitations on the qui tam plaintiff's participation, including but not limited to any of the following:

(a) Limiting the number of witnesses the qui tam plaintiff may call.

(b) Limiting the length of the testimony of such witnesses.

(c) Limiting the qui tam plaintiff's cross-examination of witnesses.

(d) Otherwise limiting the participation by the qui tam plaintiff in the litigation.

(4) Upon a showing by the defendant that unrestricted participation during the course of the litigation by the qui tam plaintiff would be for purposes of harassment or would cause the defendant undue burden or unnecessary expense, the court may limit the participation by the qui tam plaintiff in the litigation.

*c.* If the state elects not to proceed with the action, the qui tam plaintiff shall have the right to conduct the action. If the state so requests, the state shall be served with copies of all pleadings filed in the action and shall be supplied with copies of all deposition transcripts at the state's expense. When a qui tam plaintiff proceeds with the action, the court, without limiting the status and rights of the qui tam plaintiff, may permit the state to intervene at a later date upon a showing of good cause.

*d.* Whether or not the state proceeds with the action, upon a showing by the state that certain actions of discovery by the qui tam plaintiff would interfere with the state's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay such discovery for a period of not more than sixty days. Such a showing shall be conducted in camera. The court may extend the sixty-day period upon a further showing in camera that the state has pursued the criminal or civil investigation or proceedings with reasonable diligence and any proposed discovery in the civil action will interfere with the ongoing criminal or civil investigation or proceedings.

*e.* Notwithstanding subsection 2, the state may elect to pursue the state's claim through any alternate remedy available to the state, including any administrative proceeding to determine a civil penalty. If any such alternate remedy is pursued in another proceeding, the qui tam plaintiff shall have the same rights in such proceeding as such qui tam plaintiff would have had if the action had continued under this section. Any finding of fact or conclusion of law made in such other proceeding that has become final, shall be conclusive as to all such parties to an action under this section. For purposes of this paragraph, a finding or conclusion is final if it has been finally determined on appeal to the appropriate court of the state, if all time for filing such an appeal with respect to the finding or conclusion has expired, or if the finding or conclusion is not subject to judicial review.

4. *a.* (1) If the state proceeds with an action brought by a qui tam plaintiff under subsection 2, the qui tam plaintiff shall, subject to subparagraph (2), receive at least fifteen percent but not more than twenty-five percent of the proceeds of the action or settlement of the claim, depending upon the extent to which the qui tam plaintiff substantially contributed to the prosecution of the action.

(2) If the action is one which the court finds to be based primarily on disclosures of specific information, other than information provided by the qui tam plaintiff, relating to allegations or transactions in a criminal, civil, or administrative hearing, or in a legislative, administrative or state auditor report, hearing, audit, or investigation, or from the news media, the court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds, taking into account the significance of the information and the role of the qui tam plaintiff in advancing the case to litigation.

(3) Any payment to a qui tam plaintiff under subparagraph (1) or (2) shall be made from the proceeds. Any such qui tam plaintiff shall also receive an amount for reasonable expenses which the appropriate court finds to have been necessarily incurred, plus reasonable attorney fees and costs. All such expenses, fees, and costs shall be awarded against the defendant.

*b.* If the state does not proceed with an action under this section, the qui tam plaintiff or person settling the claim shall receive an amount which the court decides is reasonable for collecting the civil penalty and damages. The amount shall be not less than twenty-five percent and not more than thirty percent of the proceeds of the action or settlement and shall be paid out of such proceeds. Such qui tam plaintiff or person shall also receive an amount for reasonable expenses which the court finds to have been necessarily incurred, plus reasonable attorney fees and costs. All such expenses, fees, and costs shall be awarded against the defendant.

*c.* Whether or not the state proceeds with the action, if the court finds that the action was brought by a qui tam plaintiff who planned and initiated the violation of section 685.2 upon which the action was brought, the court may, to the extent the court considers appropriate, reduce the share of the proceeds of the action which the qui tam plaintiff would otherwise receive under paragraph *"a"* or *"b"*, taking into account the role of that qui tam plaintiff in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the qui tam plaintiff is convicted of criminal conduct arising from the qui tam plaintiff's role in the violation of section 685.2, the qui tam plaintiff shall be dismissed from the civil action and shall not receive any share of the proceeds of the action. Such dismissal shall not prejudice the right of the state to continue the action represented by the attorney general.

*d.* If the state does not proceed with the action and the qui tam plaintiff conducts the action, the court may award to the defendant reasonable attorney fees and expenses if the defendant prevails in the action and the court finds that the claim of the qui tam plaintiff was clearly frivolous, clearly vexatious, or brought primarily for purposes of harassment.

5. *a.* A court shall not have jurisdiction over an action brought by a former or present member of the Iowa national guard under this chapter against a member of the Iowa national guard arising out of such person's services in the Iowa national guard.

*b.* A qui tam plaintiff shall not bring an action under subsection 2 which is based upon allegations or transactions which are the subject of a civil suit or an administrative civil penalty proceeding in which the state is already a party.

*c.* A court shall dismiss an action or claim under this section, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in a state criminal, civil, or administrative hearing in which the state or an agent of the state is a party; in a state legislative, state auditor, or other state report, hearing, audit, or investigation; or by the news media, unless the action is brought by the attorney general or the qui tam plaintiff is an original source of the information.

*d.* The state is not liable for expenses which a person incurs in bringing an action under this section.

6. *a.* Any employee, contractor, or agent shall be entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, or agent or associated others in furtherance of an action under this section or other efforts to stop one or more violations of this chapter.

*b.* Relief under paragraph *"a"* shall include reinstatement with the same seniority status that employee, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney fees. An action under this subsection may be brought in the appropriate district court of the state for the relief provided in this subsection.

*c.* A civil action under this subsection shall not be brought more than three years after the date when the retaliation occurred.

2010 Acts, ch 1031, §340; 2011 Acts, ch 129, §103, 104, 156

Referred to in §685.1, 685.4, 685.5, 685.6

**685.4 Procedure — statute of limitations.**

1. A subpoena requiring the attendance of a witness at a trial or hearing conducted under

this chapter may be served at any place in the state, or through any means authorized in the Iowa rules of civil procedure.

2. A civil action under this chapter may not be brought more than six years after the date on which the violation of section 685.2 is committed, or more than three years after the date when facts material to the right of action are known or reasonably should have been known by the official of state charged with responsibility to act in the circumstances, but in no event more than ten years after the date on which the violation is committed, whichever occurs last.

3. If the state elects to intervene and proceed with an action brought under this chapter, the state may file its own complaint or amend the complaint of a qui tam plaintiff to clarify or add detail to the claims in which the state is intervening and to add any additional claims with respect to which the state contends it is entitled to relief. For statute of limitations purposes, any such state pleading shall relate back to the filing date of the complaint of the qui tam plaintiff who originally brought the action, to the extent that the claim of the state arises out of the conduct, transactions, or occurrences set forth, or attempted to be set forth, in the prior complaint of that person.

4. In any action brought under section 685.3, the state shall prove all essential elements of the cause of action, including damages, by a preponderance of the evidence.

5. Notwithstanding any other provision of law, the Iowa rules of criminal procedure, or the Iowa rules of evidence, a final judgment rendered in favor of the state in any criminal proceeding charging fraud or false statements, whether upon a verdict after trial or upon a plea of guilty or nolo contendere, shall estop the defendant from denying the essential elements of the offense in any action which involves the same transaction as in the criminal proceeding and which is brought under section 685.3.

2010 Acts, ch 1031, §341

**685.5 Jurisdiction.**

1. Any action under section 685.3 may be brought in any county in which the defendant or, in the case of multiple defendants, any one defendant can be found, resides, transacts business, or in which any act proscribed by section 685.2 occurred. An original notice as required by the Iowa rules of civil procedure shall be issued by the appropriate district court and served in accordance with the Iowa rules of civil procedure.

2. A seal on the action ordered by the court under section 685.3 shall not preclude the state, local government, or the qui tam plaintiff from serving the complaint, any other pleadings, or the written disclosure of substantially all material evidence and information possessed by the qui tam plaintiff on the law enforcement authorities that are authorized under the law of the state or local government to investigate and prosecute such actions on behalf of such governments, except that such seal applies to the law enforcement authorities so served to the same extent as the seal applies to other parties in the action.

2010 Acts, ch 1031, §342

**685.6 Civil investigative demands.**

1. *Issuance and service.*

*a.* If the attorney general, or a designee, for the purposes of this section, has reason to believe that any person may be in possession, custody, or control of any documentary material or information relevant to a false claims law investigation, the attorney general, or a designee, may, before commencing a civil proceeding under section 685.3, subsection 1, or other false claims law, or making an election under section 685.3, subsection 2, issue in writing and cause to be served upon such person, a civil investigative demand requiring any of the following of such person:

(1) To produce such documentary material for inspection and copying.

(2) To answer in writing, written interrogatories with respect to such documentary material or information.

(3) To give oral testimony concerning such documentary material or information.

(4) To furnish any combination of such material, answers, or testimony.

*b.* The attorney general may delegate the authority to issue civil investigative demands under this subsection. If a civil investigative demand is an express demand for any product

of discovery, the attorney general, a deputy attorney general, or an assistant attorney general shall cause to be served, in any manner authorized by this section, a copy of such demand upon the person from whom the discovery was obtained and shall notify the person to whom such demand is issued of the date on which such copy was served. Any information obtained by the attorney general or a designee of the attorney general under this section may be shared with any qui tam plaintiff if the attorney general or designee determines it is necessary as part of any false claims law investigation.

2. *Contents and deadlines.*

*a.* Each civil investigative demand issued under subsection 1 shall state the nature of the conduct constituting the alleged violation of a false claims law which is under investigation, and the applicable provision of law alleged to be violated.

*b.* If such demand is for the production of documentary material, the demand shall provide all of the following:

(1) Describe each class of documentary material to be produced with such definiteness and certainty as to permit such material to be fairly identified.

(2) Prescribe a return date for each such class which will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying.

(3) Identify the false claims law investigator to whom such material shall be made available.

*c.* If such demand is for answers to written interrogatories, the demand shall provide for all of the following:

(1) Set forth with specificity the written interrogatories to be answered.

(2) Prescribe dates at which time answers to written interrogatories shall be submitted.

(3) Identify the false claims law investigator to whom such answers shall be submitted.

*d.* If such demand is for the giving of oral testimony, the demand shall provide for all of the following:

(1) Prescribe a date, time, and place at which oral testimony shall be commenced.

(2) Identify a false claims law investigator who shall conduct the examination and the custodian to whom the transcript of such examination shall be submitted.

(3) Specify that such attendance and testimony are necessary to the conduct of the investigation.

(4) Notify the person receiving the demand of the right to be accompanied by an attorney and any other representative.

(5) Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.

*e.* Any civil investigative demand issued under this section which is an express demand for any product of discovery shall not be returned or returnable until twenty days after a copy of such demand has been served upon the person from whom the discovery was obtained.

*f.* The date prescribed for the commencement of oral testimony pursuant to a civil investigative demand issued under this section shall be a date which is not less than seven days after the date on which demand is received, unless the attorney general or an assistant attorney general designated by the attorney general determines that exceptional circumstances are present which warrant the commencement of such testimony within a lesser period of time.

*g.* The attorney general shall not authorize the issuance under this section of more than one civil investigative demand for oral testimony by the same person, unless the person requests otherwise or unless the attorney general, after investigation, notifies that person in writing that an additional demand for oral testimony is necessary.

3. *Protected material or information.*

*a.* A civil investigative demand issued under subsection 1 shall not require the production of any documentary material, the submission of any answers to written interrogatories, or the giving of any oral testimony if such material, answers, or testimony would be protected from disclosure under any of the following:

(1) The standards applicable to subpoenas or subpoenas duces tecum issued by a court of the state to aid in a grand jury investigation.

(2) The standards applicable to discovery requests under the Iowa rules of civil procedure, to the extent that the application of such standards to any such demand is appropriate and consistent with the provisions and purposes of this section.

*b.* Any such demand which is an express demand for any product of discovery supersedes any inconsistent order, rule, or provision of law, other than this section, preventing or restraining disclosure of such product of discovery to any person. Disclosure of any product of discovery pursuant to any such express demand does not constitute a waiver of any right or privilege which the person making such disclosure may be entitled to invoke to resist discovery of trial preparation materials.

4. *Service.*

*a.* Any civil investigative demand issued under subsection 1 may be served by a false claims law investigator, or by any official authorized to issue civil investigative demands.

*b.* Service of any civil investigative demand issued under subsection 1 or of any petition filed under subsection 9 may be made upon a partnership, corporation, association, or other legal entity by any of the following methods:

(1) Delivering an executed copy of such demand or petition to any partner, executive officer, managing agent, or general agent of the partnership, corporation, association, or entity, or to any agent authorized by appointment or by law to receive service of process on behalf of such partnership, corporation, association, or entity.

(2) Delivering an executed copy of such demand or petition to the principal office or place of business of the partnership, corporation, association, or entity.

(3) Depositing an executed copy of such demand or petition in the United States mails by registered or certified mail, with a return receipt requested, addressed to such partnership, corporation, association, or entity at its principal office or place of business.

*c.* Service of any such demand or petition may be made upon any natural person by any of the following methods:

(1) Delivering an executed copy of such demand or petition to the person.

(2) Depositing an executed copy of such demand or petition in the United States mails by registered or certified mail, with a return receipt requested, addressed to the person at the person's residence or principal office or place of business.

*d.* A verified return by the individual serving any civil investigative demand issued under subsection 1 or any petition filed under subsection 9 setting forth the manner of such service shall be proof of such service. In the case of service by registered or certified mail, such return shall be accompanied by the return post office receipt of delivery of such demand.

5. *Documentary material.*

*a.* The production of documentary material in response to a civil investigative demand served under this section shall be made under a sworn certificate, in such form as the demand designates, by the following persons, as applicable:

(1) In the case of a natural person, the person to whom the demand is directed.

(2) In the case of a person other than a natural person, a person having knowledge of the facts and circumstances relating to such production and authorized to act on behalf of such person.

*b.* The certificate shall state that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the false claims law investigator identified in the demand.

*c.* Any person upon whom any civil investigative demand for the production of documentary material has been served under this section shall make such material available for inspection and copying to the false claims law investigator identified in such demand at the principal place of business of such person, or at such other place as the false claims law investigator and the person agree and prescribe in writing, or as the court may direct under subsection 9. Such material shall be made available on the return date specified in such demand, or on such later date as the false claims law investigator may prescribe in

writing. Such person may, upon written agreement between the person and the false claims law investigator, substitute copies for originals of all or any part of such material.

6. *Interrogatories.*

*a.* Each interrogatory in a civil investigative demand served under this section shall be answered separately and fully in writing under oath and shall be submitted under a sworn certificate, in such form as the demand designates, by the following persons, as applicable:

(1) In the case of a natural person, the person to whom the demand is directed.

(2) In the case of a person other than a natural person, the person or persons responsible for answering each interrogatory.

*b.* If any interrogatory is objected to, the reasons for the objection shall be stated in the certificate instead of an answer. The certificate shall state that all information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted. To the extent that any information is not furnished, the information shall be identified and reasons set forth with particularity regarding the reasons why the information was not furnished.

7. *Oral examinations.*

*a.* The examination of any person pursuant to a civil investigative demand for oral testimony served under this section shall be taken before an officer authorized to administer oaths and affirmations by the laws of this state or of the place where the examination is held. The officer before whom the testimony is to be taken shall put the witness on oath or affirmation and shall, personally or by someone acting under the direction of the officer and in the officer's presence, record the testimony of the witness. The testimony shall be taken stenographically and shall be transcribed. When the testimony is fully transcribed, the officer before whom the testimony is taken shall promptly transmit a copy of the transcript of the testimony to the custodian. This subsection shall not preclude the taking of testimony by any means authorized by, and in a manner consistent with, the Iowa rules of civil procedure.

*b.* The false claims law investigator conducting the examination shall exclude from the place where the examination is held all persons except the person giving the testimony, the attorney for and any other representative of the person giving the testimony, the attorney for the state, any person who may be agreed upon by the attorney for the state and the person giving the testimony, the officer before whom the testimony is to be taken, and any stenographer taking such testimony.

*c.* The oral testimony of any person taken pursuant to a civil investigative demand served under this section shall be taken in any state in which such person resides, is found, or transacts business, or in such other place as may be agreed upon by the false claims law investigator conducting the examination and such person.

*d.* When the testimony is fully transcribed, the false claims law investigator or the officer before whom the testimony is taken shall afford the witness, who may be accompanied by counsel, a reasonable opportunity to examine and read the transcript, unless such examination and reading are waived by the witness. Any changes in form or substance which the witness desires to make shall be entered and identified upon the transcript by the officer or the false claims law investigator, with a statement of the reasons given by the witness for making such changes. The transcript shall then be signed by the witness, unless the witness in writing waives the signing, is ill, cannot be found, or refuses to sign. If the transcript is not signed by the witness within thirty days after being afforded a reasonable opportunity to examine the transcript, the officer or the false claims law investigator shall sign the transcript and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with the reasons, if any, for the waiver, illness, absence, or refusal.

*e.* The officer before whom the testimony is taken shall certify on the transcript that the witness was sworn by the officer and that the transcript is a true record of the testimony given by the witness, and the officer or false claims law investigator shall promptly deliver the transcript, or send the transcript by registered or certified mail, to the custodian.

*f.* Upon payment of reasonable charges for a copy, the false claims law investigator shall furnish a copy of the transcript to the witness only, except that the attorney general, the

deputy attorney general, or an assistant attorney general may, for good cause, limit such witness to inspection of the official transcript of the witness' testimony.

*g.* (1) Any person compelled to appear for oral testimony under a civil investigative demand issued under subsection 1 may be accompanied, represented, and advised by counsel. Counsel may advise such person, in confidence, with respect to any question asked of such person. Such person or counsel may object on the record to any question, in whole or in part, and shall briefly state for the record the reason for the objection. An objection may be made, received, and entered upon the record when it is claimed that such person is entitled to refuse to answer the question on the grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination. Such person may not otherwise object to or refuse to answer any question, and may not directly or through counsel otherwise interrupt the oral examination. If such person refuses to answer any question, a petition may be filed in the district court of the state under subsection 9 for an order compelling such person to answer such question.

(2) If such person refuses to answer any question on the grounds of the privilege against self-incrimination, the testimony of such person may be compelled in accordance with applicable law.

*h.* Any person appearing for oral testimony under a civil investigative demand issued under subsection 1 shall be entitled to the same fees and allowances which are paid to witnesses in the district courts of the state.

8. *Custodians of documents, answers, and transcripts.*

*a.* The attorney general shall designate a false claims law investigator to serve as custodian of documentary material, answers to interrogatories, and transcripts of oral testimony received under this section, and shall designate such additional false claims law investigators as the attorney general determines from time to time to be necessary to serve as deputies to the custodian.

*b.* (1) A false claims law investigator who receives any documentary material, answers to interrogatories, or transcripts of oral testimony under this section shall transmit them to the custodian. The custodian shall take physical possession of such material, answers, or transcripts and shall be responsible for their use and for the return of documentary material under paragraph *"d"*.

(2) The custodian may cause the preparation of such copies of such documentary material, answers to interrogatories, or transcripts of oral testimony as may be required for official use by any false claims law investigator, or other officer or employee of the department of justice. Such material, answers, and transcripts may be used by any such authorized false claims law investigator or other officer or employee in connection with the taking of oral testimony under this section.

(3) Except as otherwise provided in this subsection, documentary material, answers to interrogatories, or transcripts of oral testimony, or copies of documentary materials, answers, or transcripts, while in the possession of the custodian, shall not be available for examination by any individual other than a false claims law investigator or other officer or employee of the department of justice authorized under subparagraph (2). This prohibition on the availability of material, answers, or transcripts shall not apply if consent is given by the person who produced such material, answers, or transcripts, or, in the case of any product of discovery produced pursuant to an express demand for such material, consent is given by the person from whom the discovery was obtained. Nothing in this subparagraph is intended to prevent disclosure to the general assembly, including any committee or subcommittee of the general assembly, or to any other agency of the state for use by such agency in furtherance of its statutory responsibilities.

(4) While in the possession of the custodian and under such reasonable terms and conditions as the attorney general shall prescribe, all of the following shall apply, as applicable:

(a) Documentary material and answers to interrogatories shall be available for examination by the person who produced such material or answers, or by a representative of that person authorized by that person to examine such material and answers.

(b) Transcripts of oral testimony shall be available for examination by the person who

produced such testimony, or by a representative of that person authorized by that person to examine such transcripts.

*c.* If an attorney of the department of justice has been designated to appear before any court, grand jury, state agency, or federal agency in any case or proceeding, the custodian of any documentary material, answers to interrogatories, or transcripts of oral testimony received under this section may deliver to such attorney such material, answers, or transcripts for official use in connection with any such case or proceeding as such attorney determines to be required. Upon the completion of any such case or proceeding, such attorney shall return to the custodian any such material, answers, or transcripts delivered which have not passed into the control of such court, grand jury, or agency through introduction into the record of such case or proceeding.

*d.* If any documentary material has been produced by any person in the course of any false claims law investigation pursuant to a civil investigative demand under this section, and any case or proceeding before the court or grand jury arising out of such investigation, or any proceeding before any state agency or federal agency involving such material, has been completed, or a case or proceeding in which such material may be used has not been commenced within a reasonable time after completion of the examination and analysis of all documentary material and other information assembled in the course of such investigation, the custodian shall, upon written request of the person who produced such material, return to such person any such material, other than copies furnished to the false claims law investigator under subsection 5 or made for the department of justice under paragraph *"b"* which has not passed into the control of any court, grand jury, or agency through introduction into the record of such case or proceeding.

*e.* (1) In the event of the death, disability, or separation from service in the department of justice of the custodian of any documentary material, answers to interrogatories, or transcripts of oral testimony produced pursuant to a civil investigative demand under this section, or in the event of the official relief of such custodian from responsibility for the custody and control of such material, answers, or transcripts, the attorney general shall promptly do all of the following:

(a) Designate another false claims law investigator to serve as custodian of such material, answers, or transcripts.

(b) Transmit in writing to the person who produced such material, answers, or testimony notice of the identity and address of the successor designated.

(2) Any person who is designated to be a successor under this paragraph *"e"* shall have, with regard to such material, answers, or transcripts, the same duties and responsibilities as were imposed by this section upon that person's predecessor in office, except that the successor shall not be held responsible for any default or dereliction which occurred before that designation.

9. *Judicial proceedings.*

*a.* If a person fails to comply with any civil investigative demand issued under subsection 1, or if satisfactory copying or reproduction of any material requested in such demand cannot be completed and such person refuses to surrender such material, the attorney general may file, in the district court of the state for any county in which such person resides, is found, or transacts business, and serve upon such person, a petition for an order of such court for the enforcement of the civil investigative demand.

*b.* (1) A person who has received a civil investigative demand issued under subsection 1 may file, in the district court of the state for the county within which such person resides, is found, or transacts business, and serve upon the false claims law investigator identified in such demand, a petition for an order of the court to modify or set aside such demand. In the case of a petition addressed to an express demand for any product of discovery, a petition to modify or set aside such demand may be brought only in the district court of the state for the county in which the proceeding in which such discovery was obtained is or was last pending. Any petition under this paragraph shall be filed in accordance with the following, as applicable:

(a) Within twenty days after the date of service of the civil investigative demand, or at any time before the return date specified in the demand, whichever date is earlier.

(b) Within such longer period as may be prescribed in writing by any false claims law investigator identified in the demand.

(2) The petition shall specify each ground upon which the petitioner relies in seeking relief under subparagraph (1), and may be based upon any failure of the demand to comply with the provisions of this section or upon any constitutional or other legal right or privilege of such person. During the pendency of the petition in the court, the court may stay, as it deems proper, the running of the time allowed for compliance with the demand, in whole or in part, except that the person filing the petition shall comply with any portions of the demand not sought to be modified or set aside.

*c.* (1) In the case of any civil investigative demand issued under subsection 1 which is an express demand for any product of discovery, the person from whom such discovery was obtained may file, in the district court of the state for the county in which the proceeding in which such discovery was obtained is or was last pending, and serve upon any false claims law investigator identified in the demand and upon the recipient of the demand, a petition for an order of such court to modify or set aside those portions of the demand requiring production of any such product of discovery. Any petition under this subparagraph shall be filed in accordance with the following, as applicable:

(a) Within twenty days after the date of service of the civil investigative demand, or at any time before the return date specified in the demand, whichever date is earlier.

(b) Within such longer period as may be prescribed in writing by any false claims law investigator identified in the demand.

(2) The petition shall specify each ground upon which the petitioner relies in seeking relief under subparagraph (1), and may be based upon any failure of the portions of the demand from which relief is sought to comply with the provisions of this section, or upon any constitutional or other legal right or privilege of the petitioner. During the pendency of the petition, the court may stay, as it deems proper, compliance with the demand and the running of the time allowed for compliance with the demand.

*d.* At any time during which any custodian is in custody or control of any documentary material or answers to interrogatories produced, or transcripts of oral testimony given, by any person in compliance with any civil investigative demand issued under subsection 1, such person, and in the case of an express demand for any product of discovery, the person from whom such discovery was obtained, may file, in the district court of the state for the judicial district within which the office of such custodian is located, and serve upon such custodian, a petition for an order of such court to require the performance by the custodian of any duty imposed upon the custodian by this section.

*e.* If a petition is filed in any district court of the state under this subsection, such court shall have jurisdiction to hear and determine the matter so presented, and to enter such order or orders as may be required to carry out the provisions of this section. Any final order so entered shall be subject to appeal in accordance with the Iowa rules of civil procedure. Any disobedience of any final order entered under this section by any court shall be punished as a contempt of the court.

*f.* The Iowa rules of civil procedure shall apply to any petition under this subsection, to the extent that such rules are not inconsistent with the provisions of this section.

10. *Disclosure exemption.* Any documentary material, answers to written interrogatories, or oral testimony provided under any civil investigative demand issued under subsection 1 shall be deemed confidential and exempt from disclosure under chapter 22.

2010 Acts, ch 1031, §343; 2010 Acts, ch 1193, §64
Referred to in §685.1

**685.7 Rulemaking authority.**

The attorney general may adopt such rules and regulations as are necessary to effectuate the purposes of this chapter.

2010 Acts, ch 1031, §344

# CHAPTER 686

RESERVED

# TITLE XVI

## CRIMINAL LAW AND PROCEDURE

Referred to in §625.29, 702.5, 801.4, 801.5

# SUBTITLE 1

## CRIME CONTROL AND CRIMINAL ACTS

## CHAPTERS 687 to 689

RESERVED

## CHAPTER 690

### CRIMINAL IDENTIFICATION

Referred to in §331.307, 364.22


690.1 Criminal identification.
690.2 Fingerprints and palm prints — photographs — duty of sheriff and chief of police.
690.3 Equipment.
690.4 Fingerprints and photographs at institutions.
690.5 Administrative sanctions.


**690.1 Criminal identification.**

The commissioner of public safety may provide in the department a division of criminal investigation. The commissioner may adopt rules for the same. The sheriff of each county and the chief of police of each city shall furnish to the department criminal identification records and other information as directed by the commissioner of public safety.

[C24, 27, 31, 35, 39, §**13416;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §749.1; C79, 81, §690.1]
97 Acts, ch 23, §77; 2006 Acts, ch 1034, §2
Referred to in §331.653

**690.2 Fingerprints and palm prints — photographs — duty of sheriff and chief of police.**

The sheriff of every county, and the chief of police of each city regardless of the form of government thereof, shall take the fingerprints of all unidentified dead bodies in their respective jurisdictions and all persons who are taken into custody for the commission of a serious misdemeanor, aggravated misdemeanor, or felony and shall forward such fingerprint records on such forms and in such manner as may be prescribed by the commissioner of public safety, within two working days after the fingerprint records are taken, to the department of public safety. Fingerprints may be taken of a person who has been arrested for a simple misdemeanor subject to an enhanced penalty for conviction of a second or subsequent offense. In addition to the fingerprints as herein provided, any such officer may also take the photograph and palm prints of any such person and forward them to the department of public safety. If a defendant is convicted by a court of this state of an offense which is a simple misdemeanor subject to an enhanced penalty for conviction of a second or subsequent offense, a serious misdemeanor, an aggravated misdemeanor, or a felony, the court shall determine whether such defendant has previously been fingerprinted in connection with the criminal proceedings leading to the conviction and, if not, shall order that the defendant be fingerprinted and those prints submitted to the department of public safety. The court shall also order that a juvenile adjudicated delinquent for an offense

which would be an offense other than a simple misdemeanor if committed by an adult, be fingerprinted and the prints submitted to the department of public safety if the juvenile has not previously been fingerprinted. The taking of fingerprints for a serious misdemeanor offense under chapter 321 or 321A is not required under this section.

[C27, 31, 35, §13417-b1; C39, §**13417.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §749.2; C79, 81, §690.2]

93 Acts, ch 115, §1; 96 Acts, ch 1135, §1; 99 Acts, ch 37, §2; 2011 Acts, ch 95, §5

Referred to in §331.322, 331.653, 690.3, 692.15, 726.23

See also §232.148, 690.4, and 726.23

**690.3 Equipment.**

The board of supervisors of each county and the council of each city affected by the provisions of section 690.2 shall furnish all necessary equipment and materials for the carrying out of the provisions of said section.

[C27, 31, 35, §13417-b2; C39, §**13417.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §749.3; C79, 81, §690.3]

**690.4 Fingerprints and photographs at institutions.**

1. The warden of the Iowa medical and classification center and superintendent of the state training school shall take or procure the taking of the fingerprints, and, in the case of the Iowa medical and classification center only, Bertillon photographs of any person received on commitment to their respective institutions, and shall forward such fingerprint records and photographs within ten days after they are taken to the department of public safety. Information obtained from fingerprint cards submitted pursuant to this section may be retained by the department of public safety as criminal history records. If a charge for a serious misdemeanor, aggravated misdemeanor, or felony is brought against a person already in the custody of a law enforcement or correctional agency and the charge is filed in a case separate from the case for which the person was previously arrested or confined, the agency shall take the fingerprints of the person in connection with the new case and submit them to the department of public safety.

2. The wardens and superintendents of all department of corrections facilities shall procure the taking of a photograph showing the facial features of each inmate of a state correctional institution prior to the inmate's discharge. The photograph shall be placed in the inmate's file and shall be made available to the Iowa department of public safety upon request.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §749.4; C79, 81, §690.4; 82 Acts, ch 1260, §37]

83 Acts, ch 96, §116, 159; 84 Acts, ch 1184, §18; 86 Acts, ch 1075, §4; 93 Acts, ch 115, §2; 2011 Acts, ch 95, §6

Referred to in §726.23

**690.5 Administrative sanctions.**

An agency subject to fingerprinting and disposition requirements under this chapter shall take all steps necessary to ensure that all agency officials and employees understand the requirements and shall provide for and impose administrative sanctions, as appropriate, for failure to report as required.

If a criminal or juvenile justice agency subject to fingerprinting and disposition requirements fails to comply with the requirements, the commissioner of public safety shall order that the agency's access to criminal history record information maintained by the repository be denied or restricted until the agency complies with the reporting requirements.

The state court administrator shall develop a policy to ensure that court personnel understand and comply with the fingerprinting and disposition requirements and shall also develop sanctions for court personnel who fail to comply with the requirements.

93 Acts, ch 115, §3; 95 Acts, ch 191, §27

# CHAPTER 691

## STATE CRIMINALISTICS LABORATORY AND MEDICAL EXAMINER

Referred to in §141A.5, 331.307, 331.802, 331.805, 364.22


691.1 Laboratory created.
691.2 Presumption of qualification — evidence — testimony.
691.3 Commissioner to make rules.
691.4 Copy of finding to defendant.
691.5 State medical examiner.
691.6 Duties of state medical examiner.
691.6A Deputy state medical examiner — creation and duties.
691.6B Interagency coordinating council.
691.6C State medical examiner advisory council.
691.7 Commissioner to accept federal or private grants.
691.8 Governor to transfer laboratory.
691.9 Criminalistics laboratory fund.


**691.1 Laboratory created.**

There is hereby created under the control, direction, and supervision of the commissioner of public safety a state criminalistics laboratory. The commissioner of public safety may assign the criminalistics laboratory to a division or bureau within the public safety department. The laboratory shall, within its capabilities, conduct analyses, comparative studies, fingerprint identification, firearms identification, questioned documents studies, and other studies normally performed by a criminalistics laboratory when requested by a county attorney, medical examiner, or law enforcement agency of this state to aid in any criminal investigation. Agents of the division of criminal investigation may be assigned to the criminalistics laboratory by the commissioner. New employees shall be appointed pursuant to chapter 8A, subchapter IV, and need not qualify as agents for the division of criminal investigation and shall not participate in the peace officers' retirement plan established pursuant to chapter 97A.

[C71, 73, 75, 77, §749A.1; C79, 81, §691.1]

2003 Acts, ch 145, §276; 2005 Acts, ch 35, §31

**691.2 Presumption of qualification — evidence — testimony.**

It shall be presumed that any employee or technician of the criminalistics laboratory is qualified or possesses the required expertise to accomplish any analysis, comparison, or identification done by the employee in the course of the employee's employment in the criminalistics laboratory. Any report, or copy of a report, or the findings of the criminalistics laboratory shall be received in evidence, if determined to be relevant, in any court, preliminary hearing, grand jury proceeding, civil proceeding, administrative hearing, and forfeiture proceeding in the same manner and with the same force and effect as if the employee or technician of the criminalistics laboratory who accomplished the requested analysis, comparison, or identification had testified in person.

A party or the party's attorney may request that an employee or technician testify in person at a criminal trial, administrative hearing, or forfeiture proceeding on behalf of the state or the adverse agency of the state, by notifying the proper county attorney, or in the case of an administrative proceeding the adverse agency, at least ten days before the date of the criminal trial, administrative hearing, or forfeiture proceeding. A party or the party's attorney in any other civil proceeding may require an employee or technician to testify in person pursuant to a subpoena.

[C71, 73, 75, 77, §749A.2; C79, 81, §691.2]

86 Acts, ch 1147, §1; 88 Acts, ch 1029, §1

**691.3 Commissioner to make rules.**

The commissioner of public safety shall make rules defining the capabilities of the criminalistics laboratory. The commissioner shall make rules governing the handling of items to be processed by the criminalistics laboratory from the time they are forwarded to the laboratory by a county medical examiner or a city or state law enforcement agency or county sheriff until their return to the forwarder. The rules shall prescribe a method of

identifying, forwarding, handling and returning items that will maintain the identity and integrity of the item. An item handled in conformity with the rules shall be presumed to be admissible in evidence as to the period in transit to and from and while in custody of the laboratory without further foundation.

[C71, 73, 75, 77, §749A.3; C79, 81, §691.3]

**691.4 Copy of finding to defendant.**

The county attorney shall give the accused person, or the accused person's attorney, after an indictment or county attorney's information has been returned, a copy of each report of the findings of the criminalistics laboratory conducted in the investigation of the indictable criminal charge against the accused person at the time of arraignment, or if such report is received after arraignment, upon receipt, whether or not such findings are to be used in evidence against the accused person. If such report is not given to the accused or the accused person's attorney at least four days prior to trial, such fact shall be grounds for a continuance.

[C71, 73, 75, 77, §749A.4; C79, 81, §691.4]

Referred to in §331.756(78)

**691.5 State medical examiner.**

The office and position of state medical examiner is established for administrative purposes within the Iowa department of public health. Other state agencies shall cooperate with the state medical examiner in the use of state-owned facilities when appropriate for the performance of nonadministrative duties of the state medical examiner. The state medical examiner shall be a physician and surgeon or osteopathic physician and surgeon, be licensed to practice medicine in the state of Iowa, and be board certified or eligible to be board certified in anatomic and forensic pathology by the American board of pathology. The state medical examiner shall be appointed by and serve at the pleasure of the director of public health upon the advice of and in consultation with the director of public safety and the governor. The state medical examiner, in consultation with the director of public health, shall be responsible for developing and administering the medical examiner's budget and for employment of medical examiner staff and assistants. The state medical examiner may be a faculty member of the university of Iowa college of medicine or the college of law at the university of Iowa, and any of the examiner's assistants or staff may be members of the faculty or staff of the university of Iowa college of medicine or the college of law at the university of Iowa.

[C71, 73, 75, 77, §749A.5; C79, 81, §691.5]

86 Acts, ch 1245, §1602; 99 Acts, ch 208, §6, 14; 2001 Acts, ch 74, §20

Referred to in §142C.2, 691.6A

**691.6 Duties of state medical examiner.**

The duties of the state medical examiner shall be:

1. To provide assistance, consultation, and training to county medical examiners and law enforcement officials.

2. To keep complete records of all relevant information concerning deaths or crimes requiring investigation by the state medical examiner.

3. To adopt rules pursuant to chapter 17A and subject to the approval of the director of public health.

4. To collect and retain autopsy fees as established by rule. Autopsy fees collected and retained under this subsection are appropriated for purposes of the state medical examiner's office. Notwithstanding section 8.33, any fees collected by the state medical examiner that remain unexpended at the end of the fiscal year shall not revert to the general fund of the state or any other fund but shall be available for use for the following fiscal year for the same purpose.

5. To conduct an inquiry, investigation, or hearing and administer oaths and receive testimony under oath relative to the matter of inquiry, investigation, or hearing, and to subpoena witnesses and require the production of records, papers, and documents pertinent to the death investigation. However, the medical examiner shall not conduct any activity pursuant to this subsection, relating to a homicide or other criminally suspicious death,

without coordinating such activity with the county medical examiner, and without obtaining approval of the investigating law enforcement agency, the county attorney, or any other prosecutorial or law enforcement agency of the jurisdiction to conduct such activity.

6. To adopt rules pursuant to chapter 17A relating to the duties, responsibilities, and operations of the office of the state medical examiner and to specify the duties, responsibilities, and operations of the county medical examiner in relationship to the office of the state medical examiner.

7. To perform an autopsy or order that an autopsy be performed if required or authorized by section 331.802 or by rule. If the state medical examiner assumes jurisdiction over a body for purposes of performing an autopsy required or authorized by section 331.802 or by rule under this section, the body or its effects shall not be disturbed, withheld from the custody of the state medical examiner, or removed from the custody of the state medical examiner without authorization from the state medical examiner.

8. To retain tissues, organs, and bodily fluids as necessary to determine the cause and manner of death or as deemed advisable by the state medical examiner for medical or public health investigation, teaching, or research. Tissues, organs, and bodily fluids shall be properly disposed of by following procedures and precautions for handling biologic material and blood-borne pathogens as established by rule.

9. To collect and retain fees for medical examiner facility expenses and services related to tissue recovery. Fees collected and retained under this subsection are appropriated to the state medical examiner for purposes of supporting the state medical examiner's office and shall not be transferred, used, obligated, or otherwise encumbered. Notwithstanding section 8.33, any fees collected by the state medical examiner shall not revert to the general fund of the state or any other fund.

10. To provide staffing and support for the child death review team and any child fatality review committee under section 135.43.

[C71, 73, 75, 77, §749A.6; C79, 81, §691.6]

86 Acts, ch 1245, §1603; 90 Acts, ch 1233, §39; 99 Acts, ch 208, §7, 14; 2000 Acts, ch 1140, §46; 2000 Acts, ch 1222, §16, 17; 2005 Acts, ch 89, §38; 2006 Acts, ch 1105, §1; 2006 Acts, ch 1184, §120; 2009 Acts, ch 182, §112; 2010 Acts, ch 1031, §398

Referred to in §691.6A

**691.6A Deputy state medical examiner — creation and duties.**

The position of deputy state medical examiner is created within the office of the state medical examiner. The deputy state medical examiner shall report to and be responsible to the state medical examiner. The deputy state medical examiner shall meet the qualification criteria established in section 691.5 for the state medical examiner and shall be subject to rules adopted by the state medical examiner as provided in section 691.6, subsection 3. The state medical examiner and the deputy state medical examiner shall function as a team, providing peer review as necessary, fulfilling each other's job responsibilities during times of absence, and working jointly to provide services and education to county medical examiners, law enforcement officials, hospital pathologists, and other individuals and entities. The deputy medical examiner may be, but is not required to be, a full-time salaried faculty member of the department of pathology of the university of Iowa college of medicine. If the medical examiner is a full-time salaried faculty member of the department of pathology of the university of Iowa college of medicine, the Iowa department of public health and the state board of regents shall enter into a chapter 28E agreement to define the activities and functions of the deputy medical examiner, and to allocate deputy medical examiner costs, consistent with the requirements of this section.

99 Acts, ch 208, §8, 14; 2001 Acts, ch 74, §21

**691.6B Interagency coordinating council.**

An interagency coordinating council is created to advise the state medical examiner concerning the assurance of effective coordination of the functions and operations of the office of the state medical examiner with the needs and interests of the departments of public safety and public health. Members of the interagency coordinating council shall include

the state medical examiner, or when the state medical examiner is not available, the deputy state medical examiner; the commissioner of public safety or the commissioner's designee; the director of public health or the director's designee; and the governor or the governor's designee. The interagency coordinating council shall meet on a regular basis.

99 Acts, ch 208, §9, 14

**691.6C State medical examiner advisory council.**

A state medical examiner advisory council is established to advise and consult with the state medical examiner on a range of issues affecting the organization and functions of the office of the state medical examiner and the effectiveness of the medical examiner system in the state. Membership of the state medical examiner advisory council shall be determined by the state medical examiner, in consultation with the director of public health, and shall include, but not necessarily be limited to, representatives from the office of the attorney general, the Iowa county attorneys association, the Iowa medical society, the Iowa association of pathologists, the Iowa association of county medical examiners, the departments of public safety and public health, the statewide emergency medical system, and the Iowa funeral directors association. The advisory council shall meet on a regular basis, and shall be organized and function as established by the state medical examiner by rule.

99 Acts, ch 208, §10, 14; 2009 Acts, ch 56, §11

**691.7 Commissioner to accept federal or private grants.**

The commissioner of public safety may accept federal or private funds or grants to aid in the establishment or operation of the state criminalistics laboratory, and the director of public health or the state board of regents may accept federal or private funds or grants to aid in the establishment or operation of the position of state medical examiner.

[C71, 73, 75, 77, §749A.7; C79, 81, §691.7]

86 Acts, ch 1245, §1604; 99 Acts, ch 208, §11, 14

**691.8 Governor to transfer laboratory.**

The governor shall by executive order provide for the transfer of any appropriate laboratory facilities, equipment, and technical personnel of the state to the state criminalistics laboratory if such transfer will more effectively and efficiently aid the investigation of crime.

[C71, 73, 75, 77, §749A.8; C79, 81, §691.8]

**691.9 Criminalistics laboratory fund.**

A criminalistics laboratory fund is created as a separate fund in the state treasury under the control of the department of public safety. The fund shall consist of appropriations made to the fund and transfers of interest, and earnings. All moneys in the fund are appropriated to the department of public safety for use by the department in criminalistics laboratory equipment purchasing, maintenance, depreciation, and training. Any balance in the fund on June 30 of any fiscal year shall not revert to any other fund of the state but shall remain available for the purposes described in this section.

2006 Acts, ch 1030, §80

# CHAPTER 692

## CRIMINAL HISTORY AND INTELLIGENCE DATA

Referred to in §22.7, 216A.136, 232.149, 252B.9, 331.307, 364.22, 535D.15, 714.16


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692.3 Redissemination of arrest data and other information.
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692.21 Data to agency making arrest or taking juvenile into custody.
692.22 Stalking information.


**692.1 Definitions of words and phrases.**

As used in this chapter, unless the context otherwise requires:

1. *"Adjudication data"* means information that an adjudication of delinquency for an act which would be a serious or aggravated misdemeanor or felony if committed by an adult was entered against a juvenile and includes the date and location of the delinquent act and the place and court of adjudication.

2. *"Arrest data"* means information pertaining to an arrest for a public offense and includes the charge, date, time and place. Arrest data includes arrest warrants for all public offenses outstanding and not served and includes the filing of charges, by preliminary information when filed by a peace officer or law enforcement officer or indictment, the date and place of alleged commission and county of jurisdiction.

3. *"Conviction data"* means information that a person was convicted of or entered a plea of guilty to a public offense and includes the date and location of commission and place and court of conviction.

4. *"Correctional data"* means information pertaining to the status, location, and activities of persons under the supervision of the county sheriff, the Iowa department of corrections, the board of parole, or any other state or local agency performing the same or similar function, but does not include investigative, sociological, psychological, economic, or other subjective information maintained by the Iowa department of corrections or board of parole.

5. *"Criminal history data"* means any or all of the following information maintained by the department or division in a manual or automated data storage system and individually identified:

*a.* Arrest data.

*b.* Conviction data.

*c.* Disposition data.

*d.* Correctional data.

*e.* Adjudication data.

*f.* Custody data.

6. *"Criminal investigative data"* means information collected in the course of an investigation where there are reasonable grounds to suspect that specific criminal acts have been committed by a person.

7. *"Criminal or juvenile justice agency"* means an agency or department of any level of government or an entity wholly owned, financed, or controlled by one or more such agencies or departments which performs as its principal function the apprehension, prosecution, adjudication, incarceration, or rehabilitation of criminal or juvenile offenders.

8. *"Custody data"* means information pertaining to the taking into custody, pursuant to section 232.19, of a juvenile for a delinquent act which would be a serious or aggravated misdemeanor or felony if committed by an adult, and includes the date, time, place, and facts and circumstances of the delinquent act. Custody data includes warrants for the taking into custody for all delinquent acts outstanding and not served and includes the filing of a petition pursuant to section 232.35, the date and place of the alleged delinquent act, and the county of jurisdiction.

9. *"Department"* means the department of public safety.

10. *"Disposition data"* means information pertaining to a recorded court proceeding subsequent and incidental to a public offense arrest and includes dismissal of the charge, suspension or deferral of sentence.

11. *"Division"* means the department of public safety, division of criminal investigation.

12. *"Individually identified"* means criminal history data which relates to a specific person by one or more of the following means of identification:

*a.* Name and alias, if any.

*b.* Social security number.

*c.* Fingerprints.

*d.* Other index cross-referenced to paragraph *"a"*, *"b"*, or *"c"*.

*e.* Other individually identifying characteristics.

13. *"Intelligence assessment"* means an analysis of information based in whole or in part upon intelligence data.

14. *"Intelligence data"* means information on identifiable individuals compiled in an effort to anticipate, prevent, or monitor possible criminal activity.

15. *"Public offense"* as used in subsections 2, 3, and 10 does not include nonindictable offenses under either chapter 321 or local traffic ordinances.

16. *"Surveillance data"* means information on individuals, pertaining to participation in organizations, groups, meetings or assemblies, where there are no reasonable grounds to suspect involvement or participation in criminal activity by any person.

[C75, 77, §749B.1; C79, 81, §692.1; 81 Acts, ch 38, §2, 3]

83 Acts, ch 96, §117, 159; 83 Acts, ch 113, §1; 95 Acts, ch 191, §28 – 31; 97 Acts, ch 126, §46; 2003 Acts, ch 14, §1, 5; 2005 Acts, ch 35, §31; 2006 Acts, ch 1034, §2

Referred to in §80.9B, 81.8, 81.10, 236.9, 692.17, 692.22

**692.2 Dissemination of criminal history data — fees.**

1. The department may provide copies or communicate information from criminal history data to the following:

*a.* Criminal or juvenile justice agencies.

*b.* A person or public or private agency, upon written application on a form approved by the commissioner of public safety and provided by the department to law enforcement agencies, subject to the following restrictions:

(1) A request for criminal history data must be submitted in writing by mail or as otherwise provided by rule. However, the department shall accept a request presented in person if it is from an individual or an individual's attorney and requests the individual's personal criminal history data.

(2) The request must identify a specific person by name and date of birth. Fingerprints of the person named may be required.

(3) Criminal history data that does not contain any disposition data after eighteen months from the date of arrest may only be disseminated by the department to criminal or juvenile justice agencies, to the person who is the subject of the criminal history data or the person's attorney, or to a person requesting the criminal history data with a signed release from the person who is the subject of the criminal history data authorizing the requesting person access to criminal history data.

(4) Upon receipt of official notification of the successful completion of probation following a deferred judgment, criminal history data regarding the person who successfully completed the probation shall only be disseminated by the department to a criminal or juvenile justice agency, to the person who is the subject of the criminal history data or the person's attorney,

or to another person with a signed release from the person who is the subject of the criminal history data authorizing the requesting person access to the criminal history data.

(5) Any release of criminal history data by the department shall prominently display the statement:

AN ARREST WITHOUT DISPOSITION IS NOT AN INDICATION OF GUILT.

(6) Records of acquittals or dismissals by reason of insanity and records of adjudications of mental incompetence to stand trial in cases in which physical or mental injury or an attempt to commit physical or mental injury to another was alleged shall not be disseminated to persons or agencies other than criminal or juvenile justice agencies or persons employed in or by those agencies.

2. Requests for criminal history data from criminal or juvenile justice agencies shall take precedence over all other requests.

3. A person who requests criminal history data shall not be liable for damages to the person whose criminal history data is requested for actions the person requesting the information may reasonably take in reliance on the accuracy and completeness of the criminal history data received from the department if all of the following are true:

*a.* The person requesting the criminal history data in good faith believes the criminal history data to be accurate and complete.

*b.* The person requesting the criminal history data has complied with the requirements of this chapter.

*c.* The identifying information submitted to the department by the person requesting the criminal history data is accurate regarding the person whose criminal history data is sought.

4. Unless otherwise provided by law, access under this section to criminal history data by a person or public or private agency does not create a duty upon a person, or employer, member, or volunteer of a public or private agency to examine the criminal history data of an applicant, employee, or volunteer.

5. A person other than the department of public safety shall not disseminate criminal history data maintained by the department to persons who are not criminal or juvenile justice agencies.

6. *a.* The department may charge a fee to any nonlaw-enforcement person or agency to conduct criminal history data checks. Notwithstanding any other limitation, the department may use revenues generated from the fee to administer this section and other sections of the Code providing access to criminal history data and to employ personnel to process criminal history data checks.

*b.* However, the fee for conducting a criminal history data check for a person seeking release of a certified copy of the person's own criminal history data to a potential employer, if that employer requests the release in writing, shall not be paid by the person but shall be paid by the employer.

[C75, 77, §749B.2; C79, 81, §692.2; 82 Acts, ch 1120, §1]

83 Acts, ch 96, §157, 159; 83 Acts, ch 113, §2, 3; 84 Acts, ch 1061, §1; 84 Acts, ch 1265, §6; 85 Acts, ch 33, §124; 86 Acts, ch 1245, §1605, 1606; 87 Acts, ch 59, §1; 88 Acts, ch 1249, §19; 88 Acts, ch 1252, §3; 89 Acts, ch 10, §1, 2; 89 Acts, ch 283, §32; 90 Acts, ch 1248, §3; 90 Acts, ch 1249, §19; 91 Acts, ch 138, §9; 93 Acts, ch 53, §8; 93 Acts, ch 115, §4; 94 Acts, ch 1130, §16, 17; 95 Acts, ch 191, §32 – 34; 96 Acts, ch 1150, §3, 4; 98 Acts, ch 1021, §1; 2013 Acts, ch 30, §261

Referred to in §123.46, 123.47, 155A.40, 523A.501, 523A.502, 543D.22, 692.2A, 692.3, 692.20

Code editor directive applied

**692.2A Criminal history data check prepayment fund.**

1. A criminal history data check prepayment fund is created in the state treasury under the control of the department for the purpose of allowing any non-law enforcement agency or person to deposit moneys as an advance on fees required to conduct criminal history data checks as provided in section 692.2.

2. The department shall adopt rules governing the fund, including the crediting of deposits

made to the fund. Prepaid fees deposited in the fund are appropriated to the department for use as provided in section 692.2.

3. Interest or earnings on moneys deposited in the fund shall not be credited to the fund or to the agency or person who deposited the money but shall be deposited in the general fund of the state as provided in section 12C.7. Notwithstanding section 8.33, moneys remaining in the criminal history data check prepayment fund at the end of a fiscal year shall not revert to the general fund of the state.

97 Acts, ch 209, §24

**692.3 Redissemination of arrest data and other information.**

A criminal or juvenile justice agency may redisseminate arrest data, and the name, photograph, physical description, and other identifying information concerning a person who is wanted or being sought if a warrant for the arrest of that person has been issued. Information relating to any threat the person may pose to the public may also be redisseminated. The information may be redisseminated through any written, audio, or visual means utilized by a criminal or juvenile justice agency. Any redissemination of information pursuant to this section shall also include the statement provided in section 692.2, subsection 1, paragraph *"b"*, subparagraph (5).

2007 Acts, ch 38, §5

**692.4 Statistics.**

The department, division, or a criminal or juvenile justice agency may compile and disseminate criminal history data in the form of statistical reports derived from such information or as the basis of further study provided individual identities are not ascertainable.

The division may with the approval of the commissioner of public safety disseminate criminal history data to persons conducting bona fide research, provided the data is not individually identified.

[C75, 77, §749B.4; C79, 81, §692.4]

95 Acts, ch 191, §36; 2006 Acts, ch 1034, §2

**692.5 Right of notice, access and challenge.**

Any person or the person's attorney shall have the right to examine and obtain a copy of criminal history data filed with the department that refers to the person. The person or person's attorney shall present or mail to the department written authorization and the person's fingerprint identification. The department shall not copy the fingerprint identification and shall return or destroy the identification after the copy of the criminal history data is made. The department may prescribe reasonable hours and places of examination.

Any person who files with the division a written statement to the effect that a statement contained in the criminal history data that refers to the person is nonfactual, or information not authorized by law to be kept, and requests a correction or elimination of that information that refers to that person shall be notified within twenty days by the division, in writing, of the division's decision or order regarding the correction or elimination. Judicial review of the actions of the division may be sought in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Immediately upon the filing of the petition for judicial review the court shall order the division to file with the court a certified copy of the criminal history data and in no other situation shall the division furnish an individual or the individual's attorney with a certified copy, except as provided by this chapter.

Upon the request of the petitioner, the record and evidence in a judicial review proceeding shall be closed to all but the court and its officers, and access thereto shall be refused unless otherwise ordered by the court. The clerk shall maintain a separate docket for such actions. A person, other than the petitioner, shall not permit a copy of any of the testimony or pleadings or the substance thereof to be made available to any person other than a party to the action or the party's attorney. Violation of this section shall be a public offense, punishable under section 692.7. The provisions of this section shall be the sole right of action against the

department, its subdivisions, or employees regarding improper storage or release of criminal history data.

Whenever the division corrects or eliminates data as requested or as ordered by the court, the division shall advise all agencies or individuals who have received the incorrect information to correct their files. Upon application to the district court and service of notice on the commissioner of public safety, any individual may request and obtain a list of all persons and agencies who received criminal history data referring to the individual, unless good cause be shown why the individual should not receive said list.

[C75, 77, §749B.5; C79, 81, §692.5]

93 Acts, ch 115, §5; 96 Acts, ch 1150, §5; 2003 Acts, ch 44, §114; 2006 Acts, ch 1034, §2

Referred to in §602.8102(124)

**692.6 Civil remedy.**

Any person may institute a civil action for damages under chapter 669 or 670 or to restrain the dissemination of the person's criminal history data or intelligence data in violation of this chapter. Notwithstanding any provisions of chapter 669 or 670 to the contrary, any person, agency, or governmental body proven to have disseminated or to have requested and received criminal history data or intelligence data in violation of this chapter shall be liable for actual damages and exemplary damages for each violation and shall be liable for court costs, expenses, and reasonable attorney fees incurred by the party bringing the action. In no case shall the award for damages be less than one hundred dollars.

[C75, 77, §749B.6; C79, 81, §692.6]

2007 Acts, ch 38, §6

**692.7 Criminal penalties.**

1. A person who willfully requests, obtains, or seeks to obtain criminal history data under false pretenses, or who willfully communicates or seeks to communicate criminal history data to any agency or person except in accordance with this chapter, or a person connected with a research program authorized pursuant to this chapter who willfully falsifies criminal history data or any records relating thereto, shall, upon conviction, for each such offense be guilty of an aggravated misdemeanor.

2. Any person who willfully requests, obtains, or seeks to obtain intelligence data under false pretenses, or who willfully communicates or seeks to communicate intelligence data to any agency or person except in accordance with this chapter, shall for each such offense be guilty of a class "D" felony. Any person who knowingly, but without criminal purposes, communicates or seeks to communicate intelligence data except in accordance with this chapter shall for each such offense be guilty of a serious misdemeanor.

3. If a person convicted under this section is a peace officer, the conviction shall be grounds for discharge or suspension from duty without pay and if the person convicted is a public official or public employee, the conviction shall be grounds for removal from office.

4. Any reasonable grounds for belief that a public employee has violated any provision of this chapter shall be grounds for immediate removal from all access to criminal history data and intelligence data.

[C75, 77, §749B.7; C79, 81, §692.7]

96 Acts, ch 1150, §6

Referred to in §692.5, 692.9

**692.8 Intelligence data.**

Intelligence data contained in the files of the department of public safety or a criminal or juvenile justice agency may be placed within a computer data storage system, provided that access to the computer data storage system is restricted to authorized employees of the department or criminal or juvenile justice agency. The department shall adopt rules to implement this paragraph.

Intelligence data in the files of the department may be disseminated only to a peace officer, criminal or juvenile justice agency, or state or federal regulatory agency, and only if the department is satisfied that the need to know and the intended use are reasonable. However, intelligence data may also be disseminated to an agency, organization, or person

when disseminated for an official purpose, and in order to protect a person or property from a threat of imminent serious harm. Whenever intelligence data relating to a defendant or juvenile who is the subject of a petition under section 232.35 for the purpose of sentencing or adjudication has been provided a court, the court shall inform the defendant or juvenile or the defendant's or juvenile's attorney that it is in possession of such data and shall, upon request of the defendant or juvenile or the defendant's or juvenile's attorney, permit examination of such data.

If the defendant or juvenile disputes the accuracy of the intelligence data, the defendant or juvenile shall do so by filing an affidavit stating the substance of the disputed data and wherein it is inaccurate. If the court finds reasonable doubt as to the accuracy of such information, it may require a hearing and the examination of witnesses relating thereto on or before the time set for sentencing or adjudication.

[C75, 77, §749B.8; C79, 81, §692.8]

84 Acts, ch 1145, §2; 94 Acts, ch 1096, §1; 95 Acts, ch 191, §37; 2003 Acts, ch 14, §2, 5

**692.8A Dissemination of intelligence data.**

1. A criminal or juvenile justice agency, state or federal regulatory agency, or a peace officer shall not disseminate intelligence data, which has been received from the department or division or from any other source, outside the agency or the peace officer's agency unless all of the following apply:

*a.* The intelligence data is for official purposes in connection with prescribed duties of a criminal or juvenile justice agency.

*b.* The agency maintains a list of the agencies, organizations, or persons receiving the intelligence data and the date and purpose of the dissemination.

*c.* The agency disseminating the intelligence data is satisfied that the need to know and the intended use are reasonable.

2. Notwithstanding subsection 1, a criminal or juvenile justice agency, state or federal regulatory agency, or peace officer may disseminate intelligence data to an agency, organization, or person when disseminated for an official purpose, and in order to protect a person or property from a threat of imminent serious harm, and if the dissemination complies with paragraphs "*b*" and "*c*" of subsection 1.

3. An agency, organization, or person receiving intelligence data from a criminal or juvenile justice agency, state or federal regulatory agency, or a peace officer pursuant to this chapter may only redisseminate the intelligence data if authorized by the agency or peace officer providing the data. A criminal or juvenile justice agency, state or federal regulatory agency, or a peace officer who disseminates intelligence data pursuant to this chapter may limit the type of data released in order to protect the intelligence methods and sources used to gather the data, and may also place restrictions on the redissemination by the agency, organization, or person receiving the intelligence data. An agency, organization, or person receiving intelligence data is also subject to the provisions of this chapter and shall comply with any administrative rules adopted pursuant to this chapter.

4. An intelligence assessment and intelligence data shall be deemed a confidential record of the department under section 22.7, subsection 55, except as otherwise provided in this subsection. This section shall not be construed to prohibit the dissemination of an intelligence assessment to any agency or organization if necessary for carrying out the official duties of the agency or organization, or to a person if disseminated for an official purpose, and to a person if necessary to protect a person or property from a threat of imminent serious harm. This section shall also not be construed to prohibit the department from disseminating a public health and safety threat advisory or alert by press release or other method of public communication.

96 Acts, ch 1150, §7; 2003 Acts, ch 14, §3, 5; 2006 Acts, ch 1034, §2; 2006 Acts, ch 1148, §2; 2007 Acts, ch 22, §105

Referred to in §22.7

**692.9 Surveillance data prohibited.**

No surveillance data shall be placed in files or manual or automated data storage systems by the department or division or by any peace officer or criminal or juvenile justice agency. Violation of the provisions of this section shall be a public offense punishable under section 692.7.

[C75, 77, §749B.9; C79, 81, §692.9]
95 Acts, ch 191, §38; 2006 Acts, ch 1034, §2

**692.10 Rules.**

The department shall adopt rules designed to assure the security and confidentiality of all systems established for the exchange of criminal history data and intelligence data between criminal or juvenile justice agencies and for the authorization of officers or employees to access a department or agency computer data storage system in which criminal intelligence data is stored.

[C75, 77, §749B.10; C79, 81, §692.10; 81 Acts, ch 38, §5]
84 Acts, ch 1145, §3; 95 Acts, ch 191, §39
Referred to in §692.19

**692.11 Education program.**

The department shall require an educational program for its employees and the employees of criminal or juvenile justice agencies on the proper use and control of criminal history data and intelligence data.

[C75, 77, §749B.11; C79, 81, §692.11]
95 Acts, ch 191, §40

**692.12 Data processing.**

Nothing in this chapter shall preclude the use of the equipment and hardware of the data processing service center for the storage and retrieval of criminal history data. Files shall be stored on the computer in such a manner that the files cannot be modified, destroyed, accessed, changed, or overlaid in any fashion by terminals or personnel not belonging to a criminal or juvenile justice agency. That portion of any computer, electronic switch, or manual terminal having access to criminal history data stored in the state computer must be under the management control of a criminal or juvenile justice agency.

[C75, 77, §749B.12; C79, 81, §692.12]
95 Acts, ch 191, §41; 96 Acts, ch 1034, §56

**692.13 Review.**

The department shall initiate periodic review procedures designed to determine compliance with the provisions of this chapter within the department and by criminal or juvenile justice agencies and to determine that data furnished to them is factual and accurate.

[C75, 77, §749B.13; C79, 81, §692.13]
95 Acts, ch 191, §42

**692.14 Systems for the exchange of criminal history data.**

The department shall regulate the participation by all state and local agencies in any system for the exchange of criminal history data, and shall be responsible for assuring the consistency of such participation with the terms and purposes of this chapter.

Direct access to such systems shall be limited to such criminal or juvenile justice agencies as are expressly designated for that purpose by the department. The department shall, with respect to telecommunications terminals employed in the dissemination of criminal history data, insure that security is provided over an entire terminal or that portion actually authorized access to criminal history data.

[C75, 77, §749B.14; C79, 81, §692.14]
95 Acts, ch 191, §43
Referred to in §804.29

**692.15 Reports to department.**

1. If it comes to the attention of a sheriff, police department, or other law enforcement agency that a public offense or delinquent act has been committed in its jurisdiction, the law enforcement agency shall report information concerning the public offense or delinquent act to the department on a form to be furnished by the department not more than thirty-five days from the time the public offense or delinquent act first comes to the attention of the law enforcement agency. The reports shall be used to generate crime statistics. The department shall submit statistics to the governor, the general assembly, and the division of criminal and juvenile justice planning of the department of human rights on a quarterly and yearly basis.

2. If a sheriff, police department, or other law enforcement agency makes an arrest or takes a juvenile into custody which is reported to the department, the law enforcement agency making the arrest or taking the juvenile into custody and any other law enforcement agency which obtains custody of the arrested person or juvenile taken into custody shall furnish a disposition report to the department if the arrested person or juvenile taken into custody is transferred to the custody of another law enforcement agency or is released without having a complaint or information or petition under section 232.35 filed with any court.

3. The law enforcement agency making an arrest and securing fingerprints pursuant to section 690.2 or taking a juvenile into custody and securing fingerprints pursuant to section 232.148 shall fill out a final disposition report on each arrest or taking into custody on a form and in the manner prescribed by the commissioner of public safety. The final disposition report shall be forwarded to the county attorney, or at the discretion of the county attorney, to the clerk of the district court, in the county where the arrest or taking into custody occurred, or to the juvenile court officer who received the referral, whichever is deemed appropriate under the circumstances.

4. The county attorney of each county or juvenile court officer who received the referral shall complete the final disposition report and submit it to the department within thirty days if a preliminary information or citation is dismissed without a new charge being filed. If an indictment is returned or a county attorney's information is filed, or a petition is filed under section 232.35, the final disposition form shall be forwarded to either the clerk of the district court or juvenile court of that county.

5. If a criminal complaint or information or petition under section 232.35 is filed in any court, the clerk shall furnish a disposition report of the case.

6. Any disposition report shall be sent to the department within thirty days after disposition either electronically or on a printed form provided by the department.

7. The hate crimes listed in section 729A.2 are subject to the reporting requirements of this section.

8. The fact that a person was convicted for a sexually predatory offense under chapter 901A shall be reported with other conviction data regarding that person.

[C75, 77, §749B.15; C79, 81, §692.15]

86 Acts, ch 1237, §42; 92 Acts, ch 1157, §2; 93 Acts, ch 115, §6; 95 Acts, ch 191, §44; 96 Acts, ch 1082, §1; 99 Acts, ch 37, §3; 2000 Acts, ch 1154, §41; 2007 Acts, ch 38, §7; 2011 Acts, ch 95, §7

Referred to in §331.653, 602.8102(125)

**692.16 Review and removal.**

At least every year the division shall review and determine current status of all Iowa arrests or takings into custody reported, which are at least four years old with no disposition data. Any Iowa arrest or taking of a juvenile into custody recorded within a computer data storage system which has no disposition data after four years shall be removed unless there is an outstanding arrest warrant or detainer on such charge.

[C75, 77, §749B.16; C79, 81, §692.16]

93 Acts, ch 115, §7; 95 Acts, ch 191, §45; 2006 Acts, ch 1034, §2; 2007 Acts, ch 38, §8

**692.17 Exclusions — purposes.**

1. Criminal history data in a computer data storage system shall not include arrest or disposition data or custody or adjudication data after the person has been acquitted or the

charges dismissed, except that records of acquittals or dismissals by reason of insanity and records of adjudications of mental incompetence to stand trial in cases in which physical or mental injury or an attempt to commit physical or mental injury to another was alleged may be included. Criminal history data shall not include custody or adjudication data, except as necessary for the purpose of administering chapter 692A, after the juvenile has reached twenty-one years of age, unless the juvenile was convicted of or pled guilty to a serious or aggravated misdemeanor or felony between age eighteen and age twenty-one.

2. For the purposes of this section, *"criminal history data"* includes the following:

*a.* In the case of an adult, information maintained by any criminal justice agency if the information otherwise meets the definition of criminal history data in section 692.1, except that source documents shall be retained.

*b.* In the case of a juvenile, information maintained by any criminal or juvenile justice agency if the information otherwise meets the definition of criminal history data in section 692.1. In the case of a juvenile, criminal history data and source documents, other than fingerprint records, shall not be retained.

3. Fingerprint cards received that are used to establish a criminal history data record shall be retained in the automated fingerprint identification system when the criminal history data record is expunged.

4. Criminal history data may be collected for management or research purposes.

[C75, 77, §749B.17; C79, 81, §692.17]

90 Acts, ch 1053, §1; 91 Acts, ch 116, §20; 93 Acts, ch 115, §8; 95 Acts, ch 191, §46; 98 Acts, ch 1021, §2; 2009 Acts, ch 24, §4

**692.18 Public records.**

1. Nothing in this chapter shall prohibit the public from examining and copying the public records of any public body or agency as authorized by chapter 22.

2. Intelligence data in the possession of a criminal or juvenile justice agency, state or federal regulatory agency, or peace officer, or disseminated by such agency or peace officer, are confidential records under section 22.7, subsection 55.

[C75, 77, §749B.18; C79, 81, §692.18]

96 Acts, ch 1150, §8; 2003 Acts, ch 14, §4, 5; 2009 Acts, ch 133, §174

**692.19 Confidential records — commissioner's responsibility.**

The commissioner of public safety shall have the following responsibilities and duties:

1. Shall periodically monitor the operation of governmental information systems which deal with the collection, storage, use and dissemination of criminal history or intelligence data.

2. Shall review the implementation and effectiveness of legislation and administrative rules concerning such systems.

3. May recommend changes in said rules and legislation to the legislature and the appropriate administrative officials.

4. May require such reports from state agencies as may be necessary to perform its duties.

5. May receive and review complaints from the public concerning the operation of such systems.

6. May conduct inquiries and investigations the commissioner finds appropriate to achieve the purposes of this chapter. Each criminal or juvenile justice agency in this state and each state and local agency otherwise authorized access to criminal history data is authorized and directed to furnish to the commissioner of public safety, upon the commissioner's request, statistical data, reports, and other information in its possession as the commissioner deems necessary to implement this chapter.

7. Shall annually approve rules adopted in accordance with section 692.10 and rules to assure the accuracy, completeness and proper purging of criminal history data.

8. Shall approve all agreements, arrangements and systems for the interstate transmission and exchange of criminal history data.

[C75, 77, §749B.19; C79, 81, §692.19]

86 Acts, ch 1245, §1607; 88 Acts, ch 1134, §113; 95 Acts, ch 191, §47

**692.20 Motor vehicle operator's record exempt.**

The provisions of section 692.2 shall not apply to the certifying of an individual's operating record pursuant to section 321A.3.

[C75, 77, §749B.20; C79, 81, §692.20]

96 Acts, ch 1150, §9

**692.21 Data to agency making arrest or taking juvenile into custody.**

The clerk of the district court shall forward conviction and disposition data to the criminal or juvenile justice agency making the arrest or taking a juvenile into custody within thirty days of final court disposition of the case.

[C81, §692.21]

95 Acts, ch 191, §48; 96 Acts, ch 1034, §57

**692.22 Stalking information.**

Criminal or juvenile justice agencies, as defined in section 692.1, shall collect and maintain information on incidents involving stalking, as defined in section 708.11, and shall provide the information to the department of public safety in the manner prescribed by the department of public safety.

The department of public safety may compile statistics and issue reports on stalking in Iowa, provided individual identifying details of the stalking are deleted. The statistics and reports may include nonidentifying information on the personal characteristics of perpetrators and victims. The department of public safety may request the cooperation of the department of justice in compiling the statistics and issuing the reports. The department of public safety may provide nonidentifying information on individual incidents of stalking to persons conducting bona fide research, including but not limited to personnel of the department of justice.

98 Acts, ch 1021, §3

# CHAPTER 692A

## SEX OFFENDER REGISTRY

Referred to in §22.7, 216A.136, 229A.7, 232.53, 232.54, 232.68, 232.71B, 235B.3, 237.3, 237A.5, 279.69, 282.9, 321.375, 331.307, 364.22, 598.41, 692.17, 707.2, 707.3, 707.4, 707.5, 707.11, 708.7, 708.11, 708.15, 710.2, 710.3, 710.4, 710.5, 710.10, 713.3, 713.4, 713.5, 713.6, 713.6A, 713.6B, 726.6, 726.10, 906.19, 907.3

692A.1 through 692A.16 Repealed by 2009 Acts, ch 119, §31.
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692A.127 Limitations on political subdivisions.
692A.128 Modification.
692A.129 Probation and parole officers.
692A.130 Rules.

**692A.1 through 692A.16** Repealed by 2009 Acts, ch 119, § 31.

**692A.101 Definitions.**

As used in this chapter and unless the context otherwise requires:

1. *a.* *"Aggravated offense"* means a conviction for any of the following offenses:

(1) Sexual abuse in the first degree in violation of section 709.2.

(2) Sexual abuse in the second degree in violation of section 709.3.

(3) Sexual abuse in the third degree in violation of section 709.4, subsection 1, paragraph *"a"*.

(4) Lascivious acts with a child in violation of section 709.8, subsection 1, paragraph *"a"* or *"b"*.

(5) Assault with intent to commit sexual abuse in violation of section 709.11.

(6) Burglary in the first degree in violation of section 713.3, subsection 1, paragraph *"d"*.

(7) Kidnapping, if sexual abuse as defined in section 709.1 is committed during the commission of the offense.

(8) Murder in violation of section 707.2 or 707.3, if sexual abuse as defined in section 709.1 is committed during the offense.

(9) Criminal transmission of human immunodeficiency virus in violation of section 709C.1, subsection 1, paragraph *"a"*.

*b.* Any conviction for an offense specified in the laws of another jurisdiction or any conviction for an offense prosecuted in federal, military, or foreign court, that is comparable to an offense listed in paragraph *"a"* shall be considered an aggravated offense for purposes of registering under this chapter.

2. *a.* *"Aggravated offense against a minor"* means a conviction for any of the following offenses, if such offense was committed against a minor, or otherwise involves a minor:

(1) Sexual abuse in the first degree in violation of section 709.2.

(2) Sexual abuse in the second degree in violation of section 709.3.

(3) Sexual abuse in the third degree in violation of section 709.4, except for a violation of section 709.4, subsection 1, paragraph *"b"*, subparagraph (3), subparagraph division (d).

*b.* Any offense specified in the laws of another jurisdiction or prosecuted in a federal, military, or foreign court, that is comparable to an offense listed in paragraph *"a"* shall be considered an aggravated offense against a minor if such an offense was committed against a minor or otherwise involves a minor.

3. *"Appearance"* means to appear in person at a sheriff's office.

4. *"Business day"* means every day except Saturday, Sunday, or any paid holiday for county employees in the applicable county.

5. *"Change"* means to add, begin, or terminate.

6. *"Child care facility"* means the same as defined in section 237A.1.

7. *"Convicted"* means found guilty of, pleads guilty to, or is sentenced or adjudicated delinquent for an act which is an indictable offense in this state or in another jurisdiction including in a federal, military, tribal, or foreign court, including but not limited to a juvenile who has been adjudicated delinquent, but whose juvenile court records have been sealed under section 232.150, and a person who has received a deferred sentence or a deferred judgment or has been acquitted by reason of insanity. *"Conviction"* includes the conviction of a juvenile prosecuted as an adult. *"Convicted"* also includes a conviction for an attempt or conspiracy to commit an offense. *"Convicted"* does not mean a plea, sentence, adjudication, deferred sentence, or deferred judgment which has been reversed or otherwise set aside.

8. *"Criminal or juvenile justice agency"* means an agency or department of any level of government or an entity wholly owned, financed, or controlled by one or more such agencies or departments which performs as its principal function the apprehension, prosecution, adjudication, incarceration, or rehabilitation of criminal or juvenile offenders.

9. *"Department"* means the department of public safety.

10. *"Employee"* means an offender who is self-employed, employed by another, and includes a person working under contract, or acting or serving as a volunteer, regardless of whether the self-employment, employment by another, or volunteerism is performed for compensation.

11. *"Employment"* means acting as an employee.

12. *"Foreign court"* means a court of a foreign nation that is recognized by the United States department of state that enforces the right to a fair trial during the period in which a conviction occurred.

13. *"Habitually lives"* means living in a place with some regularity, and with reference to where the sex offender actually lives, which could be some place other than a mailing address or primary address but would entail a place where the sex offender lives on an intermittent basis.

14. *"Incarcerated"* means to be imprisoned by placing a person in a jail, prison, penitentiary, juvenile facility, or other correctional institution or facility or a place or condition of confinement or forcible restraint regardless of the nature of the institution in which the person serves a sentence for a conviction.

15. *"Internet identifier"* means an electronic mail address, instant message address or identifier, or any other designation or moniker used for self-identification during internet communication or posting, including all designations used for the purpose of routing or self-identification in internet communications or postings.

16. *"Jurisdiction"* means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Northern Mariana Islands, the United States Virgin Islands, or a federally recognized Indian tribe.

17. *"Loiter"* means remaining in a place or circulating around a place under circumstances that would warrant a reasonable person to believe that the purpose or effect of the behavior is to enable a sex offender to become familiar with a location where a potential victim may be found, or to satisfy an unlawful sexual desire, or to locate, lure, or harass a potential victim.

18. *"Military offense"* means a sex offense specified by the secretary of defense under 10 U.S.C. § 951.

19. *"Minor"* means a person under eighteen years of age.

20. *"Principal residence"* for a sex offender means:

*a.* The residence of the offender, if the offender has only one residence in this state.

*b.* The residence at which the offender resides, sleeps, or habitually lives for more days per year than another residence in this state, if the offender has more than one residence in this state.

*c.* The place of employment or attendance as a student, or both, if the sex offender does not have a residence in this state.

21. *"Professional licensing information"* means the name or other description, number, if applicable, and issuing authority or agency of any license, certification, or registration required by law to engage in a profession or occupation held by a sex offender who is required at the time of the initial requirement to register under this chapter, or any such license, certification, or registration that was issued to an offender within the five-year period prior to conviction for a sex offense that requires registration under this chapter, or any such license, certification, or registration that is issued to an offender at any time during the duration of the registration requirement.

22. *"Public library"* means any library that receives financial support from a city or county pursuant to section 256.69.

23. *a.* *"Relevant information"* means the following information with respect to a sex offender:

(1) Criminal history, including warrants, articles, status of parole, probation, or supervised release, date of arrest, date of conviction, and registration status.

(2) Date of birth.

(3) Passport and immigration documents.

(4) Government issued driver's license or identification card.

(5) DNA sample.

(6) Educational institutions attended as a student, including the name and address of such institutions.

(7) Employment information including name and address of employer.

(8) Fingerprints.

(9) Internet identifiers.

(10) Names, nicknames, aliases, or ethnic or tribal names, and if applicable, the real names of an offender protected under 18 U.S.C. § 3521.

(11) Palm prints.

(12) Photographs.

(13) Physical description, including scars, marks, or tattoos.

(14) Professional licensing information.

(15) Residence.

(16) Social security number.

(17) Telephone numbers, including any landline or wireless numbers.

(18) Temporary lodging information, including dates when residing in temporary lodging.

(19) Statutory citation and text of offense committed that requires registration under this chapter.

(20) Vehicle information for a vehicle owned or operated by an offender including license plate number, registration number, or other identifying number, vehicle description, and the permanent or frequent locations where the vehicle is parked, docked, or otherwise kept.

(21) The name, gender, and date of birth of each person residing in the residence.

*b.* *"Relevant information"* does not include relevant information in paragraph *"a"*, subparagraphs (1) and (19), when a sex offender is required to provide relevant information pursuant to this chapter.

24. *"Residence"* means each dwelling or other place where a sex offender resides, sleeps, or habitually lives, or will reside, sleep, or habitually live, including a shelter or group home. If a sex offender does not reside, sleep, or habitually live in a fixed place, *"residence"* means a description of the locations where the offender is stationed regularly, including any mobile or transitory living quarters. *"Residence"* shall be construed to refer to the places where a sex offender resides, sleeps, habitually lives, or is stationed with regularity, regardless of whether the offender declares or characterizes such place as the residence of the offender.

25. *"Sex act"* means as defined in section 702.17.

26. *"Sex offender"* means a person who is required to be registered under this chapter.

27. *"Sex offense"* means an indictable offense for which a conviction has been entered that is enumerated in section 692A.102, and means any comparable offense for which a conviction has been entered under prior law, or any comparable offense for which a conviction has been entered in a federal, military, or foreign court, or another jurisdiction.

28. *"Sex offense against a minor"* means an offense for which a conviction has been entered for a sex offense classified as a tier I, tier II, or tier III offense under this chapter if such offense was committed against a minor, or otherwise involves a minor.

29. *"Sexually motivated"* means the same as defined in section 229A.2.

30. *"Sexually violent offense"* means an offense for which a conviction has been entered for any of the following indictable offenses:

*a.* Sexual abuse as defined under section 709.1.

*b.* Assault with intent to commit sexual abuse in violation of section 709.11.

*c.* Sexual misconduct with offenders and juveniles in violation of section 709.16.

*d.* Any of the following offenses, if the offense involves sexual abuse or assault with intent to commit sexual abuse: murder, attempted murder, kidnapping, burglary, or manslaughter.

*e.* A criminal offense committed in another jurisdiction, including a conviction in a federal, military, or foreign court, which would constitute an indictable offense under paragraphs *"a"* through *"d"* if committed in this state.

31. *"Sexually violent predator"* means a sex offender who has been convicted of an offense which would qualify the offender as a sexually violent predator under the federal Violent Crime Control and Law Enforcement Act of 1994, 42 U.S.C. § 14071(a)(3)(B), (C), (D), and (E).

32. *"SORNA"* means the Sex Offender Registration and Notification Act, which is Tit. I of the federal Adam Walsh Child Protection and Safety Act of 2006.

33. *"Student"* means a sex offender who enrolls in or otherwise receives instruction at an educational institution, including a public or private elementary school, secondary school, trade or professional school, or institution of higher education. *"Student"* does not mean a sex offender who enrolls in or attends an educational institution as a correspondence student, distance learning student, or any other form of learning that occurs without physical presence on the real property of an educational institution.

34. *"Superintendent"* means the superintendent or superintendent's designee of a public school or the authorities in charge of a nonpublic school.

35. *"Vehicle"* means a vehicle owned or operated by an offender, including but not limited to a vehicle for personal or work-related use, and including a watercraft or aircraft, that is subject to registration requirements under chapter 321, 328, or 462A.

2009 Acts, ch 119, §1; 2010 Acts, ch 1104, §1 – 3, 23; 2013 Acts, ch 30, §242, 243
Referred to in §232.116, 598.41A, 598.41D, 600A.8, 692A.109
Subsection 1, paragraph a, subparagraphs (3) and (4) amended
Subsection 2, paragraph a, subparagraph (3) amended

**692A.102 Sex offense classifications.**

1. For purposes of this chapter, all individuals required to register shall be classified as a tier I, tier II, or tier III offender. For purposes of this chapter, sex offenses are classified into the following tiers:

*a.* Tier I offenses include a conviction for the following sex offenses:

(1) Sexual abuse in the second degree in violation of section 709.3, subsection 1, paragraph *"b"*, if committed by a person under the age of fourteen.

(2) Sexual abuse in the third degree in violation of section 709.4, subsection 1, paragraph *"a"*, *"c"*, or *"d"*, if committed by a person under the age of fourteen.

(3) Sexual abuse in the third degree in violation of section 709.4, subsection 1, paragraph *"b"*, subparagraph (1) or (2), if committed by a person under the age of fourteen.

(4) Sexual abuse in the third degree in violation of section 709.4, subsection 1, paragraph *"b"*, subparagraph (3).

(5) Indecent exposure in violation of section 709.9.

(6) (a) Harassment in violation of section 708.7, subsection 1, 2, or 3, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(b) Stalking in violation of section 708.11, if a determination is made that the offense was sexually motivated pursuant to section 692A.126, except a violation of section 708.11, subsection 3, paragraph *"b"*, subparagraph (3), shall be classified a tier II offense as provided in paragraph *"b"*.

(c) Any other indictable offense in violation of chapter 708 if the offense is committed against a minor and if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(7) Pimping in violation of section 725.2 if the offense was committed against a minor or otherwise involves a minor and if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(8) Pandering in violation of section 725.3, subsection 2, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(9) Any indictable offense in violation of chapter 726 if the offense is committed against a minor or otherwise involves a minor and if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(10) (a) Dissemination or exhibition of obscene material to minors in violation of section 728.2 or telephone dissemination of obscene material to minors in violation of section 728.15.

(b) Rental or sale of hard-core pornography, if delivery is to a minor, in violation of section 728.4.

(11) Admitting minors to premises where obscene material is exhibited in violation of section 728.3.

(12) Receipt or possession of child pornography in violation of 18 U.S.C. § 2252.

(13) Material containing child pornography in violation of 18 U.S.C. § 2252A.

(14) Misleading domain names on the internet in violation of 18 U.S.C. § 2252B.

(15) Misleading words or digital images on the internet in violation of section 18 U.S.C. § 2252C.

(16) Failure to file a factual statement about an alien individual in violation of 18 U.S.C. § 2424.

(17) Transmitting information about a minor to further criminal sexual conduct in violation of 18 U.S.C. § 2425.

(18) Any sex offense specified in the laws of another jurisdiction or any sex offense that may be prosecuted in federal, military, or foreign court, that is comparable to an offense listed in subparagraphs (1) through (17).

(19) Any sex offense under the prior laws of this state or another jurisdiction, or any sex offense under prior law that was prosecuted in a federal, military, or foreign court, that is comparable to an offense listed in subparagraphs (1) through (17).

*b*. Tier II offenses include a conviction for the following sex offenses:

(1) Lascivious acts with a child in violation of section 709.8, subsection 1, paragraph *"d"* or *"e"*.

(2) Solicitation of a minor to engage in an illegal sex act in violation of section 705.1.

(3) Solicitation of a minor to engage in an illegal act under section 709.8, subsection 1, paragraph *"d"*, in violation of section 705.1.

(4) Solicitation of a minor to engage in an illegal act under section 709.12, in violation of section 705.1.

(5) False imprisonment of a minor in violation of section 710.7, except if committed by a parent.

(6) Assault with intent to commit sexual abuse if no injury results in violation of section 709.11.

(7) Invasion of privacy — nudity in violation of section 709.21.

(8) Stalking in violation of section 708.11, subsection 3, paragraph *"b"*, subparagraph (3), if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(9) Indecent contact with a child in violation of section 709.12, if the child is thirteen years of age.

(10) Lascivious conduct with a minor in violation of section 709.14.

(11) Sexual exploitation by a counselor, therapist, or school employee in violation of section 709.15, if the victim is thirteen years of age or older.

(12) Sexual misconduct with offenders and juveniles in violation of section 709.16, if the victim is thirteen years of age or older.

(13) Sexual abuse of a corpse in violation of section 709.18.

(14) Kidnapping of a person who is not a minor in violation of section 710.2, 710.3, or 710.4, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(15) Pandering in violation of section 725.3.

(16) Solicitation of a minor to engage in an illegal act under section 725.3, subsection 2, in violation of section 705.1.

(17) Incest committed against a dependent adult as defined in section 235B.2 in violation of section 726.2.

(18) Incest committed against a minor in violation of section 726.2.

(19) Sexual exploitation of a minor in violation of section 728.12, subsection 2 or 3.

(20) Material involving the sexual exploitation of a minor in violation of 18 U.S.C. § 2252(a), except receipt or possession of child pornography.

(21) Production of sexually explicit depictions of a minor for import into the United States in violation of 18 U.S.C. § 2260.

(22) Transportation of a minor for illegal sexual activity in violation of 18 U.S.C. § 2421.

(23) Coercion and enticement of a minor for illegal sexual activity in violation of 18 U.S.C. § 2422(a) or (b).

(24) Transportation of minors for illegal sexual activity in violation of 18 U.S.C. § 2423(a).

(25) Travel with the intent to engage in illegal sexual conduct with a minor in violation of 18 U.S.C. § 2423.

(26) Engaging in illicit sexual conduct in foreign places in violation of 18 U.S.C. § 2423(c).

(27) Video voyeurism of a minor in violation of 18 U.S.C. § 1801.

(28) Any sex offense specified in the laws of another jurisdiction or any offense that may be prosecuted in a federal, military, or foreign court, that is comparable to an offense listed in subparagraphs (1) through (27).

(29) Any sex offense under the prior laws of this state or another jurisdiction, or any sex offense under prior law that was prosecuted in a federal, military, or foreign court, that is comparable to a sex offense listed in subparagraphs (1) through (27).

*c.* Tier III offenses include a conviction for the following sex offenses:

(1) Murder in violation of section 707.2 or 707.3 if sexual abuse as defined in section 709.1 is committed during the commission of the offense.

(2) Murder in violation of section 707.2 or 707.3, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(3) Voluntary manslaughter in violation of section 707.4, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(4) Involuntary manslaughter in violation of section 707.5, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(5) Attempt to commit murder in violation of section 707.11, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(6) Penetration of the genitalia or anus with an object in violation of section 708.2, subsection 5.

(7) Sexual abuse in the first degree in violation of section 709.2.

(8) Sexual abuse in the second degree in violation of section 709.3, subsection 1, paragraph "*a*" or "*c*".

(9) Sexual abuse in the second degree in violation of section 709.3, subsection 1, paragraph "*b*", if committed by a person fourteen years of age or older.

(10) Sexual abuse in the third degree in violation of section 709.4, subsection 1, paragraph "*a*", "*c*", or "*d*", if committed by a person fourteen years of age or older.

(11) Sexual abuse in the third degree in violation of section 709.4, subsection 1, paragraph "*b*", subparagraph (1) or (2), if committed by a person fourteen years of age or older.

(12) Lascivious acts with a child in violation of section 709.8, subsection 1, paragraph *"a"* or *"b"*.

(13) Kidnapping in violation of section 710.2 if sexual abuse as defined in section 709.1 is committed during the commission of the offense.

(14) Kidnapping of a minor in violation of section 710.2, 710.3, or 710.4, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(15) Assault with intent to commit sexual abuse resulting in serious or bodily injury in violation of section 709.11.

(16) Burglary in the first degree in violation of section 713.3, subsection 1, paragraph *"d"*.

(17) Any other burglary in the first degree offense in violation of section 713.3 that is not included in subparagraph (16), if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(18) Attempted burglary in the first degree in violation of section 713.4, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(19) Burglary in the second degree in violation of section 713.5, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(20) Attempted burglary in the second degree in violation of section 713.6, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(21) Burglary in the third degree in violation of section 713.6A, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(22) Attempted burglary in the third degree in violation of section 713.6B, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(23) Criminal transmission of human immunodeficiency virus in violation of section 709C.1, subsection 1, paragraph *"a"*.

(24) Human trafficking in violation of section 710A.2 if sexual abuse or assault with intent to commit sexual abuse is committed or sexual conduct or sexual contact is an element of the offense.

(25) Purchase or sale of an individual in violation of section 710.11 if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(26) Sexual exploitation of a minor in violation of section 728.12, subsection 1.

(27) Indecent contact with a child in violation of section 709.12 if the child is under thirteen years of age.

(28) Sexual exploitation by a counselor, therapist, or school employee in violation of section 709.15, if the child is under thirteen years of age.

(29) Sexual misconduct with offenders and juveniles in violation of section 709.16, if the child is under thirteen years of age.

(30) Child stealing in violation of section 710.5, if a determination is made that the offense was sexually motivated pursuant to section 692A.126.

(31) Enticing a minor in violation of section 710.10, if the violation includes an intent to commit sexual abuse, sexual exploitation, sexual contact, or sexual conduct directed towards a minor.

(32) Solicitation of commercial sexual activity in violation of section 710A.2A.

(33) Sex trafficking of children in violation of 18 U.S.C. § 1591.

(34) Aggravated sexual abuse in violation of 18 U.S.C. § 2241.

(35) Sexual abuse in violation of 18 U.S.C. § 2242.

(36) Sexual abuse of a minor or ward in violation of 18 U.S.C. § 2243.

(37) Abusive sexual contact in violation of 18 U.S.C. § 2244.

(38) Offenses resulting in death in violation of 18 U.S.C. § 2245.

(39) Sexual exploitation of children in violation of 18 U.S.C. § 2251.

(40) Selling or buying of children in violation of 18 U.S.C. § 2251A.

(41) Any sex offense specified in the laws of another jurisdiction or any sex offense that may be prosecuted in federal, military, or foreign court, that is comparable to an offense listed in subparagraphs (1) through (40).

(42) Any sex offense under the prior laws of this state or another jurisdiction, or any sex offense under prior law that was prosecuted in federal, military, or foreign court, that is comparable to a sex offense listed in subparagraphs (1) through (40).

2. A sex offender classified as a tier I offender shall be reclassified as a tier II offender, if it is determined the offender has one previous conviction for an offense classified as a tier I offense.

3. A sex offender classified as a tier II offender, shall be reclassified as a tier III offender, if it is determined the offender has a previous conviction for a tier II offense or has been reclassified as a tier II offender because of a previous conviction.

4. Notwithstanding the classifications of sex offenses in subsection 1, any sex offense which would qualify a sex offender as a sexually violent predator shall be classified as a tier III offense.

5. An offense classified as a tier II offense if committed against a person under thirteen years of age shall be reclassified as a tier III offense.

6. Convictions of more than one sex offense which require registration under this chapter but which are prosecuted within a single indictment shall be considered as a single offense for purposes of registration.

2009 Acts, ch 119, §2; 2010 Acts, ch 1043, §2; 2010 Acts, ch 1074, §2; 2010 Acts, ch 1104, §4 – 7, 23; 2010 Acts, ch 1193, §65, 78; 2011 Acts, ch 95, §8; 2012 Acts, ch 1057, §1; 2013 Acts, ch 30, §244 – 246; 2013 Acts, ch 90, §250, 251

Referred to in §692A.101, 692A.125

Subsection 1, paragraph a, subparagraphs (1) – (4) amended

Subsection 1, paragraph b, subparagraphs (1) and (3) amended

Subsection 1, paragraph c, subparagraphs (8) – (12) amended

**692A.103 Offenders required to register.**

1. A person who has been convicted of any sex offense classified as a tier I, tier II, or tier III offense, or an offender required to register in another jurisdiction under the other jurisdiction's sex offender registry, shall register as a sex offender as provided in this chapter if the offender resides, is employed, or attends school in this state. A sex offender shall, upon a first or subsequent conviction, register in compliance with the procedures specified in this chapter, for the duration of time specified in this chapter, commencing as follows:

*a.* From the date of placement on probation.

*b.* From the date of release on parole or work release.

*c.* From the date of release from incarceration.

*d.* Except as otherwise provided in this section, from the date an adjudicated delinquent is released from placement in a juvenile facility ordered by a court pursuant to section 232.52.

*e.* Except as otherwise provided in this section, from the date an adjudicated delinquent commences attendance as a student at a public or private educational institution, other than an educational institution located on the real property of a juvenile facility if the juvenile has been ordered placed at such facility pursuant to section 232.52.

*f.* From the date of conviction for a sex offense requiring registration if probation, incarceration, or placement ordered pursuant to section 232.52 in a juvenile facility is not included in the sentencing, order, or decree of the court, except as otherwise provided in this section for juvenile cases.

2. A sex offender is not required to register while incarcerated. However, the running of the period of registration is tolled pursuant to section 692A.107 if a sex offender is incarcerated.

3. A juvenile adjudicated delinquent for an offense that requires registration shall be required to register as required in this chapter unless the juvenile court waives the requirement and finds that the person should not be required to register under this chapter.

4. Notwithstanding subsections 3 and 5, a juvenile fourteen years of age or older at the time the offense was committed shall be required to register if the adjudication was for an offense committed by force or the threat of serious violence, by rendering the victim unconscious, or by involuntary drugging of the victim. At the time of adjudication the judge shall make a determination as to whether the offense was committed by force or the threat of serious violence, by rendering the victim unconscious, or by involuntary drugging of the victim.

5. If a juvenile is required to register pursuant to subsection 3, the juvenile court may,

upon motion of the juvenile, and after reasonable notice to the parties and hearing, modify or suspend the registration requirements if good cause is shown.

*a.* The motion to modify or suspend shall be made and the hearing shall occur prior to the discharge of the juvenile from the jurisdiction of the juvenile court for the sex offense that requires registration.

*b.* If at the time of the hearing the juvenile is participating in an appropriate outpatient treatment program for juvenile sex offenders, the juvenile court may enter orders temporarily suspending the requirement that the juvenile register and may defer entry of a final order on the matter until such time that the juvenile has completed or been discharged from the outpatient treatment program.

*c.* Final orders shall then be entered within thirty days from the date of the juvenile's completion or discharge from outpatient treatment.

*d.* Any order entered pursuant to this subsection that modifies or suspends the requirement to register shall include written findings stating the reason for the modification or suspension, and shall include appropriate restrictions upon the juvenile to protect the public during any period of time the registry requirements are modified or suspended. Upon entry of an order modifying or suspending the requirement to register, the juvenile court shall notify the superintendent or the superintendent's designee where the juvenile is enrolled of the decision.

*e.* This subsection does not apply to a juvenile fourteen years of age or older at the time the offense was committed if the adjudication was for a sex offense committed by force or the threat of serious violence, by rendering the victim unconscious, or by involuntary drugging of the victim.

6. If a juvenile is required to register and the court later modifies or suspends the order regarding the requirement to register, the court shall notify the department within five days of the decision.

2009 Acts, ch 119, §3
Referred to in §692A.104, 692A.106

**692A.104 Registration process.**

1. A sex offender shall appear in person to register with the sheriff of each county where the offender has a residence, maintains employment, or is in attendance as a student, within five business days of being required to register under section 692A.103 by providing all relevant information to the sheriff. A sheriff shall accept the registration of any person who is required to register in the county pursuant to the provisions of this chapter.

2. A sex offender shall, within five business days of changing a residence, employment, or attendance as a student, appear in person to notify the sheriff of each county where a change has occurred.

3. A sex offender shall, within five business days of a change in relevant information, other than relevant information enumerated in subsection 2, notify the sheriff of the county where the principal residence of the offender is maintained about the change to the relevant information. The department shall establish by rule what constitutes proper notification under this subsection.

4. A sex offender who is required to verify information pursuant to the provisions of section 692A.108 is only required to appear in person in the county where the principal residence of the offender is maintained to verify such information.

5. A sex offender shall, within five business days of the establishment of a residence, employment, or attendance as a student in another jurisdiction, appear in person to notify the sheriff of the county where the principal residence of the offender is maintained, about the establishment of a residence, employment, or attendance in another jurisdiction. A sex offender shall, within five business days of establishing a new residence, employment, or attendance as a student in another jurisdiction, register with the registering agency of the other jurisdiction, if the offender is required to register under the laws of the other jurisdiction. The department shall notify the registering agency in the other jurisdiction of the sex offender's new residence, employment, or attendance as a student in the other jurisdiction.

6. A sex offender, who has multiple residences in this state, shall appear in person to notify the sheriff of each county where a residence is maintained, of the dates the offender will reside at each residence including the date when the offender will move from one residence to another residence.

7. Except as provided in subsection 8, the initial or subsequent registration and any notifications required in subsections 1, 2, 4, 5, and 6 shall be by appearance at the sheriff's office and completion of the initial or subsequent registration or notification shall be on a printed form, which shall be signed and dated by the sex offender. If the sheriff uses an electronic form to complete the initial registration or notification, the electronic form shall be printed upon completion and signed and dated by the sex offender. The sheriff shall transmit the registration or notification form completed by the sex offender within five business days by paper copy, or electronically, using procedures established by the department by rule.

8. The collection of relevant information by a court or releasing agency under section 692A.109 shall serve as the sex offender's initial or subsequent registration for purposes of this section. However, the sex offender shall register by appearing in person in the county of residence to verify the offender's arrival and relevant information. The court or releasing agency shall forward a copy of the registration to the department within five business days of completion of registration using procedures established by the department by rule.

2009 Acts, ch 119, §4
Referred to in §692A.105, 692A.107, 692A.108, 692A.111

**692A.105 Additional registration requirements — temporary lodging.**

In addition to the registration provisions specified in section 692A.104, a sex offender, within five business days of a change, shall also appear in person to notify the sheriff of the county of principal residence, of any location in which the offender is staying when away from the principal residence of the offender for more than five days, by identifying the location and the period of time the offender is staying in such location.

2009 Acts, ch 119, §5
Referred to in §692A.107, 692A.108, 692A.111

**692A.106 Duration of registration.**

1. Except as otherwise provided in section 232.54, 692A.103, or 692A.128, or this section, the duration of registration required under this chapter shall be for a period of ten years. The registration period shall begin as provided in section 692A.103.

2. A sex offender who has been sentenced to a special sentence under section 903B.1 or 903B.2, shall be required to register for a period equal to the term of the special sentence, but in no case not less than the period specified in subsection 1.

3. If a sex offender is placed on probation, parole, or work release and the probation, parole, or work release is revoked, the period of registration shall commence anew upon release from custody.

4. A sex offender who is convicted of violating any of the requirements of this chapter shall register for an additional ten years, commencing from the date the offender's registration would have expired under subsection 1 or, in the case of an offender who has been sentenced to a special sentence under section 903B.1 or 903B.2, commencing from the date the offender's registration would have expired under subsection 2.

5. A sex offender shall, upon a second or subsequent conviction that requires a second registration, or upon conviction of an aggravated offense, or who has previously been convicted of one or more offenses that would have required registration under this chapter, register for life.

6. A sexually violent predator shall register for life.

7. If a sex offender ceases to maintain a residence, employment, or attendance as a student in this state, the offender shall no longer be required to register, and the offender shall be placed on inactive status and relevant information shall not be placed on the sex offender registry internet site, after the department verifies that the offender has complied with the registration requirements in another jurisdiction. If the sex offender subsequently reestablishes residence, employment, or attendance as a student in this state,

the registration requirement under this chapter shall apply and the department shall remove the offender from inactive status and place any relevant information and any updated relevant information in the possession of the department on the sex offender registry internet site.

2009 Acts, ch 119, §6; 2010 Acts, ch 1104, §8, 23

**692A.107 Tolling of registration period.**

1. If a sex offender is incarcerated during a period of registration, the running of the period of registration is tolled until the offender is released from incarceration for that crime.

2. If a sex offender violates any requirements of section 692A.104, 692A.105, 692A.108, 692A.112, 692A.113, 692A.114, or 692A.115, in addition to any criminal penalty prescribed for such violation, the period of registration is tolled until the offender complies with the registration provisions of this chapter.

2009 Acts, ch 119, §7

Referred to in §692A.103

**692A.108 Verification of relevant information.**

1. A sex offender shall appear in person in the county of principal residence after the offender was initially required to register, to verify residence, employment, and attendance as a student, to allow the sheriff to photograph the offender, and to verify the accuracy of other relevant information during the following time periods after the initial registration:

*a.* For a sex offender classified as a tier I offender, every year.

*b.* For a sex offender classified as a tier II offender, every six months.

*c.* For a sex offender classified as a tier III offender, every three months.

2. A sheriff may require a sex offender to appear in person more frequently than provided in subsection 1 to verify relevant information if good cause is shown. The circumstances under which more frequent appearances are required shall be reasonable, documented by the sheriff, and provided to the offender and the department in writing. Any modification to such requirement shall also be provided to the sex offender and the department in writing.

3. *a.* At least thirty days prior to an appearance for the verification of relevant information as required by this section, the department shall mail notification of the required appearance to each reported residence of the sex offender. The department shall not be required to mail notification to any sex offender if the residence described or listed in the sex offender's relevant information is insufficient for the delivery of mail.

*b.* The notice shall state that the sex offender shall appear in person in the county of principal residence on or before a date specified in the notice to verify and update relevant information. The notice shall not be forwarded to another address and shall be returned to the department if the sex offender no longer resides at the address.

4. A photograph of the sex offender shall be updated, at a minimum, annually. The sheriff shall send the updated photograph to the department using procedures established by the department by rule within five business days of the photograph being taken and the department shall post the updated photograph on the sex offender registry's internet site. The sheriff may require the sex offender to submit to being photographed, fingerprinted, or palm printed, more than once per year during any required appearance to verify relevant information.

5. The sheriff may make a reasonable modification to the date requiring a sex offender to make an appearance based on exigent circumstances including man-made or natural disasters. The sheriff shall notify the department of any modification using procedures established by the department by rule.

6. A waiver of the next immediate in-person verification pursuant to this section may be granted at the discretion of the sheriff, if the sex offender appears in person at the sheriff's office because of changes to relevant information pursuant to section 692A.104 or 692A.105, and if the in-person verification pursuant to this section is within thirty days of such in-person

appearance. If a waiver is granted, the sheriff shall notify the department of granting the waiver.

2009 Acts, ch 119, §8
Referred to in §692A.104, 692A.107, 692A.111

**692A.109 Duty to facilitate registration.**

1. When a sex offender is released from incarceration from a jail, prison, juvenile facility, or other correctional institution or facility, or when the offender is convicted but not incarcerated, the sheriff, warden, or superintendent of a facility or, in the case of release from foster care or residential treatment or conviction without incarceration, the court shall do the following prior to release or sentencing of the convicted offender:

*a.* Obtain all relevant information from the sex offender. Additional information for a sex offender required to register as a sexually violent predator shall include but not be limited to other identifying factors, anticipated future places of residence, offense history, and documentation of any treatment received by the person for a mental abnormality or personality disorder.

*b.* Inform the sex offender of the duty to register under this chapter and SORNA and ensure registration forms are completed and signed.

*c.* Inform the sex offender that, within five business days of changing a residence, employment, or attendance as a student, an appearance is required before the sheriff in the county where the change occurred.

*d.* Inform the sex offender that, within five business days of a change in relevant information other than a change of residence, employment, or attendance as a student, the sex offender shall notify, in a manner prescribed by rule, the sheriff of the county of principal residence of the change.

*e.* Inform the sex offender that if the offender establishes residence in another jurisdiction, or becomes employed, or becomes a student in another jurisdiction, the offender must report the offender's new residence, employment, or attendance as a student, to the sheriff's office in the county of the offender's principal residence within five business days, and that, if the other jurisdiction has a registration requirement, the offender shall also be required to register in such jurisdiction.

*f.* Require the sex offender to read and sign a form stating that the duty of the offender to register under this chapter has been explained and the offender understands the registration requirement. If the sex offender cannot read, is unable to write, or refuses to cooperate, the duty and the form shall be explained orally and a written record shall be maintained by the sheriff, warden, superintendent of a facility, or court explaining the duty and the form.

*g.* Inform the sex offender who was convicted of a sex offense against a minor of the prohibitions established under section 692A.113 by providing the offender with a written copy of section 692A.113 and relevant definitions of section 692A.101.

*h.* Inform the sex offender who was convicted of an aggravated offense against a minor of the prohibitions established under section 692A.114 by providing the offender with a written copy of section 692A.114 and relevant definitions of section 692A.101.

*i.* Inform the sex offender that the offender must submit to being photographed by the sheriff of any county in which the offender is required to register upon initial registration and during any appearance to verify relevant information required under this chapter.

*j.* Inform the sex offender that any violation of this chapter may result in state or federal prosecution.

2. *a.* When a sex offender is released from incarceration from a jail, prison, juvenile facility, or other correctional institution or facility, or when the offender is convicted but not incarcerated, the sheriff, warden, superintendent of a facility, or court shall verify that the person has completed initial or subsequent registration forms, and accept the forms on behalf of the sheriff of the county of registration. The sheriff, warden, superintendent of a facility, or the court shall send the initial or subsequent registration information to the department within five business days of completion of the registration. Probation, parole, work release, or any other form of release after conviction shall not be granted unless the offender has registered as required under this chapter.

*b*. If the sex offender refuses to register, the sheriff, warden, superintendent of a facility, or court shall notify within five business days the county attorney in the county in which the offender was convicted or, if the offender no longer resides in that county, in the county in which the offender resides of the refusal to register. The county attorney shall bring a contempt of court action against the sex offender in the county in which the offender was convicted or, if the offender no longer resides in that county, in the county in which the offender resides. A sex offender who refuses to register shall be held in contempt and may be incarcerated pursuant to the provisions of chapter 665 following the entry of judgment by the court on the contempt action until the offender complies with the registration requirements.

3. The sheriff, warden, or superintendent of a facility, or if the sex offender is placed on probation, the court shall forward one copy of the registration information to the department and to the sheriff of the county in which the principal residence is established within five business days after completion of the registration.

4. The court may order an appropriate law enforcement agency or the county attorney to assist the court in performing the requirements of subsection 1 or 2.

2009 Acts, ch 119, §9
Referred to in §692A.104

**692A.110 Registration fees and civil penalty for offenders.**

1. A sex offender shall pay an annual fee in the amount of twenty-five dollars to the sheriff of the county of principal residence, beginning with the first required in-person appearance at the sheriff's office after July 1, 2009. If the sex offender has more than one principal residence in this state, the offender shall pay the annual fee in the county where the offender is first required to appear in person after July 1, 2009. The sheriff shall accept the registration. If, at the time of registration, the sex offender is unable to pay the fee, the sheriff may allow the offender time to pay the fee, permit the payment of the fee in installments, or may waive payment of the fee. Fees paid to the sheriff shall be used to defray the costs of duties related to the registration of sex offenders under this chapter.

2. In addition to any other penalty, at the time of conviction for a public offense committed on or after July 1, 1995, which requires a sex offender to register under this chapter, the offender shall be assessed a civil penalty of two hundred dollars, to be payable to the clerk of the district court as provided in section 602.8105 and distributed as provided in section 602.8108. With respect to a conviction for a public offense committed on or after July 1, 2009, which requires a sex offender to register under this chapter, the offender shall be assessed a civil penalty of two hundred fifty dollars, payable to the clerk of the district court as provided in section 602.8105 and distributed as provided in section 602.8108.

3. The fee and penalty required by this section shall not be assessed against a person who has been acquitted by reason of insanity of the offense which requires registration under this chapter.

2009 Acts, ch 119, §10
Referred to in §602.8105, 602.8108, 692A.119

**692A.111 Failure to comply — penalty.**

1. A sex offender who violates any requirements of section 692A.104, 692A.105, 692A.108, 692A.112, 692A.113, 692A.114, or 692A.115 commits an aggravated misdemeanor for a first offense and a class "D" felony for a second or subsequent offense. However, a sex offender convicted of an aggravated offense against a minor, a sex offense against a minor, or a sexually violent offense committed while in violation of any of the requirements specified in section 692A.104, 692A.105, 692A.108, 692A.112, 692A.113, 692A.114, or 692A.115 is guilty of a class "C" felony, in addition to any other penalty provided by law. Any fine imposed for a second or subsequent violation shall not be suspended. Notwithstanding section 907.3, the court shall not defer judgment or sentence for any violation of any requirements specified in this chapter. For purposes of this subsection, a violation occurs when a sex offender knows or reasonably should know of the duty to fulfill a requirement specified in this chapter as referenced in the offense charged.

2. Violations in any other jurisdiction under sex offender registry provisions that are

substantially similar to those contained in this section shall be counted as previous offenses. The court shall judicially notice the statutes of other states which are substantially similar to this section.

3. Any violation of this chapter prior to July 1, 2009, shall be considered a previous offense for purposes of enhancing any penalty or period of registration under this chapter.

4. A sex offender who violates any provision of this chapter may be prosecuted in any county where registration is required by the provisions of this chapter.

2009 Acts, ch 119, §11; 2010 Acts, ch 1104, §9, 23

**692A.112 Knowingly providing false information.**

A sex offender shall not knowingly provide false information upon registration, change of relevant information, or during an appearance to verify relevant information.

2009 Acts, ch 119, §12

Referred to in §692A.107, 692A.111

**692A.113 Exclusion zones and prohibition of certain employment-related activities.**

1. A sex offender who has been convicted of a sex offense against a minor or a person required to register as a sex offender in another jurisdiction for an offense involving a minor shall not do any of the following:

*a.* Be present upon the real property of a public or nonpublic elementary or secondary school without the written permission of the school administrator or school administrator's designee, unless enrolled as a student at the school.

*b.* Loiter within three hundred feet of the real property boundary of a public or nonpublic elementary or secondary school, unless enrolled as a student at the school.

*c.* Be present on or in any vehicle or other conveyance owned, leased, or contracted by a public or nonpublic elementary or secondary school without the written permission of the school administrator or school administrator's designee when the vehicle is in use to transport students to or from a school or school-related activities, unless enrolled as a student at the school or unless the vehicle is simultaneously made available to the public as a form of public transportation.

*d.* Be present upon the real property of a child care facility without the written permission of the child care facility administrator.

*e.* Loiter within three hundred feet of the real property boundary of a child care facility.

*f.* Be present upon the real property of a public library without the written permission of the library administrator.

*g.* Loiter within three hundred feet of the real property boundary of a public library.

*h.* Loiter on or within three hundred feet of the premises of any place intended primarily for the use of minors including but not limited to a playground available to the public, a children's play area available to the public, a recreational or sport-related activity area when in use by a minor, a swimming or wading pool available to the public when in use by a minor, or a beach available to the public when in use by a minor.

2. A sex offender who has been convicted of a sex offense against a minor:

*a.* Who resides in a dwelling located within three hundred feet of the real property boundary of public or nonpublic elementary or secondary school, child care facility, public library, or place intended primarily for the use of minors as specified in subsection 1, paragraph *"h"*, shall not be in violation of subsection 1 for having an established residence within the exclusion zone.

*b.* Who is the parent or legal guardian of a minor shall not be in violation of subsection 1 solely during the period of time reasonably necessary to transport the offender's own minor child or ward to or from a place specified in subsection 1.

*c.* Who is legally entitled to vote shall not be in violation of subsection 1 solely for the period of time reasonably necessary to exercise the right to vote in a public election if the polling location of the offender is located in a place specified in subsection 1.

3. A sex offender who has been convicted of a sex offense against a minor shall not do any of the following:

*a.* Operate, manage, be employed by, or act as a contractor or volunteer at any municipal, county, or state fair or carnival when a minor is present on the premises.

*b.* Operate, manage, be employed by, or act as a contractor or volunteer on the premises of any children's arcade, an amusement center having coin or token operated devices for entertainment, or facilities providing programs or services intended primarily for minors, when a minor is present.

*c.* Operate, manage, be employed by, or act as a contractor or volunteer at a public or nonpublic elementary or secondary school, child care facility, or public library.

*d.* Operate, manage, be employed by, or act as a contractor or volunteer at any place intended primarily for use by minors including but not limited to a playground, a children's play area, recreational or sport-related activity area, a swimming or wading pool, or a beach.

*e.* Operate, manage, be employed by, or act as a contractor or volunteer at a business that operates a motor vehicle primarily marketing, from or near the motor vehicle, the sale and dispensing of ice cream or other food products to minors.

2009 Acts, ch 119, §13; 2010 Acts, ch 1104, §10, 23; 2011 Acts, ch 34, §144; 2013 Acts, ch 140, §23

Referred to in §692A.107, 692A.109, 692A.111, 692A.121, 692A.129

Subsection 3, NEW paragraph e

**692A.114 Residency restrictions — presence — child care facilities and schools.**

1. As used in this section:

*a.* *"Minor"* means a person who is under eighteen years of age or who is enrolled in a secondary school.

*b.* *"School"* means a public or nonpublic elementary or secondary school.

*c.* *"Sex offender"* means a person required to be registered under this chapter who has been convicted of an aggravated offense against a minor.

2. A sex offender shall not reside within two thousand feet of the real property comprising a school or a child care facility.

3. A sex offender residing within two thousand feet of the real property comprising a school or a child care facility does not commit a violation of this section if any of the following apply:

*a.* The sex offender is required to serve a sentence at a jail, prison, juvenile facility, or other correctional institution or facility.

*b.* The sex offender is subject to an order of commitment under chapter 229A.

*c.* The sex offender has established a residence prior to July 1, 2002.

*d.* The sex offender has established a residence prior to any newly located school or child care facility being established.

*e.* The sex offender is a minor.

*f.* The sex offender is a ward in a guardianship, and a district judge or associate probate judge grants an exemption from the residency restriction.

*g.* The sex offender is a patient or resident at a health care facility as defined in section 135C.1 or a patient in a hospice program, and a district judge or associate probate judge grants an exemption from the residency restriction.

2009 Acts, ch 119, §14

Referred to in §692A.107, 692A.109, 692A.111, 692A.121, 692A.123, 692A.129

**692A.115 Employment where dependent adults reside.**

1. Unless authorized as provided in subsection 2, a sex offender shall not be an employee of a facility providing services for dependent adults or at events where dependent adults participate in programming and shall not loiter on the premises or grounds of a facility or at an event providing such services or programming.

2. An adult sex offender who is a patient or resident of a health care facility as defined in section 135C.1, a participant in a medical assistance program home and community-based services waiver program, or a participant in a medical assistance state plan employment

services as part of the participant's habilitation plan shall not be considered to be in violation of subsection 1.

2009 Acts, ch 119, §15; 2010 Acts, ch 1192, §83

Referred to in §692A.107, 692A.111

**692A.116 Determination of requirement to register.**

1. An offender may request that the department determine whether the offense for which the offender has been convicted requires the offender to register under this chapter or whether the period of time during which the offender is required to register under this chapter has expired.

2. Application for determination shall be filed with the department and shall be made on forms provided by the department and accompanied by copies of sentencing or adjudicatory orders with respect to each offense for which the offender asks that a determination be made.

3. The department, after filing of the request and after all documentation or information requested by the department is received, shall have ninety days from the filing of the request, to determine whether the offender is required to register under this chapter.

2009 Acts, ch 119, §16

**692A.117 Registration forms and electronic registration system.**

1. Registration forms and an electronic registration system shall be made available by the department.

2. Copies of blank forms shall be available upon request to any registering agency.

2009 Acts, ch 119, §17

**692A.118 Department duties — registry.**

The department shall perform all of the following duties:

1. Develop an electronic system and standard forms for use in the registration of, verifying addresses of, and verifying understanding of registration requirements by sex offenders. Forms used to verify addresses of sex offenders shall contain a warning against forwarding a form to another address and of the requirement to return the form if the offender to whom the form is directed no longer resides at the address listed on the form or the mailing.

2. Maintain a central registry of information collected from sex offenders, which shall be known as the sex offender registry.

3. In consultation with the attorney general, adopt rules under chapter 17A which list specific offenses under present and former law which constitute sex offenses or sex offenses against a minor under this chapter.

4. Adopt rules under chapter 17A, as necessary, to ensure compliance with registration and verification requirements of this chapter, to provide guidelines for persons required to assist in obtaining registry information, and to provide a procedure for the dissemination of information contained in the registry. The procedure for the dissemination of information shall include but not be limited to practical guidelines for use by criminal or juvenile justice agencies in determining when public release of relevant information contained in the registry is appropriate and a requirement that if a member of the general public requests information regarding a specific individual in the manner provided in section 692A.121, the relevant information shall be released. The department, in developing the procedure, shall consult with associations which represent the interests of law enforcement officers. Rules adopted shall also include a procedure for removal of information from the registry upon the reversal or setting aside of a conviction of an offender.

5. Submit sex offender registry data to the federal bureau of investigation for entry of the data into the national sex offender registry.

6. Perform the requirements under this chapter and under federal law in cooperation with the office of sex offender sentencing, monitoring, apprehending, registering, and tracking of the office of justice programs of the United States department of justice.

7. Enter and maintain fingerprints and palm prints of sex offenders in an automated fingerprint identification system maintained by the department and made accessible to law

enforcement agencies in this state, of the federal government, or in another jurisdiction. The department or any law enforcement agency may use such prints for criminal investigative purposes, to include comparison against finger and palm prints identified or recovered as evidence in a criminal investigation.

8. Notify a jurisdiction that provided information that a sex offender has or intends to maintain a residence, employment, or attendance as a student, in this state, of the failure of the sex offender to register as required under this chapter.

9. Submit a DNA sample to the combined DNA index system, if a sample has not been submitted.

10. Submit the social security number to the national crime information center, if the number has not been submitted.

11. When the department has a reasonable basis to believe that a sex offender has changed residence to an unknown location, has become a fugitive from justice, or has otherwise taken flight, make a reasonable effort to ascertain the whereabouts of the offender, and if such effort fails to identify the location of the offender, an appropriate notice shall be made on the sex offender registry internet site of this state and shall be transmitted to the national sex offender registry. The department shall notify other law enforcement agencies as deemed appropriate.

12. Notify appropriate law enforcement agencies including the United States marshal service to investigate and verify possible violations. The department shall ensure any warrants for arrest are entered into the Iowa online warrant and articles system and the national crime information center and pursue prosecution of stated violations through state or federal court.

2009 Acts, ch 119, §18; 2011 Acts, ch 25, §78; 2012 Acts, ch 1021, §111

**692A.119 Sex offender registry fund.**

A sex offender registry fund is established as a separate fund within the state treasury under the control of the department. The fund shall consist of moneys received as a result of the imposition of the penalty imposed under section 692A.110 and other funds allocated for purposes of establishing and maintaining the sex offender registry, conducting research and analysis related to sex crimes and offenders, and to perform other duties required under this chapter. Notwithstanding section 8.33, unencumbered or unobligated moneys and any interest remaining in the fund on June 30 of any fiscal year shall not revert to the general fund of the state, but shall remain available for expenditure in subsequent fiscal years.

2009 Acts, ch 119, §19

Referred to in §602.8108

**692A.120 Duties of the sheriff.**

The sheriff of each county shall comply with the requirements of this chapter and rules adopted by the department pursuant to this chapter. The sheriff of each county shall provide information and notices as provided in section 282.9.

2009 Acts, ch 119, §20

**692A.121 Availability of records.**

1. The department shall maintain an internet site for the public and others to access relevant information about sex offenders. The internet site, at a minimum, shall be searchable by name, county, city, zip code, and geographic radius.

2. The department shall provide updated or corrected relevant information within five business days of the information being updated or corrected, from the sex offender registry to the following:

*a.* A criminal or juvenile justice agency, an agency of the state, a sex offender registry of another jurisdiction, or the federal government.

*b.* The general public through the sex offender registry internet site.

(1) The following relevant information about a sex offender shall be disclosed on the internet site:

(a) The date of birth.

(b) The name, nickname, aliases, including ethnic or tribal names.
(c) Photographs.
(d) The physical description, including scars, marks, or tattoos.
(e) The residence.
(f) The statutory citation and text of the offense committed that requires registration under this chapter.
(g) A specific reference indicating whether a particular sex offender is subject to residency restrictions pursuant to section 692A.114.
(h) A specific reference indicating whether a particular sex offender is subject to exclusion zone restrictions pursuant to section 692A.113.
(2) The following relevant information shall not be disclosed on the internet site:
(a) The relevant information about a sex offender who was under twenty years of age at the time the offender committed a violation of section 709.4, subsection 1, paragraph "*b*", subparagraph (3), subparagraph division (d).
(b) The employer name, address, or location where a sex offender acts as an employee in any form of employment.
(c) The address and name of any school where a student required to be on the registry attends.
(d) The real name of a sex offender protected under 18 U.S.C. § 3521.
(e) The statutory citation and text of the offense committed for an incest conviction in violation of section 726.2, however, the citation and text of an incest conviction shall be disclosed on the internet site as a conviction of section 709.4 or 709.8.
(f) Any other relevant information not described in subparagraph (1).
*c.* The general public through any other means, at the discretion of the department, any relevant information that is available on the internet site.
3. A criminal or juvenile justice agency may provide relevant information from the sex offender registry to the following:
*a.* A criminal or juvenile justice agency, an agency of the state, or a sex offender registry of another jurisdiction, or the federal government.
*b.* The general public, any information available to the general public in subsection 2, including public and private agencies, organizations, public places, child care facilities, religious and youth organizations, neighbors, neighborhood associations, community meetings, and employers. The relevant information available to the general public may be distributed to the public through printed materials, visual or audio press releases, radio communications, or through a criminal or juvenile justice agency's internet site.
4. When a sex offender moves into a school district or moves within a school district, the county sheriff of the county of the offender's new residence shall provide relevant information that is available to the general public in subsection 2 to the administrative office of the school district in which the person required to register resides, and shall also provide relevant information to any nonpublic school near the offender's residence.
5. *a.* A member of the public may contact a county sheriff's office to request relevant information from the registry regarding a specific sex offender. A person making a request for relevant information may make the request by telephone, in writing, or in person, and the request shall include the name of the person and at least one of the following identifiers pertaining to the sex offender about whom the information is sought:
(1) The date of birth of the person.
(2) The social security number of the person.
(3) The address of the person.
(4) Internet identifiers.
(5) Telephone numbers, including any landline or wireless numbers.
*b.* The relevant information made available to the general public pursuant to this subsection shall include all the relevant information provided to the general public on the internet site pursuant to subsection 2, and the following additional relevant information:
(1) Educational institutions attended as a student, including the name and address of such institution.
(2) Employment information including the name and address of employer.

(3) Temporary lodging information, including the dates when residing at the temporary lodging.

(4) Vehicle information.

*c.* A county sheriff or police department shall not charge a fee relating to a request for relevant information.

6. A county sheriff shall also provide to a person upon request access to a list of all registrants in that county.

7. The following relevant information shall not be provided to the general public:

*a.* The identity of the victim.

*b.* Arrests not resulting in a conviction.

*c.* Passport and immigration documents.

*d.* A government issued driver's license or identification card.

*e.* DNA information.

*f.* Fingerprints.

*g.* Palm prints.

*h.* Professional licensing information.

*i.* Social security number.

*j.* Real name protected under 18 U.S.C. § 3521.

8. Notwithstanding sections 232.147 through 232.151, records concerning convictions which are committed by a minor may be released in the same manner as records of convictions of adults.

9. A person may contact the department or a county sheriff's office to verify if a particular internet identifier or telephone number is one that has been included in a registration by a sex offender.

10. The department shall include links to sex offender safety information, educational resources pertaining to the prevention of sexual assaults, and the national sex offender registry.

11. The department shall include on the sex offender registry internet site instructions and any applicable forms necessary for a person seeking correction of information that the person contends is erroneous.

12. When the department receives and approves registration data, such data shall be made available on the sex offender registry internet site within five business days.

13. The department shall maintain an automated electronic mail notification system, which shall be available by free subscription to any person, to provide notice of addition, deletion, or changes to any sex offender registration, relevant information within a postal zip code or, if selected by a subscriber, a geographic radius or, if selected by a subscriber, specific to a sex offender.

14. Sex offender registry records are confidential records not subject to examination and copying by a member of the public and shall only be released as provided in this section.

2009 Acts, ch 119, §21; 2013 Acts, ch 30, §247

Referred to in §22.7, 272.2, 279.13, 279.69, 282.9, 321.375, 692A.118

Subsection 2, paragraph b, subparagraph (2), subparagraph division (a) amended

**692A.122 Cooperation with registration.**

An agency of state and local government that possesses information relevant to requirements that an offender register under this chapter shall provide that information to the court or the department upon request. All confidential records provided under this section shall remain confidential, unless otherwise ordered by a court, by the lawful custodian of the records, or by another person duly authorized to release such information.

2009 Acts, ch 119, §22

**692A.123 Immunity for good faith conduct.**

Criminal or juvenile justice agencies, state agencies, schools as defined in section 692A.114, public libraries, and child care facilities, and their employees shall be immune from liability for acts or omissions arising from a good faith effort to comply with this chapter.

2009 Acts, ch 119, §23; 2010 Acts, ch 1104, §11, 23

**692A.124 Electronic monitoring.**

1. A sex offender who is placed on probation, parole, work release, special sentence, or any other type of conditional release, may be supervised by an electronic tracking and monitoring system in addition to any other conditions of supervision.

2. The determination to use electronic tracking and monitoring to supervise a sex offender shall be based upon a validated risk assessment approved by the department of corrections, and also upon the sex offender's criminal history, progress in treatment and supervision, and other relevant factors.

3. If a sex offender is under the jurisdiction of the juvenile court, the determination to use electronic tracking and monitoring to supervise the sex offender shall be based upon a risk assessment performed by a juvenile court officer.

2009 Acts, ch 119, §24

**692A.125 Applicability of chapter and retroactivity.**

1. The registration requirements of this chapter shall apply to sex offenders convicted on or after July 1, 2009, of a sex offense classified under section 692A.102.

2. The registration requirements of this chapter shall apply to a sex offender convicted of a sex offense or a comparable offense under prior law prior to July 1, 2009, under the following circumstances:

*a.* Any sex offender including a juvenile offender who is required to be on the sex offender registry as of June 30, 2009.

*b.* Any sex offender who is incarcerated on or after July 1, 2009, for conviction of a sex offense committed prior to July 1, 2009.

*c.* Any sex offender who is serving a special sentence pursuant to section 903B.1 or 903B.2 prior to July 1, 2009, or any other person who is sentenced for a criminal offense prior to July 1, 2009, that requires serving a special sentence.

3. For an offense requiring registration due to sexual motivation, the registration requirements of section 692A.126 shall apply to a person convicted of an offense if the department makes the determination that the offense was sexually motivated as provided in section 692A.126, subsection 2.

4. For a sex offender required to register pursuant to subsection 1 or 2, each conviction or adjudication for a sex offense requiring registration, regardless of whether such conviction or adjudication occurred prior to, on, or after July 1, 2009, shall be included in determining the tier requirements pursuant to this chapter.

5. An offender on the sex offender registry as of June 30, 2009, and who is required to be on the registry on or after July 1, 2009, shall be credited for any time on the registry prior to July 1, 2009.

2009 Acts, ch 119, §25; 2010 Acts, ch 1104, §12, 13, 23

**692A.126 Sexually motivated offense — determination.**

1. If a judge or jury makes a determination, beyond a reasonable doubt, that any of the following offenses for which a conviction has been entered on or after July 1, 2009, are sexually motivated, the person shall be required to register as provided in this chapter:

*a.* Murder in the first degree in violation of section 707.2.

*b.* Murder in the second degree in violation of section 707.3.

*c.* Voluntary manslaughter in violation of section 707.4.

*d.* Involuntary manslaughter in violation of section 707.5.

*e.* Attempt to commit murder in violation of section 707.11.

*f.* Harassment in violation of section 708.7, subsection 1, 2, or 3.

*g.* Stalking in violation of section 708.11.

*h.* Any other indictable offense in violation of chapter 708 if the offense was committed against a minor or otherwise involves a minor.

*i.* Kidnapping in the first degree in violation of section 710.2.

*j.* Kidnapping in the second degree in violation of section 710.3.

*k.* Kidnapping in the third degree in violation of section 710.4.

*l.* Child stealing in violation of section 710.5.

*m.* Purchase or sale or attempted purchase or sale of an individual in violation of section 710.11.

*n.* Burglary in the first degree in violation of section 713.3, subsection 1, paragraph "*a*", "*b*", or "*c*".

*o.* Attempted burglary in the first degree in violation of section 713.4.

*p.* Burglary in the second degree in violation of section 713.5.

*q.* Attempted burglary in the second degree in violation of section 713.6.

*r.* Burglary in the third degree in violation of section 713.6A.

*s.* Attempted burglary in the third degree in violation of section 713.6B.

*t.* Pimping in violation of section 725.2 if the offense was committed against a minor or otherwise involves a minor.

*u.* Pandering in violation of section 725.3, subsection 2.

*v.* Any indictable offense in violation of chapter 726 if the offense was committed against a minor or otherwise involves a minor.

2. *a.* The following persons shall be required to register as provided in this chapter if the department makes a determination that the offense was sexually motivated:

(1) A person convicted of an offense in this state specified under subsection 1 prior to July 1, 2009.

(2) A person convicted of an offense in another jurisdiction, or convicted of an offense that was prosecuted in a federal, military, or foreign court, prior to, on, or after July 1, 2009, that is comparable to an offense specified in subsection 1.

(3) A juvenile convicted of an offense in another jurisdiction, or convicted of an offense as a juvenile in a similar juvenile court proceeding in a federal, military, or foreign court, prior to, on, or after July 1, 2009, that is comparable to an offense specified in subsection 1.

*b.* A determination made pursuant to this subsection shall be issued in writing and shall include a summary of the information and evidence considered in making the determination that the offense was sexually motivated.

*c.* The determination made by the department shall be subject to judicial review in accordance with chapter 17A.

2009 Acts, ch 119, §26; 2010 Acts, ch 1104, §14, 23; 2011 Acts, ch 95, §9

Referred to in §692A.102, 692A.125, 707.2, 707.3, 707.4, 707.5, 707.11, 708.7, 708.11, 708.15, 710.2, 710.3, 710.4, 710.5, 713.3, 713.4, 713.5, 713.6, 713.6A, 713.6B, 726.10

**692A.127 Limitations on political subdivisions.**

A political subdivision of the state shall not adopt any motion, resolution, or ordinance regulating the residency location of a sex offender or any motion, resolution, or ordinance regulating the exclusion of a sex offender from certain real property. A motion, resolution, or ordinance adopted by a political subdivision of the state in violation of this section is void and unenforceable and any enforcement activity conducted in violation of this section is void.

2009 Acts, ch 119, §27

**692A.128 Modification.**

1. A sex offender who is on probation, parole, work release, special sentence, or any other type of conditional release may file an application in district court seeking to modify the registration requirements under this chapter.

2. An application shall not be granted unless all of the following apply:

*a.* The date of the commencement of the requirement to register occurred at least two years prior to the filing of the application for a tier I offender and five years prior to the filing of the application for a tier II or III offender.

*b.* The sex offender has successfully completed all sex offender treatment programs that have been required.

*c.* A risk assessment has been completed and the sex offender was classified as a low risk to reoffend. The risk assessment used to assess an offender as a low risk to reoffend shall be a validated risk assessment approved by the department of corrections.

*d.* The sex offender is not incarcerated when the application is filed.

*e.* The director of the judicial district department of correctional services supervising the

sex offender, or the director's designee, stipulates to the modification, and a certified copy of the stipulation is attached to the application.

3. The application shall be filed in the sex offender's county of principal residence.

4. Notice of any application shall be provided to the county attorney of the county of the sex offender's principal residence, the county attorney of any county in this state where a conviction requiring the sex offender's registration occurred, and the department. The county attorney where the conviction occurred shall notify the victim of an application if the victim's address is known.

5. The court may, but is not required to, conduct a hearing on the application to hear any evidence deemed appropriate by the court. The court may modify the registration requirements under this chapter.

6. A sex offender may be granted a modification if the offender is required to be on the sex offender registry as a result of an adjudication for a sex offense, the offender is not under the supervision of the juvenile court or a judicial district judicial department of correctional services, and the department of corrections agrees to perform a risk assessment on the sex offender. However, all other provisions of this section not in conflict with this subsection shall apply to the application prior to an application being granted except that the sex offender is not required to obtain a stipulation from the director of a judicial district department of correctional services, or the director's designee.

7. If the court modifies the registration requirements under this chapter, the court shall send a copy of the order to the department, the sheriff of the county of the sex offender's principal residence, any county attorney notified in subsection 4, and the victim, if the victim's address is known.

2009 Acts, ch 119, §28

Referred to in §692A.106

**692A.129 Probation and parole officers.**

A probation or parole officer supervising a sex offender is not precluded from imposing more restrictive exclusion zone requirements, employment prohibitions, and residency restrictions than under sections 692A.113 and 692A.114.

2009 Acts, ch 119, §29

**692A.130 Rules.**

The department shall adopt rules pursuant to chapter 17A to administer this chapter.

2009 Acts, ch 119, §30

# CHAPTER 692B

## NATIONAL CRIME PREVENTION AND PRIVACY COMPACT

Referred to in §331.307, 364.22

692B.1 Citation.
692B.2 Crime prevention and privacy compact.
692B.3 Duty of commissioner.

**692B.1 Citation.**

This chapter may be cited as the *"National Crime Prevention and Privacy Compact Act"*.

2000 Acts, ch 1065, §1

**692B.2 Crime prevention and privacy compact.**

The national crime prevention and privacy compact is enacted into law and entered into by this state with any other state or jurisdiction legally joining the compact in the form substantially as follows:

1. *Article I — Definitions.* As used in this compact, unless the context clearly requires otherwise:

*a. Attorney general.* The term *"attorney general"* means the attorney general of the United States.

*b. Compact officer.* The term *"compact officer"* means

(1) with respect to the federal government, an official so designated by the director of the FBI; and

(2) with respect to a party state, the chief administrator of the state's criminal history record repository or a designee of the chief administrator who is a regular full-time employee of the repository.

*c. Council.* The term *"council"* means the compact council established under article VI.

*d. Criminal history records.* The term *"criminal history records"*

(1) means information collected by criminal justice agencies on individuals consisting of identifiable descriptions and notations of arrests, detentions, indictments, or other formal criminal charges, and any disposition arising therefrom, including acquittal, sentencing, correctional supervision, or release; and

(2) does not include identification information such as fingerprint records if such information does not indicate involvement of the individual with the criminal justice system.

*e. Criminal history record repository.* The term *"criminal history record repository"* means the state agency designated by the governor or other appropriate executive official or the legislature of a state to perform centralized record-keeping functions for criminal history records and services in the state.

*f. Criminal justice.* The term *"criminal justice"* includes activities relating to the detection, apprehension, detention, pretrial release, posttrial release, prosecution, adjudication, correctional supervision, or rehabilitation of accused persons or criminal offenders. The administration of criminal justice includes criminal identification activities and the collection, storage, and dissemination of criminal history records.

*g. Criminal justice agency.* The term *"criminal justice agency"*

(1) means

(a) courts; and

(b) a governmental agency or any subunit thereof that

(i) performs the administration of criminal justice pursuant to a statute or executive order; and

(ii) allocates a substantial part of its annual budget to the administration of criminal justice; and

(2) includes federal and state inspectors general offices.

*h. Criminal justice services.* The term *"criminal justice services"* means services provided by the FBI to criminal justice agencies in response to a request for information about a particular individual or as an update to information previously provided for criminal justice purposes.

*i. Criterion offense.* The term *"criterion offense"* means any felony or misdemeanor offense not included on the list of nonserious offenses published periodically by the FBI.

*j. Direct access.* The term *"direct access"* means access to the national identification index by computer terminal or other automated means not requiring the assistance of or intervention by any other party or agency.

*k. Executive order.* The term *"executive order"* means an order of the president of the United States or the chief executive officer of a state that has the force of law and that is promulgated in accordance with applicable law.

*l. FBI.* The term *"FBI"* means the federal bureau of investigation.

*m. Interstate identification index system.* The term *"interstate identification index system"* or *"III system"*

(1) means the cooperative federal-state system for the exchange of criminal history records; and

(2) includes the national identification index, the national fingerprint file and, to the extent of their participation in such system, the criminal history record repositories of the states and the FBI.

*n. National fingerprint file.* The term *"national fingerprint file"* means a database of fingerprints, or other uniquely personal identifying information, relating to an arrested or charged individual maintained by the FBI to provide positive identification of record subjects indexed in the III system.

*o. National identification index.* The term *"national identification index"* means an index maintained by the FBI consisting of names, identifying numbers, and other descriptive information relating to record subjects about whom there are criminal history records in the III system.

*p. National indices.* The term *"national indices"* means the national identification index and the national fingerprint file.

*q. Nonparty state.* The term *"nonparty state"* means a state that has not ratified this compact.

*r. Noncriminal justice purposes.* The term *"noncriminal justice purposes"* means uses of criminal history records for purposes authorized by federal or state law other than purposes relating to criminal justice activities, including employment suitability, licensing determinations, immigration and naturalization matters, and national security clearances.

*s. Party state.* The term *"party state"* means a state that has ratified this compact.

*t. Positive identification.* The term *"positive identification"* means a determination, based upon a comparison of fingerprints or other equally reliable biometric identification techniques, that the subject of a record search is the same person as the subject of a criminal history record or records indexed in the III system. Identifications based solely upon a comparison of subjects' names or other nonunique identification characteristics or numbers, or combinations thereof, shall not constitute positive identification.

*u. Sealed record information.* The term *"sealed record information"* means

(1) with respect to adults, that portion of a record that is

(a) not available for criminal justice uses;

(b) not supported by fingerprints or other accepted means of positive identification; or

(c) subject to restrictions on dissemination for noncriminal justice purposes pursuant to a court order related to a particular subject or pursuant to a federal or state statute that requires action on a sealing petition filed by a particular record subject; and

(2) with respect to juveniles, whatever each state determines is a sealed record under its own law and procedure.

*v. State.* The term *"state"* means any state, territory, or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

2. *Article II — Purposes.* The purposes of this compact are to

*a.* provide a legal framework for the establishment of a cooperative federal-state system for the interstate and federal-state exchange of criminal history records for noncriminal justice uses;

*b.* require the FBI to permit use of the national identification index and the national fingerprint file by each party state, and to provide, in a timely fashion, federal and state criminal history records to requesting states, in accordance with the terms of this compact and with rules, procedures, and standards established by the council under article VI;

*c.* require party states to provide information and records for the national identification index and the national fingerprint file and to provide criminal history records, in a timely fashion, to criminal history record repositories of other states and the federal government for noncriminal justice purposes, in accordance with the terms of this compact and with rules, procedures, and standards established by the council under article VI;

*d.* provide for the establishment of a council to monitor III system operations and to prescribe system rules and procedures for the effective and proper operation of the III system for noncriminal justice purposes; and

*e.* require the FBI and each party state to adhere to III system standards concerning record dissemination and use, response times, system security, data quality, and other duly established standards, including those that enhance the accuracy and privacy of such records.

3. *Article III — Responsibilities of compact parties.*

*a. FBI responsibilities.* The director of the FBI shall

(1) appoint an FBI compact officer who shall

(a) administer this compact within the department of justice and among federal agencies and other agencies and organizations that submit search requests to the FBI pursuant to article V, paragraph "*c*";

(b) ensure that compact provisions and rules, procedures, and standards prescribed by the council under article VI are complied with by the department of justice and the federal agencies and other agencies and organizations referred to in subparagraph division (a); and

(c) regulate the use of records received by means of the III system from party states when such records are supplied by the FBI directly to other federal agencies;

(2) provide to federal agencies and to state criminal history record repositories, criminal history records maintained in its database for the noncriminal justice purposes described in article IV, including

(a) information from nonparty states; and

(b) information from party states that is available from the FBI through the III system, but is not available from the party state through the III system;

(3) provide a telecommunications network and maintain centralized facilities for the exchange of criminal history records for both criminal justice purposes and the noncriminal justice purposes described in article IV, and ensure that the exchange of such records for criminal justice purposes has priority over exchange for noncriminal justice purposes; and

(4) modify or enter into user agreements with nonparty state criminal history record repositories to require them to establish record request procedures conforming to those prescribed in article V.

*b. State responsibilities.* Each party state shall

(1) appoint a compact officer who shall

(a) administer this compact within that state;

(b) ensure that compact provisions and rules, procedures, and standards established by the council under article VI are complied with in the state; and

(c) regulate the in-state use of records received by means of the III system from the FBI or from other party states;

(2) establish and maintain a criminal history record repository, which shall provide

(a) information and records for the national identification index and the national fingerprint file; and

(b) the state's III system-indexed criminal history records for noncriminal justice purposes described in Article IV;

(3) participate in the national fingerprint file; and

(4) provide and maintain telecommunications links and related equipment necessary to support the services set forth in this compact.

*c. Compliance with III system standards.* In carrying out their responsibilities under this compact, the FBI and each party state shall comply with III system rules, procedures, and standards duly established by the council concerning record dissemination and use, response times, data quality, system security, accuracy, privacy protection, and other aspects of III system operation.

*d. Maintenance of record services.*

(1) Use of the III system for noncriminal justice purposes authorized in this compact shall be managed so as not to diminish the level of services provided in support of criminal justice purposes.

(2) Administration of compact provisions shall not reduce the level of service available to authorized noncriminal justice users on the effective date of this compact.*

4. *Article IV — Authorized record disclosures.*

*a. State criminal history record repositories.* To the extent authorized by 5 U.S.C. § 552a, commonly known as the Privacy Act of 1974, the FBI shall provide on request criminal history records (excluding sealed records) to state criminal history record repositories for noncriminal justice purposes allowed by federal statute, federal executive order, or a state statute that has been approved by the attorney general and that authorizes national indices checks.

*b. Criminal justice agencies and other governmental or nongovernmental agencies.* The

FBI, to the extent authorized by 5 U.S.C. § 552a, commonly known as the Privacy Act of 1974, and state criminal history record repositories shall provide criminal history records (excluding sealed records) to criminal justice agencies and other governmental or nongovernmental agencies for noncriminal justice purposes allowed by federal statute, federal executive order, or a state statute that has been approved by the attorney general, that authorizes national indices checks.

*c. Procedures.* Any record obtained under this compact may be used only for the official purposes for which the record was requested. Each compact officer shall establish procedures, consistent with this compact and with rules, procedures, and standards established by the council under article VI, which procedures shall protect the accuracy and privacy of the records, and shall

(1) ensure that records obtained under this compact are used only by authorized officials for authorized purposes;

(2) require that subsequent record checks are requested to obtain current information whenever a new need arises; and

(3) ensure that record entries that may not legally be used for a particular noncriminal justice purpose are deleted from the response and, if no information authorized for release remains, an appropriate "no record" response is communicated to the requesting official.

5. *Article V — Record request procedures.*

*a. Positive identification.* Subject fingerprints or other approved forms of positive identification shall be submitted with all requests for criminal history record checks for noncriminal justice purposes.

*b. Submission of state requests.* Each request for a criminal history record check utilizing the national indices made under any approved state statute shall be submitted through that state's criminal history record repository. A state criminal history record repository shall process an interstate request for noncriminal justice purposes through the national indices only if such request is transmitted through another state criminal history record repository or the FBI.

*c. Submission of federal requests.* Each request for criminal history record checks utilizing the national indices made under federal authority shall be submitted through the FBI or, if the state criminal history record repository consents to process fingerprint submissions, through the criminal history record repository in the state in which such request originated. Direct access to the national identification index by entities other than the FBI and state criminal history records repositories shall not be permitted for noncriminal justice purposes.

*d. Fees.* A state criminal history record repository or the FBI

(1) may charge a fee, in accordance with applicable law, for handling a request involving fingerprint processing for noncriminal justice purposes; and

(2) may not charge a fee for providing criminal history records in response to an electronic request for a record that does not involve a request to process fingerprints.

*e. Additional search.*

(1) If a state criminal history record repository cannot positively identify the subject of a record request made for noncriminal justice purposes, the request, together with fingerprints or other approved identifying information, shall be forwarded to the FBI for a search of the national indices.

(2) If, with respect to a request forwarded by a state criminal history record repository under subparagraph (1), the FBI positively identifies the subject as having a III system indexed record or records

(a) the FBI shall so advise the state criminal history record repository; and

(b) the state criminal history record repository shall be entitled to obtain the additional criminal history record information from the FBI or other state criminal history record repositories.

6. *Article VI — Establishment of compact council.*

*a. Establishment.*

(1) *In general.* There is established a council to be known as the compact council, which shall have the authority to promulgate rules and procedures governing the use of the III

system for noncriminal justice purposes, not to conflict with FBI administration of the III system for criminal justice purposes.

(2) *Organization.* The council shall

(a) continue in existence as long as this compact remains in effect;

(b) be located, for administrative purposes, within the FBI; and

(c) be organized and hold its first meeting as soon as practicable after the effective date of this compact.*

*b. Membership.* The council shall be composed of fifteen members, each of whom shall be appointed by the attorney general, as follows:

(1) Nine members, each of whom shall serve a two-year term, who shall be selected from among the compact officers of party states based on the recommendation of the compact officers of all party states, except that, in the absence of the requisite number of compact officers available to serve, the chief administrators of the criminal history record repositories of nonparty states shall be eligible to serve on an interim basis.

(2) Two at-large members, nominated by the director of the FBI, each of whom shall serve a three-year term, of whom

(a) One shall be a representative of the criminal justice agencies of the federal government and may not be an employee of the FBI; and

(b) One shall be a representative of the noncriminal justice agencies of the federal government.

(3) Two at-large members, nominated by the chairperson of the council, once the chairperson is elected pursuant to paragraph "c", each of whom shall serve a three-year term, of whom

(a) One shall be a representative of state or local criminal justice agencies; and

(b) One shall be a representative of state or local noncriminal justice agencies.

(4) One member, who shall serve a three-year term, and who shall simultaneously be a member of the FBI's advisory policy board on criminal justice information services, nominated by the membership of that policy board.

(5) One member, nominated by the director of the FBI, who shall serve a three-year term, and who shall be an employee of the FBI.

*c. Chairperson and vice chairperson.*

(1) *In general.* From its membership, the council shall elect a chairperson and a vice chairperson of the council, respectively. Both the chairperson and vice chairperson of the council

(a) shall be a compact officer, unless there is no compact officer on the council who is willing to serve, in which case the chairperson may be an at-large member; and

(b) shall serve a two-year term and may be reelected to only one additional two-year term.

(2) *Duties of vice chairperson.* The vice chairperson of the council shall serve as the chairperson of the council in the absence of the chairperson.

*d. Meetings.*

(1) *In general.* The council shall meet at least once each year at the call of the chairperson. Each meeting of the council shall be open to the public. The council shall provide prior public notice in the federal register of each meeting of the council, including the matters to be addressed at such meeting.

(2) *Quorum.* A majority of the council or any committee of the council shall constitute a quorum of the council or of such committee, respectively, for the conduct of business. A lesser number may meet to hold hearings, take testimony, or conduct any business not requiring a vote.

*e. Rules, procedures, and standards.* The council shall make available for public inspection and copying at the council office within the FBI, and shall publish in the federal register, any rules, procedures, or standards established by the council.

*f. Assistance from FBI.* The council may request from the FBI such reports, studies, statistics, or other information or materials as the council determines to be necessary to enable the council to perform its duties under this compact. The FBI, to the extent authorized by law, may provide such assistance or information upon such a request.

*g. Committees.* The chairperson may establish committees as necessary to carry out this compact and may prescribe their membership, responsibilities, and duration.

7. *Article VII — Ratification of compact.* This compact shall take effect upon being entered into by two or more states as between those states and the federal government. Upon subsequent entering into this compact by additional states, it shall become effective among those states and the federal government and each party state that has previously ratified it. When ratified, this compact shall have the full force and effect of law within the ratifying jurisdictions. The form of ratification shall be in accordance with the laws of the executing state.

8. *Article VIII — Miscellaneous provisions.*

*a. Relation of compact to certain FBI activities.* Administration of this compact shall not interfere with the management and control of the director of the FBI over the FBI's collection and dissemination of criminal history records and the advisory function of the FBI's advisory policy board chartered under the Federal Advisory Committee Act, 5 U.S.C. App., for all purposes other than noncriminal justice.

*b. No authority for nonappropriated expenditures.* Nothing in this compact shall require the FBI to obligate or expend funds beyond those appropriated to the FBI.

*c. Relating to Pub. L. No. 92-544.* Nothing in this compact shall diminish or lessen the obligations, responsibilities, and authorities of any state, whether a party state or a nonparty state, or of any criminal history record repository or other subdivision or component thereof, under the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1973, Pub. L. No. 92-544, or regulations and guidelines promulgated thereunder, including the rules and procedures promulgated by the council under article VI, paragraph *"a"*, regarding the use and dissemination of criminal history records and information.

9. *Article IX — Renunciation.*

*a. In general.* This compact shall bind each party state until renounced by the party state.

*b. Effect.* Any renunciation of this compact by a party state shall

(1) be effected in the same manner by which the party state ratified this compact; and

(2) become effective one hundred eighty days after written notice of renunciation is provided by the party state to each other party state and to the federal government.

10. *Article X — Severability.* The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any participating state, or to the Constitution of the United States, or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If a portion of this compact is held contrary to the constitution of any party state, all other portions of this compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected, as to all other provisions.

11. *Article XI — Adjudication of disputes.*

*a. In general.* The council shall

(1) have initial authority to make determinations with respect to any dispute regarding

(a) interpretation of this compact;

(b) any rule or standard established by the council pursuant to article VI; and

(c) any dispute or controversy between any parties to this compact; and

(2) hold a hearing concerning any dispute described in subparagraph (1) at a regularly scheduled meeting of the council and only render a decision based upon a majority vote of the members of the council. Such decision shall be published pursuant to the requirements of article VI, paragraph *"e"*.

*b. Duties of FBI.* The FBI shall exercise immediate and necessary action to preserve the integrity of the III system, maintain system policy and standards, protect the accuracy and privacy of records, and to prevent abuses, until the council holds a hearing on such matters.

*c. Right of appeal.* The FBI or a party state may appeal any decision of the council to the attorney general, and thereafter may file suit in the appropriate district court of the United States, which shall have original jurisdiction of all cases or controversies arising under this

compact. Any suit arising under this compact and initiated in a state court shall be removed to the appropriate district court of the United States in the manner provided by 28 U.S.C. § 1446, or other statutory authority.

2000 Acts, ch 1065, §2; 2000 Acts, ch 1232, §84; 2006 Acts, ch 1010, §159; 2008 Acts, ch 1032, §201; 2009 Acts, ch 41, §263

*Legislation enacting compact is effective July 1, 2000; 2000 Acts, ch 1065, §1 – 3

**692B.3 Duty of commissioner.**

The commissioner of public safety shall be responsible to implement and administer this compact.

2000 Acts, ch 1065, §3

# CHAPTER 693

## POLICE RADIO BROADCASTING SYSTEM

Referred to in §80.9B, 139A.19, 331.307, 364.22


693.1 Contract authorized.
693.2 Expenses.
693.3 Notification to supervisors.
693.4 Duty of supervisors to install — costs.
693.5 Option of city council to install — costs.
693.6 Repealed by 81 Acts, ch 117, §1097.
693.7 Communication with local agencies.
693.8 Repealed by 80 Acts, ch 1008, §2.


**693.1 Contract authorized.**

The commissioner of public safety may enter into such contracts as the commissioner may deem necessary for the purpose of utilizing a special radio broadcasting system for law enforcement and police work and for direct and rapid communication with the various peace officers of the state. The said commissioner shall be empowered, subject to the approval of the governor and executive council, to equip divisional headquarters, cars, and motorcycles in the department with radio sending or receiving apparatus or both.

[C31, 35, §13417-d1; C39, §**13417.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §750.1; C79, 81, §693.1]

Referred to in §321.266, 693.2

**693.2 Expenses.**

Any such contract authorized in section 693.1 shall involve no expense to the state, except that the state may buy its own radio remote control system and install the same in the offices of the department of public safety in broadcasting communications and information direct to the peace officers of the state.

[C31, 35, §13417-d2; C39, §**13417.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §750.2; C79, 81, §693.2]

**693.3 Notification to supervisors.**

Whenever the commissioner of public safety has entered into a contract and has established radio broadcasting facilities as is provided in this chapter, the commissioner shall at once notify the boards of supervisors of the respective counties that such a radio service has been established.

[C31, 35, §13417-d3; C39, §**13417.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §750.3; C79, 81, §693.3]

**693.4 Duty of supervisors to install — costs.**

The board of supervisors of each county shall install in the office of the sheriff a radio receiving set, and a set in at least one motor vehicle used by the sheriff, for use in connection

with the state radio broadcasting system. The board of supervisors may install as many additional radio receiving sets as it deems necessary.

[C31, 35, §13417-d4; C39, §**13417.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §750.4; C79, 81, §693.4]

83 Acts, ch 123, §200, 209

Referred to in §331.322

**693.5 Option of city council to install — costs.**

The council of each city of two thousand or more population may install at least one radio receiving set for use in law enforcement and police work.

[C31, 35, §13417-d5; C39, §**13417.7;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §750.5; C79, 81, §693.5]

**693.6** Repealed by 81 Acts, ch 117, § 1097.

**693.7 Communication with local agencies.**

The department of public safety shall maintain law enforcement communications with local enforcement agencies.

[C75, 77, §750.7; C79, 81, §693.7]

**693.8** Repealed by 80 Acts, ch 1008, § 2.

# CHAPTER 694

## MISSING PERSONS

Referred to in §331.307, 364.22


694.1 Definitions.
694.2 Complaint of missing person.
694.3 Report on missing person.
694.4 Dissemination of report.
694.5 Unemancipated minors.
694.6 False information — penalty.
694.7 through 694.9 Reserved.
694.10 Missing person information clearinghouse.


**694.1 Definitions.**

As used in this chapter, unless the context otherwise indicates:

1. "*Missing person*" means a person who is missing and meets one of the following characteristics:

*a.* Is a person with a physical or mental disability.

*b.* Is missing under circumstances indicating that the person's safety may be in danger.

*c.* Is missing under circumstances indicating that the disappearance was not voluntary.

*d.* Is an unemancipated minor.

2. "*Unemancipated minor*" means a minor who has not married and who resides with a parent or other legal guardian.

84 Acts, ch 1084, §1; 90 Acts, ch 1051, §1; 90 Acts, ch 1233, §40; 96 Acts, ch 1129, §107; 2013 Acts, ch 90, §220

Referred to in §694.10

Section amended

**694.2 Complaint of missing person.**

1. A person may file a complaint of a missing person with a law enforcement agency having jurisdiction. The complaint shall include, but is not limited to, the following information:

*a.* The name of the complainant.

*b.* The relationship of the complainant to the missing person.

*c.* The name, age, address, and all identifying characteristics of the missing person.

*d.* The length of time the person has been missing.

*e.* All other information deemed relevant by either the complainant or the law enforcement agency.

2. A report of the complaint of missing person shall be given to all law enforcement personnel currently on active duty for that agency through internal means and over the law enforcement administration network immediately upon its being filed.

84 Acts, ch 1084, §2
Referred to in §694.10

**694.3 Report on missing person.**

A law enforcement agency in which a complaint of a missing person has been filed shall prepare, as soon as practicable, a report on a missing person. That report shall include, but is not limited to, the following:

1. All information contained in the complaint on a missing person.
2. All information or evidence gathered by a preliminary investigation, if one was made.
3. A statement, by the law enforcement officer in charge, setting forth that officer's assessment of the case based upon all evidence and information received.
4. An explanation of the next steps to be taken by the law enforcement agency filing the report.

84 Acts, ch 1084, §3
Referred to in §694.10

**694.4 Dissemination of report.**

Upon completion of the report, a copy of the report shall be forwarded to:

1. All law enforcement agencies having jurisdiction of the location in which the missing person lives or was last seen.
2. All law enforcement agencies considered to be potentially involved by the law enforcement agency filing the report.
3. All law enforcement agencies which the complainant requests the report to be sent to, if the request is reasonable in light of the information contained in the report.
4. Any law enforcement agency requesting a copy of the missing person report.

84 Acts, ch 1084, §4

**694.5 Unemancipated minors.**

1. If a report of missing person involves an unemancipated minor, the law enforcement agency shall immediately transmit the proper information for inclusion in the national crime information center computer.
2. If a report of missing person involves an unemancipated minor, a law enforcement agency shall not prevent an immediate active investigation on the basis of an agency rule which specifies an automatic time limitation for a missing person investigation.

84 Acts, ch 1084, §5

**694.6 False information — penalty.**

A person who knowingly makes a false report of missing person, or knowingly makes a false statement in the report, to a law enforcement agency is guilty of a simple misdemeanor.

84 Acts, ch 1084, §6

**694.7 through 694.9** Reserved.

**694.10 Missing person information clearinghouse.**

1. As used in this section:

*a.* "*Missing person*" means a missing person as defined in section 694.1 whose temporary or permanent residence is in Iowa, or is believed to be in Iowa, whose location has not been determined, and who has been reported as missing to a law enforcement agency.

*b.* "*Missing person report*" is a report prepared on a form designed by the department of public safety for use by private citizens and law enforcement agencies to report missing person information to the missing person information clearinghouse.

2. The department of public safety shall establish a statewide missing person information clearinghouse. In connection with the clearinghouse, the department shall:

*a.* Collect, process, maintain, and disseminate information concerning missing persons in Iowa.

*b.* Develop training programs for local law enforcement personnel concerning appropriate procedures to report missing persons to the clearinghouse and to comply with legal procedures relating to missing person cases.

*c.* Provide specialized training to law enforcement officers, in conjunction with the law enforcement academy, to enable the officers to more efficiently handle the tracking of missing persons and unidentified bodies on the local level.

*d.* Develop training programs to assist parents in avoiding child kidnapping.

*e.* Cooperate with other states and the national crime information center in efforts to locate missing persons.

*f.* Maintain a toll-free telephone line, available twenty-four hours a day, seven days a week, to receive and disseminate information related to missing persons.

*g.* Distribute monthly bulletins to all local law enforcement agencies and to media outlets which request missing person information, containing the names, photos, and descriptions of missing persons, information related to the events surrounding the disappearance of the missing persons, the law enforcement agency or person to contact if missing persons are located or if other relevant information is discovered relating to missing persons, and the names of persons reported missing whose locations have been determined and confirmed.

*h.* Produce, update at least weekly, and distribute public service announcements to media outlets which request missing person information, containing the same or similar information as contained in the monthly bulletins.

*i.* Encourage and seek both financial and in-kind support from private individuals and organizations in the production and distribution of clearinghouse bulletins and public service announcements under paragraphs *"g"* and *"h"*.

*j.* Maintain a registry of approved prevention and education materials and programs regarding missing and runaway children.

*k.* Coordinate public and private programs for missing and runaway children.

3. A law enforcement agency shall submit all missing person reports compiled pursuant to section 694.3 and updated information relating to the reports to the clearinghouse.

4. Subsequent to the filing of a complaint of a missing person with a law enforcement agency pursuant to section 694.2, the person filing the complaint may submit information regarding the missing person to the clearinghouse. If the person reported missing is an unemancipated minor, any person may submit information regarding the missing unemancipated minor to the clearinghouse.

5. A person who has filed a missing person complaint with a law enforcement agency shall immediately notify that law enforcement agency when the location of the missing person has been determined.

6. After the location of a person reported missing to the clearinghouse has been determined and confirmed, the clearinghouse shall only release information described in subsection 2, paragraphs *"g"* and *"h"* concerning the located person. After the location of a missing person has been determined and confirmed, other information concerning the history of the missing person case shall be disclosed only to law enforcement officers of this state and other jurisdictions when necessary for the discharge of their official duties and to the juvenile court in the county of a formerly missing child's residence. All information relating to a missing person in the clearinghouse shall be purged when the person's location has been determined and confirmed, except that information relating to a missing child shall be purged when the child reaches eighteen years of age and the child's location has been determined and confirmed.

85 Acts, ch 173, §29

# CHAPTERS 695 to 700

RESERVED

# CHAPTER 701

## GENERAL CRIMINAL LAW PROVISIONS

Referred to in §331.307, 364.22


701.1 Short title.
701.2 Public offense.
701.3 Presumption of innocence.
701.4 Insanity.
701.5 Intoxicants or drugs.
701.6 Ignorance or mistake.
701.7 Felony defined and classified.
701.8 Misdemeanor defined and classified.
701.9 Merger of lesser included offenses.
701.10 Civil remedies preserved.
701.11 Evidence of similar offenses — sexual abuse.


**701.1 Short title.**

Chapters 701 to 728 shall be known and may be cited as the *"Iowa Criminal Code"*.

[C79, 81, §701.1]

**701.2 Public offense.**

A public offense is that which is prohibited by statute and is punishable by fine or imprisonment.

[C51, §2816 – 2818; R60, §4428 – 4430; C73, §4103 – 4105; C97, §5092 – 5094; C24, 27, 31, 35, 39, §**12889 – 12891;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §687.1, 687.2, 687.4; C79, 81, §701.2]

Referred to in §664A.1

**701.3 Presumption of innocence.**

Every person is presumed innocent until proved guilty. No person shall be convicted of any offense unless the person's guilt thereof is proved beyond a reasonable doubt.

[C51, §2819; R60, §4431, 4807; C73, §4106, 4428; C97, §5095, 5376; C24, 27, 31, 35, 39, §**12892, 13917;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §687.5, 785.3; C79, 81, §701.3]

See R.Cr.P. 2.22(9)

**701.4 Insanity.**

A person shall not be convicted of a crime if at the time the crime is committed the person suffers from such a diseased or deranged condition of the mind as to render the person incapable of knowing the nature and quality of the act the person is committing or incapable of distinguishing between right and wrong in relation to that act. Insanity need not exist for any specific length of time before or after the commission of the alleged criminal act. If the defense of insanity is raised, the defendant must prove by a preponderance of the evidence that the defendant at the time of the crime suffered from such a deranged condition of the mind as to render the defendant incapable of knowing the nature and quality of the act the defendant was committing or was incapable of distinguishing between right and wrong in relation to the act.

[C79, 81, §701.4]

84 Acts, ch 1320, §1

**701.5 Intoxicants or drugs.**

The fact that a person is under the influence of intoxicants or drugs neither excuses the person's act nor aggravates the person's guilt, but may be shown where it is relevant in proving the person's specific intent or recklessness at the time of the person's alleged criminal act or in proving any element of the public offense with which the person is charged.

[C79, 81, §701.5]

**701.6 Ignorance or mistake.**

All persons are presumed to know the law. Evidence of an accused person's ignorance or mistake as to a matter of either fact or law shall be admissible in any case where it shall tend to prove the existence or nonexistence of some element of the crime with which the person is charged.

[C79, 81, §701.6]

**701.7 Felony defined and classified.**

A public offense is a felony of a particular class when the statute defining the crime declares it to be a felony. Felonies are class "A" felonies, class "B" felonies, class "C" felonies, and class "D" felonies. Where the statute defining the offense declares it to be a felony but does not state what class of felony it is or provide for a specific penalty, that felony shall be a class "D" felony.

[C51, §2817; R60, §4429; C73, §4104; C97, §5093; C24, 27, 31, 35, 39, §**12890;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §687.2; C79, 81, §701.7]

Referred to in §39.3, 48A.6, 48A.30, 57.1, 277.29

See §902.9; see also §724.25

**701.8 Misdemeanor defined and classified.**

All public offenses which are not felonies are misdemeanors. Misdemeanors are aggravated misdemeanors, serious misdemeanors, or simple misdemeanors. Where an act is declared to be a public offense, crime or misdemeanor, but no other designation is given, such act shall be a simple misdemeanor.

[C51, §2675, 2818; R60, §4302, 4430; C73, §3966, 4105; C97, §4905, 5094; C24, 27, 31, 35, 39, §**12891,12893;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §687.4, 687.6; C79, 81, §701.8]

See also §903.1

**701.9 Merger of lesser included offenses.**

No person shall be convicted of a public offense which is necessarily included in another public offense of which the person is convicted. If the jury returns a verdict of guilty of more than one offense and such verdict conflicts with this section, the court shall enter judgment of guilty of the greater of the offenses only.

[C79, 81, §701.9]

See R.Cr.P. 2.6(1), 2.22(3)

**701.10 Civil remedies preserved.**

The fact that one may be subjected to a criminal prosecution in no way limits the right which anyone may have to a civil remedy.

[C79, 81, §701.10]

**701.11 Evidence of similar offenses — sexual abuse.**

1. In a criminal prosecution in which a defendant has been charged with sexual abuse, evidence of the defendant's commission of another sexual abuse is admissible and may be considered for its bearing on any matter for which the evidence is relevant. This evidence, though relevant, may be excluded if the probative value of the evidence is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading the jury, or by considerations of undue delay, waste of time, or needless presentation of cumulative evidence. This evidence is not admissible unless the state presents clear proof of the commission of the prior act of sexual abuse.

2. If the prosecution intends to offer evidence pursuant to this section, the prosecution shall disclose such evidence to the defendant, including statements of witnesses or a summary of the substance of any testimony that is expected to be offered, ten days prior to the scheduled date of trial. The court may for good cause shown permit disclosure less than ten days prior to the scheduled date of trial.

3. For purposes of this section, *"sexual abuse"* means any commission of or conviction for a crime defined in chapter 709. *"Sexual abuse"* also means any commission of or conviction

for a crime in another jurisdiction under a statute that is substantially similar to any crime defined in chapter 709.

2003 Acts, ch 132, §1

# CHAPTER 702

## DEFINITIONS

Referred to in §237.13, 331.307, 364.22, 701.1


| | |
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**702.1 Policy of uniformity.**

Wherever a term, word or phrase is defined in the criminal code, such meaning shall be given wherever it appears in the Code, unless it is being specially defined for a special purpose.

[C79, 81, §702.1]

**702.1A Computer terminology.**

For purposes of section 714.1, subsection 8, and section 716.6B:

1. *"Computer"* means an electronic device which performs logical, arithmetical, and memory functions by manipulation of electronic or magnetic impulses, and includes all input, output, processing, storage, computer software, and communication facilities which are connected or related to the computer in a computer system or computer network.

2. *"Computer access"* means to instruct, communicate with, store data in, or retrieve data from a computer, computer system, or computer network.

3. *"Computer data"* means a representation of information, knowledge, facts, concepts, or instructions that has been prepared or is being prepared in a formalized manner and has been processed, or is intended to be processed in a computer. Computer data may be in any form including, but not limited to, printouts, magnetic storage media, punched cards, and as stored in the memory of a computer.

4. *"Computer network"* means a set of related, remotely connected devices and communication facilities including two or more computers with capability to transmit data among them through communication facilities.

5. *"Computer program"* means an ordered set of instructions or statements that, when executed by a computer, causes the computer to process data.

6. *"Computer services"* means the use of a computer, computer system, or computer network and includes, but is not limited to, computer time, data processing, and storage functions.

7. *"Computer software"* means a set of computer programs, procedures, or associated documentation used in the operation of a computer.

8. *"Computer system"* means related, connected or unconnected, computers or peripheral equipment.

9. *"Loss of property"* means the greatest of the following:

*a.* The retail value of the property involved.

*b*. The reasonable replacement or repair cost, whichever is less.

10. *"Loss of services"* means the reasonable value of the damage created by the unavailability or lack of utility of the property or services involved until repair or replacement can be effected.

2000 Acts, ch 1201, §6
Referred to in §716A.1

**702.2 Act.**

The term *"act"* includes a failure to do any act which the law requires one to perform.

[C79, 81, §702.2]
Referred to in §670A.1

**702.3 Animal.**

An *"animal"* is a nonhuman vertebrate.

[C79, 81, §702.3]

**702.4 Brothel.**

A *"brothel"* is any building, structure, or part thereof, or other place offering shelter or seclusion, which is principally or regularly used for the purpose of prostitution, with the consent or connivance of the owner, tenant, or other person in possession of it.

[C79, 81, §702.4]

**702.5 Child.**

For purposes of Title XVI,* unless another age is specified, a *"child"* is any person under the age of fourteen years.

[C79, 81, §702.5]
Referred to in §232.68, 726.2, 915.36, 915.37, 915.38
*This provision does not include chapters 709A, 718A, 822, 904, 913, and 914, which were moved into Title XVI by the Code editor. Chapters 709A, 718A, 822, 904, 913, and 914 contain the applicable provisions pertaining to those chapters.

**702.6 Controlled substance.**

The term *"controlled substance"* means controlled substance as that term is defined and used in chapter 124.

[C79, 81, §702.6]

**702.7 Dangerous weapon.**

A *"dangerous weapon"* is any instrument or device designed primarily for use in inflicting death or injury upon a human being or animal, and which is capable of inflicting death upon a human being when used in the manner for which it was designed, except a bow and arrow when possessed and used for hunting or any other lawful purpose. Additionally, any instrument or device of any sort whatsoever which is actually used in such a manner as to indicate that the defendant intends to inflict death or serious injury upon the other, and which, when so used, is capable of inflicting death upon a human being, is a dangerous weapon. Dangerous weapons include but are not limited to any offensive weapon, pistol, revolver, or other firearm, dagger, razor, stiletto, switchblade knife, knife having a blade exceeding five inches in length, or any portable device or weapon directing an electric current, impulse, wave, or beam that produces a high-voltage pulse designed to immobilize a person.

[S13, §4775-1a; C24, 27, 31, §12936; C35, §12935-g1, 12936; C39, §**12935.1, 12936;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.1, 695.2; C79, 81, §702.7]

88 Acts, ch 1164, §1; 2008 Acts, ch 1151, §1
Referred to in §280.17A, 280.17B, 708.11, 708.13, 719.1

**702.8 Death.**

*"Death"* means the condition determined by the following standard: A person will be considered dead if in the announced opinion of a physician licensed pursuant to chapter 148, a physician assistant licensed pursuant to chapter 148C, or a registered nurse or a licensed practical nurse licensed pursuant to chapter 152, based on ordinary standards

of medical practice, that person has experienced an irreversible cessation of spontaneous respiratory and circulatory functions. In the event that artificial means of support preclude a determination that these functions have ceased, a person will be considered dead if in the announced opinion of two physicians, based on ordinary standards of medical practice, that person has experienced an irreversible cessation of spontaneous brain functions. Death will have occurred at the time when the relevant functions ceased.

[C79, 81, §702.8]

2001 Acts, ch 113, §5; 2008 Acts, ch 1088, §137

Referred to in §704.9

**702.9 Deception.**

"*Deception*" consists of knowingly doing any of the following:

1. Creating or confirming another's belief or impression as to the existence or nonexistence of a fact or condition which is false and which the actor does not believe to be true.

2. Failing to correct a false belief or impression as to the existence or nonexistence of a fact or condition which the actor previously has created or confirmed.

3. Preventing another from acquiring information pertinent to the disposition of the property involved in any commercial or noncommercial transaction or transfer.

4. Selling or otherwise transferring or encumbering property and failing to disclose a lien, adverse claim, or other legal impediment to the enjoyment of the property, whether such impediment is or is not valid, or is or is not a matter of official record.

5. Promising payment, the delivery of goods, or other performance which the actor does not intend to perform or knows the actor will not be able to perform. Failure to perform, standing alone, is not evidence that the actor did not intend to perform.

6. Inserting anything other than lawful money or authorized token into the money slot of any machine which dispenses goods or services.

[C79, 81, §702.9]

Referred to in §15A.3

**702.10 Dwelling.**

A "*dwelling*" is any building or structure, permanent or temporary, or any land, water or air vehicle, adapted for overnight accommodation of persons, and actually in use by some person or persons as permanent or temporary sleeping quarters, whether such person is present or not.

[C79, 81, §702.10]

**702.11 Forcible felony.**

1. A "*forcible felony*" is any felonious child endangerment, assault, murder, sexual abuse, kidnapping, robbery, arson in the first degree, or burglary in the first degree.

2. Notwithstanding subsection 1, the following offenses are not forcible felonies:

*a.* Willful injury in violation of section 708.4, subsection 2.

*b.* Sexual abuse in the third degree committed between spouses.

*c.* Sexual abuse in violation of section 709.4, subsection 1, paragraph "*b*", subparagraph (3), subparagraph division (d).

*d.* Sexual exploitation by a counselor, therapist, or school employee in violation of section 709.15.

*e.* Child endangerment subject to penalty under section 726.6, subsection 6.

*f.* Assault in violation of section 708.2, subsection 4.

*g.* Domestic abuse assault in violation of section 708.2A, subsection 5.

*h.* Removal of an officer's communication or control device in violation of section 708.12, subsection 3, paragraph "*f*".

[C79, 81, §702.11]

85 Acts, ch 180, §2; 89 Acts, ch 138, §2; 91 Acts, ch 130, §1; 92 Acts, ch 1163, §117; 94 Acts, ch 1023, §69; 99 Acts, ch 65, §2; 2001 Acts, ch 3, §1; 2001 Acts, ch 176, §79; 2003 Acts, ch 180,

§64; 2004 Acts, ch 1151, §2; 2010 Acts, ch 1072, §1; 2012 Acts, ch 1002, §3; 2013 Acts, ch 30, §248; 2013 Acts, ch 52, §1
Referred to in §232.52, 272.2, 670A.1, 723A.1, 808B.3, 811.1, 915.10
Sentencing options excluded, see §907.3
Subsection 2, paragraph c amended
Subsection 2, NEW paragraph h

**702.12 Occupied structure.**

An *"occupied structure"* is any building, structure, appurtenances to buildings and structures, land, water or air vehicle, or similar place adapted for overnight accommodation of persons, or occupied by persons for the purpose of carrying on business or other activity therein, or for the storage or safekeeping of anything of value. Such a structure is an *"occupied structure"* whether or not a person is actually present. However, for purposes of chapter 713, a box, chest, safe, changer, or other object or device which is adapted or used for the deposit or storage of anything of value but which is too small or not designed to allow a person to physically enter or occupy it is not an "occupied structure".

[C79, 81, §702.12]
84 Acts, ch 1247, §1
Referred to in §712.6

**702.13 Participating in a public offense.**

A person is *"participating in a public offense,"* during part or the entire period commencing with the first act done directly toward the commission of the offense and for the purpose of committing that offense, and terminating when the person has been arrested or has withdrawn from the scene of the intended crime and has eluded pursuers, if any there be. A person is *"participating in a public offense"* during this period whether the person is successful or unsuccessful in committing the offense.

[C79, 81, §702.13]
Referred to in §321.279, 462A.34B

**702.14 Property.**

*"Property"* is anything of value, whether publicly or privately owned, including but not limited to computers and computer data, computer software, and computer programs. The term includes both tangible and intangible property, labor, and services. The term includes all that is included in the terms *"real property"* and *"personal property"*.

[C79, 81, §702.14]
2000 Acts, ch 1201, §7
Referred to in §249F.1, 714.8

**702.15 Prostitute.**

A *"prostitute"* is a person who sells or offers for sale the person's services as a participant in a sex act.

[C79, 81, §702.15]

**702.16 Reckless.**

A person is *"reckless"* or acts recklessly when the person willfully or wantonly disregards the safety of persons or property.

[C79, 81, §702.16]

**702.17 Sex act.**

The term *"sex act"* or *"sexual activity"* means any sexual contact between two or more persons by: penetration of the penis into the vagina or anus; contact between the mouth and genitalia or by contact between the genitalia of one person and the genitalia or anus of another person; contact between the finger or hand of one person and the genitalia or anus of another person, except in the course of examination or treatment by a person licensed

pursuant to chapter 148, 148C, 151, or 152; ejaculation onto the person of another; or by use of artificial sexual organs or substitutes therefor in contact with the genitalia or anus.

[C75, 77, §725.1(7); C79, 81, §702.17]

89 Acts, ch 105, §1; 89 Acts, ch 296, §86; 2008 Acts, ch 1088, §138; 2013 Acts, ch 43, §1

Referred to in §235B.2, 235E.1, 692A.101, 709.15, 709.18, 728.1, 728.14

Section amended

**702.18 Serious injury.**

1. *"Serious injury"* means any of the following:

*a.* Disabling mental illness.

*b.* Bodily injury which does any of the following:

(1) Creates a substantial risk of death.

(2) Causes serious permanent disfigurement.

(3) Causes protracted loss or impairment of the function of any bodily member or organ.

*c.* Any injury to a child that requires surgical repair and necessitates the administration of general anesthesia.

2. *"Serious injury"* includes but is not limited to skull fractures, rib fractures, and metaphyseal fractures of the long bones of children under the age of four years.

[C51, §2577; R60, §4200; C73, §3857; C97, §4752; C24, 27, 31, 35, 39, §**12928;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §693.1; C79, 81, §702.18]

94 Acts, ch 1172, §41; 99 Acts, ch 11, §1

Referred to in §147.111, 235B.2, 321.261, 321.482A, 321J.1, 462A.2, 707.6A, 805.10

**702.19 Steal.**

*"Steal"* means to take by theft.

[C79, 81, §702.19]

**702.20 Viability.**

*"Viability"* is that stage of fetal development when the life of the unborn child may be continued indefinitely outside the womb by natural or artificial life support systems. The time when viability is achieved may vary with each pregnancy, and the determination of whether a particular fetus is viable is a matter of responsible medical judgment.

[C79, 81, §702.20]

**702.20A Video rental property.**

*"Video rental property"* means an audiovisual recording, including a videotape, videodisc, or other tangible medium of expression on which an audiovisual work is recorded or otherwise stored, or any equipment or supplies used to view the recording, and which is held out for rental to the public in the ordinary course of business.

2000 Acts, ch 1201, §8

**702.21 Incendiary device.**

An *"incendiary device"* is a device, contrivance, or material causing or designed to cause destruction of property by fire.

[C71, 73, 75, 77, §697.10(2); C79, 81, §702.21]

**702.22 Library materials and equipment.**

1. *"Library materials"* include books, plates, pictures, photographs, engravings, paintings, drawings, maps, newspapers, magazines, pamphlets, broadsides, manuscripts, documents, letters, public records, microforms, sound recordings, audiovisual materials in any format, magnetic or other tapes, electronic data processing records, artifacts, and written or printed materials regardless of physical form or characteristics, belonging to, on loan to, or otherwise in the custody of any of the following:

*a.* A public library.

*b.* A library of an educational, historical, or eleemosynary institution, organization, or society.

*c.* A museum.

*d.* A repository of public records.

2. *"Library equipment"* includes audio, visual, or audiovisual machines, machinery or equipment belonging to, on loan to or otherwise in the custody of one of the institutions or agencies listed in subsection 1.

[C81, §702.22]

85 Acts, ch 187, §1

Referred to in §714.5

**702.23 Strip search.**

*"Strip search"* means having a person remove or arrange some or all of the person's clothing so as to permit an inspection of the genitalia, buttocks, anus, female breasts or undergarments of that person or a physical probe of any body cavity.

[C81, §702.23]

# CHAPTER 703

## PARTIES TO CRIME

Referred to in §331.307, 364.22, 701.1, 717A.3A


703.1 Aiding and abetting.
703.2 Joint criminal conduct.
703.3 Accessory after the fact.
703.4 Responsibility of employers.
703.5 Liability of corporations, partnerships and voluntary associations.


**703.1 Aiding and abetting.**

All persons concerned in the commission of a public offense, whether they directly commit the act constituting the offense or aid and abet its commission, shall be charged, tried and punished as principals. The guilt of a person who aids and abets the commission of a crime must be determined upon the facts which show the part the person had in it, and does not depend upon the degree of another person's guilt.

[C51, §2928; R60, §4668; C73, §4314; C97, §5299; C24, 27, 31, 35, 39, §**12895;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §688.1; C79, 81, §703.1]

**703.2 Joint criminal conduct.**

When two or more persons, acting in concert, knowingly participate in a public offense, each is responsible for the acts of the other done in furtherance of the commission of the offense or escape therefrom, and each person's guilt will be the same as that of the person so acting, unless the act was one which the person could not reasonably expect to be done in the furtherance of the commission of the offense.

[C79, 81, §703.2]

Referred to in §717A.3A

**703.3 Accessory after the fact.**

Any person having knowledge that a public offense has been committed and that a certain person committed it, and who does not stand in the relation of husband or wife to the person who committed the offense, who harbors, aids or conceals the person who committed the offense, with the intent to prevent the apprehension of the person who committed the offense, commits an aggravated misdemeanor if the public offense committed was a felony, or commits a simple misdemeanor if the public offense was a misdemeanor.

[C51, §2929; R60, §4669; C73, §4315; C97, §5300; C24, 27, 31, 35, 39, §**12896;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §688.2; C79, 81, §703.3; 81 Acts, ch 204, §1]

Referred to in §717A.3A

**703.4 Responsibility of employers.**

An employer or an employer's agent, officer, director, or employee who supervises or directs the work of other employees, is guilty of the same public offense committed by an employee acting under the employer's control, supervision, or direction in any of the following cases:

1. The person has directed the employee to commit a public offense.

2. The person knowingly permits an employee to commit a public offense, under circumstances in which the employer expects to benefit from the illegal activity of the employee.

3. The person assigns the employee some duty or duties which the person knows cannot be accomplished, or are not likely to be accomplished, unless the employee commits a public offense, provided that the offense committed by the employee is one which the employer can reasonably anticipate will follow from this assignment.

[C79, 81, §703.4]

**703.5 Liability of corporations, partnerships and voluntary associations.**

1. A public or private corporation, partnership, or other voluntary association shall have the same level of culpability as an individual committing the crime when any of the following is true:

*a.* The conduct constituting the offense consists of an omission to discharge a specific duty or an affirmative performance imposed on the accused by law.

*b.* The conduct or act constituting the offense is committed by an agent, officer, director, or employee of the accused while acting within the scope of the authority of the agent, officer, director or employee and in behalf of the accused and when said act or conduct is authorized, requested, or tolerated by the board of directors or by a high managerial agent.

2. *"High managerial agent"* means an officer of the corporation, partner, or other agent in a position of comparable authority with respect to the formulation of policy or the supervision in a managerial capacity of subordinate employees.

[C79, 81, §703.5]

2013 Acts, ch 30, §261

Code editor directive applied

# CHAPTER 704

## FORCE — REASONABLE OR DEADLY — DEFENSES

Referred to in §331.307, 364.22, 701.1


| | | | |
|---|---|---|---|
| 704.1 | Reasonable force. | 704.7 | Resisting forcible felony. |
| 704.2 | Deadly force. | 704.8 | Escape from place of confinement. |
| 704.3 | Defense of self or another. | | |
| 704.4 | Defense of property. | 704.9 | Death. |
| 704.5 | Aiding another in the defense of property. | 704.10 | Compulsion. |
| | | 704.11 | Police activity. |
| 704.6 | When defense not available. | 704.12 | Use of force in making an arrest. |


**704.1 Reasonable force.**

*"Reasonable force"* is that force and no more which a reasonable person, in like circumstances, would judge to be necessary to prevent an injury or loss and can include deadly force if it is reasonable to believe that such force is necessary to avoid injury or risk to one's life or safety or the life or safety of another, or it is reasonable to believe that such force is necessary to resist a like force or threat. Reasonable force, including deadly force, may be used even if an alternative course of action is available if the alternative entails a risk

to life or safety, or the life or safety of a third party, or requires one to abandon or retreat from one's dwelling or place of business or employment.

[C51, §2773; R60, §4442; C73, §4112; C97, §5102; C24, 27, 31, 35, 39, §**12921;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §691.1; C79, 81, §704.1; 81 Acts, ch 204, §2]

Referred to in §234.40, 280.21

"Dwelling" defined, see §702.10

**704.2 Deadly force.**

1. The term *"deadly force"* means any of the following:

*a.* Force used for the purpose of causing serious injury.

*b.* Force which the actor knows or reasonably should know will create a strong probability that serious injury will result.

*c.* The discharge of a firearm, other than a firearm loaded with less lethal munitions and discharged by a peace officer, corrections officer, or corrections official in the line of duty, in the direction of some person with the knowledge of the person's presence there, even though no intent to inflict serious physical injury can be shown.

*d.* The discharge of a firearm, other than a firearm loaded with less lethal munitions and discharged by a peace officer, corrections officer, or corrections official in the line of duty, at a vehicle in which a person is known to be.

2. As used in this section, *"less lethal munitions"* means projectiles which are designed to stun, temporarily incapacitate, or cause temporary discomfort to a person without penetrating the person's body.

[C79, 81, §704.2]

97 Acts, ch 166, §1, 2; 2013 Acts, ch 30, §197

Section amended

**704.3 Defense of self or another.**

A person is justified in the use of reasonable force when the person reasonably believes that such force is necessary to defend oneself or another from any imminent use of unlawful force.

[C51, §2773 – 2775; R60, §4442 – 4444; C73, §4112 – 4114; C97, §5102 – 5104; C24, 27, 31, 35, 39, §**12921 – 12923;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §691.1, 691.2(1), 691.3; C79, 81, §704.3]

Referred to in §236.12

**704.4 Defense of property.**

A person is justified in the use of reasonable force to prevent or terminate criminal interference with the person's possession or other right in property. Nothing in this section authorizes the use of any spring gun or trap which is left unattended and unsupervised and which is placed for the purpose of preventing or terminating criminal interference with the possession of or other right in property.

[C51, §2774; R60, §4443; C73, §4113; C97, §5103; C24, 27, 31, 35, 39, §**12922;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §691.2(2); C79, 81, §704.4]

**704.5 Aiding another in the defense of property.**

A person is justified in the use of reasonable force to aid another in the lawful defense of the other person's rights in property or in any public property.

[C51, §2775; R60, §4444; C73, §4114; C97, §5104; C24, 27, 31, 35, 39, §**12923;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §691.3; C79, 81, §704.5]

**704.6 When defense not available.**

The defense of justification is not available to the following:

1. One who is participating in a forcible felony, or riot, or a duel.

2. One who initially provokes the use of force against oneself, with the intent to use such force as an excuse to inflict injury on the assailant.

3. One who initially provokes the use of force against oneself by one's unlawful acts, unless:

*a.* Such force is grossly disproportionate to the provocation, and is so great that the person reasonably believes that the person is in imminent danger of death or serious injury or

*b.* The person withdraws from physical contact with the other and indicates clearly to the other that the person desires to terminate the conflict but the other continues or resumes the use of force.

[C79, 81, §704.6]

**704.7 Resisting forcible felony.**

A person who knows that a forcible felony is being perpetrated is justified in using, against the perpetrator, reasonable force to prevent the completion of that felony.

[C79, 81, §704.7]

Forcible felony defined, see §702.11

Liability of perpetrator of forcible felony, see chapter 670A

**704.8 Escape from place of confinement.**

A correctional officer or peace officer is justified in using reasonable force, including deadly force, which is necessary to prevent the escape of any person from any jail, penal institution, correctional facility, or similar place of confinement, or place of trial or other judicial proceeding, or to prevent the escape from custody of any person who is being transported from any such place of confinement, trial or judicial proceeding to any other such place, except that deadly force may not be used to prevent the escape of one who the correctional officer or peace officer knows is confined on a charge or conviction of any class of misdemeanor.

[C79, 81, §704.8]

2001 Acts, ch 131, §2

**704.9 Death.**

A physician or a person acting on the direct orders of a physician who ceases to provide medical attention to a person who is dead, as death is defined in section 702.8, shall not be criminally liable for such cessation of medical attention.

[C79, 81, §704.9]

**704.10 Compulsion.**

No act, other than an act by which one intentionally or recklessly causes physical injury to another, is a public offense if the person so acting is compelled to do so by another's threat or menace of serious injury, provided that the person reasonably believes that such injury is imminent and can be averted only by the person doing such act.

[C79, 81, §704.10]

**704.11 Police activity.**

1. A peace officer or person acting as an agent of or directed by any police agency who participates in the commission of a crime by another person solely for the purpose of gathering evidence leading to the prosecution of such other person shall not be guilty of that crime or of the crime of solicitation as set forth in section 705.1, provided that all of the following are true:

*a.* The officer or person is not an instigator of the criminal activity.

*b.* The officer or person does not intentionally injure a nonparticipant in the crime.

*c.* The officer or person acts with the consent of superiors, or the necessity of immediate action precludes obtaining such consent.

*d.* The officer's or person's actions are reasonable under the circumstances.

2. This section is not intended to preclude the use of undercover or surveillance persons by law enforcement agencies in appropriate circumstances and manner. It is intended to discourage such activity to tempt, urge or persuade the commission of offenses by persons not already disposed to commit offenses of that kind.

[C79, 81, §704.11]

2013 Acts, ch 30, §261

Code editor directive applied

**704.12 Use of force in making an arrest.**

A peace officer or other person making an arrest or securing an arrested person may use such force as is permitted by sections 804.8, 804.10, 804.13 and 804.15.

[C51, §2844; R60, §4553; C73, §4205; C97, §5200; C24, 27, 31, 35, 39, §**13472;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.8; C79, 81, §704.12]

# CHAPTER 705

## SOLICITATION

Referred to in §331.307, 364.22, 701.1

705.1 Solicitation.
705.2 Renunciation.

**705.1 Solicitation.**

1. A person solicits another person to commit a felony or aggravated misdemeanor when the person commands, entreats, or otherwise attempts to persuade the other person to commit a particular felony or aggravated misdemeanor, with the intent that such act be done and under circumstances which corroborates that intent by clear and convincing evidence.

2. A person who solicits another person to commit a felony of any class commits a class "D" felony.

3. A person who solicits another person to commit an aggravated misdemeanor commits an aggravated misdemeanor.

[C79, 81, §705.1]

2013 Acts, ch 90, §221

Referred to in §692A.102, 704.11

Solicitation to commit murder, see §707.3A

Section amended

**705.2 Renunciation.**

It is a defense to a prosecution for solicitation that the defendant, after soliciting another person to commit a felony or aggravated misdemeanor, persuaded the person not to do so or otherwise prevented the commission of the offense, under circumstances manifesting a complete and voluntary renunciation of the defendant's criminal intent. A renunciation is not *"voluntary and complete"* if it is motivated in whole or in part by either of the following:

1. The person's belief that circumstances exist which increase the possibility of detection or apprehension of the defendant or another or which make more difficult the consummation of the offense.

2. The person's decision to postpone the offense until another time or to substitute another victim or another but similar objective.

[C79, 81, §705.2]

2013 Acts, ch 90, §222

Referred to in §707.3A

Section amended

# CHAPTER 706

## CONSPIRACY

Referred to in §331.307, 364.22, 701.1, 717A.3A

706.1 Conspiracy.
706.2 Locus of conspiracy.
706.3 Penalties.
706.4 Multiple convictions.

**706.1 Conspiracy.**

1. A person commits conspiracy with another if, with the intent to promote or facilitate the commission of a crime which is an aggravated misdemeanor or felony, the person does either of the following:

*a.* Agrees with another that they or one or more of them will engage in conduct constituting the crime or an attempt or solicitation to commit the crime.

*b.* Agrees to aid another in the planning or commission of the crime or of an attempt or solicitation to commit the crime.

2. It is not necessary for the conspirator to know the identity of each and every conspirator.

3. A person shall not be convicted of conspiracy unless it is alleged and proven that at least one conspirator committed an overt act evidencing a design to accomplish the purpose of the conspiracy by criminal means.

4. A person shall not be convicted of conspiracy if the only other person or persons involved in the conspiracy were acting at the behest of or as agents of a law enforcement agency in an investigation of the criminal activity alleged at the time of the formation of the conspiracy.

[C51, §2758, 2996; R60, §4408, 4790; C73, §4087, 4425; C97, §5059, 5490; C24, 27, 31, 35, 39, §**13162, 13902;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §719.1, 782.6; C79, 81, §706.1]

87 Acts, ch 129, §1

**706.2 Locus of conspiracy.**

A person commits a conspiracy in any county where the person is physically present when the person makes such agreement or combination, and in any county where the person with whom the person makes such agreement or combination is physically present at such time, whether or not any of the other conspirators are also present in that county or in this state, and in any county in which any criminal act is done by any person pursuant to the conspiracy, whether or not the person is or has ever been present in such county; provided, that a person may not be prosecuted more than once for a conspiracy based on the same agreement or combination.

[C79, 81, §706.2]

**706.3 Penalties.**

1. A person who commits a conspiracy to commit a forcible felony is guilty of a class "C" felony.

2. A person who commits a conspiracy to commit a felony, other than a forcible felony, is guilty of a class "D" felony.

3. A person who commits a conspiracy to commit a misdemeanor is guilty of a misdemeanor of the same class.

[C51, §2758; R60, §4408; C73, §4087; C97, §5059; C24, 27, 31, 35, 39, §**13162;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §719.1; C79, 81, §706.3]

2013 Acts, ch 30, §198

See §702.11

Section amended

**706.4 Multiple convictions.**

A conspiracy to commit a public offense is an offense separate and distinct from any public offense which might be committed pursuant to such conspiracy. A person may not be convicted and sentenced for both the conspiracy and for the public offense.

[C79, 81, §706.4]

# CHAPTER 706A

## ONGOING CRIMINAL CONDUCT

Referred to in §331.307, 364.22, 701.1, 706B.2, 808B.3


706A.1 Definitions.
706A.2 Violations.
706A.3 Civil remedies — actions.
706A.4 Criminal sanctions.
706A.5 Uniformity of construction and application.


**706A.1 Definitions.**

In this chapter, unless the context otherwise requires:

1. *"Criminal network"* means any combination of persons engaging, for financial gain on a continuing basis, in conduct which is an indictable offense under the laws of this state regardless of whether such conduct is charged or indicted. As used in this subsection, persons combine if they collaborate or act in concert in carrying on or furthering the activities or purposes of a network even though such persons may not know each other's identity, membership in the network changes from time to time, or one or more members of the network stand in a wholesaler-retailer, service provider, or other arm's length relationship with others as to conduct in the furtherance of the financial goals of the network.

2. *"Enterprise"* includes any sole proprietorship, partnership, corporation, trust, or other legal entity, or any unchartered union, association, or group of persons associated in fact although not a legal entity, and includes unlawful as well as lawful enterprises.

3. *"Proceeds"* means property acquired or derived directly or indirectly from, produced through, realized through, or caused by an act or omission and includes any property of any kind.

4. *"Property"* means anything of value, and includes any interest in property, including any benefit, privilege, claim, or right with respect to anything of value, whether real or personal, tangible or intangible, without reduction for expenses incurred for acquisition, maintenance, production, or any other purpose.

5. *"Specified unlawful activity"* means any act, including any preparatory or completed offense, committed for financial gain on a continuing basis, that is punishable as an indictable offense under the laws of the state in which it occurred and under the laws of this state.

96 Acts, ch 1133, §26
Referred to in §706A.2

**706A.2 Violations.**

1. *Specified unlawful activity influenced enterprises.*

*a.* It is unlawful for any person who has knowingly received any proceeds of specified unlawful activity to use or invest, directly or indirectly, any part of such proceeds in the acquisition of any interest in any enterprise or any real property, or in the establishment or operation of any enterprise.

*b.* It is unlawful for any person to knowingly acquire or maintain, directly or indirectly, any interest in or control of any enterprise or real property through specified unlawful activity.

*c.* It is unlawful for any person to knowingly conduct the affairs of any enterprise through specified unlawful activity or to knowingly participate, directly or indirectly, in any enterprise that the person knows is being conducted through specified unlawful activity.

*d.* It is unlawful for any person to conspire or attempt to violate or to solicit or facilitate the violations of the provisions of paragraph "*a*", "*b*", or "*c*".

2. *Facilitation of a criminal network.* It is unlawful for a person acting with knowledge of the financial goals and criminal objectives of a criminal network to knowingly facilitate criminal objectives of the network by doing any of the following:

*a.* Engaging in violence or intimidation or inciting or inducing another to engage in violence or intimidation.

*b.* Inducing or attempting to induce a person believed to have been called or who may be called as a witness to unlawfully withhold any testimony, testify falsely, or absent themselves from any official proceeding to which the potential witness has been legally summoned.

*c.* Attempting by means of bribery, misrepresentation, intimidation, or force to obstruct, delay, or prevent the communication of information or testimony relating to a violation of any criminal statute to a peace officer, magistrate, prosecutor, grand jury, or petit jury.

*d.* Injuring or damaging another person's body or property because that person or any other person gave information or testimony to a peace officer, magistrate, prosecutor, or grand jury.

*e.* Attempting to suppress by an act of concealment, alteration, or destruction any physical evidence that might aid in the discovery, apprehension, prosecution, or conviction of any person.

*f.* Making any property available to a member of the criminal network.

*g.* Making any service other than legal services available to a member of the criminal network.

*h.* Inducing or committing any act or omission by a public servant in violation of the public servant's official duty.

*i.* Obtaining any benefit for a member of a criminal network by means of false or fraudulent pretenses, representation, promises, or material omissions.

*j.* Making a false sworn statement regarding a material issue, believing it to be false, or making any statement, believing it to be false, regarding a material issue to a public servant in connection with an application for any benefit, privilege, or license, or in connection with any official investigation or proceeding.

3. *Money laundering.* It is unlawful for a person to commit money laundering in violation of chapter 706B.

4. *Acts of specified unlawful activity.* It is unlawful for a person to commit specified unlawful activity as defined in section 706A.1.

5. *Negligent empowerment of specified unlawful activity.*

*a.* It is unlawful for a person to negligently allow property owned or controlled by the person or services provided by the person, other than legal services, to be used to facilitate specified unlawful activity, whether by entrustment, loan, rent, lease, bailment, or otherwise.

*b.* Damages for negligent empowerment of specified unlawful activity shall include all reasonably foreseeable damages proximately caused by the specified unlawful activity, including, in a case brought or intervened in by the state, the costs of investigation and criminal and civil litigation of the specified unlawful activity incurred by the government for the prosecution and defense of any person involved in the specified unlawful activity, and the imprisonment, probation, parole, or other expense reasonably necessary to detain, punish, and rehabilitate any person found guilty of the specified unlawful activity, except for the following:

(1) If the person empowering the specified unlawful activity acted only negligently and was without knowledge of the nature of the activity and could not reasonably have known of the unlawful nature of the activity or that it was likely to occur, damages shall be limited to the greater of the following:

(a) The cost of the investigation and litigation of the person's own conduct plus the value of the property or service involved as of the time of its use to facilitate the specified unlawful activity.

(b) All reasonably foreseeable damages to any person, except any person responsible for the specified unlawful activity, and to the general economy and welfare of the state proximately caused by the person's own conduct.

(2) If the property facilitating the specified unlawful activity was taken from the possession or control of the person without that person's knowledge and against that person's will in violation of the criminal law, damages shall be limited to reasonably foreseeable damages to any person, except persons responsible for the taking or the specified unlawful activity, and to the general economy and welfare of the state proximately caused by the person's negligence, if any, in failing to prevent its taking.

(3) If the person was aware of the possibility that the property or service would be used to facilitate some form of specified unlawful activity and acted to prevent the unlawful use, damages shall be limited to reasonably foreseeable damages to any person, except any person responsible for the specified unlawful activity, and to the general economy and welfare of

the state proximately caused by the person's failure, if any, to act reasonably to prevent the unlawful use.

(4) The plaintiff shall carry the burden of proof by a preponderance of the evidence that the specified unlawful activity occurred and was facilitated by the property or services. The defendant shall have the burden of proof by a preponderance of the evidence as to circumstances constituting lack of negligence and on the limitations on damages in this subsection.

96 Acts, ch 1133, §27; 98 Acts, ch 1074, §33
Referred to in §706A.3, 706A.4

**706A.3 Civil remedies — actions.**

1. The prosecuting attorney or an aggrieved person may institute civil proceedings against any person in district court seeking relief from conduct constituting a violation of this chapter or to prevent, restrain, or remedy such violation.

2. The district court has jurisdiction to prevent, restrain, or remedy such violations by issuing appropriate orders. Prior to a determination of liability such orders may include, but are not limited to, entering restraining orders or injunctions, requiring the execution of satisfactory performance bonds, creating receiverships, and enforcing constructive trusts in connection with any property or interest subject to damages, forfeiture, or other remedies or restraints pursuant to this chapter.

3. If the plaintiff in such a proceeding proves the alleged violation by a preponderance of the evidence, the district court, after making due provision for the rights of innocent persons, shall grant relief by entering any appropriate order or judgment, including any of the following:

*a.* Ordering any defendant to divest the defendant of any interest in any enterprise, or in any real property.

*b.* Imposing reasonable restrictions upon the future activities or investments of any defendant, including, but not limited to, prohibiting any defendant from engaging in the same type of endeavor as any enterprise in which the defendant was engaged in a violation of this chapter.

*c.* Ordering the dissolution or reorganization of any enterprise.

*d.* Ordering the payment of all reasonable costs and expenses of the investigation and prosecution of any violation, civil or criminal, including reasonable attorney fees in the trial and appellate courts. Such payments received by the state, by judgment, settlement, or otherwise, shall be considered forfeited property and disposed of pursuant to section 809A.17.

*e.* Ordering the forfeiture of any property subject to forfeiture under chapter 809A, pursuant to the provisions and procedures of that chapter.

*f.* Ordering the suspension or revocation of any license, permit, or prior approval granted to any person by any agency of the state.

*g.* Ordering the surrender of the certificate of existence of any corporation organized under the laws of this state or the revocation of any certificate authorizing a foreign corporation to conduct business within this state, upon finding that for the prevention of future violations, the public interest requires the certificate of the corporation to be surrendered and the corporation dissolved or the certificate revoked.

4. Relief under subsection 3, paragraphs "*e*", "*f*", and "*g*", shall not be granted in civil proceedings instituted by an aggrieved person unless the prosecuting attorney has instituted the proceedings or intervened. In any action under this section brought by the state or in which the state has intervened, the state may employ any of the powers of seizure and restraint of property as are provided for forfeiture actions under chapter 809A, or as are provided for the collection of taxes payable and past due, and whose collection has been determined to be in jeopardy.

5. In a proceeding initiated under this section, injunctive relief shall be granted in conformity with the principles that govern the granting of relief from injury or threatened injury in other civil cases, but no showing of special or irreparable injury is required. Pending final determination of a proceeding initiated under this section, a temporary restraining

order or a preliminary injunction may be issued upon a showing of immediate danger of significant injury, including the possibility that a judgment for money damages might be difficult to execute, and, in a proceeding initiated by a nongovernmental aggrieved person, upon the execution of proper bond against injury for an injunction improvidently granted.

6. Any person who is in possession or control of proceeds of any violation of this chapter, is an involuntary trustee and holds the property in constructive trust for the benefit of the person entitled to remedies under this chapter, unless the holder acquired the property as a bona fide purchaser for value who was not knowingly taking part in an illegal transaction.

7. Any person whose business or property is directly or indirectly injured by conduct constituting a violation of this chapter, by any person, may bring a civil action, subject to the in pari delicto defense, and shall recover threefold the actual damages sustained and the costs and expenses of the investigation and prosecution of the action including reasonable attorney fees in the trial and appellate courts. Damages shall not include pain and suffering. Any person injured shall have a claim to any property against which any fine, or against which treble damages under subsection 11 or 12, may be imposed, superior to any right or claim of the state to the property, up to the value of actual damages and costs awarded in an action under this subsection. The state shall have a right of subrogation to the extent that an award made to a person so injured is satisfied out of property against which any fine or civil remedy in favor of the state may be imposed.

8. *a.* If liability of a legal entity is based on the conduct of another, through respondeat superior or otherwise, the legal entity shall not be liable for more than actual damages and costs, including a reasonable attorney fee, if the legal entity affirmatively shows by a preponderance of the evidence that both of the following apply:

(1) The conduct was not engaged in, authorized, solicited, commanded, or recklessly tolerated by the legal entity, by the directors of the legal entity, or by a high managerial agent of the legal entity acting within the scope of employment.

(2) The conduct was not engaged in by an agent of the legal entity acting within the scope of employment and in behalf of the legal entity.

*b.* For the purposes of this subsection:

(1) *"Agent"* means any officer, director, or employee of the legal entity, or any other person who is authorized to act in behalf of the legal entity.

(2) *"High managerial agent"* means any officer of the legal entity or, in the case of a partnership, a partner, or any other agent in a position of comparable authority with respect to the formulation of policy of the legal entity.

9. *a.* Notwithstanding any other provision of law, any pleading, motion, or other paper filed by a nongovernmental aggrieved party in connection with a proceeding or action under subsection 7 shall be verified.

(1) If such aggrieved person is represented by an attorney, such pleading, motion, or other paper shall be signed by at least one attorney of record in the attorney's individual name, whose address shall be stated.

(2) If such pleading, motion, or other paper includes an averment of fraud, coercion, accomplice, respondent superior, conspiratorial, enterprise, or other vicarious accountability, it shall state, insofar as practicable, the circumstances with particularity.

*b.* The verification and the signature by an attorney required by this subsection shall constitute a certification by the signer that the attorney has carefully read the pleading, motion, or other paper and, based on a reasonable inquiry, believes that all of the following exist:

(1) It is well grounded in fact.

(2) It is warranted by existing law, or a good faith argument for the extension, modification, or reversal of existing law.

(3) It is not made for an improper purpose, including to harass, to cause unnecessary delay, or to impose a needless increase in the cost of litigation.

*c.* The court may, after a hearing and appropriate findings of fact, impose upon any person who verified the complaint, cross-claim, or counterclaim, or any attorney who signed it in violation of this subsection, or both, a fit and proper sanction, which may include an order to

pay to the other party or parties the amount of the reasonable expenses incurred because of the complaint or claim, including reasonable attorney fees.

*d.* If the court determines that the filing of a complaint or claim under subsection 7 by a nongovernmental party was frivolous in whole or in part, the court shall award double the actual expenses, including attorney fees, incurred because of the frivolous portion of the complaint or claim.

10. Upon the filing of a complaint, cross-claim, or counterclaim under this section, an aggrieved person, as a jurisdictional prerequisite, shall immediately notify the attorney general of its filing and serve one copy of the pleading on the attorney general. Service of the notice on the attorney general does not limit or otherwise affect the right of the state to maintain an action under this section or intervene in a pending action and does not authorize the aggrieved person to name the state or the attorney general as a party to the action. The attorney general, upon timely application, may intervene or appear as amicus curiae in any civil proceeding or action brought under this section if the attorney general certifies that, in the opinion of the attorney general, the proceeding or action is of general public importance. In any proceeding or action brought under this section by an aggrieved person, the state shall be entitled to the same relief as if it had instituted the proceeding or action.

11. *a.* Any prosecuting attorney may bring a civil action on behalf of a person whose business or property is directly or indirectly injured by conduct constituting a violation of this chapter, and shall recover threefold the damages sustained by such person and the costs and expenses of the investigation and prosecution of the action, including reasonable attorney fees in the trial and appellate courts. The court shall exclude from the amount of monetary relief awarded any amount of monetary relief which is any of the following:

(1) Which duplicates amounts which have been awarded for the same injury.

(2) Which is properly allocable to persons who have excluded their claims under paragraph "*c*".

*b.* In any action brought under this subsection, the prosecuting attorney, at such times, in such manner, and with such content as the court may direct, shall cause notice of the action to be given by publication. If the court finds that notice given solely by publication would deny due process to any person, the court may direct further notice to such person according to the circumstances of the case.

*c.* A person on whose behalf an action is brought under this subsection may elect to exclude from adjudication the portion of the state claim for monetary relief attributable to the person by filing notice of such election within such time as specified in the notice given under this subsection.

*d.* A final judgment in an action under this subsection shall preclude any claim under this subsection by a person on behalf of whom such action was brought who fails to give notice of exclusion within the times specified in the notice given under paragraph "*b*".

*e.* An action under this subsection on behalf of a person other than the state shall not be dismissed or compromised without the approval of the court, and notice of any proposed dismissal or compromise shall be given in such manner as the court directs.

12. The attorney general may bring a civil action as parens patriae on behalf of the general economy, resources, and welfare of this state, and shall recover threefold the proceeds acquired, maintained, produced, or realized by or on behalf of the defendant by reason of a violation of this chapter, plus the costs and expenses of the investigation and prosecution of the action, including reasonable attorney fees in the trial and appellate courts.

*a.* A person who has knowingly conducted or participated in the conduct of an enterprise in violation of section 706A.2, subsection 1, paragraph "*c*", is also jointly and severally liable for the greater of threefold the damage sustained directly or indirectly by the state by reason of conduct in furtherance of the violation or threefold the total of all proceeds acquired, maintained, produced, or realized by, or on behalf of, any person by reason of participation in the enterprise except for the following:

(1) A person is not liable for conduct occurring prior to the person's first knowing participation in or conduct of the enterprise.

(2) If a person shows that, under circumstances manifesting a voluntary and complete renunciation of culpable intent, the person withdrew from the enterprise by giving a complete

and timely warning to law enforcement authorities or by otherwise making a reasonable and substantial effort to prevent the conduct or result which is the criminal objective of the enterprise, the person is not liable for conduct occurring after the person's withdrawal.

*b.* A person who has facilitated a criminal network in violation of section 706A.2, subsection 2, is also jointly and severally liable for all of the following:

(1) The damages resulting from the conduct in furtherance of the criminal objectives of the criminal network, to the extent that the person's facilitation was of substantial assistance to the conduct.

(2) The proceeds of conduct in furtherance of the criminal objectives of the criminal network, to the extent that the person's facilitation was of substantial assistance to the conduct.

(3) A person who has engaged in money laundering in violation of chapter 706B is also jointly and severally liable for the greater of threefold the damages resulting from the person's conduct or threefold the property that is the subject of the violation.

96 Acts, ch 1133, §28; 98 Acts, ch 1074, §34; 2013 Acts, ch 90, §223
Subsection 9 amended

**706A.4 Criminal sanctions.**

A person who violates section 706A.2, subsection 1, 2, or 4, commits a class "B" felony.

96 Acts, ch 1133, §29

**706A.5 Uniformity of construction and application.**

1. The provisions of this chapter shall be liberally construed to effectuate its remedial purposes. Civil remedies under this chapter shall be supplemental and not mutually exclusive. Civil remedies under this chapter do not preclude and are not precluded by other provisions of law.

2. The provisions of this chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting the law.

3. The attorney general may enter into reciprocal agreements with the attorney general or chief prosecuting attorney of any state to effectuate the purposes of this chapter.

96 Acts, ch 1133, §30

# CHAPTER 706B

## MONEY LAUNDERING

Referred to in §331.307, 364.22, 422.72, 533C.507, 701.1, 706A.2, 706A.3, 808B.3

706B.1 Definitions.
706B.2 Money laundering penalty — civil remedies.
706B.3 Uniformity of construction and application.

**706B.1 Definitions.**

In this chapter, unless the context otherwise requires:

1. *"Proceeds"* means property acquired or derived directly or indirectly from, produced through, realized through, or caused by an act or omission and includes any property of any kind.

2. *"Property"* means anything of value, and includes any interest in property, including any benefit, privilege, claim, or right with respect to anything of value, whether real or personal, tangible or intangible.

3. *"Specified unlawful activity"* means any act, including any preparatory or completed offense, committed for financial gain on a continuing basis, that is punishable by confinement of one year or more under the laws of this state, or, if the act occurred outside this state,

would be punishable by confinement of one year or more under the laws of the state in which it occurred and under the laws of this state.

4. "*Transaction*" includes a purchase, sale, trade, loan, pledge, investment, gift, transfer, transmission, delivery, deposit, withdrawal, payment, transfer between accounts, exchange of currency, extension of credit, purchase, or sale of any monetary instrument, use of a safe deposit box, or any other acquisition or disposition of property by whatever means effected.

5. "*Unlawful activity*" means any act which is chargeable or indictable as a public offense of any degree under the laws of the state in which the act occurred or under federal law and, if the act occurred in a state other than this state, would be chargeable or indictable as a public offense of any degree under the laws of this state or under federal law.

96 Acts, ch 1133, §31

**706B.2 Money laundering penalty — civil remedies.**

1. It is unlawful for a person to commit money laundering by doing any of the following:

*a.* To knowingly transport, receive, or acquire property or to conduct a transaction involving property, knowing that the property involved is the proceeds of some form of unlawful activity, when, in fact, the property is the proceeds of specified unlawful activity.

*b.* To make property available to another, by transaction, transportation, or otherwise, knowing that it is intended to be used for the purpose of committing or furthering the commission of specified unlawful activity.

*c.* To conduct a transaction knowing that the property involved in the transaction is the proceeds of some form of unlawful activity with the intent to conceal or disguise the nature, location, source, ownership, or control of the property or the intent to avoid a transaction-reporting requirement under chapter 529, the Iowa financial transaction reporting Act, or federal law.

*d.* To knowingly engage in the business of conducting, directing, planning, organizing, initiating, financing, managing, supervising, or facilitating transactions involving property, knowing that the property involved in the transaction is the proceeds of some form of unlawful activity, that, in fact, is the proceeds of specified unlawful activity.

2. A person who violates:

*a.* Subsection 1, paragraph "*a*", "*b*", or "*c*", commits a class "C" felony, and may be fined not more than ten thousand dollars or twice the value of the property involved, whichever is greater, or be imprisoned for not more than ten years, or both.

*b.* Subsection 1, paragraph "*d*", commits a class "D" felony, and may be fined not more than seven thousand five hundred dollars or twice the value of the property involved, whichever is greater, or be imprisoned for not more than five years, or both.

3. A person who violates subsection 1, paragraph "*a*", "*b*", "*c*", or "*d*", is subject to a civil penalty of three times the value of the property involved in the transaction, in addition to any criminal sanction imposed.

4. A person who is found guilty of a violation under this section also may be charged with violations of chapter 706A, and property involved in a violation under this chapter is subject to forfeiture under chapter 809A.

96 Acts, ch 1133, §32; 98 Acts, ch 1074, §35, 36

**706B.3 Uniformity of construction and application.**

1. The provisions of this chapter shall be liberally construed to effectuate its remedial purposes. Civil remedies under this chapter shall be supplemental and not mutually exclusive. The civil remedies do not preclude and are not precluded by other provisions of law.

2. The provisions of this chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting the law.

3. The attorney general may enter into reciprocal agreements with the attorney general or chief prosecuting attorney of any state to effectuate the purposes of this chapter.

96 Acts, ch 1133, §33

# CHAPTER 707

## HOMICIDE AND RELATED CRIMES

Referred to in §232.52, 331.307, 364.22, 701.1


707.1 Murder defined.
707.2 Murder in the first degree.
707.3 Murder in the second degree.
707.3A Solicitation to commit murder.
707.4 Voluntary manslaughter.
707.5 Involuntary manslaughter.
707.6 Civil liability.
707.6A Homicide or serious injury by vehicle.
707.7 Feticide.
707.8 Nonconsensual termination — serious injury to a human pregnancy.
707.8A Partial-birth abortion prohibited — exceptions — penalties.
707.9 Murder of fetus aborted alive.
707.10 Duty to preserve the life of the fetus.
707.11 Attempt to commit murder.


**707.1 Murder defined.**

A person who kills another person with malice aforethought either express or implied commits murder.

[C51, §2568; R60, §4191; C73, §3848; C97, §4727, 4796; C24, 27, 31, 35, 39, §**12910, 12961;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §690.1, 697.1; C79, 81, §707.1]

Referred to in §229A.2, 707.3A

**707.2 Murder in the first degree.**

1. A person commits murder in the first degree when the person commits murder under any of the following circumstances:

*a.* The person willfully, deliberately, and with premeditation kills another person.

*b.* The person kills another person while participating in a forcible felony.

*c.* The person kills another person while escaping or attempting to escape from lawful custody.

*d.* The person intentionally kills a peace officer, correctional officer, public employee, or hostage while the person is imprisoned in a correctional institution under the jurisdiction of the Iowa department of corrections, or in a city or county jail.

*e.* The person kills a child while committing child endangerment under section 726.6, subsection 1, paragraph "*b*", or while committing assault under section 708.1 upon the child, and the death occurs under circumstances manifesting an extreme indifference to human life.

*f.* The person kills another person while participating in an act of terrorism as defined in section 708A.1.

2. Murder in the first degree is a class "A" felony.

3. For purposes of determining whether a person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[C51, §2569, 2572; R60, §4192, 4195; C73, §3849, 3852; C97, §4728, 4747, 4796; C24, 27, 31, 35, 39, §**12911, 12924, 12961;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §690.2, 692.1, 697.1; C79, 81, §707.2]

83 Acts, ch 96, §118, 159; 94 Acts, ch 1172, §42; 2002 Acts, ch 1075, §1; 2009 Acts, ch 119, §48; 2013 Acts, ch 30, §199

Referred to in §331.802, 692A.101, 692A.102, 692A.126, 902.1, 910.3A
Definition of forcible felony, see §702.11
Section amended

**707.3 Murder in the second degree.**

1. A person commits murder in the second degree when the person commits murder which is not murder in the first degree.

2. Murder in the second degree is a class "B" felony. However, notwithstanding section 902.9, subsection 1, paragraph "*b*", the maximum sentence for a person convicted under this section shall be a period of confinement of not more than fifty years.

3. For purposes of determining whether a person should register as a sex offender

pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[C51, §2570; R60, §4193; C73, §3850; C97, §4729; C24, 27, 31, 35, 39, §**12912;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, § 690.3; C79, 81, §707.3; 82 Acts, ch 1239, §1]

2009 Acts, ch 119, §49; 2013 Acts, ch 30, §200

Referred to in §331.802, 692A.101, 692A.102, 692A.126, 902.12, 910.3A

Definition of forcible felony, §702.11

Sentencing options excluded, see §907.3

Section amended

**707.3A Solicitation to commit murder.**

1. A person who commands, entreats, or otherwise attempts to persuade another to commit murder as defined in section 707.1, with the intent that such act be done and under circumstances which corroborate that intent by clear and convincing evidence, solicits another to commit that murder.

2. Renunciation, as provided for in section 705.2, is a defense to a prosecution for solicitation under this section.

3. A person who solicits another to commit murder commits a class "C" felony.

2012 Acts, ch 1046, §1

**707.4 Voluntary manslaughter.**

1. A person commits voluntary manslaughter when that person causes the death of another person, under circumstances which would otherwise be murder, if the person causing the death acts solely as the result of sudden, violent, and irresistible passion resulting from serious provocation sufficient to excite such passion in a person and there is not an interval between the provocation and the killing in which a person of ordinary reason and temperament would regain control and suppress the impulse to kill.

2. Voluntary manslaughter is a class "C" felony.

3. Voluntary manslaughter is an included offense under an indictment for murder in the first or second degree.

4. For purposes of determining whether a person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[C51, §2576; R60, §4199; C73, §3856; C97, §4751; C24, 27, 31, 35, 39, §**12919;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §690.10; C79, 81, §707.4]

2009 Acts, ch 119, §50; 2013 Acts, ch 90, §224

Referred to in §331.802, 692A.102, 692A.126, 910.3A

Section amended

**707.5 Involuntary manslaughter.**

1. A person commits involuntary manslaughter punishable as:

*a.* A class "D" felony when the person unintentionally causes the death of another person by the commission of a public offense other than a forcible felony or escape.

*b.* An aggravated misdemeanor when the person unintentionally causes the death of another person by the commission of an act in a manner likely to cause death or serious injury.

2. Involuntary manslaughter as defined in this section is an included offense under an indictment for murder in the first or second degree or voluntary manslaughter.

3. For purposes of determining whether a person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[C51, §2576; R60, §4199; C73, §3856; C97, §4751; C24, 27, 31, 35, 39, §**12919, 12920;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §690.10, 690.11; C79, 81, §707.5]

2009 Acts, ch 119, §51; 2013 Acts, ch 90, §225

Referred to in §321J.10, 331.802, 692A.102, 692A.126, 910.3A

Definition of forcible felony, §702.11

Section amended

**707.6 Civil liability.**

No person who injures the aggressor through application of reasonable force in defense of the person's person or property may be held civilly liable for such injury.

No person who injures the aggressor through application of reasonable force in defense of a second person may be held civilly liable for such injury.

[C79, 81, §707.6]

**707.6A Homicide or serious injury by vehicle.**

1. A person commits a class "B" felony when the person unintentionally causes the death of another by operating a motor vehicle while intoxicated, as prohibited by section 321J.2.

1A. Upon a plea or verdict of guilty of a violation of subsection 1, the defendant shall surrender to the court any Iowa license or permit and the court shall forward the license or permit to the department with a copy of the order of conviction. Upon receipt of the order of conviction, the department shall revoke the defendant's driver's license or nonresident operating privilege for a period of six years. The defendant shall not be eligible for a temporary restricted license for at least two years after the revocation.

1B. Upon a plea or verdict of guilty of a violation of subsection 1, the court shall order the defendant, at the defendant's expense, to do the following:

*a.* Enroll, attend, and satisfactorily complete a course for drinking drivers, as provided in section 321J.22.

*b.* Submit to evaluation and treatment or rehabilitation services.

1C. A driver's license or nonresident operating privilege shall not be reinstated until proof of completion of the requirements of subsection 1B is presented to the department.

1D. Where the program is available and appropriate for the defendant, the court shall also order the defendant to participate in a reality education substance abuse prevention program as provided in section 321J.24.

2. A person commits a class "C" felony when the person unintentionally causes the death of another by any of the following means:

*a.* Driving a motor vehicle in a reckless manner with willful or wanton disregard for the safety of persons or property, in violation of section 321.277.

*b.* Eluding or attempting to elude a pursuing law enforcement vehicle, in violation of section 321.279, if the death of the other person directly or indirectly results from the violation.

3. A person commits a class "D" felony when the person unintentionally causes the death of another while drag racing, in violation of section 321.278.

4. A person commits a class "D" felony when the person unintentionally causes a serious injury, as defined in section 702.18, by any of the means described in subsection 1 or 2.

5. As used in this section, "*motor vehicle*" includes any vehicle defined as a motor vehicle in section 321.1.

6. Except for the purpose of sentencing under section 321J.2, subsections 3, 4, and 5, a conviction or deferral of judgment for a violation of this section, where a violation of section 321J.2 is admitted or proved, shall be treated as a conviction or deferral of judgment for a violation of section 321J.2 for the purposes of chapters 321, 321A, and 321J, and section 907.3, subsection 1.

7. Notwithstanding the provisions of sections 901.5 and 907.3, the court shall not defer judgment or sentencing, or suspend execution of any part of the sentence applicable to the defendant for a violation of subsection 1, or for a violation of subsection 4 involving the operation of a motor vehicle while intoxicated.

86 Acts, ch 1220, §41; 89 Acts, ch 211, §1; 90 Acts, ch 1251, §55; 94 Acts, ch 1069, §2; 97 Acts, ch 177, §26 – 28; 98 Acts, ch 1073, §9; 2010 Acts, ch 1097, §12; 2010 Acts, ch 1124, §3, 9; 2011 Acts, ch 34, §145

Referred to in §321.210D, 321.555, 321J.10, 331.802, 707.8, 811.1, 902.12, 907.3, 910.3A, 915.80

See also penalties applicable under §707.5, 707.8, and 708.2

**707.7 Feticide.**

1. Any person who intentionally terminates a human pregnancy, with the knowledge

and voluntary consent of the pregnant person, after the end of the second trimester of the pregnancy where death of the fetus results commits feticide. Feticide is a class "C" felony.

2. Any person who attempts to intentionally terminate a human pregnancy, with the knowledge and voluntary consent of the pregnant person, after the end of the second trimester of the pregnancy where death of the fetus does not result commits attempted feticide. Attempted feticide is a class "D" felony.

3. Any person who terminates a human pregnancy, with the knowledge and voluntary consent of the pregnant person, who is not a person licensed to practice medicine and surgery or osteopathic medicine and surgery under the provisions of chapter 148, commits a class "C" felony.

4. This section shall not apply to the termination of a human pregnancy performed by a physician licensed in this state to practice medicine or surgery or osteopathic medicine or surgery when in the best clinical judgment of the physician the termination is performed to preserve the life or health of the pregnant person or of the fetus and every reasonable medical effort not inconsistent with preserving the life of the pregnant person is made to preserve the life of a viable fetus.

[R60, §4221; C73, §3864; C97, §4759; SS15, §4759; C24, 27, 31, 35, 39, §**12973;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §701.1; C79, 81, §707.7]

96 Acts, ch 1077, §1; 2009 Acts, ch 133, §175

Definition of "viability", §702.20

**707.8 Nonconsensual termination — serious injury to a human pregnancy.**

1. A person who terminates a human pregnancy without the consent of the pregnant person during the commission of a forcible felony is guilty of a class "B" felony.

2. A person who terminates a human pregnancy without the consent of the pregnant person during the commission of a felony or felonious assault is guilty of a class "C" felony.

3. A person who intentionally terminates a human pregnancy without the knowledge and voluntary consent of the pregnant person is guilty of a class "C" felony.

4. A person who unintentionally terminates a human pregnancy by any of the means provided pursuant to section 707.6A, subsection 1, is guilty of a class "C" felony.

5. A person who by force or intimidation procures the consent of the pregnant person to a termination of a human pregnancy is guilty of a class "C" felony.

6. A person who unintentionally terminates a human pregnancy while drag racing in violation of section 321.278 is guilty of a class "D" felony.

7. A person who unintentionally terminates a human pregnancy without the knowledge and voluntary consent of the pregnant person by the commission of an act in a manner likely to cause the termination of or serious injury to a human pregnancy is guilty of an aggravated misdemeanor.

8. A person commits an aggravated misdemeanor when the person intentionally causes serious injury to a human pregnancy by the commission of an act in a manner likely to cause the termination of or serious injury to a human pregnancy.

9. A person commits an aggravated misdemeanor when the person unintentionally causes serious injury to a human pregnancy by any of the means described in section 707.6A, subsection 1.

10. A person commits a serious misdemeanor when the person unintentionally causes serious injury to a human pregnancy by the commission of an act in a manner likely to cause the termination of or serious injury to the human pregnancy.

11. For the purposes of this section "*serious injury to a human pregnancy*" means, relative to the human pregnancy, disabling mental illness, or bodily injury which creates a substantial risk of death or which causes serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ, and includes but is not limited to skull fractures, rib fractures, and metaphyseal fractures of the long bones.

12. As used in this section, actions which cause the termination of or serious injury to a pregnancy do not apply to any of the following:

*a.* An act or omission of the pregnant person.

*b.* A termination of or a serious injury to a pregnancy which is caused by the performance

of an approved medical procedure performed by a person licensed in this state to practice medicine and surgery or osteopathic medicine and surgery, irrespective of the duration of the pregnancy and with or without the voluntary consent of the pregnant person when circumstances preclude the pregnant person from providing consent.

*c.* An act committed in self-defense or in defense of another person or any other act committed if legally justified or excused.

[C79, 81, §707.8]

96 Acts, ch 1077, §2

**707.8A Partial-birth abortion prohibited — exceptions — penalties.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Abortion"* means abortion as defined in section 146.1.

*b.* *"Fetus"* means a human fetus.

*c.* *"Partial-birth abortion"* means an abortion in which a person partially vaginally delivers a living fetus before killing the fetus and completing the delivery.

*d.* *"Vaginally delivers a living fetus before killing the fetus"* means deliberately and intentionally delivering into the vagina a living fetus or a substantial portion of a living fetus for the purpose of performing a procedure the person knows will kill the fetus, and then killing the fetus.

2. A person shall not knowingly perform or attempt to perform a partial-birth abortion. This prohibition shall not apply to a partial-birth abortion that is necessary to save the life of the mother whose life is endangered by a physical disorder, physical illness, or physical injury.

3. This section shall not be construed to create a right to an abortion.

4. *a.* The mother on whom a partial-birth abortion is performed, the father of the fetus, or, if the mother is less than eighteen years of age or unmarried at the time of the partial-birth abortion, a maternal grandparent of the fetus may bring an action against a person violating subsection 2 to obtain appropriate relief, unless the pregnancy resulted from the plaintiff's criminal conduct or the plaintiff consented to the partial-birth abortion.

*b.* In an action brought under this subsection, appropriate relief may include any of the following:

(1) Statutory damages which are equal to three times the cost of the partial-birth abortion.

(2) Compensatory damages for all injuries, psychological and physical, resulting from violation of subsection 2.

5. A person who violates subsection 2 is guilty of a class "C" felony.

6. A mother upon whom a partial-birth abortion is performed shall not be prosecuted for violation of subsection 2 or for conspiracy to violate subsection 2.

7. *a.* A licensed physician subject to the authority of the board of medicine who is accused of a violation of subsection 2 may seek a hearing before the board on whether the physician's conduct was necessary to save the life of the mother whose life was endangered by a physical disorder, physical illness, or physical injury.

*b.* The board's findings concerning the physician's conduct are admissible at the criminal trial of the physician. Upon a motion of the physician, the court shall delay the beginning of the trial for not more than thirty days to permit the hearing before the board of medicine to take place.

98 Acts, ch 1009, §1; 2007 Acts, ch 10, §181

**707.9 Murder of fetus aborted alive.**

A person who intentionally kills a viable fetus aborted alive shall be guilty of a class "B" felony.

[C79, 81, §707.9]

Definition of "viability", §702.20

**707.10 Duty to preserve the life of the fetus.**

A person who performs or induces a termination of a human pregnancy and who willfully fails to exercise that degree of professional skill, care, and diligence available to preserve the life and health of a viable fetus shall be guilty of a serious misdemeanor.

[C79, 81, §707.10]

Definition of "viability", §702.20

**707.11 Attempt to commit murder.**

1. A person commits attempt to commit murder when, with the intent to cause the death of another person and not under circumstances which would justify the person's actions, the person does any act by which the person expects to set in motion a force or chain of events which will cause or result in the death of the other person.

2. Attempt to commit murder is a class "B" felony.

3. It is not a defense to an indictment for attempt to commit murder that the acts proved could not have caused the death of any person, provided that the actor intended to cause the death of some person by so acting, and the actor's expectations were not unreasonable in the light of the facts known to the actor.

4. For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[C51, §2591, 2596; R60, §4214, 4219; C73, §3872, 3877; C97, §4768, 4773, 4797; S13, §4768; C24, 27, 31, 35, 39, §**12915, 12918, 12962;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §690.6, 690.9, 697.2; C79, 81, §707.11; 82 Acts, ch 1239, §2]

2009 Acts, ch 119, §52; 2013 Acts, ch 90, §226

Referred to in §692A.102, 692A.126, 902.12

Section amended

# CHAPTER 707A

## ASSISTING SUICIDE

Referred to in §331.307, 364.22, 701.1

707A.1 Definitions.
707A.2 Assisting suicide.
707A.3 Acts or omissions not considered assisting suicide.

**707A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Licensed health care professional"* means a physician and surgeon, podiatric physician, osteopathic physician and surgeon, physician assistant, nurse, dentist, or pharmacist required to be licensed under chapter 147.

2. *"Suicide"* means the act or instance of taking a person's own life voluntarily and intentionally.

96 Acts, ch 1002, §1; 96 Acts, ch 1079, §19; 2008 Acts, ch 1088, §141

**707A.2 Assisting suicide.**

A person commits a class "C" felony if the person intentionally or knowingly assists, solicits, or incites another person to commit or attempt to commit suicide, or participates in a physical act by which another person commits or attempts to commit suicide.

96 Acts, ch 1002, §2

Referred to in §707A.3, 901.3

**707A.3 Acts or omissions not considered assisting suicide.**

1. A licensed health care professional who administers, prescribes, or dispenses medications or who performs or prescribes procedures to relieve another person's pain or discomfort, even if the medication or procedure may hasten or increase the risk of death,

does not violate section 707A.2 unless the medications or procedures are intentionally or knowingly administered, prescribed, or dispensed with the primary intention of causing death.

2. A licensed health care professional who withholds or withdraws a life-sustaining procedure in compliance with chapter 144A or 144B does not violate section 707A.2.

96 Acts, ch 1002, §3

# CHAPTER 707B

## HUMAN CLONING

Repealed by 2007 Acts, ch 6, §5; see chapter 707C

# CHAPTER 707C

## HUMAN STEM CELL RESEARCH AND CLONING

Referred to in §331.307, 364.22, 701.1

707C.1 Title.
707C.2 Purpose.
707C.3 Definitions.
707C.4 Human reproductive cloning — prohibitions — penalty.

**707C.1 Title.**

This chapter shall be known and may be cited as the *"Iowa Stem Cell Research and Cures Initiative"*.

2007 Acts, ch 6, §1

**707C.2 Purpose.**

It is the purpose of this chapter to ensure that Iowa patients have access to stem cell therapies and cures and that Iowa researchers may conduct stem cell research and develop therapies and cures in the state, and to prohibit human reproductive cloning.

2007 Acts, ch 6, §2

**707C.3 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Human reproductive cloning"* means human asexual reproduction, using somatic cell nuclear transfer, for implantation or attempted implantation into a woman's uterus or substitute for a woman's uterus. *"Human reproductive cloning"* does not include somatic cell nuclear transfer performed for the purpose of creating embryonic stem cells.

2. *"Human somatic cell"* means a diploid cell having a complete set of chromosomes obtained or derived from a living or deceased human body at any stage of development.

3. *"Oocyte"* means a human ovum.

4. *"Somatic cell nuclear transfer"* means a technique in which the nucleus of a human somatic cell is injected or transplanted into a fertilized or unfertilized oocyte from which the nucleus has been removed.

2007 Acts, ch 6, §3

**707C.4 Human reproductive cloning — prohibitions — penalty.**

1. A person shall not intentionally or knowingly do any of the following:

*a.* Perform or attempt to perform human reproductive cloning.

*b.* Participate in performing or in an attempt to perform human reproductive cloning.

*c.* Transfer or receive, in whole or in part, for the purpose of shipping, receiving, or importing, the product of human reproductive cloning.

2. *a.* A person who violates subsection 1, paragraph "*a*" or "*b*", is guilty of a class "C" felony.

*b.* A person who violates subsection 1, paragraph "*c*", is guilty of an aggravated misdemeanor.

3. A person who violates this section in a manner that results in a pecuniary gain to the person is subject to a civil penalty in an amount that is twice the amount of the gross gain.

4. A person who violates this section and who is licensed pursuant to chapter 148 is subject to revocation of the person's license.

5. A violation of this section is grounds for denial of an application for, denial of renewal of, or revocation of any license, permit, certification, or any other form of permission required to practice or engage in any trade, occupation, or profession regulated by the state.

2007 Acts, ch 6, §4; 2008 Acts, ch 1088, §139

# CHAPTER 708

## ASSAULT

Referred to in §13.2, 331.307, 364.22, 692A.102, 692A.126, 701.1, 724.8


708.1 Assault defined.
708.2 Penalties for assault.
708.2A Domestic abuse assault — mandatory minimums, penalties enhanced — extension of no-contact order.
708.2B Treatment of domestic abuse offenders.
708.2C Assault in violation of individual rights — penalties.
708.3 Assault while participating in a felony.
708.3A Assaults on persons engaged in certain occupations.
708.3B Inmate assaults — bodily fluids or secretions.
708.4 Willful injury.
708.5 Administering harmful substances.
708.6 Intimidation with a dangerous weapon.
708.7 Harassment.
708.8 Going armed with intent.
708.9 Spring guns and traps.
708.10 Hazing.
708.11 Stalking.
708.12 Removal of an officer's communication or control device.
708.13 Disarming a peace officer of a dangerous weapon.
708.14 Abuse of a corpse.
708.15 Sexual motivation.


**708.1 Assault defined.**

1. An assault as defined in this section is a general intent crime.

2. A person commits an assault when, without justification, the person does any of the following:

*a.* Any act which is intended to cause pain or injury to, or which is intended to result in physical contact which will be insulting or offensive to another, coupled with the apparent ability to execute the act.

*b.* Any act which is intended to place another in fear of immediate physical contact which will be painful, injurious, insulting, or offensive, coupled with the apparent ability to execute the act.

*c.* Intentionally points any firearm toward another, or displays in a threatening manner any dangerous weapon toward another.

3. An act described in subsection 2 shall not be an assault under the following circumstances:

*a.* If the person doing any of the enumerated acts, and such other person, are voluntary participants in a sport, social or other activity, not in itself criminal, and such act is a reasonably foreseeable incident of such sport or activity, and does not create an unreasonable risk of serious injury or breach of the peace.

*b.* If the person doing any of the enumerated acts is employed by a school district or accredited nonpublic school, or is an area education agency staff member who provides

services to a school or school district, and intervenes in a fight or physical struggle, or other disruptive situation, that takes place in the presence of the employee or staff member performing employment duties in a school building, on school grounds, or at an official school function regardless of the location, whether the fight or physical struggle or other disruptive situation is between students or other individuals, if the degree and the force of the intervention is reasonably necessary to restore order and to protect the safety of those assembled.

[C51, §2594, 2597; R60, §4217, 4220; C73, §3875, 3878, 3879; C97, §4771, 4774, 4775; S13, §4771; C24, 27, 31, 35, 39, §**12929, 12930, 12934;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §694.1, 694.2, 694.6; C79, 81, §708.1]

95 Acts, ch 191, §49; 2002 Acts, ch 1094, §1; 2013 Acts, ch 90, §183

Referred to in §135.108, 232.52, 236.2, 282.4, 707.2, 708.2, 708.2A, 708.2B, 708.2C, 708.3, 708.3A, 708.3B, 709.11, 714.3A, 719.1, 724.26, 905.15, 907.3

Section amended

**708.2 Penalties for assault.**

1. A person who commits an assault, as defined in section 708.1, with the intent to inflict a serious injury upon another, is guilty of an aggravated misdemeanor.

2. A person who commits an assault, as defined in section 708.1, and who causes bodily injury or mental illness, is guilty of a serious misdemeanor.

3. A person who commits an assault, as defined in section 708.1, and uses or displays a dangerous weapon in connection with the assault, is guilty of an aggravated misdemeanor. This subsection does not apply if section 708.6 or 708.8 applies.

4. A person who commits an assault, as defined in section 708.1, without the intent to inflict serious injury, but who causes serious injury, is guilty of a class "D" felony.

5. A person who commits an assault, as defined in section 708.1, and who uses any object to penetrate the genitalia or anus of another person, is guilty of a class "C" felony.

6. Any other assault, except as otherwise provided, is a simple misdemeanor.

[C51, §2593 – 2595, 2597; R60, §4216 – 4218, 4220; C73, §3874 – 3876, 3878, 3879; C97, §4770 – 4772, 4774, 4775; C24, 27, 31, 35, 39, §**12929 – 12935;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §694.1 – 694.7; C79, 81, §708.2; 81 Acts, ch 204, §3]

87 Acts, ch 154, §8; 98 Acts, ch 1026, §1; 99 Acts, ch 65, §3; 2003 Acts, ch 132, §2; 2010 Acts, ch 1072, §2

Referred to in §232.22, 692A.102, 702.11, 708.2A, 714.3A, 907.3

Definition of forcible felony, §702.11

**708.2A Domestic abuse assault — mandatory minimums, penalties enhanced — extension of no-contact order.**

1. For the purposes of this chapter, "*domestic abuse assault*" means an assault, as defined in section 708.1, which is domestic abuse as defined in section 236.2, subsection 2, paragraph "*a*", "*b*", "*c*", or "*d*".

2. On a first offense of domestic abuse assault, the person commits:

*a.* A simple misdemeanor for a domestic abuse assault, except as otherwise provided.

*b.* A serious misdemeanor, if the domestic abuse assault causes bodily injury or mental illness.

*c.* An aggravated misdemeanor, if the domestic abuse assault is committed with the intent to inflict a serious injury upon another, or if the person uses or displays a dangerous weapon in connection with the assault. This paragraph does not apply if section 708.6 or 708.8 applies.

*d.* An aggravated misdemeanor, if the domestic abuse assault is committed by knowingly impeding the normal breathing or circulation of the blood of another by applying pressure to the throat or neck of the other person or by obstructing the nose or mouth of the other person.

3. Except as otherwise provided in subsection 2, on a second domestic abuse assault, a person commits:

*a.* A serious misdemeanor, if the first offense was classified as a simple misdemeanor, and the second offense would otherwise be classified as a simple misdemeanor.

*b.* An aggravated misdemeanor, if the first offense was classified as a simple or

aggravated misdemeanor, and the second offense would otherwise be classified as a serious misdemeanor, or the first offense was classified as a serious or aggravated misdemeanor, and the second offense would otherwise be classified as a simple or serious misdemeanor.

4. On a third or subsequent offense of domestic abuse assault, a person commits a class "D" felony.

5. For a domestic abuse assault committed by knowingly impeding the normal breathing or circulation of the blood of another by applying pressure to the throat or neck of the other person or by obstructing the nose or mouth of the other person, and causing bodily injury, the person commits a class "D" felony.

6. *a.* A conviction for, deferred judgment for, or plea of guilty to, a violation of this section which occurred more than twelve years prior to the date of the violation charged shall not be considered in determining that the violation charged is a second or subsequent offense.

*b.* For the purpose of determining if a violation charged is a second or subsequent offense, deferred judgments issued pursuant to section 907.3 for violations of section 708.2 or this section, which were issued on domestic abuse assaults, and convictions or the equivalent of deferred judgments for violations in any other states under statutes substantially corresponding to this section shall be counted as previous offenses. The courts shall judicially notice the statutes of other states which define offenses substantially equivalent to the offenses defined in this section and can therefore be considered corresponding statutes. Each previous violation on which conviction or deferral of judgment was entered prior to the date of the offense charged shall be considered and counted as a separate previous offense.

*c.* An offense shall be considered a prior offense regardless of whether it was committed upon the same victim.

7. *a.* A person convicted of violating subsection 2 or 3 shall serve a minimum term of two days of the sentence imposed by law, and shall not be eligible for suspension of the minimum sentence. The minimum term shall be served on consecutive days. The court shall not impose a fine in lieu of the minimum sentence, although a fine may be imposed in addition to the minimum sentence. This section does not prohibit the court from sentencing and the person from serving the maximum term of confinement or from paying the maximum fine permitted pursuant to chapters 902 and 903, and does not prohibit the court from entering a deferred judgment or sentence pursuant to section 907.3, if the person has not previously received a deferred sentence or judgment for a violation of section 708.2 or this section which was issued on a domestic abuse assault.

*b.* A person convicted of violating subsection 4 shall be sentenced as provided under section 902.9, subsection 1, paragraph "*e*", and shall be denied parole or work release until the person has served a minimum of one year of the person's sentence. Notwithstanding section 901.5, subsections 1, 3, and 5, and section 907.3, the person cannot receive a suspended or deferred sentence or a deferred judgment; however, the person sentenced shall receive credit for any time the person was confined in a jail or detention facility following arrest.

8. If a person is convicted for, receives a deferred judgment for, or pleads guilty to a violation of this section, the court shall modify the no-contact order issued upon initial appearance in the manner provided in section 664A.5, regardless of whether the person is placed on probation.

9. The clerk of the district court shall provide notice and copies of a judgment entered under this section to the applicable law enforcement agencies and the twenty-four hour dispatcher for the law enforcement agencies, in the manner provided for protective orders under section 236.5. The clerk shall provide notice and copies of modifications of the judgment in the same manner.

10. In addition to the mandatory minimum term of confinement imposed by subsection 7, paragraph "*a*", the court shall order a person convicted under subsection 2 or 3 to participate in a batterers' treatment program as required under section 708.2B. In addition, as a condition of deferring judgment or sentence pursuant to section 907.3, the court shall order the person to participate in a batterers' treatment program. The clerk of the district court shall send a

copy of the judgment or deferred judgment to the judicial district department of correctional services.

87 Acts, ch 154, §9; 91 Acts, ch 218, §27; 91 Acts, ch 219, §19, 20; 92 Acts, ch 1163, §118; 93 Acts, ch 157, §9; 94 Acts, ch 1093, §2; 95 Acts, ch 90, §1; 96 Acts, ch 1131, §3; 97 Acts, ch 33, §14; 98 Acts, ch 1192, §1; 99 Acts, ch 65, §4; 99 Acts, ch 114, §45; 2002 Acts, ch 1004, §4; 2006 Acts, ch 1101, §13, 14; 2012 Acts, ch 1002, §4, 5; 2013 Acts, ch 30, §249

Referred to in §232.22, 232.52, 236.12, 236.18, 598.16, 598.41, 598.41D, 600A.8, 664A.1, 664A.2, 664A.6, 664A.7, 702.11, 708.2B, 907.3, 915.22

Subsection 7, paragraph b amended

**708.2B Treatment of domestic abuse offenders.**

As used in this section, *"district department"* means a judicial district department of correctional services, established pursuant to section 905.2. A person convicted of, or receiving a deferred judgment for, domestic abuse assault as defined in section 708.2A, shall report to the district department in order to participate in a batterers' treatment program for domestic abuse offenders. In addition, a person convicted of, or receiving a deferred judgment for, an assault, as defined in section 708.1, which is domestic abuse, as defined in section 236.2, subsection 2, paragraph *"e"*, may be ordered by the court to participate in a batterers' treatment program. Participation in the batterers' treatment program shall not require a person to be placed on probation, but a person on probation may participate in the program. The district departments may contract for services in completing the duties relating to the batterers' treatment programs. The district departments shall assess the fees for participation in the program, and shall either collect or contract for the collection of the fees to recoup the costs of treatment, but may waive the fee or collect a lesser amount upon a showing of cause. The fees shall be used by each of the district departments or contract service providers for the establishment, administration, coordination, and provision of direct services of the batterers' treatment programs.

District departments or contract service providers shall receive upon request peace officers' investigative reports regarding persons participating in programs under this section. The receipt of reports under this section shall not waive the confidentiality of the reports under section 22.7.

91 Acts, ch 218, §28; 91 Acts, ch 219, §35; 95 Acts, ch 180, §15; 2002 Acts, ch 1004, §5

Referred to in §232.29, 232.46, 232.52, 236.18, 708.2A, 905.6

**708.2C Assault in violation of individual rights — penalties.**

1. For the purposes of this chapter, *"assault in violation of individual rights"* means an assault, as defined in section 708.1, which is a hate crime as defined in section 729A.2.

2. A person who commits an assault in violation of individual rights, with the intent to inflict a serious injury upon another, is guilty of a class "D" felony.

3. A person who commits an assault in violation of individual rights, and who causes bodily injury or mental illness, is guilty of an aggravated misdemeanor.

4. A person who commits an assault in violation of individual rights and uses or displays a dangerous weapon in connection with the assault, is guilty of a class "D" felony.

5. Any other assault in violation of individual rights, except as otherwise provided, is a serious misdemeanor.

92 Acts, ch 1157, §3; 95 Acts, ch 90, §2

Referred to in §729A.2

**708.3 Assault while participating in a felony.**

Any person who commits an assault as defined in section 708.1 while participating in a felony other than a sexual abuse is guilty of :

1. A class "C" felony if the person thereby causes serious injury to any person.

2. A class "D" felony if no serious injury results.

[C51, §2592, 2593, 2595; R60, §4215, 4216, 4218; C73, §3873, 3874, 3876; C97, §4769, 4770, 4772; C24, 27, 31, 35, 39, §**12933, 12935, 12968;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §694.5, 694.7, 698.4; C79, 81, §708.3; 81 Acts, ch 204, §4]

2013 Acts, ch 90, §227
Referred to in §80A.4
Section amended

**708.3A Assaults on persons engaged in certain occupations.**

1. A person who commits an assault, as defined in section 708.1, against a peace officer, jailer, correctional staff, member or employee of the board of parole, health care provider, employee of the department of human services, employee of the department of revenue, or fire fighter, whether paid or volunteer, with the knowledge that the person against whom the assault is committed is a peace officer, jailer, correctional staff, member or employee of the board of parole, health care provider, employee of the department of human services, employee of the department of revenue, or fire fighter and with the intent to inflict a serious injury upon the peace officer, jailer, correctional staff, member or employee of the board of parole, health care provider, employee of the department of human services, employee of the department of revenue, or fire fighter, is guilty of a class "D" felony.

2. A person who commits an assault, as defined in section 708.1, against a peace officer, jailer, correctional staff, member or employee of the board of parole, health care provider, employee of the department of human services, employee of the department of revenue, or fire fighter, whether paid or volunteer, who knows that the person against whom the assault is committed is a peace officer, jailer, correctional staff, member or employee of the board of parole, health care provider, employee of the department of human services, employee of the department of revenue, or fire fighter and who uses or displays a dangerous weapon in connection with the assault, is guilty of a class "D" felony.

3. A person who commits an assault, as defined in section 708.1, against a peace officer, jailer, correctional staff, member or employee of the board of parole, health care provider, employee of the department of human services, employee of the department of revenue, or fire fighter, whether paid or volunteer, who knows that the person against whom the assault is committed is a peace officer, jailer, correctional staff, member or employee of the board of parole, health care provider, employee of the department of human services, employee of the department of revenue, or fire fighter, and who causes bodily injury or mental illness, is guilty of an aggravated misdemeanor.

4. Any other assault, as defined in section 708.1, committed against a peace officer, jailer, correctional staff, member or employee of the board of parole, health care provider, employee of the department of human services, employee of the department of revenue, or fire fighter, whether paid or volunteer, by a person who knows that the person against whom the assault is committed is a peace officer, jailer, correctional staff, member or employee of the board of parole, health care provider, employee of the department of human services, employee of the department of revenue, or fire fighter, is a serious misdemeanor.

5. As used in this section, the following definitions apply:

*a. "Correctional staff"* means a person who is not a peace officer but who is employed by the department of corrections or a judicial district department of correctional services to work at or in a correctional institution, community-based correctional facility, or an institution under the management of the Iowa department of corrections which is used for the purposes of confinement of persons who have committed public offenses.

*b. "Employee of the department of human services"* means a person who is an employee of an institution controlled by the director of human services that is listed in section 218.1, or who is an employee of the civil commitment unit for sex offenders operated by the department of human services. A person who commits an assault under this section against an employee of the department of human services at a department of human services institution or unit is presumed to know that the person against whom the assault is committed is an employee of the department of human services.

*c. "Employee of the department of revenue"* means a person who is employed as an auditor,

agent, tax collector, or any contractor or representative acting in the same capacity. The employee, contractor, or representative shall maintain current identification indicating that the person is an employee, contractor, or representative of the department.

*d. "Health care provider"* means an emergency medical care provider as defined in chapter 147A or a person licensed or registered under chapter 148, 148C, 148D, or 152 who is providing or who is attempting to provide emergency medical services, as defined in section 147A.1, or who is providing or who is attempting to provide health services as defined in section 135.61 in a hospital. A person who commits an assault under this section against a health care provider in a hospital, or at the scene or during out-of-hospital patient transportation in an ambulance, is presumed to know that the person against whom the assault is committed is a health care provider.

*e. "Jailer"* means a person who is employed by a county or other political subdivision of the state to work at a county jail or other facility used for purposes of the confinement of persons who have committed public offenses, but who is not a peace officer.

95 Acts, ch 90, §3; 96 Acts, ch 1069, §1; 98 Acts, ch 1026, §2; 99 Acts, ch 64, §1; 2004 Acts, ch 1135, §1, 2; 2005 Acts, ch 3, §109; 2005 Acts, ch 140, §69, 70; 2008 Acts, ch 1088, §140

**708.3B Inmate assaults — bodily fluids or secretions.**

A person who, while confined in a jail or in an institution or facility under the control of the department of corrections, commits any of the following acts commits a class "D" felony:

1. An assault, as defined under section 708.1, upon an employee of the jail or institution or facility under the control of the department of corrections, which results in the employee's contact with blood, seminal fluid, urine, or feces.
2. An act which is intended to cause pain or injury or be insulting or offensive and which results in blood, seminal fluid, urine, or feces being cast or expelled upon an employee of the jail or institution or facility under the control of the department of corrections.

97 Acts, ch 79, §1

**708.4 Willful injury.**

Any person who does an act which is not justified and which is intended to cause serious injury to another commits willful injury, which is punishable as follows:

1. A class "C" felony, if the person causes serious injury to another.
2. A class "D" felony, if the person causes bodily injury to another.

[C51, §2577, 2594; R60, §4200, 4217; C73, §3857, 3875; C97, §4752, 4771, 4797; S13, §4771; C24, 27, 31, 35, 39, §**12928, 12934, 12962;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §693.1, 694.6, 697.2; C79, 81, §708.4]

99 Acts, ch 65, §5; 2013 Acts, ch 90, §184

Referred to in §80A.4, 702.11

Section amended

**708.5 Administering harmful substances.**

Any person who administers to another or causes another to take, without the other person's consent or by threat or deception, and for other than medicinal purposes, any poisonous, stupefying, stimulating, depressing, tranquilizing, narcotic, hypnotic, hallucinating, or anesthetic substance in sufficient quantity to have such effect, commits a class "D" felony.

[C79, 81, §708.5]

Referred to in §80A.4

See also chapters 124, 126, and 205

**708.6 Intimidation with a dangerous weapon.**

A person commits a class "C" felony when the person, with the intent to injure or provoke fear or anger in another, shoots, throws, launches, or discharges a dangerous weapon at, into, or in a building, vehicle, airplane, railroad engine, railroad car, or boat, occupied by another person, or within an assembly of people, and thereby places the occupants or people in reasonable apprehension of serious injury or threatens to commit such an act under circumstances raising a reasonable expectation that the threat will be carried out.

A person commits a class "D" felony when the person shoots, throws, launches, or discharges a dangerous weapon at, into, or in a building, vehicle, airplane, railroad engine, railroad car, or boat, occupied by another person, or within an assembly of people, and thereby places the occupants or people in reasonable apprehension of serious injury or threatens to commit such an act under circumstances raising a reasonable expectation that the threat will be carried out.

[C97, §4799, 4810; C24, 27, 31, 35, 39, §**13081, 13123;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §714.2, 716.11; C79, 81, §708.6; 81 Acts, ch 204, §5]

93 Acts, ch 112, §1, 2; 2002 Acts, ch 1075, §8

Referred to in §80A.4, 708.2, 708.2A, 723A.1

**708.7 Harassment.**

1. *a.* A person commits harassment when, with intent to intimidate, annoy, or alarm another person, the person does any of the following:

(1) Communicates with another by telephone, telegraph, writing, or via electronic communication without legitimate purpose and in a manner likely to cause the other person annoyance or harm.

(2) Places a simulated explosive or simulated incendiary device in or near a building, vehicle, airplane, railroad engine or railroad car, or boat occupied by another person.

(3) Orders merchandise or services in the name of another, or to be delivered to another, without the other person's knowledge or consent.

(4) Reports or causes to be reported false information to a law enforcement authority implicating another in some criminal activity, knowing that the information is false, or reports the alleged occurrence of a criminal act, knowing the act did not occur.

*b.* A person commits harassment when the person, purposefully and without legitimate purpose, has personal contact with another person, with the intent to threaten, intimidate, or alarm that other person. As used in this section, unless the context otherwise requires, *"personal contact"* means an encounter in which two or more people are in visual or physical proximity to each other. *"Personal contact"* does not require a physical touching or oral communication, although it may include these types of contacts.

2. *a.* A person commits harassment in the first degree when the person commits harassment involving a threat to commit a forcible felony, or commits harassment and has previously been convicted of harassment three or more times under this section or any similar statute during the preceding ten years.

*b.* Harassment in the first degree is an aggravated misdemeanor.

3. *a.* A person commits harassment in the second degree when the person commits harassment involving a threat to commit bodily injury, or commits harassment and has previously been convicted of harassment two times under this section or any similar statute during the preceding ten years.

*b.* Harassment in the second degree is a serious misdemeanor.

4. *a.* Any other act of harassment is harassment in the third degree.

*b.* Harassment in the third degree is a simple misdemeanor.

5. For purposes of determining whether or not the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[C71, 73, 75, 77, §714.37, 714.42; C79, 81, §708.7; 82 Acts, ch 1209, §19]

83 Acts, ch 96, §157, 159; 86 Acts, ch 1238, §28; 87 Acts, ch 13, §4; 89 Acts, ch 226, §1; 94 Acts, ch 1093, §3; 2000 Acts, ch 1132, §3; 2009 Acts, ch 119, §53

Referred to in §664A.2, 692A.102, 692A.126, 720.7

Harassment with intent to interfere with official judicial acts, see §720.7

**708.8 Going armed with intent.**

A person who goes armed with any dangerous weapon with the intent to use without justification such weapon against the person of another commits a class "D" felony.

[C35, §12935-g1; C39, §**12935.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.1; C79, 81, §708.8]

Referred to in §80A.4, 708.2, 708.2A, 723A.1

**708.9 Spring guns and traps.**

Any person who in any place sets a spring gun or a trap which is intended to be sprung by a person and which can cause such person serious injury commits an aggravated misdemeanor.

[C79, 81, §708.9]

Referred to in §80A.4

**708.10 Hazing.**

1. *a.* A person commits an act of hazing when the person intentionally or recklessly engages in any act or acts involving forced activity which endanger the physical health or safety of a student for the purpose of initiation or admission into, or affiliation with, any organization operating in connection with a school, college, or university. Prohibited acts include, but are not limited to, any brutality of a physical nature such as whipping, forced confinement, or any other forced activity which endangers the physical health or safety of the student.

*b.* For purposes of this section, "*forced activity*" means any activity which is a condition of initiation or admission into, or affiliation with, an organization, regardless of a student's willingness to participate in the activity.

2. A person who commits an act of hazing is guilty of a simple misdemeanor.

3. A person who commits an act of hazing which causes serious bodily injury to another is guilty of a serious misdemeanor.

89 Acts, ch 41, §1

**708.11 Stalking.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Accompanying offense"* means any public offense committed as part of the course of conduct engaged in while committing the offense of stalking.

*b.* *"Course of conduct"* means repeatedly maintaining a visual or physical proximity to a person without legitimate purpose or repeatedly conveying oral or written threats, threats implied by conduct, or a combination thereof, directed at or toward a person.

*c.* *"Immediate family member"* means a spouse, parent, child, sibling, or any other person who regularly resides in the household of a specific person, or who within the prior six months regularly resided in the household of a specific person.

*d.* "*Repeatedly*" means on two or more occasions.

2. A person commits stalking when all of the following occur:

*a.* The person purposefully engages in a course of conduct directed at a specific person that would cause a reasonable person to fear bodily injury to, or the death of, that specific person or a member of the specific person's immediate family.

*b.* The person has knowledge or should have knowledge that the specific person will be placed in reasonable fear of bodily injury to, or the death of, that specific person or a member of the specific person's immediate family by the course of conduct.

*c.* The person's course of conduct induces fear in the specific person of bodily injury to, or the death of, the specific person or a member of the specific person's immediate family.

3. *a.* A person who commits stalking in violation of this section commits a class "C" felony for a third or subsequent offense.

*b.* A person who commits stalking in violation of this section commits a class "D" felony if any of the following apply:

(1) The person commits stalking while subject to restrictions contained in a criminal or civil protective order or injunction, or any other court order which prohibits contact between the person and the victim, or while subject to restrictions contained in a criminal or civil protective order or injunction or other court order which prohibits contact between the person and another person against whom the person has committed a public offense.

(2) The person commits stalking while in possession of a dangerous weapon, as defined in section 702.7.

(3) The person commits stalking by directing a course of conduct at a specific person who is under eighteen years of age.

(4) The offense is a second offense.

*c.* A person who commits stalking in violation of this section commits an aggravated misdemeanor if the offense is a first offense which is not included in paragraph "*b*".

4. Violations of this section and accompanying offenses shall be considered prior offenses for the purpose of determining whether an offense is a second or subsequent offense. A conviction for, deferred judgment for, or plea of guilty to a violation of this section or an accompanying offense which occurred at any time prior to the date of the violation charged shall be considered in determining that the violation charged is a second or subsequent offense. Deferred judgments pursuant to section 907.3 for violations of this section or accompanying offenses and convictions or the equivalent of deferred judgments for violations in any other states under statutes substantially corresponding to this section or accompanying offenses shall be counted as previous offenses. The courts shall judicially notice the statutes of other states which define offenses substantially equivalent to the offenses defined in this section and its accompanying offenses and can therefore be considered corresponding statutes. Each previous violation of this section or an accompanying offense on which conviction or deferral of judgment was entered prior to the date of the violation charged shall be considered and counted as a separate previous offense. In addition, however, accompanying offenses committed as part of the course of conduct engaged in while committing the violation of stalking charged shall be considered prior offenses for the purpose of that violation, even though the accompanying offenses occurred at approximately the same time. An offense shall be considered a second or subsequent offense regardless of whether it was committed upon the same person who was the victim of any other previous offense.

5. Notwithstanding section 804.1, rule of criminal procedure 2.7, Iowa court rules, or any other provision of law to the contrary, upon the filing of a complaint and a finding of probable cause to believe an offense has been committed in violation of this section, or after the filing of an indictment or information alleging a violation of this section, the court shall issue an arrest warrant, rather than a citation or summons. A peace officer shall not issue a citation in lieu of arrest for a violation of this section. Notwithstanding section 804.21 or any other provision of law to the contrary, a person arrested for stalking shall be immediately taken into custody and shall not be released pursuant to pretrial release guidelines, a bond schedule, or any similar device, until after the initial appearance before a magistrate. In establishing the conditions of release, the magistrate may consider the defendant's prior criminal history, in addition to the other factors provided in section 811.2.

6. For purposes of determining whether or not the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

92 Acts, ch 1179, §1; 94 Acts, ch 1093, §4; 98 Acts, ch 1021, §4; 2002 Acts, ch 1119, §106; 2009 Acts, ch 119, §54

Referred to in §664A.2, 692.22, 692A.102, 692A.126, 805.1, 811.1

**708.12 Removal of an officer's communication or control device.**

1. As used in this section, "*officer*" means peace officer as defined in section 724.2A or a correctional officer.

2. A person who knowingly or intentionally removes or attempts to remove a communication device or any device used for control from the possession of an officer, when the officer is in the performance of any act which is within the scope of the lawful duty or authority of that officer and the person knew or should have known the individual to be an officer, commits the offense of removal of an officer's communication or control device.

3. *a.* A person who removes or attempts to remove an officer's communication or control device is guilty of a simple misdemeanor.

*b.* A person who knowingly or intentionally removes or attempts to remove a communication or control device from the possession of an officer with the intent to interfere with the communications or duties of the officer, is guilty of a serious misdemeanor.

*c.* If a violation of paragraph "*a*" results in bodily injury to the officer the person is guilty of a serious misdemeanor.

*d.* If a violation of paragraph "*a*" results in serious injury to the officer the person is guilty of an aggravated misdemeanor.

*e.* If a violation of paragraph "*a*" occurs and the person knowingly or intentionally causes bodily injury to the officer the person is guilty of an aggravated misdemeanor.

*f.* If a violation of paragraph "*a*" occurs and the person knowingly or intentionally causes serious injury to the officer the person is guilty of a class "D" felony.

2013 Acts, ch 52, §2
Referred to in §702.11
NEW section

**708.13 Disarming a peace officer of a dangerous weapon.**

1. A person who knowingly or intentionally removes or attempts to remove a dangerous weapon, as defined in section 702.7, from the possession of a peace officer, as defined in section 724.2A, when the officer is in the performance of any act which is within the scope of the lawful duty or authority of that officer and the person knew or should have known the individual to be a peace officer, commits the offense of disarming a peace officer.

2. A person who disarms or attempts to disarm a peace officer is guilty of a class "D" felony.

3. A person who discharges the dangerous weapon while disarming or attempting to disarm the peace officer commits a class "C" felony.

99 Acts, ch 44, §1

**708.14 Abuse of a corpse.**

1. A person commits abuse of a human corpse if the person does any of the following:

*a.* Mutilates, disfigures, or dismembers a human corpse with the intent to conceal a crime.

*b.* Hides or buries a human corpse with the intent to conceal a crime.

2. A person who violates this section commits a class "D" felony.

2010 Acts, ch 1074, §3

**708.15 Sexual motivation.**

A person convicted of any indictable offense under this chapter shall be required to register as a sex offender pursuant to the provisions of chapter 692A, if the offense was committed against a minor and the fact finder makes a determination that the offense was sexually motivated pursuant to section 692A.126.

2010 Acts, ch 1104, §15, 23

# CHAPTER 708A

## TERRORISM

Referred to in §331.307, 364.22, 701.1


708A.1 Definitions.
708A.2 Terrorism.
708A.3 Value for purposes of material support and resources.
708A.4 Soliciting or providing material support or resources for terrorism.
708A.5 Threat of terrorism.
708A.6 Obstruction of terrorism prosecution.


**708A.1 Definitions.**

For purposes of this chapter:

1. *"Material support or resources"* means knowingly assisting or providing money, financial securities, financial services, lodging, training, safe houses, false documentation or identification, communication equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials, for the purpose of assisting a person in the commission of an act of terrorism.

2. *"Renders criminal assistance"* means a person who, with intent to prevent the apprehension or obstruct the prosecution or defense of any person, knowingly does any of the following acts:

*a.* Destroys, alters, conceals, or disguises physical evidence which would be admissible in the trial of another for a public offense, or makes available false evidence or furnishes false information with the intent that it be used in the trial of that case.

*b.* Induces a witness having knowledge material to the subject at issue to leave the state or hide, or to fail to appear when subpoenaed.

*c.* Provides concealment or warns of impending apprehension to any person being sought for the subject at issue.

*d.* Provides a weapon, disguise, transportation, or money to any person being sought for the subject at issue.

*e.* Prevents or obstructs, by means of force, intimidation, or deception, another person from performing an act which might aid in the apprehension or prosecution or defense of any person.

3. *"Terrorism"* means an act intended to intimidate or coerce a civilian population, or to influence the policy of a unit of government by intimidation or coercion, or to affect the conduct of a unit of government, by shooting, throwing, launching, discharging, or otherwise using a dangerous weapon at, into, or in a building, vehicle, airplane, railroad engine, railroad car, or boat, occupied by another person, or within an assembly of people. The terms *"intimidate"*, *"coerce"*, *"intimidation"*, and *"coercion"*, as used in this definition, are not to be construed to prohibit picketing, public demonstrations, and similar forms of expressing ideas or views regarding legitimate matters of public interest protected by the United States and Iowa Constitutions.

2002 Acts, ch 1075, §2
Referred to in §707.2

**708A.2 Terrorism.**

A person who commits or attempts to commit an act of terrorism commits a class "B" felony. However, notwithstanding section 902.9, subsection 1, paragraph *"b"*, the maximum sentence for a person convicted under this section shall be a period of confinement of not more than fifty years.

2002 Acts, ch 1075, §3; 2013 Acts, ch 30, §250
See also §707.2(1)(f)
Section amended

**708A.3 Value for purposes of material support and resources.**

The value of property or services is its highest value by any reasonable standard at the time the material support or resources is given. Any reasonable standard includes but is not limited to market value within the community, actual value, or replacement value.

If credit, property, or services are obtained by two or more acts from the same person or location, or from different persons by two or more acts which occur in approximately the same location or time period so that the material support or resources are attributable to a single scheme, plan, or conspiracy, the acts may be considered as a single act of support or resources and the value may be the total value of all credit, property, and services involved.

2002 Acts, ch 1075, §4

**708A.4 Soliciting or providing material support or resources for terrorism.**

1. A person who provides material support or resources to a person who commits or attempts to commit terrorism and the value of the material support or resources is in excess of one thousand dollars commits a class "B" felony.

2. A person who provides material support or resources to a person who commits or attempts to commit terrorism and the value of the material support or resources does not exceed one thousand dollars commits a class "C" felony.

2002 Acts, ch 1075, §5

**708A.5 Threat of terrorism.**

A person who threatens to commit terrorism or threatens to cause terrorism to be committed and who causes a reasonable expectation or fear of the imminent commission of such an act of terrorism commits a class "D" felony.

2002 Acts, ch 1075, §6

**708A.6 Obstruction of terrorism prosecution.**

1. A person who renders criminal assistance to another person who commits terrorism that results in the murder of a third person while knowing that the other person was engaged in terrorism commits a class "B" felony.

2. A person who renders criminal assistance to another person who commits terrorism while knowing that the other person was engaged in an act of terrorism commits a class "C" felony.

2002 Acts, ch 1075, §7

# CHAPTER 708B

## BIOLOGICAL AGENTS OR DISEASES

Referred to in §331.307, 364.22, 701.1

708B.1 Anthrax.

**708B.1 Anthrax.**

1. *Unlawful possession.* Any person who knowingly possesses bacillus anthracis or any substance containing bacillus anthracis is guilty of a class "C" felony.

2. *Unlawful distribution.* Any person who knowingly distributes bacillus anthracis or any substance containing bacillus anthracis to any other person, which may or may not cause exposure to bacillus anthracis, is guilty of a class "B" felony.

3. *Exceptions.* This section shall not apply to a person who possesses or distributes bacillus anthracis or any substance containing bacillus anthracis which is being used solely for a purpose which is lawfully authorized under federal law.

2002 Acts, ch 1092, §1
C2003, §126.24
2003 Acts, ch 44, §115
CS2003, §708B.1

# CHAPTER 709

## SEXUAL ABUSE

Referred to in §135L.3, 229A.2, 232.68, 232.82, 232.83, 235B.2, 235E.1, 237.13, 272.2, 331.307, 364.22, 701.1, 701.11, 901A.1, 901A.2, 903B.1, 903B.2, 907.3, 915.35, 915.36, 915.37, 915.84

Victim counselor privilege; see §915.20A


709.1 Sexual abuse defined.
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709.13 Child in need of assistance complaints.
709.14 Lascivious conduct with a minor.
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709.17 Repealed by 98 Acts, ch 1090, §80, 84.
709.18 Sexual abuse of a corpse.
709.19 No-contact order upon defendant's release from jail or prison.
709.20 Sexual abuse — no-contact order. Repealed by 2006 Acts, ch 1101, §21.
709.21 Invasion of privacy — nudity.
709.22 Prevention of further sexual assault — notification of rights.


**709.1 Sexual abuse defined.**

Any sex act between persons is sexual abuse by either of the persons when the act is performed with the other person in any of the following circumstances:

1. The act is done by force or against the will of the other. If the consent or acquiescence of the other is procured by threats of violence toward any person or if the act is done while the other is under the influence of a drug inducing sleep or is otherwise in a state of unconsciousness, the act is done against the will of the other.

2. Such other person is suffering from a mental defect or incapacity which precludes giving consent, or lacks the mental capacity to know the right and wrong of conduct in sexual matters.

3. Such other person is a child.

[C51, §2581, 2583; R60, §4204, 4206; C73, §3861, 3863; C97, §4756, 4758; C24, 27, 31, 35, 39, §**12966, 12967;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §698.1, 698.3; C79, 81, §709.1]

84 Acts, ch 1188, §1; 99 Acts, ch 159, §1

Referred to in §611.23, 614.1, 668.15, 692A.101, 692A.102, 713.3, 915.40

Definition of sex act, §702.17

**709.1A Incapacitation.**

As used in this chapter, *"incapacitated"* means a person is disabled or deprived of ability, as follows:

1. *"Mentally incapacitated"* means that a person is temporarily incapable of apprising or controlling the person's own conduct due to the influence of a narcotic, anesthetic, or intoxicating substance.

2. *"Physically helpless"* means that a person is unable to communicate an unwillingness to act because the person is unconscious, asleep, or is otherwise physically limited.

3. *"Physically incapacitated"* means that a person has a bodily impairment or handicap that substantially limits the person's ability to resist or flee.

99 Acts, ch 159, §2

**709.2 Sexual abuse in the first degree.**

A person commits sexual abuse in the first degree when in the course of committing sexual abuse the person causes another serious injury.

Sexual abuse in the first degree is a class "A" felony.

[C51, §2581; R60, §4204; C73, §3861; C97, §4756; C24, 27, 31, 35, 39, §**12966;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §698.1; C79, 81, §709.2]

Referred to in §321.375, 664A.2, 692A.101, 692A.102, 709.19, 903B.10
Definition of forcible felony, §702.11

**709.3 Sexual abuse in the second degree.**

1. A person commits sexual abuse in the second degree when the person commits sexual abuse under any of the following circumstances:

*a.* During the commission of sexual abuse the person displays in a threatening manner a dangerous weapon, or uses or threatens to use force creating a substantial risk of death or serious injury to any person.

*b.* The other person is under the age of twelve.

*c.* The person is aided or abetted by one or more persons and the sex act is committed by force or against the will of the other person against whom the sex act is committed.

2. Sexual abuse in the second degree is a class "B" felony.

[C51, §2581; R60, §4204; C73, §3861; C97, §4756; C24, 27, 31, 35, 39, §**12966;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §698.1; C79, 81, §709.3]

84 Acts, ch 1188, §2; 99 Acts, ch 159, §3; 2013 Acts, ch 90, §228

Referred to in §321.375, 664A.2, 692A.101, 692A.102, 709.19, 901A.2, 902.12, 902.14, 903B.10, 906.15
Definition of forcible felony, §702.11
Definition of sex act, §702.17
Section amended

**709.4 Sexual abuse in the third degree.**

1. A person commits sexual abuse in the third degree when the person performs a sex act under any of the following circumstances:

*a.* The act is done by force or against the will of the other person, whether or not the other person is the person's spouse or is cohabiting with the person.

*b.* The act is between persons who are not at the time cohabiting as husband and wife and if any of the following are true:

(1) The other person is suffering from a mental defect or incapacity which precludes giving consent.

(2) The other person is twelve or thirteen years of age.

(3) The other person is fourteen or fifteen years of age and any of the following are true:

(a) The person is a member of the same household as the other person.

(b) The person is related to the other person by blood or affinity to the fourth degree.

(c) The person is in a position of authority over the other person and uses that authority to coerce the other person to submit.

(d) The person is four or more years older than the other person.

*c.* The act is performed while the other person is under the influence of a controlled substance, which may include but is not limited to flunitrazepam, and all of the following are true:

(1) The controlled substance, which may include but is not limited to flunitrazepam, prevents the other person from consenting to the act.

(2) The person performing the act knows or reasonably should have known that the other person was under the influence of the controlled substance, which may include but is not limited to flunitrazepam.

*d.* The act is performed while the other person is mentally incapacitated, physically incapacitated, or physically helpless.

2. Sexual abuse in the third degree is a class "C" felony.

[C51, §2581, 2583; R60, §4204, 4206; C73, §3861, 3863; C97, §4756, 4758; C24, 27, 31, 35, 39, §**12966, 12967;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §698.1, 698.3; C79, 81, §709.4]

89 Acts, ch 138, §3; 94 Acts, ch 1128, §1; 97 Acts, ch 78, §1; 99 Acts, ch 159, §4; 2013 Acts, ch 30, §201

Referred to in §321.375, 664A.2, 692A.101, 692A.102, 692A.121, 702.11, 709.19, 902.14, 903B.10, 906.15
Definition of forcible felony, see §702.11
Definition of sex act, see §702.17
Section amended

**709.5 Resistance to sexual abuse.**

Under the provisions of this chapter it shall not be necessary to establish physical resistance by a person in order to establish that an act of sexual abuse was committed by force or against the will of the person. However, the circumstances surrounding the commission of the act may be considered in determining whether or not the act was done by force or against the will of the other.

[C79, 81, §709.5]

99 Acts, ch 159, §5

**709.6 Jury instructions for offenses of sexual abuse.**

No instruction shall be given in a trial for sexual abuse cautioning the jury to use a different standard relating to a victim's testimony than that of any other witness to that offense or any other offense.

[C79, 81, §709.6]

**709.7 Detention in brothel.** Repealed by 2010 Acts, ch 1043, § 3.

**709.8 Lascivious acts with a child.**

1. It is unlawful for any person sixteen years of age or older to perform any of the following acts with a child with or without the child's consent unless married to each other, for the purpose of arousing or satisfying the sexual desires of either of them:

*a.* Fondle or touch the pubes or genitals of a child.

*b.* Permit or cause a child to fondle or touch the person's genitals or pubes.

*c.* Cause the touching of the person's genitals to any part of the body of a child.

*d.* Solicit a child to engage in a sex act or solicit a person to arrange a sex act with a child.

*e.* Inflict pain or discomfort upon a child or permit a child to inflict pain or discomfort on the person.

2. *a.* Any person who violates a provision of this section involving an act included in subsection 1, paragraph "*a*" through "*c*", shall, upon conviction, be guilty of a class "C" felony.

*b.* Any person who violates a provision of this section involving an act included in subsection 1, paragraph "*d*" or "*e*", shall, upon conviction, be guilty of a class "D" felony.

[S13, §4938-a; C24, 27, 31, 35, 39, §**13184;** C46, 50, 54, 58, 62, 66, 71, 73, §725.2; C75, 77, §725.10; C79, 81, §709.8]

85 Acts, ch 181, §1; 96 Acts, ch 1062, §1; 2000 Acts, ch 1165, §1; 2005 Acts, ch 158, §35; 2013 Acts, ch 30, §202; 2013 Acts, ch 43, §2, 3

Referred to in §321.375, 692A.101, 692A.102, 692A.121, 709.12, 709.19, 902.14, 903B.10, 906.15, 907.3

Definition of sex act, §702.17

See Code editor's note on simple harmonization

Section amended

**709.9 Indecent exposure.**

A person who exposes the person's genitals or pubes to another not the person's spouse, or who commits a sex act in the presence of or view of a third person, commits a serious misdemeanor, if:

1. The person does so to arouse or satisfy the sexual desires of either party; and

2. The person knows or reasonably should know that the act is offensive to the viewer.

[C79, 81, §709.9]

Referred to in §692A.102, 709.19

Definition of sex act, §702.17

**709.10 Sexual abuse — evidence.**

1. When an alleged victim of sexual abuse consents to undergo a sexual abuse examination and to having the evidence preserved, a sexual abuse evidence collection kit must be collected and properly stored with the law enforcement agency under whose jurisdiction the offense occurred or with the agency collecting the evidence to ensure that the chain of custody is complete and sufficient.

2. If an alleged victim of sexual abuse has not filed a complaint and a sexual abuse evidence collection kit has been completed, the kit must be stored by the law enforcement

agency for a minimum of ten years. In addition, if the alleged victim does not want their name recorded on the sexual abuse collection kit, a case number or other identifying information shall be assigned to the kit in place of the name of the alleged victim.

2004 Acts, ch 1055, §1

**709.11 Assault with intent to commit sexual abuse.**

Any person who commits an assault, as defined in section 708.1, with the intent to commit sexual abuse:

1. Is guilty of a class "C" felony if the person thereby causes serious injury to any person.
2. Is guilty of a class "D" felony if the person thereby causes any person a bodily injury other than a serious injury.
3. Is guilty of an aggravated misdemeanor if no injury results.

[81 Acts, ch 204, §6]

2013 Acts, ch 90, §229

Referred to in §232.22, 692A.101, 692A.102, 709.19, 903B.10

Section amended

**709.12 Indecent contact with a child.**

1. A person eighteen years of age or older is upon conviction guilty of an aggravated misdemeanor if the person commits any of the following acts with a child, not the person's spouse, with or without the child's consent, for the purpose of arousing or satisfying the sexual desires of either of them:

*a.* Fondle or touch the inner thigh, groin, buttock, anus, or breast of the child.

*b.* Touch the clothing covering the immediate area of the inner thigh, groin, buttock, anus, or breast of the child.

*c.* Solicit or permit a child to fondle or touch the inner thigh, groin, buttock, anus, or breast of the person.

*d.* Solicit a child to engage in any act prohibited under section 709.8, subsection 1, paragraph "*a*", "*b*", or "*e*".

2. The provisions of this section shall also apply to a person sixteen or seventeen years of age who commits any of the enumerated acts with a child who is at least five years the person's junior, in which case the juvenile court shall have jurisdiction under chapter 232.

[81 Acts, ch 204, §7]

85 Acts, ch 181, §2; 88 Acts, ch 1252, §4; 2013 Acts, ch 30, §203

Referred to in §692A.102, 709.19, 903B.10

Section amended

**709.13 Child in need of assistance complaints.**

During or following an investigation into allegations of violations of this chapter or of chapter 726 or 728 involving an alleged victim under the age of eighteen and an alleged offender who is not a person responsible for the care of the child, anyone with knowledge of the alleged offense may file a complaint pursuant to section 232.83 alleging the child to be a child in need of assistance. In all cases, the complaint shall be filed by any peace officer with knowledge of the investigation when the peace officer has reason to believe that the alleged victim may require treatment as a result of the alleged offense and that the child's parent, guardian, or custodian will be unwilling or unable to provide the treatment.

88 Acts, ch 1252, §5

**709.14 Lascivious conduct with a minor.**

It is unlawful for a person over eighteen years of age who is in a position of authority over a minor to force, persuade, or coerce a minor, with or without consent, to disrobe or partially disrobe for the purpose of arousing or satisfying the sexual desires of either of them.

Lascivious conduct with a minor is a serious misdemeanor.

89 Acts, ch 105, §2

Referred to in §692A.102, 709.19, 903B.10

**709.15 Sexual exploitation by a counselor, therapist, or school employee.**

1. As used in this section:

*a.* *"Counselor or therapist"* means a physician, psychologist, nurse, professional counselor, social worker, marriage or family therapist, alcohol or drug counselor, member of the clergy, or any other person, whether or not licensed or registered by the state, who provides or purports to provide mental health services.

*b.* *"Emotionally dependent"* means that the nature of the patient's or client's or former patient's or client's emotional condition or the nature of the treatment provided by the counselor or therapist is such that the counselor or therapist knows or has reason to know that the patient or client or former patient or client is significantly impaired in the ability to withhold consent to sexual conduct, as described in subsection 2, by the counselor or therapist. For the purposes of subsection 2, a former patient or client is presumed to be emotionally dependent for one year following the termination of the provision of mental health services.

*c.* *"Former patient or client"* means a person who received mental health services from the counselor or therapist.

*d.* *"Mental health service"* means the treatment, assessment, or counseling of another person for a cognitive, behavioral, emotional, mental, or social dysfunction, including an intrapersonal or interpersonal dysfunction.

*e.* *"Patient or client"* means a person who receives mental health services from the counselor or therapist.

*f.* *"School employee"* means a practitioner as defined in section 272.1.

*g.* *"Student"* means a person who is currently enrolled in or attending a public or nonpublic elementary or secondary school, or who was a student enrolled in or who attended a public or nonpublic elementary or secondary school within thirty days of any violation of subsection 3.

2. *a.* Sexual exploitation by a counselor or therapist occurs when any of the following are found:

(1) A pattern or practice or scheme of conduct to engage in any of the conduct described in subparagraph (2) or (3).

(2) Any sexual conduct, with an emotionally dependent patient or client or emotionally dependent former patient or client for the purpose of arousing or satisfying the sexual desires of the counselor or therapist or the emotionally dependent patient or client or emotionally dependent former patient or client, which includes but is not limited to the following:

(a) Kissing.

(b) Touching of the clothed or unclothed inner thigh, breast, groin, buttock, anus, pubes, or genitals.

(c) A sex act as defined in section 702.17.

(3) Any sexual conduct with a patient or client or former patient or client within one year of the termination of the provision of mental health services by the counselor or therapist for the purpose of arousing or satisfying the sexual desires of the counselor or therapist or the patient or client or former patient or client which includes but is not limited to the following:

(a) Kissing.

(b) Touching of the clothed or unclothed inner thigh, breast, groin, buttock, anus, pubes, or genitals.

(c) A sex act as defined in section 702.17.

*b.* Sexual exploitation by a counselor or therapist does not include touching which is part of a necessary examination or treatment provided a patient or client by a counselor or therapist acting within the scope of the practice or employment in which the counselor or therapist is engaged.

3. *a.* Sexual exploitation by a school employee occurs when any of the following are found:

(1) A pattern or practice or scheme of conduct to engage in any of the conduct described in subparagraph (2).

(2) Any sexual conduct with a student for the purpose of arousing or satisfying the sexual desires of the school employee or the student. Sexual conduct includes but is not limited to the following:

(a) Kissing.

(b) Touching of the clothed or unclothed inner thigh, breast, groin, buttock, anus, pubes, or genitals.

(c) A sex act as defined in section 702.17.

*b.* Sexual exploitation by a school employee does not include touching that is necessary in the performance of the school employee's duties while acting within the scope of employment.

4. *a.* A counselor or therapist who commits sexual exploitation in violation of subsection 2, paragraph "*a*", subparagraph (1), commits a class "D" felony.

*b.* A counselor or therapist who commits sexual exploitation in violation of subsection 2, paragraph "*a*", subparagraph (2), commits an aggravated misdemeanor.

*c.* A counselor or therapist who commits sexual exploitation in violation of subsection 2, paragraph "*a*", subparagraph (3), commits a serious misdemeanor. In lieu of the sentence provided for under section 903.1, subsection 1, paragraph "*b*", the offender may be required to attend a sexual abuser treatment program.

5. *a.* A school employee who commits sexual exploitation in violation of subsection 3, paragraph "*a*", subparagraph (1), commits a class "D" felony.

*b.* A school employee who commits sexual exploitation in violation of subsection 3, paragraph "*a*", subparagraph (2), commits an aggravated misdemeanor.

91 Acts, ch 130, §2; 92 Acts, ch 1163, §119; 92 Acts, ch 1199, §2 – 6; 2003 Acts, ch 180, §65; 2004 Acts, ch 1086, §102; 2013 Acts, ch 90, §230

Referred to in §614.1, 692A.102, 702.11, 709.19, 802.2A, 903B.10

Section amended

**709.16 Sexual misconduct with offenders and juveniles.**

1. An officer, employee, contractor, vendor, volunteer, or agent of the department of corrections, or an officer, employee, or agent of a judicial district department of correctional services, who engages in a sex act with an individual committed to the custody of the department of corrections or a judicial district department of correctional services commits an aggravated misdemeanor.

2. *a.* An officer, employee, contractor, vendor, volunteer, or agent of a juvenile placement facility who engages in a sex act with a juvenile placed at such facility commits an aggravated misdemeanor.

*b.* For purposes of this subsection, a "*juvenile placement facility*" means any of the following:

(1) A child foster care facility licensed under section 237.4.

(2) Institutions controlled by the department of human services listed in section 218.1.

(3) Juvenile detention and juvenile shelter care homes approved under section 232.142.

(4) Psychiatric medical institutions for children licensed under chapter 135H.

(5) Facilities for the treatment of persons with substance-related disorders as defined in section 125.2.

3. An officer, employee, contractor, vendor, volunteer, or agent of a county who engages in a sex act with a prisoner incarcerated in a county jail commits an aggravated misdemeanor.

91 Acts, ch 219, §21; 98 Acts, ch 1094, §1; 2013 Acts, ch 30, §204; 2013 Acts, ch 90, §185

Referred to in §692A.101, 692A.102, 709.19

See Code editor's note on simple harmonization

Subsection 2 amended

**709.17** Repealed by 98 Acts, ch 1090, § 80, 84. See § 915.44.

**709.18 Sexual abuse of a corpse.**

1. A person commits sexual abuse of a human corpse if the person knowingly and intentionally engages in a sex act, as defined in section 702.17, with a human corpse.

2. A person who violates this section commits a class "D" felony.

96 Acts, ch 1006, §1; 2007 Acts, ch 91, §2; 2010 Acts, ch 1074, §4

Referred to in §692A.102

**709.19 No-contact order upon defendant's release from jail or prison.**

1. Upon the filing of an affidavit by a victim, or a parent or guardian on behalf of a minor who is a victim, of a crime that is a sexual offense in violation of section 709.2, 709.3, 709.4,

709.8, 709.9, 709.11, 709.12, 709.14, 709.15, or 709.16, that states that the presence of or contact with the defendant whose release from jail or prison is imminent or who has been released from jail or prison continues to pose a threat to the safety of the victim, persons residing with the victim, or members of the victim's immediate family, the court shall enter a temporary no-contact order which shall require the defendant to have no contact with the victim, persons residing with the victim, or members of the victim's immediate family.

2. A temporary restraining order issued under this section shall expire at such time as the court directs, not to exceed ten days from the date of issuance. The court, for good cause shown before expiration of the order, may extend the expiration date of the order for up to ten days, or for a longer period agreed to by the adverse party.

3. Upon motion of the party, the court shall issue a no-contact order which shall require the defendant to have no contact with the victim, persons residing with the victim, or members of the victim's immediate family if the court, after a hearing, finds by a preponderance of the evidence, that the defendant poses a threat to the safety of the victim, persons residing with the victim, or members of the victim's immediate family.

4. A no-contact order shall set forth the reasons for the issuance of the order, be specific in terms, and describe in reasonable detail the purpose of the order.

5. The court shall set the duration of the no-contact order for the period it determines is necessary to protect the safety of the victim, persons residing with the victim, or members of the victim's immediate family, but the duration shall not be set for a period in excess of one year from the date of the issuance of the order. The victim, at any time within ninety days before the expiration of the order, may apply for a new no-contact order under this section.

6. Violation of a no-contact order issued under this section constitutes contempt of court and may be punished by contempt proceedings.

2002 Acts, ch 1085, §1; 2003 Acts, ch 108, §113

**709.20 Sexual abuse — no-contact order.** Repealed by 2006 Acts, ch 1101, § 21. See § 664A.3.

**709.21 Invasion of privacy — nudity.**

1. A person who knowingly views, photographs, or films another person, for the purpose of arousing or gratifying the sexual desire of any person, commits invasion of privacy if all of the following apply:

*a.* The other person does not have knowledge about and does not consent or is unable to consent to being viewed, photographed, or filmed.

*b.* The other person is in a state of full or partial nudity.

*c.* The other person has a reasonable expectation of privacy while in a state of full or partial nudity.

2. As used in this section:

*a.* *"Full or partial nudity"* means the showing of any part of the human genitals or pubic area or buttocks, or any part of the nipple of the breast of a female, with less than fully opaque covering.

*b.* *"Photographs or films"* means the making of any photograph, motion picture film, videotape, or any other recording or transmission of the image of a person.

3. A person who violates this section commits a serious misdemeanor.

2004 Acts, ch 1099, §1

Referred to in §692A.102

**709.22 Prevention of further sexual assault — notification of rights.**

1. If a peace officer has reason to believe that a sexual assault as defined in section 915.40 has occurred, the officer shall use all reasonable means to prevent further violence including but not limited to the following:

*a.* If requested, remaining on the scene of the alleged sexual assault as long as there is a danger to the victim's physical safety without the presence of a peace officer, including but not limited to staying in the dwelling unit or residence when it is the scene of the alleged sexual assault, or if unable to remain on the scene, assisting the victim in leaving the scene.

*b.* Assisting a victim in obtaining medical treatment necessitated by the sexual assault, including providing assistance to the victim in obtaining transportation to the emergency room of the nearest hospital.

*c.* Providing a victim with immediate and adequate notice of the victim's rights. The notice shall consist of handing the victim a document that includes the telephone numbers of shelters, support groups, and crisis lines operating in the area and contains a copy of the following statement written in English and Spanish; asking the victim to read the statement; and asking whether the victim understands the rights:

(1) You have the right to ask the court for help with any of the following on a temporary basis:

(a) Keeping your attacker away from you, your home, and your place of work.

(b) The right to stay at your home without interference from your attacker.

(c) The right to seek a no-contact order under section 664A.3 or 915.22, if your attacker is arrested for sexual assault.

(2) You have the right to register as a victim with the county attorney under section 915.12.

(3) You have the right to file a complaint for threats, assaults, or other related crimes.

(4) You have the right to seek restitution against your attacker for harm to you or your property.

(5) You have the right to apply for victim compensation.

(6) You have the right to contact the county attorney or local law enforcement to determine the status of your case.

(7) If you are in need of medical treatment, you have the right to request that the officer present assist you in obtaining transportation to the nearest hospital or otherwise assist you.

(8) You have the right to a sexual assault examination performed at state expense.

(9) You have the right to request the presence of a victim counselor, as defined in section 915.20A, at any proceeding related to an assault including a medical examination.

(10) If you believe that police protection is needed for your physical safety, you have the right to request that the officer present remain at the scene until you and other affected parties can leave or until safety is otherwise ensured.

2. A peace officer is not civilly or criminally liable for actions taken in good faith pursuant to this section.

2005 Acts, ch 158, §45; 2006 Acts, ch 1101, §15; 2008 Acts, ch 1068, §1; 2009 Acts, ch 133, §176, 177

# CHAPTER 709A

## CONTRIBUTING TO JUVENILE DELINQUENCY

Referred to in §218.95, 331.307, 364.22, 701.1

This chapter not enacted as a part of this title;
transferred from chapter 233 in Code 1993
See §218.95 for provisions pertaining to
construction of synonymous terms


709A.1 Contributing to delinquency.
709A.2 Penalty — not a bar.
709A.3 Suspension of sentence.
709A.4 Preliminary examination.
709A.5 Interpretative clause.
709A.6 Using a juvenile to commit certain offenses.


**709A.1 Contributing to delinquency.**

It shall be unlawful:

1. To encourage any child under eighteen years of age to commit any act of delinquency defined in chapter 232.

2. To knowingly send, cause to be sent, or induce to go, any child under the age of eighteen to any of the following:

*a.* A brothel or other premises used for the purposes of prostitution, with the intent that the child engage the services of a prostitute.

*b.* An unlicensed premises where alcoholic liquor, wine, or beer is unlawfully sold or kept for sale.

*c.* Any premises the use of which constitutes a violation of chapter 717A, or section 725.5 or 725.10.

3. To knowingly encourage, contribute, or in any manner cause such child to violate any law of this state, or any ordinance of any city.

4. To knowingly permit, encourage, or cause such child to be guilty of any vicious or immoral conduct.

5. For a parent willfully to fail to support the parent's child under eighteen years of age whom the parent has a legal obligation to support.

[C24, 27, 31, 35, 39, §**3658;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §233.1]
86 Acts, ch 1046, §1
C93, §709A.1
2004 Acts, ch 1056, §2, 10; 2004 Acts, ch 1175, §389
Referred to in §709A.2

**709A.2 Penalty — not a bar.**

A violation of section 709A.1 is a simple misdemeanor. A conviction does not bar a prosecution of the convicted person for an indictable offense when the acts which caused or contributed to the delinquency or dependency of the child are indictable.

[C24, 27, 31, 35, 39, §**3659;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §233.2]
84 Acts, ch 1219, §11
C93, §709A.2
See §709A.5, 903.1

**709A.3 Suspension of sentence.**

Upon said conviction being had, the court may, for a period not exceeding two years, suspend sentence under such conditions as to good behavior as it may prescribe. Should said conditions be fulfilled, the court may at any time enter an order setting said conviction aside and wholly releasing the defendant therefrom. Should said condition be not fulfilled to the satisfaction of the court, an order of sentence may at any time be entered which shall be effective from the date thereof.

[C24, 27, 31, 35, 39, §**3660;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §233.3]
C93, §709A.3

**709A.4 Preliminary examination.**

If, in proceedings in juvenile court, it appears probable that an indictable offense has been committed and that the commission thereof caused, or contributed to, the delinquency or dependency of such a child, said court may order the issuance of a warrant for the arrest of such suspected person, and on the appearance of such person said court may proceed to hold a preliminary examination, and in so doing shall exercise all the powers of a committing magistrate.

[C24, 27, 31, 35, 39, §**3661;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §233.4]
C93, §709A.4

**709A.5 Interpretative clause.**

For the purposes of this chapter the word *"dependency"* shall mean all the conditions as enumerated in section 232.2, subsection 6.

[C31, 35, §3661-c1; C39, §**3661.001;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §233.5]
C93, §709A.5

**709A.6 Using a juvenile to commit certain offenses.**

1. As used in this section, unless the context otherwise requires, *"profit"* means a monetary gain, monetary advantage, or monetary benefit.

2. It is unlawful for a person to act with, enter into a common scheme or design with, conspire with, recruit or use a person under the age of eighteen, through threats, monetary payment, or other means, to commit an indictable offense for the profit of the person acting with, entering into the common scheme or design with, conspiring with, recruiting or using the juvenile. A person who violates this section commits a class "C" felony.

92 Acts, ch 1231, §34; 95 Acts, ch 191, §50

# CHAPTER 709B

## TESTS FOR CERTAIN SEXUAL OFFENDERS

Repealed effective January 1, 1999, by
98 Acts, ch 1090, §82, 84; see chapter 915

# CHAPTER 709C

## CRIMINAL TRANSMISSION OF HUMAN IMMUNODEFICIENCY VIRUS

Referred to in §141A.9, 331.307, 364.22, 701.1, 915.43

For provisions relating to testing of
offenders and alleged criminal offenders,
see §915.40 – 915.43

709C.1 Criminal transmission of human immunodeficiency virus.

**709C.1 Criminal transmission of human immunodeficiency virus.**

1. A person commits criminal transmission of the human immunodeficiency virus if the person, knowing that the person's human immunodeficiency virus status is positive, does any of the following:

*a.* Engages in intimate contact with another person.

*b.* Transfers, donates, or provides the person's blood, tissue, semen, organs, or other potentially infectious bodily fluids for transfusion, transplantation, insemination, or other administration to another person.

*c.* Dispenses, delivers, exchanges, sells, or in any other way transfers to another person any nonsterile intravenous or intramuscular drug paraphernalia previously used by the person infected with the human immunodeficiency virus.

2. For the purposes of this section:

*a.* *"Human immunodeficiency virus"* means the human immunodeficiency virus identified as the causative agent of acquired immune deficiency syndrome.

*b.* *"Intimate contact"* means the intentional exposure of the body of one person to a bodily fluid of another person in a manner that could result in the transmission of the human immunodeficiency virus.

*c.* *"Intravenous or intramuscular drug paraphernalia"* means any equipment, product, or material of any kind which is peculiar to and marketed for use in injecting a substance into or withdrawing a bodily fluid from the human body.

3. Criminal transmission of the human immunodeficiency virus is a class "B" felony.

4. This section shall not be construed to require that an infection with the human immunodeficiency virus has occurred for a person to have committed criminal transmission of the human immunodeficiency virus.

5. It is an affirmative defense that the person exposed to the human immunodeficiency virus knew that the infected person had a positive human immunodeficiency virus status at the time of the action of exposure, knew that the action of exposure could result in transmission of the human immunodeficiency virus, and consented to the action of exposure with that knowledge.

98 Acts, ch 1087, §7

Referred to in §692A.101, 692A.102

# CHAPTER 710

## KIDNAPPING AND RELATED OFFENSES

Referred to in §331.307, 364.22, 701.1


710.1 Kidnapping defined.
710.2 Kidnapping in the first degree.
710.3 Kidnapping in the second degree.
710.4 Kidnapping in the third degree.
710.5 Child stealing.
710.6 Violating custodial order.
710.7 False imprisonment.
710.8 Harboring a runaway child prohibited — penalty.
710.9 Civil liability for harboring a runaway child.
710.10 Enticing a minor.
710.11 Purchase or sale of individual.


**710.1 Kidnapping defined.**

A person commits kidnapping when the person either confines a person or removes a person from one place to another, knowing that the person who confines or removes the other person has neither the authority nor the consent of the other to do so; provided, that to constitute kidnapping the act must be accompanied by one or more of the following:

1. The intent to hold such person for ransom.

2. The intent to use such person as a shield or hostage.

3. The intent to inflict serious injury upon such person, or to subject the person to a sexual abuse.

4. The intent to secretly confine such person.

5. The intent to interfere with the performance of any government function.

[C51, §2588; R60, §4211; C73, §3869; C97, §4765; S13, §4750-b; C24, 27, 31, 35, 39, §**12981, 12983;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §706.1, 706.3; C79, 81, §710.1]

Referred to in §229A.2

**710.2 Kidnapping in the first degree.**

Kidnapping is kidnapping in the first degree when the person kidnapped, as a consequence of the kidnapping, suffers serious injury, or is intentionally subjected to torture or sexual abuse.

Kidnapping in the first degree is a class "A" felony.

For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[C51, §2588; R60, §4211; C73, §3869; C97, §4765; C24, 27, 31, 35, 39, §**12981;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §706.1; C79, 81, §710.2]

2009 Acts, ch 119, §55

Referred to in §692A.102, 692A.126

Definition of forcible felony, §702.11

**710.3 Kidnapping in the second degree.**

Kidnapping where the purpose is to hold the victim for ransom or where the kidnapper is armed with a dangerous weapon is kidnapping in the second degree. Kidnapping in the second degree is a class "B" felony.

For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[C51, §2588; R60, §4211; C73, §3869; C97, §4765; S13, §4750-b; C24, 27, 31, 35, 39, §**12981, 12983;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §706.1, 706.3; C79, 81, §710.3]

2009 Acts, ch 119, §56

Referred to in §692A.102, 692A.126, 902.12

Definition of forcible felony, §702.11

**710.4 Kidnapping in the third degree.**

All other kidnappings are kidnappings in the third degree. Kidnapping in the third degree is a class "C" felony.

For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[C51, §2588; R60, §4211; C73, §3869; C97, §4765; C24, 27, 31, 35, 39, §**12981;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §706.1; C79, 81, §710.4]

2009 Acts, ch 119, §57

Referred to in §692A.102, 692A.126

Definition of forcible felony, §702.11

**710.5 Child stealing.**

1. A person commits child stealing when, knowing that the person has no authority to do so, the person forcibly or fraudulently takes, decoys, or entices away any child with intent to detain or conceal such child from its parents or guardian, or other persons or institution having the lawful custody of such child, unless the person is a relative of such child, and the person's sole purpose is to assume custody of such child.

2. Child stealing is a class "C" felony.

3. For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[S13, §254-a46; C24, 27, 31, 35, 39, §**12982;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §706.2; C79, 81, §710.5]

2009 Acts, ch 119, §58; 2013 Acts, ch 90, §186

Referred to in §692A.102, 692A.126

Section amended

**710.6 Violating custodial order.**

A relative of a child who, acting in violation of an order of any court which fixes, permanently or temporarily, the custody or physical care of the child in another, takes and

conceals the child, within or outside the state, from the person having lawful custody or physical care, commits a class "D" felony.

A parent of a child living apart from the other parent who conceals that child or causes that child's whereabouts to be unknown to a parent with visitation rights or parental time in violation of a court order granting visitation rights or parental time and without the other parent's consent, commits a serious misdemeanor.

[C79, 81, §710.6]

85 Acts, ch 132, §1; 86 Acts, ch 1145, §1

**710.7 False imprisonment.**

A person commits false imprisonment when, having no reasonable belief that the person has any right or authority to do so, the person intentionally confines another against the other's will. A person is confined when the person's freedom to move about is substantially restricted by force, threat, or deception. False imprisonment is a serious misdemeanor.

[C79, 81, §710.7]

Referred to in §692A.102

**710.8 Harboring a runaway child prohibited — penalty.**

1. As used in this section and section 710.9 unless the context otherwise requires:

*a.* *"Criminal act"* means the violation of any federal or state law.

*b.* *"Harbor"* means to provide aid, support, or shelter.

*c.* *"Runaway child"* means a person under eighteen years of age who is voluntarily absent from the person's home without the consent of the person's parent, guardian, or custodian.

2. A person shall not harbor a runaway child with the intent of committing a criminal act involving the child or with the intent of enticing or forcing the runaway child to commit a criminal act.

3. A person shall not harbor a runaway child with the intent of allowing the runaway child to remain away from home against the wishes of the child's parent, guardian, or custodian. However, the provisions of this subsection do not apply to a shelter care home which is licensed or approved by the department of human services.

4. A person convicted of a violation of this section is guilty of an aggravated misdemeanor.

85 Acts, ch 183, §1; 96 Acts, ch 1219, §75

Referred to in §710.9

**710.9 Civil liability for harboring a runaway child.**

A parent, guardian, or custodian of a runaway child has a right of action against a person who harbored the runaway child in violation of section 710.8 for expenses sustained in the search for the child, for damages sustained due to physical or emotional distress due to the absence of the child, and for punitive damages.

85 Acts, ch 183, §2

Referred to in §710.8

**710.10 Enticing a minor.**

1. A person commits a class "C" felony when, without authority and with the intent to commit sexual abuse or sexual exploitation upon a minor under the age of thirteen, the person entices or attempts to entice a person reasonably believed to be under the age of thirteen.

2. A person commits a class "D" felony when, without authority and with the intent to commit an illegal sex act upon or sexual exploitation of a minor under the age of sixteen, the person entices or attempts to entice a person reasonably believed to be under the age of sixteen.

3. A person commits a class "D" felony when, without authority and with the intent to commit an illegal act upon a minor under the age of sixteen, the person entices a person reasonably believed to be under the age of sixteen.

4. A person commits an aggravated misdemeanor when, without authority and with the intent to commit an illegal act upon a minor under the age of sixteen, the person attempts to entice a person reasonably believed to be under the age of sixteen. A person convicted

under this subsection shall not be subject to the registration requirements under chapter 692A unless the finder of fact determines that the illegal act was sexually motivated.

5. A person shall not be convicted of a violation of this section unless the person commits an overt act evidencing a purpose to entice.

6. For purposes of determining jurisdiction under section 803.1, an offense is considered committed in this state if the communication to entice or attempt to entice a person believed to be a minor who is present in this state originates from another state, or the communication to entice or attempt to entice a person believed to be a minor is sent from this state.

85 Acts, ch 183, §3; 86 Acts, ch 1238, §29; 96 Acts, ch 1082, §2; 2001 Acts, ch 17, §3; 2010 Acts, ch 1129, §1

Referred to in §272.2, 692A.102, 901A.1

**710.11 Purchase or sale of individual.**

A person commits a class "C" felony when the person purchases or sells or attempts to purchase or sell an individual to another person. This section does not apply to a surrogate mother arrangement. For purposes of this section, a *"surrogate mother arrangement"* means an arrangement whereby a female agrees to be artificially inseminated with the semen of a donor, to bear a child, and to relinquish all rights regarding that child to the donor or donor couple.

89 Acts, ch 116, §1

Referred to in §692A.102, 692A.126

# CHAPTER 710A

## HUMAN TRAFFICKING

Referred to in §331.307, 364.22, 701.1, 915.35, 915.37


| | |
|---|---|
| 710A.1 | Definitions. |
| 710A.2 | Human trafficking. |
| 710A.2A | Solicitation of commercial sexual activity. |
| 710A.3 | Affirmative defense. |
| 710A.4 | Restitution. |
| 710A.5 | Certification. |


**710A.1 Definitions.**

As used in this chapter:

1. *"Commercial sexual activity"* means any sex act or sexually explicit performance for which anything of value is given, promised to, or received by any person and includes, but is not limited to, prostitution, participation in the production of pornography, and performance in strip clubs.

2. *"Debt bondage"* means the status or condition of a debtor arising from a pledge of the debtor's personal services or a person under the control of a debtor's personal services as a security for debt if the reasonable value of such services is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

3. *"Forced labor or services"* means labor or services that are performed or provided by another person and that are obtained or maintained through any of the following:

*a.* Causing or threatening to cause serious physical injury to any person.

*b.* Physically restraining or threatening to physically restrain another person.

*c.* Abusing or threatening to abuse the law or legal process.

*d.* Knowingly destroying, concealing, removing, confiscating, or possessing any actual or purported passport or other immigration document, or any other actual or purported government identification document, of another person.

4. *a.* *"Human trafficking"* means participating in a venture to recruit, harbor, transport, supply provisions, or obtain a person for any of the following purposes:

(1) Forced labor or service that results in involuntary servitude, peonage, debt bondage, or slavery.

(2) Commercial sexual activity through the use of force, fraud, or coercion, except that if

the trafficked person is under the age of eighteen, the commercial sexual activity need not involve force, fraud, or coercion.

*b.* *"Human trafficking"* also means knowingly purchasing or attempting to purchase services involving commercial sexual activity from a victim or another person engaged in human trafficking.

5. *"Involuntary servitude"* means a condition of servitude induced by means of any scheme, plan, or pattern intended to cause a person to believe that if the person did not enter into or continue in such condition, that person or another person would suffer serious harm or physical restraint or the threatened abuse of legal process.

6. *"Labor"* means work of economic or financial value.

7. *"Maintain"* means, in relation to labor and services, to secure continued performance thereof, regardless of any initial agreement on the part of the victim to perform such type of services.

8. *"Obtain"* means, in relation to labor or services, to secure performance thereof.

9. *"Peonage"* means a status or condition of involuntary servitude based upon real or alleged indebtedness.

10. *"Services"* means an ongoing relationship between a person and the actor in which the person performs activities under the supervision of or for the benefit of the actor, including commercial sexual activity and sexually explicit performances.

11. *"Sexually explicit performance"* means a live or public act or show intended to arouse or satisfy the sexual desires or appeal to the prurient interest of patrons.

12. *"Venture"* means any group of two or more persons associated in fact, whether or not a legal entity.

13. *"Victim"* means a person subjected to human trafficking.

2006 Acts, ch 1074, §2; 2009 Acts, ch 19, §1; 2012 Acts, ch 1057, §2

Referred to in §915.51, 915.87

**710A.2 Human trafficking.**

1. A person who knowingly engages in human trafficking is guilty of a class "D" felony, except that if the victim is under the age of eighteen, the person is guilty of a class "C" felony.

2. A person who knowingly engages in human trafficking by causing or threatening to cause serious physical injury to another person is guilty of a class "C" felony, except that if the victim is under the age of eighteen, the person is guilty of a class "B" felony.

3. A person who knowingly engages in human trafficking by physically restraining or threatening to physically restrain another person is guilty of a class "D" felony, except that if the victim is under the age of eighteen, the person is guilty of a class "C" felony.

4. A person who knowingly engages in human trafficking by soliciting services or benefiting from the services of a victim is guilty of a class "D" felony, except that if the victim is under the age of eighteen, the person is guilty of a class "C" felony.

5. A person who knowingly engages in human trafficking by abusing or threatening to abuse the law or legal process is guilty of a class "D" felony, except that if the victim is under the age of eighteen, the person is guilty of a class "C" felony.

6. A person who knowingly engages in human trafficking by knowingly destroying, concealing, removing, confiscating, or possessing any actual or purported passport or other immigration document, or any other actual or purported government identification document of a victim is guilty of a class "D" felony, except that if that other person is under the age of eighteen, the person is guilty of a class "C" felony.

7. A person who benefits financially or by receiving anything of value from knowing participation in human trafficking is guilty of a class "D" felony, except that if the victim is under the age of eighteen, the person is guilty of a class "C" felony.

8. A person's ignorance of the age of the victim or a belief that the victim was older is not a defense to a violation of this section.

2006 Acts, ch 1074, §3; 2012 Acts, ch 1057, §3; 2013 Acts, ch 90, §187

Referred to in §272.2, 692A.102, 710A.3, 710A.5, 915.94

Subsection 8 amended

**710A.2A Solicitation of commercial sexual activity.**

A person shall not entice, coerce, or recruit, or attempt to entice, coerce, or recruit, either a person who is under the age of eighteen or a law enforcement officer or agent who is representing that the officer or agent is under the age of eighteen, to engage in a commercial sexual activity. A person who violates this section commits a class "D" felony.

2012 Acts, ch 1057, §4; 2013 Acts, ch 90, §188

Referred to in §692A.102

Section amended

**710A.3 Affirmative defense.**

It shall be an affirmative defense, in addition to any other affirmative defenses for which the victim might be eligible, to a prosecution for a criminal violation directly related to the defendant's status as a victim of a crime that is a violation of section 710A.2, that the defendant committed the violation under compulsion by another's threat of serious injury, provided that the defendant reasonably believed that such injury was imminent.

2006 Acts, ch 1074, §4

**710A.4 Restitution.**

The gross income of the defendant or the value of labor or services performed by the victim to the defendant shall be considered when determining the amount of restitution.

2006 Acts, ch 1074, §5

**710A.5 Certification.**

A law enforcement agency investigating a crime described in section 710A.2 shall notify the attorney general in writing about the investigation. Upon request of the attorney general, such law enforcement agency shall provide copies of any investigative reports describing the immigration status and cooperation of the victim. The attorney general shall certify in writing to the United States department of justice or other federal agency that an investigation or prosecution under this chapter has begun and that the person who is a likely victim of a crime described in section 710A.2 is willing to cooperate or is cooperating with the investigation to enable the person, if eligible under federal law, to qualify for an appropriate special immigrant visa and to access available federal benefits. Cooperation with law enforcement shall not be required of a minor victim of a crime described in section 710A.2. This certification shall be made available to the victim and the victim's designated legal representative.

2006 Acts, ch 1074, §6

# CHAPTER 711

## ROBBERY AND EXTORTION

Referred to in §331.307, 364.22, 701.1, 723A.1


| | | | |
|---|---|---|---|
| 711.1 | Robbery defined. | 711.4 | Extortion. |
| 711.2 | Robbery in the first degree. | 711.5 | Chapter — application. |
| 711.3 | Robbery in the second degree. | | |


**711.1 Robbery defined.**

1. A person commits a robbery when, having the intent to commit a theft, the person does any of the following acts to assist or further the commission of the intended theft or the person's escape from the scene thereof with or without the stolen property:

*a.* Commits an assault upon another.

*b.* Threatens another with or purposely puts another in fear of immediate serious injury.

*c.* Threatens to commit immediately any forcible felony.

2. It is immaterial to the question of guilt or innocence of robbery that property was or was not actually stolen.

[C51, §2578; R60, §4201; C73, §3858; C97, §4753; C24, 27, 31, 35, 39, §**13038;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §711.1]

2013 Acts, ch 30, §205

Definition of forcible felony, §702.11

Section amended

**711.2 Robbery in the first degree.**

A person commits robbery in the first degree when, while perpetrating a robbery, the person purposely inflicts or attempts to inflict serious injury, or is armed with a dangerous weapon. Robbery in the first degree is a class "B" felony.

[C51, §2579; R60, §4202; C73, §3859; C97, §4754; C24, 27, 31, 35, 39, §**13039;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §711.2]

Referred to in §714.3A, 902.12

Definition of forcible felony, §702.11

**711.3 Robbery in the second degree.**

All robbery which is not robbery in the first degree is robbery in the second degree. Robbery in the second degree is a class "C" felony.

[C51, §2580; R60, §4203; C73, §3860; C97, §4755; C24, 27, 31, 35, 39, §**13040;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §711.3]

Referred to in §714.3A, 902.12

Definition of forcible felony, §702.11

**711.4 Extortion.**

1. A person commits extortion if the person does any of the following with the purpose of obtaining for oneself or another anything of value, tangible or intangible, including labor or services:

*a.* Threatens to inflict physical injury on some person, or to commit any public offense.

*b.* Threatens to accuse another of a public offense.

*c.* Threatens to expose any person to hatred, contempt, or ridicule.

*d.* Threatens to harm the credit or business or professional reputation of any person.

*e.* Threatens to take or withhold action as a public officer or employee, or to cause some public official or employee to take or withhold action.

*f.* Threatens to testify or provide information or to withhold testimony or information with respect to another's legal claim or defense.

*g.* Threatens to wrongfully injure the property of another.

2. Extortion is a class "D" felony.

3. It is a defense to a charge of extortion that the person making a threat other than a threat to commit a public offense, reasonably believed that the person had a right to make such threats in order to recover property, or to receive compensation for property or services, or to recover a debt to which the person has a good faith claim.

[C51, §2590; R60, §4213; C73, §3871; C97, §4767; S13, §4767; C24, 27, 31, 35, 39, §**13164;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §720.1; C79, 81, §711.4]

2013 Acts, ch 90, §231

Referred to in §714.3A

Section amended

**711.5 Chapter — application.**

This chapter does not apply if section 714.3A applies.

2010 Acts, ch 1125, §1

# CHAPTER 712

## ARSON

Referred to in §331.307, 364.22, 701.1


712.1 Arson defined.
712.2 Arson in the first degree.
712.3 Arson in the second degree.
712.4 Arson in the third degree.
712.5 Reckless use of fire or explosives.
712.6 Explosive or incendiary materials or devices.
712.7 False reports.
712.8 Threats.
712.9 Violations of individual rights — penalties.


**712.1 Arson defined.**

1. Causing a fire or explosion, or placing any burning or combustible material, or any incendiary or explosive device or material, in or near any property with the intent to destroy or damage such property, or with the knowledge that such property will probably be destroyed or damaged, is arson, whether or not any such property is actually destroyed or damaged. Provided, that where a person who owns said property which the defendant intends to destroy or damage, or which the defendant knowingly endangers, consented to the defendant's acts, and where no insurer has been exposed fraudulently to any risk, and where the act was done in such a way as not to unreasonably endanger the life or property of any other person the act shall not be arson.

2. Causing a fire or explosion that damages or destroys property while manufacturing or attempting to manufacture a controlled substance in violation of section 124.401 is arson. Even if a person who owns property which the defendant intends to destroy or damage, or which the defendant knowingly endangers, consents to the defendant's act, and even if an insurer has not been exposed fraudulently to any risk, and even if the act was done in such a way as not to unreasonably endanger the life or property of any person, the act constitutes arson.

[C51, §2598 – 2603; R60, §4222 – 4227; C73, §3880 – 3885; C97, §4776 – 4781, 4795, 4798; C24, §12963, 12964, 12984 – 12989; C27, 31, 35, §12963, 12964, 12991-b1 – b3, -b5; C39, §**12963, 12964, 12991.1 – 12991.3, 12991.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §697.3, 697.4, 707.1 – 707.3, 707.5; C79, 81, §712.1]

2004 Acts, ch 1125, §13

**712.2 Arson in the first degree.**

Arson is arson in the first degree when the presence of one or more persons can be reasonably anticipated in or near the property which is the subject of the arson, or the arson results in the death of a fire fighter, whether paid or volunteer.

Arson in the first degree is a class "B" felony.

[C51, §2598, 2599; R60, §4222, 4223; C73, §3880, 3881; C97, §4776, 4777, 4795; C24, §12964, 12984, 12985; C27, 31, 35, §12964, 12991-b1; C39, §**12964, 12991.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §697.4, 707.1; C79, 81, §712.2]

84 Acts, ch 1064, §1; 2004 Acts, ch 1125, §14

Definition of forcible felony, §702.11

**712.3 Arson in the second degree.**

Arson which is not arson in the first degree is arson in the second degree when the property which is the subject of the arson is a building or a structure, or real property of any kind, or standing crops, or is personal property the value of which exceeds five hundred dollars. Arson in the second degree is a class "C" felony.

[C51, §2600 – 2602; R60, §4224 – 4226; C73, §3882 – 3884; C97, §4778 – 4780; C24, §12986 – 12988; C27, 31, 35, §12991-b1, 12991-b3; C39, §**12991.2, 12991.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §707.2, 707.3; C79, 81, §712.3]

2004 Acts, ch 1125, §15

Referred to in §712.9

**712.4 Arson in the third degree.**

Arson which is not arson in the first degree or arson in the second degree is arson in the third degree. Arson in the third degree is an aggravated misdemeanor.

[C79, 81, §712.4]

Referred to in §712.9

**712.5 Reckless use of fire or explosives.**

Any person who shall so use fire or any incendiary or explosive device or material as to recklessly endanger the property or safety of another shall be guilty of a serious misdemeanor.

[C51, §2607; R60, §4231; C73, §3889; C97, §4785; C24, 27, 31, 35, 39, §**12992;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §707.7; C79, 81, §712.5]

Referred to in §712.9

**712.6 Explosive or incendiary materials or devices.**

1. A person who possesses any incendiary or explosive device or material with the intent to use such device or material to commit a public offense shall be guilty of a class "C" felony.

2. *a.* A person who possesses any incendiary or explosive device or material shall be guilty of an aggravated misdemeanor.

*b.* This subsection does not apply to a person holding a valid commercial license or user's permit issued pursuant to chapter 101A, provided that the person is acting within the scope of authority granted by the license or permit.

3. A person who, with the intent to intimidate, annoy, or alarm another person, places a simulated explosive or simulated incendiary device in or near an occupied structure as defined in section 702.12, is guilty of a serious misdemeanor.

[C71, 73, 75, 77, §697.11; C79, 81, §712.6]

2004 Acts, ch 1125, §16; 2008 Acts, ch 1147, §4

Referred to in §712.9

**712.7 False reports.**

A person who, knowing the information to be false, conveys or causes to be conveyed to any person any false information concerning the placement of any incendiary or explosive device or material or other destructive substance or device in any place where persons or property would be endangered commits a class "D" felony.

[C71, 73, 75, 77, §697.6; C79, 81, §712.7]

Referred to in §712.9

**712.8 Threats.**

Any person who threatens to place or attempts to place any incendiary or explosive device or material, or any destructive substance or device in any place where it will endanger persons or property, commits a class "D" felony.

[C71, 73, 75, 77, §697.7; C79, 81, §712.8]

Referred to in §712.9

**712.9 Violations of individual rights — penalties.**

A violation of sections 712.3 through 712.8, which is also a hate crime as defined in section 729A.2, shall be classified and punished as an offense one degree higher than the underlying offense.

92 Acts, ch 1157, §4

Referred to in §729A.2

# CHAPTER 713

## BURGLARY

Referred to in §331.307, 364.22, 701.1, 702.12, 911.3


713.1 Burglary defined.
713.2 Attempted burglary defined.
713.3 Burglary in the first degree.
713.4 Attempted burglary in the first degree.
713.5 Burglary in the second degree.
713.6 Attempted burglary in the second degree.
713.6A Burglary in the third degree.
713.6B Attempted burglary in the third degree.
713.7 Possession of burglar's tools.
713.8 through 713.45 Reserved.


**713.1 Burglary defined.**

Any person, having the intent to commit a felony, assault or theft therein, who, having no right, license or privilege to do so, enters an occupied structure, such occupied structure not being open to the public, or who remains therein after it is closed to the public or after the person's right, license or privilege to be there has expired, or any person having such intent who breaks an occupied structure, commits burglary.

[C51, §2608, 2611; R60, §4232, 4235; C73, §3891, 3894; C97, §4787, 4791, 4792, 4794; C24, 27, 31, 35, 39, §**12994, 13001 – 13004;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §708.1, 708.8 – 708.11; C79, 81, §713.1]

84 Acts, ch 1247, §2

Referred to in §229A.2

Definition of occupied structure, §702.12

**713.2 Attempted burglary defined.**

Any person, having the intent to commit a felony, assault or theft therein, who, having no right, license, or privilege to do so, attempts to enter an occupied structure, the occupied structure not being open to the public, or who attempts to remain therein after it is closed to the public or after the person's right, license, or privilege to be there has expired, or any person having such intent who attempts to break an occupied structure, commits attempted burglary.

[81 Acts, ch 204, §8]

84 Acts, ch 1247, §3

**713.3 Burglary in the first degree.**

1. A person commits burglary in the first degree if, while perpetrating a burglary in or upon an occupied structure in which one or more persons are present, any of the following circumstances apply:

*a.* The person has possession of an explosive or incendiary device or material.

*b.* The person has possession of a dangerous weapon.

*c.* The person intentionally or recklessly inflicts bodily injury on any person.

*d.* The person performs or participates in a sex act with any person which would constitute sexual abuse under section 709.1.

2. Burglary in the first degree is a class "B" felony.

3. For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A for violations of subsection 1, paragraphs "*a*", "*b*", or "*c*", the fact finder shall make a determination as provided in section 692A.126.

[C51, §2609; R60, §4233; C73, §3892; C97, §4788; S13, §4799-a; C24, 27, 31, 35, 39; §**12995, 12997 – 12999;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §708.2, 708.4-708.6, C79, 81, §713.2]

C83, §713.3

90 Acts, ch 1233, §41; 92 Acts, ch 1231, §57; 94 Acts, ch 1107, §15; 98 Acts, ch 1059, §1; 2010 Acts, ch 1104, §16, 23

Referred to in §692A.101, 692A.102, 692A.126

Definition of forcible felony, see §702.11

**713.4 Attempted burglary in the first degree.**

1. A person commits attempted burglary in the first degree if, while perpetrating an attempted burglary in or upon an occupied structure in which one or more persons are present, the person has possession of an explosive or incendiary device or material, or a dangerous weapon, or intentionally or recklessly inflicts bodily injury on any person.

2. Attempted burglary in the first degree is a class "C" felony.

3. For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[81 Acts, ch 204, §8]

C83, §713.4

92 Acts, ch 1231, §58; 94 Acts, ch 1107, §16; 2010 Acts, ch 1104, §17, 23

Referred to in §692A.102, 692A.126

**713.5 Burglary in the second degree.**

1. A person commits burglary in the second degree in either of the following circumstances:

*a.* While perpetrating a burglary in or upon an occupied structure in which no persons are present, the person has possession of an explosive or incendiary device or material, or a dangerous weapon, or a bodily injury results to any person.

*b.* While perpetrating a burglary in or upon an occupied structure in which one or more persons are present, the person does not have possession of an explosive or incendiary device or material, nor a dangerous weapon, and no bodily injury is caused to any person.

2. Burglary in the second degree is a class "C" felony.

3. For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[C79, 81, §713.3]

C83, §713.5

92 Acts, ch 1231, §59; 94 Acts, ch 1107, §17; 2010 Acts, ch 1104, §18, 23

Referred to in §692A.102, 692A.126

**713.6 Attempted burglary in the second degree.**

1. A person commits attempted burglary in the second degree in either of the following circumstances:

*a.* While perpetrating an attempted burglary in or upon an occupied structure in which no persons are present, the person has possession of an explosive or incendiary device or material, or a dangerous weapon, or a bodily injury results to any person.

*b.* While perpetrating an attempted burglary in or upon an occupied structure in which one or more persons are present, the person does not have possession of an explosive or incendiary device or material, nor a dangerous weapon, and no bodily injury is caused to any person.

2. Attempted burglary in the second degree is a class "D" felony.

3. For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

[81 Acts, ch 204, §8]

92 Acts, ch 1231, §60; 94 Acts, ch 1107, §18; 2010 Acts, ch 1104, §19, 23

Referred to in §692A.102, 692A.126

**713.6A Burglary in the third degree.**

1. All burglary which is not burglary in the first degree or burglary in the second degree is burglary in the third degree. Burglary in the third degree is a class "D" felony, except as provided in subsection 2.

2. Burglary in the third degree involving a burglary of an unoccupied motor vehicle or motor truck as defined in section 321.1, or a vessel defined in section 462A.2, is an aggravated

misdemeanor for a first offense. A second or subsequent conviction under this subsection is punishable under subsection 1.

3. For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

92 Acts, ch 1231, §61; 2001 Acts, ch 165, §1; 2002 Acts, ch 1050, §53; 2010 Acts, ch 1104, §20, 23

Referred to in §692A.102, 692A.126

**713.6B Attempted burglary in the third degree.**

1. All attempted burglary which is not attempted burglary in the first degree or attempted burglary in the second degree is attempted burglary in the third degree. Attempted burglary in the third degree is an aggravated misdemeanor, except as provided in subsection 2.

2. Attempted burglary in the third degree involving an attempted burglary of an unoccupied motor vehicle or motor truck as defined in section 321.1, or a vessel defined in section 462A.2, is a serious misdemeanor for a first offense. A second or subsequent conviction under this subsection is punishable under subsection 1.

3. For purposes of determining whether the person should register as a sex offender pursuant to the provisions of chapter 692A, the fact finder shall make a determination as provided in section 692A.126.

92 Acts, ch 1231, §62; 2001 Acts, ch 165, §2; 2002 Acts, ch 1050, §54; 2010 Acts, ch 1104, §21, 23

Referred to in §692A.102, 692A.126

**713.7 Possession of burglar's tools.**

Any person who possesses any key, tool, instrument, device or any explosive, with the intent to use it in the perpetration of a burglary, commits an aggravated misdemeanor.

[C97, §4790; S13, §4790; C24, 27, 31, 35, 39, §**13000;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §708.7; C79, 81, §713.4]

C83, §713.7

92 Acts, ch 1231, §63

**713.8 through 713.45** Reserved.

# CHAPTERS 713A and 713B

RESERVED

# CHAPTER 714

## THEFT, FRAUD, AND RELATED OFFENSES

Referred to in §103.38, 169A.14, 203.11, 203C.36, 249A.50, 261B.3A, 331.307, 364.22, 523A.703, 523D.8, 523I.211, 551A.10, 622.51A, 645.2, 645.3, 701.1, 911.3


714.1 Theft defined.
714.2 Degrees of theft.
714.3 Value.
714.3A Aggravated theft.
714.4 Claim of right.
714.5 Library materials and equipment — unpurchased merchandise — evidence of intention.
714.6 Land.
714.6A Video rental property theft — evidence of intention — affirmative defense.
714.7 Operating vehicle without owner's consent.
714.7A Transferred to §35B.16A; 2006 Acts, ch 1107, §3.
714.7B Theft detection devices — shield or removal prohibited.

714.7C Theft of pseudoephedrine — enhancement.
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714.8 Fraudulent practices defined.
714.9 Fraudulent practice in the first degree.
714.10 Fraudulent practice in the second degree.
714.11 Fraudulent practice in the third degree.
714.12 Fraudulent practice in the fourth degree.
714.13 Fraudulent practice in the fifth degree.
714.14 Value for purposes of fraudulent practices.
714.15 Reproduction of sound recordings.
714.16 Consumer frauds.
714.16A Additional civil penalty for consumer frauds committed against elderly — fund established.
714.16B Identity theft — civil cause of action.
714.16C Consumer education and litigation fund.
714.17 Unlawful advertising and selling of educational courses.
714.18 Evidence of financial responsibility.
714.19 Nonapplicability.
714.20 One contract per person.
714.21 Penalty.
714.21A Civil enforcement.
714.22 Trade and vocational schools — exemption — conditions. Repealed by 2012 Acts, ch 1077, §20.
714.23 Refund policies.
714.24 Additional requirements.
714.25 Disclosure.
714.26 Intellectual property counterfeiting.
714.27 Scrap metal transactions and reporting — penalties.

**714.1 Theft defined.**

A person commits theft when the person does any of the following:

1. Takes possession or control of the property of another, or property in the possession of another, with the intent to deprive the other thereof.

2. Misappropriates property which the person has in trust, or property of another which the person has in the person's possession or control, whether such possession or control is lawful or unlawful, by using or disposing of it in a manner which is inconsistent with or a denial of the trust or of the owner's rights in such property, or conceals found property, or appropriates such property to the person's own use, when the owner of such property is known to the person.

*a.* Failure by a bailee or lessee of personal property to return the property within seventy-two hours after a time specified in a written agreement of lease or bailment shall be evidence of misappropriation.

*b.* If a time is not specified in the written agreement of lease or bailment for the expiration or termination of the lease or bailment or for the return of the personal property, failure by a lessee or bailee to return the property within five days after proper notice to the lessee or bailee shall be evidence of misappropriation. For the purposes of this paragraph, *"proper notice"* means a written notice of the expiration or termination of the lease or bailment agreement sent to the lessee or bailee by certified or restricted certified mail at the address of the lessee or bailee specified in the agreement. The notice shall be considered effective on the date of the mailing of the notice regardless of whether or not the lessee or bailee signs a receipt for the notice.

3. Obtains the labor or services of another, or a transfer of possession, control, or ownership of the property of another, or the beneficial use of property of another, by deception. Where compensation for goods and services is ordinarily paid immediately upon the obtaining of such goods or the rendering of such services, the refusal to pay or leaving the premises without payment or offer to pay or without having obtained from the owner or operator the right to pay subsequent to leaving the premises gives rise to an inference that the goods or services were obtained by deception.

4. Exercises control over stolen property, knowing such property to have been stolen, or having reasonable cause to believe that such property has been stolen, unless the person's purpose is to promptly restore it to the owner or to deliver it to an appropriate public officer. The fact that the person is found in possession of property which has been stolen from two or more persons on separate occasions, or that the person is a dealer or other person familiar with the value of such property and has acquired it for a consideration which is far below its

reasonable value, shall be evidence from which the court or jury may infer that the person knew or believed that the property had been stolen.

5. Takes, destroys, conceals or disposes of property in which someone else has a security interest, with intent to defraud the secured party.

6. Makes, utters, draws, delivers, or gives any check, share draft, draft, or written order on any bank, credit union, person, or corporation, and obtains property, the use of property, including rental property, or service in exchange for such instrument, if the person knows that such check, share draft, draft, or written order will not be paid when presented.

*a.* Whenever the drawee of such instrument has refused payment because of insufficient funds, and the maker has not paid the holder of the instrument the amount due thereon within ten days of the maker's receipt of notice from the holder that payment has been refused by the drawee, the court or jury may infer from such facts that the maker knew that the instrument would not be paid on presentation. Notice of refusal of payment shall be by certified mail, or by personal service in the manner prescribed for serving original notices.

*b.* Whenever the drawee of such instrument has refused payment because the maker has no account with the drawee, the court or jury may infer from such fact that the maker knew that the instrument would not be paid on presentation.

7. Obtains gas, electricity or water from a public utility or obtains cable television or telephone service from an unauthorized connection to the supply or service line or by intentionally altering, adjusting, removing or tampering with the metering or service device so as to cause inaccurate readings.

8. Knowingly and without authorization accesses or causes to be accessed a computer, computer system, or computer network, or any part thereof, for the purpose of obtaining computer services, information, or property or knowingly and without authorization and with the intent to permanently deprive the owner of possession, takes, transfers, conceals, or retains possession of a computer, computer system, or computer network or any computer software or computer program, or computer data contained in a computer, computer system, or computer network.

9. *a.* Obtains the temporary use of video rental property with the intent to deprive the owner of the use and possession of the video rental property without the consent of the owner.

*b.* Lawfully obtains the temporary use of video rental property and fails to return the video rental property by the agreed time with the intent to deprive the owner of the use and possession of the video rental property without the consent of the owner. The aggregate value of the video rental property involved shall be the original retail value of the video rental property.

10. Any act that is declared to be theft by any provision of the Code.

[C51, §2612, 2615 – 2618, 2620, 2621; R60, §806, 807, 4236, 4237, 4240 – 4243, 4245, 4246, 4251; C73, §3895, 3902, 3905 – 3911, 3915; C97, §4831, 4837 – 4842, 4844, 4845, 4850, 4852, 5076; S13, §4850, 4852-c, -d, -e; C24, §13005, 13010, 13014 – 13016, 13018, 13027, 13030, 13031, 13035 – 13037, 13042, 13046 – 13048, 13052; C27, 31, 35, §13005, 13010, 13014 – 13016, 13018, 13027, 13030, 13031, 13034 – a1 – 13037, 13042, 13046 – 13048, 13052; C39, §**13005, 13010, 13014 – 13016, 13018, 13027, 13030, 13031, 13034.1 – 13037, 13042, 13046 – 13048, 13052;** C46, 50, 54, 58, §709.1, 709.6 – 709.9, 709.11, 710.1, 710.4, 710.5, 710.9 – 710.12, 712.1, 713.2 – 713.4, 713.7; C62, 66, §709.1, 709.6 – 709.9, 709.11, 709.20, 710.1, 710.4, 710.5, 710.9 – 710.12, 712.1, 713.2 – 713.4, 713.7; C71, 73, 75, 77, §709.1, 709.6 – 709.9, 709.11, 709.20, 709.25, 710.1, 710.4, 710.5, 710.9 – 710.12, 710.14, 712.1, 713.2 – 713.4, 713.7; C79, 81, §714.1]

85 Acts, ch 164, §1; 89 Acts, ch 170, §1; 97 Acts, ch 167, §1; 2000 Acts, ch 1201, §9; 2005 Acts, ch 84, §1; 2013 Acts, ch 30, §206

Referred to in §702.1A, 714.6A

Computer terminology, see §702.1A

Subsection 6 amended

**714.2 Degrees of theft.**

1. The theft of property exceeding ten thousand dollars in value, or the theft of property from the person of another, or from a building which has been destroyed or left unoccupied because of physical disaster, riot, bombing, or the proximity of battle, or the theft of property

which has been removed from a building because of a physical disaster, riot, bombing, or the proximity of battle, is theft in the first degree. Theft in the first degree is a class "C" felony.

2. The theft of property exceeding one thousand dollars but not exceeding ten thousand dollars in value or theft of a motor vehicle as defined in chapter 321 not exceeding ten thousand dollars in value, is theft in the second degree. Theft in the second degree is a class "D" felony. However, for purposes of this subsection, *"motor vehicle"* does not include a motorized bicycle as defined in section 321.1, subsection 40, paragraph *"b"*.

3. The theft of property exceeding five hundred dollars but not exceeding one thousand dollars in value, or the theft of any property not exceeding five hundred dollars in value by one who has before been twice convicted of theft, is theft in the third degree. Theft in the third degree is an aggravated misdemeanor.

4. The theft of property exceeding two hundred dollars in value but not exceeding five hundred dollars in value is theft in the fourth degree. Theft in the fourth degree is a serious misdemeanor.

5. The theft of property not exceeding two hundred dollars in value is theft in the fifth degree. Theft in the fifth degree is a simple misdemeanor.

[C51, §2612, 2618; R60, §4237, 4243, 4247, 4251; C73, §3902, 3908, 3915; C97, §4831, 4840, 4846, 4850; S13, §4850; C24, 27, 31, 35, 39, §**13006, 13016, 13026, 13028;** C46, 50, 54, 58, §709.2, 709.9, 709.19, 710.2; C62, 66, 71, 73, 75, 77, §709.2, 709.9, 709.19, 709.20, 710.2; C79, 81, §714.2; 81 Acts, ch 204, §9]

83 Acts, ch 134, §1; 92 Acts, ch 1060, §1; 99 Acts, ch 153, §11

Referred to in §481A.147, 714.7C, 714.7D

**714.3 Value.**

The value of property is its highest value by any reasonable standard at the time that it is stolen. Reasonable standard includes but is not limited to market value within the community, actual value, or replacement value.

If money or property is stolen from the same person or location by two or more acts, or from different persons by two or more acts which occur in approximately the same location or time period, or from different locations by two or more acts within a thirty-day period, so that the thefts are attributable to a single scheme, plan, or conspiracy, these acts may be considered a single theft and the value may be the total value of all the property stolen.

[C51, §2625; R60, §4250; C73, §3909, 3914; C97, §4842, 4849; C24, 27, 31, 35, 39, §**13007, 13032;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §709.3, 710.6; C79, 81, §714.3]

84 Acts, ch 1162, §1; 85 Acts, ch 195, §60; 2004 Acts, ch 1087, §1

**714.3A Aggravated theft.**

1. A person commits aggravated theft when the person commits an assault as defined in section 708.1, subsection 2, paragraph *"a"*, that is punishable as a simple misdemeanor under section 708.2, subsection 6, after the person has removed or attempted to remove property not exceeding two hundred dollars in value which has not been purchased from a store or mercantile establishment, or has concealed such property of the store or mercantile establishment, either on the premises or outside the premises of the store or mercantile establishment.

2. *a.* A person who commits aggravated theft is guilty of an aggravated misdemeanor.

*b.* A person who commits aggravated theft, and who has previously been convicted of an aggravated theft, robbery in the first degree in violation of section 711.2, robbery in the second degree in violation of section 711.3, or extortion in violation of section 711.4, is guilty of a class "D" felony.

3. In determining if a violation is a class "D" felony offense the following shall apply:

*a.* A deferred judgment entered pursuant to section 907.3 for a violation of any offense specified in subsection 2 shall be counted as a previous offense.

*b.* A conviction or the equivalent of a deferred judgment for a violation in any other states under statutes substantially corresponding to an offense specified in subsection 2 shall be counted as a previous offense. The courts shall judicially notice the statutes of other states

which define offenses substantially equivalent to the offenses specified in this section and can therefore be considered corresponding statutes.

4. Aggravated theft is not an included offense of robbery in the first or second degree.

2010 Acts, ch 1125, §2; 2013 Acts, ch 90, §252
Referred to in §711.5, 808.12
Subsection 1 amended

**714.4 Claim of right.**

No person who takes, obtains, disposes of, or otherwise uses or acquires property, is guilty of theft by reason of such act if the person reasonably believes that the person has a right, privilege or license to do so, or if the person does in fact have such right, privilege or license.

[C79, 81, §714.4]

**714.5 Library materials and equipment — unpurchased merchandise — evidence of intention.**

The fact that a person has concealed library materials or equipment as defined in section 702.22 or unpurchased property of a store or other mercantile establishment, either on the premises or outside the premises, is material evidence of intent to deprive the owner, and the finding of library materials or equipment or unpurchased property concealed upon the person or among the belongings of the person, is material evidence of intent to deprive and, if the person conceals or causes to be concealed library materials or equipment or unpurchased property, upon the person or among the belongings of another, the finding of the concealed materials, equipment or property is also material evidence of intent to deprive on the part of the person concealing the library materials, equipment or goods.

The fact that a person fails to return library materials for two months or more after the date the person agreed to return the library materials, or fails to return library equipment for one month or more after the date the person agreed to return the library equipment, is evidence of intent to deprive the owner, provided a reasonable attempt, including the mailing by restricted certified mail of notice that such material or equipment is overdue and criminal actions will be taken, has been made to reclaim the materials or equipment. Notices stating the provisions of this section and of section 808.12 with regard to library materials or equipment shall be posted in clear public view in all public libraries, in all libraries of educational, historical or charitable institutions, organizations or societies, in all museums and in all repositories of public records.

After the expiration of three days following the due date, the owner of borrowed library equipment may request the assistance of a dispute resolution center, mediation center or appropriate law enforcement agency in recovering the equipment from the borrower.

The owner of library equipment may require deposits by borrowers and in the case of late returns the owner may impose graduated penalties of up to twenty-five percent of the value of the equipment, based upon the lateness of the return.

In the case of lost library materials or equipment, arrangements may be made to make a monetary settlement.

[C62, 66, 71, 73, 75, 77, §709.21; C79, 81, §714.5]
85 Acts, ch 187, §2; 87 Acts, ch 56, §1
Referred to in §808.12

**714.6 Land.**

The mere trespass on or occupation of land, contrary to the rights of the owner thereof, is not theft.

[C79, 81, §714.6]

**714.6A Video rental property theft — evidence of intention — affirmative defense.**

1. The fact that a person obtains possession of video rental property by means of deception, including but not limited to furnishing a false name, address, or other identification to the owner, is evidence that possession was obtained with intent to knowingly deprive the owner of the use and possession of the video rental property.

2. The fact that a person, having lawfully obtained possession of video rental property,

fails to pay the owner the fair market value of the video rental property or to return or make arrangements acceptable to the owner to return the video rental property to the owner within forty-eight hours after receipt of written notice and demand from the owner is evidence of an intent to knowingly deprive the owner of the use and possession of the video rental property.

3. It shall be an affirmative defense to a prosecution under section 714.1, subsection 9, paragraph *"a"*, if the defendant in possession of video rental property pays the owner the fair market value of the video rental property or returns the property to the owner within forty-eight hours of arrest, together with any standard overdue charges for the period that the owner was unlawfully deprived of possession, but not to exceed one hundred twenty days, and the value of the damage to the property, if any.

2000 Acts, ch 1201, §10

**714.7 Operating vehicle without owner's consent.**

Any person who shall take possession or control of any railroad vehicle, or any self-propelled vehicle, aircraft, or motor boat, the property of another, without the consent of the owner of such, but without the intent to permanently deprive the owner thereof, shall be guilty of an aggravated misdemeanor. A violation of this section may be proved as a lesser included offense on an indictment or information charging theft.

[C97, §4813, 4814; S13, §4823; C24, 27, 31, 35, §13092, 13125 – 13127; C39, §**5006.05, 13125 – 13127;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §321.76, 716.13 – 716.15; C79, 81, §714.7]

**714.7A** Transferred to § 35B.16A; 2006 Acts, ch 1107, § 3.

**714.7B Theft detection devices — shield or removal prohibited.**

1. A person shall not intentionally manufacture or attempt to manufacture, sell or attempt to sell, possess, use, distribute or attempt to distribute, a theft detection shielding device.

2. A person shall not remove or attempt to remove a theft detection device with the intent of committing a theft and without the permission of the merchant who is displaying or selling the goods, wares, or merchandise.

3. A person shall not possess any tool, instrument, or device with the intent to use it in the unlawful removal of a theft detection device.

4. For purposes of this section, *"theft detection shielding device"* means any laminated or coated bag or device designed to shield merchandise from detection by an electronic or magnetic theft alarm system or any other system designed to alert a person of a possible theft. *"Theft detection device"* means any electronic or other device attached to goods, wares, or merchandise on display or for sale by a merchant.

5. A person who violates subsection 1 or 3 commits a serious misdemeanor.

6. A person who violates subsection 2 commits the following:

*a.* A simple misdemeanor if the value of the goods, wares, or merchandise does not exceed two hundred dollars.

*b.* A serious misdemeanor if the value of the goods, wares, or merchandise exceeds two hundred dollars.

2000 Acts, ch 1108, §1

**714.7C Theft of pseudoephedrine — enhancement.**

Notwithstanding section 714.2, subsection 5, a person who commits a simple misdemeanor theft of a product containing pseudoephedrine from a retailer as defined in section 126.23A commits a serious misdemeanor.

2004 Acts, ch 1127, §3; 2005 Acts, ch 15, §6, 14

**714.7D Retail motor fuel.**

Upon a second or subsequent conviction of a person under section 714.2, subsection 5, for theft of motor fuel from a retail dealer as defined in section 214A.1, the court may order the state department of transportation to suspend the driver's license or nonresident operating

privilege of the convicted person for up to thirty days in lieu of, or in addition to, a fine or imprisonment.

2005 Acts, ch 141, §3
Referred to in §321.215

**714.8 Fraudulent practices defined.**

A person who does any of the following acts is guilty of a fraudulent practice:

1. Makes, tenders or keeps for sale any warehouse receipt, bill of lading, or any other instrument purporting to represent any right to goods, with knowledge that the goods represented by such instrument do not exist.

2. Knowingly attaches or alters any label to any goods offered or kept for sale so as to materially misrepresent the quality or quantity of such goods, or the maker or source of such goods.

3. Knowingly executes or tenders a false certification under penalty of perjury, false affidavit, or false certificate, if the certification, affidavit, or certificate is required by law or given in support of a claim for compensation, indemnification, restitution, or other payment.

4. Makes any entry in or alteration of any public records, or any records of any corporation, partnership, or other business enterprise or nonprofit enterprise, knowing the same to be false.

5. Removes, alters or defaces any serial or other identification number, or any owners' identification mark, from any property not the person's own.

6. For the purpose of soliciting assistance, contributions, or other thing of value, falsely represents oneself to be a veteran of the armed forces of the United States, or a member of any fraternal, religious, charitable, or veterans organization, or any pretended organization of a similar nature, or to be acting on behalf of such person or organization.

7. Manufactures, sells, or keeps for sale any token or device suitable for the operation of a coin-operated device or vending machine, with the intent that such token or device may be so used, or with the representation that they can be so used; provided, that the owner or operator of any coin-operated device or vending machine may sell slugs or tokens for use in the person's own devices.

8. Manufactures or possesses any false or counterfeit label, with the intent that it be placed on merchandise to falsely identify its origin or quality, or who sells any such false or counterfeit label with the representation that it may be so used.

9. Alters or renders inoperative or inaccurate any meter or measuring device used in determining the value of or compensation for the purchase, use or enjoyment of property, with the intent to defraud any person.

10. Does any act expressly declared to be a fraudulent practice by any other section of the Code.

11. Removes, defaces, covers, alters, or destroys any component part number as defined in section 321.1, vehicle identification number as defined in section 321.1, or product identification number as defined in section 321.1, for the purpose of concealing or misrepresenting the identity or year of manufacture of the component part or vehicle.

12. Knowingly transfers or assigns a legal or equitable interest in property, as defined in section 702.14, for less than fair consideration, with the intent to obtain public assistance under chapters 16, 35B, 35D, and 347B, or Title VI, subtitles 2 through 6, or accepts a transfer of or an assignment of a legal or equitable interest in property, as defined in section 702.14, for less than fair consideration, with the intent of enabling the party transferring the property to obtain public assistance under chapters 16, 35B, 35D, and 347B, or Title VI, subtitles 2 through 6. A transfer or assignment of property for less than fair consideration within one year prior to an application for public assistance benefits shall be evidence of intent to transfer or assign the property in order to obtain public assistance for which a person is not eligible by reason of the amount of the person's assets. If a person is found guilty of a fraudulent practice in the transfer or assignment of property under this subsection the maximum sentence shall be the penalty established for a serious misdemeanor and sections 714.9, 714.10, and 714.11 shall not apply.

13. *Fraudulent practices in connection with targeted small business programs.*

*a.* (1) Knowingly transfers or assigns assets, ownership, or equitable interest in property of a business to a woman or minority person primarily for the purpose of obtaining benefits under targeted small business programs if the transferor would otherwise not be qualified for such programs.

(2) Solicits and is awarded a state contract on behalf of a targeted small business for the purpose of transferring the contract to another for a percentage if the person transferring or intending to transfer the work had no intention of performing the work.

(3) Knowingly falsifying information on an application for the purpose of obtaining benefits under targeted small business programs.

*b.* A violation under this subsection is grounds for decertification of the targeted small business connected with the violation. Decertification shall be in addition to any penalty otherwise authorized by this section.

14. *a.* Makes payment pursuant to an agreement with a dealer or market agency for livestock held by the dealer or market agency by use of a financial instrument which is a check, share draft, draft, or written order on any financial institution, as defined in section 203.1, if after seven days from the date that possession of the livestock is transferred pursuant to the purchase, the financial institution refuses payment on the instrument because of insufficient funds in the maker's account.

*b.* This subsection is not applicable if the maker pays the holder of the instrument the amount due on the instrument within one business day from a receipt of notice by certified mail from the holder that payment has been refused by the financial institution.

*c.* As used in this subsection, "*dealer*" means a person engaged in the business of buying or selling livestock, either on the person's own account, or as an employee or agent of a vendor or purchaser. "*Market agency*" means a person engaged in the business of buying or selling livestock on a commission basis.

15. Obtains or attempts to obtain the transfer of possession, control, or ownership, of the property of another by deception through communications conducted primarily by telephone and involving direct or implied claims that the other person contacted has won or is about to win a prize, or involving direct or implied claims that the other person contacted may be able to recover any losses suffered by such other person in connection with a prize promotion.

16. Knowingly provides false information to the treasurer of state when claiming, pursuant to section 556.19, an interest in unclaimed property held by the state, or knowingly provides false information to a person or fails to disclose the nature, value, and location of unclaimed property prior to entering into a contract to receive compensation to recover or assist in the recovery of property reported as unclaimed pursuant to section 556.11.

17. A packer who includes a confidentiality provision in a contract with a livestock seller in violation of section 202A.4.

18. *a.* Manufactures, creates, reproduces, alters, possesses, uses, transfers, or otherwise knowingly contributes to the production or use of a fraudulent retail sales receipt or universal product code label with intent to defraud another person engaged in the business of retailing.

*b.* For purposes of this subsection:

(1) "*Retail sales receipt*" means a document intended to evidence payment for goods or services.

(2) "*Universal product code label*" means the unique ten-digit bar code placed on the packaging of an item that may be used for purposes including but not limited to tracking inventory, maintaining price information in a computerized database, and serving as proof of purchase of a particular item.

19. A contractor who enforces a provision in a production contract that provides that information contained in the production contract is confidential as provided in section 202.3.

20. A contract seller who intentionally provides inaccurate information with regard to any matter required to be disclosed under section 558.70, subsection 1, or section 558A.4.

[C51, §2744, 2755; R60, §4394, 4405; C73, §4073, 4084, 4088; C97, §5041, 5056, 5068; C24, 27, §13045, 13058, 13059, 13071; C31, 35, §13045, 13058, 13059, 13071, 13092-d1; C39, §**13045, 13058, 13059, 13071, 13092.1;** C46, §713.1, 713.13, 713.14, 713.26, 714.12; C50, 54,

58, 62, §713.1, 713.13, 713.14, 713.26, 713.36 – 713.38, 714.12; C66, 71, 73, 75, 77, §713.1, 713.13, 713.14, 713.26, 713.36 – 713.38, 713.40, 714.12; C79, 81, §714.8]

84 Acts, ch 1048, §2; 85 Acts, ch 195, §61; 90 Acts, ch 1156, §12; 91 Acts, ch 15, §1; 91 Acts, ch 258, §65; 94 Acts, ch 1023, §70; 94 Acts, ch 1185, §1; 96 Acts, ch 1038, §2; 99 Acts, ch 88, §9, 13; 99 Acts, ch 107, §1; 99 Acts, ch 108, §11; 99 Acts, ch 169, §21, 22, 24; 2002 Acts, ch 1136, §5, 6; 2009 Acts, ch 133, §178; 2011 Acts, ch 34, §146

Referred to in §96.16, 189A.10, 202.5, 202A.7, 714.11

**714.9 Fraudulent practice in the first degree.**

Fraudulent practice in the first degree is a fraudulent practice where the amount of money or value of property involved exceeds ten thousand dollars.

Fraudulent practice in the first degree is a class "C" felony.

[C79, 81, §714.9]

92 Acts, ch 1060, §2

Referred to in §15A.3, 96.16, 714.8

**714.10 Fraudulent practice in the second degree.**

1. Fraudulent practice in the second degree is the following:

*a.* A fraudulent practice where the amount of money or value of property or services involved exceeds one thousand dollars but does not exceed ten thousand dollars.

*b.* A fraudulent practice where the amount of money or value of property or services involved does not exceed one thousand dollars by one who has been convicted of a fraudulent practice twice before.

2. Fraudulent practice in the second degree is a class "D" felony.

[C79, 81, §714.10]

92 Acts, ch 1060, §3; 2013 Acts, ch 30, §207

Referred to in §96.16, 237A.29, 714.8

Section amended

**714.11 Fraudulent practice in the third degree.**

1. Fraudulent practice in the third degree is the following:

*a.* A fraudulent practice where the amount of money or value of property or service involved exceeds five hundred dollars but does not exceed one thousand dollars.

*b.* A fraudulent practice as set forth in section 714.8, subsections 2, 8, and 9.

*c.* A fraudulent practice where it is not possible to determine an amount of money or value of property and service involved.

2. Fraudulent practice in the third degree is an aggravated misdemeanor.

[C79, 81, §714.11]

92 Acts, ch 1060, §4; 2013 Acts, ch 30, §208

Referred to in §96.16, 714.8

Section amended

**714.12 Fraudulent practice in the fourth degree.**

Fraudulent practice in the fourth degree is a fraudulent practice where the amount of money or value of property or services involved exceeds two hundred dollars but does not exceed five hundred dollars.

Fraudulent practice in the fourth degree is a serious misdemeanor.

[C79, 81, §714.12]

92 Acts, ch 1060, §5; 99 Acts, ch 153, §12

Referred to in §96.16, 135L.6

**714.13 Fraudulent practice in the fifth degree.**

Fraudulent practice in the fifth degree is a fraudulent practice where the amount of money or value of property or services involved does not exceed two hundred dollars.

Fraudulent practice in the fifth degree is a simple misdemeanor.

[C79, 81, §714.13]

92 Acts, ch 1060, §6; 99 Acts, ch 153, §13

Referred to in §96.16

**714.14 Value for purposes of fraudulent practices.**

The value of property or service is its highest value by any reasonable standard at the time the fraudulent practice is committed. Reasonable standard includes but is not limited to market value within the community, actual value, or replacement value.

If money or property or service is obtained by two or more acts from the same person or location, or from different persons by two or more acts which occur in approximately the same location or time period so that the fraudulent practices are attributable to a single scheme, plan, or conspiracy, these acts may be considered as a single fraudulent practice and the value may be the total value of all money, property, and service involved.

[C79, 81, §714.14]

84 Acts, ch 1162, §2

Referred to in §96.16

**714.15 Reproduction of sound recordings.**

1. For the purposes of this section:

*a.* *"Owner"* means any person who owns the original fixation of sounds embodied in the master phonograph record, master disc, master tape, master film or other device used for reproducing sounds on phonograph records, discs, tapes, films, or other articles upon which sound is recorded, and from which the transferred recorded sounds are derived.

*b.* *"Person"* shall mean person as defined in section 4.1, subsection 20.

2. Except as provided in subsection 4, it is unlawful for a person knowingly to:

*a.* Transfer or cause to be transferred any sounds recorded on a phonograph record, disc, wire, tape, film or other article without the consent of the owner; or

*b.* Sell; distribute; circulate; offer for sale, distribution or circulation; possess for the purpose of sale, distribution or circulation; or cause to be sold, distributed, circulated; offered for sale, distribution or circulation; or possessed for sale, distribution or circulation, any article or device on which sounds have been transferred without the consent of the person who owns the master phonograph record, master disc, master tape or other device or article from which the sounds are derived.

3. It is unlawful for a person to sell, distribute, circulate, offer for sale, distribution or circulation or possess for the purposes of sale, distribution or circulation, any phonograph record, disc, wire, tape, film or other article on which sounds have been transferred unless the phonograph record, disc, wire, tape, film or other article bears the actual name and address of the transferor of the sounds in a prominent place on its outside face or package.

4. This section does not apply to a person who transfers or causes to be transferred sounds intended for or in connection with radio or television broadcast transmission or related uses, synchronized sound tracks of motion pictures or sound tracks recorded for synchronizing with motion pictures, for archival purposes or for the personal use of the person transferring or causing the transfer and without any compensation being derived by the person from the transfer.

5. A person who violates the provisions of this section is guilty of theft.

[C77, §713.44, 713.45; C79, 81, §714.15]

2013 Acts, ch 90, §232

Referred to in §549.9

Section amended

**714.16 Consumer frauds.**

1. Definitions:

*a.* The term *"advertisement"* includes the attempt by publication, dissemination, solicitation, or circulation to induce directly or indirectly any person to enter into any obligation or acquire any title or interest in any merchandise.

*b.* *"Buyer"*, as used in subsection 2, paragraph *"h"*, means the person to whom the water system is being sold, leased, or rented.

*c.* *"Consumer information pamphlet"* means a publication which explains water quality, health effects, quality expectations for drinking water, and the effectiveness of water treatment systems.

*d.* *"Consummation of sale"* means completion of the act of selling, leasing, or renting.

*e.* *"Contaminant"* means any particulate, chemical, microbiological, or radiological substance in water which has a potentially adverse health effect and for which a maximum contaminant level (MCL) or treatment technique requirement or an action level established in lieu of a maximum contaminant level (MCL), has been specified in the national primary drinking water regulations.

*f.* *"Deception"* means an act or practice which has the tendency or capacity to mislead a substantial number of consumers as to a material fact or facts.

*g.* *"Label"*, as used in subsection 2, paragraph *"h"*, means the written, printed, or graphic matter permanently affixed or attached to or printed on the water treatment system.

*h.* *"Manufacturer's performance data sheet"* means a booklet, document, or other printed material containing, at a minimum, the information required pursuant to subsection 2, paragraph *"h"*.

*i.* The term *"merchandise"* includes any objects, wares, goods, commodities, intangibles, securities, bonds, debentures, stocks, real estate or services.

*j.* The term *"person"* includes any natural person or the person's legal representative, partnership, corporation (domestic and foreign), company, trust, business entity or association, and any agent, employee, salesperson, partner, officer, director, member, stockholder, associate, trustee or cestui que trust thereof.

*k.* The term *"sale"* includes any sale, offer for sale, or attempt to sell any merchandise for cash or on credit.

*l.* *"Seller"*, as used in subsection 2, paragraph *"h"*, means the person offering the water treatment system for sale, lease, or rent.

*m.* The term *"subdivided lands"* refers to improved or unimproved land or lands divided or proposed to be divided for the purpose of sale or lease, whether immediate or future, into five or more lots or parcels; provided, however, it does not apply to the leasing of apartments, offices, stores or similar space within an apartment building, industrial building or commercial building unless an undivided interest in the land is granted as a condition precedent to occupying space in said structure.

*n.* *"Unfair practice"* means an act or practice which causes substantial, unavoidable injury to consumers that is not outweighed by any consumer or competitive benefits which the practice produces.

*o.* *"Water treatment system"* means a device or assembly for which a claim is made that it will improve the quality of drinking water by reducing one or more contaminants through mechanical, physical, chemical, or biological processes or combinations of the processes. As used in this paragraph and in subsection 2, paragraph *"h"*, each model of a water treatment system shall be deemed a distinct water treatment system.

2. *a.* The act, use or employment by a person of an unfair practice, deception, fraud, false pretense, false promise, or misrepresentation, or the concealment, suppression, or omission of a material fact with intent that others rely upon the concealment, suppression, or omission, in connection with the lease, sale, or advertisement of any merchandise or the solicitation of contributions for charitable purposes, whether or not a person has in fact been misled, deceived, or damaged, is an unlawful practice.

It is deceptive advertising within the meaning of this section for a person to represent in connection with the lease, sale, or advertisement of any merchandise that the advertised merchandise has certain performance characteristics, accessories, uses, or benefits or that certain services are performed on behalf of clients or customers of that person if, at the time of the representation, no reasonable basis for the claim existed. The burden is on the person making the representation to demonstrate that a reasonable basis for the claim existed.

A retailer who uses advertising for a product, other than a drug or other product claiming to have a health related benefit or use, prepared by a supplier shall not be liable under this section unless the retailer participated in the preparation of the advertisement; knew or should have known that the advertisement was deceptive, false, or misleading; refused to withdraw the product from sales upon the request of the attorney general pending a determination of whether the advertisement was deceptive, false, or misleading; refused upon the request of the attorney general to provide the name and address of the supplier;

or refused to cooperate with the attorney general in an action brought against the supplier under this section.

*"Material fact"* as used in this subsection does not include repairs of damage to or adjustments on or replacements of parts with new parts of otherwise new merchandise if the repairs, adjustments or replacements are made to achieve compliance with factory specifications and are made before sale of the merchandise at retail and the actual cost of any labor and parts charged to or performed by a retailer for any such repairs, adjustments and parts does not exceed three hundred dollars or ten percent of the actual cost to a retailer including freight of the merchandise, whichever is less, providing that the seller posts in a conspicuous place notice that repairs, adjustments or replacements will be disclosed upon request. The exemption provided in this paragraph does not apply to the concealment, suppression or omission of a material fact if the purchaser requests disclosure of any repair, adjustment or replacement.

*b.* The advertisement for sale, lease or rent, or the actual sale, lease, or rental of any merchandise at a price or with a rebate or payment or other consideration to the purchaser which is contingent upon the procurement of prospective customers provided by the purchaser, or the procurement of sales, leases, or rentals to persons suggested by the purchaser, is declared to be an unlawful practice rendering any obligation incurred by the buyer in connection therewith, completely void and a nullity. The rights and obligations of any contract relating to such contingent price, rebate, or payment shall be interdependent and inseverable from the rights and obligations relating to the sale, lease, or rental.

*c.* It is an unlawful practice for any person to advertise the sale of merchandise at reduced rates due to the cessation of business operations and after the date of the first such advertisement remain in business under the same or substantially the same ownership, or under the same or substantially the same trade name, or to continue to offer for sale the same type of merchandise at the same location for more than one hundred twenty days. As used in this paragraph *"person"* includes a person who acquires an ownership interest in the business either within sixty days before the initial advertisement of the sale or at any time after the initial advertisement of the sale. In addition, a person acquiring an ownership interest shall comply with paragraph *"g"* if the person adds additional merchandise to the sale.

*d.* (1) No person shall offer or advertise within this state for sale or lease, any subdivided lands without first filing with the real estate commission true and accurate copies of all road plans, plats, field notes, and diagrams of water, sewage, and electric power lines as they exist at the time of the filing, however, this filing is not required for a subdivision subject to section 306.21 or chapter 354. A filing shall be accompanied by a fee of fifty dollars for each subdivision included, payable to the real estate commission.

(2) False or misleading statements filed pursuant to subparagraph (1) or section 306.21 or chapter 354, and advertising, offers to sell, or contracts not in substantial conformity with the filings made pursuant to section 306.21 or chapter 354 are unlawful.

*e.* Any violations of chapter 123 or any other provisions of law by a manufacturer, distiller, vintner, importer, or any other person participating in the distribution of alcoholic liquor or beer as defined in chapter 123.

*f.* A violation of a provision of sections 535C.1 through 535C.10 is an unlawful practice.

*g.* It is an unlawful practice for a person to acquire directly or indirectly an interest in a business which has either gone out of business or is going out of business and conduct or continue a going-out-of-business sale where additional merchandise has been added to the merchandise of the liquidating business for the purposes of the sale, unless the person provides a clear and conspicuous notice in all advertisements that merchandise has been added. The advertisement shall also state the customary retail price of the merchandise that has been added or brought in for the sale. The person acquiring the interest shall obtain a permit to hold the sale before commencing the sale. If the sale is to be held in a city which has an ordinance regulating going-out-of-business sales, then the permit shall be obtained from the city. If the sale is to be located outside of a city or in a city which does not have an ordinance regulating going-out-of-business sales, then the permit shall be obtained from the county in which the proposed sale is to be held. The county board

of supervisors shall prescribe the procedures necessary to obtain the permit. The permit shall state the percentage of merchandise for sale that was obtained from the liquidating business and the percentage of merchandise for sale that was added from other sources. The permit or an accurate reproduction of the permit shall be clearly and conspicuously posted at all entrances to the site of the sale and at all locations where sales are consummated. A person who violates this paragraph, including any misrepresentation of the presence and the percentage of additional merchandise that had been added to that of the liquidating company, is liable for a civil penalty of not to exceed one thousand dollars for each day of each violation. The civil penalties collected shall be deposited in the general fund of the political entity which prosecutes the violation. The civil penalty is in addition to and not in lieu of any criminal penalty. A political entity enforcing this paragraph may obtain a preliminary injunction without posting a bond to enjoin a violation of paragraph "*c*" and this paragraph pending a hearing.

This paragraph does not prohibit a city or county from adopting an ordinance prohibiting the conducting of a going-out-of-business sale in which additional merchandise is added to the merchandise of the liquidating business for the purposes of the sale.

*h.* It is an unlawful practice for a person to sell, lease, rent, or advertise the sale, lease, or rental of a water treatment system in this state, for which claims or representations of removing health-related contaminants are made, unless the water treatment system:

(1) Has been performance tested by a third-party testing agency that has been authorized by the Iowa department of public health. Alternatively, in lieu of third-party performance testing of the manufacturer's water treatment system, the manufacturer may rely upon the manufacturer's own test data after approval of the data by an accepted third-party evaluator as provided in this subparagraph. The Iowa department of public health shall review the qualifications of a third-party evaluator proposed by the manufacturer. The department may accept or reject a proposed third-party evaluator based upon the required review. If a third-party evaluator, accepted by the Iowa department of public health, finds that the manufacturer's test data is reliable, adequate, and fairly presented, the manufacturer may rely upon that data to satisfy the requirements of this subparagraph after filing a copy of the test data and the report of the third-party evaluator with the Iowa department of public health. The testing agency shall use, or the evaluator shall review for the use of, approved methods of performance testing determined to be appropriate by the state hygienic laboratory.

(2) Has met the performance testing requirements specified in the testing protocol.

(3) Bears a conspicuous and legible label stating, "IMPORTANT NOTICE — Read the Manufacturer's Performance Data Sheet" and is accompanied by a manufacturer's performance data sheet.

The manufacturer's performance data sheet shall be given to the buyer and shall be signed and dated by the buyer and the seller prior to the consummation of the sale of the water treatment system. The manufacturer's performance data sheet shall contain information including, but not limited to:

(a) The name, address, and telephone number of the seller.

(b) The name, brand, or trademark under which the unit is sold, and its model number.

(c) Performance and test data including, but not limited to, the list of contaminants certified to be reduced by the water treatment system; the test influent concentration level of each contaminant or surrogate for that contaminant; the percentage reduction or effluent concentration of each contaminant or surrogate; where applicable, the maximum contaminant level (MCL) or a treatment technique requirement or an action level established in lieu of a maximum contaminant level (MCL) specified in the national primary drinking water regulations; where applicable, the approximate capacity in gallons; where applicable, the period of time during which the unit is effective in reducing contaminants based upon the contaminant or surrogate influent concentrations used for the performance tests; where applicable, the flow rate, pressure, and operational temperature of the water during the performance tests.

(d) Installation instructions.

(e) The recommended operational procedures and requirements necessary for the

proper operation of the unit including, but not limited to, electrical requirements; maximum and minimum pressure; flow rate; temperature limitations; maintenance requirements; and where applicable, replacement frequencies.

(f) The seller's limited warranty.

(4) Is accompanied by the consumer information pamphlet compiled by the Iowa department of public health.

The consumer information pamphlet provided to the buyer of a water treatment system shall be compiled by the Iowa department of public health, reviewed annually, and updated as necessary. The consumer information pamphlet shall be distributed to persons selling water treatment systems and the costs of the consumer information pamphlet shall be borne by persons selling water treatment systems. The Iowa department of public health shall adopt rules pursuant to chapter 17A and charge all fees necessary to administer this section.

*i.* It is an unlawful practice for a person to sell, lease, rent, or advertise the sale, lease, or rental of a water treatment system in this state for which false or deceptive claims or representations of removing health-related contaminants are made.

*j.* It is an unlawful practice for a person to make any representation or claim that the seller's water treatment system has been approved or endorsed by any agency of the state.

*k.* It is an unlawful practice for a supplier to commit a deceptive act or practice under chapter 537B.

*l.* It is an unlawful practice for a repair facility or manufacturer or distributor of aftermarket crash parts, as defined in section 537B.4, to commit a deceptive act or practice under chapter 537B.

*m.* It is an unlawful practice for a person to advertise the sale of wood products without disclosing information which may affect the price of the product.

An advertisement for all plywood and dimension lumber products shall include the grade and species, in accordance with federal products standards 1 and 20, and the measure. The products advertised shall also be labeled according to the federal products standards.

An advertisement for any other wood product shall include the grade and species, according to the applicable federal product standards, and the measure. These products need not be labeled.

An advertisement for any wood products must also include the following:

(1) The condition of the wood product, including but not limited to the following designations:

(a) Green.

(b) Kiln-dried.

(c) Air-dried or partially air-dried.

(2) Whether the wood product consists of seconds, culls, shop grade, or ungraded material.

Use of any contrived or unrecognized grading standard is prohibited, and any factors affecting the final delivered price of the products shall be disclosed and displayed in a conspicuous place.

This paragraph applies only to persons who offer wood products for sale in the ordinary course of business, except that this paragraph does not apply to any person who produces rough-sawed lumber, commonly referred to as native lumber, in this state. For purposes of this paragraph:

"*Dimension lumber*" means softwood lumber nominally referred to as "two inch by four inch" or greater.

"*Labeling*" means all labels and other written, printed, branded, or graphic matter upon any building material.

"*Plywood*" means a structural material consisting of sheets or chips of wood glued or cemented together.

"*Wood products*" means any wood products derived from trees as a result of any work or manufacturing process upon the wood, and intended primarily for use as a building material.

*n.* (1) It is an unlawful practice for a person to misrepresent the geographic location of a supplier of a service or product by listing a fictitious business name or an assumed business

name in a local telephone directory or directory assistance database if all of the following apply:

(a) The name purportedly represents the geographic location of the supplier.

(b) The listing does not identify the address, including the city and state, of the supplier.

(c) Calls made to a local telephone number are routinely forwarded to or otherwise transferred to a business location that is outside the local calling area covered by the local telephone directory or directory assistance database.

(2) A telephone company, provider of directory assistance, publisher of a local telephone directory, or officer, employee, or agent of such company, provider, or publisher shall not be liable in a civil action under this section for publishing in any directory or directory assistance database the listing of a fictitious or assumed business name of a person in violation of subparagraph (1) unless the telephone company, directory assistance provider, directory publisher, or officer, employee, or agent of the company, provider, or publisher is the person committing such violation.

(3) For purposes of this paragraph:

(a) *"Local telephone directory"* means a telephone classified advertising directory or the business section of a telephone directory that is distributed free of charge to some or all telephone subscribers in a local area.

(b) *"Local telephone number"* means a telephone number that has a three-number prefix used by the provider of telephone service for telephone customers physically located within the area covered by the local telephone directory in which the number is listed. The term does not include long distance numbers or 800, 888, or 900 exchange numbers listed in the telephone directory.

3. When it appears to the attorney general that a person has engaged in, is engaging in, or is about to engage in any practice declared to be unlawful by this section or when the attorney general believes it to be in the public interest that an investigation should be made to ascertain whether a person in fact has engaged in, is engaging in or is about to engage in, any such practice, the attorney general may:

*a.* Require such person to file on such forms as the attorney general may prescribe a statement or report in writing under oath or otherwise, as to all the facts and circumstances concerning the sale or advertisement of merchandise by such person, and such other data and information as the attorney general may deem necessary;

*b.* Examine under oath any person in connection with the sale or advertisement of any merchandise;

*c.* Examine any merchandise or sample thereof, record, book, document, account or paper as the attorney general may deem necessary; and

*d.* Pursuant to an order of a district court impound any record, book, document, account, paper, or sample of merchandise that is produced in accordance with this section, and retain the same in the attorney general's possession until the completion of all proceedings in connection with which the same are produced.

4. *a.* To accomplish the objectives and to carry out the duties prescribed by this section, the attorney general, in addition to other powers conferred upon the attorney general by this section, may issue subpoenas to any person, administer an oath or affirmation to any person, conduct hearings in aid of any investigation or inquiry, prescribe such forms and promulgate such rules as may be necessary, which rules shall have the force of law.

*b.* Subject to paragraph *"c"*, information, documents, testimony, or other evidence provided to the attorney general by a person pursuant to paragraph *"a"* or subsection 3, or provided by a person as evidence in any civil action brought pursuant to this section, shall not be admitted in evidence, or used in any manner whatsoever, in any criminal prosecution or forfeiture proceeding against that person. If a criminal prosecution or forfeiture proceeding is initiated in a state court against a person who has provided information pursuant to paragraph *"a"* or subsection 3, the state shall have the burden of proof that the information provided was not used in any manner to further the criminal investigation, prosecution, or forfeiture proceeding.

*c.* Paragraph *"b"* does not apply unless the person has first asserted a right against self-incrimination and the attorney general has elected to provide the person with a written

statement that the information, documents, testimony, or other evidence at issue are subject to paragraph *"b"*. After a person has been provided with such a written statement by the attorney general, a claim of privilege against self-incrimination is not a defense to any action or proceeding to obtain the information, documents, testimony, or other evidence. The limitation on the use of evidence in a criminal proceeding contained in this section does not apply to any prosecution or proceeding for perjury or contempt of court committed in the course of the giving or production of the information, documents, testimony, or other evidence.

5. Service by the attorney general of any notice requiring a person to file a statement or report, or of a subpoena upon any person, shall be made personally within this state, but if such cannot be obtained, substituted service therefor may be made in the following manner:

*a.* Personal service thereof without this state; or

*b.* The mailing thereof by registered mail to the last known place of business, residence or abode within or without this state of such person for whom the same is intended; or

*c.* As to any person other than a natural person, in the manner provided in the Rules of Civil Procedure as if a petition had been filed; or

*d.* Such service as a district court may direct in lieu of personal service within this state.

6. If a person fails or refuses to file a statement or report, or obey any subpoena issued by the attorney general, the attorney general may, after notice, apply to the Polk county district court or the district court for the county in which the person resides or is located and, after hearing, request an order:

*a.* Granting injunctive relief, restraining the sale or advertisement of any merchandise by such persons.

*b.* Dissolving a corporation created by or under the laws of this state or revoking or suspending the certificate of authority to do business in this state of a foreign corporation or revoking or suspending any other licenses, permits, or certificates issued pursuant to law to such person which are used to further the allegedly unlawful practice.

*c.* Granting such other relief as may be required until the person files the statement or report, or obeys the subpoena.

7. A civil action pursuant to this section shall be by equitable proceedings. If it appears to the attorney general that a person has engaged in, is engaging in, or is about to engage in a practice declared to be unlawful by this section, the attorney general may seek and obtain in an action in a district court a temporary restraining order, preliminary injunction, or permanent injunction prohibiting the person from continuing the practice or engaging in the practice or doing an act in furtherance of the practice. The court may make orders or judgments as necessary to prevent the use or employment by a person of any prohibited practices, or which are necessary to restore to any person in interest any moneys or property, real or personal, which have been acquired by means of a practice declared to be unlawful by this section, including the appointment of a receiver in cases of substantial and willful violation of this section. If a person has acquired moneys or property by any means declared to be unlawful by this section and if the cost of administering reimbursement outweighs the benefit to consumers or consumers entitled to the reimbursement cannot be located through reasonable efforts, the court may order disgorgement of moneys or property acquired by the person by awarding the moneys or property to the state to be used by the attorney general for the administration and implementation of this section. Except in an action for the concealment, suppression, or omission of a material fact with intent that others rely upon it, it is not necessary in an action for reimbursement or an injunction, to allege or to prove reliance, damages, intent to deceive, or that the person who engaged in an unlawful act had knowledge of the falsity of the claim or ignorance of the truth. A claim for reimbursement may be proved by any competent evidence, including evidence that would be appropriate in a class action.

In addition to the remedies otherwise provided for in this subsection, the attorney general may request and the court may impose a civil penalty not to exceed forty thousand dollars per violation against a person found by the court to have engaged in a method, act, or practice declared unlawful under this section; provided, however, a course of conduct shall not be considered to be separate and different violations merely because the conduct is

repeated to more than one person. In addition, on the motion of the attorney general or its own motion, the court may impose a civil penalty of not more than five thousand dollars for each day of intentional violation of a temporary restraining order, preliminary injunction, or permanent injunction issued under authority of this section. A penalty imposed pursuant to this subsection is in addition to any penalty imposed pursuant to section 537.6113. Civil penalties ordered pursuant to this subsection shall be paid to the treasurer of state to be deposited in the general fund of the state.

8. When a receiver is appointed by the court pursuant to this section, the receiver shall have the power to sue for, collect, receive and take into possession all the goods and chattels, rights and credits, moneys and effects, lands and tenements, books, records, documents, papers, choses in action, bills, notes and property of every description, derived by means of any practice declared to be illegal and prohibited by this section, including property with which such property has been mingled if it cannot be identified in kind because of such commingling, and to sell, convey, and assign the same and hold and dispose of the proceeds thereof under the direction of the court. Any person who has suffered damages as a result of the use or employment of any unlawful practices and submits proof to the satisfaction of the court that the person has in fact been damaged, may participate with general creditors in the distribution of the assets to the extent the person has sustained out-of-pocket losses. In the case of a partnership or business entity, the receiver shall settle the estate and distribute the assets under the direction of the court. The court shall have jurisdiction of all questions arising in such proceedings and may make such orders and judgments therein as may be required.

9. Subject to an order of the court terminating the business affairs of any person after receivership proceedings held pursuant to this section, the provisions of this section shall not bar any claim against any person who has acquired any moneys or property, real or personal, by means of any practice herein declared to be unlawful.

10. A civil action pursuant to this section may be commenced in the county in which the person against whom it is brought resides, has a principal place of business, or is doing business, or in the county where the transaction or any substantial portion of the transaction occurred, or where one or more of the victims reside.

11. In an action brought under this section, the attorney general is entitled to recover costs of the court action and any investigation which may have been conducted, including reasonable attorneys' fees, for the use of this state.

12. If any provision of this section or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions of applications of the section which can be given effect without the invalid provision or application and to this end the provisions of this section are severable.

13. The attorney general or the designee of the attorney general is deemed to be a regulatory agency under chapter 692 for the purpose of receiving criminal intelligence data relating to violations of this section.

14. This section does not apply to the newspaper, magazine, publication, or other print media in which the advertisement appears, or to the radio station, television station, or other electronic media which disseminates the advertisement if the newspaper, magazine, publication, radio station, television station, or other print or electronic media has no knowledge of the fraudulent intent, design, or purpose of the advertiser at the time the advertisement is accepted; and provided, further, that nothing herein contained shall apply to any advertisement which complies with the rules and regulations of, and the statutes administered by the federal trade commission.

15. The attorney general may bring an action on behalf of the residents of this state, or as parens patriae, under the federal Telemarketing and Consumer Fraud and Abuse Prevention Act, Pub. L. No. 103-297, and pursue any and all enforcement options available under that Act. Subsequent amendments to that Act which do not substantially alter its structure and purpose shall not be construed to affect the authority of the attorney general to pursue an

action pursuant to this section, except to the extent the amendments specifically restrict the authority of the attorney general.

[S13, §5051-a; C24, 27, 31, 35, 39, §**13069, 13070;** C46, 50, 54, 58, 62, §713.24, 713.25; C66, 71, 73, 75, 77, §713.24; C79, 81, §714.16]

83 Acts, ch 146, §12; 85 Acts, ch 16, §1, 2; 87 Acts, ch 164, §1 – 7; 88 Acts, ch 1016, §1, 2; 89 Acts, ch 93, §7; 89 Acts, ch 129, §1; 90 Acts, ch 1010, §6; 90 Acts, ch 1236, §53; 91 Acts, ch 212, §1; 92 Acts, ch 1062, §3; 94 Acts, ch 1142, §5; 98 Acts, ch 1200, §1 – 3; 2000 Acts, ch 1079, §1; 2000 Acts, ch 1232, §85; 2001 Acts, ch 58, §15, 16; 2002 Acts, ch 1119, §194, 203

Referred to in §9D.4, 13C.2, 13C.8, 103A.71, 123.19, 126.5, 154A.24, 154A.26, 162.10D, 261B.12, 261F.9, 321.69, 321.69A, 321H.6, 322.6, 322C.6, 322G.2, 322G.10, 516D.7, 516D.9, 516E.10, 516E.15, 523A.807, 523G.9, 523I.205, 533A.10, 533D.11, 535B.10, 535B.13, 535C.10, 536.10, 536A.15, 537.2403, 537.3309, 543D.18A, 551A.10, 552.13, 552A.5, 554.3513, 555A.6, 557A.16, 557B.14, 577.3, 714.16A, 714.16B, 714.16C, 714.21A, 714A.1, 714A.5, 714B.1, 714B.7, 714B.9, 714D.2, 714D.7, 714E.6, 714F.9, 714G.11, 714H.2, 714H.3, 715A.8, 715C.2, 716A.6

See also §9D.4, 13C.2, 13C.8, 123.19, 126.5, 321.69, 322G.10, 516D.9, 516E.10, 516E.15, 523A.807, 523G.9, 523I.205, 535C.10, 537.2403, 543D.18A, 551A.10, 552.13, 552A.5, 554.3513, 555A.6, 557A.16, 557B.14, 714.21A, 714A.5, 714B.7, 714D.7, 714E.6, 714F.9, 714G.11, 715A.8, 715C.2, and 716A.6

**714.16A Additional civil penalty for consumer frauds committed against elderly — fund established.**

1. *a.* If a person violates section 714.16, and the violation is committed against an older person, in an action brought by the attorney general, in addition to any other civil penalty, the court may impose an additional civil penalty not to exceed five thousand dollars for each such violation. Additionally, the attorney general may accept a civil penalty as determined by the attorney general in settlement of an investigation of a violation of section 714.16, regardless of whether an action has been filed pursuant to section 714.16.

*b.* A civil penalty imposed by a court or determined and accepted by the attorney general pursuant to this section shall be paid to the treasurer of state, who shall deposit the money in the elderly victim fund, a separate fund created in the state treasury and administered by the attorney general for the investigation and prosecution of frauds against the elderly. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state. An award of reimbursement pursuant to section 714.16 has priority over a civil penalty imposed by the court pursuant to this subsection.

2. In determining whether to impose a civil penalty under subsection 1, and the amount of any such penalty, the court shall consider the following:

*a.* Whether the defendant's conduct was in willful disregard of the rights of the older person.

*b.* Whether the defendant knew or should have known that the defendant's conduct was directed to an older person.

*c.* Whether the older person was substantially more vulnerable to the defendant's conduct because of age, poor health, infirmity, impaired understanding, restricted mobility, or disability, than other persons.

*d.* Any other factors the court deems appropriate.

3. As used in this section, "*older person*" means a person who is sixty-five years of age or older.

91 Acts, ch 102, §1; 94 Acts, ch 1142, §6; 98 Acts, ch 1200, §4; 2013 Acts, ch 30, §261

Code editor directive applied

**714.16B Identity theft — civil cause of action.**

1. In addition to any other remedies provided by law, a person as defined under section 714.16, subsection 1, suffering a pecuniary loss as a result of an identity theft by another person under section 715A.8, or a financial institution on behalf of an account holder suffering a pecuniary loss as a result of an identity theft by another person under section 715A.8, may bring an action against such other person to recover all of the following:

*a.* Five thousand dollars or three times the actual damages, whichever is greater.

*b.* Reasonable costs incurred due to the violation of section 715A.8, including all of the following:

(1) Costs for repairing the victim's credit history or credit rating.

(2) Costs incurred for bringing a civil or administrative proceeding to satisfy a debt, lien, judgment, or other obligation of the victim.

(3) Punitive damages, attorney fees, and court costs.

2. For purposes of this section, "*financial institution*" means the same as defined in section 527.2, and includes an insurer organized under Title XIII, subtitle 1, of this Code, or under the laws of any other state or the United States.

99 Acts, ch 47, §1; 2005 Acts, ch 18, §2; 2013 Acts, ch 30, §209
Referred to in §614.4A
Section amended

**714.16C Consumer education and litigation fund.**

1. A consumer education and litigation fund is created as a separate fund in the state treasury to be administered by the attorney general. Moneys credited to the fund shall include amounts received as a result of a state or federal civil consumer fraud judgment or settlement, civil penalties, costs, or attorney fees, and amounts which are specifically directed to the credit of the fund by the judgment or settlement, and amounts which are designated by the judgment or settlement for use by the attorney general for consumer litigation or education purposes. Moneys designated for consumer reimbursement shall not be credited to the fund, except to the extent that such moneys are permitted to be used for enforcement of section 714.16.

2. For each fiscal year, not more than one million one hundred twenty-five thousand dollars is appropriated from the fund to the department of justice to be used for public education relating to consumer fraud and for enforcement of section 714.16 and federal consumer laws, and not more than seventy-five thousand dollars is appropriated from the fund to the department of justice to be used for investigation, prosecution, and consumer education relating to consumer and criminal fraud committed against older Iowans.

3. Notwithstanding section 8.33, moneys credited to the fund shall not revert to any other fund. Notwithstanding section 12C.7, interest or earnings on the moneys in the fund shall be credited to the fund.

2007 Acts, ch 213, §24

**714.17 Unlawful advertising and selling of educational courses.**

It shall be unlawful for any person, firm, association, or corporation maintaining, advertising, or conducting in Iowa any educational course for profit, or for tuition charge, whether by classroom instructions, by correspondence, or by other delivery method to:

1. Falsely advertise or represent to any person any matter material to an educational course. All advertising of such courses shall adhere to and comply with the applicable rules and regulations of the federal trade commission.

2. Collect tuition or other charges in excess of one hundred fifty dollars in the case of educational courses offered by correspondence, in advance of the receipt and approval by the pupil of the first assignment or lesson of such course. Any contract providing for advance payment of more than one hundred fifty dollars shall be voidable on the part of the pupil or any person liable for the tuition provided for in the contract.

3. Promise or guarantee employment utilizing information, training, or skill purported to be provided or otherwise enhanced by an educational course, unless the promisor or guarantor offers the student or prospective student a bona fide contract of employment agreeing to employ said student or prospective student for a period of not less than one hundred twenty days in a business or other enterprise regularly conducted by the promisor or guarantor and in which such information, training, or skill is a normal condition of employment.

[C66, 71, 73, 75, 77, §713A.1; C79, 81, §714.17]
2012 Acts, ch 1077, §10
Referred to in §714.19, 714.21, 714.21A

**714.18 Evidence of financial responsibility.**

1. Except as otherwise provided in subsection 2, every person, firm, association, or corporation maintaining or conducting in Iowa any educational course by classroom instruction or by correspondence or by other delivery method, or soliciting in Iowa the sale of such course, shall file with the college student aid commission all of the following:

*a.* A continuous corporate surety bond to the state of Iowa in the sum of fifty thousand dollars conditioned on the faithful performance of all contracts and agreements with students made by such person, firm, association, or corporation, or their salespersons; but the aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the sum of the bond. The surety on the bond may cancel the bond upon giving thirty days' written notice to the college student aid commission and thereafter shall be relieved of liability for any breach of condition occurring after the effective date of the cancellation.

*b.* A statement designating a resident agent for the purpose of receiving service in civil actions. In the absence of such designation, service may be had upon the secretary of state if service cannot otherwise be made in this state.

*c.* A copy of any catalog, prospectus, brochure, or other advertising material intended for distribution in Iowa. Such material shall state the cost of the educational course offered, the schedule of tuition refunds for portions of the educational course not completed, and if no refunds are to be paid, the material shall so state. Any contract induced by advertising materials not previously filed as provided in this chapter shall be voidable on the part of the pupil or any person liable for the tuition provided for in the contract.

2. A school licensed under the provisions of section 157.8 or 158.7 shall file with the college student aid commission the following:

*a.* (1) A continuous corporate surety bond to the state of Iowa in the sum of fifty thousand dollars or ten percent of the total annual tuition collected, whichever is less, conditioned on the faithful performance of all contracts and agreements with students made by such school. A school desiring to file a surety bond based on a percentage of annual tuition shall provide to the college student aid commission, in the form prescribed by the commission, a notarized statement attesting to the total amount of tuition collected in the preceding twelve-month period. The commission shall determine the sufficiency of the statement and the amount of the bond. Tuition information submitted pursuant to this subparagraph shall be kept confidential.

(2) If the school has filed a performance bond with an agency of the United States government pursuant to federal law, the college student aid commission shall reduce the bond required by this paragraph "*a*" by an amount equal to the amount of the federal bond.

(3) The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the sum of the bond. The surety on the bond may cancel the bond upon giving thirty days' written notice to the college student aid commission and thereafter shall be relieved of liability for any breach of condition occurring after the effective date of the cancellation.

(4) The college student aid commission may accept a letter of credit issued by a bank in lieu of and for the amount of the corporate surety bond required by subparagraphs (1) through (3), as applicable.

*b.* The statement required in subsection 1, paragraph "*b*".

*c.* The materials required in subsection 1, paragraph "*c*".

[C66, 71, 73, 75, 77, §713A.2; C79, 81, §714.18]

85 Acts, ch 212, §21; 89 Acts, ch 240, §6; 90 Acts, ch 1222, §1, 2; 2002 Acts, ch 1140, §40 – 42; 2009 Acts, ch 12, §15; 2012 Acts, ch 1077, §11, 12

Referred to in §261B.4, 261B.11, 714.19, 714.21, 714.21A, 714.24

**714.19 Nonapplicability.**

The provisions of sections 714.17 to 714.21 shall not apply to the following:

1. Colleges or universities authorized by the laws of Iowa or any other state or foreign country to grant degrees.

2. Schools of nursing accredited by the board of nursing or an equivalent public board of another state or foreign country.

3. Public schools.

4. Private and nonprofit schools recognized by the department of education or a local school board for the purpose of complying with chapter 299 and employing certified teachers.

5. Nonprofit schools exclusively engaged in training persons with disabilities in the state of Iowa.

6. Schools and educational programs conducted by firms, corporations, or persons for which no fee is charged.

7. Seminars, refresher courses, and schools of instruction conducted by professional, business, or farming organizations or associations for the members and employees of members of such organizations or associations. A person who provides instruction under this subsection who is not a member or an employee of a member of the organization or association shall not be eligible for this exemption.

8. Private business schools accredited by an accrediting agency recognized by the United States department of education or the council for higher education accreditation.

9. Private college preparatory schools accredited or probationally accredited under section 256.11, subsection 13.

10. Private, nonprofit schools that meet the criteria established under section 261.9, subsection 1.

[C66, 71, 73, 75, 77, §713A.3; C79, 81, §714.19]

86 Acts, ch 1245, §1498; 89 Acts, ch 240, §7; 96 Acts, ch 1129, §108; 2001 Acts, ch 24, §59; 2010 Acts, ch 1079, §19; 2012 Acts, ch 1077, §13 – 15

Referred to in §261B.4, 261B.11, 714.24

**714.20 One contract per person.**

It shall be unlawful to sell more than one lifetime contract to any one person.

[C66, 71, 73, 75, 77, §713A.4; C79, 81, §714.20]

Referred to in §714.19, 714.21, 714.21A, 714.24

**714.21 Penalty.**

Violation of any of the provisions of section 714.17, 714.18 or 714.20 shall be a serious misdemeanor.

[C66, 71, 73, 75, 77, §713A.5; C79, 81, §714.21]

Referred to in §714.19, 714.24

**714.21A Civil enforcement.**

A violation of chapter 261B, or section 714.17, 714.18, 714.20, 714.23, or 714.25 constitutes an unlawful practice pursuant to section 714.16.

2009 Acts, ch 12, §16

Referred to in §714.24

**714.22 Trade and vocational schools — exemption — conditions.** Repealed by 2012 Acts, ch 1077, § 20.

**714.23 Refund policies.**

1. *a.* For the purposes of this section and section 714.25, *"postsecondary educational program"* means a series of postsecondary educational courses that lead to a recognized educational credential such as an academic or professional degree, diploma, or license.

*b.* For the purposes of this section, *"school period"* means the course, term, payment period, postsecondary educational program, or other period for which the school assessed tuition charges to the student. A school that assesses tuition charges to the student at the beginning of each course, term, payment period, or other period that is shorter than the postsecondary educational program's length shall base its tuition refund on the amount of tuition costs the school charged for the course, term, or other period in which the student terminated. A school shall not base its tuition refund calculation on any portion of a postsecondary educational program that remains after a student terminates unless the student was charged for that remaining portion of the postsecondary educational program before the student's termination and the student began attendance in the school term or course.

2. A person offering at least one postsecondary educational program, for profit, that is more than four months in length and leads to a recognized educational credential, shall make a pro rata refund of tuition charges to an Iowa resident student who terminates from any of the school's postsecondary educational programs in an amount that is not less than ninety

percent of the amount of tuition charged to the student multiplied by the ratio of the number of calendar days remaining in the school period until the date equivalent to the completion of sixty percent of the calendar days in the school period to the total number of calendar days in the school period until the date equivalent to the completion of sixty percent of the calendar days in the school period.

3. Notwithstanding the provisions of subsection 2, the following tuition refund policy shall apply:

*a.* If a terminating student has completed sixty percent or more of a school period, the person offering the postsecondary educational program is not required to refund tuition charges to the student. However, if, at any time, a student terminates a postsecondary educational program due to the student's physical incapacity or, for a program that requires classroom instruction, due to the transfer of the student's spouse's employment to another city, the terminating student shall receive a refund of tuition charges in an amount that equals the amount of tuition charged to the student multiplied by the ratio of the remaining number of calendar days in the school period to the total number of calendar days in the school period.

*b.* A school shall provide to a terminating student a refund of tuition charges in an amount that is not less than ninety percent of the amount of tuition charged to the student multiplied by the ratio of the remaining number of calendar days in the school period to the total number of calendar days in the school period. This paragraph *"b"* applies to those persons offering at least one postsecondary educational program of more than four months in length, for profit, whose cohort default rate for students under the Stafford loan program as reported by the United States department of education for the most recent federal fiscal year is more than one hundred ten percent of the national average cohort default rate of all schools for the same federal fiscal year or six percent, whichever is higher.

4. In the case of a program in which student progress is measured only in clock hours, all occurrences of "calendar days" in subsections 2 and 3 shall be replaced with "scheduled clock hours".

5. A refund of tuition charges shall be provided to the student within forty-five days following the date of the school's determination that a student has terminated from a postsecondary educational program.

6. A student who terminates a postsecondary educational program shall not be charged any fee or other monetary penalty for terminating the postsecondary educational program, other than a reduction in tuition refund as specified in this section.

7. A violation of this section is a simple misdemeanor.

85 Acts, ch 220, §1; 90 Acts, ch 1222, §3; 91 Acts, ch 97, §61; 2012 Acts, ch 1077, §16, 17
Referred to in §261B.4, 261B.11, 714.21A, 714.24

**714.24 Additional requirements.**

1. A required filing of evidence of financial responsibility pursuant to section 714.18 must be completed at least once every two years.

2. An entity that claims an exemption under section 714.19 must file an exemption claim with the commission. The commission may approve or deny the exemption claim. Except for a school that claims an exemption under section 714.19, subsection 1, 3, or 10, a filing of a claim for an exemption pursuant to section 714.19 must be completed at least once every two years.

3. An entity that claims an exemption under section 714.19 must file evidence of financial responsibility pursuant to section 714.18 within sixty calendar days following the date upon which conditions that qualify the entity for an exemption under section 714.19 no longer exist. The commission may grant an entity a longer period to file evidence of financial responsibility based on documentation the entity provides to the commission of its substantial progress to comply with section 714.18, subsection 1, paragraph *"a"*.

4. An entity that is required to file evidence of financial responsibility under section 714.18, or an entity that files a claim of exemption under section 714.19, shall utilize required forms approved and supplied by the commission.

5. The commission may, at its discretion, require a proprietary school that must comply

with section 714.23 to submit its tuition refund policy to the commission for its review and approval.

6. The commission and the attorney general may, individually or jointly, adopt rules pursuant to chapter 17A for the implementation of sections 714.18 through 714.25.

7. Except as provided in section 714.18, subsection 2, paragraph "*a*", the information submitted under sections 714.18, 714.23, and 714.25 are public records under chapter 22.

2012 Acts, ch 1077, §18; 2013 Acts, ch 90, §189
Subsections 2, 3, 4, and 7 amended

**714.25 Disclosure.**

1. For purposes of this section, "*proprietary school*" means a person offering a postsecondary educational program, for profit, that is more than four months in length and leads to a recognized educational credential, such as an academic or professional degree, diploma, or license.

2. A proprietary school shall, prior to the time a student is obligated for payment of any moneys, inform the student, the college student aid commission, and in the case of a school licensed under section 157.8, the board of cosmetology arts and sciences or in the case of a school licensed under section 158.7, the board of barbering, of all of the following:

*a.* The total cost of the postsecondary educational program as charged by the proprietary school.

*b.* An estimate of any fees which may be charged the student by others which would be required if the student is to successfully complete the postsecondary educational program and obtain a recognized educational credential.

*c.* The percentage of students who successfully complete the postsecondary educational program, the percentage who terminate prior to completing the postsecondary educational program, and the period of time upon which the proprietary school has based these percentages. The reporting period shall not be less than one year in length and shall not extend more than five years into the past.

*d.* If claims are made by the proprietary school as to successful placement of students in jobs upon completion of the proprietary school's postsecondary educational programs, the proprietary school shall provide the student with all of the following:

(1) The percentage of graduating students who were placed in jobs in fields related to the postsecondary educational programs.

(2) The percentage of graduating students who went on to further education immediately upon graduation.

(3) The percentage of students who, ninety days after graduation, were without a job and had not gone on to further education.

(4) The period of time upon which the reports required by paragraphs "*a*" through "*c*" were based. The reporting period shall not be less than one year in length and shall not extend more than five years into the past.

*e.* If claims are made by the proprietary school as to income levels of students who have graduated and are working in fields related to the proprietary school's postsecondary educational programs, the proprietary school shall inform the student of the method used to derive such information.

3. The requirements of subsection 2 shall not apply to a proprietary school that is eligible for federal student financial aid under Tit. IV of the federal Higher Education Act of 1965, as amended.

88 Acts, ch 1274, §47; 89 Acts, ch 296, §87; 90 Acts, ch 1222, §4; 2007 Acts, ch 10, §182; 2012 Acts, ch 1077, §19
Referred to in §714.21A, 714.23, 714.24

**714.26 Intellectual property counterfeiting.**

1. *Definitions.* As used in this section unless the context otherwise requires:

*a.* "*Counterfeit mark*" means any unauthorized reproduction or copy of intellectual property, or intellectual property affixed to any item knowingly sold, offered for sale,

manufactured, or distributed, or identifying services offered or rendered, without authority of the owner of the intellectual property.

*b.* *"Intellectual property"* means any trademark, service mark, trade name, label, term, device, design, or word adopted or used by a person to identify the items or services of the person.

*c.* *"Retail value"* means the highest value of an item determined by any reasonable standard at the time the item bearing or identified by a counterfeit mark is seized. If a seized item bearing or identified by a counterfeit mark is a component of a finished product, *"retail value"* also means the highest value, determined by any reasonable standard, of the finished product on which the component would have been utilized. The retail value shall be the retail value of the aggregate quantity of all items seized which bear or are identified by a counterfeit mark. For purposes of this paragraph, *"reasonable standard"* includes but is not limited to the market value within the community, actual value, replacement value, or the counterfeiter's regular selling price for the item bearing or identified by a counterfeit mark, or the intellectual property owner's regular selling price for an item similar to the item bearing or identified by a counterfeit mark.

2. *Criminal offense.* A person who knowingly manufactures, produces, displays, advertises, distributes, offers for sale, sells, possesses with intent to sell or distributes any item or knowingly provides service bearing or identified by a counterfeit mark commits intellectual property counterfeiting.

*a.* (1) A person commits intellectual property counterfeiting in the first degree if any of the following apply:

(a) The person is manufacturing or producing an item bearing or identified by a counterfeit mark.

(b) The offense involves more than one thousand items bearing or identified by a counterfeit mark or the total retail value of such items is equal to or greater than ten thousand dollars.

(c) The offense is a third or subsequent violation of this section.

(2) Intellectual property counterfeiting in the first degree is a class "C" felony.

*b.* (1) A person commits intellectual property counterfeiting in the second degree if any of the following apply:

(a) The offense involves more than one hundred items but does not involve more than one thousand items bearing or identified by a counterfeit mark or the total retail value of such items is equal to or greater than one thousand dollars but less than ten thousand dollars.

(b) The offense is a second violation of this section.

(2) Intellectual property counterfeiting in the second degree is a class "D" felony.

*c.* All intellectual property counterfeiting which is not intellectual property counterfeiting in the first degree or second degree is intellectual property counterfeiting in the third degree. Intellectual property counterfeiting in the third degree is an aggravated misdemeanor.

3. *Evidence.* Any state or federal certificate of registration of any intellectual property shall be prima facie evidence of ownership of the intellectual property in dispute.

4. *Seizure and disposition.* Any items bearing or identified by a counterfeit mark, and all personal property, including but not limited to any items, objects, tools, machines, equipment, instrumentalities, or vehicles used in connection with a violation of this section, shall be seized by any law enforcement agency.

*a.* All seized personal property shall be disposed of in accordance with section 809.5 or as provided in paragraph *"b"*.

*b.* Upon request of the intellectual property owner, all seized items bearing or identified by a counterfeit mark shall be released by the seizing agency to the intellectual property owner for destruction or disposition. If the intellectual property owner does not request release of the seized items, the items shall be destroyed unless the intellectual property owner consents to another disposition.

2004 Acts, ch 1112, §1; 2004 Acts, ch 1175, §390; 2013 Acts, ch 30, §210
Subsection 2, paragraphs a and b amended

**714.27 Scrap metal transactions and reporting — penalties.**

1. For purposes of this section, and unless the context otherwise requires, the following definitions shall apply:

*a.* *"Scrap metal"* means any metal suitable for reprocessing. *"Scrap metal"* does not include a motor vehicle, but does include a catalytic converter detached from a motor vehicle.

*b.* *"Scrap metal dealer"* means any person operating a business at a fixed or mobile location that is engaged in one of the following activities:

(1) Buying, selling, procuring, collecting, gathering, soliciting, or dealing in scrap metal.

(2) Operating, managing, or maintaining a scrap metal yard.

*c.* *"Scrap metal yard"* means any yard, plot, space, enclosure, building, mobile facility, or other place where scrap metal is collected, gathered together, stored, or kept for shipment, sale, or transfer.

2. *a.* A person shall not sell scrap metal to a scrap metal dealer in this state unless the person provides to the scrap metal dealer, at or before the time of sale, the person's name, address, and place of business, if any, and presents to the scrap metal dealer a valid driver's license or nonoperator's identification card, military identification card, passport, or other government-issued photo identification.

*b.* A scrap metal dealer shall not make an initial purchase of scrap metal from a person without demanding and receiving the information required by this subsection. However, after an initial transaction, a scrap metal dealer may only require the person's name and place of business for subsequent purchases, provided the scrap metal dealer retains all information received during the initial transaction.

3. A scrap metal dealer shall keep a confidential register or log of each transaction, including a record of the information required by subsection 2. All records and information kept pursuant to this subsection shall be retained for at least two years, and shall be provided to a law enforcement agency or other officer or employee designated by a county or city to enforce this section upon request during normal business hours when the law enforcement agency or designated officer or employee of a county or city has reasonable grounds to request such information as part of an investigation. A law enforcement agency or designated officer or employee of a county or city shall preserve the confidentiality of the information provided under this subsection and shall not disclose it to a third party, except as may be necessary in enforcement of this section or the prosecution of a criminal violation.

4. All scrap metal transactions, other than those transactions exempt pursuant to subsection 5, in which the total sale price exceeds fifty dollars shall require payment by check or electronic funds transfer.

5. The following scrap metal transactions are exempt from the requirements of this section:

*a.* Transactions in which the total sale price is fifty dollars or less, except transactions for the sale of catalytic converters.

*b.* Transactions for the sale of catalytic converters in which the total sale price is seventy-five dollars or less.

*c.* Transactions in which a scrap metal dealer is selling scrap metal.

*d.* Transactions in which the person selling the scrap metal is known to the scrap metal dealer purchasing the scrap metal to be the officer, employee, or agent of an established commercial or industrial business, operating from a fixed location, that may reasonably be expected to produce scrap metal during the operation of the business.

6. *a.* The provisions of this section shall take precedence over and supersede any local ordinance adopted by a political subdivision that regulates scrap metal transactions.

*b.* Notwithstanding paragraph *"a"* of this subsection, a city ordinance regarding scrap metal or other scrap material in effect prior to January 1, 2012, in a city with a population exceeding one hundred fifty thousand as shown by the 2010 federal decennial census may continue to be enforced by the city which adopted it.

7. A person who violates subsection 2, paragraph *"a"*, or a person who conducts a scrap metal transaction by or on behalf of a scrap metal dealer who violates this section shall be subject to a civil penalty as follows:

*a.* An initial violation shall subject the person to a civil penalty in the amount of one hundred dollars.

*b.* A second violation within two years shall subject the person to a civil penalty in the amount of five hundred dollars.

*c.* A third or subsequent violation within two years shall subject the person to a civil penalty in the amount of one thousand dollars.

2011 Acts, ch 51, §1; 2012 Acts, ch 1021, §112; 2012 Acts, ch 1099, §1
Referred to in §805.8C(9)

# CHAPTER 714A

## PAY-PER-CALL SERVICE

Referred to in §331.307, 364.22, 701.1, 714H.3

714A.1 Definitions.
714A.2 Disclosure of charges.
714A.3 Advertisements.
714A.4 Billing and collection.
714A.5 Enforcement.

**714A.1 Definitions.**

As used in this chapter:

1. *"Advertisement"* means advertisement as defined in section 714.16, subsection 1, paragraph *"a"*. However, for purposes of this chapter, advertisement does not include a residential listing or a listing in any section of the directory in which businesses or professions are listed alphabetically rather than grouped by subject category, or a standard listing in the subject category section of a telephone directory. Advertisement also does not include a display advertisement or a listing which is made to appear more conspicuous than other listings in the subject category section of a telephone directory, provided that such display advertisement or listing includes a conspicuous disclosure that the call is a pay-per-call service and refers a reader in a clear and conspicuous manner to a page number of the directory where the reader may find an explanation of pay-per-call services. Such explanation of pay-per-call services shall include all of the following:

*a.* The disclosure and preamble requirements under the law.

*b.* The availability and costs of blocking options, if any.

*c.* Whether a consumer's phone service may be terminated for failure to pay for pay-per-call services.

*d.* The procedures for handling consumer inquiries and complaints.

2. *"Amount of time necessary to complete a call"* means for purposes of a fixed length call, the total length of the call in minutes, and for purposes of a variable length call, a reasonable, good faith estimate in minutes of the likely length of the call.

3. *"Merchandise"* means merchandise as defined in section 714.16, subsection 1, paragraph *"i"*.

4. *a.* *"Pay-per-call service"* means electronic communications products and services which are provided to end users by information or service providers, and which meet all of the following requirements:

(1) The end users send or receive information, services, or communications whose general subject matter is determined or influenced by the service provider.

(2) The end users send or receive the information, services, or communications via a telephone connection using audio input which is not modulated or demodulated by the end user.

(3) The charge to the end user for the information, services, or communications is determined by the information or service provider and is made on a per-call or per-minute basis.

*b.* (1) Where the requirements under paragraph *"a"* are met, pay-per-call service includes, but is not limited to, the following:

(a) Information retrieval from a remote database.

(b) Information collection for polling and data entry.

(c) Services offered for public entertainment in which users participate in or listen to a conversation.

(2) Pay-per-call service does not include electronic communication for the purpose of conducting financial transactions, or any service the price of which is established pursuant to a tariff approved by a regulatory agency.

5. *"Person"* means person as defined in section 714.16, subsection 1, paragraph *"j"*, and includes a long distance company and local exchange company as defined in section 477.10.

91 Acts, ch 171, §1

**714A.2 Disclosure of charges.**

With respect to each pay-per-call service, the call shall contain an introductory disclosure message that specifies clearly, and at the same audio volume of the ensuing program, if the charge for the call is on a flat rate basis, the total charge for the call, or if charged on a per-minute basis, the charge per minute for the call, the charge for each additional minute, and the amount of time necessary to complete the call, and all other fees, and which informs the caller of the option to disconnect the call at the end of the introductory message without incurring a charge. However, an introductory message is not required if the total charge for the call is one dollar or less.

91 Acts, ch 171, §2

**714A.3 Advertisements.**

Advertisements for pay-per-call service shall clearly state if the charge for the service is on a flat rate basis, the total charge for the call or, if charged on a per-minute basis, the charge per minute for the call, the charge for each additional minute, and the amount of time necessary to complete the call. Additionally, if in order to obtain the full advertised services or other merchandise, a caller will be required to make any payments in addition to the cost of the initial call, that fact shall be disclosed, along with the amounts of such additional payments. If the advertisement is oral, all cost information must be disclosed clearly and at the same audio volume of the ensuing program prior to providing the pay-per-call number and each time the number is mentioned.

91 Acts, ch 171, §3

**714A.4 Billing and collection.**

A person shall not bill or collect for a pay-per-call service if such person has actual knowledge of the failure of the pay-per-call service to comply with the requirements of this chapter. A person shall cease billing and collecting for a pay-per-call service which fails to comply with the requirements of this chapter as soon as practicable, but in no event more than thirty days, after acquiring knowledge of the noncompliance. Billing and collection contracts shall contain a provision which refers the pay-per-call service to chapter 714A, which provides for an introductory disclosure message and the requirements for such message.

Additionally, a person shall not bill or collect a charge for a pay-per-call service unless the call for which the charge is being made is completed.

91 Acts, ch 171, §4

**714A.5 Enforcement.**

A violation of this chapter is an unfair or deceptive trade practice and is subject to the provisions of section 714.16, except that the remedies and penalties provided pursuant to that section shall not be applied to a newspaper, magazine, publication, directory, or other print media in which an advertisement appears, or to a radio station, television station, or other electronic media which disseminates the advertisement, and no other penalty or cause of action under this chapter shall accrue against the media in or by which the advertisement

appears or is disseminated, where the particular advertisement is not sponsored by the media, unless the media also performs the billing or collecting for the pay-per-call service.

91 Acts, ch 171, §5

# CHAPTER 714B

## PRIZE PROMOTIONS

Referred to in §331.307, 364.22, 701.1


| | | | |
|---|---|---|---|
| 714B.1 | Definitions. | 714B.6 | Criminal penalties. |
| 714B.2 | Written prize notice — content — form. | 714B.7 | Civil enforcement. |
| 714B.3 | Prohibited practices. | 714B.8 | Private action. |
| 714B.4 | Prize award required. | 714B.9 | Compliance with other laws. |
| 714B.5 | Information requested by attorney general. | 714B.10 | Exemptions. |


**714B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advertisement"* means as defined in section 714.16, subsection 1.

2. *"Merchandise"* means as defined in section 714.16, subsection 1.

3. *"Person"* means as defined in section 714.16, subsection 1.

4. *"Prize"* means a gift, award, cash award, or other merchandise of value that is offered or awarded to a person in a real or purported contest, competition, sweepstakes, puzzle, drawing, scheme, plan, or other selection process.

5. *"Retail value"* of a prize means the following:

*a.* A price at which the sponsor of the prize can substantiate that a substantial number of the items of merchandise have been sold to the public in the year preceding the date of the written prize notice in the regular course of business other than through a prize promotion.

*b.* No more than one and one-half times the amount the sponsor paid for the prize in a bona fide purchase from an unaffiliated seller, if the sponsor is unable to substantiate a price pursuant to paragraph *"a"*.

6. *"Sponsor"* means a person who awards another person a prize or who allows the person to receive, use, compete for, or obtain information about a prize.

94 Acts, ch 1185, §2

**714B.2 Written prize notice — content — form.**

1. *a.* A sponsor of a prize shall not require a person to purchase merchandise or pay or donate money as a condition of awarding a prize or as a condition of allowing the person to receive, use, compete for, or obtain information about a prize, unless the person has first received a written prize notice which satisfies the requirements of subsections 2 and 3. A sponsor shall not create the reasonable impression that such a purchase, payment, or donation is required, unless the person has first received a written prize notice which satisfies the requirements of subsections 2 and 3.

*b.* For purposes of this chapter, a sponsor is deemed to have created the reasonable impression that a payment, purchase, or donation is required as a condition of awarding the person a prize, or as a condition of allowing the person to receive, use, compete for, or obtain information about a prize, if the sponsor does any of the following:

(1) Fails to clearly and conspicuously disclose that a purchase, payment, or donation is not required in immediate proximity to, and in the same type and boldness as, each written reference to a purchase, payment, or donation, or in immediate proximity to, and in the same audio volume as, each verbal reference to a purchase, payment, or donation.

(2) Uses a verbal or written solicitation, or other advertisement which contains any

express or implied representations that a participant's likelihood of receiving a prize or other favorable treatment is enhanced by making a purchase, payment, or donation.

(3) Uses a verbal or written solicitation, course of solicitation, or other advertisement which when considered in its totality creates an overall impression that a participant's likelihood of receiving a prize or other favorable treatment is enhanced by making a purchase, payment, or donation.

*c.* A written prize notice satisfying the requirements of subsections 2 and 3 must precede every verbal advertisement by a sponsor which requires a person to purchase merchandise or pay or donate money, or gives the reasonable impression that such a purchase, payment, or donation is required, as a condition of awarding a prize, or as a condition of allowing a person to receive, use, compete for, or obtain information about a prize.

*d.* Each written advertisement by a sponsor which requires a person to purchase merchandise or pay or donate money, or gives the reasonable impression that such a purchase, payment, or donation is required as a condition of awarding a prize or as a condition of allowing a person to receive, use, compete for, or obtain information about a prize, must satisfy the requirements of subsections 2 and 3.

2. A written prize notice must contain each of the following:

*a.* The true name or names of the sponsor and the street address of the sponsor's actual principal place of business.

*b.* The retail value of each prize the person receiving the notice has been selected to receive or may be eligible to receive.

*c.* A statement of the odds the person has of receiving each prize identified in the notice.

*d.* Any requirement that the person pay shipping or handling fees, or any other charges to obtain or use a prize, including the nature and amount of the charge.

*e.* A statement that a restriction applies and a description of the restriction, if receipt of the prize is subject to a restriction.

*f.* Any limitations on eligibility to receive a prize.

*g.* If a sponsor represents that a person is a winner or finalist, has been specially selected, is in first place, or is otherwise among a limited group of persons with an enhanced likelihood of receiving a prize; or that a person is entering a contest, sweepstakes, drawing, or other competitive enterprise from which a single winner or select group of winners will receive a prize, and if the notice is not prohibited under section 714B.3, subsection 1, paragraph "*c*", a statement of the maximum number of persons in the group or purported group with this enhanced likelihood of receiving a prize.

*h.* Any requirement or invitation for the person to view, hear, or attend a sales presentation in order to claim a prize, a good faith estimate of the length of the sales presentation, a description of the merchandise that is the subject of the sales presentation, and the total cost of such merchandise.

3. The information required in the written prize notice pursuant to subsection 2 must be provided as follows:

*a.* The retail value and the statement of odds required under subsection 2 must be stated in immediate proximity to each identification of a prize on the written notice, and must be in the same size and boldness of type as the reference to the prize.

*b.* The retail value must be stated in Arabic numerals, and must be in the following form:

Retail value: $.....

*c.* The statement of odds must include, for each prize, the total number of prizes to be given away and the total number of written prize notices to be distributed. The number of prizes and written prize notices must be stated in Arabic numerals. The statement of odds must be in the following form:

..... (number of prizes) out of ..... (notices distributed).

*d.* If a person is required to pay shipping or handling fees or any other charges to obtain

a prize, to be eligible to obtain a prize, or to participate in a contest, a statement must appear in immediate proximity to each listing of the prize in the written prize notice in not less than ten point boldface type as follows:

YOU MUST PAY $..... IN ORDER TO RECEIVE OR USE THIS ITEM, or, YOU MUST PAY $..... IN ORDER TO COMPETE FOR THIS ITEM, as applicable.

*e.* The information required under subsection 2, paragraphs *"e"*, *"f"*, and *"h"* must be on the first page of the written prize notice in not less than ten point boldface type.

*f.* A statement required under subsection 2, paragraph *"g"*, must appear in immediate proximity to each representation that the person is among a group of persons with an enhanced likelihood of receiving a prize, and must be in the same type size and boldness as the representation.

94 Acts, ch 1185, §3

**714B.3 Prohibited practices.**

1. A sponsor of a prize shall not do any of the following:

*a.* Deliver a written prize notice, or an envelope containing a written prize notice, that contains language, or is designed in a manner, that would have the tendency or capacity to mislead intended recipients as to the source of the written prize notice. This prohibition includes, but is not limited to, a written prize notice or envelope which indicates that the notice or envelope originates from a government agency, public utility, insurance company, consumer reporting agency, debt collector, or law firm, unless the written prize notice or envelope originates from such source.

*b.* Represent directly or by implication that the number of persons eligible for the prize is limited or that a person has been selected to receive a particular prize, unless the representation is true.

*c.* Represent that a person is a winner or finalist, has been specially selected, is in first place, or is otherwise among a limited group of persons with an enhanced likelihood of receiving a prize, or that a person is entering a contest, sweepstakes, drawing, or other competitive enterprise, from which a single winner or select group of winners will receive a prize, when in fact the enterprise is a promotional scheme designed to make contact with prospective customers and all or a substantial number of those receiving the notice are awarded the same prize.

*d.* Represent directly or by implication that a person will have an increased chance of receiving a prize by making multiple or duplicate purchases, payments or donations, or by entering a game, drawing, sweepstakes, or other contest more than one time, unless the representation is true. A sponsor is deemed to have made such representation if the sponsor delivers one or more prize notices to a person after the person has already made a purchase, payment, or donation to the sponsor for the same promotion, or has already entered the same game, drawing, sweepstakes, or other contest, unless the sponsor can demonstrate a bona fide error even though the sponsor has implemented procedures reasonably designed to prevent such duplication.

*e.* Represent directly or by implication that a person is being notified a second or final time of the opportunity to receive or compete for a prize, unless the representation is true.

*f.* Represent directly or by implication that a prize notice is urgent, or otherwise convey an impression of urgency by use of description, narrative copy, phrasing on an envelope, or similar method, unless there is a limited time period in which the recipient must take some action to claim or be eligible to receive a prize, and the date by which such action is required appears in immediate proximity to each representation of urgency and in the same type size and boldness as each representation of urgency.

*g.* Knowingly sell, rent, exchange, transfer, or otherwise furnish to or purchase from other persons, financial data regarding Iowans disclosed in connection with a prize promotion not in compliance with this chapter. For purposes of this chapter, financial data includes credit

card numbers, bank account numbers, other payment device numbers, and dollars spent on prize promotions which are not in compliance with this chapter.

*h.* Request an individual to disclose the individual's phone number, age, birthdate, credit card ownership, or financial data in connection with a prize promotion which is not in compliance with this chapter.

2. If a written prize notice requires or invites a person to view, hear, or attend a sales presentation in order to claim a prize, the sales presentation shall not begin until the sponsor does all of the following:

*a.* Informs the person of the prize, if any, that has been awarded to the person.

*b.* If the person is awarded a prize, delivers to the person the prize or the item selected by the person as provided in section 714B.4, if the prize awarded is not available.

94 Acts, ch 1185, §4
Referred to in §714B.2

**714B.4 Prize award required.**

A sponsor of a prize who represents to a person that the person has been awarded a prize shall, no later than thirty days after making the representation, provide the person with the prize; with a voucher, certificate, or other document indicating the person's unconditional right to receive the prize; or with either of the following items as selected by the person:

1. Any other prize listed in the written prize notice that is available and that is of equal or greater value.

2. The retail value of the prize, as stated in the written notice, in the form of cash, a money order, or a certified check.

94 Acts, ch 1185, §5
Referred to in §714B.3

**714B.5 Information requested by attorney general.**

A sponsor shall provide, upon the request of the attorney general made within one year after the termination date of the promotion, a record of the names and addresses of all winners of prizes of one hundred dollars or more.

94 Acts, ch 1185, §6

**714B.6 Criminal penalties.**

A person who intentionally violates this chapter is guilty of an aggravated misdemeanor. A person intentionally violates this chapter if the act or acts in violation occur or continue after the attorney general or county attorney has notified the person by certified mail that the person is in violation of this chapter.

94 Acts, ch 1185, §7

**714B.7 Civil enforcement.**

A violation of this chapter constitutes a violation of section 714.16, subsection 2, paragraph "*a*".

94 Acts, ch 1185, §8

**714B.8 Private action.**

In addition to any other remedies, a person suffering pecuniary loss as a result of a violation of this chapter by another person may bring an action against such other person to recover all of the following:

1. The greater of five hundred dollars or twice the amount of the pecuniary loss.

2. Costs and reasonable attorney fees.

94 Acts, ch 1185, §9

**714B.9 Compliance with other laws.**

This chapter shall not be construed to permit an activity prohibited by section 714.16, or rules adopted pursuant to that section, or by chapter 725, or other applicable law.

94 Acts, ch 1185, §10

**714B.10 Exemptions.**

This chapter does not apply to the following:

1. Advertising by sponsors registered pursuant to chapter 557B, licensed pursuant to chapter 99B, or regulated pursuant to chapter 99D, 99F, or 99G.

2. Advertising in connection with the sale or purchase of books, recordings, videocassettes, periodicals, and similar goods through a membership group or club which is regulated by the federal trade commission pursuant to 16 C.F.R. pt. 425.1, concerning use of negative option plans by sellers in commerce.

3. Advertising in connection with the sale or purchase of goods ordered through a contractual plan or arrangement such as a continuity plan, subscription arrangement, or a single sale or purchase series arrangement under which the seller ships goods to a consumer who has consented in advance to receive the goods and who, after the receipt of the goods, is given an opportunity to examine the goods and to receive a full refund of charges for the goods upon return of the goods undamaged.

4. Advertising in connection with sales by a catalog seller. For purposes of this section, "*catalog seller*" means a person at least fifty percent of whose annual revenues are derived from the sale of merchandise sold in connection with the distribution of catalogs of at least twenty-four pages, which contain written descriptions or illustrations and sale prices for each item of merchandise and which are distributed in more than one state with a total annual distribution of at least two hundred fifty thousand.

94 Acts, ch 1185, §11; 2003 Acts, ch 178, §116, 121; 2003 Acts, ch 179, §142; 2010 Acts, ch 1061, §81

# CHAPTER 714C

## VIDEO RENTAL PROPERTY THEFT

Repealed by 2000 Acts, ch 1201, §16;
see §702.20A, 714.1, 714.6A

# CHAPTER 714D

## TELECOMMUNICATIONS SERVICE PROVIDER FRAUD

Referred to in §331.307, 364.22, 701.1


714D.1 Legislative intent.
714D.2 Definitions.
714D.3 Unfair and deceptive practices.
714D.4 Prohibition of sweepstakes boxes.
714D.5 Conditions on use of prize promotions to solicit authority to provide or change telecommunications services.
714D.6 Private action.
714D.7 Civil enforcement.


**714D.1 Legislative intent.**

The general assembly finds that customers of telephone services have been subjected to fraud in the sale and advertisement of telephone long distance and local service, as well as other services related to residential and business telephone service. The general assembly further finds that companies acting in a lawful manner have lost customers to companies that obtain customers through fraud and deception.

It is the intent of the general assembly to protect telephone service subscribers from fraud and to provide statutory remedies for the victims of fraud in the sale of telecommunications service. It is the intent of the general assembly to provide the attorney general with additional remedies to address the issue of fraud in the sale of telecommunications service. It is further

the intent of the general assembly that this chapter does not limit the rights or remedies that are otherwise available to a consumer or the attorney general under any other law.

99 Acts, ch 16, §2

**714D.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advertisement"* means the same as defined in section 714.16, subsection 1.
2. *"Consumer"* means a person who is not a telecommunications service provider and who uses telecommunications services.
3. *"Deception"* means the same as defined in section 714.16, subsection 1.
4. *"Person"* means the same as defined in section 714.16, subsection 1.
5. *"Sweepstakes box"* means the box or receptacle into which a person may place an entry form or document used to enter a sweepstakes, contest, or drawing of any description, and promotional materials attached to such entry form or document.
6. *"Telecommunications Act"* means 47 U.S.C. § 258, a portion of the federal Telecommunications Act of 1996, relating to changes in telephone service, and including regulations adopted pursuant to that section.
7. *"Telecommunications service"* means local exchange or long distance telephone service, and any additional service or merchandise for which any charge or assessment appears on a billing statement directed to a person by a provider of local exchange or long distance telephone service, but does not include commercial mobile radio service or charges or assessments imposed on consumers of local exchange or long distance telephone service or on such additional service or merchandise by governmental entities.
8. *"Telecommunications service provider"* means a person who advertises, sells, leases, or provides telecommunications services to another person.
9. *"Unfair practice"* means the same as defined in section 714.16, subsection 1, and also means any failure of a person to comply with the Telecommunications Act or with any statute or rule enforced by the utilities board within the utilities division of the department of commerce relating to a telecommunications service selection or change.

99 Acts, ch 16, §3

**714D.3 Unfair and deceptive practices.**

The act, use, or employment by a person of deception or an unfair practice in connection with the lease, sale, or advertisement of a telecommunications service or the solicitation of authority to provide or execute a change of a telecommunications service is an unlawful practice.

99 Acts, ch 16, §4

**714D.4 Prohibition of sweepstakes boxes.**

The use of a sweepstakes box by a person to solicit authority to provide or execute a change of a consumer's telecommunications service is an unlawful practice.

99 Acts, ch 16, §5

**714D.5 Conditions on use of prize promotions to solicit authority to provide or change telecommunications services.**

1. It is an unlawful practice for a person to use a form or document which is to be used or intended to be used by another person to enter a sweepstakes, contest, or drawing of any description as written authority to provide or execute a change of a consumer's telecommunications service.
2. It is an unlawful practice for a person to solicit the lease or sale of or to solicit the authority to provide or execute a change of a telecommunications service to another person through or in conjunction with a sweepstakes, contest, or drawing without clearly, conspicuously, and fully disclosing in all direct mail solicitations to the other person the fact that the sweepstakes, contest, or drawing is intended to solicit authority to provide or execute a change of a telecommunications service. The disclosure required shall include, at a minimum, all of the following:

*a.* A statement that an acceptance or change of telecommunications service is not required to enter the sweepstakes, contest, or drawing.

*b.* An alternative means by which a person may enter the sweepstakes, contest, or drawing without accepting or authorizing a change in a telecommunications service.

*c.* The name and telephone number of the entity soliciting the person to accept or to authorize a change of telecommunications service through the use of or in conjunction with the sweepstakes, contest, or drawing.

*d.* A brief description of the nature of the telecommunications service for which authorization is sought through the use of or in conjunction with the sweepstakes, contest, or drawing.

99 Acts, ch 16, §6

**714D.6 Private action.**

1. In addition to any other remedy, a consumer may bring an action against a person who commits an unlawful practice under this chapter to recover from the person all of the following:

*a.* The amount of any moneys or property acquired by the person from the consumer by means of an unlawful practice under this section, or two hundred dollars, whichever is greater.

*b.* If a court finds that the consumer prevails in the action and that the unlawful practice was an intentional violation of this chapter, five hundred dollars or twice the amount of the consumer's actual damages, whichever is greater.

*c.* Costs and reasonable attorney fees.

2. A cause of action under this section shall not apply unless, prior to filing the action, the consumer has submitted a complaint to the utilities board within the utilities division of the department of commerce, the utilities board has failed to resolve the complaint to the consumer's satisfaction within one hundred twenty days of the date the complaint was submitted, and the consumer dismisses the complaint before the utilities board. The requirement that a consumer complaint be submitted to the utilities board and resolved by the utilities board to the consumer's satisfaction within one hundred twenty days of filing before the consumer may file an action pursuant to this section shall not apply to an action by the attorney general to recover moneys for the consumer pursuant to section 714D.7 or any other law. A finding by the utilities board that a respondent has complied with rules governing carrier selection procedures adopted by the utilities board shall be an affirmative defense to any claim brought under this section or section 476.103 or 714D.7 that an unauthorized change in service has occurred.

99 Acts, ch 16, §7

Referred to in §714D.7

**714D.7 Civil enforcement.**

1. A violation of this chapter or a rule adopted pursuant to this chapter is a violation of section 714.16, subsection 2, paragraph "*a*". The remedies and penalties provided by section 714.16, including but not limited to injunctive relief and civil penalties, apply to violations of this chapter.

2. In seeking reimbursement pursuant to section 714.16, subsection 7, from a person who has committed an unlawful practice under this chapter, the attorney general may seek an order from the court that the person pay to the attorney general on behalf of consumers the amounts for which the person would be liable under section 714D.6 for each consumer who has a cause of action pursuant to section 714D.6. Section 714.16, as it relates to consumer reimbursement, applies to amounts recovered by the attorney general as reimbursement under this chapter. However, a consumer who is awarded monetary damages pursuant to section 714D.6 is not eligible for monetary relief under this section for the same unlawful practice.

3. The remedies provided pursuant to this chapter are in addition to any other remedies provided to the state or to a person under other law.

4. The attorney general shall not file a civil enforcement action under this chapter or under

section 714.16 against a person for an act which is the subject of an administrative proceeding to impose a civil penalty which has been initiated against the person by the utilities board within the utilities division of the department of commerce. This subsection shall not be construed to limit the authority of the attorney general to file a civil enforcement or other enforcement action against a person for violating a prior agreement entered into by the person with the attorney general or a court order obtained by the attorney general against the person. This subsection shall not be construed to limit the authority of the attorney general to file a civil enforcement or other enforcement action against the person for acts which are not the subject of an administrative proceeding which has been initiated against the person by the utilities board.

99 Acts, ch 16, §8
Referred to in §476.103, 714D.6

# CHAPTER 714E

## FORECLOSURE CONSULTANTS

Referred to in §331.307, 364.22, 701.1


| | | | |
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| 714E.1 | Definitions. | 714E.5 | Waiver not allowed. |
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| 714E.4 | Violations. | 714E.9 | Arbitration prohibited. |


**714E.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Business day"* means any calendar day except Saturday, Sunday, or a public holiday including a holiday observed on a Monday.

2. *"Contract"* means an agreement, or a term in an agreement, between a foreclosure consultant and an owner for the rendition of a service.

3. *a. "Foreclosure consultant"* means a person who, directly or indirectly, makes a solicitation, representation, or offer to an owner to perform for compensation or who, for compensation, performs a service which the person in any manner represents will do any of the following:

(1) Stop or postpone a foreclosure, foreclosure sale, forfeiture, sheriff's sale, or tax sale.

(2) Obtain a forbearance, modification, or repayment plan for a beneficiary or mortgagee.

(3) Assist the owner to exercise the right of redemption, cure the mortgage default, cure the real estate contract default, or redeem the property from a tax sale.

(4) Obtain an extension of the period within which the owner may reinstate the owner's obligation.

(5) Obtain a waiver of an acceleration clause contained in a promissory note or contract secured by a mortgage on a residence in foreclosure or contained in the mortgage.

(6) Assist the owner in foreclosure, foreclosure sale, forfeiture, sheriff's sale, tax sale, or loan default to obtain a loan or advance of funds.

(7) Avoid or ameliorate the impairment of the owner's credit resulting from the recording of a notice of default or the conduct of a foreclosure sale or a forfeiture of a real estate contract.

(8) Save the owner's residence from foreclosure, foreclosure sale, forfeiture, sheriff's sale, or tax sale.

(9) Negotiate or obtain a mortgage loan or real estate contract modification, forbearance, repayment plan, or other loss mitigation for the consumer.

*b. "Foreclosure consultant"* does not include any of the following:

(1) A person licensed to practice law in this state when the person renders service in the course of the person's practice as an attorney at law.

(2) A person licensed to engage in the business of debt management under chapter 533A, when the person is engaged in the business of debt management.

(3) A person licensed as a real estate broker or salesperson under chapter 543B, when the person engages in acts whose performance requires licensure under that chapter unless the person is engaged in offering services designed to, or purportedly designed to, enable the owner to retain possession of the residence in foreclosure.

(4) A person licensed as an accountant under chapter 542 when the person is acting in any capacity for which the person is licensed under those provisions.

(5) A person or the person's authorized agent acting under the express authority or written approval of the United States department of housing and urban development or other department or agency of the United States or this state to provide services.

(6) A person who holds or is owed an obligation secured by a lien on a residence in foreclosure when the person performs services in connection with the obligation or lien if the obligation or lien did not arise as the result of or as part of a proposed foreclosure reconveyance.

(7) A person or entity doing business under any law of this state, or of the United States, relating to banks, trust companies, savings and loan associations, industrial loan and thrift companies, regulated lenders, credit unions, insurance companies, or a mortgagee approved by the United States department of housing and urban development, and a subsidiary or affiliate of these persons or entities, and an agent or employee of these persons or entities while engaged in the business of such persons or entities.

(8) A person licensed as a mortgage broker or mortgage banker pursuant to chapter 535B, when acting under the authority of that license.

(9) A person registered as a mortgage broker or mortgage banker or originator pursuant to chapter 535B, when acting under the authority of that registration.

(10) A nonprofit agency or organization that offers counseling or advice to an owner of a residence in foreclosure or loan default if the nonprofit agency or organization does not contract for services with for-profit lenders or foreclosure purchasers.

(11) A judgment creditor of the owner, to the extent that the judgment creditor's claim accrued prior to the personal service of the foreclosure notice required by section 654.2D, but excluding a person who purchased the claim after such personal service.

(12) A foreclosure purchaser as defined in section 714F.1.

4. "*Foreclosure reconveyance*" means a transaction involving all of the following:

*a.* The transfer of title to real property by an owner during a foreclosure proceeding, forfeiture proceeding, or tax sale, either by transfer of interest from the owner or by creation of a mortgage or other lien or encumbrance during the foreclosure, forfeiture, or tax sale process that allows the acquirer to obtain title to the property by redeeming the property as a junior lienholder.

*b.* The subsequent conveyance, or promise of a subsequent conveyance, of an interest back to the owner by the acquirer or a person acting in participation with the acquirer that allows the owner to possess either the residence in foreclosure or any other real property, which interest includes but is not limited to an interest in a contract for deed, purchase agreement, option to purchase, or lease.

5. "*Owner*" means the record owner or holder of an equitable interest through contract of the residence in foreclosure at the time the notice of pendency was recorded, or at the time the default notice was served.

6. "*Person*" means the same as defined in section 4.1.

7. "*Residence in foreclosure*" or "*affected residence*" means residential real property consisting of one to four family dwelling units, one of which the owner occupies as the owner's principal place of residence, where a delinquency or default on any loan payment or debt is secured by or attached to the residential real property including but not limited to contract for deed payments, real estate contracts, or real estate taxes.

8. "*Service*" includes but is not limited to any of the following:

*a.* Debt, budget, or financial counseling of any type.

*b.* Receiving money for the purpose of distributing the money to creditors in payment or partial payment of an obligation secured by a lien on a residence in foreclosure.

*c.* Contacting creditors on behalf of an owner of a residence in foreclosure.

*d.* Arranging or attempting to arrange for an extension of the period within which the owner of a residence in foreclosure, forfeiture, or tax sale may cure the owner's default and reinstate the owner's obligation.

*e.* Arranging or attempting to arrange for a delay or postponement of the time of sale of the residence in foreclosure, forfeiture, or tax sale.

*f.* Advising the filing of a document or assisting in any manner in the preparation of a document for filing with a bankruptcy court.

*g.* Giving advice, explanation, or instruction to an owner of a residence in foreclosure, forfeiture, or tax sale which in any manner relates to the cure of a default in or the reinstatement of an obligation secured by a lien on the affected residence, the full satisfaction of that obligation, or the postponement or avoidance of a sale or loss of the affected residence, pursuant to a power of sale contained in a mortgage.

2008 Acts, ch 1125, §1, 19; 2009 Acts, ch 133, §179

**714E.2 Foreclosure consultant contract.**

1. A foreclosure consultant contract must be in writing and must fully disclose the exact nature of the foreclosure consultant's services and the total amount and terms of compensation.

2. The following notice, printed in at least fourteen point boldface type and completed with the name of the foreclosure consultant, must be printed immediately above the notice of cancellation statement required pursuant to section 714E.3:

NOTICE REQUIRED BY IOWA LAW
..... (name) or anyone working for
..... (name) CANNOT:
(1) Take any money from you or ask you for money until ..... (name) has completely finished doing everything ..... (name) said ..... (name) would do; and
(2) Ask you to sign or have you sign any lien, mortgage, or real estate contract.

3. The contract must be written in the same language as principally used by the foreclosure consultant to describe the foreclosure consultant's services and to negotiate the contract with the consumer. The contract must be dated and signed by the owner, and must contain in immediate proximity to the space reserved in the contract for the owner's signature, a conspicuous statement in a size equal to at least ten point boldface type, as follows:

You, the owner, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

4. The foreclosure consultant shall provide the owner immediately upon execution of the contract with a copy of the contract along with the notice of cancellation required in section 714E.3.

5. The three business days during which the owner may cancel the contract shall not begin to run until the foreclosure consultant has complied with this section and with section 714E.3.

2008 Acts, ch 1125, §2, 19; 2008 Acts, ch 1191, §133
Referred to in §714E.3, 714E.8, 714E.9

**714E.3 Cancellation of foreclosure consultant contract.**

1. In addition to any other right under law to rescind a contract, an owner has the right to cancel such a contract until midnight of the third business day after the day on which the owner signs a contract which complies with section 714E.2.

2. Cancellation occurs when the owner gives written notice of cancellation to the foreclosure consultant at the address specified in the contract.

3. Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

4. Notice of cancellation given by the owner need not take the particular form as provided in the contract and, however expressed, is effective if the notice of cancellation indicates the intention of the owner not to be bound by the contract.

5. The notice of cancellation must contain, and the contract must contain on the first page, in a type size no smaller than that generally used in the body of the document, all of the following:

*a.* The real name and physical address of the foreclosure consultant to which the notice of cancellation is to be mailed or otherwise delivered. A post office box does not constitute a physical address. A post office box may be designated for delivery by mail only if it is accompanied by a physical address at which the notice could be delivered by a method other than mail. An electronic mail address may be included, in addition to the physical address.

*b.* The date the owner signed the contract.

6. Cancellation occurs when the owner delivers, by any means, written notice of cancellation to the address specified in the contract. If cancellation is mailed, delivery is effective upon mailing. If electronically mailed, cancellation is effective upon transmission. The contract must be accompanied by a completed form in duplicate, captioned "notice of cancellation", which must be attached to the contract, must be easily detachable, and must contain in at least ten point type the following statement written in the same language as used in the contract:

NOTICE OF CANCELLATION

.....

(enter date of transaction)

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

To cancel this transaction, you may use any of the following methods: (1) mail or otherwise deliver a signed and dated copy of this cancellation notice, or any other written notice of cancellation; or (2) e-mail a notice of cancellation to ..... (name of foreclosure consultant) at ..... (physical address of foreclosure consultant's place of business) ..... (e-mail address of foreclosure consultant's place of business)

Not later than midnight of ..... (date).

I hereby cancel this transaction.

.....

(date)

.....

(owner's signature)

7. The three business days during which the owner may cancel the contract shall not begin to run until the foreclosure consultant has complied with the requirements of this section and with section 714E.2.

2008 Acts, ch 1125, §3, 19

Referred to in §714E.2, 714E.8, 714E.9

**714E.4 Violations.**

It is a violation of this chapter for a foreclosure consultant to do any of the following:

1. Claim, demand, charge, collect, or receive compensation until after the foreclosure consultant has fully performed each and every service the foreclosure consultant contracted to perform or represented the foreclosure consultant would perform.

2. Claim, demand, charge, collect, or receive a fee, interest, or other compensation

for any reason which exceeds eight percent per annum of the amount of any loan which the foreclosure consultant may make to the owner. Such a loan must not, as provided in subsection 3, be secured by the residence in foreclosure or any other real or personal property.

3. Take a wage assignment, a lien of any type on real or personal property, or other security to secure the payment of compensation. Any such security is void and unenforceable.

4. Receive consideration from any third party in connection with services rendered to an owner unless the consideration is first fully disclosed to the owner.

5. Acquire an interest, directly or indirectly, or by means of a subsidiary or affiliate in a residence in foreclosure from an owner with whom the foreclosure consultant has contracted.

6. Take a power of attorney from an owner for any purpose, except to inspect documents as provided by law.

7. Induce or attempt to induce an owner to enter into a contract which does not comply in all respects with the requirements of this chapter.

8. Claim, demand, charge, collect, or receive a fee, interest, or other compensation for promising to negotiate a mortgage loan or real estate contract modification, forbearance, repayment plan, or other loss mitigation for the consumer and fail to successfully negotiate such a modification, forbearance, repayment plan, or other loss mitigation.

9. Prohibit the borrower from contacting any lender, servicer, government entity, attorney, counselor, individual, or company that may seek to help the consumer. Any such provision is void and unenforceable.

2008 Acts, ch 1125, §4, 19; 2009 Acts, ch 133, §180
Referred to in §714E.6, 714E.7, 714E.8, 714E.9

**714E.5 Waiver not allowed.**

A waiver by an owner of the provisions of this chapter is void and unenforceable as contrary to public policy. An attempt by a foreclosure consultant to induce an owner to waive the owner's rights is a violation of this chapter.

2008 Acts, ch 1125, §5, 19
Referred to in §714E.8, 714E.9

**714E.6 Remedies.**

1. A violation of this chapter is an unlawful practice pursuant to section 714.16, and all remedies of section 714.16 are available for such an action. A private cause of action brought under this chapter by an owner is in the public interest. An owner may bring an action against a foreclosure consultant for a violation of this chapter. If the court finds that the foreclosure consultant violated this chapter, the court shall award the owner actual damages, appropriate equitable relief, and the costs of the action, and shall award reasonable fees to the owner's attorney.

2. The rights and remedies provided in subsection 1 are cumulative to, and not a limitation of, any other rights and remedies provided by law. Any action brought by a person other than the attorney general pursuant to this section must be commenced within four years from the date of the alleged violation.

3. The court may award exemplary damages up to one and one-half times the compensation, fees, and interest charged by the foreclosure consultant if the court finds that the foreclosure consultant violated the provisions of section 714E.4, subsection 1, 2, or 4, and the foreclosure consultant acted in bad faith.

4. Notwithstanding any other provision of this section, an action shall not be brought on the basis of a violation of this chapter, except by an owner against whom the violation was committed or by the attorney general. This limitation does not apply to administrative action by either the attorney general or the superintendent of the banking division of the department of commerce.

2008 Acts, ch 1125, §6, 19
Referred to in §714E.8

**714E.7 Criminal penalty.**

A person who commits any violation described in section 714E.4 commits a serious misdemeanor. Prosecution or conviction for a violation described in section 714E.4 shall not bar prosecution or conviction for any other offenses. These penalties are cumulative to any other remedies or penalties provided.

2008 Acts, ch 1125, §7, 19

Referred to in §714E.8

**714E.8 Provisions severable.**

If any provision of sections 714E.2 through 714E.7 and 714E.9 or the application of any of these provisions to any person or circumstance is held to be unconstitutional and void, the remainder of sections 714E.2 through 714E.7 and 714E.9 remains valid.

2008 Acts, ch 1125, §8, 19

**714E.9 Arbitration prohibited.**

A provision in a contract which attempts or purports to require arbitration of a dispute arising under sections 714E.2 through 714E.5 is void at the option of the owner.

2008 Acts, ch 1125, §9, 19

Referred to in §714E.8

# CHAPTER 714F

## FORECLOSURE RECONVEYANCES

Referred to in §331.307, 364.22, 701.1


| | | | |
|---|---|---|---|
| 714F.1 | Definitions. | 714F.5 | Notice of cancellation. |
| 714F.2 | Contract requirement — form and language. | 714F.6 | Waiver. |
| | | 714F.7 | Arbitration prohibited. |
| 714F.3 | Contract terms. | 714F.8 | Prohibited practices. |
| 714F.4 | Contract cancellation. | 714F.9 | Enforcement. |


**714F.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Business day"* means any calendar day except Saturday, Sunday, or a public holiday including a holiday observed on a Monday.

2. *"Foreclosed homeowner"* means an owner of residential real property, including a condominium, that is the primary residence of the owner and whose mortgage on the real property is or was in foreclosure, forfeiture, or tax sale.

3. *a.* *"Foreclosure purchaser"* means a person that has acted as the acquirer in a foreclosure reconveyance. *"Foreclosure purchaser"* includes a person that has acted in joint venture or joint enterprise with one or more acquirers in a foreclosure reconveyance.

*b.* *"Foreclosure purchaser"* does not include any of the following:

(1) A natural person who shows that the natural person is not in the business of foreclosure purchasing and has a prior personal relationship with the foreclosed homeowner.

(2) A person or entity doing business under any law of this state, or of the United States, relating to banks, trust companies, savings and loan associations, industrial loan and thrift companies, regulated lenders, credit unions, insurance companies, or a mortgagee or mortgage servicer approved by the United States department of housing and urban development or any other nationally recognized government-sponsored enterprise, and any subsidiary or affiliate of such persons or entities, and any agent or employee of such persons or entities while engaged in the business of such persons or entities.

4. *"Foreclosure reconveyance"* means a transaction involving both of the following:

*a.* The transfer of title to real property by a foreclosed homeowner during a foreclosure, forfeiture, or tax sale, either by transfer of interest from the foreclosed homeowner or by

creation of a mortgage or other lien or encumbrance during the process that allows the acquirer to obtain title to the property by redeeming the property as a junior lienholder.

*b.* The subsequent conveyance, or promise of a subsequent conveyance, of an interest back to the foreclosed homeowner by the acquirer or a person acting in participation with the acquirer that allows the foreclosed homeowner to possess either the affected residence or other real property, which interest includes but is not limited to an interest in a contract for deed, purchase agreement, option to purchase, or lease.

5. *"Resale"* means a bona fide market sale of the property subject to the foreclosure reconveyance by the foreclosure purchaser to an unaffiliated third party.

6. *"Resale price"* means the gross sale price of the property on resale.

7. *"Residence in foreclosure"* or *"affected residence"* means residential real property consisting of one to four family dwelling units, one of which the foreclosed homeowner occupies as the foreclosed homeowner's principal place of residence, where a delinquency or default on any loan payment or debt is secured by or attached to the residential real property, including but not limited to contract for deed payments, real estate contracts, or real estate taxes.

2008 Acts, ch 1125, §10, 19; 2009 Acts, ch 41, §166
Referred to in §714E.1

**714F.2 Contract requirement — form and language.**

A foreclosure purchaser shall enter into a foreclosure reconveyance in the form of a written contract. The contract must be written in letters of a size equal to at least twelve point boldface type, in the same language principally used by the foreclosure purchaser and foreclosed homeowner to negotiate the sale of the residence in foreclosure, and must be fully completed and signed and dated by the foreclosed homeowner and foreclosure purchaser before the execution of any instrument of conveyance of the residence in foreclosure.

2008 Acts, ch 1125, §11, 19
Referred to in §714F.3

**714F.3 Contract terms.**

1. A contract required by section 714F.2 must contain the entire agreement of the parties and shall include all the following terms:

*a.* The real name, business address, and the telephone number of the foreclosure purchaser.

*b.* The address of the residence in foreclosure.

*c.* The total consideration to be given by the foreclosure purchaser in connection with or incident to the sale.

*d.* A complete description of the terms of payment or other consideration including but not limited to any services of any nature that the foreclosure purchaser represents the foreclosure purchaser will perform for the foreclosed homeowner before or after the sale.

*e.* The time at which possession is to be transferred to the foreclosure purchaser.

*f.* A complete description of the terms of any related agreement designed to allow the foreclosed homeowner to remain in the home including but not limited to a rental agreement, repurchase agreement, contract for deed, or lease with option to buy.

*g.* A notice of cancellation as provided in section 714F.5.

*h.* The following notice in at least fourteen point boldface type, if the contract is printed or in capital letters if the contract is typed, and completed with the name of the foreclosure purchaser, immediately above the statement required by section 714F.5:

NOTICE REQUIRED BY IOWA LAW

Until your right to cancel this contract has ended, ..... (name) or anyone working for ..... (name) CANNOT ask you to sign or have you sign any deed or any other document.

2. The contract required by section 714F.2 survives delivery of any instrument of

conveyance of the residence in foreclosure, but has no effect on persons other than the parties to the contract.

2008 Acts, ch 1125, §12, 19; 2009 Acts, ch 133, §181

**714F.4 Contract cancellation.**

1. In addition to any other right of recision, the foreclosed homeowner has the right to cancel any contract with a foreclosure purchaser until midnight of the third business day following the day on which the foreclosed homeowner signs a contract that complies with this chapter or until 8:00 a.m. on the last day of the period during which the foreclosed homeowner has a right of redemption, whichever occurs first.

2. Cancellation occurs when the foreclosed homeowner delivers, by any means, written notice of cancellation, provided that, at a minimum, the contract and the notice of cancellation contains a physical address to which notice of cancellation may be mailed or otherwise delivered. A post office box does not constitute a physical address. A post office box may be designated for delivery by mail only if it is accompanied by a physical address at which the notice could be delivered by a method other than mail. An electronic mail address may be provided in addition to the physical address. If cancellation is mailed, delivery is effective upon mailing. If electronically mailed, cancellation is effective upon transmission.

3. A notice of cancellation given by the foreclosed homeowner need not take the particular form as provided with the contract.

4. Within ten days following receipt of a notice of cancellation given in accordance with this section, the foreclosure purchaser shall return without condition any original contract and any other documents signed by the foreclosed homeowner.

2008 Acts, ch 1125, §13, 19; 2009 Acts, ch 41, §167

Referred to in §714F.6

**714F.5 Notice of cancellation.**

1. The contract must contain in immediate proximity to the space reserved for the foreclosed homeowner's signature a conspicuous statement in a size equal to at least fourteen point boldface type if the contract is printed, or in capital letters if the contract is typed, as follows:

You may cancel this contract for the sale of your house without any penalty or obligation at any time before ..... (date and time of day)

See the attached notice of cancellation form for an explanation of this right.

The foreclosure purchaser shall accurately enter the date and time of day on which the cancellation right ends.

2. The contract must be accompanied by a completed form in duplicate, captioned "*notice of cancellation*" in a size equal to a twelve point boldface type if the contract is printed, or in capital letters if the contract is typed, followed by a space in which the foreclosure purchaser shall enter the date on which the foreclosed homeowner executes the contract. This form must be attached to the contract, must be easily detachable, and must contain in type of at least ten points if the contract is printed, or in capital letters if the contract is typed, the following statement written in the same language as used in the contract:

NOTICE OF CANCELLATION

.....

(enter date contract signed)

You may cancel this contract for the sale of your house, without any penalty or obligation, at any time before ..... (enter date and time of day)

To cancel this transaction, you may use any of the following methods: (1) mail or otherwise deliver a signed and dated

copy of this cancellation notice; or (2) e-mail a notice of cancellation to ..... (name of purchaser) at ..... (physical address of purchaser's place of business) ..... (e-mail address of foreclosure consultant's place of business)

Not later than ..... (enter date and time of day)

I hereby cancel this transaction.

.....
(date)

.....
(seller's signature)

3. The foreclosure purchaser shall provide the foreclosed homeowner with a copy of the contract and the attached notice of cancellation at the time the contract is executed by all parties.

4. The three business days during which the foreclosed homeowner may cancel the contract shall not begin to run until all parties to the contract have executed the contract and the foreclosure purchaser has complied with this section.

2008 Acts, ch 1125, §14, 19

Referred to in §714F.3

**714F.6 Waiver.**

A waiver of the provisions of this chapter is void and unenforceable as contrary to public policy, except a consumer may waive the three-day right to cancel provided in section 714F.4 if the property is subject to a foreclosure sale, tax sale, or contract forfeiture within the three business days and the shortened cancellation period was not caused by the foreclosure purchaser or an agent of the foreclosure purchaser. A waiver of a foreclosed homeowner's right to cancel shall be in a handwritten statement signed by all parties holding title to the foreclosed property.

2008 Acts, ch 1125, §15, 19; 2009 Acts, ch 133, §182

**714F.7 Arbitration prohibited.**

A provision in a contract which attempts or purports to require arbitration of any dispute arising under this chapter is void at the option of the foreclosed homeowner.

2008 Acts, ch 1125, §16, 19

**714F.8 Prohibited practices.**

A foreclosure purchaser shall not do any of the following:

1. Enter into, or attempt to enter into, a foreclosure reconveyance with a foreclosed homeowner unless all of the following apply:

*a.* The foreclosure purchaser verifies and can demonstrate that the foreclosed homeowner has a reasonable ability to pay for the subsequent conveyance of an interest back to the foreclosed homeowner. In the case of a lease with an option to purchase, payment ability also includes the reasonable ability to make the lease payments and purchase the property within the term of the option to purchase. A rebuttable presumption arises that a foreclosed homeowner is reasonably able to pay for the subsequent conveyance if the foreclosed homeowner's payments for primary housing expenses and regular principal and interest payments on other personal debt, on a monthly basis, do not exceed sixty percent of the foreclosed homeowner's monthly gross income. For the purposes of this section, *"primary housing expenses"* means the sum of payments for regular principal, interest, rent, utilities, hazard insurance, real estate taxes, and association dues. A rebuttable presumption arises that the foreclosure purchaser has not verified reasonable payment ability if the foreclosure purchaser has not obtained documents other than a statement by the foreclosed homeowner of assets, liabilities, and income.

*b.* The foreclosure purchaser and the foreclosed homeowner complete a closing for any foreclosure reconveyance in which the foreclosure purchaser obtains a deed or mortgage

from a foreclosed homeowner. For purposes of this section, *"closing"* means an in-person meeting to complete final documents incident to the sale of the real property or the creation of a mortgage on the real property conducted by a closing agent, who is not employed by or an affiliate of the foreclosure purchaser, or employed by such an affiliate, and who does not have a business or personal relationship with the foreclosure purchaser other than the provision of real estate settlement services.

*c.* The foreclosure purchaser obtains the written consent of the foreclosed homeowner to a grant by the foreclosure purchaser of any interest in the property during such times as the foreclosed homeowner maintains any interest in the property.

*d.* The foreclosure purchaser complies with the requirements for disclosure, loan terms, and conduct in the federal Home Ownership Equity Protection Act, 15 U.S.C. § 1639, for any foreclosure reconveyance in which the foreclosed homeowner obtains a vendee interest in a contract for deed, regardless of whether the terms of the contract for deed meet the annual percentage rate or points and fees requirements for a covered loan in 12 C.F.R. § 226.32(a) and (b).

2. Enter into a foreclosure reconveyance unless the foreclosure purchaser notifies all existing mortgage lien holders of the foreclosure purchaser's intent to accept conveyance of any interest in the property from the foreclosed homeowner, and fully complies with all terms and conditions contained in the mortgage lien documents including but not limited to due-on-sale provisions or meeting all qualification requirements for assuming the repayment of the mortgage.

3. Fail to do any of the following:

*a.* Ensure that title to the subject dwelling has been reconveyed to the foreclosed homeowner.

*b.* (1) Make a payment to the foreclosed homeowner such that the foreclosed homeowner has received consideration in an amount of at least eighty-two percent of the fair market value of the property, as the property was when the foreclosed homeowner vacated the property, within ninety days of either the eviction or voluntary relinquishment of possession of the property by the foreclosed homeowner. The foreclosure purchaser shall make a detailed accounting of the basis for the payment amount, or a detailed accounting of the reasons for failure to make a payment, including providing written documentation of expenses, within this ninety-day period. The accounting shall be on a form prescribed by the attorney general, in consultation with the superintendent of the banking division of the department of commerce without being subject to the rulemaking procedures of chapter 17A.

(2) For purposes of this paragraph *"b"*, all of the following shall apply:

(a) A rebuttable presumption arises that an appraisal by a person licensed or certified by an agency of the federal government or this state to appraise real estate constitutes the fair market value of the property.

(b) The time for determining the fair market value amount shall be determined in the foreclosure reconveyance contract as either at the time of the execution of the foreclosure reconveyance contract or at resale. If the contract states that the fair market value shall be determined at the time of resale, the fair market value shall be the resale price if it is sold within sixty days of the eviction or voluntary relinquishment of the property by the foreclosed homeowner. If the contract states that the fair market value shall be determined at the time of resale, and the resale is not completed within sixty days of the eviction or voluntary relinquishment of the property by the foreclosed homeowner, the fair market value shall be determined by an appraisal conducted within one hundred eighty days of the eviction or voluntary relinquishment of the property by the foreclosed homeowner and payment, if required, shall be made to the foreclosed homeowner, but the fair market value shall be recalculated as the resale price on resale and an additional payment amount, if appropriate, based on the resale price, shall be made to the foreclosed homeowner within fifteen days of resale, and a detailed accounting of the basis for the payment amount, or a detailed accounting of the reasons for failure to make additional payment, shall be made within fifteen days of resale, including providing written documentation of expenses. The accounting shall be on a form prescribed by the attorney general, in consultation with

the superintendent of the banking division of the department of commerce, without being subject to the rulemaking procedures of chapter 17A.

(c) "*Consideration*" means any payment or thing of value provided to the foreclosed homeowner, including payment of unpaid rent or contract for deed payments owed by the foreclosed homeowner prior to the date of eviction or voluntary relinquishment of the property, reasonable costs paid to third parties necessary to complete the foreclosure reconveyance transaction, payment of money to satisfy a debt or legal obligation of the foreclosed homeowner that creates a lien against the affected residence, or the payment of reasonable cost of repairs for damage to the dwelling caused by the foreclosed homeowner; or a payment of a penalty imposed by a court for the filing of a frivolous claim under section 714F.9, subsection 6, but "*consideration*" shall not include amounts imputed as a down payment or fee to the foreclosure purchaser, or a person acting in participation with the foreclosure purchaser, incident to a contract for deed, lease, or option to purchase entered into as part of the foreclosure reconveyance, except for reasonable costs paid to third parties necessary to complete the foreclosure reconveyance.

4. Enter into repurchase or lease terms as part of the subsequent conveyance that are unfair or commercially unreasonable, or engage in any other unfair conduct.

5. Represent, directly or indirectly, any of the following:

*a.* The foreclosure purchaser is acting as an advisor or a consultant, or in any other manner represents that the foreclosure purchaser is acting on behalf of the foreclosed homeowner.

*b.* The foreclosure purchaser has a qualification, certification, or licensure that the foreclosure purchaser does not have, or that the foreclosure purchaser is not a member of a licensed profession if that is untrue.

*c.* The foreclosure purchaser is assisting the foreclosed homeowner to "save the house" or a substantially similar phrase.

*d.* The foreclosure purchaser is assisting the foreclosed homeowner in preventing a completed foreclosure, forfeiture, or tax sale if the result of the transaction is that the foreclosed homeowner will not complete a redemption of the property.

6. Make any other statements, directly or by implication, or engage in any other conduct that is false, deceptive, or misleading, or that has the likelihood to cause confusion or misunderstanding, including but not limited to statements regarding the value of the residence in foreclosure, the amount of proceeds the foreclosed homeowner will receive after a foreclosure sale, any contract term, or the foreclosed homeowner's rights or obligations incident to or arising out of the foreclosure reconveyance.

7. Do any of the following until the time during which the foreclosed homeowner may cancel the transaction has fully elapsed:

*a.* Accept from a foreclosed homeowner an execution of, or induce a foreclosed homeowner to execute, an instrument of conveyance of any interest in the residence in foreclosure.

*b.* Record with the county recorder or file with the registrar of titles any document including but not limited to an instrument of conveyance, signed by the foreclosed homeowner.

*c.* Transfer or encumber or purport to transfer or encumber any interest in the residence in foreclosure to any third party.

2008 Acts, ch 1125, §17, 19; 2009 Acts, ch 41, §168

**714F.9 Enforcement.**

1. *Remedies.* A violation of this chapter is an unlawful practice pursuant to section 714.16, and all the remedies of section 714.16 are available for such an action. A private cause of action brought under this chapter by a foreclosed homeowner is in the public interest. A foreclosed homeowner may bring an action for a violation of this chapter. If the court finds a violation of this chapter, the court shall award to the foreclosed homeowner actual damages, appropriate equitable relief, and the costs of the action, and shall award reasonable fees to the foreclosed homeowner's attorney. Notwithstanding any other provision of this section, an action shall not be brought on the basis of a violation of this

chapter except by a foreclosed homeowner against whom the violation was committed or by the attorney general. This limitation does not apply to administrative action by the superintendent of the banking division of the department of commerce.

2. *Exemplary damages.* In a private right of action for a violation of this chapter, the court may award exemplary damages. If the court determines that an award of exemplary damages is appropriate, the amount of exemplary damages awarded shall not be less than one and one-half times the foreclosed homeowner's actual damages. Any claim for exemplary damages brought pursuant to this section must be commenced within four years after the date of the alleged violation.

3. *Remedies cumulative.* The remedies provided in this section are cumulative and do not restrict any remedy that is otherwise available. The provisions of this chapter are not exclusive and are in addition to any other requirements, rights, remedies, and penalties provided by law. No action under this section shall affect the rights in the foreclosed property held by a good faith purchaser for value.

4. *Criminal penalty.* A foreclosure purchaser who engages in a practice which would operate as a fraud or deceit upon a foreclosed homeowner is guilty of a serious misdemeanor. Prosecution or conviction for any one of the violations does not bar prosecution or conviction for any other offenses.

5. *Failure of transaction.* Failure of the parties to complete the reconveyance transaction, in the absence of additional misconduct, shall not subject a foreclosure purchaser to the criminal penalties under this chapter.

6. *Stay of eviction action.*

*a.* A court hearing an eviction action against a foreclosed homeowner must issue an automatic stay, without imposition of a bond, if the foreclosed homeowner makes a prima facie showing that all of the following apply:

(1) The foreclosed homeowner has done any of the following:

(a) Commenced an action concerning a foreclosure reconveyance.

(b) Asserts a defense that the property that is the subject of the eviction action is also the subject of a foreclosure reconveyance in violation of this chapter.

(c) Asserts a claim or affirmative defense of fraud, false pretense, false promise, misrepresentation, misleading statement, or deceptive practice, in connection with a foreclosure reconveyance.

(2) The foreclosed homeowner owned the residence in foreclosure.

(3) The foreclosed homeowner conveyed title to the residence in foreclosure to a third party upon a promise that the foreclosed homeowner would be allowed to occupy the residence in foreclosure or other real property in which the foreclosure purchaser or a person acting in participation with the foreclosure purchaser has an interest and that the residence in foreclosure or other real property would be the subject of a foreclosure reconveyance.

(4) Since the conveyance, the foreclosed homeowner has continuously occupied the residence in foreclosure or other real property in which the foreclosure purchaser or a person acting in participation with the foreclosure purchaser has an interest.

*b.* For purposes of this subsection, notarized affidavits are acceptable means of proof to meet the foreclosed homeowner's burden. Upon good cause shown, a foreclosed homeowner may request and the court may grant up to an additional two weeks to produce evidence required to make the prima facie showing.

*c.* A court may award to a plaintiff a penalty of up to five hundred dollars upon a showing that the foreclosed homeowner filed a frivolous claim or asserted a frivolous defense.

*d.* The automatic stay expires upon the later of any of the following:

(1) The failure of the foreclosed homeowner to commence an action in a court of competent jurisdiction in connection with a foreclosed reconveyance transaction within ninety days after the issuance of the stay.

(2) The issuance of an order lifting the stay by a court hearing claims related to the foreclosure reconveyance.

2008 Acts, ch 1125, §18, 19; 2009 Acts, ch 133, §183

Referred to in §714F.8

# CHAPTER 714G

## CONSUMER CREDIT SECURITY

Referred to in §331.307, 364.22, 701.1


| | | | |
|---|---|---|---|
| 714G.1 | Definitions. | 714G.7 | Misrepresentation of fact. |
| 714G.2 | Security freeze. | 714G.8 | Exceptions. |
| 714G.3 | Temporary suspension. | 714G.9 | Written confirmation. |
| 714G.4 | Removal. | 714G.10 | Waiver void. |
| 714G.5 | Fees. | 714G.11 | Enforcement. |
| 714G.6 | Third parties. | | |


**714G.1 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Consumer"* means an individual who is a resident of this state.

2. *"Consumer credit report"* means a consumer report, as defined in 15 U.S.C. § 1681a, that is used or collected in whole or in part for the purpose of serving as a factor in establishing a consumer's eligibility for credit for personal, family, or household purposes.

3. *"Consumer reporting agency"* means the same as defined in 15 U.S.C. § 1681a(f). A consumer reporting agency does not include any of the following:

*a.* A check service or fraud prevention service company that reports on incidents of fraud or issues authorizations for the purpose of approving or processing negotiable instruments, electronic fund transfers, or similar methods of payment.

*b.* A deposit account information service company that issues reports regarding account closures due to fraud, overdrafts, automated teller machine abuse, or similar negative information regarding a consumer to inquiring financial institutions for use only in reviewing the consumer's request for a deposit account at the inquiring financial institution.

*c.* Any person or entity engaged in the practice of assembling and merging information contained in a database of one or more consumer reporting agencies and does not maintain a permanent database of credit information from which new consumer reports are produced.

4. *"Identification information"* means as defined in section 715A.8.

5. *"Identity theft"* means as used in section 715A.8.

6. *"Normal business hours"* means Sunday through Saturday, between the hours of 6:00 a.m. and 9:30 p.m., central standard time or central daylight saving time.

7. *"Proper identification"* means the same as defined in 15 U.S.C. § 1681h(a)(1).

8. *"Security freeze"* means a notice placed in a consumer credit report, at the request of the consumer and subject to certain exceptions, that prohibits a consumer reporting agency from releasing the consumer credit report or score relating to the extension of credit.

2008 Acts, ch 1063, §1

**714G.2 Security freeze.**

A consumer may submit by certified mail to a consumer reporting agency a written request for a security freeze. The consumer must submit proper identification and the applicable fee with the request. Within five business days after receiving the request, the consumer reporting agency shall commence the security freeze. Within ten business days after commencing the security freeze, the consumer reporting agency shall send a written confirmation to the consumer of the security freeze, a personal identification number or password, other than the consumer's social security number, for the consumer to use in authorizing the suspension or removal of the security freeze, including information on how the security freeze may be temporarily suspended.

2008 Acts, ch 1063, §2

**714G.3 Temporary suspension.**

1. A consumer may request that a security freeze be temporarily suspended to allow the consumer reporting agency to release the consumer credit report for a specific time period. The consumer reporting agency may develop procedures to expedite the receipt and processing of requests which may involve the use of telephones, facsimile transmissions, the

internet, or other electronic media. The consumer reporting agency shall comply with the request within three business days after receiving the consumer's written request, or within fifteen minutes after the consumer's request is received by the consumer reporting agency through facsimile, the internet, or other electronic contact method chosen by the consumer reporting agency, or the use of a telephone, during normal business hours. The consumer's request shall include all of the following:

*a.* Proper identification.

*b.* The personal identification number or password provided by the consumer reporting agency.

*c.* Explicit instructions of the specific time period designated for suspension of the security freeze.

*d.* Payment of the applicable fee.

2. A consumer reporting agency need not remove a security freeze within the time frames provided in subsection 1 if the consumer fails to meet the requirements of subsection 1, or the ability of the consumer reporting agency to remove the security freeze within fifteen minutes is prevented by one of the following:

*a.* An act of God, including a fire, earthquake, hurricane, storm, or similar natural disaster or phenomenon.

*b.* Unauthorized or illegal acts by a third party, including terrorism, sabotage, riot, vandalism, labor strikes or disputes disrupting operations, or similar occurrences.

*c.* Operational interruption, including electrical failure, unanticipated delay in equipment or replacement part delivery, computer hardware or software failures inhibiting response time, or similar disruption.

*d.* Governmental action, including emergency orders or regulations, judicial law enforcement action, or similar directives.

*e.* Regularly scheduled maintenance, during other than normal business hours, of the consumer reporting agency's systems, or updates to the consumer reporting agency's systems.

*f.* Commercially reasonable maintenance of, or repair to, the consumer reporting agency's systems that is unexpected or unscheduled.

*g.* Receipt of a removal request outside of normal business hours.

2008 Acts, ch 1063, §3

**714G.4 Removal.**

A security freeze remains in effect until the consumer requests that the security freeze be removed. A consumer reporting agency shall remove a security freeze within three business days after receiving a request for removal that includes proper identification of the consumer, the personal identification number or password provided by the consumer reporting agency, and payment of the applicable fee.

2008 Acts, ch 1063, §4

**714G.5 Fees.**

1. A consumer reporting agency shall not charge any fee to a consumer who is the victim of identity theft for commencing a security freeze, temporary suspension, or removal if with the initial security freeze request, the consumer submits a valid copy of the police report concerning the unlawful use of identification information by another person.

2. A consumer reporting agency may charge a fee not to exceed ten dollars to a consumer who is not the victim of identity theft for each security freeze, removal, or for reissuing a personal identification number or password if the consumer fails to retain the original number. The consumer reporting agency may charge a fee not to exceed twelve dollars for each temporary suspension of a security freeze.

2008 Acts, ch 1063, §5

**714G.6 Third parties.**

If a third party requests a consumer credit report that is subject to a security freeze, the consumer reporting agency may advise the third party that a security freeze is in effect. If

the consumer does not expressly authorize the third party to have access to the consumer credit report through a temporary suspension of the security freeze, the third party shall not be given access to the consumer credit report but may treat a credit application as incomplete.

2008 Acts, ch 1063, §6

**714G.7 Misrepresentation of fact.**

A consumer reporting agency may suspend or remove a security freeze upon a material misrepresentation of fact by the consumer. However, the consumer reporting agency shall send notice to the consumer in writing prior to suspending or removing the security freeze.

2008 Acts, ch 1063, §7

**714G.8 Exceptions.**

A security freeze shall not apply to the following persons or entities:

1. A person or person's subsidiary, affiliate, agent, or assignee with which the consumer has or prior to assignment had an account, contract, or debtor-creditor relationship for the purposes of reviewing the account or collecting the financial obligation owing for the account, contract, or debt, or extending credit to a consumer with a prior or existing account, contract, or debtor-creditor relationship. *"Reviewing the account"* includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.
2. A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to whom access has been granted under a temporary suspension for purposes of facilitating the extension of credit or another permissible use.
3. A person acting pursuant to a court order, warrant, or subpoena.
4. Child support enforcement officials when investigating a child support case pursuant to Tit. IV-D or Tit. XIX of the federal Social Security Act.
5. The department of human services or its agents or assignees acting to investigate fraud under the medical assistance program.
6. The department of revenue or local taxing authorities, or any of their agents or assignees, acting to investigate or collect delinquent taxes or assessments, including interest and penalties and unpaid court orders, or to fulfill any of their other statutory or other responsibilities.
7. A person's use of credit information for prescreening as provided by the federal Fair Credit Reporting Act.
8. A person for the sole purpose of providing a credit file monitoring subscription service to which the consumer has subscribed.
9. A consumer reporting agency for the sole purpose of providing a customer with a copy of the consumer credit report upon the consumer's request.
10. A person's use of a consumer credit report in connection with the business of insurance.

2008 Acts, ch 1063, §8; 2012 Acts, ch 1023, §85

**714G.9 Written confirmation.**

After a security freeze is in effect, a consumer reporting agency may post a name, date of birth, social security number, or address change in a consumer credit report provided written confirmation is sent to the consumer within thirty days of posting the change. For an address change, written confirmation shall be sent to both the new and former addresses. Written confirmation is not required to correct spelling and typographical errors.

2008 Acts, ch 1063, §9

**714G.10 Waiver void.**

A waiver by a consumer of the provisions of this chapter is contrary to public policy and is void and unenforceable.

2008 Acts, ch 1063, §10

**714G.11 Enforcement.**

A person who violates this chapter violates section 714.16, subsection 2, paragraph *"a"*. All powers conferred upon the attorney general to accomplish the objectives and carry out the duties prescribed in section 714.16 are also conferred upon the attorney general to enforce this chapter including but not limited to the power to issue subpoenas, adopt rules, and seek injunctive relief and a monetary award for civil penalties, attorney fees, and costs. Additionally, the attorney general may seek and recover the greater of five hundred dollars or actual damages for each customer injured by a violation of this chapter.

2008 Acts, ch 1063, §11

# CHAPTER 714H

## CONSUMER FRAUD — PRIVATE ACTIONS

Referred to in §331.307, 364.22, 701.1

Chapter applies to causes of actions accruing on or after July 1, 2009; 2009 Acts, ch 167, §9


| | | | |
|---|---|---|---|
| 714H.1 | Title. | 714H.5 | Private right of action. |
| 714H.2 | Definitions. | 714H.6 | Attorney general notification. |
| 714H.3 | Prohibited practices and acts. | 714H.7 | Class actions. |
| 714H.4 | Exclusions. | 714H.8 | Severability clause. |


**714H.1 Title.**

This chapter shall be known and may be cited as the *"Private Right of Action for Consumer Frauds Act"*.

2009 Acts, ch 167, §1, 9

Section applies to causes of actions accruing on or after July 1, 2009; 2009 Acts, ch 167, §9

**714H.2 Definitions.**

1. *"Actual damages"* means all compensatory damages proximately caused by the prohibited practice or act that are reasonably ascertainable in amount. *"Actual damages"* does not include damages for bodily injury, pain and suffering, mental distress, or loss of consortium, loss of life, or loss of enjoyment of life.

2. *"Advertisement"* means the same as defined in section 714.16.

3. *"Consumer"* means a natural person or the person's legal representative.

4. *"Consumer merchandise"* means merchandise offered for sale or lease, or sold or leased, primarily for personal, family, or household purposes.

5. *"Deception"* means an act or practice that is likely to mislead a substantial number of consumers as to a material fact or facts.

6. *"Merchandise"* means the same as defined in section 714.16.

7. *"Person"* means the same as defined in section 714.16.

8. *"Sale"* means any sale or offer for sale of consumer merchandise for cash or credit.

9. *"Unfair practice"* means the same as defined in section 714.16.

2009 Acts, ch 167, §2, 9

Section applies to causes of actions accruing on or after July 1, 2009; 2009 Acts, ch 167, §9

**714H.3 Prohibited practices and acts.**

1. A person shall not engage in a practice or act the person knows or reasonably should know is an unfair practice, deception, fraud, false pretense, or false promise, or the misrepresentation, concealment, suppression, or omission of a material fact, with the intent that others rely upon the unfair practice, deception, fraud, false pretense, false promise, misrepresentation, concealment, suppression, or omission in connection with the advertisement, sale, or lease of consumer merchandise, or the solicitation of contributions for charitable purposes. For the purposes of this chapter, a claimant alleging an unfair practice, deception, fraud, false pretense, false promise, or misrepresentation must prove that the

prohibited practice related to a material fact or facts. *"Solicitations of contributions for charitable purposes"* does not include solicitations made on behalf of a political organization as defined in section 13C.1, solicitations made on behalf of a religious organization as defined in section 13C.1, solicitations made on behalf of a state, regionally, or nationally accredited college or university, or solicitations made on behalf of a nonprofit foundation benefiting a state, regionally, or nationally accredited college or university subject to section 509(a)(1) or 509(a)(3) of the Internal Revenue Code of 1986.

2. A person shall not engage in any practice or act that is in violation of any of the following:

*a.* Section 321.69.

*b.* Chapter 516D.

*c.* Section 516E.5, 516E.9, or 516E.10.

*d.* Chapter 555A.

*e.* Section 714.16, subsection 2, paragraphs "*b*" through "*n*".

*f.* Chapter 714A.

2009 Acts, ch 167, §3, 9

Section applies to causes of actions accruing on or after July 1, 2009; 2009 Acts, ch 167, §9

**714H.4 Exclusions.**

1. This chapter shall not apply to any of the following:

*a.* Merchandise offered or provided by any of the following persons, including business entities organized under Title XII by those persons and the officers, directors, employees, and agents of those persons or business entities, pursuant to a profession or business for which they are licensed or registered:

(1) Insurance companies subject to Title XIII.

(2) Attorneys licensed to practice law in this state.

(3) Financial institutions which includes any bank incorporated under the provisions of any state or federal law, any savings and loan association or savings bank incorporated under the provisions of any state or federal law, and any credit union organized under the provisions of any state or federal law, and any affiliate or subsidiary of a bank, savings and loan association, savings bank, or credit union.

(4) Persons or facilities licensed, certified, or registered under chapters 135B, 135C, 135J, 148, 148A, 148B, 148C, 149, 151, 152, 152A, 152B, 153, 154, 154B, 154C, 154D, 155A, 156, 169, 522B, 542, 542B, 543B, 544A, or 544B.

*b.* Advertising by a retailer for a product, other than a drug or other product claiming to have a health-related benefit or use, if the advertising is prepared by a supplier, unless the retailer participated in the preparation of the advertisement or knew or should have known that the advertisement was deceptive, false, or misleading.

*c.* In connection with an advertisement that violates this chapter, the newspaper, magazine, publication, or other print media in which the advertisement appears, including the publisher of the newspaper, magazine, publication, or other print media in which the advertisement appears, or the radio station, television station, or other electronic media which disseminates the advertisement, including an employee, agent, or representative of the publisher, newspaper, magazine, publication or other print media, or the radio station, television station, or other electronic media.

*d.* The provision of local exchange carrier telephone service pursuant to a certificate issued under section 476.29.

*e.* Public utilities as defined in section 476.1 that furnish gas by a piped distribution system or electricity to the public for compensation.

*f.* Any advertisement that complies with the statutes, rules, and regulations of the federal trade commission.

*g.* Conduct that is required or permitted by the orders or rules of, or a statute administered by, a federal, state, or local governmental agency.

*h.* An affirmative act that violates this chapter but is specifically required by other applicable law, to the extent that the actor could not reasonably avoid a violation of this chapter.

*i.* In any action relating to a charitable solicitation, an individual who has engaged in the charitable solicitation as an unpaid, uncompensated volunteer and who does not receive monetary gain of any sort from engaging in the solicitation.

*j.* The provision of cable television service or video service pursuant to a franchise under section 364.2 or 477A.2.

*k.* A corporation holding one or more industrial loan licenses pursuant to chapter 536A and employing fewer than sixty full-time employees or a corporation holding one or more regulated loan licenses pursuant to chapter 536 and employing fewer than sixty full-time employees. For purposes of this paragraph, *"corporation"* means the same as defined in section 536A.2.

2. *"Material fact"* as used in this chapter does not include repairs of damage to, adjustments on, or replacements of parts with new parts of otherwise new merchandise if the repairs, adjustments, or replacements are made to achieve compliance with factory specifications and are made before sale of the merchandise at retail and the actual cost of any labor and parts charged to or performed by a retailer for any such repairs, adjustments, and parts does not exceed three hundred dollars or ten percent of the actual cost to a retailer including freight of the merchandise, whichever is less, provided that the seller posts in a conspicuous place notice that repairs, adjustments, or replacements will be disclosed upon request. The exclusion provided in this subsection does not apply to the concealment, suppression, or omission of a material fact if the purchaser requests disclosure of any repair, adjustment, or replacement.

2009 Acts, ch 167, §4, 9

Referred to in §321.69A

Section applies to causes of actions accruing on or after July 1, 2009; 2009 Acts, ch 167, §9

**714H.5 Private right of action.**

1. A consumer who suffers an ascertainable loss of money or property as the result of a prohibited practice or act in violation of this chapter may bring an action at law to recover actual damages. The court may order such equitable relief as it deems necessary to protect the public from further violations, including temporary and permanent injunctive relief.

2. If the court finds that a person has violated this chapter and the consumer is awarded actual damages, the court shall award to the consumer the costs of the action and to the consumer's attorney reasonable fees. Reasonable attorney fees shall be determined by the value of the time reasonably expended by the attorney including but not limited to consideration of the following factors:

*a.* The time and labor required.

*b.* The novelty and difficulty of the issues in the case.

*c.* The skills required to perform the legal services properly.

*d.* The preclusion of other employment by the attorney due to the attorney's acceptance of the case.

*e.* The customary fee.

*f.* Whether the fee is fixed or contingent.

*g.* The time limitations imposed by the client or the circumstances of the case.

*h.* The amount of money involved in the case and the results obtained.

*i.* The experience, reputation, and ability of the attorney.

*j.* The undesirability of the case.

*k.* The nature and length of the professional relationship between the attorney and the client.

*l.* Attorney fee awards in similar cases.

3. In order to recover damages, a claim under this section shall be proved by a preponderance of the evidence.

4. If the finder of fact finds by a preponderance of clear, convincing, and satisfactory evidence that a prohibited practice or act in violation of this chapter constitutes willful and wanton disregard for the rights or safety of another, in addition to an award of actual damages, statutory damages up to three times the amount of actual damages may be awarded to a prevailing consumer.

5. An action pursuant to this chapter must be brought within two years of the occurrence of the last event giving rise to the cause of action under this chapter or within two years of the discovery of the violation of this chapter by the person bringing the action, whichever is later.

6. This section shall not affect a consumer's right to seek relief under any other theory of law.

7. A person shall not be held liable in any action brought under this section for a violation of this chapter if the person shows by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error.

2009 Acts, ch 167, §5, 9

Referred to in §321.69A

Section applies to causes of actions accruing on or after July 1, 2009; 2009 Acts, ch 167, §9

**714H.6 Attorney general notification.**

1. A party filing a petition, counterclaim, cross-petition, or pleading, or any count thereof, in intervention alleging a violation under this chapter, within seven days following the date of filing such pleading, shall provide a copy to the attorney general and, within seven days following entry of any final judgment in the action, shall provide a copy of the judgment to the attorney general.

2. A party appealing to district court a small claims order or judgment involving an issue raised under this chapter, within seven days of providing notice of the appeal, shall notify the attorney general in writing and provide a copy of the pleading raising the issue and a copy of the small claims court order or judgment.

3. A party appealing an order or judgment involving an issue raised under this chapter, within seven days following the date such notice of appeal is filed with the court, shall notify the attorney general in writing and provide a copy of the pleading raising the issue and a copy of the court order or judgment being appealed.

4. Upon timely application to the court in which an action involving an issue raised under this chapter is pending, the attorney general may intervene as a party at any time or may be heard at any time. The attorney general's failure to intervene shall not preclude the attorney general from bringing a separate enforcement action.

5. All copies of pleadings, orders, judgments, and notices required by this section to be sent to the attorney general shall be sent by certified mail unless the attorney general has previously been provided such copies of pleadings, orders, judgments, or notices in the same action by certified mail, in which case subsequent mailings may be made by regular mail. Failure to provide the required mailings to the attorney general shall not be grounds for dismissal of an action under this chapter, but shall be grounds for a subsequent action by the attorney general to vacate or modify the judgment.

2009 Acts, ch 167, §6, 9

Section applies to causes of actions accruing on or after July 1, 2009; 2009 Acts, ch 167, §9

**714H.7 Class actions.**

A class action lawsuit alleging a violation of this chapter shall not be filed with a court unless it has been approved by the attorney general. The attorney general shall approve the filing of a class action lawsuit alleging a violation of this chapter unless the attorney general determines that the lawsuit is frivolous. This section shall not affect the requirements of any other law or of the Iowa rules of civil procedure relating to class action lawsuits.

2009 Acts, ch 167, §7, 9

Section applies to causes of actions accruing on or after July 1, 2009; 2009 Acts, ch 167, §9

**714H.8 Severability clause.**

If any provision of this chapter or its application to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of this chapter that can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

2009 Acts, ch 167, §8, 9

Section applies to causes of actions accruing on or after July 1, 2009; 2009 Acts, ch 167, §9

# CHAPTER 715

## COMPUTER SPYWARE AND MALWARE PROTECTION

Referred to in §331.307, 364.22, 701.1


| | | | |
|---|---|---|---|
| 715.1 | Legislative intent. | 715.5 | Other prohibitions. |
| 715.2 | Title. | 715.6 | Exceptions. |
| 715.3 | Definitions. | 715.7 | Criminal penalties. |
| 715.4 | Prohibitions — transmission and use of software. | 715.8 | Venue for criminal violations. |


**715.1 Legislative intent.**

It is the intent of the general assembly to protect owners and operators of computers in this state from the use of spyware and malware that is deceptively or surreptitiously installed on the owner's or the operator's computer.

2005 Acts, ch 94, §1

**715.2 Title.**

This chapter shall be known and may be cited as the *"Computer Spyware Protection Act"*.

2005 Acts, ch 94, §2

**715.3 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Advertisement"* means a communication, the primary purpose of which is the commercial promotion of a commercial product or service, including content on an internet site operated for a commercial purpose.

2. *"Computer software"* means a sequence of instructions written in any programming language that is executed on a computer. *"Computer software"* does not include computer software that is an internet site or data components of an internet site that are not executable independently of the internet site.

3. *"Damage"* means any significant impairment to the integrity or availability of data, software, a system, or information.

4. *"Execute"*, when used with respect to computer software, means the performance of the functions or the carrying out of the instructions of the computer software.

5. *"Intentionally deceptive"* means any of the following:

*a.* An intentionally and materially false or fraudulent statement.

*b.* A statement or description that intentionally omits or misrepresents material information in order to deceive an owner or operator of a computer.

*c.* An intentional and material failure to provide a notice to an owner or operator regarding the installation or execution of computer software for the purpose of deceiving the owner or operator.

6. *"Internet"* means the same as defined in section 4.1.

7. *"Owner or operator"* means the owner or lessee of a computer, or a person using such computer with the owner or lessee's authorization, but does not include a person who owned a computer prior to the first retail sale of the computer.

8. *"Person"* means the same as defined in section 4.1.

9. *"Personally identifiable information"* means any of the following information with respect to the owner or operator of a computer:

*a.* The first name or first initial in combination with the last name.

*b.* A home or other physical address including street name.

*c.* An electronic mail address.

*d.* Credit or debit card number, bank account number, or any password or access code associated with a credit or debit card or bank account.

*e.* Social security number, tax identification number, driver's license number, passport number, or any other government-issued identification number.

*f.* Account balance, overdraft history, or payment history that personally identifies an owner or operator of a computer.

10. *"Transmit"* means to transfer, send, or make available computer software using the internet or any other medium, including local area networks of computers other than a wireless transmission, and a disc or other data storage device. *"Transmit"* does not include an action by a person providing any of the following:

*a.* An internet connection, telephone connection, or other means of transmission capability such as a compact disc or digital video disc through which the computer software was made available.

*b.* The storage or hosting of the computer software program or an internet site through which the software was made available.

*c.* An information location tool, such as a directory, index, reference, pointer, or hypertext link, through which the user of the computer located the computer software, unless the person transmitting receives a direct economic benefit from the execution of such software on the computer.

2005 Acts, ch 94, §3; 2013 Acts, ch 90, §190, 191, 257
Code editor directive applied
Subsection 2 amended
Subsection 10, paragraph b amended

**715.4 Prohibitions — transmission and use of software.**

It is unlawful for a person who is not an owner or operator of a computer to transmit computer software to such computer knowingly or with conscious avoidance of actual knowledge, and to use such software to do any of the following:

1. Modify, through intentionally deceptive means, settings of a computer that control any of the following:

*a.* The internet site that appears when an owner or operator launches an internet browser or similar computer software used to access and navigate the internet.

*b.* The default provider or internet proxy that an owner or operator uses to access or search the internet.

*c.* An owner's or an operator's list of bookmarks used to access internet sites.

2. Collect, through intentionally deceptive means, personally identifiable information through any of the following means:

*a.* The use of a keystroke-logging function that records keystrokes made by an owner or operator of a computer and transfers that information from the computer to another person.

*b.* In a manner that correlates personally identifiable information with data respecting all or substantially all of the internet sites visited by an owner or operator, other than internet sites operated by the person collecting such information.

*c.* By extracting from the hard drive of an owner's or an operator's computer, an owner's or an operator's social security number, tax identification number, driver's license number, passport number, any other government-issued identification number, account balances, or overdraft history.

3. Prevent, through intentionally deceptive means, an owner's or an operator's reasonable efforts to block the installation of, or to disable, computer software by causing computer software that the owner or operator has properly removed or disabled to automatically reinstall or reactivate on the computer.

4. Intentionally misrepresent that computer software will be uninstalled or disabled by an owner's or an operator's action.

5. Through intentionally deceptive means, remove, disable, or render inoperative security, antispyware, or antivirus computer software installed on an owner's or an operator's computer.

6. Take control of an owner's or an operator's computer by doing any of the following:

*a.* Accessing or using a modem or internet service for the purpose of causing damage to an owner's or an operator's computer or causing an owner or operator to incur financial charges for a service that the owner or operator did not authorize.

*b.* Opening multiple, sequential, stand-alone advertisements in an owner's or an operator's internet browser without the authorization of an owner or operator and which a

reasonable computer user could not close without turning off the computer or closing the internet browser.

7. Modify any of the following settings related to an owner's or an operator's computer access to, or use of, the internet:

*a.* Settings that protect information about an owner or operator for the purpose of taking personally identifiable information of the owner or operator.

*b.* Security settings for the purpose of causing damage to a computer.

8. Prevent an owner's or an operator's reasonable efforts to block the installation of, or to disable, computer software by doing any of the following:

*a.* Presenting the owner or operator with an option to decline installation of computer software with knowledge that, when the option is selected by the authorized user, the installation nevertheless proceeds.

*b.* Falsely representing that computer software has been disabled.

2005 Acts, ch 94, §4; 2013 Acts, ch 90, §192, 257
Referred to in §715.6
Code editor directive applied
Subsection 1, paragraphs a – c amended

**715.5 Other prohibitions.**

It is unlawful for a person who is not an owner or operator of a computer to do any of the following with regard to the computer:

1. Induce an owner or operator to install a computer software component onto the owner's or the operator's computer by intentionally misrepresenting that installing computer software is necessary for security or privacy reasons or in order to open, view, or play a particular type of content.

2. Using intentionally deceptive means to cause the execution of a computer software component with the intent of causing an owner or operator to use such component in a manner that violates any other provision of this chapter.

2005 Acts, ch 94, §5
Referred to in §715.6

**715.6 Exceptions.**

Sections 715.4 and 715.5 shall not apply to the monitoring of, or interaction with, an owner's or an operator's internet or other network connection, service, or computer, by a telecommunications carrier, cable operator, computer hardware or software provider, or provider of information service or interactive computer service for network or computer security purposes, diagnostics, technical support, maintenance, repair, authorized updates of computer software or system firmware, authorized remote system management, or detection, criminal investigation, or prevention of the use of or fraudulent or other illegal activities prohibited in this chapter in connection with a network, service, or computer software, including scanning for and removing computer software prescribed under this chapter. Nothing in this chapter shall limit the rights of providers of wire and electronic communications under 18 U.S.C. § 2511.

2005 Acts, ch 94, §6; 2007 Acts, ch 126, §108; 2007 Acts, ch 215, §257

**715.7 Criminal penalties.**

1. A person who commits an unlawful act under this chapter is guilty of an aggravated misdemeanor.

2. A person who commits an unlawful act under this chapter and who causes pecuniary losses exceeding one thousand dollars to a victim of the unlawful act is guilty of a class "D" felony.

2005 Acts, ch 94, §7

**715.8 Venue for criminal violations.**

For the purpose of determining proper venue, a violation of this chapter shall be considered to have been committed in any county in which any of the following apply:

1. An act was performed in furtherance of the violation.

2. The owner or operator who is the victim of the violation has a place of business in this state.

3. The defendant has control or possession of any proceeds of the violation, or of any books, records, documents, property, financial instrument, computer software, computer program, computer data, or other material or objects used in furtherance of the violation.

4. The defendant unlawfully accessed a computer or computer network by wires, electromagnetic waves, microwaves, or any other means of communication.

5. The defendant resides.

6. A computer used as an object or an instrument in the commission of the violation was located at the time of the violation.

2005 Acts, ch 94, §8

# CHAPTER 715A

## FORGERY AND RELATED FRAUDULENT CRIMINAL ACTS

Referred to in §203.11, 203C.36, 249A.50, 331.307, 364.22, 701.1, 911.3


715A.1 Definitions.
715A.2 Forgery.
715A.2A Accommodation of forgery — penalty.
715A.3 Simulating objects of antiquity or rarity.
715A.4 Fraudulent destruction, removal, or concealment of recordable instruments.
715A.5 Tampering with records.
715A.6 Credit cards.
715A.6A Prohibitions relating to false academic degrees, grades, or honors.
715A.7 Filing multiple counts in one information, indictment, or complaint.
715A.8 Identity theft.
715A.9 Value for purposes of identity theft.
715A.9A Identity theft passport.
715A.10 Illegal use of scanning device or reencoder.


**715A.1 Definitions.**

1. As used in this chapter the term *"writing"* includes printing or any other method of recording information, and includes money, coins, tokens, stamps, seals, credit cards, badges, trademarks, and other symbols of value, right, privilege, or identification.

2. As used in this chapter the term *"credit card"* means a writing purporting to evidence an undertaking to pay for property or services delivered or rendered to or upon the order of a designated person or bearer and includes a debit card or access device used to engage in an electronic transfer of funds through a satellite terminal as defined in section 527.2, subsection 20.

87 Acts, ch 150, §1

**715A.2 Forgery.**

1. A person is guilty of forgery if, with intent to defraud or injure anyone, or with knowledge that the person is facilitating a fraud or injury to be perpetrated by anyone, the person does any of the following:

*a.* Alters a writing of another without the other's permission.

*b.* Makes, completes, executes, authenticates, issues, or transfers a writing so that it purports to be the act of another who did not authorize that act, or so that it purports to have been executed at a time or place or in a numbered sequence other than was in fact the case, or so that it purports to be a copy of an original when no such original existed.

*c.* Utters a writing which the person knows to be forged in a manner specified in paragraph *"a"* or *"b"*.

*d.* Possesses a writing which the person knows to be forged in a manner specified in paragraph *"a"* or *"b"*.

2. *a.* Forgery is a class "D" felony if the writing is or purports to be any of the following:

(1) Part of an issue of money, securities, postage or revenue stamps, or other instruments issued by the government.

(2) Part of an issue of stock, bonds, credit-sale contracts as defined in section 203.1, or other instruments representing interests in or claims against any property or enterprise.

(3) A check, draft, or other writing which ostensibly evidences an obligation of the person who has purportedly executed it or authorized its execution.

(4) A document prescribed by statute, rule, or regulation for entry into or as evidence of authorized stay or employment in the United States.

*b.* Forgery is an aggravated misdemeanor if the writing is or purports to be a will, deed, contract, release, commercial instrument, or any other writing or other document evidencing, creating, transferring, altering, terminating, or otherwise affecting legal relations.

87 Acts, ch 150, §2; 92 Acts, ch 1239, §80; 96 Acts, ch 1181, §2, 3

Referred to in §715A.2A

**715A.2A Accommodation of forgery — penalty.**

1. An employer is subject to the civil penalty in this section if the employer does either of the following:

*a.* Hires a person when the employer or an agent or employee of the employer knows that the document evidencing the person's authorized stay or employment in the United States is in violation of section 715A.2, subsection 2, paragraph "*a*", subparagraph (4), or knows that the person is not authorized to be employed in the United States.

*b.* Continues to employ a person when the employer or an agent or employee of the employer knows that the document evidencing the person's authorized stay or employment in the United States is in violation of section 715A.2, subsection 2, paragraph "*a*", subparagraph (4), or knows that the person is not authorized to be employed in the United States.

2. An employer who establishes that it has complied in good faith with the requirements of 8 U.S.C. § 1324a(b) with respect to the hiring or continued employment of an alien in the United States has established an affirmative defense that the employer has not violated this section.

3. *a.* An employer who violates this section shall cease and desist from further violations and shall pay the following civil penalty:

(1) For a first violation, not less than two hundred and fifty dollars and not more than two thousand dollars for each unauthorized alien hired or employed.

(2) For a second violation, not less than two thousand dollars and not more than five thousand dollars for each unauthorized alien hired or employed.

(3) For a third or subsequent violation, not less than three thousand dollars and not more than ten thousand dollars for each unauthorized alien hired or employed.

*b.* In addition, an employer found to have violated this section shall be assessed the costs of the action to enforce the civil penalty, including the reasonable costs of investigation and attorney fees.

4. A civil action to enforce this provision shall be by equitable proceedings instituted by the attorney general or county attorney.

5. Penalties ordered pursuant to this section shall be paid to the treasurer of state for deposit in the general fund of the state.

96 Acts, ch 1181, §4; 2008 Acts, ch 1031, §69

**715A.3 Simulating objects of antiquity or rarity.**

A person commits a serious misdemeanor if, with intent to defraud anyone or with knowledge that the person is facilitating a fraud to be perpetrated by anyone, the person makes, alters, or utters any object so that it appears to have value because of antiquity, rarity, source, or authorship which it does not possess.

87 Acts, ch 150, §3

**715A.4 Fraudulent destruction, removal, or concealment of recordable instruments.**

A person commits an aggravated misdemeanor if, with the intent to deceive or injure anyone, the person destroys, removes, or conceals a will, deed, mortgage, security instrument, or other writing for which the law provides public recording.

87 Acts, ch 150, §4

**715A.5 Tampering with records.**

A person commits an aggravated misdemeanor if, knowing that the person has no privilege to do so, the person falsifies, destroys, removes, or conceals a writing or record, with the intent to deceive or injure anyone or to conceal any wrongdoing.

87 Acts, ch 150, §5

**715A.6 Credit cards.**

1. *a.* A person commits a public offense by using a credit card for the purpose of obtaining property or services with knowledge of any of the following:

(1) The credit card is stolen or forged.

(2) The credit card has been revoked or canceled.

(3) For any other reason the use of the credit card is unauthorized.

*b.* It is an affirmative defense to prosecution under paragraph "*a*", subparagraph (3), if the person proves by a preponderance of the evidence that the person had the intent and ability to meet all obligations to the issuer arising out of the use of the credit card.

2. An offense under this section is a class "C" felony if the value of the property or services secured or sought to be secured by means of the credit card is greater than ten thousand dollars. If the value of the property or services secured or sought to be secured by means of the credit card is greater than one thousand dollars but not more than ten thousand dollars, an offense under this section is a class "D" felony, otherwise the offense is an aggravated misdemeanor.

3. For purposes of this section, the value of the property or services is the highest value of the property or services determined by any reasonable standard at the time the violation occurred. Any reasonable standard includes but is not limited to market value within the community, actual value, or replacement value. If property or services are secured by two or more acts from the same person or location, or from different persons by two or more acts which occur in approximately the same location or time period so that the acts are attributable to a single scheme, plan, or conspiracy, the acts may be considered as a single act and the value may be the total value of all property or services involved.

87 Acts, ch 150, §6; 92 Acts, ch 1060, §7; 2003 Acts, ch 12, §1, 2; 2013 Acts, ch 30, §211
Subsection 1 amended

**715A.6A Prohibitions relating to false academic degrees, grades, or honors.**

1. As used in this section, "*academic degree*" means a diploma, certificate, license, transcript, or other document which signifies or purports to signify completion of the academic requirements of a secondary, postsecondary, professional, or governmental program of study.

2. A person commits a serious misdemeanor if the person, knowingly and willingly, does any of the following:

*a.* Falsely makes or alters, procures to be falsely made or altered, or assists in falsely making or altering, an academic degree.

*b.* Uses, offers, or presents as genuine, a falsely made or altered academic degree.

*c.* Sells, gives, purchases, or obtains, procures to be sold, given, purchased, or obtained, or assists in selling, giving, buying, or obtaining, a false academic degree.

*d.* Makes a false written representation relating to the person's academic grades, honors, or awards, or makes a false written representation that the person has received an academic degree from a specific secondary, postsecondary, professional institution, or governmental program of study, in an application for any of the following:

(1) Employment.

(2) Admission to an educational program.

(3) An award or other recognition.
(4) The issuance of an academic degree to the person.
96 Acts, ch 1039, §1

**715A.7 Filing multiple counts in one information, indictment, or complaint.**
A single information, indictment, or complaint charging a violation of a provision of this chapter may allege more than one such violation against a person. The multiple charges shall be set out in separate counts, and the accused person shall be acquitted or convicted upon each count by a separate verdict. A convicted person shall be sentenced upon each verdict of guilty. The court may consider separate verdicts of guilty returned at the same time as one offense for the purpose of sentencing.
87 Acts, ch 150, §7; 88 Acts, ch 1134, §114

**715A.8 Identity theft.**
1. *a.* For purposes of this section, "*identification information*" includes, but is not limited to, the name, address, date of birth, telephone number, driver's license number, nonoperator's identification card number, social security number, student identification number, military identification number, alien identification or citizenship status number, employer identification number, signature, electronic mail signature, electronic identifier or screen name, biometric identifier, genetic identification information, access device, logo, symbol, trademark, place of employment, employee identification number, parent's legal surname prior to marriage, demand deposit account number, savings or checking account number, or credit card number of a person.
*b.* For purposes of this section, "*financial institution*" means the same as defined in section 527.2, and includes an insurer organized under Title XIII, subtitle 1, of this Code, or under the laws of any other state or the United States.
2. A person commits the offense of identity theft if the person fraudulently uses or attempts to fraudulently use identification information of another person, with the intent to obtain credit, property, services, or other benefit.
3. If the value of the credit, property, or services exceeds one thousand dollars, the person commits a class "D" felony. If the value of the credit, property, or services does not exceed one thousand dollars, the person commits an aggravated misdemeanor.
4. A violation of this section is an unlawful practice under section 714.16.
5. Violations of this section shall be prosecuted in any of the following venues:
*a.* In the county in which the violation occurred.
*b.* If the violation was committed in more than one county, or if the elements of the offense were committed in more than one county, then in any county where any violation occurred or where an element of the offense occurred.
*c.* In the county where the victim resides.
*d.* In the county where the property that was fraudulently used or attempted to be used was located at the time of the violation.
6. Any real or personal property obtained by a person as a result of a violation of this section, including but not limited to any money, interest, security, claim, contractual right, or financial instrument that is in the possession of the person, shall be subject to seizure and forfeiture pursuant to chapter 809A. A victim injured by a violation of this section, or a financial institution that has indemnified a victim injured by a violation of this section, may file a claim as an interest holder pursuant to section 809A.11 for payment of damages suffered by the victim including costs of recovery and reasonable attorney fees.
7. A financial institution may file a complaint regarding a violation of this section on behalf of a victim and shall have the same rights and privileges as the victim if the financial institution has indemnified the victim for such violations.
8. Upon the request of a victim, a peace officer in any jurisdiction described in subsection 5 shall take a report regarding an alleged violation of this section and shall provide a copy

of the report to the victim. The report may also be provided to any other law enforcement agency in any of the jurisdictions described in subsection 5.

99 Acts, ch 47, §2; 2003 Acts, ch 49, §1; 2005 Acts, ch 18, §3, 4

Referred to in §714.16B, 714G.1, 715A.9A, 715C.1

**715A.9 Value for purposes of identity theft.**

The value of property or services is its highest value by any reasonable standard at the time the identity theft is committed. Any reasonable standard includes but is not limited to market value within the community, actual value, or replacement value.

If credit, property, or services are obtained by two or more acts from the same person or location, or from different persons by two or more acts which occur in approximately the same location or time period so that the identity thefts are attributable to a single scheme, plan, or conspiracy, the acts may be considered as a single identity theft and the value may be the total value of all credit, property, and services involved.

99 Acts, ch 47, §3

**715A.9A Identity theft passport.**

1. The attorney general, in cooperation with any law enforcement agency, may issue an identity theft passport to a person who meets both of the following requirements:

*a.* Is a victim of identity theft in this state as described in section 715A.8.

*b.* Has filed a police report with any law enforcement agency citing that the person is a victim of identity theft.

2. A victim who has filed a report of identity theft with a law enforcement agency may apply for an identity theft passport through the law enforcement agency. The law enforcement agency shall send a copy of the police report and the application to the attorney general, who shall process the application and supporting report and may issue the victim an identity theft passport in the form of a card or certificate.

3. A victim of identity theft issued an identity theft passport may present the passport to any of the following:

*a.* A law enforcement agency, to help prevent the victim's arrest or detention for an offense committed by someone other than the victim who is using the victim's identity.

*b.* A creditor of the victim, to aid in the creditor's investigation and establishment of whether fraudulent charges were made against accounts in the victim's name or whether accounts were opened using the victim's identity.

4. A law enforcement agency or creditor may accept an identity theft passport issued pursuant to this section and presented by a victim at the discretion of the law enforcement agency or creditor. A law enforcement agency or creditor may consider the surrounding circumstances and available information regarding the offense of identity theft pertaining to the victim.

5. An application made with the attorney general under subsection 2, including any supporting documentation, shall be confidential and shall not be a public record subject to disclosure under chapter 22.

6. The attorney general shall adopt rules necessary to implement this section, which shall include a procedure by which the attorney general shall assure that an identity theft passport applicant has an identity theft claim that is legitimate and adequately substantiated.

2006 Acts, ch 1067, §1

**715A.10 Illegal use of scanning device or reencoder.**

1. A person commits a class "D" felony if the person does any of the following:

*a.* Uses a scanning device to access, read, obtain, memorize, or store, temporarily or permanently, information encoded on the magnetic strip or stripe of a payment card without the permission of the authorized user of the payment card, and with the intent to defraud the authorized user, the issuer of the authorized user's payment card, or a merchant.

*b.* Uses a reencoder to place information encoded on the magnetic strip or stripe of a payment card onto the magnetic strip or stripe of a different card without the permission of the authorized user of the card from which the information is being reencoded, and with the

intent to defraud the authorized user, the issuer of the authorized user's payment card, or a merchant.

2. A second or subsequent violation of this section is a class "C" felony.

3. As used in this section:

*a.* *"Merchant"* means an owner or operator of a retail mercantile establishment or an agent, employee, lessee, consignee, officer, director, franchisee, or independent contractor of such owner or operator. A *"merchant"* also means a person who receives from an authorized user of a payment card, or someone the person believes to be an authorized user, a payment card or information from a payment card, or what the person believes to be a payment card or information from a payment card, as the instrument for obtaining, purchasing, or receiving goods, services, money, or anything else of value from the person.

*b.* *"Payment card"* means a credit card, charge card, debit card, or any other card that is issued to an authorized card user and that allows the user to obtain, purchase, or receive goods, services, money, or anything else of value from a merchant.

*c.* *"Reencoder"* means an electronic device that places encoded information from the magnetic strip or stripe of a payment card onto the magnetic strip or stripe of a different payment card.

*d.* *"Scanning device"* means a scanner, reader, or any other electronic device that is used to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on the magnetic strip or stripe of a payment card.

2003 Acts, ch 12, §3

Referred to in §715C.1

# CHAPTER 715B

## PROTECTION OF BUYERS OF FINE ART AND VISUAL ART MULTIPLES

Referred to in §331.307, 364.22, 701.1


715B.1 Definitions.
715B.2 Express warranties.
715B.3 Falsifying certificates of authenticity or false representation — penalty.
715B.4 Remedies to buyer.


**715B.1 Definitions.**

As used in this chapter:

1. *"Artist"* means the creator of a work of fine art or, in the case of multiples, the person who conceived or created the image which is contained in or which constitutes the master from which the individual print was made.

2. *"Art merchant"* means a person who is in the business of dealing, exclusively or nonexclusively, in works of fine art or multiples, or a person who by the person's occupation claims or impliedly claims to have knowledge or skill peculiar to such works, or to whom such knowledge or skill may be attributed by the person's employment of an agent or other intermediary who by occupation claims or impliedly claims to have such knowledge or skill. The term *"art merchant"* includes an auctioneer who sells such works at public auction, and except for multiples, includes persons not otherwise defined or treated as art merchants in this chapter who are consignors or principals of auctioneers.

3. *"Author"* or *"authorship"* refers to the creator of a work of fine art or multiple or to the period, culture, source, or origin, as the case may be, with which the creation of the work is identified in the description of the work.

4. *"Counterfeit"* means a work of fine art or multiple made, altered, or copied, with or without intent to deceive, in such a manner that it appears or is claimed to have an authorship which it does not in fact possess.

5. *"Certificate of authenticity"* means a written statement by an art merchant confirming,

approving, or attesting to the authorship of a work of fine art or multiple, which is capable of being used to the advantage or disadvantage of some person.

6. *"Fine art"* means a painting, sculpture, drawing, work of graphic art, or print, but not multiples.

7. *"Limited edition"* means works of art produced from a master, all of which are the same image and bear numbers or other markings to denote a limited production to a stated maximum number of multiples, or which are otherwise held out as limited to a maximum number of multiples.

8. *"Master"* includes a printing plate, stone, block, screen, photographic negative, or other like material which contains an image used to produce visual art objects in multiples.

9. *"Print"* means a multiple produced by, but not limited to, such processes as engraving, etching, woodcutting, lithography, and serigraphy, a multiple produced or developed from a photographic negative, or a multiple produced or developed by any combination of such processes.

10. *"Proof"* means a multiple which is the same as, and which is produced from the same master as the multiples in a limited edition, but which, whether so designated or not, is set aside from and is in addition to the limited edition to which it relates.

11. *"Signed"* means autographed by the artist's own hand, and not by mechanical means of reproduction, and if a multiple, after the multiple was produced, whether or not the master was signed.

12. *"Visual art multiple"* or *"multiple"* means a print, photograph, positive or negative, or similar art object produced in more than one copy and sold, offered for sale, or consigned in, into, or from this state for an amount in excess of one hundred dollars exclusive of any frame. The term includes a page or sheet taken from a book or magazine and offered for sale or sold as a visual art object, but excludes a book or magazine.

13. *"Written instrument"* means a written or printed agreement, bill of sale, invoice, certificate of authenticity, catalogue, or any other written or printed note, memorandum, or label describing the work of fine art or multiple which is to be sold, exchanged, or consigned by an art merchant.

87 Acts, ch 49, §1

**715B.2 Express warranties.**

1. If an art merchant sells or exchanges a work of fine art or multiple and furnishes to a buyer of the work who is not an art merchant a certificate of authenticity or any similar written instrument presumed to be part of the basis of the bargain, the art merchant creates an express warranty for the material facts stated as of the date of the sale or exchange.

2. Except as provided in subsection 4, an express warranty shall not be negated or limited; however, in construing the degree of warranty, due regard shall be given the terminology used and the meaning accorded the terminology by the customs and usage of the trade at the time and in the locality where the sale or exchange took place.

3. Language used in a certificate of authenticity or similar written instrument, stating that:

*a.* The work is by a named author or has a named authorship, without any limiting words, means unequivocally, that the work is by such named author or has such named authorship.

*b.* The work is *"attributed to a named author"* means a work of the period of the author, attributed to the author, but not with certainty by the author.

*c.* The work is of the *"school of a named author"* means a work of the period of the author, by a pupil or close follower of the author, but not by the author.

4. An express warranty and any disclaimer intended to negate or limit the warranty shall be construed wherever reasonable as consistent with each other but subject to the provisions of section 554.2202 on parol and extrinsic evidence. However, the negation or limitation is inoperative to the extent that the negation or limitation is unreasonable or that such construction is unreasonable. A negation or limitation is unreasonable if:

*a.* The disclaimer is not conspicuous, written, and apart from the warranty, in words which clearly and specifically inform the buyer that the seller assumes no risk, liability, or responsibility for the material facts stated concerning the work of fine art. Words of general disclaimer are not sufficient to negate or limit an express warranty.

*b.* The work of fine art is proved to be a counterfeit and this was not clearly indicated in the description of the work.

*c.* The information provided is proved to be, as of the date of sale or exchange, false, mistaken, or erroneous.

5. This section shall apply to an art merchant selling or exchanging a multiple who furnishes the buyer with the name of the artist and any other information including, but not limited to, whether the multiple is a limited edition, a proof, or signed. The warranty provided under this subsection shall include sales to buyers who are art merchants.

87 Acts, ch 49, §2

**715B.3 Falsifying certificates of authenticity or false representation — penalty.**

A person who makes, alters, or issues a certificate of authenticity or any similar written instrument for a work of fine art or multiple attesting to material facts about the work which are not true, or who makes representations regarding a work of fine art or a multiple attesting to material facts about the work which are not true, with intent to defraud, deceive, or injure another is guilty, upon conviction, of an aggravated misdemeanor.

87 Acts, ch 49, §3

**715B.4 Remedies to buyer.**

1. An art merchant who sells a work of fine art or a multiple to a buyer under a warranty attesting to facts about the work which are not true is liable to the buyer to whom the work was sold.

*a.* If the warranty was untrue through no fault of the art merchant, the merchant's liability is the consideration paid by the buyer upon return of the work in substantially the same condition in which it was received by the buyer.

*b.* If the warranty is untrue and the buyer is able to establish that the art merchant failed to make reasonable inquiries according to the custom and the usage of the trade to confirm the warranted facts about the work, or that the warranted facts would have been found to be untrue if reasonable inquiries had been made, the merchant's liability is the consideration paid by the buyer with interest from the time of the payment at the rate prescribed by section 535.3 upon the return of the work in substantially the same condition in which it was received by the buyer.

*c.* (1) If the warranty is untrue and the buyer is able to establish that the art merchant knowingly provided false information on the warranty or willfully and falsely disclaimed knowledge of information relating to the warranty, the merchant is liable to the buyer in an amount equal to three times the amount provided in paragraph *"b"*.

(2) This remedy shall not bar or be deemed inconsistent with a claim for damages or with the exercise of additional remedies otherwise available to the buyer.

2. In an action to enforce this section, the court may allow a prevailing buyer the costs of the action together with reasonable attorneys' and expert witnesses' fees. If the court determines that an action to enforce this section was brought in bad faith, the court may allow those expenses to the art merchant that it deems appropriate.

3. An action to enforce any liability under this section shall be brought within the time period prescribed for such actions under section 614.1.

87 Acts, ch 49, §4; 2013 Acts, ch 90, §233

Subsection 1 amended

# CHAPTER 715C

## PERSONAL INFORMATION SECURITY BREACH PROTECTION

Referred to in §331.307, 364.22, 701.1

715C.1 Definitions.
715C.2 Security breach — consumer notification — remedies.

**715C.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Breach of security"* means unauthorized acquisition of personal information maintained in computerized form by a person that compromises the security, confidentiality, or integrity of the personal information. Good faith acquisition of personal information by a person or that person's employee or agent for a legitimate purpose of that person is not a breach of security, provided that the personal information is not used in violation of applicable law or in a manner that harms or poses an actual threat to the security, confidentiality, or integrity of the personal information.

2. *"Consumer"* means an individual who is a resident of this state.

3. *"Consumer reporting agency"* means the same as defined by the federal Fair Credit Reporting Act, 15 U.S.C. § 1681a.

4. *"Debt"* means the same as provided in section 537.7102.

5. *"Encryption"* means the use of an algorithmic process to transform data into a form in which the data is rendered unreadable or unusable without the use of a confidential process or key.

6. *"Extension of credit"* means the right to defer payment of debt or to incur debt and defer its payment offered or granted primarily for personal, family, or household purposes.

7. *"Financial institution"* means the same as defined in section 536C.2, subsection 6.

8. *"Identity theft"* means the same as provided in section 715A.8.

9. *"Payment card"* means the same as defined in section 715A.10, subsection 3, paragraph *"b"*.

10. *"Person"* means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; joint venture; government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.

11. *"Personal information"* means an individual's first name or first initial and last name in combination with any one or more of the following data elements that relate to the individual if any of the data elements are not encrypted, redacted, or otherwise altered by any method or technology in such a manner that the name or data elements are unreadable:

*a.* Social security number.

*b.* Driver's license number or other unique identification number created or collected by a government body.

*c.* Financial account number, credit card number, or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account.

*d.* Unique electronic identifier or routing code, in combination with any required security code, access code, or password that would permit access to an individual's financial account.

*e.* Unique biometric data, such as a fingerprint, retina or iris image, or other unique physical representation or digital representation of biometric data.

*"Personal information"* does not include information that is lawfully obtained from publicly available sources, or from federal, state, or local government records lawfully made available to the general public.

12. *"Redacted"* means altered or truncated so that no more than five digits of a social security number or the last four digits of other numbers designated in section 715A.8, subsection 1, paragraph *"a"*, are accessible as part of the data.

2008 Acts, ch 1154, §1

**715C.2 Security breach — consumer notification — remedies.**

1. Any person who owns or licenses computerized data that includes a consumer's personal information that is used in the course of the person's business, vocation, occupation, or volunteer activities and that was subject to a breach of security shall give notice of the breach of security following discovery of such breach of security, or receipt of notification under subsection 2, to any consumer whose personal information was included in the information that was breached. The consumer notification shall be made in the most expeditious manner possible and without unreasonable delay, consistent with the legitimate needs of law enforcement as provided in subsection 3, and consistent with any measures necessary to sufficiently determine contact information for the affected consumers, determine the scope of the breach, and restore the reasonable integrity, security, and confidentiality of the data.

2. Any person who maintains or otherwise possesses personal information on behalf of another person shall notify the owner or licensor of the information of any breach of security immediately following discovery of such breach of security if a consumer's personal information was included in the information that was breached.

3. The consumer notification requirements of this section may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation and the agency has made a written request that the notification be delayed. The notification required by this section shall be made after the law enforcement agency determines that the notification will not compromise the investigation and notifies the person required to give notice in writing.

4. For purposes of this section, notification to the consumer may be provided by one of the following methods:

*a.* Written notice to the last available address the person has in the person's records.

*b.* Electronic notice if the person's customary method of communication with the consumer is by electronic means or is consistent with the provisions regarding electronic records and signatures set forth in chapter 554D and the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001.

*c.* Substitute notice, if the person demonstrates that the cost of providing notice would exceed two hundred fifty thousand dollars, that the affected class of consumers to be notified exceeds three hundred fifty thousand persons, or if the person does not have sufficient contact information to provide notice. Substitute notice shall consist of the following:

(1) Electronic mail notice when the person has an electronic mail address for the affected consumers.

(2) Conspicuous posting of the notice or a link to the notice on the internet site of the person if the person maintains an internet site.

(3) Notification to major statewide media.

5. Notice pursuant to this section shall include, at a minimum, all of the following:

*a.* A description of the breach of security.

*b.* The approximate date of the breach of security.

*c.* The type of personal information obtained as a result of the breach of security.

*d.* Contact information for consumer reporting agencies.

*e.* Advice to the consumer to report suspected incidents of identity theft to local law enforcement or the attorney general.

6. Notwithstanding subsection 1, notification is not required if, after an appropriate investigation or after consultation with the relevant federal, state, or local agencies responsible for law enforcement, the person determined that no reasonable likelihood of financial harm to the consumers whose personal information has been acquired has resulted or will result from the breach. Such a determination must be documented in writing and the documentation must be maintained for five years.

7. This section does not apply to any of the following:

*a.* A person who complies with notification requirements or breach of security procedures that provide greater protection to personal information and at least as thorough disclosure requirements than that provided by this section pursuant to the rules, regulations,

procedures, guidance, or guidelines established by the person's primary or functional federal regulator.

*b.* A person who complies with a state or federal law that provides greater protection to personal information and at least as thorough disclosure requirements for breach of security or personal information than that provided by this section.

*c.* A person who is subject to and complies with regulations promulgated pursuant to Title V of the Gramm-Leach-Bliley Act of 1999, 15 U.S.C. § 6801 – 6809.

8. *a.* A violation of this chapter is an unlawful practice pursuant to section 714.16 and, in addition to the remedies provided to the attorney general pursuant to section 714.16, subsection 7, the attorney general may seek and obtain an order that a party held to violate this section pay damages to the attorney general on behalf of a person injured by the violation.

*b.* The rights and remedies available under this section are cumulative to each other and to any other rights and remedies available under the law.

2008 Acts, ch 1154, §2; 2013 Acts, ch 90, §257

Identity theft — civil cause of action, see §714.16B

Identity theft passport, see §715A.9A

Code editor directive applied

# CHAPTER 716

## DAMAGE AND TRESPASS TO PROPERTY

Referred to in §331.307, 364.22, 562A.17, 622.51A, 701.1, 911.3


716.1 Criminal mischief defined.
716.2 Multiple acts.
716.3 Criminal mischief in the first degree.
716.4 Criminal mischief in the second degree.
716.5 Criminal mischief in the third degree.
716.6 Criminal mischief in the fourth and fifth degrees.
716.6A Criminal mischief in violation of individual rights.
716.6B Unauthorized computer access — penalties — civil cause of action.
716.7 Trespass defined.
716.8 Penalties.
716.9 Stowing away.
716.10 Railroad vandalism.


### 716.1 Criminal mischief defined.

Any damage, defacing, alteration, or destruction of property is criminal mischief when done intentionally by one who has no right to so act.

[C51, §2679, 2681 – 2683, 2686 – 2688, 2690, 2715, 2753; R60, §1766, 4319, 4321 – 4323, 4326 – 4328, 4330 – 4332, 4357, 4403; C73, §1564, 3897 – 3899, 3978, 3980 – 3982, 3985 – 3987, 3989 – 3992, 4021, 4082; C97, §588, 2466, 4800 – 4806, 4808, 4809, 4812, 4822 – 4828, 5054; S13, §1989-a15, 4808, 4822, 4823, 4830-a, -b, -c; SS15, §2900-e; C24, 27, 31, 35, 39, §**13080, 13082, 13083, 13085, 13088 – 13091, 13093 – 13099, 13102, 13107, 13112 – 13117, 13122, 13124;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §714.1, 714.3 – 714.5, 714.8 – 714.11, 714.14 – 714.20, 714.23, 714.28, 716.1 – 716.6, 716.9, 716.12; C79, 81, §716.1]

2002 Acts, ch 1049, §1

Referred to in §717A.3

### 716.2 Multiple acts.

Whenever criminal mischief is committed upon more than one item of property at approximately the same location or time period, so that all of these acts of mischief can be attributed to a single scheme, plan or conspiracy, such acts shall be considered as a single act of criminal mischief.

[C79, 81, §716.2]

**716.3 Criminal mischief in the first degree.**

1. Criminal mischief is criminal mischief in the first degree if either of the following apply:

*a.* The cost of replacing, repairing, or restoring the property that is damaged, defaced, altered, or destroyed is more than ten thousand dollars.

*b.* The acts are intended to or do in fact cause a substantial interruption or impairment of service rendered to the public by a gas, electric, steam or waterworks corporation, telephone or telegraph corporation, common carrier, or a public utility operated by a municipality.

2. Criminal mischief in the first degree is a class "C" felony.

[C51, §2680; R60, §4320; C73, §3979; C97, §4807; S13, §4807; C24, 27, 31, 35, 39, §**13120;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §716.7; C79, 81, §716.3]

92 Acts, ch 1060, §8; 2013 Acts, ch 90, §193

Referred to in §717A.3

Section amended

**716.4 Criminal mischief in the second degree.**

1. Criminal mischief is criminal mischief in the second degree if the cost of replacing, repairing, or restoring the property that is damaged, defaced, altered, or destroyed exceeds one thousand dollars but does not exceed ten thousand dollars.

2. Criminal mischief in the second degree is a class "D" felony.

[C79, 81, §716.4]

92 Acts, ch 1060, §9; 2013 Acts, ch 90, §194

Referred to in §717A.3

Section amended

**716.5 Criminal mischief in the third degree.**

1. Criminal mischief is criminal mischief in the third degree if any of the following apply:

*a.* The cost of replacing, repairing, or restoring the property that is damaged, defaced, altered, or destroyed exceeds five hundred dollars, but does not exceed one thousand dollars.

*b.* The property is a deed, will, commercial paper or any civil or criminal process or other instrument having legal effect.

*c.* The act consists of rendering substantially less effective than before any light, signal, obstruction, barricade, or guard which has been placed or erected for the purpose of enclosing any unsafe or dangerous place or of alerting persons to an unsafe or dangerous condition.

*d.* The person intentionally disinters human remains from a burial site without lawful authority.

*e.* The person intentionally disinters human remains that have state and national significance from an historical or scientific standpoint for the inspiration and benefit of the United States without the permission of the state archaeologist.

2. Criminal mischief in the third degree is an aggravated misdemeanor.

[C51, §2638, 2714, 2746; R60, §4265, 4356, 4396; C73, §3929, 4017, 4075; C97, §4865, 4945, 5043; C24, 27, 31, 35, 39, §**13050, 13100, 13148;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §713.5, 714.21, 718.10; C79, 81, §716.5]

83 Acts, ch 99, §1; 92 Acts, ch 1060, §10; 2009 Acts, ch 41, §169

Referred to in §716.6A, 717A.3

**716.6 Criminal mischief in the fourth and fifth degrees.**

1. *a.* Criminal mischief is criminal mischief in the fourth degree if any of the following apply:

(1) The cost of replacing, repairing, or restoring the property that is damaged, defaced, altered, or destroyed exceeds two hundred dollars, but does not exceed five hundred dollars.

(2) The person intentionally injures, destroys, disturbs, or removes any monument, as defined in section 355.1, placed on any tract of land, street, or highway, designating any point, course, or line on the boundary of the tract of land, street, or highway, if the monument was placed at such location by a land surveyor licensed under chapter 542B, or by any person directed by a licensed land surveyor. A governmental entity and employees of such an entity are exempt from prosecution under this subparagraph for projects performed pursuant to section 314.8. A licensed land surveyor and persons under the direction of a licensed land

surveyor are also exempt from prosecution under this subparagraph for removing an existing monument in order to place an upgraded or more suitable monument in the same location.

(3) The person intentionally injures, destroys, disturbs, or removes any monument that has been established by the national geodetic survey, Iowa geodetic survey, or any county geographic information system for use in the determination of spatial location relative to the specified Iowa state plane coordinate system or precise elevation datum. A governmental entity and employees of such an entity are exempt from prosecution under this subparagraph for projects performed pursuant to section 314.8.

*b.* Criminal mischief in the fourth degree is a serious misdemeanor.

2. All criminal mischief which is not criminal mischief in the first degree, second degree, third degree, or fourth degree is criminal mischief in the fifth degree. Criminal mischief in the fifth degree is a simple misdemeanor.

[C79, 81, §716.6]

83 Acts, ch 99, §2; 92 Acts, ch 1060, §11; 99 Acts, ch 153, §14; 2009 Acts, ch 41, §260; 2010 Acts, ch 1130, §1; 2013 Acts, ch 90, §195

Referred to in §123.138, 716.6A, 717A.3

Subsection 1, paragraph a, subparagraph (1) amended

**716.6A Criminal mischief in violation of individual rights.**

A violation of sections 716.5 and 716.6, which is also a hate crime as defined in section 729A.2, shall be classified and punished as an offense one degree higher than the underlying offense.

92 Acts, ch 1157, §5

Referred to in §729A.2

**716.6B Unauthorized computer access — penalties — civil cause of action.**

1. A person who knowingly and without authorization accesses a computer, computer system, or computer network commits the following:

*a.* An aggravated misdemeanor if computer data is accessed that contains a confidential record, as defined in section 22.7, operational or support data of a public utility, as defined in section 476.1, operational or support data of a rural water district incorporated pursuant to chapter 357A or 504, operational or support data of a municipal utility organized pursuant to chapter 388 or 389, operational or support data of a public airport, or a trade secret, as defined in section 550.2.

*b.* A serious misdemeanor if computer data is copied, altered, or deleted.

*c.* A simple misdemeanor for any access which is not an aggravated or serious misdemeanor.

2. The prosecuting attorney or an aggrieved person may institute civil proceedings against any person in district court seeking relief from conduct constituting a violation of this section or to prevent, restrain, or remedy such a violation.

2000 Acts, ch 1201, §11; 2002 Acts, ch 1049, §2; 2003 Acts, ch 75, §1; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §394

Referred to in §702.1A

Computer terminology, see §702.1A

**716.7 Trespass defined.**

1. For purposes of this section:

*a.* "*Property*" shall include any land, dwelling, building, conveyance, vehicle, or other temporary or permanent structure whether publicly or privately owned.

*b.* "*Public utility*" is a public utility as defined in section 476.1 or an electric transmission line as provided in chapter 478.

*c.* "*Public utility property*" means any land, dwelling, building, conveyance, vehicle, or other temporary or permanent structure owned, leased, or operated by a public utility and that is completely enclosed by a physical barrier of any kind.

*d.* "*Railway corporation*" means a corporation, company, or person owning, leasing, or operating any railroad in whole or in part within this state.

*e.* "*Railway property*" means all tangible real and personal property owned, leased, or

operated by a railway corporation with the exception of any administrative building or offices of the railway corporation.

2. *a.* *"Trespass"* shall mean one or more of the following acts:

(1) Entering upon or in property without the express permission of the owner, lessee, or person in lawful possession with the intent to commit a public offense, to use, remove therefrom, alter, damage, harass, or place thereon or therein anything animate or inanimate, or to hunt, fish or trap on or in the property, including the act of taking or attempting to take a deer, other than a farm deer as defined in section 170.1 or preserve whitetail as defined in section 484C.1, which is on or in the property by a person who is outside the property. This subparagraph does not prohibit the unarmed pursuit of game or fur-bearing animals by a person who lawfully injured or killed the game or fur-bearing animal which comes to rest on or escapes to the property of another.

(2) Entering or remaining upon or in property without justification after being notified or requested to abstain from entering or to remove or vacate therefrom by the owner, lessee, or person in lawful possession, or the agent or employee of the owner, lessee, or person in lawful possession, or by any peace officer, magistrate, or public employee whose duty it is to supervise the use or maintenance of the property.

(3) Entering upon or in property for the purpose or with the effect of unduly interfering with the lawful use of the property by others.

(4) Being upon or in property and wrongfully using, removing therefrom, altering, damaging, harassing, or placing thereon or therein anything animate or inanimate, without the implied or actual permission of the owner, lessee, or person in lawful possession.

(5) Entering or remaining upon or in railway property without lawful authority or without the consent of the railway corporation which owns, leases, or operates the railway property. This subparagraph does not apply to passage over a railroad right-of-way, other than a track, railroad roadbed, viaduct, bridge, trestle, or railroad yard, by an unarmed person if the person has not been notified or requested to abstain from entering onto the right-of-way or to vacate the right-of-way and the passage over the right-of-way does not interfere with the operation of the railroad.

(6) Entering or remaining upon or in public utility property without lawful authority or without the consent of the public utility that owns, leases, or operates the public utility property. This subparagraph does not apply to passage over public utility right-of-way by a person if the person has not been notified or requested by posted signage or other means to abstain from entering onto the right-of-way or to vacate the right-of-way.

*b.* *"Trespass"* shall not mean either of the following:

(1) Entering upon the property of another for the sole purpose of retrieving personal property which has accidentally or inadvertently been thrown, fallen, strayed, or blown onto the property of another, provided that the person retrieving the property takes the most direct and accessible route to and from the property to be retrieved, quits the property as quickly as is possible, and does not unduly interfere with the lawful use of the property. This subparagraph does not apply to public utility property where the person has been notified or requested by posted signage or other means to abstain from entering.

(2) Entering upon the right-of-way of a public road or highway.

3. This section shall not apply to the following persons:

*a.* Representatives of the state department of transportation, the federal railroad administration, or the national transportation safety board who enter or remain upon or in railway property while engaged in the performance of official duties.

*b.* Employees of a railway corporation who enter or remain upon or in railway property while acting in the course of employment.

*c.* Any person who is engaged in the operation of a lawful business on railway station grounds or in the railway depot.

*d.* Representatives of the Iowa utilities board, the federal energy regulatory commission, or the federal communications commission who enter or remain upon or in public utility property while engaged in the performance of official duties.

*e.* Employees of a public utility who enter or remain upon or in public utility property while acting in the course of employment.

[C51, §2684; R60, §4324; C73, §3983; C97, §4793, 4829; C24, 27, 31, 35, 39, §**13086, 13374;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §714.6, 729.1; C79, 81, §716.7; 81 Acts, ch 205, §1]

88 Acts, ch 1212, §1; 98 Acts, ch 1067, §1, 2; 2007 Acts, ch 28, §20; 2011 Acts, ch 51, §2 – 5; 2013 Acts, ch 90, §234; 2013 Acts, ch 140, §77

Referred to in §309.57, 481A.134, 481A.135, 716.8

Section amended

**716.8 Penalties.**

1. Any person who knowingly trespasses upon the property of another commits a simple misdemeanor.

2. Any person committing a trespass as defined in section 716.7, other than a trespass as defined in section 716.7, subsection 2, paragraph "*a*", subparagraph (6), which results in injury to any person or damage in an amount more than two hundred dollars to anything, animate or inanimate, located thereon or therein commits a serious misdemeanor.

3. A person who knowingly trespasses on the property of another with the intent to commit a hate crime, as defined in section 729A.2, commits a serious misdemeanor.

4. A person committing a trespass as defined in section 716.7 with the intent to commit a hate crime which results in injury to any person or damage in an amount more than two hundred dollars to anything, animate or inanimate, located thereon or therein commits an aggravated misdemeanor.

5. A person who commits a trespass while hunting deer, other than a farm deer as defined in section 170.1 or preserve whitetail as defined in section 484C.1, commits a simple misdemeanor. The person shall also be subject to civil penalties as provided in sections 481A.130 and 481A.131. A deer taken by a person while committing such a trespass shall be subject to seizure as provided in section 481A.12.

6. Any person who commits a trespass as defined in section 716.7, subsection 2, paragraph "*a*", subparagraph (6), commits a class "D" felony.

[C73, 75, 77, §729.2, 729.3; C79, 81, §716.8]

92 Acts, ch 1157, §6; 99 Acts, ch 153, §15, 16; 2007 Acts, ch 28, §21; 2008 Acts, ch 1161, §21; 2011 Acts, ch 51, §6, 7; 2013 Acts, ch 90, §253

Referred to in §29A.42, 648.1A, 729A.2

Subsections 2 and 6 amended

**716.9 Stowing away.**

A person commits the simple misdemeanor offense of stowing away when, without lawful authority or the consent of a railway corporation, the person does either of the following:

1. Rides on the outside of a train or train component.

2. Rides on the inside of a train or train component which is not a passenger car.

98 Acts, ch 1067, §3

**716.10 Railroad vandalism.**

1. A person commits railroad vandalism when the person does any of the following:

*a.* Shoots, fires, or otherwise discharges a firearm or other device at a train or train component.

*b.* Launches, releases, propels, casts, or directs a projectile, missile, or other device at a train or train component.

*c.* Intentionally throws or drops an object on or onto a train or train component.

*d.* Intentionally places or drops an object on or onto a railroad track.

*e.* Without the consent of the railway corporation, takes, removes, defaces, alters, or obscures any of the following:

(1) A railroad signal.

(2) A train control system.

(3) A train dispatching system.

(4) A warning signal.

(5) A highway-railroad grade crossing signal or gate.

(6) A railroad sign, placard, or marker.

*f.* Without the consent of the railway corporation, removes parts or appurtenances from, damages, impairs, disables, interferes with the operation of, or renders inoperable any of the following:

(1) A railroad signal.
(2) A train control system.
(3) A train dispatching system.
(4) A warning signal.
(5) A highway-railroad grade crossing signal or gate.
(6) A railroad sign, placard, or marker.

*g.* Without the consent of the railway corporation, taking, removing, disabling, tampering, changing, or altering a part or component of any operating mechanism or safety device of any train or train component.

*h.* Without the consent of the railway corporation, takes, removes, tampers, changes, alters, or interferes with any of the following:

(1) A railroad roadbed.
(2) A railroad rail.
(3) A railroad tie.
(4) A railroad frog.
(5) A railroad sleeper.
(6) A railroad switch.
(7) A railroad viaduct.
(8) A railroad bridge.
(9) A railroad trestle.
(10) A railroad culvert.
(11) A railroad embankment.
(12) Any other structure or appliance which pertains or is appurtenant to a railroad.

2. *a.* A person commits railroad vandalism in the first degree if the person intentionally commits railroad vandalism which results in the death of any person. Railroad vandalism in the first degree is a class "B" felony. However, notwithstanding section 902.9, subsection 1, paragraph "*b*", the maximum sentence for a person convicted under this section shall be a period of confinement of not more than fifty years.

*b.* A person commits railroad vandalism in the second degree if the person intentionally commits railroad vandalism which results in serious injury to any person. Railroad vandalism in the second degree is a class "B" felony.

*c.* A person commits railroad vandalism in the third degree if the person intentionally commits railroad vandalism which results in bodily injury to any person or results in property damage which costs more than ten thousand dollars to replace, repair, or restore. Railroad vandalism in the third degree is a class "C" felony.

*d.* A person commits railroad vandalism in the fourth degree if the person intentionally commits railroad vandalism which results in property damage which costs ten thousand dollars or less but more than one thousand dollars to replace, repair, or restore. Railroad vandalism in the fourth degree is a class "D" felony.

*e.* A person commits railroad vandalism in the fifth degree if the person intentionally commits railroad vandalism which results in property damage which costs more than five hundred dollars but does not exceed one thousand dollars to replace, repair, or restore. Railroad vandalism in the fifth degree is an aggravated misdemeanor.

*f.* A person commits railroad vandalism in the sixth degree if the person intentionally commits railroad vandalism which results in property damage which costs more than one hundred dollars but does not exceed five hundred dollars to replace, repair, or restore. Railroad vandalism in the sixth degree is a serious misdemeanor.

*g.* A person commits railroad vandalism in the seventh degree if the person intentionally commits railroad vandalism which results in property damage which costs one hundred dollars or less to replace, repair, or restore. Railroad vandalism in the seventh degree is a simple misdemeanor.

3. For purposes of this section:

*a.* *"Railway corporation"* means a corporation, company, or person owning, leasing, or operating any railroad in whole or in part within the state.

*b.* *"Train"* means a series of two or more train components which are coupled together in a line.

*c.* *"Train component"* means any locomotive, engine, tender, railroad car, passenger car, freight car, box car, tank car, hopper car, flatbed, container, work equipment, rail-mounted equipment, or any other railroad rolling stock.

98 Acts, ch 1067, §4; 2013 Acts, ch 30, §251; 2013 Acts, ch 90, §196
Subsection 2, paragraph a amended
Subsection 3 amended

# CHAPTER 716A

## ELECTRONIC MAIL

Referred to in §331.307, 364.22, 701.1


716A.1 Definitions.
716A.2 Transmission of unsolicited bulk electronic mail — criminal penalties.
716A.3 Sale or offer for direct sale of prescription drugs — criminal penalties.
716A.4 Use of encryption — criminal penalty.
716A.5 Venue for criminal violations.
716A.6 Civil relief — damages.
716A.7 Forfeitures for violations of chapter.


**716A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Computer"* means the same as defined in section 702.1A.

2. *"Computer data"* means the same as defined in section 702.1A.

3. *"Computer network"* means the same as defined in section 702.1A.

4. *"Computer operation"* means arithmetic, logical, monitoring, storage, or retrieval functions, or any combination thereof, and includes, but is not limited to, communication with, storage of data to, or retrieval of data from any device or human hand manipulation of electronic or magnetic impulses. *"Computer operation"* for a particular computer may also mean any function for which the computer was generally designed.

5. *"Computer program"* means an ordered set of data representing coded instructions or statements that, when executed by a computer, causes the computer to perform one or more computer operations.

6. *"Computer services"* means computer time or services, including data processing services, internet services, electronic mail services, electronic message services, or information or data stored in connection therewith.

7. *"Computer software"* means a set of computer programs, procedures, and associated documentation concerned with computer data or with computer operation, a computer program, or a computer network.

8. *"Electronic mail service provider"* means a person who does either of the following:

*a.* Is an intermediary in sending or receiving electronic mail.

*b.* Provides to end users of electronic mail services the ability to send or receive electronic mail.

9. *"Encryption"* means the enciphering of intelligible data into unintelligible form or the deciphering of unintelligible data into intelligible form.

10. *"Owner"* means an owner or lessee of a computer or a computer network or an owner, lessee, or licensee of computer data, a computer program, or computer software.

11. *"Person"* means the same as defined in section 4.1.

12. *"Property"* means all of the following:

*a.* Real property.

*b.* Computers, computer equipment, computer networks, and computer services.

*c.* Financial instruments, computer data, computer programs, computer software, and all other personal property regardless of whether they are any of the following:

(1) Tangible or intangible.

(2) In a format readable by humans or by a computer.

(3) In transit between computers or within a computer network or between any devices which comprise a computer.

(4) Located on any paper or in any device on which it is stored by a computer or by a person.

13. *"Uses"* means, when referring to a computer or computer network, causing or attempting to cause any of the following:

*a.* A computer or computer network to perform or to stop performing computer operations.

*b.* The withholding or denial of the use of a computer, computer network, computer program, computer data, or computer software to another user.

*c.* A person to put false information into a computer.

2005 Acts, ch 123, §1

**716A.2 Transmission of unsolicited bulk electronic mail — criminal penalties.**

1. A person who does any of the following is guilty of an aggravated misdemeanor:

*a.* Uses a computer or computer network with the intent to falsify or forge electronic mail transmission information or other routing information in any manner in connection with the transmission of unsolicited bulk electronic mail through or into the computer network of an electronic mail service provider or its subscribers.

*b.* Knowingly sells, gives, or otherwise distributes or possesses with the intent to sell, give, or otherwise distribute computer software that does any of the following:

(1) Is primarily designed or produced for the purpose of facilitating or enabling the falsification of electronic mail transmission information or other routing information.

(2) Has only limited commercially significant purpose or use other than to facilitate or enable the falsification of electronic mail transmission information or other routing information.

(3) Is marketed by that person acting alone or with another for use in facilitating or enabling the falsification of electronic mail transmission information or other routing information.

2. A person is guilty of a class "D" felony for committing a violation of subsection 1 when either of the following apply:

*a.* The volume of unsolicited bulk electronic mail transmitted exceeds ten thousand attempted recipients in any twenty-four-hour period, one hundred thousand attempted recipients in any thirty-day time period, or one million attempted recipients in any twelve-month time period.

*b.* The revenue generated from a specific unsolicited bulk electronic mail transmission exceeds one thousand dollars or the total revenue generated from all unsolicited bulk electronic mail transmitted to any electronic mail service provider by the person exceeds fifty thousand dollars.

3. A person is guilty of a class "D" felony if the person knowingly hires, employs, uses, or permits a person less than eighteen years of age to assist in the transmission of unsolicited bulk electronic mail in violation of subsection 2.

4. Transmission of electronic mail from an organization to a member of the organization shall not be a violation of this section.

2005 Acts, ch 123, §2

**716A.3 Sale or offer for direct sale of prescription drugs — criminal penalties.**

1. The retail sale or offer of direct retail sale of a prescription drug, as defined in section 155A.3, through the use of electronic mail or the internet by a person other than a licensed pharmacist, physician, dentist, optometrist, podiatric physician, or veterinarian is prohibited. A person who violates this subsection is guilty of a simple misdemeanor.

2. *a.* A person who knowingly sells an adulterated or misbranded drug through the use of electronic mail or the internet is guilty of a class "D" felony.

*b.* If the death of a person occurs as the result of consuming a drug, as defined in section 155A.3, sold in violation of this subsection, the violation is a class "B" felony.

2005 Acts, ch 123, §3; 2013 Acts, ch 90, §197
Subsection 2 amended

**716A.4 Use of encryption — criminal penalty.**

A person who willfully uses encryption to further a violation of this chapter is guilty of an offense which is separate and distinct from the predicate criminal activity and punishable as an aggravated misdemeanor.

2005 Acts, ch 123, §4

**716A.5 Venue for criminal violations.**

For the purpose of venue, a violation of this chapter shall be considered to have been committed in any county in which any of the following apply:

1. An act was performed in furtherance of any course of conduct which violated this chapter.
2. The owner has a place of business in the state.
3. An offender has control or possession of any proceeds of the violation, or of any books, records, documents, property, financial instrument, computer software, computer program, computer data, or other material or objects used in furtherance of the violation.
4. Access to a computer or computer network was made by wires, electromagnetic waves, microwaves, or any other means of communication.
5. The offender resides.
6. A computer which is an object or an instrument of the violation is located at the time of the alleged offense.

2005 Acts, ch 123, §5

**716A.6 Civil relief — damages.**

1. A person who is injured by a violation of this chapter may bring a civil action seeking relief from a person whose conduct violated this chapter and recover any damages incurred including loss of profits, attorney fees, and court costs.

2. A person who is injured by the transmission of unsolicited bulk electronic mail in violation of this chapter may elect, in lieu of actual damages, to recover either of the following:

*a.* The lesser of ten dollars for each unsolicited bulk electronic mail message transmitted in violation of this chapter, or twenty-five thousand dollars per day the messages are transmitted by the violator.

*b.* One dollar for each intended recipient of an unsolicited bulk electronic mail message where the intended recipient is an end user of the electronic mail service provider, or twenty-five thousand dollars for each day an attempt is made to transmit an unsolicited bulk electronic mail message to an end user of the electronic mail service provider.

3. *a.* A violation of this chapter is a violation of section 714.16, subsection 2, paragraph "*a*". All the powers conferred upon the attorney general to accomplish the objectives and carry out the duties prescribed pursuant to section 714.16 are also conferred upon the attorney general to enforce this chapter, including, but not limited to, the power to issue subpoenas, adopt rules which shall have the force of law, and seek injunctive relief and civil penalties.

*b.* In seeking reimbursement pursuant to section 714.16, subsection 7, from a person who has committed a violation of this chapter, the attorney general may seek an order from the court that the person pay to the attorney general on behalf of consumers the amounts for which the person would be liable under subsection 1 or 2, for each consumer who has a cause of action pursuant to this section. Section 714.16, as it relates to consumer reimbursement, shall apply to consumer reimbursement pursuant to this section.

4. At the request of any party to an action brought pursuant to this section, the court

may, in its discretion, conduct all legal proceedings in such a way as to protect the secrecy and security of the computer, computer network, computer data, computer program, and computer software involved in order to prevent possible recurrence of the same or a similar act by another person, and to protect any trade secrets of any party and in such a way as to protect the privacy of nonparties who complain about violations pursuant to this section.

5. This section shall not be construed to limit a person's right to pursue any additional civil remedy otherwise allowed by law.

6. An action brought pursuant to this section shall be commenced before the earlier of five years after the last act in the course of conduct constituting a violation of this chapter or two years after the injured person discovers or reasonably should have discovered the last act in the course of conduct constituting a violation of this chapter.

7. Personal jurisdiction may be exercised over any person who engages in any conduct in this state governed by this chapter.

8. The injured person shall not have a cause of action against the electronic mail service provider that merely transmits the unsolicited bulk electronic mail over its computer network.

2005 Acts, ch 123, §6

**716A.7 Forfeitures for violations of chapter.**

All property, including all income or proceeds earned but not yet received from a third party as a result of a violation of this chapter, used in connection with a violation of this chapter, known by the owner thereof to have been used in violation of this chapter, shall be subject to seizure and forfeiture pursuant to chapter 809A.

2005 Acts, ch 123, §7

# CHAPTER 716B

## HAZARDOUS WASTE OFFENSES

Referred to in §331.307, 364.22, 701.1

716B.1 Definitions.
716B.2 Unlawful disposal of hazardous waste — penalties.
716B.3 Unlawful transportation of hazardous waste — penalties.
716B.4 Unlawful treatment or storage of hazardous waste — penalties.
716B.5 Enforcement.

**716B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of natural resources.

2. *"Disposal"* or *"dispose"* means disposal as defined in section 455B.411, subsection 1.

3. *"Hazardous waste"* means a hazardous waste as defined in section 455B.411, subsection 3, or a hazardous substance as defined in 42 U.S.C. § 9601, or a hazardous substance as designated by regulations adopted by the administrator of the United States environmental protection agency pursuant to 42 U.S.C. § 9602.

4. *"Person"* means an agency of the state or federal government, a municipality, governmental subdivision, interstate body, public or private corporation, individual, partnership, or other entity, and includes an officer, or governing or managing body of a municipality, governmental subdivision, interstate body, or public or private corporation.

5. *"Storage"* or *"store"* means the containment of a hazardous waste, either on a temporary basis or for a period of years, in a manner that does not constitute disposal of the hazardous waste.

6. *"Treatment"* or *"treat"* means a method, technique, or process, including neutralization, designed to change the physical, chemical, or biological character or composition of a hazardous waste so as to neutralize the waste or to render the waste nonhazardous, safer for transport, amenable for recovery, amenable for storage, or to reduce the waste in volume.

"*Treatment*" includes any activity or processing designed to change the physical form or chemical composition of hazardous waste to render the waste nonhazardous.

88 Acts, ch 1080, §3; 2011 Acts, ch 9, §9

**716B.2 Unlawful disposal of hazardous waste — penalties.**

1. A person commits the offense of unlawful disposal of hazardous waste when the person knowingly or with reason to know, disposes of hazardous waste or arranges for or allows the disposal of hazardous waste at any location other than one authorized by the department or the United States environmental protection agency, or in violation of any material term or condition of a hazardous waste facility permit.

2. *a.* A person who commits the offense of unlawful disposal of hazardous waste is guilty of an aggravated misdemeanor and upon conviction shall be punished by a fine of not more than twenty-five thousand dollars for each day of violation or imprisonment for not more than two years, or both.

*b.* If the conviction is for a violation committed after a first conviction under this section, the person is guilty of a class "D" felony and shall be punished by a fine of not more than fifty thousand dollars for each day of violation or imprisonment for not more than five years, or both.

88 Acts, ch 1080, §4; 2013 Acts, ch 90, §198
Referred to in §29C.8A
Section amended

**716B.3 Unlawful transportation of hazardous waste — penalties.**

1. A person commits the offense of unlawful transportation of hazardous waste when the person knowingly or with reason to know, transports or causes to be transported any hazardous waste to any location other than a facility that is authorized to receive, treat, store, or dispose of the hazardous waste under rules adopted pursuant to the federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 – 6992.

2. *a.* A person who commits the offense of unlawful transportation of hazardous waste is guilty of an aggravated misdemeanor and upon conviction shall be punished by a fine of not more than twenty-five thousand dollars for each day of violation or imprisonment for not more than two years, or both.

*b.* If the conviction is for a violation committed after a first conviction under this section, the person is guilty of a class "D" felony and shall be punished by a fine of not more than fifty thousand dollars for each day of violation or imprisonment for not more than five years, or both.

88 Acts, ch 1080, §5; 95 Acts, ch 49, §24; 2013 Acts, ch 90, §199
Referred to in §29C.8A
Section amended

**716B.4 Unlawful treatment or storage of hazardous waste — penalties.**

1. A person commits the offense of unlawful treatment or storage of hazardous waste when the person knowingly or with reason to know, treats or stores hazardous waste without a permit issued pursuant to 42 U.S.C. § 6925 or § 6926.

2. *a.* A person who commits the offense of unlawful treatment or storage of hazardous waste is guilty of an aggravated misdemeanor and upon conviction shall be punished by a fine of not more than twenty-five thousand dollars for each day of violation or imprisonment for not more than two years, or both.

*b.* If the conviction is for a violation committed after a first conviction under this section, the person is guilty of a class "D" felony and shall be punished by a fine of not more than fifty thousand dollars for each day of violation or imprisonment for not more than five years, or both.

88 Acts, ch 1080, §6; 2013 Acts, ch 90, §200
Referred to in §29C.8A
Section amended

**716B.5 Enforcement.**

The attorney general or the county attorney for the county in which a violation occurs is responsible for enforcement of this chapter.

88 Acts, ch 1080, §7

# CHAPTER 717

## INJURY TO LIVESTOCK

Referred to in §169C.1, 169C.5, 331.307, 331.308, 364.22, 364.22A, 459.501, 701.1, 717F.4


717.1 Definitions.
717.1A Livestock abuse.
717.2 Livestock neglect.
717.2A Rescue of neglected livestock.
717.3 Livestock in immediate need of sustenance — court order.
717.4 Livestock in immediate need of sustenance — lien.
717.4A Livestock in immediate need of sustenance — livestock remediation fund.
717.5 Disposition of neglected livestock.
717.6 Rulemaking.


**717.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of agriculture and land stewardship.
2. *"Electronic mail"* means any message transmitted through the internet including but not limited to messages transmitted from or to any address affiliated with an internet site.
3. *"Law enforcement officer"* means a regularly employed member of a police force of a city or county, including a sheriff, who is responsible for the prevention and detection of crime and the enforcement of the criminal laws of this state.
4. *"Livestock"* means an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus; farm deer as defined in section 170.1; or poultry.
5. *"Livestock care provider"* means a person designated by a local authority to provide care to livestock which is rescued by the local authority pursuant to section 717.2A.
6. *"Local authority"* means a city as defined in section 362.2 or a county as provided in chapter 331.
7. *"Maintenance"* means to provide on-site or off-site care to neglected livestock.
8. *"Sustenance"* means food, water, or a nutritional formulation customarily used in the production of livestock.

[C51, §2678; R60, §4318; C73, §3977; C97, §4818; C24, 27, 31, 35, 39, §**13132;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §717.1]

94 Acts, ch 1103, §7; 95 Acts, ch 43, §14; 95 Acts, ch 134, § 6; 2003 Acts, ch 149, §21, 23; 2011 Acts, ch 81, §5

Referred to in §15E.202, 159.5, 162.1, 163.3A, 172E.1, 484B.1, 501A.102, 562.1A, 717B.1, 717D.1

**717.1A Livestock abuse.**

A person is guilty of livestock abuse if the person intentionally injures or destroys livestock owned by another person, in any manner, including, but not limited to, intentionally doing any of the following: administering drugs or poisons to the livestock, or disabling the livestock by using a firearm or trap. A person guilty of livestock abuse commits an aggravated misdemeanor. This section shall not apply to any of the following:

1. A person acting with the consent of the person owning the livestock, unless the action constitutes livestock neglect as provided in section 717.2.
2. A person acting to carry out an order issued by a court.
3. A licensed veterinarian practicing veterinary medicine as provided in chapter 169.
4. A person acting in order to carry out another provision of law which allows the conduct.
5. A person reasonably acting to protect the person's property from damage caused by estray livestock.

6. A person reasonably acting to protect a person from injury or death caused by estray livestock.

7. A research facility, as defined in section 162.2, provided that the research facility performs functions within the scope of accepted practices and disciplines associated with the research facility.

94 Acts, ch 1103, §8; 2008 Acts, ch 1058, §17

**717.2 Livestock neglect.**

1. A person who impounds or confines livestock, in any place, and does any of the following commits the offense of livestock neglect:

*a.* Fails to provide livestock with care consistent with customary animal husbandry practices.

*b.* Deprives livestock of necessary sustenance.

*c.* Injures or destroys livestock by any means which causes pain or suffering in a manner inconsistent with customary animal husbandry practices.

2. A person who commits the offense of livestock neglect is guilty of a simple misdemeanor. A person who intentionally commits the offense of livestock neglect which results in serious injury to or the death of livestock is guilty of a serious misdemeanor. However, a person shall not be guilty of more than one offense of livestock neglect punishable as a serious misdemeanor, when care or sustenance is not provided to multiple head of livestock during any period of uninterrupted neglect.

3. This section does not apply to a research facility, as defined in section 162.2, provided that the research facility performs functions within the scope of accepted practices and disciplines associated with the research facility.

[C51, §2716; R60, §4358; C73, §4031, 4034; C97, §4969, 4972; S13, §4969; C24, 27, 31, 35, 39, §**13133, 13134;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §717.2, 717.3; C79, 81, §717.2]

86 Acts, ch 1121, §3; 87 Acts, ch 179, §1; 94 Acts, ch 1103, §9; 2008 Acts, ch 1058, §18

Referred to in §717.1A, 717.2A, 717.5

**717.2A Rescue of neglected livestock.**

1. *a.* A law enforcement officer may rescue livestock neglected as provided in section 717.2 on public or private property, as provided in this subsection.

*b.* The officer may enter onto property of a person to rescue neglected livestock if the officer obtains a search warrant issued by a court, or enters onto the premises in a manner consistent with the laws of this state and the United States, including Article I, section 8, of the Constitution of the State of Iowa, or the fourth amendment to the Constitution of the United States.

*c.* Livestock neglected as provided in section 717.2 may be rescued pursuant to the following conditions:

(1) If a criminal proceeding has not been commenced against the person owning or caring for the livestock, the following shall apply:

(a) The local authority shall receive a written statement from a veterinarian licensed pursuant to chapter 169, providing that, in the veterinarian's opinion, the livestock is neglected.

(b) The local authority shall provide written notice to the person owning or caring for the livestock by delivery at the last known address of the person. The local authority shall deliver the notice by certified mail or make a good faith effort to personally deliver the notice to the person owning or caring for the livestock. The notice shall include all of the following:

(i) The name and address of the local authority.

(ii) A description of the livestock subject to rescue.

(iii) A statement informing the person that the livestock may be rescued pursuant to this chapter within one day following receipt of the notice by the person. The statement must specify a date, time, and a location for delivery of the response designated by the local authority, as provided in this subsection.

(iv) A statement informing the person that in order to avoid rescue of the livestock, the person must respond to the notice in writing signed by a veterinarian licensed pursuant to

chapter 169. The veterinarian must state that, in the opinion of the veterinarian, the livestock is not neglected, or the person is taking immediate measures required to rehabilitate the livestock.

(c) A law enforcement officer may rescue the livestock, if the local authority fails to receive a written response by the person owning or caring for the livestock by the end of normal office hours of the next day that the local authority is available to receive the response at the offices of the local authority. However, if the local authority is not available to receive a response at its offices, the local authority may designate another location in the county to receive the response.

(2) If a criminal proceeding has been commenced against the person owning or caring for the livestock, the local authority must receive a written statement from a veterinarian licensed pursuant to chapter 169, providing that, in the veterinarian's opinion, the livestock is neglected.

(3) Regardless of whether a criminal proceeding has commenced, the local authority may immediately rescue livestock without providing notice as otherwise required in this section. However, the local authority must receive a written statement from a veterinarian licensed pursuant to chapter 169, providing that in the veterinarian's opinion, the livestock is neglected. In order to rescue the livestock, the local authority must determine that the livestock has been abandoned or that no person is able or willing to care for the livestock, and the livestock is permanently distressed by disease or injury to a degree that would result in severe and prolonged suffering.

2. If livestock is rescued pursuant to this section, the local authority shall post a notice in a conspicuous place at the location where the livestock was rescued. The notice shall state that the livestock has been rescued by the local authority pursuant to this section. The local authority shall provide for the maintenance of the neglected livestock. The local authority may contract with a livestock care provider for the maintenance of the neglected livestock. The local authority shall pay the livestock care provider for the livestock's maintenance regardless of proceeds received from the sale of the livestock or any reimbursement ordered by a court, pursuant to section 717.5.

3. The livestock shall be subject to disposition pursuant to section 717.5.

94 Acts, ch 1103, §10

Referred to in §670.4, 717.1, 717.5

**717.3 Livestock in immediate need of sustenance — court order.**

1. This section applies only to livestock which are cattle, sheep, swine, or poultry.

2. For purposes of this section, "*interested person*" means all of the following:

*a.* An owner of the livestock.

*b.* A person caring for the livestock, if different from the owner of the livestock.

*c.* A person holding a perfected agricultural lien or security interest in the livestock under chapter 554.

3. The department may determine that some or all of the livestock kept by a person are in immediate need of sustenance. Upon making the determination the department may file a petition with a district court in a county where some or all of the livestock are kept requesting the court to issue an order to provide sustenance of the livestock. The petition may be made separately or with a petition filed pursuant to section 717.5. The petition must at least include all of the following:

*a.* A statement signed by a veterinarian licensed pursuant to chapter 169 stating that the livestock are in immediate need of sustenance.

*b.* The address of each location where the livestock are kept.

*c.* A brief description of the livestock.

*d.* The name and address of each interested person, if known.

*e.* The name and address of each qualified person appointed by the department to provide sustenance to the livestock.

4. Upon receiving the petition, the court may do any of the following:

*a.* Notify any interested person that the petition has been filed with the court. The notification must be made in writing and may be delivered by ordinary, certified, or restricted

certified mail by United States postal service; delivered by a common carrier; or transmitted by electronic mail.

*b.* Hold a hearing to determine whether the livestock are in immediate need of sustenance.

5. If the court determines that the livestock are in immediate need of sustenance, the court shall issue an order which at least declares all of the following:

*a.* That the livestock are in immediate need of sustenance.

*b.* That the department shall assume supervision of and provide for the sustenance of the livestock as provided in section 717.4.

*c.* That a lien is created attaching to the livestock and associated proceeds and products as provided in section 717.4.

6. The department shall assume supervision of the livestock as provided in the court order. The department may directly provide for the sustenance of the livestock or appoint a qualified person to provide for such sustenance.

2011 Acts, ch 81, §6; 2011 Acts, ch 131, §74, 158
Referred to in §717.4, 717.4A, 717.5, 717.6

**717.4 Livestock in immediate need of sustenance — lien.**

1. This section applies to a lien created by a court order entered pursuant to section 717.3 or 717.5. The court-ordered lien is an agricultural lien subject to chapter 554 except as otherwise provided in this section.

2. The court-ordered lien shall be for the benefit of the department. The amount of the lien shall not be more than for expenses incurred in providing sustenance to the livestock pursuant to section 717.3 and providing for the disposition of the livestock pursuant to section 717.5.

3. The court-ordered lien shall attach to the livestock, identifiable proceeds from the disposition of the livestock, and products from the livestock in the products' unmanufactured states.

4. The court-ordered lien becomes effective on the date that the court order is entered. To perfect the lien, the department must file a financing statement in the office of the secretary of state as provided in sections 554.9308 and 554.9310 on or after but not later than twenty days after the effective date of the lien. For purposes of chapter 554, article 9, the department is a secured party; the owner of the livestock is a debtor; and the livestock and associated proceeds and products as provided in subsection 3 are the collateral.

5. The court-ordered lien that is perfected under this section is superior to and shall have priority over a conflicting lien or security interest in the livestock and associated proceeds and products as provided in subsection 3, including a lien or security interest that was perfected prior to the perfection of the court-ordered lien.

2011 Acts, ch 81, §7; 2011 Acts, ch 131, §75, 158
Referred to in §579A.2, 579B.4, 581.2, 717.3, 717.4A, 717.5, 717.6

**717.4A Livestock in immediate need of sustenance — livestock remediation fund.**

The department may utilize the moneys deposited into the livestock remediation fund pursuant to section 459.501 to pay for any expenses associated with providing sustenance to or the disposition of the livestock pursuant to a court order entered pursuant to section 717.3 or 717.5. The department shall utilize moneys from the fund only to the extent that the department determines that expenses cannot be timely paid by utilizing the available provisions of sections 717.4 and 717.5. The department shall deposit any unexpended and unobligated moneys in the fund. The department shall pay to the fund the proceeds from the disposition of the livestock and associated products less expenses incurred by the department in providing for the sustenance and disposition of the livestock, as provided in section 717.5.

2011 Acts, ch 81, §8; 2011 Acts, ch 131, §76, 158
Referred to in §717.6

**717.5 Disposition of neglected livestock.**

1. *a.* A court shall order the disposition of livestock neglected as provided in section 717.2

or livestock in immediate need of sustenance and associated products as provided in sections 717.3 and 717.4 in accordance with this section.

(1) A petition may be filed by a local authority or a person owning or caring for the livestock pursuant to section 717.2.

(2) A petition may be filed by the department. The court shall notify interested persons in the same manner as provided in section 717.3. The petition may be filed separately or with a petition filed pursuant to section 717.3.

*b.* The matter shall be heard by the court within ten days from the filing of the petition.

(1) For livestock alleged to be neglected under section 717.2, the court may continue the hearing for up to forty days upon petition by the person. However, the person shall post a bond or other security with the local authority in an amount determined by the court, which shall not be more than the amount sufficient to provide for the maintenance of the livestock for forty days. The court may grant a subsequent continuance by the person for the same length of time if the person submits a new bond or security.

(2) For livestock alleged to be in immediate need of sustenance under section 717.3, the court may continue the hearing for up to forty days upon petition by the department. The department may file and the court may grant one or more subsequent continuances each for up to forty days. The department is not required to post a bond or other security.

*c.* Notwithstanding paragraph "*b*", the court shall order the immediate disposition of livestock if the livestock is permanently distressed by disease or injury to a degree that would result in severe or prolonged suffering.

2. The hearing to determine if livestock has been neglected under section 717.2 for purposes of disposition shall be a civil proceeding. If the case is related to a criminal proceeding under section 717.2, the disposition shall not be part of that proceeding and shall not be considered a criminal penalty imposed on a person found in violation of section 717.2.

3. A court may order a person owning the livestock neglected under section 717.2 or in immediate need of sustenance under section 717.3 to pay an amount associated with expenses associated with the livestock as follows:

*a.* (1) For livestock neglected under section 717.2, the amount shall not be more than for expenses incurred by the local authority in maintaining and disposing of the neglected livestock rescued pursuant to section 717.2A, and reasonable attorney fees and expenses related to the investigation of the case. The remaining amount of a bond or other security posted pursuant to subsection 1 shall be used to reimburse the local authority.

(2) For livestock in immediate need of sustenance under section 717.3, the amount shall not be more than for expenses incurred by the department in providing sustenance to and disposing of the neglected livestock as provided in section 717.3 and this section. The amount paid to the department shall be sufficient to allow the department to repay the livestock remediation fund as provided in section 459.501.

*b.* If more than one person has a divisible ownership interest in the livestock, the amount required to be paid shall be prorated based on the percentage of interest in the livestock owned by each person. The moneys shall be paid to the local authority or department incurring the expense as provided in paragraph "*a*". The amount shall be subtracted from proceeds owed to the owner or owners of the livestock, which are received from the sale of the livestock ordered by the court.

*c.* (1) Moneys owed to the local authority from the sale of neglected livestock that have been rescued by a local authority pursuant to section 717.2A shall be paid to the local authority before satisfying indebtedness secured by any security interest in or lien on the livestock. Moneys owed to the department from the sale of livestock in immediate need of sustenance and associated products shall be paid to the department according to its priority status as a lienholder as provided in section 717.4.

(2) If an owner of the livestock is a landowner, the local authority may submit an amount of the moneys owed to the clerk of the county board of supervisors who shall report the amount to the county treasurer. The amount shall equal the balance remaining after the sale of the livestock. If the livestock owner owns a percentage of the livestock, the reported amount shall equal the remaining balance owed by all landowners who own a percentage of the livestock. That amount shall be prorated among the landowners based on the percentage

of interest in the livestock attributable to each landowner. The amount shall be placed upon the tax books, and collected with interest and penalties after due, in the same manner as other unpaid property taxes. The county shall reimburse a city within thirty days from the collection of the property taxes.

4. Neglected livestock ordered to be destroyed shall be destroyed only by a humane method, including euthanasia as defined in section 162.2.

86 Acts, ch 1121, §4; 94 Acts, ch 1103, §11; 2011 Acts, ch 81, §9; 2012 Acts, ch 1023, §86
Referred to in §602.6405, 717.2A, 717.3, 717.4, 717.4A, 717.6, 717D.5

**717.6 Rulemaking.**

The department may adopt rules pursuant to chapter 17A as required to implement and administer sections 717.3 through 717.5.

2011 Acts, ch 81, §10

# CHAPTER 717A

## OFFENSES RELATING TO AGRICULTURAL PRODUCTION

Referred to in §99B.11, 162.1, 331.307, 364.22, 701.1, 709A.1

717A.1 Definitions.
717A.2 Animal facilities — civil action — criminal penalties.
717A.3 Crops or crop operation property damage — civil action — criminal penalties.
717A.3A Agricultural production facility fraud.
717A.4 Use of pathogens to threaten animals and crops — penalty.

**717A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural animal"* means any of the following:

*a.* An animal that is maintained for its parts or products having commercial value, including but not limited to its muscle tissue, organs, fat, blood, manure, bones, milk, wool, hide, pelt, feathers, eggs, semen, embryos, or honey.

*b.* An animal belonging to the equine species, including horse, pony, mule, jenny, donkey, or hinny.

2. *"Agricultural production"* means any activity related to maintaining an agricultural animal at an animal facility or a crop on crop operation property.

3. *"Agricultural production facility"* means an animal facility as defined in subsection 5, paragraph *"a"*, or a crop operation property.

4. *"Animal"* means a warm-blooded or cold-blooded animal, including but not limited to an animal belonging to the bovine, canine, feline, equine, ovine, or porcine species; farm deer as defined in section 189A.2; ostriches, rheas, or emus; an animal which belongs to a species of poultry or fish; mink or other pelt-bearing mammals; any invertebrate; or honey bees.

5. *"Animal facility"* means any of the following:

*a.* A location where an agricultural animal is maintained for agricultural production purposes, including but not limited to a location dedicated to farming as defined in section 9H.1, a livestock market, exhibition, or a vehicle used to transport the animal.

*b.* A location where an animal is maintained for educational or scientific purposes, including a research facility as defined in section 162.2, an exhibition, or a vehicle used to transport the animal.

*c.* A location operated by a person licensed to practice veterinary medicine pursuant to chapter 169.

*d.* A pound as defined in section 162.2.

*e.* An animal shelter as defined in section 162.2.

*f.* A pet shop as defined in section 162.2.

*g.* A boarding kennel as defined in section 162.2.

*h.* A commercial kennel as defined in section 162.2.

6. *"Consent"* means express or apparent assent by a person authorized to provide such assent.

7. *a.* *"Crop"* means any plant maintained for its parts or products having commercial value, including but not limited to stalks, trunks and branches, cuttings, grafts, scions, leaves, buds, fruit, vegetables, roots, bulbs, or seeds, if the plant is any of the following:

(1) A plant produced from an agricultural seed or vegetable seed as defined in section 199.1, including any plant producing a commodity listed in section 210.10.

(2) A plant which is a tree, shrub, vine, berry plant, greenhouse plant, or flower.

*b.* A plant produced from a noxious weed seed as defined in section 199.1 is not a crop unless the plant is produced as a research crop.

8. *"Crop operation"* means a commercial enterprise where a crop is maintained on the property of the commercial enterprise.

9. *"Crop operation property"* means any of the following:

*a.* Real property that is a crop field, orchard, nursery, greenhouse, garden, elevator, seedhouse, barn, warehouse, any other associated land or structures located on the land, and personal property located on the land including machinery or equipment, that is part of a crop operation.

*b.* A vehicle used to transport a crop that was maintained on the crop operation property.

10. *"Deprive"* means to do any of the following:

*a.* For an animal maintained at an animal facility or property belonging to an animal facility, *"deprive"* means to do any of the following:

(1) Withhold the animal or property for a period of time sufficient to significantly reduce the value or enjoyment of the animal or property.

(2) Withhold the animal or property for ransom or upon condition to restore the animal or property in return for compensation.

(3) Dispose of the animal or property in a manner that makes recovery of the animal or property by its owner unlikely.

*b.* For crops maintained on crop operation property or for crop operation property, *"deprive"* means to do any of the following:

(1) Occupy any part of a crop operation property for a period of time sufficient to prevent access to the crop or crop operation property.

(2) Dispose of a crop maintained on the crop operation property or belonging to the crop operation in a manner that makes recovery of the crop or crop operation property by its owner unlikely.

11. *"Maintain"* means to do any of the following:

*a.* Keep and provide for the care and feeding of any animal, including any activity relating to confining, handling, breeding, transporting, or exhibiting the animal.

*b.* Keep and preserve any crop by planting, nurturing, harvesting, and storing the crop; or storing, planting, or nurturing the crop's seed.

12. *"Owner"* means any of the following:

*a.* A person, including a public or private entity, who has a legal interest in an animal or property belonging to an animal facility or who is authorized by the holder of the legal interest to act on the holder's behalf in maintaining the animal.

*b.* A person, including a public or private entity, who has a legal interest in a crop or crop operation property or who is authorized by the holder of the legal interest to act on the holder's behalf in maintaining the crop.

13. *"Research crop"* means a crop, including the crop's seed, that is maintained for purposes of scientific research regarding the study or alteration of the genetic characteristics of a plant or associated seed, including its deoxyribonucleic acid, which is accomplished by breeding or by using biotechnological systems or techniques.

2001 Acts, ch 120, §1; 2008 Acts, ch 1058, §19; 2012 Acts, ch 1005, §1, 3

Referred to in §163.3A, 455B.171, 717F.1

**717A.2 Animal facilities — civil action — criminal penalties.**

1. A person shall not, without the consent of the owner, do any of the following:

*a.* Willfully destroy property of an animal facility, or kill or injure an animal maintained at an animal facility, including by an act of violence or the transmission of a disease including but not limited to any disease designated by the department of agriculture and land stewardship pursuant to section 163.2.

*b.* Exercise control over an animal facility including property of the animal facility, or an animal maintained at an animal facility, with intent to deprive the animal facility of an animal or property.

*c.* (1) Enter onto or into an animal facility, or remain on or in an animal facility, if the person has notice that the facility is not open to the public, if the person has an intent to do one of the following:

(a) Disrupt operations conducted at the animal facility, if the operations directly relate to agricultural production, animal maintenance, educational or scientific purposes, or veterinary care.

(b) Kill or injure an animal maintained at the animal facility.

(2) A person has notice that an animal facility is not open to the public if the person is provided notice before entering onto or into the facility, or the person refuses to immediately depart from the facility after being informed to leave. The notice may be in the form of a written or verbal communication by the owner, a fence or other enclosure designed to exclude intruders or contain animals, or a sign posted which is reasonably likely to come to the attention of an intruder and which indicates that entry is forbidden.

2. A person suffering damages resulting from an action which is in violation of subsection 1 may bring an action in the district court against the person causing the damage to recover all of the following:

*a.* An amount equaling three times all actual and consequential damages.

*b.* Court costs and reasonable attorney fees.

3. A person violating this section is guilty of the following:

*a.* A person who violates subsection 1, paragraph "*a*", is guilty of a class "C" felony if the injury to or death of an animal or damage to property exceeds ten thousand dollars, a class "D" felony if the injury to or death of an animal or damage to property exceeds one thousand dollars but does not exceed ten thousand dollars, an aggravated misdemeanor if the injury to or death of an animal or damage to property exceeds one hundred dollars but does not exceed one thousand dollars, a serious misdemeanor if the injury to or death of an animal or damage to property exceeds fifty dollars but does not exceed one hundred dollars, or a simple misdemeanor if the injury to or death of an animal or damage to property does not exceed fifty dollars.

*b.* A person who violates subsection 1, paragraph "*b*", is guilty of a class "D" felony.

*c.* A person who violates subsection 1, paragraph "*c*", is guilty of an aggravated misdemeanor.

4. *a.* This section does not prohibit any conduct of a person holding a legal interest in an animal or property which is superior to the interest held by a person suffering from damages resulting from the conduct.

*b.* This section does not apply to a governmental agency that is taking lawful action against an animal or animal facility.

*c.* This section does not apply to a licensed veterinarian practicing veterinary medicine as provided in chapter 169 and according to customary standards of care.

91 Acts, ch 227, §1
CS91, §717A.1
95 Acts, ch 43, §15; 2001 Acts, ch 120, §2 – 5
CS2001, §717A.2
2003 Acts, ch 44, §106; 2004 Acts, ch 1142, §1; 2005 Acts, ch 3, §110; 2013 Acts, ch 30, §212
Subsection 1, paragraph c amended

**717A.3 Crops or crop operation property damage — civil action — criminal penalties.**

1. A person shall not, without the consent of the owner, do any of the following:

*a.* Willfully destroy or damage a crop maintained on crop operation property or crop operation property.

*b.* Exercise control over a crop maintained on crop operation property or crop operation property with an intent to deprive the owner of the crop or crop operation property.

*c.* (1) Enter onto or remain on crop operation property if the person has notice that the property is not open to the public, and the person has an intent to do one of the following:

(a) Disrupt agricultural production conducted on the crop operation property if the agricultural production directly relates to the maintenance of crops. A person is presumed to intend disruption if the person moves, removes, or defaces any sign posted on the crop operation property or label used by the owner and the sign or label identifies a crop maintained on the crop operation property.

(b) Destroy or damage a crop or any portion of a crop maintained on the crop operation property.

(2) A person has notice that a crop operation property is not open to the public if the person is provided notice prohibiting entry before the person enters onto the crop operation property, or the person refuses to immediately depart from the crop operation property after being notified to leave. The notice may be in the form of a written or verbal communication by the owner, a fence or other enclosure designed to exclude intruders, or a sign posted which is reasonably likely to come to the attention of an intruder and which indicates that entry is prohibited.

2. *a.* A person suffering damages resulting from an act which is in violation of this section may bring an action in the district court against the person causing the damage to recover all of the following:

(1) For damages that are not to a research crop, an amount equaling three times all actual and consequential losses.

(2) For damages to a research crop, all of the following:

(a) Twice the amount of damages directly incurred by market losses, based on the lost market value of the research crop due to the damage, assuming that the research crop would have matured undamaged and been sold in normal commercial channels. If the research crop has no market value, the damages shall be twice the amount of actual damages incurred in producing, harvesting, and storing the damaged research crop.

(b) Twice the amount of damages directly incurred by developmental losses, based on the losses associated with the research crop's expected scientific value. The research crop's scientific value shall be determined by calculating the amount expended in developing the research crop, including costs associated with researching, testing, breeding, or engineering. However, such damages shall not be awarded to the extent that the losses are mitigated by undamaged research crops that have been identically developed.

*b.* A prevailing plaintiff in an action brought under this section shall be awarded court costs and reasonable attorney fees, which shall be taxed as part of the costs of the action.

3. A person who violates this section as it applies to a research crop or crop operation property where a research crop is maintained is guilty of the following:

*a.* For a violation of subsection 1, paragraph "*a*", the person is guilty of criminal mischief as provided in section 716.1, and commits the same class of offense as provided in sections 716.3 through 716.6 based on the amount of damage to the research crop or crop operation property where the research crop is maintained.

*b.* For a violation of subsection 1, paragraph "*b*", the person is guilty of a class "D" felony.

*c.* For a violation of subsection 1, paragraph "*c*", the person is guilty of an aggravated misdemeanor.

4. A person who violates this section as it applies to a crop other than a research crop or crop operation property where a research crop is not maintained is guilty of the following:

*a.* For a violation of subsection 1, paragraph "*a*", the person is guilty of criminal mischief as provided in section 716.1, and commits the same class of offense as provided in sections 716.3 through 716.6 based on the amount of damage to the crop or crop operation property where the crop is maintained.

*b.* For a violation of subsection 1, paragraph "*b*", the person is guilty of an aggravated misdemeanor.

*c.* For a violation of subsection 1, paragraph "*c*", the person is guilty of a serious misdemeanor.

5. *a.* This section does not prohibit any conduct of a person holding a legal interest in a crop operation that is superior to the interest held by a person suffering from damages resulting from the conduct.

*b.* This section does not apply to a governmental agency that is taking lawful action against a crop or crop operation property.

2001 Acts, ch 120, §6; 2013 Acts, ch 30, §213
Subsection 1, paragraph c amended

**717A.3A Agricultural production facility fraud.**

1. A person is guilty of agricultural production facility fraud if the person willfully does any of the following:

*a.* Obtains access to an agricultural production facility by false pretenses.

*b.* Makes a false statement or representation as part of an application or agreement to be employed at an agricultural production facility, if the person knows the statement to be false, and makes the statement with an intent to commit an act not authorized by the owner of the agricultural production facility, knowing that the act is not authorized.

2. A person who commits agricultural production facility fraud under subsection 1 is guilty of the following:

*a.* For the first conviction, a serious misdemeanor.

*b.* For a second or subsequent conviction, an aggravated misdemeanor.

3. *a.* A person who conspires to commit agricultural production facility fraud under subsection 1 is subject to the provisions of chapter 706. A person who aids and abets in the commission of agricultural production facility fraud under subsection 1 is subject to the provisions of chapter 703. When two or more persons, acting in concert, knowingly participate in committing agricultural production facility fraud under subsection 1, each person is responsible for the acts of the other person as provided in section 703.2. A person who has knowledge that agricultural production facility fraud under subsection 1 has been committed and that a certain person committed it, and who does not stand in the relation of husband or wife to the person committing the agricultural production facility fraud under subsection 1, and who harbors, aids, or conceals the person committing the agricultural production facility fraud under subsection 1, with the intent to prevent the apprehension of the person committing the agricultural production facility fraud under subsection 1, is subject to section 703.3.

*b.* A trial information or an indictment relating to agricultural production facility fraud under subsection 1 need not contain allegations of vicarious liability as provided in chapter 703.

2012 Acts, ch 1005, §2, 3

**717A.4 Use of pathogens to threaten animals and crops — penalty.**

1. Except as provided in subsection 2, a person shall not willfully possess, transport, or transfer a pathogen with an intent to threaten the health of an animal or crop.

*a.* For animals, a pathogen restricted under this section shall be limited to a biological agent or toxin listed in 9 C.F.R. § 121.2(b), as that list exists on January 1, 2004.

*b.* For crops, a pathogen restricted under this section shall be limited to a biological agent or toxin listed in 7 C.F.R. § 331.3, as that list exists on January 1, 2004.

2. This section does not apply to a person who possesses, transports, or distributes a pathogen in compliance with federal law, including but not limited to as provided in 9 C.F.R. pt. 121 or 7 C.F.R. pt. 331.

3. A person who violates this section is guilty of a class "B" felony.

2004 Acts, ch 1142, §2

# CHAPTER 717B

## INJURY TO ANIMALS OTHER THAN LIVESTOCK

Referred to in §162.10D, 165B.2, 331.307, 331.308, 364.22, 364.22A, 670.4, 701.1, 717F.4, 717F.5

Injury to livestock; see chapter 717


717B.1 Definitions.
717B.2 Animal abuse.
717B.3 Animal neglect.
717B.3A Animal torture.
717B.4 Dispositional proceedings.
717B.5 Rescue of threatened animals.
717B.6 Destruction and disposition of wild animals.
717B.7 Repealed by 2002 Acts, ch 1130, §10.
717B.8 Abandonment of cats and dogs — penalties.
717B.9 Injury or interference with a police service dog.


**717B.1 Definitions.**

As used in this chapter:

1. *"Animal"* means a nonhuman vertebrate. However, *"animal"* does not include any of the following:

*a.* Livestock, as defined in section 717.1.

*b.* Any game, fur-bearing animal, fish, reptile, or amphibian, as defined in section 481A.1, unless a person owns, confines, or controls the game, fur-bearing animal, fish, reptile, or amphibian.

*c.* Any nongame species declared to be a nuisance pursuant to section 481A.42.

2. *"Animal care provider"* means a person designated by a local authority to provide care to an animal which is rescued by the local authority pursuant to section 717B.5.

3. Unless the context otherwise requires, *"book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

4. *"Dispositional expenses"* means expenses incurred by a local authority in rescuing an animal as provided in section 717B.5, maintaining the animal until the conclusion of a dispositional proceeding as provided in section 717B.4, or disposing of the animal as provided in section 717B.4.

5. *"Law enforcement officer"* means a regularly employed member of a police force of a city or county, including a sheriff, who is responsible for the prevention and detection of crime and the enforcement of the criminal laws of this state.

6. *"Local authority"* means a city as defined in section 362.2 or a county as provided in chapter 331.

7. *"Maintenance"* means to provide on-site or off-site care to neglected animals.

8. *"Responsible party"* means a person who owns or maintains an animal.

9. *"Threatened animal"* means an animal that is abused as provided in section 717B.2, neglected as provided in section 717B.3, or tortured as provided in section 717B.3A.

94 Acts, ch 1103, §12; 2000 Acts, ch 1148, §1; 2002 Acts, ch 1119, §200, 201; 2002 Acts, ch 1130, §2; 2013 Acts, ch 90, §201

Referred to in §717D.1, 717F.7, 717F.10

Subsection 5 amended

**717B.2 Animal abuse.**

A person is guilty of animal abuse if the person intentionally injures, maims, disfigures, or destroys an animal owned by another person, in any manner, including intentionally poisoning the animal. A person guilty of animal abuse is guilty of an aggravated misdemeanor. This section shall not apply to any of the following:

1. A person acting with the consent of the person owning the animal, unless the action constitutes animal neglect as provided in section 717B.3.

2. A person acting to carry out an order issued by a court.

3. A licensed veterinarian practicing veterinary medicine as provided in chapter 169.

4. A person acting in order to carry out another provision of law which allows the conduct.

5. A person taking, hunting, trapping, or fishing for a wild animal as provided in chapter 481A.

6. A person acting to protect the person's property from a wild animal as defined in section 481A.1.

7. A person acting to protect a person from injury or death caused by a wild animal as defined in section 481A.1.

8. A person reasonably acting to protect the person's property from damage caused by an unconfined animal.

9. A person reasonably acting to protect a person from injury or death caused by an unconfined animal.

10. A local authority reasonably acting to destroy an animal, if at the time of the destruction, the owner of the animal is absent or unable to care for the animal, and the animal is permanently distressed by disease or injury to a degree that would result in severe and prolonged suffering.

11. A research facility, as defined in section 162.2, provided that the research facility performs functions within the scope of accepted practices and disciplines associated with the research facility.

94 Acts, ch 1103, §13; 2008 Acts, ch 1058, §20
Referred to in §162.10A, 717B.1

**717B.3 Animal neglect.**

1. A person who impounds or confines, in any place, an animal is guilty of animal neglect, if the person does any of the following: fails to supply the animal during confinement with a sufficient quantity of food or water; fails to provide a confined dog or cat with adequate shelter; or tortures, deprives of necessary sustenance, mutilates, beats, or kills an animal by any means which causes unjustified pain, distress, or suffering.

2. This section does not apply to a research facility, as defined in section 162.2, provided that the research facility performs functions within the scope of accepted practices and disciplines associated with the research facility.

3. A person who negligently or intentionally commits the offense of animal neglect is guilty of a simple misdemeanor. A person who intentionally commits the offense of animal neglect which results in serious injury to or the death of an animal is guilty of a serious misdemeanor.

94 Acts, ch 1103, §14; 95 Acts, ch 49, §25; 2008 Acts, ch 1058, §21
Referred to in §162.10A, 717B.1, 717B.2

**717B.3A Animal torture.**

1. A person is guilty of animal torture, regardless of whether the person is the owner of the animal, if the person inflicts upon the animal severe physical pain with a depraved or sadistic intent to cause prolonged suffering or death.

2. This section shall not apply to any of the following:

*a.* A person acting to carry out an order issued by a court.

*b.* A licensed veterinarian practicing veterinary medicine as provided in chapter 169.

*c.* A person carrying out a practice that is consistent with animal husbandry practices.

*d.* A person acting in order to carry out another provision of law which allows the conduct.

*e.* A person taking, hunting, trapping, or fishing for a wild animal as provided in chapter 481A.

*f.* A person acting to protect the person's property from a wild animal as defined in section 481A.1.

*g.* A person acting to protect a person from injury or death caused by a wild animal as defined in section 481A.1.

*h.* A person reasonably acting to protect the person's property from damage caused by an unconfined animal.

*i.* A person reasonably acting to protect a person from injury or death caused by an unconfined animal.

*j.* A local authority reasonably acting to destroy an animal, if at the time of the

destruction, the owner of the animal is absent or unable to care for the animal, and the animal is permanently distressed by disease or injury to a degree that would result in severe and prolonged suffering.

*k.* A research facility, as defined in section 162.2, provided that the research facility performs functions within the scope of accepted practices and disciplines associated with the research facility.

3. *a.* The following shall apply to a person who commits animal torture:

(1) For the first conviction, the person is guilty of an aggravated misdemeanor. The sentencing order shall provide that the person submit to psychological evaluation and treatment according to terms required by the court. The costs of the evaluation and treatment shall be paid by the person. In addition, the sentencing order shall provide that the person complete a community work requirement, which may include a work requirement performed at an animal shelter or pound, as defined in section 162.2, according to terms required by the court.

(2) For a second or subsequent conviction, the person is guilty of a class "D" felony. The sentencing order shall provide that the person submit to psychological evaluation and treatment according to terms required by the court. The costs of the psychological evaluation and treatment shall be paid by the person.

*b.* The juvenile court shall have exclusive original jurisdiction in a proceeding concerning a child who is alleged to have committed animal torture, in the manner provided in section 232.8. The juvenile court shall not waive jurisdiction in a proceeding concerning an offense alleged to have been committed by a child under the age of seventeen.

2000 Acts, ch 1152, §3; 2008 Acts, ch 1058, §22
Referred to in §162.10A, 232.8, 717B.1

**717B.4 Dispositional proceedings.**

1. Upon a petition brought by a local authority, a court in the county where an animal is maintained by a responsible party or a local authority shall determine if the animal is a threatened animal and order its disposition after a hearing.

*a.* The matter shall be heard within ten days from the filing of the petition for disposition by the local authority.

*b.* If the animal has been rescued, the court may order that the animal be placed under the custody of the local authority and maintained in the same manner as a rescued animal under section 717B.5.

*c.* The court may continue the hearing for up to thirty days upon petition by the responsible party. However, the court shall not grant a continuance unless the animal is maintained by the local authority. The responsible party must post a bond or other security with the local authority as a condition of the continuance. The amount of the bond or other security shall be determined by the court, which shall not be more than the amount sufficient to provide maintenance of the animal for thirty days. The court may grant a subsequent continuance upon petition by the responsible party. The continuance shall be for not more than thirty days. The responsible party must post a new bond or security as a condition of the subsequent continuance in the same manner as the original bond or security or as otherwise ordered by the court. However, the court shall order the immediate disposition of the animal if the animal is permanently distressed by disease or injury to a degree that would result in severe or prolonged suffering.

2. The hearing to determine if the animal is a threatened animal for purposes of disposition shall be a civil proceeding. If the case is related to a criminal proceeding, the disposition shall not be part of that proceeding and shall not be considered a criminal penalty imposed on a person found in violation of this chapter.

3. If the court determines that an animal is not a threatened animal, the court shall order that the animal be returned to the custody of the responsible party. If the court determines that an animal is a threatened animal, the court shall order the local authority to dispose of the threatened animal in any manner deemed appropriate for the welfare of the animal. In addition, all of the following apply:

*a.* The court may order the responsible party to pay an amount which shall not be more

than the dispositional expenses incurred by the local authority. The court may also award the local authority court costs, reasonable attorney fees and expenses related to the investigation and prosecution of the case, which shall be taxed as part of the costs of the action.

*b.* If a bond or other security was posted as a condition for a continuance of a disposition hearing as provided in this section, the local authority may use the posted amount to offset the local authority's dispositional expenses.

*c.* If any moneys are realized from the disposition of a threatened animal, the moneys shall be used to offset the local authority's dispositional expenses before satisfying indebtedness secured by any security interest in or lien on the threatened animal.

*d.* If the threatened animal is owned by more than one responsible party, the amount required to offset the local authority's dispositional expenses shall be prorated among the responsible parties based on the percentage of interest owned in the threatened animal attributable to the responsible parties as the threatened animal's titleholders. For purposes of this paragraph, a responsible party who does not own an interest in the threatened animal shall be deemed to be an owner holding a percentage interest in the animal equal to the largest percentage interest held by a landowner who is attributed an interest as the threatened animal's titleholder. If the responsible party is a landowner, the local authority may submit the amount to reimburse the local authority for its dispositional expenses to the clerk of the county board of supervisors who shall report the amount to the county treasurer. If the threatened animal is owned by more than one landowner, the amount shall be prorated among the landowners based on the percentage of interest owned in the threatened animal attributable to each landowner as the animal's titleholders. The amount shall be placed upon the tax books, and collected with interest and penalties after due, in the same manner as other unpaid property taxes. The county shall reimburse a city within thirty days from the collection of the property taxes.

4. A threatened animal that is ordered by a court to be destroyed under this section shall be destroyed only by euthanasia as defined in section 162.2.

94 Acts, ch 1103, §15; 2002 Acts, ch 1130, §3

Referred to in §602.6405, 717B.1, 717B.5, 717D.5, 717F.5

**717B.5 Rescue of threatened animals.**

A local authority may provide for the rescue of an animal as follows:

1. The rescue must be made by a law enforcement officer having cause to believe that the animal is a threatened animal after consulting with a veterinarian licensed pursuant to chapter 169. The law enforcement officer may rescue the animal by entering on public or private property, as provided in this subsection. The officer may enter onto property of a person to rescue the animal if the officer obtains a search warrant issued by a court, or enters onto the premises in a manner consistent with the laws of this state and the United States, including Article I, section 8, of the Constitution of the State of Iowa, or the fourth amendment to the Constitution of the United States.

2. *a.* If an animal is rescued pursuant to this section, the local authority shall provide for the maintenance of the animal. The local authority may contract with an animal care provider for the maintenance of the animal. The local authority shall provide the responsible party for the animal with notice of the rescue. The notice may be accomplished by doing any of the following:

(1) Delivering written notice to the responsible party's last known address by the United States postal service or personal service.

(2) Posting a notice in a conspicuous place at the location where the animal was rescued.

*b.* The notice shall state that the animal has been rescued by the local authority pursuant to this section.

3. Within ten days after the date that an animal is rescued, the local authority shall initiate a dispositional proceeding pursuant to section 717B.4.

4. The local authority shall pay the animal care provider for the animal's maintenance

regardless of proceeds received from the disposition of the animal or any reimbursement ordered by a court, pursuant to section 717B.4.

94 Acts, ch 1103, §16; 2002 Acts, ch 1130, §4; 2013 Acts, ch 30, §261
Referred to in §717B.1, 717B.4
Code editor directive applied

**717B.6 Destruction and disposition of wild animals.**

A person may humanely destroy a wild animal as defined in section 481A.1, if the wild animal is permanently distressed by injury or disease to a degree that results in severe and prolonged suffering. The destroyed animal shall be subject to disposition as provided by rules adopted by the natural resource commission pursuant to chapter 17A.

94 Acts, ch 1103, §17

**717B.7** Repealed by 2002 Acts, ch 1130, § 10. See chapter 717D.

**717B.8 Abandonment of cats and dogs — penalties.**

A person who has ownership or custody of a cat or dog shall not abandon the cat or dog, except the person may deliver the cat or dog to another person who will accept ownership and custody or the person may deliver the cat or dog to an animal shelter or pound as defined in section 162.2. A person who violates this section is guilty of a simple misdemeanor.

94 Acts, ch 1103, §19

**717B.9 Injury or interference with a police service dog.**

1. A person who knowingly, and willfully or maliciously torments, strikes, administers a nonpoisonous desensitizing substance to, or otherwise interferes with a police service dog, without inflicting serious injury on the dog, commits a serious misdemeanor.

2. A person who knowingly, and willfully or maliciously does any of the following commits a class "D" felony:

*a.* Tortures a police service dog.

*b.* Injures, so as to disfigure or disable, a police service dog.

*c.* Sets a booby trap device for purposes of injuring, so as to disfigure or disable, or killing a police service dog.

*d.* Pays or agrees to pay a bounty for purposes of injury, so as to disfigure or disable, or killing a police service dog.

*e.* Kills a police service dog.

*f.* Administers poison to a police service dog.

3. As used in this section, "*police service dog*" means a dog used by a peace officer or correctional officer in the performance of the officer's duties, whether or not the dog is on duty.

4. This section does not apply to a peace officer or veterinarian who terminates the life of such a dog for the purpose of relieving the dog of undue pain or suffering, or to a person who justifiably acts in defense of self or another.

94 Acts, ch 1103, §20; 95 Acts, ch 107, §1

# CHAPTER 717C

## BESTIALITY

Referred to in §331.307, 364.22, 701.1, 717F.4

717C.1 Bestiality.

**717C.1 Bestiality.**

1. For purposes of this section:

*a.* "*Animal*" means any nonhuman vertebrate, either dead or alive.

*b.* *"Sex act"* means any sexual contact between a person and an animal by penetration of the penis into the vagina or anus, contact between the mouth and genitalia, or by contact between the genitalia of one and the genitalia or anus of the other.

2. A person who performs a sex act with an animal is guilty of an aggravated misdemeanor.

3. Upon a conviction for a violation of this section, and in addition to any sentence authorized by law, the court shall require the person to submit to a psychological evaluation and treatment at the person's expense.

2001 Acts, ch 131, §3

Referred to in §232.68

# CHAPTER 717D

## ANIMAL CONTEST EVENTS

Referred to in §165B.2, 331.307, 364.22, 701.1, 717F.4


| | | | |
|---|---|---|---|
| 717D.1 | Definitions. | 717D.4 | Penalties. |
| 717D.2 | Prohibitions — contest events. | 717D.5 | Confiscation and disposition of animals. |
| 717D.3 | Exceptions. | | |


**717D.1 Definitions.**

As used in this chapter:

1. *"Animal"* means a nonhuman vertebrate.

2. *"Contest device"* means equipment designed to enhance an animal's entertainment value during training or a contest event, including a device to improve the contest animal's competitiveness. A contest device includes but is not limited to an implement designed to be attached in place of a natural spur of a cock or other fighting bird in order to enhance the bird's fighting ability, and which is commonly referred to as a spur or gaff.

3. *"Contest event"* means a function organized for the entertainment or profit of spectators where an animal is injured, tormented, or killed, including but not limited to a bull involved in a bullfight or bull baiting, a bear involved in bear baiting, a chicken involved in cock fighting, or a dog involved in dog fighting.

4. *"Establishment"* means the location where a contest event occurs or is to occur, regardless of whether an animal is present at the establishment or the contest animal is witnessed by means of an electronic signal transmitted to the location.

5. *"Livestock"* means the same as defined in section 717.1.

6. *"Local authority"* means the same as defined in section 717B.1.

7. *"Promoter"* means a person who charges admission for entry into an establishment or organizes, holds, advertises, or otherwise conducts a contest event.

8. *"Spectator"* means a person who attends an establishment knowingly to watch or observe a contest event.

9. *"Trainer"* means a person who trains an animal for purposes of engaging in a contest event, regardless of where the contest event is located. A trainer includes a person who uses a contest device.

10. *"Transporter"* means a person who moves an animal for delivery to a training location or a contest event location.

2002 Acts, ch 1130, §5; 2003 Acts, ch 108, §114; 2004 Acts, ch 1056, §3, 4, 10; 2008 Acts, ch 1135, §1

**717D.2 Prohibitions — contest events.**

A person shall not do any of the following:

1. Own or operate an establishment located in this state in which a contest event occurs or is to occur.

2. Act as a promoter of a contest event, regardless of whether the contest event occurs

in this state or another state. For purposes of this subsection, a person who aids, abets, or assists in the promotion of a contest event shall be deemed to act as a promoter.

3. Possess or own an animal engaged or to be engaged in a contest event conducted in this state or another state.

4. Be a party to a commercial transaction for the transfer of an animal engaged or to be engaged in a contest event conducted in this state or another state, including but not limited to a transaction by purchase or sale, barter, trade, or an offer involving such a transaction.

5. Act as a trainer of an animal engaged or to be engaged in a contest event conducted in this state or another state. For purposes of this subsection, a person who aids, abets, or assists in the training of an animal engaged or to be engaged in a contest event shall be deemed to act as a trainer.

6. Possess, own, or manufacture a contest device.

7. Be a party to a commercial transaction for the transfer of a contest device, including but not limited to a transaction by purchase or sale, barter, trade, or an offer involving such a transaction.

8. Act as a transporter moving an animal engaged or to be engaged in a contest event in this state.

9. Gambling at a contest event conducted in this state, including but not limited to wagering on the outcome of a contest involving animals.

10. Act as a spectator of a contest event conducted in this state, regardless of whether the person paid admission to witness the contest event.

2002 Acts, ch 1130, §6; 2004 Acts, ch 1056, §5, 6, 10; 2008 Acts, ch 1135, §2

Referred to in §717D.4, 717D.5

**717D.3 Exceptions.**

1. This chapter does not apply to a function other than a contest event. A contest event does not involve any of the following events:

*a.* A race, including but not limited to a race regulated under chapter 99D.

*b.* A fair event as defined in section 174.1.

*c.* A rodeo or rodeo event.

*d.* A 4-H function.

*e.* A hunting or fishing party.

*f.* A field meet or trial in which the skill of dogs is demonstrated in pointing, retrieving, trailing, or chasing any game bird, game animal, or fur-bearing animal.

*g.* The raising or selling of game or fur-bearing animals as provided in chapter 481A.

2. This chapter shall not apply to any of the following:

*a.* An action to carry out an order issued by a court.

*b.* An action by a licensed veterinarian practicing veterinary medicine as provided in chapter 169.

*c.* An action that is consistent with animal husbandry practices.

*d.* An action allowed in order to carry out another provision of law which allows the action.

*e.* The taking, hunting, trapping, or fishing for a wild animal as provided in chapter 481A.

*f.* An action to protect the person's property from a wild animal as defined in section 481A.1.

*g.* An action to protect a person from injury or death caused by a wild animal as defined in section 481A.1.

*h.* A person reasonably acting to protect the person's property from damage caused by an unconfined animal.

*i.* A person reasonably acting to protect a person from injury or death caused by an unconfined animal.

*j.* A local authority reasonably acting to destroy an animal if, at the time of the destruction, the owner of the animal is absent or unable to care for the animal, and the animal is permanently distressed by disease or injury to a degree that would result in severe and prolonged suffering.

*k.* A research facility, as defined in section 162.2, provided that the research facility

performs functions within the scope of accepted practices and disciplines associated with the research facility.

2002 Acts, ch 1130, §7; 2004 Acts, ch 1019, §31; 2008 Acts, ch 1058, §23

**717D.4 Penalties.**

1. Except as provided in section 717D.2, subsection 10, a person who violates a provision of this chapter commits a class "D" felony.

2. A person who violates section 717D.2, subsection 10, by acting as a spectator of a contest event conducted in this state commits the following:

*a.* An aggravated misdemeanor for the first offense.

*b.* A class "D" felony for a second or subsequent offense.

2002 Acts, ch 1130, §8; 2004 Acts, ch 1056, §7, 10; 2008 Acts, ch 1135, §3

**717D.5 Confiscation and disposition of animals.**

1. A local authority may confiscate an animal that is involved in a violation of section 717D.2. An animal that is livestock shall be considered neglected and may be rescued and disposed of as provided in section 717.5. An animal which is not livestock shall be considered threatened and rescued and disposed of as provided in section 717B.4.

2. If an animal that is involved in a violation of section 717D.2 is not rescued and disposed of pursuant to section 717.5 or 717B.4, it shall be forfeited to the state and subject to disposition as ordered by the court. In addition, the court shall order the owner of the animal to pay an amount which shall not be more than the expenses incurred in maintaining or disposing of the animal. The court may also order that the person pay reasonable attorney fees and expenses related to the investigation of the case that shall be taxed as other court costs. If more than one person has a divisible interest in the animal, the amount required to be paid shall be prorated based on the percentage of interest in the animal owned by each person. The moneys shall be paid to the local authority incurring the expense. The amount shall be subtracted from proceeds which are received from the sale of the animal ordered by the court.

2002 Acts, ch 1130, §9; 2004 Acts, ch 1056, §8, 10

# CHAPTER 717E

## PETS AS PRIZES

Referred to in §331.307, 364.22, 701.1

717E.1 Definitions.
717E.2 Pet awards prohibited.
717E.3 Exceptions.

**717E.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Advertise"* means to present a commercial message in any medium including but not limited to print, radio, television, sign, display, label, tag, or articulation.

2. *"Business"* means any enterprise relating to any of the following:

*a.* The sale or offer for sale of goods or services.

*b.* A recruitment for employment or membership in an organization.

*c.* A solicitation to make an investment.

*d.* An amusement or entertainment activity.

3. *"Fair"* means any of the following:

*a.* The annual fair and exposition held by the Iowa state fair board pursuant to chapter 173 or any fair event conducted by a fair under the provisions of chapter 174.

*b.* An exhibition of agricultural or manufactured products.

*c.* An event for operation of amusement rides or devices or concession booths.

4. *"Game"* means a game of chance or game of skill as defined in section 99B.1.

5. *"Pet"* means a living animal which is limited to a dog, cat, or an animal normally maintained in a small tank or cage in or near a residence, including but not limited to a rabbit, gerbil, hamster, mouse, parrot, canary, mynah, finch, tropical fish, goldfish, snake, turtle, gecko, or iguana.

2004 Acts, ch 1109, §1; 2004 Acts, ch 1175, §391

**717E.2 Pet awards prohibited.**

A person is guilty of a simple misdemeanor if the person awards a pet or advertises that a pet may be awarded as any of the following:

1. A prize for participating in a game.
2. A prize for participating in a fair.
3. An inducement or condition for visiting a place of business or attending an event sponsored by a business.
4. An inducement or condition for executing a contract which includes provisions unrelated to the ownership, care, or disposition of the pet.

2004 Acts, ch 1109, §2; 2006 Acts, ch 1030, §81

**717E.3 Exceptions.**

This chapter shall not apply to any of the following:

1. A pet shop licensed pursuant to section 162.5 if the award of a pet is provided in connection with the sale of a pet on the premises of the pet shop.
2. Youth programs associated with 4-H clubs; future farmers of America; the Izaak Walton league of America; or organizations associated with outdoor recreation, hunting, or fishing including but not limited to the Iowa sportsmen's federation.

2004 Acts, ch 1109, §3

# CHAPTER 717F

## DANGEROUS WILD ANIMALS

Referred to in §331.307, 364.22, 701.1


717F.1 Definitions.
717F.2 Rulemaking — chapter 28E agreements — assistance of animal warden.
717F.3 Dangerous wild animals — prohibitions.
717F.4 Owning or possessing dangerous wild animals on July 1, 2007.
717F.5 Seizure, custody, and disposal of dangerous wild animals.
717F.6 Cause of the escape of a dangerous wild animal — prohibition.
717F.7 Exemptions.
717F.8 Dangerous wild animal registration fees.
717F.9 Dangerous wild animal registration fund.
717F.10 Enforcement.
717F.11 Civil penalty.
717F.12 Injunctive relief.
717F.13 Criminal penalties.


**717F.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Agricultural animal"* means an agricultural animal as defined in section 717A.1 other than swine which is a member of the species sus scrofa linnaeus, including but not limited to swine commonly known as Russian boar or European boar of either sex.
2. *"Assistive animal"* means the same as defined in section 216C.11.
3. *a.* *"Circus"* means a person who is all of the following:

(1) The holder of a class "C" license issued by the United States department of agriculture as provided in 9 C.F.R. pt. 2, subpt. A.

(2) Is temporarily in this state as an exhibitor as defined in 9 C.F.R. pt. 1, for purposes

of providing skilled performances by dangerous wild animals, clowns, or acrobats for public entertainment.

*b.* *"Circus"* does not include a person, regardless of whether the person is a holder of a class "C" license as provided in paragraph *"a"*, who uses a dangerous wild animal for any of the following purposes:

(1) A presentation to children at a public or nonpublic school as defined in section 280.2.

(2) Entertainment that involves an activity in which a member of the public is in close proximity to the dangerous wild animal, including but not limited to a contest or a photographic opportunity.

4. *"Custody"* means to possess, control, keep, or harbor a dangerous wild animal in this state by a public agency.

5. *a.* *"Dangerous wild animal"* means any of the following:

(1) A member of the family canidae of the order carnivora, including but not limited to wolves, coyotes, and jackals. However, a dangerous wild animal does not include a domestic dog.

(2) A member of the family hyaenidae of the order of carnivora, including but not limited to hyenas.

(3) A member of the family felidae of the order carnivora, including but not limited to lions, tigers, cougars, leopards, cheetahs, ocelots, and servals. However, a dangerous wild animal does not include a domestic cat.

(4) A member of the family ursidae of the order carnivora, including bears and pandas.

(5) A member of the family rhinocero tidae order perissodactyla, which is a rhinoceros.

(6) A member of the order proboscidea, which are any species of elephant.

(7) A member of the order of primates other than humans, and including the following families: callitrichiadae, cebidae, cercopithecidae, cheirogaleidae, daubentoniidae, galagonidae, hominidae, hylobatidae, indridae, lemuridae, loridae, megaladapidae, or tarsiidae. A member includes but is not limited to marmosets, tamarins, monkeys, lemurs, galagos, bushbabies, great apes, gibbons, lesser apes, indris, sifakas, and tarsiers.

(8) A member of the order crocodilia, including but not limited to alligators, caimans, crocodiles, and gharials.

(9) A member of the order squamata which is any of the following:

(a) A member of the family varanidae, which are limited to water monitors and crocodile monitors.

(b) A member of the family atractaspidae, including but not limited to mole vipers and burrowing asps.

(c) A member of the family helodermatidae, including but not limited to beaded lizards and gila monsters.

(d) A member of the family elapidae, viperidae, crotalidae, atractaspidae, or hydrophidae which are venomous, including but not limited to cobras, mambas, coral snakes, kraits, adders, vipers, rattlesnakes, copperheads, pit vipers, keelbacks, cottonmouths, and sea snakes.

(e) A member of the superfamily henophidia, which are limited to reticulated pythons, anacondas, and African rock pythons.

(10) Swine which is a member of the species sus scrofa linnaeus, including but not limited to swine commonly known as Russian boar or European boar of either sex.

*b.* *"Dangerous wild animal"* includes an animal which is the offspring of an animal provided in paragraph *"a"*, and another animal provided in that paragraph or any other animal. It also includes animals which are the offspring of each subsequent generation. However, a dangerous wild animal does not include any of the following:

(1) The offspring of a domestic dog and a wolf, or the offspring from each subsequent generation in which at least one parent is a domestic dog.

(2) (a) The offspring of a domestic cat and another member of the family felidae classified as a bengal with an ancestor classified as an Asian leopard cat which is a member of the species prionailurus bengalensis. The bengal must be the fourth or later filial generation of offspring with the first filial generation being the offspring of a domestic cat and an Asian leopard cat, and each subsequent generation being the offspring of a domestic cat.

(b) The offspring of a domestic cat and another member of the family felidae classified as a savannah with an ancestor classified as a serval which is a member of the species leptailurus serval. The savannah must be the fourth or later filial generation of offspring with the first filial generation being the offspring of a domestic cat and a serval, and each subsequent generation being the offspring of a domestic cat.

6. *"Department"* means the department of agriculture and land stewardship.

7. *"Electronic identification device"* means a device which when installed is designed to store information regarding an animal or the animal's owner in a digital format which may be accessed by a computer for purposes of reading or manipulating the information.

8. *"Possess"* means to own, keep, or control a dangerous wild animal, or supervise or provide for the care and feeding of a dangerous wild animal, including any activity relating to confining, handling, breeding, transporting, or exhibiting the dangerous wild animal.

9. *"Public agency"* means the same as defined in section 28E.2.

10. *"Research facility"* means any of the following:

*a.* A federal research facility as provided in 9 C.F.R. ch. I.

*b.* A research facility that is required to be registered by the United States department of agriculture pursuant to 9 C.F.R. ch. I.

*c.* A research facility which has been issued a certificate of registration by the department of agriculture and land stewardship as provided in sections 162.2A and 162.4A.

11. *"Wildlife sanctuary"* means an organization exempt from taxation pursuant to section 501(c) of the Internal Revenue Code that operates a place of refuge where abused, neglected, unwanted, impounded, abandoned, orphaned, or displaced wildlife are provided care for their lifetime, if all of the following apply:

*a.* The organization does not buy, sell, trade, auction, lease, loan, or breed any animal of which the organization is an owner.

*b.* The organization is accredited by the American sanctuary association, the association of sanctuaries, or another similar organization recognized by the department.

2007 Acts, ch 195, §1; 2007 Acts, ch 215, §118 – 120; 2011 Acts, ch 34, §147; 2012 Acts, ch 1021, §113, 114; 2013 Acts, ch 102, §1

Subsection 5, paragraph b amended

**717F.2 Rulemaking — chapter 28E agreements — assistance of animal warden.**

1. The department shall administer this chapter by doing all of the following:

*a.* Adopting rules as provided in chapter 17A for the administration and enforcement of this chapter.

*b.* Entering into agreements with public agencies pursuant to chapter 28E as the department determines necessary for the administration and enforcement of this chapter.

2. An animal warden as defined in section 162.2 shall assist the department in seizing and maintaining custody of dangerous wild animals.

2007 Acts, ch 195, §2

**717F.3 Dangerous wild animals — prohibitions.**

Except as otherwise provided in this chapter, a person shall not do any of the following:

1. Own or possess a dangerous wild animal.

2. Cause or allow a dangerous wild animal owned by a person or in the person's possession to breed.

3. Transport a dangerous wild animal into this state.

2007 Acts, ch 195, §3

**717F.4 Owning or possessing dangerous wild animals on July 1, 2007.**

A person who owns or possesses a dangerous wild animal on July 1, 2007, may continue to own or possess the dangerous wild animal subject to all of the following:

1. The person must be eighteen years old or older.

2. *a.* The person must not have been convicted of an offense involving the abuse or neglect of an animal pursuant to a law of this state or another state, including but not limited to chapter 717, 717B, 717C, or 717D or an ordinance adopted by a city or county.

*b.* The department, another state, or the federal government must not have suspended an application for a permit or license or revoked a permit or license required to operate a commercial establishment for the care, breeding, or sale of animals, including as provided in chapter 162.

*c.* The person must not have been convicted of a felony for an offense committed within the last ten years, as provided by this Code, under the laws of another state, or under federal law.

*d.* The person must not have been convicted of a misdemeanor or felony for an offense committed within the last ten years involving a controlled substance as defined in section 124.101 in this state, under the laws of another state, or under federal law.

3. Within sixty days after July 1, 2007, the person must have an electronic identification device implanted beneath the skin or hide of the dangerous wild animal, unless a licensed veterinarian states in writing that the implantation would endanger the comfort or health of the dangerous wild animal. In such case, an electronic identification device may be otherwise attached to the dangerous wild animal as required by the department.

4. Not later than December 31, 2007, the person must notify the department using a registration form prepared by the department. The registration form shall include all of the following information:

*a.* The person's name, address, and telephone number.

*b.* A sworn affidavit that the person meets the requirements necessary to own or possess a dangerous wild animal as provided in this section.

*c.* A complete inventory of each dangerous wild animal which the person owns or possesses. The inventory shall include all of the following information:

(1) The number of the dangerous wild animals according to species.

(2) The manufacturer and manufacturer's number of the electronic device implanted in or attached to each dangerous wild animal.

(3) The location where each dangerous wild animal is kept. The person must notify the department in writing within ten days of a change of address or location where the dangerous wild animal is kept.

(4) The approximate age, sex, color, weight, scars, and any distinguishing marks of each dangerous wild animal.

(5) The name, business mailing address, and business telephone number of the licensed veterinarian who is responsible for providing care to the dangerous wild animal. The information shall include a statement signed by the licensed veterinarian certifying that the dangerous wild animal is in good health.

(6) A color photograph of the dangerous wild animal.

(7) A copy of a current liability insurance policy as required in this section. The person shall send a copy of the current liability policy to the department each year.

5. The person must pay the department a registration fee as provided in section 717F.8.

6. The person must maintain health and ownership records for the dangerous wild animal for the life of the dangerous wild animal.

7. The person must confine the dangerous wild animal in a primary enclosure as required by the department on the person's premises. The person must not allow the dangerous wild animal outside of the primary enclosure unless the dangerous wild animal is moved pursuant to any of the following:

*a.* To receive veterinary care from a licensed veterinarian.

*b.* To comply with the directions of the department or an animal warden.

*c.* To transfer ownership and possession of the dangerous wild animal to a wildlife sanctuary or provide for its destruction by euthanasia as required by the department.

8. The person must display at least one sign on the person's premises where the dangerous wild animal is kept warning the public that the dangerous wild animal is confined there. The sign must include a symbol warning children of the presence of the dangerous wild animal.

9. The person must immediately notify an animal warden or other local law enforcement official of any escape of a dangerous wild animal.

10. The person must maintain liability insurance coverage in an amount of not less than one hundred thousand dollars with a deductible of not more than two hundred fifty dollars,

for each occurrence of property damage, bodily injury, or death caused by each dangerous wild animal kept by the person.

11. The person who owns or possesses the dangerous wild animal is strictly liable for any damages, injury, or death caused by the dangerous wild animal. The person must reimburse the department or other public agency for actual expenses incurred by capturing and maintaining custody of the dangerous wild animal.

12. If the person is no longer able to care for the dangerous wild animal, all of the following apply:

*a.* The person must so notify the department, stating the planned disposition of the dangerous wild animal.

*b.* The person must dispose of the dangerous wild animal by transferring ownership and possession to a wildlife sanctuary or providing for its destruction by euthanasia as required by the department.

2007 Acts, ch 195, §4

Referred to in §717F.6, 717F.7, 717F.8

**717F.5 Seizure, custody, and disposal of dangerous wild animals.**

1. *a.* Except as provided in paragraph "*b*", the department shall seize a dangerous wild animal which is in the possession of a person if the person is not in compliance with the requirements of this chapter.

*b.* Upon request, the department may provide that the person retain possession of the dangerous wild animal for not more than fourteen days, upon conditions required by the department. During that period, the person shall take all necessary actions to comply with this chapter. The department shall inspect the premises where the dangerous wild animal is kept during reasonable times to ensure that the person is complying with the conditions.

2. If the person fails to comply with the conditions of the department at any time or is not in compliance with this chapter following the fourteen-day period, the department shall seize the dangerous wild animal.

*a.* The dangerous wild animal shall be considered to be a threatened animal which has been rescued as provided in chapter 717B. The court may authorize the return of the dangerous wild animal to the person from whom the dangerous wild animal was seized if the court finds all of the following:

(1) The person is capable of providing the care required for the dangerous wild animal.

(2) There is a substantial likelihood that the person will provide the care required for the dangerous wild animal.

(3) The dangerous wild animal has not been abused, neglected, or tortured, as provided in chapter 717B.

*b.* If the court orders a permanent disposition of the dangerous wild animal, the dangerous wild animal shall be subject to disposition as provided in section 717B.4 and the responsible party shall be assessed costs associated with its seizure, custody, and disposition as provided in that section. The department may find long-term placement for the dangerous wild animal with a wildlife sanctuary or institution accredited or certified by the American zoo and aquarium association.

2007 Acts, ch 195, §5

**717F.6 Cause of the escape of a dangerous wild animal — prohibition.**

A person shall not intentionally cause a dangerous wild animal to escape from its place of confinement, including as provided in section 717F.4.

2007 Acts, ch 195, §6

**717F.7 Exemptions.**

This chapter does not apply to any of the following:

1. An institution accredited or certified by the American zoo and aquarium association.

2. A wildlife sanctuary.

3. A person who keeps falcons, if the person has been issued a falconry license by the department of natural resources pursuant to section 483A.1.

4. A person who owns or possesses a dangerous wild animal as an agricultural animal. The person shall not transfer the dangerous wild animal to another person, unless the person to whom the dangerous wild animal is transferred will own or possess it as an agricultural animal or the person is a wildlife sanctuary.

5. A person who owns or possesses a dangerous wild animal as an assistive animal. The person shall not transfer the dangerous wild animal to another person, unless the person to whom the dangerous wild animal is transferred will own or possess it as an assistive animal or the person is a wildlife sanctuary.

6. A person who harvests the dangerous wild animal as a hunter or trapper pursuant to state law and as regulated by the department of natural resources.

7. A person who has been issued a wildlife rehabilitation permit by the department of natural resources pursuant to section 481A.65.

8. A circus that obtains a permit from a city in which it will be temporarily operating, if the city issues permits.

9. A city.

10. A nonprofit corporation governed under chapter 504 that is an organization described in section 501(c)(3) of the Internal Revenue Code and that is exempt from taxation under section 501(a) of the Internal Revenue Code if the nonprofit corporation was a party to a contract executed with a city prior to July 1, 2007, to provide for the exhibition of dangerous wild animals at a municipal zoo. The nonprofit corporation shall not transfer the dangerous wild animal to another person, unless the person to whom the dangerous wild animal is transferred is a wildlife sanctuary.

11. The state fair as provided in chapter 173 or any fair as provided in chapter 174.

12. A research facility.

13. A location operated by a person licensed to practice veterinary medicine pursuant to chapter 169. However, this subsection shall not apply to a swine which is a member of the species sus scrofa linnaeus, including but not limited to swine commonly known as Russian boar or European boar of either sex.

14. A pound as defined in section 162.2.

15. An animal shelter as defined in section 162.2.

16. A county conservation board as provided in chapter 350.

17. An employee of the department responsible for the administration of this chapter, an animal warden as defined in section 162.2, or an animal care provider or law enforcement officer as defined in section 717B.1.

18. A person temporarily transporting a dangerous wild animal through this state if the transit time is not more than ninety-six hours and the dangerous wild animal is maintained within a confined area sufficient to prevent its escape or injuring members of the traveling public.

19. A public agency which maintains permanent custody of a dangerous wild animal, if the person to whom the public agency assigns the duty to manage the custody of the dangerous wild animal complies with the provisions of section 717F.4.

20. A person who keeps a dangerous wild animal pursuant to all of the following conditions:

*a.* The person is licensed by the United States department of agriculture as provided in 9 C.F.R. ch. I.

*b.* The person is registered by the department of agriculture and land stewardship. Upon a complaint filed with the department of agriculture and land stewardship, the department may inspect the premises or investigate the practices of the registered person and suspend or revoke the registration for the same causes and in the same manner as provided in section 162.12.

2007 Acts, ch 195, §7; 2007 Acts, ch 215, §121, 122

**717F.8 Dangerous wild animal registration fees.**

The department may charge a registration fee for each dangerous wild animal owned or possessed by a person required to be registered pursuant to section 717F.4.

1. The department shall collect an annual registration fee which is an original registration

fee or a renewal of an original registration fee. The amount of the renewal registration fee is one-half of the amount of the original registration fee. Moneys collected in registration fees shall be deposited in the dangerous wild animal registration fund created in section 717F.9.

2. The amount of the original registration fees shall be as follows:

*a.* Five hundred dollars for a member of the order proboscidea, which are any species of elephant.

*b.* Five hundred dollars for a member of the family rhinocero tidae order perissodactyla, which is a rhinoceros.

*c.* Three hundred dollars for a member of the family ursidae of the order carnivora, which is limited to bears.

*d.* For a member of the family felidae of the order carnivora, all of the following:

(1) Three hundred dollars for a member of the subfamily pantherinae, limited to leopards other than snow leopards, lions, and tigers; and for a member of the subfamily felinae limited to pumas, jaguars, and cougars.

(2) Two hundred dollars for a member of the subfamily felinae limited to bobcats, clouded leopards, cheetahs, and lynx.

(3) One hundred dollars for a member of the subfamily felinae limited to caracals, desert cats, Geoffroy's cats, jungle cats, margays, ocelots, servals, and wild cats.

*e.* For a member of the order of primates other than humans, all of the following:

(1) Three hundred dollars for a member commonly referred to as an ape, belonging to the hylobatidae family such as gibbons and siamangs, or to the pongidae family including gorillas, orangutans, or chimpanzees.

(2) One hundred fifty dollars for a member commonly referred to as an old world monkey, belonging to the family cercopithecidae, including but not limited to macaques, rhesus, mangabeys, mandrills, guenons, patas monkeys, langurs, and proboscis monkeys.

(3) Fifty dollars for a member commonly referred to as a new world monkey belonging to the family cebidae, including but not limited to cebids, including capuchin monkeys, howlers, woolly monkeys, squirrel monkeys, night monkeys, titis, uakaris, or to the family callitrichidae, including but not limited to marmosets and tamarins.

*f.* One hundred dollars for a member of the order crocodilia, including but not limited to alligators, caimans, crocodiles, and gharials.

*g.* Fifty dollars for a member of the family varanidae of the order squamata, which are limited to water monitors and crocodile monitors.

*h.* Fifty dollars for a member of the family atractaspidae, including but not limited to mole vipers and burrowing asps.

*i.* Fifty dollars for a member of the family helodermatidae, including but not limited to beaded lizards and gila monsters.

*j.* Fifty dollars for a member of the family elapidae, viperidae, crotalidae, atractaspidae, or hydrophidae which are venomous, including but not limited to cobras, mambas, coral snakes, kraits, adders, vipers, rattlesnakes, copperheads, pit vipers, keelbacks, cottonmouths, and sea snakes.

*k.* One hundred dollars for a member of the superfamily henophidia, which are limited to reticulated pythons, anacondas, and African rock pythons.

*l.* Ten dollars for swine which is a member of the species sus scrofa linnaeus, including but not limited to swine commonly known as Russian boar or European boar of either sex.

2007 Acts, ch 195, §8; 2007 Acts, ch 215, §123; 2012 Acts, ch 1021, §115

Referred to in §717F.4, 717F.9

**717F.9 Dangerous wild animal registration fund.**

1. A dangerous wild animal registration fund is created in the state treasury under the control of the department. The fund is composed of moneys appropriated by the general assembly and moneys available to and obtained or accepted by the department from the United States or private sources for placement in the fund. The fund shall include moneys deposited into the fund from registration fees collected by the department pursuant to section 717F.8.

2. Moneys in the dangerous wild animal registration fund are appropriated to the

department exclusively to administer and enforce the provisions of this chapter. The moneys shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this subsection.

3. Section 8.33 shall not apply to moneys in the dangerous wild animal registration fund. Notwithstanding section 12C.7, moneys earned as income or interest from the fund shall remain in the fund until expended as provided in this section.

2007 Acts, ch 195, §9
Referred to in §717F.8

**717F.10 Enforcement.**

The department is the principal agency charged with enforcing the provisions of this chapter. An animal warden as defined in section 162.2, or an animal care provider or law enforcement officer as defined in section 717B.1, shall enforce this chapter as directed by the department.

2007 Acts, ch 195, §10

**717F.11 Civil penalty.**

A person owning or possessing a dangerous wild animal who violates a provision of this chapter is subject to a civil penalty of not less than two hundred dollars and not more than two thousand dollars for each dangerous wild animal involved in the violation. Each day that a violation continues shall be considered as a separate offense. The civil penalties shall be deposited into the general fund of the state.

2007 Acts, ch 195, §11

**717F.12 Injunctive relief.**

The courts of this state may prevent and restrain violations of this chapter through the issuance of an injunction. The attorney general or a county attorney may institute suits on behalf of the state to prevent and restrain violations of this chapter.

2007 Acts, ch 195, §12

**717F.13 Criminal penalties.**

A person who intentionally causes a dangerous wild animal to escape in violation of this chapter is guilty of an aggravated misdemeanor.

2007 Acts, ch 195, §13

# CHAPTER 718

## OFFENSES AGAINST THE GOVERNMENT

Referred to in §331.307, 364.22, 701.1

718.1 Insurrection.
718.2 Impersonating a public official.
718.3 Willful disturbance.
718.4 Harassment of public officers and employees.
718.5 Falsifying public documents.
718.6 False reports to or communications with public safety entities.

**718.1 Insurrection.**

An insurrection is three or more persons acting in concert and using physical violence against persons or property, with the purpose of interfering with, disrupting, or destroying the government of the state or any subdivision thereof, or to prevent any executive, legislative, or judicial officer or body from performing its lawful function. Participation in insurrection is a class "C" felony.

[C51, §2565, 2567; R60, §4188, 4190; C73, §3845, 3847; C97, §4724, 4726; C24, 27, 31, 35, 39, §**12897, 12898, 12900, 12904;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §689.1, 689.2, 689.4, 689.8; C79, 81, §718.1]

**718.2 Impersonating a public official.**

Any person who falsely claims to be or assumes to act as an elected or appointed officer, magistrate, peace officer, or person authorized to act on behalf of the state or any subdivision thereof, having no authority to do so, commits an aggravated misdemeanor.

[C51, §2671, 2672; R60, §4298, 4299; C73, §3962, 3963; C97, §4901, 4902; C24, 27, 31, 35, 39, §**13306, 13307;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.4, 740.5; C79, 81, §718.2]

**718.3 Willful disturbance.**

Any person who willfully disturbs any deliberative body or agency of the state, or subdivision thereof, with the purpose of disrupting the functioning of such body or agency by tumultuous behavior, or coercing by force or the threat of force any official conduct or proceeding, commits a serious misdemeanor.

[C79, 81, §718.3]

**718.4 Harassment of public officers and employees.**

Any person who willfully prevents or attempts to prevent any public officer or employee from performing the officer's or employee's duty commits a simple misdemeanor.

[C79, 81, §718.4]

**718.5 Falsifying public documents.**

A person who, having no right or authority to do so, makes or alters any public document, or any instrument which purports to be a public document, or who possesses a seal or any counterfeit seal of the state or of any of its subdivisions, or of any officer, employee, or agency of the state or of any of its subdivisions, commits a class "D" felony.

[C51, §2628, 2642, 2677; R60, §4255, 4269, 4304; C73, §3919, 3933, 3968; C97, §1136, 4855, 4869, 4907; C24, 27, 31, 35, 39, § **13141, 13156, 13283, 13314;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §718.3, 718.8, 738.21, 740.12; C79, 81, §718.5]

**718.6 False reports to or communications with public safety entities.**

1. A person who reports or causes to be reported false information to a fire department, a law enforcement authority, or other public safety entity, knowing that the information is false, or who reports the alleged occurrence of a criminal act knowing the act did not occur, commits a simple misdemeanor, unless the alleged criminal act reported is a serious or aggravated misdemeanor or felony, in which case the person commits a serious misdemeanor.

2. A person who telephones an emergency 911 communications center knowing that the person is not reporting an emergency or otherwise needing emergency information or assistance commits a simple misdemeanor.

3. A person who knowingly provides false information to a law enforcement officer who enters the information on a citation commits a simple misdemeanor, unless the criminal act for which the citation is issued is a serious or aggravated misdemeanor or felony, in which case the person commits a serious misdemeanor.

[R60, §1768; C73, §1566; C97, §2468; S13, §2468; C24, 27, 31, 35, 39, §**13110, 13111;** C46, 50, 54, 58, 62, 66, §714.31, 714.32; C71, 73, 75, 77, §714.31, 714.32, 714.42; C79, 81, §718.6]

95 Acts, ch 89, §1

Referred to in §80F.1

# CHAPTER 718A

## DESECRATION OF FLAG OR OTHER INSIGNIA

Referred to in §331.307, 331.653, 364.22, 701.1

This chapter not enacted as a part of this title;
transferred from chapter 32 in Code 1993


718A.1 Definitions.
718A.1A Desecration of flag or insignia.
718A.2 Actions for penalty.
718A.3 Federal flag and insignia — definition.
718A.4 State flag and insignia — definition.
718A.5 Presumptive evidence of desecration.
718A.6 Enforcement.
718A.7 Retirement ceremony.


**718A.1 Definitions.**

As used in this chapter:

1. *"Contempt"* means an intentional lack of respect or reverence by treating in a rough manner.
2. *"Deface"* means to intentionally mar the external appearance.
3. *"Defile"* means to intentionally make physically unclean.
4. *"Mutilate"* means to intentionally cut up or alter so as to make imperfect.
5. *"Trample"* means to intentionally tread upon or intentionally cause a machine, vehicle, or animal to tread upon.

2007 Acts, ch 202, §13; 2008 Acts, ch 1032, §88
Former §718A.1 transferred to §718A.1A

**718A.1A Desecration of flag or insignia.**

Any person who in any manner, for exhibition or display, shall place or cause to be placed, any word, figure, mark, picture, design, drawing, or any advertisement of any nature, upon any flag, standard, color, ensign, shield, or other insignia of the United States, or upon any flag, ensign, great seal, or other insignia of this state, or shall expose or cause to be exposed to public view, any such flag, standard, color, ensign, shield, or other insignia of the United States, or any such flag, ensign, great seal, or other insignia of this state, upon which shall have been printed, painted, or otherwise placed, or to which shall be attached, appended, affixed, or annexed, any word, figure, mark, picture, design, or drawing, or any advertisement of any nature, or who shall expose to public view, manufacture, sell, expose for sale, give away, or have in possession for sale, or to give away, or for use for any purpose any article or substance, being an article of merchandise or a receptacle of merchandise or article or thing for carrying or transporting merchandise, upon which shall have been printed, painted, attached or otherwise placed, a representation of any such flag, standard, color, ensign, shield, or other insignia of the United States, or any such flag, ensign, great seal, or other insignia of this state, to advertise, call attention to, decorate, mark, or distinguish the article or substance on which so placed, or who shall publicly mutilate, deface, defile or defy, trample upon, cast contempt upon, satirize, deride or burlesque, either by words or act, such flag, standard, color, ensign, shield, or other insignia of the United States, or flag, ensign, great seal, or other insignia of this state, or who shall, for any purpose, place such flag, standard, color, ensign, shield, or other insignia of the United States, or flag, ensign, great seal, or other insignia of this state, upon the ground or where the same may be trod upon, shall be deemed guilty of a simple misdemeanor.

[S13, §5028-a; C24, 27, 31, 35, 39, §**472;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §32.1]
C93, §718A.1
CS2007, §718A.1A

**718A.2 Actions for penalty.**

The action or suit may be brought by and in the name of the state, on the relation of a citizen of the state, and the penalty, when collected, less the reasonable cost and expense of action or suit and recovery, to be certified by the clerk of the district court of the county in which the

offense is committed, shall be paid to the treasurer of state for deposit in the general fund of the state, and two or more penalties may be sued for and recovered in the same action or suit.

[S13, §5028-a; C24, 27, 31, 35, 39, §**473;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §32.2]
83 Acts, ch 185, §1, 62; 83 Acts, ch 186, §10014, 10201, 10204
C93, §718A.2

**718A.3 Federal flag and insignia — definition.**

The words *"flag, standard, color, ensign, shield, or other insignia of the United States"* as used in this chapter, shall include any flag, standard, color, ensign, shield, or other insignia of the United States, or any picture or representation of any of them, made of any substance or represented on any substance, and of any size, evidently purporting to be any such flag, standard, color, insignia, shield, or other insignia of the United States of America, or a picture or a representation of any of them.

[S13, §5028-a; C24, 27, 31, 35, 39, §**474;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §32.3]
C93, §718A.3

**718A.4 State flag and insignia — definition.**

The words *"flag, ensign, great seal, or other insignia of this state"* as used in this chapter, shall include any flag, ensign, great seal, or other insignia, or any picture or any representation of any of them, made of any substance or represented on any substance, and of any size, evidently purporting to be any such flag, ensign, great seal, or other insignia of the state, or a picture or a representation of any of them.

[S13, §5028-a; C24, 27, 31, 35, 39, §**475;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §32.4]
C93, §718A.4

**718A.5 Presumptive evidence of desecration.**

The possession by any person other than a public officer, as such, of any flag, standard, color, ensign, shield, or other insignia of the United States, or flag, ensign, great seal, or other insignia of this state, on which shall be anything made unlawful by this chapter, or of any article or substance or thing on which shall be anything made unlawful by this chapter, shall be presumptive evidence that the same is in violation of this chapter.

[S13, §5028-a; C24, 27, 31, 35, 39, §**476;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §32.5]
C93, §718A.5

**718A.6 Enforcement.**

It shall be the duty of the sheriffs of the various counties, chiefs of police, and city marshals to enforce the provisions of this chapter, and for failure to do so they may be removed as by law provided.

This chapter shall not be construed to apply to a newspaper, periodical, book, pamphlet, circular, certificate, diploma, warrant, or commission of appointment to office, ornamental picture, article of jewelry, or stationery for use in private correspondence, on any of which shall be printed, painted, or placed, said flag, disconnected from any advertisement.

Nothing in this chapter shall be construed as rendering unlawful the use of any trademark or trade emblem actually adopted by any person, firm, corporation, or association prior to January 1, 1895.

[C24, 27, 31, 35, 39, §**477;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §32.6]
C93, §718A.6
General removal law, §66.1A

**718A.7 Retirement ceremony.**

This chapter does not apply to a flag retirement ceremony conducted pursuant to federal law.

2007 Acts, ch 202, §14

# CHAPTER 718B

## IMPERSONATING A DECORATED MILITARY VETERAN

Referred to in §331.307, 364.22, 701.1

718B.1 Impersonating a decorated military veteran.

**718B.1 Impersonating a decorated military veteran.**

A person who impersonates a decorated military veteran with the intent to deceive another person for the purpose of gaining any real or anticipated monetary gain commits a serious misdemeanor. For the purposes of this section, "*decorated military veteran*" means a veteran of the armed forces of the United States who has been awarded any decoration or medal authorized by the United States Congress for service in the armed forces of the United States, any of the service medals or badges awarded to the members of such forces, or the ribbon, button, or rosette of any such badge, decoration, or medal.

2011 Acts, ch 96, §1

# CHAPTER 719

## OBSTRUCTING JUSTICE

Referred to in §331.307, 364.22, 701.1

719.1 Interference with official acts.
719.1A Providing false identification information.
719.2 Refusing to assist officer.
719.3 Preventing apprehension, obstructing prosecution, or obstructing defense.
719.4 Escape or absence from custody.
719.5 Permitting prisoner to escape.
719.6 Assisting prisoner to escape.
719.7 Possessing contraband.
719.7A Electronic contraband — criminal penalties.
719.8 Furnishing a controlled substance or intoxicating beverage to inmates at a detention facility.

**719.1 Interference with official acts.**

1. A person commits interference with official acts when the person knowingly resists or obstructs anyone known by the person to be a peace officer, emergency medical care provider under chapter 147A, or fire fighter, whether paid or volunteer, in the performance of any act which is within the scope of the lawful duty or authority of that officer, emergency medical care provider under chapter 147A, or fire fighter, whether paid or volunteer, or who knowingly resists or obstructs the service or execution by any authorized person of any civil or criminal process or order of any court.

*a.* Interference with official acts is a simple misdemeanor. In addition to any other penalties, the punishment imposed under this paragraph shall include assessment of a fine of not less than two hundred fifty dollars.

*b.* If a person commits interference with official acts, as defined in this subsection, which results in bodily injury, the person commits a serious misdemeanor.

*c.* If a person commits interference with official acts, as defined in this subsection, which results in serious injury, the person commits an aggravated misdemeanor.

*d.* If a person commits an interference with official acts, as defined in this subsection, and in so doing inflicts bodily injury other than serious injury, that person commits an aggravated misdemeanor.

*e.* If a person commits an interference with official acts, as defined in this subsection, and in so doing inflicts or attempts to inflict serious injury, or displays a dangerous weapon, as defined in section 702.7, or is armed with a firearm, that person commits a class "D" felony.

2. A person under the custody, control, or supervision of the department of corrections commits interference with official acts when the person knowingly resists, obstructs, or

interferes with a correctional officer, agent, employee, or contractor, whether paid or volunteer, in the performance of the person's official duties.

*a.* Interference with official acts in violation of this subsection is a serious misdemeanor.

*b.* If a person violates this subsection and in so doing commits an assault, as defined in section 708.1, the person commits an aggravated misdemeanor.

*c.* If a person violates this subsection and the violation results in bodily injury to another, the person commits an aggravated misdemeanor.

*d.* If a person violates this subsection and the violation results in serious injury to another, the person commits a class "D" felony.

*e.* If a person violates this subsection and in so doing inflicts or attempts to inflict bodily injury other than serious injury to another, displays a dangerous weapon, as defined in section 702.7, or is armed with a firearm, the person commits a class "D" felony.

*f.* If a person violates this subsection and uses or attempts to use a dangerous weapon, as defined in section 702.7, or inflicts serious injury to another, the person commits a class "C" felony.

3. The terms *"resist"* and *"obstruct"*, as used in this section, do not include verbal harassment unless the verbal harassment is accompanied by a present ability and apparent intention to execute a verbal threat physically.

[C51, §2669; R60, §4296; C73, §3960; C97, §4899; C24, 27, 31, 35, 39, §**13331;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §742.1; C79, 81, §719.1]

84 Acts, ch 1246, §4; 91 Acts, ch 219, §22; 95 Acts, ch 90, §4; 96 Acts, ch 1034, §63; 99 Acts, ch 153, §21; 2013 Acts, ch 52, §3; 2013 Acts, ch 90, §202

Referred to in §29A.42
See Code editor's note
Subsections 1 and 2 amended

**719.1A Providing false identification information.**

A person who knowingly provides false identification information to anyone known by the person to be a peace officer, emergency medical care provider under chapter 147A, or fire fighter, whether paid or volunteer, in the performance of any act which is within the scope of the lawful duty or authority of that officer, emergency medical care provider, or fire fighter, commits a simple misdemeanor.

2010 Acts, ch 1078, §1

Referred to in §805.3, 805.6

**719.2 Refusing to assist officer.**

Any person who is requested or ordered by any magistrate or peace officer to render the magistrate or officer assistance in making or attempting to make an arrest, or to prevent the commission of any criminal act, shall render assistance as required. A person who, unreasonably and without lawful cause, refuses or neglects to render assistance when so requested commits a simple misdemeanor.

[C51, §2670, 2793, 2795, 2799; R60, §4297, 4489, 4491, 4495; C73, §3961, 4145, 4147, 5149; C97, §4900, 5143, 5145, 5149; C24, 27, 31, 35, 39, §**13332, 13333, 13335, 13344;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §742.2, 742.3, 742.5, 743.6; C79, 81, §719.2]

**719.3 Preventing apprehension, obstructing prosecution, or obstructing defense.**

A person who, with intent to prevent the apprehension or obstruct the prosecution or defense of any person, knowingly does any of the following acts, commits an aggravated misdemeanor:

1. Destroys, alters, conceals or disguises physical evidence which would be admissible in the trial of another for a public offense, or makes available false evidence or furnishes false information with the intent that it be used in the trial of that case.

2. Induces a witness having knowledge material to the subject at issue to leave the state or hide, or to fail to appear when subpoenaed.

[C51, §2654; R60, §4281; C73, §3946; C97, §4882; C24, 27, 31, 35, 39, §**13170;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §723.1; C79, 81, §719.3]

**719.4 Escape or absence from custody.**

1. A person convicted of a felony, or charged with or arrested for the commission of a felony, who intentionally escapes, or attempts to escape, from a detention facility, community-based correctional facility, or institution to which the person has been committed by reason of the conviction, charge, or arrest, or from the custody of any public officer, public employee, or any other person to whom the person has been entrusted, commits a class "D" felony.

2. A person convicted of, charged with, or arrested for a misdemeanor, who intentionally escapes, or attempts to escape, from a detention facility, community-based correctional facility, or institution to which the person has been committed by reason of the conviction, charge, or arrest, or from the custody of any public officer, public employee, or any other person to whom the person has been entrusted, commits a serious misdemeanor.

3. A person who has been committed to an institution under the control of the Iowa department of corrections, to a community-based correctional facility, or to a jail or correctional institution, who knowingly and voluntarily is absent from a place where the person is required to be, commits a serious misdemeanor.

4. A person who flees from the state to avoid prosecution for a public offense which is a felony or aggravated misdemeanor commits a class "D" felony.

5. Except for subsection 4, an offense committed under this section includes any offense committed wholly outside the state.

[C51, §2668; R60, §4295; C73, §3959; C97, §4898; S13, §4897-a, 4898; C24, 27, 31, 35, 39, §**13351, 13353, 13358;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §745.1, 745.3, 745.8; C79, 81, §719.4; 82 Acts, ch 1082, §1]

83 Acts, ch 96, §119, 159; 86 Acts, ch 1040, §1; 86 Acts, ch 1238, §30; 99 Acts, ch 182, §3; 2000 Acts, ch 1037, §1, 2

Referred to in §356A.3, 901.8

**719.5 Permitting prisoner to escape.**

Any jailer or other public officer or employee who voluntarily permits, aids or abets in the escape or attempted escape of any person in custody by reason of a conviction or charge of any crime, commits the crime of permitting a prisoner to escape which is subject to the following penalties:

1. If the prisoner is in custody by reason of a conviction or charge of a class "A" felony, the defendant commits a class "C" felony.

2. If the prisoner is in custody by reason of a conviction or charge of any public offense other than a class "A" felony, the defendant commits a class "D" felony.

[C51, §2661 – 2663; R60, §4288 – 4290; C73, §3953 – 3955; C97, §4891 – 4893; C24, 27, 31, 35, 39, §**13359 – 13361;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §745.9 – 745.11; C79, 81, §719.5]

**719.6 Assisting prisoner to escape.**

Any person who introduces into any detention facility or correctional institution any weapon, explosive or incendiary substance, rope, ladder, or any instrument or device by which that person intends to facilitate the escape of any prisoner, or any person who, not being authorized by law, knowingly causes any such weapon, explosive or incendiary substance, rope, ladder, instrument or device to come into the possession of any prisoner, commits the crime of assisting a prisoner to escape which is subject to the following penalties:

1. If the prisoner was confined by reason of a conviction of a class "A" felony, the defendant commits a class "C" felony.

2. If the prisoner was confined by reason of a conviction of any public offense other than a class "A" felony, the defendant commits a class "D" felony.

[C51, §2664 – 2666; R60, §4291 – 4293; C73, §1663, 3956 – 3958; C97, §2712, 4894 – 4896; C13, §4913-a; SS15, §2713-n16; C24, 27, 31, 35, 39, §**13362 – 13368;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §745.12 – 745.18; C79, 81, §719.6]

**719.7 Possessing contraband.**

1. *"Contraband"* includes but is not limited to any of the following:

*a.* A controlled substance or a simulated or counterfeit controlled substance, hypodermic syringe, or intoxicating beverage.

*b.* A dangerous weapon, offensive weapon, pneumatic gun, stun gun, firearm ammunition, knife of any length or any other cutting device, explosive or incendiary material, instrument, device, or other material fashioned in such a manner as to be capable of inflicting death or injury.

*c.* Rope, ladder components, key or key pattern, metal file, instrument, device, or other material designed or intended to facilitate escape of an inmate.

2. The sheriff may x-ray a person committed to the jail, or the department of corrections may x-ray a person under the control of the department, if there is reason to believe that the person is in possession of contraband. A licensed physician or x-ray technician under the supervision of a licensed physician must x-ray the person.

3. A person commits the offense of possessing contraband if the person, not authorized by law, does any of the following:

*a.* Knowingly introduces contraband into, or onto, the grounds of a secure facility for the detention or custody of juveniles, detention facility, jail, correctional institution, or institution under the management of the department of corrections.

*b.* Knowingly conveys contraband to any person confined in a secure facility for the detention or custody of juveniles, detention facility, jail, correctional institution, or institution under the management of the department of corrections.

*c.* Knowingly makes, obtains, or possesses contraband while confined in a secure facility for the detention or custody of juveniles, detention facility, jail, correctional institution, or institution under the management of the department of corrections, or while being transported or moved incidental to confinement.

4. A person who possesses contraband or fails to report an offense of possessing contraband commits the following:

*a.* A class "C" felony for the possession of contraband if the contraband is of the type described in subsection 1, paragraph *"b"*.

*b.* A class "D" felony for the possession of contraband if the contraband is any other type of contraband.

*c.* An aggravated misdemeanor for failing to report a known violation or attempted violation of this section to an official or officer at a secure facility for the detention or custody of juveniles, detention facility, jail, correctional institution, or institution under the management of the department of corrections.

5. Nothing in this section is intended to limit the authority of the administrator of any secure facility for the detention or custody of juveniles, detention facility, jail, correctional institution, or institution under the management of the department of corrections to prescribe or enforce rules concerning the definition of contraband, and the transportation, making, or possession of substances, devices, instruments, materials, or other items.

[C73, §1663; C97, §2712; S13, §4913-a; SS15, §2713-n16; C24, 27, 31, 35, 39, §**13365, 13366, 13368;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §745.15, 745.16, 745.18; C79, 81, §719.7]

83 Acts, ch 96, §120, 159; 99 Acts, ch 163, §1; 2007 Acts, ch 89, §1

Referred to in §911.3

**719.7A Electronic contraband — criminal penalties.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Electronic contraband"* means a mobile telephone or other hand-held electronic communication device.

*b.* *"Facility"* means a county jail, municipal holding facility, or institution under the management of the department of corrections.

2. A person commits the offense of possessing electronic contraband under this section if the person, not authorized by law, does any of the following:

*a.* Knowingly supplies or attempts to supply electronic contraband to any person confined

in a facility, or to any person confined in a facility while the person is being transported or moved incidental to the confinement.

*b.* Knowingly makes, obtains, or possesses electronic contraband while confined in a facility, or while being transported or moved incidental to confinement.

3. A person who possesses electronic contraband commits a class "D" felony.

4. *a.* A person commits the offense of failing to report electronic contraband when the person fails to report a known violation or attempted violation of this section to an official or officer at a facility.

*b.* A person who violates this subsection commits an aggravated misdemeanor.

5. The sheriff may x-ray a person committed to the jail, the supervising law enforcement agency may x-ray a person confined in the municipal holding facility, or the department of corrections may x-ray a person under the control of the department, if there is reason to believe that the person is in possession of electronic contraband. A licensed physician or x-ray technician under the supervision of a licensed physician must x-ray the person.

6. Nothing in this section is intended to limit the authority of the administrator of any facility to prescribe or enforce rules concerning the definition of electronic contraband, and the supplying, making, obtaining, or possession of electronic contraband.

2011 Acts, ch 19, §1

**719.8 Furnishing a controlled substance or intoxicating beverage to inmates at a detention facility.**

A person not authorized by law who furnishes or knowingly makes available a controlled substance or intoxicating beverage to an inmate at a detention facility, or who introduces a controlled substance or intoxicating beverage into the premises of such a facility, commits a class "D" felony.

[C73, §1663; C97, §2712; S13, §4913-a; SS15, §2713-n16; C24, 27, 31, 35, 39, §**13365, 13366, 13368;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §745.15, 745.16, 745.18; C79, 81, §719.8]

83 Acts, ch 96, §121, 159; 99 Acts, ch 163, §2

Referred to in §911.3

# CHAPTER 720

## INTERFERENCE WITH JUDICIAL PROCESS

Referred to in §331.307, 364.22, 701.1, 914.5


720.1 Compounding a felony.
720.2 Perjury, contradictory statements, and retraction.
720.3 Suborning perjury.
720.4 Tampering with witnesses or jurors.
720.5 False representation of records or process.
720.6 Malicious prosecution.
720.7 Interference with judicial acts — penalty.


**720.1 Compounding a felony.**

A person having knowledge of the commission by another of a felony indictable in this state who receives any consideration for a promise to conceal such crime, or not to prosecute or aid or give evidence to the prosecution of such crime, compounds that felony. Compounding any felony is an aggravated misdemeanor.

[C51, §2659, 2660; R60, §4286, 4287; C73, §3951, 3952; C97, §4889, 4890; C24, 27, 31, 35, 39, §**13168, 13169;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §722.1, 722.2; C79, 81, §720.1]

**720.2 Perjury, contradictory statements, and retraction.**

A person who, while under oath or affirmation in any proceeding or other matter in which statements under oath or affirmation are required or authorized by law, knowingly makes a false statement of material facts or who falsely denies knowledge of material facts, commits a class "D" felony. Where, while under oath or affirmation, in the same

proceeding or different proceedings where oath or affirmation is required, a person has made contradictory statements, the indictment will be sufficient if it states that one or the other of the contradictory statements was false, to the knowledge of such person, and it shall be sufficient proof of perjury that one of the statements must be false, and that the person making the statements knew that one of them was false when the person made the statement, provided that both statements have been made within the period prescribed by the applicable statute of limitations. No person shall be guilty of perjury if the person retracts the false statement in the course of the proceedings where it was made before the false statement has substantially affected the proceeding.

[C51, §2644; R60, §4271; C73, §3936; C97, §4872; S13, §4919-c; C24, 27, 31, 35, 39, §**13165, 13290;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §721.1, 738.28; C79, 81, §720.2]

Referred to in §501.103, 610.5

See also §714.8(3)

**720.3 Suborning perjury.**

A person who procures or offers any inducement to another to make a statement under oath or affirmation in any proceeding or other matter in which statements under oath or affirmation are required or authorized, with the intent that such person will make a false statement, or who procures or offers any inducement to one who the person reasonably believes will be called upon for a statement in any such proceeding or matter, to conceal material facts known to such person, commits a class "D" felony.

[C51, §2645, 2646; R60, §4272, 4273; C73, §3937, 3938; C97, §4873, 4874; C24, 27, 31, 35, 39, §**13166, 13167;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §721.2, 721.3; C79, 81, §720.3]

**720.4 Tampering with witnesses or jurors.**

A person who offers any bribe to any person who the offeror believes has been or may be summoned as a witness or juror in any judicial or arbitration proceeding, or any legislative hearing, or who makes any threats toward such person or who forcibly or fraudulently detains or restrains such person, with the intent to improperly influence such witness or juror with respect to the witness' or juror's testimony or decision in such case, or to prevent such person from testifying or serving in such case, or who, in retaliation for anything lawfully done by any witness or juror in any case, harasses such witness or juror, commits an aggravated misdemeanor.

[C51, §2646, 2652, 2654; R60, §4273, 4279, 4281; C73, §3938, 3944, 3946; C97, §4874, 4880, 4882; C24, 27, 31, 35, 39, §**13167, 13172, 13297;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §721.3, 723.1, 739.6; C79, 81, §720.4]

Referred to in §723A.1

**720.5 False representation of records or process.**

Any person who represents any document or paper to be any public record or any civil or criminal process, when the person knows such representation to be false, commits a simple misdemeanor.

[C51, §2627; R60, §4254; C73, §3918; C97, §4854; C24, 27, 31, 35, 39, §**13140;** C46, 50, 54, 58, 62, §718.2; C66, 71, 73, 75, 77, §713.43, 718.2; C79, 81, §720.5]

**720.6 Malicious prosecution.**

A person who causes or attempts to cause another to be indicted or prosecuted for any public offense, having no reasonable grounds for believing that the person committed the offense commits a serious misdemeanor.

[C51, §2757; R60, §4407; C73, §4086; C97, §5058; C24, 27, 31, 35, 39, §**13163;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §719.2; C79, 81, §720.6]

**720.7 Interference with judicial acts — penalty.**

1. As used in this section:

*a. "Court employee"* means the same as defined in section 602.1101.

*b. "Family member"* means a spouse, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, grandfather, grandmother, father-in-law, mother-in-law, son-in-law,

daughter-in-law, brother-in-law, sister-in-law, father, mother, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

*c.* *"Judicial officer"* means the same as defined in section 602.1101.

2. A person who harasses a judicial officer, court employee, or a family member of a judicial officer or a court employee in violation of section 708.7, with the intent to interfere with or improperly influence, or in retaliation for, the official acts of a judicial officer or court employee, commits an aggravated misdemeanor.

2009 Acts, ch 77, §1

# CHAPTER 721

## OFFICIAL MISCONDUCT

Referred to in §331.307, 364.22, 701.1

Candidates; see also §49.120, 49.121


721.1 Felonious misconduct in office.
721.2 Nonfelonious misconduct in office.
721.3 Solicitation for political purposes.
721.4 Using public motor vehicles for political purposes.
721.5 State employees not to participate.
721.6 Exception to sections 721.3 through 721.5.
721.7 Penalty for violating sections 721.3 through 721.5.
721.8 Labeling publicly owned motor vehicles.
721.9 Punishment for violation of section 721.8.
721.10 Misuse of public records and files.
721.11 Interest in public contracts.
721.12 Profiting from inmates — penalty.


**721.1 Felonious misconduct in office.**

Any public officer or employee, who knowingly does any of the following, commits a class "D" felony:

1. Makes or gives any false entry, false return, false certificate, or false receipt, where such entries, returns, certificates, or receipts are authorized by law.

2. Falsifies any public record, or issues any document falsely purporting to be a public document.

3. Falsifies a writing, or knowingly delivers a falsified writing, with the knowledge that the writing is falsified and that the writing will become a public record of a government body.

4. For purposes of this section, *"government body"* and *"public record"* mean the same as defined in section 22.1.

[C51, §2677; R60, §4304, 4309; C73, §3968, 3971; C97, §1136, 4907, 4910; C24, 27, 31, 35, 39, §**13283, 13311, 13314;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §738.21, 740.9, 740.12; C79, 81, §721.1]

2001 Acts, ch 31, §1

**721.2 Nonfelonious misconduct in office.**

Any public officer or employee, or any person acting under color of such office or employment, who knowingly does any of the following, commits a serious misdemeanor:

1. Makes any contract which contemplates an expenditure known by the person to be in excess of that authorized by law.

2. Fails to report to the proper officer the receipt or expenditure of public moneys, together with the proper vouchers therefor, when such is required of the person by law.

3. Requests, demands, or receives from another for performing any service or duty which is required of the person by law, or which is performed as an incident of the person's office or employment, any compensation other than the fee, if any, which the person is authorized by law to receive for such performance.

4. By color of the person's office and in excess of the authority conferred on the person by that office, requires any person to do anything or to refrain from doing any lawful thing.

5. Uses or permits any other person to use the property owned by the state or any subdivision or agency of the state for any private purpose and for personal gain, to the detriment of the state or any subdivision thereof.

6. Fails to perform any duty required of the person by law.

7. Demands that any public employee contribute or pay anything of value, either directly or indirectly, to any person, organization or fund, or in any way coerces or attempts to coerce any public employee to make any such contributions or payments, except where such contributions or payments are expressly required by law.

8. Permits persons to use the property owned by the state or a subdivision or agency of the state to operate a political phone bank for any of the following purposes:

*a.* To poll voters on their preferences for candidates or ballot measures at an election; however, this paragraph does not apply to authorized research at an educational institution.

*b.* To solicit funds for a political candidate or organization.

*c.* To urge support for a candidate or ballot measure to voters.

**1.** [R60, §216, 2184; C73, §3976; C97, §4913; C24, 27, 31, 35, 39, §**13313;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.11; C79, 81, §721.2]

**2.** [R60, §216, 2184, 4308 – 4310; C73, §3970 – 3972, 3976; C97, §4909 – 4911, 4913; C24, 27, 31, 35, 39, §**13309 – 13311, 13313;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.7 – 740.9, 740.11; C79, 81, §721.2]

**3.** [C51, §2560, 2658; R60, §4167, 4285; C73, §3840, 3950; C97, §1297, 4888; S13, §5028-n; C24, 27, 31, 35, 39, §**13304, 13312, 13317, 13318;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.1, 740.10, 741.1, 741.2; C79, 81, §721.2]

**4.** [C51, §2672; R60, §4299, 4305, 4306; C73, §3963, 3969; C97, §4902, 4908; C24, 27, 31, 35, 39, §**13305, 13306;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.3, 740.4; C79, 81, §721.2]

**5.** [C35, §13316-e1; C39, §**13316.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.20; C79, 81, §721.2]

**6.** [C51, §2657, 2674, 2703, 2800; R60, §4284, 4301, 4345, 4496; C73, §3949, 3965, 4005, 4152; C97, §4887, 4904, 4929, 5150; C24, 27, 31, 35, 39, §**13280, 13316, 13338, 13345;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §738.18, 740.19, 742.8, 743.7; C79, 81, §721.2]

**7.** [C79, 81, §721.2]

87 Acts, ch 221, §35

Referred to in §15.106, 15A.2, 16.3A

**721.3 Solicitation for political purposes.**

It shall be unlawful for any person or political organization either directly or indirectly to solicit or demand from any employee of any commission, board or agency created under the statutes of Iowa, any contribution of money or any other thing of value for election purposes or for the purpose of paying expenses of any political organization or any person seeking election to public office.

[S13, §2727-a36; C24, 27, 31, 35, §13315; C39, §**13315.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.13; C79, 81, §721.3]

Referred to in §721.6, 721.7

**721.4 Using public motor vehicles for political purposes.**

It shall be unlawful for any person to use or permit to be used any motor vehicle owned by the state of Iowa or any political subdivision thereof for the purpose of transporting any political literature or any person or persons engaging in a political campaign for any political party or any person seeking an elective office.

[C39, §**13315.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.15; C79, 81, §721.4]

Referred to in §721.6, 721.7

**721.5 State employees not to participate.**

It shall be unlawful for any state officer, any state appointive officer, or state employee to leave the place of employment or the duties of office for the purpose of soliciting votes or engaging in campaign work during the hours of employment of any such officer or employee.

[C39, §**13315.4;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.16; C79, 81, §721.5]

Referred to in §721.6, 721.7

**721.6 Exception to sections 721.3 through 721.5.**

The provisions of sections 721.3 through 721.5 shall not be construed as prohibiting any such officer or employee who is a candidate for political office to engage in campaigning at any time or at any place for the officer's or employee's own candidacy.

[C39, §**13315.5;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.17; C79, 81, §721.6]

2013 Acts, ch 90, §203

Section amended

**721.7 Penalty for violating sections 721.3 through 721.5.**

Any person who violates any provision of sections 721.3 through 721.5 shall be guilty of a serious misdemeanor.

[S13, §2727-a36; C24, 27, 31, 35, §13315; C39, §**13315.6;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.18; C79, 81, §721.7]

2013 Acts, ch 90, §204

Section amended

**721.8 Labeling publicly owned motor vehicles.**

All publicly owned motor vehicles shall bear at least two labels in a conspicuous place, one on each side of the vehicle. This label shall be designed to cover not less than one square foot of surface. This section does not apply to a motor vehicle which is specifically assigned by the head of the department or office owning or controlling it, to enforcement of police regulations or to motor vehicles issued ordinary registration plates pursuant to section 321.19, subsection 1.

[C35, §13316-e2; C39, §**13316.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.21; C79, 81, §721.8]

85 Acts, ch 115, §3

Referred to in §721.9

**721.9 Punishment for violation of section 721.8.**

A violation of section 721.8 shall be a serious misdemeanor.

[C35, §13316-e3; C39, §**13316.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §740.22; C79, 81, §721.9]

**721.10 Misuse of public records and files.**

A public officer or employee who, by reason of the officer's or employee's employment, has access to any public record, or to any file, dossier, or accumulation of information of any kind, and who gives or transfers to any person, in exchange for anything of value other than fees authorized by law, any such record, file, dossier, or accumulation of information, or any part thereof, or who imparts to any person any information contained therein, in exchange for anything of value other than fees authorized by law, commits a serious misdemeanor.

[C79, 81, §721.10]

**721.11 Interest in public contracts.**

Any officer or employee of the state or of any subdivision thereof who is directly or indirectly interested in any contract to furnish anything of value to the state or any subdivision thereof where such interest is prohibited by statute commits a serious misdemeanor. This section shall not apply to any contract awarded as a result of open, public and competitive bidding.

[S13, §468-a; C24, 27, 31, 35, 39, §**13327;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §741.11; C79, 81, §721.11]

**721.12 Profiting from inmates — penalty.**

A peace officer as defined by section 801.4, subsection 11, a jailer, or an employee of a penal or correctional facility shall not be the purchaser, directly or indirectly, of property being sold by a prisoner who is in the person's custody. However, a peace officer, jailer, or employee of a penal or correctional facility may purchase inmate made items at an art or craft sale or show, but only when the items are offered for sale to the public and the price paid for the

item is the same price offered to any other prospective purchaser. A sale made in violation of this section is void. A peace officer, jailer, or employee of a penal or correctional facility who violates this section, commits a simple misdemeanor.

[82 Acts, ch 1145, §1]

# CHAPTER 722

## BRIBERY AND CORRUPTION

Referred to in §43.5, 331.307, 364.22, 701.1

Chapter applicable to primary elections, §43.5


722.1 Bribery.
722.2 Accepting bribe.
722.3 Bribery in sports.
722.4 and 722.5 Repealed by 2002 Acts, ch 1071, §15.
722.6 Repealed by 2000 Acts, ch 1201, §18.
722.7 and 722.8 Repealed by 2002 Acts, ch 1071, §15, 16.
722.9 Repealed by 2000 Acts, ch 1201, §18.
722.10 Commercial bribery.
722.11 Student athlete prohibitions.


**722.1 Bribery.**

A person who offers, promises, or gives anything of value or any benefit to a person who is serving or has been elected, selected, appointed, employed, or otherwise engaged to serve in a public capacity, including a public officer or employee, a referee, juror, or jury panel member, or a witness in a judicial or arbitration hearing or any official inquiry, or a member of a board of arbitration, pursuant to an agreement or arrangement or with the understanding that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision, or exercise of discretion of the person with respect to the person's services in that capacity commits a class "D" felony. In addition, a person convicted under this section is disqualified from holding public office under the laws of this state.

[C51, §2647, 2649, 2650, 2652; R60, §4274, 4276, 4277, 4279; C73, §3939, 3941, 3942, 3944; C97, §4875, 4877, 4878, 4880, 4886; C24, 27, 31, 35, 39, §**13292, 13294, 13295, 13297, 13302;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §739.1, 739.3, 739.4, 739.6, 739.11; C79, 81, §722.1]

87 Acts, ch 213, §9

Referred to in §88A.10, 89A.17

**722.2 Accepting bribe.**

A person who is serving or has been elected, selected, appointed, employed, or otherwise engaged to serve in a public capacity, including a public officer or employee, a referee, juror, or jury panel member, or a witness in a judicial or arbitration hearing or any official inquiry, or a member of a board of arbitration who solicits or knowingly accepts or receives a promise or anything of value or a benefit given pursuant to an understanding or arrangement that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision, or exercise of discretion of the person with respect to the person's services in that capacity commits a class "C" felony. In addition, a person convicted under this section is disqualified from holding public office under the laws of this state.

[C51, §2648, 2649, 2651, 2653, 2655, 2656; R60, §4275, 4276, 4278, 4280, 4282, 4283; C73, §3940, 3941, 3943, 3945, 3947, 3948; C97, §4876, 4877, 4879, 4881, 4883 – 4885; C24, 27, 31, 35, 39, §**13293, 13294, 13296, 13298 – 13301;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §739.2, 739.3, 739.5, 739.7 – 739.10; C79, 81, §722.2]

87 Acts, ch 213, §10

**722.3 Bribery in sports.**

A person who offers, solicits, gives or receives anything of value or any benefit or promise of anything of value or any benefit, with the intent that the recipient thereof do any of the following, commits an aggravated misdemeanor:

1. If the person is a participant or prospective participant in any professional or amateur sport, match, or contest as a contestant or player, lose or in some way affect the outcome of such sport, match, or contest.

2. If the person is an umpire, referee, judge, or other official in any professional or amateur sport, match, or contest, or an owner, manager, coach, trainer or relative of any participant, use the person's position or influence to affect the outcome of any such sport, match, or contest or the score thereof.

[C54, 58, 62, 66, 71, 73, 75, 77, §739.12; C79, 81, §722.3]

**722.4 and 722.5** Repealed by 2002 Acts, ch 1071, § 15. See § 39A.2.

**722.6** Repealed by 2000 Acts, ch 1201, § 18. See § 39A.2.

**722.7 and 722.8** Repealed by 2002 Acts, ch 1071, § 15, 16. See § 39A.3 and 39A.4.

**722.9** Repealed by 2000 Acts, ch 1201, § 18. See § 39A.2.

**722.10 Commercial bribery.**

1. As used in subsection 2, the following definitions shall apply unless the context otherwise requires:

*a.* *"Employer"* means any sole proprietor, partnership, corporation, association, or other entity or organization.

*b.* *"Employee"* includes every officer, employee, agent or representative.

*c.* *"Gratuity"* means consideration in any form, including but not limited to a gift, commission, discount and bonus.

2. It is unlawful for a person to offer or deliver directly or indirectly for the personal benefit of an employee acting on behalf of the employee's employer in a business transaction or course of transactions with the person a gratuity in consideration of an act or omission which the person has reason to know is in conflict with the employment relation and duties of the employee to the employer. It is unlawful for an employee acting on behalf of the employee's employer in a business transaction or course of transactions with a person to solicit or receive from the person a gratuity directly or indirectly for the personal benefit of the employee in consideration of an act or omission which the employee has reason to know is in conflict with the employment relation and duties of the employee to the employer.

3. A violation of subsection 2 is a class "D" felony.

[C79, 81, §722.10]

**722.11 Student athlete prohibitions.**

1. *Definitions.* As used in this section:

*a.* *"Immediate family member"* means a spouse, child, stepchild, parent, stepparent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or guardian of a person named in this paragraph.

*b.* *"Institution of higher education"* means an institution of higher education under the control of the state board of regents, a community college, or a private college or university located in this state.

*c.* *"Student athlete"* means a person who engages in, is eligible to engage in, or may be eligible to engage in any intercollegiate sporting event, contest, exhibition, or program. The term includes a person who has applied, is eligible to apply, or who may be eligible to apply in the future to an institution of higher education.

2. *Prohibitions.*

*a.* Except as provided in paragraphs *"c"* and *"d"*, a person shall not give, offer, promise, or attempt to give any money or other thing of value to a student athlete or immediate family member of a student athlete for either of the following purposes:

(1) To induce, encourage, or reward the student athlete's application, enrollment, or attendance at an institution of higher education in order to have the student athlete

participate in intercollegiate sporting events, contests, exhibitions, or programs at that institution.

(2) To induce, encourage, or reward the student athlete's participation in an intercollegiate sporting event, contest, exhibition, or program.

*b.* A person shall not aid or abet an act described in paragraph "*a*".

*c.* As used in this subsection, "*person*" does not include any of the following:

(1) An institution of higher education or any of its officers or employees if the institution, officer, or employee is acting in accordance with an official written policy of the institution.

(2) An immediate family member of the student athlete.

*d.* An intercollegiate athletic award approved or administered by the institution of higher education that the student athlete attends is not an inducement, encouragement or reward under paragraph "*a*".

*e.* A person who engages in conduct knowing or having reason to know that the conduct violates this subsection commits an aggravated misdemeanor.

3. *Prohibitions for student athletes.*

*a.* Except as provided in paragraph "*b*", a student athlete or immediate family member of the student athlete, shall not solicit or accept money or anything of value for any of the purposes described in subsection 2, paragraph "*a*". A person shall not aid or abet an act described in this paragraph.

*b.* This subsection does not apply to money or other things of value that a student athlete receives from any of the following:

(1) An institution of higher education, its officers, or employees if the institution, officer, or employee offered money or other thing of value in accordance with an official written policy of the institution or if the thing of value is an intercollegiate athletic award approved or administered by that institution.

(2) An immediate family member of the student athlete.

*c.* A person who engages in conduct knowing or having reason to know that the conduct violates this subsection commits a serious misdemeanor.

88 Acts, ch 1248, §13

# CHAPTER 723

## PUBLIC DISORDER

Referred to in §331.307, 364.22, 701.1


723.1 Riot.
723.2 Unlawful assembly.
723.3 Failure to disperse.
723.4 Disorderly conduct.
723.5 Disorderly conduct — funeral or memorial service.


**723.1 Riot.**

A riot is three or more persons assembled together in a violent manner, to the disturbance of others, and with any use of unlawful force or violence by them or any of them against another person, or causing property damage. A person who willingly joins in or remains a part of a riot, knowing or having reasonable grounds to believe that it is such, commits an aggravated misdemeanor.

[C51, §2740, 2741, 2743; R60, §4388, 4389, 4391; C73, §4067, 4068, 4070; C97, §5031, 5032, 5035; C24, 27, 31, 35, 39, §**13340, 13341, 13347;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §743.2, 743.3, 743.9; C79, 81, §723.1]

**723.2 Unlawful assembly.**

An unlawful assembly is three or more persons assembled together, with them or any of them acting in a violent manner, and with intent that they or any of them will commit a public

offense. A person who willingly joins in or remains a part of an unlawful assembly, knowing or having reasonable grounds to believe that it is such, commits a simple misdemeanor.

[C51, §2739, 2741; R60, §4387, 4389; C73, §4066, 4068; C97, §5030, 5032; C24, 27, 31, 35, 39, §**13339, 13341;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §743.1, 743.3; C79, 81, §723.2]

**723.3 Failure to disperse.**

A peace officer may order the participants in a riot or unlawful assembly or persons in the immediate vicinity of a riot or unlawful assembly to disperse. Any person within hearing distance of such command, who refuses to obey, commits a simple misdemeanor.

[C51, §2797, 2798, 2801; R60, §4493, 4494, 4497; C73, §4149, 4150, 4153; C97, §5147, 5148, 5151; C24, 27, 31, 35, 39, §**13342, 13343, 13346;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §743.4, 743.5, 743.8; C79, 81, §723.3]

**723.4 Disorderly conduct.**

A person commits a simple misdemeanor when the person does any of the following:

1. Engages in fighting or violent behavior in any public place or in or near any lawful assembly of persons, provided, that participants in athletic contests may engage in such conduct which is reasonably related to that sport.

2. Makes loud and raucous noise in the vicinity of any residence or public building which causes unreasonable distress to the occupants thereof.

3. Directs abusive epithets or makes any threatening gesture which the person knows or reasonably should know is likely to provoke a violent reaction by another.

4. Without lawful authority or color of authority, the person disturbs any lawful assembly or meeting of persons by conduct intended to disrupt the meeting or assembly.

5. By words or action, initiates or circulates a report or warning of fire, epidemic, or other catastrophe, knowing such report to be false or such warning to be baseless.

6. *a.* Knowingly and publicly uses the flag of the United States in such a manner as to show disrespect for the flag as a symbol of the United States, with the intent or reasonable expectation that such use will provoke or encourage another to commit trespass or assault.

*b.* As used in this subsection:

(1) *"Deface"* means to intentionally mar the external appearance.

(2) *"Defile"* means to intentionally make physically unclean.

(3) *"Flag"* means a piece of woven cloth or other material designed to be flown from a pole or mast.

(4) *"Mutilate"* means to intentionally cut up or alter so as to make imperfect.

(5) *"Show disrespect"* means to deface, defile, mutilate, or trample.

(6) *"Trample"* means to intentionally tread upon or intentionally cause a machine, vehicle, or animal to tread upon.

*c.* This subsection does not apply to a flag retirement ceremony conducted pursuant to federal law.

7. Without authority or justification, the person obstructs any street, sidewalk, highway, or other public way, with the intent to prevent or hinder its lawful use by others.

[C51, §2718, 2738, 2742; R60, §1768, 4360, 4386, 4390; C73, §1566, 4023, 4065, 4069; C97, §2468, 4959, 5029, 5033, 5034; S13, §2468, 5034; C24, 27, 31, 35, 39, §**13110, 13111, 13221, 13226, 13348, 13349;** C46, 50, 54, 58, 62, 66, §714.31, 714.32, 727.1, 728.1, 744.1, 744.2; C71, 73, 75, 77, §714.31, 714.32, 714.42, 727.1, 728.1, 744.1, 744.2; C79, 81, §723.4]

88 Acts, ch 1093, §1; 2007 Acts, ch 202, §15; 2010 Acts, ch 1061, §82

**723.5 Disorderly conduct — funeral or memorial service.**

1. A person shall not do any of the following within five hundred feet of the building or other location where a funeral or memorial service is being conducted, or within five hundred feet of a funeral procession or burial:

*a.* Make loud and raucous noise which causes unreasonable distress to the persons attending the funeral or memorial service, or participating in the funeral procession.

*b.* Direct abusive epithets or make any threatening gesture which the person knows or reasonably should know is likely to provoke a violent reaction by another.

*c.* Disturb or disrupt the funeral, memorial service, funeral procession, or burial by conduct intended to disturb or disrupt the funeral, memorial service, funeral procession, or burial.

2. This section applies to conduct within sixty minutes preceding, during, and within sixty minutes after a funeral, memorial service, funeral procession, or burial.

3. A person who commits a violation of this section commits:

*a.* A simple misdemeanor for a first offense.

*b.* A serious misdemeanor for a second offense.

*c.* A class "D" felony for a third or subsequent offense.

2006 Acts, ch 1058, §1, 2

# CHAPTER 723A

## CRIMINAL STREET GANGS

Referred to in §331.307, 364.22, 657.2, 701.1

723A.1 Definitions.
723A.2 Criminal gang participation.
723A.3 Gang recruitment — penalty.

**723A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Criminal acts"* means any of the following or any combination of the following:

*a.* An offense constituting a violation of section 124.401 involving a controlled substance, a counterfeit substance, or a simulated controlled substance.

*b.* An offense constituting a violation of chapter 711 involving a robbery or extortion.

*c.* An offense constituting a violation of section 708.6 involving intimidation with a dangerous weapon.

*d.* An offense constituting a violation of section 708.8.

*e.* An offense constituting a violation of section 720.4.

*f.* Any other offense constituting a forcible felony as defined in section 702.11.

*g.* An offense constituting a violation of chapter 724.

*h.* Brandishing a dangerous weapon. For purposes of this paragraph:

(1) *"Brandishing a dangerous weapon"* means the display or exhibition of a dangerous weapon, with the intent to use, intimidate, or threaten another person without justification, or the actual use of the dangerous weapon in a manner which is intended to or does cause serious injury or death without justification.

(2) *"Dangerous weapon"* means either of the following:

(a) An instrument or device designed primarily for use in inflicting death or injury upon a human being or animal, and that is capable of inflicting death upon a human being when used in the manner for which it was designed.

(b) An instrument or device of any sort whatsoever that is actually used in a manner that indicates the defendant intends to inflict death or serious injury upon another person without justification, and that, when so used, is capable of inflicting death or serious injury upon a human being.

2. *"Criminal street gang"* means any ongoing organization, association, or group of three or more persons, whether formal or informal, having as one of its primary activities the commission of one or more criminal acts, which has an identifiable name or identifying sign or symbol, and whose members individually or collectively engage in or have engaged in a pattern of criminal gang activity.

3. *"Pattern of criminal gang activity"* means the commission, attempt to commit, conspiring to commit, or solicitation of two or more criminal acts, provided the criminal

acts were committed on separate dates or by two or more persons who are members of, or belong to, the same criminal street gang.

90 Acts, ch 1251, §57; 95 Acts, ch 191, §51; 96 Acts, ch 1134, §10; 97 Acts, ch 119, §1, 2, 4; 2002 Acts, ch 1075, §9

Subsection 1, paragraph h affirmed and reenacted effective May 6, 1997; legislative findings; 97 Acts, ch 119, §1, 2, 4

**723A.2 Criminal gang participation.**

A person who actively participates in or is a member of a criminal street gang and who willfully aids and abets any criminal act committed for the benefit of, at the direction of, or in association with any criminal street gang, commits a class "D" felony.

90 Acts, ch 1251, §58

Referred to in §232.8

**723A.3 Gang recruitment — penalty.**

1. A person who solicits, recruits, entices, or intimidates a minor to join a criminal street gang commits a class "C" felony.

2. A person who conspires to solicit, recruit, entice, or intimidate a minor to join a criminal street gang commits a class "D" felony.

95 Acts, ch 191, §52

# CHAPTER 724

## WEAPONS

Referred to in §232.8, 331.307, 331.653, 364.22, 701.1, 723A.1, 914.7

Restrictions on shooting over public waters or roads; §481A.54


724.1 Offensive weapons.
724.2 Authority to possess offensive weapons.
724.2A Peace officer defined.
724.3 Unauthorized possession of offensive weapons.
724.4 Carrying weapons.
724.4A Weapons free zones — enhanced penalties.
724.4B Carrying weapons on school grounds — penalty — exceptions.
724.4C Possession or carrying of firearms while under the influence.
724.5 Duty to carry permit to carry weapons.
724.6 Professional permit to carry weapons.
724.7 Nonprofessional permit to carry weapons.
724.8 Persons ineligible for permit to carry weapons.
724.9 Firearm training program.
724.10 Application for permit to carry weapons — background check required.
724.11 Issuance of permit to carry weapons.
724.11A Recognition.
724.12 Permit to carry weapons not transferable.
724.13 Suspension or revocation of permit to carry weapons — criminal history background check.
724.14 Repealed by 78 Acts, ch 1174, §19.
724.15 Annual permit to acquire pistols or revolvers.
724.16 Annual permit to acquire required — transfer prohibited.
724.16A Trafficking in stolen weapons.
724.17 Application for annual permit to acquire — criminal history check required.
724.18 Procedure for making application for annual permit to acquire.
724.19 Issuance of annual permit to acquire.
724.20 Validity of annual permit to acquire pistols or revolvers.
724.21 Giving false information when acquiring weapon.
724.21A Denial, suspension, or revocation of permit to carry weapons or permit to acquire pistols or revolvers.
724.22 Persons under twenty-one — sale, loan, gift, making available — possession.
724.23 Records kept by commissioner.
724.24 Repealed by 2002 Acts, ch 1055, §5.

724.25 Felony and antique firearm defined.
724.26 Possession, receipt, transportation, or dominion and control of firearms, offensive weapons, and ammunition by felons and others.
724.27 Offenders' rights restored.
724.28 Prohibition of regulation by political subdivisions.
724.29 Firearm devices.
724.30 Reckless use of a firearm.
724.31 Persons subject to firearm disabilities due to mental health commitments or adjudications — relief from disabilities — reports.

**724.1 Offensive weapons.**

An offensive weapon is any device or instrumentality of the following types:

1. A machine gun. A machine gun is a firearm which shoots or is designed to shoot more than one shot, without manual reloading, by a single function of the trigger.

2. A short-barreled rifle or short-barreled shotgun. A short-barreled rifle or short-barreled shotgun is a rifle with a barrel or barrels less than sixteen inches in length or a shotgun with a barrel or barrels less than eighteen inches in length, as measured from the face of the closed bolt or standing breech to the muzzle, or any rifle or shotgun with an overall length less than twenty-six inches.

3. Any weapon other than a shotgun or muzzle loading rifle, cannon, pistol, revolver or musket, which fires or can be made to fire a projectile by the explosion of a propellant charge, which has a barrel or tube with the bore of more than six-tenths of an inch in diameter, or the ammunition or projectile therefor, but not including antique weapons kept for display or lawful shooting.

4. A bomb, grenade, or mine, whether explosive, incendiary, or poison gas; any rocket having a propellant charge of more than four ounces; any missile having an explosive charge of more than one-quarter ounce; or any device similar to any of these.

5. A ballistic knife. A ballistic knife is a knife with a detachable blade which is propelled by a spring-operated mechanism, elastic material, or compressed gas.

6. Any part or combination of parts either designed or intended to be used to convert any device into an offensive weapon as described in subsections 1 to 5 of this section, or to assemble into such an offensive weapon, except magazines or other parts, ammunition, or ammunition components used in common with lawful sporting firearms or parts including but not limited to barrels suitable for refitting to sporting firearms.

7. Any bullet or projectile containing any explosive mixture or chemical compound capable of exploding or detonating prior to or upon impact, or any shotshell or cartridge containing exothermic pyrophoric misch metal as a projectile which is designed to throw or project a flame or fireball to simulate a flamethrower.

8. Any mechanical device specifically constructed and designed so that when attached to a firearm silences, muffles, or suppresses the sound when fired. However, this subsection does not apply to a mechanical device possessed and used by a person solely for the purpose of shooting a deer pursuant to an approved city special deer population control plan if the person has a valid federal permit to possess and use the mechanical device.

9. An offensive weapon or part or combination of parts therefor shall not include the following:

*a.* An antique firearm. An antique firearm is any firearm (including any firearm with a matchlock, flintlock, percussion cap, or similar type of ignition system) manufactured in or before 1898 or any firearm which is a replica of such a firearm if such replica is not designed or redesigned for using conventional rimfire or centerfire ammunition or which uses only rimfire or centerfire fixed ammunition which is no longer manufactured in the United States and which is not readily available in the ordinary channels of commercial trade.

*b.* A collector's item. A collector's item is any firearm other than a machine gun that by reason of its date of manufacture, value, design, and other characteristics is not likely to be used as a weapon. The commissioner of public safety shall designate by rule firearms which the commissioner determines to be collector's items and shall revise or update the list of firearms at least annually.

*c.* Any device which is not designed or redesigned for use as a weapon; any device which

is designed solely for use as a signaling, pyrotechnic, line-throwing, safety, or similar device; or any firearm which is unserviceable by reason of being unable to discharge a shot by means of an explosive and is incapable of being readily restored to a firing condition.

[C27, 31, 35, §12960-b1; C39, §**12960.01;** C46, 50, 54, 58, 62, 66, §696.1; C71, 73, 75, 77, §696.1, 697.10, 697.11; C79, 81, §724.1]

83 Acts, ch 7, §1; 88 Acts, ch 1164, §2, 3; 92 Acts, ch 1004, §1, 2; 2000 Acts, ch 1116, §7; 2013 Acts, ch 90, §205

Referred to in §124.401, 724.2, 809.21, 809A.17

Subsection 7, unnumbered paragraph 2 stricken

**724.2 Authority to possess offensive weapons.**

1. Any of the following persons or entities is authorized to possess an offensive weapon when the person's or entity's duties or lawful activities require or permit such possession:

*a.* Any peace officer.

*b.* Any member of the armed forces of the United States or of the national guard.

*c.* Any person in the service of the United States.

*d.* A correctional officer, serving in an institution under the authority of the Iowa department of corrections.

*e.* Any person who under the laws of this state and the United States, is lawfully engaged in the business of supplying those authorized to possess such devices.

*f.* Any person, firm or corporation who under the laws of this state and the United States is lawfully engaged in the improvement, invention or manufacture of firearms.

*g.* Any museum or similar place which possesses, solely as relics, offensive weapons which are rendered permanently unfit for use.

*h.* A resident of this state who possesses an offensive weapon which is a curio or relic firearm under the federal Firearms Act, 18 U.S.C. ch. 44, solely for use in the official functions of a historical reenactment organization of which the person is a member, if the offensive weapon has been permanently rendered unfit for the firing of live ammunition. The offensive weapon may, however, be adapted for the firing of blank ammunition.

*i.* A nonresident who possesses an offensive weapon which is a curio or relic firearm under the federal Firearms Act, 18 U.S.C. ch. 44, solely for use in official functions in this state of a historical reenactment organization of which the person is a member, if the offensive weapon is legally possessed by the person in the person's state of residence and the offensive weapon is at all times while in this state rendered incapable of firing live ammunition. A nonresident who possesses an offensive weapon under this paragraph while in this state shall not have in the person's possession live ammunition. The offensive weapon may, however, be adapted for the firing of blank ammunition.

2. Notwithstanding subsection 1, a person is not authorized to possess in this state a shotshell or cartridge intended to project a flame or fireball of the type described in section 724.1.

[C27, 31, 35, §12960-b4, 12960-b5, 12960-b7; C39, §**12960.04, 12960.05, 12960.07;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §696.4 – 696.7; C79, 81, §724.2]

83 Acts, ch 96, §122, 159; 97 Acts, ch 166, §3; 2013 Acts, ch 90, §206; 2013 Acts, ch 140, §78

Section amended

**724.2A Peace officer defined.**

As used in sections 724.6 and 724.11 regarding obtaining or renewing a permit for the carrying of weapons, "*peace officer*" includes a reserve peace officer as defined in section 80D.1A.

96 Acts, ch 1078, §1

Referred to in §708.12, 708.13

**724.3 Unauthorized possession of offensive weapons.**

Any person, other than a person authorized herein, who knowingly possesses an offensive weapon commits a class "D" felony.

[C27, 31, 35, §12960-b3; C39, §**12960.03;** C46, 50, 54, 58, 62, 66, §696.3; C71, 73, 75, 77, §696.3, 697.11; C79, 81, §724.3]

**724.4 Carrying weapons.**

1. Except as otherwise provided in this section, a person who goes armed with a dangerous weapon concealed on or about the person, or who, within the limits of any city, goes armed with a pistol or revolver, or any loaded firearm of any kind, whether concealed or not, or who knowingly carries or transports in a vehicle a pistol or revolver, commits an aggravated misdemeanor.

2. A person who goes armed with a knife concealed on or about the person, if the person uses the knife in the commission of a crime, commits an aggravated misdemeanor.

3. A person who goes armed with a knife concealed on or about the person, if the person does not use the knife in the commission of a crime:

*a.* If the knife has a blade exceeding eight inches in length, commits an aggravated misdemeanor.

*b.* If the knife has a blade exceeding five inches but not exceeding eight inches in length, commits a serious misdemeanor.

4. Subsections 1 through 3 do not apply to any of the following:

*a.* A person who goes armed with a dangerous weapon in the person's own dwelling or place of business, or on land owned or possessed by the person.

*b.* A peace officer, when the officer's duties require the person to carry such weapons.

*c.* A member of the armed forces of the United States or of the national guard or person in the service of the United States, when the weapons are carried in connection with the person's duties as such.

*d.* A correctional officer, when the officer's duties require, serving under the authority of the Iowa department of corrections.

*e.* A person who for any lawful purpose carries an unloaded pistol, revolver, or other dangerous weapon inside a closed and fastened container or securely wrapped package which is too large to be concealed on the person.

*f.* A person who for any lawful purpose carries or transports an unloaded pistol or revolver in a vehicle inside a closed and fastened container or securely wrapped package which is too large to be concealed on the person or inside a cargo or luggage compartment where the pistol or revolver will not be readily accessible to any person riding in the vehicle or common carrier.

*g.* A person while the person is lawfully engaged in target practice on a range designed for that purpose or while actually engaged in lawful hunting.

*h.* A person who carries a knife used in hunting or fishing, while actually engaged in lawful hunting or fishing.

*i.* A person who has in the person's possession and who displays to a peace officer on demand a valid permit to carry weapons which has been issued to the person, and whose conduct is within the limits of that permit. A person shall not be convicted of a violation of this section if the person produces at the person's trial a permit to carry weapons which was valid at the time of the alleged offense and which would have brought the person's conduct within this exception if the permit had been produced at the time of the alleged offense.

*j.* A law enforcement officer from another state when the officer's duties require the officer to carry the weapon and the officer is in this state for any of the following reasons:

(1) The extradition or other lawful removal of a prisoner from this state.

(2) Pursuit of a suspect in compliance with chapter 806.

(3) Activities in the capacity of a law enforcement officer with the knowledge and consent of the chief of police of the city or the sheriff of the county in which the activities occur or of the commissioner of public safety.

*k.* A person engaged in the business of transporting prisoners under a contract with the Iowa department of corrections or a county sheriff, a similar agency from another state, or the federal government.

[S13, §4775-1a, -3a, -4a, -7a, -11a; C24, 27, 31, 35, 39, §**12936 – 12939;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.2 – 695.5; C79, 81, §724.4]

83 Acts, ch 7, §2; 83 Acts, ch 96, §123, 159; 87 Acts, ch 13, §5; 88 Acts, ch 1164, §4; 98 Acts, ch 1131, §3

Referred to in §232.52, 724.4B, 724.5

**724.4A Weapons free zones — enhanced penalties.**

1. As used in this section, *"weapons free zone"* means the area in or on, or within one thousand feet of, the real property comprising a public or private elementary or secondary school, or in or on the real property comprising a public park. A weapons free zone shall not include that portion of a public park designated as a hunting area under section 461A.42.

2. Notwithstanding sections 902.9 and 903.1, a person who commits a public offense involving a firearm or offensive weapon, within a weapons free zone, in violation of this or any other chapter shall be subject to a fine of twice the maximum amount which may otherwise be imposed for the public offense.

94 Acts, ch 1172, §53

**724.4B Carrying weapons on school grounds — penalty — exceptions.**

1. A person who goes armed with, carries, or transports a firearm of any kind, whether concealed or not, on the grounds of a school commits a class "D" felony. For the purposes of this section, *"school"* means a public or nonpublic school as defined in section 280.2.

2. Subsection 1 does not apply to the following:

*a.* A person listed under section 724.4, subsection 4, paragraphs *"b"* through *"f"* or *"j"*.

*b.* A person who has been specifically authorized by the school to go armed with, carry, or transport a firearm on the school grounds, including for purposes of conducting an instructional program regarding firearms.

95 Acts, ch 191, §53; 2013 Acts, ch 90, §207

Referred to in §232.52

Subsection 2, paragraph b amended

**724.4C Possession or carrying of firearms while under the influence.**

A permit issued under this chapter is invalid if the person to whom the permit is issued is intoxicated as provided in section 321J.2, subsection 1.

2010 Acts, ch 1178, §4, 19

**724.5 Duty to carry permit to carry weapons.**

A person armed with a revolver, pistol, or pocket billy concealed upon the person shall have in the person's immediate possession the permit provided for in section 724.4, subsection 4, paragraph *"i"*, and shall produce the permit for inspection at the request of a peace officer. Failure to so produce a permit is a simple misdemeanor.

[S13, §4775-8a; C24, 27, 31, 35, 39, §**12947;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.15; C79, 81, §724.5]

90 Acts, ch 1168, §60

**724.6 Professional permit to carry weapons.**

1. A person may be issued a permit to carry weapons when the person's employment in a private investigation business or private security business licensed under chapter 80A, or a person's employment as a peace officer, correctional officer, security guard, bank messenger or other person transporting property of a value requiring security, or in police work, reasonably justifies that person going armed. The permit shall be on a form prescribed and published by the commissioner of public safety, shall identify the holder, and shall state the nature of the employment requiring the holder to go armed. A permit so issued, other than to a peace officer, shall authorize the person to whom it is issued to go armed anywhere in the state, only while engaged in the employment, and while going to and from the place of the employment. A permit issued to a certified peace officer shall authorize that peace officer to go armed anywhere in the state at all times. Permits shall expire twelve months after the date when issued except that permits issued to peace officers and correctional officers are valid through the officer's period of employment unless otherwise canceled. When the employment is terminated, the holder of the permit shall surrender it to the issuing officer for cancellation.

2. Notwithstanding subsection 1, fire fighters, as defined in section 411.1, subsection 10, airport fire fighters included under section 97B.49B, and emergency medical care providers, as defined in section 147A.1, shall not, as a condition of employment, be required to obtain

a permit under this section. However, the provisions of this subsection shall not apply to a person designated as an arson investigator by the chief fire officer of a political subdivision.

[S13, §4775-4a, -7a; C24, 27, 31, 35, 39, §**12939, 12943 – 12945;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.5, 695.11 – 695.13; C79, 81, §724.6]

83 Acts, ch 7, §3; 84 Acts, ch 1235, §17; 93 Acts, ch 31, §1; 94 Acts, ch 1183, §87; 95 Acts, ch 41, §26; 98 Acts, ch 1183, §74; 2004 Acts, ch 1103, §58; 2010 Acts, ch 1149, §18

Referred to in §80A.13, 724.2A, 724.11

**724.7 Nonprofessional permit to carry weapons.**

1. Any person who is not disqualified under section 724.8, who satisfies the training requirements of section 724.9, and who files an application in accordance with section 724.10 shall be issued a nonprofessional permit to carry weapons. Such permits shall be on a form prescribed and published by the commissioner of public safety, which shall be readily distinguishable from the professional permit, and shall identify the holder of the permit. Such permits shall not be issued for a particular weapon and shall not contain information about a particular weapon including the make, model, or serial number of the weapon or any ammunition used in that weapon. All permits so issued shall be for a period of five years and shall be valid throughout the state except where the possession or carrying of a firearm is prohibited by state or federal law.

2. The commissioner of public safety shall develop a process to allow service members deployed for military service to submit a renewal of a nonprofessional permit to carry weapons early and by mail. In addition, a permit issued to a service member who is deployed for military service, as defined in section 29A.1, subsection 3, 8, or 12, that would otherwise expire during the period of deployment shall remain valid for ninety days after the end of the service member's deployment.

[S13, §4775-3a; C24, 27, 31, 35, 39, §**12938, 12945;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.4, 695.13; C79, 81, §724.7]

2010 Acts, ch 1170, §6; 2010 Acts, ch 1178, §5, 19; 2011 Acts, ch 47, §12; 2012 Acts, ch 1072, §40

Referred to in §80A.13, 724.11

For transition provisions relating to permits issued under this chapter prior to January 1, 2011, see 2010 Acts, ch 1178, §18

**724.8 Persons ineligible for permit to carry weapons.**

No professional or nonprofessional permit to carry weapons shall be issued to a person who is subject to any of the following:

1. Is less than eighteen years of age for a professional permit or less than twenty-one years of age for a nonprofessional permit.

2. Is addicted to the use of alcohol.

3. Probable cause exists to believe, based upon documented specific actions of the person, where at least one of the actions occurred within two years immediately preceding the date of the permit application, that the person is likely to use a weapon unlawfully or in such other manner as would endanger the person's self or others.

4. Is subject to the provisions of section 724.26.

5. Has, within the previous three years, been convicted of any serious or aggravated misdemeanor defined in chapter 708 not involving the use of a firearm or explosive.

6. Is prohibited by federal law from shipping, transporting, possessing, or receiving a firearm.

[C79, 81, §724.8]

2010 Acts, ch 1178, §6, 19

Referred to in §80A.13, 724.7, 724.10, 724.11, 724.27

**724.9 Firearm training program.**

1. An applicant shall demonstrate knowledge of firearm safety by any of the following means:

*a.* Completion of any national rifle association handgun safety training course.

*b.* Completion of any handgun safety training course available to the general public offered by a law enforcement agency, community college, college, private or public

institution or organization, or firearms training school, utilizing instructors certified by the national rifle association or the department of public safety or another state's department of public safety, state police department, or similar certifying body.

*c.* Completion of any handgun safety training course offered for security guards, investigators, special deputies, or any division or subdivision of a law enforcement or security enforcement agency approved by the department of public safety.

*d.* Completion of small arms training while serving with the armed forces of the United States as evidenced by any of the following:

(1) For personnel released or retired from active duty, possession of an honorable discharge or general discharge under honorable conditions.

(2) For personnel on active duty or serving in one of the national guard or reserve components of the armed forces of the United States, possession of a certificate of completion of basic training with a service record of successful completion of small arms training and qualification.

*e.* Completion of a law enforcement agency firearms training course that qualifies a peace officer to carry a firearm in the normal course of the peace officer's duties.

2. Evidence of qualification under this section may be documented by any of the following:

*a.* A photocopy of a certificate of completion or any similar document indicating completion of any course or class identified in subsection 1.

*b.* An affidavit from the instructor, school, organization, or group that conducted or taught a course or class identified in subsection 1 attesting to the completion of the course or class by the applicant.

*c.* A copy of any document indicating participation in any firearms shooting competition.

3. An issuing officer shall not condition the issuance of a permit on training requirements that are not specified in or that exceed the requirements of this section.

[C79, 81, §724.9]

2010 Acts, ch 1178, §7, 19

Referred to in §80A.13, 724.7, 724.10, 724.11

**724.10 Application for permit to carry weapons — background check required.**

1. A person shall not be issued a permit to carry weapons unless the person has completed and signed an application on a form to be prescribed and published by the commissioner of public safety. The application shall require only the full name, driver's license or nonoperator's identification card number, residence, place of birth, and date of birth of the applicant, and shall state whether the applicant meets the criteria specified in sections 724.8 and 724.9. An applicant may provide the applicant's social security number if the applicant so chooses. The applicant shall also display an identification card that bears a distinguishing number assigned to the cardholder, the full name, date of birth, sex, residence address, and a brief description and colored photograph of the cardholder.

2. The issuing officer, upon receipt of an initial or renewal application under this section, shall immediately conduct a background check concerning each applicant by obtaining criminal history data from the department of public safety which shall include an inquiry of the national instant criminal background check system maintained by the federal bureau of investigation or any successor agency.

3. A person who makes what the person knows to be a false statement of material fact on an application submitted under this section or who submits what the person knows to be any materially falsified or forged documentation in connection with such an application commits a class "D" felony.

[S13, §4775-4a, -7a; C24, 27, 31, 35, 39, §**12939, 12940;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.5, 695.6; C79, 81, §724.10]

90 Acts, ch 1147, §1; 2002 Acts, ch 1055, §1; 2010 Acts, ch 1178, §8, 19; 2013 Acts, ch 30, §166

Referred to in §80A.13, 724.7, 724.11

Subsection 2 amended

**724.11 Issuance of permit to carry weapons.**

1. Applications for permits to carry weapons shall be made to the sheriff of the county

in which the applicant resides. Applications for professional permits to carry weapons for persons who are nonresidents of the state, or whose need to go armed arises out of employment by the state, shall be made to the commissioner of public safety. In either case, the sheriff or commissioner, before issuing the permit, shall determine that the requirements of sections 724.6 to 724.10 have been satisfied. However, for renewal of a permit the training program requirements in section 724.9, subsection 1, shall apply or the renewal applicant may choose to qualify on a firing range under the supervision of an instructor certified by the national rifle association or the department of public safety or another state's department of public safety, state police department, or similar certifying body. Such training or qualification must occur within the twelve-month period prior to the expiration of the applicant's current permit.

2. Neither the sheriff nor the commissioner shall require an applicant for a permit to carry weapons to provide information identifying a particular weapon in the application including the make, model, or serial number of the weapon or any ammunition used in that particular weapon.

3. The issuing officer shall collect a fee of fifty dollars, except from a duly appointed peace officer or correctional officer, for each permit issued. Renewal permits or duplicate permits shall be issued for a fee of twenty-five dollars, provided the application for such renewal permit is received by the issuing officer at least thirty days prior to the expiration of the applicant's current permit. The issuing officer shall notify the commissioner of public safety of the issuance of any permit at least monthly and forward to the commissioner an amount equal to ten dollars for each permit issued and five dollars for each renewal or duplicate permit issued. All such fees received by the commissioner shall be paid to the treasurer of state and deposited in the operating account of the department of public safety to offset the cost of administering this chapter. Notwithstanding section 8.33, any unspent balance as of June 30 of each year shall not revert to the general fund of the state.

4. The sheriff or commissioner of public safety shall approve or deny an initial or renewal application submitted under this section within thirty days of receipt of the application. A person whose application for a permit under this chapter is denied may seek review of the denial under section 724.21A. The failure to approve or deny an initial or renewal application shall result in a decision of approval.

[S13, §4775-3a; C24, 27, §12941; C31, 35, §12941, 12941-c1, 12941-d1; C39, §**12941, 12941.1, 12941.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.7 – 695.9; C79, 81, §724.11]

91 Acts, ch 207, §1; 97 Acts, ch 23, §78; 2010 Acts, ch 1178, §9, 19

Referred to in §80A.13, 724.2A, 724.15

**724.11A Recognition.**

A valid permit or license issued by another state to any nonresident of this state shall be considered to be a valid permit or license to carry weapons issued pursuant to this chapter, except that such permit or license shall not be considered to be a substitute for an annual permit to acquire pistols or revolvers issued pursuant to section 724.15.

2010 Acts, ch 1178, §10, 19

**724.12 Permit to carry weapons not transferable.**

Permits to carry weapons shall be issued to a specific person only, and may not be transferred from one person to another.

[C24, 27, 31, 35, 39, §**12942;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.10; C79, 81, §724.12]

**724.13 Suspension or revocation of permit to carry weapons — criminal history background check.**

1. An issuing officer who finds that a person issued a permit to carry weapons under this chapter has been arrested for a disqualifying offense or is the subject of proceedings that could lead to the person's ineligibility for such permit may immediately suspend such permit. An issuing officer proceeding under this section shall immediately notify the permit holder of the suspension by personal service or certified mail on a form prescribed and published by the commissioner of public safety and the suspension shall become effective upon the

permit holder's receipt of such notice. If the suspension is based on an arrest or a proceeding that does not result in a disqualifying conviction or finding against the permit holder, the issuing officer shall immediately reinstate the permit upon receipt of proof of the matter's final disposition. If the arrest leads to a disqualifying conviction or the proceedings to a disqualifying finding, the issuing officer shall revoke the permit. The issuing officer may also revoke the permit of a person whom the issuing officer later finds was not qualified for such a permit at the time of issuance or who the officer finds provided materially false information on the permit application. A person aggrieved by a suspension or revocation under this section may seek review of the decision pursuant to section 724.21A.

2. The issuing officer may annually conduct a background check concerning a person issued a permit by obtaining criminal history data from the department of public safety.

[S13, §4775-6a; C24, 27, 31, 35, 39, §**12946;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.14; C79, 81, §724.13]

2010 Acts, ch 1178, §11, 19

**724.14** Repealed by 78 Acts, ch 1174, § 19.

**724.15 Annual permit to acquire pistols or revolvers.**

1. Any person who desires to acquire ownership of any pistol or revolver shall first obtain an annual permit. An annual permit shall be issued upon request to any resident of this state unless the person is subject to any of the following:

*a.* Is less than twenty-one years of age.

*b.* Is subject to the provisions of section 724.26.

*c.* Is prohibited by federal law from shipping, transporting, possessing, or receiving a firearm.

2. Any person who acquires ownership of a pistol or revolver shall not be required to obtain an annual permit if any of the following apply:

*a.* The person transferring the pistol or revolver and the person acquiring the pistol or revolver are licensed firearms dealers under federal law.

*b.* The pistol or revolver acquired is an antique firearm, a collector's item, a device which is not designed or redesigned for use as a weapon, a device which is designed solely for use as a signaling, pyrotechnic, line-throwing, safety, or similar device, or a firearm which is unserviceable by reason of being unable to discharge a shot by means of an explosive and is incapable of being readily restored to a firing condition.

*c.* The person acquiring the pistol or revolver is authorized to do so on behalf of a law enforcement agency.

*d.* The person has obtained a valid permit to carry weapons, as provided in section 724.11.

*e.* The person transferring the pistol or revolver and the person acquiring the pistol or revolver are related to one another within the second degree of consanguinity or affinity unless the person transferring the pistol or revolver knows that the person acquiring the pistol or revolver would be disqualified from obtaining a permit.

3. The annual permit to acquire pistols or revolvers shall authorize the permit holder to acquire one or more pistols or revolvers during the period that the permit remains valid. If the issuing officer determines that the applicant has become disqualified under the provisions of subsection 1, the issuing officer may immediately revoke the permit and shall provide a written statement of the reasons for revocation, and the applicant shall have the right to appeal the revocation as provided in section 724.21A.

4. An issuing officer who finds that a person issued a permit to acquire pistols or revolvers under this chapter has been arrested for a disqualifying offense or who is the subject of proceedings that could lead to the person's ineligibility for such permit may immediately suspend such permit. An issuing officer proceeding under this subsection shall immediately notify the permit holder of the suspension by personal service or certified mail on a form prescribed and published by the commissioner of public safety and the suspension shall become effective upon the permit holder's receipt of such notice. If the suspension is based on an arrest or a proceeding that does not result in a disqualifying conviction or finding against the permit holder, the issuing officer shall immediately reinstate the permit

upon receipt of proof of the matter's final disposition. If the arrest leads to a disqualifying conviction or the proceedings to a disqualifying finding, the issuing officer shall revoke the permit. The issuing officer may also revoke the permit of a person whom the issuing officer later finds was not qualified for such a permit at the time of issuance or who the officer finds provided materially false information on the permit application. A person aggrieved by a suspension or revocation under this subsection may seek review of the decision pursuant to section 724.21A.

[C79, 81, §724.15]

90 Acts, ch 1147, §2, 3; 2010 Acts, ch 1178, §12, 19

Referred to in §724.11A, 724.16, 724.19, 724.27

For transition provisions relating to permits issued under this chapter prior to January 1, 2011, see 2010 Acts, ch 1178, §18

**724.16 Annual permit to acquire required — transfer prohibited.**

1. Except as otherwise provided in section 724.15, subsection 2, a person who acquires ownership of a pistol or revolver without a valid annual permit to acquire pistols or revolvers or a person who transfers ownership of a pistol or revolver to a person who does not have in the person's possession a valid annual permit to acquire pistols or revolvers is guilty of an aggravated misdemeanor.

2. A person who transfers ownership of a pistol or revolver to a person that the transferor knows is prohibited by section 724.15 from acquiring ownership of a pistol or revolver commits a class "D" felony.

[C79, 81, §724.16]

90 Acts, ch 1147, §4; 94 Acts, ch 1172, §54

**724.16A Trafficking in stolen weapons.**

1. A person who knowingly transfers or acquires possession, or who facilitates the transfer, of a stolen firearm commits:

*a.* A class "D" felony for a first offense.

*b.* A class "C" felony for second and subsequent offenses or if the weapon is used in the commission of a public offense.

2. However, this section shall not apply to a person purchasing stolen firearms through a buy-back program sponsored by a law enforcement agency if the firearms are returned to their rightful owners or destroyed.

94 Acts, ch 1172, §55; 97 Acts, ch 119, §1, 3, 4; 2013 Acts, ch 90, §235

Section affirmed and reenacted effective May 6, 1997; legislative findings; 97 Acts, ch 119, §1, 3, 4

Section amended

**724.17 Application for annual permit to acquire — criminal history check required.**

The application for an annual permit to acquire pistols or revolvers may be made to the sheriff of the county of the applicant's residence and shall be on a form prescribed and published by the commissioner of public safety. The application shall require only the full name of the applicant, the driver's license or nonoperator's identification card number of the applicant, the residence of the applicant, and the date and place of birth of the applicant. The applicant shall also display an identification card that bears a distinguishing number assigned to the cardholder, the full name, date of birth, sex, residence address, and brief description and colored photograph of the cardholder, or other identification as specified by rule of the department of public safety. The sheriff shall conduct a criminal history check concerning each applicant by obtaining criminal history data from the department of public safety which shall include an inquiry of the national instant criminal background check system maintained by the federal bureau of investigation or any successor agency. A person who makes what the person knows to be a false statement of material fact on an application submitted under this section or who submits what the person knows to be any materially falsified or forged documentation in connection with such an application commits a class "D" felony.

[C79, 81, §724.17]

90 Acts, ch 1147, §5; 2002 Acts, ch 1055, §2; 2010 Acts, ch 1178, §13, 19; 2013 Acts, ch 30, §167

Section amended

**724.18 Procedure for making application for annual permit to acquire.**

A person may personally request the sheriff to mail an application for an annual permit to acquire pistols or revolvers, and the sheriff shall immediately forward to such person an application for an annual permit to acquire pistols or revolvers. A person shall upon completion of the application personally deliver such application to the sheriff who shall note the period of validity on the application and shall immediately issue the annual permit to acquire pistols or revolvers to the applicant. For the purposes of this section the date of application shall be the date on which the sheriff received the completed application.

[C79, 81, §724.18]

**724.19 Issuance of annual permit to acquire.**

The annual permit to acquire pistols or revolvers shall be issued to the applicant immediately upon completion of the application unless the applicant is disqualified under the provisions of section 724.15 and shall be on a form prescribed and published by the commissioner of public safety. The permit shall contain the name of the permittee, the residence of the permittee, and the effective date of the permit.

[C79, 81, §724.19]

2002 Acts, ch 1055, §3

**724.20 Validity of annual permit to acquire pistols or revolvers.**

The permit shall be valid throughout the state and shall be valid three days after the date of application and shall be invalid one year after the date of application.

[C79, 81, §724.20]

**724.21 Giving false information when acquiring weapon.**

A person who gives a false name or presents false identification, or otherwise knowingly gives false material information to one from whom the person seeks to acquire a pistol or revolver, commits a class "D" felony.

[S13, §4775-10a; C24, 27, 31, 35, 39, §**12955;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.23; C79, 81, §724.21]

90 Acts, ch 1147, §6

**724.21A Denial, suspension, or revocation of permit to carry weapons or permit to acquire pistols or revolvers.**

1. In any case where the sheriff or the commissioner of public safety denies an application for or suspends or revokes a permit to carry weapons or an annual permit to acquire pistols or revolvers, the sheriff or commissioner shall provide a written statement of the reasons for the denial, suspension, or revocation and the applicant or permit holder shall have the right to appeal the denial, suspension, or revocation to an administrative law judge in the department of inspections and appeals within thirty days of receiving written notice of the denial, suspension, or revocation.

2. The applicant or permit holder may file an appeal with an administrative law judge by filing a copy of the denial, suspension, or revocation notice with a written statement that clearly states the applicant's reasons rebutting the denial, suspension, or revocation along with a fee of ten dollars. Additional supporting information relevant to the proceedings may also be included.

3. The administrative law judge shall, within forty-five days of receipt of the request for an appeal, set a hearing date. The hearing may be held by telephone or video conference at the discretion of the administrative law judge. The administrative law judge shall receive witness testimony and other evidence relevant to the proceedings at the hearing. The hearing shall be conducted pursuant to chapter 17A.

4. Upon conclusion of the hearing, the administrative law judge shall order that the denial, suspension, or revocation of the permit be either rescinded or sustained. An applicant, permit holder, or issuing officer aggrieved by the final judgment of the administrative law judge shall have the right to judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

5. The standard of review under this section shall be clear and convincing evidence that the issuing officer's written statement of the reasons for the denial, suspension, or revocation constituted probable cause to deny an application or to suspend or revoke a permit.

6. The department of inspections and appeals shall adopt rules pursuant to chapter 17A as necessary to carry out the provisions of this section.

7. In any case where the issuing officer denies an application for, or suspends or revokes a permit to carry weapons or an annual permit to acquire pistols or revolvers solely because of an adverse determination by the national instant criminal background check system, the applicant or permit holder shall not seek relief under this section but may pursue relief of the national instant criminal background check system determination pursuant to Pub. L. No. 103-159, sections 103(f) and (g) and 104 and 28 C.F.R. § 25.10, or other applicable law. The outcome of such proceedings shall be binding on the issuing officer.

2010 Acts, ch 1178, §14, 19

Referred to in §724.11, 724.13, 724.15

**724.22 Persons under twenty-one — sale, loan, gift, making available — possession.**

1. Except as provided in subsection 3, a person who sells, loans, gives, or makes available a rifle or shotgun or ammunition for a rifle or shotgun to a minor commits a serious misdemeanor for a first offense and a class "D" felony for second and subsequent offenses.

2. Except as provided in subsections 4 and 5, a person who sells, loans, gives, or makes available a pistol or revolver or ammunition for a pistol or revolver to a person below the age of twenty-one commits a serious misdemeanor for a first offense and a class "D" felony for second and subsequent offenses.

3. A parent, guardian, spouse who is eighteen years of age or older, or another with the express consent of the minor's parent or guardian or spouse who is eighteen years of age or older may allow a minor to possess a rifle or shotgun or the ammunition therefor which may be lawfully used.

4. A person eighteen, nineteen, or twenty years of age may possess a firearm and the ammunition therefor while on military duty or while a peace officer, security guard or correctional officer, when such duty requires the possession of such a weapon or while the person receives instruction in the proper use thereof from an instructor who is twenty-one years of age or older.

5. A parent or guardian or spouse who is twenty-one years of age or older, of a person fourteen years of age but less than twenty-one may allow the person to possess a pistol or revolver or the ammunition therefor for any lawful purpose while under the direct supervision of the parent or guardian or spouse who is twenty-one years of age or older, or while the person receives instruction in the proper use thereof from an instructor twenty-one years of age or older, with the consent of such parent, guardian or spouse.

6. For the purposes of this section, caliber .22 rimfire ammunition shall be deemed to be rifle ammunition.

7. It shall be unlawful for any person to store or leave a loaded firearm which is not secured by a trigger lock mechanism, placed in a securely locked box or container, or placed in some other location which a reasonable person would believe to be secure from a minor under the age of fourteen years, if such person knows or has reason to believe that a minor under the age of fourteen years is likely to gain access to the firearm without the lawful permission of the minor's parent, guardian, or person having charge of the minor, the minor lawfully gains access to the firearm without the consent of the minor's parent, guardian, or person having charge of the minor, and the minor exhibits the firearm in a public place in an unlawful manner, or uses the firearm unlawfully to cause injury or death to a person. This subsection does not apply if the minor obtains the firearm as a result of an unlawful entry by any person. A violation of this subsection is punishable as a serious misdemeanor.

[C97, §5004; C24, 27, 31, 35, 39, §**12958;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §695.26; C79, 81, §724.22]

90 Acts, ch 1147, §7; 94 Acts, ch 1023, §119; 94 Acts, ch 1172, §56

**724.23 Records kept by commissioner.**

The commissioner of public safety shall maintain a permanent record of all valid permits to carry weapons and of current permit revocations.

[C79, 81, §724.23]

83 Acts, ch 7, §4

**724.24** Repealed by 2002 Acts, ch 1055, § 5.

**724.25 Felony and antique firearm defined.**

1. As used in section 724.26, the word *"felony"* means any offense punishable in the jurisdiction where it occurred by imprisonment for a term exceeding one year, but does not include any offense, other than an offense involving a firearm or explosive, classified as a misdemeanor under the laws of the state and punishable by a term of imprisonment of two years or less.

2. As used in this chapter an *"antique firearm"* means any firearm (including any firearm with a matchlock, flintlock, percussion cap, or similar type of ignition system) manufactured in or before 1898. An antique firearm also means a replica of a firearm so described if the replica is not designed or redesigned for using rimfire or conventional centerfire fixed ammunition or if the replica uses rimfire or conventional centerfire fixed ammunition which is no longer manufactured in the United States and which is not readily available in the ordinary channels of commercial trade.

[C79, 81, §724.25]

86 Acts, ch 1065, §1; 2010 Acts, ch 1178, §15, 19

**724.26 Possession, receipt, transportation, or dominion and control of firearms, offensive weapons, and ammunition by felons and others.**

1. A person who is convicted of a felony in a state or federal court, or who is adjudicated delinquent on the basis of conduct that would constitute a felony if committed by an adult, and who knowingly has under the person's dominion and control or possession, receives, or transports or causes to be transported a firearm or offensive weapon is guilty of a class "D" felony.

2. *a.* Except as provided in paragraph *"b"*, a person who is subject to a protective order under 18 U.S.C. § 922(g)(8) or who has been convicted of a misdemeanor crime of domestic violence under 18 U.S.C. § 922(g)(9) and who knowingly possesses, ships, transports, or receives a firearm, offensive weapon, or ammunition is guilty of a class "D" felony.

*b.* This subsection shall not apply to the possession, shipment, transportation, or receipt of a firearm, offensive weapon, or ammunition issued by a state department or agency or political subdivision for use in the performance of the official duties of the person who is the subject of a protective order under 18 U.S.C. § 922(g)(8).

*c.* For purposes of this section, *"misdemeanor crime of domestic violence"* means an assault under section 708.1, subsection 2, paragraph *"a"* or *"c"*, committed by a current or former spouse, parent, or guardian of the victim, by a person with whom the victim shares a child in common, by a person who is cohabiting with or has cohabited with the victim as a spouse, parent, or guardian, or by a person similarly situated to a spouse, parent, or guardian of the victim.

3. Upon the issuance of a protective order or entry of a judgment of conviction described in subsection 2, the court shall inform the person who is the subject of such order or conviction that the person shall not possess, ship, transport, or receive a firearm, offensive weapon, or ammunition while such order is in effect or until such conviction is vacated or until the person's rights have been restored in accordance with section 724.27.

4. Except as provided in section 809A.17, subsection 5, paragraph *"b"*, a court that issues an order or that enters a judgment of conviction described in subsection 2 and that finds the subject of the order or conviction to be in possession of any firearm, offensive weapon, or ammunition shall order that such firearm, offensive weapon, or ammunition be sold or transferred by a date certain to the custody of a qualified person in this state, as determined by the court. The qualified person must be able to lawfully possess such firearm, offensive

weapon, or ammunition in this state. If the court is unable to identify a qualified person to receive such firearm, offensive weapon, or ammunition, the court shall order that the firearm, offensive weapon, or ammunition be transferred by a date certain to the county sheriff or a local law enforcement agency designated by the court for safekeeping until a qualified person is identified to receive the firearm, offensive weapon, or ammunition, until such order is no longer in effect, until such conviction is vacated, or until the person's rights have been restored in accordance with section 724.27. If the firearm, offensive weapon, or ammunition is to be transferred to the sheriff's office or a local law enforcement agency, the court shall assess the person the reasonable cost of storing the firearm, offensive weapon, or ammunition, payable to the county sheriff or the local law enforcement agency.

5. Upon entry of an order described in subsection 2, the court shall enter the name, address, date of birth, driver's license number, or other identifying information of the person subject to the order into the Iowa criminal justice information system, the reason for the order, and the date by which the person is required to comply with any relinquishment order issued under subsection 4. At the time such order is no longer in effect, such information relating to the prohibition in subsection 3 shall be deleted from the Iowa criminal justice information system.

6. If a firearm, offensive weapon, or ammunition has been transferred to a qualified person pursuant to subsection 4 and the protective order described in subsection 2 is no longer in effect, the firearm, offensive weapon, or ammunition shall be returned to the person who was subject to the protective order within five days of that person's request to have the firearm, offensive weapon, or ammunition returned.

[C79, 81, §724.26]

90 Acts, ch 1147, §8; 97 Acts, ch 126, §47; 2002 Acts, ch 1055, §4; 2002 Acts, ch 1175, §94; 2002 Acts, 2nd Ex, ch 1003, §243, 262; 2010 Acts, ch 1083, §4; 2013 Acts, ch 90, §254

Referred to in §236.5, 724.8, 724.15, 724.25, 724.27

Exception; see §724.27

Subsection 2, paragraph c amended

**724.27 Offenders' rights restored.**

1. The provisions of section 724.8, section 724.15, subsection 1, and section 724.26 shall not apply to a person who is eligible to have the person's civil rights regarding firearms restored under section 914.7 if any of the following occur:

*a.* The person is pardoned by the President of the United States or the chief executive of a state for a disqualifying conviction.

*b.* The person's civil rights have been restored after a disqualifying conviction, commitment, or adjudication.

*c.* The person's conviction for a disqualifying offense has been expunged.

2. Subsection 1 shall not apply to a person whose pardon, restoration of civil rights, or expungement of conviction expressly forbids the person to receive, transport, or possess firearms or destructive devices.

[C79, 81, §724.27]

94 Acts, ch 1172, §57; 2010 Acts, ch 1178, §16, 19

Referred to in §724.26

**724.28 Prohibition of regulation by political subdivisions.**

A political subdivision of the state shall not enact an ordinance regulating the ownership, possession, legal transfer, lawful transportation, registration, or licensing of firearms when the ownership, possession, transfer, or transportation is otherwise lawful under the laws of this state. An ordinance regulating firearms in violation of this section existing on or after April 5, 1990, is void.

90 Acts, ch 1147, §9

**724.29 Firearm devices.**

A person who sells or offers for sale a manual or power-driven trigger activating device constructed and designed so that when attached to a firearm increases the rate of fire of the firearm is guilty of an aggravated misdemeanor.

90 Acts, ch 1147, §10

**724.30 Reckless use of a firearm.**

A person who intentionally discharges a firearm in a reckless manner commits the following:

1. A class "C" felony if a serious injury occurs.
2. A class "D" felony if a bodily injury which is not a serious injury occurs.
3. An aggravated misdemeanor if property damage occurs without a serious injury or bodily injury occurring.
4. A simple misdemeanor if no injury to a person or damage to property occurs.

94 Acts, ch 1172, §58

**724.31 Persons subject to firearm disabilities due to mental health commitments or adjudications — relief from disabilities — reports.**

1. When a court issues an order or judgment under the laws of this state by which a person becomes subject to the provisions of 18 U.S.C. § 922(d)(4) and (g)(4), the clerk of the district court shall forward only such information as is necessary to identify the person to the department of public safety, which in turn shall forward the information to the federal bureau of investigation or its successor agency for the sole purpose of inclusion in the national instant criminal background check system database. The clerk of the district court shall also notify the person of the prohibitions imposed under 18 U.S.C. § 922(d)(4) and (g)(4).

2. A person who is subject to the disabilities imposed by 18 U.S.C. § 922(d)(4) and (g)(4) because of an order or judgment that occurred under the laws of this state may petition the court that issued the order or judgment or the court in the county where the person resides for relief from the disabilities imposed under 18 U.S.C. § 922(d)(4) and (g)(4). A copy of the petition shall also be served on the director of human services and the county attorney at the county attorney's office of the county in which the original order occurred, and the director or the county attorney may appear, support, object to, and present evidence relevant to the relief sought by the petitioner.

3. The court shall receive and consider evidence in a closed proceeding, including evidence offered by the petitioner, concerning all of the following:

*a.* The circumstances surrounding the original issuance of the order or judgment that resulted in the firearm disabilities imposed by 18 U.S.C. § 922(d)(4) and (g)(4).

*b.* The petitioner's record, which shall include, at a minimum, the petitioner's mental health records and criminal history records, if any.

*c.* The petitioner's reputation, developed, at a minimum, through character witness statements, testimony, and other character evidence.

*d.* Any changes in the petitioner's condition or circumstances since the issuance of the original order or judgment that are relevant to the relief sought.

4. The court shall grant a petition for relief filed pursuant to subsection 2 if the court finds by a preponderance of the evidence that the petitioner will not be likely to act in a manner dangerous to the public safety and that the granting of the relief would not be contrary to the public interest. A record shall be kept of the proceedings, but the record shall remain confidential and shall be disclosed only to a court in the event of an appeal. The petitioner may appeal a denial of the requested relief, and review on appeal shall be de novo. A person may file a petition for relief under subsection 2 not more than once every two years.

5. If a court issues an order granting a petition for relief filed pursuant to subsection 2, the clerk of the court shall immediately notify the department of public safety of the order granting relief under this section. The department of public safety shall, as soon thereafter as is practicable but not later than ten business days thereafter, update, correct, modify, or remove the petitioner's record in any database that the department of public safety makes available to the national instant criminal background check system and shall notify the United

States department of justice that the basis for such record being made available no longer applies.

2010 Acts, ch 1178, §17, 19; 2011 Acts, ch 72, §1 – 3

Referred to in §229.24, 602.8102(125A)

2011 amendment takes effect April 19, 2011, and also applies to information in an order or judgment specified in subsection 2 issued prior to that date which is determined necessary to identify a person subject to such order or judgment, if such order or judgment is available electronically in the Iowa court information system; department of public safety to notify Code editor upon fulfillment of requirements; 2011 Acts, ch 72, §2, 3; Code editor notified by department of public safety that as of May 7, 2012, information relating to orders or judgments issued prior to April 19, 2011, was not transmitted to the department, and the retroactive reporting requirement imposed by 2011 Acts, ch 72, §3, has not been fulfilled

# CHAPTER 725

## VICE

Referred to in §232C.4, 331.307, 364.22, 701.1, 714B.9


725.1 Prostitution.
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**725.1 Prostitution.**

A person who sells or offers for sale the person's services as a partner in a sex act, or who purchases or offers to purchase such services, commits an aggravated misdemeanor.

[C97, §4943; C24, 27, 31, 35, 39, §**13173;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §724.1; C79, 81, §725.1]

Referred to in §232.68, 321.375, 911.3

**725.2 Pimping.**

A person who solicits a patron for a prostitute, or who knowingly takes or shares in the earnings of a prostitute, or who knowingly furnishes a room or other place to be used for the purpose of prostitution, whether for compensation or not, commits a class "D" felony.

[C51, §2710; R60, §4352; C73, §4013; C97, §4939; S13, §4975-c; C24, 27, 31, 35, 39, §**13174, 13175;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §724.2, 724.3; C79, 81, §725.2]

Referred to in §321.375, 692A.102, 692A.126, 911.3

**725.3 Pandering.**

1. A person who persuades, arranges, coerces, or otherwise causes another, not a minor, to become a prostitute or to return to the practice of prostitution after having abandoned it, or keeps or maintains any premises for the purposes of prostitution or takes a share in the income from such premises knowing the character and content of such income, commits a class "D" felony.

2. A person who persuades, arranges, coerces, or otherwise causes a minor to become a prostitute or to return to the practice of prostitution after having abandoned it, or keeps or maintains any premises for the purpose of prostitution involving minors or knowingly

shares in the income from such premises knowing the character and content of such income, commits a class "C" felony.

[C51, §2584; R60, §4207; C73, §3865; C97, §4760; S13, §4944-i, -j; C24, 27, 31, 35, 39, §**13179, 13181, 13182;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §724.7, 724.9, 724.10; C79, 81, §725.3]

86 Acts, ch 1046, §2; 87 Acts, ch 115, §82

Referred to in §229A.2, 321.375, 692A.102, 692A.126, 901A.1, 911.3

**725.4 Leasing premises for prostitution.**

A person who has rented or let any building, structure or part thereof, boat, trailer or other place offering shelter or seclusion, and who knows, or has reason to know, that the lessee or tenant is using such for the purposes of prostitution, and who does not, immediately upon acquiring such knowledge, terminate the tenancy or effectively put an end to such practice of prostitution in such place, commits a serious misdemeanor.

[C51, §2712; R60, §4354; C73, §4015; C97, §4941; C24, 27, 31, 35, 39, §**13178;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §724.6; C79, 81, §725.4]

**725.5 Keeping gambling houses.**

Any person who keeps a house, shop, or place resorted to for the purpose of gambling, or permits any person in any house, shop, or other place under the person's control or care to conduct bookmaking or to play at cards, dice, faro, roulette, equality, punchboard, slot machine or other game for money or other thing, commits a serious misdemeanor.

[C51, §2721; R60, §4363; C73, §4026; C97, §4962; C24, 27, 31, 35, 39, §**13198;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §726.1; C79, 81, §725.5]

Referred to in §709A.1, 725.6, 725.15

**725.6 "Keeper" defined.**

In a prosecution under section 725.5, any person who has the charge of or attends to any such house, shop, or place is the keeper thereof.

[C51, §2721; R60, §4363; C73, §4026; C97, §4962; C24, 27, 31, 35, 39, §**13199;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §726.2; C79, 81, §725.6]

Referred to in §725.15

**725.7 Gaming and betting — penalty.**

1. Except as permitted in chapters 99B and 99D, a person shall not do any of the following:

*a.* Participate in a game for any sum of money or other property of any value.

*b.* Make any bet.

*c.* For a fee, directly or indirectly, give or accept anything of value to be wagered or to be transmitted or delivered for a wager to be placed within or without the state of Iowa.

*d.* For a fee, deliver anything of value which has been received outside the enclosure of a racetrack licensed under chapter 99D to be placed as wagers in the pari-mutuel pool or other authorized systems of wagering.

*e.* Engage in bookmaking.

2. A person who violates this section is guilty of the following:

*a.* Illegal gaming in the fourth degree if the sum of money or value of other property involved does not exceed one hundred dollars. Illegal gaming in the fourth degree constitutes the following:

(1) A serious misdemeanor for a first offense.

(2) An aggravated misdemeanor for a second offense.

(3) A class "D" felony for a third offense.

(4) A class "C" felony for a fourth or subsequent offense.

*b.* Illegal gaming in the third degree if the sum of money or value of other property involved exceeds one hundred dollars but does not exceed five hundred dollars. Illegal gaming in the third degree constitutes the following:

(1) An aggravated misdemeanor for a first offense.

(2) A class "D" felony for a second offense.

(3) A class "C" felony for a third or subsequent offense.

*c.* Illegal gaming in the second degree if the sum of money or value of other property

involved exceeds five hundred dollars but does not exceed five thousand dollars. Illegal gaming in the second degree constitutes the following:

(1) A class "D" felony for a first offense.

(2) A class "C" felony for a second or subsequent offense.

*d.* Illegal gaming in the first degree if the sum of money or value of other property involved exceeds five thousand dollars. Illegal gaming in the first degree constitutes a class "C" felony.

[C51, §2723; R60, §4365; C73, §4028; C97, §4964; C24, 27, 31, 35, 39, §**13202;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §726.3; C79, 81, §725.7]

83 Acts, ch 187, §34; 89 Acts, ch 296, §88

Referred to in §99D.24, 99F.15, 725.15

**725.8 Wagers — forfeiture.**

Property, whether real or personal, offered as a stake, or any moneys, property, or other thing of value staked, paid, bet, wagered, laid, or deposited in connection with or as a part of any game of chance, lottery, gambling scheme or device, gift enterprise, or other trade scheme unlawful under the laws of this state shall be forfeited to the state and said personal property may be seized and disposed of under chapter 809.

[C24, 27, 31, 35, 39, §**13203;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §726.4; C79, 81, §725.8]

Referred to in §725.15

**725.9 Possession of gambling devices prohibited — exception for manufacturing.**

1. *"Antique slot machine"* means a slot machine which is twenty-five years old or older.

2. *"Gambling device"* means a device used or adapted or designed to be used for gambling and includes, but is not limited to, roulette wheels, klondike tables, punchboards, faro layouts, keno layouts, numbers tickets, slot machines, pachislo skill-stop machine or any other similar machine or device, push cards, jar tickets and pull-tabs. However, *"gambling device"* does not include an antique slot machine, or any device regularly manufactured and offered for sale and sold as a toy, except that any use of such a toy or antique slot machine for gambling purposes constitutes unlawful gambling.

3. A person who, in any manner or for any purpose, except under a proceeding to destroy the device, has in possession or control a gambling device is guilty of a serious misdemeanor.

4. This chapter does not prohibit the possession of gambling devices by a manufacturer or distributor if the possession is solely for sale out of the state in another jurisdiction where possession of the device is legal or for sale in the state or use in the state if the use is licensed pursuant to either chapter 99B or chapter 99G.

[S13, §4965-a; C24, 27, 31, 35, 39, §**13210;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §726.5; C79, 81, §725.9]

85 Acts, ch 32, §118; 86 Acts, ch 1052, §3; 90 Acts, ch 1062, §2; 2003 Acts, ch 178, §117, 121; 2003 Acts, ch 179, §142; 2007 Acts, ch 38, §9, 10

Referred to in §99A.1, 99B.10, 99B.18, 725.15

See chapter 99A

**725.10 Pool selling — places used.**

Any person who records or registers bets or wagers or sells pools upon the result of any trial or contest of skill, speed, or power of endurance of human or beast, or upon the result of any political nomination or election, and any person who keeps a place for the purpose of doing any such thing, and any owner, lessee, or occupant of any premises, who knowingly permits the same, or any part thereof, to be used for any such purpose, and anyone who, as custodian or depositary thereof, for hire or reward, receives any money, property, or thing of value staked, wagered, or bet upon any such result, shall be guilty of a serious misdemeanor.

[C97, §4966; C24, 27, 31, 35, 39, §**13216;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §726.6; C79, 81, §725.10]

Referred to in §709A.1, 725.15

**725.11 Bullfights and other contests.** Repealed by 2004 Acts, ch 1056, § 9, 10. See chapter 717D.

**725.12 Lotteries and lottery tickets — definition — prosecution.**

1. If any person makes or aids in making or establishing, or advertises or makes public a scheme for a lottery; or advertises, offers for sale, sells, distributes, negotiates, disposes of, purchases, or receives a ticket or part of a ticket in a lottery or number of a ticket in a lottery; or has in the person's possession a ticket, part of a ticket, or paper purporting to be the number of a ticket of a lottery, with the intent to sell or dispose of the ticket, part of a ticket, or paper on the person's own account or as the agent of another, the person commits a serious misdemeanor. However, this section does not prohibit the advertising of a lottery or possession by a person of a lottery ticket, part of a ticket, or number of a lottery ticket from a lottery legally operated or permitted under the laws of another jurisdiction. This section also does not prohibit the advertising of a lottery, game of chance, contest, or activity conducted by a not-for-profit organization that would qualify as tax exempt under section 501 of the Internal Revenue Code, as defined in section 422.3, or conducted by a commercial organization as a promotional activity which is clearly occasional and ancillary to the primary business of that organization, provided that the effective dates on any promotional activity shall be clearly stated on all promotional materials. A lottery, game of chance, contest, or activity shall be presumed to be a promotional activity which is not occasional if the lottery, game of chance, contest, or activity is in effect or available to the public for a period of more than ninety days within a one-year period.

2. A commercial organization shall not conduct a promotional activity that involves the sale of pull-tab tickets or instant tickets, as defined in section 99G.3, coupons, or tokens that are not authorized by the Iowa lottery authority and that may represent a chance to win a cash prize to be paid on the premises where the chance to win such prize was obtained. This subsection shall not be construed to prohibit a commercial organization from giving away pull-tab tickets, instant tickets, coupons, or tokens free of charge as part of a promotional activity, provided that the other provisions of this section are complied with. For purposes of this subsection, *"cash"* means United States currency.

3. When used in this section, *"lottery"* shall mean any scheme, arrangement, or plan whereby one or more prizes are awarded by chance or any process involving a substantial element of chance to a participant, and where some or all participants have paid or furnished a consideration for such chance.

4. For the purpose of determining the existence of a lottery under this section, a consideration shall not be deemed to have been paid or furnished where all or substantially all entries representing chances to win are submitted by means of the internet or the United States mail or by similar delivery method to the person or persons conducting the lottery, game of chance, contest, or activity prior to any prize being awarded, and where one or more of such chances to win may be obtained by participants where no purchase or payment is required to enter or win. In all other cases, a consideration shall be deemed to have been paid or furnished only in such cases where as a direct or indirect requirement or condition of obtaining a chance to win one or more prizes, some or all participants make an expenditure of money or something of monetary value through a purchase, payment of an entry or admission fee, or other payment or the participants are required to make a substantial expenditure of effort; provided, however, that no substantial expenditure of effort shall be deemed to have been expended by any participant solely by reason of the registration of the participant's name, address, and related information, the obtaining of an entry blank or participation sheet, by permitting or taking part in a demonstration of any article or commodity, by making a personal examination of posted lists of prize winners, or by acts of a comparable nature, whether performed or accomplished in person at any store, place of business, or other designated location, through the mails, or by telephone; and further provided, that no participant shall be required to be present in person or by representative at any designated location at the time of the determination of the winner of the prize, and that the winner shall be notified either by the same method used to communicate the offering of the prize or by regular mail.

5. Upon request of the Iowa lottery authority or the division of criminal investigation of the department of public safety, the attorney general shall institute in the name of the state the proper proceedings against a person charged in such request with violating this section,

and a county attorney may, at the request of the attorney general, appear and prosecute an action when brought in the county attorney's county.

[C51, §2730; R60, §4377; C73, §4043; C97, §5000; C24, 27, 31, 35, 39, §**13218;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §726.8; C79, 81, §725.12]

85 Acts, ch 33, §125; 89 Acts, ch 48, §1; 2005 Acts, ch 81, §1; 2006 Acts, ch 1010, §160

Referred to in §725.15

**725.13 Definition of bookmaking.**

"*Bookmaking*" means advancing gambling activity by accepting bets upon the outcome of future contingent events as a business other than as permitted in chapters 99B, 99D, and 99F. These events include, but are not limited to, the results of a trial or contest of skill, speed, power, or endurance of a person or beast or between persons, beasts, fowl, motor vehicles, or mechanical apparatus or upon the result of any chance, casualty, unknown, or contingent event.

83 Acts, ch 187, §35; 89 Acts, ch 67, §27

**725.14 Exception for state racing and gaming commission and pari-mutuel betting.**

This chapter does not prohibit the establishment and operation of a state racing and gaming commission and pari-mutuel betting on horse or dog races as provided in chapter 99D.

83 Acts, ch 187, §35

**725.15 Exceptions for legal gambling.**

Sections 725.5 to 725.10 and 725.12 do not apply to a game, activity, ticket, or device when lawfully possessed, used, conducted, or participated in pursuant to chapter 99B, 99F, or 99G.

[C75, 77, §726.11; C79, 81, §725.15]

85 Acts, ch 33, §126; 86 Acts, ch 1125, §5; 88 Acts, ch 1136, §2; 89 Acts, ch 67, §28; 2003 Acts, ch 178, §118, 121; 2003 Acts, ch 179, §142

**725.16 Gambling penalty.**

A person who commits an offense declared in chapter 99B to be a misdemeanor shall be guilty of a serious misdemeanor.

[C51, §2721, 2730; R60, §4363, 4377; C73, §4026, 4043; C97, §4962, 5000; C24, 27, 31, 35, 39, §**13198, 13218;** C46, 50, 54, 58, 62, 66, 71, 73, §726.1, 726.8; C75, §99B.9, 726.1, 726.8; C77, §726.14; C79, 81, §725.16]

92 Acts, ch 1203, §20; 2003 Acts, ch 147, §4, 7

**725.17 Protection money prohibited.**

Any officer or employee of this state, or of a county, city, or judicial district who asks for, receives or collects any money or other consideration for and with the understanding that the officer or employee will aid, exempt, or otherwise protect another person from detection, arrest or conviction of any violation of this chapter or chapter 99B commits an aggravated misdemeanor.

[C77, §726.15; C79, 81, §725.17]

**725.18 Collection service prohibited.**

Any person who knowingly offers, gives or sells the person's services for use in collecting or enforcing any debt arising from gambling, whether or not lawful gambling, commits an aggravated misdemeanor.

[C77, §726.16; C79, 81, §725.18]

**725.19 Gambling by underage persons.**

1. Any person under the age of twenty-one years shall not make or attempt to make a gambling wager, except as permitted under chapter 99B. A person who violates this subsection commits a scheduled violation under section 805.8C, subsection 5, paragraph "*a*".

2. A person who knowingly permits a person under the age of twenty-one years to make

or attempt to make a gambling wager, except as permitted under chapter 99B, is guilty of a simple misdemeanor.

2004 Acts, ch 1136, §57; 2009 Acts, ch 88, §4
Referred to in §99B.7B, 805.8C(5a)

# CHAPTER 726

## PROTECTION OF THE FAMILY AND DEPENDENT PERSONS

Referred to in §232.83, 331.307, 364.22, 692A.102, 692A.126, 701.1, 709.13, 915.35, 915.84

Victim counselor privilege; see §915.20A
Complaint alleging a child is in need of assistance; see §709.13

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## SUBCHAPTER I

## CRIMINAL VIOLATIONS AND PENALTIES

**726.1 Bigamy.**

1. *a.* Any person, having a living husband or wife, who marries another, commits bigamy.

*b.* Any person who marries another who the person knows has another living husband or wife commits bigamy.

2. Bigamy is a serious misdemeanor.

3. Any of the following is a defense to the charge of bigamy:

*a.* The prior marriage was terminated in accordance with applicable law, or the person reasonably believes on reasonably convincing evidence that the prior marriage was so terminated.

*b.* The person believes, on reasonably convincing evidence, that the prior spouse is dead.

*c.* The person has, for three years, had no evidence by which the person can reasonably believe that the prior spouse is alive.

[C51, §2706 – 2708; R60, §4348 – 4350; C73, §4009 – 4011; C97, §4933 – 4935; C24, 27, 31, 35, 39, §**12975 – 12977;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §703.1 – 703.3; C79, 81, §726.1]

2013 Acts, ch 90, §236
Section amended

**726.2 Incest.**

A person, except a child as defined in section 702.5, who performs a sex act with another whom the person knows to be related to the person, either legitimately or illegitimately, as

an ancestor, descendant, brother or sister of the whole or half blood, aunt, uncle, niece, or nephew, commits incest. Incest is a class "D" felony.

[R60, §4367 – 4369; C73, §4030; C97, §4936; C24, 27, 31, 35, 39, §**12978;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §704.1; C79, 81, §726.2]

86 Acts, ch 1105, §1

Referred to in §232.68, 232.82, 235B.2, 235E.1, 272.2, 692A.102, 692A.121, 802.2A, 903B.2, 915.36, 915.37

**726.3 Neglect or abandonment of a dependent person.**

A person who is the father, mother, or some other person having custody of a child, or of any other person who by reason of mental or physical disability is not able to care for the person's self, who knowingly or recklessly exposes such person to a hazard or danger against which such person cannot reasonably be expected to protect such person's self or who deserts or abandons such person, knowing or having reason to believe that the person will be exposed to such hazard or danger, commits a class "C" felony. However, a parent or person authorized by the parent shall not be prosecuted for a violation of this section involving abandonment of a newborn infant, if the parent or the person authorized by the parent has voluntarily released custody of the newborn infant in accordance with section 233.2.

[C51, §2589; R60, §4212; C73, §3870; C97, §4766; C24, 27, 31, 35, 39, §**13236;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §731.7; C79, 81, §726.3]

2001 Acts, ch 67, §11, 13; 2002 Acts, ch 1119, §103

Referred to in §233.3, 252B.7, 600B.29, 726.4, 915.37

**726.4 Husband or wife may be witness.**

In all prosecutions under section 726.3, 726.5 or 726.6, the husband or wife is a competent witness for the state and may testify to relevant acts or communications between them.

[S13, §4775-b; C24, 27, 31, 35, 39, §**13231;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §731.2; C79, 81, §726.4]

83 Acts, ch 37, §6

Referred to in §600B.29

**726.5 Nonsupport.**

A person, who being able to do so, fails or refuses to provide support for the person's child or ward under the age of eighteen years for a period longer than one year or in an amount greater than five thousand dollars commits nonsupport; provided that no person shall be held to have violated this section who fails to support any child or ward under the age of eighteen who has left the home of the parent or other person having legal custody of the child or ward without the consent of that parent or person having legal custody of the child or ward. *"Support"*, for the purposes of this section, means any support which has been fixed by court order, or, in the absence of any such order or decree, the minimal requirements of food, clothing or shelter. Nonsupport is a class "D" felony.

[S13, §4775-a; C24, 27, 31, 35, 39, §**13230;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §731.1; C79, 81, §726.5]

2006 Acts, ch 1119, §8

Referred to in §252B.7, 600B.29, 726.4

**726.6 Child endangerment.**

1. A person who is the parent, guardian, or person having custody or control over a child or a minor under the age of eighteen with a mental or physical disability, or a person who is a member of the household in which a child or such a minor resides, commits child endangerment when the person does any of the following:

*a.* Knowingly acts in a manner that creates a substantial risk to a child or minor's physical, mental or emotional health or safety.

*b.* By an intentional act or series of intentional acts, uses unreasonable force, torture or cruelty that results in bodily injury, or that is intended to cause serious injury.

*c.* By an intentional act or series of intentional acts, evidences unreasonable force, torture or cruelty which causes substantial mental or emotional harm to a child or minor.

*d.* Willfully deprives a child or minor of necessary food, clothing, shelter, health care

or supervision appropriate to the child or minor's age, when the person is reasonably able to make the necessary provisions and which deprivation substantially harms the child or minor's physical, mental or emotional health. For purposes of this paragraph, the failure to provide specific medical treatment shall not for that reason alone be considered willful deprivation of health care if the person can show that such treatment would conflict with the tenets and practice of a recognized religious denomination of which the person is an adherent or member. This exception does not in any manner restrict the right of an interested party to petition the court on behalf of the best interest of the child or minor.

*e.* Knowingly permits the continuing physical or sexual abuse of a child or minor. However, it is an affirmative defense to this subsection if the person had a reasonable apprehension that any action to stop the continuing abuse would result in substantial bodily harm to the person or the child or minor.

*f.* Abandons the child or minor to fend for the child or minor's self, knowing that the child or minor is unable to do so.

*g.* Knowingly permits a child or minor to be present at a location where amphetamine, its salts, isomers, or salts of isomers, or methamphetamine, its salts, isomers, or salts of isomers, is manufactured in violation of section 124.401, subsection 1, or where a product is possessed in violation of section 124.401, subsection 4.

*h.* Knowingly allows a person custody or control of, or unsupervised access to a child or a minor after knowing the person is required to register or is on the sex offender registry as a sex offender under chapter 692A. However, this paragraph does not apply to a person who is a parent or guardian of a child or a minor, who is required to register as a sex offender, or to a person who is married to and living with a person required to register as a sex offender.

2. A parent or person authorized by the parent shall not be prosecuted for a violation of subsection 1, paragraph "*f*", relating to abandonment, if the parent or person authorized by the parent has voluntarily released custody of a newborn infant in accordance with section 233.2.

3. For the purposes of subsection 1, *"person having control over a child or a minor"* means any of the following:

*a.* A person who has accepted, undertaken, or assumed supervision of a child or such a minor from the parent or guardian of the child or minor.

*b.* A person who has undertaken or assumed temporary supervision of a child or such a minor without explicit consent from the parent or guardian of the child or minor.

*c.* A person who operates a motor vehicle with a child or such a minor present in the vehicle.

4. A person who commits child endangerment resulting in the death of a child or minor is guilty of a class "B" felony. Notwithstanding section 902.9, subsection 1, paragraph "*b*", a person convicted of a violation of this subsection shall be confined for no more than fifty years.

5. A person who commits child endangerment resulting in serious injury to a child or minor is guilty of a class "C" felony.

6. A person who commits child endangerment resulting in bodily injury to a child or minor or child endangerment in violation of subsection 1, paragraph "*g*", that does not result in a serious injury, is guilty of a class "D" felony.

7. A person who commits child endangerment that is not subject to penalty under subsection 4, 5, or 6 is guilty of an aggravated misdemeanor.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §731A.1 – 731A.3; C79, 81, §726.6]

85 Acts, ch 180, §3; 96 Acts, ch 1129, §109; 2001 Acts, ch 3, §2 – 5; 2001 Acts, ch 67, §12, 13; 2002 Acts, ch 1119, §104; 2004 Acts, ch 1004, §1; 2004 Acts, ch 1151, §3, 4; 2005 Acts, ch 158, §31; 2007 Acts, ch 126, §109; 2009 Acts, ch 119, §65; 2013 Acts, ch 30, §252

Referred to in §124.401C, 229A.2, 232.68, 233.3, 252B.7, 702.11, 707.2, 726.4, 726.6A, 915.37

Definition of forcible felony; §702.11

Subsection 4 amended

**726.6A Multiple acts of child endangerment — penalty.**

A person who engages in a course of conduct including three or more acts of child endangerment as defined in section 726.6 within a period of twelve months involving the

same child or a minor with a mental or physical disability, where one or more of the acts results in serious injury to the child or minor or results in a skeletal injury to a child under the age of four years, is guilty of a class "B" felony. Notwithstanding section 902.9, subsection 1, paragraph *"b"*, a person convicted of a violation of this section shall be confined for no more than fifty years.

94 Acts, ch 1172, §59; 96 Acts, ch 1129, §110; 2013 Acts, ch 30, §253
Section amended

**726.7 Wanton neglect of a resident of a health care facility.**

1. A person commits wanton neglect of a resident of a health care facility when the person knowingly acts in a manner likely to be injurious to the physical or mental welfare of a resident of a health care facility as defined in section 135C.1.

2. A person who commits wanton neglect resulting in serious injury to a resident of a health care facility is guilty of a class "C" felony.

3. A person who commits wanton neglect not resulting in serious injury to a resident of a health care facility is guilty of an aggravated misdemeanor.

[C79, 81, §726.7]
91 Acts, ch 107, §13

**726.8 Wanton neglect or nonsupport of a dependent adult.**

1. A caretaker commits wanton neglect of a dependent adult if the caretaker knowingly acts in a manner likely to be injurious to the physical, mental, or emotional welfare of a dependent adult. Wanton neglect of a dependent adult is a serious misdemeanor.

2. A person who has legal responsibility either through contract or court order for support of a dependent adult and who fails or refuses to provide support commits nonsupport. Nonsupport is a class "D" felony.

3. A person alleged to have committed wanton neglect or nonsupport of a dependent adult shall be charged with the respective offense unless a charge may be brought based upon a more serious offense, in which case the charge of the more serious offense shall supersede the less serious charge.

4. For the purposes of this section, *"dependent adult"* means a dependent adult as defined in section 235B.2, subsection 4, and *"caretaker"* means a caretaker as defined in section 235B.2, subsection 1.

87 Acts, ch 182, §10

**726.9** Reserved.

**726.10 Sexual motivation.**

A person convicted of any indictable offense under this subchapter shall be required to register as a sex offender pursuant to the provisions of chapter 692A, if the offense was committed against a minor and the fact finder makes a determination that the offense was sexually motivated pursuant to section 692A.126.

2010 Acts, ch 1104, §22, 23

**726.11 through 726.20** Reserved.

## SUBCHAPTER II

## CHILD IDENTIFICATION AND PROTECTION ACT

**726.21 Short title.**

This subchapter shall be known as and may be cited as the *"Child Identification and Protection Act"*.

2005 Acts, ch 132, §1

**726.22 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Child"* means any person under eighteen years of age.

2. *"Governmental unit"* means the state, or any county, municipality, or other political subdivision of the state, or any department, board, division, or other agency of any of these entities; an authorized representative of the state, or any county, municipality, or other political subdivision of the state, or of a department, board, division, or other agency of any of these entities; or a school district or an authorized representative of a school district.

2005 Acts, ch 132, §2

**726.23 Fingerprinting of children prohibited — exception — conditions.**

1. Except as provided in subsection 2, a governmental unit shall not fingerprint a child.

2. A governmental unit may fingerprint a child if one or more of the following conditions apply:

*a.* (1) A parent or guardian has given written authorization for the taking of the fingerprints for use in the future in case the child becomes a runaway or a missing child. Only one set of prints shall be taken and the completed fingerprint cards and written authorizations shall be given to the parent or guardian. The fingerprints, written authorizations for fingerprinting, or notice of the fingerprints' existence shall not be recorded, stored, or kept in any manner by a law enforcement agency, except as provided in this subchapter or except at the request of the parent or guardian if the child becomes a runaway or a missing child. When the child is located or the case is otherwise disposed of, the fingerprint cards shall be returned to the parents or guardian.

(2) Nothing in this paragraph *"a"* shall be construed to prohibit a governmental unit from taking the fingerprints of a child at the Iowa state fair or a county or district fair as defined in section 174.1 as long as the governmental unit complies with the requirements of this paragraph *"a"*.

*b.* Fingerprints are required to be taken pursuant to section 232.148, 690.2, or 690.4.

*c.* Fingerprints are required by court order.

*d.* Fingerprints are voluntarily given with the written permission of the child and parent or guardian, upon request of a law enforcement officer, to aid in a specific criminal investigation. Only one set of prints shall be taken and, upon completion of the investigation, the law enforcement agency shall return the fingerprint cards to the parent or guardian of the child.

2005 Acts, ch 132, §3; 2008 Acts, ch 1038, §1

# CHAPTER 727

## HEALTH, SAFETY AND WELFARE

Referred to in §331.307, 364.22, 701.1


727.1 Distributing dangerous substances.
727.2 Fireworks.
727.3 Abandoned or unattended refrigerators.
727.4 Exposing persons to X-ray radiation.
727.5 Obstruction of emergency communications.
727.6 Falsely claiming emergency.
727.7 Publication required.
727.8 Electronic and mechanical eavesdropping.
727.9 Transacting business without a license.
727.10 Exhibiting persons.
727.11 Disclosure of information concerning use of videotapes — penalty.


**727.1 Distributing dangerous substances.**

Any person who distributes samples of any drugs or medicine, or any corrosive, caustic, poisonous or other injurious substance, commits a simple misdemeanor unless the person

delivers such into the hands of a competent person, or otherwise takes reasonable precautions that the substance will not be taken by children or animals from the place where the substance is deposited.

[S13, §4999-a42, 4999-a43; C24, 27, 31, 35, 39, §**13244, 13245;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §732.8, 732.9; C79, 81, §727.1]

**727.2 Fireworks.**

1. The term *"fireworks"* includes any explosive composition, or combination of explosive substances, or article prepared for the purpose of producing a visible or audible effect by combustion, explosion, deflagration, or detonation, and includes blank cartridges, firecrackers, torpedoes, skyrockets, roman candles, or other fireworks of like construction and fireworks containing any explosive or flammable compound, or other device containing any explosive substance. The term *"fireworks"* does not include goldstar-producing sparklers on wires which contain no magnesium or chlorate or perchlorate, flitter sparklers in paper tubes that do not exceed one-eighth of an inch in diameter, toy snakes which contain no mercury, or caps used in cap pistols.

2. A person, firm, partnership, or corporation who offers for sale, exposes for sale, sells at retail, or uses or explodes any fireworks, commits a simple misdemeanor. In addition to any other penalties, the punishment imposed for a violation of this section shall include assessment of a fine of not less than two hundred fifty dollars. However, the council of a city or a county board of supervisors may, upon application in writing, grant a permit for the display of fireworks by municipalities, fair associations, amusement parks, and other organizations or groups of individuals approved by the city or the county board of supervisors when the fireworks display will be handled by a competent operator, but no such permit shall be required for the display of fireworks at the Iowa state fairgrounds by the Iowa state fair board, at incorporated county fairs, or at district fairs receiving state aid. Sales of fireworks for such display may be made for that purpose only.

3. *a.* This section does not prohibit the sale by a resident, dealer, manufacturer, or jobber of such fireworks as are not prohibited by this section, or the sale of any kind of fireworks if they are to be shipped out of the state, or the sale or use of blank cartridges for a show or the theater, or for signal purposes in athletic sports or by railroads or trucks, for signal purposes, or by a recognized military organization.

*b.* This section does not apply to any substance or composition prepared and sold for medicinal or fumigation purposes.

[C39, §**13245.08 – 13245.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §732.17 – 732.19; C79, 81, §727.2]

92 Acts, ch 1163, §120; 99 Acts, ch 153, §22; 2008 Acts, ch 1032, §106

Referred to in §101A.1, 331.304, 461A.42

**727.3 Abandoned or unattended refrigerators.**

Any person who abandons or otherwise leaves unattended any refrigerator, icebox, or similar container, with doors that may become locked, outside of buildings and accessible to children, or any person who allows any such refrigerator, ice box, or similar container, to remain outside of buildings on premises in the person's possession or control, abandoned or unattended and so accessible to children, commits a simple misdemeanor.

[C58, 62, 66, 71, 73, 75, 77, §732.20 – 732.23; C79, 81, §727.3]

**727.4 Exposing persons to X-ray radiation.**

Any person other than one licensed to practice medicine, osteopathic medicine, chiropractic, or dentistry, or one acting under the direction of a person so licensed, who knowingly exposes any other person to X-ray radiation, commits a simple misdemeanor.

[C62, 66, 71, 73, 75, 77, §732.24; C79, 81, §727.4]

**727.5 Obstruction of emergency communications.**

An emergency communication is any telephone call or radio transmission to a fire department or police department for aid, or a call or transmission for medical aid or

ambulance service, when human life or property is in jeopardy and the prompt summoning of aid is essential. A person who fails to relinquish a telephone or telephone line which the person is using when informed that the phone or line is needed for an emergency call or knowingly and intentionally obstructs or interferes with an emergency call or transmission commits a simple misdemeanor.

[C62, 66, 71, 73, 75, 77, §714.33, 714.34; C79, 81, §727.5]

87 Acts, ch 12, §1

Referred to in §727.7

**727.6 Falsely claiming emergency.**

Any person who secures the use of a telephone or telephone line by falsely stating that such telephone or line is needed for an emergency call commits a simple misdemeanor.

[C62, 66, 71, 73, 75, 77, §714.35; C79, 81, §727.6]

Referred to in §727.7

**727.7 Publication required.**

Every telephone company doing business in this state shall print a copy of sections 727.5 and 727.6 in a prominent place in every telephone directory published by it. Any person, firm, or corporation providing telephone service which distributes or causes to be distributed in this state copies of a telephone directory which is subject to the provisions of this section which does not contain the notice herein provided for commits a simple misdemeanor.

[C62, 66, 71, 73, 75, 77, §714.36; C79, 81, §727.7]

**727.8 Electronic and mechanical eavesdropping.**

Any person, having no right or authority to do so, who taps into or connects a listening or recording device to any telephone or other communication wire, or who by any electronic or mechanical means listens to, records, or otherwise intercepts a conversation or communication of any kind, commits a serious misdemeanor; provided, that the sender or recipient of a message or one who is openly present and participating in or listening to a communication shall not be prohibited hereby from recording such message or communication; and further provided, that nothing herein shall restrict the use of any radio or television receiver to receive any communication transmitted by radio or wireless signal.

[C97, §4816; C24, 27, 31, 35, 39, §**13121;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §716.8; C79, 81, §727.8]

**727.9 Transacting business without a license.**

Unless another penalty is specifically provided, any person who without a license carries on or transacts any business or occupation for which a license is required by any law of this state, commits a simple misdemeanor.

[C51, §2737; R60, §4380; C73, §4046; C97, §5010; C24, 27, 31, 35, 39, §**13072;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §713.27; C79, 81, §727.9]

**727.10 Exhibiting persons.**

A person shall not exhibit, place on exhibition, or cause to be exhibited any person without the permission of the person exhibited or the person's parent or guardian. A parent or guardian of an exhibited person shall not receive compensation from the exhibition. A person who violates this section commits a serious misdemeanor.

[S13, §4975-1a; C24, 27, 31, 35, 39, §**13197;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §725.12; C79, 81, §727.10]

95 Acts, ch 168, §1

**727.11 Disclosure of information concerning use of videotapes — penalty.**

1. Except as provided in subsection 2, a person engaged in the business of renting, leasing, loaning, or otherwise distributing for a fee videotapes or other like items to individuals for personal use shall not disclose any information which would reveal the identity of an individual renting, leasing, borrowing, or otherwise obtaining through the

business a videotape or other like item, except to the extent permitted by the individual as evidenced by the individual's written consent or as otherwise provided in this section.

2. In the absence of consent, the information may be released in any of the following situations:

*a.* To a criminal or juvenile justice agency only pursuant to an investigation of a particular person or organization suspected of committing a known crime. The information shall be released only upon a judicial determination that a rational connection exists between the requested release of information and a legitimate end and that the need for the information is cogent and compelling.

*b.* To the extent reasonably necessary to collect payment for the rental, lease, or other distribution fee for the materials, if the individual has been given written notice that the payment is due and the individual has failed to pay or arrange for payment within a reasonable time after this notice.

*c.* If the disclosure is for the exclusive purpose of marketing goods and services directly to the consumer. The person disclosing the information shall inform the customer in writing that the customer may, by written notice, require the person to refrain from disclosing the information pursuant to this paragraph.

3. A person who violates this section commits a simple misdemeanor.

88 Acts, ch 1256, §2; 89 Acts, ch 296, §89; 96 Acts, ch 1034, §64

# CHAPTER 727A

RESERVED

# CHAPTER 728

## OBSCENITY

Referred to in §232.83, 234.28, 331.307, 364.22, 701.1, 709.13, 809A.17

Victim counselor privilege; see §915.20A
Complaint alleging a child in need of assistance; see §709.13


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|---|---|
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| 728.15 | Telephone dissemination of obscene material to minors. |


**728.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Disseminate"* means to transfer possession, with or without consideration.

2. *"Knowingly"* means being aware of the character of the matter.

3. *"Material"* means any book, magazine, newspaper or other printed or written material or any picture, drawing, photograph, motion picture, or other pictorial representation or any statue or other figure, or any recording, transcription or mechanical, chemical or electrical reproduction or any other articles, equipment, machines or materials.

4. *"Minor"* means any person under the age of eighteen.

5. *"Obscene material"* is any material depicting or describing the genitals, sex acts, masturbation, excretory functions or sadomasochistic abuse which the average person, taking the material as a whole and applying contemporary community standards with respect to what is suitable material for minors, would find appeals to the prurient interest and is patently offensive; and the material, taken as a whole, lacks serious literary, scientific, political or artistic value.

6. *"Place of business"* means the premises of a business required to obtain a sales tax permit pursuant to chapter 423, the premises of a nonprofit or not-for-profit organization, and the premises of an establishment which is open to the public at large or where entrance is limited by a cover charge or membership requirement.

7. Unless otherwise provided, *"prohibited sexual act"* means any of the following:

*a.* A sex act as defined in section 702.17.

*b.* An act of bestiality involving a minor.

*c.* Fondling or touching the pubes or genitals of a minor.

*d.* Fondling or touching the pubes or genitals of a person by a minor.

*e.* Sadomasochistic abuse of a minor for the purpose of arousing or satisfying the sexual desires of a person who may view a visual depiction of the abuse.

*f.* Sadomasochistic abuse of a person by a minor for the purpose of arousing or satisfying the sexual desires of a person who may view a visual depiction of the abuse.

*g.* Nudity of a minor for the purpose of arousing or satisfying the sexual desires of a person who may view a visual depiction of the nude minor.

8. *"Promote"* means to procure, manufacture, issue, sell, give, provide, lend, mail, deliver, transfer, transmute, transmit, publish, distribute, circulate, disseminate, present, exhibit, or advertise, or to offer or agree to do any of these acts.

9. *"Sadomasochistic abuse"* means the infliction of physical or mental pain upon a person or the condition of a person being fettered, bound or otherwise physically restrained.

10. *"Sex act"* means any sexual contact, actual or simulated, either natural or deviate, between two or more persons, or between a person and an animal, by penetration of the penis into the vagina or anus, or by contact between the mouth or tongue and genitalia or anus, or by contact between a finger of one person and the genitalia of another person or by use of artificial sexual organs or substitutes therefor in contact with the genitalia or anus.

11. *"Visual depiction"* means but is not limited to any picture, slide, photograph, digital or electronic image, negative image, undeveloped film, motion picture, videotape, digital or electronic recording, live transmission, or other pictorial or three-dimensional representation.

[C75, 77, §725.1; C79, 81, §728.1]

83 Acts, ch 167, §1; 89 Acts, ch 263, §1; 97 Acts, ch 125, §2; 2005 Acts, ch 3, §111; 2012 Acts, ch 1057, §5, 6

Referred to in §15.301, 232.2, 232.68

**728.2 Dissemination and exhibition of obscene material to minors.**

Any person, other than the parent or guardian of the minor, who knowingly disseminates or exhibits obscene material to a minor, including the exhibition of obscene material so that it can be observed by a minor on or off the premises where it is displayed, is guilty of a public offense and shall upon conviction be guilty of a serious misdemeanor.

[C51, §2717; R60, §4359; C73, §4022; C97, §4951, 4955; C24, 27, 31, 35, 39, §**13189, 13193;** C46, 50, 54, 58, 62, 66, 71, 73, §725.4, 725.8; C75, 77, §725.2; C79, 81, §728.2]

Referred to in §272.2, 692A.102, 728.8, 728.9

**728.3 Admitting minors to premises where obscene material is exhibited.**

1. A person who knowingly sells, gives, delivers, or provides a minor who is not a child with a pass or admits the minor to premises where obscene material is exhibited is guilty of a public offense and upon conviction is guilty of a serious misdemeanor.

2. A person who knowingly sells, gives, delivers, or provides a child with a pass or admits

a child to premises where obscene material is exhibited is guilty of a public offense and upon conviction is guilty of an aggravated misdemeanor.

[C51, §2717; R60, §4359; C73, §4022; C97, §4951; S13, §4944-k; C24, 27, 31, 35, 39, §**13185, 13189;** C46, 50, 54, 58, 62, 66, 71, 73, §725.3, 725.4; C75, 77, §725.3; C79, 81, §728.3]

83 Acts, ch 167, §2

Referred to in §692A.102, 728.8, 728.9

**728.4 Rental or sale of hard-core pornography.**

A person who knowingly rents, sells, or offers for rental or sale material depicting patently offensive representations of oral, anal, or vaginal intercourse, actual or simulated, involving humans, or depicting patently offensive representations of masturbation, excretory functions, or bestiality, or lewd exhibition of the genitals, which the average adult taking the material as a whole in applying statewide contemporary community standards would find appeals to the prurient interest; and which material, taken as a whole, lacks serious literary, scientific, political, or artistic value, upon conviction is guilty of an aggravated misdemeanor. However, second and subsequent violations of this section by a person who has been previously convicted of violating this section are class "D" felonies. Charges under this section may only be brought by a county attorney or by the attorney general.

[C79, 81, §728.4; 82 Acts, ch 1115, §1]

83 Acts, ch 167, §3; 89 Acts, ch 263, §2

Referred to in §692A.102

**728.5 Public indecent exposure in certain establishments.**

1. An owner, manager, or person who exercises direct control over a place of business required to obtain a sales tax permit shall be guilty of a serious misdemeanor under any of the following circumstances:

*a.* If such person allows or permits the actual or simulated public performance of any sex act upon or in such place of business.

*b.* If such person allows or permits the exposure of the genitals or buttocks or female breast of any person who acts as a waiter or waitress.

*c.* If such person allows or permits the exposure of the genitals or female breast nipple of any person who acts as an entertainer, whether or not the owner of the place of business in which the activity is performed employs or pays any compensation to such person to perform such activity.

*d.* If such person allows or permits any person to remain in or upon the place of business who exposes to public view the person's genitals, pubic hair, or anus.

*e.* If such person advertises that any activity prohibited by this section is allowed or permitted in such place of business.

*f.* If such person allows or permits a minor to engage in or otherwise perform in a live act intended to arouse or satisfy the sexual desires or appeal to the prurient interests of patrons.

2. However, if such person allows or permits a minor to participate in any act included in subsection 1, paragraphs "*a*" through "*d*", the person shall be guilty of an aggravated misdemeanor.

3. Except for subsection 1, paragraph "*f*", the provisions of this section shall not apply to a theater, concert hall, art center, museum, or similar establishment which is primarily devoted to the arts or theatrical performances and in which any of the circumstances contained in this section were permitted or allowed as part of such art exhibits or performances.

[C79, 81, §728.5]

92 Acts, ch 1029, §1; 97 Acts, ch 125, §3; 2010 Acts, ch 1078, §2

Referred to in §728.8

**728.6 Civil suit to determine obscenity.**

Whenever the county attorney of any county has reasonable cause to believe that any person is engaged or plans to engage in the dissemination or exhibition of obscene material within the county attorney's county to minors the county attorney may institute a civil proceeding in the district court of the county to enjoin the dissemination or exhibition of obscene material to minors. Such application for injunction is optional and not mandatory

and shall not be construed as a prerequisite to criminal prosecution for a violation of this chapter.

[C75, 77, §725.4; C79, 81, §728.6]

**728.7 Exemptions for public libraries and educational institutions.**

Nothing in this chapter prohibits the use of appropriate material for educational purposes in any accredited school, or any public library, or in any educational program in which the minor is participating. Nothing in this chapter prohibits the attendance of minors at an exhibition or display of art works or the use of any materials in any public library.

[C75, 77, §725.5; C79, 81, §728.7]

**728.8 Suspension of licenses or permits.**

Any person who knowingly permits a violation of section 728.2, 728.3, or 728.5, subsection 1, paragraph "*f*", to occur on premises under the person's control shall have all permits and licenses issued to the person under state or local law as a prerequisite for doing business on such premises revoked for a period of six months. The county attorney shall notify all agencies responsible for issuing licenses and permits of any conviction under section 728.2, 728.3, or 728.5, subsection 1, paragraph "*f*".

[C75, 77, §725.6; C79, 81, §728.8]

92 Acts, ch 1029, §2; 97 Acts, ch 125, §4; 2011 Acts, ch 34, §148

Referred to in §331.756(79)

**728.9 Evidence considered.**

At a trial for violation of section 728.2 or 728.3 the court may consider the material, and receive into evidence in addition to other competent evidence, the offered testimony of experts pertaining to:

1. The artistic, literary, political or scientific value, if any, of the challenged material.
2. The degree of public acceptance within the community of the material or material of similar character.
3. The intent of the author, artist, producer, publisher or manufacturer in creating the material.
4. The advertising promotion and other circumstances relating to the sale of the material.

[C75, 77, §725.7; C79, 81, §728.9]

**728.10 Affirmative defense.**

In any prosecution for disseminating or exhibiting obscene material to minors, it is an affirmative defense that the defendant had reasonable cause to believe that the minor involved was eighteen years old or more and the minor exhibited to the defendant a draft card, driver's license, birth certificate or other official or apparently official document purporting to establish that such minor was eighteen years old or more or was accompanied by a parent or spouse eighteen years of age or more.

[C75, 77, §725.8; C79, 81, §728.10]

**728.11 Uniform application.**

In order to provide for the uniform application of the provisions of this chapter relating to obscene material applicable to minors within this state, it is intended that the sole and only regulation of obscene material shall be under the provisions of this chapter, and no municipality, county or other governmental unit within this state shall make any law, ordinance or regulation relating to the availability of obscene materials. All such laws, ordinances or regulations shall be or become void, unenforceable and of no effect on January 1, 1978. Nothing in this section shall restrict the zoning authority of cities and counties.

[C75, 77, §725.9; C79, 81, §728.11]

**728.12 Sexual exploitation of a minor.**

1. It shall be unlawful to employ, use, persuade, induce, entice, coerce, solicit, knowingly permit, or otherwise cause or attempt to cause a minor to engage in a prohibited sexual act

or in the simulation of a prohibited sexual act. A person must know, or have reason to know, or intend that the act or simulated act may be photographed, filmed, or otherwise preserved in a visual depiction. A person who commits a violation of this subsection commits a class "C" felony. Notwithstanding section 902.9, the court may assess a fine of not more than fifty thousand dollars for each offense under this subsection in addition to imposing any other authorized sentence.

2. It shall be unlawful to knowingly promote any material visually depicting a live performance of a minor engaging in a prohibited sexual act or in the simulation of a prohibited sexual act. A person who commits a violation of this subsection commits a class "D" felony. Notwithstanding section 902.9, the court may assess a fine of not more than twenty-five thousand dollars for each offense under this subsection in addition to imposing any other authorized sentence.

3. It shall be unlawful to knowingly purchase or possess a visual depiction of a minor engaging in a prohibited sexual act or the simulation of a prohibited sexual act. A visual depiction containing pictorial representations of different minors shall be prosecuted and punished as separate offenses for each pictorial representation of a different minor in the visual depiction. However, violations of this subsection involving multiple visual depictions of the same minor shall be prosecuted and punished as one offense. A person who commits a violation of this subsection commits an aggravated misdemeanor for a first offense and a class "D" felony for a second or subsequent offense. For purposes of this subsection, an offense is considered a second or subsequent offense if, prior to the person's having been convicted under this subsection, any of the following apply:

*a.* The person has a prior conviction or deferred judgment under this subsection.

*b.* The person has a prior conviction, deferred judgment, or the equivalent of a deferred judgment in another jurisdiction for an offense substantially similar to the offense defined in this subsection. The court shall judicially notice the statutes of other states that define offenses substantially similar to the offense defined in this subsection and that therefore can be considered corresponding statutes.

4. This section does not apply to law enforcement officers, court personnel, licensed physicians, licensed psychologists, or attorneys in the performance of their official duties.

[C79, 81, §728.12]

83 Acts, ch 167, §4; 86 Acts, ch 1176, §1 – 3; 89 Acts, ch 263, §3; 2001 Acts, ch 17, §4; 2003 Acts, ch 65, §1, 2; 2012 Acts, ch 1057, §7, 8

Referred to in §229A.2, 232.68, 692A.102, 901A.1, 903B.1, 903B.2, 903B.10, 915.36, 915.37

**728.13** Repealed by 85 Acts, ch 201, § 21.

**728.14 Commercial film and photographic print processor reports of depictions of minors engaged in prohibited sexual acts.**

1. A commercial film and photographic print processor who has knowledge of or observes, within the scope of the processor's professional capacity or employment, a visual depiction of a minor whom the processor knows or reasonably should know to be under the age of eighteen, engaged in a prohibited sexual act or in the simulation of a prohibited sexual act, shall report the visual depiction to the county attorney immediately or as soon as possible as required in this section. The processor shall not report to the county attorney visual depictions involving mere nudity of the minor, but shall report visual depictions involving a prohibited sexual act. This section shall not be construed to require a processor to review all visual depictions delivered to the processor within the processor's professional capacity or employment.

2. For purposes of this section, "*prohibited sexual act*" means any of the following:

*a.* A sex act as defined in section 702.17.

*b.* An act of bestiality involving a minor.

*c.* Fondling or touching the pubes or genitals of a minor for the purpose of arousing or satisfying the sexual desires of a person who may view a visual depiction of the act.

*d.* Fondling or touching the pubes or genitals of a person by a minor for the purpose of

arousing or satisfying the sexual desires of a person who may view a visual depiction of the act.

*e.* Sadomasochistic abuse of a minor for the purpose of arousing or satisfying the sexual desires of a person who may view a visual depiction of the abuse.

*f.* Sadomasochistic abuse of a person by a minor for the purpose of arousing or satisfying the sexual desires of a person who may view a visual depiction of the abuse.

*g.* Nudity of a minor for the purpose of arousing or satisfying the sexual desires of a person who may view a visual depiction of the nude minor.

3. A person who violates this section is guilty of a simple misdemeanor.

89 Acts, ch 263, §4; 94 Acts, ch 1128, §2; 2012 Acts, ch 1057, §9

**728.15 Telephone dissemination of obscene material to minors.**

1. *a.* As used in this section, "*person*" excludes any information-access service provider that merely provides transmission capacity without control over the content of the transmission.

*b.* A person shall not knowingly disseminate obscene material by the use of telephones or telephone facilities to a minor.

2. It shall be a defense in any prosecution for a violation of subsection 1 by a person accused of knowingly disseminating obscene material by the use of telephones or telephone facilities to a minor that the person accused has taken either of the following measures to restrict access to the obscene material:

*a.* The person accused has done all of the following:

(1) Required the person receiving the obscene material to use an authorized access or identification code, as provided by the information provider, before transmission of the obscene material begins.

(2) Previously issued the code by mailing it to the applicant after taking reasonable measures to ascertain that the applicant was eighteen years of age or older.

(3) Established a procedure to immediately cancel the code of any person after receiving notice, in writing or by telephone, that the code has been lost, stolen, or used by persons under the age of eighteen years or that the code is no longer desired.

*b.* The person accused has required payment by credit card before transmission of the obscene material.

3. Any list of applicants or recipients compiled or maintained by an information-access service provider for purposes of compliance with subsection 2 is confidential and shall not be sold or otherwise disseminated except upon order of the court.

4. *a.* A violation of subsection 1 is an aggravated misdemeanor.

*b.* A violation of subsection 1 by a person who has been previously convicted of a violation of subsection 1 is a class "D" felony.

89 Acts, ch 263, §5; 2009 Acts, ch 133, §184

Referred to in §272.2, 692A.102

# CHAPTER 729

## INFRINGEMENT OF INDIVIDUAL RIGHTS

Referred to in §331.307, 364.22

See also chapters 216 and 729A


729.1 Religious test.
729.2 Evidence.
729.3 Penalty.
729.4 Fair employment practices.
729.5 Violation of individual rights — penalty.
729.6 Genetic testing.

**729.1 Religious test.**

Any violation of Article I, section 4, of the Constitution of the State of Iowa is hereby declared to be a simple misdemeanor unless a greater penalty is otherwise provided by law.

[C35, §13252-f1; C39, §**13252.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §735.3; C79, 81, §729.1]

95 Acts, ch 49, §26; 2006 Acts, ch 1010, §161; 2008 Acts, ch 1032, §89

Referred to in §729.2

**729.2 Evidence.**

If any person, agency, bureau, corporation, or association employed or maintained to obtain, or aid in obtaining, positions for others in the public schools, or positions in any other public institutions in the state, or any individual or official connected with any public school or public institution shall ask, indicate, or transmit orally or in writing the religion or religious affiliations of any person seeking employment in the public schools or any other public institutions, it shall constitute evidence of a violation of section 729.1.

[C35, §13252-f2; C39, §**13252.2;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §735.4; C79, 81, §729.2]

Referred to in §729.3

**729.3 Penalty.**

Any person, agency, bureau, corporation, or association that violates provisions of section 729.2 shall be guilty of a simple misdemeanor.

[C35, §13252-f3; C39, §**13252.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §735.5; C79, 81, §729.3]

95 Acts, ch 49, §27

**729.4 Fair employment practices.**

1. Every person in this state is entitled to the opportunity for employment on equal terms with every other person. A person or employer shall not discriminate in the employment of individuals because of race, religion, color, sex, national origin, or ancestry. However, as to employment an individual must be qualified to perform the services or work required.

2. A labor union or organization or an officer thereof shall not discriminate against any person as to membership therein because of race, religion, color, sex, national origin or ancestry.

3. Any person, employer, labor union or organization or officer of a labor union or organization convicted of a violation of subsection 1 or 2 shall be guilty of a simple misdemeanor.

[C66, 71, 73, 75, 77, §735.6; C79, 81, §729.4]

87 Acts, ch 74, §1

**729.5 Violation of individual rights — penalty.**

1. A person, who acts alone, or who conspires with another person or persons, to injure, oppress, threaten, or intimidate or interfere with any citizen in the free exercise or enjoyment of any right or privilege secured to that person by the constitution or laws of the state of Iowa or by the constitution or laws of the United States, and assembles with one or more persons for the purpose of teaching or being instructed in any technique or means capable of causing property damage, bodily injury or death when the person or persons intend to employ those techniques or means in furtherance of the conspiracy, is on conviction, guilty of a class "D" felony.

2. A person intimidates or interferes with another person if the act of the person results in any of the following:

*a.* Physical injury to the other person.

*b.* Physical damage to or destruction of the other person's property.

*c.* Communication in a manner, or action in a manner, intended to result in either of the following:

(1) To place the other person in fear of physical contact which will be injurious, insulting, or offensive, coupled with the apparent ability to execute the act.

(2) To place the other person in fear of harm to the other person's property, or harm to the person or property of a third person.

3. This section does not make unlawful the teaching of any technique in self-defense.

4. This section does not make unlawful any activity of any of the following officials or persons:

*a.* Law enforcement officials of this or any other jurisdiction while engaged in the lawful performance of their official duties.

*b.* Federal officials required to carry firearms while engaged in the lawful performance of their official duties.

*c.* Members of the armed forces of the United States or the national guard while engaged in the lawful performance of their official duties.

*d.* Any conservation commission, law enforcement agency, or any agency licensed to provide security services, or any hunting club, gun club, shooting range, or other organization or entity whose primary purpose is to teach the safe handling or use of firearms, archery equipment, or other weapons or techniques employed in connection with lawful sporting or other lawful activity.

88 Acts, ch 1163, §1; 90 Acts, ch 1139, §2; 92 Acts, ch 1157, §7; 2013 Acts, ch 90, §237
Section amended

**729.6 Genetic testing.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Employer"* means the state of Iowa, or any political subdivision, board, commission, department, institution, or school district, and every other person employing employees within the state.

*b.* *"Employment agency"* means a person, including the state, who regularly undertakes to procure employees or opportunities for employment for any other person.

*c.* *"Genetic information"* means the same as defined in 29 U.S.C. § 1191b(d)(6).

*d.* *"Genetic services"* means the same as defined in 29 U.S.C. § 1191b(d)(8).

*e.* *"Genetic testing"* means the same as genetic test as defined in 29 U.S.C. § 1191b(d)(7). *"Genetic testing"* does not mean routine physical measurement, a routine chemical, blood, or urine analysis, a biopsy, an autopsy, or clinical specimen obtained solely for the purpose of conducting an immediate clinical or diagnostic test to detect an existing disease, illness, impairment, or disorder, or a test for drugs or for human immunodeficiency virus infections.

*f.* *"Health insurance"* means a contract, policy, or plan providing for health insurance coverage as defined in section 513B.2.

*g.* *"Health insurer"* means a carrier, as defined in section 513B.2.

*h.* *"Labor organization"* means any organization which exists for the purpose in whole or in part of collective bargaining, or dealing with employers concerning grievances, terms, or conditions of employment, or of other mutual aid or protection in connection with employment.

*i.* *"Licensing agency"* means a board, commission, committee, council, department, or officer, except a judicial officer, in the state, or in a city, county, township, or local government, authorized to grant, deny, renew, revoke, suspend, annul, withdraw, or amend a license or certificate of registration.

*j.* *"Third-party administrator"* means the same as defined in section 510.11.

*k.* *"Unfair genetic testing"* means any test or testing procedure that violates this section.

2. An employer, employment agency, labor organization, licensing agency, or its employees, agents, or members shall not directly or indirectly do any of the following:

*a.* Solicit, require, or administer a genetic test to a person as a condition of employment, preemployment application, labor organization membership, or licensure.

*b.* Affect the terms, conditions, or privileges of employment, preemployment application, labor organization membership, or licensure, or terminate the employment, labor organization membership, or licensure of any person who obtains a genetic test.

3. *a.* A person shall not obtain genetic information or samples for genetic testing from an individual without first obtaining informed and written consent from the individual or the individual's authorized representative.

*b.* A person shall not perform genetic testing of an individual or collect, retain, transmit, or use genetic information without the informed and written consent of the individual or the individual's authorized representative.

*c.* The following exceptions apply to the prohibitions in paragraphs "*a*" and "*b*":

(1) To the extent that genetic information or the results of genetic testing may be collected, retained, transmitted, or used without the individual's written and informed consent pursuant to federal or other state law.

(2) To identify an individual in the course of a criminal investigation by a law enforcement agency.

(3) To identify deceased individuals.

(4) To establish parental identity.

(5) To screen newborns.

(6) For the purposes of medical or scientific research and education and for the use of medical repositories and registries so long as the information does not contain personally identifiable information of an individual.

4. *a.* (1) With respect to health insurance, a third-party administrator or health insurer shall not release genetic information pertaining to an individual without prior written authorization of the individual. Written authorization shall be required for each disclosure and shall include the person to whom the disclosure is being made.

(2) The following exceptions apply to the requirement in subparagraph (1):

(a) Individuals participating in research settings, including individuals governed by the federal policy for the protection of human research subjects.

(b) Tests conducted purely for research, tests for somatic as opposed to heritable mutations, and testing for forensic purposes.

(c) Newborn screening.

(d) Paternity testing.

(e) Criminal investigations.

*b.* (1) With respect to health insurance, a health insurer shall not discriminate against an individual or a member of the individual's family on the basis of genetic information or genetic testing.

(2) This section shall not require a health insurer to provide particular benefits other than those provided under the terms of the health insurer's plan or coverage. With respect to health insurance, a health insurer shall not consider a genetic propensity, susceptibility, or carrier status as a preexisting condition for the purpose of limiting or excluding benefits, establishing rates, or providing coverage.

(3) With respect to health insurance, a health insurer shall not use genetic information or genetic testing for underwriting health insurance in the individual and group markets.

*c.* The commissioner of insurance shall adopt rules as necessary for the administration of this subsection.

*d.* A violation of this subsection is an unfair insurance trade practice under section 507B.4.

5. Except as provided in subsection 9, a person shall not sell to or interpret for an employer, employment agency, labor organization, or licensing agency, or its employees, agents, or members, a genetic test of an employee, labor organization member, or licensee, or of a prospective employee, member, or licensee.

6. An agreement between a person and an employer, prospective employer, employment agency, labor organization, or licensing agency, or its employees, agents, or members offering the person employment, labor organization membership, licensure, or any pay or benefit in return for taking a genetic test is prohibited.

7. An employee, labor organization member, or licensee, or prospective employee, member, or licensee who acted in good faith shall not be discharged, disciplined, or discriminated against in any manner for filing a complaint or testifying in any proceeding or action involving violations of this section. An employee, labor organization member, or licensee, or prospective employee, member, or licensee discharged, disciplined, or otherwise discriminated against in violation of this section shall be compensated by the employer, employment agency, labor organization, or licensing agency in the amount of any loss of wages and benefits arising out of the discrimination.

8. Subsections 2, 3, 5, 6, and 7 of this section may be enforced through a civil action.

*a.* A person who violates subsection 2, 3, 5, 6, or 7 of this section or who aids in the violation of subsection 2, 3, 5, 6, or 7 of this section is liable to an aggrieved employee, labor organization member, or licensee, or aggrieved prospective employee, member, or licensee, for affirmative relief including reinstatement or hiring, with or without back pay, membership, licensing, or any other equitable relief as the court deems appropriate including attorney fees and court costs.

*b.* If a person commits, is committing, or proposes to commit, an act in violation of subsection 2, 3, 5, 6, or 7 of this section, an injunction may be granted through an action in district court to prohibit the person from continuing such acts. The action for injunctive relief may be brought by an aggrieved employee, labor organization member, or licensee, or aggrieved prospective employee, member, or licensee, the county attorney, or the attorney general.

*c.* A person who in good faith brings an action under this subsection alleging that an employer, employment agency, labor organization, or licensing agency has violated subsection 2, 3, 5, 6, or 7 of this section shall establish that sufficient evidence exists upon which a reasonable person could find that a violation has occurred. Upon proof that sufficient evidence exists upon which a finding could be made that a violation has occurred as required under this paragraph, the employer, employment agency, labor organization, or licensing agency has the burden of proving that the requirements of this section were met.

9. This section does not prohibit the genetic testing of an employee who requests a genetic test and who provides written and informed consent to taking a genetic test for any of the following purposes:

*a.* Investigating a workers' compensation claim under chapters 85, 85A, 85B, and 86.

*b.* Determining the employee's susceptibility or level of exposure to potentially toxic chemicals or potentially toxic substances in the workplace, if the employer does not terminate the employee, or take any other action that adversely affects any term, condition, or privilege of the employee's employment as a result of the genetic test.

92 Acts, ch 1059, §1; 2007 Acts, ch 10, §183; 2010 Acts, ch 1153, §2 – 6; 2010 Acts, ch 1193, §132, 133

Referred to in §507B.4

# CHAPTER 729A

## VIOLATION OF INDIVIDUAL RIGHTS — HATE CRIMES

Referred to in §331.307, 364.22

See also chapters 216 and 729


729A.1 Violations of an individual's rights prohibited.
729A.2 Violation of individual rights — hate crime.
729A.3 Local ordinances.
729A.4 Violation of individual rights — sensitivity training.
729A.5 Civil remedies.


### 729A.1 Violations of an individual's rights prohibited.

Persons within the state of Iowa have the right to be free from any violence, or intimidation by threat of violence, committed against their persons or property because of their race, color, religion, ancestry, national origin, political affiliation, sex, sexual orientation, age, or disability.

92 Acts, ch 1157, §8

### 729A.2 Violation of individual rights — hate crime.

*"Hate crime"* means one of the following public offenses when committed against a person or a person's property because of the person's race, color, religion, ancestry, national origin, political affiliation, sex, sexual orientation, age, or disability, or the person's association with

a person of a certain race, color, religion, ancestry, national origin, political affiliation, sex, sexual orientation, age, or disability:

1. Assault in violation of individual rights under section 708.2C.
2. Violations of individual rights under section 712.9.
3. Criminal mischief in violation of individual rights under section 716.6A.
4. Trespass in violation of individual rights under section 716.8, subsections 3 and 4.

92 Acts, ch 1157, §9
Referred to in §692.15, 708.2C, 712.9, 716.6A, 716.8

**729A.3 Local ordinances.**

This chapter does not prohibit political subdivisions from enacting ordinances which are consistent with this chapter. Local ordinances reasonably regulating the time, place, or manner of the exercise of constitutional rights are permissible.

92 Acts, ch 1157, §10

**729A.4 Violation of individual rights — sensitivity training.**

The prosecuting attorneys training coordinator shall develop a course of instruction for law enforcement personnel and prosecuting attorneys designed to sensitize those persons to the existence of violations of individual rights and the criteria for determining whether a violation of individual rights has occurred. The prosecuting attorneys training coordinator shall consult with the civil rights commission, the office of the attorney general, and the department of public safety regarding the content and provision of this course of instruction.

92 Acts, ch 1157, §11

**729A.5 Civil remedies.**

A victim who has suffered physical, emotional, or financial harm as a result of a violation of this chapter due to the commission of a hate crime is entitled to and may bring an action for injunctive relief, general and special damages, reasonable attorney fees, and costs.

An action brought pursuant to this section must be brought within two years after the date of the violation of this chapter.

In an action brought pursuant to this section, the burden of proof shall be the same as in other civil actions for similar relief.

This section does not apply to complaints or discriminatory or unfair practices under chapter 216.

92 Acts, ch 1157, §12

# CHAPTER 730

## EMPLOYER-EMPLOYEE OFFENSES

Referred to in §331.307, 364.22

730.1 Punishment.
730.2 Blacklisting employees — treble damages.
730.3 False charges concerning honesty.
730.4 Polygraph examination prohibited.
730.5 Private sector drug-free workplaces.

**730.1 Punishment.**

If any person, agent, company, or corporation, after having discharged any employee from service, shall prevent or attempt to prevent, by word or writing of any kind, such discharged employee from obtaining employment with any other person, company, or corporation, except by furnishing in writing on request a truthful statement as to the cause

of the person's discharge, such person, agent, company, or corporation shall be guilty of a serious misdemeanor and shall be liable for all damages sustained by any such person.

[C97, §5027; C24, 27, 31, 35, 39, §**13253;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §736.1; C79, 81, §730.1]

Referred to in §730.2

**730.2 Blacklisting employees — treble damages.**

If any railway company or other company, partnership, or corporation shall authorize or allow any of its or their agents to blacklist any discharged employee, or attempt by word or writing or any other means whatever to prevent such discharged employee, or any employee who may have voluntarily left said company's service, from obtaining employment with any other person or company, except as provided for in section 730.1, such company or partnership shall be liable in treble damages to such employee so prevented from obtaining employment.

[C97, §5028; C24, 27, 31, 35, 39, §**13254;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §736.2; C79, 81, §730.2]

2008 Acts, ch 1032, §106

**730.3 False charges concerning honesty.**

Every person who shall by any letter, mark, sign, or designation whatever, or by any verbal statement, falsely and without probable cause, report to any railroad or any other company or corporation, or to any person or firm, or to any of the officers, servants, agents, or employees of any such corporation, person, or firm, that any conductor, crew member, engineer, stoker, station agent, or any employee of such railroad company, corporation, person, or firm has received any money or thing of value for the transportation of persons or property or for other service for which the person has not accounted to such corporation, person, or firm, or shall falsely and without probable cause report that any conductor, crew member, engineer, stoker, station agent, or other employee of any railroad company, corporation, firm, or person, neglected, failed, or refused to collect any money or ticket for transportation of persons or property or other service when it was their duty so to do, shall, on conviction, be guilty of a simple misdemeanor.

[SS15, §5028-w1; C24, 27, 31, 35, 39, §**13255;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §736.3; C79, 81, §730.3]

**730.4 Polygraph examination prohibited.**

1. As used in this section, "*polygraph examination*" means any procedure which involves the use of instrumentation or a mechanical or electrical device to enable or assist the detection of deception, the verification of truthfulness, or the rendering of a diagnostic opinion regarding either of these, and includes a lie detector or similar test.

2. An employer shall not as a condition of employment, promotion, or change in status of employment, or as an express or implied condition of a benefit or privilege of employment, knowingly do any of the following:

*a.* Request or require that an employee or applicant for employment take or submit to a polygraph examination.

*b.* Administer, cause to be administered, threaten to administer, or attempt to administer a polygraph examination to an employee or applicant for employment.

*c.* Request or require that an employee or applicant for employment give an express or implied waiver of a practice prohibited by this section.

3. *a.* Subsection 2 does not apply to the state or a political subdivision of the state when in the process of selecting any of the following:

(1) A candidate for employment as a peace officer.

(2) A candidate for employment as a corrections officer.

(3) An applicant for a position with a law enforcement agency of a political subdivision of the state when the applicant is being considered for a position in which the employee filling the position has direct access to prisoner funds, any other cash assets, and confidential information.

*b.* Polygraph examinations under this subsection shall adhere to the published antidiscrimination policy of the state or political subdivision conducting the examination.

4. An employee who acted in good faith shall not be discharged, disciplined, or discriminated against in any manner for filing a complaint or testifying in any proceeding or action involving violations of this section. An employee discharged, disciplined, or otherwise discriminated against in violation of this section shall be compensated by the employer in the amount of any loss of wages and benefits arising out of the discrimination and shall be restored to the employee's previous position of employment.

5. *a.* This section may be enforced through a civil action.

(1) A person who violates this section or who aids in the violation of this section is liable to an aggrieved employee or applicant for employment for affirmative relief including reinstatement or hiring, with or without back pay, or any other equitable relief as the court deems appropriate including attorney fees and court costs.

(2) When a person commits, is committing, or proposes to commit, an act in violation of this section, an injunction may be granted through an action in district court to prohibit the person from continuing such acts. The action for injunctive relief may be brought by an aggrieved employee or applicant for employment, the county attorney, or the attorney general.

*b.* A person who in good faith brings an action under this subsection alleging that an employer has required or requested a polygraph examination in violation of this section shall establish that sufficient evidence exists upon which a reasonable person could find that a violation has occurred. Upon proof that sufficient evidence exists upon which a finding could be made that a violation has occurred as required under this paragraph, the employer has the burden of proving that the requirements of this section were met.

6. A person who violates this section commits a simple misdemeanor. In addition to any other penalties, the punishment imposed for a violation of this section shall include assessment of a fine of not less than two hundred fifty dollars.

83 Acts, ch 86, §1 – 3; 88 Acts, ch 1227, §1; 99 Acts, ch 153, §23; 2000 Acts, ch 1059, §1; 2013 Acts, ch 30, §214

Referred to in §80F.1

Subsection 5 amended

**730.5 Private sector drug-free workplaces.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* *"Alcohol"* means ethanol, isopropanol, or methanol.

*b.* *"Confirmed positive test result"* means, except for alcohol testing conducted pursuant to subsection 7, paragraph *"f"*, subparagraph (2), the results of a blood, urine, or oral fluid test in which the level of controlled substances or metabolites in the specimen analyzed meets or exceeds nationally accepted standards for determining detectable levels of controlled substances as adopted by the federal substance abuse and mental health services administration. If nationally accepted standards for oral fluid tests have not been adopted by the federal substance abuse and mental health services administration, the standards for determining detectable levels of controlled substances for purposes of determining a confirmed positive test result shall be the same standard that has been established by the federal food and drug administration for the measuring instrument used to perform the oral fluid test.

*c.* *"Drug"* means a substance considered a controlled substance and included in schedule I, II, III, IV, or V under the federal Controlled Substances Act, 21 U.S.C. § 801 et seq.

*d.* *"Employee"* means a person in the service of an employer in this state and includes the employer, and any chief executive officer, president, vice president, supervisor, manager, and officer of the employer who is actively involved in the day-to-day operations of the business.

*e.* *"Employer"* means a person, firm, company, corporation, labor organization, or employment agency, which has one or more full-time employees employed in the same business, or in or about the same establishment, under any contract of hire, express or implied, oral or written, in this state. *"Employer"* does not include the state, a political

subdivision of the state, including a city, county, or school district, the United States, the United States postal service, or a Native American tribe.

*f.* *"Good faith"* means reasonable reliance on facts, or that which is held out to be factual, without the intent to be deceived, and without reckless, malicious, or negligent disregard for the truth.

*g.* *"Medical review officer"* means a licensed physician, osteopathic physician, chiropractor, nurse practitioner, or physician assistant authorized to practice in any state of the United States, who is responsible for receiving laboratory results generated by an employer's drug or alcohol testing program, and who has knowledge of substance abuse disorders and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result together with the individual's medical history and any other relevant biomedical information.

*h.* *"Prospective employee"* means a person who has made application, whether written or oral, to an employer to become an employee.

*i.* *"Reasonable suspicion drug or alcohol testing"* means drug or alcohol testing based upon evidence that an employee is using or has used alcohol or other drugs in violation of the employer's written policy drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience. For purposes of this paragraph, facts and inferences may be based upon, but not limited to, any of the following:

(1) Observable phenomena while at work such as direct observation of alcohol or drug use or abuse or of the physical symptoms or manifestations of being impaired due to alcohol or other drug use.

(2) Abnormal conduct or erratic behavior while at work or a significant deterioration in work performance.

(3) A report of alcohol or other drug use provided by a reliable and credible source.

(4) Evidence that an individual has tampered with any drug or alcohol test during the individual's employment with the current employer.

(5) Evidence that an employee has caused an accident while at work which resulted in an injury to a person for which injury, if suffered by an employee, a record or report could be required under chapter 88, or resulted in damage to property, including to equipment, in an amount reasonably estimated at the time of the accident to exceed one thousand dollars.

(6) Evidence that an employee has manufactured, sold, distributed, solicited, possessed, used, or transferred drugs while working or while on the employer's premises or while operating the employer's vehicle, machinery, or equipment.

*j.* *"Safety-sensitive position"* means a job wherein an accident could cause loss of human life, serious bodily injury, or significant property or environmental damage, including a job with duties that include immediate supervision of a person in a job that meets the requirement of this paragraph.

*k.* *"Sample"* means such sample from the human body capable of revealing the presence of alcohol or other drugs, or their metabolites, which shall include only urine, saliva, breath, and blood. However, *"sample"* does not mean blood except as authorized pursuant to subsection 7, paragraph *"l"*.

*l.* *"Unannounced drug or alcohol testing"* means testing for the purposes of detecting drugs or alcohol which is conducted on a periodic basis, without advance notice of the test to employees, other than employees whose duties include responsibility for administration of the employer's drug or alcohol testing program, subject to testing prior to the day of testing, and without individualized suspicion. The selection of employees to be tested from the pool of employees subject to testing shall be done based on a neutral and objective selection process by an entity independent from the employer and shall be made by a computer-based random number generator that is matched with employees' social security numbers, payroll identification numbers, or other comparable identifying numbers in which each member of the employee population subject to testing has an equal chance of selection for initial testing, regardless of whether the employee has been selected or tested previously. The random selection process shall be conducted through a computer program that records each selection attempt by date, time, and employee number.

2. *Applicability.* This section does not apply to drug or alcohol tests conducted on

employees required to be tested pursuant to federal statutes, federal regulations, or orders issued pursuant to federal law. In addition, an employer, through its written policy, may exclude from the pools of employees subject to unannounced drug or alcohol testing pursuant to subsection 8, paragraph "*a*", employee populations required to be tested as described in this subsection.

3. *Testing optional.* This section does not require or create a legal duty on an employer to conduct drug or alcohol testing and the requirements of this section shall not be construed to encourage, discourage, restrict, limit, prohibit, or require such testing. In addition, an employer may implement and require drug or alcohol testing at some but not all of the work sites of the employer and the requirements of this section shall only apply to the employer and employees who are at the work sites where drug or alcohol testing pursuant to this section has been implemented. A cause of action shall not arise in favor of any person against an employer or agent of an employer based on the failure of the employer to establish a program or policy on substance abuse prevention or to implement any component of testing as permitted by this section.

4. *Testing as condition of employment — requirements.* To the extent provided in subsection 8, an employer may test employees and prospective employees for the presence of drugs or alcohol as a condition of continued employment or hiring. An employer shall adhere to the requirements of this section concerning the conduct of such testing and the use and disposition of the results of such testing.

5. *Collection of samples.* In conducting drug or alcohol testing, an employer may require the collection of samples from its employees and prospective employees, and may require presentation of reliable individual identification from the person being tested to the person collecting the samples. Collection of a sample shall be in conformance with the requirements of this section. The employer may designate the type of sample to be used for this testing.

6. *Scheduling of tests.*

*a.* Drug or alcohol testing of employees conducted by an employer shall normally occur during, or immediately before or after, a regular work period. The time required for such testing by an employer shall be deemed work time for the purposes of compensation and benefits for employees.

*b.* An employer shall pay all actual costs for drug or alcohol testing of employees and prospective employees required by the employer.

*c.* An employer shall provide transportation or pay reasonable transportation costs to employees if drug or alcohol sample collection is conducted at a location other than the employee's normal work site.

7. *Testing procedures.* All sample collection and testing for drugs or alcohol under this section shall be performed in accordance with the following conditions:

*a.* The collection of samples shall be performed under sanitary conditions and with regard for the privacy of the individual from whom the specimen is being obtained and in a manner reasonably calculated to preclude contamination or substitution of the specimen. If the sample collected is urine, procedures shall be established to provide for individual privacy in the collection of the sample unless there is a reasonable suspicion that a particular individual subject to testing may alter or substitute the urine specimen to be provided, or has previously altered or substituted a urine specimen provided pursuant to a drug or alcohol test. For purposes of this paragraph, "*individual privacy*" means a location at the collection site where urination can occur in private, which has been secured by visual inspection to ensure that other persons are not present, which provides that undetected access to the location is not possible during urination, and which provides for the ability to effectively restrict access to the location during the time the specimen is provided. If an individual is providing a urine sample and collection of the urine sample is directly monitored or observed by another individual, the individual who is directly monitoring or observing the collection shall be of the same gender as the individual from whom the urine sample is being collected.

*b.* Collection of a urine sample for testing of current employees shall be performed so that the specimen is split into two components at the time of collection in the presence of the individual from whom the sample or specimen is collected. The second portion of the specimen or sample shall be of sufficient quantity to permit a second, independent

confirmatory test as provided in paragraph *"i"*. The sample shall be split such that the primary sample contains at least thirty milliliters and the secondary sample contains at least fifteen milliliters. Both portions of the sample shall be forwarded to the laboratory conducting the initial confirmatory testing. In addition to any requirements for storage of the initial sample that may be imposed upon the laboratory as a condition for certification or approval, the laboratory shall store the second portion of any sample until receipt of a confirmed negative test result or for a period of at least forty-five calendar days following the completion of the initial confirmatory testing, if the first portion yielded a confirmed positive test result.

*c.* Sample collections shall be documented, and the procedure for documentation shall include the following:

(1) Samples, except for samples collected for alcohol testing conducted pursuant to paragraph *"f"*, subparagraph (2), shall be labeled so as to reasonably preclude the possibility of misidentification of the person tested in relation to the test result provided, and samples shall be handled and tracked in a manner such that control and accountability are maintained from initial collection to each stage in handling, testing, and storage, through final disposition.

(2) An employee or prospective employee shall be provided an opportunity to provide any information which may be considered relevant to the test, including identification of prescription or nonprescription drugs currently or recently used, or other relevant medical information. To assist an employee or prospective employee in providing the information described in this subparagraph, the employer shall provide an employee or prospective employee with a list of the drugs to be tested.

*d.* Sample collection, storage, and transportation to the place of testing shall be performed so as to reasonably preclude the possibility of sample contamination, adulteration, or misidentification.

*e.* All confirmatory drug testing shall be conducted at a laboratory certified by the United States department of health and human services' substance abuse and mental health services administration or approved under rules adopted by the Iowa department of public health.

*f.* Drug or alcohol testing shall include confirmation of any initial positive test results. An employer may take adverse employment action, including refusal to hire a prospective employee, based on a confirmed positive test result for drugs or alcohol.

(1) For drug or alcohol testing, except for alcohol testing conducted pursuant to subparagraph (2), confirmation shall be by use of a different chemical process than was used in the initial screen for drugs or alcohol. The confirmatory drug or alcohol test shall be a chromatographic technique such as gas chromatography/mass spectrometry, or another comparably reliable analytical method.

(2) Notwithstanding any provision of this section to the contrary, alcohol testing, including initial and confirmatory testing, may be conducted pursuant to requirements established by the employer's written policy. The written policy shall include requirements governing evidential breath testing devices, alcohol screening devices, and the qualifications for personnel administering initial and confirmatory testing, which shall be consistent with regulations adopted as of January 1, 1999, by the United States department of transportation governing alcohol testing required to be conducted pursuant to the federal Omnibus Transportation Employee Testing Act of 1991.

(3) Notwithstanding any provision of this section to the contrary, collection of an oral fluid sample for testing shall be performed in the presence of the individual from whom the sample or specimen is collected. The specimen or sample shall be of sufficient quantity to permit a second, independent, confirmatory test as provided in paragraph *"i"*. In addition to any requirement for storage of the initial sample that may be imposed upon the laboratory as a condition for certification or approval, the laboratory shall store the unused portion of any sample until receipt of a confirmed negative test result or for a period of at least forty-five calendar days following the completion of the initial confirmatory testing, if the portion yielded a confirmed positive test result.

*g.* A medical review officer shall, prior to the results being reported to an employer, review and interpret any confirmed positive test results, including both quantitative and qualitative

test results, to ensure that the chain of custody is complete and sufficient on its face and that any information provided by the individual pursuant to paragraph "*c*", subparagraph (2), is considered. However, this paragraph shall not apply to alcohol testing conducted pursuant to paragraph "*f*", subparagraph (2).

*h.* In conducting drug or alcohol testing pursuant to this section, the laboratory, the medical review officer, and the employer shall ensure, to the extent feasible, that the testing only measure, and the records concerning the testing only show or make use of information regarding, alcohol or drugs in the body.

*i.* (1) If a confirmed positive test result for drugs or alcohol for a current employee is reported to the employer by the medical review officer, the employer shall notify the employee in writing by certified mail, return receipt requested, of the results of the test, the employee's right to request and obtain a confirmatory test of the second sample collected pursuant to paragraph "*b*" at an approved laboratory of the employee's choice, and the fee payable by the employee to the employer for reimbursement of expenses concerning the test. The fee charged an employee shall be an amount that represents the costs associated with conducting the second confirmatory test, which shall be consistent with the employer's cost for conducting the initial confirmatory test on an employee's sample. If the employee, in person or by certified mail, return receipt requested, requests a second confirmatory test, identifies an approved laboratory to conduct the test, and pays the employer the fee for the test within seven days from the date the employer mails by certified mail, return receipt requested, the written notice to the employee of the employee's right to request a test, a second confirmatory test shall be conducted at the laboratory chosen by the employee. The results of the second confirmatory test shall be reported to the medical review officer who reviewed the initial confirmatory test results and the medical review officer shall review the results and issue a report to the employer on whether the results of the second confirmatory test confirmed the initial confirmatory test as to the presence of a specific drug or alcohol. If the results of the second test do not confirm the results of the initial confirmatory test, the employer shall reimburse the employee for the fee paid by the employee for the second test and the initial confirmatory test shall not be considered a confirmed positive test result for drugs or alcohol for purposes of taking disciplinary action pursuant to subsection 10.

(2) If a confirmed positive test result for drugs or alcohol for a prospective employee is reported to the employer by the medical review officer, the employer shall notify the prospective employee in writing of the results of the test, of the name and address of the medical review officer who made the report, and of the prospective employee's right to request records under subsection 13.

*j.* A laboratory conducting testing under this section shall dispose of all samples for which a negative test result was reported to an employer within five working days after issuance of the negative test result report.

*k.* Except as necessary to conduct drug or alcohol testing pursuant to this section and to submit the report required by subsection 16, a laboratory or other medical facility shall only report to an employer or outside entity information relating to the results of a drug or alcohol test conducted pursuant to this section concerning the determination of whether the tested individual has engaged in conduct prohibited by the employer's written policy with regard to alcohol or drug use.

*l.* Notwithstanding the provisions of this subsection, an employer may rely and take action upon the results of any blood test for drugs or alcohol made on any employee involved in an accident at work if the test is administered by or at the direction of the person providing treatment or care to the employee without request or suggestion by the employer that a test be conducted, and the employer has lawfully obtained the results of the test. For purposes of this paragraph, an employer shall not be deemed to have requested or required a test in conjunction with the provision of medical treatment following a workplace accident by providing information concerning the circumstance of the accident.

8. *Drug or alcohol testing.* Employers may conduct drug or alcohol testing as provided in this subsection:

*a.* Employers may conduct unannounced drug or alcohol testing of employees who are selected from any of the following pools of employees:

(1) The entire employee population at a particular work site of the employer except for employees not subject to testing pursuant to a collective bargaining agreement, or employees who are not scheduled to be at work at the time the testing is conducted because of the status of the employees or who have been excused from work pursuant to the employer's work policy prior to the time the testing is announced to employees.

(2) The entire full-time active employee population at a particular work site except for employees not subject to testing pursuant to a collective bargaining agreement, or employees who are not scheduled to be at work at the time the testing is to be conducted because of the status of the employee or who have been excused from work pursuant to the employer's working policy.

(3) All employees at a particular work site who are in a pool of employees in a safety-sensitive position and who are scheduled to be at work at the time testing is conducted, other than employees not subject to testing pursuant to a collective bargaining agreement, or employees who are not scheduled to be at work at the time the testing is to be conducted or who have been excused from work pursuant to the employer's work policy prior to the time the testing is announced to employees.

*b.* Employers may conduct drug or alcohol testing of employees during, and after completion of, drug or alcohol rehabilitation.

*c.* Employers may conduct reasonable suspicion drug or alcohol testing.

*d.* Employers may conduct drug or alcohol testing of prospective employees.

*e.* Employers may conduct drug or alcohol testing as required by federal law or regulation or by law enforcement.

*f.* Employers may conduct drug or alcohol testing in investigating accidents in the workplace in which the accident resulted in an injury to a person for which injury, if suffered by an employee, a record or report could be required under chapter 88, or resulted in damage to property, including to equipment, in an amount reasonably estimated at the time of the accident to exceed one thousand dollars.

9. *Written policy and other testing requirements.*

*a.* (1) Drug or alcohol testing or retesting by an employer shall be carried out within the terms of a written policy which has been provided to every employee subject to testing, and is available for review by employees and prospective employees. If an employee or prospective employee is a minor, the employer shall provide a copy of the written policy to a parent of the employee or prospective employee and shall obtain a receipt or acknowledgment from the parent that a copy of the policy has been received. Providing a copy of the written policy to a parent of a minor by certified mail, return receipt requested, shall satisfy the requirements of this subparagraph.

(2) In addition, the written policy shall provide that any notice required by subsection 7, paragraph "*i*", to be provided to an individual pursuant to a drug or alcohol test conducted pursuant to this section, shall also be provided to the parent of the individual by certified mail, return receipt requested, if the individual tested is a minor.

(3) In providing information or notice to a parent as required by this paragraph, an employer shall rely on the information regarding the identity of a parent as provided by the minor.

(4) For purposes of this paragraph, "*minor*" means an individual who is under eighteen years of age and is not considered by law to be an adult, and "*parent*" means one biological or adoptive parent, a stepparent, or a legal guardian or custodian of the minor.

*b.* The employer's written policy shall provide uniform requirements for what disciplinary or rehabilitative actions an employer shall take against an employee or prospective employee upon receipt of a confirmed positive test result for drugs or alcohol or upon the refusal of the employee or prospective employee to provide a testing sample. The policy shall provide that any action taken against an employee or prospective employee shall be based only on the results of the drug or alcohol test. The written policy shall also provide that if rehabilitation is required pursuant to paragraph "*g*", the employer shall not take adverse employment action against the employee so long as the employee complies with the requirements of rehabilitation and successfully completes rehabilitation.

*c.* Employers shall establish an awareness program to inform employees of the dangers of

drug and alcohol use in the workplace and comply with the following requirements in order to conduct drug or alcohol testing under this section:

(1) If an employer has an employee assistance program, the employer must inform the employee of the benefits and services of the employee assistance program. An employer shall post notice of the employee assistance program in conspicuous places and explore alternative routine and reinforcing means of publicizing such services. In addition, the employer must provide the employee with notice of the policies and procedures regarding access to and utilization of the program.

(2) If an employer does not have an employee assistance program, the employer must maintain a resource file of alcohol and other drug abuse programs certified by the Iowa department of public health, mental health providers, and other persons, entities, or organizations available to assist employees with personal or behavioral problems. The employer shall provide all employees information about the existence of the resource file and a summary of the information contained within the resource file. The summary should contain, but need not be limited to, all information necessary to access the services listed in the resource file.

*d.* An employee or prospective employee whose drug or alcohol test results are confirmed as positive in accordance with this section shall not, by virtue of those results alone, be considered as a person with a disability for purposes of any state or local law or regulation.

*e.* If the written policy provides for alcohol testing, the employer shall establish in the written policy a standard for alcohol concentration which shall be deemed to violate the policy. The standard for alcohol concentration shall not be less than .04, expressed in terms of grams of alcohol per two hundred ten liters of breath, or its equivalent.

*f.* An employee of an employer who is designated by the employer as being in a safety-sensitive position shall be placed in only one pool of safety-sensitive employees subject to drug or alcohol testing pursuant to subsection 8, paragraph "*a*", subparagraph (3). An employer may have more than one pool of safety-sensitive employees subject to drug or alcohol testing pursuant to subsection 8, paragraph "*a*", subparagraph (3), but shall not include an employee in more than one safety-sensitive pool.

*g.* (1) Upon receipt of a confirmed positive alcohol test which indicates an alcohol concentration greater than the concentration level established by the employer pursuant to this section, and if the employer has at least fifty employees, and if the employee has been employed by the employer for at least twelve of the preceding eighteen months, and if rehabilitation is agreed upon by the employee, and if the employee has not previously violated the employer's substance abuse prevention policy pursuant to this section, the written policy shall provide for the rehabilitation of the employee pursuant to subsection 10, paragraph "*a*", subparagraph (1), and the apportionment of the costs of rehabilitation as provided by this paragraph "*g*".

(a) If the employer has an employee benefit plan, the costs of rehabilitation shall be apportioned as provided under the employee benefit plan.

(b) If no employee benefit plan exists and the employee has coverage for any portion of the costs of rehabilitation under any health care plan of the employee, the costs of rehabilitation shall be apportioned as provided by the health care plan with any costs not covered by the plan apportioned equally between the employee and the employer. However, the employer shall not be required to pay more than two thousand dollars toward the costs not covered by the employee's health care plan.

(c) If no employee benefit plan exists and the employee does not have coverage for any portion of the costs of rehabilitation under any health care plan of the employee, the costs of rehabilitation shall be apportioned equally between the employee and the employer. However, the employer shall not be required to pay more than two thousand dollars towards the cost of rehabilitation under this subparagraph division.

(2) Rehabilitation required pursuant to this paragraph "*g*" shall not preclude an employer from taking any adverse employment action against the employee during the rehabilitation based on the employee's failure to comply with any requirements of the rehabilitation, including any action by the employee to invalidate a test sample provided by the employee pursuant to the rehabilitation.

*h.* In order to conduct drug or alcohol testing under this section, an employer shall require supervisory personnel of the employer involved with drug or alcohol testing under this section to attend a minimum of two hours of initial training and to attend, on an annual basis thereafter, a minimum of one hour of subsequent training. The training shall include, but is not limited to, information concerning the recognition of evidence of employee alcohol and other drug abuse, the documentation and corroboration of employee alcohol and other drug abuse, and the referral of employees who abuse alcohol or other drugs to the employee assistance program or to the resource file maintained by the employer pursuant to paragraph "*c*", subparagraph (2).

10. *Disciplinary procedures.*

*a.* Upon receipt of a confirmed positive test result for drugs or alcohol which indicates a violation of the employer's written policy, or upon the refusal of an employee or prospective employee to provide a testing sample, an employer may use that test result or test refusal as a valid basis for disciplinary or rehabilitative actions pursuant to the requirements of the employer's written policy and the requirements of this section, which may include, among other actions, the following:

(1) A requirement that the employee enroll in an employer-provided or approved rehabilitation, treatment, or counseling program, which may include additional drug or alcohol testing, participation in and successful completion of which may be a condition of continued employment, and the costs of which may or may not be covered by the employer's health plan or policies.

(2) Suspension of the employee, with or without pay, for a designated period of time.

(3) Termination of employment.

(4) Refusal to hire a prospective employee.

(5) Other adverse employment action in conformance with the employer's written policy and procedures, including any relevant collective bargaining agreement provisions.

*b.* Following a drug or alcohol test, but prior to receipt of the final results of the drug or alcohol test, an employer may suspend a current employee, with or without pay, pending the outcome of the test. An employee who has been suspended shall be reinstated by the employer, with back pay, and interest on such amount at eighteen percent per annum compounded annually, if applicable, if the result of the test is not a confirmed positive test result for drugs or alcohol which indicates a violation of the employer's written policy.

11. *Employer immunity.* A cause of action shall not arise against an employer who has established a policy and initiated a testing program in accordance with the testing and policy safeguards provided for under this section, for any of the following:

*a.* Testing or taking action based on the results of a positive drug or alcohol test result, indicating the presence of drugs or alcohol, in good faith, or on the refusal of an employee or prospective employee to submit to a drug or alcohol test.

*b.* Failure to test for drugs or alcohol, or failure to test for a specific drug or controlled substance.

*c.* Failure to test for, or if tested for, failure to detect, any specific drug or other controlled substance.

*d.* Termination or suspension of any substance abuse prevention or testing program or policy.

*e.* Any action taken related to a false negative drug or alcohol test result.

12. *Employer liability — false positive test results.*

*a.* Except as otherwise provided in paragraph "*b*", a cause of action shall not arise against an employer who has established a program of drug or alcohol testing in accordance with this section, unless all of the following conditions exist:

(1) The employer's action was based on a false positive test result.

(2) The employer knew or clearly should have known that the test result was in error and ignored the correct test result because of reckless, malicious, or negligent disregard for the truth, or the willful intent to deceive or to be deceived.

*b.* A cause of action for defamation, libel, slander, or damage to reputation shall not arise against an employer establishing a program of drug or alcohol testing in accordance with this section unless all of the following apply:

(1) The employer discloses the test results to a person other than the employer, an authorized employee, agent, or representative of the employer, the tested employee or the tested applicant for employment, an authorized substance abuse treatment program or employee assistance program, or an authorized agent or representative of the tested employee or applicant.

(2) The test results disclosed incorrectly indicate the presence of alcohol or drugs.

(3) The employer negligently discloses the results.

*c.* In any cause of action based upon a false positive test result, all of the following conditions apply:

(1) The results of a drug or alcohol test conducted in compliance with this section are presumed to be valid.

(2) An employer shall not be liable for monetary damages if the employer's reliance on the false positive test result was reasonable and in good faith.

13. *Confidentiality of results — exception.*

*a.* All communications received by an employer relevant to employee or prospective employee drug or alcohol test results, or otherwise received through the employer's drug or alcohol testing program, are confidential communications and shall not be used or received in evidence, obtained in discovery, or disclosed in any public or private proceeding, except as otherwise provided or authorized by this section.

*b.* An employee, or a prospective employee, who is the subject of a drug or alcohol test conducted under this section pursuant to an employer's written policy and for whom a confirmed positive test result is reported shall, upon written request, have access to any records relating to the employee's drug or alcohol test, including records of the laboratory where the testing was conducted and any records relating to the results of any relevant certification or review by a medical review officer. However, a prospective employee shall be entitled to records under this paragraph only if the prospective employee requests the records within fifteen calendar days from the date the employer provided the prospective employee written notice of the results of a drug or alcohol test as provided in subsection 7, paragraph "*i*", subparagraph (2).

*c.* Except as provided by this section and as necessary to conduct drug or alcohol testing under this section and to file a report pursuant to subsection 16, a laboratory and a medical review officer conducting drug or alcohol testing under this section shall not use or disclose to any person any personally identifiable information regarding such testing, including the names of individuals tested, even if unaccompanied by the results of the test.

*d.* (1) An employer may use and disclose information concerning the results of a drug or alcohol test conducted pursuant to this section under any of the following circumstances:

(a) In an arbitration proceeding pursuant to a collective bargaining agreement, or an administrative agency proceeding or judicial proceeding under workers' compensation laws or unemployment compensation laws or under common or statutory laws where action taken by the employer based on the test is relevant or is challenged.

(b) To any federal agency or other unit of the federal government as required under federal law, regulation or order, or in accordance with compliance requirements of a federal government contract.

(c) To any agency of this state authorized to license individuals if the employee tested is licensed by that agency and the rules of that agency require such disclosure.

(d) To a union representing the employee if such disclosure would be required by federal labor laws.

(e) To a substance abuse evaluation or treatment facility or professional for the purpose of evaluation or treatment of the employee.

(2) However, positive test results from an employer drug or alcohol testing program shall not be used as evidence in any criminal action against the employee or prospective employee tested.

14. *Civil penalties — jurisdiction.*

*a.* Any laboratory or medical review officer which discloses information in violation of the provisions of subsection 7, paragraph "*h*" or "*k*", or any employer who, through the selection process described in subsection 1, paragraph "*l*", improperly targets or exempts employees

subject to unannounced drug or alcohol testing, shall be subject to a civil penalty of one thousand dollars for each violation. The attorney general or the attorney general's designee may maintain a civil action to enforce this subsection. Any civil penalty recovered shall be deposited in the general fund of the state.

*b.* A laboratory or medical review officer involved in the conducting of a drug or alcohol test pursuant to this section shall be deemed to have the necessary contact with this state for the purpose of subjecting the laboratory or medical review officer to the jurisdiction of the courts of this state.

15. *Civil remedies.*

*a.* This section may be enforced through a civil action.

(1) A person who violates this section or who aids in the violation of this section, is liable to an aggrieved employee or prospective employee for affirmative relief including reinstatement or hiring, with or without back pay, or any other equitable relief as the court deems appropriate including attorney fees and court costs.

(2) When a person commits, is committing, or proposes to commit, an act in violation of this section, an injunction may be granted through an action in district court to prohibit the person from continuing such acts. The action for injunctive relief may be brought by an aggrieved employee or prospective employee, the county attorney, or the attorney general.

*b.* In an action brought under this subsection alleging that an employer has required or requested a drug or alcohol test in violation of this section, the employer has the burden of proving that the requirements of this section were met.

16. *Reports.* A laboratory doing business for an employer who conducts drug or alcohol tests pursuant to this section shall file an annual report with the Iowa department of public health by March 1 of each year concerning the number of drug or alcohol tests conducted on employees who work in this state pursuant to this section, the number of positive and negative results of the tests, during the previous calendar year. In addition, the laboratory shall include in its annual report the specific basis for each test as authorized in subsection 8, the type of drug or drugs which were found in the positive drug tests, and all significant available demographic factors relating to the positive test pool.

87 Acts, ch 208, §1; 90 Acts, ch 1188, §1; 90 Acts, ch 1233, §42; 94 Acts, ch 1023, §120; 98 Acts, ch 1011, §1; 98 Acts, ch 1100, §81; 98 Acts, ch 1138, §32, 33, 35; 99 Acts, ch 60, §1 – 8; 99 Acts, ch 114, §56, 59; 2004 Acts, ch 1081, §1 – 11; 2005 Acts, ch 3, §112; 2007 Acts, ch 50, §1; 2013 Acts, ch 30, §215 – 217

Referred to in §99F.4
Subsection 9, paragraph g amended
Subsection 13, paragraph d amended
Subsection 15 amended

# CHAPTER 731

## LABOR UNION MEMBERSHIP

Referred to in §331.307, 364.22


731.1 Right to join union.
731.2 Refusal to employ prohibited.
731.3 Contracts to exclude unlawful.
731.4 Union dues as prerequisite to employment — prohibited.
731.5 Deducting dues from pay unlawful.
731.6 Penalty.
731.7 Injunction.
731.8 Exception.
731.9 Relinquishment of seniority rights as a condition of employment prohibited.


### 731.1 Right to join union.

It is declared to be the policy of the state of Iowa that no person within its boundaries shall be deprived of the right to work at the person's chosen occupation for any employer because of membership in, affiliation with, withdrawal or expulsion from, or refusal to join, any labor

union, organization, or association, and any contract which contravenes this policy is illegal and void.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736A.1; C79, 81, §731.1]

**731.2 Refusal to employ prohibited.**

It shall be unlawful for any person, firm, association or corporation to refuse or deny employment to any person because of membership in, or affiliation with, or resignation or withdrawal from, a labor union, organization or association, or because of refusal to join or affiliate with a labor union, organization or association.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736A.2; C79, 81, §731.2]

**731.3 Contracts to exclude unlawful.**

It shall be unlawful for any person, firm, association, corporation or labor organization to enter into any understanding, contract, or agreement, whether written or oral, to exclude from employment members of a labor union, organization or association, or persons who do not belong to, or who refuse to join, a labor union, organization or association, or because of resignation or withdrawal therefrom.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736A.3; C79, 81, §731.3]

**731.4 Union dues as prerequisite to employment — prohibited.**

It shall be unlawful for any person, firm, association, labor organization or corporation, or political subdivision, either directly or indirectly, or in any manner or by any means as a prerequisite to or a condition of employment to require any person to pay dues, charges, fees, contributions, fines or assessments to any labor union, labor association or labor organization.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736A.4; C79, 81, §731.4]

**731.5 Deducting dues from pay unlawful.**

It shall be unlawful for any person, firm, association, labor organization or corporation to deduct labor organization dues, charges, fees, contributions, fines or assessments from an employee's earnings, wages or compensation, unless the employer has first been presented with an individual written order therefor signed by the employee, which written order shall be terminable at any time by the employee giving at least thirty days' written notice of such termination to the employer.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736A.5; C79, 81, §731.5]

**731.6 Penalty.**

Any person, firm, association, labor organization, or corporation or any director, officer, representative, agent or member thereof, who shall violate any of the provisions of this chapter or who shall aid and abet in such violation shall be guilty of a serious misdemeanor.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736A.6; C79, 81, §731.6]

**731.7 Injunction.**

Additional to the penal provisions of this chapter, any person, firm, corporation, association, or any labor union, labor association or labor organization, or any officer, representative, agent or member thereof may be restrained by injunction from doing or continuing to do any of the matters and things prohibited by this chapter, and all of the provisions of the law relating to the granting of restraining orders and injunctions, either temporary or permanent, shall be applicable.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736A.7; C79, 81, §731.7]

**731.8 Exception.**

The provisions of this chapter shall not apply to employers or employees covered by the federal Railway Labor Act, 45 U.S.C. § 151 et seq.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736A.8; C79, 81, §731.8]

2011 Acts, ch 34, §149

**731.9 Relinquishment of seniority rights as a condition of employment prohibited.**
It is unlawful for any person to refuse or deny employment to a person because the person refuses to relinquish seniority rights earned at a prior place of employment.
86 Acts, ch 1089, §1

# CHAPTER 731A

RESERVED

# CHAPTER 732

## LABOR BOYCOTTS AND STRIKES

Referred to in §331.307, 364.22


| | | | |
|---|---|---|---|
| 732.1 | Contracting to boycott or strike in sympathy. | 732.4 | Penalty. |
| 732.2 | Carrying out boycott or strike. | 732.5 | Injunction. |
| 732.3 | Jurisdictional strike or slowdown. | 732.6 | Hiring professional strikebreakers prohibited. |


**732.1 Contracting to boycott or strike in sympathy.**
It shall be unlawful for any labor union, association or organization, or the officers, representatives, agents or members thereof, to enter into any contract, agreement, arrangement, combination or conspiracy for the purpose of, by strikes or threats of strikes, by violence or threats of violence, by coercion, or by concerted refusal to make, manufacture, assemble, or use, handle, transport, deliver or otherwise deal with any articles, products or materials:
1. To force or require any person, firm or corporation to cease using, selling, handling, transporting or dealing in the goods or products of any other person, firm or corporation, or
2. To force or require any person, firm or corporation to cease selling, transporting or delivering goods or products to any other person, firm or corporation, or
3. To force or require any employer other than their own employer to recognize, deal with, comply with the demands of, or employ members of any labor union, association or organization, or
4. To force or require any employer to break an existing collective bargaining agreement which such employer may have with any labor union, association or organization.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736B.1; C79, 81, §732.1]
Referred to in §20.10, 732.2

**732.2 Carrying out boycott or strike.**
It shall be unlawful for any labor union, association or organization, or the officers, representatives, agents, or a member or members thereof to carry out or attempt to carry out in this state any contract, agreement, arrangement, combination or conspiracy declared unlawful in section 732.1.
[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736B.2; C79, 81, §732.2]
Referred to in §20.10

**732.3 Jurisdictional strike or slowdown.**
It shall be unlawful for any labor union, group, association or organization, or the officers, representatives, agents or members thereof, to cause a stoppage or slowdown of the work or a part of the work of an employer because of a dispute between labor unions, groups, associations or organizations, or the officers, representatives, agents or members thereof,

with respect to jurisdiction over, or the right to do the work or a part of the work of such employer.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736B.3; C79, 81, §732.3]

Referred to in §20.10

**732.4 Penalty.**

Any person, or any labor union, labor association or labor organization or any officer, representative, agent or member thereof who shall violate any of the provisions of this chapter shall be guilty of a simple misdemeanor.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736B.4; C79, 81, §732.4]

**732.5 Injunction.**

Additionally to the penal provisions of this chapter, any person, or any labor union, labor association or labor organization or any officer, representative, agent or member thereof may be restrained by injunction from doing or continuing to do any of the matters and things prohibited by this chapter, and all of the provisions of the law relating to the granting of restraining orders and injunctions, either temporary or permanent, shall be applicable.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §736B.5; C79, 81, §732.5]

**732.6 Hiring professional strikebreakers prohibited.**

It shall be unlawful for any person, persons, partnership, agency, firm, or corporation, or agent thereof:

1. Unless directly involved in a labor dispute, to knowingly recruit, procure, supply or refer for employment in the place of employees involved in such labor dispute any person or persons who customarily or repeatedly offer themselves as replacements for employees involved in labor disputes.

2. If directly involved in a labor dispute, to knowingly employ in place of employees involved in such dispute persons who customarily or repeatedly offer themselves as replacements for employees involved in labor disputes.

3. To solicit or advertise for employees to replace employees involved in a labor dispute without notice in such solicitation or advertisement that the employment offered is in place of employees engaged in a labor dispute.

4. To enter into an agreement, contract or arrangement with other persons, partnerships, agencies, firms or corporations, or agents thereof, to commit acts prohibited by subsection 1, 2 or 3 of this section.

[C66, 71, 73, 75, 77, §736B.6; C79, 81, §732.6]

# CHAPTERS 733 to 747

RESERVED

# SUBTITLE 2

## CRIMINAL PROCEDURE

## CHAPTERS 748 to 800

RESERVED

## CHAPTER 801

### CRIMINAL PROCEDURE SCOPE AND DEFINITIONS

Referred to in §502.604A

801.1 Short title.
801.2 Scope.
801.3 General purposes.
801.4 Definitions.
801.5 Applicability to offenses committed before the effective date.

**801.1 Short title.**

Chapters 801 to 819 shall be known and may be cited as the *"Iowa Code of Criminal Procedure"*.

[C79, 81, §801.1]

**801.2 Scope.**

The provisions of the Iowa code of criminal procedure shall govern procedure in the courts of Iowa in all criminal proceedings except where a different procedure is specifically provided by law.

[C79, 81, §801.2]

**801.3 General purposes.**

The provisions of the Iowa code of criminal procedure shall be liberally construed to give effect to the general purposes thereof, which shall be to provide for:

1. Simplicity in criminal procedure.
2. Fairness in administration of the criminal laws.
3. Elimination of unjustifiable delay in pretrial, trial, and post-trial proceedings.
4. Just determination of every criminal proceeding by a fair and impartial trial and review.
5. The effective apprehension and trial of persons suspected of committing public offenses without violation of fundamental human rights.

[C79, 81, §801.3]

**801.4 Definitions.**

For the purposes of Title XVI,* unless the context otherwise requires:

1. The words *"accused person"*, *"accused"*, *"defendant"*, and similar words mean an individual, a public or private corporation, a partnership, or an unincorporated or voluntary association.
2. *"Attorney general"* includes an authorized assistant of the attorney general.
3. *"Charge"* means a written statement presented to a court accusing a person of the commission of a public offense, including but not limited to a complaint, information, or indictment.
4. *"Complaint"* means a statement in writing, under oath or affirmation, made before a magistrate or district court clerk or clerk's designee as the case may be, of the commission of a public offense, and accusing someone of committing the public offense. A complaint shall be substantially in the form provided in the Iowa rules of criminal procedure.

5. *"County attorney"* includes an authorized assistant of the county attorney.

6. *"Court"* means a place where justice is administered by a magistrate and includes such magistrate while acting in a judicial capacity.

7. *"Criminal proceeding"* is a proceeding in which a person is accused of a public offense.

8. *"Indictable offense"* means an offense other than a simple misdemeanor.

9. *"Indigent person"* means a person who is indigent as determined in accordance with section 815.9.

10. *"Magistrate"* means all judges of the district court, including district associate judges and judicial magistrates throughout the state.

11. *"Peace officers"*, sometimes designated "law enforcement officers", include:

*a.* Sheriffs and their regular deputies who are subject to mandated law enforcement training.

*b.* Marshals and police officers of cities.

*c.* Peace officer members of the department of public safety as defined in chapter 80.

*d.* Parole officers acting pursuant to section 906.2.

*e.* Probation officers acting pursuant to section 602.7202, subsection 4, and section 907.2.

*f.* Special security officers employed by board of regents institutions as set forth in section 262.13.

*g.* Conservation officers as authorized by section 456A.13.

*h.* Such employees of the department of transportation as are designated *"peace officers"* by resolution of the department under section 321.477.

*i.* Employees of an aviation authority designated as *"peace officers"* by the authority under section 330A.8, subsection 16.

*j.* Such persons as may be otherwise so designated by law.

12. *"Prosecuting attorney"*, sometimes designated *"prosecutor"*, means any attorney who is authorized by law to appear on the behalf of the state in a criminal case, and includes the attorney general, an assistant attorney general, the county attorney, an assistant county attorney, or a special or substitute prosecutor whose appearance is approved by a court having jurisdiction to try the defendant for the offense with which the defendant is charged. In the case of prosecution for a municipal ordinance violation, *"prosecuting attorney"* means a city attorney or an assistant city attorney.

13. *"Prosecution"* means the commencement, including the filing of a complaint, and continuance of a criminal proceeding, and pursuit of that proceeding to final judgment on behalf of the state or other political subdivision.

[C51, §2778, 2822, 2823, 2830; R60, §4439, 4440, 4447, 4530; C73, §4108, 4109, 4111; C97, §5097, 5099, 5101; C24, 27, 31, 35, 39, §**13403, 13405, 13458;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §748.1, 748.3, 754.1; C79, 81, S81, §801.4; 81 Acts, ch 117, §1240]

83 Acts, ch 186, §10129, 10130, 10201; 84 Acts, ch 1019, §1, 2; 89 Acts, ch 182, §11; 90 Acts, ch 1233, §43

Referred to in §7.10, 8A.363, 70A.9, 123.46, 125.91, 229.22, 321.1, 321.176A, 321.224, 321.279, 321.484, 321.492, 321.513, 321L.4, 330A.8, 453A.2, 721.12, 804.7A, 804.7B

*This provision does not include chapters 709A, 718A, 822, 904, 913, and 914, which were moved into Title XVI by the Code editor. Chapters 709A, 718A, 822, 904, 913, and 914 contain the applicable provisions pertaining to those chapters.

**801.5 Applicability to offenses committed before the effective date.**

1. Except as provided in subsections 2 and 3 of this section, Title XVI* does not apply to offenses committed before January 1, 1978. Prosecutions for offenses committed before that date are governed by the prior law, which is continued in effect for that purpose, as if this title* were not in force. For purposes of this section, an offense is committed before said date if any of the elements of the offense occurred before that date.

2. In any case pending on or commenced after said date, involving an offense committed before that date:

*a.* Upon the request of the defendant a defense or mitigation under this title,* whether specifically provided for herein or based upon the failure of said statutes to define an applicable offense, shall apply; and

*b.* Upon the request of the defendant and the approval of the court:

(1) Procedural provisions of this title* shall apply insofar as they are justly applicable; and

(2) The court may impose a sentence or suspended imposition of a sentence under the provisions of this title* applicable to the offense and the offender.

3. Provisions of this title* governing the release or discharge of prisoners, probationers, and parolees shall apply to persons under sentence for offenses committed before January 1, 1978, except that the minimum or maximum period of their detention or supervision shall in no case be increased, nor shall the provisions of this title* affect the substantive or procedural validity of any judgment of conviction entered before said date, regardless of the fact that appeal time has not run or that an appeal is pending.

[C79, 81, §801.5]

*This provision does not include chapters 709A, 718A, 822, 904, 913, and 914, which were moved into Title XVI by the Code editor. Chapters 709A, 718A, 822, 904, 913, and 914 contain the applicable provisions pertaining to those chapters.

# CHAPTER 802

## LIMITATION OF CRIMINAL ACTIONS

Referred to in §81.10, 801.1, 803.5

Limitations of actions, chapter 614


802.1 Murder.
802.2 Sexual abuse — first, second, or third degree.
802.2A Incest — sexual exploitation by a counselor, therapist, or school employee.
802.3 Felony — aggravated or serious misdemeanor.
802.4 Simple misdemeanor — ordinance.
802.5 Extension for fraud, fiduciary breach.
802.6 Periods excluded from limitation.
802.7 Continuing crimes.
802.8 Time of finding indictment and information.
802.9 Indictment or information where a defect is found.
802.10 DNA profile of accused.


**802.1 Murder.**

A prosecution for murder in the first or second degree may be commenced at any time after the death of the victim.

[C51, §2811; R60, §4513; C73, §4165; C97, §5163; C24, 27, 31, 35, 39, §**13442;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §752.1; C79, 81, §802.1]

Referred to in §802.3

**802.2 Sexual abuse — first, second, or third degree.**

1. An information or indictment for sexual abuse in the first, second, or third degree committed on or with a person who is under the age of eighteen years shall be found within ten years after the person upon whom the offense is committed attains eighteen years of age, or if the person against whom the information or indictment is sought is identified through the use of a DNA profile, an information or indictment shall be found within three years from the date the person is identified by the person's DNA profile, whichever is later.

2. An information or indictment for any other sexual abuse in the first, second, or third degree shall be found within ten years after its commission, or if the person against whom the information or indictment is sought is identified through the use of a DNA profile, an information or indictment shall be found within three years from the date the person is identified by the person's DNA profile, whichever is later.

3. As used in this section, *"identified"* means a person's legal name is known and the person has been determined to be the source of the DNA.

85 Acts, ch 174, §2; 90 Acts, ch 1066, §1; 94 Acts, ch 1128, §3; 2000 Acts, ch 1027, §1; 2005 Acts, ch 158, §36; 2007 Acts, ch 126, §110

Referred to in §802.3, 802.10

**802.2A Incest — sexual exploitation by a counselor, therapist, or school employee.**

1. An information or indictment for incest under section 726.2 committed on or with a

person who is under the age of eighteen shall be found within ten years after the person upon whom the offense is committed attains eighteen years of age. An information or indictment for any other incest shall be found within ten years after its commission.

2. An indictment or information for sexual exploitation by a counselor, therapist, or school employee under section 709.15 committed on or with a person who is under the age of eighteen shall be found within ten years after the person upon whom the offense is committed attains eighteen years of age. An information or indictment for any other sexual exploitation shall be found within ten years of the date the victim was last treated by the counselor or therapist, or within ten years of the date the victim was enrolled in or attended the school.

2001 Acts, ch 63, §1; 2003 Acts, ch 180, §66

Referred to in §802.3

**802.3 Felony — aggravated or serious misdemeanor.**

In all cases, except those enumerated in section 802.1, 802.2, 802.2A, or 802.10, an indictment or information for a felony or aggravated or serious misdemeanor shall be found within three years after its commission.

[C51, §2813; R60, §4515; C73, §4167; C97, §5165; C24, 27, 31, 35, 39, §**13444;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §752.3; C79, 81, §802.3; 81 Acts, ch 204, §10]

85 Acts, ch 174, §3; 92 Acts, ch 1199, §7; 2000 Acts, ch 1027, §2; 2001 Acts, ch 63, §2; 2006 Acts, ch 1084, §1

Referred to in §453B.12, 802.5, 802.10

Other exceptions, see §802.5, 802.6, 802.9

**802.4 Simple misdemeanor — ordinance.**

A prosecution for a simple misdemeanor or violation of a municipal or county rule or ordinance shall be commenced within one year after its commission.

[C73, §4168; C97, §5166; C24, 27, 31, 35, 39, §**13445;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §752.4; C79, 81, §802.4]

Referred to in §802.5

Other exceptions to limitations period, see §802.5, 802.6, and 802.9

**802.5 Extension for fraud, fiduciary breach.**

If the periods prescribed in sections 802.3 and 802.4 have expired, prosecution may nevertheless be commenced for any offense a material element of which is either fraud or a breach of fiduciary obligation within one year after discovery of the offense by an aggrieved party or by a person who has legal duty to represent an aggrieved party and who is not a party to the offense, but in no case shall this provision extend the period of limitation otherwise applicable by more than three years.

[C79, 81, §802.5; 81 Acts, ch 204, §11]

2003 Acts, ch 108, §115

**802.6 Periods excluded from limitation.**

1. When a person leaves the state, the indictment or information may be found within the time herein limited after the person's coming into the state, and no period during which the party charged was not publicly resident within the state is a part of the limitation.

2. The time within which an indictment or information must be found shall not include the time during which the defendant is a public officer or employee and the offense arises from misconduct relating to the duties and trust of that office or employment.

[C51, §2814; R60, §4516; C73, §4169; C97, §5167; C24, 27, 31, 35, 39, §**13446;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §752.5; C79, 81, §802.6]

2002 Acts, ch 1116, §1

**802.7 Continuing crimes.**

When an offense is based on a series of acts committed at different times, the period of limitation prescribed by this chapter shall commence upon the commission of the last of such acts.

[C79, 81, §802.7]

2013 Acts, ch 90, §208

Section amended

**802.8 Time of finding indictment and information.**

Within the meaning of this chapter:

1. An indictment is found when it is duly presented by the grand jury in open court and filed.

2. An information is found when it is filed.

[C51, §2815; R60, §4517; C73, §4170; C97, §5168; C24, 27, 31, 35, 39, §**13447;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §752.6; C79, 81, §802.8]

**802.9 Indictment or information where a defect is found.**

If a defect, error, or irregularity is discovered in any indictment or information which, on motion of either party, causes same to be dismissed or the prosecution to be set aside or reversed on appeal, a new indictment or information may be found within thirty days after such action notwithstanding the time limitations enumerated in this chapter.

[C51, §2949, 3251, 3252; R60, §4699, 4711, 4712, 5011 – 5013; C73, §4344, 4356, 4357, 4617 – 4619; C97, §5326, 5331, 5539; C24, 27, 31, 35, 39, §**13788, 13796, 13797, 14027;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §776.9, 777.8, 777.9, 795.5; C79, 81, §802.9]

**802.10 DNA profile of accused.**

1. As used in this section:

*a.* *"DNA profile"* means the same as defined in section 81.1.

*b.* *"Identified"* means the same as defined in section 802.2.

2. An indictment or information may be found containing only the DNA profile of the person sought. When an indictment or information is found containing only a DNA profile, the limitation of any action under section 802.3 is tolled.

3. However, notwithstanding subsection 2, an indictment or information shall be found against a person within three years from the date the person is identified by the person's DNA profile. If the action involves sexual abuse, the indictment or information shall be found as provided in section 802.2, if the person is identified by the person's DNA profile.

2006 Acts, ch 1084, §2; 2007 Acts, ch 126, §111

Referred to in §802.3

# CHAPTER 803

## JURISDICTION OF PUBLIC OFFENSES AND PLACE OF TRIAL

Referred to in §801.1, 809A.2


| | |
|---|---|
| 803.1 | State criminal jurisdiction. |
| 803.2 | Place of trial — general. |
| 803.3 | Place of trial — special provisions. |
| 803.4 | Bar to action. |
| 803.5 | Transfer of jurisdiction. |
| 803.6 | Transfer of jurisdiction — juvenile. |


**803.1 State criminal jurisdiction.**

1. A person is subject to prosecution in this state for an offense which the person commits within or outside this state, by the person's own conduct or that of another for which the person is legally accountable, if:

*a.* The offense is committed either wholly or partly within this state.

*b.* Conduct of the person outside the state constitutes an attempt to commit an offense within this state.

*c.* Conduct of the person outside the state constitutes a conspiracy to commit an offense within this state.

*d.* The offense is based upon a statute that specifically prohibits conduct wholly outside of the state, and the conduct bears a reasonable relation to a legitimate state interest, and the person knows or should know that the conduct is likely to affect that interest.

*e.* Conduct of the person within this state constitutes an attempt, solicitation or conspiracy to commit an offense in another jurisdiction, which conduct is punishable under the laws of both this state and such other jurisdiction.

2. An offense may be committed partly within this state if conduct which is an element of the offense, or a result which constitutes an element of the offense, occurs within this state. If the body of a murder victim is found within the state, the death is presumed to have occurred within the state. If a kidnapping victim, or the body of a kidnapping victim, is found within the state, the confinement or removal of the victim from one place to another is presumed to have occurred within the state.

3. An offense which is based on an omission to perform a duty imposed upon a person by the law of this state is committed within the state, regardless of the location of the person at the time of the omission.

4. The jurisdiction of the criminal court includes the prosecution of any individual arrested who is eighteen years of age or older and who is charged with committing a criminal offense. If the individual is alleged to have committed the offense prior to having reached the age of eighteen, that individual or the county attorney may petition the criminal court to transfer the matter to juvenile court, pursuant to section 803.5.

[C51, §2803; R60, §4500; C73, §4155; C97, §5153; C24, 27, 31, 35, 39, §**13448;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §753.1; C79, 81, §803.1]

88 Acts, ch 1167, §4; 95 Acts, ch 178, §1; 2000 Acts, ch 1037, §3

Referred to in §710.10

**803.2 Place of trial — general.**

1. A criminal action shall be tried in the county in which the crime is committed, except as otherwise provided by law.

2. The court, may on its own motion or on the motion of any of the parties to the proceeding reconsider and grant a pretrial motion for change of venue whenever it appears during jury selection that sufficient grounds would exist for granting the motion under the provisions of rule of criminal procedure 2.11.

3. All objections to venue are waived by a defendant unless the defendant objects thereto and secures a ruling by the trial court on a pretrial motion for change of venue. However, if venue is changed pursuant to subsection 2, all objections to venue in the county to which the action is transferred are waived by a defendant unless the defendant objects by a motion for change of venue filed within five days after entry of the order transferring the action and secures a ruling by the trial court on the motion before a jury has been impaneled and sworn.

[R60, §4502; C73, §4156; C97, §5154; C24, 27, 31, 35, 39, §**13449;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §753.2; C79, 81, §803.2; 82 Acts, ch 1021, §7, 12(1)]

Referred to in §803.3

**803.3 Place of trial — special provisions.**

The following special provisions apply:

1. If conduct or results which constitute elements of an offense occur in two or more counties, prosecution of the offense may be had in any of such counties. In such cases, where a dominant number of elements occur in one county, that county shall have the primary right to proceed with prosecution of the offender.

2. If an offense commenced outside the state is consummated within this state, trial of the offense shall be held in the county or counties in which the offense is consummated or the interest protected by the involved penal statute is impaired.

3. If an offense is committed in or upon any conveyance in transit, and it cannot readily

be determined in which county the offense was committed, trial of the offense may be held in any county through or over which the conveyance passed in the course of its journey.

4. If an offense is committed on the boundary of two or more counties, and it cannot readily be determined within which county the commission took place, trial of the offense may be held in any of the counties concerned.

5. If a simple misdemeanor is committed in a city which is located in two or more counties, venue shall be in the county in which the seat of government of the city is located. However, if the simple misdemeanor is committed in conjunction with an offense greater than a simple misdemeanor, the trial of the simple misdemeanor shall be in the county where the greater offense was committed as provided in section 803.2.

6. If the offense is a traffic offense, or a scheduled offense under section 805.8A, 805.8B, or 805.8C, section 805.13 shall apply.

7. *a.* If a person is charged with a violation of the tax laws arising out of individual tax liability, venue is in the county of residence of the person charged with the offense, unless the person is a nonresident of this state or the residence of the person cannot be established, in which event venue is in Polk county.

*b.* If a person is charged with a violation of the tax laws arising out of a business, venue is in any county where business was conducted. If a specific county cannot be established as a situs, venue is in Polk county.

*c.* If a person is charged with a violation of section 453B.12, venue is in the county of the residence of the person charged with the offense or the county in which the drugs were found.

*d.* If a person is charged with a violation of the tax laws in which venue is set under multiple provisions of this section, venue is in any county in which one of the charges may be prosecuted.

[C51, §2804, 2806 – 2808; R60, §4505, 4507 – 4509; C73, §4157, 4159 – 4161; C97, §5155, 5157 – 5159; C24, 27, 31, 35, 39, §**13450, 13451 – 13453;** C46, 50, 54, 58, 62, 66, 71, §753.3 – 753.6; C73, 75, 77, §753.3; C79, 81, §803.3]

99 Acts, ch 152, §37, 40; 2001 Acts, ch 137, §5; 2003 Acts, ch 113, §2; 2004 Acts, ch 1041, §1

Referred to in §805.13

**803.4 Bar to action.**

A conviction or acquittal of an offense in a court having jurisdiction thereof is a bar to a prosecution of the offense in another court.

[R60, §4512; C73, §4164; C97, §5162; C24, 27, 31, 35, 39, §**13457;** C46, 50, 54, 58, 62, 66, 71, §753.10; C73, 75, 77, §753.4; C79, 81, §803.4]

**803.5 Transfer of jurisdiction.**

1. An adult who is alleged to have committed a criminal offense prior to having reached the age of eighteen may be transferred to juvenile court for adjudication and disposition as a juvenile, provided that the taking of that person into custody for the alleged act or the filing of a complaint, information, or indictment alleging the act, occurs within the time periods and under the conditions specified in chapter 802 and further provided that the juvenile court has not already waived its jurisdiction over the person and the alleged offense.

2. The defendant or the county attorney may file a motion for the transfer any time within ten days of the initial appearance.

3. The court shall hold a transfer hearing on all such motions. A notice of the time and place of the transfer hearing shall be given to all parties to the hearing.

4. Prior to the transfer hearing, the juvenile probation officer, or other person or agency designated by the court, shall conduct an investigation for the purpose of collecting information relevant to the court's decision to waive its jurisdiction over the defendant for the alleged commission of the public offense and shall submit a report concerning the investigation to the court. The report shall include any recommendations made concerning transfer. Prior to the hearing the court shall provide the defendant's counsel and the county attorney with access to the report and to all written material to be considered by the court.

5. After the hearing, the court may transfer jurisdiction to the juvenile court if the court determines that there is probable cause to believe that the adult committed an offense while

still a juvenile, and waiver to the criminal court would be inappropriate under the criteria set forth in section 232.45, subsection 6, paragraph "c", and section 232.45, subsection 8, if the adult were still a child.

6. If after the hearing the court transfers jurisdiction over the adult to the juvenile court for the alleged commission of the public offense, the court shall forward the transfer order together with all papers, documents, and a transcript of all testimony filed or admitted into evidence in connection with the case to the clerk of the juvenile court in the same manner as provided in section 232.8, subsection 2.

88 Acts, ch 1167, §5
Referred to in §232.8, 803.1

**803.6 Transfer of jurisdiction — juvenile.**

1. The court, in the case of a juvenile who is alleged to have committed a criminal offense listed in section 232.8, subsection 1, paragraph "c", may direct a juvenile court officer to provide a report regarding whether the child should be transferred to juvenile court for adjudication and disposition as a juvenile.

2. If the court believes that transfer may be appropriate the court shall hold a hearing on whether the child should be transferred. A notice of the time and place of the transfer hearing shall be given to all parties to the case. Prior to the hearing, the court shall provide the defendant's counsel and the county attorney with access to the report provided by the juvenile court officer and to all written material to be considered by the court.

3. After the hearing, the court may transfer jurisdiction to the juvenile court if the court determines that waiver to the criminal court would be inappropriate under the criteria set forth in section 232.45, subsection 6, paragraph "c", and section 232.45, subsection 8.

4. If after the hearing the court transfers jurisdiction over the defendant to the juvenile court for the alleged commission of the public offense, the court shall forward the transfer order together with all papers, documents, and a transcript of all testimony filed or admitted into evidence in connection with the case to the clerk of the juvenile court in the same manner as provided in section 232.8, subsection 2.

5. A defendant transferred to the jurisdiction of the juvenile court shall be placed in detention under section 232.22.

95 Acts, ch 191, §54
Referred to in §232.8

# CHAPTER 804

## COMMENCEMENT OF ACTIONS — ARREST — DISPOSITIONS OF PRISONERS

Referred to in §602.6405, 664A.3, 801.1, 805.1, 805.6, 805.9


804.1 Arrest by warrant — complaint and citation defined.
804.2 Contents of arrest warrant.
804.3 Order for bail — endorsed on warrant.
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804.5 Arrest defined.
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804.22 Initial appearance before magistrate — arrest without warrant.
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804.27 Conveying prisoner to jail — fees and expenses.
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**804.1 Arrest by warrant — complaint and citation defined.**

A criminal proceeding may be commenced by the filing of a complaint before a magistrate. When such complaint is made, charging the commission of some designated public offense in which such magistrate has jurisdiction, and it appears from the complaint or from affidavits filed with it that there is probable cause to believe an offense has been committed and a designated person has committed it, the magistrate shall, except as otherwise provided, issue a warrant for the arrest of such person.

If the complaint charges a public offense, the magistrate may issue a citation instead of a warrant of arrest. The citation shall set forth substantially the nature of the offense and shall command the person against whom the complaint was made to appear before the magistrate issuing the citation at a time and place stated in the citation. The magistrate shall prescribe the manner of service for the citation at the time the citation is issued.

The citation may be served in the same manner as an original notice in a civil action.

If the person named in the citation is actually served as provided herein and willfully fails without good cause to appear as commanded by the citation, the person shall be guilty of a simple misdemeanor and the magistrate may issue a warrant of arrest for the offense originally charged.

If after issuing a citation the magistrate becomes satisfied that the person to whom such citation has been directed will not appear, the magistrate may at once issue a warrant of arrest without waiting for the date mentioned in the citation.

[C51, §2822; R60, §4530; C73, §4111, 4185; C97, §5101, 5182; C24, 27, 31, 35, 39, §**13458 – 13460;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §754.1 – 754.3; C79, 81, §804.1]

83 Acts, ch 50, §1, 7

Referred to in §708.11, 805.8C(3a)

See R.Cr.P. 2.2; 2.6; 2.36 – Form 5; 2.54; 2.76 – Form 1

**804.2 Contents of arrest warrant.**

The warrant must be directed to any peace officer in the state; give the name of the defendant, if known to the magistrate; if unknown, may designate "name unknown"; and must state by name or general description an offense which authorizes a warrant to issue, the date of issuing it, the county or city where issued, and be signed by the magistrate with the magistrate's name of office.

[C51, §2828, 2829; R60, §4535, 4536; C73, §4187, 4188; C97, §5184; C24, 27, 31, 35, 39, §**13462;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §754.5; C79, 81, §804.2]

See R.Cr.P. 2.36 – Forms 5, 6, 7

**804.3 Order for bail — endorsed on warrant.**

If the offense stated in the warrant be bailable, the magistrate issuing it must make an endorsement thereon as follows:

Let the defendant, when arrested, be (admitted to bail in the sum of ..... dollars) or (stating other conditions of release).

[R60, §4537; C73, §4189; C97, §5185; C24 27, 31, 35, 39, §**13463;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §754.6; C79, 81, §804.3]

See R.Cr.P. 2.36 – Form 6

**804.4 Manner of executing warrant.**

The warrant may be delivered to any peace officer for execution, and served in any county in the state.

[R60, §4538; C73, §4190; C97, §5186; C24, 27, 31, 35, 39, §**13464;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §754.7; C79, 81, §804.4]

**804.5 Arrest defined.**

Arrest is the taking of a person into custody when and in the manner authorized by law, including restraint of the person or the person's submission to custody.

[C51, §2837, 2838, 2850; R60, §4545, 4551, 4557 – 4559; C73, §4197, 4203, 4209 – 4211; C97, §5193, 5194; C24, 27, 31, 35, 39, §**13465, 13466;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.1, 755.2; C79, 81, §804.5]

Referred to in §123.46

**804.6 Persons authorized to make an arrest.**

An arrest pursuant to a warrant shall be made only by a peace officer; in other cases, an arrest may be made by a peace officer or by a private person as provided in this chapter.

[R60, §4546; C73, §4198; C97, §5195; C24, 27, 31, 35, 39, §**13467;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.3; C79, 81, §804.6]

**804.7 Arrests by peace officers.**

A peace officer may make an arrest in obedience to a warrant delivered to the peace officer; and without a warrant:

1. For a public offense committed or attempted in the peace officer's presence.

2. Where a public offense has in fact been committed, and the peace officer has reasonable ground for believing that the person to be arrested has committed it.

3. Where the peace officer has reasonable ground for believing that an indictable public offense has been committed and has reasonable ground for believing that the person to be arrested has committed it.

4. Where the peace officer has received from the department of public safety, or from any other peace officer of this state or any other state or the United States an official communication by bulletin, radio, telegraph, telephone, or otherwise, informing the peace officer that a warrant has been issued and is being held for the arrest of the person to be arrested on a designated charge.

5. If the peace officer has reasonable grounds for believing that domestic abuse, as defined

in section 236.2, has occurred and has reasonable grounds for believing that the person to be arrested has committed it.

6. As required by section 236.12, subsection 2.

[C51, §2840; R60, §4547, 4548; C73, §4199, 4200; C97, §5196; C24, 27, 31, 35, 39, §**13468;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.4; C79, 81, §804.7]

85 Acts, ch 175, §12; 86 Acts, ch 1179, §7

Referred to in §28J.7, 804.7A, 805.9

**804.7A Arrests by federal law enforcement officers.**

1. For purposes of this section, *"federal law enforcement officer"* means a person employed full time by the United States government who is empowered to effect an arrest with or without a warrant for a violation of the United States Code and who is authorized to carry a firearm in the performance of the person's duties as a federal law enforcement officer.

2. A federal law enforcement officer has the same authority, as provided in section 804.7, subsection 3, and has the same immunity from suit in this state as a peace officer, as defined in section 801.4, subsection 11, when making an arrest in this state for a nonfederal crime if either of the following exists:

*a.* The federal law enforcement officer has reasonable grounds for believing that an indictable public offense has been committed and has reasonable grounds for believing that the person to be arrested has committed it.

*b.* The federal law enforcement officer is rendering assistance to a peace officer of this state in an emergency or at the request of the peace officer.

90 Acts, ch 1014, §1

Referred to in §804.7B

**804.7B Arrests by out-of-state peace officers.**

1. For purposes of this section, *"out-of-state peace officer"* means a person employed full time as a peace officer by a state other than Iowa or a political subdivision of a state other than Iowa who is empowered to effect an arrest with or without a warrant under the laws of that jurisdiction, who is authorized to carry a firearm in the performance of the person's duties, and who is certified or licensed as a regular peace officer in the jurisdiction in which the person's employing agency or appointing authority is located. Notwithstanding section 804.7A, for purposes of this section *"out-of-state peace officer"* also means a person employed full time by the United States government who is empowered to effect an arrest with or without a warrant for a violation of the United States Code and who is authorized to carry a firearm in the performance of the person's duties as a federal law enforcement officer.

2. *a.* An out-of-state peace officer may make arrests and conduct other law enforcement activities in this state pursuant to an agreement entered into under chapter 28E by the peace officer's employing agency or appointing authority and the state of Iowa or a political subdivision of the state of Iowa. Any arrests made or activities conducted by an out-of-state peace officer shall be in accordance with any conditions and specifications contained in the agreement and shall be in accordance with Iowa law. An out-of-state peace officer who makes an arrest or conducts an activity in this state shall immediately contact and cooperate with a law enforcement agency having jurisdiction over the area in which the activities have occurred. An out-of-state peace officer who acts in accordance with an agreement entered into pursuant to this section and Iowa law has the same immunity from suit in this state as a peace officer, as defined in section 801.4.

*b.* Out-of-state peace officers making arrests or conducting law enforcement activities in this state pursuant to a chapter 28E agreement are not employees or agents of the state of Iowa or any political subdivision of the state of Iowa. To the extent permitted by law, the employing agency or appointing agency of the out-of-state peace officer and the out-of-state peace officer are liable for any acts or omissions which arise out of the arrests or law enforcement activities of the out-of-state peace officer.

*c.* Agreements made under this section shall not exceed any jurisdictional limitations to which the state or the political subdivision of this state are subject. Agreements made under this section shall not permit out-of-state peace officers to perform regularly scheduled or

routine patrol functions. This section shall not be construed to limit the authority of an employing agency or appointing authority to restrict the exercise of power or authority of peace officers who are employed by or are the agents of the agency or authority.

98 Acts, ch 1140, §1

**804.8 Use of force by peace officer making an arrest.**

1. A peace officer, while making a lawful arrest, is justified in the use of any force which the peace officer reasonably believes to be necessary to effect the arrest or to defend any person from bodily harm while making the arrest. However, the use of deadly force is only justified when a person cannot be captured any other way and either of the following apply:

*a.* The person has used or threatened to use deadly force in committing a felony.

*b.* The peace officer reasonably believes the person would use deadly force against any person unless immediately apprehended.

2. A peace officer making an arrest pursuant to an invalid warrant is justified in the use of any force which the peace officer would be justified in using if the warrant were valid, unless the peace officer knows that the warrant is invalid.

[C51, §2844; R60, §4553; C73, §4205; C97, §5200; C24, 27, 31, 35, 39, §**13472;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.8; C79, 81, §804.8]

2013 Acts, ch 90, §238

Referred to in §704.12, 811.8

See §704.1 – 704.3

Section amended

**804.9 Arrests by private persons.**

A private person may make an arrest:

1. For a public offense committed or attempted in the person's presence.

2. When a felony has been committed, and the person has reasonable ground for believing that the person to be arrested has committed it.

[C51, §2846; R60, §4549; C73, §4201; C97, §5197; C24, 27, 31, 35, 39, §**13469;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.5; C79, 81, §804.9]

**804.10 Use of force in arrest by private person.**

A private person who makes or assists another private person in making a lawful arrest is justified in using any force which the person reasonably believes to be necessary to make the arrest or which the person reasonably believes to be necessary to prevent serious injury to any person.

A private person who is summoned or directed by a peace officer to assist in making an arrest may use whatever force the peace officer could use under the circumstances, provided that, if the arrest is unlawful, the private person assisting the officer shall be justified as if the arrest were a lawful arrest, unless the person knows that the arrest is unlawful.

[C79, 81, §804.10]

Referred to in §704.12

See §704.1 – 704.3

**804.11 Arrest of material witness.**

1. When a law enforcement officer has probable cause to believe that a person is a necessary and material witness to a felony and that such person might be unavailable for service of a subpoena, the officer may arrest such person as a material witness with or without an arrest warrant.

2. At the time of the arrest, the law enforcement officer shall inform the person of:

*a.* The officer's identity as a law enforcement officer.

*b*. The reason for the arrest which is that the person is believed to be a material witness to an identified felony and that the person might be unavailable for service of a subpoena.

[C51, §2876 – 2879; R60, §4601 – 4604; C73, §4248 – 4251; C97, §5232 – 5235; C24, 27, 31, 35, 39, §**13547 – 13550;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §761.21 – 761.24; C79, 81, §804.11]

2013 Acts, ch 90, §239

Referred to in §804.23

See §815.6

Section amended

**804.12 Use of force in resisting arrest.**

A person is not authorized to use force to resist an arrest, either of the person's self, or another which the person knows is being made either by a peace officer or by a private person summoned and directed by a peace officer to make the arrest, even if the person believes that the arrest is unlawful or the arrest is in fact unlawful.

[C51, §2669; R60, §4296; C73, §3960; C97, §4899; C24, 27, 31, 35, 39, §**13331;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §742.1; C79, 81, §804.12]

**804.13 Use of force in preventing an escape.**

A peace officer or other person who has an arrested person in custody is justified in the use of such force to prevent the escape of the arrested person from custody as the officer or other person would be justified in using if the officer or other person were arresting such person.

[C51, §2844; R60, §4553; C73, §4205; C97, §5200; C24, 27, 31, 35, 39, §**13472;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.8; C79, 81, §804.13]

Referred to in §704.12, 811.8

**804.14 Manner of making arrest — warrant.**

1. A person making an arrest must inform the person to be arrested of the intention to arrest the person, the reason for arrest, and that the person making the arrest is a peace officer, if such be the case, and require the person being arrested to submit to the person's custody, except when the person to be arrested is actually engaged in the commission of or attempt to commit an offense, or escapes, so that there is no time or opportunity to do so.

2. If acting under the authority of a warrant, a law enforcement officer need not have the warrant in the officer's possession at the time of the arrest, but, upon request, the officer shall show the warrant to the person being arrested as soon as possible. If the officer does not have the warrant in the officer's possession at the time of arrest, the officer shall inform the person being arrested of the fact that a warrant has been issued.

[C51, §2839, 2841, 2847; R60, §4552; C73, §4204; C97, §5199; C24, 27, 31, 35, 39, §**13471;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.7; C79, 81, §804.14]

2013 Acts, ch 90, §209

Referred to in §811.8

Section amended

**804.15 Breaking and entering premises — demand to enter.**

If a law enforcement officer has reasonable cause to believe that a person whom the officer is authorized to arrest is present on any private premises, the officer may upon identifying the officer as such, demand that the officer be admitted to such premises for the purpose of making the arrest. If such demand is not promptly complied with, the officer may thereupon enter such premises to make the arrest, using such force as is reasonably necessary.

[C51, §2843, 2848; R60, §4554; C73, §4206; C97, §5201; C24, 27, 31, 35, 39, §**13473;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.9; C79, 81, §804.15]

Referred to in §704.12, 811.8

**804.16 Time of arrest.**

An arrest may be made on any day and at any time of the day or night.

[C51, §2837, 2850; R60, §4545, 4551; C73, §4197, 4203; C97, §5193; C24, 27, 31, 35, 39, §**13465;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.1; C79, 81, §804.16]

**804.17 Summoning aid.**

Any peace officer making a legal arrest may orally summon as many persons as the officer reasonably finds necessary to aid the officer in making the arrest.

[R60, §4556; C73, §4208; C97, §5203; C24, 27, 31, 35, 39, §**13475;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.11; C79, 81, §804.17]

**804.18 Taking weapons.**

Any person who makes an arrest may take from the person arrested all items which are capable of causing bodily harm which the arrested person may have within the arrested person's control to be disposed of according to law.

[R60, §4560; C73, §4212; C97, §5204; C24, 27, 31, 35, 39, §**13476;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.12; C79, 81, §804.18]

**804.19 Receipt given.**

When money or other property is taken from the defendant arrested on a charge of a public offense, the officer taking it shall, at the time, give duplicate receipts therefor, specifying particularly the amount of money and the kind of property taken. The officer shall deliver one of the receipts to the defendant, and shall retain the other receipt with the defendant's file.

[C79, 81, §804.19]

94 Acts, ch 1047, §1

**804.20 Communications by arrested persons.**

Any peace officer or other person having custody of any person arrested or restrained of the person's liberty for any reason whatever, shall permit that person, without unnecessary delay after arrival at the place of detention, to call, consult, and see a member of the person's family or an attorney of the person's choice, or both. Such person shall be permitted to make a reasonable number of telephone calls as may be required to secure an attorney. If a call is made, it shall be made in the presence of the person having custody of the one arrested or restrained. If such person is intoxicated, or a person under eighteen years of age, the call may be made by the person having custody. An attorney shall be permitted to see and consult confidentially with such person alone and in private at the jail or other place of custody without unreasonable delay. A violation of this section shall constitute a simple misdemeanor.

[C62, 66, 71, 73, 75, 77, §755.17; C79, 81, §804.20]

**804.21 Initial appearance before magistrate — arrest by warrant — release — bond schedule.**

1. A person arrested in obedience to a warrant shall be taken without unnecessary delay before the nearest or most accessible magistrate. The officer shall at the same time deliver to the magistrate the warrant with the officer's return endorsed on it and subscribed by the officer with the officer's official title. However, this section, and sections 804.22 and 804.23, do not preclude the release of an arrested person within the period of time the person would otherwise remain incarcerated while waiting to be taken before a magistrate if the release is pursuant to pretrial release guidelines or a bond schedule promulgated by the judicial council, unless the person is charged with manufacture, delivery, possession with intent to manufacture or deliver, or distribution of methamphetamine. If, however, a person is released pursuant to pretrial release guidelines, a magistrate must, within twenty-four hours of the release, or as soon as practicable on the next subsequent working day of the court, either approve in writing of the release, or disapprove of the release and issue a warrant for the person's arrest.

2. Where the offense is bailable, the magistrate shall fix bail giving due consideration to the bail endorsed on the warrant or other conditions stipulated on the warrant for the defendant's appearance in the court which issued the warrant; if such person is not released on bail, the magistrate must redeliver the warrant to the officer, and the officer shall retain custody of the arrested person until the person's removal to appear before the magistrate who issued the warrant.

3. If the magistrate who issued the warrant is absent or unable to act, the arrested person shall be taken to the nearest or most accessible magistrate in the judicial district where the offense occurred or a magistrate in an approved judicial district, and all documents on which the warrant was issued must be sent to such magistrate, or if they cannot be procured, the informant and the informant's witnesses must be subpoenaed to make new affidavits. For purposes of this subsection, an "*approved judicial district*" means, as to any particular arrest of a person described in this subsection, any judicial district in this state in which the chief judge of that judicial district and the chief judge of the judicial district in which the offense occurred have previously entered an order permitting a person arrested or described in this subsection to be taken to a magistrate from any judicial district subject to the order.

4. When the court is not in session, a person arrested and placed in jail may be released on the person's own recognizance with or without other conditions, by the verbal or written order of a judge or magistrate. The verbal order may be communicated by telephone. The judge or magistrate may issue such order of release only upon the request of an attorney or person believed by the judge or magistrate to be reliable.

5. *a.* The judicial council shall promulgate rules and bond levels to be contained within a bond schedule for the release of an arrested person.

*b.* The bond schedule shall not be used unless both the following conditions are met:

(1) The person was arrested for a crime other than a forcible felony, and

(2) The courts are not in session.

6. This section does not prevent the release of the arrested person pending initial appearance upon the furnishing of bail in the amount endorsed on the warrant. The initial appearance of a person so released shall be scheduled for a time not more than thirty days after the date of release.

[C51, §2831 – 2836; R60, §4539 – 4544, 4565; C73, §4191 – 4196, 4217; C97, §5187 – 5192, 5207; C24, 27, 31, 35, 39, §**13480 – 13487;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §757.1 – 757.8; C79, 81, §804.21]

83 Acts, ch 50, §2, 3, 7; 83 Acts, ch 51, §5, 9; 89 Acts, ch 83, §85; 98 Acts, ch 1115, §18; 2000 Acts, ch 1032, §4; 2005 Acts, ch 15, §7, 14; 2005 Acts, ch 174, §21, 25

Referred to in §708.11, 804.25, 811.2

**804.22 Initial appearance before magistrate — arrest without warrant.**

1. When an arrest is made without a warrant, the person arrested shall, without unnecessary delay, be taken before the nearest or most accessible magistrate in the judicial district in which such arrest was made or before a magistrate in an approved judicial district, and the grounds on which the arrest was made shall be stated to the magistrate by complaint, subscribed and sworn to by the complainant, or supported by the complainant's affirmation, and such magistrate shall proceed as follows:

*a.* If the magistrate believes from such complaint that the offense charged is triable in the magistrate's court, the magistrate shall proceed with the case.

*b.* If the magistrate believes from such complaint that the offense charged is triable in another court, the magistrate shall by written order, commit the person arrested to a peace officer, to be taken before the appropriate magistrate in the district in which the offense is triable, and shall fix the amount of bail or other conditions of release which the person arrested may give for the person's appearance at the other court.

2. This section and the rules of criminal procedure do not affect the provisions of chapter 805 authorizing the release of a person on citation or bail prior to initial appearance, unless the person is charged with manufacture, delivery, possession with intent to manufacture or deliver, or distribution of methamphetamine. The initial appearance of a person so released shall be scheduled for a time not more than thirty days after the date of release.

3. For purposes of this section, an "*approved judicial district*" means, as to any particular arrest of a person made without a warrant, any judicial district in this state in which the chief judge of that judicial district and the chief judge of the judicial district in which the arrest was

made have previously entered an order permitting a person arrested without warrant to be taken to a magistrate from any judicial district subject to the order.

[R60, §4566, 4567, 4569; C73, §4218, 4219, 4221; C97, §5208, 5209, 5211; C24, 27, 31, 35, 39, §**13488, 13489, 13492;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §758.1, 758.2, 758.5; C79, 81, §804.22]

83 Acts, ch 50, §4, 7; 98 Acts, ch 1115, §19, 20; 2000 Acts, ch 1032, §5; 2005 Acts, ch 15, §8, 14; 2005 Acts, ch 174, §22, 25; 2013 Acts, ch 30, §218

Referred to in §804.21, 804.25
See R.Cr.P. 2.2, 2.51 – 2.62
Section amended

**804.23 Initial appearance of arrested material witness before magistrate.**

The officer shall, without unnecessary delay, take the person arrested pursuant to section 804.11 before the nearest or most accessible magistrate to the place where the arrest occurred.

At the appearance before the magistrate, the law enforcement officer shall make a showing to the magistrate, by sworn affidavit, that probable cause exists to believe that a person is a necessary and material witness to a felony and that such person might be unavailable for service of a subpoena. The magistrate may order the person released pursuant to section 811.2.

[C51, §2876 – 2879; R60, §4601 – 4604; C73, §4248 – 4251; C97, §5232 – 5235; C24, 27, 31, 35, 39, §**13547 – 13550;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §761.21 – 761.24; C79, 81, §804.23]

Referred to in §804.21

**804.24 Arrests by private persons — disposition of prisoner.**

A private citizen who has arrested another for the commission of an offense must, without unnecessary delay, take the arrested person before a magistrate, or deliver the arrested person to a peace officer, who may take the arrested person before a magistrate, but the person making the arrest must also accompany the officer before the magistrate.

[C51, §2842, 2849; R60, §4562 – 4564; C73, §4214-4216; C97, §5206; C24, 27, 31, 35, 39, §**13478;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.14; C79, 81, §804.24]

Referred to in §815.8

**804.25 Bail — discharge.**

Any magistrate who receives bail as provided for in sections 804.21, subsection 2, and 804.22, subsection 1, paragraph *"b"*, shall endorse, on the order of commitment or on the warrant, an order for the discharge from custody of the arrested person, who shall forthwith be discharged, and shall transmit by mail, or otherwise, as soon as it can be conveniently done, to the court at which the person is bound to appear, the affidavits, order of commitment or warrant, and discharge, together with the undertaking of bail.

[C51, §2833; R60, §4541, 4570; C73, §4193, 4222; C97, §5189, 5212; C24, 27, 31, 35, 39, §**13483, 13493;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §757.4, 758.6; C79, 81, §804.25]

2013 Acts, ch 30, §254

See R.Cr.P. 2.37 – Forms 2 and 3
Section amended

**804.26 Officer's return.**

In all cases, the peace officer, when the officer takes a person committed to the officer under an order as provided in this chapter before a magistrate, either for the purpose of giving bail, if bail be taken, or for trial or preliminary examination, must make a return on such order, and sign such return with the officer's name of office, and deliver the same to the magistrate.

[R60, §4573; C73, §4225; C97, §5215; C24, 27, 31, 35, 39, §**13496;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §758.9; C79, 81, §804.26]

**804.27 Conveying prisoner to jail — fees and expenses.**

Every officer or person who shall arrest anyone with a warrant or order issued by any court or officer, or who shall be required to convey a prisoner to such jail on an order of

commitment, may be allowed the same fees and expenses as provided for in case of such services by the sheriff.

[C73, §3820; C97, §1292; C24, 27, 31, 35, 39, §**13479;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.15; C79, 81, §804.27]

**804.28 Department of public safety prisoners.**

The sheriff of any county shall accept for custody in the county jail of the sheriff's respective county any person handed over to the sheriff for safekeeping and lodging by any member of the department of public safety. The county shall not be liable for medical treatment for injuries incurred by a person before the person is transferred to the custody of the sheriff. Any expenses payable by the state pursuant to this section shall be paid out of any moneys in the state treasury not otherwise appropriated. The expenses shall be paid on claims filed with the department of administrative services.

[C39, §**13479.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §755.16; C79, 81, §804.28]

98 Acts, ch 1086, §4; 2003 Acts, ch 145, §286

Referred to in §331.653

**804.29 Confidentiality.**

1. Unless otherwise ordered by the court, all information filed with the court for the purpose of securing a warrant for an arrest, including but not limited to a citation and affidavits, shall be a confidential record until such time as a peace officer has made the arrest and has made the officer's return on the warrant, or the defendant has made an initial appearance in court. During the period of time that information is confidential, the record shall be sealed by the court and the information contained in the record shall not be disseminated to any person unless otherwise ordered by the court.

2. However, during the period of confidentiality in subsection 1, the information in the record may be disseminated, without court order, during the course of official duties to the following persons:

*a.* A peace officer, or any other employee of a law enforcement agency if allowed access pursuant to section 692.14 and if authorized in writing by the head of the agency.

*b.* An employee of the county attorney's office.

*c.* A judicial officer or other court employees.

*d.* An employee of the department of corrections or judicial district department of correctional services, if authorized by the director of the department of corrections.

[C79, 81, §804.29]

2006 Acts, ch 1048, §1; 2012 Acts, ch 1075, §1; 2013 Acts, ch 4, §1

Subsection 2, paragraph a amended

**804.30 Strip searches.**

1. A person arrested for a scheduled violation or a simple misdemeanor shall not be subjected to a strip search unless there is probable cause to believe the person is concealing a weapon or contraband. A strip search pursuant to this section shall not be conducted except under all of the following conditions:

*a.* Written authorization of the supervisor on duty is obtained.

*b.* A search warrant is obtained for the probing of any body cavity other than the mouth, ears, or nose.

*c.* A visual search or probing of any body cavity shall be performed under sanitary conditions. A physical probe of a body cavity other than the mouth, ears, or nose shall be performed only by a licensed physician unless voluntarily waived in writing by the arrested person.

*d.* The search is conducted in a place where it cannot be observed by persons not conducting the search.

*e.* The search is conducted by a person of the same sex as the arrested person, unless conducted by a physician.

2. Subsequent to a strip search, a written report shall be prepared which includes the written authorization required by subsection 1, paragraph "*a*", the name of the person subjected to the search, the names of the persons conducting the search, the time, date,

and place of the search and, if required by subsection 1, paragraph *"b"*, a copy of the search warrant authorizing the search. A copy of the report shall be provided to the person searched.

[C81, §804.30]

2013 Acts, ch 30, §219

Section amended

**804.31 Arrest of deaf or hard-of-hearing person — use of interpreters — fee.**

When a person is detained for questioning or arrested for an alleged violation of a law or ordinance and there is reason to believe that the person is deaf or hard-of-hearing, the peace officer making the arrest or taking the person into custody or any other officer detaining the person shall determine if the person is a deaf or hard-of-hearing person as defined in section 622B.1. If the officer so determines, the officer, at the earliest possible time and prior to commencing any custodial interrogation of the person, shall procure a qualified interpreter in accordance with section 622B.2 and the rules adopted by the supreme court under section 622B.1 unless the deaf or hard-of-hearing person knowingly, voluntarily, and intelligently waives the right to an interpreter in writing by executing a form prescribed by the department of human rights and the Iowa county attorneys association. The interpreter shall interpret the officer's warnings of constitutional rights and protections and all other warnings, statements, and questions spoken or written by any officer, attorney, or other person present and all statements and questions communicated in sign language by the deaf or hard-of-hearing person.

This section does not prohibit the request for and administration of a preliminary breath screening test or the request for and administration of a chemical test of a body substance or substances under chapter 321J prior to the arrival of a qualified interpreter for a deaf or hard-of-hearing person who is believed to have committed a violation of section 321J.2. However, upon the arrival of the interpreter the officer who requested the chemical test shall explain through the interpreter the reason for the testing, the consequences of the person's consent or refusal, and the ramifications of the results of the test, if one was administered.

When an interpreter is not readily available and the deaf or hard-of-hearing person's identity is known, the person may be released by the law enforcement agency into the temporary custody of a reliable family member or other reliable person to await the arrival of the interpreter, if the person is eligible for release on bail and is not believed to be an immediate threat to the person's own safety or the safety of others.

An answer, statement, or admission, oral or written, made by a deaf or hard-of-hearing person in reply to a question of a law enforcement officer or any other person having a prosecutorial function in a criminal proceeding is not admissible in court and shall not be used against the deaf or hard-of-hearing person if that answer, statement, or admission was not made or elicited through a qualified interpreter, unless the deaf or hard-of-hearing person had waived the right to an interpreter pursuant to this section. In the event of a waiver and criminal proceeding, the court shall determine whether the waiver and any subsequent answer, statement, or admission made by the deaf or hard-of-hearing person were knowingly, voluntarily, and intelligently made.

When communication occurs with a person through an interpreter pursuant to this section, all questions or statements and responses shall be relayed through the interpreter. The role of the interpreter is to facilitate communication between the hearing and deaf or hard-of-hearing parties. An interpreter shall not be compelled to answer any question or respond to any statement that serves to violate that role at the time of questioning or arrest or at any subsequent administrative or judicial proceeding.

An interpreter procured under this section shall be paid a reasonable fee and expenses by the governmental subdivision funding the law enforcement agency that procured the interpreter.

84 Acts, ch 1264, §1; 85 Acts, ch 131, §2; 86 Acts, ch 1220, §42; 88 Acts, ch 1134, §115; 93 Acts, ch 75, §14

# CHAPTER 805

## CITATIONS IN LIEU OF ARREST

Referred to in §100.41, 664A.3, 801.1, 804.22

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## POLICE CITATIONS

**805.1 Issuance of citation — release.**

1. Except for an offense for which an accused would not be eligible for bail under section 811.1 or a violation of section 708.11, a peace officer having grounds to make an arrest may issue a citation in lieu of making an arrest without a warrant or, if a warrantless arrest has been made, a citation may be issued in lieu of continued custody.

2. The citation procedure for traffic and other violations designated as scheduled violations is governed by sections 805.6 through 805.15.

3. *a.* State and local law enforcement agencies in the state of Iowa may cooperate to formulate uniform guidelines that will provide for the maximum possible use of citations in lieu of arrest and in lieu of continued custody for offenses for which citations are authorized. These guidelines shall be submitted to the Iowa law enforcement academy council for review. The Iowa law enforcement academy council shall then submit recommendations to the general assembly no later than January 1, 1984.

*b.* Factors to be considered by the agencies in formulating the guidelines relating to the issuance of citations for simple misdemeanors not governed by subsection 2, shall include but shall not be limited to all of the following:

(1) Whether a person refuses or fails to produce means for a satisfactory identification.

(2) Whether a person refuses to sign the citation.

(3) Whether detention appears reasonably necessary in order to halt a continuing offense or disturbance or to prevent harm to a person or persons.

(4) Whether a person appears to be under the influence of intoxicants or drugs and no one is available to take custody of the person and be responsible for the person's safety.

(5) Whether a person has insufficient ties to the jurisdiction to assure that the person will appear or it reasonably appears that there is a substantial likelihood that the person will refuse to appear in response to a citation.

(6) Whether a person has previously failed to appear in response to a citation or after release on pretrial release guidelines.

*c.* Additional factors to be considered in the formulation of guidelines relating to the issuance of citations for other offenses for which citations are authorized shall include but shall not be limited to all of the following concerning the person:

(1) Place and length of residence.

(2) Family relationships.

(3) References.
(4) Present and past employment.
(5) Criminal record.
(6) Nature and circumstances of the alleged offense.
(7) Other facts relevant to the likelihood of the person's response to a citation.

4. The issuance of a citation in lieu of arrest or in lieu of continued custody does not affect the officer's authority to conduct an otherwise lawful search. The issuance of a citation in lieu of arrest shall be deemed an arrest for the purpose of the speedy indictment requirements of rule of criminal procedure 2.33(2)(a), Iowa court rules.

5. Even if a citation is issued, the officer may take the cited person to an appropriate medical facility if it reasonably appears that the person needs care.

6. When a citation is not issued for an offense for which a citation is authorized, the arrested person may be released pending initial appearance on bail or on other conditions determined by pretrial release guidelines. When an arrested person furnishes bail, the officer then in charge of the place of detention shall secure it in safekeeping and shall see that it is forwarded to the office of the clerk of court during the clerk's next regular business day.

7. When the offense is one for which a citation is not authorized, the person does not qualify for release under pretrial release guidelines and the person cannot be released under a bond schedule, the person may be released on bail or otherwise only after initial appearance before a magistrate as provided in chapter 804 and the rules of criminal procedure.

[C73, 75, 77, §753.5; C79, 81, §805.1]

83 Acts, ch 51, §6, 9; 87 Acts, ch 149, §6; 88 Acts, ch 1158, §99; 88 Acts, ch 1167, §6; 94 Acts, ch 1093, §5; 2001 Acts, ch 24, §60; 2002 Acts, ch 1119, §109

Referred to in §364.17
See §804.1, 804.7, 805.6
Persons under eighteen years; see §805.16

**805.2 Form.**

The citation shall include the name and address of the person, the nature of the offense, the time and place at which the person is to appear in court, and the penalty for nonappearance.

[C73, 75, 77, §753.6; C79, 81, §805.2]

Referred to in §364.17, 805.6

**805.3 Procedure.**

Before the cited person is released, the person shall sign the citation, either in a paper or electronic format, under penalty of providing false identification information under section 719.1A, properly identifying the person cited. The person's signature shall also serve as a written promise to appear in court at the time and place specified. A copy of the citation shall be given to the person.

[C73, 75, 77, §753.7; C79, 81, §805.3]

95 Acts, ch 81, §1; 95 Acts, ch 118, §34; 2010 Acts, ch 1078, §3

Referred to in §364.17, 805.6

**805.4 Complaint.**

The law enforcement officer issuing the citation shall cause to be filed a complaint in the court in which the cited person is required to appear, as soon as practicable, charging the crime stated in said notice.

[C73, 75, 77, §753.8; C79, 81, §805.4]

Referred to in §364.17
See §804.1; R.Cr.P. 2.54 – 2.56

**805.5 Failure to appear.**

Any person who willfully fails to appear in court as specified by the citation shall be guilty of a simple misdemeanor. Where a defendant fails to make a required court appearance, the court shall issue an arrest warrant for the offense of failure to appear, and shall forward the warrant and the original or electronically produced citation to the clerk. The clerk shall enter a transfer to the issuing agency on the docket, and shall return the warrant with the original or electronically produced citation attached to the law enforcement agency which issued the

citation for enforcement of the warrant. Upon arrest of the defendant, the warrant and the original or electronically produced citation shall be returned to the court, and the offenses shall be heard and disposed of simultaneously.

[C73, 75, 77, §753.9; C79, 81, §805.5]

95 Acts, ch 118, §35; 96 Acts, ch 1034, §65

Referred to in §364.17, 602.8102(126)

## TRAFFIC AND SCHEDULED VIOLATIONS

Surcharge on penalty, chapter 911

**805.6 Uniform citation and complaint.**

1. *a.* The commissioner of public safety, the director of transportation, and the director of the department of natural resources, acting jointly, shall adopt a uniform, combined citation and complaint which shall be used for charging all traffic violations in Iowa under state law or local regulation or ordinance, and which shall be used for charging all other violations which are designated by sections 805.8A, 805.8B, and 805.8C to be scheduled violations. This subsection does not prevent the charging of any of those violations by information, by private complaint filed under chapter 804, or by a simple notice of fine where permitted by section 321.236, subsection 1.

*b.* In addition to those violations which are required by paragraph *"a"* to be charged upon a uniform citation and complaint, a violation of chapter 321 which is punishable as a simple, serious, or aggravated misdemeanor may be charged upon a uniform citation and complaint, whether or not the alleged offender is arrested by the officer making the charge.

2. Each uniform citation and complaint shall be serially numbered and shall be in quintuplicate, and the officer shall deliver the original and a copy to the court where the defendant is to appear, two copies to the defendant, and a copy to the law enforcement agency of the officer. Notwithstanding other contrary requirements of this section, a uniform citation and complaint may be originated from a computerized device. The officer issuing the citation through a computerized device shall electronically sign and date the citation or complaint and shall obtain electronically the signature of the person cited as provided in section 805.3 and shall give two copies of the citation to the person cited and shall provide a record of the citation to the court where the person cited is to appear and to the law enforcement agency of the officer by an electronic process which accurately reproduces or forms a durable medium for accurately and legibly reproducing an unaltered image or copy of the citation. If the uniform citation and complaint is created electronically, the issuing agency shall cause the uniform citation and complaint to be transmitted to the court, and the officer shall deliver a document to the defendant which contains a section for the defendant and a section which may be sent to the court. The court shall forward an abstract of the uniform citation and complaint in accordance with section 321.491 when applicable.

3. *a.* (1) The uniform citation and complaint shall contain spaces for the following:

(a) The parties' names.

(b) The address of the alleged offender.

(c) The registration number of the offender's vehicle.

(d) The information required by section 805.2.

(e) A warning which states:

I hereby swear and affirm that the information provided by me on this citation is true under penalty of providing false information.

(f) A statement that providing false identification information is a violation of section 719.1A.

(g) A list of the scheduled fines prescribed by sections 805.8A, 805.8B, and 805.8C, either separately or by group, and a statement of the court costs payable in scheduled violation cases, whether or not a court appearance is required or is demanded.

(h) A brief explanation of sections 805.9 and 805.10.

(i) A space where the defendant may sign an admission of the violation when permitted by section 805.9.

(2) The uniform citation and complaint shall require that the defendant appear before a court at a specified time and place.

(3) The uniform citation and complaint also may contain a space for the imprint of a credit card, and may contain any other information which the commissioner of public safety, the director of transportation, and the director of the department of natural resources may determine.

*b*. The uniform citation and complaint shall also contain the following:

(1) A promise to appear as provided in section 805.3.

(2) The following statement:

I hereby give my unsecured appearance bond in the amount of ..... dollars and enter my written appearance. I agree that if I fail to appear in person or by counsel to defend against the offense charged in this citation the court is authorized to enter a conviction and render judgment against me for the amount of my appearance bond in satisfaction of the penalty plus court costs.

(3) A space immediately below the items in subparagraphs (1) and (2) for the signature of the person being charged which shall serve for each of the items in subparagraphs (1) and (2).

(4) A place for citing a person in violation of section 453A.2, subsection 2.

*c*. The uniform citation and complaint shall contain a place for the verification of the officer issuing the complaint. The complaint may be verified before the chief officer of the law enforcement agency, or the chief officer's designee. The chief officer of each law enforcement agency of the state may designate specific individuals to administer oaths and certify verifications.

4. Unless the officer issuing the citation arrests the alleged offender, or permits admission or requires submission of bail as provided in section 805.9, subsection 3, the officer shall enter in the blank contained in the statement required by subsection 3, paragraph *"b"*, one of the following amounts and shall require the person to sign the written appearance:

*a*. If the offense is one to which an assessment of a minimum fine is applicable and the entry is otherwise not prohibited by this section, an amount equal to one and one-half times the minimum fine plus court costs.

*b*. If the offense is one to which a scheduled fine is applicable, an amount equal to one and one-half times the scheduled fine plus court costs.

*c*. If the violation is for any offense for which a court appearance is mandatory, and an assessment of a minimum fine is not applicable, the amount of one hundred dollars plus court costs.

5. The written appearance defined in subsection 3, paragraph *"b"*, shall not be used for any offense other than a simple misdemeanor.

6. The filing fees and court costs in cases of parking meter and overtime parking violations which are denied are as stated in section 602.8106, subsection 1. The court costs in scheduled violation cases where a court appearance is not required are as stated in section 602.8106, subsection 1. The court costs in scheduled violation cases where a court appearance is required are as stated in section 602.8106, subsection 1.

7. Supplies of the uniform citation and complaint for municipal corporations and county agencies shall be paid for out of the budget of the municipal corporation or county receiving the fine resulting from use of the citation and complaint. Supplies of the uniform citation and complaint form used by other agencies shall be paid for out of the budget of the agency concerned and not out of the budget of the judicial branch.

8. The commissioner of public safety and the director of the department of natural resources, acting jointly, shall design and publish a compendium of scheduled violations

and scheduled fines, containing other information which they deem appropriate, and shall distribute copies to all courts and law enforcement officers and agencies of the state upon request. The cost of the publication shall be paid out of the budget of the department of public safety and out of the budget of the department of natural resources, each budget being liable for half of those costs. Copies shall be made available to individuals upon request, and a charge may be collected which does not exceed the cost of printing.

9. Supplies of uniform citation and complaint forms existing or on order on July 1, 2010, may be used until exhausted.

[C73, 75, 77, §753.13; C79, 81, §805.6]

83 Acts, ch 123, §201, 209; 83 Acts, ch 204, §8, 9; 85 Acts, ch 197, §40, 41; 86 Acts, ch 1237, §44; 86 Acts, ch 1238, §31; 89 Acts, ch 167, §1; 89 Acts, ch 296, §90; 90 Acts, ch 1170, §5; 90 Acts, ch 1230, §93; 91 Acts, ch 116, §21; 94 Acts, ch 1074, §15, 16; 95 Acts, ch 81, §2 – 5; 95 Acts, ch 118, §36; 98 Acts, ch 1047, §66; 98 Acts, ch 1178, §13; 2000 Acts, ch 1105, §9; 2000 Acts, ch 1131, §1 – 3; 2001 Acts, ch 6, §1; 2001 Acts, ch 137, §5; 2003 Acts, ch 6, §5; 2007 Acts, ch 33, §3; 2007 Acts, ch 215, §259; 2009 Acts, ch 130, §16, 42; 2010 Acts, ch 1069, §63; 2010 Acts, ch 1078, §4, 5; 2010 Acts, ch 1193, §66, 67, 79; 2013 Acts, ch 30, §168

Referred to in §9B.17, 321.236, 321.485, 331.424, 602.8102(126A), 805.1, 805.8A(1a, 12e), 805.15

Scheduled fine for purposes of calculating unsecured appearance bond, see §805.8A(1a)

Subsection 3, paragraph a amended

**805.7 Traffic and scheduled violations offices — fine collection boxes.**

1. *Offices.* Each district court clerk's office shall constitute a traffic and scheduled violations office of the district court. Additional offices may be established at other locations, as needed, if authorized by the chief judge of the district.

2. *Collection boxes.* The chief judge of the district may permit the maintenance of locked collection boxes to be used at weigh stations and other locations where vehicles are inspected and weighed with portable scales. The boxes shall be used solely for the deposit of fines, costs, and guaranteed arrest bond certificates received for scheduled violations applicable to commercial carriers. The collection boxes shall remain locked at all times and shall be opened only by the clerk of the district court or the clerk's designee. The chief judge of the district may prescribe procedures for the system and may discontinue its use if necessary.

[C73, 75, 77, §753.14; C79, 81, §805.7]

89 Acts, ch 296, §91

Referred to in §602.8102(127), 805.1, 805.8A(12e), 805.15

**805.8 Scheduled violations.**

1. *Application.* Except as otherwise indicated, violations of sections of the Code specified in sections 805.8A, 805.8B, and 805.8C are scheduled violations, and the scheduled fine for each of those violations is as provided in those sections, whether the violation is of state law or of a county or city ordinance. The criminal penalty surcharge required by section 911.1 and the county enforcement surcharge required by section 911.4, if applicable, shall be added to the scheduled fine.

2. *Description of violations.* The descriptions of offenses used in sections 805.8A, 805.8B, and 805.8C are for convenience only and shall not be construed to define any offense or to include or exclude any offense other than those specifically included or excluded by reference to the Code. A reference to a section or subsection of the Code without further limitation includes every offense defined by that section or subsection.

[C73, 75, 77, §753.15; C79, 81, §805.8; 81 Acts, ch 49, §14, ch 103, §9, ch 109, §2, ch 110, §4; 82 Acts, ch 1028, §37 – 39, ch 1104, §26]

82 Acts, ch 1062, §33, 38; 83 Acts, ch 58, §2; 83 Acts, ch 125, §6 – 8; 84 Acts, ch 1016, §5; 84 Acts, ch 1174, §5; 84 Acts, ch 1219, §37; 85 Acts, ch 40, §5; 85 Acts, ch 195, §62; 86 Acts, ch 1007, §41; 86 Acts, ch 1116, §6; 86 Acts, ch 1221, §3; 87 Acts, ch 120, §9; 87 Acts, ch 170, §19; 87 Acts, ch 219, §6; 88 Acts, ch 1222, §11; 89 Acts, ch 84, §3; 89 Acts, ch 184, §2, 3; 89 Acts, ch 247, §19; 90 Acts, ch 1102, §2; 90 Acts, ch 1151, §9; 90 Acts, ch 1170, §6; 90 Acts, ch 1189, §4; 90 Acts, ch 1216, §1 – 4; 90 Acts, ch 1230, §94; 92 Acts, ch 1122, §3; 92 Acts, ch 1149, §3; 92 Acts, ch 1175, §40, 41; 92 Acts, ch 1216, §12; 92 Acts, ch 1231, §64; 93 Acts, ch 38, §3; 93 Acts, ch 47, §10 – 13; 93 Acts, ch 114, §3; 94 Acts, ch 1023, §121; 94 Acts, ch 1147, §2; 94 Acts, ch

1172, §60, 61; 95 Acts, ch 48, §22; 96 Acts, ch 1042, §2; 96 Acts, ch 1079, §20, 21; 96 Acts, ch 1090, §14 – 18; 97 Acts, ch 74, §4; 97 Acts, ch 104, §58, 59; 97 Acts, ch 108, §47, 48; 97 Acts, ch 126, §48; 97 Acts, ch 139, §15, 17 – 19; 97 Acts, ch 141, §2; 97 Acts, ch 147, §8, 9; 98 Acts, ch 1073, §9, 12; 98 Acts, ch 1075, §31; 98 Acts, ch 1100, §82 – 86; 98 Acts, ch 1112, §13, 16; 98 Acts, ch 1121, §7 – 9; 98 Acts, ch 1178, §14; 98 Acts, ch 1204, §4 – 6; 97 Acts, ch 139, §16, 19; 99 Acts, ch 13, §26; 99 Acts, ch 77, §3; 2000 Acts, ch 1016, §28; 2000 Acts, ch 1105, §10, 11; 2000 Acts, ch 1134, §6; 2000 Acts, ch 1203, §25 – 35; 2000 Acts, ch 1206, §6; 2001 Acts, ch 24, §61; 2001 Acts, ch 137, §1; 2004 Acts, ch 1111, §4; 2004 Acts, ch 1119, §6

Referred to in §232.8, 805.1, 805.8A(12e), 805.9, 805.15, 903.1

**805.8A Motor vehicle and transportation scheduled violations.**

1. *Parking violations.*

*a.* For parking violations under sections 321.236, 321.239, 321.358, 321.360, and 321.361, the scheduled fine is five dollars, except if the local authority has established the fine by ordinance. The scheduled fine for a parking violation pursuant to section 321.236 increases by five dollars if authorized by ordinance and if the parking violation is not paid within thirty days of the date upon which the violation occurred. For purposes of calculating the unsecured appearance bond required under section 805.6, the scheduled fine shall be five dollars, or if the amount of the fine is greater than five dollars, the unsecured appearance bond shall be the amount of the fine established by the local authority. However, violations charged by a city or county upon simple notice of a fine instead of a uniform citation and complaint required by section 321.236, subsection 1, paragraph *"b"*, are not scheduled violations, and this section shall not apply to any offense charged in that manner. For a parking violation under section 461A.38, the scheduled fine is ten dollars. For a parking violation under section 321.362, the scheduled fine is twenty dollars.

*b.* For a parking violation under section 321L.2A, subsection 2, the scheduled fine is twenty dollars.

*c.* For violations under section 321L.2A, subsection 3, sections 321L.3, 321L.4, subsection 2, and section 321L.7, the scheduled fine is two hundred dollars.

2. *Title and registration violations.* For title or registration violations under the following sections, the scheduled fine is as follows:

*a.* Section 321.17 ..... $ 50.
*b.* Section 321.25 ..... $100.
*c.* Section 321.32 ..... $ 20.
*d.* Section 321.34 ..... $ 20.
*e.* Section 321.37 ..... $ 20.
*f.* Section 321.38 ..... $ 20.
*g.* Section 321.41 ..... $ 20.
*h.* Section 321.45 ..... $100.
*i.* Section 321.46 ..... $100.
*j.* Section 321.47 ..... $100.
*k.* Section 321.48 ..... $100.
*l.* Section 321.52 ..... $100.
*m.* Section 321.55 ..... $ 50.
*n.* Section 321.57 ..... $100.
*o.* Section 321.62 ..... $100.
*p.* Section 321.67 ..... $100.
*q.* Section 321.98 ..... $ 50.
*r.* Section 321.99 ..... $200.
*s.* Section 321.104 ..... $100.
*t.* Section 321.115 ..... $ 30.
*u.* Section 321.115A ..... $ 30.

3. *Equipment violations.* For equipment violations under the following sections, the scheduled fine is as follows:

*a.* Section 321.234A ..... $ 50.
*b.* Section 321.247 ..... $100.

*c.* Section 321.317 ..... $ 20.
*d.* Section 321.381 ..... $100.
*e.* Section 321.381A ..... $100.
*f.* Section 321.382 ..... $ 25.
*g.* Section 321.383 ..... $ 30.
*h.* Section 321.384 ..... $ 30.
*i.* Section 321.385 ..... $ 30.
*j.* Section 321.386 ..... $ 30.
*k.* Section 321.387 ..... $ 20.
*l.* Section 321.388 ..... $ 20.
*m.* Section 321.389 ..... $ 20.
*n.* Section 321.390 ..... $ 20.
*o.* Section 321.392 ..... $ 20.
*p.* Section 321.393 ..... $ 20.
*q.* Section 321.398 ..... $ 30.
*r.* Section 321.402 ..... $ 30.
*s.* Section 321.403 ..... $ 30.
*t.* Section 321.404 ..... $ 30.
*u.* Section 321.404A ..... $ 25.
*v.* Section 321.409 ..... $ 30.
*w.* Section 321.415 ..... $ 30.
*x.* Section 321.419 ..... $ 30.
*y.* Section 321.420 ..... $ 30.
*z.* Section 321.421 ..... $ 30.
*aa.* Section 321.422 ..... $ 20.
*ab.* Section 321.423 ..... $ 30.
*ac.* Section 321.430 ..... $100.
*ad.* Section 321.432 ..... $ 20.
*ae.* Section 321.433 ..... $ 30.
*af.* Section 321.436 ..... $ 20.
*ag.* Section 321.438 ..... $ 50.
*ah.* Section 321.439 ..... $ 20.
*ai.* Section 321.440 ..... $ 20.
*aj.* Section 321.441 ..... $ 20.
*ak.* Section 321.442 ..... $ 20.
*al.* Section 321.444 ..... $ 20.

4. *Driver's license violations.* For driver's license violations under the following sections, the scheduled fine is as follows:

*a.* Section 321.174 ..... $ 200.
*b.* Section 321.174A ..... $ 50.
*c.* Section 321.178, subsection 2, paragraph "*a*", subparagraph (2) ..... $ 30.
*d.* Section 321.180 ..... $ 50.
*e.* Section 321.180B ..... $ 50.
*f.* Section 321.193 ..... $ 50.
*g.* Section 321.194 ..... $ 50.
*h.* Section 321.216 ..... $ 100.
*i.* Section 321.216B ..... $ 200.
*j.* Section 321.216C ..... $ 200.
*k.* Section 321.219 ..... $ 200.
*l.* Section 321.220 ..... $ 200.

5. *Speed violations.*

*a.* For excessive speed violations in excess of the limit under section 321.236, subsections 5 and 11, sections 321.285, and 461A.36, the scheduled fine shall be the following:

(1) Twenty dollars for speed not more than five miles per hour in excess of the limit.

(2) Forty dollars for speed greater than five but not more than ten miles per hour in excess of the limit.

(3) Eighty dollars for speed greater than ten but not more than fifteen miles per hour in excess of the limit.

(4) Ninety dollars for speed greater than fifteen but not more than twenty miles per hour in excess of the limit.

(5) One hundred dollars plus five dollars for each mile per hour of excessive speed over twenty miles per hour over the limit.

*b.* Notwithstanding paragraph "*a*", for excessive speed violations in speed zones greater than fifty-five miles per hour, the scheduled fine shall be:

(1) Twenty dollars for speed not more than five miles per hour in excess of the limit.

(2) Forty dollars for speed greater than five but not more than ten miles per hour in excess of the limit.

(3) Eighty dollars for speed greater than ten but not more than fifteen miles per hour in excess of the limit.

(4) Ninety dollars for speed greater than fifteen but not more than twenty miles per hour in excess of the limit.

(5) One hundred dollars plus five dollars for each mile per hour of excessive speed over twenty miles per hour over the limit.

*c.* Excessive speed in whatever amount by a school bus is not a scheduled violation under any section listed in this subsection.

*d.* Excessive speed in conjunction with a violation of section 321.278 is not a scheduled violation, whatever the amount of excess speed.

*e.* For a violation under section 321.295, the scheduled fine is fifty dollars.

6. *Operating violations.* For operating violations under the following sections, the scheduled fine is as follows:

*a.* Section 321.236, subsections 3, 4, 9, and 12 ..... $ 20.
*b.* Section 321.275, subsections 1 through 7 ..... $ 35.
*c.* Section 321.277A ..... $ 35.
*d.* Section 321.288 ..... $100.
*e.* Section 321.297 ..... $100.
*f.* Section 321.299 ..... $100.
*g.* Section 321.302 ..... $100.
*h.* Section 321.303 ..... $100.
*i.* Section 321.304, subsections 1 and 2 ..... $100.
*j.* Section 321.305 ..... $100.
*k.* Section 321.306 ..... $100.
*l.* Section 321.311 ..... $100.
*m.* Section 321.312 ..... $100.
*n.* Section 321.314 ..... $100.
*o.* Section 321.315 ..... $ 35.
*p.* Section 321.316 ..... $ 35.
*q.* Section 321.318 ..... $ 35.
*r.* Section 321.323 ..... $100.
*s.* Section 321.340 ..... $100.
*t.* Section 321.353 ..... $100.
*u.* Section 321.354 ..... $100.
*v.* Section 321.363 ..... $ 35.
*w.* Section 321.365 ..... $ 35.
*x.* Section 321.366 ..... $100.
*y.* Section 321.395 ..... $100.

7. *Failure to yield or obey violations.* For failure to yield or obey violations under the following sections, the scheduled fine is as follows:

*a.* Section 321.257, subsection 2, for a violation by an operator of a motor vehicle.....$100.
*b.* Section 321.298.....$100.
*c.* Section 321.307.....$100.
*d.* Section 321.308.....$100.
*e.* Section 321.313.....$100.
*f.* Section 321.319.....$100.
*g.* Section 321.320.....$100.
*h.* Section 321.321.....$100.
*i.* Section 321.327.....$100.
*j.* Section 321.329.....$100.
*k.* Section 321.333.....$100.

8. *Traffic sign or signal violations.* For traffic sign or signal violations under the following sections, the scheduled fine is as follows:
*a.* Section 321.236, subsections 2 and 6.....$ 35.
*b.* Section 321.256.....$100.
*c.* Section 321.294.....$100.
*d.* Section 321.304, subsection 3.....$100.
*e.* Section 321.322.....$100.

9. *Bicycle or pedestrian violations.* For bicycle or pedestrian violations under the following sections, the scheduled fine for a pedestrian or bicyclist is as follows:
*a.* Section 321.234, subsections 3 and 4.....$ 25.
*b.* Section 321.236, subsection 10.....$ 15.
*c.* Section 321.257, subsection 2.....$ 25.
*d.* Section 321.275, subsection 8.....$ 25.
*e.* Section 321.325.....$ 25.
*f.* Section 321.326.....$ 25.
*g.* Section 321.328.....$ 25.
*h.* Section 321.331.....$ 25.
*i.* Section 321.332.....$ 25.
*j.* Section 321.397.....$ 25.
*k.* Section 321.434.....$ 25.

9A. *Electric personal assistive mobility device violations.* For violations under section 321.235A, the scheduled fine is fifteen dollars.

10. *School bus violations.* For violations by an operator of a school bus under sections 321.285 and 321.372, subsections 1 and 2, the scheduled fine is one hundred dollars. However, an excessive speed violation by a school bus of more than ten miles per hour in excess of the limit is not a scheduled violation.

11. *Emergency vehicle violations.* For emergency vehicle violations under the following sections, the scheduled fine is as follows:
*a.* Section 321.231.....$100.
*b.* Section 321.323A.....$100.
*c.* Section 321.324.....$100.
*d.* Section 321.367.....$100.
*e.* Section 321.368.....$100.

12. *Restrictions on vehicles.*
*a.* For violations under sections 321.309, 321.310, 321.394, 321.461, and 321.462, the scheduled fine is thirty-five dollars.
*b.* For violations under section 321.437, the scheduled fine is thirty-five dollars.
*c.* For height, length, width, and load violations under sections 321.454, 321.455, 321.456, 321.457, and 321.458, the scheduled fine is two hundred dollars.
*d.* For violations under section 321.466, the scheduled fine is twenty dollars for each two thousand pounds or fraction thereof of overweight.
*e.* (1) Violations of the schedule of axle and tandem axle and gross or group of axle weight violations in section 321.463 shall be scheduled violations subject to the provisions,

procedures, and exceptions contained in sections 805.6 through 805.11, irrespective of the amount of the fine under that schedule.

(a) Violations of the schedule of weight violations shall be chargeable, where the fine charged does not exceed one thousand dollars, only by uniform citation and complaint.

(b) Violations of the schedule of weight violations, where the fine charged exceeds one thousand dollars shall, when the violation is admitted and section 805.9 applies, be chargeable upon uniform citation and complaint, indictment, or county attorney's information, but otherwise shall be chargeable only upon indictment or county attorney's information.

(2) In all cases of charges under the schedule of weight violations, the charge shall specify the amount of fine charged under the schedule. Where a defendant is convicted and the fine under the foregoing schedule of weight violations exceeds one thousand dollars, the conviction shall be of an indictable offense although section 805.9 is employed and whether the violation is charged upon uniform citation and complaint, indictment, or county attorney's information.

*f.* For a violation under section 321E.16, other than the provisions relating to weight, the scheduled fine is two hundred dollars.

13. *Motor carrier and other operator violations.*

*a.* (1) For a violation under section 321.54, the scheduled fine is thirty dollars.

(2) For violations under sections 326.22 and 326.23, the scheduled fine is fifty dollars.

*b.* For a violation under section 321.449 or 321.449A, the scheduled fine is fifty dollars.

*c.* For violations under sections 321.364, 321.450, 321.460, and 452A.52, the scheduled fine is two hundred dollars.

*d.* For violations of section 325A.3, subsection 5, or section 325A.8, the scheduled fine is one hundred dollars.

*e.* For violations of chapter 325A, other than a violation of section 325A.3, subsection 5, or section 325A.8, the scheduled fine is two hundred fifty dollars.

*f.* For violations of section 327B.1, subsection 1 or 3, the scheduled fine is two hundred fifty dollars.

14. *Miscellaneous violations.*

*a. Failure to obey a peace officer.* For a violation under section 321.229, the scheduled fine is one hundred dollars.

*b. Abandoning a motor vehicle.* For a violation under section 321.91, the scheduled fine is two hundred dollars.

*c. Seat belt or restraint violations.*

(1) For a violation under section 321.445, the scheduled fine is fifty dollars.

(2) For a violation under section 321.446, the scheduled fine is one hundred dollars.

*d. Litter and debris violations.* For violations under sections 321.369 and 321.370, the scheduled fine is seventy dollars.

*e. Open container violations.* For violations under sections 321.284 and 321.284A, the scheduled fine is two hundred dollars.

*f. Proof of financial responsibility.* If, in connection with a motor vehicle accident, a person is charged and found guilty of a violation of section 321.20B, subsection 1, the scheduled fine is five hundred dollars; otherwise, the scheduled fine for a violation of section 321.20B, subsection 1, is two hundred fifty dollars. Notwithstanding section 805.12, fines collected pursuant to this paragraph shall be submitted to the state court administrator and distributed fifty percent to the victim compensation fund established in section 915.94, twenty-five percent to the county in which such fine is imposed, and twenty-five percent to the general fund of the state.

*g. Speed detection jamming devices.* For a violation under section 321.232, the scheduled fine is one hundred dollars.

*h. Railroad crossing violations.* For violations under sections 321.341, 321.342, 321.343, and 321.344, and 321.344B, the scheduled fine is two hundred dollars.

*i. Road work zone violations.* The scheduled fine for any moving traffic violation under chapter 321, as provided in this section, shall be doubled if the violation occurs within any

road work zone, as defined in section 321.1. However, notwithstanding subsection 5, the scheduled fine for violating the speed limit in a road work zone is as follows:

(1) One hundred fifty dollars for speed not more than ten miles per hour over the posted speed limit.

(2) Three hundred dollars for speed greater than ten but not more than twenty miles per hour over the posted speed limit.

(3) Five hundred dollars for speed greater than twenty but not more than twenty-five miles per hour over the posted speed limit.

(4) One thousand dollars for speed greater than twenty-five miles per hour over the posted speed limit.

*j. Vehicle component parts records violations.* For violations under section 321.95, the scheduled fine is fifty dollars.

*k. Actions against a person on a bicycle.* For violations under section 321.281, the scheduled fine is two hundred fifty dollars.

*l. Text-messaging while driving violations.* For violations under section 321.276, the scheduled fine is thirty dollars.

2001 Acts, ch 137, §2; 2002 Acts, ch 1013, §2; 2002 Acts, ch 1063, §53; 2003 Acts, ch 108, §116 – 118; 2003 Acts, ch 178, §15; 2004 Acts, ch 1101, §91; 2005 Acts, ch 165, §8; 2006 Acts, ch 1087, §4; 2008 Acts, ch 1021, §13; 2008 Acts, ch 1044, §7, 8; 2008 Acts, ch 1124, §36; 2009 Acts, ch 21, §14; 2009 Acts, ch 41, §261; 2009 Acts, ch 130, §43; 2009 Acts, ch 133, §226; 2010 Acts, ch 1105, §9, 10; 2010 Acts, ch 1190, §18; 2010 Acts, ch 1193, §144; 2011 Acts, ch 34, §150 – 154; 2011 Acts, ch 38, §28, 29; 2012 Acts, ch 1015, §4; 2012 Acts, ch 1021, §116; 2013 Acts, ch 47, §5; 2013 Acts, ch 140, §159

Referred to in §321.17, 321.20B, 321.47, 321.91, 321.98, 321.99, 321.104, 321.115, 321.115A, 321.193, 321.216, 321.216B, 321.216C, 321.219, 321.220, 321.234A, 321.235A, 321.247, 321.276, 321.281, 321.284, 321.284A, 321.285, 321.294, 321.302, 321.323A, 321.327, 321.344B, 321.366, 321.369, 321.372, 321.381, 321.383, 321.404A, 321.421, 321.446, 321.449A, 321.482A, 321.486, 321E.16, 321L.2A, 321L.3, 321L.4, 321L.7, 325A.8, 325A.24, 327B.5, 452A.52, 803.3, 805.1, 805.6, 805.8, 805.11, 805.14, 805.15

For additional penalties applicable to certain motor vehicle violations causing serious injury or death, see §321.482A

Subsection 13, paragraph b amended

Subsection 14, paragraph g amended

**805.8B Navigation, recreation, hunting, and fishing scheduled violations.**

1. *Navigation violations.*

*a.* For violations of registration, inspections, identification, and record provisions under sections 462A.5, 462A.35, and 462A.37, and for unused or improper or defective lights and warning devices under section 462A.9, subsections 3, 4, 5, 9, and 10, the scheduled fine is ten dollars.

*b.* For violations of registration, identification, and record provisions under sections 462A.4 and 462A.10, and for unused or improper or defective equipment under section 462A.9, subsections 2, 6, 7, 8, 13, and 14, and section 462A.11, and for operation violations under sections 462A.26, 462A.31, and 462A.33, the scheduled fine is twenty dollars.

*c.* For operating violations under sections 462A.12, 462A.15, subsection 1, sections 462A.24, and 462A.34, the scheduled fine is twenty-five dollars. However, a violation of section 462A.12, subsection 2, is not a scheduled violation.

*d.* For violations of use, location, and storage of vessels, devices, and structures under sections 462A.27, 462A.28, and 462A.32, the scheduled fine is fifteen dollars.

*e.* For violations of all subdivision ordinances under section 462A.17, subsection 2, except those relating to matters subject to regulation by authority of section 462A.31, subsection 5, the scheduled fine is the same as prescribed for similar violations of state law. For violations of subdivision ordinances for which there is no comparable state law, the scheduled fine is ten dollars.

2. *Snowmobile violations.*

*a.* For registration or user permit violations under section 321G.3, subsection 1, the scheduled fine is fifty dollars.

*b.* (1) For operating violations under section 321G.9, the scheduled fine is fifty dollars.

(2) For operating violations under sections 321G.11 and 321G.13, subsection 1, paragraph "*d*", the scheduled fine is twenty dollars.

(3) For operating violations under section 321G.13, subsection 1, paragraphs "*a*", "*b*", "*e*",

"*f*", "*g*", "*h*", and "*i*", and section 321G.13, subsections 2 and 3, the scheduled fine is one hundred dollars.

*c.* For improper or defective equipment under section 321G.12, the scheduled fine is twenty dollars.

*d.* For violations of section 321G.19, the scheduled fine is twenty dollars.

*e.* For decal violations under section 321G.5, the scheduled fine is twenty dollars.

*f.* For stop signal violations under section 321G.17, the scheduled fine is one hundred dollars.

*g.* For violations of section 321G.20 and for education certificate violations under section 321G.24, subsection 1, the scheduled fine is fifty dollars.

*h.* For violations of section 321G.21, the scheduled fine is one hundred dollars.

2A. *All-terrain vehicle violations.*

*a.* For registration or user permit violations under section 321I.3, subsection 1, the scheduled fine is fifty dollars.

*b.* (1) For operating violations under sections 321I.12 and 321I.14, subsection 1, paragraph "*d*", the scheduled fine is twenty dollars.

(2) For operating violations under section 321I.10, subsections 1 and 4, the scheduled fine is fifty dollars.

(3) For operating violations under section 321I.14, subsection 1, paragraphs "*a*", "*e*", "*f*", "*g*", and "*h*", and section 321I.14, subsections 2, 3, 4, and 5, the scheduled fine is one hundred dollars.

*c.* For improper or defective equipment under section 321I.13, the scheduled fine is twenty dollars.

*d.* For violations of section 321I.20, the scheduled fine is twenty dollars.

*e.* For decal violations under section 321I.6, the scheduled fine is twenty dollars.

*f.* For stop signal violations under section 321I.18, the scheduled fine is one hundred dollars.

*g.* For violations of section 321I.21 and for education certificate violations under section 321I.26, subsection 1, the scheduled fine is fifty dollars.

*h.* For violations of section 321I.22, the scheduled fine is one hundred dollars.

3. *Hunting and fishing violations.*

*a.* For violations of section 484A.2, the scheduled fine is ten dollars.

*b.* For violations of sections 481A.54, 481A.69, 481A.71, 481A.72, 482.6, 483A.3, 483A.6, 483A.19, and 483A.27, the scheduled fine is twenty dollars.

*c.* For violations of sections 481A.6, 481A.21, 481A.22, 481A.26, 481A.50, 481A.56, 481A.60 through 481A.62, 481A.83, 481A.84, 481A.92, 481A.123, 481A.145, subsection 3, sections 483A.7, 483A.8, 483A.23, 483A.24, and 483A.28, the scheduled fine is twenty-five dollars.

*d.* For violations of sections 481A.7, 481A.24, 481A.47, 481A.52, 481A.53, 481A.55, 481A.58, 481A.76, 481A.90, 481A.91, 481A.97, 481A.122, 481A.126, 481A.142, 481A.145, subsection 2, sections 482.5, 482.7, 482.8, 482.10, and 483A.37, the scheduled fine is fifty dollars.

*e.* For violations of sections 481A.57, 481A.85, 481A.93, 481A.95, 481A.120, 481A.137, 481B.5, 482.3, 482.9, 482.15, and 483A.42, the scheduled fine is one hundred dollars.

*f.* For violations of section 481A.38 relating to the taking, pursuing, killing, trapping or ensnaring, buying, selling, possessing, or transporting any game, protected nongame animals, fur-bearing animals, or fur or skin of the animals, mussels, frogs, or fish or part of them, the scheduled fines are as follows:

(1) For deer or turkey, the scheduled fine is one hundred dollars.

(2) For protected nongame, the scheduled fine is one hundred dollars.

(3) For mussels, frogs, spawn, or fish, the scheduled fine is twenty-five dollars.

(4) For other game, the scheduled fine is fifty dollars.

(5) For fur-bearing animals, the scheduled fine is seventy-five dollars.

*g.* For violations of section 481A.38 relating to an attempt to take, pursue, kill, trap, buy, sell, possess, or transport any game, protected nongame animals, fur-bearing animals, or

fur or skin of the animals, mussels, frogs, or fish or part of them, the scheduled fines are as follows:

(1) For game or fur-bearing animals, the scheduled fine is fifty dollars.

(2) For protected nongame, the scheduled fine is fifty dollars.

(3) For mussels, frogs, spawn, or fish, the scheduled fine is ten dollars.

*h.* For violations of section 481A.48 relating to restrictions on game birds and animals, the scheduled fines are as follows:

(1) Out-of-season, the scheduled fine is one hundred dollars.

(2) Over limit, the scheduled fine is one hundred dollars.

(3) Attempt to take, the scheduled fine is fifty dollars.

(4) General waterfowl restrictions, the scheduled fine is fifty dollars.

(a) No federal stamp, the scheduled fine is fifty dollars.

(b) Unplugged shotgun, the scheduled fine is ten dollars.

(c) Possession of other than steel shot, the scheduled fine is twenty-five dollars.

(d) Early or late shooting, the scheduled fine is twenty-five dollars.

(5) Possession of a prohibited pistol or revolver while hunting deer, the scheduled fine is one hundred dollars.

*i.* For violations of section 481A.67 relating to general violations of fishing laws, the scheduled fine is twenty-five dollars.

(1) For over limit catch, the scheduled fine is thirty dollars.

(2) For under minimum length or weight, the scheduled fine is twenty dollars.

(3) For out-of-season fishing, the scheduled fine is fifty dollars.

*j.* For violations of section 481A.73 relating to trotlines and throwlines:

(1) For trotline or throwline violations in legal waters, the scheduled fine is twenty-five dollars.

(2) For trotline or throwline violations in illegal waters, the scheduled fine is fifty dollars.

*k.* For violations of section 481A.144, subsection 4, or section 481A.145, subsections 4, 5, and 6, relating to minnows:

(1) For general minnow violations, the scheduled fine is twenty-five dollars.

(2) For commercial purposes, the scheduled fine is fifty dollars.

*l.* For violations of section 481A.87 relating to the taking or possessing of fur-bearing animals out of season:

(1) For red fox, gray fox, or mink, the scheduled fine is one hundred dollars.

(2) For all other furbearers, the scheduled fine is fifty dollars.

*m.* For violations of section 482.4 relating to gear tags:

(1) For commercial license violations, the scheduled fine is one hundred dollars.

(2) For no gear tags, the scheduled fine is twenty-five dollars.

*n.* For violations of section 482.11, the scheduled fine is one hundred dollars.

*o.* For violations of section 483A.1 relating to licenses and permits, the scheduled fines are as follows:

(1) For a license or permit costing ten dollars or less, the scheduled fine is twenty dollars.

(2) For a license or permit costing more than ten dollars but not more than twenty dollars, the scheduled fine is thirty dollars.

(3) For a license or permit costing more than twenty dollars but not more than forty dollars, the scheduled fine is fifty dollars.

(4) For a license or permit costing more than forty dollars but not more than fifty dollars, the scheduled fine is seventy dollars.

(5) For a license or permit costing more than fifty dollars but less than one hundred dollars, the scheduled fine is one hundred dollars.

(6) For a license or permit costing one hundred dollars or more, the scheduled fine is two times the cost of the original license or permit.

*p.* For violations of section 483A.26 relating to false claims for licenses:

(1) For making a false claim for a license by a resident, the scheduled fine is fifty dollars.

(2) For making a false claim for a license by a nonresident, the scheduled fine is one hundred dollars.

*q.* For violations of section 483A.36 relating to the conveyance of guns:

(1) For conveying an assembled, unloaded gun, the scheduled fine is twenty-five dollars.

(2) For conveying a loaded gun, the scheduled fine is fifty dollars.

4. *Ginseng violations.* For a violation of section 456A.24, subsection 11, the scheduled fine is one hundred dollars.

5. *Aquatic invasive species violations.* For violations of section 456A.37, subsection 3, the scheduled fine is as follows:

*a.* For violations of section 456A.37, subsection 3, paragraph *"a"*, the scheduled fine is five hundred dollars.

*b.* For violations of section 456A.37, subsection 3, paragraph *"b"*, the scheduled fine is seventy-five dollars.

*c.* For repeat violations of section 456A.37, subsection 3, paragraph *"a"* or *"b"*, within the same twelve-month period, the scheduled fine shall include an additional fine of five hundred dollars for each violation.

6. *Misuse of parks and preserves.*

*a.* For violations under sections 461A.39, 461A.45, and 461A.50, the scheduled fine is ten dollars.

*b.* For violations under sections 461A.40, 461A.46, and 461A.49, the scheduled fine is fifteen dollars.

*c.* For violations of sections 461A.35, 461A.42, and 461A.44, the scheduled fine is fifty dollars.

*d.* For violations of section 461A.48, the scheduled fine is twenty-five dollars.

*e.* For violations under section 461A.43, the scheduled fine is thirty dollars.

2001 Acts, ch 137, §3; 2002 Acts, ch 1001, §3; 2002 Acts, ch 1147, §3; 2004 Acts, ch 1132, §93; 2004 Acts, ch 1137, §2; 2006 Acts, ch 1087, §5, 6; 2007 Acts, ch 28, §22; 2007 Acts, ch 141, §54, 55; 2008 Acts, ch 1161, §22; 2009 Acts, ch 133, §185, 186; 2009 Acts, ch 144, §45 – 47; 2012 Acts, ch 1100, §65 – 68; 2012 Acts, ch 1118, §19; 2013 Acts, ch 30, §169, 170; 2013 Acts, ch 67, §2

Referred to in §321.486, 321G.3, 321I.3, 456A.24, 456A.37, 461A.35, 461A.42, 481A.48, 481A.137, 481A.142, 482.15, 483A.42, 803.3, 805.1, 805.6, 805.8, 805.8A(12e), 805.11, 805.15

Subsection 2, paragraph b, subparagraph (3) amended

Subsection 2A, paragraph b, subparagraph (3) amended

Subsection 5 amended

**805.8C Miscellaneous scheduled violations.**

1. *Energy emergency violations.* For violations of an executive order issued by the governor under the provisions of section 473.8, the scheduled fine is fifty dollars.

2. *Alcoholic beverage violations.* For violations of section 123.49, subsection 2, paragraph *"h"*, the scheduled fine for a licensee or permittee is one thousand five hundred dollars, and the scheduled fine for a person who is employed by a licensee or permittee is five hundred dollars.

3. *Smoking violations.*

*a.* For violations described in section 142D.9, subsection 1, the scheduled fine is fifty dollars, and is a civil penalty, and the criminal penalty surcharge under section 911.1 shall not be added to the penalty, and the court costs pursuant to section 805.9, subsection 6, shall not be imposed. If the civil penalty assessed for a violation described in section 142D.9, subsection 1, is not paid in a timely manner, a citation shall be issued for the violation in the manner provided in section 804.1. However, a person under age eighteen shall not be detained in a secure facility for failure to pay the civil penalty. The complainant shall not be charged a filing fee.

*b.* For violations of section 453A.2, subsection 1, by an employee of a retailer, the scheduled fine is as follows:

(1) If the violation is a first offense, the scheduled fine is one hundred dollars.

(2) If the violation is a second offense, the scheduled fine is two hundred fifty dollars.

(3) If the violation is a third or subsequent offense, the scheduled fine is five hundred dollars.

*c.* For violations of section 453A.2, subsection 2, the scheduled fine is as follows and is a

civil penalty, and the criminal penalty surcharge under section 911.1 shall not be added to the penalty, and the court costs pursuant to section 805.9, subsection 6, shall not be imposed:

(1) If the violation is a first offense, the scheduled fine is fifty dollars.

(2) If the violation is a second offense, the scheduled fine is one hundred dollars.

(3) If the violation is a third or subsequent offense, the scheduled fine is two hundred fifty dollars.

4. *Electrical and mechanical amusement device violations.*

*a.* For violations of legal age for operating an electrical and mechanical amusement device required to be registered as provided in section 99B.10, subsection 1, paragraph "*f*", pursuant to section 99B.10C, subsection 1, the scheduled fine is two hundred fifty dollars. Failure to pay the fine by a person under the age of eighteen shall not result in the person being detained in a secure facility.

*b.* For first offense violations concerning electrical and mechanical amusement devices as provided in section 99B.10, subsection 3, the scheduled fine is two hundred fifty dollars.

5. *Gambling violations.*

*a.* For violations of legal age for gambling wagering under section 99D.11, subsection 7, section 99F.9, subsection 5, and section 725.19, subsection 1, the scheduled fine is five hundred dollars. Failure to pay the fine by a person under the age of eighteen shall not result in the person being detained in a secure facility.

*b.* For legal age violations for entering or attempting to enter a facility under section 99F.9, subsection 6, the scheduled fine is five hundred dollars. Failure to pay the fine by a person under the age of eighteen shall not result in the person being detained in a secure facility.

6. *Pseudoephedrine sales violations.* For violations of section 126.23A, subsection 1, by an employee of a retailer, or for violations of section 126.23A, subsection 2, paragraph "*a*", by a purchaser, the scheduled fine is as follows:

*a.* If the violation is a first offense, the scheduled fine is two hundred dollars.

*b.* If the violation is a second offense, the scheduled fine is two hundred fifty dollars.

*c.* If the violation is a third or subsequent offense, the scheduled fine is five hundred dollars.

7. *Alcoholic beverage violations by persons eighteen, nineteen, or twenty years of age.* For first offense violations of section 123.47, subsection 3, the scheduled fine is two hundred dollars.

8. *Notification violations.* For violations of section 229.22, subsection 6, the scheduled fine is one thousand dollars for a first violation and two thousand dollars for a second or subsequent violation. The scheduled fine under this subsection is a civil penalty, and the criminal penalty surcharge under section 911.1 shall not be added to the penalty.

9. *Scrap metal transaction violations.* For violations of section 714.27, the scheduled fine is one hundred dollars for a first violation, five hundred dollars for a second violation within two years, and one thousand dollars for a third or subsequent violation within two years. The scheduled fine under this subsection is a civil penalty which shall be deposited into the general fund of the county or city if imposed by a designated officer or employee of a county or city, or deposited in the general fund of the state if imposed by a state agency, and the criminal penalty surcharge under section 911.1 shall not be added to the penalty.

2001 Acts, ch 137, §4; 2004 Acts, ch 1111, §5, 6; 2004 Acts, ch 1118, §7, 11; 2004 Acts, ch 1127, §4; 2004 Acts, ch 1136, §58; 2005 Acts, ch 15, §9, 14; 2005 Acts, ch 105, §2; 2005 Acts, ch 179, §140; 2007 Acts, ch 173, §9; 2008 Acts, ch 1084, §15; 2009 Acts, ch 88, §5; 2010 Acts, ch 1103, §3; 2010 Acts, ch 1128, §7; 2010 Acts, ch 1190, §19; 2012 Acts, ch 1099, §2

Referred to in §99B.10, 99B.10C, 99D.11, 99F.9, 123.47, 123.50, 126.23A, 142D.9, 229.22, 321.486, 453A.3, 473.8, 725.19, 803.3, 805.1, 805.6, 805.8, 805.8A(12e), 805.11, 805.15

**805.9 Admission of scheduled violations.**

1. In cases of scheduled violations, the defendant, before the time specified in the citation and complaint for appearance before the court, may sign the admission of violation on the citation and complaint and deliver or mail a copy of the citation and complaint, together with the minimum fine for the violation, plus court costs, to a scheduled violations office in the county. The office shall, if the offense is a moving violation under chapter 321, forward an

abstract of the citation and complaint and admission to the state department of transportation as required by section 321.491. In this case the defendant is not required to appear before the court. The admission constitutes a conviction.

2. A defendant charged with a scheduled violation by information may obtain two copies of the information from the court and, before the time the defendant is required to appear before the court, deliver or mail the copies, together with the defendant's admission, fine, and court costs, to the scheduled violations office in the county. The procedure, fine, and costs are the same as when the charge is by citation and complaint, with the admission and the number of the defendant's driver's license as defined in section 321.1 placed upon the information when the violation involves the use of a motor vehicle.

3. When section 805.8 and this section are applicable but the officer does not deem it advisable to release the defendant and no court in the county is in session:

*a.* If the defendant wishes to admit the violation, the officer may release the defendant upon observing the person mail the citation and complaint, admission, and minimum fine, together with court costs, to a traffic violations office in the county, in an envelope furnished by the officer. The admission constitutes a conviction and judgment in the amount of the scheduled fine plus court costs. The officer may allow the defendant to use a credit card pursuant to rules adopted under section 805.14 by the department of public safety or to mail a check in the proper amount in lieu of cash. If the check is not paid by the drawee for any reason, the defendant may be held in contempt of court. The officer shall advise the defendant of the penalty for nonpayment of the check.

*b.* If the defendant does not comply with paragraph "*a*", the officer may release the defendant upon observing the defendant mail to a court in the county the citation and complaint and one and one-half times the minimum fine together with court costs, or in lieu of one and one-half times the fine and the court costs, a guaranteed arrest bond certificate as provided in section 321.1, subsection 30, as bail together with the following statement signed by the defendant:

I agree that either (1) I will appear pursuant to this citation or (2) if I do not appear in person or by counsel to defend against the offense charged in this citation the court is authorized to enter a conviction and render judgment against me for the amount of one and one-half times the scheduled fine plus court costs.

*c.* If the defendant does not comply with paragraph "*a*" or "*b*", or when section 804.7 is applicable, the officer may arrest and confine the defendant if authorized by the latter section, and proceed according to chapter 804.

4. A defendant who admits a scheduled violation may appear before court. The procedure, costs, and fine, without suspension of the fine, after the hearing are the same as in the traffic violations office.

5. A defendant charged with a scheduled violation who does not fully comply with subsection 1, 2, 3, or 4 of this section before the time required to appear before the court must, at that time, appear before the court. If the defendant admits the violation, the procedure, costs, and fine, without suspension of the fine, after the hearing are the same before the court as before the traffic violations office, and are without prejudice, when applicable, to proceedings under section 321.487.

6. The court costs imposed by this section are the total costs collectible from a defendant upon either an admission of a violation without hearing, or upon a hearing pursuant to subsection 4.

[C73, 75, 77, §753.16; C79, 81, §805.9; 82 Acts, ch 1104, §27]

83 Acts, ch 186, §10131, 10201; 83 Acts, ch 204, §10; 85 Acts, ch 195, §63; 85 Acts, ch 197, §42; 90 Acts, ch 1230, §95; 98 Acts, ch 1073, §9

Referred to in §805.1, 805.6, 805.8A(12e), 805.8C(3a, 3c), 805.10, 805.15

**805.10 Required court appearance.**

1. Section 805.9 shall not apply to a scheduled violation in any of the following circumstances:

*a.* When the violation charged involved or resulted in a death or caused serious injury to person as defined under section 702.18.

*b.* When the violation charged involved or resulted in an accident or injury to property and based upon the violator's driving record, or failure to pay any fine, surcharge, or court costs, or any other circumstances involving the accident, the officer determines a court appearance is necessary.

*c.* When the violation created an immediate threat to the safety of other persons or property because of highway conditions, visibility, traffic, repetition, or other circumstances.

*d.* When the violation charged involves the taking of an animal for which there is a civil damage assessment in addition to a criminal penalty.

2. In such cases, the defendant shall appear before the court and regular procedure shall apply. If an information is used, the officer shall endorse thereon, "Court appearance required". If a citation and complaint is used, the officer shall strike out the space in which the defendant may admit the violation before a scheduled violations office and shall endorse thereon "Court appearance required" and the defendant shall appear before the court either in person or by attorney.

[C73, 75, 77, §753.17; C79, 81, §805.10]

83 Acts, ch 125, §9; 84 Acts, ch 1067, §50; 89 Acts, ch 296, §92; 90 Acts, ch 1216, §5; 98 Acts, ch 1178, §15; 2000 Acts, ch 1131, §4, 5; 2000 Acts, ch 1154, §42

Referred to in §805.1, 805.6, 805.8A(12e), 805.11, 805.13, 805.15

**805.11 Other penalties.**

If the defendant is convicted of a scheduled violation, the penalty is the scheduled fine, without suspension of the fine prescribed in section 805.8A, 805.8B, or 805.8C together with costs assessed and distributed as prescribed by section 602.8106, unless it appears from the evidence that the violation was of the type set forth in section 805.10, subsection 1, paragraph "*a*" or "*c*", in which event the scheduled fine does not apply and the penalty shall be increased within the limits provided by law for the offense.

[C73, 75, 77, §753.18; C79, 81, §805.11; 82 Acts, ch 1104, §28]

83 Acts, ch 186, §10132, 10201; 85 Acts, ch 195, §64; 2000 Acts, ch 1154, §43; 2001 Acts, ch 137, §5

Referred to in §805.1, 805.8A(12e), 805.15

**805.12 Disposition of traffic fines and costs.**

Fines, forfeiture of bail, fees, and costs collected for all traffic violations, whether or not scheduled, and for all other scheduled violations shall be distributed in accordance with section 602.8106.

[C73, 75, 77, §753.19; C79, 81, §805.12]

83 Acts, ch 186, §10133, 10201

Referred to in §805.1, 805.8A(14f), 805.15

**805.13 Venue.**

1. Traffic violations, whether or not scheduled, and all other scheduled violations may be tried before the nearest magistrate in the judicial district in which the offense is committed, or if the offense occurred in a city which is located in two counties, the violation shall be tried as provided in section 803.3, subsection 5.

2. Upon written consent of the defendant and the officer issuing the citation, traffic violations, whether or not scheduled, and any other scheduled violations, other than those for which a court appearance is required under section 805.10 may be prosecuted in any county in the state irrespective of where committed, and in such event the documents in the case shall be sent to the court or traffic and scheduled violations office designated by the defendant and the officer.

[C73, 75, 77, §753.20; C79, 81, §805.13]

2003 Acts, ch 113, §3; 2004 Acts, ch 1041, §2

Referred to in §803.3, 805.1, 805.15

**805.14 Credit cards.**

Fines for scheduled traffic violations enumerated in section 805.8A may be paid by credit cards, as defined in section 537.1301, subsection 17, approved for that purpose by the commissioner of public safety. The commissioner shall enter agreements with financial institutions extending credit through the use of credit cards to insure reimbursement of the amount of the fine plus appropriate costs to the proper traffic violations office in the state. The commissioner shall adopt rules pursuant to chapter 17A to implement the provisions of this section.

[C77, §753.21; C79, 81, §805.14]

2001 Acts, ch 137, §5

Referred to in §805.1, 805.9, 805.15, 811.9

**805.15 Other citation forms.**

The provisions of sections 321.485 to 321.487 shall govern with respect to offenses charged in the manner provided in section 321.485. The provisions of sections 805.6 to 805.14 shall govern with respect to offenses chargeable upon a uniform citation and complaint.

[C79, 81, §805.15]

Referred to in §805.1

**805.16 Citations to persons under eighteen years of age — arrest — nonsecure custody.**

1. Except as provided in subsection 2 of this section, a peace officer shall issue a police citation or uniform citation and complaint, in lieu of making a warrantless arrest, to a person under eighteen years of age accused of committing a simple misdemeanor under chapter 321, 321G, 321I, 461A, 461B, 462A, 481A, 481B, 483A, 484A, 484B, or a local ordinance not subject to the jurisdiction of the juvenile court, and shall not detain or confine the person in a facility regulated under chapter 356 or 356A.

2. A person under the age of eighteen who refuses to sign the citation without qualification, who persists in engaging in the conduct for which the citation was issued, who refuses to provide proper identification or to identify the person's self, or who constitutes an immediate threat to the person's own safety or the safety of the public may be arrested in the manner provided in subsection 3. In addition, or alternatively, the peace officer may require that person to surrender the person's driver's license as defined in section 321.1 until the time of the person's initial court appearance. The peace officer shall immediately send the person's driver's license along with a copy of the unsigned citation indicating the juvenile's refusal to sign to the clerk of the district court for the district in which the peace officer issued the citation.

3. *a.* A person arrested pursuant to subsection 2 shall only be arrested for the limited purpose of holding the person in nonsecure custody in an area not intended for secure detention while awaiting transfer to an appropriate juvenile facility or to court, for booking, for implied consent testing, for contacting and release to the person's parents, or for other administrative purposes.

*b.* For purposes of this subsection, "*nonsecure custody*" means custody in an unlocked multipurpose area, such as a lobby, office, or interrogation room which is not designed, set aside, or used as a secure detention area, and the person arrested is not physically secured during the period of custody in the area, the person is physically accompanied by a peace officer or a person employed by the facility where the person arrested is being held, and the use of the area is limited to providing nonsecure custody only long enough for the purposes stated in paragraph "*a*" and not for a period of time in excess of six hours without the oral or written order of a judge or magistrate authorizing the detention. A judge shall not extend the period of time in excess of six hours beyond the initial six-hour period.

4. This section does not prohibit the execution of an arrest warrant by a peace officer.

88 Acts, ch 1167, §7; 90 Acts, ch 1230, §96; 92 Acts, ch 1160, §24; 97 Acts, ch 126, §49; 98 Acts, ch 1073, §9; 2004 Acts, ch 1132, §94; 2013 Acts, ch 30, §220

Subsection 3 amended

# CHAPTER 806

## UNIFORM FRESH PURSUIT LAW

Referred to in §602.6405, 724.4, 801.1


| | | | |
|---|---|---|---|
| 806.1 | Authority of officers from another state. | 806.4 | Officers from District of Columbia. |
| 806.2 | Procedure following arrest. | 806.5 | Definitions of terms. |
| 806.3 | Construction of statute. | 806.6 | Chapter title. |


**806.1 Authority of officers from another state.**

Any member of a duly organized state, county, or municipal law enforcing unit of another state of the United States who enters this state in fresh pursuit, and continues within this state in such fresh pursuit, of a person in order to arrest the person on the ground that the person is believed to have committed a felony in such other state, shall have the same authority to arrest and hold such person in custody, as has any member of any duly organized state, county, or municipal law enforcing unit of this state, to arrest and hold in custody a person on the ground that the person is believed to have committed a felony in this state.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §756.1; C79, 81, §806.1]

Referred to in §806.2, 806.3

**806.2 Procedure following arrest.**

If an arrest is made in this state by an officer of another state in accordance with the provisions of section 806.1, the officer shall without unnecessary delay take the person arrested before a magistrate of the county in which the arrest was made, who shall conduct a hearing for the purpose of determining the lawfulness of the arrest. If the magistrate determines that the arrest was lawful the magistrate shall commit the person arrested to await for a reasonable time the issuance of an extradition warrant by the governor of this state or admit the person to bail for such purpose. If the magistrate determines that the arrest was unlawful the magistrate shall discharge the person arrested.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §756.2; C79, 81, §806.2]

**806.3 Construction of statute.**

Section 806.1 shall not be construed so as to make unlawful any arrest in this state which would otherwise be lawful.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §756.3; C79, 81, §806.3]

**806.4 Officers from District of Columbia.**

For the purpose of this chapter the word *"state"* shall include the District of Columbia.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §756.4; C79, 81, §806.4]

**806.5 Definitions of terms.**

The term *"fresh pursuit"* as used in this chapter shall include fresh pursuit as defined by the common law, and also the pursuit of a person who has committed a felony or who is reasonably suspected of having committed a felony. It shall also include the pursuit of a person suspected of having committed a supposed felony, though no felony has actually been committed, if there is reasonable ground for believing that a felony has been committed. Fresh pursuit as used herein shall not necessarily imply instant pursuit, but pursuit without unreasonable delay.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §756.5; C79, 81, §806.5]

**806.6 Chapter title.**

This chapter may be cited as the *"Uniform Act on Fresh Pursuit"*.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §756.6; C79, 81, §806.6]

# CHAPTER 807

## PROCEEDINGS AGAINST CORPORATIONS

Referred to in §801.1


807.1 Summons upon a complaint against a corporation, by whom issued, and when returnable.
807.2 Form of the summons.
807.3 When and how served.
807.4 Examination of the charge.
807.5 Bringing an indicted corporation into court.
807.6 Collection of fines.
807.7 Attachment.


**807.1 Summons upon a complaint against a corporation, by whom issued, and when returnable.**

Upon the filing of a complaint against a corporation, the magistrate shall issue a summons, signed by the magistrate, requiring the corporation to appear before the magistrate, at a specified time and place, to answer the charge, the time to be not less than twenty days after the issuing of the summons.

[C79, 81, §807.1]

**807.2 Form of the summons.**

The summons may be in substantially the following form:

County of ..... (as the case may be).

In the name of the people of the State of Iowa:

To the (naming the corporation).

You are hereby summoned to appear before me, at (naming the place) on (specifying the day and hour), to answer a charge made against you, upon the complaint of A.B., for (designating the offense, generally).

Dated at the city of ....., the ..... day of .....,
.....

G.H. Magistrate

(or as the case may be).

[C79, 81, §807.2]

**807.3 When and how served.**

The summons for the appearance of a corporation shall be served in the manner provided for service of original notice upon a corporation in a civil action.

[C79, 81, §807.3]

**807.4 Examination of the charge.**

At the time appointed in the summons, the magistrate shall proceed to investigate the charge, in the same manner as in the case of a natural person brought before the magistrate, so far as those proceedings are applicable. If the corporation does not appear or plead at the time and place specified in the summons, the court shall make inquiry into the service of process, and being satisfied that same has been carried out as provided herein, the court may proceed with the matter without further process.

[C79, 81, §807.4]

**807.5 Bringing an indicted corporation into court.**

When an indictment or a trial information is filed against any corporation, such corporation shall be arraigned thereon. Prior to arraignment the court shall proceed as follows:

1. The clerk of the court wherein such indictment is found or the information filed, or the judge, must issue a summons signed by the clerk or judge with the clerk's or judge's name of office, requiring such corporation to appear and plead to the indictment, at a time and place

to be specified in such summons, such time to be not less than twenty days after the issue thereof. The summons may be substantially in the following form:

District Court, ..... County.
The People of the State of Iowa vs. The A.B. Company,
You are hereby summoned to appear in this court at (naming the place) on (stating the day and hour), and plead to an indictment filed against you by the grand jury of this county, on the ..... day of ....., charging you with the crime of (designating the offense, generally), and in case of your failure to so appear and answer, judgment will be pronounced against you.
Dated at the city of ....., the ..... day of .....,
.....
C.D.,
Clerk of the District Court.
(or by order of the court)

2. The summons shall be served at least ten days before the appearance fixed therein, in the same manner as is provided for the service of an original notice upon a corporation in a civil action; and if the corporation does not appear or plead at the time and place specified in the summons, the court may proceed to trial and judgment without further process.

3. Nothing contained in this section shall be construed as preventing the appearance of a corporation by counsel to plead to an indictment, with or without the issuance or service of the summons provided herein. And when an indictment shall have been filed against a corporation it may voluntarily appear and plead to the same by counsel duly authorized to so appear for it.

[C79, 81, §807.5]
Referred to in §602.8102(128)

**807.6 Collection of fines.**

When a corporation is convicted of an offense and the court imposes a fine as penalty, it may be collected in the same manner as a judgment in a civil action.

[C79, 81, §807.6]

**807.7 Attachment.**

Upon the filing of a complaint or indictment, the court wherein same is filed shall have authority to issue a writ of attachment to secure the maximum fine allowable by law for the offense charged, and costs.

[C79, 81, §807.7]

# CHAPTER 808

## SEARCH AND SEIZURE

Referred to in §101.24, 170.7, 321J.10, 455B.103, 462A.14A, 462A.14D, 602.6405, 801.1, 809A.12, 915.42

See R.Cr.P. 2.12, 2.36
For student search restrictions, see chapter 808A


808.1 Definitions.
808.2 Authorization.
808.3 Application for search warrant.
808.4 Issuance.
808.5 Execution.
808.6 Forcible execution.
808.7 Detention and search of persons on premises.
808.8 Return.
808.9 Safekeeping of seized property.
808.10 Maliciously suing out a warrant — officer exceeding authority.
808.11 Transmission of papers to district court clerk.
808.12 Detention and search in theft of library materials and shoplifting.
808.13 Confidentiality.
808.14 Administrative warrants.


**808.1 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Search warrant"* means an order in writing pursuant to the requirements of section 808.3, in the name of the state, signed by a magistrate, and directed to a peace officer commanding the officer to search a person, premises, or thing.

2. *"Affidavit"* means a written declaration or statement of fact made under oath, or legally sufficient affirmation, before any person authorized to administer oaths within or without the state.

[C51, §3291; R60, §5024; C73, §4629; C97, §5545; C24, 27, 31, §13418; C35, §13441-g1; C39, §**13441.01;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §751.1; C79, 81, §808.1]

See §622.85; R.Cr.P. 2.36

**808.2 Authorization.**

A search warrant may be issued:

1. For property which has been obtained in violation of law.

2. For property, the possession of which is unlawful.

3. For property used or possessed with the intent to be used as the means of committing a public offense or concealed to prevent an offense from being discovered.

4. For any other property relevant and material as evidence in a criminal prosecution.

[C51, §3292; R60, §5025; C73, §4630; C97, §5546; C24, 27, 31, §13419; C35, §13441-g3; C39, §**13441.03;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §751.3; C79, 81, §808.2]

**808.3 Application for search warrant.**

A person may make application for the issuance of a search warrant by submitting before a magistrate a written application, supported by the person's oath or affirmation, which includes facts, information, and circumstances tending to establish sufficient grounds for granting the application, and probable cause for believing that the grounds exist. The application shall describe the person, place, or thing to be searched and the property to be seized with sufficient specificity to enable an independent reasonable person with reasonable effort to ascertain and identify the person, place, or thing. If the magistrate issues the search warrant, the magistrate shall endorse on the application the name and address of all persons upon whose sworn testimony the magistrate relied to issue the warrant together with the abstract of each witness' testimony, or the witness' affidavit. However, if the grounds for issuance are supplied by an informant, the magistrate shall identify only the peace officer to whom the information was given. The application or sworn testimony supplied in support of the application must establish the credibility of the informant or the credibility of the information given by the informant. The magistrate may in the magistrate's discretion

require that a witness upon whom the applicant relies for information appear personally and be examined concerning the information.

[C51, §2722; R60, §1565, 4364; C73, §1544, 1545, 4027; C97, §2413, 2414, 4963; S13, §4965-b, 5007-a; SS15, §2413; C24, 27, 31, §1578, 1968, 1969, 13200, 13211; C35, §13441-g4; C39, §**13441.04;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §751.4; C79, 81, §808.3]

85 Acts, ch 39, §1; 98 Acts, ch 1117, §1

Referred to in §321J.10, 462A.14D, 808.1

See R.Cr.P. 2.36

**808.4 Issuance.**

Upon a finding of probable cause for grounds to issue a search warrant, the magistrate shall issue a warrant, signed by the magistrate with the magistrate's name of office, directed to any peace officer, commanding that peace officer forthwith to search the named person, place, or thing within the state for the property specified, and to bring any property seized before the magistrate.

[C51, §2722, 3294 – 3296; R60, §1565, 4364, 5027 – 5029; C73, §1544, 4027, 4632 – 4634; C97, §2413, 4963, 5548 – 5550; S13, §5007-a; SS15, §2413; C24, 27, 31, §1578, 1970, 13200, 13421, 13423; C35, §13441-g5; C39, §**13441.05;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §751.5; C79, 81, §808.4]

See R.Cr.P. 2.36

**808.5 Execution.**

A search warrant may be executed by any peace officer. No persons other than those authorized by this section shall execute search warrants except in aid of those so authorized and on such authorized person's request, the authorized person being present and acting. The warrant may be executed in the daytime or in the nighttime. The warrant, when executed, shall be forthwith returned to the issuing magistrate. Where the property to be seized has been, or is susceptible of being, removed from the officer's jurisdiction, the officer executing the warrant may pursue it and search for property designated in the warrant.

[C51, §3297; R60, §1565, 5032, 5035; C73, §1544, 4637, 4640; C97, §2413, 5552, 5555; S13, §5007-a; SS15, §2413, 2415; C24, 27, 31, §1578, 1970, 1971, 13425, 13428; C35, §13441-g7, -g8; C39, §**13441.07, 13441.08;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §751.7, 751.8; C79, 81, §808.5]

**808.6 Forcible execution.**

The officer may break into any structure or vehicle where reasonably necessary to execute the warrant if, after notice of this authority and purpose the officer's admittance has not been immediately authorized. The officer may use reasonable force to enter a structure or vehicle to execute a search warrant without notice of the officer's authority and purpose in the case of vacated or abandoned structures or vehicles.

The officer executing a search warrant may break restraints when necessary for the officer's own liberation or to effect the release of a person who has entered a place to aid the officer.

[C51, §3298; R60, §5033, 5034; C73, §4638, 4639; C97, §5553, 5554; C24, 27, 31, §13426, 13427; C35, §13441-g9, -g10; C39, §**13441.09, 13441.10;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §751.9, 751.10; C79, 81, §808.6]

**808.7 Detention and search of persons on premises.**

In the execution of a search warrant the person executing the same may reasonably detain and search any person or thing in the place at the time for any of the following reasons:

1. To protect the searcher from attack.
2. To prevent the disposal or concealment of any property subject to seizure described in the warrant.
3. To remove any item which is capable of causing bodily harm that the person may use to resist arrest or effect an escape.

[C79, 81, §808.7]

**808.8 Return.**

A search warrant shall be executed within ten days from its date; failure to execute within that period shall void the warrant. Property seized and its containers, if any, shall be safely kept by the officer, and incident thereto:

1. Upon such seizure the officer shall furnish an itemized receipt for such property to the person from whom taken or in whose possession it was found, if such person can be located, or a copy of the inventory may be left on the premises searched.

2. The officer must file, with the officer's return, a complete inventory of the property taken, and state under oath that it is accurate to the best of the officer's knowledge. The magistrate must, if requested, deliver a copy of the inventory of seized property to the person from whose possession it was taken and to the applicant for the warrant.

[C51, §3299 – 3302; R60, §1565, 5036 – 5039; C73, §1544, 4641 – 4644; C97, §2413, 2415, 5556 – 5559; SS15, §2413, 2415; C24, 27, 31, §1581, 1971, 13429 – 13432; C35, §13441-g12-15; C39, §**13441.12 – 13441.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §751.12 – 751.15; C79, 81, §808.8]

See R.Cr.P. 2.36

**808.9 Safekeeping of seized property.**

Property of an evidentiary nature seized in the execution of a search warrant shall be safely kept, subject to the orders of any court having jurisdiction to try any offense involved therewith, so long as reasonably necessary to enable its production at trials. The disposition of such property shall be in accordance with chapter 809.

[R60, §5048; C73, §4653; C97, §5568; C24, 27, 31, §13441; C35, §13441-g36; C39, §**13441.36;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §751.36; C79, 81, §808.9]

Referred to in §321J.10, 462A.14D

**808.10 Maliciously suing out a warrant — officer exceeding authority.**

Whoever maliciously and without just cause procures a search warrant to be issued and executed is guilty of a serious misdemeanor. Anyone who, in executing a search warrant, willfully exceeds the person's authority, or exercises it with unnecessary severity, is guilty of a serious misdemeanor.

[C51, §3308; R60, §5045, 5046; C73, §4650, 4651; C97, §5565, 5566; C24, 27, 31, §13438, 13439; C35, §13441-g38, -g39; C39, §**13441.38, 13441.39;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §751.38, 751.39; C79, 81, §808.10]

**808.11 Transmission of papers to district court clerk.**

The magistrate who has issued a search warrant shall attach to the warrant a copy of the return, inventory and all other papers in connection therewith and shall file them with the clerk of the district court for the county in which the property was seized.

[C79, 81, §808.11]

**808.12 Detention and search in theft of library materials and shoplifting.**

1. Persons concealing property as set forth in section 714.3A or 714.5, may be detained and searched by a peace officer, person employed in a facility containing library materials, merchant, or merchant's employee, provided that the detention is for a reasonable length of time and that the search is conducted in a reasonable manner by a person of the same sex and according to subsection 2 of this section.

2. No search of the person under this section shall be conducted by any person other than someone acting under the direction of a peace officer except where permission of the one to be searched has first been obtained.

3. The detention or search under this section by a peace officer, person employed in a facility containing library materials, merchant, or merchant's employee does not render the person liable, in a criminal or civil action, for false arrest or false imprisonment provided the person conducting the search or detention had reasonable grounds to believe the person

detained or searched had concealed or was attempting to conceal property as set forth in section 714.3A or 714.5.

[C62, 66, 71, 73, 75, 77, §709.22 – 709.24; C79, 81, §808.12]

2010 Acts, ch 1125, §3

Referred to in §714.5

**808.13 Confidentiality.**

All information filed with the court for the purpose of securing a warrant for a search, including but not limited to an application and affidavits, shall be a confidential record until such time as a peace officer has executed the warrant and has made return thereon. During the period of time that information is confidential it shall be sealed by the court, and the information contained therein shall not be disseminated to any person other than a peace officer, magistrate, or another court employee, in the course of official duties.

[C79, 81, §808.13]

**808.14 Administrative warrants.**

The courts and other appropriate agencies of the judicial branch of the government of this state may issue administrative search warrants, in accordance with the statutory and common law requirements for the issuance of such warrants, to all governmental agencies or bodies expressly or impliedly provided with statutory or constitutional home rule authority for inspections to the extent necessary for the agency or body to carry out such authority, to be executed or otherwise carried out by an officer or employee of the agency or body.

85 Acts, ch 38, §1

Referred to in §99F.6, 135.141, 162.10B, 162.10C, 421.9, 453B.11

# CHAPTER 808A

## STUDENT SEARCHES

Referred to in §801.1

For general search and seizure law, see chapter 808

808A.1 Definitions.
808A.2 Searches of students, protected student areas, lockers, desks, and other facilities or spaces.
808A.3 Student search by peace officer.
808A.4 Exclusion of evidence.

**808A.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Protected student area"* includes, but is not limited to:

*a.* A student's body.

*b.* Clothing worn or carried by a student.

*c.* A student's pocketbook, briefcase, duffel bag, bookbag, backpack, knapsack, or any other container used by a student for holding or carrying personal belongings of any kind and in the possession or immediate proximity of the student.

2. *"School"* means a public or nonpublic educational institution offering any of grades kindergarten through twelve.

3. *"School official"* means a licensed school employee, and includes unlicensed school employees employed for security or supervision purposes.

4. *"Student"* means a person enrolled in a school for any of grades kindergarten through twelve.

5. *"Student search rule"* means a rule established by the school board of a public school, pursuant to section 279.8 or 279.9, or the authorities in charge of a nonpublic school controlling the manner of the searching of students or protected student areas and school lockers, desks, and other facilities or spaces owned by the school. A student search rule, to

be valid for purposes of this chapter, shall require that all searches of students or protected student areas be reasonably related in scope to the circumstances which gave rise to the need for the search and based upon consideration of relevant factors which include, but are not limited to, the following:

*a.* The nature of the violation for which the search is being instituted.

*b.* The age or ages and gender of the students who may be searched pursuant to the rule.

*c.* The objectives to be accomplished by the search.

86 Acts, ch 1129, §1; 89 Acts, ch 265, §40; 95 Acts, ch 191, §55; 97 Acts, ch 84, §1, 2

**808A.2 Searches of students, protected student areas, lockers, desks, and other facilities or spaces.**

1. The school board of each public school and the authorities in charge of each nonpublic school shall establish and may search a student or protected student area pursuant to a student search rule. The student search rule shall be published in each public school's and each nonpublic school's student handbook. A school official may search individual students and individual protected student areas if both of the following apply:

*a.* The official has reasonable grounds for suspecting that the search will produce evidence that a student has violated or is violating either the law or a school rule or regulation.

*b.* The search is conducted in a manner which is reasonably related to the objectives of the search and which is not excessively intrusive in light of the age and gender of the student and the nature of the infraction.

2. School officials may conduct periodic inspections of all, or a randomly selected number of, school lockers, desks, and other facilities or spaces owned by the school and provided as a courtesy to a student. The furnishing of a school locker, desk, or other facility or space owned by the school and provided as a courtesy to a student shall not create a protected student area, and shall not give rise to an expectation of privacy on a student's part with respect to that locker, desk, facility, or space. Allowing students to use a separate lock on a locker, desk, or other facility or space owned by the school and provided to the student shall also not give rise to an expectation of privacy on a student's part with respect to that locker, desk, facility, or space. However, each year when school begins, the school district shall provide written notice to all students and the students' parents, guardians, or legal custodians, that school officials may conduct periodic inspections of school lockers, desks, and other facilities or spaces owned by the school and provided as a courtesy to a student without prior notice. An inspection under this subsection shall either occur in the presence of the students whose lockers are being inspected or the inspection shall be conducted in the presence of at least one other person.

3. Under no circumstances may a search be made which is unreasonable in light of the following:

*a.* The age of the student.

*b.* The nonseriousness of the violation.

*c.* The sex of the student.

*d.* The nature of the suspected violation.

4. A school official shall not conduct a search which involves:

*a.* A strip search.

*b.* A body cavity search.

*c.* The use of a drug sniffing animal to search a student's body.

*d.* The search of a student by a school official not of the same sex as the student.

5. If a student is not or will not be present at the time a search of a protected student area is conducted pursuant to subsection 1, the student shall be informed of the search either prior to or as soon as is reasonably practicable after the search is conducted.

86 Acts, ch 1129, §2; 94 Acts, ch 1172, §62; 95 Acts, ch 191, §56; 97 Acts, ch 84, §3 – 6; 98 Acts, ch 1100, §91

**808A.3 Student search by peace officer.**

The search of a student or of a protected student area by a peace officer who is not a school official, or by a school official at the invitation or direction of a peace officer who is not a school official, shall be governed by the statutory and common law requirements for police searches.

86 Acts, ch 1129, §3

**808A.4 Exclusion of evidence.**

Material or evidence obtained directly or indirectly as a result of a search conducted in violation of this chapter is inadmissible in a criminal proceeding against a student.

86 Acts, ch 1129, §4

# CHAPTER 808B

## INTERCEPTION OF COMMUNICATIONS

Referred to in §801.1


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**808B.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Aggrieved person"* means a person who was a party to an intercepted wire, oral, or electronic communication or a person against whom the interception was directed.

2. *"Contents"*, when used with respect to a wire, oral, or electronic communication, includes any information concerning the identity of the parties to the communication or the existence, substance, purpose, or meaning of that communication.

3. *"Court"* means a district court in this state.

4. *"Electronic communication"* means any transfer of signals, signs, writing, images, sounds, data, or intelligence of any nature transmitted in whole or in part by a wire, radio, electromagnetic, photoelectronic or photooptical system that affects intrastate, interstate, or foreign commerce, but excludes the following:

*a.* Wire or oral communication.

*b.* Communication made through a tone-only paging device.

*c.* Communication from a tracking device.

*d.* Electronic funds transfer information stored by a financial institution in a communication system used for the electronic storage and transfer of funds.

5. *"Electronic, mechanical, or other device"* means a device or apparatus which can be used to intercept a wire, oral, or electronic communication other than either of the following:

*a.* A telephone or telegraph instrument, equipment, or facility, or any component of it which is either of the following:

(1) Furnished to the subscriber or user by a communications common carrier in the

ordinary course of its business and being used by the subscriber or user in the ordinary course of the subscriber's or user's business.

(2) Being used by a communications common carrier in the ordinary course of its business, or by an investigative or law enforcement officer in the ordinary course of the officer's duties.

*b.* A hearing aid or similar device being used to correct subnormal hearing to not better than normal hearing.

6. *"Intercept"* or *"interception"* means the aural acquisition of the contents of a wire, oral, or electronic communication through the use of an electronic, mechanical, or other device.

7. *"Investigative or law enforcement officer"* means a peace officer of this state or one of its political subdivisions or of the United States who is empowered by law to conduct investigations of or to make arrests for criminal offenses, the attorney general, or a county attorney authorized by law to prosecute or participate in the prosecution of criminal offenses.

8. *"Oral communication"* means an oral communication uttered by a person exhibiting an expectation that the communication is not subject to interception, under circumstances justifying that expectation. An *"oral communication"* does not include an electronic communication.

9. *"Pen register"* means a device or process which records or decodes dialing, routing, addressing, or signaling information, but not the contents of the communication, transmitted by an instrument or facility from which a wire or electronic communication is transmitted. *"Pen register"* does not include any device or process used by a provider or customer of a wire or electronic communication service for billing, or recording as an incident to billing, for communications services provided by such provider or any device or process used by a provider or customer of a wire communication service for cost accounting or other like purposes in the ordinary course of its business.

10. *"Special state agent"* means a sworn peace officer member of the department of public safety.

11. *"Trap and trace device"* means a device or process which captures the incoming electronic or other impulses which identify the originating number or other dialing, routing, addressing, and signaling information reasonably likely to identify the source of a wire or electronic communication, but does not capture the contents of any communication.

12. *"Wire communication"* means any aural transfer made in whole or in part through the use of facilities for the transmission of communications by the aid of wire, cable, or other like connection between the point of origin and the point of reception, including the use of such connection in a switching station, furnished or operated by any person engaged in providing or operating such facilities for the transmission of interstate or foreign communications or communications affecting interstate or foreign commerce.

89 Acts, ch 225, §22; 99 Acts, ch 78, §1 – 5; 2009 Acts, ch 88, §6 – 8

Referred to in §808B.5

**808B.2 Unlawful acts — penalty.**

1. Except as otherwise specifically provided in this chapter, a person who does any of the following commits a class "D" felony:

*a.* Willfully intercepts, endeavors to intercept, or procures any other person to intercept or endeavor to intercept, a wire, oral, or electronic communication.

*b.* Willfully uses, endeavors to use, or procures any other person to use or endeavor to use an electronic, mechanical, or other device to intercept any oral communication when either of the following applies:

(1) The device is affixed to, or otherwise transmits a signal through, a wire, cable, or other like connection used in wire communication.

(2) The device transmits communications by radio, or interferes with the transmission of radio communications.

*c.* Willfully discloses, or endeavors to disclose, to any other person the contents of a wire, oral, or electronic communication, knowing or having reason to know that the information was obtained through the interception of a wire, oral, or electronic communication in violation of this subsection.

*d.* Willfully uses, or endeavors to use, the contents of a wire, oral, or electronic communication, knowing or having reason to know that the information was obtained through the interception of a wire, oral, or electronic communication in violation of this subsection.

2. *a.* It is not unlawful under this chapter for an operator of a switchboard, or an officer, employee, or agent of a communications common carrier, whose facilities are used in the transmission of a wire communication, to intercept, disclose, or use that communication in the normal course of employment while engaged in an activity which is a necessary incident to the rendition of service or to the protection of the rights or property of the carrier of the communication. However, communications common carriers shall not use service observing or random monitoring except for mechanical or service quality control checks.

*b.* It is not unlawful under this chapter for a person acting under color of law to intercept a wire, oral, or electronic communication, if the person is a party to the communication or one of the parties to the communication has given prior consent to the interception.

*c.* It is not unlawful under this chapter for a person not acting under color of law to intercept a wire, oral, or electronic communication if the person is a party to the communication or if one of the parties to the communication has given prior consent to the interception, unless the communication is intercepted for the purpose of committing a criminal or tortious act in violation of the Constitution or laws of the United States or of any state or for the purpose of committing any other injurious act.

3. An operator of a switchboard, or an officer, employee, or agent of a communications common carrier, whose facilities are used in the transmission or interception of a wire, oral, or electronic communication shall not disclose the existence of any transmission or interception or the device used to accomplish the transmission or interception with respect to a court order under this chapter, except as may otherwise be required by legal process or court order. Violation of this subsection is a class "D" felony.

89 Acts, ch 225, §23; 99 Acts, ch 78, §6 – 9
Referred to in §808B.5

**808B.3 Court order for interception by special agents.**

The attorney general shall authorize and prepare any application for an order authorizing the interception of wire, oral, or electronic communications. The attorney general may apply to any district court of this state, or request that the county attorney in the district where application is to be made deliver the application of the attorney general, for an order authorizing the interception of wire, oral, or electronic communications, and the court may grant, subject to this chapter, an order authorizing the interception of wire, oral, or electronic communications by special state agents having responsibility for the investigation of the offense as to which application is made, when the interception may provide or has provided evidence of the following:

1. A felony offense involving dealing in controlled substances, as defined in section 124.101.
2. A forcible felony as defined in section 702.11.
3. A felony offense involving ongoing criminal conduct in violation of chapter 706A.
4. A felony offense involving money laundering in violation of chapter 706B.
5. A felony fugitive warrant issued in the state or involving an individual who is reasonably believed to be located within the state.

89 Acts, ch 225, §24; 99 Acts, ch 78, §10; 2009 Acts, ch 88, §9
Referred to in §808B.5, 808B.11

**808B.4 Permissible disclosure and use.**

1. A special state agent who, by any means authorized by this chapter, has obtained knowledge of the contents of a wire, oral, or electronic communication, or has obtained evidence derived from a wire, oral, or electronic communication, may disclose the contents to another investigative or law enforcement officer to the extent that the disclosure is appropriate to the proper performance of the official duties of the officer making or receiving the disclosure.

2. An investigative or law enforcement officer who, by any means authorized by this chapter, has obtained knowledge of the contents of a wire, oral, or electronic communication or has obtained evidence derived from a wire, oral, or electronic communication may use the contents to the extent the use is appropriate to the proper performance of the officer's official duties.

3. A person who has received, by any means authorized by this chapter, any information concerning a wire, oral, or electronic communication, or evidence derived from a wire, oral, or electronic communication intercepted in accordance with this chapter may disclose the contents of that communication or derivative evidence while giving testimony under oath or affirmation in a criminal proceeding in any court of the United States or of this state or in any federal or state grand jury proceeding.

4. An otherwise privileged wire, oral, or electronic communication intercepted in accordance with, or in violation of, the provisions of this chapter does not lose its privileged character.

5. If a special state agent, while engaged in intercepting a wire, oral, or electronic communication in the manner authorized, intercepts a communication relating to an offense other than those specified in the order of authorization, the contents of the communication, and the evidence derived from the communication, may be disclosed or used as provided in subsections 1 and 2. The contents of and the evidence derived from the communication may be used under subsection 3 when authorized by a court if the court finds on subsequent petition that the contents were otherwise intercepted in accordance with this chapter. The petition shall be made as soon as practicable.

89 Acts, ch 225, §25; 99 Acts, ch 78, §11

Referred to in §808B.5

**808B.5 Application and order.**

1. An application for an order authorizing or approving the interception of a wire, oral, or electronic communication shall be made in writing upon oath or affirmation to a court and shall state the applicant's authority to make the application. An application shall include the following information:

*a.* The identity of the special state agent requesting the application, the supervisory officer reviewing and approving the request, and the approval of the administrator of a division of the department of public safety under whose command the special state agent making the application is operating or the administrator's designee.

*b.* A full and complete statement of the facts and circumstances relied upon by the applicant to justify the belief that an order should be issued, including details as to the particular offense that has been, is being, or is about to be committed, a particular description of the nature and location of the facilities from which or the place where the communication is to be intercepted, a particular description of the type of communications sought to be intercepted, and the identity of the person, if known, committing the offense and whose communications are to be intercepted.

*c.* A full and complete statement as to whether other investigative procedures have been tried and failed or why they reasonably appear to be unlikely to succeed if tried or to be too dangerous.

*d.* A statement of the period of time for which the interception is required to be maintained. If the nature of the investigation is such that the authorization for interception should not automatically terminate when the described type of communication has been first obtained, a particular description of facts establishing probable cause to believe that additional communications of the same type will subsequently occur.

*e.* A full and complete statement of the facts concerning all previous applications known to the individuals authorizing and making the application, made to any court for authorization to intercept, or for approval of interceptions of, wire, oral, or electronic communications involving any of the same persons, facilities, or places specified in the application, and the action taken by the court on those applications.

*f.* If the application is for the extension of an order, a statement setting forth the results

thus far obtained from the interception, or a reasonable explanation of the failure to obtain results.

2. The court may require the applicant to furnish additional testimony or documentary evidence in support of the application.

3. Upon application the court may enter an ex parte order, as requested or as modified, authorizing interception of wire, oral, or electronic communications within the territorial jurisdiction of the court, if the court finds on the basis of the facts submitted by the applicant all of the following:

*a.* There is probable cause for belief that an individual is committing, has committed, or is about to commit a felony offense involving dealing in controlled substances, as defined in section 124.101, subsection 5.

*b.* There is probable cause for belief that particular communications concerning the offense will be obtained through the interception.

*c.* Normal investigative procedures have been tried and have failed or reasonably appear to be unlikely to succeed if tried or to be too dangerous.

*d.* There is probable cause for belief that the facilities from which, or the place where, the wire, oral, or electronic communications are to be intercepted are being used, or are about to be used, in connection with the commission of the offense, or are leased to, listed in the name of, or commonly used by the person whose communications are to be intercepted.

4. Each order authorizing the interception of a wire, oral, or electronic communication shall specify all of the following:

*a.* The identity of the person, if known, whose communications are to be intercepted.

*b.* The nature and location of the communications facilities as to which, or the place where, authority to intercept is granted.

*c.* A particular description of the type of communication sought to be intercepted, and a statement of the particular offense to which the communication relates.

*d.* The identity of the agency authorized to intercept the communications, and of the person requesting the application.

*e.* The period of time during which interception is authorized, including a statement as to whether the interception shall automatically terminate when the described communication has been first obtained.

5. Each order authorizing the interception of a wire, oral, or electronic communication shall, upon request of the applicant, direct that a communications common carrier, landlord, custodian, or other person shall furnish to the applicant all information, facilities, and technical assistance necessary to accomplish the interception inconspicuously and with a minimum of interference with the services that the carrier, landlord, custodian, or person is giving to the person whose communications are to be intercepted. Any communications common carrier, landlord, custodian, or other person furnishing facilities or technical assistance shall be compensated by the applicant at the prevailing rates.

6. An order entered under this section shall not authorize the interception of a wire, oral, or electronic communication for a period longer than is necessary to achieve the objective of the authorized interception, or in any event longer than thirty days. The thirty-day period shall commence on the date specified in the order upon which the commencement of the interception is authorized or ten days after the order is entered, whichever is earlier. An extension of an order may be granted, but only upon application for an extension made in accordance with subsection 1 and the court making the findings required by subsection 3. The period of extension shall be no longer than the authorizing court deems necessary to achieve the purposes for which it was granted and in no event longer than thirty days. Every order and its extension shall contain a provision that the authorization to intercept shall be executed as soon as practicable, shall be conducted in such a way as to minimize the interception of communications not otherwise subject to interception under this section and sections 808B.1 through 808B.4, 808B.6, and 808B.7, and shall terminate upon attainment of the authorized objective, or in any event in thirty days.

7. If an order authorizing interception is entered pursuant to this chapter, the order may require reports to be made to the court which issued the order showing what progress

has been made toward achievement of the authorized objective and the need for continued interception. The reports shall be made at intervals as the court requires.

8. *a.* The contents of a wire, oral, or electronic communication intercepted by a means authorized by this chapter shall, if possible, be recorded on tape or wire or other comparable device. The recording of the contents of a wire, oral, or electronic communication under this subsection shall be done in a way which will protect the recording from editing or other alterations. Immediately upon the expiration of the period of the order, or extensions of it, the recordings shall be made available to the court issuing the order and shall be sealed under the court's directions. Custody of the recordings shall be in accordance with the court order. Recordings shall be kept for five years and shall then be destroyed unless it is necessary to keep the recordings due to a continued legal process or court order, but the recordings shall not be kept for longer than ten years. Duplicate recordings may be made for disclosure or use pursuant to section 808B.4, subsections 1 and 2. The presence of a seal, or a satisfactory explanation for its absence, is a prerequisite for the disclosure or use of the contents of a wire, oral, or electronic communication or evidence derived from a communication under section 808B.4, subsection 3.

*b.* Applications made and orders granted under this chapter shall be sealed by the court. Custody of the applications and orders shall be in accordance with the directives of the court. The applications and orders shall be disclosed only upon a showing of good cause before a court and shall be kept for five years and shall then be destroyed unless it is necessary to keep the applications or orders due to a continued legal process or court order, but the applications and orders shall not be kept for longer than ten years.

*c.* A violation of this subsection may be punished as contempt of court.

9. *a.* Within a reasonable time, but not longer than ninety days, after the termination of the period of an order or its extensions, the court shall cause a notice to be served on all persons named in the order or the application which includes the following:

(1) The names of other parties to intercepted communications if the court determines disclosure of the names to be in the interest of justice.

(2) An inventory which shall include all of the following:

(a) The date of the application.

(b) The date of the entry of the court order and the period of authorized, approved, or disapproved interception, or the denial of the application.

(c) Whether, during the period, wire, oral, or electronic communications were or were not intercepted.

*b.* The court, upon the filing of a motion by a person whose communications were intercepted, shall make available to the person or the person's attorney for inspection the intercepted communications, applications, and orders. On an ex parte showing of good cause to a court, the service of the inventory required by this subsection may be postponed.

10. The contents of an intercepted wire, oral, or electronic communication or evidence derived from the wire, oral, or electronic communication shall not be received in evidence or otherwise disclosed in a trial, hearing, or other proceeding in a federal or state court unless each party, not less than ten days before the trial, hearing, or proceeding, has been furnished with a copy of the court order, and accompanying application, under which the interception was authorized. This ten-day period may be waived by the court if it finds that it was not possible to furnish the party with the above information ten days before the trial, hearing, or proceeding and that the party will not be prejudiced by the delay in receiving the information. If the ten-day period is waived by the court, the court may grant a continuance or enter such other order as it deems just under the circumstances.

11. An aggrieved person in a trial, hearing, or proceeding in or before any court, department, officer, agency, regulatory body, or other authority of this state, may move to suppress the contents of an intercepted wire, oral, or electronic communication, or evidence derived from the wire, oral, or electronic communication, on the grounds that the communication was unlawfully intercepted, the order of authorization under which it was intercepted was insufficient on its face, or the interception was not made in conformity with the order of authorization. The motion shall be made before the trial, hearing, or proceeding unless there was no opportunity to make the motion or the person was not aware

of the grounds of the motion. If the motion is granted, the contents of the intercepted wire, oral, or electronic communication, or evidence derived from the wire, oral, or electronic communication, shall be treated as having been obtained in violation of this chapter.

12. A special state agent may make application to a judicial officer for the issuance of a search warrant to authorize the placement, tracking, or monitoring of a global positioning device, supported by a peace officer's oath or affirmation, which includes facts, information, and circumstances tending to establish sufficient grounds for granting the special state agent's application, and probable cause for believing the grounds exist. Upon a finding of probable cause to issue such a warrant, the judicial officer shall issue a warrant, signed by the judicial officer with the judicial officer's name of office, directed to any peace officer, commanding that the peace officer place, track, or monitor the global positioning device.

13. Upon the request of an investigative or law enforcement officer, a judge may issue a subpoena or other court order in order to obtain information and supporting documentation regarding contemporaneous or prospective wire or electronic communications based upon a finding that a prosecuting attorney is engaged in a criminal investigation of an offense listed in section 808B.3.

14. Notwithstanding any other provision of law, upon the request of an investigative or law enforcement officer, a judge may authorize the capture of a wire or oral communication by a pen register or trap and trace device, if a judge finds that there is probable cause to believe that a wire or oral communication relevant to a valid search warrant will occur at any point while the warrant is in effect.

15. An appeal by the attorney general from an order granting a motion to suppress or from the denial of an application for an order of approval shall be pursuant to section 814.5, subsection 2.

89 Acts, ch 225, §26; 99 Acts, ch 78, §12 – 21; 99 Acts, ch 208, §63; 2009 Acts, ch 88, §10

**808B.6 Reports to state court administrator.**

1. Within thirty days after the denial of an application or after the expiration of an order granting an application, or after an extension of an order, the court shall report to the state court administrator all of the following:

*a.* The fact that an order or extension was applied for.

*b.* The kind of order or extension applied for.

*c.* The fact that the order or extension was granted as applied for, was granted as modified, or that an application was denied.

*d.* The period of interceptions authorized by the order, and the number and duration of any extensions of the order.

*e.* The offense specified in the order or application, or extension of an order.

*f.* The identity of the prosecutor making the application and the court reviewing and approving the request.

*g.* The nature of the facilities from which or the place where communications were to be intercepted.

2. In January of each year, the attorney general and the county attorneys of this state shall report to the state court administrator and to the administrative offices of the United States district courts all of the following:

*a.* The fact that an order or extension was applied for.

*b.* The kind of order or extension applied for.

*c.* The fact that the order or extension was granted as applied for, was granted as modified, or that an application was denied.

*d.* The period of interceptions authorized by the order, and the number and duration of any extensions of the order.

*e.* The offense specified in the order or application, or extension of an order.

*f.* The nature of the facilities from which or the place where communications were to be intercepted.

*g.* A general description of the interceptions made under such order or extension, including:

(1) The approximate nature and frequency of incriminating communications intercepted.

(2) The approximate nature and frequency of other communications intercepted.

(3) The approximate number of persons whose communications were intercepted.

(4) The approximate nature, amount, and cost of personnel and other resources used in the interceptions.

*h.* The number of arrests resulting from interceptions made under such order or extension, and the offenses for which arrests were made.

*i.* The number of trials resulting from such interceptions.

*j.* The number of motions to suppress made with respect to such interceptions, and the number granted or denied.

*k.* The number of convictions resulting from such interceptions and the offenses for which the convictions were obtained and a general assessment of the importance of the interceptions.

*l.* The information required by paragraphs *"b"* through *"f"* with respect to orders or extensions obtained in a preceding calendar year and not yet reported.

*m.* Other information required by the rules of the administrative offices of the United States district courts.

3. In March of each year the state court administrator shall transmit to the general assembly a full and complete report concerning the number of applications for orders authorizing the interception of wire communications or oral communications and the number of applications, orders, and extensions granted or denied during the preceding calendar year. The report shall include a summary and analysis of the data required to be filed with the state court administrator by the attorney general, county attorneys, and the courts.

89 Acts, ch 225, §27
Referred to in §808B.5

**808B.7 Contents of intercepted wire, oral, or electronic communication as evidence.**

The contents or any part of the contents of an intercepted wire, oral, or electronic communication and any evidence derived from the wire, oral, or electronic communication shall not be received in evidence in a trial, hearing, or other proceeding in or before a court, grand jury, department, officer, agency, regulatory body, legislative committee, or other authority of the United States, a state, or political subdivision of a state if the disclosure of that information would be in violation of this chapter.

89 Acts, ch 225, §28; 99 Acts, ch 78, §22
Referred to in §808B.5

**808B.8 Civil damages authorized — civil and criminal immunity — injunctive relief.**

1. A person whose wire, oral, or electronic communication is intercepted, disclosed, or used in violation of this chapter shall:

*a.* Have a civil cause of action against any person who intercepts, discloses, or uses or procures any other person to intercept, disclose, or use such communications.

*b.* Be entitled to recover from any such person all of the following:

(1) Actual damages, but not less than liquidated damages computed at the rate of one hundred dollars a day for each day of violation, or one thousand dollars, whichever is higher.

(2) Punitive damages upon a finding of a willful, malicious, or reckless violation of this chapter.

(3) A reasonable attorney fee and other litigation costs reasonably incurred.

2. A good faith reliance on a court order shall constitute a complete defense to any civil or criminal action brought under this chapter.

3. A person whose wire, oral, or electronic communication is intercepted, disclosed, or used in violation of this chapter may seek an injunction, either temporary or permanent, against any person who violates this chapter.

89 Acts, ch 225, §29; 99 Acts, ch 78, §23, 24

**808B.9** Repealed by 98 Acts, ch 1157, § 1.

**808B.10 Restrictions on use and installation of a pen register or a trap and trace device.**

1. Except for emergency situations pursuant to section 808B.12, a person shall not install or use a pen register or a trap and trace device without first obtaining a search warrant or court order pursuant to section 808B.11. However, a pen register or a trap and trace device may be used or installed without court order if any of the following apply:

*a.* It relates to the operation, maintenance, and testing of a wire or electronic communication service or to the protection of the rights or property of the provider of the service, or to the protection of users of the service from abuse of the service or unlawful use of the service.

*b.* If a wire or electronic communication was initiated or completed in order to protect the provider of the wire or electronic communication service, another provider furnishing service toward the completion of the wire or electronic communication, or a user of the service, from fraudulent, unlawful, or abusive use of the service.

*c.* If consent was obtained from the user of the electronic or wire communication service.

2. A person who knowingly violates this section commits a serious misdemeanor.

99 Acts, ch 78, §25; 2009 Acts, ch 88, §11; 2010 Acts, ch 1069, §64

**808B.11 Application and order to install and use a pen register or trap and trace device.**

1. An application for an order or an extension of an order authorizing or approving the installation and use of a pen register or a trap and trace device shall be made in writing by a prosecuting attorney upon oath or affirmation to a district court. Only a special state agent may conduct an investigation authorized under this section or section 808B.12. An application shall include the following information:

*a.* The identity of the prosecuting attorney, and the identity of the special state agent authorized to conduct the investigation.

*b.* A certified statement by the special state agent that the information likely to be obtained is relevant to an ongoing criminal investigation of an offense listed under section 808B.3 or an offense that may lead to an immediate danger of death of or serious injury to a person.

2. Upon application, the court may enter an ex parte order or an ex parte extension of an order authorizing the installation and use of a pen register or trap and trace device within the territorial jurisdiction of the court, if the court finds that the special state agent has certified to the court that the information likely to be obtained by the use of a pen register or trap and trace device is relevant to an ongoing criminal investigation of an offense listed under section 808B.3, or an offense that may lead to an immediate danger of death of or serious injury to a person.

3. Each order authorizing the interception of a communication under this section shall specify all of the following:

*a.* The identity of the person, if known, who owns or leases the telephone line where the pen register or trap and trace device will be attached.

*b.* The identity of the person, if known, who is the subject of the criminal investigation.

*c.* The telephone number if known, the physical location of the telephone line where the pen register or trap and trace device will be attached, the method for determining the location of the electronic communication, and the geographic limits of the trap and trace device.

*d.* Upon request of the applicant, direct the furnishing of information, facilities, and technical assistance necessary to accomplish the installation of a pen register or trap and trace device.

*e.* The period of time during which the use of the pen register or trap and trace device is authorized, which shall be no greater than sixty days.

*f.* If the application is for the extension of an order and after a judicial finding required under subsection 2, authorize the extension of an order. Each extension of an order shall not exceed sixty days.

4. Except as otherwise provided in paragraph *"b"*, any order granted under this section shall be sealed until otherwise ordered by the court.

*a.* Any person owning or leasing the telephone line to which the pen register or trap and trace device is attached, or who has been ordered by the court to furnish information, facilities, or technical assistance to the applicant, shall not disclose the existence of the pen

register or trap and trace device or the existence of the investigation of the listed subscriber, to any person, unless or until otherwise ordered by the court.

*b.* A prosecuting attorney or special state agent may utilize or share any information obtained from the use of a pen register or trap and trace device with other prosecuting attorneys or law enforcement agencies while acting within the scope of their employment.

*c.* A violation of this subsection may be punished as contempt of court.

99 Acts, ch 78, §26; 99 Acts, ch 208, §64, 65; 2009 Acts, ch 88, §12

Referred to in §808B.10, 808B.12, 808B.13

**808B.12 Emergency installation and use — subsequent application and order.**

1. Notwithstanding any other provision of this chapter, a special state agent authorized by the prosecuting attorney or an assistant attorney general who reasonably determines that an emergency situation described in subsection 2 exists which requires the installation and use of a pen register or a trap and trace device before an order authorizing such installation and use can be obtained with due diligence, may install and use a pen register or trap and trace device, if an order approving the installation or use is applied for and issued in accordance with section 808B.11 within forty-eight hours of the installation.

2. Subsection 1 applies in the following emergency situations:

*a.* Immediate danger of death or serious bodily injury to a person.

*b.* Conspiratorial activities characteristic of organized crime.

*c.* Immediate threat to a national security interest.

*d.* Ongoing attack on a computer that constitutes a crime punishable by a term of imprisonment greater than one year.

3. In the absence of an authorizing order, such use shall immediately terminate when the information sought is obtained, when the application for the order is denied, or when forty-eight hours have lapsed since the installation of the pen register or trap and trace device, whichever is earlier.

4. The knowing installation or use by any investigative or law enforcement officer of a pen register or trap and trace device pursuant to subsection 1 without application for the authorizing order within forty-eight hours of the installation constitutes a serious misdemeanor.

5. A provider of a wire or electronic communication service, landlord, custodian, or other person who furnishes facilities or technical assistance pursuant to this section shall be reasonably compensated for such reasonable expenses incurred in providing such facilities and assistance.

99 Acts, ch 78, §27; 99 Acts, ch 208, §66, 67; 2009 Acts, ch 88, §13

Referred to in §808B.10, 808B.11, 808B.13

**808B.13 Assistance in installation and use of a pen register or a trap and trace device.**

1. Upon the request of the prosecuting attorney or the special state agent authorized to install and use a pen register under this chapter, and as directed by court order, a provider of a wire or electronic communication service, landlord, custodian, or other person shall furnish such investigative or law enforcement officer forthwith with all information, facilities, and technical assistance necessary to accomplish the installation of the pen register unobtrusively and with a minimum of interference with the service that the person so ordered by the court accords the party with respect to whom the installation and use is to take place.

2. Upon the request of the prosecuting attorney or the special state agent authorized to receive the results of a trap and trace device under this chapter, and as directed by court order, a provider of a wire or electronic communication service, landlord, custodian, or other person shall install such device forthwith on the appropriate telephone line and shall furnish such investigative or law enforcement officer with all additional information, facilities, and technical assistance including installation and operation of the device unobtrusively and with a minimum of interference with the services that the person so ordered by the court accords the party with respect to whom the installation and use is to take place. Unless otherwise ordered by the court, the results of the trap and trace device shall be furnished to

the authorized law enforcement agency designated in the court order at reasonable intervals during regular business hours for the duration of the order.

3. A provider of a wire or electronic communication service, landlord, custodian, or other person who furnishes facilities or technical assistance pursuant to this section shall be compensated for reasonable expenses incurred in providing such facilities and assistance.

4. A cause of action shall not lie in any court against any provider of a wire or electronic communication service, its officers, employees, agents, or other specified persons for providing information, facilities, or assistance in accordance with the terms of a search warrant or court order under section 808B.11 or 808B.12.

5. A good faith reliance on a search warrant or court order under section 808B.11 or 808B.12 is a complete defense against any civil or criminal action brought under this chapter or any other statute.

99 Acts, ch 78, §28; 2009 Acts, ch 88, §14

**808B.14 Reporting installation and use of pen registers and trap and trace devices.**

In January of each year, the attorney general and the county attorneys of this state shall report to the state court administrator the number of pen register orders and orders for trap and trace devices applied for and obtained by their offices during the preceding calendar year.

99 Acts, ch 78, §29

# CHAPTER 809

## DISPOSITION OF SEIZED PROPERTY

Referred to in §80.39, 101.24, 321.232, 321J.4B, 321J.10, 455B.103, 462A.14D, 602.8102(129), 725.8, 801.1, 808.9, 809A.7

Forfeiture; see chapter 809A


809.1 Definitions.
809.2 Notice of seizure.
809.3 Application for immediate return of seized property.
809.4 Hearing — appeal.
809.5 Disposition of seized property.
809.6 through 809.12 Repealed by 96 Acts, ch 1133, §53.
809.12A Appeals.
809.13 and 809.14 Repealed by 96 Acts, ch 1133, §53.
809.15 Combining proceedings.
809.16 Rulemaking.
809.17 Proceeds applied to various programs.
809.18 to 809.20 Reserved.
809.21 Sale of certain ammunition and firearms.


**809.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Seizable property"* means any of the following:

*a.* Property which is relevant in a criminal prosecution or investigation.

*b.* Property defined by law to be forfeitable property.

*c.* Property which if not seized by the state poses an imminent danger to a person's health, safety, or welfare.

2. *"Seized property"* means property taken or held by any law enforcement agency without the consent of the person, if any, who had possession or a right to possession of the property at the time it was taken into custody. Seized property does not include property taken into custody solely for safekeeping purposes or property taken into custody with the consent of the owner or the person who had possession at the time of the taking. If consent to the taking of property was given by the person in possession of the property and later withdrawn or found to be insufficient, the property shall then be returned or the property shall be deemed seized as of the time of the demand and refusal.

3. The definitions contained in subsections 1 and 2 shall not apply to violations of chapter 321.

86 Acts, ch 1140, §3; 95 Acts, ch 48, §23; 96 Acts, ch 1133, §47

**809.2 Notice of seizure.**

The officer taking possession of seized property shall make a written inventory of the property and deliver a copy of the inventory to the person from whom it was seized. The inventory shall include the name of the person taking custody of the seized property, the date and time of the seizure, and the law enforcement agency seizing the property.

86 Acts, ch 1140, §4

**809.3 Application for immediate return of seized property.**

1. Any person claiming a right to immediate possession of seized property may make application for its return in the office of the clerk of court for the county in which the property was seized.

2. The application for the return of seized property shall state the specific item or items sought, the nature of the claimant's interest in the property, and the grounds upon which the claimant seeks to have the property immediately returned. Mere ownership is insufficient as grounds for immediate return. The written application shall be specific and the claimant shall be limited at the judicial hearing to proof of the grounds set out in the application for immediate return. The fact that the property is inadmissible as evidence or that it may be suppressed is not grounds for its return. If no specific grounds are set out in the application for return, or the grounds set out are insufficient as a matter of law, the court may enter judgment on the pleadings without further hearing.

3. The application shall be signed by the claimant under penalty of perjury.

4. The claimant shall cause a copy of the application to be delivered to the county attorney.

86 Acts, ch 1140, §5; 2013 Acts, ch 7, §1

Referred to in §809.5

NEW subsection 3 and former subsection 3 renumbered as 4

**809.4 Hearing — appeal.**

An application for the return of seized property shall be set for hearing not less than five nor more than thirty days after the filing of the application and shall be tried to the court. All claims to the same property shall be heard in one proceeding unless it is shown that the proceeding would result in prejudice to one or more of the parties. If the total value of the property sought to be returned is less than five thousand dollars, the proceeding may be conducted by a magistrate or a district associate judge with appeal to be as in the case of small claims. In all other cases, the hearing shall be conducted by a district judge, with appeal as provided in section 809.12A.

86 Acts, ch 1140, §6; 96 Acts, ch 1133, §48

Referred to in §602.6405

**809.5 Disposition of seized property.**

1. Seized property shall be returned to the owner if the property is no longer required as evidence or the property has been photographed and the photograph will be used as evidence in lieu of the property, if the property is no longer required for use in an investigation, if the owner's possession is not prohibited by law, and if a forfeiture claim has not been filed on behalf of the state.

*a.* If the aggregate fair market value of the property is greater than five hundred dollars, the seizing agency shall serve notice by personal service or by sending the notice by restricted certified mail, return receipt requested, to the last known address of any person having an ownership or possessory right in the property. Refusal of restricted certified mail, return receipt requested, shall be construed as receipt of the notice.

*b.* If the aggregate fair market value of the property is equal to or less than five hundred dollars, the seizing agency shall serve notice by personal service or by sending the notice by regular mail to the last known address of any person having an ownership or possessory right in the property.

*c.* A person having an ownership or possessory right in the property must file a written claim for the property with the seizing agency within thirty days from the date of receipt of the notice and must take possession of the property within thirty days of the expiration of the period of time for filing a written claim. If no written claim is filed within thirty days

from the date of receipt of the notice or if a written claim is filed but the claimant does not take possession of the property within thirty days of the expiration of the period of time for filing the written claim, the property shall be deemed abandoned and shall be disposed of accordingly.

*d.* The notice served or sent pursuant to this subsection shall inform the recipient of the filing and possession requirements of paragraph "*c*".

*e.* The seizing agency shall not release the property to any party until the expiration of the date for filing claims. In the event that there is more than one claim filed for the return of property under this section, at the expiration of the period for filing claims the seizing agency shall file a copy of all such claims with the clerk of court and the clerk shall proceed as if such claims were filed by the parties under section 809.3.

*f.* In the event that the owner is unable to be located or the property is deemed abandoned the following shall apply:

(1) If the aggregate fair market value of the property is greater than five hundred dollars, forfeiture proceedings shall be initiated pursuant to the provisions of chapter 809A. If the court does not order the property forfeited to the state in the forfeiture proceedings pursuant to chapter 809A, the seizing agency shall become the owner of the property and may dispose of it in any reasonable manner.

(2) If the aggregate fair market value of the property is equal to or less than five hundred dollars, the seizing agency shall become the owner of the property and may dispose of it in any reasonable manner.

(3) Notwithstanding subparagraph (2), firearms or ammunition with an aggregate fair market value equal to or less than five hundred dollars shall be deposited with the department of public safety. The firearms or ammunition may be held by the department of public safety and be used for law enforcement, testing, or comparisons by the criminalistics laboratory, or may be destroyed or disposed of by the department of public safety in accordance with section 809.21.

2. Upon the filing of a claim and following hearing by the court, property which has been seized shall be returned to the person who demonstrates a right to possession, unless one or more of the following is true:

*a.* The possession of the property by the claimant is prohibited by law.

*b.* There is a forfeiture notice on file and not disposed of in favor of the claimant prior to or in the same hearing.

*c.* The state has demonstrated that the evidence is needed in a criminal investigation or prosecution.

3. The court shall, subject to any unresolved forfeiture hearing, make orders appropriate to the final disposition of the property including, but not limited to, the destruction of contraband once it is no longer needed in an investigation or prosecution.

86 Acts, ch 1140, §7; 2007 Acts, ch 107, §1; 2008 Acts, ch 1153, §1, 2
Referred to in §714.26

**809.6 through 809.12** Repealed by 96 Acts, ch 1133, § 53. See § 809.12A and chapter 809A.

**809.12A Appeals.**

An appeal from a denial of an application for the return of seized property or from an order for the return of seized property shall be made within thirty days after the entry of a judgment order. The appellant, other than the state, shall post a bond of a reasonable amount as the court may fix and approve, conditioned to pay all costs of the proceedings if the appellant is unsuccessful on appeal. The appellant, other than the state, may be required to post a supersedeas bond or other security, as the court finds to be reasonable, in order to stay the operation of a forfeiture order under section 809A.16.

96 Acts, ch 1133, §49
Referred to in §809.4

**809.13 and 809.14** Repealed by 96 Acts, ch 1133, § 53. See chapter 809A.

**809.15 Combining proceedings.**

In cases involving seized property and property subject to forfeiture pursuant to section 809A.4, the court may order that the proceedings be combined for purposes of this chapter.

86 Acts, ch 1140, §17; 96 Acts, ch 1133, §50

**809.16 Rulemaking.**

The attorney general shall adopt, amend, or repeal rules pursuant to chapter 17A to carry out the provisions of this chapter.

86 Acts, ch 1140, §18; 96 Acts, ch 1133, §51

**809.17 Proceeds applied to various programs.**

Except as provided in section 809.21, proceeds from the disposal of seized property pursuant to this chapter may be transferred in whole or in part to the victim compensation fund created in section 915.94 at the discretion of the recipient agency, political subdivision, or department.

90 Acts, ch 1251, §60; 91 Acts, ch 181, §16; 91 Acts, ch 258, §66; 96 Acts, ch 1133, §52; 98 Acts, ch 1090, §75, 84

**809.18 to 809.20** Reserved.

**809.21 Sale of certain ammunition and firearms.**

Ammunition and firearms which are not illegal and which are not offensive weapons as defined by section 724.1 may be sold by the department of public safety at public auction. The department of public safety may sell at public auction forfeited legal weapons received from the director of the department of natural resources, except that rifles and shotguns shall be retained by the department of natural resources for disposal according to its rules. The sale of ammunition or firearms pursuant to this section shall be made only to federally licensed firearms dealers or to persons who have a permit to purchase the firearms. Persons who have not obtained a permit may bid on firearms at the public auction. However, persons who bid without a permit must post a fifty percent of purchase price deposit with the commissioner of public safety on any winning bid. No transfer of firearms may be made to a person bidding without a permit until such time as the person has obtained a permit. If the person is unable to produce a permit within two weeks from the date of the auction, the person shall forfeit the fifty percent deposit to the department of public safety. All proceeds of a public auction pursuant to this section, less department expenses reasonably incurred, shall be deposited in the general fund of the state. The department of public safety shall be reimbursed from the proceeds for the reasonable expenses incurred in selling the property at the auction.

86 Acts, ch 1238, §33; 87 Acts, ch 13, §7, 8; 90 Acts, ch 1042, §1

Referred to in §809.5, 809.17, 809A.17

# CHAPTER 809A

## FORFEITURE REFORM ACT

Referred to in §80.39, 123.20, 321.232, 321J.4B, 321J.10, 455B.103, 462A.14D, 706A.3, 706B.2, 715A.8, 716A.7, 801.1, 809.5

Seized property; see also chapter 809


809A.1 Definitions.
809A.2 Jurisdiction and venue.
809A.3 Conduct giving rise to forfeiture.
809A.4 Property subject to forfeiture.
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809A.17 Allocation of forfeited property.
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809A.19 Immunity orders.
809A.20 Statute of limitations.
809A.21 Summary forfeiture of controlled substances.
809A.22 Bar to collateral action.
809A.23 Statutory construction.
809A.24 Uniformity of application.
809A.25 Rulemaking.


**809A.1 Definitions.**

As used in this chapter:

1. *"Interest holder"* means a secured party within the meaning of chapter 554, or the beneficiary of a security interest or encumbrance pertaining to an interest in property, whose interest is perfected against a good faith purchaser for value. A person who holds property for the benefit of or as an agent or nominee for another person, or who is not in substantial compliance with any statute requiring an interest in property to be recorded or reflected in public records in order to perfect the interest against a good faith purchaser for value, is not an interest holder.

2. *"Omission"* means the failure to perform an act that is required by law.

3. *"Owner"* means a person, other than an interest holder, who has an interest in property. A person who holds property for the benefit of or as an agent or nominee for another person, or who is not in substantial compliance with any statute requiring an interest in property to be recorded or reflected in public records in order to perfect the interest against a good faith purchaser for value, is not an owner.

4. *"Proceeds"* means property acquired directly or indirectly from, produced through, realized through, or caused by an act or omission and includes any property of any kind without reduction for expenses incurred for acquisition, maintenance, production, or any other purpose.

5. *"Property"* means anything of value, and includes any interest in property, including any benefit, privilege, claim, or right with respect to anything of value, whether real or personal, tangible or intangible.

6. *"Prosecuting attorney"* means an attorney who is authorized by law to appear on the behalf of the state in a criminal case, and includes the attorney general, an assistant attorney general, the county attorney, an assistant county attorney, or a special or substitute prosecutor whose appearance is approved by a court having jurisdiction to try a defendant for the offense with which the defendant is charged.

7. *"Regulated interest holder"* means an interest holder that is a business authorized to do business in this state and is under the jurisdiction of any state or federal agency regulating banking, insurance, real estate, or securities.

8. *"Seizing agency"* means a department or agency of this state or its political subdivisions that regularly employs law enforcement officers, and that employs the law enforcement officer who seizes property for forfeiture, or such other agency as the department or agency may designate by its chief executive officer or the officer's designee.

9. *"Seizure for forfeiture"* means seizure of property by a law enforcement officer,

including a constructive seizure, accompanied by an assertion by the seizing agency or by a prosecuting attorney that the property is seized for forfeiture, in accordance with section 809A.6.

96 Acts, ch 1133, §1; 98 Acts, ch 1074, §37, 38

**809A.2 Jurisdiction and venue.**

1. The district court has jurisdiction under this chapter over:

*a.* All interests in property within this state at the time a forfeiture action is filed.

*b.* The interest in the property of an owner or interest holder who is subject to personal jurisdiction in this state.

2. In addition to the venue provided for under chapter 803 or any other provision of law, a proceeding for forfeiture under this chapter may be maintained in the county in which any part of the property is found or in the county in which a civil or criminal action could be maintained against an owner or interest holder for the conduct alleged to give rise to the forfeiture.

96 Acts, ch 1133, §2

**809A.3 Conduct giving rise to forfeiture.**

1. The following conduct may give rise to forfeiture:

*a.* An act or omission which is a public offense and which is a serious or aggravated misdemeanor or felony.

*b.* An act or omission occurring outside of this state, that would be punishable by confinement of one year or more in the place of occurrence and would be a serious or aggravated misdemeanor or felony if the act or omission occurred in this state.

*c.* An act or omission committed in furtherance of any act or omission described in paragraph *"a"*, which is a serious or aggravated misdemeanor or felony, including any inchoate or preparatory offense.

2. Notwithstanding subsection 1 , violations of chapter 321 or 321J shall not be considered conduct giving rise to forfeiture, except for violations of the following:

*a.* Section 321.232.

*b.* A second or subsequent violation of section 321J.4B, subsection 2, paragraph *"a"*, subparagraph (2).

*c.* Section 321J.4B, subsection 9.

96 Acts, ch 1133, §3; 97 Acts, ch 177, §29; 2007 Acts, ch 38, §11; 2010 Acts, ch 1069, §146; 2013 Acts, ch 30, §171

Section amended

**809A.4 Property subject to forfeiture.**

The following are subject to forfeiture:

1. All controlled substances, raw materials, controlled substance analogs, counterfeit controlled substances, imitation controlled substances, or precursor substances, that have been manufactured, distributed, dispensed, possessed, or acquired in violation of the laws of this state.

2. *a.* All property, except as provided in paragraph *"b"*, including the whole of any lot or tract of land and any appurtenances or improvements to real property, including homesteads that are otherwise exempt from judicial sale pursuant to section 561.16, that is either:

(1) Furnished or intended to be furnished by a person in an exchange that constitutes conduct giving rise to forfeiture.

(2) Used or intended to be used in any manner or part to facilitate conduct giving rise to forfeiture.

*b.* If the only conduct giving rise to forfeiture is a violation of section 124.401, subsection 5, real property is not subject to forfeiture and other property subject to forfeiture pursuant to paragraph *"a"*, subparagraph (2), may be forfeited only pursuant to section 809A.14.

3. All proceeds of any conduct giving rise to forfeiture.

4. All weapons possessed, used, or available for use in any manner to facilitate conduct giving rise to forfeiture.

5. Any interest or security in, claim against, or property or contractual right of any kind affording a source of control over any enterprise that a person has established, operated, controlled, conducted, or participated in the conduct or through conduct giving rise to forfeiture.

6. *a.* Any property of a person up to the value of property which is either of the following:

(1) Described in subsection 2 that the person owned or possessed for the purpose of a use described in subsection 2.

(2) Described in subsection 3 and is proceeds of conduct engaged in by the person or for which the person is criminally responsible.

*b.* Property described in this subsection may be seized for forfeiture pursuant to a constructive seizure or an actual seizure pursuant to section 809A.6. Actual seizure may only be done pursuant to a seizure warrant issued on a showing, in addition to the showing of probable cause for the forfeiture of the subject property, that the subject property is not available for seizure for reasons described in section 809A.15, subsection 1, and that the value of the property to be seized is not greater than the total value of the subject property, or pursuant to a constructive seizure. If property of a defendant up to the total value of all interests in the subject property is not seized prior to final judgment in an action under this section, the remaining balance shall be ordered forfeited as a personal judgment against the defendant.

7. As used in this section, *"facilitate"* means to have a substantial connection between the property and the conduct giving rise to forfeiture.

96 Acts, ch 1133, §4; 98 Acts, ch 1074, §39, 40; 98 Acts, ch 1100, §87
Referred to in §809.15, 809A.5

**809A.5 Exemptions.**

1. All property, including all interests in property, described in section 809A.4 is subject to forfeiture, except that property is exempt from forfeiture if either of the following occurs:

*a.* The owner or interest holder acquired the property before or during the conduct giving rise to its forfeiture, and did not know and could not reasonably have known of the conduct or that the conduct was likely to occur, or acted reasonably to prevent the conduct giving rise to forfeiture.

*b.* The owner or interest holder acquired the property, including acquisition of proceeds of conduct giving rise to forfeiture, after the conduct giving rise to its forfeiture and acquired the property in good faith, for value and did not knowingly take part in an illegal transaction.

2. Notwithstanding subsection 1, property is not exempt from forfeiture, even though the owner or interest holder lacked knowledge or reason to know that the conduct giving rise to its forfeiture had occurred or was likely to occur, if any of the following exists:

*a.* The person whose conduct gave rise to its forfeiture had the authority to convey the property of the person claiming the exemption to a good faith purchaser for value at the time of the conduct.

*b.* The owner or interest holder is criminally responsible for the conduct giving rise to its forfeiture, whether or not the owner or interest holder is prosecuted or convicted.

*c.* The owner or interest holder acquired the property with notice of its actual or constructive seizure for forfeiture under section 809A.6, or with reason to believe that it was subject to forfeiture.

96 Acts, ch 1133, §5
Referred to in §809A.12, 809A.14

**809A.6 Seizure of property for forfeiture.**

1. A peace officer may seize property for forfeiture upon process issued by any district judge, district associate judge, or magistrate. The court may issue a seizure warrant on an affidavit under oath demonstrating that probable cause exists for its forfeiture or that the property has been the subject of a previous final judgment of forfeiture in the courts of any state or of the United States. The court may order that the property be seized on such terms and conditions as are reasonable in the discretion of the court. The order may be made on or in connection with a search warrant.

2. Peace officers may seize property for forfeiture without process on probable cause to believe that the property is subject to forfeiture under this chapter and if exigent circumstances exist or if the property has already been seized for a purpose other than forfeiture.

3. The seizure of inhabited residential real property for forfeiture which is accompanied by removing or excluding its residents shall be done pursuant to a preseizure adversarial judicial determination of probable cause, except that this determination may be made ex parte if the prosecuting attorney has demonstrated exigent circumstances.

4. *a.* Property may be seized constructively by:

(1) Posting notice of seizure for forfeiture or notice of pending forfeiture on the property.

(2) Giving notice pursuant to section 809A.8.

(3) Filing or recording in the public records relating to that type of property notice of seizure for forfeiture, notice of pending forfeiture, a forfeiture lien, or a notice of lis pendens.

*b.* Filings or recordings made pursuant to this subsection are not subject to a filing fee or other charge.

5. The seizing agency, or the prosecuting attorney, shall make a reasonable effort to provide notice of the seizure to the person from whose possession or control the property was seized and to any person who has a security interest in the property. If no person is in possession or control of the property, the seizing agency may attach the notice to the property or to the place of its seizure or may make a reasonable effort to deliver it to the owner of the property. The notice shall contain a general description of the property seized, the date and place of seizure, the name of the seizing agency, and the address and telephone number of the seizing officer or other person or agency from whom information about the seizure may be obtained.

6. A person who acts in good faith and in a reasonable manner pursuant to this section to comply with an order of the court or a request of a law enforcement officer is not liable to any person for acts done in reasonable compliance with the order or request. In addition, an inference of guilt shall not be drawn from the fact that a person refuses a law enforcement officer's request to deliver the property.

7. A possessory lien of a person from whose possession property is seized is not affected by the seizure.

96 Acts, ch 1133, §6; 2013 Acts, ch 30, §261

Referred to in §809A.1, 809A.4, 809A.5

Code editor directive applied

**809A.7 Property management and preservation.**

1. Property seized for forfeiture under this chapter is not subject to alienation, conveyance, sequestration, attachment, or an application for return of seized property under chapter 809.

2. The seizing agency or the prosecuting attorney may authorize the release of the seizure for forfeiture on the property if forfeiture or retention of actual custody is unnecessary.

3. The prosecuting attorney may discontinue forfeiture proceedings and transfer the action to another state or federal agency or prosecuting attorney who has initiated forfeiture proceedings.

4. Property seized for forfeiture under this chapter is deemed to be in the custody of the district court subject only to the orders and decrees of the court having jurisdiction over the forfeiture proceedings and to the acts of the seizing agency or the prosecuting attorney pursuant to this chapter.

5. *a.* An owner of property seized for forfeiture under this chapter may obtain release of the property by posting with the court a surety bond or cash in an amount determined by the court to be reasonable in light of the fair market value of the property. Property shall not be released if any of the following apply:

(1) The owner fails to post the required bond.

(2) The property is retained as contraband or as evidence.

(3) The property is particularly altered or designed for use in conduct giving rise to forfeiture.

*b.* If a surety bond or cash is posted and the property is forfeited, the court shall forfeit the surety bond or cash in lieu of the property.

6. If property is seized for forfeiture under this chapter, the prosecuting attorney, subject to any need to retain the property as evidence, may do any of the following:

*a.* Remove the property to an appropriate place designated by the district court.

*b.* Place the property under constructive seizure.

*c.* Remove the property to a storage area for safekeeping or, if the property is a negotiable instrument or money, deposit it in an interest-bearing account.

*d.* Provide for another agency or custodian, including an owner, secured party, mortgagee, or lienholder, to take custody of the property and service, maintain, and operate it as reasonably necessary to maintain its value, in any appropriate location within the jurisdiction of the court.

*e.* Require the seizing agency to take custody of the property and remove it to an appropriate location for disposition in accordance with law.

7. As soon as practicable after seizure for forfeiture, the seizing agency shall conduct a written inventory and estimate the value of the property seized.

8. The court may order property which has been seized for forfeiture sold, leased, rented, or operated to satisfy a specified interest of any interest holder, or to preserve the interests of any party on motion of such party. The court may enter orders under this subsection after notice to persons known to have an interest in the property, and an opportunity for a hearing, if either of the following exists:

*a.* The interest holder has timely filed a proper claim and is a regulated interest holder.

*b.* The interest holder has an interest which the prosecuting attorney has stipulated is exempt from forfeiture.

9. A sale may be ordered under subsection 8 if the property is liable to perish, to waste, or to be foreclosed upon or significantly reduced in value, or if the expenses of maintaining the property are disproportionate to its value. A third party designated by the court shall dispose of the property by commercially reasonable public sale and distribute the proceeds in the following order of priority:

*a.* For the payment of reasonable expenses incurred in connection with the sale or disposal.

*b.* For the satisfaction of exempt interests in the order of their priority.

*c.* Any balance of the proceeds shall be preserved in the actual or constructive custody of the court, in an interest-bearing account, subject to the proceedings under this chapter.

96 Acts, ch 1133, §7; 2013 Acts, ch 30, §261
Code editor directive applied

**809A.8 Commencement of forfeiture proceedings — property release requirements.**

1. Forfeiture proceedings shall be commenced as follows:

*a.* Property seized for forfeiture shall be released on the request of an owner or interest holder to the owner's or interest holder's custody, as custodian for the court, pending further proceedings pursuant to this chapter if the prosecuting attorney fails to do either of the following:

(1) File a notice of pending forfeiture against the property within ninety days after seizure.

(2) File a judicial forfeiture proceeding within ninety days after notice of pending forfeiture of property upon which a proper claim has been timely filed pursuant to section 809A.11.

*b.* Within thirty days after the effective date of the notice of pending forfeiture, an owner of or interest holder in the property may elect to file with the prosecuting attorney any of the following:

(1) A claim pursuant to section 809A.11.

(2) A petition for recognition of exemption pursuant to section 809A.11, except that no petition may be filed after the state commences a court action.

(3) A request for an extension of time in which to file a claim or petition for recognition of exemption.

*c.* An extension of time for the filing of a claim shall only be granted for good cause shown for mistake, inadvertence, surprise, excusable neglect, or unavoidable casualty.

*d.* If a petition is timely filed, the prosecuting attorney may delay filing a judicial forfeiture proceeding for one hundred eighty days after the notice of pending forfeiture, and the following procedures shall apply:

(1) The prosecuting attorney shall provide the seizing agency and the petitioning party with a written recognition of exemption and statement of nonexempt interests relating to any or all interests in the property in response to each petitioning party as follows:

(a) Within sixty days after the effective date of the notice of pending forfeiture if the petitioner is a regulated interest holder. The recognition of exemption shall recognize the interest of the petitioner to the extent of documented outstanding principal plus interest at the contract rate until paid.

(b) Within one hundred twenty days after the effective date of the notice of pending forfeiture for all other petitioners.

(2) An owner or interest holder in any property declared nonexempt may file a claim pursuant to section 809A.11 within thirty days after the effective date of the notice of the recognition of exemption and statement of nonexempt interest.

(3) If a petitioning party does not timely file a proper claim under paragraph *"b"*, the recognition of exemption and statement of nonexempt interests becomes final, and the prosecuting attorney shall proceed as provided in sections 809A.16 and 809A.17.

(4) The prosecuting attorney may elect to proceed under this section for judicial forfeiture at any time.

(5) If a judicial forfeiture proceeding follows the application of procedures in this paragraph, the following apply:

(a) A duplicate or repetitive notice is not required. If a proper claim has been timely filed pursuant to subparagraph (2), the claim shall be determined in a judicial forfeiture proceeding after the commencement of such a proceeding under sections 809A.13, 809A.14, and 809A.15.

(b) The proposed recognition of exemption and statement of nonexempt interest responsive to all petitioning parties who subsequently filed claims are void and are regarded as rejected offers to compromise.

*e.* If a proper petition for recognition of exemption or proper claim is not timely filed, the prosecuting attorney shall proceed as provided in sections 809A.16 and 809A.17.

2. *a.* Notice of pending forfeiture, service of an in rem complaint, or notice of a recognition of exemption and statement of nonexempt interests required under this chapter shall be given in accordance with one of the following:

(1) If the owner's or interest holder's name and current address are known, by either personal service by any person qualified to serve process or by any law enforcement officer or by mailing a copy of the notice by restricted certified mail to that address.

(2) If the owner's or interest holder's name and address are required by law to be on record with the county recorder, secretary of state, the motor vehicle division of the state department of transportation, or another state or federal agency to perfect an interest in the property, and the owner's or interest holder's current address is not known, by mailing a copy of the notice by restricted certified mail to any address of record with any of the described agencies.

(3) If the owner's or interest holder's address is not known and is not on record as provided in subparagraph (2), or the owner or interest holder's interest is not known, by publication in one issue of a newspaper of general circulation in the county in which the seizure occurred.

*b.* Notice is effective upon the earlier of personal service, publication, or the mailing of a written notice, except that notice of pending forfeiture of real property is not effective until it is recorded. Notice of pending forfeiture shall include a description of the property, the date and place of seizure, the conduct giving rise to forfeiture or the violation of law alleged, and a summary of procedures and procedural rights applicable to the forfeiture action.

96 Acts, ch 1133, §8

Referred to in §809A.6, 809A.11, 809A.13, 809A.14, 809A.15

**809A.9 Liens.**

1. *a.* The prosecuting attorney may file, without a filing fee, a lien for the forfeiture of property if any of the following apply:

(1) Upon the initiation of any civil or criminal proceeding relating to conduct giving rise to forfeiture under this chapter.

(2) Upon seizure for forfeiture.

(3) In connection with a proceeding or seizure for forfeiture in any other state under a state or federal statute substantially similar to the relevant provisions of this chapter.

*b.* The filing constitutes notice to any person claiming an interest in the seized property or in property owned by the named person.

2. The lienor, as soon as practical, but not later than ten days, after filing a lien, shall furnish to any person named in the lien a notice of the filing of the lien. Failure to furnish notice under this subsection shall not invalidate or otherwise affect the lien.

3. The lien notice shall set forth all of the following:

*a.* The name of the person and, in the discretion of the lienor, any aliases, or the name of any corporation, partnership, trust, or other entity, including nominees, that are owned entirely or in part, or controlled by the person.

*b.* The description of the seized property or the criminal or civil proceeding that has been brought relating to conduct giving rise to forfeiture under the chapter.

*c.* The amount claimed by the lienor.

*d.* The name of the district court where the proceeding or action has been brought.

*e.* The case number of the proceeding or action if known at the time of the filing of the lien.

4. The notice of forfeiture lien shall be filed in accordance with the provisions of the laws of this state relating to the type of property that is subject to the lien. The validity and priority of the forfeiture lien shall be determined in accordance with applicable law pertaining to liens.

5. A lien filed pursuant to this section applies to the described property or to one named person, any aliases, fictitious names, or other names, including the names of any corporation, partnership, trust, or other entity, owned entirely or in part, or controlled by the named person, and any interest in real property owned or controlled by the named person. A separate forfeiture lien shall be filed for each named person.

6. The lien notice creates, upon filing, a lien in favor of the lienor as it relates to the property or the named person or related entities. The lien secures the amount of potential liability for civil judgment, and, if applicable, the fair market value of property relating to all proceedings under this chapter enforcing the lien.

7. The lienor may amend or release, in whole or in part, a lien filed under this section at any time by filing, without a filing fee, an amended lien.

8. Upon entry of judgment in its favor, the state may proceed to execute on the lien as provided by law.

96 Acts, ch 1133, §9; 2013 Acts, ch 30, §261
Code editor directive applied

**809A.10 Trustees — penalties.**

1. Except as provided in subsection 2, a trustee, constructive or otherwise, who has notice that a notice of forfeiture lien, or a notice of pending forfeiture, or a civil forfeiture proceeding has been filed against the property or against any person or entity for whom the person holds title or appears as record owner, shall furnish within fifteen days of such notice, to the seizing agency, or the prosecuting attorney all of the following:

*a.* The name and address of each person or entity for whom the property is held.

*b.* The description of all other property whose legal title is held for the benefit of the named person.

*c.* A copy of the applicable trust agreement or other instrument, if any, under which the trustee or other person holds legal title or appears as record owner of the property.

2. Subsection 1 is inapplicable if any of the following applies:

*a.* A trustee is acting under a recorded subdivision trust agreement or a recorded deed of trust.

*b.* All of the information is of record in the public records giving notice of liens on that type of property.

3. A trustee with notice who knowingly fails to comply with the provisions of this section commits a class "D" felony, and shall be fined not less than ten thousand dollars per day for each day of noncompliance.

4. A trustee with notice who fails to comply with subsection 1 is subject to a civil penalty of three hundred dollars for each day of noncompliance. The court shall enter judgment ordering payment of three hundred dollars for each day of noncompliance from the effective date of the notice until the required information is furnished or the state executes its judgment lien under this section.

5. To the extent permitted by the Constitution of the United States and the Constitution of the State of Iowa, the duty to comply with subsection 1 shall not be excused by any privilege or provision of law of this state or any other state or country which authorizes or directs that testimony or records required to be furnished pursuant to subsection 1 are privileged or confidential or otherwise may not be disclosed.

6. A trustee who furnishes information pursuant to subsection 1 is immune from civil liability for the release of information.

7. An employee of the seizing agency or the prosecuting attorney who releases the information obtained pursuant to subsection 1, except in the proper discharge of official duties, commits a serious misdemeanor.

8. If any information furnished pursuant to subsection 1 is offered in evidence, the court may seal that portion of the record or may order that the information be disclosed in a designated way.

9. A judgment or an order of payment entered pursuant to this section becomes a judgment lien against the property alleged to be subject to forfeiture.

96 Acts, ch 1133, §10

**809A.11 Claims — petitions for recognition of exemption.**

1. Only an owner of or interest holder in property seized for forfeiture may file a claim, and shall do so in the manner provided in this section. The claim shall be mailed to the seizing agency and to the prosecuting attorney by restricted certified mail or other service which indicates the date on which the claim was received by the seizing agency and prosecuting attorney within thirty days after the effective date of notice of pending forfeiture. An extension of time for the filing of a claim shall only be granted for good cause shown for mistake, inadvertence, surprise, excusable neglect, or unavoidable casualty.

2. The prosecuting attorney shall make an opportunity to file a petition for recognition of exemption available by so indicating in the notice of pending forfeiture described in section 809A.8, subsection 2.

3. The claim or petition and all supporting documents shall be in affidavit form, signed by the claimant under oath, and sworn to by the affiant before one who has authority to administer the oath, under penalty of perjury and shall set forth all of the following:

*a.* The caption of the proceedings and identifying number, if any, as set forth on the notice of pending forfeiture or complaint, the name of the claimant or petitioner, and the name of the prosecuting attorney who authorized the notice of pending forfeiture or complaint.

*b.* The address where the claimant or petitioner will accept mail.

*c.* The nature and extent of the claimant's or petitioner's interest in the property.

*d.* The date, the identity of the transferor, and the circumstances of the claimant's or petitioner's acquisition of the interest in the property.

*e.* The specific provision of law relied on in asserting that the property is not subject to forfeiture.

*f.* All essential facts supporting each assertion.

*g.* The specific relief sought.

96 Acts, ch 1133, §11

Referred to in §715A.8, 809A.8, 809A.12, 809A.14

**809A.12 Judicial proceedings generally.**

1. A judicial forfeiture proceeding under this chapter is subject to the provisions of this section.

2. The court, before or after the filing of a notice of pending forfeiture or complaint and on application of the prosecuting attorney, may do any of the following:

*a.* Enter a restraining order or injunction.

*b.* Require the execution of satisfactory performance bonds.

*c.* Create receiverships.

*d.* Appoint conservators, custodians, appraisers, accountants, or trustees.

*e.* Take any other action to seize, secure, maintain, or preserve the availability of property subject to forfeiture under this chapter, including a writ of attachment or a warrant for its seizure.

3. *a.* The court, after five days' notice to the prosecuting attorney, may issue an order to show cause to the seizing agency, for a hearing on the sole issue of whether probable cause for forfeiture of the property then exists if all of the following exist:

(1) Property is seized for forfeiture or a forfeiture lien is filed without a previous judicial determination of probable cause, order of forfeiture, or a hearing under section 809A.14, subsection 4.

(2) An owner of or interest holder in the property files an application for a hearing within ten days after notice of its seizure for forfeiture or lien, or actual knowledge of its seizure, whichever is earlier.

(3) The owner of or interest holder in the property complies with the requirements for claims or petitions in section 809A.11.

*b.* The hearing shall be held within thirty days of the order to show cause unless continued for good cause on motion of either party.

4. If the court finds in a hearing under subsection 3 that no probable cause exists for forfeiture of the property, or if the state elects not to contest the issue, the property shall be released to the custody of the applicant, as custodian for the court, or from the lien pending the outcome of a judicial proceeding pursuant to this chapter. If the court finds that probable cause for the forfeiture of the property exists, the court shall not order the property released.

5. All applications filed within the ten-day period prescribed by subsection 3 shall be consolidated for a single hearing relating to each applicant's interest in the property seized for forfeiture.

6. A defendant convicted in any criminal proceeding is precluded from later denying the essential allegations of the criminal offense of which the defendant was convicted in any proceeding pursuant to this section. For the purposes of this section, a conviction results from a verdict or a plea of guilty. A defendant whose conviction is overturned on appeal may file a motion to correct, vacate, or modify a judgment of forfeiture under this subsection.

7. In any proceeding under this chapter, if a claim is based on an exemption provided for in this chapter, the burden of proving the existence of the exemption is on the claimant. However, once the claimant comes forward with some evidence supporting the existence of the exemption, the state must provide some evidence to negate the assertion of the exemption. The state's evidence must be substantial, though not necessarily rising to the level of a preponderance of the evidence, and more than a simple assertion of the claimant's interest in the property. The agency or political subdivision bringing the forfeiture action shall pay the reasonable attorney fees and costs, as determined by the court, incurred by a claimant who prevails on a claim for exemption in a proceeding under this chapter.

8. In hearings and determinations pursuant to this section, the court may receive and consider, in making any determination of probable cause, all evidence admissible in determining probable cause at a preliminary hearing or by a judge pursuant to chapter 808 together with inferences therefrom.

9. The fact that money or a negotiable instrument was found in close proximity to any contraband or an instrumentality of conduct giving rise to forfeiture shall give rise to the presumption that the money or negotiable instrument was the proceeds of conduct giving rise to forfeiture or was used or intended to be used to facilitate the conduct.

10. Subject to the exemptions contained in section 809A.5, a presumption arises that any

property of a person is subject to forfeiture under this chapter if the state establishes any of the following:

*a.* The person has engaged in conduct giving rise to forfeiture.

*b.* The property was acquired by the person during that period of the conduct giving rise to forfeiture or within a reasonable time after that period.

*c.* No likely source for acquisition of the property exists other than the conduct giving rise to the forfeiture.

11. A finding that property is the proceeds of conduct giving rise to forfeiture does not require proof that the property is the proceeds of any particular exchange or transaction.

12. A person who acquires property subject to forfeiture is a constructive trustee of the property, and its fruits, for the benefit of the state, to the extent that the person's interest is not exempt from forfeiture. If property subject to forfeiture has been commingled with other property, the court shall order the forfeiture of the commingled property, and of any fruits of the commingled property, to the extent of the property subject to forfeiture, unless an owner or interest holder proves that specified property does not contain property subject to forfeiture, or that the person's interest in specified property is exempt from forfeiture.

13. Title to all property declared forfeited under this chapter vests in the state on the commission of the conduct giving rise to forfeiture together with the proceeds of the property after that time. Any such property or proceeds subsequently transferred to any person remain subject to forfeiture and thereafter shall be ordered forfeited unless the transferee claims and establishes in a hearing under the provisions of this chapter that the transferee's interest is exempt under section 809A.5.

14. An acquittal or dismissal in a criminal proceeding shall not preclude civil proceedings under this chapter.

15. For good cause shown, on motion by either party, the court may stay discovery in civil forfeiture proceedings during a criminal trial for a related criminal indictment or information alleging the same conduct, after making provision to prevent loss to any party resulting from the stay. Such a stay shall not be available pending an appeal.

16. Except as otherwise provided by this chapter, all proceedings hereunder shall be governed by the rules of civil procedure.

17. An action brought pursuant to this chapter shall be consolidated with any other action or proceeding brought pursuant to this chapter or chapter 626 or 654 relating to the same property on motion of the prosecuting attorney, and may be consolidated on motion of an owner or interest holder.

96 Acts, ch 1133, §12; 2013 Acts, ch 30, §261
Referred to in §809A.14
Code editor directive applied

**809A.13 In rem proceedings.**

1. A judicial in rem forfeiture proceeding may be brought by the prosecuting attorney in addition to, or in lieu of, civil in personam forfeiture procedures, and is also subject to the provisions of this section. If a forfeiture is authorized by this chapter, it shall be ordered by the court in the in rem action.

2. An action in rem may be brought by the prosecuting attorney pursuant to a notice of pending forfeiture or verified complaint for forfeiture. The state may serve the complaint in the manner provided in section 809A.8, subsection 2, or as provided by the rules of civil procedure.

3. For the purposes of this section, an owner of or interest holder in property who has filed an answer shall be referred to as a claimant.

4. The answer shall be signed by the owner or interest holder under penalty of perjury and shall be in accordance with rule of civil procedure 1.405 and shall also set forth all of the following:

*a.* The caption of the proceedings and identifying number, if any, as set forth on the notice of pending forfeiture or complaint and the name of the claimant.

*b.* The address where the claimant will accept mail.

*c.* The nature and extent of the claimant's interest in the property.

*d.* The date, the identity of the transferor, and the circumstances of the claimant's acquisition of the interest in the property.

*e.* The specific provision of this chapter relied on in asserting that it is not subject to forfeiture.

*f.* All essential facts supporting each assertion.

*g.* The specific relief sought.

5. The answer shall be filed within twenty days after service on the claimant of the civil in rem complaint.

6. The rules of civil procedure shall apply to discovery by the state and any claimant who has timely answered the complaint.

7. The forfeiture hearing shall be held without a jury and within sixty days after service of the complaint unless continued for good cause. The prosecuting attorney shall have the initial burden of proving the property is subject to forfeiture by a preponderance of the evidence. If the state so proves the property is subject to forfeiture, the claimant has the burden of proving that the claimant has an interest in the property which is exempt from forfeiture under this chapter by a preponderance of the evidence.

8. The court shall order the interest in the property returned or conveyed to the claimant if the prosecuting attorney fails to meet the state's burden or the claimant establishes by a preponderance of the evidence that the claimant has an interest that is exempt from forfeiture. The court shall order all other property forfeited to the state and conduct further proceedings pursuant to sections 809A.16 and 809A.17.

96 Acts, ch 1133, §13; 2013 Acts, ch 41, §1

Referred to in §809A.8, 809A.14, 809A.15, 809A.16

Subsection 3 amended

**809A.14 In personam proceedings.**

1. A judicial in personam forfeiture proceeding brought by a prosecuting attorney pursuant to an in personam civil action alleging conduct giving rise to forfeiture is subject to the provisions of this section. If a forfeiture is authorized by this chapter, it shall be ordered by the court in the in personam action. This action shall be in addition to or in lieu of in rem forfeiture procedures.

2. The court, on application of the prosecuting attorney, may enter any order authorized by section 809A.12, or any other appropriate order to protect the state's interest in property forfeited or subject to forfeiture.

3. The court may issue a temporary restraining order on application of the prosecuting attorney, if the state demonstrates both of the following:

*a.* Probable cause exists to believe that in the event of a final judgment, the property involved would be subject to forfeiture under this chapter.

*b.* Provision of notice would jeopardize the availability of the property for forfeiture.

4. Notice of the issuance of a temporary restraining order and an opportunity for a hearing shall be given to persons known to have an interest in the property. A hearing shall be held at the earliest possible date in accordance with rule of civil procedure 1.1507, and shall be limited to the following issues:

*a.* Whether a probability exists that the state will prevail on the issue of forfeiture.

*b.* Whether the failure to enter the order will result in the property being destroyed, conveyed, encumbered, removed from the jurisdiction of the court, concealed, or otherwise made unavailable for forfeiture.

*c.* Whether the need to preserve the availability of property outweighs the hardship on any owner or interest holder against whom the order is to be entered.

5. On a determination that a person committed conduct giving rise to forfeiture under this chapter, the court shall do both of the following:

*a.* Enter a judgment of forfeiture of the property found to be subject to forfeiture described in the complaint.

*b.* Authorize the prosecuting attorney or designee or any law enforcement officer to seize all property ordered forfeited which was not previously seized or is not under seizure.

6. Except as provided in section 809A.12, a person claiming an interest in property subject

to forfeiture under this chapter shall not intervene in a trial or appeal of a criminal action or in an in personam civil action involving the forfeiture of the property.

7. Following the entry of an in personam forfeiture order, the prosecuting attorney may proceed with an in rem action to resolve the remaining interests in the property. The following procedures shall apply:

*a.* The prosecuting attorney shall give notice of pending forfeiture, in the manner provided in section 809A.8, to all owners and interest holders who have not previously been given notice.

*b.* An owner of or interest holder in property that has been ordered forfeited and whose claim is not precluded may file a claim as described in section 809A.11, within thirty days after initial notice of pending forfeiture or after notice under paragraph "*a*", whichever is earlier.

*c.* If the state does not recognize the claimed exemption, the prosecuting attorney shall file a complaint and the court shall hold an in rem forfeiture hearing as provided for in section 809A.13.

*d.* In accordance with the findings made at the hearing, the court may amend the order of forfeiture if it determines that any claimant has established by a preponderance of the evidence that the claimant has an interest in the property which is exempt under the provisions of section 809A.5.

96 Acts, ch 1133, §14; 2003 Acts, ch 108, §119
Referred to in §809A.4, 809A.8, 809A.12

**809A.15 Substituted assets — supplemental remedies.**

1. The court shall order the forfeiture of any other property of a person, including a claimant, up to the value of that person's property found by the court to be subject to forfeiture under this chapter, if any of the following applies to the person's forfeitable property:

*a.* The forfeitable property cannot be located.

*b.* The forfeitable property has been transferred or conveyed to, sold to, or deposited with a third party.

*c.* The forfeitable property is beyond the jurisdiction of the court.

*d.* The forfeitable property has been substantially diminished in value while not in the actual physical custody of the court, the seizing agency, the prosecuting attorney, or their designee.

*e.* The forfeitable property has been commingled with other property that cannot be divided without difficulty.

*f.* The forfeitable property is subject to any interest of another person which is exempt from forfeiture under this chapter.

2. *a.* The prosecuting attorney may institute a civil action in district court against any person with notice or actual knowledge who destroys, conveys, encumbers, removes from the jurisdiction of the court, conceals, or otherwise renders unavailable property alleged to be subject to forfeiture if either of the following applies:

(1) A forfeiture lien or notice of pending forfeiture has been filed and notice given pursuant to section 809A.8.

(2) A complaint pursuant to section 809A.13 alleging conduct giving rise to forfeiture has been filed and notice given pursuant to section 809A.8.

*b.* The court shall enter a final judgment in an amount equal to the value of the lien not to exceed the fair market value of the property, or if a lien does not exist, in an amount equal to the fair market value of the property, together with reasonable investigative expenses and attorney fees.

*c.* If a civil proceeding under this chapter is pending in court, the action shall be heard by that court.

96 Acts, ch 1133, §15
Referred to in §809A.4, 809A.8

**809A.16 Disposition of property.**

1. If notice of pending forfeiture is properly served in an action in rem or in personam

in which personal property, having an estimated value of five thousand dollars or less, as established by affidavit provided by the prosecuting attorney, is seized, and no claim opposing forfeiture is filed within thirty days of service of such notice, the prosecuting attorney shall prepare a written declaration of forfeiture of the subject property to the state and allocate the property according to the provisions of section 809A.17.

2. Within one hundred eighty days of the date of a declaration of forfeiture, an owner or interest holder in property declared forfeited pursuant to subsection 1 may petition the court to have the declaration of forfeiture set aside, after making a prima facie showing that the state failed to serve proper notice as provided by section 809A.13. Upon such a showing the court shall allow the state to demonstrate by a preponderance of the evidence that notice was properly served. If the state fails to meet its burden of proof, the court may order the declaration of forfeiture set aside. The state may proceed with judicial proceedings pursuant to this chapter.

3. Except as provided in subsection 1, if a proper claim is not timely filed in an action in rem, or if a proper answer is not timely filed in response to a complaint, the prosecuting attorney may apply for an order of forfeiture and an allocation of forfeited property pursuant to section 809A.17. Under such circumstance and upon a determination by the court that the state's written application established the court's jurisdiction, the giving of proper notice, and facts sufficient to show probable cause for forfeiture, the court shall order the property forfeited to the state.

4. After final disposition of all claims timely filed in an action in rem, or after final judgment and disposition of all claims timely filed in an action in personam, the court shall enter an order that the state has clear title to the forfeited property interest. Title to the forfeited property interest and its proceeds shall be deemed to have vested in the state on the commission of the conduct giving rise to the forfeiture under this chapter.

5. The court, on application of the prosecuting attorney, may release or convey forfeited personal property to a regulated interest holder or interest holder if any of the following applies:

*a.* The prosecuting attorney, in the attorney's discretion, has recognized in writing that the regulated interest holder or interest holder has an interest in the property and informs the court that the property interest is exempt from forfeiture.

*b.* The regulated interest holder's or interest holder's interest was acquired in the regular course of business as a regulated interest holder or interest holder.

*c.* The amount of the regulated interest holder's or interest holder's encumbrance is readily determinable and has been reasonably established by proof made available by the prosecuting attorney to the court.

*d.* The encumbrance held by the regulated interest holder or interest holder seeking possession is the only interest exempted from forfeiture and the order forfeiting the property to the state transferred all of the rights of the owner prior to forfeiture, including rights to redemption, to the state.

6. After the court's release or conveyance under subsection 5, the regulated interest holder or interest holder shall dispose of the property by a commercially reasonable public sale. Within ten days of disposition the regulated interest holder or interest holder shall tender to the state the amount received at disposition less the amount of the regulated interest holder's or interest holder's encumbrance and reasonable expense incurred by the regulated interest holder or interest holder in connection with the sale or disposal. For the purposes of this section, *"commercially reasonable"* means a sale or disposal that would be commercially reasonable under chapter 554, article 7.

7. On order of the court or declaration of forfeiture forfeiting the subject property, the state may transfer good and sufficient title to any subsequent purchaser or transferee. The title shall be recognized by all courts and agencies of this state, and any political subdivision. On entry of judgment in favor of a person claiming an interest in the property that is subject to forfeiture proceedings under this chapter, the court shall enter an order that the property or interest in property shall be released or delivered promptly to that person free of liens and encumbrances under this chapter, and that the person's cost bond shall be discharged.

8. Upon motion by the prosecuting attorney, if it appears after a hearing that reasonable

cause existed for the seizure for forfeiture or for the filing of the notice of pending forfeiture or complaint, the court shall find all of the following:

*a.* That reasonable cause existed, or that the action was taken under a reasonable good faith belief that it was proper.

*b.* That the claimant is not entitled to costs or damages.

*c.* That the person or seizing agency who made the seizure and the prosecuting attorney are not liable to suit or judgment for the seizure, suit, or prosecution.

96 Acts, ch 1133, §16

Referred to in §809.12A, 809A.8, 809A.13

**809A.17 Allocation of forfeited property.**

1. A person having control over forfeited property shall communicate that fact to the attorney general or the attorney general's designee.

2. Forfeited property not needed as evidence in a criminal case shall be delivered to the department of justice, or, upon written authorization of the attorney general or the attorney general's designee, the property may be destroyed, sold, or delivered to an appropriate agency for disposal in accordance with this section.

3. Forfeited property may be used by the department of justice in the enforcement of the criminal law. The department may give, sell, or trade property to any other state agency or to any other law enforcement agency within the state if, in the opinion of the attorney general, it will enhance law enforcement within the state.

4. Forfeited property which is not used by the department of justice in the enforcement of the law may be requisitioned by the department of public safety or any law enforcement agency within the state for use in enforcing the criminal laws of this state. Forfeited property not requisitioned may be delivered to the director of the department of administrative services to be disposed of in the same manner as property received pursuant to section 8A.325.

5. Notwithstanding subsection 1, 2, 3, or 4, the following apply:

*a.* Forfeited property which is a controlled substance or a simulated, counterfeit, or imitation controlled substance shall be disposed of as provided in section 124.506.

*b.* Forfeited property which is a weapon or ammunition shall be deposited with the department of public safety to be disposed of in accordance with the rules of the department. All weapons or ammunition may be held for use in law enforcement, testing, or comparison by the criminalistics laboratory, or destroyed. Ammunition and firearms which are not illegal and are not offensive weapons as defined by section 724.1 may be sold by the department as provided in section 809.21.

*c.* Material in violation of chapter 728 shall be destroyed.

*d.* Property subject to the rules of the natural resource commission shall be delivered to that commission for disposal in accordance with its rules.

*e.* If the forfeited property is cash or proceeds from the sale of real property, the distribution of the forfeited property shall be as follows:

(1) The department of justice shall not retain more than ten percent of the gross sale of any forfeited real property. The balance of the proceeds shall be distributed to the seizing agency for use by the agency or for division among law enforcement agencies and county attorneys pursuant to any agreement entered into by the seizing agency.

(2) The department of justice shall not retain more than ten percent of any forfeited cash. The balance shall be distributed to the seizing agency for use by the agency or for division among law enforcement agencies and county attorneys pursuant to any agreement entered into by the seizing agency.

(3) In the event of a cash forfeiture in excess of four hundred thousand dollars, the distribution of forfeited cash shall be as follows:

(a) Forty-five percent shall be retained by the seizing agency.

(b) Forty-five percent shall be distributed to other law enforcement agencies within the region of the seizing agency.

(c) Ten percent shall be retained by the department of justice.

96 Acts, ch 1133, §17; 2003 Acts, ch 145, §277, 286; 2010 Acts, ch 1190, §26

Referred to in §706A.3, 724.26, 809A.8, 809A.13, 809A.16

**809A.18 Powers of enforcement personnel.**

1. A prosecuting attorney may conduct an investigation of any conduct that gives rise to forfeiture. The prosecuting attorney is authorized, before the commencement of a proceeding or action under this chapter, to subpoena witnesses, and compel their attendance, examine them under oath, and require the production of documentary evidence for inspection, reproducing, or copying. Except as otherwise provided by this section, the prosecuting attorney shall proceed under this subsection with the powers and limitations, and judicial oversight and enforcement, and in the manner provided by this chapter and by the Iowa rules of civil procedure. Any person compelled to appear under a demand for oral testimony under this section may be accompanied, represented, and advised by counsel.

2. The examination of all witnesses under this section shall be conducted by the prosecuting attorney before an officer authorized to administer oaths. The testimony shall be taken by a certified shorthand reporter or by a sound recording device and shall be transcribed or otherwise preserved. The prosecuting attorney may exclude from the examination all persons except the witness, the witness's counsel, the officer before whom the testimony is to be taken, law enforcement officials, and a certified shorthand reporter. Prior to oral examination, the person shall be advised of the person's right to refuse to answer any questions on the basis of the privilege against self-incrimination. The examination shall be conducted in a manner consistent with the rules dealing with the taking of depositions.

3. Except as otherwise provided in this section, prior to the filing of a civil or criminal proceeding or action relating to such a proceeding, documentary material, transcripts, or oral testimony, in the possession of the prosecuting attorney, shall not be available for examination by any individual other than a law enforcement official or agent of such official without the consent of the person who produced the material, transcripts, or oral testimony.

4. A person shall not knowingly remove from any place, conceal, withhold, destroy, mutilate, alter, or by any other means falsify any documentary material that is the subject of a subpoena, with intent to avoid, evade, prevent, or obstruct compliance in whole or in part by any person with any duly served subpoena of the prosecuting attorney under this section. A violation of this subsection is a class "D" felony. The prosecuting attorney shall investigate and prosecute suspected violations of this subsection.

96 Acts, ch 1133, §18; 98 Acts, ch 1074, §41

Referred to in §809A.19

**809A.19 Immunity orders.**

1. If a person is or may be called to produce evidence at a deposition, hearing, or trial under this chapter or at an investigation brought by the prosecuting attorney under section 809A.18, the district court in which the deposition, hearing, trial, or investigation is or may be held shall, upon certification in writing of a request of the prosecuting attorney, issue an order, ex parte or after a hearing, requiring the person to produce evidence, notwithstanding that person's refusal to do so on the basis of the privilege against self-incrimination.

2. The prosecuting attorney may certify in writing a request for an ex parte order under subsection 1 if in the prosecuting attorney's judgment both of the following apply:

*a.* The production of the evidence may be necessary to the public interest.

*b.* The person has refused or is likely to refuse to produce evidence on the basis of the privilege against self-incrimination.

3. A person shall not refuse to comply with an order issued under subsection 1 on the basis of a self-incrimination privilege. If the person refuses to comply with the order after being informed of its existence by the presiding officer, the person may be compelled or punished by the district court issuing an order for civil or criminal contempt.

4. The production of evidence compelled by order issued under subsection 1, and any information directly or indirectly derived from the production of evidence, shall not be used against the person in a subsequent criminal case, except in a prosecution for perjury, false swearing, or an offense otherwise involving a failure to comply with the order.

96 Acts, ch 1133, §19

**809A.20 Statute of limitations.**

A civil action under this chapter shall be commenced within five years after the last conduct giving rise to forfeiture or the cause of action becomes known or should have become known, excluding any time during which either the property or defendant is out of the state or in confinement, or during which criminal proceedings relating to the same conduct are pending.

96 Acts, ch 1133, §20

**809A.21 Summary forfeiture of controlled substances.**

Controlled substances included in chapter 124 which are contraband and any controlled substance whose owners are unknown are summarily forfeited to the state. The court may include in any judgment under this chapter an order forfeiting any controlled substance involved in the conduct giving rise to forfeiture to the extent of the defendant's interest.

96 Acts, ch 1133, §21

**809A.22 Bar to collateral action.**

A person claiming an interest in property subject to forfeiture shall not commence or maintain any action against the state concerning the validity of the alleged interest other than as provided in this chapter.

96 Acts, ch 1133, §22

**809A.23 Statutory construction.**

The provisions of this chapter shall be liberally construed to effectuate its remedial purposes. Civil remedies under this chapter shall be supplemental and not mutually exclusive. The civil remedies do not preclude and are not precluded by any other provision of law.

96 Acts, ch 1133, §23

**809A.24 Uniformity of application.**

1. The provisions of this chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting this law.

2. The attorney general may enter into reciprocal agreements with the attorney general or chief prosecuting attorney of any state to effectuate the purposes of this chapter.

96 Acts, ch 1133, §24

**809A.25 Rulemaking.**

The attorney general shall adopt, amend, or repeal rules pursuant to chapter 17A to carry out the provisions of this chapter.

96 Acts, ch 1133, §25

# CHAPTER 810

## NONTESTIMONIAL IDENTIFICATION

Referred to in §801.1


810.1 Definition.
810.2 Nontestimonial identification order at request of defendant.
810.3 Authority to issue order.
810.4 Time of application.
810.5 Contents of application.
810.6 Basis for order.
810.7 Issuance of order.
810.8 Contents of order.
810.9 Modification of order.
810.10 Vacation of order.
810.11 Service of order.
810.12 Time of service.
810.13 Implementation of order.
810.14 Failure to comply.
810.15 Return.
810.16 Disposition of evidence.

**810.1 Definition.**

As used in this chapter, the term "*nontestimonial identification*" includes, but is not limited to, identification by fingerprints, palm prints, footprints, measurements, hair strands, handwriting samples, voice samples, photographs, blood and saliva samples, ultraviolet or black-light examinations, paraffin tests, and lineups.

[C79, 81, §810.1]

**810.2 Nontestimonial identification order at request of defendant.**

A person arrested for or charged with an offense may request a district court judge to order a nontestimonial identification procedure. If it appears that the results of specific nontestimonial identification procedures will be of material aid in determining whether the defendant committed the offense, the judge shall order such identification procedures involving the defendant under such terms and conditions as the judge shall prescribe.

[C79, 81, §810.2]

**810.3 Authority to issue order.**

A nontestimonial identification order authorized by this chapter may be issued only by a district court or district associate court judge upon written application of a prosecuting attorney in the investigation of a felony offense.

[81 Acts, ch 206, §2]

**810.4 Time of application.**

Applications for a nontestimonial identification order under this chapter may be made prior to the arrest of a suspect. The procedural provisions of this chapter shall not limit the conduct of lineups or other nontestimonial procedures after arrest.

[81 Acts, ch 206, §3]

**810.5 Contents of application.**

The application shall:

1. Describe the felony offense that is being investigated;
2. Name or describe with particularity the person to be detained for the desired nontestimonial identification procedure;
3. State the time when and place where the applicant requests that the nontestimonial identification procedure be conducted; and
4. Be supported by one or more affidavits setting forth the facts and circumstances showing that the basis for issuance of an order under this chapter exist. If an affidavit is based in whole or in part on hearsay, the affiant shall set forth particular facts bearing on the informant's reliability and shall disclose, as far as is practicable, the means by which the information was obtained.

[81 Acts, ch 206, §4]

**810.6 Basis for order.**

An order authorized by this chapter shall be issued only if the court finds that the application and the affidavit or affidavits in support of the application establish each of the following:

1. That there is probable cause to believe that a felony described in the application has been committed.
2. That there are reasonable grounds to suspect that the person named or described in the application committed the felony and it is reasonable in view of the seriousness of the offense to subject that person to the requested nontestimonial identification procedures.
3. That the results of the requested nontestimonial identification procedures will be of material aid in determining whether the person named or described in the application committed the felony.
4. That such evidence cannot practicably be obtained from other sources.

[81 Acts, ch 206, §5]

**810.7 Issuance of order.**

Upon a showing that the required grounds exist, the court shall issue an order directing the person named or described in the application to appear at a designated time and place for nontestimonial identification procedures. The order shall be maintained by the clerk of the district court along with the application and the affidavits in support of the application in a confidential file until a charge is filed, at which time the order, application, and affidavits in support of the application shall become public records unless the court upon an in camera hearing orders that they be kept confidential.

[81 Acts, ch 206, §6; 82 Acts, ch 1138, §1]

**810.8 Contents of order.**

The order shall be directed to the person named or described in the application and shall inform the person of all of the following:

1. That the presence of the person is required for the purpose of conducting or permitting nontestimonial identification procedures in order to aid in the investigation of the felony specified therein.
2. The time and place of the required appearance.
3. The nontestimonial identification procedures to be conducted, the methods to be used, and the approximate length of time the procedures will require.
4. The grounds to suspect that the person named in the affidavit committed the felony specified therein.
5. That the person will be under no legal obligation to submit to any interrogation or to make any statement during the period of the person's appearance except for that required for voice identification.
6. That the person may request the judge to make a reasonable modification of the order with respect to time and place of appearance, including a request to have any nontestimonial identification procedure other than a lineup conducted at the person's place of residence.
7. That if the person fails to appear, the person may be held in contempt of court.
8. That the right to counsel shall apply during nontestimonial identification procedures, including the right of indigent persons to appointed counsel.
9. That the person may request that the court modify or vacate the order as provided in this chapter.

[81 Acts, ch 206, §7]

**810.9 Modification of order.**

At the request of the person named or described in the application, the issuing court may modify a nontestimonial identification order with respect to time, place or manner of conducting the identification procedures if it appears reasonable under the circumstances to do so.

[81 Acts, ch 206, §8]

**810.10 Vacation of order.**

On motion of the person named or described in the application, the issuing court shall vacate the nontestimonial identification order if the court finds that the order was improperly issued or that there are no longer sufficient grounds for issuance of the order.

[81 Acts, ch 206, §9]

**810.11 Service of order.**

The order issued pursuant to this chapter shall be served by a law enforcement officer by delivery of a copy of the order to the person named or described in the order.

[81 Acts, ch 206, §10]

**810.12 Time of service.**

1. The nontestimonial identification order shall be served upon the person named or described in the order within five days after its issuance, excluding Saturdays, Sundays, and

legal holidays, between the hours of 8:00 a.m. and 12:00 midnight, and shall be so served not later than twelve hours prior to the time of the person's required participation.

2. If the issuing court finds reasonable cause to believe that the person named or described in the application may either flee or alter or destroy the nontestimonial evidence sought, the court may direct a law enforcement officer to bring the person before the court. Upon presentation of the person, the court shall read the nontestimonial identification order to the person and afford a reasonable opportunity for the person to consult with a lawyer and to seek modification or vacation of the order. The court may then direct the person to participate immediately in the designated nontestimonial identification procedures. After the procedures have been completed, the person shall be released or charged with a felony.

[81 Acts, ch 206, §11]

**810.13 Implementation of order.**

Nontestimonial identification procedures may be conducted by any law enforcement officer or other person designated by the judge. The judge may require medical supervision for any test ordered pursuant to this chapter when the judge deems such supervision necessary. A person who appears under an order of appearance issued pursuant to this chapter shall not be detained longer than is reasonably necessary to conduct the specified nontestimonial identification procedures unless the person is arrested for a felony.

[81 Acts, ch 206, §12]

**810.14 Failure to comply.**

Any person who, without adequate excuse, fails to comply with a nontestimonial identification order served upon the person pursuant to this chapter may be held in contempt of the court which issued the order.

[81 Acts, ch 206, §13]

**810.15 Return.**

Within ten days after the nontestimonial identification procedure, the order shall be returned to the issuing court. The court, the prosecuting attorney, and the person who was the subject of the order, shall be furnished with a written report of the results of any tests or comparisons utilizing the evidence obtained in the authorized procedures. This report shall be disclosed promptly after it becomes available unless the court directs that disclosure be delayed.

[81 Acts, ch 206, §14]

**810.16 Disposition of evidence.**

If at the time of the return probable cause does not exist to believe that the person committed the felony specified in the application, the court shall order that the products of the nontestimonial identification procedures and all copies thereof, be promptly destroyed. Upon motion of the prosecuting attorney, the court may authorize further retention of the nontestimonial evidence so obtained for such time as reasonably necessary to facilitate a continuing investigation or prosecution.

[81 Acts, ch 206, §15]

# CHAPTER 811

## PRETRIAL AND POST-TRIAL RELEASE — BAIL

Referred to in §232.22, 232.44, 602.6405, 801.1


811.1 Bail and bail restrictions.
811.1A Detention hearing.
811.2 Conditions of release — penalty for failure to appear.
811.2A Pretrial release. Repealed by 2007 Acts, ch 215, §134.
811.3 Qualification and examination of surety.
811.4 Undertaking of bail as liens on real estate.
811.5 Bail on appeal.
811.6 Forfeiture of bail.
811.7 Recommitment after bail.
811.8 Surrender of defendant.
811.9 Forfeiture of appearance bond and conditions to set aside.
811.10 Discharge of surety.
811.11 Bail after deferred judgment.
811.12 Limitations.


**811.1 Bail and bail restrictions.**

All defendants are bailable both before and after conviction, by sufficient surety, or subject to release upon condition or on their own recognizance, except that the following defendants shall not be admitted to bail:

1. A defendant awaiting judgment of conviction and sentencing following either a plea or verdict of guilty of a class "A" felony; forcible felony as defined in section 702.11; any class "B" felony included in section 462A.14 or 707.6A; any felony included in section 124.401, subsection 1, paragraph "*a*" or "*b*"; a second or subsequent offense under section 124.401, subsection 1, paragraph "*c*"; any felony punishable under section 902.9, subsection 1, paragraph "*a*"; any public offense committed while detained pursuant to section 229A.5; or any public offense committed while subject to an order of commitment pursuant to chapter 229A.

2. A defendant appealing a conviction of a class "A" felony; forcible felony as defined in section 702.11; any class "B" or "C" felony included in section 462A.14 or 707.6A; any felony included in section 124.401, subsection 1, paragraph "*a*" or "*b*"; or a second or subsequent conviction under section 124.401, subsection 1, paragraph "*c*"; any felony punishable under section 902.9, subsection 1, paragraph "*a*"; any public offense committed while detained pursuant to section 229A.5; or any public offense committed while subject to an order of commitment pursuant to chapter 229A.

3. Notwithstanding subsections 1 and 2, a defendant awaiting judgment of conviction and sentencing following either a plea or verdict of guilty of, or appealing a conviction of, any felony offense included in section 708.11, subsection 3, or a felony offense under chapter 124 not provided for in subsection 1 or 2 is presumed to be ineligible to be admitted to bail unless the court determines that such release reasonably will not result in the person failing to appear as required and will not jeopardize the personal safety of another person or persons.

[C51, §3211 – 3213; R60, §4885, 4962; C73, §3845, 4107, 4511; C97, §5096, 5442; S13, §5096; C24, 27, 31, 35, 39, §**13609, 13610, 13966;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §763.1, 763.2, 789.19; C79, 81, §811.1; 82 Acts, ch 1236, §1]

89 Acts, ch 138, §4, 5; 90 Acts, ch 1251, §61; 92 Acts, ch 1179, §2; 94 Acts, ch 1093, §6; 95 Acts, ch 87, §1; 97 Acts, ch 177, §30; 98 Acts, ch 1138, §27; 99 Acts, ch 12, §10; 99 Acts, ch 71, §1; 99 Acts, ch 123, §1; 2000 Acts, ch 1099, §10; 2002 Acts, ch 1139, §22, 27; 2011 Acts, ch 22, §1; 2012 Acts, ch 1021, §117; 2013 Acts, ch 30, §255

Referred to in §124.416, 229A.5C, 232.44, 805.1, 811.2, 811.5
See R.Cr.P. 2.37 – Form 1
See also §124.416
Subsections 1 and 2 amended

**811.1A Detention hearing.**

1. When a defendant is awaiting sentencing after conviction for a felony or is pursuing an appeal in such a case following sentencing, and the defendant would otherwise be eligible to be admitted to bail under this chapter, but it appears by clear and convincing evidence that if released the defendant is likely to pose a danger to another person or to the property of

others, the defendant may be detained under the authority of this section and in the manner provided in subsection 2.

2. The following procedures shall apply to a detention hearing:

*a.* The prosecuting attorney may initiate a detention hearing by a verified ex parte written motion. Upon such motion, the district court may issue a warrant for the immediate arrest of the defendant, if the defendant is not in custody.

*b.* The defendant shall be brought before the district court within twenty-four hours after arrest, or if the defendant is in custody, the defendant shall be brought before the district court within twenty-four hours of the prosecuting attorney's filing of the motion. The detention hearing shall be held within seventy-two hours of the defendant's arrest, or if the defendant is in custody, the detention hearing shall be held within seventy-two hours of the filing of the motion.

*c.* The defendant shall be entitled to representation by counsel, including appointed counsel if indigent, and shall be entitled to the right of cross-examination and to present information, to testify, and to present witnesses in the defendant's own behalf, but shall not be entitled to being admitted to bail.

*d.* Testimony of the defendant given during the hearing shall not be admissible on the issue of guilt in any other judicial proceeding, except that such testimony shall be admissible in proceedings under section 811.2, subsection 8, and section 811.8, and in perjury proceedings.

*e.* Appeals from orders of detention may be taken in the manner provided under section 811.2, subsection 7.

*f.* If the trial court issues an order of detention, the order shall be accompanied by a written finding of fact and the reasons for the detention order.

*g.* For the purposes of such proceedings, the trial court is not divested of jurisdiction by the filing of a notice of appeal.

2004 Acts, ch 1084, §4

Referred to in §13B.4, 331.653, 815.9, 815.10

**811.2 Conditions of release — penalty for failure to appear.**

1. *Conditions for release of defendant.*

*a.* All bailable defendants shall be ordered released from custody pending judgment or entry of deferred judgment on their personal recognizance, or upon the execution of an unsecured appearance bond in an amount specified by the magistrate unless the magistrate determines in the exercise of the magistrate's discretion, that such a release will not reasonably assure the appearance of the defendant as required or that release will jeopardize the personal safety of another person or persons. When such determination is made, the magistrate shall, either in lieu of or in addition to the above methods of release, impose the first of the following conditions of release which will reasonably assure the appearance of the person for trial or deferral of judgment and the safety of other persons, or, if no single condition gives that assurance, any combination of the following conditions:

(1) Place the defendant in the custody of a designated person or organization agreeing to supervise the defendant.

(2) Place restrictions on the travel, association or place of abode of the defendant during the period of release.

(3) Require the execution of an appearance bond in a specified amount and the deposit with the clerk of the district court or a public officer designated under section 602.1211, subsection 4, in cash or other qualified security, of a sum not to exceed ten percent of the amount of the bond, the deposit to be returned to the person who deposited the specified amount with the clerk upon the performance of the appearances as required in section 811.6.

(4) Require the execution of a bail bond with sufficient surety, or the deposit of cash in lieu of bond. However, except as provided in section 811.1, bail initially given remains valid until final disposition of the offense or entry of an order deferring judgment. If the amount of bail is deemed insufficient by the court before whom the offense is pending, the court may order an increase of bail and the defendant must provide the additional undertaking, written or in cash, to secure release.

(5) Impose any other condition deemed reasonably necessary to assure appearance as

required, or the safety of another person or persons including a condition requiring that the defendant return to custody after specified hours, or a condition that the defendant have no contact with the victim or other persons specified by the court.

*b.* Any bailable defendant who is charged with unlawful possession, manufacture, delivery, or distribution of a controlled substance or other drug under chapter 124 and is ordered released shall be required, as a condition of that release, to submit to a substance abuse evaluation and follow any recommendations proposed in the evaluation for appropriate substance abuse treatment. However, if a bailable defendant is charged with manufacture, delivery, possession with the intent to manufacture or deliver, or distribution of methamphetamine, its salts, optical isomers, and salts of its optical isomers, the defendant shall, in addition to a substance abuse evaluation, remain under supervision and be required to undergo random drug tests as a condition of release.

2. *Determination of conditions.* In determining which conditions of release will reasonably assure the defendant's appearance and the safety of another person or persons, the magistrate shall, on the basis of available information, take into account the nature and circumstances of the offense charged, the defendant's family ties, employment, financial resources, character and mental condition, the length of the defendant's residence in the community, the defendant's record of convictions, including the defendant's failure to pay any fine, surcharge, or court costs, and the defendant's record of appearance at court proceedings or of flight to avoid prosecution or failure to appear at court proceedings.

3. *Release at initial appearance.* This chapter does not preclude the release of an arrested person as authorized by section 804.21, unless the arrested person is charged with manufacture, delivery, possession with the intent to manufacture or deliver, or distribution of methamphetamine.

4. *Statement to all defendants.* When a defendant appears before a magistrate pursuant to rule of criminal procedure 2.2 or 2.3, the defendant shall be informed of the defendant's right to have said conditions of release reviewed. If the defendant indicates that the defendant desires such a review and is indigent and unable to retain legal counsel, the magistrate shall appoint an attorney to represent the defendant for the purpose of such review. Unless the conditions of release are amended and the defendant is thereupon released, the magistrate shall set forth in writing the reasons for requiring conditions imposed. A defendant who is ordered released by a magistrate other than a district court judge or district associate judge on a condition which required that the defendant return to custody after specified hours, shall, upon application, be entitled to review by the magistrate who imposed the condition in the same manner as a defendant who remains in full-time custody. In the event that the magistrate who imposed conditions of release is not available, any other magistrate in the judicial district may review such conditions.

5. *Statement of conditions when defendant is released.* A magistrate authorizing the release of a defendant under this section shall issue a written order containing a statement of the conditions imposed if any, shall inform the defendant of the penalties applicable to violation of the conditions of release and shall advise the defendant that a warrant for the defendant's arrest will be issued immediately upon such violation.

6. *Amendment of release conditions.* A magistrate ordering the release of the defendant on any conditions specified in this section may at any time amend the order to impose additional or different conditions of release, provided that, if the imposition of different or additional conditions results in the detention of the defendant as a result of the defendant's inability to meet such conditions, the provisions of subsection 3 of this section shall apply.

7. *Appeal from conditions of release.*

*a.* A defendant who is detained, or whose release on a condition requiring the defendant to return to custody after specified hours is continued, after review of the defendant's application pursuant to subsection 3 or 5 of this section, by a magistrate, other than a district judge or district associate judge having original jurisdiction of the offense with which the defendant is charged, may make application to a district judge or district associate judge having jurisdiction to amend the order. Said motion shall be promptly set for hearing and a record made thereof.

*b.* In any case in which a court denied a motion under paragraph "*a*" of this subsection to

amend an order imposing conditions of release, or a defendant is detained after conditions of release have been imposed or amended upon such a motion, an appeal may be taken from the district court. The appeal shall be determined summarily, without briefs, on the record made. However, the defendant may elect to file briefs and may be heard in oral argument, in which case the prosecution shall have a right to respond as in an ordinary appeal from a criminal conviction. The appellate court may, on its own motion, order the parties to submit briefs and set the time in which such briefs shall be filed. Any order so appealed shall be affirmed if it is supported by the proceeding below. If the order is not so supported, the court may remand the case for a further hearing or may, with or without additional evidence, order the defendant released pursuant to subsection 1 of this section.

8. *Failure to appear — penalty.* Any person who, having been released pursuant to this section, willfully fails to appear before any court or magistrate as required shall, in addition to the forfeiture of any security given or pledged for the person's release, if the person was released in connection with a charge which constitutes a felony, or while awaiting sentence or pending appeal after conviction of any public offense, be guilty of a class "D" felony. If the defendant was released before conviction or acquittal in connection with a charge which constitutes any public offense not a felony, the defendant shall be guilty of a serious misdemeanor. If the person was released for appearance as a material witness, the person shall be guilty of a simple misdemeanor. In addition, nothing herein shall limit the power of the court to punish for contempt.

[C51, §2876, 3216 – 3218; R60, §4601, 4967; C73, §4248, 4573; C97, §5232, 5500; C24, 27, 31, 35, 39, §**13547, 13611;** C46, 50, 54, 58, 62, 66, §761.21, 763.3; C71, 73, 75, 77, §761.21, 763.17 – 763.19; C79, 81, §811.2]

83 Acts, ch 19, §1 – 3; 83 Acts, ch 50, §6, 7; 84 Acts, ch 1152, §1, 2; 85 Acts, ch 17, §2; 88 Acts, ch 1033, §1; 93 Acts, ch 157, §10; 99 Acts, ch 12, §11; 2000 Acts, ch 1131, §6; 2005 Acts, ch 15, §10, 11, 14; 2005 Acts, ch 174, §23 – 25; 2013 Acts, ch 30, §221

Referred to in §232.44, 321.486, 602.1211, 664A.3, 708.11, 804.23, 811.1A, 811.5, 811.10, 812.3, 812.4
See R.Cr.P. 2.37 – Forms 2 and 3
Subsection 1 amended

**811.2A Pretrial release.** Repealed by 2007 Acts, ch 215, § 134.

**811.3 Qualification and examination of surety.**

1. Insurance companies doing business in this state under the provisions of section 515.48, subsection 2, may act as surety. Resident owners of property which is located within the state and which is worth the amount specified in the undertaking, may act as surety, and must in all cases justify by an affidavit taken before an officer authorized to administer oaths that such surety possesses such qualifications.

2. In taking bail each signer may justify severally in amounts less than that expressed in the undertaking, if the whole justification be equivalent to one sufficient bail.

3. The court in which the action is pending, or the clerk thereof, or magistrate may require the personal appearance of sureties offered, and may thereupon further examine them upon oath concerning their sufficiency, and may also receive other evidence for or against the sufficiency of the bail. When such examination is closed, the official conducting such examination must make an order, either allowing or disallowing the bail, and forthwith cause the same, with the affidavits or justification and undertaking of bail, to be filed with the clerk of the court to which the papers on the preliminary examination are required to be sent.

[C51, §3220 – 3224; R60, §4969 – 4973; C73, §4575 – 4579; C97, §5507 – 5510; C24, 27, 31, 35, 39, §**13619 – 13622;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §763.11 – 763.14; C79, 81, §811.3]

**811.4 Undertaking of bail as liens on real estate.**

Undertakings of bail, immediately after such undertakings are filed with the clerk of the district court, shall be docketed as liens on real estate, entered upon the lien index as required for judgments in civil cases, and from the time of such entries, shall be liens upon real estate of the persons executing the same. Attested copies of such undertakings may be filed in the office of the clerk of the district court of the county in which the real estate is situated,

in the same manner and with like effect as attested copies of civil judgments, and shall be immediately docketed and indexed in the same manner.

[R60, §5000 – 5002; C73, §4606 – 4608; C97, §5513, 5514; C24, 27, 31, 35, 39, §**13625, 13626;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §764.1, 764.2; C79, 81, §811.4]

Referred to in §602.8102(130)

**811.5 Bail on appeal.**

After conviction, upon appeal to the appellate court, the defendant must be admitted to bail, if it be from the judgment imposing a fine, upon the undertaking of bail that the defendant will, in all respects, abide the orders and the judgment of the appellate court upon appeal; if from a judgment of imprisonment, except as provided in section 811.1 upon the undertaking of bail that the defendant will surrender in execution of the judgment and direction of the appellate court, and in all respects abide the orders and judgment of the appellate court upon the appeal. Such bail may be taken, either by the court where the judgment was rendered, or the district court of the county in which the defendant is imprisoned, or by the appellate court, or a judge or clerk of any of such courts. Provided, that in lieu of bail, bailable defendants as described herein may be released in accordance with the provisions of section 811.2.

[R60, §4966, 4981; C73, §4587; C97, §5506; C24, 27, 31, 35, 39, §**13617, 13618;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §763.9, 763.10; C79, 81, §811.5]

Referred to in §915.13

**811.6 Forfeiture of bail.**

1. A defendant released pursuant to this chapter shall appear at arraignment, trial, judgment, or such other proceedings where the defendant's appearance is required. If the defendant fails to appear at the time and place when the defendant's personal appearance is lawfully required, or to surrender in execution of the judgment, the court must direct an entry of the failure to be made of record, and the undertaking of the defendant's bail, or the money deposited, is thereupon forfeited. As a part of the entry, except as provided in rule of criminal procedure 2.72, the court shall direct the clerk of the district court of the county to give ten days' notice in writing to the defendant and the defendant's sureties to appear and show cause, if any, why judgment should not be entered for the amount of bail. If such appearance is not made, judgment shall be entered by the court. If appearance is made, the court shall set the case down for immediate hearing as an ordinary action.

2. Where a forfeiture and judgment have been entered as provided in this section, and the amount of the judgment has been paid to the clerk, the clerk shall hold the same as funds of the clerk's office for a period of ninety days from the date of judgment.

3. The court may, upon application, set aside such judgment if, within ninety days from the date of the judgment, the defendant shall voluntarily surrender to the sheriff of the county, or the defendant's sureties shall, at their own expense, deliver the defendant to the custody of the sheriff. Such judgment shall not be set aside, however, unless as a condition precedent thereto, the defendant and the defendant's sureties shall have paid all costs and expenses incurred in connection therewith.

[R60, §4990 – 4994; C73, §4596 – 4600; C97, §5515 – 5517, 5519; C24, 27, 31, 35, 39, §**13631, 13633, 13635, 13636;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §766.1 – 766.3, 766.5, 766.6; C79, 81, §811.6]

2000 Acts, ch 1032, §6; 2013 Acts, ch 54, §2

Referred to in §331.653, 602.8102(131), 811.2, 811.9

Subsections 2 and 3 amended

**811.7 Recommitment after bail.**

1. The magistrate may, by an order entered on the record, direct the defendant to be arrested and committed to jail until legally discharged, after the defendant has given bail or deposited money in lieu thereof, or otherwise is released pursuant to this chapter, when it satisfactorily appears to the court that the defendant has failed to appear as required, or the defendant has violated a condition of release, or when, after the filing of an indictment or information, the court finds the bail taken or money deposited is insufficient.

2. Such order for recommitment must recite generally the facts upon which it is founded,

and must direct that the defendant be arrested and committed to the custody of the sheriff of the county in which such order is entered. The defendant may be arrested pursuant to such order, upon a certified copy thereof, in any county of the state.

3. If the order recite, as the ground on which it is made, the failure of the defendant to appear for judgment upon conviction, the defendant must be committed according to the requirements of the order; if made for any other cause and the offense is bailable, the court must cause a direction to be inserted in the order that the defendant be admitted to bail, in a sum to be stated in the order.

[C51, §3243 – 3247; R60, §4995-4999; C73, §4601 – 4605; C97, §5520 – 5523; C24, 27, 31, 35, 39, §**13637 – 13640;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §767.1 – 767.4; C79, 81, §811.7]

Referred to in §331.653, 811.9

**811.8 Surrender of defendant.**

1. At any time before the forfeiture of the undertaking, the surety may surrender the defendant, or the defendant may surrender, to the officer to whose custody the defendant was committed at the time of giving bail, and such officer shall detain the defendant as upon a commitment and must, upon such surrender and the receipt of a certified copy of the undertaking of bail, acknowledge the surrender by a certificate in writing.

2. Upon the filing of the undertaking and the certificate of the officer, or the certificate of the officer alone if money has been deposited instead of bail, the court or clerk shall immediately order return of the money deposited to the person who deposited the same, or order an exoneration of the surety.

3. For the purpose of surrendering the defendant, the surety, subject to the limitations of section 811.12 and chapter 80A, at any time may arrest the defendant, or, by a written authority endorsed on a certified copy of the undertaking, may empower any person of suitable age and discretion to do so. In making an arrest pursuant to this subsection, the surety or any person empowered by the surety shall possess no more authority than a peace officer would possess in making a lawful arrest under section 804.8, 804.13, 804.14, or 804.15.

[C51, §3236 – 3238; R60, §4987 – 4989; C73, §4593 – 4595; C97, §5528 – 5530; C24, 27, 31, 35, 39, §**13641 – 13643;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §768.1 – 768.3; C79, 81, §811.8]

98 Acts, ch 1149, §12

Referred to in §80A.3A, 811.1A, 811.9, 812.3, 812.4

**811.9 Forfeiture of appearance bond and conditions to set aside.**

Sections 811.6 through 811.8 shall not apply in a case where a simple misdemeanor is charged upon a uniform citation and complaint and where the defendant has submitted an unsecured appearance bond or has submitted bail in the form of cash, check, credit card as provided in section 805.14, or guaranteed arrest bond certificate as defined in section 321.1. When a defendant fails to appear as required in such cases, the court, or the clerk of the district court, shall enter a judgment of forfeiture of the bond or bail. The judgment shall be final upon entry and shall not be set aside unless the conviction is for a scheduled violation under chapter 321 that was set aside under the procedures established in section 321.200A, or upon a showing of good cause after the filing of a motion within ninety days of entry of the judgment, for mistake, inadvertence, surprise, excusable neglect, or unavoidable casualty.

[C79, 81, §811.9]

99 Acts, ch 144, §14; 2009 Acts, ch 124, §3; 2010 Acts, ch 1069, §65; 2010 Acts, ch 1130, §2

**811.10 Discharge of surety.**

When a defendant is admitted to bail by means of a surety bail bond pursuant to section 811.2, subsection 1, paragraph *"a"*, subparagraph (4), the obligation of surety shall be discharged, and the surety released, upon any of the following conditions:

1. Dismissal of the charges against the defendant.
2. Judgment of acquittal against the defendant.
3. Judgment of conviction against the defendant.
4. Entry of an order deferring judgment of the defendant.

5. Entry of an order by the court which, by its terms, continues the case against the defendant for a period exceeding six months.

84 Acts, ch 1152, §3; 2013 Acts, ch 30, §256
Referred to in §811.11
Unnumbered paragraph 1 amended

**811.11 Bail after deferred judgment.**

Upon entry of an order by the court deferring judgment, effecting a discharge of the surety as required under section 811.10, the defendant may be admitted to bail, as a condition of the deferral of judgment. Admittance to bail under this section, if required by the court, requires a new bail undertaking by the defendant. The surety under this section is responsible only for the failure of the defendant to appear at required court appearances during the period of deferral of judgment.

84 Acts, ch 1152, §4

**811.12 Limitations.**

1. A person shall not take or attempt to take into custody the principal on a bail bond, either as a surety on a bail bond in a criminal proceeding or as an agent of such surety, unless such person has complied with all of the following, if applicable:

*a.* Notification or registration with a chief law enforcement officer under section 80A.3A.

*b.* Licensing requirements for bail enforcement businesses and bail enforcement agents under chapter 80A.

2. A person other than a certified peace officer shall not be authorized to apprehend, detain, or arrest a principal on a bail bond, wherever issued, unless one of the following applies:

*a.* The person is a bail enforcement agent licensed under chapter 80A and has notified the chief law enforcement officer under section 80A.3A.

*b.* The person is a bail enforcement agent licensed under the laws of another state and has registered with the chief law enforcement officer under section 80A.3A.

*c.* The person is a bail enforcement agent from a state that does not license such businesses who has registered with the chief law enforcement officer under section 80A.3A.

*d.* The person is a bail enforcement agent exempt from licensing requirements pursuant to section 80A.2, subsection 3.

98 Acts, ch 1149, §13; 99 Acts, ch 105, §1
Referred to in §80A.3A, 811.8

# CHAPTER 812

## CONFINEMENT OF PERSONS FOUND INCOMPETENT TO STAND TRIAL

Referred to in §13B.4, 226.27, 229.26, 229A.3, 229A.7, 331.394, 331.653, 801.1, 815.9, 815.10


812.1 and 812.2 Repealed by 2004 Acts, ch 1084, §16.
812.3 Mental incompetency of accused.
812.4 Hearing.
812.5 Competency hearing — findings.
812.6 Placement and treatment.
812.7 Mental status reports.
812.8 Restoration of mental competency.
812.9 Length of placement — other commitment proceedings — criminal proceedings after termination of placement.


**812.1 and 812.2** Repealed by 2004 Acts, ch 1084, § 16. See § 811.1A.

**812.3 Mental incompetency of accused.**

1. If at any stage of a criminal proceeding the defendant or the defendant's attorney, upon application to the court, alleges specific facts showing that the defendant is suffering from a

mental disorder which prevents the defendant from appreciating the charge, understanding the proceedings, or assisting effectively in the defense, the court shall suspend further proceedings and determine if probable cause exists to sustain the allegations. The applicant has the burden of establishing probable cause. The court may on its own motion schedule a hearing to determine probable cause if the defendant or defendant's attorney has failed or refused to make an application under this section and the court finds that there are specific facts showing that a hearing should be held on that question. The defendant shall not be compelled to testify at the hearing and any testimony of the defendant given during the hearing shall not be admissible on the issue of guilt, except such testimony shall be admissible in proceedings under section 811.2, subsection 8, and section 811.8, and in perjury proceedings.

2. Upon a finding of probable cause sustaining the allegations, the court shall suspend further criminal proceedings and order the defendant to undergo a psychiatric evaluation to determine whether the defendant is suffering a mental disorder which prevents the defendant from appreciating the charge, understanding the proceedings, or assisting effectively in the defense. The order shall also authorize the evaluator to provide treatment necessary and appropriate to facilitate the evaluation. If an evaluation has been conducted within thirty days of the probable cause finding, the court is not required to order a new evaluation and may use the recent evaluation during a hearing under this chapter. Any party is entitled to a separate psychiatric evaluation by a psychiatrist or licensed, doctorate-level psychologist of their own choosing.

[C51, §3260, 3261; R60, §5015, 5016; C73, §4620, 4621; C97, §5540; C24, 27, 31, 35, 39, §**13905;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §783.1; C79, 81, §812.3]

2004 Acts, ch 1084, §5

Referred to in §812.5, 812.8

**812.4 Hearing.**

1. A hearing shall be held within fourteen days of the arrival of the person at a psychiatric facility for the performance of the evaluation, or within five days of the court's motion or the filing of an application, if the defendant has had a psychiatric evaluation within thirty days of the probable cause finding, and upon which the court decides to rely. Pending the hearing, no further proceedings shall be taken under the complaint or indictment and the defendant's right to a speedy indictment and speedy trial shall be tolled until the court finds the defendant competent to stand trial.

2. The defendant shall be entitled to representation by counsel, including appointed counsel if indigent, and shall be entitled to the right of cross-examination and to present evidence.

3. Testimony of the defendant given during the hearing shall not be admissible on the issue of guilt in any other judicial proceeding, except that such testimony shall be admissible in proceedings under section 811.2, subsection 8, and section 811.8, and in perjury proceedings.

[C51, §3262, 3263; R60, §5018, 5019; C73, §4623, 4624; C97, §5542; C24, 27, 31, 35, 39, §**13907;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §783.3; C79, 81, §812.4]

83 Acts, ch 96, §157, 159; 94 Acts, ch 1079, §1; 97 Acts, ch 64, §1; 2004 Acts, ch 1084, §6; 2005 Acts, ch 65, §1

**812.5 Competency hearing — findings.**

The court shall receive all relevant and material evidence offered at the hearing and shall not be bound by the formal rules of evidence. The evidence shall include the psychiatric evaluation ordered under section 812.3 or conducted within thirty days of the probable cause finding.

1. If the court finds the defendant is competent to stand trial, the court shall reinstate the criminal proceedings suspended under section 812.3.

2. If the court, by a preponderance of the evidence, finds the defendant is suffering from a mental disorder which prevents the defendant from appreciating the charge, understanding the proceedings, or assisting effectively in the defense, the court shall suspend the criminal proceedings indefinitely and order the defendant to be placed in a treatment program

pursuant to section 812.6 and shall make further findings of record as necessary under section 812.6.

[C51, §3264 – 3267; R60, §5020 – 5023; C73, §4625 – 4628; C97, §5543; C24, 27, 31, 35, 39, §**13908;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §783.4; C79, 81, §812.5]

83 Acts, ch 96, §157, 159; 85 Acts, ch 21, §47; 94 Acts, ch 1079, §2; 2004 Acts, ch 1084, §7

**812.6 Placement and treatment.**

1. If the court finds the defendant does not pose a danger to the public peace and safety, is otherwise qualified for pretrial release, and is willing to cooperate with treatment, the court shall order, as a condition of pretrial release, that the defendant obtain mental health treatment designed to restore the defendant to competency.

2. If the court finds by clear and convincing evidence that the defendant poses a danger to the public peace or safety, or that the defendant is otherwise not qualified for pretrial release, or the defendant refuses to cooperate with treatment, the court shall commit the defendant to an appropriate inpatient treatment facility as provided in paragraph "*a*" or "*b*". The defendant shall receive mental health treatment designed to restore the defendant to competency.

*a.* A defendant who poses a danger to the public peace or safety, or who is otherwise not qualified for pretrial release, shall be committed as a safekeeper to the custody of the director of the department of corrections at the Iowa medical and classification center, or other appropriate treatment facility as designated by the director, for treatment designed to restore the defendant to competency.

*b.* A defendant who does not pose a danger to the public peace or safety, but is otherwise being held in custody, or who refuses to cooperate with treatment, shall be committed to the custody of the director of human services at a department of human services facility for treatment designed to restore the defendant to competency.

3. A defendant ordered to obtain treatment or committed to a facility under this section may refuse treatment by chemotherapy or other somatic treatment. The defendant's right to refuse chemotherapy treatment or other somatic treatment shall not apply if, in the judgment of the director or the director's designee of the facility where the defendant has been committed, such treatment is necessary to preserve the life of the defendant or to appropriately control behavior of the defendant which is likely to result in physical injury to the defendant or others. If in the judgment of the director of the facility or the director's designee where the defendant has been committed, chemotherapy or other somatic treatments are necessary and appropriate to restore the defendant to competency and the defendant refuses to consent to the use of these treatment modalities, the director of the facility or the director's designee shall request from the district court which ordered the commitment of the defendant an order authorizing treatment by chemotherapy or other somatic treatments.

2004 Acts, ch 1084, §8; 2004 Acts, ch 1175, §392; 2005 Acts, ch 3, §116, 118

Referred to in §812.5, 812.7, 812.8, 812.9, 904.201

**812.7 Mental status reports.**

The psychiatrist or licensed doctorate-level psychologist providing outpatient treatment to the defendant, or the director of the facility where the defendant is being held and treated pursuant to a court order, shall provide a written status report to the court regarding the defendant's mental disorder within thirty days of the defendant's placement pursuant to section 812.6. The report shall also state whether it appears that the defendant can be restored to competency in a reasonable amount of time. Progress reports shall be provided to the court every sixty days or less thereafter until the defendant's competency is restored or the placement of the defendant is terminated.

2004 Acts, ch 1084, §9

**812.8 Restoration of mental competency.**

1. At any time, upon a finding by a psychiatrist or licensed doctorate-level psychologist that there is a substantial probability that the defendant has acquired the ability to appreciate the charge, understand the proceedings, and effectively assist in the defendant's defense,

the psychiatrist or licensed doctorate-level psychologist providing outpatient treatment to the defendant or the director of the inpatient facility shall immediately notify the court. After receiving notice the court shall proceed as provided in subsection 4.

2. At any time, a treating psychiatrist or licensed doctorate-level psychologist may notify the court that the defendant receiving outpatient treatment will require inpatient services to continue benefiting from treatment or that it is appropriate for a defendant receiving inpatient treatment services to receive outpatient treatment services. Upon receiving notification, the court shall proceed as provided under subsection 4.

3. At any time upon a finding by a treating psychiatrist or licensed doctorate-level psychologist that there is no substantial probability that the defendant will be restored to competency in a reasonable amount of time, the psychiatrist or licensed doctorate-level psychologist providing outpatient treatment to the defendant or the director of the inpatient facility shall immediately notify the court. Upon receiving notification, the court shall proceed as provided under subsection 4.

4. Upon receiving a notification under this section, the court shall schedule a hearing to be held within fourteen days. The court shall also issue an order to transport the defendant to the hearing if the defendant is in custody or is being held in an inpatient facility. The defendant shall be transported by the sheriff of the county where the court's motion or the application pursuant to section 812.3 was filed.

5. If the court finds by a preponderance of the evidence that the defendant's competency has been restored, the court shall terminate the placement pursuant to section 812.6, and reinstate the criminal proceedings against the defendant, and may order continued treatment to maintain the competency of the defendant.

6. If the court finds by a preponderance of the evidence that the defendant remains incompetent to stand trial but is making progress in regaining competency, the court shall continue the placement ordered pursuant to section 812.6.

7. The court may change the placement of a defendant and the placement may be more restrictive if necessary for the continued progress of the defendant's treatment as shown by clear and convincing evidence.

8. If the court finds by a preponderance of the evidence that there is no substantial probability the defendant's competency will be restored in a reasonable amount of time, the court shall terminate the commitment under section 812.6 in accordance with the provisions of section 812.9.

2004 Acts, ch 1084, §10

Referred to in §812.9

**812.9 Length of placement — other commitment proceedings — criminal proceedings after termination of placement.**

1. Notwithstanding section 812.8, the defendant shall not remain under placement pursuant to section 812.6 beyond the expiration of the maximum term of confinement for the criminal offense of which the defendant is accused, or eighteen months from the date of the original adjudication of incompetence to stand trial, including time in jail, or the time when the court finds by a preponderance of the evidence that there is no substantial probability that the defendant will be restored to competency in a reasonable amount of time under section 812.8, subsection 8, whichever occurs first. When the defendant's placement in an inpatient facility equals the length of the maximum term of confinement, the complaint for the criminal offense of which the defendant is accused shall be dismissed with prejudice.

2. When the defendant's commitment equals eighteen months, the court shall schedule a hearing to determine whether the defendant is competent to stand trial pursuant to section 812.8, subsection 5. If the defendant is not competent to stand trial after eighteen months, the court shall terminate the placement under section 812.6 in accordance with the provisions of subsection 1.

3. Upon the termination of the defendant's placement pursuant to subsection 1, or pursuant to section 812.8, subsection 8, the state may commence civil commitment proceedings or any other appropriate commitment proceedings.

4. If the defendant's placement is terminated pursuant to subsection 2 or pursuant

to section 812.8, subsection 8, and it appears thereafter that the defendant has regained competency, the state may make application to reinstate the prosecution of the defendant and hearing shall be held on the matter in the same manner as if the court has received notice under section 812.8, subsection 4.

2004 Acts, ch 1084, §11; 2005 Acts, ch 3, §113

Referred to in §812.8

# CHAPTER 813

## IOWA RULES OF CRIMINAL PROCEDURE

Referred to in §801.1


| | | | |
|---|---|---|---|
| 813.1 | Title. | 813.3 | Trial of simple misdemeanors. |
| 813.2 | Provisions relating to hearing and trial in indictable cases. | 813.4 | Additions to and amendment of rules. |


**813.1 Title.**

These rules shall be known as the rules of criminal procedure. (R.Cr.P.)

[76 Acts, ch 1245(2), §1301, Rule 31; 77 Acts, ch 153, §106; C79, 81, §813.1]

**813.2 Provisions relating to hearing and trial in indictable cases.**

[The rules of criminal procedure are published in the compilation "Iowa Court Rules."]

**813.3 Trial of simple misdemeanors.**

[See § 813.2]

**813.4 Additions to and amendment of rules.**

The rules of criminal procedure may be amended, provisions deleted, and new rules added by the supreme court, subject to section 602.4202.

[C79, 81, §813.4]

83 Acts, ch 186, §10134, 10201

# CHAPTER 814

## APPEALS FROM THE DISTRICT COURT

Referred to in §602.8102(132), 801.1, 815.9, 815.11


814.1 Definition of appeal and discretionary review.
814.2 Parties — how designated on appeal.
814.3 Appeals in cases involving more than one defendant.
814.4 Repealed by 85 Acts, ch 157, §9.
814.5 The state as appellant or applicant.
814.6 The defendant as appellant or applicant.
814.7 Ineffective assistance claim on appeal in a criminal case.
814.8 Duties of prosecuting attorney.
814.9 Indigent's right to transcript on appeal.
814.10 Indigent's application for transcript in other cases.
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814.12 Appeal by the state — effect.
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814.19 Hearing in the appellate court — rules of procedure.
814.20 Decisions on appeals or applications by defendant.
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814.22 Reversal — effect.
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814.24 Decision recorded and procedendo.
814.25 Cessation of jurisdiction of appellate court.
814.26 Judgment enforced.
814.27 Time of confinement deducted.


**814.1 Definition of appeal and discretionary review.**

For the purposes of this chapter, unless the context otherwise requires:

1. *"Appeal"* is the right of both the defendant and the state to have specified actions of the district court considered by an appellate court.

2. *"Discretionary review"* is the process by which an appellate court may exercise its discretion, in like manner as under the rules pertaining to interlocutory appeals and certiorari in civil cases, to review specified matters not subject to appeal as a matter of right. The supreme court may adopt additional rules to control access to discretionary review.

[R60, §4904, 4905; C73, §4520, 4521; C97, §5448; S13, §5448; C24, 27, 31, 35, 39, §**13994;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.1; C79, 81, §814.1]

**814.2 Parties — how designated on appeal.**

The party seeking review shall be known as the appellant and the adverse party as the appellee, but the title of the action shall not be changed from that in the district court.

[R60, §4818, 4819; C73, §4531, 4532; C97, §5455; C24, 27, 31, 35, 39, §**14004;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.12; C79, 81, §814.2]

**814.3 Appeals in cases involving more than one defendant.**

When defendants are tried jointly, they may seek discretionary review or may appeal separately or may join. The appellate court may, in the interest of justice, consolidate appeals or applications for discretionary review.

[R60, §4917; C73, §4526; C97, §5451; C24, 27, 31, 35, 39, §**13996;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.3; C79, 81, §814.3]

**814.4** Repealed by 85 Acts, ch 157, § 9.

**814.5 The state as appellant or applicant.**

1. Right of appeal is granted the state from:

*a.* An order dismissing an indictment, information, or any count thereof.

*b.* A judgment for the defendant on a motion to the indictment or the information.

*c.* An order arresting judgment or granting a new trial.

2. Discretionary review may be available in the following cases:

*a.* An order dismissing an arrest or search warrant.
*b.* An order suppressing or admitting evidence.
*c.* An order granting or denying a motion for a change of venue.
*d.* A final judgment or order raising a question of law important to the judiciary and the profession.
[C79, 81, §814.5; 82 Acts, ch 1021, §8, 12(1)]
Referred to in §808B.5

**814.6 The defendant as appellant or applicant.**
1. Right of appeal is granted the defendant from:
*a.* A final judgment of sentence, except in case of simple misdemeanor and ordinance violation convictions.
*b.* An order for the commitment of the defendant for insanity or drug addiction.
2. Discretionary review may be available in the following cases:
*a.* An order suppressing or admitting evidence.
*b.* An order granting or denying a motion for a change of venue.
*c.* An order denying probation.
*d.* Simple misdemeanor and ordinance violation convictions.
*e.* An order raising a question of law important to the judiciary and the profession.
[C79, 81, §814.6; 82 Acts, ch 1021, §9, 12(1)]

**814.7 Ineffective assistance claim on appeal in a criminal case.**
1. An ineffective assistance of counsel claim in a criminal case shall be determined by filing an application for postconviction relief pursuant to chapter 822, except as otherwise provided in this section. The claim need not be raised on direct appeal from the criminal proceedings in order to preserve the claim for postconviction relief purposes.
2. A party may, but is not required to, raise an ineffective assistance claim on direct appeal from the criminal proceedings if the party has reasonable grounds to believe that the record is adequate to address the claim on direct appeal.
3. If an ineffective assistance of counsel claim is raised on direct appeal from the criminal proceedings, the court may decide the record is adequate to decide the claim or may choose to preserve the claim for determination under chapter 822.
2004 Acts, ch 1017, §2

**814.8 Duties of prosecuting attorney.**
1. When an appeal is taken or an application made by the state or the defendant the prosecuting attorney shall promptly prepare and deliver to the attorney general so much of the proceedings as are material to the proper disposition of the matter.
2. When a notice of appeal or application has been filed by an adverse party, the prosecuting attorney shall immediately furnish the attorney general with a copy of said notice.
[C97, §301; SS15, §301; C24, 27, 31, 35, 39, §**13999;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.7; C79, 81, §814.8]
Referred to in §331.756(80)

**814.9 Indigent's right to transcript on appeal.**
If a defendant in a criminal cause has perfected an appeal from a judgment and is determined by the court to be indigent, the court may order a transcript to be made. When an attorney of record is representing an indigent, the attorney shall apply to the district court for the transcript.
[C73, §3777; C97, §254; SS15, §254-a2; C24, 27, 31, 35, 39, §**14000;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.8; C79, 81, §814.9]
83 Acts, ch 186, §10135, 10201; 96 Acts, ch 1193, §6
Referred to in §815.11

**814.10 Indigent's application for transcript in other cases.**

If a defendant in a criminal cause has been granted discretionary review from an action of the district court and the appellate court deems a transcript or portions thereof are necessary to proper review of the question or questions raised, the district court shall order the transcript to be made if the defendant is determined to be indigent.

[C79, 81, §814.10]

83 Acts, ch 186, §10136, 10201; 96 Acts, ch 1193, §7

Referred to in §815.11

**814.11 Indigent's right to counsel.**

1. An indigent person is entitled to appointed counsel on the appeal of all cases if the person is entitled to appointment of counsel under section 815.9.

2. *a.* If the appeal involves an indictable offense or denial of postconviction relief, the appointment shall be made to the state appellate defender unless the state appellate defender notifies the court that the state appellate defender is unable to handle the case.

*b.* If the state appellate defender is unable to handle the case, the state public defender may transfer the case to a local public defender office, nonprofit organization, or private attorney designated by the state public defender to handle such a case. The state appellate defender shall notify the supreme court of the transfer of a case, and upon such notification the responsibility of the state appellate defender in the case terminates.

*c.* If, after transfer of the case to a local public defender office, nonprofit organization, or private attorney, the local public defender office, nonprofit organization, or private attorney withdraws from the case, the court shall appoint an attorney who has a contract with the state public defender to provide legal services in appellate cases.

3. *a.* In a juvenile case under chapter 232 or a proceeding under chapter 600A, the trial attorney shall continue representation throughout the appeal without an additional appointment order unless the court grants the attorney permission to withdraw from the case.

*b.* If the court grants the attorney permission to withdraw, the court shall appoint the state public defender's designee pursuant to section 13B.4.

*c.* If the state public defender has not made a designation pursuant to section 13B.4 to handle the type of case or the state public defender's designee is unable to handle the case, the court shall appoint an attorney who has a contract with the state public defender to provide legal services in appellate cases.

4. *a.* In all other cases not specified in subsection 2 or 3, or except as otherwise provided in this section, the court shall appoint the state public defender's designee pursuant to section 13B.4.

*b.* If the state public defender has not made a designation pursuant to section 13B.4 to handle these other types of cases or the state public defender's designee is unable to handle the case, the court shall appoint an attorney who has a contract with the state public defender to provide legal services in appellate cases to represent an indigent person.

5. If the court determines that no contract attorney is available to handle the appeal, the court may appoint a noncontract attorney, if the state public defender consents to the appointment of the noncontract attorney. The order of appointment shall include a specific finding that no contract attorney is available and the state public defender consents to the appointment.

6. The appointment of an attorney shall be on a rotational or equalization basis, considering the experience of the attorney and the difficulty of the case.

7. An attorney who has been retained or has agreed to represent a person on appeal and subsequently applies to the court for appointment to represent that person on appeal because the person is indigent shall notify the state public defender of the application. Upon the filing of the application, the attorney shall provide the state public defender with a copy of any representation agreement, and information on any moneys earned or paid to the attorney prior to the appointment.

8. An attorney appointed under this section is not liable to a person represented by the attorney for damages as a result of a conviction in a criminal case unless the court determines

in a postconviction proceeding or on direct appeal that the person's conviction resulted from ineffective assistance of counsel, and the ineffective assistance of counsel is the proximate cause of the damage. In juvenile or civil proceedings, an attorney appointed under this section is not liable to a person represented by the attorney for damages unless it has been determined that the attorney has provided ineffective assistance of counsel and the ineffective assistance of counsel is the proximate cause of the damage.

[C79, 81, §814.11]

99 Acts, ch 135, §23; 2002 Acts, ch 1067, §14; 2004 Acts, ch 1017, §3; 2005 Acts, ch 19, §119; 2008 Acts, ch 1061, §4 – 6; 2012 Acts, ch 1063, §5; 2013 Acts, ch 90, §210; 2013 Acts, ch 116, §4

Referred to in §13B.4, 22.7, 815.7, 815.11
See Code editor's note on simple harmonization
Subsections 2 – 4 amended

**814.12 Appeal by the state — effect.**

An appeal taken by the state does not stay the operation of a judgment in favor of the defendant, nor does an application for discretionary review.

[R60, §4911; C73, §4527; C97, §5452; C24, 27, 31, 35, 39, §**14001;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.9; C79, 81, §814.12]

**814.13 Appeal or application by the defendant — effect.**

An appeal or application for discretionary review taken by the defendant does not stay the execution of the judgment unless the defendant is released on bail or otherwise as provided by law.

[R60, §4914, 4915; C73, §4528, 4529; C97, §5453; C24, 27, 31, 35, 39, §**14002;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.10; C79, 81, §814.13]

**814.14 Certificate of release.**

When an appeal is taken by the defendant and the defendant is released, the clerk of the district court must give to the defendant or the defendant's attorney a certificate, under the seal of the court, that an appeal has been taken and the defendant released. The sheriff or other officer having the defendant in custody must, upon receipt of this certificate, discharge the defendant from custody and return to the clerk of court who issued it the execution under which the sheriff or other officer acted with the sheriff's or officer's return thereon.

[R60, §4916; C73, §4530; C97, §5454; C24, 27, 31, 35, 39, §**14003;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.11; C79, 81, §814.14]

Referred to in §331.653

**814.15 Appeals and applications — docketing — when determined.**

Appeals and applications for discretionary review in criminal cases shall be docketed in the supreme court as provided in the rules of appellate procedure. Such causes shall take precedence over other business, and the appellate court shall consider and determine appeals and applications for discretionary review in criminal actions at the earliest time it may be done considering the rights of parties and proper administration of justice.

[R60, §4818, 4819; C73, §4531, 4532; C97, §5455; C24, 27, 31, 35, 39, §**14004;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.12; C79, 81, §814.15]

85 Acts, ch 157, §4

**814.16** Repealed by 85 Acts, ch 157, § 9.

**814.17 Personal appearance of the defendant.**

The personal appearance of the defendant in the appellate court on the trial of an appeal, or upon the hearing of a matter of discretionary review, is in no case necessary.

[R60, §4920; C73, §4533; C97, §5456; C24, 27, 31, 35, 39, §**14005;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.13; C79, 81, §814.17]

**814.18** Repealed by 85 Acts, ch 157, § 9.

**814.19 Hearing in the appellate court — rules of procedure.**

The record and case shall be presented to the appellate court as provided in the rules of appellate procedure; the provisions of law in civil procedure relating to the filing of decisions and opinions of the appellate court shall apply in such cases.

[C97, §5461; C24, 27, 31, 35, 39, §**14009;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.17; C79, 81, §814.19]

Rules adopted by the supreme court are published in the compilation "Iowa Court Rules"

**814.20 Decisions on appeals or applications by defendant.**

An appeal or application taken by the defendant shall not be dismissed for an informality or defect in taking it if corrected as directed by the appellate court. The appellate court, after an examination of the entire record, may dispose of the case by affirmation, reversal or modification of the district court judgment. The appellate court may also order a new trial, or reduce the punishment, but shall not increase it.

[C51, §3097, 3098; R60, §4921, 4925; C73, §4534, 4538; C97, §5457, 5462; C24, 27, 31, 35, 39, §**14006, 14010;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.14, 793.18; C79, 81, §814.20]

85 Acts, ch 157, §5

**814.21 Costs.**

Costs shall be taxed as provided by the rules of appellate procedure.

[C97, §5462; C24, 27, 31, 35, 39, §**14011;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.19; C79, 81, §814.21]

85 Acts, ch 157, §6

**814.22 Reversal — effect.**

If a judgment against the defendant is reversed, such reversal shall be deemed an order for a new trial, unless the appellate court shall direct a different disposition. In reversing the case, the appellate court may direct that the defendant be discharged and the defendant's bail exonerated, or if money is deposited instead, that it be returned to the defendant.

[C51, §3099; R60, §4927; C73, §4540; C97, §5464; C24, 27, 31, 35, 39, §**14013;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.21; C79, 81, §814.22]

**814.23 Affirmance — effect.**

On a judgment of affirmance against the defendant, the original judgment shall be carried into execution as the appellate court shall direct.

[C51, §3100; R60, §4928; C73, §4541; C97, §5465; C24, 27, 31, 35, 39, §**14014;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.22; C79, 81, §814.23]

**814.24 Decision recorded and procedendo.**

The decision of the appellate court with any opinion filed or judgment rendered must be recorded by its clerk. Procedendo shall be issued as provided in the rules of appellate procedure.

[C51, §3101, 3102; R60, §4929, 4930; C73, §4542, 4543; C97, §5466; C24, 27, 31, 35, 39, §**14016;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.24; C79, 81, §814.24]

85 Acts, ch 157, §7

**814.25 Cessation of jurisdiction of appellate court.**

The jurisdiction of the appellate court shall cease when procedendo is issued. All proceedings for executing the judgment shall be had in the district court or by its clerk.

[C51, §3101, 3102; R60, §4929, 4930; C73, §4542, 4543; C97, §5466; C24, 27, 31, 35, 39, §**14016;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.24; C79, 81, §814.25]

85 Acts, ch 157, §8

**814.26 Judgment enforced.**

Unless some proceeding in the district court is directed, copies of the judgment of the district court and of the decision on appeal or review, or a copy of the judgment and decision on appeal or review, certified by the clerk of the district court, shall be delivered to the

sheriff or proper officer as an execution. The sheriff or proper officer shall be authorized to execute the judgment of the court or take any legal measures required to bring the action to a conclusion.

[R60, §4931; C73, §4544; C97, §5467; C24, 27, 31, 35, 39, §**14017;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.25; C79, 81, §814.26]

**814.27 Time of confinement deducted.**

A defendant, confined during the pendency of an unsuccessful review or appeal, or convicted at a new trial ordered by the appellate court, shall have the period of the defendant's former confinement deducted from the period of confinement fixed on the last verdict of conviction by the district court.

[R60, §4933; C73, §4545; C97, §5468; C24, 27, 31, 35, 39, §**14018;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §793.26; C79, 81, §814.27]

# CHAPTER 815

## COSTS — COMPENSATION AND FEES — INDIGENT DEFENSE

Referred to in §13B.4, 81.10, 232.141, 600A.6B, 801.1, 822.2

Deferral of costs in civil and criminal proceedings; see chapter 610


815.1 Costs payable by state in special cases. Repealed by 2005 Acts, ch 107, §13, 14.
815.2 Grand jury clerks and other officers.
815.3 Witnesses called to county attorney investigations.
815.4 Special witnesses for indigents.
815.5 Expert witnesses for state and defense.
815.6 Fees to material witnesses.
815.7 Fees to attorneys.
815.8 Sheriffs' fees.
815.9 Indigency determined — penalty.
815.9A Repealed by 99 Acts, ch 135, §31.
815.10 Appointment of counsel by court.
815.10A Claims for compensation and expense reimbursement.
815.11 Appropriations for indigent defense — fund created.
815.12 Trial jury expenses.
815.13 Payment of prosecution costs.
815.14 Fee for public defender.


**815.1 Costs payable by state in special cases.** Repealed by 2005 Acts, ch 107, § 13, 14. See § 815.10 and 815.11.

**815.2 Grand jury clerks and other officers.**

The clerk of the grand jury and any assistant clerks and bailiffs of the grand jury appointed by the court, shall receive such compensation as may be set by the court with the approval of the county board of supervisors for time actually and necessarily employed in the performance of the duties prescribed in rule of criminal procedure 2.3.

[C97, §5256; S13, §5256; C24, 27, 31, 35, 39, §**13696, 13699;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §770.19, 770.22; C79, 81, §815.2]

Referred to in §602.1303

**815.3 Witnesses called to county attorney investigations.**

Witnesses subpoenaed by the county attorney pursuant to rule of criminal procedure 2.5 shall receive the same fees and mileage as are allowed witnesses in the district court, and shall be paid in the same manner in which witnesses before the grand jury are paid except that such fees and mileage shall be certified only by the county attorney.

[C79, 81, §815.3]

Referred to in §331.756(81), 602.1303

**815.4 Special witnesses for indigents.**

1. An application for an expert or other witnesses under Iowa rule of criminal procedure 2.20 shall include a statement attesting that the attorney advised the indigent person of the

application, the expected expenses, and the potential for reimbursement of the expenses pursuant to section 815.9.

2. *a.* The court shall authorize the securing of a witness prior to the witness incurring any expenses.

*b.* The court shall either set in advance a maximum dollar amount of the claim for expenses or approve the final amount of the claim for expenses as reasonable compensation.

*c.* The state public defender shall only approve the claim for the expenses of the witness if the securing of the witness was authorized by the court and either the maximum dollar amount of the claim for expenses was set prior to the expenses being incurred or the court has approved the final amount of the claim for expenses as reasonable compensation.

3. A witness secured for an indigent person under Iowa rule of criminal procedure 2.20 shall file a claim for compensation with the state public defender as required by the rules of the state public defender, and the claim shall be supported by an itemization specifying the time expended, services rendered, and expenses incurred on behalf of the indigent person.

[C79, 81, §815.4]

93 Acts, ch 175, §21; 99 Acts, ch 135, §24; 2012 Acts, ch 1063, §6

Referred to in §815.5, 815.11

**815.5 Expert witnesses for state and defense.**

Notwithstanding the provisions of section 622.72, reasonable compensation as determined by the court shall be awarded expert witnesses, expert witnesses for an indigent person referred to in section 815.4, or expert witnesses called by the state in criminal cases.

[C79, 81, §815.5]

93 Acts, ch 175, §22; 99 Acts, ch 135, §25; 2013 Acts, ch 90, §211

See R.Cr.P. 2.20(4)

Section amended

**815.6 Fees to material witnesses.**

Persons confined as material witnesses shall, for each day of confinement, receive such fees as are set by the district court.

[C79, 81, §815.6]

**815.7 Fees to attorneys.**

1. An attorney who has not entered into a contract authorized under section 13B.4 and who is appointed by the court to represent any person pursuant to section 814.11 or 815.10 shall be entitled to reasonable compensation and expenses.

2. For appointments made on or after July 1, 1999, through June 30, 2006, the reasonable compensation shall be calculated on the basis of sixty dollars per hour for class "A" felonies, fifty-five dollars per hour for class "B" felonies, and fifty dollars per hour for all other cases.

3. For appointments made on or after July 1, 2006, through June 30, 2007, the reasonable compensation shall be calculated on the basis of sixty-five dollars per hour for class "A" felonies, sixty dollars per hour for all other felonies, sixty dollars per hour for misdemeanors, and fifty-five dollars per hour for all other cases.

4. For appointments made on or after July 1, 2007, the reasonable compensation shall be calculated on the basis of seventy dollars per hour for class "A" felonies, sixty-five dollars per hour for class "B" felonies, and sixty dollars per hour for all other cases.

5. The expenses shall include any sums as are necessary for investigations in the interest of justice, and the cost of obtaining the transcript of the trial record and briefs if an appeal is filed. The attorney need not follow the case into another county or into the appellate court unless so directed by the court. If the attorney follows the case into another county or into the appellate court, the attorney shall be entitled to compensation as provided in this section.

Only one attorney fee shall be so awarded in any one case except that in class "A" felony cases, two may be authorized if both attorneys are appointed pursuant to section 815.10.

[C51, §2561 – 2563; R60, §1578, 4168 – 4170; C73, §3829 – 3831; C97, §5314; C24, 27, 31, 35, 39, §**13774;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §775.5; C79, 81, §815.7]

94 Acts, ch 1187, §23; 96 Acts, ch 1193, §8; 97 Acts, ch 126, §50; 99 Acts, ch 135, §26; 2000 Acts, ch 1115, §5; 2004 Acts, ch 1084, §12; 2006 Acts, ch 1166, §9; 2007 Acts, ch 213, §25; 2012 Acts, ch 1063, §7

Referred to in §125.78, 222.13A, 222.22, 229.2, 229.8, 815.9, 815.11, 815.14

**815.8 Sheriffs' fees.**

For delivering defendants under the change of venue provisions of rule of criminal procedure 2.11 or transferring arrested persons under section 804.24, sheriffs are entitled to the same fees as are allowed for the conveyance of persons to institutions under section 331.655.

[C51, §3277; R60, §4741; C73, §4382; C97, §5355; C24, 27, 31, 35, 39, §**13825;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §778.16; C79, 81, §815.8]

85 Acts, ch 21, §48

Referred to in §331.655

**815.9 Indigency determined — penalty.**

1. For purposes of this chapter, chapters 13B, 229A, 232, 665, 812, 814, and 822, and section 811.1A, and the rules of criminal procedure, a person is indigent if the person is entitled to an attorney appointed by the court as follows:

*a.* A person is entitled to an attorney appointed by the court to represent the person if the person has an income level at or below one hundred twenty-five percent of the United States poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services, unless the court determines that the person is able to pay for the cost of an attorney to represent the person on the pending case. In making the determination of a person's ability to pay for the cost of an attorney, the court shall consider not only the person's income, but also the availability of any assets subject to execution, including but not limited to cash, stocks, bonds, and any other property which may be applied to the satisfaction of judgments, and the seriousness of the charge or nature of the case.

*b.* A person with an income level greater than one hundred twenty-five percent, but at or below two hundred percent, of the most recently revised poverty income guidelines published by the United States department of health and human services shall not be entitled to an attorney appointed by the court, unless the court makes a written finding that not appointing counsel on the pending case would cause the person substantial hardship. In determining whether substantial hardship would result, the court shall consider not only the person's income, but also the availability of any assets subject to execution, including but not limited to cash, stocks, bonds, and any other property which may be applied to the satisfaction of judgments, and the seriousness of the charge or nature of the case.

*c.* A person with an income level greater than two hundred percent of the most recently revised poverty income guidelines published by the United States department of health and human services shall not be entitled to an attorney appointed by the court, unless the person is charged with a felony and the court makes a written finding that not appointing counsel would cause the person substantial hardship. In determining whether substantial hardship would result, the court shall consider not only the person's income, but also the availability of any assets subject to execution, including but not limited to cash, stocks, bonds, and any other property which may be applied to the satisfaction of judgments, and the seriousness of the charge or nature of the case.

2. A determination of whether a person is entitled to an appointed attorney shall be made on the basis of an affidavit of financial status submitted at the time of the person's initial appearance or at such later time as a request for court appointment of counsel is made. The state public defender shall adopt rules prescribing the form and content of the affidavit of financial status. The affidavit of financial status shall be signed under penalty of perjury and

shall contain sufficient information to allow the determination to be made of whether the person is entitled to an appointed attorney under this section. If the person is granted an appointed attorney, the affidavit of financial status shall be filed and permanently retained in the person's court file.

3. If a person is granted an appointed attorney, the person shall be required to reimburse the state for the total cost of legal assistance provided to the person pursuant to this section. "*Legal assistance*" as used in this section shall include not only the expense of the public defender or an appointed attorney, but also transcripts, witness fees, expenses, and any other goods or services required by law to be provided to an indigent person entitled to an appointed attorney.

4. *a.* If the appointed attorney is a public defender, the attorney shall submit a report to the court specifying the total hours of service plus expenses incurred in providing legal assistance to the person. In a criminal case, the report shall be submitted within ten days of the date of sentencing, acquittal, or dismissal. In a case other than a criminal case, the report shall be submitted within ten days of any court ruling or the conclusion of a trial held in the case, or if the case is dismissed within ten days of the dismissal.

*b.* If the appointed attorney is a private attorney or is employed by a nonprofit organization, the state public defender shall report to the clerk of the district court the amounts of any approved claims for compensation and expenses paid on behalf of a person receiving legal assistance after such claims have been reviewed and paid by the state public defender unless the appointed attorney is paid other than on an hourly rate basis and the state public defender has notified the appointed attorney that the attorney is responsible for reporting the attorney's total hours of service plus expenses to the court.

*c.* If the appointed attorney has been notified by the state public defender that the attorney is responsible for reporting to the court the total hours of service plus expenses incurred in providing legal assistance to a person, the attorney shall submit a report to the court in the same manner as a public defender submits a report pursuant to paragraph "*a*". The amount of the attorney fees to be included in the total cost of legal assistance required to be reimbursed shall be calculated using the hours of service stated in the report at the hourly rate of compensation specified under section 815.7.

5. If the person receiving legal assistance is convicted in a criminal case, the total costs and fees incurred for legal assistance shall be ordered paid when the reports submitted pursuant to subsection 4 are received by the court, and the court shall order the payment of such amounts as restitution, to the extent to which the person is reasonably able to pay, or order the performance of community service in lieu of such payments, in accordance with chapter 910.

6. If the person receiving legal assistance is acquitted in a criminal case or is a party in a case other than a criminal case, the court shall order the payment of all or a portion of the total costs and fees incurred for legal assistance, to the extent the person is reasonably able to pay, after an inquiry which includes notice and reasonable opportunity to be heard.

7. When ordering payment of all or a portion of the total costs and fees incurred for legal assistance under subsection 6, the court may order payment of the costs and fees in reasonable installments as provided in section 909.3, or may order the entire amount due and payable. If any costs and fees are not paid at the time specified in the order of the court, a judgment shall be entered against the person for any unpaid amount. Such judgment may be enforced by the state in the same manner as a civil judgment.

8. If a person is granted an appointed attorney or has received legal assistance in accordance with this section and the person is employed, the person shall execute an assignment of wages. An order for assignment of income, in a reasonable amount to be determined by the court, shall be entered by the court. The state public defender shall prescribe forms for use in wage assignments and court orders entered under this subsection.

9. Notwithstanding subsections 3 and 6, a minor granted a court-appointed attorney or guardian ad litem under section 232.11 in a juvenile proceeding shall not be ordered

to reimburse costs and fees incurred for legal assistance except as otherwise provided in chapter 232.

83 Acts, ch 186, §10137, 10201; 93 Acts, ch 175, §23, 24; 96 Acts, ch 1193, §9 – 11; 99 Acts, ch 135, §27; 2000 Acts, ch 1115, §6; 2002 Acts, ch 1067, §15; 2004 Acts, ch 1084, §13; 2012 Acts, ch 1063, §8, 9; 2013 Acts, ch 56, §1, 2

Referred to in §13B.10, 125.76, 229.19, 331.756(5a, 5c, 5d), 598.7, 602.8107, 801.4, 814.11, 815.4, 815.10, 815.10A, 815.14, 908.2A, 910.1, 910.2, 910.3, 910.9

Subsection 4, paragraph b amended

Subsection 4, NEW paragraph c

**815.9A** Repealed by 99 Acts, ch 135, § 31.

**815.10 Appointment of counsel by court.**

1. *a.* The court, for cause and upon its own motion or upon application by an indigent person or a public defender, shall appoint the state public defender's designee pursuant to section 13B.4 to represent an indigent person at any stage of the criminal, postconviction, contempt, commitment under chapter 229A, termination under chapter 600A, detention under section 811.1A, competency under chapter 812, parole revocation if applicable under section 908.2A, or juvenile proceedings or on appeal of any criminal, postconviction, contempt, commitment under chapter 229A, termination under chapter 600A, detention under section 811.1A, competency under chapter 812, parole revocation under chapter 908, or juvenile action in which the indigent person is entitled to legal assistance at public expense. However, in juvenile cases, the court may directly appoint an existing nonprofit corporation established for and engaged in the provision of legal services for juveniles. An appointment shall not be made unless the person is determined to be indigent under section 815.9.

*b.* An indigent person is entitled to the appointment of one attorney in all cases, except that in class "A" felony cases the court may appoint two attorneys. However, in a class "A" felony case, a person who is represented by a privately retained attorney or by an attorney who has agreed to represent the person is not entitled to have an attorney appointed to represent the person based upon the indigence of the person.

2. If the state public defender or the state public defender's designee is unable to represent an indigent person, the court shall appoint an attorney who has a contract with the state public defender to represent the person in the particular type of case and in the county in which the case is pending.

3. If the court determines that no contract attorney is available to represent the person, the court may appoint a noncontract attorney. The order of appointment shall include a specific finding that no contract attorney was available.

4. The appointment of an attorney shall be on a rotational or equalization basis, considering the experience of the attorney, the difficulty of the case, and the geographic proximity of the attorney's office to the courthouse and client.

5. An attorney who has been retained or has agreed to represent a person and subsequently applies to the court for appointment to represent that person because the person is indigent shall notify the state public defender of the application. Upon the filing of the application, the attorney shall provide the state public defender with a copy of any representation agreement, and information on any moneys earned or paid to the attorney prior to the appointment.

6. An attorney appointed under this section is not liable to a person represented by the attorney for damages as a result of a conviction in a criminal case unless the court determines in a postconviction proceeding or on direct appeal that the person's conviction resulted from ineffective assistance of counsel, and the ineffective assistance of counsel is the proximate cause of the damage. In juvenile or civil proceedings, an attorney appointed under this section is not liable to a person represented by the attorney for damages unless it has been determined that the attorney has provided ineffective assistance of counsel, and the ineffective assistance of counsel is the proximate cause of the damage.

7. The state public defender may adopt rules setting forth additional uniform standard procedures for the appointment of counsel and uniform forms for appointment.

83 Acts, ch 186, §10138, 10201; 91 Acts, ch 268, §436, 439; 94 Acts, ch 1187, §24; 96 Acts, ch 1040, §5; 99 Acts, ch 135, §28; 2000 Acts, ch 1115, §7; 2002 Acts, ch 1067, §16; 2004 Acts, ch 1017, §4; 2004 Acts, ch 1084, §14; 2005 Acts, ch 19, §120; 2005 Acts, ch 107, §8, 14; 2012 Acts, ch 1063, §10; 2013 Acts, ch 56, §3, 4

Referred to in §13B.4, 13B.9, 22.7, 815.7, 815.11, 901.5A
Subsection 4 amended
NEW subsection 7

**815.10A Claims for compensation and expense reimbursement.**

1. An attorney other than a public defender who has been appointed by the court under this chapter must submit a claim to the state public defender for compensation and reimbursement of expenses incurred in the representation of an indigent person.

2. Claims for compensation and reimbursement submitted by an attorney and claims for any other expenses paid from the indigent defense fund are not considered timely unless the claim is submitted to the state public defender within forty-five days of the date of service, as defined by the state public defender in rules.

3. *a.* An attorney shall obtain court approval prior to exceeding the fee limitations established by the state public defender pursuant to section 13B.4. An attorney may exceed the fee limitations if good cause for exceeding the fee limitations is shown. An attorney may obtain court approval after exceeding the fee limitations if good cause excusing the attorney's failure to seek approval prior to exceeding the fee limitations is shown. However, failure to file an application to exceed a fee limitation prior to exceeding the fee limitation does not constitute good cause. The order approving an application to exceed the fee limitations shall be effective from the date of filing the application unless the court order provides an alternative effective date. The application and the court order approving the application to exceed fee limitations and any other order affecting the amount of compensation or reimbursement shall be submitted with any claim for compensation.

*b.* Except for an application to exceed fee limitations by an attorney or guardian ad litem representing a juvenile in a juvenile proceeding, an application to exceed fee limitations shall include a statement attesting that the attorney advised the indigent person of the application, and the potential for reimbursement of the attorney fees pursuant to section 815.9.

4. If the information is not submitted as required under this section and under the rules of the state public defender, the claim for compensation may be denied until the information is provided. Upon receipt of the required information, the state public defender may approve reasonable and necessary compensation, as provided for in the administrative rules and the law.

2002 Acts, ch 1067, §17; 2004 Acts, ch 1040, §5; 2008 Acts, ch 1061, §7; 2012 Acts, ch 1063, §11; 2013 Acts, ch 56, §5

Subsection 2 amended

**815.11 Appropriations for indigent defense — fund created.**

Costs incurred for legal representation by a court-appointed attorney under chapter 229A, 665, 822, or 908, or section 232.141, subsection 3, paragraph "*d*", or section 598.23A, 600A.6B, 814.9, 814.10, 814.11, 815.4, 815.7, or 815.10 on behalf of an indigent shall be paid from moneys appropriated by the general assembly to the office of the state public defender in the department of inspections and appeals and deposited in an account to be known as the indigent defense fund. Costs incurred representing an indigent defendant in a contempt action, or representing an indigent juvenile in a juvenile court proceeding, are also payable from the fund. However, costs incurred in any administrative proceeding or in any other proceeding under this chapter or chapter 598, 600, 600A, 633, 633A, 814, or 915 or other provisions of the Code or administrative rules are not payable from the fund.

83 Acts, ch 186, §10139, 10201; 85 Acts, ch 195, §65; 90 Acts, ch 1233, §45; 94 Acts, ch 1187, §25; 98 Acts, ch 1171, §18; 99 Acts, ch 135, §29; 2000 Acts, ch 1115, §8; 2002 Acts, ch 1067,

§18; 2003 Acts, ch 51, §5; 2004 Acts, ch 1040, §6; 2005 Acts, ch 107, §9, 14; 2006 Acts, ch 1030, §82; 2006 Acts, ch 1041, §8; 2007 Acts, ch 22, §106; 2008 Acts, ch 1061, §8
Referred to in §13B.1, 13B.4B, 22.7, 232.141, 600A.6B

**815.12 Trial jury expenses.**

The clerk of the district court shall pay fees and mileage due petit jurors, and the costs of food, lodging, and transportation when provided for petit jurors.

83 Acts, ch 186, §10140, 10201

**815.13 Payment of prosecution costs.**

The county or city which has the duty to prosecute a criminal action shall pay the costs of depositions taken on behalf of the prosecution, the costs of transcripts requested by the prosecution, and in criminal actions prosecuted by the county or city under county or city ordinance the fees that are payable to the clerk of the district court for services rendered and the court costs taxed in connection with the trial of the action or appeals from the judgment. The county or city shall pay witness fees and mileage in trials of criminal actions prosecuted by the county or city under county or city ordinance. These fees and costs are recoverable by the county or city from the defendant unless the defendant is found not guilty or the action is dismissed, in which case the state shall pay the witness fees and mileage in cases prosecuted under state law.

83 Acts, ch 186, §10141, 10201; 84 Acts, ch 1178, §12; 84 Acts, ch 1301, §16; 85 Acts, ch 197, §43
Referred to in §331.424

**815.14 Fee for public defender.**

The amount of restitution for the expense of the public defender for each case under section 910.3 or the total cost of legal assistance required to be reimbursed under section 815.9, subsection 3, shall include all expenses incurred in the representation of the person combined with the attorney fees for the public defender calculated at the same hourly rate of compensation specified under section 815.7. The expense of the public defender may exceed the fee limitations established in section 13B.4. The expense of the public defender required to be reimbursed is subject to a determination of the extent to which the person is reasonably able to pay, as provided for in section 815.9 and chapter 910.

2002 Acts, ch 1067, §19; 2012 Acts, ch 1063, §12

# CHAPTER 816

## DOUBLE JEOPARDY

Referred to in §801.1

816.1 Conviction or acquittal — when a bar.
816.2 Prosecutions barred.
816.3 Exceptions — limitation.
816.4 Trial of former jeopardy issue.

**816.1 Conviction or acquittal — when a bar.**

A conviction or acquittal by a judgment upon a verdict shall bar another prosecution for the same offense, notwithstanding a defect in form or substance in the indictment on which the conviction or acquittal took place.

[R60, §4719; C73, §4364; C97, §5339; C24, 27, 31, 35, 39, §**13807;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §777.20; C79, 81, §816.1]

**816.2 Prosecutions barred.**

When a defendant has been convicted or acquitted upon an indictment for an offense consisting of different degrees, the conviction or acquittal shall be a bar to another

indictment for the same offense charged in the former or for any lower degree of that offense, or for an offense necessarily included therein.

[R60, §4720; C73, §4365; C97, §5340; C24, 27, 31, 35, 39, §**13808;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §777.21; C79, 81, §816.2]

**816.3 Exceptions — limitation.**

A prosecution is not barred:

1. By a former prosecution before a court which lacked jurisdiction over the defendant or the offense.

2. By a former prosecution procured by the defendant without the knowledge of a prosecuting officer authorized to commence a prosecution for the maximum offense which might have been charged on the facts known to the defendant, and with the purpose of avoiding the sentence which otherwise might be imposed.

3. If subsequent proceedings resulted in the invalidation, setting aside, reversal or vacating of the conviction, unless the defendant was adjudged not guilty; but in no case where a conviction for a lesser included crime has been invalidated, set aside, reversed or vacated shall the defendant be subsequently prosecuted for a higher degree of the crime for which the defendant was originally convicted.

[C79, 81, §816.3]

86 Acts, ch 1237, §45

**816.4 Trial of former jeopardy issue.**

When the defendant's only plea to the indictment is a former conviction or acquittal, the order of trial prescribed in rule of criminal procedure 2.19 shall be reversed, and the defendant shall first offer evidence in support of the defense.

[R60, §4787; C73, §4422; C97, §5374; C24, 27, 31, 35, 39, §**13855;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §780.14; C79, 81, §816.4]

# CHAPTER 817

## LAW ENFORCEMENT, GOVERNOR, AND ATTORNEY GENERAL — SPECIAL POWERS

Referred to in §801.1

817.1 Photographs — measurements — Bertillon system.
817.2 Power of governor and attorney general.
817.3 Certified law enforcement officers — oaths, signatures, and testimony.

**817.1 Photographs — measurements — Bertillon system.**

It shall be lawful for the sheriff of any county or the chief of police in any city in this state, to take or procure the taking of the photograph of any person held to answer on a charge of any felony, such person being in the custody of such officer, or to make and record any measurements of such prisoner, by the Bertillon or other system, and to exchange such photographs, or measurements, or copies of the same, with other sheriffs and police officers, or to distribute the same by mail for the purpose of securing evidence for the identification of such person held to answer, if the identity and past record of the said person are unknown to the sheriff or chief of police; and the cost of such photographs and measurements, and of distributing the same, may be allowed by the court as a part of the costs in the case.

[S13, §5499-a; C24, 27, 31, 35, 39, §**13904;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §782.8; C79, 81, §817.1]

**817.2 Power of governor and attorney general.**

The governor and attorney general shall each have the power to call to their aid in the enforcement of the law any peace officer; and when such officers are so called upon it shall be their duty faithfully to render such assistance as may be required, in any part of the state, and such peace officers while so acting shall have the same powers throughout the state as possessed by the sheriff of the county in which such peace officer is acting.

[C24, 27, 31, 35, 39, §**13411;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §748.6; C79, 81, §817.2]

Referred to in §331.653

**817.3 Certified law enforcement officers — oaths, signatures, and testimony.**

A law enforcement officer, as defined in section 80B.3, who is certified by the Iowa law enforcement academy, may administer oaths, acknowledge signatures, and take voluntary testimony pursuant to the officer's duties as provided by law.

2010 Acts, ch 1057, §3

# CHAPTER 818

## INTERSTATE EXTRADITION COMPACT

Repealed by 2011 Acts, ch 43, §6; see chapter 820

# CHAPTER 819

## UNIFORM ACT TO SECURE WITNESSES FROM WITHOUT THE STATE

Referred to in §331.756(82), 801.1


| | | | |
|---|---|---|---|
| 819.1 | Witnesses required to testify in another state. | 819.3 | Fees and enforcement of order. |
| 819.2 | Witnesses from another state required to testify in this state. | 819.4 | Exemptions — arrest — service of process. |
| | | 819.5 | Definition of state. |


**819.1 Witnesses required to testify in another state.**

A person residing or physically present within this state may be required to attend as a witness in a criminal action pending or grand jury investigation commenced in another state if compliance with the following criteria is accomplished:

1. The laws of such other state require or command persons residing or physically present within that state to attend and testify in this state.

2. A judge of a court of record in the other state certifies under the seal of such court that there is a criminal action pending in such court or that a grand jury investigation has commenced; that a person residing or physically present within this state is a material witness in such action or grand jury investigation; and that the person's presence will be required for a number of days which shall be specified in such certification.

3. The certification described in subsection 2 of this section shall have been presented to any judge of the district court of the county in which the prospective witness is found.

4. The judge described in subsection 3 of this section shall make an order directing the witness to appear at a specific time and place for the hearing. If at the hearing the judge determines that the witness is material and necessary, either for the prosecution or defense in a criminal action, or for a grand jury investigation, and that it will not cause undue hardship to the witness to be compelled to attend and testify in such proceedings and that the provisions of subsections 2 and 3 of this section are complied with, the judge shall make an order, with a copy of the certificate attached, directing the witness to attend and testify in the court where

the action is pending or the place where such grand jury has commenced at the time and place specified in the certificate.

[S13, §5499-b; C24, 27, 31, 35, 39, §**13893;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §781.14; C79, 81, §819.1]

**819.2 Witnesses from another state required to testify in this state.**

If a person, in any state whose law makes provision for commanding persons within that state to attend and testify in criminal actions pending or grand jury investigations commenced in this state, is a material witness in a district court action pending or a grand jury investigation commenced in this state, a judge of such court shall, in order to obtain the presence of such witness, issue a certificate under the seal of the court stating these facts and specifying the number of days the witness will be required.

[S13, §5499-d; C24, 27, 31, 35, 39, §**13895;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §781.16; C79, 81, §819.2]

Referred to in §819.3

**819.3 Fees and enforcement of order.**

A witness named in an order described in section 819.2 is entitled to ten cents per mile for each mile traveled by the most direct route to and from the proceedings the witness is required to attend, and is also entitled to ten dollars per day for each day spent in such travel or in attending the proceedings as a witness.

If such witness fails without good cause to attend and testify as directed by such order the witness shall forfeit the right to receive mileage and per diem, and shall be guilty of contempt of court for which the witness may be punished accordingly.

[S13, §5499-e; C24, 27, 31, 35, 39, §**13896;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §781.17; C79, 81, §819.3]

83 Acts, ch 123, §203, 209

**819.4 Exemptions — arrest — service of process.**

If a person comes into this state in obedience to an order directing the person to attend and testify in this state, the person shall not while in this state pursuant to such order be subject to arrest or the service of process, civil or criminal, in connection with matters which arose before the person's entrance into this state under the order.

If a person passes through this state while going to another state in obedience to an order to attend and testify in that state or while returning therefrom, the person shall not while so passing through this state be subject to arrest or the service of process, civil or criminal, in connection with matters which arose before the person's entrance into this state pursuant to the order to testify.

[S13, §5499-e; C24, 27, 31, 35, 39, §**13896;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §781.17; C79, 81, §819.4]

**819.5 Definition of state.**

The word *"state"* shall include any state or territory of the United States and the District of Columbia.

[C79, 81, §819.5]

# CHAPTER 819A

## UNIFORM ACT FOR RENDITION OF PRISONERS AS WITNESSES IN CRIMINAL PROCEEDINGS

Repealed by 2011 Acts, ch 43, §7

# CHAPTER 820

## UNIFORM CRIMINAL EXTRADITION ACT

Referred to in §331.756(82), 602.6405


820.1 Definitions.
820.2 Arrest of fugitives.
820.3 Demand in writing.
820.4 Investigation by attorney general.
820.5 Persons imprisoned in another state.
820.6 Criminal acts committed in third state.
820.7 Warrant for arrest.
820.8 Authority of warrant.
820.9 Authority of peace officer.
820.10 Testing legality of arrest.
820.11 Penalty for willful disobedience.
820.12 Confinement in jail.
820.13 Arrest on affidavit.
820.14 Arrest without warrant.
820.15 Holding to await requisition.
820.16 Bail — exceptions.
820.17 Discharge or recommitment.
820.18 Forfeiture of bond.
820.19 Criminal prosecution pending.
820.20 Guilt or innocence of person held.
820.21 Warrant recalled.
820.22 Receiving person extradited.
820.23 Application for extradition.
820.24 Expenses — how paid.
820.25 Waiver by person arrested.
820.26 State's rights not deemed waived.
820.27 Trial for other crimes.
820.28 Construction of chapter.
820.29 Title.


**820.1 Definitions.**

Where appearing in this chapter, the term *"governor"* includes any person performing the functions of governor by authority of the law of this state. The term *"executive authority"* includes the governor, and any person performing the functions of governor in a state other than this state, and the term *"state"*, referring to a state other than this state, includes any other state or territory, organized or unorganized, of the United States of America.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.1; C79, 81, §820.1]

**820.2 Arrest of fugitives.**

Subject to the provisions of this chapter, the provisions of the Constitution of the United States controlling, and any and all Acts of Congress enacted in pursuance thereof, it is the duty of the governor of this state to have arrested and delivered up to the executive authority of any other state of the United States any person charged in that state with treason, felony, or other crime, who has fled from justice and is found in this state.

[C51, §3283; R60, §4522; C73, §4175; C97, §5172; C24, 27, 31, 35, 39, §**13502;** C46, §759.6; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.2; C79, 81, §820.2]

**820.3 Demand in writing.**

No demand for the extradition of a person charged with crime in another state shall be recognized by the governor unless in writing alleging, except in cases arising under section 820.6, that the accused was present in the demanding state at the time of the commission of the alleged crime, and that thereafter the accused fled from the state, and accompanied by a copy of an indictment found or by information supported by affidavit in the state having jurisdiction of the crime, or by a copy of an affidavit made before a magistrate there, together with a copy of any warrant which was issued thereupon; or by a copy of a judgment of conviction or of a sentence imposed in execution thereof, together with a statement by the executive authority of the demanding state that the person claimed has escaped from confinement or has broken the terms of the person's bail, probation or parole. The indictment, information, or affidavit made before the magistrate must substantially charge the person demanded with having committed a crime under the law of that state; and the copy of indictment, information, affidavit, judgment of conviction or sentence must be authenticated by the executive authority making the demand.

[R60, §4521; C73, §4174; C97, §5171; C24, 27, 31, 35, 39, §**13501;** C46, §759.5; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.3; C79, 81, §820.3]

Referred to in §820.6

**820.4 Investigation by attorney general.**

When a demand shall be made upon the governor of this state by the executive authority of another state for the surrender of a person so charged with crime, the governor may call upon the attorney general or any prosecuting officer in this state to investigate or assist in investigating the demand, and to report to the governor the situation and circumstances of the person so demanded, and whether the person ought to be surrendered.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.4; C79, 81, §820.4]

**820.5 Persons imprisoned in another state.**

When it is desired to have returned to this state a person charged in this state with a crime, and such person is imprisoned or is held under criminal proceedings then pending against the person in another state, the governor of this state may agree with the executive authority of such other state for the extradition of such person before the conclusion of such proceedings or the person's term of sentence in such other state, upon condition that such person be returned to such other state at the expense of this state as soon as the prosecution in this state is terminated.

The governor of this state may also surrender on demand of the executive authority of any other state any person in this state who is charged in the manner provided in section 820.23 with having violated the laws of the state whose executive authority is making the demand, even though such person left the demanding state involuntarily.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.5; C79, 81, §820.5]

**820.6 Criminal acts committed in third state.**

The governor of this state may also surrender, on demand of the executive authority of any other state, any person in this state charged in such other state in the manner provided in section 820.3 with committing an act in this state, or in a third state, intentionally resulting in a crime in the state whose executive authority is making the demand, and the provisions of this chapter not otherwise inconsistent, shall apply to such cases, even though the accused was not in that state at the time of the commission of the crime, and has not fled therefrom.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.6; C79, 81, §820.6]

Referred to in §820.3, 820.13, 820.15

**820.7 Warrant for arrest.**

If the governor decides that the demand should be complied with, the governor shall sign a warrant of arrest, which shall be sealed with the state seal, and be directed to any peace officer or other person whom the governor may think fit to entrust with the execution thereof. The warrant must substantially recite the facts necessary to the validity of its issuance.

[C51, §3283; R60, §4522; C73, §4175; C97, §5172; C24, 27, 31, 35, 39, §**13502;** C46, §759.6; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.7; C79, 81, §820.7]

Referred to in §820.25

**820.8 Authority of warrant.**

Such warrant shall authorize the peace officer or other person to whom directed to arrest the accused at any time and any place where the accused may be found within the state and to command the aid of all peace officers or other persons in the execution of the warrant, and to deliver the accused, subject to the provisions of this chapter to the duly authorized agent of the demanding state.

[C51, §3283, 3289; R60, §4522, 4528; C73, §4175, 4181; C97, §5172, 5178; C24, 27, 31, 35, 39, §**13502, 13508;** C46, §759.6, 759.12; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.8; C79, 81, §820.8]

Referred to in §820.25

**820.9 Authority of peace officer.**

Every such peace officer or other person empowered to make the arrest, shall have the same authority, in arresting the accused, to command assistance therein, as peace officers

have by law in the execution of any criminal process directed to them, with like penalties against those who refuse their assistance.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.9; C79, 81, §820.9]

**820.10 Testing legality of arrest.**

No person arrested upon such warrant shall be delivered over to the agent whom the executive authority demanding the person shall have appointed to receive the person unless the person shall first be taken forthwith before a judge of a court of record in this state, who shall inform the person of the demand made for surrender and of the crime with which the person is charged, and that the person has the right to demand and procure legal counsel; and if the prisoner or the prisoner's counsel shall state that the prisoner or they desire to test the legality of the prisoner's arrest, the judge of such court of record shall fix a reasonable time to be allowed the prisoner within which to apply for a writ of habeas corpus. When such writ is applied for, notice thereof, and of the time and place of hearing thereon, shall be given to the prosecuting officer of the county in which the arrest is made and in which the accused is in custody, and to the said agent of the demanding state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.10; C79, 81, §820.10]

Referred to in §820.11, 820.25

**820.11 Penalty for willful disobedience.**

Any officer who shall deliver to the agent for extradition of the demanding state a person in the officer's custody under the governor's warrant, in willful disobedience to section 820.10, shall be guilty of a simple misdemeanor.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.11; C79, 81, §820.11]

2009 Acts, ch 133, §187

**820.12 Confinement in jail.**

The officer or persons executing the governor's warrant of arrest, or the agent of the demanding state to whom the prisoner may have been delivered may, when necessary, confine the prisoner in the jail of any county or city through which the officer or person may pass; and the keeper of such jail must receive and safely keep the prisoner until the officer or person having charge of the prisoner is ready to proceed on the officer's or person's route, such officer or person being chargeable with the expense of keeping.

The officer or agent of a demanding state to whom a prisoner may have been delivered following extradition proceedings in another state, or to whom a prisoner may have been delivered after waiving extradition in such other state, and who is passing through this state with such a prisoner for the purpose of immediately returning such prisoner to the demanding state may, when necessary, confine the prisoner in the jail of any county or city through which the officer or agent may pass; and the keeper of such jail must receive and safely keep the prisoner until the officer or agent having charge of the prisoner is ready to proceed on the officer's or agent's route, such officer or agent, however, being chargeable with the expense of keeping; provided, however, that such officer or agent shall produce and show to the keeper of such jail satisfactory written evidence of the fact that the officer or agent is actually transporting such prisoner to the demanding state after a requisition by the executive authority of such demanding state. Such prisoner shall not be entitled to demand a new requisition while in this state.

[C24, 27, 31, 35, 39, §**13512;** C46, §759.16; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.12; C79, 81, §820.12]

**820.13 Arrest on affidavit.**

Whenever any person within this state shall be charged on the oath of any credible person before any judge or magistrate of this state with the commission of any crime in any other state and, except in cases under section 820.6, with having fled from justice, or with having been convicted of a crime in that state and having escaped from confinement, or having broken the terms of bail, probation or parole, or whenever complaint shall have been made before any judge or magistrate in this state setting forth on the affidavit of any credible person

in another state that a crime has been committed in such other state and that the accused has been charged in such state with the commission of the crime, and, except in cases arising under section 820.6, has fled from justice, or with having been convicted of a crime in that state and having escaped from confinement, or having broken the terms of bail, probation or parole and is believed to be in this state, the judge or magistrate shall issue a warrant directed to any peace officer commanding the officer to apprehend the person named therein, wherever the person may be found in this state, and to bring the person before the same or any other judge, magistrate or court who or which may be available in or convenient of access to the place where the arrest may be made, to answer the charge or complaint and affidavit, and a certified copy of the sworn charge or complaint and affidavit upon which the warrant is issued shall be attached to the warrant.

[C51, §3284; R60, §4523; C73, §4176; C97, §5173; C24, 27, 31, 35, 39, §**13503;** C46, §759.7; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.13; C79, 81, §820.13]

Referred to in §820.14

**820.14 Arrest without warrant.**

The arrest of a person may be lawfully made also by any peace officer or a private person, without a warrant upon reasonable information that the accused stands charged in the courts of a state with a crime punishable by death or imprisonment for a term exceeding one year, but when so arrested the accused must be taken before a judge or magistrate with all practicable speed and complaint must be made against the accused under oath setting forth the ground for the arrest as in section 820.13; and thereafter the accused's answer shall be heard as if the accused had been arrested on a warrant.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.14; C79, 81, §820.14]

2008 Acts, ch 1032, §90

**820.15 Holding to await requisition.**

If from the examination before the judge or magistrate it appears that the person held is the person charged with having committed the crime alleged and, except in cases arising under section 820.6, that the person has fled from justice, the judge or magistrate must, by a warrant reciting the accusation, commit the person to the county jail for such a time not exceeding thirty days and specified in the warrant, as will enable the arrest of the accused to be made under a warrant of the governor on a requisition of the executive authority of the state having jurisdiction of the offense, unless the accused give bail as provided in section 820.16, or until the accused shall be legally discharged.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.15; C79, 81, §820.15]

2008 Acts, ch 1032, §91

**820.16 Bail — exceptions.**

Unless the offense with which the prisoner is charged is shown to be an offense punishable by death or life imprisonment under the laws of the state in which it was committed, a judge or magistrate in this state may admit the person arrested to bail by bond, with sufficient sureties, and in such sum as the judge or magistrate deems proper, conditioned for the prisoner's appearance before the judge or magistrate at a time specified in such bond, and for the prisoner's surrender, to be arrested upon the warrant of the governor of this state.

[C51, §3285, 3286; R60, §4524, 4525; C73, §4177, 4178; C97, §5174, 5175; C24, 27, 31, 35, 39, §**13504, 13505;** C46, §759.8, 759.9; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.16; C79, 81, §820.16]

Referred to in §820.15, 820.17

**820.17 Discharge or recommitment.**

If the accused is not arrested under warrant of the governor by the expiration of the time specified in the warrant or bond, a judge or magistrate may discharge or recommit the accused for a further period not to exceed sixty days, or a judge or magistrate may again

take bail for the accused's appearance and surrender, as provided in section 820.16, but within a period not to exceed sixty days after the date of such new bond.

[C51, §3288; R60, §4527; C73, §4180; C97, §5177; C24, 27, 31, 35, 39, §**13507;** C46, §759.11; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.17; C79, 81, §820.17]

**820.18 Forfeiture of bond.**

If the prisoner is admitted to bail, and fails to appear and surrender according to the conditions of the prisoner's bond, the judge, or magistrate by proper order, shall declare the bond forfeited and order the prisoner's immediate arrest without warrant if the prisoner be within this state. Recovery may be had on such bond in the name of the state as in the case of other bonds given by the accused in criminal proceedings within this state.

[C51, §3287; R60, §4526; C73, §4179; C97, §5176; C24, 27, 31, 35, 39, §**13506;** C46, §759.10; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.18; C79, 81, §820.18]

**820.19 Criminal prosecution pending.**

If a criminal prosecution has been instituted against such person under the laws of this state and is still pending the governor, in the governor's discretion, either may surrender the person on demand of the executive authority of another state or hold the person until the person has been tried and discharged or convicted and punished in this state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.19; C79, 81, §820.19]

**820.20 Guilt or innocence of person held.**

The guilt or innocence of the accused as to the crime of which the accused is charged may not be inquired into by the governor or in any proceeding after the demand for extradition accompanied by a charge of crime in legal form as above provided shall have been presented to the governor, except as it may be involved in identifying the person held as the person charged with the crime.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.20; C79, 81, §820.20]

**820.21 Warrant recalled.**

The governor may recall the governor's warrant of arrest or may issue another warrant whenever the governor deems proper.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.21; C79, 81, §820.21]

**820.22 Receiving person extradited.**

Whenever the governor of this state shall demand a person charged with crime or with escaping from confinement or breaking the terms of the person's bail, probation or parole in this state, from the executive authority of any other state, or from the chief justice or an associate justice of the Supreme Court of the District of Columbia authorized to receive such demand under the laws of the United States, the governor shall issue a warrant under the seal of this state, to some agent, commanding the agent to receive the person so charged if delivered to the agent and convey the person to the proper officer of the county in this state in which the offense was committed.

[C51, §3282; R60, §4518; C73, §4171; C97, §5169; C24, 27, 31, 35, 39, §**13497;** C46, §759.1; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.22; C79, 81, §820.22]

**820.23 Application for extradition.**

When the return to this state of a person charged with crime in this state is required, the prosecuting attorney shall present to the governor the prosecuting attorney's written application for a requisition for the return of the person charged, in which application shall be stated the name of the person so charged, the crime charged against the person, the approximate time, place and circumstances of its commission, the state in which the person is believed to be, including the location of the accused therein at the time the application is made and certifying that, in the opinion of the said prosecuting attorney the ends of justice require the arrest and return of the accused to this state for trial and that the proceeding is not instituted to enforce a private claim.

When the return to this state is required of a person who has been convicted of a crime in this state and has escaped from confinement or broken the terms of the person's bail, probation or parole, the prosecuting attorney of the county in which the offense was committed, the parole board, or the warden of the institution or sheriff of the county, from which escape was made, shall present to the governor a written application for a requisition for the return of such person, in which application shall be stated the name of the person, the crime of which the person was convicted, the circumstances of the person's escape from confinement or of the breach of the terms of the person's bail, probation or parole, the state in which the person is believed to be, including the location of the person therein at the time application is made.

The application shall be verified by affidavit, shall be executed in duplicate and shall be accompanied by two certified copies of the indictment returned, or information and affidavit filed, or of the complaint made to the judge or magistrate, stating the offense with which the accused is charged, or of the judgment of conviction or of the sentence. The prosecuting officer, parole board, warden or sheriff may also attach such further affidavits and other documents in duplicate as the prosecuting officer, parole board, warden or sheriff shall deem proper to be submitted with such application. One copy of the application, with the action of the governor indicated by endorsement thereon, and one of the certified copies of the indictment, complaint, information, and affidavits or of the judgment of conviction or of the sentence shall be filed in the office of the governor to remain of record in that office. The other copies of all papers shall be forwarded with the governor's requisition.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.23; C79, 81, §820.23]

Referred to in §820.5

**820.24 Expenses — how paid.**

When the punishment of the crime shall be the confinement of the criminal in the penitentiary, the expenses shall be paid out of the state treasury, on the certificate of the governor and warrant of the director of the department of administrative services; and in all other cases they shall be paid out of the county treasury in the county wherein the crime is alleged to have been committed. The expenses shall be the fees paid to the officers of the state on whose governor the requisition is made, and all necessary and actual traveling expenses incurred in returning the prisoner.

[C51, §3282; R60, §4518; C73, §4171, 4184; C97, §5169, 5181; C24, 27, 31, 35, 39, §**13498, 13499, 13511;** C46, §759.2, 759.3, 759.15; C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.24; C79, 81, §820.24]

2003 Acts, ch 145, §286

**820.25 Waiver by person arrested.**

Any person arrested in this state charged with having committed any crime in another state or alleged to have escaped from confinement, or broken the terms of bail, probation or parole may waive the issuance and service of the warrant provided for in sections 820.7 and 820.8 and all other procedure incidental to extradition proceedings, by executing or subscribing in the presence of a judge of any court of record within this state a writing which states that the person consents to return to the demanding state; provided, however, that before such waiver shall be executed or subscribed by such person it shall be the duty of such judge to inform such person of the person's rights to the issuance and service of a warrant of extradition and to obtain a writ of habeas corpus as provided for in section 820.10.

If and when such consent has been duly executed it shall forthwith be forwarded to the office of the governor of this state and filed therein. The judge shall direct the officer having such person in custody to deliver forthwith such person to the duly accredited agent or agents of the demanding state, and shall deliver or cause to be delivered to such agent or agents a copy of such consent; provided, however, that nothing in this section shall be deemed to limit the rights of the accused person to return voluntarily and without formality to the demanding state, nor shall this waiver procedure be deemed to be an exclusive procedure or to limit the powers, rights or duties of the officers of the demanding state or of this state.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.25; C79, 81, §820.25]

**820.26 State's rights not deemed waived.**

Nothing in this chapter contained shall be deemed to constitute a waiver by this state of its right, power or privilege to try such demanded person for crime committed within this state, or of its right, power or privilege to regain custody of such person by extradition proceedings or otherwise for the purpose of trial, sentence or punishment for any crime committed within this state, nor shall any proceedings had under this chapter which result in, or fail to result in, extradition be deemed a waiver by this state of any of its rights, privileges or jurisdiction in any way whatsoever.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.26; C79, 81, §820.26]

**820.27 Trial for other crimes.**

After a person has been brought back to this state by, or after waiver of extradition proceedings, the person may be tried in this state for other crimes which the person may be charged with having committed here as well as that specified in the requisition for the person's extradition.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.27; C79, 81, §820.27]

**820.28 Construction of chapter.**

The provisions of this chapter shall be so interpreted and construed as to effectuate its general purposes to make uniform the law of those states which enact it.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.28; C79, 81, §820.28]

**820.29 Title.**

This chapter may be cited as the *"Uniform Criminal Extradition Act"*.

[C50, 54, 58, 62, 66, 71, 73, 75, 77, §759.29; C79, 81, §820.29]

# CHAPTER 821

## AGREEMENT ON DETAINERS COMPACT

Referred to in §602.6405, 906.4


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|---|---|---|---|
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**821.1 Agreement with other states.**

The agreement on detainers is hereby enacted into law and entered into by this state with all other jurisdictions legally joining therein in the form substantially as follows and the contracting states solemnly agree that:

1. *Article I.* The party states find that charges outstanding against a prisoner, detainers based on untried indictments, informations or complaints, and difficulties in securing speedy trial of persons already incarcerated in other jurisdictions, produce uncertainties which obstruct programs of prisoner treatment and rehabilitation. Accordingly, it is the policy of the party states and the purpose of this agreement to encourage the expeditious and orderly disposition of such charges and determination of the proper status of any and all detainers based on untried indictments, informations or complaints. The party states also find that proceedings with reference to such charges and detainers, when emanating from another jurisdiction, cannot properly be had in the absence of cooperative procedures. It is the further purpose of this agreement to provide such cooperative procedures.

2. *Article II.* As used in this agreement:

*a.* *"State"* shall mean a state of the United States; the United States of America; a territory or possession of the United States; the District of Columbia; the Commonwealth of Puerto Rico.

*b.* *"Sending state"* shall mean a state in which a prisoner is incarcerated at the time that the prisoner initiates a request for final disposition pursuant to article III hereof or at the time that a request for custody or availability is initiated pursuant to article IV hereof.

*c.* *"Receiving state"* shall mean the state in which trial is to be had on an indictment, information or complaint pursuant to article III or article IV hereof.

3. *Article III.*

*a.* Whenever a person has entered upon a term of imprisonment in a penal or correctional institution of a party state, and whenever during the continuance of the term of imprisonment there is pending in any other party state any untried indictment, information or complaint on the basis of which a detainer has been lodged against the prisoner, the prisoner shall be brought to trial within one hundred eighty days after the prisoner shall have caused to be delivered to the prosecuting officer and the appropriate court of the prosecuting officer's jurisdiction written notice of the place of the prisoner's imprisonment and the prisoner's request for a final disposition to be made of the indictment, information or complaint: Provided that for good cause shown in open court, the prisoner or the prisoner's counsel being present, the court having jurisdiction of the matter may grant any necessary or reasonable continuance. The request of the prisoner shall be accompanied by a certificate of the appropriate official having custody of the prisoner, stating the term of commitment under which the prisoner is being held, the time already served, the time remaining to be served on the sentence, the amount of good time earned, the time of parole eligibility of the prisoner, and any decisions of the state parole agency relating to the prisoner.

*b.* The written notice and request for final disposition referred to in paragraph *"a"* hereof shall be given or sent by the prisoner to the warden, commissioner of corrections or other official having custody of the prisoner, who shall promptly forward it together with the certificate to the appropriate prosecuting official and court by registered or certified mail, return receipt requested.

*c.* The warden, commissioner of corrections or other official having custody of the prisoner shall promptly inform the prisoner of the source and contents of any detainer lodged against the prisoner and shall also inform the prisoner of the prisoner's right to make a request for final disposition of the indictment, information or complaint on which the detainer is based.

*d.* Any request for final disposition made by a prisoner pursuant to paragraph *"a"* hereof shall operate as a request for final disposition of all untried indictments, informations or complaints on the basis of which detainers have been lodged against the prisoner from the state to whose prosecuting official the request for final disposition is specifically directed. The warden, commissioner of corrections or other official having custody of the prisoner shall forthwith notify all appropriate prosecuting officers and courts in the several jurisdictions within the state to which the prisoner's request for final disposition is being sent of the proceeding being initiated by the prisoner. Any notification sent pursuant to this paragraph shall be accompanied by copies of the prisoner's written notice, request, and the certificate. If trial is not had on any indictment, information or complaint contemplated hereby prior to the return of the prisoner to the original place of imprisonment, such indictment, information or complaint shall not be of any further force or effect, and the court shall enter an order dismissing the same with prejudice.

*e.* Any request for final disposition made by a prisoner pursuant to paragraph *"a"* hereof shall also be deemed to be a waiver of extradition with respect to any charge or proceeding contemplated thereby or included therein by reason of paragraph *"d"* hereof, and a waiver of extradition to the receiving state to serve any sentence there imposed upon the prisoner, after completion of the prisoner's term of imprisonment in the sending state. The request for final disposition shall also constitute a consent by the prisoner to the production of the prisoner's body in any court where the prisoner's presence may be required in order to effectuate the purposes of this agreement and a further consent voluntarily to be returned to the original place of imprisonment in accordance with the provisions of this agreement. Nothing in this paragraph shall prevent the imposition of a concurrent sentence if otherwise permitted by law.

*f.* Escape from custody by the prisoner subsequent to the prisoner's execution of the request for final disposition referred to in paragraph "*a*" hereof shall void the request.

4. *Article IV.*

*a.* The appropriate officer of the jurisdiction in which an untried indictment, information or complaint is pending shall be entitled to have a prisoner against whom the officer has lodged a detainer and who is serving a term of imprisonment in any party state made available in accordance with article V, paragraph "*a*" hereof upon presentation of a written request for temporary custody or availability to the appropriate authorities of the state in which the prisoner is incarcerated: Provided that the court having jurisdiction of such indictment, information or complaint shall have duly approved, recorded and transmitted the request: And provided further that there shall be a period of thirty days after receipt by the appropriate authorities before the request be honored, within which period the governor of the sending state may disapprove the request for temporary custody or availability, either upon the governor's own motion or upon motion of the prisoner.

*b.* Upon receipt of the officer's written request as provided in paragraph "*a*" hereof, the appropriate authorities having the prisoner in custody shall furnish the officer with a certificate stating the term of commitment under which the prisoner is being held, the time already served, the time remaining to be served on the sentence, the amount of good time earned, the time of parole eligibility of the prisoner, and any decisions of the state parole agency relating to the prisoner. Said authorities simultaneously shall furnish all other officers and appropriate courts in the receiving state who have lodged detainers against the prisoner with similar certificates and with notices informing them of the request for custody or availability and of the reasons therefor.

*c.* In respect of any proceeding made possible by this article, trial shall be commenced within one hundred twenty days of the arrival of the prisoner in the receiving state, but for good cause shown in open court, the prisoner or the prisoner's counsel being present, the court having jurisdiction of the matter may grant any necessary or reasonable continuance.

*d.* Nothing contained in this article shall be construed to deprive any prisoner of any right which the prisoner may have to contest the legality of the prisoner's delivery as provided in paragraph "*a*" hereof, but such delivery may not be opposed or denied on the ground that the executive authority of the sending state has not affirmatively consented to or ordered such delivery.

*e.* If trial is not had on any indictment, information or complaint contemplated hereby prior to the prisoner's being returned to the original place of imprisonment pursuant to article V, paragraph "*e*" hereof, such indictment, information or complaint shall not be of any further force or effect, and the court shall enter an order dismissing the same with prejudice.

5. *Article V.*

*a.* In response to a request made under article III or article IV hereof, the appropriate authority in a sending state shall offer to deliver temporary custody of such prisoner to the appropriate authority in the state where such indictment, information or complaint is pending against such person in order that speedy and efficient prosecution may be had. If the request for final disposition is made by the prisoner, the offer of temporary custody shall accompany the written notice provided for in article III of this agreement. In the case of a federal prisoner, the appropriate authority in the receiving state shall be entitled to temporary custody as provided by this agreement or to the prisoner's presence in federal custody at the place for trial, whichever custodial arrangement may be approved by the custodian.

*b.* The officer or other representative of a state accepting an offer of temporary custody shall present the following upon demand:

(1) Proper identification and evidence of the officer's or other representative's authority to act for the state into whose temporary custody the prisoner is to be given.

(2) A duly certified copy of the indictment, information or complaint on the basis of which the detainer has been lodged and on the basis of which the request for temporary custody of the prisoner has been made.

*c.* If the appropriate authority shall refuse or fail to accept temporary custody of said person, or in the event that an action on the indictment, information or complaint on the basis of which the detainer has been lodged is not brought to trial within the period provided in

article III or article IV hereof, the appropriate court of the jurisdiction where the indictment, information or complaint has been pending shall enter an order dismissing the same with prejudice, and any detainer based thereon shall cease to be of any force or effect.

*d.* The temporary custody referred to in this agreement shall be only for the purpose of permitting prosecution on the charge or charges contained in one or more untried indictments, informations or complaints which form the basis of the detainer or detainers or for prosecution on any other charge or charges arising out of the same transaction. Except for the prisoner's attendance at court and while being transported to or from any place at which the prisoner's presence may be required, the prisoner shall be held in a suitable jail or other facility regularly used for persons awaiting prosecution.

*e.* At the earliest practicable time consonant with the purposes of this agreement, the prisoner shall be returned to the sending state.

*f.* During the continuance of temporary custody or while the prisoner is otherwise being made available for trial as required by this agreement, time being served on the sentence shall continue to run but good time shall be earned by the prisoner only if, and to the extent that, the law and practice of the jurisdiction which imposed the sentence may allow.

*g.* For all purposes other than that for which temporary custody as provided in this agreement is exercised, the prisoner shall be deemed to remain in the custody of and subject to the jurisdiction of the sending state and any escape from temporary custody may be dealt with in the same manner as an escape from the original place of imprisonment or in any other manner permitted by law.

*h.* From the time that a party state receives custody of a prisoner pursuant to this agreement until such prisoner is returned to the territory and custody of the sending state, the state in which the one or more untried indictments, informations or complaints are pending or in which trial is being had shall be responsible for the prisoner and shall also pay all costs of transporting, caring for, keeping and returning the prisoner. The provisions of this paragraph shall govern unless the states concerned shall have entered into a supplementary agreement providing for a different allocation of costs and responsibilities as between or among themselves. Nothing herein contained shall be construed to alter or affect any internal relationship among the departments, agencies and officers of and in the government of a party state, or between a party state and its subdivisions, as to the payment of costs, or responsibilities therefor.

6. *Article VI.*

*a.* In determining the duration and expiration dates of the time periods provided in articles III and IV of this agreement, the running of said time periods shall be tolled whenever and for as long as the prisoner is unable to stand trial, as determined by the court having jurisdiction of the matter.

*b.* No provision of this agreement, and no remedy made available by this agreement, shall apply to any person who is adjudged to be mentally ill.

7. *Article VII.* Each state party to this agreement shall designate an officer who, acting jointly with like officers of other party states, shall promulgate rules and regulations to carry out more effectively the terms and provisions of this agreement, and who shall provide, within and without the state, information necessary to the effective operation of this agreement.

8. *Article VIII.* This agreement shall enter into full force and effect as to a party state when such state has enacted the same into law. A state party to this agreement may withdraw herefrom by enacting a statute repealing the same. However, the withdrawal of any state shall not affect the status of any proceedings already initiated by inmates or by state officers at the time such withdrawal takes effect, nor shall it affect their rights in respect thereof.

9. *Article IX.* This agreement shall be liberally construed so as to effectuate its purposes. The provisions of this agreement shall be severable and if any phrase, clause, sentence or provision of this agreement is declared to be contrary to the Constitution of any party state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this agreement and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this agreement shall be held contrary to the Constitution of any state party hereto,

the agreement shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

[C66, 71, 73, 75, 77, §759A.1; C79, 81, §821.1]

2008 Acts, ch 1032, §201

**821.2 Court defined.**

The phrase *"appropriate court"* as used in the agreement on detainers shall, with reference to the courts of this state, mean any court with criminal jurisdiction in the matter involved.

[C66, 71, 73, 75, 77, §759A.2; C79, 81, §821.2]

**821.3 Cooperation.**

All courts, departments, agencies, officers, and employees of this state and its political subdivisions are hereby directed to enforce the agreement on detainers and to cooperate with one another and with other party states in enforcing the agreement and effectuating its purpose.

[C66, 71, 73, 75, 77, §759A.3; C79, 81, §821.3]

**821.4 Habitual criminals.**

Nothing in this chapter or in the agreement on detainers shall be construed to require the application of section 902.8 to any person on account of any conviction had in a proceeding brought to final disposition by reason of the use of this agreement.

[C66, 71, 73, 75, 77, §759A.4; C79, 81, §821.4]

**821.5 Escape in another state.**

Escape from custody while in another state, pursuant to this agreement on detainers shall constitute an offense against the laws of this state to the same extent and degree as an escape from the institution in which the prisoner was confined immediately prior to having been sent to another state pursuant to the provisions of the agreement on detainers and shall be punishable in the same manner as an escape from said institution.

[C66, 71, 73, 75, 77, §759A.5; C79, 81, §821.5]

**821.6 Transfer of custody.**

It shall be lawful and mandatory upon the warden or other official in charge of a penal or correctional institution in this state to give over the person of any inmate thereof whenever so required by the operation of the agreement on detainers.

[C66, 71, 73, 75, 77, §759A.6; C79, 81, §821.6]

**821.7 Detainer administrator.**

Pursuant to the agreement on detainers, the governor is hereby authorized to designate an officer or alternate who shall be the central administrator of and information agent for the agreement on detainers and who, acting jointly with like officers of other party states, shall have power to formulate rules and regulations to carry out more effectively the terms of the agreement, and shall serve subject to the pleasure of the governor.

[C66, 71, 73, 75, 77, §759A.7; C79, 81, §821.7]

**821.8 Copies of law transmitted.**

Copies of this chapter shall, upon its approval, be transmitted to the governor of each state, the attorney general, and the administrator of general services of the United States, and the council of state governments.

[C66, 71, 73, 75, 77, §759A.8; C79, 81, §821.8]

# CHAPTER 822

## POSTCONVICTION PROCEDURE

Referred to in §814.7, 815.9, 815.11

This chapter not enacted as a part of this title;
transferred from chapter 663A in Code 1993


822.1 Statutes not applicable to convicted persons.
822.2 Situations where law applicable.
822.3 How to commence proceeding — limitation.
822.4 Facts to be presented.
822.5 Payment of costs.
822.6 Determination of relief.
822.7 Court to hear application.
822.8 Grounds must be all-inclusive.
822.9 Appeal.
822.10 Rule of construction.
822.11 Citation.


**822.1 Statutes not applicable to convicted persons.**

The provisions of sections 663.1 through 663.44, inclusive, shall not apply to persons convicted of, or sentenced for, a public offense.

[C71, 73, 75, 77, 79, 81, §663A.1]
C93, §822.1

**822.2 Situations where law applicable.**

1. Any person who has been convicted of, or sentenced for, a public offense and who claims any of the following may institute, without paying a filing fee, a proceeding under this chapter to secure relief:

*a.* The conviction or sentence was in violation of the Constitution of the United States or the Constitution or laws of this state.

*b.* The court was without jurisdiction to impose sentence.

*c.* The sentence exceeds the maximum authorized by law.

*d.* There exists evidence of material facts, not previously presented and heard, that requires vacation of the conviction or sentence in the interest of justice.

*e.* The person's sentence has expired, or probation, parole, or conditional release has been unlawfully revoked, or the person is otherwise unlawfully held in custody or other restraint.

*f.* The person's reduction of sentence pursuant to sections 903A.1 through 903A.7 has been unlawfully forfeited and the person has exhausted the appeal procedure of section 903A.3, subsection 2.

*g.* The conviction or sentence is otherwise subject to collateral attack upon any ground of alleged error formerly available under any common law, statutory or other writ, motion, petition, proceeding, or remedy, except alleged error relating to restitution, court costs, or fees under section 904.702 or chapter 815 or 910.

2. This remedy is not a substitute for nor does it affect any remedy, incident to the proceedings in the trial court, or of direct review of the sentence or conviction. Except as otherwise provided in this chapter, it comprehends and takes the place of all other common law, statutory, or other remedies formerly available for challenging the validity of the conviction or sentence. It shall be used exclusively in place of them.

[C71, 73, 75, 77, 79, 81, §663A.2; 81 Acts, ch 198, §1, 2]
83 Acts, ch 147, §10, 14; 86 Acts, ch 1075, §3
C93, §822.2
2006 Acts, ch 1010, §162
Referred to in §822.3, 822.5, 822.7, 822.9

**822.3 How to commence proceeding — limitation.**

A proceeding is commenced by filing an application verified by the applicant with the clerk of the district court in which the conviction or sentence took place. However, if the applicant is seeking relief under section 822.2, subsection 1, paragraph "*f*", the application shall be filed with the clerk of the district court of the county in which the applicant is being confined within ninety days from the date the disciplinary decision is final. All other applications must

be filed within three years from the date the conviction or decision is final or, in the event of an appeal, from the date the writ of procedendo is issued. However, this limitation does not apply to a ground of fact or law that could not have been raised within the applicable time period. Facts within the personal knowledge of the applicant and the authenticity of all documents and exhibits included in or attached to the application must be sworn to affirmatively as true and correct. The supreme court may prescribe the form of the application and verification. The clerk shall docket the application upon its receipt and promptly bring it to the attention of the court and deliver a copy to the county attorney and the attorney general.

[C71, 73, 75, 77, 79, 81, §663A.3]
84 Acts, ch 1193, §1; 89 Acts, ch 96, §1
C93, §822.3
2006 Acts, ch 1010, §163
Referred to in §602.8102(115), 822.4

**822.4 Facts to be presented.**

The application shall identify the proceedings in which the applicant was convicted, give the date of the entry of the judgment of conviction or sentence complained of, specifically set forth the grounds upon which the application is based, and clearly state the relief desired. Facts within the personal knowledge of the applicant shall be set forth separately from other allegations of facts and shall be verified as provided in section 822.3. Affidavits, records, or other evidence supporting its allegations shall be attached to the application or the application shall recite why they are not attached. The application shall identify all previous proceedings, together with the grounds therein asserted, taken by the applicant to secure relief from the conviction or sentence. Argument, citations, and discussion of authorities are unnecessary.

[C71, 73, 75, 77, 79, 81, §663A.4]
C93, §822.4

**822.5 Payment of costs.**

If the applicant is unable to pay court costs and stenographic and printing expenses, these costs and expenses shall be made available to the applicant in the trial court, and on review. Unless the applicant is confined in a state institution and is seeking relief under section 822.2, subsection 1, paragraphs "*e*" and "*f*", the costs and expenses of legal representation shall also be made available to the applicant in the preparation of the application, in the trial court, and on review if the applicant is unable to pay. However, nothing in this section shall be interpreted to require payment of expenses of legal representation, including stenographic, printing, or other legal services or consultation, when the applicant is self-represented or is utilizing the services of an inmate.

[C71, 73, 75, 77, 79, 81, §663A.5; 82 Acts, ch 1108, §1]
91 Acts, ch 219, §18
C93, §822.5
98 Acts, ch 1016, §1, 3; 98 Acts, ch 1132, §1; 2006 Acts, ch 1010, §164
Referred to in §610A.1

**822.6 Determination of relief.**

Within thirty days after the docketing of the application, or within any further time the court may fix, the state shall respond by answer or by motion which may be supported by affidavits. At any time prior to entry of judgment the court may grant leave to withdraw the application. The court may make appropriate orders for amendment of the application or any pleading or motion, for pleading over, for filing further pleadings or motions, or for extending the time of the filing of any pleading. In considering the application the court shall take account of substance regardless of defects of form. If the application is not accompanied by the record of the proceedings challenged therein, the respondent shall file with its answer the record or portions thereof that are material to the questions raised in the application.

When a court is satisfied, on the basis of the application, the answer or motion, and the record, that the applicant is not entitled to postconviction relief and no purpose would be served by any further proceedings, it may indicate to the parties its intention to dismiss the application and its reasons for dismissal. The applicant shall be given an opportunity to reply

to the proposed dismissal. In light of the reply, or on default thereof, the court may order the application dismissed or grant leave to file an amended application or direct that the proceedings otherwise continue. Disposition on the pleadings and record is not proper if a material issue of fact exists.

The court may grant a motion by either party for summary disposition of the application, when it appears from the pleadings, depositions, answers to interrogatories, and admissions and agreements of fact, together with any affidavits submitted, that there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law.

[C71, 73, 75, 77, 79, 81, §663A.6]
C93, §822.6

**822.7 Court to hear application.**

The application shall be heard in, and before any judge of the court in which the conviction or sentence took place. However, if the applicant is seeking relief under section 822.2, subsection 1, paragraph *"f"*, the application shall be heard in, and before any judge of the court of the county in which the applicant is being confined. A record of the proceedings shall be made and preserved. All rules and statutes applicable in civil proceedings including pretrial and discovery procedures are available to the parties. The court may receive proof of affidavits, depositions, oral testimony, or other evidence, and may order the applicant brought before it for the hearing. If the court finds in favor of the applicant, it shall enter an appropriate order with respect to the conviction or sentence in the former proceedings, and any supplementary orders as to rearraignment, retrial, custody, bail, discharge, correction of sentence, or other matters that may be necessary and proper. The court shall make specific findings of fact, and state expressly its conclusions of law, relating to each issue presented. This order is a final judgment.

[C71, 73, 75, 77, 79, 81, §663A.7; 81 Acts, ch 198, §3]
C93, §822.7
2006 Acts, ch 1010, §165

**822.8 Grounds must be all-inclusive.**

All grounds for relief available to an applicant under this chapter must be raised in the applicant's original, supplemental or amended application. Any ground finally adjudicated or not raised, or knowingly, voluntarily, and intelligently waived in the proceeding that resulted in the conviction or sentence, or in any other proceeding the applicant has taken to secure relief, may not be the basis for a subsequent application, unless the court finds a ground for relief asserted which for sufficient reason was not asserted or was inadequately raised in the original, supplemental, or amended application.

[C71, 73, 75, 77, 79, 81, §663A.8]
C93, §822.8

**822.9 Appeal.**

An appeal from a final judgment entered under this chapter may be taken, perfected, and prosecuted either by the applicant or by the state in the manner and within the time after judgment as provided in the rules of appellate procedure for appeals from final judgments in criminal cases. However, if a party is seeking an appeal under section 822.2, subsection 1, paragraph *"f"*, the appeal shall be by writ of certiorari.

[C71, 73, 75, 77, 79, 81, §663A.9]
85 Acts, ch 157, §3; 90 Acts, ch 1043, §1; 92 Acts, ch 1212, §38
C93, §822.9
96 Acts, ch 1018, §1; 2006 Acts, ch 1010, §166

**822.10 Rule of construction.**

This chapter shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it.

[C71, 73, 75, 77, 79, 81, §663A.10]
C93, §822.10

**822.11 Citation.**
This chapter may be cited as the *"Uniform Postconviction Procedure Act"*.
[C71, 73, 75, 77, 79, 81, §663A.11]
C93, §822.11

# CHAPTERS 823 to 899

RESERVED

# SUBTITLE 3

## CRIMINAL CORRECTIONS

## CHAPTER 900

RESERVED

## CHAPTER 901

JUDGMENT AND SENTENCING PROCEDURES

Referred to in §232.55, 901A.2, 904.602


| | |
|---|---|
| 901.1 | Short title. |
| 901.2 | Presentence investigation. |
| 901.3 | Presentence investigation report. |
| 901.4 | Presentence investigation report confidential — access. |
| 901.4A | Substance abuse evaluation. |
| 901.5 | Pronouncing judgment and sentence. |
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| 901.6 | Judgment entered. |
| 901.7 | Commitment to custody. |
| 901.8 | Consecutive sentences. |
| 901.9 | Information for parole board. |
| 901.10 | Reduction of sentences. |


**901.1 Short title.**

Chapters 901 to 909 shall be known and may be cited as the *"Iowa Corrections Code"*.

[C79, 81, §901.1]

94 Acts, ch 1023, §71

**901.2 Presentence investigation.**

1. Upon a plea of guilty, a verdict of guilty, or a special verdict upon which a judgment of conviction of a public offense may be rendered, the court shall receive from the state, from the judicial district department of correctional services, and from the defendant any information which may be offered which is relevant to the question of sentencing. The court may consider information from other sources.

2. *a.* The court shall not order a presentence investigation when the offense is a class "A" felony. If, however, the board of parole determines that the Iowa medical and classification center reception report for a class "A" felon is inadequate, the board may request and shall be provided with additional information from the appropriate judicial district department of correctional services.

*b.* The court shall order a presentence investigation when the offense is any felony punishable under section 902.9, subsection 1, paragraph "*a*", or a class "B", class "C", or class "D" felony. A presentence investigation for any felony punishable under section 902.9, subsection 1, paragraph "*a*", or a class "B", class "C", or class "D" felony shall not be waived. The court may order, with the consent of the defendant, that the presentence investigation begin prior to the acceptance of a plea of guilty, or prior to a verdict of guilty.

*c.* The court may order a presentence investigation when the offense is an aggravated misdemeanor.

*d.* The court may order a presentence investigation when the offense is a serious misdemeanor only upon a finding of exceptional circumstances warranting an investigation. Notwithstanding section 901.3, a presentence investigation ordered by the court for a serious misdemeanor shall include information concerning only the following:

(1) A brief personal and social history of the defendant.

(2) The defendant's criminal record.

(3) The harm to the victim, the victim's immediate family, and the community, including any completed victim impact statement or statements and restitution plan.

3. The court may withhold execution of any judgment or sentence for such time as shall be reasonably necessary for an investigation with respect to deferment of judgment, deferment of sentence, or suspension of sentence and probation. The investigation shall be made by the judicial district department of correctional services.

4. The purpose of the report by the judicial district department of correctional services is to provide the court pertinent information for purposes of sentencing and to include suggestions for correctional planning for use by correctional authorities subsequent to sentencing.

[S13, §5447-a; C24, 27, 31, 35, 39, §**3800;** C46, 50, 54, 58, 62, 66, 71, 73, §247.20; C75, 77, §789A.3; C79, 81, §901.2]

83 Acts, ch 38, §2; 84 Acts, ch 1126, §1; 89 Acts, ch 156, §2; 90 Acts, ch 1251, §62; 94 Acts, ch 1099, §1; 99 Acts, ch 12, §12; 2000 Acts, ch 1122, §2; 2013 Acts, ch 30, §257; 2013 Acts, ch 90, §240

Referred to in §903B.10, 907.3A
See Code editor's note on simple harmonization
Section amended

**901.3 Presentence investigation report.**

1. If a presentence investigation is ordered by the court, the investigator shall promptly inquire into all of the following:

*a.* The defendant's characteristics, family and financial circumstances, needs, and potentialities.

*b.* The defendant's criminal record and social history.

*c.* The circumstances of the offense.

*d.* The time the defendant has been in detention.

*e.* The harm to the victim, the victim's immediate family, and the community. Additionally, the presentence investigator shall provide a victim impact statement form to each victim, if one has not already been provided, and shall file the completed statement or statements with the presentence investigation report.

*f.* The defendant's potential as a candidate for the community service sentence program established pursuant to section 907.13.

*g.* Any mitigating circumstances relating to the offense and the defendant's potential as a candidate for deferred judgment, deferred sentencing, a suspended sentence, or probation, if the defendant is charged with or convicted of assisting suicide pursuant to section 707A.2.

*h.* Whether the defendant has a history of mental health or substance abuse problems. If so, the investigator shall inquire into the treatment options available in both the community of the defendant and the correctional system.

2. All local and state mental and correctional institutions, courts, and police agencies shall furnish to the investigator on request the defendant's criminal record and other relevant information. The originating source of specific mental health or substance abuse information including the histories, treatment, and use of medications shall not be released to the presentence investigator unless the defendant authorizes the release of such information. If the defendant refuses to release the information, the presentence investigator may note the defendant's refusal to release mental health or substance abuse information in the presentence investigation report and rely upon other mental health or substance abuse information available to the presentence investigator. With the approval of the court, a physical examination or psychiatric evaluation of the defendant may be ordered, or the defendant may be committed to an inpatient or outpatient psychiatric facility for an evaluation of the defendant's personality and mental health. The results of any such examination or evaluation shall be included in the report of the investigator.

[C75, 77, §789A.4; C79, 81, §901.3; 82 Acts, ch 1069, §1]

86 Acts, ch 1178, §2; 90 Acts, ch 1251, §63; 91 Acts, ch 219, §23; 96 Acts, ch 1002, §4; 2011 Acts, ch 7, §1 – 3; 2013 Acts, ch 30, §222

Referred to in §901.2
Section amended

**901.4 Presentence investigation report confidential — access.**

The presentence investigation report is confidential and the court shall provide safeguards to ensure its confidentiality, including but not limited to sealing the report, which may be opened only by further court order. The defendant's attorney and the attorney for the state shall have access to the presentence investigation report at least three days prior to the date set for sentencing. The defendant's appellate attorney and the appellate attorney for the state shall have access to the presentence investigation report upon request and without the necessity of a court order. The report shall remain confidential except upon court order. However, the court may conceal the identity of the person who provided confidential information. The report of a medical examination or psychological or psychiatric evaluation shall be made available to the attorney for the state and to the defendant upon request. The reports are part of the record but shall be sealed and opened only on order of the court. If the defendant is committed to the custody of the Iowa department of corrections and is not a class "A" felon, the department and the board of parole shall have access to the presentence investigation report. Pursuant to section 904.602, the presentence investigation report may also be released by ordinary or electronic mail by the department of corrections or a judicial district department of correctional services to another jurisdiction for the purpose of providing interstate probation and parole compact or interstate compact for adult offender supervision services or evaluations, or to a substance abuse or mental health services provider when referring a defendant for services. The defendant or the defendant's attorney may file with the presentence investigation report, a denial or refutation of the allegations, or both, contained in the report. The denial or refutation shall be included in the report.

[C75, 77, §789A.5; C79, 81, §901.4]

83 Acts, ch 38, §3; 83 Acts, ch 96, §124, 159, 160; 89 Acts, ch 279, §7; 98 Acts, ch 1095, §1; 98 Acts, ch 1169, §17; 99 Acts, ch 112, §20; 2003 Acts, 1st Ex, ch 2, §50, 209; 2004 Acts, ch 1101, §92; 2004 Acts, ch 1106, §1; 2004 Acts, ch 1175, §465, 468; 2005 Acts, ch 171, §6; 2006 Acts, ch 1007, §1; 2010 Acts, ch 1159, §16

Referred to in §216A.136

**901.4A Substance abuse evaluation.**

Upon a plea of guilty, a verdict of guilty, or a special verdict upon which a judgment of conviction may be rendered, the court may order the defendant to submit to and complete a substance abuse evaluation, if the court determines that there is reason to believe that the defendant regularly abuses alcohol or other controlled substances and may be in need of treatment. An order made pursuant to this section may be made in addition to any other sentence or order of the court.

90 Acts, ch 1251, §64

Referred to in §901.5

**901.5 Pronouncing judgment and sentence.**

After receiving and examining all pertinent information, including the presentence investigation report and victim impact statements, if any, the court shall consider the following sentencing options. The court shall determine which of them is authorized by law for the offense, and of the authorized sentences, which of them or which combination of them, in the discretion of the court, will provide maximum opportunity for the rehabilitation of the defendant, and for the protection of the community from further offenses by the defendant and others. At the time fixed by the court for pronouncement of judgment and sentence, the court shall act accordingly:

1. If authorized by section 907.3, the court may defer judgment and sentence for an indefinite period in accordance with chapter 907.

2. If the defendant is not an habitual offender as defined by section 902.8, the court may pronounce judgment and impose a fine.

3. The court may pronounce judgment and impose a fine or sentence the defendant to confinement, or both, and suspend the execution of the sentence or any part of it as provided in chapter 907.

4. The court may pronounce judgment and impose a fine or sentence the defendant to confinement, or both.

5. If authorized by section 907.3, the court may defer the sentence and assign the defendant to the judicial district department of correctional services.

6. The court may pronounce judgment and sentence the defendant to confinement and then reconsider the sentence as provided by section 902.4 or 903.2.

7. The court shall inform the defendant of the mandatory minimum sentence, if one is applicable.

8. The court may order the defendant to complete any treatment indicated by a substance abuse evaluation ordered pursuant to section 901.4A or any other section.

8A. *a.* The court shall order DNA profiling of a defendant convicted of an offense that requires profiling under section 81.2.

*b.* Notwithstanding section 81.2, the court may order the defendant to provide a DNA sample to be submitted for DNA profiling if appropriate. In determining the appropriateness of ordering DNA profiling, the court shall consider the deterrent effect of DNA profiling, the likelihood of repeated offenses by the defendant, and the seriousness of the offense.

9. If the defendant is being sentenced for an aggravated misdemeanor or a felony, the court shall publicly announce the following:

*a.* That the defendant's term of incarceration may be reduced from the maximum sentence because of statutory earned time, work credits, and program credits.

*b.* That the defendant may be eligible for parole before the sentence is discharged.

*c.* In the case of multiple sentences, whether the sentences shall be served consecutively or concurrently.

10. *a.* In addition to any sentence imposed pursuant to chapter 902 or 903, the court shall order the department of transportation to revoke the defendant's driver's license or motor vehicle operating privilege for a period of one hundred eighty days, or to delay the issuance of a driver's license for one hundred eighty days after the person is first eligible if the defendant has not been issued a driver's license, and shall send a copy of the order in addition to the notice of conviction required under section 124.412, 126.26, or 453B.16, to the department of transportation, if the defendant is being sentenced for any of the following offenses:

(1) A controlled substance offense under section 124.401, 124.401A, 124.402, or 124.403.

(2) A drug or drug-related offense under section 126.3.

(3) A controlled substance tax offense under chapter 453B.

*b.* If the person's operating privileges are suspended or revoked at the time of sentencing, the order shall provide that the one hundred eighty-day revocation period shall not begin until all other suspensions or revocations have terminated.

11. In addition to any sentence or other penalty imposed against the defendant for an offense under chapter 124, the court shall consider the provisions of 21 U.S.C. § 862, regarding the denial of federal benefits to drug traffickers and possessors convicted under state or federal law, and may enter an order specifying the range and scope of benefits to be denied to the defendant, according to the provisions of 21 U.S.C. § 862. For the purposes of this subsection, "*federal benefit*" means the issuance of any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or through the appropriation of funds of the United States, but does not include any retirement, welfare, social security, health, disability, veterans, public housing, or similar benefit for which payments or services are required for eligibility. The supreme court may adopt rules establishing sentencing guidelines consistent with this subsection and 21 U.S.C. § 862. The clerk of the district court shall send a copy of any order issued pursuant to this subsection to the denial of federal benefits program of the United States department of justice, along with any other forms and information required by the department.

12. In addition to any sentence or other penalty imposed against the defendant for an offense under chapter 124, the court shall consider the denial of state benefits to the defendant, and may enter an order specifying the range and scope of benefits to be denied to the defendant, comparable to the federal benefits denied under subsection 11. For the purposes of this subsection, "*state benefit*" means the issuance of any grant, contract, loan, professional license, or commercial license provided by a state agency, department,

program, or otherwise through the appropriation of funds of the state, but does not include any retirement, welfare, health, disability, veterans, public housing, or similar benefit. The supreme court may adopt rules establishing sentencing guidelines consistent with this subsection and comparable to the guidelines for denial of federal benefits in 21 U.S.C. § 862. The clerk of the district court shall send a copy of any order issued pursuant to this subsection to each state agency, department, or program required to deny benefits pursuant to such an order.

13. In addition to any other sentence or other penalty imposed against the defendant, the court shall impose a special sentence if required under section 903B.1 or 903B.2.

14. Notwithstanding any provision in section 907.3 or any other provision of law prescribing a mandatory minimum sentence for the offense, if the defendant, other than a child being prosecuted as a youthful offender, is guilty of a public offense other than a class "A" felony, and was under the age of eighteen at the time the offense was committed, the court may suspend the sentence in whole or in part, including any mandatory minimum sentence, or with the consent of the defendant, defer judgment or sentence, and place the defendant on probation upon such conditions as the court may require.

[C79, 81, §901.5]

84 Acts, ch 1063, §1; 86 Acts, ch 1178, §3; 90 Acts, ch 1251, §65; 92 Acts, ch 1023, §1; 96 Acts, ch 1218, §68; 98 Acts, ch 1073, §9; 98 Acts, ch 1138, §26; 2000 Acts, ch 1122, §3; 2000 Acts, ch 1173, §2, 10; 2001 Acts, ch 165, §3; 2003 Acts, ch 109, §1; 2003 Acts, ch 156, §8; 2003 Acts, ch 179, §77; 2004 Acts, ch 1101, §93; 2005 Acts, ch 58, §1; 2005 Acts, ch 158, §14, 19, 37; 2006 Acts, ch 1101, §16; 2011 Acts, ch 38, §30; 2013 Acts, ch 30, §223; 2013 Acts, ch 42, §14

Referred to in §232.8, 321.212, 321.215, 321.218, 321A.17, 462A.14, 602.8103, 707.6A, 708.2A, 901.5A, 901.5B, 907.3
Modification of no-contact orders, §664A.5
Fines, see chapter 909
Surcharge on penalty, chapter 911
Unnumbered paragraph 1 amended
Unnumbered paragraph 2 stricken
NEW subsection 14

**901.5A Reopening of a sentence.**

1. A defendant sentenced by the court to the custody of the director of the department of corrections for an offense punishable under section 902.9, subsection 1, paragraph *"a"*, may have the judgment and sentence entered under section 901.5 reopened for resentencing if the following apply:

*a.* The county attorney from the county which prosecuted the defendant files a motion to reopen the sentence of the defendant based upon the defendant's cooperation in the prosecution of other persons.

*b.* The court finds the defendant cooperated in the prosecution of other persons.

2. Upon a finding by the court that the defendant cooperated in the prosecution of other persons, the court may reduce the maximum sentence imposed under the original sentencing order.

3. For purposes of calculating earned time under section 903A.2, the sentencing date for a defendant whose sentence has been reopened under this section shall be the date of the original sentencing order.

4. The filing of a motion or the reopening of a sentence under this section shall not constitute grounds to stay any other court proceedings, or to toll or restart the time for filing of any post-trial motion or any appeal.

5. The defendant may request appointment of counsel, if eligible under section 815.10, prior to and during any negotiations and proceedings pursuant to this section.

99 Acts, ch 12, §13; 2000 Acts, ch 1173, §3, 10; 2013 Acts, ch 30, §258

Subsection 1, unnumbered paragraph 1 amended

**901.5B Pronouncement of judgment and sentence — social security number.**

1. Prior to pronouncement of judgment and sentence pursuant to section 901.5, or prior to pleading guilty for an offense that does not require a court appearance, the defendant shall provide the defendant's social security number to the clerk of the district court or the court.

2. The clerk of the district court shall duly note the social security number in the case file.

3. The defendant's social security number shall be considered a confidential record exempted from public access under section 22.7, but shall be disclosed by the clerk of the district court for the limited purpose of collecting court debt pursuant to section 602.8107.

4. Failure or refusal to provide a social security number pursuant to this section shall not delay the pronouncement of judgment and sentence pursuant to section 901.5.

2008 Acts, ch 1172, §26

**901.6 Judgment entered.**

If judgment is not deferred, and no sufficient cause is shown why judgment should not be pronounced and none appears to the court upon the record, judgment shall be pronounced and entered. In every case in which judgment is entered, the court shall include in the judgment entry the number of the particular section of the Code and the name of the offense under which the defendant is sentenced and a statement of the days credited pursuant to section 903A.5 shall be incorporated into the sentence.

[C51, §3066; R60, §4873, 4874; C73, §4506, 4507; C97, §5438; C24, §13958; C27, 31, 35, §13958-a1; C39, §**13958.2;** C46, 50, 54, 58, 62, 66, §789.11; C71, 73, 75, 77, §789.11, 791.8; C79, 81, §901.6]

83 Acts, ch 38, §4; 83 Acts, ch 147, §11, 14

**901.7 Commitment to custody.**

In imposing a sentence of confinement for more than one year, the court shall commit the defendant to the custody of the director of the Iowa department of corrections. Upon entry of judgment and sentence, the clerk of the district court immediately shall notify the director of the commitment. The court shall make an order as appropriate for the temporary custody of the defendant pending the defendant's transfer to the custody of the director. The court shall order the county where a person was convicted to pay the cost of temporarily confining the person and of transporting the person to the state institution where the person is to be confined in execution of the judgment. The order shall require that a person transported to a state institution pursuant to this section shall be accompanied by a person of the same sex.

[C79, 81, §901.7]

83 Acts, ch 96, §125, 159; 85 Acts, ch 21, §49

Referred to in §602.8102(134), 904.503

**901.8 Consecutive sentences.**

If a person is sentenced for two or more separate offenses, the sentencing judge may order the second or further sentence to begin at the expiration of the first or succeeding sentence. If a person is sentenced for escape under section 719.4 or for a crime committed while confined in a detention facility or penal institution, the sentencing judge shall order the sentence to begin at the expiration of any existing sentence. If the person is presently in the custody of the director of the Iowa department of corrections, the sentence shall be served at the facility or institution in which the person is already confined unless the person is transferred by the director. Except as otherwise provided in section 903A.7, if consecutive sentences are specified in the order of commitment, the several terms shall be construed as one continuous term of imprisonment.

[S13, §5718-a13; C24, 27, 31, 35, 39, §**13961;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §789.14; C79, 81, §901.8]

83 Acts, ch 96, §126, 159; 97 Acts, ch 131, §1, 4

Referred to in §903.4

**901.9 Information for parole board.**

At the time of committing a defendant to the custody of the director of the Iowa department of corrections for incarceration, the trial judge and prosecuting attorney shall, and the defense attorney may, furnish the board of parole with a full statement of their recommendations relating to release or parole.

83 Acts, ch 38, §1; 83 Acts, ch 96, §160

**901.10 Reduction of sentences.**

1. A court sentencing a person for the person's first conviction under section 124.406, 124.413, or 902.7 may, at its discretion, sentence the person to a term less than provided by the statute if mitigating circumstances exist and those circumstances are stated specifically in the record.

2. Notwithstanding subsection 1, if the sentence under section 124.413 involves an amphetamine or methamphetamine offense under section 124.401, subsection 1, paragraph "*a*" or "*b*", the court shall not grant any reduction of sentence unless the defendant pleads guilty. If the defendant pleads guilty, the court may, at its discretion, reduce the mandatory minimum sentence by up to one-third. If the defendant additionally cooperates in the prosecution of other persons involved in the sale or use of controlled substances, and if the prosecutor requests an additional reduction in the defendant's sentence because of such cooperation, the court may grant a further reduction in the defendant's mandatory minimum sentence, up to one-half of the remaining mandatory minimum sentence.

3. A court sentencing a person for the person's first conviction under section 124.401D may, at its discretion, sentence the person to a term less than the maximum term provided under section 902.9, subsection 1, paragraph "*a*", if mitigating circumstances exist and those circumstances are stated specifically in the record. However, the court shall not grant any reduction of sentence unless the defendant pleads guilty. If the defendant pleads guilty, the court may, at its discretion, reduce the maximum sentence by up to one-third. If the defendant cooperates in the prosecution of other persons involved in the sale or use of controlled substances, and if the prosecutor requests an additional reduction in the defendant's sentence because of such cooperation, the court may grant a further reduction in the defendant's maximum sentence.

4. The state may appeal the discretionary decision on the grounds that the stated mitigating circumstances do not warrant a reduction of the sentence.

85 Acts, ch 41, §1; 98 Acts, ch 1138, §28; 99 Acts, ch 12, §14; 2000 Acts, ch 1144, §5; 2013 Acts, ch 30, §259

Subsection 3 amended

# CHAPTER 901A

## SEXUALLY PREDATORY OFFENSES

Referred to in §692.15, 901.1

901A.1 Definitions.
901A.2 Enhanced sentencing.
901A.3 and 901A.4 Repealed by 2000 Acts, ch 1030, §3, 4.

**901A.1 Definitions.**

1. As used in this chapter, the term "*sexually predatory offense*" means any serious or aggravated misdemeanor or felony which constitutes:

*a.* A violation of any provision of chapter 709.

*b.* Sexual exploitation of a minor in violation of section 728.12, subsection 1.

*c.* Enticing a minor in violation of section 710.10, subsection 1.

*d.* Pandering involving a minor in violation of section 725.3, subsection 2.

*e.* Any offense involving an attempt to commit an offense contained in this section.

*f.* An offense under prior law of this state or an offense committed in another jurisdiction which would constitute an equivalent offense under paragraphs "*a*" through "*e*".

2. As used in this chapter, the term "*prior conviction*" includes a plea of guilty, deferred judgment, deferred or suspended sentence, or adjudication of delinquency, regardless of whether a prior conviction occurred before, on, or after March 31, 2000.

3. As used in this chapter, the term *"sexually violent offense"* means the same as defined in section 229A.2.

96 Acts, ch 1082, §3; 97 Acts, ch 23, §79; 2000 Acts, ch 1030, §1, 2, 4; 2001 Acts, ch 17, §5; 2002 Acts, ch 1139, §23, 27; 2010 Acts, ch 1193, §68, 78

**901A.2 Enhanced sentencing.**

1. A person convicted of a sexually predatory offense which is a serious or aggravated misdemeanor, who has a prior conviction for a sexually predatory offense, shall be sentenced to and shall serve twice the maximum period of incarceration for the offense, notwithstanding any other provision of the Code to the contrary, prior to being eligible for parole or work release. However, a person sentenced under this subsection shall not have the person's sentence reduced under chapter 903A or otherwise by more than fifteen percent.

2. A person convicted of a sexually predatory offense which is a serious or aggravated misdemeanor, who has two or more prior convictions for sexually predatory offenses, shall be sentenced to and shall serve a period of incarceration of ten years, notwithstanding any other provision of the Code to the contrary. A person sentenced under this subsection shall not have the person's sentence reduced under chapter 903A or otherwise by more than fifteen percent.

3. Except as otherwise provided in subsection 5, a person convicted of a sexually predatory offense which is a felony, who has a prior conviction for a sexually predatory offense, shall be sentenced to and shall serve twice the maximum period of incarceration for the offense, or twenty-five years, whichever is greater, notwithstanding any other provision of the Code to the contrary. A person sentenced under this subsection shall not have the person's sentence reduced under chapter 903A or otherwise by more than fifteen percent.

4. Except as otherwise provided in subsection 5, a person convicted of a sexually predatory offense which is a felony who has previously been sentenced under subsection 3 shall be sentenced to life in prison on the same terms as a class "A" felon under section 902.1, notwithstanding any other provision of the Code to the contrary. In order for a person to be sentenced under this subsection, the prosecuting attorney shall allege and prove that this section is applicable to the person.

5. A person who has been convicted of a violation of section 709.3, subsection 1, paragraph *"b"*, shall, upon a second conviction for a violation of section 709.3, subsection 1, paragraph *"b"*, be committed to the custody of the director of the Iowa department of corrections for the rest of the person's life. In determining whether a conviction is a first or second conviction under this subsection, a prior conviction for a criminal offense committed in another jurisdiction which would constitute a violation of section 709.3, subsection 1, paragraph *"b"*, if committed in this state, shall be considered a conviction under this subsection. The terms and conditions applicable to sentences for class "A" felons under chapters 901 through 909 shall apply to persons sentenced under this subsection.

6. A person who has been placed in a transitional release program, released with or without supervision, or discharged pursuant to chapter 229A, and who is subsequently convicted of a sexually predatory offense or a sexually violent offense, shall be sentenced to life in prison on the same terms as a class "A" felon under section 902.1, notwithstanding any other provision of the Code to the contrary. The terms and conditions applicable to sentences for class "A" felons under chapters 901 through 909 shall apply to persons sentenced under this subsection. However, if the person commits a sexually violent offense which is a misdemeanor offense under chapter 709, the person shall be sentenced to life in prison, with eligibility for parole as provided in chapter 906.

7. A person sentenced under the provisions of this section shall not be eligible for deferred judgment, deferred sentence, or suspended sentence.

8. In addition to any other sentence imposed on a person convicted of a sexually predatory offense pursuant to subsection 1, 2, or 3, the person shall be sentenced to an additional term of parole or work release not to exceed two years. The board of parole shall determine whether the person should be released on parole or placed in a work release program. The sentence of parole supervision shall commence immediately upon the person's release by the board of parole and shall be under the terms and conditions as set out in chapter 906. Violations

of parole or work release shall be subject to the procedures set out in chapter 905 or 908 or rules adopted under those chapters. For purposes of disposition of a parole violator upon revocation of parole or work release, the sentence of an additional term of parole or work release shall be considered part of the original term of commitment to the department of corrections.

96 Acts, ch 1082, §4; 98 Acts, ch 1171, §19, 20; 2002 Acts, ch 1139, §24, 27; 2013 Acts, ch 90, §255

Subsection 5 amended

**901A.3 and 901A.4** Repealed by 2000 Acts, ch 1030, § 3, 4.

# CHAPTER 901B

## INTERMEDIATE CRIMINAL SANCTIONS

Referred to in §901.1, 901A.2, 902.1, 903B.1, 903B.2

901B.1 Corrections continuum — intermediate criminal sanctions program.

**901B.1 Corrections continuum — intermediate criminal sanctions program.**

1. The corrections continuum consists of the following:

*a.* LEVEL ONE. Noncommunity-based corrections sanctions including the following:

(1) Self-monitored sanctions. Self-monitored sanctions which are not monitored for compliance including, but not limited to, fines and community service.

(2) Other than self-monitored sanctions. Other than self-monitored sanctions which are monitored for compliance by other than the district department of correctional services including, but not limited to, mandatory mediation, victim and offender reconciliation, and noncommunity-based corrections supervision.

*b.* LEVEL TWO. Probation and parole options consisting of the following:

(1) Monitored sanctions. Monitored sanctions are administrative supervision sanctions which are monitored for compliance by the district department of correctional services and include, but are not limited to, low-risk offender-diversion programs.

(2) Supervised sanctions. Supervised sanctions are regular probation or parole supervision and any conditions established in the probation or parole agreement or by court order.

(3) Intensive supervision sanctions. Intensive supervision sanctions provide levels of supervision above sanctions in subparagraph (2) but are less restrictive than sanctions under paragraph "c" and include electronic monitoring, day reporting, day programming, live-out programs for persons on work release or who have violated chapter 321J, and institutional work release under section 904.910.

*c.* LEVEL THREE. Quasi-incarceration sanctions. Quasi-incarceration sanctions are those supported by residential facility placement or twenty-four hour electronic monitoring including, but not limited to, the following:

(1) Residential treatment facilities.

(2) Operating while intoxicated offender treatment facilities.

(3) Work release facilities.

(4) House arrest with electronic monitoring.

(5) A substance abuse treatment facility as established and operated by the Iowa department of public health or the department of corrections.

*d.* LEVEL FOUR. Short-term incarceration designed to be of short duration, including, but not limited to, the following:

(1) Twenty-one day shock incarceration for persons who violate chapter 321J.

(2) Jail for less than thirty days.

(3) Violators' facilities.
(4) Prison with sentence reconsideration.
*e.* LEVEL FIVE. Incarceration which consists of the following:
(1) Prison.
(2) Jail for thirty days or longer.

2. *"Intermediate criminal sanctions program"* means a program structured around the corrections continuum in subsection 1, describing sanctions and services available in each level of the continuum in the district and containing the policies of the district department of correctional services regarding placement of a person in a particular level of sanction and the requirements and conditions under which a defendant will be transferred between levels in the corrections continuum under the program.

3. *a.* Each judicial district and judicial district department of correctional services shall implement an intermediate criminal sanctions program. An intermediate criminal sanctions program shall consist of only levels two, three, and sublevels one and three of level four of the corrections continuum and shall be operated in accordance with an intermediate criminal sanctions plan adopted by the chief judge of the judicial district and the director of the judicial district department of correctional services. The plan adopted shall be designed to reduce probation revocations to prison through the use of incremental, community-based sanctions for probation violations.

*b.* The plan shall be subject to rules adopted by the department of corrections. The rules shall include provisions for transferring individuals between levels in the continuum. The provisions shall include a requirement that the reasons for the transfer be in writing and that an opportunity for the individual to contest the transfer be made available.

*c.* A copy of the program and plan shall be filed with the chief judge of the judicial district, the department of corrections, and the division of criminal and juvenile justice planning of the department of human rights.

4. *a.* The district department of correctional services shall place an individual committed to it under section 907.3 to the sanction and level of supervision which is appropriate to the individual based upon a current risk assessment evaluation. Placements may be to levels two and three of the corrections continuum. The district department may, with the approval of the Iowa department of public health and the department of corrections, place an individual in a level three substance abuse treatment facility established pursuant to section 135.130, to assist the individual in complying with a condition of probation. The district department may, with the approval of the department of corrections, place an individual in a level four violator facility established pursuant to section 904.207 only as a penalty for a violation of a condition imposed under this section.

*b.* The district department may transfer an individual along the intermediate criminal sanctions program operated pursuant to subsection 3 as necessary and appropriate during the period the individual is assigned to the district department. However, nothing in this section shall limit the district department's ability to seek a revocation of the individual's probation pursuant to section 908.11.

96 Acts, ch 1193, §15; 2000 Acts, ch 1201, §14; 2001 Acts, ch 184, §10, 11; 2003 Acts, 1st Ex, ch 2, §51, 209; 2013 Acts, ch 90, §212

Referred to in §905.1, 907.3
Subsection 3 amended

# CHAPTER 902

## FELONIES

Referred to in §663A.1, 708.2A, 901.1, 901.5, 901A.2


902.1 Class "A" felony.
902.2 Commutation procedure for class "A" felons.
902.3 Indeterminate sentence.
902.3A Determinate sentencing and additional term of years for class "D" felons. Repealed by 2003 Acts, ch 156, §22.
902.4 Reconsideration of felon's sentence.
902.5 Place of confinement.
902.6 Release.
902.7 Minimum sentence — use of a dangerous weapon.
902.8 Minimum sentence — habitual offender.
902.8A Minimum sentence for conspiring to manufacture, or delivery of, amphetamine or methamphetamine to a minor.
902.9 Maximum sentence for felons.
902.10 Application for involuntary hospitalization.
902.11 Minimum sentence — eligibility of prior forcible felon for parole or work release.
902.12 Minimum sentence for certain felonies — eligibility for parole or work release.
902.13 Reserved.
902.14 Enhanced penalty — sexual abuse or lascivious acts with a child.


**902.1 Class "A" felony.**

1. Upon a plea of guilty, a verdict of guilty, or a special verdict upon which a judgment of conviction of a class "A" felony may be rendered, the court shall enter a judgment of conviction and shall commit the defendant into the custody of the director of the Iowa department of corrections for the rest of the defendant's life. Nothing in the Iowa corrections code pertaining to deferred judgment, deferred sentence, suspended sentence, or reconsideration of sentence applies to a class "A" felony, and a person convicted of a class "A" felony shall not be released on parole unless the governor commutes the sentence to a term of years.

2. *a.* Notwithstanding subsection 1, a person convicted of a class "A" felony, and who was under the age of eighteen at the time the offense was committed shall be eligible for parole after serving a minimum term of confinement of twenty-five years.

*b.* If a person is paroled pursuant to this subsection the person shall be subject to the same set of procedures set out in chapters 901B, 905, 906, and chapter 908, and rules adopted under those chapters for persons on parole.

*c.* A person convicted of murder in the first degree in violation of section 707.2 shall not be eligible for parole pursuant to this subsection.

[C79, 81, §902.1]

83 Acts, ch 96, §127, 159; 2011 Acts, ch 131, §147, 148, 158

Referred to in §901A.2, 902.2, 903A.2

**902.2 Commutation procedure for class "A" felons.**

A person who has been sentenced to life imprisonment under section 902.1 may, no more frequently than once every ten years, make an application to the governor requesting that the person's sentence be commuted to a term of years. The director of the Iowa department of corrections may make a request to the governor that a person's sentence be commuted to a term of years at any time. Upon receipt of a request for commutation, the governor shall send a copy of the request to the Iowa board of parole for investigation and recommendations as to whether the person should be considered for commutation. The board shall conduct an interview of the class "A" felon and shall make a report of its findings and recommendations to the governor.

[S13, §5718-a18; C24, 27, 31, 35, 39, §**3786;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.5; C79, 81, §902.2]

95 Acts, ch 128, §1

Referred to in §903A.2, 914.2, 914.3

**902.3 Indeterminate sentence.**

When a judgment of conviction of a felony other than a class "A" felony is entered against a person, the court, in imposing a sentence of confinement, shall commit the person into the custody of the director of the Iowa department of corrections for an indeterminate term, the maximum length of which shall not exceed the limits as fixed by section 902.9, unless otherwise prescribed by statute, nor shall the term be less than the minimum term imposed by law, if a minimum sentence is provided. However, if the court suspends a person's sentence under section 321J.2, subsection 5, paragraph *"a"*, the court shall order the offender to serve time in the county jail as provided in section 321J.2, subsection 5, paragraph *"a"*, notwithstanding any provision to the contrary in section 903.4.

[S13, §5718-a13; C24, 27, 31, 35, 39, §**13960;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §789.13; C79, 81, §902.3; 82 Acts, ch 1239, §3]

83 Acts, ch 96, §128, 159; 86 Acts, ch 1220, §43; 99 Acts, ch 12, §15; 2002 Acts, ch 1042, §2; 2010 Acts, ch 1124, §4, 9

Referred to in §904.108

**902.3A Determinate sentencing and additional term of years for class "D" felons.** Repealed by 2003 Acts, ch 156, § 22.

**902.4 Reconsideration of felon's sentence.**

For a period of one year from the date when a person convicted of a felony, other than a class "A" felony or a felony for which a minimum sentence of confinement is imposed, begins to serve a sentence of confinement, the court, on its own motion or on the recommendation of the director of the Iowa department of corrections, may order the person to be returned to the court, at which time the court may review its previous action and reaffirm it or substitute for it any sentence permitted by law. Copies of the order to return the person to the court shall be provided to the attorney for the state, the defendant's attorney, and the defendant. Upon a request of the attorney for the state, the defendant's attorney, or the defendant if the defendant has no attorney, the court may, but is not required to, conduct a hearing on the issue of reconsideration of sentence. The court shall not disclose its decision to reconsider or not to reconsider the sentence of confinement until the date reconsideration is ordered or the date the one-year period expires, whichever occurs first. The district court retains jurisdiction for the limited purposes of conducting such review and entering an appropriate order notwithstanding the timely filing of a notice of appeal. The court's final order in the proceeding shall be delivered to the defendant personally or by regular mail. The court's decision to take the action or not to take the action is not subject to appeal. However, for the purposes of appeal, a judgment of conviction of a felony is a final judgment when pronounced.

[C79, 81, §902.4]

83 Acts, ch 96, §129, 159; 84 Acts, ch 1139, §1; 84 Acts, ch 1149, §1; 97 Acts, ch 189, §1; 2001 Acts, ch 165, §5; 2003 Acts, ch 151, §59

Referred to in §901.5, 902.6

**902.5 Place of confinement.**

The director of the Iowa department of corrections shall determine the appropriate place of confinement of any person committed to the director's custody, in any institution administered by the director, and may transfer the person from one institution to another during the person's period of confinement.

[S13, §5718-a5; C24, 27, 31, 35, 39, §**13963;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §789.16; C79, 81, §902.5]

83 Acts, ch 96, §130, 159

**902.6 Release.**

A person who has been committed to the custody of the director of the Iowa department of corrections shall remain in custody until released by the order of the board of parole, in accordance with the law governing paroles, or by order of the judge after reconsideration

of a felon's sentence pursuant to section 902.4 or until the maximum term of the person's confinement, as fixed by law, has been completed.

[S13, §5718-a18; C24, 27, 31, 35, 39, §**3786;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.5; C79, 81, §902.6]

83 Acts, ch 96, §131, 159

**902.7 Minimum sentence — use of a dangerous weapon.**

At the trial of a person charged with participating in a forcible felony, if the trier of fact finds beyond a reasonable doubt that the person is guilty of a forcible felony and that the person represented that the person was in the immediate possession and control of a dangerous weapon, displayed a dangerous weapon in a threatening manner, or was armed with a dangerous weapon while participating in the forcible felony the convicted person shall serve a minimum of five years of the sentence imposed by law. A person sentenced pursuant to this section shall not be eligible for parole until the person has served the minimum sentence of confinement imposed by this section.

[C79, 81, §902.7]

95 Acts, ch 126, §1

Referred to in §901.10, 903A.5

Definition of forcible felony, §702.11

**902.8 Minimum sentence — habitual offender.**

An habitual offender is any person convicted of a class "C" or a class "D" felony, who has twice before been convicted of any felony in a court of this or any other state, or of the United States. An offense is a felony if, by the law under which the person is convicted, it is so classified at the time of the person's conviction. A person sentenced as an habitual offender shall not be eligible for parole until the person has served the minimum sentence of confinement of three years.

[S13, §4871-a, 5091-a; C24, 27, 31, 35, 39, §**13396, 13400;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §747.1, 747.5; C79, 81, §902.8]

Referred to in §821.4, 901.5, 903A.5

See §901.5(7)

**902.8A Minimum sentence for conspiring to manufacture, or delivery of, amphetamine or methamphetamine to a minor.**

A person who has been convicted for a first violation under section 124.401D shall not be eligible for parole until the person has served a minimum term of confinement of ten years.

99 Acts, ch 12, §16

Referred to in §903A.5

**902.9 Maximum sentence for felons.**

1. The maximum sentence for any person convicted of a felony shall be that prescribed by statute or, if not prescribed by statute, if other than a class "A" felony shall be determined as follows:

*a.* A felon sentenced for a first conviction for a violation of section 124.401D, shall be confined for no more than ninety-nine years.

*b.* A class "B" felon shall be confined for no more than twenty-five years.

*c.* An habitual offender shall be confined for no more than fifteen years.

*d.* A class "C" felon, not an habitual offender, shall be confined for no more than ten years, and in addition shall be sentenced to a fine of at least one thousand dollars but not more than ten thousand dollars.

*e.* A class "D" felon, not an habitual offender, shall be confined for no more than five years, and in addition shall be sentenced to a fine of at least seven hundred fifty dollars but not more than seven thousand five hundred dollars.

2. The surcharges required by sections 911.1, 911.2, and 911.3 shall be added to a fine

imposed on a class "C" or class "D" felon, as provided by those sections, and are not a part of or subject to the maximums set in this section.

[C79, 81, §902.9]

84 Acts, ch 1134, §1; 84 Acts, ch 1219, §38; 86 Acts, ch 1220, §44; 92 Acts, ch 1163, §121; 93 Acts, ch 110, §9; 99 Acts, ch 12, §17; 99 Acts, ch 65, §6, 7; 2001 Acts, ch 168, §4; 2002 Acts, ch 1042, §3; 2002 Acts, ch 1050, §55; 2004 Acts, ch 1111, §7; 2013 Acts, ch 30, §224

Referred to in §48A.11, 124.401, 124.401D, 707.3, 708.2A, 708A.2, 716.10, 724.4A, 726.6, 726.6A, 728.12, 811.1, 901.2, 901.5A, 901.10, 902.3, 906.5, 907.14

Enhanced penalties in weapons free zones, see §724.4A

Habitual offender, §902.8

Fines, see chapter 909

Surcharge on penalty, chapter 911

Section amended

**902.10 Application for involuntary hospitalization.**

For the purposes of chapter 229, the director of the Iowa department of corrections is an interested person and all applicable provisions of chapter 229, relating to involuntary hospitalization, apply to persons who have been committed to the custody of the Iowa department of corrections as a result of a conviction of a public offense.

[C79, 81, §902.10]

83 Acts, ch 96, §132, 159

**902.11 Minimum sentence — eligibility of prior forcible felon for parole or work release.**

A person serving a sentence for conviction of a felony, who has a criminal record of one or more prior convictions for a forcible felony or a crime of a similar gravity in this or any other state, shall be denied parole or work release unless the person has served at least one-half of the maximum term of the defendant's sentence. However, the mandatory sentence provided for by this section does not apply if either of the following apply:

1. The sentences for the prior forcible felonies expired at least five years before the date of conviction for the present felony.

2. The sentence being served is on a conviction for operating a motor vehicle while under the influence of alcohol or a drug under chapter 321J.

88 Acts, ch 1091, §2; 96 Acts, ch 1151, §1, 2; 2003 Acts, ch 156, §10

Referred to in §903A.5

**902.12 Minimum sentence for certain felonies — eligibility for parole or work release.**

A person serving a sentence for conviction of the following felonies, including a person serving a sentence for conviction of the following felonies prior to July 1, 2003, shall be denied parole or work release unless the person has served at least seven-tenths of the maximum term of the person's sentence:

1. Murder in the second degree in violation of section 707.3.

2. Attempted murder in violation of section 707.11.

3. Sexual abuse in the second degree in violation of section 709.3.

4. Kidnapping in the second degree in violation of section 710.3.

5. Robbery in the first or second degree in violation of section 711.2 or 711.3.

6. Vehicular homicide in violation of section 707.6A, subsection 1 or 2, if the person was also convicted under section 321.261, subsection 4, based on the same facts or event that resulted in the conviction under section 707.6A, subsection 1 or 2.

96 Acts, ch 1151, §3; 98 Acts, ch 1007, §1, 2; 98 Acts, ch 1088, §3; 2003 Acts, ch 156, §11, 12; 2004 Acts, ch 1150, §1; 2006 Acts, ch 1082, §3

Referred to in §903A.2, 905.6, 905.11, 906.4, 906.15

**902.13** Reserved.

**902.14 Enhanced penalty — sexual abuse or lascivious acts with a child.**

1. A person commits a class "A" felony if the person commits a second or subsequent offense involving any combination of the following offenses:

*a.* Sexual abuse in the second degree in violation of section 709.3.

*b.* Sexual abuse in the third degree in violation of section 709.4.

*c.* Lascivious acts with a child in violation of section 709.8, subsection 1, paragraph "*a*" or "*b*".

2. In determining if a violation charged is a second or subsequent offense for purposes of criminal sentencing in this section, each previous violation on which conviction or deferral of judgment was entered prior to the date of the violation charged shall be considered and counted as a separate previous offense, regardless of whether the previous offense occurred before, on, or after July 1, 2005. Convictions or the equivalent of deferred judgments for violations in any other states under statutes substantially corresponding to the offenses listed in subsection 1 shall be counted as previous offenses. The courts shall judicially notice the statutes of other states which define offenses substantially equivalent to the offenses listed in subsection 1 and can therefore be considered corresponding statutes.

2005 Acts, ch 158, §38; 2013 Acts, ch 30, §260
Subsection 1, paragraph c amended

# CHAPTER 903

## MISDEMEANORS

Referred to in §708.2A, 901.1, 901.5, 901A.2


| | | | |
|---|---|---|---|
| 903.1 | Maximum sentence for misdemeanants. | 903.4 | Providing place of confinement. |
| 903.2 | Reconsideration of misdemeanant's sentence. | 903.5 | Local facilities preferred for misdemeanants. |
| 903.3 | Work release. | 903.6 | Segregation of prisoners. |


**903.1 Maximum sentence for misdemeanants.**

1. If a person eighteen years of age or older is convicted of a simple or serious misdemeanor and a specific penalty is not provided for or if a person under eighteen years of age has been waived to adult court pursuant to section 232.45 on a felony charge and is subsequently convicted of a simple, serious, or aggravated misdemeanor, the court shall determine the sentence, and shall fix the period of confinement or the amount of fine, which fine shall not be suspended by the court, within the following limits:

*a.* For a simple misdemeanor, there shall be a fine of at least sixty-five dollars but not to exceed six hundred twenty-five dollars. The court may order imprisonment not to exceed thirty days in lieu of a fine or in addition to a fine.

*b.* For a serious misdemeanor, there shall be a fine of at least three hundred fifteen dollars but not to exceed one thousand eight hundred seventy-five dollars. In addition, the court may also order imprisonment not to exceed one year.

2. When a person is convicted of an aggravated misdemeanor, and a specific penalty is not provided for, the maximum penalty shall be imprisonment not to exceed two years. There shall be a fine of at least six hundred twenty-five dollars but not to exceed six thousand two hundred fifty dollars. When a judgment of conviction of an aggravated misdemeanor is entered against any person and the court imposes a sentence of confinement for a period of more than one year the term shall be an indeterminate term.

3. A person under eighteen years of age convicted of a simple misdemeanor under chapter 321, 321G, 321I, 453A, 461A, 461B, 462A, 481A, 481B, 483A, 484A, or 484B, or a violation of a county or municipal curfew or traffic ordinance, except for an offense subject to section 805.8, may be required to pay a fine, not to exceed one hundred dollars, as fixed by the court, or may be required to perform community service as ordered by the court.

4. The surcharges required by sections 911.1, 911.2, 911.3, and 911.4 shall be added to

a fine imposed on a misdemeanant as provided in those sections, and are not a part of or subject to the maximums set in this section.

[C51, §2676; R60, §4303; C73, §3967; C97, §4906; C24, 27, 31, 35, 39, §**12894;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §687.7; C79, 81, §903.1]

83 Acts, ch 183, §2, 3; 84 Acts, ch 1219, §39; 87 Acts, ch 149, §7; 88 Acts, ch 1158, §100; 88 Acts, ch 1167, §8, 9; 90 Acts, ch 1251, §66; 91 Acts, ch 240, §10; 92 Acts, ch 1160, §25; 93 Acts, ch 110, §10; 99 Acts, ch 153, §24; 2001 Acts, ch 168, §5; 2004 Acts, ch 1111, §8; 2004 Acts, ch 1119, §7; 2004 Acts, ch 1132, §95; 2006 Acts, ch 1166, §10, 11

Referred to in §124.401, 207.15, 228.7, 232.8, 331.302, 331.909, 364.3, 380.10, 709.15, 724.4A, 907.14
See also §701.8
Enhanced penalties in weapons free zones, see §724.4A
Fines, see chapter 909
Surcharge on penalty, chapter 911

**903.2 Reconsideration of misdemeanant's sentence.**

For a period of thirty days from the date when a person convicted of a misdemeanor begins to serve a sentence of confinement, the court may order the person to be returned to the court, at which time the court may review its previous action and reaffirm it or substitute for it any sentence permitted by law. The sentencing court retains jurisdiction for the limited purposes of conducting such review and entering an appropriate order notwithstanding the timely filing of a notice of appeal or an application for discretionary review. The court's final order in the proceeding shall be delivered to the defendant personally or by regular mail. Such action is discretionary with the court and its decision to take the action or not to take the action is not subject to appeal. The other provisions of this section notwithstanding, for the purposes of appeal a judgment of conviction is a final judgment when pronounced.

[C79, 81, §903.2]

84 Acts, ch 1139, §2; 2003 Acts, ch 151, §60

Referred to in §901.5

**903.3 Work release.**

The court may direct that a prisoner sentenced to confinement in a county jail, alternate jail facility, or community correctional residential treatment facility, be released from custody during specified hours, as provided by sections 356.26 to 356.35.

[C79, 81, §903.3]

83 Acts, ch 39, §1

**903.4 Providing place of confinement.**

All persons sentenced to confinement for a period of one year or less shall be confined in a place to be furnished by the county where the conviction was had unless the person is presently committed to the custody of the director of the Iowa department of corrections, in which case the provisions of section 901.8 apply. All persons sentenced to confinement for a period of more than one year shall be committed to the custody of the director of the Iowa department of corrections to be confined in a place to be designated by the director and the cost of the confinement shall be borne by the state. The director may contract with local governmental units for the use of detention or correctional facilities maintained by the units for the confinement of such persons.

[C79, 81, §903.4]

83 Acts, ch 96, §133, 159; 2001 Acts, ch 165, §6; 2003 Acts, ch 156, §13

Referred to in §331.381, 902.3

**903.5 Local facilities preferred for misdemeanants.**

In designating places of confinement of misdemeanants, the department shall make optimum use of local facilities offering correctional programs, where such are available. Where a choice of facilities is offered, a choice of the facility nearest the prisoner's home shall be preferred, if such choice is compatible with the rehabilitation of the prisoner.

[C79, 81, §903.5]

**903.6 Segregation of prisoners.**

In any detention facility, persons who are serving a sentence of confinement shall be segregated from persons who are being detained for any other purpose, whenever such is possible.

[C79, 81, §903.6]

# CHAPTER 903A

## REDUCTION OF SENTENCES

Referred to in §610A.3, 901.1, 901A.2


| | | | |
|---|---|---|---|
| 903A.1 | Conduct review. | 903A.5 | Time to be served — credit. |
| 903A.2 | Earned time. | 903A.6 | Good and honor time application. |
| 903A.3 | Loss or forfeiture of earned time. | | |
| 903A.4 | Policies and procedures. | 903A.7 | Separate sentences. |


**903A.1 Conduct review.**

The director of the Iowa department of corrections shall appoint independent administrative law judges whose duties shall include but are not limited to review, as provided in section 903A.3, of the conduct of inmates in institutions under the department. Sections 10A.801 and 17A.11 do not apply to administrative law judges appointed pursuant to this section.

83 Acts, ch 147, §2, 14, 15; 88 Acts, ch 1109, §31; 98 Acts, ch 1202, §44, 46

Referred to in §822.2, 903A.4

**903A.2 Earned time.**

1. Each inmate committed to the custody of the director of the department of corrections is eligible to earn a reduction of sentence in the manner provided in this section. For purposes of calculating the amount of time by which an inmate's sentence may be reduced, inmates shall be grouped into the following two sentencing categories:

*a.* Category "A" sentences are those sentences which are not subject to a maximum accumulation of earned time of fifteen percent of the total sentence of confinement under section 902.12. To the extent provided in subsection 5, category "A" sentences also include life sentences imposed under section 902.1. An inmate of an institution under the control of the department of corrections who is serving a category "A" sentence is eligible for a reduction of sentence equal to one and two-tenths days for each day the inmate demonstrates good conduct and satisfactorily participates in any program or placement status identified by the director to earn the reduction. The programs include but are not limited to the following:

(1) Employment in the institution.

(2) Iowa state industries.

(3) An employment program established by the director.

(4) A treatment program established by the director.

(5) An inmate educational program approved by the director.

However, an inmate required to participate in a sex offender treatment program shall not be eligible for a reduction of sentence unless the inmate participates in and completes a sex offender treatment program established by the director.

An inmate serving a category "A" sentence is eligible for an additional reduction of sentence of up to three hundred sixty-five days of the full term of the sentence of the inmate for exemplary acts. In accordance with section 903A.4, the director shall by policy identify what constitutes an exemplary act that may warrant an additional reduction of sentence.

*b.* Category "B" sentences are those sentences which are subject to a maximum accumulation of earned time of fifteen percent of the total sentence of confinement under section 902.12. An inmate of an institution under the control of the department of corrections

who is serving a category "B" sentence is eligible for a reduction of sentence equal to fifteen eighty-fifths of a day for each day of good conduct by the inmate.

2. Earned time accrued pursuant to this section may be forfeited in the manner prescribed in section 903A.3.

3. Time served in a jail, municipal holding facility, or another facility prior to actual placement in an institution under the control of the department of corrections and credited against the sentence by the court shall accrue for the purpose of reduction of sentence under this section. Time which elapses during an escape shall not accrue for purposes of reduction of sentence under this section.

4. Time which elapses between the date on which a person is incarcerated, based upon a determination of the board of parole that a violation of parole has occurred, and the date on which the violation of parole was committed shall not accrue for purposes of reduction of sentence under this section.

5. Earned time accrued by inmates serving life sentences imposed under section 902.1 shall not reduce the life sentence, but shall be credited against the inmate's sentence if the life sentence is commuted to a term of years under section 902.2.

83 Acts, ch 147, §3, 14, 15; 90 Acts, ch 1251, §67; 96 Acts, ch 1151, §4; 97 Acts, ch 131, §2, 4; 98 Acts, ch 1100, §88; 2000 Acts, ch 1173, §4, 10; 2003 Acts, 1st Ex, ch 2, §52, 209; 2005 Acts, ch 158, §32; 2011 Acts, ch 22, §2

Referred to in §822.2, 901.5A, 903A.4, 903A.7, 903B.1, 903B.2

**903A.3 Loss or forfeiture of earned time.**

1. Upon finding that an inmate has violated an institutional rule, or has had an action or appeal dismissed under section 610A.2, the independent administrative law judge may order forfeiture of any or all earned time accrued and not forfeited up to the date of the violation by the inmate and may order forfeiture of any or all earned time accrued and not forfeited up to the date the action or appeal is dismissed, unless the court entered such an order under section 610A.3. The independent administrative law judge has discretion within the guidelines established pursuant to section 903A.4, to determine the amount of time that should be forfeited based upon the severity of the violation. Prior violations by the inmate may be considered by the administrative law judge in the decision.

2. The orders of the administrative law judge are subject to appeal to the superintendent or warden of the institution, or the superintendent's or warden's designee, who may either affirm, modify, remand for correction of procedural errors, or reverse an order. However, sanctions shall not be increased on appeal.

3. The director of the Iowa department of corrections or the director's designee may restore all or any portion of previously forfeited earned time for acts of heroism or for meritorious actions. The director shall establish by rule the requirements as to which activities may warrant the restoration of earned time and the amount of earned time to be restored.

4. The inmate disciplinary procedure, including but not limited to the method of awarding or forfeiting time pursuant to this chapter, is not a contested case subject to chapter 17A.

83 Acts, ch 147, §4, 14, 15; 84 Acts, ch 1244, §3; 88 Acts, ch 1109, §32; 95 Acts, ch 167, §5; 2000 Acts, ch 1173, §5, 10; 2003 Acts, 1st Ex, ch 2, §53, 209

Referred to in §822.2, 903A.1, 903A.2, 903A.4

**903A.4 Policies and procedures.**

The director of the Iowa department of corrections shall develop policy and procedural rules to implement sections 903A.1 through 903A.3. The rules may specify disciplinary offenses which may result in the loss of earned time, and the amount of earned time which may be lost as a result of each disciplinary offense. The director shall establish rules as to what constitutes "*satisfactory participation*" for purposes of a reduction of sentence under section 903A.2, for programs that are available or unavailable. The rules shall specify that earned time shall be calculated on a monthly basis as it accrues. The department shall generate an earned time report for each inmate which shall include the amount of actual

time served, the number of earned time credits which have not been lost or forfeited, and the amount of time remaining on an inmate's sentence.

83 Acts, ch 147, §5, 14, 15; 2000 Acts, ch 1173, §6, 10

Referred to in §822.2, 903A.2, 903A.3

**903A.5 Time to be served — credit.**

1. An inmate shall not be discharged from the custody of the director of the Iowa department of corrections until the inmate has served the full term for which the inmate was sentenced, less earned time and other credits earned and not forfeited, unless the inmate is pardoned or otherwise legally released. Earned time accrued and not forfeited shall apply to reduce a mandatory minimum sentence being served pursuant to section 124.406, 124.413, 902.7, 902.8, 902.8A, or 902.11. An inmate shall be deemed to be serving the sentence from the day on which the inmate is received into the institution. If an inmate was confined to a county jail, municipal holding facility, or other correctional or mental facility at any time prior to sentencing, or after sentencing but prior to the case having been decided on appeal, because of failure to furnish bail or because of being charged with a nonbailable offense, the inmate shall be given credit for the days already served upon the term of the sentence. However, if a person commits any offense while confined in a county jail, municipal holding facility, or other correctional or mental health facility, the person shall not be granted credit for that offense. Unless the inmate was confined in a correctional facility, the sheriff of the county in which the inmate was confined or the officer in charge of the municipal holding facility in which the inmate was confined shall certify to the clerk of the district court from which the inmate was sentenced and to the department of corrections' records administrator at the Iowa medical and classification center the number of days so served. The department of corrections' records administrator, or the administrator's designee, shall apply credit as ordered by the court of proper jurisdiction or as authorized by this section and section 907.3, subsection 3.

2. An inmate shall not receive credit upon the inmate's sentence for time spent in custody in another state resisting return to Iowa following an escape. However, an inmate may receive credit upon the inmate's sentence while incarcerated in an institution or jail of another jurisdiction during any period of time the person is receiving credit upon a sentence of that other jurisdiction.

83 Acts, ch 147, §6, 14, 15; 90 Acts, ch 1168, §61; 95 Acts, ch 91, §8; 99 Acts, ch 12, §18; 99 Acts, ch 182, §4; 2000 Acts, ch 1173, §7, 10; 2000 Acts, ch 1204, §1; 2006 Acts, ch 1183, §23; 2011 Acts, ch 22, §3; 2011 Acts, ch 131, §77, 158

Referred to in §822.2, 901.6

**903A.6 Good and honor time application.**

Sections 246.38, 246.39, 246.41, 246.42, 246.43, and 246.45, as the sections appear in the 1983 Code, remain in effect for inmates sentenced for offenses committed prior to July 1, 1983.

83 Acts, ch 147, §7, 13, 14

Referred to in §822.2

**903A.7 Separate sentences.**

Consecutive multiple sentences that are within the same category under section 903A.2 shall be construed as one continuous sentence for purposes of calculating reductions of sentence for earned time. If a person is sentenced to serve sentences of both categories, category "B" sentences shall be served before category "A" sentences are served, and earned time accrued against the category "B" sentences shall not be used to reduce the category "A" sentences. If an inmate serving a category "A" sentence is sentenced to serve a category "B" sentence, the category "A" sentence shall be interrupted, and no further earned time shall accrue against that sentence until the category "B" sentence is completed.

83 Acts, ch 147, §8, 14; 97 Acts, ch 131, §3, 4; 98 Acts, ch 1100, §89; 2000 Acts, ch 1173, §8, 10

Referred to in §822.2, 901.8

# CHAPTER 903B

## SEX OFFENDER SPECIAL SENTENCING AND HORMONE TREATMENT

Referred to in §216A.139, 901.1, 901A.2, 908.5

SUBCHAPTER I

SPECIAL SENTENCING

903B.1 Special sentence — class "B" or class "C" felonies.
903B.2 Special sentence — class "D" felonies or misdemeanors.
903B.3 through 903B.9 Reserved.

SUBCHAPTER II

HORMONAL INTERVENTION THERAPY

903B.10 Hormonal intervention therapy — certain sex offenses.

## SUBCHAPTER I

## SPECIAL SENTENCING

**903B.1 Special sentence — class "B" or class "C" felonies.**

A person convicted of a class "C" felony or greater offense under chapter 709, or a class "C" felony under section 728.12, shall also be sentenced, in addition to any other punishment provided by law, to a special sentence committing the person into the custody of the director of the Iowa department of corrections for the rest of the person's life, with eligibility for parole as provided in chapter 906. The board of parole shall determine whether the person should be released on parole or placed in a work release program. The special sentence imposed under this section shall commence upon completion of the sentence imposed under any applicable criminal sentencing provisions for the underlying criminal offense and the person shall begin the sentence under supervision as if on parole or work release. The person shall be placed on the corrections continuum in chapter 901B, and the terms and conditions of the special sentence, including violations, shall be subject to the same set of procedures set out in chapters 901B, 905, 906, and chapter 908, and rules adopted under those chapters for persons on parole or work release. The revocation of release shall not be for a period greater than two years upon any first revocation, and five years upon any second or subsequent revocation. A special sentence shall be considered a category "A" sentence for purposes of calculating earned time under section 903A.2.

2005 Acts, ch 158, §39; 2009 Acts, ch 119, §59
Referred to in §692A.106, 692A.125, 901.5, 906.15
Former §903B.1 transferred to §903B.10

**903B.2 Special sentence — class "D" felonies or misdemeanors.**

A person convicted of a misdemeanor or a class "D" felony offense under chapter 709, section 726.2, or section 728.12 shall also be sentenced, in addition to any other punishment provided by law, to a special sentence committing the person into the custody of the director of the Iowa department of corrections for a period of ten years, with eligibility for parole as provided in chapter 906. The board of parole shall determine whether the person should be released on parole or placed in a work release program. The special sentence imposed under this section shall commence upon completion of the sentence imposed under any applicable criminal sentencing provisions for the underlying criminal offense and the person shall begin the sentence under supervision as if on parole or work release. The person shall be placed on the corrections continuum in chapter 901B, and the terms and conditions of the special sentence, including violations, shall be subject to the same set of procedures set out in chapters 901B, 905, 906, and 908, and rules adopted under those chapters for persons on parole or work release. The revocation of release shall not be for a period greater than two years upon any first revocation, and five years upon any second or subsequent revocation. A special sentence shall be considered a category "A" sentence for purposes of calculating earned time under section 903A.2.

2005 Acts, ch 158, §40; 2009 Acts, ch 119, §60
Referred to in §692A.106, 692A.125, 901.5, 906.15

**903B.3 through 903B.9** Reserved.

SUBCHAPTER II

HORMONAL INTERVENTION THERAPY

**903B.10 Hormonal intervention therapy — certain sex offenses.**

1. A person who has been convicted of a serious sex offense may, upon a first conviction and in addition to any other punishment provided by law, be required to undergo medroxyprogesterone acetate treatment as part of any conditions of release imposed by the court or the board of parole. The treatment prescribed in this section may utilize an approved pharmaceutical agent other than medroxyprogesterone acetate. Upon a second or subsequent conviction, the court or the board of parole shall require the person to undergo medroxyprogesterone acetate or other approved pharmaceutical agent treatment as a condition of release, unless, after an appropriate assessment, the court or board determines that the treatment would not be effective. In determining whether a conviction is a first or second conviction under this section, a prior conviction for a criminal offense committed in another jurisdiction which would constitute a violation of section 709.3, subsection 1, paragraph *"b"*, if committed in this state, shall be considered a conviction under this section. This section shall not apply if the person voluntarily undergoes a permanent surgical alternative approved by the court or the board of parole.

2. If a person is placed on probation and is not in confinement at the time of sentencing, the presentence investigation shall include a plan for initiation of treatment as soon as is reasonably possible after the person is sentenced. If the person is in confinement prior to release on probation or parole, treatment shall commence prior to the release of the person from confinement. Conviction of a serious sex offense shall constitute exceptional circumstances warranting a presentence investigation under section 901.2.

3. For purposes of this section, a *"serious sex offense"* means any of the following offenses in which the victim was a child who was, at the time the offense was committed, twelve years of age or younger:

*a.* Sexual abuse in the first degree, in violation of section 709.2.

*b.* Sexual abuse in the second degree, in violation of section 709.3.

*c.* Sexual abuse in the third degree, in violation of section 709.4.

*d.* Lascivious acts with a child, in violation of section 709.8.

*e.* Assault with intent, in violation of section 709.11.

*f.* Indecent contact with a minor, in violation of section 709.12.

*g.* Lascivious conduct with a minor, in violation of section 709.14.

*h.* Sexual exploitation in violation of section 709.15.

*i.* Sexual exploitation of a minor, in violation of section 728.12, subsections 1 and 2.

4. The department of corrections, in consultation with the board of parole, shall adopt rules which provide for the initiation of medroxyprogesterone acetate or other approved pharmaceutical agent treatment prior to the parole or work release of a person who has been convicted of a serious sex offense and who is required to undergo treatment as a condition of release by the board of parole. The department's rules shall also establish standards for the supervision of the treatment by the judicial district department of correctional services during the period of release. Each district department of correctional services shall adopt policies and procedures which provide for the initiation or continuation of medroxyprogesterone acetate or other approved pharmaceutical agent treatment as a condition of release for each person who is required to undergo the treatment by the court or the board of parole. The board of parole shall, in consultation with the department of corrections, adopt rules which relate to initiation or continuation of medroxyprogesterone acetate or other approved pharmaceutical agent treatment as a condition of any parole or work release. Any rules, standards, and policies and procedures adopted shall provide for the continuation of the treatment until the agency in charge of supervising the treatment determines that the treatment is no longer necessary.

5. A person who is required to undergo medroxyprogesterone acetate treatment, or treatment utilizing another approved pharmaceutical agent, pursuant to this section, shall be required to pay a reasonable fee to pay for the costs of providing the treatment. A requirement that a person pay a fee shall include provision for reduction, deferral, or waiver of payment if the person is financially unable to pay the fee.

6. A person who administers medroxyprogesterone acetate or any other pharmaceutical agent shall not be liable for civil damages for administering such pharmaceutical agents pursuant to this chapter.

98 Acts, ch 1171, §21
C99, §903B.1
2003 Acts, ch 180, §67; 2005 Acts, ch 158, §33, 41
CS2005, §903B.10
2013 Acts, ch 90, §256
Subsection 1 amended

# CHAPTER 904

## DEPARTMENT OF CORRECTIONS

Referred to in §218.95, 229.1, 901.1, 901A.2

This chapter not enacted as a part of this title;
transferred from chapter 246 in Code 1993
See §218.95 for provisions pertaining to construction of
synonymous terms


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## DIVISION I

## ADMINISTRATION GENERALLY

**904.101 Definitions.**

For purposes of this chapter, unless the context otherwise requires:

1. *"Board"* means the board of corrections established in section 904.104.
2. *"Department"* means the Iowa department of corrections established in section 904.102.
3. *"Director"* means the director of the department.

83 Acts, ch 96, §2, 159
CS83, §217A.1
85 Acts, ch 21, §54
CS85, §246.101
C93, §904.101

**904.102 Department established — institutions.**

The Iowa department of corrections is established to be responsible for the control, treatment, and rehabilitation of offenders committed under law to the following institutions:

1. Iowa correctional institution for women.
2. Anamosa state penitentiary.
3. Iowa state penitentiary.
4. Iowa medical and classification center.
5. North central correctional facility at Rockwell City.
6. Mount Pleasant correctional facility.
7. Clarinda correctional facility.
8. Newton correctional facility.
9. Fort Dodge correctional facility.
10. Rehabilitation camps.
11. Other institutions related to an institution in subsections 1 through 10 but not attached to the campus of the main institution as program developments require.

83 Acts, ch 96, §3, 159
CS83, §217A.2
84 Acts, ch 1184, §1; 84 Acts, ch 1219, §9; 85 Acts, ch 21, §13, 54
CS85, §246.102
C93, §904.102
97 Acts, ch 130, §2 – 4
Referred to in §7E.5, 135.11, 263.22, 266.37, 321J.22, 357H.1, 904.101, 904.103, 904.108, 904.301, 904.318, 904.507A

**904.103 Responsibilities of department.**

The department shall administer the institutions listed in section 904.102. The department shall be responsible to the extent provided for by law for all of the following:

1. Accreditation and funding of community-based corrections programs including but not limited to pretrial release, probation, residential facilities, presentence investigation, parole, and work release.
2. Iowa state industries.
3. Jail inspections.
4. Other duties provided for by law.

83 Acts, ch 96, §4, 159
CS83, §217A.3
85 Acts, ch 21, §54
CS85, §246.103
C93, §904.103

**904.104 Board created.**

A board of corrections is created within the department. The board shall consist of seven members appointed by the governor subject to confirmation by the senate. Not more than

four of the members shall be from the same political party. Members shall be electors of this state. Members of the board shall serve four-year staggered terms.

83 Acts, ch 96, §5, 158, 159
CS83, §217A.4
85 Acts, ch 21, §54
CS85, §246.104
92 Acts, ch 1163, §56
C93, §904.104
93 Acts, ch 46, §4
Referred to in §904.101
Confirmation, see §2.32

**904.105 Board — duties.**

The board of corrections shall:

1. Organize annually and select a chairperson and vice chairperson.
2. Adopt and establish policies for the operation and conduct of the department and the implementation of all department programs.
3. Recommend to the governor the names of individuals qualified for the position of director when a vacancy exists in the office.
4. Report immediately to the governor any failure by the director of the department to carry out any of the policy decisions or directives of the board.
5. Approve the budget of the department prior to submission to the governor.
6. Report biennially to the governor a summary of releases recommended, paroles granted, parole revocations, and other information relating to the parole of inmates as the board deems advisable.
7. Adopt rules in accordance with chapter 17A as the board deems necessary to transact its business and for the administration and exercise of its powers and duties.
8. Make recommendations from time to time to the governor and the general assembly.
9. Approve the locations for all state institutions which are penal, reformatory, or corrective.
10. Perform other functions as provided by law.

83 Acts, ch 96, §6, 159
CS83, §217A.5
85 Acts, ch 21, §14, 54
CS85, §246.105
86 Acts, ch 1245, §1501
C93, §904.105
Referred to in §904.909

**904.106 Meetings — expenses.**

The board shall meet at least quarterly throughout the year. Special meetings may be called by the chairperson or upon written request of any three members of the board. The chairperson shall preside at all meetings or in the chairperson's absence, the vice chairperson shall preside. The members of the board shall be paid their actual expenses while attending the meetings. Each member of the board may also be able to receive compensation as provided in section 7E.6.

83 Acts, ch 96, §7, 159
CS83, §217A.6
85 Acts, ch 21, §54
CS85, §246.106
86 Acts, ch 1245, §1502
C93, §904.106
2010 Acts, ch 1031, §410

**904.107 Director — appointment and qualifications.**

The chief administrative officer for the department is the director. The director shall be appointed by the governor subject to confirmation by the senate and shall serve

at the pleasure of the governor. The director shall be qualified in reformatory and prison management, knowledgeable in community-based corrections, and shall possess administrative ability. The director shall also have experience in the field of criminology and discipline and in the supervision of inmates in corrective penal institutions. The director shall not be selected on the basis of political affiliation, and while employed as the director, shall not be a member of a political committee, participate in a political campaign, be a candidate for a partisan elective office, and shall not contribute to a political campaign fund, except that the director may designate on the checkoff portion of the state or federal income tax return, or both, a party or parties to which a contribution is made pursuant to the checkoff. The director shall not hold any other office under the laws of the United States or of this or any state or hold any position for profit and shall devote full time to the duties of office.

83 Acts, ch 96, §8, 159
CS83, §217A.7
85 Acts, ch 21, §54
CS85, §246.107
C93, §904.107
Confirmation, see §2.32

**904.108 Director — duties, powers.**

1. The director shall:

*a.* Supervise the operations of the institutions under the department's jurisdiction and may delegate the powers and authorities given the director by statute to officers or employees of the department.

*b.* Supervise state agents whose duties relate primarily to the department.

*c.* Establish and maintain a program to oversee women's institutional and community corrections programs and to provide community support to ensure continuity and consistency of programs. The person responsible for implementing this section shall report to the director.

*d.* Establish and maintain acceptable standards of treatment, training, education, and rehabilitation in the various state penal and corrective institutions which shall include habilitative services and treatment for offenders with an intellectual disability. For the purposes of this paragraph, *"habilitative services and treatment"* means medical, mental health, social, educational, counseling, and other services which will assist a person with an intellectual disability to become self-reliant. However, the director may also provide rehabilitative treatment and services to other persons who require the services. The director shall identify all individuals entering the correctional system who are persons with an intellectual disability, as defined in section 4.1. Identification shall be made by a qualified professional in the area of intellectual disability. In assigning an offender with an intellectual disability, or an offender with an inadequately developed intelligence or with impaired mental abilities, to a correctional facility, the director shall consider both the program needs and the security needs of the offender. The director shall consult with the department of human services in providing habilitative services and treatment to offenders with mental illness or an intellectual disability. The director may enter into agreements with the department of human services to utilize mental health institutions and share staff and resources for purposes of providing habilitative services and treatment, as well as providing other special needs programming. Any agreement to utilize mental health institutions and to share staff and resources shall provide that the costs of the habilitative services and treatment shall be paid from state funds. Not later than twenty days prior to entering into any agreement to utilize mental health institution staff and resources, other than the use of a building or facility, for purposes of providing habilitative services and treatment, as well as other special needs programming, the directors of the departments of corrections and human services shall each notify the chairpersons and ranking members of the joint appropriations subcommittees that last handled the appropriation for their respective departments of the pending agreement. Use of a building or facility shall require approval of the general assembly if the general assembly is in session or, if the general assembly is

not in session, the legislative council may grant temporary authority, which shall be subject to final approval of the general assembly during the next succeeding legislative session.

*e.* Employ, assign, and reassign personnel as necessary for the performance of duties and responsibilities assigned to the department. Employees shall be selected on the basis of fitness for work to be performed with due regard to training and experience and are subject to chapter 8A, subchapter IV.

*f.* Establish standards of mental fitness which shall govern the initial recruitment, selection, and appointment of correctional officers. To promote these standards, the director shall by rule require a battery of psychological tests to determine cognitive skills, personality characteristics and suitability of all applicants for a correctional career.

*g.* Examine all state institutions which are penal, reformatory, or corrective to determine their efficiency for adequate care, custody, and training of their inmates and report the findings to the board.

*h.* Prepare a budget for the department, subject to the approval of the board, and other reports as required by law.

*i.* Develop long-range correctional planning and an ongoing five-year corrections master plan. The director shall annually report to the general assembly to inform its members as to the status and content of the planning and master plan.

*j.* Supervise rehabilitation camps within the state as may be established by the director. Persons committed to institutions under the department may be transferred to the facilities of the camp system and upon transfer shall be subject to the same laws as pertain to the transferring institution.

*k.* Adopt rules subject to the approval of the board, pertaining to the internal management of institutions and agencies under the director's charge and necessary to carry out the duties and powers outlined in this section.

*l.* Adopt rules, policies, and procedures, subject to the approval of the board, pertaining to the supervision of parole and work release.

*m.* Provide routine administrative and support services to the board of parole.

*n.* Cooperate with Iowa state university of science and technology to provide, for purposes of agricultural research, development, and testing, the use of resources, including property, facilities, labor, and services, connected with institutions listed in section 904.102. However, use of the resources by the university is subject to approval by the director. Before granting approval, the director shall require that the university compensate the department for the use of the resources, on terms specified by the director.

*o.* Establish and maintain a correctional training program.

2. The director, with the express approval of the board, may establish for any inmate sentenced pursuant to section 902.3 a furlough program under which inmates sentenced to and confined in any institution under the jurisdiction of the department may be temporarily released. A furlough for a period not to exceed fourteen days may be granted when an immediate member of an inmate's family is seriously ill or has died, when an inmate is to be interviewed by a prospective employer, or when an inmate is authorized to participate in a training program not available within the institution. Furloughs for a period not to exceed fourteen days may also be granted in order to allow inmates to participate in programs or activities that serve rehabilitative objectives.

3. The director may establish a sales bonus system for the sales representatives for prison industry products. If a sales bonus system is established, the system shall not affect the status of the sales representatives under chapter 8A, subchapter IV.

4. The director may expend moneys from the support allocation of the department as reimbursement for replacement or repair of personal items of the department's employees damaged or destroyed by clients of the department during the employee's tour of duty. However, the reimbursement shall not exceed three hundred dollars for each item. The director shall establish rules in accordance with chapter 17A to carry out the purpose of this subsection.

5. The director may obtain assistance for the department for construction, facility planning, and project accomplishment with the department of administrative services and

by contracting under chapter 28E for data processing with the department of human services or the department of administrative services.

6. The director may charge an inmate a correctional fee for custodial expenses incurred or which may be incurred while the inmate is in the custody of the department. The custodial expenses may include, but are not limited to, board and room, medical and dental fees including any necessary transportation fee not to exceed five dollars per visit, education costs, clothing costs, and the costs of supervision, services, and treatment to the inmate. The correctional fee shall not exceed the actual cost of keeping the inmate in custody. The correctional fees collected pursuant to this subsection shall be credited as a reimbursement to the appropriate correctional institution. This subsection does not limit the right of the director to obtain any other remedy authorized by law.

83 Acts, ch 96, §9, 159
CS83, §217A.8
84 Acts, ch 1150, §1; 84 Acts, ch 1245, §4; 85 Acts, ch 21, §15, 54
CS85, §246.108
86 Acts, ch 1245, §315, 1503, 1504; 87 Acts, ch 139, §1
C93, §904.108
96 Acts, ch 1111, §3; 96 Acts, ch 1129, §111; 96 Acts, ch 1219, §76; 97 Acts, ch 190, §3; 98 Acts, ch 1090, §76, 84; 98 Acts, ch 1131, §4; 99 Acts, ch 114, §46; 2002 Acts, ch 1175, §47; 2003 Acts, ch 88, §1; 2003 Acts, ch 145, §278, 279, 286; 2008 Acts, ch 1180, §22; 2012 Acts, ch 1019, §141
Referred to in §602.8107, 904.109, 904.115, 905.8

**904.109 Powers of governor — report of abuses.**

Section 904.108, subsection 1, paragraph *"a"*, does not limit the general supervisory or examining powers vested in the governor by the laws or constitution of the state, or legally vested by the governor in a committee appointed by the governor.

The superintendent of an institution shall make reports to the board and the director as requested by the board and the director and the director shall report, in writing, to the governor any abuses found to exist in any of the institutions.

83 Acts, ch 96, §15, 159
CS83, §217A.20
85 Acts, ch 21, §54
CS85, §246.109
C93, §904.109

**904.110 Official seal.**

The department shall have an official seal with the words "Iowa Department of Corrections" and other engraved design as the board prescribes. Every commission, order, or other paper of an official nature executed by the department may be attested with the seal.

83 Acts, ch 96, §10, 159
CS83, §217A.9
85 Acts, ch 21, §54
CS85, §246.110
C93, §904.110

**904.111 Chapter 28E agreements.**

The department of corrections may enter into agreements, as provided for in chapter 28E, with a district department of correctional services as necessary.

84 Acts, ch 1184, §20
C85, §217A.10
85 Acts, ch 21, §54
CS85, §246.111
C93, §904.111

**904.112 Institutional receipts.**

Institutional receipts of the department of corrections shall be deposited in the general fund of the state except as follows:

1. Reimbursement for services provided to another institution or state agency, rentals charged to employees or other persons for room, apartment, or housing, and charges for meals.

2. Receipts which are specifically required to be otherwise expended or deposited under this chapter.

84 Acts, ch 1184, §3
C85, §217A.11
85 Acts, ch 21, §54
CS85, §246.112
C93, §904.112
97 Acts, ch 190, §4

**904.113 Gifts.**

The department may accept gifts of real or personal property from the federal government or any source. The director may exercise powers with reference to the property so accepted as necessary or appropriate to its preservation and the purposes for which it is given.

83 Acts, ch 96, §53, 159
CS83, §217A.75
85 Acts, ch 21, §54
CS85, §246.113
C93, §904.113

**904.114 Travel expenses.**

The director, staff members, assistants, and employees, in addition to salary, shall receive their necessary traveling expenses by the nearest practicable route, when engaged in the performance of official business. Permission shall not be granted to any person to travel to another state except by approval of the board.

83 Acts, ch 96, §11, 159
CS83, §217A.16
85 Acts, ch 21, §54
CS85, §246.114
C93, §904.114
2011 Acts, ch 127, §52, 89

**904.115 Report by department.**

Annually at the time provided by law, the department shall make a report to the governor and the general assembly, which shall cover the annual period ending with June 30 preceding the date of the report and shall include:

1. An itemized statement of the department's expenditures for each program under the department's administration.

2. Adequate and complete statistical reports for the state as a whole concerning payments made under the department's administration.

3. Recommendations concerning changes in laws under the department's administration as the board deems necessary.

4. Observations and recommendations of the board and the director relative to the programs of the department.

5. Information concerning long-range planning and the master plan as provided by section 904.108, subsection 1, paragraph "*i*".

6. Other information the board or the director deems advisable, or which is requested by the governor or the general assembly.

83 Acts, ch 96, §12, 159
CS83, §217A.17
85 Acts, ch 21, §54

CS85, §246.115
C93, §904.115

**904.116 Institutional appropriations and expenditures — legislative oversight.**

1. The department of corrections shall not revise the allocations to the correctional institutions under the control of the department from the amounts allocated to the institutions, unless notice of the revisions is given prior to their effective date to the legislative services agency. The notice shall include information on the department's rationale for making the changes and details concerning the workload and performance measures upon which the revisions are based.

2. *a.* The department of corrections shall report to the legislative services agency on a monthly basis the current expenditures and full-time equivalent positions of the department's various allocations with a comparison of actual to budgeted expenditures and full-time equivalent positions.

*b.* The department of corrections shall furnish performance measure data designed to enable comparison of this data with historical expenditure information, and shall assist the legislative services agency in developing information to be used in legislative oversight of all programs operated by the department.

90 Acts, ch 1247, §9
C91, §246.116
C93, §904.116
2003 Acts, ch 35, §45, 49; 2013 Acts, ch 30, §261
Code editor directive applied

**904.117 Interstate compact fund.**

An interstate compact fund is established under the control of the department. All interstate compact fees collected by the department pursuant to section 907B.4 shall be deposited into the fund and the moneys shall be used by the department to offset the costs of complying with the interstate compact for adult offender supervision in chapter 907B. Notwithstanding section 8.33, moneys remaining in the fund at the end of a fiscal year shall not revert to the general fund of the state. Notwithstanding section 12C.7, interest and earnings deposited in the fund shall be credited to the fund.

2003 Acts, 1st Ex, ch 2, §54, 209; 2004 Acts, ch 1101, §94
Referred to in §907B.4

**904.118 Iowa corrections offender network — fund.** Repealed by 2013 Acts, ch 139, § 57.

Unencumbered or unobligated balances in the fund at the close of any fiscal year beginning on or after July 1, 2012, to be credited to the general fund of the state; 2013 Acts, ch 139, § 56

**904.118A Central warehouse fund.**

The department shall establish a fund for maintaining and operating a central warehouse and supply depot and distribution facility for surplus government products, canned goods, paper products, other staples, and for such other items as determined by the department. A department or agency of the state or a political subdivision of this state may purchase such products, goods, staples, or other items from the central warehouse and supply depot. The fund shall be permanent and shall be composed of the receipts from the sales of merchandise and the recovery of handling, operating, and delivery charges for such merchandise. Notwithstanding section 8.33, moneys credited to the fund shall not revert to any other fund. Notwithstanding section 12C.7, interest and earnings on moneys deposited in the fund shall be credited to the fund.

2008 Acts, ch 1180, §23

**904.119 Private sector housing of inmates — prohibition.**

The department shall not enter into any agreement with a private sector for-profit entity for the purpose of housing inmates committed to the custody of the director.

2007 Acts, ch 103, §1

DIVISION II

INSTITUTIONS

**904.201 Iowa medical and classification center.**

1. The Iowa medical and classification center at Oakdale shall be utilized as a forensic psychiatric hospital for persons displaying evidence of mental illness or psychosocial disorders and requiring diagnostic services or treatment in a security setting, as a security unit for persons requiring confinement in a security setting, and as a classification unit for the reception, orientation, and classification of inmates before placement in the most appropriate correctional institutions according to necessary security and custody arrangements and the assessed service needs of the inmates.

2. The medical director of the department or the medical director's designee shall secure the professional care and treatment of each person confined at the center and maintain a complete record on the condition of each person confined at the center.

3. *a.* The forensic psychiatric hospital may admit the following persons:

(1) Residents transferred from an institution under the jurisdiction of the department of human services or the Iowa department of corrections.

(2) Persons committed by the courts as mentally incompetent to stand trial pursuant to section 812.6.

(3) Persons referred by the courts for psychosocial diagnosis and recommendations as part of the pretrial or presentence procedure or determination of mental competency to stand trial.

(4) Prisoners transferred from county and city jails for diagnosis, evaluation, or treatment for mental illness.

*b.* Other persons may be admitted providing the admissions are not inconsistent with law and are within the capacity of the facilities and staff to accommodate the persons.

4. The classification unit shall admit inmates for purposes of orientation and classification before placement in the most appropriate correctional institutions.

5. The director may house inmates from any correctional institution at the center in order to provide the inmates with suitable security or medical treatment, or both. Unless an inmate is determined to be mentally ill, the inmate shall not be subjected involuntarily to psychiatric treatment.

6. All admissions to the forensic psychiatric hospital shall be by written application only. Application shall be made by the head of the state institution, agency, governmental body, or court requesting admission to the medical director of the department or the medical director's designee. An application may be denied by the medical director of the department or the medical director's designee, with the approval of the director, if the admission will result in an overcrowded condition or if adequate staff or facilities are not available. The decision regarding admission and discharge of persons shall be made by the medical director of the department or the medical director's designee, subject to approval of the director.

7. When a person transferred to the center from any other state institution or admitted by request or order of any agency, governmental body, or court no longer requires special treatment in the security setting, the person may be returned to the source from which received. The state institution, agency, governmental body, or court that referred the person for hospitalization shall retain constructive jurisdiction over the person. Persons without legal encumbrances may be discharged directly from the center upon concurrence of the medical director of the department or the medical director's designee and the head of the referring institution, agency, governmental body, or court. The support, commitment, and release statutes applicable to a person at the state institution from which transferred shall remain applicable while the person is at the center.

8. Chapter 230 governs the determination of costs and charges for the care and treatment of persons with mental illness admitted to the forensic psychiatric hospital, except that charges for the care and treatment of any person transferred to the forensic psychiatric hospital from an adult correctional institution or from a state training school shall be paid

entirely from state funds. Charges for all other persons at the forensic psychiatric hospital shall be billed to the respective counties at the same ratio as for patients at state mental health institutes under section 230.20.

85 Acts, ch 21, §29, 54
CS85, §246.201
C93, §904.201
96 Acts, ch 1129, §113; 2004 Acts, ch 1084, §15; 2004 Acts, ch 1106, §2; 2013 Acts, ch 30, §261
Code editor directive applied

**904.202 Intake and classification center.**

The director may provide facilities and personnel for a diagnostic intake and classification center. The work of the center shall include a scientific study of each inmate, the inmate's career and life history, the causes of the inmate's criminal acts and recommendations for the inmate's custody, care, training, employment, and counseling with a view to rehabilitation and to the protection of society. To facilitate the work of the center and to aid in the rehabilitation of the inmates, the trial judge, prosecuting attorney, and presentence investigators shall furnish the director with any previously authorized presentence investigation report and a full statement of facts and circumstances attending the commission of the offense so far as known or believed by them. If the department develops and utilizes an inmate classification system, it must, within a reasonable time, present evidence from independent experts as to the effectiveness and validity of the classification system.

83 Acts, ch 96, §36, 159
CS83, §217A.52
84 Acts, ch 1184, §2; 85 Acts, ch 21, §54
CS85, §246.202
C93, §904.202
2001 Acts, ch 131, §4
Referred to in §331.756(41)

**904.203 Rockwell City correctional facility.**

The state correctional facility at Rockwell City shall be utilized as a medium security correctional facility for men.

85 Acts, ch 21, §30, 54
CS85, §246.203
C93, §904.203

**904.204 Mount Pleasant correctional facility — special treatment unit.**

The correctional facility at Mount Pleasant shall be utilized as a medium security facility for men primarily for treatment of inmates who exhibit treatable personality disorders, with or without accompanying history of drug or alcohol abuse. Such inmates may apply for and upon their application may be selected for treatment by the staff of the treatment facility at Mount Pleasant in accordance with section 904.503.

85 Acts, ch 21, §31, 54
CS85, §246.204
C93, §904.204

**904.205 Clarinda correctional facility.**

The state correctional facility at Clarinda shall be utilized as a secure men's correctional facility primarily for offenders with chemical dependence, an intellectual disability, or mental illness.

85 Acts, ch 21, §32, 54
CS85, §246.205
C93, §904.205
96 Acts, ch 1129, §112; 2007 Acts, ch 105, §1; 2012 Acts, ch 1019, §142

**904.206 Newton correctional facility.**

The correctional facility at Newton shall be utilized as a correctional facility. The facility may include minimum security facilities and violator facilities pursuant to section 904.207.

85 Acts, ch 21, §33, 54
CS85, §246.206
91 Acts, ch 219, §6
C93, §904.206
93 Acts, ch 46, §5; 97 Acts, ch 130, §5; 2010 Acts, ch 1144, §1

**904.207 Violator facility.**

The director shall establish a violator facility as a freestanding facility, or designate a portion of an existing correctional facility for the purpose. A violator facility is for the temporary confinement of offenders who have violated conditions of release under work release or parole as defined in section 906.1, or probation granted as a result of suspension of a sentence to the custody of the director of the department of corrections. The director shall adopt rules pursuant to chapter 17A, subject to the approval of the board, to implement this section.

91 Acts, ch 219, §7
CS91, §246.207
C93, §904.207
93 Acts, ch 46, §6
Referred to in §901B.1, 904.206, 906.1, 908.9, 908.11

## DIVISION III

## PERSONNEL AND GENERAL MANAGEMENT OF INSTITUTIONS

**904.301 Appointment of superintendents.**

The director shall appoint, subject to the approval of the board, the superintendents of the institutions provided for in section 904.102.

The superintendent has the immediate custody and control, subject to the orders and policies of the director, of all property used in connection with the institution except as otherwise provided by statute. The tenure of office of a superintendent shall be at the pleasure of the appointing authority but a superintendent may be removed for inability or refusal to properly perform the duties of the office. Removal shall occur only after an opportunity is given the person to be heard before the board and the director and upon preferred written charges. The removal when made is final.

83 Acts, ch 96, §16, 159
CS83, §217A.21
85 Acts, ch 21, §54
CS85, §246.301
C93, §904.301

**904.302 Farm operations administrator.**

The director may appoint a farm operations administrator for institutions under the control of the departments of corrections and human services. If appointed, the farm operations administrator, subject to the direction of the director shall do all of the following:

1. Manage and supervise all farming and nursery operations at institutions, farms and gardens of the departments of corrections and human services.

2. Determine priorities on the use of agricultural resources and labor for farming and nursery operations, and cooperate with Iowa state university of science and technology in all approved uses connected with the institution.

3. Develop an annual operations plan for crop and livestock production and utilization that will provide work experience and contribute to developing vocational skills of the

institutions' inmates and residents. The department of human services must approve the parts of the plan that affect farm operations on property of institutions having programs of the department of human services.

4. Coordinate farm lease arrangements, farm input purchases, farm product distribution, machinery maintenance and replacement, and renovation of farm buildings, fences and livestock facilities.

5. Develop and maintain accounting records, budgeting and cash flow systems, and inventory records.

6. Advise and instruct institution staff and inmates in application of agricultural technology.

7. Implement actions to restore and maintain productivity of soil resources at the institutions through crop rotation, minimum tillage, contouring, terracing, waterways, pasture renovation, windbreaks, buffer zones, and wildlife habitat in accordance with United States department of agriculture natural resources conservation service plans and recommendations.

8. Pay property taxes levied against land leased by the department of corrections or department of human services as provided in section 427.1, subsection 1.

9. Administer the revolving farm fund created in section 904.706.

10. Do any other farm management duties assigned by the director.

83 Acts, ch 96, §17, 159
CS83, §217A.22
85 Acts, ch 21, §54
CS85, §246.302
87 Acts, ch 139, §2
C93, §904.302
95 Acts, ch 216, §25; 2003 Acts, ch 130, §3, 5
Referred to in §427.1(1b), 904.706

**904.303 Officers and employees — compensation.**

The director shall determine the number and compensation of subordinate officers and employees for each institution subject to chapter 8A, subchapter IV. Subject to this chapter, the officers and employees shall be appointed and discharged by the superintendent who shall keep in the record of each subordinate officer and employee, the date of employment, the compensation, and the date of and the reasons for each discharge.

The superintendents and employees of the correctional institutions shall receive salaries or compensation as determined by the director, shall receive a midshift meal when on duty, and shall be provided uniforms if uniforms are required to be worn when on duty. The uniforms shall be maintained and replaced by the department at no cost to the employees and shall remain the property of the department.

83 Acts, ch 96, §18, 159
CS83, §217A.23
85 Acts, ch 21, §16, 54
CS85, §246.303
C93, §904.303
2003 Acts, ch 145, §280

**904.303A Training — fund.**

A training fund is established under the control of the department. The director shall provide training to all new officers or employees of the department free of charge. The department shall also offer in-service training which shall include classes for officers and employees in the areas of safety, first aid, emergency preparedness, and any other appropriate class determined by the director. Employees of a judicial district may also attend any in-service training offered by the department. The department may recover from the correctional institution or judicial district the actual costs of planning and conducting the training classes if an employee of the institution or judicial district attends an in-service training class. The costs that may be recovered by the department include the costs of

course development, training materials, equipment and facility rental, instruction, and administration. Moneys received as reimbursement of the costs shall be deposited in the training fund for use in conducting future training classes. All cost reimbursement moneys, grants, or appropriations related to training shall be deposited in the fund. Notwithstanding section 8.33, moneys remaining in the training fund at the end of a fiscal year shall not revert to the general fund of the state. Notwithstanding section 12C.7, interest and earnings deposited in the training fund shall be credited to the training fund.

2001 Acts, ch 131, §5

**904.304 Bonds.**

The director shall require officers and employees of institutions under the director's control who are charged with the custody or control of money or property belonging to the state, to give an official bond properly conditioned and signed by sufficient sureties in a sum to be fixed by the director. The bond is subject to approval by the director and shall be filed in the office of the secretary of state.

83 Acts, ch 96, §19, 159
CS83, §217A.24
85 Acts, ch 21, §54
CS85, §246.304
C93, §904.304

**904.305 Dwelling house or quarters.**

The director may furnish the superintendent of each of the institutions, in addition to salary, with a dwelling house or with appropriate quarters in lieu of a house, or the director may compensate the superintendent of each of the institutions in lieu of furnishing a house or quarters. If a superintendent of the institution is furnished with a dwelling house or quarters, either of which is owned by the state, the superintendent may also be furnished with water, heat, and electricity.

The director may furnish assistant superintendents or other employees, or both, with dwelling houses or with appropriate quarters, owned by the state. The assistant superintendent or employee, who is so furnished shall pay rent for the dwelling house or quarters in an amount to be determined by the superintendent of the institution, which shall be the fair market rental value of the house or quarters. If an assistant superintendent or employee is furnished with a dwelling house or quarters either of which is owned by the state, the assistant superintendent or employee may also be furnished with water, heat, and electricity. However, the furnishing of these utilities shall be considered in determining the fair market rental value of the house or quarters.

83 Acts, ch 96, §20, 159
CS83, §217A.25
85 Acts, ch 21, §54
CS85, §246.305
C93, §904.305
Analogous provision, §218.14

**904.306 Conferences.**

Quarterly conferences of the superintendents of the institutions shall be held with the director for the consideration of all matters relative to the management of the institutions. Full minutes of the meetings shall be preserved in the records of the director. The director may cause papers to be prepared and read at the conferences on appropriate subjects.

83 Acts, ch 96, §35, 159
CS83, §217A.51
85 Acts, ch 21, §54
CS85, §246.306
C93, §904.306

**904.307 Annual reports.**
The superintendent of each institution shall make an annual report to the director.
83 Acts, ch 96, §37, 159
CS83, §217A.53
85 Acts, ch 21, §54
CS85, §246.307
88 Acts, ch 1049, §1
C93, §904.307

**904.308 Cooperation.**
The department and the director shall cooperate with any department or agency of the state government in any manner, including the exchange of employees, calculated to improve administration of the affairs of the institutions. Joint use of facilities by the department and another public agency as defined in section 28E.2 shall be only according to an agreement entered into under chapter 28E. All joint campuses shall have one superintendent and one business manager who shall be employed by the department with supervisory responsibility for the majority of the facility's population. Employment of the superintendent and business manager shall be done in consultation with the department which has responsibility for services for the other population at the facility.
83 Acts, ch 96, §49, 159
CS83, §217A.71
85 Acts, ch 21, §54
CS85, §246.308
C93, §904.308

**904.309 Consultants.**
The director may secure the services of consultants to furnish advice on administrative, professional, or technical problems to the director or the employees of institutions under the director's jurisdiction or to provide in-service training and instruction for the employees. The director may pay the consultants from funds appropriated to the department or to any institution under the department's jurisdiction.
83 Acts, ch 96, §50, 159
CS83, §217A.72
85 Acts, ch 21, §54
CS85, §246.309
C93, §904.309

**904.310 Canteens.**
The director may maintain a canteen at an institution under the director's jurisdiction for the sale to persons confined in the institution of items such as toilet articles, candy, tobacco products, notions, and other sundries, and may provide the necessary facilities, equipment, personnel, and merchandise for the canteen. The director shall specify the items to be sold in the canteen. The department may establish and maintain a permanent operating fund for each canteen. The fund shall consist of the receipts from the sale of commodities at the canteen and donations designated by inmates for reimbursement of victims' travel expenses. Any money in the fund over the amount needed to do normal business transactions, to reimburse any accounts which have subsidized the canteen fund, and to reimburse victims' travel expenses shall be considered profit. This money may remain in the canteen fund and be used for any purchase which the superintendent approves that will directly and collectively benefit the inmates of the institution or to reimburse victims' travel expenses.
83 Acts, ch 96, §54, 159
CS83, §217A.76
85 Acts, ch 21, §54
CS85, §246.310
86 Acts, ch 1075, §1; 89 Acts, ch 142, §1; 91 Acts, ch 260, §1220

C93, §904.310
2001 Acts, ch 131, §6

**904.310A Institution reading rooms.**

The director shall, as necessary, provide suitable space for reading material for inmates. For purposes of this section, *"reading material"* does not include material depicting or describing the genitals, sex acts, masturbation, excretory functions, or sadomasochistic abuse which the average person, taking the material as a whole and applying contemporary community standards with respect to what is suitable material for inmates, would find appeals to the prurient interest and is patently offensive; and the material, taken as a whole, lacks serious literary, scientific, political, or artistic value. The space shall be located so that any visitors, other than those authorized pursuant to section 904.512, shall not be able to view the space or the materials located within that space.

90 Acts, ch 1251, §29
C91, §246.310A
91 Acts, ch 258, §38
C93, §904.310A

**904.311 Contingent fund — inmate tort claim fund.**

The director may permit the superintendent of each institution to retain a stated amount of funds in possession as a contingent fund for the payment of freight, postage, commodities purchased on authority of the director on a cash basis, salaries, inmate allowances, and bills granting discount for cash. If necessary, the director shall make proper requisition upon the director of the department of administrative services for a warrant on the treasurer of state to secure the contingent fund for each institution.

There is established in the office of the director an inmate tort claim fund. This fund shall be used to reimburse inmates for the damage or loss of personal property caused by the department. Reimbursement for a single loss may be up to one hundred dollars. Section 8.33 notwithstanding, moneys in the fund shall not revert but shall remain in the fund. The fund shall be replenished from the general appropriation to the institutions as necessary to meet the obligations of the fund.

Tort claims denied at the institution shall be forwarded to the state appeal board for its consideration as if originally filed with that body. This procedure shall be used in lieu of the procedure in chapter 669 for inmate tort claims of less than one hundred dollars.

83 Acts, ch 96, §38, 159
CS83, §217A.54
85 Acts, ch 21, §54
CS85, §246.311
88 Acts, ch 1049, §2
C93, §904.311
94 Acts, ch 1142, §7; 2003 Acts, ch 145, §286

**904.311A Prison recycling funds.**

A recycling fund for each prison institution is created as a separate and distinct fund in the state treasury. All moneys remitted to the department for the recycling operations of a prison institution shall be deposited in the fund established for that institution. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in each fund shall be credited to that fund. Notwithstanding section 8.33, moneys in each fund shall not revert to the general fund of the state at the close of a fiscal year but shall remain in that fund and be used as directed in this section in the succeeding fiscal year. The treasurer of state shall act as custodian of each fund and disburse moneys from each fund as directed by the department for the purpose of payment of operating expenses for recycling.

95 Acts, ch 207, §26; 97 Acts, ch 190, §5

**904.312 Purchase of supplies.**

1. The director shall adopt rules governing the purchase of all articles and supplies

needed at the various institutions and the form and verification of vouchers for the purchases. When purchases are made by sample, the sample shall be properly marked and retained until after an award or delivery of the items is made. The director may purchase supplies from any institution under the director's control, for use in any other institution, and reasonable reimbursement shall be made for these purchases.

2. The director shall, whenever technically feasible, purchase and use degradable loose foam packing material manufactured from grain starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources. For the purposes of this subsection, "*packing material*" means material, other than an exterior packing shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

83 Acts, ch 96, §39, 159
CS83, §217A.55
85 Acts, ch 21, §54
CS85, §246.312
C93, §904.312
93 Acts, ch 176, §48; 2013 Acts, ch 30, §172
Section amended

**904.312A Motor vehicles.**

1. A gasoline-powered motor vehicle purchased by the department shall not operate on gasoline other than ethanol blended gasoline as defined in section 214A.1. A diesel-powered motor vehicle purchased by the department shall not operate on diesel fuel other than biodiesel fuel as defined in section 214A.1, if commercially available. A state-issued credit card shall not be valid to purchase gasoline other than ethanol blended gasoline, or to purchase diesel fuel other than biodiesel fuel, if commercially available. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on ethanol blended gasoline or biodiesel fuel, as applicable. However, the sticker is not required to be affixed to an unmarked vehicle used for purposes of providing law enforcement or security.

2. *a.* Of all new passenger vehicles and light pickup trucks purchased by the department, a minimum of ten percent of all such vehicles and trucks purchased shall be equipped with engines which utilize alternative methods of propulsion, including but not limited to any of the following:

(1) A flexible fuel which is any of the following:

(a) E-85 gasoline as provided in section 214A.2.

(b) B-20 biodiesel blended fuel as provided in section 214A.2.

(c) A renewable fuel approved by the office of renewable fuels and coproducts pursuant to section 159A.3.

(2) Compressed or liquefied natural gas.

(3) Propane gas.

(4) Solar energy.

(5) Electricity.

*b.* The provisions of this subsection do not apply to vehicles and trucks purchased and directly used for law enforcement or off-road maintenance work.

94 Acts, ch 1119, §31; 2006 Acts, ch 1142, §70, 71; 2007 Acts, ch 22, §107; 2008 Acts, ch 1169, §40, 42

**904.312B Purchase of biobased hydraulic fluids, greases, and other industrial lubricants.**

The department when purchasing hydraulic fluids, greases, and other industrial lubricants shall give preference to purchasing biobased hydraulic fluids, greases, and other industrial lubricants as provided in section 8A.316.

98 Acts, ch 1082, §7; 2000 Acts, ch 1109, §7; 2003 Acts, ch 145, §281; 2011 Acts, ch 25, §79

**904.312C Purchase of designated biobased products.**

The department shall give preference to purchasing designated biobased products in the same manner as provided in section 8A.317.

2008 Acts, ch 1104, §7

**904.313 Emergency purchases.**

The purchase of materials or equipment for penal or correctional institutions under the department is exempted from the requirements of centralized purchasing and bidding by the department of administrative services if the materials or equipment are needed to make an emergency repair at an institution or the security of the institution would be jeopardized because the materials or equipment could not be purchased soon enough through centralized purchasing and bidding and, in either case, if the director approves the emergency purchase.

83 Acts, ch 96, §40, 159
CS83, §217A.56
85 Acts, ch 21, §54
CS85, §246.313
C93, §904.313
2003 Acts, ch 145, §286

**904.314 Plans and specifications for improvements.**

The director shall cause plans and specifications to be prepared by the department of administrative services for all improvements authorized and costing over the competitive bid threshold in section 26.3, or as established in section 314.1B. An appropriation for any improvement costing over the competitive bid threshold in section 26.3, or as established in section 314.1B, shall not be expended until the adoption of suitable plans and specifications, prepared by a competent architect or engineer and accompanied by a detailed statement of the amount, quality, and description of all material and labor required for the completion of the improvement.

A plan shall not be adopted, and an improvement shall not be constructed, which contemplates an expenditure of money in excess of the appropriation.

83 Acts, ch 96, §41, 159
CS83, §217A.57
85 Acts, ch 21, §54
CS85, §246.314
86 Acts, ch 1245, §316
C93, §904.314
2003 Acts, ch 145, §286; 2006 Acts, ch 1017, §39, 42

**904.315 Contracts for improvements.**

1. The director of the department of administrative services shall, in writing, let all contracts for authorized improvements under chapter 8A, subchapter III, costing in excess of the competitive bid threshold in section 26.3, or as established in section 314.1B. Upon prior authorization by the director, improvements costing five thousand dollars or less may be made by the superintendent of any institution.

2. A contract is not required for improvements at a state institution where the labor of inmates is to be used if the contract is not for a construction, reconstruction, demolition, or repair project or improvement with an estimated cost in excess of one hundred thousand dollars.

83 Acts, ch 96, §42, 159
CS83, §217A.58
85 Acts, ch 21, §54
CS85, §246.315
86 Acts, ch 1245, §317
C93, §904.315
2000 Acts, ch 1229, §22; 2003 Acts, ch 145, §282; 2006 Acts, ch 1017, §40, 42; 2009 Acts, ch 178, §28; 2010 Acts, ch 1190, §27

**904.316 Payment for improvements.**

The director of the department of administrative services shall not authorize payment for construction purposes until satisfactory proof has been furnished to the director of the department of administrative services by the proper officer or supervising architect, that the contract has been complied with by the parties. Payments shall be made in a manner similar to that in which the current expenses of the institutions are paid.

83 Acts, ch 96, §43, 159
CS83, §217A.59
85 Acts, ch 21, §54
CS85, §246.316
86 Acts, ch 1245, §318
C93, §904.316
2003 Acts, ch 145, §286

**904.317 Director may buy and sell real estate — options.**

The director, subject to the approval of the board, may secure options to purchase real estate and acquire and sell real estate for the proper uses of the institutions. Real estate shall be acquired and sold upon terms and conditions the director recommends subject to the approval of the board. Upon sale of the real estate, the proceeds shall be deposited with the treasurer of state and credited to the general fund of the state. There is appropriated from the general fund of the state to the department a sum equal to the proceeds so deposited and credited to the general fund of the state which may be used to purchase other real estate or for capital improvements upon property under the director's supervision.

The costs incident to the securing of options and acquisition and sale of real estate including, but not limited to, appraisals, invitations for offers, abstracts, and other necessary costs, may be paid from moneys appropriated for support and maintenance to the institution at which the real estate is located. The fund shall be reimbursed from the proceeds of the sale.

83 Acts, ch 96, §51, 159
CS83, §217A.73
85 Acts, ch 21, §54
CS85, §246.317
86 Acts, ch 1244, §31
C93, §904.317

**904.318 Fire protection contracts.**

The director may enter into contracts with the governing body of any city for the protection from fire of any property under the director's primary control, located in any city or in territory contiguous to a city.

The state fire marshal shall cause an annual inspection to be made of all the institutions listed in section 904.102 and shall make a written report of the inspection to the director.

83 Acts, ch 96, §52, 159
CS83, §217A.74
85 Acts, ch 21, §54
CS85, §246.318
C93, §904.318

**904.319 Temporary quarters in emergency.**

If the buildings at any institution under the management of the director are destroyed or rendered unfit for habitation by reason of fire, storms, or other like causes, to such an extent that the inmates cannot be confined and cared for at the institution, the director shall make temporary provision for the confinement and care of the inmates at some other place in the state. Like provision may be made in case of an epidemic among the inmates. The reasonable cost of the change including the cost of transfer of inmates, shall be paid from any money in the state treasury not otherwise appropriated.

83 Acts, ch 96, §46, 159

CS83, §217A.68
85 Acts, ch 21, §54
CS85, §246.319
C93, §904.319

**904.320 Private transportation of prisoners.**

1. If the director contracts with a private person or entity for the transportation of inmates to or from an institution, the contract shall include provisions which require the following:

*a.* The private person or any officers or employees of the private person or private entity shall not have been convicted of any of the following:

(1) A felony.

(2) Within the three-year period immediately preceding the date of the execution of the contract, a violation of the laws pertaining to operation of motor vehicles punishable as a serious misdemeanor or greater offense.

(3) Domestic abuse assault in which bodily injury was inflicted or attempted to be inflicted.

(4) A crime involving illegal manufacture, use, possession, sale, or an attempt to illegally manufacture, use, possess, or sell alcohol or a controlled substance or other drug.

*b.* The person or persons actually transporting the prisoners shall be trained and proficient in the safe use of firearms.

*c.* Any employees of a private entity which has entered into the contract for transportation of prisoners shall only possess and use security and restraint equipment, including any firearms, which has been issued by the private entity.

*d.* The person or persons actually transporting the prisoners shall be trained and proficient in appropriate transportation procedures.

*e.* The person or entity complies, within one year of publication, with any applicable standards for the transportation of prisoners promulgated by the American corrections association.

2. The department shall adopt rules pertaining to contracts with private persons or entities providing transportation of inmates of institutions under the control of the department.

98 Acts, ch 1131, §5

## DIVISION IV

## INVESTIGATIONS

**904.401 Investigation.**

The director or director's designee shall visit and inspect the institutions under the director's control, and investigate the financial condition and management of the institutions at least once in six months.

83 Acts, ch 96, §28, 159
CS83, §217A.41
85 Acts, ch 21, §54
CS85, §246.401
C93, §904.401
94 Acts, ch 1142, §8

**904.402 Investigation of other institutions.**

The director may investigate charges of abuse, neglect or mismanagement on the part of any officer or employee of any public or private institution subject to the director's supervision or control.

83 Acts, ch 96, §29, 159
CS83, §217A.42
85 Acts, ch 21, §54
CS85, §246.402
C93, §904.402

**904.403 Investigatory powers — witnesses.**

1. The director may exercise the following powers in an investigation:

*a.* Summon and compel the attendance of witnesses.

*b.* Examine the witnesses under oath, which the director may administer.

*c.* Have access to all books, papers, and property material to the investigation.

*d.* Order the production of books or papers material to the investigation.

2. Witnesses other than those in the employ of the state are entitled to the same fees as in civil cases in the district court.

83 Acts, ch 96, §30, 159
CS83, §217A.43
85 Acts, ch 21, §54
CS85, §246.403
C93, §904.403
2013 Acts, ch 30, §225
Referred to in §904.404
Section amended

**904.404 Contempt.**

If a person fails or refuses to obey the orders of the director issued under section 904.403, or fails or refuses to give or produce evidence when required, the director shall petition the district court in the county where the offense occurs for an order of contempt and the court shall proceed as for contempt of court.

83 Acts, ch 96, §31, 159
CS83, §217A.44
85 Acts, ch 21, §54
CS85, §246.404
C93, §904.404

**904.405 Recording of testimony.**

The director shall cause the testimony taken at the investigation to be recorded. The recording of the testimony shall not be transcribed unless the testimony is part of a case that is appealed or an interested party requests a transcript and pays the cost of preparing the transcript. The recording of the testimony, or the transcription thereof, shall be filed and maintained in the director's office at the seat of government for at least five years from the date the testimony is taken or the date of a final decision in a case involving the testimony, whichever is later. However, a recording of testimony involving any employee of the department shall continue to be filed and maintained until the employee no longer is employed by the department.

83 Acts, ch 96, §32, 159
CS83, §217A.45
85 Acts, ch 21, §54
CS85, §246.405
C93, §904.405
2001 Acts, ch 131, §7

## DIVISION V

## COMMITMENT, TRANSFER, AND GENERAL SUPERVISION OF INMATES

**904.501 Reports to director.**

The superintendent of each institution shall, within ten days after the commitment or entrance of a person to the institution, cause a true copy of the person's entrance record to be made and forwarded to the director. When an inmate leaves, is discharged, transferred, or dies in any institution, the superintendent or person in charge shall within ten days

thereafter send the information to the office of the director on forms which the director prescribes.

83 Acts, ch 96, §24, 159
CS83, §217A.34
85 Acts, ch 21, §54
CS85, §246.501
C93, §904.501

**904.502 Questionable commitment.**

The superintendent shall within three days of the commitment or entrance of a person at the institution notify the director if there is any question as to the propriety of the commitment or detention of any person received at the institution, and the director upon notification shall inquire into the matter presented, and take appropriate action.

83 Acts, ch 96, §25, 159
CS83, §217A.35
85 Acts, ch 21, §54
CS85, §246.502
C93, §904.502

**904.503 Transfers — persons with mental illness.**

1. *a.* The director may transfer at the expense of the department an inmate of one institution to another institution under the director's control if the director is satisfied that the transfer is in the best interests of the institutions or inmates.

*b.* The director may transfer at the expense of the department an inmate under the director's jurisdiction from any institution supervised by the director to another institution under the control of an administrator of a division of the department of human services with the consent and approval of the administrator and may transfer an inmate to any other institution for mental or physical examination or treatment retaining jurisdiction over the inmate when so transferred.

*c.* If the juvenile court waives its jurisdiction over a child over thirteen and under eighteen years of age pursuant to section 232.45 so that the child may be prosecuted as an adult and if the child is convicted of a public offense in the district court and committed to the custody of the director under section 901.7, the director may request transfer of the child to the state training school under this section. If the administrator of a division of the department of human services consents and approves the transfer, the child may be retained in temporary custody by the state training school until attaining the age of eighteen, at which time the child shall be returned to the custody of the director of the department of corrections to serve the remainder of the sentence imposed by the district court. If the child becomes a security risk or becomes a danger to other residents of the state training school at any time before reaching eighteen years of age, the administrator of the division of the department of human services may immediately return the child to the custody of the director of the department of corrections to serve the remainder of the sentence.

2. When the director has cause to believe that an inmate in a state correctional institution is mentally ill, the Iowa department of corrections may cause the inmate to be transferred to the Iowa medical and classification center, or to another appropriate facility within the department, for examination, diagnosis, or treatment. The inmate shall be confined at that center or facility or a state hospital for persons with mental illness until the expiration of the inmate's sentence or until the inmate is pronounced in good mental health. If the inmate is pronounced in good mental health before the expiration of the inmate's sentence, the inmate shall be returned to the state correctional institution until the expiration of the inmate's sentence.

3. When the director has reason to believe that a prisoner in a state correctional institution, whose sentence has expired, is mentally ill, the director shall cause examination to be made of the prisoner by competent physicians who shall certify to the director whether the prisoner is in good mental health or mentally ill. The director may make further investigation and if satisfied that the prisoner is mentally ill, the director may cause the prisoner to be transferred

to one of the hospitals for persons with mental illness, or may order the prisoner to be confined in the Iowa medical and classification center.

**2.** [SS15, §5709-b, -e; C24, 27, 31, 35, 39, §**3755;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §246.16; 82 Acts, ch 1100, §11]

**3.** [C97, §5710; C24, 27, 31, 35, 39, §**3756;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §246.17; 82 Acts, ch 1100, §12]

83 Acts, ch 96, §21, 92, 159
CS83, §217A.31, 246.16
84 Acts, ch 1184, §14, 15; 84 Acts, ch 1214, §1
C85, §217A.31
85 Acts, ch 21, §17 – 19, 54
CS85, §246.503
89 Acts, ch 80, §1
C93, §904.503
96 Acts, ch 1129, §113; 2003 Acts, 1st Ex, ch 2, §55, 209; 2013 Acts, ch 30, §261
Referred to in §229.26, 904.204
Code editor directive applied

**904.504 Federal prisoners.**

Inmates sentenced for any term by any court of the United States may be received by the superintendent of a state correctional institution and kept there in pursuance of their sentences. The director may transfer inmates at state correctional institutions to the federal bureau of prisons.

[C51, §3119; R60, §5138; C73, §4771; C97, §5676; C24, 27, 31, 35, 39, §**3750**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §246.11]

83 Acts, ch 96, §91, 159; 84 Acts, ch 1184, §13
C85, §217A.39
85 Acts, ch 21, §22, 54
CS85, §246.504
C93, §904.504

**904.505 Disciplinary procedures — use of force.**

1. Inmates who disobey the disciplinary rules of the institution to which they are committed shall be punished by the imposition of the penalties prescribed in the disciplinary rules, according to the following guidelines:

*a.* To ensure that sanctions are imposed only at such times and to such a degree as is necessary to regulate inmate behavior within the limits of the disciplinary rules and to promote a safe and orderly institutional environment.

*b.* To control inmate behavior in an impartial and consistent manner.

*c.* To ensure that disciplinary procedures are fair and that sanctions are not capricious or retaliatory.

*d.* To prevent the commission of offenses through the deterrent effect of the sanctions available.

*e.* To define the elements of each offense and the penalties which may be imposed for violations, in order to give fair warning of prohibited conduct.

*f.* To provide procedures for preparation of reports of disciplinary actions, for conducting disciplinary hearings, and for processing of disciplinary appeals.

2. The superintendent of each institution shall maintain a register of all penalties imposed on inmates and the cause for which the penalties were imposed.

3. A correctional officer of a correctional institution or the officer's assistant shall, in case an inmate resists the officer's or assistant's lawful authority, or refuses to obey the officer's or assistant's lawful command, only use such force as is reasonably necessary under all attendant circumstances. The use of a deadly weapon is justified under conditions of extreme necessity and as a last resort to protect the life or safety of a person. The use of a deadly weapon is not justified solely to prevent damage to or destruction of property where there is no danger to the life or safety of a person. An officer or assistant is justified in using

force which causes injury or death to an inmate if the officer's or assistant's actions comply with the requirements of this subsection.

4. The disciplinary rules may impose a reasonable administrative fee for the filing of a report of a major disciplinary rule infraction for which an inmate is found guilty. A fee charged pursuant to this subsection shall be deposited in the general fund of the state.

85 Acts, ch 21, §21
CS85, §246.505
C93, §904.505
2010 Acts, ch 1031, §411

**904.506 Confiscation of currency.**

1. Except as provided for by the director by rule, it is unlawful for an inmate of one of the penal or correctional facilities under the department to possess United States or foreign currency in the penal or correctional facility.

2. The director shall adopt rules as to circumstances under which the possession of currency by an inmate of a penal or correctional facility under the department is authorized.

3. The department may confiscate currency unlawfully possessed in violation of this section. Money confiscated pursuant to this section shall be deposited in a special fund in the state treasury which fund shall be established by the treasurer of state. Money deposited in the fund may be drawn upon by the department to pay for expenses incurred in operating the division's penal and correctional facilities and programs.

83 Acts, ch 51, §2, 7, 9; 83 Acts, ch 96, §159, 160
CS83, §217A.77
85 Acts, ch 21, §54
CS85, §246.506
C93, §904.506

**904.507 Escape.**

An inmate of a state correctional institution who escapes from it may be arrested and returned to the institution, by an officer or employee of a state correctional institution without any other authority than this chapter, and by any peace officer or other person on the request in writing of the superintendent or the state director.

[SS15, §2713-n15; C24, 27, 31, 35, 39, §**3738;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §245.15]

83 Acts, ch 96, §88, 159; 83 Acts, ch 101, §52; 84 Acts, ch 1184, §12
C85, §217A.38
85 Acts, ch 21, §54
CS85, §246.507
C93, §904.507

**904.507A Liability for escapee expenses.**

If a person escapes from a state correctional institution including but not limited to those institutions listed in section 904.102, all necessary and legal expenses incurred by that person while absent from the state institution shall be paid out of any moneys in the state treasury not otherwise appropriated. The expenses shall be paid on claims filed with the department of administrative services.

98 Acts, ch 1086, §5; 2003 Acts, ch 145, §286

**904.508 Property of inmate — inmate savings fund.**

1. The superintendent of each institution shall receive and care for any property an inmate may possess on the inmate's person upon entering the institution, and on the discharge of the inmate, return the property to the inmate or the inmate's legal representatives, unless the property has been previously disposed of according to the inmate's written designation or policies prescribed by the board. The superintendent may place an inmate's money at interest, keeping an account of the money and returning the remaining money upon discharge.

2. Pursuant to section 904.702, the director shall establish and maintain an inmate savings fund in an interest-bearing account for the deposit of all or part of an inmate's allowances and amounts, except amounts directed to be deposited in the inmate telephone fund established in section 904.508A, sent to the inmate from a source other than the department. All or part of an inmate's allowances and amounts, except amounts directed to be deposited in the inmate telephone fund established in section 904.508A, from a source other than the department shall be deposited into the savings fund, until the inmate's deposit is equal to one hundred dollars as provided in section 906.9. If an inmate's deposits are equal to or in excess of one hundred dollars, the inmate may voluntarily withdraw from the savings fund. The director shall notify the inmate of this right to withdraw and shall provide the inmate with a written request form to facilitate the withdrawal. If the inmate withdraws and the inmate's deposits exceed the amount due as provided in section 906.9, the director shall disburse the excess amount as provided for allowances under section 904.702, except the director shall not deposit the excess amount in the inmate savings fund. If the inmate chooses to continue to participate in the savings fund, the inmate's deposits shall be returned to the inmate upon discharge, parole, or placement on work release. Otherwise, the inmate's deposits shall be disposed of as provided in subsection 3. An inmate's deposits into the savings fund may be used to provide the money due the inmate upon discharge, parole, or placement on work release, as required under section 906.9. Interest earned from the savings fund shall be placed in a separate account, and may be used for purchases approved by the director to directly and collectively benefit inmates.

3. Upon the death of an inmate, the superintendent of the institution shall immediately take possession of the decedent's property left at the institution, including the inmate's deposits into the inmate savings fund, and shall deliver the property to the person designated by the inmate to be contacted in case of an emergency. However, if the property left by the decedent cannot be delivered to the designated person, delivery may be made to the surviving spouse or an heir of the decedent. If the decedent's property cannot be delivered to the designated person and no surviving spouse or heir is known, the superintendent shall deliver the property to the treasurer of state for disposition as unclaimed property pursuant to chapter 556, after deducting expenses incurred in disposing of the decedent's body or property.

83 Acts, ch 96, §44, 159
CS83, §217A.66
85 Acts, ch 21, §25, 54
CS85, §246.508
89 Acts, ch 46, §1; 91 Acts, ch 219, §8
C93, §904.508
2003 Acts, 1st Ex, ch 2, §56, 209
Referred to in §904.509, 904.702, 906.9

**904.508A Inmate telephone fund.**

The department is authorized to establish and maintain an inmate telephone fund for the deposit of moneys received for inmate telephone calls. All funds deposited in this fund shall be used for the benefit of inmates. The director shall adopt rules providing for the disbursement of moneys from the fund.

95 Acts, ch 207, §27; 2003 Acts, 1st Ex, ch 2, §57, 209
Referred to in §904.508, 904.702

**904.509 Money deposited with treasurer of state.**

Money from property converted pursuant to section 904.508 shall be transmitted to the treasurer of state as soon after one year after the death of the inmate as practicable. A complete permanent record of the property, showing by whom and with whom it was left, its amount when converted to money, the date of the death of the owner, the owner's reputed place of residence before becoming an inmate of the institution, the date on which the money was sent to the treasurer of state, and any other facts which may tend to identify the decedent

and explain the case, shall be kept by the superintendent of the institution, and a transcript of the record shall be sent to and kept by the treasurer of state.

Money deposited with the treasurer of state pursuant to this section shall be paid at any time within ten years from the death of the inmate to any person who is shown to be entitled to it.

83 Acts, ch 96, §45, 159
CS83, §217A.67
85 Acts, ch 21, §54
CS85, §246.509
C93, §904.509

**904.510 Religious preference.**

The superintendent receiving a person committed to any of the institutions shall ask the person to state the person's religious preference, shall enter the stated preference in a book kept for that purpose, and shall request that the person sign the entry. If the person is a minor and has formed no choice, the preference may be expressed at any later time by the person.

83 Acts, ch 96, §26, 159
CS83, §217A.36
85 Acts, ch 21, §54
CS85, §246.510
C93, §904.510

**904.511 Time for religion.**

Any inmate, during the time of detention, shall be allowed for at least one hour on each Sunday or other holy day or in times of extreme sickness, and at other suitable and reasonable times consistent with proper discipline in the institution, to receive spiritual advice, instruction, and ministration from any recognized member of the clergy who represents the inmate's religious belief.

83 Acts, ch 96, §27, 159
CS83, §217A.37
85 Acts, ch 21, §54
CS85, §246.511
C93, §904.511

**904.512 Visits.**

Members of the executive council, the attorney general, the lieutenant governor, members of the general assembly, judges of the supreme and district court and court of appeals, judicial magistrates, county attorneys and persons ordained or designated as regular leaders of a religious community are authorized to visit all institutions under the control of the Iowa department of corrections at reasonable times. No other person shall be granted admission except by permission of the superintendent.

84 Acts, ch 1004, §1
C85, §217A.80
85 Acts, ch 21, §28, 54
CS85, §246.512
C93, §904.512
Referred to in §904.310A

**904.513 Assignment of OWI violators to treatment facilities.**

1. *a.* The department of corrections, in cooperation with the judicial district departments of correctional services, shall establish in each judicial district a continuum of programming for the supervision and treatment of offenders convicted of violating chapter 321J who are sentenced to the custody of the director. The continuum shall include a range of sanctioning options that include, but are not limited to, prisons and residential facilities.

*b.* (1) The department of corrections shall develop standardized assessment criteria for the assignment of offenders pursuant to this chapter.

(2) Offenders convicted of violating chapter 321J, sentenced to the custody of the director, and awaiting placement in a community residential substance abuse treatment program for such offenders shall be placed in an institutional substance abuse program for such offenders within sixty days of admission to the institution or as soon as practical. When placing offenders convicted of violating chapter 321J in community residential substance abuse treatment programs for such offenders, the department shall give priority as appropriate to the placement of those offenders currently in institutional substance abuse programs for such offenders. The department shall work with each judicial district to enable such offenders to enter community residential substance abuse treatment programs at a level comparable to their prior institutional program participation.

(3) Assignment shall be for the purposes of risk management and substance abuse treatment and may include education or work programs when the offender is not participating in other program components.

(4) Assignment may also be made on the basis of the offender's treatment program performance, as a disciplinary measure, for medical needs, and for space availability at community residential facilities. If there is insufficient space at a community residential facility, the court may order an offender to be released to the supervision of the judicial district department of correctional services, held in jail, or committed to the custody of the director of the department of corrections for assignment to an appropriate correctional facility until there is sufficient space at a community residential facility.

2. Upon request by the director, a county shall provide temporary confinement for offenders allegedly violating the conditions of assignment to a program under this chapter, if space is available in the county. The department shall negotiate a reimbursement rate with each county. The amount to be reimbursed shall be determined by multiplying the number of days a person is confined by the average daily cost of confining a person in the county facility as negotiated with the department. A county holding offenders in jail due to insufficient space in a community residential facility shall be reimbursed. Payment shall be made upon submission of a voucher executed by the sheriff and approved by the director. A voucher seeking payment shall be submitted within thirty days of the end of a calendar quarter. If a voucher seeking payment is not made within thirty days of the end of the calendar quarter, the request shall be denied by the department.

3. The department shall adopt rules for the implementation of this section. The rules shall include the requirement that the treatment programs established pursuant to this chapter meet the licensure standards of the department of public health under chapter 125. The rules shall also include provisions for the funding of the program by means of self-contribution by the offenders, insurance reimbursement on behalf of offenders, or other forms of funding, program structure, criteria for the evaluation of offenders and programs, and all other issues the director shall deem appropriate.

86 Acts, ch 1220, §26

C87, §246.513

87 Acts, ch 118, §1, 2; 90 Acts, ch 1251, §30; 91 Acts, ch 219, §9; 92 Acts, ch 1163, §57

C93, §904.513

96 Acts, ch 1165, §2; 2000 Acts, ch 1202, §1; 2003 Acts, 1st Ex, ch 2, §58, 209; 2006 Acts, ch 1010, §167; 2006 Acts, ch 1183, §24; 2012 Acts, ch 1030, §1

Referred to in §321J.2, 462A.14

**904.514 Required test.**

A person committed to an institution under the control of the department who bites another person, who causes an exchange of bodily fluids with another person, or who causes any bodily secretion to be cast upon another person, shall submit to the withdrawal of a bodily specimen for testing to determine if the person is infected with a contagious infectious disease. The bodily specimen to be taken shall be determined by the staff physician of the institution. The specimen taken shall be sent to the state hygienic laboratory at the state university at Iowa City or some other laboratory approved by the Iowa department of public health. If a person to be tested pursuant to this section refuses to submit to the withdrawal of a bodily specimen, application may be made by the superintendent of the institution to

the district court for an order compelling the person to submit to the withdrawal and, if infected, to available treatment. An order authorizing the withdrawal of a specimen for testing may be issued only by a district judge or district associate judge upon application by the superintendent of the institution.

Failure to comply with an order issued pursuant to this section may result in the forfeiture of good conduct time, not to exceed one year, earned up to the time of the failure to comply.

Personnel at an institution under the control of the department or of a residential facility operated by a judicial district department of correctional services shall be notified if a person committed to any of these institutions is found to have a contagious infectious disease.

The department shall adopt policies and procedures to prevent the transmittal of a contagious infectious disease to other persons.

For purposes of this section, *"infectious disease"* means any infectious condition which if spread by contamination would place others at a serious health risk.

87 Acts, ch 185, §1
CS87, §246.514
C93, §904.514

**904.515 Human immunodeficiency virus-related matters — exemption.**

The provisions of chapter 141A relating to knowledge and consent do not apply to persons committed to the custody of the department. The department may provide for medically acceptable procedures to inform employees, visitors, and persons committed to the department of possible infection and to protect them from possible infection.

88 Acts, ch 1234, §6
C89, §246.515
C93, §904.515
99 Acts, ch 181, §18

**904.516 Academic achievement of inmates — literacy and high school equivalency programs.**

1. Effective July 1, 1997, a person who is committed to the custody of the director of the department of corrections may be evaluated for purposes of determining the level of achievement in the basic skills of arithmetic, the communicative arts of reading, writing, grammar, and spelling, social studies, and the sciences.

2. Persons who demonstrate functional literacy competence below the sixth grade level may be required to participate in literacy programs established by the department. Participation shall be voluntary, but shall be reflected as part of the person's record at the institution. Persons who are required to participate in literacy programs and who refuse to participate shall be subject to the following penalties:

*a.* Eligibility only for a minimum allowance.
*b.* Placement on idle status.
*c.* Ineligibility for work bonuses.
*d.* Ineligibility for minimum out or minimum live out status.
*e.* Ineligibility for other privileges as determined by the department.

3. Persons who have not completed the requirements for high school or a high school equivalency diploma may be required to complete the requirements for and to obtain a high school equivalency diploma under chapter 259A.

4. The department, in cooperation with the board of parole, shall adopt rules which establish a procedure for evaluation of inmates to determine basic skills achievement, and criteria for placement of inmates in educational programs. Rules adopted may include, but shall not be limited to, the establishment of standards for the development of appropriate programming, imposition of any applicable penalties, and for waiver of any educational requirements.

95 Acts, ch 179, §1

## DIVISION VI

## RECORDS — CONFIDENTIALITY

**904.601 Records of inmates.**

1. The director shall keep the following record of every person committed to any of the department's institutions: Name, residence, sex, age, place of birth, occupation, civil condition, date of entrance or commitment, date of discharge, whether a discharge is final, condition of the person when discharged, the name of the institutions from which and to which the person has been transferred, and if the person is dead, the date and cause of death. The director may permit the division of library services of the department of education and the historical division of the department of cultural affairs to copy or reproduce by any photographic, photostatic, microfilm, microcard, or other process which accurately reproduces in a durable medium and to destroy in the manner described by law the records of inmates required by this paragraph.

2. The director shall keep other records for the use of the board of parole as the board of parole may request.

83 Acts, ch 96, §22, 159
CS83, §217A.32
84 Acts, ch 1148, §3; 85 Acts, ch 21, §20, 54
CS85, §246.601
C93, §904.601
93 Acts, ch 48, §54; 2011 Acts, ch 132, §65, 106
Referred to in §216A.136

**904.602 Confidentiality of records — penalty.**

1. The following information regarding individuals receiving or who have received services from the department or from the judicial district departments of correctional services under chapter 905 is public information and may be given to anyone:

*a.* Name.
*b.* Age.
*c.* Sex.
*d.* Status (inmate, parolee, or probationer).
*e.* Location, except home street address.
*f.* Duration of supervision.
*g.* Offense or offenses for which the individual was placed under supervision.
*h.* County of commitment.
*i.* Arrest and detention orders.
*j.* Physical description.
*k.* Type of services received.
*l.* Disciplinary reports and decisions which have been referred to the county attorney or prosecutor for prosecution, and the following information of all other disciplinary reports:
(1) The name of the subject of the investigation.
(2) The alleged infraction involved.
(3) The finding of fact and the penalty, if any, imposed as a result of the infraction.

2. The following information regarding individuals receiving or who have received services from the department or from the judicial district departments of correctional services under chapter 905 is confidential and shall not be disseminated by the department to the public:

*a.* Home street address of the individual receiving or who has received services or that individual's family.
*b.* Department evaluations.
*c.* Medical, psychiatric or psychological information.
*d.* Names of associates or accomplices.
*e.* Name of employer.
*f.* Social security number.

*g.* Prior criminal history including information on offenses where no conviction occurred.

*h.* Family and personal history.

*i.* Financial information.

*j.* Information from disciplinary reports and investigations other than that identified in subsection 1, paragraph *"l"*.

*k.* Investigations by the department or other agencies which are contained in the individual's file.

*l.* Department committee records which include any information identified in paragraphs *"a"* through *"k"*. A record containing information which is both public and confidential which is reasonably segregable shall not be confidential after deletion of the confidential information.

*m.* Presentence investigations as provided under chapter 901.

*n.* Pretrial information that is not otherwise available in public court records or proceedings.

*o.* Correspondence directed to department officers or staff from an individual's family, victims, or employers of a personal or confidential nature. If the custodian of the record determines that the correspondence is confidential, in any proceeding under chapter 22 the burden of proof shall be on the person seeking release of the correspondence, and the writer of the correspondence shall be notified of the proceeding.

3. Information identified in subsection 2 shall not be disclosed or used by any person or agency except for purposes of the administration of the department's programs of services or assistance and shall not, except as otherwise provided in this section, be disclosed by the department or be used by persons or agencies outside the department unless they are subject to, or agree to, comply with standards of confidentiality comparable to those imposed on the department by this section.

4. This section does not restrict the disclosure or use of information regarding the cost, purpose, number of persons served or assisted by or results of any program administered by the department, and other general statistical information so long as the information does not identify particular individuals served or assisted except as provided in subsection 1 of this section.

5. Information restricted in subsection 2 may be disclosed to persons or agencies with the approval of the director for the limited purpose of research and program evaluation or educational purposes when those persons or agencies agree to keep confidential that information restricted in subsection 2, and any reports of the research shall not contain any of the information restricted in subsection 2 except as allowed in subsection 4. However, the persons or agencies eligible to receive information under this subsection include only those which are state employees or those whom the department retains under contract to perform the services.

6. Confidential information described in subsection 2 may be disclosed to public officials for use in connection with their official duties relating to law enforcement, audits and other purposes directly connected with the administration of their programs. Full disclosure by the department of any information on an individual may be made to the board of parole and to judicial district departments of correctional services created under chapter 905, and the board and those departments are subject to the same standards as the department in dissemination or redissemination of information on persons served or supervised by those departments, and all provisions of this section pertain to the board of parole and to the judicial district departments as if they were a part of the department. Information may be disseminated about individuals while under the supervision of the department to public or private agencies to which persons served or supervised by the department are referred for specific services not otherwise provided by the department but only to the extent that the information is needed by those agencies to provide the services required, and they shall keep information received from the department confidential.

7. Information described in subsection 2 which pertains to the name and address of the employer of an individual who is receiving or has received services shall be released upon request to an individual for the purpose of executing a judgment resulting from the individual's current or past criminal activity.

8. If it is established that a provision of this section would cause any of the department's programs of services or assistance to be ineligible for federal funds, the provision shall be limited or restricted to the extent which is essential to make the program eligible for federal funds. The department shall adopt, pursuant to chapter 17A, rules necessary to implement this subsection.

9. A supervised individual or former supervised individual shall be given access to the individual's own records in the custody of the department, except that records which could result in physical or psychological harm to another person or the supervised individual or adversely affect an investigation into a supervised individual's possible violation of departmental rules, shall not be disclosed without a court order. Psychiatric information may be withheld by the department if its release would jeopardize the supervised individual's treatment. Upon the supervised individual's written authorization, that information which the supervised individual has access to may be released to any third party. A reasonable fee for copying and services may be charged.

10. Regulations, procedures, and policies that govern the internal administration of the department and the judicial district departments of correctional services under chapter 905, which if released may jeopardize the secure operation of a correctional institution operation or program are confidential unless otherwise ordered by a court. These records include procedures on inmate movement and control, staffing patterns and regulations, emergency plans, internal investigations, equipment use and security, building plans, operation, and security, security procedures for inmate, staff, and visits, daily operation records, and contraband and medicine control.

These records are exempt from the public inspection requirements in section 17A.3 and section 22.2.

11. Violation of this section is a serious misdemeanor.

12. This section does not preclude the disclosure of otherwise confidential material if it is necessary to civil or criminal court proceedings. The review of the court may, however, limit the confidential information to an in camera inspection where the court determines that the confidential nature of the information needs to be protected.

83 Acts, ch 96, §13, 159
CS83, §217A.18
84 Acts, ch 1148, §1; 85 Acts, ch 21, §54
CS85, §246.602
C93, §904.602
94 Acts, ch 1142, §9, 10; 98 Acts, ch 1090, §77, 78, 84
Referred to in §216A.136, 901.4, 904.603

**904.603 Action for damages.**

A person receiving or who has received services, or that person's family, victim or employer may institute a civil action for damages under chapter 669 or other action to restrain the release of confidential records set out in section 904.602, subsection 2, which is in violation of that section, and a person, agency or governmental body proven to have released confidential records in violation of section 904.602, subsection 2, is liable for actual damages for each violation and is liable for court costs and reasonable attorney's fees incurred by the party bringing the action.

83 Acts, ch 96, §14, 159
CS83, §217A.19
84 Acts, ch 1148, §2; 85 Acts, ch 21, §54
CS85, §246.603
C93, §904.603
94 Acts, ch 1142, §11

## DIVISION VII

## INMATE WORK

**904.701 Services required — gratuitous allowances — hard labor — rules.**

1. An inmate of an institution shall be required to perform hard labor which is suited to the inmate's age, gender, physical and mental condition, strength, and attainments in the institution proper, in the industries established in connection with the institution, or at such other places as may be determined by the director. Substantially equivalent hard labor programs shall be available to both male and female inmates. When an inmate of an institution is working outside the institution proper, the inmate shall be deemed at all times to be in the actual custody of the superintendent of the institution. Inmates performing hard labor on chain gangs at a location other than within or on the grounds of a correctional institution shall be attired in brightly colored uniforms that readily identify them as inmates of correctional institutions. Inmates performing other types of hard labor at locations other than within or on the grounds of a correctional institution may also be required by the department to wear the brightly colored uniforms. Inmates not required to wear brightly colored uniforms while performing hard labor shall be otherwise clearly designated as inmates of correctional institutions. The employment of inmates in hard labor shall not displace employed workers, shall not be applied to skills, crafts, or trades in which a local surplus of labor exists, and shall not impair existing contracts for employment or services.

2. The director may when practicable pay the inmate an allowance as the director deems proper in view of the circumstances, and in view of the cost attending the maintenance of the inmate. The allowance is a gratuitous payment and is not a wage arising out of an employment relationship. The payment shall not exceed the amount paid to free labor for a like or equivalent service.

3. For purposes of this section, *"hard labor"* means physical or mental labor which is performed for a period of time which shall average, as nearly as possible, forty hours each week, and may include useful and productive work, chain gangs, menial labor, treatment or education programs, any training necessary to perform any work required, and, if possible, work providing an inmate with marketable vocational skills. *"Hard labor"* does not include labor which is dangerous to an inmate's life or health, is unduly painful, or is required to be performed under conditions that would violate occupational safety and health standards applicable to such labor if performed by a person who is not an inmate.

4. Notwithstanding subsection 1, an inmate who has been determined by the director to be unsuitable for the performance of hard labor due to the inmate's age, gender, physical or mental condition, strength, or security status shall not be required to perform hard labor.

5. The department shall adopt rules to implement this section.

83 Acts, ch 96, §33, 159
CS83, §217A.46
85 Acts, ch 21, §23, 54
CS85, §246.701
C93, §904.701
95 Acts, ch 166, §1; 96 Acts, ch 1216, §33
Referred to in §904.702
Reports concerning inmate labor; 2002 Acts, 2nd Ex, ch 1003, §158, 172; 2003 Acts, ch 174, §7; 2004 Acts, ch 1175, §186; 2005 Acts, ch 174, §7; 2006 Acts, ch 1183, §8; 2007 Acts, ch 213, §7; 2008 Acts, ch 1180, §7; 2009 Acts, ch 178, §7; 2010 Acts, ch 1190, §7; 2011 Acts, ch 134, §7, 36; 2013 Acts, ch 139, §7, 25
Section not amended; footnote revised

**904.702 Deductions from inmate accounts.**

1. If allowances are paid pursuant to section 904.701, the director shall establish an inmate account, for deposit of those allowances and for deposit of moneys sent to the inmate from a source other than the department of corrections. The director may deduct an amount, not to exceed ten percent of the amount of the allowance, unless the inmate requests a larger amount, to be deposited into the inmate savings fund as required under section 904.508, subsection 2. In addition to deducting a portion of the allowance, the director may also deduct

from an inmate account any amount, except amounts directed to be deposited in the inmate telephone fund established in section 904.508A, sent to the inmate from a source other than the department of corrections for deposit in the inmate savings fund as required under section 904.508, subsection 2, until the amount in the fund equals the amount due the inmate upon discharge, parole, or placement on work release. The director shall deduct from the inmate account an amount the inmate is legally obligated to pay for child support. The director shall deduct from the inmate account an amount established by the inmate's restitution plan of payment. The director shall also deduct from any remaining account balance an amount sufficient to pay all or part of any judgment against the inmate, including but not limited to judgments for taxes and child support, and court costs and fees assessed either as a result of the inmate's confinement or amounts required to be paid under section 610A.1. Written notice of the amount of the deduction shall be given to the inmate, who shall have five days after receipt of the notice to submit in writing any and all objections to the deduction to the director, who shall consider the objections prior to transmitting the deducted amount to the clerk of the district court. The director need give only one notice for each action or appeal under section 610A.1 for which periodic deductions are to be made. The director shall next deduct from any remaining account balance an amount sufficient to pay all or part of any costs assessed against the inmate for misconduct or damage to the property of others. The director may deduct from the inmate's account an amount sufficient to pay for the inmate's share of the costs of health services requested by the inmate and for the treatment of injuries inflicted by the inmate on the inmate or others. The director may deduct and disburse an amount sufficient for industries' programs to qualify under the eligibility requirements established in the Justice Assistance Act of 1984, Pub. L. No. 98-473, including an amount to pay all or part of the cost of the inmate's incarceration. The director may pay all or any part of remaining allowances paid pursuant to section 904.701 directly to a dependent of the inmate, or may deposit the allowance to the account of the inmate, or may deposit a portion and allow the inmate a portion for the inmate's personal use.

2. The director and the department shall not be liable to any person for any damages caused by the withdrawal or failure to withdraw money or the payment or failure to make any payment under this section.

83 Acts, ch 96, §34, 159
CS83, §217A.47
85 Acts, ch 21, §24, 54; 85 Acts, ch 195, §24
CS85, §246.702
87 Acts, ch 13, §3; 88 Acts, ch 1166, §1; 91 Acts, ch 219, §10
C93, §904.702
95 Acts, ch 167, §6; 96 Acts, ch 1165, §3; 2003 Acts, 1st Ex, ch 2, §59, 209; 2006 Acts, ch 1183, §25
Referred to in §610A.1, 610A.3, 822.2, 904.508, 915.83

**904.703 Services of inmates — institutions and public service — inmate labor fund.**

1. Inmates shall work on state account in the maintenance of state institutions, in the erection, repair, authorized demolition, or operation of buildings and works used in connection with the institutions, and in industries established and maintained in connection with the institutions by the director. The director shall encourage the making of agreements, including chapter 28E agreements, with departments and agencies of the state or its political subdivisions to provide products or services under an inmate work program to the departments and agencies. The director may implement an inmate work program for trustworthy inmates of state correctional institutions, under proper supervision, whether at work centers located outside the state correctional institutions or in construction or maintenance work at public or charitable facilities and for other agencies of state, county, or local government. The supervision, security, and transportation of, and allowances paid to inmates used in public service projects shall be provided pursuant to agreements, including chapter 28E agreements, made by the director and the agency for which the work is done. Housing and maintenance shall also be provided pursuant to the agreement, including a chapter 28E agreement, unless the inmate is housed and maintained in the correctional

facility. All such work, including but not limited to that provided in this section, shall have as its primary purpose the development of attitudes, skills, and habit patterns which are conducive to inmate rehabilitation. The director may adopt rules allowing inmates participating in an inmate work program to receive educational or vocational training outside the state correctional institutions and away from the work centers or public or charitable facilities used under a program.

2. An inmate shall not work in a public service project if the work of that inmate would replace a person employed by the state agency or political subdivision, which employee is performing the work of the public service project at the time the inmate is being considered for work in the project.

3. An inmate labor fund is established under the control of the department. All fees, grants, appropriations, or reimbursed costs received by the department and related to inmate labor shall be deposited into the fund, and the moneys shall be used by the department to offset staff and transportation costs related to providing inmate labor to public entities and to initiate or supplement other inmate labor activities within correctional institutions or throughout the state. Notwithstanding section 8.33, moneys remaining in the fund at the end of a fiscal year shall not revert to the general fund of the state. Notwithstanding section 12C.7, interest and earnings deposited in the fund shall be credited to the fund.

[S13, §5702-a; SS15, §5718-a11; C24, 27, 31, 35, 39, §**3757**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §246.18]

83 Acts, ch 51, §3, 7, 9; 83 Acts, ch 96, §159, 160

CS83, §217A.78

85 Acts, ch 21, §26, 54

CS85, §246.703

88 Acts, ch 1165, §2; 90 Acts, ch 1251, §31

C93, §904.703

98 Acts, ch 1086, §6; 99 Acts, ch 182, §5; 2004 Acts, ch 1106, §3; 2005 Acts, ch 67, §1

Referred to in §85.59, 669.2, 904.704, 904.802, 904.808

**904.704 Limitation on contracts.**

The director or the superintendents of the institutions shall not, nor shall any other person employed by the state, make any contract by which the labor or time of an inmate in the institution is given, loaned, or sold to any person unless as provided by division VIII or section 904.703.

[S13, §2727-a51, 5718-a28a; C24, 27, 31, 35, 39, §**3764**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §246.25]

83 Acts, ch 51, §4, 7, 9; 83 Acts, ch 96, §159, 160

CS83, §217A.79

85 Acts, ch 21, §27, 54

CS85, §246.704

C93, §904.704

**904.705 Industries — forestry nurseries.**

The director may establish industries at or in connection with any of the institutions under the director's control and may make contractual agreements with the United States, other states, state departments and agencies, and subdivisions of the state, for purchase of industry products.

The director may with the assistance of the department of natural resources establish and operate forestry nurseries on state-owned land under the control of the department. Residents of the adult correctional institutions shall provide the labor for the operation. Nursery stock shall be sold in accordance with the rules of the natural resource commission. The department shall pay the costs of establishing and operating the forestry nurseries out of the revolving farm fund created in section 904.706. The department of natural resources shall pay the costs of transporting, sorting, and distributing nursery stock to and from or on state-owned land under the control of the department of natural resources. Receipts from the sale of nursery stock produced under this section shall be divided between the

department and the department of natural resources in direct proportion to their respective costs as a percentage of the total costs. However, property taxes due and payable on the land shall be deducted before receipts of sale are divided between the two departments if land subject to this section is leased to an entity other than an entity which is exempt from property taxation under section 427.1. The department shall deposit its receipts in the revolving farm fund created in section 904.706.

83 Acts, ch 96, §47, 159
CS83, §217A.69
85 Acts, ch 21, §54
CS85, §246.705
C93, §904.705
2003 Acts, ch 130, §4, 5
Referred to in §427.1(1b)

**904.706 Revolving farm fund.**

A revolving farm fund is created in the state treasury in which the department shall deposit receipts from agricultural products, nursery stock, agricultural land rentals, and the sale of livestock. However, before any agricultural operation is phased out, the department which proposes to discontinue this operation shall notify the governor, chairpersons and ranking members of the house and senate appropriations committees, and co-chairpersons and ranking members of the subcommittee in the senate and house of representatives which has handled the appropriation for this department in the past session of the general assembly. Before the department sells farmland under the control of the department, the director shall notify the governor, chairpersons and ranking members of the house and senate appropriations committees, and co-chairpersons and ranking members of the joint appropriations subcommittee that handled the appropriation for the department during the past session of the general assembly. The department may pay from the fund for the operation, maintenance, and improvement of farms and agricultural or nursery property under the control of the department. A purchase order for five thousand dollars or less payable from the fund is exempt from the general purchasing requirements of chapter 8A, subchapter III. Notwithstanding section 8.33, unencumbered or unobligated receipts in the revolving farm fund at the end of a fiscal year shall not revert to the general fund of the state.

Notwithstanding section 8.36, the department shall annually prepare a financial statement covering the previous calendar year to provide for an accounting of the funds in the revolving farm fund. The financial statement shall be filed with the legislative services agency on or before February 1 each year.

As used in this section, "*department*" means the Iowa department of corrections and the Iowa department of human services.

The farm operations administrator appointed under section 904.302 shall perform the functions described under section 904.302 for agricultural operations on property of the Iowa department of human services.

The Iowa department of human services shall enter into an agreement under chapter 28D with the Iowa department of corrections to implement this section.

83 Acts, ch 96, §48, 159
CS83, §217A.70
85 Acts, ch 21, §54
CS85, §246.706
86 Acts, ch 1075, §2; 89 Acts, ch 9, §1; 91 Acts, ch 260, §1221
C93, §904.706
2003 Acts, ch 35, §45, 49; 2003 Acts, ch 145, §283
Referred to in §218.78, 427.1(1b), 904.302, 904.705

## DIVISION VIII

## IOWA STATE INDUSTRIES

Referred to in §904.704

**904.801 Statement of intent.**

It is the intent of this division that there be made available to inmates of the state correctional institutions opportunities for work in meaningful jobs with the following objectives:

1. To develop within those inmates willing to accept and persevere in such work:

*a.* Positive attitudes which will enable them to eventually function as law-abiding, self-supporting members of the community;

*b.* Good work habits that will assist them in eventually securing and holding gainful employment outside the correctional system; and

*c.* To the extent feasible, marketable skills that can lead directly to gainful employment upon release from a correctional institution.

2. To enable those inmates willing to accept and persevere in such work to:

*a.* Provide or assist in providing for their dependents, thus tending to strengthen the inmates' family ties while reducing the likelihood that inmates' families will have to rely upon public assistance for subsistence;

*b.* Make restitution, as the opportunity to do so becomes available, to the victims of the offenses for which the inmates were incarcerated, so as to assist the inmates in accepting responsibility for the consequences of their acts;

*c.* Make it feasible to require that such inmates pay some portion of the cost of board and maintenance in a correctional institution, in a manner similar to what would be necessary if they were employed in the community; and

*d.* Accumulate savings so that such inmates will have funds for necessities upon their eventual return to the community.

[C79, 81, §216.1; 82 Acts, ch 1007, §1]
85 Acts, ch 21, §1, 2, 54
CS85, §246.801
C93, §904.801
Referred to in §904.804, 904.806, 904.809, 904.814

**904.802 Definitions.**

As used in this division:

1. *"Industries board"* means the state prison industries advisory board.

2. *"Iowa state industries"* means prison industries that are established and maintained by the Iowa department of corrections, in consultation with the industries board, at or adjacent to the state's adult correctional institutions, except that an inmate work program established by the state director under section 904.703 is not restricted to industries at or adjacent to the institutions.

3. *"State director"* means the director of the Iowa department of corrections, or the director's designee.

[C79, 81, §216.2; 82 Acts, ch 1007, §2, ch 1100, §3]
83 Acts, ch 96, §61, 159; 85 Acts, ch 21, §3, 54
CS85, §246.802
C93, §904.802
94 Acts, ch 1023, §72
Referred to in §262.34A

**904.803 Prison industries advisory board.**

1. There is established a state prison industries advisory board, consisting of seven members selected as prescribed by this subsection.

*a.* Five members shall be appointed by the governor for terms of four years beginning July 1 of the year of appointment. They shall be chosen as follows:

(1) One member shall represent agriculture and one member shall represent

manufacturing, with particular reference to the roles of their constituencies as potential employers of former inmates of the state's correctional institutions.

(2) One member shall represent labor organizations, membership in which may be helpful to former inmates of the state's correctional institutions who seek to train for and obtain gainful employment.

(3) One member shall represent agencies, groups and individuals in this state which plan and maintain programs of vocational and technical education oriented to development of marketable skills.

(4) One member shall represent the financial industry and be familiar with accounting practices in private industry.

*b.* One member each shall be designated by and shall serve at the pleasure of the state director and the state board of parole, respectively.

*c.* Upon the resignation, death or removal of any member appointed under paragraph "*a*" of this subsection, the vacancy shall be filled by the governor for the balance of the unexpired term. In making the initial appointments under that paragraph, the governor shall designate two appointees to serve terms of two years and three to serve terms of four years from July 1, 1977.

2. Biennially, the industries board shall organize by election of a chairperson and a vice chairperson, as soon as reasonably possible after the new appointees have been named. Other meetings shall be held at the call of the chairperson or of any three members, as necessary to enable the industries board to discharge its duties. Board members shall be reimbursed for expenses actually and necessarily incurred in the discharge of their duties, and those members not state employees shall also be entitled to a per diem as specified in section 7E.6 for each day they are so engaged.

3. The state director shall provide such administrative and technical assistance as is necessary to enable the industries board to discharge its duties. The industries board shall be provided necessary office and meeting space at the seat of government.

[C79, 81, §216.3; 82 Acts, ch 1149, §1]
85 Acts, ch 21, §4, 54
CS85, §246.803
90 Acts, ch 1256, §40
C93, §904.803

**904.804 Duties of industries board.**

The industries board's principal duties shall be to promulgate and adopt rules and to advise the state director regarding the management of Iowa state industries so as to further the intent stated by section 904.801.

[C79, 81, §216.4]
85 Acts, ch 21, §54
CS85, §246.804
C93, §904.804

**904.805 Duties of state director.**

The state director, with the advice of the industries board, shall:

1. Conduct market studies and consult with public bodies and officers who are listed in section 904.807, and with other potential purchasers, for the purpose of determining items or services needed and design features desired or required by potential purchasers of Iowa state industries products or services.

2. Receive, investigate and take appropriate action upon any complaints from potential purchasers of Iowa state industries products or services regarding lack of cooperation by Iowa state industries with public bodies and officers who are listed in section 904.807, and with other potential purchasers.

3. Establish, transfer and close industrial operations as deemed advisable to maximize opportunities for gainful work for inmates and to adjust to actual or potential market demand for particular products or services.

4. Establish and from time to time adjust, as necessary, levels of allowances paid to inmates working in Iowa state industries.

5. Coordinate Iowa state industries, and other opportunities for gainful work available to inmates of adult correctional institutions, with vocational and technical training opportunities and apprenticeship programs, to the greatest extent feasible.

6. Promote, plan, and when deemed advisable, assist in the location of privately owned and operated industrial enterprises on the grounds of adult correctional institutions, pursuant to section 904.809.

[C79, 81, §216.5; 82 Acts, ch 1007, §3]
85 Acts, ch 21, §5 – 7, 54
CS85, §246.805
86 Acts, ch 1245, §1505; 88 Acts, ch 1165, §3
C93, §904.805

**904.806 Authority of state director not impaired.**

Nothing in this division shall be construed to impair the authority of the state director over the adult correctional institutions of this state, nor over the inmates thereof. It is, however, the duty of the state director to obtain the advice of the industries board to further the intent stated by section 904.801.

[C79, 81, §216.6]
85 Acts, ch 21, §54
CS85, §246.806
C93, §904.806

**904.807 Price lists to public officials.**

The state director shall cause to be prepared from time to time classified and itemized price lists of the products manufactured by Iowa state industries. Such lists shall be furnished to all boards of supervisors, boards of directors of school corporations, city councils, and all other state, county, city and school departments and officials empowered to purchase supplies and equipment for public purposes.

[C24, 27, 31, 35, 39, §**3760;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §246.21; C79, 81, §216.7]
85 Acts, ch 21, §54
CS85, §246.807
C93, §904.807
Referred to in §904.805, 904.808

**904.808 State purchasing requirements — exceptions.**

1. A product possessing the performance characteristics of a product listed in the price lists prepared pursuant to section 904.807 shall not be purchased by any department or agency of state government from a source other than Iowa state industries, except:

*a.* When the purchase is made under emergency circumstances, which shall be explained in writing by the public body or officer who made or authorized the purchase if the state director so requests; or

*b.* When the state director releases, in writing, the obligation of the department or agency to purchase the product from Iowa state industries, after determining that Iowa state industries is unable to meet the performance characteristics of the purchase request for the product, and a copy of the release is attached to the request to the director of the department of administrative services for payment for a similar product, or when Iowa state industries is unable to furnish needed products, comparable in both quality and price to those available from alternative sources, within a reasonable length of time. Any disputes arising between a purchasing department or agency and Iowa state industries regarding similarity of products, or comparability of quality or price, or the availability of the product, shall be referred to the director of the department of administrative services, whose decision shall be subject to appeal as provided in section 8A.313. However, if the purchasing department is the department of administrative services, any matter which would be referred to the director under this paragraph shall be referred to the executive council in the same manner as if the

matter were to be heard by the director of the department of administrative services. The decision of the executive council is final.

2. The state director shall adopt and update as necessary rules setting specific delivery schedules for each of the products manufactured by Iowa state industries. These delivery schedules shall not apply where a different delivery schedule is specifically negotiated by Iowa state industries and a particular purchaser.

3. A department or agency of the state shall cooperate and enter into agreements, if possible, for the provision of products and services under an inmate work program established by the state director under section 904.703.

[C79, 81, §216.8; 82 Acts, ch 1007, §4]
83 Acts, ch 203, §14; 85 Acts, ch 21, §8, 54
CS85, §246.808
88 Acts, ch 1071, §1
C93, §904.808
94 Acts, ch 1023, §73; 2003 Acts, ch 145, §284
Referred to in §8A.302, 8A.313

**904.809 Private industry employment of inmates of correctional institutions.**

1. The following conditions shall apply to all agreements to provide private industry employment for inmates of correctional institutions:

*a.* The state director and the industries board shall comply with the intent of section 904.801.

*b.* An inmate shall not be compelled to take private industry employment.

*c.* Inmates shall receive allowances commensurate with those wages paid persons in similar jobs outside the correctional institutions. This may include piece rating in which the inmate is paid only for what is produced.

*d.* Employment of inmates in private industry shall not displace employed workers, apply to skills, crafts, or trades in which there is a local surplus of labor, or impair existing contracts for employment or services.

*e.* Inmates employed in private industry shall be eligible for workers' compensation in accordance with section 85.59.

*f.* Inmates employed in private industry shall not be eligible for unemployment compensation while incarcerated.

*g.* The state director shall implement a system for screening and security of inmates to protect the safety of the public.

2. *a.* Any other provision of the Code to the contrary notwithstanding, the state director may, after obtaining the advice of the industries board, lease one or more buildings or portions thereof on the grounds of any state adult correctional institution, together with the real estate needed for reasonable access to and egress from the leased buildings, for a term not to exceed twenty years, to a private corporation for the purpose of establishing and operating a factory for the manufacture and processing of products, or any other commercial enterprise deemed by the state director to be consistent with the intent stated in section 904.801.

*b.* Each lease negotiated and concluded under this subsection shall include, and shall be valid only so long as the lessee adheres to, the following provisions:

(1) Persons working in the factory or other commercial enterprise operated in the leased property, except the lessee's supervisory employees and necessary support personnel approved by the industries board, shall be inmates of the institution where the leased property is located who are approved for such work by the state director and the lessee.

(2) The factory or other commercial enterprise operated in the leased property shall observe at all times such practices and procedures regarding security as the lease may specify, or as the state director may temporarily stipulate during periods of emergency.

3. The state director with the advice of the prison industries advisory board may provide an inmate workforce to private industry. Under the program inmates will be employees of a private business.

4. Private or nonprofit organizations may subcontract with Iowa state industries to

perform work in Iowa state industries shops located on the grounds of a state institution. The execution of the subcontract is subject to the following conditions:

*a.* The private employer shall pay to Iowa state industries a per unit price sufficient to fund allowances for inmate workers commensurate with similar jobs outside corrections institutions.

*b.* Iowa state industries shall negotiate a per unit price which takes into account staff supervision and equipment provided by Iowa state industries.

5. *a.* (1) An inmate of a correctional institution employed pursuant to this section shall surrender to the department of corrections the inmate's total earnings less deductions for federal, state, and local taxes, and any other payroll deductions required by law.

(2) The inmate's employer shall provide each employed inmate with the withholding statement required under section 422.16, and any other employment information necessary for the receipt of the remainder of an inmate's payroll earnings.

*b.* From the inmate's gross payroll earnings, the following amounts shall be deducted:

(1) Twenty percent, to be deposited in the inmate's general account.

(2) All required tax deductions, to be collected by the inmate's employer.

(3) Five percent, to be deducted for the victim compensation fund created in section 915.94.

*c.* From the balance remaining after deduction of the amounts under paragraph *"b"*, the following amounts shall be deducted in the following order of priority:

(1) An amount which the inmate may be legally obligated to pay for the support of the inmate's dependents, which shall be paid through the department of human services collection services center, and which shall include an amount for delinquent child support not to exceed fifty percent of net earnings.

(2) Restitution as ordered by the court under chapter 910.

(3) The department may retain up to fifty percent of any remaining balance after deductions made under subparagraphs (1) and (2) if the remaining balance is from an inmate employed in a new job created on or after July 1, 2004. The funds shall be used to staff supervision costs of private sector employment of inmates at correctional institutions. Funds retained pursuant to this subparagraph shall not be used for administrative costs of Iowa state industries.

(4) Any balance remaining after the deductions made under subparagraphs (1), (2), and (3) shall represent the costs of the inmate's incarceration and shall be deposited in the general fund of the state.

*d.* Of the amount credited to the inmate's general account, the department shall deduct an amount representing any other legal or administrative financial obligations of the inmate.

[C79, 81, §216.10]

85 Acts, ch 21, §10, 54

CS85, §246.809

C93, §904.809

93 Acts, ch 46, §7; 97 Acts, ch 190, §6; 98 Acts, ch 1090, §79, 84; 99 Acts, ch 182, §6; 2000 Acts, ch 1154, §44; 2004 Acts, ch 1175, §203, 204; 2013 Acts, ch 30, §261

Referred to in §8A.311, 85.59, 904.805, 904.814

Code editor directive applied

**904.810 and 904.811** Repealed by 93 Acts, ch 46, § 13.

**904.812 Restriction on goods made available.**

Effective July 1, 1978, and notwithstanding any other provisions of this division, goods made available by Iowa state industries shall be restricted to items, materials, supplies and equipment which are formulated or manufactured by Iowa state industries and shall not include goods, materials, supplies or equipment which are merely purchased by Iowa state industries for repacking or resale except with approval of the state director when such repacking for resale items are directly related to product lines.

[C79, 81, §216.12]

CS83, §216.14

85 Acts, ch 21, §54
CS85, §246.812
C93, §904.812

**904.813 Industries revolving fund — uses.**

1. There is established in the treasury of the state a permanent Iowa state industries revolving fund. This revolving fund shall be created by the transfer thereto of all moneys in the revolving fund formerly established under section 246.26 as that section appeared in the Code of 1977 and prior editions, and shall be maintained by depositing therein all receipts from the sale of products manufactured by Iowa state industries, and from sale of any property of Iowa state industries found by the state director to be obsolete or unneeded.

2. *a.* The Iowa state industries revolving fund shall be used only for the following purposes:

(1) Establishment, maintenance, transfer, or closure of industrial operations, or vocational, technical, and related training facilities and services for inmates as authorized by the state director in consultation with the industries board.

(2) Payment of all costs incurred by the industries board, including but not limited to per diem and expenses of its members, and of salaries, allowances, support, and maintenance of Iowa state industries.

(3) Direct purchases from vendors of raw materials and capital items used for the manufacturing processes of Iowa state industries, in accordance with rules which meet state bidding requirements. The rules shall be adopted by the state director in consultation with the industries board.

*b.* Payments from the revolving fund, other than salary payments, shall be made directly to the vendors.

3. The Iowa state industries revolving fund shall not be used for the operation of farms at any adult correctional institution unless such farms are operated directly by Iowa state industries.

4. The fund established by this section shall not revert to the general fund of the state at the end of any annual or biennial period and the investment proceeds earned from the balance of the fund shall be credited to the fund and used for the purposes provided for in this section.

[C27, 31, 35, §3764-b1, 3764-b2, 3764-b3; C39, §**3764.1, 3764.2, 3764.3;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §246.26, 246.27, 246.28; C79, 81, §216.9; 82 Acts, ch 1007, §5]
83 Acts, ch 96, §62, 159; 83 Acts, ch 203, §15; 85 Acts, ch 21, §9, 54
CS85, §246.813
88 Acts, ch 1048, §1
C93, §904.813
2013 Acts, ch 30, §226
Subsection 2 amended

**904.814 Inmate allowance supplement revolving fund.**

There is established in the treasury of the state a permanent adult correctional institutions inmate allowance supplement revolving fund, consisting solely of money paid as board and maintenance by inmates working in Iowa state industries, or working pursuant to section 904.809. The fund established by this section may be used to supplement the allowances of inmates who perform other institutional work within and about the adult correctional institutions including those who are working in Iowa state industries. Payments made from the fund shall supplement and not replace all or any part of the allowances otherwise received by, and shall be equably distributed among such inmates. The work of inmates in other institutional or industry work shall, to the greatest extent feasible, be in accord with the intent stated in section 904.801. The fund may also be used to supplement other rehabilitation activities within the adult correctional institutions. Determination of the use

of the funds is the responsibility of the state director who shall first seek the advice of the prison industries advisory board.

[C79, 81, §216.11; 82 Acts, ch 1149, §3]
C83, §216.13
85 Acts, ch 21, §12, 54
CS85, §246.814
C93, §904.814

**904.815 Sale of products.**

1. Iowa state industries may produce and sell products to any tax-supported institution or governmental subdivision in any level of government which includes the state, county, city, or school corporation. Iowa state industries may sell products to employees of those entities.

2. Iowa state industries may sell products to nonprofit organizations including parochial schools, churches, or fraternal organizations.

3. Iowa state industries may sell products to nonprofit health care facilities serving Medicaid or social security patients.

88 Acts, ch 1230, §5
C93, §904.815

## DIVISION IX

## WORK RELEASE

Referred to in §422.7, 422.35

**904.901 Work release program.**

The Iowa department of corrections, in consultation with the board of parole, shall establish a work release program under which the board of parole may grant inmates sentenced to an institution under the jurisdiction of the department the privilege of leaving actual confinement during necessary and reasonable hours for the purpose of working at gainful employment. Under appropriate conditions the program may also include an out-of-state work or treatment placement or release for the purpose of seeking employment, attendance at an educational institution, or family visitation. An inmate may be placed on work release status in the inmate's own home, under appropriate circumstances, which may include child care and housekeeping in the inmate's own home. This work release program is in addition to the institutional work release program established in section 904.910.

[C71, 73, 75, 77, 79, 81, §247A.2]
83 Acts, ch 96, §103, 159; 84 Acts, ch 1244, §1; 85 Acts, ch 21, §54
CS85, §246.901
86 Acts, ch 1245, §1506; 87 Acts, ch 118, §3; 91 Acts, ch 219, §11
C93, §904.901
93 Acts, ch 46, §8
Referred to in §904.910, 906.1

**904.902 Work release — persons serving mandatory minimum sentence.**

An inmate serving a mandatory minimum sentence of one year or more, who is approved to participate in the work release program, shall serve the final six months of the inmate's mandatory minimum sentence performing labor in the program. Duties, if possible, shall consist of physical labor in plain view of the public. However, an inmate shall not be required to perform work which is beyond an inmate's physical ability, which constitutes a physical hardship, or which is dangerous or threatening to the inmate's life or health, medically prohibited, or unduly painful.

90 Acts, ch 1251, §32
C91, §246.902
C93, §904.902
Referred to in §906.1

**904.903 Agreement by inmate.**

An inmate approved to participate in the work release program shall sign a work release agreement. The agreement shall include all terms and conditions of the particular plan adopted for the inmate by the board of parole and shall include a statement that the inmate agrees to abide by all terms and conditions in the agreement. The agreement shall be signed by the inmate prior to participation in the program. Following the release of the inmate, the agreement may be terminated by the department in accordance with rules of the department.

[C71, 73, 75, 77, 79, 81, §247A.4]
85 Acts, ch 21, §54
CS85, §246.903
86 Acts, ch 1245, §1507
C93, §904.903
93 Acts, ch 98, §1
Referred to in §906.1

**904.904 Housing facilities — halfway houses.**

Unless the inmate returns after working hours to the institution under jurisdiction of the department of corrections, the department of corrections shall contract with a judicial district department of correctional services for the quartering and supervision of the inmate in local housing facilities. The board of parole shall include as a specific term or condition in the work release plan of any inmate the place where the inmate is to be housed when not on the work assignment. The board of parole shall not place an inmate on work release for longer than six months in any twelve-month period unless approval is given by a majority of the full board of parole. Inmates may be temporarily released to the supervision of a responsible person to participate in family and selected community, religious, educational, social, civic, and recreational activities when it is determined that the participation will directly facilitate the release transition from institution to community. The department of corrections shall provide a copy of the work release plan and a copy of any restitution plan of payment to the judicial district department of correctional services quartering and supervising the inmate.

[C71, 73, 75, 77, 79, 81, §247A.5]
83 Acts, ch 96, §105, 159; 85 Acts, ch 21, §54
CS85, §246.904
86 Acts, ch 1245, §1508
C93, §904.904
97 Acts, ch 130, §6
Referred to in §904.910, 906.1

**904.905 Surrender of earnings.**

1. An inmate employed in the community under a work release plan shall surrender to the judicial district department of correctional services the inmate's total earnings less payroll deductions required by law. The judicial district department of correctional services shall deduct from the earnings in the following order of priority:

*a.* An amount the inmate may be legally obligated to pay for the support of the inmate's dependents, the amount of which shall be paid to the dependents through the department of human services located in the county or city in which the dependents reside.

*b.* Restitution as ordered by the court pursuant to chapter 910.

*c.* An amount determined to be the cost to the judicial district department of correctional services for providing food, lodging, and clothing for the inmate while under the program.

*d.* Any other financial obligations which are acknowledged by the inmate or any unsatisfied judgment against the inmate.

2. Any balance remaining after deductions and payments shall be credited to the inmate's personal account at the judicial district department of correctional services and shall be paid to the inmate upon release. An inmate so employed shall be paid a fair and reasonable wage in accordance with the prevailing wage scale for such work and shall work at fair and reasonable hours per day and per week.

[C71, 73, 75, 77, 79, 81, §247A.7]

83 Acts, ch 96, §106, 157, 159; 84 Acts, ch 1184, §16; 85 Acts, ch 21, §54
CS85, §246.905
C93, §904.905
94 Acts, ch 1142, §12; 2013 Acts, ch 30, §227
Referred to in §904.910, 906.1
Section amended

**904.906 Status of inmates on work release.**

An inmate employed in the community under this chapter is not an agent, employee, or involuntary servant of the department of corrections, the board of parole, or the judicial district department of correctional services while released from confinement under the terms of a work release plan. If an inmate suffers an injury arising out of or in the course of the inmate's employment under this chapter, the inmate's recovery shall be from the insurance carrier of the employer of the project and no proceedings for compensation shall be maintained against the insurance carrier of the state institution, the state, the insurance carrier of the judicial district department of correctional services, or the judicial district department of correctional services, and there is no employer-employee relationship between the inmate and the state institution, the board of parole, or the judicial district department of correctional services.

[C71, 73, 75, 77, 79, 81, §247A.8]
83 Acts, ch 96, §107, 159; 85 Acts, ch 21, §54
CS85, §246.906
86 Acts, ch 1245, §1509
C93, §904.906
Referred to in §906.1

**904.907 Parole not affected.**

This division does not affect eligibility for parole under chapter 906 or diminution of confinement of any inmate released under a work release plan.

[C71, 73, 75, 77, 79, 81, §247A.9]
83 Acts, ch 101, §55; 85 Acts, ch 21, §54
CS85, §246.907
C93, §904.907
Referred to in §906.1

**904.908 Alleged work release violators — temporary confinement by counties — reimbursement.**

1. Upon request by the Iowa department of corrections, the board of parole, or a judicial district department of correctional services a county shall provide temporary confinement for alleged violators of work release conditions if space is available.

2. The Iowa department of corrections shall negotiate a reimbursement rate with each county for the temporary confinement of alleged violators of work release conditions who are in the custody of the director of the Iowa department of corrections or who are housed or supervised by the judicial district department of correctional services. The amount to be reimbursed shall be determined by multiplying the number of days a person is confined by the average daily cost of confining a person in the county facility as negotiated with the department. Payment shall be made upon submission of a voucher executed by the sheriff and approved by the director of the Iowa department of corrections.

3. Any request for reimbursement under subsection 2 shall be made within thirty days of the end of a calendar quarter. If a request for reimbursement is not made within thirty days of the end of the calendar quarter, the request shall be denied by the department.

[C79, 81, §247A.10]
83 Acts, ch 96, §108, 159; 83 Acts, ch 123, §95, 209; 84 Acts, ch 1244, §2; 85 Acts, ch 21, §40, 54
CS85, §246.908
86 Acts, ch 1245, §1510

C93, §904.908
2006 Acts, ch 1183, §26; 2012 Acts, ch 1030, §2
Referred to in §331.427, 906.1

**904.909 Work release and OWI violators — reimbursement to department for transportation costs.**

The department of corrections shall arrange for the return of a work release client, or offender convicted of violating chapter 321J, who escapes from the facility to which the client is assigned or violates the conditions of supervision. The client or offender shall reimburse the department of corrections for the cost of transportation incurred because of the escape or violation. The amount of reimbursement shall be the actual cost incurred by the department and shall be credited to the support account from which the billing occurred. The director of the department of corrections shall recommend rules pursuant to chapter 17A, subject to approval by the board of corrections pursuant to section 904.105, subsection 7, to implement this section.

83 Acts, ch 51, §1, 7, 9; 83 Acts, ch 96, §159, 160
CS83, §247A.11
85 Acts, ch 21, §54
CS85, §246.909
88 Acts, ch 1091, §1; 91 Acts, ch 219, §12
C93, §904.909
93 Acts, ch 46, §9
Referred to in §906.1

**904.910 Institutional work release program.**

1. In addition to the work release program established in section 904.901, the department of corrections shall establish an institutional work release program for each institution. The program shall provide that the department may grant inmates sentenced to an institution under its jurisdiction the privilege of leaving actual confinement during necessary and reasonable hours for the purpose of working at gainful employment. Under appropriate conditions, the program may also include an out-of-state work or treatment placement or release for the purpose of seeking employment or attendance at an educational institution. An inmate may be placed on work release status in the inmate's own home, under appropriate circumstances, which may include child care and housekeeping in the inmate's own home.

2. A committee shall be established by the department for the work release program at each institution to review applications for participation in the program.

3. An inmate who is eligible to participate in the work release program may apply to the superintendent of the institution for permission to participate in the program. The application shall include a statement that, if the application is approved, the inmate agrees to abide by all terms and conditions of the inmate's work release plan adopted by the committee. In addition, the application shall state the name and address of the proposed employer, if any, and shall contain other information as required by the committee. The committee may approve, disapprove, or defer action on the application. If the application is approved, the committee shall adopt an institutional work release plan for the applicant. The plan shall contain the elements required by this section and other conditions as the committee deems necessary and proper. The plan shall be signed by the inmate prior to participation in the program. Approval of a plan may be revoked at any time by the superintendent or the committee.

4. The department may contract with a judicial district department of correctional services for the housing and supervision of an inmate in local facilities as provided in section 904.904. The institutional work release plan shall indicate the place where the inmate is to be housed when not on work assignment. The plan shall not allow for placement of an inmate on work release for more than six months in any twelve-month period without unanimous committee approval to do so. However, an inmate may be temporarily released to the supervision of a responsible person to participate in family and selected community, religious, educational,

social, civic, and recreational activities when the committee determines that the participation will directly facilitate the release of the inmate from the institution to the community. The department shall provide a copy of the work release plan and a copy of any restitution plan of payment to the judicial district department of correctional services housing and supervising the inmate.

5. An inmate employed in the community under an institutional work release plan approved pursuant to this section shall surrender the inmate's total earnings less payroll deductions required by law to the superintendent, or to the judicial district department of correctional services if it is housing or supervising the inmate. The superintendent or the judicial district department of correctional services shall deduct from the earnings in the priority established in section 904.905.

6. The department of corrections shall adopt rules for the implementation of this section.

91 Acts, ch 219, §13
CS91, §246.910
C93, §904.910
Referred to in §901B.1, 904.901

# CHAPTER 904A

## BOARD OF PAROLE

Referred to in §901.1, 901A.2


904A.1 Board of parole.
904A.2 Composition of board.
904A.2A Board of parole — alternate members.
904A.3 Appointment to board of parole.
904A.4 Duties of the board of parole.
904A.4A Chairperson of the board of parole — duties.
904A.4B Executive director of the board of parole — duties. Repealed by 2012 Acts, ch 1134, §19.
904A.4C Vice chairperson of the board of parole.
904A.5 Administration of board of parole.
904A.6 Salaries and expenses.
904A.7 Repealed by 89 Acts, ch 282, §15.


**904A.1 Board of parole.**

The board of parole is created to consist of five members. Each member, except the chairperson and the vice chairperson, shall be compensated on a day-to-day basis. Each member shall serve a term of four years beginning and ending as provided by section 69.19, except for members appointed to fill vacancies who shall serve for the balance of the unexpired term. The terms shall be staggered. The chairperson and vice chairperson of the board shall be full-time, salaried members of the board. A majority of the members of the board constitutes a quorum to transact business.

86 Acts, ch 1245, §1511; 89 Acts, ch 282, §1; 90 Acts, ch 1233, §46; 2000 Acts, ch 1177, §1, 5
Referred to in §904A.2A

**904A.2 Composition of board.**

The membership of the board shall be of good character and judicious background, shall include a member of a minority group, may include a person ordained or designated as a regular leader of a religious community and who is knowledgeable in correctional procedures and issues, and shall meet at least two of the following three requirements:

1. Contain one member who is a disinterested layperson.

2. Contain one member who is an attorney licensed to practice law in this state and who is knowledgeable in correctional procedures and issues.

3. Contain one member who is a person holding at least a master's degree in social work or counseling and guidance and who is knowledgeable in correctional procedures and issues.

86 Acts, ch 1245, §1512

**904A.2A Board of parole — alternate members.**

1. The board of parole shall have a pool of three alternate members to substitute for board members who are disqualified or become unavailable for any other reason for hearings. The pool of alternate members shall be deemed a separate appointive board for purposes of complying with the requirements of sections 69.16 and 69.16A. Each alternate member shall serve a term of four years beginning and ending as provided by section 69.19, except for alternate members appointed to fill vacancies who shall serve for the balance of the unexpired term.

2. A person who serves as an alternate member may later be appointed to the board and may serve four years, in accordance with section 904A.1. A former board of parole member may serve in the pool of alternate members.

3. When a sufficient number of board of parole members are unavailable to hear a case, the board of parole may request alternate members to serve.

4. Notwithstanding section 904A.1:

*a.* An alternate member is deemed a member of the board of parole only for the hearing panel for which the alternate member serves.

*b.* At least one member of a hearing panel containing alternate members shall be a member of the board.

*c.* A decision of a hearing panel containing alternate members is considered a final decision of the board.

5. An alternate member shall not receive compensation in excess of that authorized by law for a board of parole member who is not the chairperson or vice chairperson of the board of parole.

2013 Acts, ch 79, §1
NEW section

**904A.3 Appointment to board of parole.**

The governor shall appoint the chairperson and other members of the board of parole, including alternate members, subject to confirmation by the senate. The chairperson shall serve at the pleasure of the governor. Vacancies shall be filled in the same manner as regular appointments are made.

86 Acts, ch 1245, §1513; 89 Acts, ch 282, §2; 2013 Acts, ch 79, §2
Confirmation, see §2.32
Section amended

**904A.4 Duties of the board of parole.**

1. The board of parole shall interview and consider inmates for parole and work release and a majority vote of the members is required to grant a parole or work release.

2. The board of parole shall interview inmates according to administrative rules adopted by the board.

3. The board of parole shall gather and review information regarding new parole and work release programs being instituted or considered nationwide and determine which programs may be useful for this state. The board shall review the current parole and work release programs and procedures used in this state on an annual basis.

4. The board of parole shall increase utilization of data processing and computerization to assist in the orderly conduct of the parole and work release system.

5. The board of parole shall conduct such studies of the parole and work release system as are requested by the governor and the general assembly.

6. The board of parole shall provide technical assistance and counseling related to the board's purposes to public and private entities.

7. The board of parole shall review and make recommendations to the governor regarding all applications for reprieves, pardons, commutation of sentences, remission of fines or forfeitures, or restoration of citizenship rights as required by chapter 914.

8. The board of parole shall implement a risk assessment program which shall provide risk assessment analysis for the board.

86 Acts, ch 1245, §1514; 88 Acts, ch 1091, §3; 89 Acts, ch 282, §3

**904A.4A Chairperson of the board of parole — duties.**

The chairperson of the board of parole shall do all of the following:

1. Act as the board's liaison with the governor regarding executive clemency, parole, and work release matters.
2. Direct, supervise, evaluate, and assign the day-to-day administration of the board of parole.
3. Supervise and monitor parole revocations and appeals.
4. Supervise final work release revocation case reviews.
5. Supervise the development of rules, policies, and procedures, subject to the approval of the board, in cooperation with the department of corrections, pertaining to the supervision of executive clemency, parole, and work release.
6. Supervise the development of long-range parole and work release planning.
7. Act as the representative of the board relative to the passage, defeat, approval, or modification of legislation that is being considered by the general assembly.
8. Develop a budget for the board subject to the approval of the board and prepare all reports required by law.
9. Hire and supervise all staff pursuant to the provisions of chapter 8A, subchapter IV.

89 Acts, ch 282, §4; 2012 Acts, ch 1134, §18

**904A.4B Executive director of the board of parole — duties.** Repealed by 2012 Acts, ch 1134, § 19.

**904A.4C Vice chairperson of the board of parole.**

The vice chairperson of the board of parole shall be appointed from the membership of the board of parole by the governor. The vice chairperson shall serve at the pleasure of the governor and shall have such responsibilities and duties as are determined by the chairperson. The vice chairperson shall act as the chairperson in the absence or disability of the chairperson or in the event of a vacancy in that office, until such time as a new chairperson is appointed by the governor.

2000 Acts, ch 1177, §2, 5

**904A.5 Administration of board of parole.**

The chairperson of the board of parole is responsible directly to the governor. The board of parole is attached to the department of corrections for routine administrative and support services only.

86 Acts, ch 1245, §1515; 89 Acts, ch 282, §6

**904A.6 Salaries and expenses.**

Each member, except the chairperson and the vice chairperson, of the board shall be paid per diem as determined by the general assembly. The chairperson and vice chairperson of the board shall be paid a salary as determined by the general assembly. Each member of the board and all employees are entitled to receive, in addition to their per diem or salary, their necessary maintenance and travel expenses while engaged in official business.

86 Acts, ch 1245, §1516; 89 Acts, ch 282, §7; 2000 Acts, ch 1177, §3, 5

See also §7E.6

**904A.7** Repealed by 89 Acts, ch 282, § 15.

# CHAPTER 905

## COMMUNITY-BASED CORRECTIONAL PROGRAM

Referred to in §216A.136, 901.1, 901A.2, 902.1, 903B.1, 903B.2, 904.602


905.1 Definitions.
905.2 District departments established.
905.3 Board of directors — executive committee — expenses reimbursed.
905.4 Duties of the board.
905.5 Functions of administrative agents.
905.6 Duties of director.
905.7 Assistance by state department.
905.8 State funds allocated — long-range planning — reports to legislative services agency.
905.9 Report of review — sanction.
905.10 Postinstitutional programs and services.
905.11 Residential facility residency — minimum.
905.12 Surrender of earnings.
905.13 Compliance with building codes.
905.14 Fees for probation and parole.
905.15 Required test.


**905.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Administrative agent"* means the county selected by the district board to perform accounting, budgeting, personnel, facilities management, insurance, payroll and other supportive services on the behalf of the district board, or the district department itself, if so designated by the district board.

2. *"Community-based correctional program"* means correctional programs and services, including but not limited to an intermediate criminal sanctions program in accordance with the corrections continuum in section 901B.1, designed to supervise and assist individuals who are charged with or have been convicted of a felony, an aggravated misdemeanor or a serious misdemeanor, or who are on probation or parole in lieu of or as a result of a sentence of incarceration imposed upon conviction of any of these offenses, or who are contracted to the district department for supervision and housing while on work release. A community-based correctional program shall be designed by a district department in a manner that provides services in a manner free of disparities based upon an individual's race or ethnic origin.

3. *"Director"* means the director of a judicial district department of correctional services.

4. *"District board"* means the board of directors of a judicial district department of correctional services.

5. *"District department"* means a judicial district department of correctional services, established as required by section 905.2.

6. *"Project"* means a locally functioning part of a community-based correctional program, officed and operating in a physical location separate from the offices of the district department.

7. *"Project advisory committee"* means a committee of no more than seven persons which shall act in an advisory capacity to the director on matters pertaining to the planning, operation, and other pertinent functions of each project in the judicial district. The members of the project advisory committee for each project shall be initially appointed by the director from among the general public. Not more than one half of the project advisory committee shall hold public office or public employment during membership on the committee. A person who holds public office as a county supervisor and serves on the board of directors under section 905.3 shall not be a member of a project advisory committee under this section. The terms of the initial members of the project advisory committee shall be staggered to permit the terms of just over half of the members to expire in two years and those of the remaining members to expire in one year. Subsequent appointments to the project advisory committee shall be by vote of a majority of the whole project advisory committee for two-year terms.

[C75, 77, §217.24, 217.25; C79, 81, §905.1; 81 Acts, ch 207, §1]

83 Acts, ch 89, §1; 83 Acts, ch 96, §134, 159; 91 Acts, ch 99, §1; 96 Acts, ch 1193, §16; 2013 Acts, ch 90, §213

Subsection 2 amended

**905.2 District departments established.**

There is established in each judicial district in this state a public agency to be known as the "..... judicial district department of correctional services." Each district department shall furnish or contract for those services necessary to provide a community-based correctional program which meets the needs of that judicial district. The district department is under the direction of a board of directors, selected as provided in section 905.3, and shall be administered by a director employed by the board. A district department is a state agency for purposes of chapter 669.

[C79, 81, §905.2]

86 Acts, ch 1172, §3

Referred to in §8D.2, 8D.13, 669.2, 708.2B, 905.1

Probation, see §907.1

**905.3 Board of directors — executive committee — expenses reimbursed.**

1. *a.* The board of directors of each district department shall be composed as follows:

(1) One member shall be chosen from and by the board of supervisors of each county in the judicial district and shall be so designated annually by the respective boards of supervisors at the organizational meetings held under section 331.211.

(2) One member shall be chosen from each of the project advisory committees within the judicial district, which person shall be designated annually, no later than January 15, by and from the project advisory committee. However, in lieu of the designation of project advisory committee members as members of the district board, the district board may on or before December 31 appoint two citizen members to serve on the district board for the following calendar year.

(3) A number of members equal to the number of authorized board members from project advisory committees or equal to the number of citizen members shall be appointed by the chief judge of the judicial district no later than January 15 of each year.

*b.* Within thirty days after the members of the district board have been so designated for the year, the district board shall organize by election of a chairperson, a vice chairperson, and members of the executive committee as required by subsection 2. The district board shall meet at least quarterly during the calendar year but may meet more frequently upon the call of the chairperson or upon a call signed by a majority, determined by weighted vote computed as in subsection 4, of the members of the board.

2. Each district board shall have an executive committee consisting of the chairperson and vice chairperson and at least one but no more than five other members of the district board. Either the chairperson or the vice chairperson shall be a supervisor, and the remaining representation on the executive committee shall be divided as equally as possible among supervisor members, project advisory committee members or citizen members, and judicially appointed members. The executive committee may exercise all of the powers and discharge all of the duties of the district board, as prescribed by this chapter, except those specifically withheld from the executive committee by action of the district board.

3. The members of the district board and of the executive committee shall be reimbursed from funds of the district department for travel and other expenses necessarily incurred in attending meetings of those bodies, or while otherwise engaged on business of the district department.

4. Each member of the district board shall have one vote on the board. However, upon the request of any supervisory member, the vote on any matter before the board shall be taken by weighted vote. In each such case, the vote of the supervisor representative of the least populous county in the judicial district shall have a weight of one unit, and the vote of each of the other supervisor members shall have a weight which bears the same proportion to one unit as the population of the county that supervisor member represents bears to the population of the least populous county in the district. In the event of weighted vote, the vote

of each member appointed from a project advisory committee or of each citizen member and of each judicially appointed member shall have a weight of one unit.

[C79, 81, S81, §905.3; 81 Acts, ch 117, §1243]

86 Acts, ch 1062, §1; 2000 Acts, ch 1057, §18; 2013 Acts, ch 90, §241

Referred to in §331.211, 331.321, 905.1, 905.2

Subsection 1 amended

**905.4 Duties of the board.**

The district board shall:

1. Adopt bylaws and rules for the conduct of its own business and for the government of the district department's community-based correctional program.

2. Employ a director having the qualifications required by section 905.6 to head the district department's community-based correctional program and, within a range established by the Iowa department of corrections, fix the compensation of and have control over the director and the district department's staff. For purposes of collective bargaining under chapter 20, employees of the district board who are not exempt from chapter 20 are employees of the state, and the employees of all of the district boards shall be included within one collective bargaining unit.

3. Designate one of the counties in the judicial district to serve as the district department's administrative agent to provide, in that capacity, all accounting, personnel, facilities management and supportive services needed by the district department, on terms mutually agreeable in regard to advancement of funds to the county for the added expense it incurs as a result of being so designated. However, the district board may designate the district department itself as the district department's administrative agent, if the district board determines that it would be more efficient and less costly than designating a county as the administrative agent.

4. File with the board of supervisors of each county in the district and with the Iowa department of corrections, within ninety days after the close of each fiscal year, a report covering the district board's proceedings and a statement of receipts and expenditures during the preceding fiscal year.

5. Arrange for, by contract or on such alternative basis as may be mutually acceptable, and equip suitable quarters at one or more sites in the district as may be necessary for the district department's community-based correctional program, provided that the board shall to the greatest extent feasible utilize existing facilities and shall keep capital expenditures for acquisition, renovation and repair of facilities to a minimum. The district board shall not enter into lease-purchase agreements for the purposes of constructing, renovating, expanding, or otherwise improving a community-based correctional facility or office unless express authorization has been granted by the general assembly, and current funding is adequate to meet the lease-purchase obligation.

6. Have authority to accept property by gift, devise, bequest or otherwise and to sell or exchange any property so accepted and apply the proceeds thereof, or the property received in exchange therefor, to the purposes enumerated in subsection 5.

7. Recruit, promote, accept and use local financial support for the district department's community-based correctional program from private sources such as community service funds, business, industrial and private foundations, voluntary agencies and other lawful sources.

8. Accept and expend state and federal funds available directly to the district department for all or any part of the cost of its community-based correctional program.

9. Arrange, by contract or on an alternative basis mutually acceptable, and with approval of the director of the Iowa department of corrections or that director's designee for utilization of existing local treatment and service resources, including but not limited to employment, job training, general, special, or remedial education; psychiatric and marriage counseling; and alcohol and drug abuse treatment and counseling. It is the intent of this chapter that a district board shall approve the development and maintenance of such resources by its own staff only if the resources are otherwise unavailable to the district department within

reasonable proximity to the community where these services are needed in connection with the community-based correctional program.

10. Establish a project advisory committee to act in an advisory capacity on matters pertaining to the planning, operation, and other pertinent functions of each project in the judicial district.

11. Have authority to establish a force of reserve peace officers, either separately or collectively through a chapter 28E agreement, as provided in chapter 80D.

[C79, 81, §905.4; 81 Acts, ch 207, §2]

83 Acts, ch 89, §2; 83 Acts, ch 96, §135, 159; 84 Acts, ch 1244, §4; 91 Acts, ch 267, §420; 2001 Acts, ch 104, §7

Referred to in §905.5, 905.6

**905.5 Functions of administrative agents.**

1. The county designated under section 905.4, subsection 3, as administrative agent for each district department, or the district department itself, if designated as administrative agent by the district board, shall submit that district department's budget and supporting information to the Iowa department of corrections in accordance with the provisions of chapter 8. The state department shall incorporate the budgets of each of the district departments into its own budget request, to be processed as prescribed by the uniform budget, accounting and administrative procedures established by the department of management. Funds appropriated pursuant to the budget requests of the respective district departments shall be allocated on a quarterly basis, and the department of management shall authorize advancement of the funds so allocated to each district department's administrative agent, or to the district department itself if the district department acts as administrative agent, at the beginning of each fiscal quarter.

2. For all administrative purposes, all employees of each district department shall be considered employees of the district department.

3. A county designated as the administrative agent shall perform only those administrative functions assigned to it by the district board and shall not perform any activity unless directed to do so by the district board.

[C79, 81, §905.5; 81 Acts, ch 207, §3]

83 Acts, ch 96, §136, 159

**905.6 Duties of director.**

The director employed by the district board under section 905.4, subsection 2, shall be qualified in the administration of correctional programs. The director shall:

1. Perform the duties and have the responsibilities delegated by the district board or specified by the Iowa department of corrections pursuant to this chapter.

2. Manage the district department's community-based correctional program, in accordance with the policies of the district board and the Iowa department of corrections.

3. Employ, with approval of the district board, and supervise the employees of the district department, including reserve peace officers, if a force of reserve peace officers has been established.

4. Prepare all budgets and fiscal documents, and certify for payment all expenses and payrolls lawfully incurred by the district department. The director may invest funds which are not needed for current expenses, jointly with one or more cities, city utilities, counties, or rural water districts created under chapter 357A pursuant to a joint investment agreement. All investment of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law.

5. Act as secretary to the district board, prepare its agenda and record its proceedings. The district shall provide a copy of minutes from each meeting of the district board to the legislative services agency.

6. Develop and submit to the district board a plan for the establishment, implementation, and operation of a community-based correctional program in that judicial district, which program conforms to the guidelines drawn up by the Iowa department of corrections under this chapter and which conform to rules, policies, and procedures pertaining to the

supervision of parole and work release adopted by the director of the Iowa department of corrections concerning the community-based correctional program.

7. Negotiate and, upon approval by the district board, implement contracts or other arrangements for utilization of local treatment and service resources authorized by section 905.4, subsection 9.

8. Administer the batterers' treatment program for domestic abuse offenders required in section 708.2B.

9. Notify the board of parole, thirty days prior to release, of the release from a residential facility operated by the district department of a person serving a sentence under section 902.12.

[C79, 81, §905.6; 81 Acts, ch 207, §4]

83 Acts, ch 96, §137, 159; 88 Acts, ch 1084, §3; 91 Acts, ch 218, §29; 91 Acts, ch 267, §421; 95 Acts, ch 77, §7; 2001 Acts, ch 104, §8; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 156, §14

Referred to in §905.4

**905.7 Assistance by state department.**

The Iowa department of corrections shall provide assistance and support to the respective judicial districts to aid them in complying with this chapter, and shall promulgate rules pursuant to chapter 17A establishing guidelines in accordance with and in furtherance of the purposes of this chapter. The guidelines shall include, but need not be limited to, requirements that each district department:

1. Provide pretrial release, presentence investigations, probation services, parole services, work release services, programs for offenders convicted under chapter 321J, and residential treatment centers throughout the district, as necessary.

2. Locate community-based correctional program services in or near municipalities providing a substantial number of treatment and service resources.

3. Follow practices and procedures which maximize the availability of federal funding for the district department's community-based correctional program and assist the department of transportation which is authorized to follow practices and procedures designed to maximize the availability of federal funding for the enforcement and implementation of drunk driver prevention and other highway safety programs.

4. Provide for gathering and evaluating performance data relative to the district department's community-based correctional program and make other detailed reports to the Iowa department of corrections as requested by the board of corrections or the director of the department of corrections.

5. Maintain personnel and fiscal records on a uniform basis.

6. Provide a program to assist the court in placing defendants who as a condition of probation are sentenced to perform unpaid community service.

7. Provide for community participation in the planning and programming of the district department's community-based correctional program.

8. Provide for standards by rule for mental fitness which shall govern the initial recruitment, selection, and appointment of parole and probation officers.

[C75, 77, §217.26, 217.28, 217.29; C79, 81, §905.7; 82 Acts, ch 1069, §2]

83 Acts, ch 89, §3; 83 Acts, ch 96, §138, 139, 159; 85 Acts, ch 21, §51; 87 Acts, ch 118, §6; 93 Acts, ch 171, §21; 99 Acts, ch 182, §7

Referred to in §905.8, 905.9

**905.8 State funds allocated — long-range planning — reports to legislative services agency.**

The Iowa department of corrections shall provide for the allocation among judicial districts in the state of state funds appropriated for the establishment, operation, support, and evaluation of community-based correctional programs and services. However, state funds shall not be allocated under this section to a judicial district unless the Iowa department of corrections has reviewed and approved that district department's community-based correctional program for compliance with the requirements of this chapter and the guidelines adopted under section 905.7.

The deputy director of the department of corrections responsible for community-based correctional programs shall reallocate funds allocated by the department among the judicial districts as necessary to assure an equitable allocation of district departmental staff throughout the state and to comply with section 905.10.

The deputy director of the department of corrections responsible for community-based correctional programs shall comply with section 904.108, subsection 1, paragraph "*i*".

The department of corrections shall not revise the allocations to the district departments of correctional services from the amounts allocated to the district departments, unless notice of the revisions is given prior to their effective date to the legislative services agency. The notice shall include information on the department's rationale for making the changes and details concerning the workload and performance measures upon which the revisions are based.

The department of corrections shall report to the legislative services agency on a quarterly basis the current expenditures of the department's various allocations to the district departments of correctional services with a comparison of actual to budgeted expenditures.

The department of corrections shall use the department of management's budget system in developing the budget information for the eight district departments of correctional services, and each of the district departments shall be treated as a separate budget unit with each program modality classified as a separate organization code.

The department of corrections shall furnish performance measure data designed to enable comparison of this data with historical expenditure information, and shall assist the legislative services agency in developing information to be used in legislative oversight of all district department programs operated by the department.

[C75, 77, §217.27; C79, 81, §905.8]

83 Acts, ch 96, §140, 159; 88 Acts, ch 1160, §1; 90 Acts, ch 1247, §20; 2003 Acts, ch 35, §45, 49

Referred to in §905.9

**905.9 Report of review — sanction.**

Upon completion of a review of a district community-based correctional program, made under section 905.8, the Iowa department of corrections shall submit its findings to the district board in writing. If the Iowa department of corrections concludes that the district department's community-based correctional program fails to meet any of the requirements of this chapter and of the guidelines adopted under section 905.7, it shall also request in writing a response to this finding from the district board. If a response is not received within sixty days after the date of that request, or if the response is unsatisfactory, the Iowa department of corrections may call a public hearing on the matter. If after the hearing, the Iowa department of corrections is not satisfied that the district's community-based correctional program will expeditiously be brought into compliance with the requirements of this chapter and of the guidelines adopted under section 905.7, it may assume responsibility for administration of the district's community-based correctional program on an interim basis.

[C79, 81, §905.9]

83 Acts, ch 96, §141, 159

**905.10 Postinstitutional programs and services.**

Persons participating in postinstitutional services, except those persons paroled and those persons contracted to the district department, remain under the jurisdiction of the Iowa department of corrections. The district department of correctional services shall maintain adequate personnel to provide postinstitutional residential services, programs for offenders convicted under chapter 321J, parole services, and supervision of persons transferred into the state under the interstate compact for supervision of parolees and probationers.

[C79, 81, §905.10]

83 Acts, ch 96, §142, 159; 87 Acts, ch 118, §7

Referred to in §905.8

**905.11 Residential facility residency — minimum.**

A person who is serving a sentence under section 902.12, the maximum term of which exceeds ten years, and who is released on parole or work release shall reside in a residential facility operated by the district department for a period of not less than one year.

2003 Acts, ch 156, §15

**905.12 Surrender of earnings.**

1. When committing a person to a residential treatment center operated by a judicial district department of correctional services, the court shall order the person to surrender to the district department their total earnings less payroll deductions required by law. The court shall establish the person's legal obligations by order and the district department shall deduct from the earnings to satisfy the court order in the following order of priority:

*a.* An amount the resident may be legally obligated to pay for the support of dependents, which shall be paid to the dependents directly or through the department of human services in the county in which the dependents reside. For the purpose of this paragraph, *"legally obligated"* means under a court order.

*b.* Restitution ordered by the court under chapter 910.

*c.* An amount determined to be the cost to the judicial district department of correctional services for food, lodging, and other expenses incurred by or on behalf of the resident.

*d.* Any other financial obligations which are admitted to by the resident or any judgment granted by the court to another person to whom the resident owes money, but no earnings of a resident are subject to garnishment while the person is committed to the center.

2. Any balance remaining after deductions and payments shall be credited to the resident's personal account at the district department and shall be paid to the resident upon release. The director shall establish a plan to comply with the provisions of court orders entered pursuant to this section.

84 Acts, ch 1029, §1; 88 Acts, ch 1160, §2; 94 Acts, ch 1142, §13; 97 Acts, ch 205, §25; 2013 Acts, ch 30, §228

Section amended

**905.13 Compliance with building codes.**

The department of corrections and the district departments of correctional services shall comply with local building regulations and zoning ordinances in the construction, reconstruction, alteration, conversion, repair, and use of buildings owned and operated by the department as part of a community-based correctional program.

89 Acts, ch 316, §20

**905.14 Fees for probation and parole.**

1. A person placed on probation or parole and subject to supervision by a district department shall be required to pay an enrollment fee of three hundred dollars to the district department to offset the costs of supervision. In addition to the enrollment fee, the district department may require a person to pay a fee to the district department to offset the costs of providing sex offender programming to that person.

2. The fees established pursuant to this section shall not be waived by the sentencing court. Each district department shall retain fees collected for administrative and program services.

3. The department of corrections may adopt rules for the administration of this section. If adopted, the rules shall include a provision for waiving the collection of fees for persons determined to be unable to pay.

97 Acts, ch 190, §7; 2000 Acts, ch 1229, §24; 2006 Acts, ch 1183, §27

Referred to in §321J.2, 907.3, 907.7, 907.9

**905.15 Required test.**

1. For purposes of this section, *"infectious disease"* means any infectious condition, which if spread by contamination, would place others at a serious health risk.

2. A person under supervision of a district department, who assaults another person as defined in section 708.1, by biting, casting bodily fluids, or acting in a manner that results

in the exchange of bodily fluids, shall submit to the withdrawal of a bodily specimen for testing to determine if the person is infected with a contagious infectious disease. The bodily specimen to be taken shall be determined by a physician. The specimen taken shall be sent to the state hygienic laboratory at the state university at Iowa City or some other laboratory approved by the department of public health. If a person to be tested pursuant to this section refuses to submit to the withdrawal of a bodily specimen, application may be made by the director to the district court for an order compelling the person to submit to the withdrawal and, if infected, to available treatment. An order authorizing the withdrawal of a specimen for testing may be issued only by a district judge or district associate judge upon application by the director.

3. Failure to comply with an order issued pursuant to this section may result in revocation of probation, parole, or work release.

4. Personnel at an institution under the control of the department of corrections or of a residential facility operated by a judicial district department of correctional services shall be notified if a person committed to any of these institutions is found to have a contagious infectious disease.

5. The district department in cooperation with the department of corrections shall adopt policies and procedures to prevent the transmittal of a contagious infectious disease to other persons.

2010 Acts, ch 1052, §1

# CHAPTER 906

## PAROLES AND WORK RELEASE

Referred to in §216A.136, 422.7, 422.35, 901.1, 901A.2, 902.1, 903B.1, 903B.2, 904.907

See interstate compact for adult offender supervision, chapter 907B


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**906.1 Definition of parole and work release.**

Parole is the release of a person who has been committed to the custody of the director of the Iowa department of corrections by reason of the person's commission of a public offense, which release occurs prior to the expiration of the person's term, is subject to supervision by the district department of correctional services, and is on conditions imposed by the district department.

Work release is the release of a person, who has been committed to the custody of the director of the Iowa department of corrections, pursuant to sections 904.901 through 904.909.

A person who has been released on parole or work release may be temporarily assigned to

the supervision of the director of the department of corrections as a result of placement in a violator facility established pursuant to section 904.207.

[C79, 81, §906.1]

83 Acts, ch 96, §143, 159; 86 Acts, ch 1245, §1518; 93 Acts, ch 46, §10

Referred to in §904.207

**906.2 Parole officers.**

Parole officers, while performing their duties as parole officers, are peace officers and have all the powers and authority of peace officers. Parole officers shall investigate all persons referred to them for investigation by the chief parole officer to which they may be assigned or by the director of a judicial district department of correctional services. They shall furnish to each person released under their supervision a written statement of conditions. They shall keep informed of each person's conduct and condition and shall use all suitable methods to aid and encourage the person to bring about improvement in the person's conduct or condition. Parole officers shall keep records of their work, make reports as required, and perform other duties as may be assigned to them by the chief parole officer or the director of a judicial district department of correctional services. They shall coordinate their work with that of other social welfare agencies which offer services of a corrective nature operating in the area to which they are assigned.

[S13, §5447-a, 5718-a19, -a26; C24, 27, §3793, 3804; C31, 35, §3793, 3803-c1, 3804; C39, §**3793, 3803.1, 3804;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.13, 247.24, 247.25; C79, 81, §906.2]

84 Acts, ch 1019, §3

Referred to in §801.4

**906.3 Duties of parole board.**

The board of parole shall adopt rules regarding a system of paroles from correctional institutions, and shall direct, control, and supervise the administration of the system of paroles. The board of parole shall consult with the director of the department of corrections on rules regarding a system of work release and shall assist in the direction, control, and supervision of the work release system. The board shall determine which of those persons who have been committed to the custody of the director of the Iowa department of corrections, by reason of their conviction of a public offense, shall be released on parole or work release. The grant or denial of parole or work release is not a contested case as defined in section 17A.2.

[S13, §5718-a18; C24, 27, 31, 35, 39, §**3786, 3787;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.5, 247.6; C79, 81, §906.3]

83 Acts, ch 96, §144, 159; 86 Acts, ch 1245, §1519

Parole board, chapter 904A

**906.4 Standards for release on parole or work release — community service — academic achievement.**

1. A parole or work release shall be ordered only for the best interest of society and the offender, not as an award of clemency. The board shall release on parole or work release any person whom it has the power to so release, when in its opinion there is reasonable probability that the person can be released without detriment to the community or to the person. A person's release is not a detriment to the community or the person if the person is able and willing to fulfill the obligations of a law-abiding citizen, in the board's determination.

2. *a.* A person on parole or work release who is serving a sentence under section 902.12 shall begin parole or work release in a residential facility operated by a judicial district department of correctional services.

*b.* A person paroled who has a detainer lodged against the person under the provisions of chapter 821 may be paroled directly to the receiving state rather than to a residential facility operated by a judicial district department of correctional services in this state.

3. *a.* The board may order the defendant to provide a physical specimen to be submitted for DNA profiling as a condition of parole or work release, if a DNA profile has not been previously conducted pursuant to chapter 81. In determining the appropriateness of ordering

DNA profiling, the board shall consider the deterrent effect of DNA profiling, the likelihood of repeated offenses by the defendant, and the seriousness of the offense.

*b.* The board may establish as a condition of a person's parole or work release that the person perform a specified number of hours of unpaid community service. The board shall not make community service a uniform or mandatory requirement for all or substantially all parolees or work release inmates but shall exercise discretion in ordering community service as a condition of parole or work release. The board shall report to the general assembly on the implementation of community service as a condition of parole or work release. The report shall be submitted on or before January 1, 1991.

*c.* The board may, effective July 1, 1997, subject to such exceptions as may be deemed necessary by the board, require each inmate who is physically and mentally capable to demonstrate functional literacy competence at or above the sixth grade level or make progress towards completion of the requirements for a high school equivalency diploma under chapter 259A prior to release of the inmate on parole or work release.

[C79, 81, §906.4]

86 Acts, ch 1245, §1520; 89 Acts, ch 156, §3; 90 Acts, ch 1251, §68; 95 Acts, ch 179, §2; 2000 Acts, ch 1122, §4; 2003 Acts, ch 156, §16; 2005 Acts, ch 158, §15, 19; 2010 Acts, ch 1066, §1

**906.5 Record reviewed — rules.**

1. *a.* The board shall establish and implement a plan by which the board systematically reviews the status of each person who has been committed to the custody of the director of the Iowa department of corrections and considers the person's prospects for parole or work release. The board at least annually shall review the status of a person other than a class "A" felon, a class "B" felon serving a sentence of more than twenty-five years, or a felon serving an offense punishable under section 902.9, subsection 1, paragraph "*a*", or a felon serving a mandatory minimum sentence other than a class "A" felon, and provide the person with notice of the board's parole or work release decision.

*b.* Not less than twenty days prior to conducting a hearing at which the board will interview the person, the board shall notify the department of corrections of the scheduling of the interview, and the department shall make the person available to the board at the person's institutional residence as scheduled in the notice. However, if health, safety, or security conditions require moving the person to another institution or facility prior to the scheduled interview, the department of corrections shall so notify the board.

2. It is the intent of the general assembly that the board shall implement a plan of early release in an effort to assist in controlling the prison population and assuring prison space for the confinement of offenders whose release would be detrimental to the citizens of this state. The board shall report to the legislative services agency on a monthly basis concerning the implementation of this plan and the number of inmates paroled pursuant to this plan and the average length of stay of those paroled.

3. At the time of a review conducted under this section, the board shall consider all pertinent information regarding the person, including the circumstances of the person's offense, any presentence report which is available, the previous social history and criminal record of the person, the person's conduct, work, and attitude in prison, and the reports of physical and mental examinations that have been made.

4. A person while on parole or work release is under the supervision of the district department of correctional services of the district designated by the board of parole. The department of corrections shall prescribe rules for governing persons on parole or work release. The board may adopt other rules not inconsistent with the rules of the department of corrections as the board deems proper or necessary for the performance of its functions.

[S13, §5718-a18; C24, 27, 31, 35, 39, §**3787, 3790;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.6, 247.9; C79, 81, §906.5]

83 Acts, ch 96, §145, 159; 83 Acts, ch 147, §12, 14; 85 Acts, ch 21, §52; 86 Acts, ch 1245, §1521; 87 Acts, ch 118, §8; 88 Acts, ch 1091, §4; 89 Acts, ch 282, §8; 90 Acts, ch 1251, §69; 93 Acts, ch 98, §2, 3; 99 Acts, ch 12, §19; 2003 Acts, ch 35, §45, 49; 2013 Acts, ch 30, §229

Referred to in §232.55, 908.10, 908.10A

Subsection 1 amended

**906.6 Cooperation of correction personnel.**

All persons employed in a correctional institution shall grant to the members of the board of parole, or its properly accredited representatives, access at all reasonable times to any person over whom the board has jurisdiction, shall provide for the board or its representatives facilities for communicating with and observing the person, and shall furnish to the board reports the board requires concerning the conduct and character of any person in their custody and any other facts deemed by the board pertinent in determining whether the person shall be released on parole or work release.

[S13, §5718-a19, -a26; C24, 27, 31, 35, 39, §**3793;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.13; C79, 81, §906.6]

86 Acts, ch 1245, §1522

**906.7 Information from other sources — written statements.**

The board shall not be required to hear oral statements or arguments either by attorneys or other persons. All persons presenting information or arguments to the board shall put their statements in writing, and shall submit therewith an affidavit stating whether any fee has been paid or is to be paid for their services in the case, and by whom such fee is paid or to be paid.

[C79, 81, §906.7]

**906.8 Subpoena powers.**

The board shall have power to issue subpoenas requiring the attendance of such witnesses and the production of such records, books, papers and documents as it may deem necessary for investigation of the case of any person before it. Subpoenas so issued may be served by any peace officer, in the same manner as similar processes in the district court. Any person who testifies falsely or fails to appear when subpoenaed, or fails or refuses to produce such material pursuant to the subpoena, shall be subject to the same orders and penalties to which a person before a court is subject. Any district court in this state, upon application of the board, may compel the attendance of witnesses, the production of such material, and the giving of testimony before the board, by an attachment for contempt or otherwise in the same manner as production of evidence may be compelled before such district court.

[C79, 81, §906.8]

**906.9 Clothing, transportation, and money.**

1. When an inmate is discharged, paroled, or placed on work release, the warden or superintendent shall furnish the inmate, at state expense, appropriate clothing and transportation to the place in this state indicated in the inmate's discharge, parole, or work release plan. When an inmate is discharged, paroled, or placed on work release, the warden or superintendent shall provide the inmate, at state expense or through inmate savings as provided in section 904.508, money in accordance with the following schedule:

*a.* Upon discharge or parole, one hundred dollars.

*b.* Upon being placed on work release, fifty dollars.

2. Those inmates receiving payment under subsection 1, paragraph *"b"*, shall not be eligible for payment under subsection 1, paragraph *"a"*, unless they are returned to the institution. An inmate shall only be eligible to receive one payment under this section during any twelve-month period. The warden or superintendent shall maintain an account of all funds expended pursuant to this section.

[C51, §3150; R60, §5163; C73, §4779; C97, §5684; S13, §5718-a22; SS15, §2713-n14; C24, 27, 31, 35, 39, §**3737, 3779, 3796;** C46, 50, 54, 58, 62, 66, 71, 73, 75, §245.14, 246.44, 247.16; C77, §245.14, 246.44; C79, 81, §906.9]

87 Acts, ch 118, §9; 90 Acts, ch 1251, §70; 91 Acts, ch 219, §24; 93 Acts, ch 46, §11; 2013 Acts, ch 30, §230

Referred to in §904.508

Section amended

**906.10** Repealed by 91 Acts, ch 267, § 526.

**906.11 Assignment to parole officer.**

A person released on parole shall be assigned to a parole officer by the director of the judicial district department of correctional services. Both the person and the person's parole officer shall be furnished in writing with the conditions of parole including a copy of the plan of restitution and the restitution plan of payment, if any, and the regulations which the person will be required to observe. The parole officer shall explain these conditions and regulations to the person, and supervise, assist, and counsel the person during the term of the person's parole.

[C79, 81, §906.11; 82 Acts, ch 1162, §11, 14]
83 Acts, ch 96, §147, 159
Restitution, chapter 910

**906.12 Parole outside state authorized.**

The parole may be to a place outside the state when the board of parole shall determine it to be to the best interest of the state and the prisoner, under such rules as the board of parole may impose.

[S13, §5718-a18; C24, 27, 31, 35, 39, §**3786;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.5; C79, 81, §906.12]

**906.13 Reciprocal agreements with other states.**

The governor of the state of Iowa is hereby authorized and empowered to enter into compacts and agreements with other states, through their duly constituted authorities, in reference to reciprocal supervision of persons on parole or probation and for the reciprocal return of such persons to the contracting states for violation of the terms of their parole or probation.

[C39, §**3790.1;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.10; C79, 81, §906.13]

**906.14 Detainers.**

Prisoners against whom detainers have been filed, may, after serving a portion of their sentence, be released by parole to the institution or authorities filing the detainer.

Any detainer filed against a prisoner must within six months be supported by a grand jury indictment or county attorney's information. In the event such indictment is returned or information is filed, the prisoner shall have the right to demand immediate trial at the next term of court where the charge is filed. The prosecuting agency shall pay all costs of transportation, necessary expenses incurred by the prisoner and such guards and other safety measures as the warden shall deem necessary for the prisoner to appear at the prisoner's trial.

In the event a detainer is not supported within six months by a county attorney's information or grand jury indictment, or in the event the prosecuting agency refuses or fails to give the prisoner immediate trial, or refuses or fails to furnish transportation and pay all other necessary and related costs incident to the prisoner appearing at the prisoner's trial, the detainer shall be held to be invalid and the parole board shall disregard such detainer in considering a prisoner for parole.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.5; C79, 81, §906.14]
See chapter 821

**906.15 Discharge from parole.**

Unless sooner discharged, a person released on parole shall be discharged when the person's term of parole equals the period of imprisonment specified in the person's sentence, less all time served in confinement. Discharge from parole may be granted prior to such time, when an early discharge is appropriate. The board shall periodically review all paroles, and when the board determines that any person on parole is able and willing to fulfill the obligations of a law-abiding citizen without further supervision, the board shall discharge the person from parole. A parole officer shall periodically review all paroles assigned to the parole officer, and when the parole officer determines that any person assigned to the officer is able and willing to fulfill the obligations of a law-abiding citizen without further supervision, the officer may discharge the person from parole after notification and approval of the district director and notification of the board of parole. In any event, discharge from

parole shall terminate the person's sentence. If a person has been sentenced to a special sentence under section 903B.1 or 903B.2, the person may be discharged early from the sentence in the same manner as any other person on parole. However, a person convicted of a violation of section 709.3, 709.4, or 709.8 committed on or with a child, or a person serving a sentence under section 902.12, shall not be discharged from parole until the person's term of parole equals the period of imprisonment specified in the person's sentence, less all time served in confinement.

A parole officer or the district director who acts in compliance with this section is acting in the course of the person's official duty and is not personally liable, either civilly or criminally, for the acts of a person discharged from parole by the officer after such discharge, unless the discharge constitutes willful disregard of the person's duty.

[C62, 66, 71, 73, 75, 77, §247.5; C79, 81, §906.15]

86 Acts, ch 1005, §1; 90 Acts, ch 1251, §71; 2004 Acts, ch 1150, §2; 2005 Acts, ch 158, §42

**906.16 Parole or work release time applied.**

1. Except as otherwise provided in this section, the time when a prisoner is on parole or work release from the institution shall apply to the sentence against the parolee or work releasee.

2. If a parole revocation hearing is held, the administrative parole judge or the board of parole shall determine the amount of time on parole that shall apply to the sentence against the parolee. In making the determination, the administrative parole judge or the board of parole shall apply any time that has elapsed prior to the violation during which the parolee was in compliance with the terms of the person's parole.

3. If a work release is revoked, the board of parole shall determine the amount of time on work release that shall apply to the sentence against the work releasee. In making the determination, the board shall apply any time that has elapsed prior to the violation during which the work releasee was in compliance with the terms of the person's work release.

4. The time when a prisoner is absent from the institution by reason of an escape shall not apply upon the sentence against the prisoner.

[S13, §5718-a18; C24, 27, 31, 35, 39, §**3792;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.12; C79, 81, §906.16]

86 Acts, ch 1245, §1523; 88 Acts, ch 1091, §5; 94 Acts, ch 1048, §1; 97 Acts, ch 125, §12; 98 Acts, ch 1197, §9, 13; 2000 Acts, ch 1177, §4, 5

**906.17 Alleged parole violators — temporary confinement by counties — reimbursement.**

1. Upon request by the Iowa department of corrections a county shall provide temporary confinement for alleged parole violators if space is available.

2. The Iowa department of corrections shall reimburse a county for the temporary confinement of alleged parole violators. The amount to be reimbursed shall be determined by multiplying the number of days confined by the average daily cost of confining a person in the county facility as negotiated by the department. Payment shall be made upon submission of a voucher executed by the sheriff and approved by the director of the Iowa department of corrections.

3. Any request for reimbursement under subsection 2 shall be made within thirty days of the end of a calendar quarter. If a request for reimbursement is not made within thirty days of the end of the calendar quarter, the request shall be denied by the department of corrections.

[C79, 81, §906.17]

83 Acts, ch 96, §148, 159; 83 Acts, ch 123, §204, 209; 84 Acts, ch 1244, §5; 2006 Acts, ch 1183, §28; 2012 Acts, ch 1030, §3

Referred to in §331.427

**906.18 Parole violators — reimbursement to department.**

The department of corrections shall arrange for the return of parolees who escape from the facility to which they are assigned or violate the conditions of supervision. The parolee shall reimburse the department of corrections for the costs incurred because of the escape or

violation. The amount of reimbursement shall be the actual cost incurred by the department, and shall be credited to the support account from which the billing occurred. The department shall adopt rules to implement this section.

96 Acts, ch 1165, §4

**906.19 Certificates of employability.**

1. As used in this section, *"person"* means a person on parole or a person who is no longer on parole but is currently unemployed or underemployed.

2. The board shall develop and implement a certificate of employability program. The certificate program shall be developed to maximize the opportunities for rehabilitation and employability of a person and provide protection of the community, while considering the needs of potential employers.

3. Issuance of a certificate of employability pursuant to the program shall be based upon the successful completion of designated programs and other relevant factors determined by the board.

4. A person required to register under chapter 692A shall be ineligible for the certificate of employability program.

5. The board shall develop and adopt rules pursuant to chapter 17A for the implementation and administration of this section.

2008 Acts, ch 1180, §24

# CHAPTER 907

## DEFERRED JUDGMENT, DEFERRED OR SUSPENDED SENTENCE, AND PROBATION

Referred to in §216A.136, 232.54, 422.7, 422.35, 901.1, 901.5, 901A.2


907.1 Definitions.
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907.14 Deferred judgment — civil penalty — distribution.


**907.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Deferred judgment"* means a sentencing option whereby both the adjudication of guilt and the imposition of a sentence are deferred by the court and whereby the court assesses a civil penalty as provided in section 907.14 upon the entry of the deferred judgment. The court retains the power to pronounce judgment and impose sentence subject to the defendant's compliance with conditions set by the court as a requirement of the deferred judgment.

2. *"Deferred sentence"* means a sentencing option whereby the court enters an adjudication of guilt but does not impose a sentence. The court retains the power to sentence the defendant to any sentence it originally could have imposed subject to the defendant's compliance with conditions set by the court as a requirement of the deferred sentence.

3. *"Expunged"* means the court's criminal record with reference to a deferred judgment

or any other criminal record that has been segregated in a secure area or database which is exempted from public access.

4. *"Suspended sentence"* means a sentencing option whereby the court pronounces judgment and imposes a sentence and then suspends execution of the sentence subject to the defendant's compliance with conditions set by the court as a requirement of the suspended sentence. Revocation of the suspended sentence results in the execution of sentence already pronounced.

5. *"Probation"* means the procedure under which a defendant, against whom a judgment of conviction of a public offense has been or may be entered, is released by the court subject to supervision by a resident of this state or by the judicial district department of correctional services.*

[C79, 81, §907.1]

88 Acts, ch 1168, §2; 2005 Acts, ch 143, §3; 2012 Acts, ch 1054, §1, 4

*See §905.2

For transition provisions applicable to the duty of the court to expunge a dismissed count or related charge from the court's records, see 2012 Acts, ch 1054, §4

**907.2 Probation service — probation officers.**

Pursuant to designation by the court, probation services shall be provided by the judicial district department of correctional services. Probation officers shall perform the duties assigned to them by law and by the director of the judicial district department of correctional services.

Probation officers employed by the judicial district department of correctional services, while performing the duties prescribed by that department, are peace officers. Probation officers shall investigate all persons referred to them for investigation by the director of the judicial district department of correctional services which employs them. They shall furnish to each person released under their supervision or committed to a community corrections residential facility operated by the judicial district department of correctional services, a written statement of the conditions of probation or commitment. They shall keep informed of each person's conduct and condition and shall use all suitable methods prescribed by the judicial district department of correctional services to aid and encourage the person to bring about improvements in the person's conduct and condition. Probation officers shall keep records of their work and shall make reports to the court when alleged violations occur and within no less than thirty days before the period of probation will expire. Probation officers shall coordinate their work with other social welfare agencies which offer services of a corrective nature operating in the area to which they are assigned.

[C79, 81, §907.2]

84 Acts, ch 1019, §4; 97 Acts, ch 125, §5; 98 Acts, ch 1197, §4, 13; 2000 Acts, ch 1177, §4, 5

Referred to in §801.4

**907.3 Deferred judgment, deferred sentence, or suspended sentence.**

Pursuant to section 901.5, the trial court may, upon a plea of guilty, a verdict of guilty, or a special verdict upon which a judgment of conviction may be rendered, exercise any of the options contained in this section. However, this section does not apply to a forcible felony or to a violation of chapter 709 committed by a person who is a mandatory reporter of child abuse under section 232.69 in which the victim is a person who is under the age of eighteen.

1. *a.* With the consent of the defendant, the court may defer judgment and may place the defendant on probation upon conditions as it may require. A civil penalty shall be assessed as provided in section 907.14 upon the entry of a deferred judgment. However, the court shall not defer judgment if any of the following is true:

(1) The defendant previously has been convicted of a felony. *"Felony"* means a conviction in a court of this or any other state or of the United States, of an offense classified as a felony by the law under which the defendant was convicted at the time of the defendant's conviction.

(2) Prior to the commission of the offense the defendant had been granted a deferred judgment or similar relief, two or more times anywhere in the United States.

(3) Prior to the commission of the offense the defendant had been granted a deferred judgment or similar relief in a felony prosecution anywhere in the United States within the

preceding five years, measured from the date of granting of deferment of judgment to the date of commission of the offense.

(4) The defendant is a corporation.

(5) The offense is a violation of section 124.401, subsection 1, paragraph *"a"* or *"b"*, and the controlled substance is methamphetamine.

(6) The offense is a violation of section 321J.2 and the person has been convicted of a violation of that section or the person's driver's license has been revoked under chapter 321J, and any of the following apply:

(a) If the defendant's alcohol concentration established by the results of an analysis of a specimen of the defendant's blood, breath, or urine withdrawn in accordance with chapter 321J exceeds .15, regardless of whether or not the alcohol concentration indicated by the chemical test minus the established margin of error inherent in the device or method used to conduct the test equals an alcohol concentration of .15 or more.

(b) If the defendant has previously been convicted of a violation of section 321J.2, subsection 1, or a violation of a statute in another state substantially corresponding to section 321J.2, subsection 1.

(c) If the defendant has previously received a deferred judgment or sentence for a violation of section 321J.2, subsection 1, or for a violation of a statute in another state substantially corresponding to section 321J.2, subsection 1.

(d) If the defendant refused to consent to testing requested in accordance with section 321J.6.

(e) If the offense under chapter 321J results in bodily injury to a person other than the defendant.

(7) The offense is a violation of section 462A.14, and a mandatory minimum sentence must be served or mandatory minimum fine must be paid by the defendant.

(8) The offense is a conviction for or plea of guilty to a violation of section 664A.7 or a finding of contempt pursuant to section 664A.7.

(9) The offense is a violation of chapter 692A.

(10) The offense is a violation of section 707.6A, subsection 1; or a violation of section 707.6A, subsection 4, involving operation of a motor vehicle while intoxicated.

(11) The defendant committed an assault as defined in section 708.1, against a peace officer in the performance of the peace officer's duty.

(12) Prior to the commission of the offense the defendant had been granted a deferred judgment or deferred sentence for a violation of section 708.2 or 708.2A which was issued on a domestic abuse assault, or was granted similar relief anywhere in the United States concerning that jurisdiction's statutes which substantially correspond to domestic abuse assault as provided in section 708.2A, and the current offense is a violation of section 708.2A.

(13) The offense is a violation of section 709.8 and the child is twelve years of age or under.

*b.* Upon a showing that the defendant is not cooperating with the program of probation or is not responding to it, the court may withdraw the defendant from the program, pronounce judgment, and impose any sentence authorized by law. Before taking such action, the court shall give the defendant an opportunity to be heard on any matter relevant to the proposed action. Upon violation of the conditions of probation, the court may proceed as provided in chapter 908.

*c.* Upon fulfillment of the conditions of probation and the payment of fees imposed and not waived by the judicial district department of correctional services under section 905.14, the defendant shall be discharged without entry of judgment.

2. *a.* At the time of or after pronouncing judgment and with the consent of the defendant, the court may defer the sentence and assign the defendant to the judicial district department of correctional services. The court may assign the defendant to supervision or services under section 901B.1 at the level of sanctions which the district department determines to be appropriate. However, the court shall not defer the sentence for a violation of any of the following:

(1) The offense is a violation of section 124.401, subsection 1, paragraph *"a"* or *"b"*, and the controlled substance is methamphetamine.

(2) Section 321J.2, subsection 1, if any of the following apply:

(a) If the defendant's alcohol concentration established by the results of an analysis of a specimen of the defendant's blood, breath, or urine withdrawn in accordance with chapter 321J exceeds .15, regardless of whether or not the alcohol concentration indicated by the chemical test minus the established margin of error inherent in the device or method used to conduct the test equals an alcohol concentration of .15 or more.

(b) If the defendant has previously been convicted of a violation of section 321J.2, subsection 1, or a violation of a statute in another state substantially corresponding to section 321J.2, subsection 1.

(c) If the defendant has previously received a deferred judgment or sentence for a violation of section 321J.2, subsection 1, or for a violation of a statute in another state substantially corresponding to section 321J.2, subsection 1.

(d) If the defendant refused to consent to testing requested in accordance with section 321J.6.

(e) If the offense under chapter 321J results in bodily injury to a person other than the defendant.

(3) The offense is a violation of section 462A.14, and a mandatory minimum sentence must be served or mandatory minimum fine must be paid by the defendant.

(4) Section 664A.7 or for contempt pursuant to section 664A.7.

(5) The offense is a violation of chapter 692A.

(6) Section 707.6A, subsection 1; or section 707.6A, subsection 4, involving operation of a motor vehicle while intoxicated.

(7) Section 708.2A, if the defendant has previously received a deferred judgment or sentence for a violation of section 708.2 or 708.2A which was issued on a domestic abuse assault, or if similar relief was granted anywhere in the United States concerning that jurisdiction's statutes which substantially correspond to domestic abuse assault as provided in section 708.2A.

*b.* Upon a showing that the defendant is not fulfilling the conditions of probation, the court may revoke probation and impose any sentence authorized by law. Before taking such action, the court shall give the defendant an opportunity to be heard on any matter relevant to the proposed action. Upon violation of the conditions of probation, the court may proceed as provided in chapter 908.

3. By record entry at the time of or after sentencing, the court may suspend the sentence and place the defendant on probation upon such terms and conditions as it may require including commitment to an alternate jail facility or a community correctional residential treatment facility to be followed by a period of probation as specified in section 907.7, or commitment of the defendant to the judicial district department of correctional services for supervision or services under section 901B.1 at the level of sanctions which the district department determines to be appropriate and the payment of fees imposed under section 905.14. A person so committed who has probation revoked shall not be given credit for such time served. However, a person committed to an alternate jail facility or a community correctional residential treatment facility who has probation revoked shall be given credit for time served in the facility. The court shall not suspend any of the following sentences:

*a.* The minimum term of two days imposed pursuant to section 708.2A, subsection 7, paragraph "*a*", or a sentence imposed under section 708.2A, subsection 7, paragraph "*b*".

*b.* A sentence imposed pursuant to section 664A.7 for contempt.

*c.* A mandatory minimum sentence of incarceration imposed pursuant to a violation of section 321J.2, subsection 1; furthermore, the court shall not suspend any part of a sentence not involving incarceration imposed pursuant to section 321J.2, subsection 3, 4, or 5, beyond the mandatory minimum if any of the following apply:

(1) If the defendant's alcohol concentration established by the results of an analysis of a specimen of the defendant's blood, breath, or urine withdrawn in accordance with chapter 321J exceeds .15, regardless of whether or not the alcohol concentration indicated by the chemical test minus the established margin of error inherent in the device or method used to conduct the test equals an alcohol concentration of .15 or more.

(2) If the defendant has previously been convicted of a violation of section 321J.2,

subsection 1, or a violation of a statute in another state substantially corresponding to section 321J.2, subsection 1.

(3) If the defendant has previously received a deferred judgment or sentence for a violation of section 321J.2, subsection 1, or for a violation of a statute in another state substantially corresponding to section 321J.2, subsection 1.

(4) If the defendant refused to consent to testing requested in accordance with section 321J.6.

(5) If the offense under chapter 321J results in bodily injury to a person other than the defendant.

*d.* A sentence imposed pursuant to section 707.6A, subsection 1; or section 707.6A, subsection 4, involving operation of a motor vehicle while intoxicated.

*e.* The offense is a violation of section 124.401, subsection 1, paragraph "*a*" or "*b*", and the controlled substance is methamphetamine.

*f.* A mandatory minimum sentence or fine imposed for a violation of section 462A.14.

[S13, §5447-a; C24, 27, 31, 35, 39, §**3800;** C46, 50, 54, 58, 62, 66, 71, 73, §247.20; C75, 77, §789A.1; C79, 81, §907.3; 81 Acts, ch 206, §17; 82 Acts, ch 1167, §28]

86 Acts, ch 1220, §45; 88 Acts, ch 1168, §3, 4; 89 Acts, ch 296, §93; 91 Acts, ch 218, §30; 91 Acts, ch 219, §25, 26; 93 Acts, ch 157, §11, 12; 95 Acts, ch 180, §16, 17; 96 Acts, ch 1131, §4; 96 Acts, ch 1193, §17 – 19; 97 Acts, ch 177, §31 – 33; 97 Acts, ch 189, §2; 97 Acts, ch 190, §8, 9; 98 Acts, ch 1138, §6 – 9, 29 – 31, 37; 99 Acts, ch 182, §8; 2000 Acts, ch 1099, §11 – 13; 2000 Acts, ch 1201, §15; 2001 Acts, ch 165, §7 – 9; 2002 Acts, ch 1050, §56, 57; 2003 Acts, ch 156, §17 – 19; 2005 Acts, ch 143, §4; 2006 Acts, ch 1101, §17 – 19; 2009 Acts, ch 119, §61, 62; 2010 Acts, ch 1193, §70, 81; 2011 Acts, ch 34, §155; 2012 Acts, ch 1138, §91 – 93; 2013 Acts, ch 90, §214

Referred to in §321.218, 321J.2, 321J.4, 462A.14, 692A.111, 707.6A, 708.2A, 708.11, 714.3A, 901.5, 901B.1, 903A.5, 907.3A, 907.4, 907.9, 907.10, 907.14

Definition of forcible felony, §702.11

For bail after deferred judgment, see §811.2, 811.11

Applicability of 2012 amendment to subsection 3 to a person who commits an offense prior to May 25, 2012, upon waiver of certain rights; 2012 Acts, ch 1138, §92, 93

Subsections 1 and 2 amended

**907.3A Youthful offender status.**

1. Notwithstanding section 907.3 but subject to any conditions of the waiver order, the trial court shall, upon a plea of guilty or a verdict of guilty, place the juvenile over whom the juvenile court has waived jurisdiction pursuant to section 232.45, subsection 7, on youthful offender status. The court shall transfer supervision of the youthful offender to the juvenile court for disposition in accordance with section 232.52. An adjudication of delinquency entered by the juvenile court at disposition for a public offense shall not be deemed a conviction and shall not preclude the subsequent entry of a deferred judgment or sentence, conviction, or sentence by the district court. The court shall require supervision of the youthful offender in accordance with section 232.54, subsection 1, paragraph "*h*", or subsection 2 of this section.

2. The court shall hold a hearing prior to a youthful offender's eighteenth birthday to determine whether the youthful offender shall continue on youthful offender status after the youthful offender's eighteenth birthday. Notwithstanding section 901.2, the court may order a presentence investigation report including a report for an offense classified as a class "A" felony. The court shall review the report of the juvenile court regarding the youthful offender prepared pursuant to section 232.56, and any presentence investigation report, if ordered by the court. The court shall hear evidence by or on behalf of the youthful offender, by the county attorney, and by the person or agency to which custody of the youthful offender was transferred. The court shall make its decision, pursuant to the judgment and sentencing options available in subsection 3, after considering the services available to the youthful offender, the evidence presented, the juvenile court's report, the presentence investigation report if ordered by the court, the interests of the youthful offender, and interests of the community.

3. *a.* Notwithstanding any provision of the Code which prescribes a mandatory minimum sentence for the offense committed by the youthful offender, following transfer of the youthful offender from the juvenile court back to the court having jurisdiction over the

criminal proceedings involving the youthful offender, the court shall order one of the following sentencing options:

(1) Defer judgment and place the youthful offender on probation, upon the consent of the youthful offender.

(2) Defer the sentence and place the youthful offender on probation upon such terms and conditions as the court may require.

(3) Suspend the sentence and place the youthful offender on probation upon such terms and conditions as the court may require.

(4) A term of confinement as prescribed by law for the offense.

(5) Discharge the youthful offender from youthful offender status and terminate the sentence.

*b.* Notwithstanding anything in section 907.7 to the contrary, if the district court grants the youthful offender a deferred judgment, continues the youthful offender deferred sentence, or enters a sentence and suspends the sentence, and places the youthful offender on probation, the term of formal supervision shall commence upon entry of the order by the district court and may continue for a period not to exceed five years. If the district court enters a sentence of confinement, and the youthful offender was previously placed in secure confinement by the juvenile court under the terms of the initial disposition order or any modification to the initial disposition order, the person shall receive credit for any time spent in secure confinement. During any period of probation imposed by the district court, a youthful offender who violates the terms of probation is subject to section 908.11.

97 Acts, ch 126, §51; 2009 Acts, ch 41, §262; 2013 Acts, ch 42, §15

Referred to in §232.8, 232.45, 232.50, 232.52, 232.54, 232.55, 232.56

Section amended

**907.4 Deferred judgment docket.**

1. A deferment of judgment under section 907.3 shall be entered promptly by the clerk of the district court, or the clerk's designee, into the deferred judgment database of the state, which shall serve as the deferred judgment docket. The deferred judgment docket shall be maintained by the state court administrator and shall not be destroyed. The docket shall contain a permanent record of the deferred judgment including the name and date of birth of the defendant, the district court docket number, the nature of the offense, and the date of the deferred judgment. Before granting deferred judgment in any case, the court shall search the deferred judgment docket and shall consider any prior record of a deferred judgment against the defendant.

2. The permanent record provided for in this section is a confidential record exempted from public access under section 22.7 and shall be available only to justices of the supreme court, judges of the court of appeals, district judges, district associate judges, judicial magistrates, clerks of the district court, judicial district departments of correctional services, county attorneys, the department of public safety, and the department of corrections requesting information pursuant to this section, or the designee of a justice, judge, magistrate, clerk, judicial district department of correctional services, or county attorney, or departments.

[C75, 77, §789A.1; C79, 81, §907.4]

84 Acts, ch 1292, §20; 85 Acts, ch 197, §44; 88 Acts, ch 1168, §5; 97 Acts, ch 128, §5; 2003 Acts, ch 151, §61; 2003 Acts, 1st Ex, ch 2, §60, 209; 2011 Acts, ch 95, §10; 2012 Acts, ch 1054, §2, 4

Referred to in §602.8102(135), 907.9

For transition provisions applicable to the duty of the court to expunge a dismissed count or related charge from the court's records, see 2012 Acts, ch 1054, §4

**907.5 Standards for release on probation — written reasons.**

1. Before deferring judgment, deferring sentence, or suspending sentence, the court first shall determine which option, if available, will provide maximum opportunity for the rehabilitation of the defendant and protection of the community from further offenses by the defendant and others. In making this determination, the court shall consider all of the following:

*a.* The age of the defendant.

*b.* The defendant's prior record of convictions and prior record of deferments of judgment if any.

*c.* The defendant's employment circumstances.

*d.* The defendant's family circumstances.

*e.* The defendant's mental health and substance abuse history and treatment options available in the community and the correctional system.

*f.* The nature of the offense committed.

*g.* Such other factors as are appropriate.

2. The court shall file a specific written statement of its reasons for and the facts supporting its decision to defer judgment, to defer sentence, or to suspend sentence, and its decision on the length of probation.

[C75, 77, §789A.1(2); C79, 81, §907.5]

2011 Acts, ch 7, §4; 2012 Acts, ch 1021, §118

**907.6 Conditions of probation — regulations.**

Probationers are subject to the conditions established by the judicial district department of correctional services subject to the approval of the court, and any additional reasonable conditions which the court or district department may impose to promote rehabilitation of the defendant or protection of the community. Conditions may include but are not limited to adherence to regulations generally applicable to persons released on parole and including requiring unpaid community service as allowed pursuant to section 907.13.

[C79, 81, §907.6; 82 Acts, ch 1069, §3]

83 Acts, ch 39, §2; 96 Acts, ch 1193, §20

Referred to in §321J.2

**907.7 Length of probation.**

1. The length of the probation shall be for a period as the court shall fix but not to exceed five years if the offense is a felony or not to exceed two years if the offense is a misdemeanor. The period of probation may be extended for up to one year including one year beyond the maximum period as provided in section 908.11.

2. The length of the probation shall not be less than one year if the offense is a misdemeanor and shall not be less than two years if the offense is a felony.

3. The court may subsequently reduce the length of the probation if the court determines that the purposes of probation have been fulfilled and the fees imposed under section 905.14 have been paid to or waived by the judicial district department of correctional services and that court debt collected pursuant to section 602.8107 has been paid. The purposes of probation are to provide maximum opportunity for the rehabilitation of the defendant and to protect the community from further offenses by the defendant and others.

4. In determining the length of the probation, the court shall determine what period is most likely to provide maximum opportunity for the rehabilitation of the defendant, to allow enough time to determine whether or not rehabilitation has been successful, and to protect the community from further offenses by the defendant and others.

[C66, 71, 73, §247.20; C75, 77, §789A.2; C79, 81, §907.7]

97 Acts, ch 125, §6; 97 Acts, ch 190, §10; 98 Acts, ch 1197, §5, 13; 2000 Acts, ch 1177, §4, 5; 2008 Acts, ch 1172, §27; 2010 Acts, ch 1175, §1, 4

Referred to in §907.3, 907.3A, 908.11, 910.4

2010 amendment to subsection 1 applies to criminal offenses committed on or after July 1, 2010; 2010 Acts, ch 1175, §4

**907.8 Supervision during probationary period.**

1. A person released on probation shall be assigned to a probation officer. Both the person and the person's probation officer shall be furnished with the conditions of the person's probation including a copy of the plan of restitution and the restitution plan of payment, if any, and the regulations which the person will be required to observe, in writing. The probation officer shall explain these conditions and regulations to the person and shall supervise, assist, and counsel the person during the term of the person's probation.

2. *a.* When probation is granted, the court shall order said person committed to the custody, care, and supervision:

(1) Of any suitable resident of this state; or

(2) Of the judicial district department of correctional services.

*b.* Jurisdiction over these persons shall remain with the sentencing court.

3. In each case in which the court orders the person committed to the custody, care, and supervision of the judicial district department of correctional services, the clerk of the district court shall at once furnish the director of the judicial district department of correctional services with certified copies of the indictment or information, the minutes of testimony attached thereto, the judgment entry if judgment is not deferred, and the original mittimus. The county attorney shall at once advise the director, by letter, that the defendant has been placed under the supervision of the judicial district department of correctional services and give the director a detailed statement of the facts and circumstances surrounding the crime committed and the record and history of the defendant as may be known to the county attorney. If the defendant is confined in the county jail at the time of sentence, the court may order the defendant held until arrangements are made by the judicial district department of correctional services for the defendant's employment and the defendant has signed the necessary probation papers. If the defendant is not confined in the county jail at the time of sentence, the court may order the defendant to remain in the county wherein the defendant has been convicted and sentenced and report to the sheriff as to the defendant's whereabouts.

[S13, §5447-a; C24, 27, 31, 35, 39, §**3801;** C46, 50, 54, 58, 62, 66, 71, 73, §247.21; C75, 77, §789A.7; C79, 81, §907.8; 82 Acts, ch 1162, §12, 14]

97 Acts, ch 125, §7; 98 Acts, ch 1197, §6, 13; 2000 Acts, ch 1177, §4, 5; 2013 Acts, ch 90, §215

Referred to in §331.756(83), 602.8102(135)

Section amended

**907.8A** Repealed by 98 Acts, ch 1197, § 10, 13; 2000 Acts, ch 1177, § 4, 5.

**907.9 Discharge from probation.**

1. At any time that the court determines that the purposes of probation have been fulfilled and fees imposed under section 905.14 and court debt collected pursuant to section 602.8107 have been paid, the court may order the discharge of a person from probation.

2. At any time that a probation officer determines that the purposes of probation have been fulfilled and fees imposed under section 905.14 and court debt collected pursuant to section 602.8107 have been paid, the officer may order the discharge of a person from probation after approval of the district director and notification of the sentencing court and the county attorney who prosecuted the case.

3. The sentencing judge may order a hearing on its own motion, or shall order a hearing upon the request of the county attorney, for review of such discharge. If the sentencing judge is no longer serving or unable to order such hearing, the chief judge of the district or the chief judge's designee shall order any hearing pursuant to this section. Following the hearing, the court shall approve or rescind such discharge. If a hearing is not ordered within thirty days after notification by the probation officer, the person shall be discharged and the probation officer shall notify the state court administrator of such discharge.

4. *a.* At the expiration of the period of probation if the fees imposed under section 905.14 and court debt collected pursuant to section 602.8107 have been paid, the court shall order the discharge of the person from probation. If portions of the court debt remain unpaid, the person shall establish a payment plan with the clerk of the district court or the county attorney prior to the discharge. The court shall forward to the governor a recommendation for or against restoration of citizenship rights to that person upon discharge. A person who has been discharged from probation shall no longer be held to answer for the person's offense.

*b.* Upon discharge from probation, if judgment has been deferred under section 907.3, the court's criminal record with reference to the deferred judgment, any counts dismissed by the court, which were contained in the indictment, information, or complaint that resulted in the deferred judgment, and any other related charges that were not contained in the indictment,

information, or complaint but were dismissed, shall be expunged. However, the court's record shall not be expunged until the person has paid the restitution, civil penalties, court costs, fees, or other financial obligations ordered by the court or assessed by the clerk of the district court in the case that includes the deferred judgment. The expunged record is a confidential record exempt from public access under section 22.7 but shall be made available by the clerk of the district court, upon request and without court order, to an agency or person granted access to the deferred judgment docket under section 907.4, subsection 2. The court's record shall not be expunged in any other circumstances unless authorized by law.

*c.* A dismissed count or related charge shall be expunged pursuant to the provisions of paragraph "*b*" in the following manner:

(1) A count which was contained in the indictment, information, or complaint that resulted in the deferred judgment shall be expunged when the deferred judgment is expunged.

(2) A related charge that was not contained in the indictment, information, or complaint that resulted in the deferred judgment shall only be expunged upon a court order that identifies the related charge to be expunged.

*d.* A count or related charge that was dismissed shall not be expunged pursuant to paragraph "*c*" in any case in which a count or charge resulted in a conviction that was not expunged.

*e.* The provisions of paragraph "*c*" apply whether the deferred judgment was expunged prior to July 1, 2012, or on or after July 1, 2012.

*f.* The provisions of paragraph "*b*" that require payment of financial obligations as a condition for expungement of a deferred judgment apply to any deferred judgment that has not been expunged prior to July 1, 2012.

*g.* For purposes of this subsection, a charge or count is related to another charge or count if the charge or count arose from the same transaction or occurrence or from two or more transactions or occurrences constituting parts of a common scheme or plan.

5. A probation officer or the director of the judicial district department of correctional services who acts in compliance with this section is acting in the course of the person's official duty and is not personally liable, either civilly or criminally, for the acts of a person discharged from probation by the officer after such discharge, unless the discharge constitutes willful disregard of the person's duty.

[S13, §5447-a; C24, 27, 31, 35, 39, §**3800;** C46, 50, 54, 58, 62, 66, 71, 73, §247.20; C75, 77, §789A.6; C79, 81, §907.9]

88 Acts, ch 1168, §6; 90 Acts, ch 1251, §72; 91 Acts, ch 219, §27; 97 Acts, ch 125, §9; 97 Acts, ch 190, §11; 98 Acts, ch 1197, §7, 13; 2000 Acts, ch 1177, §4, 5; 2003 Acts, 1st Ex, ch 2, §61, 209; 2004 Acts, ch 1175, §205; 2008 Acts, ch 1172, §28; 2012 Acts, ch 1054, §3, 4

For transition provisions applicable to the duty of the court to expunge a dismissed count or related charge from the court's records, see 2012 Acts, ch 1054, §4

**907.10 Release on probation after completing program.**

When the court has determined that any person ordered to participate in a locally administered correctional program, pursuant to section 907.3, subsection 1, has successfully completed such program, the court shall order such person to be released on probation.

[C79, 81, §907.10]

**907.11 Maximum period of confinement.**

In no case shall the total time served in confinement and in any locally administered correctional program exceed the maximum period of confinement authorized for the public offense of which the defendant stands convicted.

[C79, 81, §907.11]

**907.12** Repealed by 82 Acts, ch 1162, § 13. See chapter 910.

**907.13 Community service sentencing — liability — workers' compensation.**

1. The court may establish as a condition of probation that the defendant perform unpaid community service for a time not to exceed the maximum period of confinement for the offense of which the defendant is convicted. If this condition is established, the defendant in

cooperation with the probation officer assigned to the defendant and in cooperation with the judicial district department of correctional services, shall promptly prepare a plan to implement the community service condition. The plan shall include but shall not be limited to the suggested placement of the defendant and the suggested number of hours of services to be required.

2. The defendant's plan of community service, the comments of the defendant's probation officer, and the comments of the representative of the judicial district department of correctional services responsible for the unpaid community service program, shall be submitted promptly to the court. The court shall promptly enter an order approving the plan or modifying it. Compliance with the plan of community service as approved or modified by the court shall be a condition of the defendant's probation. The court thereafter may modify the plan at any time upon the defendant's request, upon the request of the judicial district department of correctional services, or upon the court's own motion. As an option for modification of a plan, the court may allow a defendant to complete some part or all of the defendant's community service obligation through the donation of property to a charitable organization other than a governmental subdivision. A donation of property to a charitable organization offered in satisfaction of some part or all of a community service obligation under this subsection is not a deductible contribution for the purposes of federal or state income taxes.

3. At any time during the probation period the defendant may request and the court shall grant a hearing on any matter related to the plan of community service.

4. Failure of the defendant to comply with subsection 1 or to comply with the plan of community service as approved or modified by the court shall constitute a violation of the conditions of probation. Without limitation, the court may modify the plan of community service or modify the required hours of service, but not beyond the maximum hours of service specified in subsection 1.

5. The state of Iowa is exclusively liable, according to and under chapter 669, for a tortious act committed by a defendant while performing unpaid community service.

6. The state of Iowa is exclusively liable for and shall pay any compensation becoming due any person under section 85.59.

[82 Acts, ch 1069, §4]

84 Acts, ch 1280, §3; 88 Acts, ch 1168, §7

Referred to in §462A.14, 901.3, 907.6

Community service as restitution; see §910.2

**907.14 Deferred judgment — civil penalty — distribution.**

1. Upon the entry of a deferred judgment pursuant to section 907.3, a defendant shall be assessed a civil penalty of an amount not less than the amount of any criminal fine authorized by law for the offense under section 902.9 or section 903.1.

2. The clerk of the district court shall collect and remit the civil penalty to the state court administrator for deposit in the general fund of the state as provided in section 602.8108.

2005 Acts, ch 143, §5

Referred to in §321J.2, 907.1, 907.3, 908.11

# CHAPTER 907A

## INTERSTATE PROBATION AND PAROLE COMPACT

Repealed by 2001 Acts, ch 15, §8; 2001 Acts, 2nd Ex, ch 6, §25, 26;
see chapter 907B

# CHAPTER 907B

## INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION

Referred to in §422.7, 422.35, 901.1, 901A.2, 904.117

907B.1 Citation.
907B.2 Interstate compact for adult offender supervision.
907B.3 State council.
907B.4 Interstate compact fee.

**907B.1 Citation.**

This chapter may be cited as the *"Interstate Compact for Adult Offender Supervision"*.

2001 Acts, ch 15, §5; 2001 Acts, 2nd Ex, ch 6, §25, 26, 37

**907B.2 Interstate compact for adult offender supervision.**

The national interstate compact for adult offender supervision is enacted into law and entered into by this state with any other state or jurisdiction legally joining the compact in the form substantially as follows:

1. *Article I — Definitions.* As used in this compact, unless the context clearly requires otherwise:

*a. Adult.* *"Adult"* means both individuals legally classified as adults and juveniles treated as adults by court order, statute, or operation of law.

*b. Bylaws.* *"Bylaws"* means those bylaws established by the interstate commission for its governance, or for directing or controlling the interstate commission's actions or conduct.

*c. Compact administrator.* *"Compact administrator"* means the individual in each compacting state appointed pursuant to the terms of this compact responsible for the administration and management of the state's supervision and transfer of offenders subject to the terms of this compact, the rules adopted by the interstate commission, and policies adopted by the state council under this compact.

*d. Compacting state.* *"Compacting state"* means any state which has enacted the enabling legislation for this compact.

*e. Commissioner.* *"Commissioner"* means the voting representative of each compacting state appointed pursuant to article II of this compact.

*f. Interstate commission.* *"Interstate commission"* means the interstate commission for adult offender supervision established by this compact.

*g. Member.* *"Member"* means the commissioner of a compacting state or a designee, who shall be a person officially connected with the commissioner.

*h. Noncompacting state.* *"Noncompacting state"* means any state which has not enacted the enabling legislation for this compact.

*i. Offender.* *"Offender"* means an adult placed under, or subject to, supervision as the result of the commission of a criminal offense and released to the community under the jurisdiction of courts, paroling authorities, corrections, or other criminal justice agencies.

*j. Person.* *"Person"* means any individual, corporation, business enterprise, or other legal entity, either public or private.

*k. Rules.* *"Rules"* means acts of the interstate commission, duly promulgated pursuant to article VII of this compact, substantially affecting interested parties in addition to the interstate commission, which shall have the force and effect of law in the compacting states.

*l. State.* *"State"* means a state of the United States, the District of Columbia, and any other territorial possessions of the United States.

*m. State council.* *"State council"* means the resident members of the state council for interstate adult offender supervision created by each state under article III of this compact.

2. *Article II — The compact commission.*

*a.* The compacting states hereby create the interstate commission for adult offender supervision. The interstate commission shall be a body corporate and joint agency of the compacting states. The interstate commission shall have all the responsibilities, powers, and duties set forth herein, including the power to sue and be sued, and such additional

powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this compact.

*b.* The interstate commission shall consist of commissioners selected and appointed by resident members of a state council for interstate adult offender supervision for each state. The commission shall include at least one commissioner from a minority group.

*c.* In addition to the commissioners who are the voting representatives of each state, the interstate commission shall include individuals who are not commissioners but who are members of interested organizations; such noncommissioner members must include a member of the national organizations of governors, legislators, state chief justices, attorneys general, and crime victims. All noncommissioner members of the interstate commission shall be ex officio members. The interstate commission may provide in its bylaws for such additional, ex officio, nonvoting members as it deems necessary.

*d.* Each compacting state represented at any meeting of the interstate commission is entitled to one vote. A majority of the compacting states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the interstate commission.

*e.* The interstate commission shall meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of twenty-seven or more compacting states, shall call additional meetings. Public notice shall be given of all meetings and meetings shall be open to the public.

*f.* The interstate commission shall establish an executive committee which shall include commission officers, members, and others as shall be determined by the bylaws. The executive committee shall have the power to act on behalf of the interstate commission during periods when the interstate commission is not in session, with the exception of rulemaking and amendment to the compact. The executive committee oversees the day-to-day activities managed by the executive director and interstate commission staff, administers enforcement and compliance with the provisions of the compact, its bylaws, and as directed by the interstate commission, and performs other duties as directed by commission or set forth in the bylaws.

3. *Article III — The state council.* Each member state shall create a state council for interstate adult offender supervision which shall be responsible for the appointment of the commissioner who shall serve on the interstate commission from that state. Each state council shall appoint as its commissioner the compact administrator from that state to serve on the interstate commission in such capacity under or pursuant to applicable law of the member state. While each member state may determine the membership of its own state council, its membership must include at least one representative from the legislative, judicial, and executive branches of government, victims groups, and compact administrators. Each compacting state retains the right to determine the qualifications of the compact administrator who shall be appointed by the state council or by the governor in consultation with the legislature and the judiciary. In addition to appointment of its commissioner to the interstate commission, each state council shall exercise oversight and advocacy concerning its participation in interstate commission activities and other duties as may be determined by each member state, including but not limited to development of policy concerning operations and procedures of the compact within that state.

4. *Article IV — Powers and duties of the interstate commission.* The interstate commission shall have the following powers:

*a.* To adopt a seal and suitable bylaws governing the management and operation of the interstate commission.

*b.* To promulgate rules which shall have the force and effect of statutory law and shall be binding in the compacting states to the extent and in the manner provided in this compact.

*c.* To oversee, supervise, and coordinate the interstate movement of offenders subject to the terms of this compact and any bylaws adopted and rules promulgated by the interstate commission.

*d.* To enforce compliance with compact provisions, interstate commission rules, and bylaws, using all necessary and proper means, including but not limited to the use of judicial process.

*e.* To establish and maintain offices.

*f.* To purchase and maintain insurance and bonds.

*g.* To borrow, accept, or contract for services of personnel, including but not limited to members and their staffs.

*h.* To establish and appoint committees and hire staff which it deems necessary for the carrying out of its functions, including but not limited to an executive committee as required by article II which shall have the power to act on behalf of the interstate commission in carrying out its powers and duties hereunder.

*i.* To elect or appoint such officers, attorneys, employees, agents, or consultants, and to fix their compensation, define their duties, and determine their qualifications; and to establish the interstate commission's personnel policies and programs relating to, among other things, conflicts of interest, rates of compensation, and qualifications of personnel.

*j.* To accept any and all donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of the same.

*k.* To lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed.

*l.* To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed.

*m.* To establish a budget and make expenditures and levy dues as provided in article IX of this compact.

*n.* To sue and be sued.

*o.* To provide for dispute resolution among compacting states.

*p.* To perform such functions as may be necessary or appropriate to achieve the purposes of this compact.

*q.* To report annually to the legislatures, governors, judiciary, and state councils of the compacting states concerning the activities of the interstate commission during the preceding year. Such reports shall also include any recommendations that may have been adopted by the interstate commission.

*r.* To coordinate education, training, and public awareness regarding the interstate movement of offenders for officials involved in such activity.

*s.* To establish uniform standards for the reporting, collecting, and exchanging of data.

5. *Article V — Organization and operation of the interstate commission.*

*a. Bylaws.* The interstate commission shall, by a majority of the members, within twelve months of the first interstate commission meeting, adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the compact, including, but not limited to:

(1) Establishing the fiscal year of the interstate commission.

(2) Establishing an executive committee and such other committees as may be necessary.

(3) Providing reasonable standards and procedures:

(a) For the establishment of committees.

(b) Governing any general or specific delegation of any authority or function of the interstate commission.

(4) Providing reasonable procedures for calling and conducting meetings of the interstate commission, and ensuring reasonable notice of each such meeting.

(5) Establishing the titles and responsibilities of the officers of the interstate commission.

(6) Providing reasonable standards and procedures for the establishment of the personnel policies and programs of the interstate commission. Notwithstanding any civil service or other similar laws of any compacting state, the bylaws shall exclusively govern the personnel policies and programs of the interstate commission.

(7) Providing a mechanism for winding up the operations of the interstate commission and the equitable return of any surplus funds that may exist upon the termination of the compact after the payment or reserving of all of its debts and obligations.

(8) Providing transition rules for startup administration of the compact.

(9) Establishing standards and procedures for compliance and technical assistance in carrying out the compact.

*b. Officers and staff.*

(1) The interstate commission shall, by a majority of the members, elect from among its members a chairperson and a vice chairperson, each of whom shall have such authorities and duties as may be specified in the bylaws. The chairperson or, in the chairperson's absence or disability, the vice chairperson, shall preside at all meetings of the interstate commission. The officers so elected shall serve without compensation or remuneration from the interstate commission; provided that, subject to the availability of budgeted funds, the officers shall be reimbursed for any actual and necessary costs and expenses incurred by them in the performance of their duties and responsibilities as officers of the interstate commission.

(2) The interstate commission shall, through its executive committee, appoint or retain an executive director for such period, upon such terms and conditions and for such compensation as the interstate commission may deem appropriate. The executive director shall serve as secretary to the interstate commission, and hire and supervise such other staff as may be authorized by the interstate commission, but shall not be a member.

*c. Corporate records of the interstate commission.* The interstate commission shall maintain its corporate books and records in accordance with the bylaws.

*d. Qualified immunity, defense and indemnification.*

(1) The members, officers, executive director, and employees of the interstate commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused or arising out of any actual or alleged act, error, or omission that occurred within the scope of interstate commission employment, duties, or responsibilities; provided that nothing in this subparagraph shall be construed to protect any such person from suit and liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of any such person.

(2) The interstate commission shall defend the commissioner of a compacting state, or the commissioner's representatives or employees, or the interstate commission's representatives or employees, in any civil action seeking to impose liability, arising out of any actual or alleged act, error, or omission that occurred within the scope of interstate commission employment, duties, or responsibilities, or that the defendant had a reasonable basis for believing occurred within the scope of interstate commission employment, duties, or responsibilities; provided that the actual or alleged act, error, or omission did not result from intentional wrongdoing on the part of such person.

(3) The interstate commission shall indemnify and hold the commissioner of a compacting state, the appointed designee, or employees, or the interstate commission's representatives or employees, harmless in the amount of any settlement or judgment obtained against such persons arising out of any actual or alleged act, error, or omission that occurred within the scope of interstate commission employment, duties, or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of interstate commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from gross negligence or intentional wrongdoing on the part of such person.

6. *Article VI — Activities of the interstate commission.*

*a.* The interstate commission shall meet and take such actions as are consistent with the provisions of this compact.

*b.* Except as otherwise provided in this compact and unless a greater percentage is required by the bylaws, in order to constitute an act of the interstate commission, such act shall have been taken at a meeting of the interstate commission and shall have received an affirmative vote of a majority of the members present.

*c.* Each member of the interstate commission shall have the right and power to cast a vote to which that compacting state is entitled and to participate in the business and affairs of the interstate commission. A member shall vote in person on behalf of the state and shall not delegate a vote to another member state. However, a state council shall appoint another authorized representative, in the absence of the commissioner from that state, to cast a vote on behalf of the member state at a specified meeting. The bylaws may provide for members' participation in meetings by telephone or other means of telecommunication or electronic communication. Any voting conducted by telephone or other means of telecommunication

or electronic communication shall be subject to the same quorum requirements of meetings where members are present in person.

*d.* The interstate commission shall meet at least once during each calendar year. The chairperson of the interstate commission may call additional meetings at any time and, upon the request of a majority of the members, shall call additional meetings.

*e.* The interstate commission's bylaws shall establish conditions and procedures under which the interstate commission shall make its information and official records available to the public for inspection or copying. The interstate commission may exempt from disclosure any information or official records to the extent they would adversely affect personal privacy rights or proprietary interests. In promulgating such rules, the interstate commission may make available to law enforcement agencies records and information otherwise exempt from disclosure, and may enter into agreements with law enforcement agencies to receive or exchange information or records subject to nondisclosure and confidentiality provisions.

*f.* Public notice shall be given of all meetings and all meetings shall be open to the public, except as set forth in the rules or as otherwise provided in the compact. The interstate commission shall promulgate rules consistent with the principles contained in the federal Government in the Sunshine Act, 5 U.S.C. § 552(6), as may be amended. The interstate commission and any of its committees may close a meeting to the public where it determines by two-thirds vote that an open meeting would be likely to:

(1) Relate solely to the interstate commission's internal personnel practices and procedures.

(2) Disclose matters specifically exempted from disclosure by statute.

(3) Disclose trade secrets or commercial or financial information which is privileged or confidential.

(4) Involve accusing any person of a crime, or formally censuring any person.

(5) Disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy.

(6) Disclose investigatory records compiled for law enforcement purposes.

(7) Disclose information contained in or related to examination, operating, or condition reports prepared by, or on behalf of or for the use of, the interstate commission with respect to a regulated entity for the purpose of regulation or supervision of such entity.

(8) Disclose information, the premature disclosure of which would significantly endanger the life of a person or the stability of a regulated entity.

(9) Specifically relate to the interstate commission's issuance of a subpoena, or its participation in a civil action or proceeding.

*g.* For every meeting closed pursuant to this provision, the interstate commission's chief legal officer shall publicly certify that, in the officer's opinion, the meeting may be closed to the public, and shall reference each relevant exemptive provision. The interstate commission shall keep minutes which shall fully and clearly describe all matters discussed in any meeting and shall provide a full and accurate summary of any actions taken, and the reasons therefor, including a description of each of the views expressed on any item and the record of any roll call vote, reflected in the vote of each member on the question. All documents considered in connection with any action shall be identified in such minutes.

*h.* The interstate commission shall collect standardized data concerning the interstate movement of offenders as directed through its bylaws and rules which shall specify the data to be collected, the means of collection, and data exchange and reporting requirements.

7. *Article VII — Rulemaking functions of the interstate commission.*

*a.* The interstate commission shall promulgate rules in order to effectively and efficiently achieve the purposes of the compact including transition rules governing administration of the compact during the period in which it is being considered and enacted by the states.

*b.* Rulemaking shall occur pursuant to the criteria set forth in this article and the bylaws and rules adopted pursuant thereto. Such rulemaking shall substantially conform to the principles of the federal Administrative Procedure Act, 5 U.S.C. § 551 et seq., and the federal Advisory Committee Act, 5 U.S.C. app. 2, § 1 et seq., as may be amended.

*c.* All rules and amendments shall become binding as of the date specified in each rule or amendment.

*d.* If a majority of the legislatures of the compacting states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact, then such rule shall have no further force and effect in any compacting state.

*e.* When promulgating a rule, the interstate commission shall do all of the following:

(1) Publish the proposed rule stating with particularity the text of the rule which is proposed and the reason for the proposed rule.

(2) Allow persons to submit written data, facts, opinions, and arguments, which information shall be publicly available.

(3) Provide an opportunity for an informal hearing.

(4) Promulgate a final rule and its effective date, if appropriate, based on the rulemaking record.

*f.* Not later than sixty days after a rule is promulgated, any interested person may file a petition in the United States district court for the District of Columbia or in the United States district court where the interstate commission's principal office is located for judicial review of such rule. If the court finds that the interstate commission's action is not supported by substantial evidence, as defined in the federal Administrative Procedure Act, in the rulemaking record, the court shall hold the rule unlawful and set it aside.

*g.* Subjects to be addressed within twelve months after the first meeting must at a minimum include:

(1) Notice to victims and opportunity to be heard.

(2) Offender registration and compliance.

(3) Violations and returns.

(4) Transfer procedures and forms.

(5) Eligibility for transfer.

(6) Collection of restitution and fees from offenders.

(7) Data collection and reporting.

(8) The level of supervision to be provided by the receiving state.

(9) Transition rules governing the operation of the compact and the interstate commission during all or part of the period between the effective date of the compact and the date on which the last eligible state adopts the compact.

(10) Mediation, arbitration and dispute resolution. The existing rules governing the operation of the previous compact superseded by this compact shall be null and void twelve months after the first meeting of the interstate commission created hereunder.

*h.* Upon determination by the interstate commission that an emergency exists, it may promulgate an emergency rule which shall become effective immediately upon adoption, provided that the usual rulemaking procedures provided hereunder shall be retroactively applied to said rule as soon as reasonably possible, in no event later than ninety days after the effective date of the rule.

8. *Article VIII — Oversight, enforcement, and dispute resolution by the interstate commission.*

*a. Oversight.*

(1) The interstate commission shall oversee the interstate movement of adult offenders in the compacting states and shall monitor such activities being administered in noncompacting states which may significantly affect compacting states.

(2) The courts and executive agencies in each compacting state shall enforce this compact and shall take all actions necessary and appropriate to effectuate the compact's purposes and intent. In any judicial or administrative proceeding in a compacting state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the interstate commission, the interstate commission shall be entitled to receive all service of process in any such proceeding, and shall have standing to intervene in the proceeding for all purposes.

*b. Dispute resolution.*

(1) The compacting states shall report to the interstate commission on issues or activities of concern to them, and cooperate with and support the interstate commission in the discharge of its duties and responsibilities.

(2) The interstate commission shall attempt to resolve any disputes or other issues which

are subject to the compact and which may arise among compacting states and noncompacting states.

(3) The interstate commission shall enact a bylaw or promulgate a rule providing for both mediation and binding dispute resolution for disputes among the compacting states.

*c. Enforcement.* The interstate commission, in the reasonable exercise of its discretion, shall enforce the provisions of this compact using any or all means set forth in article XI, paragraph *"b"*, of this compact.

9. *Article IX — Finance.*

*a.* The interstate commission shall pay or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities.

*b.* The interstate commission shall levy on and collect an annual assessment from each compacting state to cover the cost of the internal operations and activities of the interstate commission and its staff, which must be in a total amount sufficient to cover the interstate commission's annual budget as approved each year. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the interstate commission, taking into consideration the population of the state and the volume of interstate movement of offenders in each compacting state, and shall promulgate a rule binding upon all compacting states which governs the assessment.

*c.* The interstate commission shall not incur any obligations of any kind prior to securing the funds adequate to meet the same; nor shall the interstate commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

*d.* The interstate commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the interstate commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the interstate commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the interstate commission.

10. *Article X — Compacting states, effective date and amendment.*

*a.* Any state, as defined in article I of this compact, is eligible to become a compacting state.

*b.* The compact shall become effective and binding upon legislative enactment of the compact into law by no less than thirty-five of the states. The initial effective date shall be the later of July 1, 2002, or upon enactment into law by the thirty-fifth jurisdiction. Thereafter it shall become effective and binding, as to any other compacting state, upon enactment of the compact into law by that state. The governors of nonmember states or their designees will be invited to participate in interstate commission activities on a nonvoting basis prior to adoption of the compact by all states and territories of the United States.

*c.* Amendments to the compact may be proposed by the interstate commission for enactment by the compacting states. No amendment shall become effective and binding upon the interstate commission and the compacting states unless and until it is enacted into law by unanimous consent of the compacting states.

11. *Article XI — Withdrawal, default, and termination, and judicial enforcement.*

*a. Withdrawal.*

(1) Once effective, the compact shall continue in force and remain binding upon each and every compacting state; provided that a compacting state may withdraw from the compact by enacting a statute specifically repealing the statute which enacted the compact into law.

(2) The effective date of withdrawal is the effective date of the repeal.

(3) The withdrawing state shall immediately notify the chairperson of the interstate commission in writing upon the introduction of legislation repealing this compact in the withdrawing state.

(4) The interstate commission shall notify the other compacting states of the withdrawing state's intent to withdraw within sixty days of its receipt thereof.

(5) The withdrawing state is responsible for all assessments, obligations, and liabilities incurred through the effective date of withdrawal, including any obligations, the performance of which extend beyond the effective date of withdrawal.

(6) Reinstatement following withdrawal of any compacting state shall occur upon the

withdrawing state reenacting the compact or upon such later date as determined by the interstate commission.

*b. Default.*

(1) If the interstate commission determines that any compacting state has at any time defaulted in the performance of any of its obligations or responsibilities under this compact, the bylaws, or any duly promulgated rules, the interstate commission may impose any or all of the following penalties:

(a) Fines, fees, and costs in such amounts as are deemed to be reasonable as fixed by the interstate commission.

(b) Remedial training and technical assistance as directed by the interstate commission.

(c) Suspension and termination of membership in the compact. Suspension shall be imposed only after all other reasonable means of securing compliance under the bylaws and rules have been exhausted. Immediate notice of suspension shall be given by the interstate commission to the governor, the chief justice of the state, the majority and minority leaders of the defaulting state's legislature, and the executive council. The grounds for default include, but are not limited to, failure of a compacting state to perform such obligations or responsibilities imposed upon it by this compact, interstate commission bylaws, or duly promulgated rules. The interstate commission shall immediately notify the defaulting state in writing of the penalty imposed by the interstate commission on the defaulting state pending a cure of the default. The interstate commission shall stipulate the conditions and the time period within which the defaulting state must cure its default. If the defaulting state fails to cure the default within the time period specified by the interstate commission, in addition to any other penalties imposed herein, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the compacting states and all rights, privileges, and benefits conferred by this compact shall be terminated from the effective date of suspension.

(2) Within sixty days of the effective date of termination of a defaulting state, the interstate commission shall notify the governor, the chief justice, and the majority and minority leaders of the defaulting state's legislature, and the executive council of such termination.

(3) The defaulting state is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination including any obligations, the performance of which extends beyond the effective date of termination.

(4) The interstate commission shall not bear any costs relating to the defaulting state unless otherwise mutually agreed upon between the interstate commission and the defaulting state.

(5) Reinstatement following termination of any compacting state requires both a reenactment of the compact by the defaulting state and the approval of the interstate commission pursuant to the rules.

*c. Judicial enforcement.* The interstate commission may, by majority vote of the members, initiate legal action in the United States district court for the District of Columbia or, at the discretion of the interstate commission, in the United States district court where the interstate commission has its offices, to enforce compliance with the provisions of the compact, its duly promulgated rules, and bylaws, against any compacting state in default. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation including reasonable attorney fees.

*d. Dissolution of compact.*

(1) The compact dissolves effective upon the date of the withdrawal or default of the compacting state which reduces membership in the compact to one compacting state.

(2) Upon the dissolution of this compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the interstate commission shall be wound up and any surplus funds shall be distributed in accordance with the bylaws.

12. *Article XII — Severability and construction.*

*a.* The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

*b.* The provisions of this compact shall be liberally constructed to effectuate its purposes.

13. *Article XIII — Binding effect of compact and other laws.*

*a. Other laws.*

(1) Nothing herein prevents the enforcement of any other law of a compacting state that is not inconsistent with this compact.

(2) All compacting states' laws conflicting with this compact are superseded to the extent of the conflict.

*b. Binding effect of the compact.*

(1) All lawful actions of the interstate commission, including all rules and bylaws promulgated by the interstate commission, are binding upon the compacting states.

(2) All agreements between the interstate commission and the compacting states are binding in accordance with their terms.

(3) Upon the request of a party to a conflict over meaning or interpretation of interstate commission actions, and upon a majority vote of the compacting states, the interstate commission may issue advisory opinions regarding such meaning or interpretation.

(4) In the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any compacting state, the obligations, duties, powers, or jurisdiction sought to be conferred by such provision upon the interstate commission shall be ineffective and such obligations, duties, powers, or jurisdiction shall remain in the compacting state and shall be exercised by the agency thereof to which such obligations, duties, powers, or jurisdiction are delegated by law in effect at the time this compact becomes effective.

2001 Acts, ch 15, §6; 2001 Acts, 2nd Ex, ch 6, §25, 26, 37; 2003 Acts, ch 108, §120 – 122; 2008 Acts, ch 1032, §201

Referred to in §907B.3

**907B.3 State council.**

The state council established in section 907B.2 shall consist of seven members plus the compact administrator. The council shall include at least one member from a minority group. The chief justice of the supreme court shall appoint one member to represent the judicial branch. The president of the senate and the minority leader of the senate shall each appoint one member to represent the senate. The speaker of the house of representatives and the minority leader of the house of representatives shall each appoint one member to represent the house of representatives. The governor shall appoint one member to represent the executive branch and one member to represent crime victim groups. The governor, in consultation with the legislative and judicial branches, shall also appoint the compact administrator.

2001 Acts, ch 15, §7; 2001 Acts, 2nd Ex, ch 6, §25, 26, 37; 2008 Acts, ch 1156, §52, 58

**907B.4 Interstate compact fee.**

The department of corrections may assess a fee, not to exceed one hundred dollars, for an application to transfer out of the state under the interstate compact for adult offender supervision. The fee may be waived by the department. The moneys collected pursuant to this section shall be deposited into the interstate compact fund established in section 904.117 and shall be used to offset the costs of complying with the interstate compact for adult offender supervision.

2003 Acts, 1st Ex, ch 2, §62, 209

Referred to in §904.117

# CHAPTER 908

## VIOLATIONS OF PAROLE OR PROBATION

Referred to in §13B.4, 13B.11, 216A.136, 321J.2, 815.10, 815.11, 901.1, 901A.2, 902.1, 903B.1, 903B.2, 907.3


908.1 Arrest of alleged parole violator — newly discovered evidence.
908.2 Initial appearance — bail.
908.2A Appointment of an attorney.
908.3 Place of parole revocation hearing.
908.4 Parole revocation hearing.
908.5 Disposition.
908.6 Appeal or review.
908.7 Waiver of parole revocation hearing.
908.8 Repealed by 88 Acts, ch 1091, §15.
908.9 Disposition of violator.
908.10 Conviction of a felony while on parole.
908.10A Conviction of an aggravated misdemeanor while on parole.
908.11 Violation of probation.


**908.1 Arrest of alleged parole violator — newly discovered evidence.**

A parole officer having probable cause to believe that any person released on parole has violated the parole plan or the conditions of parole may arrest such person, or the parole officer may make a complaint before a magistrate, charging such violation, and if it appears from such complaint, or from affidavits filed with it, that there is probable cause to believe that such person has violated the parole plan or the terms of parole, the magistrate shall issue a warrant for the arrest of such person. If a parole officer has newly discovered evidence which indicates that a person released on parole should not have been granted parole originally, the parole officer shall present the evidence to the board of parole and the board may issue an order to rescind the parole.

[C79, 81, §908.1]

88 Acts, ch 1091, §6

**908.2 Initial appearance — bail.**

1. An officer making an arrest of an alleged parole violator shall take the arrested person before a magistrate without unnecessary delay for an initial appearance. At the initial appearance the magistrate shall do all of the following:

*a.* Provide written notice of the claimed violation.

*b.* Provide notice that a parole revocation hearing will take place and that its purpose is to determine whether the alleged parole violation occurred and whether the alleged violator's parole should be revoked.

*c.* Advise the alleged parole violator of the right to request an appointed attorney.

2. The magistrate may order the alleged parole violator confined in the county jail or may order the alleged parole violator released on bail under terms and conditions as the magistrate may require. Admittance to bail is discretionary with the magistrate and is not a matter of right. A person for whom bail is set may make application for amendment of bail to a district judge or district associate judge having jurisdiction to amend the order. The motion shall be promptly set for hearing and a record shall be made of the hearing.

[C79, 81, §908.2]

84 Acts, ch 1089, §1; 88 Acts, ch 1091, §7; 2002 Acts, ch 1067, §20; 2005 Acts, ch 107, §10, 14

**908.2A Appointment of an attorney.**

1. An attorney may be appointed to represent an alleged parole violator in a parole revocation proceeding only if all of the following criteria apply:

*a.* The alleged parole violator requests appointment of an attorney.

*b.* The alleged parole violator is determined to be indigent as defined in section 815.9.

*c.* The appointing authority determines each of the following:

(1) The alleged parole violator lacks skill or education and would have difficulty presenting the alleged parole violator's case, particularly if the proceeding would require the

cross-examination of witnesses or would require the submission or examination of complex documentary evidence.

(2) The alleged parole violator has a colorable claim the alleged violation did not occur, or there are substantial reasons that justify or mitigate the violation and make any revocation inappropriate under the circumstances.

2. If the appointing authority determines counsel should be appointed and all of the criteria apply in subsection 1, the appointing authority shall appoint the state public defender's designee pursuant to section 13B.4. If the state public defender has not made a designation for the type of case or the state public defender's designee is unable to handle the case, a contract attorney with the state public defender may be appointed to represent the alleged parole violator. If a contract attorney is unavailable, an attorney who has agreed to provide these services may be appointed. The appointed attorney shall apply to the state public defender for payment in the manner prescribed by the state public defender.

2005 Acts, ch 107, §11, 14; 2013 Acts, ch 56, §6
Referred to in §815.10
Subsection 2 amended

**908.3 Place of parole revocation hearing.**

The parole revocation hearing shall be held in any county in the same judicial district in which the alleged parole violator had the initial appearance or in the county from which the warrant for the arrest of the alleged parole violator was issued.

[C79, 81, §908.3]
88 Acts, ch 1091, §8

**908.4 Parole revocation hearing.**

1. The parole revocation hearing shall be conducted by an administrative parole judge who is an attorney. The revocation hearing shall determine the following:

*a.* Whether the alleged parole violation occurred.

*b.* Whether the violator's parole should be revoked.

2. The administrative parole judge shall make a verbatim record of the proceedings. The alleged violator shall be informed of the evidence against the violator, shall be given an opportunity to be heard, shall have the right to present witnesses and other evidence, and shall have the right to cross-examine adverse witnesses, except if the judge finds that a witness would be subjected to risk or harm if the witness's identity were disclosed. The revocation hearing may be conducted electronically.

[C79, 81, §908.4]
86 Acts, ch 1245, §1524; 88 Acts, ch 1091, §9; 89 Acts, ch 282, §9; 97 Acts, ch 125, §12; 98 Acts, ch 1197, §9, 13; 2000 Acts, ch 1177, §4, 5; 2002 Acts, ch 1067, §21; 2005 Acts, ch 107, §12, 14
Referred to in §908.7

**908.5 Disposition.**

1. If a violation of parole is established, the administrative parole judge may continue the parole with or without any modification of the conditions of parole. The administrative parole judge may revoke the parole and require the parolee to serve the sentence originally imposed, or may revoke the parole and reinstate the parolee's work release status.

2. If the person is serving a special sentence under chapter 903B, the administrative parole judge may revoke the release. Upon the revocation of release, the person shall not serve the entire length of the special sentence imposed, and the revocation shall be for a period not to exceed two years in a correctional institution upon a first revocation and for a period not to exceed five years in a correctional institution upon a second or subsequent revocation.

3. The order of the administrative parole judge shall contain findings of fact, conclusions of law, and a disposition of the matter.

[C79, 81, §908.5]
83 Acts, ch 96, §149, 159; 88 Acts, ch 1091, §10; 89 Acts, ch 282, §10; 97 Acts, ch 125, §12; 98 Acts, ch 1197, §9, 13; 2000 Acts, ch 1177, §4, 5; 2005 Acts, ch 158, §43

**908.6 Appeal or review.**

The order of the administrative parole judge shall become the final decision of the board of parole unless, within the time provided by rule, the parole violator appeals the decision or a panel of the board reviews the decision on its own motion. On appeal or review of the administrative parole judge's decision, the board panel has all the power which it would have in initially making the revocation hearing decision. The appeal or review shall be conducted pursuant to rules adopted by the board of parole. The record on appeal or review shall be the record made at the parole revocation hearing conducted by the administrative parole judge.

[C79, 81, §908.6]

83 Acts, ch 96, §150, 159; 88 Acts, ch 1091, §11; 89 Acts, ch 282, §11; 97 Acts, ch 125, §12; 98 Acts, ch 1197, §9, 13; 2000 Acts, ch 1177, §4, 5

**908.7 Waiver of parole revocation hearing.**

The alleged parole violator may waive the parole revocation hearing, in which event the administrative parole judge shall proceed to determine the disposition of the matter. The administrative parole judge shall dispose of the case as provided in section 908.4. The administrative parole judge shall make a verbatim record of the proceedings. The waiver proceeding may be conducted electronically.

[C24, 27, 31, 35, 39, §**3807;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.28; C79, 81, §908.7]

83 Acts, ch 96, §151, 159; 84 Acts, ch 1156, §1; 88 Acts, ch 1091, §12; 89 Acts, ch 282, §12; 97 Acts, ch 125, §12; 98 Acts, ch 1197, §9, 13; 2000 Acts, ch 1177, §4, 5

**908.8** Repealed by 88 Acts, ch 1091, § 15.

**908.9 Disposition of violator.**

If the parole of a parole violator is revoked, the violator shall remain in the custody of the Iowa department of corrections under the terms of the parolee's original commitment. If the parole of a parole violator is not revoked, the parole revocation officer or board panel shall order the person's release subject to the terms of the person's parole with any modifications that the parole revocation officer or board panel determines proper, or may order that the violator be placed in a violator facility, established pursuant to section 904.207, if the parole revocation officer or board panel determines that placement in a violator facility is necessary.

[C79, 81, §908.9]

83 Acts, ch 96, §153, 159; 88 Acts, ch 1091, §13; 91 Acts, ch 219, §28; 93 Acts, ch 46, §12

**908.10 Conviction of a felony while on parole.**

When a person is convicted and sentenced to incarceration in this state for a felony committed while on parole, or is convicted and sentenced to incarceration under the laws of any other state of the United States or a foreign government or country for an offense committed while on parole, and which if committed in this state would be a felony, the person's parole shall be deemed revoked as of the date of the commission of the new felony offense.

The parole officer shall inform the sentencing judge that the convicted defendant is a parole violator. The term for which the defendant shall be imprisoned as a parole violator shall be the same as that provided in cases of revocation of parole for violation of the conditions of parole. The new sentence of imprisonment for conviction of a felony shall be served consecutively with the term imposed for the parole violation, unless a concurrent term of imprisonment is ordered by the court.

The parolee shall be notified in writing that parole has been revoked on the basis of the new felony conviction, and a copy of the commitment order shall accompany the notification. The inmate's record shall be reviewed pursuant to the provisions of section 906.5, or as soon as practical after a final reversal of the new felony conviction.

An inmate may appeal the revocation of parole under this section according to the board of

parole's rules relating to parole revocation appeals. Neither the administrative parole judge nor the board panel shall retry the facts underlying any conviction.

[C79, 81, §908.10]

88 Acts, ch 1091, §14; 89 Acts, ch 282, §13; 97 Acts, ch 125, §12; 98 Acts, ch 1197, §9, 13; 2000 Acts, ch 1177, §4, 5

**908.10A Conviction of an aggravated misdemeanor while on parole.**

When a person is convicted and sentenced to incarceration in a state correctional institution in this state for an aggravated misdemeanor committed while on parole, or is convicted and sentenced to incarceration under the laws of any other state of the United States or a foreign government or country for an offense committed while on parole, and which if committed in this state would be an aggravated misdemeanor, the person's parole shall be deemed revoked as of the date of the commission of the new aggravated misdemeanor offense.

The parole officer shall inform the sentencing judge that the convicted defendant is a parole violator. The term for which the defendant shall be imprisoned as a parole violator shall be the same as that provided in cases of revocation of parole for violation of the conditions of parole. The new sentence of imprisonment for conviction of an aggravated misdemeanor shall be served consecutively with the term imposed for the parole violation, unless a concurrent term of imprisonment is ordered by the court.

The parolee shall be notified in writing that parole has been revoked on the basis of the new aggravated misdemeanor conviction, and a copy of the commitment order shall accompany the notification. The inmate's record shall be reviewed pursuant to the provisions of section 906.5, or as soon as practical after a final reversal of the new aggravated misdemeanor conviction.

An inmate may appeal the revocation of parole under this section according to the board of parole's rules relating to parole revocation appeals. Neither the administrative parole judge nor the board panel shall retry the facts underlying any conviction.

94 Acts, ch 1048, §2; 97 Acts, ch 125, §12; 98 Acts, ch 1197, §9, 13; 2000 Acts, ch 1177, §4, 5

**908.11 Violation of probation.**

1. A probation officer or the judicial district department of correctional services having probable cause to believe that any person released on probation has violated the conditions of probation shall proceed by arrest or summons as in the case of a parole violation.

2. The functions of the liaison officer and the board of parole shall be performed by the judge or magistrate who placed the alleged violator on probation if that judge or magistrate is available, otherwise by another judge or magistrate who would have had jurisdiction to try the original offense.

3. If the probation officer proceeds by arrest, any magistrate may receive the complaint, issue an arrest warrant, or conduct the initial appearance and probable cause hearing if it is not convenient for the judge who placed the alleged violator on probation to do so. The initial appearance, probable cause hearing, and probation revocation hearing, or any of them, may at the discretion of the court be merged into a single hearing when it appears that the alleged violator will not be prejudiced by the merger.

4. If the violation is established, the court may continue the probation or youthful offender status with or without an alteration of the conditions of probation or a youthful offender status. If the defendant is an adult or a youthful offender the court may hold the defendant in contempt of court and sentence the defendant to a jail term while continuing the probation or youthful offender status, order the defendant to be placed in a violator facility established pursuant to section 904.207 while continuing the probation or youthful offender status, extend the period of probation for up to one year as authorized in section 907.7 while continuing the probation or youthful offender status, or revoke the probation or youthful offender status and require the defendant to serve the sentence imposed or any lesser sentence, and, if imposition of sentence was deferred, may impose any sentence which might originally have been imposed.

5. Notwithstanding any other provision of law to the contrary, if the court revokes the probation of a defendant who received a deferred judgment and imposes a fine, the court

shall reduce the amount of the fine by an amount equal to the amount of the civil penalty previously assessed against the defendant pursuant to section 907.14. However, the court shall assess any required surcharge, court cost, or fee upon the total amount of the fine prior to reduction pursuant to this subsection.

[S13, §5447-b; C24, 27, 31, 35, 39, §**3805, 3806;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §247.26, 247.27; C79, 81, §908.11]

84 Acts, ch 1244, §6; 91 Acts, ch 219, §29; 97 Acts, ch 125, §10; 97 Acts, ch 126, §52; 98 Acts, ch 1197, §2, 3, 8, 13; 2000 Acts, ch 1177, §4, 5; 2007 Acts, ch 180, §12; 2010 Acts, ch 1175, §2, 4; 2011 Acts, ch 34, §156

Referred to in §232.54, 901B.1, 907.3A, 907.7

2010 amendment to subsection 4 applies to criminal offenses committed on or after July 1, 2010; 2010 Acts, ch 1175, §4

# CHAPTER 909

## FINES

Referred to in §216A.136, 901.1, 901A.2, 911.1, 911.2, 911.4


909.1 Fine without imprisonment.
909.2 Fine in addition to imprisonment.
909.3 Payment in installments.
909.3A Community service option.
909.4 Treble damage liability for corporations, partnerships and associations.
909.5 Nonpayment of fines and court costs — contempt.
909.6 Fine as judgment.
909.7 Ability to pay fine presumed.
909.8 Payment and collection provisions apply to surcharge.
909.9 Repealed by 93 Acts, ch 110, §17.
909.10 Collection of delinquent amounts by the court. Repealed by 2008 Acts, ch 1172, §30.


**909.1 Fine without imprisonment.**

Upon a verdict or plea of guilty of any public offense for which a fine is authorized, the court may impose a fine instead of any other sentence where it appears that the fine will be adequate to deter the defendant and to discourage others from similar criminal activity.

[C79, 81, §909.1]

**909.2 Fine in addition to imprisonment.**

The court may impose a fine in addition to confinement, where such is authorized.

[C79, 81, §909.2]

**909.3 Payment in installments.**

1. All fines imposed by the court shall be paid on the day the fine is imposed, and the person shall be instructed to pay such fines with the office of the clerk of the district court on the date of imposition.

2. *a.* The court may, in its discretion, order a fine to be paid in installments.

*b.* If the court orders the fine to be paid in installments, the first installment payment shall be made within thirty days of the fine being imposed. All other terms and conditions of an installment payment plan order pursuant to this section shall be established by rule by the judicial branch.

[C51, §3071, 3349; R60, §4881, 5084; C73, §4509, 4689; C97, §5440, 5604; C24, 27, 31, 35, 39, §**13588, 13964;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §762.32, 789.17; C79, 81, §909.3]

93 Acts, ch 110, §11; 2010 Acts, ch 1146, §22

Referred to in §602.8107, 815.9

**909.3A Community service option.**

The court may, in its discretion, order the defendant to perform community service work of an equivalent value to the fine imposed where it appears that the community service work will be adequate to deter the defendant and to discourage others from similar criminal activity.

The rate at which community service shall be calculated shall be the federal or state minimum wage, whichever is higher.

93 Acts, ch 110, §12; 2007 Acts, ch 215, §124

Referred to in §123.47, 909.7, 909.8

**909.4 Treble damage liability for corporations, partnerships and associations.**

Whenever a corporation, partnership or other association, not subject to imprisonment is found guilty of any public offense, the court may impose a fine within the limits authorized by law. In addition to such fine, if the offense be a felony or aggravated misdemeanor, the corporation, partnership or association shall be liable as follows:

1. Any person who has suffered loss because of the public offense may recover from the corporation, partnership or association in an action at law damages equal to three times the amount of such loss.

2. If the corporation, partnership or association has received pecuniary benefit from the commission of the offense, the attorney general may recover from such corporation, partnership or association in an action at law for the use of the state damages equal to three times the amount of such benefit, provided, that any amount which is recovered under subsection 1 of this section shall be subtracted from the damages recovered by the state.

[C79, 81, §909.4]

Liability of corporations, partnerships and voluntary associations, §703.5

**909.5 Nonpayment of fines and court costs — contempt.**

A person who is able to pay a fine, court-imposed court costs for a criminal proceeding, or both, or an installment of the fine or the court-imposed court costs, or both, and who refuses to do so, or who fails to make a good faith effort to pay the fine, court costs, or both, or any installment thereof, shall be held in contempt of court.

[C51, §3071, 3349; R60, §4881, 5084; C73, §4509, 4689; C97, §5440, 5604; C24, 27, 31, 35, 39, §**13588, 13964;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §762.32, 789.17; C79, 81, §909.5]

85 Acts, ch 52, §1

**909.6 Fine as judgment.**

Whenever a court has imposed a fine on any defendant, the judgment in such case shall state the amount of the fine, and shall have the force and effect of a judgment against the defendant for the amount of the fine. The law relating to judgment liens, executions, and other process available to creditors for the collection of debts shall be applicable to such judgments; provided, that no law exempting the personal property of the defendant from any lien or legal process shall be applicable to such judgments.

At the time of imposing the sentence, the court shall inform the offender of the amount of the fine and that the judgment includes the imposition of a criminal surcharge, court costs, and applicable fees. The court shall also inform the offender of the duty to pay the judgment in a timely manner.

[R60, §4902, 5003; C73, §4518, 4609; C97, §5446, 5531; C24, 27, 31, 35, 39, §**13969, 13976;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §790.1, 791.6; C79, 81, §909.6]

93 Acts, ch 110, §13; 94 Acts, ch 1142, §14

**909.7 Ability to pay fine presumed.**

A defendant is presumed to be able to pay a fine. However, if the defendant proves to the satisfaction of the court that the defendant cannot pay the fine, the defendant shall not be sentenced to confinement for the failure to pay the fine.

A defendant who proves that the defendant cannot pay the fine may, at the discretion of the court, be ordered to perform community service pursuant to section 909.3A.

85 Acts, ch 197, §45; 93 Acts, ch 110, §14

**909.8 Payment and collection provisions apply to surcharge.**

The provisions of this chapter governing the payment and collection of a fine, except section 909.3A, also apply to the payment and collection of surcharges imposed pursuant to chapter 911.

87 Acts, ch 72, §1; 93 Acts, ch 110, §15; 2001 Acts, ch 168, §6; 2004 Acts, ch 1119, §8; 2008 Acts, ch 1172, §29

Referred to in §911.1, 911.2, 911.4

**909.9** Repealed by 93 Acts, ch 110, § 17. See § 602.8107.

**909.10 Collection of delinquent amounts by the court.** Repealed by 2008 Acts, ch 1172, § 30. See § 602.8107.

# CHAPTER 910

## RESTITUTION

Referred to in §216A.136, 321J.2, 422.7, 462A.14, 602.8102(135), 645.3, 815.9, 815.14, 822.2, 904.809, 904.905, 905.12

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**910.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Criminal activities"* means any crime for which there is a plea of guilty, verdict of guilty, or special verdict upon which a judgment of conviction is rendered and any other crime committed after July 1, 1982, which is admitted or not contested by the offender, whether or not prosecuted. However, *"criminal activities"* does not include simple misdemeanors under chapter 321.

2. *"Local anticrime organization"* means an entity organized for the primary purpose of crime prevention which has been officially recognized by the chief of police of the city in which the organization is located or the sheriff of the county in which the organization is located.

3. *"Pecuniary damages"* means all damages to the extent not paid by an insurer, which a victim could recover against the offender in a civil action arising out of the same facts or event, except punitive damages and damages for pain, suffering, mental anguish, and loss of consortium. Without limitation, *"pecuniary damages"* includes damages for wrongful death and expenses incurred for psychiatric or psychological services or counseling or other counseling for the victim which became necessary as a direct result of the criminal activity.

4. *"Restitution"* means payment of pecuniary damages to a victim in an amount and in the manner provided by the offender's plan of restitution. *"Restitution"* also includes fines, penalties, and surcharges, the contribution of funds to a local anticrime organization which provided assistance to law enforcement in an offender's case, the payment of crime victim compensation program reimbursements, payment of restitution to public agencies pursuant to section 321J.2, subsection 13, paragraph *"b"*, court costs including correctional

fees approved pursuant to section 356.7, court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender, and the performance of a public service by an offender in an amount set by the court when the offender cannot reasonably pay all or part of the court costs including correctional fees approved pursuant to section 356.7, or court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender, and payment to the medical assistance program pursuant to chapter 249A for expenditures paid on behalf of the victim resulting from the offender's criminal activities including investigative costs incurred by the Medicaid fraud control unit pursuant to section 249A.50.

5. *"Victim"* means a person who has suffered pecuniary damages as a result of the offender's criminal activities. However, for purposes of this chapter, an insurer is not a victim and does not have a right of subrogation. The crime victim compensation program is not an insurer for purposes of this chapter, and the right of subrogation provided by section 915.92 does not prohibit restitution to the crime victim compensation program.

[C75, 77, §789A.8; C79, 81, §907.12; 82 Acts, ch 1162, §2]

83 Acts, ch 15, §1, 3; 90 Acts, ch 1251, §73, 74; 91 Acts, ch 181, §2, 16; 94 Acts, ch 1142, §15; 96 Acts, ch 1091, §1, 2; 97 Acts, ch 140, §2; 97 Acts, ch 177, §34; 98 Acts, ch 1090, §83, 84; 2002 Acts, ch 1119, §195; 2003 Acts, ch 44, §107; 2010 Acts, ch 1124, §6, 9; 2011 Acts, ch 52, §2

Referred to in §321.40, 602.8107, 910.3B, 915.100

Section not amended; internal reference change applied

**910.2 Restitution or community service to be ordered by sentencing court.**

1. In all criminal cases in which there is a plea of guilty, verdict of guilty, or special verdict upon which a judgment of conviction is rendered, the sentencing court shall order that restitution be made by each offender to the victims of the offender's criminal activities, to the clerk of court for fines, penalties, surcharges, and, to the extent that the offender is reasonably able to pay, for crime victim assistance reimbursement, restitution to public agencies pursuant to section 321J.2, subsection 13, paragraph *"b"*, court costs including correctional fees approved pursuant to section 356.7, court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender, when applicable, contribution to a local anticrime organization, or restitution to the medical assistance program pursuant to chapter 249A. However, victims shall be paid in full before fines, penalties, and surcharges, crime victim compensation program reimbursement, public agencies, court costs including correctional fees approved pursuant to section 356.7, court-appointed attorney fees ordered pursuant to section 815.9, including the expenses of a public defender, contributions to a local anticrime organization, or the medical assistance program are paid. In structuring a plan of restitution, the court shall provide for payments in the following order of priority: victim, fines, penalties, and surcharges, crime victim compensation program reimbursement, public agencies, court costs including correctional fees approved pursuant to section 356.7, court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender, contribution to a local anticrime organization, and the medical assistance program.

2. When the offender is not reasonably able to pay all or a part of the crime victim compensation program reimbursement, public agency restitution, court costs including correctional fees approved pursuant to section 356.7, court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender, contribution to a local anticrime organization, or medical assistance program restitution, the court may require the offender in lieu of that portion of the crime victim compensation program reimbursement, public agency restitution, court costs including correctional fees approved pursuant to section 356.7, court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender, contribution to a local anticrime organization, or medical assistance program restitution for which the offender is not reasonably able to pay, to perform a needed public service for a governmental agency or for a private nonprofit agency which provides a service to the youth, elderly, or poor of the community. When community service is ordered, the court shall set a specific number of hours of service to be performed

by the offender which, for payment of court-appointed attorney fees ordered pursuant to section 815.9, including the expenses of a public defender, shall be approximately equivalent in value to those costs. The judicial district department of correctional services shall provide for the assignment of the offender to a public agency or private nonprofit agency to perform the required service.

[C75, 77, §789A.8; C79, 81, §907.12; 82 Acts, ch 1162, §3]

83 Acts, ch 15, §2, 3; 85 Acts, ch 195, §66; 90 Acts, ch 1251, §75; 92 Acts, ch 1242, §36; 94 Acts, ch 1142, §16; 95 Acts, ch 75, §1; 96 Acts, ch 1091, §3; 96 Acts, ch 1193, §21; 97 Acts, ch 140, §3; 97 Acts, ch 177, §35; 2000 Acts, ch 1115, §9; 2002 Acts, ch 1119, §196; 2010 Acts, ch 1093, §2; 2010 Acts, ch 1124, §7, 9; 2011 Acts, ch 52, §3

Referred to in §249A.55, 910.3B

**910.3 Determination of amount of restitution.**

The county attorney shall prepare a statement of pecuniary damages to victims of the defendant and, if applicable, any award by the crime victim compensation program and expenses incurred by public agencies pursuant to section 321J.2, subsection 13, paragraph *"b"*, and shall provide the statement to the presentence investigator or submit the statement to the court at the time of sentencing. The clerk of court shall prepare a statement of court-appointed attorney fees ordered pursuant to section 815.9, including the expense of a public defender, and court costs including correctional fees claimed by a sheriff or municipality pursuant to section 356.7, which shall be provided to the presentence investigator or submitted to the court at the time of sentencing. If these statements are provided to the presentence investigator, they shall become a part of the presentence report. If pecuniary damage amounts are not available at the time of sentencing, the county attorney shall provide a statement of pecuniary damages incurred up to that time to the clerk of court. The statement shall be provided no later than thirty days after sentencing. If a defendant believes no person suffered pecuniary damages, the defendant shall so state. If the defendant has any mental or physical impairment which would limit or prohibit the performance of a public service, the defendant shall so state. The court may order a mental or physical examination, or both, of the defendant to determine a proper course of action. At the time of sentencing or at a later date to be determined by the court, the court shall set out the amount of restitution including the amount of public service to be performed as restitution and the persons to whom restitution must be paid. If the full amount of restitution cannot be determined at the time of sentencing, the court shall issue a temporary order determining a reasonable amount for restitution identified up to that time. At a later date as determined by the court, the court shall issue a permanent, supplemental order, setting the full amount of restitution. The court shall enter further supplemental orders, if necessary. These court orders shall be known as the plan of restitution.

[C75, 77, §789A.8; C79, 81, §907.12; 82 Acts, ch 1162, §4]

84 Acts, ch 1041, §1; 91 Acts, ch 219, §30; 94 Acts, ch 1142, §17; 97 Acts, ch 140, §4; 97 Acts, ch 177, §36; 2002 Acts, ch 1119, §197; 2003 Acts, ch 113, §4; 2010 Acts, ch 1124, §8, 9

Referred to in §321J.2, 462A.14, 815.14, 910.3B, 915.21, 915.94

**910.3A Notification of a homicide victim's county of residence.**

The county attorney of a county in which a judgment of conviction and sentence under section 707.2, 707.3, 707.4, 707.5, or 707.6A is rendered against a defendant relating to a person's death shall notify in writing the clerk of the district court of the county of the person's residence. Such notification shall be for the purpose of the county of the person's residence recovering from the defendant the fee and expenses incurred investigating the person's death pursuant to section 331.802, subsection 2.

96 Acts, ch 1139, §2

**910.3B Restitution for death of victim.**

1. In all criminal cases in which the offender is convicted of a felony in which the act or acts committed by the offender caused the death of another person, in addition to the amount determined to be payable and ordered to be paid to a victim for pecuniary damages, as defined under section 910.1, and determined under section 910.3, the court shall also order

the offender to pay at least one hundred fifty thousand dollars in restitution to the victim's estate if the victim died testate. If the victim died intestate the court shall order the offender to pay the restitution to the victim's heirs at law as determined pursuant to section 633.210. The obligation to pay the additional amount shall not be dischargeable in any proceeding under the federal Bankruptcy Act. Payment of the additional amount shall have the same priority as payment of a victim's pecuniary damages under section 910.2, in the offender's plan for restitution.

2. An award under this section does not preclude or supersede the right of a victim's estate or heirs at law to bring a civil action against the offender for damages arising out of the same facts or event. However, no evidence relating to the entry of the judgment against the offender pursuant to this section or the amount of the award ordered pursuant to this section shall be permitted to be introduced in any civil action for damages arising out of the same facts or event.

3. An offender who is ordered to pay a victim's estate or heirs at law under this section is precluded from denying the elements of the felony offense which resulted in the order for payment in any subsequent civil action for damages arising out of the same facts or event.

97 Acts, ch 125, §11; 2003 Acts, 1st Ex, ch 2, §63, 209
Referred to in §915.100

**910.4 Condition of probation — payment plan.**

1. When restitution is ordered by the sentencing court and the offender is placed on probation, restitution shall be a condition of probation.

*a.* Failure of the offender to comply with the plan of restitution, plan of payment, or community service requirements when community service is ordered by the court as restitution, shall constitute a violation of probation and shall constitute contempt of court.

*b.* If an offender fails to comply with restitution requirements during probation, the court may hold the offender in contempt, revoke probation, or extend the period of probation.

(1) If the court extends the period of probation, the period of probation shall not be for more than the maximum period of probation for the offense committed except for an extension of a period of probation as authorized in section 907.7. After discharge from probation or after the expiration of the period of probation, as extended if applicable, the failure of an offender to comply with the plan of restitution ordered by the court shall constitute contempt of court.

(2) If an offender's probation is revoked, the offender's assigned probation officer shall forward to the director of the Iowa department of corrections, information concerning the offender's restitution plan, restitution plan of payment, the restitution payment balance, and any other pertinent information concerning or affecting restitution by the offender.

2. When the offender is committed to a county jail, or to an alternate facility, the office or individual charged with supervision of the offender shall prepare a restitution plan of payment taking into consideration the offender's income, physical and mental health, age, education, employment and family circumstances.

*a.* The office or individual charged with supervision of the offender shall review the plan of restitution ordered by the court, and shall submit a restitution plan of payment to the sentencing court.

*b.* When community service is ordered by the court as restitution, the restitution plan of payment shall set out a plan to meet the requirement for the community service.

*c.* The court may approve or modify the plan of restitution and restitution plan of payment.

*d.* When there is a significant change in the offender's income or circumstances, the office or individual which has supervision of the plan of payment shall submit a modified restitution plan of payment to the court.

3. *a.* When there is a transfer of supervision from one office or individual charged with supervision of the offender to another, the sending office or individual shall forward to the receiving office or individual all necessary information regarding the balance owed against the original amount of restitution ordered and the balance of public service required.

*b.* When the offender's circumstances and income have significantly changed, the

receiving office or individual shall submit a new plan of payment to the sentencing court for approval or modification based on the considerations enumerated in this section.

[C75, 77, §789A.8; C79, 81, §907.12; 82 Acts, ch 1162, §5]

83 Acts, ch 56, §1; 89 Acts, ch 13, §1; 95 Acts, ch 127, §1; 96 Acts, ch 1193, §22; 2010 Acts, ch 1175, §3, 4; 2013 Acts, ch 30, §231

Referred to in §910.6

2010 amendment to subsection 1, paragraph b, subparagraph (1) applies to criminal offenses committed on or after July 1, 2010; 2010 Acts, ch 1175, §4

Subsection 3 amended

**910.5 Condition of work release or parole.**

1. *a.* When an offender is committed to the custody of the director of the Iowa department of corrections pursuant to a sentence of confinement, the sentencing court shall forward to the director a copy of the offender's restitution plan, present restitution payment plan if any, and other pertinent information concerning or affecting restitution by the offender.

*b.* If the offender is committed to the custody of the director after revocation of probation, all information regarding the offender's restitution plan shall be forwarded by the offender's probation officer.

*c.* An offender committed to a penal or correctional facility of the state shall make restitution while placed in that facility.

*d.* Upon commitment to the custody of the director of the Iowa department of corrections, the director or the director's designee shall prepare a restitution plan of payment or modify any existing plan of payment.

(1) The new or modified plan of payment shall reflect the offender's present circumstances concerning the offender's income, physical and mental health, education, employment, and family circumstances.

(2) The director or the director's designee may modify the plan of payment at any time to reflect the offender's present circumstances.

*e.* After the expiration of the offender's sentence, the failure of an offender to comply with the plan of restitution ordered by the court shall constitute contempt of court.

2. If an offender is to be placed on work release from an institution under the control of the director of the Iowa department of corrections, restitution shall be a condition of work release.

*a.* The chief of the bureau of community correctional services of the Iowa department of corrections shall prepare a restitution plan of payment or may modify any previously existing restitution plan of payment.

(1) The new or modified plan of payment shall reflect the offender's present circumstances concerning the offender's income, physical and mental health, education, employment, and family circumstances.

(2) The bureau chief may modify the plan of payment at any time to reflect the offender's present circumstances.

*b.* Failure of the offender to comply with the restitution plan of payment, including the community service requirement, if any, shall constitute a violation of a condition of work release and the work release privilege may be revoked.

*c.* After the expiration of the offender's sentence, the failure of an offender to comply with the plan of restitution ordered by the court shall constitute contempt of court.

3. If an offender is to be placed on work release from a facility under control of a county sheriff or the judicial district department of correctional services, restitution shall be a condition of work release.

*a.* The office or individual charged with supervision of the offender shall prepare a restitution plan of payment or may modify any previously existing restitution plan of payment.

(1) The new or modified plan of payment shall reflect the offender's present circumstances concerning the offender's income, physical and mental health, education, employment and family circumstances.

(2) Failure of the offender to comply with the restitution plan of payment including the community service requirement, if any, constitutes a violation of a condition of work release.

(3) The office or individual charged with supervision of the offender may modify the plan of restitution at any time to reflect the offender's present circumstances.

*b.* After the expiration of the offender's sentence, the failure of an offender to comply with the plan of restitution ordered by the court shall constitute contempt of court.

4. If an offender is to be placed on parole, restitution shall be a condition of parole.

*a.* The district department of correctional services to which the offender will be assigned shall prepare a restitution plan of payment or may modify any previously existing restitution plan of payment.

(1) The new or modified plan of payment shall reflect the offender's present circumstances concerning the offender's income, physical and mental health, education, employment, and family circumstances.

(2) Failure of the offender to comply with the restitution plan of payment including a community service requirement, if any, shall constitute a violation of a condition of parole.

(3) The parole officer may modify the plan of payment any time to reflect the offender's present circumstances.

(4) A restitution plan of payment or modified plan of payment, prepared by a parole officer, must meet the approval of the director of the district department of correctional services.

*b.* After the expiration of the offender's sentence, the failure of an offender to comply with the plan of restitution ordered by the court shall constitute contempt of court.

5. The director of the Iowa department of corrections shall adopt rules pursuant to chapter 17A concerning the policies and procedures to be used in preparing and implementing restitution plans of payment for offenders who are committed to an institution under the control of the director of the Iowa department of corrections, for offenders who are to be released on work release from institutions under the control of the director of the Iowa department of corrections, for offenders who are placed on probation, and for offenders who are released on parole.

[C75, 77, §789A.8; C79, 81, §907.12; 82 Acts, ch 1162, §6]

83 Acts, ch 56, §2; 83 Acts, ch 96, §154, 159; 95 Acts, ch 127, §2, 3; 96 Acts, ch 1193, §23

**910.6 Payment plan — copy to victims.**

An office or individual preparing a restitution plan of payment or modified restitution plan of payment, when it is approved by the court if approval is required under section 910.4, or when the plan is completed if court approval under section 910.4 is not required, shall forward a copy to the clerk of court in the county in which the offender was sentenced. The clerk of court shall forward a copy of the plan of payment or modified plan of payment to the victim or victims.

[C75, 77, §789A.8; C79, 81, §907.12; 82 Acts, ch 1162, §7]

83 Acts, ch 56, §3

Referred to in §915.94

**910.7 Petition for hearing.**

1. At any time during the period of probation, parole, or incarceration, the offender or the office or individual who prepared the offender's restitution plan may petition the court on any matter related to the plan of restitution or restitution plan of payment and the court shall grant a hearing if on the face of the petition it appears that a hearing is warranted.

2. After a petition has been filed, the court, at any time prior to the expiration of the offender's sentence, provided the required notice has been given pursuant to subsection 3, may modify the plan of restitution or the restitution plan of payment, or both, and may extend the period of time for the completion of restitution.

3. If a petition related to a plan of restitution has been filed, the offender, the county attorney, the department of corrections if the offender is currently confined in a correctional institution, the office or individual who prepared the offender's restitution plan, and the victim shall receive notice prior to any hearing under this section.

[C75, 77, §789A.8; C79, 81, §907.12; 82 Acts, ch 1162, §8]

83 Acts, ch 56, §4; 86 Acts, ch 1075, §6; 2001 Acts, ch 133, §1

**910.7A Judgment — enforcement.**

1. An order requiring an offender to pay restitution constitutes a judgment and lien against all property of a liable defendant for the amount the defendant is obligated to pay under the order and may be recorded in any office for the filing of liens against real or personal property.

2. A judgment of restitution may be enforced by the state, a victim entitled under the order to receive restitution, a deceased victim's estate, or any other beneficiary of the judgment in the same manner as a civil judgment.

92 Acts, ch 1242, §37
Referred to in §232.149A, 232.150, 915.28

**910.8 Civil liability.**

This chapter and proceedings under this chapter do not limit or impair the rights of victims to sue and recover damages from the offender in a civil action. The institution of a restitution plan shall toll the applicable statute of limitations for a civil action arising out of the same facts or event for the period of time that the restitution plan is effective. However, any restitution payment by the offender to a victim shall be set off against any judgment in favor of the victim in a civil action arising out of the same facts or event.

[C75, 77, §789A.8; C79, 81, §907.12; 82 Acts, ch 1162, §9]
84 Acts, ch 1047, §1
Referred to in §232.149A, 232.150, 915.28

**910.9 Collection of payments — payment by clerk of court.**

An offender making restitution pursuant to a restitution plan of payment shall make the payment monthly to the clerk of court of the county from which the offender was sentenced, unless the restitution plan of payment provides otherwise. If the restitution plan authorizes payment to an entity other than the clerk of court, that entity shall regularly file a partial or full satisfaction of judgment with the clerk of court concerning amounts collected by that entity.

The clerk of court shall maintain a record of all receipts and disbursements of restitution payments and shall disburse all moneys received to the victims designated in the plan of restitution. If there is more than one victim, disbursements to the victims shall be on the basis of the victim's percentage of the total owed by the offender to all victims, except that the clerk of court may decide the allocation of payments owed to a victim of twenty-five dollars or less.

Fines, penalties, and surcharges, crime victim compensation program reimbursement, public agency restitution, court costs including correctional fees claimed by a sheriff or municipality pursuant to section 356.7, and court-appointed attorney fees ordered pursuant to section 815.9, including the expenses for public defenders, shall not be withheld by the clerk of court until all victims have been paid in full. Payments to victims shall be made by the clerk of court at least quarterly. Payments by a clerk of court shall be made no later than the last business day of the quarter, but may be made more often at the discretion of the clerk of court. The clerk of court receiving final payment from an offender shall notify all victims that full restitution has been made. Each office or individual charged with supervising an offender who is required to perform community service as full or partial restitution shall keep records to assure compliance with the portions of the plan of restitution and restitution plan of payment relating to community service and, when the offender has complied fully with the community service requirement, notify the sentencing court.

[82 Acts, ch 1162, §10]
83 Acts, ch 56, §5; 91 Acts, ch 116, §22; 94 Acts, ch 1142, §18; 97 Acts, ch 177, §37; 98 Acts, ch 1100, §90; 2000 Acts, ch 1032, §7; 2002 Acts, ch 1119, §198; 2003 Acts, ch 113, §5

**910.10 Restitution lien.**

1. The state or a person entitled to restitution under a court order may file a restitution lien.

2. The restitution lien shall set forth all of the following information, if known:

*a.* The name and date of birth of the person whose property or other interests are subject to the lien.

*b.* The present address of the residence and principal place of business of the person named in the lien.

*c.* The criminal proceeding pursuant to which the lien is filed, including the name of the court, the title of the action, and the court's file number.

*d.* If applicable, any juvenile delinquency proceeding pursuant to which the lien is filed, including only the name of the court, the title of the action, and the court's file number.

*e.* The name and business address of the attorney representing the state in the proceeding pursuant to which the lien is filed or the name and residence and business address of each person entitled to restitution pursuant to a court order.

*f.* A statement that the notice is being filed pursuant to this section.

*g.* The amount of restitution the person has been ordered to pay or is likely to be ordered to pay.

3. A restitution lien may be filed by any of the following:

*a.* A prosecuting attorney in a criminal proceeding in which restitution is likely to be sought after the filing of an information or indictment. At the time of arraignment, the prosecuting attorney shall give the defendant notice of any restitution lien filed.

*b.* A victim in a criminal proceeding after restitution is determined and ordered by the trial court following pronouncement of the judgment and sentence.

*c.* A victim in a juvenile delinquency proceeding after restitution has been determined and ordered by the juvenile court and the juvenile offender has been discharged from the jurisdiction of the juvenile court due to reaching the age of eighteen years.

4. The filing of a restitution lien in accordance with this section creates a lien in favor of the state and the victim in any personal or real property identified in the lien to the extent of the interest held in that property by the person named in the lien.

5. This section does not limit the right of the state or any other person entitled to restitution to obtain any other remedy authorized by law.

91 Acts, ch 219, §31; 2006 Acts, ch 1164, §4, 5; 2007 Acts, ch 22, §108

Referred to in §232.149A, 232.150, 915.28

**910.11 to 910.14** Reserved.

**910.15 Distribution of moneys received as a result of the commission of crime.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

*a.* "*Convicted felon*" means a person initially convicted, or found not guilty by reason of insanity, of a felony committed in Iowa, either by a court or jury trial or by entry of a guilty plea in court.

*b.* "*Escrow account*" includes, but is not limited to, property in which the attorney general has assumed the powers of a receiver as provided in this section.

*c.* "*Felony*" means a felony defined by any Iowa or United States statute.

*d.* "*Fruits of the crime*" means any profit which, were it not for the commission of the felony, would not have been realized.

*e.* "*Proceeds*" means all of the fruits of the crime from whatever source received by or owing to a felon or the felon's representatives, whether earned, accrued, or paid before or after the conviction. It includes any interest, earnings, or accretions upon proceeds, and any property received in exchange for proceeds.

*f.* "*Representative of the convicted felon*" means any person or entity receiving proceeds by designation of that convicted felon, or on behalf of that convicted felon, or in the stead of that convicted felon, whether by the felon's designation or by operation of law.

*g.* "*Victim*" means a person who has suffered physical, mental, or emotional harm or financial loss as the result of a felony committed in this state, for which the felon was convicted. The term also includes the father, mother, son, or daughter of a victim who died or was rendered incompetent as a result of the offense or who was under eighteen years of age at the time of the offense.

2. *Due process hearing — action by attorney general.*

*a.* The attorney general may bring an action to require all proceeds received by a convicted

felon or representative of the convicted felon to be deposited in an escrow account as provided in this section.

*b.* The action may be brought in the county where the convicted felon resides, or the county in which the proceeds are located.

*c.* The action shall be preceded by notice to any interested party.

*d.* The court shall order that all proceeds be deposited in the escrow account until an order of disposition is made by the court pursuant to subsection 3, 4, or 5 or until the expiration of the escrow account as specified in subsection 8, if the attorney general proves both of the following:

(1) The proceeds are fruits of the crime for which the convicted felon was convicted.

(2) It is more probable than not that there are victims who may recover a money judgment against the felon for physical, mental, or emotional injury or pecuniary loss proximately caused by the convicted felon as a result of the felony for which the felon was convicted or there is an unpaid order of restitution under this chapter against the convicted felon for the felony for which the felon was convicted.

*e.* If the court orders that proceeds be deposited in an escrow account and the nature of the proceeds to the person initially convicted of the crime is such that it cannot be placed in an escrow account, the attorney general shall assume the powers of a receiver under chapter 680 in taking charge of the property for benefit of and payable to any victim or representative of the victim. In those instances, the date the attorney general assumed the power of a receiver shall be considered the date the escrow account was established for purposes of this section.

3. *Notice of establishment of escrow account.* Once an escrow account is established, the attorney general shall make reasonable efforts to notify victims and representatives of victims of the escrow account and their possible rights under this section. The reasonable efforts shall include, but are not limited to, mailing the notification to known victims or representatives of known victims. The cost of notification shall be paid from the escrow account or from the sale of property held in receivership.

4. *Proceeds for legal defense of felon.* The attorney general shall make payments from the escrow account or property held in receivership to the person accused of the crime upon the order of a court of competent jurisdiction after a showing by the person that the money or other property shall be used for the exclusive purpose of retaining legal representation at any stage of the criminal proceedings against the person, including the appeals process.

5. *Payment of escrow funds to victims.* The remaining proceeds in escrow may be levied upon to satisfy an order for restitution under this chapter or a money judgment entered against the convicted felon, by a court of competent jurisdiction, for physical, mental, or emotional injury, or pecuniary loss proximately caused by the convicted felon as a result of the felony for which the felon was convicted.

6. *Priority and proration of claims.* Proceeds distributed under subsection 3 shall have first priority, and proceeds distributed for the cost of legal defense under subsection 4 shall have second priority in the distribution of proceeds in the escrow account. If there are multiple orders for restitution and judgments by victims under subsection 5 against the convicted felon, and the remaining proceeds in the escrow account are insufficient to satisfy all of the orders for restitution and judgments, the proceeds shall be distributed on a pro rata basis based on the ratio that the amount of an order for restitution or an individual victim's judgment bears to the total amount of all restitution orders and victims' judgments against the convicted felon which have been claimed under this section.

7. *Limitation of action.* Notwithstanding section 614.1, a victim or the victim's representative who has a cause of action for a crime for which an escrow account or receivership is established pursuant to this section may bring the action against the escrow account or against the property in receivership within five years of the date the escrow account is established.

8. *Duration of escrow account.* Notwithstanding the other provisions of this section, upon a disposition of charges favorable to the person accused of committing the felony, or upon a showing by the person that five years have elapsed from the date of establishment of the escrow account and further that no actions are pending against the person or unpaid orders for restitution or monetary judgments outstanding relating to the felony for which

the felon was convicted, the attorney general shall immediately pay over any money in the escrow account to the person.

9. *Purpose.* The purpose of this section is to meet the following compelling state interests:

*a.* The state has an interest in ensuring that victims of crime are compensated by those who harm them.

*b.* The state has an interest in ensuring that criminals do not profit from their felonious crimes at the expense of their victims.

[82 Acts, ch 1155, §1]

92 Acts, ch 1154, §1; 2007 Acts, ch 22, §109, 110

Referred to in §261.93, 915.100

# CHAPTER 910A

## VICTIM AND WITNESS PROTECTION

Repealed effective January 1, 1999, by
98 Acts, ch 1090, §82, 84; see chapter 915

# CHAPTER 911

## SURCHARGE ADDED TO CRIMINAL PENALTIES

Referred to in §321J.2, 602.8107, 909.8

911.1 Criminal penalty surcharge.
911.2 Drug abuse resistance education surcharge.
911.3 Law enforcement initiative surcharge.
911.4 County enforcement surcharge.

**911.1 Criminal penalty surcharge.**

1. A criminal penalty surcharge shall be levied against law violators as provided in this section. When a court imposes a fine or forfeiture for a violation of state law, or a city or county ordinance, except an ordinance regulating the parking of motor vehicles, the court or the clerk of the district court shall assess an additional penalty in the form of a criminal penalty surcharge equal to thirty-five percent of the fine or forfeiture imposed.

2. In the event of multiple offenses, the surcharge shall be based upon the total amount of fines or forfeitures imposed for all offenses.

3. When a fine or forfeiture is suspended in whole or in part, the court shall reduce the surcharge in proportion to the amount suspended.

4. The surcharge is subject to the provisions of chapter 909 governing the payment and collection of fines, as provided in section 909.8.

5. The surcharge shall be remitted by the clerk of court as provided in section 602.8108, subsection 3.

[82 Acts, ch 1258, §1]

91 Acts, ch 181, §16; 94 Acts, ch 1074, §17; 2004 Acts, ch 1111, §10; 2005 Acts, ch 143, §6; 2009 Acts, ch 179, §65, 72

Referred to in §331.302, 364.3, 602.8102(135A), 602.8108, 805.8, 805.8C(3a, 3c, 8, 9), 902.9, 903.1

**911.2 Drug abuse resistance education surcharge.**

1. In addition to any other surcharge, the court or clerk of the district court shall assess a drug abuse resistance education surcharge of ten dollars if a violation arises out of a violation of an offense provided for in chapter 321J or chapter 124, division IV.

2. In the event of multiple offenses, the surcharge shall be imposed for each applicable offense. The surcharge shall not be assessed for any offense for which the court defers the sentence or judgment or suspends the sentence.

3. The surcharge is subject to the provisions of chapter 909 governing the payment and collection of fines, as provided in section 909.8.

4. The surcharge shall be remitted by the clerk of court as provided in section 602.8108, subsection 4.

[82 Acts, ch 1258, §2]

84 Acts, ch 1274, §2; 87 Acts, ch 72, §2; 90 Acts, ch 1264, §36; 91 Acts, ch 260, §816, 818; 91 Acts, ch 263, §35; 96 Acts, ch 1216, §34; 98 Acts, ch 1071, §2; 2001 Acts, ch 182, §11; 2004 Acts, ch 1111, §11

Referred to in §602.8102(135A), 602.8108, 902.9, 903.1

**911.3 Law enforcement initiative surcharge.**

1. In addition to any other surcharge, the court or clerk of the district court shall assess a law enforcement initiative surcharge of one hundred twenty-five dollars if an adjudication of guilt or a deferred judgment has been entered for a criminal violation under any of the following:

*a.* Chapter 124, 155A, 453B, 713, 714, 715A, or 716.

*b.* Section 719.7, 719.8, 725.1, 725.2, or 725.3.

2. In the event of multiple offenses, the surcharge shall be imposed for each applicable offense.

3. The surcharge shall be remitted by the clerk of court as provided in section 602.8108, subsection 5.

2001 Acts, ch 168, §7; 2004 Acts, ch 1111, §12; 2007 Acts, ch 89, §2

Referred to in §602.8102(135A), 602.8108, 902.9, 903.1

**911.4 County enforcement surcharge.**

1. If the county has adopted a resolution pursuant to section 331.301, subsection 16, and a court imposes a fine or forfeiture for any simple misdemeanor punishable as a scheduled violation pursuant to a citation issued by the sheriff as defined in section 331.101, the court or the clerk of the district court shall assess a surcharge in the amount of five dollars for each applicable violation in addition to any fine, forfeiture, or other surcharge.

2. Pursuant to section 602.8108, subsection 6, the surcharge shall be deposited in the county general fund of the county where the citation was issued.

3. The surcharge is subject to the provisions of chapter 909 governing the payment and collection of fines, as provided in section 909.8.

2004 Acts, ch 1119, §9

Referred to in §331.301, 602.8102(135A), 602.8108, 805.8, 903.1

# CHAPTER 912

## CRIME VICTIM COMPENSATION

Repealed effective January 1, 1999, by
98 Acts, ch 1090, §82, 84; see chapter 915

# CHAPTER 913

## INTERSTATE CORRECTIONS COMPACT

Referred to in §218.95

This chapter not enacted as a part of this title;
transferred from chapter 247 in Code 1993
See §218.95 for provisions pertaining to construction of
synonymous terms

913.1 Citation.
913.2 Interstate corrections compact.
913.3 Duty of director.

**913.1 Citation.**

This chapter may be cited as the "Interstate Corrections Compact."

[C75, 77, 79, 81, §218B.1]
85 Acts, ch 21, §54
CS85, §247.1
C93, §913.1

**913.2 Interstate corrections compact.**

The interstate corrections compact is hereby enacted into law and entered into by this state with any other states legally joining therein in the form substantially as follows:

1. *Article I — Purpose and policy.* The party states, desiring by common action to fully utilize and improve their institutional facilities and provide adequate programs for the confinement, treatment and rehabilitation of various types of offenders, declare that it is the policy of each of the party states to provide such facilities and programs on a basis of cooperation with one another, thereby serving the best interests of such offenders and of society and effecting economies in capital expenditures and operational costs. The purpose of this compact is to provide for the mutual development and execution of such programs of cooperation for the confinement, treatment and rehabilitation of offenders with the most economical use of human and material resources.

2. *Article II — Definitions.* As used in this compact, unless the context clearly requires otherwise:

*a.* *"State"* means a state of the United States; the United States of America; a territory or possession of the United States; the District of Columbia; the commonwealth of Puerto Rico.

*b.* *"Sending state"* means a state party to this compact in which conviction or court commitment was had.

*c.* *"Receiving state"* means a state party to this compact to which an inmate is sent for confinement other than a state in which conviction or court commitment was had.

*d.* *"Inmate"* means an offender who is committed, under sentence to or confined in a penal or correctional institution.

*e.* *"Institution"* means any penal or correctional facility, including but not limited to a facility for the mentally ill or mentally defective, in which inmates may lawfully be confined.

3. *Article III — Contracts.*

*a.* Each party state may make one or more contracts with any one or more of the other party states for the confinement of inmates on behalf of a sending state in institutions situated within receiving states. Any such contract shall provide for:

(1) Its duration.

(2) Payments to be made to the receiving state by the sending state for inmate maintenance, extraordinary medical and dental expenses, and any participation in or receipt by inmates of rehabilitative or correctional services, facilities, programs or treatment not reasonably included as part of normal maintenance.

(3) Participation in programs of inmate work, if any; the disposition or crediting of payments received by inmates on account of the work; and the crediting of proceeds from or disposal of products resulting from the work.

(4) Delivery and retaking of inmates.

(5) Such other matters as may be necessary and appropriate to fix the obligations, responsibilities and rights of the sending and receiving states.

*b.* The terms and provisions of this compact shall be a part of any contract entered into by the authority of or pursuant thereto, and nothing in any such contract shall be inconsistent therewith.

4. *Article IV — Procedures and rights.*

*a.* Whenever the duly constituted authorities in a state party to this compact, and which has entered into a contract pursuant to article III, shall decide that confinement in, or transfer of an inmate to, an institution within the territory of another party state is necessary or desirable in order to provide adequate quarters and care or an appropriate program of rehabilitation or treatment, said officials may direct that the confinement be within an

institution within the territory of said other party state, the receiving state to act in that regard solely as agent for the sending state.

*b.* The appropriate officials of any state party to this compact shall have access, at all reasonable times, to any institution in which it has a contractual right to confine inmates for the purpose of inspecting the facilities thereof and visiting such of its inmates as may be confined in the institution.

*c.* Inmates confined in an institution pursuant to the terms of this compact shall at all times be subject to the jurisdiction of the sending state and may at any time be removed therefrom for transfer to a prison or other institution within the sending state, for transfer to another institution in which the sending state may have a contractual or other right to confine inmates, for release on probation or parole, for discharge, or for any other purpose permitted by the laws of the sending state; provided that the sending state shall continue to be obligated to such payments as may be required pursuant to the terms of any contract entered into under the terms of article III.

*d.* Each receiving state shall provide regular reports to each sending state on the inmates of that sending state in institutions pursuant to this compact including a conduct record of each inmate and certify said record to the official designated by the sending state, in order that each inmate may have official review of the inmate's record in determining and altering the disposition of said inmate in accordance with the law which may obtain in the sending state and in order that the same may be a source of information for the sending state.

*e.* All inmates who may be confined in an institution pursuant to the provisions of this compact shall be treated in a reasonable and humane manner and shall be treated equally with such similar inmates of the receiving state as may be confined in the same institution. The fact of confinement in a receiving state shall not deprive any inmate so confined of any legal rights which said inmate would have had if confined in an appropriate institution of the sending state.

*f.* Any hearing or hearings to which an inmate confined pursuant to this compact may be entitled by the laws of the sending state may be had before the appropriate authorities of the sending state, or of the receiving state if authorized by the sending state. The receiving state shall provide adequate facilities for such hearings as may be conducted by the appropriate officials of a sending state. In the event such hearing or hearings are had before officials of the receiving state, the governing law shall be that of the sending state and a record of the hearing or hearings as prescribed by the sending state shall be made. Said record together with any recommendations of the hearing officials shall be transmitted forthwith to the official or officials before whom the hearing would have been had if it had taken place in the sending state. In any and all proceedings had pursuant to the provisions of this subdivision, the officials of the receiving state shall act solely as agents of the sending state and no final determination shall be made in any matter except by the appropriate officials of the sending state.

*g.* Any inmate confined pursuant to this compact shall be released within the territory of the sending state unless the inmate, and the sending and receiving states, shall agree upon release in some other place. The sending state shall bear the cost of such return to its territory.

*h.* Any inmate confined pursuant to the terms of this compact shall have any and all rights to participate in and derive any benefits or incur or be relieved of any obligations or have such obligations modified or the inmate's status changed on account of any action or proceeding in which the inmate could have participated if confined in any appropriate institution of the sending state located within such state.

*i.* The parent, guardian, trustee, or other person or persons entitled under the laws of the sending state to act for, advise, or otherwise function with respect to any inmate shall not be deprived of or restricted in their exercise of any power in respect of any inmate confined pursuant to the terms of this compact.

5. *Article V — Acts not reviewable in receiving state — extradition.*

*a.* Any decision of the sending state in respect of any matter over which it retains jurisdiction pursuant to this compact shall be conclusive upon and not reviewable within the receiving state, but if at the time the sending state seeks to remove an inmate from an institution in the receiving state there is pending against the inmate within such state any

criminal charge or if the inmate is formally accused of having committed within such state a criminal offense, the inmate shall not be returned without the consent of the receiving state until discharged from prosecution or other form of proceeding, imprisonment or detention for such offense. The duly accredited officers of the sending state shall be permitted to transport inmates pursuant to this compact through any and all states party to this compact without interference.

*b.* An inmate who escapes from an institution in which the inmate is confined pursuant to this compact shall be deemed a fugitive from the sending state and from the state in which the institution is situated. In the case of an escape to a jurisdiction other than the sending or receiving state, the responsibility for institution of extradition or rendition proceedings shall be that of the sending state, but nothing contained herein shall be construed to prevent or affect the activities of officers and agencies of any jurisdiction directed toward the apprehension and return of an escapee.

6. *Article VI — Federal aid.* Any state party to this compact may accept federal aid for use in connection with any institution or program, the use of which is or may be affected by this compact or any contract pursuant hereto and any inmate in a receiving state pursuant to this compact may participate in any such federally aided program or activity for which the sending and receiving states have made contractual provision, provided that if such program or activity is not part of the customary correctional regimen, the express consent of the appropriate official of the sending state shall be required therefor.

7. *Article VII — Entry into force.* This compact shall enter into force and become effective and binding upon the states so acting when it has been enacted into law by any two states. Thereafter, this compact shall enter into force and become effective and binding as to any other of said states upon similar action by such state.

8. *Article VIII — Withdrawal and termination.* This compact shall continue in force and remain binding upon a party state until it shall have enacted a statute repealing the same and providing for the sending of formal written notice of withdrawal from the compact to the appropriate officials of all other party states. An actual withdrawal shall not take effect until one year after the notices provided in said statute have been sent. Such withdrawal shall not relieve the withdrawing state from its obligations assumed hereunder prior to the effective date of withdrawal. Before the effective date of withdrawal, a withdrawing state shall remove to its territory, at its own expense, such inmates as it may have confined pursuant to the provisions of this compact.

9. *Article IX — Other arrangements unaffected.* Nothing contained in this compact shall be construed to abrogate or impair any agreement or other arrangement which a party state may have with a nonparty state for the confinement, rehabilitation or treatment of inmates nor to repeal any other laws of a party state authorizing the making of cooperative institutional arrangements.

10. *Article X — Construction and severability.* The provisions of this compact shall be liberally construed and shall be severable. If any phrase, clause, sentence or provision of this compact is declared to be contrary to the Constitution of any participating state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the Constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

[C75, 77, 79, 81, §218B.2]
85 Acts, ch 21, §34, 54
CS85, §247.2
C93, §913.2
2008 Acts, ch 1032, §201

**913.3 Duty of director.**

The director of the Iowa department of corrections shall do all things necessary or incidental to the carrying out of the compact.

[C75, 77, 79, 81, §218B.3]
83 Acts, ch 96, §70, 159; 85 Acts, ch 21, §54
CS85, §247.3
C93, §913.3

# CHAPTER 914

## REPRIEVES, PARDONS, COMMUTATIONS, REMISSIONS, AND RESTORATIONS OF RIGHTS

Referred to in §48A.10, 57.1, 218.95, 904A.4

This chapter not enacted as a part of this title;
transferred from chapter 248A in Code 1993
See §218.95 for provisions pertaining to construction of
synonymous terms


914.1 Power of governor.
914.2 Right of application.
914.3 Recommendations by board of parole.
914.4 Response to recommendation.
914.5 Evidence — testimony — recommendation.
914.6 Procedures — filing.
914.7 Rights not restorable.


**914.1 Power of governor.**

The power of the governor under the Constitution of the State of Iowa to grant a reprieve, pardon, commutation of sentence, remission of fines and forfeitures, or restoration of the rights of citizenship shall not be impaired.

86 Acts, ch 1112, §4
C87, §248A.1
C93, §914.1
2006 Acts, ch 1010, §168

**914.2 Right of application.**

Except as otherwise provided in section 902.2, a person convicted of a criminal offense has the right to make application to the board of parole for recommendation or to the governor for a reprieve, pardon, commutation of sentence, remission of fines or forfeitures, or restoration of rights of citizenship at any time following the conviction.

86 Acts, ch 1112, §5
C87, §248A.2
C93, §914.2
95 Acts, ch 128, §2

**914.3 Recommendations by board of parole.**

1. Except as otherwise provided in section 902.2, the board of parole shall periodically review all applications by persons convicted of criminal offenses and shall recommend to the governor the reprieve, pardon, commutation of sentence, remission of fines or forfeitures, or restoration of the rights of citizenship for persons who have by their conduct given satisfactory evidence that they will become or continue to be law-abiding citizens.

2. The board of parole shall, upon request of the governor, take charge of all correspondence in reference to an application filed with the governor and shall, after careful investigation, provide the governor with the board's advice and recommendation concerning any person for whom the board has not previously issued a recommendation.

3. All recommendations and advice of the board of parole shall be entered in the proper records of the board.

86 Acts, ch 1112, §6
C87, §248A.3
87 Acts, ch 115, §35
C93, §914.3
95 Acts, ch 128, §3
Referred to in §915.18

**914.4 Response to recommendation.**

The governor shall respond to all recommendations made by the board of parole within ninety days of the receipt of the recommendation. The response shall state whether or not the recommendation will be granted and shall specifically set out the reasons for such action. If the governor does not grant the recommendation, the recommendation shall be returned to the board of parole and may be refiled with the governor at any time. Any recommendation may be withdrawn by the board of parole at any time prior to its being granted. However, if the board withdraws a recommendation, a statement of the withdrawal, and the reasons upon which it was based, shall be entered in the proper records of the board.

86 Acts, ch 1112, §7
C87, §248A.4
C93, §914.4

**914.5 Evidence — testimony — recommendation.**

1. When an application or recommendation is made to the governor for a reprieve, pardon, commutation of sentence, remission of fines and forfeitures, or restoration of rights of citizenship, the governor may require the judge or clerk of the appropriate court, or the county attorney or attorney general by whom the action was prosecuted, to furnish the governor without delay a copy of the minutes of evidence taken on the trial, and any other facts having reference to the propriety of the governor's exercise of the governor's powers in the premises.

2. The governor may take testimony as the governor deems advisable relating to any application or recommendation. A person who provides written or oral testimony pursuant to this subsection is subject to chapter 720.

3. With regard to an application for the restoration of the rights of citizenship, the warden or superintendent, upon request of the governor, shall furnish the governor with a statement of the person's deportment during the period of imprisonment and a recommendation as to the propriety of restoration.

86 Acts, ch 1112, §8
C87, §248A.5
C93, §914.5
Referred to in §331.756(52), 602.8102(46)

**914.6 Procedures — filing.**

1. Pardons, commutations of sentences, and remissions of fines and forfeitures shall be issued in duplicate. Restorations of rights of citizenship and reprieves shall be issued in triplicate.

2. In the case of a pardon, commutation of sentence, or reprieve, if the person is in custody, the executive instruments shall be forwarded to the officer having custody of the person. The officer, upon receipt of the instruments, shall do the following:

*a.* Retain one copy of the instrument.

*b.* Enter the appropriate notations on the records of the office.

*c.* Carry out the orders of the instrument.

*d.* On one copy, make a written return as required by the order and forward the copy to the clerk of court where the judgment is of record.

*e.* In the case of reprieves, deliver the third copy to the person whose sentence is reprieved.

3. In the case of a remission of fines and forfeitures, restoration of rights of citizenship, or a pardon, commutation of sentence, or reprieve, if the person is not in custody, one copy of

the executive instrument shall be delivered to the person and one copy to the clerk of court where the judgment is of record. A list of the restorations of rights of citizenship issued by the governor shall be delivered to the state registrar of voters at least once each month.

4. The clerk of court shall, upon receipt of the copy of the executive instrument, immediately file and preserve the copy in the clerk's office and note the filing on the judgment docket of the case, except that remissions of fines and forfeitures shall be spread at length on the record books of the court, and indexed in the same manner as the original case.

86 Acts, ch 1112, §9
C87, §248A.6
C93, §914.6
94 Acts, ch 1169, §63
Referred to in §602.8102(46)

**914.7 Rights not restorable.**

Notwithstanding any other provision of this chapter, a person who has been convicted of a forcible felony, a felony violation of chapter 124 involving a firearm, or a felony violation of chapter 724 shall not have the person's rights of citizenship restored to the extent of allowing the person to receive, transport, or possess firearms.

Notwithstanding any provision of this chapter, a person seventeen years of age or younger who commits a public offense involving a firearm which is an aggravated misdemeanor against a person or a felony shall not have the person's rights of citizenship restored to the extent of allowing the person to receive, transport, or possess firearms.

89 Acts, ch 316, §21
CS89, §248A.7
C93, §914.7
94 Acts, ch 1172, §64
Referred to in §724.27

# CHAPTER 915

## VICTIM RIGHTS

Referred to in §13.31, 135.108, 411.6, 422.7, 562A.27A, 562B.25A, 664A.2, 664A.4, 664A.5, 664A.7, 815.11


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915.95 through 915.99 Reserved.

SUBCHAPTER VIII

VICTIM RESTITUTION

915.100 Victim restitution rights.

## SUBCHAPTER I

## TITLE — IMMUNITY

**915.1 Title.**

This chapter shall be known and may be cited as "*Victim Rights Act*".

98 Acts, ch 1090, §1, 84

**915.2 Immunity.**

This chapter does not create a civil cause of action except where expressly stated, and a person is not liable for damages resulting from an act or omission in regard to any responsibility or authority created by this chapter, and such acts or omissions shall not be used in any proceeding for damages. This section does not apply to acts or omissions which constitute a willful and wanton disregard for the rights or safety of another.

98 Acts, ch 1090, §2, 84

**915.3 Immunity — citizen intervention.**

Any person who, in good faith and without remuneration, renders reasonable aid or assistance to another against whom a crime is being committed or, if rendered at the scene

of the crime, to another against whom a crime has been committed, is not liable for any civil damages for acts or omissions resulting from the aid or assistance, and is eligible to file a claim for reimbursement as a victim under this chapter.

98 Acts, ch 1090, §3, 84

See also §613.17

**915.4 through 915.9** Reserved.

SUBCHAPTER II

REGISTRATION, NOTIFICATION, AND RIGHTS IN CRIMINAL PROCEEDINGS

**915.10 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"Notification"* means mailing by regular mail or providing for hand delivery of appropriate information or papers. However, this notification procedure does not prohibit an office, agency, or department from also providing appropriate information to a registered victim by telephone, electronic mail, or other means.

2. *"Registered"* means having provided the county attorney with the victim's written request for registration and current mailing address and telephone number. *"Registered"* also means having provided the county attorney notice in writing that the victim has filed a request for registration with the automated victim notification system established pursuant to section 915.10A.

3. *"Victim"* means a person who has suffered physical, emotional, or financial harm as the result of a public offense or a delinquent act, other than a simple misdemeanor, committed in this state. *"Victim"* also includes the immediate family members of a victim who died or was rendered incompetent as a result of the offense or who was under eighteen years of age at the time of the offense.

4. *"Victim impact statement"* means a written or oral presentation to the court by the victim or the victim's representative that indicates the physical, emotional, financial, or other effects of the offense upon the victim.

5. *"Violent crime"* means a forcible felony, as defined in section 702.11, and includes any other felony or aggravated misdemeanor which involved the actual or threatened infliction of physical or emotional injury on one or more persons.

98 Acts, ch 1090, §5, 84; 99 Acts, ch 114, §47; 2005 Acts, ch 158, §46; 2007 Acts, ch 27, §3

Referred to in §915.24

**915.10A Automated victim notification system.**

1. An automated victim notification system is established within the crime victim assistance division of the department of justice to assist public officials in informing crime victims, the victim's family, or other interested persons as provided in this subchapter and where otherwise specifically provided. The system shall disseminate the information to registered users through telephonic, electronic, or other means of access.

2. An office, agency, or department may satisfy a notification obligation to registered victims required by this subchapter through participation in the system to the extent information is available for dissemination through the system. Nothing in this section shall relieve a notification obligation under this subchapter due to the unavailability of information for dissemination through the system.

3. Notwithstanding section 232.147, information concerning juveniles charged with a felony offense shall be released to the extent necessary to comply with this section.

2005 Acts, ch 158, §47; 2007 Acts, ch 27, §4

Referred to in §13.31, 915.10, 915.11, 915.12, 915.29, 915.45, 915.94

**915.11 Initial notification by law enforcement.**

A local police department or county sheriff's department shall advise a victim of the right to register with the county attorney, and shall provide a request-for-registration form to each

victim. A local police department or county sheriff's department shall provide a telephone number and internet site to each victim to register with the automated victim notification system established pursuant to section 915.10A.

98 Acts, ch 1090, §6, 84; 2005 Acts, ch 158, §48; 2007 Acts, ch 27, §5; 2013 Acts, ch 90, §257
Referred to in §331.653
Code editor directive applied

**915.12 Registration.**

1. A victim may register by filing a written request-for-registration form with the county attorney. The county attorney shall notify the victims in writing and advise them of their registration and rights under this subchapter. The county attorney shall provide a registered victim list to the offices, agencies, and departments required to provide information under this subchapter for notification purposes.

2. A victim, the victim's family, or other interested person may register with the automated victim notification system established pursuant to section 915.10A by filing a request for registration through written, telephonic, or electronic means.

3. Notwithstanding chapter 22 or any other contrary provision of law, the registration of a victim, victim's family, or other interested person shall be strictly maintained in a separate confidential file or other confidential medium, and shall be available only to the offices, agencies, and departments required to provide information under this subchapter.

98 Acts, ch 1090, §7, 84; 2005 Acts, ch 158, §49; 2007 Acts, ch 27, §6; 2013 Acts, ch 30, §232
Referred to in §331.756(83A), 709.22
Subsection 1 amended

**915.13 Notification by county attorney.**

1. The county attorney shall notify a victim registered with the county attorney's office of the following:

*a.* The scheduled date, time, and place of trial, and the cancellation or postponement of a court proceeding that was expected to require the victim's attendance, in any criminal case relating to the crime for which the person is a registered victim.

*b.* The possibility of assistance through the crime victim compensation program, and the procedures for applying for that assistance.

*c.* The right to restitution for pecuniary losses suffered as a result of crime, and the process for seeking such relief.

*d.* The victim's right to make a victim impact statement, in any of the following formats:

(1) Written victim impact statement, delivered in court in the presence of the defendant. Notification shall include the procedures for filing such a statement.

(2) Oral victim impact statement, delivered in court in the presence of the defendant. The victim shall also be notified of the time and place for such statement.

(3) Video victim impact statement, delivered in court in the presence of the defendant. Notification shall include the procedures for making and filing the video recording.

(4) Audio victim impact statement, delivered in court in the presence of the defendant. Notification shall include the procedures for making and filing the audio recording.

*e.* The date on which the offender is released on bail or appeal, pursuant to section 811.5.

*f.* Except where the prosecuting attorney determines that disclosure of such information would unreasonably interfere with the investigation, at the request of the registered victim, notice of the status of the investigation shall be provided by law enforcement authorities investigating the case, until the alleged assailant is apprehended or the investigation is closed.

*g.* The right to be informed of any plea agreements related to the crime for which the person is a registered victim.

2. The county attorney and the juvenile court shall coordinate efforts so as to prevent duplication of notification under this section and section 915.24.

98 Acts, ch 1090, §8, 84; 2002 Acts, ch 1039, §1; 2003 Acts, ch 156, §20; 2004 Acts, ch 1150, §3
Referred to in §331.756(83A), 915.24

**915.14 Notification by clerk of the district court.**

The clerk of the district court shall notify a registered victim of all dispositional orders of the case in which the victim was involved and may advise the victim of any other orders regarding custody or confinement.

98 Acts, ch 1090, §9, 84; 2003 Acts, ch 156, §21; 2004 Acts, ch 1150, §4

**915.15 Notification by department of justice.**

The department of justice shall notify a registered victim of the filing of an appeal, the expected date of decision on the appeal as the information becomes available to the department, all dispositional orders in the appeal, and the outcome of the appeal of a case in which the victim was involved.

98 Acts, ch 1090, §10, 84

**915.16 Notification by local correctional institutions.**

The county sheriff or other person in charge of the local jail or detention facility shall notify a registered victim of the following:

1. The offender's release from custody on bail and the terms or conditions of the release.
2. The offender's final release from local custody.
3. The offender's escape from custody.
4. The offender's transfer from local custody to custody in another locality.

98 Acts, ch 1090, §11, 84

Referred to in §331.653

**915.17 Notification by department of corrections.**

1. The department of corrections shall notify a registered victim, regarding an offender convicted of a violent crime and committed to the custody of the director of the department of corrections, of the following:

*a.* The date on which the offender is expected to be released from custody on work release, and whether the offender is expected to return to the community where the registered victim resides.

*b.* The date on which the offender is expected to be temporarily released from custody on furlough, and whether the offender is expected to return to the community where the registered victim resides.

*c.* The offender's escape from custody.

*d.* The recommendation by the department of the offender for parole consideration.

*e.* The date on which the offender is expected to be released from an institution pursuant to a plan of parole or upon discharge of sentence.

*f.* The transfer of custody of the offender to another state or federal jurisdiction.

*g.* The procedures for contacting the department to determine the offender's current institution of residence.

*h.* Information which may be obtained upon request pertaining to or the procedures for obtaining information upon request pertaining to the offender's current employer.

2. The director of the department of corrections, or the director's designee, having probable cause to believe that a person has escaped from a state correctional institution or a person convicted of a forcible felony who is released on work release has absconded from a work release facility shall:

*a.* Make a complaint before a judge or magistrate. If it is determined from the complaint or accompanying affidavits that there is probable cause to believe that the person has escaped from a state correctional institution or that the forcible felon has absconded from a work release facility, the judge or magistrate shall issue a warrant for the arrest of the person.

*b.* Issue an announcement regarding the fact of the escape of the person or the abscondence of the forcible felon to the law enforcement authorities in, and to the news media covering, communities in a twenty-five mile radius of the point of escape or abscondence.

98 Acts, ch 1090, §12, 84

**915.17A Notification by judicial district department of correctional services.**

A judicial district department of correctional services shall notify a registered victim, regarding a sex offender convicted of a sex offense against a minor who is under the supervision of a judicial district department of correctional services, of the following:

1. The beginning date for use of an electronic tracking and monitoring system to supervise the sex offender and the type of electronic tracking and monitoring system used.

2. The date of any modification to the use of an electronic tracking and monitoring system and the nature of the change.

2009 Acts, ch 119, §63

**915.18 Notification by board of parole.**

1. The board of parole shall notify a registered victim regarding an offender who has committed a violent crime as follows:

*a.* Not less than twenty days prior to conducting a hearing at which the board will interview an offender, the board shall notify the victim of the interview and inform the victim that the victim may submit the victim's opinion concerning the release of the offender in writing prior to the hearing or may appear personally or by counsel at the hearing to express an opinion concerning the offender's release.

*b.* Whether or not the victim appears at the hearing or expresses an opinion concerning the offender's release on parole, the board shall notify the victim of the board's decision regarding release of the offender.

2. Offenders who are being considered for release on parole may be informed of a victim's registration with the county attorney and the substance of any opinion submitted by the victim regarding the release of the offender.

3. If the board of parole makes a recommendation to the governor for a reprieve, pardon, or commutation of sentence of an offender, as provided in section 914.3, the board shall forward with the recommendation information identifying a registered victim for the purposes of notification by the governor as required in section 915.19.

98 Acts, ch 1090, §13, 84

**915.19 Notification by the governor.**

1. Prior to the governor granting a reprieve, pardon, or commutation to an offender convicted of a violent crime, the governor shall notify a registered victim that the victim's offender has applied for a reprieve, pardon, or commutation. The governor shall notify a registered victim regarding the application not less than forty-five days prior to issuing a decision on the application. The governor shall inform the victim that the victim may submit a written opinion concerning the application.

2. The county attorney may notify an offender being considered for a reprieve, pardon, or commutation of sentence of a victim's registration with the county attorney and the substance of any opinion submitted by the victim concerning the reprieve, pardon, or commutation of sentence.

98 Acts, ch 1090, §14, 84

Referred to in §915.18

**915.20 Presence of victim counselors.**

1. As used in this section, unless the context otherwise requires:

*a.* *"Proceedings related to the offense"* means any activities engaged in or proceedings commenced by a law enforcement agency, judicial district department of correctional services, or a court pertaining to the commission of a public offense against the victim, in which the victim is present, as well as examinations of the victim in an emergency medical facility due to injuries from the public offense which do not require surgical procedures. *"Proceedings related to the offense"* includes, but is not limited to, law enforcement investigations, pretrial court hearings, trial and sentencing proceedings, and proceedings relating to the preparation of a presentence investigation report in which the victim is present.

*b.* *"Victim counselor"* means a victim counselor as defined in section 915.20A.

2. A victim counselor who is present as a result of a request by a victim shall not be denied access to any proceedings related to the offense.

3. This section does not affect the inherent power of the court to regulate the conduct of discovery pursuant to the Iowa rules of criminal or civil procedure or to preside over and control the conduct of criminal or civil hearings or trials.

98 Acts, ch 1090, §15, 84

**915.20A Victim counselor privilege.**

1. As used in this section:

*a.* "*Confidential communication*" means information shared between a crime victim and a victim counselor within the counseling relationship, and includes all information received by the counselor and any advice, report, or working paper given to or prepared by the counselor in the course of the counseling relationship with the victim. "*Confidential information*" is confidential information which, so far as the victim is aware, is not disclosed to a third party with the exception of a person present in the consultation for the purpose of furthering the interest of the victim, a person to whom disclosure is reasonably necessary for the transmission of the information, or a person with whom disclosure is necessary for accomplishment of the purpose for which the counselor is consulted by the victim.

*b.* "*Crime victim center*" means any office, institution, agency, or crisis center offering assistance to victims of crime and their families through crisis intervention, accompaniment during medical and legal proceedings, and follow-up counseling.

*c.* "*Victim*" means a person who consults a victim counselor for the purpose of securing advice, counseling, or assistance concerning a mental, physical, or emotional condition caused by a violent crime committed against the person.

*d.* "*Victim counselor*" means a person who is engaged in a crime victim center, is certified as a counselor by the crime victim center, and is under the control of a direct services supervisor of a crime victim center, whose primary purpose is the rendering of advice, counseling, and assistance to the victims of crime. To qualify as a "victim counselor" under this section, the person must also have completed at least twenty hours of training provided by the center in which the person is engaged, by the Iowa organization of victim assistance, by the Iowa coalition against sexual assault, or by the Iowa coalition against domestic violence, which shall include but not be limited to, the dynamics of victimization, substantive laws relating to violent crime, sexual assault, and domestic violence, crisis intervention techniques, communication skills, working with diverse populations, an overview of the state criminal justice system, information regarding pertinent hospital procedures, and information regarding state and community resources for victims of crime.

2. A victim counselor shall not be examined or required to give evidence in any civil or criminal proceeding as to any confidential communication made by a victim to the counselor, nor shall a clerk, secretary, stenographer, or any other employee who types or otherwise prepares or manages the confidential reports or working papers of a victim counselor be required to produce evidence of any such confidential communication, unless the victim waives this privilege in writing or disclosure of the information is compelled by a court pursuant to subsection 7. Under no circumstances shall the location of a crime victim center or the identity of the victim counselor be disclosed in any civil or criminal proceeding.

3. If a victim is deceased or has been declared to be incompetent, this privilege specified in subsection 2 may be waived by the guardian of the victim or by the personal representative of the victim's estate.

4. A minor may waive the privilege under this section unless, in the opinion of the court, the minor is incapable of knowingly and intelligently waiving the privilege, in which case the parent or guardian of the minor may waive the privilege on the minor's behalf if the parent or guardian is not the defendant and does not have such a relationship with the defendant that the parent or guardian has an interest in the outcome of the proceeding being favorable to the defendant.

5. The privilege under this section does not apply in matters of proof concerning the chain of custody of evidence, in matters of proof concerning the physical appearance of the victim at the time of the injury or the counselor's first contact with the victim after the injury, or

where the counselor has reason to believe that the victim has given perjured testimony and the defendant or the state has made an offer of proof that perjury may have been committed.

6. The failure of a counselor to testify due to this section shall not give rise to an inference unfavorable to the cause of the state or the cause of the defendant.

7. Upon the motion of a party, accompanied by a written offer of proof, a court may compel disclosure of certain information if the court determines that all of the following conditions are met:

*a.* The information sought is relevant and material evidence of the facts and circumstances involved in an alleged criminal act which is the subject of a criminal proceeding.

*b.* The probative value of the information outweighs the harmful effect, if any, of disclosure on the victim, the counseling relationship, and the treatment services.

*c.* The information cannot be obtained by reasonable means from any other source.

8. In ruling on a motion under subsection 7, the court, or a different judge, if the motion was filed in a criminal proceeding to be tried to the court, shall adhere to the following procedure:

*a.* The court may require the counselor from whom disclosure is sought or the victim claiming the privilege, or both, to disclose the information in chambers out of the presence and hearing of all persons except the victim and any other persons the victim is willing to have present.

*b.* If the court determines that the information is privileged and not subject to compelled disclosure, the information shall not be disclosed by any person without the consent of the victim.

*c.* If the court determines that certain information may be subject to disclosure, as provided in subsection 7, the court shall so inform the party seeking the information and shall order a subsequent hearing out of the presence of the jury, if any, at which the parties shall be allowed to examine the counselor regarding the information which the court has determined may be subject to disclosure. The court may accept other evidence at that time.

*d.* At the conclusion of a hearing under paragraph "*c*", the court shall determine which information, if any, shall be disclosed and may enter an order describing the evidence which may be introduced by the moving party and prescribing the line of questioning which may be permitted. The moving party may then offer evidence pursuant to the court order. However, no victim counselor is subject to exclusion under rule of evidence 5.615.

9. This section does not relate to the admission of evidence of the victim's past sexual behavior which is strictly subject to rule of evidence 5.412.

98 Acts, ch 1090, §16, 84; 2008 Acts, ch 1032, §92

Referred to in §22.7, 235D.1, 709.22, 915.20, 915.40, 915.86

**915.21 Victim impact statement.**

1. A victim may present a victim impact statement to the court using one or more of the following methods:

*a.* A victim may file a signed victim impact statement with the county attorney, and a filed impact statement shall be included in the presentence investigation report. If a presentence investigation report is not ordered by the court, a filed victim impact statement shall be provided to the court prior to sentencing. Unless requested otherwise by the victim, the victim impact statement shall be presented at the sentencing hearing in the presence of the defendant, and at any hearing regarding reconsideration of sentence. The victim impact statement may be presented by the victim or the victim's attorney or designated representative.

*b.* A victim may orally present a victim impact statement at the sentencing hearing, in the presence of the defendant, and at any hearing regarding reconsideration of sentence.

*c.* A victim may make a video recording of a statement or, if available, may make a statement from a remote location through a video monitor at the sentencing hearing, in the presence of the defendant, and at any hearing regarding reconsideration of sentence.

*d.* A victim may make an audio recording of the statement or appear by audio via a speakerphone to make a statement, to be delivered in court in the presence of the defendant, and at any hearing regarding reconsideration of sentence.

*e.* If the victim is unable to make an oral or written statement because of the victim's age, or mental, emotional, or physical incapacity, the victim's attorney or a designated representative shall have the opportunity to make a statement on behalf of the victim.

2. A victim impact statement shall include the identification of the victim of the offense, and may include the following:

*a.* Itemization of any economic loss suffered by the victim as a result of the offense. For purposes of this paragraph, a pecuniary damages statement prepared by a county attorney pursuant to section 910.3 may serve as the itemization of economic loss.

*b.* Identification of any physical injury suffered by the victim as a result of the offense with detail as to its seriousness and permanence.

*c.* Description of any change in the victim's personal welfare or familial relationships as a result of the offense.

*d.* Description of any request for psychological services initiated by the victim or the victim's family as a result of the offense.

*e.* Any other information related to the impact of the offense upon the victim.

3. A victim shall not be placed under oath and subjected to cross-examination at the sentencing hearing.

4. Nothing in this section shall be construed to affect the inherent power of the court to regulate the conduct of persons present in the courtroom.

98 Acts, ch 1090, §17, 84; 2002 Acts, ch 1039, §2 – 4

Referred to in §235A.15, 235B.6

**915.22 Civil injunction to restrain harassment or intimidation of victims or witnesses.**

1. Upon application, the court shall issue a temporary restraining order prohibiting the harassment or intimidation of a victim or witness in a criminal case if the court finds, from specific facts shown by affidavit or by verified complaint, that there are reasonable grounds to believe that harassment or intimidation of an identified victim or witness in a criminal case exists or that the order is necessary to prevent and restrain an offense under this subchapter.

*a.* A temporary restraining order may be issued under this subsection without written or oral notice to the adverse party or the party's attorney in a civil action under this section or in a criminal case if the court finds, upon written certification of facts, that the notice should not be required and that there is a reasonable probability that the party will prevail on the merits. The temporary restraining order shall set forth the reasons for the issuance of the order, be specific in terms, and describe in reasonable detail the act or acts being restrained.

*b.* A temporary restraining order issued without notice under this section shall be endorsed with the date and hour of issuance and be filed immediately in the office of the clerk of the district court issuing the order.

*c.* A temporary restraining order issued under this section shall expire at such time as the court directs, not to exceed ten days from issuance. The court, for good cause shown before expiration of the order, may extend the expiration date of the order for up to ten days, or for a longer period agreed to by the adverse party.

*d.* When a temporary restraining order is issued without notice, the motion for a protective order shall be set down for hearing at the earliest possible time and takes precedence over all matters except older matters of the same character. If the party does not proceed with the application for a protective order when the motion is heard, the court shall dissolve the temporary restraining order.

*e.* If, after two days' notice to the party or after a shorter notice as the court prescribes, the adverse party appears and moves to dissolve or modify the temporary restraining order, the court shall proceed to hear and determine the motion as expeditiously as possible.

2. Upon motion of the party, the court shall issue a protective order prohibiting the harassment or intimidation of a victim or witness in a criminal case if the court, after a hearing, finds by a preponderance of the evidence that harassment or intimidation of an identified victim or witness in a criminal case exists or that the order is necessary to prevent and restrain an offense under this chapter.

*a.* At the hearing, any adverse party named in the complaint has the right to present evidence and cross-examine witnesses.

*b.* A protective order shall set forth the reasons for the issuance of the order, be specific in terms, and describe in reasonable detail the act or acts being restrained.

*c.* The court shall set the duration of the protective order for the period it determines is necessary to prevent the harassment or intimidation of the victim or witness, but the duration shall not be set for a period in excess of one year from the date of the issuance of the order. The party, at any time within ninety days before the expiration of the order, may apply for a new protective order under this section.

3. Violation of a restraining or protective order issued under this section constitutes contempt of court and may be punished by contempt proceedings.

4. An application may be made pursuant to this section in a criminal case, and if made, a district associate judge or magistrate having jurisdiction of the highest offense charged in the criminal case or a district judge shall have jurisdiction to enter an order under this section.

5. The clerk of the district court shall provide notice and copies of restraining orders issued pursuant to this section in a criminal case involving an alleged violation of section 708.2A to the applicable law enforcement agencies and the twenty-four hour dispatcher for the law enforcement agencies, in the manner provided for protective orders under section 236.5. The clerk shall provide notice and copies of modifications or vacations of these orders in the same manner.

98 Acts, ch 1090, §18, 84
Referred to in §229A.15A, 664A.1, 709.22

**915.23 Employment discrimination against witnesses prohibited.**

1. An employer shall not discharge an employee, or take or fail to take action regarding an employee's promotion or proposed promotion, or take action to reduce an employee's wages or benefits for actual time worked, due to the service of an employee as a witness in a criminal proceeding or as a plaintiff, defendant, or witness in a civil proceeding pursuant to chapter 236.

2. An employer who violates this section commits a simple misdemeanor.

3. An employee whose employer violates this section shall also be entitled to recover damages from the employer. Damages recoverable under this section include, but are not limited to, actual damages, court costs, and reasonable attorney fees.

4. The employee may also petition the court for imposition of a cease and desist order against the person's employer and for reinstatement to the person's previous position of employment.

98 Acts, ch 1090, §19, 84; 99 Acts, ch 96, §52; 2008 Acts, ch 1087, §1

## SUBCHAPTER III

## VICTIMS OF JUVENILES

**915.24 Notification of victim of juvenile by juvenile court officer.**

1. If a complaint is filed alleging that a child has committed a delinquent act, the alleged victim, as defined in section 915.10, has and a juvenile court officer shall notify the alleged victim of the following rights:

*a.* To be notified of the names and addresses of the child and of the child's custodial parent or guardian.

*b.* To be notified of the specific charge or charges filed in a petition resulting from the complaint and regarding any dispositional orders or informal adjustments.

*c.* To be informed of the person's rights to restitution.

*d.* To be notified of the person's right to offer a written victim impact statement and to orally present the victim impact statement.

*e.* To be informed of the availability of assistance through the crime victim compensation program.

2. The juvenile court and the county attorney shall coordinate efforts so as to prevent duplication of notification under this section and section 915.13.

98 Acts, ch 1090, §21, 84; 99 Acts, ch 96, §53

Referred to in §232.147, 915.13

**915.25 Right to review complaint against juvenile.**

1. A complaint filed with the court or its designee pursuant to chapter 232 which alleges that a child who is at least ten years of age has committed a delinquent act, which if committed by an adult would be a public offense, is a public record and shall not be confidential under section 232.147.

2. The court, its designee, or law enforcement officials are authorized to release the complaint, including the identity of the child named in the complaint.

98 Acts, ch 1090, §22, 84

Referred to in §232.147

**915.26 Victim impact statement by victim of juvenile.**

1. If a complaint is filed under section 232.28, alleging a child has committed a delinquent act, the alleged victim may file a signed victim impact statement with the juvenile court.

2. The victim impact statement shall be considered by the court and the juvenile court officer handling the complaint in any proceeding or informal adjustment associated with the complaint.

3. Unless the matter is disposed of at the preliminary inquiry conducted by the intake officer under section 232.28, the victim may also be allowed to orally present the victim impact statement.

98 Acts, ch 1090, §23, 84

**915.27 Sexual assault by juvenile.**

A victim of a sexual assault by a juvenile adjudicated to have committed the assault is entitled to the rights listed in sections 915.40 through 915.44.

98 Acts, ch 1090, §24, 84

**915.28 Restitution for delinquent acts of juvenile.**

1. If a judge of a juvenile court finds that a juvenile has committed a delinquent act and requires the juvenile to compensate the victim of that act for losses due to the delinquent act of the juvenile, the juvenile shall make such restitution according to a schedule established by the judge from funds earned by the juvenile pursuant to employment engaged in by the juvenile at the time of disposition.

2. If a juvenile enters into an informal adjustment agreement pursuant to section 232.29 to make such restitution, the juvenile shall make such restitution according to a schedule which shall be a part of the informal adjustment agreement.

3. The restitution shall be made under the direction of a juvenile court officer working under the direction of the juvenile court.

*a.* In those counties where the county maintains an office to provide juvenile victim restitution services, the juvenile court officer may use that office's services.

*b.* If the juvenile is not employed, the juvenile's juvenile court officer shall make a reasonable effort to find private or other public employment for the juvenile.

*c.* If the juvenile offender does not have employment at the time of disposition and private or other public employment is not obtained in spite of the efforts of the juvenile's juvenile court officer, the judge may direct the juvenile offender to perform work pursuant to section 232.52, subsection 2, paragraph "*a*", and arrange for compensation of the juvenile in the manner provided for under chapter 232A.

4. Upon final discharge from the jurisdiction of juvenile court due to the juvenile reaching the age of eighteen years, any restitution order consisting of monetary payment to the victim due to a delinquent act shall constitute a judgment and lien against all property of the person

liable for the amount the person was obligated to pay under the order of the juvenile court, and may be recorded and enforced as provided in sections 910.7A, 910.8, and 910.10.

98 Acts, ch 1090, §25, 84; 2006 Acts, ch 1164, §6
Referred to in §232.149A, 232.150

**915.29 Notification of victim of juvenile by department of human services.**

1. The department of human services shall notify a registered victim regarding a juvenile adjudicated delinquent for a violent crime, committed to the custody of the department of human services, and placed at the state training school at Eldora or Toledo, of the following:

*a.* The date on which the juvenile is expected to be temporarily released from the custody of the department of human services, and whether the juvenile is expected to return to the community where the registered victim resides.

*b.* The juvenile's escape from custody.

*c.* The recommendation by the department to consider the juvenile for release or placement.

*d.* The date on which the juvenile is expected to be released from a facility pursuant to a plan of placement.

2. The notification required pursuant to this section may occur through the automated victim notification system referred to in section 915.10A to the extent such information is available for dissemination through the system.

98 Acts, ch 1090, §26, 84; 2005 Acts, ch 158, §50; 2013 Acts, ch 30, §233
Section amended

**915.30 through 915.34** Reserved.

## SUBCHAPTER IV

## PROTECTIONS FOR CHILDREN AND OTHER SPECIAL VICTIMS

**915.35 Child victim services.**

1. As used in this section, "*victim*" means a minor under the age of eighteen who has been sexually abused or subjected to any other unlawful sexual conduct under chapter 709, 710A, or 726 or who has been the subject of a forcible felony.

2. A professional licensed or certified by the state to provide immediate or short-term medical services or mental health services to a victim may provide the services without the prior consent or knowledge of the victim's parents or guardians.

3. Such a professional shall notify the victim if the professional is required to report an incidence of child abuse involving the victim pursuant to section 232.69.

4. *a.* A child protection assistance team involving the county attorney, law enforcement personnel, and personnel of the department of human services shall be established for each county by the county attorney. However, by mutual agreement, two or more county attorneys may establish a single child protection assistance team to cover a multicounty area. A child protection assistance team, to the greatest extent possible, may be consulted in cases involving a forcible felony against a child who is less than age fourteen in which the suspected offender is the person responsible for the care of a child, as defined in section 232.68. A child protection assistance team may also be utilized in cases involving a violation of chapter 709 or 726 or other crime committed upon a victim as defined in subsection 1.

*b.* A child protection assistance team may also consult with or include juvenile court officers, medical and mental health professionals, physicians or other hospital-based health professionals, court-appointed special advocates, guardians ad litem, and members of a multidisciplinary team created by the department of human services for child abuse investigations. A child protection assistance team may work cooperatively with the early childhood Iowa area board established under chapter 256I. The child protection assistance team shall work with the department of human services in accordance with section 232.71B, subsection 3, in developing the protocols for prioritizing the actions taken in response

to child abuse assessments and for law enforcement agencies working jointly with the department at the local level in processes for child abuse assessments. The department of justice may provide training and other assistance to support the activities of a child protection assistance team.

98 Acts, ch 1090, §28, 84; 2003 Acts, ch 107, §4; 2009 Acts, ch 19, §2; 2010 Acts, ch 1031, §307; 2013 Acts, ch 115, §16, 19

Referred to in §232.71B, 235A.15, 331.756(83B), 331.909, 915.84, 915.93

2013 amendment to subsection 4, paragraph b, takes effect January 1, 2014; transition to full implementation may begin prior to that date; 2013 Acts, ch 115, §19

Subsection 4, paragraph b amended

**915.36 Protection of child victim's privacy.**

1. Prior to an arrest or the filing of an information or indictment, whichever occurs first, against a person charged with a violation of chapter 709, section 726.2, or section 728.12, committed with or on a child, as defined in section 702.5, the identity of the child or any information reasonably likely to disclose the identity of the child shall not be released to the public by any public employee except as authorized by the court of jurisdiction.

2. In order to protect the welfare of the child, the name of the child and identifying biographical information shall not appear on the information or indictment or any other public record. Instead, a nondescriptive designation shall appear on all public records. The nonpublic records containing the child's name and identifying biographical information shall be kept by the court. This subsection does not apply to the release of information to an accused or accused's counsel; however, the use or release of this information by the accused or accused's counsel for purposes other than the preparation of defense constitutes contempt.

3. A person who willfully violates this section or who willfully neglects or refuses to obey a court order made pursuant to this section commits contempt.

4. A release of information in violation of this section does not bar prosecution or provide grounds for dismissal of charges.

98 Acts, ch 1090, §29, 84

**915.37 Guardian ad litem for prosecuting child witnesses.**

1. A prosecuting witness who is a child, as defined in section 702.5, in a case involving a violation of chapter 709 or 710A, or section 726.2, 726.3, 726.6, or 728.12, is entitled to have the witness's interests represented by a guardian ad litem at all stages of the proceedings arising from such violation. The guardian ad litem shall be a practicing attorney and shall be designated by the court after due consideration is given to the desires and needs of the child and the compatibility of the child and the child's interests with the prospective guardian ad litem. If a guardian ad litem has previously been appointed for the child in a proceeding under chapter 232 or a proceeding in which the juvenile court has waived jurisdiction under section 232.45, the court shall appoint the same guardian ad litem under this section. The guardian ad litem shall receive notice of and may attend all depositions, hearings, and trial proceedings to support the child and advocate for the protection of the child but shall not be allowed to separately introduce evidence or to directly examine or cross-examine witnesses. However, the guardian ad litem shall file reports to the court as required by the court. If a prosecuting witness is fourteen, fifteen, sixteen, or seventeen years of age, and would be entitled to the appointment of a guardian ad litem if the prosecuting witness were a child, the court may appoint a guardian ad litem if the requirements for guardians ad litem in this section are met, and the guardian ad litem agrees to participate without compensation.

2. References in this section to a guardian ad litem shall be interpreted to include references to a court appointed special advocate as defined in section 232.2, subsection 9.

98 Acts, ch 1090, §30, 84; 2009 Acts, ch 19, §3

**915.38 Televised, videotaped, and recorded evidence — limited court testimony — minors and others.**

1. *a.* Upon its own motion or upon motion of any party, a court may protect a minor, as defined in section 599.1, from trauma caused by testifying in the physical presence of

the defendant where it would impair the minor's ability to communicate, by ordering that the testimony of the minor be taken in a room other than the courtroom and be televised by closed-circuit equipment for viewing in the courtroom. However, such an order shall be entered only upon a specific finding by the court that such measures are necessary to protect the minor from trauma. Only the judge, prosecuting attorney, defendant's attorney, persons necessary to operate the equipment, and any person whose presence, in the opinion of the court, would contribute to the welfare and well-being of the minor may be present in the room with the minor during the minor's testimony. The judge shall inform the minor that the defendant will not be present in the room in which the minor will be testifying but that the defendant will be viewing the minor's testimony through closed-circuit television.

*b.* During the minor's testimony the defendant shall remain in the courtroom and shall be allowed to communicate with the defendant's counsel in the room where the minor is testifying by an appropriate electronic method.

*c.* In addition, upon a finding of necessity, the court may allow the testimony of a victim or witness with a mental illness, an intellectual disability, or other developmental disability to be taken as provided in this subsection, regardless of the age of the victim or witness.

2. The court may, upon its own motion or upon motion of a party, order that the testimony of a minor, as defined in section 599.1, be taken by recorded deposition for use at trial, pursuant to rule of criminal procedure 2.13(2)(b). In addition to requiring that such testimony be recorded by stenographic means, the court may on motion and hearing, and upon a finding that the minor is unavailable as provided in rule of evidence 5.804(a), order the videotaping of the minor's testimony for viewing in the courtroom by the court. The videotaping shall comply with the provisions of rule of criminal procedure 2.13(2)(b), and shall be admissible as evidence in the trial. In addition, upon a finding of necessity, the court may allow the testimony of a victim or witness with a mental illness, an intellectual disability, or other developmental disability to be taken as provided in this subsection, regardless of the age of the victim or witness.

3. The court may upon motion of a party admit into evidence the recorded statements of a child, as defined in section 702.5, describing sexual contact performed with or on the child, not otherwise admissible in evidence by statute or court rule if the court determines that the recorded statements substantially comport with the requirements for admission under rule of evidence 5.803(24) or 5.804(b)(5).

4. A court may, upon its own motion or upon the motion of a party, order the court testimony of a child to be limited in duration in accordance with the developmental maturity of the child. The court may consider or hear expert testimony in order to determine the appropriate limitation on the duration of a child's testimony. However, the court shall, upon motion, limit the duration of a child's uninterrupted testimony to one hour, at which time the court shall allow the child to rest before continuing to testify.

98 Acts, ch 1090, §31, 84; 2012 Acts, ch 1019, §143; 2013 Acts, ch 30, §234
Subsection 1 amended

**915.39** Reserved.

## SUBCHAPTER V

## VICTIMS OF SEXUAL ASSAULT

Referred to in §141A.9

See also chapter 141A

**915.40 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. *"AIDS"* means acquired immune deficiency syndrome as defined by the centers for disease control of the United States department of health and human services.

2. *"Alleged offender"* means a person who has been charged with the commission of a

sexual assault or a juvenile who has been charged in juvenile court with being a delinquent as the result of actions that would constitute a sexual assault.

3. *"Authorized representative"* means an individual authorized by the victim to request an HIV-related test of a convicted or alleged offender who is any of the following:

*a.* The parent, guardian, or custodian of the victim if the victim is a minor.

*b.* The physician of the victim.

*c.* The victim counselor or person requested by the victim to provide counseling regarding the HIV-related test and results.

*d.* The victim's spouse.

*e.* The victim's legal counsel.

4. *"Convicted offender"* means a person convicted of a sexual assault or a juvenile who has been adjudicated delinquent for an act of sexual assault.

5. *"Department"* means the Iowa department of public health.

6. *"Division"* means the crime victims assistance division of the office of the attorney general.

7. *"HIV"* means the human immunodeficiency virus identified as the causative agent of AIDS.

8. *"HIV-related test"* means a test for the antibody or antigen to HIV.

9. *"Petitioner"* means a person who is the victim of a sexual assault which resulted in alleged significant exposure or the parent, guardian, or custodian of a victim if the victim is a minor, for whom the county attorney files a petition with the district court to require the convicted offender to undergo an HIV-related test.

10. *"Sexual assault"* means sexual abuse as defined in section 709.1, or any other sexual offense by which a victim has allegedly had sufficient contact with a convicted or an alleged offender to be deemed a significant exposure.

11. *"Significant exposure"* means contact of the victim's ruptured or broken skin or mucous membranes with the blood or bodily fluids, other than tears, saliva, or perspiration of the convicted or alleged offender. *"Significant exposure"* is presumed to have occurred when there is a showing that there was penetration of the convicted or alleged offender's penis into the victim's vagina or anus, contact between the mouth and genitalia, or contact between the genitalia of the convicted or alleged offender and the genitalia or anus of the victim.

12. *"Victim"* means a petitioner or a person who is the victim of a sexual assault which resulted in significant exposure, or the parent, guardian, or custodian of such a victim if the victim is a minor, for whom the victim or the peace officer files an application for a search warrant to require the alleged offender to undergo an HIV-related test. *"Victim"* includes an alleged victim.

13. *"Victim counselor"* means a person who is engaged in a crime victim center as defined in section 915.20A, who is certified as a counselor by the crime victim center, and who has completed at least twenty hours of training provided by the Iowa coalition against sexual assault or a similar agency.

98 Acts, ch 1087, §3, 4; 98 Acts, ch 1090, §33, 84; 98 Acts, ch 1128, §2; 99 Acts, ch 181, §19
Referred to in §135.11, 141A.9, 709.22, 915.27, 915.42

**915.41 Medical examination costs.**

The cost of a medical examination of a victim for the purpose of gathering evidence and the cost of treatment of a victim for the purpose of preventing venereal disease shall be paid from the fund established in section 915.94.

98 Acts, ch 1090, §34, 84; 99 Acts, ch 114, §48
Referred to in §13.31, 135.11, 915.27, 915.94

**915.42 Right to HIV-testing of convicted or alleged assailant.**

1. Unless a petitioner chooses to be represented by private counsel, the county attorney shall represent the victim's interest in all proceedings under this subchapter.

2. If a person is convicted of sexual assault or adjudicated delinquent for an act of sexual assault, the county attorney, if requested by the petitioner, shall petition the court for an order

requiring the convicted offender to submit to an HIV-related test, provided that all of the following conditions are met:

*a.* The sexual assault for which the offender was convicted or adjudicated delinquent included sufficient contact between the victim and the convicted offender to be deemed a significant exposure pursuant to section 915.40.

*b.* The authorized representative of the petitioner, the county attorney, or the court sought to obtain written informed consent from the convicted offender to the testing.

*c.* Written informed consent was not provided by the convicted offender.

3. If a person is an alleged offender, the county attorney, if requested by the victim, shall make application to the court for the issuance of a search warrant, in accordance with chapter 808, for the purpose of requiring the alleged offender to submit to an HIV-related test, if all of the following conditions are met:

*a.* The application states that the victim believes that the sexual assault for which the alleged offender is charged included sufficient contact between the victim and the alleged offender to be deemed a significant exposure pursuant to section 915.40 and states the factual basis for the belief that a significant exposure exists.

*b.* The authorized representative of the victim, the county attorney, or the court sought to obtain written informed consent to the testing from the alleged offender.

*c.* Written informed consent was not provided by the alleged offender.

4. Upon receipt of the petition or application filed under subsection 2 or 3, the court shall:

*a.* Prior to the scheduling of a hearing, refer the victim for counseling by a victim counselor or a person requested by the victim to provide counseling regarding the nature, reliability, and significance of the HIV-related test and of the serologic status of the convicted or alleged offender.

*b.* Schedule a hearing to be held as soon as is practicable.

*c.* Cause written notice to be served on the convicted or alleged offender who is the subject of the proceeding, in accordance with the rules of civil procedure relating to the service of original notice, or if the convicted or alleged offender is represented by legal counsel, provide written notice to the convicted or alleged offender and the convicted or alleged offender's legal counsel.

*d.* Provide for the appointment of legal counsel for a convicted or alleged offender if the convicted or alleged offender desires but is financially unable to employ counsel.

*e.* Furnish legal counsel with copies of the petition or application, written informed consent, if obtained, and copies of all other documents related to the petition or application, including, but not limited to, the charges and orders.

5. *a.* A hearing under this section shall be conducted in an informal manner consistent with orderly procedure and in accordance with the Iowa rules of evidence. The hearing shall be limited in scope to the review of questions of fact only as to the issue of whether the sexual assault for which the offender was convicted or adjudicated delinquent or for which the alleged offender was charged provided sufficient contact between the victim and the convicted or alleged offender to be deemed a significant exposure, and to questions of law.

*b.* In determining whether the contact should be deemed a significant exposure for a convicted offender, the court shall base the determination on the testimony presented during the proceedings on the sexual assault charge, the minutes of the testimony or other evidence included in the court record, or if a plea of guilty was entered, based upon the complaint or upon testimony provided during the hearing. In determining whether the contact should be deemed a significant exposure for an alleged offender, the court shall base the determination on the application and the factual basis provided in the application for the belief of the applicant that a significant exposure exists.

*c.* The victim may testify at the hearing but shall not be compelled to testify. The court shall not consider the refusal of a victim to testify at the hearing as material to the court's decision regarding issuance of an order or search warrant requiring testing.

*d.* The hearing shall be in camera unless the convicted or alleged offender and the petitioner or victim agree to a hearing in open court and the court approves. The report of the hearing proceedings shall be sealed and no report of the proceedings shall be released to the public, except with the permission of all parties and the approval of the court.

*e.* Stenographic notes or electronic or mechanical recordings shall be taken of all court hearings unless waived by the parties.

6. Following the hearing, the court shall require a convicted or alleged offender to undergo an HIV-related test only if the petitioner or victim proves all of the following by a preponderance of the evidence:

*a.* The sexual assault constituted a significant exposure.

*b.* An authorized representative of the petitioner or victim, the county attorney, or the court sought to obtain written informed consent from the convicted or alleged offender.

*c.* Written informed consent was not provided by the convicted or alleged offender.

7. A convicted offender who is required to undergo an HIV-related test may appeal to the court for review of questions of law only, but may appeal questions of fact if the findings of fact are clearly erroneous.

98 Acts, ch 1087, §5; 98 Acts, ch 1090, §35, 84; 98 Acts, ch 1128, §2; 99 Acts, ch 114, §49, 50; 99 Acts, ch 181, §20

Referred to in §135.11, 141A.9, 915.27, 915.43

**915.43 Testing, reporting, and counseling — penalties.**

1. The physician or other practitioner who orders the test of a convicted or alleged offender for HIV under this subchapter shall disclose the results of the test to the convicted or alleged offender, and to the victim counselor or a person requested by the victim to provide counseling regarding the HIV-related test and results who shall disclose the results to the petitioner.

2. All testing under this chapter shall be accompanied by counseling as required under section 141A.7.

3. Subsequent testing arising out of the same incident of exposure shall be conducted in accordance with the procedural and confidentiality requirements of this subchapter.

4. Results of a test performed under this subchapter, except as provided in subsection 13, shall be disclosed only to the physician or other practitioner who orders the test of the convicted or alleged offender; the convicted or alleged offender; the victim; the victim counselor or person requested by the victim to provide counseling regarding the HIV-related test and results; the physician of the victim if requested by the victim; the parent, guardian, or custodian of the victim, if the victim is a minor; and the county attorney who filed the petition for HIV-related testing under this chapter, who may use the results to file charges of criminal transmission of HIV under chapter 709C. Results of a test performed under this subchapter shall not be disclosed to any other person without the written informed consent of the convicted or alleged offender. A person to whom the results of a test have been disclosed under this subchapter is subject to the confidentiality provisions of section 141A.9, and shall not disclose the results to another person except as authorized by section 141A.9, subsection 2, paragraph "*i*".

5. If testing is ordered under this subchapter, the court shall also order periodic testing of the convicted offender during the period of incarceration, probation, or parole or of the alleged offender during a period of six months following the initial test if the physician or other practitioner who ordered the initial test of the convicted or alleged offender certifies that, based upon prevailing scientific opinion regarding the maximum period during which the results of an HIV-related test may be negative for a person after being HIV-infected, additional testing is necessary to determine whether the convicted or alleged offender was HIV-infected at the time the sexual assault or alleged sexual assault was perpetrated. The results of the test conducted pursuant to this subsection shall be released only to the physician or other practitioner who orders the test of the convicted or alleged offender, the convicted or alleged offender, the victim counselor or person requested by the victim to provide the counseling regarding the HIV-related test and results who shall disclose the results to the petitioner, the physician of the victim, if requested by the victim, and the county attorney who may use the results as evidence in the prosecution of the sexual assault or in the prosecution of the offense of criminal transmission of HIV under chapter 709C.

6. The court shall not consider the disclosure of an alleged offender's serostatus to an alleged victim, prior to conviction, as a basis for a reduced plea or reduced sentence.

7. The fact that an HIV-related test was performed under this subchapter and the results of the test shall not be included in the convicted offender's medical or criminal record unless otherwise included in department of corrections records.

8. The fact that an HIV-related test was performed under this subchapter and the results of the test shall not be used as a basis for further prosecution of a convicted offender in relation to the incident which is the subject of the testing, to enhance punishments, or to influence sentencing.

9. If the serologic status of a convicted offender, which is conveyed to the victim, is based upon an HIV-related test other than a test which is authorized as a result of the procedures established in this subchapter, legal protections which attach to such testing shall be the same as those which attach to an initial test under this subchapter, and the rights to a predisclosure hearing and to appeal provided under section 915.42 shall apply.

10. HIV-related testing required under this subchapter shall be conducted by the state hygienic laboratory.

11. Notwithstanding the provisions of this subchapter requiring initial testing, if a petition is filed with the court under section 915.42 requesting an order for testing and the order is granted, and if a test has previously been performed on the convicted or alleged offender while under the control of the department of corrections, the test results shall be provided in lieu of the performance of an initial test of the convicted or alleged offender, in accordance with this subchapter.

12. In addition to the counseling received by a victim, referral to appropriate health care and support services shall be provided.

13. In addition to persons to whom disclosure of the results of a convicted or alleged offender's HIV-related test results is authorized under this subchapter, the victim may also disclose the results to the victim's spouse, persons with whom the victim has engaged in vaginal, anal, or oral intercourse subsequent to the sexual assault, or members of the victim's family within the third degree of consanguinity.

14. A person to whom disclosure of a convicted or alleged offender's HIV-related test results is authorized under this subchapter shall not disclose the results to any other person for whom disclosure is not authorized under this subchapter. A person who intentionally or recklessly makes an unauthorized disclosure in violation of this subsection is subject to a civil penalty of one thousand dollars. The attorney general or the attorney general's designee may maintain a civil action to enforce this subchapter. Proceedings maintained under this subsection shall provide for the anonymity of the test subject and all documentation shall be maintained in a confidential manner.

98 Acts, ch 1087, §6; 98 Acts, ch 1090, §36, 84; 98 Acts, ch 1128, §2; 99 Acts, ch 114, §51; 99 Acts, ch 181, §21; 2007 Acts, ch 70, §11

Referred to in §135.11, 141A.9, 915.27

**915.44 Polygraph examinations of victims or witnesses — limitations.**

1. A criminal or juvenile justice agency shall not require a person claiming to be a victim of sexual assault or claiming to be a witness regarding the sexual assault of another person to submit to a polygraph or similar examination as a precondition to the agency conducting an investigation into the matter.

2. An agency wishing to perform a polygraph examination of a person claiming to be a victim or witness of sexual assault shall inform the person of the following:

*a.* That taking the polygraph examination is voluntary.

*b.* That the results of the examination are not admissible in court.

*c.* That the person's decision to submit or refuse a polygraph examination will not be the sole basis for a decision by the agency not to investigate the matter.

3. An agency which declines to investigate an alleged case of sexual assault following a decision by a person claiming to be a victim not to submit to a polygraph examination shall provide to that person, in writing, the reasons why the agency did not pursue the investigation at the request of the person.

98 Acts, ch 1090, §37, 84

Referred to in §915.27

**915.45 Notice to victims of discharge of persons committed.**

In addition to any other information required to be released under chapter 229A, prior to the discharge of a person committed under chapter 229A, the director of human services shall give written notice of the person's discharge to any living victim of the person's activities or crime whose address is known to the director or, if the victim is deceased, to the victim's family, if the family's address is known. Failure to notify shall not be a reason for postponement of discharge. Nothing in this section shall create a cause of action against the state or an employee of the state acting within the scope of the employee's employment as a result of the failure to notify pursuant to this action.

The notification required pursuant to this section may occur through the automated victim notification system referred to in section 915.10A to the extent such information is available for dissemination through the system.

98 Acts, ch 1171, §13; 2005 Acts, ch 158, §51

**915.46 through 915.49** Reserved.

SUBCHAPTER VI

VICTIMS OF DOMESTIC ABUSE

**915.50 General rights of domestic abuse victims.**

In addition to other victim rights provided in this chapter, victims of domestic abuse shall have the following rights:

1. The right to file a pro se petition for relief from domestic abuse in the district court, pursuant to sections 236.3 through 236.10.

2. The right, pursuant to section 236.12, for law enforcement to remain on the scene, to assist the victim in leaving the scene, to assist the victim in obtaining transportation to medical care, and to provide the person with a written statement of victim rights and information about domestic abuse shelters, support services, and crisis lines.

3. The right to receive a criminal no-contact order upon a finding of probable cause, pursuant to section 664A.3.

98 Acts, ch 1090, §39, 84; 99 Acts, ch 114, §52; 2006 Acts, ch 1101, §20

**915.51 General rights of human trafficking victims.**

Victims of human trafficking, as defined in section 710A.1, shall have the same rights as other victims of a crime, including the right to receive victim compensation pursuant to section 915.84, regardless of their immigration status.

2006 Acts, ch 1074, §7

**915.52 through 915.79** Reserved.

SUBCHAPTER VII

VICTIM COMPENSATION

**915.80 Definitions.**

As used in this subchapter, unless the context otherwise requires:

1. "*Compensation*" means moneys awarded by the department as authorized in this subchapter.

2. "*Crime*" means conduct that occurs or is attempted in this state, poses a substantial threat of personal injury or death, and is punishable as a felony or misdemeanor, or would be so punishable but for the fact that the person engaging in the conduct lacked the capacity to commit the crime under the laws of this state. "*Crime*" does not include conduct arising out of the ownership, maintenance, or use of a motor vehicle, motorcycle, motorized bicycle,

train, boat, or aircraft except for violations of section 321.261, 321.277, 321J.2, 462A.7, 462A.12, 462A.14, or 707.6A, or when the intention is to cause personal injury or death. A license revocation under section 321J.9 or 321J.12 shall be considered by the department as evidence of a violation of section 321J.2 for the purposes of this subchapter. A license suspension or revocation under section 462A.14, 462A.14B, or 462A.23 shall be considered by the department as evidence of a violation of section 462A.14 for the purposes of this subchapter.

3. *"Department"* means the department of justice.

4. *"Dependent"* means a person wholly or partially dependent upon a victim for care or support and includes a child of the victim born after the victim's death.

5. *"Secondary victim"* means the victim's spouse, children, parents, and siblings, and any person who resides in the victim's household at the time of the crime or at the time of the discovery of the crime. *"Secondary victim"* does not include persons who are the survivors of a victim who dies as a result of a crime.

6. *"Victim"* means a person who suffers personal injury or death as a result of any of the following:

*a.* A crime.

*b.* The good faith effort of a person attempting to prevent a crime.

*c.* The good faith effort of a person to apprehend a person suspected of committing a crime.

98 Acts, ch 1090, §41, 84; 2007 Acts, ch 27, §7
Referred to in §622.69

**915.81 Award of compensation.**

The department shall award compensation authorized by this subchapter if the department is satisfied that the requirements for compensation have been met.

98 Acts, ch 1090, §42, 84
Referred to in §622.69

**915.82 Crime victim assistance board.**

1. *a.* A crime victim assistance board is established, and shall consist of the following members to be appointed pursuant to rules adopted by the department:

(1) A county attorney or assistant county attorney.

(2) Two persons engaged full-time in law enforcement.

(3) A public defender or an attorney practicing primarily in criminal defense.

(4) A hospital medical staff person involved with emergency services.

(5) Two public members who have received victim services.

(6) A victim service provider.

(7) A person licensed pursuant to chapter 154B or 154C.

(8) A person representing the elderly.

*b.* Board members shall be reimbursed for expenses actually and necessarily incurred in the discharge of their duties.

2. The board shall adopt rules pursuant to chapter 17A relating to program policies and procedures.

3. A victim aggrieved by the denial or disposition of the victim's claim may appeal to the district court within thirty days of receipt of the board's decision.

98 Acts, ch 1090, §43, 84; 2013 Acts, ch 30, §173
Referred to in §622.69
Subsection 1 amended

**915.83 Duties of department.**

The department shall:

1. Adopt rules pursuant to chapter 17A relating to the administration of the crime victim compensation program, including the filing of claims pursuant to the program, and the hearing and disposition of the claims.

2. Hear claims, determine the results relating to claims, and reinvestigate and reopen cases as necessary.

3. Publicize through the department, county sheriff departments, municipal police departments, county attorney offices, and other public or private agencies, the existence of the crime victim compensation program, including the procedures for obtaining compensation under the program.

4. Request from the department of human services, the department of workforce development and its division of workers' compensation, the department of public safety, the county sheriff departments, the municipal police departments, the county attorneys, or other public authorities or agencies reasonable assistance or data necessary to administer the crime victim compensation program.

5. Require medical examinations of victims as needed. The victim shall be responsible for the cost of the medical examination if compensation is made. The department shall be responsible for the cost of the medical examination from funds appropriated to the department for the crime victim compensation program if compensation is not made to the victim unless the cost of the examination is payable as a benefit under an insurance policy or subscriber contract covering the victim or the cost is payable by a health maintenance organization.

6. Receive moneys collected pursuant to section 904.702 for the purpose of compliance with Pub. L. No. 98-473.

98 Acts, ch 1061, §10; 98 Acts, ch 1090, §44, 84; 98 Acts, ch 1128, §2
Referred to in §622.69

**915.84 Application for compensation.**

1. To claim compensation under the crime victim compensation program, a person shall apply in writing on a form prescribed by the department and file the application with the department within two years after the date of the crime, the discovery of the crime, or the date of death of the victim. The department may waive the time limitation if good cause is shown.

2. A person is not eligible for compensation unless the crime was reported to the local police department or county sheriff department within seventy-two hours of its occurrence. If the crime cannot reasonably be reported within that time period, the crime shall have been reported within seventy-two hours of the time a report can reasonably be made. The department may waive this requirement if good cause is shown.

3. Notwithstanding subsection 2, a victim under the age of eighteen or dependent adult as defined in section 235B.2 who has been sexually abused or subjected to any other unlawful sexual conduct under chapter 709 or 726 or who has been the subject of a forcible felony is not required to report the crime to the local police department or county sheriff department to be eligible for compensation if the crime was allegedly committed upon a child by a person responsible for the care of a child, as defined in section 232.68, subsection 8, or upon a dependent adult by a caretaker as defined in section 235B.2, and was reported to an employee of the department of human services and the employee verifies the report to the department.

4. When immediate or short-term medical services or mental health services are provided to a victim under section 915.35, the department of human services shall file the claim for compensation as provided in subsection 3 for the victim.

5. When immediate or short-term medical services to a victim are provided pursuant to section 915.35 by a professional licensed or certified by the state to provide such services, the professional shall file the claim for compensation, unless the department of human services is required to file the claim under this section. The requirement to report the crime to the local police department or county sheriff department under subsection 2 does not apply to this subsection.

6. The victim shall cooperate with reasonable requests by the appropriate law enforcement agencies in the investigation or prosecution of the crime.

98 Acts, ch 1090, §45, 84; 99 Acts, ch 10, §1
Referred to in §235A.15, 235B.6, 622.69, 915.51, 915.93
Section not amended; internal reference change applied

**915.85 Compensation payable.**

The department may order the payment of compensation:

1. To or for the benefit of the person filing the claim.

2. To a person responsible for the maintenance of the victim who has suffered pecuniary loss or incurred expenses as a result of personal injury to the victim.

3. To or for the benefit of one or more dependents of the victim, in the case of death of the victim. If two or more dependents are entitled to compensation, the compensation may be apportioned by the department as the department determines to be fair and equitable among the dependents.

4. To a victim of an act committed outside this state who is a resident of this state, if the act would be compensable had it occurred within this state and the act occurred in a state that does not have an eligible crime victim compensation program, as defined in the federal Victims of Crime Act of 1984, Pub. L. No. 98-473, section 1403(b), as amended and codified in 42 U.S.C. § 10602(b).

5. To or for the benefit of a resident of this state who is a victim of an act of terrorism as defined in 18 U.S.C. § 2331, which occurred outside of the United States.

98 Acts, ch 1090, §46, 84

Referred to in §622.69

**915.86 Computation of compensation.**

The department shall award compensation, as appropriate, for any of the following economic losses incurred as a direct result of an injury to or death of the victim:

1. Reasonable charges incurred for medical care not to exceed twenty-five thousand dollars. Reasonable charges incurred for mental health care not to exceed five thousand dollars which includes services provided by a psychologist licensed under chapter 154B, a person holding at least a master's degree in social work or counseling and guidance, or a victim counselor as defined in section 915.20A.

*a.* The department shall establish the rates at which it will pay charges for medical care.

*b.* If the department awards compensation, in full, at the established rate for medical care, and the medical provider accepts the payment, the medical provider shall hold harmless the victim for any amount not collected that is more than the rate established by the department.

2. Loss of income from work the victim would have performed and for which the victim would have received remuneration if the victim had not been injured, not to exceed six thousand dollars.

3. Loss of income from work that the victim's parent or caretaker would have performed and for which the victim's parent or caretaker would have received remuneration for up to three days after the crime or the discovery of the crime to allow the victim's parent or caretaker to assist the victim and when the victim's parent or caretaker accompanies the victim to medical and counseling services, not to exceed one thousand dollars per parent or caretaker.

4. Loss of income from work that the victim, the victim's parent or caretaker, or the survivor of a homicide victim as described in subsection 10 would have performed and for which that person would have received remuneration, where the loss of income is a direct result of cooperation with the investigation and prosecution of the crime or attendance at criminal justice proceedings including the trial and sentencing in the case, not to exceed one thousand dollars.

5. Reasonable replacement value of clothing that is held for evidentiary purposes not to exceed two hundred dollars.

6. Reasonable funeral and burial expenses not to exceed seven thousand five hundred dollars.

7. Loss of support for dependents resulting from death or a period of disability of the victim of sixty days or more not to exceed four thousand dollars per dependent.

8. In the event of a victim's death, reasonable charges incurred for counseling the victim's spouse, children, parents, siblings, or persons cohabiting with or related by blood or affinity to the victim if the counseling services are provided by a psychologist licensed under chapter 154B, a victim counselor as defined in section 915.20A, subsection 1, or an individual holding at least a master's degree in social work or counseling and guidance, and reasonable charges incurred by such persons for medical care counseling provided by a

psychiatrist licensed under chapter 148. The allowable charges under this subsection shall not exceed five thousand dollars per person.

9. In the event of a homicide, reasonable charges incurred for health care for the victim's spouse; child, foster child, stepchild, son-in-law, or daughter-in-law; parent, foster parent, or stepparent; sibling, foster sibling, stepsibling, brother-in-law, or sister-in-law; grandparent; grandchild; aunt, uncle, or first cousin; legal ward; or person cohabiting with the victim, not to exceed three thousand dollars per survivor.

10. In the event of a homicide, loss of income from work that, but for the death of the victim, would have been earned by the victim's spouse; child, foster child, stepchild, son-in-law, or daughter-in-law; parent, foster parent, or stepparent; sibling, foster sibling, stepsibling, brother-in-law, or sister-in-law; grandparent; grandchild; aunt, uncle, or first cousin; legal ward; or person cohabiting with the victim, not to exceed six thousand dollars.

11. Reasonable expenses incurred for cleaning the scene of a crime, if the scene is a residence, not to exceed one thousand dollars.

12. Reasonable charges incurred for mental health care for secondary victims which include the services provided by a psychologist licensed under chapter 154B, a person holding at least a master's degree in social work, counseling, or a related field, a victim counselor as defined in section 915.20A, or a psychiatrist licensed under chapter 148. The allowable charges under this subsection shall not exceed two thousand dollars per secondary victim.

13. Reasonable dependent care expenses incurred by the victim, the victim's parent or caretaker, or the survivor of a homicide victim as described in subsection 10 for the care of dependents while attending criminal justice proceedings or medical or counseling services, not to exceed one thousand dollars per person.

14. Reasonable expenses incurred by a victim, the victim's parent or caretaker, or the survivor of a homicide victim as described in subsection 10 to replace locks, windows, and other residential security items at the victim's residence or at the residential scene of a crime, not to exceed five hundred dollars per residence.

15. Reasonable expenses incurred by the victim, a secondary victim, the parent or guardian of a victim, or the survivor of a homicide victim as described in subsection 10 for transportation to medical, counseling, funeral, or criminal justice proceedings, not to exceed one thousand dollars per person.

98 Acts, ch 1090, §47, 84; 98 Acts, ch 1128, §1, 2; 99 Acts, ch 10, §2; 2000 Acts, ch 1064, §1, 2; 2007 Acts, ch 27, §8, 9; 2009 Acts, ch 178, §29; 2009 Acts, ch 179, §47; 2011 Acts, ch 34, §157

Referred to in §622.69

**915.87 Reductions and disqualifications.**

Compensation is subject to reduction and disqualification as follows:

1. Compensation shall be reduced by the amount of any payment received, or to be received, as a result of the injury or death:

*a.* From or on behalf of a person who committed the crime or who is otherwise responsible for damages resulting from the crime.

*b.* From an insurance payment or program, including but not limited to workers' compensation or unemployment compensation.

*c.* From public funds.

*d.* As an emergency award under section 915.91.

2. Compensation shall not be made when the bodily injury or death for which a benefit is sought was caused by any of the following:

*a.* Consent, provocation, or incitement by the victim.

*b.* The victim assisting, attempting, or committing a criminal act. This paragraph shall not apply to a victim under the age of eighteen involved in commercial sexual activity as defined in section 710A.1.

98 Acts, ch 1090, §48, 84; 2012 Acts, ch 1057, §10

Referred to in §622.69, 915.92

**915.88 Compensation when money insufficient.**

Notwithstanding this subchapter, a victim otherwise qualified for compensation under the crime victim compensation program is not entitled to the compensation when there is insufficient money from the appropriation for the program to pay the compensation.

98 Acts, ch 1090, §49, 84
Referred to in §622.69

**915.89 Erroneous or fraudulent payment — penalty.**

1. If a payment or overpayment of compensation is made because of clerical error, mistaken identity, innocent misrepresentation by or on behalf of the recipient, or other circumstances of a similar nature, not induced by fraud by or on behalf of the recipient, the recipient is liable for repayment of the compensation. The department may waive, decrease, or adjust the amount of the repayment of the compensation. However, if the department does not notify the recipient of the erroneous payment or overpayment within one year of the date the compensation was made, the recipient is not liable for the repayment of the compensation.

2. If a payment or overpayment has been induced by fraud by or on behalf of a recipient, the recipient is liable for repayment of the compensation.

98 Acts, ch 1090, §50, 84
Referred to in §622.69

**915.90 Release of information.**

A person in possession or control of investigative or other information pertaining to an alleged crime or a victim filing for compensation shall allow the inspection and reproduction of the information by the department upon the request of the department, to be used only in the administration and enforcement of the crime victim compensation program. Information and records which are confidential under section 22.7 and information or records received from the confidential information or records remain confidential under this section.

A person does not incur legal liability by reason of releasing information to the department as required under this section.

98 Acts, ch 1090, §51, 84
Referred to in §235A.15, 622.69

**915.91 Emergency payment compensation.**

If the department determines that compensation may be made and that undue hardship may result to the person if partial immediate payment is not made, the department may order emergency compensation to be paid to the person, not to exceed five hundred dollars.

98 Acts, ch 1090, §52, 84
Referred to in §622.69, 915.87

**915.92 Right of action against perpetrator — subrogation.**

A right of legal action by the victim against a person who has committed a crime is not lost as a consequence of a person receiving compensation under the crime victim compensation program. If a person receiving compensation under the program seeks indemnification which would reduce the compensation under section 915.87, subsection 1, the department is subrogated to the recovery to the extent of payments by the department to or on behalf of the person. The department has a right of legal action against a person who has committed a crime resulting in payment of compensation by the department to the extent of the compensation payment. However, legal action by the department does not affect the right of a person to seek further relief in other legal actions.

98 Acts, ch 1090, §53, 84
Referred to in §622.69, 910.1

**915.93 Rulemaking.**

The department shall adopt rules pursuant to chapter 17A to implement the procedures for reparation payments with respect to section 915.35 and section 915.84, subsections 3, 4, and 5.

98 Acts, ch 1090, §54, 84

Referred to in §622.69

**915.94 Victim compensation fund.**

A victim compensation fund is established as a separate fund in the state treasury. Moneys deposited in the fund shall be administered by the department and dedicated to and used for the purposes of section 915.41 and this subchapter. In addition, the department may use moneys from the fund for the purpose of the department's prosecutor-based victim service coordination, including the duties defined in sections 910.3 and 910.6 and this chapter, and for the award of funds to programs that provide services and support to victims of domestic abuse or sexual assault as provided in chapter 236, to victims under section 710A.2, and for the support of an automated victim notification system established in section 915.10A. The department may also use up to one hundred thousand dollars from the fund to provide training for victim service providers. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state.

98 Acts, ch 1090, §55, 84; 2001 Acts, ch 84, §1; 2006 Acts, ch 1074, §8; 2007 Acts, ch 22, §111; 2007 Acts, ch 27, §10

Referred to in §321.210B, 321J.17, 602.8108, 622.69, 805.8A(14f), 809.17, 904.809, 915.41

**915.95 through 915.99** Reserved.

## SUBCHAPTER VIII

## VICTIM RESTITUTION

**915.100 Victim restitution rights.**

1. Victims, as defined in section 910.1, have the right to recover pecuniary damages, as defined in section 910.1.

2. The right to restitution includes the following:

*a.* In all criminal cases in which there is a plea of guilty, verdict of guilty, or special verdict upon which a judgment of conviction is rendered, the sentencing court shall order that restitution be made by each offender to victims of the offender's criminal activities.

*b.* A judge may require a juvenile who has been found to have committed a delinquent act to compensate the victim of that act for losses due to the act.

*c.* In cases where the act committed by an offender causes the death of another person, in addition to the amount ordered for payment of the victim's pecuniary damages, the court shall also order the offender to pay at least one hundred fifty thousand dollars in restitution to the victim's estate or heirs at law, pursuant to the provisions of section 910.3B.

*d.* The clerk of court shall forward a copy of the plan of payment or the modified plan of payment to the victim or victims.

*e.* Victims shall be paid in full pursuant to an order of restitution, before fines, penalties, surcharges, crime victim compensation program reimbursement, public agency reimbursement, court costs, correctional fees, court-appointed attorney fees, expenses of a public defender, or contributions to local anticrime organizations are paid.

*f.* A judgment of restitution may be enforced by a victim entitled under the order to receive restitution, or by a deceased victim's estate, in the same manner as a civil judgment.

*g.* A victim in a criminal proceeding who is entitled to restitution under a court order may file a restitution lien.

*h.* If a convicted felon or the representative of a convicted felon receives or is owed any profit which is realized as a result of the commission of the crime, and the attorney general

brings an action to recover such profits, the victim may be entitled to funds held in escrow, pursuant to the provisions of section 910.15.

*i.* The right to victim restitution for the pecuniary damages incurred by a victim as the result of a crime does not limit or impair the right of the victim to sue and recover damages from the offender in a civil action.

98 Acts, ch 1090, §57, 84; 99 Acts, ch 10, §3; 99 Acts, ch 114, §53; 2003 Acts, 1st Ex, ch 2, §64, 209

# MORTALITY TABLES

The following tables are published for those who may have use for appropriate life expectancy figures. The 2001 Commissioners Standard Ordinary Mortality Tables are the legal standard for the reserves and nonforfeiture benefits of currently issued ordinary life insurance policies (see sections 508.36 and 508.37).

**2001 C.S.O. MORTALITY TABLES**

| Age In Years | Male Life Expectancy | Female Life Expectancy | Age In Years | Male Life Expectancy | Female Life Expectancy |
|---|---|---|---|---|---|
| 0 | 76.60 | 80.73 | 46 | 32.78 | 36.36 |
| 1 | 75.68 | 79.81 | 47 | 31.87 | 35.43 |
| 2 | 74.73 | 78.86 | 48 | 30.97 | 34.51 |
| 3 | 73.76 | 77.90 | 49 | 30.07 | 33.60 |
| 4 | 72.78 | 76.93 | 50 | 29.18 | 32.69 |
| 5 | 71.80 | 75.95 | 51 | 28.28 | 31.79 |
| 6 | 70.81 | 74.97 | 52 | 27.40 | 30.90 |
| 7 | 69.83 | 73.98 | 53 | 26.52 | 30.01 |
| 8 | 68.84 | 73.00 | 54 | 25.65 | 29.14 |
| 9 | 67.86 | 72.02 | 55 | 24.79 | 28.27 |
| 10 | 66.88 | 71.03 | 56 | 23.94 | 27.41 |
| 11 | 65.89 | 70.05 | 57 | 23.10 | 26.57 |
| 12 | 64.91 | 69.07 | 58 | 22.27 | 25.73 |
| 13 | 63.93 | 68.08 | 59 | 21.45 | 24.90 |
| 14 | 62.95 | 67.10 | 60 | 20.64 | 24.08 |
| 15 | 61.98 | 66.13 | 61 | 19.85 | 23.27 |
| 16 | 61.02 | 65.15 | 62 | 19.06 | 22.47 |
| 17 | 60.07 | 64.17 | 63 | 18.29 | 21.68 |
| 18 | 59.12 | 63.20 | 64 | 17.54 | 20.90 |
| 19 | 58.17 | 62.23 | 65 | 16.80 | 20.12 |
| 20 | 57.23 | 61.26 | 66 | 16.08 | 19.36 |
| 21 | 56.29 | 60.28 | 67 | 15.37 | 18.60 |
| 22 | 55.34 | 59.31 | 68 | 14.68 | 17.86 |
| 23 | 54.40 | 58.34 | 69 | 13.99 | 17.12 |
| 24 | 53.45 | 57.37 | 70 | 13.32 | 16.40 |
| 25 | 52.51 | 56.40 | 71 | 12.66 | 15.69 |
| 26 | 51.57 | 55.43 | 72 | 12.01 | 14.99 |
| 27 | 50.62 | 54.46 | 73 | 11.39 | 14.31 |
| 28 | 49.68 | 53.49 | 74 | 10.78 | 13.64 |
| 29 | 48.74 | 52.53 | 75 | 10.18 | 12.98 |
| 30 | 47.79 | 51.56 | 76 | 9.61 | 12.34 |
| 31 | 46.85 | 50.60 | 77 | 9.05 | 11.71 |
| 32 | 45.90 | 49.63 | 78 | 8.50 | 11.10 |
| 33 | 44.95 | 48.67 | 79 | 7.98 | 10.50 |
| 34 | 44.00 | 47.71 | 80 | 7.49 | 9.92 |
| 35 | 43.05 | 46.75 | 81 | 7.01 | 9.35 |
| 36 | 42.11 | 45.80 | 82 | 6.57 | 8.81 |
| 37 | 41.16 | 44.84 | 83 | 6.14 | 8.29 |
| 38 | 40.21 | 43.89 | 84 | 5.74 | 7.79 |
| 39 | 39.27 | 42.94 | 85 | 5.36 | 7.32 |
| 40 | 38.33 | 42.00 | 86 | 5.00 | 6.87 |
| 41 | 37.39 | 41.05 | 87 | 4.66 | 6.43 |
| 42 | 36.46 | 40.11 | 88 | 4.35 | 6.02 |
| 43 | 35.53 | 39.17 | 89 | 4.07 | 5.64 |
| 44 | 34.61 | 38.23 | 90 | 3.81 | 5.29 |
| 45 | 33.69 | 37.29 | 91 | 3.57 | 4.96 |

| Age In Years | Male Life Expectancy | Female Life Expectancy | Age In Years | Male Life Expectancy | Female Life Expectancy |
|---|---|---|---|---|---|
| 92 | 3.35 | 4.61 | 107 | 1.39 | 1.47 |
| 93 | 3.15 | 4.26 | 108 | 1.30 | 1.36 |
| 94 | 2.96 | 3.93 | 109 | 1.22 | 1.25 |
| 95 | 2.78 | 3.63 | 110 | 1.14 | 1.16 |
| 96 | 2.62 | 3.38 | 111 | 1.07 | 1.08 |
| 97 | 2.47 | 3.18 | 112 | 0.99 | 1.00 |
| 98 | 2.32 | 3.02 | 113 | 0.92 | 0.93 |
| 99 | 2.19 | 2.82 | 114 | 0.85 | 0.86 |
| 100 | 2.07 | 2.61 | 115 | 0.79 | 0.79 |
| 101 | 1.96 | 2.42 | 116 | 0.72 | 0.73 |
| 102 | 1.86 | 2.23 | 117 | 0.66 | 0.67 |
| 103 | 1.76 | 2.06 | 118 | 0.61 | 0.61 |
| 104 | 1.66 | 1.89 | 119 | 0.55 | 0.56 |
| 105 | 1.57 | 1.74 | 120 | 0.50 | 0.50 |
| 106 | 1.48 | 1.60 | | | |

## DEPARTMENT OF REVENUE
## MORTALITY TABLES

### TABLES FOR LIFE ESTATES AND REMAINDERS

2001 CSO-D MORTALITY TABLE
BASED ON BLENDING 50% MALE – 50% FEMALE
(PIVOTAL AGE 45)
AGE NEAREST BIRTHDAY
4% INTEREST

The two factors across the page equal one hundred percent. Multiply the corpus of the estate by the first factor to obtain value of the life estate.

Use the second factor to obtain the remainder interest if the tax is to be paid at the time of probate, or to determine if there would be any tax due.

| Age of Life Tenant | Life Estate | Remainder | Age of Life Tenant | Life Estate | Remainder |
|---|---|---|---|---|---|
| 0 | 0.94022 | 0.05978 | 16 | 0.89475 | 0.10525 |
| 1 | 0.93854 | 0.06146 | 17 | 0.89107 | 0.10893 |
| 2 | 0.93653 | 0.06347 | 18 | 0.88731 | 0.11269 |
| 3 | 0.93431 | 0.06569 | 19 | 0.88344 | 0.11656 |
| 4 | 0.93192 | 0.06808 | 20 | 0.87944 | 0.12056 |
| 5 | 0.92939 | 0.07061 | 21 | 0.87529 | 0.12471 |
| 6 | 0.92676 | 0.07324 | 22 | 0.87098 | 0.12902 |
| 7 | 0.92402 | 0.07598 | 23 | 0.86651 | 0.13349 |
| 8 | 0.92119 | 0.07881 | 24 | 0.86186 | 0.13814 |
| 9 | 0.91825 | 0.08175 | 25 | 0.85704 | 0.14296 |
| 10 | 0.91519 | 0.08481 | 26 | 0.85205 | 0.14795 |
| 11 | 0.91202 | 0.08789 | 27 | 0.84688 | 0.15312 |
| 12 | 0.90874 | 0.09126 | 28 | 0.84154 | 0.15846 |
| 13 | 0.90537 | 0.09463 | 29 | 0.83599 | 0.16401 |
| 14 | 0.90192 | 0.09808 | 30 | 0.83022 | 0.16978 |
| 15 | 0.89837 | 0.10163 | 31 | 0.82421 | 0.17579 |

| Age of Life Tenant | Life Estate | Remainder |
|---|---|---|
| 32 | 0.81798 | 0.18202 |
| 33 | 0.81151 | 0.18849 |
| 34 | 0.80480 | 0.19520 |
| 35 | 0.79786 | 0.20214 |
| 36 | 0.79068 | 0.20932 |
| 37 | 0.78326 | 0.21674 |
| 38 | 0.77559 | 0.22441 |
| 39 | 0.76767 | 0.23233 |
| 40 | 0.75949 | 0.24051 |
| 41 | 0.75104 | 0.24896 |
| 42 | 0.74233 | 0.25767 |
| 43 | 0.73335 | 0.26665 |
| 44 | 0.72412 | 0.27588 |
| 45 | 0.71463 | 0.28537 |
| 46 | 0.70490 | 0.29510 |
| 47 | 0.69491 | 0.30509 |
| 48 | 0.68468 | 0.31532 |
| 49 | 0.67415 | 0.32585 |
| 50 | 0.66333 | 0.33667 |
| 51 | 0.65223 | 0.34777 |
| 52 | 0.64086 | 0.35914 |
| 53 | 0.62926 | 0.37074 |
| 54 | 0.61743 | 0.38257 |
| 55 | 0.60539 | 0.39461 |
| 56 | 0.59317 | 0.40683 |
| 57 | 0.58077 | 0.41923 |
| 58 | 0.56821 | 0.43179 |
| 59 | 0.55542 | 0.44458 |
| 60 | 0.54240 | 0.45760 |
| 61 | 0.52918 | 0.47082 |
| 62 | 0.51579 | 0.48421 |
| 63 | 0.50229 | 0.49771 |
| 64 | 0.48868 | 0.51132 |
| 65 | 0.47495 | 0.52505 |
| 66 | 0.46112 | 0.53888 |
| 67 | 0.44717 | 0.55283 |
| 68 | 0.43306 | 0.56694 |
| 69 | 0.41882 | 0.58118 |
| 70 | 0.40442 | 0.59558 |
| 71 | 0.38991 | 0.61009 |
| 72 | 0.37533 | 0.62467 |
| 73 | 0.36081 | 0.63919 |
| 74 | 0.34633 | 0.65367 |
| 75 | 0.33189 | 0.66811 |
| 76 | 0.31751 | 0.68249 |
| 77 | 0.30318 | 0.69682 |
| 78 | 0.28898 | 0.71102 |
| 79 | 0.27495 | 0.72505 |
| 80 | 0.26116 | 0.73884 |
| 81 | 0.24761 | 0.75239 |
| 82 | 0.23452 | 0.76548 |
| 83 | 0.22188 | 0.77812 |
| 84 | 0.20962 | 0.79038 |
| 85 | 0.19778 | 0.80222 |
| 86 | 0.18642 | 0.81358 |
| 87 | 0.17540 | 0.82460 |
| 88 | 0.16507 | 0.83493 |
| 89 | 0.15544 | 0.84456 |
| 90 | 0.14650 | 0.85350 |
| 91 | 0.13802 | 0.86198 |
| 92 | 0.12909 | 0.87091 |
| 93 | 0.12008 | 0.87992 |
| 94 | 0.11133 | 0.88867 |
| 95 | 0.10320 | 0.89680 |
| 96 | 0.09618 | 0.90382 |
| 97 | 0.09014 | 0.90986 |
| 98 | 0.08532 | 0.91468 |
| 99 | 0.07952 | 0.92048 |
| 100 | 0.07338 | 0.92662 |
| 101 | 0.06745 | 0.93255 |
| 102 | 0.06160 | 0.93840 |
| 103 | 0.05590 | 0.94410 |
| 104 | 0.05042 | 0.94958 |
| 105 | 0.04523 | 0.95477 |
| 106 | 0.04045 | 0.95955 |
| 107 | 0.03604 | 0.96396 |
| 108 | 0.03199 | 0.96801 |
| 109 | 0.02823 | 0.97177 |
| 110 | 0.02479 | 0.97521 |
| 111 | 0.02174 | 0.97826 |
| 112 | 0.01899 | 0.98101 |
| 113 | 0.01643 | 0.98357 |
| 114 | 0.01357 | 0.98643 |
| 115 | 0.01107 | 0.98893 |
| 116 | 0.00869 | 0.99131 |
| 117 | 0.00638 | 0.99362 |
| 118 | 0.00437 | 0.99563 |
| 119 | 0.00246 | 0.99754 |
| 120 | 0.00000 | 1.00000 |

## TABLE FOR AN ANNUITY FOR LIFE

2001 CSO-D MORTALITY TABLE
BASED ON BLENDING 50% MALE – 50% FEMALE
(PIVOTAL AGE 45)
AGE NEAREST BIRTHDAY
4% INTEREST

To find the present value of an Annuity or a given amount (specified sum) for life, multiply the Annuity by the Annuity Factor opposite the age at the nearest birthday of the person receiving the Annuity.

| Age In Years | Life Expectancy In Years | Annuities $1.00 | Age In Years | Life Expectancy In Years | Annuities $1.00 |
|---|---|---|---|---|---|
| 0 | 78.65 | 23.505 | 43 | 37.35 | 18.334 |
| 1 | 77.73 | 23.464 | 44 | 36.42 | 18.103 |
| 2 | 76.78 | 23.413 | 45 | 35.49 | 17.866 |
| 3 | 75.81 | 23.358 | 46 | 34.57 | 17.623 |
| 4 | 74.84 | 23.298 | 47 | 33.65 | 17.373 |
| 5 | 73.86 | 23.235 | 48 | 32.74 | 17.117 |
| 6 | 72.87 | 23.169 | 49 | 31.84 | 16.854 |
| 7 | 71.89 | 23.101 | 50 | 30.94 | 16.583 |
| 8 | 70.91 | 23.030 | 51 | 30.04 | 16.306 |
| 9 | 69.92 | 22.956 | 52 | 29.15 | 16.021 |
| 10 | 68.94 | 22.880 | 53 | 28.27 | 15.731 |
| 11 | 67.95 | 22.801 | 54 | 27.40 | 15.436 |
| 12 | 66.97 | 22.718 | 55 | 26.54 | 15.135 |
| 13 | 65.99 | 22.634 | 56 | 25.68 | 14.829 |
| 14 | 65.01 | 22.548 | 57 | 24.84 | 14.519 |
| 15 | 64.04 | 22.459 | 58 | 24.01 | 14.205 |
| 16 | 63.07 | 22.369 | 59 | 23.19 | 13.886 |
| 17 | 62.11 | 22.277 | 60 | 22.38 | 13.560 |
| 18 | 61.15 | 22.183 | 61 | 21.57 | 13.229 |
| 19 | 60.19 | 22.086 | 62 | 20.78 | 12.895 |
| 20 | 59.23 | 21.986 | 63 | 20.00 | 12.557 |
| 21 | 58.27 | 21.882 | 64 | 19.24 | 12.217 |
| 22 | 57.32 | 21.774 | 65 | 18.49 | 11.874 |
| 23 | 56.36 | 21.663 | 66 | 17.75 | 11.528 |
| 24 | 55.40 | 21.547 | 67 | 17.02 | 11.179 |
| 25 | 54.45 | 21.426 | 68 | 16.31 | 10.827 |
| 26 | 53.49 | 21.301 | 69 | 15.60 | 10.470 |
| 27 | 52.53 | 21.172 | 70 | 14.91 | 10.110 |
| 28 | 51.58 | 21.038 | 71 | 14.23 | 9.748 |
| 29 | 50.63 | 20.900 | 72 | 13.56 | 9.383 |
| 30 | 49.67 | 20.755 | 73 | 12.91 | 9.020 |
| 31 | 48.72 | 20.605 | 74 | 12.28 | 8.658 |
| 32 | 47.76 | 20.449 | 75 | 11.66 | 8.297 |
| 33 | 46.81 | 20.288 | 76 | 11.06 | 7.938 |
| 34 | 45.85 | 20.120 | 77 | 10.47 | 7.580 |
| 35 | 44.90 | 19.946 | 78 | 9.91 | 7.224 |
| 36 | 43.95 | 19.767 | 79 | 9.36 | 6.874 |
| 37 | 43.00 | 19.581 | 80 | 8.83 | 6.529 |
| 38 | 42.05 | 19.390 | 81 | 8.32 | 6.190 |
| 39 | 41.11 | 19.192 | 82 | 7.84 | 5.863 |
| 40 | 40.16 | 18.987 | 83 | 7.38 | 5.547 |
| 41 | 39.22 | 18.776 | 84 | 6.94 | 5.240 |
| 42 | 38.28 | 18.558 | 85 | 6.52 | 4.944 |

| Age In Years | Life Expectancy In Years | Annuities $1.00 |
|---|---|---|
| 86 | 6.13 | 4.660 |
| 87 | 5.75 | 4.385 |
| 88 | 5.41 | 4.127 |
| 89 | 5.09 | 3.886 |
| 90 | 4.79 | 3.662 |
| 91 | 4.51 | 3.451 |
| 92 | 4.23 | 3.227 |
| 93 | 3.94 | 3.002 |
| 94 | 3.67 | 2.783 |
| 95 | 3.43 | 2.580 |
| 96 | 3.21 | 2.405 |
| 97 | 3.03 | 2.253 |
| 98 | 2.88 | 2.133 |
| 99 | 2.71 | 1.988 |
| 100 | 2.53 | 1.835 |
| 101 | 2.35 | 1.686 |
| 102 | 2.18 | 1.540 |
| 103 | 2.02 | 1.398 |
| 104 | 1.87 | 1.260 |
| 105 | 1.72 | 1.131 |
| 106 | 1.59 | 1.011 |
| 107 | 1.47 | 0.901 |
| 108 | 1.35 | 0.800 |
| 109 | 1.25 | 0.706 |
| 110 | 1.16 | 0.620 |
| 111 | 1.08 | 0.544 |
| 112 | 1.00 | 0.475 |
| 113 | 0.93 | 0.411 |
| 114 | 0.86 | 0.339 |
| 115 | 0.79 | 0.277 |
| 116 | 0.73 | 0.217 |
| 117 | 0.67 | 0.159 |
| 118 | 0.61 | 0.109 |
| 119 | 0.56 | 0.062 |
| 120 | 0.50 | 0.000 |

# HISTORICAL CHRONOLOGICAL OUTLINE

# OF

# CODES AND SESSION LAWS

1. Territorial or other governmental jurisdictions over the territory which is now the state of Iowa.
2. Assemblies and session laws — territorial and state.
3. Official and private codes with code revision publications.

*(Date shown at each Iowa territorial and state session is starting date.)*

**LOUISIANA PURCHASE** — Treaty of Paris, April 30, 1803.

**LOUISIANA DISTRICT** — U.S. Authority established October 31, 1803 (2 Stat. L. 245).

**INDIANA TERRITORY** — Louisiana District attached thereto for governmental purposes from October 1, 1804 (2 Stat. L. 287, 289), to July 4, 1805 (2 Stat. L. 331). Capital at Saint Vincennes (now Vincennes, Indiana).

STATUTES APPLICABLE:

**Laws Adopted by the Governor and the Judges of the Territory.** (1 vol., reprint of 1886) passed at the following sessions:

1. January 12, 1801
2. January 30, 1802
3. February 16, 1802
4. October 1, 1804 (Republished with laws governing Missouri Territory, see Missouri Territory below).

**LOUISIANA TERRITORY** from July 4, 1805 (2 Stat. L. 331), to December 7, 1812 (2 Stat. L. 743).

STATUTES APPLICABLE:

**Laws Passed by the Governor and Judges Assembled in Legislature October 1810** (1 vol.). Capital at St. Louis. This territory renamed Missouri Territory, December 7, 1812.

**MISSOURI TERRITORY** from December 7, 1812 (2 Stat. L. 743), to August 10, 1821 (Proclamation of James Monroe in "Messages and Papers of the Presidents", vol. II, page 97). Capital at St. Louis.

STATUTES APPLICABLE:

**Laws of the District of Louisiana, of the Territory of Louisiana, of the Territory of Missouri, and of the State of Missouri up to the year 1824** (1 vol. reprint). Covers period from October 1, 1804, to August 10, 1821.

**Digest of the Laws of Missouri Territory to 1818 with Spanish Land Grant Regulations.**

**UNDIVIDED U.S. TERRITORY** from August 10, 1821, to June 28, 1834 (4 Stat. L. 701). This was the part of Missouri Territory remaining after the state of Missouri, containing the seat of the government of the territory, was admitted to the Union. This remaining territory had no local constitutional status nor capital.

**MICHIGAN TERRITORY** from June 28, 1834 (4 Stat. L. 701) to July 4, 1836 (5 Stat. L. 10). Capital at Detroit.

STATUTES APPLICABLE:

**Ordinance for Government of the Northwest Territory, July 13, 1787**

**Laws of the Territory of Michigan, 1827** (1 vol.)

**Laws of Legislative Boards, 1821-1823** (1 vol.)

**Acts of Legislative Councils** — First to Sixth sessions and Sixth special session — 1824 to 1835 (several volumes).

**WISCONSIN TERRITORY** from July 4, 1836 (5 Stat. L. 10), to July 4, 1838 (5 Stat. L. 235). Capital at Belmont until March 4, 1837; then at Madison, but legislative sessions held at Burlington (now Iowa) until June 23, 1838, awaiting completion of buildings at Madison.

STATUTES APPLICABLE:

**Laws of Wisconsin Territory, 1836-1838,** first session starting October 25, 1836; second session starting November 6, 1837; special session held at Burlington (now Iowa) from June 11, 1838, to June 23, 1838. Act of Congress creating the Territory of Iowa approved June 12, 1838, effective July 4, 1838.

**IOWA TERRITORY** from July 4, 1838 (5 Stat. L. 235), to December 28, 1846 (9 Stat. L. 117). Capital at Burlington until 1841, and Iowa City until February 1, 1857, when finally located at Des Moines.

STATUTES APPLICABLE:

**Statute Laws of Iowa Territory, 1838-1839.** November 12, 1838, enacted wholly at first session — commonly called "Old Blue Book".
Territorial Session Laws — 1839-1840, November 4, 1839
Territorial Session Laws, extra session — 1840, July 6, 1840
Territorial Session Laws — 1840-1841, November 2, 1840
Territorial Session Laws — 1841-1842, December 6, 1841
Territorial Session Laws — 1842-1843, December 5, 1842

**Revised Statutes of Iowa Territory, 1843** (compilation, commonly called "Blue Book")
Territorial Session Laws — 1843-1844, December 4, 1843
Territorial Session Laws, extra session — 1844, June 17, 1844
Territorial Session Laws — 1845, May 5, 1845
Territorial Session Laws — 1845-1846, December 1, 1845

**STATE OF IOWA** (Territorial Sessions end — State Sessions begin).
1 G.A. November 30, 1846 (Ch. 78, § 5 made Territorial Laws applicable to the state of Iowa. Iowa became a state December 28, 1846)
1 G.A. January 3, 1848, extra session
2 G.A. December 3, 1848
3 G.A. December 3, 1850

**Code 1851** (enacted) effective July 1, 1851. See 3 G.A., Ch 98, § 5.
4 G.A. December 6, 1852
5 G.A. December 4, 1854
5 G.A. July 2, 1856, extra session
6 G.A. December 1, 1856
Constitutional Debates (2 vols.) 1857
Journal of Convention (1 vol.) 1857
7 G.A. January 4, 1858
Laws of the Board of Education, 1858 – 1861
Report of Code Commission on Civil Practice, 1859 (1 vol.)
8 G.A. January 9, 1860

**Revision of 1860** (compiled, except part III Civil Practice and part IV Criminal Practice, which were enacted July 4, 1860). Acts do not appear in session laws.
8 G.A. May 15, 1861, extra session
9 G.A. January 13, 1862
9 G.A. September 3, 1862, extra session
10 G.A. January 11, 1864
11 G.A. January 8, 1866
12 G.A. January 13, 1868
13 G.A. January 10, 1870

**Templin's Compendium of Repeals and Amendments, 1871** (a private publication).
Proposed revision, 1872 (2 vols.) as reported to 14th G.A.
Code Commission's Report, 1872 (1 vol.)
14 G.A. January 8, 1872
Report of Code Commissioners [with proposed revision] 1873 (1 vol.) as reported to 14th Adj. G.A.

14 G.A. January 15, 1873, adjourned session

**Code 1873** (enacted), effective September 1, 1873, see § 49 thereof. Acts do not appear in session laws of adjourned session.
15 G.A. January 12, 1874

**Overton's Annotated Code of Civil Procedure for Iowa and Wisconsin, 1875** (a private publication)
16 G.A. January 10, 1876
17 G.A. January 14, 1878

**Templin's Compendium of Repeals and Amendments, 1878** (a private publication)

**Stacy's Code of Civil Procedure, 1878** (a private publication)

**Davis' Criminal Code 1879** (a private publication)
18 G.A. January 12, 1880

**McClain's Annotated Statutes, 1880** (2 vols., a private publication)

**Miller's Rev. and Anno. Code 1880** (includes statutes to July 4, 1880, and annotations including vol. 51 Iowa — some editions in 1 vol.; other editions in 2 vols., a private publication)
19 G.A. January 9, 1882

**Miller's Rev. and Anno. Code 1883** (includes statutes to July 4, 1882, and annotations including vol. 59 Iowa, a private publication)
20 G.A. January 14, 1884

**McClain's Supplement, 1882-1884** (a private publication)

**McClain's Annotated Statutes, 1884** (1 vol., same as McClain's Statutes, 1880, 2 vols., with the supplement 1882-1884 bound therein)

**Miller's Rev. and Anno. Code 1884** (includes statutes to July 4, 1884, and annotations including vol. 61 Iowa, a private publication)

**Miller's Annotated Code 1886** (published in 1885 includes statutes to July 4, 1884, and annotations including vol. 64 Iowa — some editions in 1 vol.; other editions in 2 vols., a private publication)
21 G.A. January 11, 1886
22 G.A. January 9, 1888

**McClain's Annotated Code 1888** (some editions in 1 vol.; other editions in 2 vols., a private publication)

**Miller's Rev. and Anno. Code 1888** (includes statutes to July 4, 1888, and annotations including May term, 1888, a private publication)
23 G.A. January 13, 1890

**Miller's Rev. and Anno. Code 1888-1890** (same as edition of 1888 together with Acts 23 G.A., and annotations including May term 1890 — some editions in 1 vol.; other editions in 2 vols., a private publication)
24 G.A. January 11, 1892

**McClain's Supplement 1888-1892** (a private publication)
25 G.A. January 8, 1894
26 G.A. January 13, 1896
Proposed revision, 1896 (commonly called "Black Code")
Code Commission's Report, 1896 (1 vol.)
Black Code substitute bills, 1897
26 G.A. January 19, 1897, extra session

**Code 1897** (enacted), effective October 1, 1897, see § 50 thereof, [two editions]. Acts do not appear in session laws of extra session.
27 G.A. January 10, 1898
28 G.A. January 8, 1900
29 G.A. January 13, 1902

**Supplement of 1902** (compiled)
30 G.A. January 11, 1904
31 G.A. January 8, 1906

32 G.A. January 14, 1907

**Supplement of 1907** (compiled — contained all of supplement of 1902)
32 G.A. August 31, 1908, extra session
33 G.A. January 11, 1909
34 G.A. January 9, 1911
35 G.A. January 13, 1913

**Supplement of 1913** (compiled — contained all of supplements of 1902 and 1907)
36 G.A. January 11, 1915

**Supplemental Supplement of 1915** (compiled)
37 G.A. January 8, 1917
38 G.A. January 13, 1919
38 G.A. July 2, 1919, extra session

**Compiled Code of 1919** (included all law to date as determined by the Code Commission, with repealed and obsolete matter omitted; only a limited edition published as a preliminary step in Code Revision)
Code Commission's Report, 1919 (1 vol.)
39 G.A. January 10, 1921

**Supplement to Compiled Code 1921**
Supplement to Code Commission's Report, 1922
Code Revision Bills, 1922 (as revised after 39 G.A.)
Briefs of Code Commission Bills, 1922
40 G.A. January 8, 1923

**Supplement to Compiled Code 1923**
Code Revision Bills, 1923 (as revised after 40 G.A.)
Minutes of Code Supervising Committee, 1924 (original in Code Editor's office)
40 G.A. December 4, 1923, extra session
40 G.A. July 22, 1924, adjourned session

**Code 1924** (compiled, except for those chapters which were revised and enacted by the 40th Ex G.A.). Only those acts which were effective on publication appear in session laws. The remaining Code Revision acts were effective on October 28, 1924.
41 G.A. January 12, 1925
42 G.A. January 10, 1927

**Code 1927** (compiled)
42 G.A. March 5, 1928, extra session
43 G.A. January 14, 1929
44 G.A. January 12, 1931

**Code 1931** (compiled)
45 G.A. January 9, 1933
45 G.A. November 6, 1933, extra session
46 G.A. January 14, 1935

**Code 1935** (compiled)
46 G.A. December 21, 1936, extra session
47 G.A. January 11, 1937
48 G.A. January 9, 1939

**Code 1939** (compiled)
49 G.A. January 13, 1941
50 G.A. January 11, 1943
50 G.A. January 26, 1944, extra session
51 G.A. January 8, 1945

**Code 1946** (compiled)
52 G.A. January 13, 1947
52 G.A. December 16, 1947, extra session
53 G.A. January 10, 1949

**Code 1950** (compiled)
54 G.A. January 8, 1951
55 G.A. January 12, 1953

**Code 1954** (compiled)
56 G.A. January 10, 1955
57 G.A. January 14, 1957

**Code 1958** (compiled)
58 G.A. January 12, 1959
59 G.A. January 9, 1961

**Code 1962** (compiled)
60 G.A. January 14, 1963
60 G.A. February 24, 1964, extra session
61 G.A. January 11, 1965

**Code 1966** (compiled)
62 G.A. January 9, 1967

63 G.A. (1st Session) January 13, 1969
63 G.A. (2nd Session) January 12, 1970

**Code 1971** (compiled)
64 G.A. (1st Session) January 11, 1971
64 G.A. (2nd Session) January 10, 1972

**Code 1973** (compiled)
65 G.A. (1st Session) January 8, 1973
65 G.A. (2nd Session) January 14, 1974

**Code 1975** (compiled)
66 G.A. (1st Session) January 13, 1975
66 G.A. (2nd Session) January 12, 1976

**Code 1977** (compiled)
67 G.A. (1st Session) January 10, 1977
67 G.A. June 21, 1977, extra session
67 G.A. (2nd Session) January 9, 1978

**Supplement of 1977** (compiled and published by Legislative Service Bureau pursuant to 1977 Acts, ch 40 — contained criminal law and criminal procedure revisions and enactments and renumbering of other provisions from 1977 Code)
66 G.A. (2nd Session) ch 1245
67 G.A. (1st Session) ch 40, 48, 66, 74, 103, 104, 105, 107, 119, 140, 147 – 155, 157

**Code 1979** (compiled)
68 G.A. (1st Session) January 8, 1979
68 G.A. (2nd Session) January 14, 1980

**Supplement of 1979** (included a reprint of chapter 535 of the Iowa Code, 1979, as amended by the 68th G.A., 1979 Session, and sections of other chapters that relate to usury provisions)
68 G.A. ch 130 (as revised by 68 G.A. ch 132)

**Code 1981** (compiled)
69 G.A. (1st Session) January 12, 1981
69 G.A. June 24, 1981, extra session
69 G.A. August 12, 1981, extra session

**Supplement of 1981**
69 G.A. (2nd Session) January 11, 1982

**Code 1983** (compiled)
70 G.A. (1st Session) January 10, 1983

**Code Supplement 1983**
70 G.A. (2nd Session) January 9, 1984

**Code 1985** (compiled)
71 G.A. (1st Session) January 14, 1985

**Code Supplement 1985**
71 G.A. (2nd Session) January 13, 1986

**Code 1987** (compiled)
72 G.A. (1st Session) January 12, 1987
72 G.A. May 21, 1987, extra session
72 G.A. October 27, 1987, extra session

**Code Supplement 1987**
72 G.A. (2nd Session) January 11, 1988

**Code 1989** (compiled)
73 G.A. (1st Session) January 9, 1989

**Code Supplement 1989**
73 G.A. (2nd Session) January 8, 1990

**Code 1991** (compiled)
74 G.A. (1st Session) January 14, 1991

**Code Supplement 1991**
74 G.A. (2nd Session) January 13, 1992
74 G.A. May 20, 1992, extra session
74 G.A. June 25, 1992, extra session

**Code 1993** (compiled)
75 G.A. (1st Session) January 11, 1993

**Code Supplement 1993**
75 G.A. (2nd Session) January 10, 1994

**Code 1995** (compiled)
76 G.A. (1st Session) January 9, 1995

**Code Supplement 1995**
76 G.A. (2nd Session) January 8, 1996

**Code 1997** (compiled)
77 G.A. (1st Session) January 13, 1997

**Code Supplement 1997**
77 G.A. (2nd Session) January 12, 1998

**Code 1999** (compiled)
78 G.A. (1st Session) January 11, 1999

**Code Supplement 1999**
78 G.A. (2nd Session) January 10, 2000

**Code 2001** (compiled)
79 G.A. (1st Session) January 8, 2001
79 G.A. June 19, 2001, extra session
79 G.A. November 8, 2001, extra session

**Code Supplement 2001**
79 G.A. (2nd Session) January 14, 2002
79 G.A. April 22, 2002, extra session
79 G.A. May 28, 2002, extra session

**Code 2003** (compiled)
80 G.A. (1st Session) January 13, 2003
80 G.A. May 29, 2003, extra session

**Code Supplement 2003**
80 G.A. (2nd Session) January 12, 2004
80 G.A. September 7, 2004, extra session

**Code 2005** (compiled)
81 G.A. (1st Session) January 10, 2005

**Code Supplement 2005**
81 G.A. (2nd Session) January 9, 2006
81 G.A. July 14, 2006, extra session

**Code 2007** (compiled)
82 G.A. (1st Session) January 8, 2007

**Code Supplement 2007**
82 G.A. (2nd Session) January 14, 2008

**Code 2009** (compiled)
83 G.A. (1st Session) January 12, 2009

**Code Supplement 2009**
83 G.A. (2nd Session) January 11, 2010

**Code 2011** (compiled)
84 G.A. (1st Session) January 10, 2011

**Code Supplement 2011**
84 G.A. (2nd Session) January 9, 2012

**Code 2013** (compiled)
85 G.A. (1st Session) January 14, 2013

For a summary of the history of codification in Iowa the reader is referred to Emlin McClain's discussion in 1 Iowa Law Bulletin 1-28; also, Dan E. Clark's paper in Statute Law-Making in Iowa in 3 Iowa Applied History Series 399-427. For a more detailed treatment of the subject see a series of articles by Clifford Powell in The Iowa Journal of History and Politics, volumes 9-12, and an article by O.K. Patton on "The Iowa Code of 1924" published in the Iowa Law Bulletin, Volume X, No. 1.

# IOWA-MISSOURI BOUNDARY COMPROMISE

**48th GENERAL ASSEMBLY**

**State of Iowa**

CHAPTER 304
H. F. 651

AN ACT to provide for the relinquishment of jurisdiction over certain lands lying in Lee County, State of Iowa, to the State of Missouri.

*Be it enacted by the General Assembly of the State of Iowa:*

SECTION 1. The Des Moines river in its present course, as heretofore declared by the Congress of the United States, shall be and remain the true boundary line between the State of Missouri and the State of Iowa.

SEC. 2. The State of Iowa hereby relinquishes all jurisdiction to all lands in Lee County lying south and west of the Des Moines River, being south and east of the east and west boundary line between the States of Iowa and Missouri.

SEC. 3. The title of record in Missouri to any lands, the jurisdiction of which is relinquished to the State of Iowa, shall be accepted as the record title by the courts of Iowa.

SEC. 4. Nothing in this act shall be deemed or construed to affect pending litigation, if any, affecting the title to any of the land being relinquished by the State of Missouri to the State of Iowa. Provided further that any matter now in controversy and affecting the title to the land being relinquished by the State of Missouri to the State of Iowa shall be continued in the courts of the State of Missouri until the final determination thereof and such final determination shall be accepted by the courts of the State of Iowa with full force and effect.

SEC. 5. The land being relinquished to the State of Iowa, upon which taxes have been lawfully imposed in the State of Missouri during the year preceding transfer, shall not thereafter be subject to the imposition of taxes in the State of Iowa until the next succeeding year.

SEC. 6. The effective date of the relinquishment of jurisdiction over the lands herein described shall be midnight of the thirty-first (31st) day of December following the passage of the Act of Congress approving the relinquishment of jurisdiction.

SEC. 7. This Act shall be void and of no effect unless a similar Act relinquishing and waiving to the State of Iowa all claim of jurisdiction over land lying north and east of the Des Moines River is passed by the legislature of the State of Missouri at its present session.

SEC. 8. (Effective on publication, April 23, 1939.)

## 60th GENERAL ASSEMBLY

### State of Missouri

Laws 1939, P. 475
S. B. 350

AN ACT authorizing the compromising and settling of a controversy between the State of Missouri and the State of Iowa over a part of the boundary between said states caused by a shifting of the channel of the Des Moines River and providing for the re-affirmance and re-establishing of said boundary line as being the Des Moines River, as heretofore established by Congress, and providing for the relinquishment of all claim of jurisdiction by Missouri to all lands lying north and east of the Des Moines River, and providing that the title of record in Iowa to any lands, the jurisdiction of which is relinquished by the State of Missouri, shall be accepted as the record title by the Courts of the State of Missouri, and providing further for the disposition of pending litigation, and providing for the jurisdiction of the courts over said land, the imposition of taxes thereon, and the effective date of this Act, and providing that said Act shall be void and of no effect unless a similar Act is passed by the Legislature of the State of Iowa, at its present session, relinquishing all claim of jurisdiction over all land lying south and west of the Des Moines River, with an emergency clause, and declaring this to be a revision bill, and also a subject matter recommended by the Governor in a special message to the General Assembly.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

SECTION 1. The Des Moines River shall be the true boundary line as between Missouri and Iowa.

SEC. 2. The State of Missouri hereby relinquishes all jurisdiction to all lands lying north and east of the Des Moines River.

SEC. 3. The title of record in Iowa to any lands, the jurisdiction of which is relinquished to the State of Missouri, shall be accepted as the record title by the Courts of the State of Missouri.

SEC. 4. Nothing in this Act shall be deemed or construed to affect pending litigation, if any, affecting the title to any of the land being relinquished by the State of Iowa to the State of Missouri. Provided further that any matter now in controversy and affecting the title to the land being relinquished by the State of Iowa to the State of Missouri shall be continued in the courts of the State of Iowa until the final determination thereof, and such final determination shall be accepted by the Courts of the State of Missouri with full force and effect.

SEC. 5. The land being relinquished to the State of Missouri, upon which taxes have been lawfully imposed in the State of Iowa during the year preceding transfer, shall not thereafter be subject to the imposition of taxes in the State of Missouri until the next succeeding year.

SEC. 6. The effective date of the relinquishment of jurisdiction over the land herein described shall be midnight of the thirty-first (31st) day of December following the passage of the Act of Congress approving the relinquishment of jurisdiction.

SEC. 7. This Act shall be void and of no effect unless a similar act relinquishing and waiving to the State of Missouri, all claim of jurisdiction over land in Lee County, Iowa, lying south and west of the Des Moines River is passed by the Legislature of the State of Iowa at its present session.

SEC. 8. A controversy existing between the Courts of the State of Missouri and the Courts of the State of Iowa as to which has jurisdiction over certain land abutting upon the Des Moines River and between the County of Lee in Iowa and the County of Clark in Missouri as to the right to levy and collect taxes on said land and so that the public peace may be preserved, creates and there is an emergency which exists within the meaning of the Constitution and this Act shall take effect and be in force from and after its passage and approval.

SEC. 9. By reason of revising the Statutes relating to boundaries of counties and settling a dispute as to the boundary between this state and the State of Iowa which is the northern boundary of Clark County, the General Assembly hereby declares this bill to be a revision bill within the meaning of Section 41, Article IV, of the Constitution of Missouri; and also, this bill has in pursuance of Section 41, Article IV, of the Constitution of Missouri been recommended by the Governor, by special message, for the consideration of the General Assembly.

[House committee substitute for Senate Bill No. 350. Effective June 16, 1939.]

## ACT OF CONGRESS

**Approved August 10, 1939**

53 U. S. Public Laws 1345

WHEREAS, under date of December 13, 1937, the State of Missouri commenced suit against the State of Iowa in the Supreme Court of the United States for the purpose of determining the boundary line between the County of Clark in the State of Missouri and the County of Lee in the State of Iowa; and

WHEREAS, by stipulation filed in the said Supreme Court of the United States, it was proposed that the legislature of Iowa and the legislature of Missouri pass like bills, the State of Missouri waiving and relinquishing to the State of Iowa all jurisdiction to lands lying North and East of the Des Moines River, now in the County of Clark, State of Missouri, and the State of Iowa waiving and relinquishing to the State of Missouri all lands lying South and West of the Des Moines River, and now in the County of Lee, State of Iowa, and that said Acts be submitted to the Congress of the United States for its approval; and

WHEREAS, in accordance with said stipulation, the Forty-eighth General Assembly of the State of Iowa did at such session pass such Act, this Act being known and designated as House File No. 651, Acts of the Forty-eighth General Assembly of Iowa, bearing the signatures of John R. Irwin, Speaker of the House; Bourke B. Hickenlooper, President of the Senate; and the signature and approval of George A. Wilson, Governor of Iowa, under date of April 18th, 1939, said Act being thereupon properly published and becoming law under date of April 23, 1939; and

WHEREAS, said Act provided in substance that the Des Moines River in its present course as heretofore declared by the Congress of the United States, shall be and remain the true boundary line between the State of Missouri and the State of Iowa; that the State of Iowa relinquishes all jurisdiction to all lands in Lee County lying South and West of the Des Moines River, being South and East of the East and West boundary line between the States of Iowa and Missouri, and that the effective date of the relinquishment of jurisdiction shall be as of midnight of the 31st day of December following the passage of the Act of Congress approving the relinquishment of jurisdiction; and

WHEREAS, in accordance with stipulation as aforesaid, the Sixtieth General Assembly of the State of Missouri did, at such session, pass a like Act, this Act being known and designated as Senate Bill 350 of the Acts of the Sixtieth General Assembly of Missouri and bearing the

signature and approval of Lloyd C. Stark, Governor of Missouri, under the date of June 16, 1939; and

WHEREAS, said Act provides in substance that the Des Moines River shall be the true boundary line as between Missouri and Iowa; that the State of Missouri relinquishes all jurisdiction to all lands lying North and East of the Des Moines River and that the effective date of the relinquishment of jurisdiction over the land herein described shall be as of midnight of the 31st day of December following the passage of the Act of Congress approving the relinquishment of jurisdiction; and

WHEREAS, the said Acts of the States of Iowa and Missouri constitute an agreement between said States establishing a boundary between said States; Therefore be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the consent of the Congress is hereby given to such agreement and to the establishment of such boundary; and said Acts of the States of Iowa and Missouri are hereby approved. [Pub. Res. No. 47, 76th Congress.]

Approved, August 10, 1939.

# IOWA-NEBRASKA BOUNDARY COMPROMISE

**50th GENERAL ASSEMBLY**

**State of Iowa**

Chapter 306
H. F. 437

AN ACT to establish the boundary line between Iowa and Nebraska, by agreement; to cede to Nebraska and to relinquish jurisdiction over lands now in Iowa but lying westerly of said boundary line and contiguous to lands in Nebraska; to provide that the provisions of this Act become effective upon the enactment of a similar and reciprocal law by Nebraska and the approval of and consent to the compact thereby effected by the Congress of the United States of America and to declare an emergency.

*Be It Enacted by the General Assembly of the State of Iowa:*

SECTION 1. On and after the enactment of a similar and reciprocal law by the State of Nebraska, and the approval and consent of the Congress of the United States of America, as hereinafter provided, the boundary line between the States of Iowa and Nebraska shall be described as follows:

Commencing at a point on the south line of section 20, in township 75 N., range 44 W. of the fifth principal meridian, produced 861 1/2 feet west of the S. E. corner of said section, and running thence northwesterly to a point on the south line of lot 4 of section 10, in township 15 N., of range 13 E. of the sixth principal meridian, 2,275 feet east of the S. W. corner of the N. W. 1/4 of the S. E. 1/4 of said section 10; thence northerly, to a point on the north line of lot 4 aforesaid, 2,068 feet east of the center line of said section 10; thence north, to a point on the north line of section 10, 2,068 feet east of the quarter section corner on the north line of said section 10; thence northerly, to a point 312 feet west of the S. E. corner of lot 1, in section 3, township 15 N., range 13 E., aforesaid; thence northerly, to a point on the section line between sections 2 and 3, 358 feet south of the quarter section corner on said line; thence northeasterly, to the center of the S. E. 1/4 of the N. W. 1/4 of section 2 aforesaid; thence east, to the center of the W. 1/2 of lot 5, otherwise described as the S. W. 1/4 of the N. W. 1/4 of section 1, in township 15, range 13, aforesaid; thence southeasterly, to a point on the south line of lot 5 aforesaid, 1,540 feet west of the center of section 1, last aforesaid; thence south 2,050 feet, to a point 1,540 feet west of the north and south open line through said section 1; thence southwesterly, to the S. W. corner of the N. E. 1/4 of the S. W. 1/4 of section 21, in township 75 N., range 44 W. of the fifth principal meridian; thence southeasterly, to a point 660 feet south of the N. E. corner of the N. W. 1/4 of the N. E. 1/4 of section 28, in township 75 N., range 44 W., aforesaid; and said line produced to the center of the channel of the Missouri river; thence up the middle of the main channel of the Missouri river to a point opposite the middle of the main channel of the Big Sioux river.

Commencing again at the point of beginning first named, namely, a point on the south line of section 20, in township 75 N., range 44 W. of the fifth principal meridian, produced 861 1/2 feet west of S. E. corner of said section, and running thence southeasterly to a point 660 feet east of the S. W. corner of the N. W. 1/4 of the N. W. 1/4 of section 28, in township 75 N., range 44 W. of the fifth principal meridian, and said line produced to the center of the channel of the Missouri river; thence down the middle of the main channel of the Missouri river to the northern boundary of the State of Missouri.

The said middle of the main channel of the Missouri river referred to in this act shall be the center line of the proposed stabilized channel of the Missouri river as established by the United States engineers' office, Omaha, Nebraska, and shown on the alluvial plain maps of the Missouri river from Sioux City, Iowa, to Rulo, Nebraska, and identified by file numbers AP-1 to 4 inclusive, dated January 30, 1940, and file numbers AP-5 to 10 inclusive, dated

March 29, 1940, which maps are now on file in the United States engineers' office at Omaha, Nebraska, and copies of which maps are now on file with the secretary of state of the State of Iowa and with the secretary of state of the State of Nebraska.

SEC. 2. The State of Iowa hereby cedes to the State of Nebraska and relinquishes jurisdiction over all lands now in Iowa but lying westerly of said boundary line and contiguous to lands in Nebraska.

SEC. 3. Titles, mortgages, and other liens good in Nebraska shall be good in Iowa as to any lands Nebraska may cede to Iowa and any pending suits or actions concerning said lands may be prosecuted to final judgment in Nebraska and such judgment shall be accorded full force and effect in Iowa.

SEC. 4. Taxes for the current year may be levied and collected by Nebraska or its authorized governmental subdivisions and agencies on lands ceded to Iowa and any liens or other rights accrued or accruing, including the right of collection, shall be fully recognized and the county treasurers of the counties affected shall act as agents in carrying out the provisions of this section: *Provided*, that all liens or other rights accrued or accruing, as aforesaid, shall be claimed or asserted within five years after this act becomes effective, and if not so claimed or asserted, shall be forever barred.

SEC. 5. The provisions of this act shall become effective only upon the enactment of a similar and reciprocal law by the State of Nebraska and the approval of and consent to the compact thereby effected by the Congress of the United States of America. Said similar and reciprocal law shall contain provisions identical with those contained herein for the cession to Iowa of all lands now in Nebraska but lying easterly of said boundary line described in section 1 of this act and contiguous to lands in Iowa and also contain provisions identical with those contained in sections 3 and 4 of this act but applying to lands ceded to Nebraska.

SEC. 6. (Effective on publication, April 21, 1943.)

## 56th GENERAL ASSEMBLY

### State of Nebraska

Chapter 130
L. B. 438

AN ACT to establish the boundary line between Iowa and Nebraska by agreement; to cede to Iowa and to relinquish jurisdiction over lands now in Nebraska but lying easterly of said boundary line and contiguous to lands in Iowa; to provide that the provisions of this act shall become effective upon the approval of and consent of the Congress of the United States of America to the compact effected by this act and House File 437 of the 1943 Session of the Iowa Legislature; to repeal Chapter 121, Session Laws of Nebraska, 1941; and to declare an emergency.

*Be it enacted by the people of the state of Nebraska,*

SECTION 1. That on and after the approval and consent of the Congress of the United States of America to this act and a similar and reciprocal act enacted by the Legislature of the State of Iowa, as hereinafter provided, the boundary line between the States of Iowa and Nebraska shall be described as follows:

Commencing at a point on the south line of section 20, in township 75 N., range 44 W. of the fifth principal meridian, produced 861 1/2 feet west of the S. E. corner of said section, and running thence northwesterly to a point on the south line of lot 4 of section 10, in township

15 N., of range 13 E. of the sixth principal meridian, 2,275 feet east of the S. W. corner of the N. W. 1/4 of the S. E. 1/4 of said section 10; thence northerly, to a point on the north line of lot 4 aforesaid, 2,068 feet east of the center line of said section 10; thence north, to a point on the north line of section 10, 2,068 feet east of the quarter section corner on the north line of said section 10; thence northerly, to a point 312 feet west of the S. E. corner of lot 1, in section 3, township 15 N., range 13 E., aforesaid; thence northerly, to a point on the section line between sections 2 and 3, 358 feet south of the quarter section corner on said line; thence northeasterly, to the center of the S. E. 1/4 of the N. W. 1/4 of section 2 aforesaid; thence east, to the center of the W. 1/2 of lot 5, otherwise described as the S. W. 1/4 of the N. W. 1/4 of section 1, in township 15, range 13, aforesaid; thence southeasterly, to a point on the south line of lot 5 aforesaid, 1,540 feet west of the center of section 1, last aforesaid; thence south 2,050 feet, to a point 1,540 feet west of the north and south open line through said section 1; thence southwesterly, to the S. W. corner of the N. E. 1/4 of the S. W. 1/4 of section 21, in township 75 N., range 44 W. of the fifth principal meridian; thence southeasterly, to a point 660 feet south of the N. E. corner of the N. W. 1/4 of the N. E. 1/4 of section 28, in township 75 N., range 44 W., aforesaid; and line produced to the center of the channel of the Missouri river; thence up the middle of the main channel of the Missouri river to a point opposite the middle of the main channel of the Big Sioux river.

Commencing again at the point of beginning first named, namely, a point on the south line of section 20, in township 75 N., range 44 W. of the fifth principal meridian, produced 861 1/2 feet west of S. E. corner of said section, and running thence southeasterly to a point 660 feet east of the S. W. corner of the N. W. 1/4 of the N. W. 1/4 of section 28, in township 75 N., range 44 W. of the fifth principal meridian, and said line produced to the center of the channel of the Missouri river; thence down the middle of the main channel of the Missouri river to the northern boundary of the State of Missouri.

The said middle of the main channel of the Missouri river referred to in this act shall be the center line of the proposed stabilized channel of the Missouri river as established by the United States engineers' office, Omaha, Nebraska, and shown on the alluvial plain maps of the Missouri river from Sioux City, Iowa, to Rulo, Nebraska, and identified by file numbers AP-1 to 4 inclusive, dated January 30, 1940, and file numbers AP-5 to 10 inclusive, dated March 29, 1940, which maps are now on file in the United States engineers' office at Omaha, Nebraska, and copies of which maps are now on file with the Secretary of State of the State of Iowa and with the Secretary of State of the State of Nebraska.

SEC. 2. The State of Nebraska hereby cedes to the State of Iowa and relinquishes jurisdiction over all lands now in Nebraska but lying easterly of said boundary line and contiguous to lands in Iowa.

SEC. 3. Titles, mortgages, and other liens good in Iowa shall be good in Nebraska as to any lands Iowa may cede to Nebraska, and any pending suits or actions concerning said lands may be prosecuted to final judgment in Iowa and such judgment shall be accorded full force and effect in Nebraska.

SEC. 4. Taxes for the current year may be levied and collected by Iowa, or its authorized governmental subdivisions and agencies, on lands ceded to Nebraska and any liens or other rights accrued or accruing including the right of collection, shall be fully recognized and the county treasurers of the counties affected shall act as agents in carrying out the provisions of this section; Provided, that all liens or other rights accrued or accruing, as aforesaid, shall be claimed or asserted within five years after this act becomes effective, and if not so claimed or asserted, shall be forever barred.

SEC. 5. The provisions of this act shall become effective only upon the approval and consent of the Congress of the United States of America to the compact effected by this act and the similar and reciprocal act enacted by the 1943 Session of the Legislature of Iowa as House File 437 of that body.

SEC. 6. That Chapter 121, Session Laws of Nebraska, 1941, is repealed.

SEC. 7. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.

Approved May 7, 1943.

## ACT OF CONGRESS

### Approved July 12, 1943

U. S. Public Laws
[Public Law 134 — 78th Congress]
[Chapter 220 — 1st Session]
[H. R. 2794]

AN ACT to approve and consent to the compact entered into by Iowa and Nebraska establishing the boundary between Iowa and Nebraska.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the approval and consent of the Congress is hereby given to the compact effected by an Act enacted by the Legislature of the State of Iowa entitled "An Act to establish the boundary line between Iowa and Nebraska by agreement; to cede to Nebraska and to relinquish jurisdiction over lands now in Iowa but lying westerly of said boundary line and contiguous to lands in Nebraska; to provide that the provisions of this Act become effective upon the enactment of a similar and reciprocal law by Nebraska and the approval of and consent to the compact thereby effected by the Congress of the United States of America and to declare an emergency", approved April 15, 1943 (House File 437, Acts of the Fiftieth General Assembly), and the similar and reciprocal Act enacted by the State of Nebraska entitled "A bill for an Act to establish the boundary line between Iowa and Nebraska by agreement; to cede to Iowa and to relinquish jurisdiction over lands now in Nebraska but lying easterly of said boundary line and contiguous to lands in Iowa; to provide that the provisions of this Act shall become effective upon the approval of and consent of the Congress of the United States of America to the compact effected by this Act and House File 437 of the 1943 Session of the Iowa Legislature; to repeal Chapter 121, Session Laws of Nebraska, 1941; and to declare an emergency", approved May 7, 1943 (Legislative bill 438, Fifty-sixth session of the Nebraska State Legislature).

Approved July 12, 1943.

# ADMISSION OF IOWA INTO THE UNION

AN ACT FOR THE ADMISSION OF THE STATES OF
IOWA AND FLORIDA INTO THE UNION.

[*Approved March 3, 1845.*]

WHEREAS, the people of the Territory of Iowa did, on the seventh day of October, eighteen hundred and forty-four, by a convention of delegates called and assembled for that purpose, form for themselves a constitution and State government; and whereas, the people of the Territory of Florida did, in like manner, by their delegates, on the eleventh day of January, eighteen hundred and thirty-nine, form for themselves a constitution and State government, both of which said constitutions are republican; and said conventions having asked the admission of their respective Territories into the Union as States, on equal footing with the original States;

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the States of Iowa and Florida be, and the same are hereby, declared to be States of the United States of America, and are hereby admitted into the Union on equal footing with the original States, in all respects whatsoever.

SEC. 2. *And be it further enacted,* That the following shall be the boundaries of the said State of Iowa, to wit: Beginning at the mouth of the Des Moines river, at the middle of the Mississippi, thence by the middle of the channel of that river to a parallel of latitude passing through the mouth of the Mankato or Blue-Earth river, thence west along the said parallel of latitude to a point where it is intersected by a meridian line, seventeen degrees and thirty minutes west of the meridian of Washington city, thence due south to the northern boundary line of the State of Missouri, thence eastwardly following that boundary to the point at which the same intersects the Des Moines river, thence by the middle of the channel of that river to the place of beginning.

SEC. 3. *And be it further enacted,* That the said State of Iowa shall have concurrent jurisdiction on the river Mississippi, and every other river bordering on the said State of Iowa, so far as the said rivers shall form a common boundary to said State, and any other State or States now or hereafter to be formed or bounded by the same: Such rivers to be common to both: And that the said river Mississippi, and the navigable waters leading into the same, shall be common highways, and forever free as well to the inhabitants of said State, as to all other citizens of the United States, without any tax, duty, impost, or toll therefor, imposed by the said State of Iowa.

SEC. 4. *And be it further enacted,* That it is made and declared to be a fundamental condition of the admission of said State of Iowa into the Union, that so much of this act as relates to the said State of Iowa shall be assented to by a majority of the qualified electors at their township elections, in the manner and at the time prescribed in the sixth section of the thirteenth article of the constitution adopted at Iowa city the first day of November, anno Domini eighteen hundred and forty-four, or by the legislature of said State. And as soon as such assent shall be given, the President of the United States shall announce the same by proclamation; and therefrom and without further proceedings on the part of Congress, the admission of the said State of Iowa into the Union, on an equal footing in all respects whatever with the original States, shall be considered as complete.

SEC. 5. *And be it further enacted,* That said State of Florida shall embrace the territories of East and West Florida, which by the treaty of amity, settlement and limits between the United States and Spain, on the twenty-second day of February, eighteen hundred and nineteen, were ceded to the United States.

SEC. 6. *And be it further enacted,* That until the next census and apportionment shall be made, each of said States of Iowa and Florida shall be entitled to one representative in the House of Representatives of the United States.

SEC. 7. *And be it further enacted,* That said States of Iowa and Florida are admitted into the Union on the express condition that they shall never interfere with the primary disposal of the public lands lying within them, nor levy any tax on the same whilst remaining the property of the United States: *Provided*, That the ordinance of the convention that formed the constitution of Iowa, and which is appended to the said constitution, shall not be deemed or taken to have any effect or validity, or to be recognized as in any manner obligatory upon the Government of the United States.

## AN ACT SUPPLEMENTAL TO THE ACT FOR THE ADMISSION OF THE STATES OF IOWA AND FLORIDA INTO THE UNION.

[*Approved March 3, 1845.*]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the laws of the United States, which are not locally inapplicable, shall have the same force and effect within the State of Iowa as elsewhere within the United States.

SEC. 2. *And be it further enacted,* That the said State shall be one district, and be called the district of Iowa; and a district court shall be held therein, to consist of one judge, who shall reside in the said district, and be called a district judge. He shall hold, at the seat of government of the said State, two sessions of the said district court annually, on the first Monday in January, and he shall, in all things, have and exercise the same jurisdiction and powers which were by law given to the judge of the Kentucky district, under an act entitled "An act to establish the judicial courts of the United States." He shall appoint a clerk for the said district, who shall reside and keep the records of the said court at the place of holding the same; and shall receive, for the services performed by him, the same fees to which the clerk of the Kentucky district is by law entitled for similar services.

SEC. 3. *And be it further enacted,* That there shall be allowed to the judge of the said district court the annual compensation of fifteen hundred dollars, to commence from the date of his appointment, to be paid quarterly at the treasury of the United States.

SEC. 4. *And be it further enacted,* That there shall be appointed in the said district, a person learned in the law, to act as attorney for the United States; who shall, in addition to his stated fees, be paid annually by the United States two hundred dollars, as a full compensation for all extra services: the said payments to be made quarterly, at the treasury of the United States.

SEC. 5. *And be it further enacted,* That a marshal shall be appointed for the said district, who shall perform the same duties, be subject to the same regulations and penalties, and be entitled to the same fees, as are prescribed and allowed to marshals in other districts; and shall, moreover, be entitled to the sum of two hundred dollars annually, as a compensation for all extra services.

SEC. 6. *And be it further enacted,* That in lieu of the propositions submitted to the Congress of the United States, by an ordinance passed on the first day of November, eighteen hundred and forty-four, by the convention of delegates at Iowa city, assembled for the purpose of making a constitution for the State of Iowa, which are hereby rejected, the following propositions be, and the same are hereby, offered to the legislature of the State of

Iowa, for their acceptance or rejection; which, if accepted, under the authority conferred on the said legislature, by the convention which framed the constitution of the said State, shall be obligatory upon the United States:

First. That section numbered sixteen in every township of the public lands, and, where such section has been sold or otherwise disposed of, other lands equivalent thereto, and as contiguous as may be, shall be granted to the State for the use of schools.

Second. That the seventy-two sections of land set apart and reserved for the use and support of a university, by an act of Congress approved on the twentieth day of July, eighteen hundred and forty, entitled "An act granting two townships of land for the use of a university in the Territory of Iowa," are hereby granted and conveyed to the State, to be appropriated solely to the use and support of such university, in such manner as the legislature may prescribe.

Third. That five entire sections of land, to be selected and located under the direction of the legislature, in legal divisions of not less than one quarter section, from any of the unappropriated lands belonging to the United States within the said State, are hereby granted to the State for the purpose of completing the public buildings of the said State, or for the erection of public buildings at the seat of government of the said State, as the legislature may determine and direct.

Fourth. That all salt springs within the State, not exceeding twelve in number, with six sections of land adjoining, or as contiguous as may be to each, shall be granted to the said State for its use; the same to be selected by the legislature thereof, within one year after the admission of said State, and the same, when so selected, to be used on such terms, conditions, and regulations, as the legislature of the State shall direct: *Provided*, That no salt spring, the right whereof is now vested in any individual or individuals, or which may hereafter be confirmed or adjudged to any individual or individuals, shall, by this section, be granted to said State: *And provided, also,* That the General Assembly shall never lease or sell the same, at any one time, for a longer period than ten years, without the consent of Congress.

Fifth. That five per cent. of the net proceeds of sales of all public lands lying within the said State, which have been, or shall be sold by Congress, from and after the admission of said State, after deducting all the expenses incident to the same, shall be appropriated for making public roads and canals within the said State, as the legislature may direct: *Provided*, That the five foregoing propositions herein offered are on the condition that the legislature of the said State, by virtue of the powers conferred upon it by the convention which framed the constitution of the said State, shall provide, by an ordinance, irrevocable without the consent of the United States, that the said State shall never interfere with the primary disposal of the soil within the same by the United States, nor with any regulations Congress may find necessary for securing the title in such soil to the bona fide purchasers thereof; and that no tax shall be imposed on lands the property of the United States; and that in no case shall non-resident proprietors to be taxed higher than residents; and that the bounty lands granted, or hereafter to be granted, for military services during the late war, shall, while they continue to be held by the patentees or their heirs, remain exempt from any tax laid by order or under the authority of the State, whether for State, county, township, or any other purpose, for the term of three years from and after the date of the patents, respectively.

## AN ACT TO DEFINE THE BOUNDARIES OF THE STATE OF IOWA

[*Approved August 4, 1846.*]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following shall be, and they are hereby, declared to be the boundaries of the State of Iowa, in lieu of those prescribed by the second section of the act of

the third of March, eighteen hundred and forty-five, entitled "An Act for the Admission of the States of Iowa and Florida into the Union," viz. Beginning in the middle of the main channel of the Mississippi River, at a point due east of the middle of the mouth of the main channel of the Des Moines River; thence up the middle of the main channel of the said Des Moines River, to a point on said river where the northern boundary line of the State of Missouri, as established by the constitution of that State, adopted June twelfth, eighteen hundred and twenty, crosses the said middle of the main channel of the said Des Moines River; thence, westwardly, along the said northern boundary line of the State of Missouri, as established at the time aforesaid, until an extension of said line intersect the middle of the main channel of the Missouri River; thence, up the middle of the main channel of the said Missouri River, to a point opposite the middle of the main channel of the Big Sioux River, according to Nicollet's map; thence, up the main channel of the said Big Sioux River, according to said map, until it is intersected by the parallel of forty-three degrees and thirty minutes north latitude; thence east, along said parallel of forty-three degrees and thirty minutes, until said parallel intersect the middle of the main channel of the Mississippi River; thence, down the middle of the main channel of said Mississippi River, to the place of beginning.

SEC. 2. * * * * *

SEC. 3. * * * * *

SEC. 4. *And be it further enacted,* That so much of the act of the third of March, eighteen hundred and forty-five, entitled "An Act for the Admission of the States of Iowa and Florida into the Union," relating to the said State of Iowa, as is inconsistent with the provisions of this act, be and the same is hereby repealed. [9 Stat. L. 52]

## AN ACT FOR THE ADMISSION OF THE STATE OF IOWA INTO THE UNION

[*Approved December 28, 1846.*]

WHEREAS, the people of the Territory of Iowa did, on the eighteenth day of May, anno Domini eighteen hundred and forty-six, by a convention of delegates called and assembled for that purpose, form for themselves a constitution and State government — which constitution is republican in its character and features — and said convention has asked admission of the said Territory into the Union as a State, on an equal footing with the original States, in obedience to "An Act for the Admission of the States of Iowa and Florida into the Union," approved March third, eighteen hundred forty-five [5 Stat. L. 742, 743.], and "An Act to define the Boundaries of the State of Iowa, and to repeal so much of the Act of the third of March, one thousand eight hundred and forty-five as relates to the Boundaries of Iowa," which said last act was approved August fourth, anno Domini eighteen hundred and forty-six [9 Stat. L. 52.]; Therefore–

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the State of Iowa shall be one, and is hereby declared to be one, of the United States of America, and admitted into the Union on an equal footing with the original States in all respects whatsoever.

SEC. 2. *And be it further enacted,* That all the provisions of "An Act supplemental to the Act for the Admission of the States of Iowa and Florida into the Union," approved March third, eighteen hundred and forty-five [5 Stat. L. 788-790.], be, and the same are hereby declared to continue and remain in full force as applicable to the State of Iowa, as hereby admitted and received into the Union.

Approved, December 28, 1846. [9 Stat. L. 117.]

## AN ACT AND ORDINANCE ACCEPTING THE PROPOSITIONS MADE BY CONGRESS ON THE ADMISSION OF IOWA INTO THE UNION AS A STATE

[*Approved January 15, 1849.*]

SECTION 1. *Be it enacted and ordained by the General Assembly of the State of Iowa,* That the propositions to the State of Iowa on her admission into the Union, made by the act of Congress, entitled "An act supplemental to the act for the admission of the States of Iowa and Florida into the Union," approved March 3, 1845, and which are contained in the sixth section of that act, are hereby accepted in lieu of the propositions submitted to Congress by an ordinance, passed on the first day of November, eighteen hundred and forty-four, by the convention of delegates which assembled at Iowa City on the first Monday of October, eighteen hundred and forty-four, for the purpose of forming a Constitution for said State, and which were rejected by Congress: *Provided*, The General Assembly shall have the right, in accordance with the provisions of the second section of the tenth article of the Constitution of Iowa, to appropriate the five percent. of the net proceeds of sales of all public lands lying within the State, which have been or shall be sold by Congress from and after the admission of said State, after deducting all expenses incident to the same, to the support of common schools.

SECTION 2. *And be it further enacted and ordained,* as conditions of the grants specified in the propositions first mentioned in the foregoing section, irrevocable and unalterable without the consent of the United States, that the State of Iowa will never interfere with the primary disposal of the soil within the same by the United States, nor with any regulations Congress may find necessary for securing the title in such soil to the bona fide purchasers thereof; and that no tax shall be imposed on lands, the property of the United States; and that in no case shall non-resident proprietors be taxed higher than residents; and that the bounty lands granted, or hereafter to be granted, for military services during the late war with Great Britain, shall, while they continue to be held by the patentees or their heirs, remain exempt from any tax laid by order or under the authority of the State, whether for State, County, Township, or other purposes, for the term of three years from and after the dates of the patents respectively.

SECTION 3. It is hereby made the duty of the Secretary of State, after the taking effect of this act, to forward one copy of the same to each of our Senators and Representatives in Congress, who are hereby required to procure the consent of Congress to the diversion of the five per cent. fund indicated in the proviso to the first section of this act.

SECTION 4. This act shall take effect from and after its publication in the weekly newspapers printed in Iowa City.

## IOWA*

Iowa was organized as a Territory by Act of June 12, 1838, effective July 3, from a portion of Wisconsin Territory. The limits were defined as follows in the Act[1] creating it:
all that part of the present Territory of Wisconsin which lies west of the Mississippi river, and west of a line drawn due north from the headwaters or sources of the Mississippi to the Territorial line.

The approximate position of the outlet of Lake Itasca, which is generally accepted as the source of the Mississippi, is latitude 47° 15 1/3¢ longitude 95° 12 1/2¢ The river runs north-westward for about 6 miles before it turns east. The north-south boundary line across the western part of the Lake of the Woods is in longitude 95° 09¢11.6[2](p.14).

The following clause from an Act passed in 1839 is supplementary to the Act above quoted:[2]

That the middle or center of the main channel of the Mississippi shall be deemed, and is hereby declared, to be the eastern boundary line of the Territory of Iowa, so far or to such extent as the said Territory is bounded eastwardly by or upon said river.

On March 3, 1845, an Act was approved for the admission of Iowa to the Union as a State, but the Act required that the assent of the people of Iowa be given to it by popular vote. In this Act the boundaries were given as follows:[3]

That the following shall be the boundaries of said State of Iowa, to wit: Beginning at the mouth of the Des Moines River, at the middle of the Mississippi, thence by the middle of the channel of that river to a parallel of latitude passing through the mouth of the Mankato or Blue-Earth river [latitude 44° 10¢], thence west along the said parallel of latitude to a point where it is intersected by a meridian line, seventeen degrees and thirty minutes west of the meridian of Washington city, thence due south** to the northern boundary line of the State of Missouri, thence eastwardly following that boundary to the point at which the same intersects the Des Moines river, thence by the middle of the channel of that river to the place of beginning.

These boundaries were not acceptable to the people and by a popular vote were rejected.

Another constitutional convention was held in May, 1846, and Congress passed an Act, approved August 4, 1846, fixing the boundaries in accordance with the wishes of the people and described as follows:

Beginning at the middle of the main channel of the Mississippi River at a point due east of the middle of the mouth of the main channel of the Des Moines River; thence up the middle of the main channel of the said Des Moines River to a point on said river where the northern boundary line of the State of Missouri, as established by the constitution of that State, adopted June twelfth, eighteen hundred and twenty, crosses the said middle of the main channel of the said Des Moines River; thence westwardly along the said northern boundary line of the State of Missouri, as established at the time aforesaid, until an extension of said line intersect the middle of the main channel of the Missouri River, thence up the middle of the main channel of the said Missouri River, to a point opposite the middle of the main channel of the Big Sioux River, according to Nicollet's map; thence up the main channel of the said Big Sioux River, according to said map, until it is intersected by the parallel of forty-three degrees and thirty minutes north latitude; thence east along said parallel of forty-three degrees and thirty minutes, until said parallel intersect the middle of the main channel of the Mississippi River; thence down the middle of the main channel of said Mississippi River to the place of beginning.

Iowa was finally declared admitted to full statehood by Act of December 28, 1846.

The admission of Iowa appears to have left a large area to the north and west unattached, which so remained until Minnesota Territory was organized in 1849.

The Act of August 4, 1846, directed that a long-standing dispute between Missouri and Iowa Territory regarding their common boundary*** be referred to the United States Supreme Court for adjudication. The area claimed by both was a strip of land about 10 miles wide and 200 miles long, north of the present boundary. Missouri maintained that the clause in that state's enabling Act, "the rapids of the river Des Moines," referred to rapids in the river of that name and not to rapids of a similar name in the Mississippi, also that the Indian boundary line run and marked in 1816 by authority of the United States, known as the Sullivan line,**** was erroneously established. A line claimed by Missouri was run by J. C. Brown in 1837 by order of the State legislature.

The United States Supreme Court decided in 1849 that the Sullivan line of 1816 is the correct boundary and ordered that it be resurveyed. The report of the commissioners appointed by the court to re-mark the line was accepted in 1851.

So many of the marks on this line as established in 1850 had become lost or destroyed that the United States Supreme Court in 1896 ordered that certain parts be re-established, especially those between mileposts 50 and 55. Accordingly 20 miles of line was resurveyed by officers of the United States Coast and Geodetic Survey in 1896, and durable monuments of granite or iron were established thereon. The geographic position of milepost No. 40 was determined as latitude 40° 34.4¢ longitude 95° 51¢ and that of No. 60 as latitude 40° 34.6¢ longitude 93° 28¢

The survey of the north boundary of Iowa on the parallel of 43° 30¢ authorized by congressional Act of March 3, 1849, was completed in 1852. The position for each end of the line and for several intermediate points was determined astronomically.

This is the first State thus far noted having a boundary referred to the Washington meridian. Congress by Act approved September 28, 1850, ordered:

That hereafter the meridian of the observatory at Washington shall be adopted and used as the American meridian for all astronomic purposes and * * * Greenwich for nautical purposes.

[1] 5 Stat. L. 235.

[2] 5 Stat. L. 357.

[3] 5 Stat. L. 742.

*Reprinted from "Geological Survey Bulletin 817."

**This north-south line is a few miles west of the city of Des Moines.

***The northern boundary of Missouri had been established as "100 miles north of the junction of the Missouri and Kaw (Kansas) rivers and thence east * * *." (See 7 Howard 660 and 10 Howard 1.)

****Sullivan had disregarded the changing declination of his compass as he proceeded east; hence the southern boundary of Iowa is a curve. The following is a quotation from the commissioner's records as reported in 10 Howard (U.S.) 1,5: "We soon satisfied ourselves that the line run by Sullivan was not only not a due east line, but that it was not straight. That more or less northing should have been made in the old line was to have been expected from the fact that Sullivan ran the whole line with one variation of the needle, and that variation too great. This would account for the fact that the northing increases as he progressed east."

# CODE EDITOR'S NOTES



**Reference**

**Simple Harmonization Note**

The multiple amendments do not conflict, so they were harmonized to give effect to each as required by Code sections 2B.13 and 4.11. In some cases where this note is referred to, the amendments are identical. Under Code section 2B.13, a strike or repeal prevails over an amendment to the same material and does not create a conflict.

**101B.9**

2013 Acts, ch 139, §43, amends this Code section effective June 20, 2013, and retroactive to July 1, 2007. 2013 Acts, ch 139, §44, repeals this Code section effective July 1, 2013. The repeal prevails and was codified, but the changes by 2013 Acts, ch 139, §43, applied from July 1, 2007, until July 1, 2013.

**175.8**

2013 Acts, ch 100, §13, amends unnumbered paragraph 1 effective July 1, 2013, by striking most of the text of the paragraph and adding new language transferring agricultural development authority reporting duties to the Iowa finance authority. 2013 Acts, ch 125, §4, also amends unnumbered paragraph 1 by making technical changes and eliminating a requirement that members of the general assembly request the report by the agricultural development authority in order to receive that report. The changes by 2013 Acts, ch 125, §4, are effective June 17, 2013, and are retroactive to January 1, 2013, for tax years beginning on or after that date, but are to be stricken effective December 31, 2017. The amendments conflict. Because 2013 Acts, ch 100, §13, strikes almost all of the text that is amended by 2013 Acts, ch 125, §4, but, like 2013 Acts, ch 125, §4, eliminates the requirement that members of the general assembly must request the agricultural development authority report, 2013 Acts, ch 100, §13, was codified. However, the changes made by 2013 Acts, ch 125, §4, applied from January 1 until July 1, 2013.

**249J**

2013 Acts, ch 90, §62 and 257, amend sections 249J.6, 249J.8, 249J.14, and 249J.17 effective July 1, 2013. 2013 Acts, ch 138, §110, 111, and 112, amend sections 249J.8, 249J.23, and 249J.24 effective July 1, 2013. 2013 Acts, ch 138, §94, 179, and 187, amend section 249J.26 to repeal all of chapter 249J effective December 31, 2013. The repeal of the chapter prevails and was codified, but the changes made to sections 249J.6, 249J.8, 249J.14, and 249J.17 by 2013 Acts, ch 90, and to sections 249J.8, 249J.23, and 249J.24 by 2013 Acts, ch 138, applied from July 1, 2013, until December 31, 2013.

**280.4**

2013 Acts, ch 140, §90 and 2013 Acts, ch 121, §41, both amend subsection 3 effective July 1, 2013. Although the amendments do not conflict and were harmonized to give effect to each, the changes made by 2013 Acts, ch 140, §90, apply effective July 1, 2013, and the changes made by 2013 Acts, ch 121, §41, apply prospectively, beginning on July 1, 2014, pursuant to 2013 Acts, ch 121, §42.

**331.424A**

2012 Acts, ch 1019, §114, amended subsections 1, 2, and 3 by changing the term "mental retardation" to "intellectual disability" in reference to the mental health, intellectual disability, and developmental disabilities services fund of a county and to related services. Those amendments were effective July 1, 2012, and were codified in Code 2013. 2012 Acts, ch 1120, §132, which amends the entire Code section effective July 1, 2013, changes the term "mental health, mental retardation,

and developmental disabilities" to "mental health and disabilities" in reference to the mental health and disabilities services fund of a county and to related services. Because each of the 2012 Acts provisions was enacted without reference to the other, and because the provisions could not be harmonized, the changes made by 2012 Acts, ch 1120, §132, which have a later effective date and are more substantive in nature, were codified.

**331.432** 2012 Acts, ch 1019, §115, amended subsection 3 by changing the term "mental retardation" to "intellectual disability" in language referring to the mental health, intellectual disability, and developmental disabilities services fund of a county. The amendment was effective July 1, 2012, and was codified in Code 2013. 2012 Acts, ch 1120, §133, which is effective July 1, 2013, changes the name of the county services fund to the "mental health and disabilities services fund". Because each of the 2012 Acts provisions was enacted without reference to the other, and because the provisions could not be harmonized, the change made by 2012 Acts, ch 1120, §133, which has a later effective date and conforms with the broader changes made by that Act, was codified.

**421C.4** 2013 Acts, ch 90, §102, amends subsection 1 effective July 1, 2013, by adding the word "and". Chapter 421C is repealed pursuant to the terms of former section 421C.5 effective January 1, 2014. The repeal prevails and was codified; however, the amendment to section 421C.4, subsection 1, was effective from July 1, 2013, until January 1, 2014.

**422.7** 2013 Acts, ch 100, §23, amends subsection 19 by changing a reference to the agricultural development authority to a reference to the Iowa finance authority. 2013 Acts, ch 70, §2, strikes subsection 19, but, 2013 Acts, ch 70, §1, adds language in a new paragraph "k" of subsection 2 that is nearly identical to the language of former subsection 19. The amendments conflict and the strike of subsection 19 by 2013 Acts, ch 70, §2, was codified. However, the new language in paragraph "k" of subsection 2 was treated as a continuation of the language of former subsection 19 and the reference change by 2013 Acts, ch 100, §23, was applied there.

**427B.17** 2013 Acts, ch 94, §5, amends subsection 5, unnumbered paragraph 1, by adding a reference to chapter 437B to a string of Code chapter references. 2013 Acts, ch 90, §105, restructures the entire Code section by striking language from various places within the Code section, including all of subsection 5, by reinserting the identical language in new locations, and by correcting internal references to reflect the new locations of the language. Although the amendments by the two bills technically conflict, because the 2013 Acts, ch 90, §105, changes have the effect of simply moving the language amended by 2013 Acts, ch 94, §5, to a new location, 2013 Acts, ch 90, §105, was codified and then the change made by 2013 Acts, ch 94, §5, was applied to the language at its new location in subsection 7, paragraph "a".

**719.1** 2013 Acts, ch 90, §202, restructures and redesignates content within subsections 1 and 2 to separate language defining the offense of interference with official acts from language establishing applicable penalties, and to eliminate unnumbered paragraphs. 2013 Acts, ch 52, §3, designates unnumbered paragraphs within subsections 1 and 2 and then adds new language to each subsection to establish new penalties based on injuries that result from the commission of the offense. Although the initial designation of unnumbered paragraphs by the two

Acts technically conflicts, the balance of the lettering and the substance of the changes does not. The restructuring and redesignation enacted in 2013 Acts, ch 90, §202, was codified, because it accomplishes the purpose of eliminating unnumbered paragraphs that is contained in both Acts, and then the new language from 2013 Acts, ch 52, §3, was also codified.

# SKELETON INDEX

The Skeleton Index is intended to be used as a quick reference to enable the user to locate general subjects and specific statutes in the 2014 Iowa Code.

A more comprehensive General Index in PDF format and other electronic research tools can be accessed on the General Assembly's Internet site at www.legis.iowa.gov.


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